



Grocery Online Ordering Trends Report

A look at what DoorDash customers are ordering — and how grocery retailers can benefit

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CHAPTER 1 The rise of online grocery shopping

Nearly 60% of U.S. adults reported that they bought groceries online¹ and that they would continue to do so post-pandemic. For grocery retailers, understanding the top trends in online grocery delivery can help shape strategic business initiatives to give customers the convenience and reliability they crave in an increasingly digital market.

Online grocery shopping and delivery show no signs of slowing down. It's estimated that,

of U.S. grocery sales will happen online by 2025.



increasing the trend's market share from \$35 billion to more than \$250 billion.²

Grocers can use insights from these consumer trends to boost sales, retain customers, and reach new shoppers.

Partnering with third-party delivery services, like **DoorDash for Grocery Stores**, allows grocers to benefit from the growing industry trend. In fact, in the last year, third-party services have seen the largest growth (225%) in consumer spend on online grocery transactions.³

The pandemic reshaped how consumers shop, eat, and work – all contributing factors to the rise of online grocery shopping. Now, as people work from home more than ever, online grocery shopping provides a convenient way to get groceries delivered without heading to the store. Alternatively, our data shows that many people also use online grocery shopping to supplement larger grocery orders with items that may have been forgotten or needed at the last minute.



Let's dive into the top grocery trends among DoorDash customers over the past year and learn how to set your grocery business up for success.

Why people buy groceries online

While online grocery shopping surged during the pandemic as a safer, contact-free option than physically shopping in stores, many customers embraced the long-term convenience of shopping from home. 89% of U.S. grocery shoppers use a smartphone as of late 2020, and 74% of millennial shoppers feel comfortable using these smartphones for grocery shopping.⁴

While all online shoppers avoid the buzz of a hectic grocery store, there are many other benefits to having orders delivered. For city dwellers, the perk of not having to lug a 12-pack of sodas home from the store makes delivery an attractive alternative, whereas suburbanites can avoid hassles like hitting traffic and searching for parking.

DoorDash data shows that customers placed grocery delivery orders fairly evenly throughout the week, with the highest percentage of orders coming in on Saturdays around dinner time. Throughout the week, orders start coming in as soon as stores open in the morning. They tend to peak around lunchtime and taper off around 7 p.m.



Day of the Week Ordering Grocery

Time of Day Ordering Grocery



Data from January 2020 to October 2021

The combination of order times and order days suggests that many shoppers use DoorDash to top off larger grocery runs, either with an ingredient they forgot to buy or a last-minute menu addition that they don't have time to run out and get.





CHAPTER 3

What people buy online

Grocery shopping can be an emotional experience. Shoppers have preferred brands, favorite cashiers who greet them by name, and the chance to select produce based on look and feel. But the convenience gained by trusting someone else to shop can also reduce impulse buys and encourage meal planning – benefits even without the sensory grocery experience.

In the first half of 2021, 44% of people ordering on DoorDash had previously used the app to order groceries, compared to 34% in the second half of 2020. Over time, people are becoming more loyal and returning to DoorDash to order groceries more often.

56%

new customers to grocery stores on DoorDash

44%

existing customers to grocery stores on DoorDash

*January - June 2021

So what are grocery shoppers buying online, and what areas are seeing the most growth? Here's what we've found.

Produce and grocery staples topped the lists.

From June 2020 to October 2021, produce was the number one category for grocery delivery orders, followed by drinks and pantry items.

Most Ordered Grocery Categories on DoorDash



Data from June 2020 to October 2021



25%

The most ordered produce item?

Bananas of all kinds — individually, in a bunch, organic, green, or yellow — blew all other competition away across the United States. Considering the widespread banana bread trend in 2020⁵, this comes as no surprise. Rounding out the most popular produce were tomatoes, avocados, citruses, and cucumbers.



The most ordered drink item?

Bottled water was the most popular delivery item in all but six states. With drinks as the second most frequently ordered category, it's no wonder the healthiest choice – a necessity in our daily life – tops the list.

The United States of Guacamole

Forget the banana bread, though — the runners up for the top produce item across the country are the fixings for fresh guacamole, as long as you like yours with tomatoes mixed in. With a touch of heat from Michigan's jalapenos, a burst of lime from Texas and Utah, and bright cilantro from West Virginia, nine states ordered a high amount of avocados and a staggering 25 states preferred to order roma tomatoes through delivery. Take a look at your state's second favorite produce item here.



Most Ordered Grocery Produce Items on DoorDash



Data from June 2020 to October 2021

Categories like alcohol and beauty saw growth year over year.

From March to September 2020,

Retail alcohol sales reached

\$41.9 billion dollars 20% increase from the same period in 2019.6



While these sales experienced a slight dip in early 2021⁷, alcohol is still the fastest growing delivery item for grocery stores. With Prohibition-era restrictions for alcohol delivery waning across the country⁸, third-party delivery services can help local grocery stores that sell wine, beer, and liquor to compete with the growing trend of direct-to-consumer alcohol sales.

Keeping with this trend, all alcohol types — including hard cider, alcohol, wine, and beer — saw more than 100% growth comparing orders from January-June 2020 to orders from January-June 2021 on DoorDash.

Other categories like Beauty, Baby, Vitamins, Pantry, and Dairy & Eggs also saw growth year over year.



Grocery Categories Seeing the Most Growth Year Over Year

Percentage based on data from January to June 2020 and January to June 2021

How DoorDash works for grocery delivery

Similar to how DoorDash works for other business types, our platform is designed to make online ordering as easy as possible for grocery stores and their customers. Here's how to get started and manage everyday grocery operations when working with DoorDash.

Sign up for DoorDash

1

The first step is to <u>sign up your grocery store as a</u> <u>DoorDash partner</u>. Simply share basic information about your business, and a merchant expert will reach out shortly to get you set up on the DoorDash platform.

2 Set up your online grocery store

Next, with the help of a merchant expert, you'll set up your online store on DoorDash. This gives your brick-andmortar location an accessible, searchable presence on the DoorDash app, so that customers can find your business and place orders. To upload your list of grocery item offerings, simply share your inventory files, or exports from your POS system, and a merchant expert will help you create your grocery menu on DoorDash.



3 Accept, pack, and prep orders

Once your store is up on the DoorDash platform, customers will be able to browse and shop your grocery items. At checkout, you have a few options for packing and prepping orders:



Have your own staff shop

If your workflow is more streamlined by having your internal team pack and prep DoorDash orders (what we call Merchant Pick), you'll have the opportunity to review and accept the order through your DoorDash tablet, then confirm a pickup or delivery time. If an item is out of stock, you'll be able to contact the customer and suggest an alternative. Then, you'll pack the bags and have them ready for pickup by a customer or Dasher.



Have Dashers shop

If your workflow is to let Dashers pick the items (what we call Dasher Shop & Deliver), a Dasher will arrive at your store and shop according to the list. If an item is out of stock, they'll contact the customer and suggest a replacement. Then, they'll get in line and pay just like any other customer — except they'll be paying with a DoorDash provided credit card to help manage the transaction smoothly.

Make pickup easy for Dashers and customers

Many businesses choose to create a designated space in their shops for DoorDash delivery and pickup orders, making it easy for incoming Dashers and customers to know where to go to pick up their bags. Use clear signage to ensure the pickup process is easy and convenient — whether it's a customer's first time picking up or their 50th.

Additionally, when partnering with Dashers for delivery, you'll be able to track fulfillment progress through the DoorDash tablet and confirm when items have been delivered to customers.

5

Use other DoorDash tools to help grow your online grocery sales

As a DoorDash partner, you'll also gain access to the comprehensive DoorDash app, where you can add your inventory and manage orders. You also have the option to sign up for DashPass to access a high-value pool of DoorDash's most engaged customers.



Sources

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About DoorDash

DoorDash is a global technology company that connects consumers with their favorite local and national businesses. Founded in 2013, DoorDash enables local businesses to address consumers' expectations of ease and immediacy and thrive in today's convenience economy. By building the last-mile logistics infrastructure for local commerce, DoorDash is bringing communities closer, one doorstep at a time. Get started at <u>get.doordash.com</u>.

