

• THEME INSIGHT

Empowered Consumer

The Winners in a New World of Consumerism



Consumers Have More Power than Ever Before

Consumers have access to data and, hence, are more empowered, aware, and demanding than ever before, presenting both threats and opportunities for brands.

Capitalizing on the estimated \$61 trillion in global and \$20 trillion in US consumer spending¹ markets expected in 2025 is becoming increasingly challenging for businesses, with global consumers more empowered, aware, and demanding than ever before (Figure 1).

Figure 1.

Key drivers of higher consumer empowerment



Globalization

52% of online shoppers look for products internationally



E-Commerce

Amazon offers more than 600M products in its marketplace



Technological Advances

Artificial intelligence and augmented reality (AR), for example



Customization

Tailoring products to specific needs and preferences

The face of the global consumer is also changing on the back of demographic shifts. According to the World Bank, most of the 131 million new consumers worldwide in 2025 will be in Asia with emerging markets (EM) set to be the most dynamic growth market for the rest of the decade. Demographically speaking, Gen Z (born 1997 – 2012) is emerging as the biggest and richest consumer cohort and is expected to overtake baby boomers in 2030 and Gen X in 2040.³ There is also a growing need to explicitly recognize and serve cohorts like youth in EM (75% of consumers are expected to be between the age of 15 and 34 by 2030), older cohorts (US baby boomers owning 52% of US wealth in 2024 and an estimated 2.1 billion people over the age of 60 by 2050), and squeezed middle-income consumers.⁴ Ultimately, we think that consumption patterns—for millennials, to a certain extent, but particularly for Gen Z—are different than prior generations. The very definition of what it means to be a consumer is evolving. This is because younger consumers have grown up in a world where, due to technology, consumption is a two-way process. They are empowered to influence and judge company behaviors, rather than act as the mere recipients of a sales pitch.

Know Your Customer

Companies that collect and use data to better understand their customers can grow, innovate, and increasingly dominate their categories.

The amount of data generated by consumers every year is vast and continues to grow exponentially. In 2025 global data is projected to reach 181 zettabytes (1ZB = 10^{21}) with significant contributions from consumers including smart devices (7.2 billion smartphones in 2025), e-commerce (2.8 billion people shopping online in 2025), social media (5.2 billion users in 2025), social commerce (1 in 3 young people use it weekly), enterprises and transactions (more than 2 million retail firms in the United States), the cloud (used by 98% of organizations), and AI- and user-generated content.⁵ The increasing convergence of content, commerce, and advertising means that consumer data will likely continue to grow at a breakneck pace for the next three to five years and beyond.

Data can empower consumer companies that can leverage it to make better decisions, enhance customer experiences, and drive growth and profitability in an increasingly competitive and challenging landscape.

Figure 2.

How Data Empowers Consumer Companies



Customer Insights

Understanding preferences, behaviors, and needs enables companies to tailor their products and services to better meet expectations.



Personalization

Personalized products and experiences and targeted marketing enhance engagement and conversion rates.



Product Development

Innovation and the development of new products fosters potential success.

Data can also facilitate competitive advantages, optimized marketing, predictive analysis, improved decision-making, customer retention, operational efficiency, and measurement and reporting.

Specific data and AI use cases we are seeing include: AI algorithms to identify patterns and predict popular styles; AI-enabled tailored homepages for individual customers; designing personalized products such as athletic shoes and video games using performance data from professional athletes; AI-enabled smart glasses that can take photos and videos, stream music, make calls, and livestream direct to social media; and AI-generated advertisements.

The Evolving Consumer Business Model

Success relies on innovations in e-commerce, social commerce, personalized products and services, and integrating technology and AI into the entire customer experience.

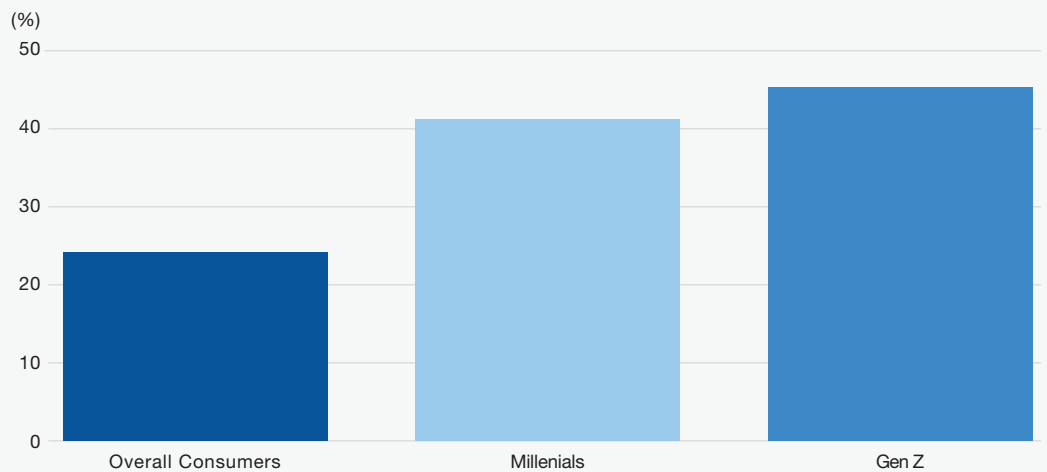
E-commerce continues to outpace in-store sales growth with 2.8 billion people shopping online (22.5% of worldwide retail purchases) and the market estimated at \$6.9 trillion.⁶ Capitalizing on this opportunity increasingly relies on technological innovation to provide consumers with exactly what they want from discovery to post-sales care. This includes AI-driven personalization and experiences, social and voice commerce, augmented reality, supply chain and logistics optimization, quick delivery, AI-enabled customer service, and data security and privacy.

Social commerce, which refers to the integration of social media platforms with e-commerce activities, is a further area for innovation as younger cohorts, in particular, look for more dynamic, interactive shopping experiences. Platforms such as TikTok and Instagram are reshaping retail with 53% of Gen Z purchasing new products through social media.⁷ While fashion and beauty currently dominate the landscape, the opportunity extends to all consumer categories and the market is estimated to grow to \$3 trillion by 2026.⁸

AI-based tools are also gaining traction with consumers and changing the way they discover or find products. Nearly 25% of consumers are currently using Gen AI to shop with much higher use for younger generations (Figure 3). More than half of consumer goods executives predict that 50% of their employees will be using Gen AI by 2026.⁹ This represents a future challenge—and opportunity—for consumer companies.

Figure 3.

Share of Consumers Using Gen AI to Shop



Source: Capgemini

We generally prefer vertical business models that extend throughout the entire supply chain, from design through manufacturing, distribution, and service. This model provides a substantial barrier to entry for competitors along with greater control in execution. It also enables value capture and monetization at a variety of points that may be more sustainable in the eyes of consumers. As the CEO of a large multinational consumer company recently told us, “If you price to maintain your gross margin, you are now stealing from your customers.” Capturing value through design scale, distribution experience, or service are viable alternatives.

Applying these tenets, we see opportunities across a wide variety of consumer-facing industries. We seek the best-in-class companies that understand that for future generations, the needs of the consumer have changed.

Notes

1. Source: US BLS, World Data Lab 2025
2. Source: AMZScout, SellersCommerce 2025
3. Source: UN, World Data Lab 2025
4. Source: Cerulli 2024, McKinsey 2024, UN 2025
5. Source: Aftership, BLS, CSA, Exploding Topics, Rivery, SellersCommerce, Statista 2025
6. Source: MS, SellersCommerce, Shopify-eMarketer 2025
7. Source: Capgemini 2025
8. Source: Salesforce 2025
9. Source: Capgemini, Salesforce 2025

Important Information

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