

Inflation is driving digital grocery growth in the US, but there's more to the story

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Since May 2022, online grocery prices have risen faster than those of any other ecommerce category, per Adobe's Digital Price Index. In July, the year-over-year price change for online

grocery reached 13.4%, a record high for the year.

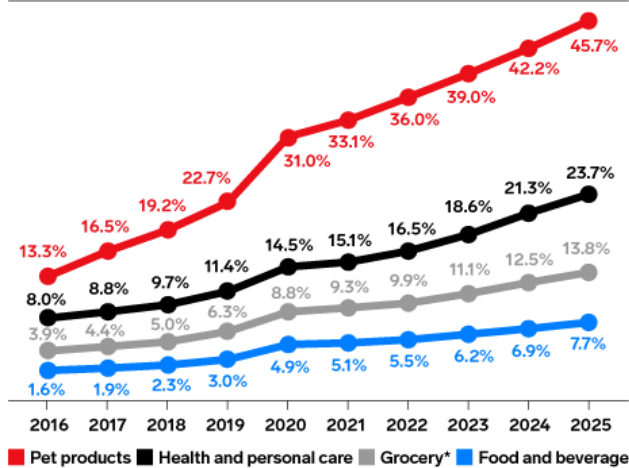
Inflation will be the primary cause of digital grocery sales growth in the near term, but long-term growth will be sustained by consumer shopping habits that continue to shift toward buying essential household goods online.

Digital Grocery Makes Up a Bigger Piece of the Pie

While the pandemic-driven ecommerce boom has subsided, consumers continue to buy household goods online, nudging digital sales upward in several categories. And it's not just food and beverage. Ecommerce makes up a growing share of sales in the **health and personal care** category (which includes household products like toiletries) and **pet food**, both of which fall under the grocery umbrella.

Retail Ecommerce Sales Penetration of Grocery Products, by Category, 2016-2025

% of total retail sales in each group



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, restaurant sales, food services and drinking place sales, gambling and other vice goods sales; *Aug 2022 forecast
Source: eMarketer, June 2022

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Despite a Slight Dip, Digital Grocery Becomes Common Practice

In 2021, the number of digital grocery buyers surpassed 144 million, meaning that more than half of the US population ages 14 and older made at least one grocery purchase online. This year, their ranks will decrease 0.5%.

This contraction has several causes, none of which will be a threat to long-term sales growth. Some consumers shopped for groceries online strictly due to pandemic health

concerns and have since returned to stores. Others might have tried digital grocery as a novelty but did not make it a regular practice. Inflation may play a role as well, driving away consumers unwilling to pay the additional delivery and service fees.

The slight course correction will pave the way for future growth. The number of digital grocery buyers grew more than 55% over the first two years of the pandemic, pulling adoption forward by several years. While 2022 will be a correction year, digital grocery adoption has not yet reached a ceiling. Strong growth continues at the end of our forecast window, with more than 7 million consumers joining the cohort in 2026.

Future sales growth will come from increased shopper frequency, not new adoption. The majority (91%) of US consumers who shop for groceries do so at least once a week, according to a March 2022 study from PowerReviews. But the same survey found that far fewer (40%) shop for groceries online at the same rate.

In the coming years, we expect that more consumers will shop more frequently for groceries online, which in turn will boost their average annual spend—from **\$977 per digital grocery buyer in 2022 to \$1,450 in 2026.**

What's Driving Digital Grocery Growth?

In addition to inflation, the increasing popularity of click and collect and the continued success of third-party delivery apps, particularly Instacart, are driving sales growth in 2022. But delivery via retailers will remain the leading mode of digital grocery fulfillment through 2024.

[Read more about digital grocery players.](#)

[Read the full report.](#)

Report by Blake Droesch Sep 19, 2022

Spotlight: US Digital Grocery Forecast 2022

