

## For Immediate Release

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## Total U.S. Online Grocery Sales Hit \$9.3 Billion for January 2021

*Increased demand and expanded capacity fueled growth for delivery and pickup*

**Barrington, Ill., Feb. 22, 2021** – The total U.S. online grocery market posted \$9.3 billion in sales during January as more than 69.7 million U.S. households placed on average 2.8 orders across delivery, pickup and ship-to-home according to the **Brick Meets Click/Mercatus Grocery Shopping Survey** fielded Jan. 28-31, 2021. The delivery and pickup segment captured \$7.1 billion in January 2021, accounting for 77% of all online grocery spending during the month.

Total sales grew 15% in January 2021 vs. November 2020, driven largely by a 16% increase in the number of households buying online. Among the total household monthly active users, 78% engaged with either a delivery or pickup service – up from 64% in November. The ship-to-home usage rate dropped from 56% to 46% during the same period.

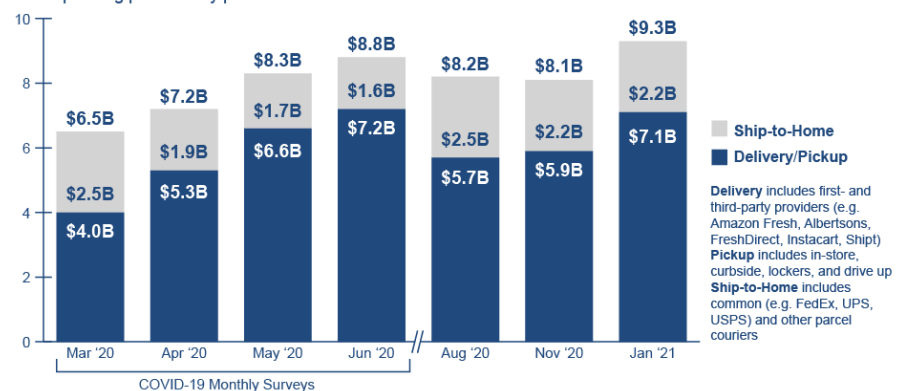
Even with this growth, January's overall usage rate fell short of the record 76.7 million households who shopped online in April 2020 when much of the U.S. was living under stay-at-home orders.

While the average number of total online grocery orders placed by monthly active users for January 2021 remained at 2.8, essentially flat versus November 2020, the delivery and pickup segment collectively gained nearly six percentage points of order share, accounting for 66% of all online orders completed during January 2021.

The average order value decreased nearly 11% in January 2021 versus November 2020 when analyzing the aggregated spend rates across all three segments (pickup, delivery, and ship-to-home).

### Total U.S. Online Grocery Sales: January 2021

Total spending past 30-day periods



Sources: Brick Meets Click/Mercatus Grocery Shopping Survey, Jan 2021; Brick Meets Click Grocery Survey Nov, Aug, Jun, May, Apr and Mar 2020



The strong gains in the total number of households shopping online during January were tempered by sharp declines in the leading indicator “likelihood to use a specific service again,” which measures the share of customers who are extremely or very likely to place another online order with the same provider within the next month. The overall satisfaction metric dropped to 56% in January, down more than 32 percentage points from the record high ratings level in November 2020; the pickup segment had the greatest decline (35 points) during the period.

“Even though many grocers remain capacity constrained – especially with pickup – others are growing market share as they staff up or expand pickup to a larger store base,” explained David Bishop, partner, Brick Meets Click. “While throwing more labor at the issue isn’t ideal, this, along with improving assembling productivities via enhanced pick and pack practices, is vital to remaining competitive in the near term and not inadvertently giving your customer a reason to shop elsewhere.”

January’s drop in repeat intent scores can be partially explained by shifts in the customer mix, but retail conditions are also a factor. Compared to November levels, the share of first-time customers climbed by three percentage points overall and more than six points for pickup in January 2021. This first-time customer group has consistently reported lower intent rates in past surveys. In addition, retail conditions are causing a decrease in satisfaction levels among even the more experienced customer cohort; intent-to-repeat for this group dropped by almost 18 points in January compared to November. Brick Meets Click defines first-time customers as shoppers that place their first order with a specific service within the last three months, and “experienced” customers as those who made at least four orders with a service over the last three months.

“It’s clear from the data that retailers will face a challenge in holding on to a lot of online shoppers as experience is not meeting expectations,” said Sylvain Perrier, president and CEO, Mercatus. “To remain competitive with mass merchandisers, regional grocers need to enhance the digital shopping experience so as not to give their customers a reason to spend their money elsewhere. Grocers have to look at where they can improve operationally, how they can efficiently scale to meet online demand, and which services will be most effective at revenue protection going forward.”

A more extensive summary of the January 2021 research insights is available from Brick Meets Click via subscription to the eGrocery Insights Program. To purchase a single-month or three-month subscription, please visit [brickmeetclick.com](https://brickmeetclick.com).

#### **About this consumer research**

Brick Meets Click conducted the survey on Jan. 28-31, 2021 with 1,776 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 represented of the U.S. and were 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 in terms of design, timing, and sampling for each of the surveys conducted throughout 2020: Nov. 11-14 (n=2,067), Aug. 24-26 (n=1,817), June 24-25 (n=1,781), May 20-22 (n=1,724), April 22-24 (n= 1,651), and March 23-25 (n=1,601).

#### **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](#) is the authoritative voice for food retailers who want to strengthen their relationship with shoppers in a digital space. We help leading grocers get back in charge of their eCommerce experience, empowering them to deliver exceptional branded omnichannel shopping experiences end-to-end, 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 empower 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 and others. Mercatus is headquartered in Toronto, Canada.