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Walmart's share of eGrocery sales reaches record high

Walmart captured nearly 36 percent of all U.S. eGrocery sales in Q2 2023, up more than 5 percentage points from the prior year and its highest share to date, according to the new report, *Measuring the Online Grocery Market: eGrocery Share in the U.S.*, created by [Brick Meets Click](#) and sponsored by Mercatus.

In addition, the benefits that Pickup offers helped to drive its share increase, which finished at 48 percent for Q2 2023, almost two points higher than last year.

In Q3 2022, Walmart's share (excluding Sam's Club) first surpassed supermarkets when food-at-home price inflation peaked, and it has been gradually fortifying its top spot as eGrocery market leader each quarter since then.

“The combined effect of price inflation and the expiration of COVID financial supports has triggered a flight-to-value as purchasing power remains under pressure,” said David Bishop, partner at Brick Meets Click. “This means it’s vital for grocers to offer customers more ways to save money while also providing the experience that online shoppers expect, as cost considerations will weigh more heavily than convenience for cash-strapped households in the second half of this year.”

Related to this research, an independent analysis of CPI data from the Bureau of Labor Statistics, also conducted by Brick Meets Click, documented that the purchasing power of U.S. households dropped over 7 percent during the first half of 2023 versus a year ago. This was after it declined more than 9 percent in the first half of 2022 versus the same period in 2021. In comparison, purchasing power just prior to the pandemic was far less volatile, slipping just 0.5 percent and 1 percent during the first half of 2018 and 2019 respectively.

When it comes to how consumers are receiving their online grocery orders, Pickup, the lower cost-to-use service compared to Delivery, has steadily expanded its share of eGrocery sales over the last several years. Supermarkets, in addition to Mass, contributed to the share growth as grocers continued to introduce Pickup services at more store locations.

“As competition for the shopper intensifies, regional grocers should be leveraging analytics and insights to provide customers with personalized recommendations, discounts and offers as well as developing targeted, cost-effective strategies to encourage and reward repeat purchases online and in-store,” said Sylvain Perrier, president and CEO of Mercatus. “In addition, grocers can expand the online market they serve by offering Pickup as a lower-cost alternative to Delivery.”

Target, another Mass rival, is still holding its own in eGrocery with moderate growth over the last two

years, finishing Q2 2023 with approximately 7 percent of eGrocery sales. Strong and consistent execution – especially in fulfilling Pickup orders — and a price gap that is halfway between Supermarkets and Walmart likely offered a degree of defense for its online grocery business.

Total eGrocery sales were down 1.1 percent in Q2 2023 versus the prior year and the main driver of the sales decline was fewer orders completed per household, down 5 percent year-over-year for the quarter. In addition, consumer interest in buying groceries online declined slightly except for the most engaged households. The share of U.S. households that completed one or more online orders during Q2 2023 contracted compared to a year ago to just under 53 percent.

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