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CONSUMER INVESTING:

THE CONSUMER BRAND BOOM

grüns

CHOMPS

chime®

bartaco

hims & hers

VITAL PROTEINS®

SOL
DE
JANEIRO

spindrift

bobbie.

[solidcore]

The
Farmer's
Dog



THE CONSUMER BRAND BOOM

The consumer sector is currently experiencing a remarkable surge, moving beyond fleeting trends to establish itself as a domain of significant capital investment and enduring strategic interest. The evolution of consumer preferences, from a growing demand for kombucha and clean cosmetics to the rise of creator-led beauty lines and functional snacks, reflects a deeper transformation in cultural values and consumption habits.

This report delves into the data underpinning this boom, exploring why investors are increasingly focusing on wellness, pet care, and plant-based everything—and what factors are driving this sustained growth. We also explore how beauty, consumer tech, and artificial intelligence (AI) are reshaping consumer expectations and opening new channels for growth.

UNDERSTANDING THE CONSUMER SECTOR

The consumer sector includes businesses that sell goods or services directly to individuals. It's broadly divided into:

- ▶ **CONSUMER STAPLES:** Essential items (e.g., food, personal care, household goods)
- ▶ **CONSUMER DISCRETIONARY:** Non-essential items (e.g., fashion, fitness, restaurants, electronics)

Both segments offer unique opportunities for investors—especially as consumer behavior and distribution models evolve rapidly.

WHY PRIVATE INVESTORS LOVE THE CONSUMER SECTOR

The consumer sector has always been important, but in today's investment environment, it has become a magnet for private equity and venture capital. This is driven by several distinct advantages.

First, consumer businesses often benefit from recurring demand. People consistently buy products like snacks, shampoo, and supplements, creating reliable revenue streams. Second, strong consumer brands generate emotional loyalty. When consumers identify with a brand, they don't just purchase a product—they become repeat buyers and brand advocates.

Digital transformation has also been a major catalyst. Direct-to-consumer models, social commerce, and influencer marketing have allowed new entrants to scale without traditional retail barriers. Consumer tech companies—like Hims & Hers in telehealth or Chime in fintech—are redefining how consumers interact with services and brands across wellness, finance, and lifestyle categories.

Consumer businesses are also well-suited for thematic investing. Trends like health and wellness, sustainability, personalization, and beauty create powerful entry points for funds with long-term macro theses. Finally, exit optionality is strong. High-performing brands attract strategic buyers and public market interest, offering investors multiple paths to liquidity.

INVESTMENT STRATEGIES IN CONSUMER

Private investors are employing various strategies to capitalize on the dynamic consumer landscape:

- ▶ **BUY-AND-BUILD:** This involves acquiring a scalable platform brand and then strategically adding smaller, complementary businesses (bolt-on acquisitions) to expand market reach and operational efficiency. **Yellow Wood Partners** and **Monogram Capital** have focused on these types of strategies.
- ▶ **GROWTH EQUITY / BRAND ACCELERATION:** This strategy focuses on investing in brands that have already demonstrated product-market fit but require capital and expertise to scale their operations, expand their product lines, and penetrate new channels. Firms like **Forerunner Ventures**, **Stride Consumer Partners**, and **VMG Partners** often employ this approach, backing early-stage and growth-oriented brands.
- ▶ **DIGITAL TRANSFORMATION & OMNICHANNEL EXPANSION:** Recognizing that consumers now interact with brands across multiple touchpoints, this strategy supports businesses in evolving from traditional models or purely direct-to-consumer approaches into integrated, channel-diverse operations. Funds like **Prelude Growth Partners** have excelled at these types of strategies.
- ▶ **TREND-DRIVEN INVESTING:** This involves aligning investments with significant macro trends shaping consumer behavior. The current focus on health and wellness, sustainability, and personalization makes this strategy particularly relevant. Funds like **CAVU Venture Partners** have successfully focused on the “better-for-you” space, investing in brands that resonate with these trends.

- ▶ **TURNAROUND & BRAND REVITALIZATION:** This strategy targets underperforming but recognizable legacy brands. By injecting modern branding, leadership, and distribution strategies, investors aim to revitalize these businesses and unlock hidden value. Funds like **Sycamore Partners** and **L Catterton** have traditionally focused on turnarounds and brand revitalization
- ▶ **SOCIAL COMMERCE & CREATOR BRANDS:** Recognizing the power of influencers, this strategy involves investing in brands launched by or significantly driven by social media personalities and content creators who have built-in audiences and strong community engagement. Funds like **Skky Partners** and **Night Ventures** are notable examples of groups that have employed these types of strategies.
- ▶ **FRAGMENTATION = ROLL-UP OPPORTUNITY:** Many high-growth consumer sectors remain fragmented, presenting opportunities for private equity firms to consolidate multiple smaller players into larger, more efficient entities. Funds like **Roark** have successfully focused on fragmentation and roll-up opportunities.

THE DATA BEHIND THE BOOM: CONSUMER TRENDS AND SPENDING

Consumer growth is one of the most powerful economic forces shaping the next decade as it drives two-thirds of GDP. As of June 2023, the global consumer class reached 4 billion people, and it's not slowing down. In 2024 alone, it's projected to grow by another 113 million—driven predominantly by Asia, with India and China taking the lead.

This surge in population is translating directly into higher consumption. According to Brookings, global consumer spending increased by \$2.3 trillion in 2024 (2017 PPP).

HEALTH AND WELLNESS: FROM NICHE TO MAINSTREAM

The global health and wellness economy is transforming from a niche interest to a core consumer priority. In 2024, the market was valued at approximately \$4.5 trillion, and it's forecasted to grow to \$6.6 trillion by 2030, representing a CAGR of 6.5% (AP News, Precedence Research).

In the United States, consumers are prioritizing wellness across multiple categories:

- ▶ **WELLNESS & FITNESS PRODUCTS:** \$28 billion in 2023 > \$43 billion by 2030 (CAGR 6.1%)

- ▶ **APPAREL:** Among the fastest-growing category in this space, with a projected CAGR of 7.8% (2024–2030)
- ▶ **HEALTH & WELLNESS FOODS:** Expected to reach \$1,596 billion globally by 2030 (CAGR 9.4%). Organic foods stand out with an expected CAGR of 13.6%
- ▶ **DIETARY SUPPLEMENTS:** Projected to hit \$327 billion globally by 2030 (CAGR 9.1%)
- ▶ **WELLNESS TOURISM:** Identified as the fastest-growing sector, with a staggering CAGR of 12.7% from 2024 to 2033

Consumers are not just eating healthier or exercising more—they're building entire lifestyles around wellbeing.

BEAUTY AND SELF-CARE: WHERE WELLNESS MEETS IDENTITY

As wellness and identity increasingly converge, beauty has emerged as a cultural and financial force. Consumers are moving toward clean, functional, and inclusive beauty brands that reflect their values around health and transparency.

One of the category's most transformative stories is Glossier. Born out of the blog Into the Gloss, Glossier leveraged community feedback to build a product line that emphasized minimalism, authenticity, and skin-first messaging.

- ▶ Glossier scaled to a \$1.8B valuation, raising capital from **Forerunner Ventures** and **Index Ventures**.
- ▶ It pioneered DTC beauty with a focus on peer-driven marketing and content-first commerce.
- ▶ Its success inspired a wave of brands like Summer Fridays and Westman Atelier, supported by funds like **Prelude Growth Partners**.

Beauty now lives at the intersection of wellness, personalization, and brand storytelling—and it's only gaining momentum.

THE RISE OF THE PET ECONOMY

The pet care industry is experiencing a parallel boom, fueled by changing demographics and growing emotional bonds with animals. Globally, the market grew from \$138 billion in 2020 to a projected \$269 billion by 2030, with a CAGR of 6.2%.

Major trends and forecasts include:

- ▶ **GLOBAL PET ECONOMY:** Expected to exceed \$380 billion in 2025, and may reach \$500 billion by 2030 (Bloomberg Intelligence)
- ▶ **US PET FOOD MARKET:** Valued at \$35 billion in 2023, growing at 3.7% CAGR through 2030
- ▶ **HOUSEHOLD PET SPENDING (US)::** Estimated to reach \$1,733 per animal annually by 2030 (Morgan Stanley)
- ▶ **PET ACCESSORIES:** Projected to hit \$10 billion globally by 2030 (CAGR 6.9%)
- ▶ **PET SITTING SERVICES:** Estimated to reach \$5 billion by 2030, with a CAGR of 11.7% (GlobalNewswire)

Pets are no longer just companions—they are a key driver of discretionary spending and lifestyle choices.

PLANT-BASED FOODS: A SUSTAINABLE SHIFT

Plant-based consumption is not just a health trend—it's increasingly a statement about sustainability, ethics, and innovation. The global plant-based food market was valued at \$50 billion in 2023, and it's expected to more than double by 2030, reaching \$108 billion (CAGR 11.7%).

In the US, the momentum is equally strong:

- ▶ **US PLANT-BASED MARKET:** Forecast to grow to \$19 billion by 2030 (CAGR 11.5%)
- ▶ **MEAT ALTERNATIVES:** Expected to grow at a CAGR of 14.7%, reaching \$22 billion globally
- ▶ **DAIRY ALTERNATIVES:** On track to hit \$75 billion globally by 2030 (CAGR 11.3%)
- ▶ **ORGANIC PLANT-BASED PROTEIN:** Poised for the fastest growth across all segments (2024-2030)

These shifts signal more than just changing taste—they represent a global realignment of values around food, wellness, and sustainability.

TECHNOLOGY AND AI ARE RESHAPING CONSUMER BRANDS

Consumer brands are being redefined by technology, data, and artificial intelligence. The rapid rise of e-commerce and social media marketing has enabled brands to bypass retail and build direct relationships with customers. But AI is now the accelerant.

AI applications are enabling:

- ▶ Hyper-personalized product recommendations in beauty, wellness, and supplements
- ▶ Virtual try-on experiences and skin diagnostics in beauty
- ▶ Tailored nutrition and fitness programs based on biometric and behavioral inputs
- ▶ Smarter inventory, pricing, and media attribution

This technology is improving consumer experiences and backend efficiency simultaneously, making AI an essential layer in modern brand-building.

THE INVESTORS BEHIND TODAY'S BREAKOUT CONSUMER BRANDS

A number of firms have built reputations as leaders in modern consumer investing. **Forerunner Ventures**, a female-founded venture capital firm, has backed some of the fastest growing trends in the consumer space, with a portfolio that includes brands like Glossier and The Farmer's Dog. **VMG Partners** is well-known for its brand-first approach in food, beauty, and wellness, backing names like KIND Snacks, Native, and Justin's. **TSG Consumer Partners** brings deep experience in premium lifestyle brands, with investments in Revolve, BrewDog, and Pabst Blue Ribbon.

L Catterton, backed by LVMH and Groupe Arnault, is one of the most influential global players, investing across six verticals with names like Peloton, Birkenstock, and Equinox. **Kainos Capital** focuses on operational excellence in food and consumer, with investments in Nutrisystem and Kettle Cuisine.

CAVU Venture Partners has become a leading force in the better-for-you space, combining early-stage insight with cultural fluency. Their portfolio includes Poppi, Hims & Hers, Health-Ade, Vital Proteins, and more. **Prelude Growth Partners**, another female-founded growth equity firm, supports mission-driven brands such as Summer Fridays, Westman Atelier, and Banza.

SKKY Partners, founded by Kim Kardashian and Jay Sammons (formerly of Carlyle), is bringing cultural relevance and brand-building expertise to the modern consumer and media space with investments in Truff and 111Skin.

BRAND SPOTLIGHT: EXAMPLES OF INNOVATION IN CONSUMER

Here are a few examples of brands making waves in the consumer landscape:



Grüns (Sugar Capital, Able Partners, Grt Sht Ventures, Plus Capital, Selva Ventures, SilverCircle): This brand offers superfood gummy vitamins for adults and kids, focusing on gut health, immunity, and energy with organic ingredients and added vitamins and minerals. Revenue estimated at \$600 M in 2024.



Vital Proteins (Cavu Consumer Partners, Strand Equity Partners > sold to Nestlé \$2 Bn): Known for their collagen protein powder and supplements, Vital Proteins supports hair, skin, nails, bones, and joints with products made from grass-fed, pasture-raised bovine.



Hims & Hers (Forerunner Ventures, Founders Fund, IVP, Redpoint Ventures, Thrive Capital, and SV Angel > SPAC \$1.6 Bn): This telehealth platform provides access to prescription and over-the-counter medications and personal care products for various conditions, including hair loss, skincare, mental health, and sexual health for both men and women.



Sol de Janeiro (Prelude Growth Partners > sold to L'Occitane Group \$450 M): Inspired by Brazilian beauty rituals, Sol de Janeiro offers a range of skincare, body care, and fragrance products known for their distinctive scents and focus on body positivity.



The Farmer's Dog (Insight Partners, Forerunner Ventures, Shasta Ventures, SV Angel, Collaborative Fund): This company delivers fresh, human-grade dog food through a personalized subscription service, catering to individual dog's nutritional needs. Revenue estimated at +\$1 Bn in 2024.



Del Frisco's Restaurant Group (L Catterton): A premium restaurant group formerly operating a portfolio of upscale dining brands, including Del Frisco's Double Eagle Steakhouse and Del Frisco's Grille. Known for high-end steaks, fine wines, and elegant dining experiences, the group was acquired by L Catterton in 2019 in a deal valued at approximately \$650 million. Post-acquisition, L Catterton sold the Sullivan's Steakhouse brand and merged Del Frisco's remaining restaurants with its other holdings, such as bartaco and Barcelona Wine Bar, creating a robust platform of experiential dining brands.



Chime (Forerunner Ventures, Homebrew, Acrew Capital, Crosslink Capital, SoftBank, Sequoia Capital, General Atlantic, Tiger Global, Coatue, DST Global > Pending IPO): A neobank and financial technology company offering fee-free banking services through a mobile app, including checking and savings accounts, early paycheck access, and overdraft protection. Founded in 2012 by Chris Britt and Ryan King, Chime has become one of the most prominent fintech startups in the U.S., backed by a mix of early-stage venture firms and later-stage growth equity investors. Revenue estimated at +\$2.1 Bn in 2024. Last valued at \$25 Bn in 2021 Series G round.



Solidcore (L Catterton): This fitness studio offers high-intensity, low-impact full-body workouts using Pilates-inspired reformers. They also sell branded apparel. Acquired for \$600-700 M in 2024.



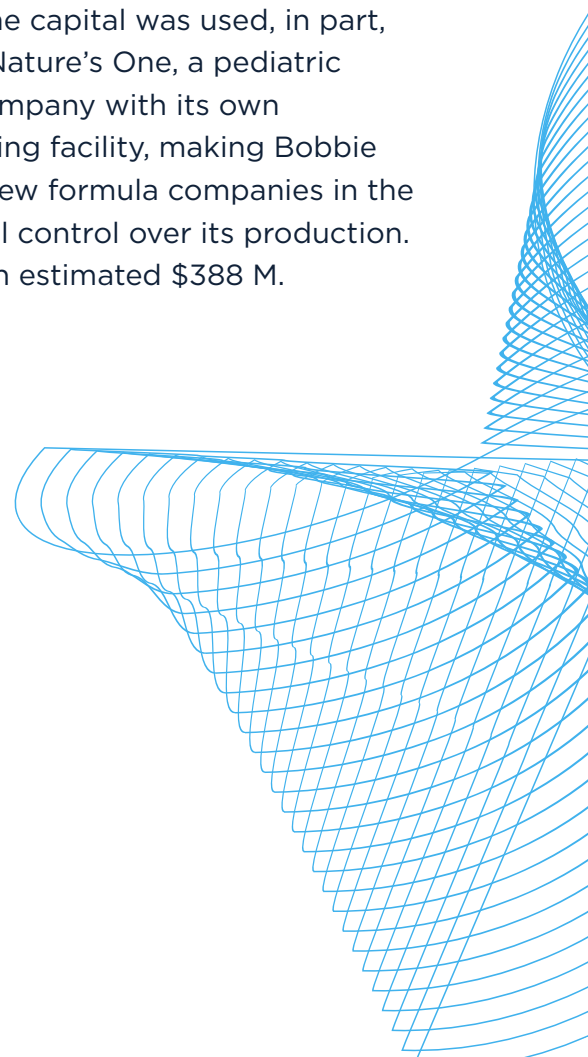
Spindrift (VMG Partners, Prolog Ventures, KarpReilly, and RiverPark Ventures > sold to Gryphon Investors \$650 M): This brand produces sparkling water and soda made with real squeezed fruit, offering a healthier alternative to traditional sugary drinks.



Chomps (Stride Consumer Partners): Chomps is a better-for-you meat snack brand known for its clean-label beef sticks made with sustainably sourced, non-GMO ingredients. The company appeals to health-conscious consumers by offering high-protein, low-sugar snacks free from allergens, artificial preservatives, and added sugars. Minority investment made of \$80 M in 2022. Estimated revenue of \$500 M in 2024.



Bobbie (PowerPlant Partners, Park West, VMG Partners, NextView Ventures, AirAngels, Ingeborg Investments, GroundForce Capital, Sage Hill Investors, World Within Ventures, G9 Ventures, Juggernaut Capital Partners): This company sells organic infant formula modeled after breast milk, emphasizing clean ingredients and high quality. Bobbie announced its Series C funding round in July 2023. This round raised \$70 million and was led by PowerPlant Partners. The capital was used, in part, to acquire Nature's One, a pediatric nutrition company with its own manufacturing facility, making Bobbie one of the few formula companies in the U.S. with full control over its production. Valued at an estimated \$388 M.



FUNDS TO WATCH: WHO'S ACTIVELY INVESTING RIGHT NOW

Several emerging and established funds are currently in the market actively investing behind these trends. **Simple Foods Ventures (SCP Fund II)** is currently raising its second fund, targeting better-for-you brands in food and beverage. **Sugar Capital (Sugar Capital Fund III)**, founded by the team behind POPSUGAR, is a seed-stage firm focused on commerce platforms and emerging consumer technology. While already established, CAVU Venture Partners (**CAVU Consumer Partners V**) remains a dynamic force, continuing to deploy capital into bold, wellness-focused, and culturally resonant consumer brands. **Kainos Capital (Kainos NS Holdings)** is a middle-market private equity firm focused on the food and consumer sectors in North America.

TRENDS SHAPING THE FUTURE OF CONSUMER INVESTING

Several overarching cultural shifts and technological advancements are driving these trends across the wellness, pet care, and plant-based food sectors. A heightened focus on health and well-being is central to consumer decision-making, with individuals actively seeking products that support their physical and mental health. The demand for sustainability is also a powerful force, with consumers increasingly expecting brands to be transparent, ethical, and environmentally responsible. Convenience plays a significant role as well, with consumers valuing products and services that save them time and effort.

Technological advancements are also profoundly shaping the consumer landscape. The growth of e-commerce has been transformative, allowing new brands to scale rapidly and reach consumers directly, with the global e-commerce market projected for substantial continued expansion. Social media has emerged as a powerful tool for influencing consumer preferences and driving spending through influencer marketing and direct engagement. Furthermore, the increasing application of artificial intelligence is enabling brands to offer more personalized recommendations and enhanced customer experiences, particularly in the wellness and pet care sectors.

RISK FACTORS TO WATCH

While the consumer sector offers significant opportunities, investors should also be mindful of potential risks:

Major trends and forecasts include:

- » **ECONOMIC SENSITIVITY:** Discretionary spending on non-essential items can be impacted during economic downturns.
- » **CONSUMER TREND VOLATILITY:** Rapid shifts in consumer preferences can quickly impact brand relevance.
- » **CHANNEL DISRUPTION & OVERDEPENDENCE:** Over-reliance on single platforms for sales and marketing can create vulnerabilities.
- » **CUSTOMER ACQUISITION COST (CAC) INFLATION:** Rising costs for paid advertising can impact profitability.
- » **SUPPLY CHAIN PRESSURES:** Fluctuations in logistics, labor, and input costs can squeeze margins.
- » **OVERVALUATION & HYPE CYCLES:** It's crucial to focus on fundamental value and profitability rather than just growth.

TAKEAWAYS FOR INVESTORS

The modern consumer sector is more than just a collection of trendy brands. It's a reflection of shifting values, new behaviors, and long-term lifestyle trends. For institutional investors and allocators, this means looking beyond buzz to back firms with true operational expertise, repeatable sourcing strategies, and a thesis around defensibility and exit potential. For founders, success will require more than product—it will depend on storytelling, mission alignment, and the ability to navigate an increasingly complex omnichannel world. And for anyone watching this space closely, the best clues for what's next might just be sitting in your fridge, gym bag, or Instagram feed.

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