GET THE SCOOP ON GROCERIES

A CONTENTSQUARE REPORT

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METHODOLOGY

92
million Sessions

655
million Pageviews

GLOBAL
Data

CONTENTSQUARE ANALYZED MORE THAN 92 MILLION SESSIONS FOR GROCERY STORES AND OTHER RETAILERS BETWEEN 07/01/18 AND 10/10/18.

INTRODUCTION

As digital continues to infiltrate brick-and-mortar retail (think shopping apps, drive-in superstores, Prime discounts at checkout, etc), the eGrocery boom has turned out to be a decidedly multichannel affair.

According to market research group NPD, **99% of US consumers**[1] who stock their pantry from a device still visit physical grocery stores. Which means that today, half of US consumers (**49% according to FMI**[2]) routinely switch from online to offline to shop for groceries. In fact, eMarketer Retail predicts that by 2019, **more than one in five mobile shoppers**[3] will use an app to purchase groceries.

And conversions are also growing.

Our analysis of user sessions in the grocery sector found that the average conversion rate **increased by 9%** over a period of three months - **5.74%** from August to September, and **3.05%** from September to October.

This report is packed with aggregated data on the behavior of digital grocery shoppers and insights into how brands can better meet consumer needs and expectations in the age of on-demand convenience.

[1] *U.S. Consumers Take an Omnichannel Approach When It Comes to Grocery Shopping, NPD, April 2018*

[2] *Digital Shopper, FMI & Nielsen, 2018*

[3] *Grocery App Usage to Grow Nearly 50% in 2018, EMarketer, September 2018*

1.

THE BIG PICTURE

1. WHICH WAY TO THE GROCERY STORE?

Shopping online for household staples, including groceries, has become routine for consumers everywhere.

And while mobile traffic continues to rise across the board, our analysis of traffic to grocery sites highlighted a fairly even split between desktop and mobile, with a slightly higher volume on desktop (**+2%**).

It seems that in the mobile-first era, grocery shoppers are still not fully used to the idea of doing their weekly shop from a smartphone. Converting visitor traffic highlights this reluctance, with **only 19% of converting users** completing their purchase on a mobile device - versus **73% on desktop.**

	DESKTOP	MOBILE	TABLET
TRAFFIC SHARE (ALL USERS)	47%	46%	7%
TRAFFIC SHARE (CONVERTING USERS)	73%	19%	9%

2. GLOBAL GROWTH, LOCAL OPPORTUNITIES

While the general trend in online grocery is toward growth, our analysis of user sessions across 7 digital grocery platforms highlighted wide variability in conversion rates from one retail ecosystem to another.

We found that conversion rates in Germany, the UK and the US experienced the highest growth between August and October 2018. In that period, Germany saw its average conversion rate **increase by 38.4%** across all devices. In the UK, the average conversion rate **rose by 11.62%** and in the US, **by 5.67%**.

A closer look revealed that in the UK and the US, this growth was largely attributed to shoppers living in cities and towns of under 4 million residents. In these areas, the conversion rate **rose by 21.23%** in the UK, and **21.5%** in the US. Meanwhile, the average conversion rate for London-based shoppers **dropped by 4%** during the same period, and in New York City, a **3.4% decrease** was noted.

The opposite trend was observed in France, with the conversion rate of Paris-based consumers experiencing a slight improvement (**+0.49%**) and that of shoppers in cities and towns of under 1 million residents **shrinking by 27.8%**.

In Germany, the average conversion rate went up by **44.92%** for shoppers in cities like Berlin and Munich, and by **30.5%** for those in cities and towns of under 1 million residents.

3. THE MOBILE GAP

Of the 7 retail verticals we analyzed for this report,* the grocery sector boasts the highest conversion rate on desktop and tablet by far — **8.86%** and **6.84%** respectively. On desktop alone, the average conversion rate is **98.21% higher** than the average conversion rate for games & media, which is the next top converting retail sector.

The data on mobile conversions, however, tells a different story. With a **1.46%** conversion rate average, grocery comes in third, lagging behind games & media and cosmetics.

	DESKTOP CONVERSION RATE	TABLET CONVERSION RATE	MOBILE CONVERSION RATE
GROCERIES	8.86%	6.84%	1.46%
GAMES & MEDIA	4.47%	6.10%	3.43%
COSMETICS	4.41%	4.12%	2.13%

Grocery shoppers have the longest sessions recorded across the 7 verticals, with an average desktop session clocking in at **7.1 minutes** and an average visit on tablet lasting **6.7 minutes**.

**luxury apparel and accessories, apparel and accessories, cosmetics, games and media, footwear, healthcare, groceries*

With high conversion rate and session duration averages on desktop and tablet, it is safe to say that grocery shoppers are high-intent consumers with a clear purchasing agenda.

And yet the shorter session time and lower conversion rate recorded on mobile suggest smartphone users may not be receiving as much value from their shopping experience as those browsing on other devices. In fact, our data shows that mobile consumers will spend more time browsing for games & media than for essentials like groceries.

It is also interesting to note that, while cosmetics and grocery shoppers spend a similar amount of time browsing for products, cosmetics shoppers are more likely to convert than grocery shoppers. Once again, this highlights the gap between consumers' willingness to shop for food on their smartphone and the quality of the experiences being developed for mobile.

	Average session duration on DESKTOP	Average session duration on TABLET	Average session duration on MOBILE
GROCERIES	7.1 MIN	6.7 MIN	3.7 MIN
GAMES & MEDIA	6.4 MIN	6.7 MIN	4.4 MIN
COSMETICS	5.4 MIN	5.1 MIN	3.4 MIN

THE TAKEAWAY:

- There is a tremendous opportunity for grocery retailers to become indispensable click-and-mortar partners to today's channel-switching consumers.
- This opportunity is global, but while many of the lessons of digital conversion are universal, different markets come with their own localization challenges.
- Retailers that can crack the challenge of mobile experience development will be able to unlock the tremendous opportunity created by the smartphone retail revolution.
- Stocking up on food staples is an everyday activity with built-in loyalty potential. As such, retention is a key success factor for digital grocery brands.
- Understanding the unique needs and expectations of consumers - wherever they are located and whatever their shopping preferences - is key to developing digital experiences that users will integrate into their routine.

2.

RETAINING HIGH-INTENT SHOPPERS

1. EVEN LOYALTY HAS A BEST-BY DATE

More than half of online grocery shoppers are returning users. This is good news for supermarkets because returning desktop users are three times as likely to convert as newcomers, with a **14.25%** conversion rate average (versus **4.67%**).

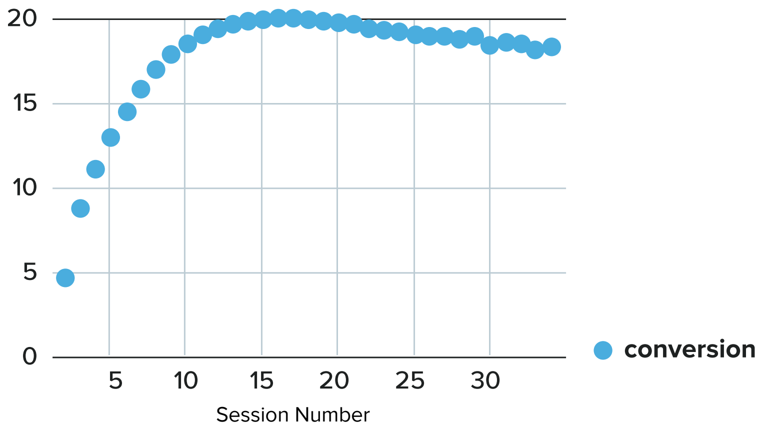
The digital journeys of returning mobile users do not come with such a happy ending for retailers. Indeed, returning smartphone shoppers are only **2.5% more likely** to convert than first-time visitors, with a **2.48%** conversion rate average — versus **2.42%** for new users.

	NEW VISITORS	RETURNING VISITORS
DESKTOP	47.19%	52.81%
MOBILE	47.35%	52.65%

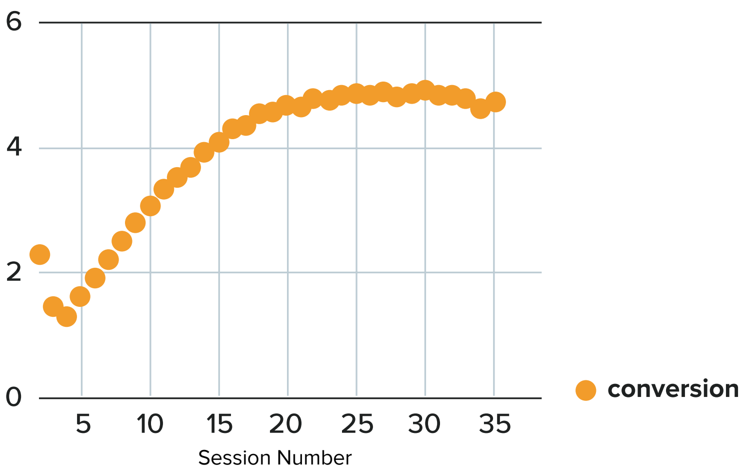
For returning desktop users, the conversion rate continues to climb until visit #15. The biggest leap occurs between sessions 1 and 2, with a whopping **89% increase** to the average conversion rate, which jumps from **4.67%** to **8.81%**.

On mobile, the conversion rate actually **drops by 35.54%** between sessions 1 and 2, and dips a further **10.26%** between sessions 2 and 3. It then increases by a drastic **21.43%** between sessions 3 and 4.

DESKTOP
CONVERSION RATE

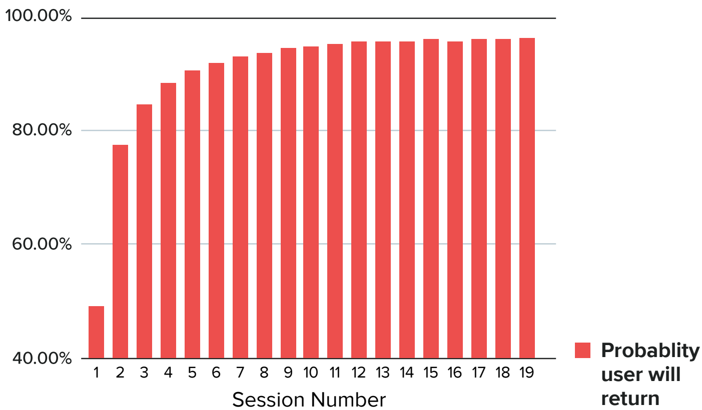


MOBILE
CONVERSION RATE

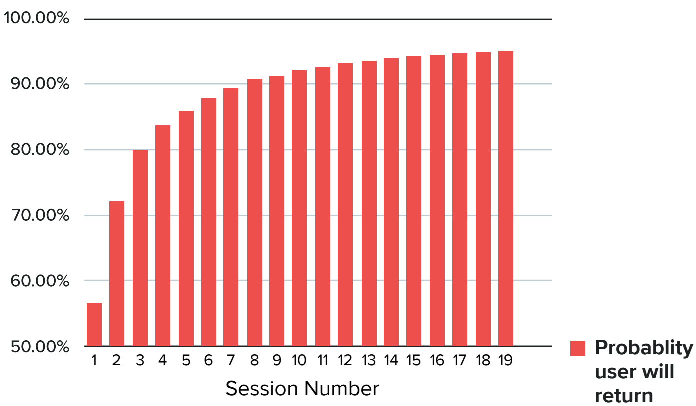


Analysis of 20 consecutive sessions on both desktop and mobile showed that every visit makes users more likely to return to a site. The first session is the trickiest, with only **49%** of users returning to a site following their first visit.

DESKTOP
PROBABILITY USER WILL RETURN



MOBILE
PROBABILITY USER WILL RETURN



DID YOU KNOW?*

Logged in users:

- are **23%** more likely to return to a site
- are **64%** less likely to bounce
- view **148%** more pages
- convert **10** times more
- clock in **5%** more buying sessions
- generate **55.57%** more revenue

**From a 2017 ContentSquare analysis of +37 Million eCommerce user sessions*

THE TAKEAWAY:

- Digital grocery brands only have one chance to make a lasting first impression but the good news is, once you've secured that second shopping date, your customers will stick with you for the long run.
- Encouraging users to create an account with easy reorder options will boost return visits, reduce your bounce rate, and increase conversions. No one wants to keep entering their personal information or go through the digital aisles again and again to locate their favorite pasta sauce.
- Easy login, convenient repeat order options, intuitive in-site navigation, a streamlined checkout process with shorter forms, fewer screens and fewer steps - there is much brands can do to wow mobile shoppers on the first visit by catering to their unique needs and helping them achieve their buying goals.
- Understanding how digital fits into consumers' multichannel grocery shopping routine is also a key piece of the digital success puzzle.

2. CLICK AND MORTAR SHOPPING

Once they reach checkout, shoppers are **22% more likely** to pick home delivery than to select the in-store pickup option. And yet the data shows that users still like to visit the physical store.

Our data shows that on mobile, **1.27%** of all visitors will reach the store locator page, versus **1.14%** of desktop visitors.

For sessions that end in a purchase, the store locator is on average the 16th page reached during the visit, and has a **1.5%** chance of being the last page in the user journey.

In the case of non-converting visits, the store locator is on average the 3rd page reached along the journey, with a **44% probability** of being the last page viewed.

DID YOU KNOW?*

In-store pickup customers:

- are **6 times** likelier to convert than other customers
- are **5 times** more likely to convert on desktop than on mobile
- spend on average **6% more** than other customers

**From a 2017 ContentSquare analysis of +37 Million eCommerce user sessions*

Clearly, the store locator is an important page for both buyers and non-buyers, although the function of the page varies depending on the segment. For converting users, the page is a step along the way to organizing in-store pickup.

Non-buyers appear to browse products - either to find out information or check availability - with a view to completing the purchase in store, which could explain why they spend **46% longer** on the store locator page. Another explanation could be that the store locator page does not immediately lead consumers to the information they seek.

THE TAKEAWAY:

Consumers are marrying digital and physical shopping routines, and journeys that begin online often end up in-store. Stores that can integrate an omni-channel approach to their brand experience will be able to cater to the needs and expectations of the modern shopper.

There are many ways brands can improve the digital experience to help customers achieve their offline goals — from setting up a wishlist option to displaying product information and availability, via creating an intuitive path to the store locator.

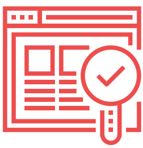
For the majority of customers who will elect the home delivery service, clear listing of delivery options and attractive rates (or even better, free delivery) are all part of a seamless digital experience today.

3. NAVIGATING THE DIGITAL AISLES

Optimizing the digital journey to keep users engaged all the way to conversion requires a deep knowledge of what it is consumers are trying to achieve and how they are going about achieving it. Behavior analytics can help you understand digital user journeys at a granular level — showing you not only how users add items to cart but also where they hesitate, stumble or give up.

Our data experts looked at how grocery shoppers interact with the search bar, menu and account login page to see how each feature helped guide them down the funnel.

SEARCH BAR



We found that a majority of shoppers rely on the search bar to find products. At **18.3%**, the search bar desktop click-through rate (CTR) is **76%** higher than the menu CTR. Users are also quicker to click on the search bar than the menu by **3 seconds**, suggesting they already have a pretty good idea of what they want to buy and are seeking the shortest possible path to product.

And it appears that the search bar is an important conversion-driver — visitors who use the search bar convert at a rate that is **66% higher** than the average eGrocery conversion rate.

MENU

Users may focus more energy on the search bar, but the menu is still a key part of navigation for many shoppers. It may have an average click rate of **10.4%** (**43.2% lower** than the search bar) and a conversion rate per click of **30.84%** (**34% higher** than the search bar), it still brings in **34% more** conversions than the search function.

SIGN IN

Users who interact with the account login button are more likely to be committed to completing their purchase and unsurprisingly, the sign in button records a higher conversion per click than the search or menu bar. In fact, users who interact with the sign in button are **134% more** likely to convert than the average online grocery shopper.

Despite this healthy conversion rate, the account section has a disappointing click rate of only **1.2%**.

DESKTOP

	CLICK RATE	CONVERSION RATE PER CLICK	TIME BEFORE 1ST CLICK
SEARCH BAR	18.26%	23.05%	60.88%
SIGN IN	1.19%	33.33%	48.13%
MENU	10.36%	30.84%	63.13%

THE TAKEAWAY:

Brands that can encourage users to sign in can capitalize on the converting power of membership. Streamlining the sign up and sign in process and rewarding members with special offers and deals are just some of the incentives brands can use to drum up logins and keep users connected.

Analyzing navigation paths can help teams surface pain points and create seamless paths to product. Improving navigation inside product pages can also shorten journeys and quicken the path to checkout.

Identifying underperforming content at an elemental level by tracking engagement and digital KPIs will help digital teams optimize categories for faster, more productive journeys.

FINAL THOUGHTS

Many digital disruptors out there have already begun harnessing the potential of the online grocery market. A giant like Amazon, with its acquisition of Whole Foods, has been testing out various ways of bridging the physical/digital divide.

And while leading superstores may have a headstart on smaller market players, any brand that can access an in-depth understanding of its audience holds the key to digital success.

Analytics today can help digital teams understand not just how consumers behave, but why they behave the way they do. With actionable insights and customized tracking of attractiveness and engagement KPIs, teams can dig deep into the nuances of digital interaction for a better read of their customers' needs and goals.

10 ITEMS OR LESS

1. Mobile traffic is creeping up on desktop traffic but conversions aren't following suit. **Make sure your UX development decisions are mobile-first.**

2. Your customers are talking to you with every click, hover and scroll. **Equip yourself with an analytics tool that helps you speak their language.**

3. Consumers don't think twice about hopping from desktop to mobile to physical store. **Don't think twice about investing in a robust multichannel strategy.**

4. Journeys that start on a digital platform sometimes end offline. **Offer in-store pickup options and give customers easy access to the store locator.**

5. Every user journey is different but data can pinpoint common stumbling blocks.**Track shopper behavior at an elemental level to see exactly where conversions are lost or won.**

6. Customers who return a second time to your platform are likely to keep coming back. **Digitally listen to your customers to understand their behavior, and translate this knowledge into a seamless shopping experience.**

7. Logged in users return more and bounce less. **Encourage account creation and reward members with attractive discounts and preferential shipping rates.**

8. Know your customers better than they know themselves.

   Get ContentSquare.

ABOUT CONTENTSQUARE

ContentSquare is a user experience (UX) analytics and optimization platform that helps businesses understand how and why users are interacting with their app, mobile and web sites.

We compute billions of touch and mouse movements and transform this knowledge into profitable actions that increase engagement, reduce operational costs and maximize conversion rates.

Using behavioral data, artificial intelligence and big data to provide automatic recommendations, ContentSquare empowers every member of the digital team to easily measure the impact of their actions and make fast and productive data-driven decisions to optimize the customer journey.

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