2026 TRENDS

Grocery

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As grocery retailers head into 2026, the industry is shifting gears to extract value from recent investments made across AI, eCommerce, retail media, and in-store technology. After several years focused on building new capabilities, attention is now turning to what it takes to realize impact at scale. Along the way, many of these initiatives have surfaced gaps in integration, data readiness, and operational maturity, pushing retailers to move beyond experimentation and toward sustained business results.

Macroeconomic pressure also continues to shape consumer behavior. Even as inflation moderates, shoppers remain highly value conscious, which is forcing retailers to take a harder look at how they price, promote, and engage customers. Loyalty strategies and digital touchpoints are increasingly being used to drive more frequent trips and larger baskets, while reinforcing relationships across physical and digital channels.

Operationally, retailers are evolving their approach to technology, embedding it into core infrastructure rather than deploying isolated tools. AI is being woven into areas such as demand forecasting and personalization, with growing application in workforce planning as well. Retail Media Networks are moving past pilot phases and becoming more formalized revenue streams, while in-store and supply chain technologies are being reevaluated based on their ability to scale and deliver measurable returns.

These shifts signal a more disciplined phase for grocery retail. The trends that follow highlight where strong execution and organizational readiness will matter most as retailers navigate 2026.

TREND 1

From Experimentation to Embedded: How AI Will Reshape Grocery Retail in 2026

In 2025, AI adoption expanded rapidly, accompanied by growing realism about what it takes to move from pilots to consistent, scalable business impact. While confidence in AI's long-term importance remained high, many organizations struggled to translate pilots into consistent business impact. Executives agree generative AI will eventually transform their businesses but are reconsidering the pace of adoption. This sentiment was echoed at Groceryshop 2025, where industry leaders acknowledged the need to shift from experimentation toward building the foundational systems, processes, and operating models required to unlock value at scale.

For grocery retailers, this disconnect was clear. Many pursued AI experiments across forecasting, pricing, personalization, and labor planning, while simultaneously highlighting gaps in organizational readiness and deployment maturity. Companies across industries struggled to move AI beyond pilots due to integration complexity, inconsistent data readiness, governance gaps, and talent shortages. The key challenge is bridging experimentation with operational value: retailers are increasingly asking not whether to use AI, but how to prioritize use cases and close systemic gaps to improve business outcomes.

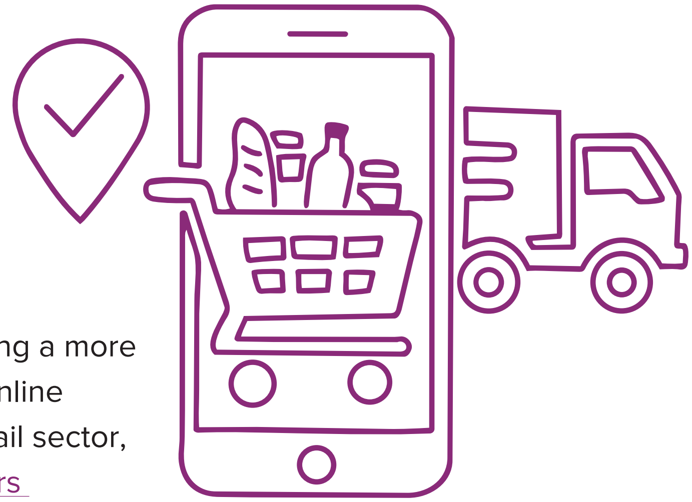
By late 2025, AI adoption in grocery retail was increasingly moving beyond isolated experiments toward deeper integration within core business processes – AI transitioned from a promising tool to embedded infrastructure in how businesses operate. Innovations like Instacart's instant checkout powered by ChatGPT demonstrate how AI is becoming embedded in both customer-facing experiences and operational workflows, signaling a shift to practical applications at scale.

AI is also enhancing end-to-end supply chain unification at retailers through more accurate forecasting, greater visibility into in-store inventory, increased productivity in the warehouse, and informed optimization of logistics management. This transition is supported by technical progress. Advances in reasoning, benchmarking, and multi-step decision support make AI more suitable for complex decision-making, not just automation. Looking ahead to 2026, industry outlooks underscore a pragmatic approach, prioritizing which processes generate measurable ROI from AI and what levels of human oversight are appropriate for each use case.

Ultimately, competitive advantage will come from execution maturity, not experimentation volume. While 2025 was defined by AI optimism, 2026 will favor leaders who start with strong infrastructure foundations and embed intelligence into core workflows, supported by strong data foundations, change management, and clear governance.

TREND 2

Online Grocery Scales as Competition and Execution Intensify



Grocery eCommerce and omnichannel strategies are entering a more competitive and consequential phase heading into 2026. Online grocery continues to be a primary growth engine for the retail sector, with delivery and pickup gaining share globally as consumers prioritize convenience and speed. In the U.S., online grocery sales reached recurring monthly highs throughout 2025 attributed to increased penetration and higher order frequency. Looking ahead, online grocery is expected to represent a 20% share of total U.S. ecommerce, driven by improved technology integration and evolving consumer expectations.

Platform strategies are also reshaping the competitive landscape. DoorDash has significantly expanded its grocery footprint by adding national, regional, and local grocers, while deepening partnerships that extend full grocery assortments to millions of households nationwide. The launch of a grocery shopping experience within ChatGPT highlights the next frontier of eCommerce ordering, reshaping how shoppers discover and purchase groceries. At the same time, Amazon's continued push into same-day grocery delivery is raising service expectations and intensifying competitive pressure across the sector.

Retailers are also reassessing fulfillment strategies in pursuit of profitability. Kroger's decision to close certain automated fulfillment centers while reinforcing partnerships with third-party delivery providers reflects a broader industry reset toward capital efficiency and margin improvement. Similarly, Ahold Delhaize has reported progress toward eCommerce profitability, demonstrating that disciplined omnichannel execution can balance growth with financial performance.

Despite continued growth, retailers enter 2026 facing ongoing pressure to drive eCommerce profitability. Emerging technologies, including conversational commerce, voice ordering, and personalization, present opportunities to improve conversion and engagement, but long-term success will depend on how effectively retailers prioritize implementation aligned with business size, budget, and customer needs.

TREND 3

Retail Media Networks: The New Growth Engines

Retail Media Networks (RMNs) are gaining ground as major growth contributors for grocery retailers as they move beyond early experimentation and focus on generating repeatable, measurable revenue. Defined as retailer-owned advertising across digital, physical, and loyalty touchpoints powered by first-party shopper data, RMNs allow grocers to offer brands targeted access to high-intent audiences across in-store, on-site, and off-site activation channels with the goal of capturing closed-loop measurement from ad exposure to purchase.

Across the grocery sector, mid-market, regional, and large-scale grocers are increasingly exploring RMNs to engage local shoppers and attract CPG advertisers seeking targeted, data-driven opportunities. Leveraging retailer's proprietary data, digital real estate, and in-store experiences to deliver hyper-targeted advertising are key factors driving the premium value of retail media inventory and advertiser demand. Industry forecasts further emphasize the rapid growth of retail media, projecting that commerce-driven advertising spend will soon outpace traditional television, highlighting the significant scale and momentum behind this marketing channel.

Execution challenges remain a barrier to scaling retail media. Retailers report ongoing difficulty measuring returns from in-store and omnichannel technology investments, highlighting inconsistent metrics that cloud performance evaluation – challenges that will likely also affect emerging retail media initiatives.

Retail media also requires robust identify resolution (*connecting shopper behavior across touchpoints to a single, privacy-safe profile*), data governance (*rules for data quality, access, and privacy*), clean-room analytics (*privacy-safe data sharing and measurement*), and seamless ad-tech integration (*linking retail data to ad delivery and reporting*). These complex capabilities demand investment in technology and organizational processes rather than just ad inventory, which can be especially difficult for smaller grocers to operationalize effectively.

Looking into 2026, retailers will need to invest in the foundational elements of retail media such as data infrastructure, privacy-safe measurement, and clear operational standards. RMN success will hinge on disciplined execution rather than rapid expansion to unlock sustainable revenue while protecting shopper trust and supplier relationships.

TREND 4

Improving Technology Across the Organization in 2026

As grocery retailers head into 2026, technology is increasingly being viewed as a strategic enabler woven across the organization rather than a collection of isolated tools. Insights from Groceryshop 2025 reinforced that retailers are placing greater emphasis on practical, scalable solutions that enhance both customer experience and operational performance. Investment decisions are becoming more disciplined, with a stronger focus on technologies that can be clearly tied to business outcomes rather than experimentation for its own sake.

In-store technology continues to be a major focus area. Sam's Club has accelerated deployment of its AI-powered Scan & Go system across hundreds of U.S. locations, reducing checkout friction and reshaping how customers move through stores. Other grocers are piloting AI-enabled smart carts that automatically scan items, tally totals, and capture valuable in-aisle data to improve store flow and merchandising decisions.

Additionally, these carts have the potential to unlock a powerful opportunity for in-store retail media and bigger baskets – leveraging screens the shopper is already engaging with. At the shelf, electronic shelf labels and computer vision systems are gaining traction, enabling real-time price updates, improved labor efficiency, and better visibility into on-shelf availability. Advanced self-checkout systems using AI for produce recognition and loss prevention are also being deployed to improve throughput while addressing shrink.

Beyond the store floor, AI and automation are driving gains in operational efficiency. Retailers are increasingly using AI-driven inventory models, sensors, and real-time data to improve demand forecasting, reduce out-of-stocks, and make replenishment more proactive. At the same time, automation strategies are being recalibrated. Kroger's decision to close some centralized automated fulfillment facilities reflects a broader shift toward store-based fulfillment supported by technology and third-party networks to balance speed, flexibility, and cost.

The challenge for 2026 will be integration and change management. As AI, automation, and digital tools mature, competitive advantage will come from how effectively retailers connect technologies across stores, supply chains, and omnichannel operations. Those that treat technology as an enterprise capability will be better positioned to deliver seamless experiences, deeper insights, and sustained efficiency gains in an increasingly competitive grocery landscape.

Equally important is preparing people and adapting core business processes for the change with extensive user support for AI tools. Retailers need to create environments that encourage the progression of their employees' use of AI from experimentation to collaboration and integration in their day-to-day activities, while also establishing compliance standards and usage guidelines to protect their users as adoption scales.

TREND 5

Macro Forces and Consumer Preferences

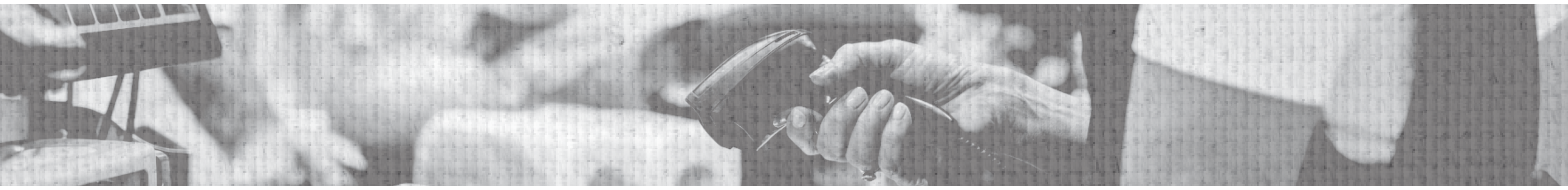
Heading into 2026, macroeconomic pressure and shifting consumer priorities continue to reshape grocery demand. While inflation has moderated from recent peaks, households remain highly price sensitive and value driven, adjusting shopping behaviors to manage ongoing cost uncertainty. Shoppers are leaning into promotions, buying fewer discretionary items, and prioritizing affordability and utility over experimentation. This value orientation is reinforcing the strength of private labels, with store brands outpacing national brands in growth and gaining share as shoppers seek quality at lower price points.

At the same time, consumer definitions of “value” extend beyond price alone. Shoppers are increasingly gravitating toward foods that feel authentic, simple, and transparent. Demand is rising for minimally processed products with clean ingredient lists and clear sourcing, reflecting broader concerns about health and trust in food systems. Functional and nutrient-dense foods are also gaining traction, as consumers look to maximize nutritional benefits per dollar spent. Health-related behavior shifts are further influencing demand: research shows GLP-1 medication users are reducing overall food spending and cutting back on fast food and restaurant meals, signaling downstream impacts for both grocery assortment planning and prepared food categories.

Protein remains a central focus in the grocery basket, but consumer preferences are diversifying. Shoppers are balancing traditional animal proteins with plant-based, while also experimenting with new formats such as protein-enhanced cheeses, yogurts, and ready-to-drink beverages. In parallel, global and ethnic flavors continue to move into mainstream eating, driven by younger consumers exposed to new cuisines through social media and digital platforms.

Digital engagement continues to shape how consumers shop and discover food. Online grocery adoption, faster delivery expectations, and personalized digital experiences are influencing cross-channel behavior, while social and video platforms increasingly drive product discovery and trial, particularly among younger demographics.

Collectively, these trends suggest that 2026 grocery demand will be shaped by sustained value seeking, heightened health awareness, evolving dietary patterns, and digitally influenced discovery, requiring retailers to balance price leadership with relevance, transparency, and convenience across channels.



Looking Ahead

These grocery trends point to a common theme: maturity. Across AI, ecommerce, retail media, and enterprise technology, success is no longer driven by experimentation alone but by disciplined execution and integration.

AI is becoming embedded in everyday operations, requiring strong data foundations, governance, and clear prioritization of use cases. eCommerce continues to scale, and retailers are refining fulfillment models and partnerships to balance growth with profitability. Retail Media Networks are emerging as meaningful revenue contributors, yet demand operational rigor, consistent measurement, and trust with both shoppers and brands.

At the enterprise level, technology investments are increasingly evaluated based on how well they connect across the organization. Siloed tools and fragmented systems will limit impact in an environment where speed, efficiency, and insight are critical.

Underlying all of this is a consumer who remains value-driven, health-conscious, digitally influenced, and selective. In 2026, winning grocery retailers will be those that simplify their strategies, invest in strong foundations, and align innovation with real customer and business needs.

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