May U.S. eGrocery Sales Down 3.4% versus Year Ago, Finishing at $6.9 Billion

Pickup defied the downward trend, capturing its largest sales share to date.

Barrington, Ill. – June 13, 2023 – The U.S. online grocery market finished May with $6.9 billion in total sales, down 3.4% compared to last year’s $7.2 billion, according to the latest monthly Brick Meets Click/Mercatus Grocery Shopping Survey fielded May 30-31, 2023. The dip in overall sales for May 2023 was driven by a combination of fewer households buying groceries online during the month than last year and a decline in the average number of orders placed by active shoppers.

Results were mixed across the three receiving segments. Pickup recorded the only year-over-year growth and captured its largest share of sales to date, climbing 9.1% and contributing 50.7% of total eGrocery sales. Ship-to-Home fell 17.0% versus last year and accounted for 16.8% of eGrocery sales during the month, continuing to post weaker results each year since 2020. Delivery declined 11.7% compared to last year, and its dollar share dropped nearly two points to 32.5% for the month.

The overall base of monthly active users (MAUs) for online grocery contracted 5% as all three segments (Ship-to-Home, Delivery, and Pickup) experienced pullbacks in their MAU bases. In
addition, the share of MAUs who used only one receiving method in May rose nearly 6 percentage points to 72%. Most formats also experienced declines in their MAU bases during May, with Grocery falling nearly 2% and Mass contracting by more than 5% compared to a year ago although the Mass MAU base remained more than 40% larger than Grocery's.

Along with fewer households buying groceries online in May, the average number of orders placed by MAUs fell 5% to 2.51 versus May 2022, continuing a downward trend from the record high of 2.91 in May 2020. “The decline in order frequency is the result of the growing number of MAUs who placed only one eGrocery order during the month. This accounted for one-third of all active customers and caused headwinds across all the segments,” said David Bishop, Partner, Brick Meets Click.

In contrast to declines in the MAU base and order frequency, overall spending per order increased by nearly 8% in May versus the prior year, largely due to higher prices for grocery products. Looking at each segment, Pickup’s average order value (AOV) climbed almost 13% in May to $92, and Delivery edged up 5% to $85. However, these gains were partially offset by lower AOVs in the Ship-to-Home segment, which slipped by a little more than 3% on a year-over-year basis. Comparing formats, the combined AOV for Pickup and Delivery for Grocery grew almost 9%, and Mass increased nearly 14% versus a year ago.

Overall repeat intent rates declined 270 basis points in May versus last year, marking the third straight month in which customers indicated a lower likelihood of using the same Pickup or Delivery service again within the next 30 days compared to the same periods in 2022. The downward trend continued due to Grocery’s scores, which fell by 560 basis points in May, while Mass reversed course and climbed 720 basis points compared to the same period a year ago.

"Given the decreasing number of online customers and the decline in repeat intent rates, it is imperative for regional grocers to gain a deeper understanding of their customers' evolving needs and effectively adapt," stated Sylvain Perrier, president and CEO, Mercatus. "As customer expectations continue to rise, it is crucial for grocers to reassess their current service standards and ensure that the shopping experience aligns closely with these elevated expectations."

Online’s share of total grocery spending dropped in May, falling 270 basis points to 12.1% versus last year. Excluding Ship-to-Home, since most conventional supermarkets don’t offer it, the adjusted contribution from Pickup and Delivery finished at 10.0%, down 190 basis points compared to a year ago, due to Delivery’s weaker performance for the month.

Check out the Brick Meets Click eGrocery Dashboard for May 2023 or visit the eMarket/eShopper page for additional insights and information about the full report.

About this consumer research
The Brick Meets Click/Mercatus Grocery Shopping Survey is an ongoing independent research initiative created and conducted by Brick Meets Click and sponsored by Mercatus. Brick Meets Click conducted the survey on May 30-31, 2023, with 1,792 adults, 18 years and older, who participated in the household’s grocery shopping.
The three receiving methods for online grocery orders are defined as follows:

- **Delivery** includes orders received from a first- or third-party provider like Instacart, Shipt or the retailer's own employees.
- **Pickup** includes orders that are received by customers either inside or outside a store or at a designated location/locker.
- **Ship-to-Home** includes orders that are received via common or contract carriers like FedEx, UPS, USPS, etc.

Results were adjusted based on internet usage among U.S. adults to account for the non-response bias associated with online surveys. Responses are geographically representative of the U.S. and weighted by age to reflect the national population of adults, 18 years and older, according to the U.S. Census Bureau. Brick Meets Click used a similar methodology for each of the surveys conducted in 2023 – Apr. 28-29 (n=1,746); Mar. 30-31 (n=1,742); Feb. 26-27 (n=1,745); Jan. 30-31 (n=1,735); in 2022 – Dec. 28-29 (n=1,715), Nov. 29-30 (n=1,749), Oct. 28-29 (n=1,732), Sept. 29-30 (n=1,752), Aug. 29-30 (n=1,743), July 29-30 (n=1,690), June 29-30 (n=1,743), May 28-29 (n=1,802), Apr. 28-29 (n=1,746), Mar. 28-29 (n=1,681), Feb. 26-27 (n=1,790), and Jan. 29-30 (n=1,793); in 2021 – Dec. 29-30 (n = 1,836), Nov. 29-30 (n=1,785), Oct. 29-30 (n=1,751), Sept. 28-29 (n=1,728), Aug. 29-30 (n=1,806), July 29-30 (n=1,892), June 27-28 (n=1,789), May 28-30 (n=1,872), Apr. 26-28 (n=1,941), Mar. 26-28 (n=1,811), Feb. 26-28 (n=1,812), and Jan. 28-31 (n=1,776); in 2020 – Nov. 11-14 (n=2,067), Aug. 24-26 (n=1,817), Jun. 24-25 (n=1,781), May 20-22 (n=1,724), Apr. 22-24 (n=1,651), and Mar. 23-25 (n=1,601); and in 2019 – Aug. 22-24 (n = 2,485).

**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.