

# The Dark Side of Instacart: How the Grocery App is Ruining Local Grocery Businesses

[Grocery businesses](#) have had to rapidly adapt in 2020 due to the pandemic. With more people staying home, there was an increased demand for grocery delivery. Grocery retailers turned to online marketplaces like Instacart to meet this demand. Instacart is a grocery delivery service that partners with grocery stores to deliver groceries to shoppers.

While Instacart has been a lifeline for many grocery businesses during the pandemic, there are some risks associated with depending on the platform. Increasing fees, competition for ad revenue, and eroding brand loyalty are a few of the challenges retailers are facing. With increasing competition from other marketplaces like DoorDash and Uber, there is sure to be more pressure from shareholders to find new channels for growth. Instacart's recent pivot to retail enablement underlies concerns over dwindling advertising revenue. While they've pledged never to compete with grocers, it's unclear how much longer leadership will resist that call for change.

Overall, Instacart has been a helpful tool for many grocery businesses during the pandemic. However, there are some risks associated with depending on the platform long-term. Only time will tell how Instacart will evolve in the coming years.

**Click on the below link for more information:**

<https://www.mercatus.com/blog/how-instacart-platform-is-doing-grocery-businesses-more-harm-than-good/>

Grocery businesses have long been struggling to keep up with the changing needs of the grocery shopper. With the advent of online grocery shopping, grocery businesses were forced to adapt or risk being left behind. For many grocers, Instacart seemed like the perfect solution. Instacart allowed grocers to take their inventory and services online without having to build the technical functionality required. Instacart also promised irresistibly narrow delivery windows to shoppers, something that retailers would need time, expertise, and operational excellence to build and execute.

Finally, Instacart allowed grocers to take the first step towards going multi-channel, something that would require significant investment to do in-house, which most grocers couldn't afford to make right away. Thanks to Instacart, grocery businesses were able to adapt to the changing needs of the [grocery shopper](#) and stay competitive in the ever-changing landscape of the grocery business.