

Consumers Remain Skeptical About Ordering Fresh and Frozen Food Online

Article

Walmart's expansion of Delivery Unlimited, its grocery delivery membership, is the latest attempt by a major retailer to make online grocery shopping more appealing.

But better delivery value only addresses cost—not quality.

New research suggests concerns over quality are hindering grocery ecommerce, as many shoppers are wary of buying fresh and frozen goods online, thereby preventing full-basket shopping trips.

An August 2019 eMarketer survey conducted by Bizrate Insights found that online grocery shoppers are twice as likely to buy nonperishables as perishable items. Among shoppers who had purchased groceries online in the past month, 84% bought nonperishables (e.g., packaged snacks, dry goods, etc.) and just 45% bought perishables (e.g., fresh meat, frozen vegetables, etc.).

US Digital Grocery Shoppers Who Purchase Perishable vs. Nonperishable Grocery Items Digitally, by Demographic, Aug 2019

% of respondents

| | Perishables | Nonperishables |
|--------------|-------------|----------------|
| Male | 46% | 79% |
| Female | 44% | 88% |
| 18-34 | 51% | 83% |
| 35-54 | 47% | 89% |
| 55+ | 37% | 80% |
| Total | 45% | 84% |

Note: n=208 ages 18-65 who made a food or beverage purchase digitally in the past month/30 days

Source: "The eMarketer Ecommerce Survey" conducted in August 2019 by Bizrate Insights, Aug 6, 2019

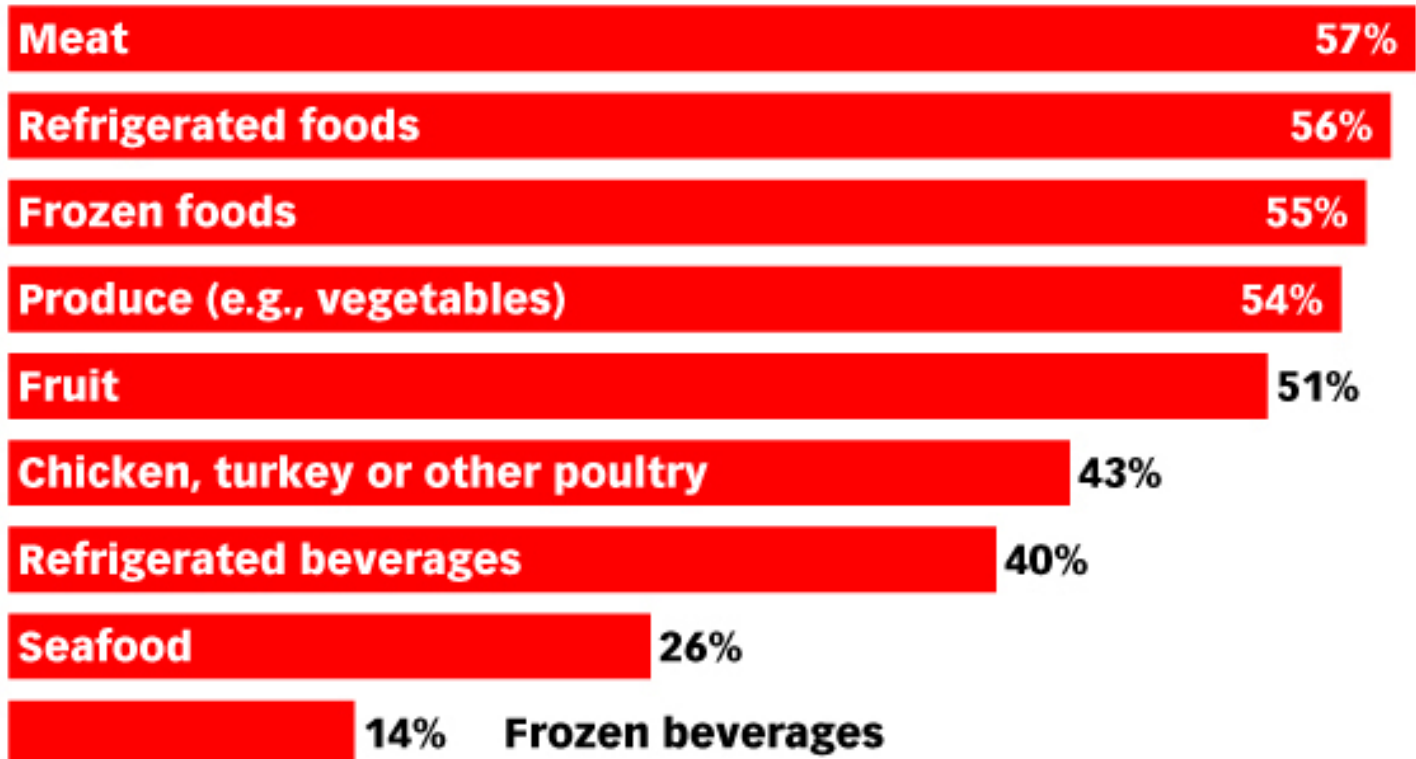
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A separate survey conducted the same month by Bizrate Insights and Varcode, a company that provides digital solutions for monitoring the status and temperature of sensitive goods, found that 25.8% of internet users said they had purchased fresh or frozen goods online for home delivery before, including meat (57%), refrigerated foods (56%) and frozen foods (55%).

US Internet Users Who Have Bought Fresh or Frozen Groceries Online for Home Delivery, by Product Category, Aug 2019

% of respondents



Note: n=1,025 ages 18+ who have purchased fresh/frozen grocery items online for home delivery

Source: Varcode survey conducted by Bizrate Insights, Sep 3, 2019

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Among the nearly three-quarters of respondents who have never ordered groceries online for delivery, concerns about freshness and quality appear to be major impediments to adoption. The same Varcode survey found that 55% of internet users who haven't ordered fresh or frozen groceries for home delivery cited temperature and freshness as reasons for not having done so. That number is even higher (59.4%) among 18- to 34-year-olds, who represent a key demographic currently driving growth in grocery ecommerce.

US Internet Users Whose Concern About Temperature and Freshness of Fresh and Frozen Food Items Is a Reason They Have Not Ordered Them Online for Home Delivery, Aug 2019

% of respondents, by age



Note: n=2,952 ages 18+ who have not bought fresh or frozen groceries online for home delivery; includes refrigerated and frozen food and beverages, meat, produce, fruit, poultry and seafood

Source: Varcode survey conducted by Bizrate Insights, Sep 3, 2019

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Online ordering has at minimum a perception problem—if not a legitimate product problem—given the complicated logistics of online food delivery. Another survey by eMarketer and Bizrate Insights conducted in March 2019 asked online shoppers which aspects of online grocery shopping are better than in-store. Shoppers were least likely to believe the food is fresher when they buy it online. What’s more, the Varcode survey found that 7.7% of shoppers who had bought fresh or frozen food online for home delivery thought they or someone they know had gotten sick from eating food that “arrived too warm or spoiled.”

While attributing sickness to temperature issues might be more perception than reality, such skepticism can curb consumer adoption and undercut growth potential.

Proper temperature management across the supply chain is critical to keeping food fresh. It’s much easier to coordinate between warehouses and grocery stores than it is among warehouses, grocery stores, packing operations and last-mile delivery services. The more handoffs in the process and the more time from store shelves to customers’ refrigerators, the greater likelihood that an issue will arise. And customers experience it acutely when their milk or chicken breasts are delivered at room temperature, which can turn them off from the experience as a whole.

Retailers that can guarantee groceries ordered online are as fresh as what shoppers would buy in-store will earn their customers’ trust. Establishing that trust factor as grocery ecommerce hits an inflection point is critical for any grocery retailer that hopes to succeed in this burgeoning landscape.