

The Battle Between Experiential Eating and GLP-1 Caloric Austerity: Consumers Are Eating Less but Craving More

If the food and beverage industry needed proof that consumers can hold two seemingly contradictory behaviors at once, the summer of 2026 delivered it. On one hand, GLP-1 medications are reshaping everyday grocery baskets. Research shows GLP-1 users cut overall grocery spending by 5.3% within six months of adoption, with the largest reductions concentrated in calorie-dense, processed categories, including a 10.1% decline in savory-snack spending.[1] At the same time, consumption behaviors around the FIFA World Cup illustrated continued consumer willingness to spend on memorable food and travel occasions. Bank of America card data indicate that in-person spending across World Cup host cities increased 6.3% year over year during the group stage, with spending by visitors from outside their home metropolitan area up 16.7%. Host cities specifically saw food and beverage spending increase by nearly 1.5 percentage points more compared to other U.S. cities during the World Cup.[2] At home, nearly half of soccer fans reported grocery budgets would increase by at least 25% during important match weeks, per Walmart survey data.

So, which is it? Have consumers entered a time of food consumption austerity, or are we on the cusp of global growth in experiential eating? The answer may be yes to both.

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Without a doubt, consumer eating behavior is heavily impacted by household income and demographics. The much-discussed "K-shaped" economy is leaving some consumers ready to spend more on luxuries while others are being squeezed by the cumulative increase in food, shelter and transportation costs. Although aggregate wage growth has recently edged above overall inflation, household pressure varies materially by income cohort and spending mix. In Bain's latest Consumer Lab pulse survey, 80% of Americans reported trying to cut spending, and among those trimming grocery bills, 56% are trading down to lower-priced brands and 49% are simply buying fewer items.[3] Despite this, some luxury spending is increasing. For example, premium hotels have seen significant growth, showing the widening gap in spending habits.

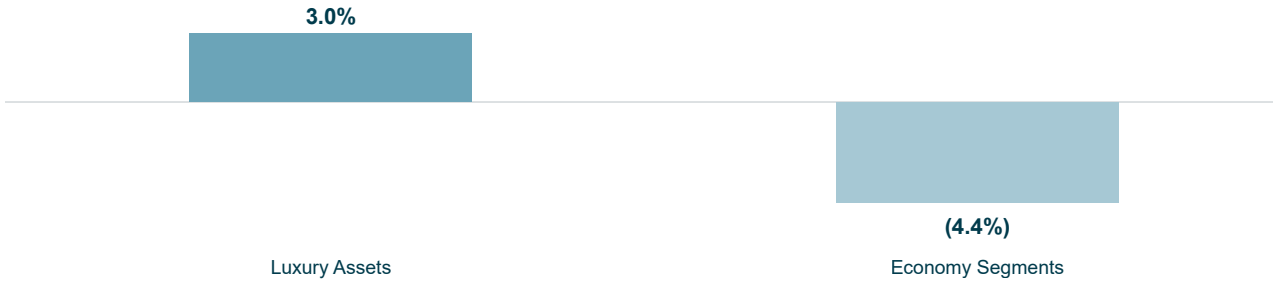
Nominal Wage Growth vs. CPI Inflation (YoY)

Monthly, Jul-25 through Jun-26



Source: Bureau of Labor Statistics YoY change of average weekly earnings and CPI, Jul-26.

Luxury vs. Economy Hotel Revenue per Available Room Growth (YoY)



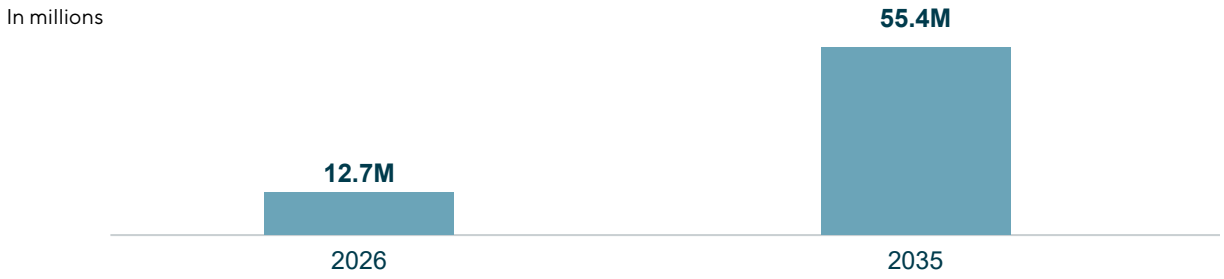
Source: Hotel Management, "The hotel industry's Great Divide: How America's K-shaped economy is reshaping U.S. travel and capital markets," Apr-26.

On the upper end of the economic spectrum, the most durable consumer story of 2026 is not a debate between "healthier" and "indulgent", but a shift from ordinary to intentional. GLP-1 adoption is highly correlated with higher income levels, and middle- to high-income consumers are becoming increasingly selective about everyday calories while remaining enthusiastic about memorable ones. The battle inside the grocery cart has less to do with whether consumers ultimately eat more or less than with how and where they will consume their calories.

GLP-1 Adoption Is Still Early Innings

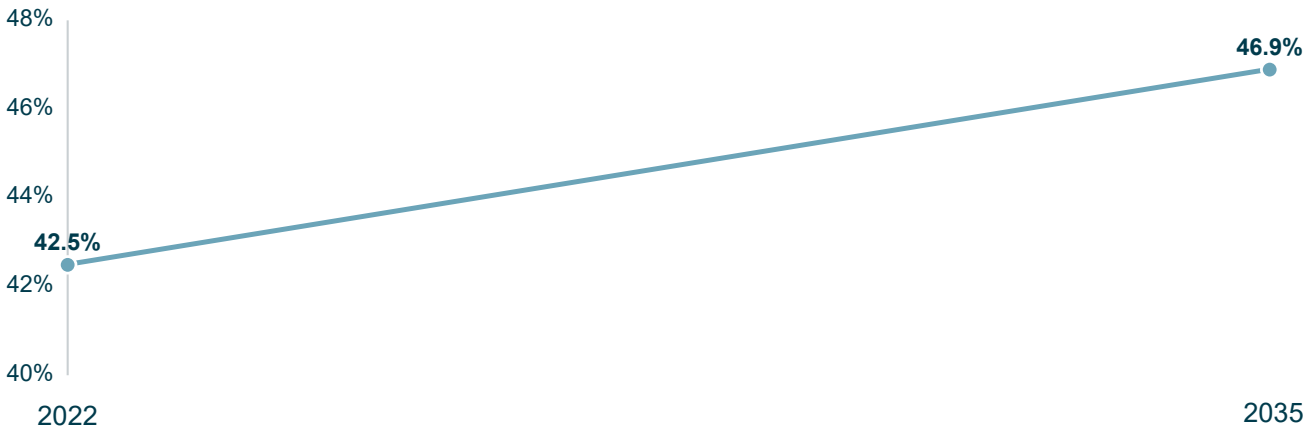
Last year, 6.0% of the eligible U.S. obesity population used GLP-1s, versus Morgan Stanley's base-case estimate of approximately 30.0% U.S. penetration by 2035. Morgan Stanley projects an approximately $190.0 billion peak global market for GLP-1 therapies across obesity and type 2 diabetes.[6] Epic Research's clinical-record dataset classified 40.7% of U.S. adults as obese in Q1 2026. By comparison, the average obesity rate across OECD countries was 19.0%, although the populations, definitions and measurement methodologies are not fully comparable.[7,8]

Projected U.S. GLP-1 Treated Patients



Source: Morgan Stanley Research, "Obesity Medications: Tracking the GLP-1 'Unlock,'" Apr-26.

Modeled U.S. Adult Obesity Prevalence



Source: JAMA Network, "US State-Level Prevalence of Adult Obesity by Race and Ethnicity," Jan-26.

Employers increasingly recognize the health and economic costs associated with obesity and are expanding health-plan coverage for weight-reducing treatments. In Morgan Stanley's February 2026 survey of approximately 150 U.S. benefits executives, 48.0% reported obesity-drug coverage in 2025, with respondents expecting coverage to reach approximately 65.0% by 2027. Crucially, however, only a 1.6% net reduction in U.S. calorie consumption is predicted by 2035, tempered by discontinuation and partial weight regain.[6] The industry is not staring down a demand cliff, but a reallocation of demand.

Category Winners and Losers Are Diverging by Function vs. Experience

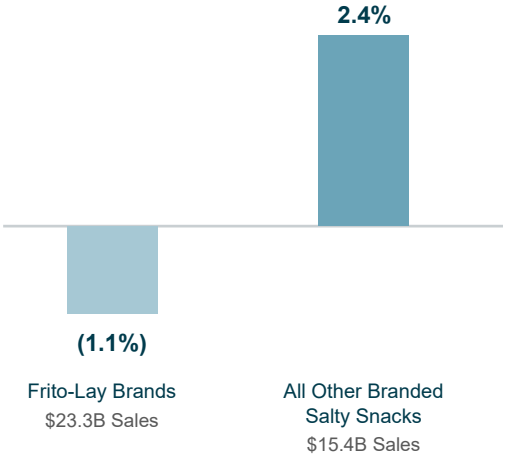
As consumers become more intentional with their food choices, winning food companies increasingly target products that deliver either a clear functional benefit or a differentiated experience. Everyday purchases are expected to justify themselves through nutrition and convenience, while indulgent purchases succeed when they feel memorable or worth the occasion.

Protein-forward foods are one of the current functional winners. At recent trade shows such as Expo West, products across various sectors of the food spectrum from dairy to desserts boasted many protein-rich innovations. Those categories that are naturally protein-rich are enjoying significant growth. For example, sales for cottage cheese rose 16.5% and yogurt 12.2% in value the past year, while dairy products with a protein claim grew 13.7% versus just 2.0% in value for the broader dairy category.[10] Brands including Fairlife, Chobani, Premier Protein and Oikos Pro are well positioned for consumers, including, but not limited to, GLP-1 users who prioritize protein density, satiety, lower sugar and portion efficiency.

Traditional salty snacks illustrate a more nuanced demand environment. Within the SPINS-defined shelf-stable chips, pretzels and snacks universe, branded sales stayed largely steady and increased 0.3% in the 52 weeks ended July 12, 2026. Private label modestly outperformed the category in the same period and increased 1.3%, suggesting that value-oriented and differentiated store-brand programs are gaining relevance.[11] At the same time, Frito-Lay, the largest player in the branded salty snack category, declined 1.1%, while other salty snack brands grew at 2.4%. This illustrates a significant opportunity for differentiated snack brands and private label to continue capturing market share in a large, but slow-growing category.

YoY Salty Snack Sales: Frito-Lay Brands vs. All Other Brands

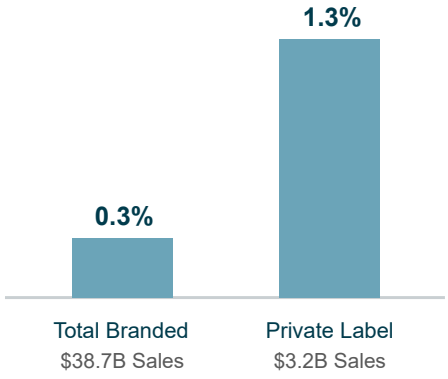
L52W ended 7/12/26



Source: SPINS Natural, Convenience and Multi-Outlet (MULO) (Powered by Circana); Category: shelf stable chips, pretzels and snacks; 52 weeks ending 7/12/26.

YoY Salty Snack Sales: Branded vs. Private Label

L52W ended 7/12/26



Source: SPINS Natural, Convenience and Multi-Outlet (MULO) (Powered by Circana); Category: shelf stable chips, pretzels and snacks; 52 weeks ending 7/12/26.

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Private label represents 7.8% of the U.S. salty-snack category in the SPINS dataset. Across the overall snack category, including both sweet and salty snacks, private label accounts for 16.6% of snack unit sales in the U.S. compared with 46.6% in Europe.[11,12] Companies that can combine relevant innovation with compelling value are better positioned to take share even as the broader category faces demand pressure.

Another example comes from the condiments sector. While traditional condiments such as classic mayonnaise, ketchup and salad dressing dropped 1.0%, 0.9% and 4.6%, respectively, in 2025, avocado-oil mayonnaise and organic ketchup rose 23.0% and 2.0%, respectively, over that same period.[13] Even within mature categories, growth is migrating toward products that pair familiar formats with an added health, ingredient or flavor proposition. Strong brand identity can also be effective: Bachan's Japanese Barbecue Sauce delivered approximately 48.0% net-revenue compound annual growth from 2022 through 2025.[14]

Experience-led consumption also remained resilient during the FIFA World Cup, as elevated visitor spending across host cities demonstrated continued willingness to pay for distinctive food, travel and entertainment occasions. Compared to visitor World Cup-related spending, which increased more than 15% YoY, local spending showed less than 5% growth. Food companies with authentic stories, premium positioning or regional identity continue to outperform more interchangeable offerings.

However, experiential eating skews heavily toward upper-income households. Lower- and middle-income consumers pressured by food and shelter inflation are consolidating around cost-focused features rather than experience. Both demographics are focused on maximizing value, but value means different things depending on financial reality.[15]

Private Label: The Third Winner

GLP-1 adoption rewards function, and experience-led occasions reward distinctive and memorable products. Meanwhile, private label increasingly wins by delivering trusted value and differentiated, premium options on the shelf. U.S. store-brand sales have reached a record $330.0 billion across the consumer packaged goods market tracked by Circana, representing 24.0% of unit share and 23.0% of dollar share.[16] Circana expects the 2026 private label outlook to remain positive, although more balanced.

Private label is no longer only a discount play. In a 2026 Advantage Solutions and Daymon consumer survey, 71.0% of respondents said a retailer's private-brand program influenced their preferred retailer, and 96.0% viewed the overall value of private brands as equal to or better than national brands.[17] Therefore, the private label sector is well positioned to benefit from both experience-oriented and value-focused demand.

Generational stats reinforce the rising private label popularity. 59.0% of Gen Z shoppers and 52.0% of Millennials say they bought more private label in the past year, versus 49.0% of shoppers overall, suggesting that private label acceptance is becoming embedded among younger shoppers and may support continued growth as their household formation and purchasing power increase over time.[18]

Retailers including Costco, Aldi and Trader Joe's have built differentiated assortments around proprietary brands, making private label an important driver of traffic, loyalty and retailer economics. Store brands can provide retailers with greater control over assortment, pricing and economics, while also supporting differentiation and loyalty. For national brands, competing on price alone is no longer a viable moat, because store brands can now match both price and quality perception.

F&B Market Bottom Line

GLP-1 adoption, selective indulgence and the continued development of private label are raising the standard that products must meet to win distribution, repeat purchase and manufacturing investment. The implications differ materially by category, occasion, channel and consumer cohort, but undifferentiated products are becoming more vulnerable.

For food-company owners, the key question is not simply whether consumers will buy fewer calories. It is whether the company's products provide a sufficiently clear reason to be chosen: measurable nutritional function, differentiated taste or experience, compelling value or a combination of the three. Businesses with flexible manufacturing capabilities, strong retailer relationships, disciplined innovation and a defensible position in customers' assortments should remain well positioned. Businesses dependent on undifferentiated products, legacy pack formats or price increases without corresponding consumer value are more exposed. The strategic priority is not to chase every consumer trend but to identify the occasions and capabilities in which the company can credibly win and invest behind those advantages before the market forces the decision.

What Food Manufacturing Owners Should Test

1. Does each major SKU have a clear functional, experiential or value / premium halo rationale?
2. How exposed is the business to categories most affected by appetite reduction?
3. Can existing equipment support on-trend products such as protein-forward, portion-controlled or clean-label formats?
4. Does the company own consumer loyalty, retailer relationships, manufacturing know-how or some combination?
5. Can innovation and formulation be commercialized at scale without materially increasing complexity and working capital?

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