

# Failing to Deliver

Online Grocery Doesn't Live Up to the Hype



The 2016 TABS Analytics Food & Beverage Study shows that online grocery remains mired in declining penetration and very low loyalty rates.

**1.6%**

Online Grocery estimated share remained low despite a small increase in 2016.

**31%**

Online grocery penetration rate declined 3 points during 2016 despite heavy industry investment behind it.

**6+**

But, regular purchasing, buying 6 or more times online in the last year, is up to 4.5%, driven by the adoption of curbside pickup.

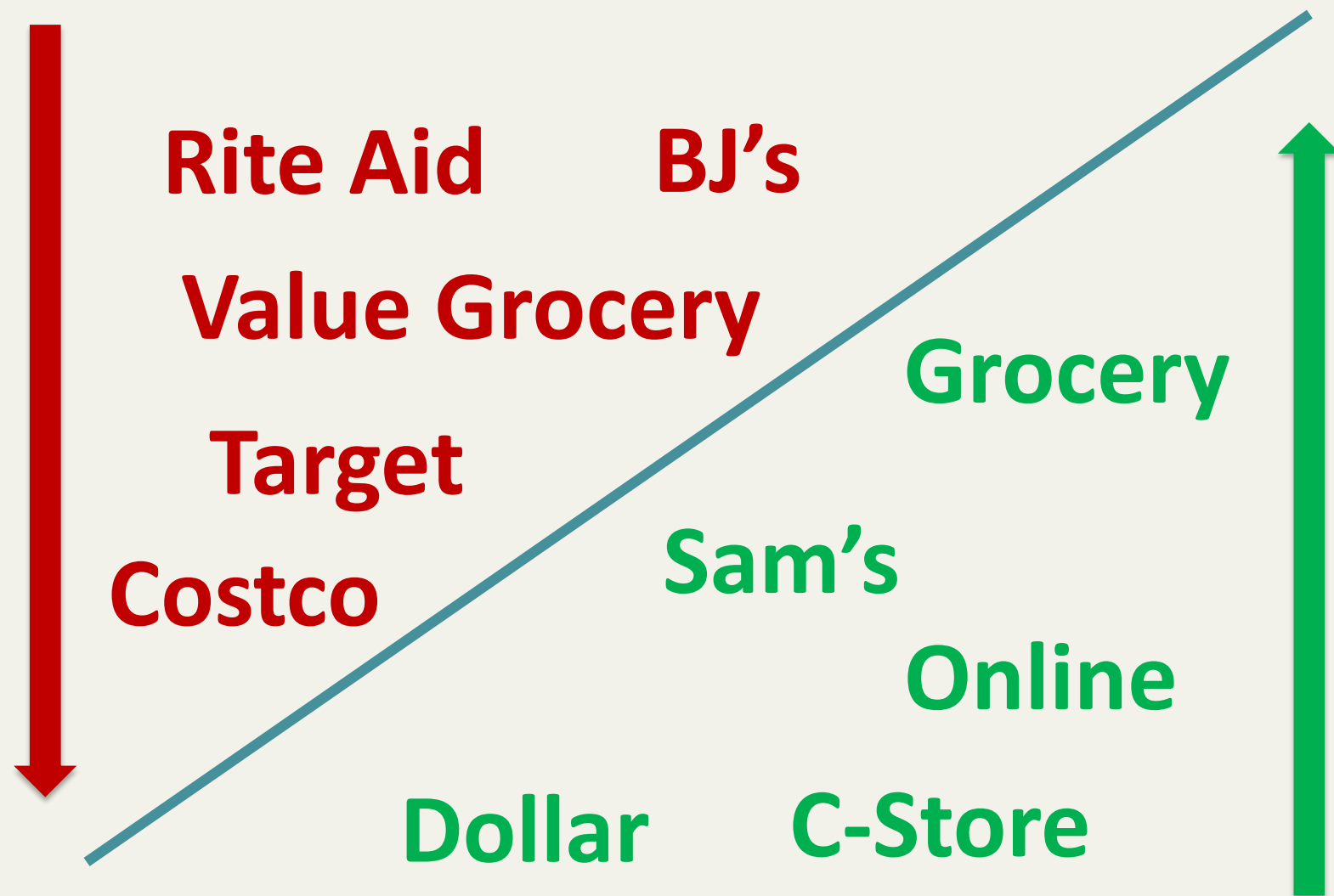
**15%**

Online stated loyalty\* is very poor compared to industry norms that are 5x higher.

Based on regular purchases, Grocery remains the dominate outlet for food and beverage categories and grew along with Dollar and Sam's; Target, Costco and Value Grocery posted declines in 2016.



*Retailers/Outlets with share declines*



*Retailers/Outlets with share gains*



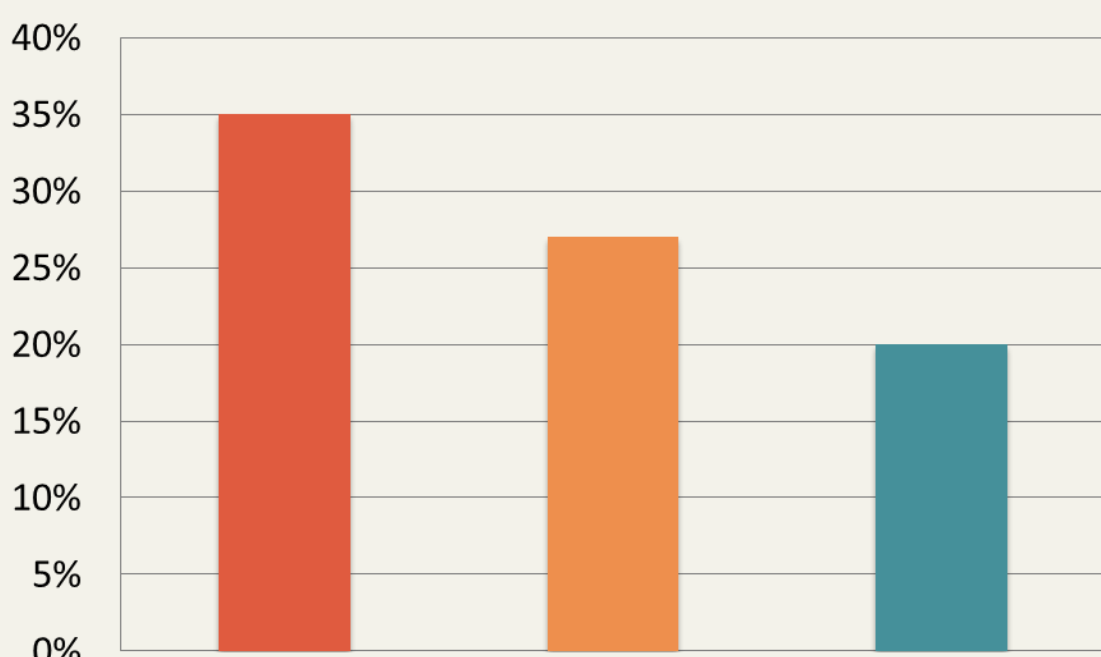
Households with children are the demographic segment with the heaviest buyers; yet, manufacturers and retailers favor millennials -- this is a missed opportunity.

**Buyers with Kids**

**Buyers Age 18-34**

**Buyers without Kids**

Percentage of Heavy Sector Buyers by Demographic Group 2016



\*Stated loyalty = regularly purchasing divided by purchasing at least once

**TABS Analytics**

For more information or custom studies, please contact us at:  
[www.tabsanalytics.com](http://www.tabsanalytics.com) [webinar@tabsanalytics.com](mailto:webinar@tabsanalytics.com) (203) 925-9162

Source: TABS Analytics 2016 Food & Beverage Study. 1,000 General Population Adults ages 18+. "Food & Beverage" Sector defined as the following consumables categories: Candy, Carbonated Beverages, Cereal, Cookies, Crackers, Frozen Pizza, Fruit Juice, Ice Cream, Novelties, Popcorn, Refrigerated Juice, Salty Snacks, Sports Drinks, Water, Yogurt.