September U.S. Online Grocery Sales Come in at $8.0 Billion

Research reveals continued shift in usage and spending toward pickup

Barrington, Ill. – October 13, 2021 – The U.S. online grocery market generated $8.0 billion in sales during September, driven by $6.4 billion from the pickup/delivery segment and $1.7 billion from ship-to-home, reported the Brick Meets Click/Mercatus Grocery Shopping Survey fielded September 28-29, 2021. While year-over-year comparisons are not available, comparisons with August 2020 show that ship-to-home’s share of sales shrank by 10 percentage points while pickup captured all that and more, given the share that delivery also ceded during that period.

“The combined pickup and delivery segment now captures nearly 80% of sales in the U.S. eGrocery market, and pickup hit a record-high portion of total sales in our September research wave, underscoring its critical role in a grocer’s strategy,” said David Bishop, partner at Brick Meets Click.

During September, 64.1 million, essentially one out of two U.S. households, bought groceries online, a 16% increase versus August 2020 according to the ongoing independent research
initiative created and conducted by Brick Meets Click and sponsored by Mercatus. For the same period, pickup/delivery’s combined monthly active user (MAU) base grew more than 33% while the ship-to-home user base contracted by over 12%.

Since January 2021, the average number of orders placed by MAUs has consistently ranged between 2.66 and 2.83, and September 2021 continued this trend with MAUs placing an average of 2.76 orders. In contrast, pre-pandemic, the average number of online orders was significantly lower at just 2.03 (August 2019).

Regarding online order share mix, the pickup/delivery segment continues to expand, growing from 56% in August 2020 to 67% in September 2021. “Both the lift in order frequency and the shift to delivery/pickup as a receiving method illustrate how the pandemic has changed the way a sizable number of consumers shop for groceries,” stated Bishop.

For September 2021, the weighted average spending per order across all three receiving methods totaled $69.65, which was down 12% from August 2020 but up 19% from pre-pandemic levels in August 2019. Since August 2019, AOVs for pickup/delivery have risen by 14%, while ship-to-home has seen a 3% decline.

The share of Grocery’s MAU who also placed at least one online order with Mass during September 2021 increased nearly eight points to 25.7% versus August 2020. The degree of cross-shopping has consistently totaled between 24.3 and 28.7% every month since January 2021 and shows how a mass rival could now be a grocery retailer’s primary competitor when it comes to online grocery.

The likelihood that an MAU will order again from the same online grocery service in the next month landed at 61.4% for September 2021, up one and a half points from prior month. Compared to August 2020, however, this repeat intent rate is down more than 13 points, likely due to the high degree of concern about COVID that was compelling consumers to use these online services at that time.

When comparing repeat intent rates across retail formats in September 2021, grocery’s repeat intent rates lagged those of mass retailers like Walmart and Target by 3.5 percentage points, or almost 6%. This gap signals that grocery retailers may have an opportunity to boost satisfaction by addressing and overcoming friction points associated with their shopping experience.

“Conventional grocers need to take a closer look at their local market dynamics to understand how well they are performing online,” said Sylvain Perrier, Mercatus president and CEO. “The mass merchandisers continue to set the pace and define the standard for digital grocery against which other retailers’ services are increasingly evaluated. Now more than ever, it’s essential for grocery retailers to align their operational processes with a best-in-class customer experience to retain a competitive edge.”
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 September 28-29, 2021, with 1,728 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 in 2021 – August 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 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.