

THE STATE OF THE GROCERY INDUSTRY

Overview of the latest industry trends and how they are affecting the lives of our customers

Truth Research & Insights
October 2025

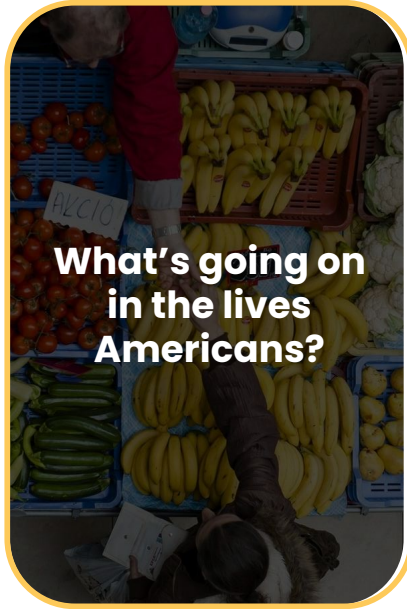
WHAT TO EXPECT

The grocery market is currently undergoing a significant transformation, shaped by evolving consumer behaviors, technological advancements, and economic pressures

This report analyzes the grocery category through the broader lens of culture's effect on our customers. By first looking at what's going on in the lives of our shoppers, we can understand the impact on category dynamics and the trends that will continue to shape our industry.

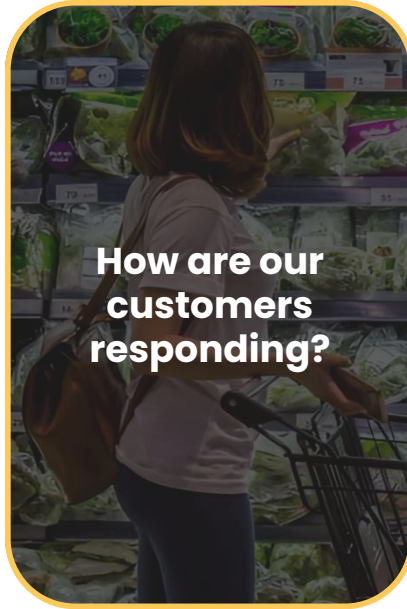
AGENDA

Culture



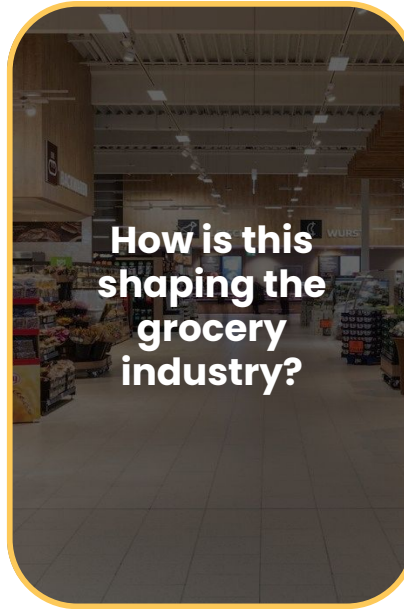
**What's going on
in the lives
Americans?**

Customer



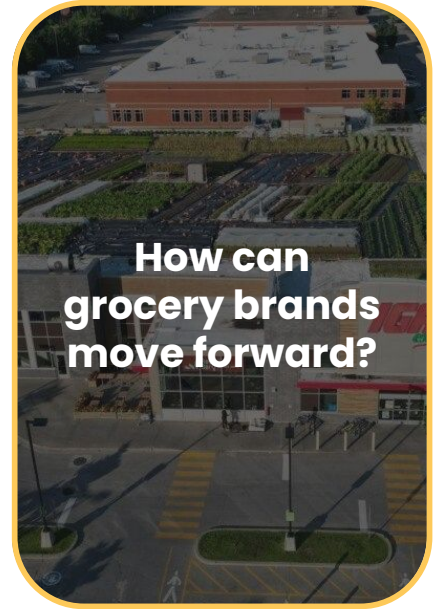
**How are our
customers
responding?**

Category



**How is this
shaping the
grocery
industry?**

Takeaways



**How can
grocery brands
move forward?**

Truth.



CULTURE

What's going on in the lives of Americans

MANY AMERICANS CANNOT AFFORD THE LIVES THEY WANT

America's spending power continues to shrink as their financial stress rises, with two-thirds reporting living paycheck to paycheck

Americans are losing spending power, say researchers: Most can no longer afford a 'minimal quality of life'

Published Fri, Jun 13 2025 12:18 PM EDT



Living Paycheck to Paycheck? You're Not Alone —67% of People Are in 2025

By JESSICA GIBSON Published September 24, 2025



Americans open up about their struggles to afford basic needs

780K views • 3 months ago



CBS Evening News

America is facing a cost of living crisis. "CBS Evening News" spoke to three Americans about what it's like trying to stay afloat as ...

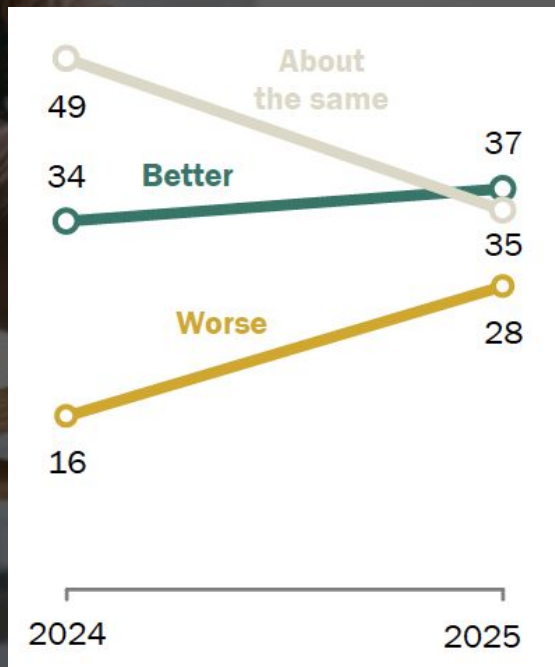


3 chapters Teacher on \$37,000 salary shows what surviving as a single mom really looks like | Police officer...

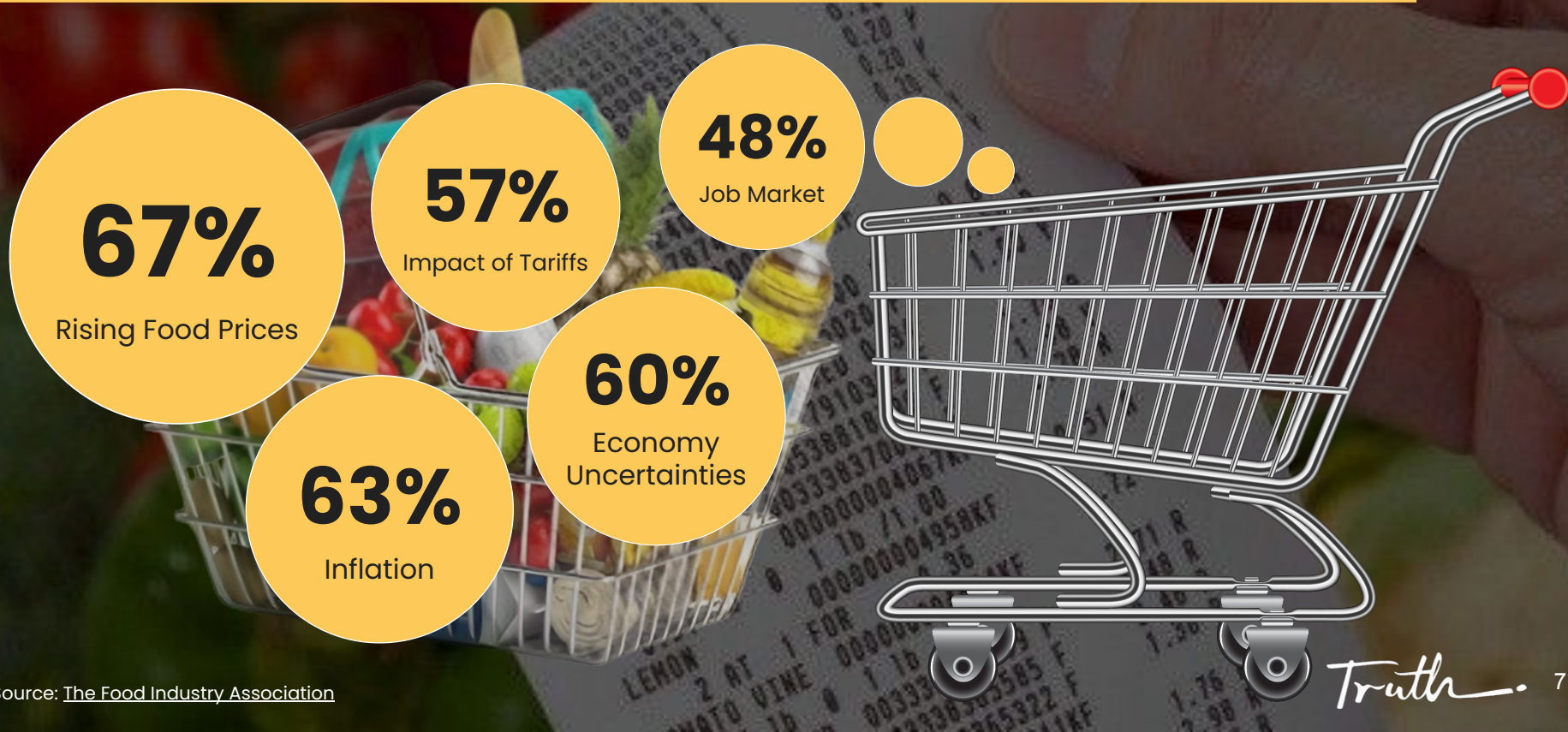
THEIR FINANCIAL OUTLOOK GROWS SIGNIFICANTLY LESS OPTIMISTIC THIS YEAR

Roughly three-in-ten adults (28%) say they expect the financial situation for them and their family to be worse a year from now. This is up significantly from 16% who said this in May 2024

Percent of Americans saying a year from now, they expect that the financial situation of them and their family will be...

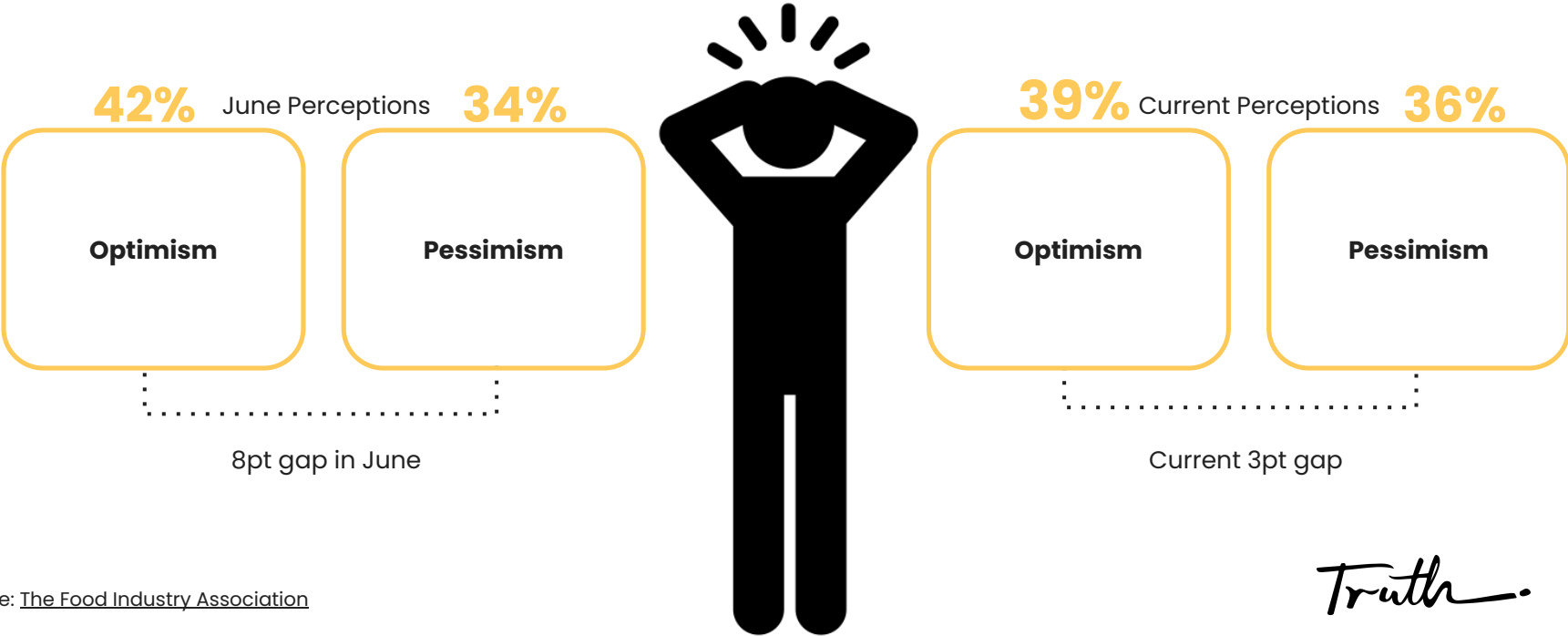


AND AMONG THE MANY RISING UNCERTAINTIES, FOOD PRICES REMAINS THEIR GREATEST CONCERN



PERCEPTIONS OF THE GROCERY INDUSTRY HAVE SHIFTED

Over the summer, positive perceptions declined from 42% to 39%, while negative perceptions rose from 34% to 36% – indicating that the gap between optimism and pessimism is shrinking





~90%

of Americans say they are “**stressed**” about
the cost of groceries

A photograph of a grocery store aisle, likely a frozen food section, with multiple shelves stocked with various products. Numerous price tags are visible on the shelves, and many of these tags are circled in white. The text "Groceries are the loudest proof of inflation" is overlaid in the center of the image. The background shows various frozen food items like pizzas, dumplings, and meat products.

**Groceries are the loudest
proof of inflation**

MANY AMERICANS ARE FACING NEW PURCHASING TRADE-OFFS

While inflation slowed to an average of 2.9% in 2024, past-years' inflation rates of 3.4%, 6.5%, and 7% create permanent purchasing damage

More people searching for 'struggle meals' as grocery 'stress' continues

Popular struggle meals include eggs with rice and spaghetti.

By [Yi-Jin Yu](#) [GMA](#)

September 30, 2025, 11:46 AM



Food was too expensive, so I went with something cheaper for dinner



GROCERIES: A SPLURGE YOU INDULGE IN OR ELIMINATE

Business Insider has claimed groceries are the new Millennial and Gen Z splurge



MoneyTalks shared 11 things their 'financially savvy' subscribers have stopped buying, with seven being food staples

11 Things People Have Stopped Buying – and How They Are Getting By

With rising inflation, it seems that quite a few items have become too pricey for the average shopper. Money Talks News readers are making these swaps.

By Gillian Manning
June 23, 2025 • Advertising Disclosure

MoneyTalksNEWS

GROCERIES: A SPLURGE YOU INDULGE IN OR ELIMINATE

Business Insider has claimed groceries are the new Millennial and Gen Z splurge



Source: Business Insider

Consumer Responses



BellJazzi

I'm splurging on rent and utilities too! Ooh La La

4-12

Reply



15.9K



Becks

The gaslighting is out of control 🤔

4-12

Reply



6344



chelsea reed

People have actually laughed at me when I said my weight loss strategy is the price of groceries. Oreos are just a distant memory to me now



642

GROCERIES: A SPLURGE YOU **INDULGE** IN OR ELIMINATE

Business Insider has claimed groceries are the new Millennial and Gen Z splurge



Source: Business Insider

Consumer Responses

*"The struggle is real. **Not always real-hard but it is real.** Struggling hard, no. Struggling, yes. **I'm making the most I've ever made and I am the brokest I've ever been.**"*

- Reddit

GROCERIES: A SPLURGE YOU **INDULGE** IN OR ELIMINATE

Business Insider has claimed groceries are the new Millennial and Gen Z splurge



Source: Business Insider

Consumer Responses

*"My boyfriend and I have been buying higher quality groceries instead of going out to eat for dinner. **We can't justify the cost of restaurants or takeout as often these days so we'll buy a nice pack of steaks at Costco or splurge on fancy ingredients.** For the nights that we'd normally get takeout because we're too tired or whatever, **we buy a \$4 pack of ravioli from Trader Joe's to mix with pasta sauce.**"*

- Reddit

GROCERIES: A SPLURGE YOU INDULGE IN OR **ELIMINATE**

Things they are eliminating

1. **Bread**
2. **Eggs**
3. **Cars**
4. **Drinks**
5. **Sweets**
6. **Clothing and shoes**
7. **Red meat**
8. **Restaurant food**
9. **Fresh produce**
10. **Food name brands**
11. **"A bit of everything else"**

Seven of the eleven things MoneyTalks' 'financially savvy' subscribers have stopped buying are **food staples**.

11 Things People Have Stopped Buying – and How They Are Getting By

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MoneyTalksNEWS

THE COST OF FOOD IS CHANGING BIG PARTS OF CUSTOMERS' LIVES, WITH 33% INTENDING TO SPEND MORE ON BABY PRODUCTS NEXT YEAR

The cost of baby gear is up 20%
since January



Fact-checked by Robin Hilmantel



Written by Melissa Bykofsky | Jul 22, 2025

"Having a baby in 2025 is like going to the grocery store to buy 2 dozen eggs. That is expensive!"

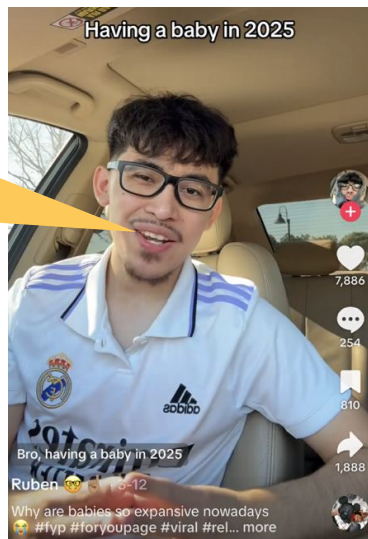
– Tik Tok

The 'baby tax' is driving up costs for families—and making basic safety harder to afford for many

By Ruman Baig

Updated Apr. 29, 2025

MOTHERLY



COMMON EXPENSES FOR BABY'S FIRST YEAR	
Childcare*	\$10,107
Feeding	\$3,515
Nursery (crib, diaper pail, etc.)	\$1,471
Diapering	\$1,032
Gear (stroller, car seat, etc.)	\$1,145
Saving toward future/college	\$900
Clothing	\$876
Activity equipment (bouncer, play mat, etc.)	\$599
Breastfeeding supplies	\$422
Bathing and grooming	\$235
Health and safety products	\$155
Toiletries	\$144
Toys	\$144
TOTAL AMOUNT: \$20,745	
*For 9 months of childcare coverage	
SOURCE: BABYCENTER'S FIRST-YEAR BABY COSTS CALCULATOR, JUNE 2025	

Truth



CULTURE TAKEAWAY

Customers are increasingly strained financially, leading them to make significant purchase trade-offs. The cultural conversation is full of frustration and uncertainty of what will come next.



CUSTOMER

How are our customers responding?

A background image showing a person's hand holding a white delivery box with a logo, while another hand uses a Visa card to pay at a terminal. The scene is dimly lit, focusing on the transaction.

Today's grocery shoppers aren't following a linear path: they're building their own hybrid system to make shopping work for them – both in **price** and convenience

AMID RISING COST CONCERNS, CUSTOMERS ARE SHOPPING WITH A STRONGER FOCUS ON PRICE AND VALUE

Customers are currently stating that they are:

49%

Hunting for better deals

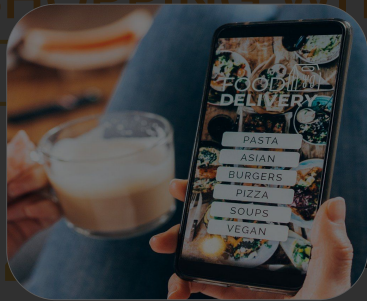
36%

Cutting back on non-essential items

35%

Switching to cheaper brands/products

AMID RISING COST CONCERNS, CUSTOMERS ARE SHOPPING WITH A STRONGER FOCUS ON PRICE AND VALUE



Food Delivery Services
(39%)



Alcoholic Beverages
(30%)



Nonalcoholic Beverages
(19%)



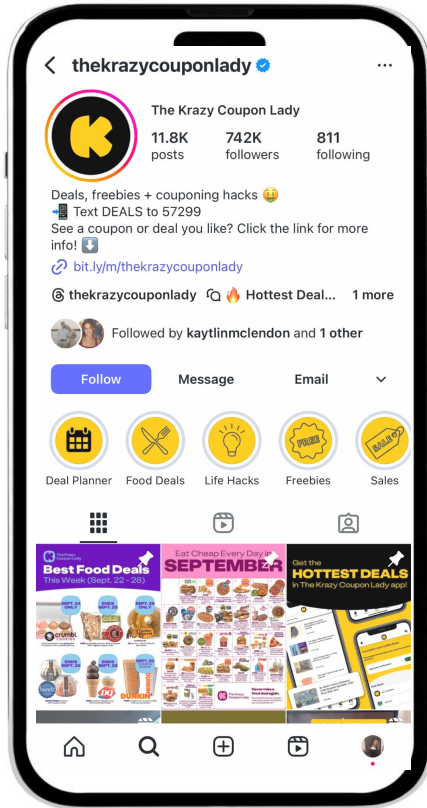
Pet food supplies
(10%)

36% What non-essential items are customers cutting back on?

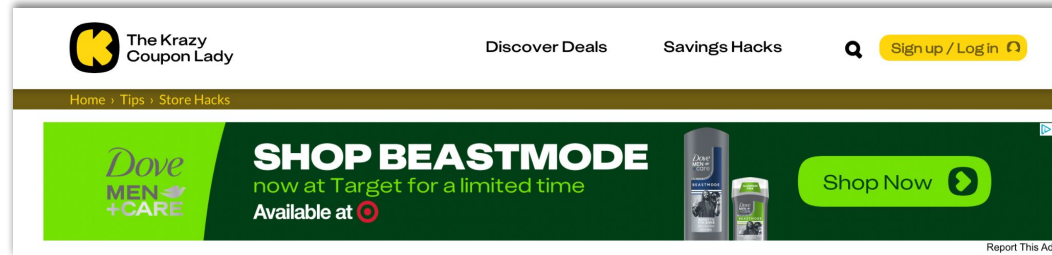
Shoppers plan to spend less on these items as we move closer towards the end of the year.

35% **Switching** to cheaper brands/products

AMID RISING COST CONCERNS, CUSTOMERS ARE TURNING TO TRUSTED VOICES



Source: [Thekrazycouponlady](https://www.instagram.com/thekrazycouponlady)



The Krazy Coupon Lady is a savings platform that serves as a go-to resource for budget-conscious consumers, offering step-by-step strategies and daily deal roundups to make grocery shopping more affordable.

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AMID RISING COST CONCERNS, CUSTOMERS ARE MORE INFLUENCED BY PRICING AND PROMOTIONS

54%

Of consumers say pricing
and promotions influence
where they shop

I present: \$100 of groceries.



Justin  Boldaji
@justinboldaji

I can get this down to 40-50 bucks at
the self checkout

AMID RISING COST CONCERNS, CUSTOMERS ARE READY TO KEEP LOOKING FOR THE BEST DEALS

"If grocery prices increase, I am likely to..."

38%

Take more time to **price compare**
between grocers

36%

Use **coupons** more often

31%

Participate in more **loyalty programs**



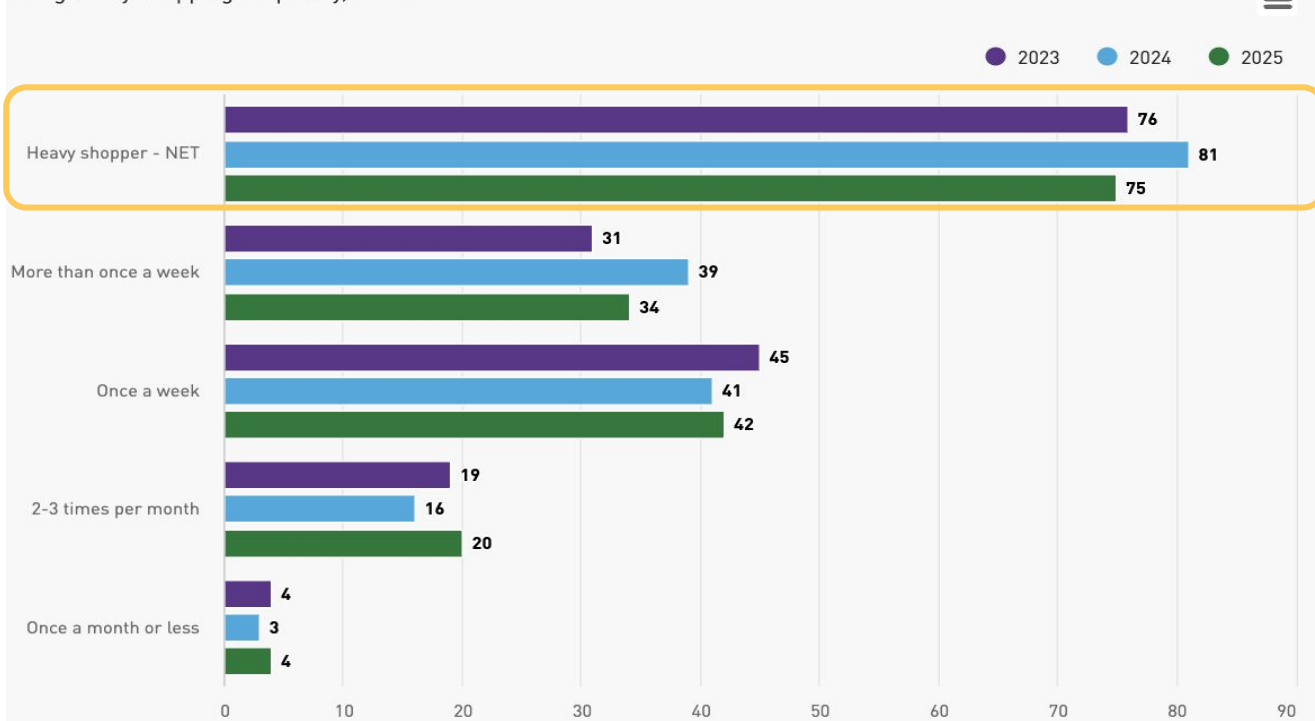
@Thekrazycouponlady

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AMID RISING COST CONCERNS, CUSTOMERS ARE SHOPPING LESS FREQUENTLY

Customers are shopping less frequently, signaling a shift toward stretching both groceries and budgets

US: grocery shopping frequency, 2023-25



Declined from 81% in 2024
→ 75% in 2025

AMID RISING COST CONCERNS, CUSTOMERS ARE TURNING TO BULK TO SAVE

65%

Of consumers buy
items in bulk to save
money

Buy in bulk

- ☉ Toilet paper
- ☉ Paper towels
- ☉ Detergent
- ☉ Soda (or pop)
- ☉ Canned goods
- ☉ Coffee beans
- ☉ Rice
- ☉ Dry beans
- ☉ Snacks

Don't buy in bulk

- ☉ Fresh produce
- ☉ Dairy products
- ☉ Spices
- ☉ Condiments
- ☉ Trendy products
- ☉ Personal care items
- ☉ Frozen foods



For consumers new to bulk shopping, guides like this one from Fetch.com outline the do's and don'ts. The main takeaway: focus on essentials you'll use fully before they expire.

"I'm single and I buy in bulk. Most items last me several months"

- Reddit verbatim about buying in bulk



AMID RISING COST CONCERNS, CUSTOMERS ARE OPTING TO DISCOUNT GROCERS AS THEIR PRIMARY

Fewer shoppers “double-shop”: Compared to 2023, fewer Trader Joe’s and Aldi shoppers are going to another grocer immediately before or after their visit. This suggests people are treating them as their main stop rather than supplementing with another store.

Rising traffic: Both chains are seeing consistent year-over-year growth in visits, with Aldi growing especially fast (+18% in 2024). That momentum has continued into early 2025.

Weekend preference: Placer.ai found that a higher share of visits to these stores happens on weekends compared to other grocers. This likely means shoppers view them as “weekend stock-up” destinations, where people go to do their bigger, planned grocery runs.



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Rising traffic: Both chains are seeing consistent year-over-year growth in visits, with Aldi growing especially fast (+18% in 2024). That momentum has continued into the new year.

Weekend traffic: A significant portion of the higher share of visits to these stores happens on weekends compared to other grocers, making them popular spots for them as “weekend stock-up” destinations, where people go to do their bigger, planned grocery runs.

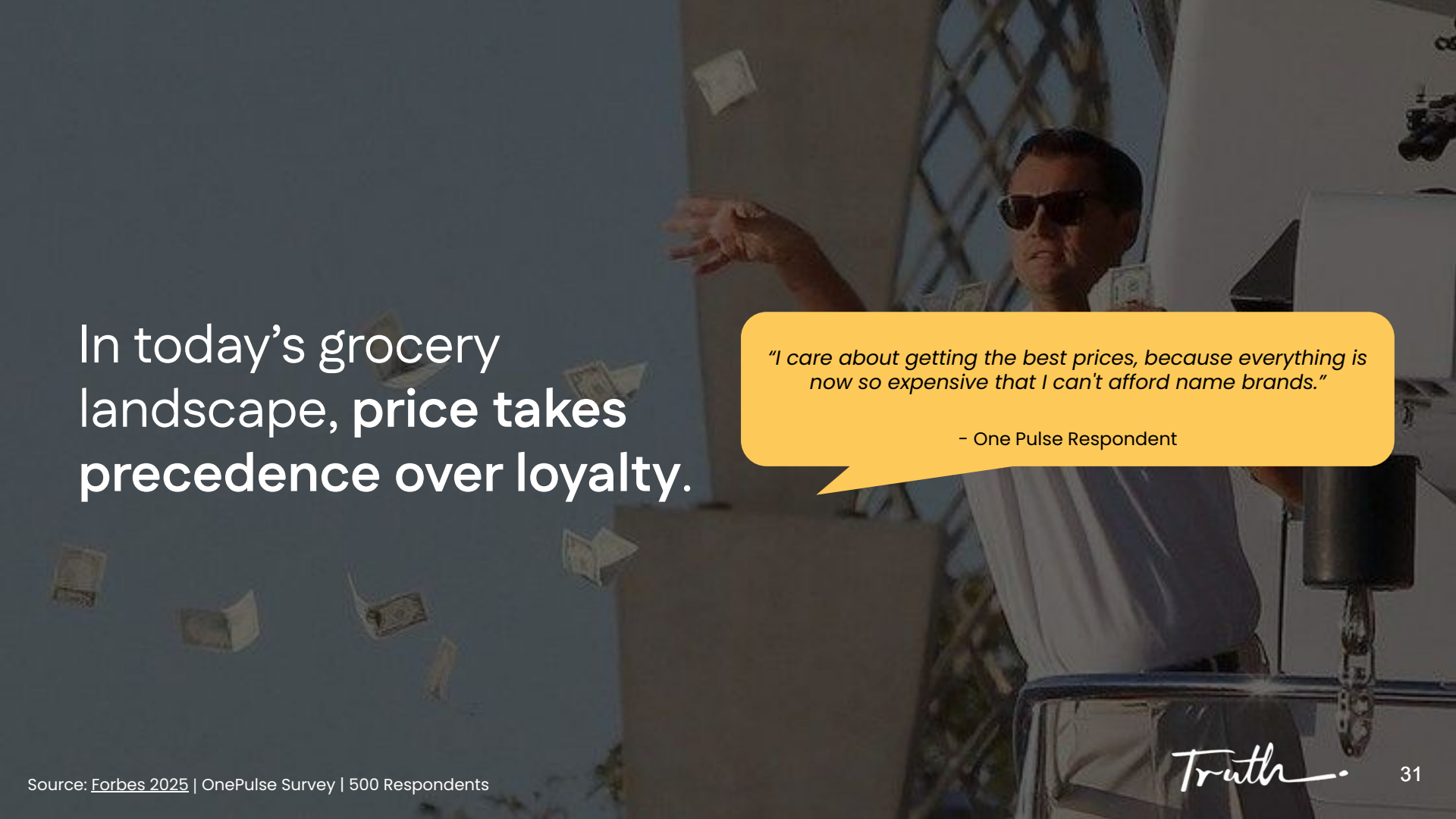
1 in 2 Shoppers say they will change brands when prices are lower

 TRADER JOE'S 2742 Pinole Valley Road Pinole CA 94564 Store #230 - (510) 222-3501 OPEN 8:00AM TO 9:00PM DAILY	
HARVEST BREAD	1.99
PASTA WHOLE WHEAT PENNE ORGANI	1.49
BANANAS	2.28
12EA @ 0.19/EA	
MILK HALF GAL ALMOND UNSWEETEN	2.99
A-LEMON BAG 1 LB..	1.49
ORGANIC LF VANILLA YOG- 32 OZ.	3.29
R-CARROTS CUT & PEELED ORGANIC	1.49
R-STRAWBERRIES ORG 1 LB	3.49
A-AVOCADOS HASS BAG 4CT	2.99
UNSALTED BUTTER QUARTERS.	3.19
TJ'S STRING CHEESE	3.99
VEG BROCCOLI FLORETS ORGANIC	2.49
LENTILS RED SPLIT	1.69
R-SALAD ORGANIC BABY SPINACH 6	1.99
TJ'S HONEY NUT O'S CEREAL	2.49
TJ'S BNLS SNLS CHICKEN BREASTS	4.22
A-APPLE BAG JAZZ 2 LB	2.69
A-POTATO BAG SWEET 2 LB	1.79
R-HERB CILANTRO BUNCH	0.99
BEANS BLACK	3.56
4OZ @ 0.89/OZ	
HUMMUS 7 OZ	1.99
GROUND TURKEY	2.99
SWEET ITALIAN CKN SAUSAGE	3.99
TJ'S HONEY NUT O'S CEREAL	2.49
HARVEST BREAD	1.99
SUBTOTAL	\$64.04
TOTAL	\$64.04
SUBTOTAL	\$64.04
TOTAL	\$64.04

ALDI Store #65 1260 Powder Springs Street Marietta, GA 833-476-2065 www.ALDI.us Your cashier today was Kaylee	
335291 Large Eco-Bags	0.99 NE
304562 Fruit Cups - Juice	1.75 FB
304562 Fruit Cups - Juice	1.75 FB
400966 Steam Green Beans	0.96 FB
399358 Chicken Sausage	3.19 FB
399358 Chicken Sausage	3.19 FB
306417 Filled Pasta	1.79 FB
306417 Filled Pasta	1.79 FB
400966 Steam Green Beans	0.96 FB
305637 Fruit Cups - Juice	1.75 FB
310098 Dried Cranberries	1.75 FB
310098 Dried Cranberries	1.75 FB
388137 Large Eggs	3.49 FB
399240 Dark Choc Assort.	1.49 FB
201355 Creamy Peanut Btr	1.85 FB
423730 Fat Free Half/Half	2.65 FB
382178 Alfredo Sauce	1.65 FB
382178 Alfredo Sauce	1.65 FB
416561 RF 2% Organic Milk	3.79 FB
344350 Egg Rolls	3.59 FB
344350 Egg Rolls	3.59 FB
423910 Butter Quarters	3.79 FB
399685 Dish Detergent	2.09 NE
Debit	56.06

01/21/25 13:37 Ref/Seq # 166256	
Trace # 166256	
Auth # 299018	
ATD A000000980840	
TYR 8080041000	
IAD 06011203210000	
TST 6800 ARC 000 EntryMode 95	
APPROVED	
SUBTOTAL	54.84
E-Taxable @6.000%	0.18
B-Taxable @2.000%	1.04
AMOUNT DUE	56.06
TOTAL	\$ 56.06
24 ITEMS	
Debit Card	\$ 56.06
24 ITEMS	
Debit Card	\$ 56.06


Truth.

A man wearing sunglasses and a light blue shirt is standing on a balcony or rooftop, throwing several US dollar bills into the air. The bills are captured mid-air, creating a sense of motion. The background shows a building with a lattice structure and a clear sky.

In today's grocery
landscape, **price takes
precedence over loyalty.**

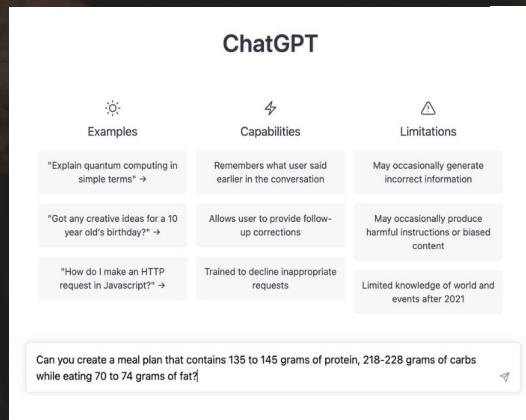
*"I care about getting the best prices, because everything is
now so expensive that I can't afford name brands."*

– One Pulse Respondent

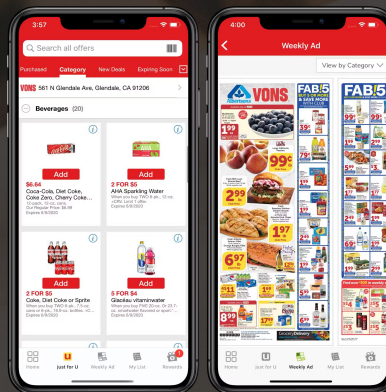
A background image showing a person's hand holding a white delivery box with a logo, while another hand uses a Visa card to pay at a terminal. The scene is dimly lit, focusing on the transaction.

Today's grocery shoppers aren't following a linear path: they're building their own hybrid system to make shopping work for them – both in price and **convenience**

CUSTOMERS ARE BECOMING MORE STRATEGIC WHILE PRIORITIZING THEIR TIME AND THEIR WALLET



Planning meals with AI



Digital coupon clipping on the go



Skipping the line with app-based checkout

Truth.

CUSTOMERS ARE USING AI TO HACK THEIR GROCERY LISTS, TAKING IT FROM NOVELTY TO UTILITY

61%

Of US consumers have used AI for meal planning, recipe suggestions or grocery shopping

Top Benefits for Using AI



CUSTOMERS ARE USING SMARTPHONES FOR ONLINE SHOPPING, COUPONING, LISTS, AND PRICE COMPARISON

Mobile usage in store, 2025



CUSTOMERS ARE OPEN TO SHARING DATA TO INCREASE THEIR PERSONALIZED ONLINE EXPERIENCE

74%

Are willing to share some form of personal data in exchange for relevant incentives

71%

Want brands to learn from their shopping habits over time

A person with tattoos is using a white Square payment terminal. A Visa card is being held over the terminal's contactless payment area. The background is dark and out of focus, showing some festive decorations.

How does this change among age cohorts?

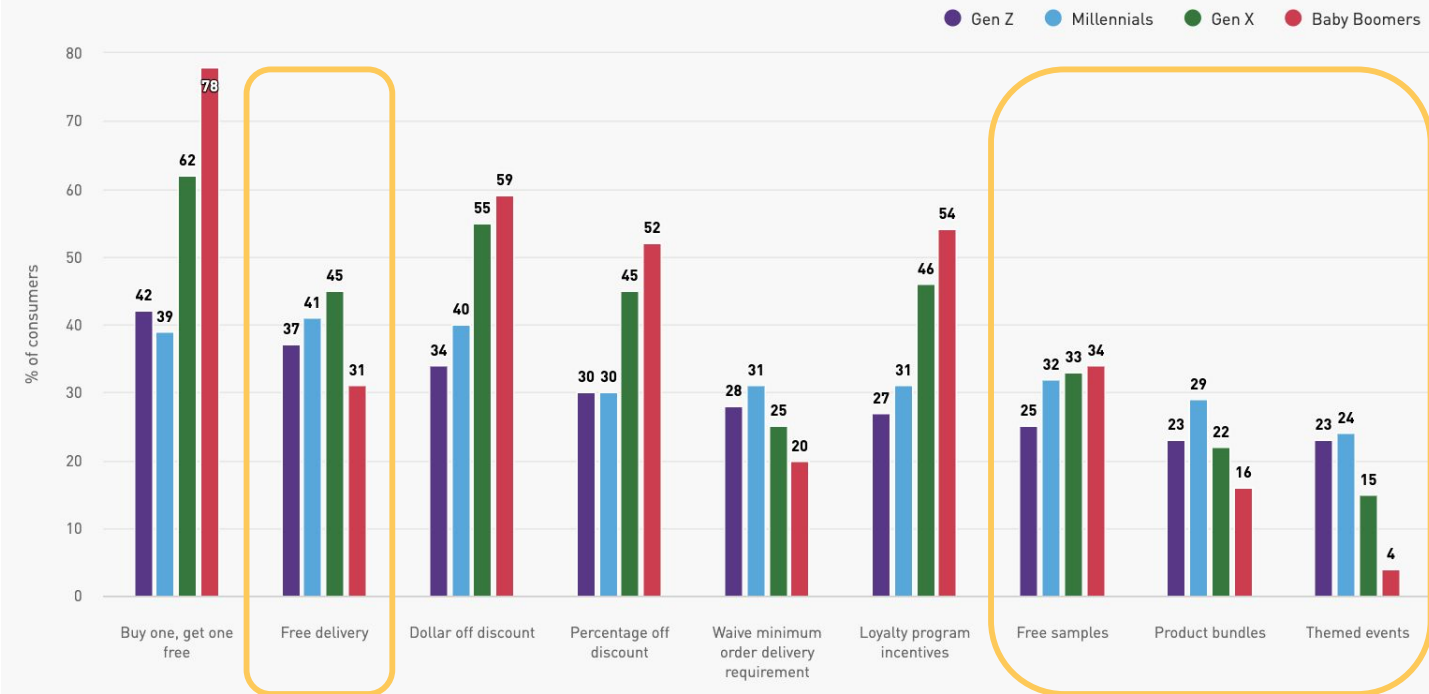
OLDER GENERATIONS ARE MOST MOTIVATED BY TRADITIONAL PRICE-BASED PROMOTIONS

US: influential promotional tactics, by generation, 2025



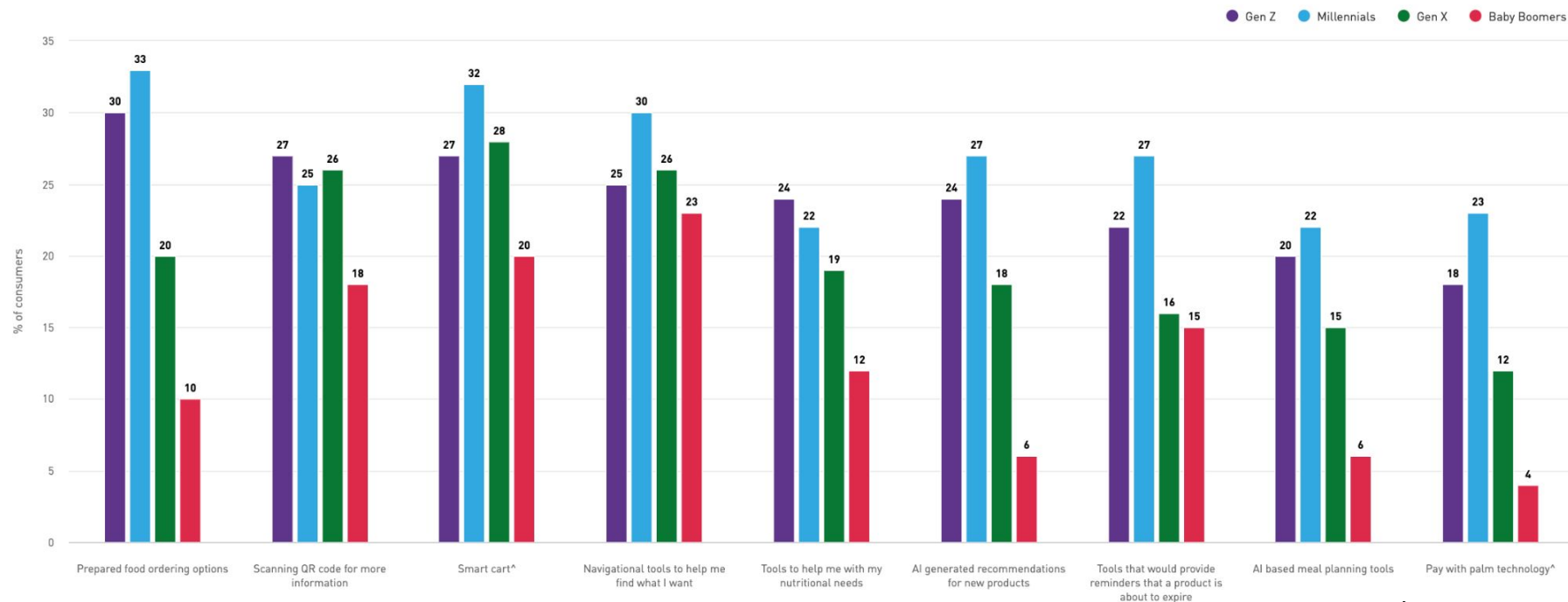
YOUNGER GENERATIONS STILL WANT TO SAVE BUT ARE MORE OPEN TO CONVENIENCE PERKS AND ENGAGEMENT-DRIVING TACTICS

US: influential promotional tactics, by generation, 2025

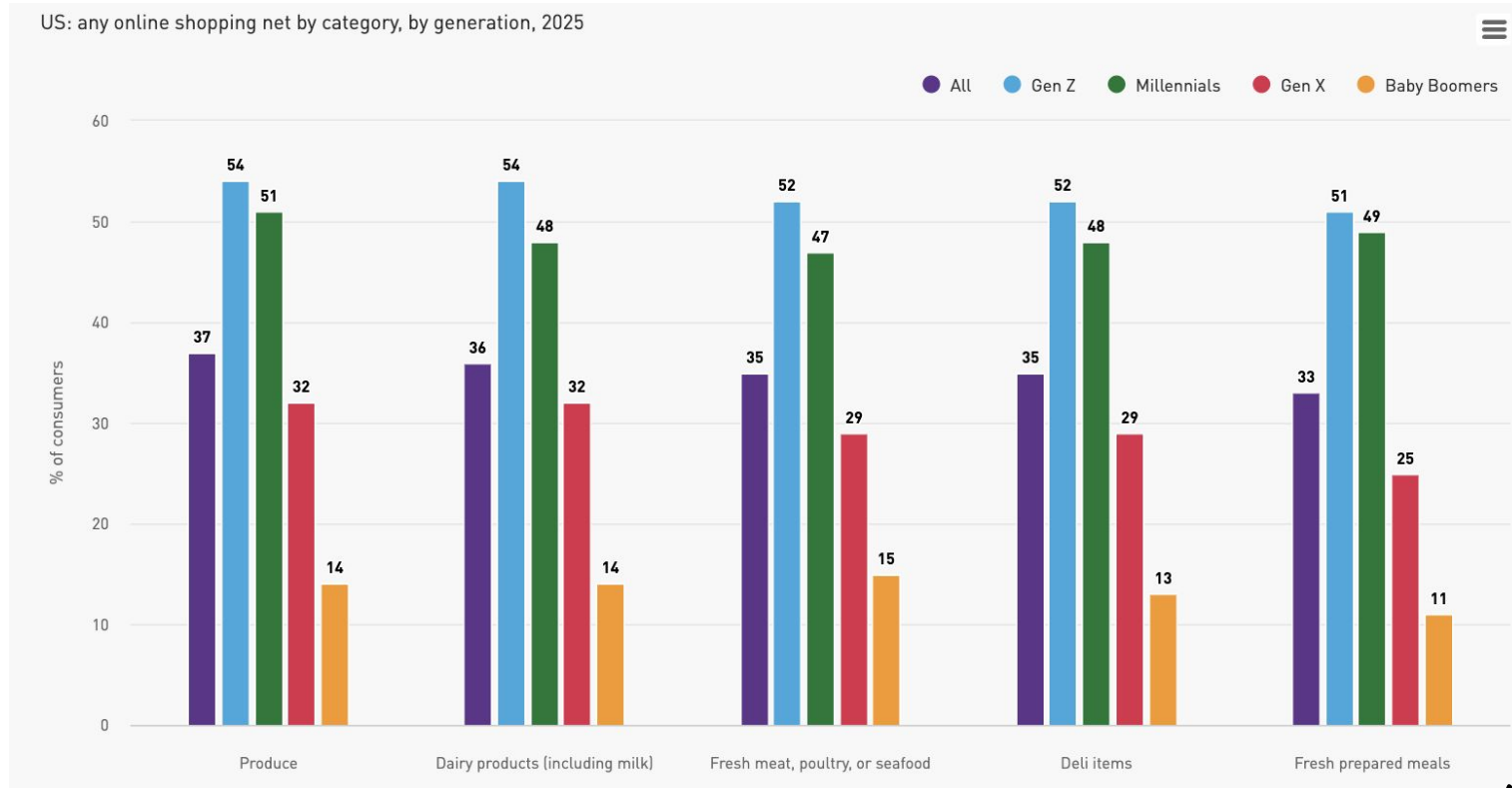


YOUNGER CUSTOMERS ARE MORE INTERESTED IN GROCERY-RELATED TECHNOLOGICAL ADVANCEMENTS

US: technologies of interest, by generation, 2025



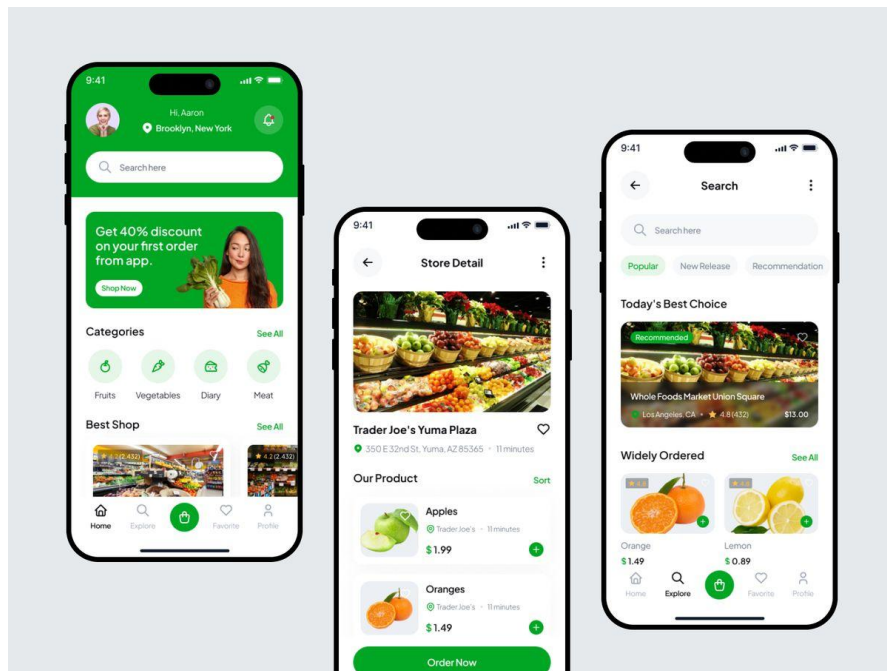
YOUNGER CUSTOMERS SHOW GREATER TRUST IN BUYING FRESH PRODUCE ONLINE



MOBILE IS BECOMING THE PATHWAY FOR YOUNGER CONSUMERS SHOPPING ONLINE

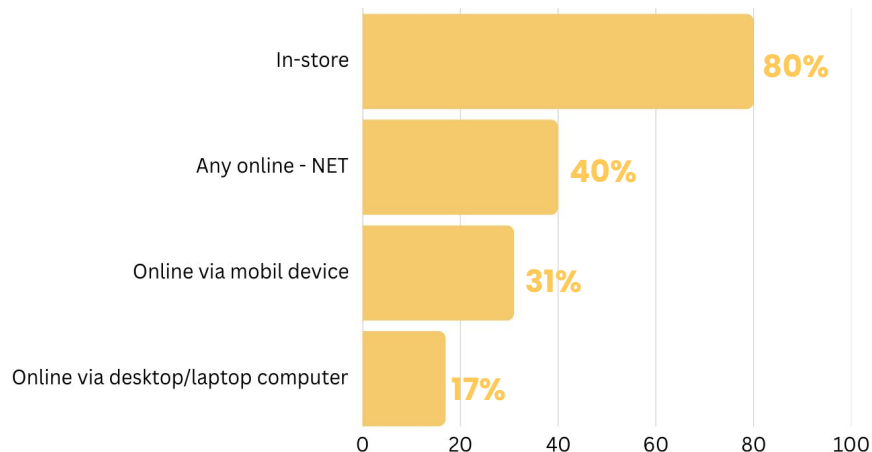
44%

of Gen Z and Millennials on average have shopped online with their primary grocery via a mobile device



IN-STORE GROCERY SHOPPING IS STILL THE DOMINANT METHOD, BUT THINGS ARE BEGINNING TO SHIFT

In-Store Leads the Way



Change is Driven by Younger Customers

Gen Z shoppers skip fresh foods, favor convenience at grocery store

Bill Wilson, Senior editor at Supermarket News
June 3, 2025

sn Supermarket News

Digital convenience drives Gen Z's spending and wellness choices

Article by Lisa Halas | Aug 8, 2025

EMARKETER

How Gen Z's power over the grocery industry is growing

This generation could be the key to helping grocers better understand how to provide a seamless omnichannel experience.

Published May 9, 2025

Peyton Bigora
Staff Reporter

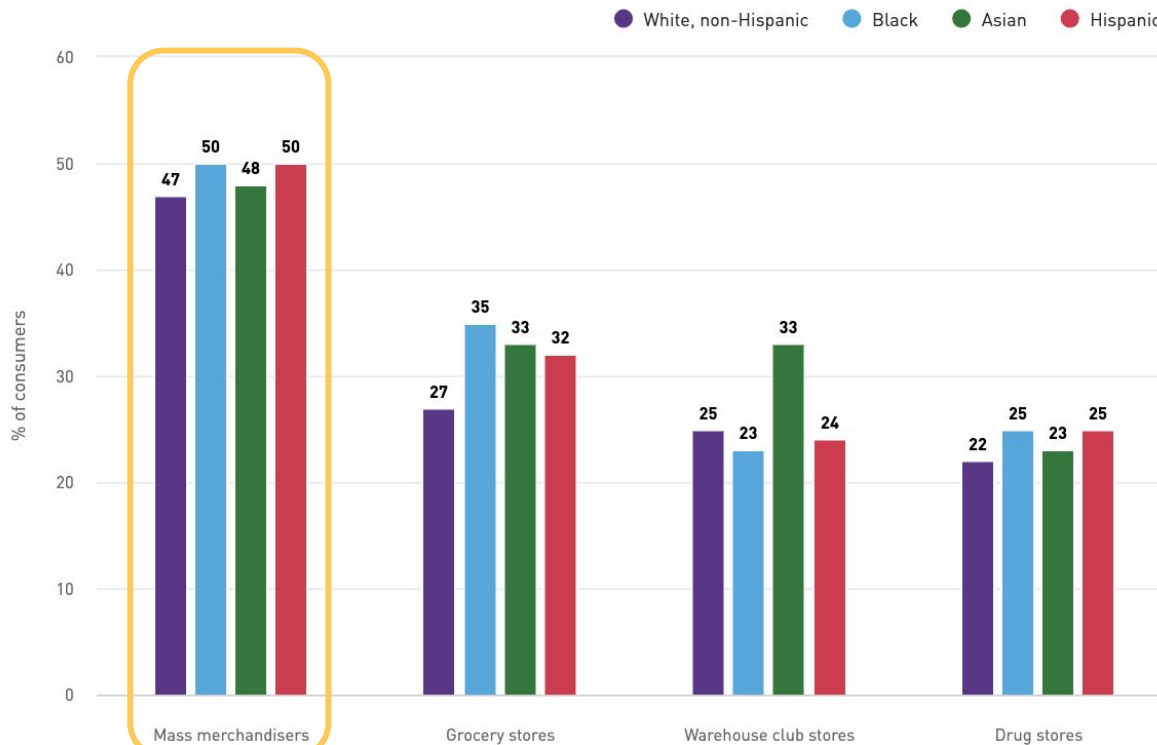
GROCERY DIVE

A person with visible tattoos on their arms is shown from the chest down. They are holding a white, cube-shaped delivery box with a dark square logo on its side. The box is open, and they are using a Visa credit card to pay for the delivery. The background is dark and out of focus, showing some household items like a lamp and a plant.

How does grocery shopping change
based on race or ethnicity?

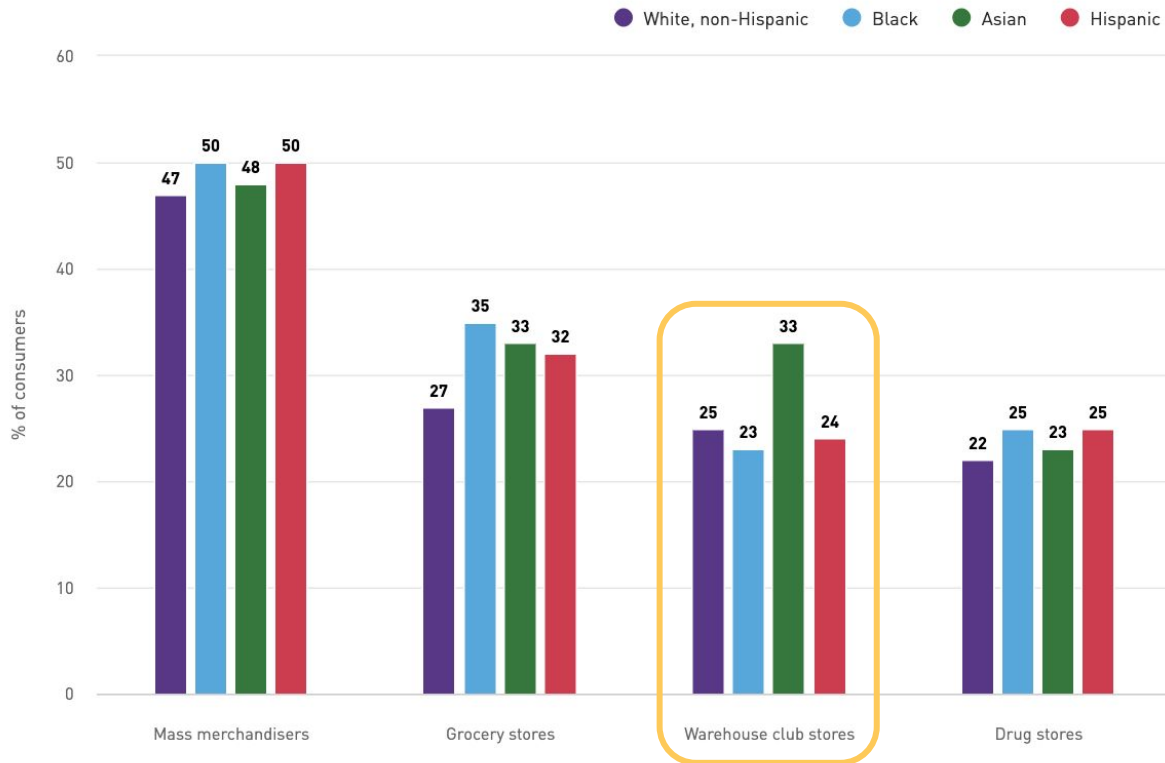
MULTICULTURAL CONSUMERS ARE MORE LIKELY TO SHOP ONLINE WITH ESSENTIAL RETAILERS LIKE WALMART OR TARGET

US: select retailers shopped online, by Race and Hispanic origin, 2024



WAREHOUSE CLUB E-GROCERY GAINED MOMENTUM AMONG ASIAN HOUSEHOLDS, HIGHLIGHTING THE APPEAL OF BULK SAVING AND CONVENIENCE

US: select retailers shopped online, by Race and Hispanic origin, 2024



LATINO CONSUMERS LEAD IN BLENDING DIGITAL AND PHYSICAL SHOPPING

A study from PDG Insights found that Latino shoppers are ahead of the curve in adopting grocery technologies, reshaping how retailers and brands engage them

32%

of Latino consumers use AI tools for grocery shopping or meal planning.

64%

Of Latino consumers research items online while shopping in-store

50%

Of Latino consumers use QR codes and digital wallets

Features Used by AI:

Personalized meal suggestions

Automated shopping lists

(smart home devices, Alexa, Google Assistant, are used to add items to grocery lists)

Voice-activated shopping

MULTICULTURAL AMERICANS ARE INCREASINGLY TURNING TO DIGITAL PLATFORMS TO SEEK FOOD & RECIPES ROOTED INTO THEIR CULTURE

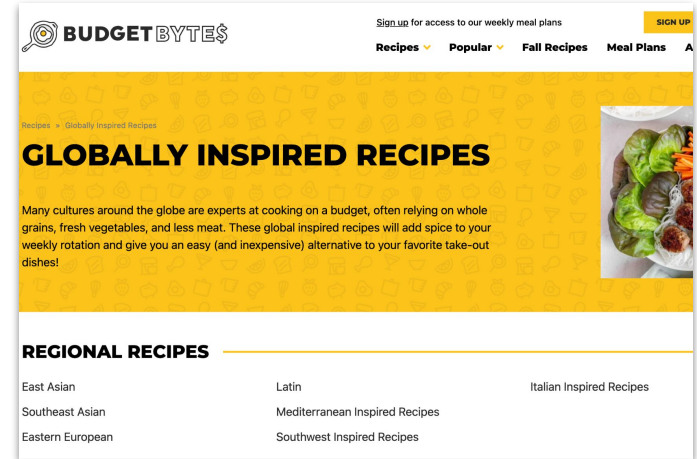
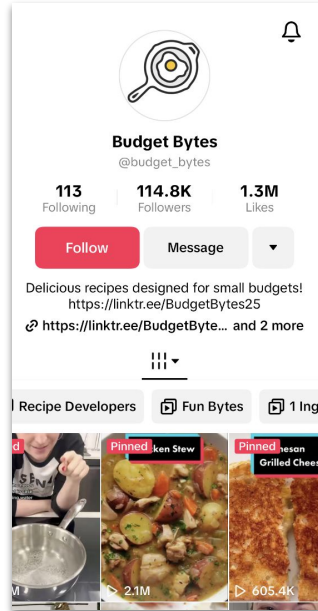
This sentiment is particularly pronounced among Asians (65%) and Hispanics (61%)

43%

Explore social media

32%

Rely on blog and websites



Budget Bytes makes cultural food accessible on a budget – helping consumers stretch their grocery dollars while still enjoying diverse, flavorful meals.

A woman with long brown hair, wearing a light-colored t-shirt and blue jeans, is seen from behind, pushing a metal shopping cart through a grocery store aisle. The cart is filled with various items, including bags of produce and boxes of food. The shelves are stocked with a variety of packaged goods, including bags of chips, boxes of cereal, and containers of instant noodle cups. Price tags are visible on the shelves. The overall scene is dimly lit, with the focus on the woman and her shopping cart.

CUSTOMER TAKEAWAY

Customers are rethinking how they spend, placing price and convenience above brand loyalty. Shoppers are becoming more strategic across online and in-store channels — seeking savings, drawing inspiration from new sources, and increasingly turning to AI to guide their choices.



CATEGORY

How is this shaping the grocery industry?

HOW IS THIS SHAPING THE GROCERY INDUSTRY?

Customers are concerned about prices.

What does this mean for the category?

What companies are thriving?

Customers are increasingly open and interested in e-groceries and other technological adaptations.

How is this growing the category?

What companies are embracing it?

Customers are more interested in private label as a way to save.

How is private label changing?

THE U.S. GROCERY MARKET CONTINUES GROW

This market includes both in-store and online sales

U.S. Market Size
(2025)

\$929bn

*~33% increase in growth
since 2019*

Monthly Sales
(Aug. 2025)

\$76bn

*3% increase from
2024*

Growth Rate
(2024 - 2025)

+4%

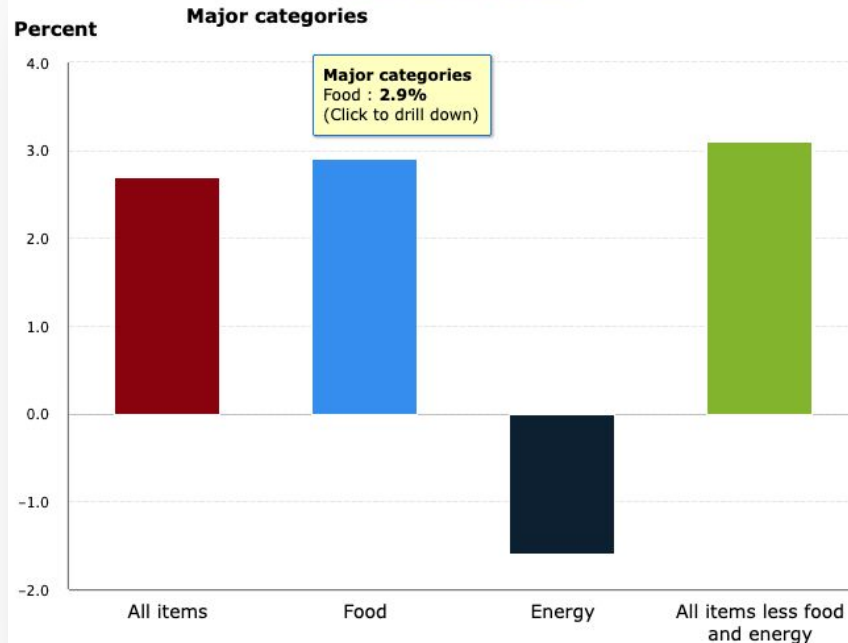
BEHIND MARKET GROWTH MEETS HIGHER FOOD PRICES

Includes price increases for both food-at-home (grocery) and food-away-from-home (dining out)

In the last 12 months, the price of food has **risen up to ~3%** – According to the Consumer Price Index

12-month percentage change, Consumer Price Index, selected categories, July 2025, not seasonally adjusted

[Click on columns to drill down](#)



Truth.

HIGHER FOOD PRICES MEANS CLIMBING GROCERY PRICES

Only includes the price increase for food-at-home (grocery)

Food-at-home prices **rose**
2% over the past 12 months
— a moderate but persistent
increase.



PROTEINS AND BEVERAGES ARE FUELING MOST OF THE INCREASE, WHILE PRODUCE AND CEREALS REMAIN RELATIVELY STABLE



Grocery Items	12 month % change, July 2025
Meats, poultry, fish, & eggs	5%
Nonalcoholic beverages & beverage materials	4%
Dairy & related products	2%
Other food at home	1%
Cereals & bakery products	1%
Fruits & vegetables	0%

Truth.



Category	12 month % change, July 2025
Every Items	16%
Poultry, fish & seafood	14%
Alcoholic beverages & tobacco materials	4%
Dairy & related products	2%
Other food at home	1%
Cereals & bakery products	1%
Fruits & vegetables	0%

Eggs – alone are **16% higher** than the previous year

Truth.

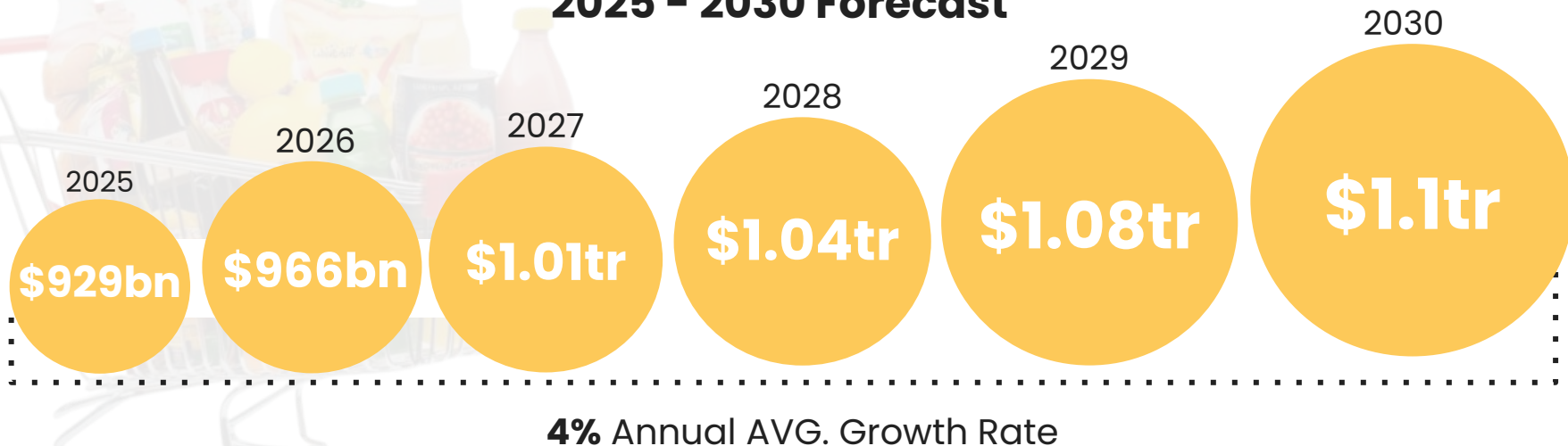
The background of the slide features three brown paper grocery bags filled with various items. The bag on the left contains several donuts, including one with a swirl of icing. The bag in the center is filled with red cherry tomatoes. The bag on the right contains a bunch of yellow bananas. Behind the bags is a large, leafy green plant. The entire scene is dimly lit, with the text overlaid in a bright white font.

While prices may be causing customers to consider trade-offs, **the grocery industry is still forecasted to grow**

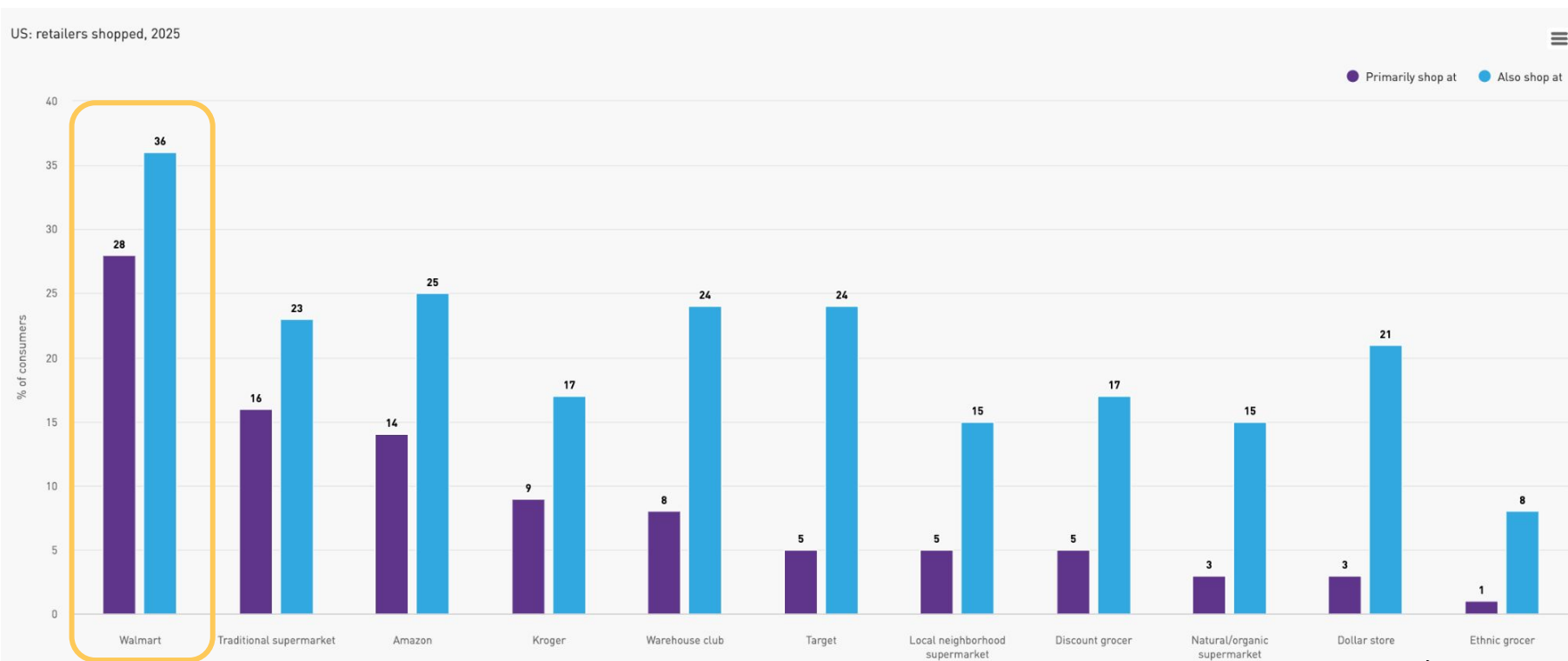
GROCERY INDUSTRY IS FORECASTING TO CONTINUED GROWTH

Assuming trade policies remain stable and no major disruptions occur

2025 – 2030 Forecast

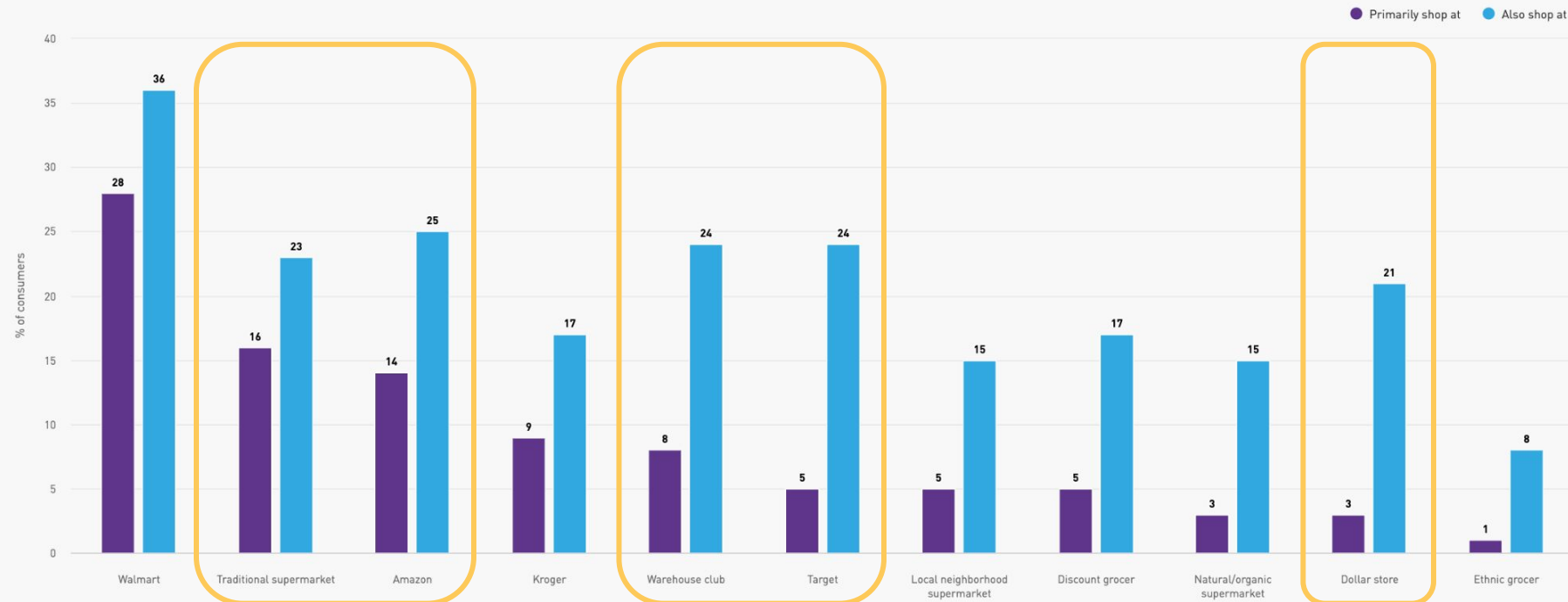


WALMART CONTINUES TO LEAD THE GROCERY SPACE



BUT TRADITIONAL SUPERMARKETS, AMAZON, WAREHOUSE CLUBS, TARGET, AND DOLLAR STORES CARVE OUT THERE OWN SPACE

US: retailers shopped, 2025



AN INDEPENDENT SURVEY REPORTED AMERICA'S BEST GROCERS FOR 2025, BASED ON SHOPPER FEEDBACK

The America's Best Retailers 2025 rankings are based on an independent survey with more than 140,000 customer evaluations, reflecting experiences with retailers over the past three years.

#1 Ranked Retailers By Category:

Warehouse



Supermarket



Natural/Ethnic



Discount Grocer



Rankings Based on:

1. Products
2. Customer Service
3. Atmosphere
4. Accessibility
5. Store Layout

HOW IS THIS SHAPING THE GROCERY INDUSTRY?

Customers are concerned about prices.

What does this mean for the category?

What companies are thriving?

Customers are increasingly open and interested in e-groceries and other technological adaptations.

How is this growing the category?

What companies are embracing it?

Customers are more interested in private label as a way to save.

How is private label changing?

The U.S. grocery industry is
evolving like never before



IN-STORE GROCERY SALES REMAINS DOMINANT

83%

of grocery sales in 2024 were from
brick-and-mortar locations



THE 'E-GROCERY' CATEGORY IS GROWING AT AN INCREASINGLY RAPID PACE

The majority of this growth is coming from from delivery (36% yoy), followed by pickup (24%) and ship-to-home (10%)

U.S. Online Grocery Sales Experienced

26%

Over the Last Year

Monthly U.S. Online Grocery Sales: July 2025

Billions, USD

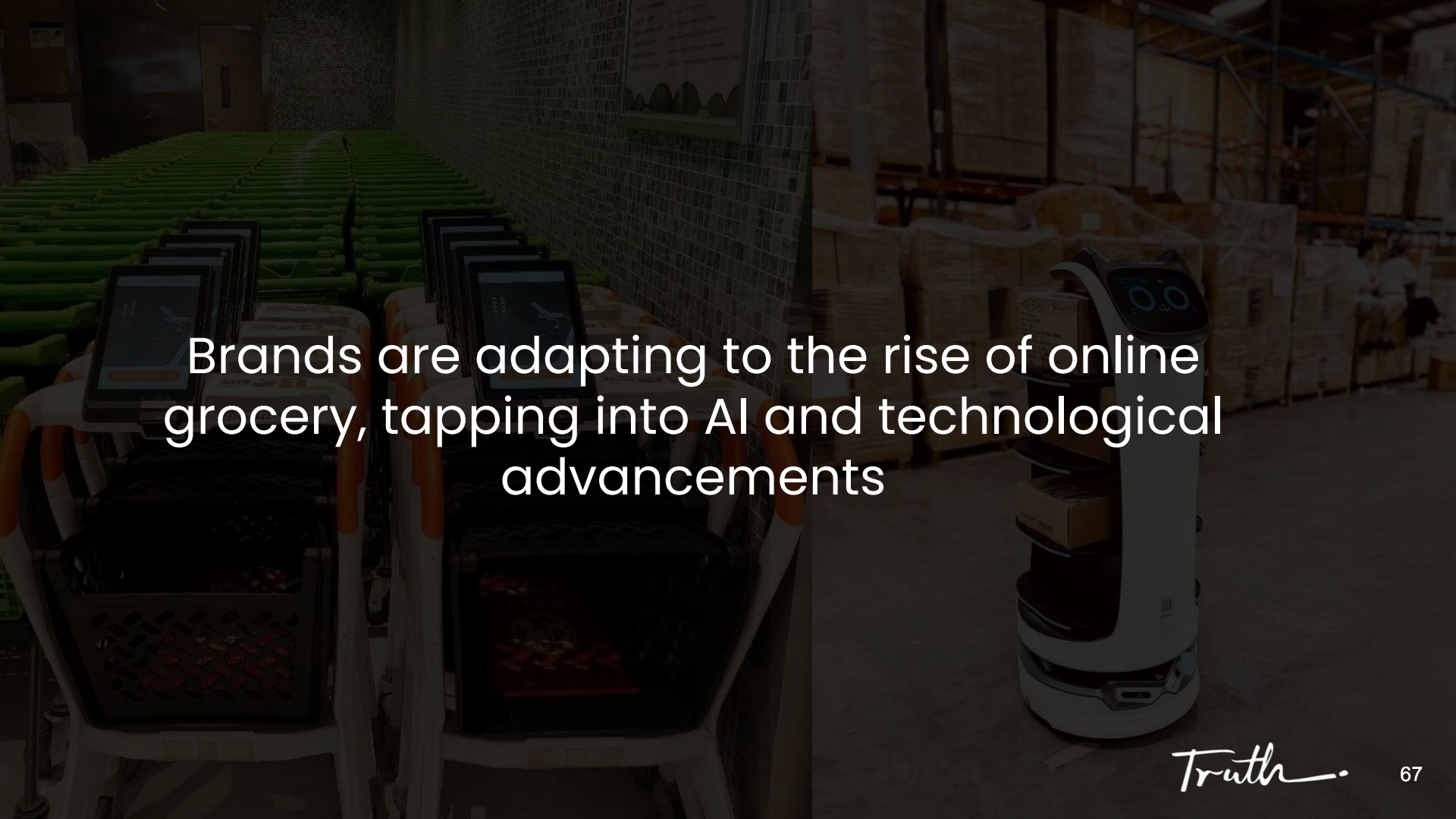


Truth

BY 2029, E-GROCERY IS FORECASTED TO CONTRIBUTE TO OVER HALF OF THE MARKET'S GROWTH

Contribution to Market Growth by 2029





Brands are adapting to the rise of online grocery, tapping into AI and technological advancements

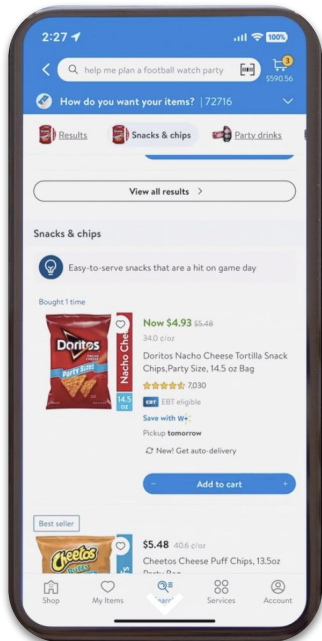
AI WILL SOON BE THE BACKBONE OF INFORMATION FOR GROCERY DECISIONS

79%

Of retailers and
manufactures have made
AI investments a priority



WALMART INTRODUCED TWO SEPARATE AI CAPABILITIES INTO ITS SHOPPING ECOSYSTEM

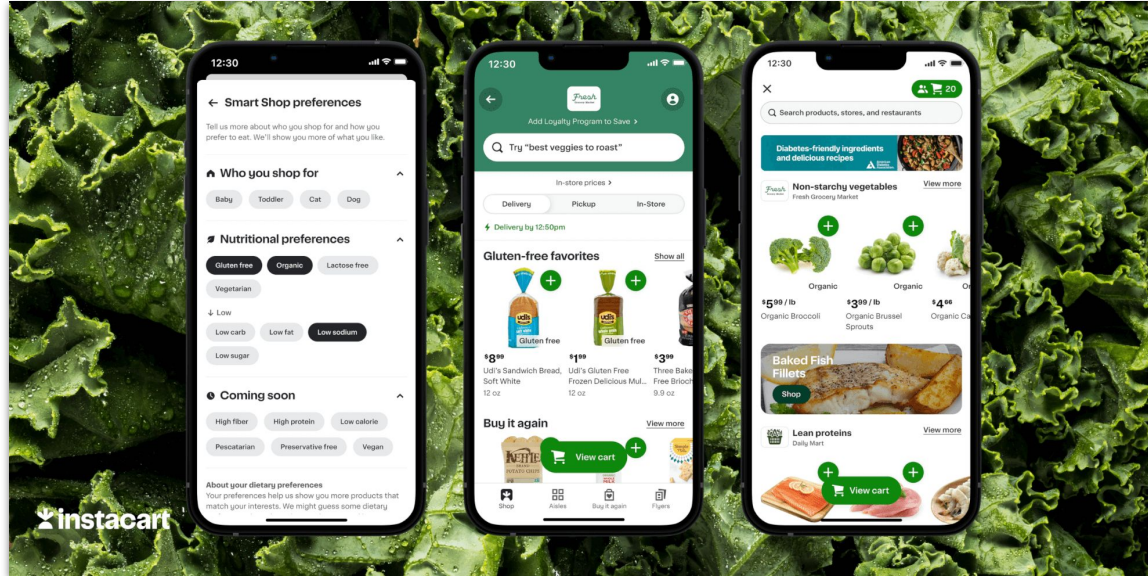


They have develop a smart search tool that lets users type natural prompts like “help me plan a football watch party” and receive curated product recommendations based on real-time pricing and stock.



They also launched Sparky, an agentic AI assistant that goes beyond product lookup. Sparky can summarize reviews, compare items, support occasion-based planning, and will soon handle reordering and multimodal queries like photos or voice.

INSTACART INTRODUCED SMARTSHOP FOR HYPER PERSONALIZED SHOPPING



In 2025, Instacart launched Smart Shop, an AI-powered experience that personalizes every stage of the grocery journey. It surfaces product suggestions based on dietary preferences, past purchases, and in-cart behavior, while offering helpful prompts like “Need more for breakfast?” and a dynamic “Buy It Again” shelf. The result is a faster, more tailored trip from planning to checkout.

SCAN-AND-GO, CURBSIDE, AND CONTACTLESS PAYMENT ARE NOW THE EXPECTATION

84%

Of online grocery shoppers use BOPIS (buy online pick up in-store) at least once per month

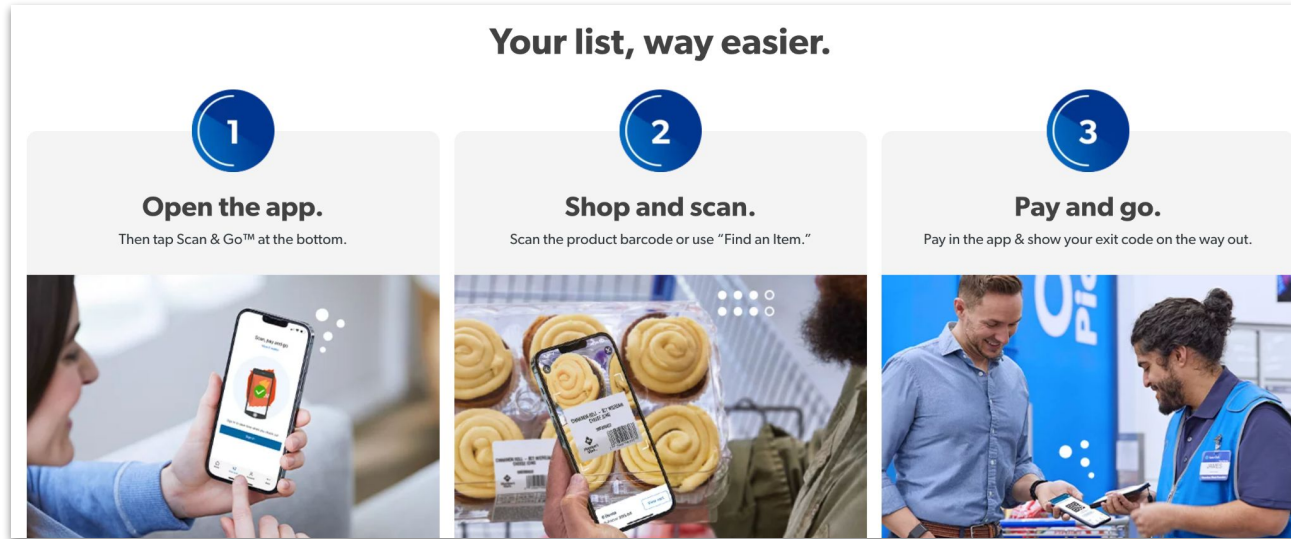
85%

Of transactions at grocery stores are contactless

77%

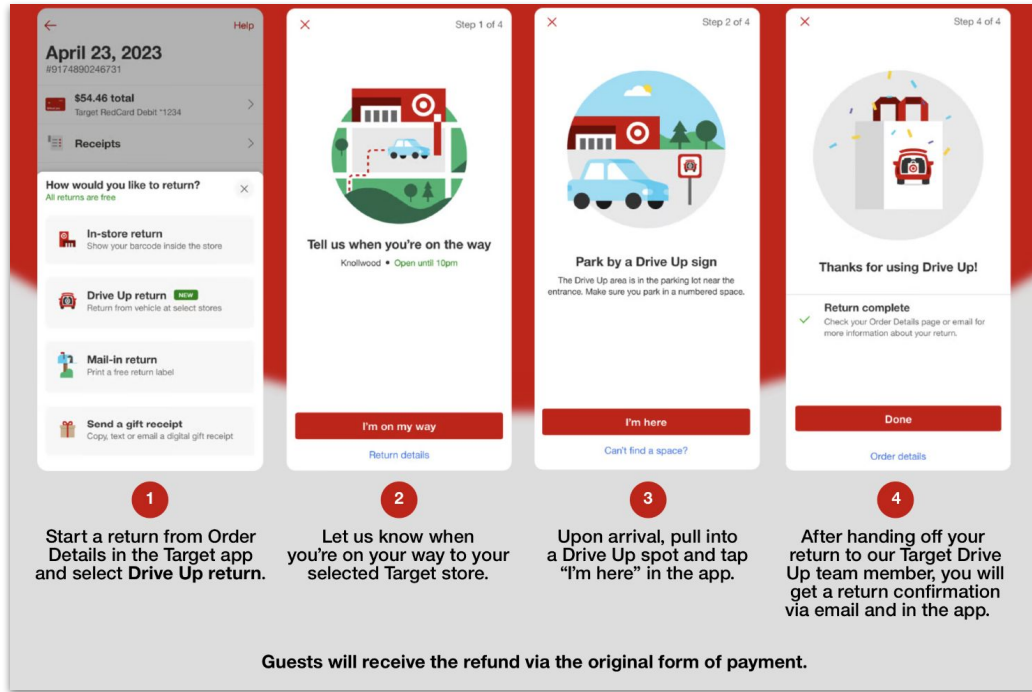
Of shoppers are more willing to visit stores with a scan-and-go options

SAM'S CLUB INTRODUCED SCAN & GO ACROSS 600+ CLUBS



Scan & Go enables members to scan items with the app, pay on the go, and exit via AI-powered "Just Go" gates, completely removing checkout lines. This not only speeds up the trip but also personalizes the experience by integrating member profiles and spending history.

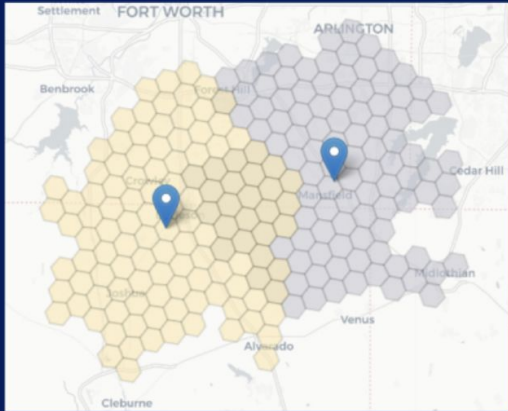
TARGET EXPANDED ITS CURBSIDE CAPABILITIES



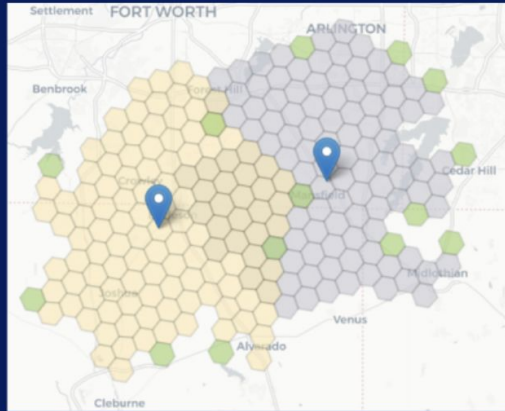
Target expanded its Drive Up service to include curbside returns, allowing customers to return items without leaving their car. This feature is now available at nearly 2,000 locations and builds on consumer demand for fast, low-effort fulfillment options

WALMART IS IMPROVING DELIVERY WITH NEW GEOSPATIAL TECHNOLOGY TO HELP MEET CUSTOMERS WHERE THEY ARE

Before Expansion



After Expansion



Stores



Expanded Pixels

Uses real-time data on slot availability, drive times, store capacity, and customer demand to optimize routes and coverage. The system allows multiple stores to fulfill a single order, expanding Walmart's delivery reach to 12 million more households.

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PRIVATE LABELS ITEMS ARE BEING MORE SOUGHT AFTER BY CONSUMERS, ESPECIALLY THROUGH TIMES OF UNCERTAINTY

<50%

Shoppers buy grocery items through private labels

"Private Label is not just a passing trend. They are a powerful force reshaping the retail landscape."

- Verbatim from Mintel source

AS BRAND LOYALTY SHIFTS, THE PRIVATE LABEL FUTURE GROWS

90%

Of food industry leaders plan to increase private label investments in the next two years

30%

Store brands are forecasted to represent (30%) of market share by 2033



Amazon Basics Vitamins

TRADER JOE'S GROWTH STEMS FROM ESTABLISHING A CULT FOLLOWING THROUGH ITS PRIVATE LABELS

- Trader Joe's treats its private labels as the flagship products and central to the brand experience.
- 80% of Trader Joe's assortment is private label
- Store brand sales rose 3.9% YOY to \$271 billion in 2024



KROGER INTRODUCES “ELITE ATE” INTERACTIVE SNACK BRACKET THAT SHOWCASED POPULAR ITEMS FROM KROGER'S PRIVATE LABEL LINES




Kroger launched its own bracket in the spirit of 2025 March Madness. Consumers could vote on their favorites to help determine the winner of the bracket. Kroger also paired digital coupons and special deals with each product to encourage consumers to make a purchase.

ALDI SAVES SHOPPERS THOUSANDS FOR ITS PRIVATE LABELS, NOW THEY ARE IN THE MIDST OF A REBRAND

- Aldi can save consumers \$8.3 billion per year when they shop the retailer's private label assortment.
- <90% of Aldi's assortment is private label
- 76% of shoppers said that its brands are just as good as name brands.
- Families of four can save nearly \$4,000 on their grocery bills every year if they shop Aldi exclusives over name brands.



Aldi is rebranding its private label portfolio, putting its name on every product and launching its first-ever namesake brand as of September 2025

A photograph of a grocery store aisle, likely a warehouse-style store. In the background, there are signs for "BACKWAREN", "FLEISCH", "WURST", and "FISCH". A price tag for "Liebe" is visible with a price of "0.89". The aisle is filled with various products, including boxes and bags. The text "CATEGORY TAKEAWAY" is overlaid in the center.

CATEGORY TAKEAWAY

Despite mild price increases, the U.S. grocery market continues to grow at a steady pace. In-store will remain the dominant channel, but e-grocery is rapidly emerging as a key contributor to overall growth. Private label is being viewed as its own type of brand.

An aerial photograph of a large grocery store building with a prominent rooftop garden. The garden is divided into several sections, some with raised beds and others with rows of plants. The store has large glass windows and a red awning over the entrance. A white van is parked in the lot. The surrounding area includes other buildings, streets, and greenery.

How can grocery brands move forward?

WHAT DO WE DO WITH WHAT WE KNOW?

Customers are increasingly stressed by rising grocery prices and financial uncertainty.

Be the brand that adds value and peace of mind to their grocery experience by offering value and predictability in every shopping trip.

Customers are shifting from brand loyalty to price and convenience as primary drivers.

Be the brand that offers dynamic pricing, promotions, and personalized savings to become the default go-to for price-conscious shoppers.

Discount grocers and private labels are rapidly gaining preference and trust.

Be the brand that treats your private label or value offerings as a core part of the brand story, not just a secondary option. In this financially stressful time, private labels could be repositioned as hero products.

Bulk buying and shopping at discount chains are growing as cost-saving strategies.

Be the brand that enable shoppers to maximize value through bulk bundles, smart promotions, and messaging that emphasizes savings.

WHAT DO WE DO WITH WHAT WE KNOW?

In-store grocery remains dominant, but e-grocery is forecasted to contribute aggressive growth.

Be the brand that develops omnichannel strategies that balance physical presence with online reach, ensuring seamless fulfillment.

E-grocery and tech-driven experiences (AI meal planning, mobile ordering, scan-and-go, curbside pickup) are accelerating.

Be the brand that integrates digital convenience seamlessly with in-store experiences to capture both younger and tech-savvy shoppers.

AI will soon be the backbone of information and analytics for customers and businesses alike.

Be the brand that uses AI efficiencies and speed to invest in disruptive innovation, marketing, and solving for customers' problems.

Consumers are increasingly willing to share data for relevant incentives.

Be the brand that leverages first-party data to provide genuinely personalized experiences without friction, building trust through relevance.

Younger generations value convenience perks, digital engagement, and personalized shopping.

Be the brand that invests in mobile-first solutions, loyalty apps, and hyper-personalized promotions that speak directly to their needs.

Truth.

Truth.