



Navigating the aisles— what is ‘essential’ drives changes in grocery trends

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Executive summary

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“Essential” is now at the heart of the grocery experience.

The grocery experience looks very different than it did in the spring of 2020. As more Americans get vaccinated and receive booster shots, and in-store foot traffic continues to rebuild, grocers face major obstacles, including labor shortages and supply chain challenges. It’s also become more apparent which pandemic-related habits and expectations are here to stay. We think shoppers will keep planning their buying in advance, prioritizing flexibility in ordering and fulfillment, and considering convenience in terms of availability (information and product) and value (store and price).

While we no longer wait impatiently in blocks-long lines to buy scarce essentials like toilet paper, antibacterial wipes, and hand sanitizers, what shoppers find essential and valuable continues to evolve alongside the uncertain COVID-19 landscape. In response to the ambiguity of the current market ecosystem, grocery retailers are leaning into creative omnichannel options, allowing shoppers to feel more comfortable with alternative shopping methods and digital e-commerce technologies.

Grocery e-commerce sales rose significantly during the pandemic, posting increases of 54% in 2020—growth that is likely to continue, although at a lower rate.¹ But despite the boon to e-commerce momentum, there remains a trade-off between convenience and choice. And, ultimately, shoppers still prefer a traditional, on-premise shopping experience for their groceries by a wide margin—86%—while only 7% prefer a no-contact approach, choosing home delivery or pickup in-store or curbside instead. Parsing these numbers out further, 55% of female shoppers make decisions influenced by convenience, compared to 33% of male shoppers, who seem more willing to go out of their way to get exactly what they want.²⁻³

¹ <https://www.emarketer.com/chart/244915/us-grocery-ecommerce-sales-2019-2024-billions-change-of-total-ecommerce-sales>

² <https://www.grocerydive.com/news/despite-e-commerce-momentum-in-store-shopping-reigns-supreme-survey-finds/599513/>

³ <https://www.surveymonkey.com/curiosity/purchase-behaviors-april-2021/>

COVID-19 testing, vaccines and boosters, continued mask mandates, and other pandemic measures have bolstered consumer confidence regarding in-person shopping. Forty-one percent of shoppers say retailers can attract them to shop-in-person by providing masks for shoppers, and 87% are comfortable with hygiene or distancing measures. While the more recent rise of in-person shopping could relate to pandemic fatigue or burnout—when people tire of the safety protocols over long periods and become less likely to follow public health best practices—60% of shoppers now see shopping in person at food stores and markets as “acceptably safe,” up from February 2021.⁴

That said, COVID-19 is still a big focus for shoppers, especially since the Delta variant emerged this summer and accounted for 83% of all COVID-19 cases in the United States as of late July. Our recent Consumer Recovery Report⁵ data shows that the vast majority of shoppers (71%) feel either extremely or moderately concerned about the highly contagious mutation, with nearly three-quarters (72%) reporting disruption to their lives by the coronavirus. Describing their thoughts on COVID-19 in the U.S., almost half (49%) of respondents say they believe the worst is yet to come, while only 35% believe the worst is behind us.

Grocers can’t control how COVID-19 continues to evolve or how shoppers react. But they can control how they prepare for the future. This paper identifies four macro trends with specific examples that grocery retailers can leverage to retain and grow their customer base, expand market share, and gain a competitive edge. The need for these organizations to enhance, optimize, and adapt their current marketing and direct-to-consumer strategies to meet shopper expectations remains mission-critical as COVID-19 continues to reshape commerce.

Grocery
e-commerce
sales

increased
54%

in 2020 due to the pandemic,
and will likely continue to grow.

Source: [emarketer.com](https://www.emarketer.com)

⁴ <https://www.supermarketnews.com/issues-trends/many-shoppers-return-normal-has-been-put-hold>

⁵ <https://www.icf.com/insights/engagement/consumer-recovery-report-september>

As a result of the pandemic, U.S. shoppers tend to consolidate shopping trips and spend more time online and less time in-store.

38%

of respondents reported their frequency of visits to the grocery store decreased during the pandemic

32%

reported their frequency of online shopping for groceries increased

39%

reported limiting their grocery purchases to only one store, an increase of 11% compared to those who did so before the pandemic

Source: ICF Next analysis using MFour data collected from a nationwide sample Aug. 23 to Sept. 1, 2021.

Four macro trends

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#1

**Repositioning
value and
affordability**

#2

**Realizing
omnichannel
potential**

#3

**Putting people
and planet
over profits**

#4

**Harnessing the
power of tech
and data**

Macro trend #1

Repositioning value and affordability

—

At a time when “essential” means so many different things, it’s important to understand that the way shoppers interpret the terms “value” and “affordability” also varies greatly. From product offerings to savings, grocery retailers aim to present their shoppers with more for less. We have seen this play out through the pandemic as private label sales grew when supply chains slowed down or experienced inconsistencies in product availability.

Supply chain issues can impact shoppers’ decisions to try new products or a different brand, leading grocery retailers’ own private label products to become more trusted. Loyalty to specific brands is softening; shoppers are more open to accepting store brands and generic labels as substitutes, and even replacements to the consumer packaged goods (CPG) product itself. Larger retailers like Target, Costco, and Sam’s Club have many different private label product lines. Grocery retailers must find a balance between promoting their own products because the profit margin is better and simultaneously offering shoppers the variety they expect.

Capitalizing on private labels

Albertsons won Retailer of the Year in 2020 due to a multi-pronged strategy that capitalized on shoppers’ willingness to try private-label brands during the pandemic. In the second quarter of 2021, the Albertsons private brands portfolio reached an impressive sales penetration level of 25.2%. The company marketed its store-brand products using an omnichannel strategy that promoted value in conjunction with its *Just for You* loyalty program.⁶

⁶ <https://storebrands.com/albertsons-own-brands-pace-year-end-goal>

27%

of respondents say they are more likely to try new products this year than last year.

Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 – September 1.

Selling convenience as the ultimate value

Gobble⁷ is a direct-to-consumer meal kit provider that offers 10-minute gourmet dinners with simple three-step directions, delivered directly to your doorstep. The company supplies shoppers with locally-sourced ingredients that are pre-chopped and partly cooked for an easy and convenient experience. With meal kit subscriptions on the rise in recent years, the company has expanded its offering, which now includes breakfast and side dish options. It tells prospects to “Skip the grocery store!” in its effort to sell the convenience and ease of pre-prepped and par-cooked gourmet meals.

Blue Apron, another popular direct-to-consumer meal kit provider, also recently began to offer “add-on” meals. Its newest offerings, Butcher Bundles, Craft Burger, Grilling Favorites, Wine Bundles, and Add-ons⁸—such as an appetizer, side dish, or dessert—provide more shopper meal occasions and bring additional variety and flexibility, value, and convenience to their tables.

Endorsing a preventive approach to health

As grocers look to project a healthier image to shoppers and secure long-term loyalty, Heinen’s Grocery Store developed a membership platform that addresses both fronts. Heinen’s recently enhanced its Tasteful Rewards loyalty program to include free membership in its new Club Fx.⁹ With Club Fx—where the “F” stands for Food and the “x” is for prescription—members enjoy a range of nutritional guidance tools from education, support, and incentives to a shelf labeling system and cart check. The program even boasts a private coaching program with a spa-like in-store clinic and one-on-one sessions. The private wellness sessions are free services, but people can upgrade to add personalized nutrition coaching and pantry checks as paid services.

Heinen’s Tasteful Rewards loyalty program members also receive rotating product discounts on some of the 100 better-for-you products the brand offers.¹⁰ These products display the Club Fx logo, and shoppers get weekly emails packed with nutrition tips, videos, and other information on topics like digestive health, immunity, and heart health. New members receive a “starter kit” checklist with 20 essential items for making healthy meals and snacks.

⁷ <http://www.gobble.com>

⁸ <https://investors.blueapron.com/press-releases/2021/05-10-2021-130102435>

⁹ <https://www.heinens.com/club-fx/>

¹⁰ <https://www.grocerydive.com/news/heinens-launches-health-membership-program/594174/>

Opportunity: Show shoppers how food choice matters when it comes to value

Value doesn't always look like the least expensive item on the shelf, and it doesn't always come in the form of a "deal." Brands can create meaningful engagement with shoppers when they deliver convenience as personalized communications along with economic and nutritional values. Individuals define value and affordability differently, so grocery retailers should consider a value strategy for various shopper segments and define triggers to help guide the evolution of loyalty programs and target marketing decisions.

80%

of customers consider the experience a company provides to be as important as its products and services.

Source: [Salesforce](#)

77%

of shoppers have chosen, recommended, or paid more for a brand that provides a personalized service or experience.

Source: [Forrester via Forbes](#)

Macro trend #2

Realizing omnichannel potential

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Grocery retailers are streamlining the journey for shoppers by adopting omnichannel strategies to meet them where they are—whether that's mobile, web, social, or in-store—from their initial search-and-discovery phases through the final checkout and fulfillment steps. Omnichannel options provide shoppers with convenience and choice and will remain relevant in post-pandemic commerce, especially when transparency, such as the availability of essential items, continues to be important.

Research from Symphony RetailAI shows that retailers offering customer-oriented shopping experiences across both digital and physical channels see up to 20% larger transactions. Online grocery shoppers buy more with each order they place and are more loyal shoppers over time—meaning they stick with one provider, increasing their lifetime value to retailers. Furthermore, while half of shoppers abandon the e-commerce channel after a single online purchase, the rest engage more often and become long-term, loyal shoppers.¹¹

¹¹ <https://www.supermarketnews.com/consumer-trends/omnichannel-shoppers-pay-grocery-chains>

Omnichannel grocery shoppers buy more often and spend up to

20% more
versus in-store-only shoppers.

Year-over-year, online grocery sales doubled in Q1 2021, accounting for

8%
of total grocery sales.

Source: [Supermarketnews.com](https://www.supermarketnews.com)

Enabling faster checkout

Sam’s Club has an app-based Scan & Ship feature¹² that allows shoppers to browse the aisles, retrieve items that fit in their vehicle, and ship the other purchases directly to their homes. Members can check out all their purchases in a single transaction from their smartphones through the Sam’s Club Scan And Go app.¹³

With this new delivery feature, members can safely, easily, and quickly shop, scan, pay, show, and go, no matter what they’re buying—all without interacting with a cashier or other members in a checkout line. The Scan & Ship feature aims to improve the shopper experience further and build on the company’s current convenient and contactless shopping options.

Improving experience through digital integration

Wegman’s offers a Meals2GO app¹⁴ that makes it easy for grocery shoppers to order and receive ready-made meals. Shoppers place orders through the app (up to a week in advance, if needed) and pick up their meals in-store or curbside. And through a partnership with DoorDash, shoppers can even have their selected meals delivered. With the goal of meeting shoppers where they are, Wegman’s is offering shoppers time- and money-saving convenience. Their online Meals2GO¹⁵ program consists of a variety of restaurant-quality menu offerings like sushi, pizza, wings, subs, and salads.

Using the workplace to support digital growth

Lowe’s Foods launched a food locker delivery service¹⁶ for nearby corporate employees. The Carolinas grocer partnered with local next-generation automated services organization, Bell and Howell’s QuickCollect Solutions,¹⁷ to fulfill online grocery orders delivered to temperature-controlled pickup lockers via the Lowes Foods To Go service. Bell and Howell employees order their groceries online and receive an access code (via SMS or email) to pick them up. The lockers help shoppers avoid extra stops on the way home and allow them the convenience and ability to order foods that need to stay warm or frozen. The advanced automation also eliminates inefficiencies in e-commerce pickup and order hand-off delays.

¹² <https://www.cnbc.com/2021/07/13/sams-club-is-testing-a-scan-and-ship-option-for-shoppers-.html>

¹³ <https://www.samsclub.com/content/scan-and-go>

¹⁴ <https://meals2go.com/>

¹⁵ <https://www.localsyr.com/bridge-street/wegmans-launches-new-meals-2go-app-for-pickup-and-delivery/>

¹⁶ <https://www.supermarketnews.com/online-retail/lowes-foods-pilots-grocery-pickup-lockers-workplace>

¹⁷ <https://bellhowell.net/products-solutions/automated-pickup/grocery-automated-pickup/>

The QuickCollect locker delivery service is an added benefit that Bell and Howell offers its employees returning to the office after working from home and leverages the workplace to support digital growth. Lowes Foods added this new level of convenience¹⁸ onto its existing foundation of customer service; the grocer has offered curbside pickup and delivery service for nearly 25 years.

Opportunity: Apply an omnichannel lens to your shopper journey map

Busy shoppers are looking for convenient options to help them save time and money, which drives additional store visits and bigger basket sizes. Taking an omnichannel approach reveals opportunities to make touchpoints more seamless and increases shopper loyalty through customer-first conveniences.

Macro trend #3

Putting people and planet over profits

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Grocery retailers support public health and safety and increase transparency in the value chain by focusing on cleaner, safer products, and support for the community rather than strictly concentrating on profits. Shoppers today show a growing concern for workers’ rights, plus the health of the planet, and companies promoting a clear social mission can prove value to younger shoppers who are much more likely to ascribe importance to this approach.

While demand for groceries grew by 50% in 2020—much of it fueled by shopper stockpiling because of COVID-19—according to new research in FMI-The Food Industry Association’s “The Food Retailing Industry Speaks 2021” report,¹⁹ pandemic-related expenses also surged, which impacted grocers’ financial performances. Expenses swelled to nearly \$24 billion and included payroll and pandemic pay, expanded benefits, cleaning and sanitation supplies, and labor. And that situation continues in 2021.

Labor concerns²⁰ remain a top issue for grocery retailers as the pandemic carries on. Companies are offering monetary incentives, but they also need to examine scheduling flexibility, career growth and advancement opportunities, and other motivators like discounted or free groceries, tuition reimbursement, or increased 401(k) company match. Of those polled in FMI’s study, 80% said their ability to attract and retain quality employees is challenged, and 71% indicated that wage hikes and extra bonuses to attract and retain employees are impacting their businesses as well.

Many retail workers, however, fed up with low pay and burned out from working during the pandemic in stores and warehouses, are defecting to higher-paying positions in less-demanding environments.²¹ The pandemic highlighted issues millions of essential workers face as they perform jobs vital to the country without earning a wage that meets basic expenses.²² A typical cashier makes just \$10 to \$11 an hour in the grocery sector, a wage that puts a family of four below the poverty line.²³ And while many of these workers received temporary pay bumps in the first few months of the pandemic, those extra “hero pay” funds didn’t last long.²⁴

¹⁸ <https://www.supermarketnews.com/online-retail/lowes-foods-pilots-grocery-pickup-lockers-workplace>

¹⁹ <https://www.supermarketnews.com/retail-financial/fmi-sizes-pandemic-s-financial-impact-food-retailers>

²⁰ <https://www.supermarketnews.com/retail-financial/fmi-sizes-pandemic-s-financial-impact-food-retailers>

²¹ <https://www.grocerydive.com/news/labor-shortage-pressures-grocers-to-take-a-hard-look-at-worker-benefits/603284/>

²² <https://www.brookings.edu/blog/the-avenue/2021/02/05/essential-workers-deserve-minimum-wage-increase/>

²³ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

²⁴ <https://www.cbsnews.com/news/kroger-ending-hero-pay-workers-2-dollars-hour/>

About half of the

44 million workers

who earn less than \$15 an hour work in “essential” occupations.

Source: [Brookings.edu](https://www.brookings.edu/)

About half,

48.2%

of respondents have difficulty paying their rent or mortgage in full each month.

Source: [ICF Next analysis](#) using MFour data collected from a nationwide sample August 23 – September 1.

85%

of retailers leveraged higher wages/salaries as one method to resolve recruitment and retention challenges.

Source: [FMI-The Food Industry Association](#)

Rating sustainability in products and packaging

Ahold Delhaize USA, the parent company of brands like Giant Food and Stop & Shop, now offers²⁵ the easy-to-use sustainability and social-impact rating system, HowGood.²⁶ Using a grading system of one to three “leaves,” the How Good system indicates how products rate when looking at greenhouse gas emissions, farm labor conditions, water usage, biodiversity, and animal welfare. The partnership with HowGood reinforces the grocery company’s commitment to healing the planet by promoting products that reduce waste or its environmental footprint and

²⁵ <https://progressivegrocer.com/giant-co-launches-sustainability-rating-system>

²⁶ <https://howgood.com/>

U.S. food retail sector spent nearly

\$24 billion

on pandemic-related costs, including:

\$12B

in payroll and incentive pay

\$5B

in expanded benefits

\$3B

in cleaning/sanitation supplies and labor

\$1.5B

in technology and online delivery costs

empower sustainable choices in shoppers’ experiences through product transparency.

Giant Food already utilizes several sustainable practices: a solar field and bee pollinator habitat at their headquarters, a food rescue project called Meat the Needs (which is recognized by the Environmental Protection Agency), a plastic-bag recycling and plastic-reduction program, a tree-planting project with GreenPrint that reduces greenhouse-gas emissions, and sustainable grocery products like coffee, tea, and seafood.²⁷

Product ratings and sustainability attributes drive an average

3.9% sales increase online and in-store

while having a positive impact.

Source: [HowGood.com](https://www.howgood.com)

\$1B in personal protective equipment and related expenses

\$1B in non-monetary benefits and vaccine incentives

Source: [Supermarket News/FMI](https://www.supermarketnews.com)

Increasing access to life-saving drugs

Walmart Inc. leverages its massive reach and builds on its health care credibility²⁸ by offering more of its everyday low prices on new health care opportunities. The company looks to drive store visits and loyalty by investing in its members and offering them private labels at competitive prices.

In partnership with Novo Nordisk, Walmart now offers an insulin product that better fits into the budgets of millions of Americans who don’t have health insurance or struggle to afford prices of \$100 or more per vial.²⁹ Selling low-cost insulin expands access to care, undercuts typical high prices of common medications, and puts life-saving health solutions within reach for more people. Adults and children can fill their prescriptions for the exclusive private-label version of analog insulin, ReliOn NovoLog, at Sam’s Club pharmacies. (Sam’s Club is a subsidiary of Walmart.) The cost is about \$73 for a vial or about \$86 for a package of prefilled insulin pens.

²⁷ <https://progressivegrocer.com/giant-co-launches-sustainability-rating-system>

²⁸ <https://www.modernretail.co/retailers/why-big-box-retailers-like-dollar-general-and-walmart-are-trying-to-build-health-care-credibility/>

²⁹ <https://www.cnbc.com/2021/06/29/walmart-unveils-low-price-analog-insulin-amid-rising-diabetes-drug-costs.html>

Investing in products that are cleaner, safer, and good for communities

Thrive Market is an online wholesale health and wellness membership-based marketplace that sells natural and organic pantry staples, clean beauty products, and nontoxic home items. For \$5 a month, members have access to wholesome essentials delivered to their door for up to 30% below retail prices. They can even shop by special diets like gluten-free, ketogenic, organic, or vegan.

Thrive lives up to its mission to make healthy living easy, affordable, and accessible for every American family. The company pays it forward with each annual membership purchased by sponsoring a membership for another family in need. Thanks to the Thrive Gives initiative, thousands of Americans who otherwise couldn't afford healthy, natural products have easy access to a lower-priced alternative; they don't have to rely on the highly-processed conventional products they might find at their local discount supermarket. Thrive Market members also take comfort knowing the company uses ethical and sustainable sources, zero-waste warehouses, and recyclable and compostable packaging. Plus, it offers free carbon-neutral shipping and complimentary gifts and samples.³⁰

Opportunity: Be an empathy-driven leader and inclusive of shoppers

Values-based brands are what shoppers are looking for today. Make sure your efforts are authentic, or shoppers (and associates) will see through it. To go further, invite shoppers and associates to be part of the initiative, such as through loyalty incentives or appreciation tactics, and collect feedback to gauge resonance.

Macro trend #4

Harnessing the power of tech and data

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While the grocery industry continues its transformative digital growth, retailers must lean into innovation to keep delivering on differentiated shopper experiences. As we saw last year and are continuing to see this year, behind-the-scenes operations³¹ impact the end-shopper experience just as publicly as the shopper's in-store and delivery experience. From supply chain and inventory management to order placement, fulfillment, and payment, retailers are leveraging technology and data to deliver a seamless omnichannel experience, better real-time inventory transparency, and speedier checkout lines.

Leveraging smart technology

Google and TeamViewer have joined efforts to offer a new way to fulfill orders: Assisted Order Picking solution.³² Using the augmented reality supported by Google's smart glasses (Google Glass Enterprise Edition 2) and TeamViewer's Frontline software, store associates will be able to fulfill online orders hands-free, which is estimated to improve focus and pickup rates by 15% to 40%. While the glasses display product information, voice capabilities also enhance the functionality of the solution.

³⁰ <https://thrivemarket.com/>

³¹ <https://www.bloomberg.com/news/articles/2021-10-19/food-shortages-crop-up-again-as-supply-chain-headaches-worsen>

³² <https://progressivegrocer.com/grocers-get-ready-futuristic-store-order-picking>

Inventory and the retailer’s order fulfillment system are connected, which allows it to be updated in real-time, increasing inventory transparency for the next online shopper. According to a recent Oracle survey,³³ this link is important because 63% of people want brands to be more transparent on inventory and 78% would be more willing to buy from a company if they knew that it uses advanced technology to deal with supply chain problems.

Understanding profile, location, and behavior

At the beginning of the pandemic, many grocery and retail brands implemented and/or expanded their fulfillment capabilities and curbside pickup. Target, for example, leveraged geolocation³⁴ to predict when a shopper would arrive at the store to pick up their order; knowing how to coordinate the order hand-off better reduced waiting times for both the associate and the shopper. Target also recently announced upcoming improvements to its curbside pickup service, Drive Up³⁵ including backup suggestions when an item is unavailable, a chainwide rollout of numbered parking spaces, and the ability to designate an alternate person to pick up an order within its app.

Safeway has expanded its fulfillment capabilities and curbside pickup, too; it teamed up with Google to take geolocation further and deliver location-based grocery deals³⁶ that push weekly discounts to shoppers from the Google Pay app. When shoppers are near one of the retailers’ 500 locations around the country, they receive app notifications³⁷ showing current promotions. Safeway’s parent company, Albertsons, also announced it would be offering predictive list-building to shoppers using the Google search engine to order groceries and Google Pay to purchase them.

93%

of shoppers want full transparency on their deliveries at all times, and

47%

of shoppers say they won’t order from brands with poor delivery visibility.

Source: Digital Commerce 360

Removing friction from the checkout experience

Last year, Amazon launched a new grocery store concept, Amazon Fresh,³⁸ utilizing its Alexa tech and Dash Cart to enhance the in-store experience. Using a combination of computer vision algorithms and sensor fusion to identify items, Dash Cart recognizes what items shoppers drop inside the basket and allows them to check out without visiting a cash register. The cart reads barcodes and can also weigh loose fresh produce. To start using the cart, shoppers must scan a QR code on their phones. It then pulls up shoppers’ Amazon accounts, can read an Alexa shopping list, and tell you where to find it in the store. When exiting through the store’s Amazon Dash Cart lane, sensors automatically identify the cart, and your payment is processed using the credit card on your

³³ <https://progressivegrocer.com/consumers-are-really-worried-about-supply-chain-disruptions>

³⁴ <https://progressivegrocer.com/key-grocery-pickup-program-success>

³⁵ <https://risnews.com/3-ways-target-improving-drive>

³⁶ https://www.grocerydive.com/news/safeway-target-use-google-pay-to-push-promotions-to-consumers/599374/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202021-05-06%20Retail%20Dive:%20Tech%20%5BIssue:34100%5D&utm_term=Retail%20Dive:%20Tech

³⁷ <https://blog.google/products/google-pay/save-commute-manage-money-google-pay/>

³⁸ <https://www.businessinsider.com/amazon-fresh-grocery-store-exclusive-photos-2020-9#several-lanes-outside-the-store-are-devoted-to-parking-for-curbside-pickup-and-amazon-flex-drivers-who-deliver-amazon-prime-orders-to-customers-1>

Amazon account. The smart cart is convenient and easy to use but does have its limitations—it can hold only two grocery bags.

Starting within the next year, two Whole Foods stores on the Pacific Coast will also feature Amazon technology. Amazon One³⁹ offers a contactless way for shoppers to pay—by simply hovering their palm over a scanner after creating an account that associates their unique palm print to a stored payment method.

Opportunity: Stay relevant by layering declared data strategies on top of big data

The average grocery basket looks different than it did a year or two ago. Predicting what shoppers are likely to purchase is essential to providing a more personalized experience (and keeping food in stock). Consider a declared data strategy to capture mindsets, motivations, priorities, and behaviors—then map this info to changing shopper profiles.

The U.S. food retail sector spent

\$1.5 billion

in technology and online delivery costs in 2020.

Source: [Supermarket News](#)

³⁹ https://progressivegrocer.com/whole-foods-market-launching-amazons-just-walk-out-tech?utm_source=omeda&utm_medium=email&utm_campaign=NL_PG+Breaking+News&utm_keyword=oily_enc_id=8075H3137145D5C

Closing thoughts

With continued uncertainty surrounding COVID-19 and its variants, supply chain worries, and the upcoming holidays, grocery retailers need to continuously assess their current inventory and fulfillment strategies and maintain consistent and harmonized shopping experiences from search through payment and pickup. As they have been for the past 20 months, adapting to and managing shopper expectations remain as important as ever.

The new wave of grocery retail is here. Here are the key takeaways on grocery trends as 2021 comes to a close:

- // Grocery e-commerce has grown dramatically since the onset of the pandemic, seeing a 54% increase in online sales in 2020 (eMarketer),⁴⁰ and 42% of shoppers plan to continue their grocery buying both online and in-store (ICF Next).⁴¹
- // With third-party cookies going away, the benefits and opportunities of connected channels are increasing for grocery retailers. Intentionally build or ramp up omnichannel capabilities into your present roadmap to avoid missing out.
- // Connect the individual to the community, which can increase shopper lifetime value. Bring shoppers, suppliers, and associates together. Make them feel heard and seen by supporting initiatives that raise long-term health and well-being above short-term profit goals.
- // Leverage declared data to enhance shopper profiles and apply that knowledge across the shopper journey and unique touchpoints. This helps build loyalty by streamlining trips and saving time (and money).

In the final quarter of 2021 and leading into 2022, pre-pandemic habits may return, such as visiting multiple stores versus a single store. But consumer comfort and confidence toward online shopping and in-store or curbside pickup is higher than ever. Online sales seem likely to continue once the pandemic subsides. Grocers who put people, health, and the environment first will garner shopper loyalty, which will continue to grow alongside their ability to adapt to the pandemic's changing nature.

⁴⁰ <https://www.emarketer.com/chart/244915/us-grocery-ecommerce-sales-2019-2024-billions-change-of-total-ecommerce-sales>

⁴¹ <https://www.icf.com/insights/engagement/consumer-recovery-report-september>

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