Online Food Shopping and Grocery Delivery in the U.S.: Future of Food Retailing

Description: Online Food Shopping and Grocery Delivery in the U.S.: Future of Food Retailing

It's the smallest slice of the food retailing pie – yet it could very well hold the greatest potential for growth and certainly innovation in this highly mature market.

Online food shopping represents a mere 4% of online food and beverage retail sales. But retailers and manufacturers shouldn't be lulled by the small figure into complacency about the opportunity this innovation holds. In our new report, Online Food Shopping and Grocery Delivery in the U.S.: Future of Food Retailing, Packaged Facts projects that online grocery shopping will enjoy double-digit annual growth rates over the next five years and hit the $100 billion market by 2019.

The more consumers click and shop from the comfort of their computer, the more likely it will be that those orders will include milk, bread, eggs and other staples of a food shopping trip. Of course, challenges exist for our adoption of a fully virtual grocery cart. These include how and by whom the orders are picked and assembled, how to deliver the orders to consumers promptly while keeping delivery costs low (all the while, making sure that the proper temperatures are maintained until the groceries reach the consumer), and convincing consumers that buying groceries online is as good as, or even better than, shopping in person. For more than a decade, the notorious failure of Webvan scared many potential entrants away from the online grocery business. Now, despite the challenges, the field is swiftly becoming crowded with trials by competitors, although it is not yet clear which models are financially viable.

This new report, Online Food Shopping and Grocery Delivery in the U.S.: Future of Food Retailing, examines the potentials and pitfalls of this burgeoning retail sector. The first chapter presents an up-to-the-minute overview of the business, examining business models and consumer reception, among other factors, while reviewing historical sales and projecting market growth through 2019. The second chapter profiles more than 20 companies vying for a share of this business in the United States, from long-established services like Peapod and FreshDirect, to huge general merchandise marketplaces like Amazon.com (currently in a trial with the U.S. Postal Service to provide delivery of fresh groceries to consumers' doorsteps), to brash startups like Instacart and Uber. The final chapter profiles the state of the online grocery industry in other countries while exploring possible ramifications in the U.S., specifically, the United Kingdom, France, China, Japan, and Australia.

Sources of information include primary research examining the websites of individual service. Secondary research involved evaluating and comparing data from more than 200 articles and reports found in financial, marketing and industry publications, as well as annual reports, 10Ks, transcripts of earnings calls, and literature from individual companies; government data from the U.S. Department of Agriculture's Economic Research Service; and other reports.

Contents:
Chapter 1: Executive Summary
- Background Perspective: The Economics of Grocery Retailing
- Few Major Online Players
- Online Grocer Sales Will Near $100 Billion by 2019
- Consumer Acceptance Is Growing
- What Consumers Seek
- The Field Is Getting Crowded
- Amazon.com: AmazonFresh and Amazon Prime Pantry
- Artizone Offers Local Artisanal Online Food Shopping
- FreshDirect Focuses on High Quality Fresh Foods
- Google Pilots Google Shopping Express
- Kroger Tests Click-and-Collect
- Peapod Uses Supermarkets to Fulfill Orders
- ‘Walmart To Go’ Grocery Service in Test Market Stage
- Online Grocery Shopping Booming Worldwide
U.K. Is the World's Most Developed Market for Online Grocery Shopping
Tesco Is Europe's Biggest Online Grocer
France: Retailers Offer Drive-Thru Pick-Up Points
China Has the World's Largest Internet Population
Japan's Online Grocery Services
Chapter 2: Overview
Background Perspective: The Economics of Grocery Retailing
Few Major Online Players
Online Grocer Sales Will Near $100 Billion by 2019
Table 2-1: U.S. Online Sales of Foods and Beverages, 2013-2019 (in millions of dollars)
A Sector with Unique Challenges
Consumer Acceptance Is Growing
Investments and Trials Proliferating
Online Grocery Business Models
Store-Based vs. Warehouse-Based Fulfillment
Table 2-2: Store-Based Fulfillment vs. Warehouse Fulfillment
“Dark Stores” or “Shadow Warehouses”
Going the “Last Mile”: Delivery vs. Click-and-Collect
Table 2-3: Delivery vs. Click-and-Collect
USPS Delivers ... Groceries?
Other Online Grocery Providers and Services
Courier Services and Personal Shoppers Provide Fast Service
Farm-to-Fridge Online Delivery Services
Meal Kit Delivery Services
Business-to-Business Sales
Top-Selling Products
Choice vs. Efficiency
 Niches Based on Shopping Occasions
Location, Location, Location
Facebook and Twitter Are Testing “Buy” Buttons
Six Major Online Retailers Add Unit Pricing Online
Online Shopping May Cost Impulse Sales
Consumer Research
The Harris Poll
Private Label Buyer
MyWebGrocer Study Breaks Out Online Shopper Types
Fusion Marketing
Brick Meets Click
PwC (PricewaterhouseCoopers)
Etailing Solutions Studies Consumer Satisfaction
What Consumers Seek
Rating the Online Grocery Sites
Chapter 3: Profiles of Online Grocery Services
The Field Is Getting Crowded
Alice.com's Direct-to-Consumer Site for Goes Bankrupt
Amazon.com: AmazonFresh and Amazon Prime Pantry
Illustration 3-1: AmazonFresh Website
U.S. Postal Service Testing AmazonFresh Deliveries
Is AmazonFresh Preparing for a Major Rollout?
Amazon Prime Pantry
Illustration 3-2: Amazon Prime Pantry
Amazon.com's Grocery & Gourmet Food Store
Coca-Cola Partners with Amazon.com to Re-Launch Surge Soda
VineMarket.com, an Amazon Website for Consumers with Food Allergies
Illustration 3-3: VineMarket.com Website
Amazon Dash: The Magic Wand
Illustration 3-4: Commercial for Amazon Dash
Droning On?
Artizone Offers Local Artisanal Online Food Shopping
Blue Apron
Illustration 3-5: Blue Apron Delivers Enough Ingredients for Three Meals a Week
CobornsDelivers Partners with General Mills for Frozen Meals
Illustration 3-6: Betty Crocker Kitchens on CobornsDelivers Website
Food52 Combines Social Network, Recipes, and Online Retailing
Fresh Nation Shops Farmers’ Markets
Illustration 3-7: Fresh Nation Website
FreshDirect Focuses on High Quality Fresh Foods
Illustration 3-8: FreshDirect Website
Good Eggs, a High-Tech Online Farmers Market
Illustration 3-9: Good Eggs Promo Shot
Google Pilots Google Shopping Express
Illustration 3-10: Google Shopping Express Website
 Honest Green
Illustration 3-11: Honest Green Website
Instacart, the Darling of Investors
Illustration 3-12: Instacart’s Delivery Staff in San Francisco
 The Kroger Co. Is Testing Click-and-Collect
Illustration 3-13: Video Tutorial for Harris Teeter Express Lane
mySupermarket Lets Consumers Comparison-Shop Groceries
Illustration 3-14: MySupermarket.com Website
MyWebGrocer: Marketing Services for Bricks-and-Mortar Grocers
Peapod Uses Supermarkets to Fulfill Orders
Illustration 3-15: Peapod Delivery Staff
Relay Foods Targets Suburban Shoppers with Click-and-Collect
Illustration 3-16: Customers Picking Up Groceries from a Relay Foods Truck
Safeway, Inc.: Online Shopping and Delivery from Local Stores
Illustration 3-17: Safeway Grocery Delivery Website
Schwan’s Home Delivery Specializes in Frozen Foods
Illustration 3-18: Schwan’s Home Service Delivery Van
ShopRite Offers Online Shopping from All Its Stores
Illustration 3-19: ShopRite from Home Delivery Van
Uber Tests Grocery Deliveries
Illustration 3-20: Uber Corner Store Website
Illustration 3-21: Uber Ice Cream Delivery Promotion in Amsterdam
Walmart Still Testing ‘Walmart To Go’ Grocery Service
Illustration 3-22: Walmart To Go Employee Selecting Fruit
Whole Foods Market Partnering with Instacart for Deliveries
Illustration 3-23: Whole Foods Market + Instacart Commercial
Yummy.com Delivers Groceries in 30 Minutes
Illustration 3-24: Yummy.com Website
Other Retailers Experimenting with Online Grocery Shopping
Illustration 3-25: Wegmans Website Explains How Its Service Works
Chapter 4: Online Shopping Abroad
Online Grocery Shopping Booming Worldwide
U.K. Is the World’s Most Developed Market for Online Grocery Shopping
Tesco Is Europe’s Biggest Online Grocer
Illustration 4-1: Tesco’s Click-and-Collect
Ocado Operates Online Only
Illustration 4-2: An Ocado Automated Distribution Center
Survey of British Consumers
France: Retailers Offer Drive-Thru Pick-Up Points
Groupe Auchan
Illustration 4-3: A Chronodrive Drive-Thru Facility
China Has Largest Internet Population
Yihaodian
Illustration 4-4: Screenshot of Yihaodian’s Website
Illustration 4-5: Yihaodian’s 2012 Virtual Store Promotion
Alibaba Group Holding Ltd.
Japan’s Many Online Grocery Services
Rakuten Ichiba
Amazon.co.jp
Yahoo! Shopping
Seven & I: Ito-Yokado’s Net Super and Seven-11
Illustration 4-6: Commercial for Ito-Yokado Net Super Home Deliveries
Oisix Specializes in Organic and Low-Pesticide Products
Illustration 4-7: Oisix Webpage
Australia
Illustration 4-8: Woolworths (Australia) Commercial for Online Grocery Shopping

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