August U.S. eGrocery Sales Climb 8.7% versus Year Ago to $9.3 Billion

Pickup sales drove three-quarters of YOY gain while Delivery sales stall due to lower demand.

Barrington, Ill. – September 12, 2023 – As many households engaged in back-to-school activities, the online grocery market in the U.S. grew 8.7% compared to last year, ringing up $9.3 billion in sales for August 2023, according to the latest monthly Brick Meets Click/Mercatus Grocery Shopping Survey fielded August 30-31, 2023. Household demand for both Pickup and Ship-to-Home was strong during the month, while Delivery experienced a slowdown in order volume and Mass continued to attract many more customers than Supermarkets.

Shopper interest in buying groceries online remained strong as the August monthly active user (MAU) base expanded nearly 5% compared to a year ago, which reflects households that completed one or more online orders received via Pickup, Delivery, or Ship-to-Home. Analyzing the respective MAU bases for each of the three methods showed that Ship-to-Home expanded by over 9% and Pickup increased by nearly 6%, while Delivery was up less than 1%.

The total volume of eGrocery orders placed during August 2023 grew 5% versus 2022, driven almost entirely by the expansion of the MAU base rather than a change in order frequency by
MAUs which was essentially flat versus last year. Order volume growth was unevenly distributed. Delivery, the only method to post a decline in order volume, fell almost 5%, while Pickup and Ship-to-Home climbed 9% and 10% respectively compared to 2022. The results also revealed that Amazon’s pure-play segments (e.g., marketplace, Subscribe & Save) contributed significantly to Ship-to-Home’s strong performance as its order volume finished up over 10% higher than last year.

“The combined average order value (AOV) for all three fulfillment methods grew 3% versus the prior year in August, which is below the current rate of inflation for the wider variety of grocery-related products that regional grocers often sell and extends beyond the Food-at-Home category,” stated David Bishop, Partner at Brick Meets Click. “For grocers, it is important to see the specific trends for each method as Pickup posted the highest gain of 6%, followed by Delivery, up 4%, and Ship-to-Home, up 3%, compared to a year ago.”

Driven by the uneven gains in MAU bases and AOV for each receiving method, there were shifts in sales share across the market. Delivery lost sales share, ceding 360 basis points year-over-year to end August with 38% of total eGrocery sales. Pickup captured more than three-quarters of the share lost by Delivery and finished with 45% of eGrocery sales while Ship-to-Home claimed the remainder, ending with almost 18%.

Trends for the two formats with the largest MAU bases, Mass and Supermarket, continued to diverge from each other in two of three key performance indicators. The Mass MAU base surged by almost 20% in August while Supermarkets contracted by more than 10%. Similarly, order frequency for Mass rose in the low single-digits but fell in the mid-single digits for Supermarkets versus the prior year. AOV was the only metric where both Mass and Supermarkets reported comparable gains versus last year.

Cross-shopping rates between Grocery (which includes Supermarket and Hard Discount formats) and Mass continued to climb, increasing 490 basis points versus last year to finish the month at 34%. This is the highest level of cross-shopping to date and more than twice that of pre-COVID levels recorded in August 2019. The gap in repeat rates shrank slightly in August as the share of Grocery customers who indicated that they are extremely or very likely to use the same service next month improved nearly two points to 60% while Mass remained relatively unchanged at 68%.

“Online customer loyalty is increasingly elusive, and grocers should focus on creating more seamless experiences that keep shoppers – especially the first timers coming back,” said Sylvain Perrier, president and CEO, Mercatus. “By providing personalized recommendations and promotions, based on shopping history and personal preferences, grocers can strengthen connections with their customers that go beyond simply the transaction and increase the likelihood of repeat business.”

The share of spending that online captured in August versus the same period last year slipped 20 bps to 13.9%. Excluding Ship-to-Home, since most conventional supermarkets don’t offer it,
the adjusted contribution from Pickup and Delivery finished at 11.5%, down 20 basis points compared to a year ago, due to Delivery’s weaker performance during the month.

Check out the Brick Meets Click eGrocery Dashboard for August 2023 or visit the Monthly 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 August 30-31, 2023, with 1,704 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 – July 29-30, 2023 (n=1,795); June 29-30, 2023 (n=1,769); May 30-31 (n=1,792); 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 business.
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.