

Online grocery sales will increase by nearly 53% this year

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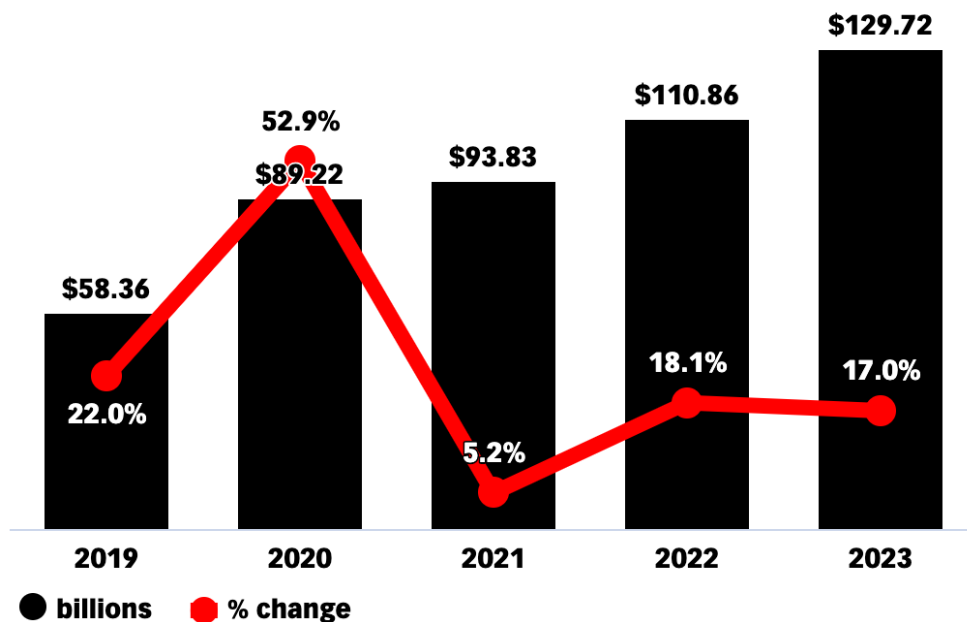
Grocery ecommerce is continuing to have a moment as more consumers get in the habit of shopping this way.

As we know, the pandemic has accelerated the shift to ecommerce—and that's nowhere more evident than in the grocery category. Online grocery sales in the US will grow by nearly 53% in 2020, reaching \$89.22 billion in sales. That's an increase of \$30.86 billion from a year prior.

By 2023, online grocery sales will reach \$129.72 billion and will account for nearly 10% of total grocery sales.

Grocery Retail Ecommerce Sales

US, 2019-2023



Source: eMarketer, September 2020

www.eMarketer.com

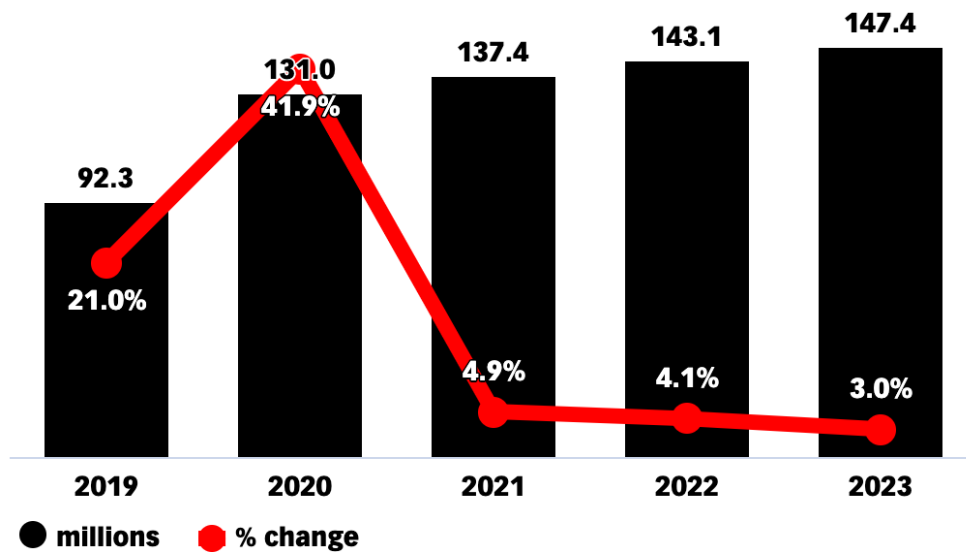
New habits are driving up adoption

Amid the pandemic, millions of US consumers have dipped their toes into online grocery shopping for the first time. Meanwhile, those who made a few online purchases here and there pre-pandemic began to rely on these services even more.

We forecast there will be 131.0 million digital grocery buyers in the US this year—a 41.9% increase from 2019. And we don't expect this habit to go away anytime soon. In fact, the number of digital grocery buyers will continue experiencing steady growth through the end of our forecasting period in 2023, reaching 147.4 million.

Digital Grocery Buyers

US, 2019-2023



Source: eMarketer, September 2020

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Research from [Aki Technologies](#) and [TapResearch](#) echoes these sentiments. The data found that 68% of new grocery ecommerce shoppers said they would continue to shop online in the future.

“We’ve got growth coming from new customers and growth coming from existing buyers who are either spending more frequently or more per trip. When you add these two factors together, what you get is astronomical growth,” said Cindy Liu, eMarketer senior forecasting analyst at Insider Intelligence.

Click and collect is helping to drive online grocery growth

Consumers who have been hesitant to shop in-store—and don’t want to pay certain online grocery delivery fees—have found a middle ground: curbside pickup.

According to July 2020 research from [CommerceNext](#) and [CassarCo Strategy and Analytics](#), 43% of US internet users said they tried

curbside pickup for the first time during the pandemic, while slightly fewer (27%) said they picked up a digital order in-store.

Adoption of click and collect is also evidenced in our bimonthly ecommerce survey conducted by Bizrate Insights. In February, 18% of digital buyers in the US reported picking up their digital purchases at physical stores. Fast-forward to June, and that figure increased to 22%. Similarly, the response rate for curbside pickup increased from 7% to 22% during the same period.

Which Delivery Methods Did US Digital Buyers Use for Digital Purchases in the Past Month?

% of respondents, Feb, April, & June 2020

	Feb 2020	Apr 2020	Jun 2020
Delivered to my home/work	91%	91%	90%
Picked up at the store	18%	17%	22%
Picked up curbside at the store (didn't have to get out of the car)	7%	13%	22%
Delivered to locker not at a store location (e.g., Amazon Hub Locker)	4%	3%	3%
Other	2%	2%	3%

Note: February n=1,069; April n=1,070; June n=1,000; among those who made a digital purchase in the past month/30 days

Source: "The eMarketer Ecommerce Survey" conducted in June 2020 by Bizrate Insights, June 9, 2020

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"The ease, value, and convenience of click and collect will prove to be a sticking point for consumers and a trend that will persist long after the pandemic ends," Liu said.

Retailers have ramped up delivery efforts and improved the customer experience

Over the course of the pandemic, retailers including Amazon, Walmart, Instacart, Kroger, Target, and FreshDirect have kept up with increased demand. Many opened up more delivery windows, offered express delivery, and expanded their online selection of grocery items.

FreshDirect, for example, received a surge of orders from existing customers who had moved out of New York City, where the online grocery operates primarily. In response, the company expanded its delivery services in Connecticut and in New York's Westchester County and Long Island to meet demand.

“We feel you don’t have to sacrifice speed or convenience for great quality—you should be able to have all three,” Tim Knoll, COO of FreshDirect, **recently told eMarketer**. “As we move forward, that speed and convenience becomes even more important.”