EUROMONITOR INTERNATIONAL

TOP 10 GLOBAL CONSUMER TRENDS 2021

GINA WESTBROOK
ALISON ANGUS

The data included in this document is accurate according to Passport, Euromonitor International's market research database, at time of publication: January 2021

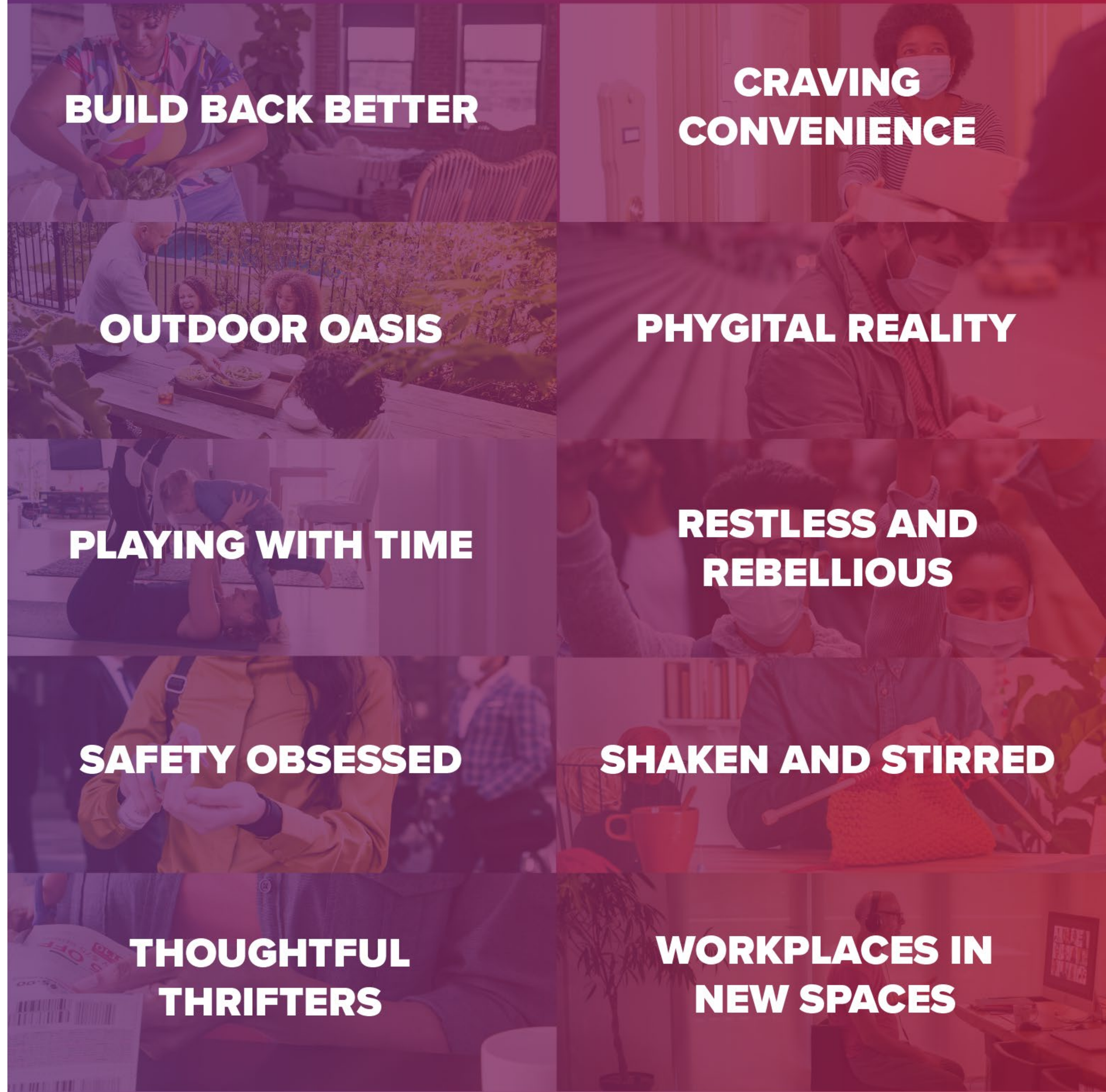
THE BIG PICTURE

Every year, Euromonitor International identifies emerging and fast-moving trends that are expected to gain traction in the year ahead. These trends provide insight into changing consumer values, exploring how consumer behaviour is shifting and causing disruption for businesses globally.

Each of the 10 trends in this report follows the same format:

- Overview and defining characteristics
- Consumer behaviour and motivation
- Business environment and impact
- Outlook and strategic recommendations

TOP 10 GLOBAL CONSUMER TRENDS 2021



WHAT ARE WE IN 2021?

The world changed for good, and bad, in 2020. The Coronavirus (COVID-19) pandemic affected us all, and we acclimatised. Emerging habits accelerated, and how we now behave, spend and consume will never be the same. In 2021, we are adjusting our actions, which can differ amongst consumers and sometimes conflict.

We want to make the world better — either for our own sake or for humanity. We want new ways to make life both convenient and safe, inside and outside. Where we have the ability, we are balancing our time creatively. Amidst the anxiety and turmoil, we seek holistic, resilient solutions, more thoughtful consumption and, in some cases, ways to fight back.

Resilience and adaptability are the driving forces behind the top global consumer trends in 2021. The pandemic created, influenced or accelerated each of these 10 trends, forever altering consumer behaviour. Despite the hardships faced in 2020, consumers have not given up. They continue to find their voice and push forward to advocate for a better tomorrow.

BUILD BACK BETTER

A SECOND CHANCE TO CREATE A BETTER FUTURE

Consumers demand that companies care beyond revenue, and they no longer perceive businesses as profit-driven entities. Protecting the health and interest of society and the planet is the new expectation, following COVID-19, in order to Build Back Better.

Companies should help reshape the world in a more sustainable way, leading a shift from a volume- to a value-driven economy and turning the tide on social inequity and environmental damage.

THE GREAT BEHAVIOURAL RESET

Using less plastic was the top priority for consumers pre-COVID-19, followed by concerns over climate change. During the pandemic, public attention shifted from slower-moving environmental threats towards urgent social priorities. Consumers expected brands to protect the health and wellbeing of their workforce while also helping local communities.

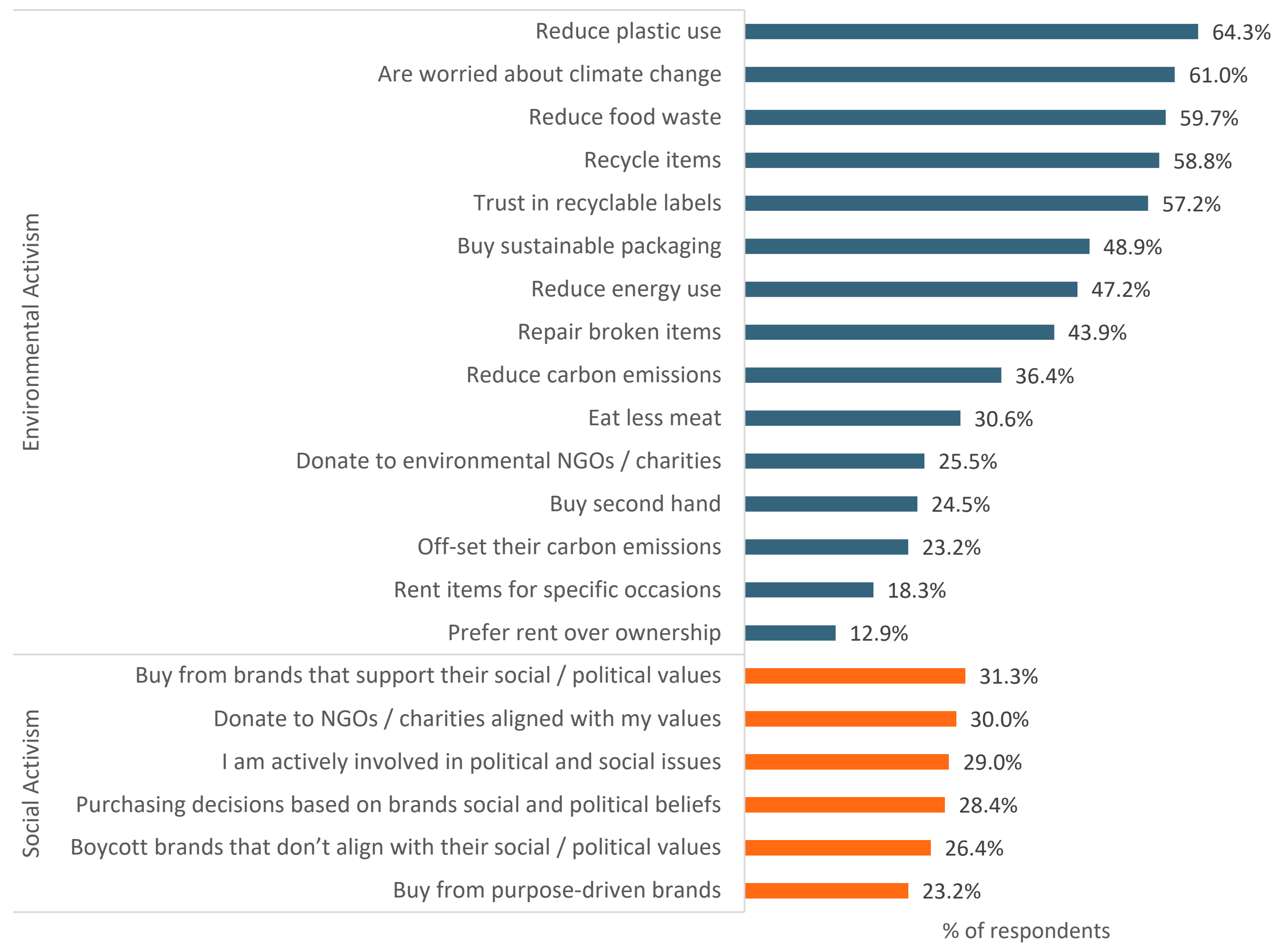
The health crisis profoundly impacted people's needs and shopping habits. Higher empathy for brands with a strong sense of social responsibility became a permanent consumer demand. As companies prioritised people over profits, planet concerns were pushed to the back seat.

However, the pandemic-driven spike in social initiatives will not eclipse environmental awareness. Consumers will Build Back Better, seeking brands that help make the world cleaner, healthier, more resilient and equitable.

69%

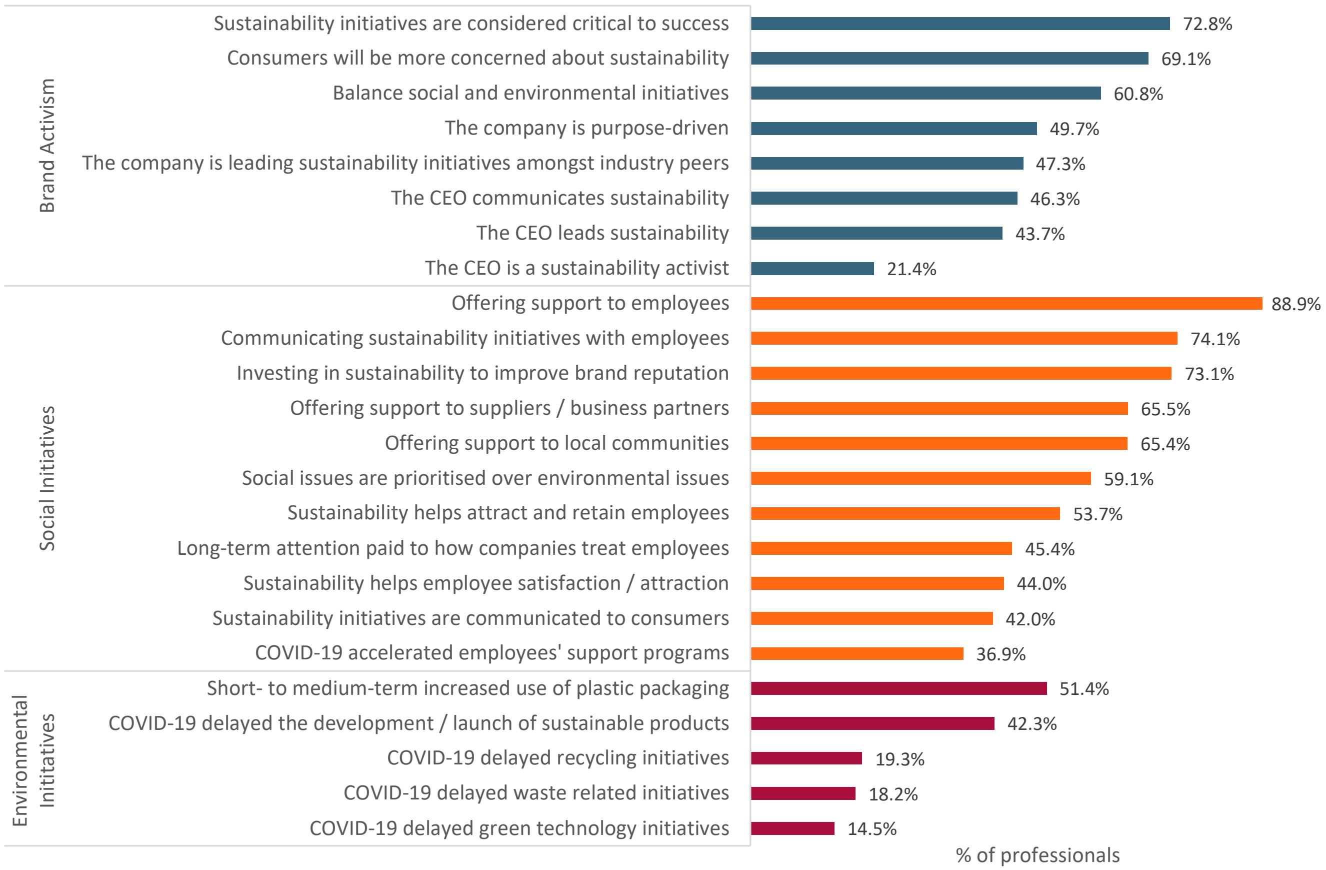
of professionals expect consumers to be more concerned about sustainability than they were before COVID-19

Consumer Sentiment on Sustainability before COVID-19



Source: Euromonitor International Lifestyles Survey, fielded January to February 2020

Purpose-Driven Corporate Response to COVID-19



Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded June 2020

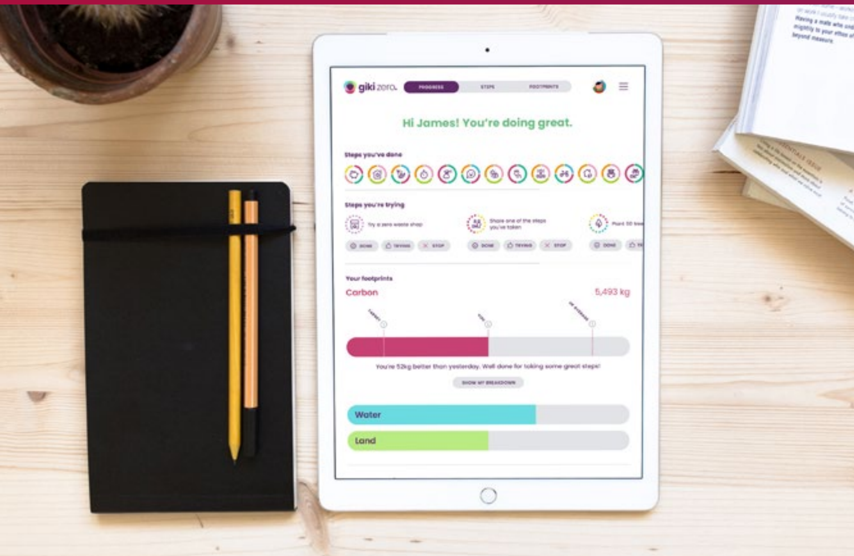
BETTER BUSINESSES, BETTER WORLD

With consumers paying closer attention to companies' actions during lockdowns, brand activism gained a new sense of social purpose. In 2020, 73% of professionals believed sustainability initiatives were considered critical to success. Businesses had to prioritise social action and help consumers achieve more sustainable lifestyles.

Chief executives openly communicated with compassion during the pandemic, taking the initiative to protect staff, customers and communities. COVID-19 has given businesses the chance to Build Back Better, develop emotional connections with consumers and stand up for the most vulnerable.

Consumers expect brands to act with purpose beyond the pandemic, with some protective measures like more flexibility in the workplace perceived as the new normal. In August 2020, 14 senior executives from Danone, Philips, L'Oréal and Mastercard, amongst others, signed an open letter with the for-benefit organisation Leaders on Purpose proposing an economic roadmap to Build Back Better.

50%
of professionals believe their company is purpose-driven



Source: Giki Zero

Giki Zero helps consumers in the UK track their carbon footprint and provides recommendations to reduce their impact.

Source: Leaders on Purpose

Leaders on Purpose is a community of CEOs working towards sustainable innovations to align corporate strategies with environmental concerns.

OUTLOOK FOR BUILD BACK BETTER

Consumers will take social and environmental issues more seriously, rewarding businesses that use their profits for good post-pandemic. Embracing purpose-driven initiatives is the way to Build Back Better for positive effects on the triple bottom line — people, planet and profits. Brands that rebuild a greener and more equitable world could gain not only a competitive advantage but also the necessary social licence, or trust of society, to operate.

More businesses will reposition from a pure-profit strategy to join the purpose-driven movement. Build Back Better will improve business resilience, brand reputation and financial value.

CRAVING CONVENIENCE

FROM ALWAYS-AVAILABLE TO PRE-PLANNED EXPERIENCES

Consumers are Craving Convenience of the pre-pandemic world, longing for the ease taken for granted before daily habits were upended.

Businesses are under pressure to rapidly adapt their operations to develop a resilient customer experience while maintaining convenience. Companies must preserve the swift and seamless shopping journey across all channels.

WALK-INS NOT WELCOME

COVID-19 reduced impulse occasions, and walk-ins are now pre-planned. Consumers must schedule most of their activities they once could do spontaneously, such as store visits, social events and dining out. Consumers are Craving Convenience back and relying on the digital channel to obtain the same level of flexibility.

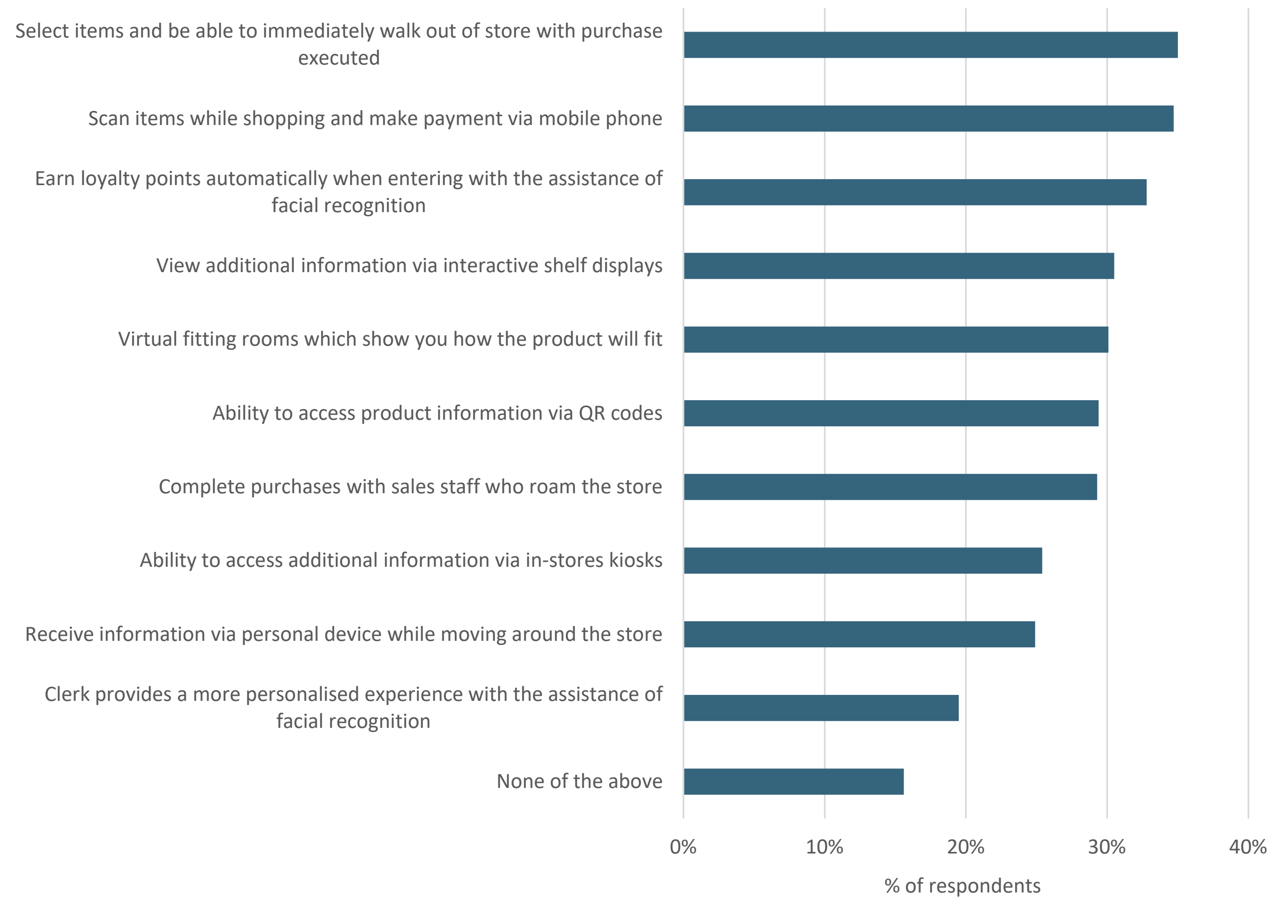
The pandemic accelerated digital adoption. Digital commerce provides a seamless experience without the in-person component that consumers are familiar with. However, usage varies amongst generations, and businesses need to account for the disparity between what customers of different ages perceive to be convenient. Younger consumers prefer digital interactions, whereas older consumers prefer talking to human customer service representatives.

Additional steps using connected devices are usually required to avoid queuing and maintain social distance. Consumers are longing for the convenience they once had when running errands and making in-store visits on their time.

68%

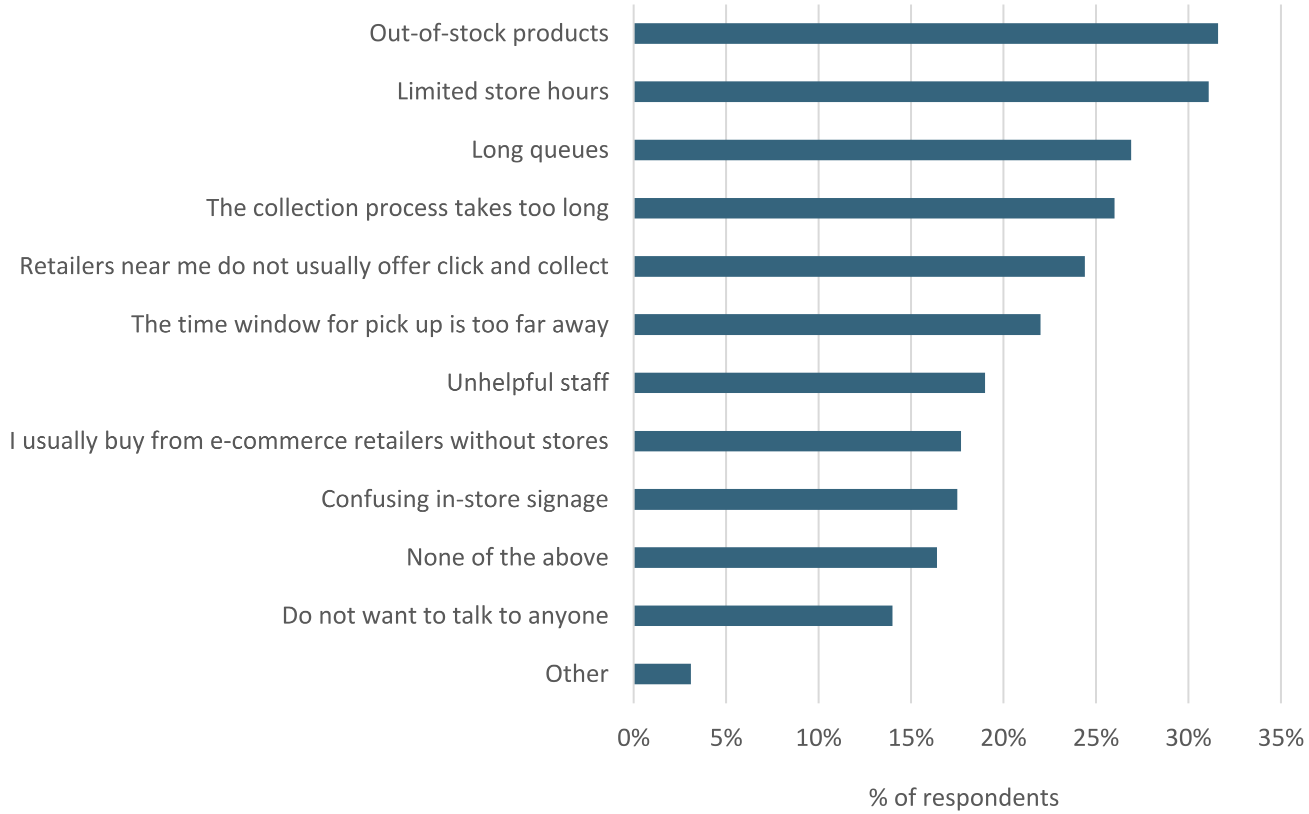
of consumers over the age of 60 prefer speaking with human representatives

Preferred In-Store Shopping Features



Source: Euromonitor International Digital Consumer Survey, fielded March to April 2020

Most Common Barriers Faced When Using Click-and-Collect Services



Source: Euromonitor International Digital Consumer Survey, fielded March to April 2020

RECAPTURING LOST IN-STORE CONVENIENCES

COVID-19 disrupted supply chains, overwhelmed customer service and caused delivery delays. Companies are challenged to cultivate a resilient customer experience while upholding what made their business convenient in the first place. Guaranteed product availability or subscription services can minimise or eliminate the number of shopping trips needed.

New methods, such as QR codes on social distancing ground markers, allow consumers to browse menus or search products while queuing to enter or pay. The goal is to offset COVID-related inconveniences and recapture an experience that feels normal. Currys PC World in the UK repurposed store staff to converse with customers virtually in an attempt to replicate the in-store experience. Ultimately, retailers are seeking to capture consumers who are Craving Convenience and desire the return of lost in-store services through the digital channel.

> "Out-of-stock products, limited store hours and long queues were the leading barriers to click-and-collect service usage."

Source: ManiMe

ManiMe created custom, 3D-printed nail varnish stickers that can be applied in five minutes, replacing the need to visit a salon.

Source: Currys PC World

Currys PC World launched ShopLive, a video-calling service with in-store experts to assist while shopping online.

OUTLOOK FOR CRAVING CONVENIENCE

Consumer expenditure is expected to shrink alongside an economic downturn, so convenience will play a pivotal role in purchasing decisions. Consumers will be Craving Convenience and seeking businesses that best prioritise safety while minimising changes in established preferences and shopping patterns. COVID-19 serves as a trial period. High-touch and relationship-driven businesses have an opportunity to test self-serve, touchless or unattended operations.

Businesses can save time, guarantee availability and fulfil delivery through QR codes, reservations and identifying busy and calm shopping periods, amongst other initiatives — all of which cater to new consumer routines. Solution-based products and services will drive Craving Convenience forward.

OUTDOOR OASIS

OPEN AIR GIVES TRAPPED CONSUMERS AN ESCAPE

Health threats, indoor meeting and mobility restrictions and the rise of remote working results in consumers turning to an Outdoor Oasis for leisure and recreation. Some are even considering moving from densely populated cities to rural areas.

Businesses incorporated advanced health measures and moved events outside, allowing consumers to reconnect out of the home more safely. Companies should pivot their product development strategy to encompass the tranquillity of rural living in urban environments to better satisfy city-scapers.

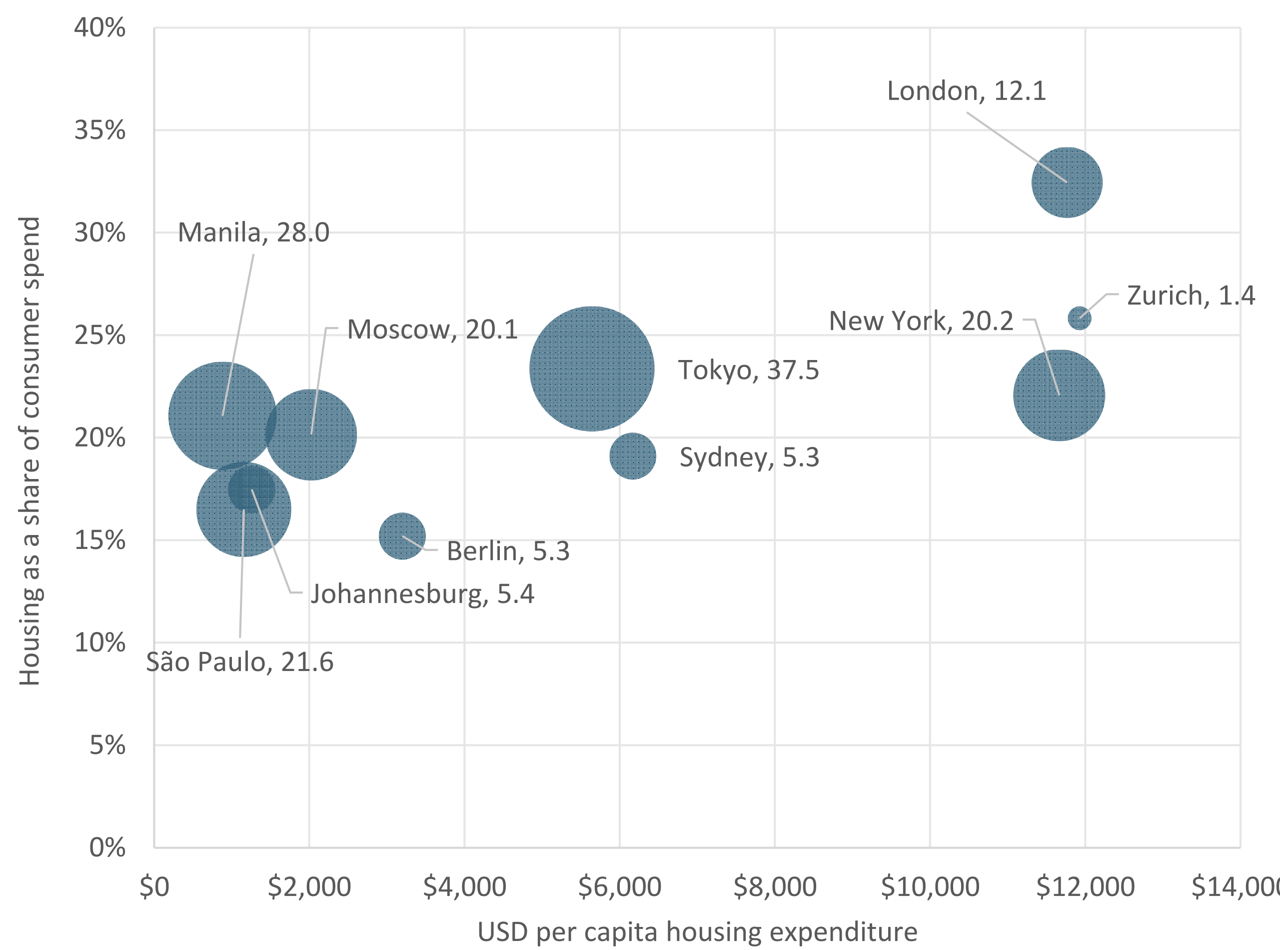
BRINGING THE INDOORS, OUTSIDE AND MAKING THE URBAN, RURAL

City dwellers are searching for an Outdoor Oasis to support their mental and physical wellbeing. Consumers still desire socialisation and human connection despite health hazards associated with large gatherings. An Outdoor Oasis provides a change of scenery and enables the feeling of connectedness while disconnecting from crowds. Dining, exercising, socialising and relaxing in open-air venues become essential for trapped consumers.

As remote work becomes the new normal, exchanging time in the city for rural life is appealing. Rural communities are less polluted, offering a healthier environment, and moving out of costly cities helps ease the financial burden endured during an economic slowdown. Consumers want to go back to basics, if the technology is available to stay in touch online and participate in virtual experiences.

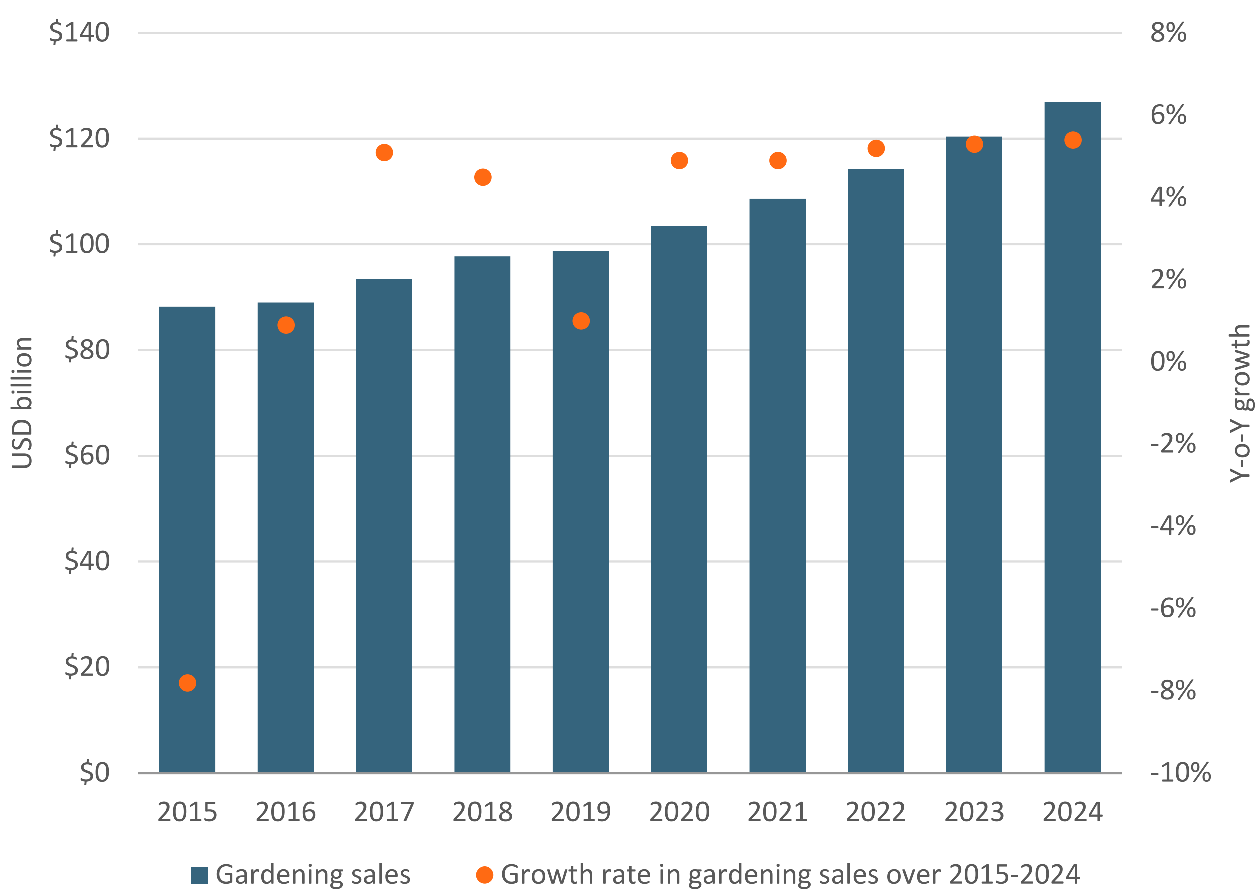
64%
of professionals think work from home will become a long-term change

Consumer Expenditure on Housing and Total Population Size in 2019



Source: Euromonitor International
Note: Bubble size represents population size in millions

Global Gardening Sales



Source: Euromonitor International

52%
of consumers commuted five or more days per week at the beginning of 2020

BUSINESSES MOVE ALFRESCO

Businesses are offering outdoor activities, such as open-air concerts, fairs and operas, to compensate for the lack of indoor occasions. Restaurants, cinemas and fitness studios adapted quickly, introducing outdoor cafes, drive-in cinemas and open-air exercise classes. Lodging options like secluded property rentals and glamping, or glamorous camping, are on the rise. In addition, DIY trends and the desire to connect with nature is driving the growth of gardening products and services around the world. Decreased usage of public transport and ride sharing has also been replaced with healthier habits like commuting via foot, bicycle or scooter.

Businesses need to create their own Outdoor Oasis. Adaptation might become more complicated and costly depending on the weather, but open-air structures and heating and illumination systems will pay off due to heightened demand for safe venues and the aesthetic that could continue attracting consumers.

Source: Vilnius City Opera

Vilnius City Opera relocated performances outside, making opera more accessible to the general public and addressing health safety measures.

Source: Imts

Imnts Outdoor Studio built 50 individual geodesic domes for practising hot yoga outside safely.

OUTLOOK FOR OUTDOOR OASIS

Outdoor venues or indoor alternatives will continue to be encouraged. Open-air activities remain beneficial, especially the therapeutic effects of the outdoors on mental wellbeing. Businesses can replicate their indoor offerings outdoors by building temporary structures and improving infrastructure. Integrating Outdoor Oasis features will become essential for leisure and entertainment providers to attract new customers and retain loyalty.

Adopting business models to suit adverse weather conditions and addressing health concerns will be major business tactics to cater to Outdoor Oasis consumers. Creating both indoor and outdoor offerings will ensure business continuity.

PHYGITAL REALITY

PHYSICAL AND DIGITAL WORLDS COLLIDE

Digital tools allow consumers to stay connected while at home and re-enter the outside world safely as economies reopen. Phygital Reality is a hybrid of physical and virtual worlds where consumers can seamlessly live, work, shop and play both in person and online.

Businesses can integrate virtual processes into their physical spaces to give consumers who prefer to stay home the comfort to venture out instead. Delivering virtually enabled at-home experiences remains imperative to drive e-commerce sales and gather data.

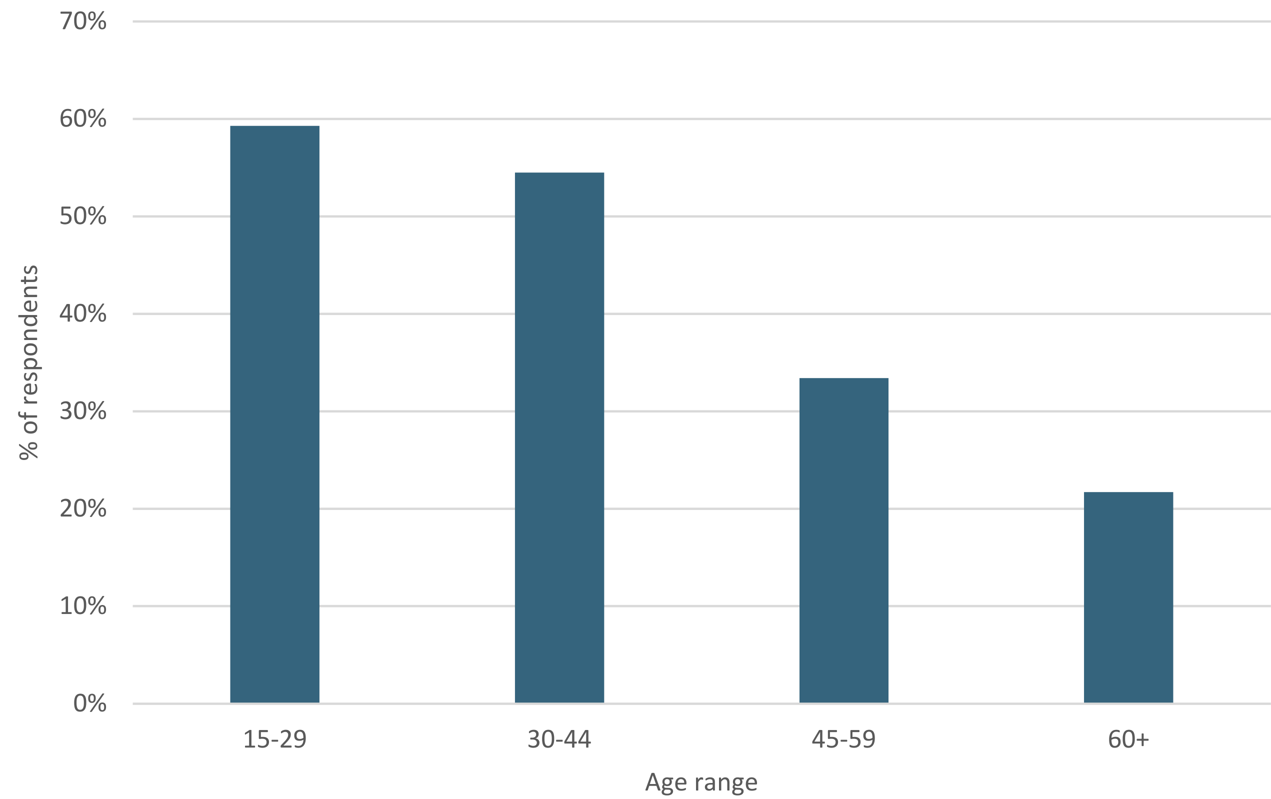
AT HOME OR AWAY, DIGITAL IMPACTS THE DAY

Consumers embraced internet-connected devices to maintain their daily routines amidst COVID-19 lockdowns. Video conferencing, smart appliances and technologies like augmented reality (AR) and virtual reality (VR) helped consumers form new habits around working, learning, exercising, shopping and socialising. These digital tools enabled Phygital Reality, which keeps consumers virtually connected despite being physically separated from the outside world.

Smartphones are used to facilitate safer protocols in physical spaces. Meanwhile, consumers are spending more time at home and participating in similar interactions virtually that previously occurred in person. Consumers now rely on digital tools to conduct and engage in daily activities both at home and away. Consumers, especially younger cohorts, are indifferent towards whether these activities are physical or virtual; they no longer distinguish between the two.

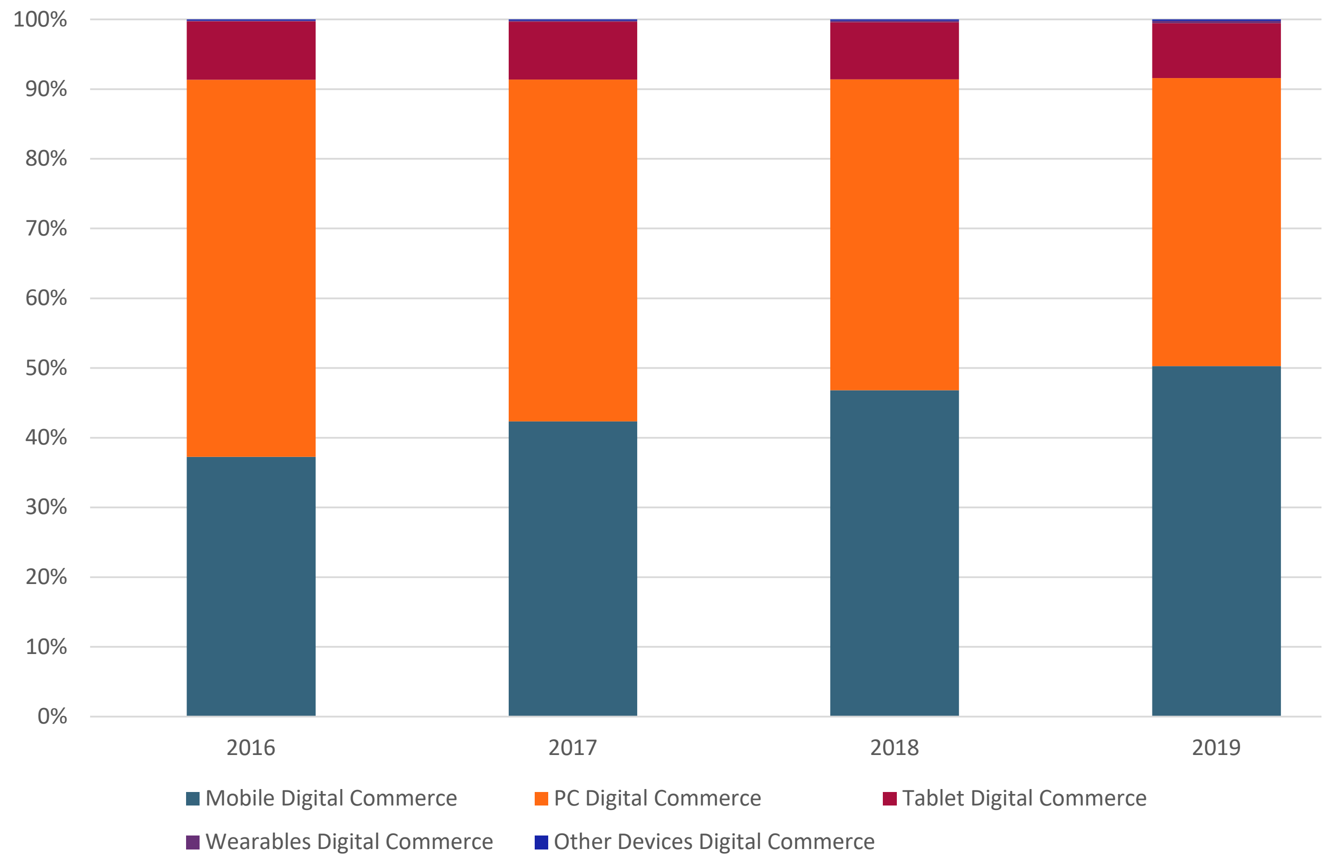
87%
of consumers own a smartphone

Global Consumers Who Have Used AR / VR in the Past Year



Source: Euromonitor International Digital Consumer Survey, fielded March to April 2020

Share of Global Digital Commerce Sales by Device



Source: Euromonitor International

BLENDED REALITIES DRIVE SALES AND ENABLE DATA COLLECTION

Brick-and-mortar businesses are using technologies to achieve Phygital Reality, implementing processes that encourage customers to safely visit onsite with the help of smart devices. Adopting mobile reservation systems, QR codes for touchless menus and payments and in-store virtual fitting rooms are strategies companies are taking to minimise human interactions. Businesses that were forced to close temporarily found it imperative to integrate the virtual world into their physical spaces to bring customers back.

Businesses are offering new goods for delivery and services for virtual consumption that can replicate out-of-home experiences. Brands can deliver new and existing solutions, both in person and virtually, in order to reach a wide audience, offering services like personal shopping appointments through video conferencing, VR travel experiences and crafting cosmetics, beverages and other personal goods through artificial intelligence (AI).

USD15.8 billion
global personal accessories e-commerce sales in 2020

Source: Fortnite

American artist Travis Scott partnered with Fortnite to host a virtual concert inside the gaming world, which concertgoers watched on their computer screens or with VR headsets.

Source: ASICS

ASICS offers runners the opportunity to win prizes by uploading the results of their runs.

OUTLOOK FOR PHYGITAL REALITY

Newly developed habits will keep consumers engaged in virtual events and interactions for both convenience and entertainment. Virtual tools will become integral to operations. Integrating virtual processes into brick-and-mortar locations is imperative to ensure consumers feel safe to return to physical spaces. At the same time, there will be more opportunities to serve consumers inside the home with physical products and virtual services that gather data.

Businesses can develop a Phygital Reality strategy using apps to facilitate onsite virtual experiences and partnering with technology providers to recreate in-person occasions at home. Companies that deliver safe and memorable experiences via multiple methods and platforms will develop loyal customers. Incorporating Phygital Reality will continue driving sales and assist with data collection, both online and in store.

PLAYING WITH TIME

NEWFOUND FLEXIBILITY SWITCHES UP SCHEDULES

Consumers are now both able and forced to be more creative with their time in order to get everything done.

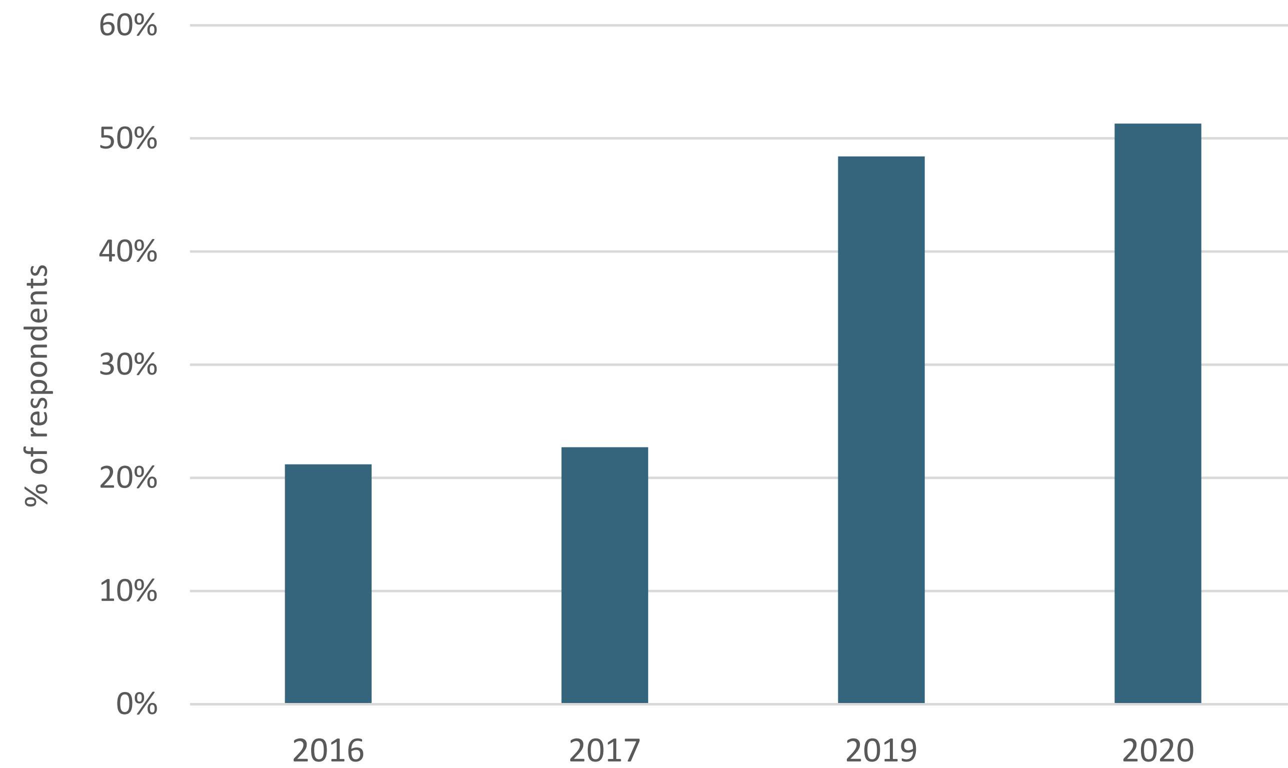
Businesses should provide solutions that address the consumer desire to maximise time, offering increased flexibility, especially with products and services that can be accessed from or near the home.

MANAGING MOMENTS MORE AUTONOMOUSLY

Newfound flexibility provides consumers with more time, but finding the best use of this time can be difficult. Managing work, family, social and personal lives is both a challenge and an opportunity. Setting boundaries became imperative when most occasions moved into the home. At the same time, consumers have the capability to multitask more throughout the day, from attending an appointment to dropping children off at school to running errands, at a time that suits their schedule. Consumers are reprioritising home life to have greater flexibility.

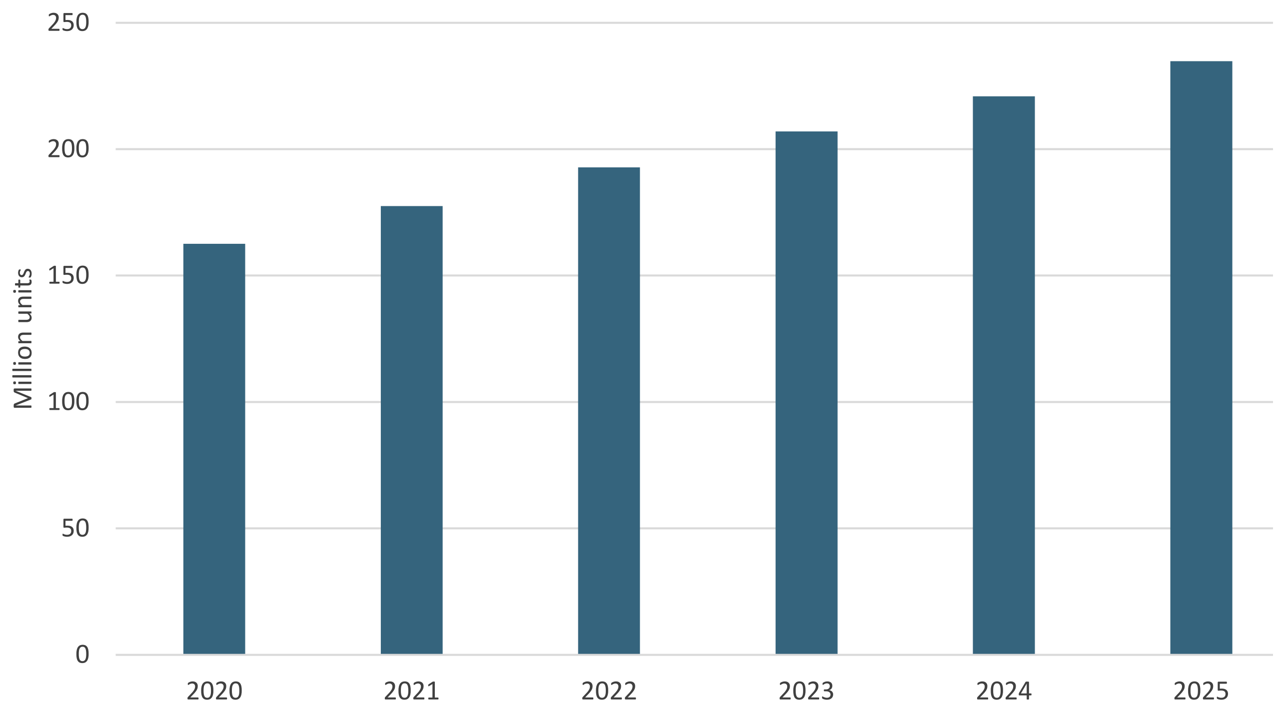
51%
of consumers chose "time for myself" amongst their top three life priorities

Global Consumer Life Priorities: "Time for Myself" Priority by Year



Source: Euromonitor International Lifestyles Survey, fielded January to February 2020

Global Sales of Electronic Wearables



Source: Euromonitor International

A 24-HOUR SERVICE CULTURE

Businesses are responding to Playing with Time as consumers have greater flexibility in their daily lives. The traditional 9-to-5 workday will be adapted to offer the level of flexibility that is now expected.

Developing a 24-hour service culture allows businesses to tailor and provide offerings around consumers' schedules. Always-available virtual services like on-demand workouts and entertainment offer consumers similar experiences in their own homes on their own time.

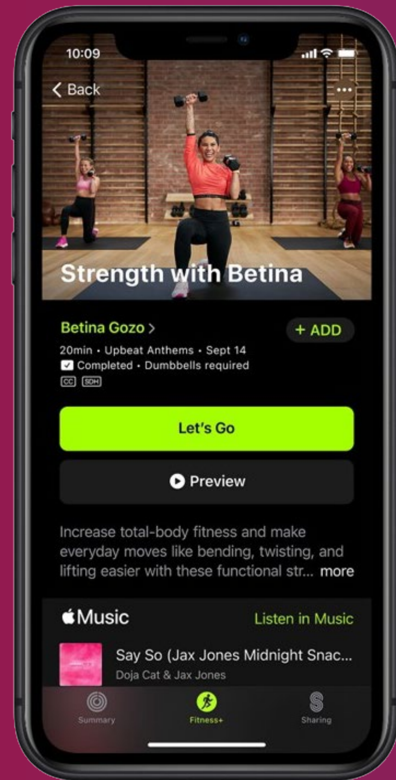
Brick-and-mortar business locations will also evolve. Consumers are taking public transportation less and staying within a 15-minute radius of their homes, which decreased footfall in city centres. Businesses may need to consider relocating in order to remain visible. Foodservice operators and retailers are also reimagining their physical outlets, using the spaces for online order fulfilment or curbside pick-up services, in response.

46%

of consumers value online virtual experiences

Source: Starbucks

Starbucks planned to expand curbside services in 2,000 stores by the end of 2020 to allow for faster payment using handheld devices while customers are parked near the store.



Source: Apple

Apple's Fitness+ subscription service allows consumers to follow home-based workout routines from recognised fitness instructors.

OUTLOOK FOR PLAYING WITH TIME

Playing with Time will remain a strong trend as consumers continue to stay home and travel less. Companies catering to Playing with Time stand to be seen as partners, helping consumers adapt to a new way of life whereby activities are scheduled in a non-conventional order to suit individual time demands.

This new level of flexibility will change how businesses operate, requiring a 24-hour service culture. Businesses must be aware of how customers are using their time to better position current products and services and develop new solutions. Tapping into this new potential market of 24-hour demand for goods and services can help businesses profit.

RESTLESS AND REBELLIOUS

PEOPLE VERSUS POLITICIANS

Consumers are fed up. Distrust in leadership has become the norm. Bias and misinformation are causing a crisis of confidence. Having suffered, put others first and gone without, these self-care aficionados are now rebelling, placing their own needs and wants first.

Companies can cater to the Restless and Rebellious via more precise marketing on social media and gaming, where they can give consumers a voice and pressure social giants to take on misinformation.

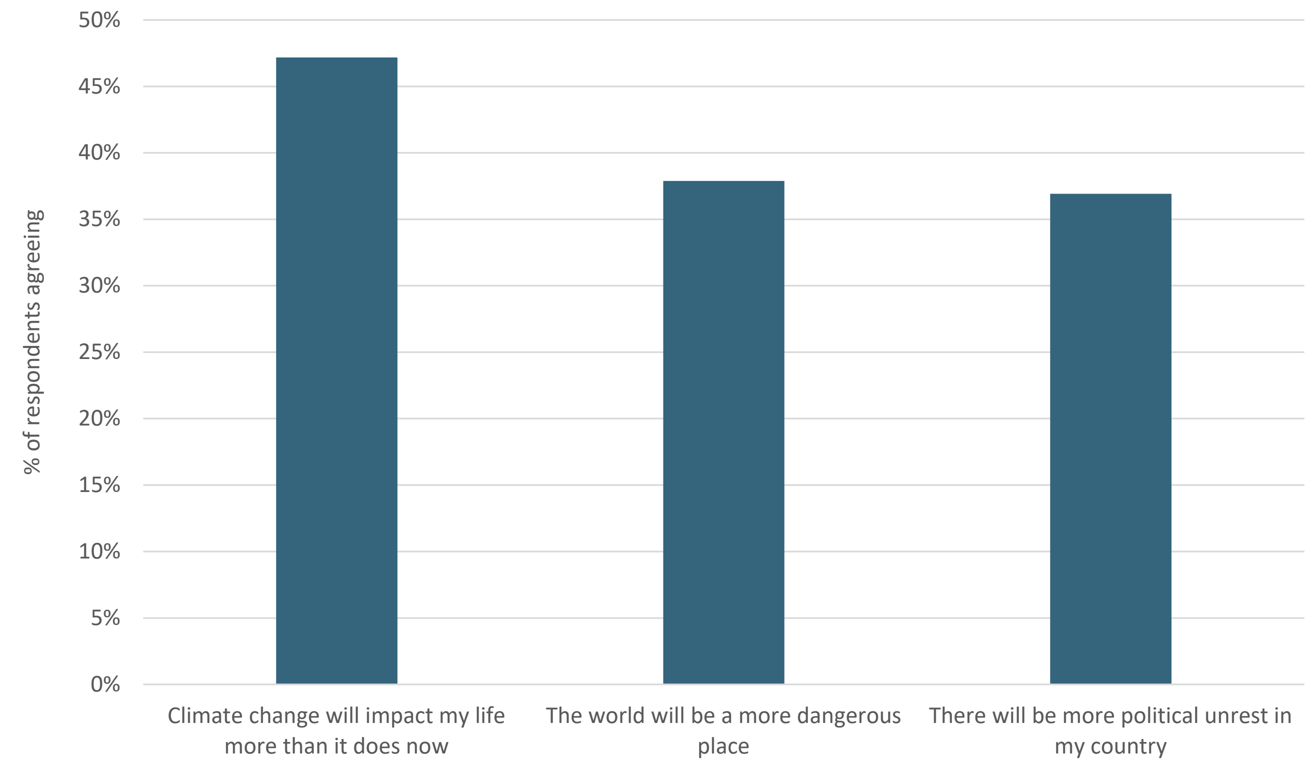
FED UP WITH THE ESTABLISHMENT

In recent years, anger towards the governing class has risen amidst a climate of growing resentment and extremism. Conspiracy theories are only adding fuel to the fire, a likely factor in the lower acceptance of public health measures. According to a study by the Annenberg Public Policy Center of the University of Pennsylvania, 62% of respondents wore a mask every day outside of the home, rising to 95% when considering only those who do not believe in conspiracies.

People are more cynical of governments and politics, giving rise to the Restless and Rebellious. Only 17% of Americans say they can trust the government; in Chile, it is a meagre 5%. Violence has erupted on the streets of Paris, Hong Kong, Santiago and Portland, as political parties are no longer able to channel the discontent. Youth feel especially disconnected from the political system, believing that those in power do not care to represent them. The social unrest across countries led to store lootings, boycotts and riots.

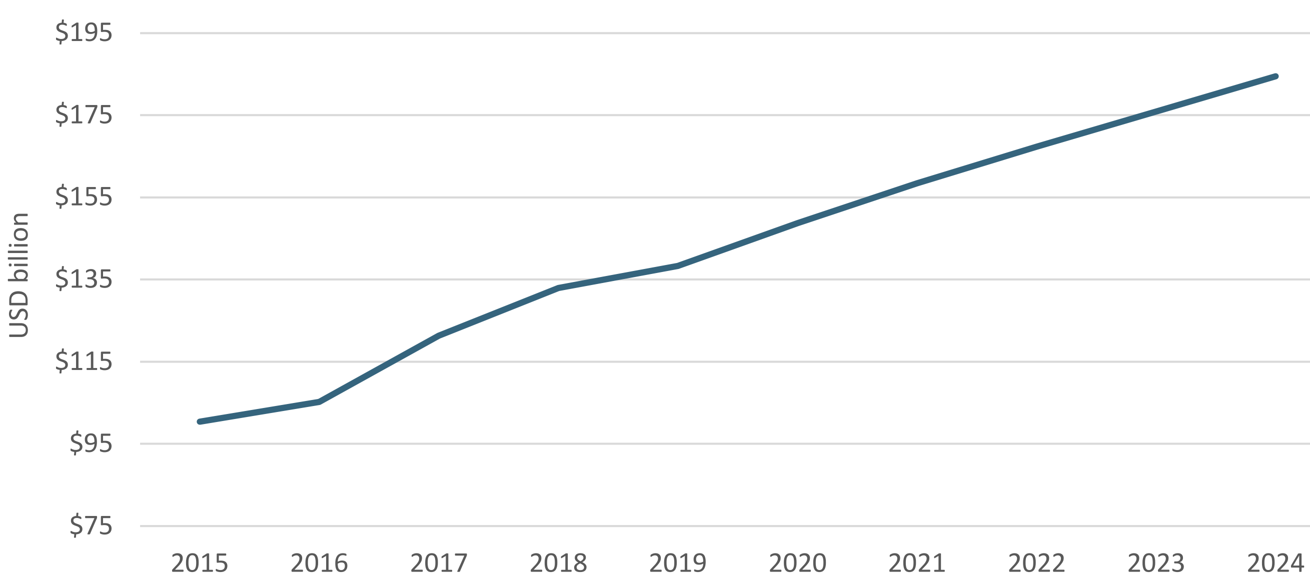
29%
of consumers are actively involved in political and social issues

Personal Attitudes Towards Life in Five Years



Source: Euromonitor International Lifestyles Survey, fielded January to February 2020

Global Video Game Sales



Source: Euromonitor International

34%

of consumers take part in online video gaming at least weekly

CATERING TO A ME-FIRST MINDSET

Actions taken to control the pandemic increased debt to households, governments and businesses. However, after the lockdown was lifted in China, buyers flocked to luxury brand stores; French fashion luxury brand Hermès sold USD2.7 million in Guangzhou in a single day. The Restless and Rebellious are “revenge shopping” — shopping extravagantly after being restricted and homebound for several months.

Consumers are seeking out high-risk activities like illegal parties and online gambling. The illicit market for cigarettes and alcohol in South Africa during the lockdown illustrates how consumers expect to continue to live their lives as they see fit. Companies are identifying growth opportunities across affordable luxury in alcoholic drinks, indulgences in packaged food and video games, especially.

Meanwhile, social media continues to be a battleground for information and misinformation. Pernod Ricard halted paid Facebook ads in July 2020, as part of the multi-brand #StopHateForProfit campaign. Companies and social media players must work together to ensure accurate and relevant information is shared or run the risk of losing consumer confidence, trust and credibility.

PepsiCo's Mountain Dew brand increased sponsorships with esports leagues and advertises on Twitch and Facebook, spending 40% of marketing dollars in 2019 to reach gamers.

Source: PepsiCo

OUTLOOK FOR RESTLESS AND REBELLIOUS

Disillusioned consumers plugged in during 2020 more than any point in history, foreshadowing a continuation of the Restless and Rebellious. VR and AR solutions can help drive service and connections through online streaming events.

The pervasive distrust in media and online content means companies have an opportunity and an obligation to ensure that marketing dispels misinformation. Consumers want the facts and expect brands to act.

In 2020, 37% of consumers shared their data to receive personalised and targeted offers and deals. More precise marketing on social media and via gaming will be key for a company navigating 2021. Online virtual experiences will remain relevant, and businesses will be at a loss if they do not consider these avenues for growth and branding.

SAFETY OBSESSED

PRIORITIES SHIFT TO SAFETY AND HYGIENE

Safety Obsessed is the new wellness movement. The fear of infection and increased health awareness drive demand for hygiene products and pushes consumers towards contactless solutions to avoid exposure.

Companies should implement enhanced safety measures and innovations that target concerns to reassure consumers.

LESS CONTACT, MORE HYGIENE

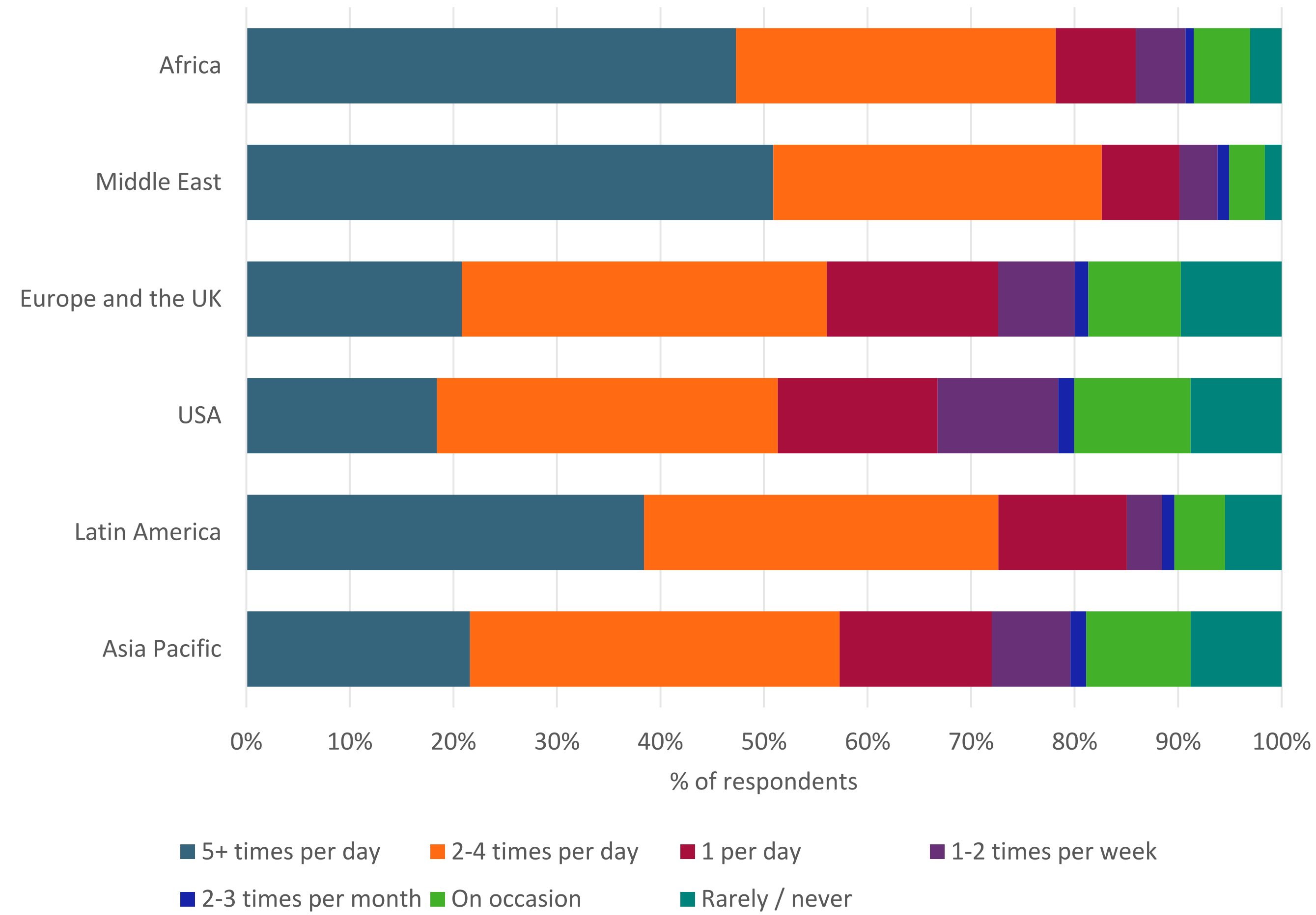
Any touchpoint in public can become a source of infection, putting safety and health front of mind around the world. COVID-19 heightened consumer awareness since the virus can spread through indirect contact. Efficiency and cleanliness are no longer trade-offs but expectations amongst Safety Obsessed consumers.

Washing hands more frequently and wearing masks are normalised habits today. Concerns surrounding the origin and delivery of products and services are elevating safety standards. Contactless payments are growing in prominence, stemming from fear of handling unclean cash. In addition to avoiding potential sources of infection, consumers seek anti-virus appliances and hygiene products, propelling the demand for liquid soap.

20%

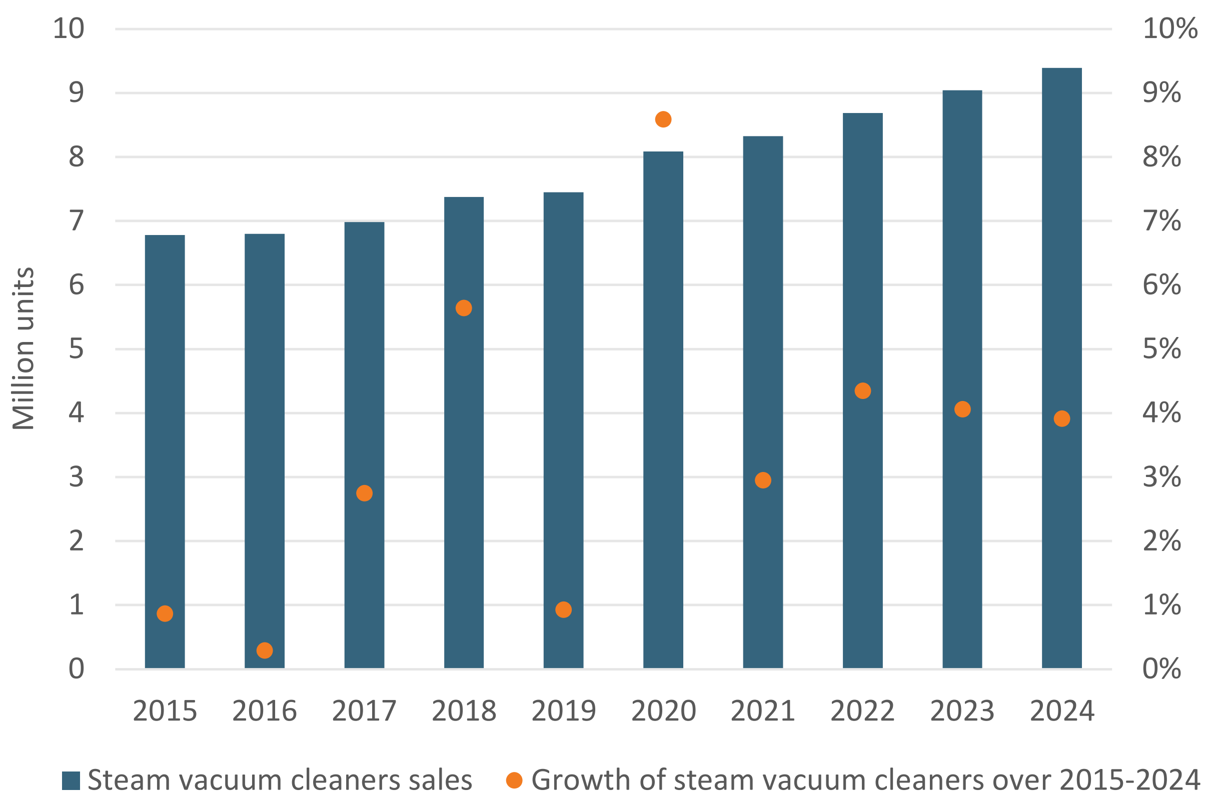
of consumers use in-person mobile payments daily

Frequency of Hand Sanitising



Source: Euromonitor International Beauty Survey, fielded September 2020

Global Sales of Steam Vacuum Cleaners



Source: Euromonitor International

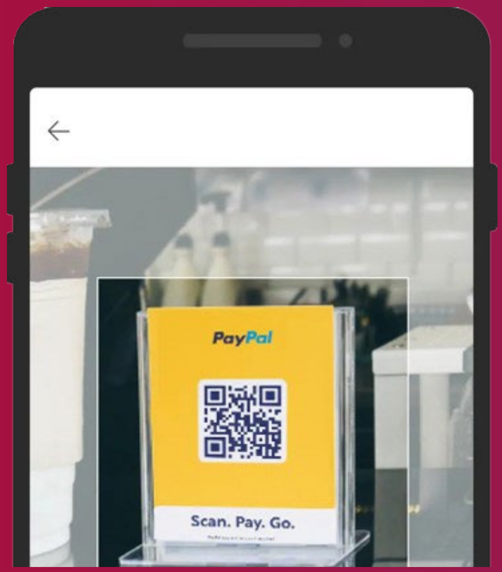
44%

of consumers would be comfortable receiving a delivery via drone or robot

TOUCHLESS, CASHLESS AND CLEAN

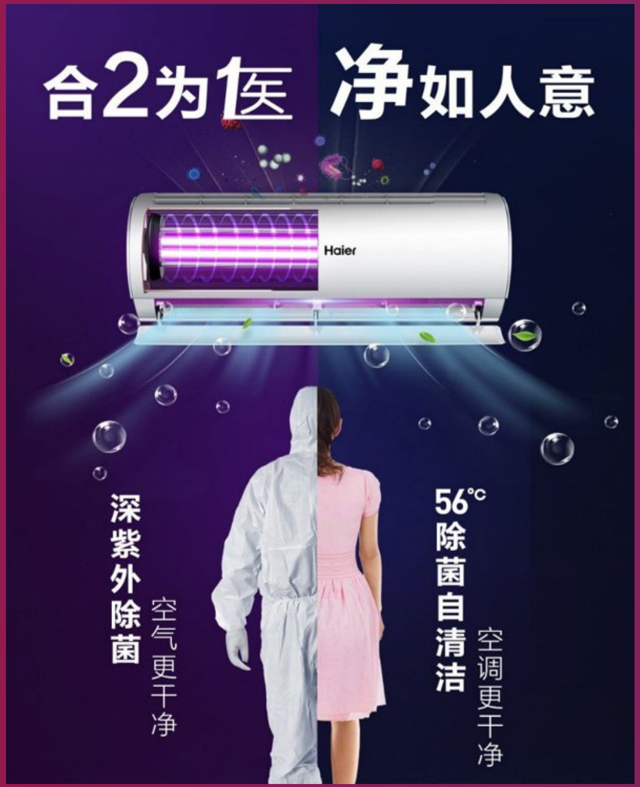
COVID-19 was the catalyst that drove sanitation concerns, requiring prompt responses from manufacturers to meet stricter health and safety procedures. Service and payment industries were amongst the first to respond. Grocers quickly adapted to consumers' reluctance to visit crowded stores and interact with humans, offering online ordering and even robot deliveries. Society was already moving towards cashless payments, and the pandemic accelerated this transition.

Hygiene products are the main beneficiaries of the Safety Obsessed. Manufacturers are launching value-added products in line with growing health consciousness to meet new hygiene standards. COVID-19 sparked innovations that prioritised sanitation as a critical product feature like Haier developing a self-sterilising air conditioner. Global sales of vacuum cleaners, especially steam models, soared in response to consumers' anti-virus cleaning needs.



Source: Paypal

PayPal launched QR codes as a touch-free way to pay.



Source: Haier

Haier introduced a self-sterilising air conditioner to appease air quality concerns.

OUTLOOK FOR SAFETY OBSESSED

Safety and health will be at the forefront of consumer behaviour. Companies across industries should develop robust hygiene initiatives in response to heightened concerns. Businesses that incorporate exceptional sanitation features into products and services, while communicating these benefits, will attract Safety Obsessed consumers.

Unattended commerce and e-commerce will be widely adopted where unnecessary human interactions are minimised. Consumer needs will evolve from basic hygiene to general health. As consumers turn to necessities, a safe and trusted brand image will be intangible assets for businesses.

SHAKEN AND STIRRED

RISING ABOVE ADVERSITY

The global pandemic reconfigured daily lives, testing mental resilience, restricting experiences and provoking economic shocks. Consumers have a new understanding of themselves and their place in the world in pursuit of a more fulfilled, balanced and self-improved life.

Businesses must provide products and services that support resiliency for mental wellbeing and to help Shaken and Stirred consumers weather adverse circumstances to gain trust.

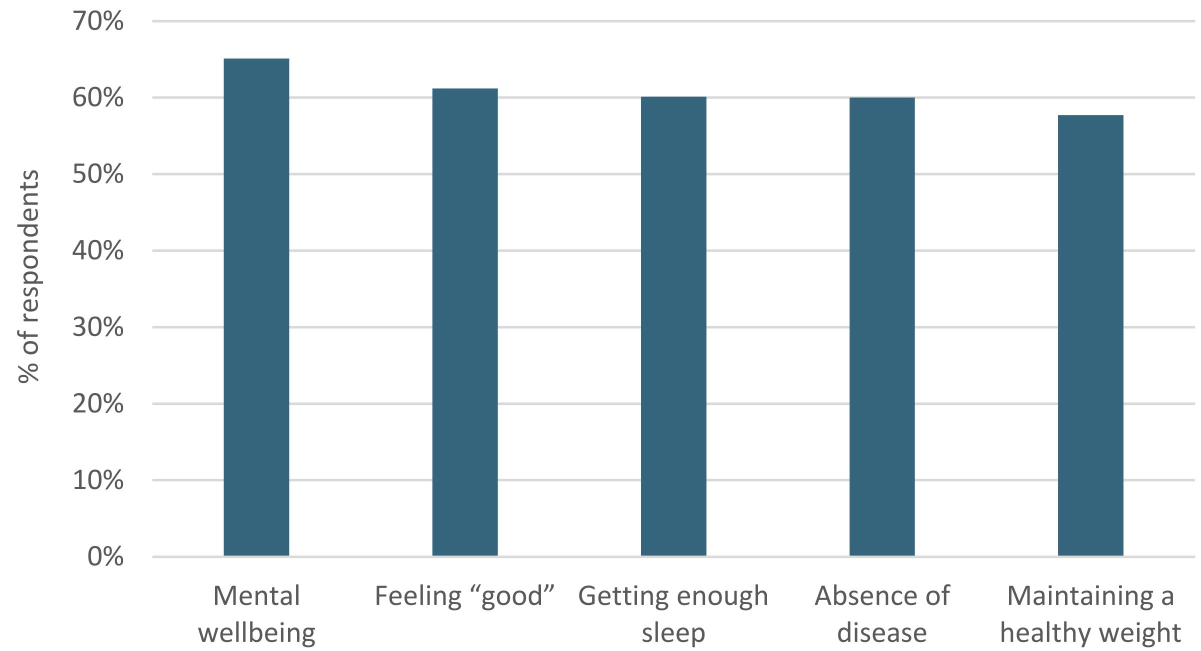
WHEN THE GOING GETS TOUGH, THE TOUGH GET GOING

Mental wellbeing has been top of mind for consumers and is the primary indicator of good health. Consumers previously turned to quick-fix products and services like functional foods, self-indulgent luxuries and technologies that supported mindfulness. The pandemic brought new stress factors, including health risks, unemployment or economic hardships, isolation, upended routines and demands for new roles and skills.

Consumers now understand that treating symptoms of stress do not address the root cause and confronting these underlying issues head on would be a more successful strategy to achieve serenity. Many sought expert opinions or tuned into immediate support surroundings to find an outlet to identify and cope with underlying mental struggles.

Consumers are Shaken and Stirred, reassessing their priorities and identities, reconfiguring work-life balance and exploring new hobbies in a socially distant world. Their new spending habits diverge from novel experiences and timesaving to focus on investments in durable skills and products that support resiliency into the future.

Consumer Perception / Definition of "Good Health"

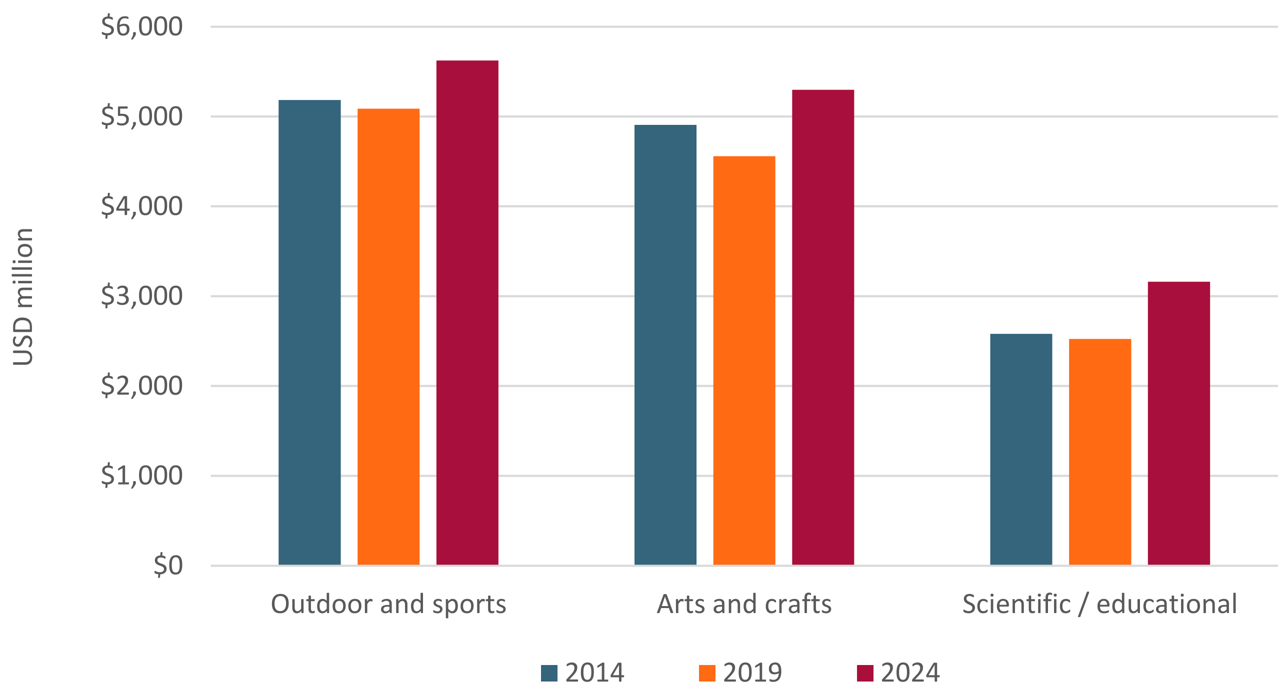


Source: Euromonitor International Health and Nutrition Survey, fielded February 2020

73%

of consumers rate depression and mental health as currently having a moderate or severe impact on their everyday life

Global Sales of Educational / Hobby-Related Toys and Games



Source: Euromonitor International

70%+

of professionals predict that an increased focus on lifestyle conditions will have a very influential impact after the pandemic subsides

SOUND BODY, BUDGET AND MIND

Companies offering digital products and services are best equipped to help Shaken and Stirred consumers access information and virtual engagements to promote self-improvement and lifestyle balance. Pre-pandemic, 46% of Generation Z and 50% of millennials preferred spending money on experiences over things, but restrictions on large gatherings are generating interest in at-home events.

Global sales of educational, hobby-related toys and games fell between 2014 and 2019 but are expected to rise again as a result of the pandemic. Arts and crafts, musical instruments, sports equipment and online classes will benefit as consumers seek products that help them develop specialised skills. Additionally, consumers are resorting to nostalgic comforts like childhood snacks that provide immediate stress relief. Various industries will benefit depending on unique preferences, as consumers conform to a changing environment.

Source: Skillshare

Skillshare provides a platform for people to learn and teach creative skills and hobbies.

General Mills plans to bring back classic, nostalgic snacks and recipes to appeal to millennials.

OUTLOOK FOR SHAKEN AND STIRRED

Short-term pivots in 2020 will leave lasting scars. Consumers will continue seeking holistic solutions over topical ones to maintain mental health. Existential threats like unemployment and lower budgets will urge consumers to seek products and services that help them withstand future crises and life-altering events.

Products and experiences that offer self-improvement, skill development, life balance support and financial resilience will gain traction even as the pandemic wanes. Companies should communicate how their product serves consumers in a world where they are dedicating more time for themselves.

THOUGHTFUL THRIFTERS

THINKING WITH A RECESSIONARY MINDSET

Consumers are cautious and frugal. Discretionary spending is declining due to the uncertain economic environment. Thoughtful Thrifters are prioritising value-added and health-conscious products and services.

Companies should pivot towards value-for-money propositions, offering affordable options without sacrificing quality. Premium attributes should be reinforced with a new empathetic story and have a strong tie-in with health and wellness, self-care or mental wellbeing.

ECONOMIC UNCERTAINTY DRIVES FRUGALITY

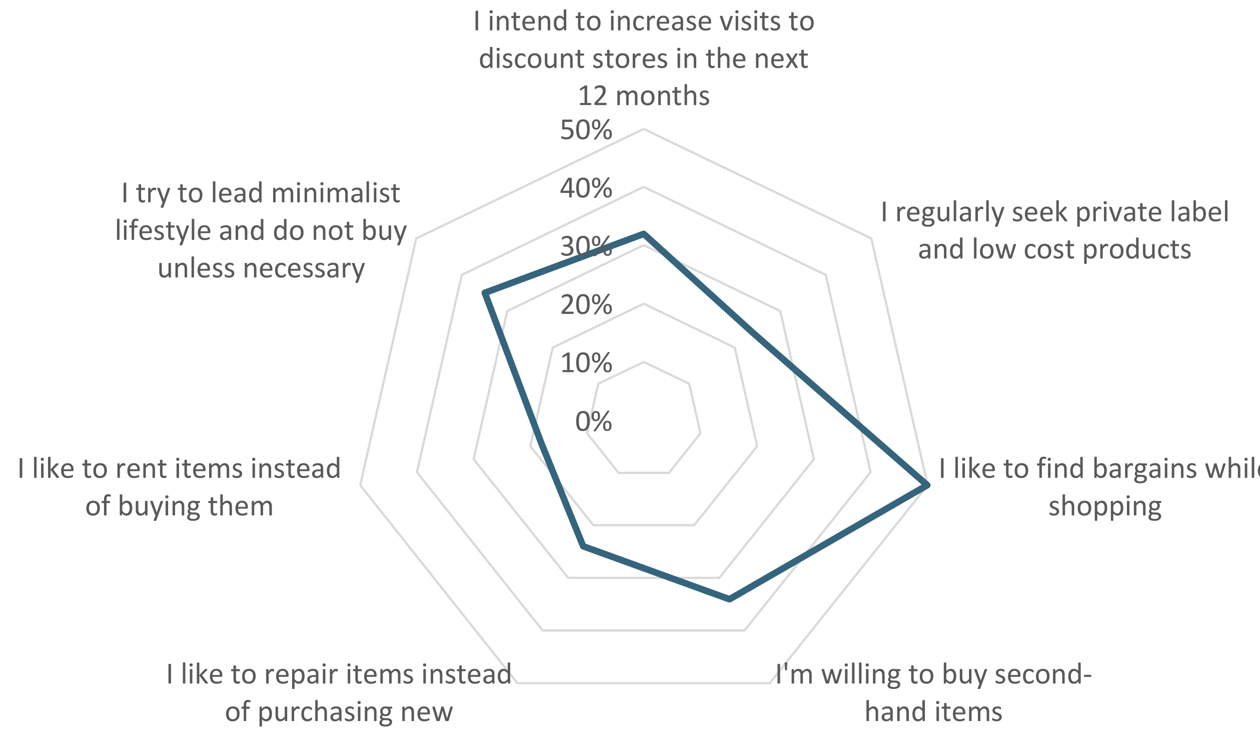
A dampened macroeconomic scenario, job insecurity and reduced household incomes will cause consumers to reassess their values and priorities as well as embrace new consumption habits. Decreased consumer confidence coupled with inadequate fiscal and monetary stimulus will lead Thoughtful Thrifters to carefully budget spend, increasing savings as insurance for the unforeseen. Pessimism is higher amongst millennials and Generation Z due to the 2008 Global Financial Crisis that occurred early in their careers.

Financial insecurity will postpone big-ticket purchases, and discretionary products will be the biggest casualty of the pandemic. Essentials are impacted to a lesser extent. Price elasticities are changing across product categories as Thoughtful Thrifters downgrade to private labels to seek value for money. COVID-19 will drive planned and intentional buying, shifting to rational sustainable consumption across consumer segments.

49%

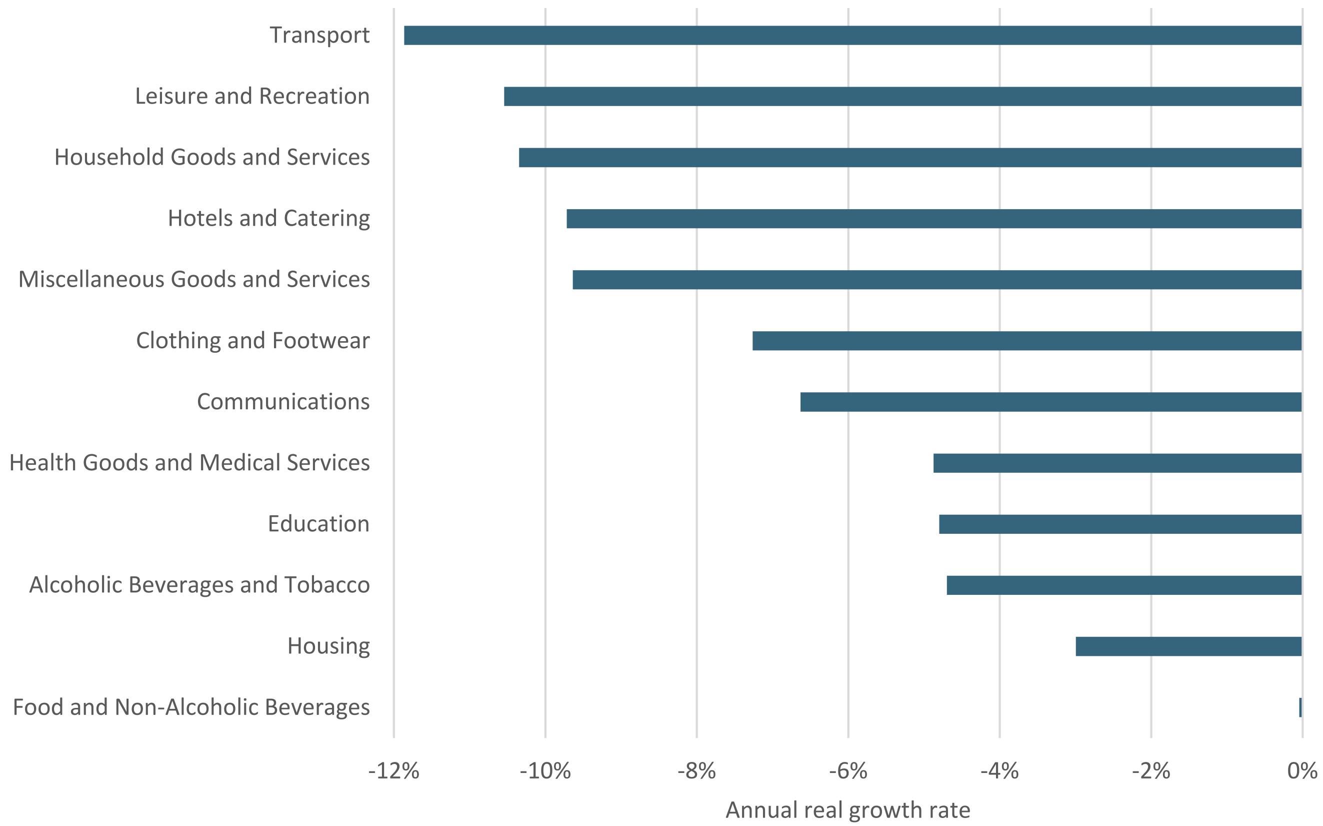
of consumers intended to put more money into savings in the next 12 months at the beginning of 2020

Future Spending Habits and Shopping Preferences



Source: Euromonitor International Lifestyles Survey, fielded January to February 2020

Growth of Global Consumer Expenditure from 2019–2020



Source: Euromonitor International

10%
sales growth of discount retailers like Aldi and Lidl from 2019 to 2020

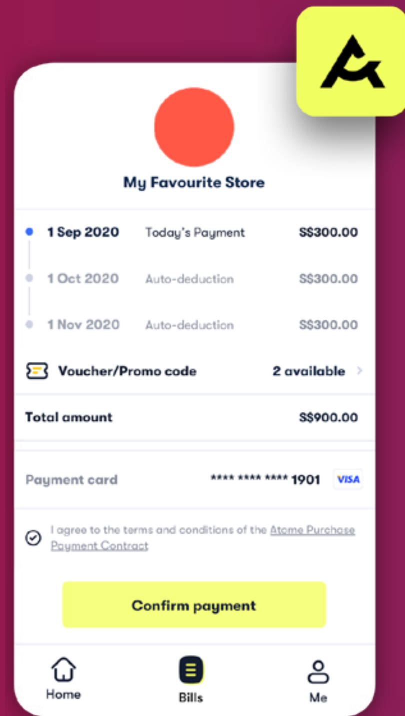
VALUE-FOR-MONEY PROPOSITIONS REINSTATE AFFORDABLE POSITIONING

Value-conscious consumers are boosting the sharing economy, reimagining rental, resale and remade business models with marketing around affordability and sustainability. Buy now, pay later is a beneficial option for financially cautious Thoughtful Thrifters to allow these consumers to shop full price and increase their basket size.

Limited disposable incomes are also benefitting from off-price retail formats as well as flexible subscription models that offer convenience, safe product accessibility and bulk discounts. Premium players are launching products at more accessible price points to appeal to price-conscious consumers and improve market competitiveness. Brands are responding to the pandemic with discounts on discretionary products to attract frugal shoppers, impacting profit margins in the short term.

Source: Apple

Apple launched a second generation of the low-cost iPhone SE, proving demand for affordable yet high-quality products.



Source: Atome

Atome launched a buy now, pay later solution with 500 merchants to support the recovery of Singapore's retail sector during and beyond COVID-19.

OUTLOOK FOR THOUGHTFUL THRIFTERS

The economic environment will continue to influence consumer spend. As consumers switch to generic brands amidst economic hardship, expanding private label offerings will benefit retailers. At the same time, companies should identify and market attributes consumers are willing to pay a premium for. Readjusting product portfolios, distribution channels, promotions and supply chains to cater to Thoughtful Thrifters will futureproof businesses for a new normal. There is no one-size-fits-all approach.

Brands should find innovative ways to regain value and enhance the price-value equation. Convenience, increased online penetration, fast last-mile delivery or add-on services are ways companies can achieve this. A focused, insights-driven, locally tailored promotional plan will enhance return on investment.

WORKPLACES IN NEW SPACES

RECREATING THE OFFICE ENVIRONMENT REMOTELY

Out of office took a new meaning in 2020. Workplaces in New Spaces had a rippling effect on consumer life, from clothing choices to technology spend to eating habits and beyond. Consumers are searching for new ways to define the beginning and end of their workdays, as they struggle to manage their time.

Businesses must support work-life balance, productivity and communication needs. Understanding the benefits and challenges of working remotely allows companies to bring the best of the office into the home.

REDEFINING WORK-LIFE BALANCE

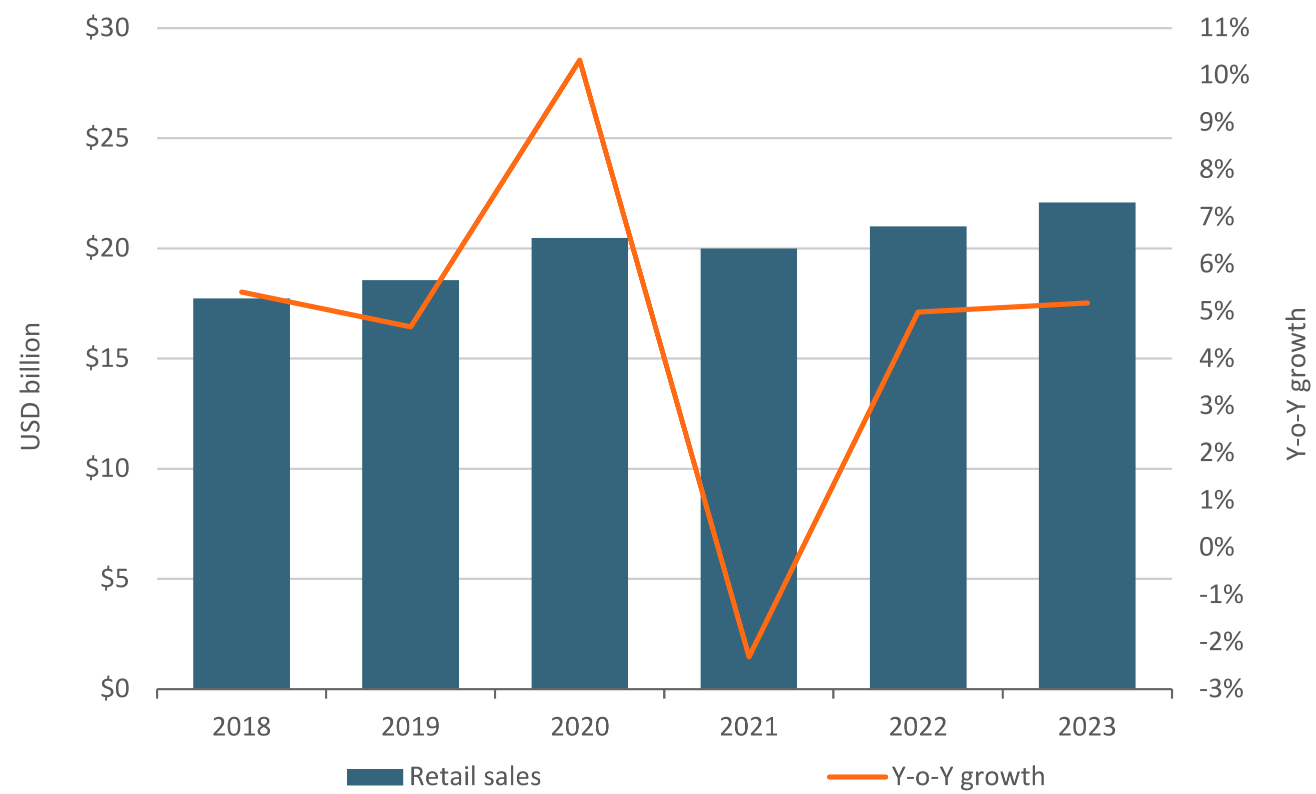
Working from home is not a new concept and has been emerging in developed countries. In 2020, social distancing measures brought the office into homes for nearly all consumers almost overnight. As restrictions subsided, many consumers started going back to the workplace, but less frequently, and a blended approach to work is expected. On one hand, certain consumers appreciate the additional time gained without having to commute. On the other hand, consumers miss in-person interactions with colleagues. Difficult working conditions, managing routines and finding the motivation to work, relax and switch off have proved challenging.

Workplaces in New Spaces also impacts where and how consumers shop around their job schedules. Loss of commutes and out-of-home offices limit on-the-go occasions, such as grabbing coffee, running errands on lunch breaks or socialising with colleagues after work. With less mobility, consumers are spending more to emulate the dining, shopping or other leisure experiences in their homes.

52%

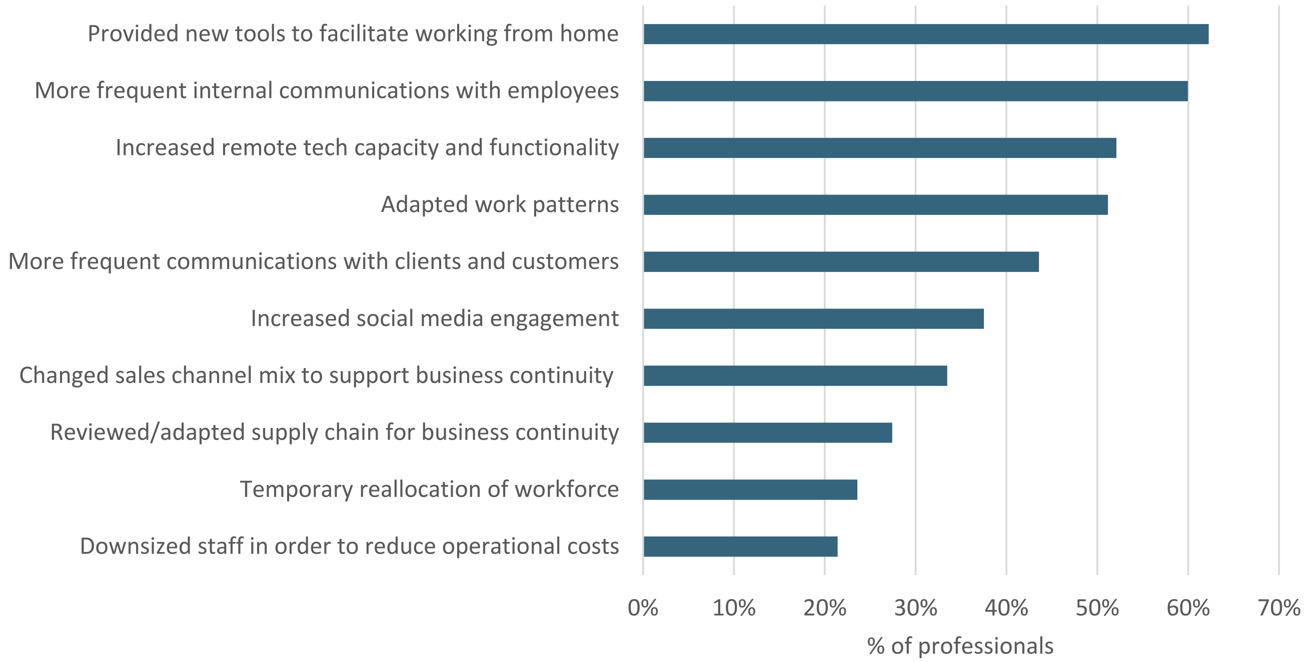
of consumers have a strict boundary between work (or school) and personal life

Global Fresh Ground Coffee Pod Sales



Source: Euromonitor International

Top 10 Actions Taken to Support Business and Operational Continuity



Source: Euromonitor International Voice of the Industry: COVID-19 Survey, fielded July 2020

USD314 billion
sportswear sales globally in 2020

NEW ROUTINES PAVE WAY FOR INNOVATION

Global sportswear sales are expected to decline at nearly half the rate of the overall apparel and footwear industry in 2020. Simplified grooming, dressing and beauty routines are forcing businesses to rethink their product positioning as consumers resort to smart casualwear and natural makeup looks.

Businesses are also offering multifunctional and compact equipment to repurpose the home office space. Multifunctionality targeted at families or individuals sharing living accommodations will be the main area for innovation. Businesses should focus on products and services that improve efficiency and productivity without losing the human element. Tools leveraging AI can enhance group work, social interactions and individual time management.

Technology innovations focus on facilitating remote collaboration. Opportunities to connect and recreate a routine, such as after-work drinks, are spurring growth in technology for virtual socialising with colleagues. Moving to fully remote operations while maintaining the same level of productivity will result in blended workplaces becoming commonplace.

Source: GoBe Robots

GoBe Robots offers organisations a telepresence solution and enables a more human-like workplace connection.

OUTLOOK FOR WORKPLACES IN NEW SPACES

The defining characteristics of an office should be re-examined as a space for remote connection and collaboration. Finding the right balance between professional and personal priorities will be critical as business efficiencies and mental wellbeing rely on these Workplaces in New Spaces.

Purchase decisions will shift towards casualisation in terms of workwear and beauty routines, but affordable premiumisation will drive food and beverage choices to create restaurant-quality meals at home.

Businesses that thrive on office footfall will need to adjust their models away from densely populated cities and focus on suburban locations as well as e-commerce and delivery. Issues around privacy may arise as companies look to monitor employees while working remotely. Businesses should give consumers a sense of belonging and connection through interactive digital engagements. Advanced technologies can help both companies and consumers maintain the same level of productivity remotely as in an office setting.

How do companies respond to the demanding, anxious and creative consumers of 2021?

Businesses should offer value-added products and services to accommodate consumers, providing multifunctional and affordable solutions. Brick-and-mortar stores and restaurants must reimagine their physical spaces to both accommodate online order fulfilment and incorporate open-air components to bring customers back safely.

Technologies and virtual experiences are driving customer interactions and facilitating human connections online and in person. Cashless payments and click-and-collect services allow businesses to generate revenue while providing the safety and convenience consumers desire. Companies need to readjust strategies around remote engagements and less mobile consumers.

Purpose-driven initiatives will resonate with consumers in 2021. Amidst social unrest, consumers want the facts and expect brands to act. Communicating with compassion and supporting mental wellbeing are critical attributes to drive brand loyalty.

Flexibility, agility, transparency and technology will pave the way forward. With mounting uncertainties reshaping the world, businesses should prioritise and reinforce consumer, environmental and safety needs to foster a brighter future.

METHODOLOGY

Euromonitor International's annual top 10 global consumer trends are identified through a team effort, making the most of our broad and international coverage in 100 countries across the world, from industry market analysis to quantitative global consumer surveys.

We prompt our analysts and poll our expert teams for insights. We build a database of emerging trends and mine our trade interviews.

Each autumn, we take those collective insights into dynamic ideation workshops and drill down collectively to pinpoint emerging short-term trends, develop the narrative and identify case studies. This year, we worked digitally across our 15 global offices, drawing voices from research and sales. Senior leaders facilitated the breakouts and led discussions to rank the trends. Together, we made the final cut.

Special thanks to our global analysts who participated in the ideation workshops to refine and identify our 2021 trends.

ALISON ANGUS

Head of Lifestyles
Euromonitor International

Alison heads up the lifestyles and megatrends research focused on understanding consumer behaviour, attitudes and shifting trends, interpreting these into informative and useful insights to support businesses and strategy planning. Alison has worked in research for 20 years, covering consumer goods, home entertainment and service sectors. She brings extensive knowledge and expertise on research and analysis techniques and methodologies, managing projects and producing informative and insightful analysis.

GINA WESTBROOK

Director of Consumer Trends
Euromonitor International

Gina started her career as Editorial Director and moved to a strategic role in 2004, testing new editorial concepts that alert companies to global trends influencing consumer markets. Her research offers insight into changing market conditions and consumer behaviour and the opportunities and challenges that companies should consider in order to maintain a competitive advantage.

BUILD BACK BETTER
Maria Coronado Robles — Senior Sustainability Consultant

CRAVING CONVENIENCE
Lauren Jacobs — Client Engagement Consultant

OUTDOOR OASIS
Jana Rude — Industrial Manager

PHYGITAL REALITY
Benjamin Schneider — Beauty and Fashion Analyst

PLAYING WITH TIME
Amir Ali — Associate Consultant

RESTLESS AND REBELLIOUS
David Mackinson — Research Manager

SAFETY OBSESSED
Kemo Zhou — Analyst

SHAKEN AND STIRRED
Christopher Quintos — Consultant

THOUGHTFUL THRIFTERS
Radhika Singal — Consultant

WORKPLACES IN NEW SPACES
Camilla Butler — Consultant
Amna Abbas — Senior Research Manager

EDITOR
Gina Westbrook — Director of Consumer Trends

COPY EDITORS
Lauren Meyer — Senior Audience Marketing Executive
Marissa Bosler — Senior Communications Executive

DESIGN
Claire Garvin — Designer

ADVISORS
Alison Angus — Head of Lifestyles

Amrutha Shridhar — Senior Consultant

Lisa Holmes — Senior Survey Manager

Michelle Evans — Senior Head of Digital Consumer

Stella Vatcheva — Head of Innovation

Thomas Verryn — Senior Research Manager

Zandi Brehmer — Director of Client Innovation

Zora Milenkovic — Head of Drinks and Tobacco Research

HOW CAN EUROMONITOR INTERNATIONAL HELP?

Euromonitor International is a global market research company providing strategic intelligence on industries, companies, economies and consumers around the world. Comprehensive international coverage and insights across consumer goods, business-to-business and service industries make our research an essential resource for businesses of all sizes.

Learn more about our products

EUROMONITOR INTERNATIONAL Passport Euromonitor Consulting VIA