

Skip the checkout lines: Whole Foods, Walmart and other stores embrace online grocery shopping

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Grocery shopping can feel like you're navigating through an obstacle course filled with crowded parking lots, long lines and screaming kids.

But a growing number of Americans are checking off their grocery lists without even walking inside the store.

San Francisco resident Allison Howard gets her groceries delivered to her home about once a week through Instacart. The busy mother of four places an order online for items in at least two or three stores, including Costco, where time flies when you're munching on free samples.

"It's just a huge time savings when I think about those extra five and a half hours I have," said Howard, who has been using Instacart for more than three years. "That makes it pretty much a no-brainer for me."

Tech companies including Amazon, Google and Instacart have been teaming up with retailers to expand online grocery shopping. Companies also have been experimenting with ways to make picking up groceries inside the store, or delivery, easier.

"The ones that jumped in on the early side - it was a little risky - but they saw the potential. Now these retailers are really starting to reap the benefits," said Patricia Orsini, an analyst with eMarketer.



About 23 percent of American households are buying their groceries online, according to a 2017 study by the Food Marketing Institute and Nielsen. Online grocery spending has the potential to grow fivefold to more than \$100 billion in 2025, the report stated.

While shopping online can be more convenient, some shoppers want to make sure they get the freshest fruits and vegetables by touching and seeing the produce in person.

Shane Caudle, owner of The SPOT on 25th cafe in Silicon Valley, said he prefers to shop in person to guarantee he buys the freshest produce.

"One of the things I tell people at the cafe is I go out every single day and pick all the produce myself," he said.

With his business just a few miles away from a grocery store, he's also noticed that online shopping costs more because of the delivery fees.

Not being able to see the groceries in person was one mental hurdle that Howard said she eventually got over. Online grocery shopping also had other quirks. A bag of flour she received from Costco one day was much larger than she pictured in her mind.

Grocery stores have been expanding the availability of online shopping in cities throughout the United States.

Walmart customers can order groceries online and pick them up at the store on the same day. The retailer, which opened its 1,000th online grocery pickup location this month, also joined forces with Google. Walmart is also now letting customers shop for items on Google Express - the Mountain View-based tech firm's shopping and delivery service - and reorder household essentials just by speaking to Google's virtual assistant.



When Amazon purchased Whole Foods, the e-commerce giant not only slashed prices but made the grocery store's own branded products available through Amazon's website and grocery delivery service. Amazon employees also have been testing a store in Seattle, where shoppers can pick up their items without having to wait in a checkout line.

Instacart recently expanded its service in the Bay Area, allowing more consumers to get items delivered from Smart & Final, Safeway, Whole Foods, Target and other stores.

Smart & Final, with locations in the Western U.S., last month launched its own website for grocery delivery powered by Instacart, which promises same-day delivery in as little as an hour.

"It's not necessarily that we've seen a shift so far, but we've seen new customers introduced to the Smart & Final brand," said Joe VanDette, Smart & Final's vice president of digital marketing. "In turn, we've seen a lot of crossover with those customers going into our stores and experiencing what we have to offer."

Bay Area resident Maria Irma Aguilar uses Walmart's and Safeway's websites to grocery shop online with her son, who attends college in Arizona.

"We were sending him money and he was just eating out or spending his money foolishly," she said.

Now, the mother and son get on the phone every two weeks to purchase groceries online. She's even walked him through how to cook a recipe, through FaceTime.

"He learned how to cook for himself, and now he's not eating out as



much or the junk food as he was eating before," she said.

At a Bay Area Smart & Final <u>store</u>, Instacart full-service shopper La Tigre Waters wasted no time picking out bananas, asparagus and other items on a customer's shopping list.

With about 40 minutes to shop and deliver the groceries, she strategically placed her cart to the side, scanned the aisles and gathered vegetables so she only made one trip to the scale.

She knew that dried apricots were located on a bottom shelf. When an item was out of stock, she alerted the customer through the app.

"It's a very attentive job," she said. "Notice I took a step back, analyzed everything at once and then went in and made sure the only one I touched was the right one."

And while time was winding down, the quality of the items was also on her mind.

"If I would not eat it, give it to my kids or allow my grandmother to see I have purchased such an item," she said, "I would not bring it to the customer."

Online Grocery Shopping

Here are some options:

Instacart: www.instacart.com

AmazonFresh: www.amazon.com/amazonfresh



Walmart: grocery.walmart.com

Safeway: shop.safeway.com/ecom/home

Smart & Final: shop.smartandfinal.com

Google Express: express.google.com

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