



Digital Engagement Transforms Grocery Shopping

INSIGHTS ON OMNICHANNEL, ECOMMERCE, EMERGING TECHNOLOGY
AND SHOPPER EXPERIENCE IN 2026 AND BEYOND



NIQ

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From FMI industry and consumer research

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NIQ

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About FMI

As the food Industry association, FMI works with and on behalf of the entire industry to advance a safer, healthier and more efficient consumer food supply chain. FMI brings together a wide range of members across the value chain — from retailers that sell to consumers, to producers that supply food and other products, as well as the wide variety of companies providing critical services — to amplify the collective work of the industry. www.fmi.org.

About NIQ

NielsenIQ (NYSE: NIQ) is a leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. Our global reach spans over 90 countries, covering approximately 85% of the world's population and more than \$7.2 trillion in global consumer spend. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™. For more information, please visit: www.niq.com.

Digital Engagement: Key Takeaways

Grocery shopping is no longer a choice between store and screen — it is a seamless blend of both. Success now hinges on how well retailers integrate ecommerce and physical stores into a single, frictionless experience.

Whether tapping an app, browsing online or walking store aisles, consumers are stitching together hybrid journeys that demand flexibility and convenience at every turn. In this latest analysis, FMI and NIQ explore the trends across key motivators among shoppers and the emerging impacts of social commerce and artificial intelligence (AI).

Here are key takeaways:

- **Emerging technology powers in-store and online shopping:** Food retailers are incorporating a wide array of technology into their organizations to enhance shopper experiences and engagement. In-store examples include mobile checkout systems, smart carts and foodservice ordering and delivery. Retail media networks are prime examples of technology to drive discovery and trial. Retailers are also improving their ecommerce platforms to enable benefits, including enhanced speed and filtering.
- **The size of the grocery prize advances:** The projection is for continued advances in grocery omnichannel sales — across physical stores and ecommerce — between 2026 and 2028. While stores currently represent about 80% of grocery-related sales, ecommerce will drive most of the growth, according to an NIQ analysis. Total U.S. online grocery sales are projected to reach \$452 billion by 2028, or 25.5% share of grocery-related sales by that time.
- **Categories vary in ecommerce adoption journeys:** Digital maturity varies by category. As an example, vitamins/beauty is advanced in ecommerce while fresh (meat/vegetables) remains in-store led.
- **Retailers enhance store destination strategies:** The food industry is responding to evolving shopper preferences by creating destinations — not just stores. These spaces offer expanded fresh food selections, serve as health and well-being hubs and provide foodservice solutions alongside seamless omnichannel experiences. Retailers say their most effective strategies include quality upscale shopping experiences, personalized customer service and frequent shopper/loyalty programs.
- **Food's large scale underscores growth opportunity:** Food is still underrepresented across ecommerce relative to its opportunity and despite its growth in online dollar sales. Given the size of the food sector, which contains many categories, food is a prime online growth opportunity.
- **Speed represents a major competitive battleground:** Delivery speed is increasingly a competitive differentiator, especially on the food side of grocery. Since 2018, the number of days from order to delivery in grocery has dropped from 6.4 to 3.1, and grocery shoppers increasingly expect same-day/next-day ecommerce delivery. Slow delivery erodes conversion and loyalty in key categories.

- **Omnichannel buyers represent important demographic segments:** Households with higher income and education levels are most engaged in omni behaviors. Online only and in-store only cohorts are smaller and skewed in terms of demographic mix. These demographic insights are important to consider when developing shopper segmentation strategies.
- **Ecommerce behaviors spotlight “strugglers” vs. “thrivers”:** Strugglers are shoppers who report having suffered financial insecurity and continue to do so today. Thrivers, meanwhile, have saved money and feel more financially secure. When shopping online for groceries, strugglers appreciate cost/value-oriented features more than thrivers, from discounts to free delivery. Strugglers can gain real-time visibility on their total spend through online shopping. Thrivers value convenience/experience-oriented features, ranging from real-time order tracking to brand availability.
- **Social media selling is fueling discovery and impulse:** Social commerce adoption is growing, especially for Gen Z. TikTok Shop and Instagram are emerging conversion points, and brands have opportunities to integrate social into discovery-to-checkout journeys.
- **Shoppers leverage Gen AI for research:** Shopper familiarity with AI-enabled tech tools continues to grow, as 64% have at least tried Gen AI. Gen AI usage today skews to research, review summaries and recommendations.
- **AI has the potential to transform shelf strategy:** AI is compressing the “shelf” to fewer, better matched SKUs per view. The industry can optimize AI strategies to achieve visibility on AI-curated shelves.
- **Food industry eyes agentic shopping:** These are very early days for agentic shopping, as it remains niche at this stage. However, food retailers and suppliers are tracking the evolution of agentic and focused on preparing for a possible increase in consumer usage of AI agents. A research analysis appearing in this report suggests shoppers may decide to rely on agentic at first for items with low complexity and low consideration (how much they care about the items).

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Introduction: Digital Engagement Advances Across Grocery Retail

The ability to drive shopper digital engagement is a key competitive tool across in-store, online and social selling channels. Digital engagement helps provide a cohesive and integrated shopping experience.

A wide range of digital tools are engaging shoppers, ranging from websites to AI-powered applications. As one example, shoppers are increasing their use of AI tools for food-related searches, even as their reliance on traditional internet searches dips.

FMI and NIQ have produced a series of research reports on digital engagement reaching back to 2017. This 2026 report, *Digital Engagement Transforms Grocery Shopping*, tracks the latest developments and what lies ahead. It provides comprehensive updates, leveraging perspectives from NIQ and FMI proprietary data and analysis. The insights include a new NIQ outlook on the size of the omnichannel and online prizes. The closing section presents questions to drive further thought within food industry organizations.

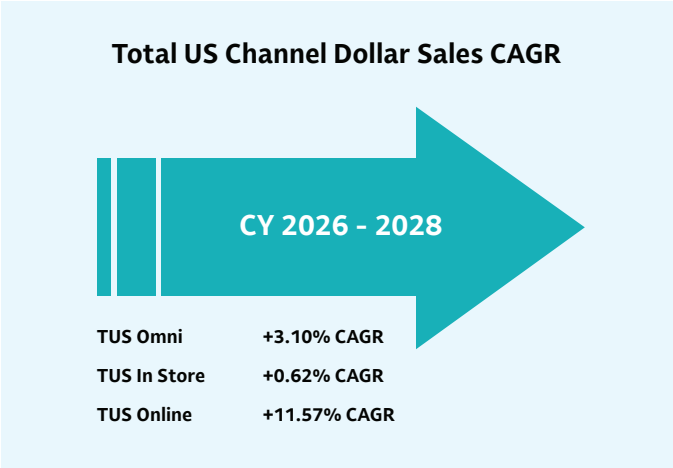
Methodology: FMI's data is sourced from its consumer research reports including *U.S. Grocery Shopper Trends* and industry reports including *The Food Retailing Industry Speaks* and *The State of Technology*.

NIQ's data is sourced from a variety of NielsenIQ tools including NIQ Omnisales, NIQ Digital Purchases, NIQ Digital Shelf and NIQ Omnishopper. These tools utilize e-receipts, panels and point-of-sale sources with data modeling to track today's shopper and retail environment.

Outlook and Size of the Prize for Grocery Omnichannel Sales

NIQ forecasts continued advances in omnichannel grocery sales — across physical stores and ecommerce — between 2026 and 2028. The data in this report represents the wide range of categories typically found in grocery stores, from food to nonfood items.

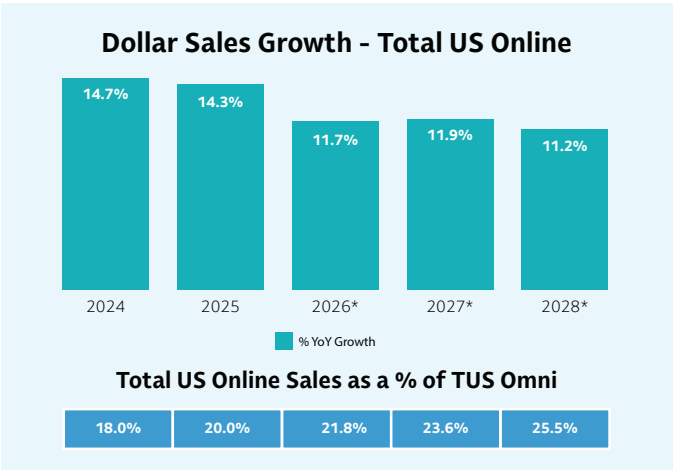
Total U.S. Omni dollar grocery sales are expected to continue to experience steady growth, driven primarily by online sales, while in-store, which currently represents about 80% of sales, will remain relatively stable.



Source: NielsenIQ

Sales are projected to grow at a 3.10% compound annual growth rate (CAGR) from 2026 to 2028, reflecting stable but meaningful top-line momentum. The online channel is expected to show a 11.57% CAGR, while in-store growth will remain comparatively modest at 0.62%.

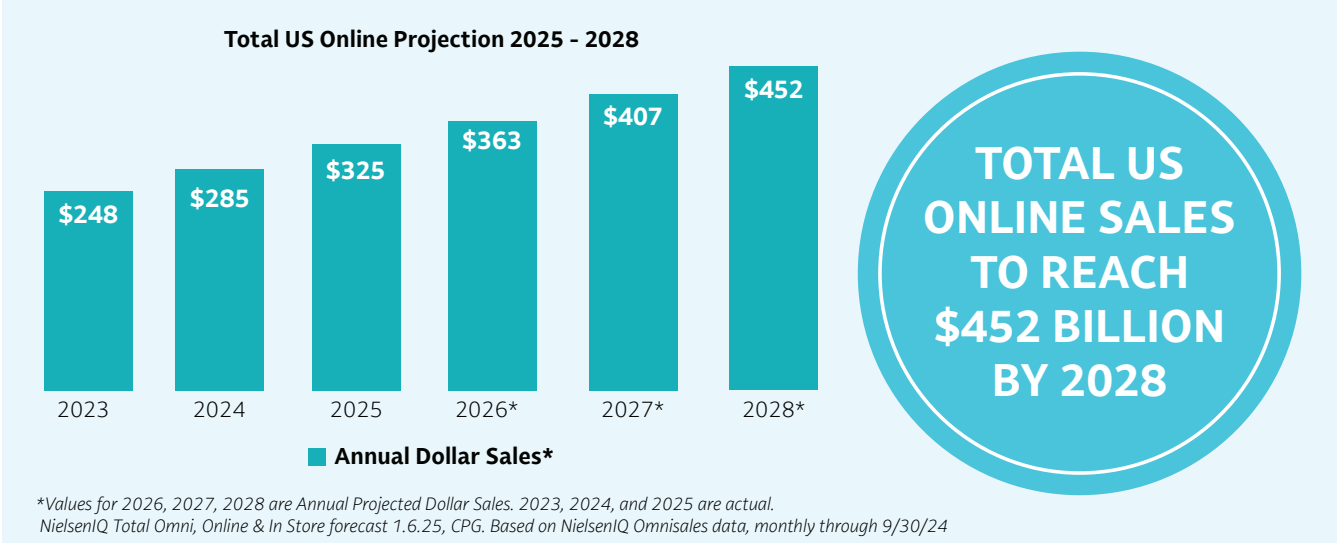
The online share of grocery omni spending is projected to rise steadily, from 18.0% in 2024 to 25.5% by 2028.



Source: NielsenIQ

Digital channels will capture most incremental dollars, making investments in search visibility, product content, seamless fulfillment and frictionless customer experience essential to winning in a channel-fluid shopper landscape. In-store can complement these digital journeys by enabling shoppers to view and become familiar with products, ultimately leading to sales across channels.

Total U.S. online grocery sales are expected to continue their upward trajectory.

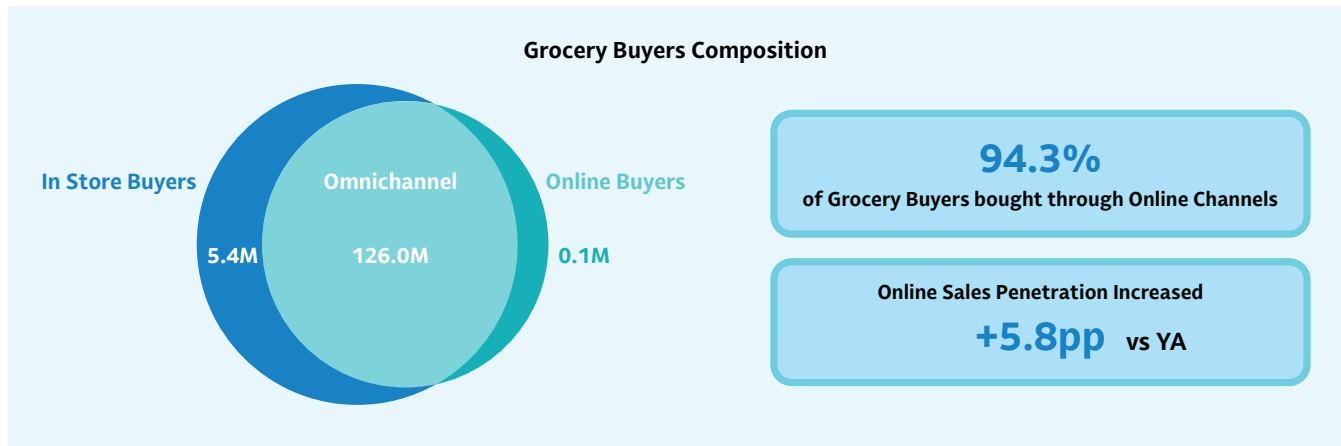


Online growth builds on a multi-year pattern of expansion and represents increasing scale.

Key Trends in the Shifting Grocery Omni Landscape

Nearly everyone is now a digitally engaged shopper, regardless of whether they are shopping online or in-store. A comparison of online vs. in-store dollar shares shows digital maturity varies by category. The industry has opportunities to further activate omnichannel growth strategies, across in-store and online, with food categories as prime examples.

Omnichannel Is the Key Grocery Focus



Source: NielsenIQ

Ninety-four percent of consumers who bought grocery items shopped both online and in-store in 2025, making at least one purchase in each format.

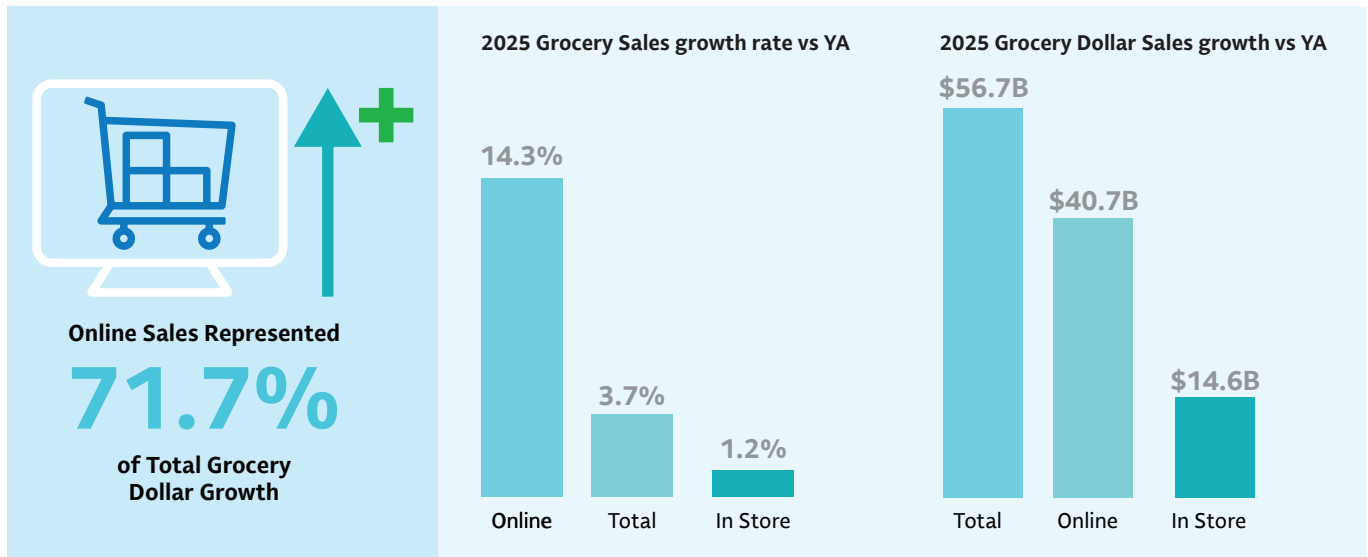
Online penetration continues to climb, with sizable upside across store departments. Meanwhile, retailers are focused on showcasing their physical stores as shopping destinations, by expanding fresh food selections, serving as health and well-being hubs, and providing foodservice solutions alongside seamless omnichannel experiences. Retailers say the most effective strategies include quality upscale shopping experiences, personalized customer service and frequent shopper/loyalty programs.

A Deeper Look at Ecommerce Performance



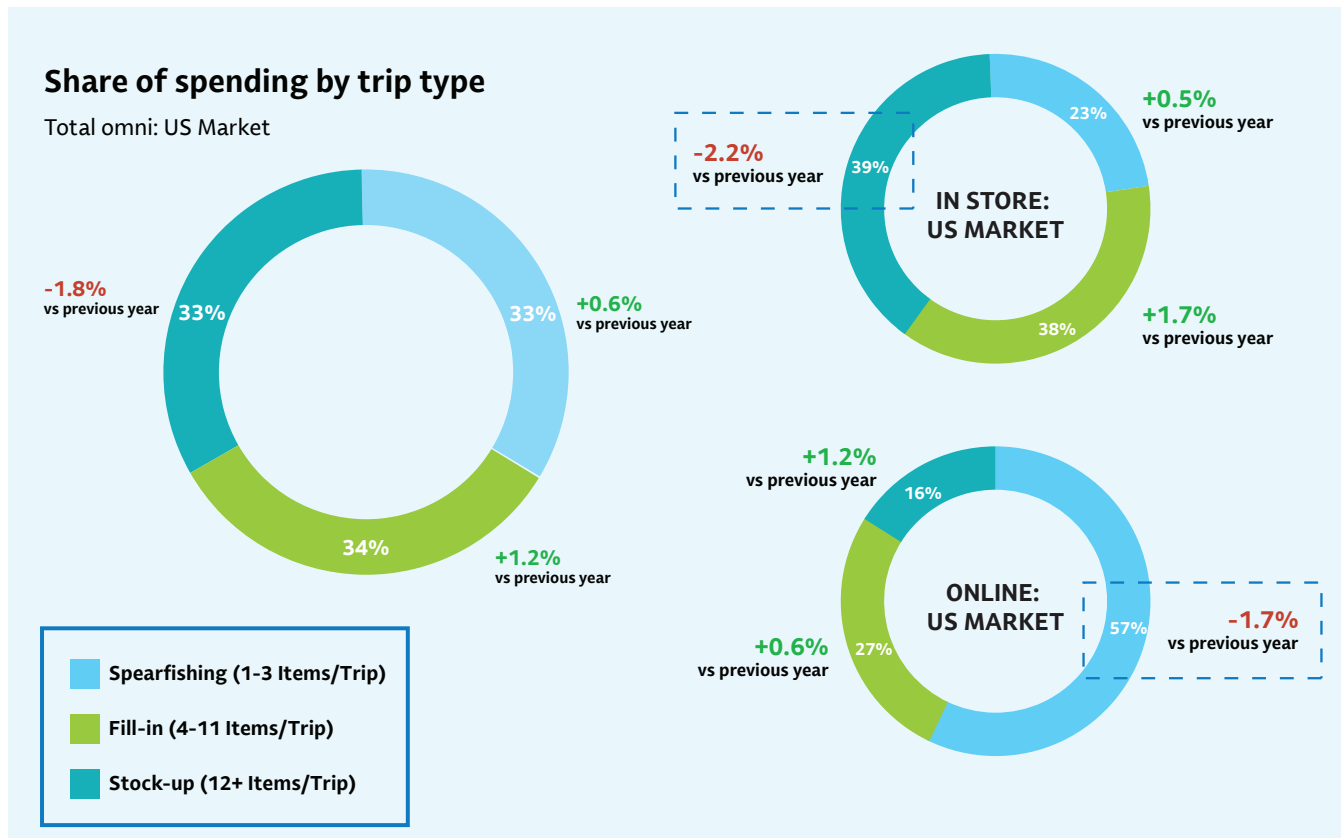
Source: NielsenIQ

Online share represents about a fifth of total omni sales and was up two percentage points from the year before.



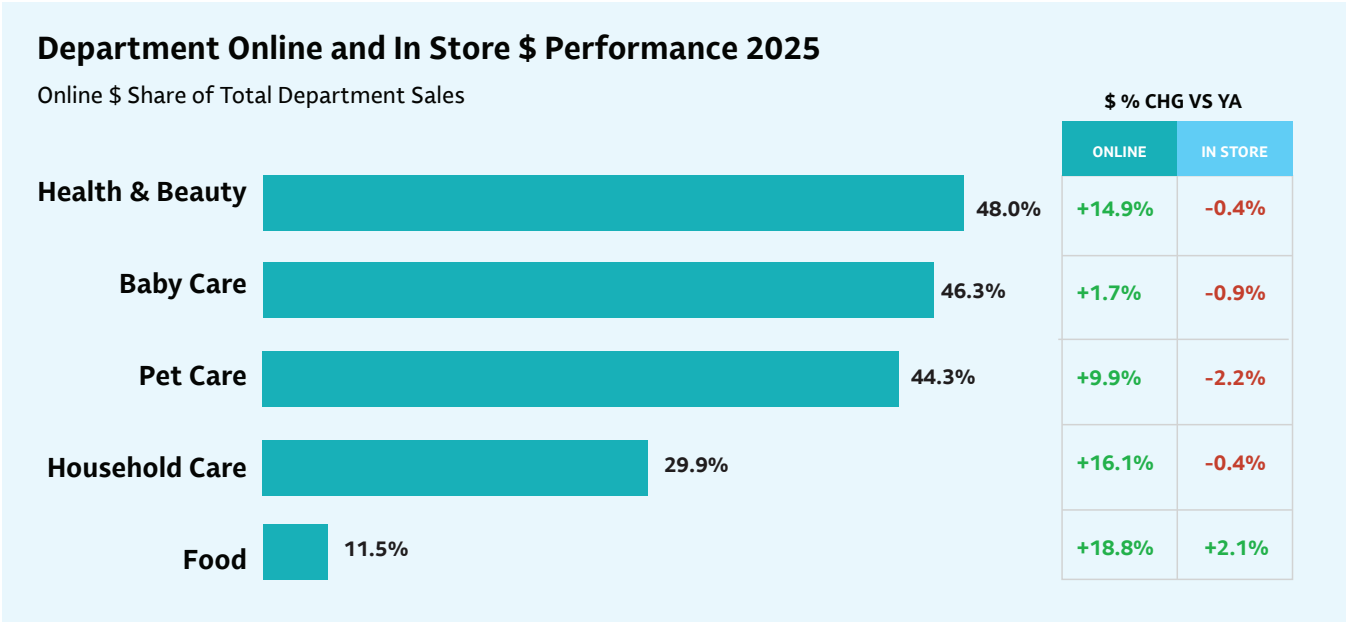
Online sales in 2025 grew about \$41 billion, contributing nearly 75% of total grocery dollar growth, according to NIQ data. Ecommerce is a growth story involving percent change, and it is now a scale story as well.

Ecommerce Focuses on Smaller Baskets



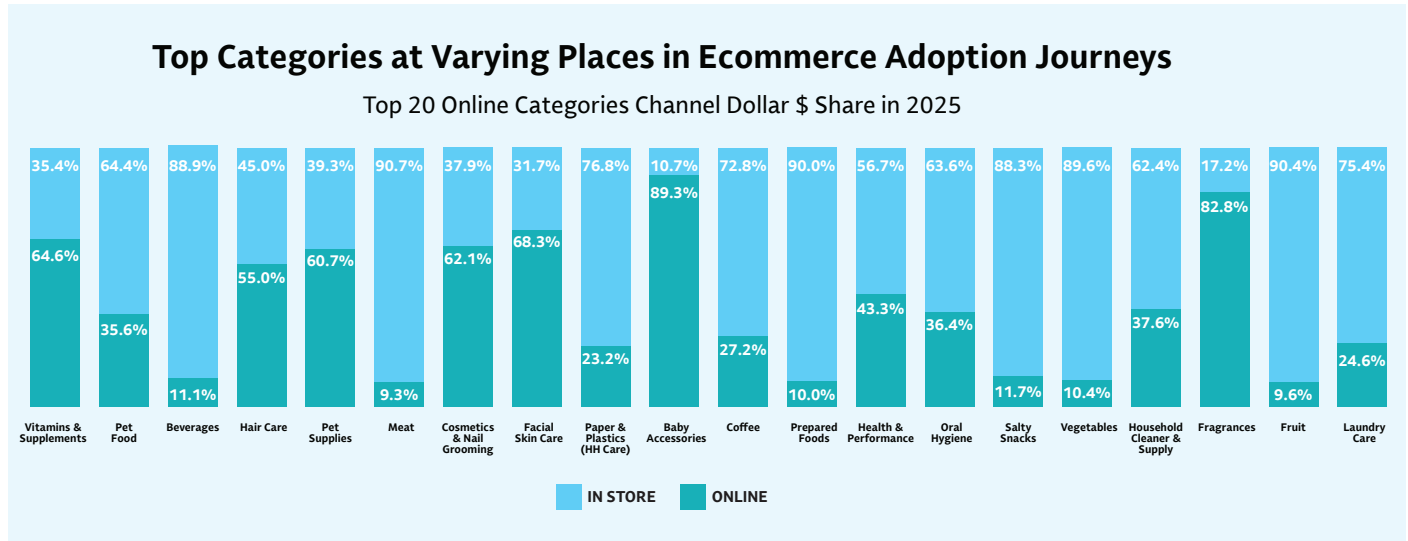
Ecommerce trips continue to skew to smaller, mission-focused baskets of about one to three items, sometimes referred to as “spearfishing.” In-store focuses more on stock-up behaviors. The food industry has opportunities to enhance online shopping experiences to increase stock-up missions in ecommerce. One opportunity is optimizing digital experience for speed, such as by improving website taxonomy. Shoppers are likely to buy more, for example, if they can quickly filter for an attribute such as gluten-free or sort by price. Another strategy is suggesting items to add to baskets at checkout, which can increase the dollar value of trips.

Online Shopping Advances Across Range of Grocery Departments



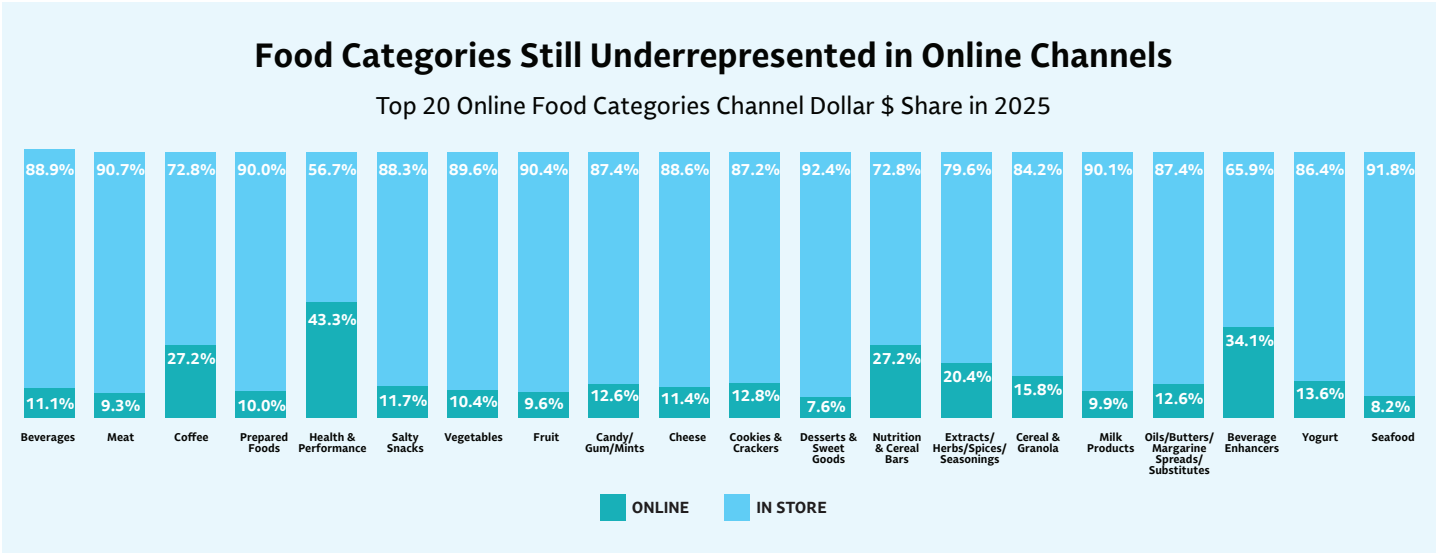
Source: NielsenIQ

Online shopping is advancing across a variety of store departments, with health and beauty care, baby care and pet care showing top online dollar share of total department sales.



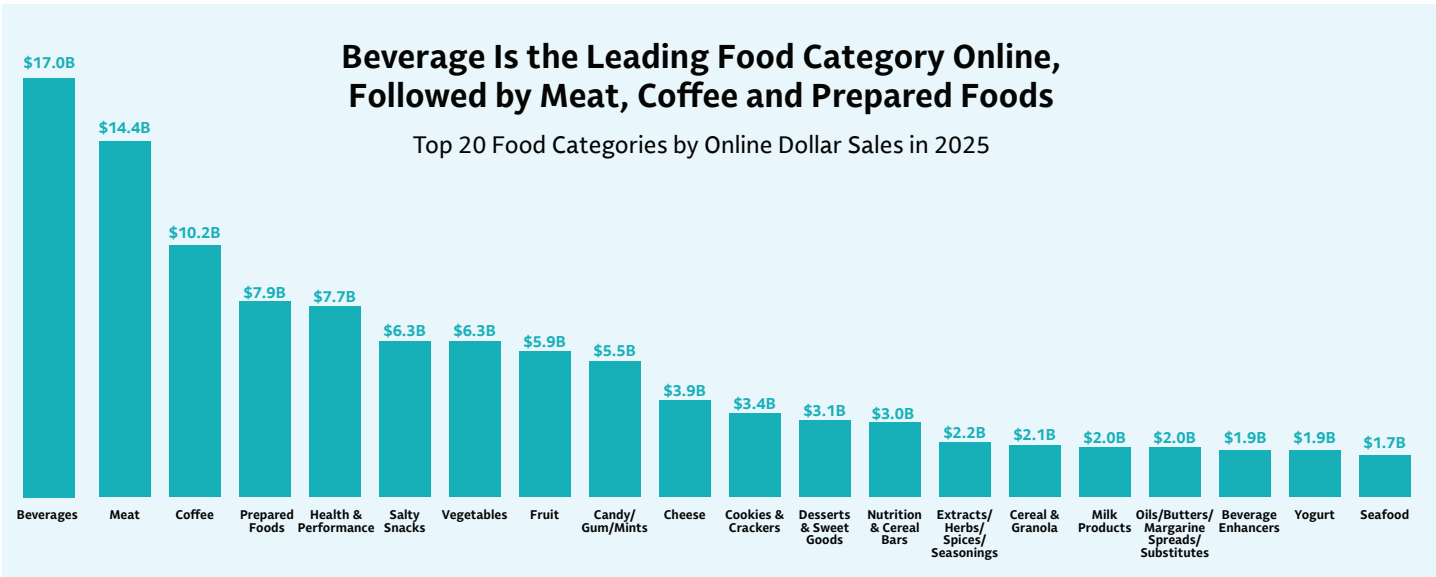
Source: NielsenIQ

A comparison of online vs. in-store dollar shares shows digital maturity varies by category. Vitamins/ beauty is advanced in ecommerce; fresh (meat/vegetables) remains in-store led. Overall, physical retail remains dominant in food, as categories such as health and beauty, home and pet leverage online to a greater extent.



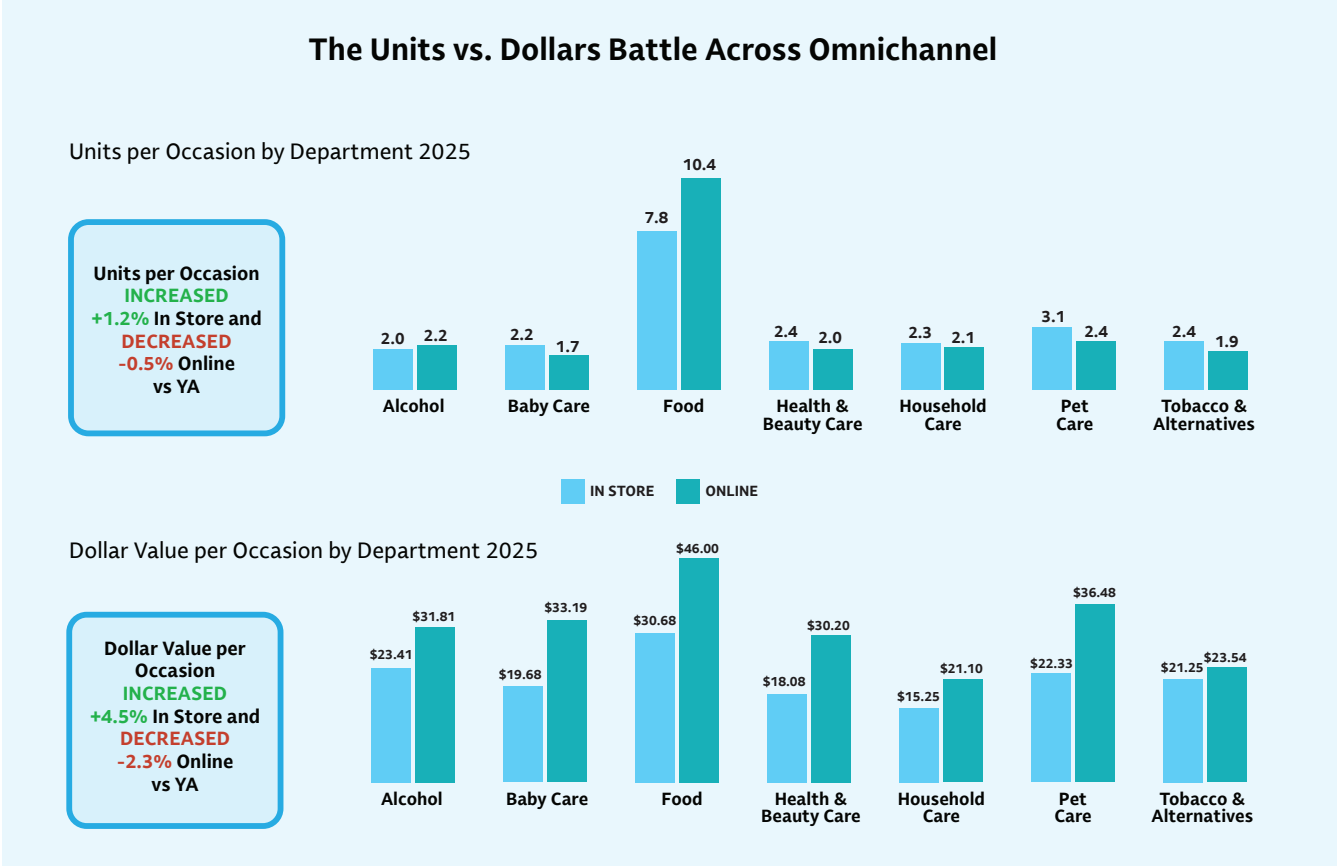
Food is still relatively underrepresented in online channels, but it’s expanding rapidly in ecommerce. Some categories are already more developed digitally, such as shelf-stable coffee or health and performance products.

The food industry has been focusing on enhancing online fulfillment strategies to make progress, including for perishables. Shipping directly from stores has been successful but has required a lot of investment. The future of food fulfillment will involve a range of strategies that include shipping from stores, leveraging regional warehouses and employing small dark stores.



The Top-20 food categories online account for 82.6% of total food online sales. Beverages is the top food category online, with many shoppers utilizing online channels to easily seek out specific flavors and attributes. Consumers also get utility from having bulkier and heavier products delivered.

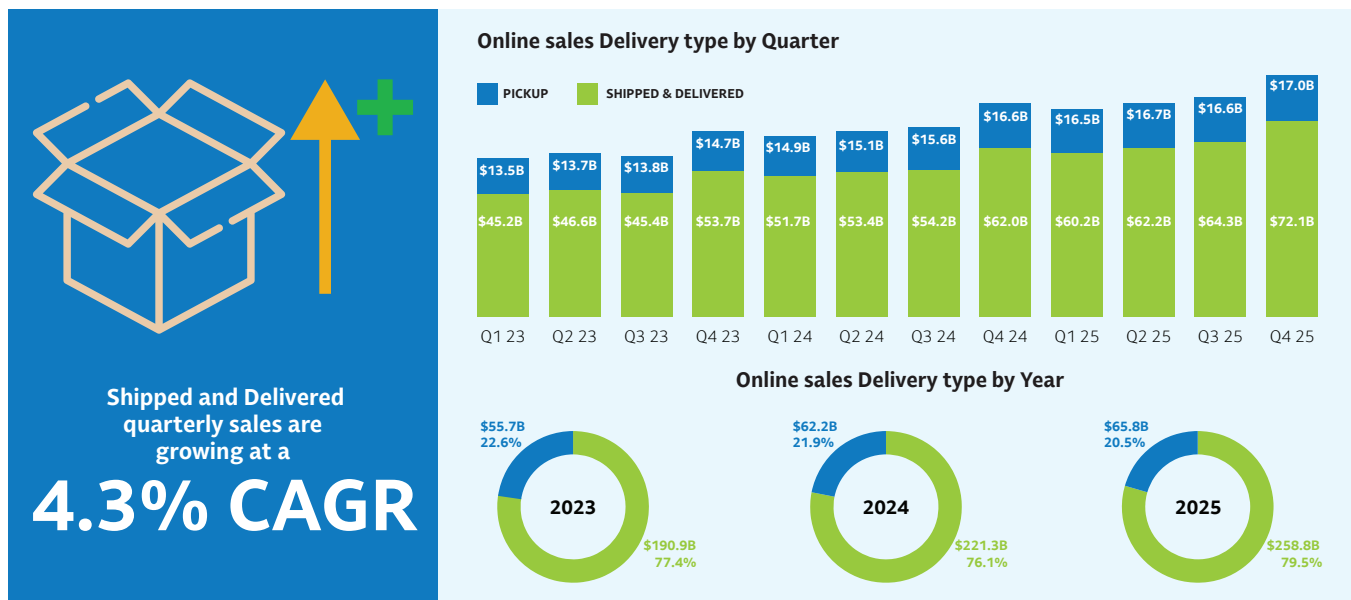
Some of the largest food categories are also the largest categories online. Numerous perishable-heavy categories are included in the top 20.



Physical grocery stores drive more units per occasion while online platforms often drive higher dollars per occasion. To some extent, this is a result of ecommerce economics. Online price points are often higher with larger pack sizes.

Food is an exception with higher online units per occasion compared to in-store, partly because of higher minimum food order thresholds online. A key opportunity for online retail overall is driving larger baskets with more units through better discovery.

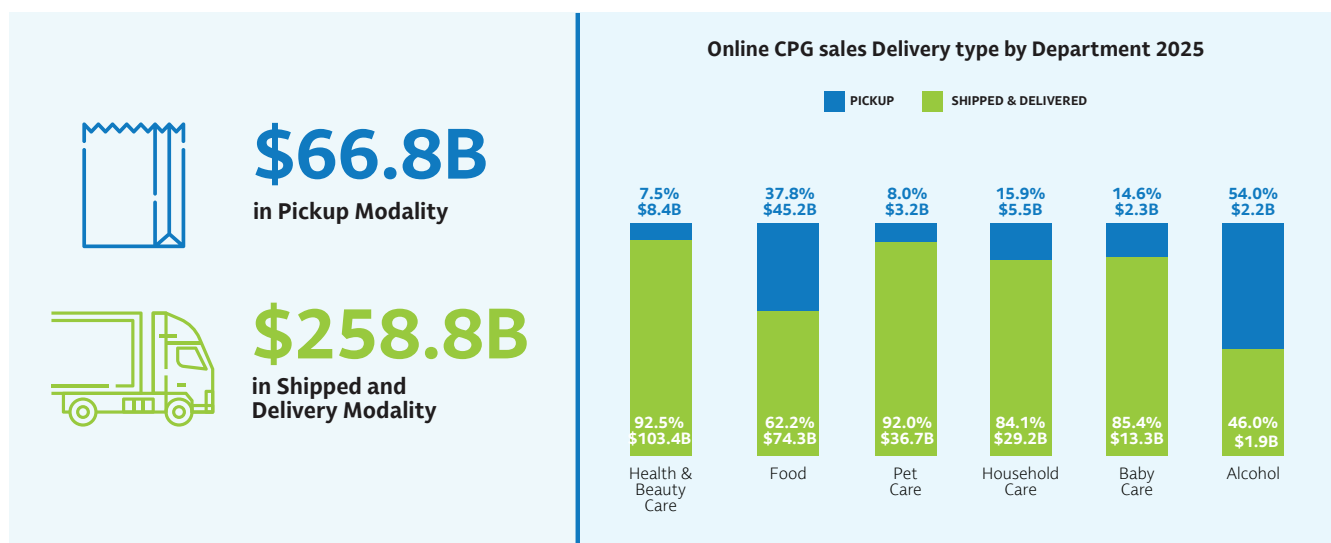
Shipped and Delivered Outpaces Pickup



Source: NielsenIQ

Shipped and delivered represents about 80% of ecommerce grocery fulfillment, reflecting consumer demand for convenience and efficiency. This fulfillment mode is growing steadily, and additional opportunities include optimizing strategies for last mile and delivery user experiences.

Varied Shopper Missions Determine Use of Online Fulfillment Methods

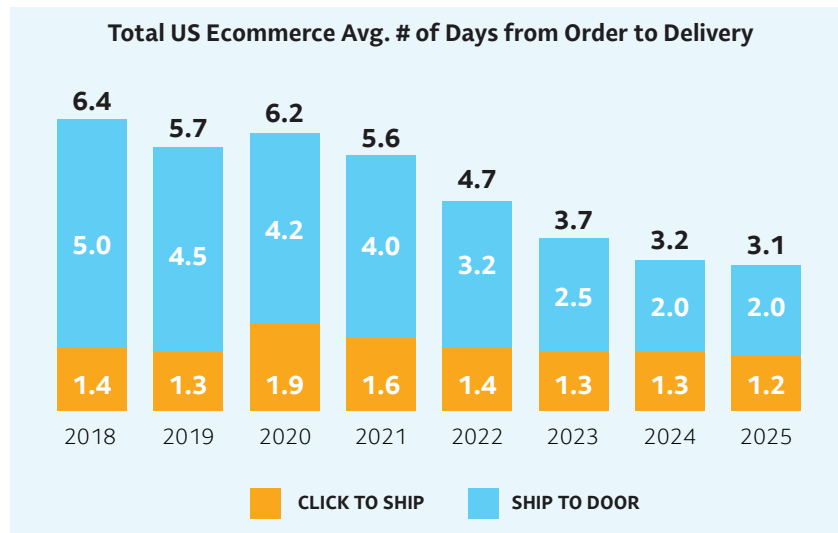


Source: NielsenIQ

Shoppers choose pickup for immediate needs, especially in food and household care, while shipped/delivery leads for routine replenishment, especially in beauty, pet and wellness.

Pickup, while lagging behind shipped/delivery, won't become obsolete as a fulfillment method because it continues to meet important needs for many consumers, especially when it comes to perishables. However, shipped and delivered is growing faster because of the convenience of home delivery.

Speed a Major Competitive Battleground for Delivery



Source: NielsenIQ

Shoppers increasingly expect same-day/next-day delivery, as speed is increasingly a competitive differentiator. Slow delivery erodes conversion and loyalty in key categories.

The chart divides the fulfillment process between click-to-ship and ship-to-door. Click-to-ship is the time from customer order to item departure from the store or warehouse. Ship-to-door measures time from the warehouse or store to the customer. The data reflects ongoing improvements in ship-to-door times, pointing to growing efficiencies as the industry has become more skilled in this process. The growth of food ecommerce is spurring much of the progress as customers expect quicker arrival of food. Success improves overall customer experience.

Companies can boost speed by focusing on a mix of carriers, including traditional (UPS/Fedex), partners (Instacart/DoorDash) and other independent third-party logistics providers.

OMNISHOPPING ENHANCES TRUST IN PRIVATE BRANDS



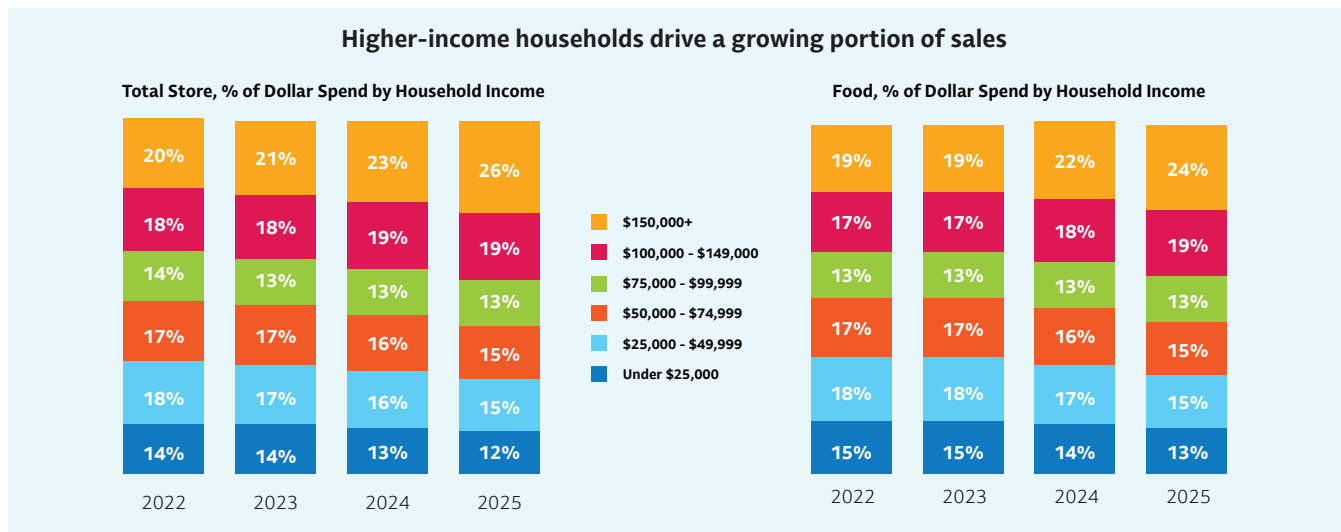
Online exposure may enhance shopper trust in private brands, contradicting the long-held belief that only physical interaction builds loyalty. A comprehensive consumer survey conducted by Cornell University in May 2025 provides insight into the demographics and behaviors of omnichannel grocery shoppers. This research was presented in the FMI report *Private Brands at the Digital Crossroads: A Call to Lead in Omnichannel*. Grocery retail omni shoppers reported significantly higher engagement with

private brands across nearly every food category. In pantry staples, they purchased private brands at a 48% rate, compared to 46% among in-store-only shoppers. In frozen and fresh foods, their share was even greater. Online-only shoppers reported a 59% share for private brand purchases in fresh and 48% in frozen categories.

The report highlighted how important it is for private brands to present clear, optimized product listings. Without investment in content quality, placement and taxonomy, private brands risk being invisible in the very environments where shoppers are most active.

Buying Behaviors Tied to Demographics and Shopping Journeys

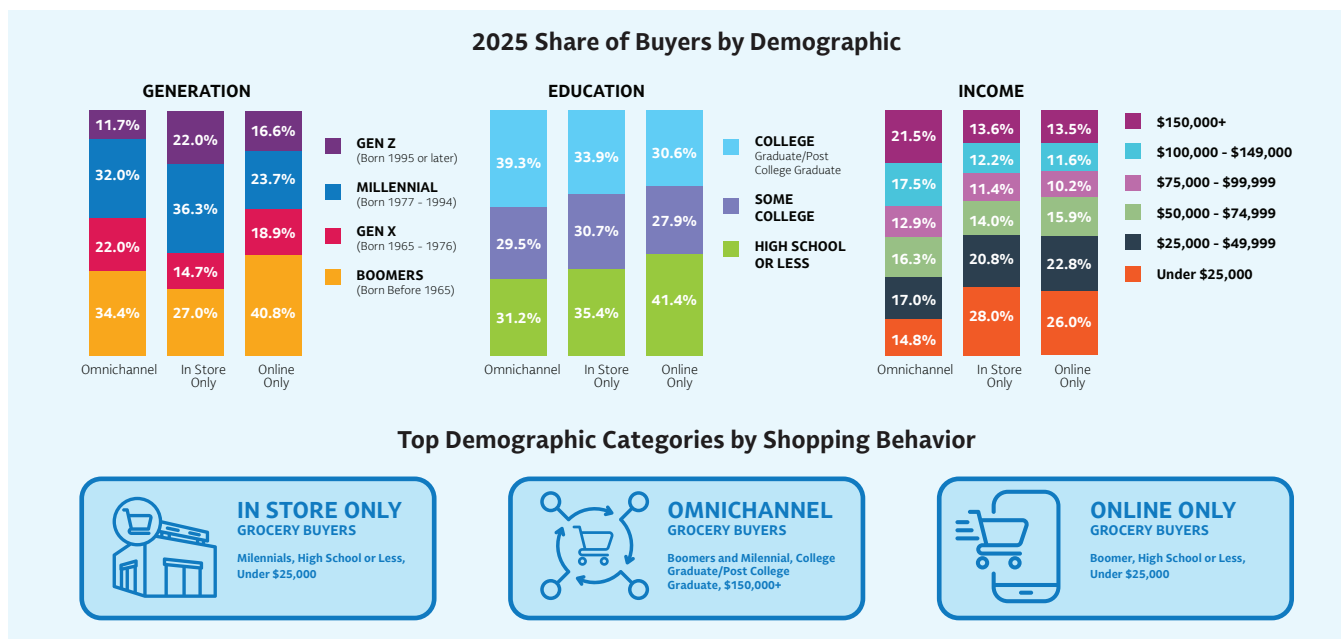
Online spending growth is strongest for higher income households. Higher-income shoppers can focus more on convenience and experience, such as spending more for faster shipping or for premium products. Retailers can segment their value propositions by income to message based on shoppers' economic situations.



Households earning more than \$100k — and especially more than \$150K — are responsible for a larger share of grocery spending, as lower-income households feel financial strain.

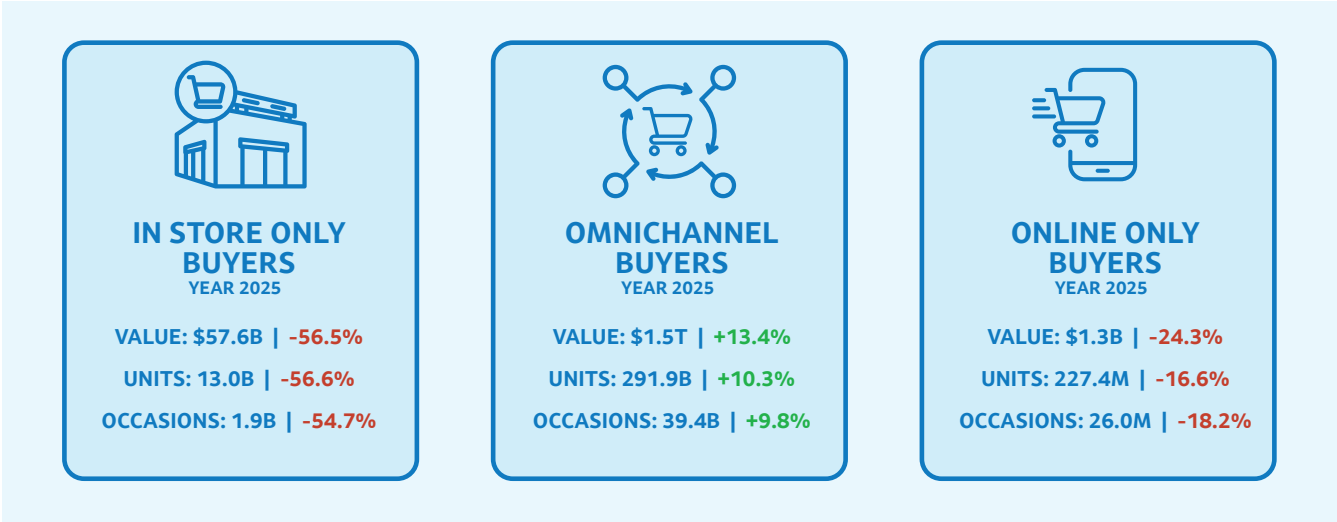
But the story doesn't end there. The trend is playing out at an accelerating rate over time as this income gap is widening.

Omnichannel Buyers Represent Important Demographic Segments



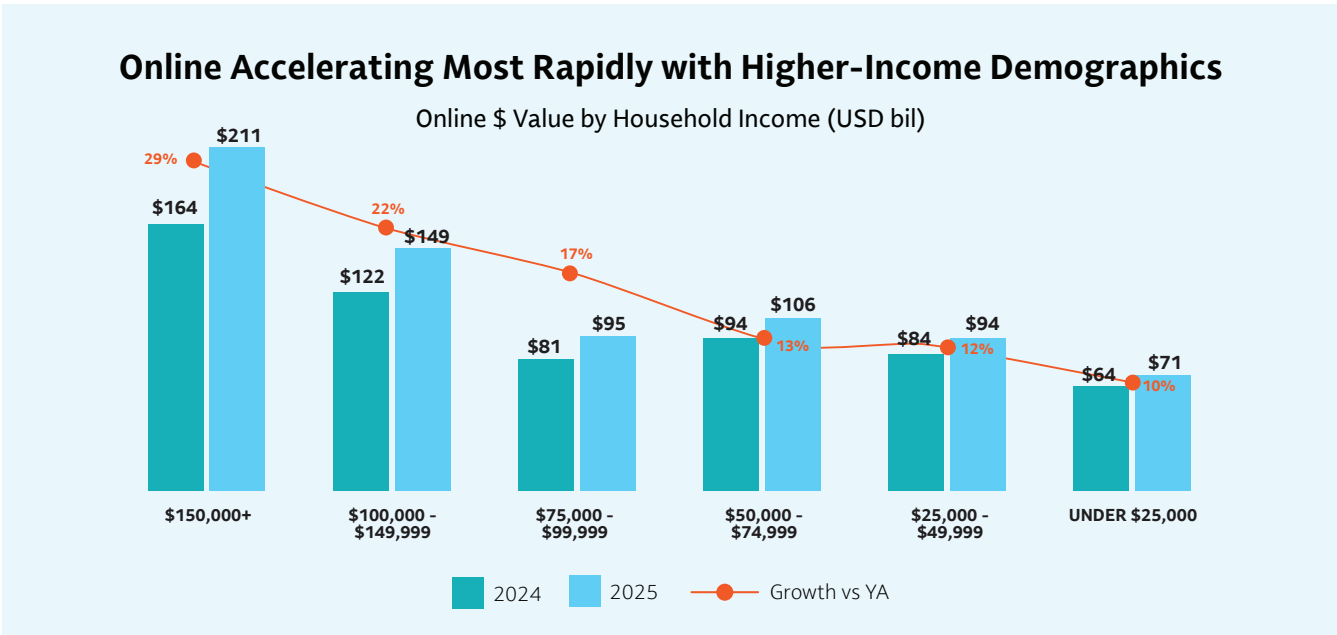
Households with higher income and education levels are most engaged in omni behaviors. Online only and in-store only cohorts are smaller and skewed in terms of demographic mix. These demographic insights are important to consider when developing shopper segmentation strategies.

Consumers Are Evolving into Omnichannel Shopping Journeys



Source: NielsenIQ

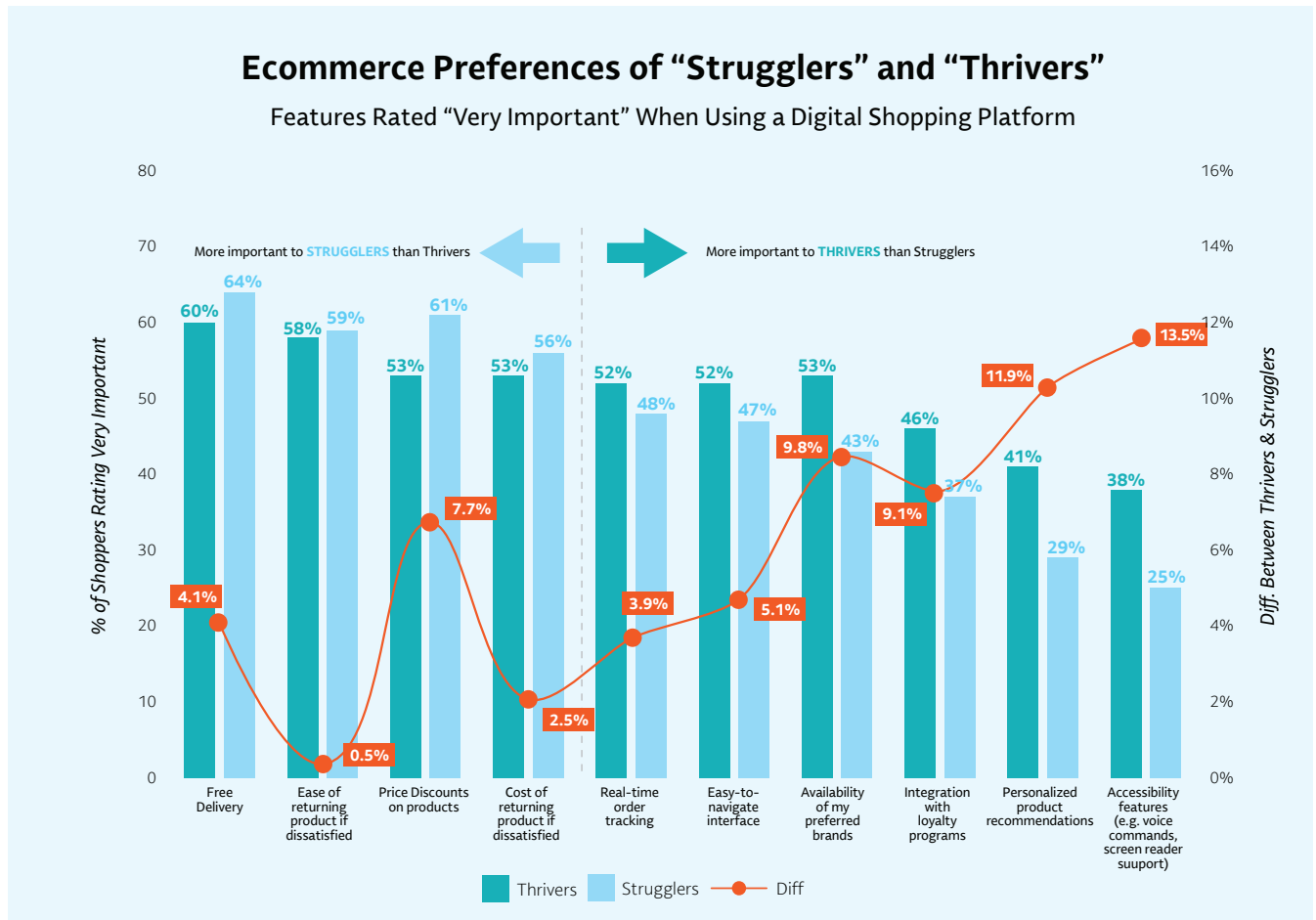
Omni buyers drive the vast majority of dollar value, units and trips — and are growing in number. Online-only and in-store-only segments declined over the past year, with patterns consolidating toward omnichannel. Retention and enrichment of omni shoppers is the core growth lever for companies. One route to success is utilizing the robust data captured from omnichannel retailing to target consumers with highly personalized messaging and shopping experiences. Retailer loyalty programs are increasingly digital and represent strong retention strategies.



Source: NielsenIQ

Online spending growth is strongest for higher income households, up about 29% for those with incomes of \$150,000 plus, and up only 10% for households earning under \$25,000.

Higher incomes correlate with more spending on discretionary items and seeking out convenience in online experiences. Retailers can respond by offering premium digital user experiences. These may include sophisticated taxonomy to filter for ingredients, rich brand-store spaces, lifestyle images and aspirational content, and use of AI tools and chatbots.



Income level is an important demographic for identifying consumer insights. A slightly broader approach is to analyze “strugglers” vs. “thrivers.” Based on NIQ’s definitions, strugglers report they have suffered financial insecurity and continue to do so today. Thrivers, meanwhile, have saved money and feel more financially secure. These measures get at how shoppers feel about their current financial situations and the future. Strugglers and thrivers represent opposite ends of the spectrum.

The two groups reflect different preferences in their online shopping.

- When shopping online, strugglers value cost/value-oriented features more than thrivers. They prioritize levers such as free delivery, discounts and low-return costs. Strugglers who use EBT programs will prioritize retailers who accept EBT.
- Thrivers value convenience/experience-oriented features more than strugglers, ranging from real-time order tracking to brand availability.

Competition Intensifies In Stores, Online and Through Social Selling

The competitive battle between retail channels is heating up. The ability of consumers to seamlessly transition between different shopping channels — such as ecommerce, in-store and social media — is increasingly important in today's retail landscape, where customers expect a cohesive and integrated shopping experience.

Retail Channels Work to Scale Ecommerce Faster

Channel Value Share

CHANNEL	Dollar Value Shr	Dollar Value Shr Chg YA
AMAZON	42.2%	+0.3pp
MASS	18.9%	+0.5pp
GROCERY STORE	17.5%	-1.3pp
DEPARTMENT STORE	5.5%	+1.4pp
WAREHOUSE CLUB	4.3%	-0.5pp
BEAUTY SUPPLY	3.7%	-0.6pp
HOME IMPROVEMENT	3.6%	+0.5pp
PET STORE	2.4%	-0.3pp
REMAINING OUTLETS	1.2%	-0.1pp
DRUG STORE	0.4%	FLAT
COOP/FARM/FEED	0.2%	FLAT
LIQUOR STORE	0.1%	+0.1pp
DOLLAR STORE	0.0%	FLAT

Source: NielsenIQ

A wide range of retail channels are working to scale ecommerce more quickly. Channel diversification heightens the online competitive battle. Brands need to consider how to differentiate content and promotions by retail channel to optimize success.

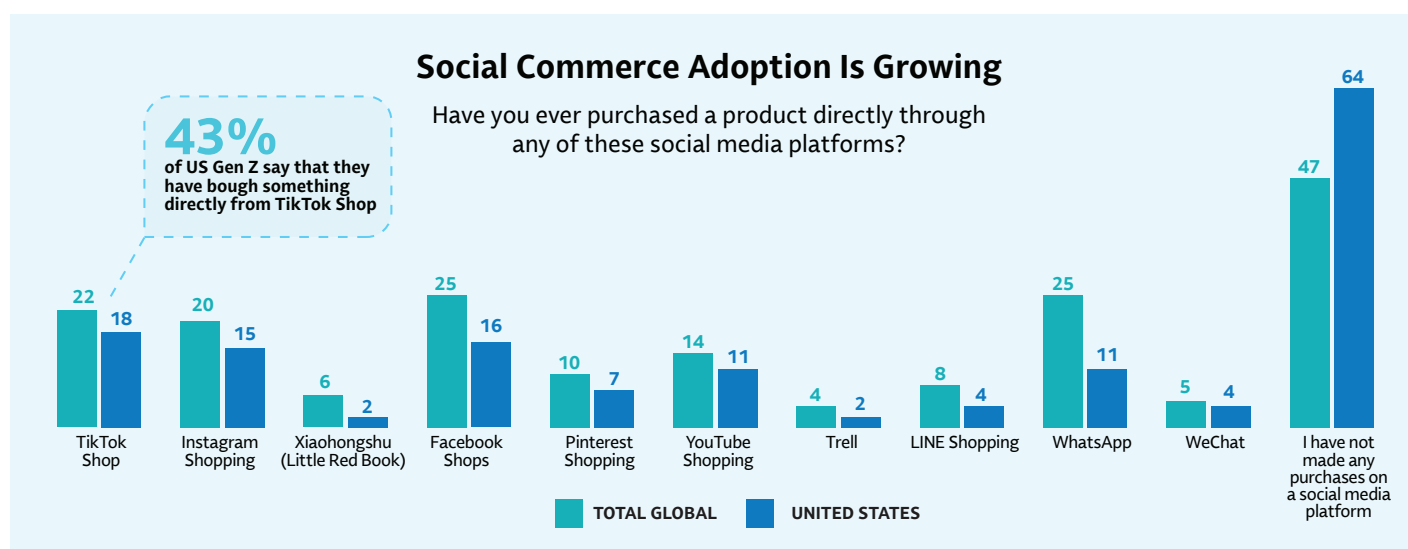
Retail Channels Succeed with High- and Low-Income Groups

CHANNEL	HOUSEHOLD INCOME \$150k+		HOUSEHOLD INCOME <\$50K	
	GROWTH vs YA	SHARE GAIN	GROWTH vs YA	SHARE GAIN
MASS MERCH	21%	0.5%	1%	1.2%
GROCERY STORE	15%	-1.3%	-5%	-0.8%
WAREHOUSE CLUB	32%	1.4%	4%	0.5%
DEPARTMENT STORE	33%	0.4%	10%	0.2%
HOME IMPROVEMENT	12%	-0.2%	-14%	-0.3%
CONVENIENCE/GAS	14%	-0.1%	-6%	-0.2%
DRUG STORE	3%	-0.3%	-11%	-0.2%
BEAUTY SUPPLY	17%	0.0%	3%	0.1%
REMAINING OUTLETS	9%	-0.2%	-24%	-0.4%
DOLLAR STORE	24%	0.0%	-2%	0.0%
PET STORE	10%	-0.1%	-7%	-0.1%
LIQUOR STORE	20%	0.0%	-5%	0.0%
COOP/FARM/FEED	21%	0.0%	-5%	0.0%
MILITARY STORES	14%	0.0%	-12%	0.0%

Source: NielsenIQ

Some retail channels are lifting omni shares among both high- and low-income groups.

The chart shows retail channel shares and growth by household income.



Source: NielsenIQ

Social commerce adoption is advancing, especially for Gen Z, and it is expected to continue to grow substantially. TikTok Shop and Instagram are emerging conversion points. Some retailers are integrating social content into their own platforms. Companies can enhance success by focusing on discovery-to-checkout journeys.

Social Media Selling is Fueling Discovery and Impulse



68% of purchases

on social selling platforms
are made on impulse

Top reasons for making a purchase on a social selling site:

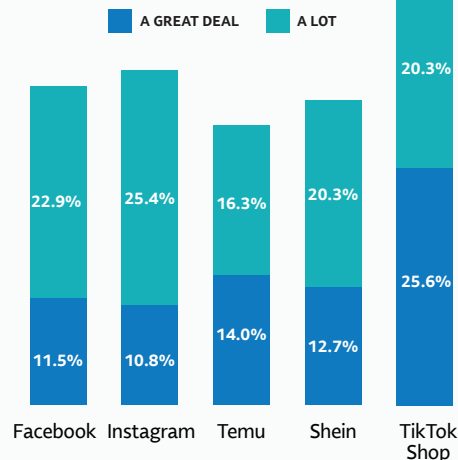
- I **discovered something new** that I wanted to try
- I can find **cheaper alternatives** to the usual products I buy
- Was a **convenient** way to purchase what I needed

84%

had a **good or excellent**
experience shopping on social sites



How much do you trust the products
you have ordered?

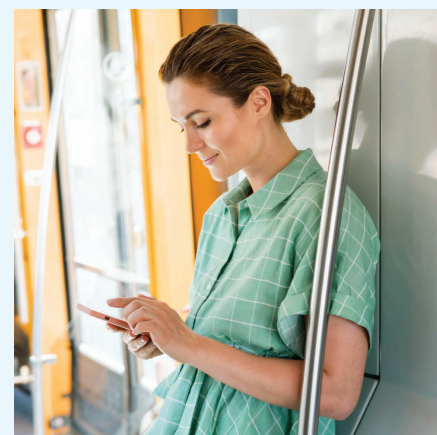
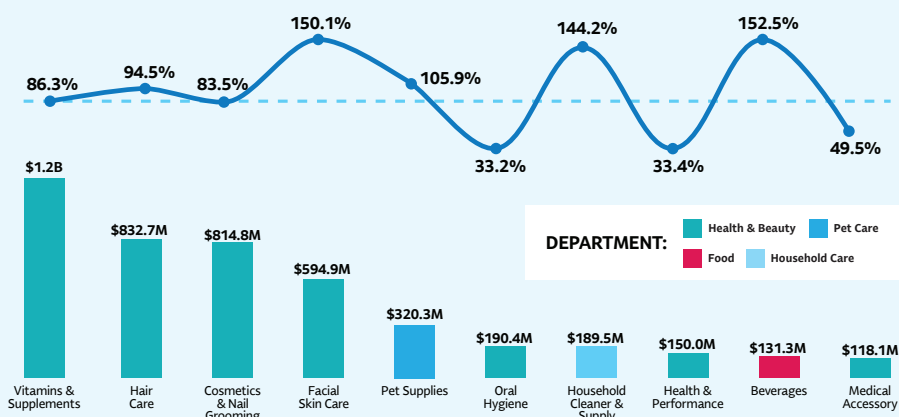


Source: NielsenIQ

Shoppers are reporting high satisfaction levels with social-selling sites. Their trust in the products is growing, but there are still lingering concerns about quality. Brands can make progress by focusing both on speed-to-purchase and trust cues and guarantees.

TikTok Shop Broadens Beyond Health and Beauty

Top 10 CPG Categories by TikTok Shop Dollar Sales in 2025



Source: NielsenIQ

TikTok Shop grocery-related sales in the U.S. rose more than 90% last year. While health and beauty categories dominate, TikTok Shop has broadened into other segments as well, including pet, household care and beverages. TikTok Shop is growing exceedingly fast despite being a relatively new platform.

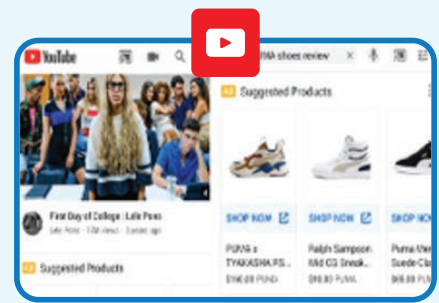
Platforms Invest in New Capabilities



AMAZON HAUL



PINTEREST SHOPPING



YouTube SHOPPING

Source: NielsenIQ

Online platforms are introducing new ecommerce strategies to showcase shoppable content and battle competitors. They are focusing on native shopping to enable inspiration, discovery and buying.

- Amazon Haul launched an online discount storefront with a broad selection of products at \$20 or less.
- Pinterest continues to invest in its shopping capabilities, with new releases of shoppable video content and AI and automation campaign features.
- YouTube continues its ecommerce push, integrating discovery and purchasing directly on its platform.

The Emerging Impact of Artificial Intelligence

AI is increasing its influence in grocery shopping as consumers relay interest in applications such as research, review summaries and recommendations. Demographic data points to consumer usage trends according to generation, income, household size and region. The industry has opportunities to optimize strategies to boost success on AI-curated shelves.

Consumers Interested in AI-Driven Personalized Solutions

Global | % of Respondents

84%

Would be likely to purchase a product if the retailer made it easy on their website or app to compare key product attributes

65%

Find it helpful when a retailer suggests products based on their previous purchases or preferences

58%

Are comfortable with a digital shopping platform making product suggestions

51%

Would be interested in using tools powered by Artificial Intelligence (AI) to help manage their household shopping in the future

40%

Are comfortable with a digital shopping platform making purchase decisions for them.

Source: NielsenIQ

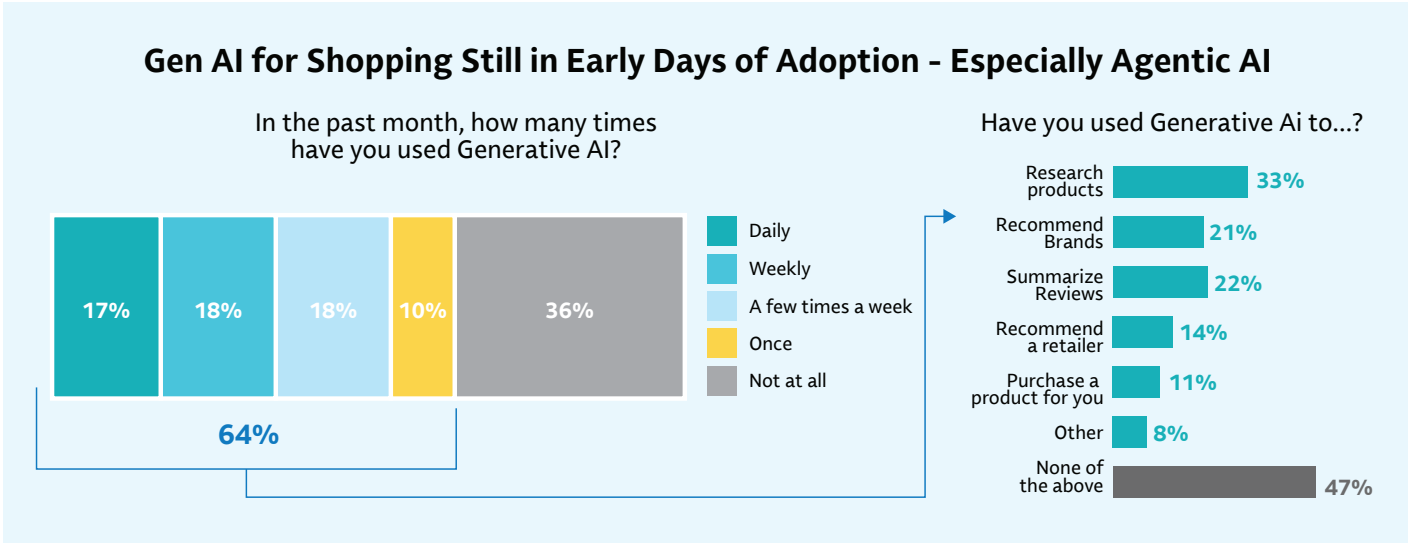
Global consumers show a considerable appetite for AI-assisted personalization and attribute comparison. The level of interest drops as AI becomes more “agentic” by making decisions for shoppers. The agentic hesitancy may be a moving target. Consumers may become more comfortable with increased exposure.

AI Has the Potential to Transform Shelf Strategy

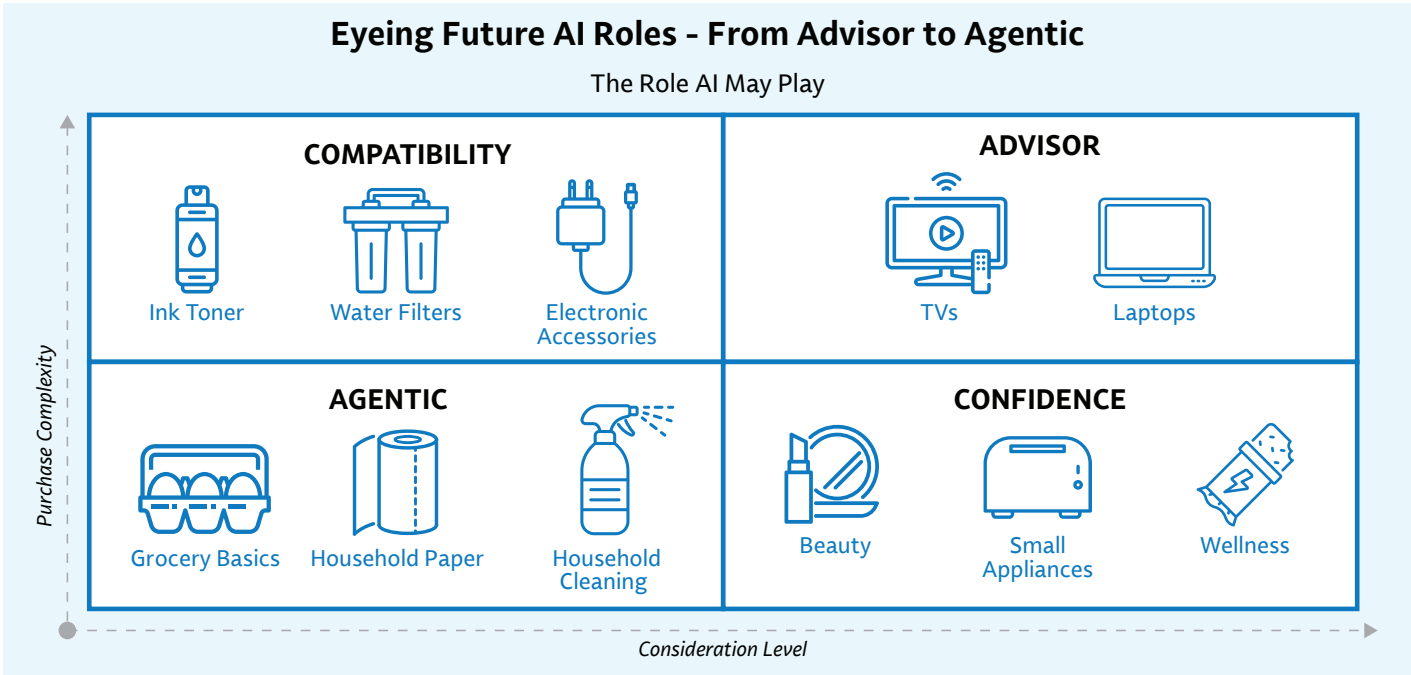


Source: NielsenIQ

AI is compressing the “shelf” to fewer, better matched SKUs per view. The number of SKUs drops markedly as shopping moves from physical shelves to digital, mobile and AI-controlled shelves. Retailers and brands can focus on asset and marketing strategies to win placement on AI-curated shelves.

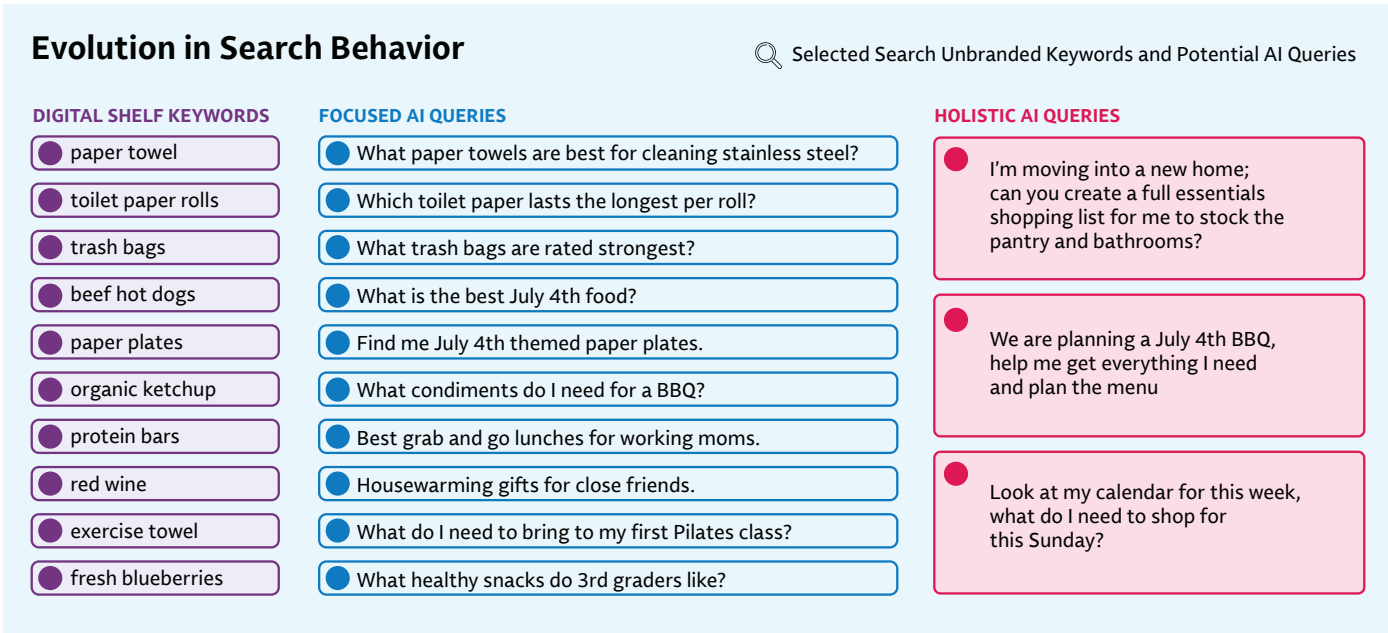


Gen AI usage today skews to product research, review summaries and recommendations. About two-thirds of shoppers have used it. Agentic AI refers to the concept of AI agents purchasing for consumers. Agentic is not widely leveraged by shoppers at this stage, as only 11% have used Gen AI to purchase a product for them.



This NIQ qualitative analysis framework shows how shoppers may leverage AI in the future based on the complexity or importance of the items.

- **Compatibility:** For a complex order that doesn't require much consideration, such as choosing an ink toner, shoppers may just want AI to identify compatible items to suit their needs.
- **Advisor:** For a complex item that a shopper cares a great deal about, like a TV, AI may be used as an advisor to help explore the purchase.
- **Confidence:** For a low-complexity purchase that the shopper still cares about, like wellness or beauty products, a shopper may want AI to instill confidence.
- **Agentic:** For a low-complexity and low-consideration purchase, a shopper will be most likely to automate. This is where full agentic journeys may occur first.



Source: NielsenIQ

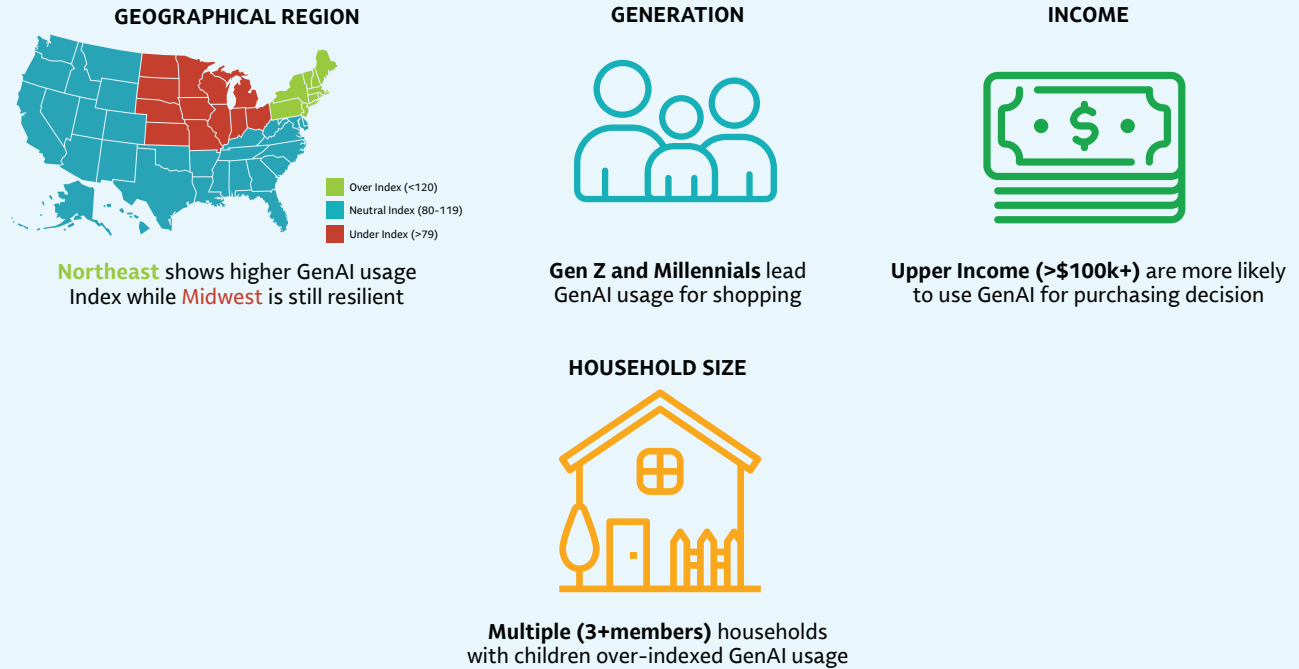


AI adoption is already driving a transition in shopper search behavior. AI tools are based on large language models in which shoppers use focused natural language queries instead of keywords. Holistic AI queries take this even further as consumers pose broad questions and allow AI to identify relevant solutions. Shoppers are now mostly using this approach for search. In the future, if use of agentic shopping increases, consumers would likely rely on these types of queries and AI agents would complete purchases.

ChatGPT, Gemini and Copilot are the most used tools for shopping decisions. Brands can align experiences around the tools shoppers actually use.

GenAI Adoption Over Indexes Among Gen Z/Millennial Families with Children

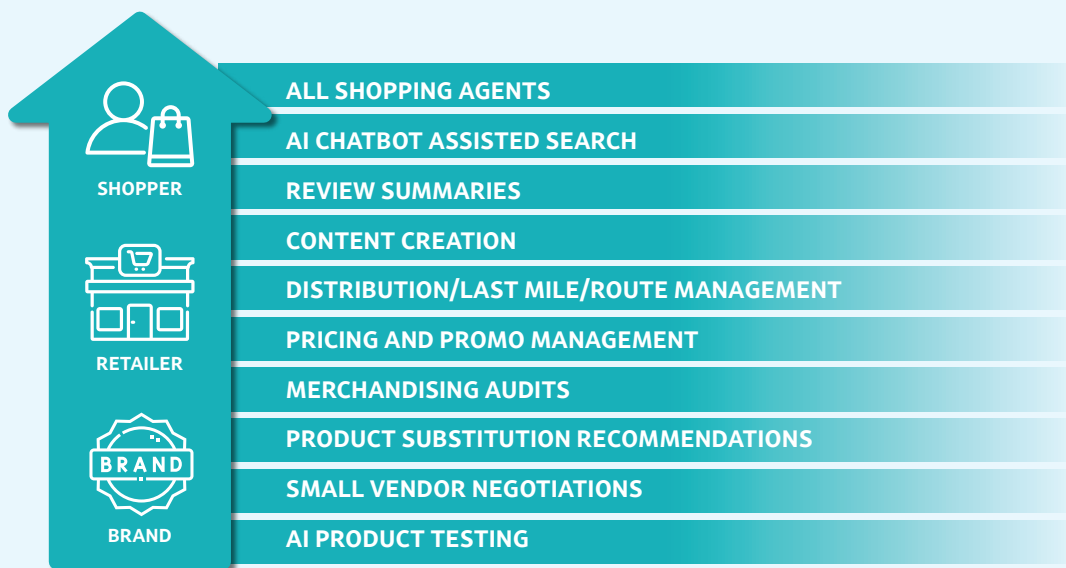
Generative AI User Demographic Profile



Source: NielsenIQ

Time-pressed, affluent households use AI for efficiency. The demographic data points to usage according to generation, income, household size and region.

AI Will Impact More than Just the Shopper Experience in Retail



Source: NielsenIQ

AI will transform shopper-facing and back-office retail — ranging from pricing and content to last mile and audits. Companies should expect rapid use case expansion across retailers and brands. Leaders can plan road maps that balance experimentation with measurable results.

Digital Engagement Tools Drive Shopping

A growing variety of digital tools is engaging shoppers, including smartphones, apps/websites and AI-powered applications. Shoppers are increasing their usage of AI tools for food-related searches, even as their reliance on traditional internet search dips.

Smartphone Usage in Shopping Focuses on Deal Searches

Percent of shoppers who use their smart phones in the following ways at least occasionally among all shoppers who own a smartphone

Change vs.
Jan 2025

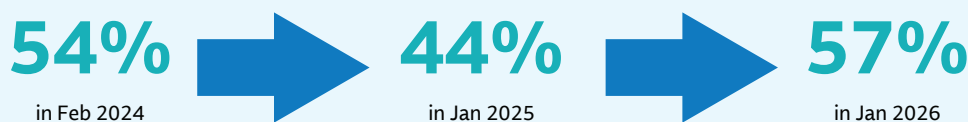


Source: FMI U.S. Grocery Shopper Trends 2026

Smartphones are ubiquitous in contemporary lives, but many of their shopping uses continue to grow. Shoppers leverage them at least occasionally to obtain savings and information while grocery shopping. Use of smartphones for digital coupons and weekly sales specials are most common, involving about three-quarters of Gen Z, Millennials and Gen X, and about two-thirds of Boomers. Other uses include communications, looking up recipes and leveraging in-store item locators.

Shoppers Increasingly Use Retailers' Websites/Apps for Online Shopping

Used store's website vs. 3rd party to shop online.
Among online shoppers.

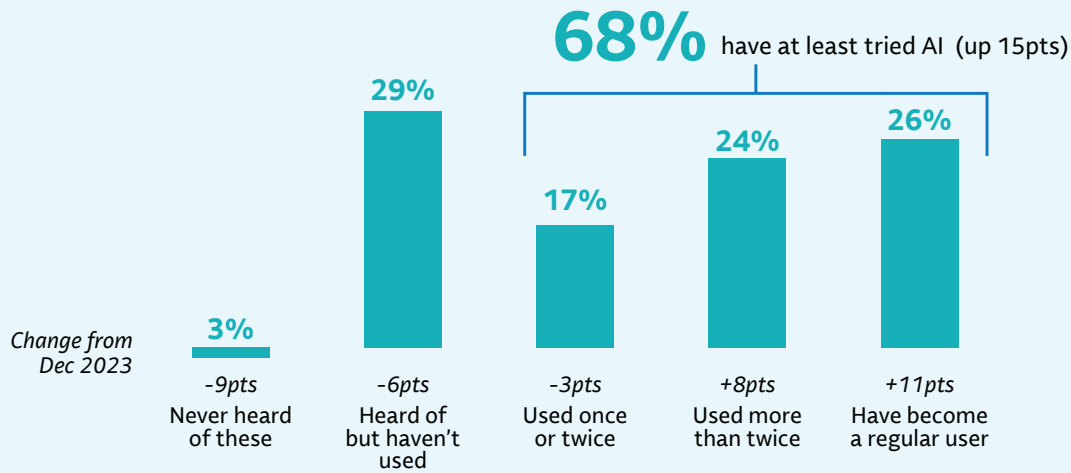


Source: FMI U.S. Grocery Shopper Trends 2026

Shoppers cite a growing use of retailers' websites and apps over the past year, compared to tools from third parties. However, this pattern differs by age cohort. Gen X (64%) and Boomers (75%) drive the usage at a retailers' website, while Gen Z shoppers prefer Doordash (45%) and Millennials lean toward Instacart (32%).

Familiarity with AI-Enabled Tech Tools Continues to Grow

Familiarity with new AI-enabled information and media tools (such as ChatGPT)
Among all shoppers

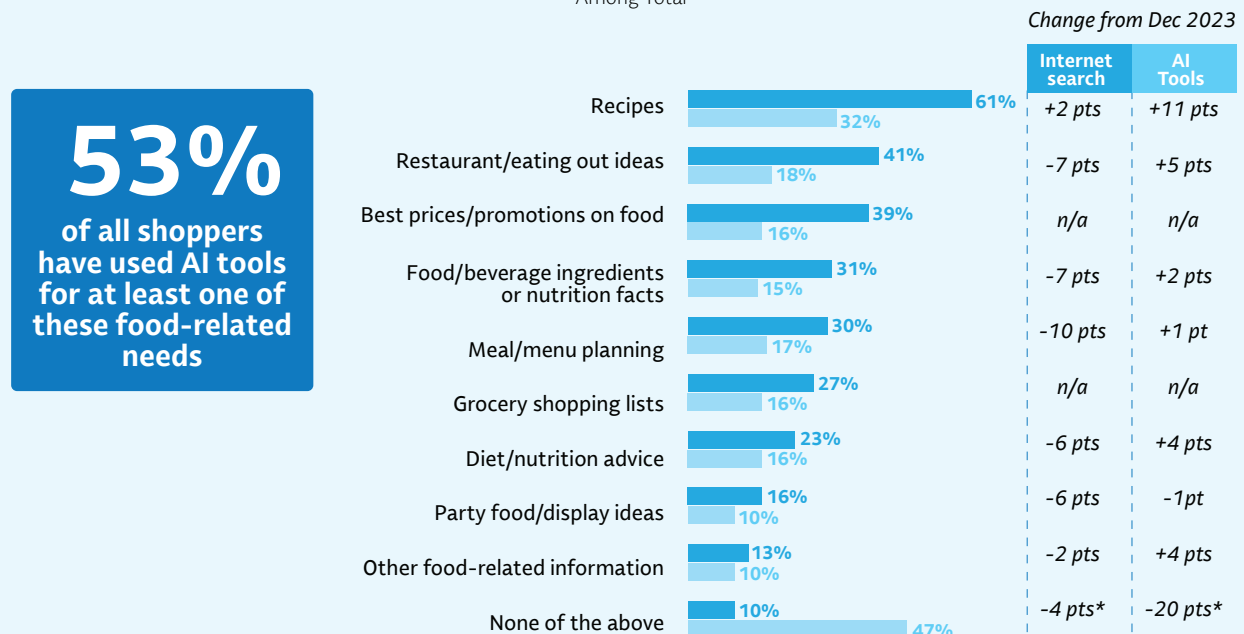


Source: FMI U.S. Grocery Shopper Trends 2026

Twenty-six percent of shoppers are now regular users of AI-enabled tech tools (such as ChatGPT), up 11 points from 2025. About one-third say they have never used AI tools, down from 48% last year. Boomers are the least likely to have used AI (57%), while Gen Z is the most likely to have used it (79%). Younger users said they verify AI-generated information through other sources.

AI Tools Make Gains on Internet Search

What types of information have shoppers sought from internet/AI-enabled tools
Among Total

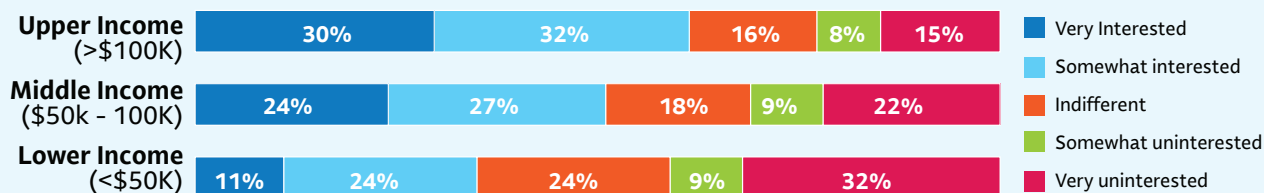


Source: FMI U.S. Grocery Shopper Trends 2026

Shoppers are increasing their use of AI tools for food-related searches, even as their reliance on internet search dips. In the most striking example, use of AI tools for recipe searches increased 11 points since December of 2023, while use of traditional internet search for that purpose advanced only two points during that period. Sixty-one percent of shoppers now use traditional internet search for recipes, but use of AI tools, now at 32%, has been catching up.

Higher Income Households More Open to AI Shopping Tools

Rate your interest in having a Generative AI agent help you research and purchase a product.



Source: NielsenIQ

Upper-income shoppers show the highest openness to AI shopping tools, based on NIQ research. Households earning more than \$100,000 showed the most interest in having a generative AI agent help them research and purchase a product, with a gradual reduction in interest levels for middle-income and lower-income households. About a third of households with income under \$50,000 were “very uninterested.”

Shoppers Would Use Digital Assistants to Identify Deals

Among all shoppers



Source: FMI U.S. Grocery Shopper Trends 2026

The vast majority of shoppers (84%) can identify at least one way they would put a personal digital assistant to work for them. The greatest interest in personalized digital shopping assistants lies in helping shoppers save money — whether through coupons, price comparisons, alerts on price drops or substitutes that are more affordable.

Some other ways that a personal digital assistant could help are by notifications of food recalls, recipes or meal suggestions based on ingredients available; creating shopping lists based on meal plans; and recommending healthier substitute products.

Industry Emphasizes Technology to Boost Engagement

Food industry companies are eyeing technology applications to enhance omnichannel, online and in-store shopping, according to FMI's *The Food Retailing Industry Speaks 2025* and its companion report *The State of Technology 2025*. Retailers and suppliers are accelerating investments in many existing solutions and experimenting with new opportunities.

TECHNOLOGY EXPERIMENTATION IN FOCUS

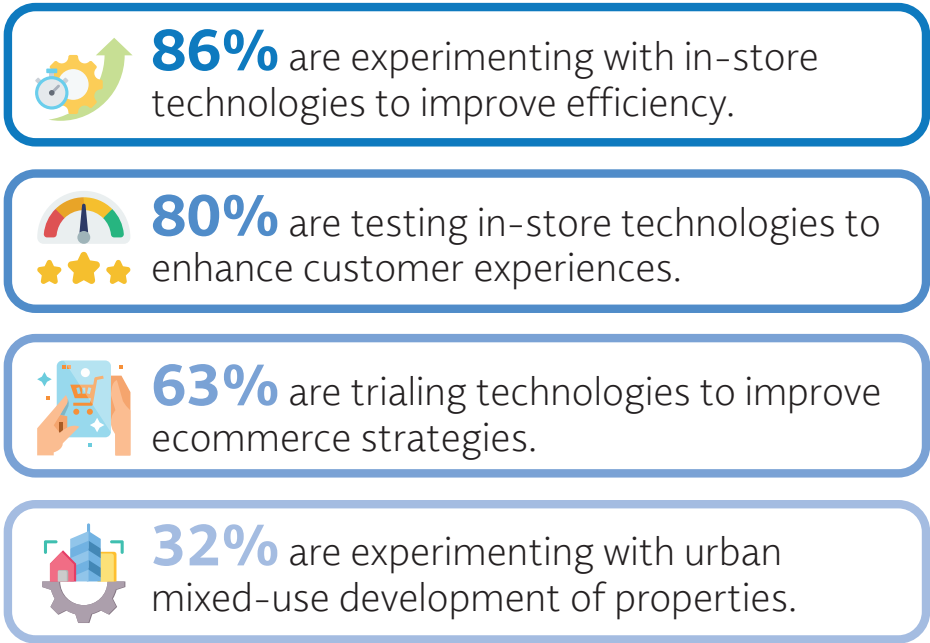
Whether behind the scenes or customer-facing, the focus on technology is playing out in a wide range of applications. Most food retailers continue to experiment with the latest technologies to improve customer experience, ecommerce platforms and internal efficiency. This experimentation is now common with larger and smaller retailers alike, even those with 10 or fewer stores.

ARE YOU EXPERIMENTING WITH...?	2019	2020	2021	2022	2023	2024
New technologies to improve the customer experience	72%	83%	80%	85%	81%	80%
New technologies to improve efficiency	75%	81%	80%	84%	86%	86%
Ecommerce strategy	67%	83%	70%	70%	76%	63%

Source: FMI Food Retailing Industry Speaks 2025

TECHNOLOGY SUPPORTS CUSTOMER EXPERIENCE

Retailers are pursuing a range of strategies to enhance store experience, including the following:

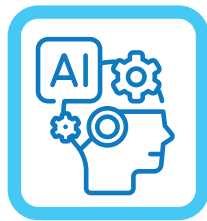


Source: FMI Food Retailing Industry Speaks 2025

ANALYTICS AND AI SUPPORT PRICING, PROMOTIONS AND ASSORTMENT

Data analytics and artificial intelligence (AI) continue to play key roles in the business processes of food retailers. Most retailers have incorporated data analytics for activities such as pricing and promotion, assortment planning and replenishment, and to leverage customer data.

Almost one-half of responding food retailers are using artificial intelligence for their business activities. On the supplier side, the use of technology is more common as responding companies have widely embraced data analytics and artificial intelligence.



47% of food retailers and
93% of food suppliers
use artificial intelligence (AI).

	RETAILERS	RETAILERS	SUPPLIERS	SUPPLIERS
USE OF DATA ANALYTICS OR ARTIFICIAL INTELLIGENCE FOR:	DATA ANALYTICS	ARTIFICIAL INTELLIGENCE	DATA ANALYTICS	ARTIFICIAL INTELLIGENCE
Any	83%	47%	100%	93%
To optimize decision making around pricing and promotion	68%	15%	88%	67%
To assist with assortment planning and replenishment	63%	17%	94%	60%
To leverage customer data	71%	24%	100%	73%
Loss prevention	49%	24%	56%	7%
For supply chain logistics (scheduling)	32%	14%	81%	53%
For hiring purposes	-	5%	-	20%

Source: FMI Food Retailing Industry Speaks 2025

GENERATIVE AI PLAYS KEY ROLE

Many food retailers (43%) and suppliers (86%) are not only using artificial intelligence, but they are also using generative AI for a wide array of activities to drive shopper engagement. The activities include marketing, customer service and customer loyalty.

USE OF GENERATIVE AI FOR:	RETAILERS	SUPPLIERS
ANY	43%	86%
Internal content creation	26%	57%
Marketing	21%	57%
Automate manual tasks	21%	50%
To support customer service	12%	29%
Forecasting demand	10%	43%
Workforce management/development	9%	29%
Improve customer loyalty	7%	36%
Create new products/recipes	5%	29%
Supply chain logistics (scheduling)	2%	21%
Track products	2%	14%
Replenishment	2%	14%
Reduce waste	0%	21%
Other	3%	7%
None/Don't use generative AI	57%	14%

Source: FMI Food Retailing Industry Speaks 2025

Retailers and suppliers cite a range of Gen AI solutions being used, including Microsoft Co-Pilot, ChatGPT and Google Gemini. In addition, some food retailers (18%) and suppliers (40%) have evolved to using an organization-wide Gen AI solution.

FOOD INDUSTRY EYES AGENTIC SHOPPING ERA



Food retailers and suppliers are increasingly focused on the rise of AI agents and how they will impact grocery shopping.

Agentic AI is already transforming AI from a conversational tool into an autonomous, goal-driven system that mimics human decision-making. Think of it this way: If the large language model is the brain, the agent layer gives the LLM “hands and eyes.”

When OpenAI released its ChatGPT Agent framework in July 2025, it ushered in a new chapter for automation. Within days, developers tested agentic shopping capabilities. These new systems can analyze household budgets, scan weekly promotions, suggest recipes and even check what’s already in your pantry. It’s nowhere near perfect yet, but it’s not hard to see how fast the marketplace could move.

Enabling shoppers to automate planning and shopping via AI agents and outside their mobile apps is disruptive. The difference is autonomy. Traditional chatbots respond to commands; AI agents act on goals. Very soon, if not now, AI agents can compare grocery prices across retailers, factor in loyalty programs and keep total spending within a set budget.

Coupled with the advances in AI chat voice functionality, a shopper can simply say, “Plan my weeknight dinners under \$200 and order what I need,” and the AI handles the details from menu creation to online checkout. Involved in all this is ecommerce, consumer trust, loyalty and delivery, which all are having advances and changes at breakneck speeds. One can also imagine systems that automatically update shopping lists when items run low or reorder based on past purchases and expiration dates.

The implications are both exciting and challenging for food retailers. AI agents can extend personalization beyond recommendations to actionable automation.

EMERGING TECHNOLOGY POWERS SHOPPING

Food retailers are incorporating a wide array of technology into their organizations. Use of technology for mobile checkout systems or self-scan, foodservice ordering, delivery, electronic shelf labels, smart carts and voice technology for customer service activities are among the most shopper-facing applications. Here are applications used in 2024 and those retailers said last year they were planning.

RETAILERS: DOES YOUR ORGANIZATION CURRENTLY USE OR ARE YOU PLANNING TO USE:	2024 – USE	2025- PLANNING
Fraud assistance technology	38%	15%
Mobile checkout systems or self-scan	38%	6%
Electronic shelf labels/tags	36%	20%
Technology solutions for fresh inventory and demand/production planning	32%	23%
Technology services for foodservice ordering and delivery	32%	15%
Self-service in-store foodservice ordering kiosks	15%	9%
Robotics: Fully automated warehouses	15%	3%
Dynamic pricing software	14%	9%
Smart carts	14%	8%
Ghost kitchens (food preparation facility with no dining option)	12%	5%
Robotics: In-store services	11%	3%
Mobile pop-up markets	11%	0%
Technology solutions to aid in product traceability	8%	33%
Voice technology for customer service activities	8%	3%
Robotics for store cleaning	6%	5%
Micro-fulfillment	6%	5%
Dark stores (conventional store not open to the public used to fulfill orders)	3%	5%
Voice technology for ecommerce picking	3%	3%
Cashier-less stores	0%	0%

Source: FMI Food Retailing Industry Speaks 2025

DATA-DRIVEN STRATEGIES POWER RETAIL MEDIA NETWORKS

FMI's 2025 industry research found that 38% of responding retailers and 71% of suppliers used retail media networks, and about a quarter of those groups found them very effective.

The rapid evolution of retail media networks has been shaped by fundamental changes in consumer behavior and advancements in technology. These networks have moved beyond traditional advertising to become strategic growth enablers for both brands and retailers, as outlined in the report *The Evolution of Retail Media: Decoding What Works — And What Doesn't*, produced by FMI, NielsenIQ and Think Blue.

The research cites data-driven strategies for RMNs. Advanced analytics and AI are enabling more targeted, personalized and effective consumer retail media campaigns.

The industry has an opportunity to focus on driving metric standardization for retail media.

INDUSTRY ANALYZES INVESTMENTS AND ROI

Food retailers devoted an average of 1% of their total sales — more than \$10 billion — to their technology budgets in 2024. Retailers and suppliers are optimistic about how their technology investments are impacting sales and profits. About half of retailers, for example, cited positive impacts, vs. only 11% negative. Food suppliers spent a greater share of sales (1.5%) on technology than food retailers. Suppliers were just as optimistic about the impact of the investments on bottom lines (56% positive, 11% negative).

Companies Pursue Approaches to Strengthen Ecommerce

Ongoing moves to strengthen ecommerce approaches — from assortments to partnerships — are paying off for food retailers. Retailers continue to press ahead with strategies to keep the ecommerce momentum going. These include allocating more staff to support their ecommerce businesses; offering more SKUs online; and operating fresh or perimeter departments that represent an average of almost 40% of total online sales.

KEY ECOMMERCE STATS

Following are food industry data points from FMI's *The Food Retailing Industry Speaks 2025*. This data reflects ecommerce information from 2024, the latest year for which FMI data is available.

- **Sales:** Almost all food retailers now have online sales (85%), and 63% saw online sales increases over 2023.
- **SKUs:** Food retailers with online sales sold an average of more than 28,000 SKUs online.
- **Transactions:** Online transactions per week averaged 113,294. The average online transaction size was \$108.
- **Payment:** The vast majority of online sales are paid for with a credit card (76%). Retailers report 20% of payments made with a debit card, with the remaining 3% using other payment methods.
- **Sales by Department:** Dry grocery (42%) and frozen foods (8%) account for significant shares of online sales. Fresh or perimeter departments represent an average of almost 40% of total online sales. The fresh sector breakdown includes produce (10%), meat (10%), dairy (13%), deli (3%), in-store bakery (1%), fresh prepared/foodservice (1%), and seafood (1%).

ADJUSTING ECOMMERCE STRATEGIES

Food retailers continue to fine-tune their ecommerce strategies based on their views about platform shortcomings, financial impacts and their own sophistication levels.

- **Sophistication Level:** Retailers continue to downplay their ecommerce sophistication. That self-perception persists despite successes, as only 8% assess their organization's ecommerce to be very sophisticated. A majority (55%) say their organization is somewhat sophisticated, and 37% say not very or not at all.
- **Platforms:** Food retailers are only moderately satisfied with their ecommerce platforms (8% say very satisfied, 73% somewhat satisfied). Less than one-half (41%) say they are likely to change their platform in the next two years. But more than one-half (63%, down from 76% in 2023) are experimenting with their ecommerce strategies.

ECOMMERCE FULFILLMENT TRENDS

Fulfillment of online orders takes place in several different ways.

- Most retailers offer pick-up at the store, either curbside (78%) or inside (45%), which is considered the simplest to orchestrate. Some retailers offer pick-up at another location (2%).
- Many retailers offer delivery to the shopper's home. Most (76%) offer delivery by third-party or on-demand delivery services, while 27% offer delivery by their own employees. Few food retailers (14%) expect third-party or on-demand delivery companies to become competitors.
- Most food retailers with online sales (82%) continue to handle fulfillment from in-store shelves. Some are taking more sophisticated approaches by using micro or automated fulfillment centers (7%); in-house warehouses (7%); and fulfillment centers that are not automated (5%).

Share of Each Department's Sales Made Online

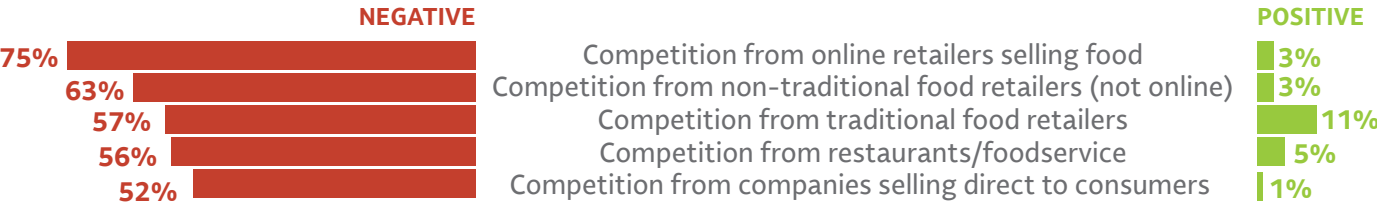


Source: FMI Food Retailing Industry Speaks 2025

RETAILERS GAUGE COMPETITION BY FORMAT

Food retailers responding to the *Speaks* survey said they experienced negative impacts on their businesses in 2024 from a wide range of competitors. These included online retailers selling food, non-traditional food retailers (not online), traditional food retailers, restaurants and companies selling direct to consumers.

FACTORS IMPACTING FOOD RETAIL BUSINESSES IN 2024



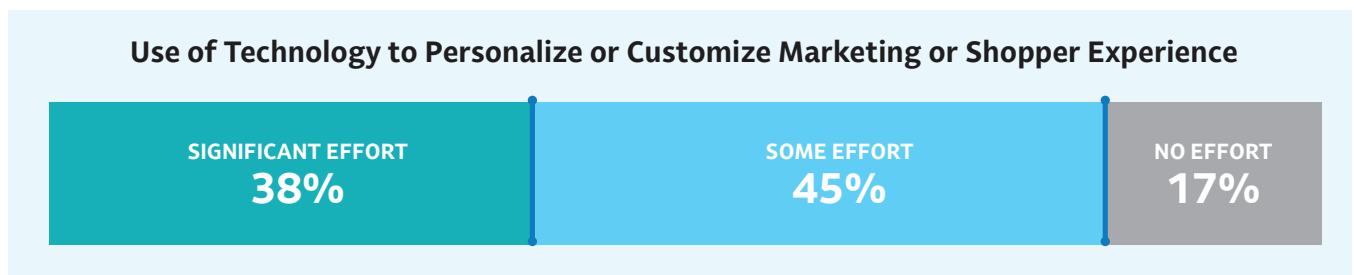
Source: FMI Food Retailing Industry Speaks 2025

Industry Strategies Lift Shopper Experience

The food industry is focusing on strategies to enhance experiences for digitally engaged shoppers. These include approaches for in-store payment and checkout, ecommerce fulfillment and marketing and communications.

PERSONALIZING THE SHOPPER EXPERIENCE

Most retailers (83%) continue to use technology to personalize or customize the marketing or shopping experience, both online and in-store. This focus is strong now among retailers of all sizes.



Source: FMI Food Retailing Industry Speaks 2025



Source: FMI Food Retailing Industry Speaks 2025

WI-FI SERVICES

Providing Wi-Fi service in stores is another way food retailers use technology to improve customer experience. Most food retailers (81%) offer Wi-Fi in all stores.



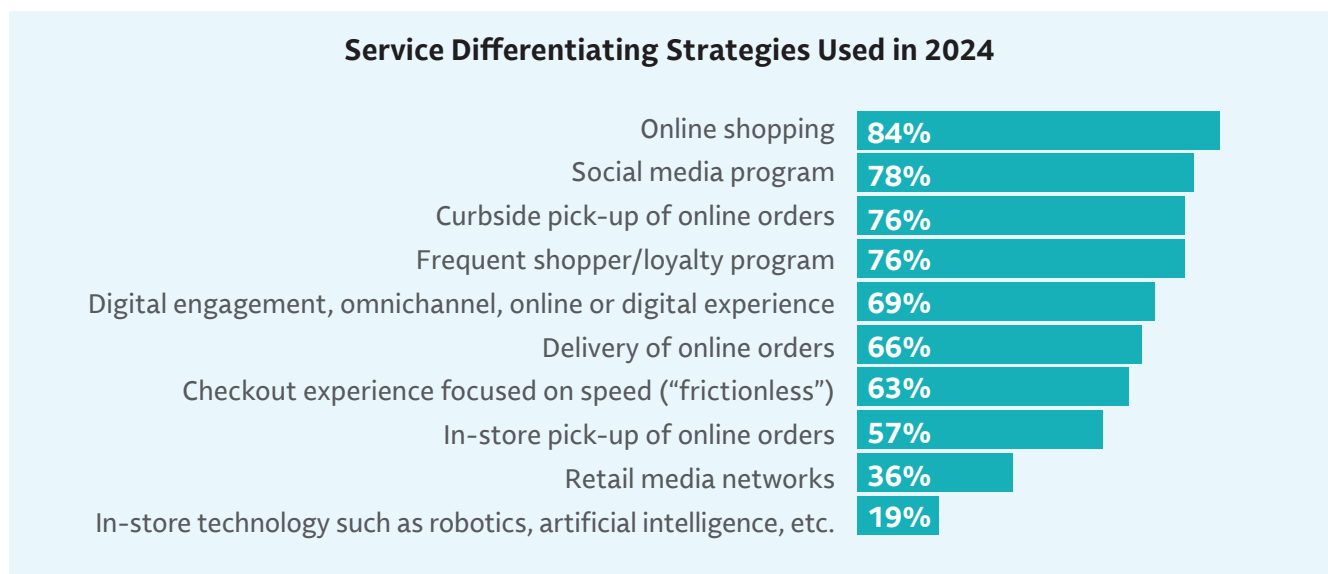
Source: FMI Food Retailing Industry Speaks 2025

SCAN-AND-GO AND MOBILE PAYMENTS

Nearly half (43%) of food retail survey respondents offer scan-and-go technology, compared to just 26% in 2019. Mobile payments are another way to speed up the checkout process and help it become more “frictionless.” Acceptance of this form of payment is now almost universal among retailers. All responding retailers who accept mobile payments now accept Apple Pay. Additionally, food retailers are accepting their store-created wallets (39%) and QR codes (50%).

TECHNOLOGY DRIVES CUSTOMER EXPERIENCES

Food retailers embrace differentiation strategies to set themselves apart from competitors and foster positive customer experiences. Many of the most used strategies employ technology features — including online shopping, social media programs, curbside pickup of online orders, frequent shopper/loyalty programs, delivery of online orders and checkout experience focused on speed (“frictionless”).



Source: FMI Food Retailing Industry Speaks 2025

GROWTH IN STRATEGIES IN RECENT YEARS

SERVICE DIFFERENTIATING STRATEGIES	USED IN 2019	USED IN 2020	USED IN 2021	USED IN 2022	USED IN 2023	USED IN 2024
Online shopping	59%	75%	80%	70%	84%	84%
Checkout experience focused on speed (“frictionless”)	38%	44%	46%	45%	59%	63%
In-store technology such as robotics, artificial intelligence, etc.	10%	9%	15%	12%	15%	19%
Digital engagement, omnichannel, online, or digital experience	NA	9%	43%	38%	53%	69%

Source: FMI Food Retailing Industry Speaks 2025

FOOD INDUSTRY EMBRACES DIGITAL AND PRINT COMMUNICATIONS PLATFORMS

The food industry continues to pursue a wide range of approaches to reach broad customer bases. The approaches range from traditional to emerging strategies.

- Online vs. In-Store:** The mix of strategies is captured in the top two approaches used by retailers — Facebook (92%) and in-store signage (95%).
- Digital and Print:** Other top retail strategies include email, Instagram, digital and print circulars and in-store only promotions.

- **Most Effective:** Some of the most effective retailer strategies are in-store-only promotions, email and in-store signage.
- **Supplier Approaches:** Suppliers are making the most use of digital circulars (82%), Instagram (76%), in-store signage (76%), retail media networks (71%), printed circulars (71%) and influencer strategies (65%).

DO YOU CURRENTLY USE ANY OF THE FOLLOWING CUSTOMER OUTREACH VEHICLES?	RETAILERS USE	VERY EFFECTIVE AMONG RETAILERS WHO USE	SUPPLIERS USE	VERY EFFECTIVE AMONG THOSE SUPPLIERS WHO USE
In-store signage	95%	48%	76%	33%
Facebook	92%	25%	59%	20%
Instagram	88%	32%	76%	38%
Email	86%	51%	35%	0%
Digital circular	86%	38%	82%	8%
Printed circular	74%	34%	71%	9%
In-store only promotions	72%	63%	65%	36%
Direct mail coordinated with retailers/suppliers	65%	37%	59%	11%
App	63%	33%	35%	33%
Radio ads	62%	8%	29%	20%
Billboards and other outdoor signage	57%	25%	24%	0%
Text promotions/outreach	46%	39%	18%	0%
Television ads	43%	23%	53%	44%
YouTube	40%	24%	35%	17%
Retail Media Networks	38%	25%	71%	25%
Influencer strategy	38%	17%	65%	55%
Mobile marketing/ads	35%	32%	65%	27%
Pinterest	35%	18%	41%	43%
X (formerly Twitter)	35%	9%	29%	0%
TikTok	31%	23%	41%	43%
Retargeting ads	23%	31%	24%	75%
Data sharing with trading partners through retail media networks	20%	17%	35%	0%
Social shopping/Shoppable content	17%	10%	53%	22%
Blog(s)	14%	0%	12%	0%
Direct mail independent of retailers	-%	-%	24%	0%

NOTE: Bolded color options are the most effective

Source: FMI Food Retailing Industry Speaks 2025

The majority of food industry (retailers 63%, suppliers 56%) cite positive impact of “new ways of marketing and communicating with consumers (social media, mobile ads, retail media networks, etc.).” Retail Media Networks are utilized by 71% of suppliers and 38% of retailers.

Questions to Drive Further Thought

Food industry organizations have opportunities to consider how this report's findings will impact their strategies. Here are some questions to help leaders translate the report's insights into relevant questions for their companies.

- 1. Ecommerce Growth:** The NIQ outlook found that total U.S. online sales are expected to reach \$452 billion by 2028. How can food industry companies prepare for this growth and drive positive consumer online shopping experiences?
- 2. Artificial Intelligence Emerges:** The report emphasizes that AI has the potential to transform shelf strategy. AI is compressing visibility of the “shelf” to fewer, better matched SKUs per view. How can your organization optimize AI strategies to win placement on AI-curated shelves?
- 3. Digital Engagement's Influence:** Digital engagement tools are central to today's shopper journeys. These include smartphones, retailer websites/apps and AI-enabled tech tools, including the prospect of growth in agentic shopping. What types of new tools do you anticipate will emerge in the next few years to engage shoppers? Do you feel it's important for organizations to be early adopters with these types of tools?
- 4. Social Media Selling Savvy:** The findings indicate that social media selling is fueling discovery and impulse. Adoption is growing, especially for Gen Z, while TikTok Shop and Instagram are emerging conversion points. Is your company positioned to integrate social into discovery-to-checkout journeys?
- 5. Technology's Impact:** Emerging technology is powering in-store, online and omnichannel shopping. Food retailers are incorporating a wide array of technologies into their organizations to enhance shoppers' experience. Which do you feel are the most important technology applications to help food industry organizations succeed in this new shopping era?

Resources for More Information

FMI | U.S. Grocery Shopper Trends | 2025

<https://www.fmi.org/forms/store/ProductFormPublic/u-s-grocery-shopper-trends-2025>

FMI | The Food Industry Speaks | 2025

<https://www.fmi.org/forms/store/ProductFormPublic/the-food-retailing-industry-speaks-2025>

FMI | The State of Technology | 2025

<https://www.fmi.org/forms/store/ProductFormPublic/the-state-technology-2025>

FMI, NIQ, Cornell University and Think Blue | Private Brands at the Digital Crossroads:
A Call to lead in Omnichannel Grocery Retail | 2026

<https://www.fmi.org/forms/store/ProductFormPublic/private-brands-digital-crossroads>

FMI | The Rise of AI Agents:

Grocery Shopping Gets More Automated, More Personal | 2025

<https://www.fmi.org/blog/view/fmi-blog/2025/10/23/the-rise-of-ai-agents--grocery-shopping-gets-more-automated--more-personal>

FMI, NielsenIQ and Think Blue | The Evolution of Retail Media:
Decoding What Works — And What Doesn't | 2025

<https://www.fmi.org/forms/store/ProductFormPublic/evolution-of-retail-media>

NIQ | Future of the Digital Shelf | 2026

[*Webinar | Future of the Digital Shelf - NIQ*](#)

NIQ | Omnichannel Acceleration: Data-Driven Strategies for Brands & Retailers | 2026

[*Omnichannel Acceleration: Data-Driven Strategies for Brands & Retailers in 2026 - NIQ*](#)

NIQ | Solving the Omni Challenge –

How Can Brands Win in an AI Driven, Fragmented Commerce World | 2026

[*Solving the Omni Challenge – How Can Brands Win in an AI Driven, Fragmented Commerce World - NIQ*](#)

NIQ | The New Growth Frontier:

How agentic commerce and AI tilt the scales toward challenger brands | 2026

[*Agentic Commerce and AI in CPG: The New Growth Frontier*](#)