

Snow, cold drove Long Islanders to order groceries online

Local grocers have joined the national trend of promoting online grocery orders as they seek to combat Amazon and Walmart.



King Kullen employee Victoria Hamilton processes an online order at the Bay Shore store on Monday, Jan. 8, 2018. Photo Credit: Raychel Brightman

By Tory N. Parrishtory.parrish@newsday.comUpdated January 9, 2018 4:52 PM

Long Island residents bombarded grocery stores with purchases of bread, milk, eggs and other staples ahead of Thursday's snowstorm, and many of them didn't have to leave home.

Some of last week's shopping surge came in the form of online orders, which was a new experience for some local grocers that began offering online sales only a few months ago.

Stew Leonard's, a Norwalk, Connecticut-based grocery chain of six stores, saw its online orders Wednesday double from their usual number, said Jake Tavello, who oversees the chain's online shopping service. The chain's two Long Island stores are in East Farmingdale and East Meadow.

"The combination of customers' anticipation of the storm, the new January promotion of \$20 off of \$50 or more for new customers, and the free delivery for a year promotion led us to a new record week of orders," he said.

Stew Leonard's began offering online sales and same-day delivery Nov. 1, through a partnership with San Francisco-based retail delivery service Instacart.

Stew Leonard's customers expecting stores to be chaotic before the snowstorm took advantage of the online service, though the chain's online prices are about 15 percent higher than in-store, Tavello said.

In addition, Instacart fees normally range from \$5.99 to \$9.99 per order. Instacart Express members can pay \$14.99 monthly, or \$149 annually, for unlimited same-day delivery.

Instacart launched its service on Long Island with several retailers in August. Using Instacart's website or app, customers place their grocery orders, which the company's independent contractors fulfill and then deliver.

Instacart saw a 47 percent increase in orders and deliveries on Long Island last week, compared to a 5 percent spike nationwide, spokeswoman Dacyl Armendariz said. In some other areas of the East Coast hit by the snowstorm, demand increased 95 percent, she said.

One of the companies that Instacart launched its Long Island service with in August was Bethpage-based grocer Best Market. That 28-store chain saw a 50 percent increase in online sales before the storm last week, said Best Market Vice President Or Raitses.

"A lot of people still want to do that traditional shopping in the store and some don't," Raitses said. Most online prices are the same as in store, he said.

Many brick-and-mortar grocers were late to join the online movement, but now all the medium-sized and large chains are adding the service to compete with Amazon, Walmart and other large retailers, said Jim Hertel, senior vice president at Willard Bishop, a Long Grove, Illinois-based grocery industry research firm.

"When Amazon bought Whole Foods (in June), it kind of woke a lot of people up in terms of the need not just to experiment with e-commerce, but to embrace it," he said.

Long Island grocers that have offered online sales for longer also got a boost in orders last week.

In King Kullen's online grocery service, which started in 2012, store employees select the groceries, and a third-party company delivers them, said Tracey Cullen, director of online and social media for the Bethpage-based retailer.

King Kullen's online prices are the same as those in the stores, and the delivery fees ranges from \$2.99 for orders of less than \$99 to \$5.99 for orders between \$150 and \$199. There is no fee for orders of \$200 or more.

The 32-store chain increased staffing in the stores to support the increase in online volume before the storm, and many orders were from new customers, Cullen said.

The Stop & Shop grocery chain also began online orders in 2012, delivering through its Peapod subsidiary, which fulfills orders separately from stores and does not have same-day delivery. The grocer is a unit of Netherlands-based Ahold Delhaiz and has about 50 stores on Long Island.

"We certainly see a spike in website traffic and orders during severe weather events and the freezing temps like these past few weeks," said Carrie Bienkowski, Peapod's chief marketing officer. Most of the prices online are comparable to prices in the store.

Online business is still a small part of overall grocery sales.

At Best Market, online sales account for "much less than 5 percent," Raitses said. At Stew Leonard's, the initial goal is to get to 2 to 3 percent, company President Stew Leonard Jr. said recently.

Nationwide, online grocery sales account for about 4.3 percent, or \$20.5 billion, of all grocery sales, according to a 2017 study by the Food Marketing Institute and Nielsen. The study projects that by 2025, the share will increase to between 8.51 percent and 19.72 percent.

Amityville resident Erin Hurme, 37, is a married mother of two sons, 3 and 7, and runs Amityville Wellness, which provides acupuncture, massage and other services.

She typically places her weekly grocery order by cellphone from King Kullen on Sunday for delivery on Thursday, but the store moved up the delivery date by one day to make sure she got her purchases before the storm, she said.

"It's just like superior service ... I got extra meat and a lot of extra food, and everything came, which was great," she said. "It's just a massive stress that's been alleviated."