ICE BREAKERS · NFRA FIRST PENGUIN LEADERSHIP PROGRAM

Redesigning RGM for the Omni-Channel Cold Aisles

The extended version — data, methodology, and the full case behind our recommendations.

Case Study 2 · Revenue Growth Management in an Omnichannel Cold Chain World

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THE ASSIGNMENT

The Question We Were Asked

“How should RGM strategies evolve for frozen and refrigerated to reflect omnichannel shopper behavior, operational realities, and sustainable profitability?”

OUR ANSWER, IN ONE LINE

The four RGM levers don't need to change. Where and how we apply them does — because the shopper now moves between channels and expects both to work.

THE GUARDRAIL WE WORKED WITHIN

No increased trade spend. No shifting cost burden to the retailer. Every recommendation had to work within existing budgets — through better targeting, better pack architecture, or better shopper relationships.

What RGM Actually Means

Four levers that together protect margin and grow profitable dollars — not just volume.

PRICING

Defend the base

Price architecture that holds up when a shopper can compare every banner in one click. The question isn't just what to charge — it's whether your price ladder still makes sense when the shelf is a search results page.

PACK / PPA

Fit the trip

An 8-oz fill-in pack and a 48-oz stock-up case serve two different shoppers on two different missions. Most brands build one and hope it travels. It doesn't.

PROMO

Fund growth, not habit

Every dollar should buy a new shopper or a bigger basket. Promotions that only pull volume forward from next month aren't investments — they're deferrals.

MIX

Sell what pays

Steer the portfolio toward high-margin, on-trend SKUs. Mix is the quietest lever and often the most powerful, because it improves margin without touching price.

Why One Strategy Can't Serve Both Aisles

Frozen and refrigerated look similar on a planogram. They behave nothing alike online.

FROZEN

Constrained by freezer space

- Long shelf life removes urgency — shoppers can buy ahead without risk
- Stock-up behavior is natural; the only ceiling is physical freezer capacity
- Larger packs and club cases work because the product waits
- Higher online penetration — bulky, heavy, and awkward to carry
- Greater exposure to digital price transparency and comparison

REFRIGERATED

Constrained by shelf life

- Short code dates cap how much a shopper can responsibly buy
- Stock-up is limited — the basket grows through frequency, not size
- Shrink is the dominant operational cost and rises with every extra day
- Higher service-level sensitivity; a missed delivery slot means waste
- Freshness trust is the barrier to online adoption, not price

Implication: the same RGM playbook produces different results. Frozen rewards bigger baskets. Refrigerated rewards predictable, repeatable ones.

Omnichannel Is Now the Majority

Household modality mix for frozen and refrigerated buyers, 2026.

47.5%

of F&R households shop both channels — more than shop in-store only. Omnichannel stopped being an emerging segment.

6.5%

shop online exclusively. The store is not being replaced. It is being supplemented.

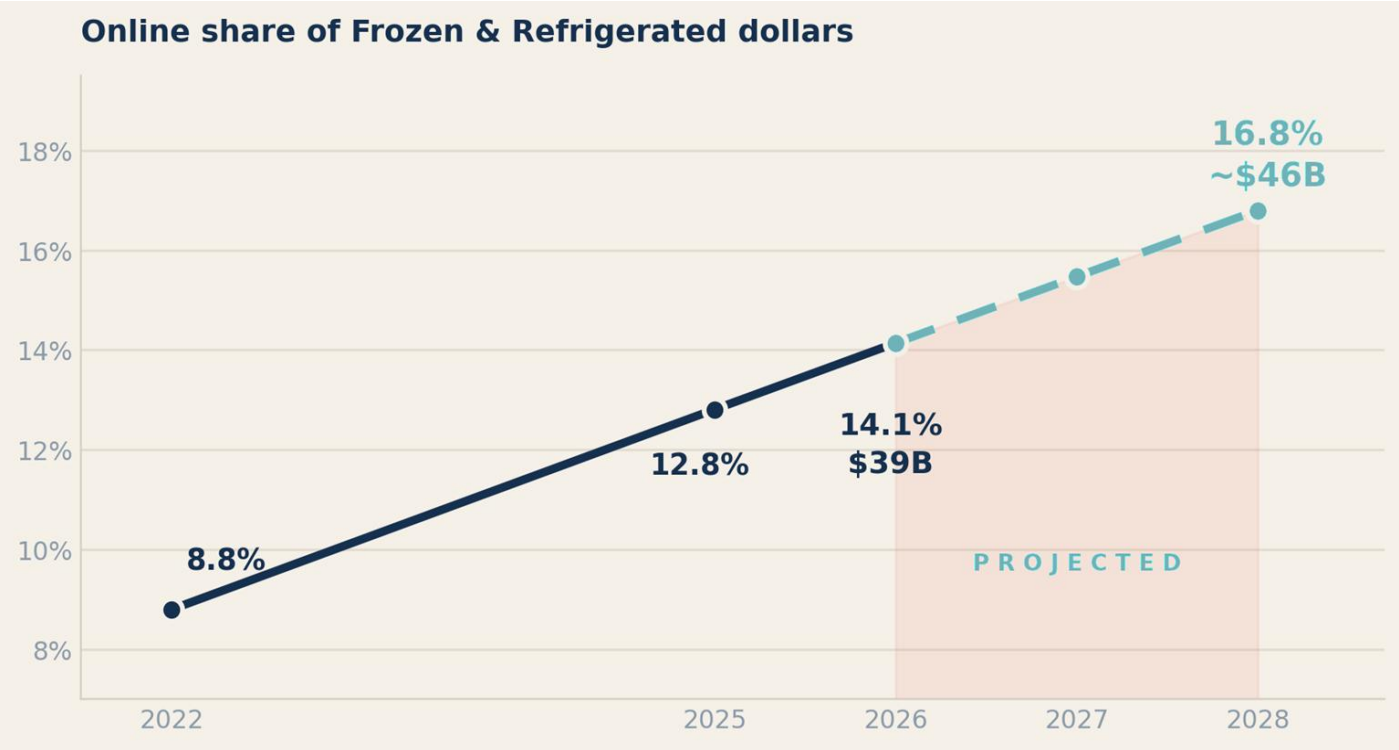
91%

of online shoppers buy frozen or refrigerated — versus 82% of in-store-only shoppers. They over-index on our categories.

Source: 84.51°, Total Kroger as US proxy, 2026. Groups are mutually exclusive.

Online Share Has Never Slowed

Online dollar share of frozen and refrigerated, with a straight-line extension of observed trend.



METHODOLOGY

Why a straight line

- Share gained ~1.3 points per year across four observed years
- We held that rate constant — no acceleration assumed
- This is conservative: the rate has not slowed once
- A logistic curve would be more precise but requires assuming a ceiling we can't defend on three data points
- CAGR on dollars was rejected — the 2026 read is partial-year

This is a trend extension, not a forecast.

Source: 84.51°, Total Kroger as US proxy. Online share calculated as online-only dollars ÷ total F&R dollars, 2022–2026.

Value Stopped Meaning Price

What shoppers actually weigh when choosing where to buy groceries.

51%	Prices and deals
50%	Quality of fresh products
37%	Location
35%	Quality store brands
25%	Loyalty program
23%	Delivery / pickup options

Fresh quality ties with price. Store brands, loyalty, and fulfillment options all rank as top-three drivers. In frozen and refrigerated, value is an ecosystem — price, trust that what arrives is good, convenience that removes friction, and assortment that offers something worth finding.

Source: Mintel, US important factors in choosing where to shop for groceries, 2026.

Each Channel Has a Different Job

Discovery and evaluation work differently depending on where the shopper is standing.

IN STORE

Wins the discovery moment

- 75% buy fresh items in-store — physical context builds quality confidence
- 55% still buy frozen exclusively in-store
- Browsing surfaces products the shopper wasn't looking for
- Sensory cues do the persuading: you see it, you trust it

ONLINE

Wins the replenishment moment

- When shoppers search for a specific item, 52% go online - the only occasion where online wins
- 61% say they make fewer impulse purchases online
- 72% want the option to approve perishables before delivery
- 64% want retailers to alert them to products they don't know about

The design implication: in-store should earn the first purchase through discovery and freshness trust. Online should earn every purchase after that through ease, consistency, and confidence in what arrives.

Source: Mintel, US grocery shopper research, 2026 — channel shopped by shopping occasion; online evaluation preferences

Demand Isn't the Problem

Structural dietary shifts are pulling shoppers toward our categories, not away.

Protein, probiotics, and better-for-you demand are actively pulling shoppers into the cold aisles.

The question isn't whether shoppers want what we make. It's whether we're easy to find, trust, and buy when they come looking.

GLP-1 is a mix shift, not a demand shock	Mintel finds the net effect on total grocery sales has been negligible. What's actually happening is reallocation — away from ultra-processed snacks, toward nutrient-dense and convenient options. Both of those live in our aisles.
Refrigerated is the clearest near-term winner	A Cornell study found grocery spend dropped 5.3% within six months of a household starting GLP-1s — but spend on healthier options like yogurt increased. Danone reports yogurt consumption nearly 3x higher in GLP-1 households.
Frozen is an innovation opportunity	Appetite suppression makes cooking harder, which raises the value of healthy convenience. Portion control, resealable formats, and reduced waste all favor frozen — but the products largely don't exist yet.

Sources: Mintel 2026; Cornell University; Danone.

OPERATIONAL REALITY

The Retailer's P&L Is the Constraint

Any recommendation that ignores these costs won't survive a buyer conversation.

SHRINK

The dominant cost in refrigerated. Every day of extra inventory raises markdown and waste risk. Online orders amplify it — a substitution or a missed pickup slot can strand short-coded product with nowhere to go.

LABOR

Online orders shift labor from the shopper to the retailer. Someone now picks, stages, and hands off every basket. In refrigerated that pick has to happen in a temperature window, which limits batching.

ENERGY

Refrigerated and frozen cases run continuously and are among the highest energy loads in the store. Case space is expensive real estate, which raises the bar for every SKU that occupies it.

FULFILLMENT

Cold chain integrity has to hold through the last mile. Delivery adds packaging, insulation, and failure risk that ambient categories never carry.

This is why our solutions avoid asking for more trade spend or shifted cost. Each one has to improve the retailer's economics, not just ours.

THE WORKED EXAMPLE

Meet Salmon Bites

A frozen, high-protein seafood snack — the kind of product that can win on the digital shelf, or disappear on it.

Rather than describe three solutions in the abstract, we applied all three to one product and ran the numbers. What follows is the detail behind each — including the trade-offs, and how each play changes when the product is refrigerated instead of frozen.

01 Promotion

02 Pack architecture

03 Subscription

SOLUTION 01 · START HERE

Spend Smarter, Sell More

Four promotional plays that grow ROI without adding budget or touching base price.

1	**Targeted digital coupon** **+18% new-to-brand · 2.3x ROI**	Clip $2 off the 24 oz multi-pack, served only to lapsed and competitive buyers through retailer media — not the whole base.	*Broad coupons subsidize buyers who would have purchased anyway. Targeting removes that waste without reducing the offer's strength for the people who need it.*
2	**Sponsored search and hero image** **+42% digital share · 3.1x ROAS**	Win “salmon,” “high-protein” and “air-fryer” keywords with a mobile-first hero image and review snippets.	*52% of online grocery trips are specific-item searches. If you don't appear in the result, you were never considered — no amount of shelf equity helps.*
3	**Threshold basket builder** **+$11 basket ring · 0 margin give-back**	Free shipping at $35 nudges shoppers to add a second case — trading them up with zero per-unit discount.	*This is the only play here that grows the basket without discounting anything. The incentive is fulfillment, not price.*
4	**Subscribe and save bundle** **3.2x frequency · base price intact**	Auto-replenish locks 10% and eliminates forward-buy; promo dollars fund only the highest-elasticity shoppers.	*Converts a promotional moment into a standing relationship, which is what makes Solution 03 possible.*

Why start here: none of these require capital, new packaging, or a supply chain change. A brand of any size can begin this quarter.

Illustrative Salmon Bites performance. Figures are modeled to demonstrate relative effect by tactic, not drawn from actual campaign results.

What This Costs You

Every lever has a downside. Naming them is how you keep the recommendation honest.

You reach fewer people	Targeting a coupon to lapsed and competitive buyers means most of your base never sees it. That's the point — but it will show up as lower coupon reach in a report, and someone will ask why.	→ *Measure new-to-brand and incremental volume, not redemption count.*
Retail media costs real money	Sponsored search is not free shelf space. It comes out of the same budget, and CPCs rise as more brands bid on the same keywords.	→ *Fund it by cutting duplicative promotional events, not by asking for incremental budget.*
Threshold offers can train the wrong habit	If shoppers learn to wait for free shipping, you've created a new deal cycle in a channel that didn't have one.	→ *Keep the threshold stable rather than promotional, so it reads as a policy instead of an offer.*
Simplification is politically hard	“Fewer, sharper events” means someone's event gets cut, and that event has a champion internally.	→ *Lead with the data on which events only shifted volume forward — let the analysis make the argument.*

Bigger Packs, Smaller Price Tags

Right-sizing pack architecture for the online basket — lower cost per unit, higher basket ring.

PACK FORMAT	CHANNEL	SIZE	SHELF $	$ / OZ
Single-serve (hero)	In-store	8 oz	$8.99	**$1.12**
Multi-pack · 3-ct	Online	24 oz	$22.99	**$0.96**
Club case · 6-ct	Online	48 oz	$39.99	**$0.83**
Subscribe & Save · 6-ct	Online	48 oz	$35.99	**$0.75**

THE LOGIC

The in-store hero pack isn't wrong — it's right for a fill-in trip. The error is assuming it travels. Online shoppers are on a stock-up mission, and 55% of online grocery volume is stock-up behavior. A pack built for a quick grab competes badly against a case built for a pantry load, and the per-ounce comparison is visible on screen in a way it never is in an aisle.

$1.12 → $0.83

26% lower cost per ounce on the online club case versus the in-store hero pack.

+345% basket ring

$8.99 → $39.99 per order. Same product, different mission, different pack.

Basket ring calculated as in-store hero pack ($8.99) to online club case ($39.99) = +345%. Pack prices are illustrative

The Same Lever, A Different Answer

Pack architecture works in refrigerated too — but the mechanism is frequency, not size.

WHAT TRANSFERS

- Per-unit price transparency still governs the online comparison
- Multi-packs still reduce cost per unit and lift basket value
- Channel-specific packs still outperform one-size-fits-all
- The shopper is still on a planned, specific-item mission

WHAT CHANGES

- Shelf life caps the basket — a shopper can't responsibly buy six weeks of yogurt
- Oversizing creates household waste, which damages trust and suppresses repeat
- The growth path is more frequent orders, not bigger ones
- Bundling across SKUs beats bundling more of the same SKU

The refrigerated version of "bigger packs" is a curated multi-SKU bundle on a predictable cadence — variety that fits a week, delivered reliably, rather than volume that outlives its code date.

Set It, Net It, Repeat

A subscription model that converts one-time buyers into predictable demand.

MOST POPULAR

TIER 01 · MONTHLY

The Weeknight Stock

$35.99 / month

SAVE 10% + FREE SHIP

- 1 club case (48 oz) monthly
- Skip, pause or swap anytime
- Locks $0.75/oz — best per-unit price

TIER 02 · BI-WEEKLY

The Family Plan

$67.99 / month

SAVE 15% + PRIORITY STOCK

- 2 club cases (96 oz) monthly
- Never run out on busy weeknights
- Early access to new flavors

TIER 03 · QUARTERLY

The Freezer Fill

$199 / quarter

SAVE 20% — BEST VALUE

- 6 cases (288 oz) per quarter
- Free insulated freezer bag
- Price locked for 90 days

3.2x

annual purchase frequency

92%

retention past month three

+40%

household lifetime value

1st-party

data to fuel targeted promos

Predictable demand smooths production, cuts stock-outs, and protects base price — the retailer benefit is operational, not promotional.

Illustrative subscription performance, modeled on published subscription benchmarks across CPG.

Why Refrigerated Gains the Most

Subscription is usually sold as a loyalty play. In refrigerated, it's a shrink play.

Shrink is a forecasting problem wearing a waste costume.

Most refrigerated waste isn't caused by product failing — it's caused by ordering the wrong quantity because demand was unknowable. Subscription makes a portion of demand known in advance.

Known demand replaces forecast demand

A subscriber base tells the retailer how many units will move, and when, before the order is placed. That converts a probabilistic buy into a committed one.

Ordering tightens, so does code-date exposure

When the forecast error shrinks, so does the safety stock built to absorb it. Less overstock means fewer markdowns and less disposal.

Cadence can be matched to shelf life

Unlike frozen, refrigerated subscription intervals can be tuned to the code date — weekly or bi-weekly rather than monthly — so product is consumed inside its window by design.

The savings fund the discount

A 10–15% subscriber discount is expensive if it comes purely out of margin. It's far more defensible when part of it is funded by shrink avoided.

This is the argument that earns a refrigerated buyer's attention — it improves their P&L line, not just ours.

What's In It For the Retailer

None of this works as a supplier-only initiative. Here's the shared value case.

Assortment optimization	SUPPLIER BENEFIT	Channel-specific packs mean the retailer isn't forced to list a fill-in SKU in a stock-up channel. Better-fitting assortment lifts conversion without expanding the shelf.
Basket growth without margin give-back	SHARED BENEFIT	Threshold builders and multi-packs raise basket value through fulfillment incentives rather than discounts. The retailer captures a larger ring on the same trip economics.
Demand predictability	RETAILER BENEFIT	Subscription converts uncertain demand into scheduled demand, which improves labor planning, reduces stock-outs, and cuts shrink in refrigerated.
First-party data exchange	SHARED BENEFIT	Subscriber behavior tells both parties who is buying, how often, and what they substitute. That data makes the next promotion sharper for everyone.
Reduced promotional noise	RETAILER BENEFIT	Fewer, better-targeted events mean less price disruption on the digital shelf and more stable base-price perception across banners.

Start Where You Are

Sequenced by investment, not importance. Every organization can begin somewhere.

NOW

0–90 days · No capital required

- Audit which packs you sell in which channel — most brands find a mismatch
- Optimize digital shelf content: hero images, search-friendly titles, review volume
- Cut duplicative promotional events and redirect the dollars to targeted digital
- Bid on the three to five search terms your category actually converts on

NEAR

3–12 months · Moderate investment

- Design and test one channel-specific pack format
- Build a multi-SKU bundle for refrigerated on a shelf-life-appropriate cadence
- Shift mix toward on-trend, higher-margin SKUs where demand is already moving
- Establish shared performance reporting with one retail partner

NEXT

12+ months · Capital and capability

- Stand up subscription infrastructure and the fulfillment to support it
- Invest in demand planning that consumes subscriber data
- Restructure supply chain nodes to reduce touches and improve fill rate
- Build the first-party data capability to make all of the above compounding

The guardrail held: none of these require increased trade spend or shifting cost onto the retailer.

Sources and Methodology

So you can check our work — or build on it.

Category size and growth	Circana — Total US MULO+C, L52 weeks ending 06-14-26. Frozen $95.1B, Refrigerated $180B, combined $274B. Figures are dollar sales.
Household modality mix	84.51°, Total Kroger used as a US proxy, 2026. In-store only, omnichannel, and online only are mutually exclusive groups summing to the total household base.
Online dollar share by year	84.51°, F&R dollars by modality: 8.8% (2022), 12.8% (2025), 14.1% (2026). 2026 is a partial-year read, so share is comparable across years but absolute dollars are not.
Projection	Straight-line extension of observed trend at approximately +1.3 share points per year, held constant. Not a forecast. No acceleration assumed, which is conservative given the rate has not decelerated in the observed period.
Shopper attitudes and value drivers	Mintel, US grocery shopper research, 2024–2026. Includes factors in choosing where to shop, channel-by-occasion behavior, and online evaluation preferences.
GLP-1 and category trend data	Mintel 2026; Cornell University household spend study; Danone consumption reporting.
Salmon Bites economics	Illustrative. Pack sizes, prices, and performance figures are modeled to demonstrate the mechanics of each lever, not drawn from actual product performance.

Questions? Find any of the Ice Breakers at the conference — we'd genuinely like to talk about this.