



How We Eat, a PYMNTS and Carat from Fiserv collaboration, provides a firsthand account of how the rise of a digital-first eCommerce ecosystem has fundamentally changed the way consumers think about shopping. We surveyed a census-balanced panel of 5,266 U.S. consumers about how they use both online and brick-and-mortar features to manage their purchases to discover which offerings will go the furthest in helping retailers drive conversion.

HOW WE EAT

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PYMNTS.com

Carat

Table of Contents

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Acknowledgment

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05

Introduction

11

Building a home-centric restaurant experience

13

The digital-first grocer

15

Riding the delivery and pickup wave

17

The lure of voice-enabled commerce

19

Conclusion

21

About

Introduction

Robots soon may be delivering groceries to ShopRite customers in Yardley, Pennsylvania. The town's local store has launched a pilot program with automated logistics company Tortoise to test a small fleet of tele-operated delivery carts that will deliver grocery orders to customers who have purchased their groceries online. The Tortoise carts could go live in Yardley as soon as late October, and ShopRite's nearby Bethlehem location will launch its own grocery delivery robot fleet shortly thereafter.¹

Grocery-delivery robots may sound like something out of a sci-fi sitcom, but ShopRite's drive to find new, innovative ways to optimize grocery delivery is a natural expansion of the increasingly digital grocery market. PYMNTS' latest research shows that 72 percent of all adult consumers in the United States now order at least some of their groceries online for delivery or in-store pickup, in fact. This means there are roughly 182 million consumers across the nation who now rely on digital ordering channels to shop and pay for their produce, meat, dairy and other products.

This uptick in online food and grocery purchases presents a massive opportunity for grocers and restaurants to win over new customers, but that largely depends on whether they can deliver the pickup and delivery experiences that meet online shoppers' rapidly shifting expectations.

The How We Eat Playbook, a PYMNTS and Carat from Fiserv collaboration, takes a close look at how the surge in digital commerce has changed how consumers buy groceries and order food. We surveyed a census-balanced panel of 5,266 U.S. consumers about

how their grocery shopping and food ordering habits have shifted since March 2020 to provide actionable insights into how grocers and restaurants can deliver the shopping, delivery and payments experiences these digital-first customers have come to expect

This is what we learned.



¹Redman, R. ShopRite readies pilot of robotic grocery delivery carts. Supermarket News. 2021. <https://www.supermarketnews.com/technology/shoprite-readies-pilot-robotic-grocery-delivery-carts>. Accessed October 2021.

1

The home — not the restaurant — is the center of the restaurant business.

Consumers now are 31 percent more likely to buy meals for delivery or pickup than they are to dine on-site.

Forty-seven percent of restaurant customers now order their food for home delivery and 76 percent order their food in advance for on-site pickup. In total, 67 percent of restaurant customers opt to order their food for either pickup or delivery, compared to 51 percent who report dining on-site.

2

Grocery shopping is less about choosing products and more about pickup or delivery. Seventy-two percent of grocery shoppers now order groceries online for curbside pickup or home delivery.

Not long ago, nearly all consumers bought their groceries from brick-and-mortar stores, but the past 19 months have seen online grocery orders for pickup and delivery become mainstream. Ninety-five percent of consumers shop and pay for their groceries in physical stores, and 72 percent order them online for either curbside pickup or home delivery. Ordering groceries online for home delivery is more popular than ordering online for curbside pickup: 67 percent of grocery shoppers now opt for delivery compared to 51 percent for curbside pickup.



3

Consumers want delivery-based dining experiences for both the food they cook at home and the food they order from restaurants. Forty-three percent of all consumers are ordering home delivery for their restaurant meals or groceries more often now than they did before March 2020.

Around-the-clock access to home delivery has blurred the lines between restaurant delivery and grocery shopping, with an increasing number of consumers now ordering their groceries to be delivered in the same way they might expect of their online restaurant orders. Forty-three percent of all consumers are ordering either their meals or groceries online for home delivery more often now than they did before March 2020, in fact, and most plan to keep doing so long into the future. Roughly 85 percent of the consumers who are ordering more of their groceries and meals for home delivery and making fewer in-store purchases do not plan to shop and dine in person as they did before March 2020.

4

Voice-enabled commerce will be key to winning over at-home diners and online grocery shoppers going forward. Consumers who order more of their groceries and restaurant meals online are three times as likely as others to use voice assistants.

Consumers who report ordering more of their restaurant meals and groceries online now than they did prior to March 2020 show a strong demand for voice-enabled commerce experiences. Six percent of those who order online say they already use voice assistants to shop and pay, and 14 percent would like to do so going forward. Only 3.1 percent of the adult U.S. population reports making purchases via voice assistant and just 9.1 percent are “very” or “extremely” interested in doing so in the future, by contrast.



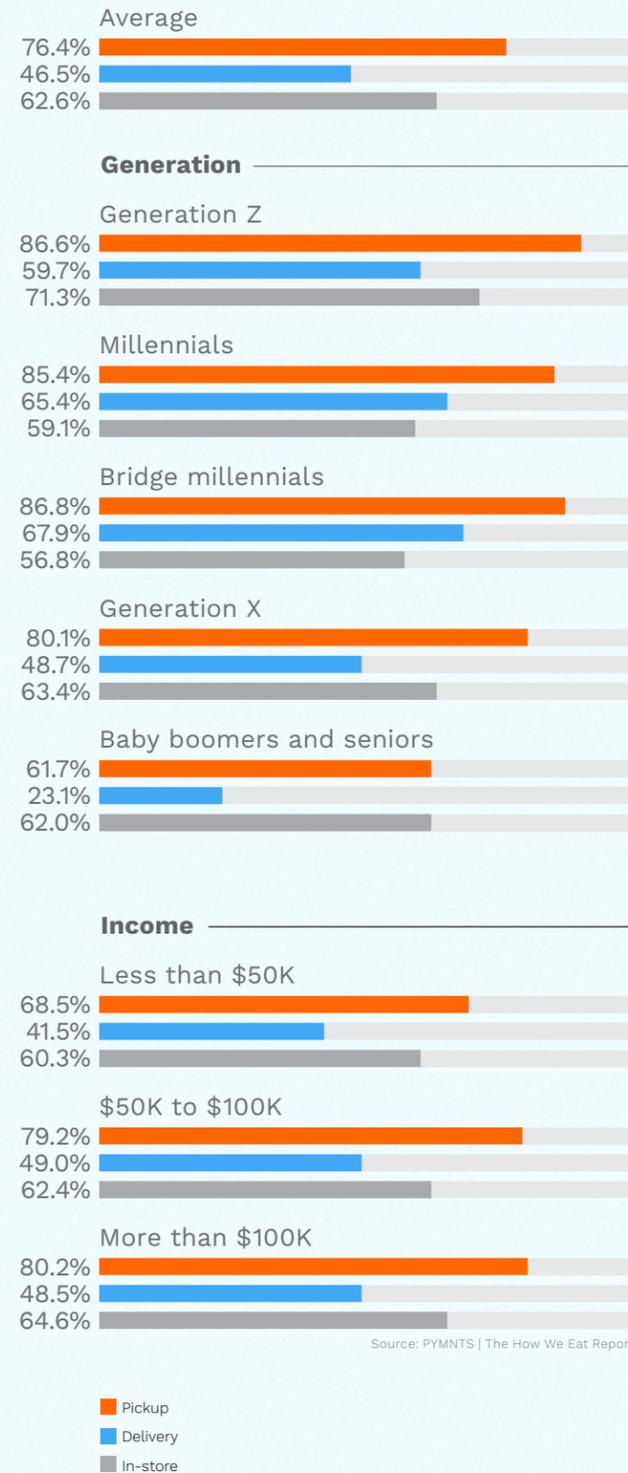
Building a home-centric restaurant experience

The rise of the bring-it-to-me economy is changing the formula for success in the restaurant business, which previously relied on location and ambiance. Restaurant customers have come to expect to be able to order food from their favorite establishments to be delivered to their door or picked up curbside or in-store. Online order options paired with at-home delivery and on-site pickup arguably are as critical to serving restaurant patrons as having a brick-and-mortar restaurant.

Online ordering has become so common that there are more consumers ordering food online for pickup than there are dining on-site. Seventy-six percent of consumers report ordering food online for on-site pickup, making takeout the single most common way restaurant customers now get their food. On-site dining comes in second, and at-home delivery rounds out the top three.

FIGURE 1:
How restaurant customers acquire their food orders

Share of consumers who engaged in select delivery and pickup practices in the last month, by generation and income



Ordering food online for delivery or pickup is especially popular among millennials and bridge millennials — consumers born between 1979 and 1988 who “bridge the gap” between millennials and Generation X. These age groups grew up using connected devices such as smartphones and laptops and are comfortable using them to shop and pay for all manner of products, including restaurant orders.

Millennials and bridge millennials are more likely to both order online for home delivery or on-site pickup than they are to dine on-site. Eighty-five percent of millennials and 87 percent of bridge millennials place restaurant orders online for pickup, for example. Also, 65 percent of millennials and 68 percent of bridge millennials order their food online for delivery. Only 59 percent of millennials and 57 percent of bridge millennials dine on-site. Restaurants must provide both pickup and delivery options if they hope to gain ground among these digital-first consumers.

Both millennials and bridge millennials are more likely to order meals **online for delivery or pickup than dine on-site.**

The digital-first grocer

The bring-it-to-me economy has changed consumers' grocery shopping habits in much the same way it has changed how they order food. Seventy-two percent of all consumers now order at least some of their groceries online for either delivery or curbside pickup. This compares to 95 percent who still shop for some portion of their groceries in brick-and-mortar stores.

Millennials and bridge millennials lead the way in online grocery shopping. They are just as enthusiastic about ordering their groceries for delivery or pickup as they are about doing so with their restaurant orders. Eighty-eight percent of millennials and 89 percent of bridge millennials buy groceries online for delivery or curbside pickup.

FIGURE 2:
How consumers acquire their groceries
 Share who obtain their groceries in select ways, by generation and income

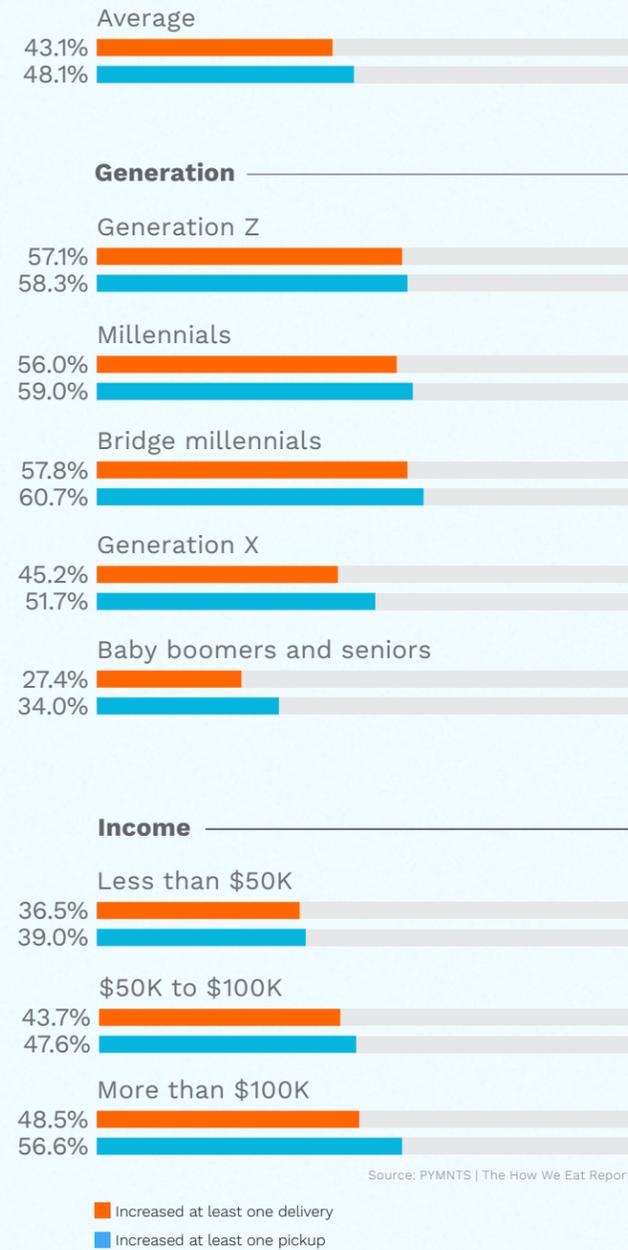


Riding the delivery and pickup wave

The pandemic has played an undeniably critical role in driving consumers' new food and grocery ordering habits. Forty-three percent of all consumers say they are ordering more food or groceries for delivery now than they did before March 2020, and 48 percent are ordering more food or groceries for pickup. This works out to roughly 109 million and 121 million consumers making more delivery and pickup orders, respectively. It also indicates a massive market opportunity for restaurants and grocers to expand their customer bases.

FIGURE 3:
Consumers who have shifted to ordering online for delivery or pickup

Share who order online for pickup and delivery more now than they did prior to March 2020, by generation and income



True to form, millennials and bridge millennials are even more likely than the average consumer to have shifted to ordering online for pickup or delivery since March 2020. Fifty-nine percent of millennials and 61 percent of bridge millennials report making more food and grocery orders for pickup or delivery now than they did before the pandemic's onset.

The pandemic may have triggered the initial shift toward food and grocery delivery and pickup, but these behaviors are here to stay. Among the 43 percent of consumers who are ordering more of their food and groceries for delivery now than they did before March 2020, roughly 85 percent — some 92 million consumers — plan to keep doing so at least “somewhat” as often as they do now, even after the pandemic is over completely. Among consumers who have shifted to ordering their groceries for pickup or delivery, this share is as high as 88 percent. It is clear that restaurants and grocers will need to provide delivery and pickup options long into the future.

FIGURE 4:
Digital shifters who plan to keep their new online shopping habits

Share who plan to maintain or revert their digital shifts, by grocery and restaurant ordering



The lure of voice-enabled commerce

Restaurants and grocers will need to provide a full range of digital ordering features to their customers to deliver the digital ordering experiences consumers have come to expect. That could mean allowing them to order via aggregator, mobile app or restaurants' own websites.

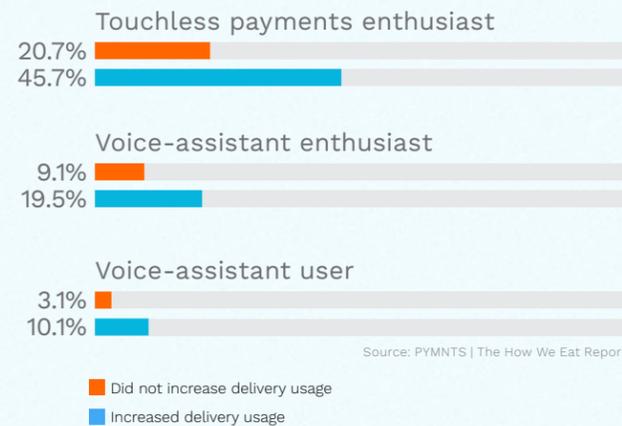
One digital ordering channel is particularly appealing to consumers who have shifted to ordering more of their food and groceries online for pickup or delivery, however: voice-enabled commerce. Consumers making more orders for pickup or delivery now than they did before the pandemic's onset are more than three times likelier than other consumers to use voice-enabled devices, including virtual assistants such as Amazon's Alexa and Google Home, to shop and pay.

Consumers who have shifted to ordering more food and groceries online also are more than twice as likely to express interest in using voice-enabled devices to shop and pay going forward. Twenty percent of these consumers would be "very" or "extremely" interested in using their voices to buy food and groceries, in fact, compared to 9.1 percent of consumers who are ordering just as much or less pickup or delivery than they did prior to March 2020. These connected consumers' interest in shopping and paying with their voices opens a new world of opportunities for voice-enabled commerce experiences, whether ordering food, buying groceries, paying for gas or even paying bills with voice-enabled devices.

Touchless payments also will be key to driving restaurant and grocery spend among consumers with a penchant for pickup and delivery. Forty-six percent are "very" or "extremely" interested in using touchless payments to make in-store purchases. Only 21 percent of consumers who have not increased their ordering for delivery or pickup compared to before March 2020 say the same.

FIGURE 5:
Delivery shifters' interest in and usage of voice and touchless technology

Share who use or are interested in using voice assistants and touchless payments, by delivery shift



Source: PYMNTS | The How We Eat Report

Legend:
■ Did not increase delivery usage
■ Increased delivery usage

Consumers who have shifted to ordering more of their restaurant meals and groceries online for delivery are more than **three times** more likely than other consumers to use voice-enabled devices such as Alexa and Google Home.

Conclusion

The past 19 months have permanently altered the landscape of the restaurant and grocery sectors. Providing customers online meal and grocery ordering options, coupled with at-home delivery and pickup options, is no longer an option, but rather a requirement. Restaurants and grocers must be able to offer both digital ordering options and a range of pickup and delivery features if they hope to convert the connected consumers who drive the bring-it-to-me economy.

Methodology

PYMNTS surveyed a balanced panel of 5,266 U.S. consumers between April 8 and April 18 to learn how their shopping habits have evolved since March 2020 and how those changes are impacting their broader outlook on digital commerce. Respondents were 47 years old on average. Thirty-three percent held college degrees, 52 percent were female and 36 percent earned more than \$100,000 in annual income. How We Eat delves deeper into PYMNTS' extensive research to explore how consumers' dining and grocery shopping habits have changed since March 2020, when the world went online.



About

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Carat

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