

Research: How the Pandemic is Forcing Grocers To Up Their Omnichannel Game

The worst of the pandemic is behind us. But it has left its mark on grocery retail and forced retailers to significantly up their omnichannel game. In this exclusive research, VDC Research and Scandit asked US grocery executives how the pandemic has changed online grocery fulfillment for them and what lies ahead.

TOP FACTS

108%

Is the average increase in demand for BOPIS-type grocery services during the pandemic.

93%

Of grocers interviewed said demand stayed consistent or increased after lockdown ended.

86%

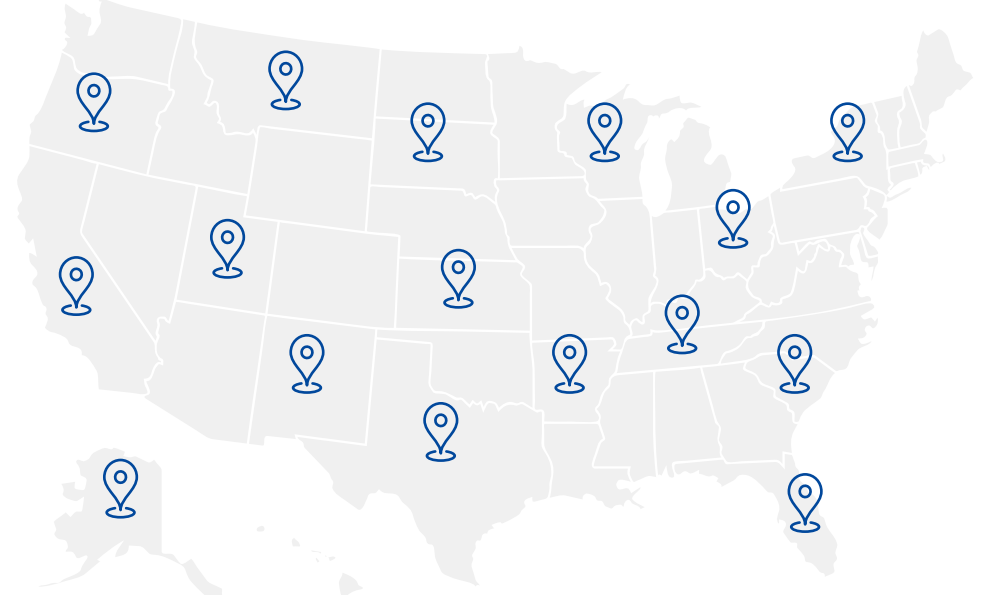
Of grocers agree that offering these omnichannel services improve customer satisfaction and loyalty.



We spoke to grocery retail executives across the US and asked how the pandemic has affected them



Grocery stakeholders based across the US involved in everything from IT to operations to supply.



What best describes your current in-store order fulfillment process?

18%

Exclusively outsource to external order picking and delivery companies.

64%

Fulfill orders with their own resources.

18%

Use a mixture of in-house and external delivery suppliers.

What are the downsides to using an external online fulfillment supplier?



67%

Said it reduces the stores connection with the customer.

20%

Loss of customer data

33%

Impacts on brand loyalty

47%

Reduces Profit



"I think a lot of times people don't really care until something goes wrong. Because third-party relationships work differently with different retailers, it's hard for customers to keep track of where in the process things changed hands. Depending on who the shopper is, they may place more blame in one area than the other. I think there's just a reputation risk for all involved."

TORY GUNDELACH, SENIOR VICE PRESIDENT OF RETAIL INSIGHTS KANTAR RETAIL

Source: The pros and cons of third-party online grocery providers (Supermarket News)

What is your single most-important priority in terms of technology investment?



21%

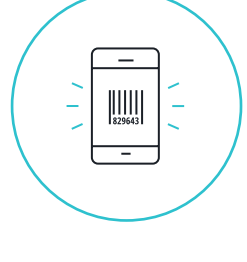
Integrating e-commerce and store systems



21%

Developing new online shopping apps

What mobile devices does your organization most commonly deploy to retail associates?



57%

Smartphones with mobile apps



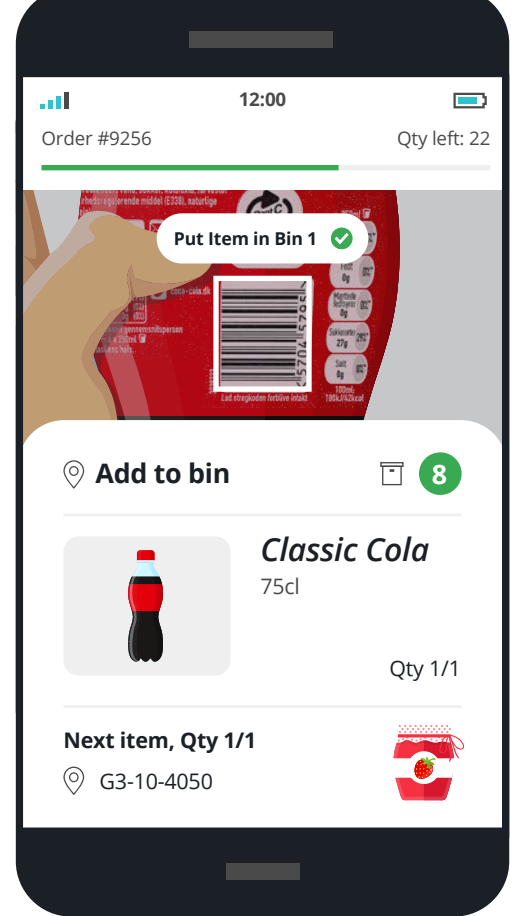
14%

Dedicated rugged mobile computers/scanners

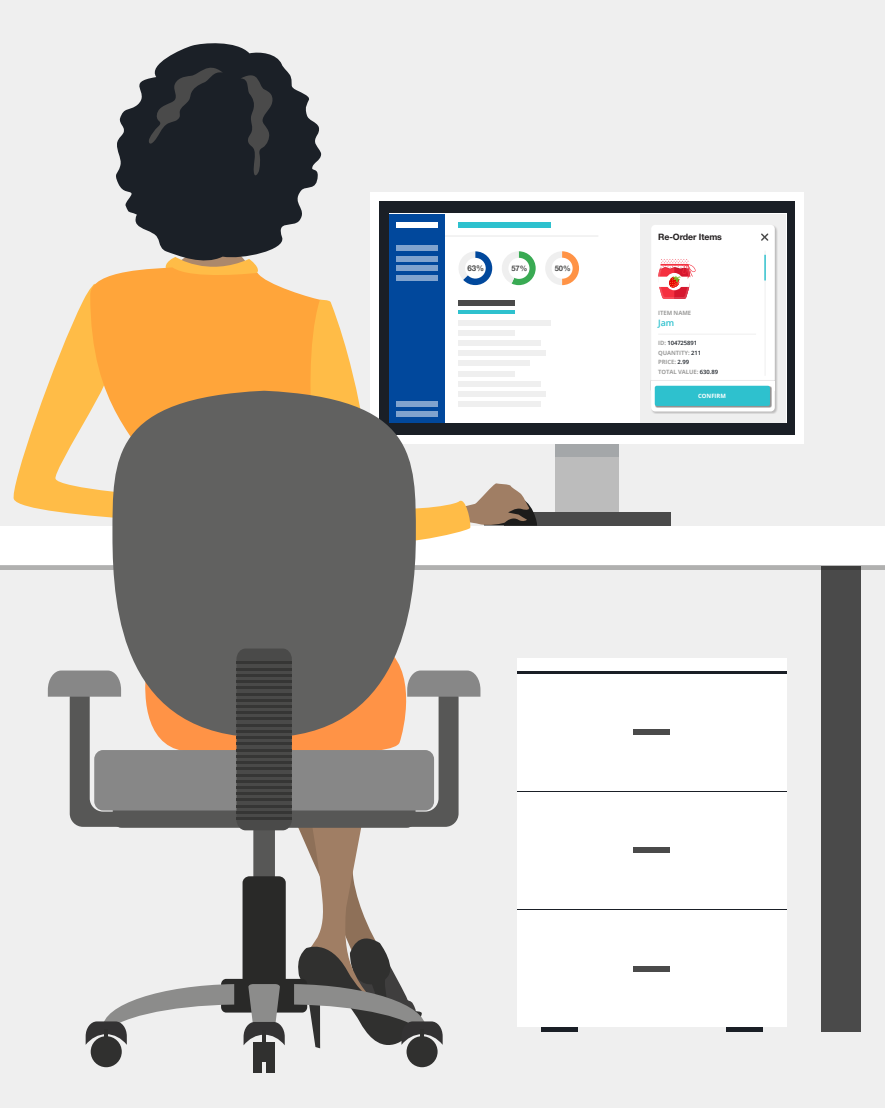


29%

None



Which of the following best describes your impression of omni-channel retail solutions?



86%

When done right, omnichannel services significantly enhance customer satisfaction and loyalty.

7%

Omnichannel services are considered a cost of doing business yet only marginally impact customer satisfaction.

7%

Investment in omni-channel services are a significant cost burden and erode our profit margin.

"Towards the May-June 2020 timeframe, we saw opportunistic retailer teams really put their foot on the gas and accelerate those omnichannel projects that may have stalled... and use the general demand for cleanliness and security and safety in their stores as a catapult to really throw forward that omnichannel programs that they had begun prior to Covid striking."

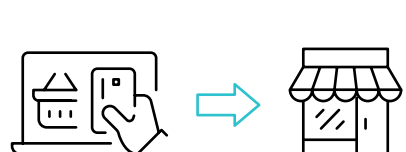
TROY STELZER, CEO XENIA RETAIL

Source: Why It's Time For Scan & Go (Scandit.com)

Demand for BOPIS, curbside pickup services changed once people got used to restrictions caused by the pandemic

93%

Of respondents said these services have **remained consistent or increased** since the pandemic.



Grocers also saw a **greater basket size via online orders** (27.4%) than the broader retail sector (26.5%) as a result of these newly ramped up shopping models.

Although grocers seem to be behind other retailers in terms of BOPIS/curbside, they saw the **demand for these services increase during the pandemic** (average: 108.7%) much more than any other category – the overall sample saw demand increase by an average of 96.5%.

Scale-up BOPIS Operations Quickly and Safely

Our enterprise-grade scanning software integrates easily on smart-phones, enabling employees to fulfill orders directly and customers to pick-up orders safely with contactless proof-of-delivery.

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Scandit's award winning mobile computer vision software enables barcode scanning, text and object recognition for enterprise apps and delivers real-time insights through AR overlay.

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