

MONTHLY ECOMMERCE NEWS BRIEF

SEPTEMBER 2020



How COVID-19 Will Shape the 2020 Retail Holiday Season

Earlier in the summer, Salesforce leveraged proprietary data from over 1B global shoppers to post 5 industry predictions for holiday 2020 relating to eCommerce, consumer behavior, advertising, and supply chains:

1

COVID will set a new precedent in eCommerce penetration.

Salesforce predicts **30% of global retail sales will be made through digital channels** during holiday 2020.



2

Holiday demand will be begin earlier this year thanks to Prime Day.

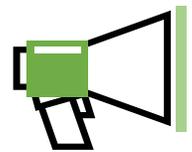
The Prime Day event in October could potentially steal up to **10% of Cyber Week's digital revenue.**



3

Last-mile delivery capacity will be stretched.

Salesforce predicts that **packages shipped by traditional delivery providers will exceed capacity by 5% across the globe between the week before Cyber Week and Boxing Day.** Third party fulfillment services (i.e., Instacart) will be critical for supporting supply chains so orders can be delivered in time.



4

Click-and-collect will surge.

Salesforce predicts that **retail sites offering store pickup will see a 90% increase in digital sales over the previous holiday season.**



5

Mobile commerce via social media will be an emerging channel.

Salesforce forecasts that **10% of mobile orders will be through social channels**, with peak days reaching between 12%-15% of mobile orders.

(Link: [Salesforce](#))

HOW WE CAN HELP:

1. Ensure inventory for hero products are healthy in the earlier portion of the holiday season and around key gatherings as consumers are likely to purchase gifts, ingredients, and supplies sooner to ensure their orders are in on time.
2. With eCommerce sales likely to surge in Q4, invest in promotional tactics that are targeted, engaging, and offer high ROI (such as shoppable recipes on social media or sponsored search placements) to drive visibility and conversion on ad-saturated retailer sites.
3. With expected unpredictability disrupting the industry, such as a potential second surge of COVID cases, retail stores shutting down again, and a predicted bad flu season, following general trends is crucial to preparing a foundational holiday strategy with adaptable elements that allow for quick shifts as consumer behaviors change during the pandemic.

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Whole Foods Joins Other Omnichannel Retailers by Offering Pickup from All Stores by the End of the Month

Amazon-owned Whole Foods Market plans to offer grocery pickup from all 480 stores by the end of September 2020. The retailer has already tripled its pickup availability since March responding to the surge in online demand driven by the pandemic, a company spokesperson said.

As U.S. consumers embrace grocery pickup, retailers have been scaling up their services because of outstanding digital performance earlier in the year. Target, for example, extended its fresh pickup options in the summer, helping it deliver growth of 273% from same-day services. Ahold Delhaize also reported its click-and-collect services were growing faster than delivery and would soon account for 50% of online sales. The rising demand for pickup services also heightens the need for brands to win in this space as consumers turn to online ordering and limit in-store stock-up trips.

(Link: [Grocery Dive](#))

HOW WE CAN HELP:

1. Leveraging Sage Tree's eGrocery and Quickstart programs can support manufacturers by uncovering ways of working and improving business strategies across major online grocery accounts that incorporate click-and-collect services.
2. Currently Whole Foods and Amazon.com/Amazon Fresh operate independently online, so work directly with your Whole Foods buyer to improve your Whole Foods product portfolio, product content, and to monitor potential expansions of opportunities as Amazon leverages the natural grocer for omnichannel services this holiday season.



Walmart Teams Up with Instacart on Same-Day Delivery Pilot

Walmart has entered a partnership with the largest grocery delivery platform in the U.S., Instacart, to bring same-day delivery to 4 markets in California and Oklahoma. Currently, the retail giant will begin delivering items ranging from groceries to home decor in Los Angeles, San Francisco, San Diego and Tulsa through Instacart. This groundbreaking partnership boosts both platforms' growing eCommerce business and bolsters their competitiveness against rival Amazon. (Source: [Supermarket News](#))

HOW WE CAN HELP:

1. Audit product availability through Canopy to ensure Walmart products available in these pilot markets are populating on Instacart and can be purchased.
2. Ensure digital content has syndicated from current Walmart pages to Instacart, keeping in mind restrictions/limitations on Instacart's platform.
3. It will be critical to monitor ePOS data at Walmart to manage inventory levels since Instacart shoppers will cause an additional traffic stream, along with in-store and online Walmart consumers.