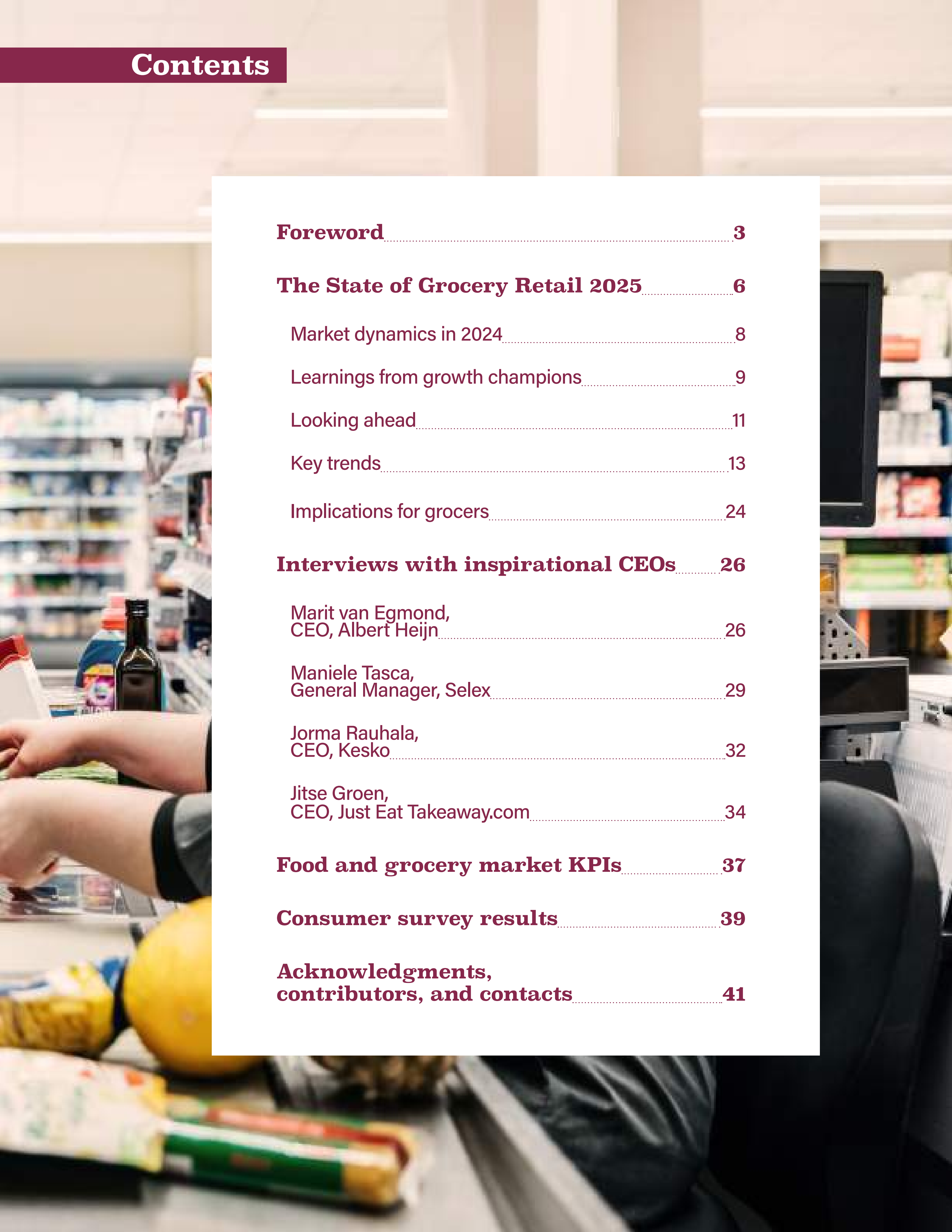
McKinsey & Company

EuroCommerce Retail & Wholesale

The State of Grocery Retail 2025

Europe



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Foreword

2024 was a year of mixed emotions for European grocers. Volume grew again, albeit slowly, some consumer segments traded up, and AI has been creating value for some grocers. Now, looking ahead to 2025, cost pressure remains high, some supply chains are highly volatile, and many shoppers are still cautious as economic pressure persists.

The questions we hear from grocery executives mirror the mixed picture of 2024: How can grocers attract the more affluent shoppers as well as those whose price sensitivity remains high? What will the shopper of tomorrow look for? Where are the most attractive pockets of growth? How can opportunities from sustainability be captured? Finally, how can grocers benefit from data and AI most effectively?

While the future remains uncertain, we have created a rich fact base to help leaders in European grocery retail navigate the coming years. For this report, we surveyed more than 14,000 consumers and over 30 grocery executives from more than a dozen countries across Europe. Additionally, we interviewed four grocery CEOs. The interviews, surveys, and analyses were conducted in early 2025.

Developments regarding possible tariffs or other trade restrictions that unfolded in March 2025 are not reflected in the report.

To mark the fifth anniversary of *The State of Grocery Retail Europe* publication, we have added various new features, including a five-year outlook, a data-driven analysis of the signature practices of successful grocers, and a proprietary volume growth model to inform the assessment of growth opportunities in different parts of Europe.

Once again, we combined EuroCommerce's policy and sector knowledge with McKinsey's global expertise and analytical rigor. We hope this report will offer new insights and perspectives to help European grocers navigate ongoing uncertainties and seize future growth opportunities.

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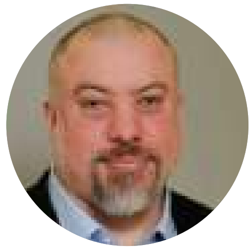

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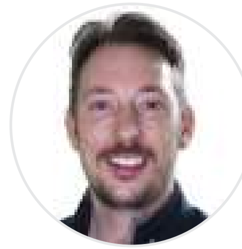

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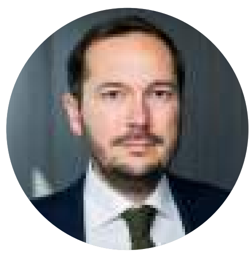

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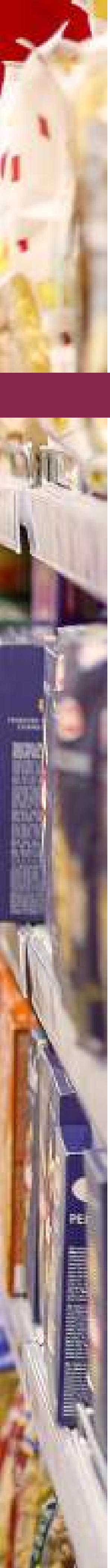

The State of Grocery Retail Europe 2025

Quest for Growth

The year 2024 was mostly a period of stabilization for the European grocery sector with the first signs of recovery in some markets. Despite stabilization, 2024 remained a challenging year for European grocers. Economic pressure persisted, which led to cautious consumer behavior as well as restrained spending. Grocery sales grew by 2.4 percent in Europe,[1] slightly above the food price inflation rate of 2.3 percent.[2] Discounters and private labels continued to gain market share, although at a much slower pace than in 2023, largely in line with a longer-term trend observed in previous years. On average, across Europe, there was almost no net effect from up- or downtrading. The 25 percent of consumers who traded up to more expensive options in 2024 were balanced by a similar proportion of consumers trading down—a clear stabilization after two years of strong downtrading.

In 2025, the recovery is expected to gain momentum. Grocery retail CEOs in Europe are slightly more optimistic than they were last year. Nevertheless, the next few years are expected to remain challenging, with low volume growth and sustained pressure on profitability. To thrive in this competitive landscape, grocers could double down on pockets of growth through differentiation, focus on execution efficiency, meet the needs of the consumer of the future, and leverage data, AI, and technology.

by Christel Delberghe, Anton Delbarre, Dirk Vissers, Daniel Läubli, Franck Laizet, Simon Wintels, and Alexandre Kleis

1 Includes Belgium, Czech Republic, France, Germany, Italy, Netherlands, Poland, Portugal, Spain, Sweden, and the United Kingdom.
2 Europanel; Eurostat.

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Market dynamics in 2024 and before

After unprecedented shifts in the market between 2019 and 2023, 2024 was widely perceived as a year of stabilization in a challenging environment. Now is the time not only to reflect on 2024, but also to consider the state of affairs after the ups and downs of the past five years.

Grocery sales in Europe[3] grew by 2.4 percent in 2024. This growth was the result of 2.3 percent food price inflation, a downtrading effect of –0.1 percent, and a volume growth effect of 0.2 percent (Exhibit 1). This means that grocery sales increased for the first time since 2020 in real terms (adjusted for inflation). However, inflation-adjusted sales are still 4.1 percent below sales recorded in 2019. This decrease was driven by a volume increase of 0.8 percent and a decline of the price per item in real terms by 4.9 percent (for downtrading, see "Food and grocery market KPIs in 2024," page 26).

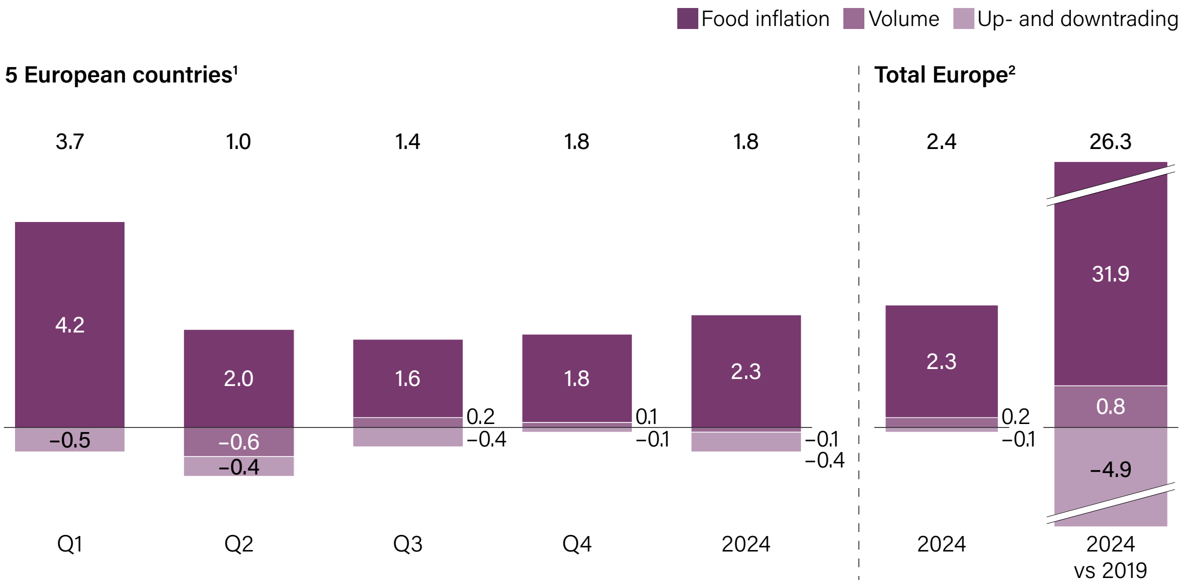
With an overall downtrading effect of –0.1 percent, the market stabilized in 2024 after two years of strong downtrading. While the net downtrading effect was small in 2024, this was due to a balance of some consumers trading down and others trading up. In 2024, 25 percent of consumers traded up by switching to more expensive alternatives, mainly driven by high-income consumers.

Since 2019, the share of discounters and private labels increased significantly. Discounters and private labels continued to gain market share in 2024, although at a slower pace than in 2023, largely in line with the longer-term trend observed in previous years. Discounters gained 2.4 percentage points of market share between 2019 and 2023, followed by an increase of 0.2 percentage points from 2023 to 2024, reaching a share of 23.2 percent. The private label share has expanded in every analyzed European market since 2019, with an increase in volume of 3.8 percentage points between 2019 and 2023, and 0.3 percentage points from 2023 to 2024.

Exhibit 1

Grocery sales in Europe grew by 2.4 percent in 2024.

Retail sales vs previous year and vs 2019, by quarter and year, %



[1]France, Germany, Italy, Spain, UK.
[2]Belgium, Czech Republic, France, Germany, Italy, Netherlands, Poland, Portugal, Spain, Sweden, UK.
Source: Europanel

[3] Belgium, Czech Republic, France, Germany, Italy, Netherlands, Poland, Portugal, Spain, Sweden, and the United Kingdom.

Learnings from the growth champions of the past five years

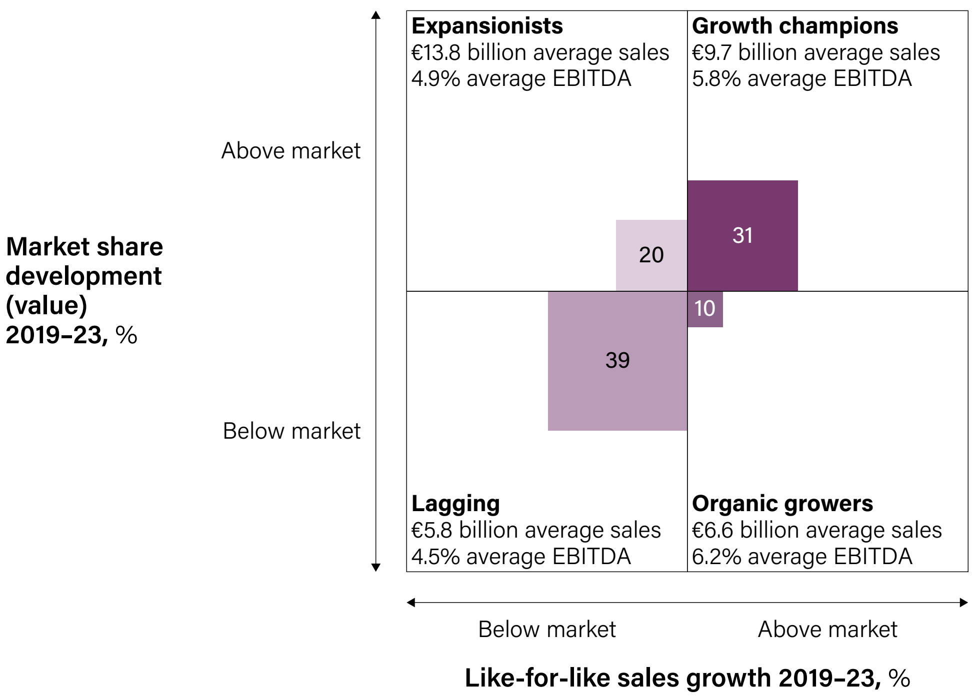
We looked at 127 grocers across 11 European countries to determine what the growth champions of the past five years had in common. For the purposes of this analysis, we defined growth champions as grocers that gained market share and had an above-market like-for-like sales growth.[4]

Out of the 127 individual country and banner combinations that we examined, 31 percent qualified as growth champions, based on the criteria above.

In our sample, there were more growth champions among discounters (41 percent of all discounters) than among supermarkets and hypermarkets (28 percent). The growth champions were typically 35 to 50 percent larger and generated a 0.8 percentage points-higher EBITDA than other grocers. They also achieved twice the sales growth and five times the sales productivity growth of other grocers (Exhibit 2).

Exhibit 2

We looked at 127 grocery banners in Europe to understand what growth champions have in common.



Source: IGD

[4] Market share is calculated as percentage of total value; like-for-like excludes any store expansion effect.

Out of more than 30 attributes in the analysis, four signature practices emerged as common characteristics among growth champions. Ranked according to their impact on the likelihood of a grocer being a growth champion, the signature practices are high private label share, a pleasant in-store experience, excellent product quality, and low prices (Exhibit 3).

1. **High private label share.** Supermarkets and hypermarkets with an above-average share of revenue coming from private labels **have a 2.8 times greater** likelihood of being a growth champion than others. Growth champions in our sample generate 50 to 90 percent of their revenue with private labels, and they typically have a portfolio of multiple own brands per category.

2. **Pleasant in-store experience.** Top-quartile performers providing a perceived "pleasant in-store shopping experience" **have a 2.4 times greater** likelihood of being a growth champion than others. "Friendly and helpful store staff" is a key driver of creating a pleasant experience for consumers according to our analysis.

3. **Excellent product quality.** Top-quartile performers offering a "high quality of private label and fresh products" **have a 1.6 times greater** likelihood of being a growth champion than others. They perform well on both private label quality and freshness in most countries. Of the observed top-quartile performers with respect to their private label quality, 79 percent are also top-quartile performers with respect to the quality of fresh products.

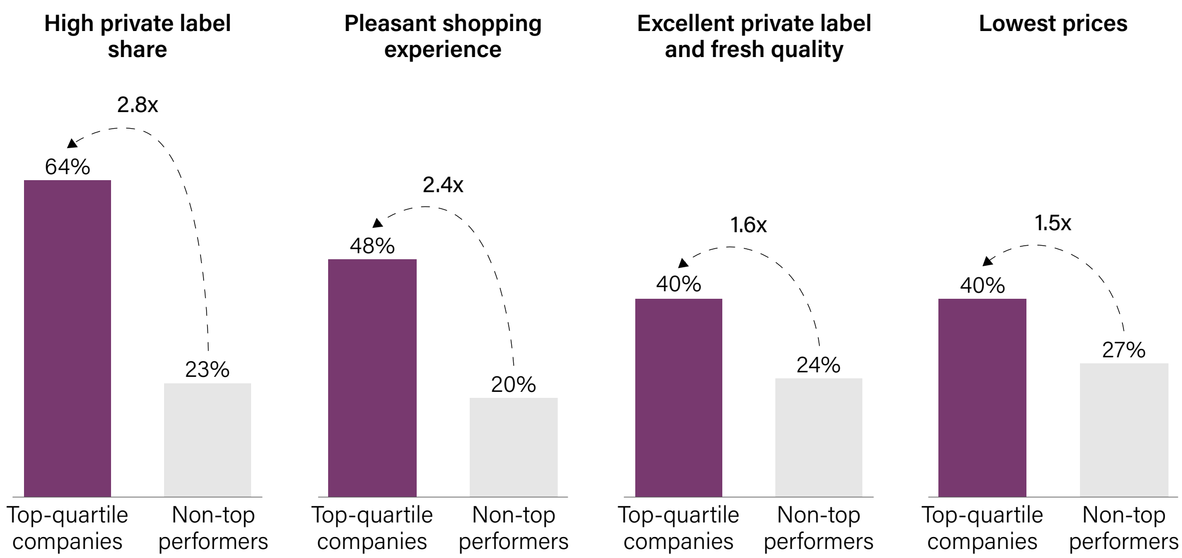
4. **Lowest prices.** Grocers that are in the top quartile for "lowest prices" **have a 1.5 times greater** likelihood of being growth champions than others. High-performing supermarkets and hypermarkets match discounters on price and quality for over 80 percent of the discounters' sales—typically more than 2,000 products.

We also identified attributes that did not increase the likelihood of a grocer outperforming the competition in the past five years, including superior loyalty programs, convenient opening times, and a good choice of sustainable and diet-specific offerings.

Exhibit 3

Four signature practices significantly increase the likelihood of being a growth champion amongst supermarket and hypermarket grocers.

Likelihood of being a growth champion based on 4 signature practices,[1] %



[1]Signature practices are not necessarily the attributes with highest scores in isolation due to correlating attributes (eg, "Offers great value for money" and "Offers lowest prices"); Only including full-service grocers, excluding discounters and value grocers.
Source: IGD; local market experts; McKinsey Consumer Survey 2023

Looking ahead to the next five years

Despite ongoing cost and margin pressure, grocery retail CEOs were slightly more optimistic at the start of 2025 than they were in 2024. While 55 percent anticipate stability in 2025 (up from 39 percent in 2024), only 29 percent expect worsening conditions (down from 36 percent) (Exhibit 5). None of the participating CEOs in Central and Eastern Europe expressed optimism this year. This result mirrors the expected volume decrease for this region of –0.3 percent a year until 2030.

The 2025 grocery CEO agenda reflects the improved overall outlook at the start of the year. While “cost and margin pressure” and “downtrading of consumers” are still among the top three priorities, IT modernization and supply chain resilience gained prominence (each moving up six places in the ranking). Private labels remain important to European grocery CEOs, but “talent hiring and development” and “ready-to-eat/heat/cook” each dropped five places (Exhibit 6).

Consumer behavior is stabilizing. Our surveys across 13 countries indicate that consumer behavior largely remains as it was in 2024, with limited shifts in spending patterns (Exhibit 4). While consumers intend to increase spending on health, freshness, and high quality, they plan to decrease spending on frozen food, meat, and several other categories.

The next five years will likely be economically challenging, with low volume growth and sustained pressure on profitability. Our projections indicate low volume growth of around 0.2 percent annually across Europe through 2030. Additionally, grocers are facing growing costs that arise from food inflation and labor shortages. Passing these costs on to consumers remains difficult because of the highly competitive market. In combination with low growth, these cost increases put pressure on grocers’ profitability (EBIT). The sector’s competitive landscape is likely to shift, with underperforming grocers potentially becoming the targets of takeovers. Operational excellence, a relentless focus on profitability, and building a differentiated offering for which customers are willing to pay could increase the chances of grocers performing well in this environment.

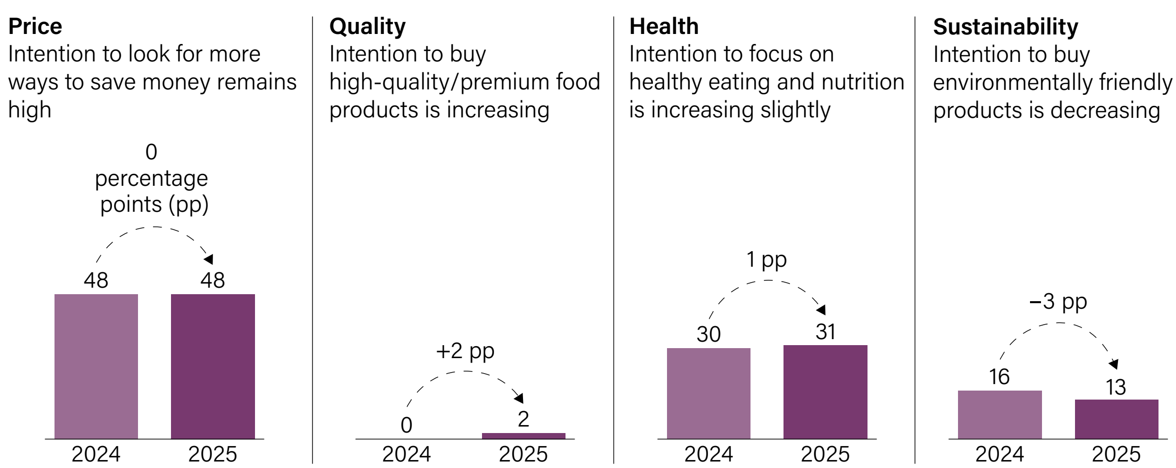
Based on our CEO survey, consumer surveys, and further research, we have identified nine trends that we believe will shape the grocery retail sector in 2025 and beyond. In the next sections, we look both at the longer-term trends and the short-term developments that we expect—and the strategies that could help grocers strengthen their positions in the coming years.

Consumer survey results

Exhibit 4

Consumer survey shows increased importance in quality whereas sustainability is decreasing.

Attitude[1] towards grocery shopping, EU net intent[2] of consumers, 2025 vs 2024, %



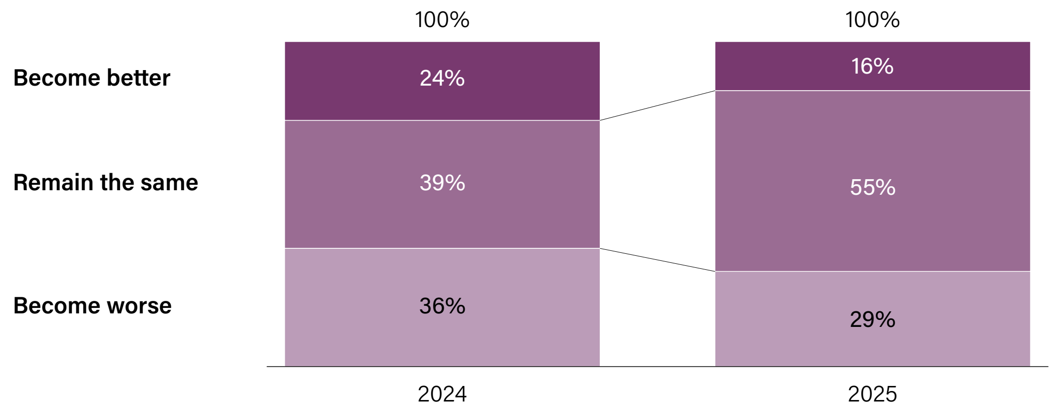
[1]Question: Think about 2025. Are you planning to do more, less, or about the same of the following?
[2]Net intent represents the share of consumers who want to do more of the activity minus the share of consumers who want to do less of the activity in 2025 vs 2024.
Source: McKinsey Consumer Survey 2025 (n = 11,525), 2024 (n = 11,591), Belgium, Denmark, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, UK, sample to match general population age 18 and above

CEO survey results

Exhibit 5

Over two-thirds of European grocery CEOs expect market conditions in 2025 to remain the same or improve.

European CEO survey results, sentiment toward 2025 grocery market conditions,[1]

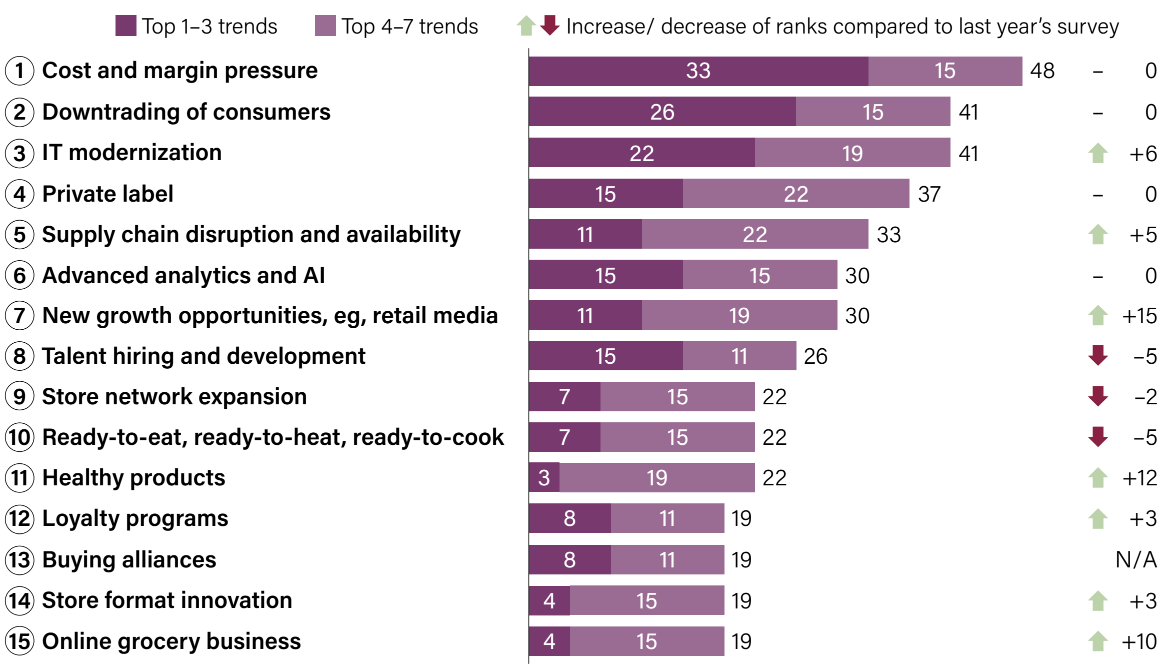


Note: Figures may not sum to 100%, because of rounding.
[1]Question: Thinking ahead, how do you see the market conditions for the grocery retail industry evolve in 2025, compared to the average of 2024?
Source: CEO Survey 2025 (n = 31); CEO Survey 2024 (n = 33)

Exhibit 6

Margin pressure and downtrading remain priorities for CEOs, while modernizing IT has gained importance.

Top 15 trends mentioned by CEOs for the grocery industry,[1] 2025, %



[1]Question: Looking to the near future, what do you think will be the "top of mind" focus areas that will shape the grocery retail industry in the next 1 to 3 years?
Source: CEO Survey 2025 (n = 31); CEO Survey 2024 (n = 33)

Key trends

Nine trends will characterize the European grocery retail market in 2025 and beyond

1	**Low volume growth**	**0.2% volume growth** expected in Europe through 2030, with a decline in Central and Eastern Europe and growth in Southern and Northern Europe
2	**From private labels to private brands**	**1–3 pp increase** in the share (sales value) of private labels in European grocery by 2030
3	**Growing appetite for healthy food**	**7 pp increase** in net intent to eat more healthy food among Gen Z shoppers, compared to 2024
4	**Ready to (h)eat: Catering to the no-cooking generation**	**77% of Gen Z shoppers** purchase food-to-go monthly, compared to 33% of baby boomers
5	**Unlocking a new level of customer engagement**	**4–6% potential uplift** in revenue and retention through personalization
6	**Sustainability: Scope 3—the challenge ahead**	**3 pp decrease** versus 2024 in net intent of consumers to buy more environmentally friendly products
7	**European consolidation**	**>30% increase** in grocery retail M&A activity in the last five years
8	**The race to get tech right**	**2.9x higher** shareholder returns for digital capability leaders versus peers
9	**Retail media growth and professionalization**	**20% CAGR** expected for retail media spending through 2030 in Europe

1. Low volume growth

The grocery retail sector experienced low volume growth in 2024. While this trend is expected to continue in the next five years, there are a few promising pockets of potential growth.

Volume growth was low in 2024 (0.2 percent since 2023), and this trend is expected to continue, with up to 0.2 percent volume growth annually through 2030 across Europe.[5] As far as channels are concerned, the shift from traditional trade[6] to modern trade[7] is expected to drive net growth of 0.1 percent annually through 2030, especially in Central and Eastern Europe,[8] as well as Southern Europe.[9] Meanwhile, the shift from grocery to foodservice is expected to lead to a decline in volume of 0.3 percent annually. The largest positive effect is population growth, with a net growth of 0.2 percent annually in Europe, yet negatively impacting Central and Eastern Europe. Calorie consumption per capita is expected to increase by 0.1 percent a year, reflecting three developments: an increase in daily calorie intake (0.15 percent per annum), a growing share of older people who have lower calorie intakes (–0.04 percent per annum), and the potential uptake of weight loss medication (with a potential –0.01 percent decrease per annum).[10]

Despite low overall growth, there are pockets of potential growth in certain countries, channels, and categories. Northern and Southern Europe are projected to grow at 0.4 to 0.5 percent annually, respectively. Western Europe can expect a slight growth of 0.1 percent a year. In contrast, volume will likely decrease in Central and Eastern Europe (–0.3 percent a year) (Exhibit 7). Among channels, online is expected to see the highest growth (2.0 percentage points above average), followed by discounters (0.8 percentage points above average).[11] Categories that are expected to grow the most include fresh foods, healthy foods, and functional foods, such as power bars, protein-rich options, and sports drinks. Convenience and food-to-go categories are expected to be major growth pockets, too.

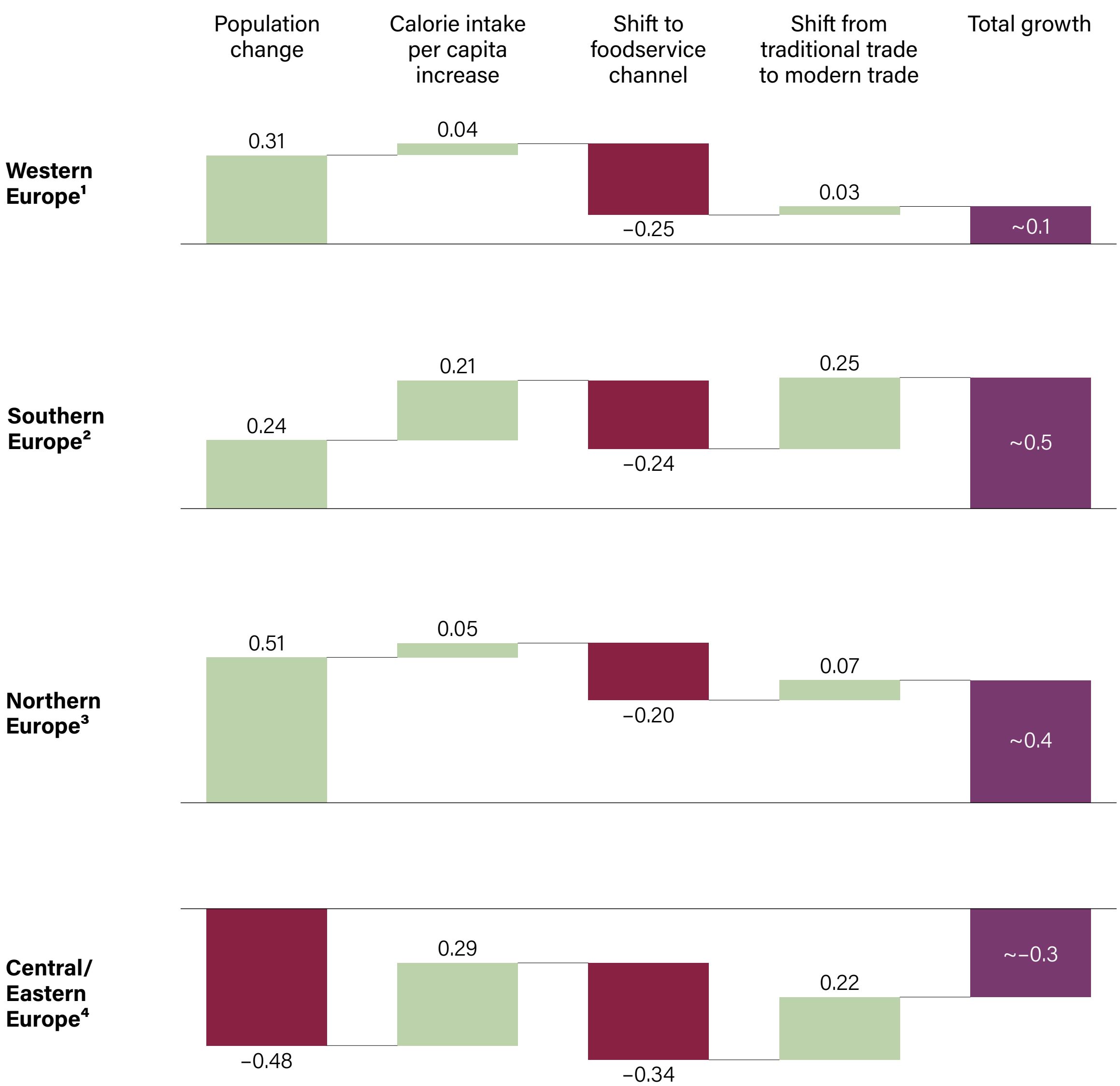
For the third consecutive year, cost and margin pressure are a top priority for grocery retail CEOs. The two key factors driving this continued pressure are low volume growth and the fact that grocers may not be able to fully offset growing sourcing costs by increasing consumer prices due to high price sensitivity and competitive pressures.

5 Governmental population projections; Eurostat; IGD; Food and Agriculture Organization of the United Nations.
6 Traditional trade or traditional grocery retail refers to smaller, often family-owned stores, and market stalls that provide groceries.
7 Modern trade or modern grocery retail refers to organized, large-scale retail formats, such as supermarkets and hypermarkets, that offer a wide range of grocery products with standardized pricing and advanced infrastructure.
8 Includes Croatia, Czech Republic, Hungary, Poland, Romania, and Slovakia.
9 Includes Italy and Spain.
10 GLP-1 medication, used for type 2 diabetes and weight loss, mimics the GLP-1 hormone to boost insulin and reduce blood sugar. Morgan Stanley; governmental population projections; Eurostat; IGD; Food and Agriculture Organization of the United Nations.
11 Kantar European Outlook 2025+.

Exhibit 7

By 2030, modern grocery retail volume is expected to increase in Northern and Southern Europe but decrease in Central/Eastern Europe.

Projected grocery retail volume growth, by factor and region, CAGR, 2024–30, %



Figures may not sum, because of rounding.
[1]Based on France, Germany, Netherlands, UK.
[2]Based on Italy, Spain.
[3]Based on Denmark, Finland, Norway, Sweden.
[4]Based on Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia.
Source: Eurostat; FAO; governmental population projections; IGD

2. From private labels to private brands

Private labels gained additional market share in 2024, and retailers increasingly position them as differentiated alternatives to A-brands.

The private label share of total grocery sales value in Europe increased by 0.3 percentage points from 2023 to 39.1 percent in 2024. Although consumer downtrading decreased in 2024, most consumers are not reverting back to A-brands from private labels. In our 2025 survey, 84 percent of consumers say they will continue buying private label products even if their purchasing power grows.

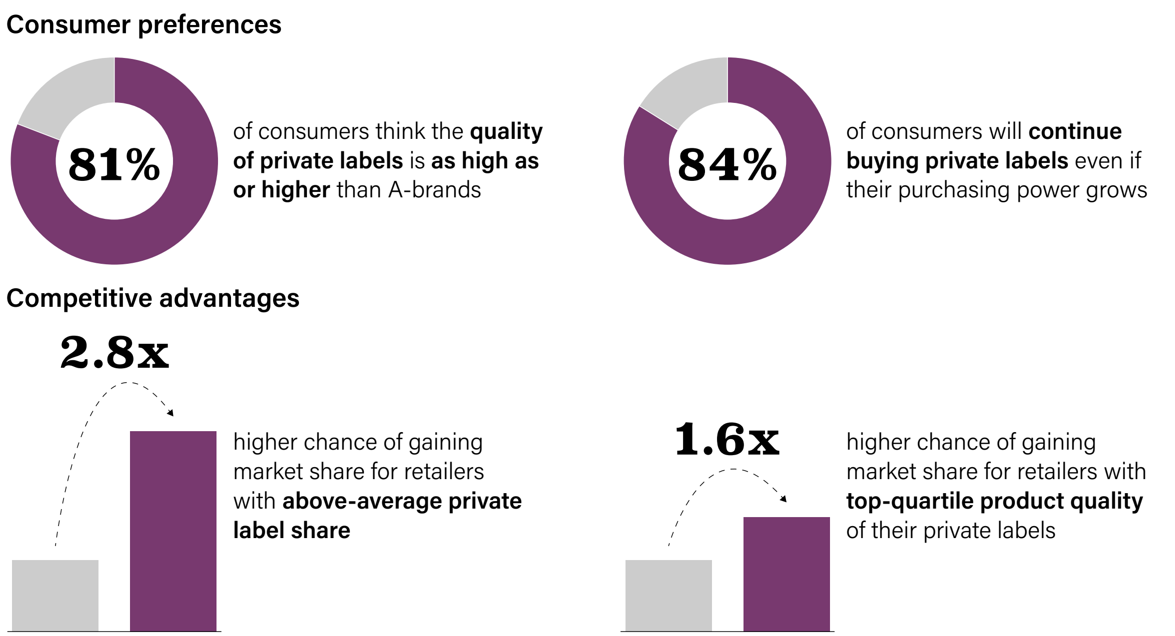
The sales share of private labels could reach 40 to 42 percent by 2030, up from 39 percent in 2024. The lower end of this range (40 percent) is based on the growth rate observed between 2014 and 2019, while the higher end (42 percent) is based on the growth rate observed between 2014 and 2024.[12]

Private labels are an important driver of market share growth for grocers. Our growth champions' analysis shows that retailers that have an above-average private label share have a 2.8 times greater likelihood of gaining market share than their peers. Those with top-quartile private label product quality have a 1.6 times higher chance than others to gain market share (Exhibit 8).

Grocers who create not just private labels but private brands, similar to A-brands, can gain significant market share. These grocers have established their own product development, concept, design, and packaging departments to differentiate their offering. Rather than adopting cross-category brands, they often use category-specific brands designed to evoke specific emotions and appeal to different customer groups.

Exhibit 8

Private labels are in high demand and can be a source of competitive advantage.



Source: IGD; McKinsey Consumer Survey 2025 (n = 14,543), 2024 (n = 12,598), Belgium, Czech Republic, Denmark, France, Germany, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, UK, sample to match general population age 18 and above

[12] Europanel.

3. Growing appetite for healthy food

Consumers, particularly Gen Z, increasingly seek healthy and functional foods—a growth opportunity for grocers.[13]

The demand for healthy options is growing, especially for fresh, functional, and "clean" food.[14] Healthy options and foods that offer additional health-related benefits, referred to as functional foods, are growing rapidly.

The net intent of European consumers to buy more high-quality, fresh products has increased by two percentage points since 2024. At the same time, some consumers are concerned about certain ingredients that are often found in processed foods.

Gen Z is the group seeking healthy options the most. Gen Z has the highest growth as a group of shoppers, and this group also has the highest intent (45 percent) to focus on healthy nutrition among all cohorts (Exhibit 9). Compared to last year, the net intent of Gen Z shoppers to focus on healthy eating increased by seven percentage points. In addition, one in three members of Gen Z indicated a willingness to pay a premium for healthier products.

Healthy eating preferences vary across generations, in line with what health means to different age groups. Baby boomers focus on reducing salt and eating less processed foods to promote heart health and prevent or delay age-related conditions. In contrast, Gen Z shoppers and millennials prefer options that are high in protein and low in calories.[15]

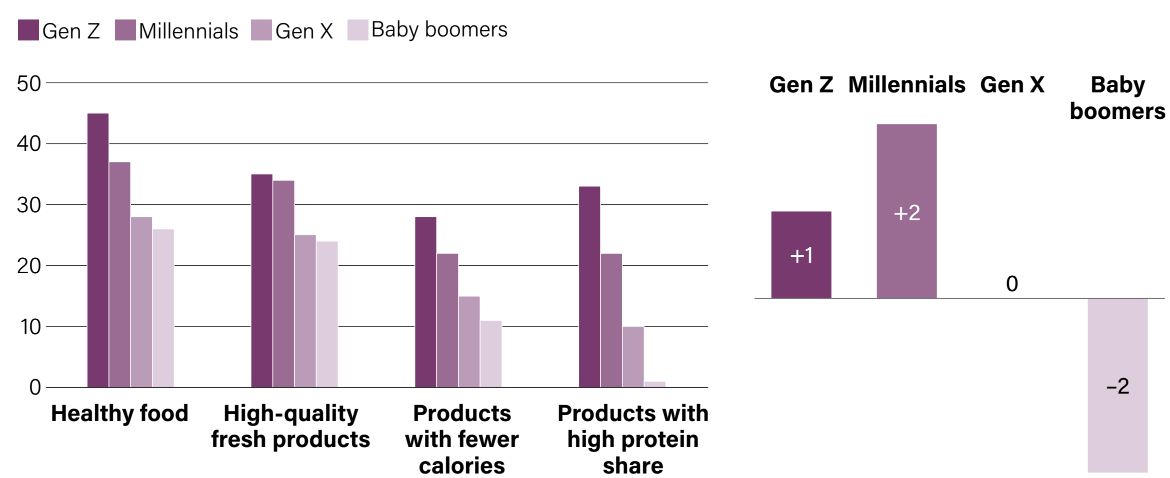
Consumers are dissatisfied with the healthy options available at their main grocers. Only 35 percent of consumers say that their main grocer offers the right assortment of products for a healthy diet.[16] And, while some consumers are prepared to pay a premium for healthy products, there is also a sizable group of shoppers who will or can buy healthy food only if it is affordable.

Exhibit 9

Gen Z fuels demand for healthy products, as compared to older generations.

Net share of respondents that want to buy more of listed category, 2025,[1] %

Change in net share of respondents willing to pay a premium for healthier options,[1] **2024–25,** percentage point



[1]Question: Think about 2025. Are you planning to do more, less, or about the same of the following? Percentage is calculated as net share (% of people intending to do more of the activity minus % of people intending to do less).
Source: McKinsey Consumer Survey 2025 (n = 11,525), 2024 (n = 11,591), Belgium, Denmark, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, UK, sample to match general population age 18 and above

[13] Functional food refers to foods that are enhanced with additional nutrients or bioactive compounds to provide health benefits beyond basic nutrition, such as fortified cereals or probiotic yogurts.

[14] Clean food refers to foods that are minimally processed and free from artificial additives, preservatives, and refined ingredients, emphasizing whole, natural, and often organic products.

[15] McKinsey Consumer Survey 2024; McKinsey Consumer Survey 2025.

[16] McKinsey survey on Global Future Food 2022.

4. Ready to (h)eat: Catering to the no-cooking generation

As the share of consumers who do not cook grows, ready-to-eat and ready-to-heat meals offer grocers a chance to regain market share from foodservice companies.

Foodservice continues to outpace traditional grocery growth. Before the COVID-19 pandemic, foodservice turnover was growing at 5.3 percent a year, nearly twice the rate of grocery in the period from 2014 to 2019. After a dip during the pandemic, foodservice rebounded, growing at a rate of 4.4 percent—1.6 times faster than modern grocery from 2023 to 2024.[17] This trend could continue through 2030, driven by consumer demand for convenience and the fact that Gen Z shoppers and millennials cook less frequently than baby boomers.

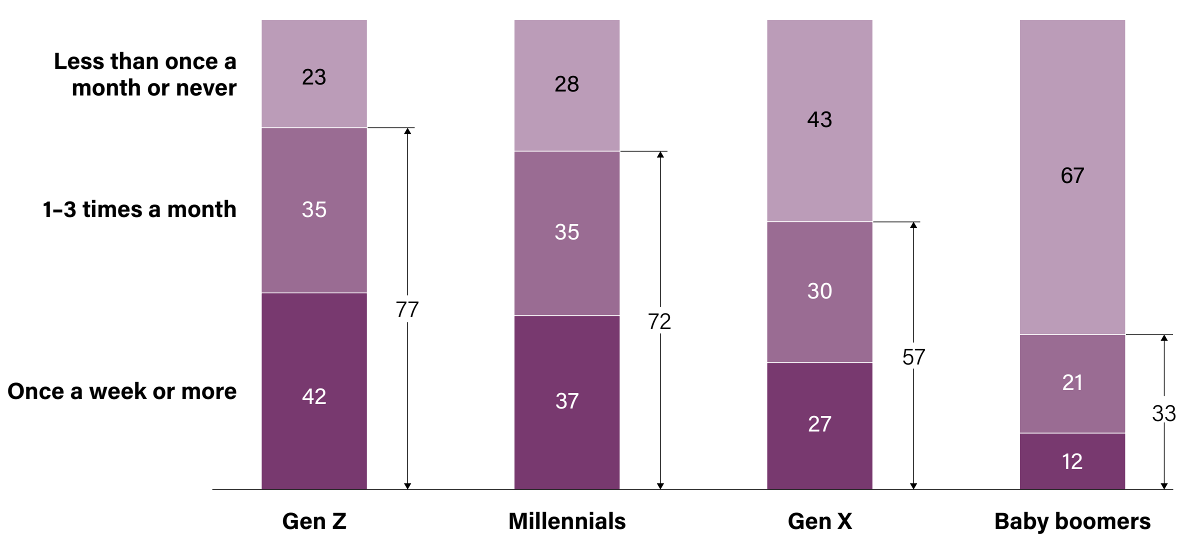
On-the-go food options and ready-to-(h)eat meals are gaining traction among consumers. Between 2022 and 2024, on-the-go food sources, such as bakeries, street vendors, food trucks, and vending machines, gained 1.1 percentage points in market share from sit-down establishments within the out-of-home segment.[18] Ready-to-eat meals are very popular, with 54 percent of consumers purchasing items such as sandwiches, salads, drinks, and snacks at least once a month. The share of consumers who purchase less than once a month prepackaged, partially cooked, or frozen meals has decreased from 41 percent in 2023 to 36 percent in 2024, signaling a growing acceptance of these convenient options.

Young consumers are at the forefront of the no-cooking trend. Despite their stated intention to cook from scratch (45 percent of Gen Z shoppers versus 30 percent of baby boomers), younger consumers turn out to be a "no-cooking" generation when push comes to shove. Seventy-seven percent of Gen Z shoppers and 72 percent of millennials buy food on the go at least once a month. Moreover, 42 percent of Gen Z shoppers and 37 percent of millennials purchase ready-to-eat meals at least once a week (Exhibit 10).

Exhibit 10

Food-to-go is popular, particularly among Gen Z and millennials.

Consumption[1] of ready-to-eat/grab-and-go fresh meals,[2] by European consumers, 2025, % of respondents



[1]Question: How frequently do you do the following?
[2]Salad bowls, prepacked, or made-to-order sandwiches, etc.
Source: McKinsey Consumer Survey 2025 (n = 14,543), Belgium, Czech Republic, Denmark, France, Germany, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, UK, sample to match general population age 18 and above

[17] Eurostat.
[18] Kantar OOH Barometer Q2 2024.

5. Unlocking a new level of customer engagement

High levels of engagement and personalization are key drivers of customer loyalty, and retailers are turning to gen AI to capture this opportunity.

Evolving customer behaviors and expectations require retailers to rethink their approach to customer engagement. Consumers now view personalization as the standard for engagement: 56 percent say they will likely become repeat buyers after a personalized experience, especially Gen Z members (Exhibit 11).[19] These shoppers also want comprehensive product information, especially around sustainability, and they have high expectations around product availability, channel integration, and speed. In a nutshell, they want everything, everywhere, all at once.

Currently, only one in four customers thinks that retailers are performing well as far as personalization is concerned.[20] In response to the increasing focus of consumers on health, pioneering grocers are augmenting their offerings with digital health services, in-store pharmacies, and partnerships with healthcare providers, such as optometrists and laboratory testing facilities.

Gen AI might fill in the gap and unlock a new level of customer engagement. Major European grocers have started implementing gen AI-based chatbots for customer service. A few pioneers are offering highly personalized shopping experiences with recipes and product recommendations. Others are piloting chatbot-based online shops that allow shoppers to fill their virtual baskets via a dialogue with the chatbot.

Grocers are redesigning their loyalty programs to provide a more personalized experience. Personalized content and promotions are gaining importance as traditional "earn and burn" shopper rewards lose effectiveness. In response, eight out of the ten largest European grocers restructured their loyalty programs between January 2024 and February 2025—a development that is expected to continue.

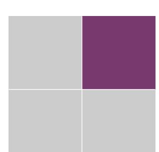
Despite the growing importance of digital interactions, the human touch stays important. According to our analysis of growth champions, "friendly and helpful staff" is the most important factor for a pleasant in-store experience. Marit van Egmond, CEO of Albert Heijn, says that customers increasingly expect "a hyper-personalized experience no matter where they are shopping, [. . .] while maintaining that all-important personal touch."

Exhibit 11

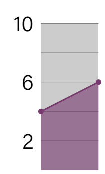
High levels of engagement and personalization are key drivers of customer loyalty.

Personalization insights

56%
of consumers say they will become repeat buyers after a personalized experience



1 in 4
consumers think retailers are performing well in personalization



4–6%
potential increase in revenue and customer retention can be achieved with personalization

Source: IGD; press; Twilio "State of Personalization 2023"

[19] Twilio "State of Personalization 2023."
[20] McKinsey survey 2023 (unpublished).

6. Sustainability: Scope 3—the challenge ahead

Reaching sustainability targets is no small feat. Implementing the right measures at the right time can lower costs and help meet evolving consumer demands.

According to our consumer survey, the share of consumers who want to buy products that are more sustainable has decreased. However, Gen Z and millennial shoppers have an approximately 1.8 times greater intent to purchase more sustainable products than Gen X and baby boomers, and their share of the total number of shoppers is increasing (Exhibit 12). Local sourcing, recyclability, and social responsibility gained the most as the factors that are important to consumers in 2024. Meanwhile, the intention to buy organic products, dairy alternatives, and meat alternatives declined by 2 to 4 percentage points across generations.

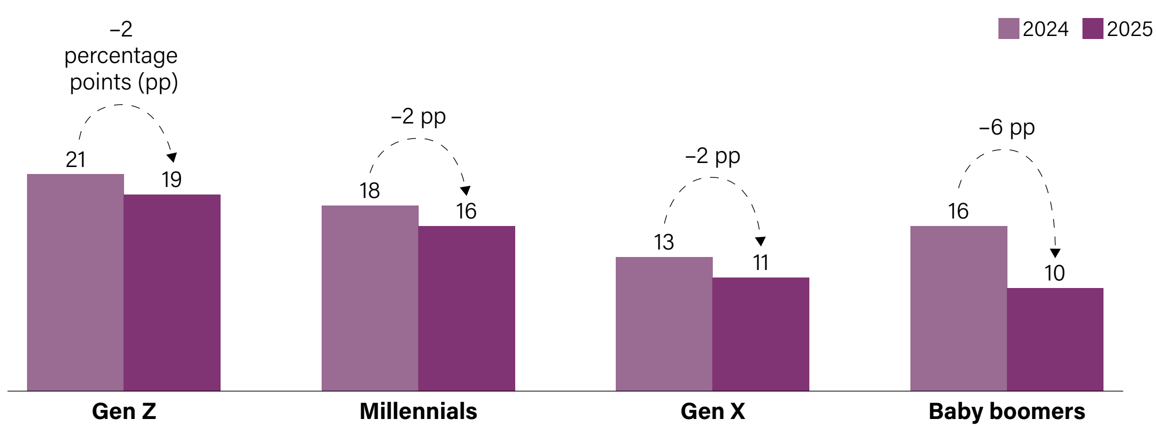
This year, many retailers are focusing on addressing upcoming regulations. In 2025 and 2026, several major sustainability-related directives and regulations are coming into force (for example, the European Union's CSRD,[21] the EUDR,[22] the PPWR,[23] and the CSDDD).[24] Compliance requires significant effort and investment by retailers. At the same time, several grocers have extended the timeframe for reaching their voluntary commitments for various sustainability dimensions, for example, recyclable or compostable packaging.

While grocers make good progress on reducing Scopes 1 and 2 CO_2e emissions, reducing Scope 3 emissions remains more challenging and costly.[25] Scope 3 decarbonization costs can vary significantly, depending on the grocer-specific context and the selected abatement path. Selecting the right abatement levers is just one element that can have a significant impact on the cost for grocers. The decision on when and how to implement these levers can substantially increase or decrease the cost. Hence, it is fundamental to build a concrete abatement plan for each category to keep costs in check. As a limited volume of products with lower emissions is typically available today at low cost, it is important for grocers to identify the lower cost levers and tailor their implementation strategy accordingly. Collaborating with companies along the value chain on joint decarbonization plans, especially in difficult-to-abate categories, could generate significant cost benefits and sustainability progress.

Exhibit 12

Gen Z shoppers have higher intent of purchasing more sustainable products than Gen X and baby boomers.

Net share of European consumers that plan to buy more environmentally friendly products,[1] %



[1]Question: Think about 2025. Are you planning to do more, less, or about the same of the following? % is calculated as net share (% of people intending to do more of that activity minus % of people intending to do less).
Source: McKinsey Consumer Survey 2025 (n = 11,525), 2024 (n = 11,591), Belgium, Denmark, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, UK, sample to match general population age 18 and above

21 Corporate Sustainability Reporting Directive.
22 EU Deforestation Regulation.
23 Packaging and Packaging Waste Regulation.
24 Corporate Sustainability Due Diligence Directive.
25 Scope 1 involves direct emissions generated by an organization, Scope 2 involves emissions generated by production of purchased energy, and Scope 3 involves indirect emissions from up and down the value chain.

7. European consolidation

European grocery consolidation is expected to accelerate in the next five years as multinational grocers increasingly succeed in achieving cross-country synergies.

Margins are under pressure for most European grocers. The average EBITDA margin of European grocers has decreased from 6.9 percent in 2019 to 6.2 percent in 2024, resulting in an average EBIT of 2.8 percent.[26] We expect margin pressure to stay high over the course of the next five years due to low growth and cost increases driven by labor scarcity, sustainability targets, and fluctuations in commodity markets. In response, grocers are looking for new ways to increase cost efficiency.

Scale matters—on average, larger grocers have higher profitability. Successful grocers are typically 35 to 50 percent larger than their peers and generate an EBITDA margin that is 0.8 percentage points higher than the sector average, according to our analysis of growth champions. Large grocers have more capacity to invest in procurement capabilities, supply chain automation, tech, and AI. Additionally, scale is needed to develop and produce private labels efficiently.

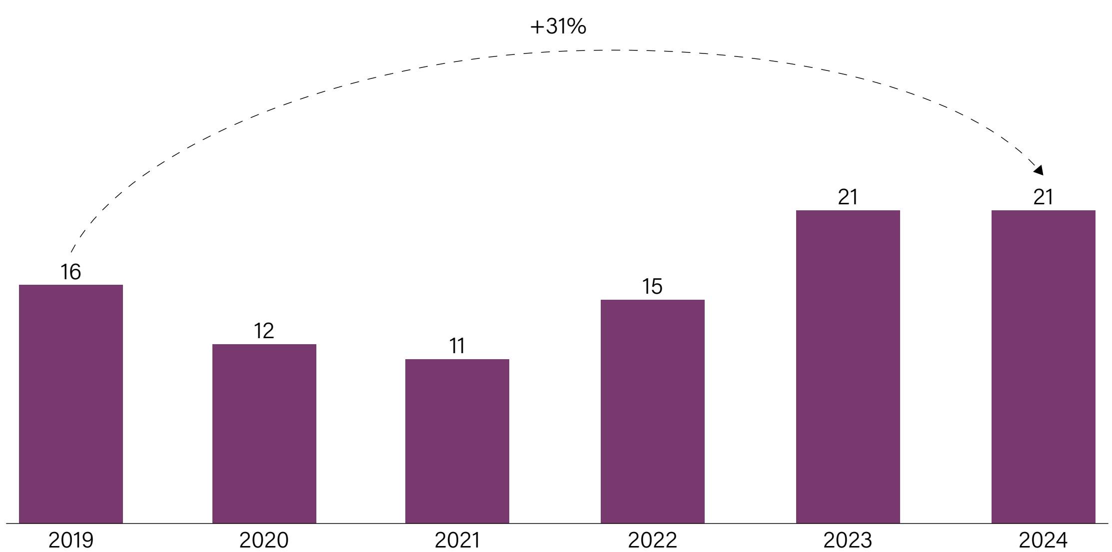
Grocers double down on capturing European synergies. The number of M&A among European food retailers has increased by 31 percent, from 16 percent in 2019 to 21 percent in 2024 (Exhibit 13). Additionally, multinational retailers have implemented initiatives to increase cross-country collaboration. Practices observed at large European grocers include centralizing procurement for parts of the assortment at the European level, centralizing functions such as private label development, and centralizing IT systems across Europe. We have observed that retailers and buying alliances seek to negotiate more on the European-level for better sourcing conditions rather than relying solely on additional rebates.

Consolidation is expected to accelerate further within and across countries in the coming years. Given the need for scale to counter margin pressure and the additional potential of cross-country synergies, there is a high probability of further consolidation through M&A, as well as further collaboration between retailers in buying alliances.

Exhibit 13

There has been an increase in the number of M&A deals per year in grocery retail since 2021.

Development of M&A deals in grocery in Europe,[1] number of M&A



[1]Based on Belarus, Belgium, Bosna and Herzgovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, UK.
Source: Global Data; S&P Capital IQ

[26] Companies in the sample are made up of nine European grocery retailers considering grocery retail business units with operations in Europe (Ahold Delhaize, Axfood, Carrefour, DIA, ELO SA incl. Auchan, ICA, Jeronimo Martins, Kesko, and Sonae Retail).

8. The race to get tech right

Data, AI, and tech are higher than ever on the CEO agenda as the gap between leaders and late adopters widens.

Data, AI, and tech attract increasing CEO attention and capital expenditure. Four years ago, “modernizing IT” and “adopting advanced analytics and AI” were not among the top seven priorities for grocery CEOs. Today, they rank third and sixth, respectively. This shift is reflected in investment patterns: capital expenditure by 19 European grocery sector leaders increased by 13.9 percent between 2021 and 2023, mostly driven by investments in IT, AI, and automation.

The benefits of superior capabilities in data, AI, and tech are substantial. Our research shows that retail and consumer goods companies that have above-average capabilities in data, AI, and tech achieve twice the growth and up to 2.9 times the total return to shareholders (TSR) of their peers (Exhibit 14).[27]

Generative AI and agentic AI bring new value creation opportunities.[28] Recent AI and tech benefits came from improved commercial decision-making (including pricing, promotion, and assortment optimization) and supply chain management (including forecasting, replenishment, and automation). The next wave of gen AI-enabled applications will likely help increase the productivity of office jobs, enable more personalized customer interactions, accelerate private label innovation, and improve negotiations with suppliers.

Despite growing AI investment, few grocers see the benefits reflected in their profit-and-loss (P&L) statements. Nearly 90 percent of AI and tech transformations have not reached scale—many companies lack effective measurement systems and face a productivity paradox, driven by the imbalance between the resources invested in AI and the benefits captured.[29]

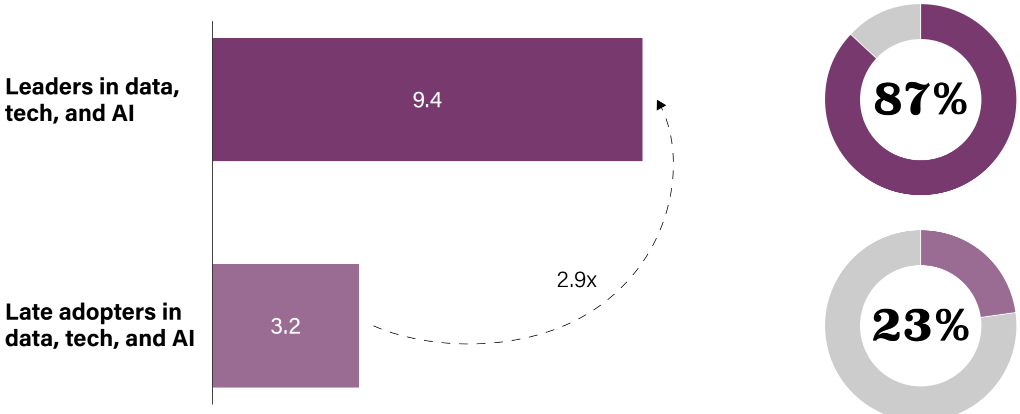
Investments in adoption are essential to drive value creation with AI. According to our research, 87 percent of data, AI, and tech leaders spend over half of their AI budgets on adoption, compared with only 23 percent among those that generate lower TSR. These leaders typically align the entire organization on the areas of greatest value, they develop domain-specific roadmaps, and they put the right enablers in place, including data, tech, operating model, talent, and risk management.

Exhibit 14

Data, tech, and AI leaders show stronger financial performance and spend more than half of their AI budgets on adoption.

5-year CAGR for total shareholder returns in the consumer sector, 2018–22, %

Share of players allocating majority of spending (>50%) on adoption, %



Source: S&P Capital IQ; McKinsey Digital Quotient (DQ) research

[27] S&P Capital IQ.
[28] Agentic AI refers to artificial intelligence systems that can autonomously perceive their environment, gather information, make decisions, and execute actions. See, “Why agents are the next frontier of generative AI,” *McKinsey Quarterly*, July 24, 2024.
[29] “McKinsey Technology Trends Outlook 2024,” McKinsey Digital, July 16, 2024.

9. Retail media growth and professionalization

As retail media spending grows, grocers are streamlining advertising sales and diversifying advertising opportunities to take advantage of this important profit source.

Retail media spending by advertisers keeps growing fast. IAB Europe expects retail media spending to reach €31 billion by 2028, up from €14 billion in 2024—a CAGR of about 20 percent.[30] This means that retail media spending could reach €41 billion by 2030. That said, in 2024, the retail media share of total advertising spending is even higher in the United States—by 5.4 percentage points (Exhibit 15). For European grocers, retail media is the largest and fastest-growing profit source beyond conventional retail.

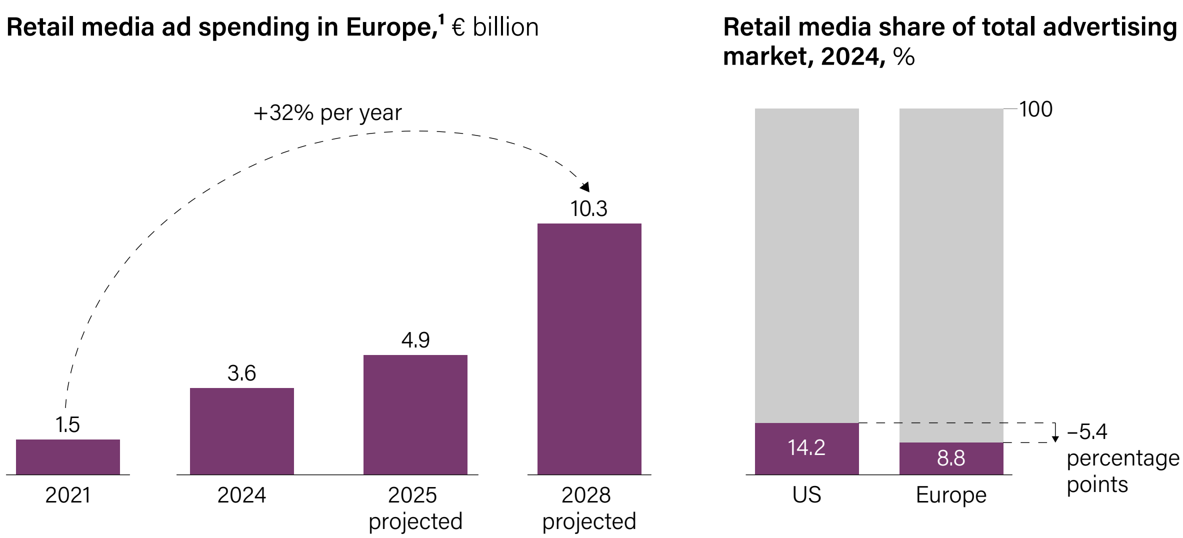
Grocers are streamlining the way they market retail media to advertisers. Over 50 percent of European retailers have had a retail media proposition for over a year. However, the fragmented landscape has made it hard for advertisers to reach consumers across different retailers.[31] According to IAB Europe, 60 percent of advertising buyers cite standardization as the key to future growth.[32] In response, in 2024, the IAB and the Media Rating Council introduced standardized performance metrics to enable accurate performance assessment across retailers. This could increase the attractiveness of retail media networks for advertisers.

The year 2025 will be marked by a diversification of advertising opportunities. So far, retailers have scaled their offerings on platforms they operate themselves, such as advertisements on their websites and in-store screens. Additional growth could be unlocked by extending the reach of their networks and offering their targeting capabilities on platforms operated by others. Examples include third-party websites and social platforms, shoppable video, and connected TV advertising.[33]

Gen AI has the potential to make retail media networks more attractive. It can improve campaign creation, campaign optimization, targeting, and personalization. Alphabet, Amazon, Meta, and TikTok have launched gen AI tools in these areas. Meta reports that these tools bring significant increases in conversion rates (17 percent uplift) and returns on advertising spending (32 percent uplift).[34]

Exhibit 15

Retail media advertising spending in Europe continues to grow, but penetration is still trailing the United States.



[1]Excluding Amazon.
Source: eMarketer; IAB

[30] IAB Europe Retail Media Key Statistics, October 2024. 2030 numbers based on an expected 15 percent CAGR from 2028 to 2030.
[31] "Attitudes to retail media report," IAB Europe, July 2024.
[32] IAB Europe, Statista, January 2024.
[33] Video ads through internet-connected devices that allow viewers to stream content on their televisions, for example, Amazon Fire TV, Apple TV, and Roku.
[34] WARC The Future of Media 2024.

Implications for grocers

Consumer preferences are changing. A new generation of shoppers is evolving. And despite low overall volume growth, there are pockets of potential growth in European grocery. We have identified four strategic priorities: double down on pockets of growth, increase efficiency, win the favor of the consumer of the future, and take advantage of tech opportunities.

Doubling down on the pockets of growth through differentiation

In a low growth environment, retailers can improve their position by increasing differentiation to gain market share, accelerating innovation, and driving premiumization. One potential lever is to focus on high-potential categories, such as ready-to-(h)eat offerings, healthy and functional foods, and fresh products.

A second lever is to strengthen the private label offering, not only by ensuring high-quality private labels, but also by building a portfolio of category-specific private brands with distinct value propositions vis-à-vis manufacturer brands.

As a third lever, grocers can reinforce their retail media offering by diversifying advertising opportunities beyond their own platforms and streamlining advertising sales—for example, by forming joint ventures with agencies and adopting standardized impact metrics.

Increasing execution efficiency

Retailers can accelerate their cost efficiency programs to gain additional productivity and improve affordability to consumers. Specifically, top performers are expected to double down on sourcing optimization for private labels, consolidate sourcing on the European level, and capture further benefits from buying alliances.

Winning the favor of the consumer of the future

As Gen Z shoppers come of age, a new type of shopper is entering the market for groceries, with different needs and expectations from those of older generations. They do not cook as much as their parents, they want healthy food, and they expect a personalized shopping experience. Reinventing loyalty programs and offering unique, personalized promotions are promising strategies to win them as repeat customers.

Gen Z shoppers also expect grocers to have sustainable operations and product offerings, but they are not prepared to pay a premium for sustainability. Therefore, prioritizing the right sustainability initiatives—starting with the least costly ones—could help grocers satisfy the dual demand of tomorrow's shoppers for sustainability and affordability.

Taking advantage of data, AI, and tech as value drivers

Data, AI, and tech bring many opportunities for value creation in grocery, both in consumer-facing functions and back-end operations. Investments in digital capabilities, decisive tech adoption across the entire value chain, and comprehensive impact measurements can help grocers take advantage of these opportunities.

Once the foundations of tech-driven value creation are in place, grocers can explore additional opportunities that gen AI and agentic AI may bring.

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CEO Marit van Egmond shares her recipe for Albert Heijn's success, and what she expects to drive the market in the years to come.

"We are not a supermarket. We are a food and tech company."

Marit van Egmond
CEO, Albert Heijn

Albert Heijn operates 1,275 stores and employs over 125,000 people in the Netherlands and Belgium. In the Netherlands, Albert Heijn has a market share of 38 percent.

Q: Albert Heijn is one of the few supermarket chains in Europe that has continued to gain market share over the course of the past six years. What's the magic ingredient of its success?

A: Of course, there is no single magic ingredient. That would be too simple. There are several key ingredients. The most important one is our rigorous customer focus. We work every day to be as close to our customers and their changing needs as possible. We aspire to see the differences between customers and to respond to what each one of them expects from us. This ensures that we are really there for everyone.

A second ingredient is our integrated approach. For customers, it shouldn't make a difference where they are shopping—online, in our app, in one of our supermarkets, or in one of our convenience stores. It's always Albert Heijn, with one integrated experience, one promise, and one voice. This familiarity builds trust. To make this happen, we must behave as one company, and as one team, following one strategy. It may sound simple, but it really isn't when you are an omni-channel player with €20 billion in sales managing supermarkets, convenience stores, and a mature online channel in two countries. It requires relentless attention to everyday execution and continuous adaptation of the organization. I'm not only thinking about structures, but also about how the work is done: in agile teams that are focused on business value and getting the right resources to make a positive impact on the lives of every customer.

A third ingredient of our success is our transition from a supermarket to a food and tech company. In addition to our store-related investments in digital screens, electronic shelf labels, and self-service checkout stations, we have taken great strides in mechanizing our two most recent e-commerce fulfillment centers. The most significant impact we have achieved in the digital domain was driven by the Albert Heijn app. Six years ago, the app had 200,000 monthly users. Today, it has five million monthly users. Our customers frequently use the app for shopping, inspiration, and easy payments. We now have more than 1,000 people working in our data, digital, and tech community. We are not a supermarket. We are a food and tech company.

Q: A lot of CEOs say their companies are customer centric. What do you do differently at Albert Heijn?

A: For Albert Heijn, giving customers what they want is a real obsession. We always try to anticipate what customers expect from us. In 2019, for example, we were struggling to offer the value for money customers were looking for. In response, we launched our "Price Favorites" range that offers the best prices and great quality. We moved from three to two price tiers by delisting our entry-price private label, and we reduced the prices of our best products. We also encouraged our employees to take pride in these "no compromise" products. It wasn't easy to pull this off economically, but we made it work by adopting a step-by-step approach. Today, our Price Favorites range comprises more than 2,000 items that frequently win consumer tests. It's this intense passion to make things work for the customer's benefit that truly makes the difference.

Q: How does your commitment to customers translate into growth?

A: It's a question of making a plan, both for organic and for nonorganic growth, year in, year out. This enables us to prioritize resources and steer the organization effectively. Although Albert Heijn has nationwide coverage, we still see blank spaces where we could open new stores or add online delivery areas. One example of our growth priorities is AH to go, our convenience format. There is strong demand for these smaller stores in high-traffic locations, especially in railway stations. In 2019, we had nearly 100 AH to go stores. Now, we have almost 200. Our store network in Flanders has grown from 50 to more than 80 stores in the last six years, and our online sales now account for 10 percent of our business.

Q: How important are your own brands to your success?

A: Our own brands are vital to our success, as they are of major importance for organic growth and customer loyalty. We have over 11,000 products from our own brands in our assortment year-round, and they account for roughly 55 percent of our revenue. They are a central enabler of our commitment to customer satisfaction, sustainability, and healthy eating. Customers want healthy choices, and we have made it our mission to fulfill this expectation. Our organic range includes 1,900 products, and it's the widest organic offering in mainstream supermarkets in the Netherlands. Additionally, we launched 250 plant-based products under the new AH Terra brand in 2023. These products are only available at Albert Heijn, and they set us apart from our competitors as a retailer that is fully committed to healthy eating.

While we ensure affordability with our Price Favorites range, we created our own brands in typical A-brand categories like coffee, chocolate, and beer to differentiate our offering. These products have a unique taste and stand out versus their A-brand equivalents, in terms of both quality and price. Thus, our own brands yield a triple benefit: superior customer satisfaction, a clear differentiation from our competitors, and more independence in categories in which A-brands are leading in the minds of customers.

Q: Other grocers also have their own brands. What do you do differently?

A: We develop our own-brand products ourselves based on a strong conviction: If you don't develop your own products, you're just one of many wholesalers. We have our own concept department, our own design department, and our own packaging department. We focus on developing new concepts, particularly for fresh products, where we can add the most value for the customer. Examples of this are our fresh cooking packages, our tapas range, and our fresh juices. Not only are we focused on innovation, we also strive constantly to improve our own-brand products in every relevant respect: taste, ingredients, origin, customer convenience, packaging, and sustainability.

We are also absolutely rigorous about quality. Our brand name is on these products, so it's our responsibility to ensure flawless quality and great taste. Affordability is obviously important, but quality always comes first.

Q: How does your commitment to quality and innovation play out in the fresh food department?

A: We constantly test fresh produce as our offering changes with the seasons, and we always want to make sure we have the best produce on our shelves. We have had strong, strategic partnerships with our five major fresh suppliers for decades, with fully aligned ambitions and with an "open book" bookkeeping method. This collaboration rests on mutual trust and the long-term perspective we share. We work together to maximize customer value, improve the value chain, and develop new products and concepts.

One example of how this plays out in practice is AH Sprank, our own variety of apple that was created in collaboration with a group of growers. We let it ripen on the tree a little longer than usual so that it gets a unique taste—sweet and juicy, with a touch of sourness. Sprank is available exclusively at Albert Heijn, and it was voted the best product of the year for the third time in a row. Isn't that a delicious result of a long-term relationship?

Q: Absolutely. Looking ahead, what are some of the trends you expect to shape grocery in the coming years?

A: The impact of technology, a new service standard, and healthy eating are at the top of my list. The development of technology will keep reshaping grocery retail. I cannot yet foresee all of the future possibilities of AI, but I am very optimistic, and I am aware that it will change the game—not only regarding the customer proposition, but also in areas like automation, demand forecasting, and transport routing.

As far as service is concerned, the expectations of customers are changing fast, and grocers need to respond to that. In the old days, service might have been about helping shoppers pack their groceries at the checkout and carry their bags to the car. Today, customers expect a hyper-personalized experience, no matter where they are shopping—in a store, on our website, or through our app. Technology enables us to recognize returning customers and fulfill their expectations while maintaining that all-important personal touch.

Q: You also mentioned healthy eating. How do you expect that to evolve?

A: Healthy eating has long been a key concern for many of our customers. They want less sugar, less salt, less fat, less processed food, more protein, and more fiber. But it doesn't stop there. Healthy eating is now a lifestyle for many of our customers. Since we pride ourselves on anticipating and fulfilling the needs of our customers, we will be there to offer whatever they are looking for. Examples include food with additional benefits, such as tea that helps them sleep better, food that helps them stay fit and vital as they get older, inspiration on how to exercise during the day, on how to achieve and maintain relaxation, or on how to prevent everyday ailments.

Overall, customers expect more transparency about the dilemmas we are facing as a grocer. People want to be involved in the discussion, and they want their voices to be heard. That's the most important thing in grocery retail: keep listening and stay close to the customer. That's our special sauce.

Interview

According to Maniele Tasca, general manager of Selex Gruppo Commerciale, recognizing regional differences is a key success factor in Italian grocery.

"For Selex, the key growth driver in the coming years will be investments in new capabilities."

Maniele Tasca
General manager, Selex Gruppo Commerciale

Selex is structured as a procurement alliance of independent member companies, including Famila, A&O, and C+C Cash and Carry. In total, the group operates more than 3,300 stores.

Q: Selex has shown success over the course of the past several years. What are the factors driving that development?

A: The most important factor is the quality of our companies. In 2005, our group consisted of 34 companies, and our market share was between 6 and 7 percent. Today, we have 18 companies, and our market share is 15.4 percent. In 2024, we generated more than €21 billion in annual revenue. Our companies have grown larger and stronger over the years. They have a deep understanding of their respective markets, and they employ highly skilled people. But what really sets them apart from the competition is their ability and their willingness to invest in growth—for example, in renovations of existing stores, new store openings, and new services.

Another factor driving the success of Selex is the ability of our organization to improve itself. Every company has its strengths, but each of them also has areas for improvement. The continuous exchange of know-how, innovation, skills, and insights on opportunities brings our companies constant input and enables them to improve continually.

The third success factor I'd like to point out is our governance model. It gives individual companies autonomy in various operational areas while maintaining centralized management in certain key domains to create synergies. We centralize operations only where we can capture synergies without losing effectiveness. And in areas in which we don't centralize, our companies work together to achieve the best possible results.

Q: Which functions and decisions are centralized, and which are handled by subsidiaries independently?

A: Procurement, for example, is centralized because scale strengthens our position in negotiations with suppliers. In contrast, assortment and category management remain in the hands of individual companies because they need leeway to reflect local needs in their offerings. However, while category management is handled independently by each company, we develop shared category management models at the group level that help companies improve their operations. Pricing is another example. As a strategic lever, pricing is managed independently by each company, but the Selex pricing tool is shared across the group. The same approach applies to marketing, CRM, and HR. This center-periphery system works well in Italy, which is a unique market in many ways.

Q: How is Italy different from other European markets?

A: The Italian market is highly fragmented. Consumer habits, demographics, tastes, product types, and competition differ from region to region, and retailers must reflect these differences to be successful. Local products are essential. In some cases, this means acting at the level of a single province. For example, a store in Puglia needs to offer a different assortment of *taralli* (wheat-based snacks) compared to what shoppers expect in Lombardy or Tuscany. Also, the local supplier landscape is very different from province to province. Campania, for example, has an unparalleled network of artisanal pasta makers.

But it's not only the assortment that needs to reflect regional differences in demand and supply. Having the right store format for a specific area is also crucial. In general, hypermarkets have been losing market share in recent years, and we expect that this development will continue, but everything depends on the target market and the local competitive landscape. A hypermarket with a footprint of 5,000 square meters might be viable in one area, but another location might not support it.

When it comes to supermarkets, store sizes between 1,500 and 2,000 square meters offer the best balance in Italy. They generate robust revenue and have a manageable cost structure while providing room for a sufficiently wide and deep assortment—of about 15,000 SKUs—to meet customer needs. The superette and proximity store segment, which is growing fast elsewhere in Europe, has certain limitations in Italy. Italy has relatively few large cities, and labor costs are a significant challenge. While proximity stores align with some long-term consumer trends, implementing them outside major urban centers in Italy is difficult.

Q: Given these limitations, how are you setting Selex up for future growth?

A: With investments. Demographics are not driving demand, purchasing power remains low, and competition from specialty stores, e-commerce, and discount retailers is increasing. This could lead to a decline in average sales per store, which almost always translates into strong pressure on profit margins in our industry. To stay successful in this environment, grocers must have financial resilience and seek alternative sources of growth. For Selex, the key growth driver in the coming years will be investments in new capabilities. We will continue to focus on restructuring and modernization. In addition, we will keep opening high-quality stores and investing in services.

Another important source of growth is customer loyalty. The share of a customer's spending captured by a single retailer remains relatively low in Italy. This means that there's a significant growth opportunity within the existing customer base. Key levers include increasing penetration across different departments, expanding the range of categories purchased, and implementing strategies to increase average basket size and frequency. The challenge is that customers are becoming less loyal in general. They have more purchasing options, a wider choice of shopping channels, and a greater inclination to experiment with different brands. Retailers that pull the right levers to enhance customer loyalty can expect to achieve above-average market performance. In our experience, precise customer segmentation is essential, and we are determined to leverage all available data to maximize value.

Another area we are focusing on is store personnel. High-quality staff that can manage store operations effectively and build strong customer relationships have a big impact on store performance. However, the labor market has changed fundamentally, and finding the right people in retail, logistics, and foodservice isn't easy. This is why we are intensifying our efforts to attract and retain talent, investing in training, and measuring employee satisfaction. Fortunately, our employee turnover rates are still low, but they are expected to rise, so it is important to anticipate this risk.

Q: In terms of innovation, what will be the key differentiating factors in the future?

A: The most important factor is a strong fresh product offering, which is the primary driver for store selection. Many grocery retailers overlook the need for innovation in this area. From our perspective, a store must have at least a couple of points of excellence in its fresh product offering.

Another factor that I believe will be increasingly relevant is the specialization of the assortment. At Selex, we have many stores across different territories, each serving structurally distinct customer bases in terms of demographics, age, habits, and purchasing power. Our assortment strategy reflects not only store size, but also the specific characteristics of the local customer base.

Further differentiation will be driven by the integration of fresh food offerings with foodservice. We are increasingly incorporating foodservice solutions, such as ready-to-cook meals, into our stores because we are convinced that out-of-home consumption will continue to grow in the coming years.

Q: To what extent will multinational grocers negotiate with suppliers at the European level in the future?

A: Currently, consumption patterns are still quite diverse across Europe. This limits the possibilities for joint procurement. Also, there is substantial resistance to centralized negotiations on the part of suppliers. But over time, negotiations will move toward the European level. I expect that multinational discount players will lead the way. Eventually, growing competitive pressure will push all market participants to follow suit. Both suppliers and retailers will have to set themselves up for this new era.

Interview

Jorma Rauhala, president and CEO of Kesko, reveals the success factors of Kesko's data and AI journey.

"Almost everything Kesko does has a digital dimension."

Jorma Rauhala
President and CEO of Kesko Corporation and chairman of the group management board

Headquartered in Helsinki, Kesko operates as three business divisions across eight countries, including the Baltic states, Denmark, Finland, Norway, Poland, and Sweden. Kesko's grocery trade division in Finland serves 900 independent retailers, as well as 1.2 million daily customers through its 1,200 grocery stores. In total, K Group employs 45,000 people.

Q: Kesko is seen as a leader in online grocery, digitalization, and AI. Why does Kesko lead on so many innovation topics?

A: Kesko's leadership in these areas is driven by our strategy. Across all businesses, we aim for sales growth, a superior customer experience, and efficiency improvements—leveraging AI and digital services as key enablers. Almost everything Kesko does has a digital dimension.

Data and AI tools help us create value for our customers, our independent retailers ("K-retailers"), and our partners. For example, our modular, cloud-based data platform supports business decision-making with high-quality data and deep insights from a wide range of sources. Another important aspect of our data strategy is our commitment to transparency about investments in data and technology. Since 2021, we have published a data balance sheet as part of our annual report.

Q: The data balance sheet is a unique way to highlight the prominence of data at Kesko. Can you share some key figures from the balance sheet with us?

A: Certainly. In 2023, we had 1.8 million daily customer encounters across channels, 3.3 million members in our loyalty program, 4.5 million visits in digital channels per week, and nearly 800,000 instances of customer feedback. The data balance sheet demonstrates not only our ongoing investment in data as a critical business asset but also our commitment to responsible, secure, and compliant data management. We take great care to use data responsibly, and our customers recognize this. For example, only 0.4 percent of the members of our loyalty program have limited the level at which their purchasing data can be reviewed—a clear sign of trust.

Q: What topics will shape the grocery industry in the next five years? And how does AI fit into your target picture?

A: Despite slowing food inflation, price remains a key factor in purchasing decisions. Promotional campaigns continue to play a crucial role in driving sales. At the same time, convenience gains importance. In addition, demographic changes have an impact on grocery demand. Sustainability regulation will drive industry-wide change. And AI will become increasingly relevant in engaging consumers and enhancing sales.

At Kesko, we are betting on data and AI to drive growth and efficiency. Enhancing the customer experience with AI-driven personalization is one of the most important applications. Specifically, we leverage AI to provide users of our loyalty app with personalized recommendations and to optimize search functionalities on e-commerce platforms. AI-powered analysis of customer feedback helps transform data into actionable improvements, ensuring that business decisions are directly aligned with customer needs. Kesko integrates multiple data sources—from long-term consumer trend studies to real-time sentiment analysis—to identify both emerging trends and long-term behavioral shifts.

In addition, AI provides a wealth of opportunities to empower our independent retailers with resources for better decision-making as part of our data-driven independent retailer business model. Through our retailer portal, AI-powered tools provide retailers with insights to tailor their product selection, pricing, and promotions to local customer needs, balancing chainwide efficiency with store-level customization. And advanced forecasting models provide daily sales forecasts for each store. These allow retailers to react swiftly to demand fluctuations and optimize stock levels, improving profitability and reducing food waste. AI-powered automation also enhances logistics efficiency by integrating food retail and foodservice deliveries, reducing transportation costs and emissions. In effect, AI makes Kesko more profitable and more sustainable at the same time.

Q: What were the key success factors of your AI journey so far?

A: Strategic alignment was the most important success factor, and it remains so. We make sure that our AI initiatives are closely tied to our overall business strategies, priorities, and processes. AI in and of itself is not the answer but a key success factor when implemented as part of a clear business strategy.

Another success factor is our focus on building competencies, both internally and through recruitment. We invest in the development of user skills and governance models, both to manage risk and to improve value realization. For example, our AI Competence Center supports application owners and business developers in leveraging analytics and AI. We also actively recruit new data and technology experts to stay ahead and strengthen our data and AI capabilities.

Finally, it is crucial to use data and AI in a human-oriented way. Kesko is committed to the ethical use of AI. We have established principles to guide the responsible and strategic use of AI, ensuring fairness, transparency, and compliance with data privacy laws and regulations. Kesko has published its AI principles since 2018.

Q: How do you see the influence of AI evolving over the next years for the grocery industry? How will Kesko go about AI in the future?

A: AI is increasingly seen as crucial for ensuring future competitiveness, and it impacts functions such as supply chain management, logistics, merchandising, marketing, store operations, customer service, IT, and technology. At Kesko, our AI strategy is tightly aligned with our business strategy. We emphasize the importance of customized development of AI solutions for competitive advantage while also leveraging off-the-shelf solutions for continuous improvements. However, AI adoption is often inhibited or delayed by budget constraints, technical infrastructure challenges, and talent scarcity.

Q: What is your perspective on generative AI?

A: We are actively exploring gen AI to understand its potential. One of the key challenges is to keep pace with the fast development of the technology. Another challenge is to create viable business cases that allow us to offset the high cost of AI development and deployment. Currently, it takes about six months to finalize a pilot effort and another three months to roll it out at scale. However, we aim to shorten this path by upgrading the solutions and the platform setup we use.

We are convinced that gen AI is a key driver of competitive advantage for retailers. This is why we recently brought together more than 80 experts, from all divisions and functions, for Kesko Gen AI Days to discuss the future of AI. We also set up a gen AI upskilling program for our staff. The aim of this program is to drive a cultural change in attitudes toward AI, encourage gen AI adoption, and empower our employees to develop their AI skills with Kesko's support. The program includes tailored training modules on prompting, use cases, gen AI tool adoption, security, AI risks, and regulation. To advance and accelerate our AI transformation, we have established a cross-functional, change-agent network of 80 agents.

Jitse Groen, CEO and founder of Just Eat Takeaway.com, talks shop about the evolution and the economics of grocery delivery in Europe.

"People want food delivered to their homes, and they want it now."

Jitse Groen
CEO and founder of Just Eat Takeaway.com

Just Eat Takeaway.com is an on-demand delivery company, connecting consumers with 356,000 partners, such as restaurants and grocers, in 17 countries, predominantly in Europe. Recently, Prosus reached a conditional agreement to acquire Just Eat Takeaway.com to create the fourth-largest online food delivery group globally.

Q: To kick us off, please tell us a little bit about your business, and how it has evolved since you founded the company in 2000.

A: It all started in my attic. We began operating in the Netherlands with Thuisbezorgd.nl, an online food delivery platform. The business grew rapidly, and we rebranded it as Takeaway.com in 2011. In 2016, we went public. Takeaway.com reached European scale through a blend of acquisitions and organic growth. In 2020, Takeaway.com merged with Just Eat, a successful Danish food delivery company. Today, we are a leading global on-demand delivery company. Our partners are primarily restaurants, but we have expanded our offering to new verticals including grocery delivery, pharmacy, and electronics. Going forward, Prosus' investment, technology, and vast tech experience will help us strengthen our brands, enhance operations, and accelerate our growth.

Q: How has the market for grocery delivery evolved in recent years, and how do you expect it to evolve in the coming years?

A: During the pandemic, quick commerce companies accelerated grocery delivery, but it turned out it was mostly driven by students ordering late-night snacks. There was a lot of excitement, but economically, it didn't make sense, and a lot of companies went out of business. Now, most of our shoppers use grocery delivery to order items they forgot to pick up at the supermarket, like a carton of milk, or to top up the fridge between weekly shopping trips. Topping up the fridge, that's the main use case now. But it will move to the full basket. I'm quite certain of that. Some consumers are already doing most or all their grocery shopping through delivery platforms, and I think we will see more of that in the future.

Q: How important is grocery delivery for you, relative to meals ordered from restaurants?

A: Right now, grocery accounts for 5 percent of our business in the United Kingdom. Currently, the customers who are ordering with us are not grocery shoppers; they're food shoppers. But it's a very large group. In the UK, it's 35 percent of the adult population. In the Netherlands, it's 40 percent. Given time, why shouldn't these people order more groceries through our apps? The potential is huge. When we started offering grocery, we didn't know how big these baskets would be. It turned out they're actually quite sizeable. The grocery companies that join our platforms are often used to smaller baskets, and many of them are pleasantly surprised by the baskets they get through us. A couple of years from now, grocery could be half of our business. For us, it's not that different from meals. We go somewhere, we pick something up, we deliver it.

Q: How do you go about shaping your grocery value proposition?

A: We start with what shoppers want. Obviously, people want food delivered to their homes, and they want it now. The million-dollar question is what "now" really means. Is it 15 minutes? 30 minutes? One hour? With hot food, you don't have much time, or it will get cold. With groceries, it's actually easier. You can drive for an hour or two with groceries in the car, and the delivery time is an important factor in the economics. In any case, "now" is reasonably quick. It's not "maybe tomorrow," which is what most of the grocery companies in Europe are offering.

Q: More generally, what is your advice to traditional grocers regarding delivery?

A: In our conversations with a lot of supermarkets in Europe, we notice a lot of skepticism. They worry about their margins, and I get that. It's economically challenging to make delivery work. Traditional grocers look at all the businesses that have failed, and they think it's over. I don't think so. It's not over, and it will get more difficult if you wait. This may be hard for some people in the sector to hear, but not offering delivery is simply not an option. Otherwise, you're going to realize at some point that most customers are doing it, and you're too late, and then you have no business. A new generation of shoppers is emerging. They don't see the point of going to a supermarket to pick up groceries. They have other things to do. I think picking up your own groceries is hopelessly old-fashioned.

What we notice with some grocery chains is that they want to develop everything on day one so that nothing can go wrong. That creates a huge upfront cost. We do it the other way around. We are always trying to teach ourselves what works. So, first we put things online. Then we see what customers are ordering, and we take it from there. If something doesn't work, we improve it. That's how we grow.

Q: A lot of traditional companies are losing money with e-commerce and delivery. What is your advice to them?

A: It's a question of scale. A lot of supermarkets try to do everything themselves, but if you have five orders a day, it's hard to make the economics work. You need an app, you need bikes, you need cars, you need pickers and drivers, you may need hubs. That's expensive. We serve tens of millions of consumers, and that makes it much easier to spread the cost. I'm not saying it necessarily has to be us, but partnering with a platform is an option traditional grocers should at least consider. In the end, delivery needs to be an economically viable business.

Q: What about pricing? That is a major concern for many grocers and their franchisees.

A: Traditional grocers have this preconception that a carton of milk you order through a delivery platform can't be more expensive than a carton you pick up at the store. But why not? You spare the customer the trip to the store, and that's a huge benefit. Why shouldn't there be a premium for that? There are all these mental constraints. I'm not saying it's easy, but I think the winners of the future are those who stop worrying about what could go wrong and start asking, how do I get this done? In the end, it's a combination of your offline business and your online business that will keep you alive. You actually see that in the high streets. Most of the businesses that are still alive have both, or they have some very specific thing they're offering to their customers.

Q: If you had to venture a guess, what do you think grocery delivery will look like five years from now?

A: Five years from now, shoppers will probably no longer be using an app. They might be talking to their fridge, or their kitchen wall, or their car, to order a carton of milk. We are testing an AI-driven feature in our app that lets people place orders via chat. The front end looks simple. It's a star-shaped button, and if you press it, you can chat with the app. But behind the scenes, it's very complex. You need real-time transparency about your inventory and your delivery fleet. If you're a brick-and-mortar grocer, that's very hard, especially if your mindset is, I don't really want to do this. But if you're going to figure this out five years from now, you're probably too late. In the end, it's about what the customer wants, and the question for companies is: How do I get that done? That's the core.


Kräuter

Food and grocery market KPIs in 2024

Exhibit 16

			Northern and Western Europe						Southern Europe			Central/Eastern Europe	
		European average[1]	Germany	UK	Netherlands	France	Belgium	Sweden	Spain	Italy	Portugal	Czech Republic	Poland
Food market—segment growth													
Grocery retail value growth[2] percent change	vs 2023	2.4	2.4	3.5	–0.7	0.3	3.5	1.2	1.8	2.6	3.5	3.4	8.7
	vs 2019	26.3	26.3	27.6	24.1	19.5	27.5	28.6	24.0	25.5	28.5	31.4	48.9
Modern grocery retail value growth[3] percent change	vs 2023	2.7	2.8	3.2	–1.0	–0.1	3.6	1.5	4.5	3.1	1.8	4.0	8.7
	vs 2019	30.3	31.8	27.7	23.1	19.9	26.5	31.0	33.2	36.0	27.6	35.7	63.1
Other grocery formats value growth[4] percent change	vs 2023	1.6	0.5	5.0	0.7	2.9	3.0	N/A	–7.5	0.3	N/A	1.6	8.7
	vs 2019	13.2	4.9	27.1	30.6	16.9	30.8	N/A	–2.5	–5.5	N/A	19.4	24.1
Grocery retail deflated value growth[5] percent change	vs 2023	0.2	0.1	0.7	–2.4	–1.0	1.4	–0.2	–1.7	0.1	1.1	5.8	4.9
	vs 2019	–4.1	–7.9	–3.3	–3.3	–4.9	–1.6	–2.1	–7.9	–0.4	–2.1	–3.1	0.5
Foodservice value growth[6] percent change	vs 2023	3.8	–0.5	2.0	5.7	5.1	4.3	3.1	6.5	3.7	5.3	5.7	13.9
	vs 2019	28.5	8.7	31.5	37.6	34.6	47.0	26.6	15.2	21.2	26.7	38.6	84.4
Modern retail—revenue breakdown													
Total[2] percent change	vs 2023	2.7	2.8	3.2	–1.0	–0.1	3.6	1.5	4.5	3.1	1.8	4.0	8.7
	vs 2019	30.3	31.8	27.7	23.1	19.9	26.5	31.0	33.2	36.0	27.6	35.7	63.1
Hypermarkets[7] percent change	vs 2023	–0.1	0.7	1.0	N/A	–1.6	–5.3	–0.9	–0.1	0.3	N/A	1.2	1.3
	vs 2019	11.1	14.8	5.9	N/A	11.1	–6.3	15.4	23.1	3.8	N/A	23.2	10.0
Supermarkets[8] percent change	vs 2023	2.9	2.8	3.2	–2.5	–0.7	10.2	1.7	6.1	3.0	5.2	3.5	8.7
	vs 2019	26.3	32.5	17.8	15.0	16.3	29.0	22.6	33.0	34.1	29.4	23.9	45.5
Online[9] percent change	vs 2023	8.0	8.2	5.4	4.3	7.2	–6.6	9.4	6.3	13.2	N/A	26.1	14.7
	vs 2019	104.2	103.6	86.3	126.2	91.9	107.0	87.7	87.1	109.8	N/A	119.0	157.2
Discounters[10] percent change	vs 2023	3.0	3.0	4.6	2.5	0.3	0.3	2.2	2.9	3.2	2.3	3.8	10.0
	vs 2019	41.5	32.1	66.6	28.2	19.5	24.9	58.9	38.2	55.7	39.5	49.3	86.4
Modern retail—space breakdown													
Total[2] percent change	vs 2023	0.9	–0.6	0.6	0.4	1.1	–0.3	0.9	0.7	1.7	9.0	1.9	3.6
	vs 2019	5.0	–0.3	3.9	6.4	5.6	3.1	5.7	4.2	6.2	24.3	9.0	20.2
Hypermarkets[11] percent change	vs 2023	–1.1	–5.3	–0.1	N/A	1.1	0.0	1.1	–2.2	1.1	0.9	2.1	–2.3
	vs 2019	–3.0	–12.3	–0.2	N/A	3.1	0.0	5.1	2.3	–5.5	2.9	3.8	–11.7
Supermarkets[12] percent change	vs 2023	1.0	0.1	0.0	0.6	0.0	–1.6	0.0	1.0	1.3	23.8	1.9	6.7
	vs 2019	2.6	0.0	–0.1	5.5	2.3	1.8	2.5	0.0	0.6	50.6	8.9	14.7
Discounters[13] percent change	vs 2023	2.0	0.9	2.5	0.1	2.2	0.9	3.4	6.1	2.8	–25.7	2.1	3.7
	vs 2019	15.6	5.5	22.2	7.7	4.8	5.1	23.5	41.1	22.4	–17.0	25.1	40.4
Convenience[14] percent change	vs 2023	3.2	4.6	1.5	N/A	3.3	0.8	0.1	0.4	0.7	45.0	1.0	4.9
	vs 2019	19.0	25.8	9.5	N/A	23.6	4.4	–0.3	4.2	24.6	61.8	4.6	33.5
Sales/m² percent change	vs 2023	1.8	3.5	2.6	–1.4	–1.2	3.9	0.6	3.8	1.4	–6.6	2.0	4.9
	vs 2019	24.2	32.2	22.9	15.7	13.5	22.8	23.9	27.9	28.1	2.6	24.5	35.7

			Northern and Western Europe						Southern Europe			Central/Eastern Europe	
		European average[1]	Germany	UK	Netherlands	France	Belgium	Sweden	Spain	Italy	Portugal	Czech Republic	Poland
Grocery retail—price and volume growth													
Volume[15]	vs 2023	0.2	0.6	0.2	–2.8	–0.7	2.0	–0.7	–0.5	0.3	–1.2	2.2	4.6
percent change	vs 2019	0.8	0.3	0.2	–6.2	0.8	1.0	2.7	–3.0	6.4	–2.9	1.6	1.8
Basket size volume[16]	vs 2023	–0.7	–1.2	0.8	–0.2	–0.9	0.7	1.6	–2.1	–2.5	–3.9	0.9	0.9
percent change	vs 2019	0.1	–2.5	9.6	–4.0	–2.2	1.8	7.5	–1.6	–8.4	–17.7	0.8	11.0
Frequency	vs 2023	1.0	1.8	–0.6	–2.6	0.2	1.3	–2.3	1.6	2.8	2.8	1.3	3.7
percent change	vs 2019	1.2	2.8	–8.6	–2.2	3.0	–0.8	–4.5	–1.4	16.1	17.9	0.7	–8.3
Food and beverage price changes	vs 2023	2.3	2.3	2.7	1.7	1.4	2.1	1.4	3.6	2.5	2.4	–2.3	3.6
percent change	vs 2019	31.9	37.2	31.9	28.3	25.6	29.6	31.4	34.7	26.0	31.2	35.7	48.2
Up- or downtrading	vs 2023	–0.1	–0.5	0.6	0.4	–0.3	–0.7	0.5	–1.2	–0.2	2.3	3.5	0.3
percent change	vs 2019	–4.9	–8.1	–3.5	3.1	–5.6	–2.6	–4.6	–5.1	–6.4	0.8	–4.6	–1.3
Other key grocery indicators													
Online channel market share percent, full year		6.5	4.3	11.1	8.2	10.1	3.6	5.5	2.7	3.5	N/A	5.0	1.9
Private label value share[17] percent, full year		39.1	36.2	51.4	47.7	38.3	40.4	27.8	44.1	32.2	46.9	29.7	22.4
Private label value share[17]	vs 2023	0.3	0.4	–0.1	0.7	0.5	–0.2	0.2	0.7	0.0	1.5	0.0	0.0
percent change	vs 2019	4.1	4.9	1.3	4.0	3.2	2.2	5.6	7.2	4.8	10.9	6.8	4.2
Promo share, percent, full year		24.6	24.4	28.6	23.9	14.6	17.6	34.0	13.8	33.2	23.7	55.8	32.6
Promo share,	vs 2023	1.3	2.0	2.8	–0.1	0.1	–0.3	–4.1	1.0	0.1	–0.1	1.7	4.0
percent change	vs 2019	0.3	6.1	–3.4	2.9	–0.1	N/A	6.1	0.9	–8.0	–4.6	4.4	9.3
Consumer confidence,	vs 2023	5.5	4.0	11.6	6.3	2.8	2.0	15.5	4.5	0.4	10.9	7.4	8.4
points change, full year	vs 2019	–6.0	–9.2	–5.1	–4.4	–5.6	0.1	0.9	–8.2	–3.9	–8.9	–13.5	–3.6

1. Weighted according to total grocery revenues for each country. If for a given KPI group the data is not available for some countries, these countries are excluded from the weighted average. 2. Data measures the value of fast-moving consumer goods (FMCG) and fresh purchases that are taken home (excludes value of purchases that are consumed on the go, at work, etc). 3. Consists of hypermarkets, supermarkets, online stores, and discounters. 4.Remaining store types not covered by "modern retail." Examples include small corner store, pharmacy, drugstore, and open market. 5. Inflation-adjusted grocery retail value growth. 6. Includes food and beverage service activities providing complete meals or drinks fit for immediate consumption (eg, traditional restaurants, self-service, or takeaway restaurants). 7. Large retail outlets under common ownership with sales area >2,500m² (according to Europanel). 8. Smaller retail outlets under common ownership, excluding discounters. Sales area from 450m² to 2,500m² (according to Europanel). 9. Any FMCG and fresh products bought on the internet and either delivered or collected. 10. Limited-range discount retailers such as ALDI, Biedronka, Dia, Eurospin, Leader Price, Lidl, Netto Marken–Discount, Norma, and Penny (according to Europanel). 11. Sales area between 3,000m² and 6,000m²; substantial nongrocery store offering (according to IGD). 12. Sales area ranging from 300m² to 6,000m²; store offering is predominantly food (according to IGD). 13. Sales area from 300m² to 1,500m² (potentially up to 6,000m²); narrow range (<4,000 SKUs) with a focus on everyday low prices. Offerings typically dominated by private label, and stores operate with low-cost business model (according to IGD). 14. Stores typically under 300m², with convenience-focused ranges usually up to 6,000 SKUs and long opening hours (according to IGD). 15. Number of units sold. 16. Average number of units sold per basket. 17. Private label is defined as any brand/ product that is owned and sold by an individual retailer and not sold by other retailers. This includes any product with the store name in the brand such as [Store name] Cornflakes and similar. It includes all "brands" sold by discounters or any other retailer that are owned and sold exclusively in their own stores. Fresh products sold with a retailer name/exclusive "brand" on the shopper package/receipt are included; loose no-name fresh products are excluded.

Source: CBS (Netherlands); Europanel; Eurostat; GfK; ONS (UK)

Consumer survey results

Exhibit 17

Shoppers focus less on saving money while they focus more on eating healthy and high-quality products in 2025 than in 2024.

Net intent[1] of consumers towards grocery shopping in 2025 compared to 2024, % and delta vs 2024 in percentage points[2]

Net intent 2025, % XX
Delta vs 2024, % XX
Net intent: 0 10 20 30 40+

			Western Europe					Southern Europe		Nothern Europe			Central/Eastern Europe		
		European average[3]	Germany	UK	Nether-lands	France	Belgium	Spain	Italy	Sweden	Denmark	Norway[4]	Poland	Czech Republic[4]	Romania[4]
Price consciousness persists, yet less prominent as in 2024 in most markets															
Look for ways to save money when shopping	Net intent 2025, %	48	47	52	45	48	47	49	45	48	49	53	45	44	49
	Delta vs 2024, %	0	–1	-2	–2	0	3	–3	–1	–3	6	N/A	–2	N/A	N/A
Actively research for best promotion	Net intent 2025, %	38	29	30	37	40	41	45	42	43	44	43	40	33	46
	Delta vs 2024, %	–1	1	–2	–2	–5	2	–3	–3	1	3	N/A	–2	N/A	N/A
Buy store's own brands instead of known brands	Net intent 2025, %	31	35	32	38	29	39	27	27	32	29	27	21	14	29
	Delta vs 2024, %	–2	–1	–6	–3	–5	3	–4	–3	1	3	N/A	2	N/A	N/A
Consumers focus more on healthy eating and high-quality products, but are less inclined to purchase sustainable or ready-to-eat															
Focus on healthy eating and nutrition	Net intent 2025, %	31	27	30	33	32	29	34	41	26	32	36	27	8	39
	Delta vs 2024, %	-1	–2	0	–1	–1	0	–1	5	6	5	N/A	–2	N/A	N/A
Pay a higher price to get a healthier product	Net intent 2025, %	0	-5	–6	–6	6	–7	3	14	–2	1	–9	4	-10	5
	Delta vs 2024, %	0	0	5	–3	0	–1	–3	–1	7	3	N/A	–11	N/A	N/A
Buy products from local producers and farmers	Net intent 2025, %	16	16	8	10	26	11	24	19	8	16	9	23	4	31
	Delta vs 2024, %	–1	–6	3	–2	–1	–3	–7	–5	5	9	N/A	3	N/A	N/A
Buy organic/ bio products	Net intent 2025, %	0	1	–8	–1	–2	–5	1	12	–6	7	–11	5	–13	5
	Delta vs 2024, %	–2	–1	2	–6	–3	–2	–6	–5	2	3	N/A	–1	N/A	N/A
Buy environmentally friendly products	Net intent 2025, %	13	14	10	8	13	11	16	21	4	14	4	15	–2	11
	Delta vs 2024, %	-3	–7	1	–9	–3	–1	–8	–6	1	3	N/A	–4	N/A	N/A
Buy high-quality/ premium products	Net intent 2025, %	2	–10	–2	0	6	–6	19	6	2	7	–1	6	–11	21
	Delta vs 2024, %	2	3	7	–1	2	–5	7	–4	6	6	N/A	2	N/A	N/A
Buy food from deli counters in stores	Net intent 2025, %	–4	–11	–10	–12	2	–9	10	9	–10	–12	–22	10	–1	6
	Delta vs 2024, %	–1	0	2	–2	0	–4	–7	–3	4	–5	N/A	9	N/A	N/A

[1]Net intent represents the share of consumers who want to do more of the activity minus the share of consumers who want to do less of the activity in 2025 vs 2024.
[2]Question: Think about 2025. Are you planning to do more, less, or about the same of the following?
[3]2024 and 2025 both cover Belgium, Denmark, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, UK.
[4]Newly added in Consumer Survey 2025.
Source: McKinsey Consumer Survey 2025 (n = 14,543), Belgium, Czech Republic, Denmark, France, Germany, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, UK, sample to match general population age 18 and above

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