Food & Beverage

May 2026

NIQ *Perspective*

AI is choosing before brands even start to compete on-shelf

"AI is shifting FMCG toward performance-driven demand. My prediction is that retailer AI agents will increasingly build baskets with more private label while nudging shoppers toward better outcomes with small spend increases. By connecting small increments of spend to meaningful improvements, retailers will expand baskets even in budget-conscious journeys."

Chris Costagli
Vice President, F&B Thought Leadership

For brands…

It's time to accept that brands are competing for more than attention. They are competing for qualification. As AI determines what meets the bar, product design, formulation, and data clarity become the real drivers of growth, not messaging. This forces a shift toward outcome delivery that can be read, interpreted, and preferred by a system rather than a person.

For retailers…

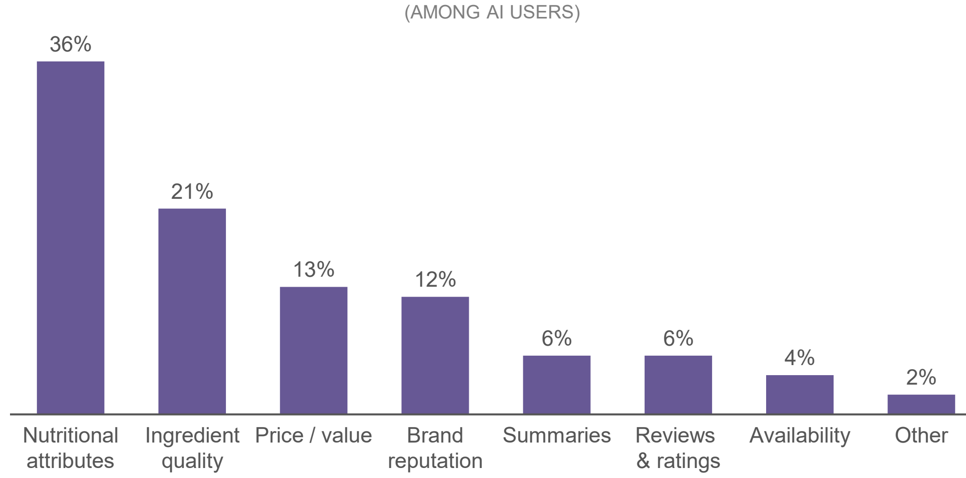
With AI adoption widening, retailers have an opportunity to move beyond fulfilling demand and start directing it. As AI translates shopper priorities into baskets, control shifts to those who influence how options are presented and traded off. This elevates pricing logic, assortment design, and recommendation pathways. Retailers that recognize this will turn AI into a lever for conversion and basket growth.

Implications for the Food & Beverage Industry

AI reprioritizes how shoppers make decisions

AI is restructuring how decisions are made by weighting specific attributes over generalized messaging. It clarifies priorities and reduces reliance on brand-led heuristics. Products are screened against measurable criteria, with only those that qualify advancing into consideration. This streamlines decision making and builds confidence in outcomes. Over time, brand equity becomes conditional and secondary to demonstrable performance.

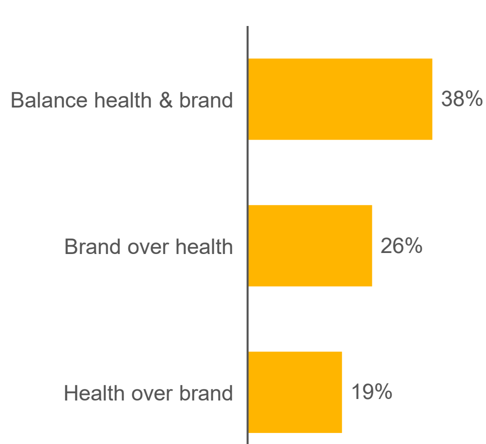
LEADING DECISION INPUTS WHEN USING AI TO EVALUATE F&B PRODUCTS[1]
(AMONG AI USERS)



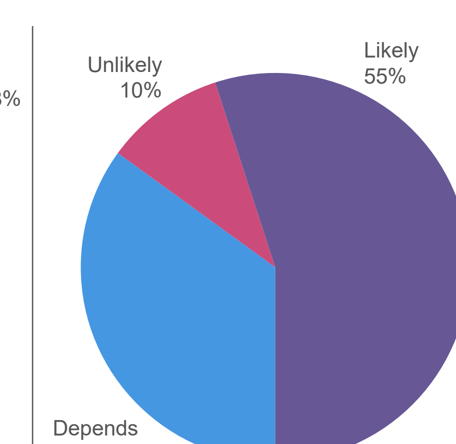
Brands must clear the functional threshold first

AI is exposing how fragile brand loyalty really is in the FMCG Industry, with trust shifting from something inherited to something earned in the moment. Openness to unfamiliar products reflects a willingness to experiment within clear guardrails. By validating that new options meet personal criteria, AI reduces uncertainty. This enables more dynamic switching without sacrificing confidence.

HOW AI USERS BALANCE HEALTH, TRUST, & BRAND IN AI-SUGGESTIONS[1]



CONSIDERATION OF AI RECOMMENDED BRAND, ALIGNED WITH GOALS[1]



Industry Analysis Sources: [1]NIQ, BASES Quick Question Omnibus Survey, n=2,009, Apr. 2026; [2]NIQ, BASES Quick Question Omnibus Survey, n=2,029, Feb. 2026

Authors: Chris Costagli, Vice President, Thought Leadership, F&B Insights Lead; Maria Camila Garnica, Industry Analyst

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The takeaway…

- *AI is shifting competition from brand awareness to product qualification, where only what meets clearly defined priorities gets chosen*
- *Demand is being shaped upstream of the shelf, concentrating power with whoever controls how AI translates intent into decision*
- *Basket growth is being redefined as a confidence problem, with AI turning efficient decision-making into a driver of higher spend rather than lower*

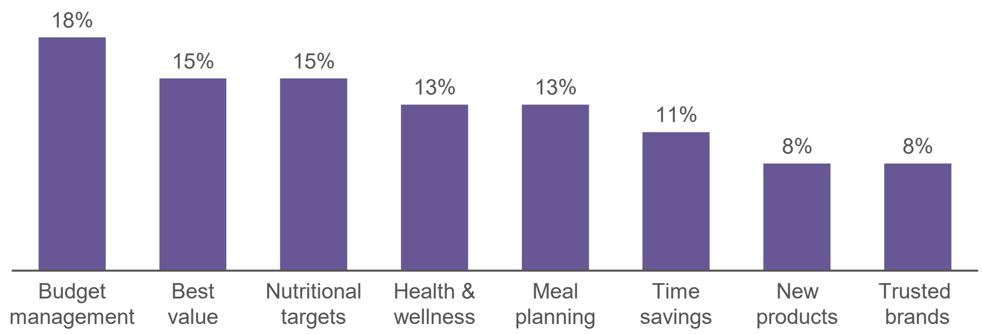
Your next move…

- *Rebuild products and portfolios to qualify for AI selection, not just appeal to shoppers, with nutrition, ingredients, and value engineered to consistently pass algorithmic filters*
- *Compete for influence before the shelf by embedding into AI-driven planning and discovery environments, where decisions are increasingly made before a retailer or brand is ever seen*
- *Shift from promotion-led growth to optimization-led growth by aligning pricing, assortment, and product roles to AI-guided trade-offs that convert confidence into higher spend*

AI optimizes baskets for efficiency and growth

AI's primary role is emerging around budget control, reinforcing its function as a trade-off optimization tool. This shifts the competitive battleground toward inclusion in optimized baskets rather than shelf visibility alone. Consumption remains intact, but allocation becomes more deliberate. This introduces a structurally different pathway to growth.

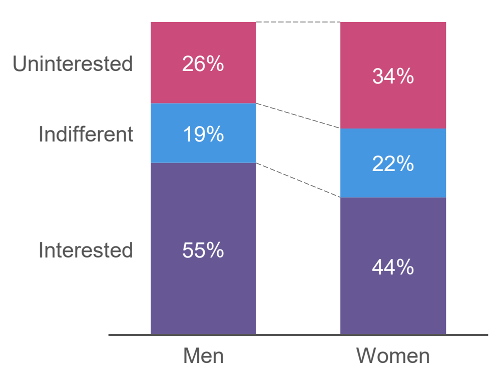
LEADING WAYS AI USERS WANT AN AI ASSISTANT TO OPTIMIZE SHOPPING RECOMMENDATIONS[1]

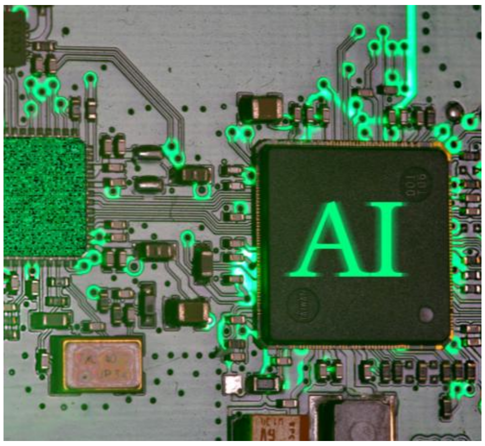


AI prioritizes performance over branding

Nearly half of U.S. consumers are open to letting AI help research and purchase products for them. They are handing over their priorities and giving AI the room to determine what works best. In that environment, brand carries less weight than results. AI does not reward recognition, it rewards performance.

INTEREST IN USING AI TO HELP RESEARCH AND BUY A PRODUCT[2]

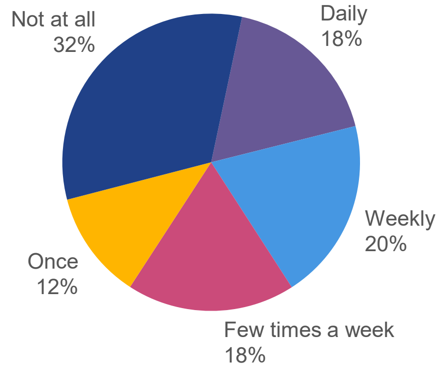




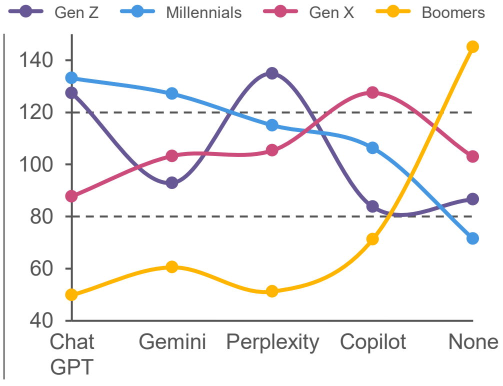
AI is embedding itself into everyday choice

AI is moving toward becoming embedded infrastructure within FMCG commerce. Increasing frequency of use indicates rising comfort that will support deeper integration. This creates new pathways for demand formation outside traditional retail environments. Retailers and manufacturers that adapt to this shift can capture incremental growth.

FREQUENCY OF AI USAGE OVER THE PAST MONTH[2]



MOST USED AI AGENTS FOR SHOPPING[2]



Looking for more?

AI will shift choice from brand to fit. As more shoppers rely on it, they will expect their priorities to be handled without effort. Retailers will expose where a few extra dollars unlock materially better outcomes, and shoppers will increasingly trade up. That shift will make AI a reliable engine of basket growth, not just efficiency.

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