

Digital Grocery Remains Unprofitable in 2024, but Continues to Improve

89% of Grocers report dissatisfaction with the performance of their digital grocery units, citing cost of fulfillment and delivery as top barriers to success.

FORT LAUDERDALE, FLORIDA, UNITED STATES, April 10, 2024 /EINPresswire.com/ -- Incisiv, a next-

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Having the right technology tools and data-based strategies to overcome order picking and fulfillment efficiency challenges is a precondition for profitability in 2024.”

Charlie Kaplan, CPO, Wynshop

generation industry insights firm that helps retailers and brands navigate digital disruption, and [Wynshop](#), the leading provider of digital commerce and fulfillment solutions for local store-based retailers, today revealed the findings from their [State of Digital Grocery Performance Scorecard: Q1 2024](#).

Key highlights of the report include:

□ On average, grocers lost 13 cents of margin per digital order, causing 89% to report dissatisfaction with their respective digital grocery units’ performance.

□ When asked for the biggest barriers to digital profitability, grocers cited picking/fulfillment costs (83%), logistics/delivery costs (73%), and digital order volume/internal channel competition (71%) as the leaders.

□ It was not all doom-and-gloom, however. 23% of grocers reported that their digital grocery profitability improved in the past year, while just 8% said it worsened; The remaining 69% reported no change.

□ Grocers see improvement in picking efficiency (86%), reduction in dependence on third parties (77%), renegotiation of logistics costs (69%), and monetization of retail media (69%) as paths to profitability.

These and other data insights are now available for download on [Grocery Doppio](#), a free, independent source of grocery insights and data designed to help grocers jumpstart, accelerate, and sustain digital growth. The Q1 2024 Scorecard is based on aggregated shopping data from 2.5 million shopper orders, plus polling responses from 46,778 grocery shoppers and 4,410 grocery industry executives between January 1, 2022 and April 4, 2024.

More findings from the State of Digital Grocery Performance Scorecard: Q1 2024 include:

□ Digital grocery grew robustly between 2023 and 2024

— 13.7 % (\$31.4B) of all grocery sales were digital in Q1, 2024, a 5.2% increase over Q1, 2023

— Total grocery sales grew even more, up 6.7% over Q1 2023, to \$230B

— Average digital grocery basket size in Q1, 2024 was up 2 items/basket over Q1, 2023, now totaling at \$177.20, a 6.1% increase over basket value in Q1, 2023.

□ Digital grocery Inventory management has improved across the board

— 2.1% of items were substituted in all 2024 digital orders, leading 72% of grocers to report better inventory performance in Q1, 2024 as compared to Q1, 2023

—The improvement was not uniform, however: Grocers over \$5B in size substituted 1.7% of digital order items, while those under \$1B substituted 9.6%.

"It's clear that grocers are moving along the digital maturity curve," said Gaurav Pant, Chief Insights Officer of both Incisiv and Grocery Doppio. "Growth is stable and we've seen improvement in inventory management and overall profitability. Grocers still face obstacles, but they now are better aware of them and have strategies for continuous improvement."

"Order picking and fulfillment efficiency remain the biggest challenges for most digital grocery operations," said Charlie Kaplan, Chief Product Officer at Wynshop. "Having the right technology tools and data-based strategies to overcome these challenges is a precondition for profitability in 2024."

Every month, Grocery Doppio brings together rich, research-driven grocery content, fact-based observations, inspiring perspectives, and deep performance benchmarks that identify improvement opportunities for grocery retailers. The site is designed to help grocery and food executives optimize their digital and in-store channels, and accelerate growth profitably.

Download Grocery Doppio's "State of Digital Grocery Performance Scorecard: Q1 2024."

On Thursday, April 18 at 12PM ET, Incisiv and Wynshop will be hosting a webinar to discuss the Q1 2024 performance scorecard findings together with Doug Baker, VP of Industry Relations at FMI. Click here to register.

To learn more about Grocery Doppio visit www.grocerydoppio.com.

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