



Consumer Markets —Accounting and reporting insights

**A quarterly summary for the
consumer markets sector**

September 2026





Table of contents

01 Introduction	3
Strategy for business	
02 Accounting and financial reporting hot topics	8
Closing statements: Insights for controllers at quarter end	
Tariffs: Consumer markets implications	
Product financing arrangements	
03 Regulatory update	12
SEC Rulemaking Proposals: What commenters said	
SEC comment letter trends	
PwC contacts	15

Introduction

We are pleased to share our quarterly Consumer Markets accounting and reporting insights publication. This report provides some of the latest industry, accounting, and regulatory updates of interest to the consumer markets sector.

Strategy for business

Holiday Outlook 2026

PwC's Holiday Outlook 2026 reveals that consumers are entering the season cautiously, but they are still protecting the traditions and purchases that matter most. Holiday gift spending is expected to decline just 2% year over year to an average of \$708 per consumer, even as consumer confidence remains low. The bigger pullback is showing up in travel and discretionary experiences. Millennials and Gen Z are cutting back the most, while households with children expect to spend more on gifts than those without children. Value is also shaping nearly every decision. Eight in ten consumers plan to use a budgeting strategy, and deals and discounts are increasingly influencing when and where they shop.

The survey also highlights two trends happening at once. AI is becoming a more common shopping assistant, with 29% of consumers planning to use it for product research, price comparisons and budgeting. Even so, most consumers still complete purchases through traditional websites or stores. At the same time, digital-native consumers are helping drive a return to nostalgic, screen-free experiences. Sixty-four percent of consumers say they are prioritizing screen-free gifts, rising to 78% among Gen Z. Physical stores also remain the leading purchase channel. For retailers and travel brands, PwC sees an opportunity to win cautious consumers through clear value, strong in-store experiences, reliable product availability, and better visibility across both traditional and AI-powered discovery channels. Read the full report [here](#).

Running the modern consumer company as an intelligent enterprise

As consumer demand shifts faster and innovation cycles accelerate, ERP modernization is becoming a foundation—not the end state—for consumer companies. The intelligent enterprise combines a trusted ERP core with connected data, specialized business capabilities, AI agents, and people to help companies sense changes across customers, markets, suppliers, and operations and respond more quickly.

PwC recommends maintaining a clean, focused ERP core while investing in capabilities that differentiate the business, such as planning, trade, allocation, and customer experience. With trusted and governed data, AI agents can help sense demand, evaluate trade-offs, and coordinate actions across functions, while people set objectives and guardrails and retain responsibility for judgment-intensive decisions.

Companies that connect their core systems, data, AI agents, and people may be better positioned to continuously sense, decide, and act as consumer demand changes. Read the [full article](#).



Voice of the Consumer 2026

PwC's Voice of the Consumer 2026 research finds that health is becoming a continuous, consumer-led part of everyday life, influencing decisions related to food, sleep, stress, weight, appearance, physical performance, and longevity. Based on a survey of over 21,000 consumers across 27 countries, the analysis shows that 69% regularly engage in at least two health and nutrition habits, while 80% use an app or wearable device for at least one health and wellness activity.

This shift is creating growth opportunities across consumer markets and healthcare as demand expands beyond standalone products to connected offerings that combine nutrition, diagnostics, devices, coaching, subscriptions, monitoring, and care. However, consumer interest will not automatically translate into adoption: value, convenience, ease of use, clear information, personalization, and trust remain critical. Although AI and digital tools are increasingly shaping the beginning of the health journey, healthcare professionals and other trusted human sources continue to have greater influence when consumers take action.

PwC recommends that companies organize their offerings around specific consumer goals and health occasions—not traditional product categories—and tailor their strategies to distinct consumer segments based on their needs, engagement, and willingness to share data. Read the full article [here](#).



GLP-1 Consumer Trends 2026

As GLP-1 adoption becomes more mainstream, its impact is extending beyond healthcare and reshaping how consumers eat, shop, dress, exercise, and define value. One in five U.S. households now includes a current GLP-1 user, and spending is shifting away from snacks, sugary drinks, alcohol, and certain restaurant categories toward fresh produce, protein, supplements, apparel, and other products that support evolving health and lifestyle goals.

Many GLP-1 users are also navigating the journey without an integrated support system. Consumers are piecing together guidance from healthcare providers, family, social media, apps, and AI tools, while seeking more affordable options, trustworthy information, smaller restaurant portions, flexible apparel solutions, and coordinated nutrition, fitness, and mental health support. Companies that adapt their portfolios, pricing, assortments, and customer experiences around these changing needs may be better positioned to build relevance and loyalty.

Learn more [here](#) about how GLP-1 use is changing consumer behavior and creating opportunities across grocery, consumer packaged goods, restaurants, apparel, fitness, and wellness. As adoption continues to grow, brands that move beyond standalone products and create connected, personalized ecosystems may be able to turn this consumer transformation into a new source of growth.



Disaggregated Expense Disclosure Requirements—The Clock is Ticking. Is Your Company Ready?

New disaggregated expense disclosure requirements under ASU 2024-03 are becoming a transaction-readiness priority, not just a technical accounting exercise. For calendar year public business entities, the standard is effective for annual reporting in 2027 and interim reporting in 2028. The requirements can also affect private companies preparing for an IPO and acquisition targets whose financial statements must be filed with the SEC.

For M&A, divestitures and spin-offs, readiness can be particularly challenging when targets or carve-out entities lack sufficiently detailed expense data or when parent-level materiality assessments, allocations, and accounting policies do not translate to standalone financial statements. Companies should begin assessing data and system gaps, establishing consistent expense policies, and building repeatable processes and controls across finance, accounting, operations and IT.

Addressing DISE early can help reduce execution risk during transactions and better prepare companies for increasingly detailed financial reporting. PwC's full analysis of **DISE readiness for M&A, IPOs, and divestitures** outlines the practical steps companies can take ahead of adoption.



Accounting and financial reporting hot topics

Closing statements—Insights for controllers at quarter-end

Closing statements is our quarterly publication that shares quarter-specific insights, trends, analysis, and observations. This edition highlights timely financial reporting reminders for controllers, tax leaders, and finance teams, including the impact from tariffs, an update on DISE, and emerging topics from the SEC.



Tariffs—Consumer markets implications

Who keeps the refund?

Last quarter's focus was executing refund claims under the International Emergency Economic Powers Act (IEEPA). The harder question now is who is economically entitled to cash. Many retailers and consumer packaged goods (CPG) companies passed IEEPA costs through via surcharges or price increases, and several high-profile consumer goods companies are already facing customer class actions arguing they shouldn't pocket a refund on the cost customers already bore. The two sides move independently: where contract terms or customary business practice create an obligation to credit customers, companies generally record a refund liability and reduce revenue under ASC 606—potentially before recognizing the receivable from US Customs and Border Protection (CBP), particularly under a gain contingency model.



What replaced IEEPA hits closer to home

The successor tariffs are more consumer-relevant than the ones they replaced. Forced-labor Section 301 duties (10%–12.5% across 60 economies) took effect July 24, with exemptions for Section 232 goods, USMCA-qualifying goods, and pharmaceuticals—making applicability a classification and origin exercise. The new Section 338 action on Canada took effect at 50% on August 22, reaching appliances, furniture, and consumer goods well beyond the dairy and auto headlines. USMCA certification does not provide relief and the tariffs stack on top of each other. Canada retaliated September 8 at 15%–50% on hundreds of US categories. Companies should maintain robust documentation and controls over entry-level data as well as cross-functional coordination across customs, legal, tax, treasury, supply chain, finance, and accounting.

Product financing arrangements

Demand for seasonal and holiday inventory, private label programs, and long-lead imported goods remains high and has contributed to supply constraints. To help secure access to this inventory while managing working capital, some companies are turning to third parties to purchase and hold the inventory until it is needed.

That can be an effective way to secure supply, but it also raises an important accounting question: Is this really just a normal purchase commitment with a third-party supplier, or is the third party effectively financing the purchase? These arrangements also run in the other direction—a company sells inventory to a third party and later repurchases it, sometimes while facilitating the sale to the end customer.

The accounting depends on the substance of the arrangement, not just who holds legal title to the inventory. The key is understanding whether the third party is truly acting as an independent owner that controls the inventory and bears meaningful market risk, or is effectively acting as a financing intermediary.

A few questions can help frame the analysis:

- **Control:** Can the third party realistically sell the inventory elsewhere? Who makes the key decisions on sourcing, storage, and logistics?
- **Economics:** Who bears the risk of price changes, markdowns, shrink, loss, or obsolescence? Are there repurchase commitments, debt guarantees, or residual value guarantees that protect the third party from those risks?

The bottom line: If a company effectively controls the inventory and retains the risks and rewards of ownership, the arrangement may be a product financing arrangement rather than an ordinary purchase commitment. In that case, ASC 470-40 requires the company to recognize the inventory and a corresponding financing obligation when the third party purchases the inventory on its behalf, even if the third party holds legal title—including inventory held in the company's own distribution centers or at a location it directs.



Regulatory update

SEC Rulemaking Proposals: what commenters said

As discussed in our Closing Statements, the comment periods for the SEC's proposed rules on semiannual reporting and filer status modernization ended in July. Here's an overview of the feedback:

- **Semiannual reporting:** Response volume on semiannual reporting is likely record breaking with more than 200,000 responses received, driven principally by the investor community and often consisting of only brief remarks. Although the proposed rule would not require a change to semiannual reporting, many investor groups, academics, and individual investors commented on the value of standardized quarterly information and argued that giving a public company the option to reduce reporting frequency could reduce transparency and comparability. Issuers and preparers largely support the SEC's goal of providing greater reporting flexibility and reducing the burden on issuers, but they recommend targeted changes, coordination with the FASB/PCAOB, and continued attention to disclosure quality.
- **Filer status modernization:** Comment letter volume was much lower here, with less than 200 responses. Feedback generally supports simplifying the filer status framework, though views are notably mixed on other aspects of the proposal. The main debate centers on finding the right balance: industry commenters generally support expanded accommodations, while audit, investor, and governance groups question whether the proposal goes too far—particularly by significantly expanding exemptions from SOX 404(b) auditor attestation and scaled disclosure requirements. Overall, respondents support the SEC's modernization efforts while recommending the agency strive to balance increasing accommodations for issuers and maintaining beneficial investor protections.

SEC comment letter trends

The filing review process performed by the Division of Corporation Finance is a key function utilized by the SEC to monitor critical accounting and disclosure decisions applied by registrants. Our analysis of SEC comment letters identifies the frequency of topical areas addressed by the SEC staff and how focus areas change over time. The top five areas of focus in comment letters in the Consumer Markets sector are as follows:

- Segment reporting: Identification of operating segments and aggregation into reportable segments as well as emphasis on the disclosure requirements of ASC 280.
- MD&A: Requirements in Item 303 of Regulation S-K and the related disclosure objectives.
- Non-GAAP measures: Compliance with Item 10(e) of Regulation S-K and the related compliance and disclosure interpretations.
- Revenue: ASC 606 requirements including disaggregated revenue, performance obligations, transaction price, variable consideration, recognizing revenue, and gross versus net presentation.
- Debt, quasi-debt, warrants, and equity: Transparency and quality of the disclosures around the respective significant judgments and critical accounting estimates.



See the [list](#) of comment letter trends specific to the consumer markets sector for the 12 months ended June 30, 2026. Additionally, read a brief summary of the key areas and some example comments via the following Viewpoint pages:

Segment reporting: SEC staff comments

Management's Discussion and Analysis: SEC staff comments

Non-GAAP measures: SEC staff comments

Revenue: SEC staff comments

Debt, quasi-debt, warrants and equity: SEC staff comments

Additionally, hear PwC's accounting podcast episodes on the following common topical areas in SEC comment letters.

SEC now: Recent developments shaping today's landscape

SEC now: Today's landscape and recent developments

SEC now: Non-GAAP 2025 comment letter trends

SEC now: 2025 comment letter trends on transactions

SEC now: Segments 2025 comment letter trends

SEC now: MD&A 2025 comment letter trends

SEC now: Revenue 2025 comment letter trends

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