

Online Grocers Are Still Feeling the Heat in the UK

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In less than two weeks' time, the coronavirus pandemic completely changed the ways in which millions of UK residents grocery shop and order food.

On March 20, Prime Minister Boris Johnson ordered cafes, bars and restaurants to close for eat-in customers; three days later, all residents except workers in essential jobs were told to stay home as much as possible, going out only for groceries, medical needs or solo exercise.

As a result, by March 25, 85% of adults had completely stopped eating out at restaurants, and 29% no longer shopped in-person at physical stores, according to the [RetailX Coronavirus Consumer Confidence Tracker](#). Some 60% of respondents said they were still going to physical stores, but went less often.

As we reported in [an earlier article](#), the pandemic has already prompted a surge in demand at the UK's online supermarkets and other food suppliers that offer online ordering—14.2% of RetailX respondents polled on March 11 said they had increased their digital grocery shopping. Since then, the online grocery frenzy has only increased, especially as consumption of restaurant meals has plummeted. (Takeaway services are allowed to remain open, but many haven't done so. It was either too difficult to keep staff members two meters apart, or the income didn't justify the expense.)

How Has the Coronavirus Affected UK Internet Users' Digital Shopping?

% of respondents, by category, March 2020

March 13

Ordering takeout



Shopping for groceries



Shopping for electronics



Shopping for clothing



March 27

Shopping for electronics



Shopping for clothing



Shopping for groceries



Ordering takeout



■ Stopped completely ■ Reduced ■ No change ■ Increased

Note: ages 18+; numbers may not add up to 100% due to rounding
Source: RetailX and Internet Retailing, "RetailX Coronavirus Consumer Confidence Tracker," March 27, 2020

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The result of these closures is a perfect storm of high demand, funneled chiefly through supermarket websites with limited capacities to handle thousands of extra customers per day. So, despite the best efforts of UK retailers, many online grocery shoppers still face virtual queues, shortages of key products and delivery times that may be weeks ahead. It's not uncommon for online baskets to linger in a pre-checkout state for days, because shoppers can't complete delivery arrangements.

Under these circumstances, it's no surprise that nearly 59% of UK adults who had tried to buy online in late March said their ability to shop for groceries had been reduced, per RetailX. Moreover, 48.2% said they were less able to place online orders for takeaway food.

To keep consumers updated on supermarket bottlenecks, several online publications are directing their readers to the retailers most likely to offer quick delivery. The UK news site TechRadar is one of those providing a daily status report.

Additionally, some businesses with on-the-road capabilities are aiming to fill at least part of the delivery gap. For example, fast-food delivery service **Deliveroo** announced the multicity launch of "Essentials," which allows consumers to order and receive basic grocery items within 30 minutes.

The latest turmoil in the sector may also make room for some newer entrants. **Grocemania**, based out of the Kingston Business School in London, wants to become "the fastest and most cost-effective on-demand grocery delivery service in the UK." As of April 1, 2020, it offered products from four of the UK's smaller grocery chains—Budgens, Costcutter, Londis and Nisa—to customers in London and Brighton. The scheme intentionally supports midsize retailers that don't have the logistical clout to compete with major online grocers.

How many of these initiatives will prosper in the aftermath of COVID-19 is open to question. Tesco, Sainsbury's, Ocado and other online supermarkets will likely be the bigger winners in the longer term.

According to RetailX, more than two-thirds (67.6%) of UK consumers polled in late March said they planned to go back to their previous shopping habits when the pandemic ends—and physical supermarkets look set to retain huge shares of that trade. They also stand to gain from the 24.0% of shoppers who told RetailX that they would carry on shopping as they did during the outbreak—meaning that major supermarkets could keep many of the online customers they're picking up during the crisis.