



INSTACART CONTINUES TO RISE, BUT RETAIL PARTNERS ARE EXPANDING THEIR DELIVERY CAPABILITIES



2022 has seen retail move out of shutdowns with shoppers returning to stores. With this shift, do we still see growth via online shopping? Are shoppers continuing to get their groceries delivered to their homes? Is Instacart still growing? This report will show that not only is Instacart continuing to grow but merchants overall are growing their online sales and delivery.

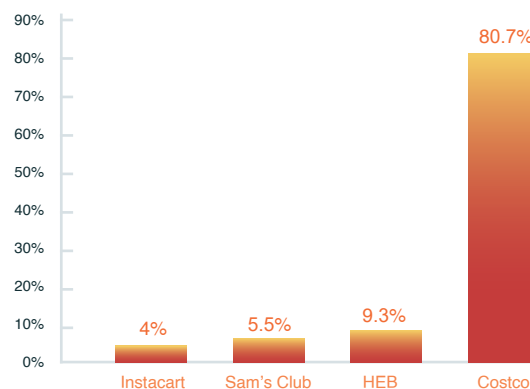


◦ CUSTOMERS ARE STILL SHOPPING FOR GROCERIES ONLINE



As of June 2022, Instacart has continued to experience sales growth versus a year ago, but at a slower rate than over the past two years. This growth seems meager in comparison to some merchants who have begun to offer similar fulfillment methods directly, in addition to partnering with Instacart. Costco, HEB and Sam's Club, in particular, are all realizing higher growth trends than those seen by Instacart. For HEB these numbers could even be higher if they reflected their sales through Favor, which are not included.

YOY Growth



In fact, looking at 2022 year-to-date we're seeing these numbers continue to grow.



YTD Growth

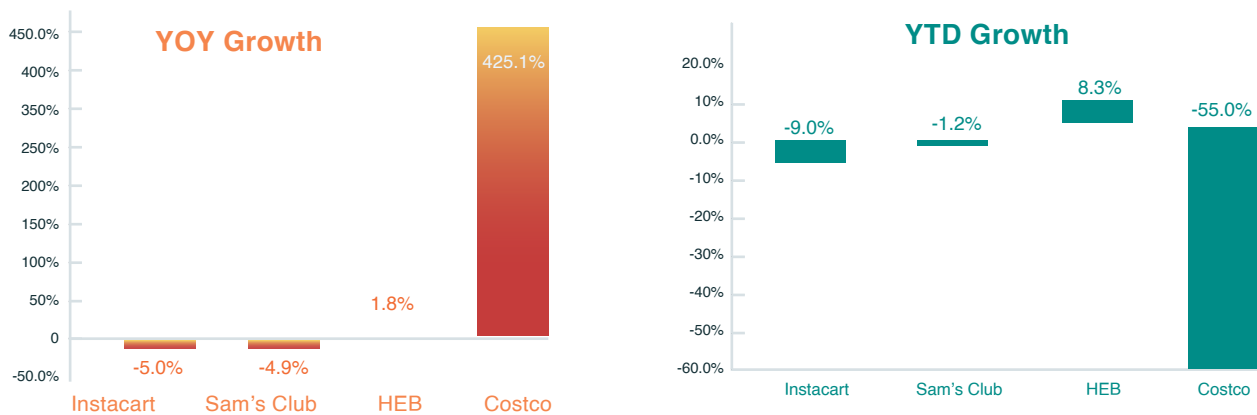


While this report takes a detailed rear-view mirror look at Instacart across major retailers, we take a moment to note that for the company to get back to the steep double-digit growth it achieved during the height of Covid, it will need to transform itself and its value proposition. And it seems to be heading in that direction, through several strategic moves, including recently announced acquisitions such as Roes, Eversight, Caper AI and FoodStorm.

DELIVERY CONTINUES TO DRIVE GROWTH

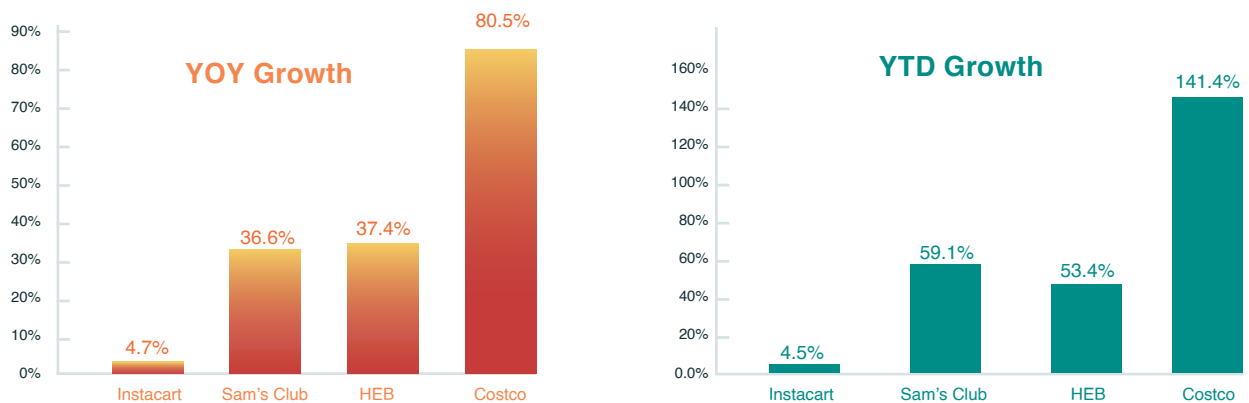
Instacart's growth is being driven by Delivery while Click and Collect numbers appear to be falling. In a comparison of year-over-year growth, Costco is the only merchant highlighted in this study to be experiencing large growth in Click and Collect. However, when we limit the numbers year-to-date, we see that Costco has begun to also decline while HEB has seen slight growth.

Click And Collect



Shoppers who adopted delivery during the pandemic appear to have decided to stay with it—whether viewed through year-over-year or year-to-date numbers. Delivery is driving sales growth across all merchants in this report at different rates. In fact, when compared to YOY growth, YTD growth rates for Sam's, HEB and Costco suggest acceleration, while Instacart slows further.

Delivery





Click And Collect

CUSTOMERS ARE MOVING FROM INSTACART DIRECT TO RETAILERS FOR DELIVERY

This growth in delivery from merchants' direct channels has caused their share of Instacart to drop or remain flat versus previous years.

SHARE OF INSTACART SALES



↓ 8.6%



↓ 0.1%



0%

Customers are Spending More When Ordering Directly From Retailers

This shift toward customers purchasing directly from the merchant has also caused the size of their baskets to increase. When we compare average purchases across these merchants in Q2 of 2022, we see that Instacart's basket size is significantly lower than the other merchants'.

Average Basket Sizes (\$)



Instacart Avg
Basket Size -
\$33



Costco's Avg
Basket Size
\$96



HEB's Avg
Basket Size
\$65







Sam Club's Avg
Basket Size
\$75

Outside of Grocery, we see Household Essentials and Health and Beauty being the two most shopped categories at these merchants.



GROCERY CONTINUES TO INCREASE USAGE

If we dive into Grocery tier across merchants, we see still water, salty snacks, ground beef, milk/dairy, and chocolate acting as growth drivers.

				
Salty Snacks	41.2%	14.8%	19.6%	18%
Still Water	272.3%	27.1%	4.2%	16%
Chocolate	36.9%	15.5%	17.1%	6%
Milk/Dairy	772.9%	11.7%	-1.7%	1%
GroundBeef	2293.1%	14.8%	18.2%	12%

Overall, we see growth being driven by shelf stable products and the dairy section of the store consistently across all merchants.

Instacart Continues to Grow, but for How Long?

As the numbers show, those retailers that have developed their own services have cut into Instacart’s rate of growth. If more retailers shift to direct delivery and prices continue to climb due to inflation and supply chain challenges, can Instacart maintain its growth? We believe they can. They are adapting to meet new shopper needs and habits. Their shift in strategy, we believe, is around changing consumer perception from using Instacart only to make shopping easier to becoming a destination for customers. Recent announcements that Instacart is going to focus on transforming pricing strategies and promotions for their CPG and retail partners in order to deliver savings for their customers is one clue. Another example of how Instacart is continuing to expand its services to drive growth is their new offering of curated shopping carts and recipes from celebrities, retailers, and influencers for their customers’ exclusive viewing.

How can we help you stay ahead of shifting, online consumer trends?

The statistics in this Spotlight were generated by the 1010data eCommerce Suite, which offers access to our timely data updates across the broadest category coverage in the marketplace. Companies leverage our data intelligence solutions to better understand digital shopping behaviors and monitor brand performance within today’s online consumer journey from the path-to-purchase and beyond.

Contact info@1010data.com for more information.

eCommerce Data

Although 1010data utilizes multiple panels that track millions of panelists, 1010data is projecting up to the total U.S. population. Panel-based projections are not intended to perfectly correlate to actual sales on an absolute dollar sales basis. The strength of 1010data’s ecommerce data lies in share performance and trends over time.