

The confusing consumer

Managing a fragmenting consumer base

Kearney Consumer Institute
Quarterly briefing – Q1 2026

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Consumer Institute



The confusing consumer

It's not hard to argue that the “consumer” at-large is exhibiting confusing behavior. For more than a year, consumers have been described as choiceful, cautious, and discerning, including by this author. They are stressed but spending. Splurging selectively. Trading off.

Now, consumers themselves are not necessarily *confused*. But some feel emotionally exhausted and constrained. On top of their finances, many are struggling to manage their time and energy. And yet, they often shop as a form of comfort, consistency, and control. And it helps them feel capable and savvy.

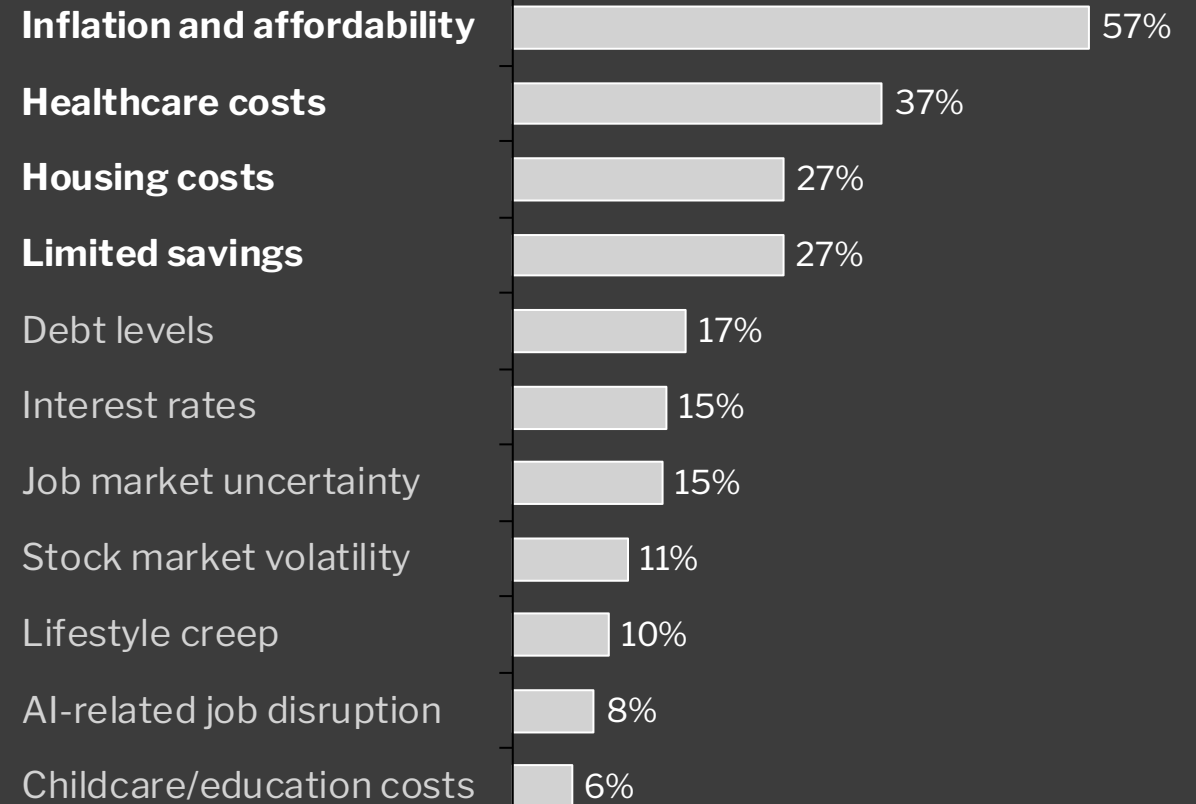
As their behaviors fragment, this month's brief dives into some of this seemingly confusing behavior, addressing how and why they are showing restraint, what the “K-shaped economy” is missing, and how TikTok is reshaping the way we consume, and live.

Topics covered:

- Consumption restraint
- K-shaped economy
- TikTok and social media

Affordability continues to be a top concern for many consumers

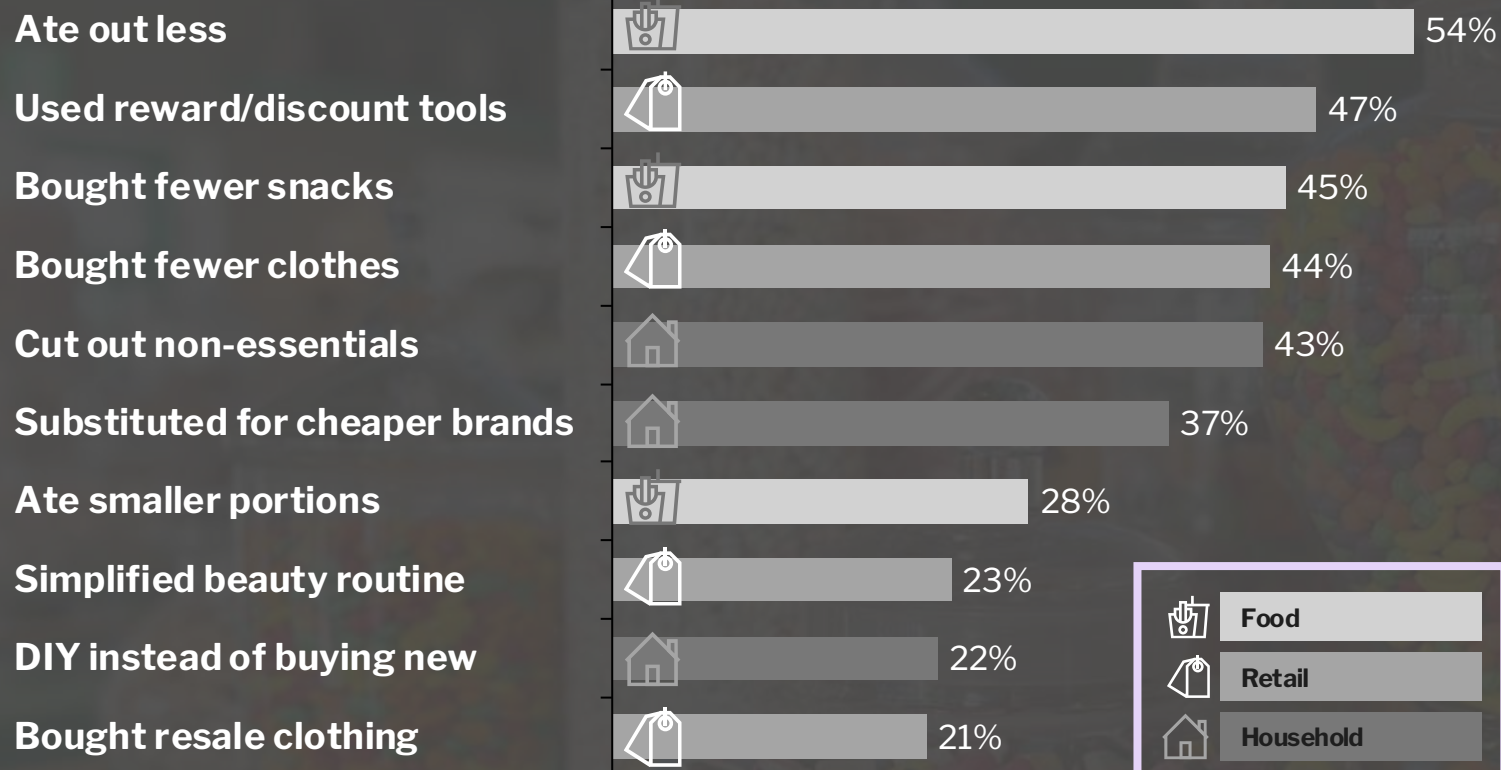
Top macroeconomic consumer concerns



66% of respondents report living **paycheck-to-paycheck**

Consumers' restraint behaviors are often attributed to price, but other externalities contribute

"Restraint" behaviors in past six months



Price may not be the only explanation for these behaviors and can be an oversimplification.

Restraint-oriented behaviors weave into bigger themes around health, wellness, and sustainability.

Access to information, dupes, and the pursuit of quality products further impacts behavior.

Restraint behaviors are a form of control and agency

Behavior is often attributed to one trend...

... when rationale varies by consumer

GLP1s get credit for smaller portions.

Consumers wanted smaller portions due to their own preferences, weight journeys, or overly large portion sizes at restaurants.

Gen Z gets credit for reduced alcohol consumption.

Consumers wanted to drink less but there were limited non-alcoholic options (and some consumers have shifted to THC/CBD/vaping).

Probiotic sodas get credited as “healthier” sodas.

People did not have to sacrifice taste for health (through a cleaner ingredient statement).

Resale gets credited as a sustainability play.

People want access to high-quality products (at a price they deem fair).

DIY gets credited as a cost-save.

Access to YouTube and ChatGPT have made the barrier to entry for DIYing far lower.

Excess optionality is leading to “less is more” philosophies across categories.



Just as restraint is not attributed to price alone,

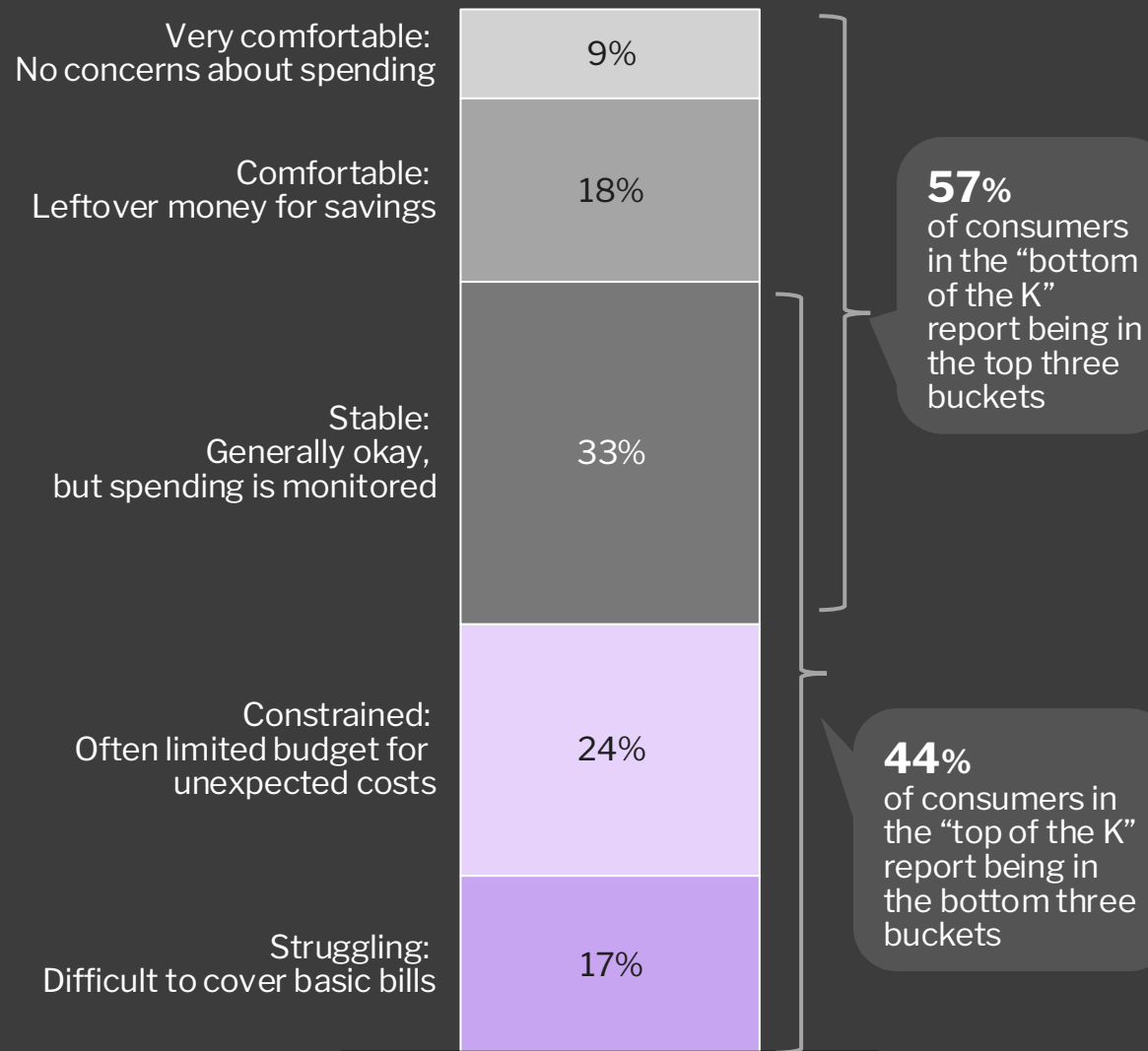
broad K-shaped economy analyses are directionally useful, but warrant additional detail

[Read more on the K-shaped economy.](#)

Mapping financial sentiment against income exposes the risk of generalizations

Consumers' financial situation

Which statement best describes your current financial situation?

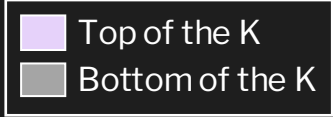


Consumer behavior is shaped by the interaction of income, lifestyle choices, and “buffers,” leading to different levels of risk and exposure

New dimensions of the K-shaped economy

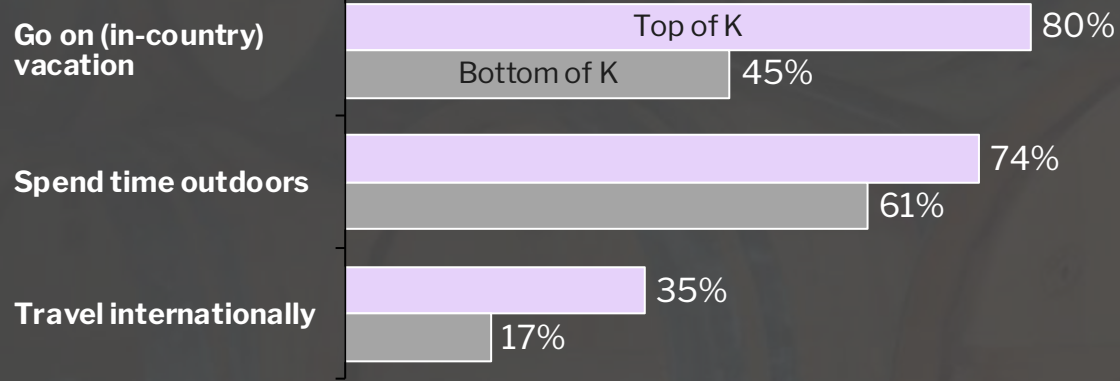
	Income	Buffers may include:	Exposed to:	% population	% spend
Top K (Arm)					
Comfortable <i>Secure elites; diversification provides protection</i>	Above ~\$700K	Generational wealth	Stock market, AI bubble	1%	
Stable/responsible <i>High income, good budgeting; liquid and illiquid assets</i>	~\$160K - \$700K	Family financial support	Housing costs, lifestyle creep, job market	19%	35%–45%
On thin ice <i>High earners but over-leveraged; exposed to financial swing</i>		Employability			
Bottom K (Leg)					
Comfortable <i>“Lower” income but have buffers and/or assets</i>	~\$95K - \$160K	Some financial or other support	Lifestyle, interest rates, job market	20%	20–30%
Stable/responsible <i>Live within their means; constrained at times</i>	~\$30K - \$95K	Possible low cost of living geography	Job market, debt, inflation, housing	60%	35–45%
On thin ice <i>Structurally falling behind; struggling to afford bills</i>					

Hobbies, activities, and preferred retailers can vary by dimension...

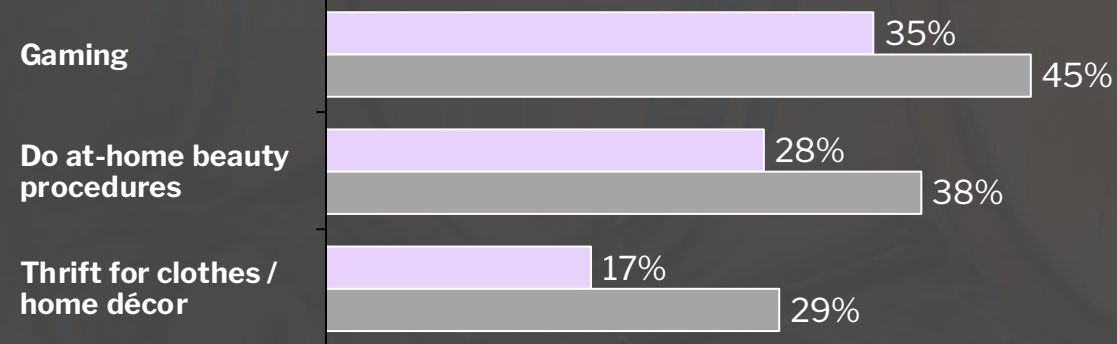


Hobbies and activities

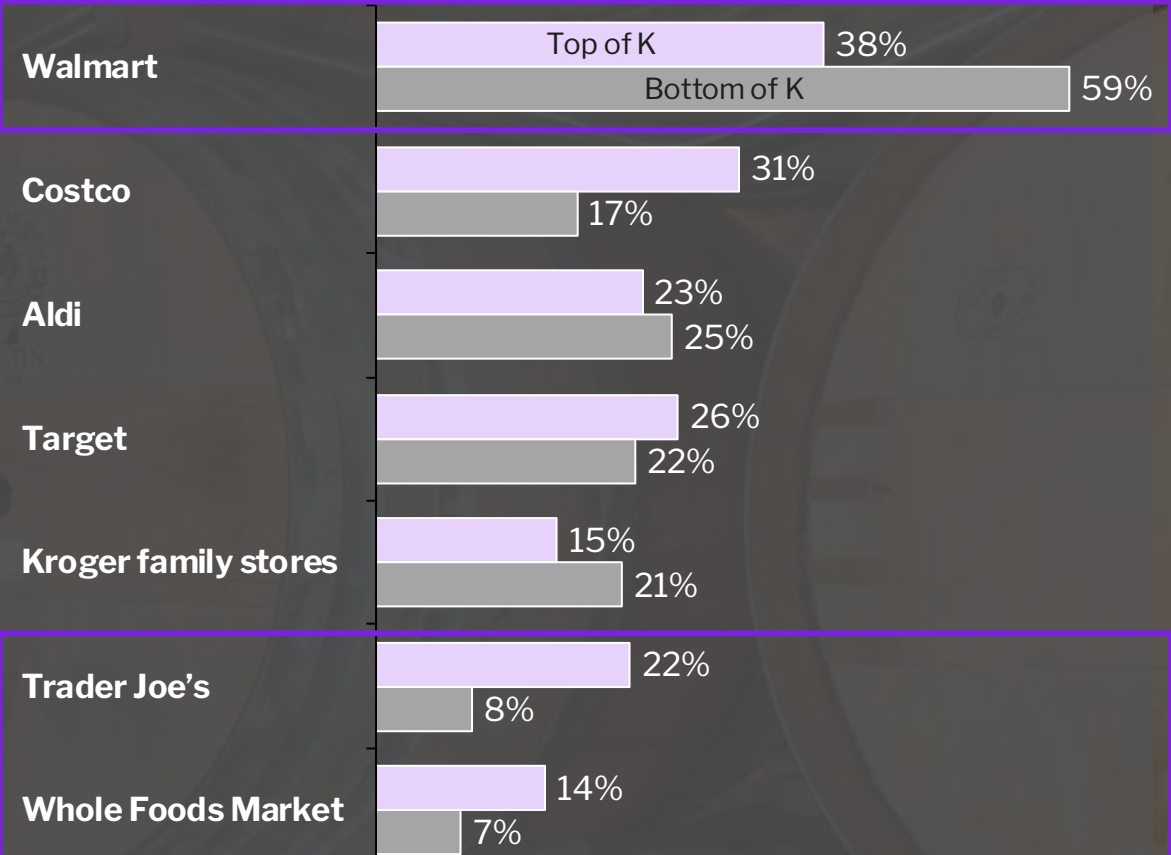
Top of the K is more likely to travel, particularly internationally



Bottom of the K is more likely to enjoy thrifting and gaming

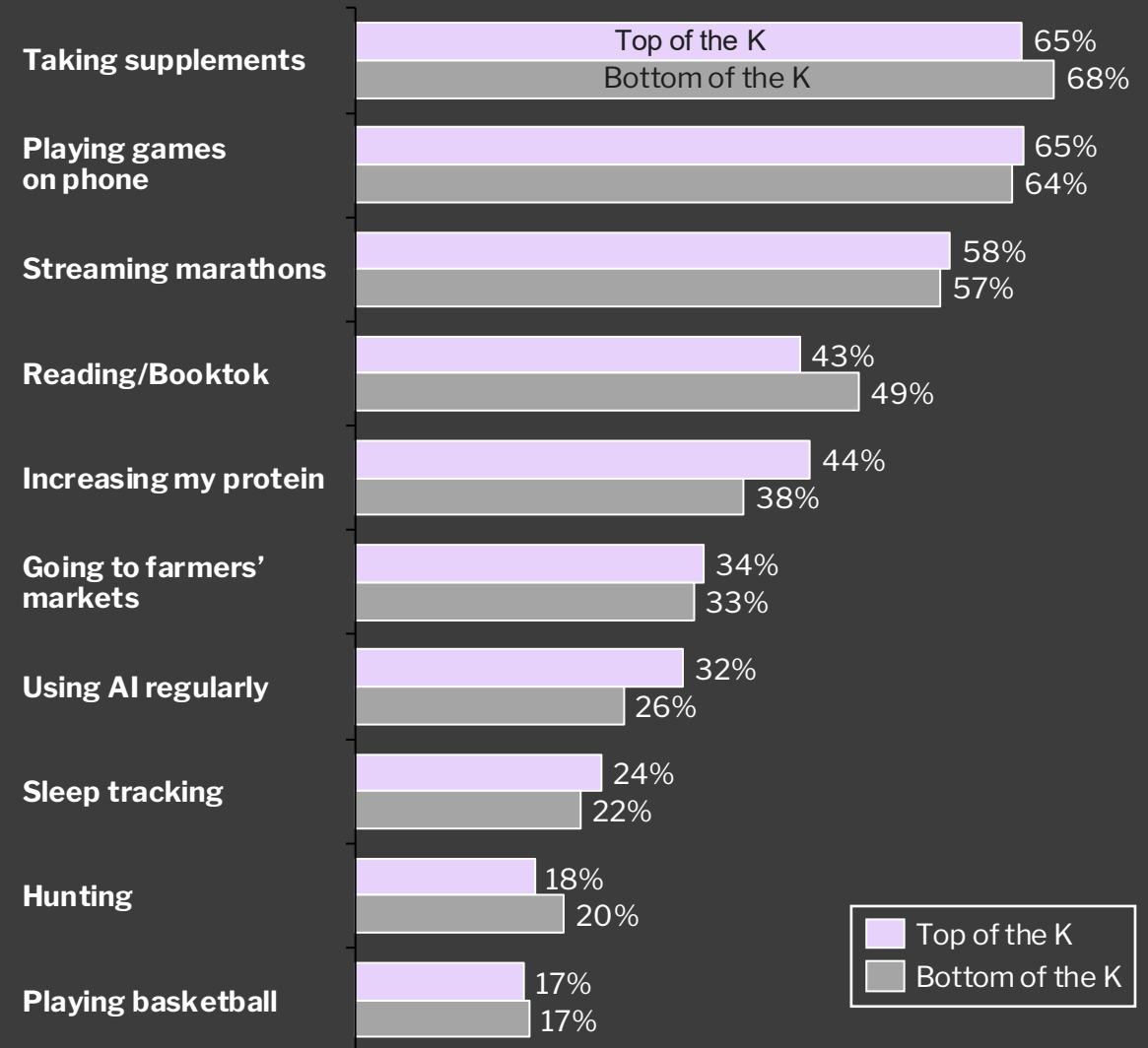


Retailer preference



... while many behaviors and interests are similar

Snapshot: activities and trends with similar likelihood



AI tends to dominate recent conversations on consumers and technology. However, the average consumer is already spending multiple hours a day inside other algorithm persuasion machines.

More specifically, TikTok is often reduced to a ROAS-driven marketing channel, a Gen Z app, a trend incubator, a time waster.

When it comes to consumer behavior,

Are we talking about TikTok enough?

TikTok optimizes for attention and intelligence

TikTok's impact (and its ripple effects on other platforms) extends far beyond marketing and even consumption.

From discovery:

- Shortening research time
- Accelerating trend cycles
- Amplifying short-form content

To information:

- Scaling social proof
- Building echo chambers
- Democratizing unregulated expertise

According to ElectroIQ, TikTok averages the highest daily time per user



TikTok

60–90 minutes/day



YouTube

58 minutes/day



Facebook

37 minutes/day



Instagram

34 minutes/day



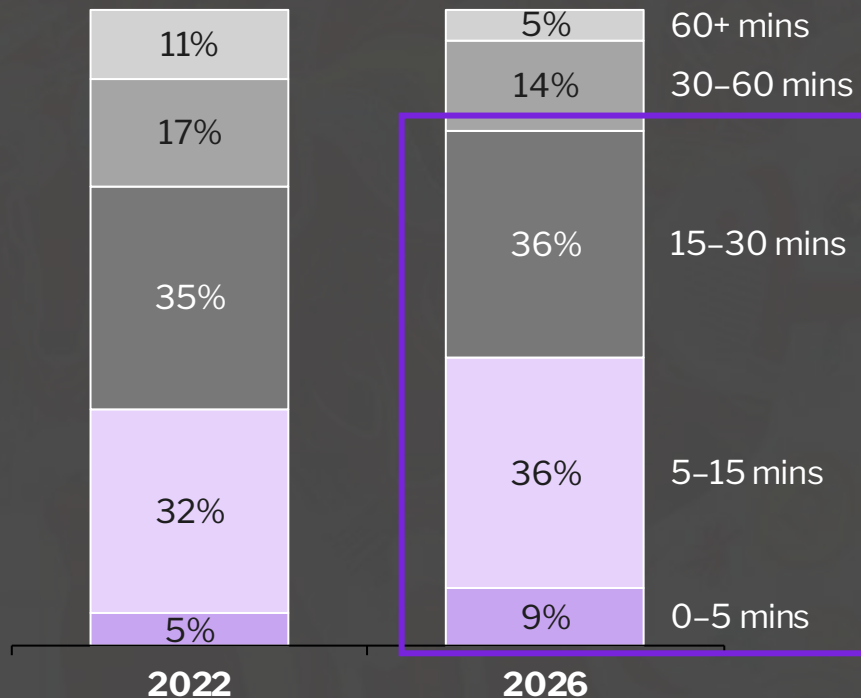
X/Twitter

11 minutes/day

Research time is compressing and reshaping the purchase funnel

Consumers' research time is shortening

How long do you spend researching a new product?



TikTok insights

Replacement for search

41% of TikTok users have used it as a search engine.
40% of consumers age 18-24 go to TikTok or Instagram to find restaurants.

Shorter trend cycles

Comment sections on user-generated content count heavily as social proof. From sneakers to water bottles to beauty, trends come and go based on TikTok popularity.



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TikTok leads for product discovery, but most major social platforms struggle to establish trust

Platform insights

Usage

Facebook, YouTube, and Instagram were the top platforms for overall usage.

Pinterest has lower usage but a loyal, trusting base.

Discovery

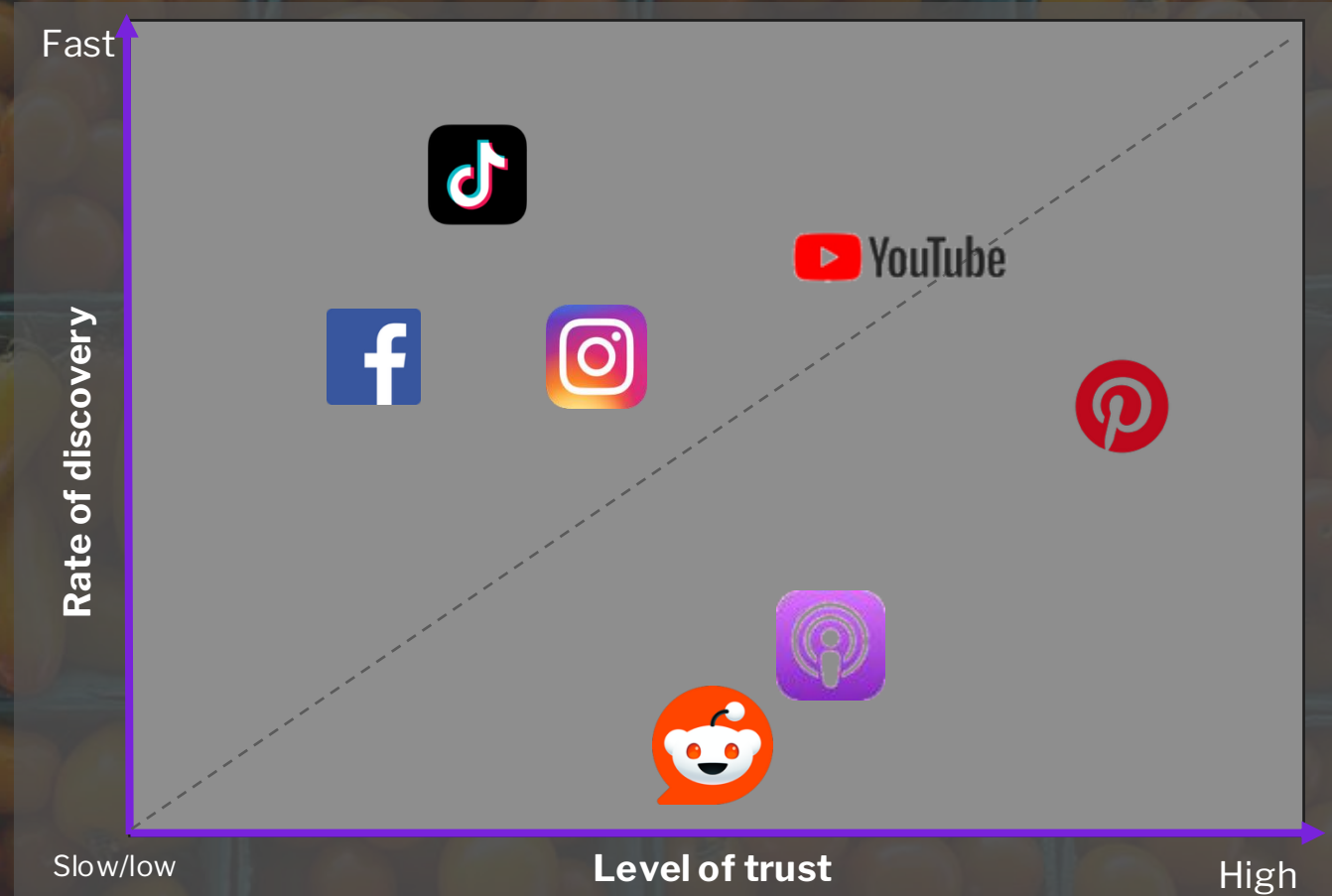
TikTok was top for product discovery, followed by YouTube, Facebook, and Instagram.

80% of Gen Z consumers use TikTok to discover new products (vs. 54% for millennials and 34% for Gen X).

Trust

Reddit has higher trust levels than traditional social media, but its discovery rate suggests that it is used for intent-based shopping (looking for specific products).

Social media platforms by trust and discovery





Consumers acknowledge their feed can be an unregulated echo chamber

Consumers see room for improvement in their social media feeds

90% agree or somewhat agree that: **“My social media feed often feels repetitive”**; 47% fully agree

85% agree or somewhat agree that: **“I would not mind if my social media feed was more diverse in topics or perspectives”**; 37% fully agree

64% fully agree that: **“There is a lot of unregulated and/or misleading content on social media”**

What to do next: prepare for structural shifts instead of surface trends

What do I do with this information?

1

Zoom out while you niche down

Trends, and the occasions and need states that go along with them, are often narrower than necessary, and can miss bigger consumer motivations. Audit how “niche” opportunities (such as smaller portions, simplified routines, and resale) show up across segments and categories. Build toward a platform, rather than a one-off trend.

2

Plan for a fragmented consumer through value proposition

The solve for the K-shape is not “premium vs. affordable” or a good, better, best pricing model. Consumers are shopping across the wallet, not within categories, to find the best value. Analyze the overall price and quality value equation within and across categories to determine risks and opportunities.

3

Treat TikTok and social media as infrastructure, rather than a channel or marketing vehicle

Rework the innovation model to decide when and how to chase trends in the compressed cycle versus when resources are better utilized elsewhere. Invest in community trust, get in the comment sections, and track changing attention metrics.

Kearney Consumer Institute (KCI)



What is it?

Kearney think tank, part of Kearney's Foresight network, that creates thoughtful, consumer-first content and perspectives, assessing existing and evolving consumer behaviors, needs, and decision-making



What does it do?

- Advocates for the consumer
- Challenges existing assumptions
- Reframes to ask different questions
- Generates conversation
- Translates into action

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For further discussion, please contact:

Katie Thomas

Lead, Kearney Consumer Institute

[Kearney Consumer Institute](#)

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