Top Grocery Industry Trends 2026

Data from McKinsey’s State of Grocery North America and FMI’s Food Retailing Industry Speaks highlight 6 critical realities shaping the rest of the year.

We've paired these findings with what we are seeing on the ground at Birdzi.

by Ron Bonacci, VP of Loyalty and Retail Insights

Which of these trends do you think will have the biggest impact over the next year?

Dollar Growth Without Volume Growth

Grocery sales rose 1.2% last year, driven entirely by 2.2% price inflation while unit volume declined 1.0%.

Shoppers are buying fewer items but visiting stores more often.

If your growth is driven entirely by price increases, it isn't true growth.

Value is Being Redefined

It’s no longer just about the lowest price.

Value now means health & well-being (76% of retailers prioritize it), fresh/prepared foods (77% are expanding foodservice), and frictionless convenience.

Technology is Becoming the New Margin

With average industry net profits sitting at a razor-thin ~2.1%, operational efficiency is the strategy.

51% of retailers use advanced data analytics for loss prevention and operations, while GenAI adoption has reached 40% for retailers and 82% for suppliers.

Format Shifts Reshaping Competition

Traditional grocery formats gained 1.9 points of market share over the last two years, while mass formats declined 2.2 points.

Meanwhile, private label continues to outpace national brands in unit sales.

Mission-Based Shopping is the New Norm

The single-store weekly stock-up is fading.

Consumers are aggressively splitting trips across value stock-ups, fresh food runs, and convenience delivery.

Fragmentation rewards retailers with unmistakable positioning.

Strategic Investment Despite Pressure

Even with economic headwinds, grocers are doubling down on the storefront.

Priority investments include fresh department upgrades, local product curation, and frictionless checkout.

The Birdzi Take:

We see trends like this play out daily within customer loyalty data.

The pattern is clear: when dollars grow but units, baskets, and loyal-shopper counts shrink, the topline is telling a comfortable story—not a true one.

The real takeaway for 2026

The winners won't be the ones celebrating a superficial headline number.

They will be the operators who understand their shoppers deeply enough to surface the truth underneath the data and act on it, one personalized offer at a time.