2026 Mid-Year Consumer Trends

A note about this e-book

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This e-book is an abridged version of our popular webinar "2026 Mid-Year Consumer Trends: The Backlash Against Artificial Everything."

For the full webinar, which provides more research and context, please visit our website here.

2026 Mid-Year Consumer Trends

Prioritize initiatives that reduces uncertainty and gives consumers something tangible, understandable, and emotionally reassuring.

PRODUCT DESIGN & INNOVATION

Design products that provide immediate sensory proof while using technology only where it clearly improves the experience.

BRAND

Build trust through transparency, recognizable identity, and experiences that feel human rather than overly engineered or artificial.

CONSUMER SENTIMENT

Expect consumers to seek greater authenticity, familiarity, privacy, social connection, and control over increasingly digital lives.

GROWTH POTENTIAL

Create growth by modernizing familiar experiences and delivering affordable premiums that combine emotional resonance with tangible quality.

Key takeaways

01

Reduce uncertainty by signaling what feels "real."

Emphasize tangible, sensory, and human elements in products and brand experiences to help consumers feel grounded and confident.

02

Discuss AI as a feature, not as a selling point.

Focus on transparent, responsible AI that solves real problems with limited applicability rather than promoting AI adoption for its own sake.

03

Leverage nostalgia to reinforce long-term value.

Position products as timeless, emotionally meaningful investments that provide comfort, continuity, and durability in an uncertain environment.

Consumers are searching for what feels real

Key takeaway: *As uncertainty rises, consumers are placing greater value on transparency, tangibility, connection, and emotional reassurance.*

The first half of 2026 reveals a common thread across consumer behavior: a growing desire to feel grounded. AI fatigue, economic pressure, digital overload, and broader uncertainty are reshaping what consumers value.

Four trends stand out:

1. Trust in AI is becoming more conditional.
2. Nostalgia is providing emotional comfort and certainty.
3. Authentic, embodied experiences are gaining importance.
4. Financial anxiety is encouraging moderation and intentional spending.

For executives, the implication is not to reject technology or progress. It is to balance innovation with experiences that feel understandable, human, and real.

AI enthusiasm is giving way to scrutiny

***Key takeaway:** Consumers increasingly judge AI by the value it delivers, not by the novelty of its presence.*

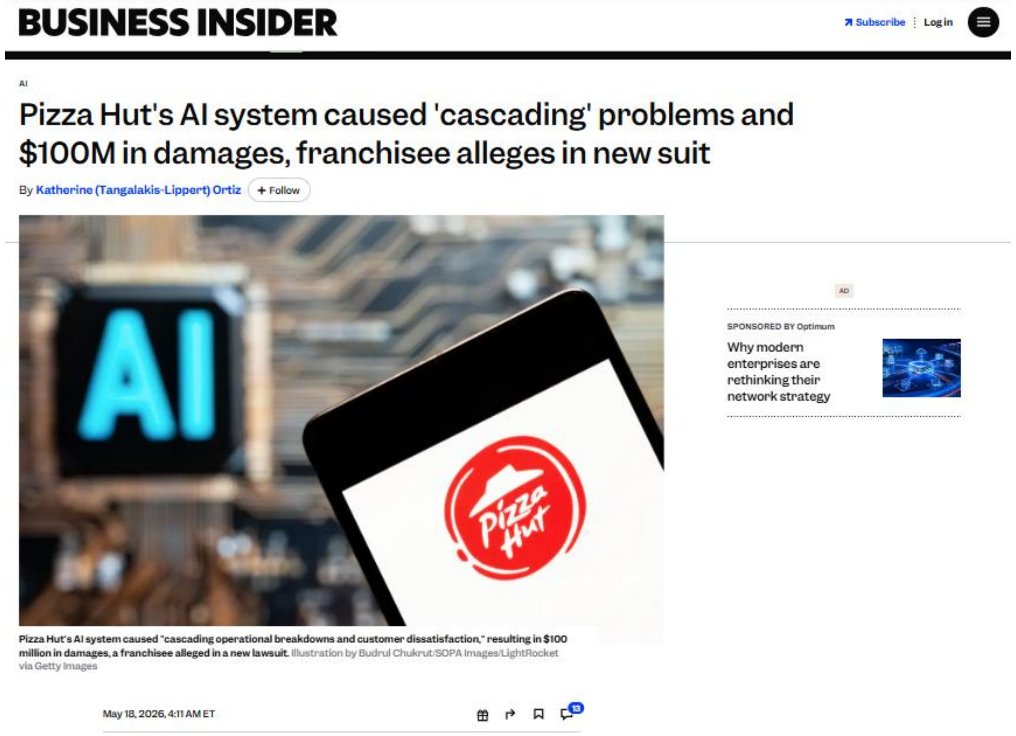
AI is moving from headline innovation to a technology consumers increasingly evaluate on practical terms. Environmental concerns, job disruption, misinformation, low-quality content, and highly visible corporate missteps are contributing to skepticism.

At the same time, AI is not disappearing. Consumers are developing a more nuanced view of where it belongs.

For brands, this means the competitive question is shifting from “Are we using AI?” to:

- Does AI meaningfully improve the experience?
- Are consumers clear about where it is being used?
- Are humans still providing appropriate oversight?
- Can the company explain AI’s limitations?

AI increasingly needs to earn its place.



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AI

Pizza Hut's AI system caused 'cascading' problems and $100M in damages, franchisee alleges in new suit

By Katherine (Tangalakis-Lippert) Ortiz + Follow

Pizza Hut's AI system caused "cascading operational breakdowns and customer dissatisfaction," resulting in $100 million in damages, a franchisee alleged in a new lawsuit. Illustration by Budrul Chukrut/SOPA Images/LightRocket via Getty Images

May 18, 2026, 4:11 AM ET

Consumers are celebrating AI blunders (like Pizza Hut’s franchisee lawsuit) as proof that AI is fallible.

Source: Business Insider

WHERE TO FOCUS

Treat AI as a feature, not the story

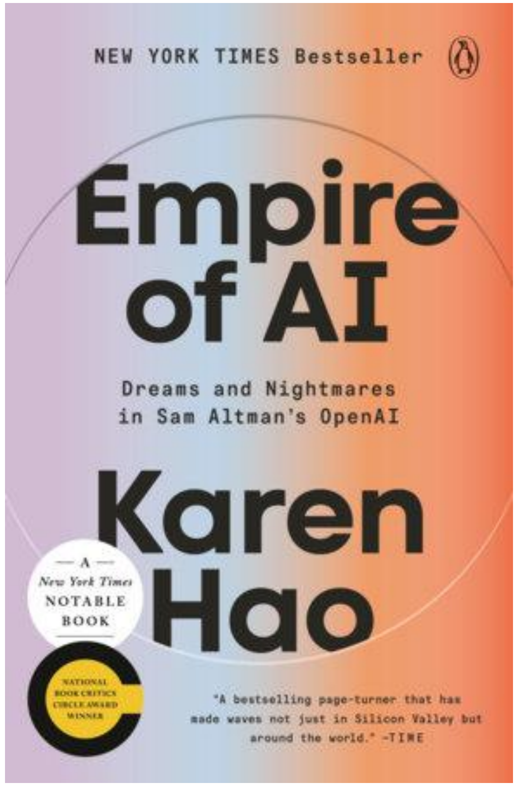
***Key takeaway:** Responsible, transparent AI use can strengthen trust, while AI-forward positioning risks becoming a liability.*

Consumers are looking for brands that have moved beyond celebrating AI adoption and toward demonstrating responsible application.

Executives should consider three principles:

1. **Explain its role.** Tell consumers when AI is involved, what it does, and where humans remain responsible.
2. **Acknowledge limitations.** When systems fail, explain the issue and how it will be addressed.
3. **Establish guardrails.** Clearly communicate policies around data, generative models, privacy, and consent.

The strongest AI strategy may increasingly be one consumers barely notice: technology solving a real problem without becoming the product's primary selling point.



Books like Karen Howe's 2025 Empire of AI helped make the industry's problems more understandable to the public, accelerating demands for accountability.

Image source: Penguin Random House

Uncertainty is accelerating the nostalgia cycle

***Key takeaway:** Nostalgia is becoming a powerful source of comfort as consumers search for familiarity, certainty, and social connection.*

Traditional nostalgia often looked back 20 or 30 years. Today, those cycles are becoming more compressed.

Consumers are experiencing:

- **"Nowstalgia":** Nostalgia for relatively recent periods.
- **Aspirational nostalgia:** Emotional attachment to eras they never personally experienced.
- **Traditional nostalgia:** Renewed interest in products, aesthetics, and experiences from their own past.

The underlying motivation is consistent. Consumers do not necessarily believe the past was objectively better. Instead, the past feels more defined than an uncertain present.

For brands, familiarity can create emotional reassurance, but nostalgia works best when it is thoughtfully reinterpreted rather than simply reproduced.

Children's brands are producing toys specifically for adults, such as Play-Doh's "Grown Up Scents."

TREND #3: AUTHENTICITY

Digital overload is increasing the value of real-world experiences

Key takeaway: *Consumers increasingly want products and experiences that reconnect them with their bodies, communities, and immediate surroundings.*

Modern life has encouraged consumers to spend more time online while simultaneously increasing feelings of isolation and digital fatigue.

As a result, authenticity is becoming less about image and more about experience.

Consumers are gravitating toward:

- Hobbies that encourage low-stakes social interaction.
- Tools that help limit distracting technology.
- Experiences that make deliberate disconnection easier.
- Products that deliver immediate physical or sensory feedback.

The opportunity for brands is to help consumers participate more fully in the moment. Technology may still support the experience, but it should not automatically dominate it.

Tools such as Brick and the Opal app help consumers step away from social media, while hobbies such as running are seen as a way to live more authentically.

Image Source: Brick, Apple App Store, Strava

Design for embodied proof

***Key takeaway:** Consumers increasingly trust what they can directly see, touch, feel, smell, or experience for themselves.*

As consumers question digital content, personal experience becomes an increasingly important form of validation.

Brands can respond by designing products that provide immediate, tangible evidence of performance.

Consider:

- Descriptions focused on how a product feels, smells, looks, or performs.
- Making deliberate disconnection a feature.
- Low-cost social opportunities for consumers to hangout.
- Products that encourage meaningful interaction rather than additional screen time.

The goal is not to remove technology. It is to ensure innovation remains intuitive, tangible, and centered on the person using it.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Europe and China push back against touchscreen overload in cars: the return of physical buttons

It marks a significant shift for an industry that, over the past decade, aggressively pursued fully digital cockpits.

07/03/2026

For years, the evolution of car interiors seemed to follow a single direction: **larger screens, fewer buttons, and almost everything controlled through a touchscreen.**

But that trend is now facing a serious correction. Both **Europe and China** are introducing new rules and safety guidelines that encourage (or even require) car manufacturers to **bring back physical buttons** in vehicle interiors. The objective is clear: reduce driver distraction and ensure that essential functions remain instantly accessible. It marks a significant shift for an industry that, over the past decade, aggressively pursued fully digital cockpits.

Both the European New Car Assessment Programme, and the Chinese Ministry of Industry and Information Technology introduced new safety protocols emphasizing physical buttons.

Source: AUTONEXT

Consumers are shifting from maximizing to stabilizing

Key takeaway: *Financial uncertainty is making consumers more selective, but they will still spend when value feels tangible and lasting.*

Persistent inflation concerns, housing affordability, geopolitical uncertainty, and anxiety about AI-related job disruption are encouraging moderation.

Consumers are becoming less interested in continuous upgrading and more interested in intentional purchases.

That creates an important distinction for brands: affordability does not simply mean being the cheapest option.

Affordable premium products can remain attractive when they offer:

- Meaningful quality improvements.
- Reliability and durability.
- A sense of long-term usefulness.
- An emotional or experiential payoff.

AAPL COMPANY

Higher Apple prices look set to slow upgrade cycles

Ben Lovejoy | Jul 20 2026 - 5:46 am PT | 6 Comments

A poll of thousands of *9to5Mac* readers suggests that higher Apple prices are likely to slow upgrade cycles, even among the most enthusiastic of customers.

Upgrading less frequently was by far the most common response given by readers, while just 9% of respondents said that the price increases wouldn't affect their purchasing behavior ...

Emotional connection can reshape perceptions of price

Key takeaway: *Nostalgia can make purchases feel more meaningful, helping brands compete on emotional value rather than price alone.*

Financial anxiety and nostalgia are closely connected because both are shaped by uncertainty.

Nostalgic products and campaigns can offer consumers something beyond functional value: familiarity, continuity, and social connection.

Nostalgia can:

- Reduce perceptions of price unfairness.
- Make consumers more forgiving about pricing.
- Reduce emphasis on direct price comparisons.
- Strengthen the emotional meaning attached to a purchase.

However, nostalgia cannot substitute for innovation. Successful products balance familiar cues with modern expectations, convenience, safety, functionality, and quality.

In advance of the 2026 World Cup, adidas dropped Backyard Legends, a film that turns neighborhood lore into a global football story.

The film features legends like Zinedine Zidane, David Beckham, Lionel Messi, and Alessandro Del Piero, as well as a younger generation of footballers like Lamine Yamal, Jude Bellingham, and Trinity Rodman.

Source: adidas.com

STRATEGIC IMPLICATIONS

The backlash is about balance, not rejection

Key takeaway: *The long-term opportunity lies in combining technological progress with enduring human needs for connection, control, and authenticity.*

The shift toward "real" experiences is unlikely to mean consumers permanently reject AI or digital innovation. Instead, the webinar suggests a longer-term balancing process.

Three actions stand out for executives:

1. **Reduce uncertainty.** Make product benefits, limitations, and outcomes easier to understand.
2. **Keep AI in proportion.** Use it where it solves genuine problems, while remaining transparent about its role.
3. **Modernize familiarity.** Reinterpret nostalgic products and experiences for today rather than simply recreating the past.

The brands best positioned for the second half of 2026 will not choose between artificial and authentic. They will determine where each creates meaningful value.

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Which trends offer the greatest growth potential?

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Who are we targeting?

Product Strategy & Market Activation

How should we respond to win with consumers?

About Lux

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The "Lux Take" is trusted by innovation leaders around the world, many of whom seek our advice directly before placing a bet on a startup or partner — our clients rely on Lux insights to make decisions that generate fantastic business outcomes. We pride ourselves on taking a rigorous, scientific approach to avoid the hype and generate unique perspectives and insights that innovation leaders can't live without.

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