JUNE 2025

Future of e-commerce in retail food & beverage

Understanding the e-commerce retail consumer of the future through advanced analytics

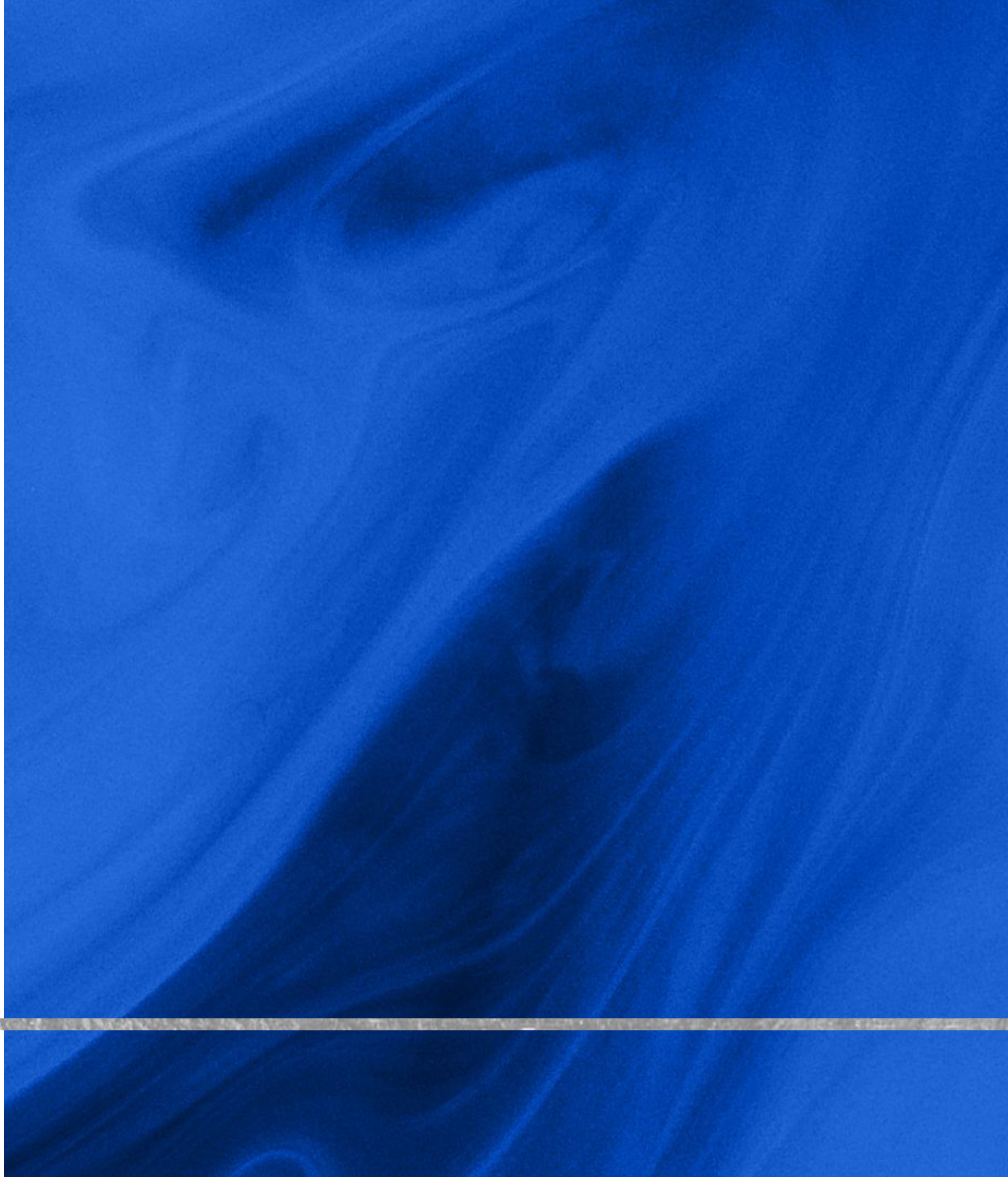

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Table of contents

1

Introduction, Objectives & Methodology

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Introduction, Objectives & Methodology

This collaborative study by Deloitte and Google, executed from late 2024 into early 2025, merges their industry expertise to analyze the past and project the future evolution of e-commerce within the Fashion and Food & Beverages sectors.

It seeks to understand how online penetration, consumer behavior, and industry performance have changed, and how they will continue to develop through 2030. The primary goal is to provide a transformative roadmap for retailers in these industries, enabling them to adapt and thrive amidst upcoming trends. The study is organized into four core sections.

Intro into e-commerce as a whole, and the potential of Retail Fashion and Retail Food & Beverage as industries:

Fashion

- **Significant paradigm shift in Fashion.** Analysing the evolution of the Fashion industry by category, type of player and market
- **The future of e-Commerce in Fashion.** Forecasting the evolution of the sector, emerging trends and new search patterns
- **How to navigate the transformation**. In-depth analysis and experts' recommendations on future perspectives on Fashion

F&B

- **Significant paradigm shift in Food & Beverages.** Analysing the evolution of the Food & Beverages industry by category, type of player and market
- **The future of e-Commerce in Food & Beverages.** Forecasting the evolution of the sector, emerging trends and new search patterns
- **How to navigate the transformation.** In-depth analysis and experts' recommendations of future perspectives on Food & Beverages

This study acknowledges significant global uncertainties like the tariff war, geopolitical conflicts, climate change, and potential health or economic crises. While their precise impacts aren't quantified, these unpredictable factors will undoubtedly heighten industry challenges. Similarly, unquantified elements include online behavioral shifts from global pandemics like COVID-19 and currency fluctuations against the Euro.

Our historical analysis spans 2017-2024, using 2023 data to contextualize COVID-19's impact, as recovery varies regionally. To ensure an unbiased view of Fashion and Food & Beverages' evolution, future projections extend five years to 2030, bypassing the unquantified effects of the pandemic and current economic crises

Introduction, Objectives & Methodology

For the preparation of the study, a methodology structured into 4 steps has been followed:

01 **Definition of the analysis scope:** Top 10 European countries per vertical and focus on the Fashion (non-luxury) and Food & Beverages categories, as they are consistently ranked in the top 5 ecommerce sellers over the past five years.

02 **Understanding of historical data:** Detailed analysis of e-commerce evolution in Fashion and Food & Beverages across 10 European markets from 2017 to 2024. This identified key e-commerce trends, market potential, and changes in consumer behavior and revenue, providing insights into industry patterns.

03 **Definition of relevant variables:** Identification under 50 influential variables for Fashion and Food & Beverages, encompassing macroeconomic factors (e.g., income, internet penetration), player types (e.g., pure players, quick-commerce), and emerging trends (e.g., AI, new search behaviors).

04 **Modelling and selection of key variables:** Regression model for long-term e-commerce penetration forecasts in Fashion and Food & Beverages, using historical data and significant identified variables to predict future growth across categories, subcategories, and markets, thus enhancing our understanding of industry dynamics.

05 **Validation of results and vision for 2030:** Models developed were evaluated for accuracy, and the future of e-commerce in Fashion and Food & Beverages by 2030 was predicted. Given the long-term nature of the estimate, figures have been rounded.

Sources utilized for this paper's development include:

Deloitte: Conversations with subject matter experts on the industry and leveraging prior market studies and research.

Google: This paper leverages Google search query data on customer behavior and preferences across all Fashion and Food & Beverages subcategories within the 10 key study markets.

External sources: Public data available from recognized institutions in the sector regarding economic and industry indicators (e.g., Statista, Euromonitor International Limited [2023] © All rights reserved, Gartner, Inc., Alimarket,...).

Introduction, Objectives & Methodology

Future of Retail - Food & Beverage Omni Retailers

European Coverage
10 analyzed countries

Advanced analytics
& predictive models

Third Party Data
Statista, SimilarWeb, Data.ai etc.

Multi Billion
Google Queries & Search and YT datapoints

Data Breakdown
Age, Location, Gender, Generic vs Branded etc.

Data Breakdown
Google Metrics (CPCs, Ad Depth etc.)

Table of contents

2

The Evolution of Retail E-Commerce in Food & Beverage: from 2019 to 2024

Future-proofed, yet challenged: COVID and innovation have boosted retail e-commerce, but hurdles persist

Convenience & Personalization

24/7 shopping and vast product availability, coupled with personalized experiences, continue to elevate the customer journey

Global & Efficient Reach

Businesses can serve a worldwide audience, reducing the need for customer facing capital & labour

Supply Chain Optimization

AI-driven delivery forecasts, advanced logistics, and real-time tracking enhance speed and reliability

Tightening Margins

Intense competition, price transparency, and high last-mile delivery costs lead to narrow profits online

Localization & GTM Costs

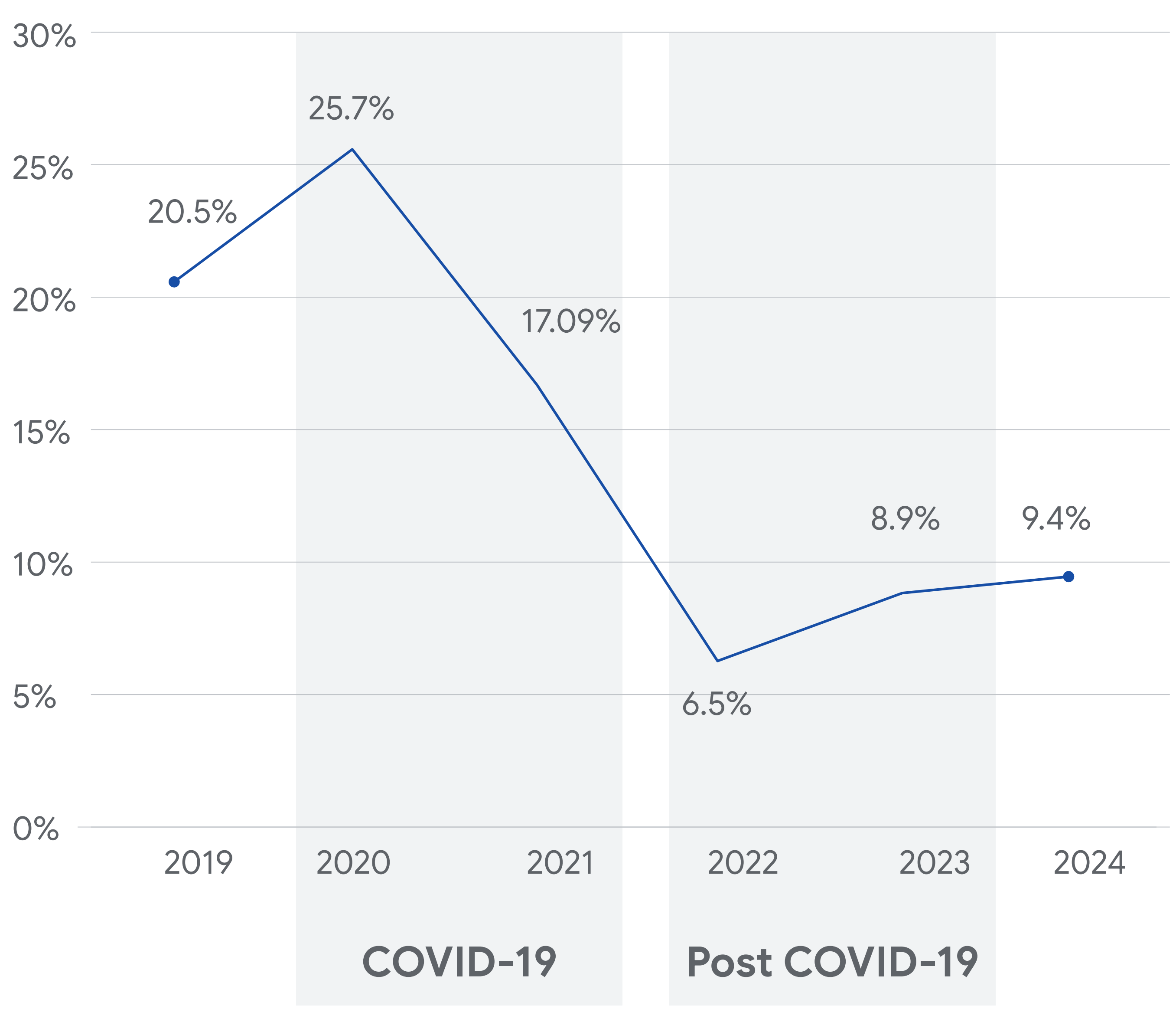
Global reach introduces a maze of international shipping, customs duties, import & export regulations etc. as well as localization challenges

Logistical Complexity

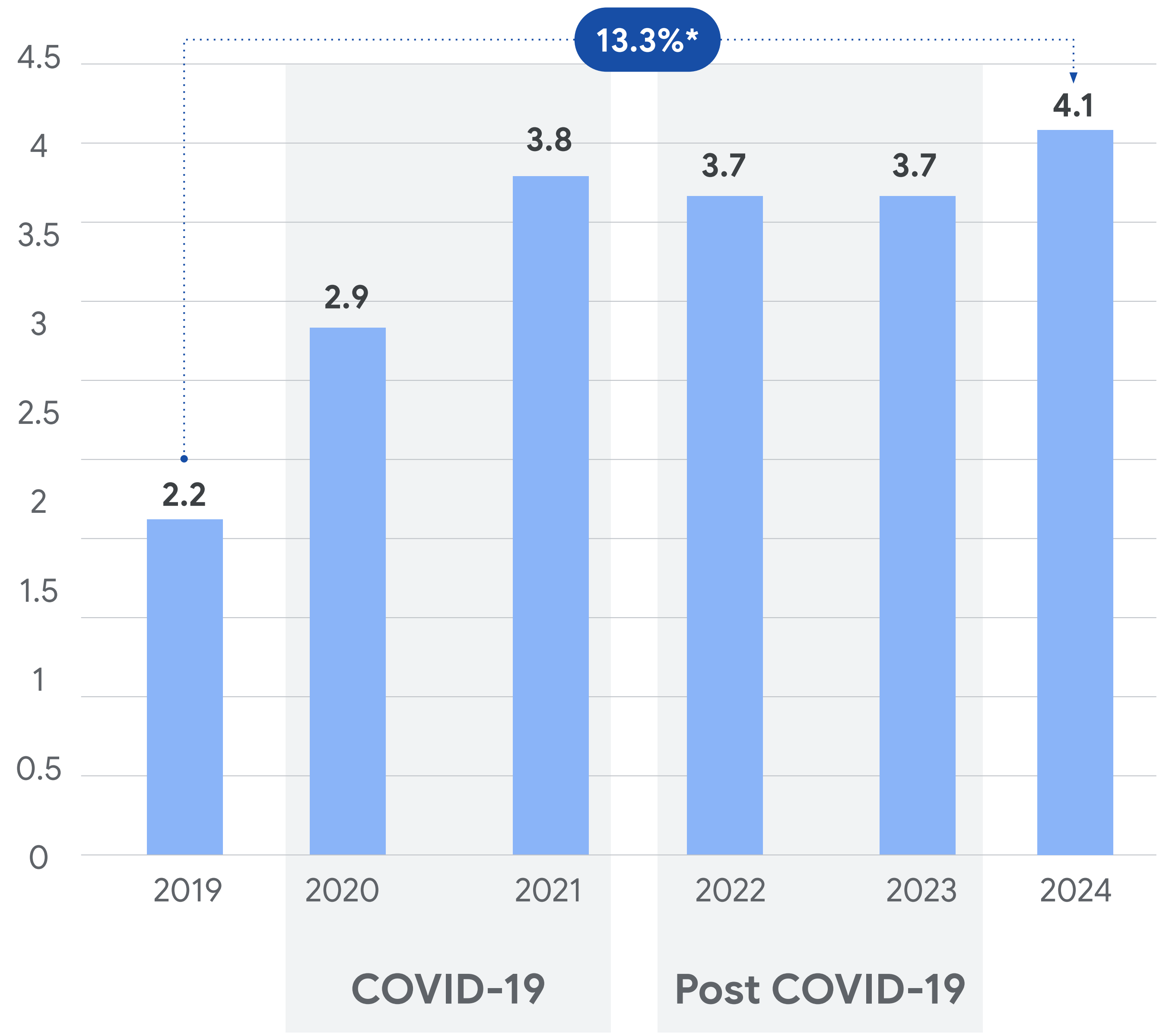
In fashion, the industries faces high return rates. In food & beverages, perishability & quality control increase costs

COVID imposed costs & disruption on the e-Commerce industry; driving a permanent transformation that is currently occurring

Sales growth in retail e-Commerce from 2019 to 2024 (%)



Retail e-Commerce revenue from 2019 to 2024 (trillion US dollars)



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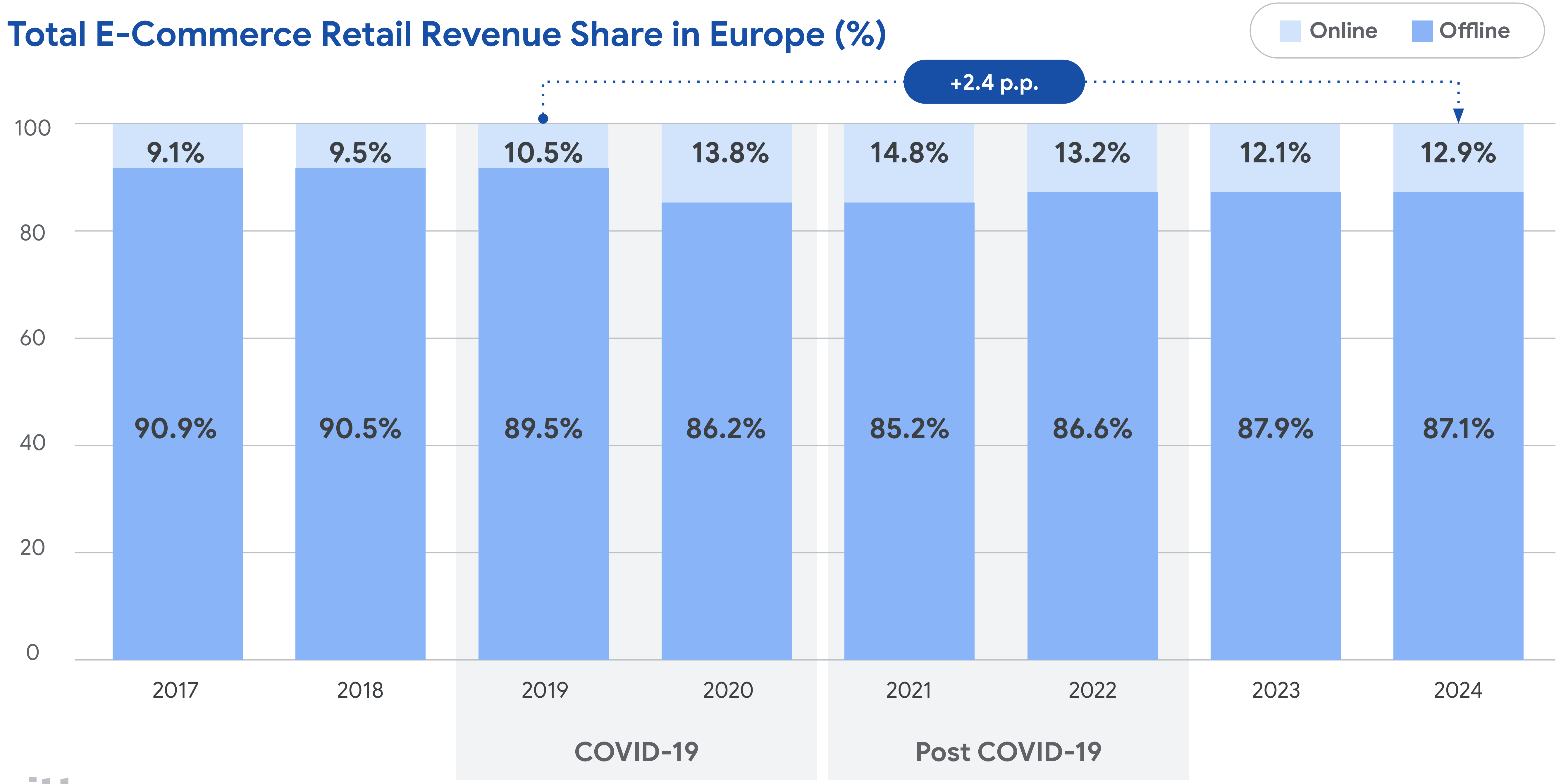
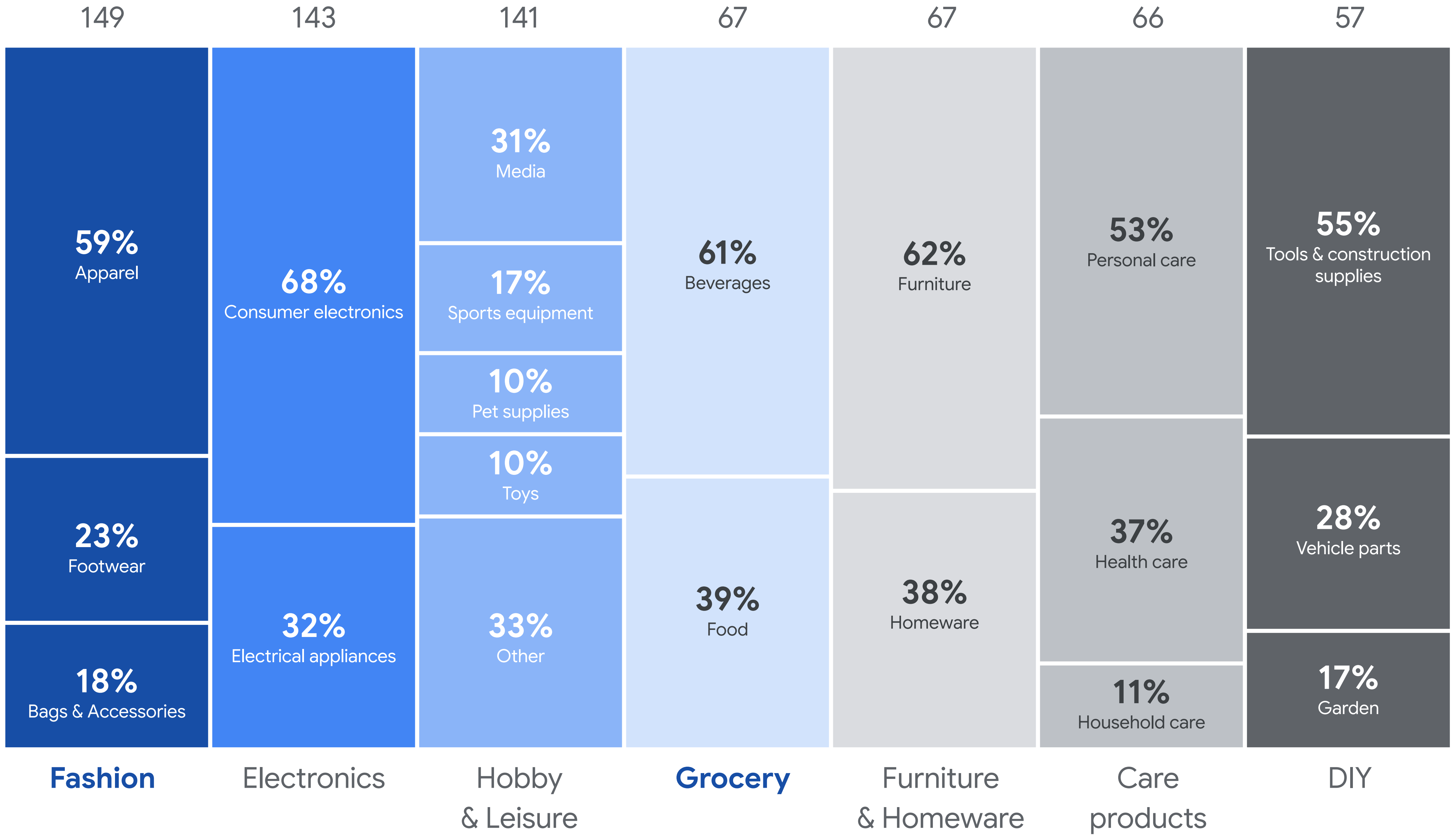
(1) Real data worldwide; 2019 to 2024; *CAGR - Source: eMarketer; Statista © All rights reserved, Deloitte Analysis

Online sales surged by 5% of total revenue share during COVID. Offline has gained some traction back; but the impact of COVID will be lasting



Fashion and F&B are the two fastest growing verticals in the online retail sector, with CAGR of 8% and 6% over the last 5Y

e-commerce Revenue Development in Europe, in Billions US$



Source: ECDB - Ecommerce in Europe, 2024

Fashion

- High AOVs & emotionally driven purchases
- High levels of engagement & brand building
- Largest expected industry disruptions with AI & other innovations
- Global reach & expansion opportunities

Food & Beverage

- Essential & high-frequency consumption
- Rapidly evolving dietary trends (plant-based, healthy eating etc.)
- Convenience focused industry
- Untapped potential due to logistical complexity (perishability, cold chain, last-mile)

A Deep Dive Into Retail Food & Beverage

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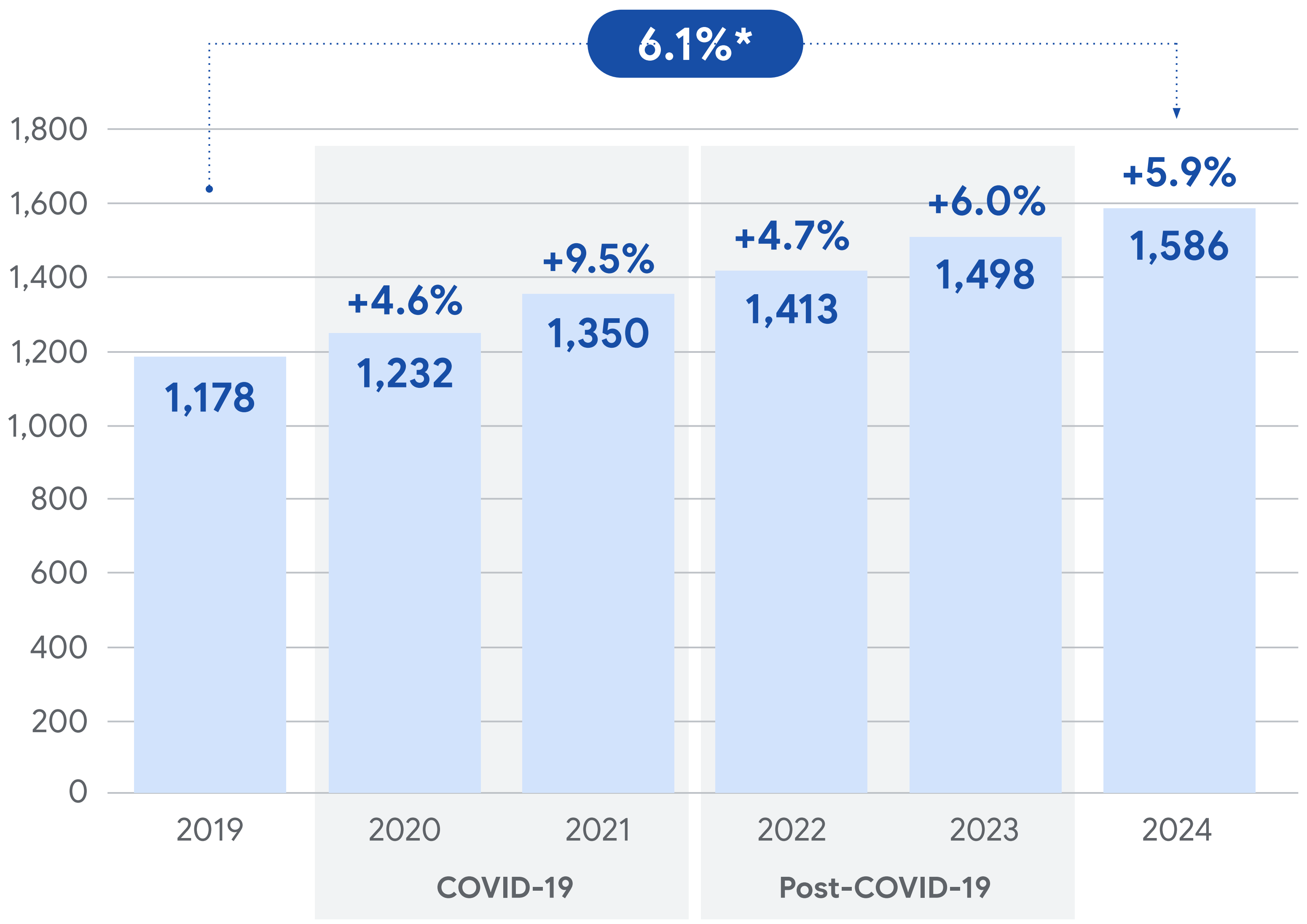
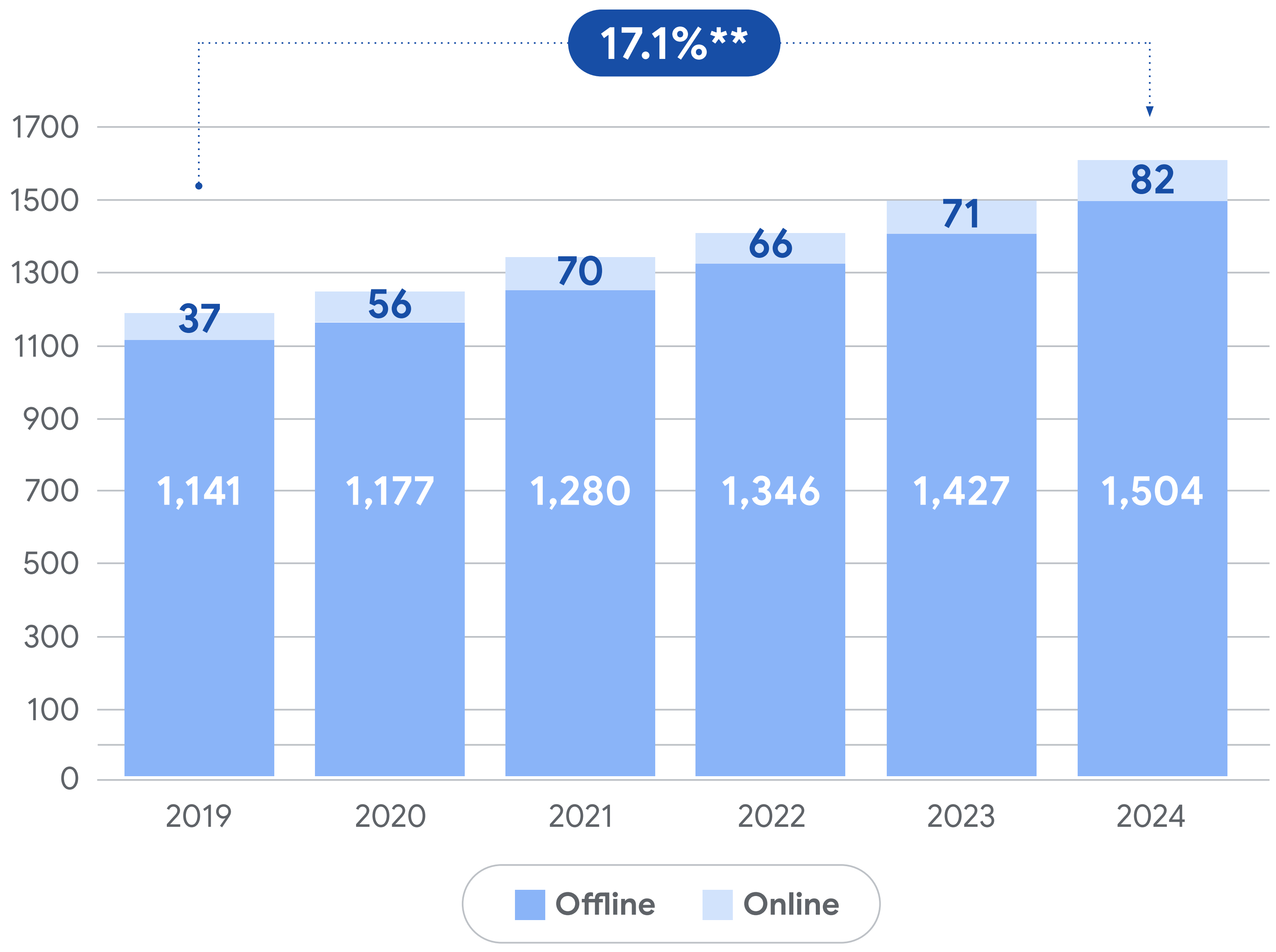
The F&B Omnichannel Retail industry saw steep growth in 2021 due to COVID. It stabilized in the following years to an average 5.5% CAGR (2022-2024)

F&B Omnichannel Retail Revenue by Year (Billions $ USD)



(1) Real data Europe Statista; 2019 to 2024; *CAGR
Source: Deloitte Analytics © All rights reserved, Deloitte Analysis

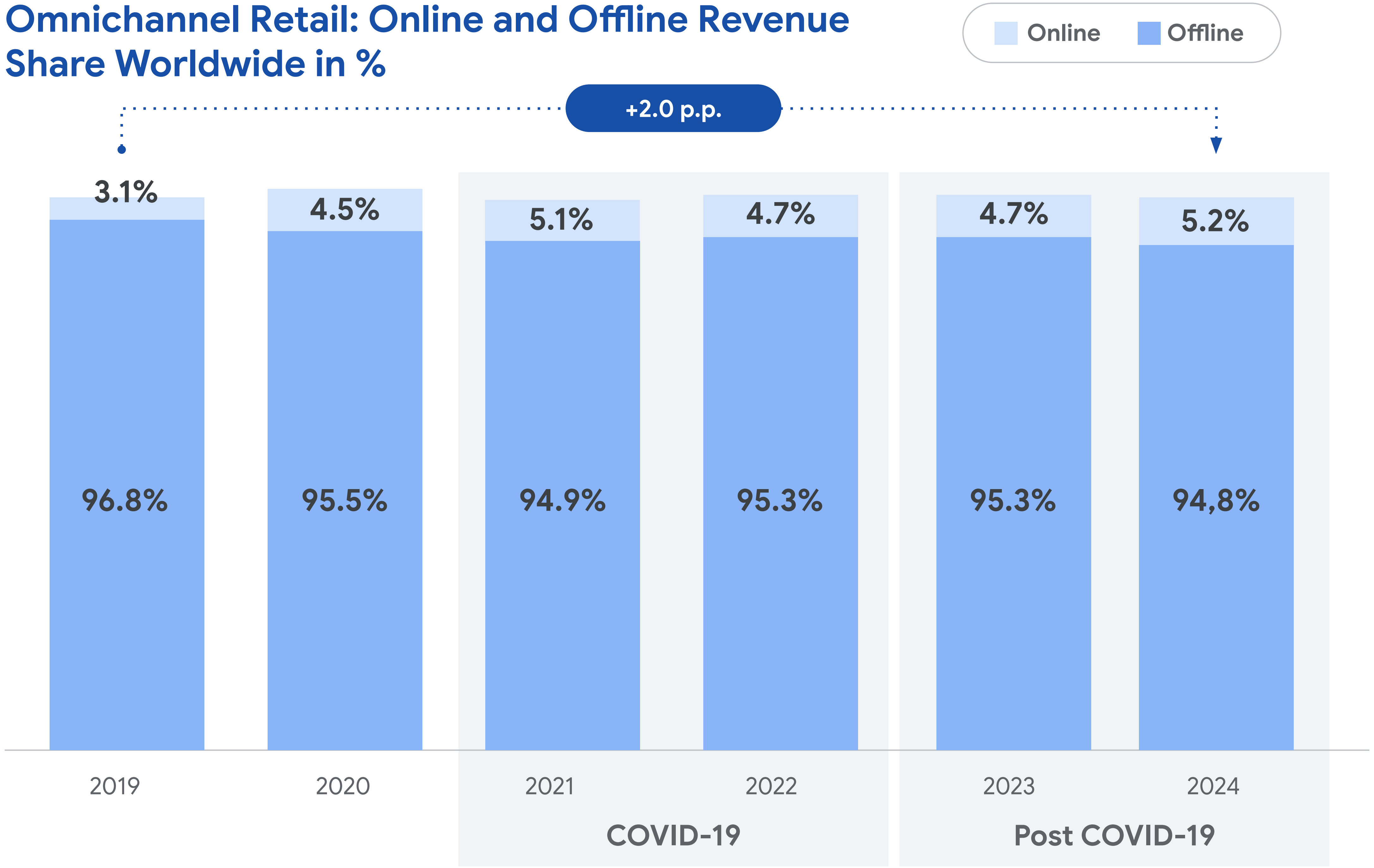
Evolution of Online vs Offline Revenue Growth (Billions $ USD)



**CAGR of Online Revenue (2019-2024)

While COVID gave an “online-kick” to the industry, it is still heavily reliant on offline revenue

Omnichannel Retail: Online and Offline Revenue Share Worldwide in %



The Food & Beverage retail industry is still inherently offline due to logistical hurdles in e-commerce, and the desire to “look & feel” products.

However, COVID brought about **permanent growth for the online segment.**

(1) Real data Europe; 2019 to 2024 - Source: Deloitte Analytics © All rights reserved, Deloitte Analysis

The pandemic's palate: Why F&B peaked during COVID & catalyzed online growth infrastructure

Increased at-home consumption

Lockdowns forced food consumption into homes, spiking grocery sales and demand for packaged goods.

Panic buying & stockpiling

Early pandemic fears caused widespread stockpiling, artificially inflating immediate food and beverage sales.

Rise of comfort food, health and home cooking

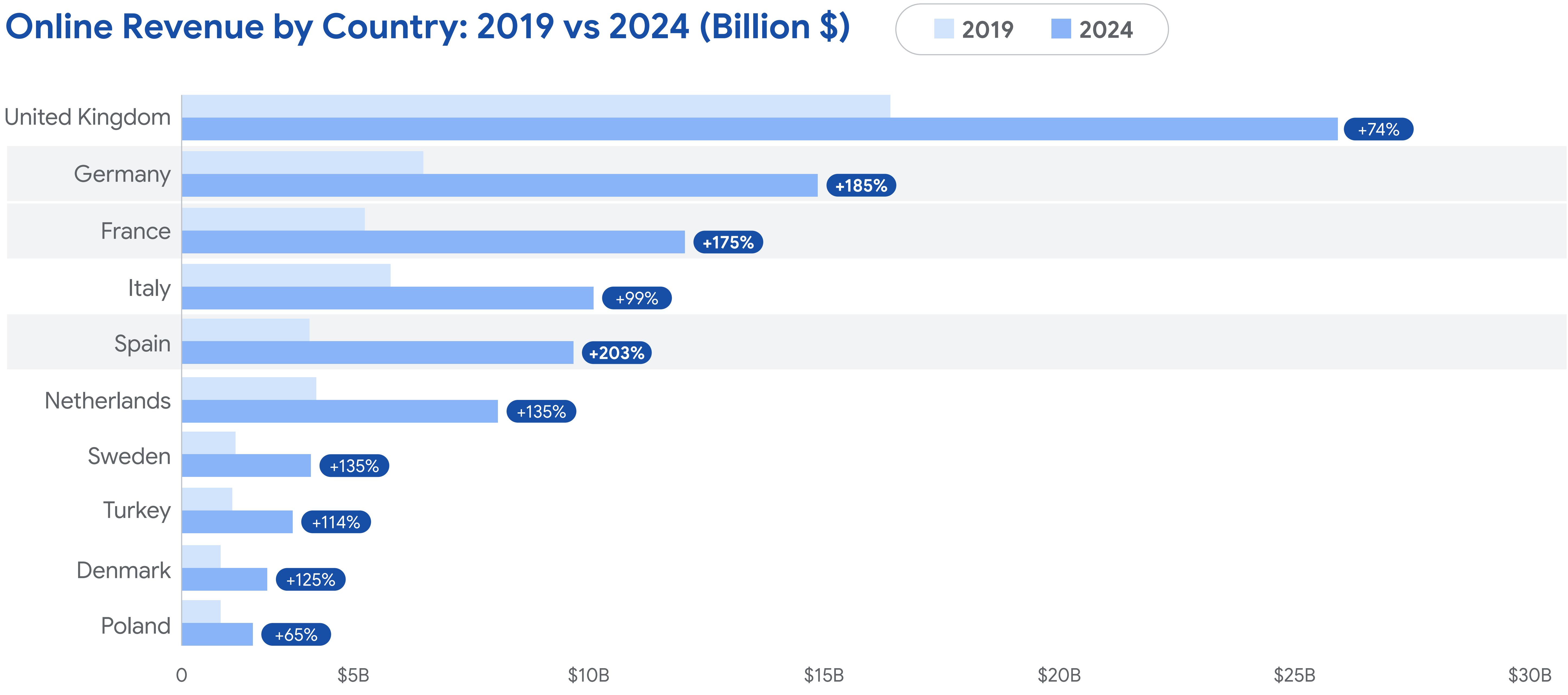
More time at home spurred a return to home cooking and comfort foods, boosting ingredient and snack sales.

COVID stress & emotional eating

Pandemic anxiety led to increased emotional eating, driving demand for indulgent snacks and ready-to-eat meals.

While the UK leads in size, Spain, Germany and France stand out with the steepest growth between 2019-2024

Online Revenue by Country: 2019 vs 2024 (Billion $)



Poland is trailing behind in relative & absolute growth, growing 65% over the last 5 years.

(1) Real data Europe; 2019 vs 2024 - Source: Deloitte Analytics © All rights reserved, Deloitte Analysis

The growth leadership of Spain, Germany and France is closely linked to the high percentage of population over 45 years old and the total APP download ratio between 2019 and 2024

Correlations with Growth

Age Demographics

Countries with the highest share of people over +45 Y/O are also the ones growing the most in online retail. This is due to:

- High rates of mono parents & working couples
- More impulse by COVID on this segment
- Younger people buy in other channels, such as Quick Commerce or Delivery platforms

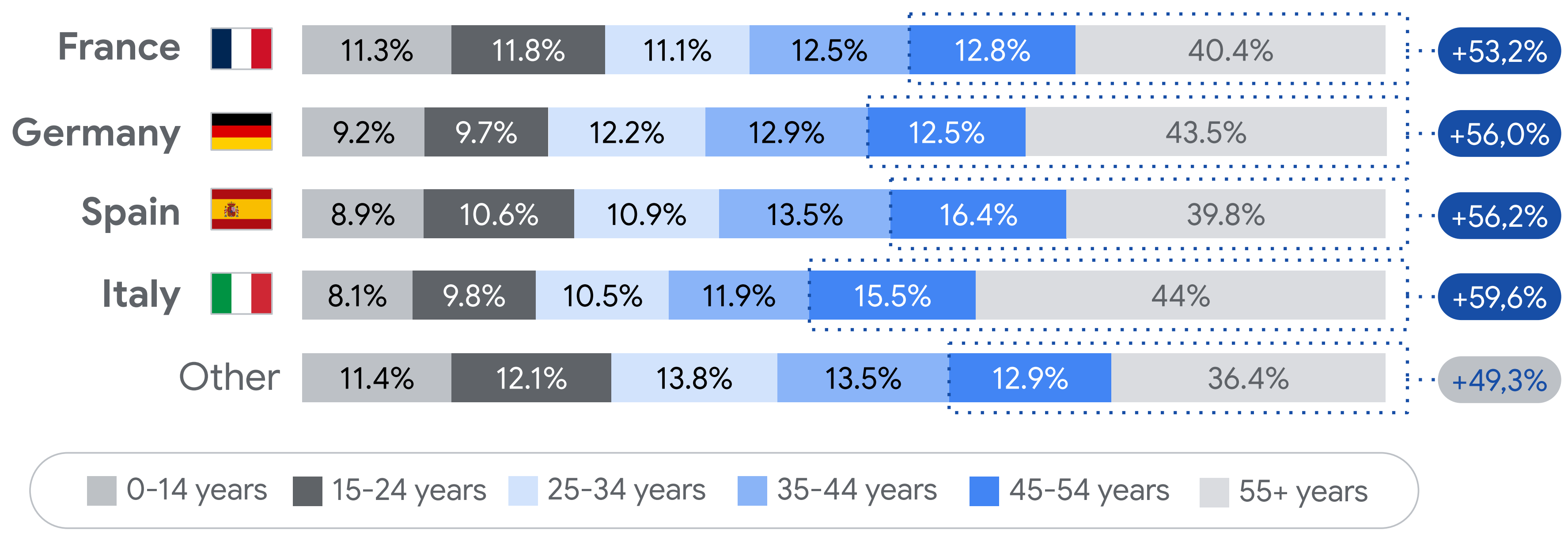
App Downloads

High correlation between App Downloads & total online revenue, showing that apps are a driver for a higher LTV.

Household Income

The correlation between **median household income** and **revenue growth** is r=0.36 in the **online channel** vs r=0.02 in the **offline channel.**

Population Structure per Country (2024, % of Population)



(1) Real data Europe; 2019 vs 2024 - Source: Deloitte Analytics © All rights reserved, Deloitte Analysis

3

The Future of Retail E-Commerce in Food & Beverage by 2030

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Our 2030 predictive model incorporates a set of sophisticated variables to explain the future of F&B retail

Socio-demographic

Population structure (%)
Percentage distribution of the population by age clusters: 0-14 / 15-24 / 25- 34 / 35-44 / 45-54 / +55 age segments.

Household income
Average total income of households in a specific market.

Total population
Total number of people living in a geographic area.

Marketing and Search

Search Queries
Total textual inputs entered by a user into a search engine or platform.

Impressions
Number of times a piece of content is displayed on a user's screen, regardless of whether it was clicked or interacted with.

Average CPC
Average cost paid for each click on an ad.

Performance

Ad Depth
Average number of ads displayed per search or results page.

Total investment
Total spending on advertising campaigns through Google channels.

Macroeconomics

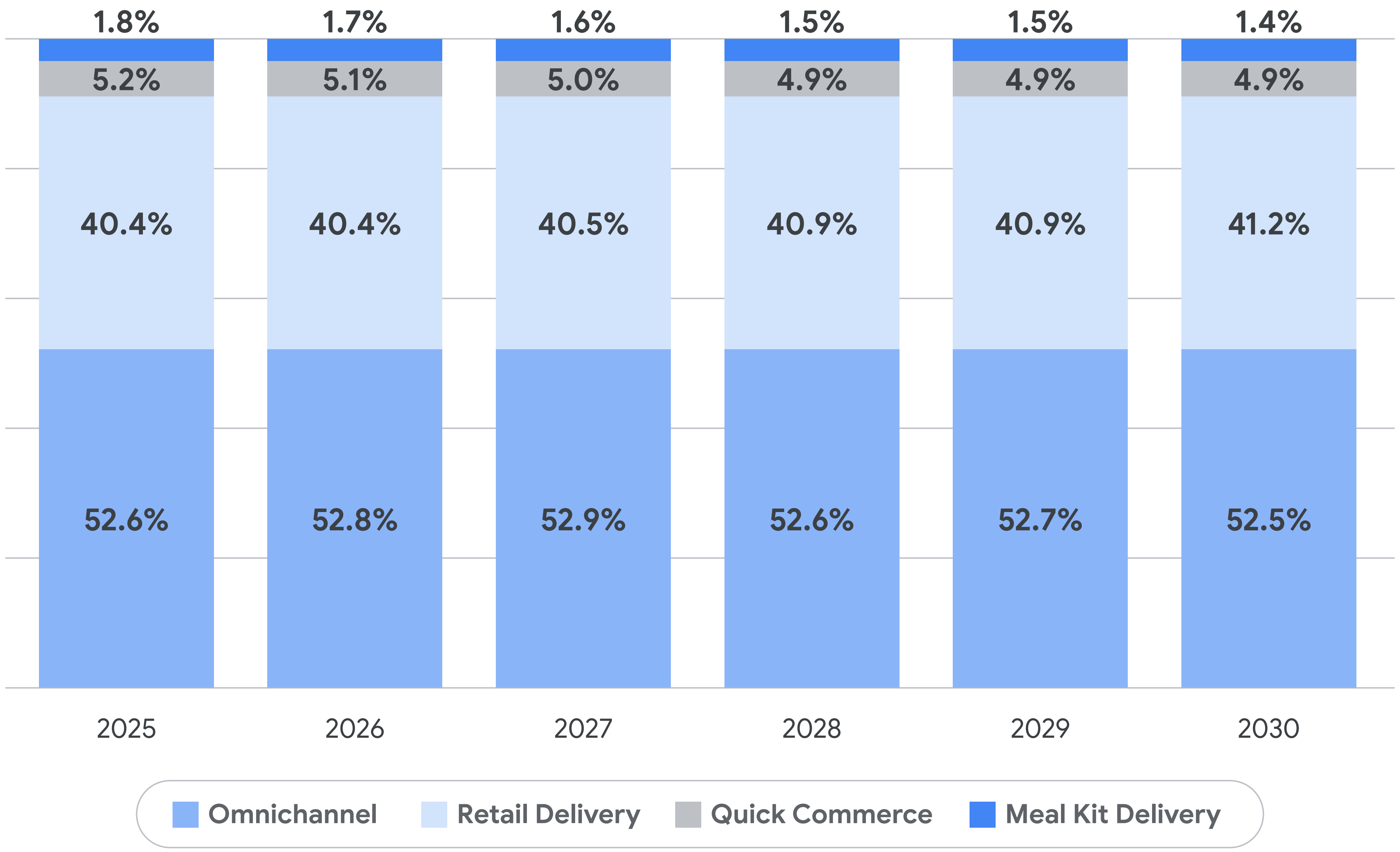
Consumer Price Index
Indicator that measures the evolution of prices for consumer goods and services.

Revenue per capita
Income generated divided by the number of inhabitants.

Google; Deloitte © All rights reserved, Deloitte Analysis

In most countries, drivers will still be 'Retail Delivery', but there is a shift from 'Quick Commerce' to 'Omnichannel'

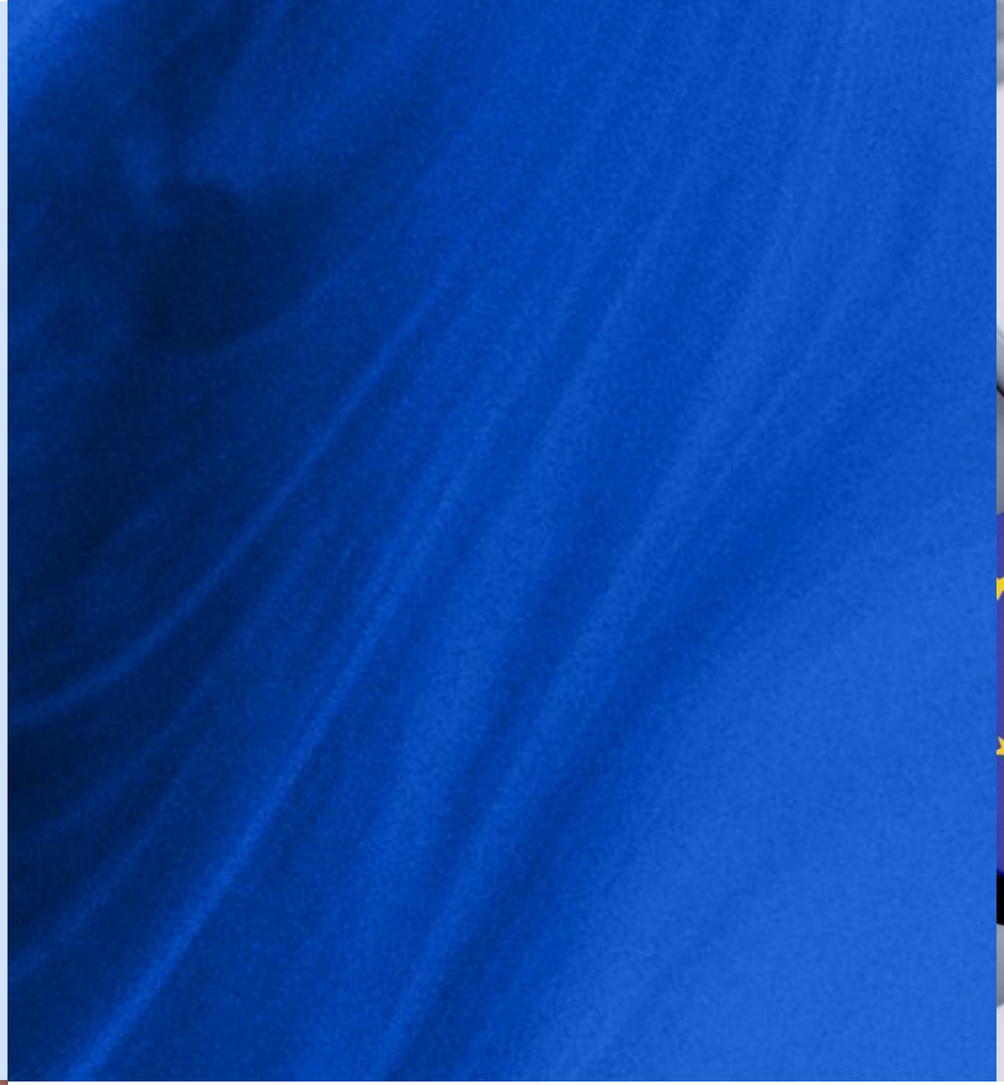
F&B Online Forecast Split by Year & Fulfilment Method (Billions $ USD)*



Category	Example of Player	CAGR 2019-2024	CAGR 2025-2030
Online	**All**	**20.4%**	**11.2%**
Omnichannel Retailers	Mercadona	17.1%	11.2%
Retail Delivery	Amazon Fresh	25.0%	11.6%
Quick Commerce	Glovo	26.0%	9.8%
Meal Kit Delivery	Hellofresh	20.7%	5.5%

(1) Projected data of total growth to 2030 in Europe; *CAGR, *Source: Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

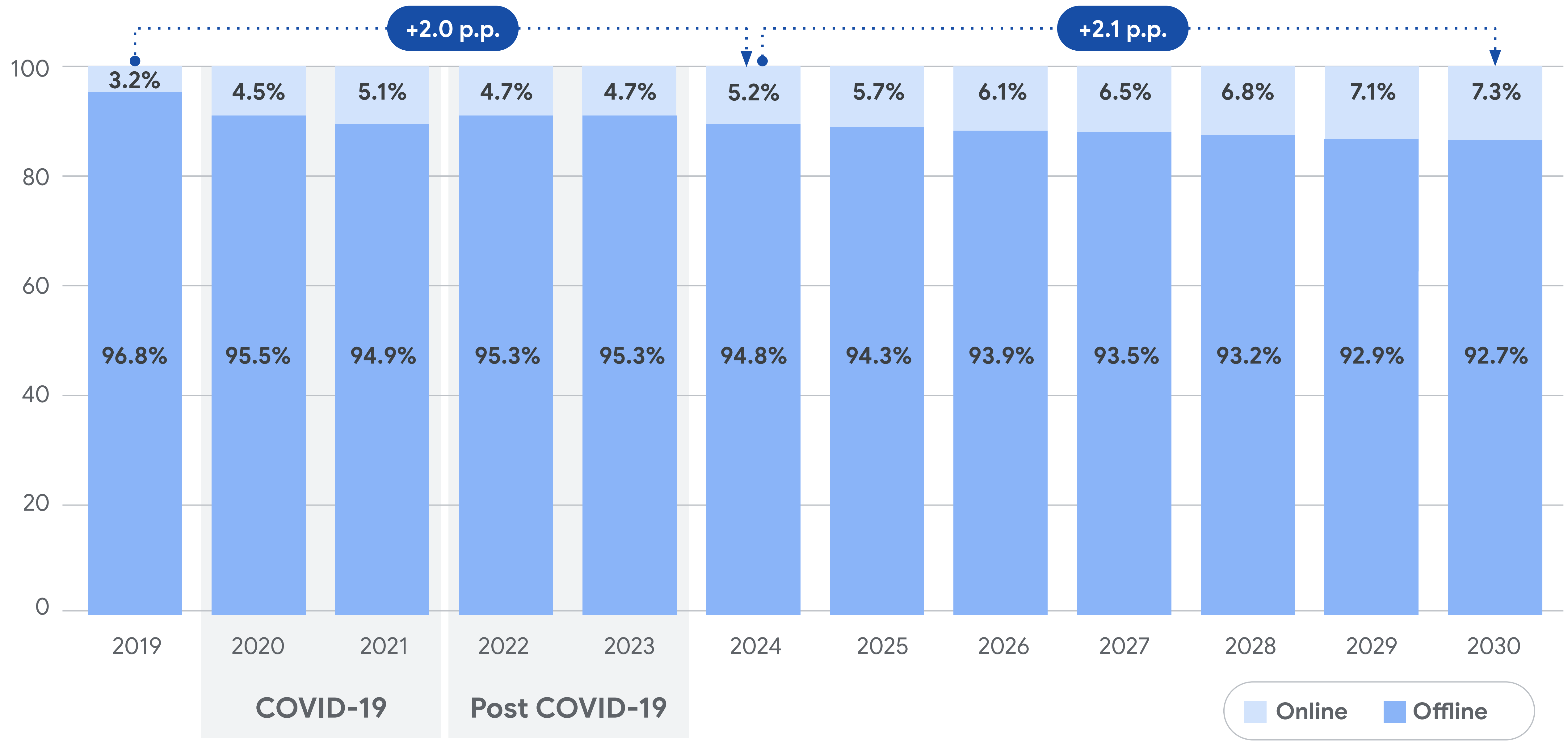
We predict e-commerce in F&B omnichannel retail to grow **97%**



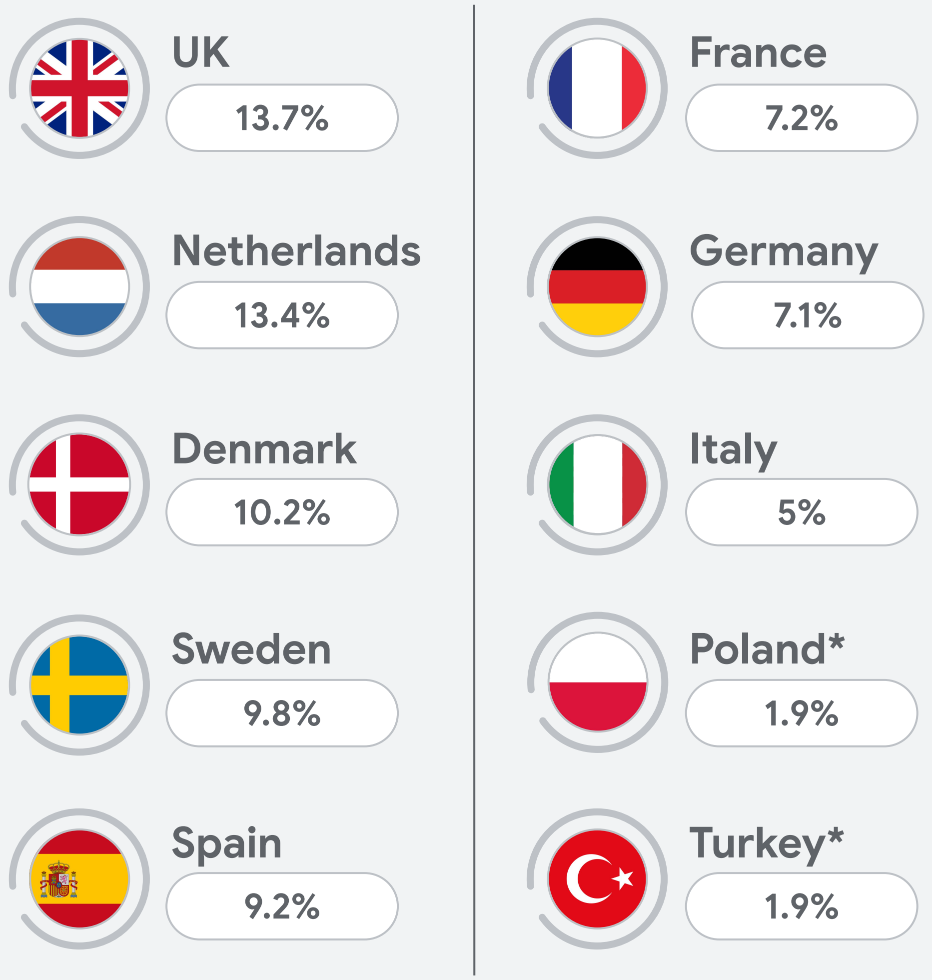
Reaching
$163 Billion by 2030

E-commerce in F&B retail will grow slowly but steadily to 2030, with offline still owning 93% of sales

Forecast Split (Online vs. Offline):



Ranking Online Share 2030 (%)



*Online revenue tends to be lower in countries with a higher rural population share, as seen in Poland (39.7%) and Turkey. In both cases, this is further impacted by lower household income levels

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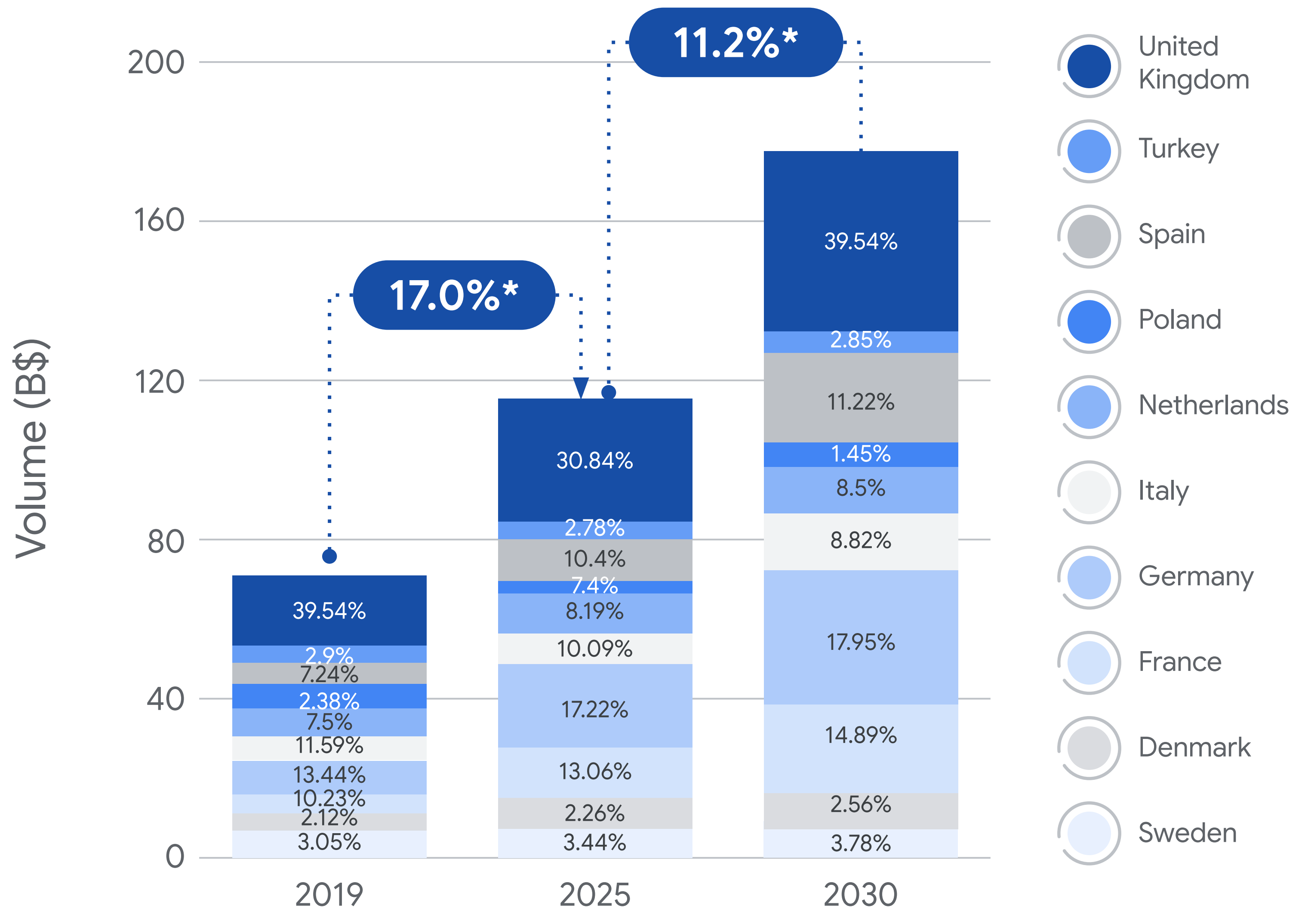
Real data Europe; 2019 to 2024. Projected data to 2030 - **Source:** Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

Denmark, France & Sweden Lead Online F&B Growth, Exceeding 13% CAGR; UK will still be the most mature in 2030

Online Revenue Forecast Growth by Country:



CAGR 2019-2025	CAGR 2025-2030
14.8%	**9.0%**
19.7%	11.7%
29.8%	12.9%
12.9%	**7.6%**
22.8%	12.0%
17.4%	8.2%
26.8%	12.1%
26.7%	**14.1%**
22.3%	**13.9%**
23.6%	**13.3%**

Countries like the UK are slowing in growth due to market maturity, while Poland's growth is constrained by its smaller urban population size

Countries with the lowest decrease in CAGR (2025–2030):

	CAGR (%)	Volume (B$)
UK*	9.0%	45.5
Poland*	7.6%	2.4

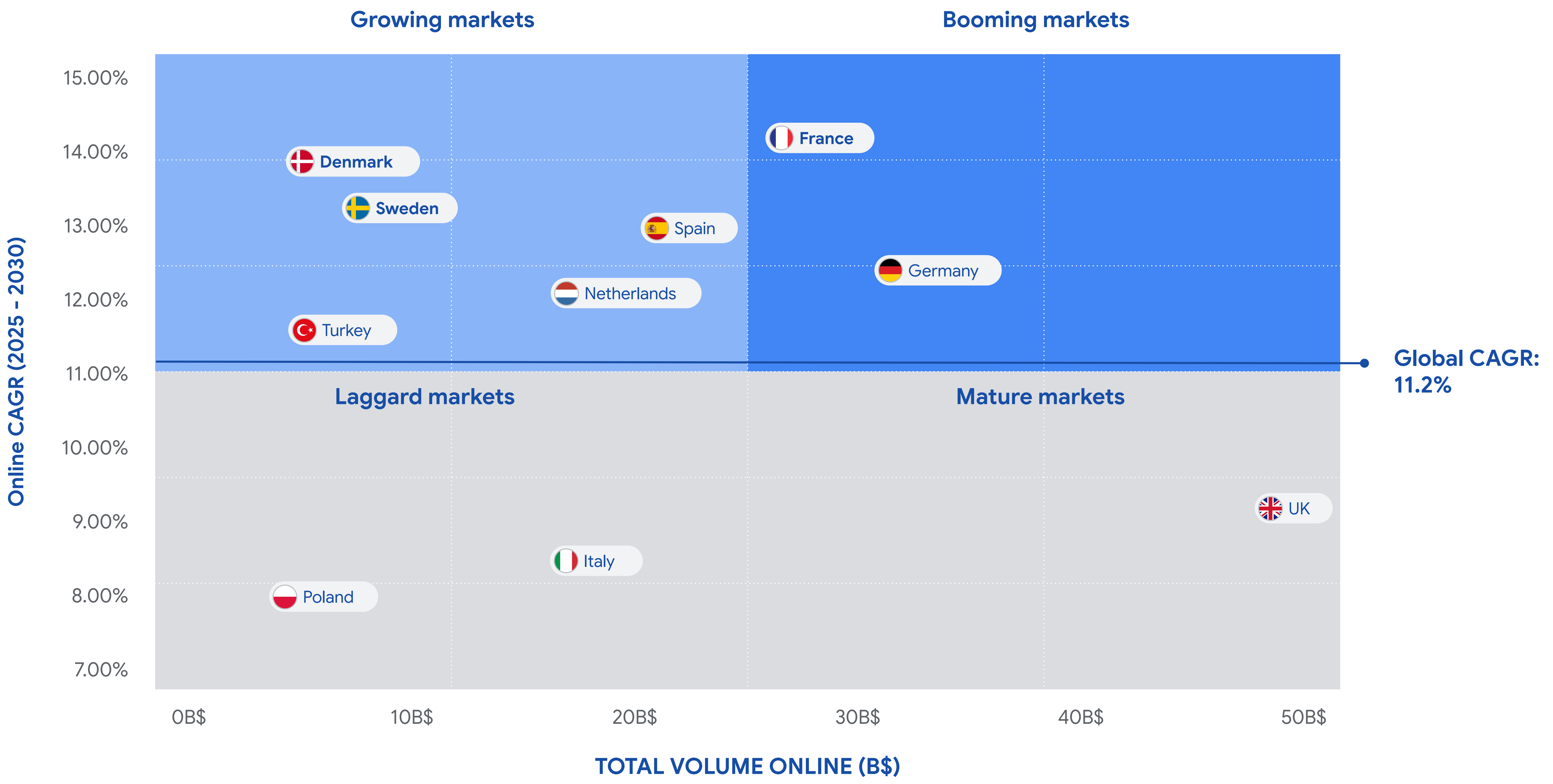
Countries with the highest overall CAGR in 2030:

	CAGR (%)	Volume (B$)
France	14.1%	24.23
Denmark*	13.9%	4.16
Sweden*	13.3%	6.15

***Disclaimer:** Currency fluctuations relative to the euro have not been incorporated into the model.

(1) Real data Europe; 2019 to 2024. Projected data to 2030; *CAGR Source: Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

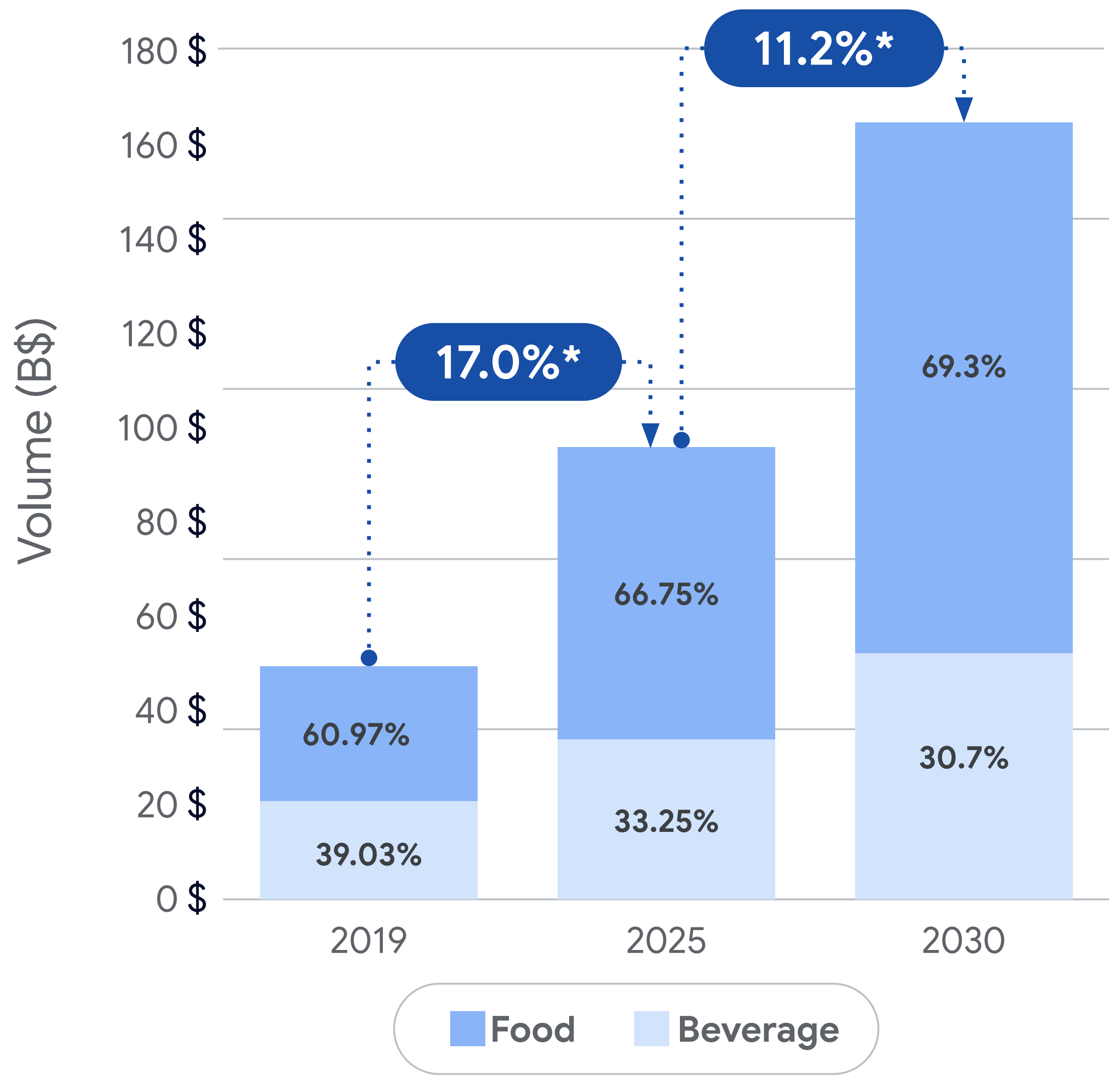
Mapping Europe's Online F&B Future: Market Size, Growth Potential & Key Clusters



(1) Real data Europe; 2019 to 2024. Projected data to 2030 Source: Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

Food will remain much larger than Beverages, and will also grow faster (12% vs 9% CAGR)

Online Revenue Forecast Growth by Subcategory:



Volume and CAGR (%) by Subcategory I

CAGR 2025/ 2030 (%) by Subcategory I (Top 3 fastest growing markets)

	Volume 2030 (B$)	CAGR (%) 2019-2025	CAGR (%) 2025-2030	CAGR (%) France	CAGR (%) Denmark	CAGR (%) Sweden
Food	112.7	18.7%	12.0%	14.8%	14.6%	14.3%
Beverage	49.9	13.9%	9.4%	11.5%	11.5%	11.5%

We believe food will keep growing at a faster pace than beverages online due to:

- **Full Basket Migration:** As the entire weekly shopping moves online, the much larger food component drives overall growth
- **Planned vs Impulse Purchases:** Beverage sales still occur through separate, offline impulse channels
- **Unlocking Online Fresh Food & Meal Kits** remove barriers for "Food" growth

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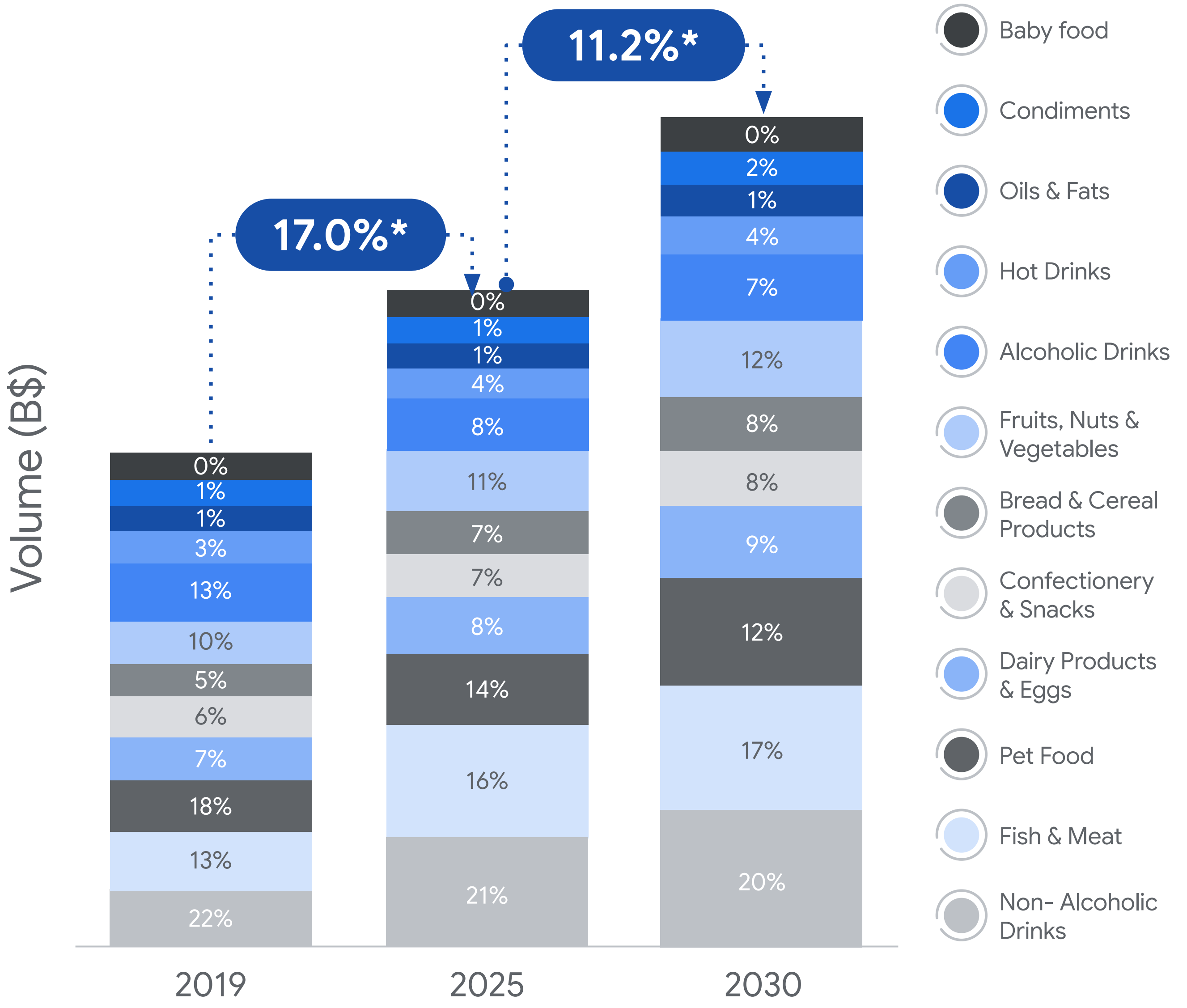
(1) Real data Europe; 2019 to 2024. Projected data to 2030 ;
*CAGR (2) Exclusion of pharmacy and pure player distribution channels. - **Source:** Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

Mindful drinking, healthy snacks, as well as protein oriented meals are all expected to drive category dynamics

Online Revenue Forecast by Subcategory II



Ranking by CAGR 2025-2030

		CAGR 2019-2025	CAGR 2025-2030
01	Non- Alcoholic Drinks	15.7%	9.8%
02	Fish & Meat	20.8%	13.1%
03	Pet Food	12.0%	8.1%
04	Dairy Products & Eggs	20.5%	12.6%
05	Confectionery & Snacks	19.9%	12.6%
06	Bread & Cereal Products	26.0%	12.5%
07	Fruit, nuts and vegetables	19.7%	13.1%
08	Alcoholic Drinks	7.6%	6.8%
09	Hot Drinks	20.1%	12.2%
10	Oils & fats	19.1%	14.0%
11	Condiments	16.2%	13.7%
12	Baby food	5.6%	7.2%
	Avg.	**16.9%**	**11.3%**

Ranking by Volume

		VOLUME (B$) 2030
01	Non- Alcoholic Drinks	32.4
02	Fish & Meat	28.4
03	Fruit, nuts and vegetables	20.2
04	Pet Food	19.2
05	Dairy Products & Eggs	14.1
06	Confectionery & Snacks	13.0
07	Bread & Cereal Products	12.9
08	Alcoholic Drinks	10.8
09	Hot Drinks	6.7
10	Oils & fats	2.3
11	Condiments	2.5
12	Baby food	0.13
	Avg.	**13.6**

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(1) Real data Europe; 2019 to 2024. Projected data to 2030;
*CAGR (2) Exclusion of pharmacy and pure player distribution channels. - **Source:** Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

Fruits & Nuts will be the subcategory with the highest growth in 8 of the markets analysed

Top 10 countries by 2030				
RANKING	**Country**	**RANKING** (Var. vs 2024)	**CAGR 2025-2030** (Desv. vs average*)	**TOP 3 SUBCATEGORY*** (Based on CAGR 2025-2030)
#1	United Kingdom	=	-2.4 p.p.	Fruit & Nuts / Fish & Meat / Alcoholic Drinks
#2	Germany	=	+0.6 p.p.	Fish & Meat / Fruit & Nuts / Dairy & Eggs
#3	France	=	+2.7 p.p.	Fruit & Nuts / Fish & Meat / Bread & Cereal
#4	Spain	**+1**	+1.4 p.p.	Dairy & Eggs / Fruit & Nuts / Snacks
#5	Italy	**-1**	-3.2 p.p.	Pet Food / Non-alcoholics / Fish & Meat
#6	Netherlands	=	+0.5 p.p.	Fish & Meat / Fruit & Nuts / Dairy & Eggs
#7	Sweden	=	+1.8 p.p.	Fruit & Nuts / Fish & Meat / Dairy & Eggs
#8	Turkey	=	0.3 p.p.	Pet Food / Hot drinks / Fruit & Nuts
#9	Denmark	=	+2.4 p.p.	Snacks / Fruit & Nuts / Dairy & Eggs
#10	Poland	=	-3.8 p.p.	Non-alcoholics / Snacks / Pet Food

Real data Europe; 2019 to 2024. Projected data to 2030; *CAGR average=11.2% / Source: Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

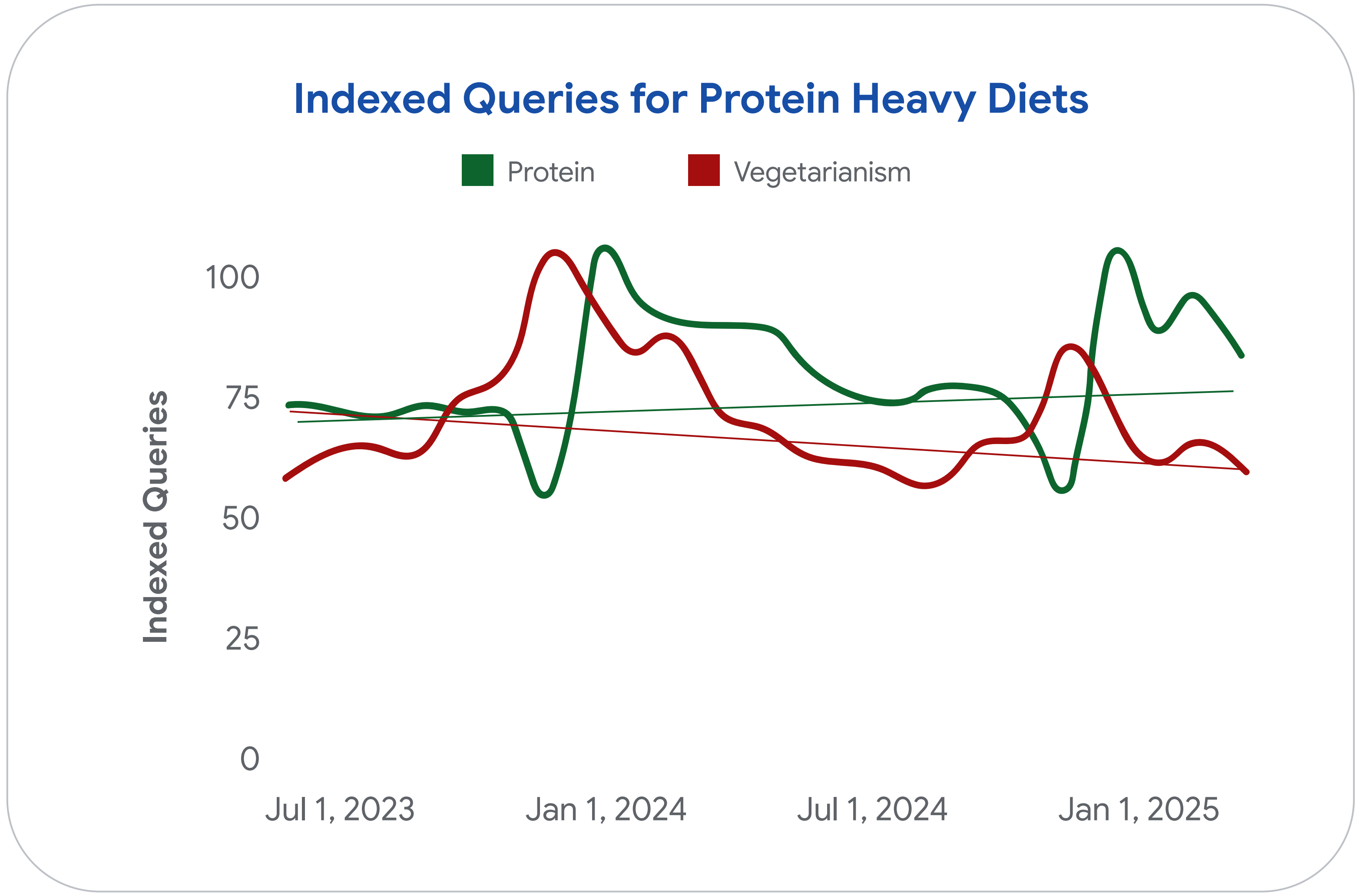
We are observing a trend for health, however vegetarianism is in decline due to the fear of processed foods

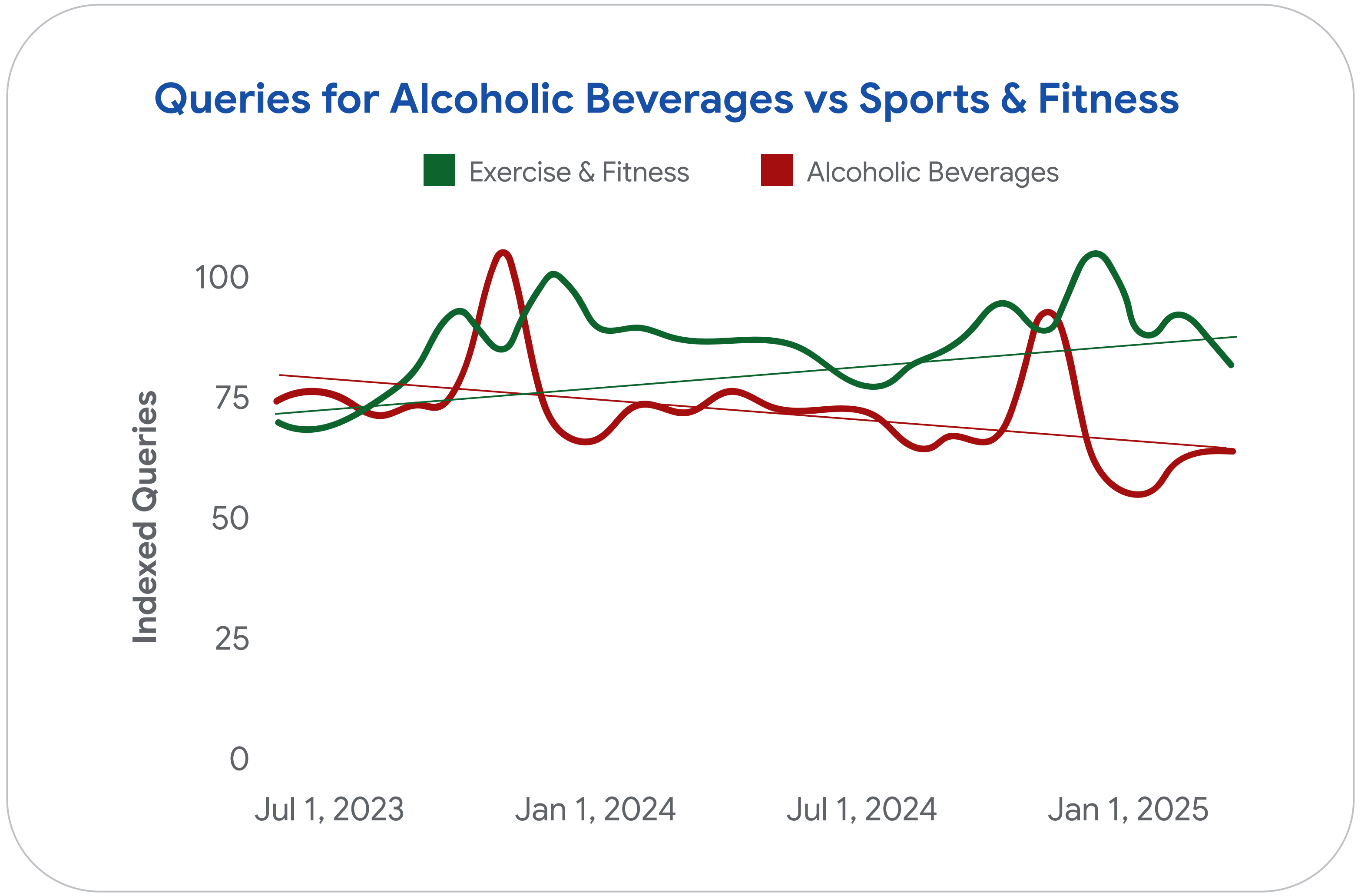
Dairy Products & Eggs

Eggs & protein are being rehabilitated in nutritional science, and hold an increasingly important role in health.

Alcoholic Beverages

Alcohol, on the other hand, is struggling due to health concerns and cost of living issues. Redirecting branding towards a more "healthy drink" is recommended.





(1) Real data Europe; 2019 to 2024. Projected data to 2030 / Source: Google; Statista; Deloitte Analytics © All rights reserved, Deloitte Analysis

4

How to Navigate the Transformation

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Capturing online growth while still boosting offline sales will require new thinking, as customer journeys are tougher to interpret

... more scrutiny

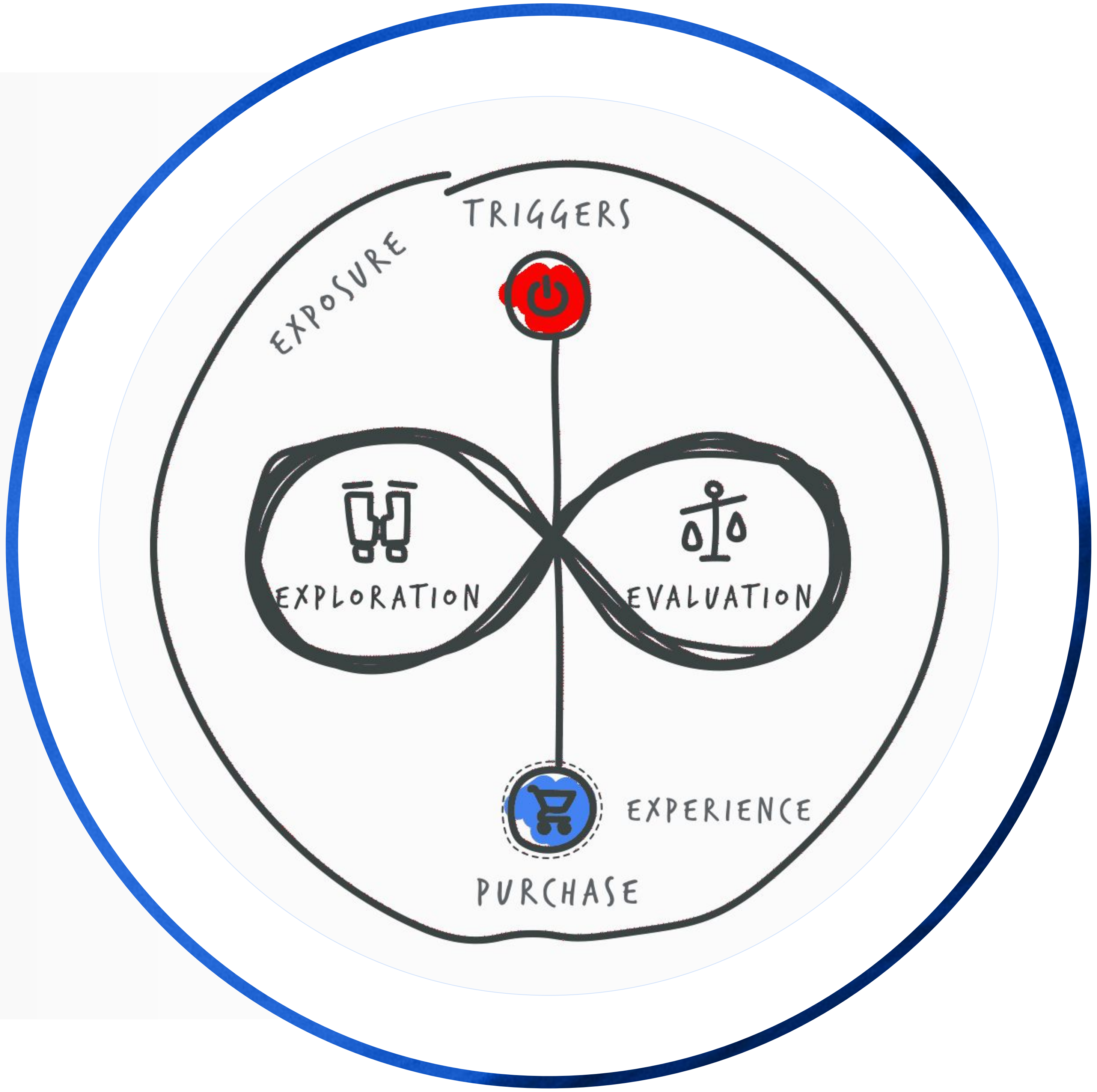
Seeking Confidence: prioritizing finding the exact products that reflects them

... more consideration

Expanding Options: exploring a wider range of brands and destinations

... more exploratory

Thorough Research: investing more time and effort in their research process



We're experiencing an online data "deluge"; omnichannel data collection is imperative

More Research

62% of consumers are doing more research when making F&B purchases vs four years ago (24' vs 20')[1]

More touchpoints

The average shopper has 10 touchpoints on their journey to purchase[3]

Information overload

2 in 3 consumers delay or avoid making decisions when faced with too many options or information[2]

Sources: 1) Qualtrics x Google Consumer Study, 2024 / 2 & 3) Google/Ipsos, The Relevance Factor, Mar 2024, n=18,003, online shoppers 18+ US, UK, AU, BR, CA, FR, DE, IN, IT, JP, MX, NL, SG, KR, ES, TW, TH, VN

Embracing a unified strategy for future e-commerce retail success in food & beverage will be key

Current Marketing

Measuring & optimizing digital media toward online-only KPIs,

Capturing demand via online signals, missing offline intent

Limited, or only “after the sale” alignment between offline and online

Future Marketing

Offline marketing

- Ensure up-to-date messaging on physical footprint
- Adopt measurement best-practice to capture offline signals
- Align KPIs with online approach

Online marketing

- Ensure consistency between look and feel, values and intent of your brand between in-person store experiences and web / mobile
- Unify marketing objectives, to drive traffic to store when more valuable while maximising ecommerce revenue

Leveraging 1PD is key to gain competitive advantages in the omnichannel environment & hyper-personalizing the customer experience

Google 1P Data

- Device
- OS
- Browser
- Location
- Language
- Day & Time

+

Your 1P Data

- **Store Sales**
- Store Visits
- Local Assets
  (Products + Offers + Promotions)
- Product Feeds
- Purchase History + Loyalty
- Online Conversions
- Audiences
- Google Business Profile

Your Competitive Advantage

By using the sales data from your physical stores to guide advertising, campaigns automatically adjust to increase your real-world revenue

Infrastructures must revolve around measurement, bidding, and optimization - leveraging high-value app engagements

Omni Sales Infrastructure

powered by your **1P data**

Store

- Items shoppers buy
- Digitally-driven Store Sales
- Dynamic Store AOVs

1P Store Sales

\+

Online + App

- Items shoppers buy
- Cross-sell + Up-sell
- Online Sales + Profit

Conversions w/ Cart Data

- App users have 4x longer LTVs than non-app customers
- Customers who interact with your App spend 2x more on your brand

Infrastructure as a single loop

The Store Reimagined: With F&B being an inherently offline business; the retail store will have to become more than a mere P.O.S

The Store's Evolved Purpose

- Fulfilment (Click & Collect, Local Delivery)
- Experience (Events, Demos, Community)
- Service (Expert Advice, High-Touch Support)

Tech-Infused In-Store Experiences

- App-guided shopping, personalised offers
- Interactive discovery (QR, Digital Content)
- Frictionless checkout (Scan & Go, Mobile POS)

Unified Data & Operations for a 360° View

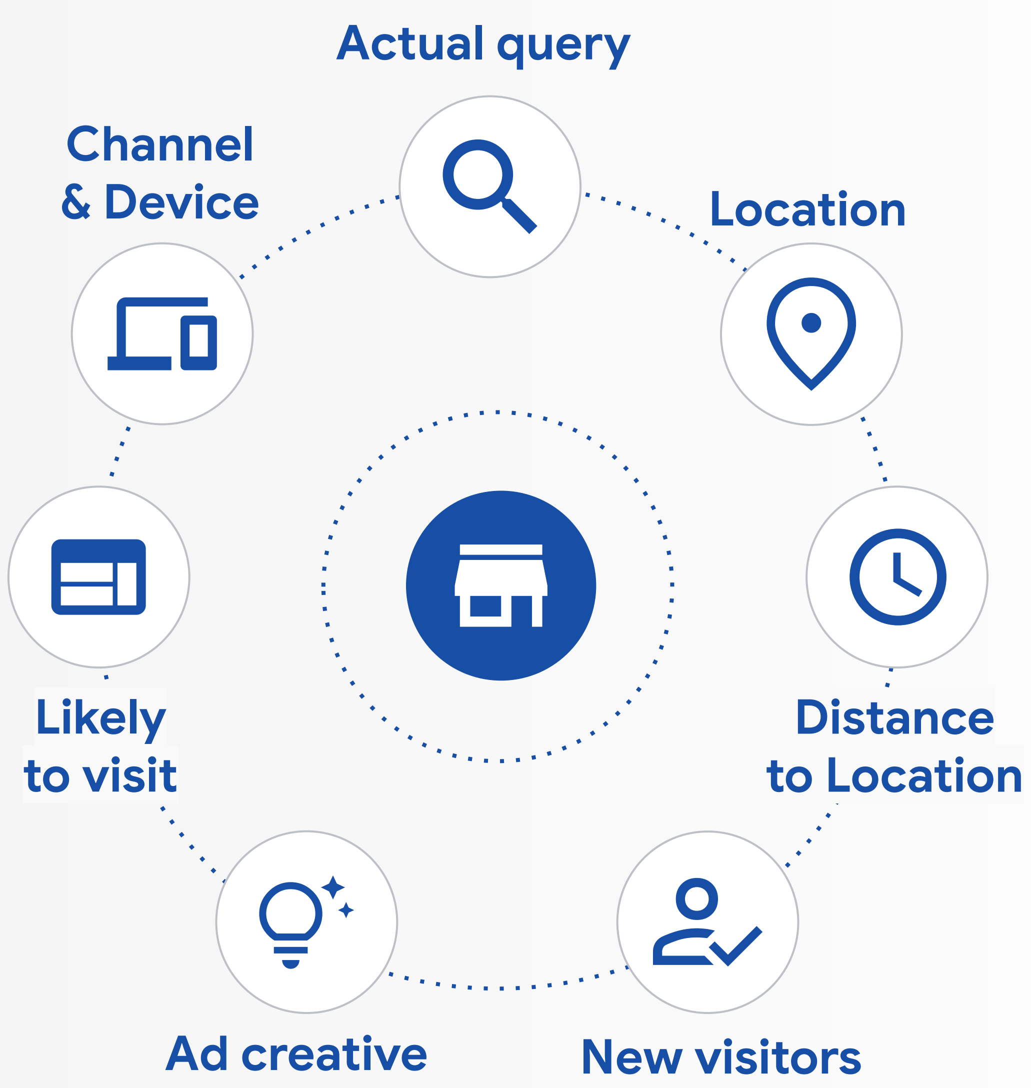
- 360° Customer View (Online + Offline)
- Synced Operations (Real-time Inventory)
- Phygital Marketing (e.g., PMax for store goals links online to in-store)

A "Phygital" store approach creates superior experiences, allows for more operational agility, and drives sustained retail growth

The Store Reimagined: With F&B being an inherently offline business; the retail store will have to become more than a mere P.O.S

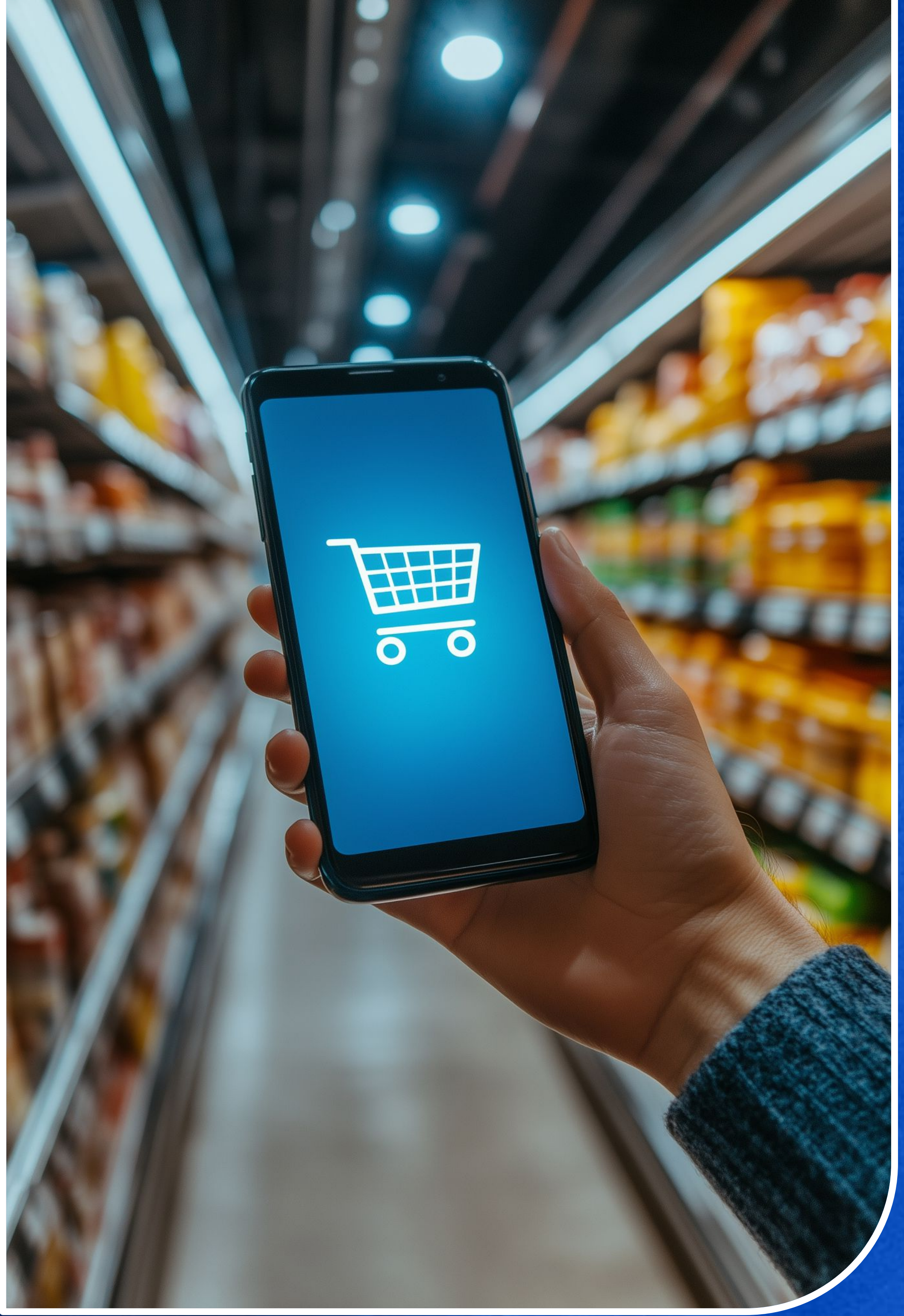
PMAX for Store Goals

A range of signals are used to reach the right audience



Unified Data & Operations for a 360° View

- 360° Customer View (Online + Offline)
- Synced Operations (Real-time Inventory)
- Phygital Marketing (e.g., **PMax for store goals** links online to in-store)



Getting permanently close to your customers, with the right product assortment:

- Hyper-Personalization at Scale
- Reimagining Impulse Buying & Product Discovery for the Digital Shelf
- The Margin Maze: Private Label & Category Expansion

Moving from generic segmentation to individual segmentation & experiences

With evolving expectations; curated experiences for customers will be required to grow your business:

Individual Dietary Needs

Seamlessly cater to precise dietary requirements, unique taste profile & more.

Convenience & Time Optimization

F&B platforms will have to learn customer routines & streamline shopping: from auto-replenishing staples, quick meal solutions, pick-up services etc.

Ethical Values Alignment

Retailers will need to supply options that reflect the ethical commitments of their customer base, such as sustainability or local sourcing.

Occasion-Based Curation

Shoppers will look for personalized suggestions that align not only with dietary needs, but occasions, moods, and events.

Activating hyper personalization: Leveraging Google's AI & data capabilities

Google

Product & Headline	**Demand Gen** Discover & Engage with Precision.	**Customer Match** Deepen relationship with known customers.	**Google Analytics 4** Understand & predict for proactive marketing.
Action	Leverage AI-powered audience discovery (dietary interests, active searches for high-growth F&B categories).	Upload consented first-party data (purchase history, loyalty data, preferences).	Utilize predictive audiences (e.g: likely to purchase, likely to churn) and deep integration with Google Ads.
Impact	Connect with new, relevant F&B consumers at scale with tailored messaging.	Delivery relevant offers & content based on precise data, boosting loyalty & LTV.	Optimize marketing spend and proactively engage users with the right message at the right time.

The digital dilemma: recapturing impulse buying in food & beverage e-commerce

Offline Purchases

- Sensory & Physical Impulses: Eyes, touch, smells etc.
- Strategic Placements: Check-out counters, end caps etc.
- More time consuming. Mindset of “getting-it-all”

Online Purchases

- Task-Oriented Shopping: More list-driven and mission focused
- Sensory Disconnect
- Less time consuming; can always return

The Problem of Online

“Impulsive purchasing is quite common when shopping in supermarkets and grocery stores. In fact, it accounts for up to 62% of supermarket sales and can drive up to 80% of sales in specific product categories”.

Source: Cheng et al., “Impulsive Purchasing in Grocery Shopping”

The online impulse challenge: strategies to recapture spontaneous F&B sales

Consideration & Awareness Boost (for Brands)

Food is inherently visual and experiential. Video is the most potent tool to bridge the sensory gap online. You can tell stories through:

- Product showcases
- Recipe inspirations
- Origin stories & product “values”

Threshold Incentives

“Spend another €5 to to get a free delivery”

Implement Strategic Nudges & Low Friction Add-Ons

Replicating the “ease of grabbing” extra items.

- Optimized add to cart & quick buy buttons
- Digital checkout aisle: “Forgotten something?”, “Treat yourself” etc.

On-Site Discovery & Limited Offers

- Digital endcaps & themed collections
- AI-driven personalized section: “Inspire me”
- Interactive & engaging layouts: use visuals, carousels and dynamic content

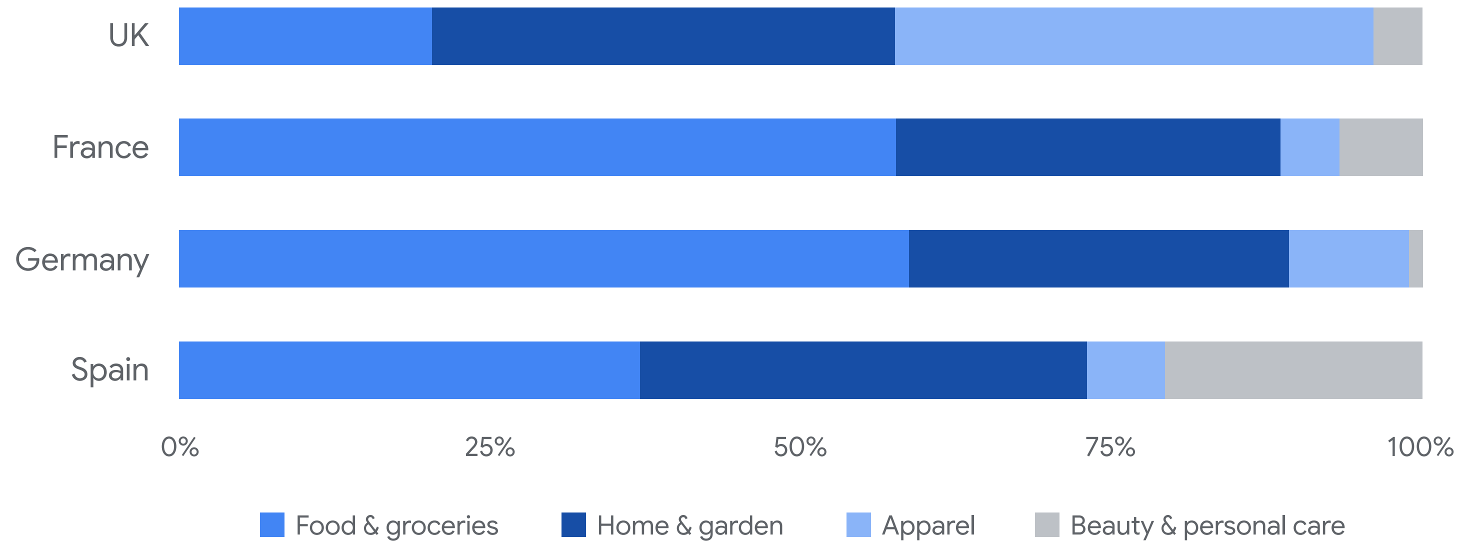
We are also experiencing a "margin maze" in grocery e-commerce; players are fighting this through two solutions

The Margin Challenge in Grocery Deliveries

- Last Mile Delivery Burden
- Labour intensive order fulfillment
- Challenging order economics & price sensitivity

Category Diversification

Top Five Grocery Retailers per Market: Share of Google Search Traffic

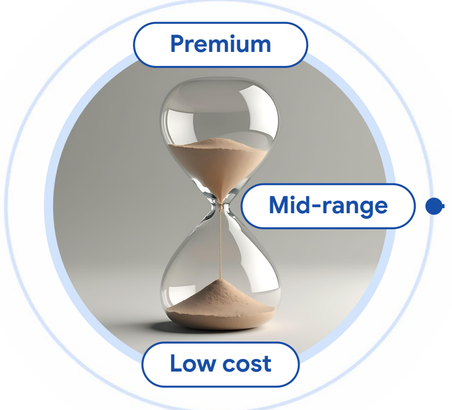


To counteract slim grocery margins, retailers are expanding into more profitable categories, a move reflected in the surging clicks now being driven by non-food categories like *Home & Garden* for grocery retailers".

The Private Label Demand

The Hourglass Effect

Economic hardships are fueling F&B's 'hourglass effect,' with consumers polarizing between budget-friendly private labels and premium sustainable/ethical options, squeezing the mid-tier.



Private Labels' Growing Market Share

Private label sales have consistently grown, reaching 38%[1] of the grocery market in 2024, with projections of up to 42% of sales revenue by 2030.

(1) PLMA / NielsenIQ: International Private Label Yearbook

Strategic Imperatives for E-commerce Food & Beverage by 2030

1 Macro Trends as Market & Category Maker

Anticipating macro-level country & category trends to target high demand and/or margin.

2 Unifying Customer Data for Omnichannel Sales Flow

Merging online & offline measurement, bidding and optimization in a complex multi-channel environment.

3 Private Label & Category Expansion as a hedge against low margin products

Diversifying product offering to include other categories (home & garden) or using 1PD to identify and launch appealing white label products.

4 Hyper Personalization as a Sales Boost

Using 1PD & 3PD to tailor your strategy to every customer differently.

5 Reimagining Impulse Buying & Product Discovery for the Digital Shelf

Work on brand consideration, flawless CX, and on-site discovery to make it easy for people to "add to cart".

5

Appendix

Google Deloitte.

Our team

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Glossary

Categories and subcategories

- **Category:** Classification used to group products that share similar characteristics, functions or consumer purposes.
- **Subcategory:** Classification used to group products that share similar characteristics, functions or consumer purposes.
- **Fashion Categories:** Children's Apparel, Leather Footwear, Luggage Bags, Men's Apparel, Sneakers, Textile Other Footwear, Watches jewellery, Women's Apparel.
- **Food & Beverages Categories:** Alcoholic Drinks, Baby food, Bread & Cereal Products, Confectionery & Snacks, Dairy products & eggs, Fish & Seafood, Hot Drinks, Non-Alcoholic Drinks, Oils & Fats, Sauces & Spices, Fruits & Nuts, Meat, Pet food, Vegetables, Spreads & Sweeteners.

Demographic information

- **Population:** Number of people living in a specific geographic area, such as a city, country, or the entire world. It represents the complete count of individuals residing in that area at a given point in time.

Metrics

- **Percentage points:** Measure the absolute difference between two percentages—providing a clearer view of growth or gap in share, performance, or change over time. Unlike percent change, this metric avoids confusion when comparing shifts in proportions.

Glossary

KPIs

- **Internet penetration:** Proportion of people accessing the internet during a given period, through any device or channel (mobile, desktop, tablet, etc.). It is expressed as a percentage of the total population of the territory analysed.
- **Household income:** Total combined income of all people living in a single household, regardless of their relationship to one another. This includes income from wages, salaries, benefits, pensions, investments, and any other sources of earning before taxes are deducted.
- **Consumer spending per capita:** Average amount of money spent on goods and services by each person in a specific population over a given period. It is calculated by dividing the total consumer spending in a country or a region by its total population.
- **Revenue:** Total amount of income generated by a business, organization, or individual from the sale of goods, services, or other business activities before any expenses are deducted.
- **Ad investment:** Amount of money a company or organization allocates and spends on advertising to promote its products, services, or brand.
- **Impressions:** Number of times an advertisement is displayed or appears on a screen, regardless of whether it is clicked or interacted with. Each time an ad is shown to a user, it counts as one impression.
- **Queries:** A request for information made to a database, system, or server. In digital contexts, queries are typically used to retrieve specific data or content.
- **Revenue share:** Percentage of total revenue that is attributed to a specific brand, product, service, or partner within a defined market, category or business agreement. It measures how much of the overall revenue is captures by one participant relative to others in the same space.
- **Ad investment share:** Percentage of total advertising spend within a specific category, market, or platform that is attributed to a particular brand, product, or campaign. It indicates how much of the total available ad budget in each competitive set is captured by one advertiser.

Glossary

KPIs

- **Impressions share:** Percentage of total available impressions (or views) that an ad receives compared to the total number of impressions it was eligible to receive within a specific campaign or a time frame. It measures how often an ad is shown relative to its potential reach.
- **Queries share:** Percentage of total search queries (or search volume) in which a specific ad or brands appears, relative to the total number of queries it could potentially be shown for. It measures how often a brand's ad is triggered by relevant terms within a given set of keywords.
- **Market share:** Percentage of product's sales relative to the total sales within its sector or category over a defined period. It is used as a competitiveness metric to assess an organization's relative position within its reference market.
- **Online share:** Percentage of sales generated through physical or traditional channels relative to the total sales of a category, market, or company. This indicator quantifies the weight of physical distribution compared to digital channels.
- **Offline share:** Percentage of sales generated through physical or traditional channels relative to the total sales of a category, market, or company. This indicator quantifies the weight of physical distribution compared to digital channels.
- **Weekly revenue online:** Total amount of money generated from sales or transactions during a specific week. This includes revenue from e-commerce websites, online platforms, or digital services within that seven-day period.
- **CAGR (Compound Annual Growth Rate):** Financial indicator that expresses the constant growth rate of a variable over a specific period, assuming that earnings are reinvested at the end of each year.

E-COMMERCE IN FOOD & BEVERAGE

Thank you!