

NIQ

Perspectives

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Here’s what industry experts are saying:

In its most significant grocery initiative since acquiring Whole Foods in 2017, Amazon now allows shoppers in over 1,000 cities to add perishable items to their same-day Amazon.com orders. Previously, perishables were only available through Amazon Fresh or Whole Foods delivery and pickup. This shift marks a major step toward a seamless, all-category Amazon shopping experience—and underscores Amazon’s ambition to lead the future of the U.S. grocery market.



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Retailers must act now to defend share as Amazon expands its grocery capabilities. That means simulating delivery pricing strategies with elasticity models, over-communicating fresh quality guarantees like ‘picked by butcher’ messaging, and leaning into exclusive assortments Amazon can’t easily replicate. Lock price parity on a set of key value items, win with bundled meals, and push personalized reorder lists to reinforce habitual trips before Amazon’s convenience hooks take hold.



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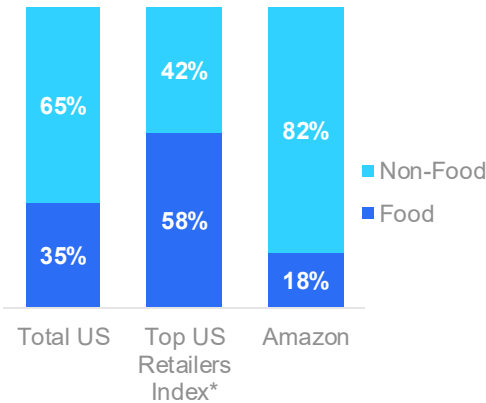
Amazon targets grocery, adds perishables to same-day delivery

Implications for the industry

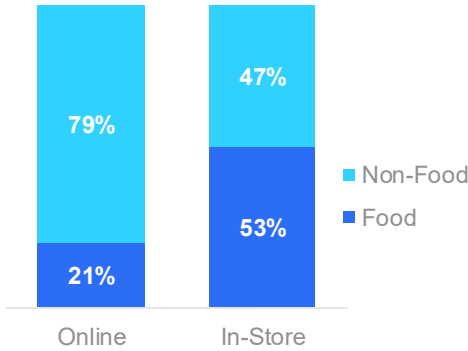
Food is a major opportunity area for Amazon

Amazon is targeting a larger share of the fast-growing online perishables market, where it has historically trailed omnichannel competitors. Food accounts for just 18% of Amazon’s total sales, compared to 35% of total U.S. online sales and 58% for an index of 7 top US retailers. This category represents a major growth opportunity in U.S. retail—shoppers spent 53% of their in-store dollars on food over the past 52 weeks, but only 21% of their online spend. Closing this gap will be one of the most lucrative growth opportunities in the future of U.S. retail and Amazon is positioning itself to be a key player.

Food Share of Online \$ Sales (L52 Weeks)¹



Share of \$ Value Per Buyer (L52 Weeks)²



Amazon challenging today’s online grocery leaders

Major retailers with extensive store networks have held a competitive edge over Amazon in online grocery. Large portions of the U.S. population live within miles of stores, enabling rapid, cost-effective delivery of perishable grocery items. This advantage has shaped top U.S. retailers’ top online categories, which are heavily weighted toward food and grocery. With its latest move, Amazon is positioning itself to directly challenge these retailers in this space.

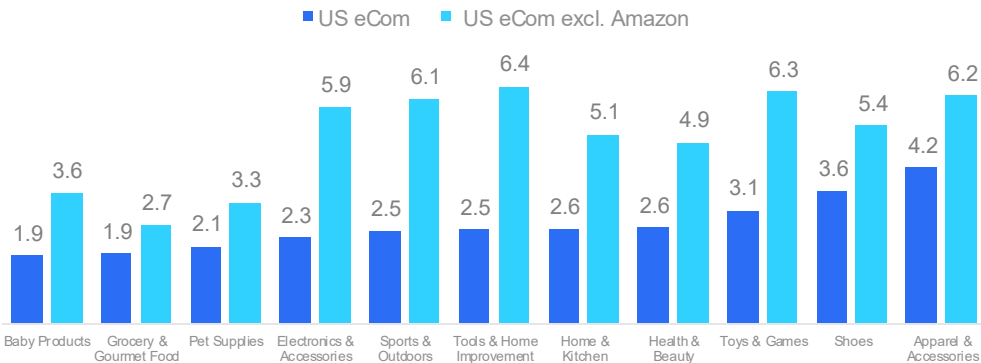
Top Ten Online Super Categories by L52 Weeks \$ Sales¹

Rank	Top US Retailers Index*	% Growth vs YA	Amazon Rank	Amazon	% Growth vs YA	Retailer Index Rank
1	Meat	30.2%	70	Vitamins & Supplements	26.9%	14
2	Beverages	25.2%	12	Hair Care	22.1%	16
3	Storage & Space Management	14.5%	22	Pet Supplies	12.3%	20
4	Paper & Plastics	22.5%	8	Baby Accessories	26.7%	18
5	Prepared Foods	20.7%	48	Pet Food	15.5%	6
6	Pet Food	29.2%	5	Facial Skin Care	34.5%	24
7	Salty Snacks	24.6%	24	Cosmetics & Nail Grooming	21.8%	27
8	Vegetables	15.8%	72	Paper & Plastics	19.4%	4
9	Diapering Needs	15.9%	23	Coffee	17.2%	11
10	Cheese	22.8%	84	Health & Performance	15.5%	23

Offering is enabled by Amazon’s investments in fulfillment

Amazon has closed its infrastructure gap in online grocery, traditionally a disadvantage due to having fewer physical stores than omnichannel competitors, by investing heavily in fulfillment capabilities. These investments have enabled delivery speeds that support perishable products. As of March-April 2025, the average delivery time for grocery and food products across U.S. eCommerce is 1.9 days. Excluding Amazon, that average slows to 2.7 days. Amazon is leading the U.S. fulfillment speed race and is poised to leverage this advantage to win in the perishable grocery.

Fulfillment Speed - Days from Click to Door, US eCommerce (Mar-Apr 2025)³



Sources: ¹NIQ Omniscience+, ²NIQ Omnishopper, ³NIQ eCommerce Atlas Shipping

*Top US Retailers Index is an aggregate of 7 of the largest, non-Amazon, US retailers by 2024 sales