H/L presents: Key 2026 consumer trends

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www.hl.agency

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Why you should read this report

- While other platforms and researchers prioritize only their own data, we take a more holistic view—analyzing dozens of reports, our own client and consumer research, and conversations with other marketers

- We do this to move beyond the surface-level predictions and better understand what's really driving the shifts in consumer behavior—while still being broadly valuable to marketers in any category

Key trends shaping consumer + brand behaviors in 2026

1 Consumer Spending
As the economy remains fragile, but resilient, what can we expect from consumers in 2026?

2 Validation is King
Consumer consideration content continues to expand. Brand voice needs to be aligned with community voice

3 AI: Reality vs Rhetoric
Behind the loud public discourse around AI is a quiet reality of how it shows up in the lives of ordinary people

4 Functionality of Food
Rise of protein, fiber and other key nutrients is shifting how consumers purchase groceries and eat out

1. Consumer spending

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In 2026, consumers will continue to rotate spending to manage higher costs while preparing for upcoming needs or wants.

The economy is steady, but quite fragile

Tailwinds

- Inflation averaged **2.7%** for 2025, down 3pts vs 2024
- Labor participation rate steady at around **62%**
- Wage growth was up **+3.8%** for 12 months ending Dec 2025; +0.4% vs last year
- Gas prices are at the lowest levels since 2021, hovering **under $3** in most of the US
- GDP was up **+4.4% in Q3**, the fastest rate since Q3 2023
- Consumer spending was up **+0.5%** in Nov 2025, but mostly driven by high-income consumers

Headwinds

- Consumer sentiment is at its lowest point since 2014
- Dec unemployment at **4.4%**, up from 4.1% in 2024
- Job growth continues to slow in this "low-hire, low-fire" environment
- Wage growth after inflation was **only up +1.1%** for 12 months ending Dec 2025
- Personal savings rates hit 3.5% in Dec 2025, the **lowest level in 3 years**
- Labor costs increasing in 2026 as 19 states increase minimum wages

Sources: Bureau of Labor Statistics, Jan 2026; FRED St. Louis, Dec 2025; Axios, "Inflation risk, with an asterisk", 12/18/2025; eMarketer, "Consumers' resilience is being tested by weakening labor market, tariff pressures", 12/16/2025; University of Michigan COnsumer Confidence Report, Jan 2026; Morning Consult, "Consumer Says: Chillier Labor Market Data Cools Economy Further", 12/17/2025

Spending resilience remains

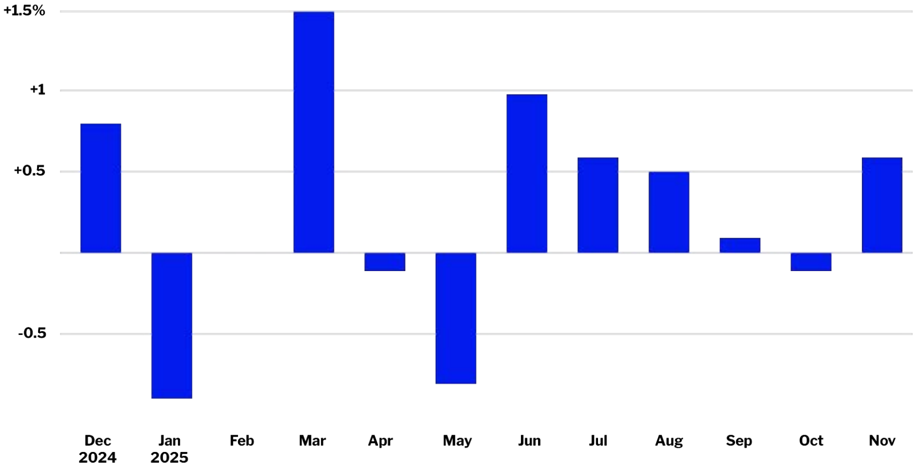
March saw Americans splurge to get ahead of tariff-related price increases.

Consumers were still spending over the summer on vacations and back-to-schools supplies.

In Sept and Oct consumers pulled back in preparation for holiday spending which picked back up in November.

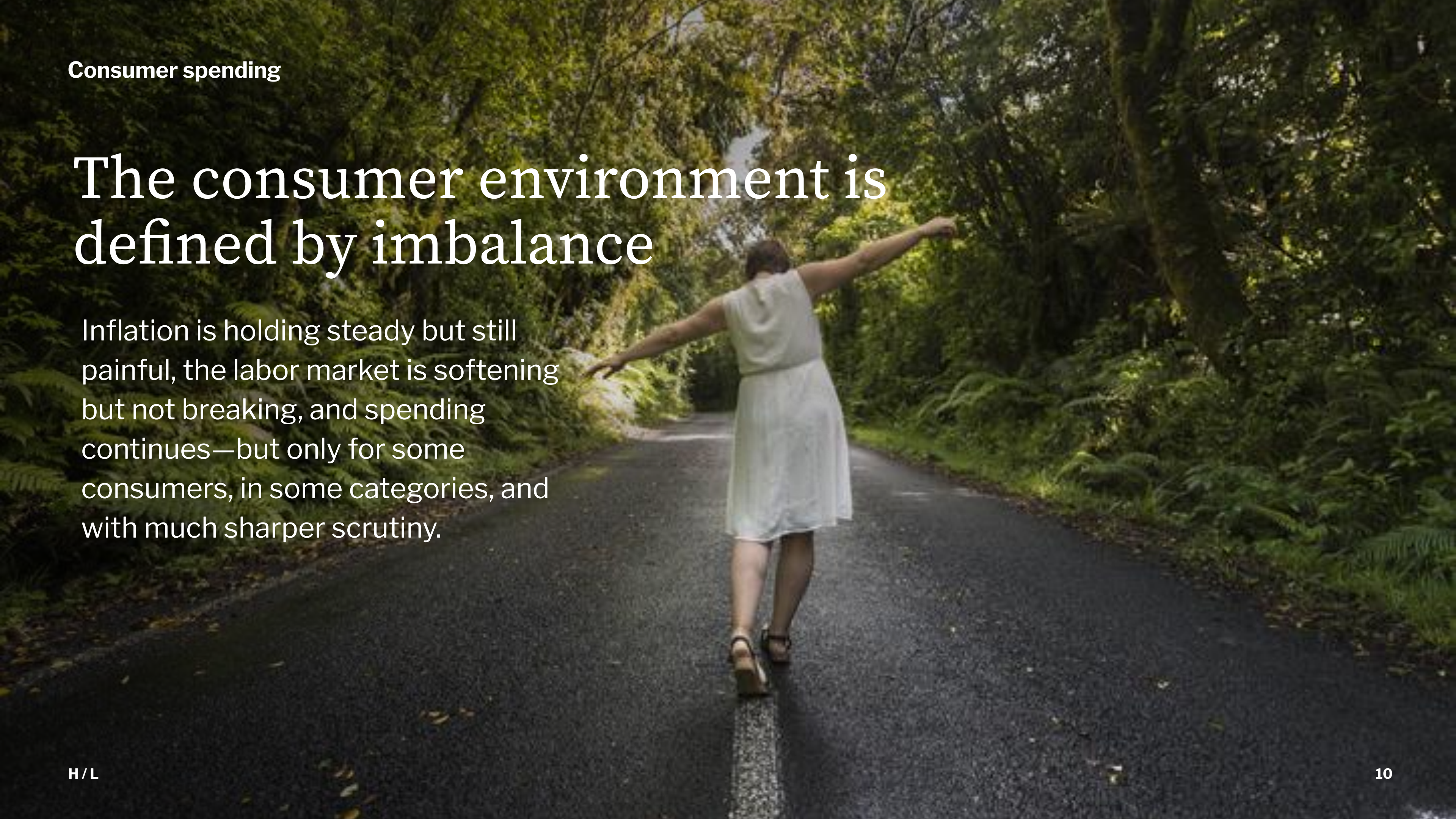
Monthly change in US retail sales

The consumer spending metric rose 0.6% in November.



Source: U.S. Census Bureau, LSEG

Sources: Axios, “Signs of some spending resiliency”, 12/16/2025;
Reuters, “Strong US retail sales in November showcase economy's resilience”, 1/14/2026



The consumer environment is defined by imbalance

Inflation is holding steady but still painful, the labor market is softening but not breaking, and spending continues—but only for some consumers, in some categories, and with much sharper scrutiny.

Consumers feel more squeezed

Price levels could remain historically high, especially for some essentials (groceries, utilities, healthcare). **87%** of consumers feel they are paying higher prices for groceries than usual.

Consumers continue to anchor on how expensive things are, not just whether inflation is slowing. Only **28%** of consumers say they can handle a major unexpected expense.

Source: eMarketer, “Consumers’ resilience is being tested by weakening labor market, tariff pressures”, 12/16/2025; Morning Consult, “Tracking Consumers’ Financial Well-Being”, 12/11/2025

Americans spend 4 hours a day thinking about money - the equivalent of a part time job

40%

Of people say that their finances always or often control their life

40%

Of people say that because of their money situation, they feel like they will never have the things they want

Source: USA Today "'A part-time job': Americans spend nearly 4 hours a day thinking about money", 8/4/2025; Morning Consult, "Tracking Consumers' Financial Well-Being", 12/11/2025

Consumer spending

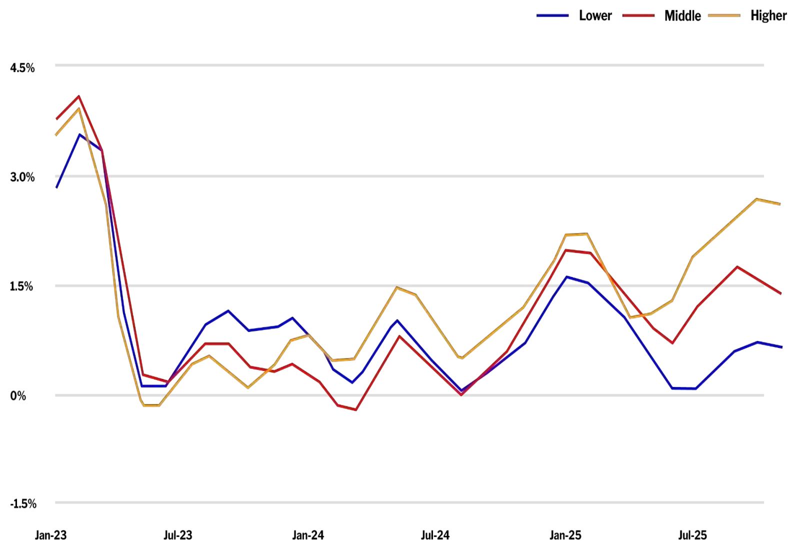
High HHI consumers continue to prop up the economy

In the three months ending in November, average spending among all household saw growth, but Higher HHs are pulling away, while Lower are pulling back.

+0.6%
Low HHI

+1.4%
Middle HHI

+2.6%
High HHI



Source: Bank of america internal data

Source: Axios, K-shaped spending patterns", 12/10/2025
Bank of America Institute, "Consumer Checkpoint: Merry but measured", 12/10/2025

The K-shaped economy will become more entrenched

Higher-income households will continue to drive discretionary spending, while lower- and middle-income consumers are pulling back or treading water and will be much more intentional in their purchasing decisions.

- Fewer impulse purchases
- More comparison shopping
- Buying fewer items per trip
- Less brand loyalty; greater willingness to switch retailers, formats and channels

Consumers will increasingly expect proof of value.

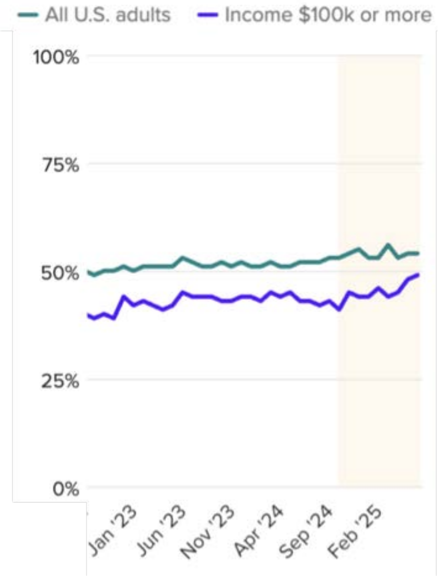
Source: Axios, K-shaped spending patterns", 12/10/2025

Value-seeking is spreading across incomes, reshaping retail winners

Dollar stores, discounters, and low-cost e-commerce players are among the clearest beneficiaries of late-2025 consumer behavior.

Notably, a significant share of new growth is coming from high-income households trading down, whose usage is up almost **+10%** vs 2024.

Share of respondents considering making a purchase from Dollar General, Dollar Tree or Family Dollar



Source: Morning Consult, "2025 Retail Industry Trends in 16 Charts", 12/8/2025;
Morning Consult, "High-Income Shoppers Are Shifting Their Impulse Buys to Discount Stores," 6/12/2025

Consumers won't abandon joy, they'll ration it

Despite mounting financial pressure, consumers will still prioritize certain experiences, particularly when dining out and treating themselves to small indulgences.

Trends like solo dining highlight how consumers are reallocating spend toward moments that feel personally rewarding, even as overall visit frequency declines.

21%
Regularly dine solo

46%
of Millennials dine alone at least 1x per wk

49%
of Gen Z dine alone at least 1x per wk

47%
of QSR visits are solo diners

Sources: eMarketer,"Solo diners become key spenders amid restaurant industry slowdown", 12/12/2025

Brands that won in 2025 continued to lean into consistent value messaging

Value & Speed: Walmart raised prices on select items with a slow & deliberate approach to offset tariffs, which minimized sticker shock and saw little change in shopper behavior. They also grew online sales through investments in delivery speed that encouraged more frequent online orders, and expanded third-party marketplaces.

Premium performance niche: On Holding beat sales expectations despite offering some of the most expensive running shoes by carving a niche in “accessible luxury” performance footwear. Innovative releases like the Cloudboom Strike LS are helping On stay ahead of macro headwinds and maintain strong sales.

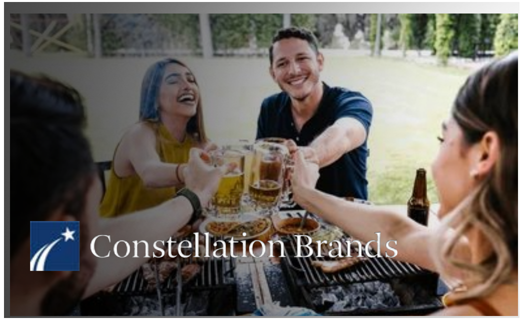
Well-timed market pivot: ThredUp sharpened its focus on the US. And with steep tariffs driving up the price of new goods, resale demand is poised to climb. Sales jumped as ThredUp became a go-to partner for retailers facing thinner margins and trying to attract value-driven, sustainability-minded shoppers.

Source: eMarketer “The retail brands that thrived in 2025, and those that struggled,” 12/19/2025

Retailers that struggled didn't meet value parameters or heavily rely on discretionary spending

Pricing pressure, strategic missteps: Target endured 11 straight quarters of flat or falling sales as nonessential spending slumps as rivals like Walmart win customers with sharper pricing and broader grocery and apparel assortments.

Premium fatigue: Beyond Meat's sales fell over the past three years. Demand has slumped as cash-strapped consumers and margin-pressed restaurants become less willing to pay a premium for plant-based meat—products often viewed as overly processed.



Demographics pressures: Constellation Brands saw sales slip as younger consumers pull back on alcohol. But another pressure point has come from the US immigration crackdown—and its ripple effects on the Hispanic community, a key market for its Mexican beer brands.

Source: eMarketer "The retail brands that thrived in 2025, and those that struggled," 12/19/2025

What it means for brands

Consumers will judge affordability based on price, need and experience.

“Value” is no longer a niche positioning—it is a mass-market expectation, even among affluent shoppers.

Brands need to combine emotional payoff with clear value—or justify premium pricing through experience.

In 2026, “*Middle Value*” is Death Valley

Brands must either be the undisputed leader in Value/Price or the undisputed leader in Functional Performance/Experience. Unless they claim a side of the consumer value spectrum, their mental calculator will exclude them.

A consumer will shop at Dollar Tree for household basics (value-seeking) so they can justify a $200 pair of On or Hoka luxury running shoes (Pragmatic Status). They are rationing joy, cutting out the "middle" (restaurants, clothing) to fund their needs.

2. Validation is King

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Consumers may use Search to answer “*What..?*” but they are going to Social to find out “*Why..?*”

Shoppers are consulting with their communities

+2 in 5

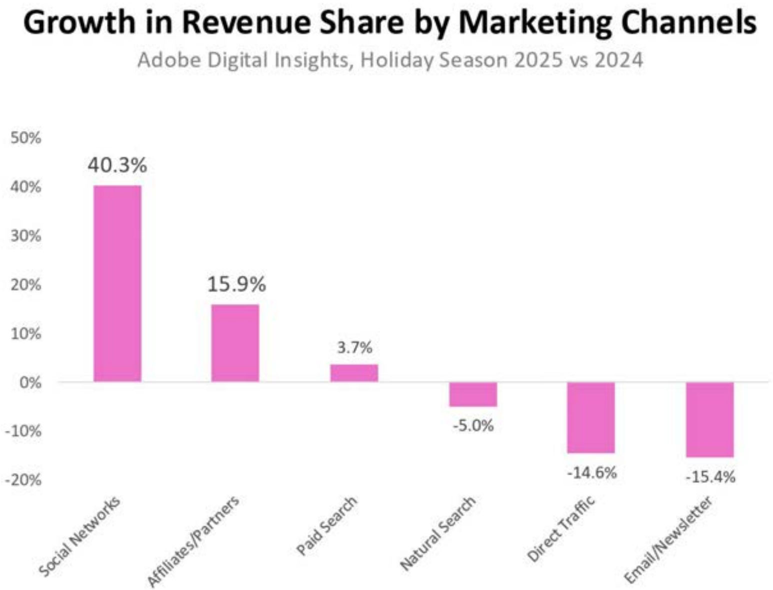
Americans use TikTok as a search engine

67%

of consumers go to social media to discover new brands

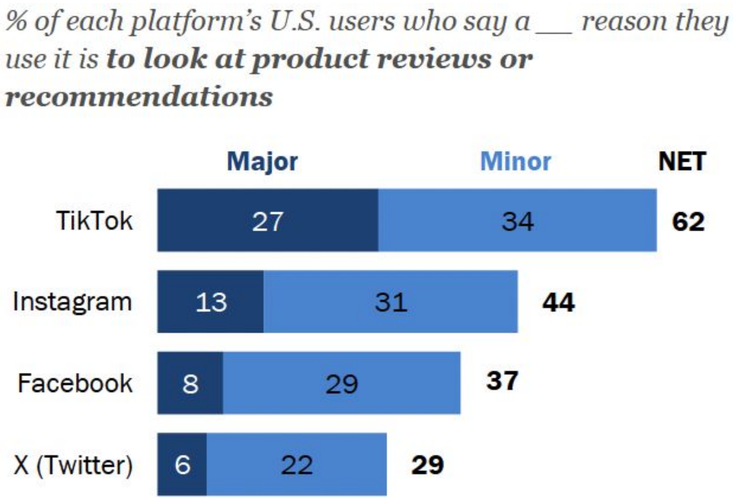
70%

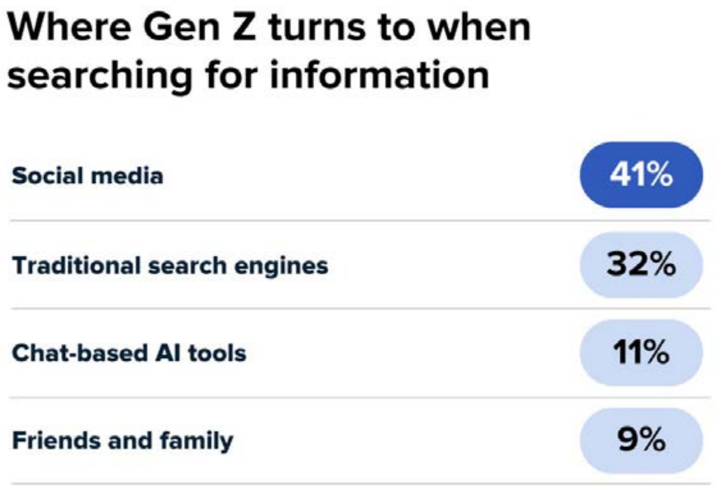
of consumers look to reviews to validate their purchase



Source: Adobe Digital Insights, "2025 Holiday Shopping Recap," 1/26; Adobe Express, "Using TikTok as a Search Engine," 1/4/24; PwC Research, "Voice of the Consumer Survey 2024," Jan-Feb 2024

"A majority of U.S. adults who use TikTok (62%) say a reason they use the site is to look at product reviews or recommendations."





Source: Sprout Social,"Q2 and Q3 2025 Pulse Survey," July 2025;
Pew Research, "A majority of U.S. TikTok users are there for product reviews and recommendations," 12/21/24;
Pew Research Center survey of U.S. adults conducted March 18-24, 2024.

Intent + Content = Conversions

+693%

YoY increase in traffic to retail websites driven by generative AI

Meta made an update last year that allows content to index within search queries, strengthening the synergy between discovery and evaluation in the customer journey.

71% of consumers who recently made a purchase through social media rate the experience good or excellent.

Traffic from generative AI searches show consumers are **9x** more likely to convert, than from social traffic.

86%

consumers read reviews before purchase

66%

consumers use search engines before purchase

Source: Quest Mindshare, "Consumer Social Survey" Apr 10-19, 2024.2025; Adobe Digital Insights, "2025 Holiday Shopping Recap," 1/26; MarTech, "How AI agents shaped the record-breaking 2025 holiday season," 1/21/26

Validation is king

From search to social proofing

Meta’s external indexing and the rise of AI search have given social more representation, meaning social posts have increased visibility for all users, not just social natives.

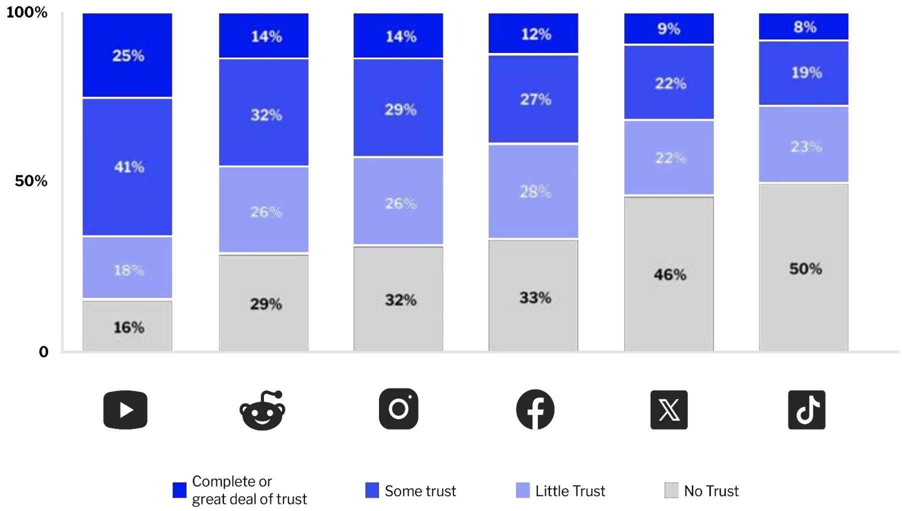
It is now more important for brands to broaden their traditional SEO approach by considering these newer opportunities for visibility.

- How to optimize content to appear within AI searches (generative engine optimization)
- Not relying only on text but also images and videos

Respondents Trust Accuracy Of Information Provided by Youtube Most, Followed by Reddit and Instagram

Level of Trust in Accuracy of Information Provided by Social Media Platforms

Percentage of Respondents



Source: Gartner, “Consumer Community 25”, July-Aug 2025; Statista Research Department, “U.S. population share by generation 2024”, 11/19/25

> "Social media platforms have helped to flatten the purchasing funnel, creating expectations among consumers that their journey to buying products will be smooth and seamless. For brands, this can create a simpler pathway to driving sales and revenue growth."

Deloitte Digital

Source: Deloitte Digital, "2025 State of Social Research: How efficiency can meet impact with the right investments", 5/15/2025.

What it means for brands

Search and social are no longer siloed. Brands need to consider each is a part of a greater ecosystem.

Evolve your strategy for an era of multimodal discovery. Search algorithms are moving beyond keywords to index the actual substance of your content.

Infiltrate communities and establish brand presence wherever conversations are happening.

2026 ahead: The new discovery ecosystem

Consumers will continue seeking truth through validation, consulting their communities and comparing reviews at scale before purchase. Generative AI has emerged as a crucial accelerant, synthesizing high volumes of social proof into actionable answers.

The traditional funnel is collapsing into an interconnected discovery loop: Social sparks awareness, AI curates consideration, and validation from peers drives conversion.

3. AI: Reality vs Rhetoric

John Jamison

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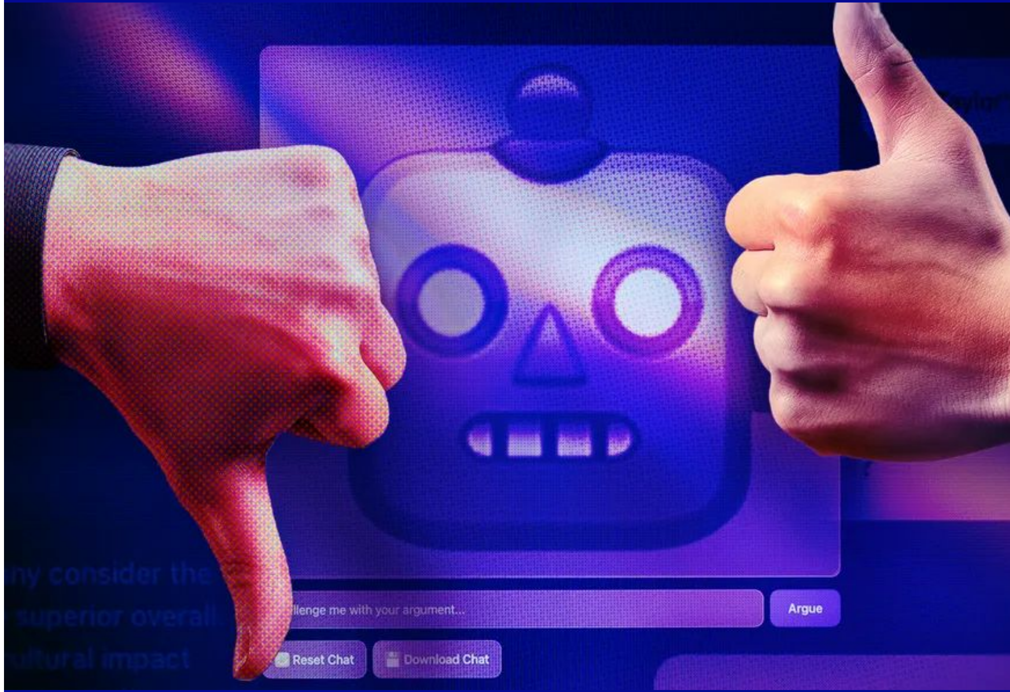
The disconnect

Haters say slop. Fans say revolution. Users aren't listening. The debate rages on Twitter/ X and in think pieces, but the usage data tells a different story entirely.



AI: Reality vs Rhetoric

62%

Of Americans interacted with AI at least several times a week

32%

Of Americans trust AI

Source: PEW Research, "AI in Americans' lives: Awareness, experiences and attitudes", 9/17/2025; Edelman, "When Familiarity Breeds Trust: How Experience Turns AI Skeptics into Believers", 11/18/2025

The trust gap closes with use

The split in AI sentiment is not random, it tracks with usage, age, income, gender, and geography. Those who live and work with AI are optimistic, those who don't are skeptical.

Edelman, “When Familiarity Breeds Trust: How Experience Turns AI Skeptics into Believers”, 11/18/2025

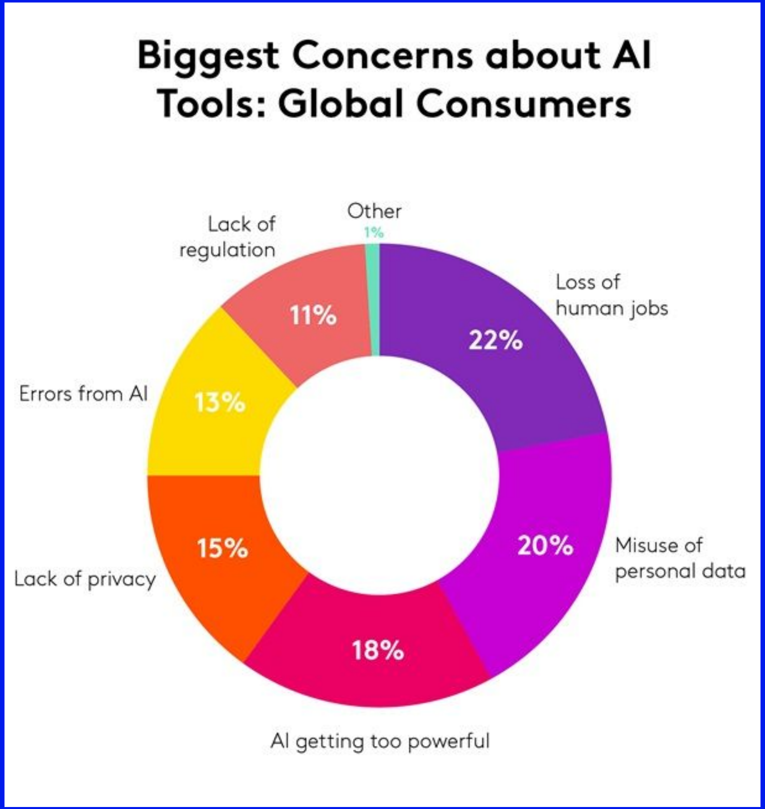
What fuels skeptics

Pundits ask:

- 'What is AGI and when will it come?'
- 'Is AI an existential threat to humanity?'

People ask:

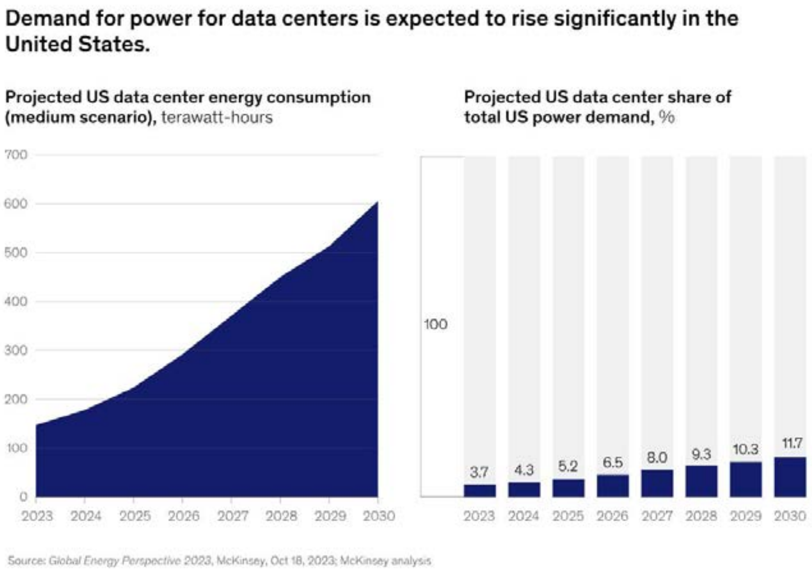
- 'Will I still have a job in 10 years?'
- 'Is my data safe?'
- 'Why is my electric bill so high?



Kantar. “How global consumers really feel about AI, data sharing, and privacy”, 8/4/2025

Local communities pay for global compute

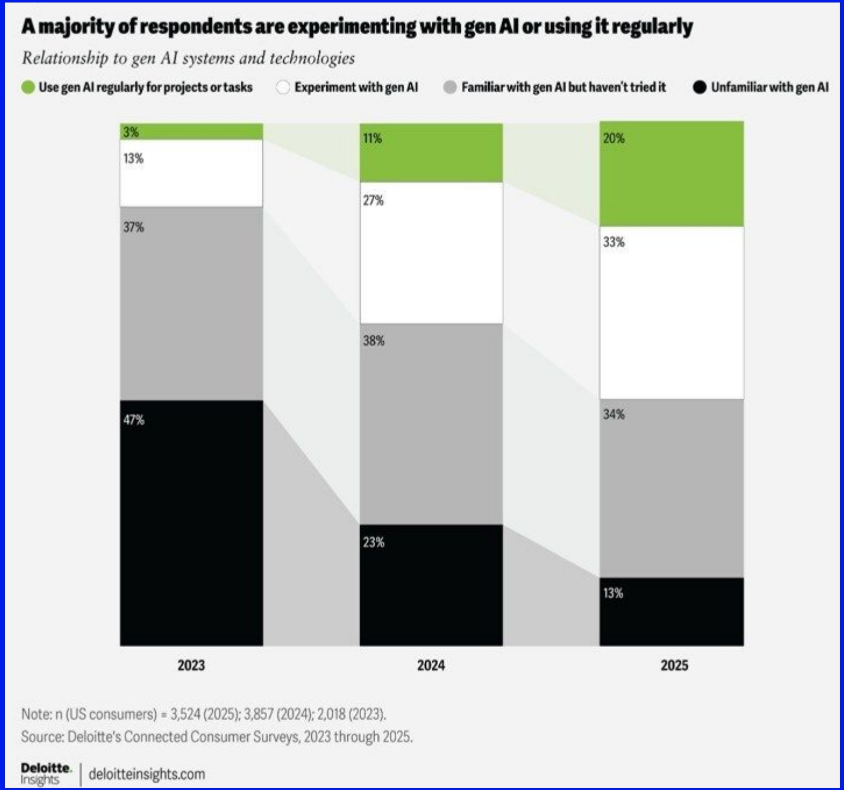
Data centers demand land, power, and water. Host communities absorb the strain while the benefits flow to tech hubs and shareholders. And the build-out is accelerating.



Source: University of Chicago,, “2025 Poll: Americans’ Views on the Environmental Impact of AI”, 10/23/2025; S&P Global, “S&P Global Report Charts Enterprise Race to Build AI Agent-Ready Infrastructure”, 11/5/2025 McKinsey & Company, “AI’s power binge”, 11/6/2025

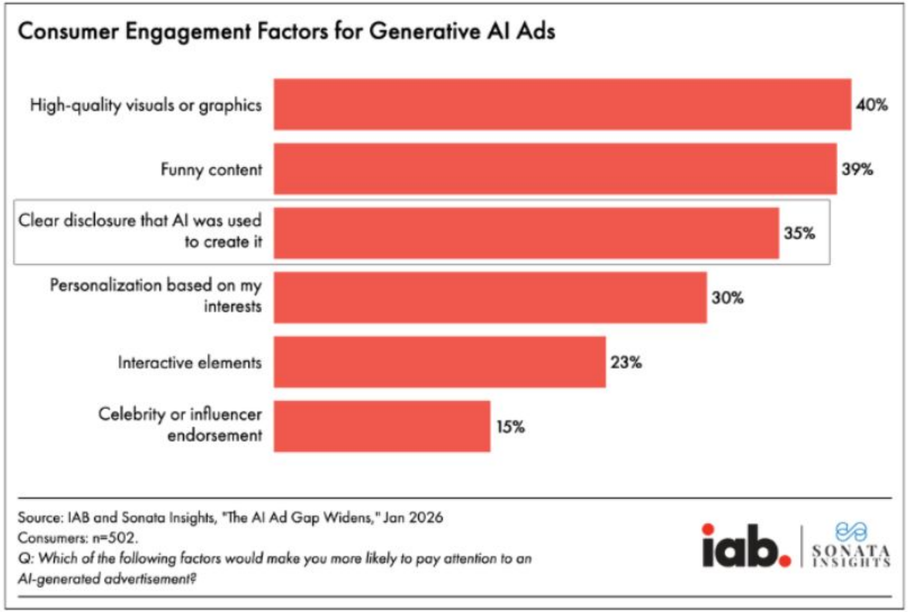
Privacy concerns don't change behavior

81% of Americans suspect companies use their data to train AI without consent. But early internet history shows a pattern: privacy concerns don't stop adoption once people find value. We're likely near that inflection point now.



Source: Relyance AI, "The AI Data Ultimatum: 2025 Consumer Trust Survey", 12/18/2025;
Deloitte, "Deloitte's 2025 Connected Consumer Survey", 9/25/2025

Consumers don't mind AI as much as they mind being tricked by it



Transparency ranks third.
That's not a problem.
That's an opportunity.

Source: The Interactive Advertising Bureau (IAB), "The AI Ad Gap Widens", 1/15/2026

The uncanny valley isn't the problem. Pretending it doesn't exist is.

Kalshi: Absurdism

Coca-Cola: Stylization

What it means for brands

AI isn’t the selling point. What it actually provides is.

Watch the middle

High usage suggests pragmatism, not excitement; consumers just want tools that work. Brands can avoid scrutiny by skipping the AI hype and focusing on functionality now rather than big promises later.

Validate legitimate concerns

People aren't losing sleep over AGI or existential risk. They're asking honest questions relevant to their lives. Acknowledgment builds trust, dismissal shows indifference.

Be transparent

Brands can build trust either by emphasizing human craft or by being fully transparent about automation. Consumers value brands that are upfront about the process.

2026 ahead: Don’t dazzle, deliver

As AI adoption accelerates, the divide in sentiment will begin to resolve through experience. The loud voices at the fringes will matter less as everyday use becomes the norm. Users are already figuring out what AI solves for and what it doesn't.

For brands navigating this landscape, 'AI-powered' is not a benefit. It's a claim that invites skepticism. Consumers can tell when AI serves the work and when it replaces the effort

Lead with craft. Be transparent. Let them in on the joke, don't make it at their expense.

4. Functionality of food

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Dietary trends match dietary recommendation changes

Rise in chronic disease prompted USDA to refocus American diets with new guidelines on reducing sugar, prioritizing protein, and increasing fiber.

90%
of healthcare spending goes towards chronic disease

70%
of Americans are overweight or obese

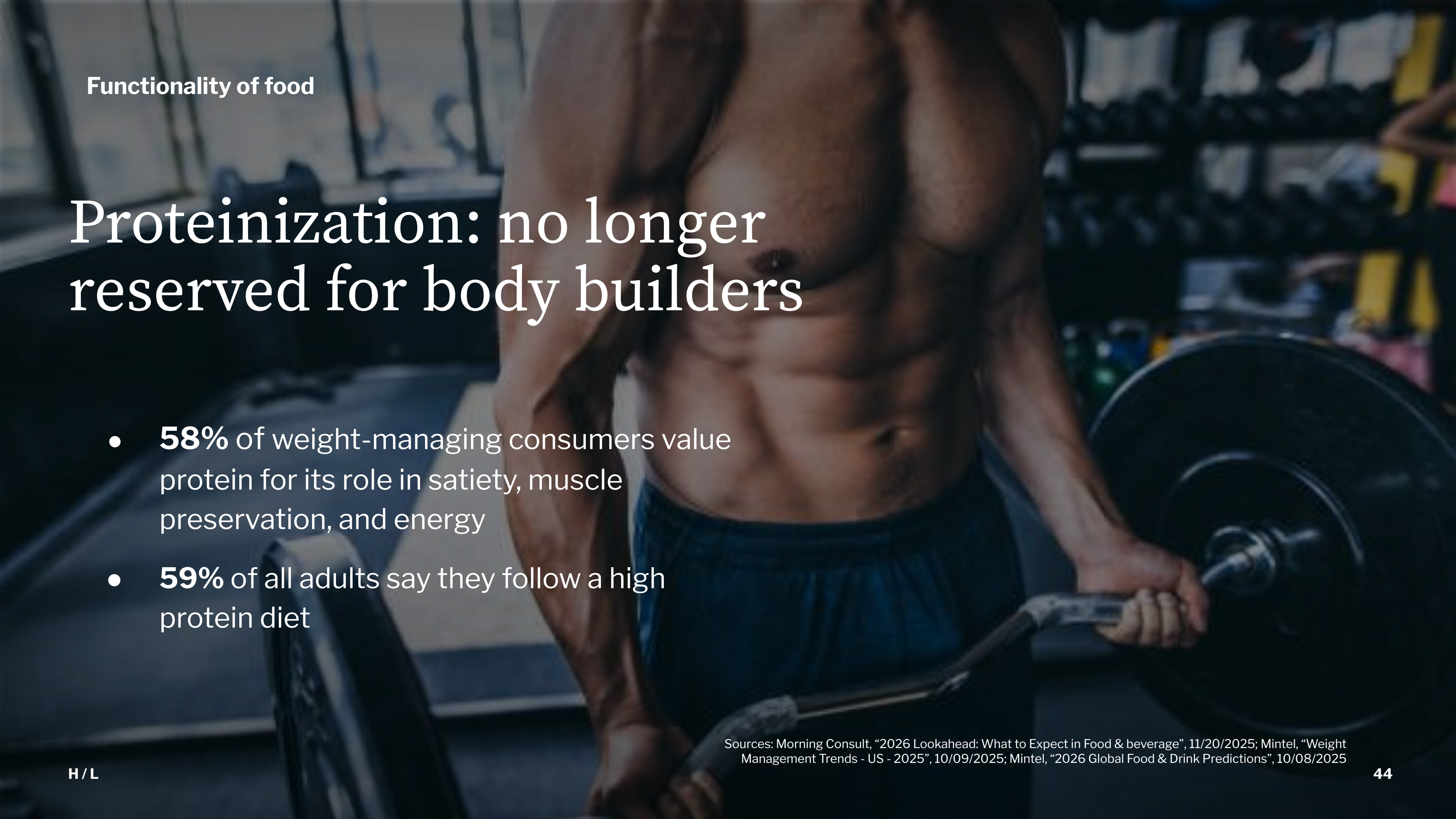
1 in 3
adolescents diagnosed with prediabetes

Sources: USDA, "Kennedy, Rollins Unveil Historic Rests of U.S. Nutrition Policy, Put Real Food Back at Center of Health", 1/7/2026

"…This time last year, I did say what was going to be big… Protein. For 2026, my predictions… fiber's going to be big."

Chris Kempczinski,
Chairman and CEO of McDonald's Corporation

Source: LinkedIn, "McDonald's CEO Predicts 2026 Industry Trends.", January 2026



Proteinization: no longer reserved for body builders

- **58%** of weight-managing consumers value protein for its role in satiety, muscle preservation, and energy
- **59%** of all adults say they follow a high protein diet

Sources: Morning Consult, “2026 Lookahead: What to Expect in Food & beverage”, 11/20/2025; Mintel, “Weight Management Trends - US - 2025”, 10/09/2025; Mintel, “2026 Global Food & Drink Predictions”, 10/08/2025

Added protein entering non-traditional categories

- Growing demand for protein sources that deliver extra nutritional benefits is leading towards a higher interest in chlorella, hemp seeds, and mung beans
- However, US consumers are shifting back towards animal meats

Sources: Morning Consult, "2026 Lookahead: What to Expect in Food & beverage," 11/20/2025; Mintel, "Weight Management Trends - US - 2025," 10/09/2025; Mintel, "2026 Global Food & Drink Predictions," 10/08/2025

Fiber-maxxing: increasing ‘nutritional armor’ for overall health

Fiber, known to increase satiety and support gut health, is shifting from an essential need for only seniors to essential for all ages

Popular among Gen Z, the ‘Fibermaxxing’ movement on TikTok has amplified awareness of the gut-brain axis and encourages consumers to seek out fiber-rich whole foods to improve health & mood

Brands are moving beyond supplements to add prebiotic fibers into everyday items: pasta, crackers, and beverages

38%

of adults, who consider themselves to be eating healthy, follow a high fiber diet

+30%

Social Media posts about snacks that improve mood seeing link between gut health (fiber) and mental wellbeing

Sources: Morning Consult, “2026 Lookahead: What to Expect in Food & beverage,” 11/20/2025; Mintel, “Weight Management Trends - US - 2025,” 10/09/2025; Mintel, “2026 Global Food & Drink Predictions,” 10/08/2025

“Eat Your Colors”
Diversity to improve holistic health & keep diets interesting

Consumers are looking for **tasty** snacks that improve the gut microbiome, reduce bloating and provide a mental boost. Consumers want "good for you" fiber, probiotic and adaptogenic snacks that look and taste like "bad for you" snacks

Health focused consumers are expected to use AI to ‘shuffle’ their weekly diets, much like a digital music library, to ensure variety and discover ‘familiar yet new’ foods that meet their dietary needs

71%

of US consumers who eat lunch say “allows for variety” is important when choosing food for lunch

Sources: Mintel, “2026 Global Food & Drink Predictions”, 10/08/2025

GLP-1 meets gut health: the **protein and fiber** boom

In 2025, adults living with Diabetes reached an all time high of 14% US population, and when paired with high overweight/obesity rates, led to GLP-1 medication seeing a 50% increase between 2024 and 2025.

While other cancer death rates decline, colon cancer mortality is growing; what was once the 5th leading cause of cancer deaths, now number 1 cause of cancer related death for those under 50.

Dietary needs of GLP-1 users (high protein for satiety/muscle, high fiber for digestion) align with general health recommendations that also happen to lower cancer risk, creating a powerful overlap in consumer demand.

Sources: Mintel, “Weight Management Trends - US - 2025”, 10/09/2025; Scientific American, “Colon Cancer is Killing More Young People in the US than Any Other Cancer”, 1/22/2026; Gallup, “Obesity Rate Declining in U.S.”, 10/28/2025

What it means for brands

Pre-packaged food will more often showcase fiber and protein content up front and center.

We will see an increase from companies producing more diverse fiber and protein sources.

Brands who are already leaning into healthy eating habits will have stiffer competition as others enter the arena.

2026 ahead: Consumers settle in with new, sustainable health and wellness goals

Focus on overall physical and mental well-being will continue to grow as 'fad diets' are replaced with 'lifestyles', and healthy eating habits become more accessible.

Health foods tending to be perceived as more expensive shift more towards an investment in the future. As demand increases, these foods will become more imbedded in mainstream grocery and foodservice spaces, allowing consumers to find satisfying and nutritious options without breaking the bank.

Summary: Key trends shaping consumer + brand behaviors in 2026

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Consumer consideration content continues to expand. Brand voice needs to be aligned with community voice

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See how H/L can Make Momentum™ for your business

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Thank You.