

Five Charts: How Coronavirus Has Impacted Digital Grocery

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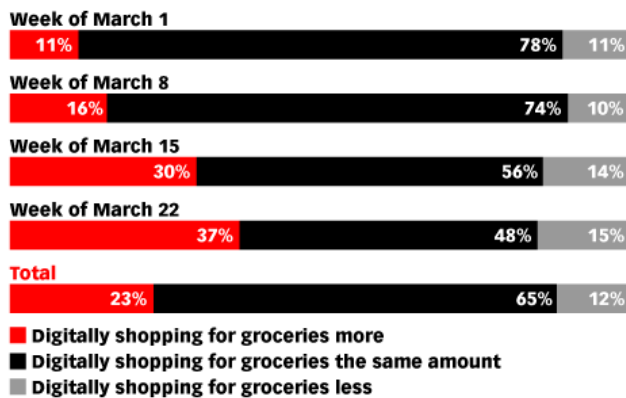
With much of the US still under stay-at-home orders, consumers are growing more accustomed to grocery shopping online. Brick-and-mortars, delivery startups and ecommerce retailers are adapting to the new normal, but even leaders in online grocery like Amazon and Walmart have struggled to keep up with demand.

Here are five charts that detail the impact of the coronavirus pandemic on digital grocery.

Consumers have relied more heavily on digital grocery during the pandemic. A series of surveys conducted by [CivicScience](#) in March 2020 found that consumers were using digital grocers more frequently as the quarantine progressed. During the week of March 22, nine days after the US declared a national emergency, 37% of US adults said they were digitally shopping for groceries more often.

Change in US Adults' Digital Grocery Shopping Activity due to the Coronavirus, March 2020

% of respondents



Source: CivicScience, March 31, 2020

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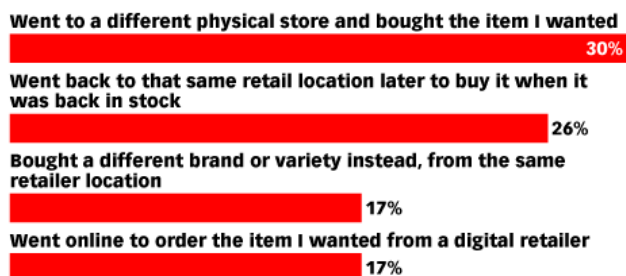
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In April 2020, online grocery sales **hit a record high**, according to **Brick Meets Click** and **Symphony RetailAI**. Spending on grocery items via online delivery and click-and-collect grew 37% compared with March.

Yet despite the interest in digital grocery, it's not an alternative for most shoppers who can't purchase items in stores. Panic buying and supply-chain disruptions **caused by the virus** have impacted inventories at grocery stores. However, a relatively small percentage of grocery shoppers are going online for the items that they can't find in stores. An April 2020 survey from **IRI** asked US grocery shoppers where they shopped for items that were unavailable at their preferred retailer, and just 17% said they went online to order the item.

Coronavirus Impact: How Did US Primary Grocery Shoppers Purchase Items that Were Recently Unavailable at Their Preferred Retailer?

% of respondents, April 2020



Source: IRI, "Anticipating Life After COVID-19," April 17, 2020

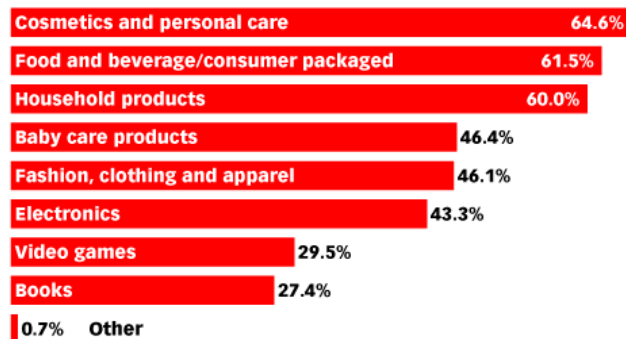
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Food and beverage outranks most categories in online buying because of the coronavirus, but grocery still makes up a small percentage of ecommerce sales. Concerns about shopping in stores have led many consumers to look for more goods online. A survey conducted in March 2020 by [Red Points](#) and [OnePoll](#) found that 61.5% of US internet users were more likely to buy food and beverage products online over fears related to the pandemic.

Products US Internet Users Are More Likely to Digitally Purchase During the Coronavirus Pandemic, March 2020

% of respondents



Source: Red Points, "Impact of COVID-19 on Ecommerce Sales" conducted by OnePoll, March 23, 2020

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However, food and beverage is a relatively small piece of the overall ecommerce marketplace. In our February 2020 forecast (prior to quarantines), we expected that food and beverage would make up just 4.8% of retail ecommerce sales this year. For comparison, we estimated categories like apparel and consumer electronics would each make up more than 20% of annual ecommerce sales.

Amazon is still the king of digital grocery, but the pandemic creates more room for its competitors to grow. Interest in Amazon grocery delivery services had been so high during lockdowns that the ecommerce giant was forced to [create a waitlist](#) for new customers joining Amazon Fresh and Whole Foods Market home delivery. In April, 62% of US digital buyers said they purchased food or beverage products from Amazon in the past month, according to a survey conducted by [Bizrate Insights](#).

From Which Digital Channels Do US Digital Buyers Purchase Food or Beverage Products?

% of respondents, by demographic, April 2020

	Gender		Age			Total
	Female	Male	18-34	35-54	55+	
Amazon (including AmazonFresh, Amazon Pantry and Amazon Prime Now)	58%	68%	68%	64%	51%	62%
Walmart	39%	45%	36%	47%	39%	42%
Target	27%	23%	40%	25%	7%	25%
Grocery store's website (e.g., Kroger.com, Albertsons.com, Publix.com, HEB.com)	21%	28%	25%	25%	20%	24%
Digital grocery delivery company (e.g., Instacart, FreshDirect, Shipt)	20%	16%	27%	16%	11%	18%
Club store's website (e.g., Costco)	17%	18%	14%	18%	20%	17%
Meal kit company (e.g., HelloFresh, Blue Apron)	9%	3%	10%	7%	1%	6%
Other	11%	12%	7%	10%	18%	11%

Note: among those who bought food or beverage items digitally in the past month

Source: "The eMarketer Ecommerce Survey" conducted in April 2020 by Bizrate Insights, April 8, 2020

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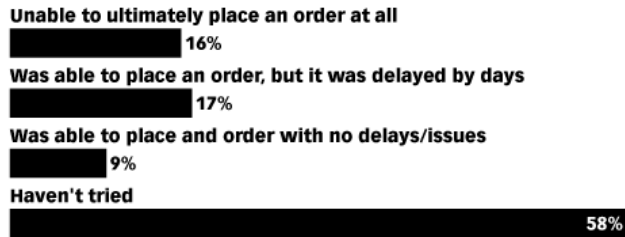
But Amazon is not alone when it comes to increasing demand for digital grocery. The Walmart Grocery app saw an all-time high in downloads in the beginning of April, according to measurement firm [App Annie](#). The two companies have been driving consumer adoption of digital grocery over the past year, with both retailers playing to their individual strengths.

Walmart has leveraged its brick-and-mortar footprint to drive online shopping via click-and-collect options, while Amazon entices Prime members with free, fast shipping and fewer price restrictions. But the pandemic has given Amazon's competitors an opportunity to play catch-up as the marketplace struggles with increased demand.

The digital grocery boom is making it difficult for most online shoppers to place orders. A March 2020 survey conducted by CivicScience found that just 9% of US adults had been able to digitally order groceries during the pandemic without any issues. One in three respondents experienced delays in digital grocery orders or were unable to place an order.

US Adults' Experience Digitally Ordering Groceries During the Coronavirus Pandemic, March 2020

% of respondents



*Note: n=2,341 ages 18+; during their most recent ordering experience
Source: CivicScience, March 30, 2020*

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The big three online grocery providers — Amazon, Walmart and Kroger — have all **made adjustments** to meet demand (e.g., hiring more employees, increasing delivery windows). Grocery delivery services like Instacart have also been taking advantage of the overflow, **creating new features** to prioritize essential items and schedule order-ahead options for nonessentials.