

GROCERY ONLINE



FOOD



Future perspectives in online grocery shopping:

An online marketplace for
manufacturers, retailers and
consumers

Dr. Philipp Brüggemann

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1. Introduction

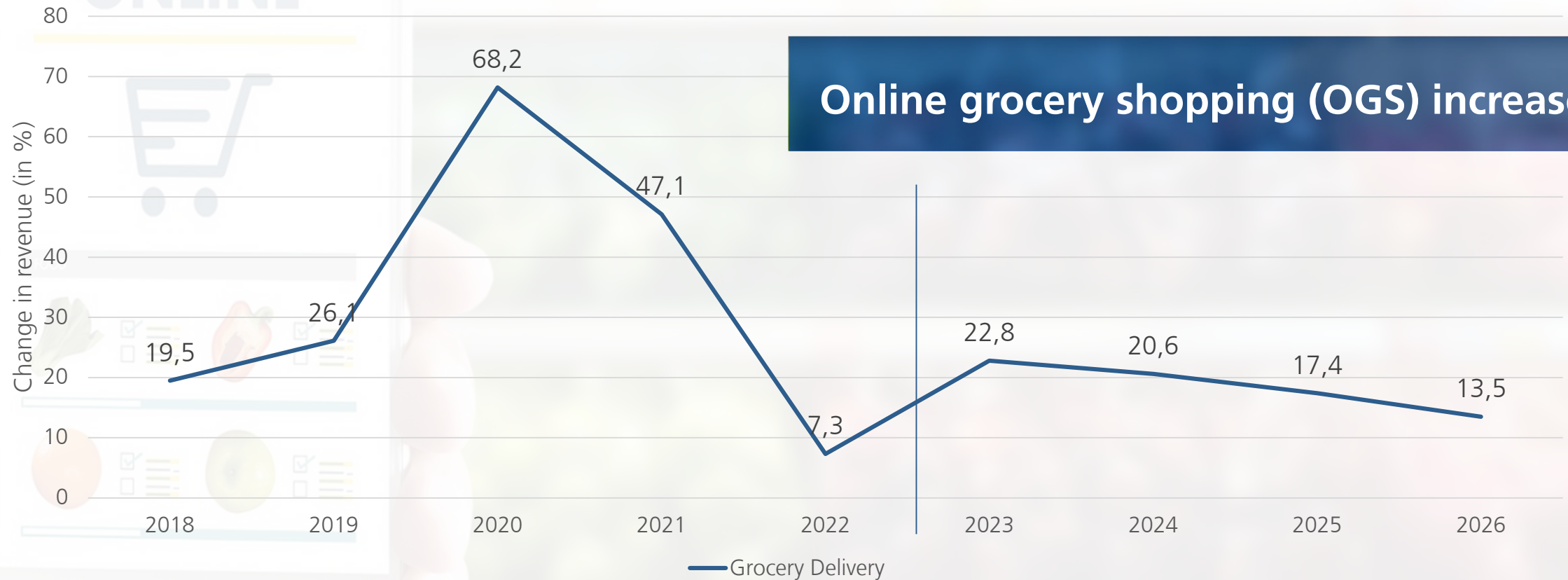


Notes: Most recent update: Nov 2022, Source: URL 1

■ Grocery Delivery

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1. Introduction



Notes: Data shown does reflect market impacts of Russia-Ukraine war., **Most recent update:** Nov 2022, **Source:** URL 1

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1. Introduction



Notes: Most recent update: Nov 2022, **Source:** Statista (URL 1)

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1. Introduction

(Food) delivery market in Germany

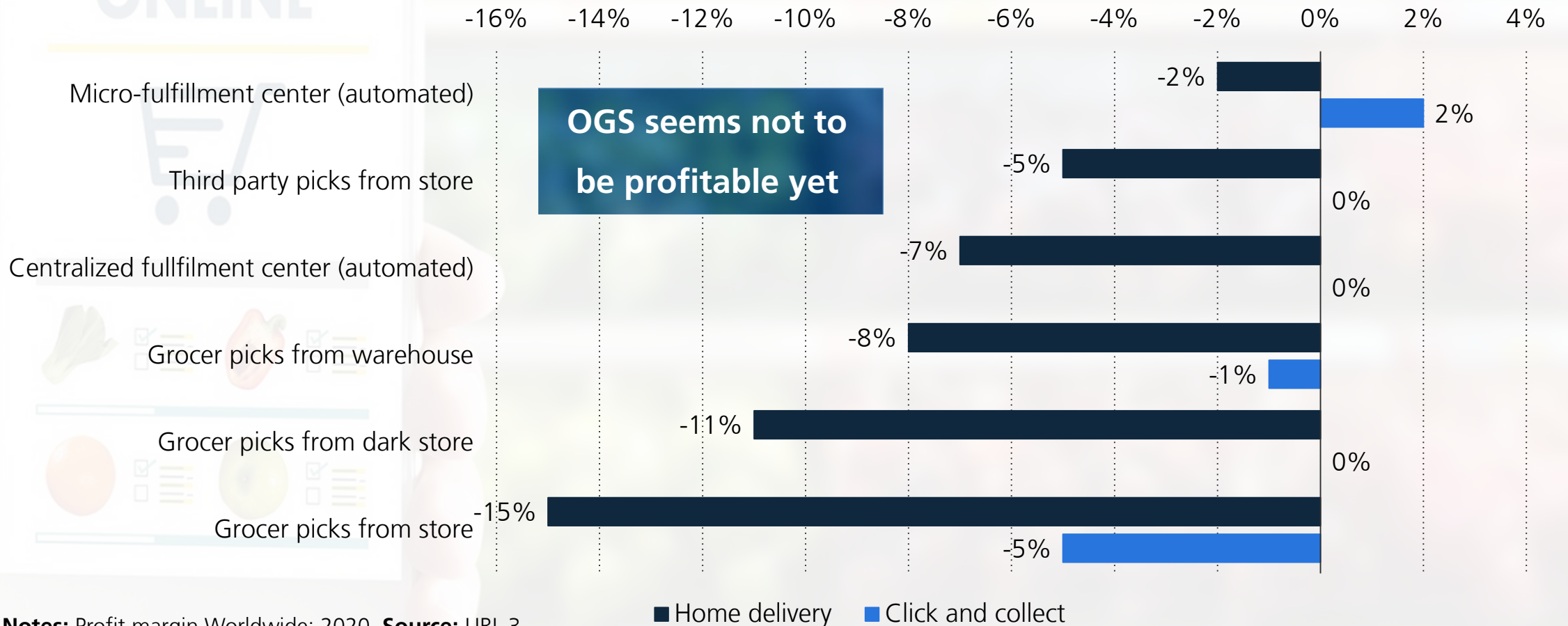
Strong competition in OGS



Source: URL 2

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1. Introduction



Notes: Profit margin Worldwide; 2020, Source: URL 3

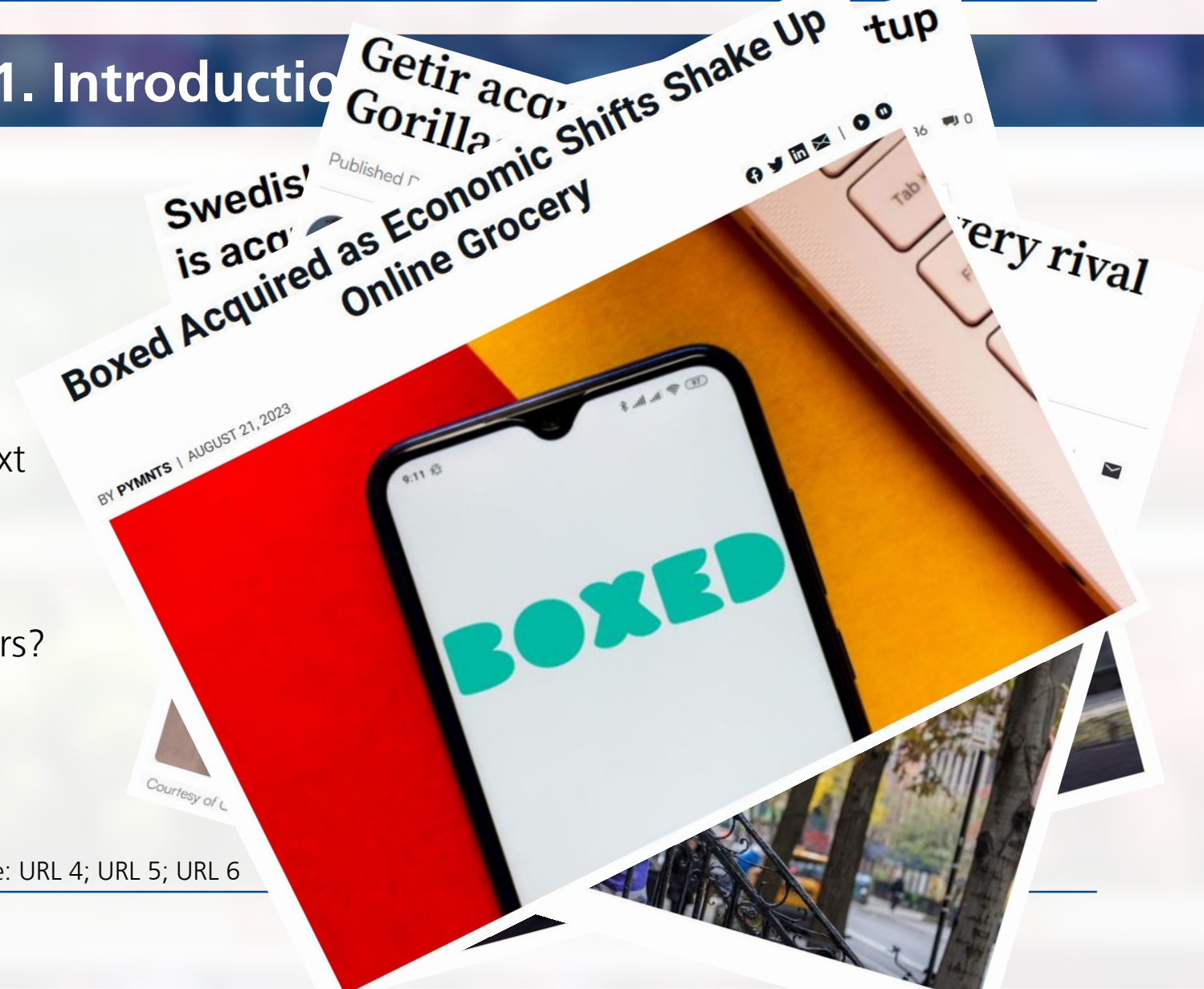
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1. Introduction

Current developments in OGS

- Increasing concentration in OGS in the next years?!
- Strong market power of only a few retailers?
- Future of (online) retailing?

Source: URL 4; URL 5; URL 6



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1. Introduction

The New York Times

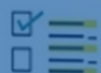
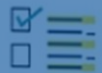
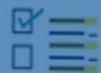
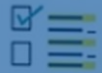
We Can't Predict the Grocery Future

Some of our pandemic-induced digital habits are here to stay. But what about buying bananas?

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2. Theoretical Background

Status quo in retailing

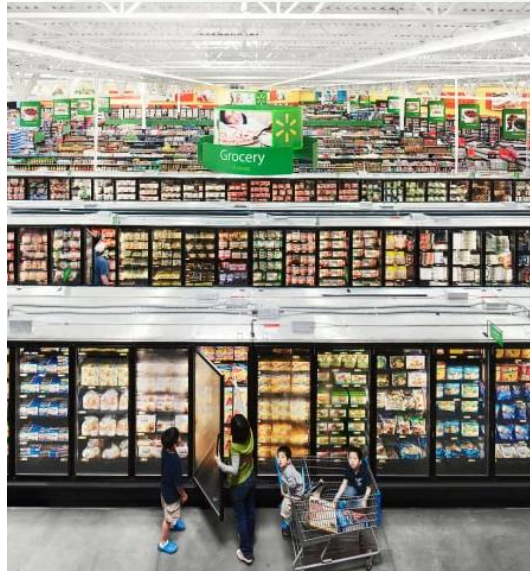
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2. Theoretical Background

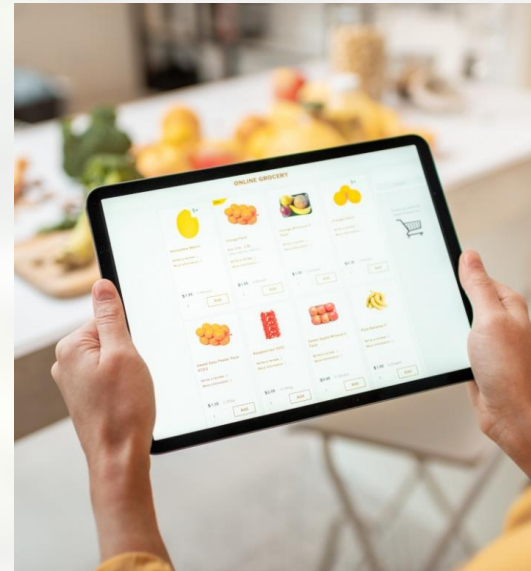
“Self-service shopping was a new concept.”



Superstores and high concentration



Online Grocery Shopping



What's next?



Development in retailing

Sources: URL 8, URL 9, URL 10, URL 11

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2. Theoretical Background

Retail landscape

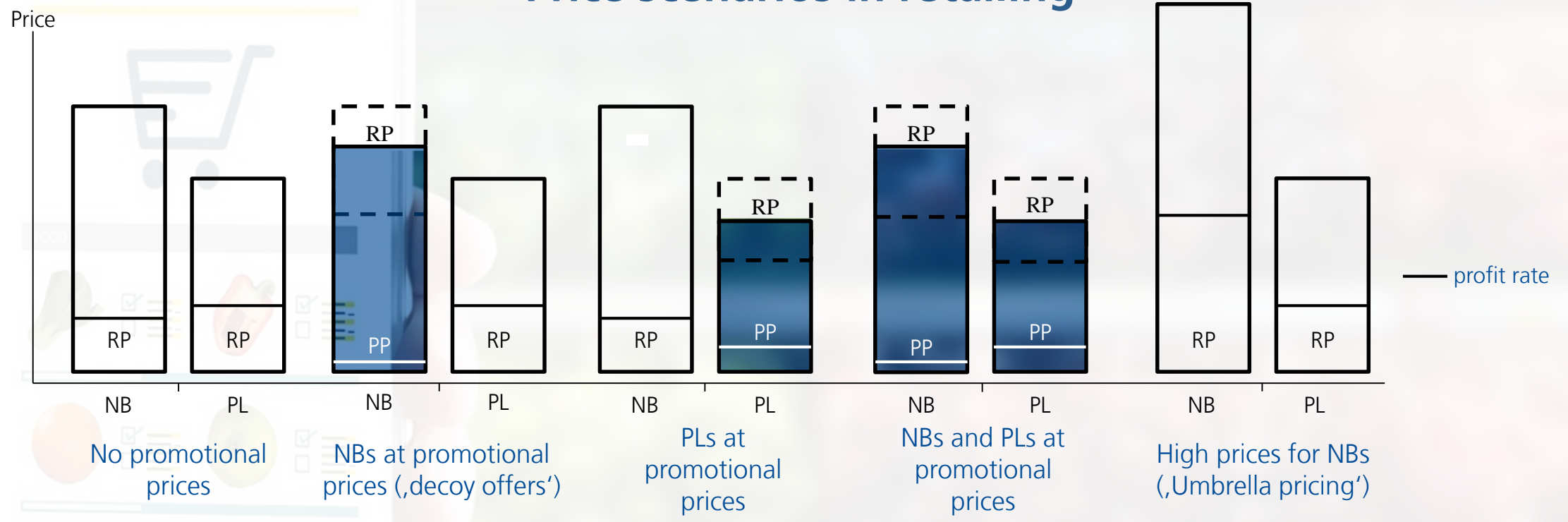


Source: Brüggemann 2023

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2. Theoretical Background

Price scenarios in retailing



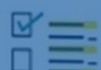
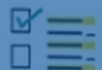
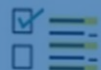
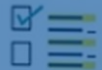
RP = Regular price; PP = Promotional price; NB = National brand; PL = Private label

Source: Brüggemann 2023

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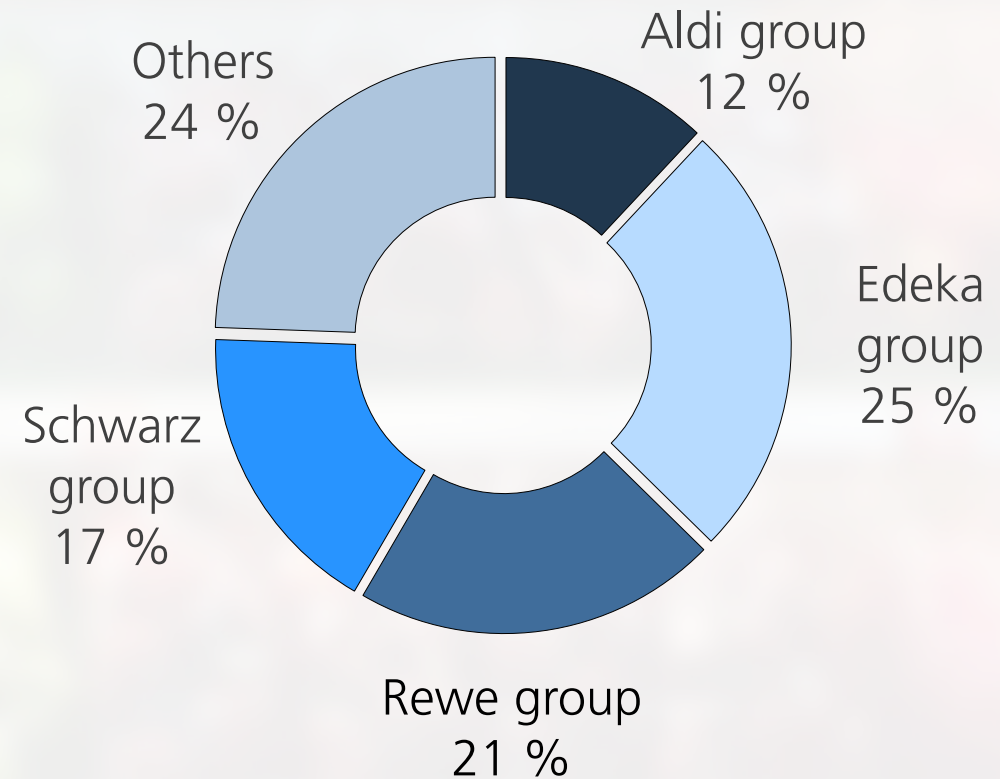
3. Practical Background

Status quo in grocery retailing

3. Practical Background

Status quo in Retailing

Concentration in Retailing



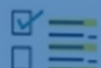
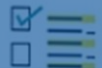
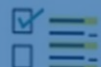
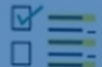
Source: Nielsen Tradedimensions 2021; adapted from Brüggemann 2023

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4. Online Grocery Shopping

What do we expect from the future in OGS?

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4. Online Grocery Shopping

Chances:

- **New way** of shopping groceries
- **Higher** convenience
- **Increase** in time efficiency
- **Reduction** of shortage of specialists
- **Increase in consumer welfare**

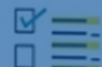
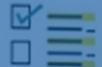
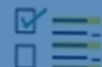
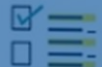
Threats:

- **Dominance** of few retailers
- **Disadvantages** for consumer, e.g.,
due to higher prices,
- **Displacement** of national brands
- **Decrease in consumer welfare**

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5. Online market place

Online market place
to shop for groceries online

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5. Online market place

Advantages:

- Higher **transparency**
- Increasing **price fairness** (no price scenarios)
- Higher **efficiency** (aggregation of demand)
- **Combination** of offline and online grocery shopping

Hurdles:

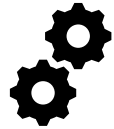
- Increasing **competition**
- **High effort/complexity** for the market place management
- **Decreasing possibilities** for retailers



6. Conclusion



➤ Strong competition in retailing



➤ Changing retail landscape!



➤ Increasing adoption of OGS



➤ Impending concentration of power also in the OGS



➤ Theoretical solution: Overreaching online marketplace



Marketing Scholars

News about conferences, special issues, calls for papers and the academic life



Photo: Hardy Welsch

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URL Sources

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