The confusing consumer

Managing a fragmenting consumer base

Kearney Consumer Institute
Quarterly briefing – Q1 2026





KEARNEY FORESIGHT
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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.

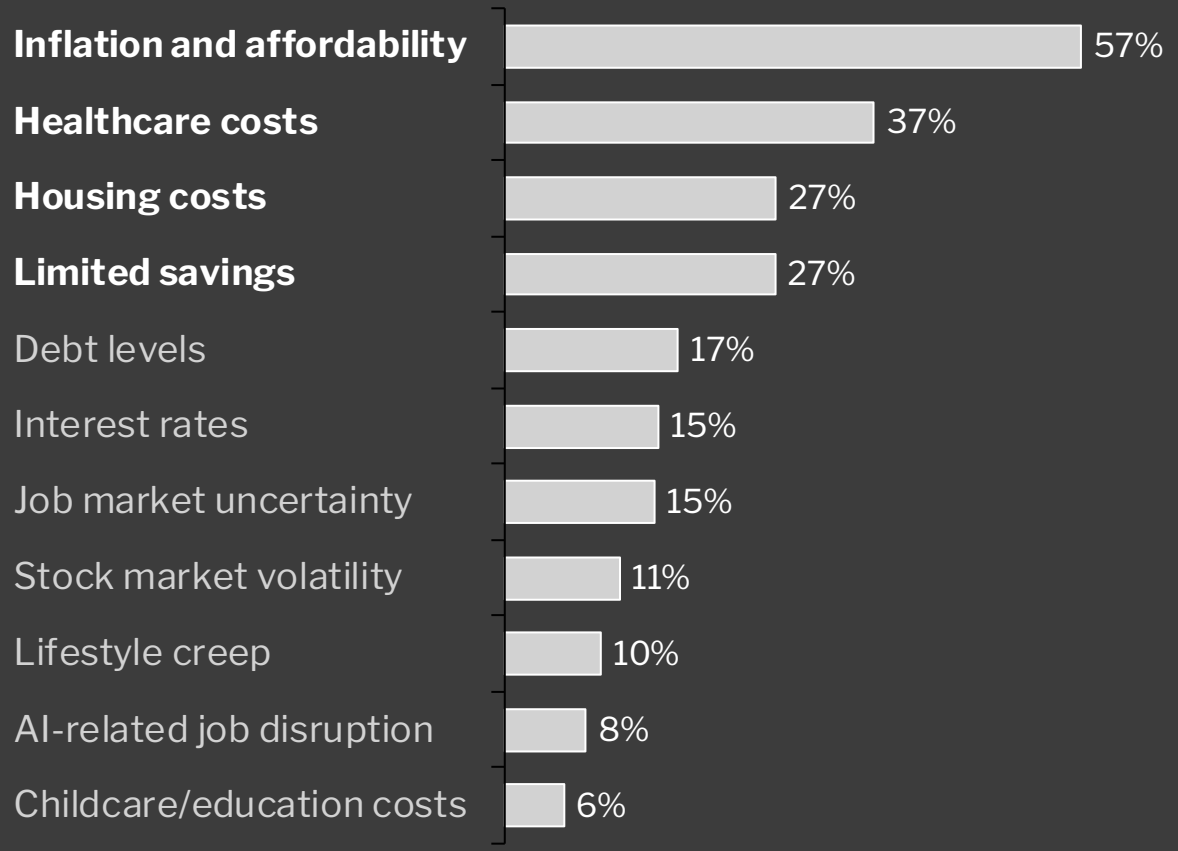
Topics covered:

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

Affordability continues to be a top concern for many consumers



Top macroeconomic consumer concerns



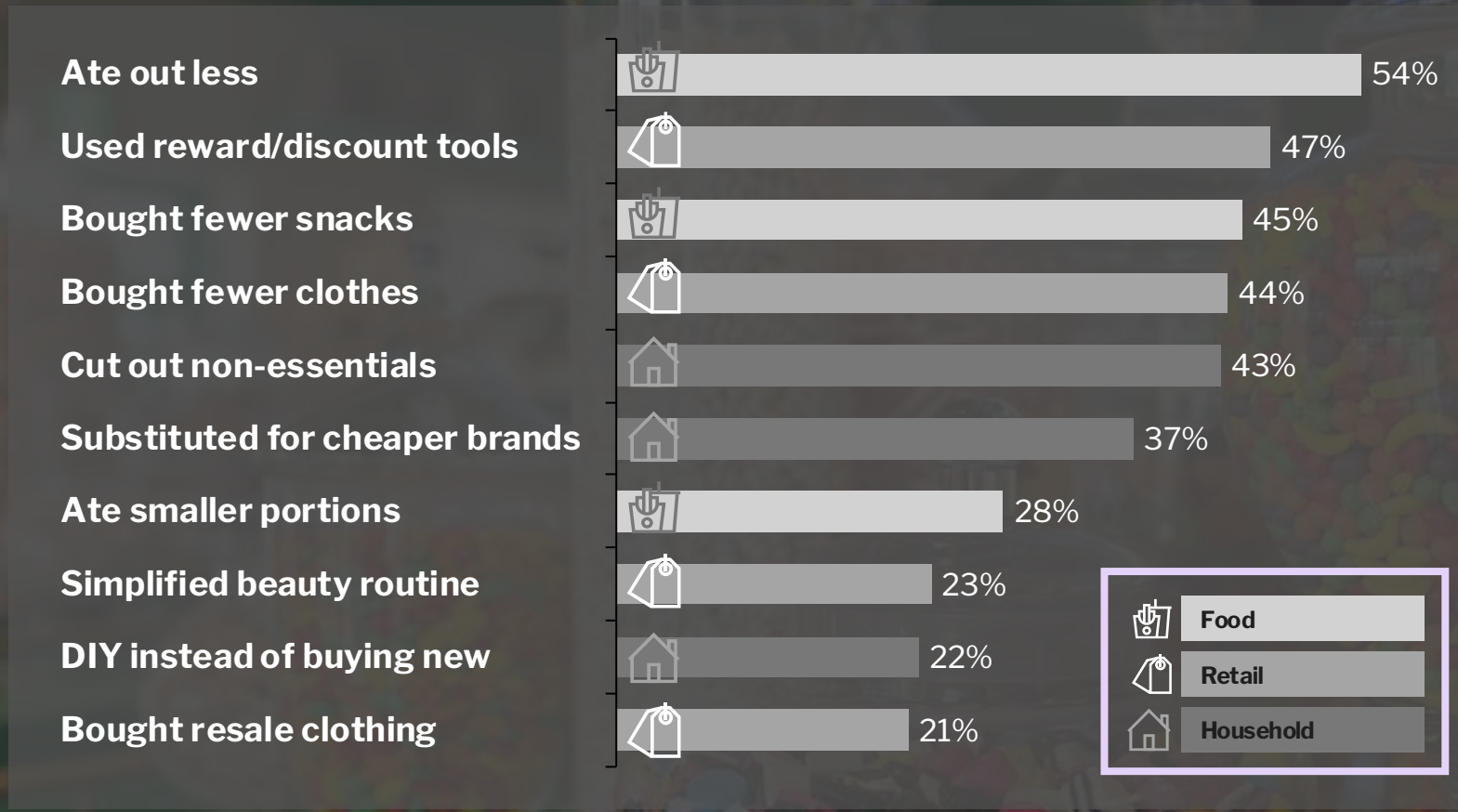
66% of respondents report living **paycheck-to-paycheck**

Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Short term: consumption restraint

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.

Source: Kearney Consumer Institute – Q1 2026 survey and analysis

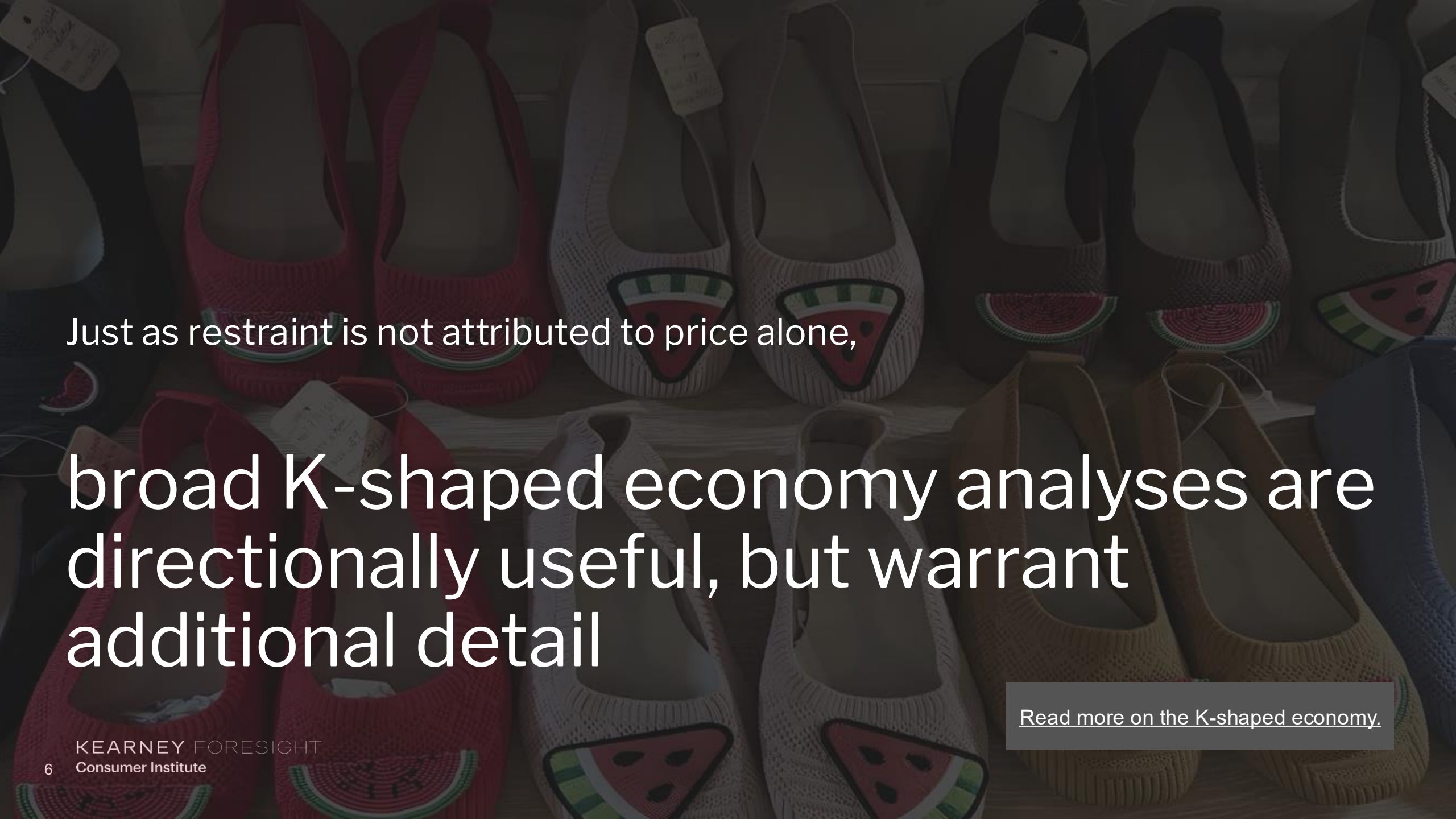
Restraint behaviors are a form of control and agency

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.

Source: Kearney Consumer Institute – analysis

Short term: consumption restraint



Just as restraint is not attributed to price alone,

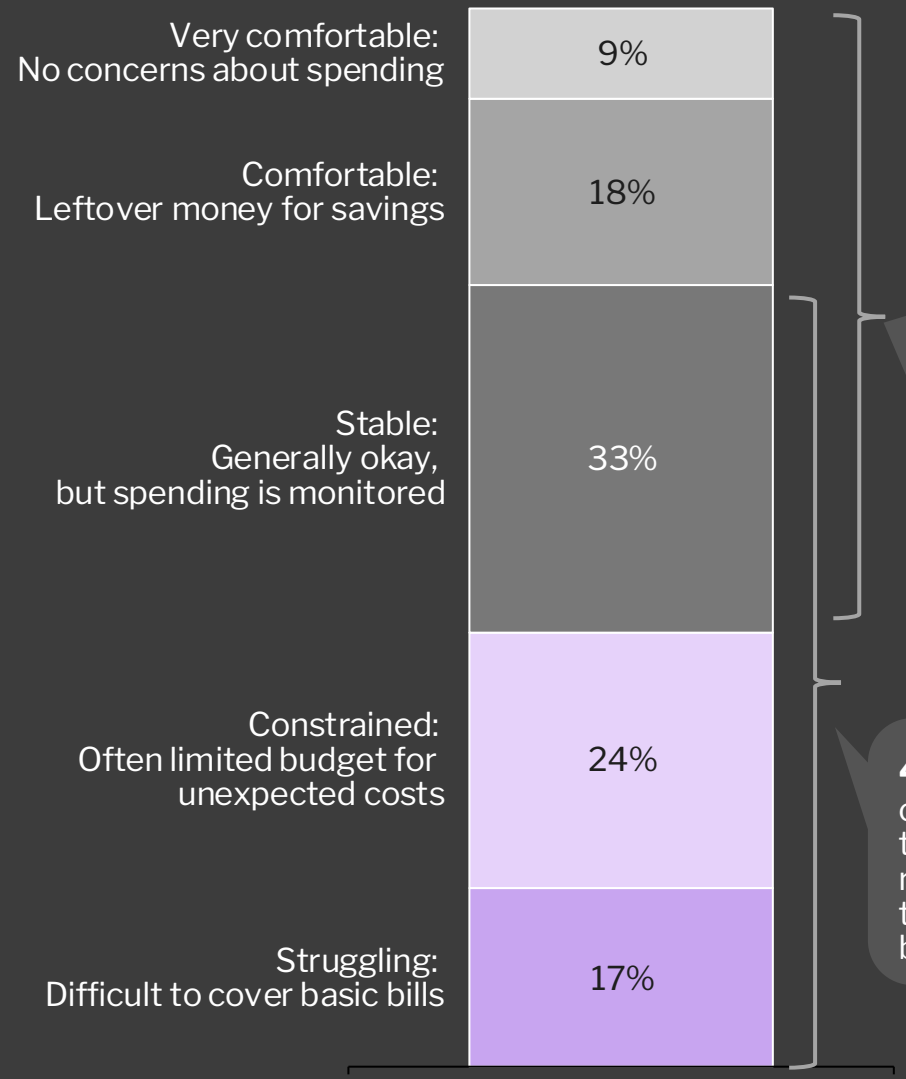
broad K-shaped economy analyses are directionally useful, but warrant additional detail

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?



Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Medium term: K-shaped economy

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

Sources: Kearney Consumer Institute – Q1 2026 survey and analysis; CE 2023 Expenditure, CPI Inflation Index, CNBC

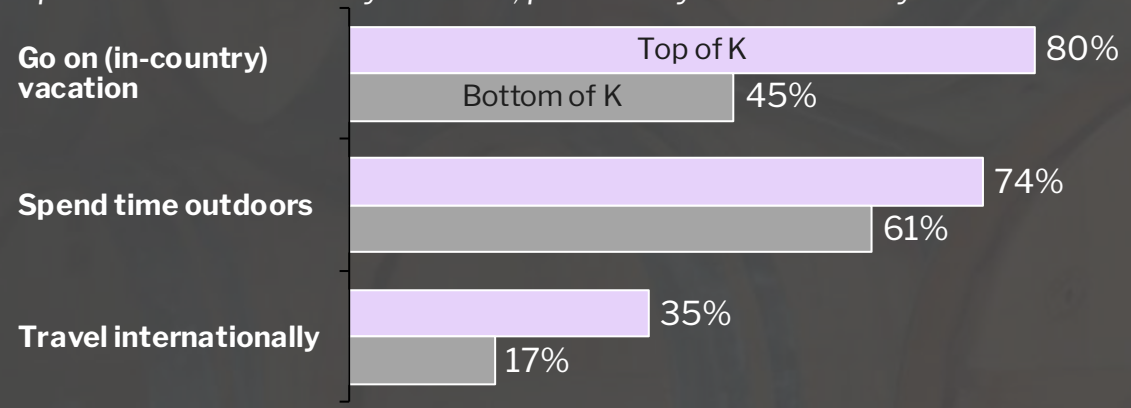
Medium term: K-shaped economy

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

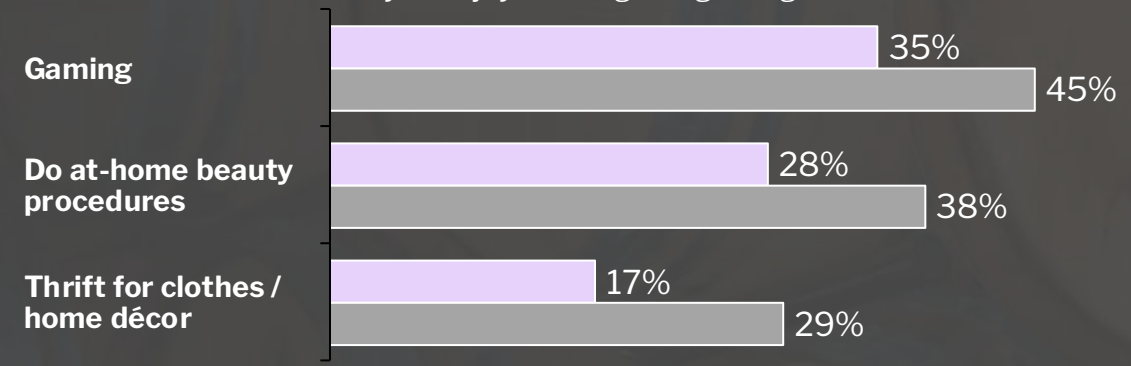
Top of the K
Bottom of the K

Hobbies and activities

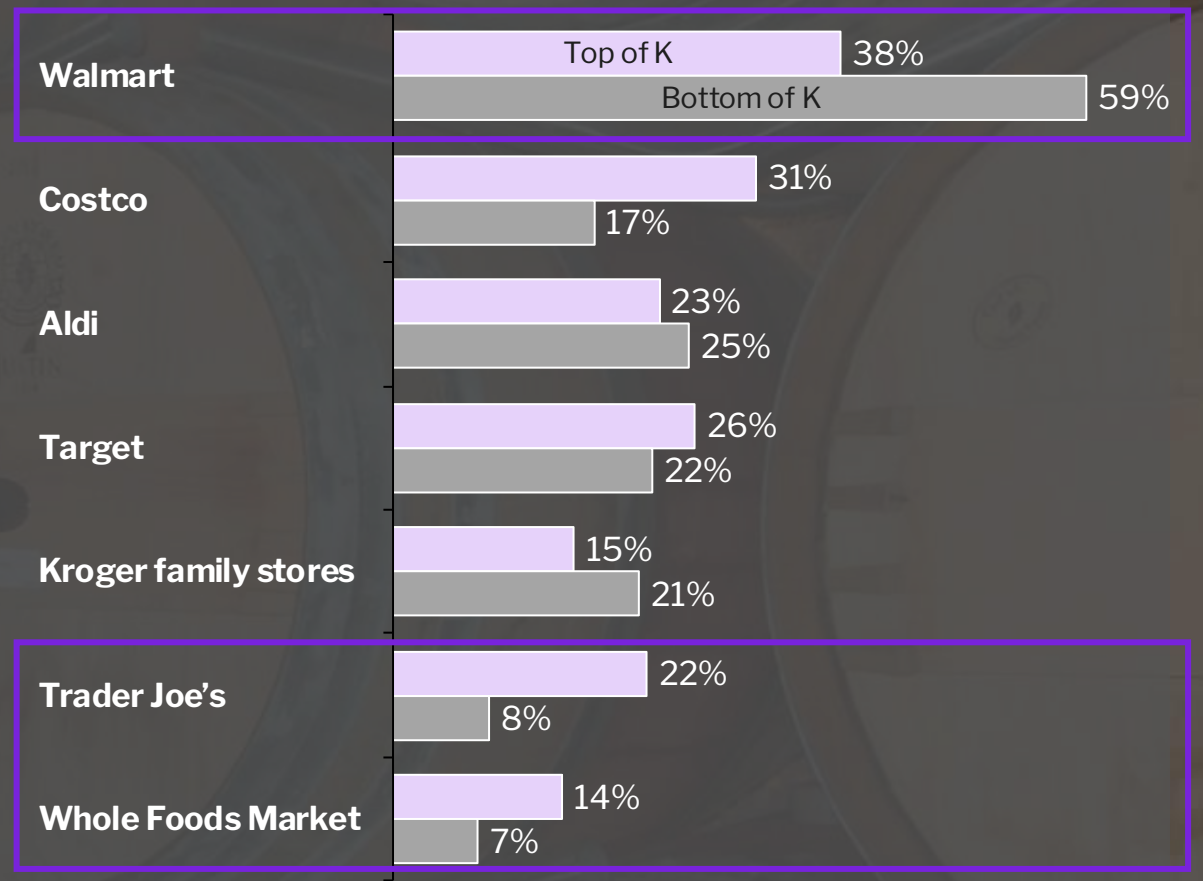
Top of the K is more likely to travel, particularly internationally



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



Retailer preference



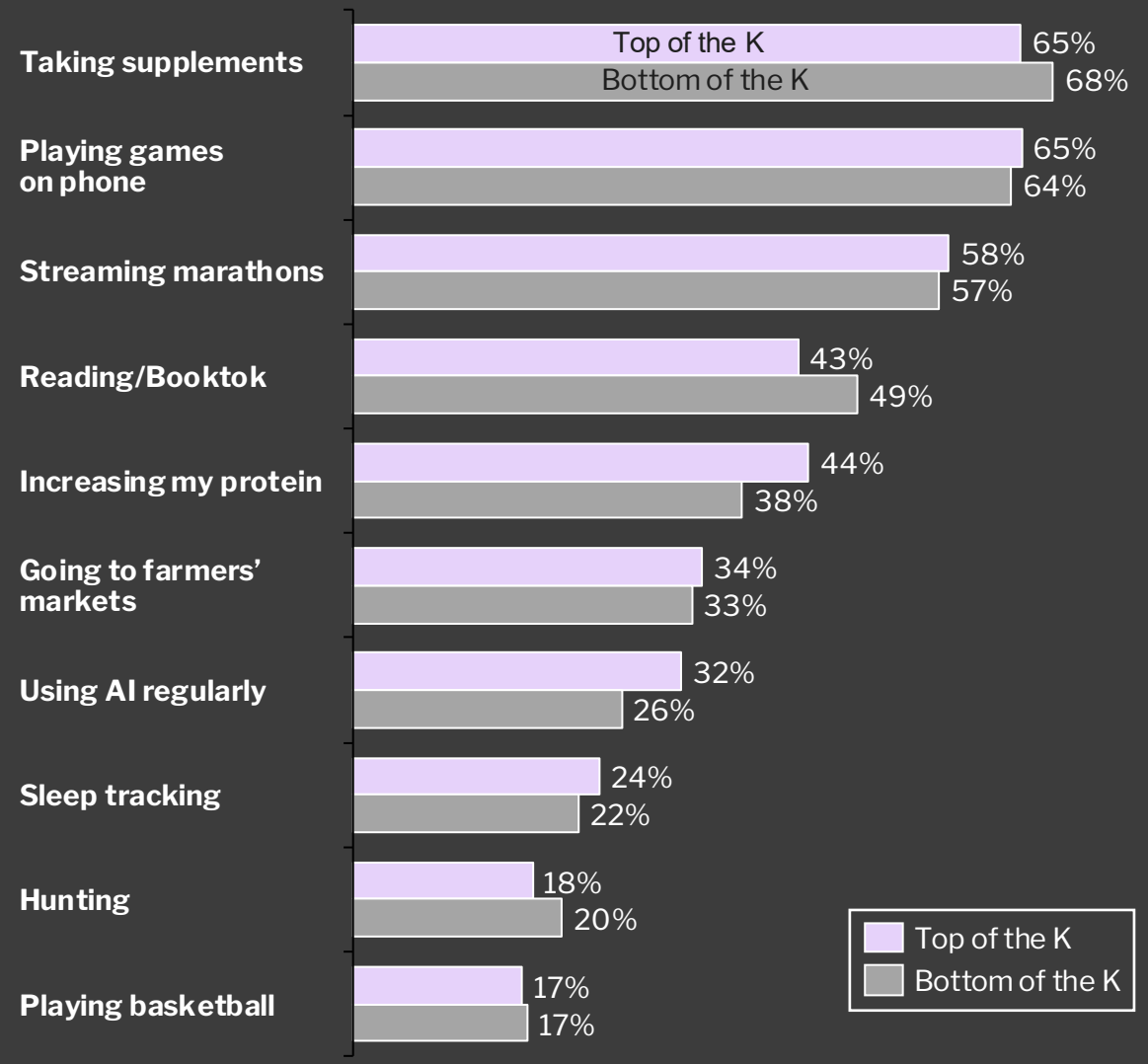
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Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Medium term: K-shaped economy

… while many behaviors and interests are similar

Snapshot: activities and trends with similar likelihood



Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Medium term: K-shaped economy

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

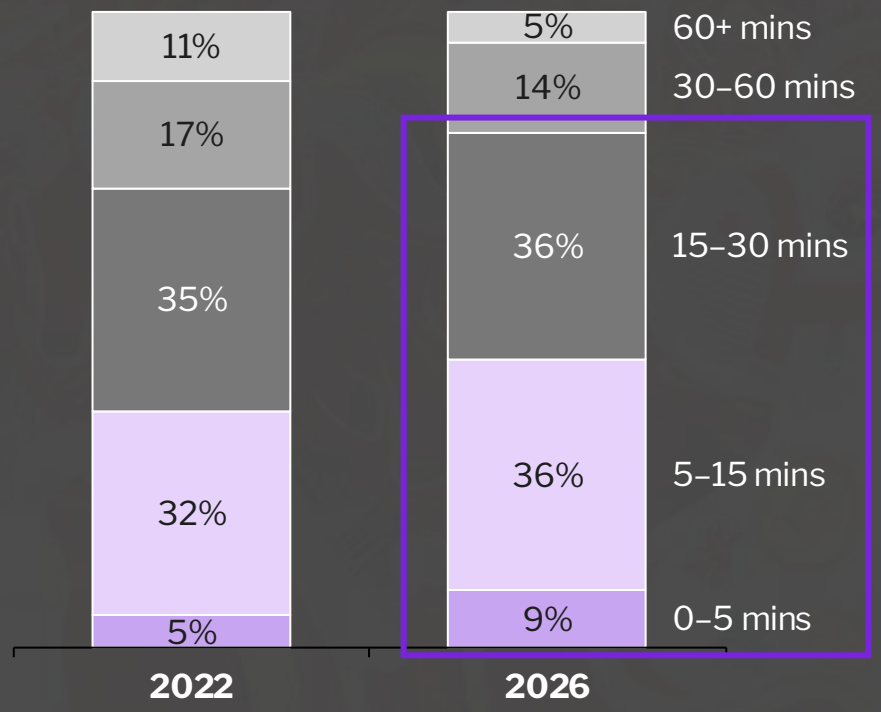
TikTok	60–90 minutes/day
YouTube	58 minutes/day
Facebook	37 minutes/day
Instagram	34 minutes/day
X/Twitter	11 minutes/day

Sources: Kearney Consumer Institute – Q1 2026 survey and analysis; ElectroIQ

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.

samba · STANLEY · tarte · new balance · owala · OLIVE YOUNG

Sources: Kearney Consumer Institute – Q1 2026 survey and analysis; Adobe; Google

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



Sources: Kearney Consumer Institute – Q1 2026 survey and analysis; scores were converted from Likert scale to map; scores only kept if respondents had at least occasional usage of the platform

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"**

Source: Kearney Consumer Institute – Q1 2026 survey and analysis

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

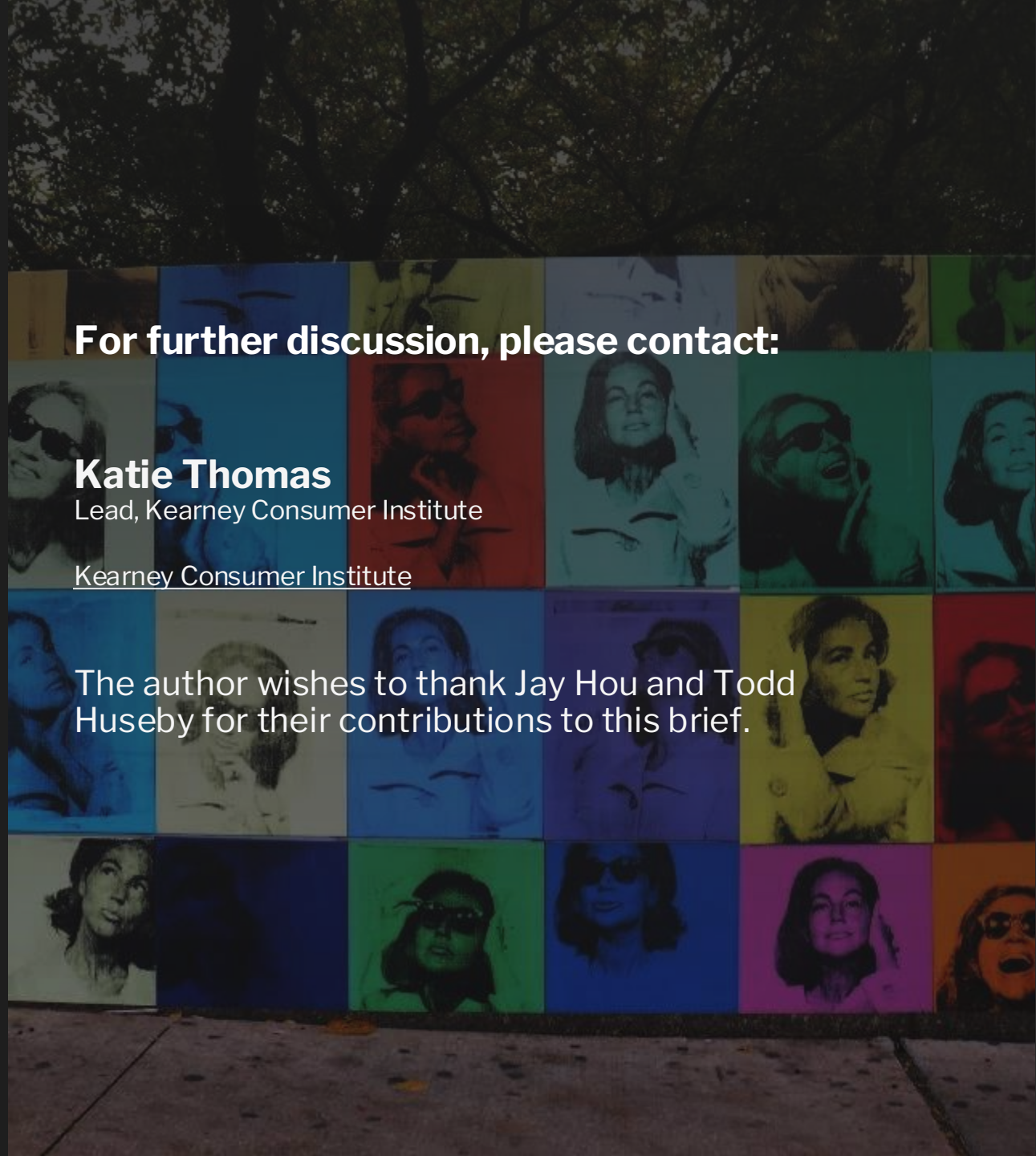
Challenges existing assumptions

Reframes to ask different questions

Generates conversation

Translates into action

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For further discussion, please contact:

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Lead, Kearney Consumer Institute

Kearney Consumer Institute

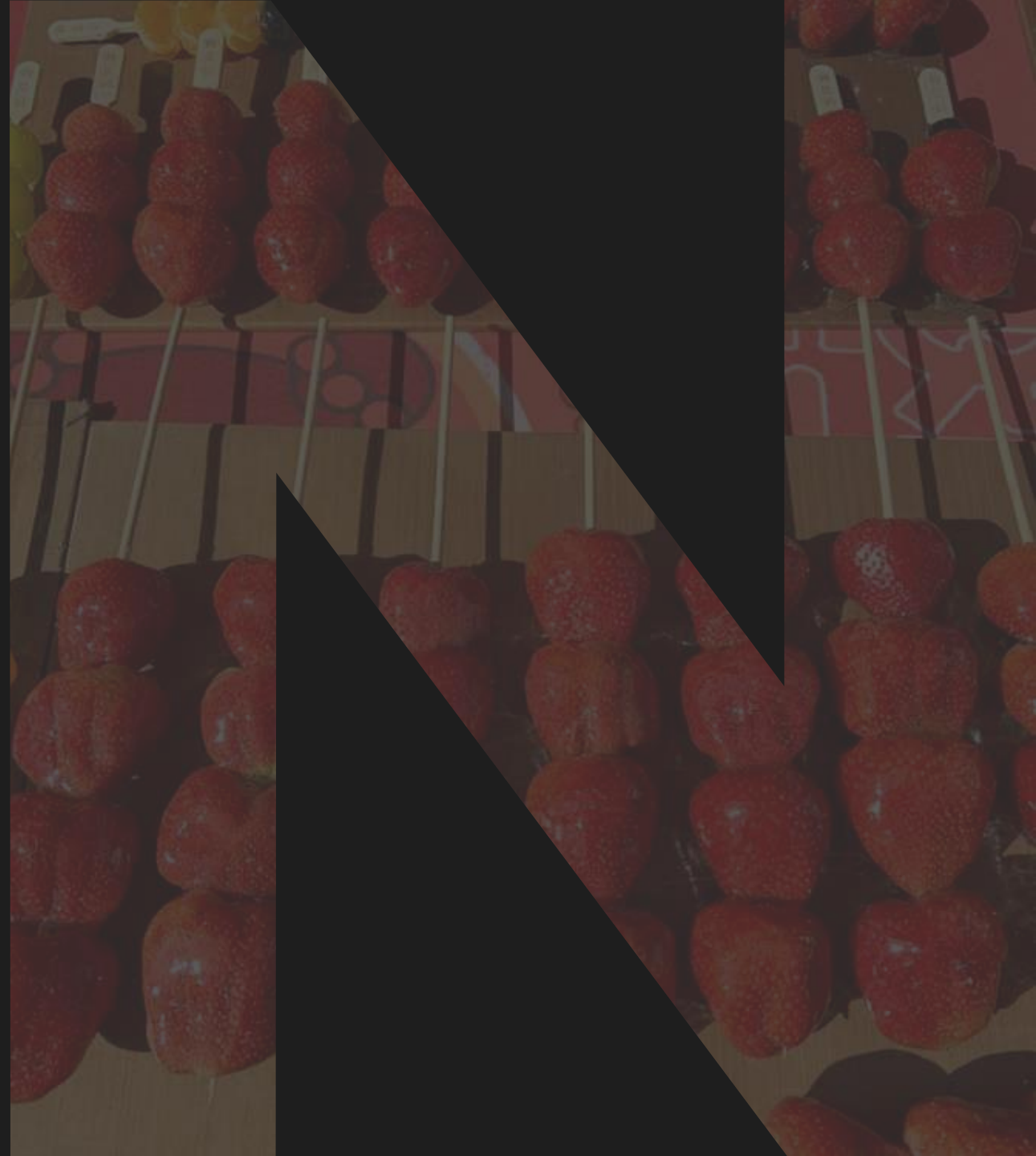
The author wishes to thank Jay Hou and Todd Huseby for their contributions to this brief.

Tell me more

Appendix

Data in report is from US survey.

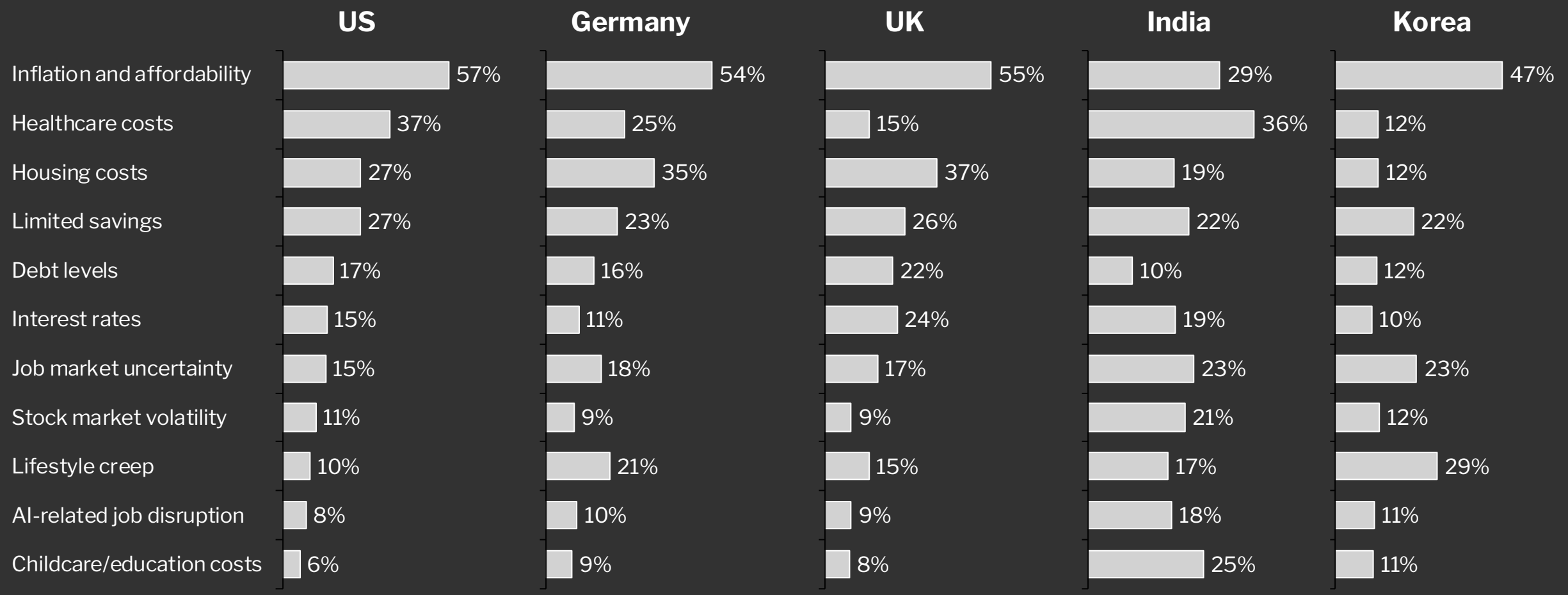
Appendix includes United Kingdom, Germany, India, and Korea.



Concerns around finances shift between various geographies, with healthcare being a top three concern only in India and the US

Which of the below factors worry you the most?

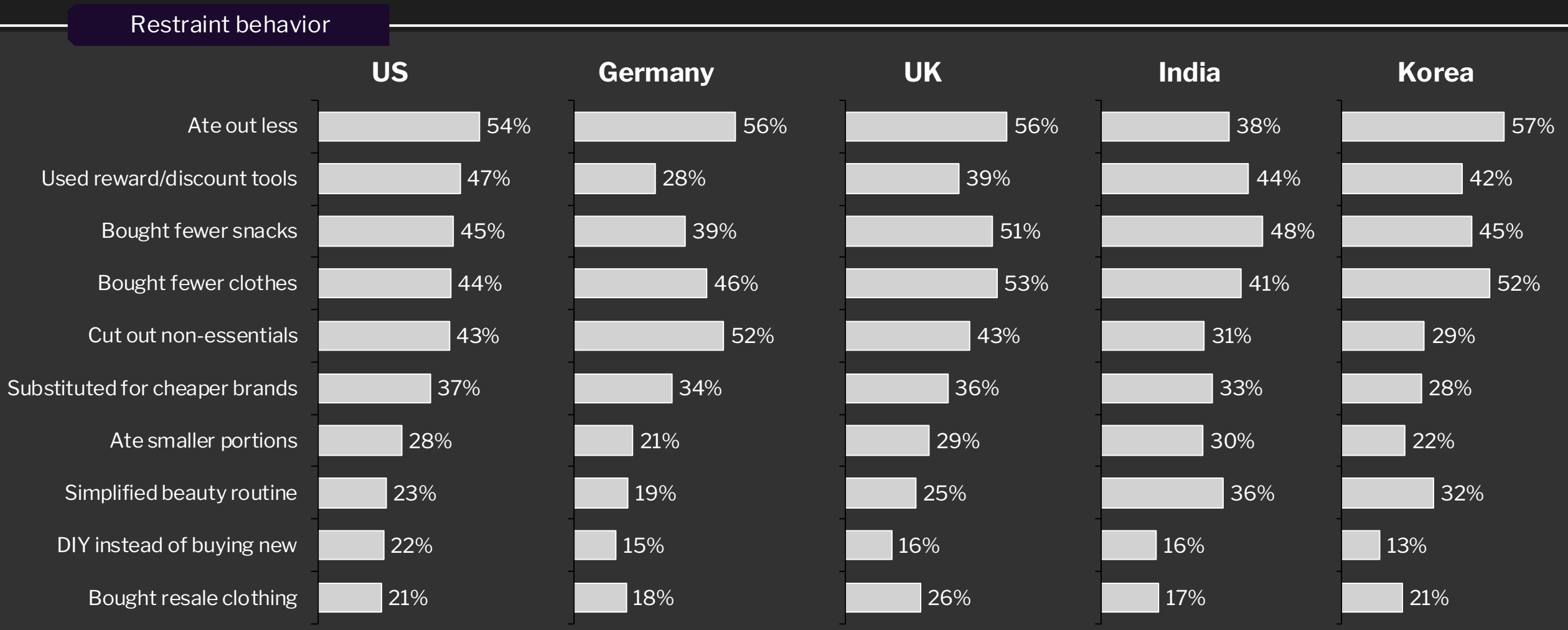
Financial concerns



Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Restraint behaviors were fairly similar across geographies

Which of the following have you done in the past six months?

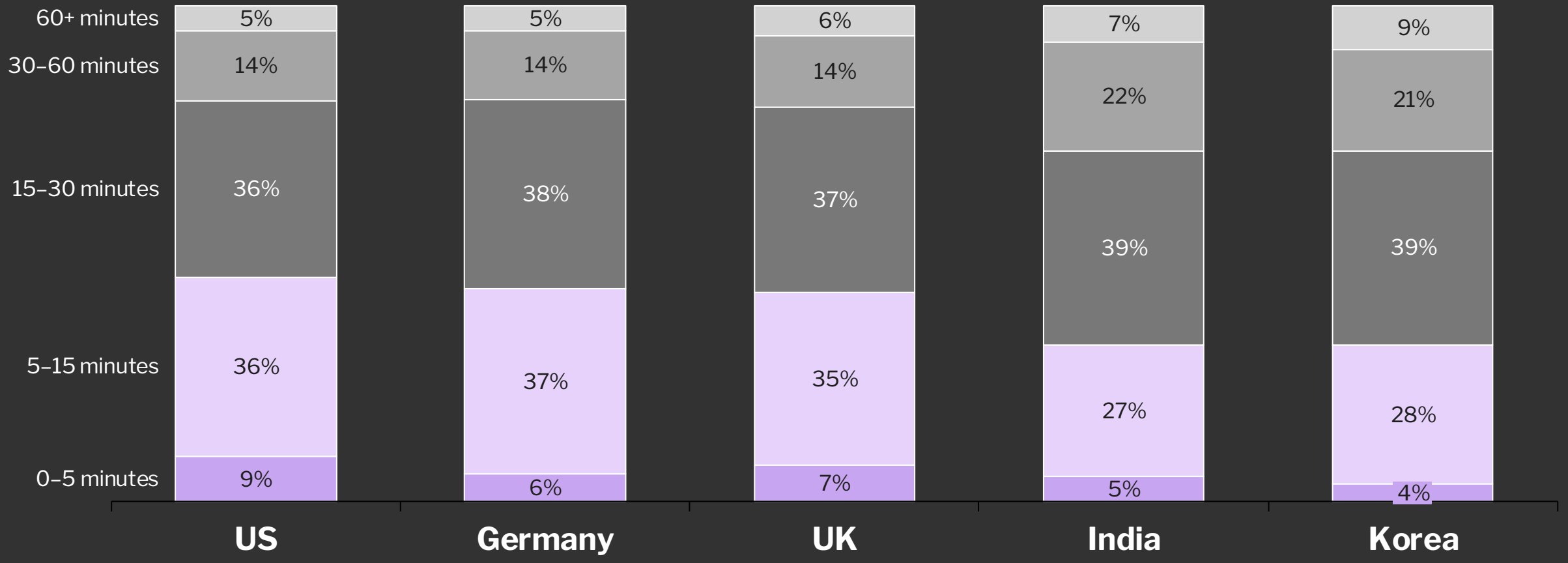


Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Countries in Asia tend to spend more time researching products

How long do you spend researching a new product on average?

Social media insights

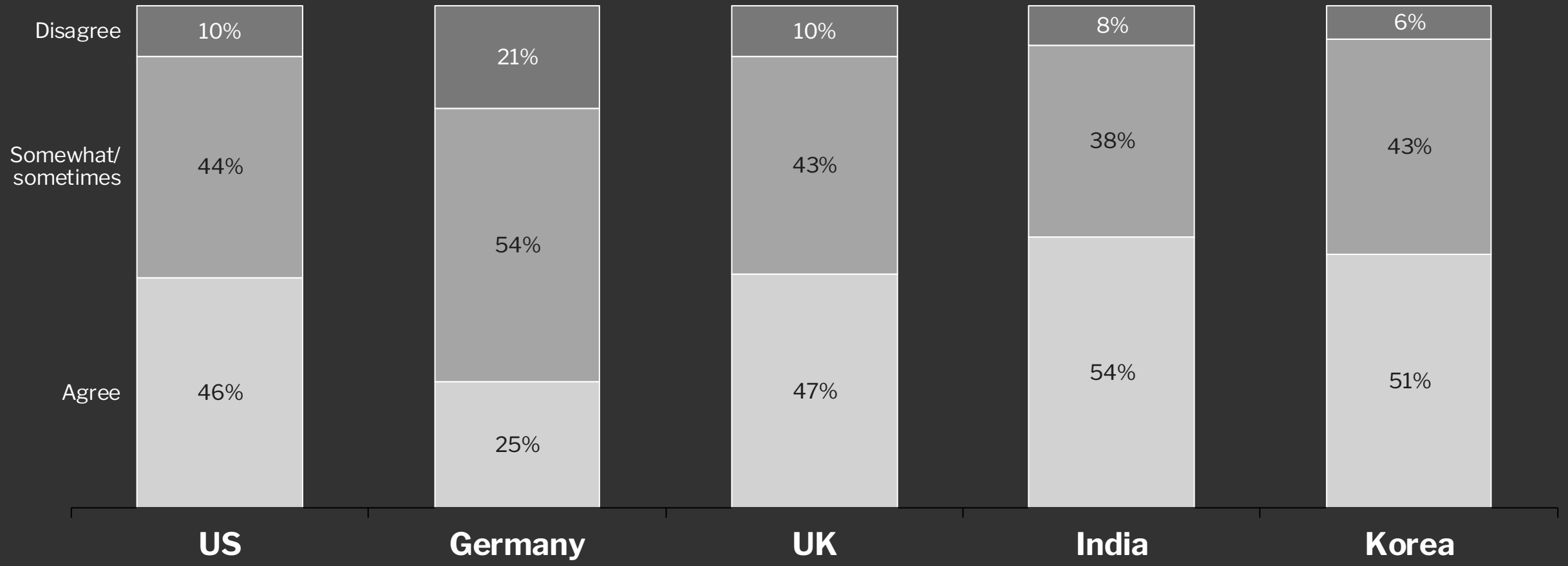


Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Germany is a strong outlier in claiming that their feeds are not repetitive

My social media feed often feels repetitive.

Social media insights



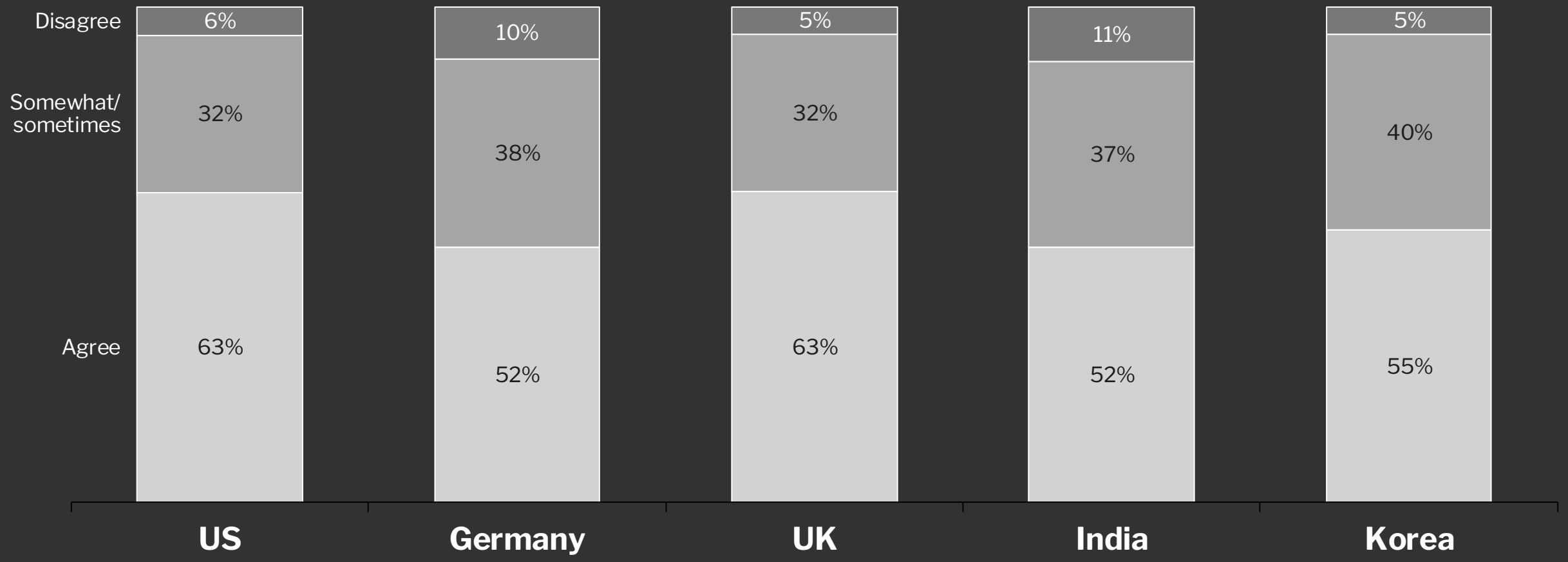
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Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Germany and India are slightly more trusting of their social media feeds

There is a lot of unregulated and/or misleading content on social media.

Social media insights

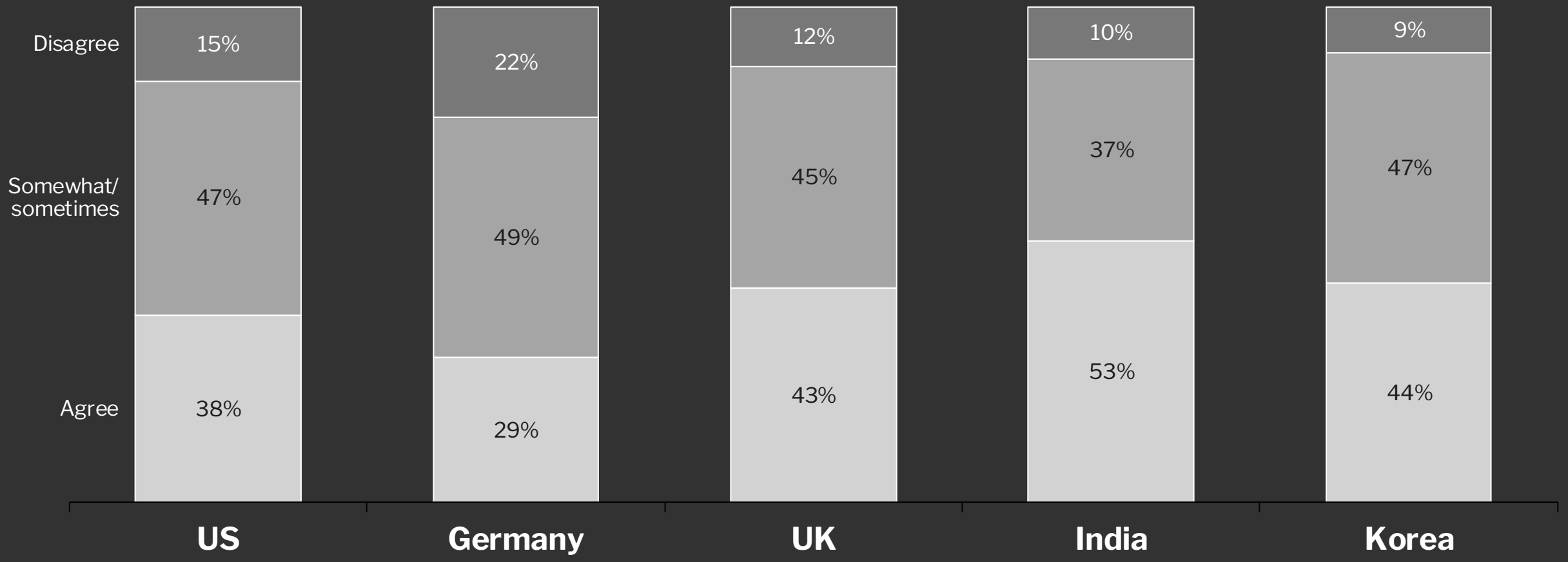


Source: Kearney Consumer Institute – Q1 2026 survey and analysis

Most users are open to more diverse perspectives

I would not mind if my social media feed was more diverse in topics or perspectives.

Social media insights



Source: Kearney Consumer Institute – Q1 2026 survey and analysis