



CIPRIANI COLLEGE
OF LABOUR AND CO-OPERATIVE STUDIES



**CONSUMER POWER IN A CHANGING WORLD
ECONOMY**

WORK MATTERS

COLUMN

OCTOBER 2025

Consumer power in a changing world economy

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In a borderless world economy, consumer sovereignty is one force that continues to grow in influence and importance. Consumers, once viewed as demanders of products and services, now play a dynamic and central role in shaping business strategies, corporate ethics, and even social and environmental policies. Presently consumers are more empowered than ever before with increased access to information, wider choices, and increased avenues to express opinions (social media); thus, being able to affect economic, social, and political change. In essence, businesses exist to satisfy the needs and desires of customers, whose demand or lack thereof, for a product or service can determine its success regardless of the marketing strategies employed. The fact that consumers have the ability to impact businesses profitability underscores their power. When people choose what or how much to buy or not buy, they send a direct message to the businesses and marketplace. Ethical consumerism speaks to how consumer decisions reflect their values. Demand for goods and services are often based on where and how products are made, exemplified by the rise in demand for free-range chickens. Enter the issue of transparency, apart from meeting legal and regulatory requirements, businesses now face growing consumer pressure to fully disclose their supply chains, labour practices, and environmental impacts in order to retain or attract conscientious customers. This is possible because the digital age has significantly empowered consumers by giving them unprecedented access to information and platforms to voice their views and experiences. Before making a purchase, people can now read reviews, compare prices, watch product demonstrations, and seek advice from online communities, shifting the power dynamic away from sellers and toward buyers. Consumers also play a crucial role in driving innovation, as changing preferences and demands shape the direction of research and development across industries. Companies are constantly adapting and innovating to

meet these changing needs in order to remain competitive and relevant in the marketplace. For instance, the rising demand for healthier lifestyles has led to an increase in the number of sugar-free and gluten-free food products, and the demand for electric vehicles signals a deepening concern for the environment. Consumers' feedback and usage also influence the design and functionality of smart devices like televisions, and phones, as well as software development. This leads to consumer-driven innovation, where they function not only as end-users but also as contributors to the development and enhancement of the products they use. I also realize that customer power extends beyond purchasing decisions, to influencing public policy and corporate behaviour through collective action and activism. Boycotts and social media campaigns, are parts of the arsenal used by individuals to support or withhold support from companies they view as unethical, thus applying economic pressure that can possibly lead to real change. Notable examples include public backlash against sweatshop and child labour, environmental harm, and other morally questionable practices pushed by global brands, in an effort to reform aspects of their supply chains. The #DeleteUber movement in 2017 demonstrated how consumer dissatisfaction with a company's political actions can trigger widespread disengagement and force internal shifts. Today's consumers increasingly expect brands to take definitive positions on social issues such as racial justice, LGBTQ+ rights, and gender equality, making a company's values a critical component of brand loyalty. Consequently, businesses must not only provide high-quality products but also thoughtfully address social and political expectations with genuine commitment. While I recognize the growing power of consumers, I also note that this influence is not equally distributed throughout the economy. We need to factor in race, gender, religion, economic purchasing power, and digital connectivity, all of which influence our moral

and ethical positions on any issue, whether we realize it or not. This is critical in the conversation about consumer power. Similarly, we should also recognize the old saying ‘with power comes responsibility’ suggesting that consumers must recognize the broader impact of their choices and make an effort to act in a manner that is constructive and progressive. In recent times, this recognition of individual and collective consumer power has served to change the landscape of the global economy. Producers are now more interested in the opinions of their customers, not as a matter of altruism, but as a function of profitability and survival. Consumers on the other hand, also recognize that they have the ability to affect the profit margins of producers, influence their ethical and environmental positions, and monitor their legal activities. This is indeed a reversal of what we have seen in the past, and these advances should not be taken for granted, but utilized for the betterment of all, in society