

# In 2021, online grocery sales will surpass \$100 billion

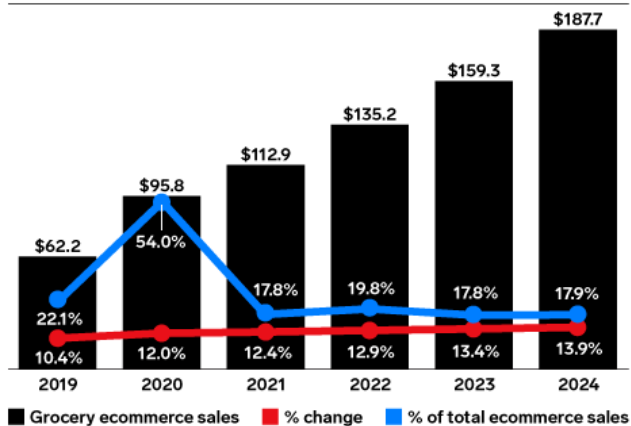
Article



The growth of the online category accelerated beyond our previous expectations in 2020. Amid the pandemic, tens of millions of US consumers became online grocery buyers for the first time, according to our latest forecast on US grocery sales. In 2021, this behavior will go from trial to habit for many shoppers.

## US Grocery Ecommerce Sales, 2019-2024

billions, % change, and % of total ecommerce sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; grocery products include food and beverage (both perishable and nonperishable items) and household consumables such as cleaning, personal care, and pet products that you would typically find at a grocery store; excludes food services and drinking place sales

Source: eMarketer, March 2021

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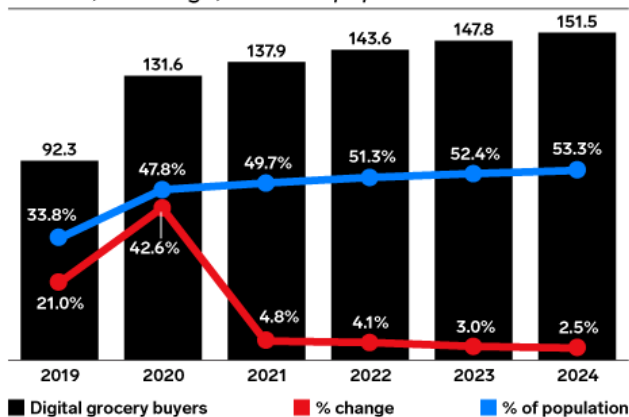
Online grocery sales grew 54.0% in 2020 to reach \$95.82 billion. That propelled it to a 12.0% share of total US retail sales and 7.4% of all grocery sales.

“The pandemic pushed consumers to search for a safe and convenient way of getting essential grocery items, and many retailers adapted to that demand,” said Whitney Birdsall, eMarketer senior forecasting analyst at Insider Intelligence. “With the growing number of stores offering curbside pickup and an increase in features offered by grocery delivery apps, consumers are now presented with a variety of incentives and options to order their groceries online. A large portion of consumers who became first-time online grocery buyers during the pandemic now prefer this mode of grocery shopping due to convenience.”

Looking ahead, growth will slow as the vaccine rollout allows shoppers to more comfortably return to stores. Nevertheless, a portion of online grocery shopping will remain, pushing past \$100 billion in spending for the first time in 2021, a full year ahead of previous estimates. And by 2023, online grocery sales will make up 11.2% of total US grocery sales.

## US Digital Grocery Buyers, 2019-2024

millions, % change, and % of population



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, March 2021

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The growth of grocery ecommerce sales can largely be attributed to first-time buyers entering the market. Last year, the number of digital grocery buyers ages 14 and older in the US (who made a purchase at least once during the year) jumped 42.6% to 131.6 million. By 2022, we expect that more than half (51.3%) of the US population will be digital grocery buyers.

“Many low-propensity buyers will return to their pre-pandemic purchase behaviors once the threat is sufficiently mitigated through vaccines,” said Andrew Lipsman, eMarketer principal analyst at Insider Intelligence. “Other consumers, now acclimated to the process of buying groceries online, will do so on an occasional basis. And many who developed a regular habit around buying groceries online will carry the behavior forward. Continued growth in digital grocery will now depend more on purchase frequency than new buyers entering the category.”

The growth of online grocery sales will also be driven by higher spending per buyer. We estimate annual spending per buyer at \$728 for 2020 and \$818 in 2021. By 2023, we expect that figure to exceed \$1,000.