

Kroger breaks into top 10 US ecommerce companies

The grocery giant will surpass \$11 billion in ecommerce sales this year

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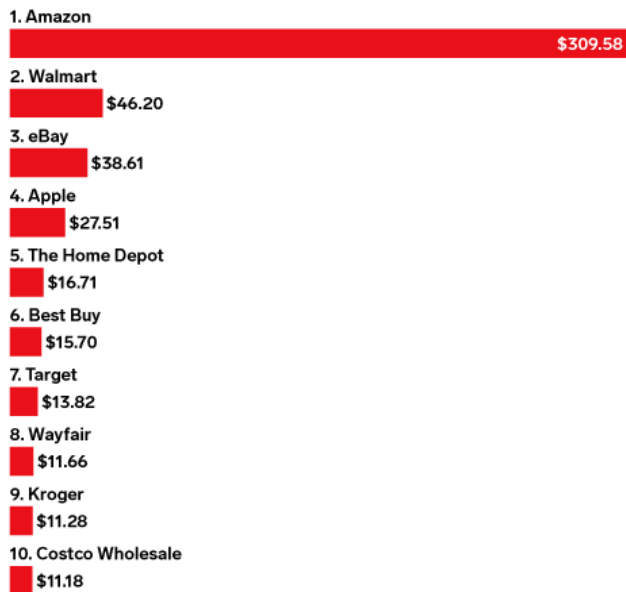
The pandemic has shaken up the grocery landscape, accelerating the shift to online grocery faster than we previously anticipated. Kroger had made digital investments over the years that helped it navigate 2020's unusual circumstances. The company will see its ecommerce sales in the US surpass \$11 billion this year, growing by more than 79% year over year.

And for the first time, Kroger will break into the top 10 US ecommerce retailers list and hold the No. 9 spot, inching just past Costco Wholesale.

The grocery giant will also surpass Macy's, which held the No. 10 spot in 2019 but has since dropped out of the list. Indeed, despite US retail ecommerce sales growing by more than 32% this year, Macy's will fall out of pace with the companies in our top 10 largely due to declines in apparel sales. Because consumers are spending the majority of their time at home, many aren't shopping for new apparel, which has ultimately impacted the department store.

Top 10 US Retail Ecommerce Sales, by Company, 2020

billions



Note: represents the gross value of products or services sold on the website of each company listed (via browser or app), regardless of the method of payment or fulfillment; excludes travel and event tickets
Source: eMarketer, Sep 2020

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eMarketer | InsiderIntelligence.com

“The pandemic has shifted consumer priorities,” said Cindy Liu, eMarketer senior forecasting analyst at Insider Intelligence. “Kroger will benefit from two tailwinds this year: Eating at home continues to be in favor among Americans, and there’s been greater interest by consumers in ordering groceries online. With these two forces at play, we shouldn’t be surprised by Kroger’s strong growth this year.”

Kroger’s early digital investments have also helped the brand—and certainly prepared it for what the year had in store. “Kroger started investing in online grocery several years ago, and now it has more than 2,000 pickup locations and 2,400 delivery locations that reach over 97% of its customers,” Liu said.

Kroger’s isn’t the only retailer to break into the top 10 this year. In February, we reported that Target—which has also increasingly worked to build up its ecommerce business over the past few years—would surpass three competitors to become No. 8 this year. That was based on our pre-pandemic estimate, and we have since increased our figures for the big-box retailer, which now holds the

No. 7 spot—and whose ecommerce sales in the US will reach \$13.82 billion in 2020.

“COVID-19 has upended the retail industry, shifting shopping priorities in a way that resulted in unforeseen changes in our rankings,” Liu said. “This is especially true near the bottom of our list, where less than a percentage point had separated Kroger and Macy’s in 2019.”