Retail Supply Chain Update
February 19, 2021

**Kroger to roll out smartphone-enabled COVID-19 rapid antigen test**

- Through its Kroger Health arm, The Kroger Co. plans to offer what it called the first smartphone-enabled, at-home rapid antigen test for COVID-19.
- Kroger said Tuesday that the Gauss COVID-19 Rapid Antigen Test Kit, awaiting Food and Drug Administration emergency use authorization (EUA), can be performed using a smartphone and a lateral flow assay — similar to an at-home pregnancy test — without involving a laboratory, a telemedicine visit or specialized electronics. The Cincinnati-based food and drug retailer expects the at-home rapid antigen test, once granted EUA from the FDA, to become available for purchase on Kroger.com and over the counter at its 2,200 pharmacies nationwide.

**Walmart Canada’s e-commerce sales surge 229% amid the pandemic**

- Walmart Canada’s e-commerce net sales grew 229 per cent in the most recent quarter, the strongest growth of the company’s international markets, capping an unprecedented year for the world’s largest retailer.
- Net sales at Walmart Canada grew 8.6 per cent in the 13-week period ending Jan. 31, the company disclosed on Thursday. Comparable sales, a key metric in the retail industry, also jumped 8.6 per cent, thanks largely to strong sales in the food and online grocery categories.

**Food Lion launches SNAP EBT payment for Instacart orders**

- Food Lion has partnered with Instacart to enable Supplemental Nutrition Assistance Program (SNAP) participants to directly pay for online grocery orders through electronic benefit transfer (EBT).
- San Francisco-based Instacart said Thursday that the capability is now available at more than 350 Food Lion supermarkets across North Carolina, covering about a third of the Ahold Delhaize USA chain’s store base. Food Lion shoppers receiving SNAP benefits can use the new EBT service for both online grocery delivery and pickup orders.

**Publix tops 300,000 mark in COVID-19 vaccines administered**

- Publix Super Markets has provided more than 300,000 COVID-19 vaccinations in four states since it began administering the vaccine a week into the new year.
- Publix said Friday that, through the end of Feb. 11, its pharmacies have administered over 250,000 doses of the Moderna coronavirus vaccine to customers in Florida and roughly 50,000 doses to customers in Georgia, South Carolina and Virginia.
Stop & Shop donates meals to health workers at COVID vaccination sites

- Northeast grocer Stop & Shop is providing free, fresh meals to staff at mass-vaccination sites in the markets it serves, including vaccination hubs at Fenway Park and Gillette Stadium in Massachusetts and the Meadowlands sports complex in New Jersey.
- The donations, which will include hundreds of sandwiches and salads weekly, began last week and will continue into the spring as efforts to administer the COVID-19 vaccinations across the region continue to ramp up.

Ahold Delhaize’s omnichannel strategy pays off with strong fiscal year

- Global food retailer Ahold Delhaize closed out fiscal 2020 with double-digit net and comparable sales gains for its U.S. supermarket business, driven in part by more than 100% growth in online sales.
- For the 14-week fourth quarter ended Jan. 3, net sales at Ahold Delhaize USA climbed 18.7% to $13.62 billion from $11.47 billion in the 13-week quarter a year earlier, Zaandam, Netherlands-based Ahold Delhaize said Wednesday. Comparable-store sales excluding gasoline grew 11.2% (10.2% including fuel sales). Online sales swelled 128.5% to $755 million from $330 million a year ago.
- “When we started to see consumers shift their purchases more online at the onset of COVID-19, we acted quickly to shift capital expenditures in 2020 to accelerate investments in digital and omnichannel capabilities. As a result of these combined efforts, we ended 2020 in a strategically stronger position than before the COVID-19 pandemic began,” Ahold Delhaize President and CEO Frans Muller said.

Tyson Foods compensating workers who choose to get COVID-19 vaccine off-site

- Tyson Foods on Wednesday announced plans to offer up to four hours of compensation for workers who choose to receive the COVID-19 vaccine off-site, and outside of their regular work hours.
- The meat processing company already offers on-site vaccinations at its U.S. plants, though this option is contingent upon vaccine availability.

Online CPG food and beverage sales could top $100 billion in 2021

- Turning more food shoppers into online customers represents a $58 billion growth opportunity for grocery retailers and CPG companies, according to NielsenIQ research released today at the FMI Midwinter Executive Conference.
- Online food and beverage sales — including grocery plus restaurant online delivery — jumped 125% to $106 billion over the 52 weeks ended Nov. 30, accounting for 12% of overall dollars spent in those categories, NielsenIQ data shows.
- As a result, food and beverages have become the largest online CPG segment, representing 44% of dollar sales over the 52-week period. That compares with 38% for health and beauty, 8% for home and kitchen, 8% for pet supplies and 2% for baby care. In the total “online food universe,” CPG food and beverages were a $66 billion market versus $40 billion for restaurant delivery.
3 scenarios for online growth in 2021
From $318 in 2019 to $66B in 2020...what does 2021 hold?

Forecasted CPG food and beverage dollars online
By end of 2021

- **$94B**
  - Conservative

- **$103B**
  - Moderate

- **$109B**
  - Aggressive

Source: NielsenIQ consumer analytics. Retail & E-commerce measurement powered by Nielsen Intelligence 12 weeks ending 12/30/2020

Significant opportunity to attract new online food shoppers
More than 20 million new online CPG buyers in 2020

Percentage of households buying online

$58 billion opportunity by increasing buyers to same level as non-food

Food and beverage is now the #1 online CPG department

Total online food universe dollar share
Latest 52 weeks

- Restaurant Delivery $40 B
- CPG Food & Beverage $66 B

CPG e-commerce dollar share
Latest 52 weeks

- CPG Food & beverage 44%
- Health & beauty 8%
- Home & Kitchen 8%
- Baby products 6%
- Pet Supplies 2%

Online CPG buyers

As shoppers become more comfortable, they also tend to increase their spend ($/buyer) which makes them more valuable over time

- 2018 - $321
- 2019 - $348
- 2020 - $501