Supermarket Online Sales are Strong

New Benchmarking Findings from Brick Meets Click

Barrington, IL – December 13, 2016 – Multichannel supermarkets generated larger online orders than online-only grocers according to a benchmarking study that was just completed by Brick Meets Click. More than half of the banners in the study reported average online orders between $120 and $180, compared to the average order size recently reported for Fresh Direct ($105) and Amazon Fresh ($84).

The study compared online orders for the same week from 19 multichannel supermarket banners that offer both traditional and online grocery services. Benchmarks were then developed for four Key Performance Indicators (KPIs).

- Average order size (in dollars)
- Average number of orders per week
- Lost sales as a percentage of online sales
- Percentage of orders with lost sales

“This benchmarking project is extremely valuable because it allows multichannel supermarkets to compare their online sales to other food retailers on a consistent and confidential basis. It also gives them the opportunity to learn how to increase sales from the experience of other retailers,” said Steve Bishop, Managing Partner of Brick Meets Click.

The study also documents and highlights the opportunity to reduce “lost sales” – items that were ordered, but were “out of stock” and could not be satisfied with substitutes. “The average dollar amount of lost sales was about 3%, and the lost sales problem impacted almost 40% of total orders,” reports Bishop. “We now understand the business implications of how broadly lost sales impact customers, and have an opportunity to better understand which lost sales have the biggest impact on customer satisfaction.”

Each participating banner received a confidential report showing how their performance compared on each KPI with a composite average. No individual banner data was released except to the retailer who provided it. Participation in the benchmarking study was also kept anonymous to further protect confidentiality. “We’re glad to explain exactly how we standardized and analyzed the data to any interested retailer,” said Bishop.

Brick Meets Click will conduct a “retailer only” webinar called “How do online grocery orders compare across North America?” on January 11, 2017, to present more of the study information and insights. All retailers who want to learn more about the benchmark results and how retailers are using them to improve their business are invited to attend. Click here for webinar registration.

“We will launch our next round of benchmarking in February 2017, and will be sharing more details in the webinar,” said Bishop.

About Brick Meets Click

Brick Meets Click was co-founded by Bill Bishop and Steve Bishop in 2011. The company’s services and thought leadership help grocery retailers and suppliers successfully navigate the changing food and grocery retail ecosystem, including online grocery. Visit us at brickmeetsclick.com to learn more about our business-building expertise.