For Immediate Release

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Total U.S. Online Grocery Sales for May 2021 Down 16% Versus Year Ago

Research shows the market retains 70% of incremental pre-COVID gains versus record-high levels and the degree of cross-shopping between grocery and mass retail services grows

Barrington, Ill. – June 21, 2021 – The U.S. online grocery market posted $7.0 billion in sales during May, down 16% versus a year ago, according to the Brick Meets Click/Mercatus Grocery Shopping Survey fielded May 28-30, 2021. The drop in sales was driven by declines in several key performance indicators including monthly active users, order frequency, and average order value. Despite these reductions, total online sales in May remained 3.5 times higher than pre-COVID levels (2.0 billion in total sales for Aug. 2019 per prior Brick Meets Click research).

“As the business laps very tough year-over-year comparisons, it is essential to put monthly performance into perspective and keep an eye on the big picture,” said David Bishop, partner, Brick Meets Click. “May’s results show the market retains 70% of the incremental gains generated versus the record COVID high of $9.3 billion, illustrating that much of the gain propelled by the pandemic has stuck around.”
The ongoing independent research initiative, created and conducted by Brick Meets Click and sponsored by Mercatus, found that 66.8 million U.S. households bought groceries online in May, a 12% decline versus May 2020. During the pandemic year, the mix of fulfillment methods has shifted. Pickup maintains the top position for reach and was used by 55% of monthly active users in May, up over four points versus last year. In contrast, the share of monthly active users receiving grocery orders via delivery grew just more than one point and ship-to-home contracted six points over the same time frame.

Monthly active users placed an average of 2.80 online orders during May 2021, down slightly from the record high of 2.91 orders set one year ago. Year over year, the share of orders received via the ship-to-home segment dropped more than eight percentage points and delivery gained almost three percentage points. Pickup gained more than five percentage points versus the prior year and was the chosen method for receiving 37% of orders in May, illustrating its growing role in serving the needs of online shoppers.

“Usage trends signal the increased acceptability and/or value that pickup provides a grocery customer compared to delivery or ship-to-home,” Bishop explained. “Pickup not only costs the customer less, but also gives them greater control over the quality of temperature-sensitive products. Pickup has remained the dominant method since the beginning of 2021.”

The May 2021 results revealed that nearly 30% of monthly active users received online orders only via pickup; another 17% received online orders only via delivery. Pickup and delivery are four and two points higher respectively than last May. These results illustrate the importance of offering both services to remain relevant and better support the total addressable market.

Spending per order dropped mainly due to the pantry loading that occurred in the early months of the pandemic. The weighted average order value (AOV) in May declined 7% on a year-over-year basis. Delivery and pickup spending per order experienced a 14% drop to $77 while ship-to-home increased 4% to $50 versus May 2020.

The repeat intent rate, which measures the likelihood that a monthly active user will order again in the next month with the same grocery service, shrunk four percentage points compared to a year ago, coming in just under 53%. While capacity constraints are less of an issue this year, the continued growth of cross-shopping between grocery and mass merchandise is likely a contributing factor to the decline.

In May, the share of online customers who used both a grocery service and a mass retail service to buy groceries during the month climbed to a new high of 29% versus 15% pre-COVID (in Aug. 2019). As cross-shopping climbs, expectations of grocery services are being affected by comparable experiences with mass retail services.

“May’s choppiness in online sales is to be expected as the country opens, and consumers shift spending to things like travel and food away from home,” said Sylvain Perrier, president and CEO, Mercatus. “It’s more important than ever that regional grocers focus on strengthening
their competitive positioning and improving the customer experience. Retailers would benefit from segmenting their online shopper base, knowing their preferences and interests, and taking advantage of solutions that help personalize the experience and lead to larger baskets.”

**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 28-30, 2021, with 1,872 adults, 18 years and older, who participated in the household’s grocery shopping.

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 Apr. 26-28, 2021 (n=1,941), Mar. 26-28, 2021 (n=1,811), Feb. 26-28, 2021 (n=1,812), Jan. 28-31, 2021 (n=1,776); throughout 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 Aug. 22-24, 2019 (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, knowledge of what's coming next, 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 profitability, and quickly adapt to changes in consumer behavior. The Mercatus Integrated Commerce® platform is used by leading North American retailers, including Weis Markets, Save Mart brands, Brookshire’s Grocery Company brands, WinCo Foods, Smart & Final, Stater Bros. Markets and others. Mercatus is headquartered in Toronto, Canada.