

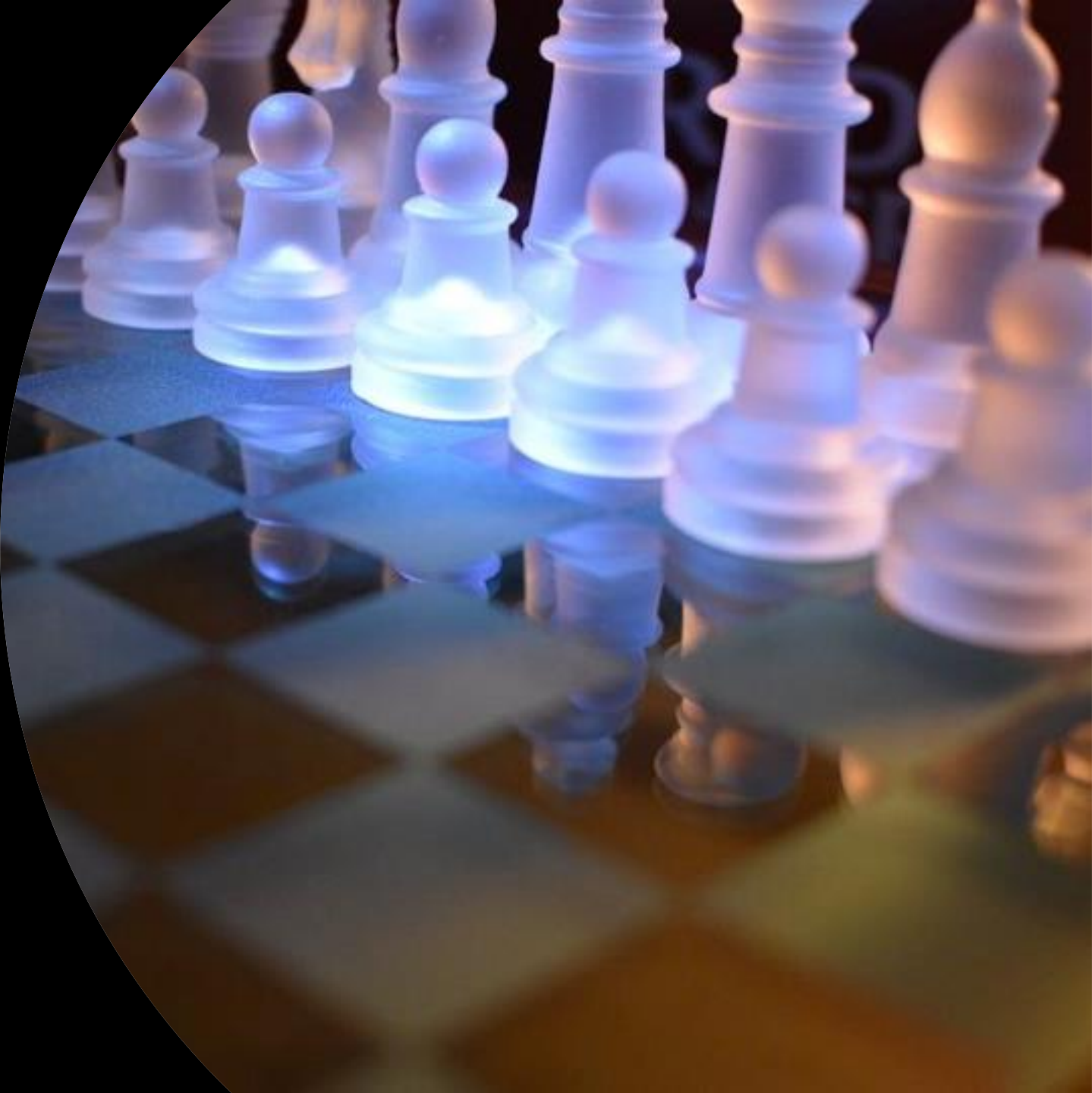


6 for '26: What Brands & Retailers Can't Afford to Ignore

Vangelis Foskolos

Retail Sales & Insights Director | Circana

February 2026



#1

Inflation

Then and Now

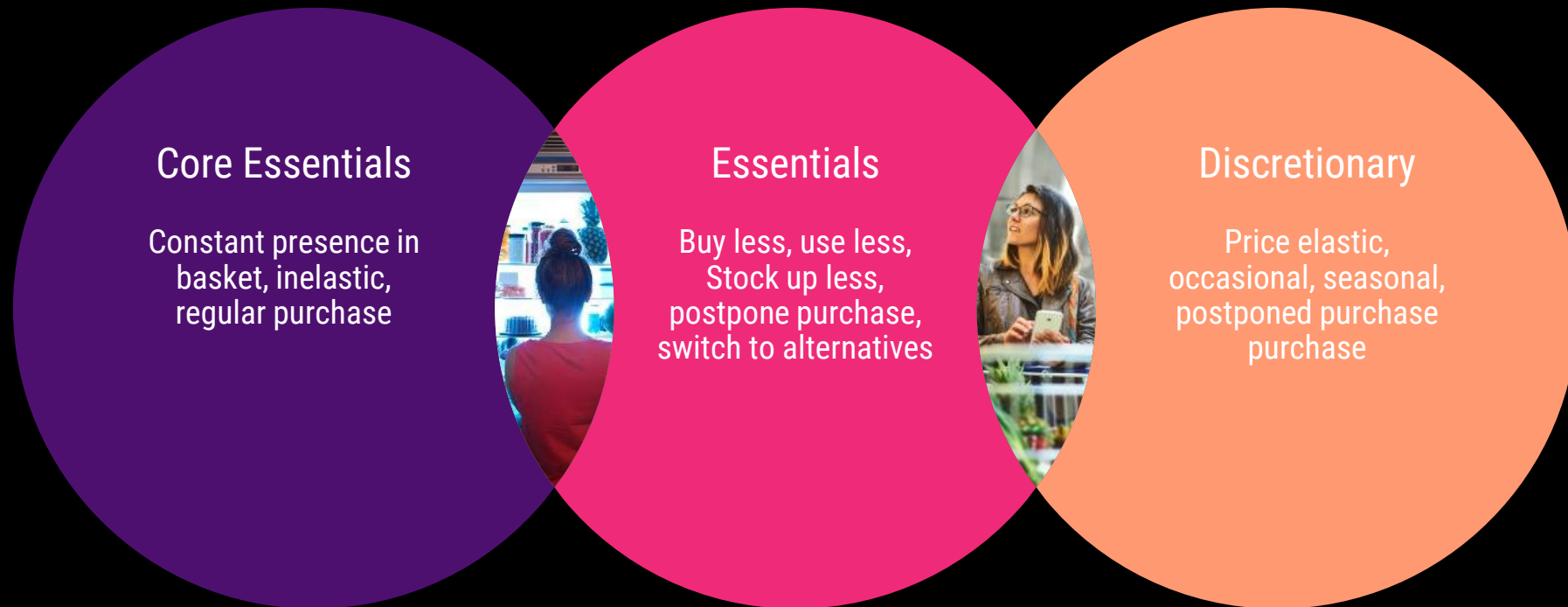


How shopper behaviours change through inflation

Characterizing them as 'downtrading' is an over-simplification



Consumers are re-defining Essential and Discretionary in their grocery basket.



Consumers are re-defining Essential and Discretionary in their grocery basket.

to reverse volume losses and drive growth, the strategy needs to take account

of **where the brand sits on the essential vs discretionary**

spectrum and **how price elastic the brand is.**



In an **essential** category, getting picked up is not the problem. **It is already in the basket.** Instead, the **focus is that they buy your brand** (stealing them from rivals or retaining existing shoppers) and to make sure they feel it is worth paying for even if they buy or use less. **Differentiation through Innovation** is a key source



In a **discretionary** category, the priority is **becoming relevant in the consumer basket again.** Reminding consumers of the key reason to buy, and the pricing, promotional and marketing geared towards ensuring **consumers buy now, rather than later,** is crucial.

#2

Price

From Threat to
Growth lever



After years of intense inflation, pricing should no longer be seen only as a threat. It must become a strategic lever for driving value growth – not just a tool for protecting or expanding volumes

With elevated prices, now a reality across all categories, the strategic management of margins between products and categories has never been more critical. The goal is clear: maximize value growth, not just safeguard volumes

- ✔ Shift from volume-centric to value-centric strategies
- ✔ Leverage pricing as a growth driver, not a defensive tool
- ✔ Optimize margin mix across categories for sustainable profitability
- ✔ Adapt to consumer behavior in a high-price environment



#3

Generational Expenditure



Spotlight often on **Gen Z**

Senior generations hold most wealth: real estate, investments, savings

Millennials remain underappreciated

But Why?

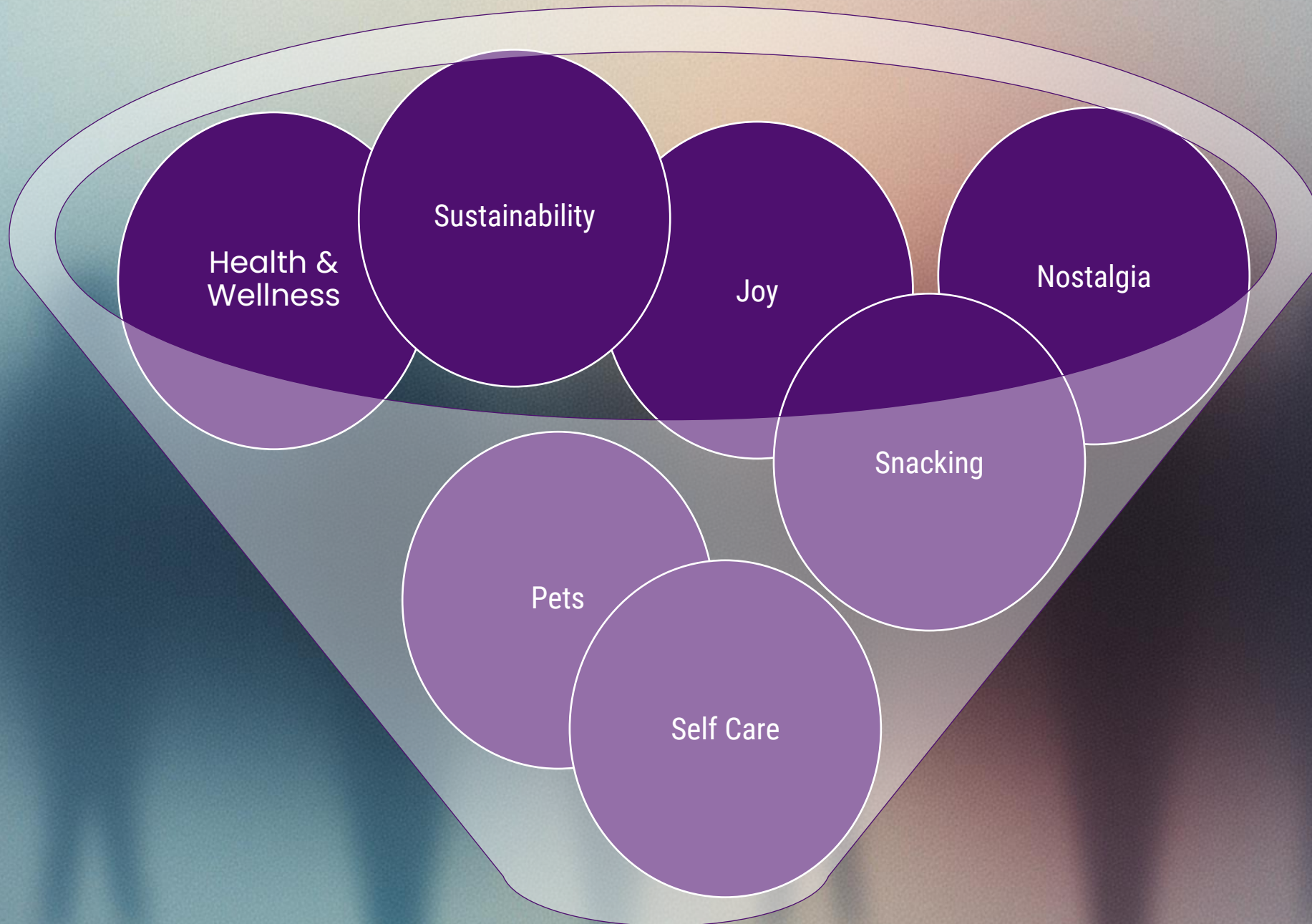
- Millennials drive consumer trends and spending patterns
- Born early 1980s to mid-1990s; in prime earning years - They are the spending decision maker for 3 generations
- Tech-savvy, value experiences, demand authenticity and sustainability - seek wellness, sustainability, experimentation but also loyal to long lasting brand companions

Businesses should target Millennials to tap into their spending power

#4

Megatrends Shopper





Health & Wellness

Sustainability

Joy

Nostalgia

Snacking

Pets

Self Care

#5

Sweet-talking
Skynet



The new global Influencer

In today's landscape, no strategy to address shifts in consumer behavior can ignore the global game-changer: AI



Solutions like ChatGPT, DeepSeek, and Gemini are becoming integral partners across the entire customer journey—from need recognition to purchase completion

These platforms now deliver highly targeted **recommendations**, pinpointing specific **brands**, products, and services with remarkable precision.



AI doesn't trust marketing/ campaigns. It trusts documentation

AI surfaced truths brands weren't always eager to hear

**it became an uncomfortable truth teller—a kind of an automated BS detector,
applied evenly and without apology**

AI will answer questions about your brand, whether you're ready or not. It doesn't reward spend. It rewards clarity. It doesn't trust slogans. It trusts evidence

**AI is now a dietitian, dermatologist, pharmacist, personal trainer, manager,
psychologist and a life/career coach**

#6

Virality

Ride or Die (?)



Virality Changes Everything

- Product life cycles have collapsed: weeks instead of years
- Viral trends disrupt demand forecasts, supply chains, and pricing strategies
- Example: Dubai Chocolate → global launches, raw material shortages, price spikes (+35%)
- No room for traditional planning – agility is non-negotiable



Dubai Chocolate → global launches,
raw material shortages,
pistachio price spikes (+35%)



Option 1

Ride the viral wave →
be highly agile, with resources that can be rapidly reallocated (suppliers, raw materials, R&D, marketing, sales) to capture each trend at its peak

Strategic choices for Retailers and Brands

Option 1

Choose not to follow the wave—or adopt late→ focus resources more effectively on supporting existing products and practices, making more cautious moves and launches. Risk becoming trapped in a strategy that ignores younger generations of consumers who decide, choose, and get bored faster than ever

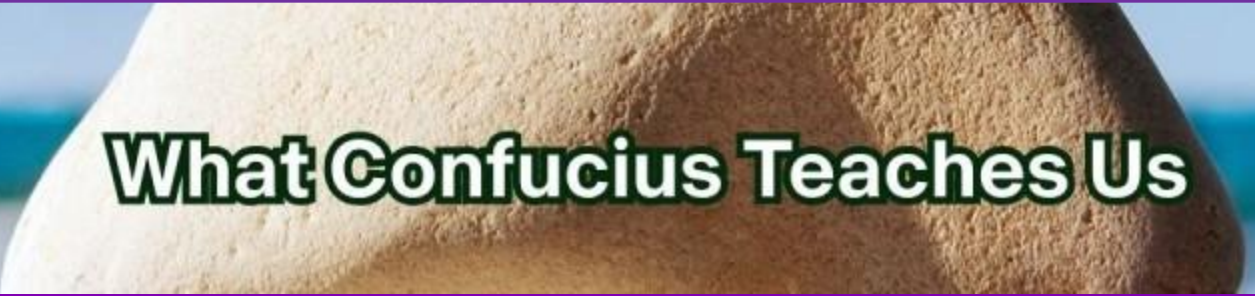
The Wisdom of Balance

A balance scale is shown against a clear blue sky. The scale is perfectly balanced, with two smooth, rounded stones resting on the pans. The stone on the left is a darker, greyish color, while the stone on the right is a lighter, yellowish-tan color. The scale itself is a long, reddish-brown wooden beam.

Modern Marketing Strategy must combine the best of both worlds:

Recognize long-term macro trends (e.g., wellness, sustainability, snacking/indulgence, tourism, home cooking)

Selectively engage with their short-lived expressions (e.g., chia, Dubai chocolate, protein, social media-driven behaviors)

A close-up shot of a single, smooth, light-colored stone from a stack. The stone is the central focus, with a blurred background of a beach and ocean waves. The text "What Confucius Teaches Us" is overlaid on the stone in a bold, white font with a black outline.

What Confucius Teaches Us

Thank you

Vangelis Foskolos

Retail Sales & Insights Director
Circana

Vangelis.Foskolos@circana.com

