A busy Thanksgiving week puts grocery delivery to the test

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By Sandy Skrovan



Dive Brief:

- The Thanksgiving rush offers grocers an opportunity to ease consumers' shopping worries and showcase stellar customer service through online shopping, reports the Boston Globe. But retailers are under pressure to deliver a high volume of orders on-time and with minimal mistakes.
- Eager to capture shoppers around the busy holiday, grocers and online delivery services are offering e-commerce promotions on Thanksgiving meals and ingredients. Boxed, for instance, is offering \$20 off for customers who bundle an entire Thanksgiving meal, including turkey, pie, stuffing mix and brussels sprouts.
- "When you order something online you have different expectations," Sterling Hawkins, cofounder of the
 Center for Advancing Retail & Technology, told the paper. "If it's not ready or they forget to process the order
 that is a huge customer service issue. And if it happens too many times you're torching the whole
 relationship."

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The Thanksgiving holiday is an important time for grocery delivery services. Consumers



dish out lots of money preparing for their holiday feast. CNBC reports that the average American will spend \$97 on eating and hosting Thanksgiving this year. The periods around Thanksgiving, Christmas and New Year's are among the biggest traffic and sales days for supermarkets.

What better time than Thanksgiving for grocery delivery services to demonstrate their stellar customer service — that is, picking fresh items, getting orders right and delivering on time — and help busy families get dinner on the table? Done right, grocers can score significant customer loyalty points.

Delivering that stellar customer service, however, is easier said than done. Despite rapid advancements and expansion of grocery click-and-collect and home delivery models, the ongoing struggle to solve the last mile continues. Execution and operational hurdles abound in the quest to adequately pick and deliver high-margin perishable products like produce and meat, as well as frozen and refrigerated foods that require controlled temperatures.

New research from the Retail Feedback Group finds that 39% of shoppers who use grocery delivery say that produce doesn't meet their quality standards. Frozen, dairy and fresh deli products also received low marks from shoppers who were surveyed. A recent study by Morgan Stanley found that consumer dissatisfaction with online grocery shopping is increasing.

Complicating matters further, a new report from The Hartman Group finds that grocery shopping is seen as enjoyable, with in-store shopping viewed as an "act of love" by many consumers. "Providing food for the household is an expression of love, care and nurturance for self and others," Laurie Demeritt, CEO of The Hartman Group, said in a statement.

Still, grocery delivery companies are doing plenty this season to make themselves stand out in the space. For example, online delivery service Boxed is offering a \$20 promotion when shoppers order a full Thanksgiving meal, including a turkey, brussels sprouts, pie, stuffing mix and more, reports the Boston Globe. Martha Stewart is collaborating with meal-kit delivery service Marley Spoon to offer a Thanksgiving meal kit again, this time \$20 cheaper than last year.

If grocers and delivery services can get it right this holiday season, they could earn lifelong customers. But screw up on delivering the all-important Thanksgiving meal could put a bad taste in customers' mouths. "The idea of someone not getting their turkey delivered in time for Thanksgiving is what keeps me up at night," an Instacart regional manager told the Boston Globe.

A study by the Food Marketing Institute and Nielsen projects that 20% of all grocery sales, representing around \$100 billion, will come from online shoppers by 2025. Furthermore, in the next 10 years, the percentage of people doing their grocery shopping online is expected to more than double. Nearly three-quarters of all shoppers — 72% — are projected to conduct 25% of their grocery shopping online by 2025. Consequently, there's a lot at stake in the long run for companies that can get grocery delivery "right" this season.