

This month marks the two-year anniversary since Amazon.com Inc. announced it would acquire grocery store chain Whole Foods Market for US\$13.7 billion, a deal that significantly expanded Amazon's reach offline and helped push the rest of the grocery industry to bolster their online and offline services, says [Digital Commerce 360](#).

While the announcement had many analysts speculating that [Amazon would dominate grocery sales](#) both online and off, that has yet to be seen, notes the publication.

Still, Amazon has found its share of success with the acquisition.

The company - which ranked first in the [Internet Retailer 2019 Top 1000](#) - benefited from the strategic move in several ways. For one, it can now offer online orders from dozens of [Whole Foods stores](#) for home delivery in two hours. This service is available in more than 60 cities via Prime Now.

It also offers Prime Members curbside pickup of [Whole Foods online](#) orders as well as certain discounts.

A third benefit is how the acquisition has driven incremental purchases to Whole Foods for shoppers picking up online orders at a locker.

Finally, although not tangible, a key advantage for Amazon has been the media buzz surrounding the acquisition, says [Paula Rosenblum](#), co-founder and managing partner at the consultancy Retail Systems Research.

"[The major benefit is] endless free PR and striking terror in the hearts of grocers around the world," the publication quotes her saying.

That fear has motivated some of the largest grocers and mass merchants to amp up their grocery services in the years following the acquisition, Digital Commerce 360 adds.

For instance, in November 2017, grocery chain operator Albertsons Cos. Inc. started online grocery delivery for orders on JewelOsco.com in select markets, in addition to its home delivery program for its Safeway grocery stores.

Another example is Target Corp., which announced in 2017 that it would acquire delivery service Shipt, which can deliver groceries same day.

Walmart also stepped up its services. In addition to its [curbside pickup](#) service of fresh

groceries and online delivery service, the company this month announced its new Delivery Unlimited service, a grocery deliver subscription service in Houston, Miami, Salt Lake City and Tampa, with more markets to come.

The publication indicates that, in the past few years, consumers have demonstrated a growing appetite for buying groceries online, as online sales and e-commerce's share of total sales have continued to climb for supermarket chains in Internet Retailer's Top 1000.

It refers to a just-released [Food Marketing Institute's U.S. Grocery Shopper Trends 2019](#) report, which published findings from a survey of 1,786 U.S. adults in February 2019.

The survey showed that 33% of regular consumers shop at online-only retailers for groceries at least sometimes, up from 28% in 2018, 25% in 2017, 20% in 2016 and 16% in 2015.

Additionally, 43% of shoppers have placed an online grocery order in the past year, and 10% of shoppers say they shop online for groceries at least every two weeks.

For online sales, Amazon is the most popular choice for shoppers, notes Digital Commerce 360.

In the first few months of 2018, Amazon captured 30% of online grocery spending in the U.S.—as much as all grocery chains combined—[according to a May 2018 survey](#) of 4,855 U.S. adults by Brick Meets Click, a consultancy for grocery retailers and the consumer packaged goods industry.

Bloomberg estimates that Amazon sold US\$25.4 billion in groceries both online and in stores in 2018, which doesn't include an additional US\$23.6 billion in sales of consumables.

However, online sales represented just 5.5% of total U.S. grocery sales in 2018, Brick Meets Click says.

In 2019, the firm expects it to grow to 6.3%. And for these total grocery sales, Amazon is not even close to catching up to the major chains and its mass merchant competitors.

According to [Bloomberg News](#), for the overall grocery market, Amazon/Whole Foods only captures 3.7% of grocery sales and Walmart is still the largest grocer.