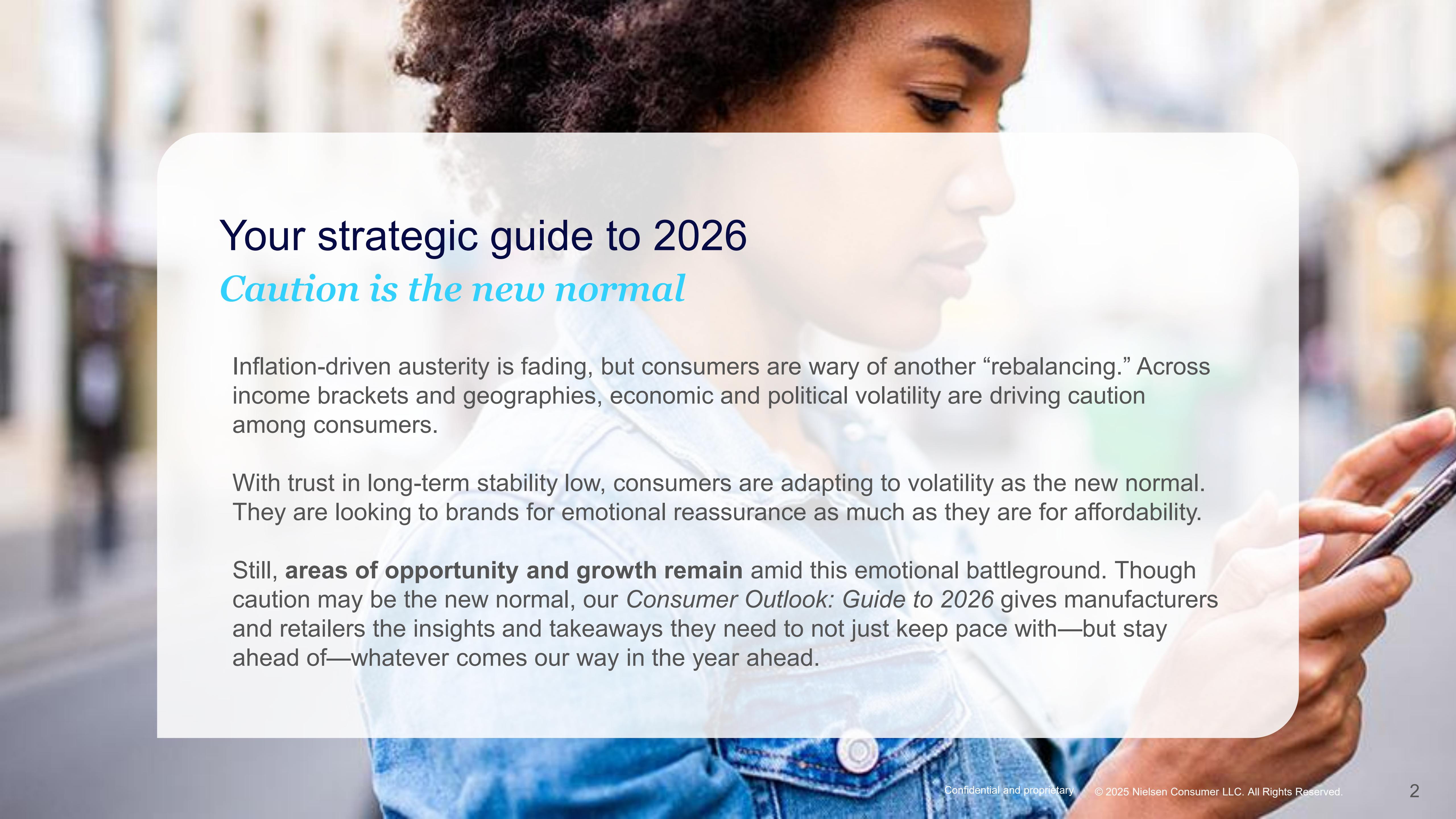
Consumer Outlook

US View

Prepared for NA Clients

NA Thought Leadership
October 2025



Your strategic guide to 2026

Caution is the new normal

Inflation-driven austerity is fading, but consumers are wary of another “rebalancing.” Across income brackets and geographies, economic and political volatility are driving caution among consumers.

With trust in long-term stability low, consumers are adapting to volatility as the new normal. They are looking to brands for emotional reassurance as much as they are for affordability.

Still, **areas of opportunity and growth remain** amid this emotional battleground. Though caution may be the new normal, our *Consumer Outlook: Guide to 2026* gives manufacturers and retailers the insights and takeaways they need to not just keep pace with—but stay ahead of—whatever comes our way in the year ahead.

Consumer Outlook: *Guide to 2026 Overview*

1. State of consumers and economic uncertainty

Despite cooling global inflation, consumers remain cautious. Even households that are financially thriving are seeking “insurance” through secondary income streams, reflecting lingering uncertainty about future stability. While mandatory expenses like utilities are no longer expected to keep rising sharply, this is more a sign of consumer fatigue than true relief. Core expenses remain protected and prioritized.

2. Brand trust

Shoppers today are balancing practical needs with values that build trust. The last few years have shifted priorities: shoppers are prioritizing simplicity, health, and minimizing waste. That mindset influences how they plan trips, what they put in their baskets, and which brands they purchase for the first time—and which brands they stay loyal to.

3. Seamless commerce: The omni revolution continues

Commerce continues to shift from structured channels toward seamless journeys. Shoppers are no longer bound to one path. They move fluidly between social platforms, search engines, messaging apps, RMNs, and stores. Discovery and purchase are increasingly disconnected, which changes how brands must think about visibility and conversion. Retailers themselves are evolving into media platforms, using retail media networks and exclusive digital offerings to monetize both data and shelf space.

4. Trends to watch

The most disruptive signals of change are no longer on the periphery. Global brands need to monitor early-adopter shifts that promise to redefine category norms and rewire value perception—particularly across health, climate, and technology.

Key Economic Indicators

Confidence Slips despite Wages and Savings Rise

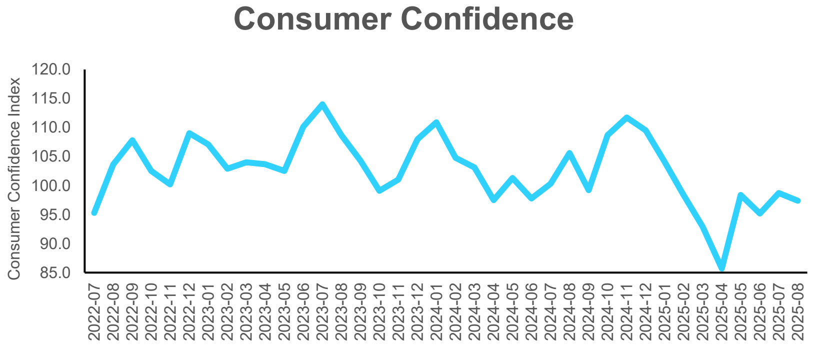
August data reveals a complex landscape—consumer sentiment weakens despite gains in wages and savings, while CPI and unemployment edge upward.

Consumer Confidence

97.4

-1.3pts Aug '25 vs. Jul '25

-8.2 pts Aug '25 vs. YA



Unemployment

4.3%

+0.1 pts (Augl '25 vs. Jul '25)

+0.1 pts (Aug '25 vs. YA)

Unemployment rate grew vs last month and vs. YA

Savings Rate

4.6%

+0.2 pts (Aug '25 vs. July '25)

+0.4 pts (Jun '25 vs. YA)

Savings Rate increased vs last month and vs YA

Average Wages

$36.53

+$0.10 (Aug '25 vs. Jul '25)

+$1.30 (Aug '25 vs. YA)

Average wages continue to climb in the new year

Consumer Price Index

0.0 pts (Augl '25 vs. Jul '25)

+2.9 pts (Aug '25 vs. YA)

CPI increased vs. YA

Sources: Consumer Confidence Board; Federal Reserve Bank of St. Louis; Bureau of Labor Statistics CPI | Slide updated in September 2025 (data updated monthly, through August '25)

1

State of consumers and economic uncertainty

Measuring resilience and 2026 spending growth

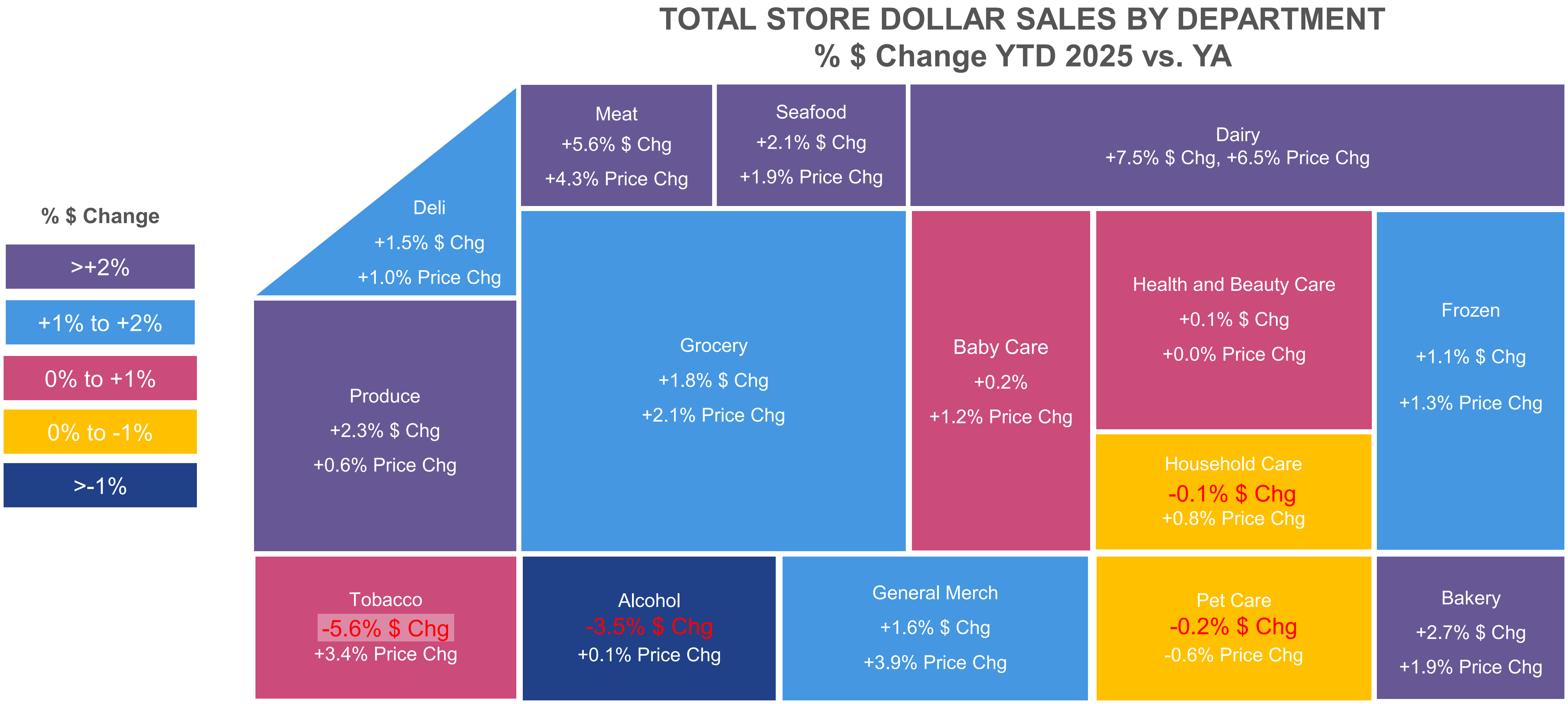
Big picture concerns—food, economy, war—*are on the rise*

Still, US is generally more positive than the rest of the world

		July 2025	% change vs last year	Global
1	Increasing food prices	14%	-6.1	15%
2	⬆ Economic downturn *(was #3 in 2024)*	11%	3.2	10%
3	⬆ Global conflict/War *(was #12 in 2024)*	11%	-6.9	14%
4	Political unrest	11%	3.2	5%
5	Increased housing costs	5%	-2.2	5%
6	⬆ Job security *(was #13 in 2024)*	5%	1.3	6%
7	⬇ Ability to provide basics *(was #2 in 2024)*	5%	-2.9	5%
8	⬇ Increasing utility bills *(was #6 in 2024)*	5%	-2.3	7%
9	⬇ Self/Family welfare/ Happiness *(was #8 in 2024)*	4%	-1.0	6%
10	⬇ Immigration *(was #7 in 2024)*	4%	-2.4	3%

Source: NIQ 2025 Consumer Outlook survey , Global, Note: In China, verbiage reflects the following: "Geopolitical uncertainty", "Economic environment"

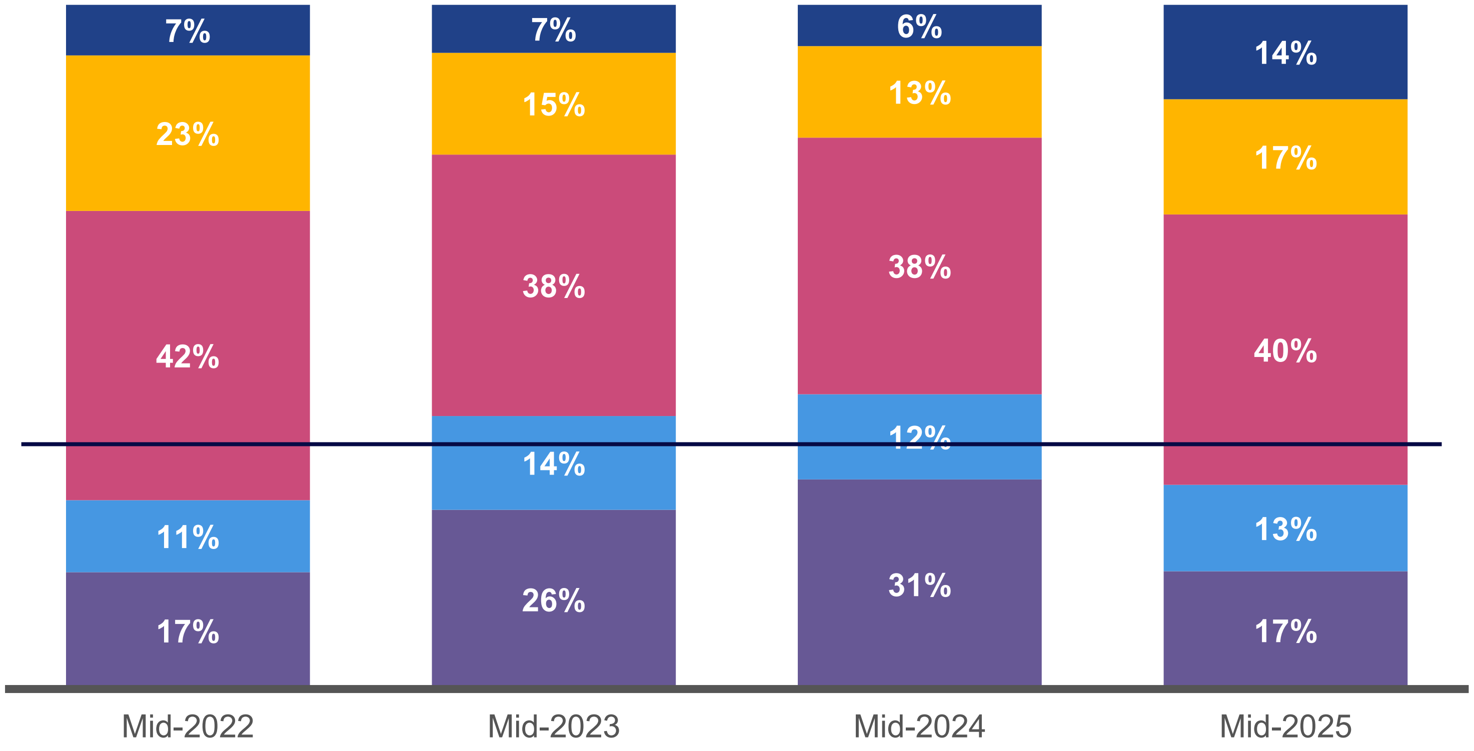
Rising food costs are real concerns and *will continue to squeeze spend*



Source: NIQ Discover xAOC, YTD 09.06.25; Categories based on Nielsen Syndicated Definitions, Only includes UPC-coded items. Price = Avg Unit Price,

At the same time, consumers are feeling *more comfortable though cautious*

More consumers shift into financially secure stability.



Respondents that suffered job loss (18%) improved 13 pts vs YA

Thrivers: Saved money and feel more financially secure

Unchanged: Not impacted and continue to spend the same

Cautious: Not impacted financially but are cautious with spending

Rebounders: Experienced income or job loss but now feel they are back on track

Strugglers: Have suffered financial insecurity and continue to do so today

Source: NIQ 2025 Consumer Outlook survey vs. 2022, 2023, and 2024 Mid-Year Consumer Outlook studies – United States.
Q: Which of the following best describes how current events of the last few years have impacted your overall household financial situation?

With economic uncertainty, consumers are *prioritizing smart investments*

Prioritizing wealth and reducing debt may be to mitigate future risk in uncertain times

+6
Pts CYA

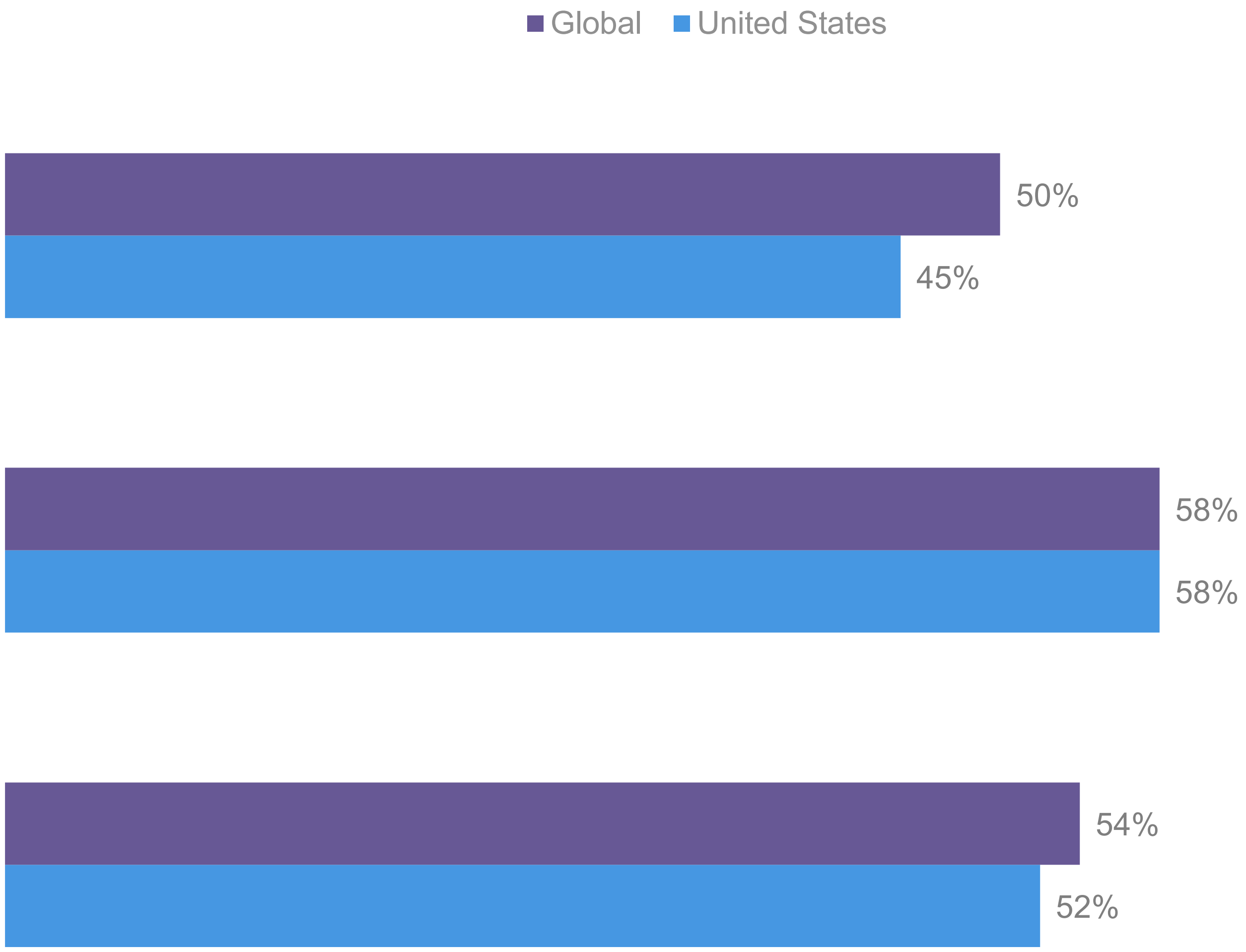
Earn enough in my lifetime to pass along wealth to future generations

+7
Pts CYA

Pay off my home in my lifetime so that it is owned by me without debt

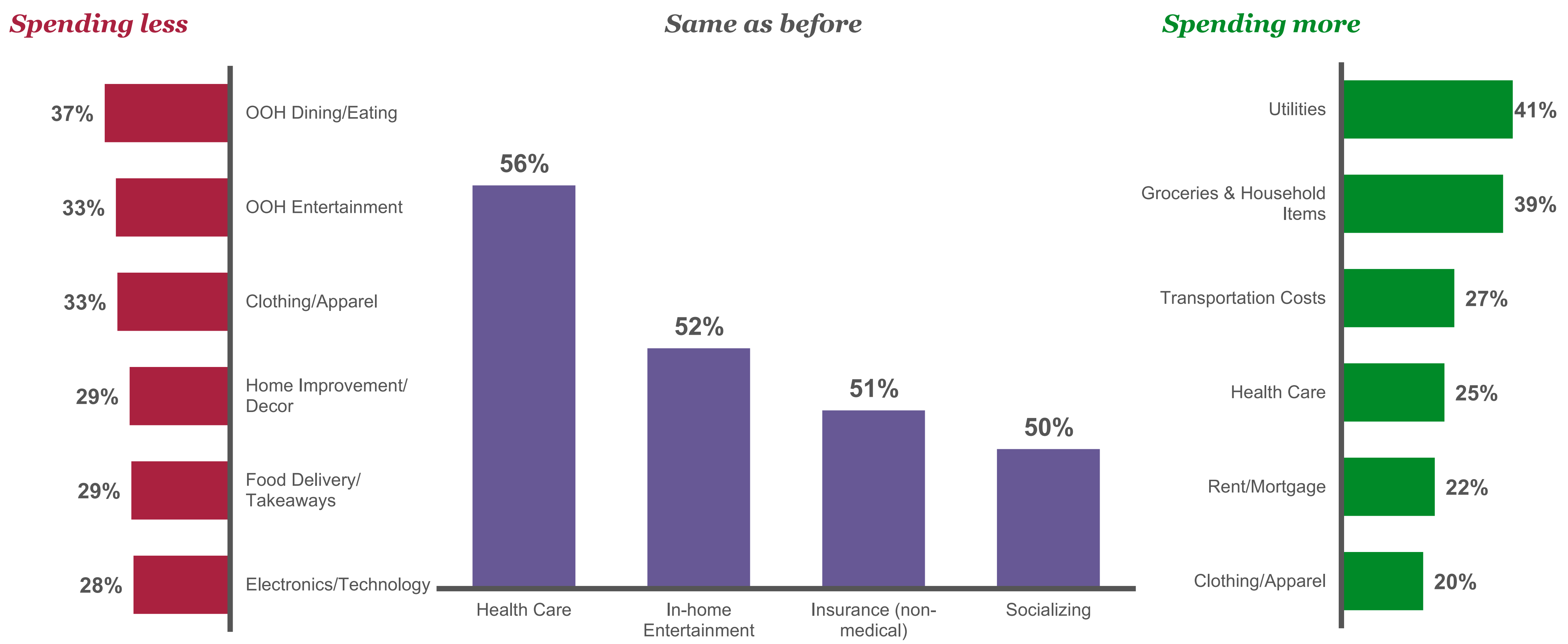
+10
Pts CYA

Confidently retire as planned with enough income to live comfortably



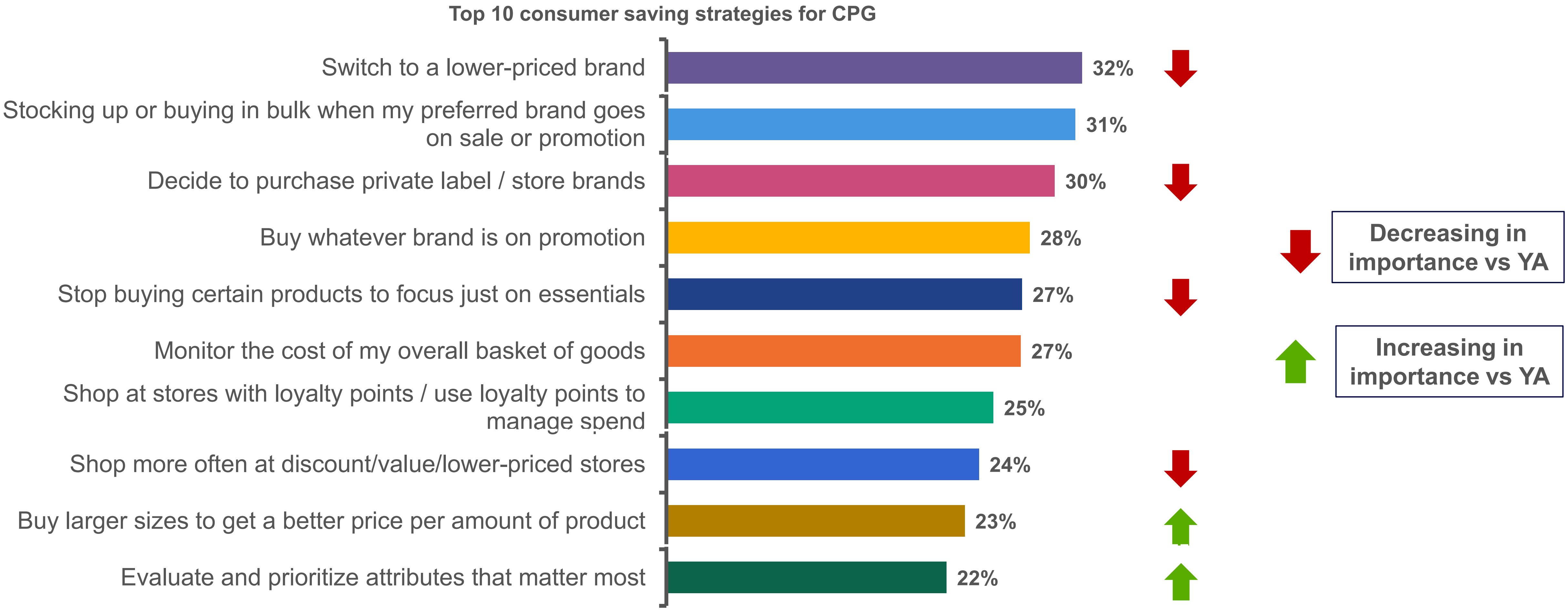
2026 wallet intentions reinforce the *idea of a cautious mindset*

Cautious consumers are prioritizing basic expenses rather than entertainment and luxuries.



Being price-conscious is key, *but intentional strategies are gaining traction*

Intention is shown by seeking value (getting the best price per EQ and prioritizing what matters in a product)



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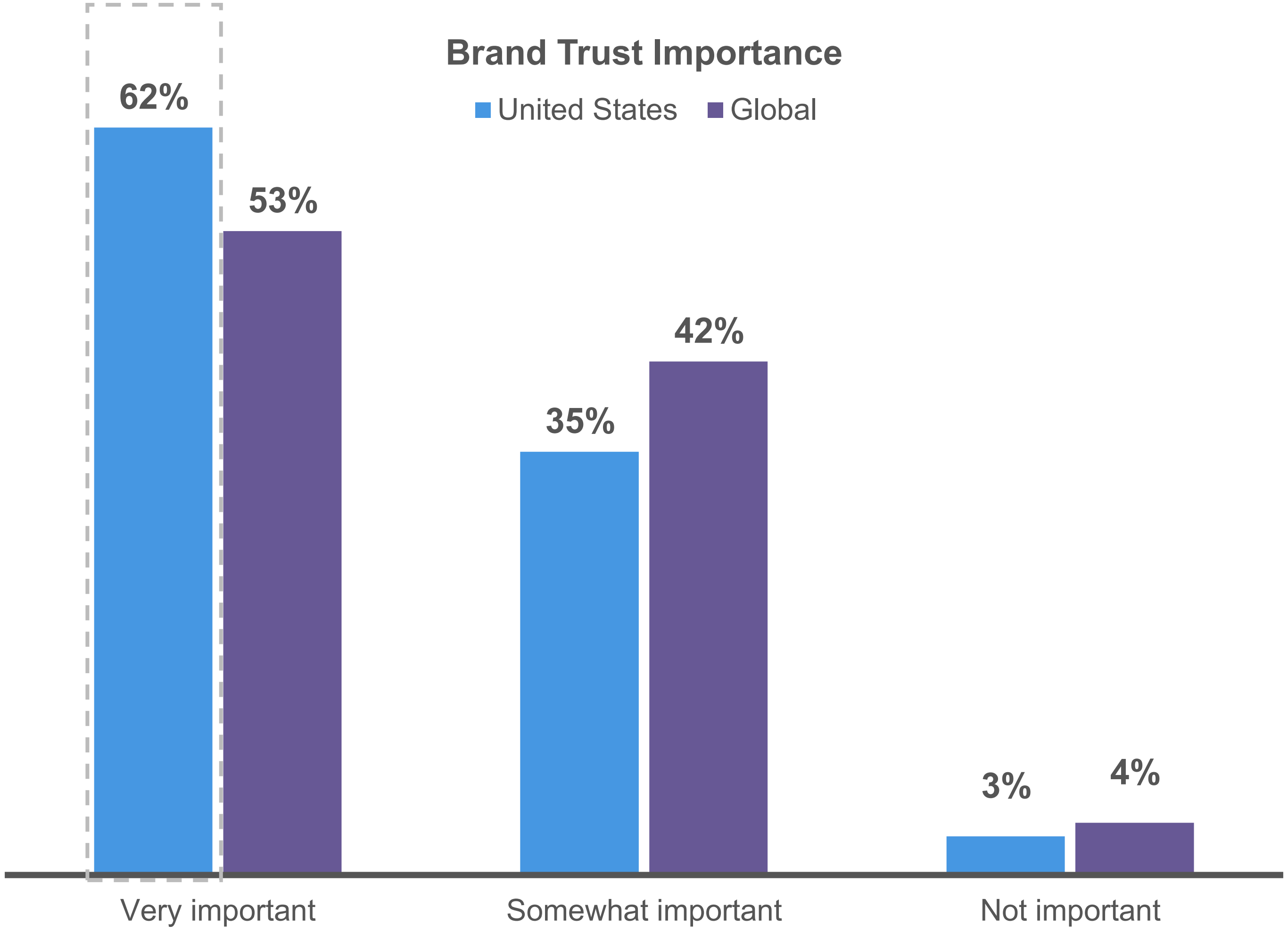
Brand trust

Relevance is valued above rhetoric

As consumers become more intentional with their savings strategies, brands have a *greater emphasis on earning trust*

Nearly **two-thirds** of US Consumers say it is ***very important to trust the brand*** they are buying



Source: NIQ 2025 Consumer Outlook survey

Reliable quality is most important to consumers in *brands earning their trust*

Source: NIQ 2025 Consumer Outlook survey

Brands must align with *consumer values*

After the past few years of disruption, there are a few common lifestyle factors, shopping habits, and consumption patterns that can help retailers and manufacturers deliver on what matters most to their consumers.

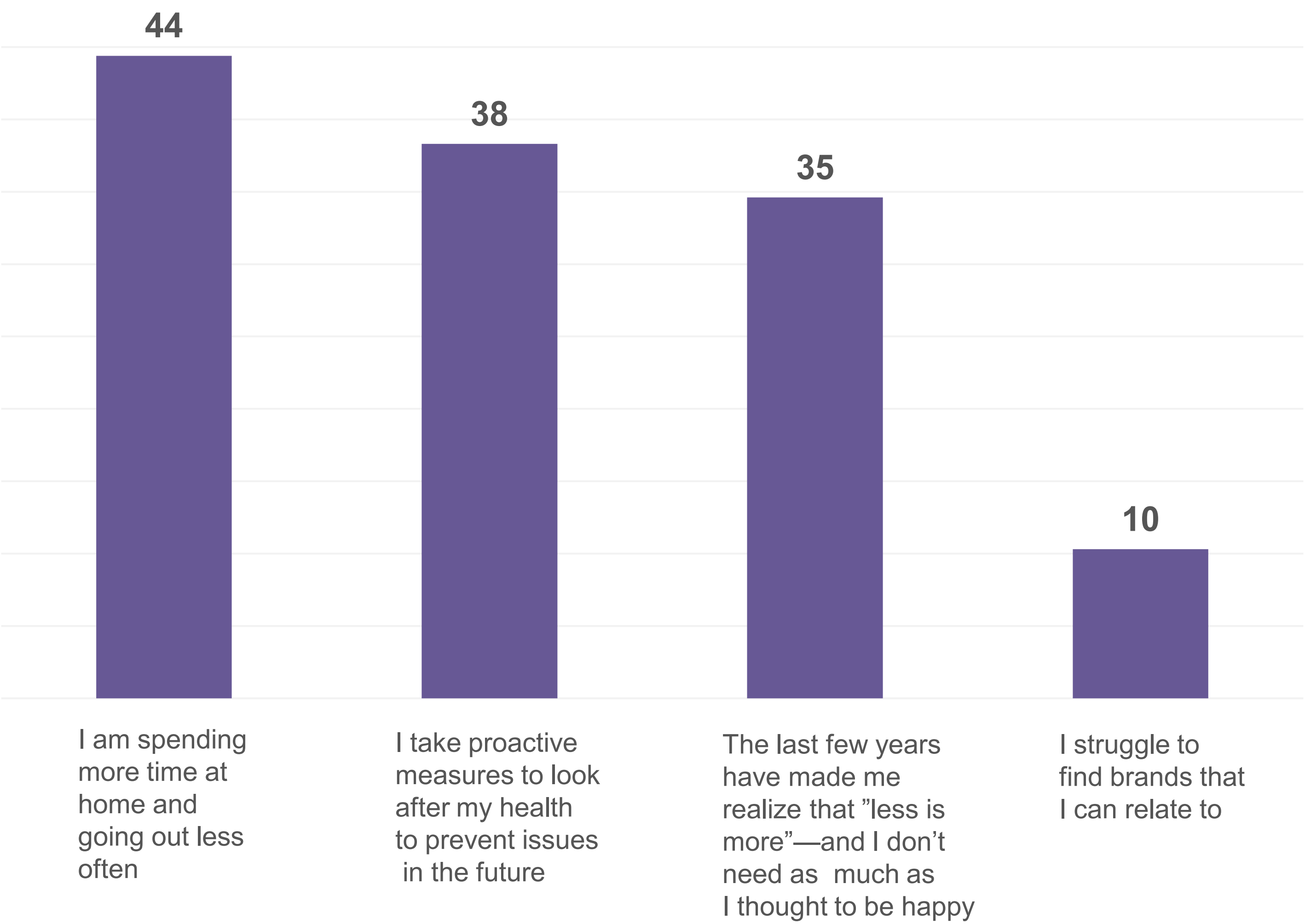
35%

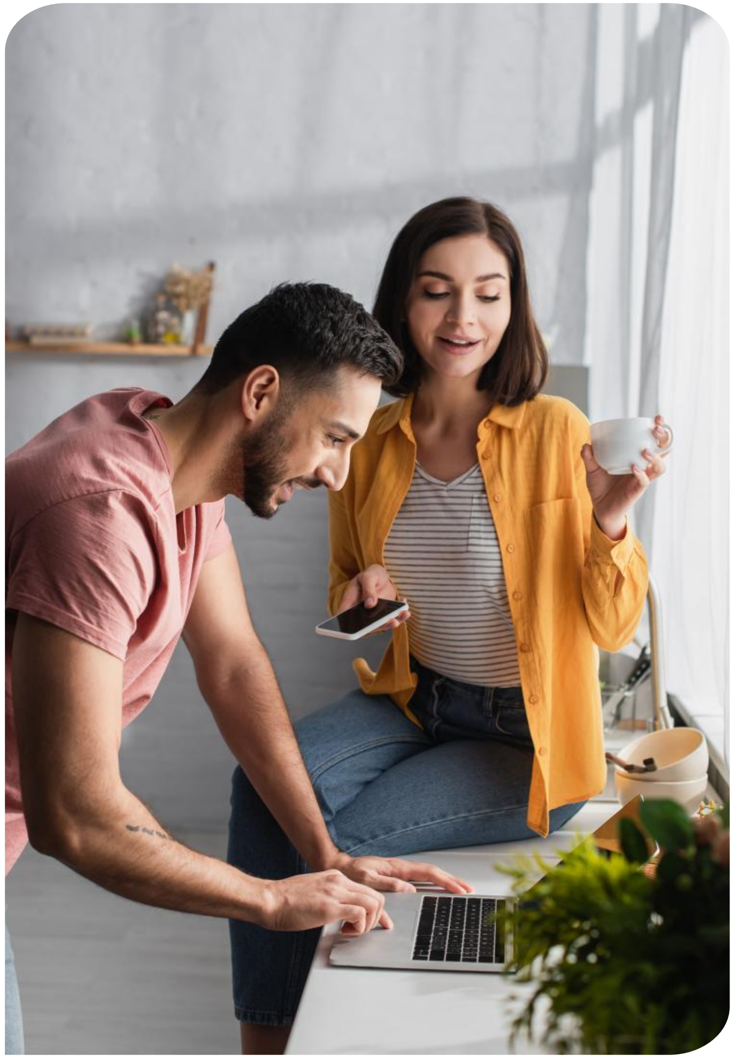
of US consumers say the last few years have made them realize that “less is more”—and that they don’t need as much as they thought to be happy

Source: NIQ 2025 Consumer Outlook survey

Consumers' spending intentions are *being shaped by shifting lifestyle traits*

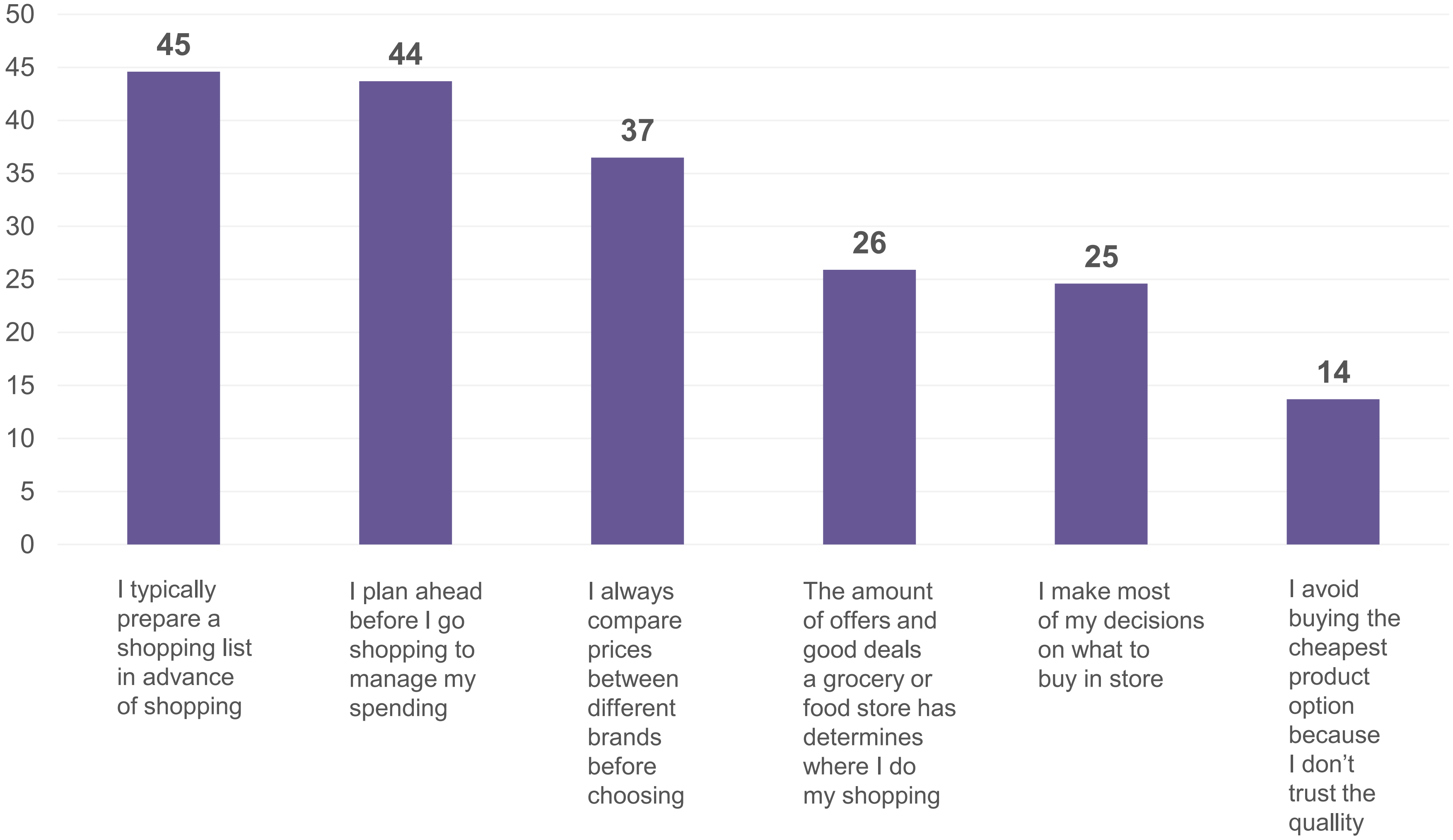
Thinking about your values and habits in the last year.
Which of the following statements do you agree with? (Living)

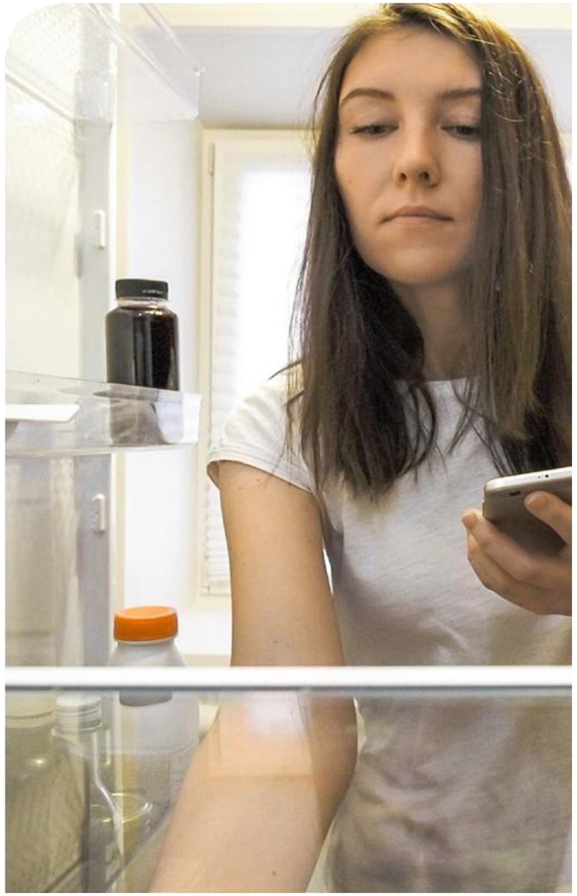




Shoppers are likely to know what they're shopping for, *but are open to multiple brand options*

Thinking about your values and habits in the last year.
Which of the following statements do you agree with? (Shopping)

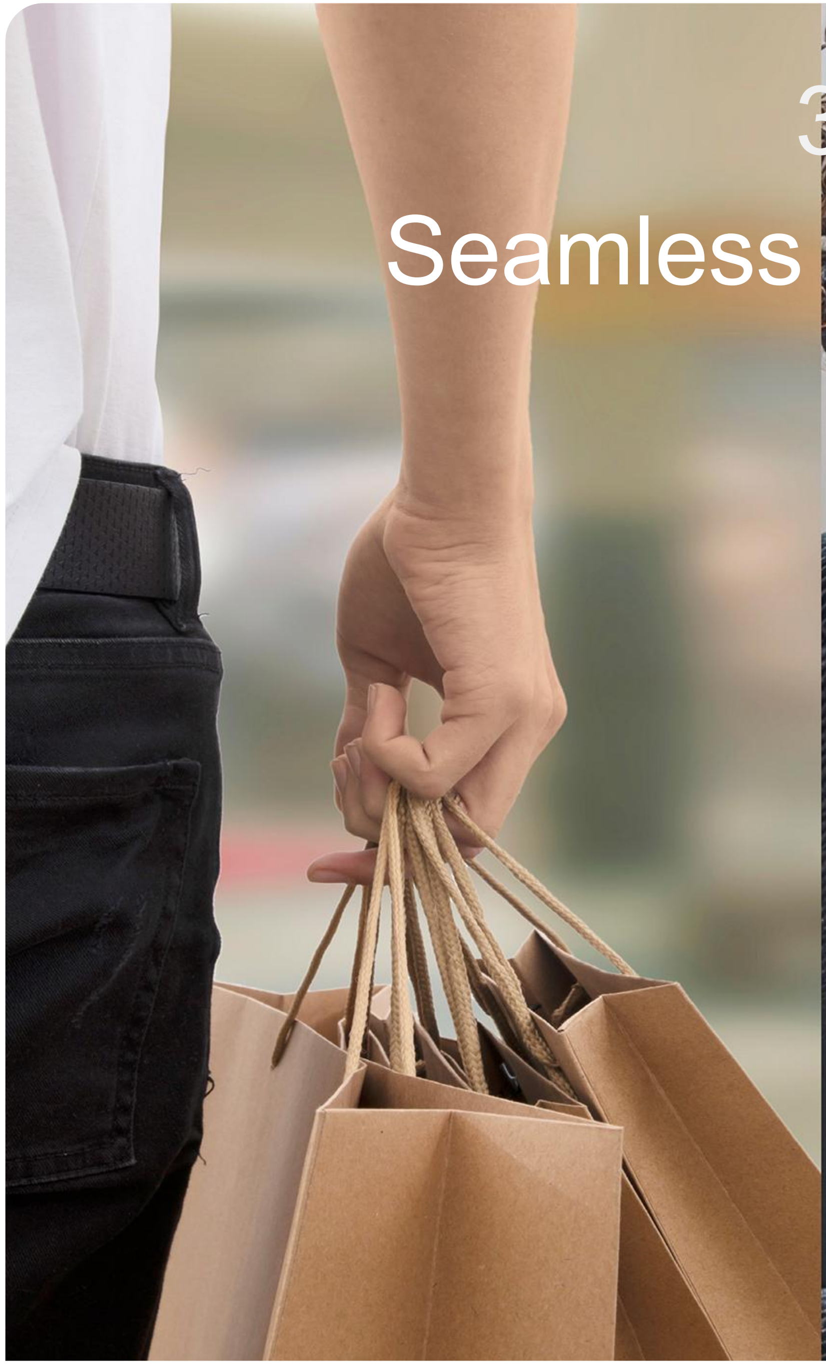


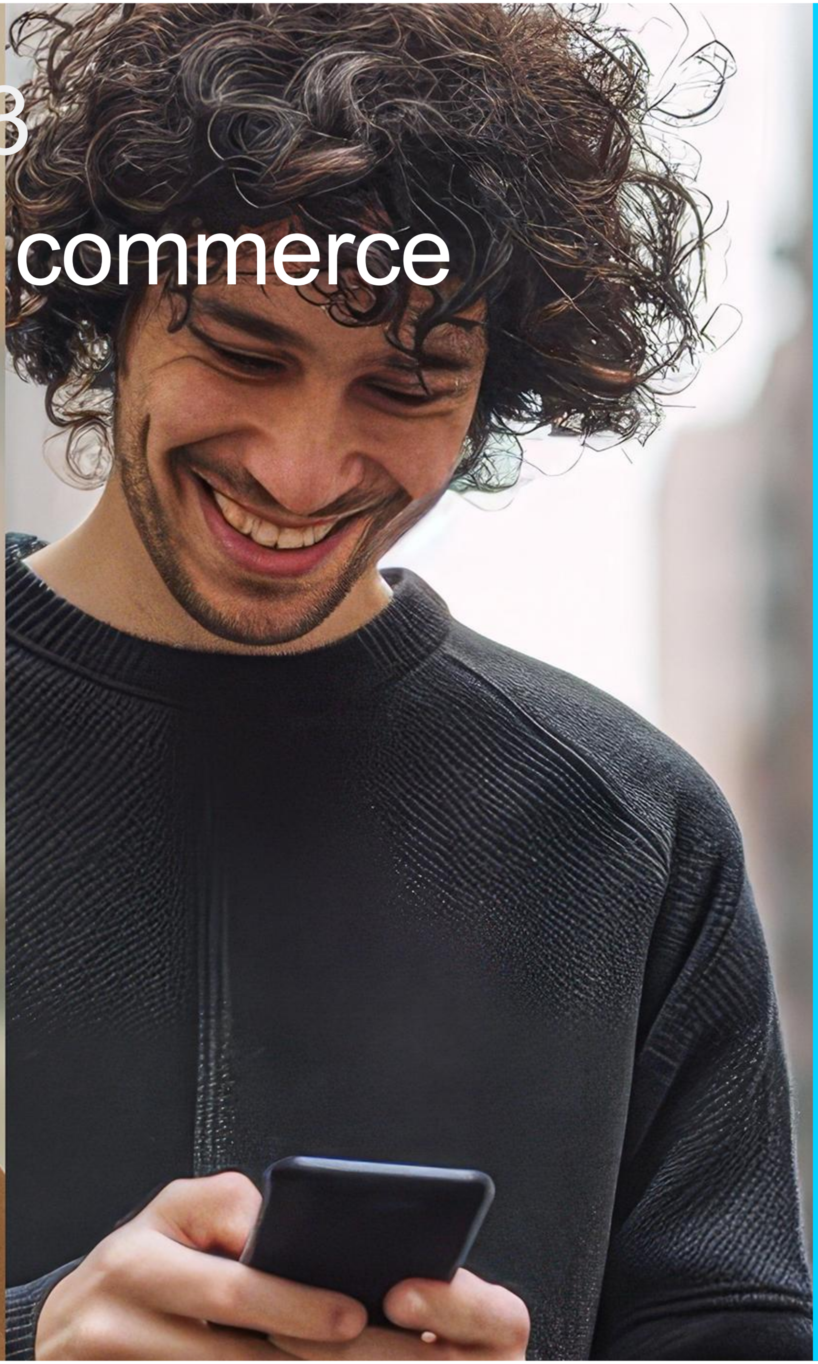


Source: NIQ 2025 Consumer Outlook survey

3

Seamless commerce





The omni revolution continues

The transformational power and potential *of retail media networks*

Brand visibility—and in-store distribution—now depends on paid access and data fluency. Retailers that leverage retail media networks (RMNs), creator commerce, or platform-exclusive SKUs can monetize attention and real estate, in addition to the product.

As retail media investments reach record levels, **retailers and brands will need to focus on not only competitive, but also *collaborative* shopping experiences**. This approach will elevate overall categories and drive incremental revenue for all parties.

+$1.3T
of enterprise value from retail media in US by 2026

for retailers

Boost overall growth potential

Retailers can monetize their platforms by offering premium placements to branded products.

Retailers can simultaneously integrate their private label offerings via RMN promotional campaigns.

Dual promotion of both branded and private label offerings can enhance total category engagement, brand learnings, and growth potential.

for consumers

Personalize shopping experiences and seamless product discovery

Consumers can benefit from tailored recommendations and promotions. Consumers' product discovery process can be enhanced toward both premium and value-driven options.

Optimal conversion on consumer interests is driven by shopping experiences tailored to unique preferences.

for manufacturers

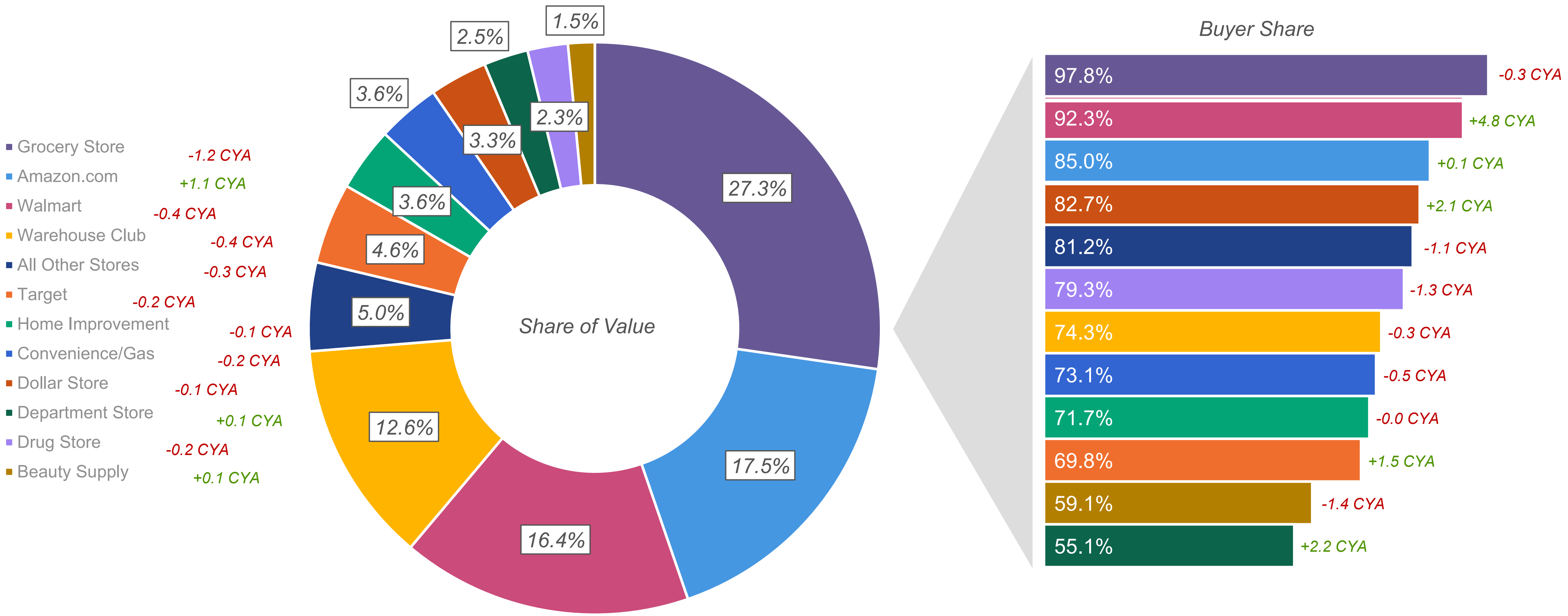
Leverage new data for precision targeting

Consumers can benefit from tailored recommendations and promotions. Consumers' product discovery process can be enhanced toward both premium and value-driven options.

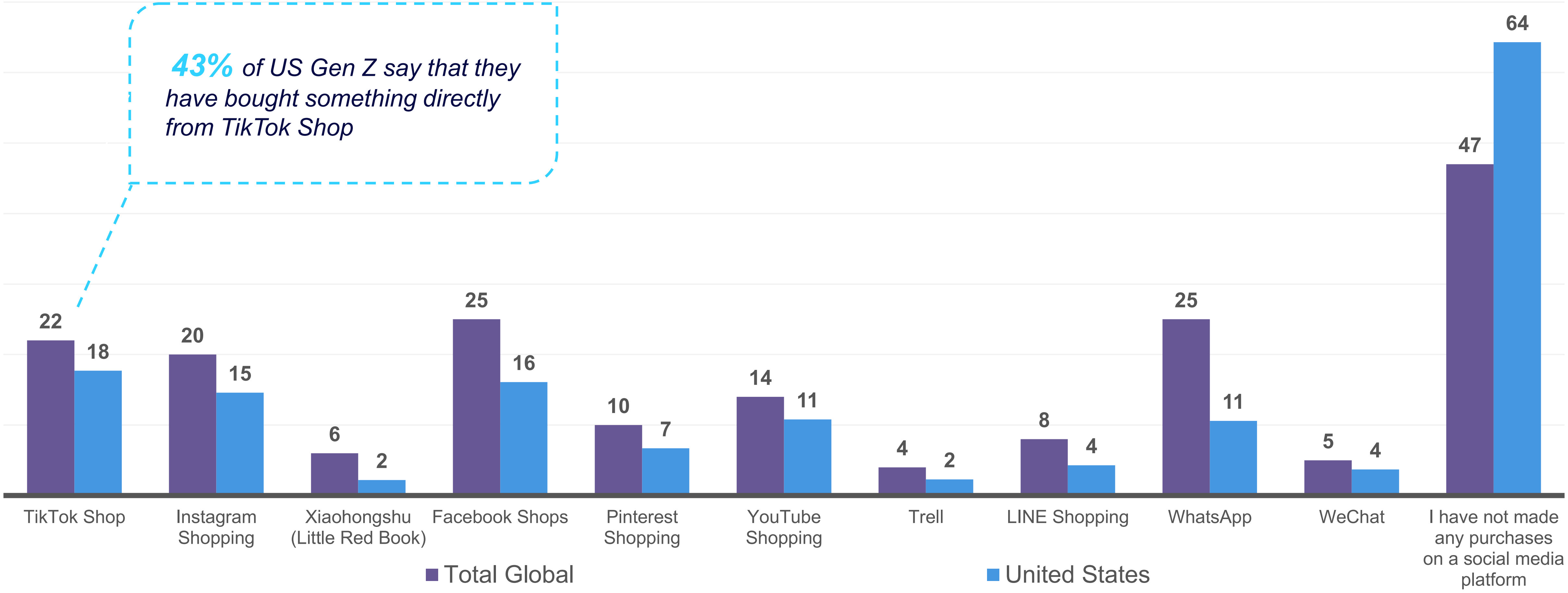
RMNs enable brands to tell their stories and provide exclusive offers, helping to defend market share.

The importance of value and seamless commerce is *evident in the channel dynamics*

Amazon is commanding more of the consumer wallet while value retailer Walmart is attracting buyers



Seamless commerce carries into commercializing social media, *although the US trails Global*



Have you ever purchased a product directly through any of these social media platforms?

4 Trends to watch

Lifestyle changes, supply chain volatility, and consumer trust will lead the way to 2026

Catalysts to 2026 change

Emerging factors faced by key verticals across industries.

Trends to watch

The anti-obesity medication effect is going global

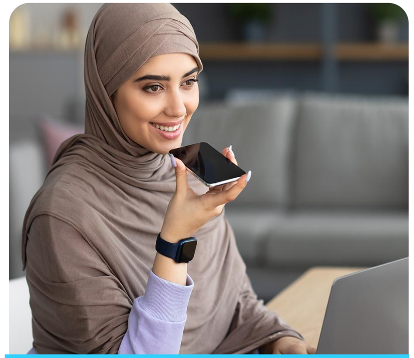
AOMs are creating space for innovation in functional snacking, portion-controlled formats, and metabolic health.

Commodity Volatility is the New Constant

Commodity volatility is here to stay. Explore innovation and pricing scenarios to maximize revenue

Private Label is No Longer a Trade-Down

With innovation, clean ingredients, and localized trust, private label brands are now competing as first-choice options



AI is rewriting discovery and research

AI-powered product discovery is becoming the go-to for consumers, though distrust persists in the AI/agentic shopping space.

Source: NIQ 2025 Consumer Outlook survey

Trends to watch

The anti-obesity medication *effect is going global*

- **Over one-third** of global consumers say they're likely to use a medication or drug to support weight loss. AOMs are helping millions of consumers reduce their appetites and, in turn, are fundamentally shifting the way those who take them view food, wellness, and their bodies.
- **>50%** of consumers are willing to pay more for:
  - *Fresh products without preservatives, healthier options, and GMO-free/Organic/Natural products*
- Research shows that consumers taking AOMs are consuming up to **40%** fewer calories.
  - *In the US, this is leading to a* ***6%*** *reduction in grocery spend, and* ***9%*** *for high-income households.*

Source: NIQ 2025 Consumer Outlook survey

Trends to watch

Commodity volatility *is the new constant*

- In this environment, companies must consider both short-term options—like reducing pack size or raising prices—and longer-term reformulations that reduce ingredient dependency while balancing cost, transparency, and sensory expectations consumers demand.
- Each strategy comes with its own challenges.
- Our tools can help you explore innovation and pricing scenarios to maximize revenue.

Commodity	Price % change July 2023 vs. July 2024	Price % change 2024 vs. 2025*
Cocoa	+127.85%	+.067%
Milk	+43.84%	-14.46%
Coffee	+42.71%	+26.88%
Wheat	-26.66%	-3.94%
Soybeans	-26.28%	-7.26%
Sugar	-24.42%	-9.83%

Source: NIQ 2025 Consumer Outlook survey

Trends to watch

Private label is *no longer a trade-down*

- With innovation, clean ingredients, and localized trust, private label brands are now competing as first-choice options across Europe, Asia, and LATAM. In fact, private labels are now delivering value growth in most regions—with Western Europe leading the way.

- Private labels deliver **+3.6%** of value growth in the MAT
- Consumers are showing an increase in buying **premium** store brands as well.
  - *High numbers of respondents in the UK (**+19%** YOY), Poland (**+16%** YOY), Italy (**+14%** YOY) and Germany (**+13%**) YOY say they're purchasing more **premium** store brands than they used to.*

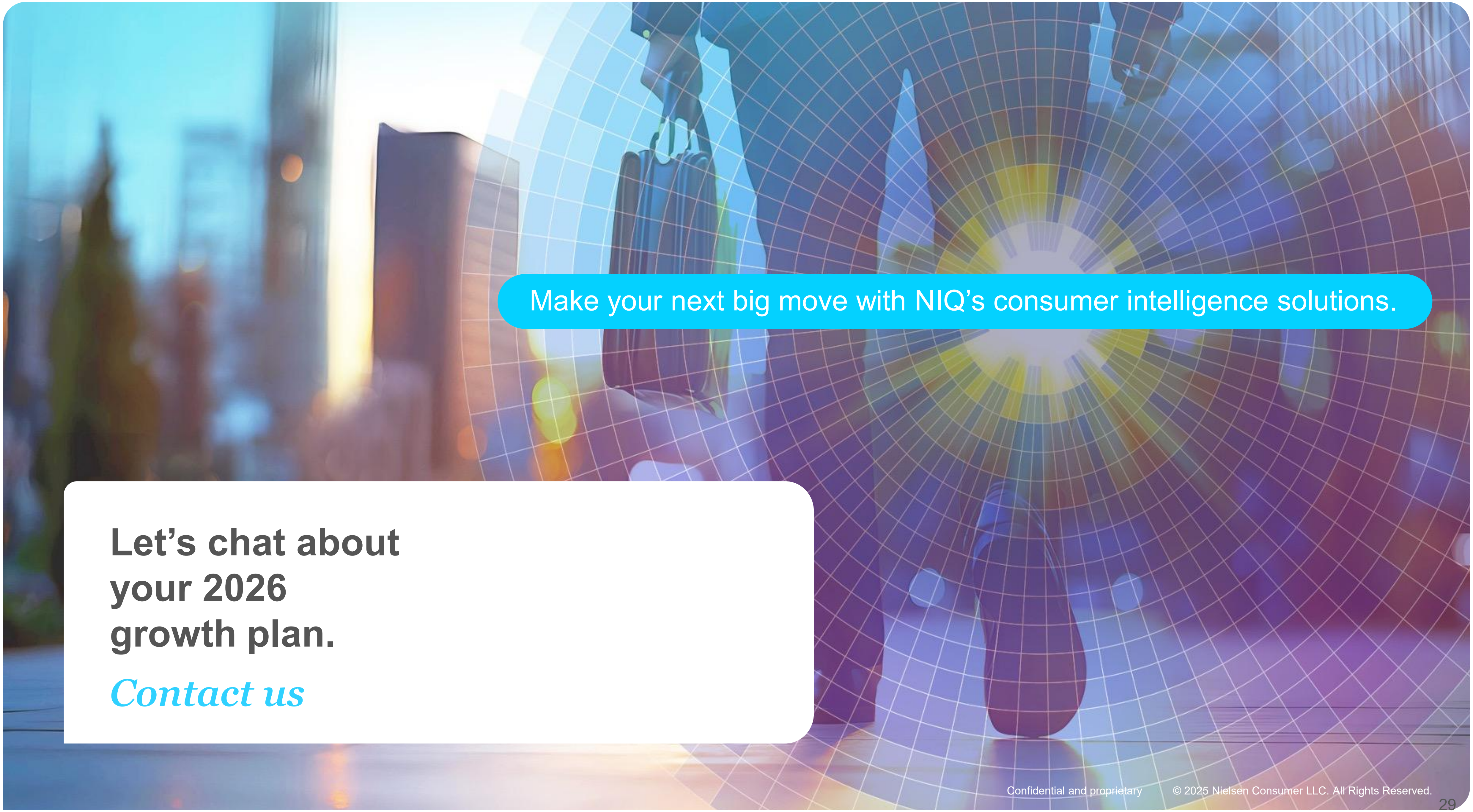
- Explore real-world examples of large retailers that are doubling down on private label offerings:
  - *Walmart's "Better Goods" brand, Target's "Good & Gather" brand, and 7-Eleven's "7-Select" brand*

Artificial Intelligence (AI) is *rewriting discovery and search*

- AI-powered product discovery is becoming the go-to for consumers, though distrust persists in the AI/agentic shopping space.
- As the technology continues to advance, retailers simply can't afford to not properly leverage AI as they attempt to attract, convert, and build lasting brand loyalty with today's global consumer.
- In a consumer-driven environment where values are paramount, generative AI is enabling brands and retailers to build more authentic and enduring customer relationships.

The *stakes are rising* for brands and retailers to *adapt quickly*:

- *Inflated ad costs from AI scrapers and bots cost businesses* **$238.7B** in 2024.
- *Almost* **50%** *of internet traffic is non-human, with"bad bots" comprising nearly one-third of all traffic.*



Make your next big move with NIQ’s consumer intelligence solutions.

Let’s chat about your 2026 growth plan.

Contact us