Brick Meets Click: U.S. online grocery use doubles in 2 years

A new report from Brick Meets Click reveals how rapidly consumers are making online grocery part of their routine and how often they are using the service. In just two years, the percentage of shoppers that have bought groceries online in the past 30 days has doubled, according to the study that releases today.

The findings in How Consumers Are Using Online Grocery and What It Means for Retailers in 2016, highlight what’s at stake for the grocery industry. “The tide is rising. One in five U.S. consumers is now an active user of online grocery services, and these shoppers are a valuable group.” says Bill Bishop, Chief Architect of Brick Meets Click and primary author of the new study. “Active users spend an average of 16% of their weekly grocery dollars online, and that grows to 64% on weeks they do a major online grocery trip.”

The study results also shed light on how consumers are using online grocery. “Many retailers may be surprised to learn that when shoppers buy groceries online, they divide their shopping differently as they search for better ways to satisfy their needs,” explains Bishop. Three distinct trip types emerged from the survey responses: (1) specific product shopping, (2) major grocery shopping, and (3) subscription-based shopping.

At 60% of trips, specific product shopping was by far the most common type of trip. Major grocery shopping accounted for 15% of trips, but it still represents a big opportunity for supermarkets because of its relatively large basket sizes (typically 21+ items) and higher rate of intended repeat purchases. Subscription-based shopping followed with 12% of trips.

Completed in the 4th quarter of 2015, the survey of more than 12,000 grocery shoppers in three metropolitan areas across the country is a continuation of BMC’s ongoing research into how U.S. shoppers are incorporating digital tools into grocery shopping. The company has been tracking consumers’ online grocery habits since 2012.

The study addresses the “short list” of important questions senior retail executives are asking.

• How are consumers building online options into their grocery shopping, and how fast are they moving?
• What will this mean in terms of opportunities for top line growth and threats to current business?

Key findings from the new research include:
• Online grocery shopping is going mainstream: 41% of shoppers surveyed have given it a try at some point.
• Penetration has doubled: 21% of the shoppers surveyed bought groceries online in the month before the 2015 survey, up from 11% in 2013.
• Active users of online grocery services are spending a significant percentage of their weekly grocery dollars online – 16% on average.
• Specific product shopping for a limited number of products is the most common type of online grocery trip at 61%; the second most common is major grocery shopping with just 15% of trips.
• Major online grocery shopping and subscription-based trips create strong bonds with customers. Seventy percent of shoppers who described their last trip as “major grocery shopping” say they’ll repeat with that retailer, and 76% of the subscription-based shoppers say so. Only 60% of specific-item shoppers intend to be repeat customers.

SAP Hybris supported publication of this report. To download a free copy, visit: How Consumers Are Using Online Grocery and What It Means to Retailers in 2016 at brickmeetsclick.com

About Brick Meets Click
Brick Meets Click helps grocery retailers and suppliers better understand and respond to a competitive landscape that’s been changed by digital shopping tools and online grocery services. We can validate retailer assumptions about current competition and offerings in local and regional markets, and compare customers’ behavior on key benchmarks so that organizations can plot their best way forward. Visit us at brickmeetsclick.com

About SAP Hybris
SAP Hybris provides omni-channel customer engagement and commerce solutions that allow grocery retailers to build a contextual understanding of their customers in real-time, deliver a more impactful, relevant customer experience and sell more across every touch point, channel and device. Visit Hybris at hybris.com/en/.