

Grocery During COVID-19: A Wild Ride Toward the Future

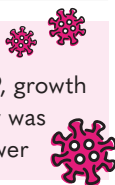


We are now past the peak of panic-buying and can better analyze the impact of COVID-19 on grocery shopping in the U.S. Over the past six months, many consumers were forced to buy new brands, shop online, try BOPIS, and make fewer, shorter trips. These are significant behavioral shifts in a massive market, and the consequences for brands and retailers will be enormous. As ecommerce market share accelerates, digital transformation will be key. Though the majority of consumers enjoy the in-store experience, shoppers of all ages will shift their dollars to digital for both safety and convenience.

SERIOUSLY PANDEMIC PROOF

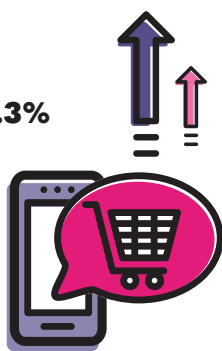
- Revised predictions expect an increase in sales to 707.3B in 2020, up from 675.75B in 2019
- Grocery sales in 2021 will likely soften slightly, to **\$701.8B**

Prior to COVID-19, growth in grocery was much slower



THE GREAT ACCELERANT

- In January, ecommerce market share was 7.8%
- In mid-May, **ecommerce market share had risen to 9.3%**
- **48% of consumers agree they are buying groceries online more now**
- 30% are using Buy Online Pick Up In-Store more now
- The availability **of delivery time selection increased 27% YoY**, from 49% in 2019 to 62% in 2020



BIGGER BASKET SIZE

19.7%: The amount that trip frequency to the top 12 grocery chains **was down in April**, vs. LY. May improved, with only a 10.1% decline



TYPICALLY, CONSUMERS LIKE IN-STORE GROCERY SHOPPING

- In December:
 - **63% of consumers agreed that they enjoy grocery shopping**
 - 91% said they prefer picking out fresh foods in-person
- However, the pandemic will create a new generation of omnichannel grocery shoppers because of both safety and convenience factors

BUDGETS ARE FLIPPED

- In June, **52% reported that groceries are a higher spending priority**, while only 29% said the same of ordering takeout or delivery



LOOKING LONG-TERM

- The perimeter of the store, filled with fresh foods, will be a **long-term staple** for consumers as they **prioritize health and wellness**
- Innovations in the freezer section—plus a **newfound sense of security** from having items on-hand—will power the center of the store

QUOTES FROM OUR COMMUNITY

I have switched to mostly shopping online and grocery pickup. I do still occasionally go to my local grocery store if I just need a few last-minute grocery items but get the majority of my groceries from Walmart pickup.



I shop at the store. It's the only real time I get out of my house and away from my five boys. I do wear a mask and have sanitizer handy.