

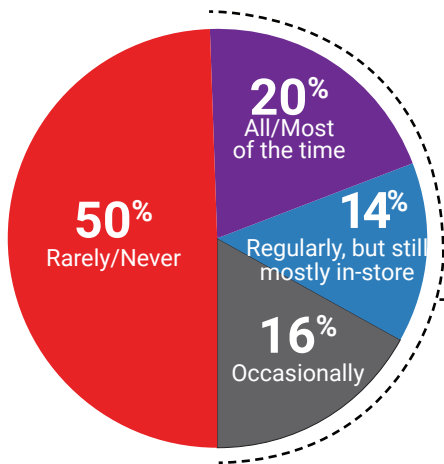
The Growth of Online Grocery Shopping Shows No Signs of Slowing Down

Shoppers just can't resist the convenience



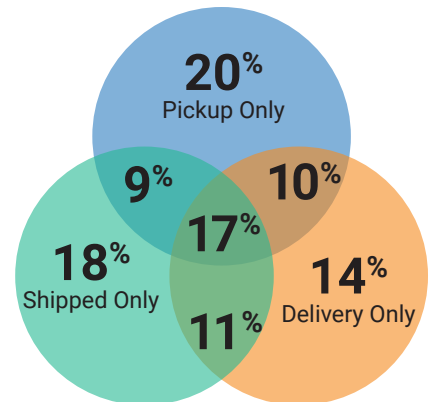
Half of all U.S. shoppers are buying groceries online at least occasionally, and COVID-19 was a key catalyst for this newly formed habit

ROLE OF ONLINE SHOPPING



51%

of online grocery shoppers started during COVID-19



Curbside pickup became very popular during the pandemic, but shoppers also enjoy the convenience of delivery

About 1/3 of online grocery shoppers are using their smartphones more and buying a wider variety of products...while spending less time shopping



CHANGING GROCERY HABITS

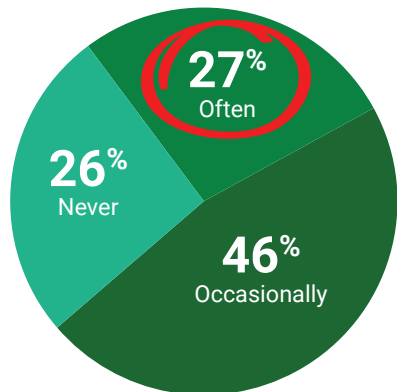
35% of online shoppers are using a smartphone more often to plan and/or shop

34% of online shoppers are buying a wider variety of products and/or trying new products

29% of online shoppers are spending less time shopping

Online grocery shoppers go into the store fairly often when picking up an order

RUN INTO THE STORE WHEN PICKING UP AN ORDER?



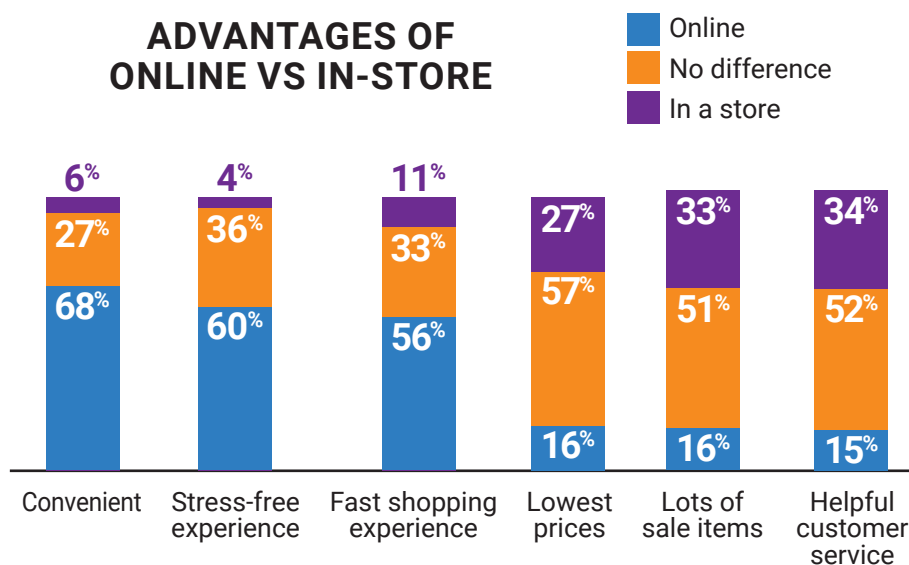
61% Run into the store when picking up an online order **to buy something I forgot**

60% Run into the store when picking up an online order **to buy specific items I prefer to pick out myself**

48% Run into the store when picking up an online order **to buy items that are not sold online**

Shoppers appreciate the convenience and time savings of online shopping, finding it to be convenient, stress-free and fast

ADVANTAGES OF ONLINE VS IN-STORE

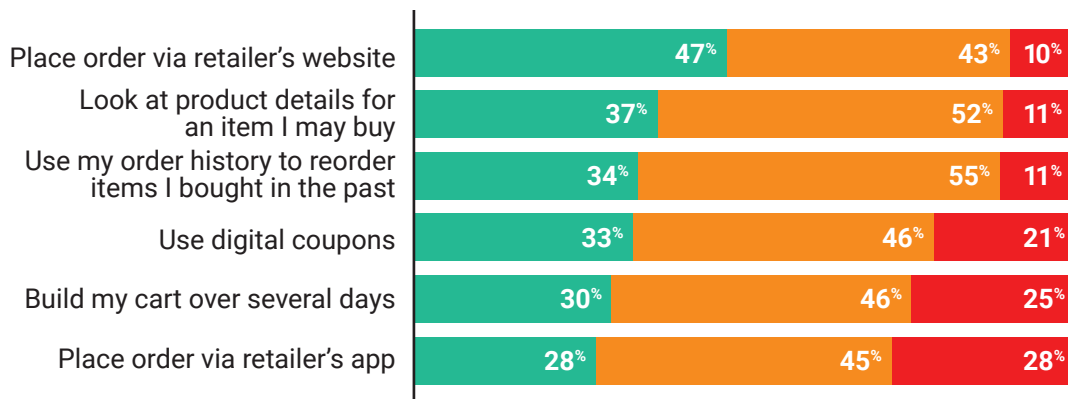


59% Stick with their usual in-store retailer when shopping for groceries online

Online grocery shopping behaviors are becoming habit-forming

HOW OFTEN DO YOU DO ANY OF THE FOLLOWING WHILE SHOPPING ONLINE FOR GROCERIES?

Often
Occasionally
Never



80%

Still shop in stores for certain things I prefer to select myself

Satisfaction is highest for on time shipments, ease of building carts and lowest with relevant personalized offers, ease of finding sales/coupons

ONLINE GROCERY SHOPPING SATISFACTION

84% Shipment on time/ as scheduled

84% Ease of building my cart

84% Order accuracy

83% Ease of picking up my order

65% Quality of perishable items

59% Offers good substitutions for unavailable products

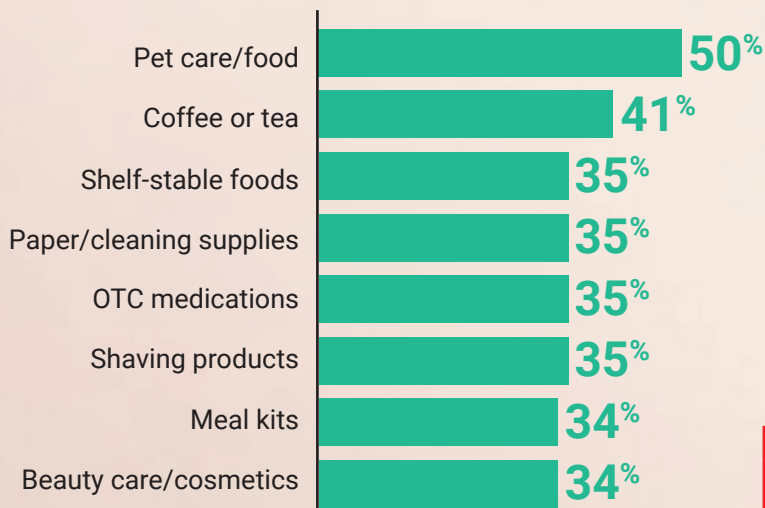
58% Ease of finding sales or digital coupons

54% Relevant personalized product suggestions



Online subscriptions became very popular during the pandemic, especially for pet care and coffee and tea

ONLINE SUBSCRIPTIONS



31% of shoppers have at least one of these online subscriptions

About 90% of all current subscribers intend to continue over the next year

Shoppers are broadening their online purchases to nearly every department in the store

TOP 3

SHELF-STABLE CATEGORIES PURCHASED ONLINE

64% Salty snacks

62% Coffee or tea

57% Condiments

TOP 3

PERIMETER CATEGORIES PURCHASED ONLINE

46% Fresh produce

46% Milk

43% Packaged cheese

TOP 3

NON-EDIBLE CATEGORIES PURCHASED ONLINE

57% Toilet paper

57% Paper towels

56% Laundry

TOP 3

FROZEN CATEGORIES PURCHASED ONLINE

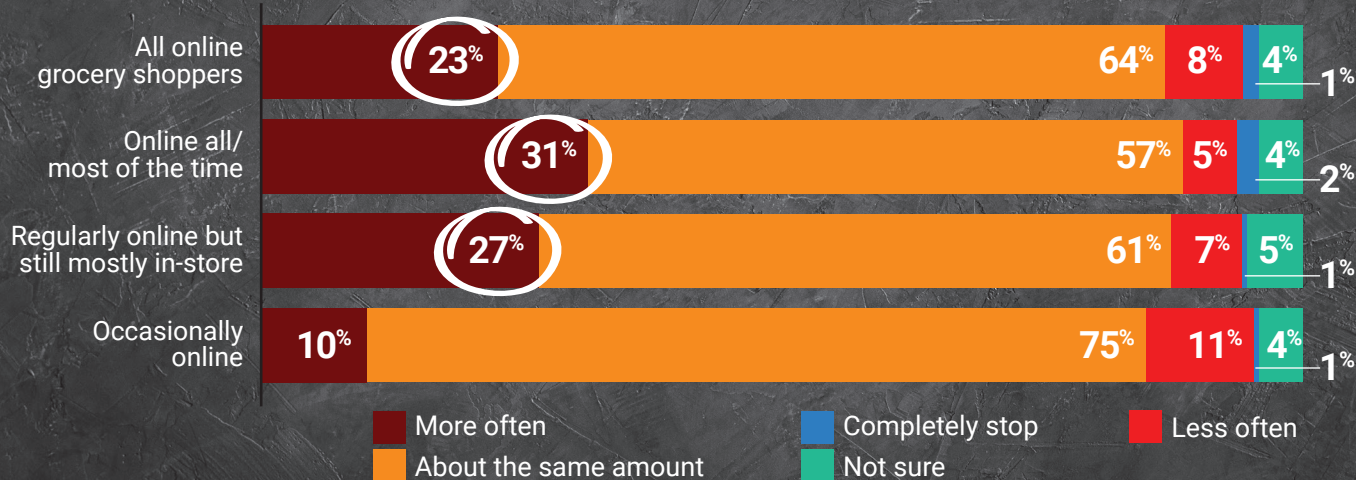
35% Frz dinners/entrees

35% Frz dessert/ice cream

30% Frozen breakfast

Nearly 1-in-4 online grocery shoppers intend to do more in the next year, with even higher intentions from the most active online

FUTURE ONLINE GROCERY INTENTIONS



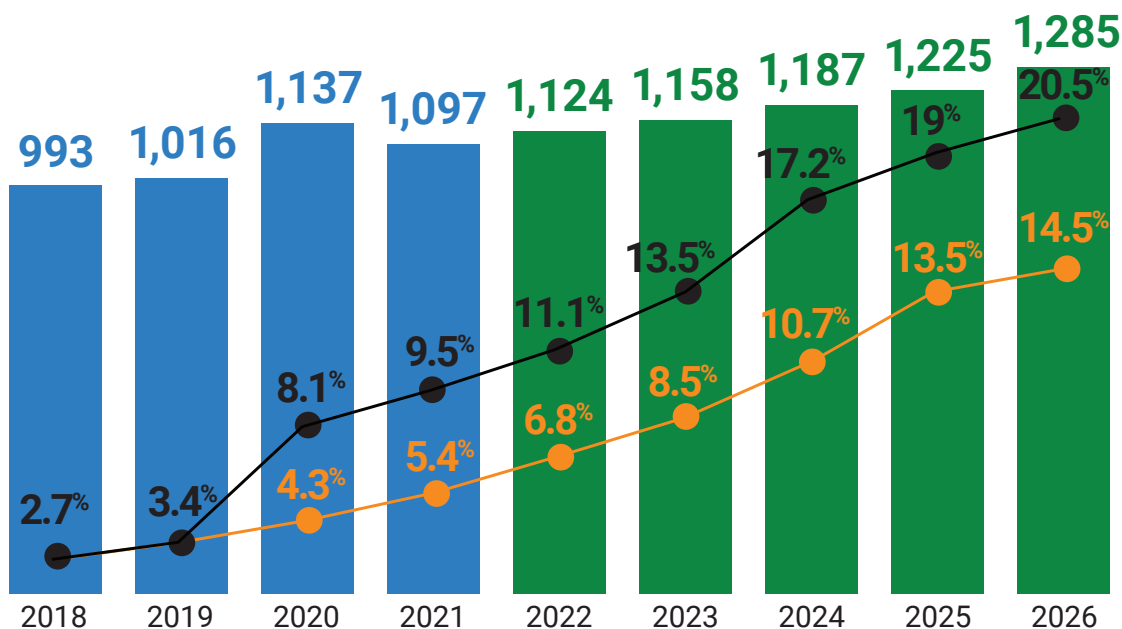
eCommerce is now projected to account for 20% of the U.S. Grocery Market within five years

GROCERY E-COMMERCE GROWTH PROJECTIONS

mercatus*

in collaboration with

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Total Grocery Sales (USD, Billions)

Total Projected Grocery Sales (USD, Billions)

Grocery eCommerce Sales % (Post-COVID)

Grocery eCommerce Sales % (Pre-COVID)