

# US grocery ecommerce players duke it out

## Article

**Top dog:** Once again, Walmart takes the No. 1 spot in our US grocery ecommerce sales forecast.

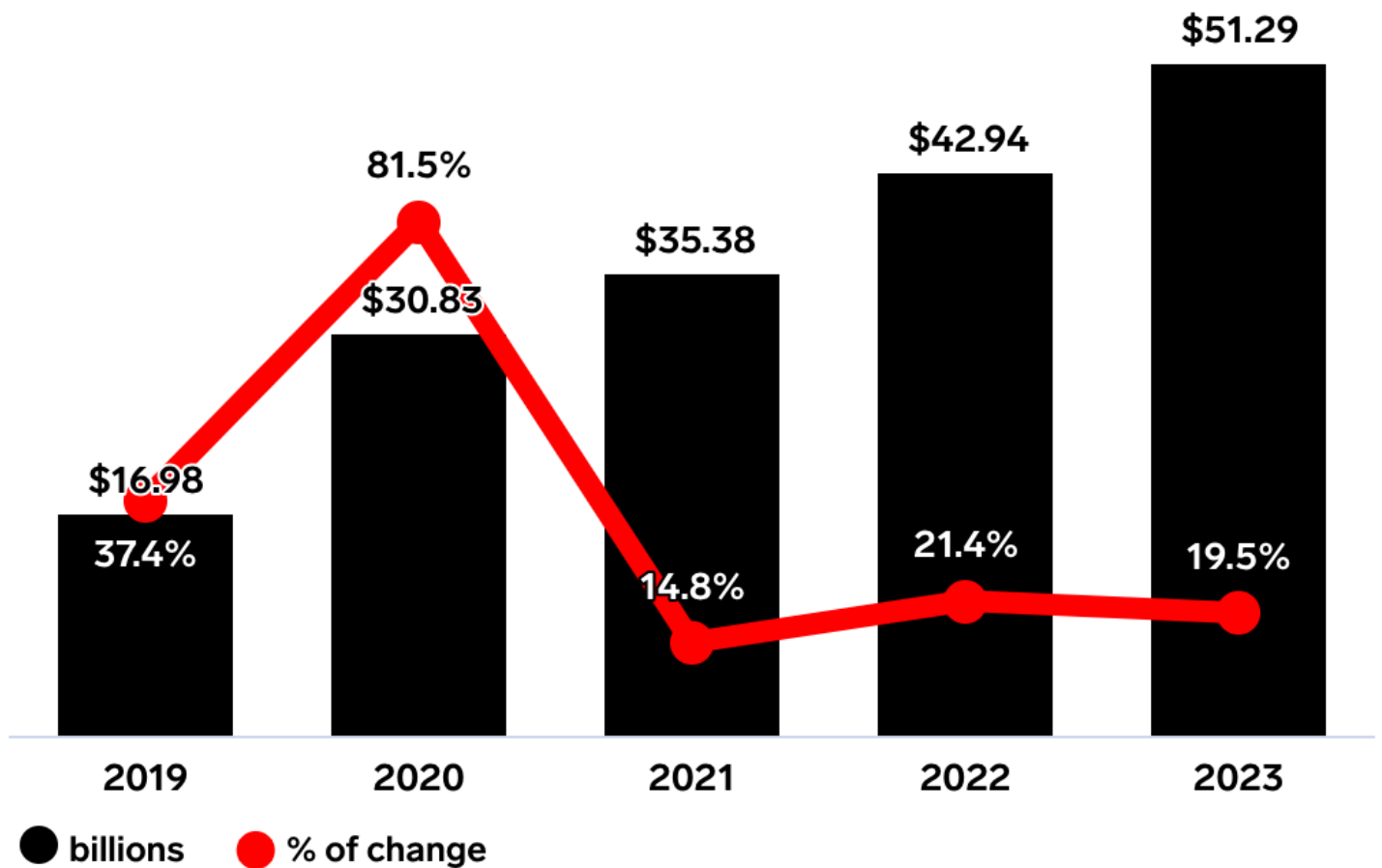
- Walmart Inc. (the combined sales of Walmart and Sam's Club) will generate **\$38.72 billion** in grocery ecommerce sales this year, representing **27.6%** of the market.
- Walmart doesn't look to relinquish its spot anytime soon. "The sheer size of Walmart puts it at No. 1," said our forecasting analyst Wendy Louie-Lam. "It has 5,300 stores, and a lot are in

rural locations where Walmart is the only significant grocery store for miles. In addition to that, it has a bunch of distribution centers, and it's building more."

- Walmart also offers customers a one-stop-shop experience, so it's easy to combine grocery orders with other household needs.

## Walmart Inc. Grocery Ecommerce Sales

US, 2019-2023



Source: eMarketer, August 2021

eMarketer | InsiderIntelligence.com

**Who's in second:** Last year, **Instacart** narrowly surpassed **Amazon** to become the second largest grocery ecommerce player in the US, a spot it holds in 2022.

- We predict **Amazon's** grocery ecommerce sales will reach **\$29.49 billion** this year, just under Instacart's **\$30.60 billion**.
- But the companies' share of total grocery ecommerce sales are pretty even—Amazon's **21.0%** to Instacart's **21.8%**.
- Each company has their strengths, according to Louie-Lam. "Instacart's partnership with local retailers gives it a leg up against Amazon, especially when it comes to fresh groceries. However, Amazon offers lower prices on shelf-stable items, which makes it more cost effective than Instacart."

**Making adjustments:** Overall, the US grocery ecommerce market is growing, but much of that is fueled by inflation.

- Shifting behaviors will also make an impact. Though consumers are shopping less frequently, order sizes are growing, and some are moving away from delivery and to click and collect, which still offers the convenience of shopping online without extra fees.
- "A lot of it has to do with income," Louie-Lam said. "Those people who can afford delivery will continue to do it, and those who can't will return to in-store shopping, which they've typically been doing anyway."

**Grocery delivery intermediaries:** Companies like **DoorDash**, **Uber**, **Shipt**, and Instacart have seen rapid growth as the pandemic accelerated user adoption.

- Intermediaries' share of the market more than doubled from **12.6%** in 2019 to **25.6%** in 2020. This year, they will account for nearly **30%** of grocery ecommerce sales, totaling **\$41.20 billion**. This share is expected to hold steady through 2026.
- Though sales growth will remain in the double digits through 2026, it's still much less than the triple-digit growth the industry experienced in 2019 and 2020, as intermediaries face competition as traditional grocers improve their delivery services and reduce dependence on third-party companies, according to our analyst Zach Goldner. "This could result in less friendly terms and fees in their deals with intermediaries," he said, citing the recent parting between **Walmart and DoorDash** as an example.
- Though Instacart is the king of the intermediaries, controlling **84.3%** of sales, DoorDash and Uber are catching up as they branch out from restaurant delivery. "Though they're in the early stages, both companies have a large pool of drivers and users within their ecosystem that

help them compete with Instacart. In addition, their rewards memberships help drive growth among loyal customers,” Goldner said.

*This was originally featured in in the Retail By the Numbers newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*