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## PYMNTS

**PYMNTS** is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

# CHANGES IN GROCERY SHOPPING HABITS AND PERCEPTIONS

FEBRUARY 2023

# INTRODUCTION

**T**he pandemic did more than temporarily disrupt how consumers buy groceries: It ended the undisputed reign of traditional grocery stores as the go-to channel for most shoppers.<sup>1</sup>

PYMNTS' latest consumer research finds that just 44% of shoppers on average now make the majority of their common grocery item purchases at brick-and-mortar grocery stores, versus 63% in early 2020 — a 29% decline — and this is just the beginning.

A small but rapidly growing share of consumers now buy all their groceries online, led by the millennial and bridge millennial age groups. While the vast majority of consumers still at least occasionally shop at physical grocery stores, the trend of hybrid shopping — buying groceries both online and in-store — is quickly becoming the norm.

Changes in Grocery Shopping Habits and Perceptions examines the quickly evolving consumer preferences in grocery shopping. We surveyed 2,426 consumers in the United States to explore their shifting grocery purchasing habits and the drivers behind these changes.

## **This is what we learned.**

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<sup>1</sup> The report defines “groceries” as including common non-food items, such as cleaning supplies and other household goods typically found at grocery stores.

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## CHANGES IN GROCERY SHOPPING HABITS AND PERCEPTIONS

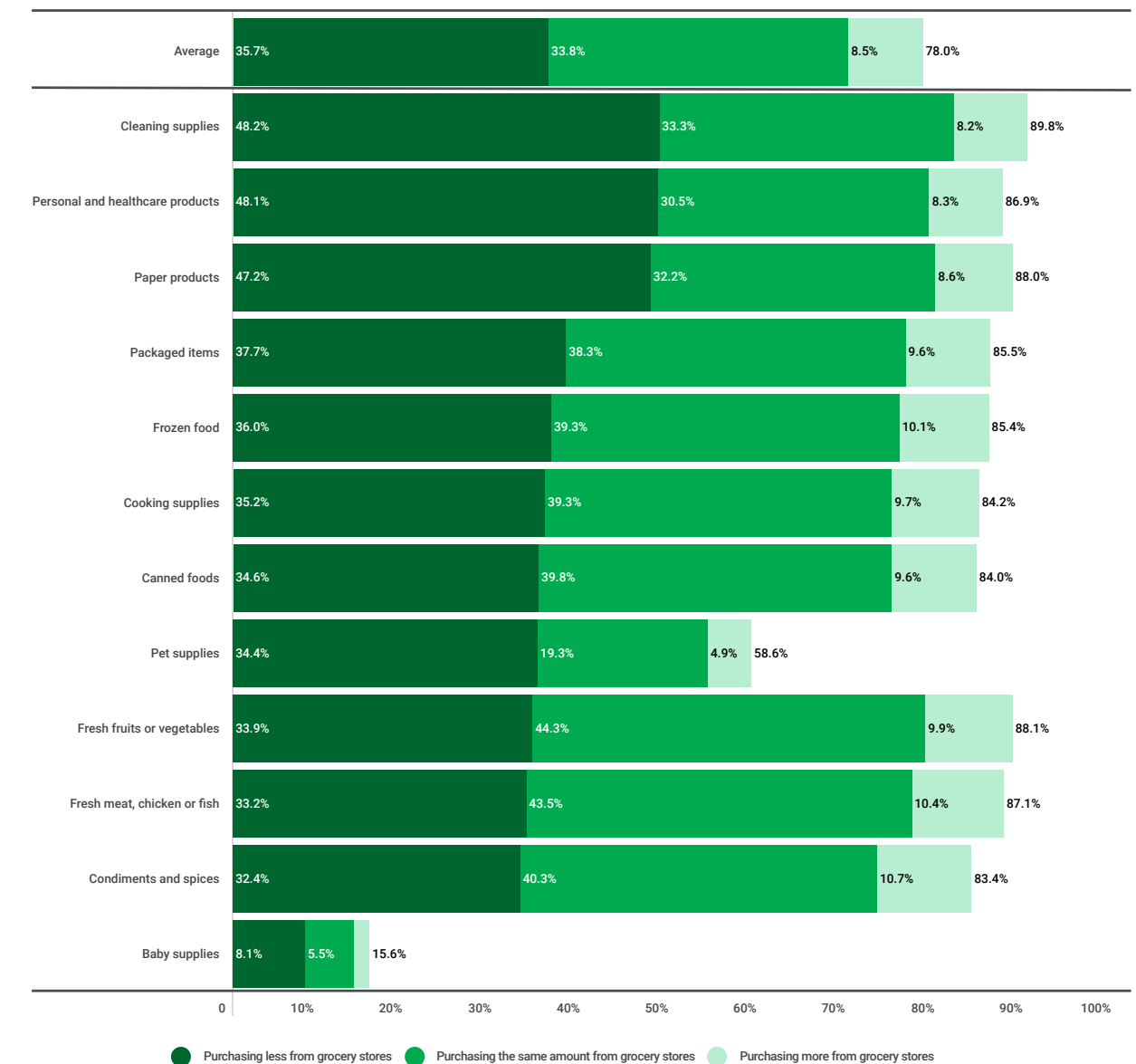
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## Traditional grocery stores in decline

The pandemic brought a sea change in where and how consumers buy groceries. PYMNTS' latest consumer research shows that 77% of shoppers reduced their grocery store purchases for at least one category of items. This trend cuts across all demographic groups with relatively little variation: Bridge millennials were most likely to cut back, at 84%, and baby boomers and seniors least likely to cut back, at 73%.

We found that certain products are more likely than others to be left in the aisle. Non-food items top the list, with 48% of shoppers reducing their grocery store purchases of cleaning supplies and personal and healthcare products. Next on the chopping block were paper products and packaged items, as 47% and 38% of shoppers purchased less of each, respectively. Consumers did cut back on buying food items, too, particularly frozen food (36%) and canned food (35%).

**Figure 1**  
Household item purchasing trends since the pandemic's onset  
Share of consumers who have been purchasing common household products for at least three years, by trending change



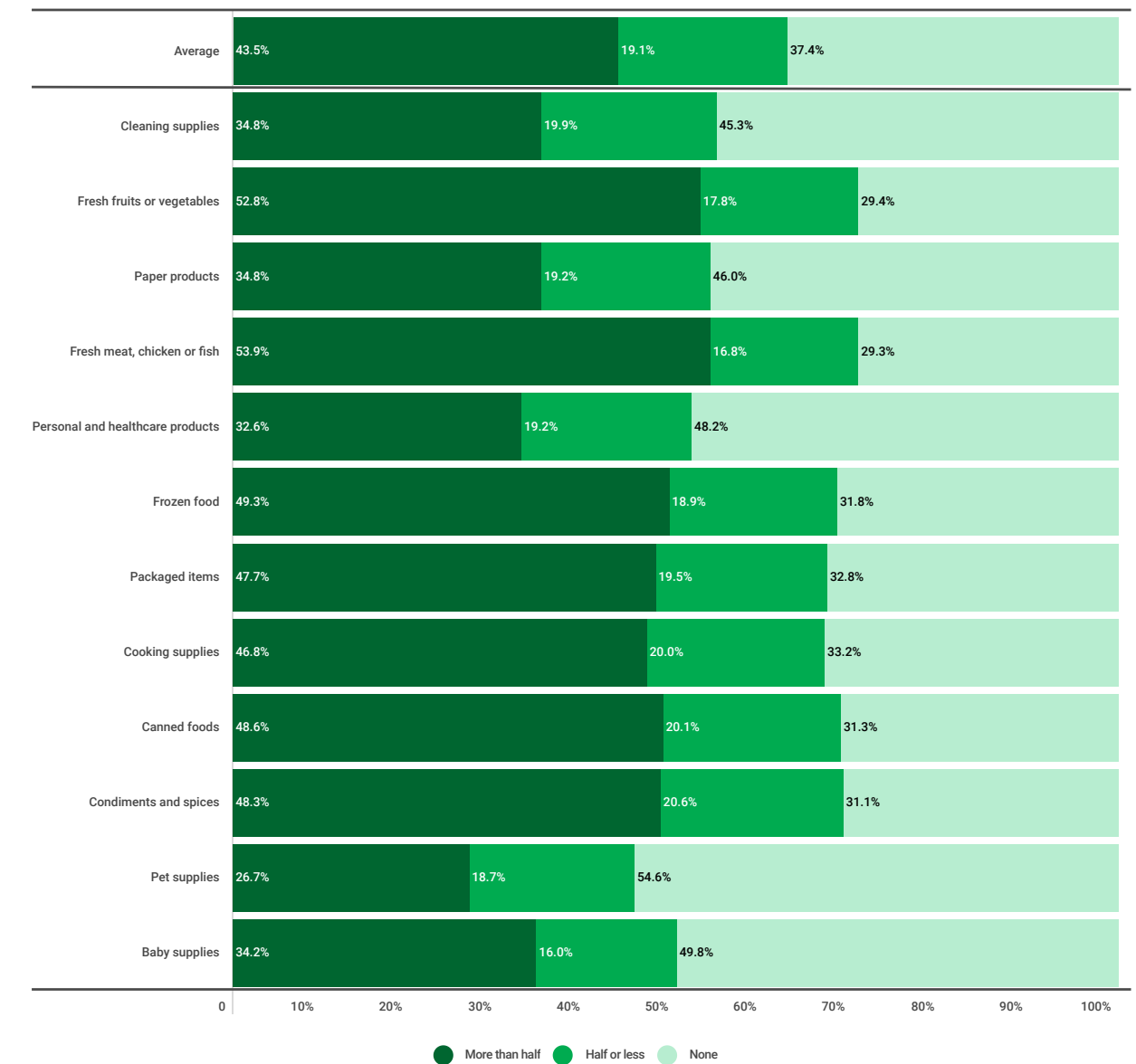
Source: PYMNTS  
Changes in Grocery Shopping Habits and Perceptions, February 2023  
N = 2,068: Respondents who have been purchasing common household products for at least three years, fielded Dec. 22, 2022 – Dec. 25, 2022

The rise of digital shopping is driving this shift away from in-store purchasing. On average, just 44% of shoppers now buy the majority of various common grocery items from traditional brick-and-mortar grocery stores, plummeting from 63% before the pandemic. Similarly, the average share of shoppers who purchased no groceries from physical grocery stores has surged from 2.2% to 37%. We also detected a reduction in the average number of goods purchased per visit to physical grocery stores from an estimated six before the pandemic to four now.

37%  
**AVERAGE SHARE OF SHOPPERS WHO DO NOT PURCHASE GROCERIES FROM PHYSICAL GROCERY STORES**

**Figure 2**  
**Grocery store purchases**

Share of consumers who, on average, made select portions of purchases at physical grocery stores, by item



Source: PYMNTS  
 Changes in Grocery Shopping Habits and Perceptions, February 2023  
 N = 2,426: Complete responses, fielded Dec. 22, 2022 – Dec. 25, 2022

## The rise of the digital-only grocery shopper

**O**nline and digital shopping channels are quickly eating away at the market shares of traditional retail channels for grocery shopping. Our research found that prior to the pandemic, 63% of shoppers for any given product bought their everyday staples exclusively at physical stores, including traditional grocery stores as well as big-box and other retailers that sell grocery products. This share has since dropped to 54%, highlighting consumers' increasing use of digital channels.

A rapidly growing share of consumers now buys all their groceries online. Before the pandemic, just 0.2% of consumers purchased all their everyday staples through online channels, but this has jumped to 7.2%, representing an estimated 16 million U.S. consumers. These digital shopping pioneers are disproportionately bridge millennials and millennials, with 11% and 13% of these age groups, respectively, using only digital channels to purchase all their common household products.

The trend toward hybrid shopping — buying groceries both online and in-store — is also increasing, albeit more slowly. Thirty-nine percent of consumers now buy their groceries through a mix of physical and digital channels, up from 37% pre-pandemic. Across all age groups, the share of hybrid shoppers remained relatively steady despite the rise of all-digital shoppers, underscoring the systemic shift toward digital channels.

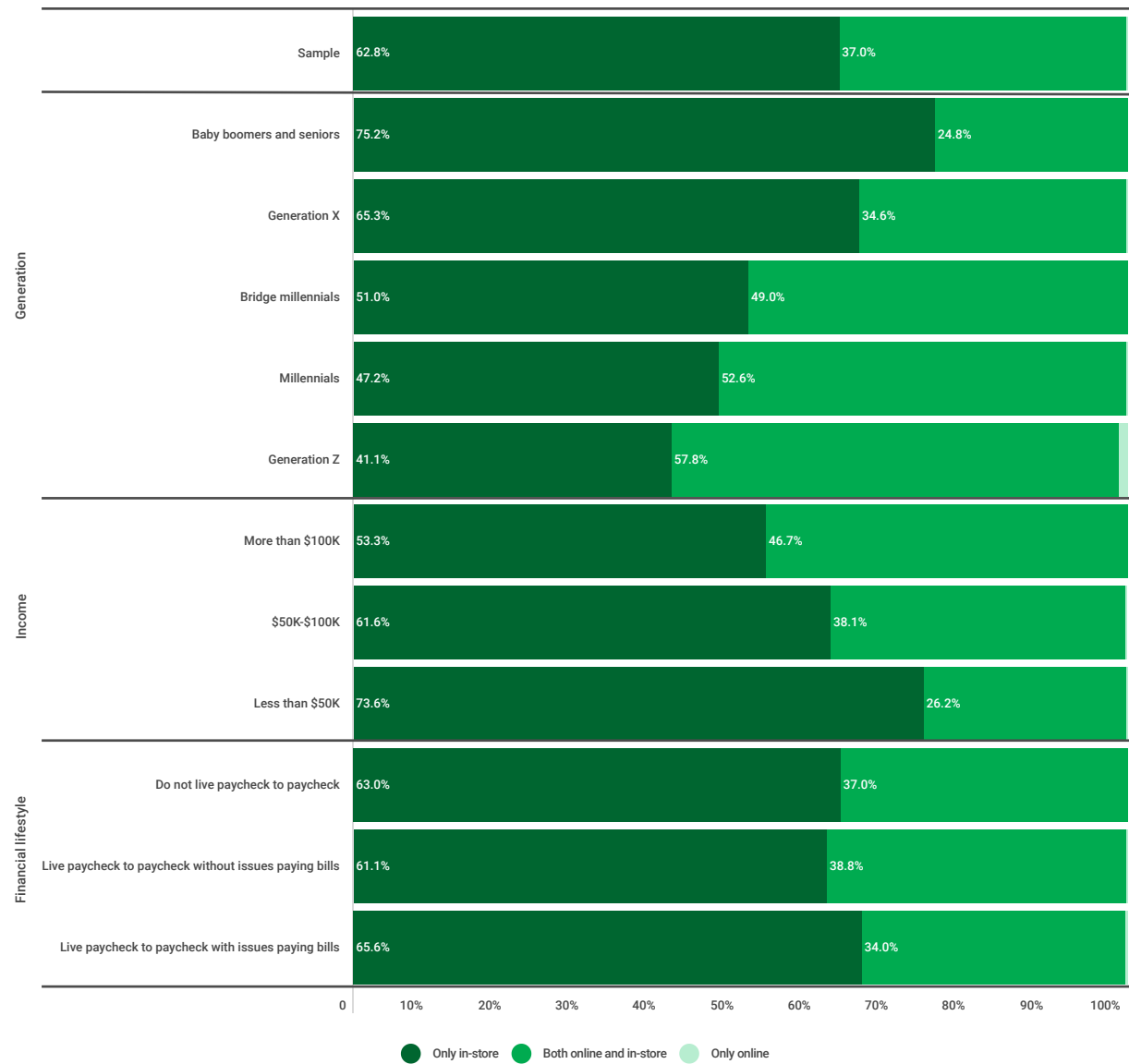
39%

**SHARE OF  
CONSUMERS**

WHO USE MULTIPLE  
CHANNELS TO  
PURCHASE GROCERIES

**Figure 3A**  
The evolution of grocery purchase channels

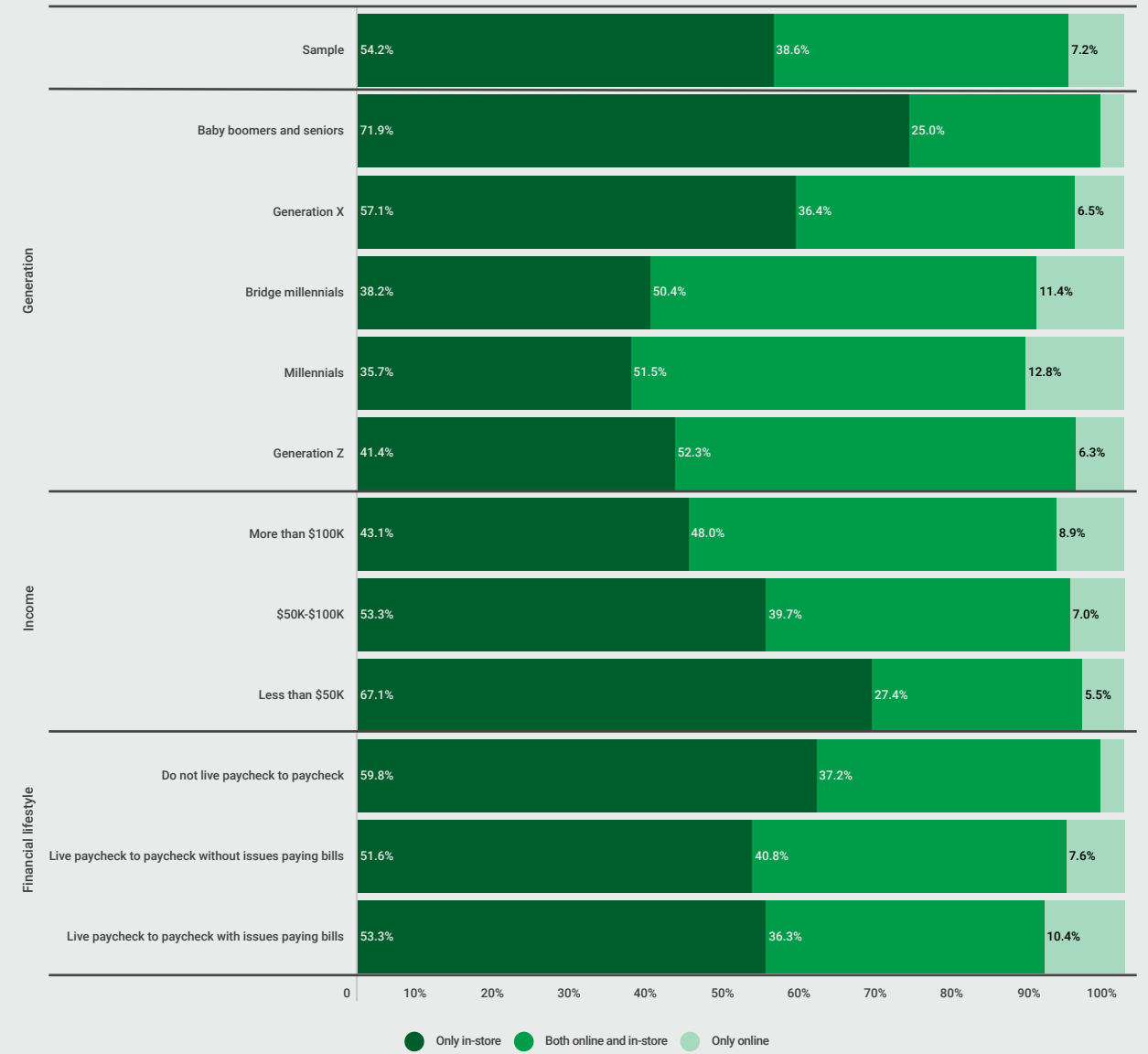
Share of consumers who purchased grocery products in select ways before the pandemic, by demographic



Source: PYMNTS  
Changes in Grocery Shopping Habits and Perceptions, February 2023  
N = 2,068: Respondents who have been purchasing specified grocery products for at least three years, fielded Dec. 22, 2022 – Dec. 25, 2022

**Figure 3B**  
The evolution of grocery purchase channels

Share of consumers who purchase grocery products in select ways now, by demographic

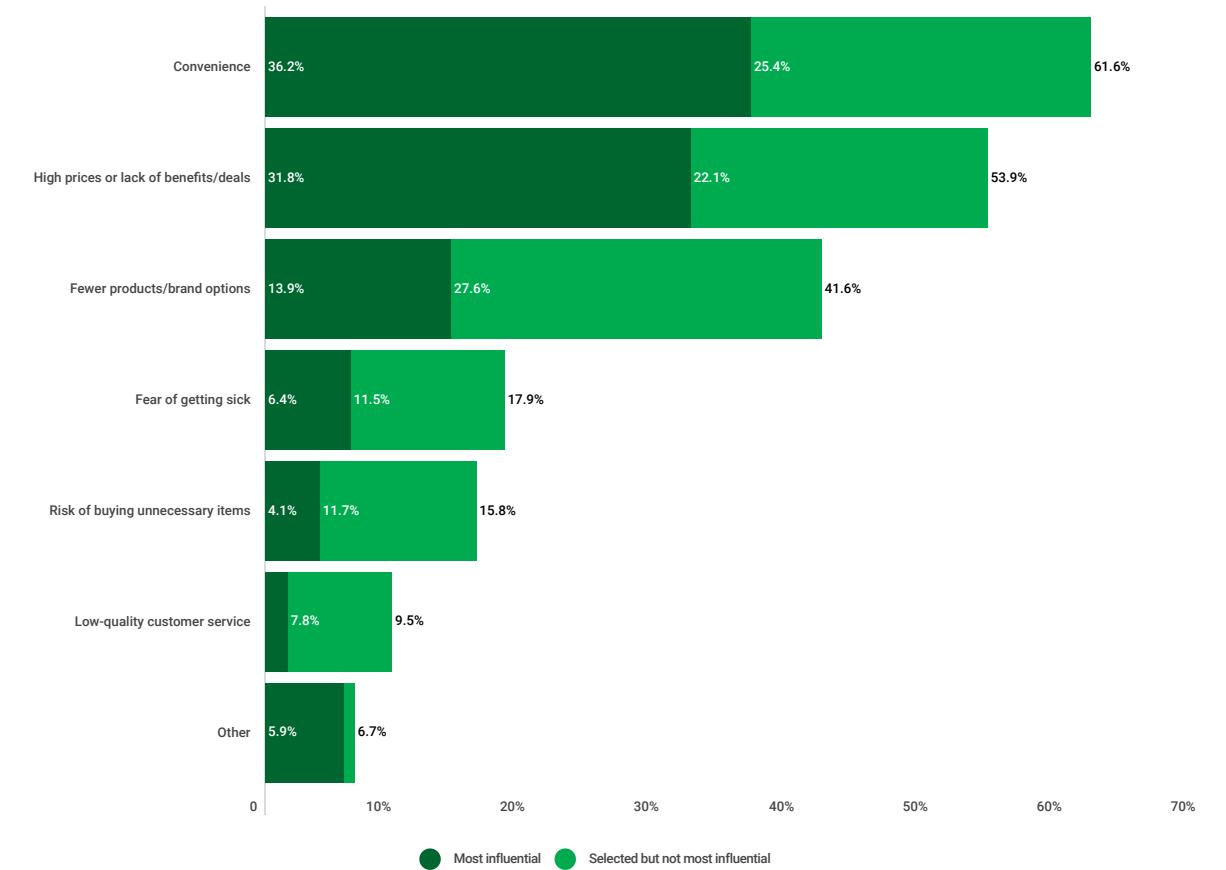


Source: PYMNTS  
Changes in Grocery Shopping Habits and Perceptions, February 2023  
N = 2,426: Complete responses, fielded Dec. 22, 2022 – Dec. 25, 2022

## Convenience and deals drive shoppers to digital

Consumers are increasingly going digital for two key reasons: convenience and the desire to find better deals. Our research discovered that convenience is a significant factor for 62% of shoppers who opted to purchase more grocery items through digital channels than from brick-and-mortar grocery stores, with 36% stating it was their primary motivation for doing so. Similarly, 54% said high prices or the lack of benefits and deals when shopping in person drove their switch toward more digital alternatives, with 32% naming this as their top reason for doing so.

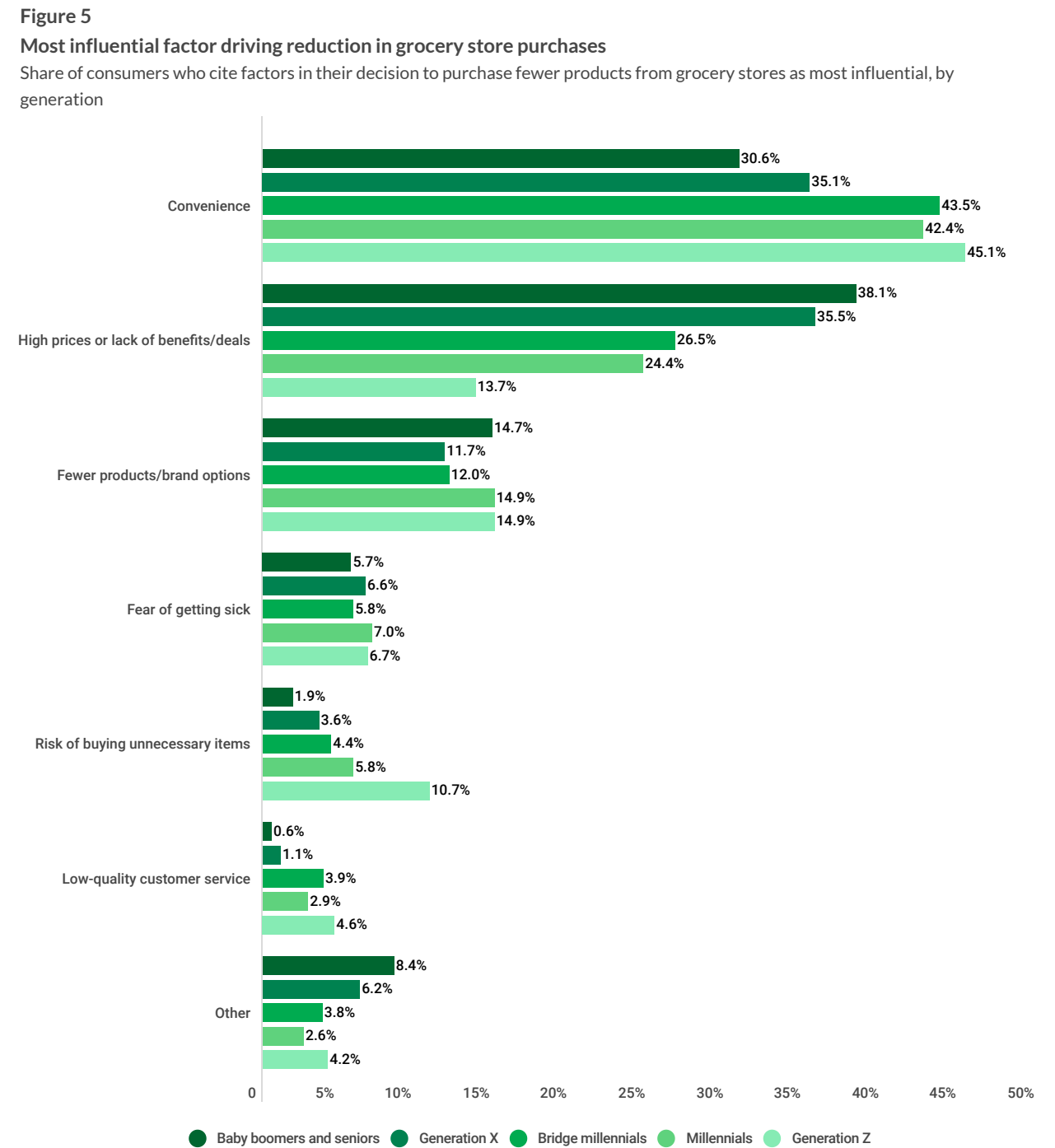
**Figure 4**  
**Factors driving reduced grocery store purchases**  
 Share of consumers who cite select influential factors in their decision to purchase fewer products from grocery stores, by degree of influence



Source: PYMNTS  
 Changes in Grocery Shopping Habits and Perceptions, February 2023  
 N= 1,586: Respondents who use grocery stores less now than in the pre-pandemic period when purchasing at least one product, fielded Dec. 22, 2022 – Dec. 25, 2022

Younger shoppers were most likely to cite convenience as their primary driver, while older consumers are more likely to cite an appetite for better prices and deals. More specifically, large shares of Gen Z (45%), millennials (42%) and bridge millennials (44%) cited convenience as the most significant reason for ditching physical shopping carts for digital ones, while a comparatively lower portion of baby boomers (31%) and Gen X (35%) identified it as the key factor.

By contrast, older consumers are more likely to indicate cost effectiveness as the primary motivator for going more digital with their grocery shopping. Thirty-eight percent of baby boomers and seniors underlined this as the top reason for using digital channels, and 36% of their Gen X counterparts said the same. However, just 14% of Gen Z said pricing was their top reason for making the switch, with millennials (25%) and bridge millennials (27%) falling in between these two groups.



Source: PYMNTS  
 Changes in Grocery Shopping Habits and Perceptions, February 2023  
 N= 1,586: Respondents who use grocery stores less now than in the pre-pandemic period when purchasing at least one product, fielded Dec. 22, 2022 – Dec. 25, 2022



# CONCLUSION

**T**he pandemic upended how consumers shop for everyday items. Traditional grocery stores no longer dominate the market, and most shoppers now buy at least some of their groceries online. Moreover, a rapidly growing share of consumers never buys groceries from brick-and-mortar stores at all. Greater convenience and the ability to find better prices and deals play outsized roles in the ongoing digital shift. Retailers and grocers must adapt to this increasingly digital-first paradigm to meet shoppers where they are — and where they want to be.

## METHODOLOGY

**Changes in Grocery Shopping Habits and Perceptions** examines the shifts in consumers' grocery shopping preferences. We surveyed 2,426 consumers in the United States between Dec. 22, 2022, and Dec. 25, 2022, to explore developing trends impacting grocery purchasing and the drivers behind these changes. The sample was balanced to match the U.S. adult population in a set of key demographic variables.

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