

AlixPartners

Grocery Shopper Perspectives

2025 Report



Contents

Introduction 03 >

Looking ahead: consumer expectations for 2025 05 >

Store choice drivers: price and promotion 16 >

Store choice drivers: fresh offering 20 >

Store choice drivers: in-store experience 24 >

Store choice drivers: online experience 27 >

Store choice drivers: ambient offering 30 >

Trend spotlight: role of private label 34 >

Summary 38 >



Introduction

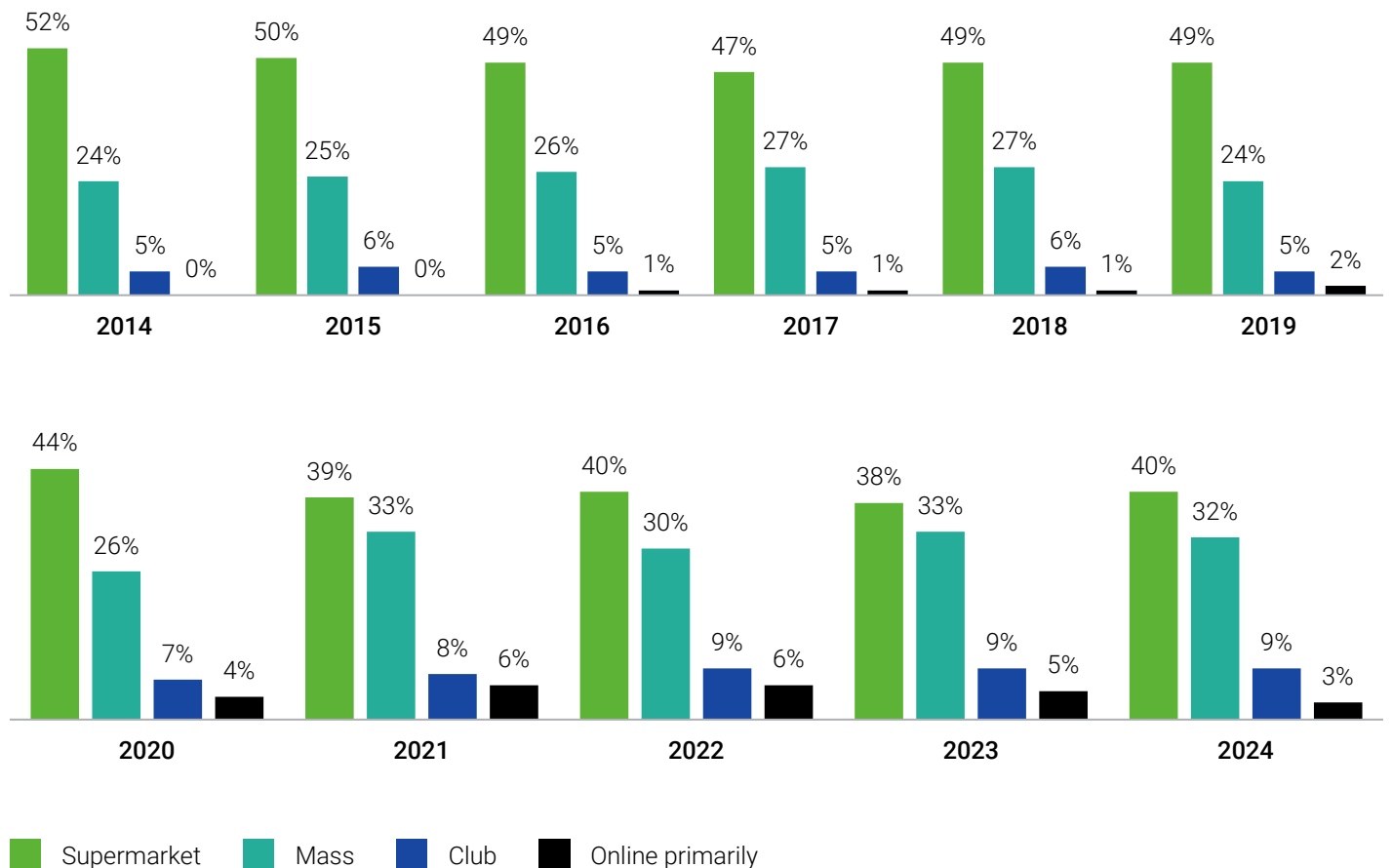
New AlixPartners research explores two of the most critical questions challenging food retailers today: how U.S. consumers are responding to continuing financial pressure, and how they're deciding in which stores to spend their precious dollars.

As wealth becomes more concentrated, shoppers are increasingly less satisfied by middle-of-the-road offerings. Instead, they gravitate toward specialists: retailers laser-focused on price, or retailers delivering value through next-level fresh food offerings and in-store experience.

Because of this bifurcation of consumer preferences, **attempting to be everything to everyone is no longer a viable strategy** in grocery.

More than half of consumers no longer claim supermarkets as their primary channel for grocery shopping. The share lost over the last decade has largely gone to mass merchandisers — primarily Walmart — but also to clubs and online retailers.

Primary channel for grocery purchases



Source: U.S. Grocery Shopper Trends, Finding Value 2024, The Food Industry Association

According to our research, discount is another channel that has displaced traditional grocery as the go-to for many consumers. In our most recent survey of 1,000 primary shoppers, 9% said they spend most of their grocery budget in discount.

Along with the large swath of consumers who've abandoned supermarkets as their mainstay for grocery purchases, others are shifting portions of their baskets. For example, while only 9% of consumers spend most of their grocery budget in discount, 38% have shopped that channel during the last 12 months – and a whopping 27% of respondents expect to shop at discounters more this year than they did last year.

Value-seeking behavior is not limited to shoppers with constrained finances. In the last year, **seventy-five percent of shoppers have made changes to how they buy due to financial concerns.** Those measures are expected to persist in the coming months. Yet even as price remains a significant factor, it is far from the only variable in the store choice decision.

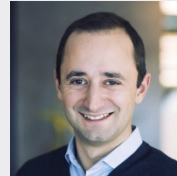
In addition to our most recent consumer survey, we conducted research over the course of a year that generated head-to-head comparisons of U.S. retailers to understand how consumers view them relative to one another and which retailers hold advantages in the areas that drive store choice.

Choosing how to differentiate begins with understanding what customers want, and that's what this research benchmarks. With clarity on how shoppers have adjusted in response to financial pressure in the last year; outlook on how they plan to buy this year; and analysis of the drivers that matter most for store choice, **this report can help retailers pinpoint the opportunities** that will be most valuable to them.



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We know your time is valuable. Thank you for taking the time to read this research, and we look forward to continuing the conversation.



Looking ahead: consumer expectations for 2025

Financial concerns continue to influence spending

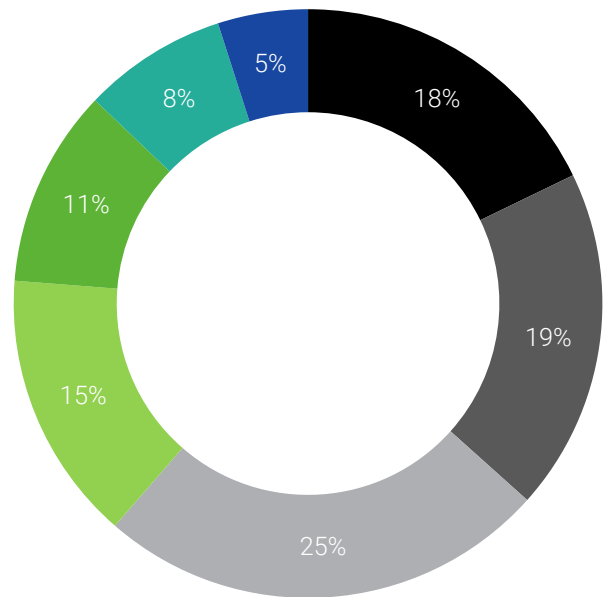
The fact that inflation slowed down in 2024 doesn't mean much to shoppers. Prices aren't rising as quickly, but they're still much higher than pre-pandemic – and customers feel it.

Only **23%** of survey respondents described themselves as confident regarding their financial situation, while **62%** said they are concerned or very concerned.

In other signals of continuing financial strain, many consumers said they expect to buy less in the coming months from premium categories like **organic, deli/prepared foods, and bakery**, and they expect to buy more from categories including **canned goods and frozen**.

Similarly, many consumers said they expect to shop less in the coming year at **natural, ethnic/specialty, convenience and digital** retailers – often associated with premium items, higher prices, or extra fees, respectively. On the flip side, more than a quarter of consumers (27%) plan to shop **discounters** more.

Consumer sentiment on personal financial situation



75%

of consumers have changed how they shop for groceries in the last 12 months and expect to continue with at least some of those changes and/or make others

>80%

of those 54 or younger

67%

of those making \$100K+



With consumers focused on spending more judiciously, retailers will undoubtedly focus their marketing machines on conveying the value they deliver – but they had better be certain their claims will hold up to close scrutiny by shoppers.



“

Don't lose sight of the fact that you should always be looking for opportunities to engineer out cost and use that to invest in pricing, and there is no substitute for that. That is the single most important tactic. If you have prices that aren't competitive, you're going to suffer, and you can try to message about value as much as you want, but first and foremost you have to do the work. The prevalence of cost-cutting measures across income levels and age groups underscores the importance to all grocers of delivering the best pricing they possibly can on an ongoing basis.”

– **MATT HAMORY**

46%

Expect to buy more store brand items

35%

Expect to go to different stores

49%

Expect to meal plan more and avoid impulse buys



75% of consumers have changed how they shop in the last 12 months. On average, respondents listed **three** changes they've made already and **three** they expect to make – or continue – this year.

I take advantage of sales to stock up



I buy fewer items overall



I buy grab-and-go deli meals as a substitute for restaurant meals



I use coupons more



I buy fewer items that don't provide nutrition (chips, candy, soda)



I get more shelf-stable or frozen so we don't waste as much



I go to different stores



I buy more private label items



I plan my meals more and try to stick to my grocery list

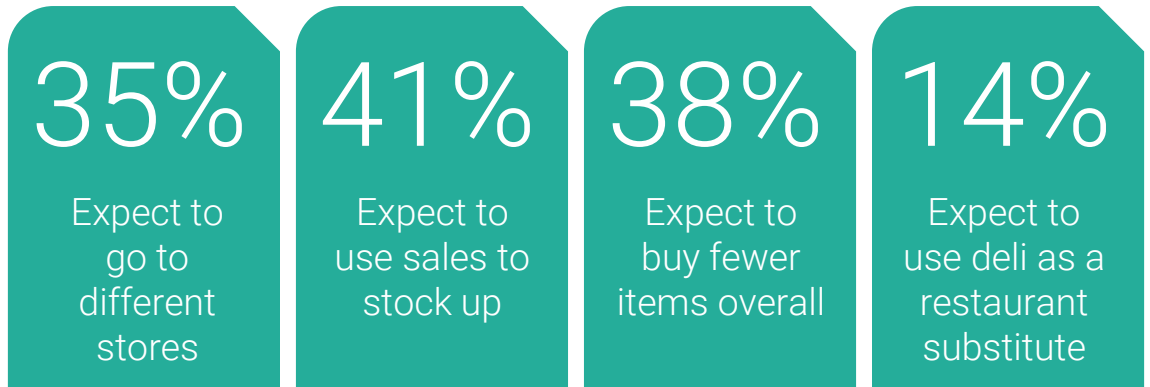


Shoppers who expect to make these changes/continue them in 2025

Shoppers who've already made these changes in the last 12 months

Expected changes in spending

Consumers of all ages, income levels and regions are aligned on a couple of the ways they expect to change how they shop for groceries in 2025 – namely meal planning more while limiting impulse buys, and buying fewer items with limited nutritional value – but beyond those two options, there are noticeable differences by demographic.

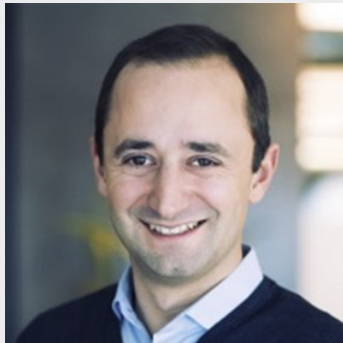


Age	35%	41%	38%	14%
18-24	32%	30%	36%	23%
25-34	39%	30%	28%	21%
35-44	34%	36%	37%	15%
45-54	33%	37%	35%	11%
55-64	31%	47%	41%	11%
65+	39%	57%	50%	8%
Income				
Less than \$25,000	27%	32%	40%	11%
\$25,000 to \$49,999	34%	45%	41%	7%
\$50,000 to \$99,999	32%	38%	39%	19%
\$100,000+	44%	47%	33%	13%
Region				
Midwest	35%	47%	31%	10%
Northeast	38%	40%	33%	10%
South	35%	38%	42%	15%
West	30%	40%	46%	22%

“

Consumers are increasingly focused on the price point of a product and the actual content of the product — not the brand on the packaging. This is why grocers need to bring store brands front and center; because they don't have the high marketing costs that national brands do, grocers can offer superior products at more attractive prices, thus meeting the two key needs of their customers: products they love at prices they like.”

— MARCO DI MARINO



46%

Expect to buy more store brand items

Age

18-24	34%
25-34	38%
35-44	44%
45-54	45%
55-64	54%
65+	51%

Income

Less than \$25,000	41%
\$25,000 to \$49,999	48%
\$50,000 to \$100,000	42%
\$100,000+	52%

30%

Expect to buy more shelf-stable or frozen

41%

Expect to use coupons more

49%

Expect to plan more meals and stick to their list

34%

Expect to buy fewer items that don't provide nutrition

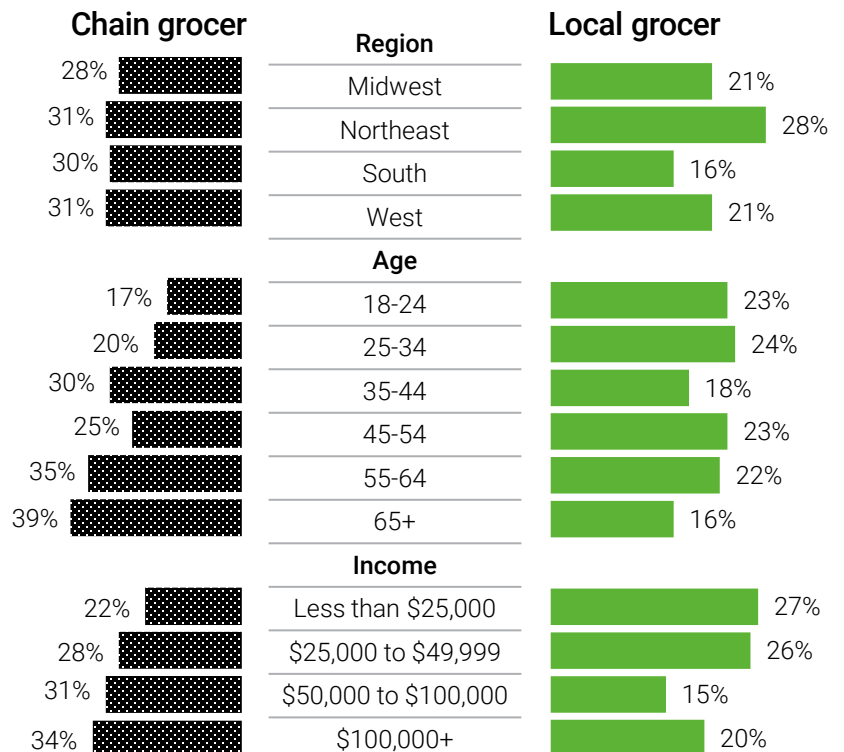
Age				
18-24	34%	34%	50%	34%
25-34	29%	38%	47%	27%
35-44	28%	42%	53%	32%
45-54	28%	42%	47%	28%
55-64	35%	38%	51%	38%
65+	31%	45%	46%	44%
Income				
Less than \$25,000	30%	33%	43%	31%
\$25,000 to \$49,999	29%	42%	48%	34%
\$50,000 to \$99,999	29%	38%	50%	34%
\$100,000+	34%	48%	54%	35%
Region				
Midwest	30%	43%	53%	32%
Northeast	29%	41%	48%	34%
South	28%	38%	47%	33%
West	38%	42%	50%	37%

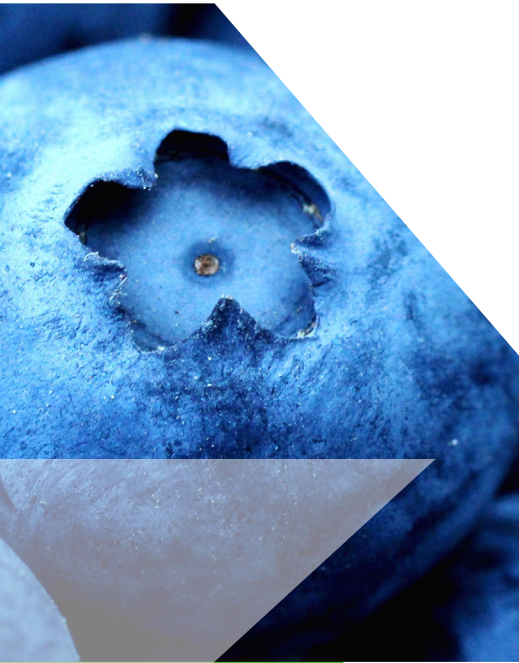
How traditional grocery fits into the food retail landscape

Supermarkets – from large national chains to local independents – aren't the go-to for groceries they used to be. Twenty-six percent of survey respondents said they spend most of their grocery budget at mass merchandisers, while 9% rely on clubs and another 9% on discounters. The trend of moving away from traditional grocery is especially pronounced among younger shoppers.

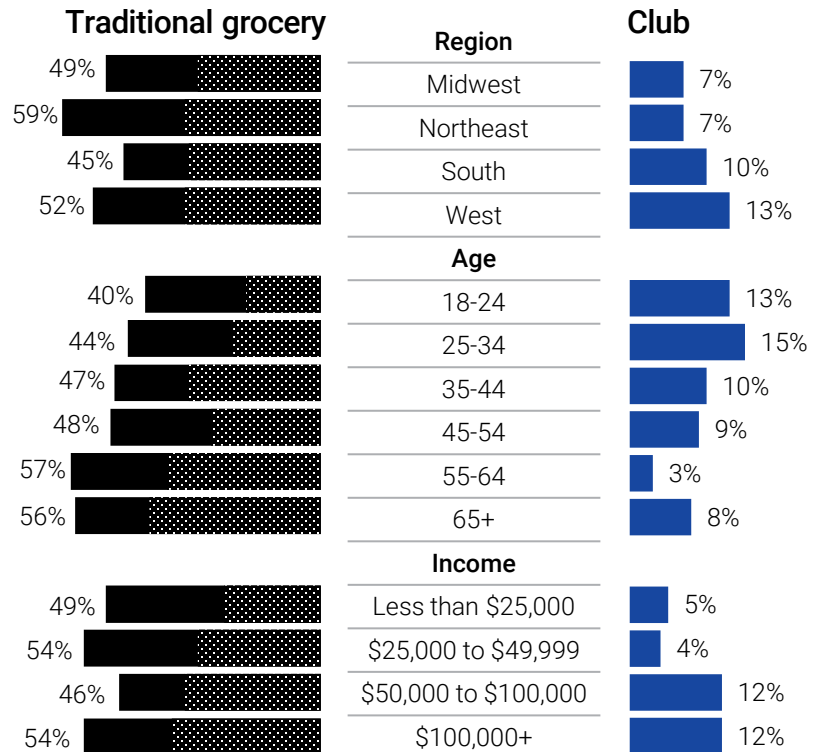
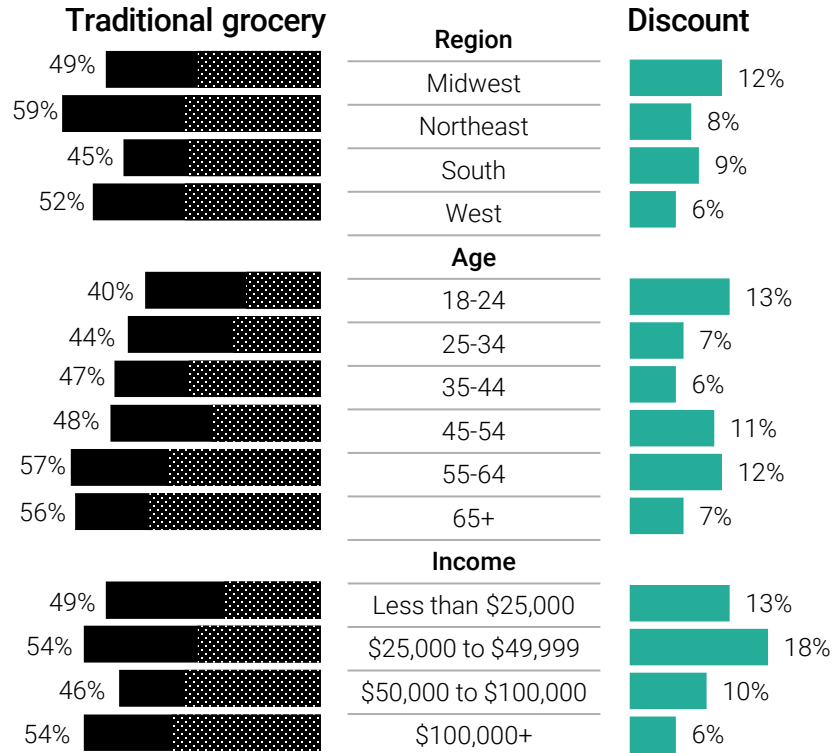




Where do you spend most of your grocery budget?





Where do you spend most of your grocery budget?



 Chain grocery
 Local grocery

Store choice drivers

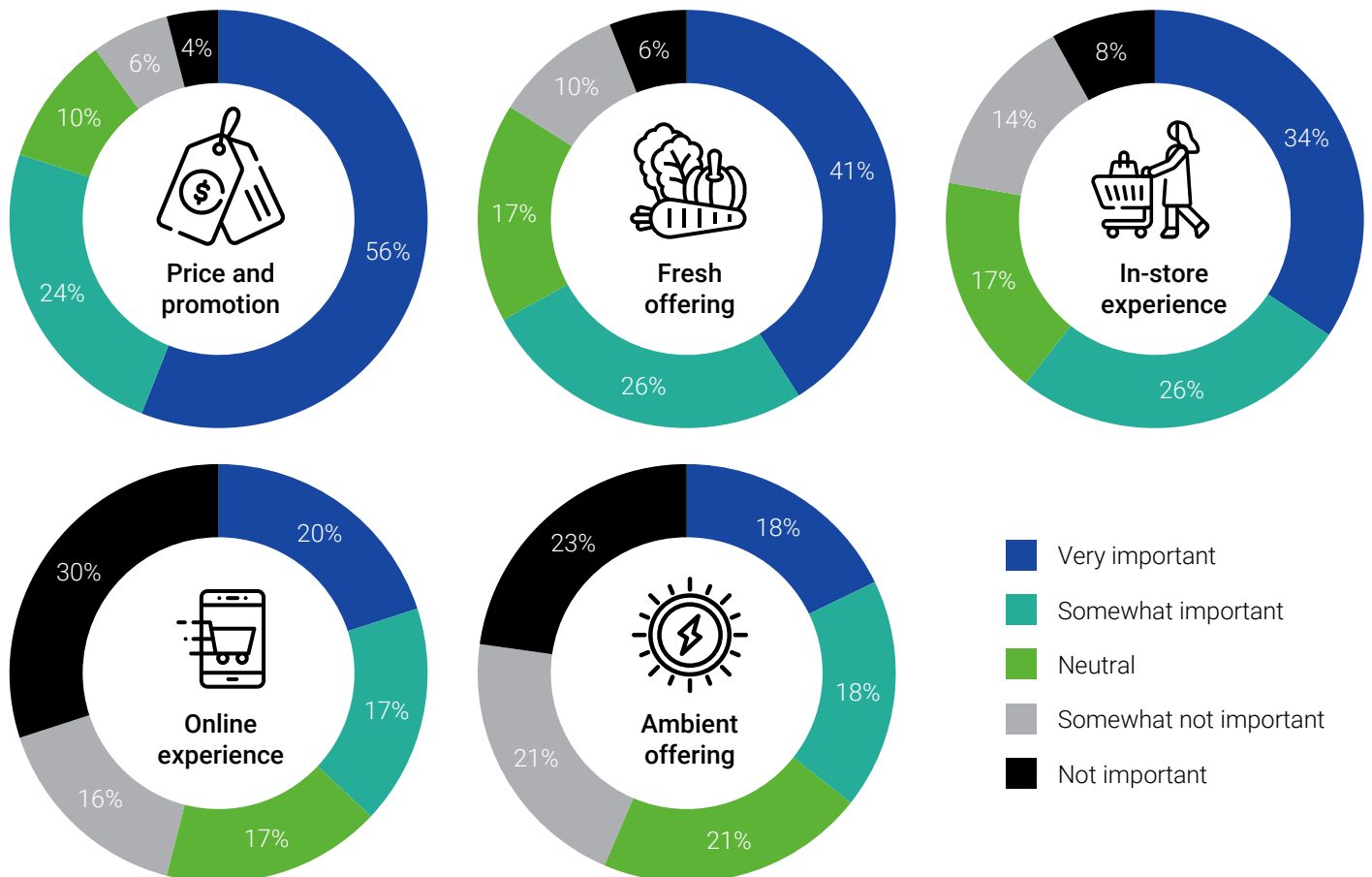
Fifty-six percent of shoppers rated price and promotion as a “very important” factor in where they choose to shop — a significantly higher portion than any other driver.

Even so, the fact that only 56% of respondents described price and promotion as “very important” means 44% described it as less critical.

In this section, we’ll dig deeper into the top variables influencing store choice; provide examples of retailers outperforming their peers; and offer recommendations on how to ensure you’re positioned appropriately in each area.



How consumers rate five key store choice drivers



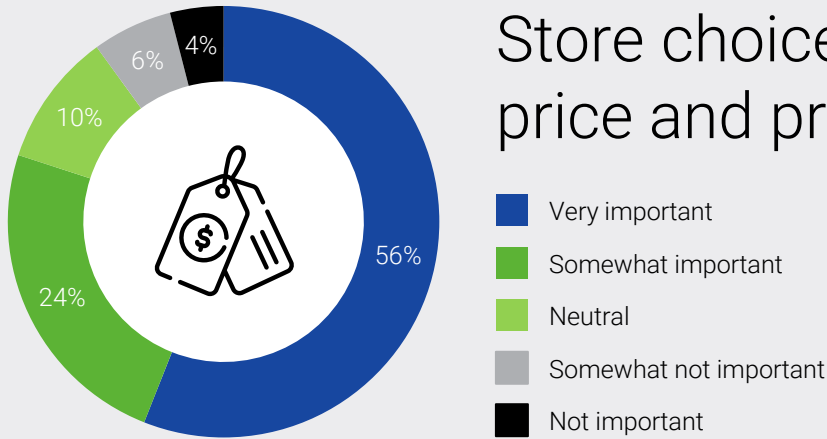
Store choice drivers

- Price and promotion
- Fresh offering
- In-store experience
- Online experience
- Ambient offering





Store choice driver: price and promotion

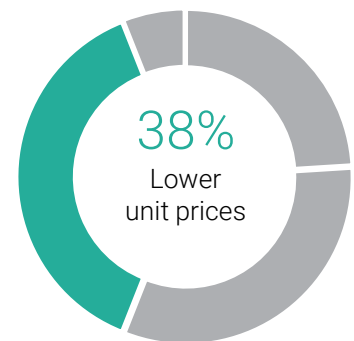
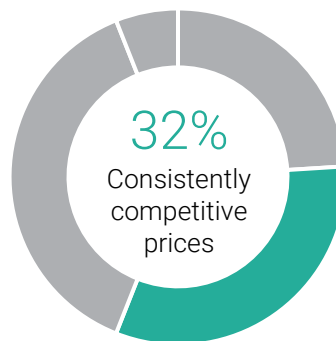
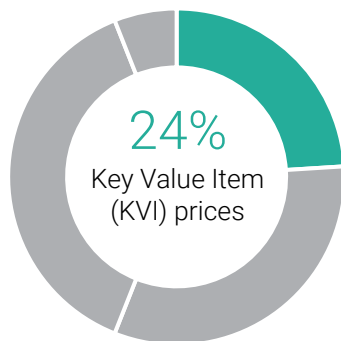


No factor has more influence over store choice than price and promotion – that much is undisputed. However, there’s considerable variety in how consumers evaluate whether a grocer offers good prices and good promotions.

Regarding prices, while unit prices are the deciding factor for 38% of shoppers, **another 32% say they don’t want prices “that are super-low sometimes but high other times.”** This should be a caution to grocers as they define their promotional strategy.

In the mind of the shopper, value is most closely correlated with price, not with promotions. Attractive everyday prices on key value items (KVIs) are non-negotiable because of the amount of sales they drive and the willingness of customers to switch stores for a better deal, but those daily values can’t be outliers funded by exorbitant prices on ostensibly less important items.

How shoppers evaluate whether a store has “good prices”



Age	Key Value Item (KVI) prices	Consistently competitive prices	Lower unit prices
18-24	28%	36%	34%
25-34	20%	39%	36%
35-44	23%	35%	37%
45-54	28%	31%	33%
55-64	26%	28%	40%
65+	23%	26%	42%

Even though roughly one-quarter of shoppers say they assess a grocer's prices based on a limited number of key items, grocers should beware of a "bellwether" or KVI-led approach.



“

It's not really a small set of items that drive customers. You don't want to mess up on prices for milk, bread, eggs, ground beef and the like, but those themselves are not enough. **What customers notice at some point is how much they're spending on groceries over time.**

If you have good prices on some things and unreasonable prices on everything else, and in particular if you're allowing those prices to come up — or if you're funding a KVI strategy by increasing prices on things you don't think matter and lowering prices on things you think do — **customers figure that game out because they see their bill go from \$95 a week to \$110, and that \$15 is material**, and they realize that they're not getting good value.”

— **MATT HAMORY**

Our research found that **6 of the 10 highest net promoter scores** belonged to retailers to whom consumers assigned the biggest advantages in the area of price and promotion.

In non-traditional channels like mass merchandise and discount, price alone – versus price and promotions – earned retailers high marks on value. For traditional grocers, high scores on value required **above-average performance in both price and promotion.**

NPS of price and promotion leaders*



9.4

H-E-B is the strongest conventional supermarket operator in the U.S., and one reason is its curated fresh offer, with high turns driving freshness and low shrink. H-E-B goes head-to-head against Walmart on price and boasts best-in-class supply chain/operations, a wide range of high-quality own-brand products, and an excellent curbside pickup program.



9.2

Costco separated itself from other clubs with a standout private brand, Kirkland Signature, that it leverages expertly across many categories. Another differentiating factor is Costco's disciplined approach to its assortment, which is limited and carefully curated.



9.0

Aldi has one of the best private brand programs globally. It drives the innovation agenda, developing new ideas and formulations. Its tight integration with manufacturers, characterized by multi-year relationships and joint forecasting, allows it to deliver unique items, while its no-frills operations model keeps its costs much lower than competitors.



8.7

ShopRite distinguishes itself with a top-tier promotional program, strong private brands, assortments curated to the surrounding communities, and a robust prepared foods offering.



8.6

Market Basket is ranked as the second-best national grocer by customer satisfaction and tied for the best when it comes to pricing. This family-owned chain excels in customer service, employee loyalty, food quality, and pricing.



8.4

Walmart's laser focus on low prices across a vast array of goods has translated into a crystal-clear value proposition for shoppers: extremely competitive prices on just about everything. With an everyday low price (EDLP) model instead of a high-low proposition, Walmart doesn't get much credit for deals or loyalty programs, but doing one thing exceptionally – pricing – is enough.

*among shoppers that claim the listed retailer as their primary store

Considerations for retailers

Instead of basing your pricing strategy on KVIs ...



Commit to strategically investing in pricing on a continual basis and consistently messaging about the value you offer.



Revisit which items live in the “everyday low price” category and which live in the “high-low” category and see if changes are needed.



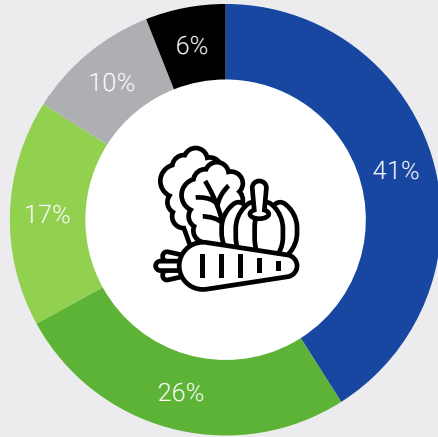
Push back on supplier changes that threaten value proposition – reducing pack size, raising prices beyond certain thresholds, etc.



As retail media grows in popularity, take care to find the right balance between online and in-store promotions.



Store choice driver: fresh offering



- Very important
- Somewhat important
- Neutral
- Somewhat not important
- Not important

Not only do 41% of shoppers select fresh offering as a “very important” driver of their store choice, but 43% base their overall quality perception of a store on how fresh the items in the perimeter departments look on display and how long they last in the home after purchase. It’s tough to have a strong quality reputation without a strong fresh reputation.

H-E-B, Wegmans, Lunds & Byerlys and Publix have built some of the best fresh reputations in the country, and head-to-head comparisons between those grocers and their in-market peers reveal that excellence in fresh serves as a meaningful differentiator for the organizations that embrace it.



Wegmans is known for large stores with astounding variety, especially in fresh. One of the company’s locations boasts a ‘Sakanaya’ (fish market in Japanese) carrying seafood from Tokyo’s Toyosu Fish Market, which is collaborating with Wegmans on the offering. Gold Pan Meals is the company’s extensive ready-to-cook lineup of restaurant-quality ‘mix-and-match, no-prep’ meals.



H-E-B has treated fresh as a cornerstone since the early 1990s, when it entered a multi-year consulting project with the legendary Harry’s Farmers Market in Atlanta (later acquired by Whole Foods) to transform its supply chain, level up its marketing and merchandising, and optimize its operations. It’s no accident H-E-B is head-and-shoulders above the rest in fresh; the company has been investing heavily in this area for decades.



Publix holds higher-than-average standards when it comes to fresh. The company has a reputation for conducting blind taste tests of its own product and competitor product to ensure it’s offering the best available. It’s also known to be strict with suppliers on specifications, more willing than most to reject loads. Publix also prioritizes presentation of fresh.



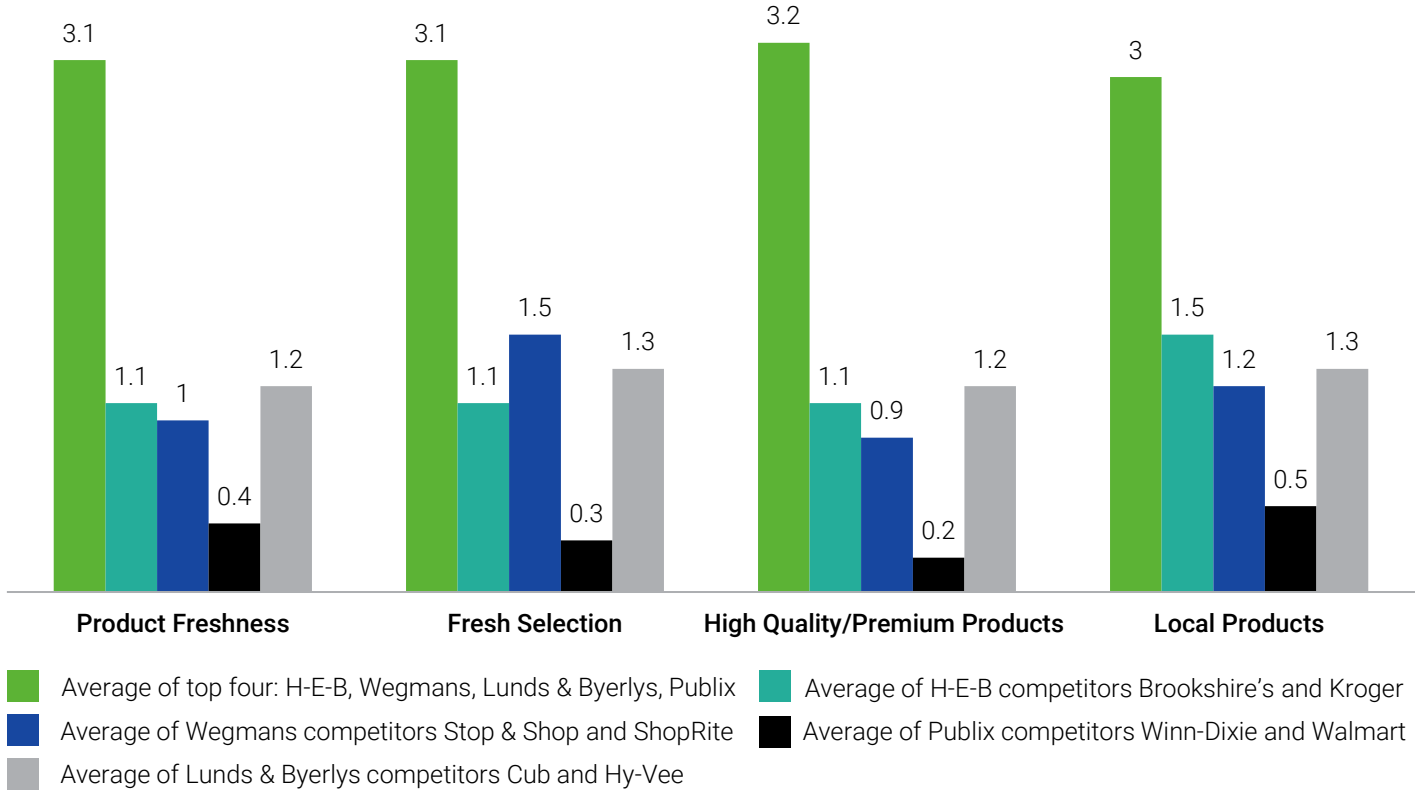
Lunds & Byerlys looks to differentiate with a high-end shopping experience, and fresh is a significant factor. Its newest store has features like an indoor mushroom habitat; foodservice stations for tacos, sushi, stir fry, salads and more; and a dedicated culinary expert they call the “FoodE,” among other unique offerings.



In head-to-head comparisons of the fresh offerings of different grocers, consumers gave H-E-B, Wegmans, Lunds & Byerlys and Publix the biggest advantages in product freshness, fresh selection, high quality/premium products, and locally sourced products.

While many grocers would say they focus on fresh, the scores of these top four performers show a marked difference between grocers that might be categorized as “good” in fresh and those that are truly best-in-class.

Average advantages for fresh winners and their in-market peers





Expert perspective: Matt Hamory

A fundamental decision when it comes to fresh, particularly produce, is whether to pursue a **first-of-season strategy** or a **best-of-season strategy**. It's an ongoing debate for many grocers and has availability, pricing, quality and competitive considerations.

A first-of-season approach can bring shoppers into the store and build a reputation as the place to come for the latest and greatest offerings, but sometimes the first available peaches, for example, simply aren't great peaches, and kicking off a season with average quality risks alienating customers for weeks, perhaps even the duration of the season.

Promotional strategy is another critical variable in fresh. In some ways grocers can think about promotions as demand management, similar to the way that an apparel retailer would think about it: **"We bought all this inventory, and we need to make sure we sell through it before nobody wants it anymore."** It's a clearance and markdown-led approach as opposed to more traditional grocery promotion. Thinking about promotions as a way to move volume and maintain freshness is the right way to do it. The traditional approach, with episodic promotions that drive huge shifts in volume, actually can harm your fresh perception if your supply chain and your stores can't handle those pulses of volume.

Imagine that on promotion you'll sell 100,000 units of blueberries in the week, and you buy 120,000 to make sure you have coverage. You end up throwing away 10,000. Aside from the shrink, there's another issue: **Right up until those units become shrink, they're on the shelf.** If the customer walks by five minutes before an associate comes through to cull, now you've ruined your fresh impression.

Considerations for retailers



Strengthen selection by developing closer relationships with suppliers and collaborating on product launches, LTOs, exclusive items, and category management.



Decide whether to pursue a 'first of season' strategy or a 'best of season' strategy based on availability, quality, pricing, and customer preference considerations.



Carefully evaluate the traditional promotional cadence and consider adjustments with the mindset of promotions as demand management. This will support increased freshness.



Align more closely with marketing so that fresh gets appropriate representation across in-store and digital channels in a way that corresponds with the promotional calendar.



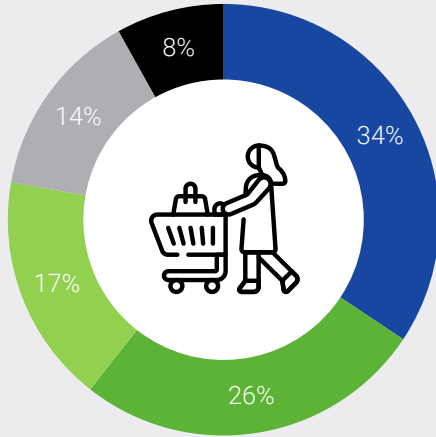
Ensure a meaningful local selection across categories, beginning with how your customers define what qualifies as local. Seek long-term partnerships to create traffic-driving seasonal excitement.

Further reading on better leveraging fresh

[Three ways grocery retailers can promote more profitably in fresh](#)

[Prioritize selling conversations with your fresh food suppliers](#)

[Unite your merchants, your marketers and your stores for fresh food success](#)



Store choice driver: in-store experience

- Very important
- Somewhat important
- Neutral
- Somewhat not important
- Not important



A third of shoppers deemed in-store experience as a “very important” factor in their store choice. More specifically, consumers declared **in-stock position and store layout** as the most critical components of in-store experience, suggesting those areas are top-of-mind and thus the areas most likely to be disqualifying if a retailer falls short.

However, the grocers that rated better than their peers for in-store experience ranked high in all areas — in-stock, store layout, “shopping here inspires me,” and staff.

The survey indicates that most shoppers don’t recognize staff as a critical part of their store experience, but the role of team members shouldn’t be underestimated. Publix and Wegmans, for example, are known as some of the top operators in grocery, and they are recognized year after year as Best Companies to Work For. They also happen to have reputations for stellar customer service, which always comes back to staff.

What matters most for in-store experience

33%

The shelves are always stocked with products I want

28%

The store layout makes it easy for me to find what I want

18%

The store offers quick checkout options

9%

The store is clean and tidy

5%

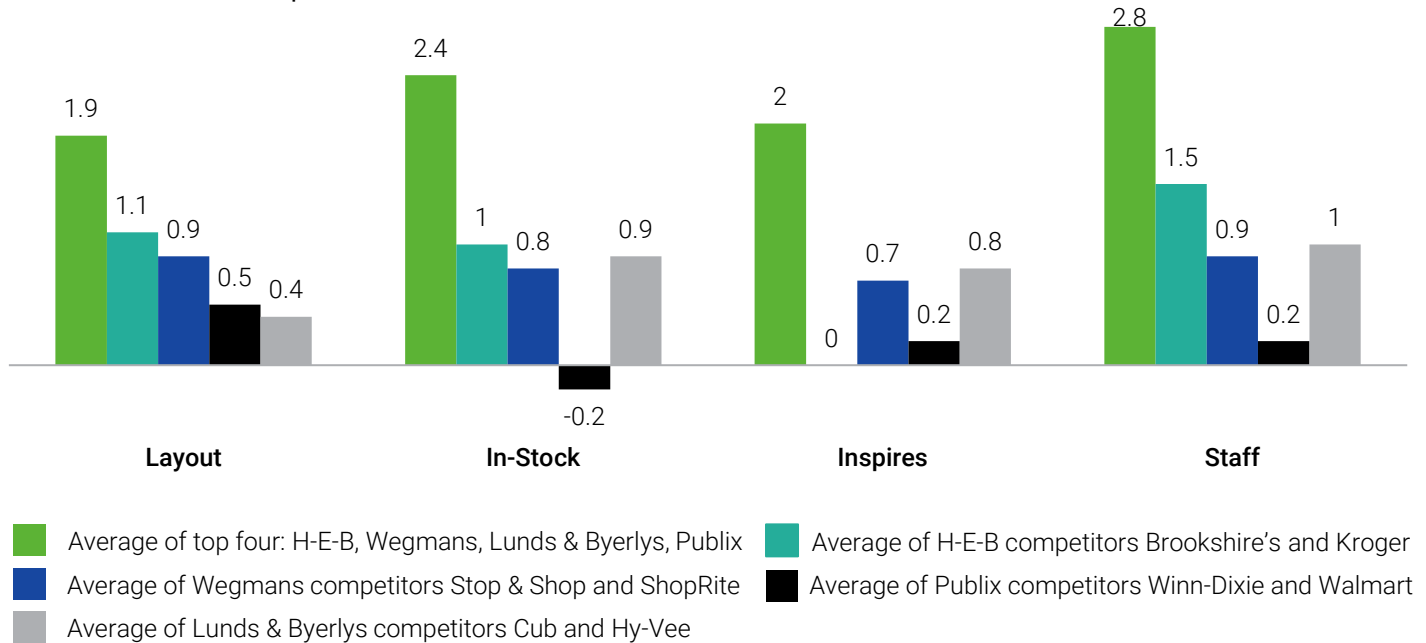
The staff are friendly, knowledgeable and helpful

5%

The store can be a restaurant substitute when I want

The retailers with the biggest advantages for in-store experience are the same for which survey respondents indicated excellence in fresh: H-E-B, Lunds & Byerlys, Publix and Wegmans.

Average advantages for in-store experience winners and their in-market peers



“



Opportunities to elevate the shopping experience reside almost exclusively in fresh departments – from the aroma of bread baking, to the taste of fresh-squeezed juice samples, to the sight of guacamole or salsa being prepared – so it makes sense that, if you’re above average in fresh, your shopper is likely to have a superior shopping experience. Conversely, it’s hard to deliver a memorable shopping experience without great fresh departments.”

– ADAM GOODLISS

Considerations for retailers



Prioritize technology investments related to in-stock position.



Regularly review the store layout to ensure that product placement and signage allow shoppers to easily find what they need.



Train, equip and incentivize associates to make the shopping experience satisfying and memorable.

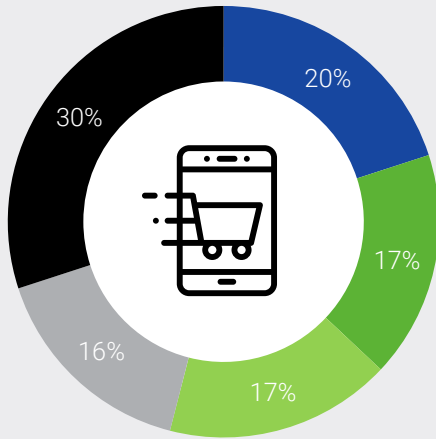
- Make sure operations equips the front line with stories of what you're doing, whether you're investing in pricing, delisting a supplier, or fine-tuning a category.
 - Don't treat your people like 'store labor.' Treat them like 'customer service.'
-

Further reading on the power of your associates

[How grocery CEOs can mitigate turnover, retain leadership, strengthen culture and create a legacy](#)



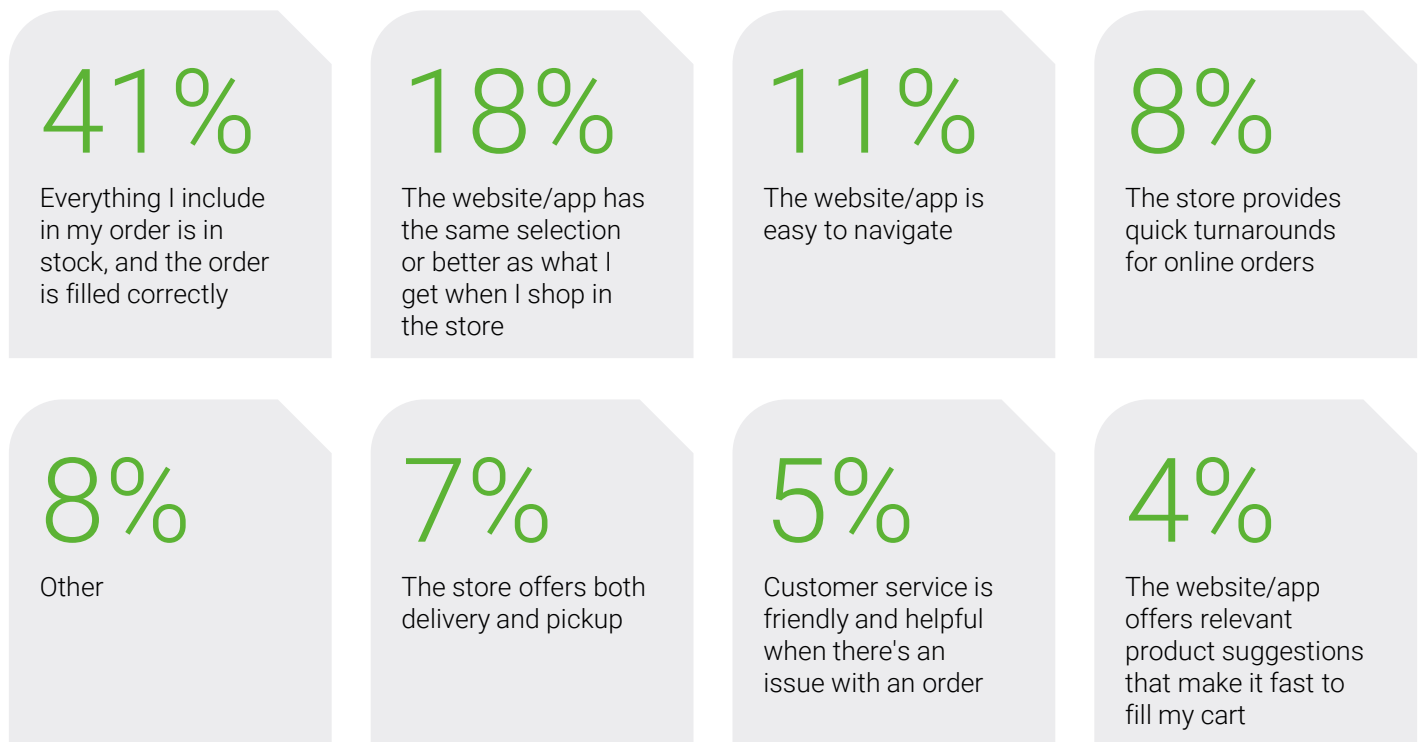
Store choice driver: online experience



- Very important
- Somewhat important
- Neutral
- Somewhat not important
- Not important

Since most grocery purchases still happen in store, it's no shock that online experience is unimportant to a large segment of shoppers. As a growing channel, however – and one popular among shoppers that can afford to pay for convenience – the importance of online continues to grow as well. What makes or breaks an online grocery shopping experience? Consumers say it's the same element they consider most critical for in-store experience: having items in stock.

What matters most for online experience





“

Get everything else right, but get this wrong, and you're in trouble. Don't bother trying to tweak your value proposition if you cannot reliably give people what they're ordering.”

– **MATT HAMORY**

With **in-stock** so dominant in the list of what matters most to consumers when it comes to the online grocery shopping experience, that element of the digital business should be the first and only priority for grocers yet to master it.

Considerations for retailers

Our consumer research indicates that, when it comes to online experience, mass merchandisers dominate, with Walmart being rated as having the most pronounced advantage in that area and Target in second place. Online grocery sales can be resource-intensive and therefore less profitable, which presents a challenge for traditional grocers for whom capital is more constrained.

Understanding the hierarchy of customer disappointment during the online grocery shopping process will be key as retailers decide how to prioritize investments into this part of the business.

Further reading on the omnichannel opportunity

[Don't miss out. Lean into omnichannel to expand your experience advantage](#)



Ensure that inventory is accurately reflected online so shoppers aren't adding items to their order only to discover later that those items are out of stock.



Make sure your system allows for real-time communication between the personal shopper and the customer to notify of any out-of-stocks and offer substitutions.



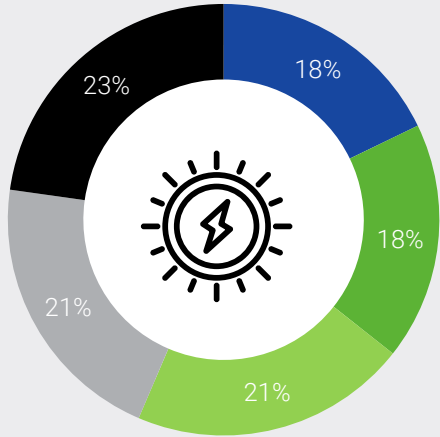
Whether fulfillment is done with a third party or internally, emphasize that timely conversation between the personal shopper and the customer is vital.



Use the app and website to promote the differentiated parts of the assortment (private label, unique items, local products) so comparisons are based on more than national brands.



The fact that pickup/delivery and turnaround times aren't top priorities for most of the consumers surveyed suggests that grocers may have leeway to be more disciplined in their offering.



Store choice driver: ambient offering

- Very important
- Somewhat important
- Neutral
- Somewhat not important
- Not important



Ambient offering can be one of the most difficult areas to differentiate since non-fresh is often dominated by national brands that are often cheaper in non-traditional channels. Only 18% of consumers surveyed said the ambient offering is a “very important” factor in their store choice, but it’s still an area grocers need to tailor carefully to match their overall value proposition.

Most consumers say their evaluation of a grocer’s product selection comes down to the quality of private label, the national brands carried, or the local offering – with private label receiving the most votes overall and the most even distribution of votes across age groups.

How consumers define “good selection”

30%

They have a great private label

24%

They offer locally sourced products

24%

They carry the major name brands

8%

They offer prepared meals

5%

They carry specialty items for my diet (i.e., vegan, vegetarian, kosher)

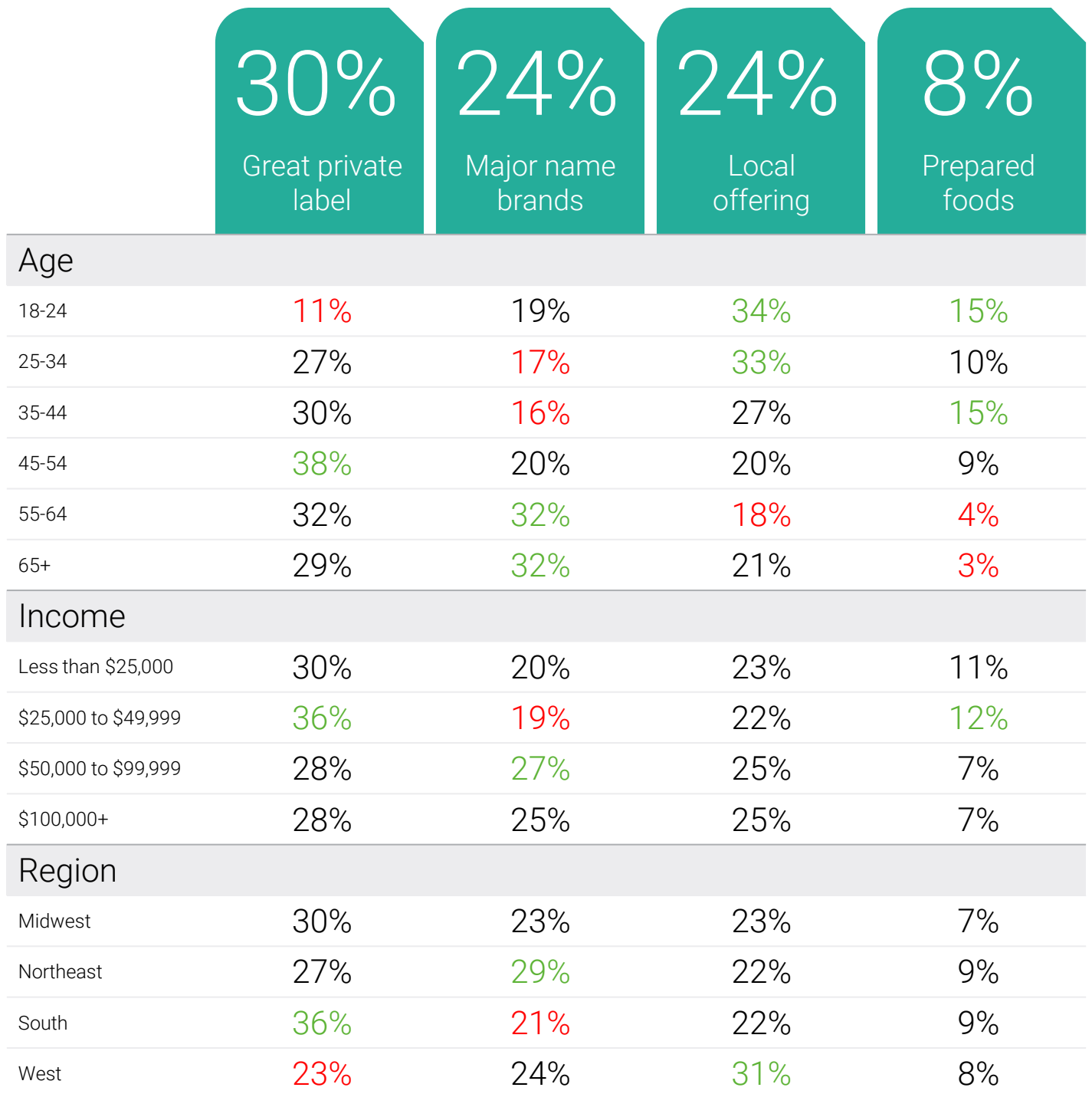
5%

They offer international food (i.e., Asian food, Hispanic food)

3%

Other

How consumers decide whether a store has a good selection





Expert perspective: Matt Hamory

National brands are table stakes. Consumers expect to be able to find them at most stores, and they expect relatively consistent pricing from one location to the next. Because national brands don't provide differentiation, grocers don't have as much to gain with them as they do with private brands, but that doesn't mean they can get away with dropping the ball on national brand strategy. **With national brands, it's not as much about winning as it is about not losing.**

You need to carry the items that shoppers in your market will expect to find, and you need to price them competitively. Failure to do so will hurt your price perception and aggravate your customers.

On the flip side, grocers should take a close look at **which brands they carry**. Many companies carry more brands than they need or give brands more space than warranted, sometimes to the detriment of private brands.

Income

Less than \$25,000	62%
\$25,000 to \$49,999	59%
\$50,000 to \$100,000	64%
\$100,000+	65%

Region

Midwest	57%
Northeast	67%
South	63%
West	66%

Age

18-24	77%
25-34	77%
35-44	71%
45-54	59%
55-64	56%
65+	53%

63%

regularly visit a specific store because it has their favorite name brands

Considerations for retailers



Recognize that private brands generally are naturally disadvantaged and assess whether your allocation of shelf space, ad space, R&D, etc. aligns with your goals.



Develop a compelling local offering that spans multiple departments and make it a point of emphasis in marketing and merchandising.



Approach name brands as table stakes; have what people expect you to have and be as competitive as possible (or call out the times when items are on promotion).



Approach private brands as a way to differentiate, because if you leverage them correctly, they will be a greater factor in store choice than national brands.

Trend spotlight: role of private label



Trend spotlight: private label

Fifty-seven percent of survey respondents said they regularly visit a specific store to buy its private label. For most consumers, the main attraction currently to private labels is quality that is either “good enough” or “same as the name brand” at a better price.

The purchasing motivation of younger consumer groups, however – and the established success of private label savants like Trader Joe’s – point to **significant opportunity for grocers willing to develop their own brands into more than just national brand alternatives.**

Retailers that begin making this transition sooner versus later will have the benefit of an eager audience since many consumers are buying private brand more than ever because of continuing financial pressure.

Why consumers go to a specific store to buy its private label



Age	Unique Items	Quality is "Same as Name Brand"	Quality is "Good Enough"
18-24	19%	26%	44%
25-34	14%	31%	42%
35-44	14%	27%	55%
45-54	8%	32%	53%
55-64	11%	48%	33%
65+	10%	44%	40%



Expert perspective: Matt Hamory

57%

Of consumers regularly visit a specific store to buy its private label

Right now, private labels largely serve as national brand alternatives. We expect this dynamic to shift as retailers look to transform their private labels into differentiators and even traffic drivers — rather than low-price destinations.

If in three years you're still trying to have a national brand equivalent-led private brand strategy, you will be falling behind retailers who have said, "Okay, I've got that covered, and now I'm moving into a strategy where I have items that nobody else has in my market."

46%

Of shoppers who've changed how they shop for groceries due to financial pressure plan to buy more private label in the next 12 months

As retailers work on this transition, they should look to the customer as their North Star. They can't approach their private label strategy from a product lens or a category lens, and **a grocer's normal structure is going to work against them here** because buyers won't be able to solve this problem alone — but merchandising and marketing together, if they think about what the needs are of their customers and how those needs are being met (or not) by their offerings or by competitor offerings, then they can come up with innovative programs.

Grocers also need to keep their own identity central as they develop their private brand strategy. **The overarching value proposition of the grocer should be reflected in its brands.** A grocer with value at its core might not need a premium private brand, but a grocer that caters to foodies and households that frequently entertain absolutely does.

19%

Of consumers 18-24 say they buy the private label they do because of the unique items it offers

Further reading on private label strategy

[The \(enormous\) private brand opportunity — and how manufacturers help grocers realize it](#)

[The \\$100 billion opportunity for U.S. grocers](#)

Considerations for retailers



In the short term, continue to emphasize whatever private label options you have, particularly to segments for whom they're an important store selection factor.



While most consumers buy private label now because of entry-level pricing and/or national brand equivalency, retailers need to be planning for how to make differentiation the driver (a la Trader Joe's or Aldi or Costco).



As you evolve your private brand strategy, embrace a customer lens rather than a category lens or product lens as you consider the role that private brands should play.

Summary

As supermarkets continue to compete not only with their peers but with mass merchandisers, discounters, clubs, specialty and ethnic retailers, convenience stores and other channels, it is imperative that each one “pick a lane” and work toward excellence in one or two areas that matter most to their target customers.



While heavyweights in the mass merchandise, discount and club channels can win on price alone, traditional grocers need to be above-average in both price and promotion to stand out.



Four in ten shoppers base their overall quality perception of a store on how fresh product looks on display and how long it lasts at home. The best in fresh have sizeable advantages over their in-market peers.



The shopping trips that make the best impressions inspire the customer and include great staff. The grocers that consumers accorded the biggest advantages for in-store experience were also winners in fresh.



In-stock position is the critical variable when it comes to online shopping experience; you must be able to reliably deliver what people add to their online cart. Handling substitutions well to minimize negative surprises is the (far lesser) next best option.



Private brands are the path to differentiation in center store. National brands are table stakes; you won't win extra points for carrying them and being competitive on them, but you still must do so.

About the AlixPartners grocery practice



Core US experience

We have led multiple growth-focused transformations with major US grocers, from small regionals to industry giants.



Global reach

We work with major grocery and hypermarket chains in the UK, the EU, Middle East, Asia, and South America.



Broad expertise

We work across customer proposition, operating model, procurement, marketing, loyalty, digital, analytics, and growth strategy.



Value creation

We are sought-after diligence and M&A/integration partners as strategic and financial buyers know we'll deliver the synergies we claim.



Financial approach

Our turnaround heritage gives us industry-leading experience in capital structures, balance sheets, and WC optimization.

Our people

Our senior team combines strategic vision and real-world industry experience to address critical issues in high-pressure situations. We work closely alongside our clients, and each other, to provide practical and sustainable solutions – when it really matters.

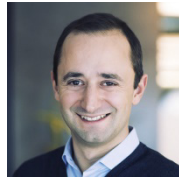


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Matt has 20+ years of experience serving executives and investors in the food and drug sector. He advises clients on growth and turnaround, from strategy to execution, with a focus on driving enterprise value improvements.

Matt is a sought-after expert in complex legal matters and a speaker at industry events.

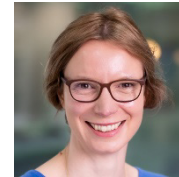


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Marco has 10+ years of experience in grocery transformation and turnaround across North America, Europe, and Australia.

He has a strong record of helping grocers use analytics to drive performance, and crack the toughest problems in pricing, merchandising, and store ops.



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Based in the UK, Catherine has 20 years of experience in managing product and proposition, pricing and promotions, capex planning, and customer engagement.

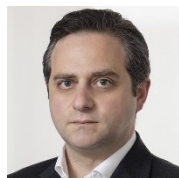
She is an expert in driving revenue and profit growth by taking a data and digitally enabled approach. She helps organizations monetize data and build the culture and capabilities to be data- and insight-driven.



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Holly has 30+ years of experience providing turnaround services for grocers and other retailers. She is a Certified Turnaround Professional and is admitted to the American College of Bankruptcy and the International Insolvency Institute.



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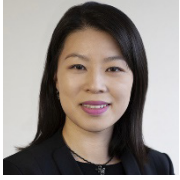
Justin leads growth, integration, and performance improvement engagements at AlixPartners. He has deep expertise in full company transformations in a variety of distressed and non-distressed situations and advises clients on various topics across the deal lifecycle.



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Adam works hand in hand with clients at all levels of the organization to drive improvements, with a focus on collaboration and executive alignment. He has led a number of complex grocery post-merger integrations and has a stellar track record for synergy realization.



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Joanna leverages 15+ years of retail and consulting experience with her deep understanding of merchandising, pricing, and promotion to develop and execute retail strategies with clients.



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David brings diverse experience solving complex problems, specializing in the application of emerging technologies to improve retail operations, demand planning, and consumer marketing.



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Steve has 15+ years of consulting experience focused on supply chain network, facility design and operational efficiencies.



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Marco has more than 12 years of technology, big-data solutions, and visual analytics in multiple retail sectors, partnering with clients to drive tangible and sustainable benefits across their business.



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Conor has 10+ years of experience spanning supply chain operations, data analysis, and food retail. He helps clients plan and implement their M&A road map.



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Matt has 10+ years experience focused on pricing, merchandising strategy, and revenue management, with an expertise across food retail, apparel, and consumer goods.



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Matt has 10+ years of experience delivering large-scale capital and operational improvement across a variety of industries, in both public- and private-sector clients.



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Jessica has extensive consulting experience with a focus on consumers and food developing robust solutions that support enterprise transformations.



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Andrew brings years of operational experience in shrink reduction, inventory management, supply chain, logistics, forecasting and process optimization.



AlixPartners

Methodology

Research for the Grocery Consumer Perspectives report was conducted through a set of surveys fielded between May 2023 and August 2024, capturing insights from more than 5,300 consumers. The first round of surveys focused on consumers' head-to-head comparisons of the retailers they shop. The most recent survey revealed consumer intentions for the coming 12 months, or the first three quarters of 2025.

ABOUT US

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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