



From Uncertainty to Opportunity

NIQ's 2027 Consumer Outlook

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NIQ

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The year ahead won't be defined by how much consumers spend, but by how intentionally they spend, creating new opportunities for those who deliver meaningful value.



2027 Consumer Outlook

- **Value Gets Scrutinized**
- **Loyalty Gets Tested**
- **Growth Gets Earned**
- **Influence Gets Automated**



2027 Consumer Outlook

- **Value Gets Scrutinized**
 - Consumer spending is becoming more deliberate



From crisis to complexity:

The new consumer reality

Wallet pressure is reshaping grocery spending



- Rising living costs, persistent inflation, economic uncertainty, and slowing population growth are changing how Canadians allocate their FMCG dollars.

Consumers are becoming value-maximizers



- Shoppers are increasingly intentional: trading down, shifting spend to value channels, embracing private label, and carefully evaluating every purchase.

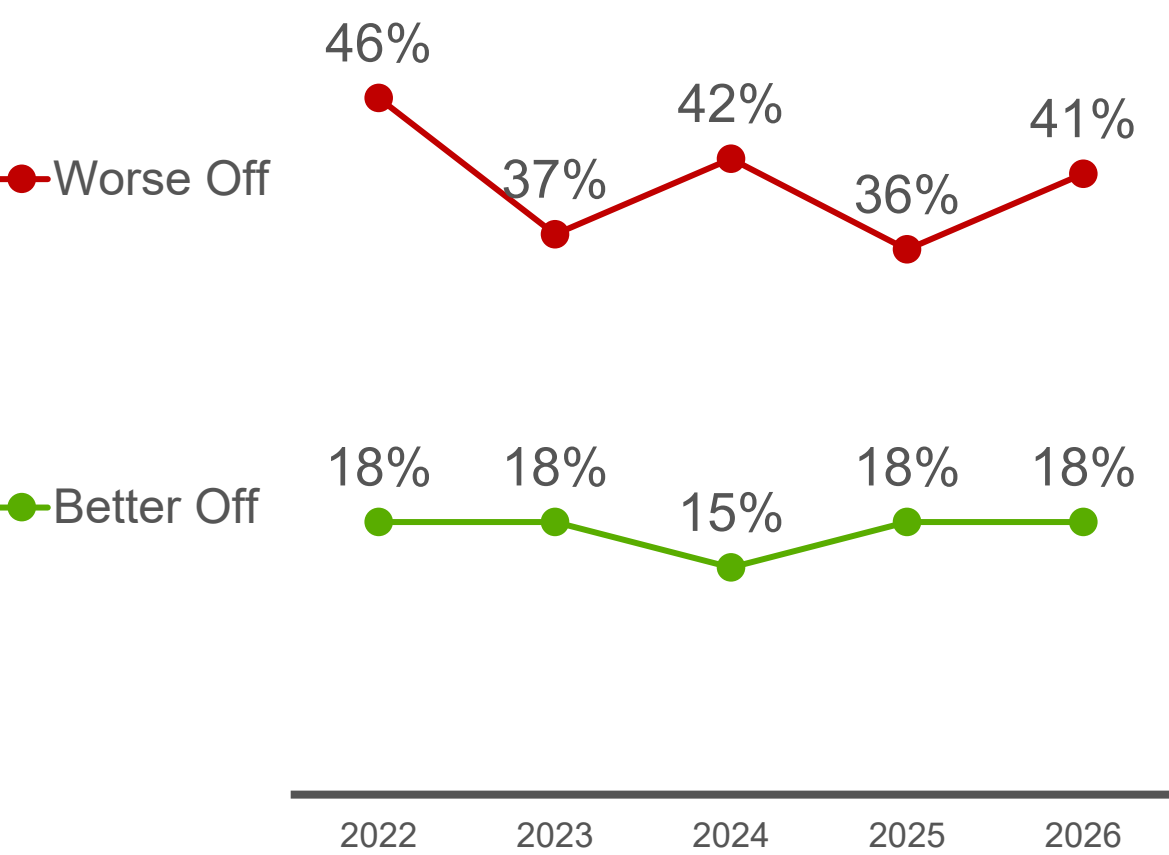
Winning requires relevance, not just price



- Price alone won't win. Growth will come from earning the trip through relevance, affordability, and innovative solutions that meet consumers where they are right now.

Consumer sentiment around their personal finances softens

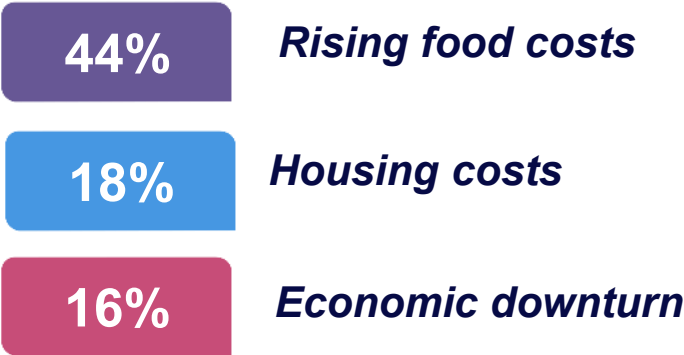
Canadian consumer financial position sentiment



Why Worse Off?

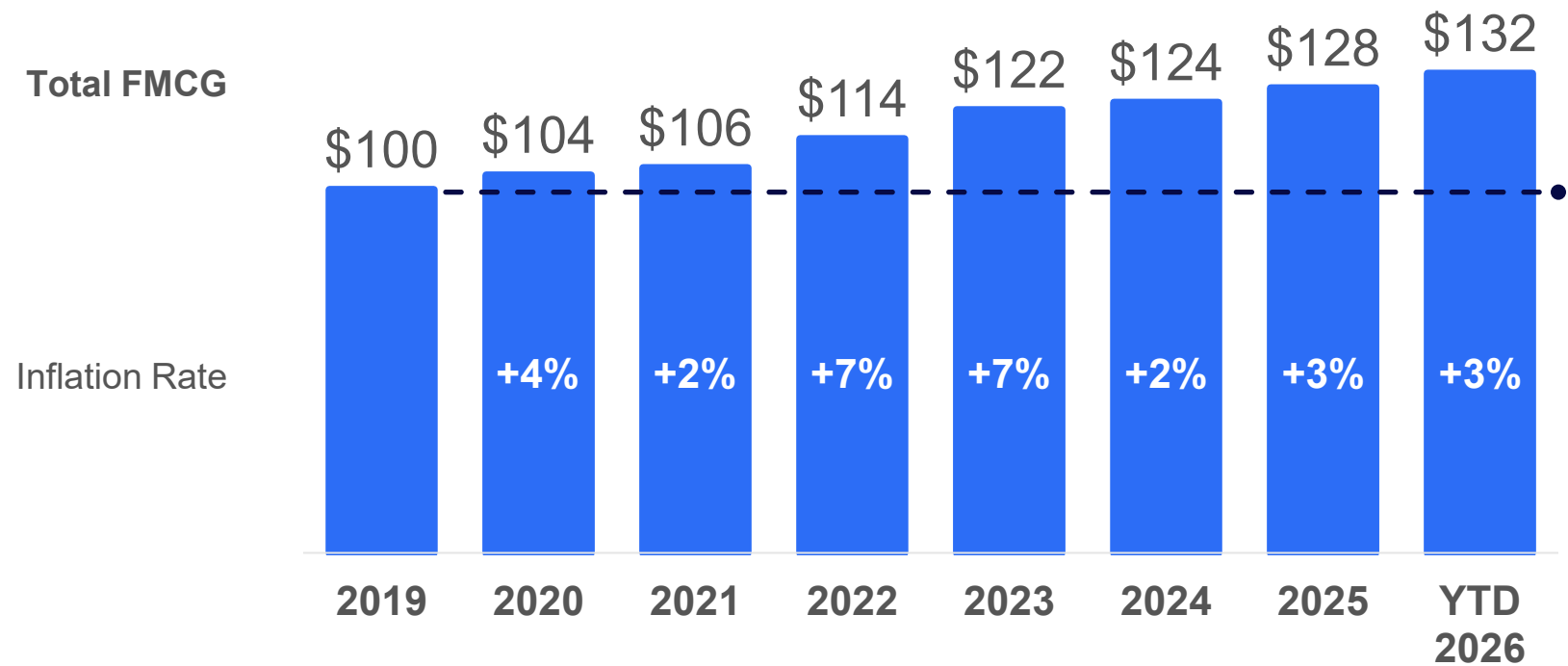


Top Concerns for 2027



Grocery inflation may be moderating, but consumers are still carrying years of cumulative price increases

Canada: \$100 in 2019....



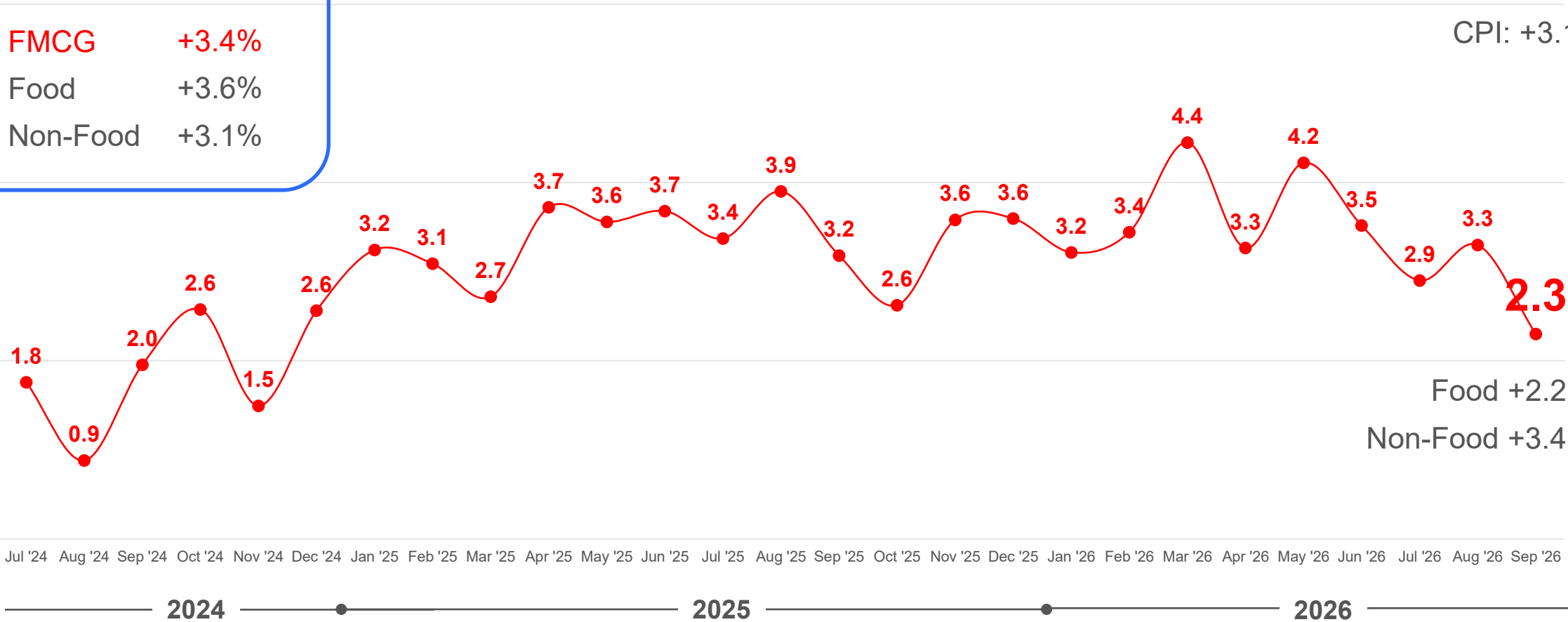
Consumers are **spending 32% more** than pre-pandemic for FMCG products

Canada's overall cost of living (CPI) increased +24% since 2019

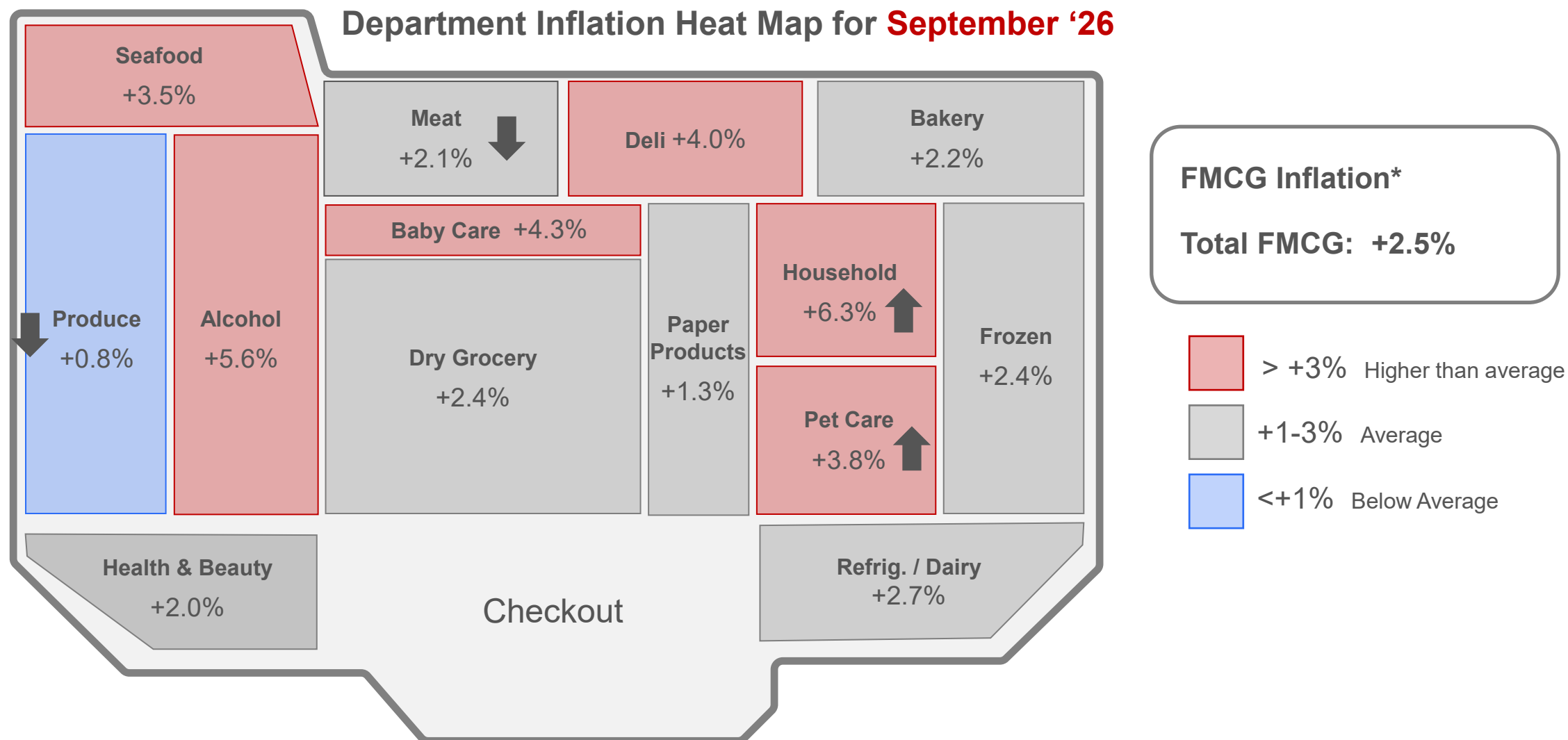
FMCG inflation in September slows to its lowest rate in almost 2 years

L52 Weeks	
FMCG	+3.4%
Food	+3.6%
Non-Food	+3.1%

Canada FMCG* Inflation: The 2+ Year trend

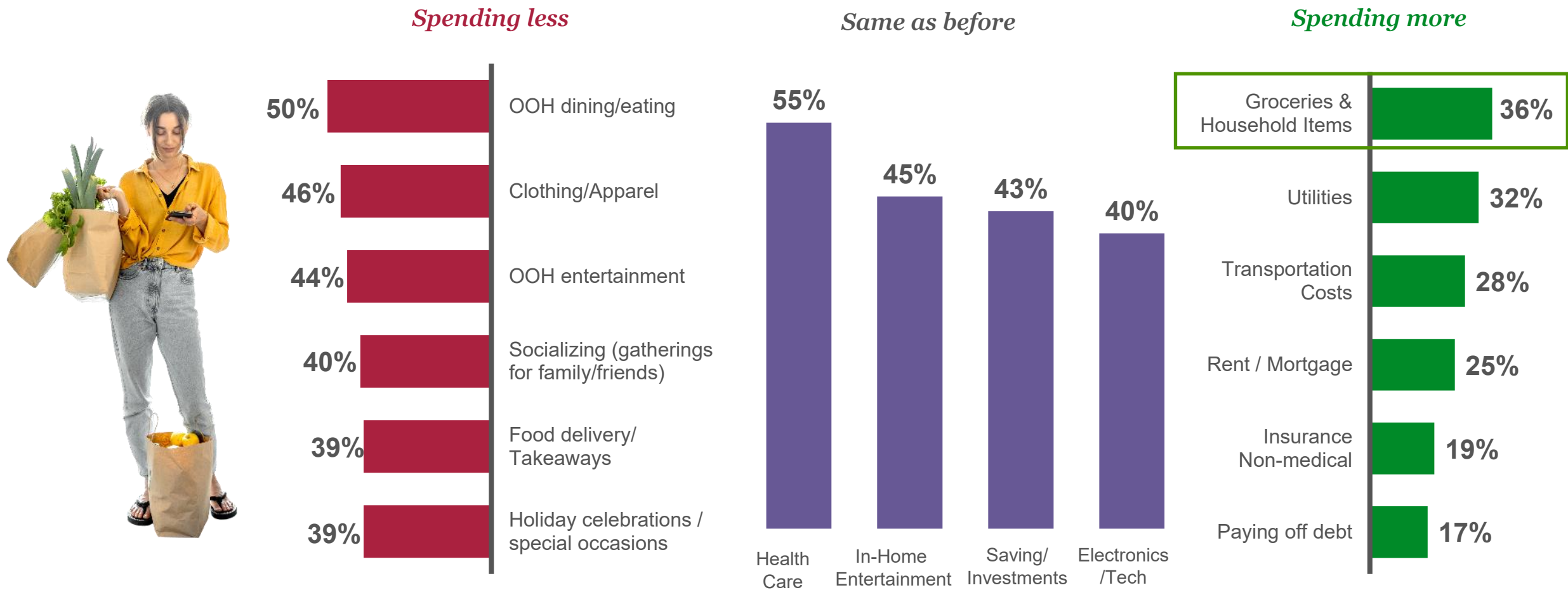


Price pressures in meat and produce moderated in September



Consumers to prioritize core expenses including groceries and household items

Spending intentions for the balance of 2026 and first half of 2027 (next 12 months)



Canadians are spending more, yet consuming less

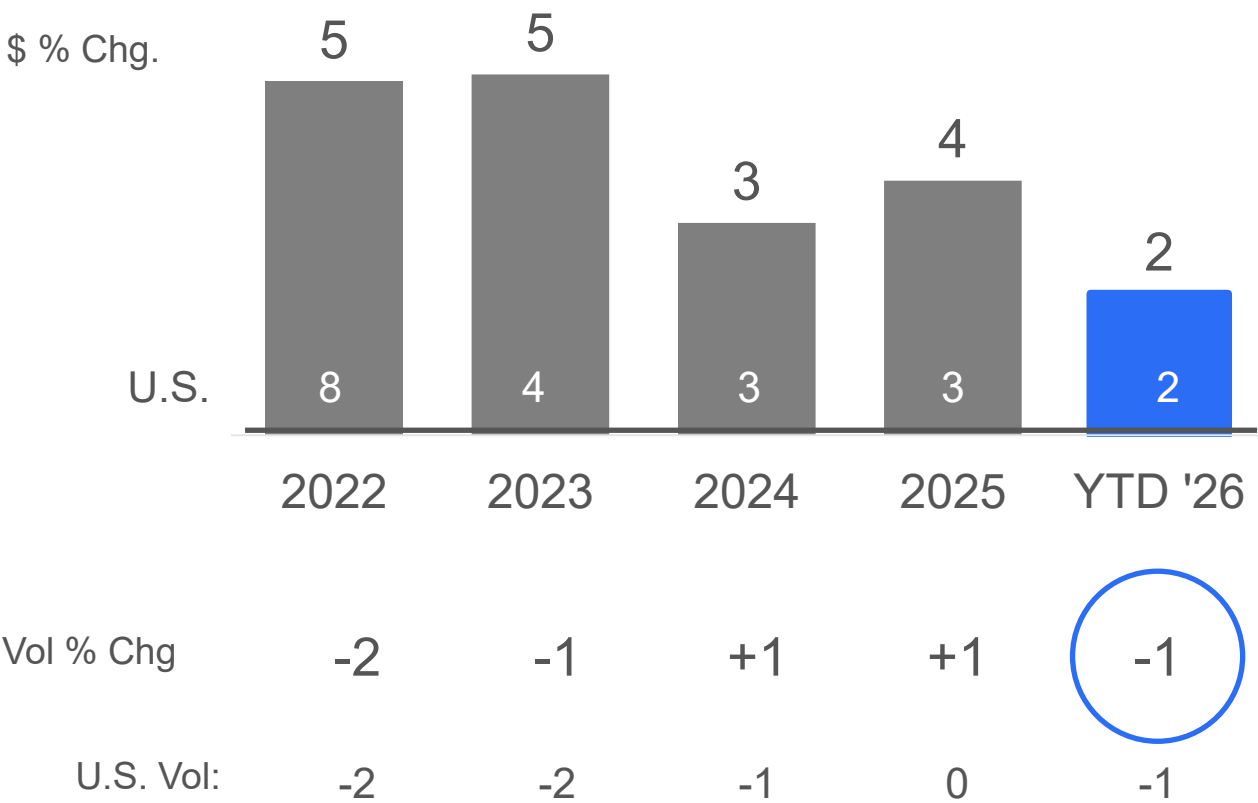
Pricing has fueled dollar growth, but **volume remains the industry's greatest challenge**

Growth has not disappeared, it has shifted. Success depends on **finding where consumers are still expanding their baskets**



Dollar performance continues to be fueled by inflation while volume lags

5 Year Canadian FMCG Performance



Growth Slowing in Ontario and BC

2026 YTD Growth	Dollars	Volume	Inflation
National	2	-1	+3.2
Maritimes	2	+1	+1.8
Quebec	3	0	+3.2
Ontario	2	-1	+3.3
Man/Sask.	3	0	+2.8
Alberta	3	0	+3.0
B.C.	2	-1	+2.7

Centre of store grocery departments have more pockets of growth

	COS Grocery			COS Non-Grocery*			Perimeter		
\$ Share	35%			20%			45%		
\$ % Chg	+4 (0%)			+2 (-1%)			+4 (0%)		
(Tonn % Chg)									
		\$ % Chg	V % Chg		\$ % Chg	V % Chg		\$ % Chg	V % Chg
BAKING NEEDS		+9	+3	OTC	+3	+1	FRUIT	+5	+2
DESSERT		+6	+2	HAIR CARE	+1	+1	REFRIG/DAIRY	+4	+1
PREPARED FOODS		+3	+1	BODY CARE	+3	0	DELI	+3	0
ALCOHOL		+5	0	COSMETICS	+2	-1	VEGETABLES	+2	-1
COLD BEVERAGES		+6	0	PAPER	0	-1	BAKERY	+2	-2
CONDIMENTS & SAUCES		+1	0	BABY CARE	+5	-2	MEAT & SEAFOOD	+4	-2
FROZEN FOODS		+2	0	ORAL HYGIENE	+5	-2			
SNACK		+1	-1	HOUSEHOLD	+1	-2			
CONFECTIONERY		+6	-1	PET NEEDS	+1	-4			
HOT BEVERAGES		+12	-1	SHAVING	-3	-4			

* Excludes General Merchandise

Consumers aren't leaving categories, they're re-shaping them

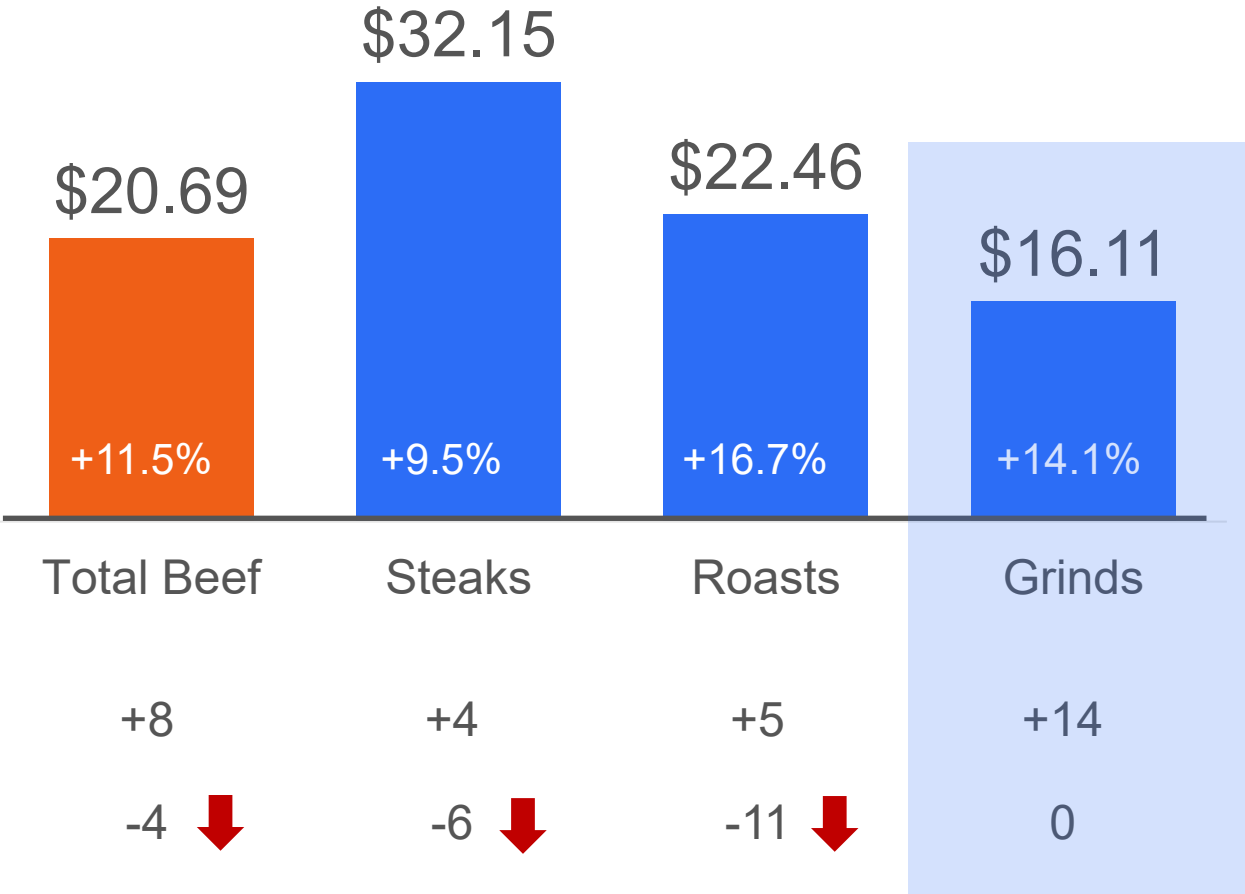
Top 3 Beef Segments 52-week Price Per KG



\$4.2 Billion

Inflation

\$ % Chg.
KG % Chg.



Consumers are spending with purpose

Consumers are asking 'Is it worth it?'

Today's consumer is prioritizing:

- Stretching Every Dollar
- Maximizing Essentials
- Trading Within Categories
- Paying for Outcomes, Not Products

Consumers have become far more selective about where, when, and how they spend. **Growth belongs to brands and retailers that help shoppers maximize value**, not simply minimize price.

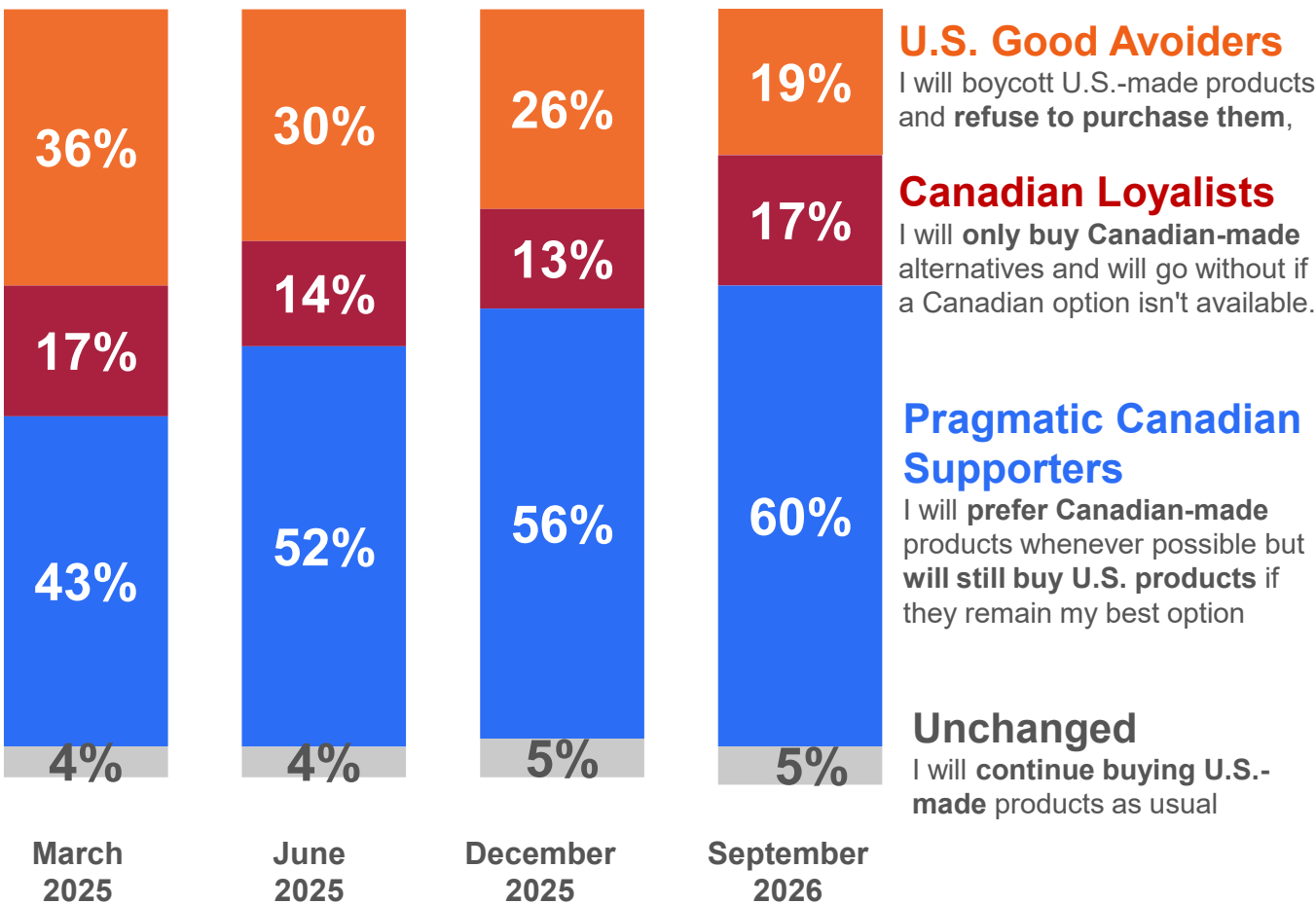


2027 Consumer Outlook

- **Value Gets Scrutinized**
 - Consumer spending is becoming more deliberate
- **Loyalty Gets Tested**
 - Shoppers remain loyal only when value remains clear

Values vs. Value: Canadian shoppers are becoming more pragmatic when deciding which products to purchase

% of Canadian Households.



The Maple Leaf Isn't Enough to Close the Sale

52 Week	\$ % Chg	Vol % Chg	Promo Vol % Chg
Canada	+1	-2	-3 ▼
US	-2	-4	-1

Q3 2026	\$ % Chg	Vol % Chg	Promo Vol % Chg
Canada	-2	-4	-7 ▼
US	-3	0	+4 ▲

The consumers search for value is putting retailer and brand loyalty at risk

Top 10 consumer saving strategies for FMCG



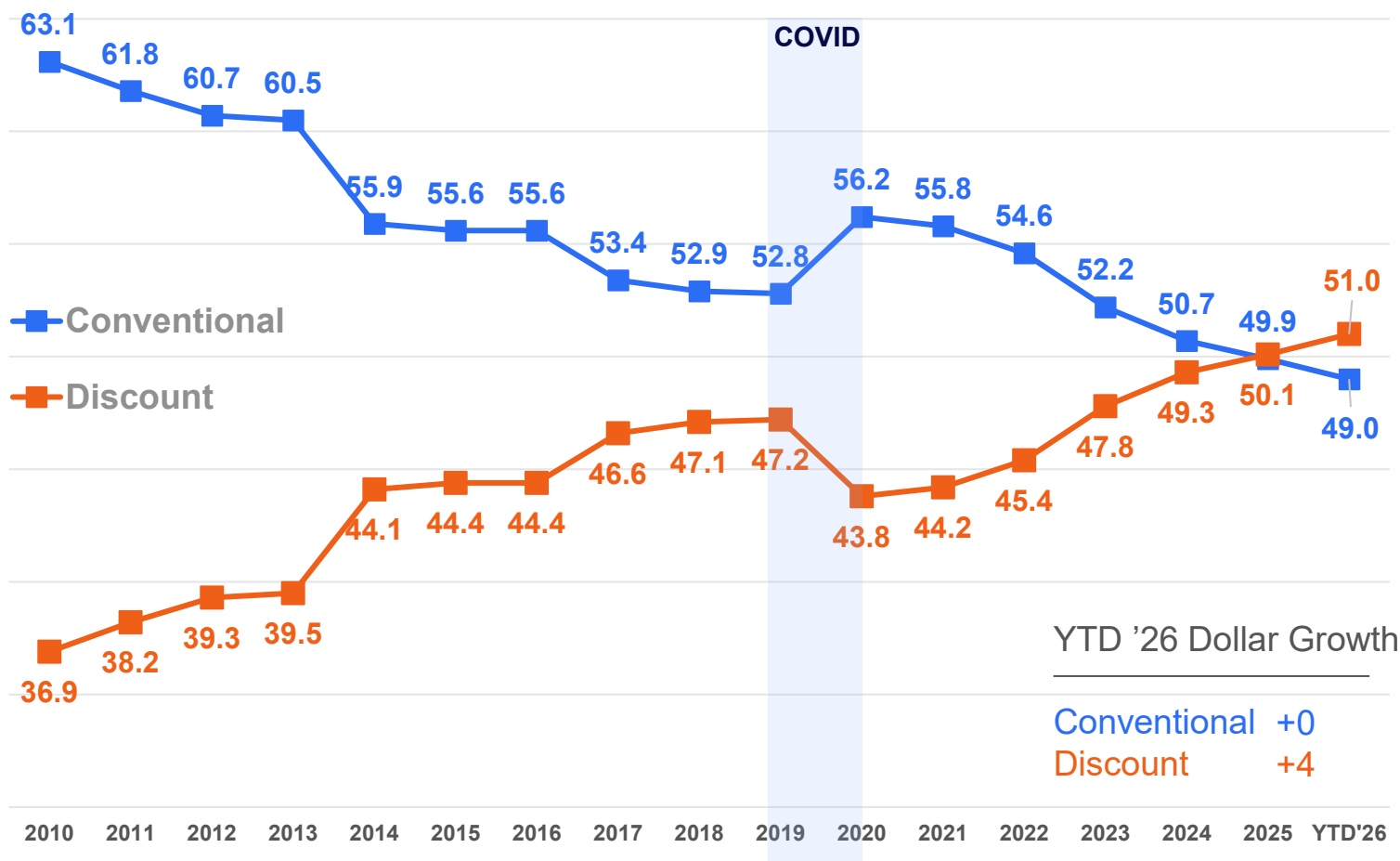
Average of 3.8

Saving Strategies
Per Shopper



Canadians have shifted the majority of spend to Discount retailers

Discount vs Conventional | Grocery + Drug + Mass | \$ Market Share



Discounters winning with:

Volume: **61.8%** +1 (Convent -4)

Food: **52.1%** of \$ +5 (Convent +0)

Trips[^]: **+5%** (Convent +1)

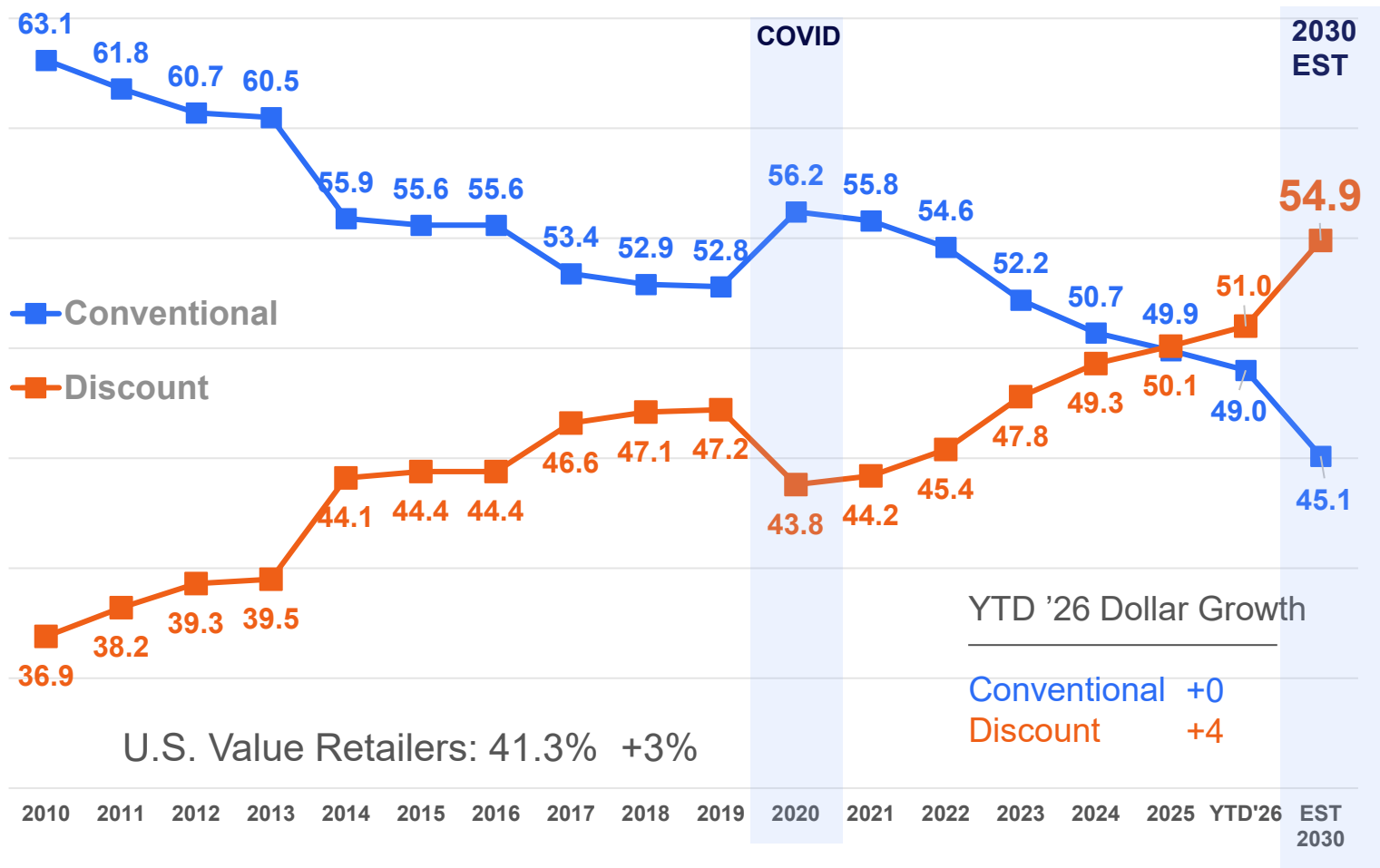
Baskets[^]: **30% higher** (\$43 vs. \$33)

High Income[^]: **\$100k+ 45%** of \$'s
Spend +5% more vs. YA

Private Label: **21.6% +5**
(Convent 16.4% 0)

Discount retailers are forecasted to hit 55% of retail sales by 2030

Discount vs Conventional | Grocery + Drug + Mass | \$ Market Share



Discounters are forecasted to gain approximately 1 market share point / year +\$1.5 Billion / year

By 2030
54.9 % of Dollars
66.7% of Volume

Same Store Sales +3%

Retailers have made their bet on value

Where is retail investing?

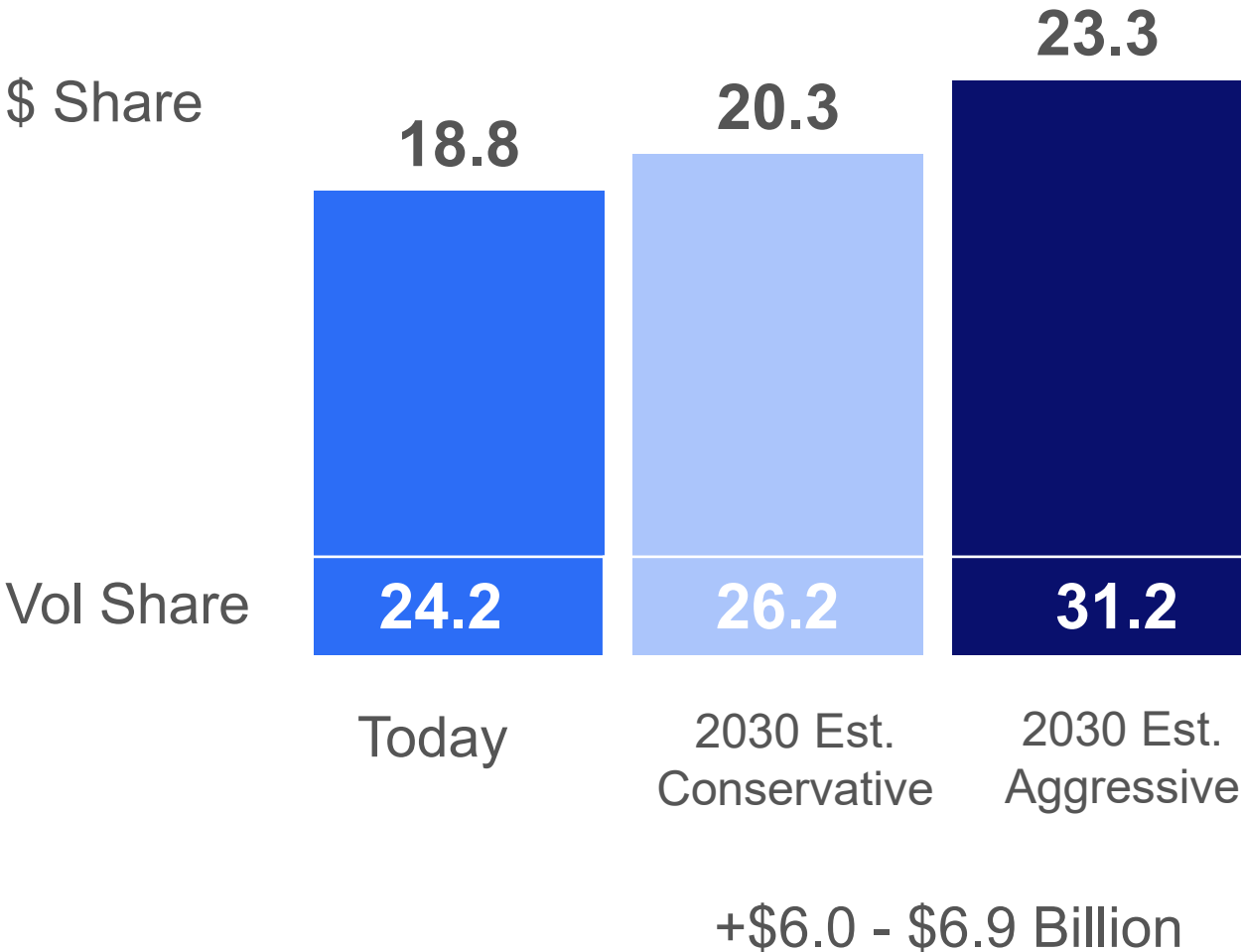
(% of 2026-2027 store openings)

- **60%** Discount Grocery & Walmart
- **15%** Dollar Stores
- **15%** Costco
- **10%** Conventional & Premium

Methodology: Analysis of publicly announced 2026-2027 store expansion plans reported by leading Canadian grocery and retail trade publications and retailer disclosures, with openings grouped by retailer and format to estimate where future retail investment is being concentrated



As discount retail formats grow, Private Label will be a primary beneficiary

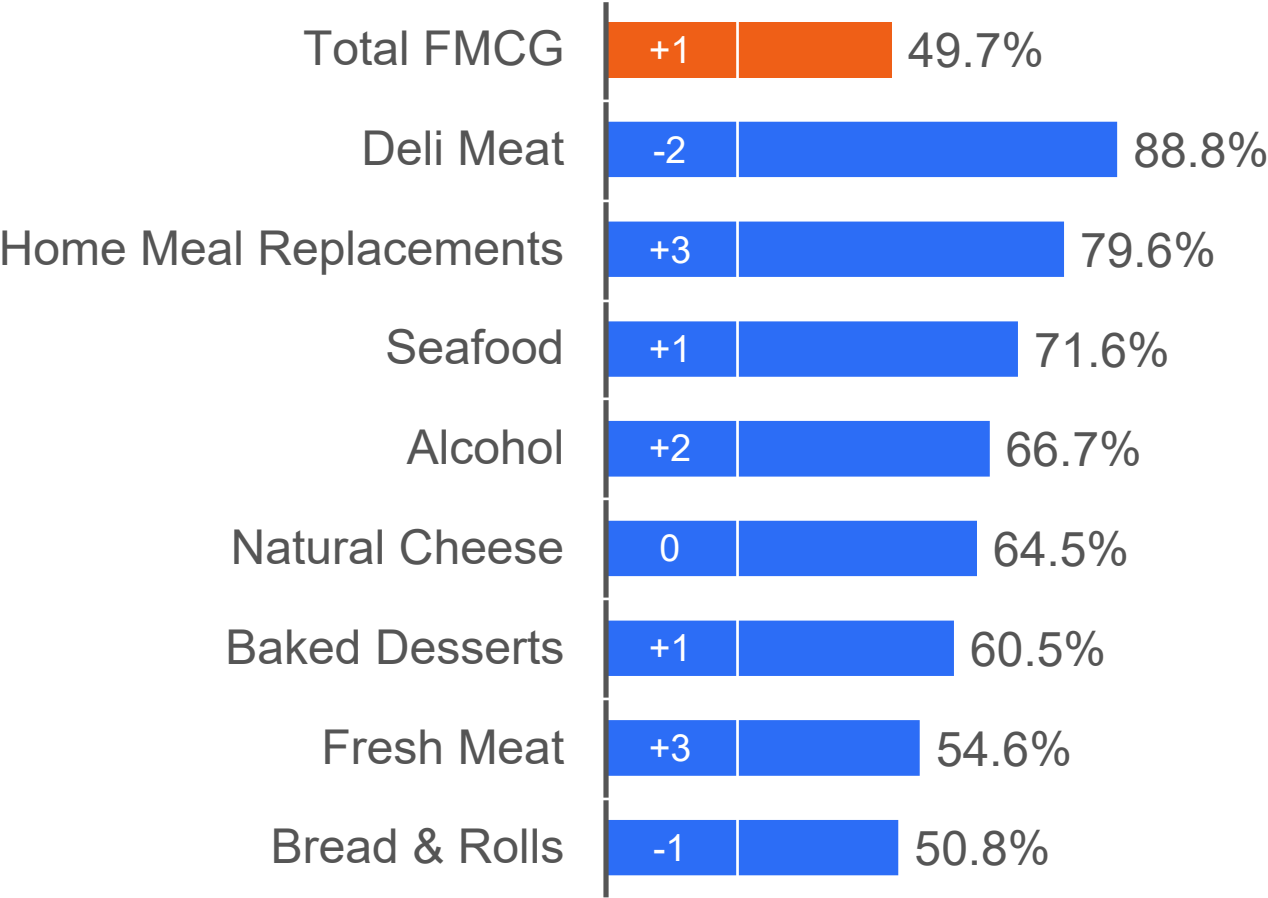


Growth Driven By:

- Ongoing consumer need for value and economic pressures
- Discount expansion: PL share 32% higher vs. Conventional
- Necessities: Food PL more developed (20.4% share)
- Aging Canadians: 55+ share index 104
- Ethnic households +6%

Winning isn't about matching discount on price, but owning categories where service and expertise create value.

Conventional Dollar Share & Growth by Department



Loyalty isn't dead, it's evolving

Loyalty has become conditional

Today's consumer is loyal to:

- Value
- Convenience
- Simplicity
- Relevance

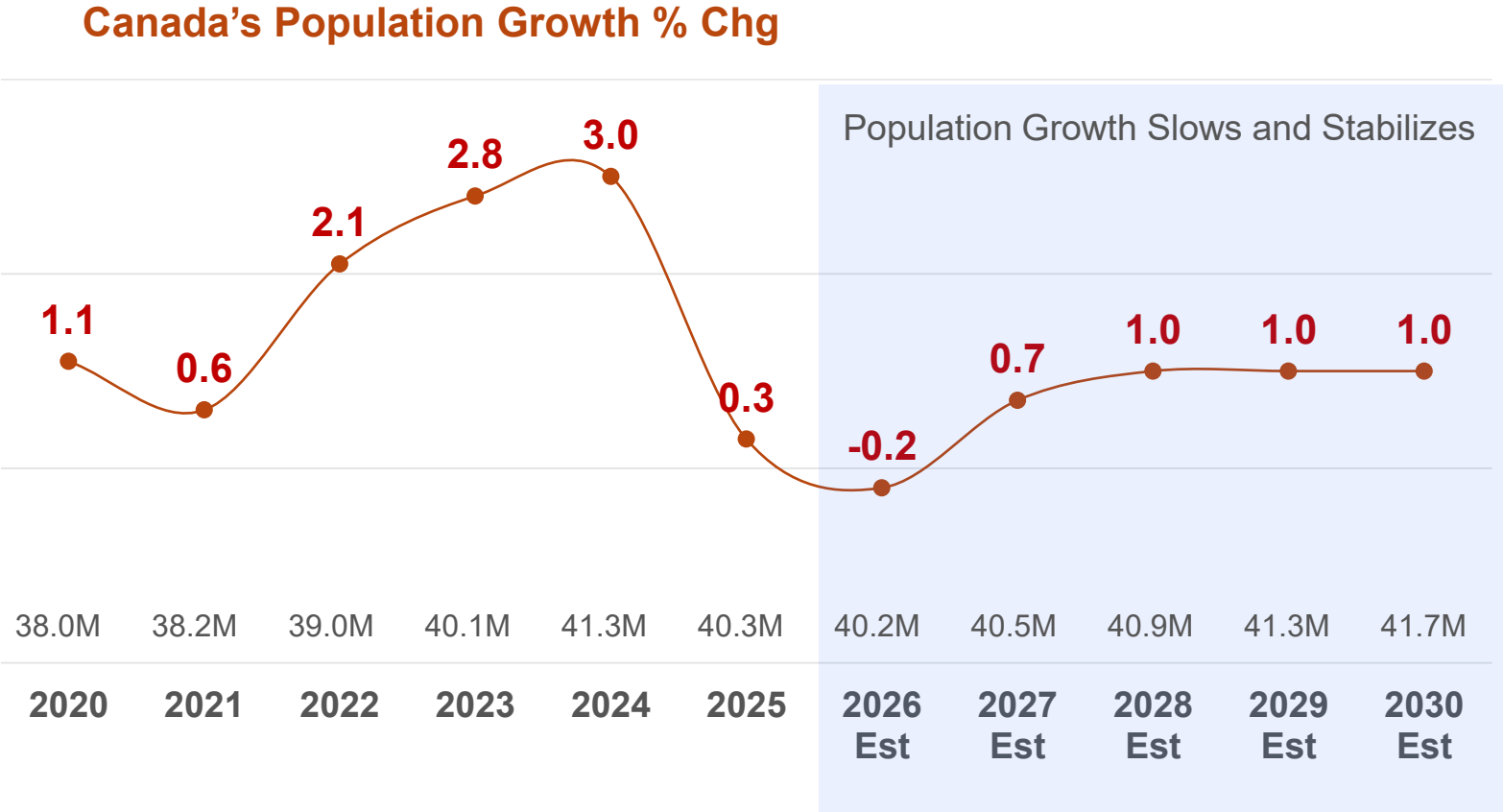
Shift loyalty strategies from rewarding past purchases to **continuously earning future purchases** through personalized value, frictionless experiences, and relevant solutions.



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Population growth is no longer the automatic growth engine

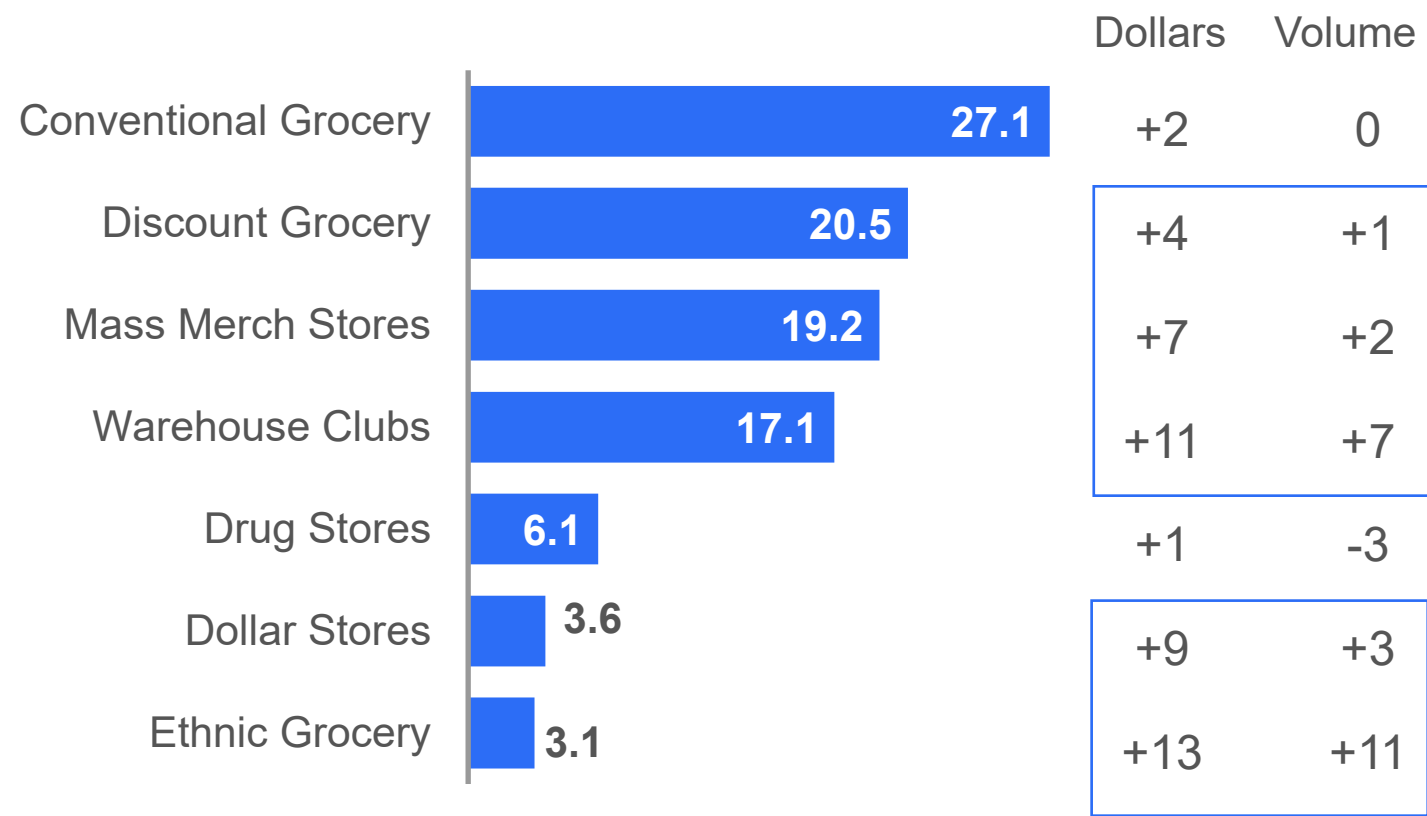
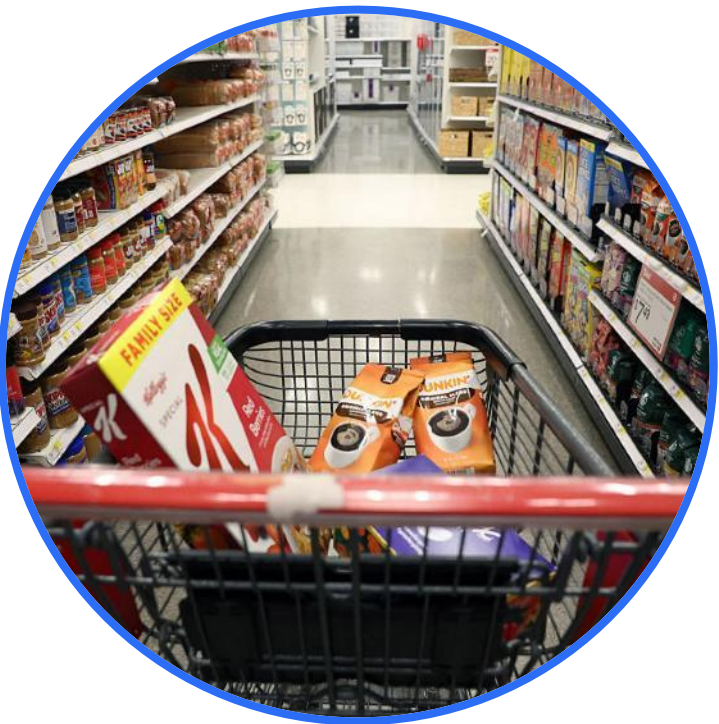


By 2030

- Population increases from roughly **40.2 million** to **41.7 million**. (+1.5 million)
- Average annual increase: about **375,000 people per year**.
- Growth will be driven primarily by **immigration rather than natural increase**.

Consumer are shifting FMCG wallets to value-based retailer formats

Total FMCG retail channel dollar share of trade and growth

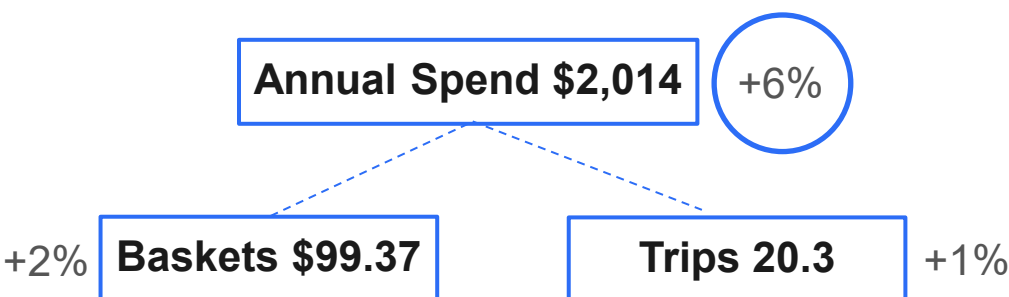


Warehouse Club's growth is fueled by reach and trips

Warehouse Dollar Share



FMCG Household Spend Metrics



Penetration



80.2% 13.5M Households (+5%)

Total FMCG Trips



6.6% of retail trips; 274.1M (+9%)
Food purchased on 95% of trips

Shopper Profile % of Dollar Sales

1-2 member	48.2%	+0.9	↑ Smaller
3+ member	51.2%	-0.9	
<\$50k	16.4%	+0.7	↑ Lower Income
\$50k-\$100k	33.2%	+1.0	
>\$100k	50.4%	-1.7	↑ Older Diverse
65+ year	13.8%	+1.8	
Ethnic	37.4%	+0.3	

Ethnic Grocery growth is being driven by an increasing shopper base



Growing Shopper Base

5.8 million households +3%
Accounting for 34.7% of all households



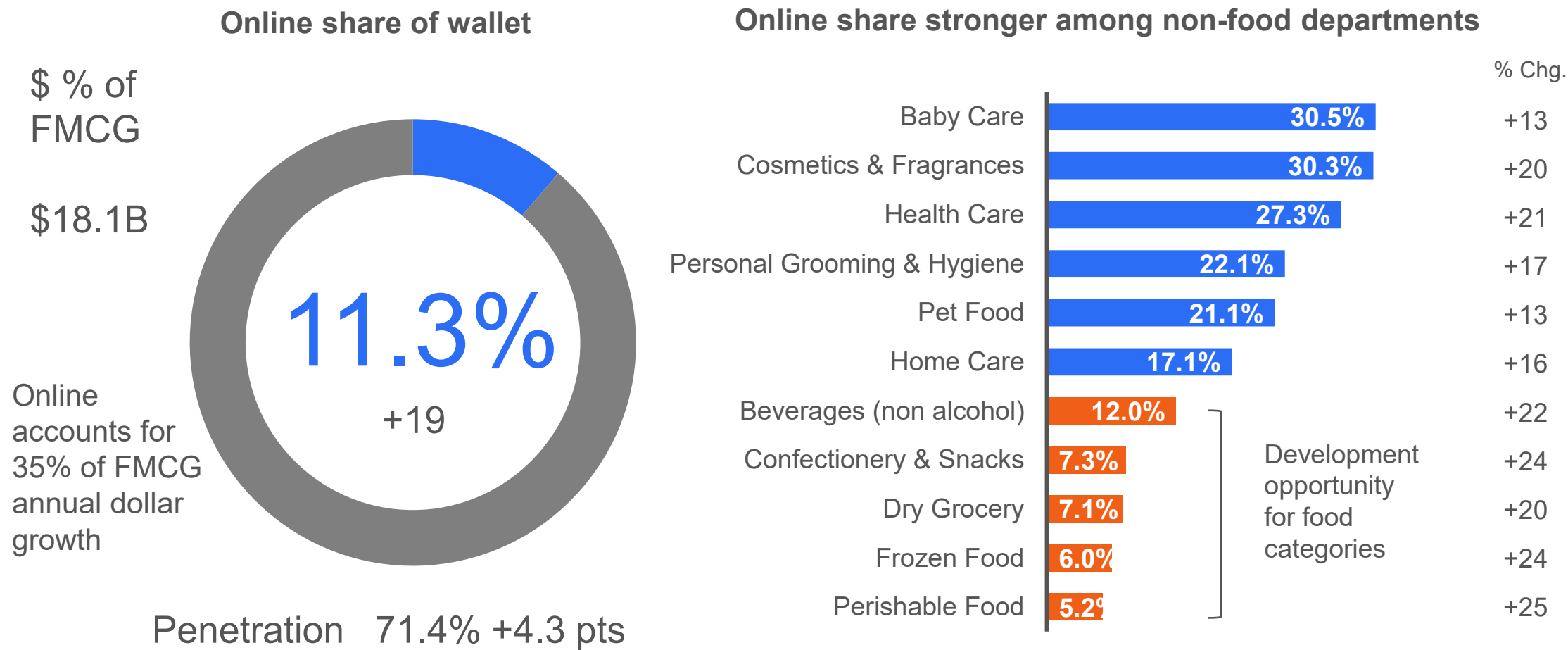
1 in 3 Shoppers are Non-Ethnic

68% of shoppers are ethnic
32% of shoppers are non-ethnic

Top 5 Departments Based on Dollar Sales

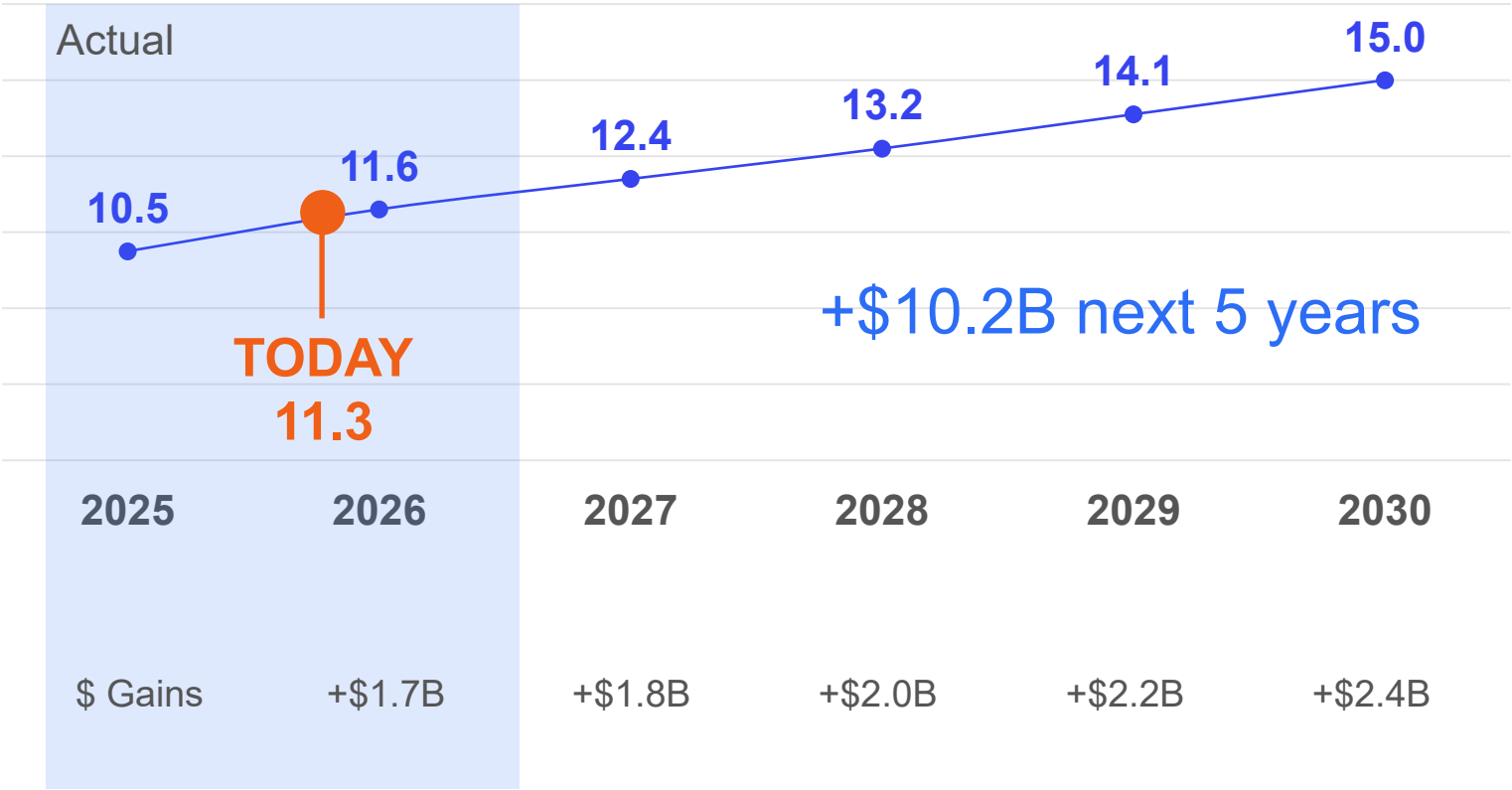
	\$ Share	\$ Chg	V Chg
Total FMCG	3.1%	+13	+11
Perishable Food	5.2%	+13	+10
Dry Grocery	4.4%	+10	+10
Frozen Food	4.1%	+15	+14
Confect & Snacks	1.5%	+10	+8
Beverages	1.3%	+17	+13

Online momentum continues, now 11.3% share of wallet in FMCG



Online is forecasted to hit 15% share by 2030 – an additional +\$10.2 billion!

Online Dollar Share Forecast for FMCG



Growth follows relevance

Growth gets earned

Consumers reward brands that deliver:

- Meaningful Differentiation
- Occasion Expansion
- Permission to Premiumize
- Relevance in the Moment

Consumer demand hasn't disappeared, but it has become harder to capture. **Growth increasingly comes from creating incremental value**, solving unmet needs, and delivering experiences worth paying for.

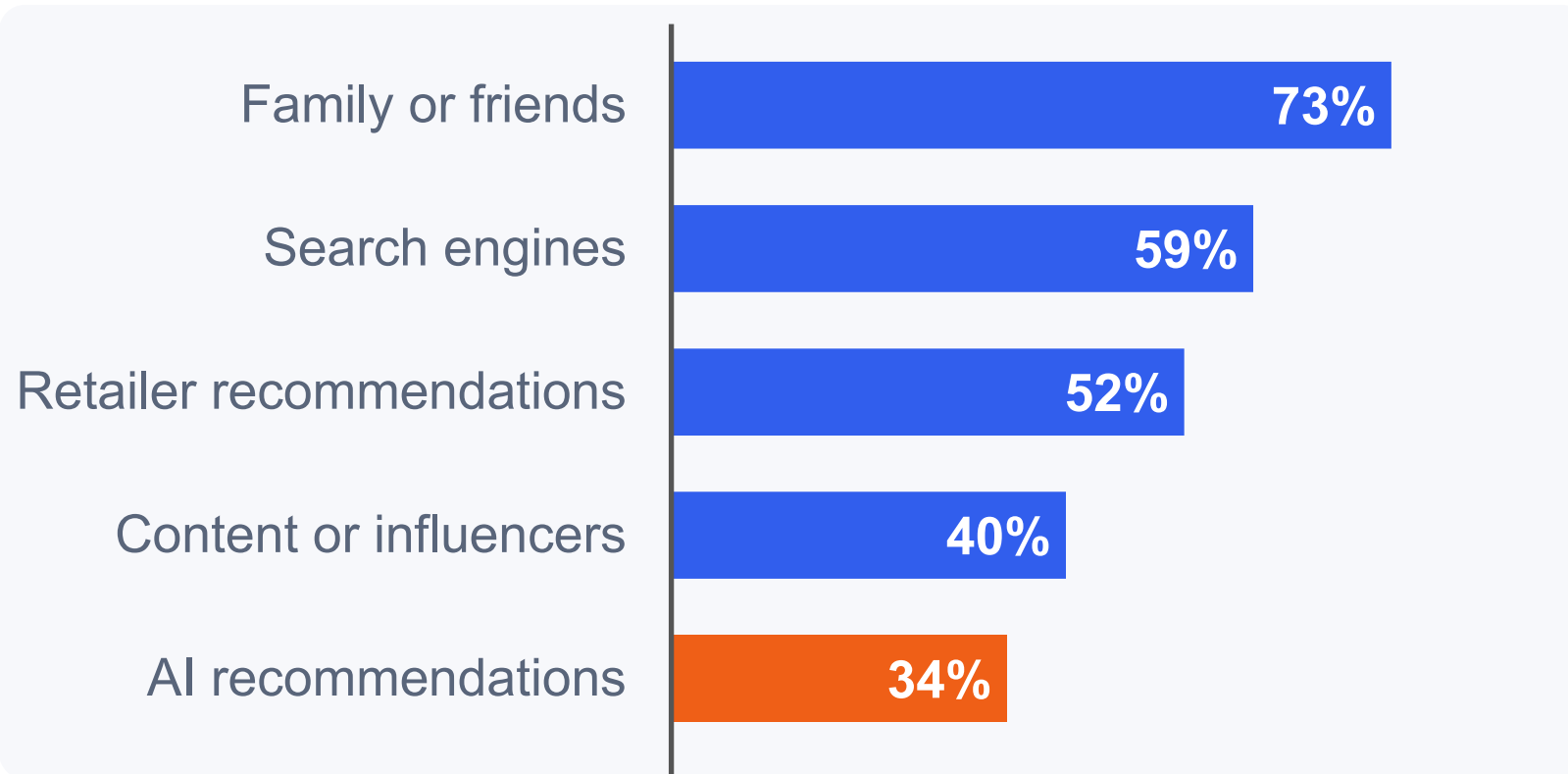


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 - Your next shopper may not be human

AI is entering the shopping conversation

Sources influencing Canadian purchase discovery



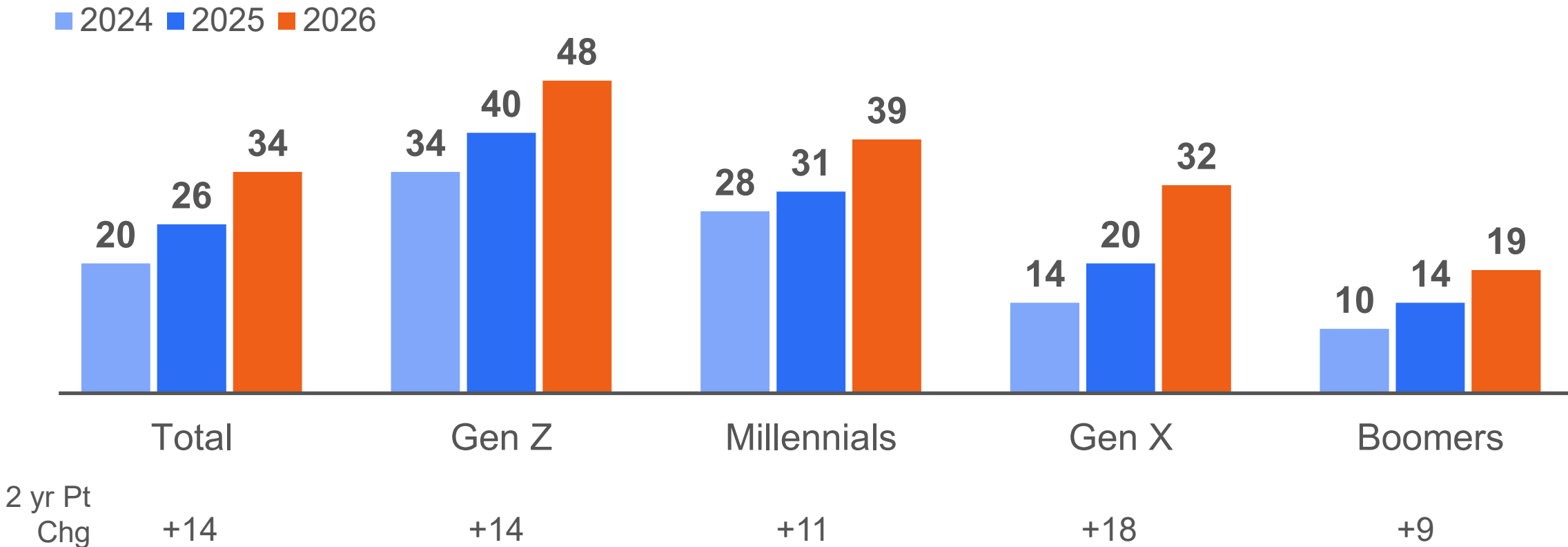
34%

report AI purchase influence (Global 55%)

Discovery is changing before the shopper reaches the shelf.

AI usage in Canada continues to rise across all demographics

 **34%** of Canadians used AI apps or tools in the past 30 days, **+14 pts** from 2024

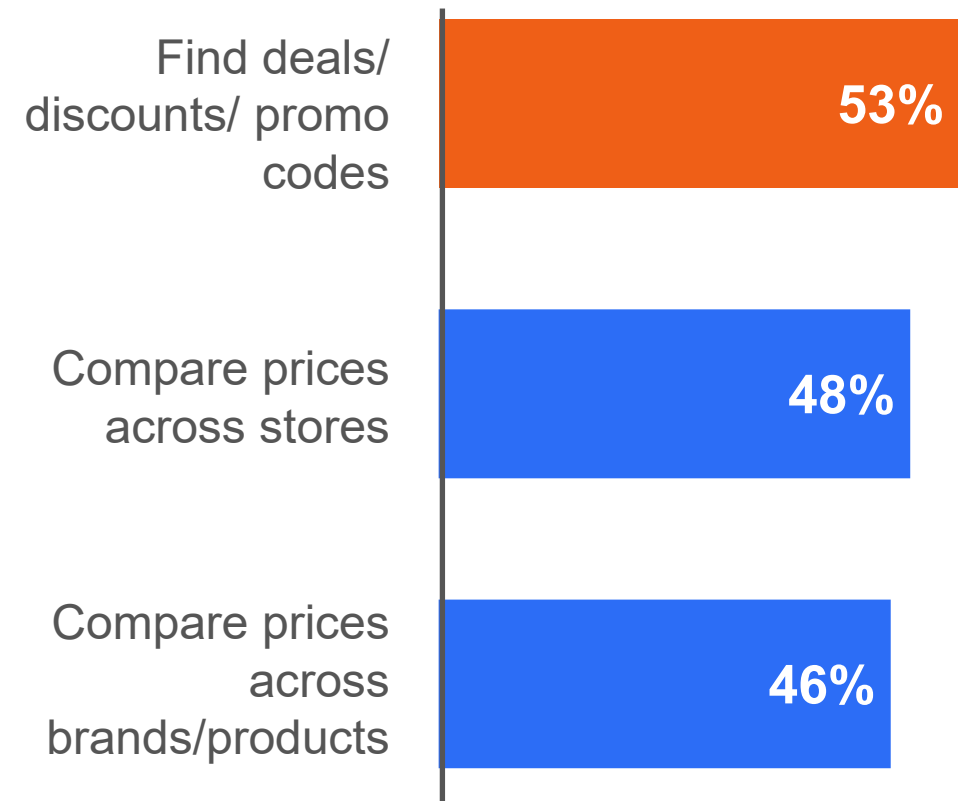


The first 2 questions when using AI are: “Can I save money and how?”

Top 3 **motivations** for using AI



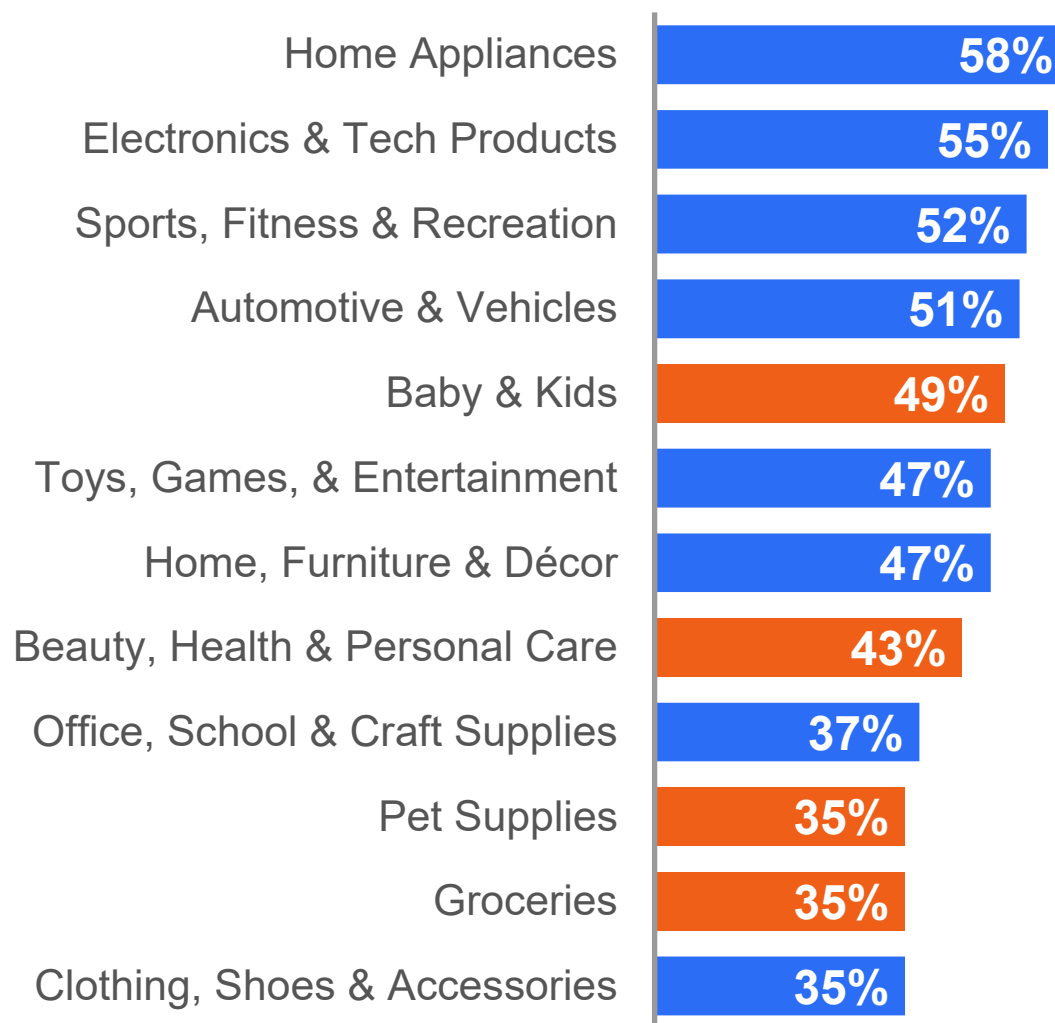
Top 3 **tasks** when using AI



AI tools are most often used to shop for Home Appliances, and Electronics products, while adoption is relatively less for Groceries

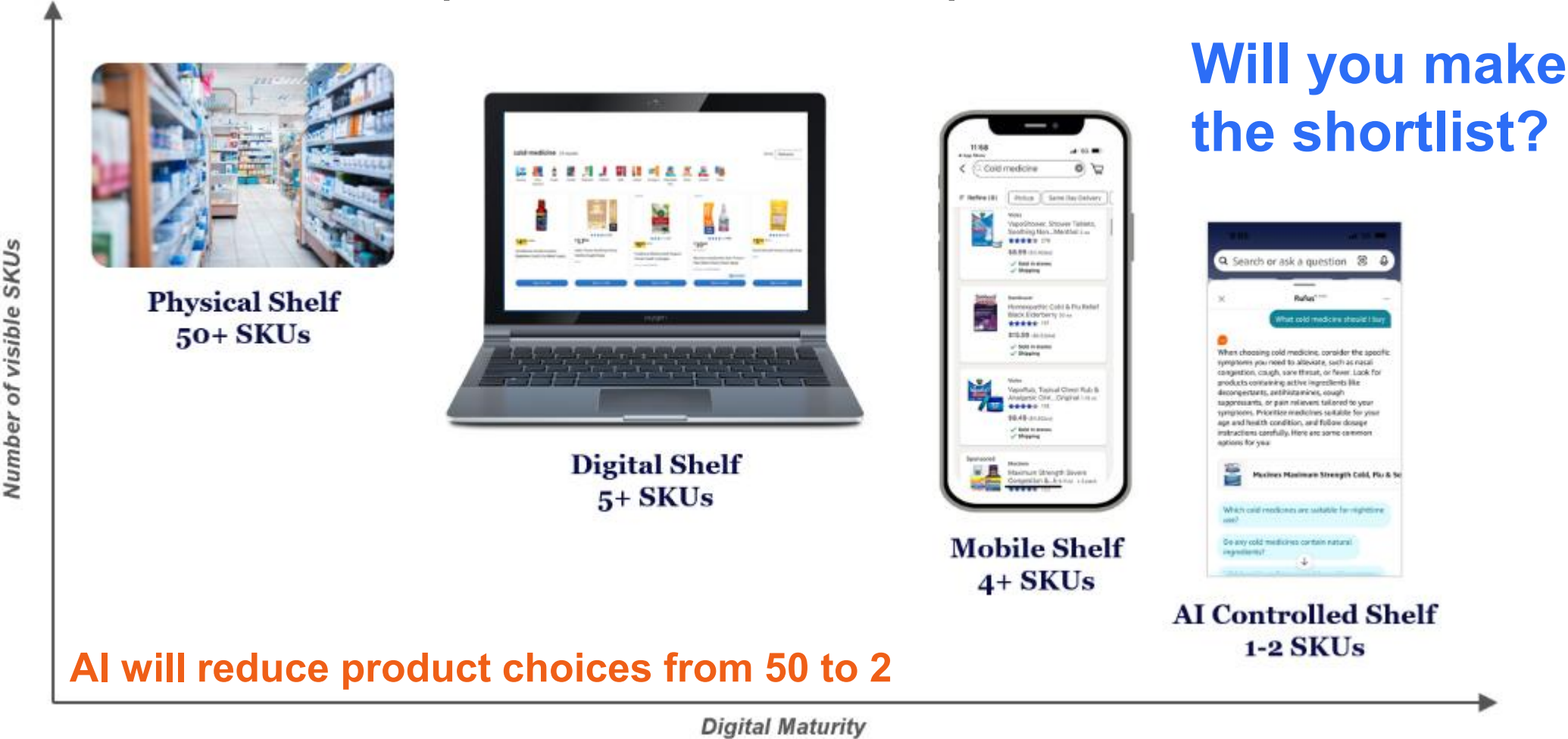


Canadians using AI to shop for...



Visibility becomes part of your availability.

The new path to consideration and purchase



A practical place to start

Grocery retailers

- Accurate online prices and stock.
- Simple meal ideas with a clear cost per serving / person.
- Easy help and substitution approval.

Manufacturers

- Complete product information.
- Clear reasons to choose the product beyond price.
- Consistent facts across retailer sites.



A joint first step: Test five real shopper questions about your products.

Decisions are being delegated

Consumers are adopting AI

Today's consumer is looking for:

- Guided Choices
- Instant Confidence
- Personalized Outcomes
- Frictionless Discovery

The path to purchase is shifting from consumer-led discovery to AI-assisted decision-making. Brands and retailers must evolve from simply being found to being recommended.

The data is clear;
**pressure hasn't stopped
demand, it's sharpened it.**

The question now isn't whether
consumers will spend, but
**who earns their attention,
trust, and wallet.**





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Thank You!

For more information about NIQ's research solutions, please connect with us.

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