April U.S. eGrocery Sales Drop Nearly 4% Versus Last Year to $8.1 Billion

While sales in all three segments declined, Delivery drove almost half of the month’s contraction.

Barrington, Ill. – May 9, 2022 – April online grocery sales pulled back 3.8% versus last year, finishing at $8.1 billion, as total order volume dropped 5.8% driven by lower order frequency and a slightly smaller monthly active user (MAU) base, according to the Brick Meets Click/Mercatus Grocery Shopping Survey fielded April 28-29, 2022.

Delivery-related sales, which accounted for almost one-third of total online grocery sales during April, dropped nearly 6% versus a year ago and contributed nearly half of the decline in total sales year-over-year. The segment’s average order value (AOV) jumped 6% to $84 versus April 2021, helping to mitigate an 11% decline in order volume that was mainly driven by an MAU base that contracted nearly 9% over the past year.

Ship-to-Home, the smallest segment with just over one-fifth of the sales in April, fell over 3% versus last year. Order volume drove the decline, dropping nearly 6% versus April 2021, while the AOV increased by almost 3% to $47. The decline in order volume was the result of a
contraction in the MAU base of more than 2% as well as MAUs receiving 4% fewer Ship-to-Home orders during the month.

Pickup, the largest eGrocery segment with almost half of total sales, declined by less than 3% versus the prior year. Unlike the other two segments, Pickup reported a nominal drop in AOV of approximately 70 basis points to $81; this, combined with a 2% drop in order volume, contributed to the year-over-year decline in sales. Versus April 2021, Pickup’s MAU base shrank by less than 3% and order frequency among its MAUs was essentially unchanged.

“It’s no surprise that inflation is affecting where and how people shop online for groceries,” said David Bishop, partner at Brick Meets Click. “Some customers may now find Pickup a more attractive service since it can help them avoid the higher incremental costs associated with Delivery, and others may choose to simply move more of their transactions back into the store.”

The evidence suggests that today’s customers are more likely to be concerned about the impacts of inflation than contracting COVID-19. Analyzing responses from March and April 2022 related to an MAU’s most recent online order found that Mass customers were 34% more likely than Grocery customers to indicate that cost (i.e., not paying more than necessary) was the most important factor in deciding where to buy groceries online. When it came to how online grocery orders were received, Pickup customers who used Grocery or Mass were 18% and 11% respectively more likely to cite cost as the primary consideration when compared to Delivery customers.

Despite the year-over-year drops in both order volume and the MAU base, the degree of cross-shopping between Grocery and Mass rose just over 40 basis points versus April 2021. The share of Grocery’s MAU base that also shopped online with Mass for groceries during the month finished at 24.2%.

The likelihood for an online grocery shopper to use the same service again within the next month increased during April, coming in at almost 63%, up almost 8 percentage points on a year-over-year basis. Analyzing month-over-month results showed that April’s repeat intent rate for Mass providers slid nearly 3 points while it climbed 50 basis points for Grocery.

“With budget conscious consumers naturally gravitating towards lower cost online services like Pickup, grocers need to find ways to offer these services profitably and remain competitive,” said Sylvain Perrier, president and CEO, Mercatus. “Conventional grocers can take advantage of more efficient pick and pack practices. They can also use tiered pricing models and variable fee structures to offset the cost to serve while still providing a compelling Pickup experience to customers.”

In terms of share of wallet, total eGrocery finished April at 12.3%, down slightly from last year’s 12.7%. Excluding Ship-to-Home (since most conventional grocers don’t offer this service) the
combined Delivery and Pickup segments finished the month at 9.6%, down about 30 basis point versus 2021.

For information about access to the research and monthly eShopper/eMarket reports, go to brickmeetsclick.com.

**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 April 28-29, 2022, with 1,746 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 2022 – 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, 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 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 Grocery Company brands, WinCo Foods, Smart & Final, Stater Bros. Markets and others. Mercatus is headquartered in Toronto, Canada.