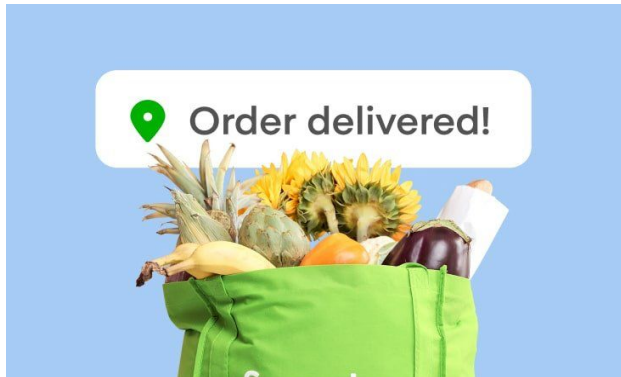Title: The Rise of Supermarket Delivery

Order delivered!

Sofia Colella
Intended Audience – Supermarket Executives
11/01/2021

Berkeley
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Sofia Colella

Intended Audience: Supermarket Executives considering working with grocery-delivery service Insta-cart.

Hello everyone and thank you for coming today. Due to the pandemic, our consumer lifestyles have changed and shopping behaviors have drastically shifted. People are more often choosing to stay safe and have their groceries delivered, rather than purchase their items in person. My talk today will discuss why we should make the grocery-delivery service, Instacart, a partner with our company. Although the company's commission charge is of more than 10% for each order, our partnership with Instacart will allow us to target our customers who prefer to conveniently shop online, and overall allows for a higher revenue for our company.

Once Upon a time...People shopped in person
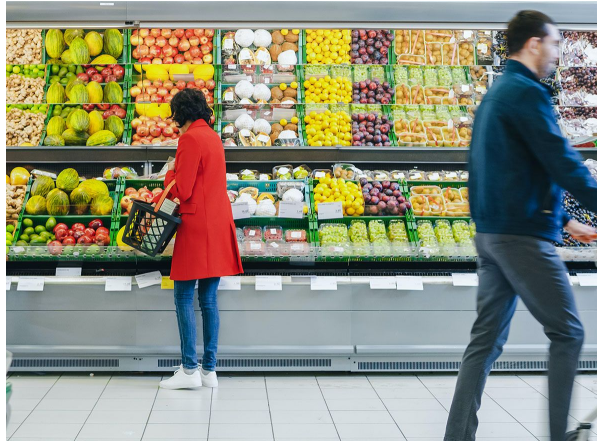
Back in the day, grocery shopping was always in person. We would write down our checklist of items we needed, carefully planning the ingredients for each meal that week. Then we would make time in our schedule to drive to the nearest supermarket, roam through the aisles, checking off our list one by one, while additionally picking up interesting items that catch our eye.

And Every Day...Supermarkets Are Packed

As you can see in the picture here, supermarkets are often busy. This leads to difficulty finding parking, longer lines at check-out, and most often close contact with others. This frequently occurs, and makes it difficult to plan accordingly for your allotted time in your day for grocery shopping.

Until One Day... A Global Pandemic Hit

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When we all see this picture, our minds immediately associate it with the pandemic. On March 11, the day everything changed. The WHO had declared COVID-19 a pandemic, an event that shifted our lifestyles and became our "new normal." Safety and protecting ourselves around others became the number one concern for everyone around the world.

Different states had ordered or strongly encouraged people to quarantine. Grocery shopping was still open and allowed (as we need to shop for our necessities), but for those who decided to shop in person, it posed as a large risk of contracting the virus.

And Because of This..People chose grocery delivery

With the concern of people being in close contact with each other, many chose to switch to e-commerce platforms that offer on-demand grocery shopping, like Instacart. This allowed customers to continue to shop for those ingredients on their weekly grocery list, but with the comfort of ordering safely from home, and conveniently saving time by receiving a delivery within the next hour.

Until Finally...Instacart's sales boom, making the company profitable for the first time

Demand for grocery delivery surged, Instacart's sales increased by 15% at the start of the pandemic, and continue to boom as customers choose to order from home and avoid in person contact, in order to stay safe from coronavirus. Instacart's increase in sales in April lead to its first-ever profitable month, since its founding in 2012. It's orders have been up 500% annually at times this year and its workforce has more than doubled to 500,000 employees, allowing customers to receive their orders as fast and effectively as possible. According to a survey conducted in by by power review on grocery shoppers in the US, 61% of consumers shop for groceries online more now then they did pre-COVID, a survey from ACOSTA found that 75% of shoppers plan to keep some of their post-COVID shopping habits.

Instacart has added services to support retailers. This includes great capabilities we are not able to as efficiently provide our customers with in person. For example, the company has added services such as suggesting replacements for out-of-stock items based on customer preferences, and allowing customers to purchase non-grocery items at supermarkets as well. The company's services allow stores like ours to grow without spending years of work and capital investment to build infrastructure ourselves. Although the company has a more expensive commission rate than other food delivery services, it allows us to reach higher revenue for our company. Instacart provides more capabilities for our customers to give them an overall better experience and continue to safely purchase items from our store. As part of supporting the "new normal" lifestyle due to the pandemic, we need to adapt to the modern grocery shopper and enter the world of e-commerce grocery. Thank you for listening.

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