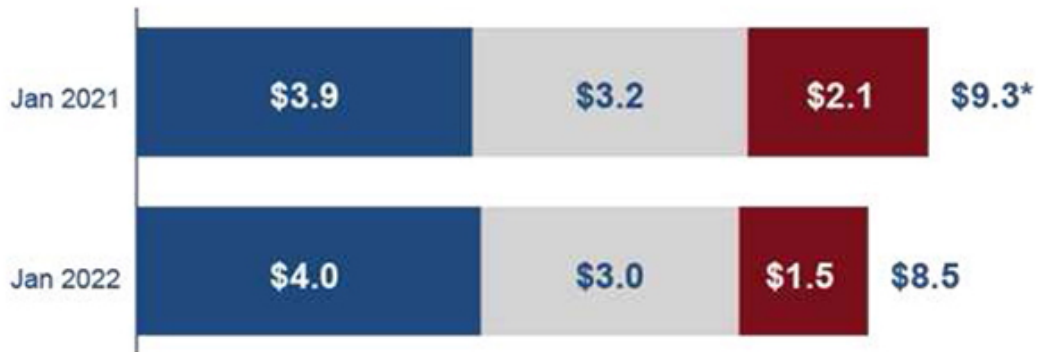


## Total U.S. Online Grocery Sales: January YOY

Total spending past 30-day periods - Billions, USD



■ **Pickup** includes in-store, curbside, lockers, and drive up

■ **Delivery** includes first- and third-party providers (e.g. Kroger, Instacart, Shipt, and FreshDirect)

■ **Ship-to-Home** includes common (e.g. FedEx, UPS, USPS) and other parcel carriers

\*Monthly total may not be equal due to rounding.



Sources: Brick Meets Click/Mercatus Grocery Shopping Survey, Jan 2021 and Jan 2022.



- Advertisement -

Grocery pickup defies downward sales trend

The U.S. online grocery market generated \$8.5 billion in sales and accounted for nearly 12 percent of total grocery spending during January, according to the [Brick Meets Click/Mercatus](#) Grocery Shopping Survey fielded Jan. 29-30.

Total January sales were down 8 percent versus the prior year with mixed results across the three receiving methods (pickup, delivery, and ship-to-home). Only pickup made sales gains, growing almost 2 percent to \$4 billion. Delivery contracted 7 percent to \$3 billion and ship-to-home sales plummeted 30 percent to \$1.5 billion, driving nearly two-thirds of the total YOY sales decline.

“These sales results show that circumstances connected to COVID continue to disrupt the way people shop, but in different ways than earlier in the pandemic,” said David Bishop, partner at Brick Meets Click. “Increases in COVID case rates no longer have the same effect on buying patterns due in part to progress with vaccinations. The loss of financial assistance is another factor since the economic impact payments and child tax credits that many households received in 2021 have ceased. And, if that’s not enough, many retailers altered store operations in January to address the labor shortages associated with COVID-related absences and a tighter labor market.”

In terms of market share for January 2022 versus year ago, pickup’s share of online grocery sales grew nearly five percentage points to 47 percent due to gains in its monthly active user base and order frequency, and delivery’s share grew just under one point to 35 percent due to increases in order frequency and spending per transaction. In contrast, ship-to-home’s share of online sales fell over five points from January 2021 to 18 percent, setting a record low that is more than 20 points lower than pre-COVID levels (August 2019).

The number of U.S. households that bought groceries online during the month remained relatively steady at 69 million, dipping just 1 percent versus last year. Even so, the way in which households receive online grocery orders continues to evolve. For instance, the number of MAUs receiving an online grocery order via pickup grew 6 percent while delivery decreased by 2 percent, and ship-to-home fell by 8 percent year-over-year at the national level.

January finished with an average of 2.7 orders per month placed by MAUs, 5 percent fewer than January 2021 but still 33 percent higher than pre-COVID levels (August 2019). The year-over-year drop was entirely due to a pull-back in ship-to-home’s order frequency, which contracted by 36 percent while pickup and delivery expanded by 26 percent and 10 percent respectively.

The weighted average order value across all three receiving methods in January 2022 remained essentially flat, declining less than 0.5 percent versus one year ago, but the results for each receiving method varied. Spending on ship-to-home orders shrank the fastest during the period as its AOV dropped almost 11 percent compared to a 3 percent reduction for pickup and a 2 percent gain for delivery.

“Grocers have a clear opportunity to drive stronger repeat purchase behavior,” said Sylvain Perrier, president and CEO of Mercatus. “In addition to providing a great customer experience, they also need to understand which loyalty drivers are unique to their customers and brand. When it comes to online grocery shopping, consider adding perks that cater to behavioral and emotional triggers, like

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offering a wider range of preferred pickup times or more frequent pickup time slots.”

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