

# FreshDirect CMO Talks 'Fast and Furious' Online Growth

Scott Crawford discusses top trends

By *Jennifer Strailey* on Jan. 21, 2021



“Online grocery adaptation was the standout trend of 2020,” FreshDirect Chief Merchandising Officer Scott Crawford, said in an interview with *WGB*. “While online grocery adoption was certainly on the rise pre-pandemic, the acceleration came fast and furious, and FreshDirect experienced outsized growth.”

Particularly noteworthy in the explosive growth, Crawford added, is not that more shoppers are willing to purchase their cereal, paper towels and canned tuna online, but rather that fresh food—from fruits and vegetables to just-caught seafood to premium cuts of meat and prepared meals—are experiencing a similar online sales surge.

Has the pandemic forced consumers to at last overcome the fear of ordering fresh online?

“Though they originally tried online grocery out of necessity, once new customers experienced the quality of food and the level of service at FreshDirect, they never looked back,” Crawford said.

Delivering directly to customers throughout seven states, including the New York and Philadelphia metropolitan areas, and the District of Columbia, Bronx-based FreshDirect is an online food grocer focused on high-quality fresh meat, fish, produce and specialty items through direct relationships with

suppliers, growers and farmers, the company said. Launched in 2002, FreshDirect was acquired by Ahold Delhaize and Centerbridge Partners earlier this month.

Ahold Delhaize, which told *WGB* in November that it views the different grocers in its stable not as "banners" but as **“great local brands,”** has tapped into the fiercely fresh and locally minded FreshDirect at a seemingly ideal time in the e-commerce grocery trajectory.

“Our vertically integrated, farm-to-customer model is successful—we have unmatched relationships with our farmers, fisherman and growers, many for more than 18 years,” Crawford said. “Unlike other online grocery stores which focus on center-of-store goods and tend to struggle in fresh food categories, our supply chain and distribution network are specifically designed to deliver the highest quality produce, seafood, meat, poultry and prepared foods. Our proprietary infrastructure allows for intimate, more personalized ownership of the customer experience through sourcing, picking, packing and ultimately, doorstep delivery.”

In FreshDirect’s recently released list of the top food trends for 2020/2021, including fresh seafood, premium cuts of meat, ordering fresh food online, kitchen creativity, prepared meals, conscious consumerism, on-demand delivery and online grocery, a new level of previously unimaginable personalization of the shopper experience emerges.

## **Fresh From the Sea**

Citing the many unfortunate restaurant closures since the start of the pandemic as a driver of online grocery purchases of high-end seafood and meat, FreshDirect reports that seafood sales were up more than 70% last year over 2019. What’s more, at FreshDirect, customers can “order their favorite fish before it’s caught,” the company said.

“FreshDirect keeps its seafood in the most premium condition it can be in—the whole fish on crushed ice or on our refrigerated trucks. The fish is in its prime environment through the entire supply chain life cycle, whether it is swimming, staying whole or processed any further before the customer orders it,” Crawford said. “We cut every order of fish to order.”

This level of freshness and personalization is made possible, he said, because FreshDirect's model promotes items that are most in season and closest to their original source.

## **Produce Proves a Point**

All fresh categories grew faster than the company average in 2020, with produce up 37%, reports FreshDirect, perhaps signaling that shoppers have reached a new comfort level with purchasing fruits and vegetables online.

"The pandemic caused many people to shift to online grocery shopping, both for its ease as well as the feeling of safety it provided during a time of uncertainty," said Crawford. "Customers still needed to buy their full grocery list of items, which includes fruits and vegetables, thus causing the demand for online fresh food to skyrocket.

"At FreshDirect, we approach everything based on what is best for the food and we store and maintain our products in a perfect environment," he continued. "We keep each fruit and vegetable at the right temperature (38 temperature zones in our store) and humidity to preserve maximum freshness. FreshDirect takes out many of the touch points where produce could spoil in the fresh food supply chain. We are picking over 500,000 produce items a week to send to our customers, leveraging our industry leading cold chain."

## **Prepared Meals**

Crawford notes that while the pandemic has brought increased creativity in the kitchen, it has also caused cooking fatigue. As a result, consumers are increasingly trying more prepared meal options. FreshDirect notes that sales of its prepared pasta entrees were up 178% in 2020.

"In the past year, FreshDirect has seen significant growth in all major cuisine categories of prepared foods," said Crawford. "In order to meet the surge in consumer demand during the pandemic, we concentrated our efforts on creating more solutions for customers who suddenly found themselves fatigued from preparing three meals a day at home."

"These solutions include more prepared foods, easy meal solutions for breakfast, lunch and dinner, plus better-for-you options as consumers focused

on their health,” he added. “In 2021, FreshDirect is anticipating all-time high levels of engagement with prepared meals and meal solutions.”

## **What’s Next for FreshDirect**

As Crawford and the rest of the FreshDirect team look ahead to 2021, it is with excitement and a ready-to-scale mindset. “Being part of the Ahold Delhaize family will continue to build on our strengths and offer great service to our customers,” he said. “This partnership enables us to further our mission of delivering access to great tasting, premium quality, fresh food to as many people as possible at an even greater scale.”