

# Grocery Executives Feel a Mix of Pride and Fear About Technology

Article

Grocery executives are proud of the technological progress their industry has made in recent years, but at the same time, they remain fearful of being left behind.

More than four in five US food retail executives said that while grocers may not be as innovative as those in other categories, the **grocery sector has come a long way** in a short

period of time, according to a June 2018 survey from **Phononic**, in partnership with **Regina Corso Consulting**.

But for many executives, worries lurk. Despite taking steps to innovate after being stagnant for decades, roughly half (49%) of respondents said that grocery stores haven't figured out how to use technology like other retailers have. And nearly three-quarters fret that if grocery stores fail to enter the "modern age," more shoppers will forgo physical supermarkets, and look for **alternative ways to buy food**.

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**US Food Retail Executives' Opinions on Modernization and Technology in Grocery Stores, June 2018**

*% of respondents*

**While grocery stores may not be as tech-savvy as other retailers, they have come a long way over a short time**

82%

**The grocery store layout is changing to accommodate microvisits**

72%

**If grocery stores do not enter the modern age, more people will look for other ways to get their food**

71%

**Grocery stores serve a basic function and there is not a great need to change them drastically**

50%

**Grocery stores haven't yet figured out how to use technology like other retailers have**

49%

**Grocery stores haven't changed in decades and it's time they started to adapt to the modern age**

46%

*Note: agree or strongly agree*

*Source: Phononic, "Food and Beverage B2B Survey Report" conducted by Regina Corso Consulting, July 30, 2018*

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While the threat of digital disruption remains very real, **consumers haven't fully come around** to purchasing groceries digitally.

We forecast that only 2.8% of US food and beverage sales will take place online in 2018.

A May 2018 **Morning Consult** survey found that the primary reason 65% of US internet users haven't purchased groceries online was because they still prefer to see and touch the products in person. Others simply "enjoy [their] weekly trip to the store," according to a 2017 **ShopperKit** survey.