What it takes to maintain brand relevance in an era of endless choice

ISAAC SARPONG: Isaac is the Partner in charge of Tax Services. He has over 26 years' experience in the provision of multi-faceted advice to both local and international clients in taxation, accountancy, audit & assurance, and corporate law, among others. Isaac is a Chartered Accountant, a Chartered Tax Practitioner and a Lawyer.

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Brands face pressure as consumer habits change. EY Future Consumer Index shows CPG must focus on relevance and differentiation.

In brief

- Consumers are questioning their loyalty to brands they used to love. Price, quality, choice and trust are driving decisions now.
- Agility is a competitive advantage. CP companies must flex to meet transient consumer shifts while shaping deeper transformation.
- AI is changing how people discover, compare and choose products, making brand visibility and relevance more critical than ever.

Consumer products (CP) companies have built some of the world's most recognizable and trusted brands, but the landscape is changing fast. With inflation remaining high, consumers are making more deliberate, discerning choices about how they spend their money and time. Many are questioning whether their loyalty benefits them and turning to private label and challenger brands instead. Their expectations of value, trust, and relevance are evolving.

Some of these shifts are temporary, shaped by economic pressures that will ease over time. But others are structural, reflecting a deeper and more permanent realignment in how consumers relate to brands. The challenge for CP leaders is to know which is which, and to act accordingly. Leaders who can see the future in the present will be in a stronger position to adapt with confidence, not just react to change.

This moment calls for sharper strategic thinking, new capabilities to hear and understand the signals, and bold innovation to act on those insights. Relevance is not just about visibility; it's about reconnecting with a consumer that is fundamentally changing. In this article, we use insights from the latest EY Future Consumer Index to unpack the key trends and show CP leaders how to move forward with clarity and confidence.

Chapter 1

Why brands matter less

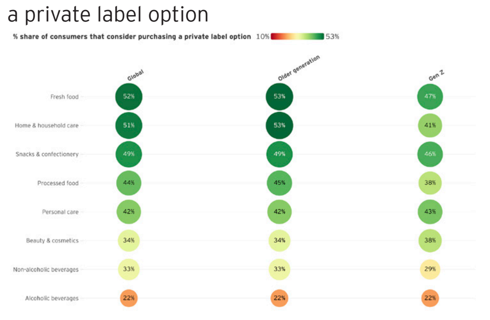
Consumers are reassessing their choices, forcing brands to prove their worth.

Loyalty is harder than ever for brands to create. Consumers are increasingly prioritizing price, quality, and trust over brand familiarity, with 35% no longer considering brands as a significant factor in their purchasing decisions. Their growing ambivalence signals a shift – brands must become relevant again and demonstrate it.

Consumers are rethinking the role brands play in their lives. Many are questioning whether they truly deliver better value or if alternatives – particularly private label – offer more for less. Loyalty has become more fluid. And digital platforms have made it easier than ever for consumers to seek out new options, make comparisons and switch.

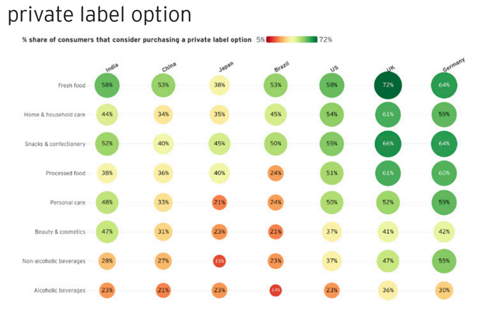
Dupe culture pushes younger consumers to unbranded beauty

% share of consumers that consider purchasing a private label option



Europe leads in private label category consideration, with food and home care showing global impact, even in markets with lower overall adoption

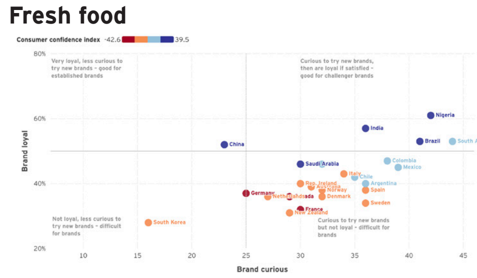
% share of consumers that consider purchasing a private label option



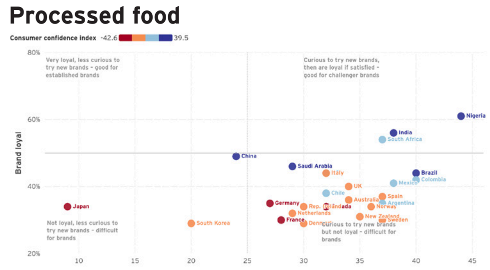
This is bubble chart titled "Private label consideration is high across Europe and notably strong in the US (by country)". It shows how consumers consider private label differently by product category, and then how this changes by country, namely India, China, Brazil, Japan, US and UK. For example, in the US, 55% of consumers would consider a private label for snacks and confectionery but only 23% for alcoholic beverages, compared to 66% and 36% respectively in the UK. The challenge is made harder by the fact that efforts to add value are not always landing. While brands attempt to innovate, 42% of consumers believe the "improvements" they see in the market are just cost-cutting in disguise. Only 26% feel positive about them. Only 12% of consumers strongly agree that brand messaging resonates with their needs and values. The investment required to reach and convert consumers is rising, yet delivering a strong return is harder than ever.

Brand loyalty strengthens in countries with higher consumer confidence, curiosity is always a challenge

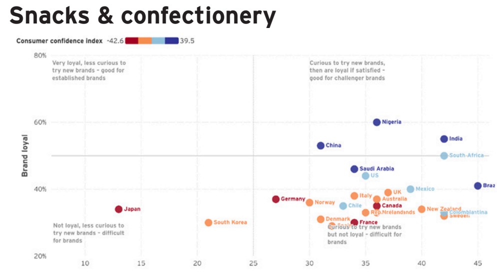
Fresh food



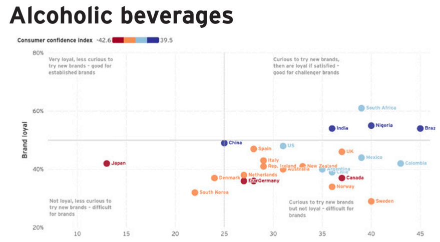
Processed food



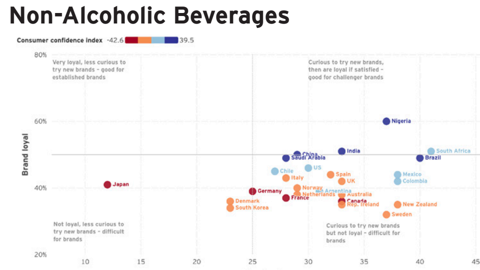
Snacks & confectionery



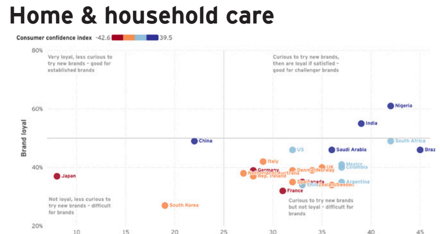
Alcoholic beverages



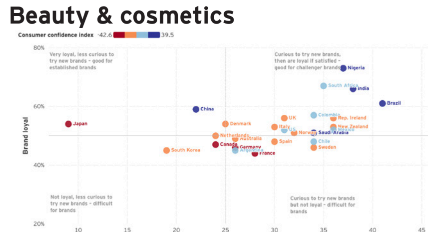
Non-Alcoholic Beverages



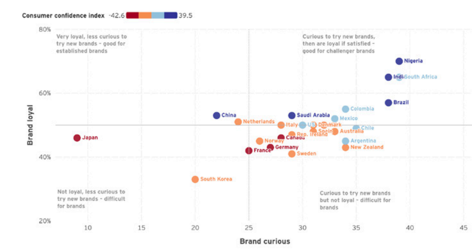
Home & household care



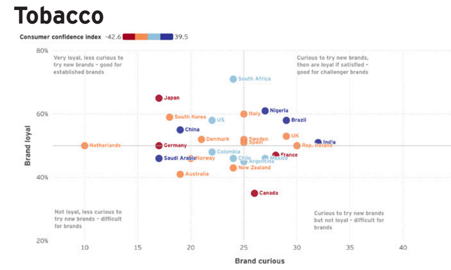
Beauty & cosmetics



Personal care



Tobacco



Brand curious: % share of consumers who are usually open to trying new brands. **Brand loyal:** % share of consumers would buy their preferred brand at a different retailer or wait if it wasn't available where they usually buy it. **Color –** Average consumer confidence with 100 being very positive and -100 being very negative

This is a bubble chart that plots brand curiosity on the x-axis with brand loyalty on the y-axis by country. Each country bubble is coloured according to the consumer confidence of the country. For example, France has a Consumer Confidence Score of -34.1, brand curiosity of 31% and brand loyalty of 32% compared to Brazil with a Consumer Confidence Score of 19.7, brand curiosity of 45% and brand loyalty of 46%.

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Worse still, shrinkflation is damaging trust and diminishing brand value, with 78% of consumers noticing product downsizing and 77% actively changing their purchasing behavior in response to price increases. When consumers feel short-changed, they look elsewhere, undermining brand equity and accelerating the shift toward lower-cost alternatives.

Yet even in these challenging times, brands can still have a powerful appeal, and those that adapt can hold their ground. Sixty-five percent of consumers still consider brands as important, so the door is not closed. But brands must reinforce their relevance, not rely on past equity.

Brands are under pressure

33%

of consumers no longer consider brands as a significant factor in their purchasing decisions.

42%

of consumers believe the "improvements" they see in the market are just cost-cutting in disguise.

12%

of consumers strongly agree that brand messaging resonates with their needs and values.

Chapter 2

Product first, brand second

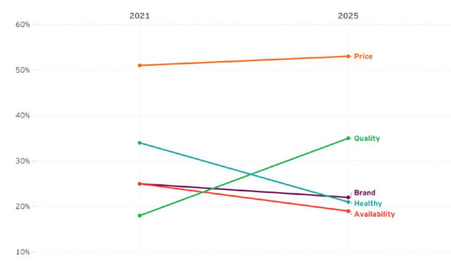
Some loss of brand allure is temporary, but deeper consumer shifts demand a more strategic response.

Consumers have drifted away from brands before, but our analysis of what's happening in the market indicates this time is different. Brands are not just losing share, they are losing status.

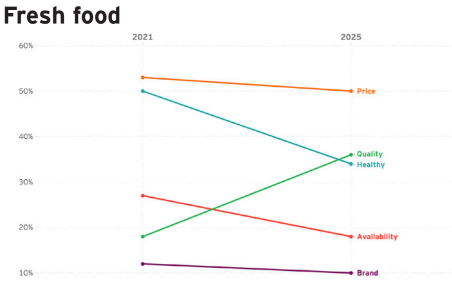
With cyclical concerns dampening consumer sentiment globally, price is winning over brand preference. Shoppers in every market are switching to less expensive alternatives, prioritizing price, quality, and value over brand recognition.

Price has become more important in beverages and beauty due to increasing competition, but declined in food and home care as consumers prioritize value % share of consumers top purchasing criteria

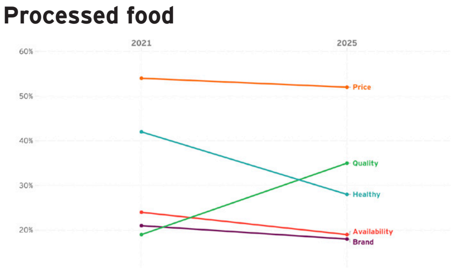
Global



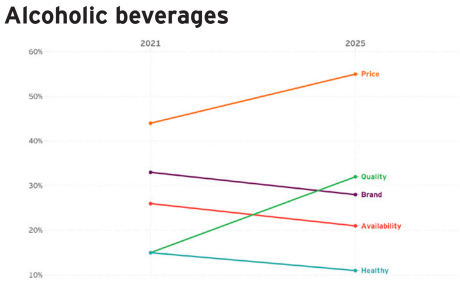
Fresh food



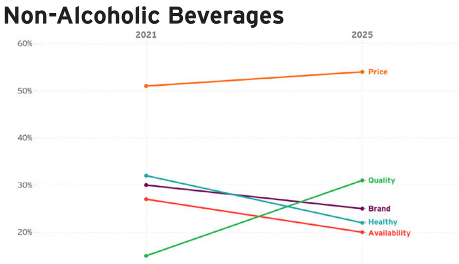
Processed food



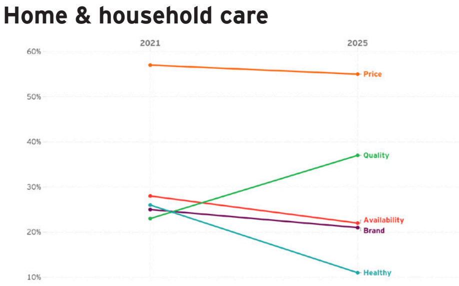
Alcoholic beverages



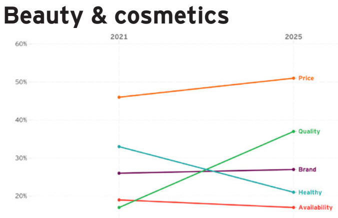
Non-Alcoholic Beverages



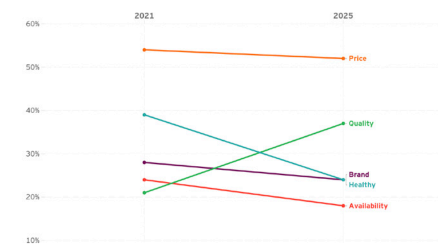
Home & household care



Beauty & cosmetics

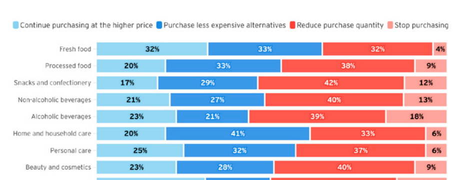


Personal care



These two slides show how quality has become increasingly important in the purchasing decision as consumers continue to put price first. The charts feature purchasing criteria including price, quality, healthy, availability and brand. Slide one shows the order of purchasing criteria by category and slide two by country, between 2021 and 2025. For example, seeking quality has increased from 18% to 35% globally (16% to 39% in the UK). Over the same period, seeking healthy fresh food has dropped from 34% to 21% (27% to 18% in the US).

Faced with price hikes, consumers cut volume, not value, especially in snacks, beauty, and beverages
% share of consumers with specific reactions to price increases

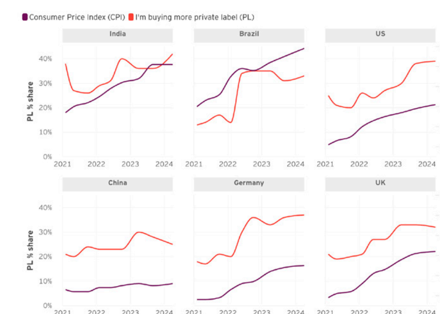


This is a horizontal stacked bar chart titled "Faced with price hikes, consumers cut volume, not value, especially in snacks, beauty, and beverages". It shows four actions consumers might take as a reaction to a price increase – stop purchasing, reduce purchase quantity, purchase less expensive alternatives or continue purchasing at the higher price – across nine product categories. For example, faced with a price increase in snacks and confectionary 18% consumers say they will stop purchasing compared to 16% who would buy regardless, with 26% choosing a less expensive alternative and 39% choosing to buy less. But for alcoholic beverages, 24% will stop purchasing 21% buy regardless, 19% purchasing a less expensive alternative and 36% choosing to buy less.

But there are forces reshaping the brand landscape permanently, and they require a strategic response, not tactical moves. We want to call out three:

1. Private label is reaching a tipping point
Private label is no longer the cheaper fallback, it's often a first choice. The data shows a decisive shift: Over 64% of consumers report seeing more private labels on shelves, with 59% positioned at eye level. And 36% who try private label do not intend to return to brands. This may not yet be a numerical tipping point, but it is an emotional one.

Rising consumer prices drive private label adoption, threatening brand loyalty



Source: EY Future Consumer Index; Oxford Economics **Note:** Share of consumers reporting "I'm buying more private label" based on EY Future Consumer Index.

This is a series of line charts by country plotting the Consumer Price Index against the % share of consumers who are choosing private label products. It's titled "Rising consumer prices drive private label adoption, threatening brand loyalty" and it shows that as prices increase so does buying private label across the globe.

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2.The shelf has changed – permanently

Traditional retail is no longer the primary battleground for brands. Digital and social platforms have transformed how consumers discover, evaluate, and engage with products. Brands are struggling to maintain a consistent presence. This shift isn't new, but it is permanent. Consumers are moving fluidly between physical stores and a multiplicity of channels, and the rise of social selling has shown that consumers are increasingly willing to bypass traditional brand channels.

3.It's easier to find what you value

The value-seeking consumer is here to stay. Discount brands are more prominent in stores, digital tools have made price and quality comparisons effortless, and there's always a sale on somewhere. Consumers are empowered to find what they value, without feeling like they're compromising. Price isn't the only factor. Consumers are weighing brands against a broader set of needs: Performance, quality and convenience still matter, while sustainability has become less of a priority.

Chapter 3

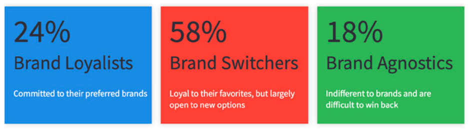
The search for the switchers

Most consumers still consider brands, but loyalty is fragile and needs special attention to defend.

Consumers overall are more ambivalent about the brands they buy than ever, but the opportunity to create loyalty is still there. Brands need to understand where they can be relevant and to whom – and then double down on relevance, especially in the fight for Gen Z. Our data reveals three distinct consumer segments:

Most consumers are Brand Switchers – they represent CP companies' greatest opportunity and their greatest risk

Global split of brand loyalty segments



Brand Agnostics

Indifferent to brands and are difficult to win back

This is a graphic titled "Most consumers are Brand Switchers – they represent both CP companies' greatest opportunity and their risk" showing three boxes describing three different types of consumer. The first box reads "24% Brand Loyalists: Committed to their preferred brands". The second box reads "58% Brand Switchers: Loyal to their favorites, but largely open to new options". The third box reads "18% Brand Agnostics: Indifferent to brands and are difficult to win back."

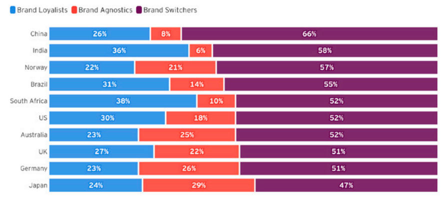
A key arena is the competition for the switchers – the consumers who might stay with you today but are vulnerable to leaving tomorrow. They are particularly impulsive – for them, a good opportunity is more enticing than a brand name. If they see a good deal (such as free samples, promotions or demonstrations), they are open to try new products. If satisfied, they stay loyal to the brand until the next good deal comes along.

Generationally, Gen Z and Millennials show brand loyalty on par with other generations, but they have the highest proportion of Brand Switchers, making them the CP companies' most vulnerable group of consumers.

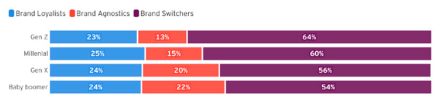
Switchers take center stage globally

Brand loyalty segments by

Country



Generation



Filter one (by country) is a horizontal stacked bar chart showing that the majority of consumers are neither loyal nor agnostic to brands, but are open to switching. In China, 66% of consumers are categorised as "switchers", 55% in Brazil and 51% in Germany. 38% of consumers in South Africa and brand loyal compared to 22% for Norway. 6% are indifferent to brands in India, compared to 29% in Japan. Filter two (by generation) features a horizontal stacked bar chart illustrating that while about a quarter of consumers remain loyal to brands, the proportion of switchers and indifferent consumers varies by generation. For Gen Z, 64% are categorized as switchers and 13% as brand agnostic compared to 54% and 22% of Baby Boomers.

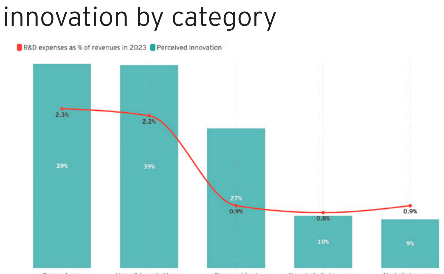
While younger consumers show strong brand preference in some categories like beauty, they are also quick to move on if a brand fails to meet expectations. This makes retention strategies critical. Consumers need consistent value, true innovation that enhances quality, and a sense of community and belonging. Companies can't simply rely on defending the loyalty they created in the past, they must actively invest in their brands to win in the categories most vulnerable to switching.

Where do the Switchers go? At-risk categories include food and personal care. Older generations lean toward private label, except in personal care and beauty. Private label adoption is strongest in Europe, where it is well established, but it is also growing in the US, especially in food and home care categories.

Notably, 48% of consumers are willing to return to a branded product if it offers superior taste, quality, or performance. And 36% would switch back to a brand for better value. But consumers are no longer satisfied with minor product tweaks – they expect bold, valuable innovation. Thirty-three percent are willing to pay a premium for enhancements that improve product performance, signaling an opportunity for brands that prioritize R&D-driven advancements. Categories perceived as most innovative – beauty (43%), personal care (39%), and household care (39%) - invest more in R&D and are reaping the rewards. Sustained investment in innovation is essential to maintaining competitive differentiation and securing long-term consumer loyalty.

Consumers recognize innovation when they see it – the more R&D investment the greater the perceived level of innovation, particularly across food and home and personal care

% share of consumers noticing innovation by category



Source: EY Future Consumer Index; S&P Capital IQ

This chart is titled "Consumers recognise innovation when they see it – the more R&D investment the greater the perceived level of innovation, particularly across food and home and personal care". It maps by product category R&D investment (a line chart) over consumer perceptions of innovation in that category. For example, 2.3% of revenues are devoted to R&D in personal care with 39% of consumers noticing the most innovation in personal care. This compares to 0.9% and 9% respectively for alcoholic beverages.

Winning over switchers

48%

of consumers are willing to return to a branded product if it offers superior taste, quality, or performance.

36%

of consumers would switch back to a brand for better value.

33%

of consumers are willing to pay a premium for enhancements that improve product performance.

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Chapter 4

Five moves to reignite brand power

Staying relevant demands brands deliver real value, build trust, and adapt to a changing consumer.

1. Getting price right is critical

With consumers scrutinizing every purchase, value must justify price. Brands need to sharpen their Price Pack Architecture (PPA) to manage their price/volume mix and prevent trade-down. This could mean offering single-serve for impulse purchases, smaller pack sizes for affordability and value packs for bulk buyers – all while effectively managing margins. Getting this balance right reinforces loyalty and prevents switching to private label, where perceived price gaps are closing fast.

2. Operational excellence is a priority

Supply chain resilience and quality control are essential to protect trust and prevent consumer attrition. Even minor operational missteps can drive consumers to alternatives, resulting in long-term impact on volumes. The ability to maintain supply levels is critical – 56% of consumers say they would switch away from their favorite brands if they became unavailable. Rising costs are also driving the need for operational excellence, as customers and consumers are pushing back on pricing.

3. Innovation must drive value, not just marketing

Most CP companies have prioritized marketing over R&D for years, but this imbalance risks becoming a weakness. To stay ahead, brands must move beyond incremental improvements and embrace bold, cross-category innovation. Relying solely on traditional, category-specific advancements is no longer enough – consumer expectations are evolving too quickly. AI offers a game-changing opportunity to optimize innovation, reduce time to market and increase success rates. By leveraging AI, brands can ensure consumer-centricity, eliminate inefficiencies, and maximize relevance – turning R&D investments into meaningful consumer value while minimizing waste. The future of innovation belongs to those willing to think bigger, act faster, and break traditional boundaries.

4. AI visibility is critical to relevance

As digital engagement grows, brands must refine their targeting while managing tighter budgets. CP leaders are bringing media in-house and using AI to optimize content efficiently. AI is shaping purchasing decisions, yet 58% of consumers still haven't bought based on its recommendations. With 50% of AI suggestions favoring mass brands, visibility matters. As automation advances, CP companies must embed their brands in AI-driven discovery or risk irrelevance. The shift is clear: Marketing strategies must adapt to ensure brands remain visible, relevant, and consistently part of consumers' decision-making.

5. Maintaining momentum through strategic M&A

CP companies are designing their balance sheets so they can pursue bolt-on M&A transactions take them into – or increase their presence in – high-growth, high-margin categories. Given the operationally challenging environment, many are divesting underperforming assets so they can unlock the resources needed to fund these high-value growth plays. These deals are capital intensive, so successful acquisitions must be a strategic fit that quickly leverage scale advantages in distribution, penetration, and cash conversion.

In a world where relevance is expected, differentiation is what counts. Winning brands don't settle at meeting needs, they push relevance to extraordinary levels. That means putting consumers first as never before, delivering value beyond price, and making bold strategic moves. The brands that thrive won't be those that strive to keep up, they will be the ones that stand apart.

Special thanks to the following individuals who contributed greatly to the development of the EY Future Consumer Index – the survey, analysis and insights: Sabrina Hassanin, EY Global Consumer Products and Retail Analyst; Andreas Waelchli, EY Global Consumer Products Analyst; Rebecca Edwards, EY Global Consumer Products Marketing Lead; Marie Bos, EY Global Consumer Products Senior Analyst.

Methodology

The EY Future Consumer Index tracks changing consumer sentiment and behaviors across time horizons and global markets, identifying the new consumer segments that are emerging. The 15th edition of the EY Future Consumer Index surveyed 20,235 consumers across the US, Canada, Mexico, Brazil, Argentina, Chile, Colombia, the UK, Germany, France, Italy, Spain, Ireland, the Netherlands, Denmark, Sweden, Norway, Australia, New Zealand, Japan, China, India, South Korea, Saudi Arabia, South Africa, and Nigeria between 24 January to 20 February 2025.

Summary

Consumers are questioning the relevance of brands, prioritizing price, quality, and trust over familiarity. Private label is gaining ground, and AI is reshaping how people discover and choose products. Some shifts are temporary, but deeper behavioral changes demand a long-term response. Brands that strengthen consumer connections, rethink value, and adapt to evolving expectations will stay relevant and competitive. Those that move with the market can thrive – building stronger, more meaningful relationships with consumers.