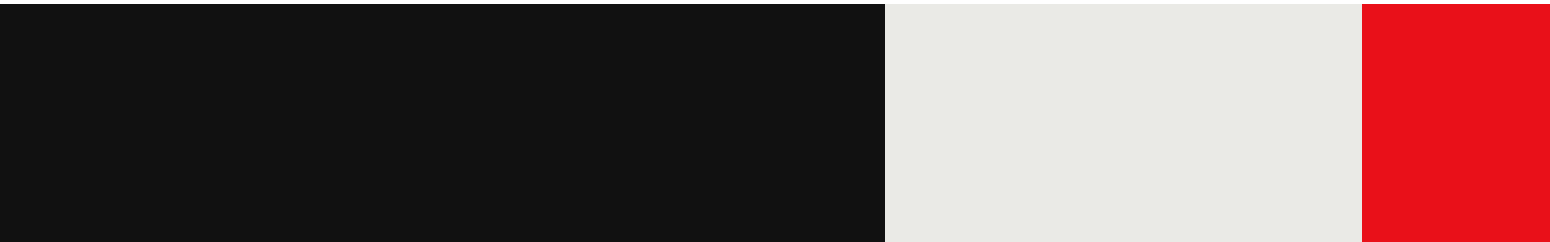



The state of CPG ecommerce in 5 charts

Article

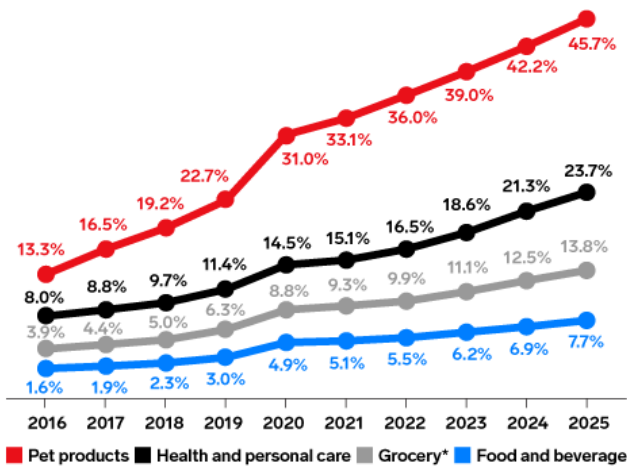


It doesn't take a CPGenius to understand that consumer packaged goods (CPG) have gone digital. "Winning at the digital shelf is more critical than ever" for CPG brands, according to our analyst Andrew Lipsman. Here are five charts on what retailers, marketers, and logistics professionals need to know about CPG.

1. Food and beverage lags behind other categories for ecommerce

Retail Ecommerce Sales Penetration of Grocery Products, by Category, 2016-2025

% of total retail sales in each group



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales; *Aug 2022 forecast
Source: eMarketer, June 2022

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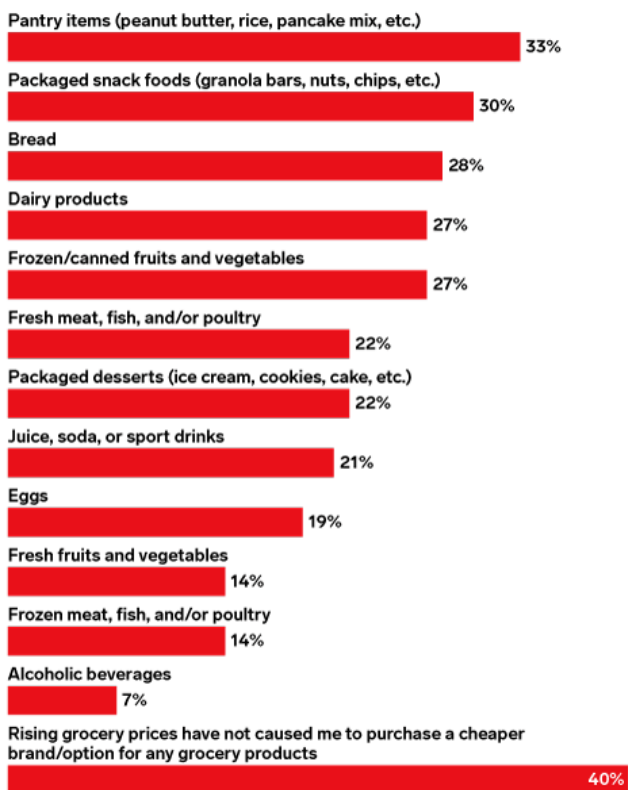
Overall, grocery neared 10% ecommerce penetration in the US in 2022, according to our forecast. Within that category, there's a disparity in penetration. Pet products already hit 36.0% penetration, while food and beverage remains lower.

Grocery remains a huge ecommerce opportunity, though Lipsman notes that in the “**endless aisle**” of online shopping, brands will need to be competitive in pricing and marketing within retail media channels to win shoppers.

2. Shoppers want low prices

US Grocery Buyers Who Purchased a Cheaper Brand/Option due to Rising Grocery Prices, by Product, Sep 2022

% of respondents



Source: "The Insider Intelligence Grocery Survey" conducted in Sep 2022 by Bizrate Insights, Sep 27, 2022

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Inflation, which remains painfully high in the US, has consumers opting for cheaper pantry items, packaged snack foods, and more, according to our September 2022 grocery survey. Shoppers looking for low prices are less inclined toward brand loyalty. They also may look increasingly to ecommerce, where they can compare prices.

According to our analyst Blake Droesch, "Inflation will be the primary cause of **digital grocery sales growth** in the near term, but long-term growth will be sustained by consumer shopping habits that continue to shift toward buying essential household goods online."

3. Food and beverage is growing fast

US Retail Ecommerce Sales, by Product Category, 2023-2026

% change

	2023	2024	2025	2026
Food and beverage	24.3%	23.9%	20.3%	19.7%
Health, personal care, and beauty	18.4%	17.0%	15.8%	14.4%
Office equipment and supplies	9.7%	10.9%	11.5%	12.5%
Apparel and accessories	8.5%	11.1%	11.7%	12.5%
Auto and parts	8.0%	8.6%	11.7%	14.3%
Computer and consumer electronics	7.9%	7.8%	7.6%	7.0%
Books, music, and video	6.4%	5.7%	5.6%	5.4%
Toys and hobby	5.9%	6.2%	7.9%	9.6%
Furniture and home furnishings	5.1%	6.3%	6.9%	7.3%
Other	15.5%	13.7%	13.4%	13.3%

Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: eMarketer, Oct 2022

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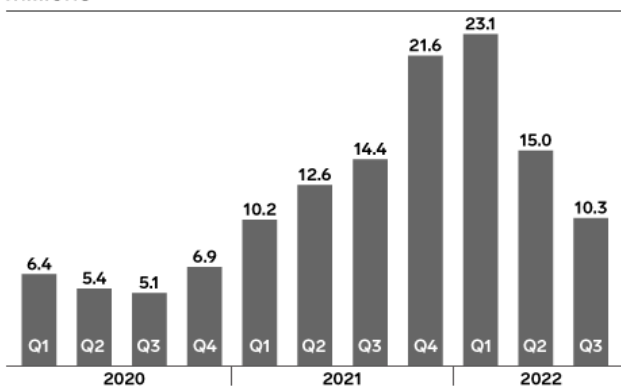
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While ecommerce penetration is lower for food and beverage than many other retail categories, growth is solid. But for CPG categories, ecommerce penetration depends on **last-mile delivery** efficiency. These are essential products consumers want quickly and without shipping fees.

4. Where does that leave ultrafast delivery?

Downloads of the Leading Ultrafast Delivery Apps Worldwide, Q1 2020-Q3 2022

millions



Note: ultrafast delivery apps include Cajoo, Flink, GetFaster, Getir, Glovo, Gopuff, Gorillas, Jokr, Saucey, and Zapp

Source: Apptopia, Nov 7, 2022

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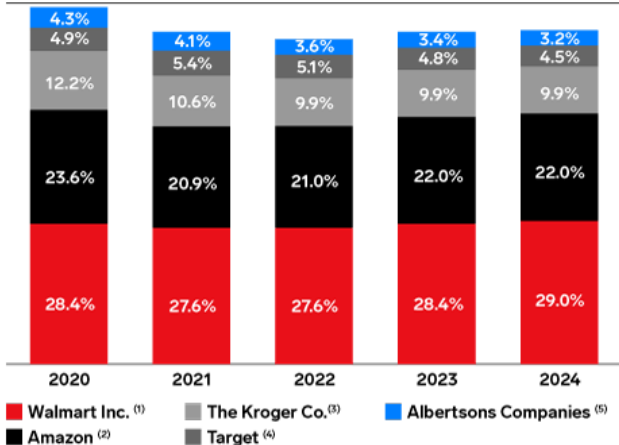
The top 10 ultrafast delivery apps were downloaded 48.4 million times worldwide in the first three quarters of 2022, according to Apptopia. Getir leads the startup app pack by a wide

margin. But some ultrafast startups have seen business slow as consumers opt for more familiar **delivery platforms like Uber Eats**.

5. How do retailers rank?

US Digital Grocery Sales Share, by Company, 2020-2024

% of total grocery ecommerce sales



Note: excludes fuel; (1) represents the gross value of grocery products sold on Walmart.com and SamsClub.com (browser or app), regardless of the method of payment or fulfillment; includes delivery and pickup, and sales from third-party delivery services; (2) represents the gross value of grocery products sold on Amazon.com (browser or app), regardless of the method of payment or fulfillment; includes Amazon Fresh and Whole Foods Market delivery and pickup; includes direct and marketplace sales; (3) represents the gross value of grocery products sold online (browser or app) from all banners under Kroger, regardless of the method of payment or fulfillment; includes delivery and pickup, and sales from third-party delivery services; (4) represents the gross value of grocery products sold on Target.com (browser or app), regardless of the method of payment or fulfillment; includes delivery and pickup, and sales from third-party delivery services; (5) represents the gross value of grocery products sold online (browser or app) from all banners under Albertsons Companies, regardless of the method of payment or fulfillment; includes delivery and pickup, and sales from third-party delivery services
Source: eMarketer, Aug 2022

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The **top five US digital grocers** captured 67.2% of the country's grocery ecommerce market cornered in 2022. Walmart is in particularly good shape as consumers shift from more expensive competitors to Walmart's promise of low prices.

Beyond this chart, **Instacart** remains the intermediary to watch—it partners with all of the top five digital grocers except Amazon. But the company recently slashed its valuation by 20% due to a return to in-store shopping and a preference for click and collect.

Intermediaries like Instacart and Uber Eats will shape the future of digital CPG sales, but they'll need to diversify their revenue streams and strengthen their **retail media networks** to remain competitive.

Review cart: CPG is quickly pivoting to digital, though consumers are adopting ecommerce for some categories faster than others. Online shopping is here to stay for pet supplies and personal care, while adoption for food and beverage has been a bit slower.

CPG ecommerce relies on a solid last-mile delivery system. But with so many delivery intermediaries in play, most won't make it out on top—and those that do will need to be strategic about how they make money.

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