



Insights exchange for the model-driven economy

# Walking the Grocery Aisles: Tighter Wallets, Healthier Choices

1. Grocery spend growth slowed in 2025 as transaction volumes weakened across retailers, reflecting broad demand pressure with value-oriented players showing relative stability.
2. Data from grocery chains in the Southeastern U.S. show declining spend and units per store, signaling tightening store-level economics and rising competition for share amid limited category growth.
3. Rising health awareness is actively reshaping food choices, as growing use of tools like Yuka and sustained media focus coincide with consumers trading toward perceived “cleaner” alternatives, reinforcing health-driven reallocation.
4. U.S. consumers are prioritizing health and wellness more than ever, with Health ranking as the 3rd-largest category by revenue on TikTok Shop - a behavior that is meaningfully less pronounced outside the U.S.
5. Spending patterns suggest the American breakfast is changing, as consumers have shifted towards healthier, less processed options over legacy breakfast staples (cereals, pastries, bacon, toast).
6. Health-aligned innovation drives category resilience. Yogurt brands tied to protein and functional benefits continue to grow spend per store, while cereal - lacking credible health repositioning - faces broad, structural decline across legacy brands.

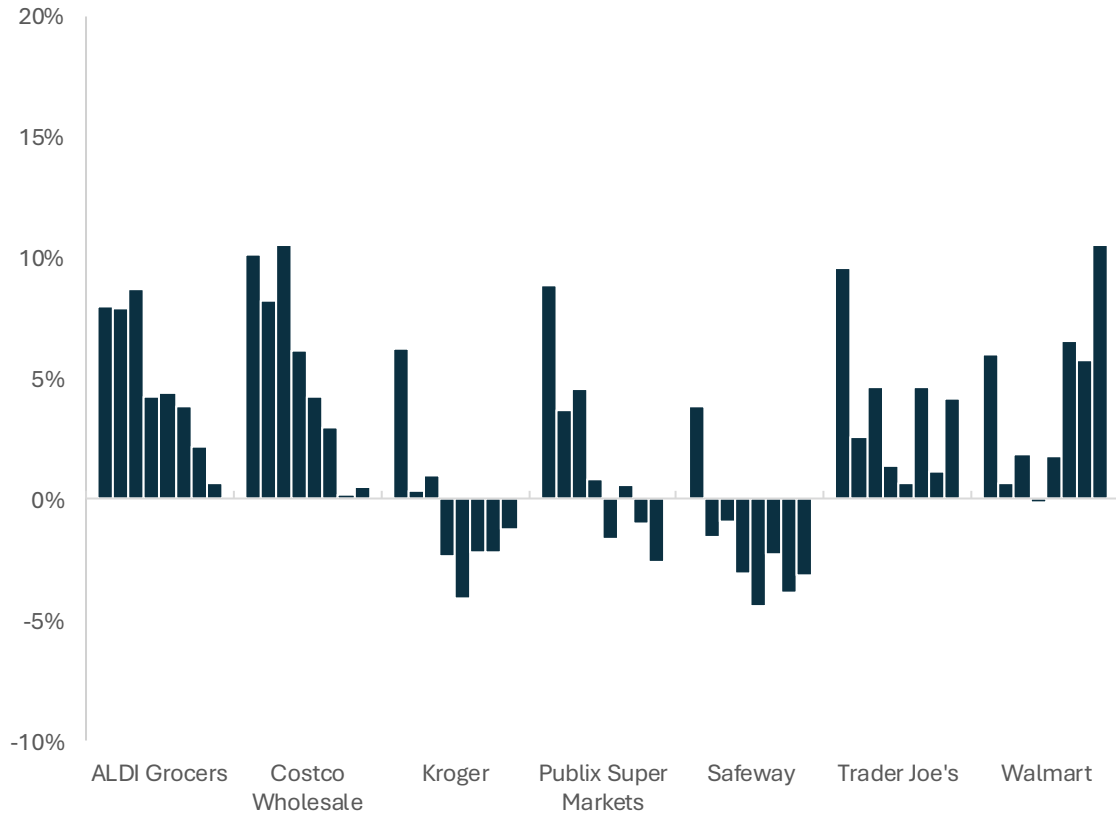
**Stay tuned for Part II of our Grocery Deep Dive, where we'll drill into the competitive dynamics across brands, companies, and tickers to unpack who's gaining share - and why.**

*This analysis was derived from Carbon Arc's Credit Card, POS Supermarket, TikTok Shop, and App Intelligence datasets and cost 127.23 tokens – with additional insights layered from our row-level POS Supermarket data (pricing available upon request).*

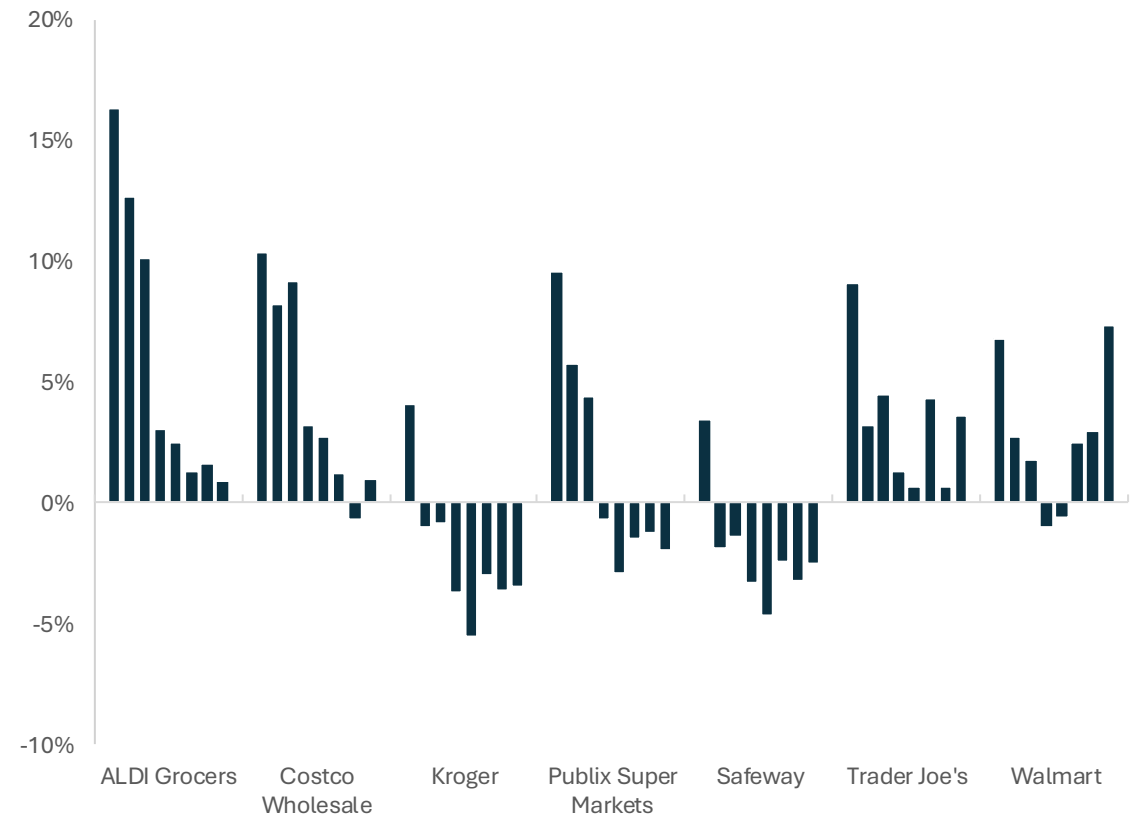
# Grocery Spend Decelerated Broadly in 2025 Amid a Challenging Macro Backdrop

Amid a challenging macro backdrop in 2025, grocery spending softened broadly across retailers. While most grocers saw decelerating or negative YoY spend trends, value-oriented players like Aldi and Walmart showed relative resilience, supported by steadier transaction volumes as consumers traded down and prioritized price.

Quarterly Y/Y Spend Growth  
(2024 – 2025)



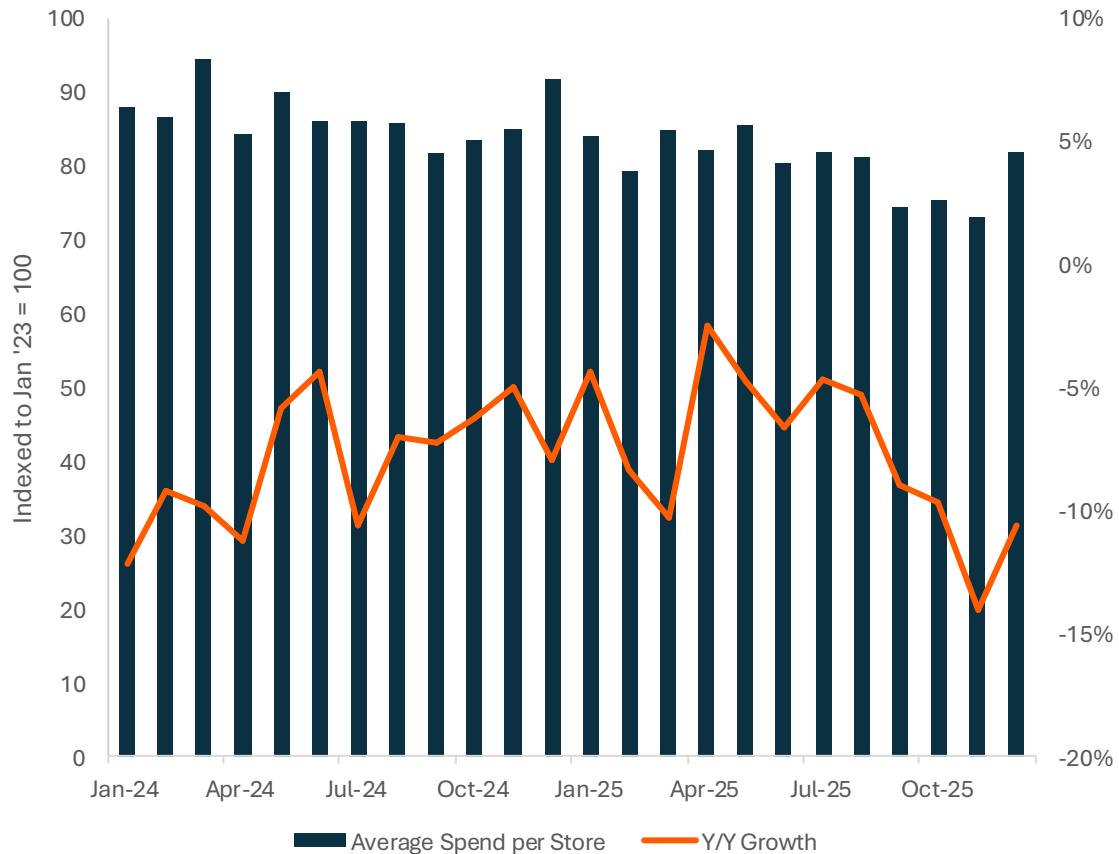
Quarterly Y/Y Transactions Growth  
(2024 – 2025)



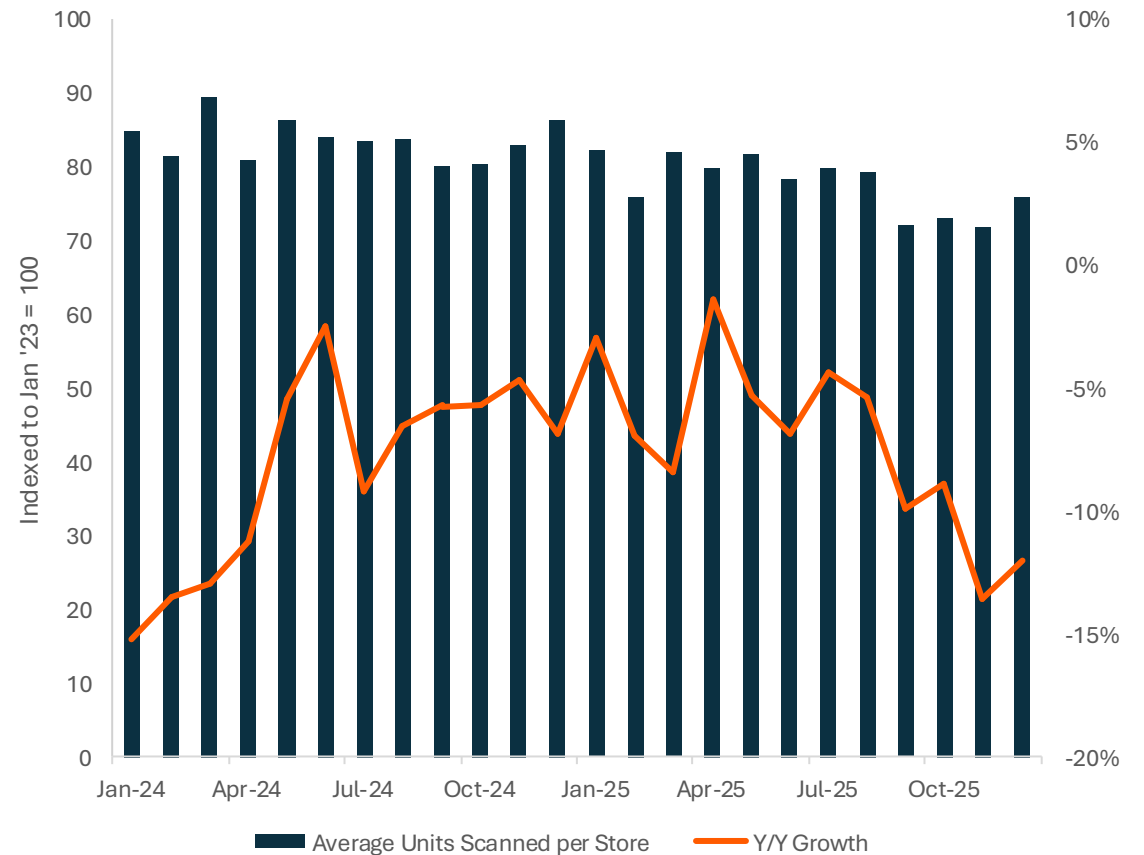
# Declining Store-Level Economics Heighten Competition for Consumer Attention

Sourced from POS scanners across Southeast U.S. supermarket chains, Carbon Arc's POS Supermarket dataset offers a granular view of purchasing behavior. As transactions and spend per store soften, brands increasingly compete in a constrained, near zero-sum environment - where growth depends on expanding demand or taking share from structurally weakening segments.

Average Spend per Store



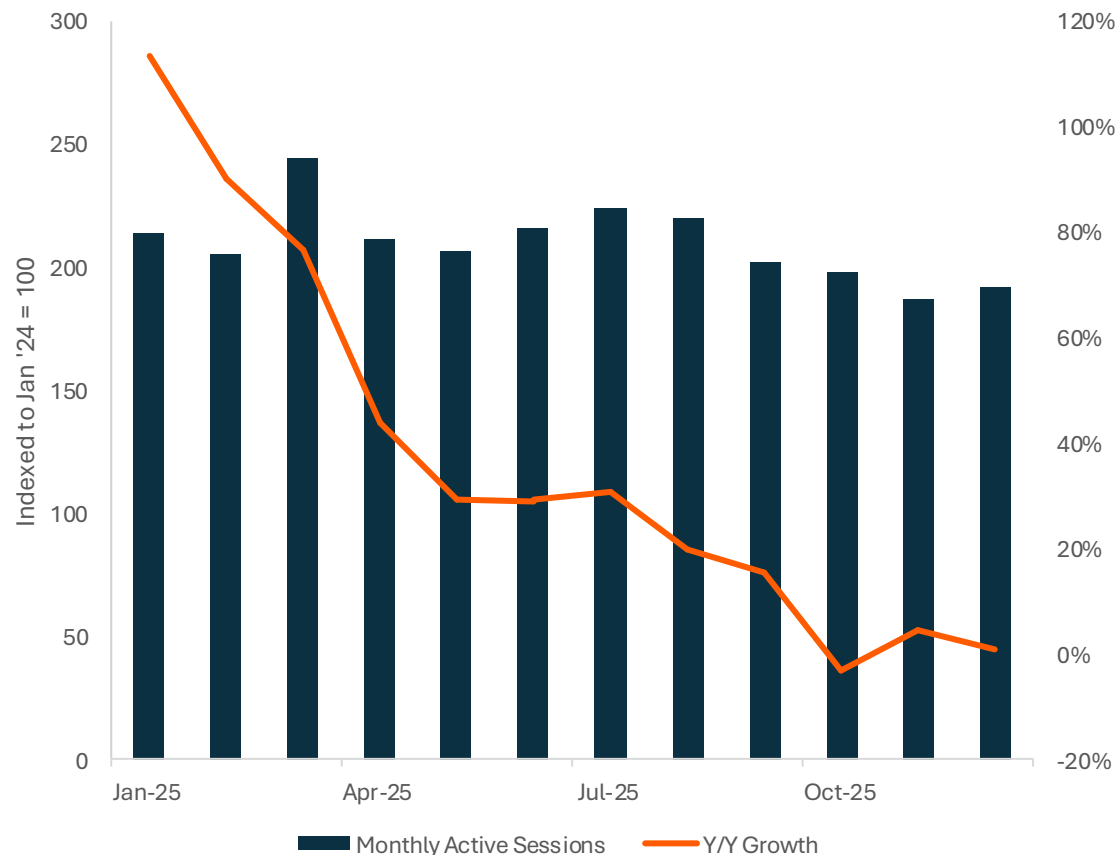
Average Units Scanned per Store



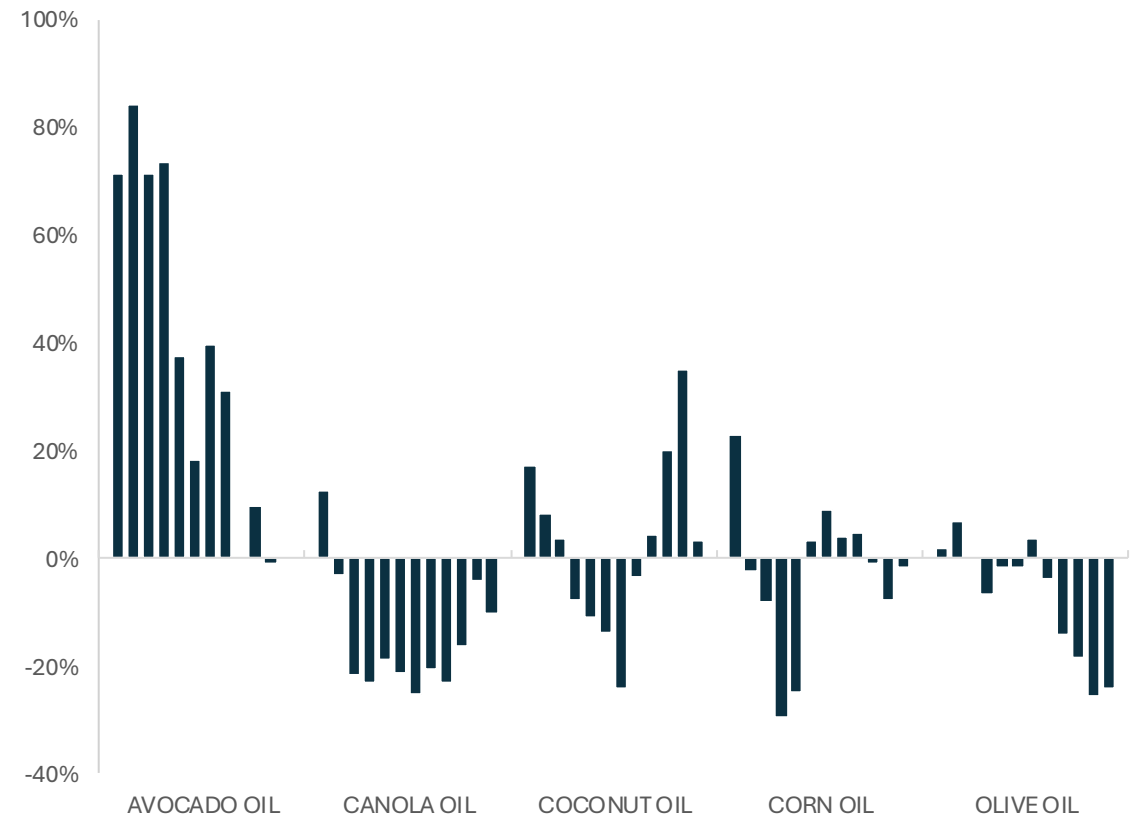
# Growing Health Awareness Is Reshaping How Consumers Evaluate Food Ingredients

Health awareness in the U.S. has accelerated, catalyzed by the 2023 publication of *Ultra-Processed People* and amplified by sustained media coverage. New consumer tools like Yuka, which surface simple health scores at the shelf, alongside persistent social media narratives around ingredients such as seed oils, are increasingly shaping how shoppers make purchasing decisions.

Yuka Monthly Active App Sessions



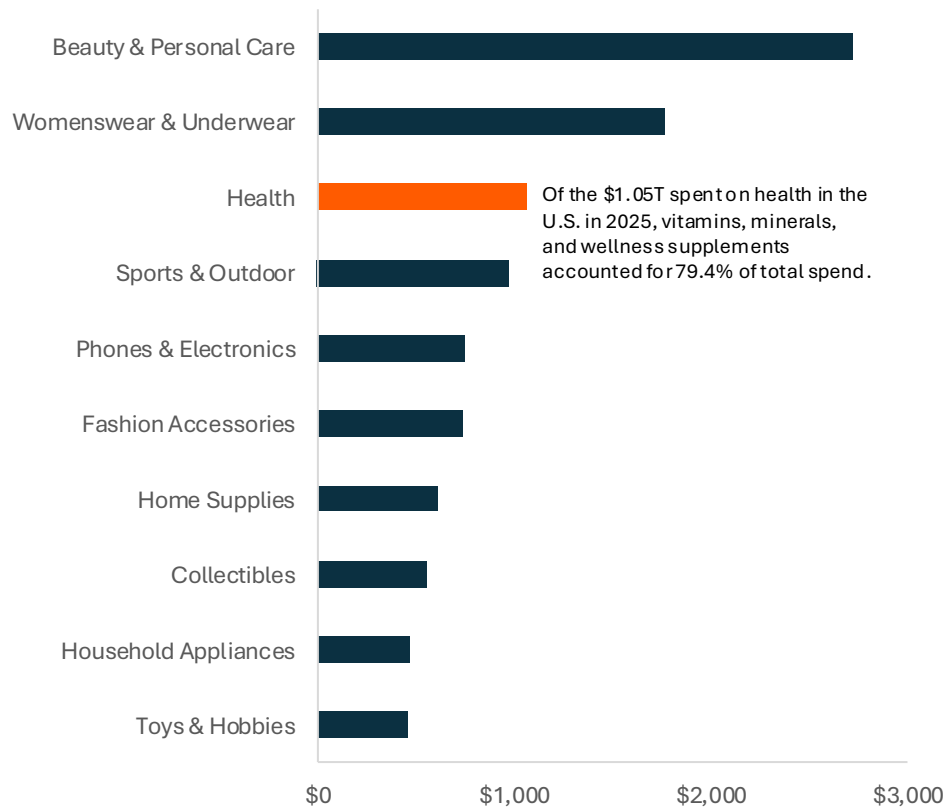
Quarterly Y/Y Spend per Store Growth (2023–2025)



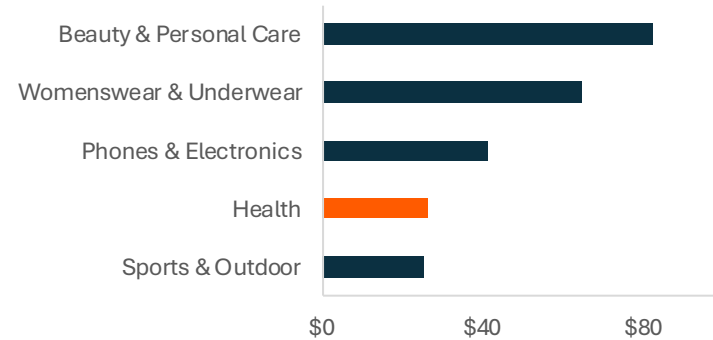
# Health & Wellness Is Taking a Larger Share of Consumer Spend

U.S. consumers are prioritizing health and wellness more than ever. On TikTok Shop, health ranks as the 3rd largest category by revenue in 2025, driven overwhelmingly by supplements. This behavior is far less pronounced internationally, reinforcing that the U.S. is uniquely accelerating toward health-first consumer decision-making.

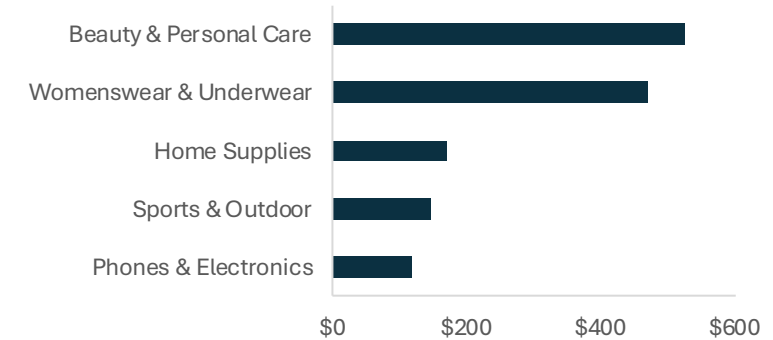
United States - 2025 TikTok Shop Revenue Rankings by Category (\$M)



Brazil



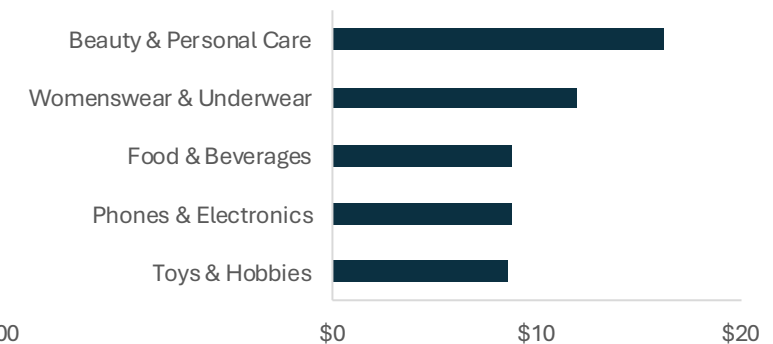
Great Britain



Indonesia



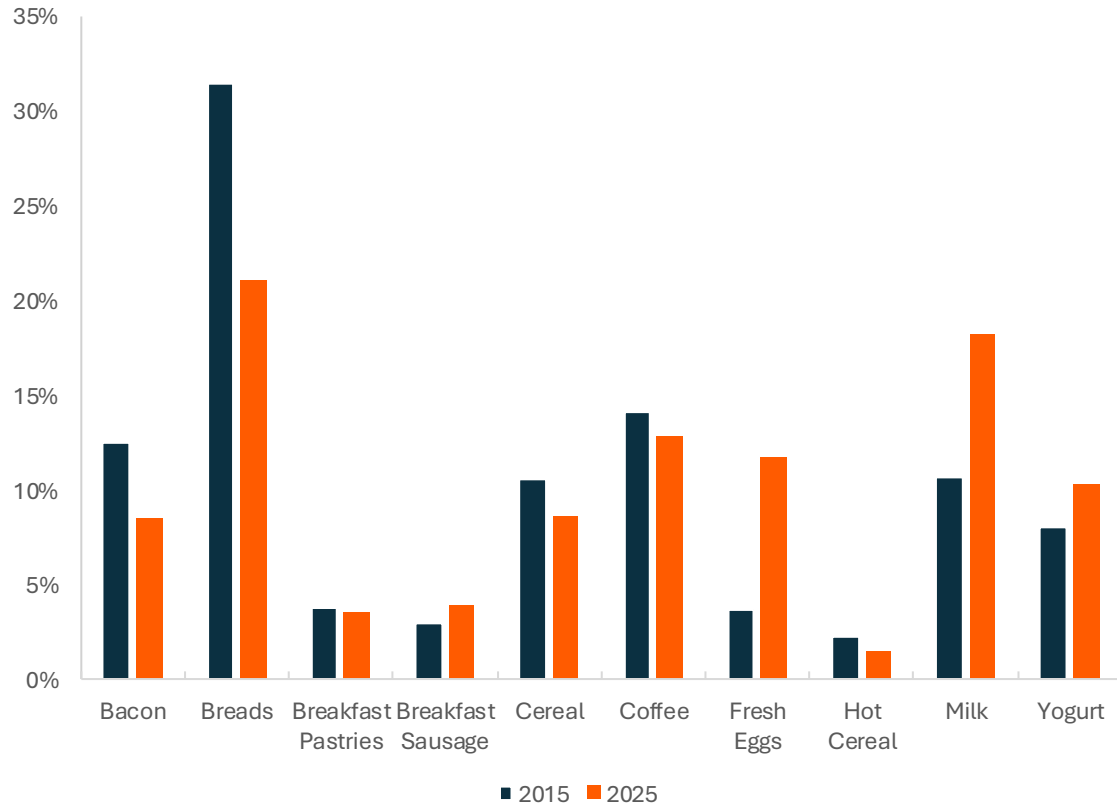
Japan



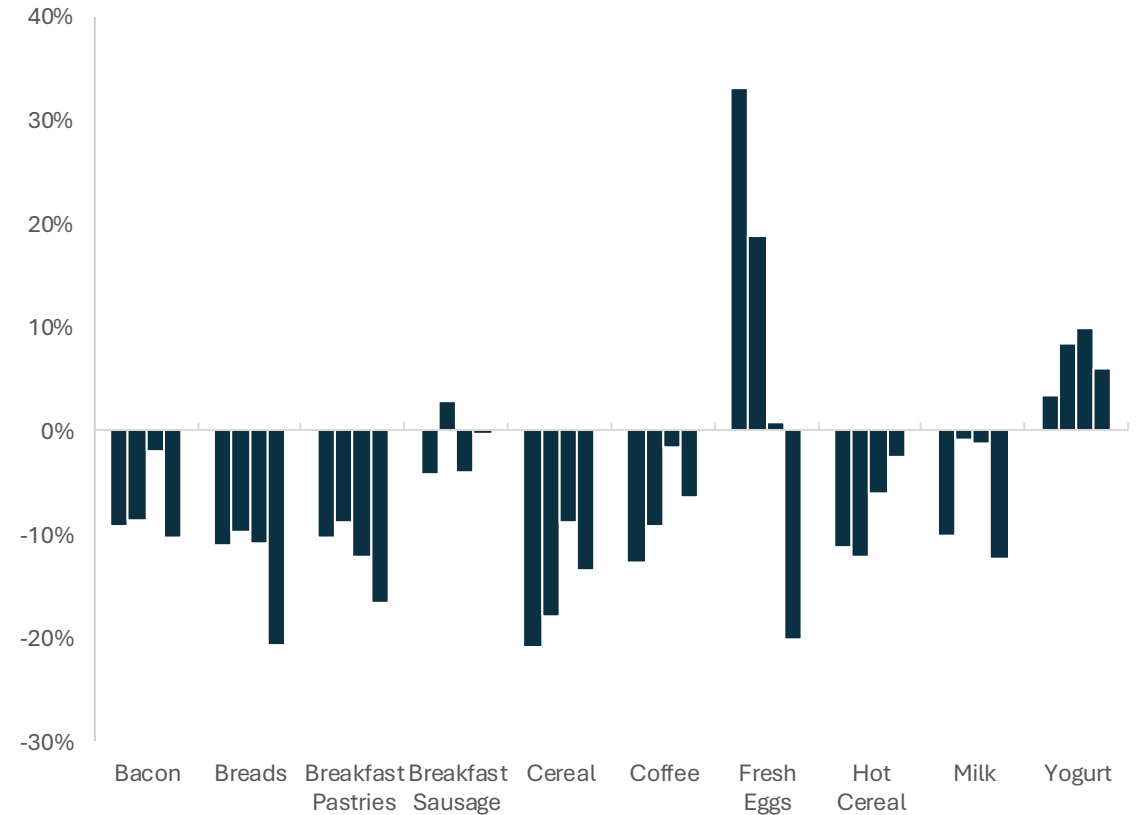
# Changing Preferences Are Reshaping the American Breakfast

The American breakfast is being rewritten as consumers shift away from ultra-processed, legacy staples toward less-processed options like fresh eggs and yogurt. Since 2015, share has steadily moved out of cereals, breads, and breakfast meats, with recent YoY trends showing the shift accelerating as protein-forward categories grow and processed segments continue to decline.

Category Share of Average POS Spend per Store  
(2015 vs 2025)



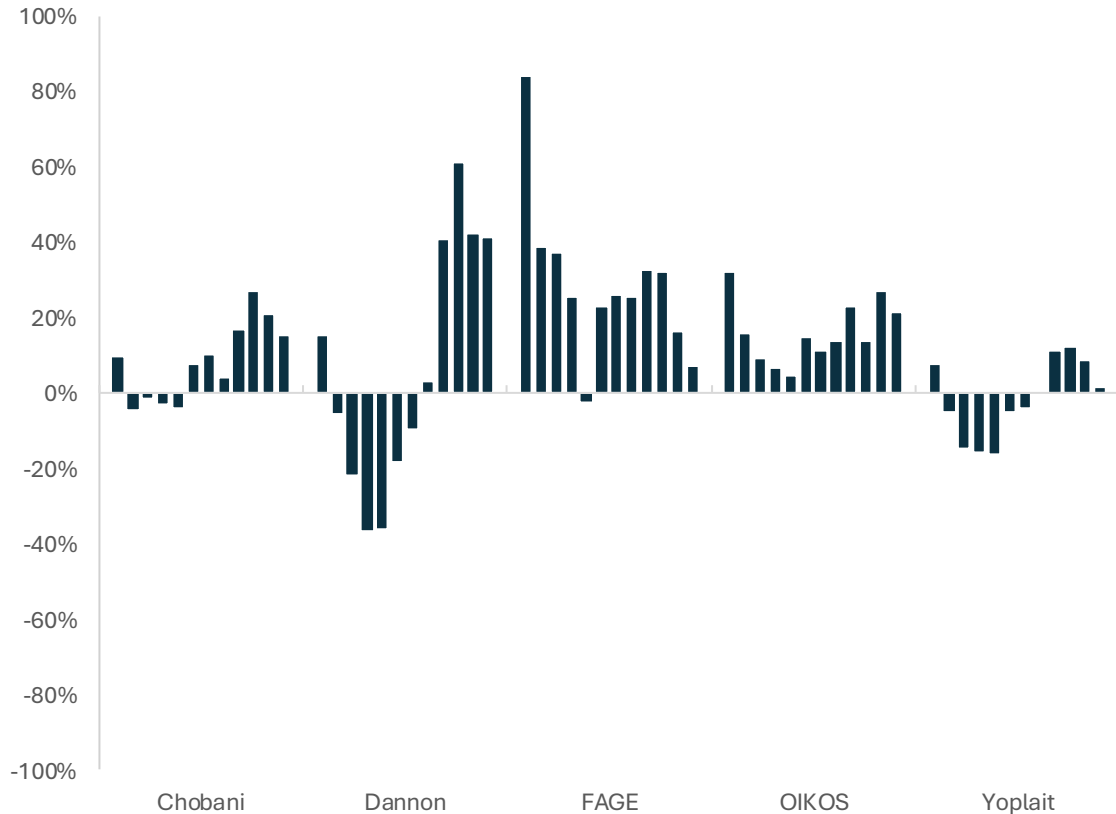
Quarterly Y/Y Spend per Store Growth  
(2025)



# Categories Without Innovation Face Structural Decline

Yogurt demonstrates the upside of health-forward positioning: brands aligned to protein and functional benefits show durable growth without widespread incumbent erosion. Cereal tells the opposite story - limited health repositioning coincides with broad-based spend pressure, reinforcing how critical health relevance has become for legacy categories.

Quarterly Y/Y Spend per Store Growth  
(2023-2025)



Quarterly Y/Y Spend per Store Growth  
(2023-2025)

