

# Grocery App Usage to Grow Nearly 50% in 2018

## Article

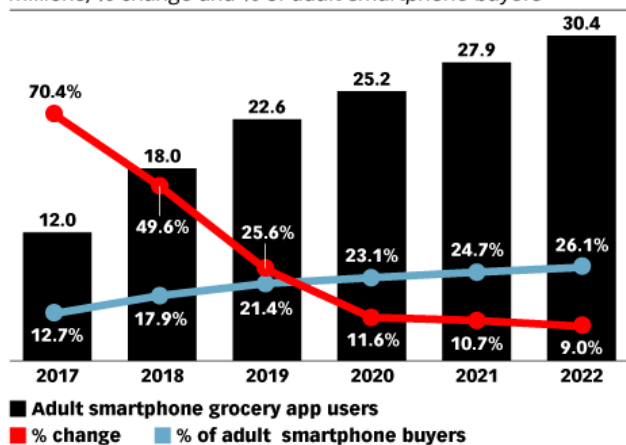


**G**rocery apps are some of the fastest-growing apps in the US, according to eMarketer's latest app usage forecast.

This year, 18.0 million US adults will use a grocery app at least once a month, up 49.6% over last year. For this forecast, we looked at apps that primarily deliver produce and perishable items, including meal kit services. By next year, more than one in five adult smartphone mcommerce buyers will use a grocery app to order food.

### US Adult Smartphone Grocery App Users, 2017-2022

millions, % change and % of adult smartphone buyers



Note: ages 18+; smartphone users who use at least one grocery app on their smartphone at least once per month  
Source: eMarketer, Aug 2018

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“Shoppers are becoming more comfortable with ordering online in general, and grocery is a part of that,” eMarketer senior analyst Patricia Orsini said. “A key hurdle, traditionally, for ordering fresh produce and other perishable items online has been delivery time, and the desire to hand-select produce and meat.”

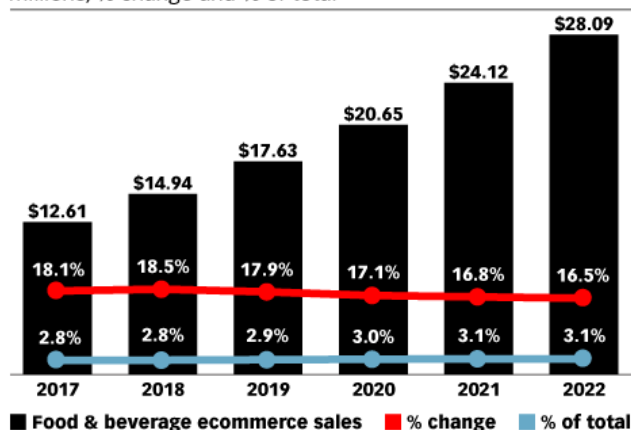
“Retailers have been able to transcend these barriers with click-and-collect models of delivery —order online, pick up in-store,” she added. “And if the shopper is ordering from their regular grocery store, familiarity helps with trust that the products will be the quality they expect. A bad experience, however, could turn consumers off for good, so retailers need to ensure they provide a good experience from day one.”

Robust growth for grocery apps is being fueled by the Amazon/Whole Foods merger and Walmart, which is expanding its grocery delivery from six cities to 100 by the end of the year.

“When Amazon acquired Whole Foods last year, Kroger and Walmart, along with other regional chains, stepped up their online grocery efforts,” Orsini said. “Kroger is investing in a number of initiatives around delivery, including partnering with British company Ocado to build high-tech warehouses where grocery orders will be selected and packed by machines. As retailers figure out how to be more efficient with fulfillment, costs for consumers will come down and another barrier to entry will fall.”

## US Food & Beverage Ecommerce Sales, 2017-2022

millions, % change and % of total



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, food services and drinking place sales, gambling and other vice good sales  
Source: eMarketer, Aug 2018

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The general food and beverage category (which includes nonperishables) is one of the most underpenetrated within the US ecommerce market. At \$14.94 billion, food and beverage retail ecommerce sales will represent just 2.8% of all US ecommerce sales this year.

“While the percentage of online grocery sales remains small, it is one of the fastest-growing online categories,” Orsini said. “While no one expects the number of brick-and-mortar grocery stores to seriously decline, the options consumers will have to purchase groceries will increase. Retailers recognize this; they are improving their online offerings in order to retain market share.”