

Online Grocery Makes Gains, but 51% Are Still Losing Millions

Grocers must adapt to the new omnichannel reality or risk losing \$29 billion in sales to Walmart.

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EINPresswire.com/ -- Incisiv, a next-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 [Grocery Doppio's](#) latest report, "[State of Digital Grocery: Evolve to Improve Profitability.](#)"



Wynshop, Inc.

“

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This timely report examines the evolving profitability landscape in digital grocery, analyzing trends across grocery channels and comparing insights to those from Grocery Doppio's Growth at the Cost of Profitability report released in 2022. This year's report draws from recent interviews with 213 senior grocery executives as well as aggregated market data and research. In addition to vital data on profitability, the report also offers expert opinions on what grocers must do to transform their businesses into successful, digital-first organizations.

According to the report's findings, grocers are giving up \$11 million in margin per every billion dollars of sales via their grocery e-commerce channels, as compared with in-store sales. This results in 51% of grocers losing money or making less than 10% average gross margin per online order. While this understandably has left 83% of grocers dissatisfied, these results reflect an incremental improvement from 2021, when losses were \$14 million per billion worth of sales, 56% of grocers lost money or made under 10% average gross margin per online order, and 86% reported dissatisfaction with profitability.

Meanwhile, Walmart nabbed another 7% of digital grocery market share between 2022 and 2024, while other national grocers, regional players, and third-party digital grocery providers lost

ground or held steady. The report projects that small and medium-sized grocers will lose another 7% in market share by 2030, the equivalent of \$29 billion, if they can't up their digital game.

Other highlights from State of Digital Grocery: Evolve to Improve Profitability include:

e-Commerce unit economics are negative, but omnichannel shoppers drive growth

— Margin losses on digital orders are slightly better (-\$8.9/order in 2024, as compared with -\$11.7/order in 2021)

— While online-only shoppers deliver a -1.7% average margin, Omnichannel shoppers produce more than 25% margins overall, and spend 1.5 times more/month than single channel shoppers (who shop only online or in-store)

— 69% (\$316 billion) worth of overall sales were influenced by digital

Grocers are more worried than ever about competition from third-party platforms

—83% of grocers worry that third-party platforms will become their direct competitors, a rise of 2% since 2021, while 86% are concerned about losing touch with their customer base due to those platforms, up 5% from 2021.

—Third-party market share is holding at around 14%, after dropping precipitously from 30% in Q1, 2022.

"Achieving profitable unit economics in grocery e-commerce is challenging, and while grocers have made strides, there's still a long journey ahead," said Gaurav Pant, Chief Insights Officer of both Incisiv and Grocery Doppio. "The path to profitability hinges on three core pillars: embracing a digital-first business model, taking an omnichannel view of shoppers and their journeys, and leveraging technology to improve fulfillment and boost basket sizes."

"Use of data to orchestrate and personalize the shopper journey is key to both loyalty and profitability," added Charlie Kaplan, Chief Product and Marketing Officer at Wynshop. "Robust data analysis capabilities drive unit economics through fulfillment efficiencies and create opportunities to incentivize high-value behavior, leverage retail media networks, and establish powerful brand partnerships."

Grocery Doppio's State of Digital Grocery: Evolve to Improve Profitability 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.

To download Grocery Doppio's "State of Digital Grocery: Evolve to Improve Profitability" report, visit [grocerydoppio.com](https://www.grocerydoppio.com).

About Incisiv

Incisiv is a next-generation industry insights firm that helps retailers and brands navigate digital disruption in their industry. Incisiv offers consumer industry executives responsible for digital transformation a trusted platform to share and learn in a non-competitive setting, and the tools necessary to improve digital maturity, impact, and profitability. More information is available at www.incisiv.com.

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 uses advanced AI to help retailers personalize the entire digital shopping experience and remain profitable. Learn more at www.wynshop.com.

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