Walmart’s share of U.S. eGrocery sales reach record high in Q2 2023, eclipsing Supermarkets for the third consecutive quarter

Walmart and Pickup expand their share as households adjust to financial pressures.

Barrington, Ill. – August 30, 2023 – Walmart captured nearly 36% of all U.S. eGrocery sales in Q2 2023, up more than 5 percentage points from the prior year and its highest share to date, according to the new report, Measuring the Online Grocery Market: eGrocery Share in the U.S., created by Brick Meets Click and sponsored by Mercatus. In addition, the benefits that Pickup offers helped to drive its share increase, which finished at 48% for Q2 2023, almost two points higher than last year.

In Q3 2022, Walmart’s share (excluding Sam’s Club) first surpassed Supermarkets when food-at-home price inflation peaked, and it has been gradually fortifying its top spot as eGrocery market leader each quarter since then. While Supermarkets held a 150-basis point (bps) share edge over Walmart last year during Q2 2022, Walmart finished with a 570-bps share advantage this year.
“The combined effect of price inflation and the expiration of COVID financial supports has triggered a flight-to-value as purchasing power remains under pressure,” said David Bishop, partner at Brick Meets Click. “This means it’s vital for grocers to offer customers more ways to save money while also providing the experience that online shoppers expect, as cost considerations will weigh more heavily than convenience for cash-strapped households in the second half of this year.”

Related to this research, an independent analysis of CPI data from the Bureau of Labor Statistics, also conducted by Brick Meets Click, documented that the purchasing power of U.S. households dropped over 7% during the first half of 2023 versus a year ago. This was after it declined more than 9% in the first half of 2022 versus the same period in 2021. In comparison, purchasing power just prior to the pandemic was far less volatile, slipping just 0.5% and 1% during the first half of 2018 and 2019 respectively.

When it comes to how consumers are receiving their online grocery orders, Pickup, the lower cost-to-use service compared to Delivery, has steadily expanded its share of eGrocery sales over the last several years. In 2022, Pickup gained 80 bps during the second quarter versus the prior year, and in 2023, it captured another 190 bps, ending the second quarter with a nearly 48% share of the U.S. market. Supermarkets, in addition to Mass, contributed to the share growth as grocers continued to introduce Pickup services at more store locations.

Target, another Mass rival, is still holding its own in eGrocery with moderate growth over the last two years. It has gained 70 bps of share versus 2021, and finished Q2 2023 with approximately 7% of eGrocery sales. Strong and consistent execution – especially in fulfilling Pickup orders – and a price gap that is halfway between Supermarkets and Walmart likely offered a degree of defense for its online grocery business.

Total eGrocery sales were down 1.1% in Q2 2023 versus the prior year and the main driver of the sales decline was fewer orders completed per household, down 5% year-over-year for the quarter. In addition, consumer interest in buying groceries online declined slightly except for the most engaged households. The share of U.S. households that completed one or more online orders during Q2 2023 contracted by 275 bps compared to a year ago to just under 53%. The overall pullback was due to contractions across the three lower quartiles of online pending; meanwhile, the households who report doing at least 75% of their grocery spending online expanded by 292 bps versus Q2 2022.

“As competition for the shopper intensifies, regional grocers should be leveraging analytics and insights to provide customers with personalized recommendations, discounts, and offers as well as developing targeted, cost-effective strategies to encourage and reward repeat purchases online and in-store,” said Sylvain Perrier, president and CEO, Mercatus. “In addition, grocers can expand the online market they serve by offering Pickup as a lower-cost alternative to Delivery.”
While repeat intent rates during Q2 2023 were down slightly versus last year across Pickup and Delivery and for core formats (Mass, Supermarkets, and Hard Discount), the gap between Mass and Supermarkets for both receiving methods continued to widen. The gap in repeat intent that Mass had over Supermarkets for Delivery climbed by 210 bps and Pickup’s grew by 560 bps.

**About this report and analysis**

**Measuring the Online Grocery Market: eGrocery Share in the U.S.** is a report created by Brick Meets Click and sponsored by Mercatus. The report is designed to help grocery retailers and their suppliers understand the how the eGrocery market is shifting by providing market share estimates across several retail formats (Supermarkets, Mass, Hard Discount, etc.) and receiving methods (Delivery, Pickup, and Ship-to-Home) over a two-and-a-half-year period, running between January 2021 and June 2023.

The analysis leverages data from the monthly Brick Meets Click/Mercatus Grocery Shopping Survey, an independent research initiative created and conducted by Brick Meets Click since March 2020, and sponsored by Mercatus. This analysis is based on 21,799 responses compiled over the 12 months of 2021, 20,948 responses compiled over the 12 months of 2022, and 11,001 responses over the first six months of 2023 from adults 18 years and older who participated in the household’s grocery shopping.

**About Brick Meets Click**

*Brick Meets Click* is an analytics and strategic insight firm that connects today's grocery business with tomorrow's needs. Our clear thinking and practical solutions help clients make their strategies and customer offers more compelling and relevant in the changing U.S. grocery market. We bring deep industry expertise and fact-based analysis to the challenge of finding new routes to success.

**About Mercatus**

*Mercatus* helps leading grocers get back in charge of their eCommerce experience, empowering them to deliver exceptional retailer-branded, end-to-end online shopping, from store to door. Our expansive network of more than 50 integration partners allows grocers to work with their partners of choice, on their terms. Together, we enable clients to create authentic digital shopping experiences with solutions to drive shopper engagement, grow share of wallet and achieve profitability, while quickly adapting to changes in consumer behavior. The Mercatus Digital Commerce platform is used by leading North American retailers, including Weis Markets, Save Mart brands, Brookshire’s, Kowalski’s Markets, Buehler’s Fresh Foods, WinCo Foods, Smart & Final, Stater Bros. Markets, Southeastern Grocers’ Fresco y Más, Harveys Supermarket and Winn-Dixie grocery stores among others.