



Trendspotting

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Trendspotting: September online grocery sales lowest since onset of pandemic

By

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Online grocery sales declined more than 3 percent in September versus last year, ending the month with \$7.5 billion in sales, according to the latest monthly Brick Meets Click/Mercatus Grocery Shopping Survey. Declines in order frequency and spending per order contributed to the drop while an expanded base of monthly users softened the slip in overall sales and signaled continued interest in buying groceries online.

Most of the sales decline was driven by contractions in order frequency as the average number of orders per monthly active user fell 8 percent versus a year ago. September was the lowest order rate since the COVID-19 pandemic disrupted grocery shopping patterns. While September's order frequency remains above pre-COVID-19 levels, it was only about 14 percent higher than what was posted in August 2019.

The downward movement in order frequency impacted most retail formats to varying degrees. Mass retailers experienced a 4 percent decline in order frequency among its MAU base, while Amazon's pure-play segments dropped 7 percent. Supermarkets fell nearly 13 percent in September versus a year ago.

All three receiving methods, Pickup, Delivery, and Ship-to-Home, experienced growth in their respective MAU bases as the total number of households completing at least one order during the month jumped almost 11 percent compared to September 2022. Pickup posted its highest household penetration to date during September, climbing to 59 percent of MAUs, driven by increased reach in all households but the youngest (under-30) age group. Meanwhile, Delivery and Ship-to-Home both experienced contractions in penetration versus last year, finishing at 39 and 40 percent, respectively.

September's softer sales slightly shifted share of sales toward Pickup. While Delivery and Ship-to-Home both contracted.

"Both Pickup and Walmart are growing share in today's market for a range of reasons," said David Bishop, partner at Brick Meets Click. "Each helps customers who are searching for ways to save money while Pickup provides more flexibility as to when an order is received by the customer compared to Delivery."

Cross-shopping rates between grocery and mass continued to climb, increasing 40 percent versus last year. The gap in repeat rates between these two formats was halved versus September 2022.

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About Craig Levitt |

When his dreams of becoming a professional hockey player came crashing down due to lack of talent, Craig Levitt turned to journalism. He graduated from Hofstra University in 1992 and has covered various areas of the retail food trade since 1996. Craig joined The Produce News in 2017 and is now managing editor. In his spare time, Craig still plays men's league hockey (poorly) and enjoys walking the aisles of his favorite supermarket with his wife and two daughters.

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