Grocery's Next Chapter

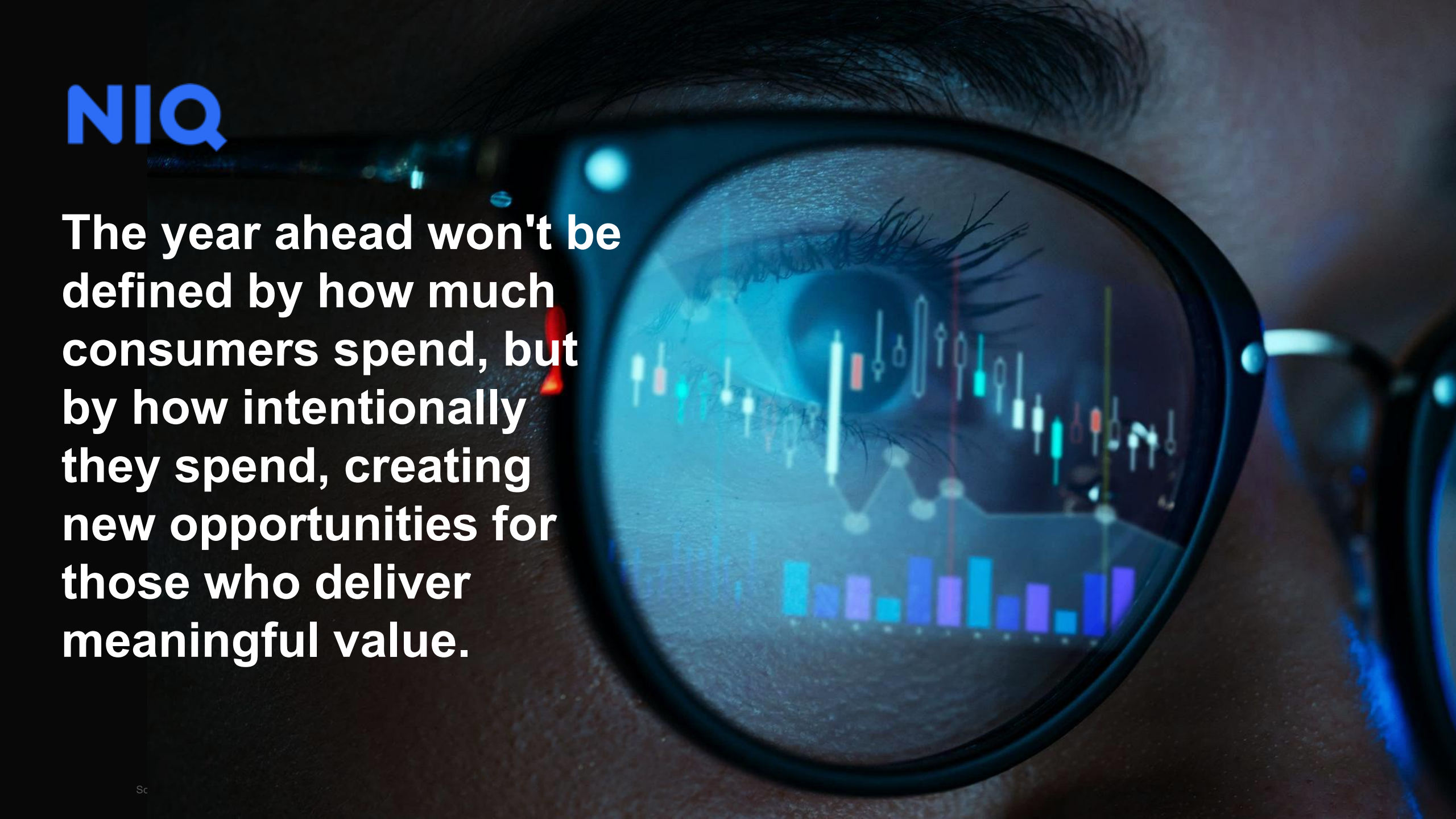
Today's Shifts Are Tomorrow Norms

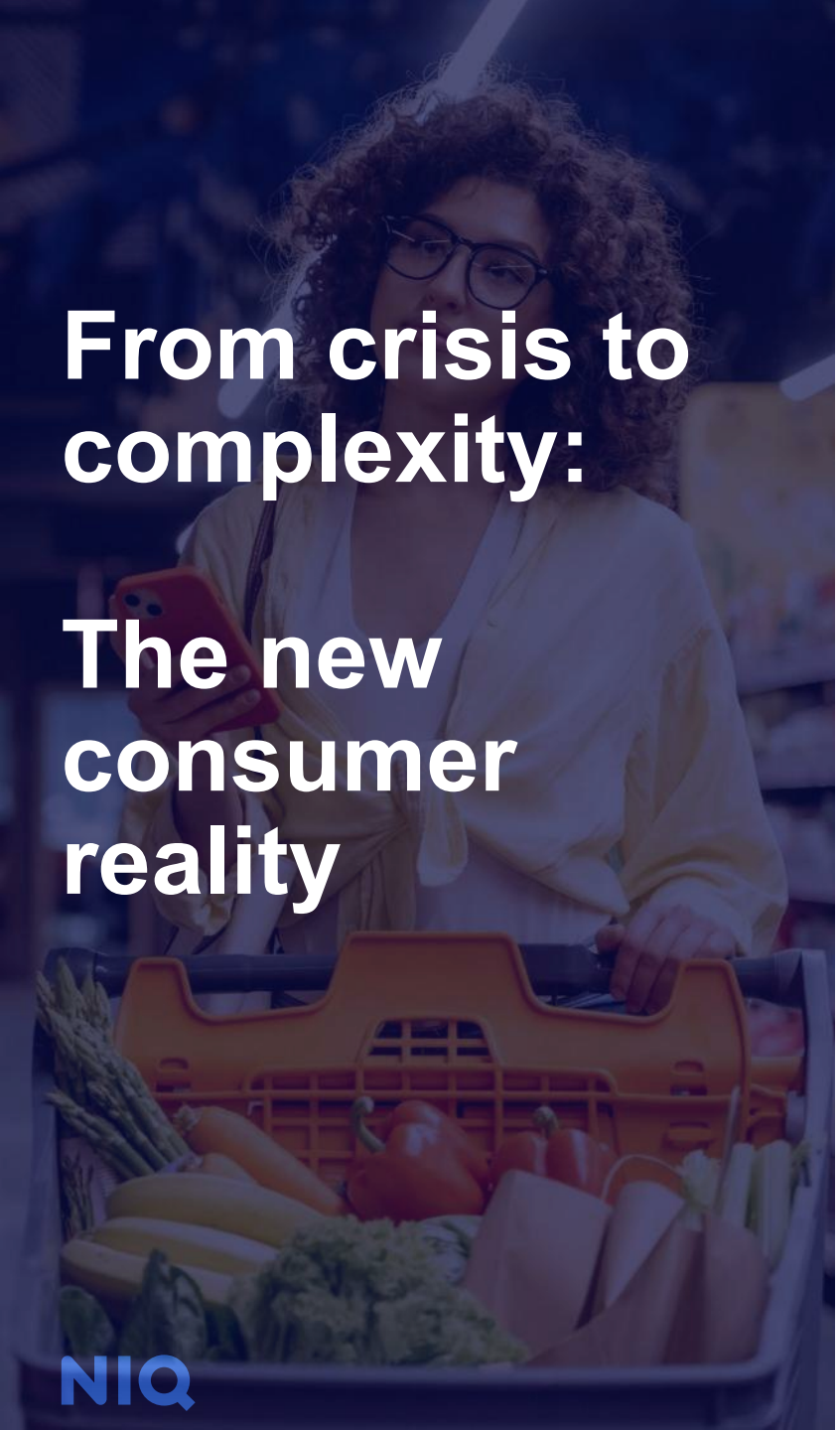
November 2026

Carman Allison



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NIQ
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.



From crisis to complexity:

The new consumer reality

Wallet pressure is reshaping spending

- Rising living costs, persistent inflation, and economic uncertainty are changing how Canadian shoppers allocate their FMCG dollars.

Consumers are becoming value-maximizers

- Shoppers are increasingly intentional, balancing affordability, necessities, convenience and personal priorities with every purchase.

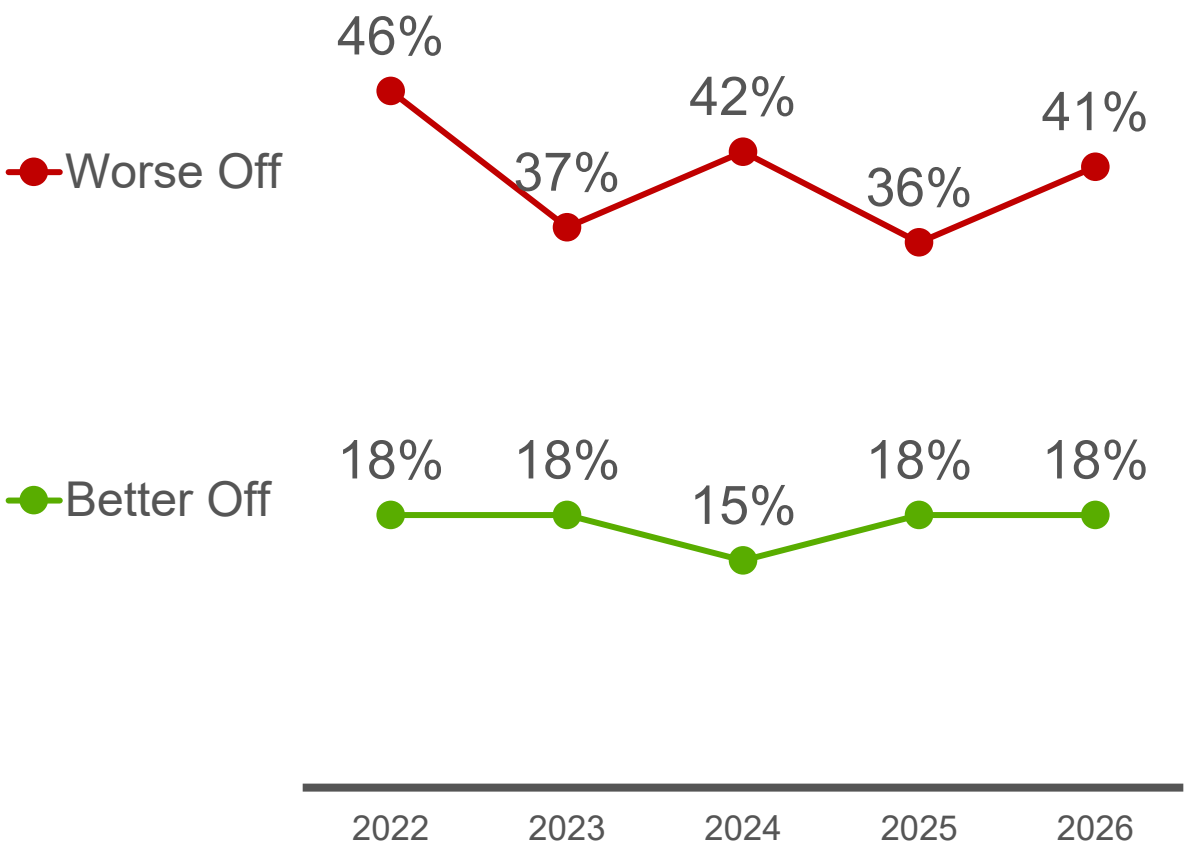
Winning requires relevance, not just price

- 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

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Consumer sentiment around their personal finances softens

Canadian consumer financial position sentiment



Why Worse Off?

81%	*Increased costs of living*
44%	*Economic slowdown*
36%	*Job insecurity / loss*

Top Concerns for 2027

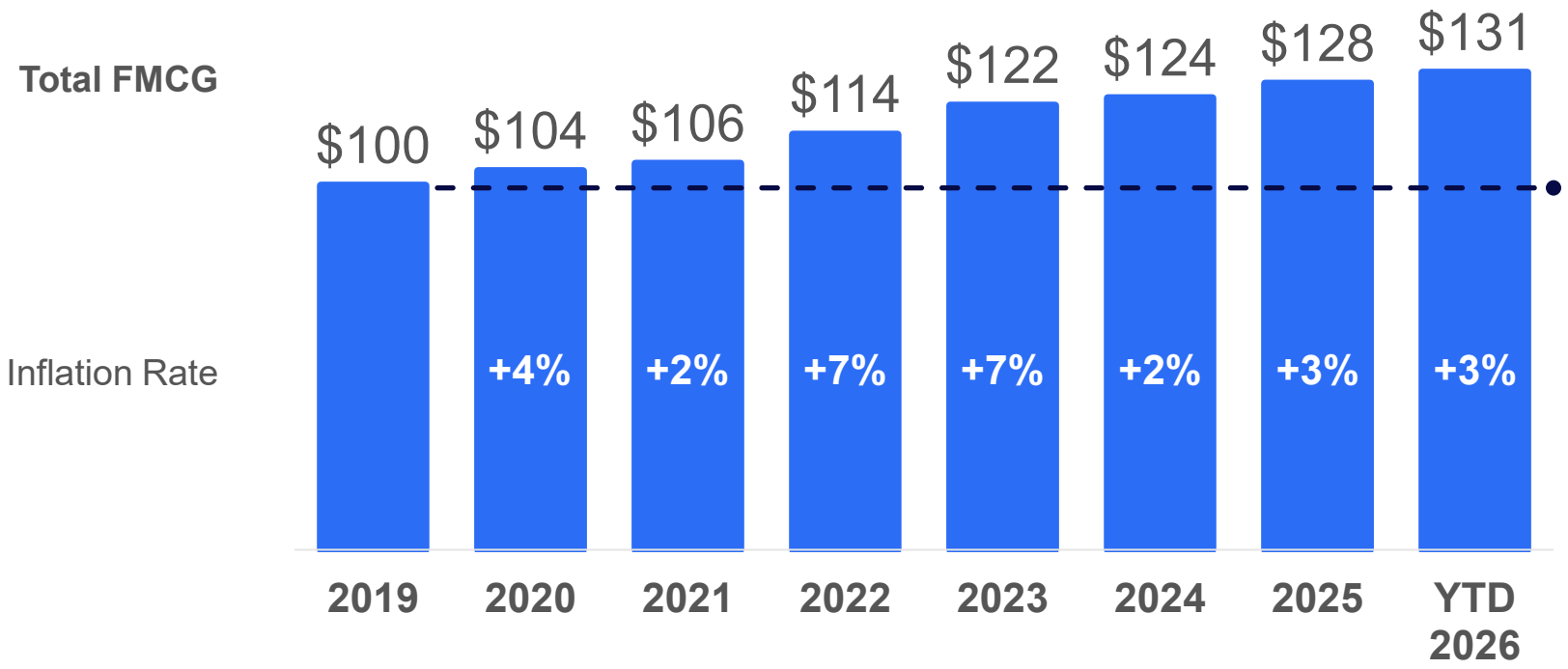
44%	*Rising food costs*
18%	*Housing costs*
16%	*Economic downturn*

Source: NIQ 2027 Consumer Outlook, vs. previous studies. Q: Compared to a year ago, is your household better off or worse off financially? Mid Year

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Compounding FMCG inflation since 2019, Canadians are spending 31% more

Canada: $100 in 2019….



Consumers are spending 31% more than pre-pandemic for FMCG products

Compare to U.S. $146 (USD) over same timeframe

Source: NielsenIQ, MarketTrack Canada Total Tracked Sales All Channels Combined, Annual Periods – YTD 43 weeks to October 24, 2026

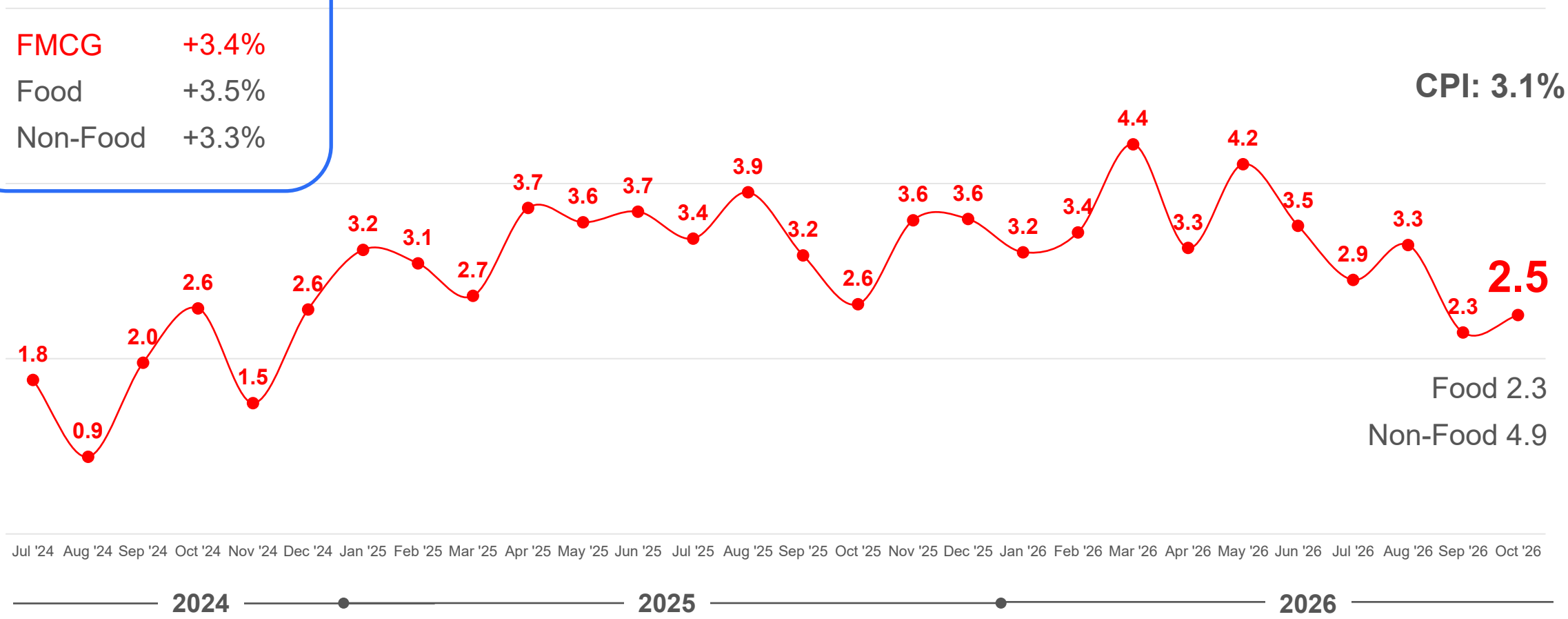
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Despite ongoing cost pressures, Canadian FMCG inflation reaches a 2-year low

L52 Weeks

FMCG	+3.4%
Food	+3.5%
Non-Food	+3.3%

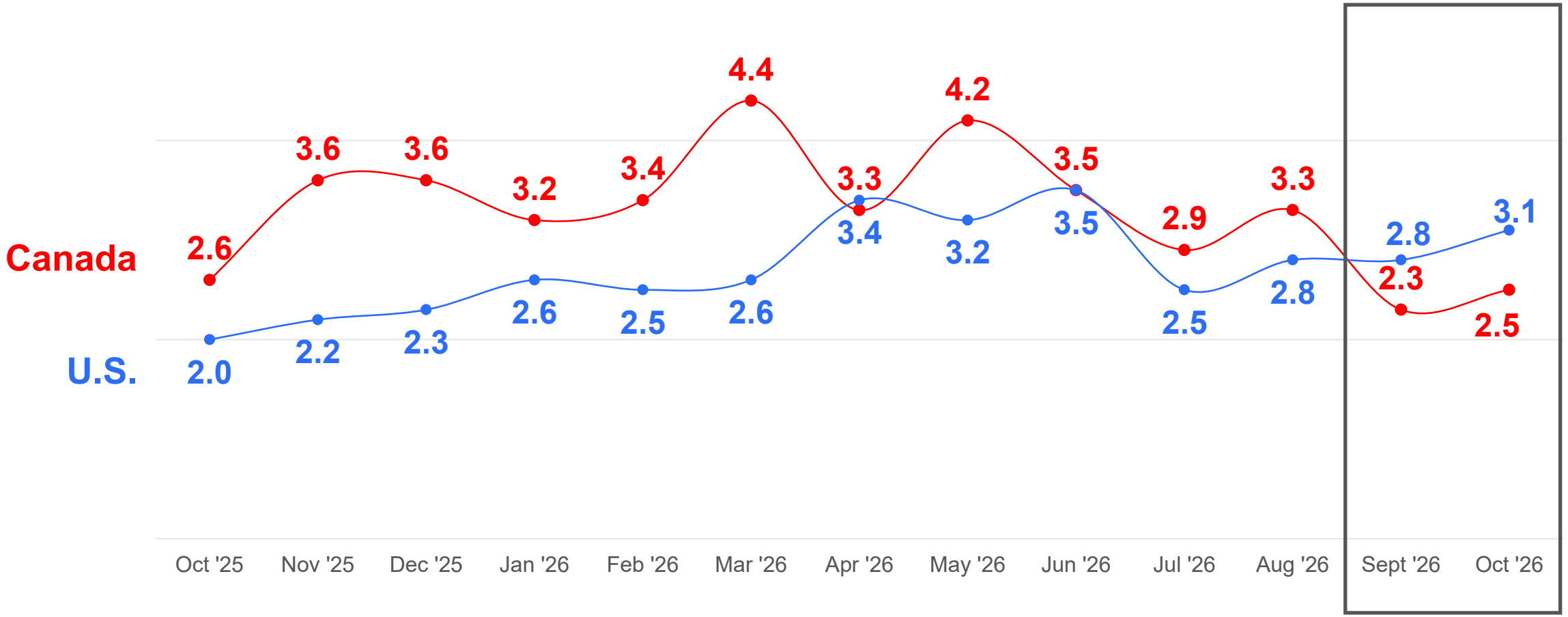
Canada FMCG* Inflation: The 2+ Year trend



Source: NielsenIQ MarketTrack Canada All Channels Combined, Monthly Periods L52 ending October 24, 2026 *Inflation: $ % Chg. less EQ Vol % Chg *Excludes General Merchandise.

Canada’s FMCG rate of inflation has been below the U.S. for the past 2 months

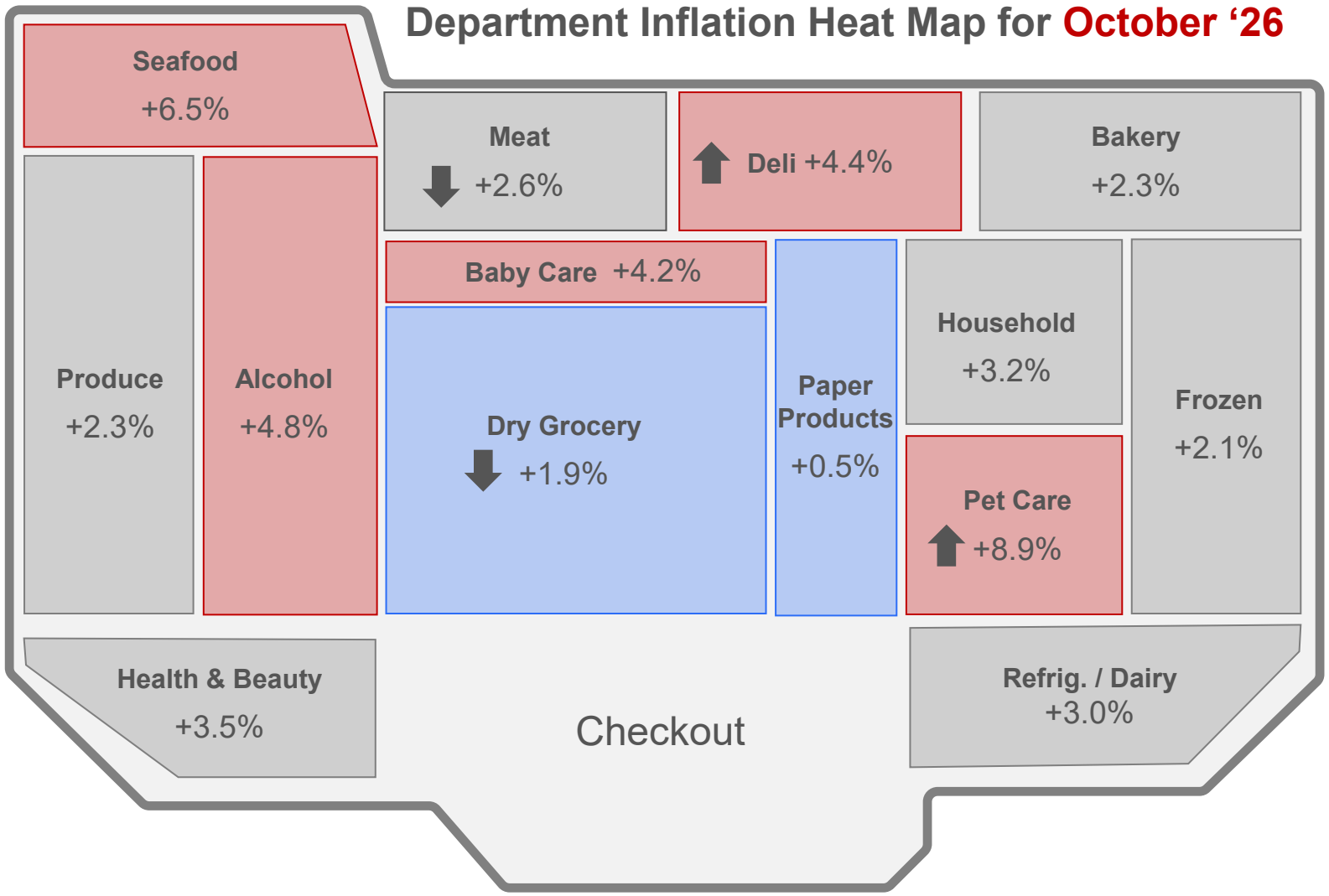
FMCG Monthly Inflation



Source: NielsenIQ MarketTrack Canada Total Tracked Sales All Channels Combined, Monthly Periods *excludes General Merchandise.

Source: NielsenIQ, Total US Full View, Avg Unit Price % Chg.

Inflation remains uneven across the store, with centre-store relief.



FMCG Inflation*

Total FMCG: +2.5%

> +4% Higher than average

+2-4% Average

<+2% Below Average

Source: NielsenIQ MarketTrack National All Channels Combined, 4 weeks ending October 24, 2026 *Excludes General Merchandise - Inflation: $ % Chg. less EQ Vol % Chg.

Absorbing some of the shock: Input costs outpace shelf price increases

Commodity Cost Change vs. Category Retail Inflation | Latest 52 Weeks

CATEGORY	Commodity Cost	Retail Inflation
Coffee Coffee	+14.8%	+11.7%
Beef Cattle	+13.5%	+10.5%
Canned Soft Drinks Aluminum	+26.9%	+9.2%
Bread Wheat	+10.0%	+4.0%
Chocolate (2025) Cocoa	+57.2%	+10.1%



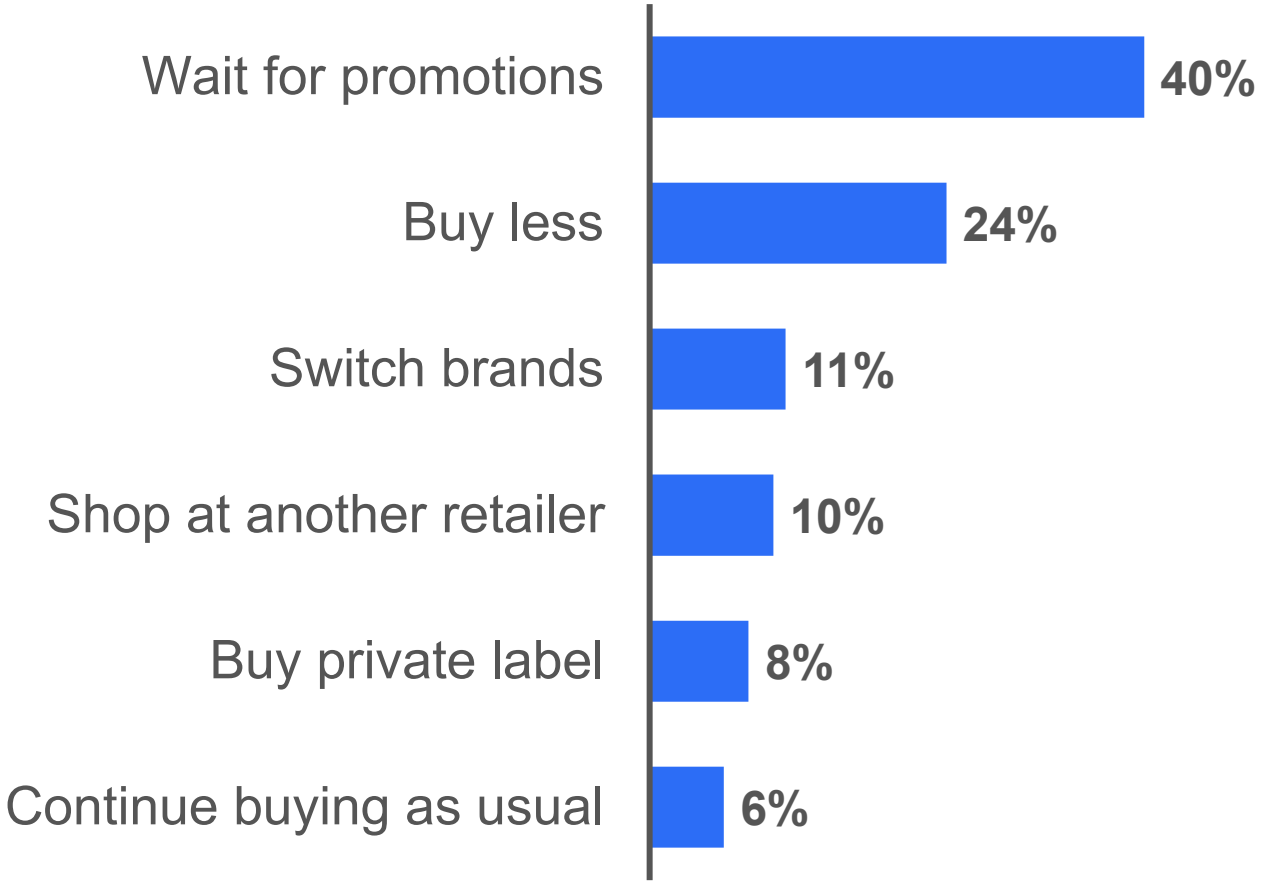
Sources: U.S. Bureau of Labor Statistics - The Producer Price Index (PPI) | vs. LY (monthly average)
NielsenIQ MarketTrack Canada All Channels Combined, Monthly Periods L52 ending October 24, 2026

Rising grocery prices have influenced shopping behaviour

94%

have changed their behaviour





Source: NIQ 2026 Shopper Opinions Survey– August 2026 – Canada

Canadians are spending more, yet consuming less

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

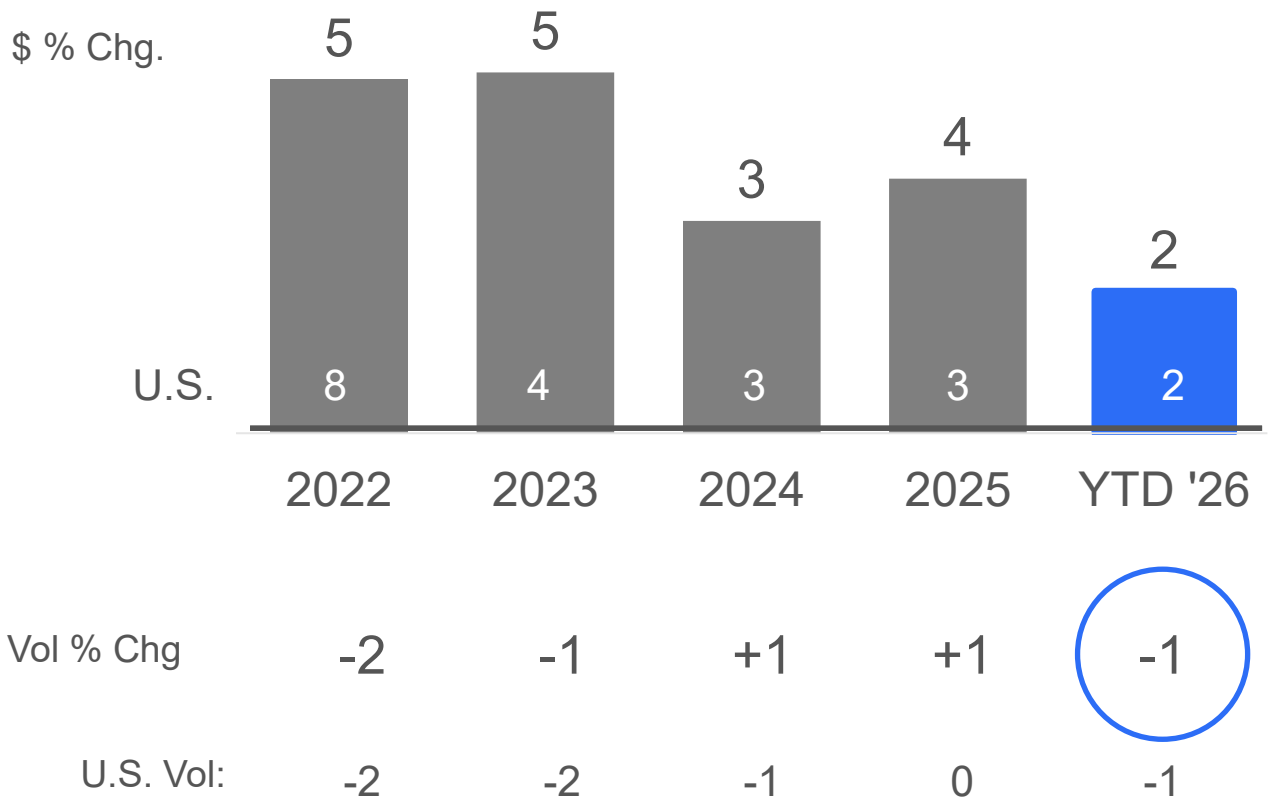
Growth has not disappeared, it has shifted. Success depends on finding where consumers are still expanding their baskets



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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	+3.0
Maritimes	2	0	+2.0
Quebec	3	0	+3.2
Ontario	2	-1	+3.2
Man/Sask.	3	0	+2.8
Alberta	3	0	+2.9
B.C.	2	-1	+2.6

Source: NielsenIQ, MarketTrack Canada Total Tracked Sales All Channels Combined, Annual Periods YTD 43 weeks to October 24, 2026

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.

NIQ

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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

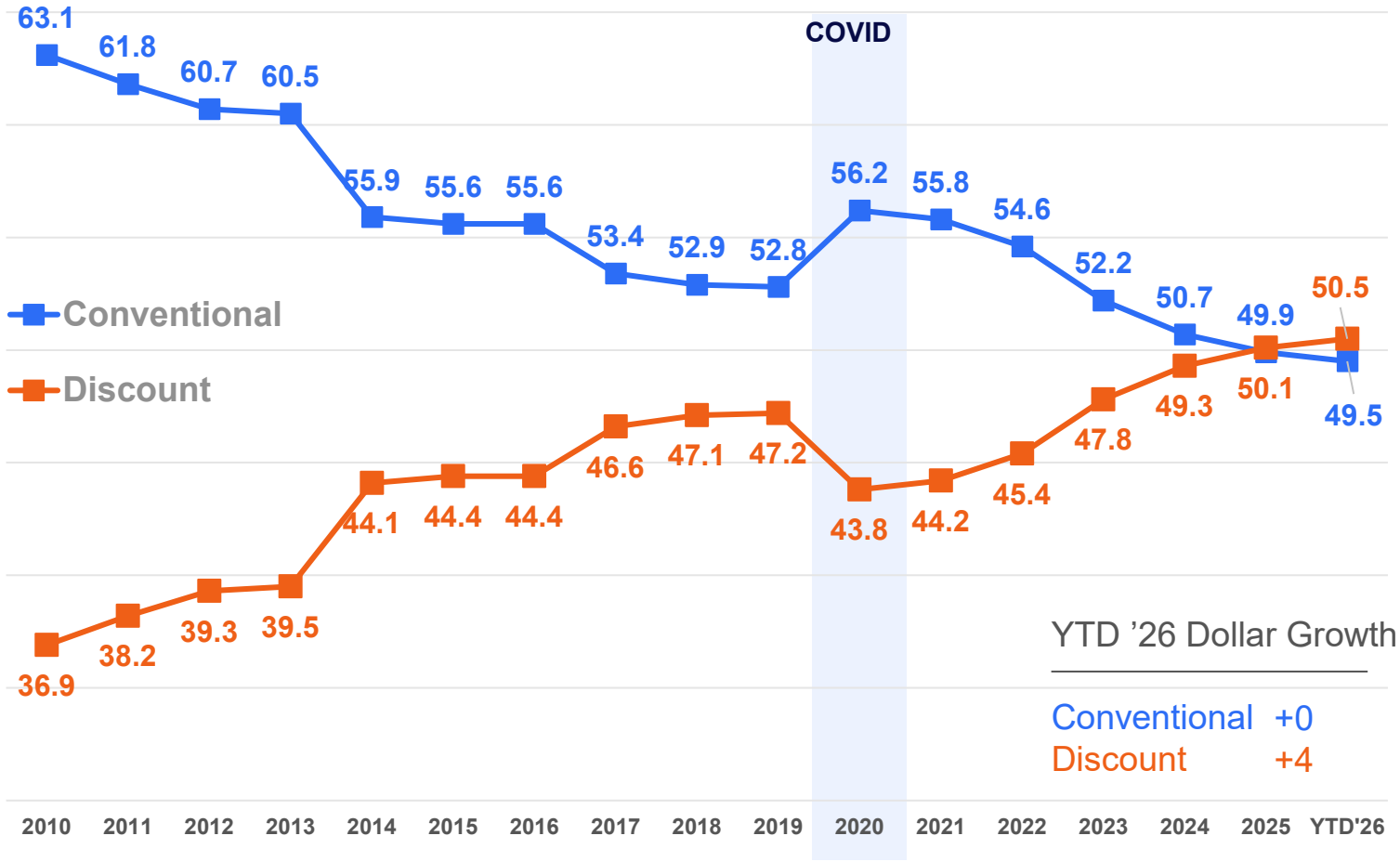


Source: NIQ 2026 Shopper Opinions Survey– August 2026 - Canada

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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

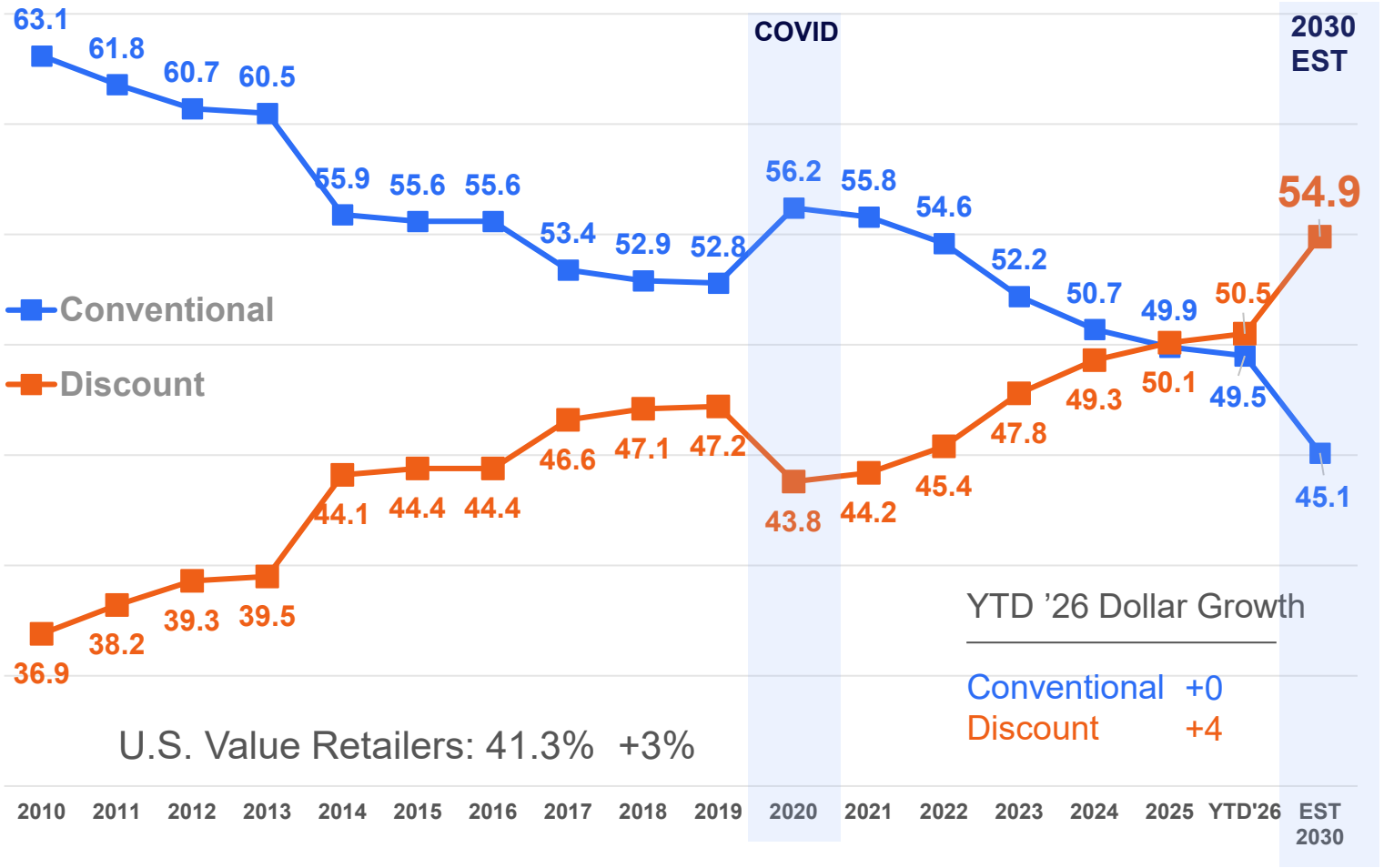
Private Label: **21.6% +5**
(Convent 16.4% 0)

Source: Syndicated DB GDM2021-2017 - Presidents Report (All Channels GDM - includes Costco) | 2016-2014 - Presidents Report (GDM) | 2013-2008 - Homescan Grocery Comp YTD '26: 43 weeks ending to October 24, 2026 *L52 weeks Sept 26 Shopping Behaviour: ^Omnishopper Total Discount vs. Total Conventional

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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%

Source: Syndicated DB GDM2021-2017 - Presidents Report (All Channels GDM - includes Costco) | 2016-2014 - Presidents Report (GDM) | 2013-2008 - Homescan Grocery Comp YTD '26: 43 weeks ending to October 24, 2026 *L52 weeks Sept 26 Shopping Behaviour: ^Omnishopper Total Discount vs. Total Conventional

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Retailers have made their bet on value

Where is retail investing?

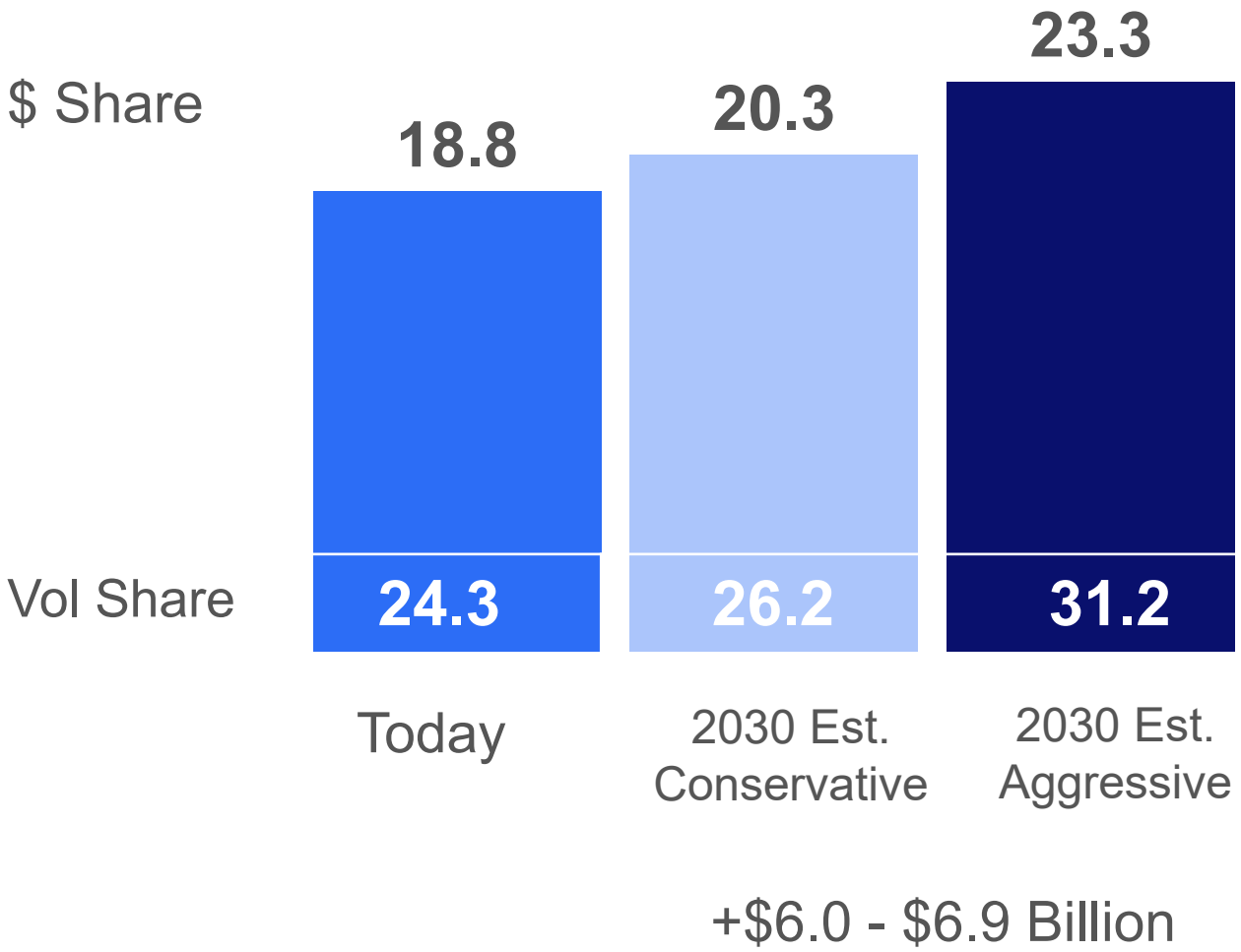
(% of 2026-2027 store openings)

- **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



+$6.0 - $6.9 Billion

Growth Driven By:

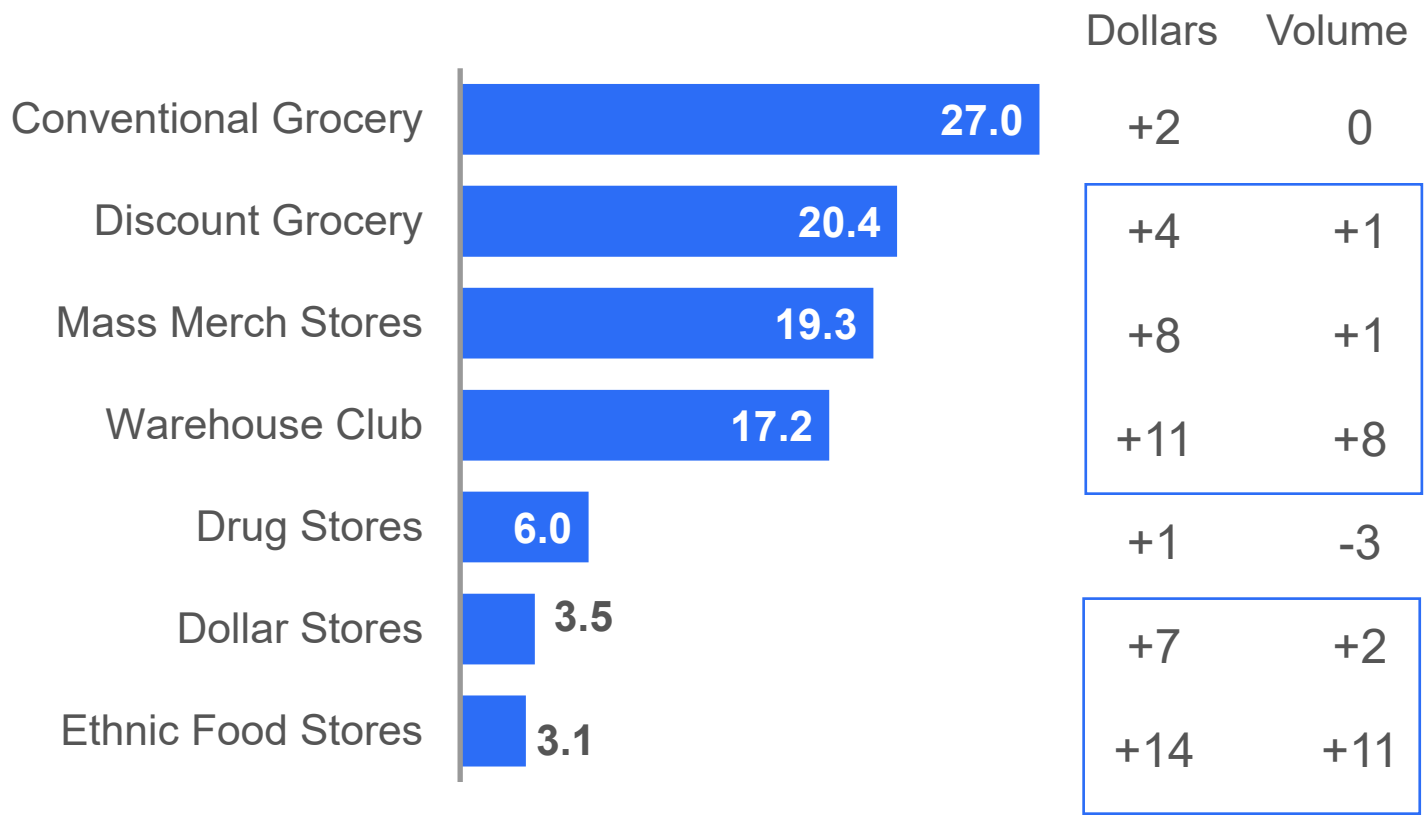
- Ongoing consumer need for value and economic pressures
- Discount expansion: PL share 32% higher vs. Conventional
- Necessities: Food PL more developed (20.4% share)
- Aging Canadians: 55+ share index 104
- Ethnic households +6%

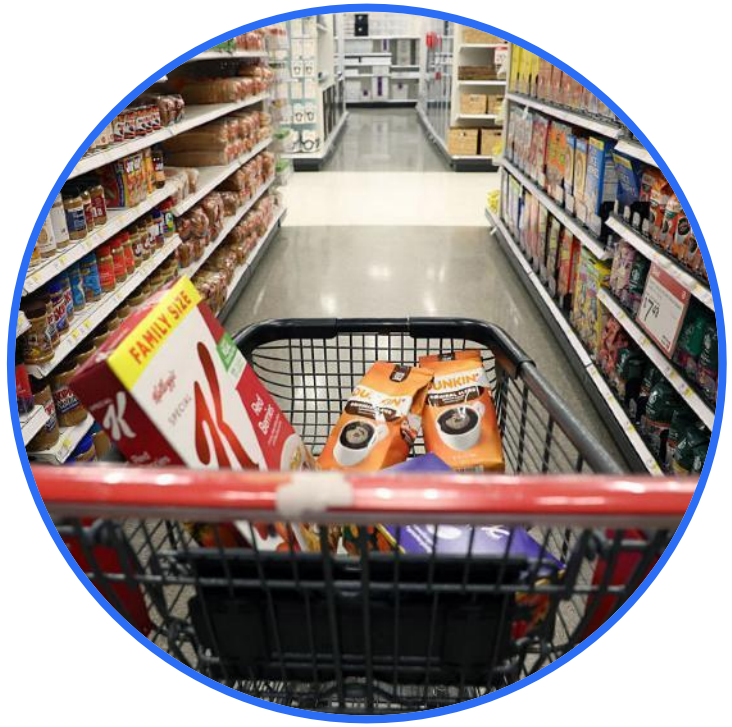
Source: NielsenIQ, MarketTrack Canada All Channels Combined 52 weeks to October 24, 2026

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Consumers are shifting FMCG wallets to value-based retailer formats

Total FMCG retail channel dollar share of trade and growth



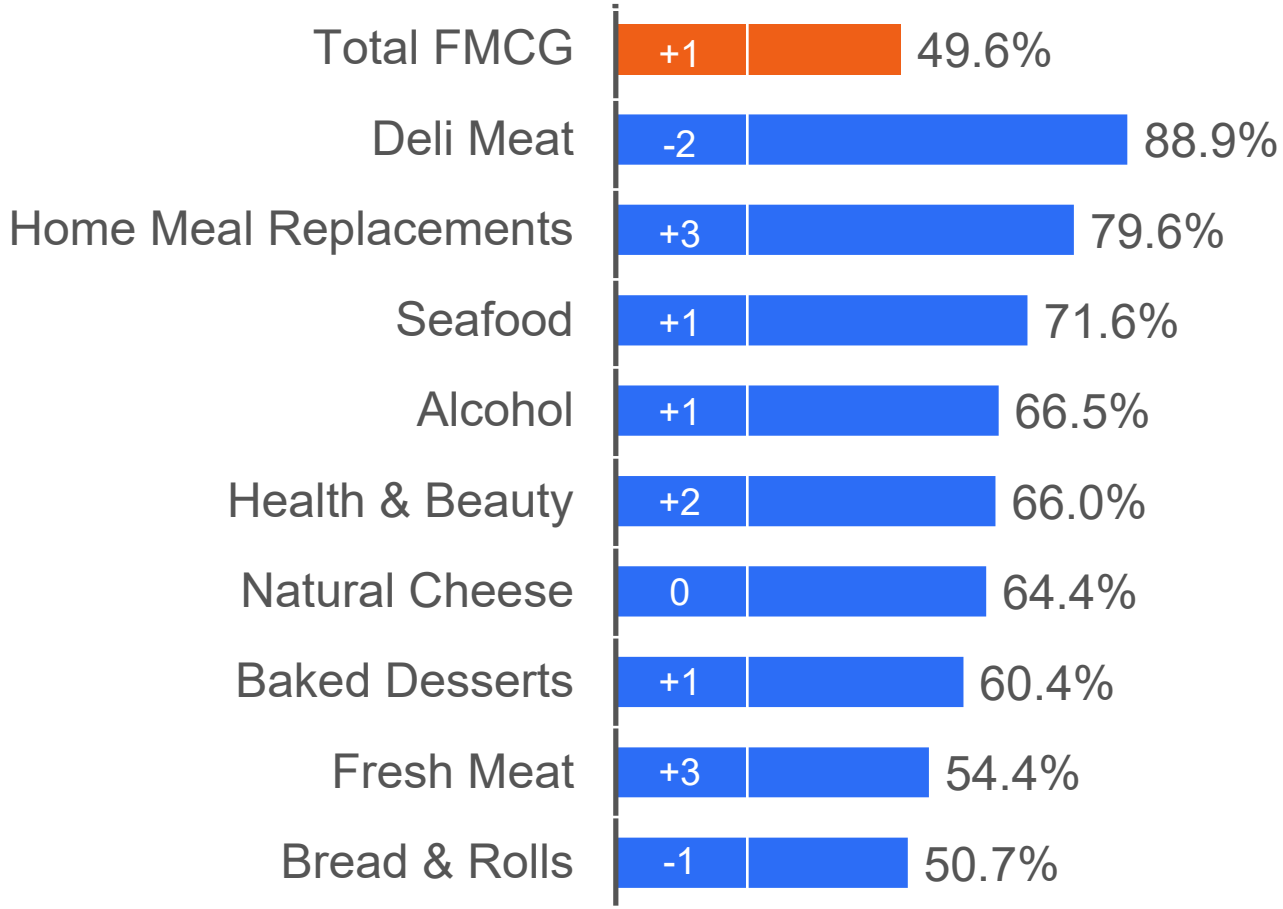


Source: NielsenIQ, Omnishopper, Total Canada Tracked Sales, 52 weeks ending September 26, 2026, Mass includes Amazon Volume = Units

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

Conventional Dollar Share & Growth by Department





Fresh Purchases

- **75% Planned**
- **20% Reminded In-Store**
- **5% Impulse**

Most Important for Fresh

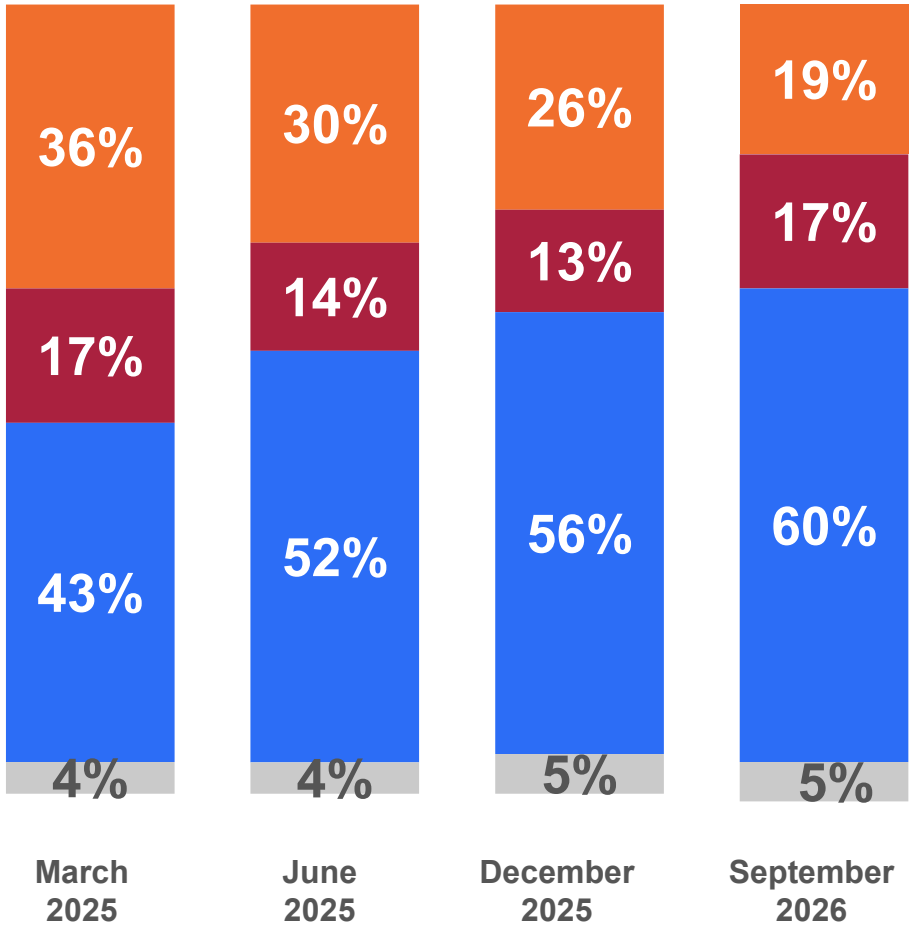
- **45% Premium Quality**
- **28% Lowest Price**

Source: NielsenIQ, MarketTrack Canada Total Tracked Sales Conventional GDM, Annual Periods 52 weeks to October 24, 2026. 2026 Category Shopping Fundamental

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

% of Canadian Households.



U.S. Good Avoiders
I will boycott U.S.-made products and **refuse to purchase them**,

Canadian Loyalists
I will **only buy Canadian-made** alternatives and will go without if a Canadian option isn't available.

Pragmatic Canadian Supporters
I will **prefer Canadian-made** products whenever possible but **will still buy U.S. products** if they remain my best option

Unchanged
I will **continue buying U.S.-made** products as usual

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 ▲

Source: Nielsen MarketTrack, Total Tracked Sales National All Channels – 52 weeks Ending September 26, 2026 – NPI Canadian Origin and Made in the USA

- Source: NIQ Tariff Survey on NIQ Omnishopper Panel in September 2026;

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The next basket will be won on the shopper's terms

Consumers are blending stores, websites, delivery apps and pickup services to meet their needs in the moment



Consumers are balancing value and convenience, fueling online growth.

Online share of wallet

$ % of FMCG

$18.2B
+20%

Online accounts for 35% of FMCG annual dollar growth



Penetration

80.2% 12.3M Households +8%

Dominated by Amazon

% of Online Dollar Sales and Growth



Dominated by a few

% of Online Shoppers vs. Dollars*

Top 20%	=	**70% of Sales**
Middle 30%	=	23% Sales
Bottom 50%	=	7% of Sales

70% of occasions on weekdays

7% higher than in-store purchases

NIQ

Source: NielsenIQ, Omnishopper, Total Canada Tracked Sales, Latest 52 weeks ending September 26, 2026 / HML Analysis * Aug 8/26

Food remains a development opportunity for online sales

The Online Evolution

Consumers start with:

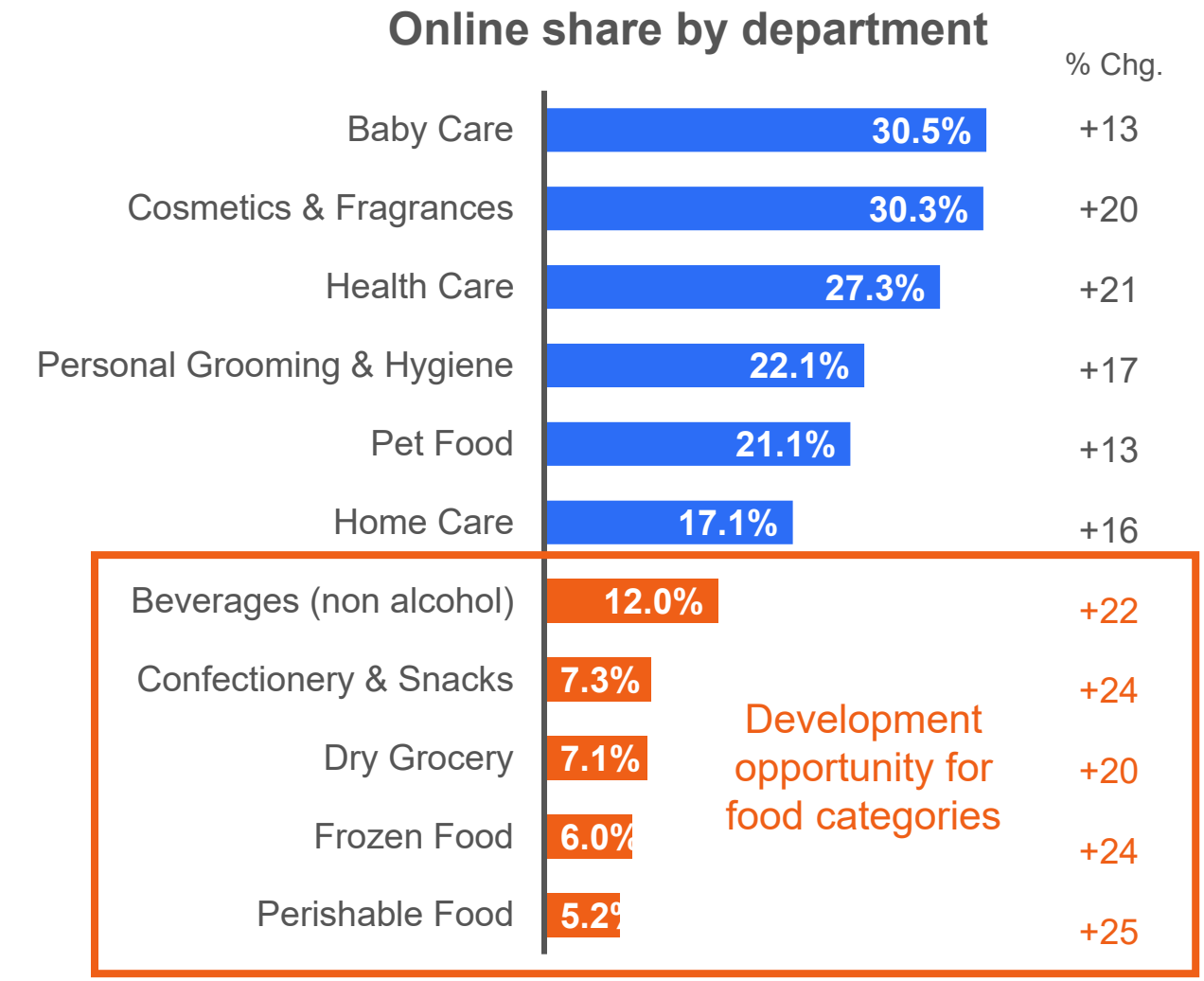
- Beauty
- Personal care
- Wellness

Then move into:

- Replenishment
- Pet
- Baby

Eventually:

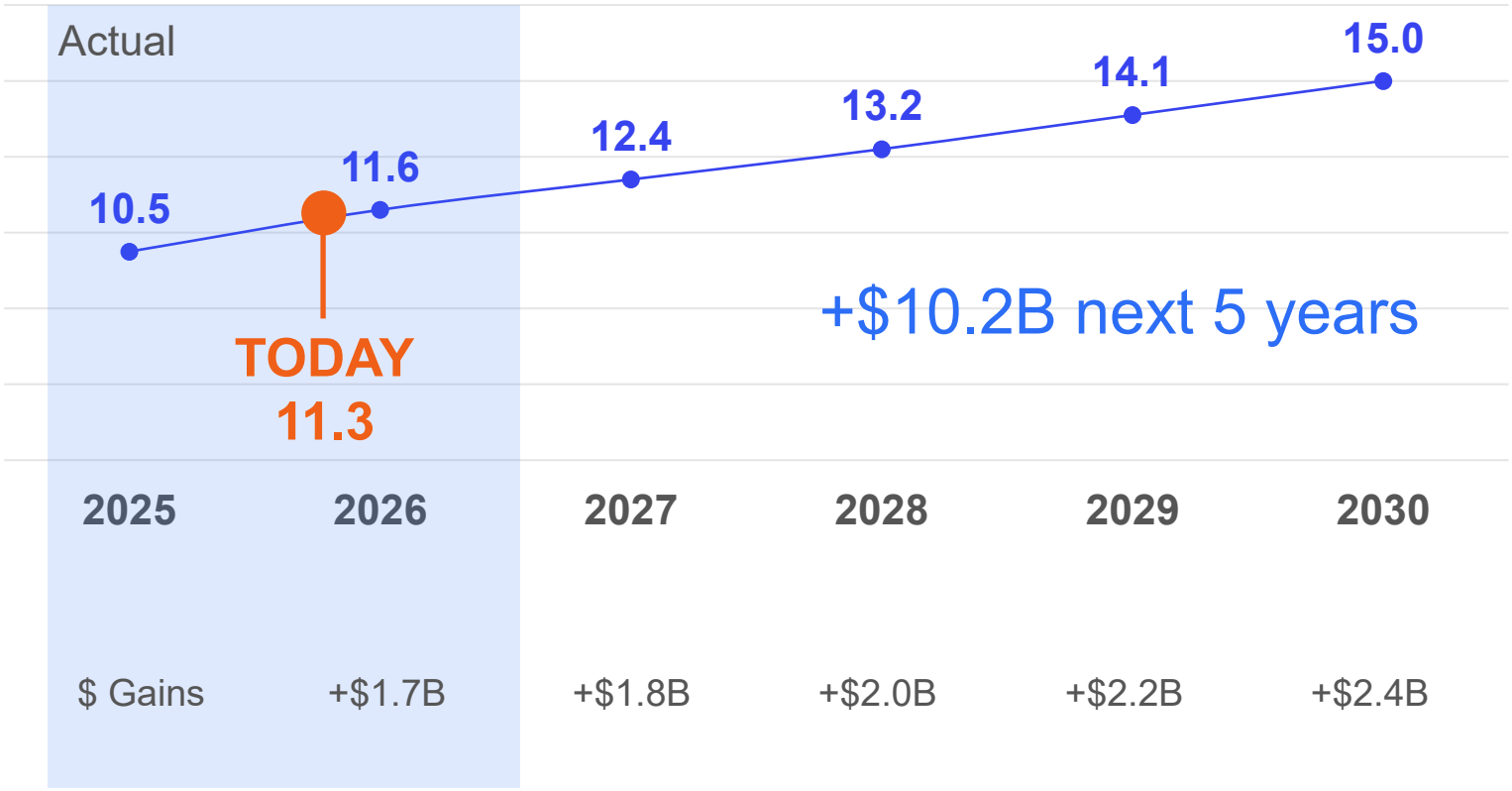
- Fresh food
- Everyday grocery



Source: NielsenIQ, Omnishopper, Total Canada Tracked Sales, Latest 52 weeks ending September 26, 2026

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

Online Dollar Share Forecast for FMCG





Growth Driven By:

- Older generations
- Quick commerce
- Food migration
- Individual needs

Source: NielsenIQ, Omnishopper, Total Canada Tracked Sales, Latest 52 weeks ending September 26, 2026, Forecast based on 5:1 growth ratio

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Your shopper’s grocery list is getting a second opinion

Consumers are increasingly using personal health priorities to shape what they buy



Products being filtered through unique health needs, goals, and preferences.

GLP-1 Use



16% of Canadians using GLP-1 medications

Prescriptions, 7.0M in ’25 and est. 8.8M in ’26 (+25%)

Dollar +3% / Unit -1%
Beverages +8%
Cosmetics +3%

Allergies



28% of households have allergies (21% food based)

Spend 11% more than the average household

58% buy food online, +4 points higher than average

Nutrition Apps



25% of Canadians use 3rd party apps to check ingredients (+8 pts vs. YA)

4M users of Yuka with 300k items scored

87% are likely to put a low score item back on the shelf

Source: NielsenIQ 2026 Omni Surveys and Consumption Reports

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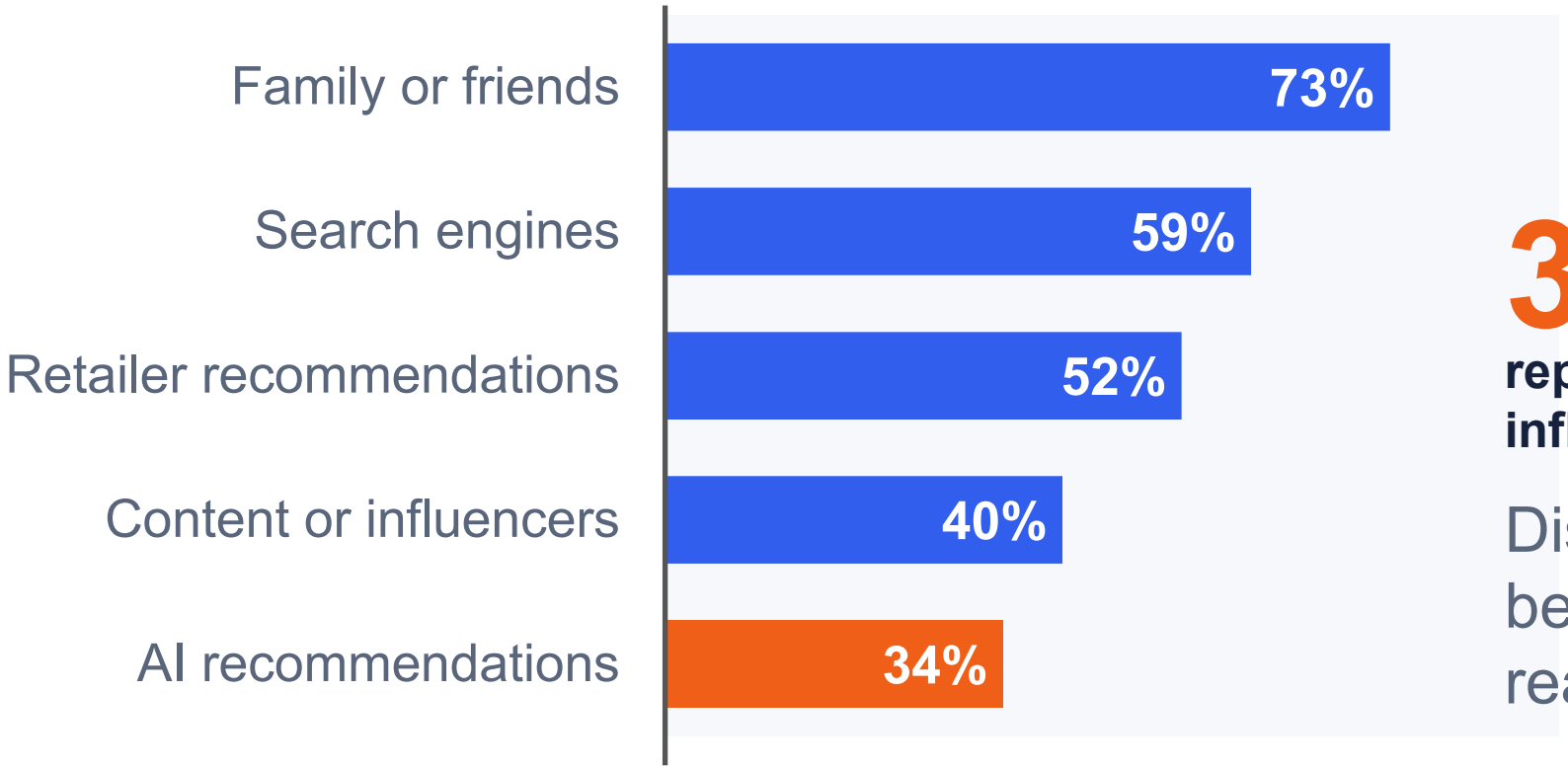
Decisions are being delegated

Discovery is shifting from shelves and search to AI-powered recommendations, creating a new retail front door.



AI is entering the shopping conversation and reshaping discovery

Sources influencing Canadian purchase discovery





34%

report AI purchase influence (Global 55%)

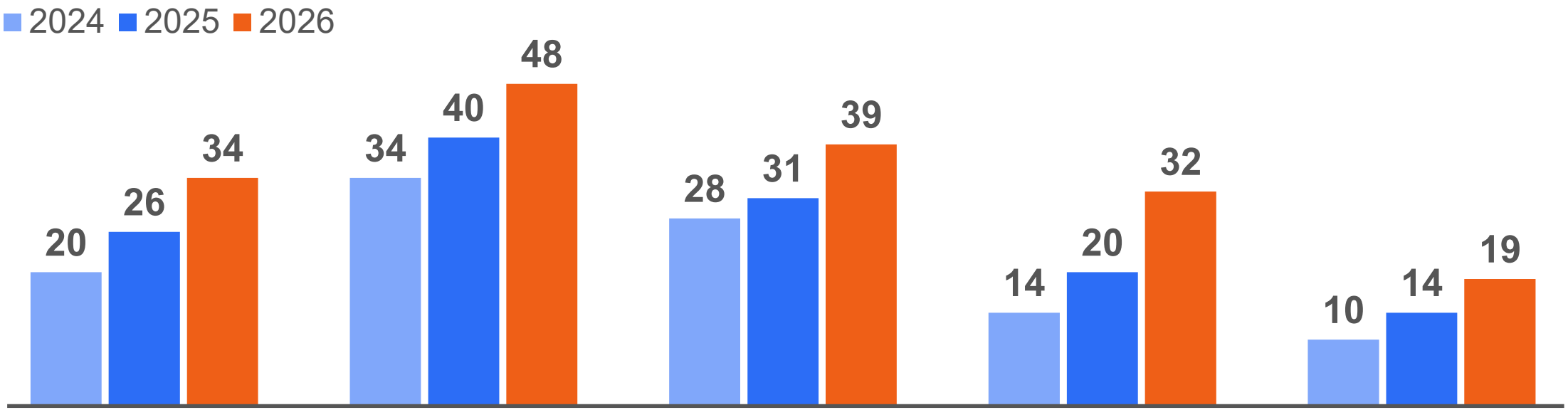
Discovery is changing before the shopper reaches the shelf.

Source: NIQ 2026 Consumer Outlook, Canada. Purchase influence reported sometimes, often or always.

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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



	Total	Gen Z	Millennials	Gen X	Boomers
2 yr Pt Chg	+14	+14	+11	+18	+9

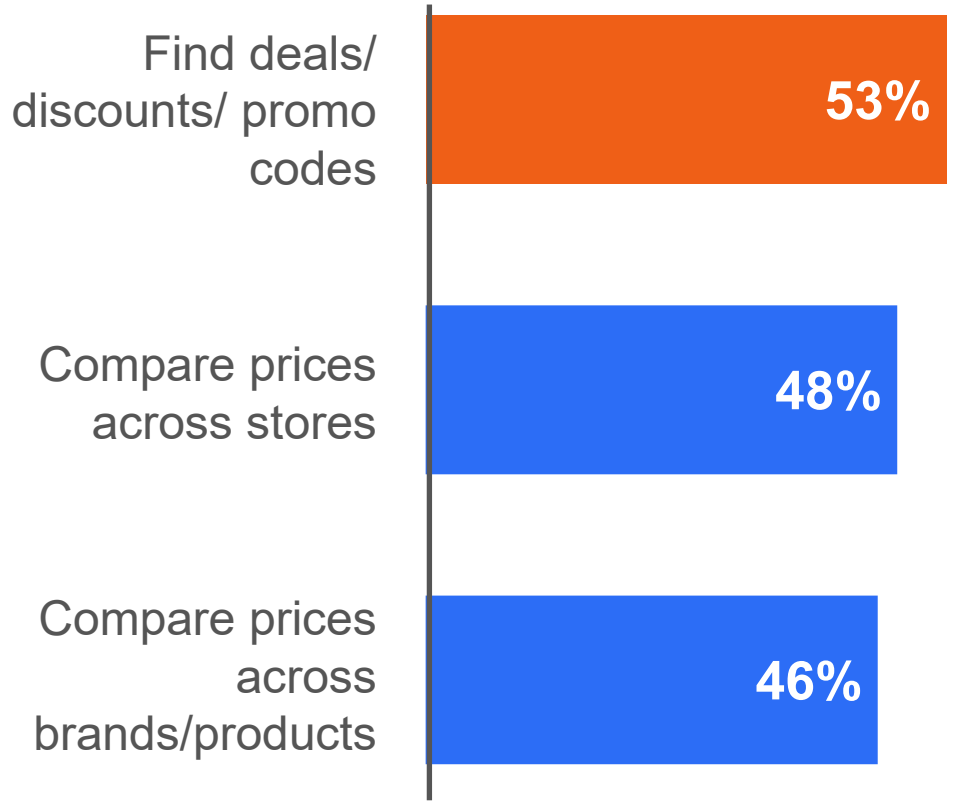
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The first 2 questions when using AI are: “Can I save money and how?”

Top 3 motivations for using AI



Top 3 tasks when using AI



Source: NIQ Future of Shopping in Canada, September 2026, Canadian AI shopping study. Reported motivations.

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The new retail front door: Visibility becomes part of your availability

The new path to consideration and purchase



Will you make the shortlist?

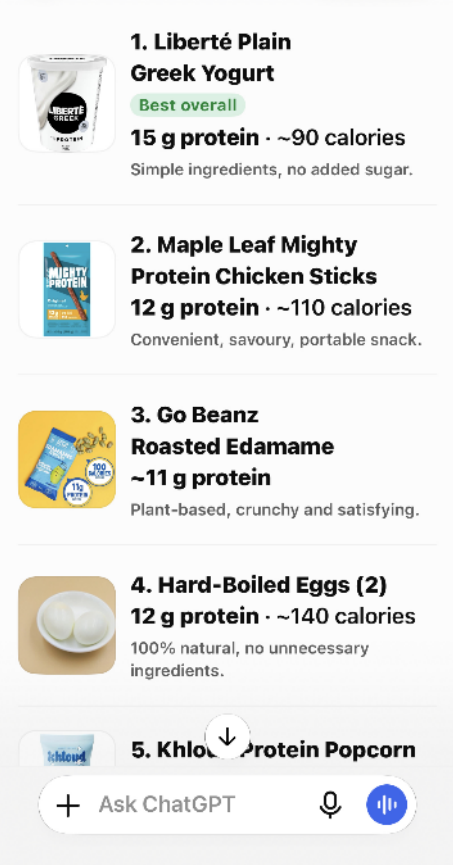
Make sure:

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

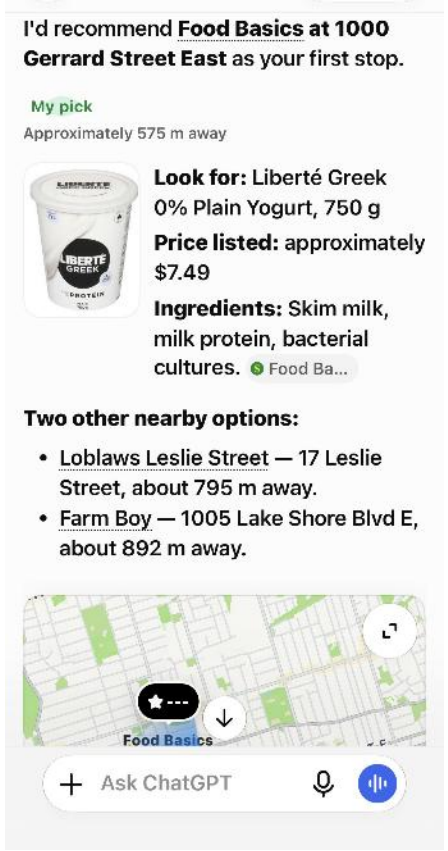
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What does ChatGPT recommend for my need for a high protein snack?

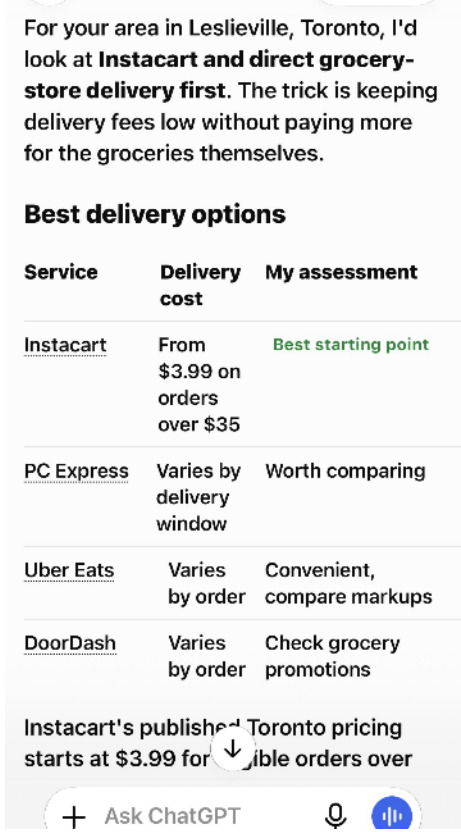
Recommend a high-protein snack with natural ingredients



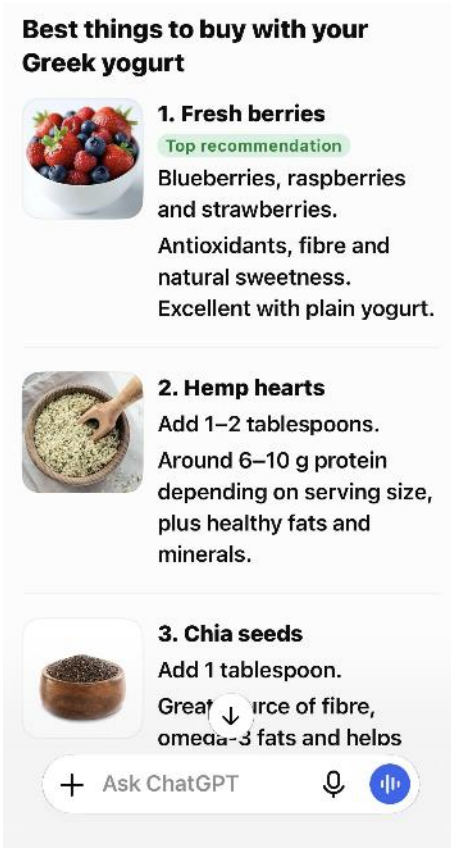
Where can I find it close to me?



What is the best delivery option?



Recommend something to go with my yogurt?



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AI is only as powerful as the data that supports it

Optiq

Live NIQ data in your AI tools

NIQ *connected to* Claude ChatGPT Gemini Copilot

Right data

Quality NIQ data through a single connection.

Right Time

Live connection with automatic updates and restatement handling.

Greater Efficiency

Replace manual pulls and engineering with governed, AI-powered workflows.

Work Where You Are

Trusted NIQ intelligence inside the tools your teams use daily.

OPTIQ BRIDGE DOESN'T REMOVE EXISTING WAYS TO ACCESS NIQ DATA - *It Adds A New One.*

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What's the V.I.B.E. for 2027

V — **Value**

- Intentional spending is the new normal

I — **Influence**

- AI is becoming the new retail front door

B — **Belonging**

- Personal needs are reshaping product demand

E — **Ease**

- The easiest path often wins the purchase

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

Carman.Allison@NielsenIQ.com

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