Hot Items On Today's Grocery List: GLP-1s, Retail Media, Store Tech, and AI

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Summary

Changes to consumer behavior and innovations in digital capabilities are forcing grocers, and the brands that sell through them, to rethink strategies and refresh their business models. This report dives into four major developments that are disrupting the industry: Consumers using GLP-1 medication to reduce hunger are eating less, retail media is shifting from an advertising channel to a core part of the retail ecosystem, physical stores are evolving into data-rich environments and AI is reshaping everything from product discovery to store operations. Each of these shifts would be significant on their own. However, in aggregate, they represent a fundamental change in how grocers and CPG brands will transform, compete and grow over the next decade.

GLP-1s: The Consumer Reset Is Bigger Than Just Calorie Reduction

According to a June 2026 study by PwC, GLP-1 adoption has more than doubled in 16 months. GLP-1 users live in 21% of U.S. households (up from 9%), and 54% of users surveyed have been on the drugs for more than a year. Conversations surrounding GLP-1 have focused on the drug's ability to reduce appetites and slow digestion, both of which would naturally lead to consumers eating less. For those in the grocery space, this translates to changes in consumer behavior that have a direct impact on the business: reduced shopping frequency, smaller basket sizes, fewer bulk items purchased and a different mix of products. For most industry pros, these shifts may be expected. And for some, business plans and execution have already occurred to align with these outcomes. However, adjustments for indirect impacts may still exist unaddressed.

Household-level grocery spend reductions.

GLP-1s reduce appetite, but users of this medicine still eat. As such, grocers may only expect small changes to purchases intended to feed entire families. However, many GLP-1 users are the primary buyer of groceries for their households. Even when they are not, overall consumption of food is shown to be declining. Research shows that in households with at least one GLP-1 user, grocery spending falls 5.3% within six months of beginning treatment. With higher-income households, the decline is even greater at 8.2%. Projections for reductions in future demand should be made with this in mind, particularly as GLP-1s continue to grow in popularity.

Grocers with health services winning customers through relevance and value.

Data from Shoptalk's 2026 Grocery Pulse Survey shows that half of grocery and brand executives expect GLP-1 use to reduce top line grocery sales over the next one to five years: 16% expect a decline of 5% to 10% and another 2% expect more than 10%. Retailers that offer groceries and already have health clinics and pharmacies in-store, such as Walmart, Albertsons, CVS and Wegmans, could have competitive advantages. Their ability to connect healthcare services with grocery messaging gives them new ways to communicate, engage and personalize experiences for GLP-1 users that traditional grocers may struggle to match. Walmart, for example, expanded weight-management support for customers on GLP-1s in April 2026, backed by its in-store pharmacists.

GLP-1 users adopting a shopping mantra of 'Calories Worth Choosing'.

As consumers reduce overall caloric intake, they are likely to become more selective about where those calories come from. Premium indulgence products may continue to thrive because they deliver emotional reward, while functional nutrition products justify consumption through tangible health benefits. Products caught in the middle, including snacks and frozen or shelf-stable processed foods, face the greatest risk of dropping off the grocery list. CPG manufacturers recognize this and are taking steps to pivot the messaging around some of their products. Conagra Brands, for example, was one of the first that started adding "GLP-1 Friendly" messages on Healthy Choice packaging (see Figure 1).

Figure 1: Conagra Brands' Healthy Choice Packaging With GLP-1 Messaging

Image Source: Target.com

Retail Media: From Advertising Business to Retail Infrastructure

Retail media has been one of the few topics to rival AI and GLP-1s as a top subject of discussion in grocery. No surprise given that U.S. retail media advertising has been projected to grow at a 17.2% compound annual growth rate between 2024 and 2028. However, retail media's potential impact on any given grocer's profits remains hotly debated among industry professionals. According to EMARKETER, Amazon accounted for a whopping 79.7% of U.S. retail media ad spending in 2025, with Walmart a distant second at 8.0%. This means the rest of retailers and grocers are left fighting to win much smaller pieces of the opportunity. Nonetheless, for brands promoting their products and grocers stepping into retail media, there are industry trends that can make these initiatives a compelling part of an overall business strategy.

Consumers curtailing expenses, particularly in grocery.

In July 2026, Bain & Company reported that 80% of Americans were trying to cut spending, with over one in four (28%) actively trying to cut back on how much they spend on groceries. Among those doing so, 49% are simply buying fewer items. However, 56% are trading down to lower-priced brands and 44% are leaning harder on coupons and promotions. Those behaviors overlap, so the figures do not sum. Grocers can use retail media as a way of promoting new products with specific offers; they can also reignite a consumer's interest in buying traditionally expensive products, such as oils, frozen meats and seafood or alcohol, by advertising items in these categories from national brands that offer lower-cost options.

Digital growing as an "influencer" on consumers' buying decisions.

Brands have historically prioritized shelf placement for winning consumers' in-aisle purchases. Today, however, a rapidly growing number of consumers are turning to their screens and AI-powered answer engines for advice on everything from dining to dating to discovering products. Retail media is a digital medium that's consumed in-store, specifically on digital displays, ESLs and grocers' apps; that means it benefits from consumers who have already grown accustomed to "listening to" what the screen in front of them suggests they do. According to Shoptalk's 2026 Grocery Pulse Survey, 59% said that placement on a grocer's digital properties (websites, apps and in-store displays) will matter significantly more over the next one to five years than it does today.

Digital screens are making their way into a greater number of physical stores.

One of the strongest arguments that can be made against retail media in grocery is this: More than 91% of food and beverage sales still take place in physical stores, yet in-store placements drew just 3.3% of U.S. retail media spending outside Amazon in 2025. Furthermore, grocery stores without digital screens, signs, displays or electronic shelf labels don't have the means to deliver digital advertising to in-store shoppers. In truth, ROI can be and always has been difficult to measure, let alone achieve, from initiatives in physical locations that rely on visibility as a method of creating incremental sales. However, some grocers, like Tesco, are making digital hardware investments throughout the store with an optimistic anticipation that expanding the reach of retail media programs in this way will yield profitable returns (see Figure 2).

Figure 2: Tesco Continues to Make Investments in Digital Signage for Retail Media

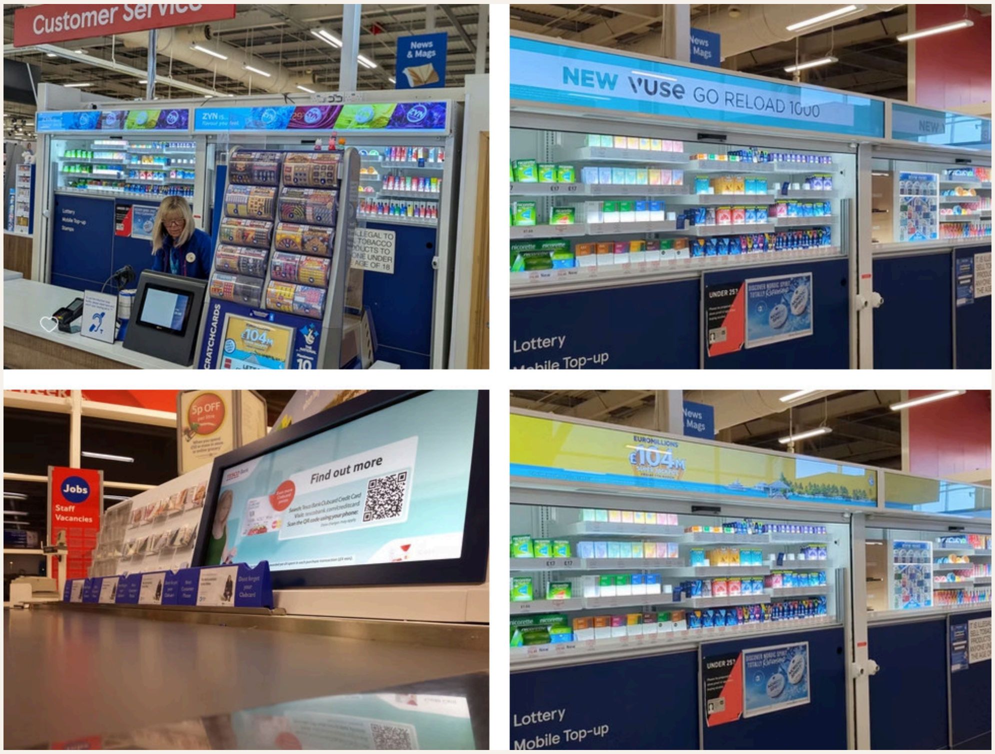

Image Source: pixelinspiration.com/tesco-retail

Stores Challenged to Change as Online Commerce Evolves Value

For decades, retail pundits predicted online commerce would replace the need for physical stores yet that's not been the case. Instead, the role of the store has expanded into full-service health centers, advertising channels, shopping locations and online pick-up destinations. As positive as that's been, online commerce has remained the channel where improvements and net-new values have materialized to a greater degree. Some of these improvements even challenge the benefits physical retailers claimed were exclusive: same-day product fulfillment, answering shopper questions through natural dialogue and making product recommendations based on dietary needs and restrictions. This begs the question: Can grocers flip the script and transform stores into places that deliver elements of value often found exclusively within online channels? Those grocers with the means certainly have opportunities if they apply the right strategies for store transformation in purposeful ways.

Emulating ecommerce experiences that consumers clearly value.

Most online retailers offer the same types of digital experiences and services: product reviews, recommendations, subscription sign-ups, etc. Why? Because an overwhelming number of consumers have responded positively to these online offerings. Should grocers be finding ways to deliver the value of these services in stores? The answer to that is most likely yes. Some customers would want to know what other customers like or dislike about a product before making an in-store purchase. Others would like product recommendations when they're shopping in-aisle. And some would probably appreciate the ability to sign up for a subscription at the point of sale to have products they regularly buy in store automatically delivered to them. What consumers value shopping online isn't a mystery, but why grocers hesitate to offer these proven value-added services remains one.

Inspiring engagement to power personalized moments.

One thing keeps grocers from personalizing offline experiences to the degree they personalize online experiences: individual customer data. Every consumer's online buying journey has the potential to be tracked, captured as data and used to make future online experiences more relevant. Leading grocers have figured this out and are making tech investments to enable more advanced ways of capturing customer activity within the store, such as tracking specific shelf interactions using computer vision and getting in-store shoppers to self-identify by having coupons that can only be accessed by opening the grocer's app. Furthermore, McKinsey's State of Grocery North America 2026 report finds grocers increasingly extending retail media into broader data and analytics businesses, treating first-party shopper data as a commercial asset that can support supplier planning, category strategy, product innovation and measurement.

Prioritizing tech investments that align with customers' current behaviors.

There are several ways technology can transform stores to improve CX and operations (see Figure 3). With more initiatives available than grocers and brands can realistically implement in a year, industry pros are creating frameworks to help decide what to adopt immediately. One of these is a focus on improving what consumers are already doing: If consumers browse online before shopping in-store, companies should prioritize BOPIS. However, if shoppers bypass online channels and come straight to the store, it's smarter to invest elsewhere, such as into electronic shelf labels. Consumer habits rarely change, so grocers need to prioritize where technology will have the most impact.

Figure 3: Grocers And Brands Are Making Investments In Numerous Areas Of Tech

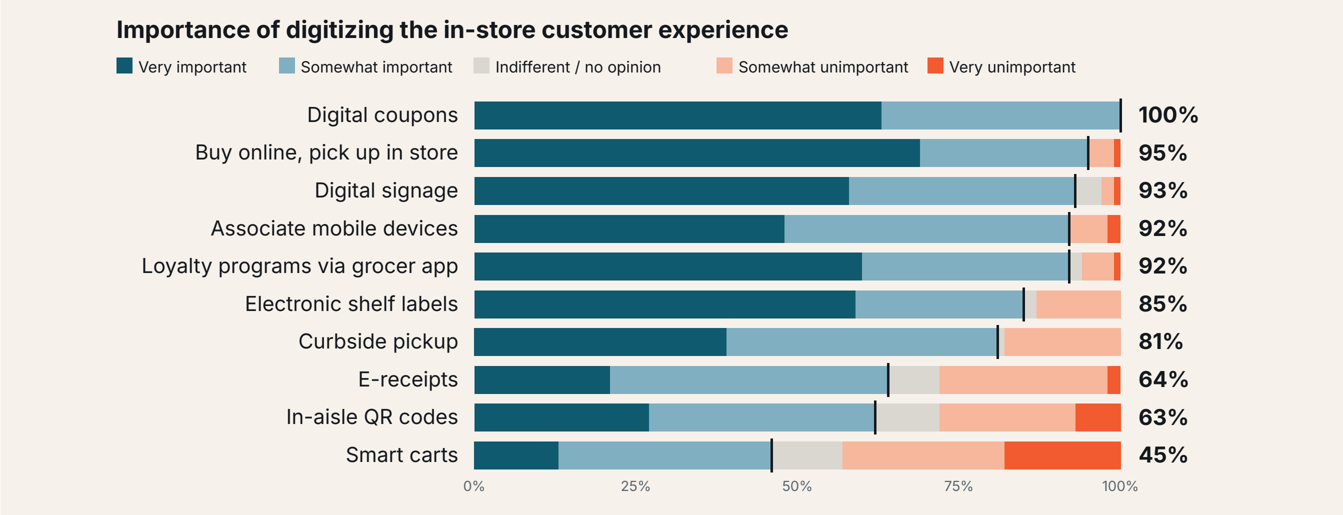

Image Source: Shoptalk's 2026 Grocery Pulse Survey

Share of grocery retailers and brands, n = 88 per item, sorted by total rating the capability important. Totals are very plus somewhat important, from raw counts. Segments are rounded individually, so they may not add to the total shown.

AI Will Transform The Role Of Associates And Elevate Operational Excellence

Although 64% of Americans are worried AI will displace jobs, new research indicates that fear is less so in the grocery and CPG space, but still a concern. According to Shoptalk's 2026 Grocery Pulse Survey, 55% of grocery retailers and brands indicated that it's somewhat or very unlikely that an associate will be let go and not replaced when AI automates their routine work; 36% said it is likely. Instead, it is more likely they will be assigned new roles or asked to give more focus to activities that improve customer experience. However, AI is also likely to reshape how work gets done and the shopping journey.

Employees will evolve into shopper experience specialists.

Shoptalk's 2026 Grocery Pulse Survey found that 85% of survey respondents expect the associate's role to evolve into customer advisors, product specialists or experience managers when AI reduces the time tasks take or removes them entirely. This means grocery retailers and brands will likely need to rethink, reprioritize and retrain for an employee's interaction with consumers. For example, employees can spend more time helping shoppers find, compare and translate ingredients of products. They could also recommend new products that the shopper may not have tried before. This will require grocery leaders to work more towards training employees on product information, customer service best practices and processes/policies for solving customer issues.

Access to on-device AI will raise productivity and confidence of associates.

As retailers evaluate costs and further weave online and in-store experiences, retailer-issued smartphones will serve as a prudent starting point to test capabilities (see Figure 4). In fact, 92% of Grocery Pulse Survey respondents rate associate mobile devices to help with customer requests important, including 97% of grocers. Shoppers already rely on their devices to look up product information, reviews and load coupons. Associates should have easy access to those same capabilities if they want to meet the consumer's expectations for service. This means employees can access the same product and promotion information as shoppers. But devices should also be used to improve employee experience, which is accomplished by designing these tools to help execute in-aisle tasks like inventory management and price checks.

Grocers will use AI cost reductions to improve margins and/or lower prices.

Thin margins in grocery have been accepted historically as a reality of doing business. However, if AI has already proven one thing, it's a good solution for reducing labor costs through productivity gains. In 2023, McKinsey & Company estimated that generative AI and other technologies had the potential to automate work activities that absorb 60% to 70% of employees' time. This will leave grocers with a choice: use those savings to increase margin rates or maintain margins and use those savings to compete with lower product prices and/or more promotions.

Figure 4: Walmart Equips Associates With Retailer-Issued Devices

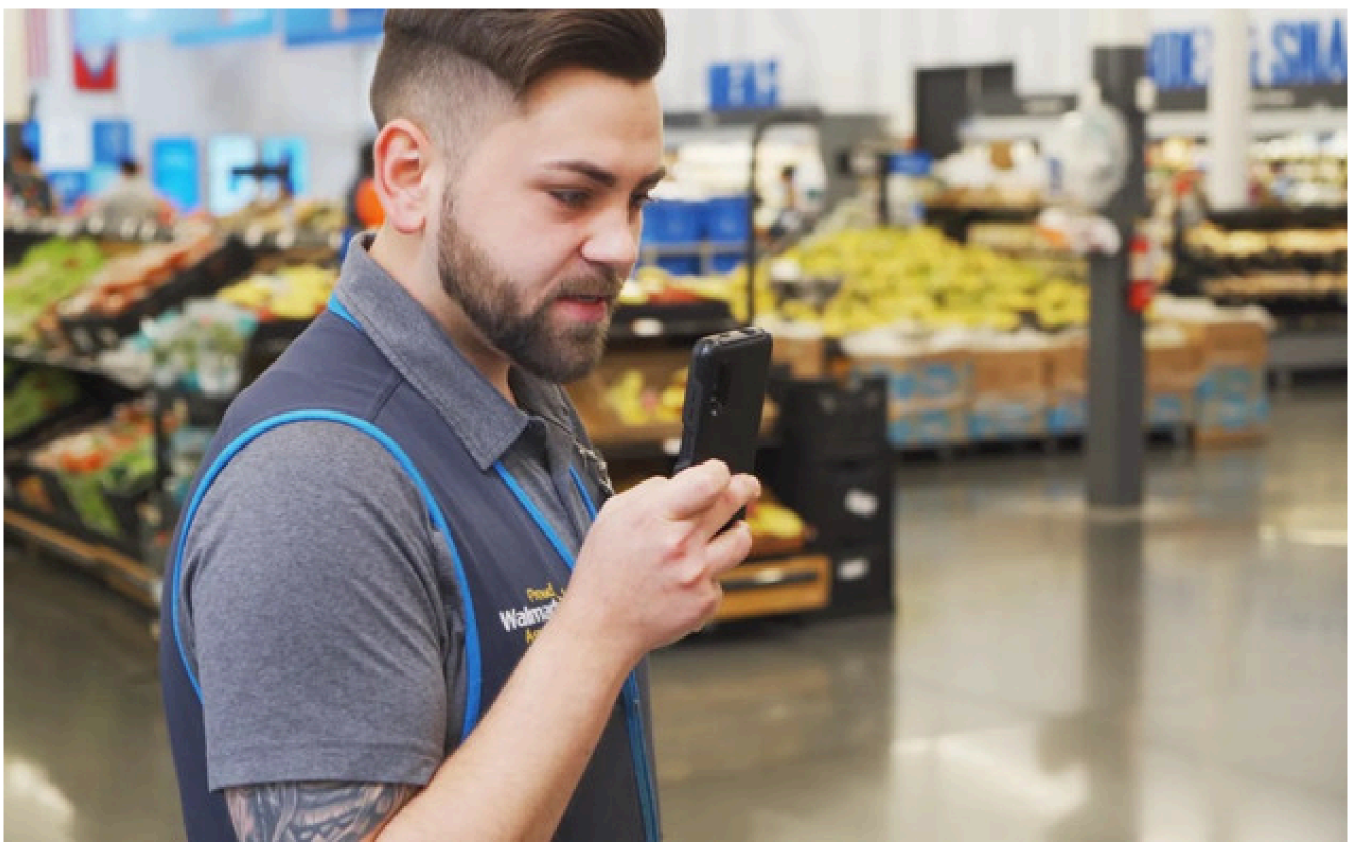

Image Source: Walmart

Conclusions

GLP-1 adoption, retail media, store transformation and AI are often discussed as separate trends. In reality, they reinforce one another. Grocers that adjust to changing consumer behaviors, build stronger digital relationships, create better in-store experiences and start early with AI will be best positioned to differentiate themselves from others.

Grocery's next competitive advantage won't come from any single technology or trend; it will come from how effectively retailers connect them. Grocery has always been required to evolve alongside changing consumer behavior. What's different now is the speed at which technology is enabling that to happen. Multiple structural shifts are unfolding simultaneously, and together they are reshaping grocery's competitive landscape faster than ever before.

How this research was produced

Survey

The Shoptalk Grocery Pulse Survey was fielded July 29-Aug. 5, 2026, among directors and above who make or significantly influence strategic decisions at grocery retailers with more than 25 locations or 2,500 online orders a week and at brands sold in at least 1,000 grocery locations.

The base is 88 qualified respondents: 39 grocery retailers and 49 brands, 85 of them from businesses operating in the United States. One response with no organization type is excluded. Every question asked for the respondent's own view as an industry professional. A single figure carries a margin of error of up to about 10 points at 95% confidence, and two figures need to differ by roughly 15 points before the gap reads as real.

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How to cite

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