The Rise of Online Grocery Shopping During COVID-19: Impacts on Workers, Consumers, and Communities
Introduction

The COVID-19 pandemic upended virtually every aspect of life, forcing us to rethink so many things we took for granted, such as how we work and shop. This disruption casts new light on long-standing systemic inequities in our society and economy, including in those industries deemed “essential”1 like food retail. This factsheet is the result of interviews with employees of brick-and-mortar grocery stores and online grocery services, pick-and-pack and delivery gig workers, business owners, and researchers during the summer of 2020.

When California’s statewide shelter-in-place orders began in March 2020, a record number of new customers turned to gig grocery shopping and delivery companies while large brick-and-mortar grocery stores also experienced a surge of online orders. In April, even as 70 percent of Americans continued to visit grocery stores in person (either out of choice or need),2 they also shopped for groceries online at unprecedented levels. What does this new dynamic mean for consumers and the grocery store workers crucial to ensuring you can put food on your table? And how will a current ballot proposal and evolving California state law change our food system?

The Pandemic Triggers a Shift for Consumers

The percentage of people shopping for groceries online more than doubled under shelter-in-place. While grocery stores were among the few businesses allowed to offer in-person shopping, the expansion of online grocery shopping occurred across all platforms. One Safeway.com fulfillment worker interviewed for this project previously received around 20 online orders a day, but volume jumped to 50 orders a day during the pandemic. A Raley’s eCart clerk reported receiving approximately 80 orders a day, up from 15 to 25 a day before the pandemic, representing an increase of as much as 433 percent.

In April 2019, the U.S. Department of Agriculture launched a pilot program to allow participants in its Supplemental Nutrition Assistance Program (SNAP) to buy groceries online for the first time. In California (where SNAP is implemented as CalFresh), Amazon and Walmart were the only permitted online vendors. Nationally, SNAP participants boosted online grocery sales, growing from a consumer base of 35,000 to 750,000, an increase of 2,043 percent. The Center for Digital Democracy warns that this transition to online retail could subject disadvantaged populations to predatory marketing tactics promoting unhealthy foods, which could further exacerbate disproportionate rates of chronic diseases, like obesity and Type 2 diabetes, among people of color.

3 Only 19 percent of respondents in a 2019 Gallup survey indicated they had ordered groceries online (https://news.gallup.com/poll/264877/online-grocery-shopping-rare.aspx). By April 2020, the number of people who had shopped for groceries online more than doubled to 49 percent (https://www.supermarketnews.com/consumer-trends/it-s-new-scene-grocery-shopping-pandemic-changes-behaviors). This growth reportedly made Instacart profitable for the first time.

4 Interview with Raley’s worker by Diana Rivera, August 5, 2020.


ensuring adequate client/shopper protections for SNAP online purchases, including allowing product returns, eliminating minimum purchase requirements, and ideally waiving delivery fees.

## Workers Face Heightened Risk and Instability

The grocery workforce expanded significantly to meet the new demand in online retail, with the gig economy exploiting those suffering from unemployment and the recession’s highly competitive job market. By late April, Instacart added 300,000 new gig workers, classified as independent contractors, with plans to bring on an additional 250,000 to meet growing demand—a total larger than the population of California’s fifth largest city, Fresno. At the same time, ongoing fluctuations in grocery demand as pandemic conditions evolve has increased instability for workers, leaving them, in some cases, without a stable income. In search of more hours, some workers asked to be cross-trained to work in other departments.

Grocery stores hired thousands of employees, and some grocery store workers also turned to third-party gig platforms to supplement their household incomes. One store clerk interviewed for this project explained that she and several of her co-workers supplement their grocery store hours with gig work due to the pandemic’s unpredictable impact on grocery workers’ schedules. In addition to juggling the gig work with part-time employment at Sprouts, which provides income and grocery discounts, she also works as a substitute teacher.

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10 UC Santa Cruz Institute of Social Transformation survey of the workforce providing platform-based ride-hailing and delivery work in San Francisco found that 78 percent are people of color and many do not receive the benefits allotted to traditional employees (https://transform.ucsc.edu/wp-content/uploads/2020/05/OnDemandOntheEdge_ExecSum.pdf).


12 Interviews with Safeway worker, July 23, 2020 and Sprouts worker, August 5, 2020 by Diana Rivera.


14 Monique Lawrence interview with Diana Rivera, August 5, 2020.

“I’m working as an Instacart shopper and a grocery clerk to be able to pay for my expenses, but I don’t feel safe in these stores and I feel like it’s up to me to keep myself safe.”

– Instacart employee

“I haven’t really thought about (if I became ill). I don’t know what I’d do.”

– An Instacart shopper who began working for the company in April lost her previous restaurant job due to the COVID-19 pandemic.
Brick-and-mortar grocery stores have implemented a variety of policies to protect shoppers during the pandemic, but there was an initial lack of uniform statewide guidance. Protocols include limiting the number of in-store customers, requiring face coverings, sanitizing grocery carts, and providing hand sanitizer to customers. One-way aisles, social distancing floor decals, and managing cashier lines to avoid bottlenecks are also common in-store practices to protect the health and safety of customers and employees. However, Cal/OSHA issued guidance for delivery drivers puts the onus on the gig worker classified as an independent contractor, leading to a patchwork of company-derived “recommendations,” spotty provision of equipment, and generalized referrals to Center for Disease Control guidance.

Gig workers and grocery store workers are our family members, neighbors, and friends. Unfortunately, gig grocery workers are subject to their companies' continued efforts to skirt California’s labor laws by misclassifying their employees as independent contractors. While some of these companies reap massive profits, their app-based workers face heightened risk on the job due to limited job opportunities during the pandemic-induced recession. The Berkeley Institute for Research on Labor and Employment estimates that, if companies were to bypass the requirements of California's recently enacted Assembly Bill 5, gig workers can be expected to earn as little as $5.64/hour, far below California’s minimum wage of $12.00/hour.

$5.64/hr
Expected income for a gig worker if companies were to bypass requirements of CA Assembly Bill 5

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15 Bay Area grocers were required by develop, post, and implement social distancing protocols by April 2, 2020, to conform to public health orders coordinated between six Bay Area counties. https://www.cagrocers.com/covid-19-local-updates/


17 Assembly Bill 5 requires California companies to use an “ABC test” to determine if they are properly classifying their workers as independent contractors (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB5). Companies like Instacart are seeking to overturn AB5 (https://www.latimes.com/business/story/2020-09-02/uber-lyft-veena-dubal-twitter-bullying) via Proposition 22 (https://voterguide.sos.ca.gov/propositions/22/index.htm), even though grocery delivery services are at the core of their operation.

Our Communities Pick Up the Costs

While gig-worker companies earn increased profits, their business model shifts the costs of basic worker protections to the public.19 This is reminiscent of existing retailers like Walmart, who have kept many workers at part-time status, which often makes them ineligible for employer-sponsored benefits like health care.20 Gig-work contractors are even more marginalized than part-time Walmart employees, who at least have access to unemployment insurance (though benefits vary by state).21 Growth and innovation in the tech space does not have to be synonymous with taxpayers subsidizing corporations that refuse to support their workers with basic workplace protections and employee benefits like paid sick leave, health insurance, and hazard pay during extraordinary times (such as the current pandemic).


“Growth and innovation in the tech space does not have to be synonymous with taxpayers subsidizing corporations that refuse to support their workers with basic workplace protections and employee benefits like paid sick leave, health insurance, and hazard pay during extraordinary times”
What You Can Do

Order directly from stores
If customer concerns about COVID-19 continue, 57 percent of all consumers are forecast to have ordered groceries online by 2021. Since online grocery retail is likely to grow in the long term, while gig work continues to lack basic worker protections and benefits, consider using a grocery store’s own online ordering system or contactless/curbside pickup.

Support policies that protect workers
Grocery work is not only necessary, it can also be a highly skilled profession. Encourage policymakers to mandate that employers provide food retail workers with hazard pay, whether they are gig workers or grocery store staff, for the duration of the COVID-19 pandemic. Paid sick leave is another necessity, in pandemic times or not. These essential workers should be appropriately compensated for the COVID-related health risks they face while making sure that our families are able to put food on the table.

Shop at stores that value workers
For in-store shopping, choose grocery stores that protect the health of their customers and workers by following local, state, and federal guidance to enforce social distancing, mask wearing, and appropriate disinfection. Shop at unionized grocery stores, where workers are more likely to have employer-sponsored health insurance, access to paid sick leave, and higher wages compared to similar non-union jobs. If workers become ill but do not receive paid sick leave and cannot afford unpaid leave, they will come to work sick, exposing other workers and customers.

Follow news about changes to the law
Millions of workers and consumers are linked to the gig economy, where tensions between business interests and labor protections result in contentious legal and policy actions. On California’s November 2020 ballot, Proposition 22 would exempt app-based transportation and delivery companies from classifying their drivers as employees under existing state law and California Supreme Court precedent. A majority of Californians voting no on this proposition would uphold existing law, requiring delivery and ride-hailing companies to stop misclassifying their employees, thereby ensuring these workers get access to normal employee protections, such as paid sick leave, workers compensation, and unemployment insurance.

23 Examples include butchery or working with prepared foods (which require state-certified food safety training), and understanding the cold-chain requirements of produce, frozen, and other highly perishable foods with a risk of contamination. For more on this, see first-person accounts of produce work, like Tracie McMillan’s American Way of Eating.
24 On April 16, 2020, Governor Newsom’s COVID-19 Supplemental Paid Sick Leave executive order took effect, filling the gap left by the federal Families First Coronavirus Response Act. California’s order requires employers (with more than 900 employees nationally) to pay two weeks of sick leave to all food sector workers who are sick because of the coronavirus, including workers not classified as employees.
Customers place orders and pay online via the store’s website.

If an item is out of stock, they refer to substitutions selected by the customer.

After shopping is complete, groceries are bagged and stored at the appropriate temperature. For example, chilled items are stored in the refrigerator.

E-Cart Clerk or DotCom Shopper gathers order using a handheld scanner to scan items on the grocery list as they are added to the cart.

Shelf-stable items, refrigerated/chilled items and frozen items may be selected by different shoppers for the same order.

The system they use provides information on the location of the items, including aisles.

The E-Cart Lead manages the online orders for the day. The lead or designated shopper gathers bagged groceries to place in customers or delivery drivers vehicle.

Groceries are either picked up by the customer at curbside or delivered by a third party company.

Raley’s uses FoodJets for delivery.

Safeway uses DoorDash or in-house delivery workers for delivery.

Once the grocery receipt is generated, the delivery service (FoodJets, DoorDash or in-store delivery) is notified for pick-up.

Fees: Raley’s charges a $6.95 delivery fee and a $5.95 service charge.

General In-Store Process – Shopper
(Ex: Safeway or Raley’s)
General In-Store Process – Delivery Driver
(Ex: Costco)

1. Using company cell phone, sign-in to delivery route system to obtain route.
2. Inspect delivery truck, sanitize truck and equipment.
3. Turn on truck to start cooling the refrigeration section.
4. Deliver totes with groceries to customer residence, ring doorbell or knock on the door and leave groceries at the front-door.
5. Obtain paper receipts for each order and complete truck condition check-list.
6. Locate the delivery totes, move truck to loading area and load deliveries for the first half of the day.
7. Greet customers and provide assistance if necessary. During COVID-19, assistance is only provided to those that have mobility issues.
8. Provide assistance to new customers with interpreting receipt and contacting the store for further assistance.
9. Return to the store after deliveries are completed.
10. At the end of the workday the truck must be refueled, sanitized, parked and the keys must be returned to the delivery department.
11. Repeat with deliveries for the second half of the day.
Third Party Shopping/Delivery Company
(Ex: Instacart)

Using their personal phone and the Instacart application, shoppers search orders for which to shop.

Orders indicate the grocery store location, the distance to and address of the customer’s residence and a flat rate of payment to be paid to the shopper based on the total cost of groceries.

Shopper/delivery worker parks near the customer’s residence and carries groceries to the front door. This can include multiple trips from the car, carrying groceries up flights of stairs and/or multiple elevator rides.

The bagged groceries are then delivered to the customer’s residence.

Once the shopping is complete, an Instacart Mastercard is used to pay for the order at checkout.

If items are out-of-stock they are substituted with pre-approved substitutions or the shopper can suggest alternatives using the texting feature within the app.

Shopper drives to grocery store and shops for groceries using personal vehicle, scanning items along the way using the app.

Once groceries are delivered, the shopper/delivery person indicates on the app that the order has been completed.