Online Grocery: Moving from Enough Capacity to the Right Capacity

After rapidly expanding their fulfilment infrastructure, many grocers now need to adapt it to evolving consumer preferences.

New habit, new opportunity
With online grocery shoppers increasingly loyal, retailers have a great shot at increasing brand loyalty by focusing on the intersection of brand experience and consumer preferences.

- 2-5 years: 65% of long-time online grocery shoppers use the same brand they use for in-store groceries.
- 8-10 years: 80% of long-time online shoppers say they buy from the same brand they use for in-store groceries.

But the big advantage isn’t in store: 30-75% of long-time online shoppers use more than one online grocery site.

Re-tooling to meet shopper preferences
With online grocery shoppers increasingly loyal, retailers need to adapt their infrastructure to align with consumer preferences.

The need for greater speed
Retailers need to adapt their fulfillment infrastructure to meet the needs of regular online shoppers.

Higher fees can ease the transition
Retailers may offer a price premium for faster delivery to offset the cost.

Six strategic moves to get an edge in online grocery

1. Identify the needs by mapping customers by age, marital status, and income. Build a profile to better understand the needs of each customer.
2. Engage third-party fulfillment nodes to scale up fulfillment services. Leverage existing infrastructure to build a scalable network. Don’t wait, just start.
3. Emerge to the challenge without breaking the bank. Don’t blow your budget building fulfillment centers. Leverage existing infrastructure or build smaller, more efficient centers.
4. Reuse existing fulfillment infrastructure to fill peak demand. Leverage warehouse space to handle forecasting, packaging, and delivery.
5. Make sure the supply chain is in alignment. Ensure the supply chain is working towards the same goal, or things could fall apart. Use a holistic approach to ensure all stakeholders are working towards the same end goal.
6. Easy steps to a winning solution. Create a scalable, sustainable business model that will win and keep customers.