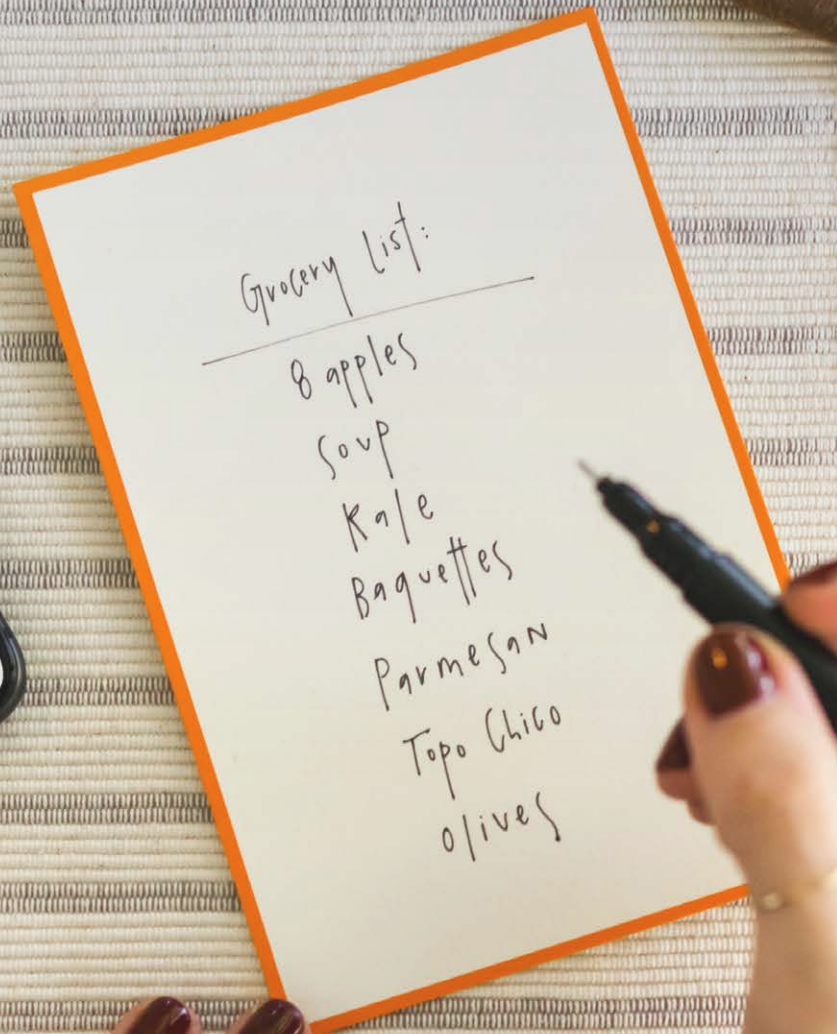
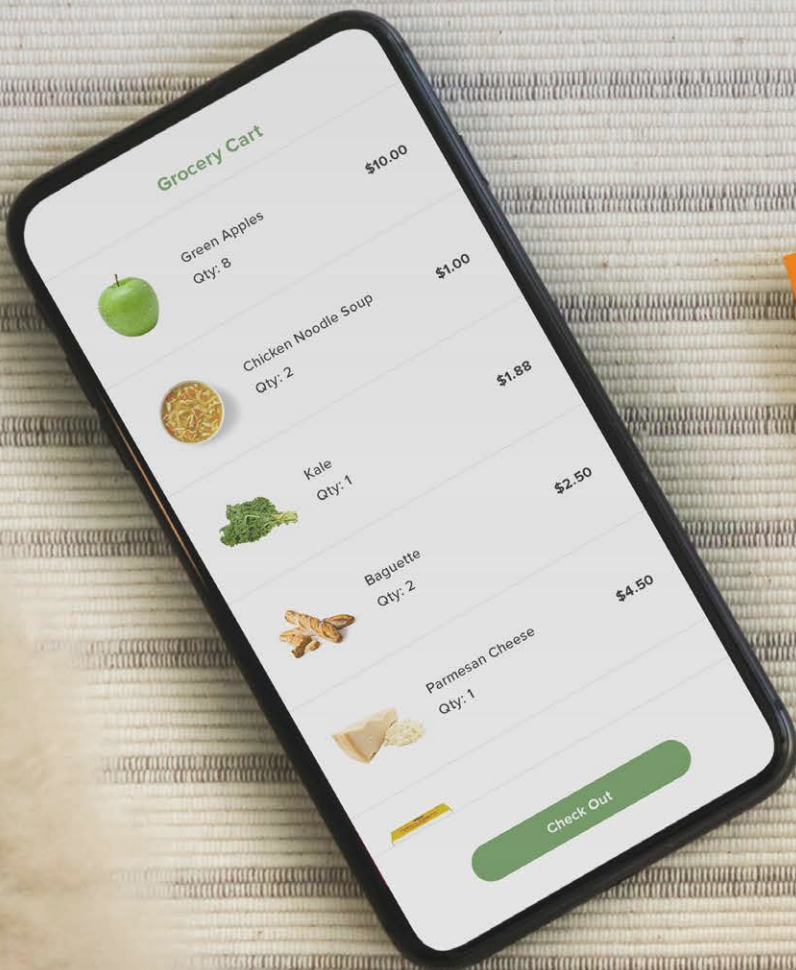


The State of Digital Grocery

SPECIAL REPORT





Online Grocery in 2021

In 2021, grocery brands and retailers face opportunities and challenges like never before. The COVID-19 pandemic had an undeniable impact on shopper habits. From stockpiling, to sanitizing, to social distancing, every pandemic precaution and response had a direct effect on grocery shoppers, and the retailers and brands that serve them.

In response to shopper anxiety about crowds, germs, and checkout lines, retailers and brands went all in on digital grocery. According to the IBM Retail Index, digital shopping accelerated by five years over the course of the pandemic.

Now, as vaccinations slow the spread of the virus, these retailers and brands are asking one question: **what is the current state (and future) of digital grocery?**

To answer these questions, we used the Field Agent platform to survey 1,000 real shoppers (we call them agents), and dive into the 2021 state of digital grocery.

Let's dig in.

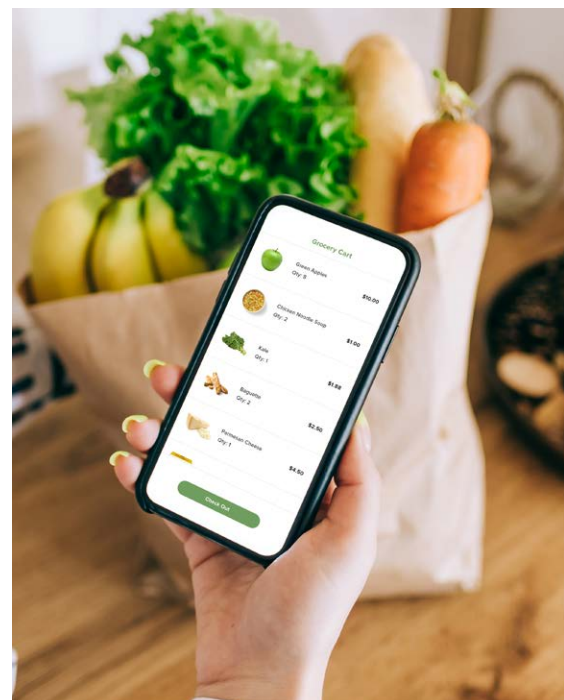
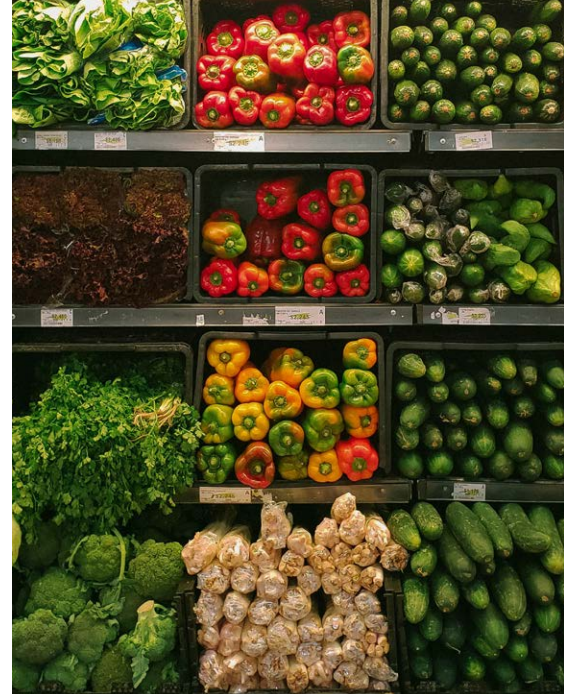
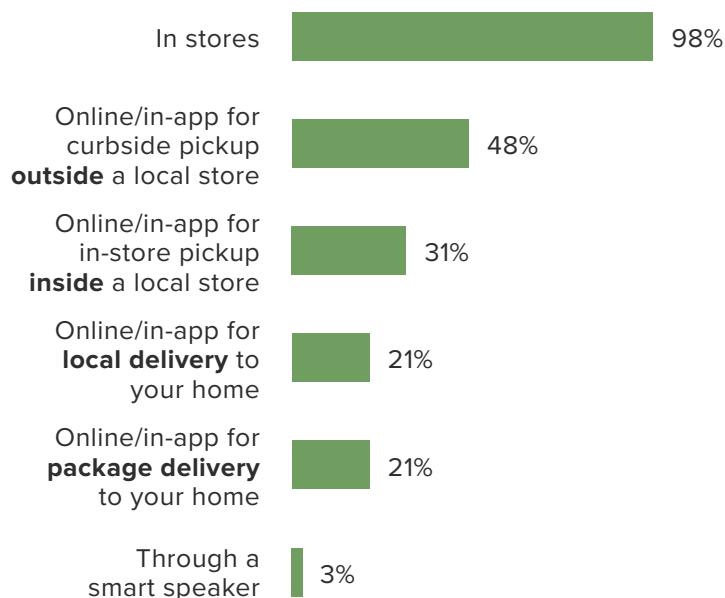
Groceries: How Shoppers Shop

As mentioned, 58% of shoppers surveyed use online services to shop for groceries (at least some of the time). That leaves a sizable number who do *not* - at least, not yet.

Why are some shoppers hesitant? We asked our agents, even those who *do* shop online, what concerns them about grocery shopping online or in-app.

For the majority of shoppers, brick-and-mortar is still king. **But digital grocery is holding its own.** Nearly half of shoppers surveyed use curbside pickup, and over 20% use in-store pickup and/or home delivery services. Sorry Alexa: interest in using a smart speaker to shop appears to be low.

How do you shop for and purchase groceries? Choose all that apply. N = 999

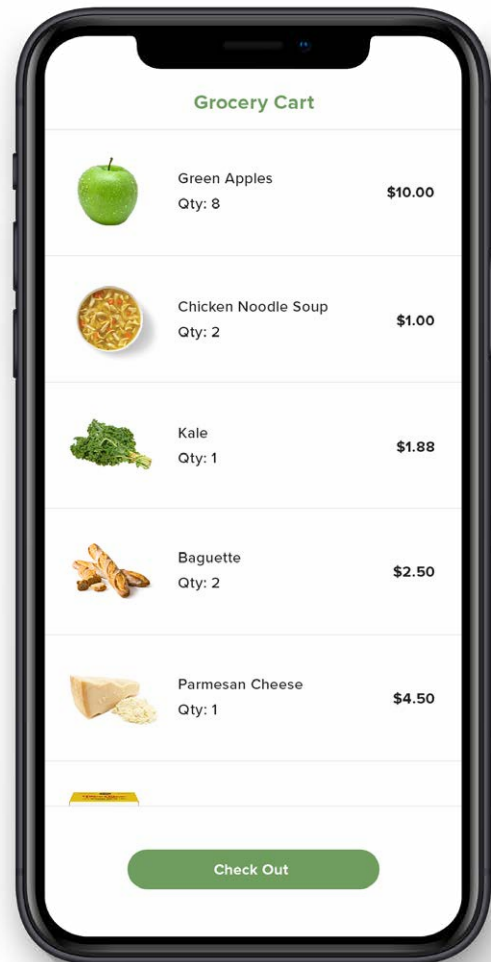
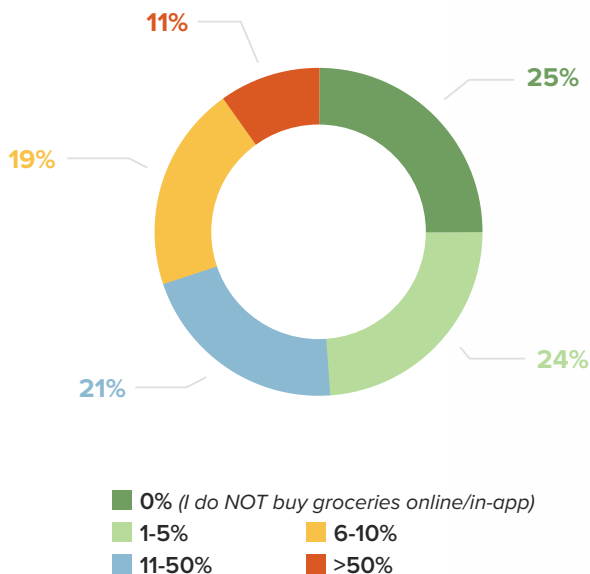


Of our 1,000 agents, **58% claim to currently make at least some grocery purchases online or in-app**, and a further 26% said that they would be open to the idea - even though they don't do much shopping online right now.

These are promising numbers for online retail. But retailers are looking for more than the occasional delivery. How many shoppers are making online grocery shopping a significant part of their habits?

Though the majority (75%) of shoppers surveyed are making some purchases online, it seems that **few are going all in**. Of our sample, only 11% said that they make more than half of their purchases online or through an app.

Approximately how much of your household's total grocery purchases do you make online/in-app? N = 1,000



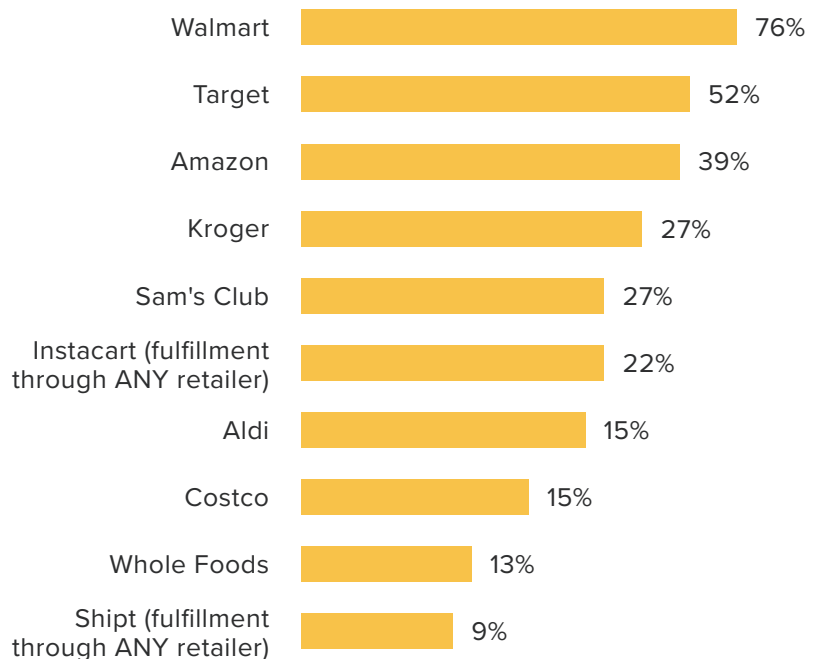
The Top Retailers of Online Grocery

For those who do use online services to shop for groceries, where do they turn to make those purchases?

As usual when it comes to retail, **Walmart takes the crown**. 76% of our online shoppers make grocery purchases from the retail juggernaut. And Target and Amazon weren't far behind in our survey, with 52% and 39% of shoppers using their grocery services, respectively.

Many smaller retailers partner with third-party services for online grocery fulfillment. Of these, **Instacart proved the most popular with our agents**, with 22% of shoppers using the service. Its competitor, Shipt, registered 9%.

Through which retailers and/or third-party services do you purchase groceries online/in-app? Choose all that apply. N = 597



Publix **7%**, Meijer **7%**, Albertsons (or any Albertsons brand) **6%**, H-E-B **6%**, Postmates (fulfillment through ANY retailer) **5%**, Food Lion (or any other Ahold Delhaize brand; NOT Peapod) **3%**, Jet.com **2%**, Peapod.com **0%**





Shopper Habits

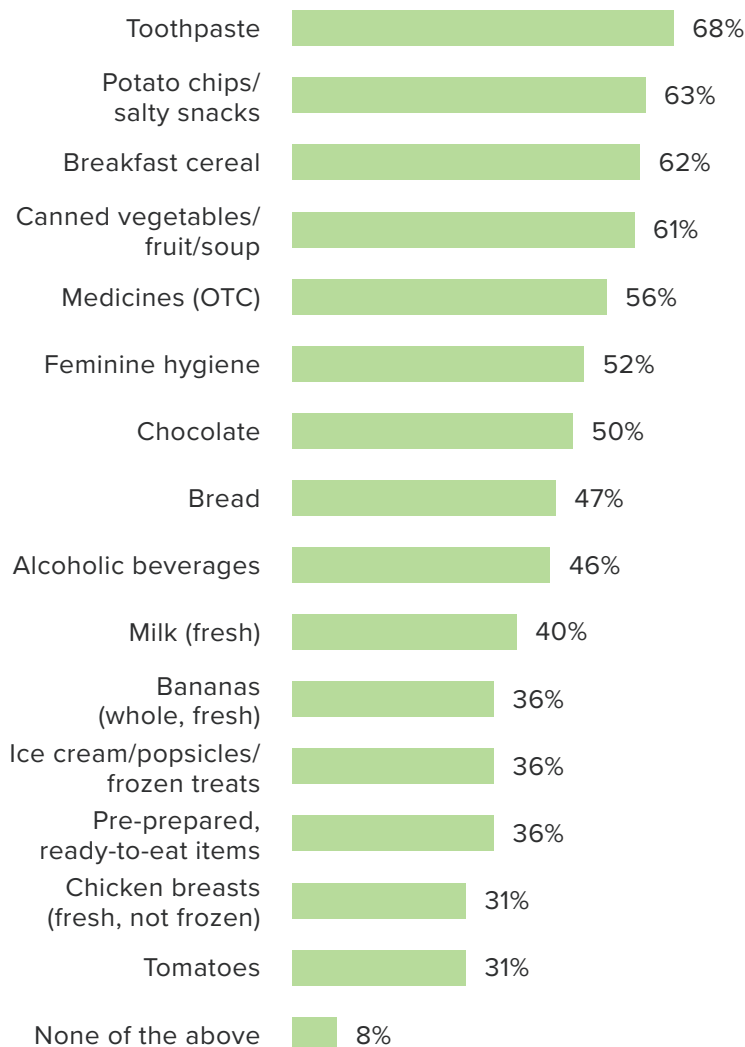
Now that we've settled the *where*, let's talk about the *what*. What grocery products are shoppers purchasing online?

From the thousands of grocery products available, we presented our agents with a selection that would put pickup and delivery to the test: easily bruised or crushed produce like bananas and potato chips, cold products like ice cream, and personal purchases like medicine and feminine products.

Stable, solid items like toothpaste and canned goods? No problem. Shoppers don't even mind buying chips online.

Bananas and tomatoes - not so much. Fruits and veggies are easily crushed, and ordering online keeps people from picking the best of the bunch. Also toward the bottom of the list: perishables like ice cream and chicken breasts.

Which of the following grocery products would you be at least moderately likely to buy online/in-app? Choose all that apply. *N* = 1,000



Grocery Shopping Post-Pandemic

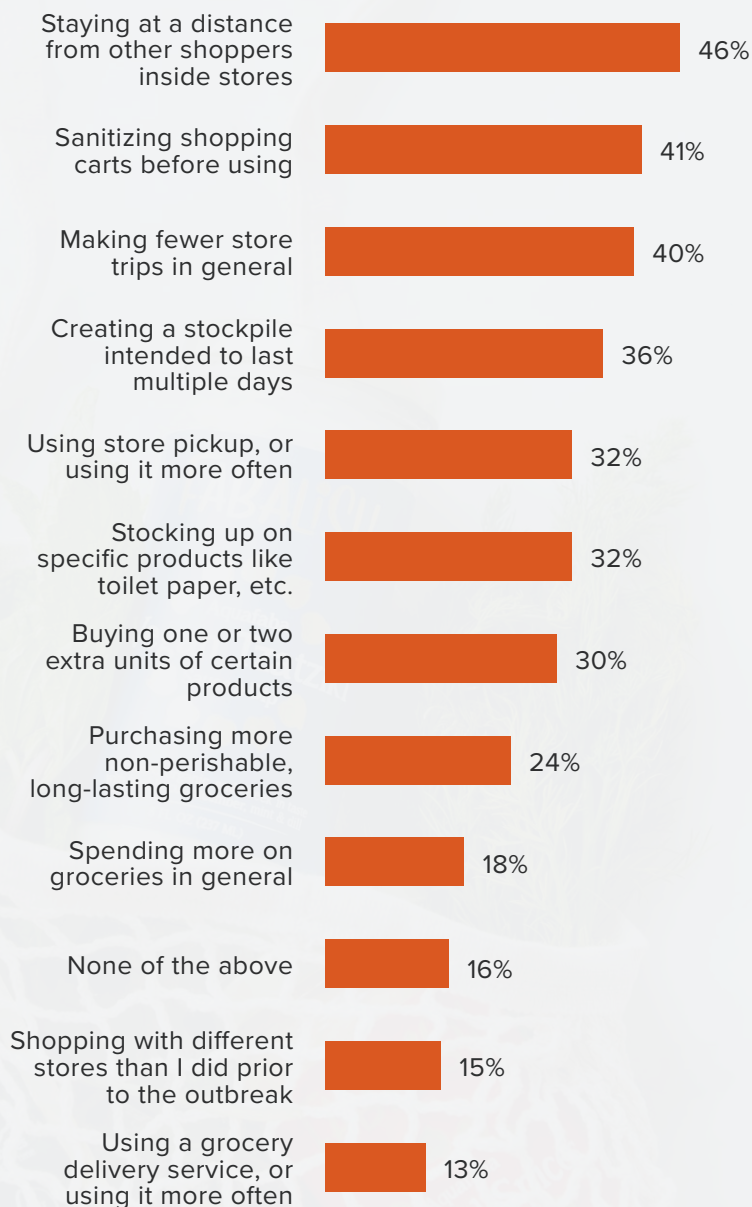
After more than a year of disruption, the COVID-19 pandemic is finally slowing. Across the country, businesses are reopening, mask restrictions are relaxing, and normalcy is returning.

How has the pandemic *permanently* changed grocery shopping behavior? We asked the shoppers themselves.

We presented our agents with a list of 11 pandemic-era shopping behaviors, and asked them which ones they've adopted for the long haul. **84% of our 1,000 shoppers identified at least one way that their habits have changed for good.**

In-store, shoppers plan to play it safe: sanitizing carts and keeping a little more distance from other shoppers than they used to. Many expect to make fewer trips to the store, and stock up on supplies at home. **And, notably, 32% of shoppers are using store pickup services more than they used to.**

In which ways, if any, has your shopping behavior **PERMANENTLY** changed since the COVID-19 outbreak? Choose all that apply. *N* = 999





Anheuser-Busch discovers a pandemic-proof way to sample

When launching a new product, sampling is a crucial way to drive trial. And for beverage titan Anheuser-Busch, it's no different.

Anheuser-Busch launched their alcoholic seltzer, Bud Light Seltzer, earlier this year. But standard sampling programs simply don't work during a pandemic. So they went hunting for alternatives.

Field Agent's [Digital Demo](#) offered Anheuser-Busch the ability to drive trial for their new beverage, as well as providing a pandemic-proof alternative to their traditional sampling program. In addition, the brand received valuable customer-generated content and word-of-mouth.

How? Read the [case study](#) to learn more!



“I'm excited to utilize [the Field Agent platform] as the primary growth engine for many of our emerging brands in 2021!”

Bronica Banks - Director of Shopper Marketing, Anheuser-Busch

[Read the case study →](#)

Shopper Concerns

As mentioned, 58% of shoppers surveyed use online services to shop for groceries (at least sometimes). That leaves a sizable number who do *not* - at least, not yet.

Why are some shoppers hesitant? We asked our agents to dish out their top issues with online/in-app grocery shopping.

Two words: **freshness and control**. Over half of our agents harbor some concerns about freshness and quality - it's hard to give up control, especially when it comes to picking out bananas. 52% were also worried that they wouldn't be able to use coupons and other discounts online.

Another common concern: money. Many shoppers don't like the idea of paying membership fees, or padding their orders to meet a minimum purchase quota.

What are your primary concerns with shopping for groceries online/in-app? Choose all that apply. *N = 1,000*



81%

of shoppers said they were at least moderately concerned with the ecological impact of their shopping

[Read the blog post](#)

Online Retail's Biggest Challenge

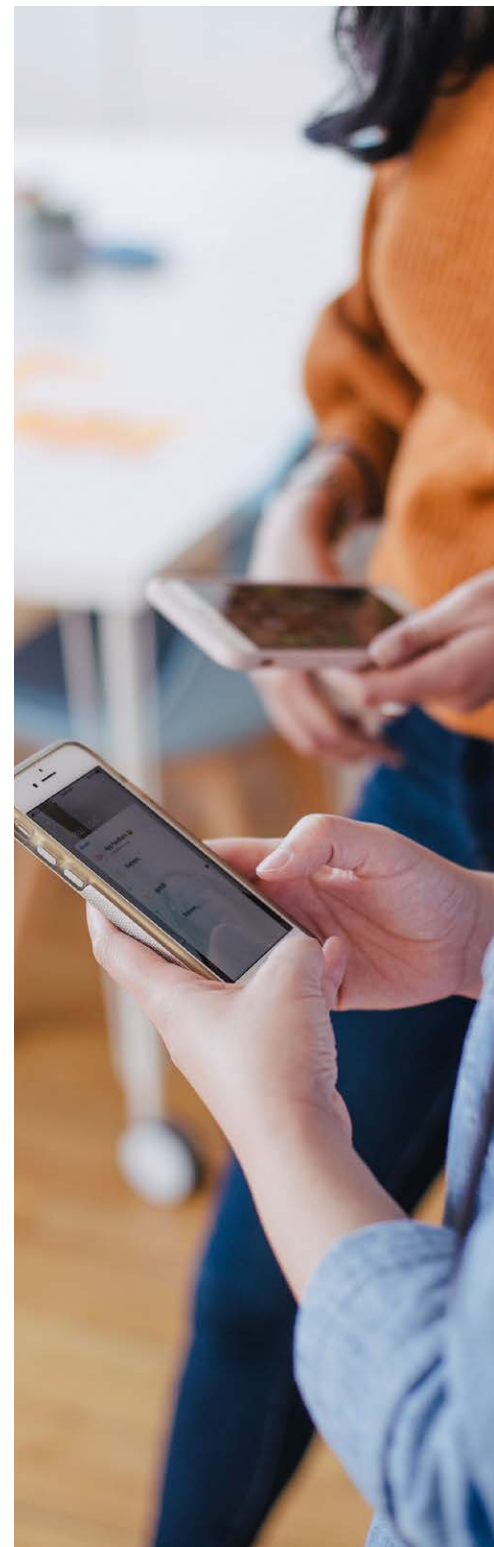
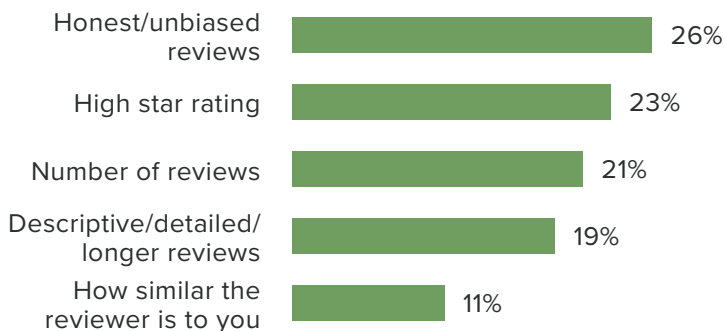
Getting noticed.

With an ocean of options at shoppers' fingertips, standing out from the crowd is the most challenging aspect of online retail for many brands.

Without shopper feedback, it's next to impossible for a product to get noticed online. And nobody values shopper feedback more than shoppers themselves. In a recent Field Agent survey, **94% of shoppers** said that they consult online ratings and reviews before making purchases.

Which categories rely most on online reviews? And where do shoppers go for reviews they trust? Field Agent's Endcaps & Insights recently surveyed hundreds of shoppers to find out the answers to these questions and more.

Rank the following by their importance to your purchasing decisions. *N* = 597



94%

of shoppers read online ratings and reviews before making purchases

[Read the blog post](#)



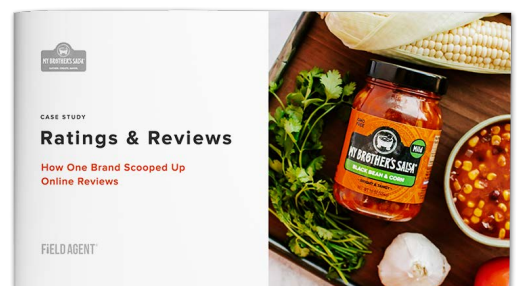
How One Brand Nailed Online Reviews

My Brother's Salsa knew their product was a winner. But every brand looking to increase name recognition faces the same challenge: how to stand out from the crowd?

With a [Ratings & Reviews](#) campaign launched from the Field Agent platform, My Brother's Salsa products earned dozens of authentic, honest ratings and reviews on their products.

And that's not all. With an average star rating of 4.6, and an 89% repurchase rate, Ratings & Reviews also successfully drove trial for the brand - in record time.

Curious how? Read the [case study](#).



Online product reviews are crucial to shoppers' decisions.

Read how one brand revolutionized their online ratings and reviews.

[Read the case study →](#)

Seeing the Future: Online Grocery Five Years from Now

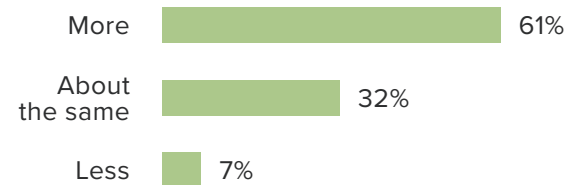
What will online grocery shopping look like in the future? Let's polish up the crystal ball and take a peek. We asked our 1,000 shoppers to tell us how they expect to shop for groceries in five years.

It's a rosy forecast for grocery retail: **more than half of our shoppers plan to purchase more groceries than they do now.** Store pickup services are also expected to trend upward.

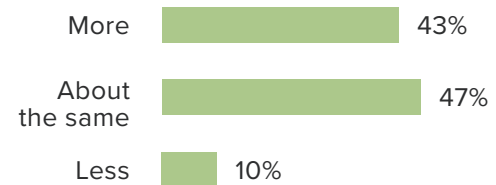
When it comes to home delivery (and especially smart speaker shopping), things are looking a little more stagnant. Most agents expect to use these services about as much as they do now.



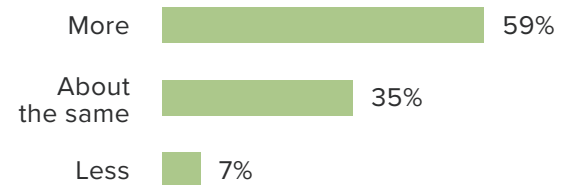
I expect to purchase groceries in general... N = 999



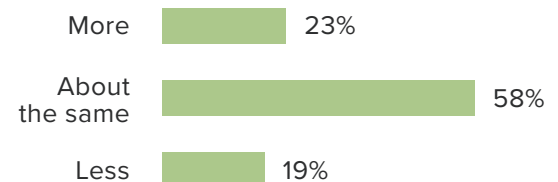
I expect to shop using home delivery... N = 999



I expect to shop using store pickup... N = 999



I expect to shop using a smart speaker... N = 999



Key Takeaways

The shoppers have spoken. Where does online grocery stand in 2021?

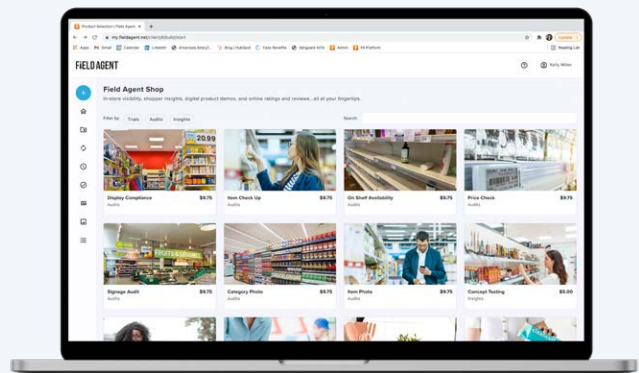
- 1 A majority of shoppers use (or at least dabble in) online grocery shopping** - but few are committing to it beyond the occasional order, with only 11% making more than half of their grocery purchases online.
- 2 Shoppers believe that their shopping habits have been permanently changed by the COVID-19 pandemic.** Safety, store pickup, and stockpiles seem to be the biggest pandemic leftovers.
- 3 It's not all roses for online grocery: shoppers are still skeptical** about trusting strangers to pick out their bananas and tomatoes. Besides the fresh groceries, membership fees are a hurdle for many as they consider online retail.
- 4 When making purchasing decisions, 94% of shoppers rely on online ratings and reviews,** making it one of the most crucial factors for a brand to invest in.
- 5 Good news: in the next five years, shoppers expect their grocery purchasing and use of online grocery services to trend upward.** It's cause for celebration (and planning) for retailers and brands.

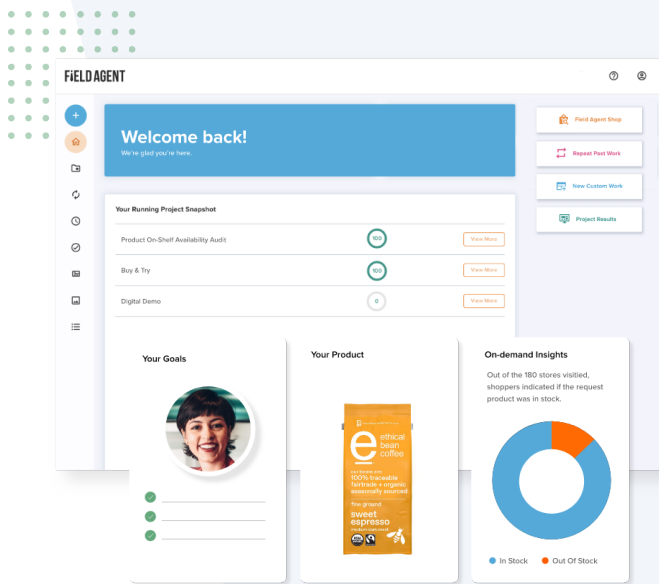


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Demographics

Study Dates

4/16/21 - 4/23/21

Agents

N = 1,000

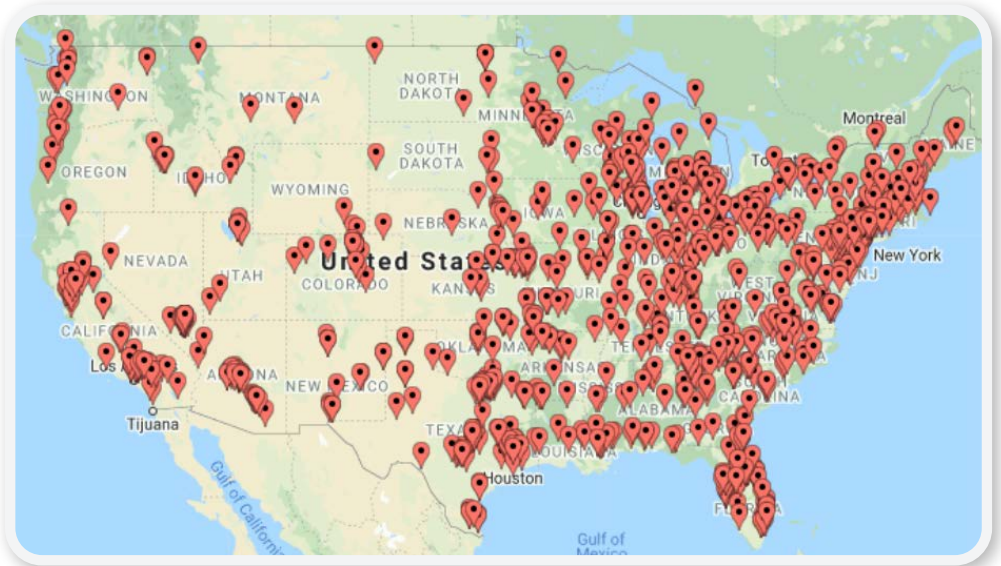
Gender

Female 75%
Male 25%

Age Range

18-34 29%
35-44 37%
45-54 19%
55+ 15%

Study Locations



Income - Annual Household

Less than \$35,000	16%	\$75,000 - \$99,999	17%
\$35,000 - \$49,999	14%	\$100,000+	24%
\$50,000 - \$74,999	19%	not specified	10%

Race

Caucasian / combo	74%
African American / combo	9%
Hispanic / combo	6%
Other	11%

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