fusion HILL

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GREAT CONTRADICTIONS (OR ARE THEY?)

Insights from the Fusion Hill team



INTRODUCTION

Consumers today are navigating an increasingly complex world of choices, where competing priorities exist side by side. Across Fusion Hill's work in health care, financial services, technology and consumer products, we've observed that many of the assumptions organizations have traditionally made about consumer behavior no longer hold true.

Consumer behavior is becoming increasingly nuanced and contradictory. **But it isn't becoming irrational – it's becoming situational.** Traditional segmentation assumed people behaved consistently. Today's consumers optimize every decision based on context, perceived value, trust and emotional payoff. The companies winning aren't those with the best products – they're those that understand when consumers switch between competing priorities.

As a result, understanding when, why and where consumers make these choices is becoming just as important as understanding what they choose. **Being grounded in consumers' true motivations helps companies better drive the evolution of their products and services, as well as how to develop effective positioning and messaging strategies.**

The following pages highlight four emerging consumer contradictions that have consistently surfaced across Fusion Hill's research and strategy over the past year. Together, they offer a snapshot of the tensions shaping consumer expectations today and the opportunities for organizations to better meet these evolving needs.

TREND 1:

PRIVATE, YET PERSONALIZED

As consumers embrace new technologies, they increasingly express concerns around privacy, data collection and how companies use their personal information. At the same time, they increasingly expect experiences that feel tailored to their specific needs, preferences and behaviors. Rather than rejecting data sharing outright, consumers appear to be becoming more selective about when, how and with whom they share their information.

53%
of consumers
are extremely or very concerned about the privacy of their personal information

- Only 33% trust companies to use their personal information responsibly
- Consumers are most comfortable with companies using their purchase history (45%) and website behavior (42%) to personalize experiences
- 71% of consumers expect personalized interactions, and 76% become frustrated when those experiences are not delivered

INSIGHTS FROM THE FIELD

Across industries, we continue to see consumers express skepticism about data sharing while simultaneously seeking more personalized experiences.

- We've spoken with participants who are more inclined to accept extensive data collection from brands they trust, given there is transparency about how their data is used.
- We hear how consumers actively consider the risk vs. reward of sharing certain information – sharing a birthddate may be worth a retailer discount, but they hesitate to share that birth date with a new tech platform until they know why it is needed.
- Permission has also been a factor in many of our projects; consumers may know a bank has extensive personal financial information and appreciate tailored recommendations, but want to be asked for permission before an advisor specifically assesses their situation.

SO WHAT?

The competitive advantage is no longer personalization itself; it's knowing which data consumers willingly exchange for value. Success for organizations will depend on identifying which data creates meaningful value, which types of personalization build trust and where personalization begins to feel invasive. These answers are unlikely to be universal and will vary by category, customer segment and context. Knowing the privacy and personalization needs of your target audience(s) and incorporating them into your positioning and messaging will be essential.

Recommended reading:

- qualtrics.com/m/www.xminstitute.com/wp-content/uploads/2025/03/XMI_RR-DS_ConsumerPreferencePrivacyPersonalization-2025.pdf
- shno.co/marketing-statistics/marketing-personalization-statistics?
- forbes.com/sites/garydrenik/2026/04/21/personalization-to-paranoia--why-consumers-pull-back-as-ai-expands/

TREND 2:

SELECTIVE SPENDING

Consumers are increasingly moving fluidly between premium and value-oriented choices depending on the situation, challenging the assumption that they consistently gravitate toward one end of the spectrum. Rather than identifying as either "budget conscious" or "premium focused," consumers are becoming more selective about where they choose to invest.

- Consumers may book economy airfare, shop at budget grocery stores and then splurge on a premium hotel or save part of their budget for a high-end dining experience – all within the same vacation.
- Grocery shopping provides another clear example: as the consumption of private-label goods continues to grow, a Kearney–NielsenIQ study found that 54% of U.S. consumers say the brand does not matter as long as the product meets their needs.
- McKinsey found "trading down" behaviors are becoming more pervasive, even among high-income households: "Rather than pulling back uniformly, they are becoming more selective and intentional: trading down in some categories, extracting more value from purchases, and reserving splurges for moments that feel justified."

INSIGHTS FROM THE FIELD

While travel and hospitality often receive the most attention, Fusion Hill has seen this pattern extend into the food and beverage, technology, finance and retail industries.

- Consumers we've interviewed seek premium credit card experiences while maintaining a budget-conscious approach to everyday spending.
- Time spent with small-business research across a variety of industries has revealed their rationale on which tools or experiences are worth it and when to keep it basic.

SO WHAT?

Rather than relying on broad customer segments, brands will need to understand the moments, motivations and trade-offs that drive consumers to spend more in some situations and less in others. As the middle becomes increasingly difficult to compete in, the greatest opportunities lie in identifying which experiences feel worth investing in or splurging on, and which are expected to simply deliver basic value. It will also be important as an organization to gain alignment on whether you want to target and deliver against the needs of one end of the spectrum or attempt to address both.

Recommended reading:

- nielseniq.com/global/en/insights/analysis/2025/private-label-branded-shelfscape/
- plma.com/article/private-label-sales-rose-39-2024-record-271-billion?
- mckinsey.com/industries/consumer-packaged-goods/our-insights/state-of-consumer

TREND 3:

TECH INNOVATION TO REDUCE TECH INTERACTION

As consumers continue to use AI tools, they increasingly value time-saving, efficiency and personal assistant capabilities to handle repetitive, menial tasks. However, consumers are also seeking more reprieves from technological connection and prioritizing time to "unplug." They seek better, more efficient tools to free up time to do the things they love with the people they love. They value tech design that is unobtrusive, blends into their homes and can be easily turned off or put away while they prioritize human connection. At the same time, consumers steer away from tech experiences that create distraction, information overload or unnecessary complexity.

- Time spent "unplugging" is a clear indication of this trend, with more than half of Gen Z (54%) and millennials (43%) now setting aside dedicated offline periods each day.
- "Invisible tech" in the home (e.g., wellness systems, climate control, security and lighting) is on the rise as consumers, especially the affluent, want to *feel* the effects of technology without having to *see* it.
- In the health care space, studies suggest ambient clinical documentation positively impacts clinician burnout (from 52% to 39%), lowers cognitive burden and gives clinicians better ability to stay present with patients.
- According to a 2026 BCG survey: 57% [of participants] have used AI tools to ask about their personal health, yet 59% are concerned that AI responses are unreliable or inaccurate.

INSIGHTS FROM THE FIELD

Desire for innovations that streamline one's day to give time back or that can seamlessly be woven into their lives with minimal disruption is a constant request in our consumer and business projects.

- In our recent tech research, consumers highlighted smart rings as an ideal tech device that, compared to traditional smart watches, are much less attention-grabbing and obtrusive while still providing advanced health-tracking statistics
- In our B2B conversations, we hear consistent desire for tools and automation that handle time-consuming manual tasks to free up employee time and brain space for tasks that require strategic thinking.
- Across several recent studies, we've seen AI becoming a starting point rather than an end point. Participants increasingly use AI to summarize information, compare options or narrow choices, but still seek validation from trusted experts, reviews or personal networks before making important decisions.

SO WHAT?

As consumers redefine what "better" technology looks like, brands should look beyond feature adoption to understand how products fit into everyday routines and decision-making. Opportunities lie in identifying which tasks consumers want automated, which experiences they want to remain human and how technology can reduce cognitive load while simultaneously increasing confidence. Companies will need to purposefully position and message not just on a specific new innovative feature, but also on the effects that innovation will have on a consumer's life.

Recommended reading:

- studyfinds.com/young-americans-unplugging-happier/
- forbes.com/sites/bryanrobinson/2025/10/04/digital-tool-fatigue-eroding-mental-health-and-career-productivity/
- pymnts.com/news/artificial-intelligence/2026/70-percent-of-consumers-say-yes-to-ai-agents-for-shopping/
- uchicagomedicine.org/forefront/research-and-discoveries-articles/ambient-ai-saves-time-reduces-burnout-fosters-patient-connection
- forbes.com/councils/forbesbusinesscouncil/2026/05/29/stealth-smart-home-tech-and-todays-affluent-consumer/
- bcg.com/publications/2026/consumers-are-ready-for-ai-health-care-are-systems

TREND 4:

AUTOMATION WITHOUT ABANDONMENT

Consumers appreciate the ease, convenience and personalization that comes with AI tools and are increasingly using AI for research, shopping and planning. However, consumers still highly value access to a human for areas that feel especially personal or sensitive, primarily customer support, health care concerns or high-stakes banking. They have a low tolerance for navigating a frustrating AI experience and see readily available human connection as a key differentiator for providers and partners.

- Up from 10% in 2025, TD's 2026 AI Insights report found that 55% of consumers now use AI to aid their financial management decisions, with adoption highest among Gen Z (77%) and millennials (72%).
- 81% of consumers would prefer some level of human involvement when calling a bank for support – 42% saying AI could gather information first and then connect the caller to a human, and 39% saying they'd want to connect immediately to a human who uses AI tools to find the right solution.

FROM A RECENT PARLOA STUDY ON CONSUMER PATIENTS WITH AI CHATBOT SUPPORT:

1 in 3 consumers would rather switch brands than be put on hold

53.6% of consumers admit to deploying tactics on chatbots and IVR systems to be routed to humans faster

66.6% of consumers would wait longer for a human to ensure their issue is resolved

INSIGHTS FROM THE FIELD

Across industries, we hear how AI and technology are being incorporated into information gathering and broader decision-making processes – be that to plan a trip, compare credit cards or shop for business insurance. However, we've also seen consumers describe the importance of having a readily available in-person, human contact (even if they're not using it often).

- While an increasing number of consumers are utilizing fintech tools, many still prioritize access to a local bank branch when choosing their primary bank.
- We also continue to hear about the role of a known financial manager, planner or support person in building loyalty to an institution, especially for small-business owners and consumers who have had technical issues in the past.

SO WHAT?

The question is no longer whether consumers want AI or human support – they want both. Consumers increasingly judge organizations not by whether they use AI but by how easily consumers can reach a human when confidence matters. Companies need to understand which issues their customers are comfortable handling through AI vs. which requires a human, and how to create seamless transitions between the two experiences. An organization must strike a balance in its messaging – communicating that it offers both ends of the spectrum and knows when to deploy each.

Recommended reading:

- go.parloa.com/consumer-patience-index
- stories.td.com/us/en/article/2026-ai-insights-report-artificial-intelligence-at-the-consumer-inflection-point
- pymnts.com/news/artificial-intelligence/2026/70-percent-of-consumers-say-yes-to-ai-agents-for-shopping/
- gartner.com/en/newsroom/press-releases/2026-05-27-gartner-survey-finds-consumers-want-ai-shopping-help-but-not-ai-purchase-decisions

IN CLOSING

Consumers no longer behave as “premium” or “value” shoppers, “digital” or “traditional” users, or “AI enthusiasts” or “AI skeptics.” Instead, they move fluidly between these mindsets based on what they are trying to accomplish, how much is at stake and whom they trust.

Across Fusion Hill’s research in health care, financial services and technology, one pattern has become unmistakable: today’s consumer behavior is not actually contradictory – it’s situational. The brands that succeed in this new reality won’t be the ones that force consumers into static segments. They’ll be the ones that understand the situations that shape decisions – and build their products, experiences and messaging around those moments.

Let’s Connect!

Want to learn more about how Fusion Hill can help you explore this topic and others? We’d love to connect!



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