Grocery 2035

Key trends, consumer shifts, and what it means for grocery

Consumers are becoming more informed, health conscious and digitally driven, with technological innovations reshaping retail experiences. Considering Ireland's changing demographics, the central question is how the grocery landscape will evolve over the next decade.

As the next era promises to bring a personalised and evolved grocery experience, retailers need to prepare today – with a proactive, insight-led approach and a deep understanding of what's next.

We led extensive research to uncover what lies ahead for the Irish grocery sector, combining a nationwide survey of 2,000 consumers across counties and demographics. This was layered with macro trends, demographic insights, and behavioural projection analysis to uncover what will shape Irish society by 2035. Together, these insights offer a lens into the future of the Irish grocery landscape – its consumers, challenges, and opportunities.

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The consumer of tomorrow

By 2035, Ireland will be shaped by a slower-growing, older, and more **regionally concentrated population.** While the Island of Ireland's population is projected to rise to ~6 million by 2035, the growth will be driven by older age groups – particularly 55 and above.

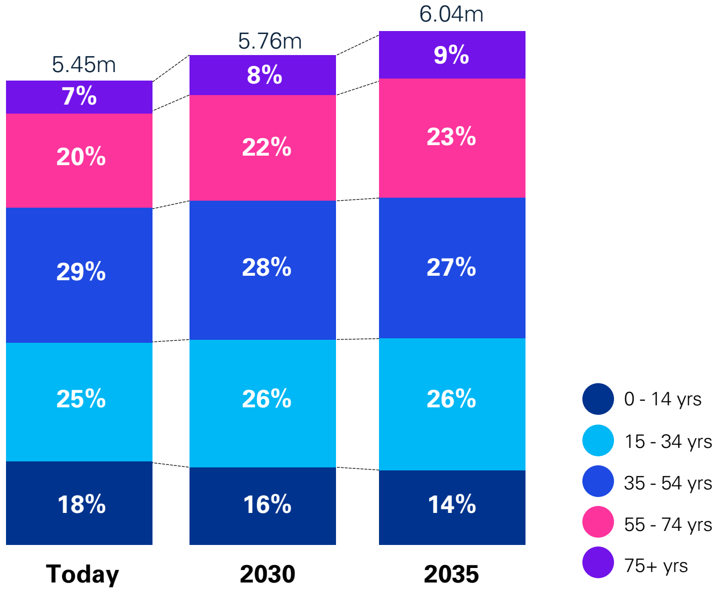
+16%

Regionally, **the most dynamic growth** will occur in the counties **surrounding Dublin**—Kildare, Meath, Louth, and Wicklow—where population increases are expected to exceed 16%.

~3-9%

In contrast, counties in the **Mid-West** such as Clare and Limerick will see much slower growth ranging from ~3-9%.

Figure 1: Population projection change by age group, 2025-2035

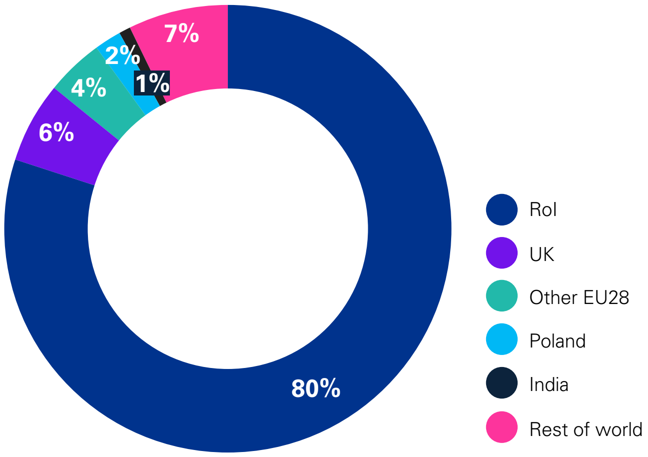


Source: CSO, NISRA, KPMG analysis

At the same time, **household structures are evolving**, with the average household size in Ireland shrinking from **2.74 to 2.60** by 2035. This is primarily driven by smaller family units and an increasing number of single or couple households.

Ireland's population is becoming increasingly diverse, driven by sustained migration from countries such as Poland, India, Ukraine, Romania, Lithuania and Brazil.

Figure 2: Population by country of birth, 2022



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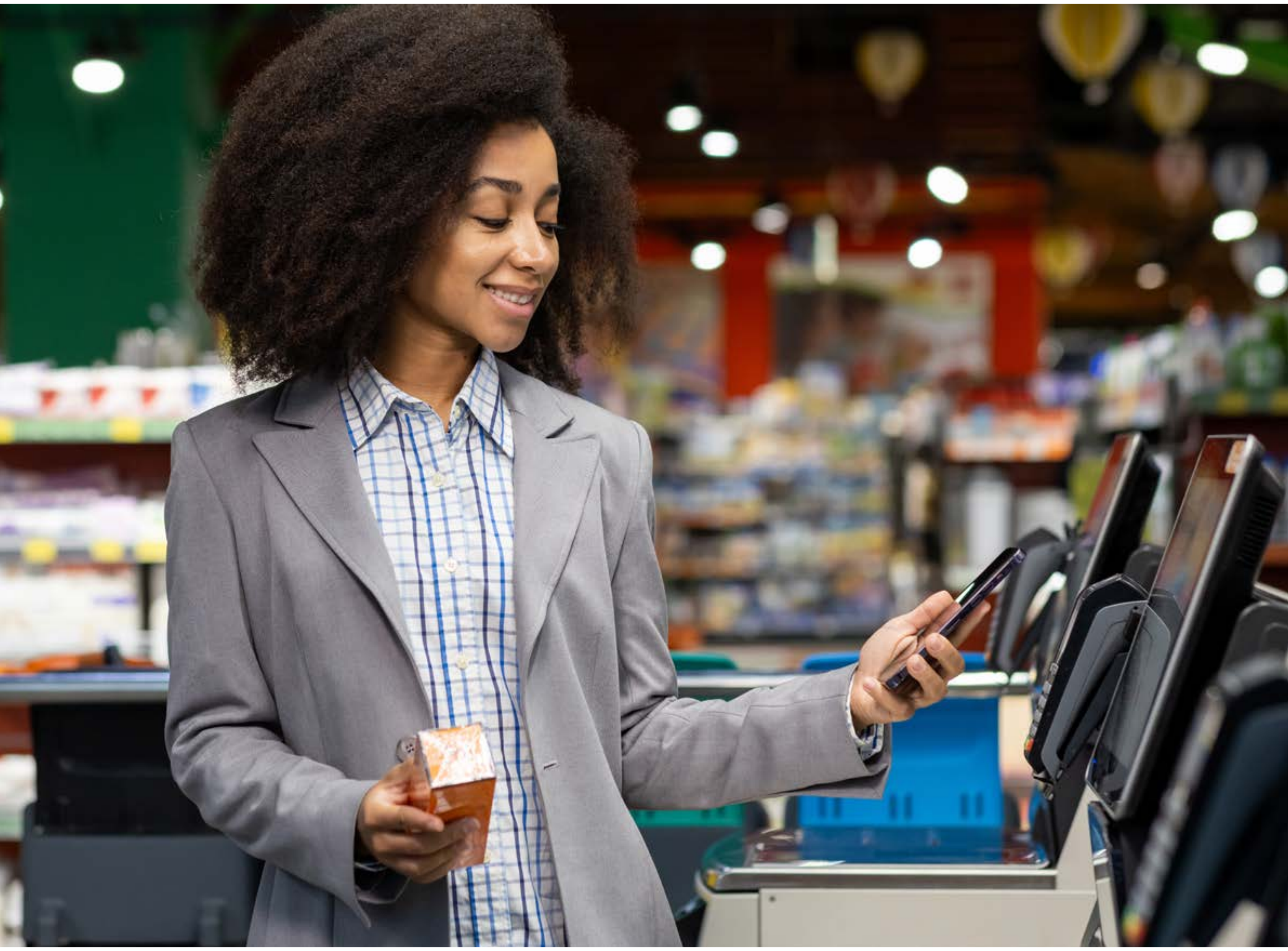


How will consumer behaviour change in 2035?

Convenience

In retail, this translates to a demand for frictionless shopping experiences, as consumers demand more self-check-out options, more online shopping and expect to automate everyday purchases through recurring orders. Convenience is no longer a luxury - it's a baseline expectation shaping how consumers live, work, and shop.

63%

of consumers - want **more self-checkout options**

59%

of consumers expect to place **more recurring orders** for everyday items.

Choice

Consumers are increasingly becoming more intentional with their purchasing decisions, driven by a mix of price sensitivity, mindful consumption and sustainability values.

1 Sustainability

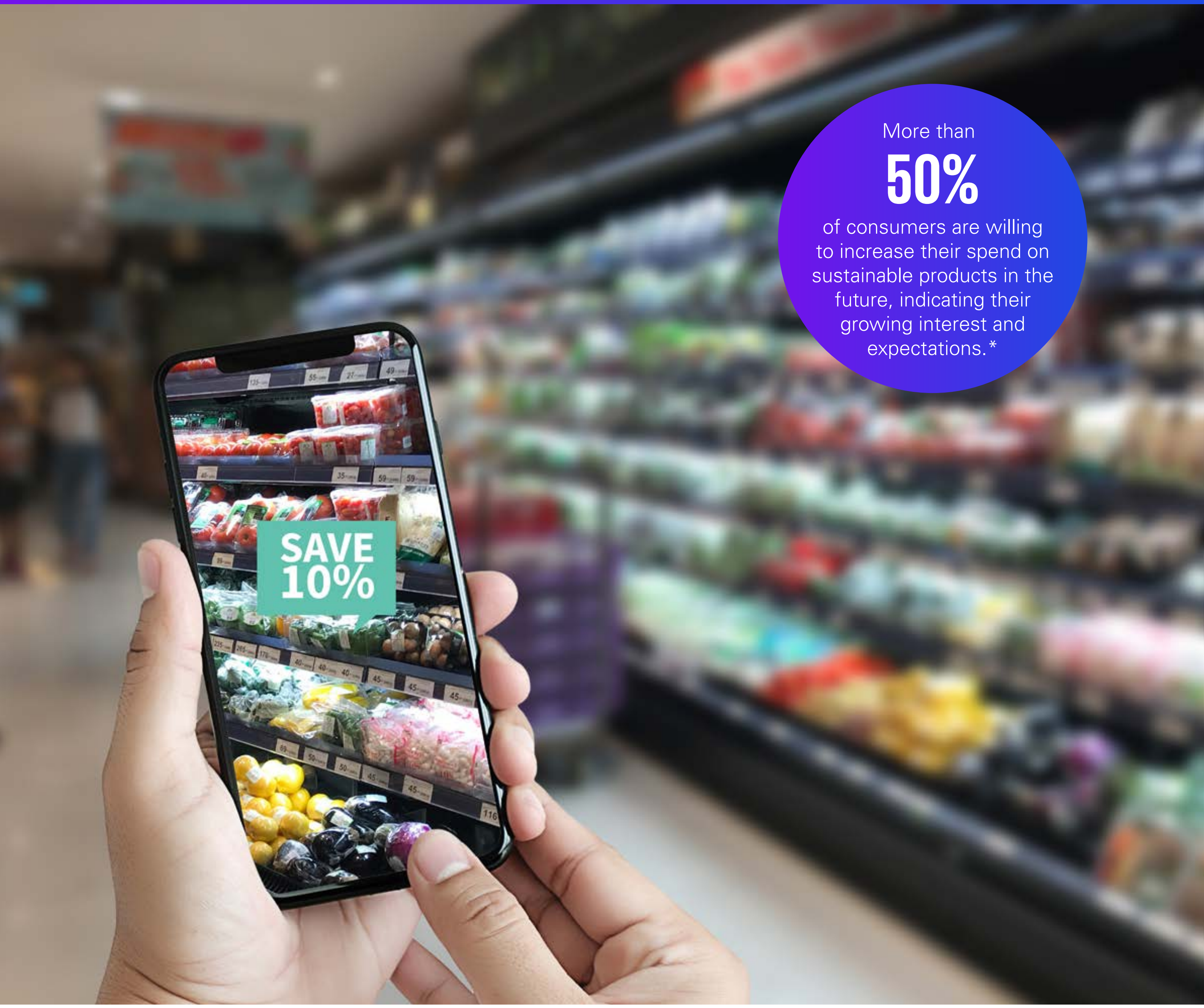
- **Over 50% say sustainability** will be a very or extremely influential factor in grocery choices by 2035, up from 27% currently.
- Consumers are also demanding transparency and impact — with **zero food waste, packaging reduction and local sourcing of products** topping their list of sustainability priorities.

2 Health and wellness

- Shoppers are leaning toward health and wellness brands, with **43% of respondents** expecting to buy more supplements, 50% expecting to buy more convenient fresh foods and 39% expecting to buy more high-protein, lower-calorie options.

3 Value

- **88% of consumers** will choose retailers based on attractive reward programs, to eventually save money.



More than

50%

of consumers are willing to increase their spend on sustainable products in the future, indicating their growing interest and expectations.*

Customisation

Amidst rising living costs, consumers are redefining loyalty - demanding experiences that reflect their individual preferences. This aligns with the broader retail trend - brands are increasingly adopting hyper-personalised loyalty strategies, using AI and real-time data to tailor offers based on shopping behaviours, lifestyle patterns, and even in-store interactions.

45% of consumers want more targeted discounts and customisable rewards

93% still expect to shop in-store in some form, with 40% planning to do so exclusively

*While interest in sustainability is rising, it's important to note that a gap often exists between consumers' green intentions and their actual behaviour.

Consumer Archetypes of 2035

Aoife

The Health-Driven Optimiser

Age: 35
Location: Cork, Ireland
Occupation: Marketing Manager

Behaviour:

- Mix of online and in-store shopping
- Engaged with loyalty programmes that offer health-based rewards
- Prefers to maintain high-protein, balanced diet
- Follows fitness influencers and wellness blogs

Preferred Products:

- High-protein snacks, clean-label ready meals, supplements

Tech Comfort:

High

- Open to AI-driven recommendations and smart shopping tools, also relies on social media to get

Raj Mehta

The Cultural Connoisseur

Age: 40
Location: Dublin, Ireland (originally from India)
Occupation: IT Consultant

Behaviour:

- Prefers in-store shopping with knowledgeable staff, specifically for access to authentic indian food and ingredients
- Loyal to stores that stock ethnic brands and offer cultural promotions
- Relies on social media to get credible recommendations

Preferred Products:

- Indian spices, snacks, ready meals, and festival-specific items

Tech Comfort:

Moderate

- Prefers minimal tech, values human interaction

Lucia Ramos

The Wellness Balancer

Age: 30
Location: Galway, Ireland (originally from Barcelona)
Occupation: Freelance Designer

Behaviour:

- Hybrid shopper: online for staples, in-store for fresh produce
- Seeks out clean-label, low-processed, and eco friendly products while enjoying flavourful food
- Uses filters for clean-label and allergen-free products

Preferred Products:

- Fresh produce, organic dairy, low-processed but appetising snacks

Tech Comfort

High

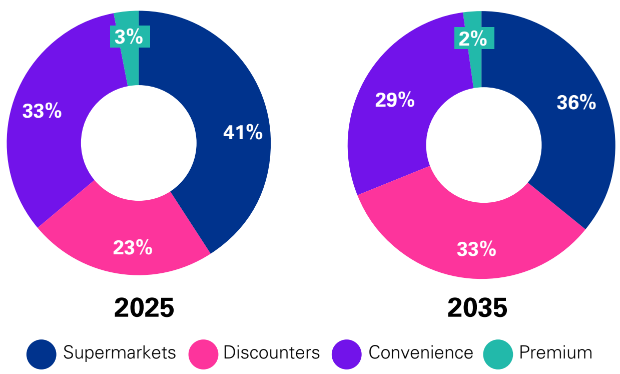
- Uses apps for meal planning, delivery and sustainability tracking

Grocery Reimagined: Stores of 2035

1 Supermarkets remain dominant, while discounters see the fastest growth

By 2035, the grocery retail landscape will be significantly more diversified and competitive, shaped by evolving consumer preferences and economic shifts. The **total market is projected to grow from ~€16 billion in 2022 to nearly ~€32 billion**.

Figure 3: Market size projection by retailer type



Source: KPMG analysis

This evolving landscape signals a need for retailers to **adapt formats, personalise experiences, and balance value with innovation.**

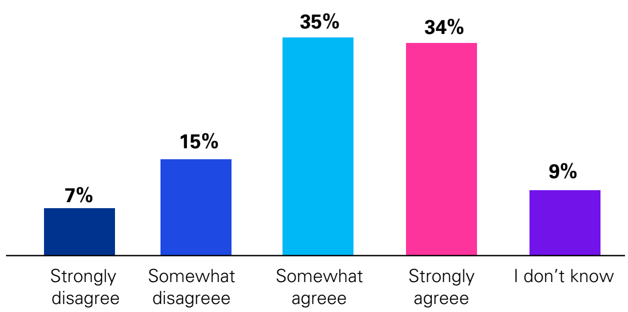
e-penetration in Food and Beverages is steadily rising, with the category expected to reach over 50% by 2035

This growth reflects increasing consumer comfort with digital channels for everyday essentials, reinforcing the need for seamless, trustworthy, and value-driven online experiences.

2 Technology as a catalyst: Driving innovation and testing consumer trust

By 2035, technology adoption in grocery retail will be both a catalyst for innovation and a test of consumer trust. As AI, automation, and retail media become more embedded, retailers must navigate growing concerns around data ethics and tech fatigue. ~50% of consumers feel comfortable sharing personal data for personalised offers; the remaining significant portion still remains hesitant.

Figure 4: There will be too much technology in store causing me tech fatigue



Source: KPMG analysis

3 Evolving product preferences

Consumer preferences are shifting towards health-conscious and functional food categories. Demand for fresh and organic produce is rising, with a strong preference for locally sourced Irish organic options.

60%

Over 60% of consumers expect to increase their spending in the area of high protein foods by 2035

Traditional centre-of-store categories, including shelf stable meals, canned goods and legacy supplement formats are facing stagnation. Established brands in these categories are struggling to maintain relevance as shoppers increasingly gravitate toward perimeter store offerings.

Looking ahead, the rise of **anti-obesity medications (AOMs)** could reshape food consumption patterns even further. Early data suggests users of AOMs are reducing intake of high-calorie, ultra-processed foods and shifting toward products that support gut and immune health. This could prompt brands to reformulate or reposition products to stay relevant in a leaner, more health-focused food economy.

20-30%

Early data suggests that AOMs could cause a 20-30% drop in calorie consumption among those taking the medication.

4 Retail media revolution: Growing digital influence

50%

Consumer response is promising, with over 50% of respondents saying that retail media increases their likelihood to purchase products

This shift is supported by the adoption of smartphones, which has enabled more personalised, data-driven engagement. While growth in smartphone usage is now plateauing, the focus is shifting toward quality of targeting, ethical use of data, and seamless integration across digital and physical touchpoints.

5 Health and environmental regulations to reshape the sector

By 2035, health and environmental regulations will significantly reshape product assortments and operational strategies in Irish retail. Mandates such as a 20% reduction in sugar and calories by 2025, 100% recyclable packaging by 2030, and net zero operations by 2035 will push retailers to rethink everything from SKU reformulation to supplier partnerships. These changes won't just be about compliance - they'll influence pricing, promotion, and consumer trust. The regulations impact the entire supply chain from primary processors, to packaging suppliers to retailers.

100% recyclable packaging by 2030, and net zero operations by 2035

What this means for you

Large retailers:

- Adapt store formats and assortments to reflect health-conscious, sustainability-driven, and culturally diverse preferences — tailored not just by region, but by the demographics of the store catchment.
- While online shopping is on the rise, in-store environments remain the cornerstone of the consumer experience. Integrate physical and digital, continuing to invest in in-store experiences such as human touch and brand connection. Loyalty strategies should span across both channels, offering personalised rewards and engagement.

Independent retailers:

- In-store experience and convenience are no longer enough, a digital presence is essential. Improve presence through low-cost tools and social media engagement with niche community segments.
- Collaborate with local producers and brands to meet rising demand for clean-label, culturally relevant, and health-forward products.

Food brands:

- Tailor your retail messaging to the consumer by building presence through retail media and data partnerships, ensuring marketing spend delivers strong Return on Investment in a competitive landscape.
- Expand product offerings to reflect Ireland's growing ethnic diversity, including authentic ingredients, culturally relevant ready meals, and festival-specific items tailored to communities from India, Poland, and beyond.

3PL providers:

- Strengthen supply chain adaptability with digitally enabled systems that respond quickly to changing retailer and consumer demands — especially for fresh, local, and perimeter-store products.
- Build partnerships to enable traceability and transparency across the supply chain to support ESG reporting and retailer relationship.

Policy makers:

- Develop unified, digitally enabled platforms that help SMEs and independent retailers expand and adapt to evolving consumer needs.
- Enable growth across the supply chain by offering grants, advisory services, and infrastructure that empower businesses to be future-ready, competitive, and resilient.

Looking ahead

The evolution of today's consumer and the retail landscape is faster than ever before, retailers need to think about how they are going to respond in real time to capitalise on these changes.

Connect with us today to explore how our strategic services can empower your organisation.

Contact us

Our experienced team offers tailored solutions to help you navigate challenges and foster sustainable growth.

Chris Brown
Partner
Strategy
KPMG in Ireland
E: christopher.brown@kpmg.ie

Orlaigh Matthews
Associate Director
Food & Beverage Lead
Strategy
KPMG in Ireland
E: orlaigh.matthews@kpmg.ie

James Lovell
Associate Director
Consumer Tech
Strategy
KPMG in Ireland
E: james.lovell@kpmg.ie

Ananya Sharma
Manager
Brand & Marketing
Strategy
KPMG in Ireland
E: ananya.sharma@kpmg.ie

Don't hesitate—take the first step towards shaping a successful future by reaching out to us now. We're here to support your journey.

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