



How to Keep the Promise of Same-Day Grocery Delivery Amidst COVID-19

This white paper covers:

- COVID-19 and the Grocery Market
- What the Consumer Wants
- Omnichannel Presence: An Essential for Grocery Retailers
- Keeping the Promise of Same-Day Grocery Delivery

COVID-19 and the Changing Dynamics of the Grocery Market

Pandemics are known to cause catastrophic changes in human lives, businesses, and economies. This year's COVID-19 world crisis is no different. Soon after the outbreak began in China's Wuhan province, the ripples could be felt the world over. The world's biggest manufacturing plants in China were shut down, leading to major disruptions in the global supply chain.

As the pandemic spread afar, engulfing the rest of the world, businesses across industries closed for business; and malls, supermarkets, and shopping complexes were locked down for uncertain periods. While there were several industries that felt the heat due to the pandemic, some actually boomed like never before.

With more than half of the world's population confined to their homes to practice social distancing and prevent the spread of the disease, essential services took the center stage. Food, groceries, and consumer goods businesses across the globe thrived amidst the crisis, owing to the fast-changing consumer shopping patterns and the evolving market dynamics.

The pandemic has quite evidently transformed how groceries and essentials are bought and sold in ways we couldn't have imagined before the COVID-19 crisis occurred. There has been a steep rise in online shopping of groceries as people avoided visiting grocery stores.

At the same time, grocery and consumer goods retailers have been pushed to introduce omnichannel shopping options for customers and adopt the trending delivery strategies to retain their customers. [Same-day deliveries](#), once a luxury, is now turning into a dire necessity, especially in the grocery market.

In this white paper, let's look at some interesting market trends that are driving a new evolution in the grocery industry, and how businesses can step up and make the most of the opportunities with technology by their side.

● **What the Consumer Wants: Expectations from CPG & Grocery Retailers During the Pandemic**

Consumer expectations are forever changing, more so in 2020 due to the pandemic. The grocery industry has remarkably transformed over the past few months, indicating that [consumer buying patterns](#) that have emerged during the pandemic could continue even afterward.

Grocery retailers must take cues from the ongoing consumer trends and capitalize on the opportunities to stand out in the crowded market. But what does the customer really want from retailers?



Online Shopping Alternatives

In the first few months of the outbreak, all supermarkets, grocery stores, and retail outlets were forced to remain shut, and people had to stay indoors. Majority of people turned to online shopping of groceries and essentials and expect grocery retailers to offer online shopping options. 14% of consumers said they have started buying groceries online due to the pandemic, while 34% said they were buying more of them.



Cashless Payment Systems

Social distancing and no-touch interactions have become the new normal now. People are looking for shopping options and payment mechanisms that involve minimal human touch. The pandemic has given a big boost to contactless payment systems. Big retail brands are introducing cashless online payment gateways and 'scan & pay' systems for in-store shoppers, making it both faster and easier than the traditional card or cash payment model.



Convenient Pick-Up and Delivery Options

In grocery shopping, convenience is now a key determinant of customer loyalty and satisfaction. Consumers want their retailers to provide doorstep delivery options, with a guarantee of safety and hygiene standards. In several places, grocery stores are offering not just doorstep delivery services, but also the added convenience of preferred delivery timings, curbside pick-ups, and even [Buy Online Pick-Up In-Store](#) options.



Same-Day Deliveries

With the pandemic on the rise, the demand for same-day grocery delivery and even deliveries within a few hours has increased dramatically. While it may be easier for local grocery stores to fulfill consumers situated in a smaller vicinity, it is a challenge for grocers with a larger consumer base, and big brands who deal with hundreds of orders every day. This growing demand for same-day grocery deliveries is pushing retailers to fortify logistics operations in the long run.



🕒 Omnichannel Presence: An Essential for Grocery Retailers

During the disruptive course of COVID-19, retailers across the globe have come to realize that omnichannel is the way forward to survive in the market. Just a physical storefront will not be enough to beat the rising competition from online brands that offer convenient shopping methods and guaranteed express deliveries.

Many grocery retailers have upgraded from traditional selling methods to more **modern, digital selling**. One of the most popular ways of having an online presence in the grocery market is by partnering with online delivery marketplaces such as Instacart or Deliveroo as a seller. The use of such **third-party distribution platforms** allows grocers to sell online without worrying about when and how to deliver orders to customers.

In fact, Instacart, an American [grocery delivery app](#) sold up to \$700 million worth of groceries in April, 450% over its December 2019 sales. With a number of [hyperlocal delivery start-ups](#) making their way into the grocery market, top brands such as Amazon and Walmart are playing their big cards to acquire more customers and improve their offerings.

E-commerce giant, Amazon has taken its grocery delivery service a notch higher by offering **guaranteed 2-hour delivery of groceries** to Prime members. At the same time, supermarket giant Walmart experienced a 74% boost in online sales during the pandemic, led by groceries.

The company has also **partnered with Shopify** to build Walmart Marketplace, offering a sophisticated online platform for retailers across grocery and CPG markets to reach more consumers efficiently.

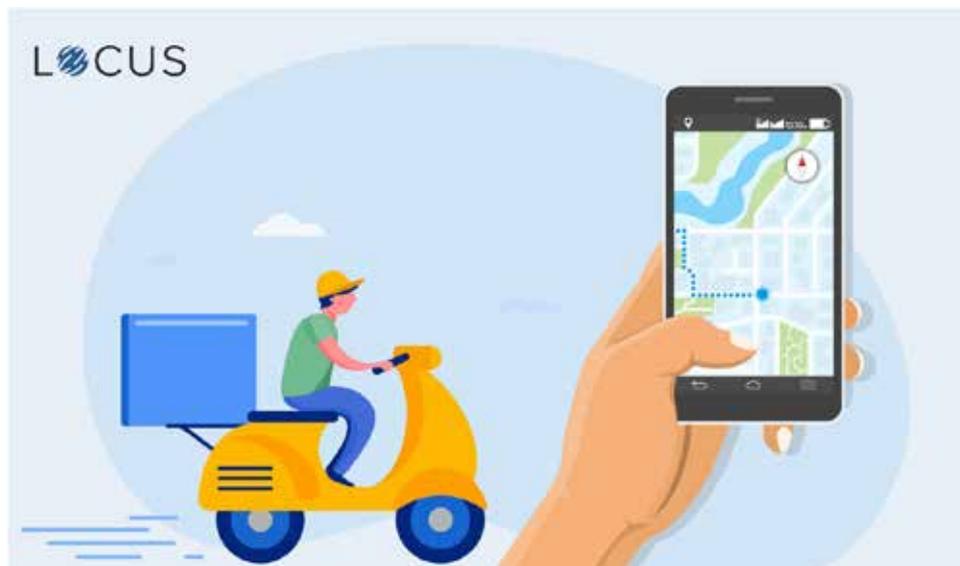
The **hyperlocal grocery delivery** market is also on the rise. In the wake of the rising competition from such big brands, many brick-and-mortar sellers have introduced their own online storefronts and improved their home-delivery services.

Retailers are also introducing personalized shopping offers such as monthly subscription memberships, with regular delivery assurance to customers.

These rising trends in omnichannel selling of groceries are a sign that consumers will be looking for convenience and faster deliveries even when the pandemic ends.

Keeping the Promise of Same-Day Grocery Delivery with Route Optimization

Same-day delivery is a buzz-word in the world of [E-grocery today](#). Groceries are everyday essentials and customers expect fast delivery of their orders.



Grocery and consumer goods retailers need an efficient logistics infrastructure and smart technology to ensure speedy delivery operations and smooth supply chain management.

Artificial Intelligence-based solutions help businesses across industries in [streamlining supply chain operations](#), right from the moment an order is placed till it reaches the end customers. Businesses need a solid strategy to fulfill the same-day delivery expectations of consumers in a cost-effective and profitable manner.

[Route planning and optimization software](#) help in planning faster and more efficient delivery routes for hundreds and thousands of orders every day, making it easier for logistics managers to plan daily dispatches.

Not just that, route optimization software also considers real-life traffic constraints, rider locations, and preferences, and address knowledge to assign delivery orders to the most ideal riders.

With the help of [logistics tracking software](#), both logistics managers and customers can closely monitor the progress of every order, right from the point it leaves the grocery store until it reaches the customer doorstep.

This allows managers to take instant measures to solve last-mile delivery hiccups and improves supply chain visibility. It also improves the level of transparency for the customer, building more trust in the brand.

Technology implementation in the grocery supply chain can go a long way for retailers, as it can help in reducing fuel costs, saving time in logistics planning and delivery operations, and eventually improving the overall supply chain efficiency.

The pandemic has been a mixed bag of **supply chain challenges and opportunities for grocery businesses** around the globe. The trends and technologies that are emerging in the industry during the pandemic will eventually shape the future of the market for years to come. This is the time for retailers to identify the areas where supply chain operations can be optimized. Technology such as route optimization, fleet management, and order tracking solutions will help businesses streamline their logistics activities and keep the promise of same-day delivery.

Write to us at contact@locus.sh and schedule a demo

Sources:

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