

AlixPartners

Grocery Shopper Perspectives

2026 Report



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Introduction

New AlixPartners consumer research pulls back the curtain on the value perception challenge for traditional grocery, and our team of experts examines what the new consumer reality means for longstanding industry practices.



Responses to this year's consumer survey of more than 1,600 primary shoppers surfaced three macro trends that continue to challenge traditional grocers:

- Younger shoppers, more affluent households, and families with children increasingly spend most of their grocery budgets in other channels.
- Many consumers continue to exercise greater discipline with their budgets even as their confidence has increased and the rate of inflation has eased.
- Tried-and-true pricing and promotion tactics aren't engaging and compelling shoppers like they once did.

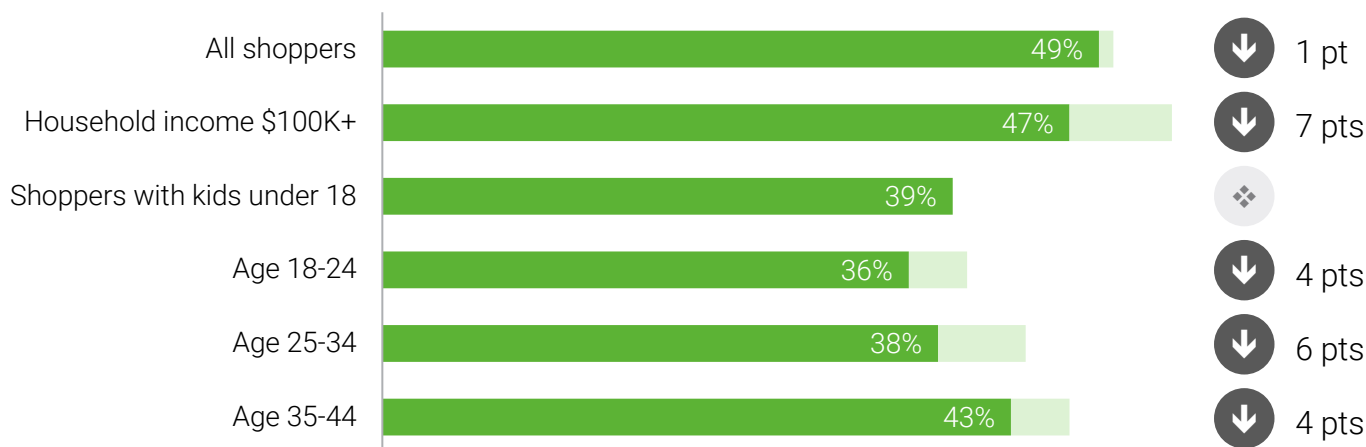
All these shifts proceed from the simple fact that consumers at large don't think about groceries the same way they did five years ago. The rules of the game have changed, yet many traditional grocers are still relying on an old playbook.

Market share erosion

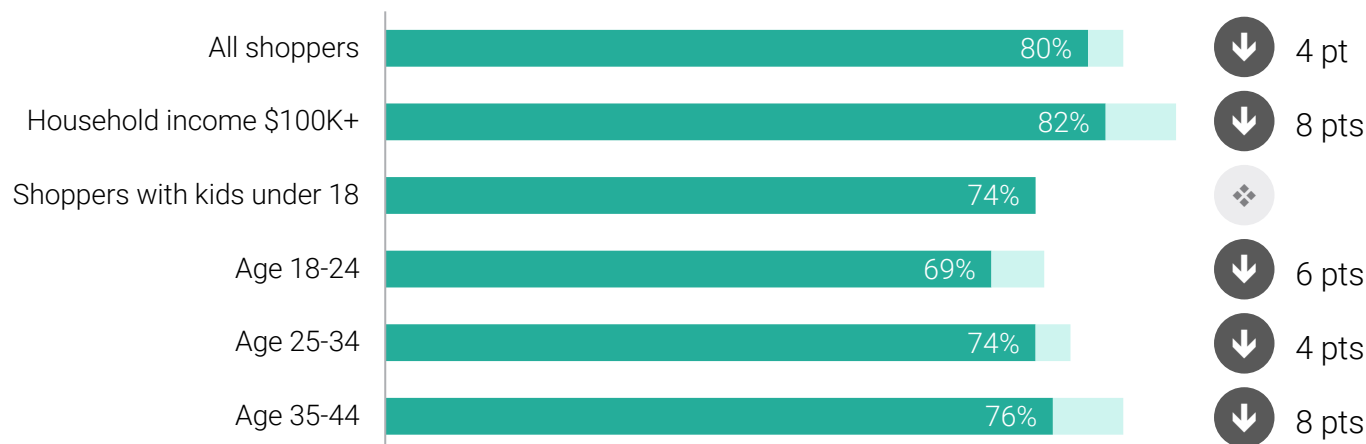
The clearest sign consumer preferences have evolved — and that traditional grocery has not followed their lead — is the erosion of market share, particularly among desirable groups including younger shoppers, more affluent households, and families with children.

The data shows that not only are smaller percentages of those groups shopping a traditional grocer as the primary store but that the same holds true overall.

Percentage of key shopper groups that spend most of their grocery budget in the traditional grocery channel — 2025 vs. 2024



Percentage of key shopper groups that shopped the traditional grocery channel this year — 2025 vs. 2024



↔ No YOY comparison because 2025 was first year measuring this segment.

Conversely, channels seeing growth in overall engagement — meaning a greater percentage of consumers visited them in 2025 versus 2024 — include club (from 39% in 2024 to 41% in 2025); discount (38% to 43%); natural (16% to 25%); ethnic and specialty (7% to 11%); and digital retailers (17% to 26%).

Problematic “best practices”

The reason traditional grocery’s share continues to decline is that many traditional grocers persist in three strategic decisions that, as the competitive landscape has changed, have contributed to a significant perception disadvantage for the channel.

Hi-lo Pricing

Overreliance on promotions as a way to offset high everyday prices creates a dynamic in which, on any given day, a traditional grocer will be exposed as out of touch with the market on hundreds, or even thousands, of items.

Private Brand as a Side Project

While clubs, discounters and specialty stores use private brand to differentiate assortment and create more favorable “apples to oranges” comparisons, traditional grocers too often have little to offer that’s unique.

Marketing Focused on Price





Most traditional grocers can’t credibly claim low prices, as the huge global retailers have that market cornered. Yet prices — rather than fresh, quality, service or other attributes — continue to be the centerpiece of most marketing.

These practices rose to prominence in a different competitive landscape. EDLP players weren’t nearly as prevalent, and they tended to be one-trick ponies, with price their strongest selling point by far. All of that has changed, and traditional grocers who want to stay competitive need to change, too.

Consumer priorities

Both for everyday prices and for promotions, fresh is first in the minds of shoppers, with center store a distant second.

Areas of the store in which value matters most

	Price	Promotion
 Fresh	61%	56%
 Center store	25%	29%
 Prepared foods	9%	8%
 Non-food	5%	7%

What's ahead

In this report, we provide a closer look at how consumer perceptions of price, promotion and value have changed; the variables that have informed those shifts; and the moves consumers are making to maximize value as their spending power remains considerably diminished compared to just a few years ago.



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We know your time is valuable. Thank you for taking the time to read this research, and we look forward to continuing the conversation.



“Realities” of
consumer perception

Reality Check #1

You don't have low everyday prices

We asked consumers to describe prices at their primary store as either low compared to other stores, fair compared to other stores, or high compared to other stores. Everyday prices are a primary marketing focus for most grocers, but our survey shows that few shoppers believe the hype.

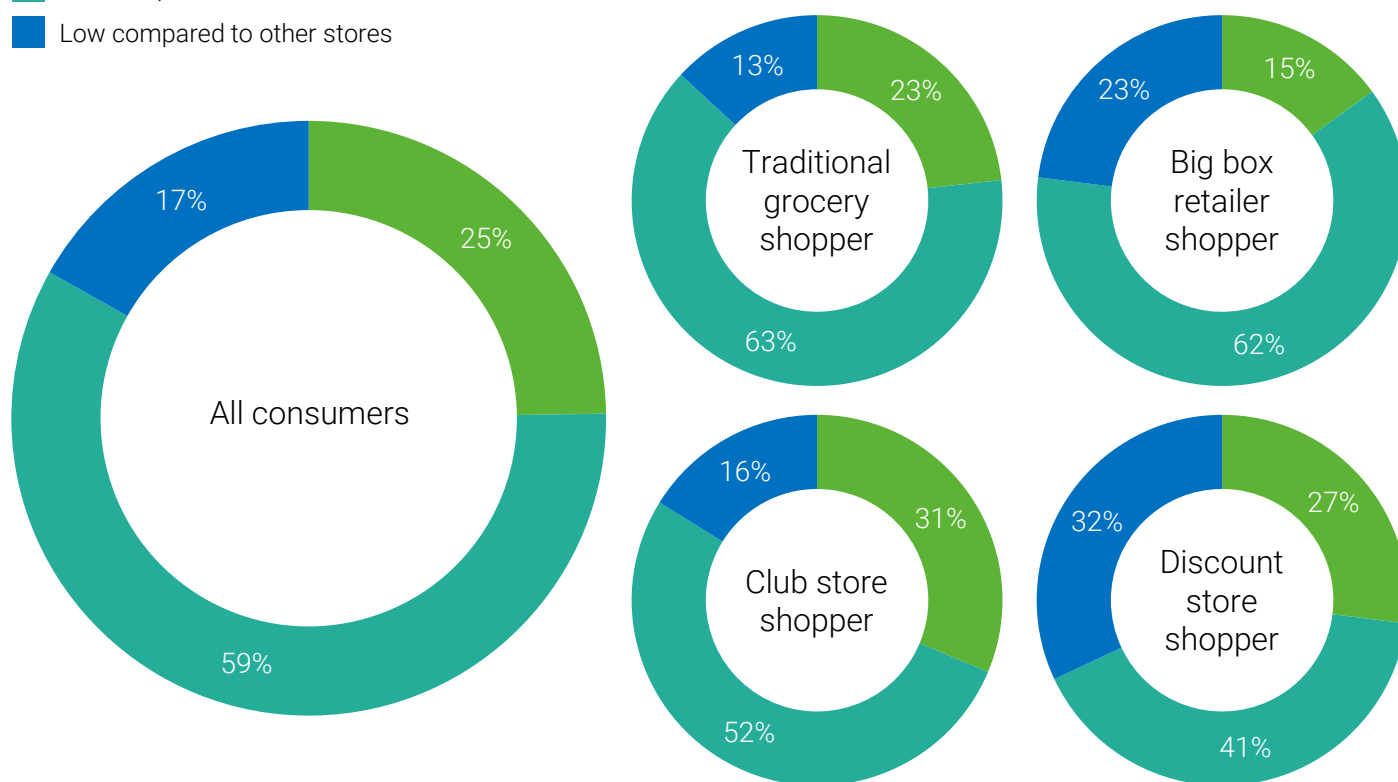


Only 17% of consumers said their store has low prices compared to other stores.

Consumer price perception of primary store

Traditional grocery isn't the only channel with a price perception challenge, but it's definitely not viewed as having comparatively low prices — even by the people who still shop there regularly.

- High compared to other stores
- Fair compared to other stores
- Low compared to other stores



Most consumers instead described prices as fair. This data serves as a reminder that fair everyday prices are table stakes. If you don't have a "fair price" perception among a shopper set, you're losing share in that group — and certain ones are likely already gone.



John Clear
Partner

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The fact that not a single channel has a majority of customers that think prices are low speaks to broad dissatisfaction with prices — undoubtedly due to the huge loss of spending power that most households are still experiencing after years of high inflation.

A “low price” perception is clearly elusive in the current environment, but traditional grocers should be making sure they have a strong case for a “fair price” perception. The prevalent hi-lo model hinders this mission because it virtually guarantees non-competitive prices across many items on a recurring basis — the flip side of the promotional calendar.

Traditional grocers can't swing all the way to an EDLP model, but they must refuse to offer prices that are so incomparable that shoppers feel irresponsible accepting them.

Once the pricing itself is defensible, traditional grocers need to take a hard look at their messaging. Are prices being marketed as low when they're really just fair? Is price the primary talking point even though customers actually shop your store for other reasons?

While calling out “low prices” has been commonplace for decades, it doesn't have the same impact in today's marketplace

because the standard for “low price” has been raised dramatically by retailers with wholly different business models than the traditional grocer.



Matt Hamory
Partner & Managing Director

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Consumers are certainly looking for value, and price is a non-negotiable aspect of it — but the message has to be credible. If consumers don't believe it, not only does that marketing not achieve its goals, but it may be compromising trust.

Our take would be that, unless your name is Walmart, Costco, BJ's, Lidl or Aldi, the dominant theme of your marketing should not be “low prices.”

Reallocating resources to emphasize overall value, particularly those areas in which you have a right to win — fresh, quality, service, private brand, etc. — will increase credibility and better leverage the strengths of the business.

Reality Check #2

Promotions don't buy my loyalty

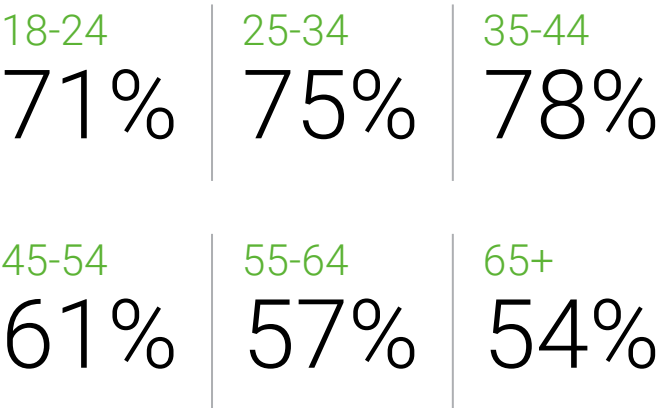
We asked shoppers who said their primary store's prices are either fair or high why their store is still a value to them even though its prices aren't the lowest. Only 16% selected "The promotions help make up for the everyday prices" as their No. 1 or No. 2 reason.

This indifference echoes what we've observed in previous research about how shoppers choose their store, both for fresh food specifically and overall. Everyday price is much more connected with overall value perception than promotions.

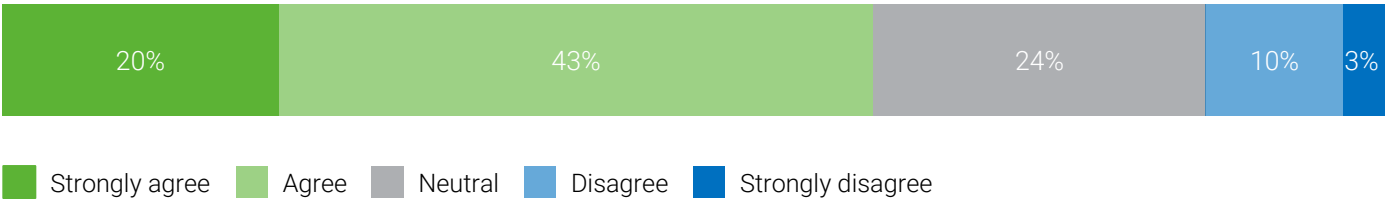
Consumers overall are actually lukewarm on promotions, with some demographic groups embracing deals much more heartily than others. For example, we see younger shoppers expressing more willingness than older shoppers to jump through hoops to capture value. This doesn't necessarily mean they highly value the promotions of traditional grocery, however; we also know from the survey that the majority spend most of their grocery budget in other channels.



Shoppers who love a deal and will make an extra effort to capture it



Shoppers who value deals but say it's too much work to capture them all



In retail more broadly, **consumers are experiencing “discount burnout,” and grocery is not an exception** to that phenomenon. Few respondents pushed back on the notion that it's too much work to capture all the deals available.

We found several deal types with which **more than 30% of customers said they will not engage.**

Promotions in the style of “the more you buy, the more you save” appear to be particularly uninspiring to many shoppers.

What will you not do to get a better price on an item you regularly buy?



Traditional grocers that consider how to alleviate “discount burnout” and offer only promotions that their customers truly value can make that discretion a meaningful point of difference. However, that shift requires prioritizing what the customer wants.

We recognize that’s much easier said than done given the role vendor funding plays in profitability. Many teams have gotten into the habit of spending more time on the vendor than they do on the customer. The fact it’s commonplace doesn’t mean it’s not a problem.

“The merchant might be slave to the promotional calendar, but that doesn’t mean the customer should be — and these days, they don’t have to be, because there are plenty of options. Walking away from traditional grocery, or at least minimizing its role in the basket, is easier than it’s ever been, and many customers have done that.

The hi-lo model prompts customers to wonder, with every item, “Is this really a good price?” It sets grocers up for unfavorable comparisons. They need to make it easier for their customers to capture value and feel good about the value they’re receiving. Fair everyday prices are the first step. Relevant promotions are next.



Adam Goodliss
Partner & Managing Director

Reality Check #3

The edges of your assortment matter more than you think

Fifty percent of consumers who describe their primary store's prices as either fair or high compared to other stores say that the No. 1 or No. 2 reason that store is still a value for them is because it has

items that other grocery stores don't have.

This dovetails with a data point that surfaced in last year's survey: in 2024, 57% of shoppers said they go to a specific store regularly to buy its private brand.

Percentage of shoppers who regularly visit a specific store to buy their private brand (2024)



18-24	25-34	35-44
51%	70%	56%
45-54	55-64	65+
57%	53%	53%

This chart implies that the companies most effectively leveraging private brand are the companies gaining ground with consumers 25-34. Earning the loyalty of this group is particularly important because **these shoppers are forming families – and in that process forming potentially lifelong grocery habits.**

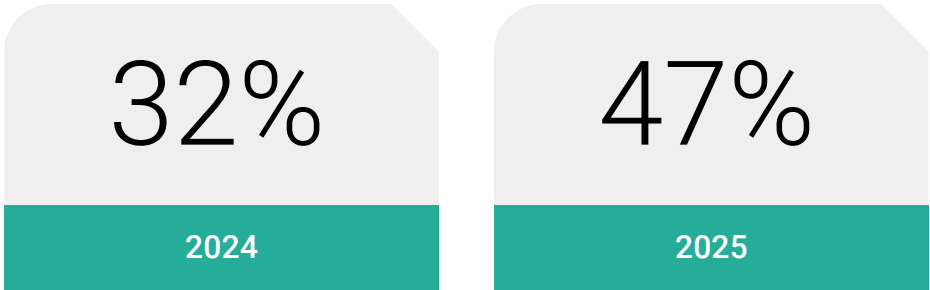
As if losing those shoppers wouldn't be detrimental enough, it's also critical to remember that today's parents will have major influence on how their children will shop when they come of age.

Grocers that aren't investing in private brand programs that drive traffic with unique items risk missing out on this group. That's a concern in the short term, but it's an existential issue in the long term.

The fantastic news is that grocers won't alienate their older customers by elevating private brand. Value-seeking customers (68% of respondents) of all ages have embraced it as they have changed how they shop due to inflation or personal financial pressure.

Percentage of value-seeking consumers who have changed how they shop by purchasing more private brand items

In 2024 and 2025, we asked consumers whether they have changed how they shop for groceries due to inflation or personal financial pressure. In 2024, 75% said they had made changes. In 2025, the number was 68%. We also asked those consumers (75% of overall respondents in 2024 and 68% of all respondents in 2025) which changes they made that year. “Buy more private brand items” saw a meaningful year-over-year increase.



Age		
18-24	11%	28%
25-34	32%	43%
35-44	22%	42%
45-54	30%	49%
55-64	40%	46%
65+	46%	61%
Income		
Less than \$25,000	24%	48%
\$25,000 to \$49,999	36%	51%
\$50,000 to \$99,999	33%	45%
\$100,000+	35%	47%
Region		
Midwest	34%	51%
Northeast	29%	42%
South	34%	50%
West	31%	45%

Remarkably, the appeal of private brand extends beyond what is revealed by the graphic.

While it captures the relevance of private brand to the segment of value-seeking consumers who changed how they shopped in the previous year by buying more private brand, it doesn't reflect:

- Shoppers who made the change in an earlier year and have established new standards for what is their "normal" amount of private brand items.
- Shoppers who are buying more private brand but for reasons other than inflation or personal financial pressure.

When it comes to product development and category management, traditional grocers have a largely untapped advantage over national brands in the form of a direct relationship with customers. They know best which categories matter to their shoppers and where differentiation is paramount. Investing in a robust private brand program that puts that knowledge to work is a win both for customers and for the retailer.



Marco Di Marino
Partner & Managing Director

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For grocers willing to follow the customer's lead here, there's considerable opportunity: driving traffic with exclusive items, improving price perception thanks to fewer like-for-like comparisons, and increasing margin through greater cost control over a larger portion of the overall assortment.

Because unique items matter so much to shoppers, it's a huge miss when traditional grocers treat private brand like a simple margin lever by limiting the offering to generic "me too" options supplied by third parties. This has been the go-to posture for decades, and change is overdue — as evidenced by the success of retailers like Trader Joe's, Aldi and Costco, which rely on private brand as a pillar of their business.

ARK
STORY

Variables raising the bar for value



Longtime tactics of traditional grocers — touting low prices, leaning on promotions, and treating private brand as a side project rather than a pillar — are no longer serving customers adequately. There are several reasons for this shift: extended exposure to high inflation; increased familiarity with EDLP pricing; and unprecedented access to pre-shop price comparison.



Extended exposure to high inflation

What's true from a real-time economics perspective isn't what's relevant for consumers. The current rate of inflation may be moderate, but according to the Bureau of Labor Statistics, \$100 in January 2025 only had as much buying power as \$82.34 in January 2021.



David Ritter
Partner & Managing Director

“Average hourly earnings have increased — but not enough to keep pace with inflation. [An analysis by Statista](#) shows that the growth of the Consumer Price Index between January 2021 and July 2025 (22.7%) has outpaced the growth of average hourly earnings (21.8%) over the same period. In addition, wage growth has varied considerably by industry, so many households are at a greater disadvantage now than averages indicate.

The financial pressure created by sustained inflation means that many consumers have remained in a mindset of maximizing every dollar, even as far more (63%) expressed at least some confidence about their finances in this year's survey than did last year (24%).

Increased familiarity with EDLP pricing

Consumers today have significant (and increasing) exposure to other channels, most of which have largely consistent everyday prices. This shift has created more frequent unfavorable comparisons with the hi-lo pricing prevalent in traditional grocery.

Percentage of respondents who shopped each channel – 2025 vs. 2024

■ 2025 ■ 2024



Unprecedented access to pre-shop price comparison

Most shoppers (65%) now compare prices before shopping, whether they look at print ads or online. The groups that most noticeably overindex on this practice are shoppers 35-44 (75%) and households with children (75%) – groups between which there is meaningful overlap.

While circulars have been a staple for decades, consumers can now compare much more easily across channels and have greater visibility into everyday prices as well as promotions. While price might be the main point of online comparisons now, that is likely to evolve as online platforms grow in popularity and become more sophisticated – and even more so as popular use of AI continues to increase (e.g. [Walmart's partnership that allows consumers to shop them through ChatGPT](#) and the [integration of Instacart shopping and checkout into ChatGPT.](#))

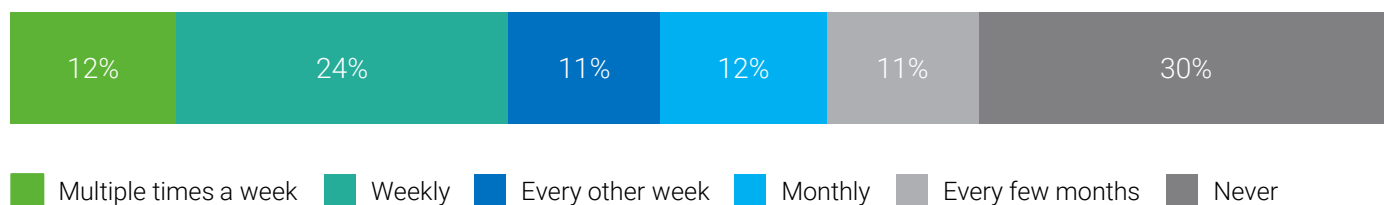
Given the importance to customers of unique items and in-stock position, 1) accurate representation of availability and 2) ease of discovering relevant new items will likely become other significant arenas of pre-shop competition.

Only 30% of respondents do not buy groceries online, while 36% do so at least every week. Not surprisingly, younger shoppers are shopping online with greater frequency than older shoppers. It's also notable that

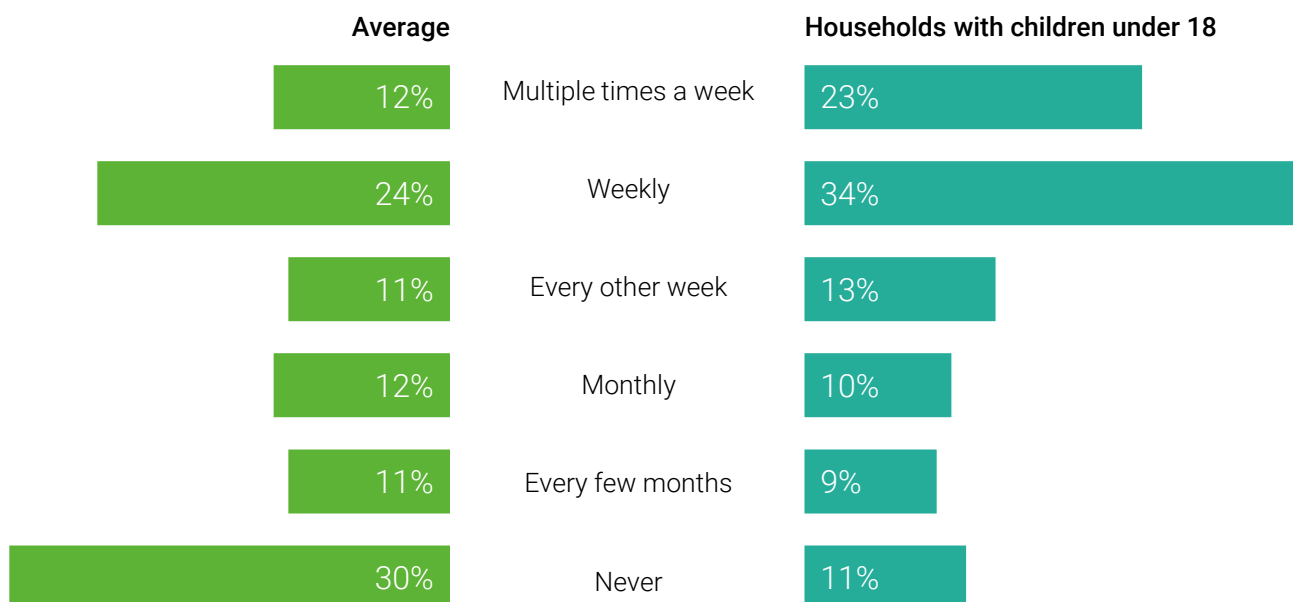
online grocery buying is most entrenched among households with kids – those training the next generation of shoppers.



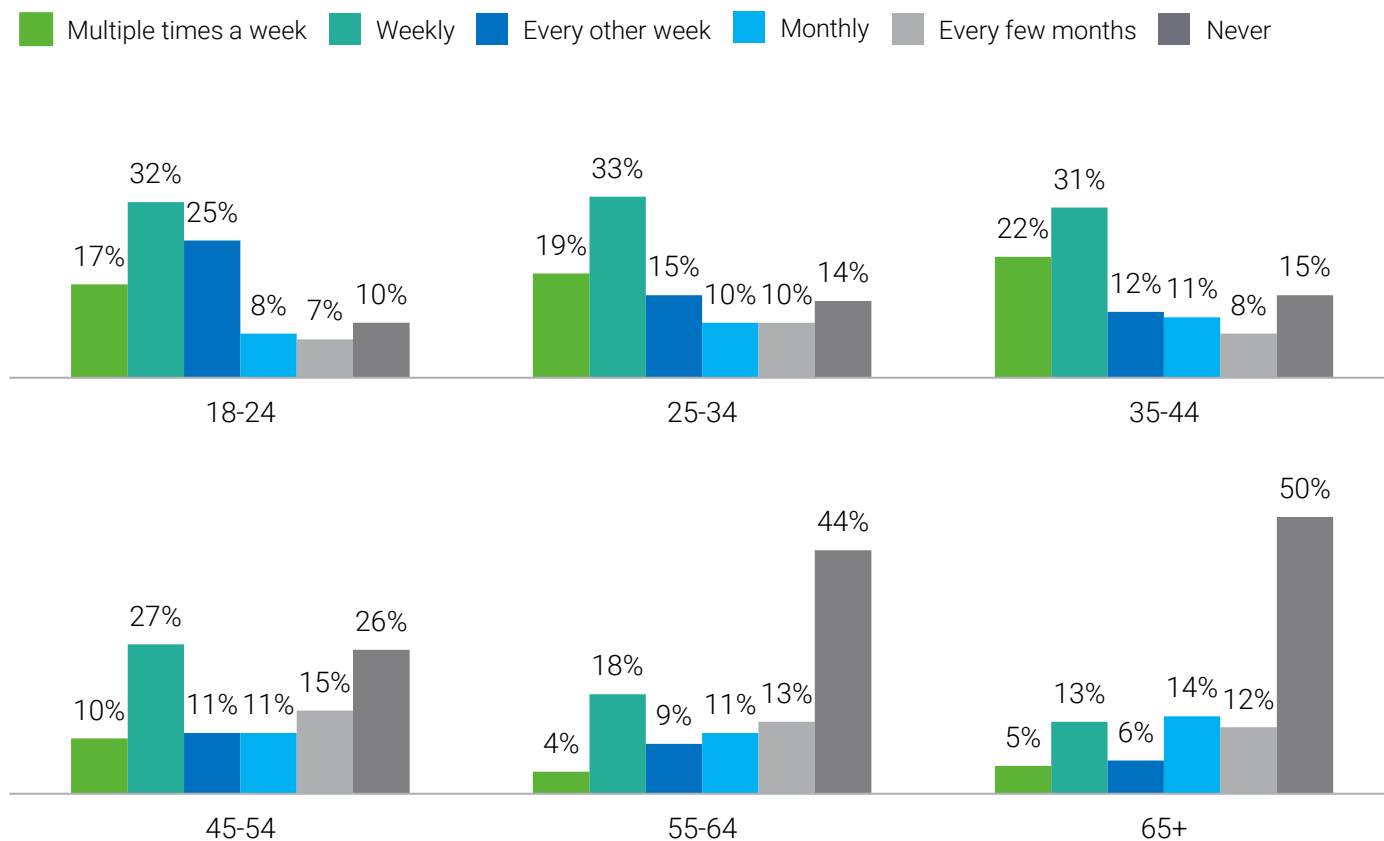
Frequency of buying groceries online



Frequency of buying groceries online



Frequency of buying groceries online by age





How shoppers are
shifting their spend

Consider the consumer “realities” we have discussed to this point:



They're not getting “low” prices at their store — most say “fair” at best.



Many of the common deal types that traditional grocers offer don't add value for them.



Access to unique items makes it worth paying slightly higher everyday prices.



They are changing how they shop in multiple ways to maximize value.



Many items are available for less, any day, in other formats.



Comparing prices at any moment is easy and can happen without setting foot in a store.

Sentiment about personal financial situation was significantly stronger in 2025 than in 2024, when only 24% of consumers expressed at least some confidence about their finances and 75% changed how they shopped due to inflation or financial concerns.

In 2025, 63% expressed at least some confidence in their personal financial situation — a remarkable increase — yet **68% still changed how they shopped.**

Continued caution

It seems likely that years of high inflation have trained shoppers to be more discerning even when they aren't actively concerned about their finances.

They may be spending the same amount of money they did in previous years, but they are spending it differently.

The No. 1 way consumers have changed how they shop due to financial concern — for the second year in a row and again by a significant margin — is planning meals more and resisting impulse buys.

In 2024, other favorite options were stocking up during sales, buying fewer items overall, and going to different stores. In 2025, buying more private brand was the new No. 2, followed by stocking up.

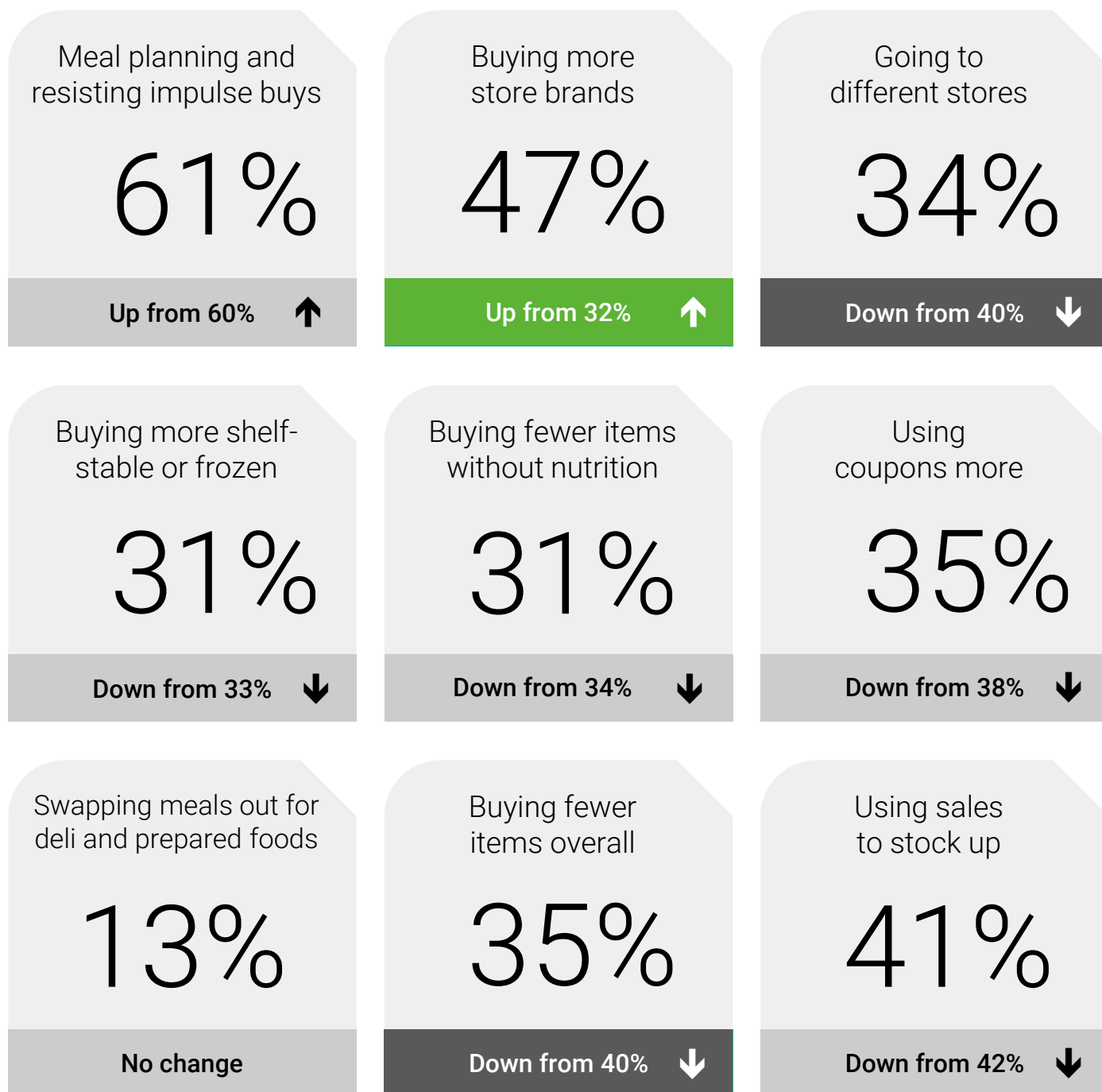
Private brand saw a tremendous increase year over year, with 32% saying they changed their spending this way in 2024 and 47% reporting having done so in 2025.

The tactic that saw the biggest drop was going to different stores, which fell from 40% to 34%. This decline and the rise in private brand intent may be related; in recent years, shoppers have moved across channels in pursuit of value, and now that they've maximized that option, they're pursuing value by moving from national brands to private brands.



How value-seeking consumers changed how they shopped in 2025

In 2024 and 2025, we asked consumers whether they have changed how they shop for groceries due to inflation or personal financial pressure. In 2024, 75% said they had made changes. In 2025, the number was 68%. We also asked those consumers (75% of overall respondents in 2024 and 68% of all respondents in 2025) which changes they made that year. Meal planning was twice a runaway winner, but private brand surged up the ranks in 2025.



AixPartners



Summary

Summary

As traditional grocers explore how to contend more effectively in the modern landscape, they need to accept the “realities” of consumer perception and take a hard look at whether longstanding industry practices are helping or hindering them in that crucial area.

We would recommend that, because of the importance of a fair price perception, the popular hi-lo pricing strategy should be dispensed in favor of an everyday fair price strategy. Private brand should be an area of investment and innovation. Marketing should be based on the company’s strengths rather than what go-to messaging was in the pre-EDLP era.

Improvement in these areas will require some addition, but just as important will be subtraction. Grocers can provide the value consumers want, but it will require leaving some old ways behind.

Follow the QR code for more insights from the grocery experts at AlixPartners on topics including everyday fair price, private brand, differentiated marketing, and more.



About the AlixPartners grocery practice



Core US experience

We have led multiple growth-focused transformations with major US grocers, from small regionals to industry giants.



Global reach

We work with major grocery and hypermarket chains in the UK, the EU, Middle East, Asia, and South America.



Broad expertise

We work across customer proposition, operating model, procurement, marketing, loyalty, digital, analytics, and growth strategy.



Value creation

We are sought-after diligence and M&A/integration partners as strategic and financial buyers know we'll deliver the synergies we claim.



Financial approach

Our turnaround heritage gives us industry-leading experience in capital structures, balance sheets, and WC optimization.

Our people

Our senior team combines strategic vision and real-world industry experience to address critical issues in high-pressure situations. We work closely alongside our clients, and each other, to provide practical and sustainable solutions — when it really matters.



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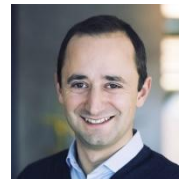
Matt co-leads AlixPartners' global grocery practice, with over 27 years of experience advising clients on growth, transformation, and turnaround. His expertise includes customer/ commercial strategy, operational effectiveness, M&A/ transaction support, and revenue/ margin growth. He has also advised clients in litigation and bankruptcy matters, including serving as an expert witness.



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David has 20+ years of experience in consulting globally, primarily focused on the food, drug, mass and club channels. He has deep expertise in across the value chain, with particularly deep knowledge of operations, merchandising and growth strategy. He has a demonstrated ability to help clients solve even the most complex issues.



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Marco has 15+ years of experience in grocery transformation and turnaround across North America, Europe, and Australia. He has a strong record of helping grocers use analytics to drive performance, and crack the toughest problems in pricing, merchandising, and store ops.



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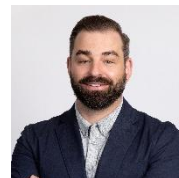
Adam works hand in hand with clients at all levels of the organization to drive improvements, with a focus on collaboration and executive alignment. He has led a number of complex grocery post-merger integrations and has a stellar track record for synergy realization.



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Steve has 20+ years of consulting experience optimizing supply chains across retail, direct-to-consumer, and wholesale sectors in the U.S. and Europe, leading large-scale transformations to improve cost, speed, and resilience through network design, automation, and operational excellence that turn complex strategies into measurable performance and competitive edge.



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John has 15+ years of grocery retail experience in the US and Europe, both as an operator and a consultant. His core focuses are store operations, merchandising and growth strategy. He has also held several interim roles, most recently Chief Merchant of an extreme value retailer with 400+ stores.

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David brings diverse experience solving complex problems, specializing in the application of emerging technologies to improve retail operations, demand planning, and consumer marketing.

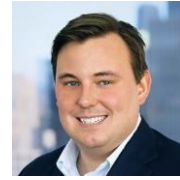
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Joanna leverages 15+ years of retail and consulting experience with her deep understanding of merchandising, pricing, and promotion to develop and execute retail strategies with clients.

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Ben is a retail strategist with 15+ years of experience helping leading retailers boost growth and profitability. He focuses on customer strategy, merchandising, and supply chain optimization across grocery and mass retail.

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Conor has 10+ years of experience spanning supply chain operations, data analysis, and food retail. He helps clients plan and implement their M&A road map.

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Marco has more than 12 years of technology, big-data solutions, and visual analytics in multiple retail sectors, partnering with clients to drive tangible and sustainable benefits across their business.

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Matt has 10+ years of experience delivering large-scale capital and operational improvement across a variety of industries, in both public- and private-sector clients.

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Shawn has over 15 years of experience helping retailers, grocers, and distributors drive sustainable value within their stores and supply chain operations.

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Gawel's expertise covers the areas of growth strategies, transformation, operating model design and investment strategies, with experience across US, Europe, and the MENA regions.

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Jessica has extensive consulting experience with a focus on consumers and food developing robust solutions that support enterprise transformations.

Methodology

Research for the Grocery Consumer Perspectives report was conducted through a survey fielded in October 2025, capturing insights from 1,635 consumers.

In the survey, channel descriptions were as follows:

- Big Box Retailers: Walmart, Target, etc.
- Traditional Grocery Stores: Kroger, Albertsons, H-E-B, Wegmans, local grocers, etc.
- Club Stores: Costco, Sam's Club, etc.
- Discount Stores: Aldi, Lidl, Grocery Outlet, etc.
- Convenience Stores: 7-Eleven, Circle K, etc.
- Natural Stores: Whole Foods, Sprouts, Trader Joe's, etc.
- Ethnic/Specialty Stores: H Mart, Vallarta, Northgate, gourmet food shops, etc.
- Drug Stores: Walgreens, CVS, etc.
- Online Retailers: Amazon, Boxed, Thrive Market, Gopuff, etc.



About us

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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