

Grocery's Ecommerce Evolution during COVID-19

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The pandemic has accelerated ecommerce demand, pressuring capabilities and providing invaluable lessons for the future. I am not usually one to make dramatic statements about industry developments, but I have mostly put that aside during this pandemic, when everything seems to be unprecedented. But here is a sweeping statement I am comfortable making: online grocery shopping is undergoing its biggest test.

Two timely reports from FMI take a deep dive into online shopping. *U.S. Grocery Shopping Trends 2020 (Trends)*, from FMI and The Hartman Group, looks at how significantly the pandemic has impacted ecommerce. Meanwhile, *Transparency Trends: Omnichannel Grocery Shopping from the Consumer Perspective*, a new study from FMI and Label Insight, offers insights on how to improve the ecommerce user experiences among omnichannel shoppers.

Let's first examine the huge advance for online shopping as a result of the crisis. Consider that last year shoppers reported online grocery spend represented 10.5% of all grocery spending, according to *Trends*. That figure rose to 14.5% in February of 2020 and surged to 27.9% in the March/April period.

Ecommerce Crosses New Boundaries

In the wake of this unprecedented spike, online shopping also crossed new boundaries on the demographics front. "Previously skewing toward working urban Millennial families, the ranks of online shoppers have grown in particular among older generations and households without children," according to *Trends*.

Moreover, there was somewhat of a reversal in shopper hesitation about buying perishables online. Back in February *Trends* data showed, for example, fresh produce ranked 15th and fresh meats 19th in a list of 26 categories often bought online.

"However, by mid-April, the situation had changed dramatically," the report said. "Fresh produce moved into the top 10, with 12% saying they had just purchased fresh produce online for the very first time. Similar proportions said the same about fresh meat, refrigerated dairy and frozen foods, each seeing many first-time online buyers."

Online Shoppers Reveal Likes and Dislikes

Now that online food shopping has accelerated dramatically, retailers will have the opportunity to keep and grow their online shopper base. The new omnichannel shopper report relays important clues about how this can be accomplished. The report found the biggest reasons shoppers like online shopping include saving time, fast and easy checkout, and delivery.

Some of the biggest dislikes about online shopping are the inability to choose one's own perishable items (despite the growth during the pandemic), high delivery fees, difficult returns processes, inability to find products based on preferences, and slow delivery.

How to Improve Ecommerce Experiences

What would make online shopping more user-friendly? Here are the top factors cited by respondents:

- Better product selection
- Faster delivery
- Easier-to-use websites
- More and better product information
- More accurate search functionality

“Focus on online user experience as an opportunity to cement consumer loyalty and gain new shoppers,” the report said.

Enhancing Experiences Across Channels

Meanwhile, even though the pandemic raised the profile of ecommerce, physical stores retain their crucial roles, according to the omnichannel shopper research (conducted in mid-March). “Many omnichannel shoppers feel equally positive about online and in-store shopping,” the report said. “However, on balance, there's more of preference for in-store (39%) over online (26%).” Even at the height of the pandemic, only 10% of shoppers said they no longer shopped in-store.

Interestingly, this preference for in-store over online is reflected across generations, even including younger shoppers. As a result, the jury is still out on which buying channels shoppers will choose now and when society returns to a greater level of normality. In the meantime, retailers can improve experiences for both online shopping and physical stores. In fact, that would be the ideal approach to increase the loyalty of omnichannel shoppers.

To learn more about *How COVID-19 is Reshaping Online Shopping* register for our webinar on June 24th. You can also, visit our *U.S. Grocery Shopper Trends* web page or to download the *Transparency Trends: Omnichannel Grocery Shopping from the Consumer Perspective* report.