

Every Picture Tells a Story: On-line Groceries



By *Chuck Dinerstein, MD, MBA* — July 25, 2020

The pandemic has accelerated on-line grocery sales as the fear of shortages has given way to the fear of being out and about.

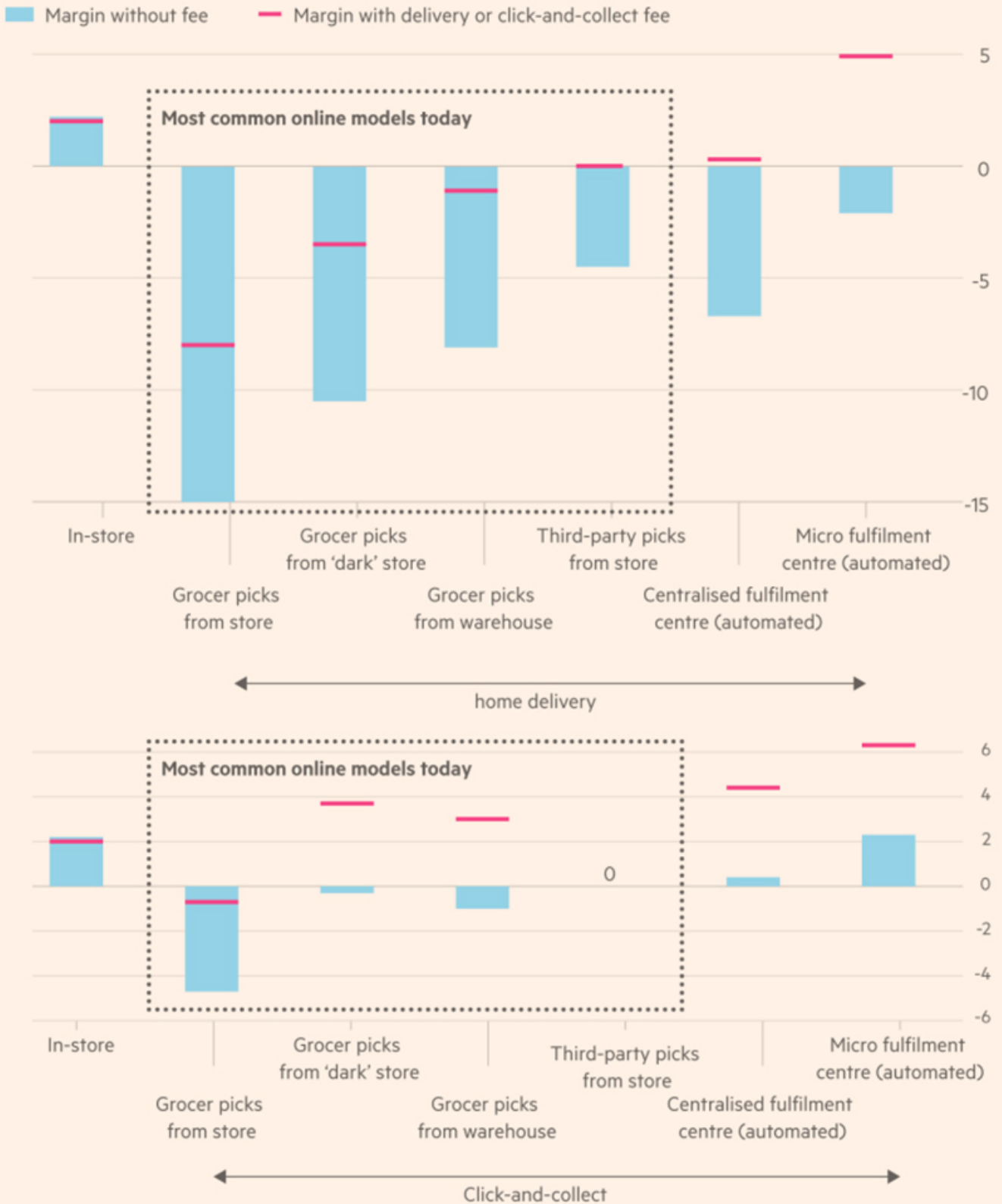


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As it turns out, for grocers it has diversified their revenue stream but towards a “distribution channel” with a low or in many cases non-existent profitability. You can find more from the Financial Times, [Why supermarkets are struggling to profit from the online grocery boom](#) [2]. When I was in my local Whole Foods I noticed that a good half or perhaps more of the shoppers were doing order fulfillment for others, the in-house version of Insta-Cart shoppers. There is a term for that as you will see in the accompanying picture, it is called a “dark” store.

The struggle for margin in online groceries*

By channel and model (%)



* Earnings before interest and tax

Source: Bain & Co

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Links

[1] <https://pixabay.com/photos/family-shopping-center-purchase-2923690/>

[2] <https://www.ft.com/content/b985249c-1ca1-41a8-96b5-0adcc889d57d>