

Poor Inventory Visibility Will Cost Grocers at Least \$15B This Year

From churn to curbside wait time: Grocery Doppio reveals the five shopper friction points stalling digital grocery growth

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/EINPresswire.com/ -- Incisiv, a nextgeneration industry insights firm that helps retailers and brands navigate digital disruption, and Wynshop, the leading provider of digital commerce and fulfillment solutions for local storebased retailers, today unveiled Grocery



<u>Doppio</u>'s Market Pulse, a monthly snapshot of the executive and shopper insights that matter most for digital grocery. This month's Market Pulse, "5 Friction Points Stalling Digital Grocery Growth" highlights that poor inventory visibility alone will cost grocers a staggering \$15B this year.



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Charles Kaplan, CPO, Wynshop The report surveyed 1,104 digital grocery shoppers and 103 grocery executives in July, 2024. It identifies the five major pain points affecting both shoppers and grocers, and provides detailed insights into the sources of friction and potential solutions for improving the digital grocery shopping experience.

The five major shopper friction points are:

1. 53% of digital grocery shoppers churn after just three bad experiences.

Checkout page transaction errors (81%), product details page load time (69%), and slow search page speed (57%) are the key pain points for shoppers across grocery apps and websites; more than half change grocers after just three poor digital shopping experiences, rising to 100% after six failures.

- 2. Poor inventory visibility will cause ~\$15B in losses in 2024. Managing inventory both online and in-store poses technical and labor challenges for grocers and lead to \$7.4B in online sales losses in H1, 2024. Shoppers blame inaccuracy of availability (83%) and out of stock items (77%) as the key sources of their ire.
- 3. Delivery logistics management and scheduling will cause \$~3.2B in losses in 2024. Limited delivery slots (79%) and unpredictable delivery times (71%) lead customer grocery delivery woes, resulting in \$1.6B in losses in H1, 2024, on target to at least double that before year's end.
- 4. Shoppers wait 8 minutes, on average, for curbside order pickup—but wish it was shorter. 83% of grocery shoppers are happy with a 3-5 minute wait time for curbside order pickup, and 5-10 minutes satisfies 43% of them. But customer satisfaction plummets to just 7% when the wait is longer.
- 5. Substitutions are a sore spot for shoppers.
 11% of online orders require substitutions, but 27% of those substitutions are refused by shoppers. They cite their inability to approve the sub (86%) and poor product quality match

(79%) as the top reasons for dissatisfaction with the substitutions.

"Most of the friction that shoppers experience with digital grocery shopping occurs in the middle to the bottom of the funnel," said Gaurav Pant, Chief Insights Officer of both Incisiv and Grocery Doppio, "Long wait times and the need to re-do tasks they have already completed frustrates shoppers. Once it has happened three times or more, many shoppers begin to consider their alternatives."

"Challenges like poor inventory visibility and fulfillment orchestration are not just sales problems," added Charlie Kaplan, Chief Product Officer at Wynshop. "They have direct and indirect effects on labor costs and long-term customer satisfaction as well. Grocers need the right technology and operational systems to display and deliver items efficiently, and to provide smart, sensible substitutions when that is not possible."

Grocery Doppio's Tech Tracker is one of many resources available on Grocery Doppio, a free, independent source of grocery insights and data designed to help grocers jumpstart, accelerate, and sustain digital growth. Grocery Doppio brings together research-driven grocery content, fact-based observations, and industry expert perspectives, to help identify improvement opportunities for grocery retailers.

Visit <u>www.grocerydoppio.com</u> to download Market Pulse: 5 Friction Points Stalling Digital Grocery Growth.

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