

# Consumers & Challenger Brands

## **Small Brands, Big Opportunities: Understanding Consumer Curiosity and Caution**

In today's marketplace, consumers are increasingly open to exploring beyond the well-known giants, showing growing interest in "challenger" brands — those that are smaller, newer and/or independent from large corporations (think Olipop vs. Coca-Cola). These brands are often seen as fresh alternatives that can offer better value, unique products or simply a break from the familiar.

But challenger brands often face an uphill battle against big-name companies that benefit from established trust, widespread recognition and significantly larger marketing budgets, all of which can make it harder to break through and earn consumer confidence.

With technology comes possibility. The democratization of data and the pace of technological innovation have given challenger brands an opportunity for market research on par with those brands with much deeper pockets. It's imperative that challenger brands take these opportunities in order to reach their best customer, compete with established brands and level the playing field in order to win.

This report highlights several key findings around what attracts consumers to challenger brands, as well as concerns that could make them pause when choosing up-and-comers over established household brands.

## Most Consumers Are Open to Trying Challenger Brands...Sometimes

A large majority of consumers are open to experimenting with brands they've never heard of, with very few saying they are unlikely to try something new. This openness creates valuable opportunities for challenger brands to attract attention and build market share.

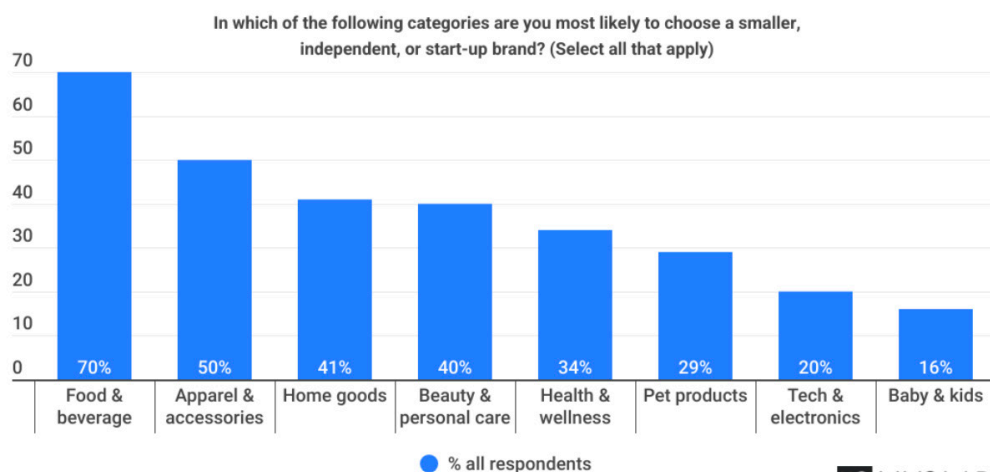
- 76% of consumers say they are either "very likely" (24%) or "somewhat likely" (52%) to try a new brand they've never heard of.
- Just 7% are "not very likely" or "not at all likely" to try a new brand.
- When asked if they've ever switched from a big brand to a smaller one and never looked back, 60% say yes, with that share rising to 68% for people aged 25-34.

Although many consumers are willing to consider challenger brands, most do so only occasionally. Regular selection of smaller brands is limited, with most shoppers opting for them "sometimes" rather than consistently, particularly among women and older consumers. When asked about their frequency of choosing smaller brands:

- 51% of overall respondents say "sometimes," with that share rising with females (57%) and people 55-64 years old (67%).
- Only 10% of total respondents say "always."

### People Most Likely to Try Food & Beverage Challenger Brands

An MX8 Labs survey found that consumers are most willing to try small, new and/or independent brands within the food and beverage category, followed by apparel and accessories.



Consumers are most likely to try challenger brands in categories that feel lower-risk, such as food and beverage, and apparel and accessories. Interest in smaller brands drops in categories like tech and electronics, and baby and kids, where trust, safety, and reliability carry more weight.

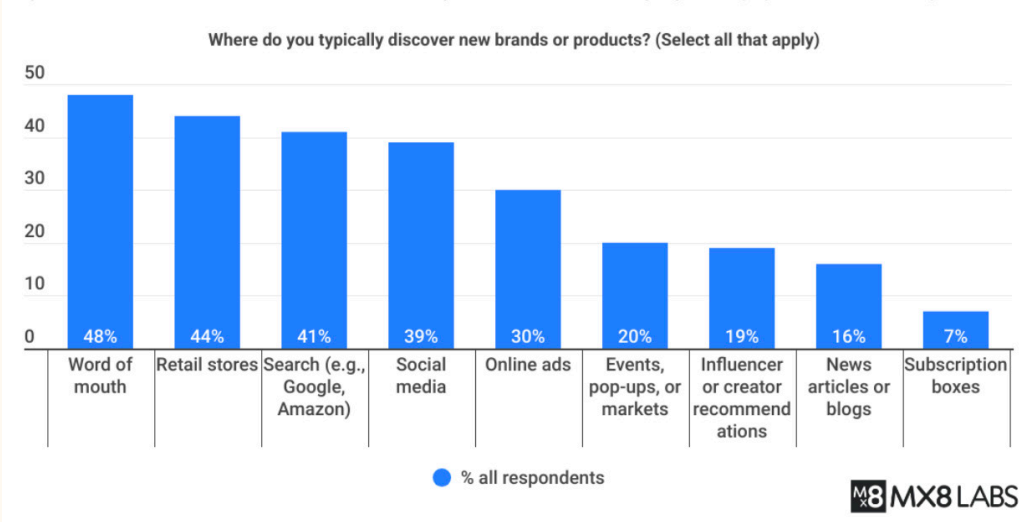
- 70% of total respondents say they're likely to try a challenger brand within the food and beverage space. That share rises to 74% among people over the age of 65.
- 41% of people say they'd try challenger home goods brands, with consumers 55-64 years old even more willing (62%).
- Females are more willing to try new beauty and personal care brands than the overall population (51%).

**Word of Mouth and Search Drive Discovery, Especially Among Younger Consumers**

Consumers typically discover new brands through word of mouth and in-store browsing, but digital channels play an outsized role for younger shoppers. Social media, online search, and influencer recommendations are key discovery paths for those under 35, with online search leading the way for the youngest consumers.

**How Do People Discover New Brands?**

An MX8 Labs survey found that when it comes to discovering new brands or products to try, people primarily rely on word-of-mouth recommendations. Notably, retail stores were slightly more popular than online options.



- Word of mouth is the most popular way that people discover new brands, cited by 48% of total respondents. That share is even higher for people over 65 (62%).
- Retail stores are the second most popular place for discovery (44%).
- Social media is in the middle of the pack for overall respondents (39%), but higher for younger cohorts (49% for 18-24 and 55% for 25-34).
- Interestingly, online search (such as Google or Amazon) is the top discovery method for 18-24 year olds (53%), above the shares for social media and influencers for this cohort.
- 19% of overall respondents say they've discovered challenger brands via influencers, but that share more than doubles, up to 40%, with 18-24 year olds.

### **Price, Innovation, and Curiosity Are Top Motivators - But Quality Concerns Remain**

Overall, shoppers are primarily motivated to try smaller brands by the promise of better prices. Additionally, those who reported being “very likely” to try a challenger brand often look for unique or innovative products and have a curiosity or desire to try something new. These two factors fall off when a respondent is only “somewhat likely” or “neutral” about trying a new brand. With the neutral group, price remains the dominant driver, but recommendations or referrals play a greater role in their decision making compared to the other factors.

- Lower prices/better value is the primary factor, reported by 48% of total respondents, followed by unique/innovative products (39%) and curiosity/desire to try something new (38%).
- Lower prices are even more paramount for lower-income respondents (\$20K-\$34.9K) at 71%.

On the flip side, concerns about product quality are the most common hesitation, while factors like trust and lack of reviews are less significant barriers. When asked about motivations for buying from a challenger brand:

- Quality concerns top the list, cited by 27% of overall respondents, with that share rising for those 45-54 years old (30%).
- 19% of total respondents say they have no hesitation.
- Trust, unfamiliarity, and lack of information or reviews were not big factors for hesitation, all scoring under 10%.

Interestingly, while many consumers believe smaller brands are generally more ethical and socially responsible than large corporations, those factors are not as important as price or value when it comes to the actual purchase.

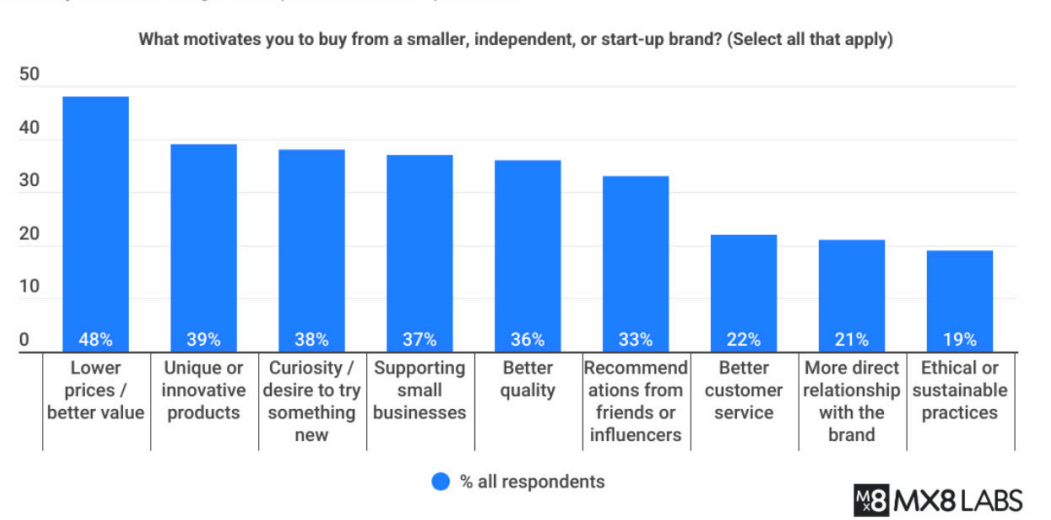




- 65% of overall consumers “strongly agree” (18%) or “somewhat agree” (47%) that smaller brands tend to be more ethical or socially responsible than larger corporations.
- The share of “strongly agree” rises to 30% with people 25-34 years old.
- 53% of those over 65 are neutral on the topic (vs 28% overall).

### What Motivates People to Purchase From Smaller, Start-Up Brands?

An MX8 Labs survey found that price is paramount for people considering purchases from challenger brands, but they're also looking for unique or innovative products.



### Methodology

Fresh consumer insights collected from a comprehensive, nationally representative survey of 400 U.S. adults conducted in June of 2025 reveal a host of trends about this emerging market and the shifting consumer landscape.

### Want More Insights?

This report is just a sample of the insights that came from the survey on challenger brands — for more information or to get additional demographic data, [reach out to us!](#)