RETAIL FEEDBACK GROUP STUDY FINDS SURGE IN DUAL CHANNEL GROCERY SHOPPING

Supermarkets Show Strongest Online Grocery Shopper Growth During Pandemic

LAKE SUCCESS, N.Y. (June 30, 2020) — The Retail Feedback Group (RFG), a leader in providing actionable stakeholder feedback, today released the 2020 U.S. Online & In-Store Grocery Shopping Study. This report provides valuable insight from both online and in-store supermarket shoppers, collected during the COVID-19 pandemic.

Dual Channel Shopping Becoming More Common, Particularly Among Younger Shoppers

Overall, 50% of in-store supermarket shoppers in the last 30 days also ordered groceries online. Not surprisingly, this is even more common with Gen Z (66%) and Millennials (61%), and to a lesser degree Gen X (52%), followed more distantly by Boomers (37%) and the Silent Generation (38%). It should also be noted that Gen Z shoppers registered the lowest overall satisfaction, on a five-point scale where five is highest, relative to the other generations, for both their online (4.22) and in-store (4.02) experiences.

“Grocers and analysts have traditionally segmented ‘in-store shoppers’ from ‘online shoppers.’ However, a key takeaway from our research is the extent to which individual shoppers are now buying groceries both in a store and online, and that this activity is strongest among the younger and growing generations,” commented Doug Madenberg, RFG Principal. “We now have food shoppers who are able, and increasingly willing, to utilize a blend of physical stores and digital storefronts to meet their families' needs, and it will be paramount to satisfy these shoppers going forward.”

Majority of Online Shoppers Used More Than One Service Provider in Last Three Months

While 38% of shoppers used one online grocery provider, 62% used two or more providers in the last three months, during the pandemic. This suggests many shoppers tried multiple services to see who could best meet their needs in terms of factors like product availability and pickup or delivery slots.

Online Grocery Shopping by Channel: Supermarkets Surged During Pandemic

The supermarket channel jumped to 34% of online shoppers indicating a supermarket as where they most recently shopped online for groceries during the pandemic (up from 22% in 2019). Walmart still registered the highest overall percentage of shoppers at 40% (showing a small increase from 37% in 2019) and Amazon decreased significantly from 29% to 14%. Instacart-fulfilled orders grew to 36%, up from 27% last year. However, despite the pandemic surge, supermarket shoppers constitute the largest percentage indicating they plan to shop less for grocery items online in the coming year (20%), as compared to Walmart (16%) and Amazon (13%) shoppers.

Overall satisfaction among online shoppers registered 4.38 (on a five-point scale), down from 4.48 in 2019. While all channels showed lower overall satisfaction as compared to the previous year, marks were still relatively high with Amazon leading (4.47), followed by Walmart (4.38) and Supermarkets (4.33). The Instacart-fulfilled subset had overall satisfaction of 4.35, down from 4.48 in 2019.

Brian Numainville, RFG Principal observed, “Considering the sudden, sizeable pressure on online grocery shopping during the pandemic, it is noteworthy overall satisfaction registered as high as it did. Although supermarkets surged in online shopping use, and many customers may stick, the results show some
supermarket shoppers don’t expect to continue online shopping. With that in mind, it will be important that supermarkets and online service providers maximize their investment by continually strengthening their offerings in order to retain existing customers, while attracting new ones, along with preparing for any future situations."

In-store supermarket shoppers rated cleanliness of the store, on a five-point scale, at 4.41 and quality/freshness of the food and groceries at 4.37, as the strongest core experience factors. Associate friendliness, while the highest service rating, received a score of 4.30, followed by checkout speed/efficiency (4.25), associate helpfulness/knowledge (4.16) and the lowest scoring service area - associate availability – at 4.12. Item variety and selection plummeted to 4.00 (down from 4.38 in the previous study) and value for money, again at the bottom of the list, fell further still to 3.93 (from 4.17 previously). Overall satisfaction registered 4.08, a drop from 4.31 in the 2019 study.

In-Stock Conditions Challenging In-Store and Online
Stock levels presented a major challenge for shoppers in-store and online. About half of in-store supermarket shoppers (51%) indicated the store wasn’t in stock on everything they wanted to purchase. Results were similar for online food shoppers with 49% registering the inability to purchase an acceptable substitution for ALL out of stock items, and fully 45% did not end up receiving all items ordered. Considering positive in-stock conditions lead to higher satisfaction, these out of stock conditions resulted in not only lost sales, but lower overall satisfaction.

Shoppers Concerned About Safety of Food and In-Store Supermarket Shopping During Pandemic
Whether purchased online or in-store, slightly more than half of the shoppers (54%) indicated they were highly confident the food they purchased during the pandemic was safe to eat, with most of the balance (44%) indicating they were only somewhat confident. Turning to shopping in a supermarket, just 33% were confident it was safe to do so.

Consumers Spending More, Shopping Less, and Stocking Up
While 55% of shoppers, either in-store or online, report shopping less frequently during the pandemic, 51% indicate they spent more per trip. As a result, shoppers also indicated they now stockpile products for longer periods of time. For instance, more shoppers keep two to four weeks of meat/seafood on hand now (55%) whereas previously the majority kept just one week (52%). With produce, while the majority of shoppers still keep just one week of produce (57%) versus pre-pandemic (73%), some shoppers now keep two to four weeks (up to 39% versus 25% pre-pandemic).

Grocery retailers, food distributors and media outlets can obtain a free copy of the full report or request an interview / presentation of the results from the principals of Retail Feedback Group at report@retailfeedback.com. The study is based on a nationally representative sample of 2,000 respondents who shopped in-store and/or online for food and groceries in the last 30 days.

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About Retail Feedback Group
Retail Feedback Group (RFG) offers a broad spectrum of research, consumer insight and consulting services. Its flagship program, Constant Customer Feedback (CCF), is the first automated feedback platform specifically designed and introduced for supermarket retailers, and is currently implemented in hundreds of locations across the United States. As a 360-degree listening partner, RFG services include employee experience assessments, customer satisfaction programs and consumer perception studies. For more information visit www.retailfeedback.com and follow RFG on Twitter @TheFeedbackGrp.

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