



# ONLINE GROCERY DELIVERY IS EXPLODING IN CANADA

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According to a PayPal-commissioned poll by Maru Group in July 2021, almost three-quarters (72%) of adults in Canada said they like being able to order groceries online, while 38% said the same of grocery click and collect. More than 1 in 5 respondents said they will do more grocery delivery after the pandemic than before.

Remote work is a key driver of food and grocery app adoption. The pandemic pushed more people to work from home, and the trend persists for many white-collar industries. Canada's remote workers and students used food delivery apps and ordered groceries online in higher numbers: 57% of those ages 18 and older said they used a food delivery app in the past month, versus 42% of total adults, according to a Media Technology Monitor survey from June 2021. For groceries, 27% of remote workers and students ordered online, compared with 19% of adults overall.

The omicron wave has hurt the in-store experience and is likely propping up grocery delivery in early 2022. Shoppers at stores face empty shelves due to supply chain issues and longer lines due to staffing issues. The Canadian Federation of Independent Grocers said staffing shortages at the retail level were between 15% and 25% in January. One of the largest national grocery chains, Metro, reported a surge in online activity in its fiscal Q1 2022 (ending December 18, 2021). "With this rapid spread of omicron, ... a lot of people stayed home and went back online or went online," said Eric La Flèche, the company's CEO, during the earnings call. The company also reported a 167% increase in online sales over the past two years.

