

PRESS RELEASE

Spending, disrupted: AlixPartners' 2026 Global Consumer Outlook reveals economic uncertainty is deepening frugality and reshaping global spending priorities

Survey shows retrenchment among high earners globally and Chinese consumers

NEW YORK – December 9, 2025 — Heightened caution, intensified frugality, and a decisive focus on financial discipline will shape the global consumer landscape in 2026, according to *Spending, Disrupted: AlixPartners' 2026 Global Consumer Outlook*, released today by AlixPartners.

The annual study—based on a survey of more than 13,000 consumers across nine countries—reveals a sharp global pullback in spending intentions. The swing toward lower planned spending widened by more than 60% to 18 percentage points (ppt) higher than those who planned to spend more.

“Consumers across virtually every demographic are resetting their household budgets,” said **Randy Burt, Americas Leader, Consumer Products at AlixPartners**. “Younger shoppers and high-income earners—both traditionally more resilient—are signalling a retreat. This reflects not only the lingering impact of inflation and muted wage growth but a broader shift toward more selective, value-driven consumption.”

Global Outlook: Spending Declines Deepen Across Most Markets

- **China:** A dramatic reversal from last year's optimism—a projected 10 ppt net spend increase for 2025 has flipped to an 8 ppt net reduction in spending for 2026.
- **United States:** Americans will scale back across eating and drinking out, discretionary retail, travel, and fitness categories, prioritizing saving any extra money, up 4 ppts from 2025.
- **UK:** British consumers report some of the highest levels of “experience fatigue”—willing to cut back on restaurants or retail if offerings feel overpriced or underwhelming.
- **DACH:** Consumer frugality in DACH continues in 2026.
- **France:** Consumers in France are most likely to say they will spend less in 2026 (-33 ppts net).
- **Italy:** Net spending decline widened by 2 ppt to 17.

- **Middle East (Saudi Arabia and the United Arab Emirates):** Consumers anticipate a 5 ppt net spend increase in 2026, the highest globally.

“Businesses must recognize that this is not a cyclical dip—it’s a structural reset of value,” said **Paul Martin, Global Retail Growth Leader at AlixPartners**. “Winning in 2026 will require sharper value-led pricing, more personalized offers, and customer experiences that justify every incremental dollar. For retailers, the imperative is to reinforce value in essentials while innovating in discretionary categories, ensuring relevance for both the cost-conscious and those seeking occasional indulgence.”

Older and Higher-Income Consumers Now Join the Pullback

Consumers aged 65+ remain the most cautious, projecting a 35 ppt net reduction in spending next year. High-income consumers—who last year indicated they would spend more—now expect a 5 ppt decline, reflecting the reach of ongoing economic pressures. Globally, only younger consumers under 35 anticipate spending more (net) in 2026 vs 2025, while lower income groups are most likely to say they’ll be making significant cuts in this category. Younger consumers (18–24) are most likely to boost non-food retail spending, while U.S. consumers lead globally in plans to save additional income (**42%**).

Groceries: The Only Category Expected to Grow Globally

Consumers anticipate **net +8%** spending growth in groceries, though much of this is value-driven rather than volume-driven due to food inflation. China stands as the outlier with a slight **2 ppt net decline**. 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.

The dynamics behind this incremental spending 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 may equate to value rather than volume.

“Grocery remains a fierce battleground for consumers’ share of wallet; they are quick to move for better prices and promotions offered by competitors,” said **Matt Hamory, Co-Leader of AlixPartners’ Global Grocery Practice**. “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. Increased competitive pricing transparency facilitated by new consumer-facing AI capabilities may accelerate this trend in 2026.”

Sharpest Reductions: Non-Food Retail & Eating and Drinking Out

- **Non-food retail:** Largest projected decline (**-24 ppts** globally; **-44 ppts** among 65+ consumers).

- **Eating and drinking out:** Second-largest contraction (**-21 pts**).
- **Travel:** Expected to slip from a modest increase in 2025 to **-9 pts** net reduction.

Why Consumers Will Spend Less: Five Driving Forces

1. **Persistent Financial Strain** – 65% cite lower disposable income as the primary reason for cutbacks in essentials; 62% cite the same for travel.
2. **Value Perception Under Pressure** – Eating and drinking out faces the biggest scrutiny, with **31% globally** feeling restaurants do not deliver value.
3. **Reprioritization and Wallet Reallocation** – Consumers increasingly shift spending across categories, not simply reducing overall.
4. **A New Era of Frugality** – “Buy now, wait longer” behaviors suggest more disciplined, less impulsive purchasing.
5. **The Weight-Loss Drug Effect** – GLP-1 medications are reshaping health-related spending, particularly in the Middle East (UAE and Saudi Arabia).

"Consumers are becoming more intentional, and nowhere is that more evident than in China's reversal," said **Lisa Hu, Greater China Consumer Products & Retail Practice Leader at AlixPartners**. "The emerging weakness has wider ramifications as local producers seek more export markets."

“They are not only cutting back—they are constantly reassessing what deserves a place in the wallet. Every category is competing in a more fluid, more demanding environment.”

If budgets expanded, consumers globally say they would prioritize:

- Travel and holidays (32%)
- Saving money (31%)
- Groceries (14%)
- Fitness and wellness (7%)

Switching Behavior: Price Still Dominates, but Innovation Matters

Price remains the top reason consumers switch brands or retailers. However, sector-specific dynamics shape loyalty:

- **Grocery:** Lowest loyalty; shoppers move quickly for better deals.
- **Non-food retail:** Service, selection, and omnichannel experience influence switching.



- **Travel:** Safety and end-to-end experience are key differentiators.
- **Eating and Drinking out:** Social proof—reviews and recommendations—matters more than ever.
- **Fitness & wellness:** Highest loyalty; consistent service quality is essential.

Innovations tied to personal wellbeing—such as healthier offerings or products supporting long-term vitality—are now among the strongest motivators for switching across categories. In travel, safety-oriented innovation is the leading factor.

About the Study

Spending, Disrupted: AlixPartners' 2026 Global Consumer Outlook draws on a survey conducted between September and November 2025, incorporating responses from **13,115 consumers** in China, France, Germany, Italy, Saudi Arabia, Switzerland, the UAE, the UK, and the U.S.

For more information, follow [this link](#) to our report, *Spending, Disrupted: AlixPartners' 2026 Global Consumer Outlook*.

About AlixPartners

AlixPartners is a results-driven global consulting firm that specializes in helping businesses successfully capitalize on opportunity and address critical challenges. Our clients include companies, corporate boards, law firms, investment banks, private equity firms, and others. Founded in 1981, AlixPartners is headquartered in New York and has offices in more than 20 cities around the world. For more information, visit <https://www.alixpartners.com>.

Contact:

Ed Canaday
+1.917.434.5075
scanaday@alixpartners.com