Will a vaccine save consumer goods companies in 2021?

In the spring of 2020, consumers around the world hunkered down in response to COVID-19. Months later, the world is still dealing with the COVID-19 pandemic. The latest iteration of EY’s Future Consumer Index shows that consumers are no longer preoccupied with survival, but are looking toward the future with uncertainty.

The report shows that consumers still want a sense of normalcy. The last mile is also a key component for supply chain transformation. As one in four consumers expect the most deliveries to be home when they receive the vaccine. Forty percent of US consumers say product availability will be among their most important purchase criteria in the future.

Retailers and brands will need to be much more intentional about how they look at their consumers holistically: not only consumers and-morar stores less, and 43% will shop more often online for products they previously bought in stores.

Beyond the pandemic, larger segments of affordable-first and health-first consumers indicate the importance of price and quality at the top of the agenda. Thirty percent of consumers identify as planet or society first and environmental, social and governance (ESG) issues must be at the top of the company agenda. Sustainability as a strategic imperative to drive long-term value has increased by 50%.

Trends that have become truths

1. Consumers’ focus shifts from the here and now to the bigger picture

Forty-four percent of consumers will pay more attention to environmental issues in the future. Another 43% say that they will focus more on their long-term financial security. Some 89% say they will be the same after receiving the vaccine, and 86% think the vaccine will allow them to feel more normal.

2. Online reigns supreme

Three out of four shoppers now open apps or websites to shop in-store, 42% of consumers are consistently looking for new brands and experiences online. Forty percent of US consumers say they will shop more often online for products they previously bought in stores.

3. Affordability is in

The retail and consumer goods sector is seeing a higher focus on affordability. The retailers and brands that have been able to shift supply chains to deliver through direct-to-consumer will continue to do so. Some businesses, like mall-based retailers and restaurants, could see a marked impact from herd immunity. However, the service-oriented retail and travel sectors, particularly those businesses that require close human interaction, will be harder hit.

4. Consumer trust is still fragile

Thirty percent of consumers in a recent survey said they are building their online order based on reviews. In the future, 64% say they would only shop with brands that partner with other brands they trust. Trust in CPGs will continue to be a key driver of sales in the future.

What’s in store for consumer goods companies in 2021?

With a third viable vaccine in play, the light at the end of the tunnel seems closer and closer. Retailers and brands will need to be much more intentional about how they look at their consumers holistically: not only consumers and-morar stores less, and 43% will shop more often online for products they previously bought in stores.

In summary

In the spring of 2020, consumers around the world hunkered down in response to COVID-19. Months later, the world is still dealing with the COVID-19 pandemic. The latest iteration of EY’s Future Consumer Index shows that consumers are no longer preoccupied with survival, but are looking toward the future with uncertainty.

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