

AlixPartners

Spending, Disrupted

AlixPartners' 2026
Global Consumer Outlook

December 2025



Introduction

Heightened caution and a renewed focus on financial discipline characterize the global consumer environment as we enter 2026. Our latest data reveals a deepening frugality, with the anticipated global **net intent score** for reduced spending reaching -18 percentage points (ppts)—more than 60% greater than last year's projected contraction.

This shift highlights the persistent economic uncertainty that is shaping consumer priorities, as inflationary pressures and muted wage growth continue to constrain disposable income across demographics, albeit varied by individual country. Notably, the traditionally resilient group of high-income earners is signaling a potential pullback in overall spending, reflecting the broad reach of today's financial headwinds.

Regional divergences are notable: while relative optimism persists in the Middle Eastern countries we surveyed (Saudi Arabia and the United Arab Emirates), with consumers there most likely to say they will increase spending next year, markets such as China and Europe are bracing for sharper reductions. Essential categories like groceries remain relatively insulated and, within the areas of regional or demographic optimism, discretionary sectors will still face intensified competition for share of wallet.

Against this backdrop, our 2026 Global Consumer Outlook unpacks the evolving drivers behind these trends and explores how businesses can adapt, offering actionable insights to help leaders navigate uncertainty, recalibrate value propositions, and secure loyalty in an increasingly competitive marketplace.

About this study

Research for Spending, Disrupted: AlixPartners' 2026 Global Consumer Outlook was conducted between September and October 2025. Survey respondents comprised 13,115 consumers from nine countries—China, France, Germany, Italy, Saudi Arabia, Switzerland, the United Arab Emirates, the U.K. and the U.S.

What our net intent score means

Our net intent score, expressed as a percentage point value (ppt) on pages 3-7 of this report, indicates the overall balance between those consumers who say they plan to spend more in 2026 and those who say they plan to spend less, relative to 2025. A positive score means more people expect to increase spending; a negative score means more expect to cut back. The score only reflects intent and is not tied to actual spending amounts or percentage changes in expenditure. It therefore should not be interpreted as a direct measure of monetary growth or decline in any given industry category, region, or demographic group.

Discover more from this year's data:

We hope you find this report informative. If you'd like to explore further consumer analysis from our extensive dataset by country, sector, or consumer demographic, our authors are available to discuss the findings in more detail.

Global spending intent for 2026

In last year's report, consumers globally intended tighter control on spending, and this persists when reviewing forecast activity for 2026. The global anticipated net intention for reduced spending next year is -18 pts, more than 60% greater than the projected reduction for 2025 (-11 pts).

This heightened frugal sentiment reflects the broader economic uncertainty that is reshaping financial priorities and mirrors the intended reduction in spending forecast by consumers two years ago for 2024, when many regions were grappling with significant inflation and interest rate spikes that have yet to fully recede.

In analyzing this year's data by country and region, we see this sentiment play out across European countries, the U.S., and within most sectors globally. Consumers in China, too, have shifted their expectations from a projected net increase in likelihood to spend more in 2025 (+10 pts) to an 8 ppt net reduction in likely spend in 2026, with only consumers in the Middle East (Saudi Arabia and UAE) saying they intend to spend more next year, registering a 5 ppt net increase that is in line with their previous expectations for 2025.

Globally...

-18 pts

Anticipated global net consumer intent for reduced spending in 2026

Regionally...

Consumers across Europe and the U.S.

are most likely to say they will spend less in 2026
(-22 and -20 pts net)

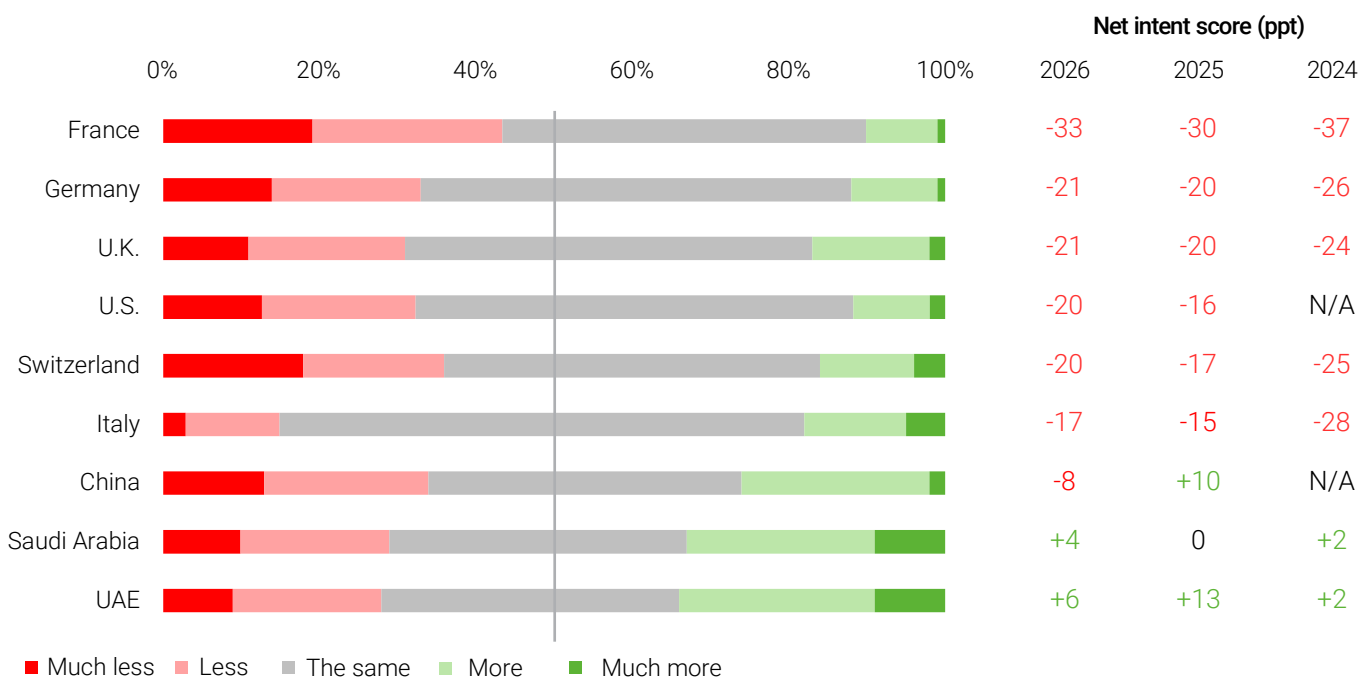
Consumers in the Middle East

are most likely to say they will spend more in 2026
(+5 pts net)

Consumers in China

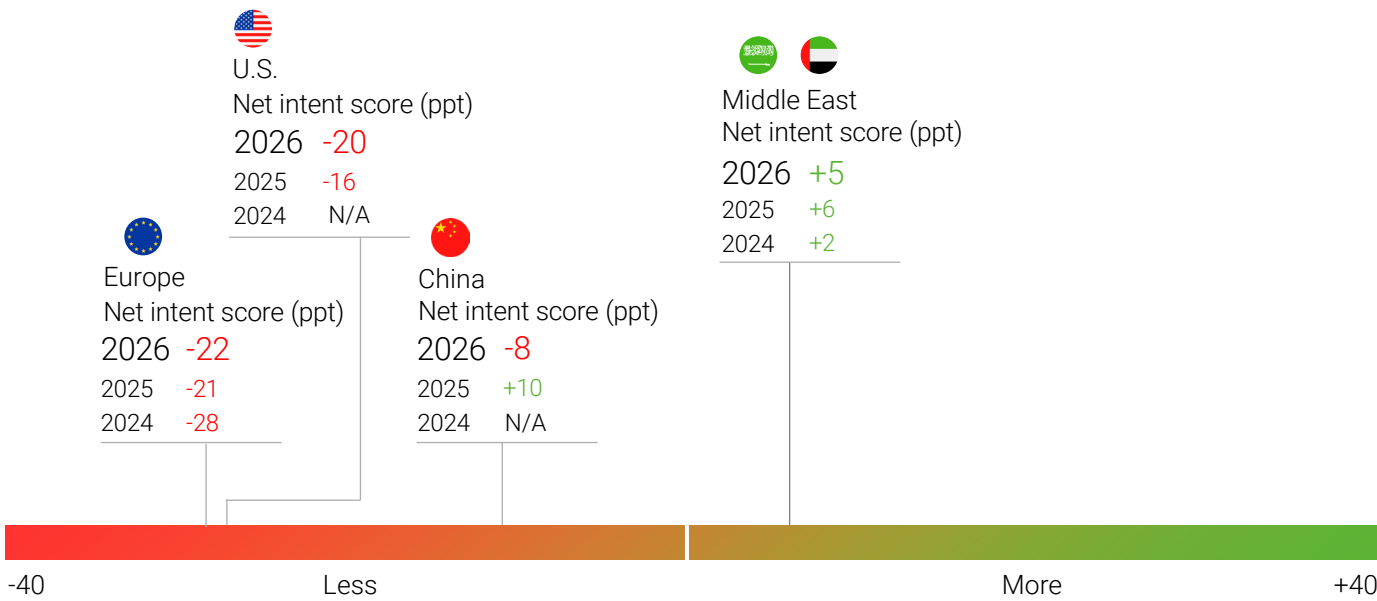
display the biggest year-on-year swing in net spending intentions
(-18 pts net)

Figure 1: Global spending intent by **country** for 2026, relative to 2025—net intent score (ppt)¹



1. 2024 net scores excludes China and the U.S.

Figure 2: Global spending intent by **region** for 2026, relative to 2025—net intent score (ppt)¹



1. 2024 net scores excludes China and the U.S.



Demographic spending intent for 2026

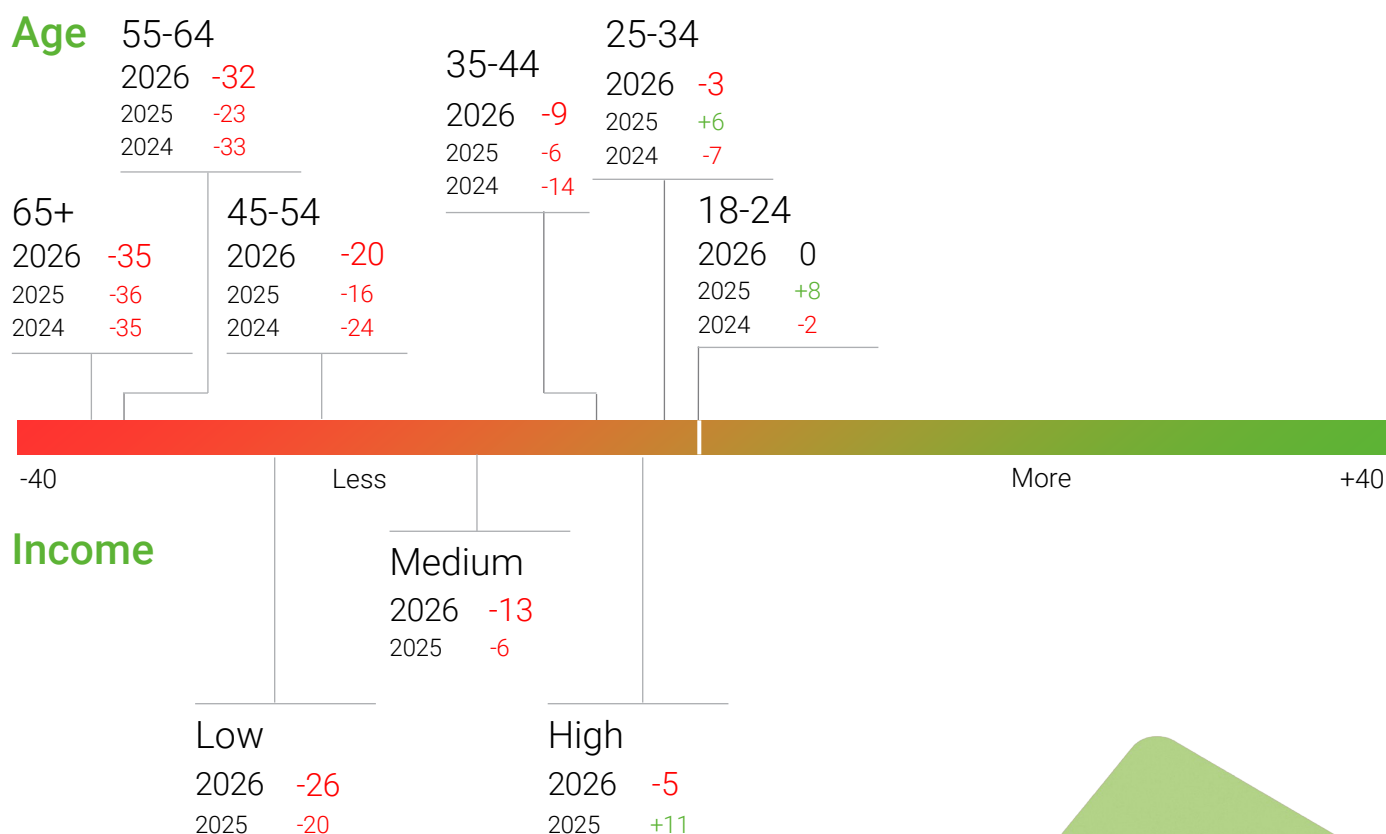
We observe similar overall spending intent among older consumers, with those over 65 once again most likely to say that they will spend less next year, though marginally improved on 2025 (-35 vs -36 net ppts). The 45-54 and 55-64 age groups are also more pronounced this year, with net intent reductions deepening from -23 ppts to -32 ppts and from -16 ppts to -20 ppts, respectively.

In last year's report, the youngest age groups—18-24 and 25-34—were the only ones to register a net increase in overall spending intent for 2025. This year, 71% of the latter group say they'll spend the same or more in 2026 (a slight contraction of -3 ppts), while 18-24-year-olds expect their year-on-year outlay to remain in line with 2025. Here, 75% say they will spend the same or more, demonstrating that—within a constrained landscape overall—there are many opportunities to capture the attention of consumers who are still prepared to spend.

From an income perspective, a reduction in spending intent globally has intensified across low-, medium-, and high-income groups. Notably, high earners now say they intend to spend less in 2026 (-5 ppts net) after a +11 ppt leaning towards saying they would spend more in 2025.

This demographic data highlights that even the group traditionally associated with the highest levels of disposable income is feeling the effects of constrained financial conditions, making brands' articulation of value for money ever more critical across all consumer groups as brands compete for a shrinking share of wallet.

Figure 3: Global spending intent by **age** and **income** for 2026, relative to 2025—net intent score (ppt)¹



1. 2024 net score excludes China and the U.S.

Category spending intent for 2026

Grocery spending set to rise again—but in volume or only value?

More than eight in 10 consumers say they expect to spend the same or more on groceries in 2026—the only category forecast by our respondents to see a rise in global spend next year.

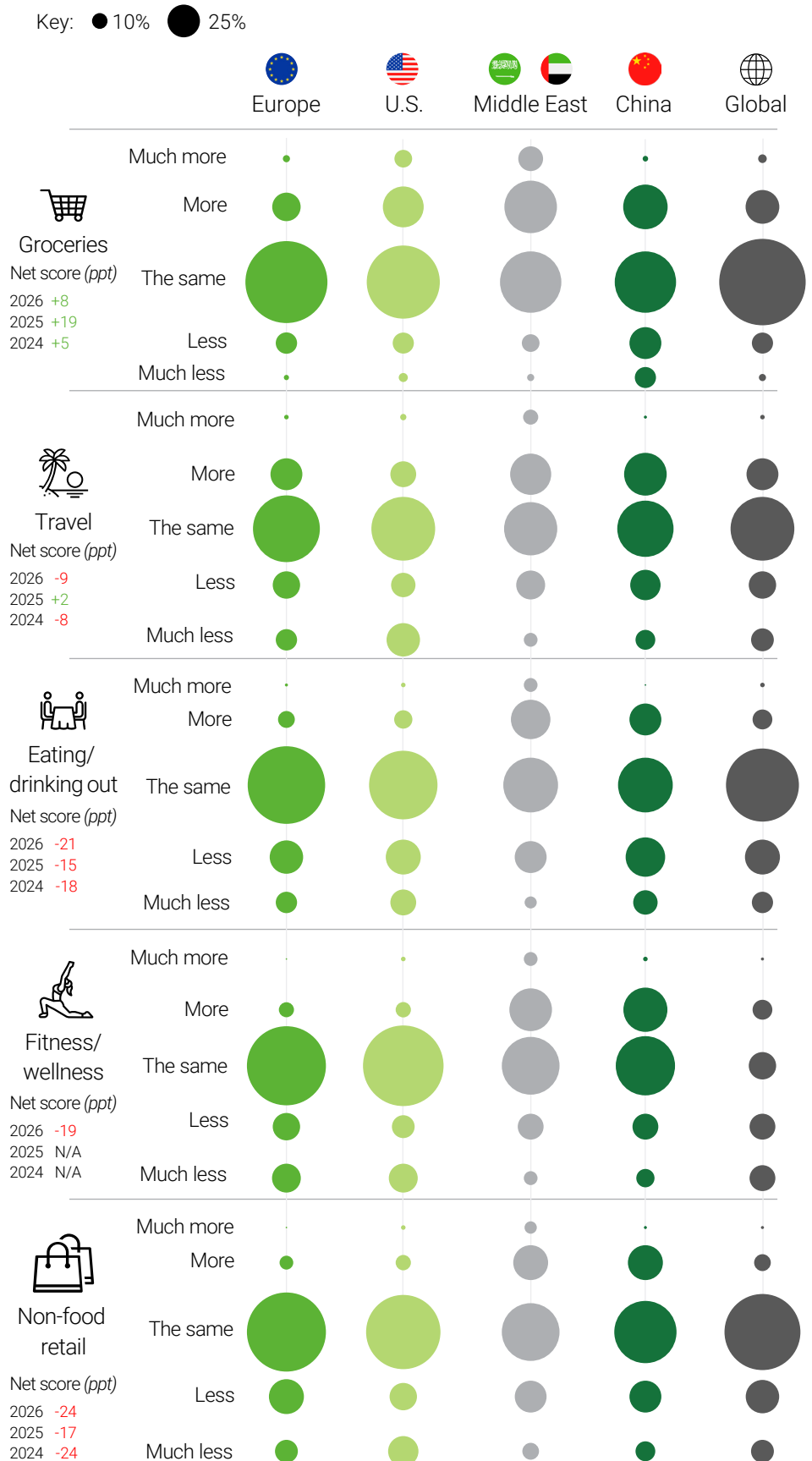
The dynamics behind this incremental spending increase include broader consumer behavior shifts to spending more time at home and eating and drinking more there, too. This plays well into greater anticipated expenditure, but the question is how well grocery retailers can realize margin gains in what remains a relatively flat and hyper-competitive market. Additionally, given the inflationary impacts on food, a proportion of this projected increase will likely equate to value rather than volume.

As we explore in later sections, there is much nuance within this category as consumers seek out the best prices, promotions, and shopping patterns to match their available budget. There will once again be trade-offs for consumers to make in balancing outgoings on these essential weekly purchases alongside other discretionary activities.

Groceries

is the only category likely to see a rise in global spending intent in 2026, relative to 2025 (net +8 ppts)

Figure 4: Category spending intent by region for 2026 (%)



Belt-tightening expected in non-food retail

On the flip side to grocery, non-food retail appears to be at the mercy of higher priority outgoings in 2026, with the highest predicted category net reduction in spend intent at -24 ppts. This is most evident in Europe and the U.S. (-28 and -25 ppts respectively), with only a modest net reduction in intended spending expected in the Middle East (-1 ppt) and -9 ppts in China. Older consumers displayed the greatest potential net pullback for 2026 in this category, at -44 ppts for those aged over 65 and -38 ppts for those aged 55-64. Younger consumers once again come closest to bucking this trend, with 72% of consumers under the age of 35 saying they'll spend the same or more next year (a net reduction of just 4 ppts).

37%

of consumers plan to spend less on non-food retail in 2026; 13% say they will spend more.

Travel spending may slip below 2025 levels

After expectations of a small net increase in travel spend globally in 2025, this has shifted to an anticipated reduction in spending intent for 2026, retrenching from +2 ppts to -9 ppts. This swing is most clearly highlighted among consumers in China, who have shifted from a net 16 ppt increase to a -3 ppt reduction, and is reflective of tighter household budgets boosting the trend for low-budget, high-intensity travel rather than maintaining the previous years' average spend per trip. However, the propensity to spend more on travel in 2026 remains higher with younger consumers, with 34% of 18-24- and 25-34-year-olds saying they'd increase spending next year. Travel also remains the most likely area of spend for consumers who see an increase in income, but all age and income groups globally say they expect to display a net reduction next year.

33%

of consumers plan to spend less on travel in 2026; 24% say they will spend more.

Will eating and drinking out dip again in 2026?

Globally, a contraction in net spending intent on eating and drinking out (encompassing restaurants, pubs, and bars) is predicted by consumers, to the tune of -21 ppts, second only to non-food retail. Consumers in the Middle East represent the only region to report they intend to spend more next year in this category (+6 ppts net).

However, there remains much of the consumer market to go after for hospitality operators. Despite the headline worldwide contraction, 64% of consumers still say they intend to spend at least as much as last year, leaving significant opportunity for operators to capture share. Age differences matter, too, with younger consumers generally maintaining their spend levels—71% of under-35s expect to spend the same or more, which grows to 73% for 18-24s. Similarly, higher-income groups also plan to maintain or increase spending in this category, making a sharpened focus on offerings that meet the needs of these differing consumer groups a priority for operators.

37%

of consumers plan to spend less on eating and drinking out in 2026; 16% say they will spend more.

Maintaining a fitness fix is strongest in the Middle East and China

While holistic fitness and wellness activities span multiple categories, from healthy grocery shopping to gym-focused clothing, and healthy dining out to wellness-related travel, gym memberships and other fitness subscription purchases specifically are discretionary activities that are sensitive to budgetary assessment in more austere times. This year, our new analysis of this category reveals that consumers in Europe and the U.S. are most likely to roll back on spending, while consumers in the Middle East and China forecast an increase. Globally, only younger consumers under 35 say they intend to spend more (net) in 2026 versus 2025, while lower income groups are most likely to say they'll make significant cuts in this category.

34%

of consumers plan to spend less on fitness and wellness in 2026; 15% say they will spend more.

Why will consumers spend less in 2026?

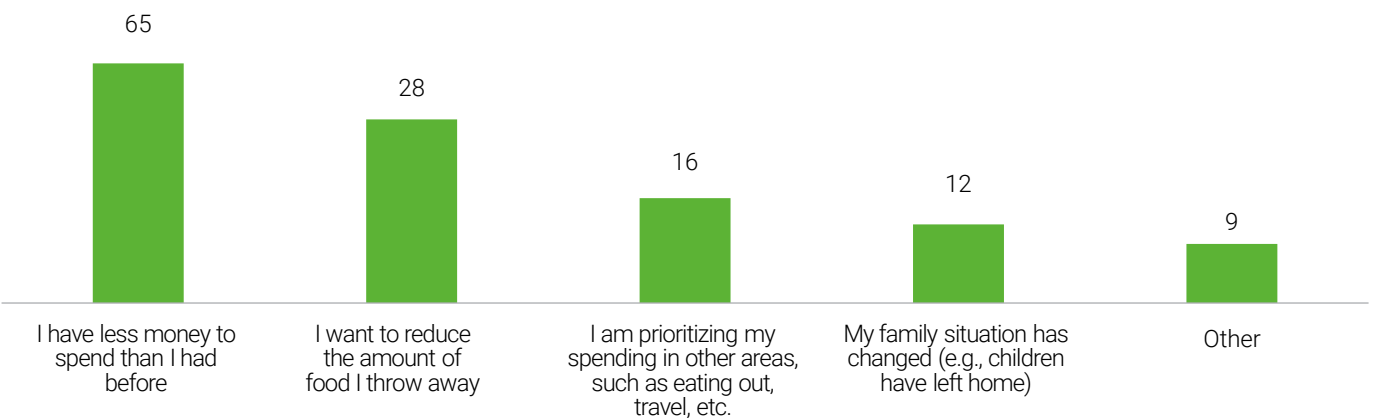
1.

Persistent financial constraints: The dichotomy of essentials and discretionary

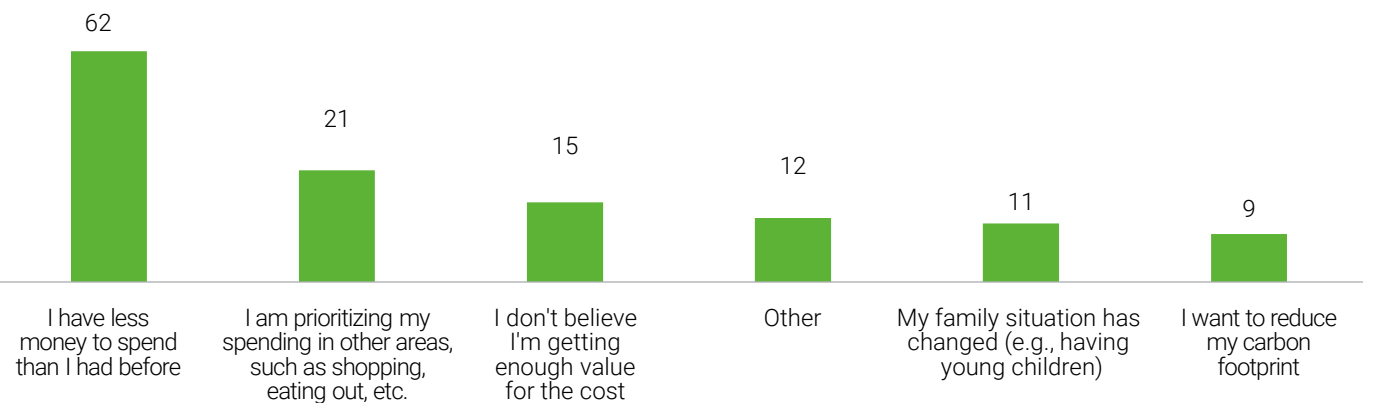
As we enter 2026, the enduring reality for consumers globally is a continued lack of disposable income—a challenge that manifests most acutely in both essential and discretionary categories. Our data shows 65% of consumers cite having less money as the primary reason for reducing grocery spend, while 62% say the same for travel.

This dichotomy is particularly stark: grocery, an unavoidable year-round expense, is under pressure alongside travel and non-food purchases, which are by their nature more discretionary, periodic outlays. The trend is seen most clearly in China across all categories, with the exception of eating and drinking out, where U.S. consumers lead the way in citing financial constraints. Macroeconomic headwinds, including stubborn inflation and ongoing cost-of-living pressures, continue to erode purchasing power. Retailers must reinforce value in essentials while innovating in discretionary categories, ensuring relevance for both the cost-conscious and those seeking occasional indulgence.

 **Figure 5a: Why will consumers reduce spend on groceries?**
(% of responses, select all that apply)



 **Figure 5b: Why will consumers reduce spend on travel and holidays?**
(% of responses, select all that apply)



2.

Value perception under scrutiny: The experience equation

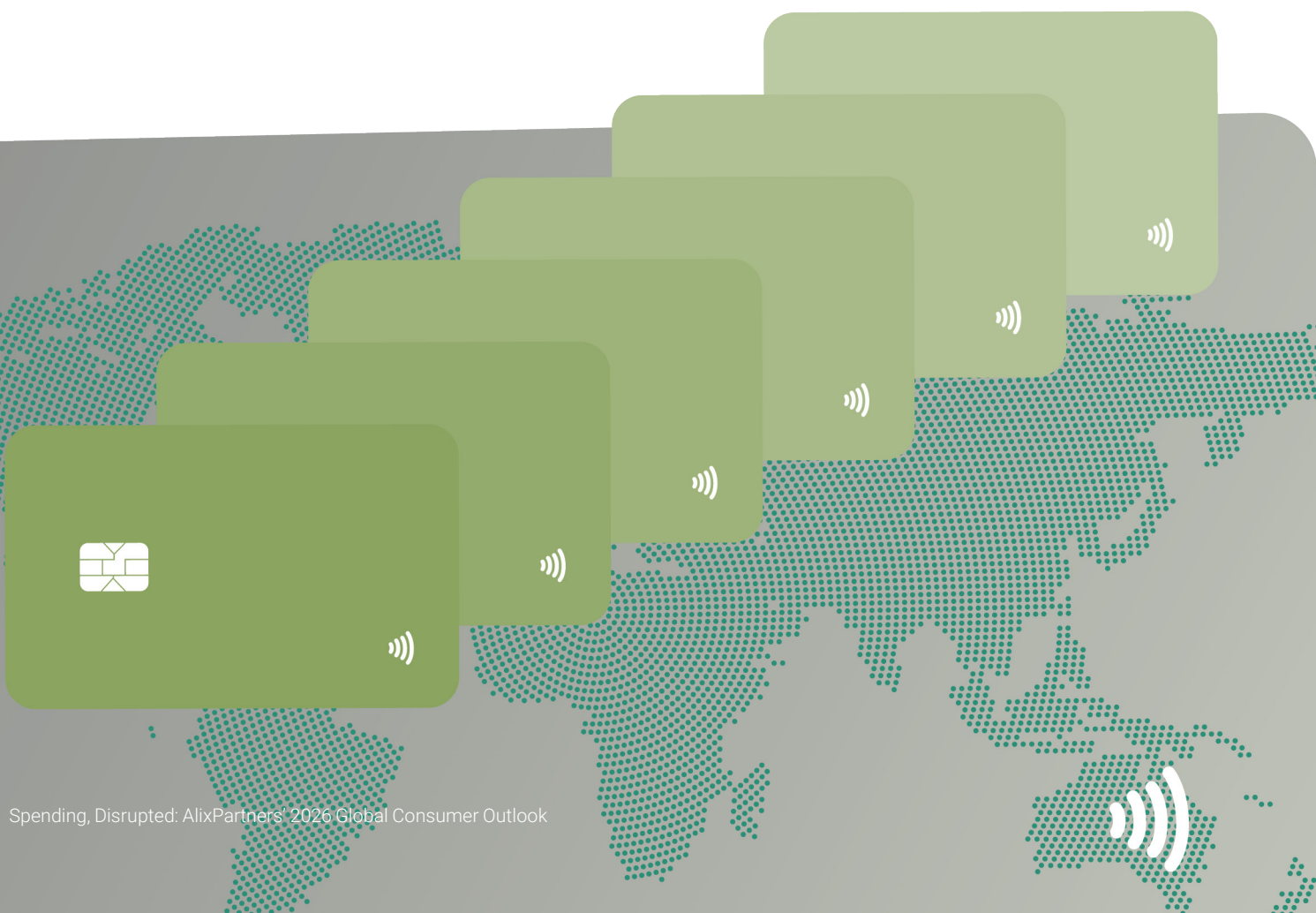
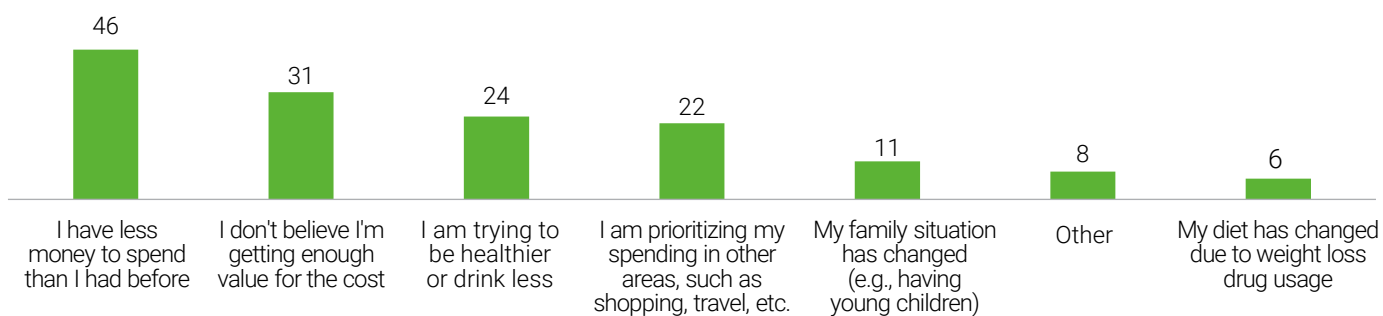
When money is tight, perceived value becomes a non-negotiable for consumers. Nowhere is this more evident than in eating and drinking out: 31% globally—and 39% in China—say they do not believe they are getting enough value for the cost. This concern is more than double that seen in the similarly discretionary areas of travel (15% globally) and fitness and wellness (14%). Inflationary pressures, rising operational and labor costs, and the proliferation of alternatives—from home dining to delivery and lower-cost brand selection—have raised the bar for what constitutes “worth it”.

Out-of-home eating and drinking operators—from fast food to pubs to fine dining—must justify price points through enhanced experiences and clear value communication to proactively address the risk of substitution. They must invest in understanding what drives perceived value for their core segments and innovate accordingly, or risk losing share to more agile competitors.



Figure 5c: Why will consumers reduce spend on **eating and drinking out**?

(% of responses, select all that apply)



3.

Relentless reprioritization: Navigating the new wallet hierarchy

With budgets under strain, consumers are making sharper, more deliberate choices about where their money goes. This year, 25% of those planning spending reductions say they will be reprioritizing away from non-food retail, 22% from eating and drinking out, and 21% from travel and holidays. The Middle East stands out: while consumers here are most likely to increase overall spend in 2026, they are also the most active in shifting spend between categories when considering spending reductions. This signals a dynamic “wallet hierarchy” where, even in growth markets, categories can quickly fall out of favor. Retailers must be agile—tracking shifting priorities in real time, adapting assortments, and personalizing offers to capture spend as it migrates. The winners will be those who anticipate these pivots and respond with targeted value propositions, rather than relying on historic category performance.

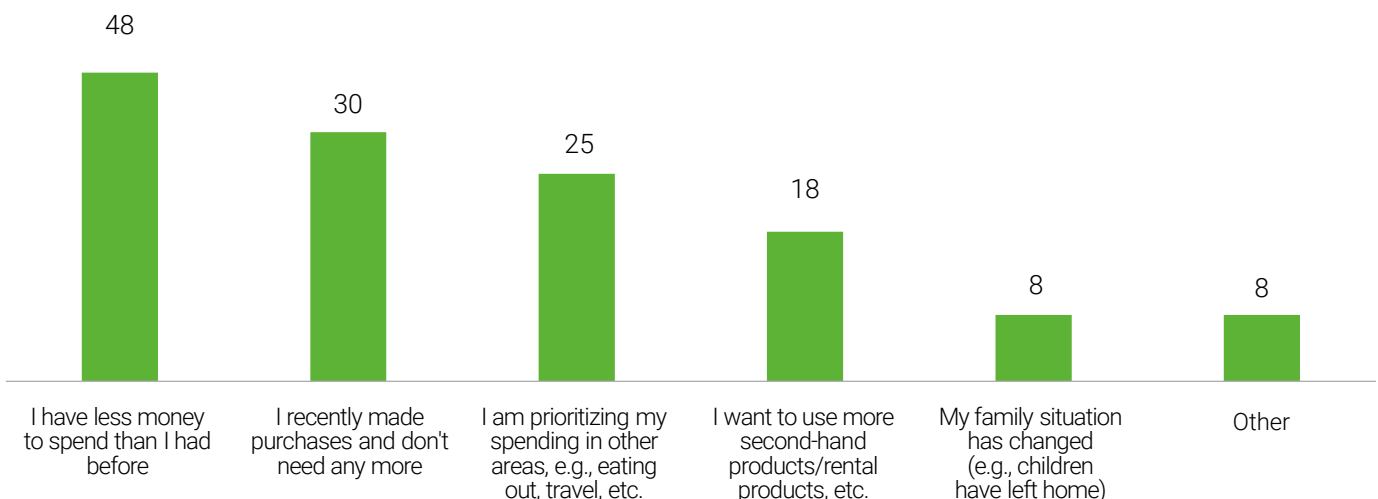
4.

The rise of frugality: Smarter, more disciplined consumption

Consumers are not just spending less—they are spending smarter. 30% of consumers globally say recent purchases in non-food retail mean they simply do not need more. This could signal a shift towards more planned, less impulsive buying, with consumers stretching budgets and seeking to maximize utility from every purchase. The “buy now, wait longer” mindset may be taking hold, fueled by economic uncertainty and a growing focus on sustainability. For retailers, this means the traditional levers of promotion and “newness” may be less effective. Instead, the focus should shift to loyalty and solutions that help consumers extract more value from what they already own, beyond the immediate period after purchase. Inventory planning and demand forecasting must be attuned to this evolving cadence of consumption.



Figure 5d: Why will consumers reduce spend on **non-food retail**?
(% of responses, select all that apply)



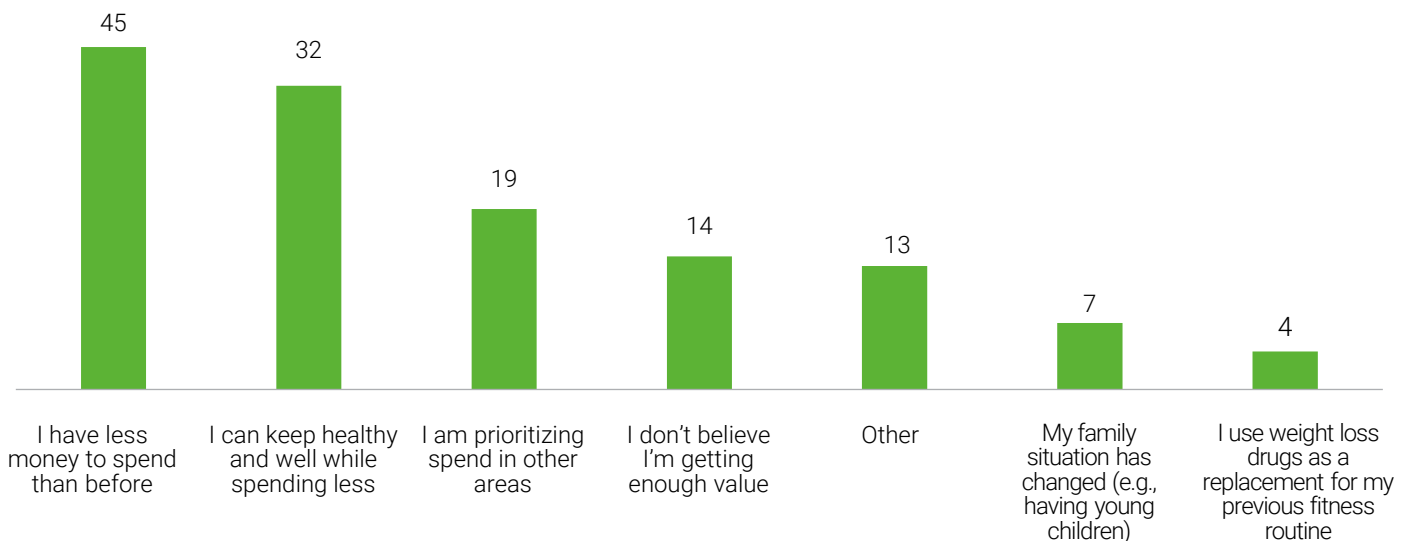
5.

Healthier lifestyles and the weight loss drug effect: The next disruption?

A notable shift in 2026 is the redirection of spend towards home-based health and wellness, amplified by the emerging impact of weight loss drugs. 16% of consumers in the Middle East cited weight loss drugs as a reason for reducing spend on fitness and wellness next year—four times higher than any other region. Globally, 32% believe they can maintain health and wellbeing while spending less, leveraging home workouts and digital platforms. While the “GLP-1 effect” is not yet widespread, its growing accessibility signals a potential disruption for traditional fitness, grocery, and dining sectors. Retailers must monitor this trend closely, adapting offerings to cater to at-home health solutions and anticipating shifts in demand as these drugs become more affordable and mainstream. Early movers will be best positioned to capture emerging opportunities and mitigate risks.



Figure 5e: Why will consumers reduce spend on **fitness/wellness**?
(% of responses, select all that apply)



How will consumers spend less in 2026?

Consumers plan to adopt a more intentional approach to managing their budgets in 2026, prioritizing value and reducing the frequency of—rather than eliminating—desired activities. Our findings show that careful planning and making more considered choices will dominate spending behavior, with certain sectors also highly susceptible to trading down.

Other market trends continue to increase in popularity, influencing more discerning behavior. The growth of the pre-loved market, greater acceptance of groceries closer to expiry dates, “too-good-to-go” in food, and increasing use of rental services in non-food all deliver value-focused, lower-cost solutions at a time when budgets are tight.

This presents consumer-facing businesses with a clear call to further emphasize value, create compelling promotions, and deliver standout experiences, all of which will be essential in retaining loyalty and securing spend from increasingly selective customers.





Figure 6a: How will consumers reduce spend on **groceries**? (% of responses)



Figure 6b: How will consumers reduce spend on **non-food retail**? (% of responses)

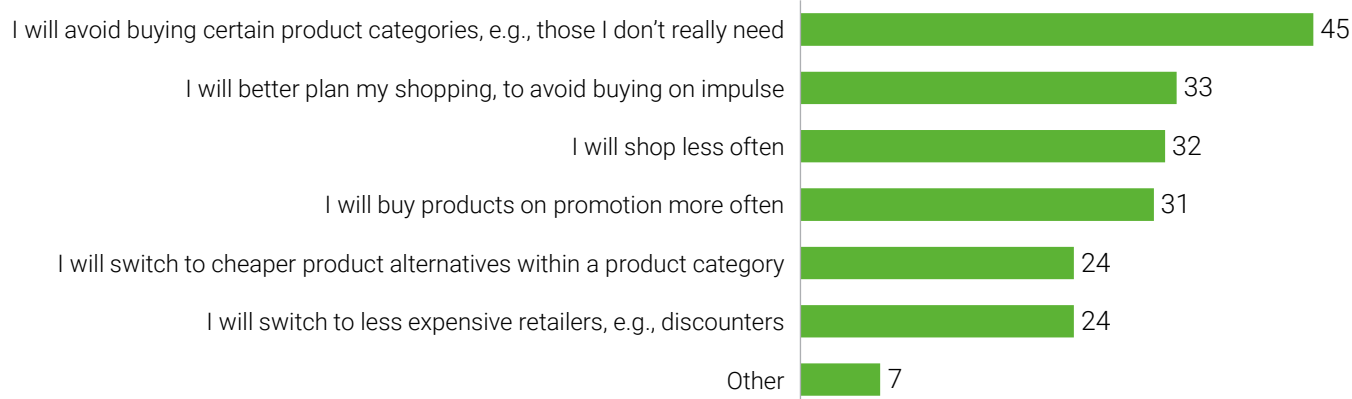


Figure 6c: How will consumers reduce spend on **travel and holidays**? (% of responses)



Respondents could select up to three answers per question



Figure 6d: How will consumers reduce spend on **eating and drinking out?** (% of responses)

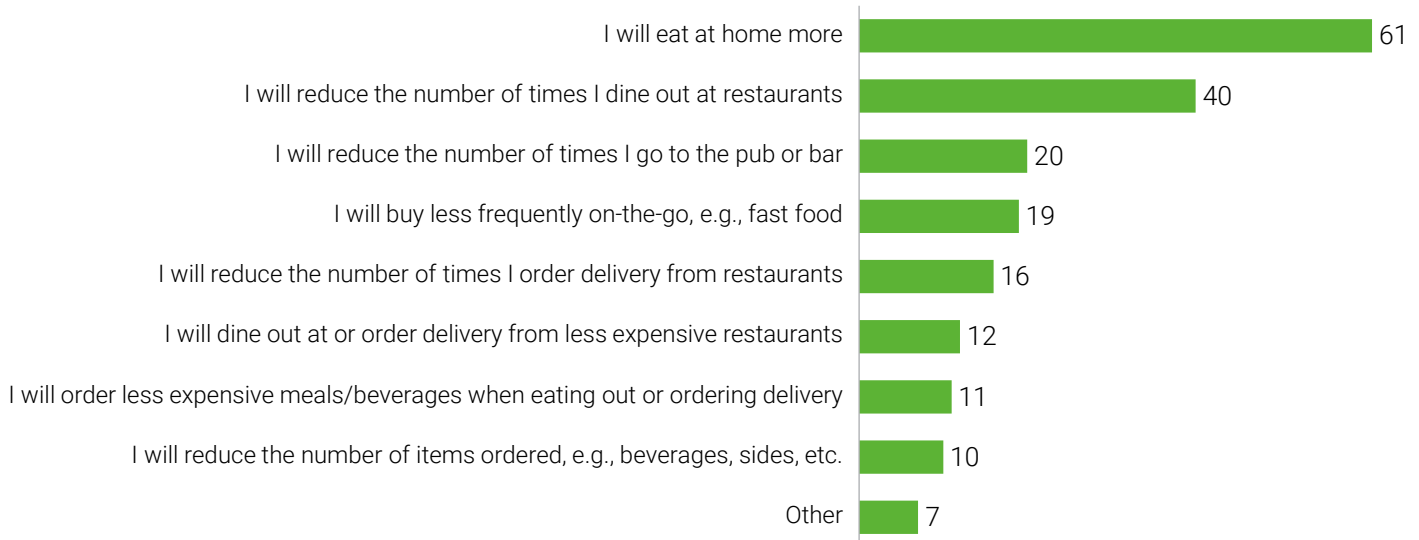
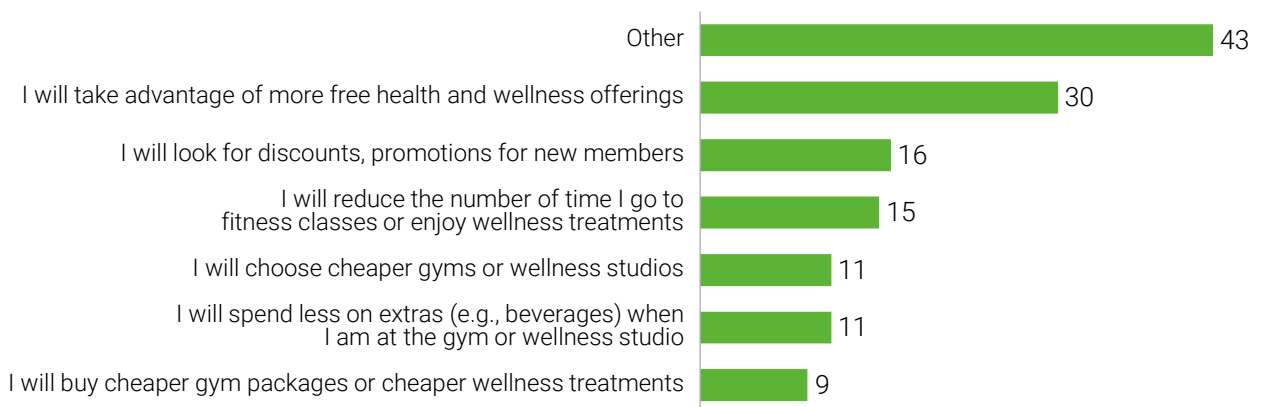


Figure 6e: How will consumers reduce spend on **fitness/wellness?** (% of responses)



Respondents could select up to three answers per question

We see four key themes emerging across this sector data

1.

Strategic spending in retail

Consumers are becoming more methodical in their grocery shopping—making detailed lists, planning meals ahead, and avoiding impulse purchases. Many are turning to store brands or generic alternatives, and actively seeking out discounts, multi-buy promotions, and loyalty rewards—trends most pronounced among shoppers in the U.S. and China. In non-food retail, discretionary spending is being closely scrutinized, with shoppers skipping non-essential purchases and reducing store visits. Retailers will need to focus on targeted promotions, value-driven product ranges, and personalized offers to appeal to cost-conscious consumers.

2.

Recalibrating travel and holidays

Consumers planning to reduce travel spend in 2026 are primarily doing so by reducing the frequency of trips. Many, especially in the U.S., plan to stay at home more during time off, while others aim to travel shorter distances. In China, cutting trip length and frequency is a key strategy. This shift toward "staycations" and more localized travel offers opportunities for regional tourism providers to capture demand, as consumers prioritize budget-conscious, closer-to-home experiences.

3.

Eating and drinking out becomes a deliberate treat

The propensity to eat at home is expected to rise, especially in the U.S., with diners planning to reduce the frequency of restaurant and pub or bar visits. However, when consumers do choose to eat out, they plan to prioritize quality and overall experience rather than simply seeking cheaper options. The popularity of Quick Service Restaurants (QSRs) is also on the rise, particularly among younger consumers, and service—while universally important—will be nuanced by the type of operator. Establishments must stand out by delivering on this need in relative terms—from fine dining table service to speed of service in QSRs. In all scenarios, consistency of experience and higher perceived value will build brand trust, drive repeat visits, and encourage positive recommendations.

4.

Value-driven fitness and wellness

Maintaining fitness and wellness remains a priority, but cost-conscious consumers—particularly in China and the U.S.—will seek out free options and discounts before cutting activity. Promotions and discounts are critical, as shoppers prioritize affordability without sacrificing wellbeing. Providers can retain customers by offering flexible memberships, deals, and clear value propositions, catering to a financially constrained yet health-focused audience.

Reasons to switch brand or retailer

In 2026, success will hinge on a company's ability to understand consumers' "switching behavior". In times of limited top-line market growth, winning strategies must take share from competitors to deliver growth, so being clear on how to motivate switching and then retaining the "switchers" will be key.

Businesses must deliver the "brilliant basics"—competitive pricing, strong service, and a robust choice of offerings—while also seizing opportunities for innovation. Our findings reinforce that consumers expect more than simply smart new solutions; their loyalty is earned through consistency in fundamental value drivers. The businesses that get these essentials right not only reduce churn but also sharpen their competitive edge, positioning themselves to capitalize on changes in market dynamics and customer demands.

Figure 7: What is more likely to cause consumers to switch their retailer/brand/service provider of choice, by category? (% of responses, up to three answers permitted)

	Groceries	Non-food retail	Travel/holidays	Eating/drinking out	Fitness/wellness	Overall
 Better prices or promotional offers	58	49	52	46	38	49
 Better service	26	23	26	32	21	27
 Better overall experience	21	20	23	27	21	22
 Wider choice of options	25	22	20	20	14	20
 Easier to get to/access	27	17	15	18	18	19
 I would remain loyal and not switch	13	15	16	15	23	16
 More positive recommendations or reviews	12	13	16	19	12	14
 Higher relevance to me/personalization	11	12	14	10	15	12
 More sustainability	14	13	11	11	8	11
 More innovative offerings (e.g., consumer trends, social trends)	8	9	8	8	8	8
 Stronger brand image or trust in brand	7	9	7	7	7	7
 More advertising	3	4	3	3	4	3

Legend: 0-5% 6-11% 12-17% 18-25% 26-33% 34-43% 44-53% 54-60%

What drives the “switchers”?

Price remains the single most important reason consumers are willing to switch providers, brands, or retailers across all major sectors in 2026. Yet what prompts a switch doesn't end with price alone—our analysis reveals unique differences in loyalty and decision-making considerations, sector by sector.

Grocery remains a fierce battleground for consumers' share of wallet; they are quick to move for better prices and promotions offered by competitors. Ease of access, improved service, and greater assortment follow as additional motivators; consumers in this space demand value and will pivot for even incremental gains.

Non-food retail is similarly driven by pricing, but here the overall customer journey stands out. Beyond price, better service, broader selection, and a superior omnichannel shopping experience play critical roles in customer decisions to switch, signaling a demand for satisfaction well beyond the transaction. The landscape in China is a prime example of how consumer journeys are already shifting from traditional e-commerce to content-driven platforms such as Douyin, the Chinese equivalent of TikTok. Aggressive platform subsidies and user-acquisition tactics on these platforms can continuously expose consumers to new brands, with limited friction in switching from one brand to another.

For travel and holidays, while price is still the leading trigger, better service and enhanced end-to-end experiences are close behind. Travelers increasingly weigh cost alongside the quality and ease of their journeys, requiring providers to deliver meaningful, differentiated value at every touchpoint.

In eating and drinking out, price primarily drives switching, but the impact of social proof cannot be underestimated. Better service, an improved overall experience, greater choice, and positive recommendations or reviews shape where consumers choose to spend their time and money.

Fitness and wellness stand out for having the highest loyalty. While competitive pricing remains foundational, consistently positive service and experiences keep consumers committed. In this category, relationships and trust are built over time, and brands must nurture this to weather short-term shifts and position themselves for longer-term growth.

Innovative reasons to switch

Beyond the foundational elements of price and service, innovative offerings that align with evolving consumer values can create a powerful lever to attract new customers. For 2026, the most impactful innovations are tied to personal wellbeing.

Across grocery, non-food retail, eating and drinking out, and fitness and wellness, offerings that help consumers live healthier and age better have a notable influence on their decision to switch brands. This trend indicates a growing prioritization of long-term health, creating opportunities for businesses to differentiate through products and services that support a wellness-oriented lifestyle.

However, this is not a universal driver. In China, consumers are drawn to offerings that help them feel safer and more secure, with health and ageing as a secondary, albeit still important, consideration. Demographically, an aging Chinese population is reinforcing a more cautious, risk-averse consumption mindset. At the same time, there are ongoing concerns around food safety and ingredient transparency in the country—particularly related to the use of pre-prepared, frozen food that is simply reheated in restaurants.

This focus on safety becomes the primary innovative driver in the travel and holidays sector. Globally, travelers are most likely to switch providers for offerings that enhance their sense of security. Beyond cost and convenience, an overtly demonstrated commitment to passenger safety, security, and wellbeing is a critical factor in earning consumer trust and loyalty in the travel industry, and reflective of high-profile instances when holidaymakers have been left stranded by carrier or agency disruptions, including bankruptcy.

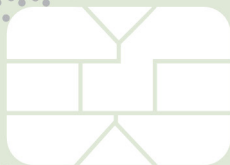




Figure 8a: What is more likely to make consumers switch their retailer/brand/service provider of choice in **grocery**? (% of responses, select up to three answers)

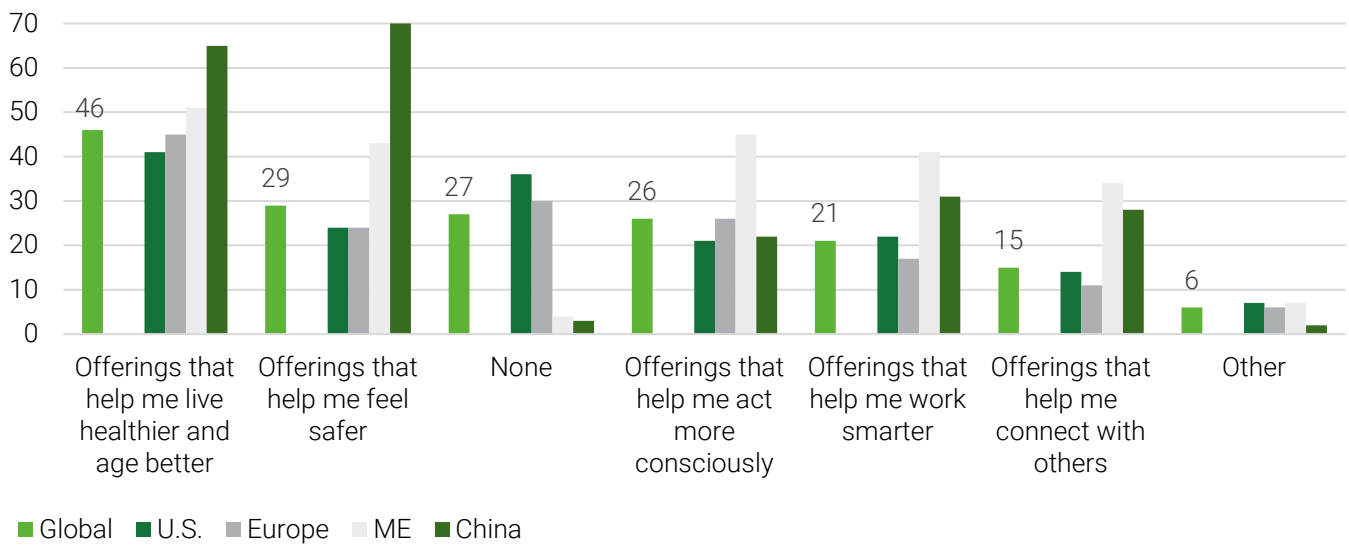


Figure 8b: What is more likely to make consumers switch their retailer/brand/service provider of choice in **non-food retail**? (% of responses, select up to three answers)

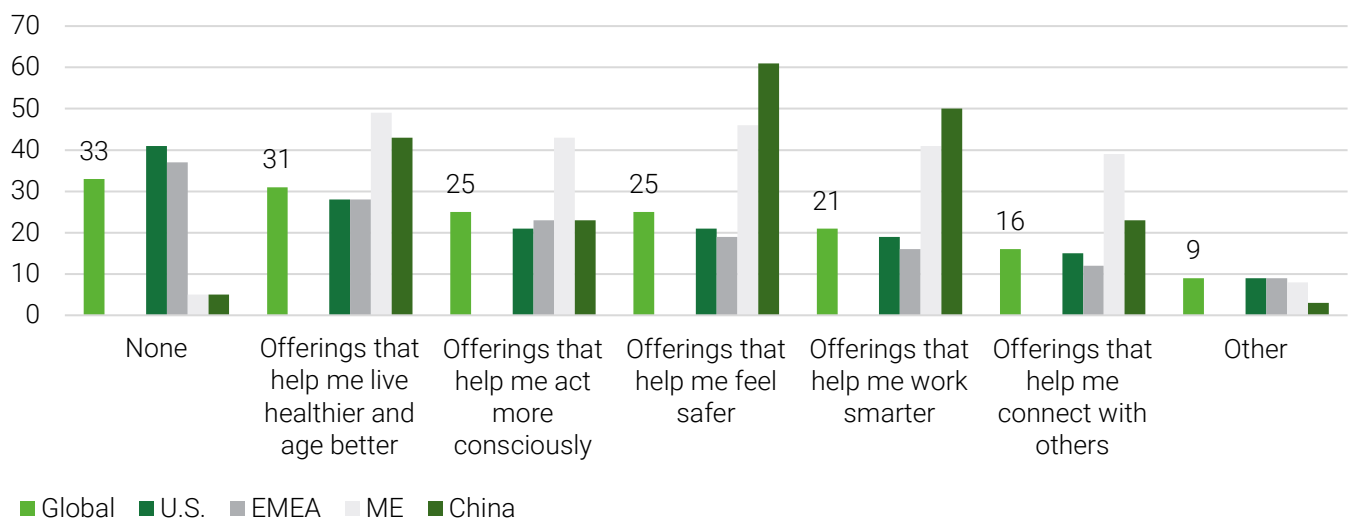


Figure 8c: What is more likely to make consumers switch their retailer/brand/service provider of choice in **travel and holidays**? (% of responses, select up to three answers)

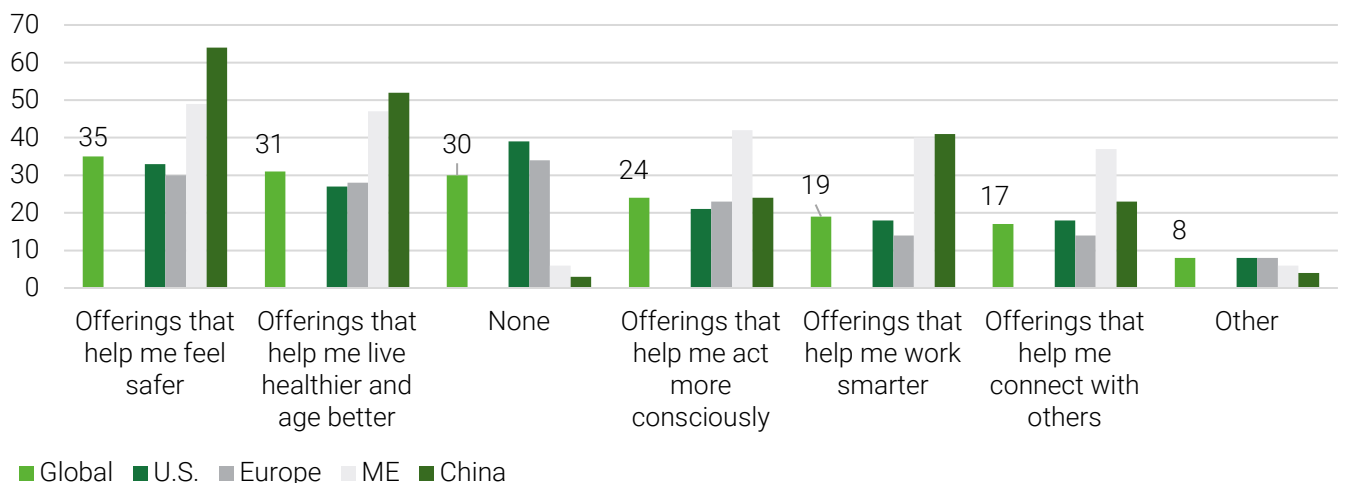




Figure 8d: What is more likely to make consumers switch their retailer/brand/service provider of choice in **eating and drinking out**? (% of responses, select up to three answers)

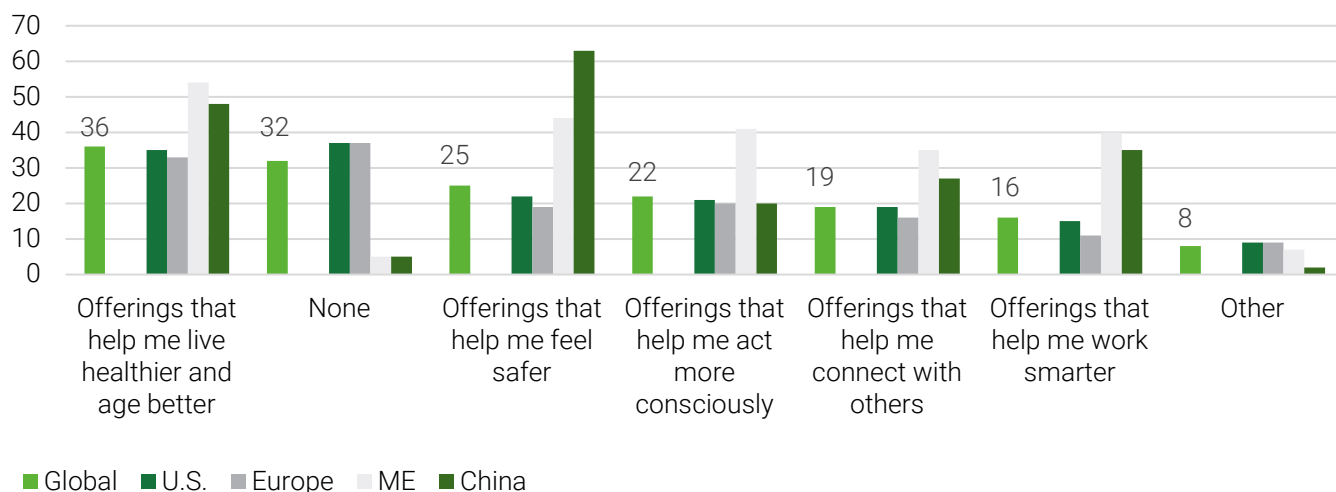
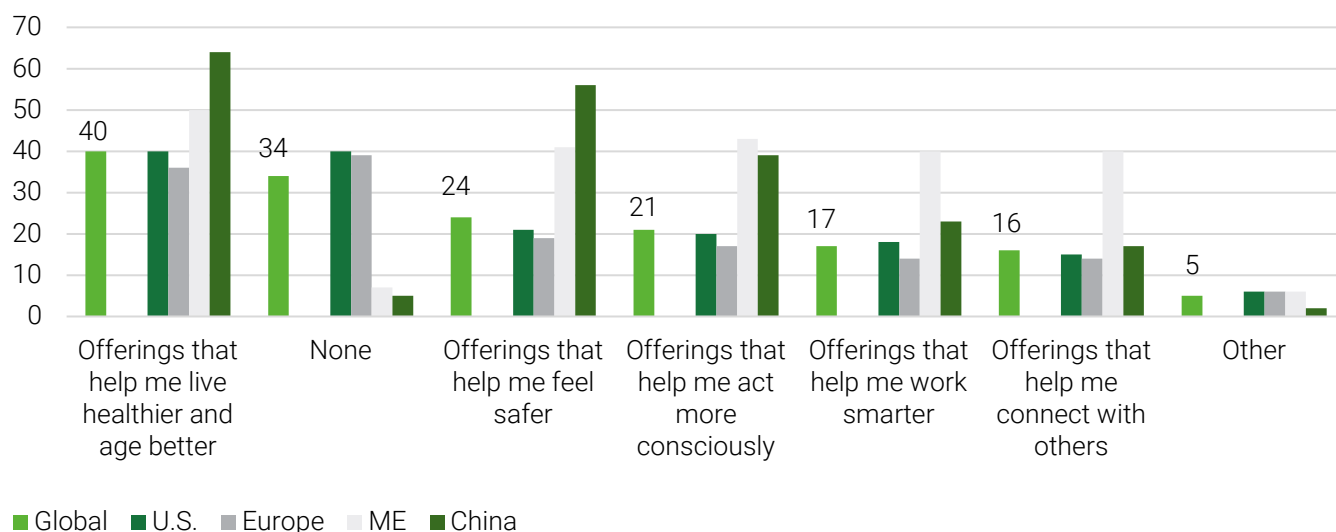


Figure 8e: What is more likely to make consumers switch their retailer/brand/service provider of choice in **fitness and wellness**? (% of responses, select up to three answers)



The wish list:

If consumers had more income in 2026, how would they spend it?

If consumers had more disposable income in 2026, their spending priorities reveal a mix of practical needs, aspirational goals, and demographic shifts. Any additional funds would be primarily allocated toward travel and holidays, savings, and groceries, although regional and generational differences highlight varying consumer mindsets.

U.S. consumers would prioritize saving any additional money, followed by spending more on groceries. This contrasts with consumers in Italy and China, who are most likely to spend, rather than save, any extra income.

Travel and holidays top the wish list for consumers in most countries, particularly in Italy and China. Fitness and wellness spending would also see a boost, led by consumers in China and the UAE. This category is also a high priority for younger demographics.

The 18-24 age group would be most likely to spend any additional income on non-food retail, though a notable 30% say they would save the extra money—a 10 ppt increase from 2025.

Meanwhile, the 25-34 and 55-64 age brackets would be most inclined to spend any extra funds on travel.

Globally:

32% would spend more on travel and holidays, up 3 ppts on 2025

31% would save the extra money, up 3 ppts on 2025

14% would spend more on groceries

7% would spend more on fitness and wellness

The travelers: Consumers in Italy and China, high-income consumers, and those aged 25-34

38% of high-income consumers would spend more on travel and holidays, up 4 ppts on 2025

43% of consumers from Italy would spend more on travel and holidays, followed by 39% from China

39% of consumers aged 25-34 and 55-64 would spend more on travel and holidays

The savers: U.S. consumers, low-income consumers, older consumers

42% of U.S. consumers would save any extra money, up 4 ppts on 2025

31% of low-income consumers would save any extra money, although 28% would spend more on travel

40% of over-65s would save any extra money



Figure 9a: If consumers had more money to spend in 2026, what would their priorities be, by **country**? (%)

	Fitness/ wellness	Groceries	Travel/ holidays	Eating and drinking out	Non-food retail	Other sectors	Save and not spend it
U.S.	4	21	18	4	7	4	42
U.K.	3	12	31	5	8	3	37
Germany	4	13	33	6	6	5	34
France	3	15	33	5	8	3	32
Switzerland	7	12	35	8	5	4	30
Saudi Arabia	14	15	19	12	13	5	22
UAE	16	15	24	10	8	5	22
Italy	10	9	43	5	8	4	20
China	19	10	39	4	6	2	20
Global	7	14	32	6	7	4	31

Figure 9b: If consumers had more money to spend in 2025, what would their priorities be, by **age**? (%)

	Fitness/ wellness	Groceries	Travel/ holidays	Eating and drinking out	Non-food retail	Other sectors	Save and not spend it
65+	3	12	29	5	6	4	40
55-64	4	13	34	5	7	4	33
45-54	6	14	33	5	7	4	31
35-44	8	14	32	6	7	4	28
25-34	11	15	34	7	8	3	23
18-24	11	14	26	6	10	3	30
Global	7	14	32	6	7	4	31

Figure 9c: If consumers had more money to spend in 2025, what would their priorities be, by **income**? (%)

	Fitness/ wellness	Groceries	Travel/ holidays	Eating and drinking out	Non-food retail	Other sectors	Save and not spend it
Low	7	17	28	5	9	4	31
Medium	7	13	35	6	7	3	30
High	9	10	38	6	6	3	27

Legend: 0-5% 6-11% 12-17% 18-25% 26-33% 34-43%

Figure % totals may not add up to 100% due to rounding

How can companies respond?



Retail and Consumer Products

In today's Retail and Consumer Products landscape, growth remains elusive, and competition has intensified.

While the overall projected spending trend for 2026 is one of further contraction, the sector and demographic specifics show that retail brands still have much to go after next year. Pockets of expansion are rare, though, so success will rely on taking share from competitors rather than through a market uplift, which may be one or two years away. Retailers must differentiate—finding what others lack or cannot credibly deliver—and act decisively to capture this spend.

The split between food and non-food retail is stark. Grocery demonstrates resilience, while more discretionary categories such as fashion, DIY, and sporting goods face declining volumes and margin pressure.

Irrespective of these overall trajectories, though, there will be opportunity “between the lines” of every sector. Consumers are open to trading down from luxury or mid-market brands or products, and increasingly prioritizing health and value—fewer purchases, perhaps, but the pursuit of better quality. Brand switching is now commonplace—requiring operators to understand the missions driving these shifts and quickly respond.

Premiumization also harnesses this stratification of buying behaviors: while luxury may be under pressure, the premium and value segments that expertly position their products can outperform the embattled middle, as shoppers become more discerning in their choices.

For consumer products companies, the rise of own-brand labels and the challenge of such limited volume growth demand sharper focus on relevance and operational excellence. They, and retail businesses, must act on three parallel fronts to realize like-for-like growth in a flat market. First, cost and efficiency must be relentlessly managed by strengthening core trading muscles and leveraging data-based decision-making—doing more with less is no longer optional. Second, differentiation is vital: retailers and brands must offer something unique—whether through product, experience, or credibility—to attract, win over, and retain switching consumers. Third, bold bets, such as M&A or strategic partnerships, should be considered now to position for future growth.

Action is urgently needed. Retailers and consumer products companies must invest in data and technology to enable rapid, localized decisions, and embrace new channels such as social commerce. The fundamentals remain unchanged—right product, right price, right place, and right time—but the fragmentation of routes to market and the continued rise of private label brands require new agility—which also comes at a cost.

As with all consumer studies, the caveat persists that respondents may not necessarily do what they say they will. However, the stagnating market is an indisputable reality. Only those who truly challenge this status quo to rapidly adapt to evolving consumer spending strategies will capture share and build the resilience they will need for the years ahead.

How can companies respond?



Restaurants, Hospitality, and Travel

For restaurant, hospitality and travel operators, success in 2026 will depend on delivering value-driven, quality experiences.

Global spending on eating and drinking out is expected to contract, with consumers increasingly treating it as an occasional indulgence rather than an everyday activity. This shift means operators must deliver experiences that justify the cost. Quick-service brands offering affordable, recognizable options are well positioned to attract younger consumers, who prioritize a balance of price and experience. The key to success for many businesses will be to drive greater volume; developing a cost-effective value proposition with a lower spend per head that encourages new customers at a greater frequency could be one of several approaches to explore in 2026.

Travelers are also becoming more selective, prioritizing perceived value and consistent service quality over cost alone. Hotel operators must ensure their portfolios can cater to diverse groups, from budget-conscious travelers to those seeking premium experiences. Tailored offerings will help operators respond to regional variations in demand, while consistency in service delivery across all price points will be key to building trust and loyalty.

Despite the headline contraction in global spending on hospitality, significant opportunities remain for operators to capture share—64% still intend to spend at least as much as last year. Younger consumers and higher-income groups plan to maintain or increase spending, and operators must sharpen their focus on offerings that meet the needs of these differing consumer segments.

In travel, while consumers forecast an overall decline in spending, they are likely to spend more when at their destinations, creating opportunities for operators to upsell experiences and services. Tactical pricing strategies will be crucial to drive bookings, particularly as consumers recalibrate their expectations after years of elevated prices. Value-driven travel packages tailored to cost-sensitive consumers can help sustain demand while preserving profitability. To maximize opportunities, operators should align their strategies with regional variations in spending trends.

Leisure companies may benefit from a shift in priorities among younger consumers, who view health, wellness, and fitness as essential category spending. This demographic is seeking wellness-focused experiences and services that align with their lifestyles. Operators that position their offerings as integral to health and wellness will be well placed to capture this growing market.

Across the category, inflation and cost pressures continue to shape consumer behavior. While consumer spending intentions may not always translate directly, operators that balance affordability with exceptional experiences will be best positioned to succeed. Meeting evolving expectations requires not only delivering value and quality but also anticipating consumer needs and innovating to stay ahead in a competitive market.

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These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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