



BUILDING BASKETS

WITH **grocery**
BUSINESS 

FEATURING **NIQ**

WEBINAR SERIES

Thursday January 29th,
2026, 2:00 pm ET

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THE FUTURE OF GROCERY GROWTH

Winning the Intentional Consumer in 2026

NIQ

Agenda

- Speaker Introductions
- Building Baskets Webinar Series
- The Future of Grocery Growth for Retailers & Manufacturers
- Key Takeaways
- Q&A

SPEAKER INTRODUCTIONS

grocery
BUSINESS 

- Mary Scianna



NIQ

- Mike Ljubicic



NIQ

- Carman Allison



ABOUT



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The Future of Grocery Growth

*Winning the Intentional
Consumer in 2026*

January 2026

NIQ



From crisis to complexity: the new consumer reality



**Under growing pressure,
Canadians can no longer
spend like before.**

**Resilient, resourceful,
and evolving - today's
shopper is rewriting the
rules.**

**Growth will come to
those who listen, adapt,
and evolve**



Fueling growth in an era of choice, complexity and change

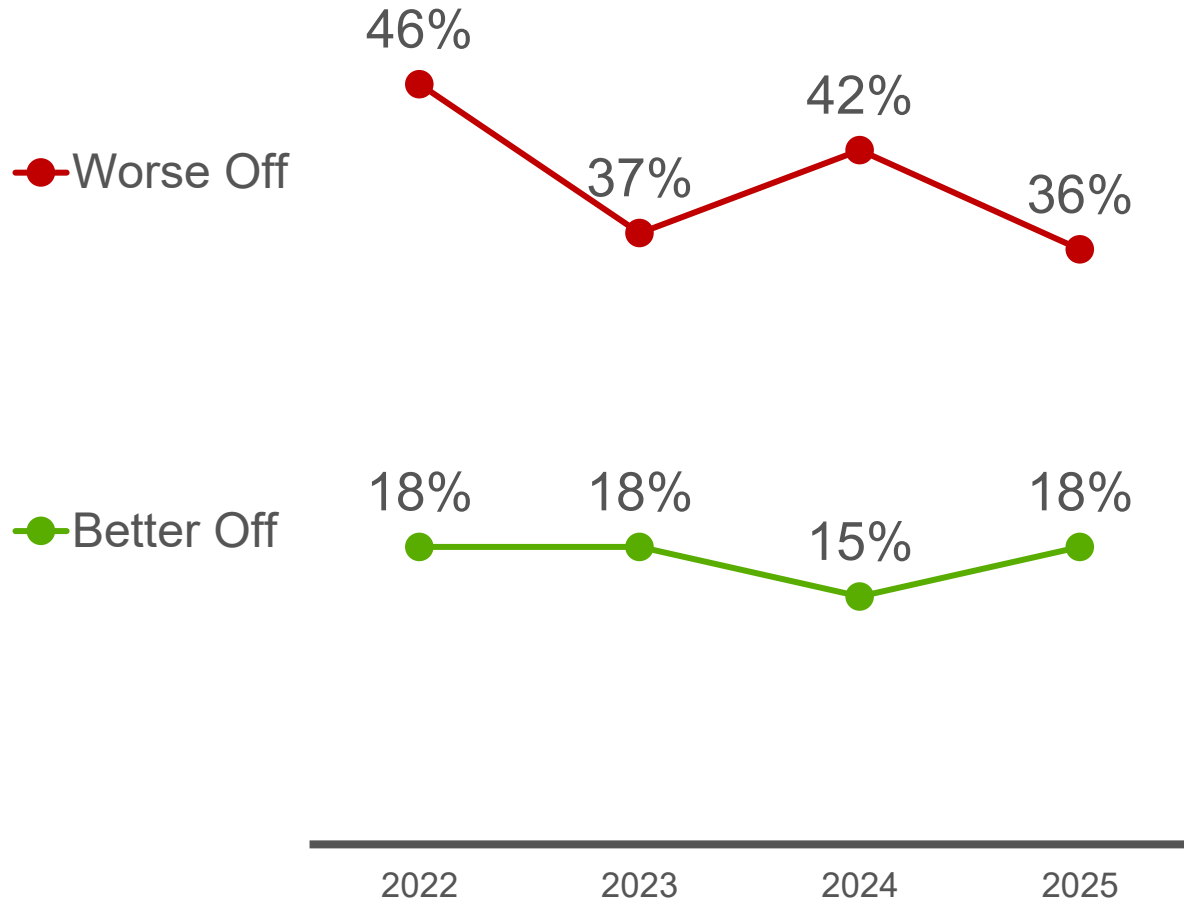
1

Canadians are spending with greater intention and restraint



Consumer sentiment around their personal finances are improving

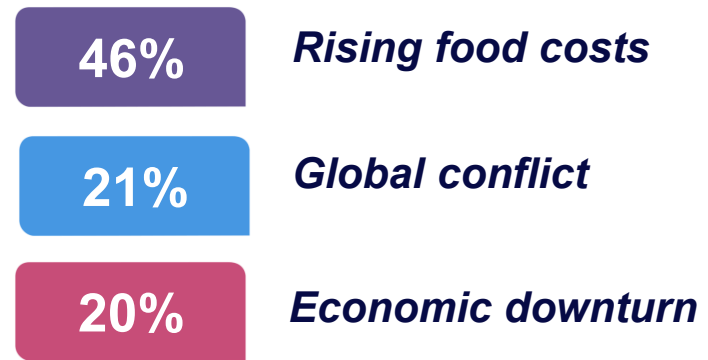
Canadian consumer financial position sentiment



Why Worse Off?



Top Concerns for 2026



3 in 10 Canadians can only afford the essentials



17%

**Free
Spenders**

I am able to
spend freely

51%

Comfortable

I live comfortably and
am able to buy some
things just because I
want them

32%

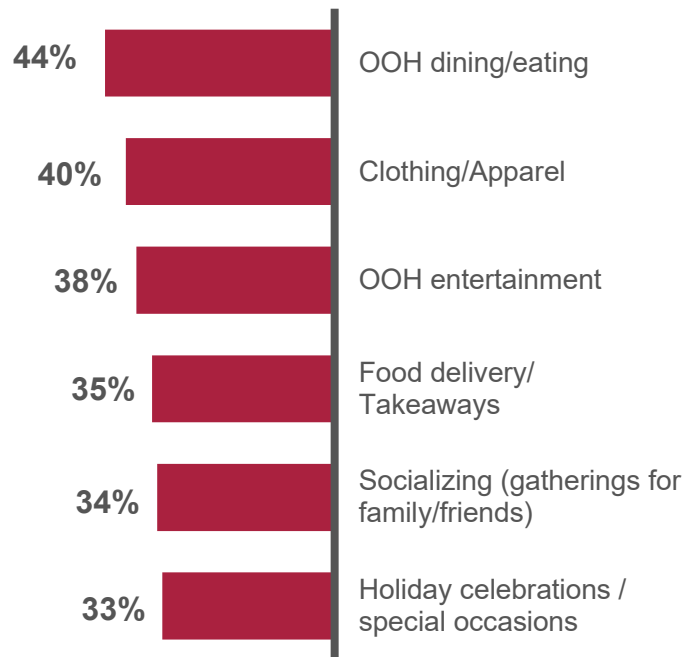
Basics only

I only have enough
money for food,
shelter, and the
basics

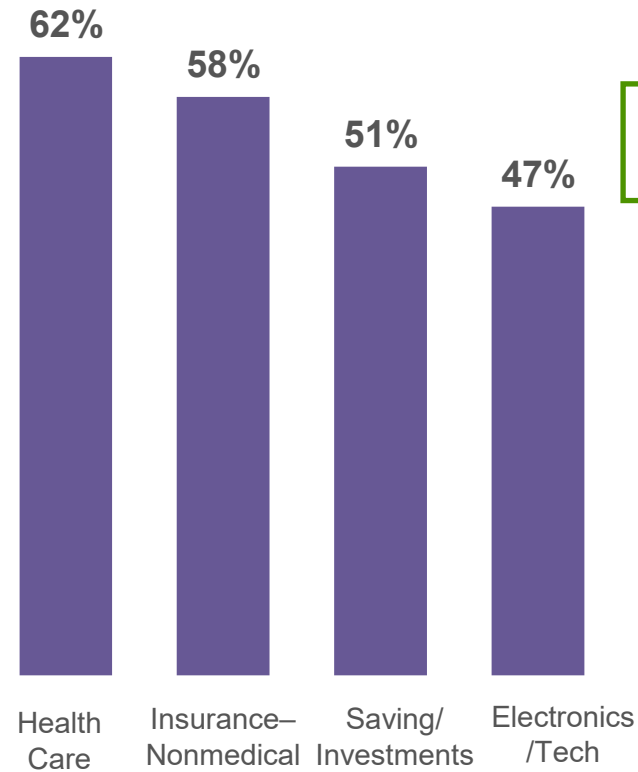
Consumers to prioritize core expenses including groceries and household items

Spending intentions for 2026

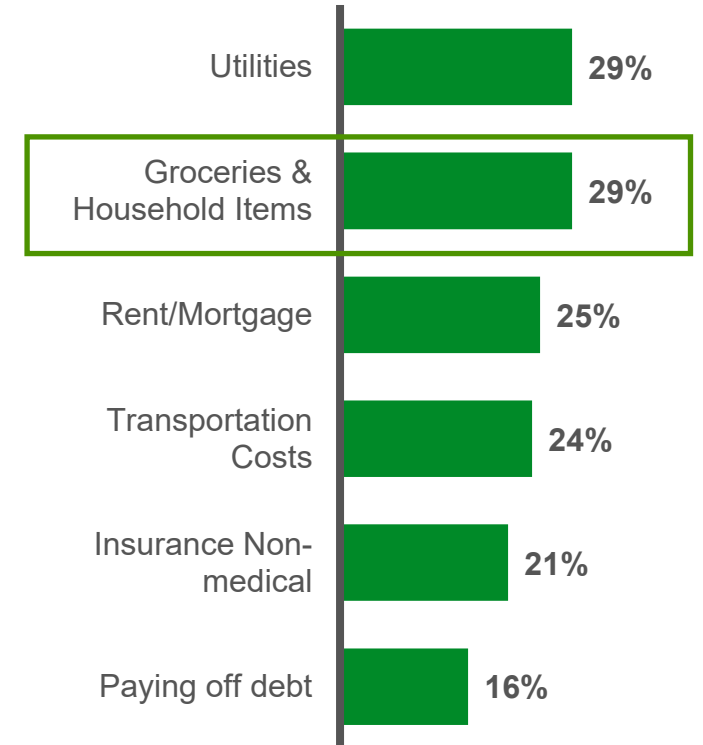
Spending less



Same as before



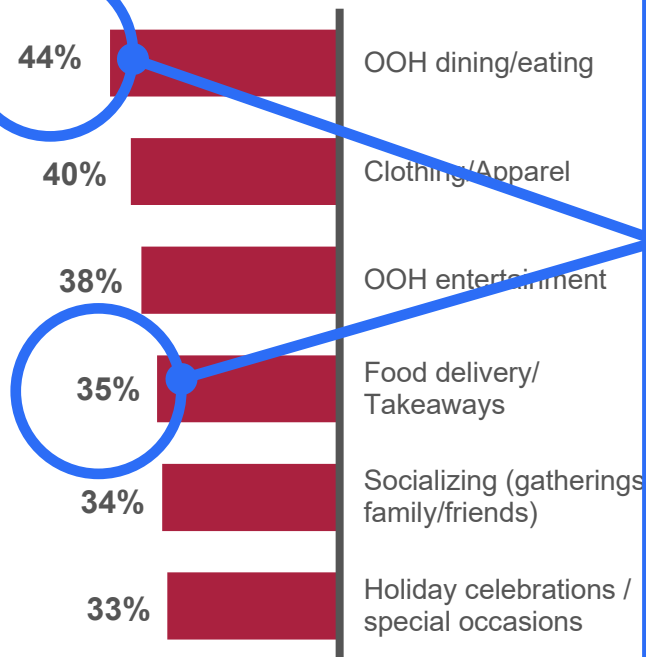
Spending more



Consumers to prioritize core expenses including groceries and household items

Spending intentions for 2026

Spending less



Food Service Shutdowns in Canada

- **2025 Closures:** Approx. 7,000 restaurants shut down
- **2026 Projections:** An additional 4,000 closures (net loss)
- **Total Impact:** up to 11,000 closures over two years.

Drivers: Inflation, increased operating costs, food prices, and consumers cutting back on discretionary spending.

Economic Strain: The industry faced severe stress, with declining alcohol sales also contributing to revenue loss.

Opportunity for Grocery Retailers

Home Meal Replacements

- \$3.4 Billion +4%
- 401 Million units +3% (Sushi +7%, Deli Entrees +4%)

Fueling growth in an era of choice, complexity and change

1

Canadians are spending with greater intention and restraint

- Consumers are more intentional and restrained, putting pressure on overall spending.
- Spending will concentrate on core needs while discretionary FMCG categories face softness.
- Restaurant closures present a meaningful shift of meal occasions back to retail, opening a growth runway for HMR and convenient at-home solutions.



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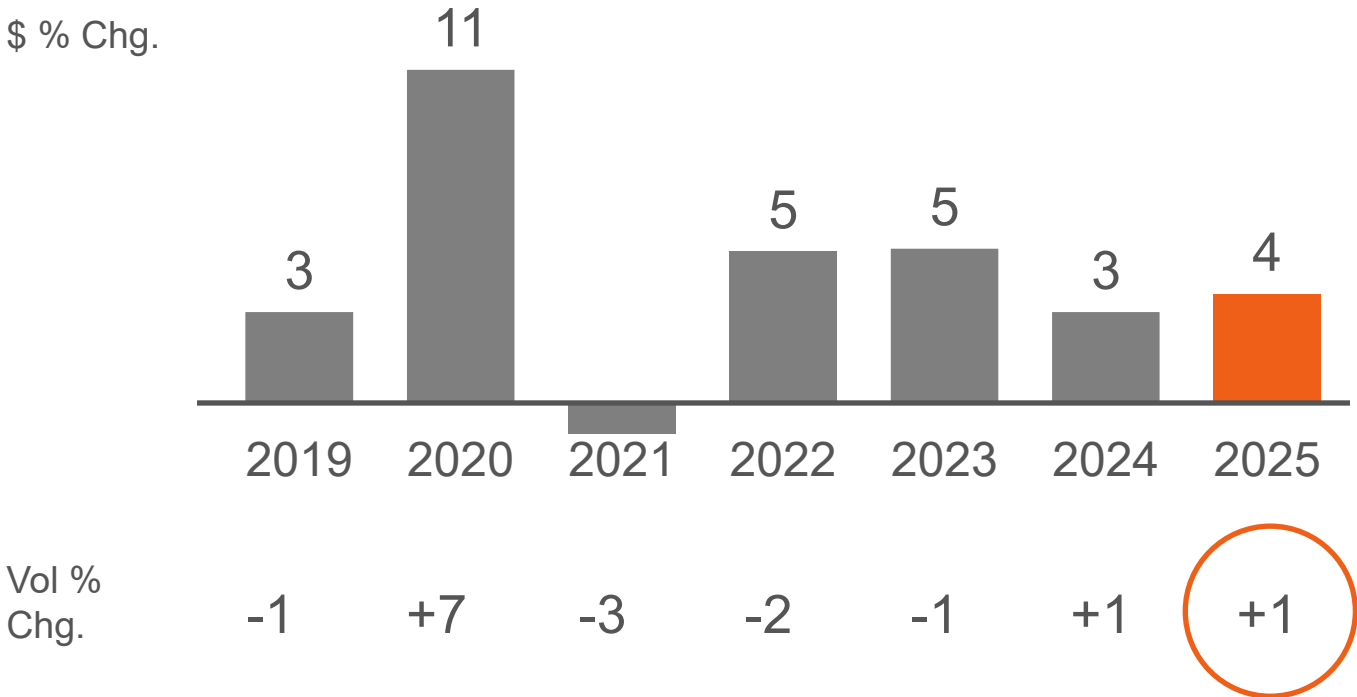
2

Rising prices remain a threat to consumer spending power



FMCG growth continues to be driven by higher prices as volume remains static

Canadian FMCG Performance



2025 Growth	Dollars	Volume
Maritimes	+4	+2
Quebec	+3	0
Ontario	+3	+1
Man/Sask.	+4	+1
Alberta	+5	+2
B.C.	+4	+1

Smaller manufacturers are leading dollar growth while Private Label brands are fueling volume gains



Dollar Share		Dollar % Chg.	FMCG +3.6.	Tonn % Chg.	FMCG +0.7
23.2%	Top 20	3.1%		+0.7	
19.5%	21-100	1.9%		-1.5	
25.0%	101+	5.2%		-0.8	
18.9%	Private Label	3.6%		+3.5	
13.3%	Unbranded*	3.8%		+0.7	

What is FMCG Spending-Based Inflation:

FMCG Spending-based inflation measures the change in what consumers **actually paid and purchased**. **NIQ Month of December results are based on 2.6 billion units sold (Food 2.2 billion units)**

It accounts for:

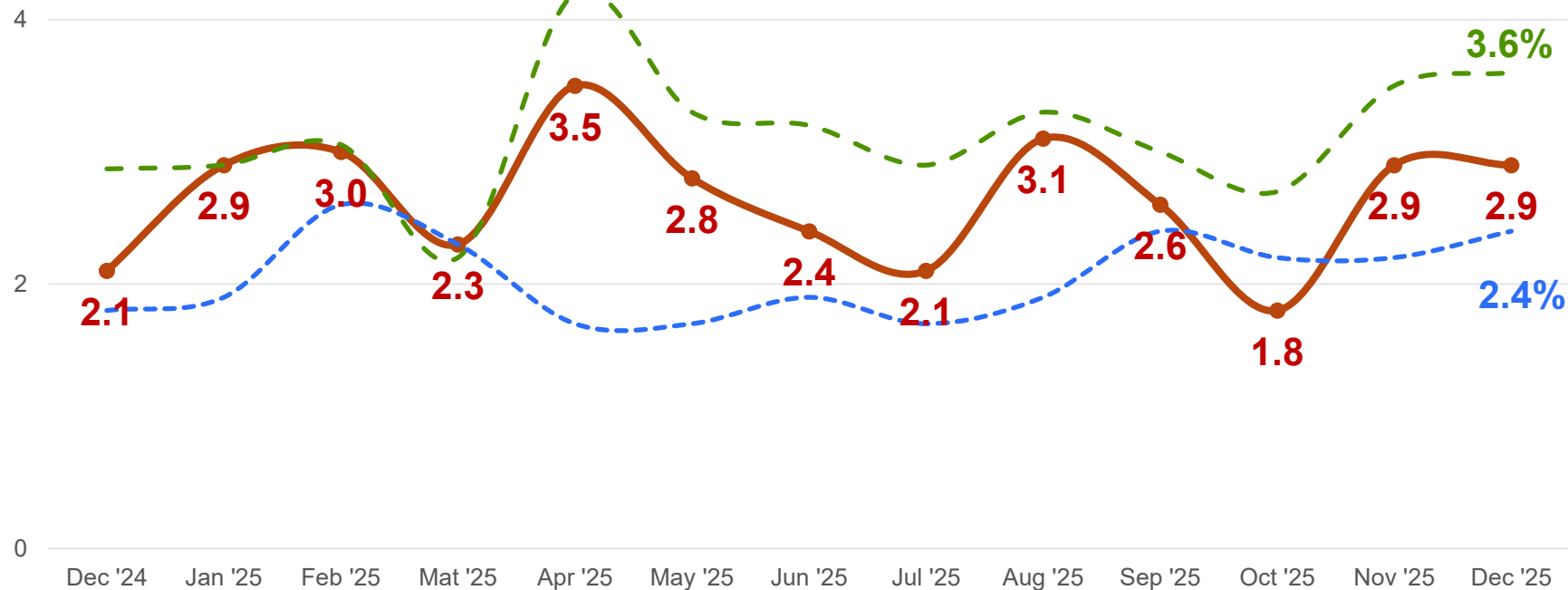


- **Promotions and discounts** (e.g., if consumers bought more on sale weighted by the depth of discount)
- **Product mix shifts** (e.g., trading down to cheaper brands or switching to smaller or larger sizes)
- **Behavioural changes** (e.g., switching stores, buying less or more of certain items)

NIQ measures the growth in dollars less the growth in tonnage volume to answer the question; Are consumers spending more or less for the overall volume being purchased?

Over the past year, food prices have been rising faster than non-food

Canada Total FMCG Inflation vs FMCG Food and CPI



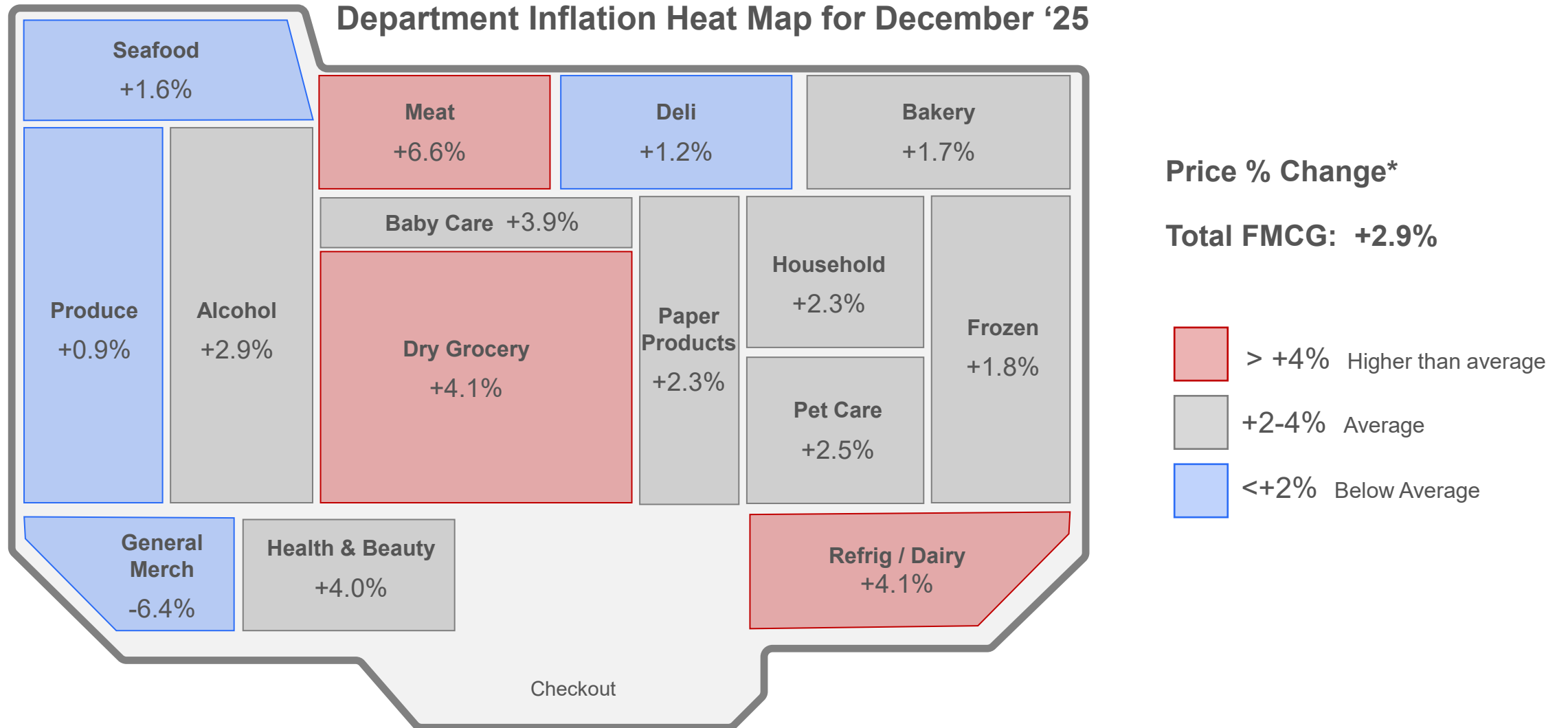
L52 Weeks

FMCG +2.9%

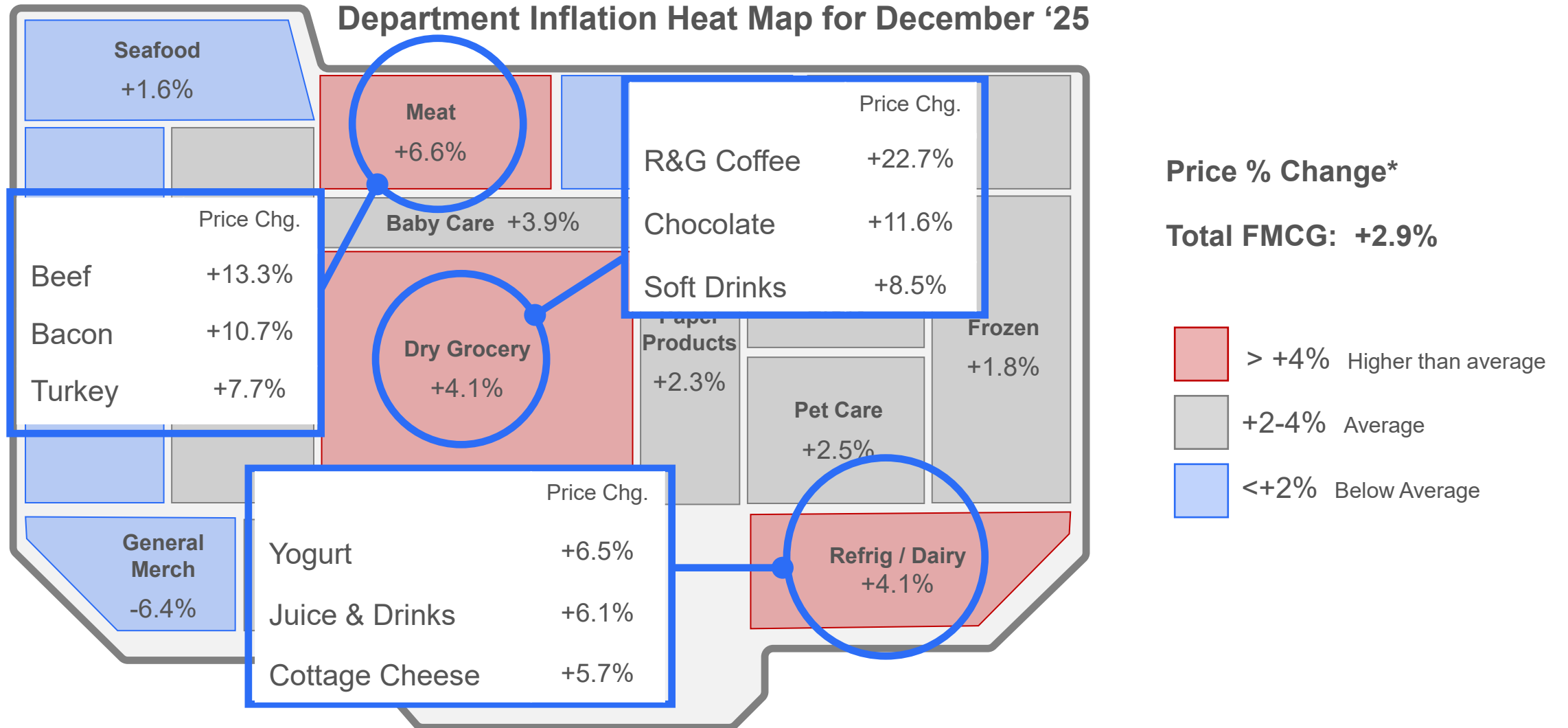
Food +3.3%

+28%
since 2019

There are several polarizing price increases across the store

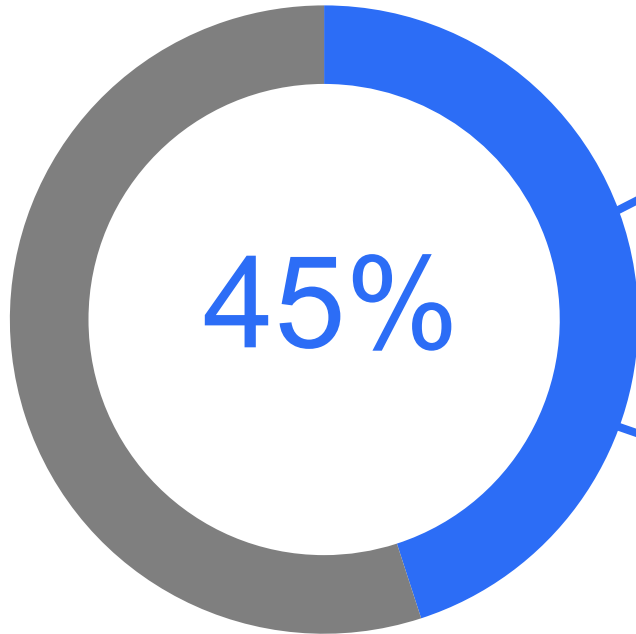


There are several polarizing price increases across the store



45% of FMCG categories reported volume declines in 2025

% of FMCG Categories Reporting Volume Declines >1%



Rising Prices	Tonn % Chg.	Price % Chg.
Baking Chips	-7	+33%
Tomato Juice	-17	+24%
R&G Coffee	-4	+21%
Chocolate	-6	+11%
Refrig. Juice & Drinks	-12	+9%

Non-Essentials / Accessories	Tonn % Chg.	Price % Chg.
Breath Fresheners	-26	+30%
Fire Logs	-17	+24%
Non-Dispose Dishware	-14	+24%
Cat Box Liners	-17	+20%
Candles	-14	+15%

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2

Rising prices remain a threat to consumer spending power

- Price-driven dollar growth paired with stagnant volume signals a continued need to stimulate real demand
- Polarized price inflation across categories increases pressure on assortment and pricing precision.
- Value formats and private label momentum will intensify competition across channels.



Fueling growth in an era of choice, complexity and change

1

Canadians are spending with greater intention and restraint

2

Rising prices remain a threat to consumer spending power

3

Retail has reached a tipping point where value determines who wins



The consumers search for value is putting retailer and brand loyalty at risk

Top 10 consumer saving strategies for FMCG



Average of 4.3

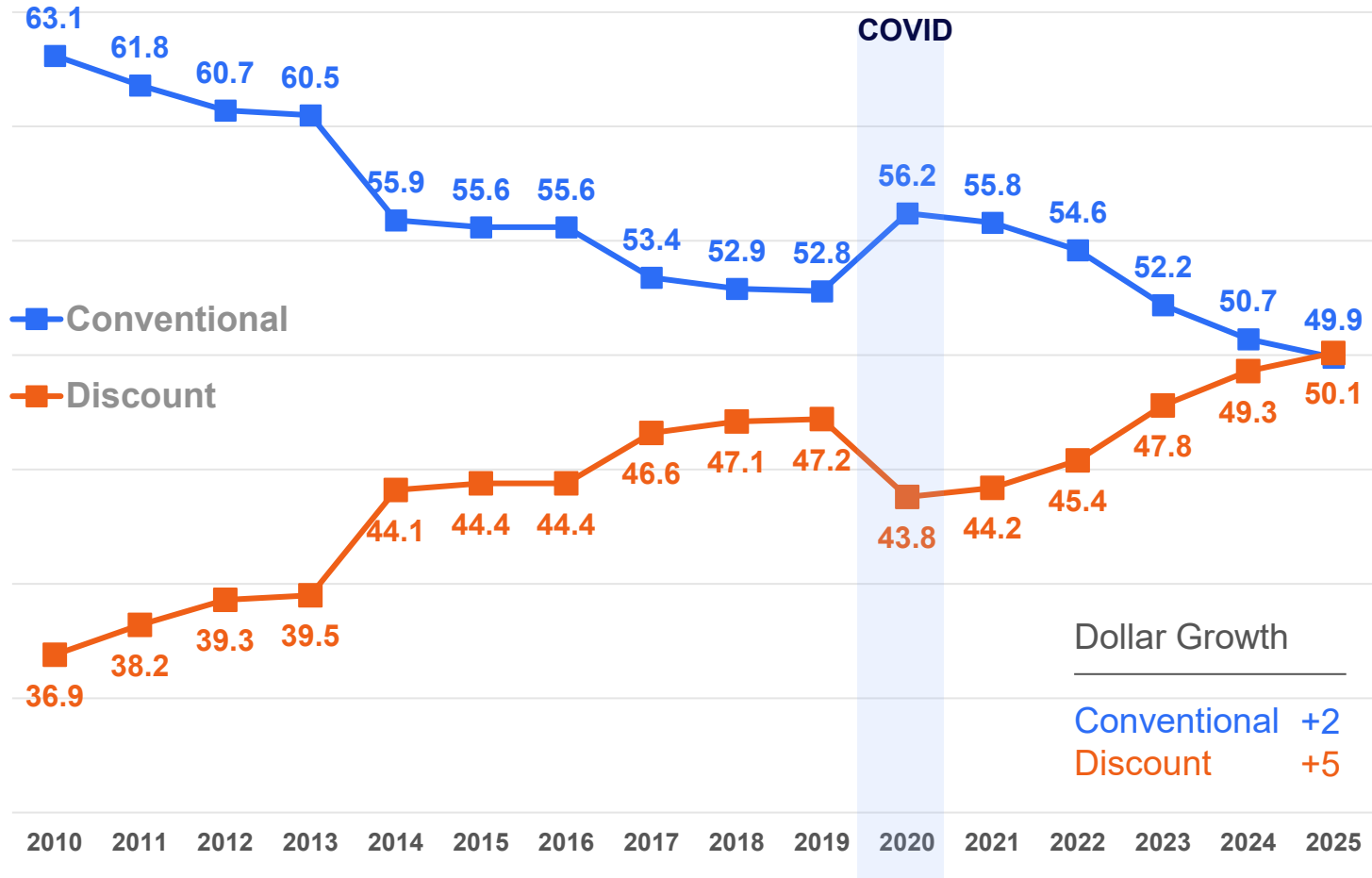
Saving Strategies

Per Shopper



Over the past 15 years Canadians have shifted spend to Discount retailers

Discount vs Conventional Grocery + Drug + Mass – \$ Market Share



Discounters Winning With:

Volume: **60.9%** +2 (Convent -2)

Food: **51.2%** of \$ +6 (Convent +2)

Trips: **+1%** (Convent -2)

Baskets: **27% higher** (\$53.40 vs. 41.95)

Private Label: 21.5 % of \$ +5%
26.9% of Vol +5%
 (Convent 16.7% / 22.1%)

High Income: **\$100k+** 42% of \$'s
 Spend 4% more

By 2030: 53.6% of \$ **+\$14.6B**

Expanding the retail view, value-based formats continue to win over wallets

Total FMCG retail channel share of trade		% Chg.	Food	Non-Food
Conventional Grocery	28.3	+2	+2	0
Discount Grocery	20.7	+7	+7	+4
Mass Merch Stores	18.8	+6	+5	+8
Warehouse Clubs	16.2	+11	+11	+12
Drug Stores	6.4	+3	-2	+4
Dollar Stores	3.5	+14	+15	+11
Ethnic Grocery	2.8	+15	+15	+22

Winning with food is a common theme

Shifting Wallets: Department gains from retail disruptors

Warehouse Clubs

Food	\$ % Chg	% Buy
Beverages – Non-Alcohol	+15	67%
Perishable Food	+12	75%
Confectionery & Snack Food	+10	69%

Non-Food	\$ % Chg	% Buy
Health Care	+26	55%
Cosmetics & Fragrances	+15	22%
Personal Grooming & Hygiene	+14	62%

Dollar Stores

Food	\$ % Chg	% Buy
Beverages – Non-Alcohol	+18	71%
Confectionery & Snack Food	+15	89%
Ambient Food	+5	75%

Non-Food	\$ % Chg	% Buy
Personal Grooming & Hygiene	+12	82%
Home Care	+11	82%
Pet Care	+10	33%

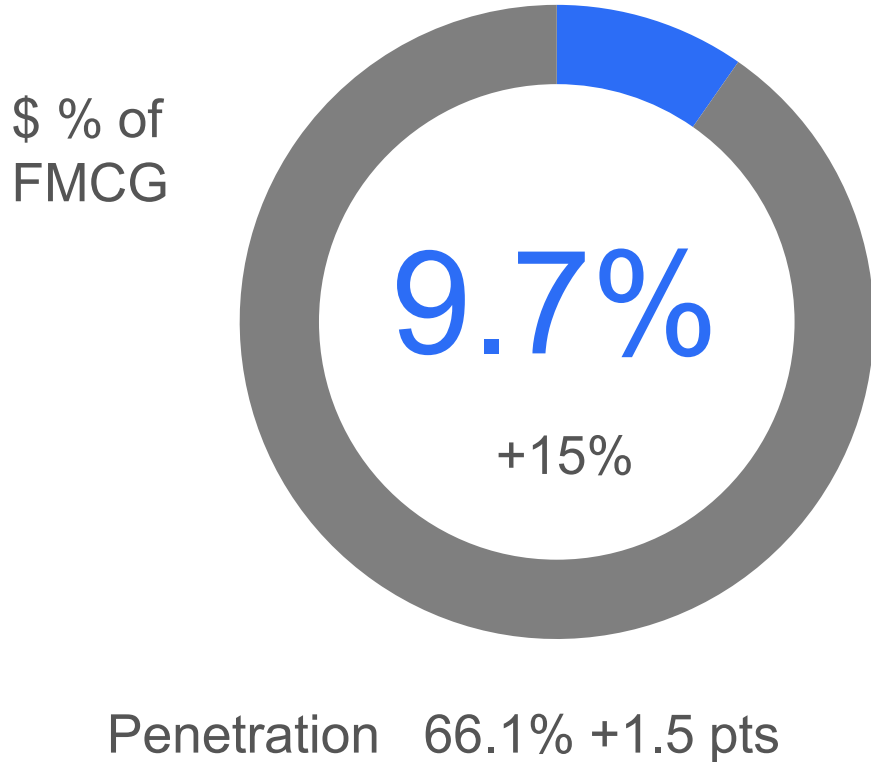
Ethnic Grocery

Food	\$ % Chg	% Buy
Frozen Food	+14	21%
Beverages - Non-Alcohol	+11	21%
Confectionery & Snacks	+10	23%

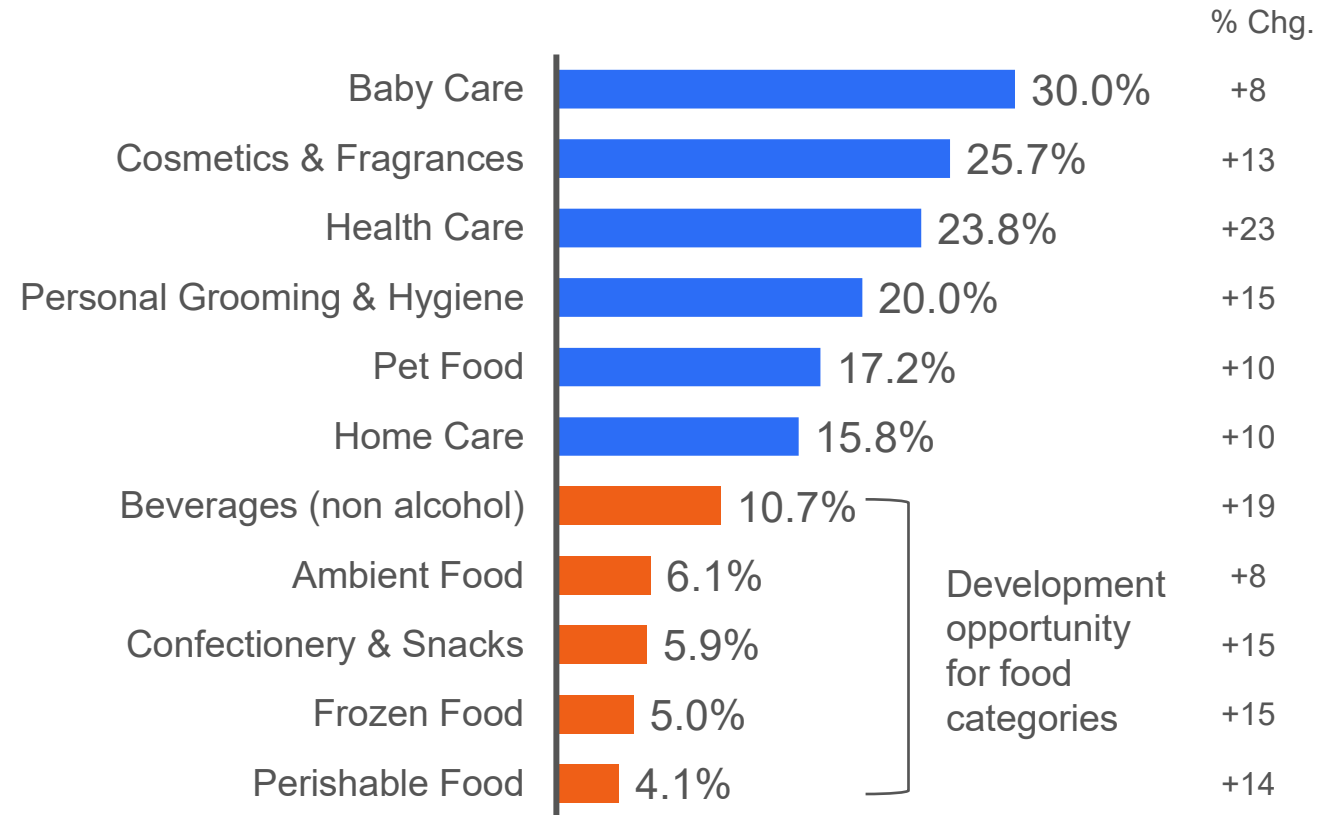
Non-Food	\$ % Chg	% Buy
Home Care	+34	5%
Personal Grooming & Hygiene	+26	9%
Health Care	+14	6%

Online accounts for almost 10% share of wallet in FMCG

Online share of wallet



Online share stronger among non-food departments



Fueling growth in an era of choice, complexity and change

3

Retail has reached a tipping point where value determines who wins

- Value will be the primary battleground as consumers adopt multiple savings strategies and loyalty becomes increasingly fragile.
- Discount, mass, dollar, and warehouse channels will continue to outpace conventional retail magnifying where growth happens.
- Online FMCG, especially food, will expand as digital penetration grows, requiring stronger omnichannel strategies.

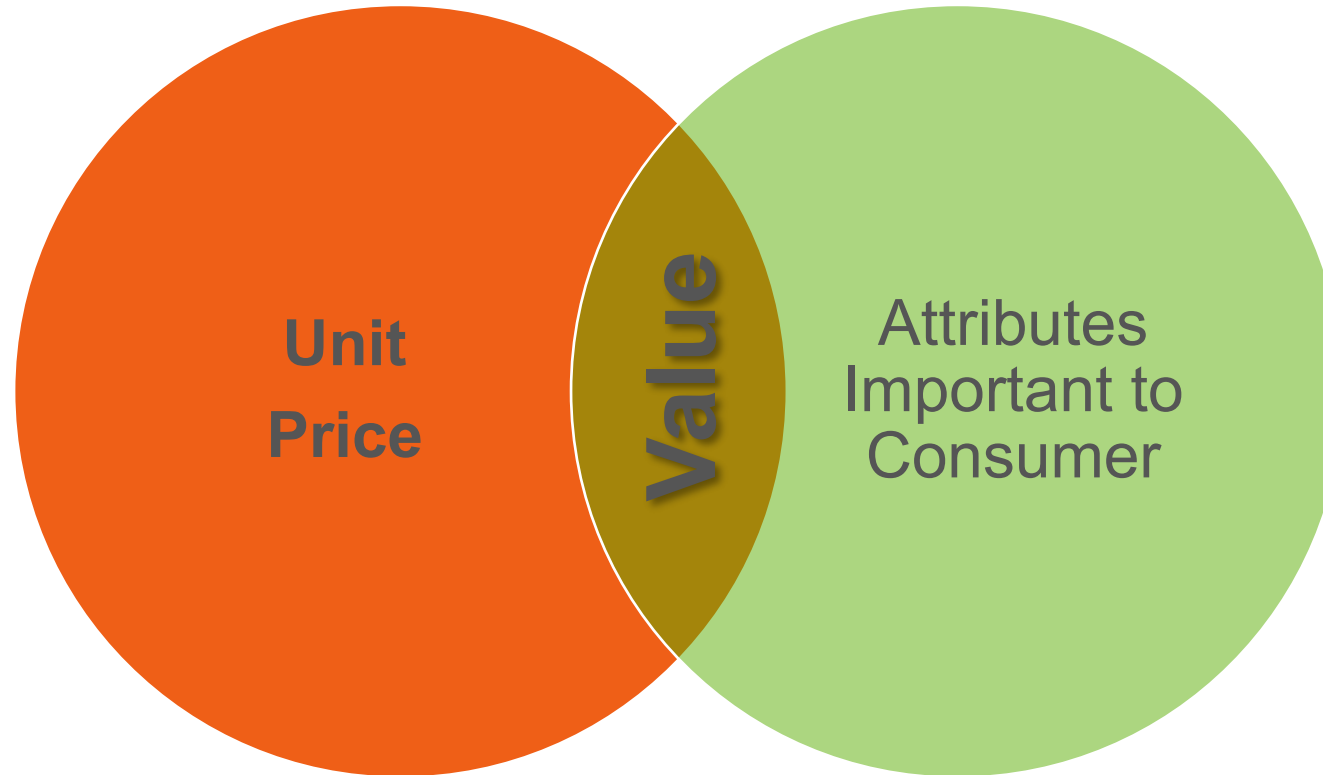


Value perception is based on what someone is willing to pay, not just price

Value is usually mistaken for low price

Consumers react to price when it exceeds perceived product benefit

Low cost / high deal frequency doesn't create consumer loyalty



Product attributes are personal

They sit outside of price

Perceptions and experiences

Influenced through conversations and opinions

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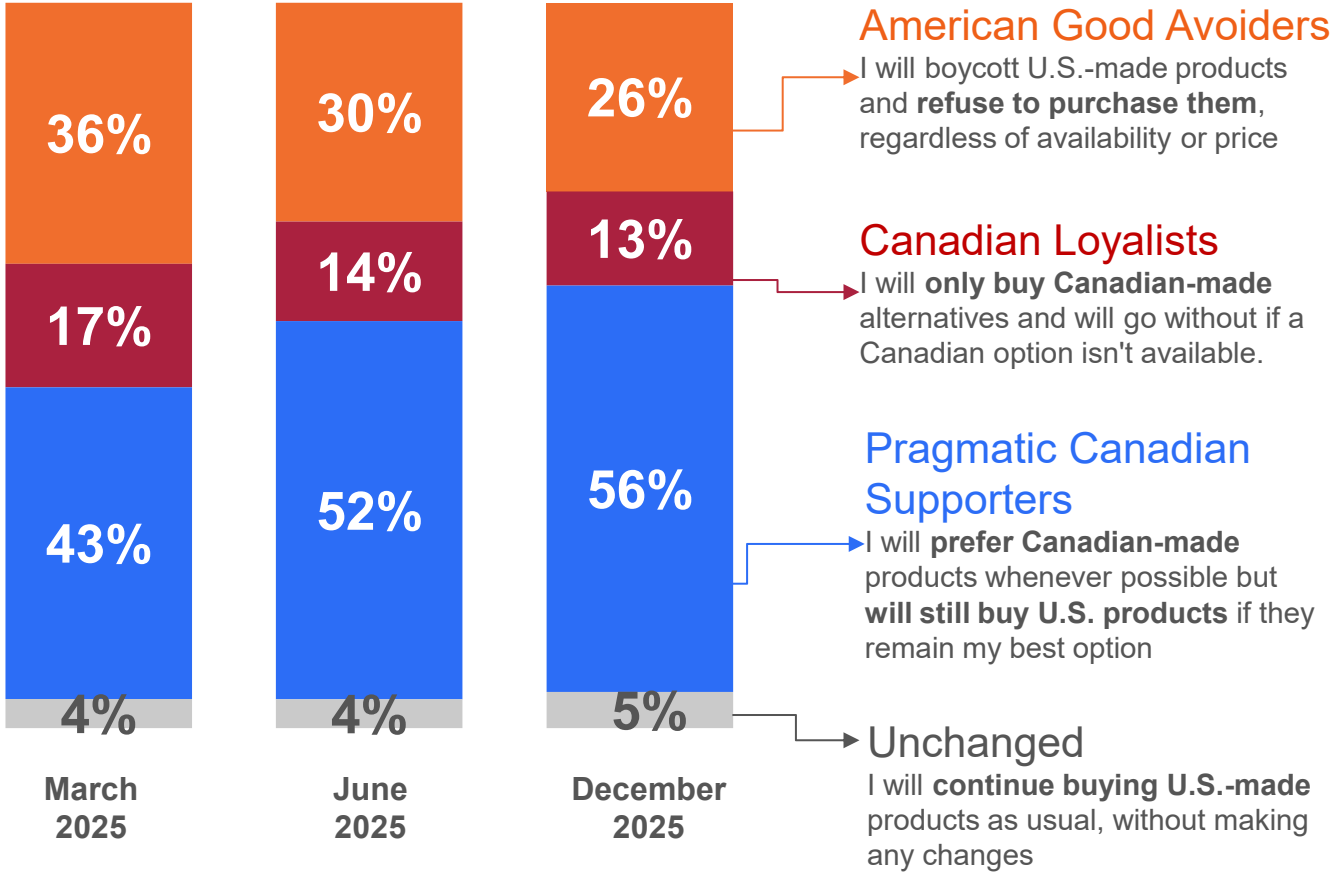
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Patriotism is reshaping baskets as shoppers prioritize Canadian-made



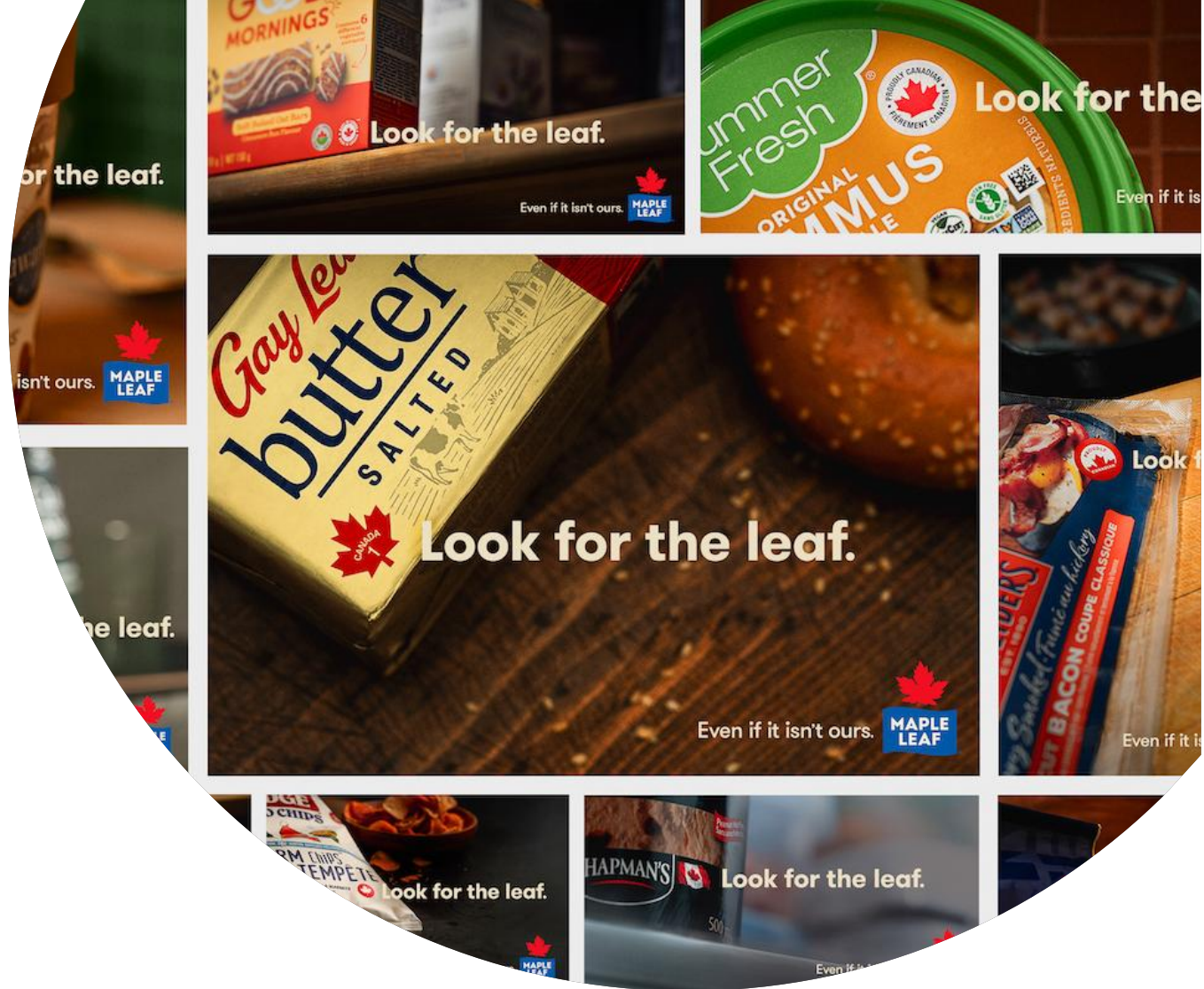
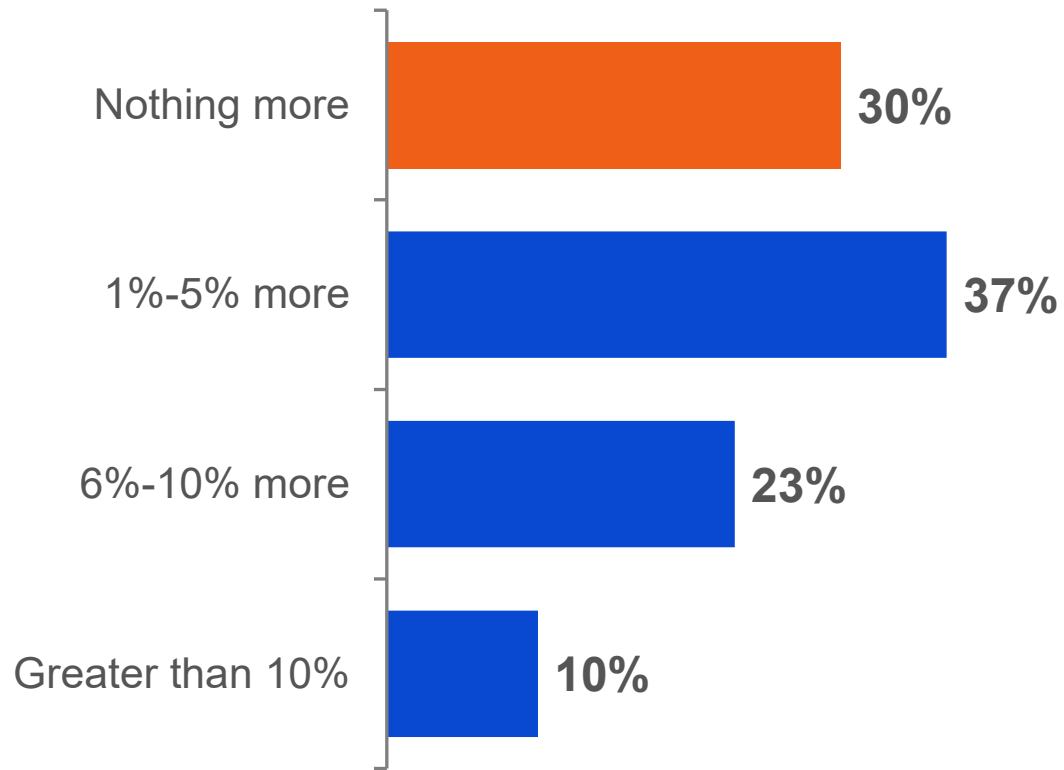
Canadians are becoming more pragmatic supporters of local goods

% of Households.



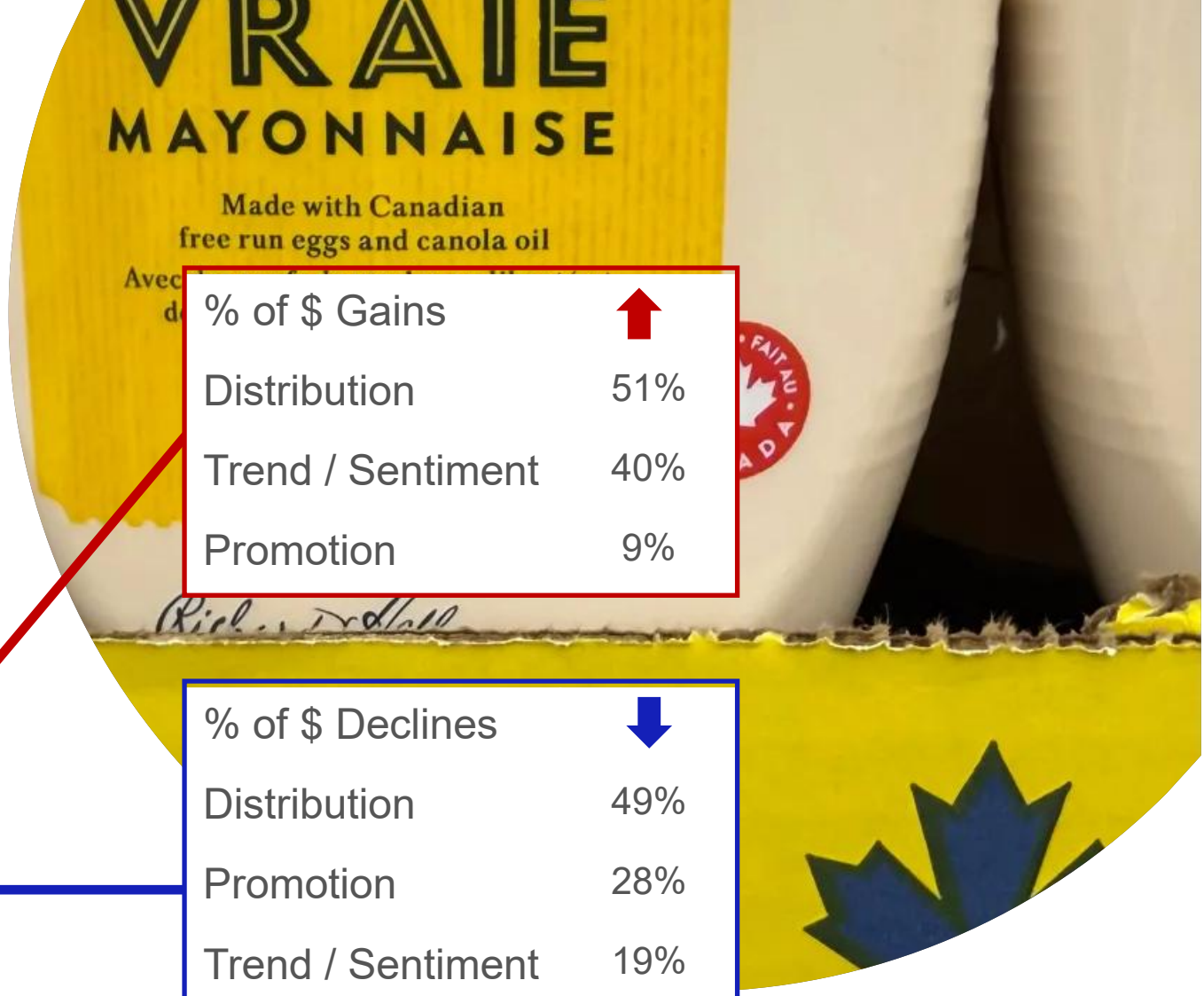
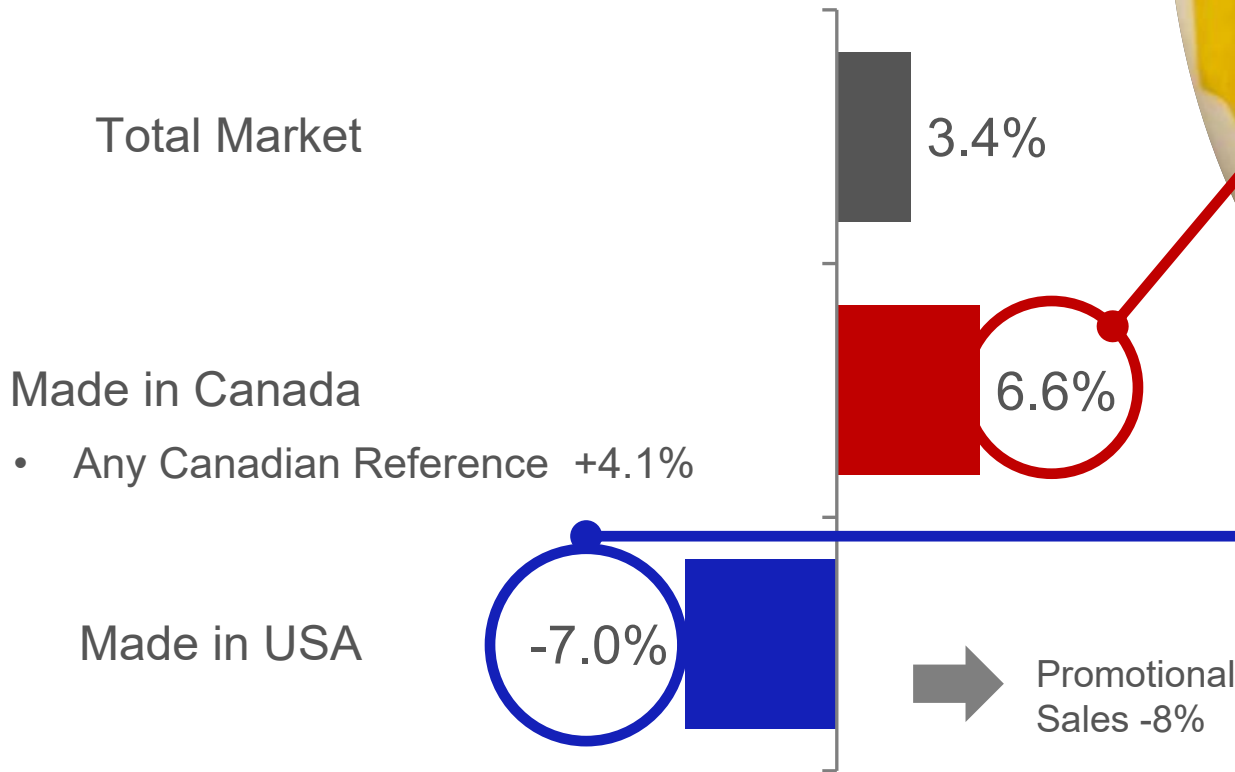
Canadians are willing to put their money where their mouth is

Willingness to pay more for Canadian Products



Made in Canada identified products are doing better than American

Stated Claims: YTD Dollar Performance



% of \$ Gains	↑
Distribution	51%
Trend / Sentiment	40%
Promotion	9%

% of \$ Declines	↓
Distribution	49%
Promotion	28%
Trend / Sentiment	19%

Fueling growth in an era of choice, complexity and change

4

Patriotism is reshaping baskets as shoppers prioritize Canadian-made

- Patriotism and “Made in Canada” preferences will continue to be powerful purchase driver.
- U.S. made products face growing resistance, but most consumers remain pragmatic, meaning availability, price, and value still matter.
- Products with Canadian origin claims are outperforming, driven largely by distribution gains and positive sentiment.



Winning by delivering meaningful value to a more selective Canadian shopper

Getting it right in 2026

- Right Selection
- Right Stores
- Right Promotion
- Right Attributes

Affordability is the defining force reshaping how Canadians shop. Consumers are eliminating categories, abandoning once-loyal brands, and moving billions in spending toward value-based channels.

The real risk for the FMCG industry isn't inflation itself — it's underestimating how permanently consumer expectations have changed.



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Thank You!

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