EY Future Consumer Index edition 3: getting US consumers beyond the pandemic

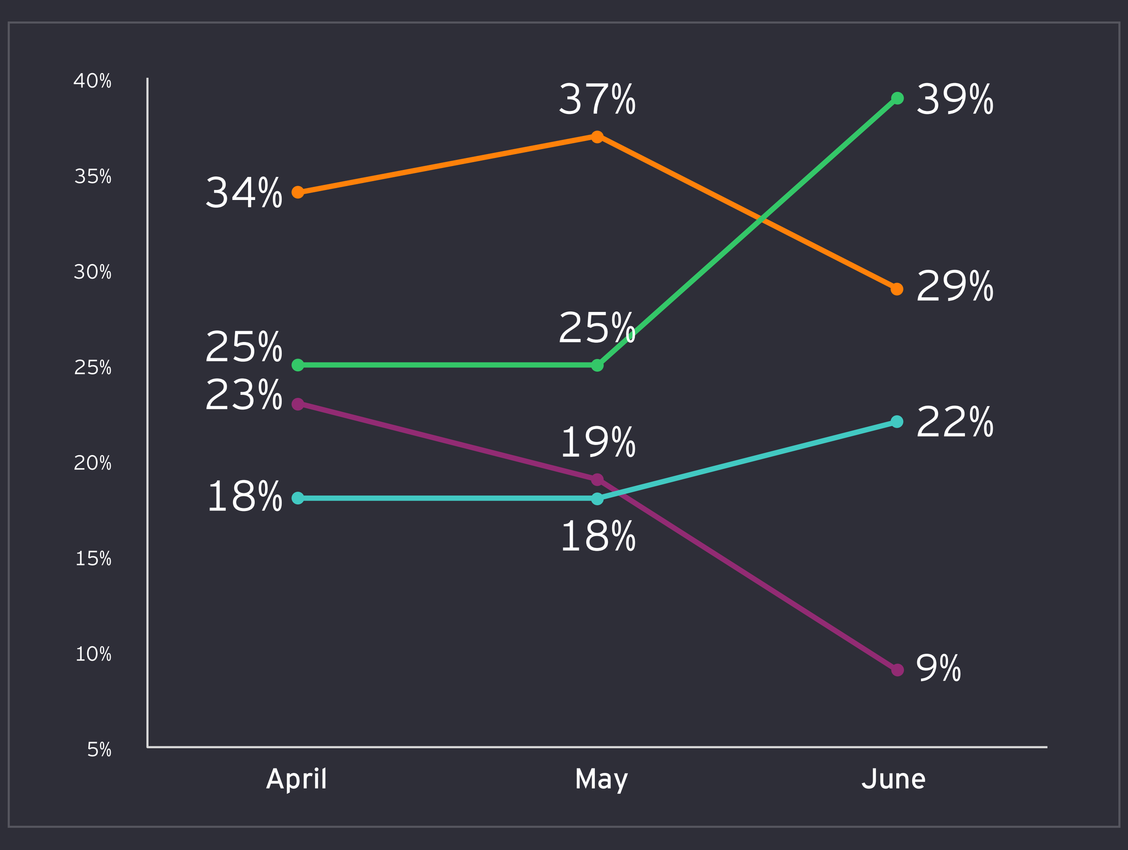
Building a better working world

Consumers have certainly changed in a short amount of time. They've learned new ways to shop, taken a hard look at what they buy, grown accustomed to life from home and leaned into an entirely new mindset regarding safety. And as uncertainty persists, there could be more fundamental changes to come, but organizations can't wait for certainty to adapt.

That's why the third edition of the *EY Future Consumer Index* (the *Index*) focuses not only on the now and next, but also on the world beyond the COVID−19 pandemic. If we can begin to define who the future US consumer will be, companies can start to build the agility they need to face a second wave, a shift away from urbanization or any other major changes that might still be ahead.

New priorities for a new now

Over time for the now segments, we see fewer consumers defaulting to the more extreme reactions of excess cutting or spending.



Save and stockpile
Not as concerned about the pandemic but worried about their families
Pessimistic about the long-term effects

Stay calm, carry on
Not changing their spending habits
Not directly impacted by the pandemic
Worried that others are stockpiling

Hibernate and spend
Most concerned about the pandemic
Best positioned to deal with it, so optimistic
Spending more across the board

Cut deep
Hardest hit by the pandemic
Most pessimistic about the future
Spending less across all categories

Further emphasizing consumers' readiness to get on with their lives, 50% of US consumers are now comfortable dining at a restaurant, 51% are OK going to a clothing store, 60% would go to a hair salon and 62% are comfortable going back to work in just days or weeks. In fact, in stark contrast to April, the only activities that the majority of Americans aren't comfortable doing for months or years are traveling on an airplane (75%) and going on a cruise (83%).

What priorities will persist well beyond the pandemic?

Beyond the pandemic, five new consumer segments emerge, each with unique priorities for the future. The five segments are health first, affordability first, society first, planet first and experience first. Organizations would be wise to pay particular attention to where consumers are placing their trust, money and time.

Health first
Will choose to protect their health and that of their family before anything else
Will choose brands and products they trust to be safe and, thus, transparent
Will stick to e-commerce as they look to minimize unnecessary risks

Affordability first
Price-conscious consumers
Will not buy things they don't really need and will look out for the best deals
Less brand loyal and will shop more online because of their ability to price compare

Society first
Purpose-driven, led by the strong belief that we should work together for the greater good
Will want proof that retailers and brands are putting the needs of society and the community on par with or above profits

Planet first
Will do what they can to cut waste and reduce their environmental footprint
Won't mind having fewer choices for what they buy

Experience first
Enjoy buying new things
Likely first consumers heading back to stores

The commonality between all of these future segments is the importance of meeting their needs, regardless of the channel they choose. And the largest two segments will continue to accelerate the shift to online.

Omnichannel as the only channel

The widespread acceptance of online shopping for everything from discretionary items to everyday essentials is here, both for seasoned and "new to digital" consumers. And with it, so is the pressure to get the digital experience right … now.

Forty-three percent of Americans say they would shop more online for products they previously bought in stores.

There is no doubt that the No. 1 priority right now is online. Online volumes only will continue to increase, especially if the second wave of the COVID−19 pandemic comes as expected and consumers have even more time to become engrained in e-commerce. If companies haven't already started to reconfigure their business for this shift in channel, how much further behind will they be? E-commerce and direct-to-consumer shopping should be viewed as foundational capabilities now. The digitally enabled customer journey is the future of that capability.

The digitally enabled customer journey powered by transparency

A core component of a seamless shopper journey? Trust. Trust in the experience. Trust in the retailer or brand. Trust in price. Trust in the safety of the products and services. Trust in sourcing.

Authenticity and honesty, clear labeling, and transparent origin or product source remain the top three most important influences on purchasing behavior. Can consumers trust the brand and retailer to sell them a safe product, a product that was authentic? Can consumers trust them to provide a safe environment to shop, live or play? The importance of trust will be a cornerstone of long-term shareholder value for brands.

Eighty-seven percent of consumers say a transparent source is important when making a purchase decision.

Build trust by bridging transparency with a seamless shopping experience that speaks to the future consumer segments looking for brands that prioritize their "first." So, how can retailers and brands provide what the digitally led "affordability-first" or "health-first" consumer is demanding?

Use data as an accelerant

Futureproof your supply chain by shortening it

Consider price as a core capability

Model the future scenarios and segments

To read the full point of view for the third edition of the *EY Future Consumer Index* in the US, visit https://www.ey.com/en_us/consumer-products-retail/future-consumer-index-edition-3-getting-us-consumers-beyond-the-pandemic.

Kathy Gramling
EY Americas Consumer Industry Markets Leader

Twenty-five-year consumer products and retail veteran
Integration and teaming advocate
Passionate mentor and transformative leader
Wine enthusiast

About the survey

We surveyed 14,074 consumers across the US, Canada, Brazil, the UK, France, Germany, Denmark, Sweden, Finland, Norway, India, United Arab Emirates, Saudi Arabia, China, Indonesia, Japan, Australia and New Zealand during the week of 8 June 2020. Of those, the article above focuses on the 1,005 US respondents. The survey questionnaire covered current behaviors, sentiment and intent. The data reported here relates to US respondents only.

2007-3543411
ED None