

# Food and Beverage Will See Biggest Gains in Retail Ecommerce Sales Growth This Year

**ARTICLE | JULY 29, 2020**

**eMarketer Editors**

**G**rocery ecommerce is having a moment. Already at an inflection point prior to the pandemic, the migration of essential goods to online has accelerated this trend by three or four years in the span of three or four months.

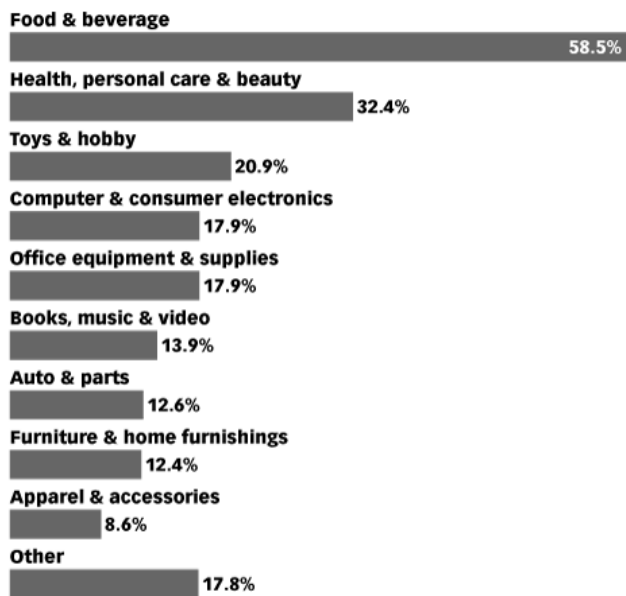
We forecast that food and beverage will be the fastest-growing ecommerce category this year, with year-over-year growth of 58.5%, followed by health/personal care/beauty at 32.4%, amid the shift to purchasing of essential goods through digital channels.

---

## US Retail Ecommerce Sales Growth, by Product Category, May 2020

% change

---



*Note: includes products or services ordered using the internet via any device, 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 goods sales*  
Source: eMarketer, May 2020

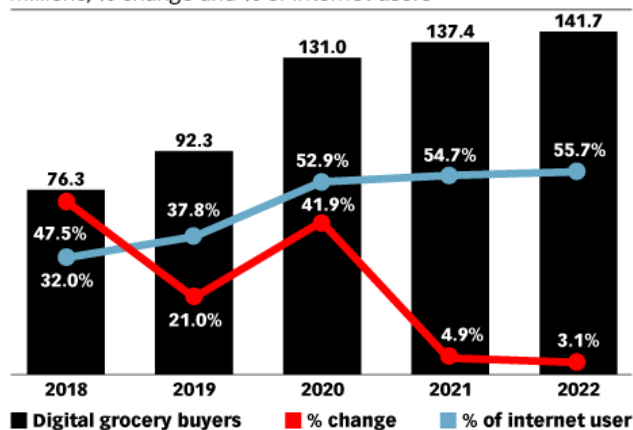
256251

www.eMarketer.com

Millions of first-time grocery ecommerce buyers surmounted the initial adoption hurdle, while many light online grocery purchasers are now increasing their orders. We expect the number of US digital grocery buyers to surge 41.9% this year to 131.0 million—increasing its internet user penetration to 52.9%, up from 37.8% last year.

### US Digital Grocery Buyers, 2018-2022

millions, % change and % of internet users



Note: ages 14+; digital grocery buyers are defined as internet users who have made at least one grocery order via any digital channel during the calendar year regardless of method of payment or fulfillment; includes grocery delivery and pickup  
Source: eMarketer, May 2020

256586

www.eMarketer.com

The effects of the massive online grocery spike in March and April are already receding as consumers get back into stores. It's clear, though, that online grocery orders will carve out a more meaningful portion of the channel mix going forward.

"Amazon and Instacart are the biggest beneficiaries of the rapid shift to online grocery buying for delivery," said Andrew Lipsman, eMarketer principal analyst at Insider Intelligence. "As the ultimate stock-up store, Costco was a key player during the panic-buying period and will likely benefit as it transitions more of its customers to online ordering.

"Walmart and Target are also riding the wave because of their curbside pickup prowess, though Target missed an opportunity by not yet having enabled its perishable goods inventory for click and collect. However, in recently announcing that fresh and frozen groceries have become available for curbside pickup, Target should further improve its standing."

The retailer most adversely affected was Brandless (an ecommerce seller of food, self-care and home products), which shut down operations in February after not getting enough traction in the space. It then restarted operations in June to ride the category momentum as a last-gasp attempt to create a viable business.

While perhaps a risk worth taking, Brandless likely missed its best window of opportunity in being shut down during the Q2 boom. Other retailers still under pressure include national and regional grocery chains that haven't properly built out their click-and-collect capabilities. Already trading on thin margins, these chains can't afford to lose grocery trips to their competitors as orders increasingly migrate to digital.

To see our full US ecommerce sales forecast and learn how the pandemic will impact each product category, eMarketer PRO subscribers can access our new report:

**Report** by Andrew Lipsman Jul 22, 2020

### US Ecommerce by Category 2020

#### US ECOMMERCE BY CATEGORY 2020

How the Pandemic Is Reshaping  
the Product Category Landscape

JULY 2020  
eMarketer Research  
Consumer & Retail Census Study (U.S. Retail, Non-Food, Retail, Non-Food)



Not sure if your company subscribes? [You can find out here.](#)