



CIONET

DISCUSSION SUMMARY

COPING IN CHAOS. NAVIGATING MARKET DYNAMICS



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Coping in chaos. Navigating Market Dynamics

Throughout the Coping in Chaos series from Cognizant, Google Cloud and CIONET, the goal has remained the same: to understand how volatility – economic, geopolitical, and technological – impacts today's IT leaders and the businesses they serve. In the third event of the series, a dozen or more senior technology leaders considered the customer. Coping in chaos. Navigating Market Dynamics explored how uncertainty is affecting consumer behaviour and how, in turn, that changing behaviour requires a response.

Here are some key takeaways from our late November event. The conversation began with an exploration of some of the biggest non-IT trends that have been present throughout 2025. Later, talk turned to the consumer changes brought about by accelerated adoption of generative artificial intelligence (GenAI). While the topics varied, three pillars of the business-consumer relationship – trust, value, and loyalty – emerged as recurring themes.

Isolationism, tariffs and a new age of sovereignty

From Brexit to tighter visa restrictions via tariffs and an imperative to build sovereign AI resources, the world is becoming more insular, more inward looking, more self-reliant. This was a view reflected by a sizeable number of those around the table. One attendee suggested that our experience during the Covid-19 pandemic – when nations across the world were dependent on China for essential medical equipment – heightened the drive to self-reliance.

How is this growing isolationism impacting consumer behaviour? Some attendees were in little doubt that retrenchment from a more globalised economy is proving detrimental to most commercial organisations. If, noted one attendee, you take away the top seven companies from the S&P 500 Index (namely Alphabet, Amazon, Apple, Tesla, Meta Platforms, Microsoft, and Nvidia), then it's clear that the US economy is shrinking. Coupled with the effects of a cost of living squeeze, consumers are demonstrating greater caution.

Not everybody agreed that these macro trends impact consumer choices. "People don't care," one said, citing as an example the cyber attack on Marks and Spencer. While the attack affected business operations it has barely affected the shopping habits of those loyal to the retailer.

Trust? It's complicated

Trust is another pillar of the consumer relationship. Or the citizen relationship when it comes to the public sector. And here, it can prove complicated. While citizens have proved willing to share data with the NHS, they have proved more reluctant to do the same with the HMRC. Sharing information with the former delivers tangible benefits – a hospital that has access to a blood test conducted by a GP is more likely to provide a seamless, and faster, service. Sharing with the latter, on the other hand, might expose the provider of the information to a larger tax bill. That's the characterization, at least. The irony of the situation was not lost on one voice around the table, who pointed out: "It's the HMRC that funds the NHS". Perceptions of matter. The public sector is reliant on brand fidelity as much as the private sector.

Not everyone was convinced that the health service could be trusted to use data effectively. Critics, including one voice inside healthcare, said consumers were fed up with sharing information only to discover that it had been used ineffectually within the organisation itself. Trust erodes when organisations don't respond to the opportunity, and an implicit contract between organisation and consumer is unheeded.

Value? It's about more than price

"Every pound we spend today is so much more valuable than it was even three years ago," observed one attendee. That doesn't mean, however, that a consumers only measure of value is cost. Indeed, those that seek out budget brands – in hospitality, travel, and elsewhere – often have higher expectations than other consumers. Consumers who choose budget brands anticipate a level of service. Loyalty and trust suffer if the provider falls short.

Similarly, budget operations are proving effective in nudging different consumer behaviours. Take the itemized pricing offered by low-cost airlines. Here every bag and a choice of seat comes at additional costs. Consumers soon become accustomed to the new contract. The result? Those on city breaks jettison the wheely suitcase in favour of a bag small enough to fit under the seat in front of them. By unbundling service charges airlines are driving consumer change. Value, as one voice around the table observed, is strongly associated to choice.

AI and the consumer

New Minds, New Markets is a Cognizant research report that looks at the intersection of AI and customer experience. Among the findings, it asserts that that by 2030 up to 55 percent.

of consumer purchasing may come from those who embrace AI tools. These include voice, chatbots, and recommendation systems.

The report argues that AI is not just an internal efficiency tool — it's reshaping consumer behaviour and how markets operate. It identifies four cohorts of consumers:

- Early adopters. Tech enthusiasts who are always interested in trying new technologies and represent 17 percent of consumers.
- Accelerators. An AI-friendly group that includes the early adopters and accounts for a quarter of consumers.
- Agnostics. The middle 50 percent who have no particular interest in using or not using AI.
- Anchors . The final quarter of consumers who remain wary and resistant.

While the middle two groups are drawn from different age categories, early adopters tend to skew younger (typically 18-24 year olds) while the anchors skew older, typically 55 plus.

AI and the customer journey

The New Minds, New Markets research report also suggests that organisations are likely to witness three waves of consumer interaction with AI across a typical customer journey.

- Wave 1 (2025 – 2027) when accelerators will spur AI momentum, starting with product discovery.
- Wave 2 (2027 – 2029) when aftersales becomes the AI battleground.
- Wave 3 (2030+) when AI is fully embedded in the customer journey.

The research broadly reflected the experience and understanding of those around the table. One contributor suggested that 60 percent of consumers now expect “progressive” technologies to be part of the buying experience. Importantly, however, people become more risk averse at the point of purchase. This is regardless of their affinity towards new technology. In other words, most consumers are happy to use AI-infused tools and services during product discovery but are not yet ready to go beyond that point.

Another attendee suggested it was only a matter of time before risk would give way to convenience. Using car navigation by way of analogy, he said that the journey from physical map to sat nav to Google Maps has been a seamless one. Initial resistant to technology has given way to acceptance and adoption as motorists realised the utility – and value – of successor technologies.

AI: another view

Not all attendees were positive about the impact of GenAI. One senior IT leaders working in Whitehall said that the technology was too often sold as a “magic bullet. And it’s not a magic bullet.” Unfortunately, his bosses believe it is and adoption becomes inevitable despite a lack of clear understanding where the citizen benefits lie. The impetus in central government, he said, is to use AI as a means of cutting jobs. “It’s an obsession,” he said. The danger: job losses lead to poorer citizen services.

Others offered a more optimistic view. One said that rather than job losses, AI has the potential to create jobs. She cited examples including guardrail engineers, AI auditors, and agentic modellers. “We need people who understand the ethical dimension [as well as the technological dimension],” she said. Just as two decades ago we were unfamiliar with the UX engineer, so in the coming decades we will see the emergence of a range of new and novel jobs.

Another attendee cited the Jevons Paradox. This law demonstrates as that as resource efficiency improves, so total consumption of a resource increases rather than decreases. Jevons Paradox was first applied to the emergence of steam engine, a technology that created greater demand. Similarly, the attendee said, AI has the capacity to generate new roles with the potential to deliver new consumer services and experiences.

Dot com redux

Turning to volatility still to come, a number of attendees referenced the possibility of an AI market correction. An AI bubble is redolent of the dot com boom and bust that came resulted in an early 2000s crash. Valuations plummeted, jobs were lost, and internet-adjacent companies folded. While some fear something similar happening in the era of GenAI, others welcomed a reset – a chance to identify those suppliers providing real value, those essential to the AI delivery.

The internet was invoked in another context, too. Wrapping the evening up, it was suggested that if we went back a quarter of a century to the early days of the commercial internet, it’s likely we would observe similar conversations. Concerns about risk, job losses, and a reluctance to change behaviours would be similar. The air of caution would be the same. “At first we didn’t buy anything on the internet.” The attendee argued that ultimately change will be triggered by trust. As such the path of the commercial internet provides clues for the consumer relationship with AI in the coming years.

‘Consumers – Navigating Market Dynamics’ – the third in CIONET’s ‘Coping in Chaos’ series, convened in association with Cognizant and Google Cloud – took place on Tuesday 25 November 2025 at the Rubens at the Palace, London.



About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.