NIQ Perspectives

Food & Beverage

January 22, 2026

"As affordability reshapes the American pantry, consumers are responding with unprecedented discipline. The biggest risk to our industry isn't rising prices — it's underestimating how permanently consumer expectations have shifted. These aren't temporary adjustments; they're a fundamental rewrite of what value means in today's market. Brands and retailers must recognize this permanence early, redesign around it, and deliver value so intuitively that price stops being the friction point altogether."

Chris Costagli

Vice President, Thought Leadership F&B Insights Lead, NielsenIQ

Did you know…

- Hispanic shoppers are **2.0x more likely** to have stopped shopping the convenience channel because they stopped drinking alcohol?[4]
- Gen Z consumers are **1.9x more likely** to be using at-home carbonation solutions instead of buying packaged soft drinks or sparkling water?[4]
- Boomers are **1.5x more likely** to agree that imported and international specialty items are no longer worth buying because they have become too expensive?[4]

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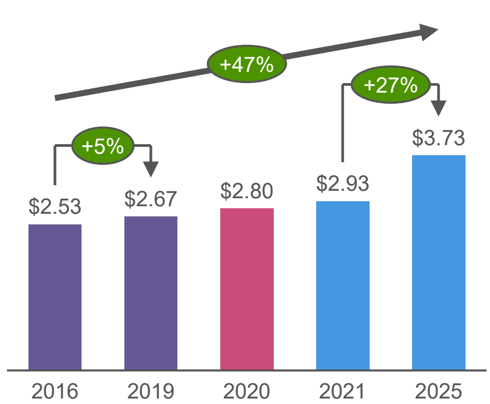
Affordability is rewriting America's food equation

Implications for the FMCG Industry

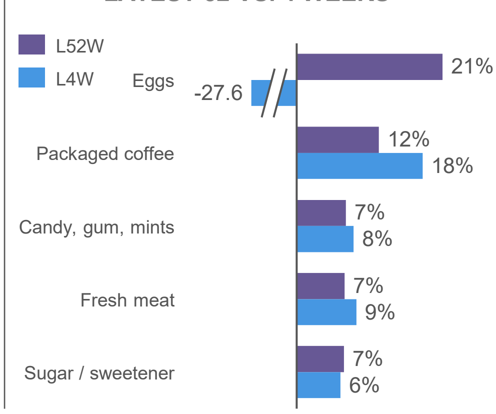
Sticker shock is waiting at the shelf

With 46% of households reporting food and beverage prices are "much higher" than a year ago and 55% extremely concerned about food price inflation, consumers are recalibrating what value truly means[4]. Affordability is becoming less about "stretching budgets" and more about "protecting control." The next five years will be defined by shoppers recalibrating what is truly worth paying for.

FOOD & BEVERAGE AVERAGE UNIT PRICE TREND[1]



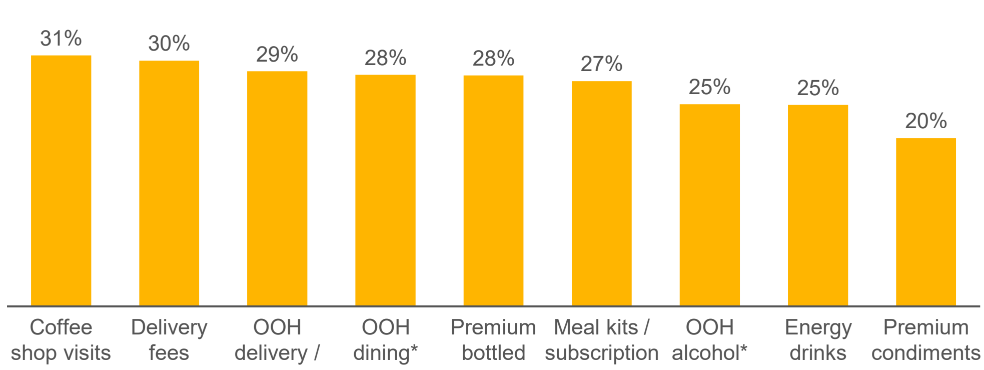
EQ PRICE CHANGE COMPARISON LATEST 52 VS. 4 WEEKS[2]



It's just not worth it anymore for some consumers

As prices breach psychological thresholds, consumers abandon once-sticky products and services as they redraw lines around what's "worth it:" 44% are cutting back on non-essentials, 31% are skipping name brands, 41% are buying fewer snacks, and 22% are drinking more tap water rather than buying packaged beverages[4]. As these behaviors reset the "value hierarchy," many may never fully reclaim historical willingness-to-pay.

DUE TO CURRENT PRICING, WHAT IS NO LONGER WORTH SPENDING ON[4]



Industry Analysis Sources: [1]NIQ, Retail Measurement Services, 10-Year Dataset, Total Food & Beverage, Total US xAOC+C 2016-2025; [2]NIQ, Retail Measurement Services, Total US Full View, EQ Price Based On Super-Category-Specific Equivalency, 52 & 4-Week Periods Ending 12/27/2025; [3]NIQ, Expanded Omnishopper Panel On Demand, Total US, Total Outlets, Total Food & Beverage, 52 Weeks Ending 12/27/2025; [4]NIQ, BASES Quick Question Omnibus Survey, n=2,006, January 2026; [5]NIQ, Retail Measurement Services, Total US Full View, Total Food & Beverage, 52-Week Period Ending 12/27/2025; [6]NIQ, Retail Measurement Services, NACS, Total Store Excluding C-Store Prepared, Total US Convenience, 52 Weeks Ending 12/27/2025

Note: *OOH = Out-of-home

Author: Chris Costagli, Vice President, Thought Leadership, Food & Beverage Insights Lead; Maria Camila Garnica, Industry Analyst

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The takeaway…

- Affordability is the new anchor of value, pulling ahead of branding in the consumer decision tree; it's more than just affordable price, its affordable breakfast, affordable protein — affordable outcomes
- Shoppers are trading down to less expensive options, but they are also eliminating categories altogether from their shopping baskets
- Technology has already made pricing more transparent, but advancements in AI are about to hyper-charge the shopper's ability to know when something is "worth it"

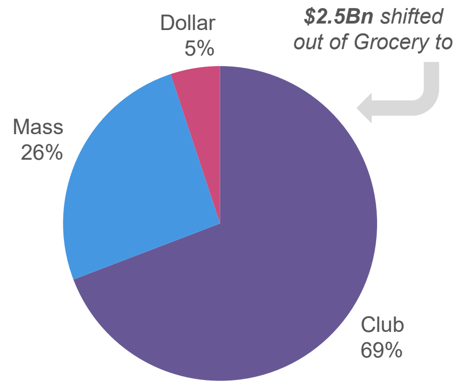
Your next move…

- For private labels, build a next-generation portfolio that is price tiered and designed to compete and outpace name brands on innovation, not just on price
- For name brands, innovate beyond private label's reach focusing on differentiated functionality, attribution, sustainability, and cross-category benefits that elevate perceived worth
- Invest in AI-driven pricing and personalization to make digital reinforcement a component in the total value equation whether through personalized value, transparent comparisons, or digitally reinforced trust

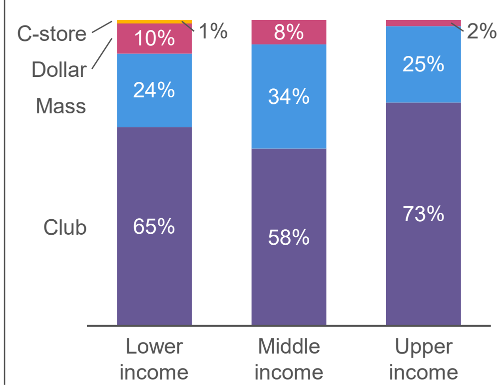
Club's rise ushers in a new value era

Club is teaching consumers a new definition of "smart spending" by delivering value through scale, exclusivity, and perceived quality. Even lower-income households, intuitively seeking lowest unit-price formats, also moved into Club, signaling that value-per-ounce beats price-per-unit when shoppers feel squeezed. Club's success will force the entire FMCG ecosystem to rethink pack architecture and pricing for a value-experience future.

FOOD & BEVERAGE DOLLAR SHIFTING OUT OF THE GROCERY CHANNEL[3]



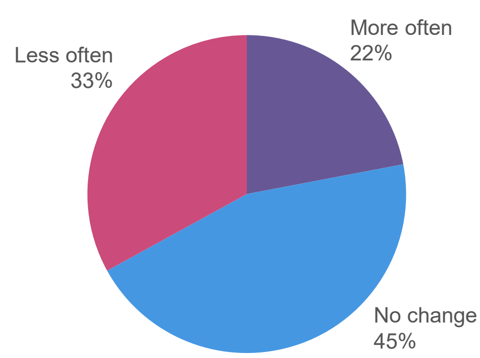
FOOD & BEVERAGE DOLLAR SHIFTING OUT OF GROCERY, BY INCOME TIER[3]

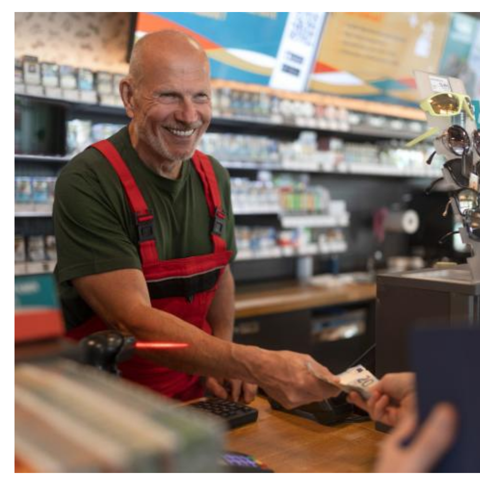


Convenience is losing its edge

Consumers aren't rejecting convenience; they're rejecting convenience at a premium. Unit sales fell 2.9% in 2025, with 9 of the top 10 categories posting negative unit growth[6]. Trips are falling, price sensitivities are rising, and the channel's long-held advantage is evaporating. With 33% shopping the channel less and 50% citing higher prices than other retailers, the convenience model needs to reinvent value, not just proximity[4].

CONVENIENCE CHANNEL SHOPPING VS. A YEAR AGO[4]

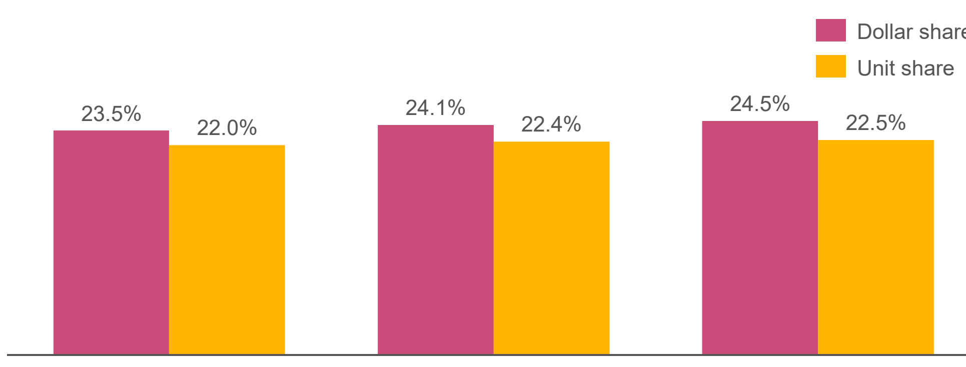




Private label becomes the new baseline

Private label continues to strengthen its grip, with dollar share and unit share both rising, as shoppers seek better value without sacrificing quality. With trust accelerating and value shining through, this shift will reshape category fundamentals and challenge manufacturers to innovate where private label cannot. By 2030, private label won't just compete — it will define category expectations, leaving many name brands scrambling to catch up.

PRIVATE LABEL DOLLAR AND UNIT SHARE WITHIN TOTAL FOOD & BEVERAGE[5]



Questions?

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Affordability is emerging as the dominant force that will reset the economics of food and beverage through 2030. As shoppers rebuild their value calculus, loyalty will shift from brands and retailers to experiences that deliver transparent, consistent, and frictionless value. Technology will accelerate this shift, empowering consumers to compare, predict, and optimize their spending in ways the industry has never confronted. The winners of the next decade will see affordability not as a margin threat, but as a strategic springboard for reinvention. The industry's greatest risk is not rising prices — it's underestimating how permanently consumer expectations have changed.

Industry Analysis Sources: [1]NIQ, Retail Measurement Services, 10-Year Dataset, Total Food & Beverage, Total US xAOC+C 2016-2025; [2]NIQ, Retail Measurement Services, Total US Full View, EQ Price Based On Super-Category-Specific Equivalency, 52 & 4-Week Periods Ending 12/27/2025; [3]NIQ, Expanded Omnishopper Panel On Demand, Total US, Total Outlets, Total Food & Beverage, 52 Weeks Ending 12/27/2025; [4]NIQ, BASES Quick Question Omnibus Survey, n=2,006, January 2026; [5]NIQ, Retail Measurement Services, Total US Full View, Total Food & Beverage, 52-Week Period Ending 12/27/2025; [6]NIQ, Retail Measurement Services, NACS, Total Store Excluding C-Store Prepared, Total US Convenience, 52 Weeks Ending 12/27/2025

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