

The State of Online Grocery Stores in Russian



with support of



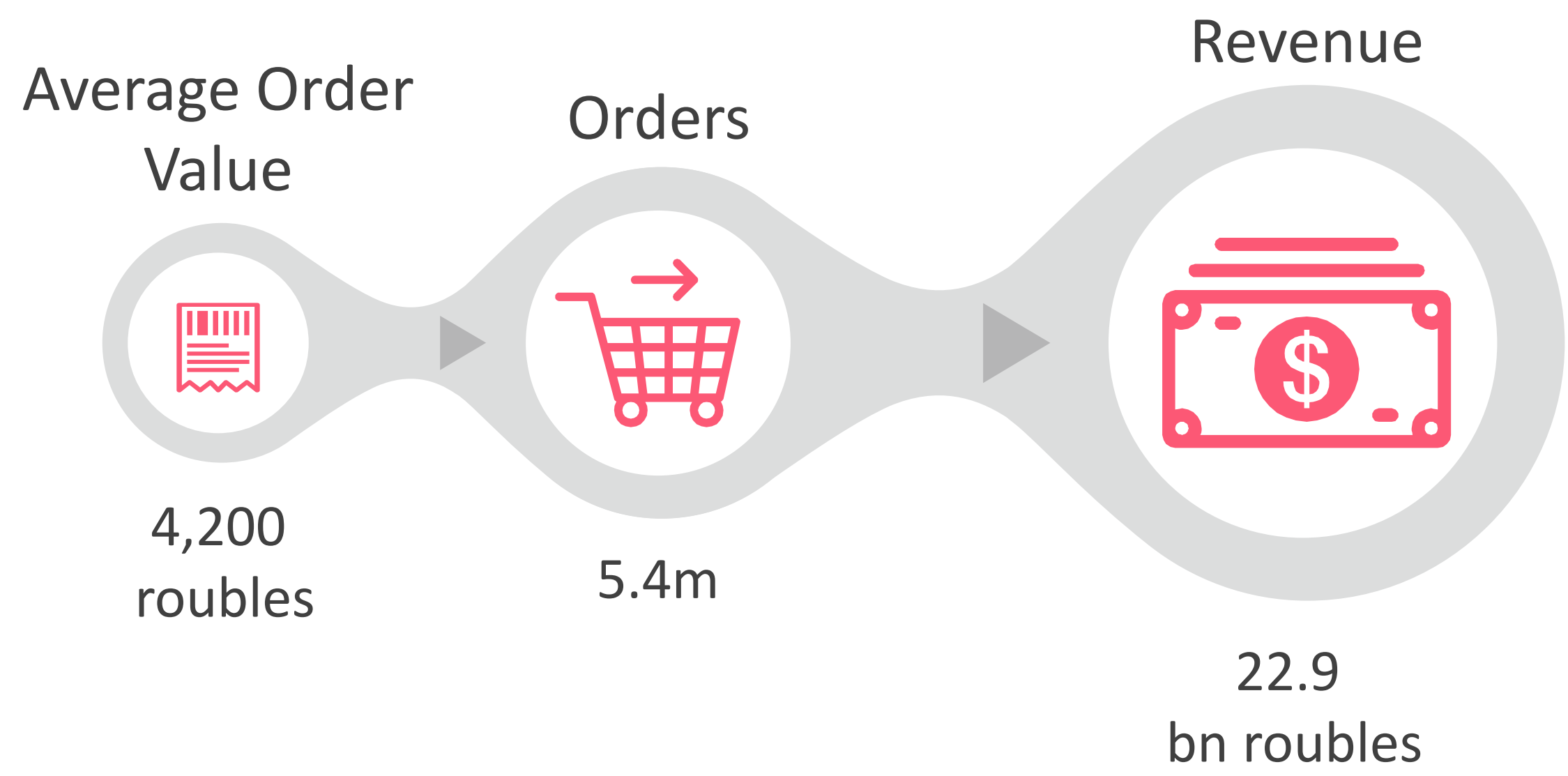
Research Methodology

1. The study examines online grocery stores.
2. An online store is a website or mobile app where users can place orders by filling out a form or by adding products to a virtual cart.
3. The report covers the online sales of Russian food retailers through websites and apps owned or operated by Russian legal entities. It does not include inbound or outbound crossborder sales. Nor does it cover meal delivery services and food sales by multi-category online retailers (like Ozon).
4. Statistics of the sector are based on data from 32 of the largest online grocery stores, which are members of Russia's eCommerce top-1000.
5. Estimates for the number of online orders are based on regular monitoring of online retailers, data provided by retailers themselves, or information found in the public domain.
6. We are applying automatic parsing to determine which third-party services are used by online stores. In difficult cases, we are layering in manual analysis.



Key Figures

Grocery Online Stores Market Size



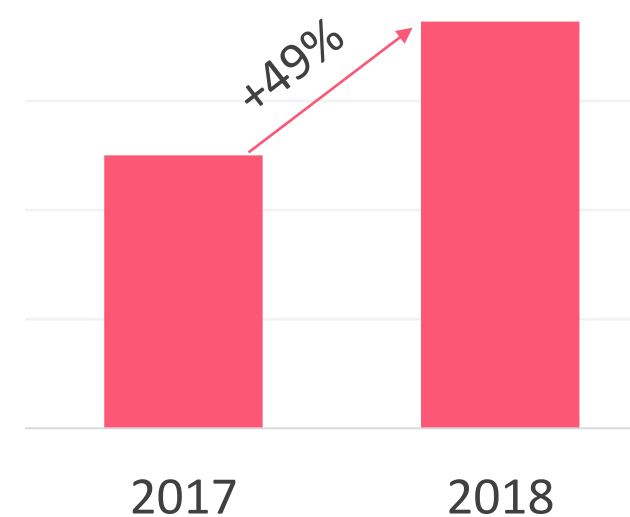
In 2018, 32 of the largest online stores in the Grocery market (TOP 1000 participants) received **5.4 million orders** amounting to **22.9 billion roubles**. The average order value (AOV) was **4,200 roubles**.



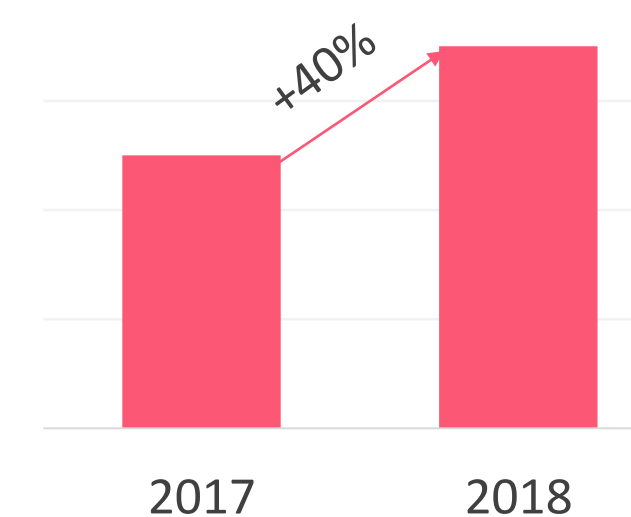
Market Dynamics

In 2018, the number of orders made in online grocery stores rose by **49%**, and the amount of online sales increased by **40%**. AOV fell by **6%**.

Orders

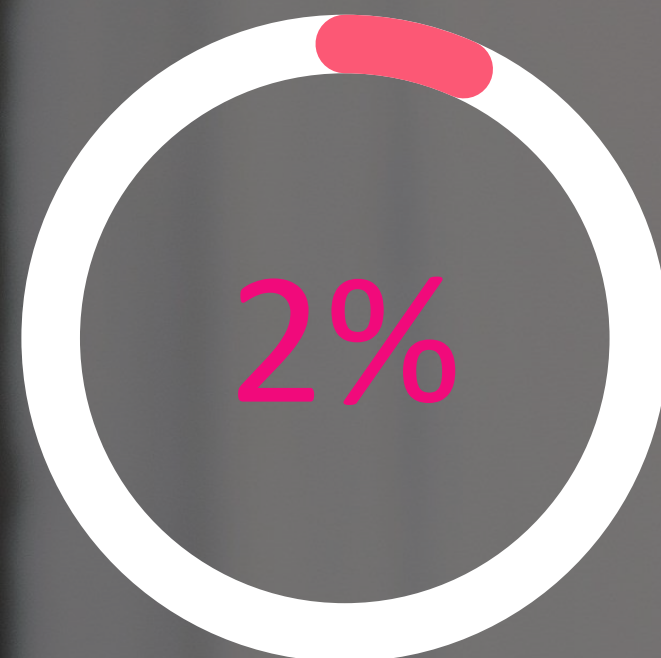


Revenue (RUB)



The Share of Grocery Stores in the eCommerce Market

Number of orders



Revenue

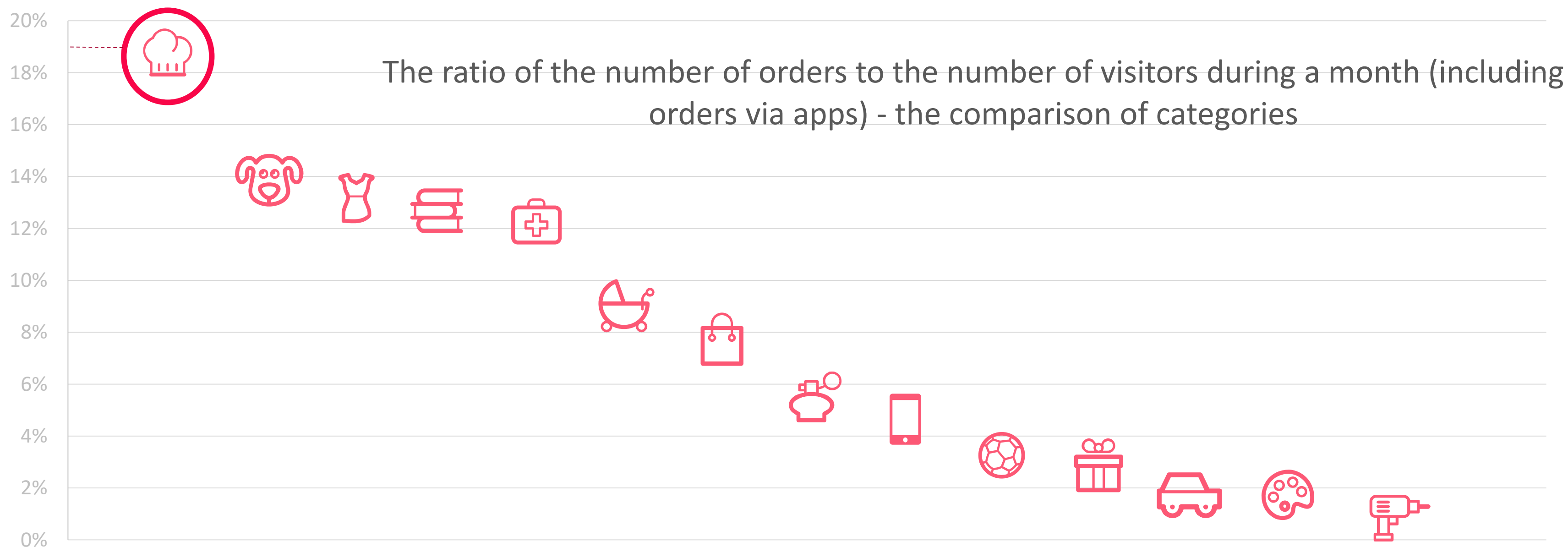


In 2018, **2%** of all online orders* took place in online grocery stores, representing a share in overall revenue of **2%**.

* - of the largest 1 000 online retailers

The Conversion Rate of Online Stores

In the grocery store sector, the conversion rate was the highest among main categories, at **19,0%**. The second highest rate is for pet supplies stores, at 13.6%.





Sector
Composition



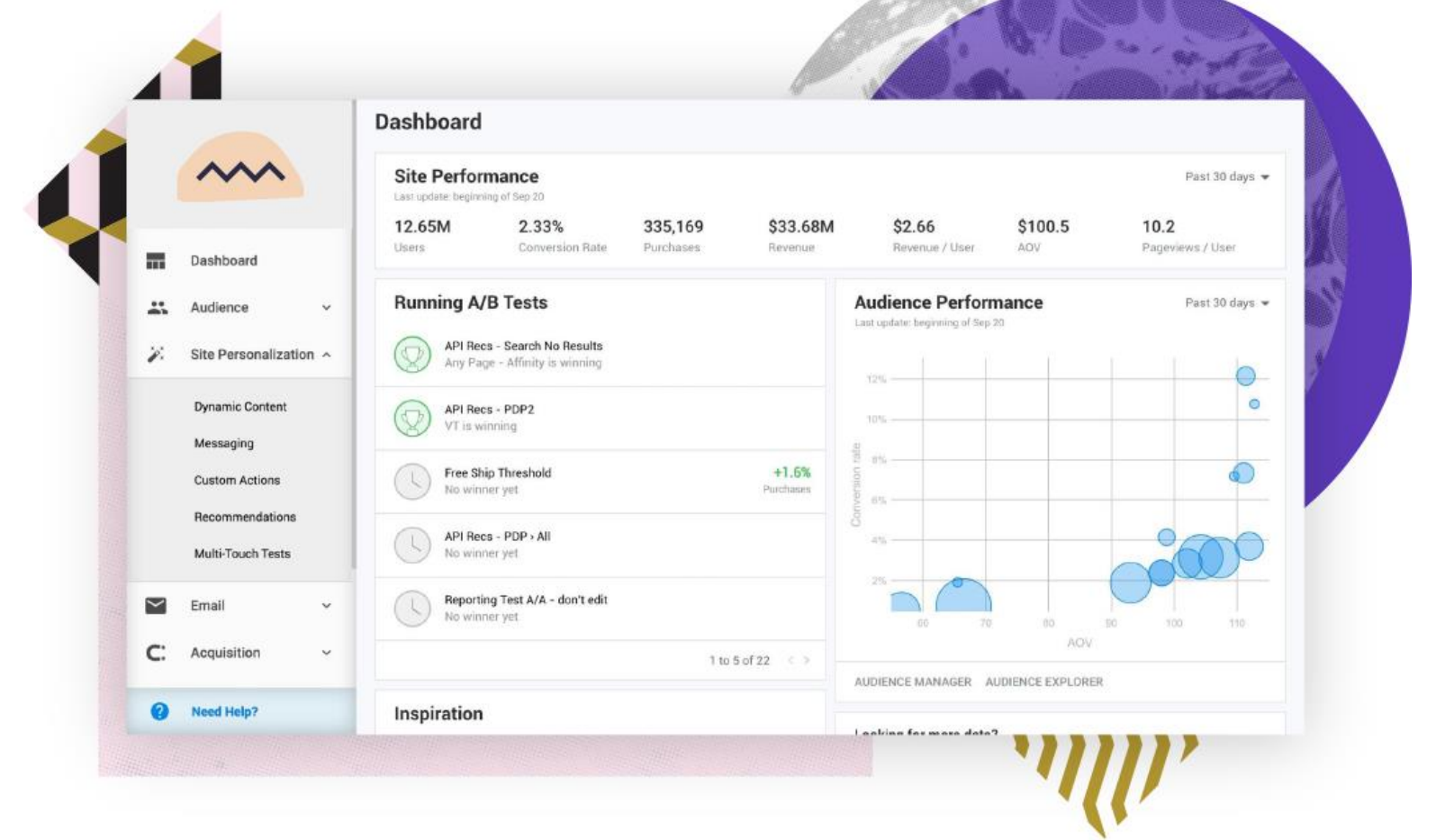
Bring true personalization from vision to reality

Delivering a great customer experience starts with a deep understanding of how individuals interact with your brand. Ultimately, that information is the key to unlocking growth for your business. But without being able to access and action your data, tailoring custom experiences is simply out of reach, as are the customers with which you wish to connect.

With Dynamic Yield, the power to personalize at the right moment, in the right context, and across every touchpoint lives in one, unified platform.

The age of manual experience delivery is over. Let advanced algorithms continuously optimize and serve the best experience to each user. Drive personalization based on clicks, conversions, purchases, or any other KPI you choose.

[GET STARTED WITH PERSONALIZATION →](#)



One platform to personalize all customer touchpoints:



Customer Data Management

Unify customer data across all digital touchpoints, both online and offline.



Personalization & Targeting

Target shoppers with personalized content at the right time.



Testing & Optimization

Continuously A/B test and optimize experiences with machine learning.



Behavioral Messaging

Create targeted overlays and notifications that inspires action.



Product Recommendations

Recommend only the right products throughout the entire user journey.

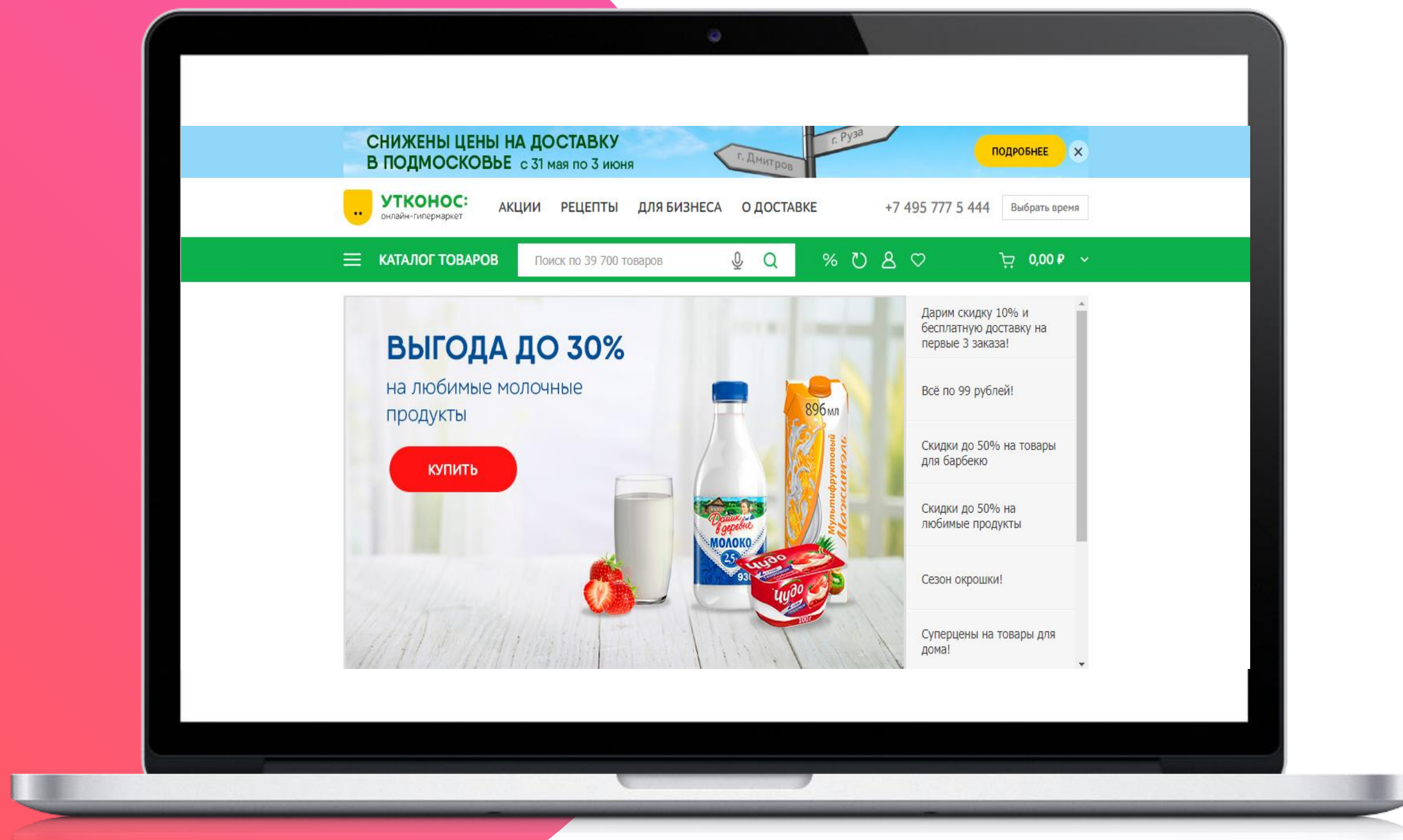
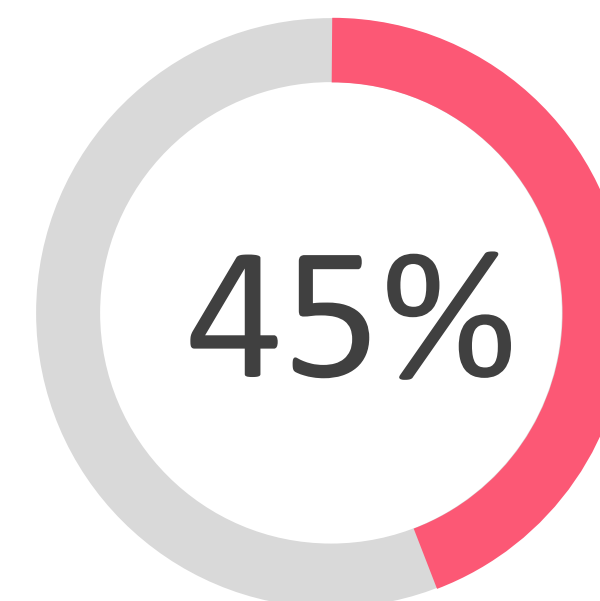


Triggering Engine

Trigger behavioral emails and push notifications to reduce abandonments.



Key Player Utkonos.ru

Utkonos.ru's share among the 32 largest online stores of the segment (TOP 1000 participants) in 2018 was:





TOP 10 Market Players*

1.  **УТКОНОС:**
онлайн-гипермаркет Utkonos.ru
2. **О'КЕЙ** Okeydostavka.ru
3.  **АЗБУКА
ВКУСА** Av.ru

Other online stores in TOP 10**:



igood.ru сервис доставки продуктов

golama

Деликатеска.ру радуем с 2005 года

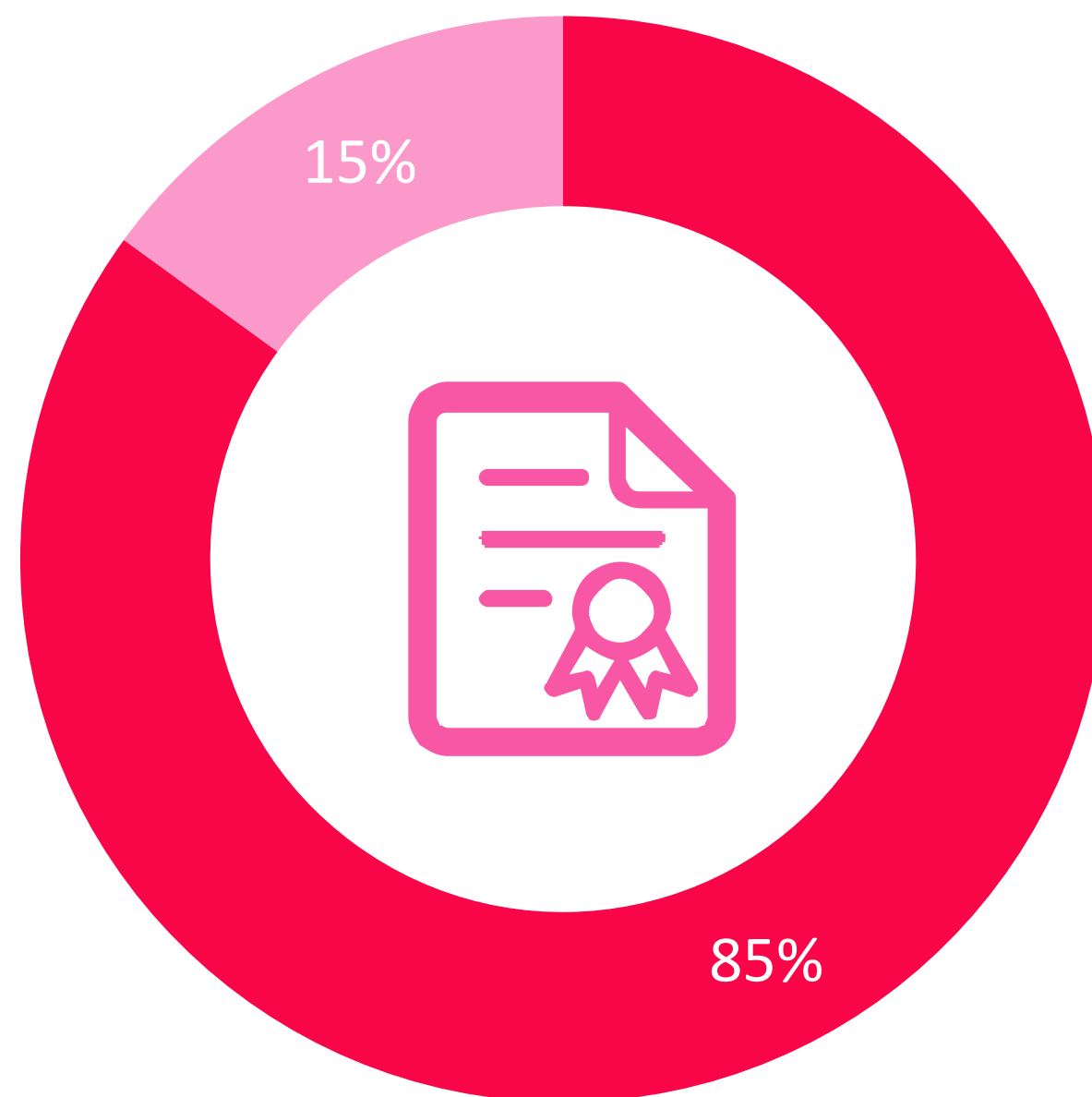
instamart

Кегельбум

Перекресток СУПЕРМАРКЕТ

SAVETIME

* By volume of online sales
**In alphabetic order

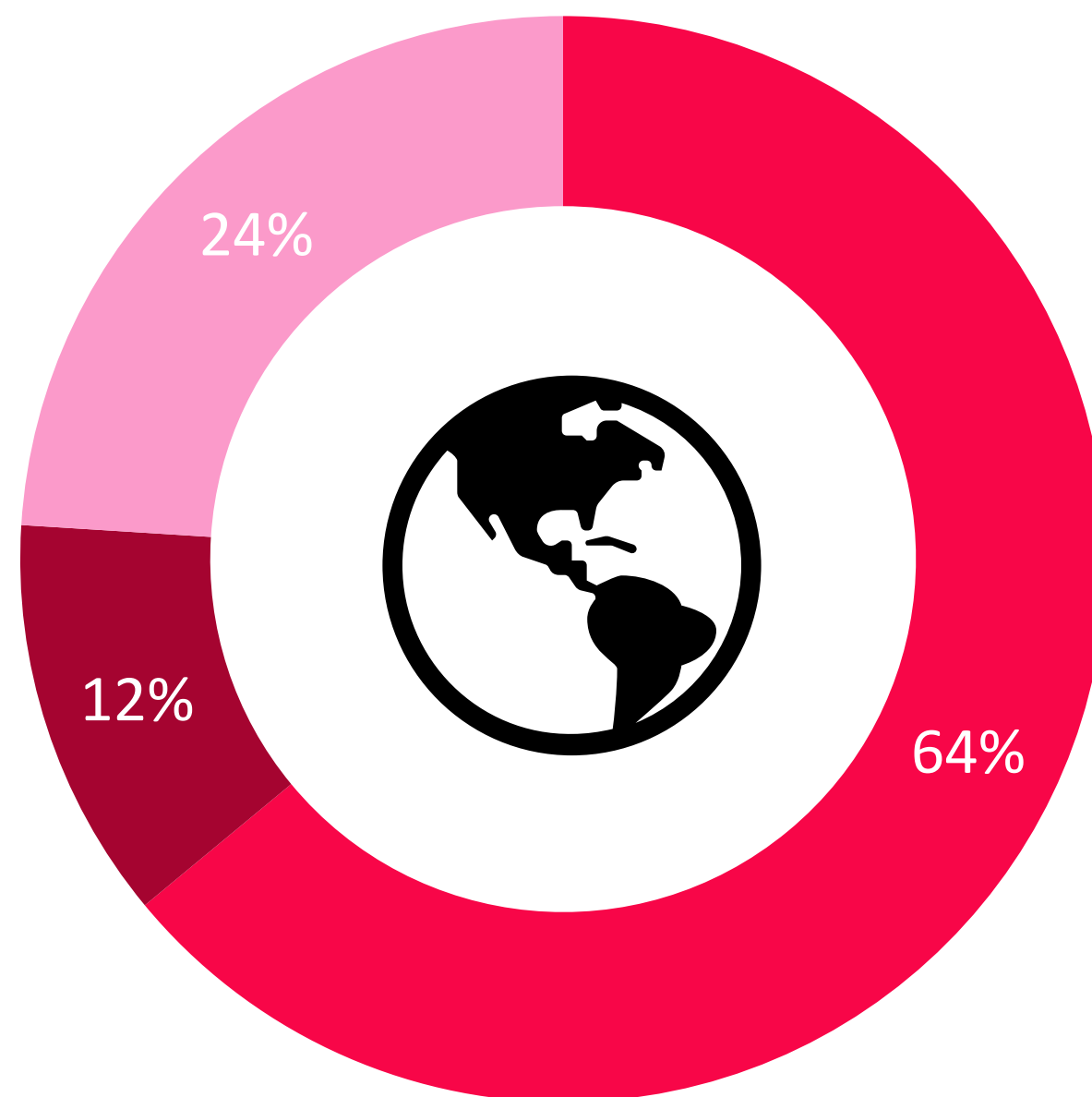


■ LLC/JSC

■ Individual entrepreneur

Retailer Composition

85% of the grocery online retailers are companies (LLC/JSC). 15% are registered as individual entrepreneurs.



- Moscow and Moscow region
- Saint-Petersburg and Leningrad region
- Other Russian regions

Online Stores Geography*

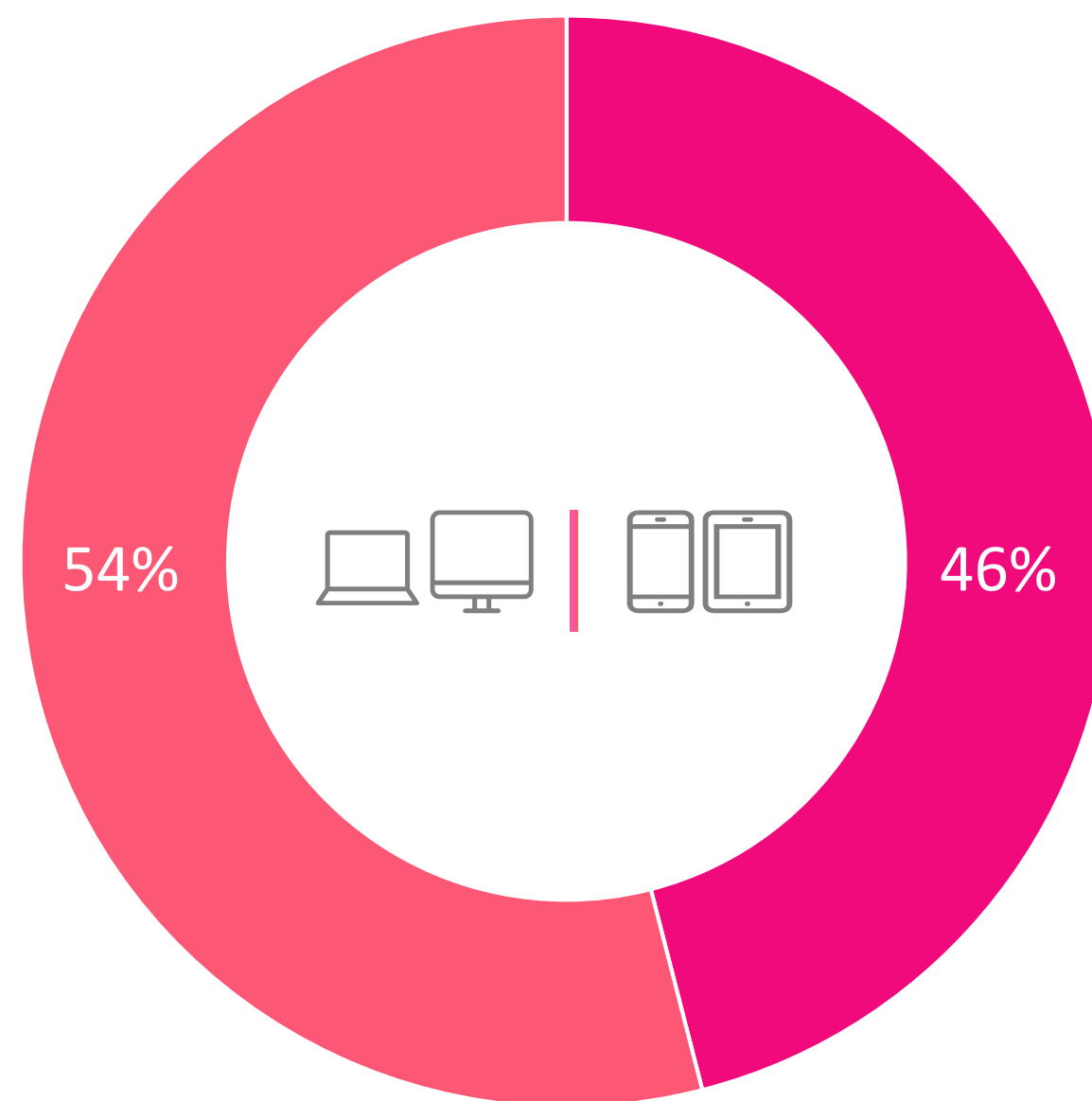
64% of the 32 largest online stores in the segment (TOP 1000 participants) have been registered in Moscow or the Moscow region. 12% are in Saint-Petersburg or Leningrad region, and 24% are in other Russian regions.

* According to place of online store registration



Mobile
Commerce

Desktop vs Mobile



Customers are more likely to use desktop devices than smartphones and tablets to visit websites of online grocery stores.

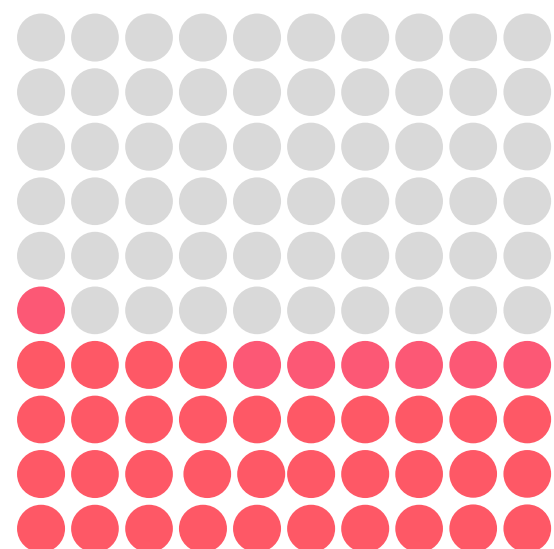
According to SimilarWeb data



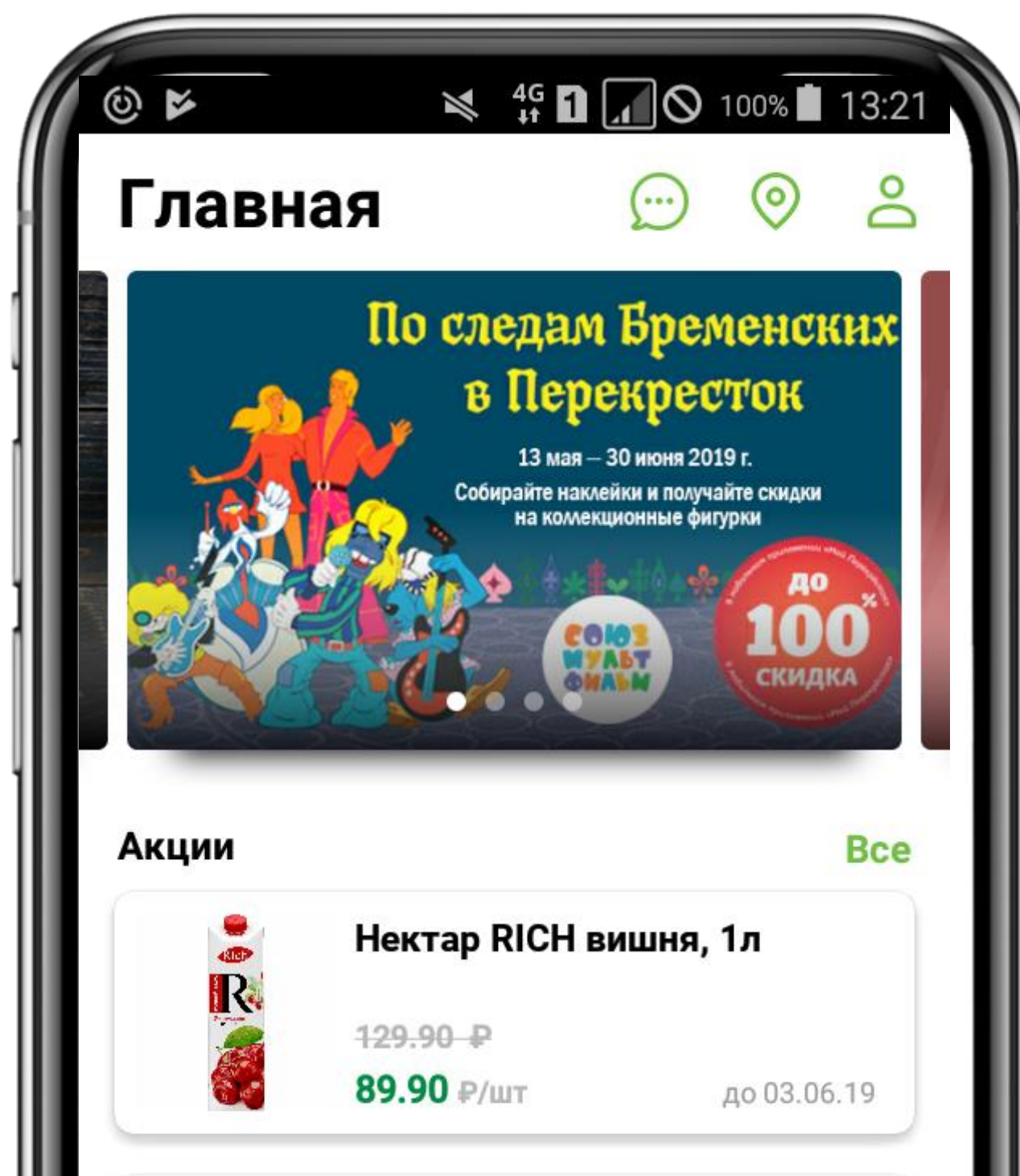
Mobile Apps

The most popular app is Perekrestok.ru, with over 1 million installs in the Google Play store.

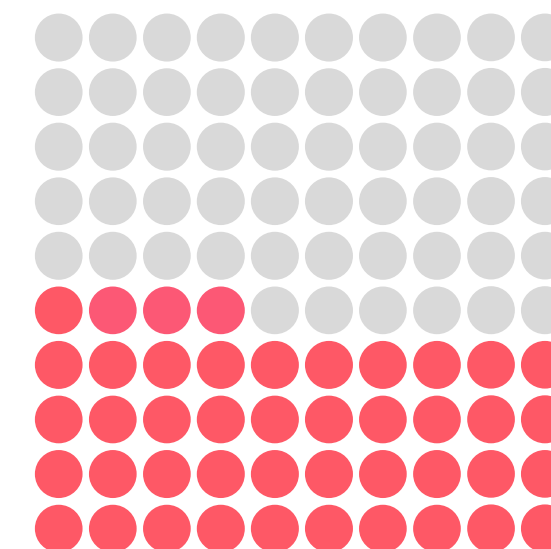
41%



Share of online grocery stores with apps in the **Google Play Store**



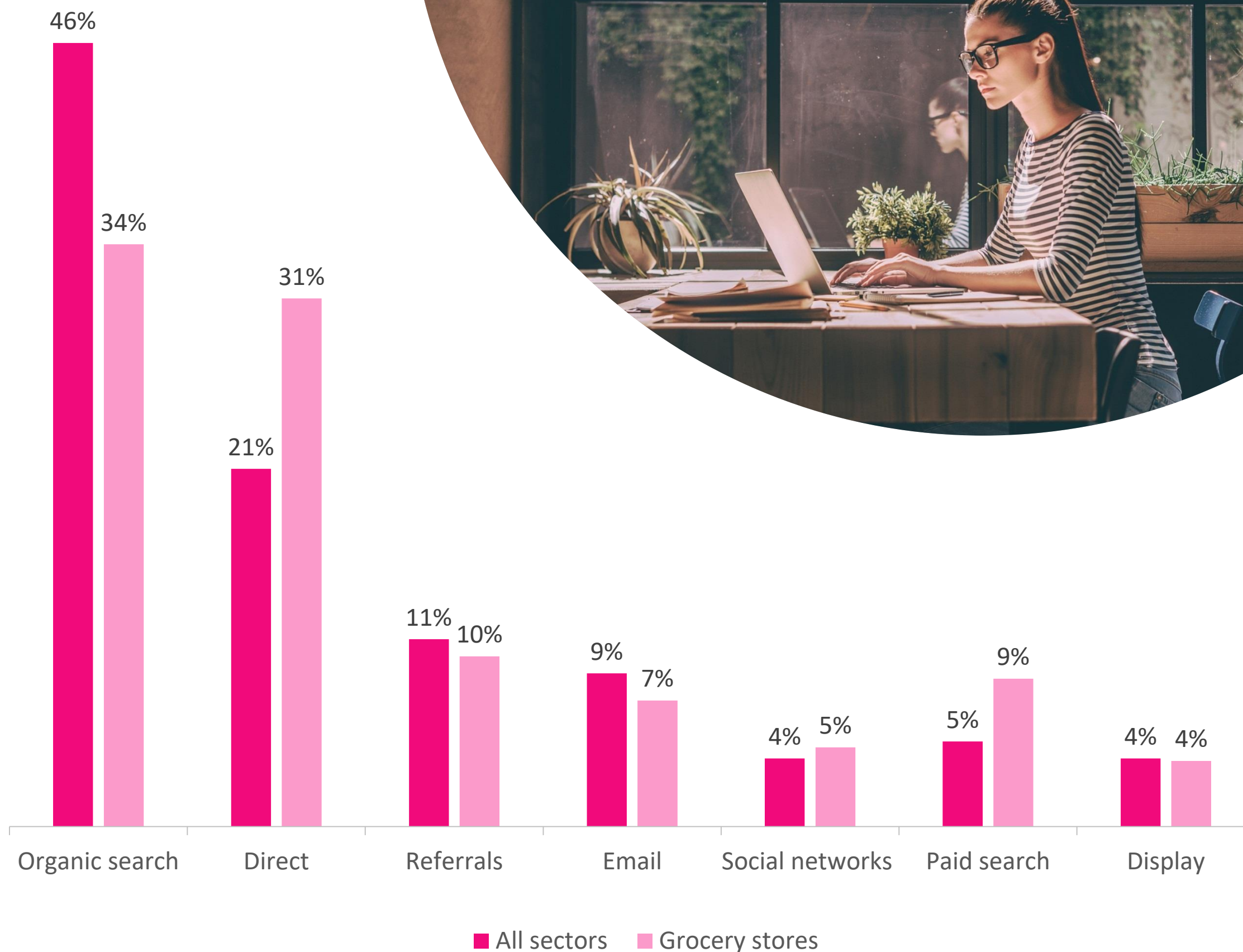
44%



Share of online grocery stores with apps in the **iOS App Store**



Promotional
Channels



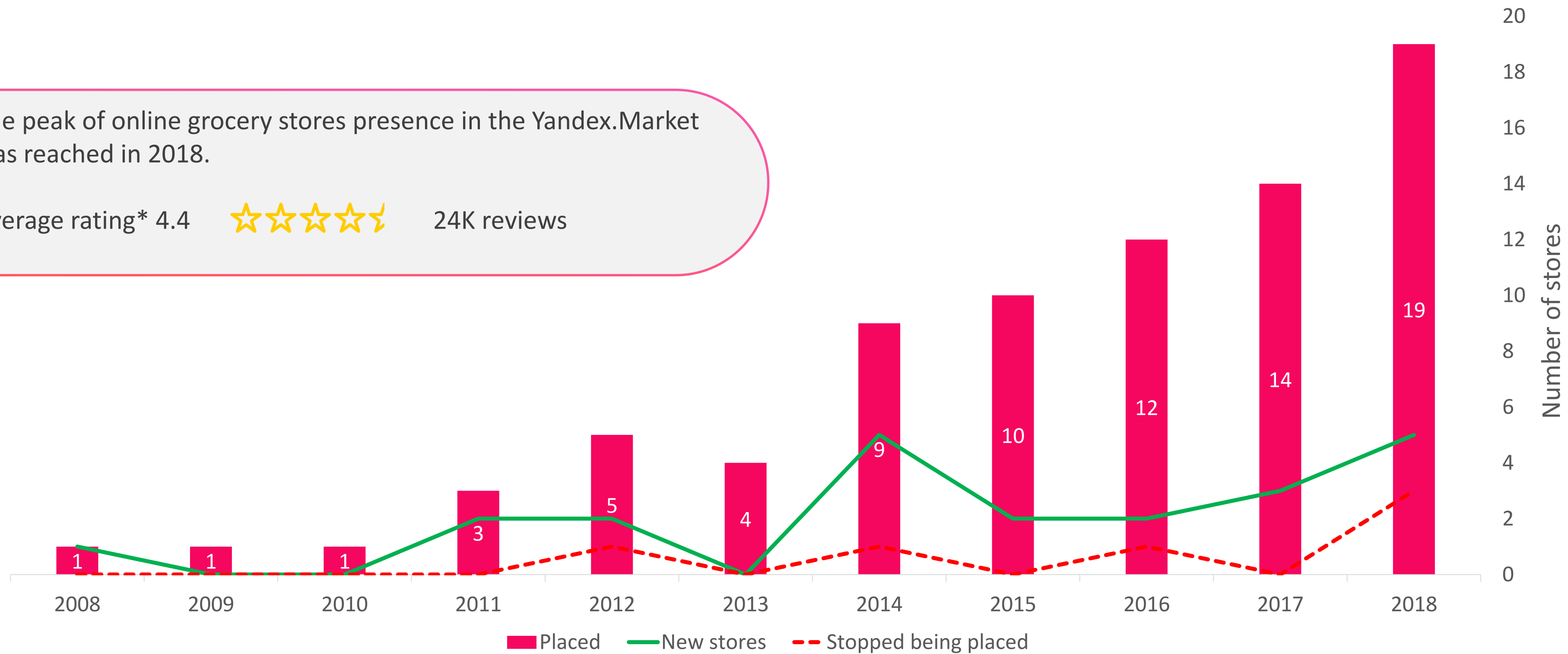
Share of Traffic

While the eCommerce market in general is dominated by organic search traffic, the eGrocery segment has two equally important traffic sources: organic search and direct visits. The share of paid search traffic in the category is also almost two times above the average.

Presence in the Yandex.Market

The peak of online grocery stores presence in the Yandex.Market was reached in 2018.

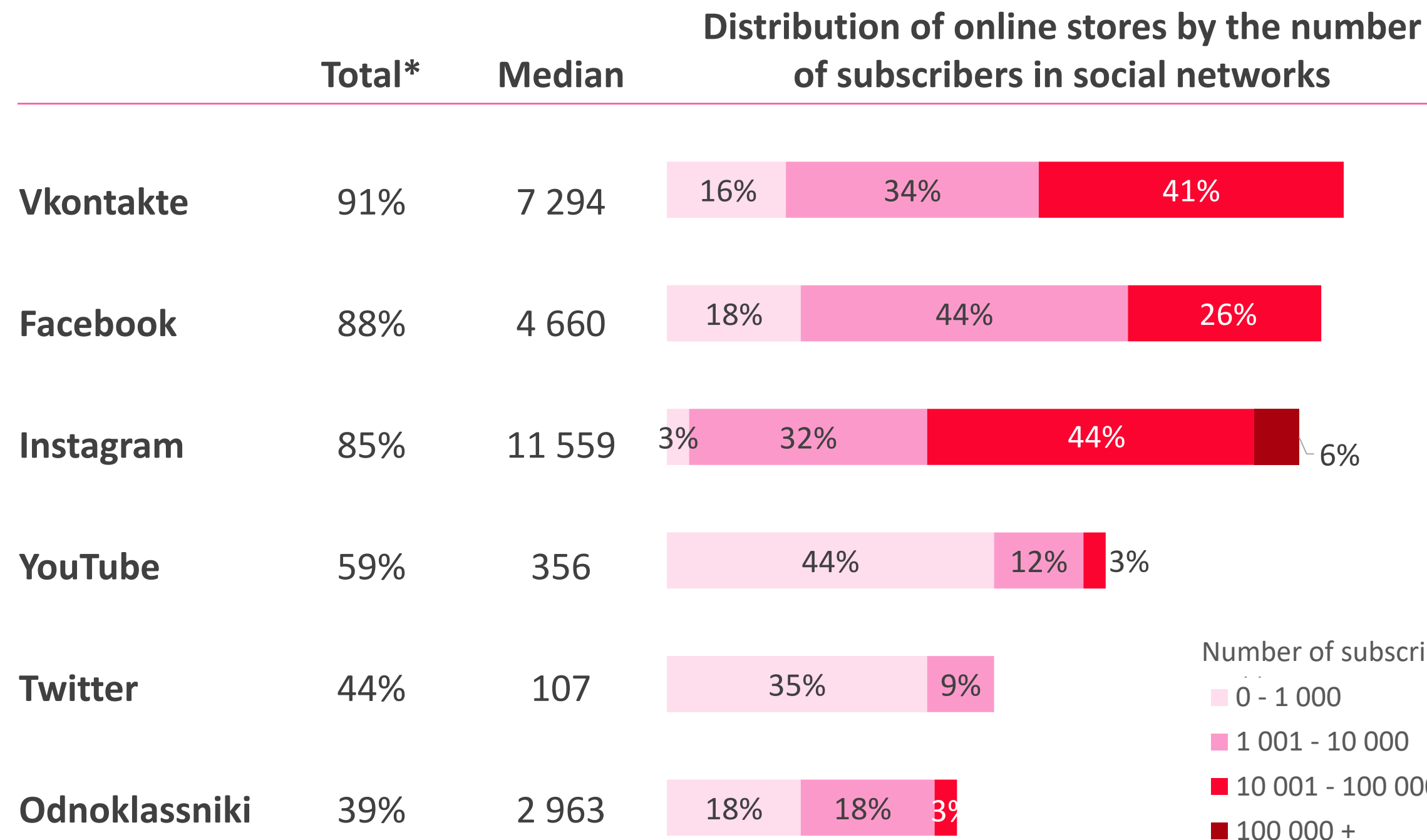
Average rating* 4.4  24K reviews



* average rating for all reviews on Yandex.Market in May 2019

Social Networks Activity

The most popular social network for online grocery retailers is Vkontakte. 91% of stores have active accounts on Vkontakte, 41% of which have 10,001 – 100,000 subscribers.

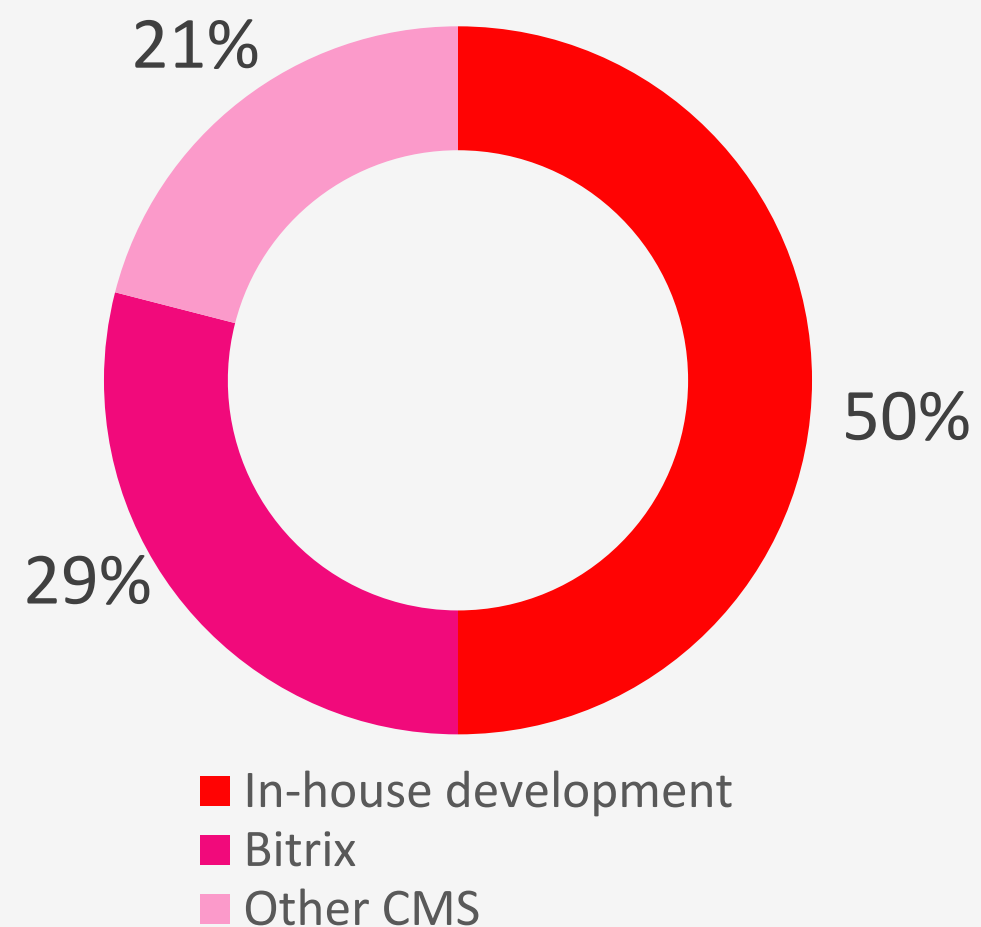


*the percentage of online stores using the respective social network and median of number of subscribers specified

A top-down view of various food items including meat, fish, vegetables, and grains, with the word "Technology" centered in a pink circle. The background is a dark, textured surface. The food items are arranged in a circular pattern around the center. The items include: a large piece of raw red meat, a bowl of white fish fillets, a bowl of orange lentils, a bowl of mixed beans, a bowl of hazelnuts, a bowl of almonds, a bowl of sesame seeds, a bowl of broccoli, a bowl of cauliflower, a bowl of chickpeas, a bowl of walnuts, a wedge of yellow cheese, and a stalk of wheat. The word "Technology" is written in a white, sans-serif font and is enclosed in a thin pink circle.

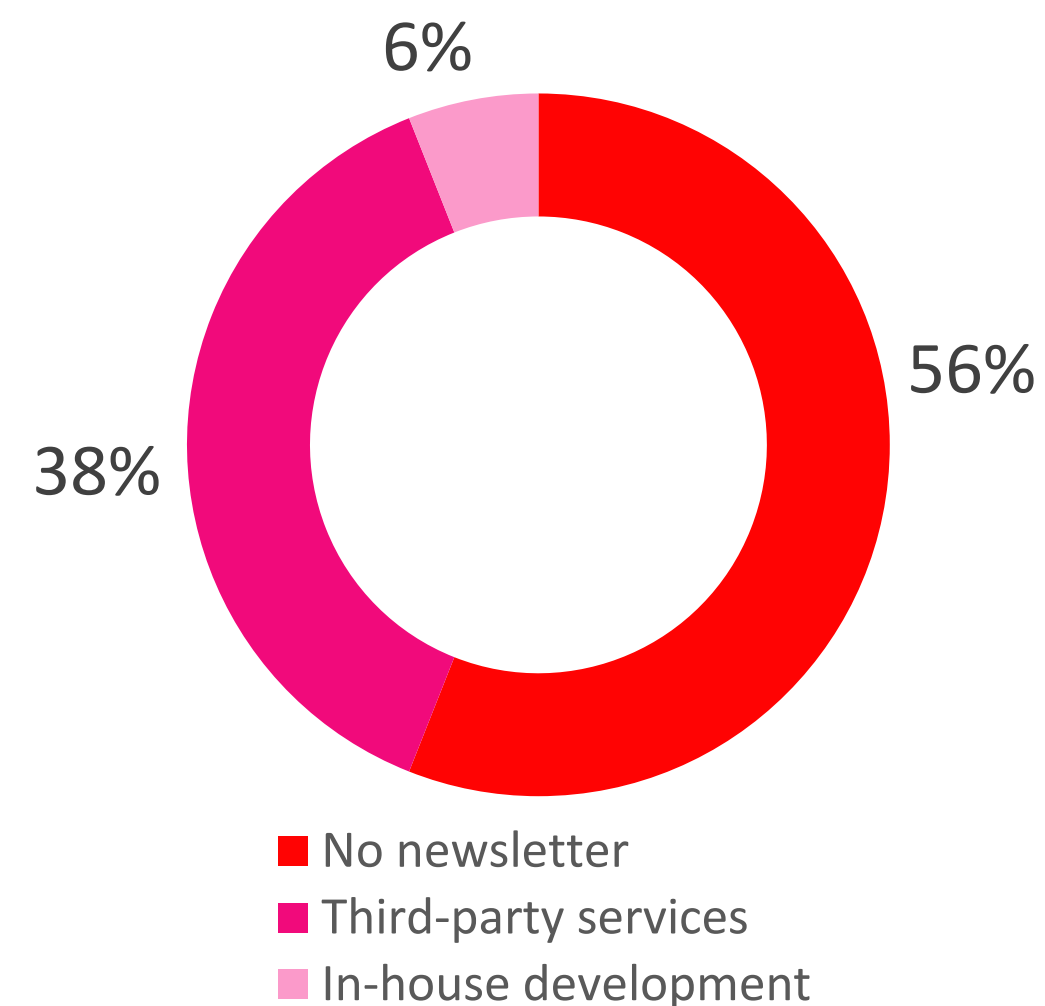
Technology

CMS



50% of online grocery stores use their CMS (Content Management System) for creating, managing, and editing website content. 29% use Bitrix, and 21% use another CMS.

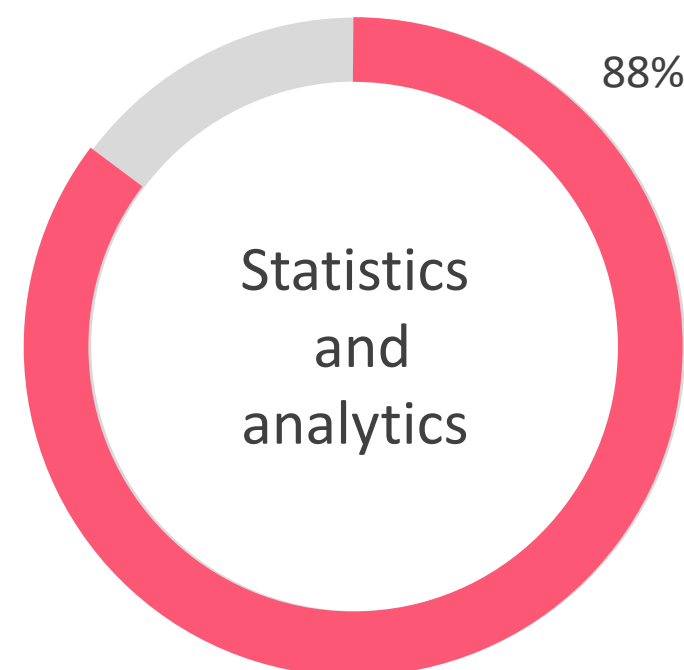
Newsletter



56% of online grocery stores do not send newsletters about their events and promotions. 38% use third-party services, and two players (6%) use their own email system.

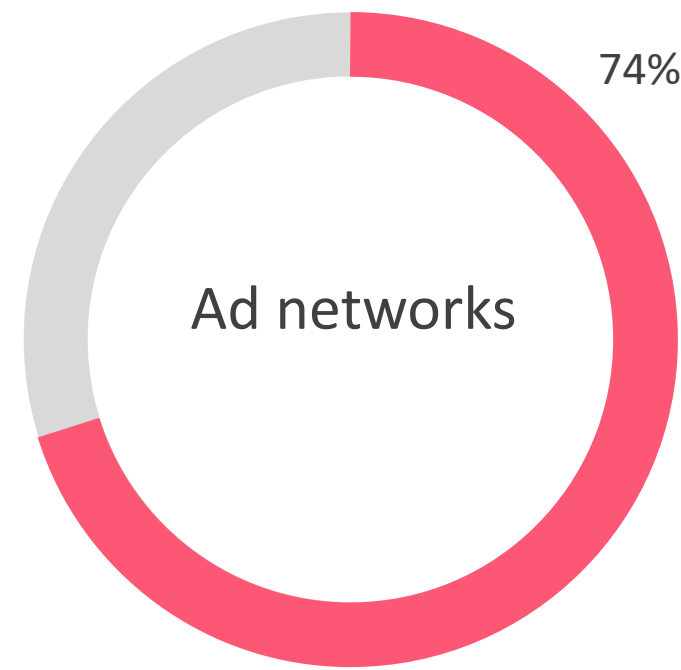
Marketing Services

Share of online stores using marketing services



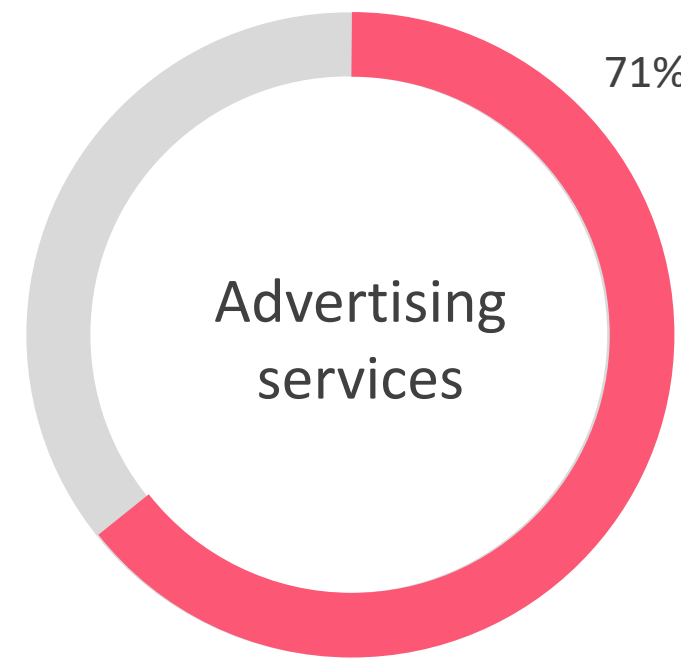
Yandex.Metrics, Google Analytics, calltracking systems, other services that track traffic and customers behavior on the website

🏆 Yandex.Metrika - 79%



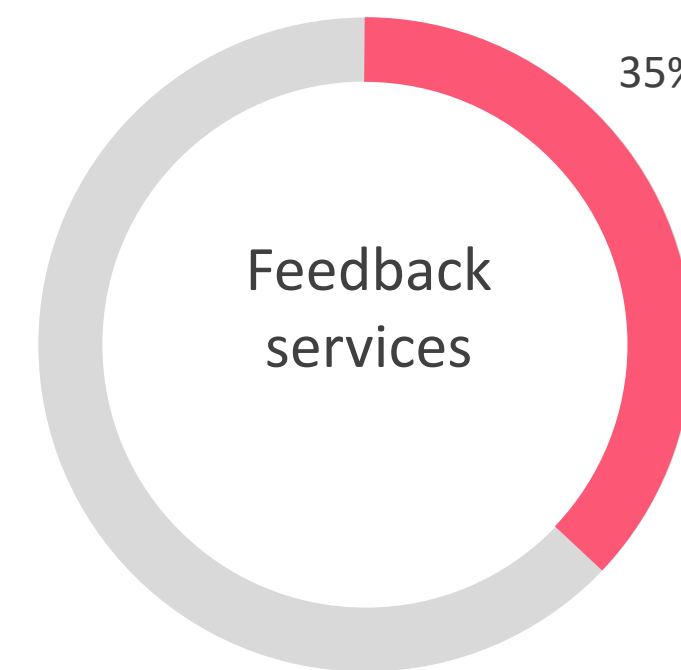
Networks for placing ads on pages of other ad network participants

🏆 DoubleClick (Google Display&Video 360) - 65%



Advertising management and personalization services

🏆 Facebook Custom Audiences – 59%



Online and email communication, callback services

🏆 JivoSite – 21%



News

News in Russia 2018

- December *Utkonos* CEO: we understand how to approach the profitability level of brick-and-mortar stores.
- October *Perekrestok* opened an online store in Saint-Petersburg.
- September *Beru* online store started grocery sales.
Products of the time. Logistics hinder online grocery market development.
- June *Utkonos* app is announced as the leader in food delivery sphere.
- May Where is it cheaper? Battle of food delivery services.
- February The most customer-friendly online grocery retailer comes to light.
- January Food delivery as Russian eCommerce driver: experts' forecast.

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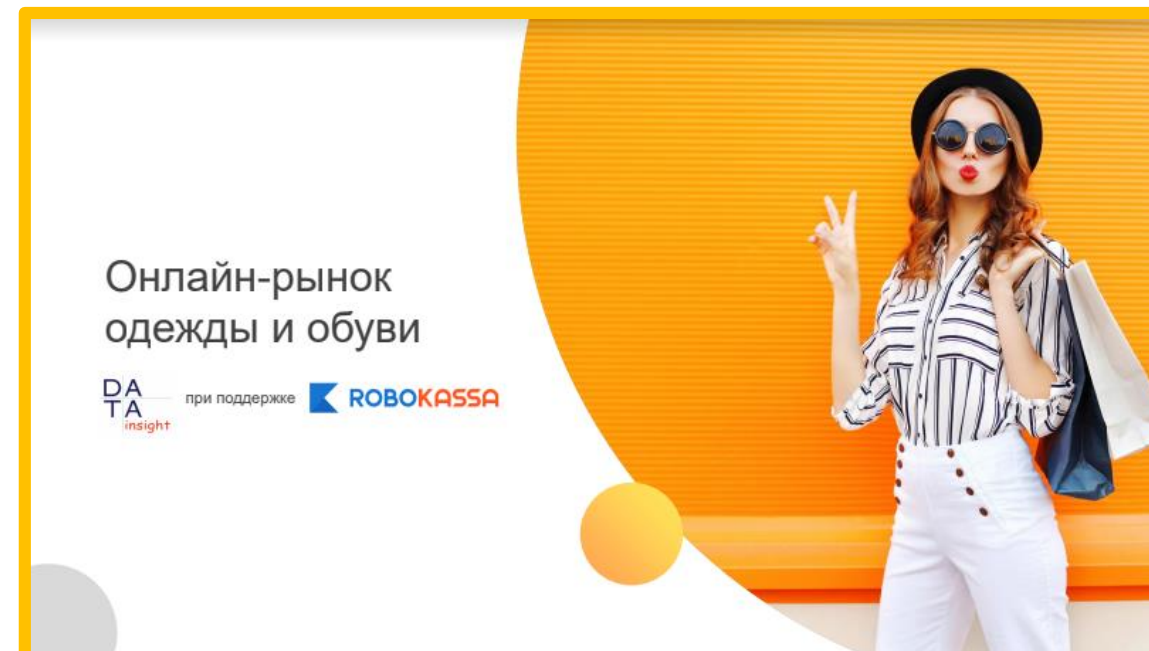
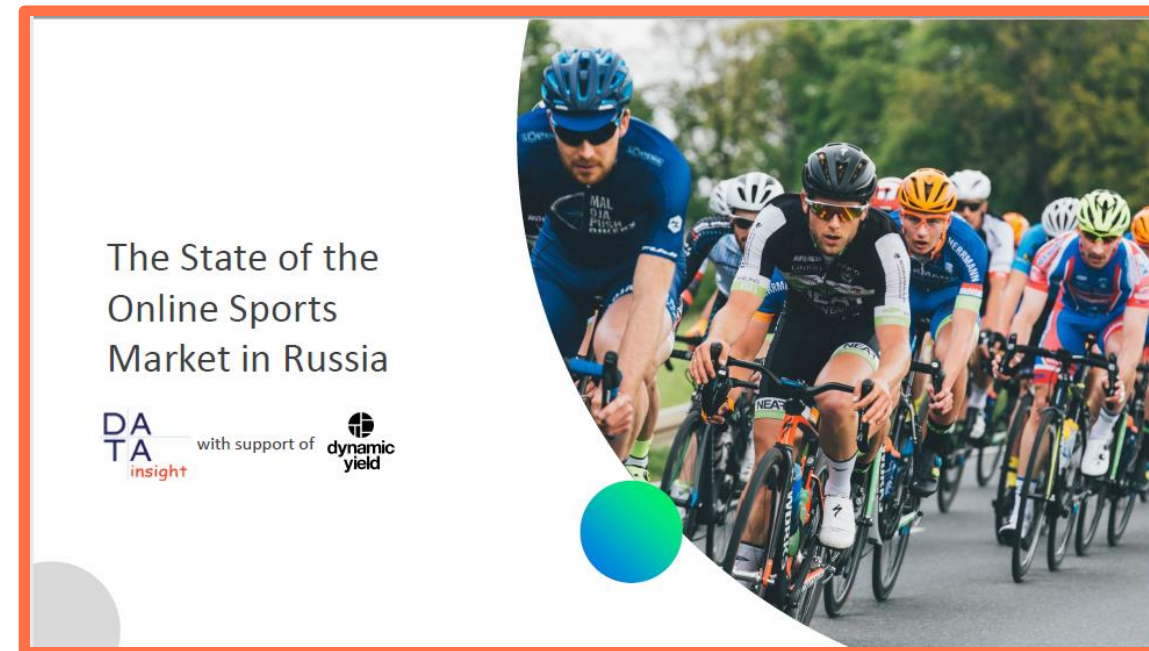
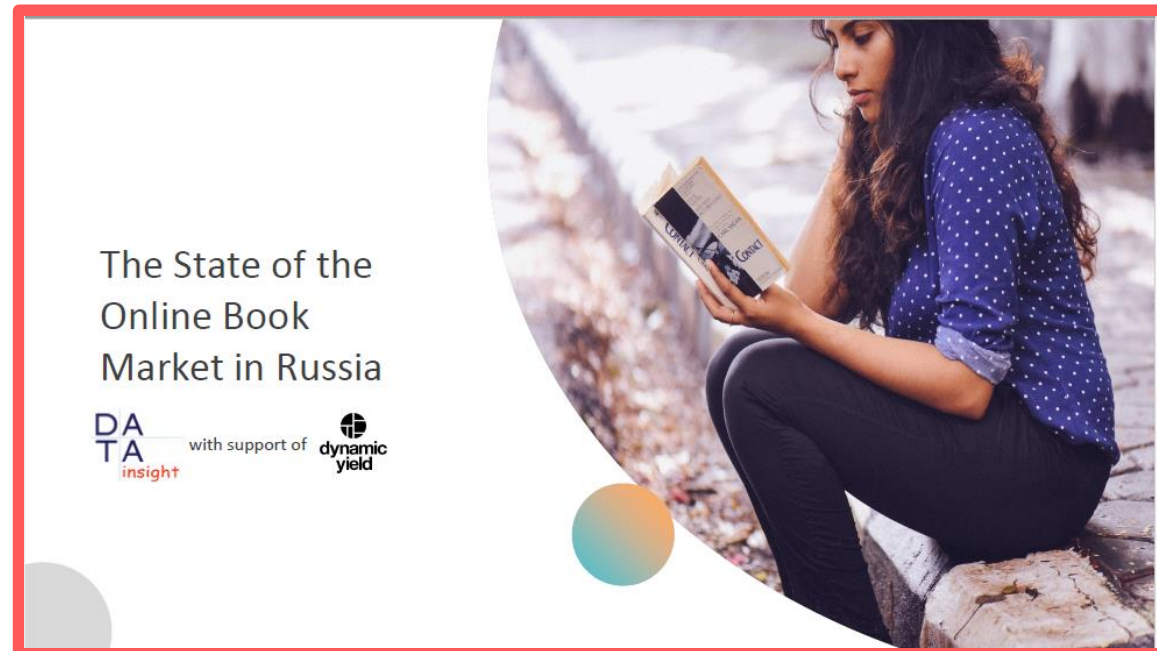
World news 2018

- December Brick-and-mortar retailers projected to gain online grocery share.
- November Report: online grocery market expected to reach \$26.9B by 2025. Increasingly, fresh food purchases are happening online.
- October Online grocery shopping, spend poised to climb.
- May How Amazon is using Whole Foods in a bid for total retail domination.
- March Online grocery set to boom in 2018 (as Amazon acknowledges online grocery a tough market to crack).
Online grocery retail is coming: how and how fast remain open questions.

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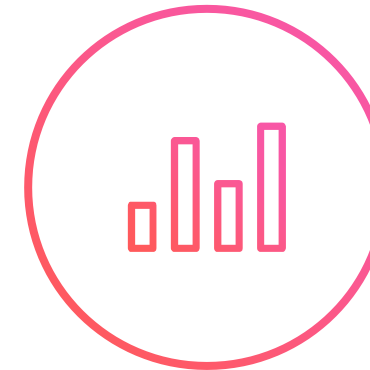
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