grocery doppio

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State of Digital Grocery Performance Scorecard

December 2023

In partnership with

wynshop

State of Digital Grocery: Shopper Update (Dec-Jan)

Grocers are mildly optimistic about 2024.

57%

of grocers expect a better 2024 than 2023

Rank	Top 3 Business Opportunities in 2024 (Digital Business)	%
1	Scaling / Launching Retail Media	81%
2	Scaling personalization	76%
3	Improving profitability	64%
3	Better price / promotion execution	64%

Discounts/promotions will continue.

74%

of grocers expect to discount/ promote at levels similar or more than 2023

83%

of shoppers are focused on savings heading into 2024 and will look for discounts/ promotions

69%

of shoppers prefer $ off ($2 off) or multi-buy deals (2 for $5) than % discount deals

Shoppers will continue to shop Omnichannel.

86%

of shoppers plan to shop both in-store and via digital channels in 2024

17%

of shoppers will use pick-up more compared to 2023

61%

of shoppers said that will use the mobile app inside the store while shopping

New year resolutions influence immediate priorities.

67%

of shoppers have health and fitness resolutions and plan to buy healthier foods in 2024

23%

of shoppers plan to increase their purchase of organic produce

64%

of shoppers want to increase the frequency of eating together as a family

State of Digital Grocery: December 2023 Digital Performance Summary

Digital sales increased in Dec.

12.6%

of all grocery sales were digital in Dec 2023

+9%

increase in digital sales in Dec 2023 compared to Nov 2023

As did basket sizes, prices and discounts.

+4.1%

increase in average basket size in Dec 2023 compared to Nov 2023

3.1%

average discount / promotions per basket in Dec 2023 c

+1.1%

increase in average price per item in Dec 2023 compared to Nov 2023

Third-party delivery apps held steady, pickup improved.

+3.6%

increase in share of pickup sales in December 2023 compared to Nov 2023

14.9%

of all digital sales were through third-party apps

Key Performance Metrics: December 2023

Grocer Size	Digital Grocery as % of Overall Sales	% Delivery Sales	% Pickup Sales	Average Basket Size
< 1 billion	0.5%	72.8%	27.2%	$36.8
$1 - $5 billion	3.5%	61.5%	38.5%	$59.3
$5 - $10 billion	8.9%	49.2%	50.8%	$109.3
>$10 billion	14.1%	48.3%	51.7%	$177.3
Overall	13.7%	48.5%	51.5%	$171.5

State of Digital Grocery in 2023

Overall grocery sales increased in 2023.

$926 billion

total grocery sales in 2023

+3.1%

increase in grocery sales in 2023 compared to 2022

Digital sales are back to their pre-COVID trend line.

$121 billion

digital grocery sales in 2023

13.1%

of all grocery sales were digital

$168

average digital basket size

Grocers improved inventory visibility, and experience.

$19 billion

digital sales lost by grocers due to 'unavailable' or 'unsubstituted' items compared to $23 billion in 2022 **(Better inventory controls)**

-13.3%

drop in share of third party apps in 2023 compared to 2022
(Grocers owning the experience)

51%

of all digital orders were pickup
(Pickup stayed steady)

Digital is still losing margin, but Omnichannel offers a big opportunity.

$281 million

margin loss by the industry on their digital grocery business compared to $298 million in 2022

69%

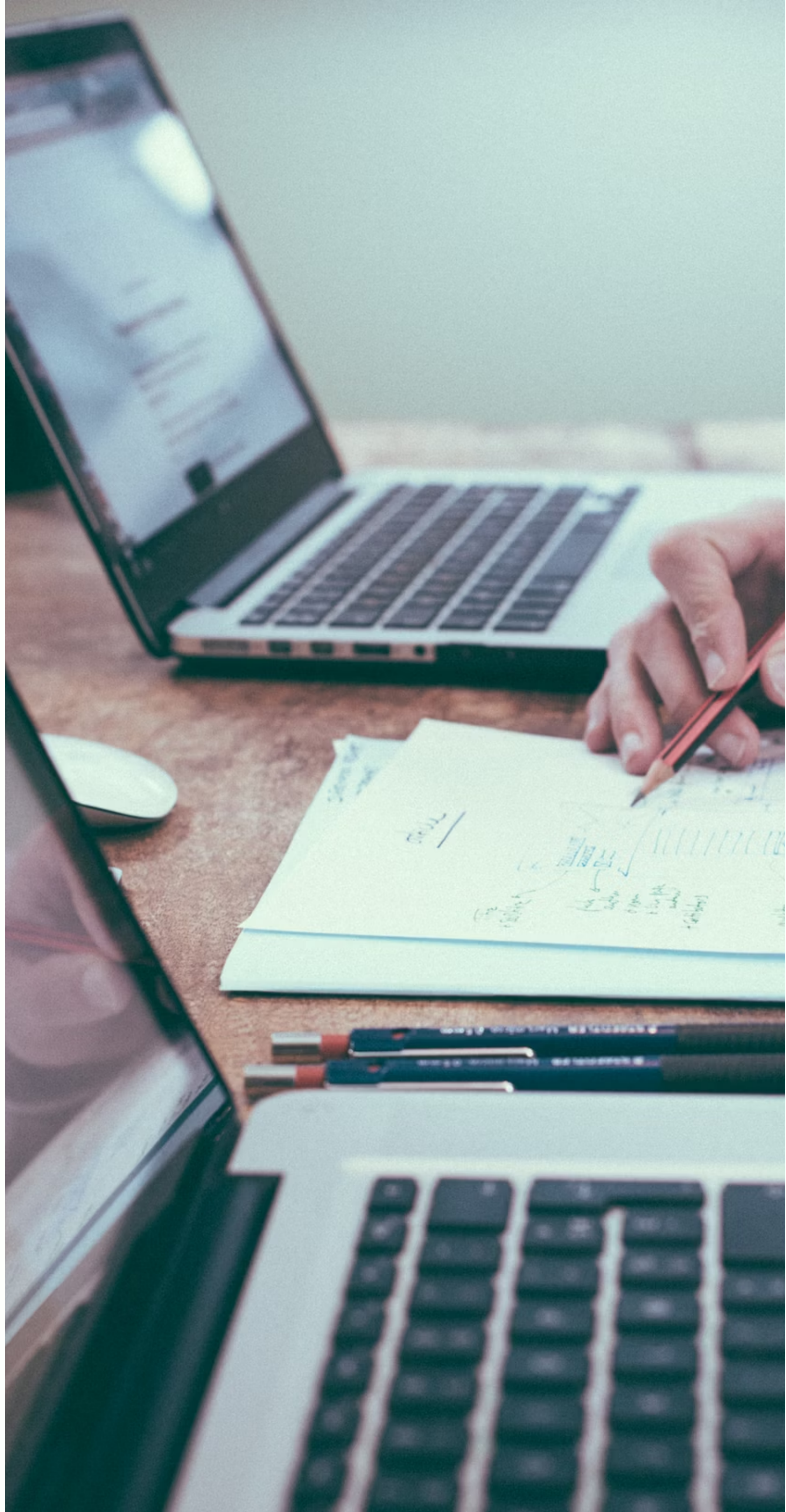
of all grocery sales were digitally influenced

Key Performance Metrics: FY 2023

Grocer Size	Digital Grocery as % of Overall Sales	% Delivery Sales	% Pickup Sales	Average Basket Size
< 1 billion	0.5%	73.4%	26.6%	$36.2
$1 - $5 billion	3.4%	60.2%	39.8%	$59.5
$5 - $10 billion	8.7%	49.1%	50.7%	$107.1
>$10 billion	13.9%	48.4%	51.7%	$173.3
Overall	13.1%	48.6%	51.4%	$168.3

Methodology

2.3 million	US shopper orders analyzed from January 1, 2022 - December 31, 2023
42,267	US shoppers surveyed from January 1, 2022 - December 31, 2023 2022: 23,910 2023: 18,357
4,081	US grocery executives surveyed from January 1, 2022 - December 31, 2023 2022: 2390 2023: 1691
250+	attributes used for the forecast model
Monthly	review and calibration of the forecast model



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ABOUT GROCERY DOPPIO

Grocers have experienced a generational shift in eCommerce adoption within a condensed period of time, giving rise to both - new growth opportunities and unfamiliar threats.

Grocery Doppio is an independent source of insights and inspiration designed to help grocers jumpstart, accelerate and sustain growth in this dynamic new environment.

www.grocerydoppio.com

INCISIV

ABOUT INCISIV

Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption.

Incisiv offers curated executive learning, digital maturity benchmarks and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

www.incisiv.com

wynshop

ABOUT WYNSHOP

Wynshop is an ambitious team of digital innovators helping grocers and other local store-based retailers grow wildly successful online businesses. Wynshop's easy-to-use digital commerce platform enables efficient in-house picking, reduces fulfillment costs, and gives retailers control over every facet of the digital shopping experience.

www.wynshop.com.

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