

White paper

Future Consumer 2023

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Consumers and financial service providers often play leapfrog, taking turns making the next jump into the future. Decades ago, risk and regulatory innovations enabled banks to issue cards more broadly, leading consumers to adopt electronic payments. Consumer commerce then shifted online, leading to issuers changing products, services and experiences.

Over the past year, both traditional and upstart financial service providers have streamlined and digitised to enable remote workforces and customer experiences. Consumers and society overcame challenges not seen in over a generation. Just as survivors of the Great Depression focused on achieving the necessary with minimal resources, consumers coming out of the pandemic have different expectations and behaviours, shaped by the events of the last two years.

The game of leapfrog continues and consumers are now jumping, leading to category growth in neobanking, crypto-investing, mobile financial services and new lending and payment schemes. But this is just the beginning of the consumer leap.

Money20/20's sister company, WGSN, helps predict future consumer trends and behaviour for product design – such as key colours or buying implications for the next season, in categories such as Fashion, Consumer Tech, Beauty, Interiors and Food & Drink.

With deep expertise and a global team responsible for setting the tone for what consumers want, WGSN has identified the consumer sentiments that will shape how your future consumers feel, mapped across the four consumer profiles that will shape the world around us in 2023.

Beyond what to expect of your future consumer in how they'll feel and behave, Future Consumer 2023 provides invaluable foresight on what people will want and demand, providing you with the knowledge you need to create the services and strategies of tomorrow. For an industry that prioritises customer experience, knowing what consumers want is essential in taking a proactive approach to meet consumer demands. Welcome to the future.



A handwritten signature in black ink that reads "Sanjib Kalita". The signature is written in a cursive, flowing style.

Sanjib Kalita

Editor in Chief, Money20/20

Future Consumer 2023 matrix

Consumer sentiments

The key behavioural drivers set to impact consumer mindsets in 2023



Time Perception



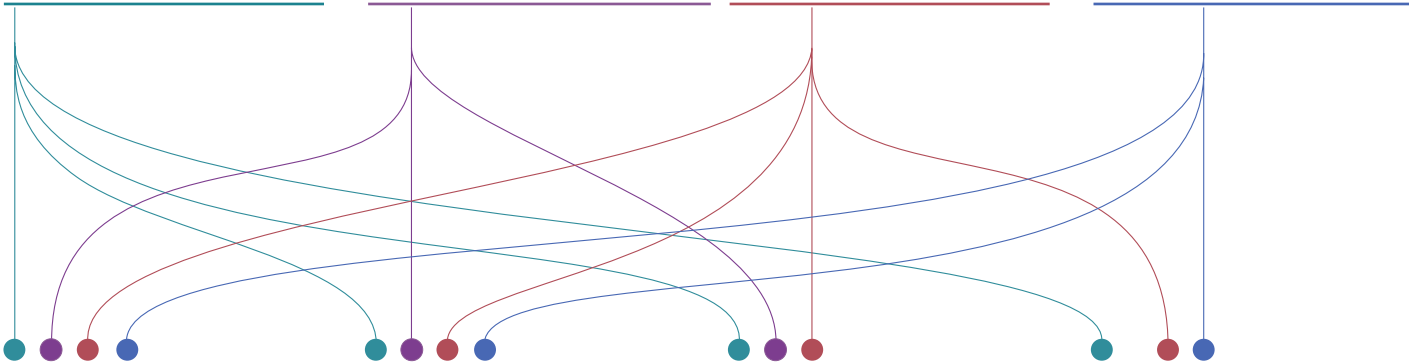
Numbness



Hope



Cautious Motivation



Consumer profiles

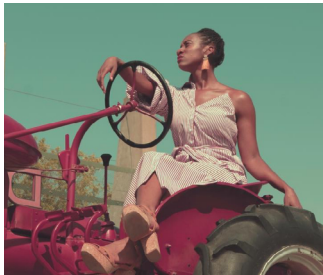
The key profile groups set to disrupt industry and drive sales in 2023



The Predicators



The New Romantics



The Impossibles



The Conductors

Consumer sentiments

The key behavioural drivers set to impact consumer mindsets in 2023

Time Perception

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Hope

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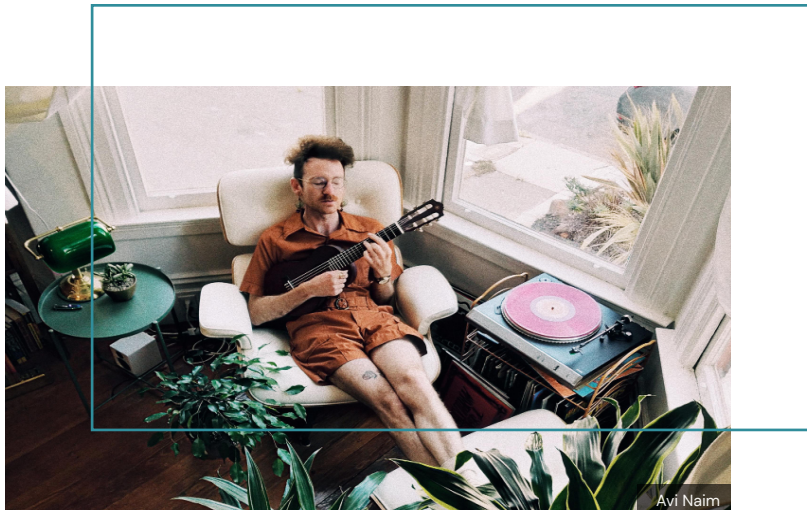


Time Perception

Pandemic-induced uncertainty has altered our grasp of time, changing memories and giving rise to a renewed focus on an idealised past

The pandemic, subsequent lockdowns and varied regional reopenings have warped people's sense of time. Days seemed to drag on, while months passed in the blink of an eye. Add in the sudden shift to a remote workforce in multiple time zones and the concept of time seemed non-existent.

Academics named the lack of time perception the "quarantine paradox". Time became a collective focal point: how to pass it, how to make the most of it and how to endure it. Whether people were stress-baking (global flour sales rose 238% YoY), gardening or hosting virtual cocktail parties, a vast majority of people spent time reflecting on the good old days. This memory-to-time reflection is part of a wider behavioural trait psychologists term the "reminiscence bump".



“ Unmoored from the usual rhythms of our daily lives, time feels elastic, stretching infinitely ahead and then, without warning, snapping back”

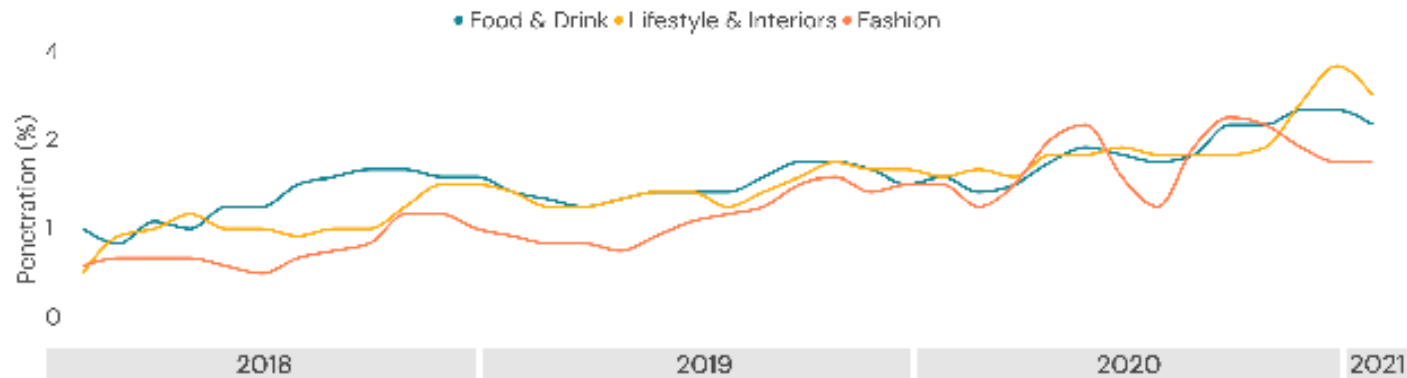
Claudia Hammond, author of *Time Warped: Unlocking the Mysteries of Time Perception*

The reminiscence bump

When people lack time perception, nostalgia can help them feel more grounded in the present. Studies show that most people vividly remember experiences between the ages of 15 and 25 – formative years packed with memorable firsts (first love, first job, etc). Psychologists refer to this as the reminiscence bump, and it will be especially relevant as we emerge from the chaos of the pandemic.

Amid the technology we relied on to keep functioning over the past year, we were gripped by nostalgia. In 2020, vinyl trumped annual revenue of CDs in the US for the first time in 34 years, according to the Recording Industry Association of America. That trend is continuing in 2021. The number of vinyl LPs sold rose 108% in the first six months, up from 9.2 million during the same period in 2020.

Mentions of #nostalgia uptrend, rising across industries



WGSN Trend Curve social media data Penetration: % of users posting trend

“ Emotionally exhausted from isolation, constant connectivity and the political circus playing out across their screens, people are nostalgic for simpler times and for moments that once sparked joy. They are fatigued by social networks and the chaos that takes place on them, turning instead to mindless retro video games or wholesome corners of the vintage web free from conspiracy and clout”

Cassandra Napoli, Senior Strategist, WGSN Insight

If consumers weren't comfort listening, they were comfort viewing. Hulu reported that in April 2020, 11 million hours were spent across the globe watching the 1980s sitcom *The Golden Girls*. In India, television stations reintroduced classic hit shows including *Ramayana*, *Kumkum Bhagya* and *Bigg Boss* due to public demand.

And it was a similar story for food, with supermarkets seeing higher demand for retro items. In the UK, Waitrose reported a 67% increase in rice pudding sales since pre-lockdown, while Marks & Spencer recorded a 187% rise in sales of Bird's Custard Powder. As nostalgic tastes manifested globally, these nostalgic lifestyle trends provided stability in uncertain times – a trend that shows no signs of abating.

Social jet lag

We have entered a desynchronised society – one where people continue to do many of the same things but no longer at the same time as others. Social jet lag, the disconnect between our internal, biological time and social time defined by our work schedules and social engagements, is further fragmenting our society and distorting our sense of time.

According to Till Roenneberg, a neuroscientist and professor of chronobiology, social jet lag is a chronic exhaustion resembling the symptoms of jet lag. “Unlike what happens in real jet lag, people who suffer from social jet lag never leave their home base and can therefore never adjust to a new light-dark environment ... While real jet lag is acute and transient, social jet lag is chronic,” Roenneberg writes in his 2006 academic study *Social Jetlag: Misalignment of Biological and Social Time*.

In 2019, studies showed that social jet lag was becoming a growing problem. Over 40% of the Central European population suffers from social jet lag, and in Japan, 63.5% of the population are afflicted with this disorder. While data is not available for all regions, Roenneberg writes: “There is no reason to assume that this would be different in other industrialised nations.”



The pandemic has accelerated social jet lag. The majority of people’s schedules have been upended by new working hours, family responsibilities, and a constant connection to our phones and streaming devices. The boundaries between our social, work and downtimes haven’t just blurred, they’ve fused, which is having mental and physical complications.

Research found that social jet lag is associated with a rise in depressive symptoms and anxiety, which we know were at critical levels pre-pandemic. However, the physical complications from social jet lag are of growing concern for medical professionals.

A 2017 study from the American Academy of Sleep Medicine linked people with social jet lag to poorer health, worse mood, and increased sleepiness and fatigue. Each hour of social jet lag is also associated with an 11% increase in the likelihood of heart disease.

In a society where the majority of the population is now technologically dependent, how do we combat social jet lag to preserve our mental and physical health?

First, sleep matters. WGSN has been tracking the Sleep Economy since 2018, and our early research found that lack of sleep is a growing public health crisis and the solutions to help manage sleep are a booming business. The overall sleep economy is estimated to be worth \$40bn, up 8% YoY, according to McKinsey. From the restorative lighting to CBD-infused bedding, the market for downtime services is only rising.

While downtime is critical, so is the need for time management – ensuring that there are clear daily routines helps us to deal with the quarantine paradox. By defining time, people are more likely to recognise and adhere to it.

Numbness

Deep-rooted emotional turmoil throughout 2020 has given rise to unique coping mechanisms. Consumers are looking for any way to deal with a ringing feeling of numbness

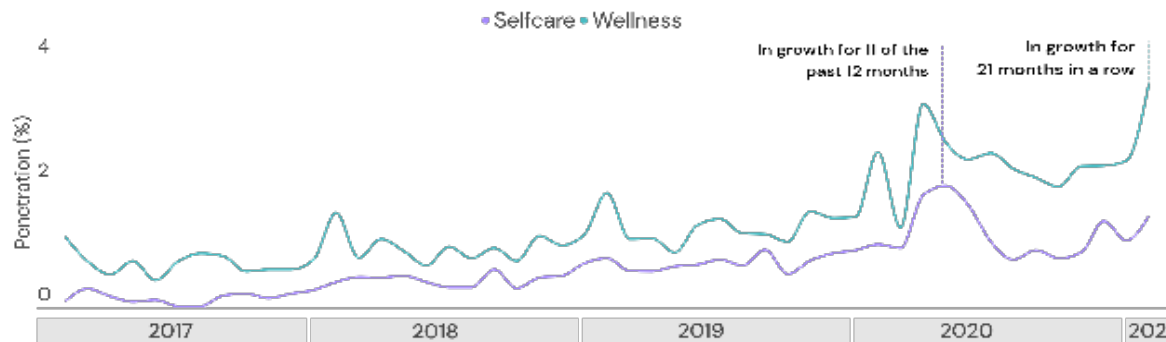
Emotional plurality was a defining feature of 2020, as we occupied multiple emotional states simultaneously in an ever-changing and increasingly complicated world. For many, the pandemic was just the tip of the iceberg, as the realities of racial injustice, political polarisation, institutional reforms, workers' rights and the climate crisis came into sharper view.

As a result, desensitisation has emerged as a defence mechanism against emotional overload. The multiple crises of the past year have put us on edge and led to greater apprehension about the future, which has been dubbed "FOFO" (fear of finding out). As we head into 2023, a more selective approach to caring will help people overcome the numbness cycle.



Gabb Tapic

Mentions of #selfcare and #wellness in continuous growth on social media



WGSN Trend Curve, social media data January 2017 - January 2021



Gemma Chua-Tran

Compassion fatigue

Compassion fatigue is characterised by physical, emotional and mental exhaustion, and results in emotional numbness. It is a form of secondary traumatic stress, triggered as a result of helping or wanting to help those in need. The medical profession refers to it as “the cost of caring”, and unsurprisingly it has spiked in 2020 for medical and frontline workers. The World Health Organization has listed it as a global occupational health hazard. In South Africa, 59% of medical respondents showed signs of burnout, as indicated by high scores on the emotional exhaustion and depersonalisation (numbness) scale, and a recent study in China found that “compassion fatigue has emerged as a detrimental consequence of experiencing work-related stress”.

Structured caring

Care and compassion are virtuous instincts, but what happens when we care too much? Selective apathy is an emerging tool to deal with anxiety and the pressure of perfectionism.

“We cannot be effective in coping with problems or creating necessary change in our world when we are spread in too many directions,” writes MC Alexander in his book *Better Living Through Selective Apathy*. Alexander notes that “selective apathy does not mean refusing to care about anything. It is learning to step back and objectively examine every piece of information we have presented to us, and determining an appropriate response instead of having a knee-jerk reaction.”

In short, a more focused approach to caring could yield better results, helping to drive down emotional fatigue and increase productivity.

Pushing purpose

If there’s one silver lining that has come out of the pandemic, it’s a renewed sense of purpose. The challenges and isolation of the past year have forced personal reckonings on a collective scale, with people across the social spectrum re-evaluating their sense of purpose and meaning in all areas of life. For many, the crisis has been a catalyst to figure out who matters, what matters, and what they want their future to look like, and this focus is offering a path out of the stress, anxiety and disorientation of 2020.

Hope

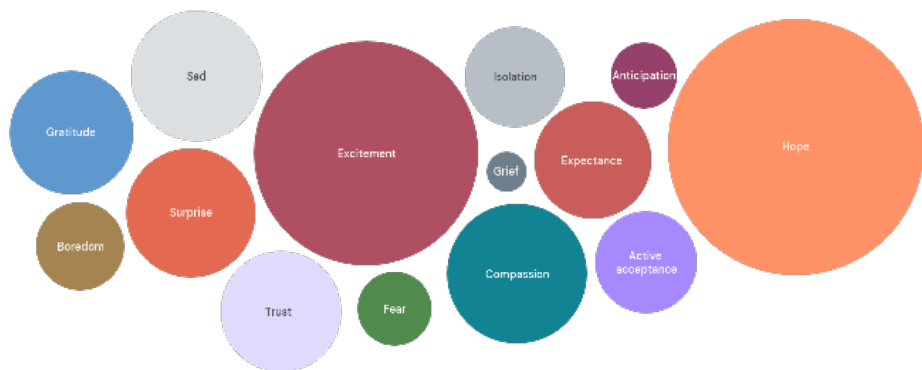
The belief that things will get better, and that individuals can play an important role in driving this change, is inspiring consumers to focus on what a renewed world will look like

Now more than ever, we learned that people need hope. Neuroscientists have been investing in the science of hope, and have found that when people feel hopeful, the brain releases neurochemicals called endorphins and enkephalins, which mimic the effects of morphine. The result is that the brain can overcome hurdles and move to a place of recovery.

This newfound focus on hope goes hand in hand with the key sentiment of radical optimism from our Future Consumer 2022 forecast, but with a greater emphasis on personal agency. Optimism isn't uncool, it's rebellious, and in times of uncertainty it's a brave choice. But there is a difference between hope and optimism. Whereas optimism embodies a belief in better days, hope acknowledges our personal responsibility in making them happen.



Emotion plurality 2020



WGSN Trend Curve, social media data.
January - December 2020. Bubble size represents the average monthly users posting about a given emotion.

“ Some have warned that a generation has lost its chance to contribute to our future. But I have seen how young people today – the world’s largest generation of youth in history – is finding purpose in this moment of crisis, and inspiring others to hope”

Jayathma Wickramanayake, UN Secretary-General's Envoy on Youth

Consumer sentiment

Hope

The hopeful generation

2020 has shifted the course of history, causing a knock-on effect on Gen Z's future. Their dreams changed, they reached new thresholds of outrage, and they are more driven to change the world. Gen Z grew up with the pressures of cleaning up the world they inherited, having been exposed to the realities from many angles due to social media. They are on the frontlines of major battles, not just racial and economic justice, but also the looming environmental crisis. Accompanying this level of uncertainty is plenty of alienation, depression and anxiety. Nothing is what it once was. Economically, environmentally and, of course, culturally.

In a 2020 WGSN youth survey, when asked what was most inspiring about the future, one respondent said it was the ability to play a part in creating it.

The chance to rebuild, reform and reimagine the world has a strong appeal, and it's a global sentiment. According to a 2020 Spotify survey, 62% of global respondents are willing to rebuild society from the ground up.

The business of hope

If you need any more convincing of how important hope will be in the coming years, look to analytics and advisory company Gallup. It found that employees who strongly agree that their leader makes them feel enthusiastic about the future (Gallup's measure of hope in the workplace) are 69 times more likely to be engaged in their work, compared with employees who disagree with the statement. As Dr Shane Lopez, a senior scientist at Gallup, says: "It's hard to be successful without being hopeful. When you think the future will be better than the present, you start working harder today."

“ Hope is a psychological force or ‘buffer’ that provides resilience and helps us deal with stressful and negative situations”

Barbara Lee Fredrickson, *Professor of Psychology, University of North Carolina*



Blake Cheek

Cautious Motivation

The ever-changing nature of the pandemic throws up glimmers of normality, only for them to dissipate. Consumers are growing weary of having their plans altered, and are adopting more cautious approaches to returning to normality

It's anticipated that by 2023, coronavirus vaccines will be deployed in most countries and the pandemic will likely be under control, but that won't mean a rapid return to pre-pandemic normality. People will want to dip their toes back into a life beyond their front door – whether it be shopping or drinks with friends – but companies shouldn't expect them to dive back in. Cautious motivation will be a key sentiment for both social experiences and self-improvement.

The 'missing' motivator

Missing something can be a strong driver of desire and action, and the pandemic has accelerated this. Whether it be returning to the office or socialising with friends, the need for human interaction will motivate a return to normality.

A survey from Morning Consult found that 58% of US remote workers feel disconnected from their co-workers, and in Britain 55% of workers aged 55-75 said they miss meeting in person and working with their colleagues, according to an Ipsos Mori poll.

Modified motivation

After a period of restraint, the urge to recommit to life beyond the living room will take on different forms. For those at the more extreme end of the motivation spectrum, expect a flurry of new diets, workout routines, hobbies and over-booked social engagements. For those at the more cautious end of the spectrum, reticence around in-person gatherings could result in feelings of inadequacy. On either side, a modified approach to motivation will be the key to contentment.

“The perception that we're not doing enough can be damaging to our psyches and can be a demotivator in itself,” says Dr Danielle Hairston, an assistant professor at the Howard University College of Medicine, USA. “An important step of just getting through the day is to acknowledge that it's normal and perfectly fine not to be productive or motivated.”



“ If we become psychologically wise from the pandemic experience, we will build more opportunities for daily face-to-face interactions and forgo the idea of a largely virtual life, because our physical interactions with other people affirm our existence, our humanity and our interdependence on one another.”

Karen Cassidy, *Managing Director, Anxiety Treatment Center in Chicago, USA*

Consumer profiles

The key profile groups set to disrupt industry and drive sales in 2023

The Predictors

The New Romantics

The Impossibles

The Conductors



Anna Shvets

The Predictors

A warped sense of time, emotional fatigue and economic uncertainty have taken a toll on this cohort. The Predictors desire stability, security and can only deal with optimal interference



There is no arguing that the uncertainty (health, work, schooling, ability to access essential items) will have lasting effects into 2023 and beyond, and The Predictors will be adopting a recessionary mindset. Even for families and individuals that are financially stable, there will be a ‘proceed with caution’ mentality when it comes to spending.

Beyond uncertainty, however, there is another sentiment driving forced savings, similar to what we saw after the 2008 global recession: guilt. McKinsey research found that “although respondents consistently cited uncertainty over the crisis’s impact on their income as the top reason for planning to trade down or forgo purchases, one third of Chinese mobile-phone shoppers cited feelings of guilt as their reason for doing so. Similarly, one in five Indian consumers who planned to trade down or forgo purchases of large domestic appliances said their main reason was that it didn’t feel right to spend, given the current social context.”



Clem Onojeghuo

Deloitte’s recent economic insights report doesn’t anticipate discretionary spend in the US to recover until 2022, and a recent study by PWC found that the share of people planning to reduce their spending post-pandemic is 56% in Spain, 43% in the UK and 42% in Italy

Consumer profile

The Predictors

Prediction error

Plagued by uncertainty, The Predictors simply don't have the capacity to deal with unexpected changes to routines – also known as prediction errors – such as delayed transport or sold-out supermarket items. More than just an inconvenience, prediction errors can be a significant mental drain for this already-drained cohort. Our brains perceive these disruptions as threats to our daily life, which causes stress and anxiety, and monopolises the brain's resources.

Dr Karl Friston, professor of neuroscience at the UK's University College London, says: "It turns out our brains are incredibly greedy when it comes to energy consumption, sucking up 20% of calories while accounting for only 2% of overall body weight. When our routines are disrupted, we have to make new predictions about the world – gather information, consider options and make choices. And that has a significant metabolic cost."

The attention divide

Divided attention is the ability of the brain to attend to different stimuli at the same time. It's a critical skill for multitasking and efficiency in daily life, and it's a key challenge for The Predictors.

The stresses of the past year have created an attention divide, where people are slower and less patient to process interferences. On a practical level, this could mean somebody clicking off midway through an online shopping journey to attend to an email or some other disruption. Baymard Institute in Denmark calculated data from 41 different studies and found that the average cart abandonment rate is just under 70% – in other words, roughly seven out of 10 global shoppers abandoned their cart in 2020.

As global e-commerce rates continue to soar (FTI Consulting's US Online Retail Forecast says \$1trn will be spent by 2023 – a year earlier than it originally projected), the attention divide could mean the difference between success and stagnation in 2023.



“ Our brains are statistical organs that are built simply to predict what will happen next. We have evolved to minimise surprise”

Karl Friston, *Professor of Neuroscience, University College London, UK*

Business strategies

How do companies prepare for a cohort that is low on attention, craving certainty, and prioritising financial security?

01

Accelerate the in-store path-to-purchase

Time-pressed and resource-drained consumers will be on a mission in 2023, shopping with purpose both in-store and online for a faster, more streamlined experience. This shopper doesn't have time to wander. Planning a deliberate journey is paramount for these shoppers, who only want to go out to the store if their desired items will be in stock. Once there, they want to get in and out as quickly as possible.

According to an Ipsos survey commissioned by Google, 67% of shoppers said they plan to confirm online that an item is in stock before going to buy it. This is being borne out in search trends, with global searches for "in-stock" growing more than 700% between June and August 2020 compared to 2019. Consumers are also increasingly using inventory tracking apps such as zooLert and NowInStock to help them know when certain products are available.

Case studies

Walmart's redesign of its US store network takes its cues from airport layouts to simplify the customer journey. The design features new signage in bold typefaces that spotlight sections, as well as simplified store guides at entrances that direct people straight to their target items. In-store signage matches up with the Walmart app to create a more seamless experience across channels. Messaging around and outside the store encourages visitors to download the app, input their shopping list and then follow a virtual map to find each product. Aisles will be marked with letter and number combinations that match up with what they're seeing on screen.



McKinsey's July 2020 Periscope report found that being able to find products in-store quickly and easily has increased as a priority, with 65% of US and 59% of UK consumers listing it as an important factor in the shopping journey

Consumer profile

The Predictors

Saks has refreshed its website for online shoppers on a mission, designed to be more responsive and aligned with search results. Key features include personalised, edited homepages for both men and women, and navigational tools based around popular searches. Along with recent searches, popular products by a searched brand are displayed, and brands' names autocomplete when typed. Other changes to navigation include allowing shoppers to filter pages of products by "available now" or "pre-order", as well as what type of pick-up or delivery they want. When viewing their shopping cart, shoppers are reminded of items on their wishlist, and informed which are on sale and which have limited inventory.

Don't forget

Invest in inventory management capabilities to reassure customers that they will have their products in-stock before they head out. NearSt is a platform designed to help smaller businesses list live inventory so they can both sell online on their own platforms and make sure products are listed via Google searches.



Liza Summer

02

OMO solutions

OMO (online merges offline) is the seamless integration of on- and offline. Customer experience is emphasised with valuable customer data accrued over the long term. For The Predictors, OMO helps to avoid the dreaded out-of-stock messages or minutes wasted wandering the shop, via innovations in location-based services and payment options. The added bonus of providing consumers flexibility and certainty is a key way to ensure customer stickiness and drive loyalty. For this consumer, it's not about the points earned, it's about the time saved.

Case studies

Uniqlo experimented with integrating online and offline experiences through popular social messaging platform QQ for the launch of its Shenzhen flagship store in March 2019. When QQ users were in the area around the store, promotional info would pop up in their mobile app. For users outside of Shenzhen, a 'virtual store' was created in QQ via an interactive H5 landing page to celebrate the launch. Users could virtually browse products and place orders from the Shenzhen store, and play interactive games.

WeChat introduced its location-based ad format, Nearby, in April 2020. This allows small businesses and shops to target WeChat users nearby, through showing ads on their WeChat Moments. Merchants can display digital vouchers or link to mini-programmes that allow users to place orders directly for pick-up or delivery, without leaving WeChat.

Jins Brain Lab's eyewear is showcased through AI-equipped mirrors, data from which can be stored in the custom Jins App on a shopper's smartphone, enabling them to order items post-store consultation, at a time and location convenient to the user. With solely product samples held at the physical store in Japan, eyewear is assembled off-site then shipped to the user's choice home or work address, or alternatively to a nearby convenience store for collection.



Don't forget

Optimise websites and apps to ensure that highest-selling (and ideally highest-margin) products are easy to find in-store and online to make the customer journey more seamless. The first page of Amazon listings receives nearly two-thirds of all product clicks, while the ideal load time for peak conversions is no more than 2.7 seconds. Every 100-millisecond delay above that can reduce conversion by up to 7%, according to research from Unbounce.

03

Rounding up rewards

Time-pressed consumers aren't just looking for ways to shop quickly, they're seeking ways to save smarter and automate their money. Smart-saving apps automatically allow The Predictors to save money without realising, freeing up valuable headspace to focus on family.

Case studies

Plum allows users to create auto-saving rules within the app, and makes money-saving goals more tangible through adding titles and images to saving pots, while also sharing graphics to show how close you are to achieving your savings aims.

Challenger bank **Revolut** allows users to automatically round up their spend to an even number (\$2.35 would become \$2.50) and pocket the change in a vault within the app.

Moneybox follows a similar approach to the brands above, but also allows users to also invest in alternative financial products like Individual Savings Accounts (ISAs), allowing consumers to prepare for their future without thinking about it.

Pension Bee allows users to seamlessly compile all their pensions into one manageable app, and transfer funds with a few clicks. Essential for Predictors who want to demystify.



Ketut Subiyanto

04

Seamless savings

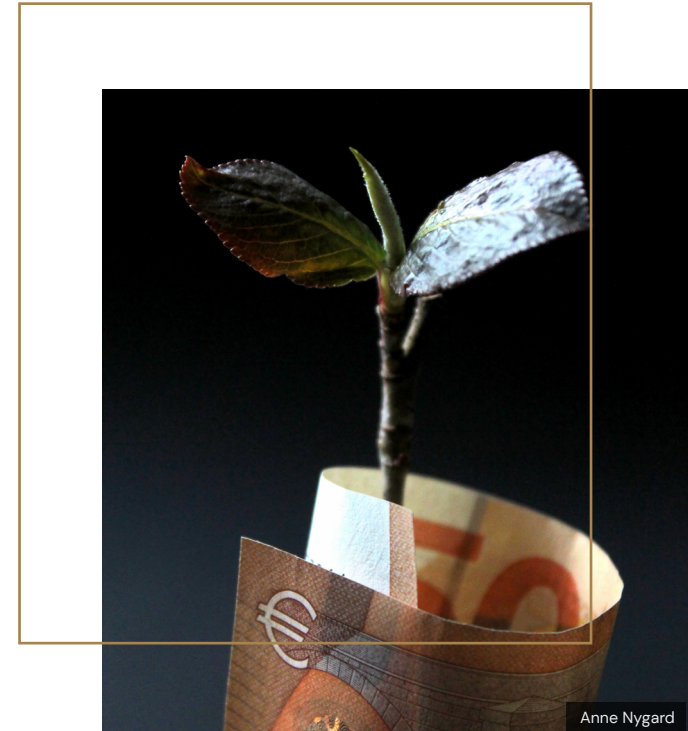
The Predictors are savvy shoppers, but a lack of time and resources means they aren't always able to price-hunt. This cohort will look to innovative discount models that do the legwork for them.

Case studies

In a bid to compete with Amazon and Google, **Microsoft** unveiled a new coupon feature when using the Bing browser. As shoppers visit a retailer site, Microsoft Edge alerts the shopper to the discounts available by simply clicking on a blue shopping tab in the address bar. The seamless savings are extended to the checkout, where the coupon codes are automatically applied to the cart.

Similar to Microsoft Edge, **Capital One Shopping** is installed on a browser and saves shoppers in three ways: searching for coupons and promo codes, comparing prices at various retailers, and earning Capital One Shopping Credits. With over 30k retailers as part of the Capital One Shopping network, the free service has saved shoppers \$160m in 2020, according to the company.

Available in Korea and the US, gamified shopping loyalty platform **Storm X** is at the forefront of the emerging cryptoback trend. Coined “cashback for the digital age”, with up to 87.5% cashback in some cases, StormX offers some of the most generous percentage rebates on the market for shopping at thousands of online stores. Additionally, the savings are automatically applied to the user's account, creating the seamless link from search to savings.



Anne Nygard

The New Romantics

Increased workloads and a deep need to reconnect with their emotions fuel the New Romantics, a cohort that is redefining community collectives.



The pandemic has reinforced the sense of community, family and a reassessment of what really matters. Briefly, the Romanticism movement (which exemplifies the importance of emotions and freedom) gained popularity in the West in the 1800s among people who sought to distance themselves from the ruthlessness of the Industrial Revolution. During this era, Romanticists wanted a life led by romantic ideals of life, nature and community values. Sound familiar? The New Romantics share this ideal, but aren't lofty dreamers seeking a New Age utopia.

WGSN began tracking this emerging cohort in Asia in 2017, where research showed a rise of Asian Millennials moving to rural areas to focus on leisure and cultural reconnection. By 2023, this cohort will be global, due to pandemic-induced normalisation of remote work mixed with a need for more space and affordable lifestyles.



“ Millennials get this intentional community thing more than people in the past. It's people fighting against the idea that productivity is your self-worth. It's not running away from the world and sticking our head in the sand – it's reinventing the wheel”

Sky Blue, Executive Director, Foundation for Intentional Community

Consumer profile

The New Romantics

A 2020 Harris Poll survey of US adults found that 39% of urban dwellers claimed the pandemic prompted them to consider leaving for a less crowded space. Among those surveyed, 18-to-34-year-olds were more likely than other age groups to move. In a recent Japanese government survey, 35.4% of people in their twenties who work in Tokyo's 23 wards said they were interested in ditching big cities for rural areas. And in Australia, 10 major companies have signed up to the Regional Australia Council 2031, which encourages people to work in regional areas to diversify their talent without the limit of location.

Pandemic productivity

While some economists maintain that rural migration will dissipate as the pandemic slows down, others argue that higher work expectations from the pandemic will drive people to seek a better work-life balance in rural areas.

In a 2020 survey by the CNBC Technology Executive Council, 48% of global C-suite respondents said team productivity had increased since the pandemic began, and 72% of technology executives said team workloads had increased more and “everyone was working harder”. A recent study by The Economist and Atlassian found that employees in Israel, South Africa, India, America and Australia had a minimum of 32-48 minutes added to their workdays in 2020. The Chinese economy surged 4.9% in the July-September quarter compared with the same months last year, according to China's National Bureau of Statistics, driven largely by increased worker productivity.

Globally, there is a ‘doing more with less’ mentality. Restaurants are experimenting with people ordering on their phones rather than through a waiter. Retailers are offering more self-checkout options. And there is evidence that the difficulty recruiting workers is making companies invest more in training employees — potentially shifting people from low-productivity jobs to higher-productivity ones.



Since the second quarter of 2020, labour productivity – the amount of output per hour of work – has risen at a 3.8% annual rate, compared with 1.4% from 2005 to 2019

US Bureau of Labor Statistics

Consumer profile
The New Romantics

Will the pandemic productivity gains last? According to Lydia Boussour, lead US economist at Oxford Economics: “The adoption of technology has accelerated, new firms are being created at an historic pace, and the shift to remote work is likely to outlast the crisis. While some of the pandemic-driven efficiencies could take years to be fully realised, we think these four forces will lead to a sustained productivity revival in the medium run.”

The Great Migration + Resignation

Two global drivers, the mass migratory shifts driven by the pandemic coupled with some of the highest resignation rates in the West, will reshape the workforce and communities for years to come.

The Great Migration started as pandemic stay-at-home orders were implemented. Some fled for safety, some to quarantine with family or friends, and some sadly because they could no longer afford to stay in their homes. People shut indoors longed for nature, and as restrictions relaxed, the outdoor boom grew. As did a re-evaluation of values.

For those able to work remotely, the return to pre-pandemic commutes saddled with employee epiphanies during lockdown about their workload, feeling undervalued or a re-evaluation of what they want from their lives, is driving the Great Resignation.

A 2021 Microsoft survey of more than 30,000 global workers, showed that 41% of workers were considering quitting or changing professions this year, and a study from HR software company Personio of workers in the UK and Ireland showed 38% of those surveyed planned to quit in the next six months to a year.



The US seems to have the largest resignations. In April, nearly four million people, or 2.8% of the workforce, resigned according to the US Department of Labor. That's the highest one-month 'quit-rate' in decades

Community collectives

The pandemic taught us that people are not machines. The need for human connection is driving new community collectives. To be clear, these aren't the crunchy hippie communes of yesteryear. Sustainable living practices, and diversity in terms of race, age, socio-economics and career roles, are at the core of these modern collectives.

The Dancing Rabbit eco-village in Missouri, USA is diverse, multi-generational and focuses on sustainable living. To allow for economic diversity in the group, the lease rates and membership costs are low and there is no buy-in fee.

The Findhorn community in Scotland is based on zero-carbon homes, a free central community garden that provides a farm-to-family supply chain, and there is a local currency, the Eko, for people undergoing financial pressures.

While regions have seen spikes in different community priorities (sustainability, internet connectivity, financial fees versus sweat equity), a key thread is the rise in multigenerational planning.



In Canada, the rise of multi-generational housing (defined in the region as three or more generations under one roof) is the fastest-growing type of household in the country.

Pacific Gardens, located outside of Nanaimo, British Columbia, is setting a global standard for multi-gen communities. There is a shared dining hall, multiple playgrounds and weekly wellness classes. But the real advantage according to the residents are the diverse ages (two to 80 years old) and occupations of the residents, including entrepreneurs, IT workers, home-schoolers, tradespeople and retirees.

Multi-generational design priorities will be a key differentiator for future home buyers. Real estate developers and designers are testing concept homes to fill this need.

Hearst has collaborated with America's Black Artists + Designers Guild on a concept home that explores Black multi-generational living. Based around an 'anchor family' – the family which typically hosts holiday get-togethers – the house includes architectural additions such as a studio apartment over the garage.

Additionally, modular and flexible housing will be a new selling point. US housing company Module is implementing the concept in Pittsburgh, with Lego-like home blocks with removable roofs so that storeys can be added.

Engagement strategies

How do companies prepare for a cohort that is seeking to reconnect with their feelings? Focus on products, services and initiatives that help people create stronger emotional ties with their inner and outer worlds.

01

Mindful e-commerce

There has never been a better time to invest in building a mindful online journey. Consumers are shopping online more than ever, but they are also increasingly craving moments of calm, looking to brands to cut through the clutter and digitally replicate the same sensorial, emotionally engaging experiences as physical retail.

From sensorial engagement via ambient sounds to mindful motion, create a sense of calm that can destress a frazzled online shopper while reflecting brand credentials. Ensure graphics aren't distracting or overwhelming but serve a purpose in a subtle, calming way, keeping pace with the viewer.

Case studies

Standard Dose, a UK wellness brand, creates a mindful and relaxing experience with the sight and sound of gently lapping waves, overlaid with sustainability messaging. There is a less-is-more approach to product discovery, creating a less cluttered shopping experience.



Gabby K

Consumer profile

The New Romantics

American Eagle Outfitters consciously makes products that are designed to be worn forever, with less product drops, less deliveries and an overall emphasis on ‘taking things easy’. The brand’s website reflects this, with messaging encouraging shoppers to “think fast, live slow”, while orders can only be placed over the phone. “It’s old school – we like it,” it states.

3rd Ritual wellness brand was founded on the concept that “when you move half as quickly, you notice twice as much”. This slow philosophy is played out on its website, which only sells five items, and, like the US brand itself, has been created with intention, with the lines on the page background indicating the number of site visitors over time. After each new moon, the lines are wiped clean to represent new beginnings. It is this thoughtful brand identity and slow approach to product development that resonates with meaning-driven consumers.

Don’t forget

Go slow. This cohort is prioritising quality experiences and human connection over speed, looking for longer-lasting relationships with brands that stand the test of time. Look to Gap, which recently introduced a sliding scale for delivery prices, with the free options taking longest to arrive. Remember that selling slower doesn’t have to mean selling less. By prioritising quality over speed and creating space for connection, you’ll build deeper relationships with customers.

3rd Ritual states on its website that it only sent six emails in 2020, an intentional strategy to connect more mindfully with shoppers rather than bombard them



02

Psychedelic solutions

As the psychedelic wave snowballs into a science-backed and socially acceptable market (including a sizeable financial opportunity), consumers are reaching for mood-altering and sensorial enhancements. The New Romantics are open-minded and big advocates of nature-powered materials and substances.

Case studies

Delic, in the US, has been touted as the “first psychedelic wellness corporation, serving as a creative outlet to help the emerging psychedelic space translate information to a mainstream audience”. Delic is the parent company to several creative platforms, including Reality Sandwich, all built to support civil discourse in a fun and safe environment. Media outlets are looking beyond traditional reporting, delving into psychedelic skill-sharing as well. DoubleBlind magazine, for example, offers a course on how to grow your own mushrooms.

The psychedelic consumer packaged goods market is nowhere near mature. Brands are starting to test and see where the potential lies. Canada’s **Better Plant Sciences** has announced plans to commercially launch medicinal mushroom coffees under the label Neon Mind via a new e-commerce site.

Rainbo is a Canadian psychedelic brand selling supplements and “functional foods” packed with medicinal mushrooms. With Millennial-friendly branding and an education-first approach to marketing, the brand hosts foraging workshops, runs a mushroom hotline to answer audience questions and invests in spreading insight on social media.



Don't forget

Spirituality-seeking Millennials are embarking on psychedelic leisure trips as legislation loosens up and a new experience offering emerges. Jamaica and the Netherlands reign as primary psychedelic destinations for their liberal laws around psychoactive substances, but new experiences are now popping up in locations around the US.

Following the legalisation of drugs in Oregon in 2020, Field Trip Health announced its plans to build psilocybin-led therapy clinics in the state. Synthesis is an Amsterdam-based psychedelic retreat that uses legal psilocybin truffles to guide guests on three- or five-day journeys. The company collaborates with Imperial College in London to provide the results of its retreats in order to advance scientific knowledge on the healing potential of psychedelics.

03

Calm social

For The New Romantics, disconnecting from technology isn't the best approach to safeguarding their mental wellness as virtual working means they are tied to their devices. This cohort seeks communities of emotional support on established and new platforms that provide guided meditations, mood-tracking diaries and therapy chatbots.

Case studies

Backed by NBA star Kevin Love, Coa (short for coalesce, which means "growing together"), is the world's first gym for mental health. The therapist-led platform provides emotional fitness classes, therapist matchmaking, group classes and one-on-one therapy. The goal is to make mental health a proactive and daily practice.

Meya uses the power of electronic music to create a modernised approach to meditation which users can leverage to improve sleep patterns, enhance focus or learn to relax. The US startup's in-house music producers and DJs create specific mood-enhancing rhythms and binaural beats to put the mind at ease and share empowering messages.

Mindcurrent uses artificial intelligence to predict and reduce stress. Coined as a "Fitbit for the brain", the US app focuses on teams within organisations and learns each individual's stress patterns to better measure and manage it, as well as provide specific content and solutions.

Thyself is a personal mental health e-diary embedded into a user's browser. Dubbed as a "digital mental health toolkit", the freemium US service allows users to log their feelings and track them over time to surface larger patterns of moods and emotions.

Don't forget

Virtual therapy and mental health tools were already becoming a more normalised practice pre-pandemic, with the behavioural health software market set to reach \$2.31bn by 2022, rising 14.8% YoY. These services have been further adopted during the outbreak as people seek solutions and guidance to treat stress and anxiety.



620 million Chinese users have tried online and digital health services on their phones, which is close to 80% of the total mobile internet users in China

Bain Consulting Group, 2021 study

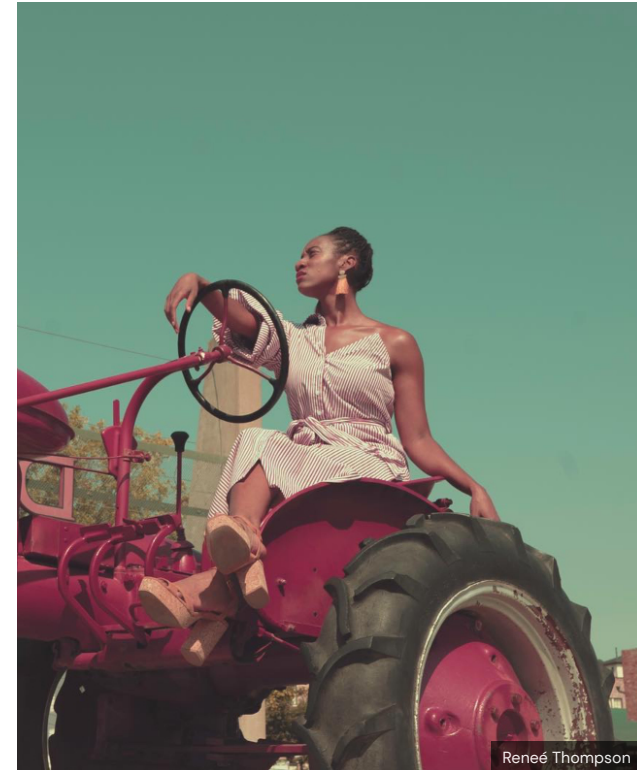
The Impossibles

Fuelled by the anger of 2020 and lack of institutional and governmental assistance, this cohort looks to use technology and their peer groups to create a future where anything is possible



People are questioning the foundations and structures of the societies they live in, and they are pushing to address the root cause of issues, not just the symptoms. There is a mass awakening that racial and educational inequalities are inextricably linked. As a result, The Impossibles are championing solutions to ensure systemic change is enforced.

By 2023, the revolution will not be televised, it will be monetised, meaning this cohort will largely do business with companies that amplify diverse products, services and even future investments. As a result, The Impossibles have the potential to impact a company's bottom line.



38% of Americans – and more than half of Gen Z and Millennials – are currently boycotting at least one company for lack of diversity

CompareCards, 2020 report

Buying back the block

If The Impossibles can't get a seat at the table, they are simply creating new ones, giving rise to a growing trend of buying back the block, whereby groups of diverse people are reinvesting in abandoned and or struggling communities and offering either free or affordable housing alongside regular-priced housing.

Timothy Webb and Rashae Bey recently purchased four duplexes and one single-family home (26 units in total) in Columbia, South Carolina, and are renovating the properties to be used as safe housing for young Black professionals, college students and housing-voucher recipients, who are among the least represented in real estate.

Similarly, Evopia is a real estate development and management firm that uses “the power of real estate to protect the economic, health and political interests of Black people globally”. With the support of more than 1,000 members, the company has moved forward to develop an affordable, sustainable community in Atlanta. The new development will provide cost-effective, modern homes for people who are disproportionately affected by the housing crisis in the Metro Area.

In Canada, where the Black population is increasing YoY, the Foundation for Black Communities (FBC), led by and for Black people, with a focus on investing in and supporting Black communities, was founded in 2020. This collective was set up to address the philanthropic gap, after finding that of 40 leading Canadian foundations, only two funded Black-led organisations between 2017 and 2018.

Currently, this is a movement with regional growth in North America, but it's likely to impact other regions by 2023.

Decentralised society

The global health crisis has accelerated erosion of trust in governments, media and institutions among consumers, resulting in an emerging need for security and transparency. For The Impossibles, the future is decentralised.

Decentralisation is an organisational model emerging in business, economy and society enabled by distributed technologies such as the blockchain. In its essence, the blockchain is an immutable digital chain that records and stores data, with every operation managed by a group of computers instead of by one single identity.

Similarly, decentralised organisations and networks are designed to function without the need for a centralised entity, transferring the power and responsibility to technology instead. In a nutshell, sophisticated security algorithms and the blockchain make redundant the need for trusting other users, companies or institutions to complete actions. In a trustless world, characterised by declining confidence in governments, institutions and the economy, decentralisation provides a powerful alternative.



Increasingly, decentralisation will penetrate many aspects of consumers' lives, eventually transforming attitudes around trust and security

Consumer profile

The Impossibles

For technology, finance and governance, decentralised networks will offer secure applications for the safeguarding and protection of users' privacy and personal data, returning into their hands the control over them. In business, the rise of Decentralised Autonomous Organisations (DAOs) – companies in which decision-making power is spread across the whole organisation – will enable brands to respond and align with growing stakeholders' expectations around trust, inclusion and participation.



The rise of social finance

It's safe to say we are now entering the era of social finance. The intersection of social and finance paired with shifting attitudes around what youth share about money online has given way to an ambitious new set of online communities and a wave of financial products.

For younger generations, it's no longer taboo to talk about money in social spaces, and this is a key driver that's accelerating social finance. Known as "squad investing" micropreneurs and budding investors are now connecting on new social fintech platforms to share knowledge, support fellow retail investors, and build community around a collective goal of making money.

Personal finance communities have been taking off since the beginning of the pandemic. Reddit's r/WallStreetBets increased from 778k users in January 2020 to 9.5m in March of this year.

With the help of new plug-and-play financial tools, squads are becoming more economically and socially resilient. Individuals may have limited access to compounding returns, but groups have greater flexibility to move along the risk-reward curve. By risking together through information sharing, a scrappy group can gain access to multiplicative yields, solidifying the path to squad wealth. By 2023, a social fabric built on collective progress paired with emerging fintech will unleash a wave of bottom-up economic experiments including P2P borrowing, anonymous lending pools, collective insurance and meme ventures.

Connected community supply chain

In 2023, this cohort will see a bigger focus on self-sufficiency, with emphasis on preserving resources (environmental and financial) and the desire to keep cash flow within local communities. This is resulting in a renewed focus on the community supply chain.

From the rise of community kitchens and gardens to hyper-local re-commerce, the path to purchase is now a few steps away.

This mindset is challenging the existing views around company ownership and stakeholders. Exit to Community is a project run by the University of Colorado in the US and Zebras Unite, which enables startups to move from investor-owned to community ownership, which could include users, customers and workers in the local community.

Tristan Harris, co-founder of the Center for Humane Technology in the US, says: “Community ownership and governance of technology platforms is a big part of the movement towards a more humane future.”

A global stakeholder community is also a key initiative for the Next Generation Internet. The European Commission aims to shape the internet for 2030 with a series of initiatives, such as a public consultation platform for gathering new ideas, a research hub and the construction of a global stakeholder community for activating change.

“ Decentralised autonomous organisations have the power to offer trust-based solutions within a trustless society”

Zayi Reyes, *Head of Partnerships, Unstoppable Domains*



August de Richelieu

Engagement strategies

How can companies prepare for this tech-savvy, politically motivated and socially driven cohort? Focus on inspiring action, sustained progress and long-term change for good

01

Solidarity spending

The Covid-19 pandemic has disproportionately impacted small businesses, especially those that are minority and women-owned. The Impossibles will spend more based on their social values, supporting minority-owned brands, small businesses and investing in underrepresented communities. This cohort wants to see actions, not words.

Case studies

Greenwood is a digital bank aimed at empowering Black and Latinx customers and closing the racial wealth gap. With a secured waitlist of over 500k people, the US-based bank aims to launch in late 2021. To align with the growing financial priorities of Gen Z, the banking features include virtual debit cards, peer-to-peer transfers, surcharge fee-free ATM usage and Apple, Samsung and Android pay. Greenwood will allow customers the ability to round up their spend to the nearest dollar and donate the change to key charity partners such as The King Center for Social Justice, NAACP and UNCF.

Launched in the US in 2020, dropship marketplace **The Verticale** carries over 50 values-driven brands. They all have to meet strict criteria, spanning sustainable production, founder diversity and community impact. In addition to the values criteria, an advisory board holds the company responsible to ensure it “legitimately separates well-intentioned, purposeful brands from those that are not”.

Introduced in 2021, all 164 **Giant** supermarkets in the Washington DC area feature shelf labels to help customers identify products owned by minority-based businesses. Over 3,100 products by 218 businesses are tagged.

Gen Z has a global spending power of \$4.4trn, with the US representing \$1.9trn and Europe accounting for \$1.05trn. By 2030, Gen Z’s purchasing power is expected to soar to \$3.1trn across the US, UK, Germany, France, Australia and the Netherlands

Snapchat, 2021



RF_Studio

02

Decentralised brands

Within this emerging space, decentralised autonomous organisations have previously been used in non-profit settings, notably the Peeps platform, where low-level crypto buy-in gives users access to a decentralised platform to fundraise for social or political causes.

Increasingly, the space is now expanding to include fashion-led, creative brands, operating via platforms that provide funding for DAO community creativity, while retaining a more traditionally centralised core business.

In this decentralised brand system, customers are not only buying into a brand's identity, they are gaining access to an experiential economy where they become a part of the story.

Case studies

MetaFactory is a platform designed to support what it describes as “headless brands” that are not owned by any one person, but are instead the product of an entire community. The community is invited to design and submit physical and NFT products for consideration, which are then produced by the centralised MetaFactory team in short runs.

These limited drops are sold in USD, with designers reimbursed in MetaFactory currency \$ROBOT, which in turn can be accumulated to build greater governance rights within the ‘factory’. Governance decisions such as whether to hire a UX firm or setting the conversion value of \$ROBOT to USD are voted on according to a member's currency balance, echoing a traditional shareholder business model.

Don't forget

The growing interest in social finance presents a way for brands to engage with niche communities and underserved groups. Visa's Fintech Fast Track Programme, launched in November 2020, aims to support LGBTQ+ consumers by addressing community-specific financial decisions, such as gender transition. US-based banking service Simba is designed to help immigrant communities through financial education programmes, savings clubs and free international money transfers.



Consumer profile

The Impossibles

Wicked Sunday Club is a brand factory collaboration between MetaFactory and Twisted Vacancy, an Indonesian visual artist. Following an initial sale of 42 membership slots, members received a box of limited-edition merchandise and digital wearables, as well as access to two future drops and NFT sales. A style guide was also provided to show future artistic direction, along with access to an assets library from which future designs could be created by the community. Alongside this, signed-up members were granted access to increased governance rights for the company.

03

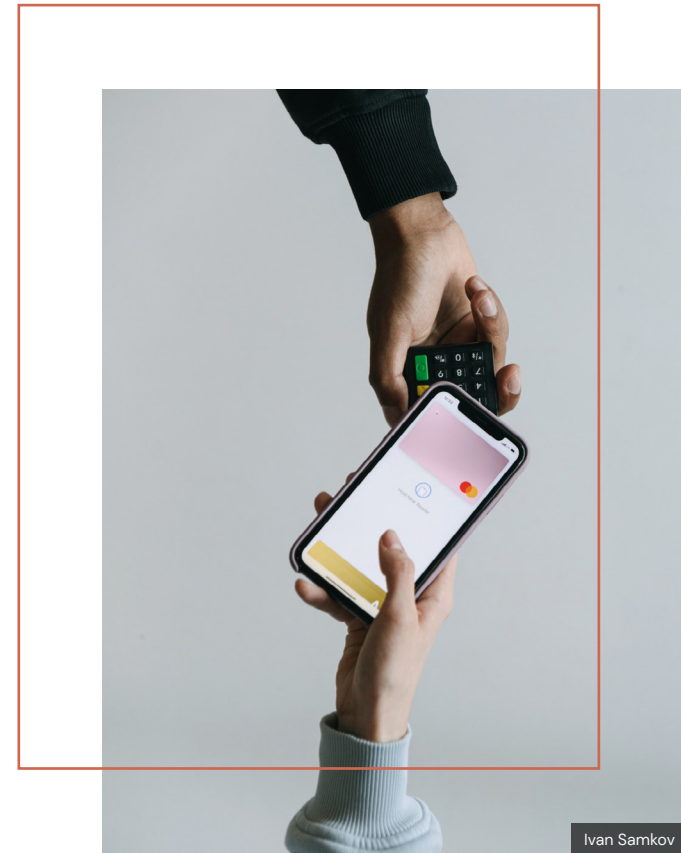
D-to-C meets D-to-I

The Impossibles don't just want to spend with their values, they want to invest with them. Direct-to-consumer marketplaces are opening that allow shoppers to invest directly in a business. The Impossibles will gravitate to this direct-to-investor model to ensure that they can be directly involved in business initiatives that help to bring about long-term social change both locally and around the world.

Case studies

BOM this Black-owned marketplace in New York created a "subscription box that allows you to invest directly into Black businesses. Every month you will receive five products within the categories of skin, body, food, home and beauty from a Black business. Each category will represent a different Black brand." Every subscriber also has access to a private monthly virtual chat with the founders to gain information about their stories and provide a community unboxing.

ACE, short for Artist Crowdfund Exchange, allows rising entertainers to seek and receive funding from a community of supporters. On ACE, the community can invest in the budding creators and entertainers they know and love to grow their own capital on a secure, intuitive, inclusive digital space.



Consumer profile

The Impossibles

Public is part investing app, part community, where users can share ideas and collaborate with other investors. The app also allows new investors to purchase fractional shares.

Laguna has been likened to “OnlyFans for investment portfolios”, allowing users to generate a dedicated page that can be shared on different social networks, especially on Twitter.

04

The rise of streetcare

At its core, streetcare is anti-hype and pro-community. It's centred around helping communities and consumers that show support by purchasing and wearing the brand's products. Streetcare provides a much-needed turning point that's distinguishing streetwear labels from luxury fashion houses, who are typically slower to stand in solidarity with social justice movements.

Case studies

Kultrab, is a streetwear label inspired by Russia's growing youth resistance movement. In May, it released a new collection specifically to raise money for Russian human rights group Apologia Protesta and other individuals arrested at Russia's anti-corruption protests. The collection featured a Thermos, a slogan T-shirt and passport covers laying out Russia's laws on the right to protest and freedom of assembly.

US skate brand **Supreme** donated \$500k to a list of social justice charities, while Brain Dead collaborated with recording artist Dev Hynes on a T-shirt drop that raised over half a million dollars for Black and LGBTQIA+ communities.

Kids of Immigrants partnered with Vans in the US to launch a limited run of sneakers. To support the launch, the brand facilitated a \$5k donation from Vans to A New Way of Life, a nonprofit that provides women with the support they need for life after prison. The donation helped Kids of Immigrants build a community garden for the organisation's new home that hosts eight women in Los Angeles.



Wesley Carvalho

76% of Millennials claim that the pandemic has made them more empathetic towards the needs of others

The Deloitte Global Millennial and Gen Z Survey

The Conductors

Multi-dimensional, multi-talented and always multi-tasking, The Conductors are taking on new challenges and demanding new experiences



Whether it was by force or by choice, 2020 led many people to adapt and learn new skills. Homes became offices, bars, restaurants, emergency rooms, schools and gyms, and let's not forget the explosion of hobbies, ranging from baking to needlepoint. These changes enabled the majority of people to survive 2020, and some to even thrive in 2020.

While other cohorts ran on emotional reserves and craved stability, The Conductors were able to effectively channel their energy into multiple directions, thanks largely to cognitive flexibility – a neural skill that could be the job skill of the future. In short, cognitive flexibility enables people to shift gears and think about things in more than one way. A fixed mindset is more likely to sabotage people's efforts to thrive in a changing and challenging environment.



With the pace of adaptation accelerated in 2020, this cohort is now used to seeking out new neural inputs. In 2023, they will seek out new experiences and high-sensorial moments, driving the next wave of multi-hyphenate careers

The passion economy evolves

In 2023 and beyond, a new generation of hybrid experts will fuel the passion economy. In this economy, non-producers meet with non-consumers and exchange goods – virtual goods: content.

Previously, a teacher's only option for work was at a school or university. Now there is MasterClass, Udemy and Outschool. The passion economy created a whole new sector of jobs, allowing people to monetise their thoughts, skills and ideas.

Of course, this isn't a new economic stream – bloggers, influencers and content creators are early adopters of this revenue source dating back to the early 2000s. However, the pandemic resulted in normalising stream-and-screen time, opening the world of content creation to new generations and industries.

In China, 40-plus-year-olds now also account for more than 25% of total users on TikTok, and older influencers emerging in-app are attracting middle-aged consumers to shop more on short video platforms. According to Facebook, Baby Boomers are driving the c-commerce (conversational commerce) movement in Vietnam. The company says “the average c-commerce buyer in Vietnam will increase their c-commerce spend by about 30% in 2021”.

Asynchronous working

In 2023, we will see a shift towards output-based ways of working, where people collaborate in different places and at different times via shared tools. For The Conductors, this ability to work on their own schedule, from anywhere in the world, will drive new mindsets, and it will facilitate greater scope for side hustles, parental care duties and personal projects or hobbies.

This shift will also reshape businesses. According to Cal Henderson, co-founder of Slack, asynchronous working “will demand a restructuring of organisational KPIs as well as a mindset shift to allow for more flexibility”. He goes on to say: “We can't judge effectiveness based on how long you sit at your desk any more.”

One of the largest growing group of influencers? Gen Zers are turning to a new generation of young financial influencers known as FinFluencers. [@makerealcents](#), Taylor Price and Amanda Frances (known online as the Money Queen), who speak their language, distil complex principles into digestible formats, and educate users based on their own mistakes and lessons learned.



Consumer profile

The Conductors

From jet-setting to foot-trekking

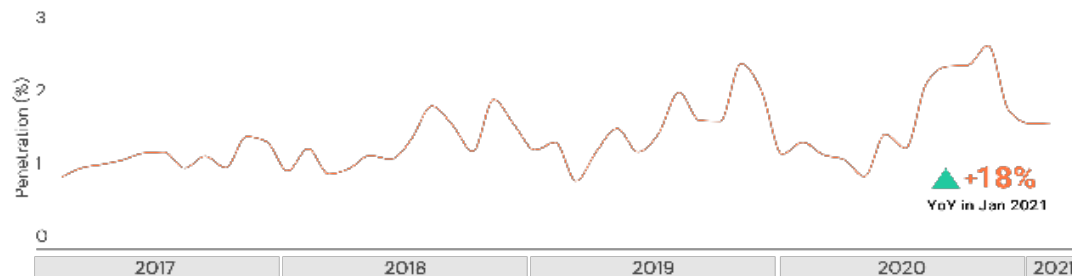
In 2020, culture shifted outdoors as people across the world became acutely aware of the health benefits of being in nature, and sought their own versions of friluftsliv – the Nordic concept of ‘free-air life’. For The Conductors, expect to see an embrace of adventure-seeking pursuits, as well as slower, more sustainable travel that enables them to connect more with local communities.

Companies are already starting to cater to this. Based in the UK and France, Byway Travel creates packages by train, boat or foot to encourage people to “discover the world by travelling through it, not flying over it”. In Japan, JR Kyushu has launched its new 36+3 luxury sightseeing train, which travels to remote island locations, and in the US, train travel is also having a revival. Frank Marini, president of Yankee Leisure Group (parent company of Amtrak Vacations), says 93% of those booking and travelling with the company this year and next are new customers, and 70% of the bookings are for trips to national parks. Steady wifi, ability to hop on and off, and affordability will continue to drive train travel for The Conductors’ consumer profile.

As the outdoor market becomes more lucrative, products and services will also adapt – think outdoor rental kits delivered to a traveller’s final stop, a rise in multipurpose outdoorwear, click-and-collect lockers, and maybe even train-to-table dining.



Mentions of #hiking continue to uptrend on social media



WGSN Trend Curve. social media data. January 2017 - January 2021

Engagement strategies

The Conductors are channelling their energy in multiple directions, so invest in new enterprising experiences, virtual adventures and multi-hyphenate worlds

01

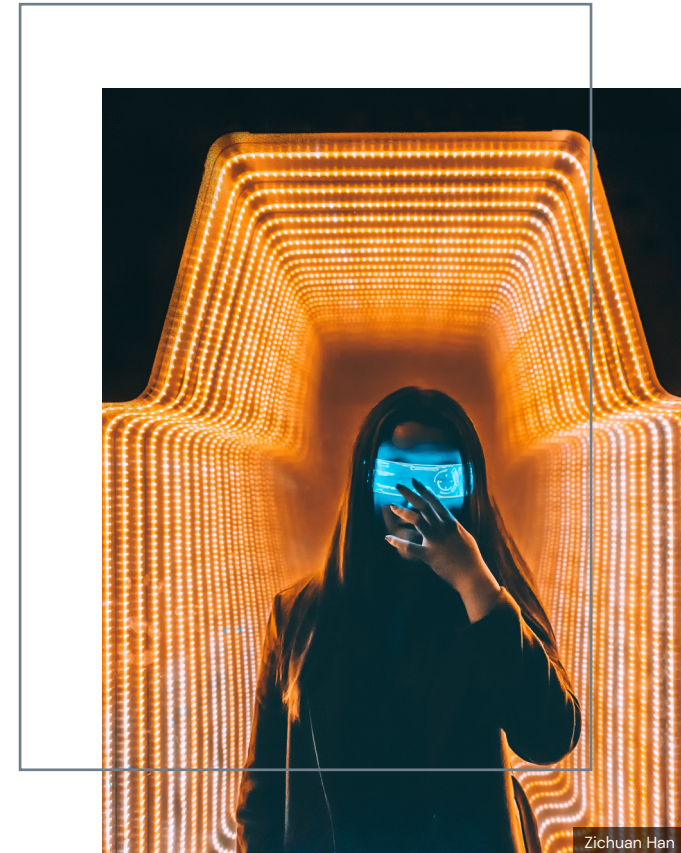
Metaverse markets

The internet is evolving into the metaverse – a shared digital realm that will drive culture and design, enabling new modes of expression and experience. Think of it as a growing manifestation of the Internet 3.0, a connected third space that will impact how consumers communicate, play, shop, learn and work. As the metaverse matures, it will unlock even greater experiences and opportunities for collaboration and commerce. In fact, according to The Economist, ed-tech revenue in the virtual world could soar to \$400bn by 2025, giving brands reason to invest in the metaverse.

While the metaverse will not reach its full potential for decades, Facebook wants to have a big part to play. Mark Zuckerberg believes the metaverse will be an “embodied internet, where instead of just viewing content, you are in it”. The app plans to contribute to its development, and in five years is set on transitioning from a social media company to a metaverse company.

Case studies

Skincare brand **SK-II** launched SK-II City, a permanent destination on its site inspired by Tokyo, which will gradually mature over time, offering opportunities to learn, connect and eventually shop. By simply manoeuvring the cursor, site visitors can tour the virtual city and visit digital theatres, before venturing to #ChangeDestiny Street to learn about and support local female entrepreneurs. SK-II also plans to launch the SK-II Mall soon.



Zichuan Han

Consumer profile

The Conductors

Fashion brand **Coach** launched an immersive retail experience within the Chinese e-commerce platform Tmall, in partnership with Arlene, a company that builds immersive experiences. Dubbed the “Signature City”, the initiative offered fans a 3D shoppable and gamified environment that lets users earn discounts for participation.

For its S/S 22 men’s collection, **Christian Louboutin** launched LoubiFuture, an XR experience starring French singer Julien Granel. Rendered in a vaporwave aesthetic, audiences were immersed in LoubiTown skyscrapers, beach scenes and a jungle setting, and could shop seasonal styles via AR-enabled showrooms with QR codes.

Don’t forget

The metaverse is pushing the creation of new digital products, including digital fashion (a Roblox Gucci bag sold for \$4k) and digital beauty (digital Dior make-up is offered on South Korea’s metaverse platform Zepeto). As the metaverse matures, fashion and gaming will further integrate, pushing designers to offer in-game goods. In March this year, Burberry created skins for the Tencent game Honor of Kings, while custom creators (or CCs) are creating in-game avatar looks and selling them online. Also look to Gucci and Grimcookies’ Sims 4 version of its 2020 Off the Grid collection.

02

On-the-road retailing

Whether it’s digital activations or physical locations, Conductors are ready for social quests and safe experiences, with the integration of smart and discreet technology. Exploration drives this curious cohort, which is looking to uncover offbeat destinations, nostalgic moments and multipurpose services.

Research and Markets estimates approximately \$17bn of vehicle-related purchases and personal consumer spending will be allocated to cars through integrated marketplace applications by 2025.



Scott Webb

Consumer profile

The Conductors

Case studies

In April 2021, **Spotify** launched its first voice-controlled hardware product, Car Thing. The new smart player is currently available for free as a limited invite-only release exclusively for the US market. Car Thing allows drivers of older cars to retrofit their vehicles with smart technology. Businesses still advertising on traditional radio now have more reason to shift advertising efforts into the streaming space to get ahead of the new push for in-car adverts.

Chinese travellers are turning to **Xiaohongshu** to research travel destinations, with attractive visual content now a must to connect with the social-savvy Chinese consumer. Xiaohongshu users have been looking at non-sponsored and user-generated reviews of hotel accommodations, attractions and restaurants, landing the platform as the top travel decision-making platform in China, according to Beijing Bigdata Research's China Tourism 2020 report. Another key item for booking? Photo-readiness. Remote and niche destinations have been on the rise as consumers search for memorable and Instagrammable travels in the absence of international trips.

eBay launched a drive-through service in Los Angeles to help sellers authenticate potentially counterfeit goods. Dubbed the "Authentication Station", the pop-up provided a safe and engaging service to support users to seamlessly sell items such as sneakers or watches.

Don't forget

According to a recently published patent filed by Ford, the company is developing a system that would equip cars with billboard-reading sensors, allowing vehicles to scan roadside signs for relevant information and then display it on screens inside. For example, driving past a McDonald's billboard would cause image and text recognition algorithms to automatically interpret the ad's content, such as an address or phone number, and then transmit that information to a car's dashboard display.



Stijn Dijkstra

03

Social commerce dominates

Social commerce was soaring pre-pandemic but accelerated during lockdown, particularly livestreaming – a fusion of traditional television shopping networks and vlogging, e-commerce and interactive social media streaming. According to CNN, the phenomenon has grown to such a height it's now a \$66bn business. In 2020, China's version of TikTok, Douyin, saw e-commerce transactions triple to \$77bn in gross merchandise volume (GMV), while competitor app Kuaishou said its GMV up to November grew nearly eight times to \$51.44bn.

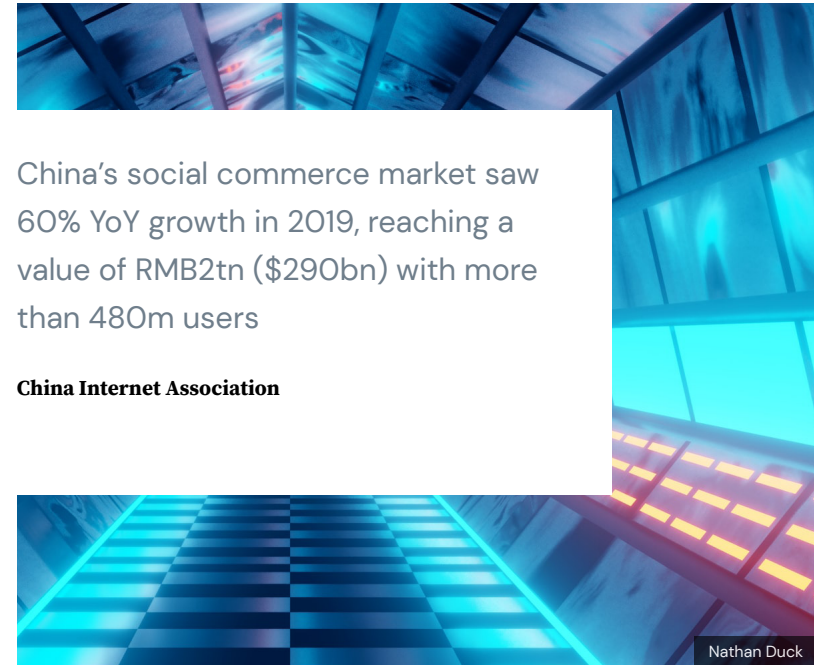
Whether it's livestream shopping, conversational commerce through chats or gamified shopping apps, social commerce will continue to embed into Conductors' daily lives. Innovations in video chat, the metaverse and brands giving power to consumers through loyalty programmes are the next frontier.

Case studies

NTWRK, founded in New York, is a Millennial and Gen Z-leaning live video shopping platform. Part YouTube channel, part e-commerce app and part Hypebeast-culture trunk show, it has live shopping, themed shows with weekly episodes (including some outside of retail themes), shopping festivals, cameos from musicians, artists, actors and designers, as well as a chat features.

KFC leveraged consumers' personal networks by launching the KFC Pocket Chicken Shop mini-programme, where users could open their own virtual KFC shop and sell KFC coupons. Store visits also earn each user bonus points, used to unlock new product coupons and store features. Users even created dedicated WeChat groups with friends and family members, socialising and reminding participants to visit each other's stores to benefit mutually.

Moonship is a marketing tool with a 'the more the merrier' concept that gives customers the option to "buy with friends" (or strangers) to achieve a discount set by the vendor. It displays expiring group orders to online shoppers who have not committed to a purchase and invites them to join for a discount. Moonship says this group-buying method has raised its referral rates by 300-900%. Post-purchase, discount codes are offered as a way to pass it on, creating a micro-influencer-like mentality.



China's social commerce market saw 60% YoY growth in 2019, reaching a value of RMB2tn (\$290bn) with more than 480m users

China Internet Association

Don't forget

A 'super app' allows a user to access several services from one single app. There are already many popular super apps, including China's WeChat and AliPay, India's Paytm, Singapore's Grab, Indonesia's GoTo, Vietnam's Zalo and South Korea's Kakao. While dominant in APAC, these seamless eco-systems that join commerce, community and communication are set to soar by 2023.

04

The future is fit tech

The Conductors are early adopters of fit technology as it provides the flexibility to try on clothes anywhere and anytime. For this cohort, the technology needs to extend to the service offer by offering one-click solutions to get from try-on to purchase. An additional bonus for retailers investing in this technology?

It limits returns, saving time, resources and avoiding more clothes being sent to landfill.

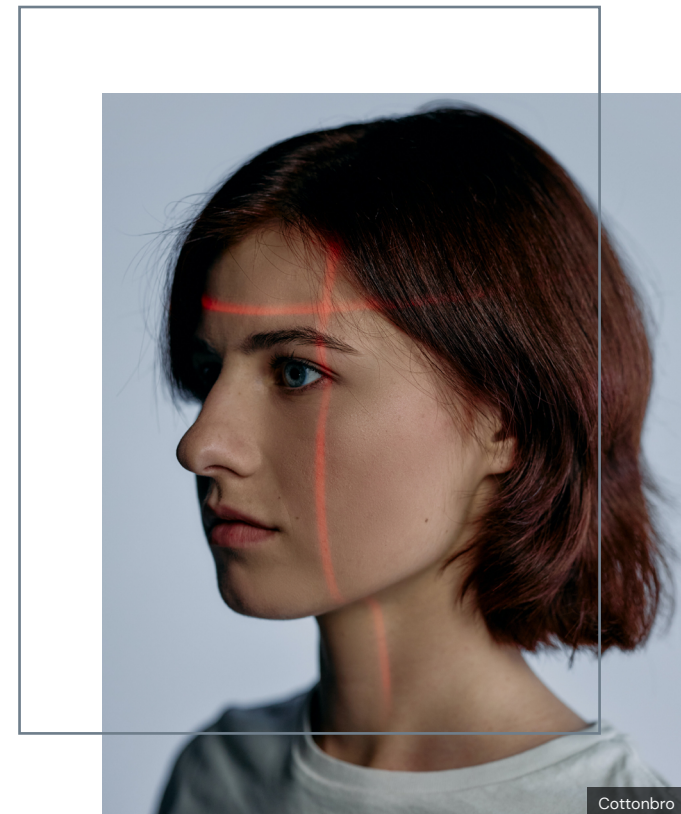
Case studies

Snapchat enlisted the help of Prada, Farfetch and Piaget to launch its new AR try-on and buy technology, an extension of its existing fashion lenses. Using machine learning, the technology scans the body to create a '3D mesh', an accurate sizing model and cloth-like simulation. Simplifying the experience, gesture recognition and 40 different voice-enabled commands can be enabled for hands-free use. Snapchat claims 200 million users interact with its AR every day.

Tec.Fit, an emerging Australian 3D garment scanning and printing company aims to remove the tailor from customised garments entirely. It developed a smartphone human-body scanning app that converts 2D photos into accurate 3D digital layouts of the customer's body. The company claims this addresses the fact that over 25% of returns are disposed of, reduces the return rate of online clothing purchases by 95%, and lowers CO2 emissions across the entire supply chain.

Don't forget

Until recently, much of the mainstream applications of AR centred around novelty. The key shift here for retailers is to build on convenience and practicality. Consider ways that AR advancements can hold consumer engagement, while also encouraging spend, and not just screenshot-and-share behaviour.



Implications and actions

What this means for financial service product categories

Leaders in financial services need to plan for the changing consumer – or they’ll get left behind. Unlike most retail categories, financial products are based on relationships rather than single transactions. Whereas a consumer packaged goods provider can alter its formulas without requiring customers to accept new terms and conditions, this is not the case in financial services, where value propositions continue for years and decades.

One of the clearest insights of this white paper is a map of where consumer segments are heading. The chart below highlights the segments, what they are seeking, as well as potential strategies and tactics companies can use to cater offerings to them. While illustrative, they can also be springboards for discussion and ideation.



Anete Lusina

	What do they seek?	Payments example	Lending example	Banking example	Investing example
The Predictors	Stability and efficiency	Embedded applications	Buy-now-pay-later (BNPL) value props	Digital to physical bridges	Annuities and Insurance
The New Romantics	Balance and mindfulness	Next-level alerts and summaries	Simplified value props	Financial wellness	ESG and directed investing
The Impossible	Freedom and control	Automation and tech tools	Low fee/ APR value props	DeFi and privacy	Cryptocurrencies
The Conductors	Options and growth	Digital wallets	Relationship-based value props	Scenario planning tools	Fractional investments

Conclusion

Shifting to the future

The global community has been on an unexpected collective journey over the last two years. Whereas prior years have been on well-paved roads, the last two have been on rollercoaster tracks. Similar to rollercoasters, the experience has left some energised, some frightened, and others somewhere in between. Unlike a rollercoaster, we didn't know that the ride was happening until we were on it. Regardless, most of us are different now to how we were two years ago.

This white paper has identified several major consumer clusters and analysed how their thinking is shifting in the future. We hope that some of the ideas presented enable organisations to adapt and more effectively serve their customers.

We welcome feedback and ideas from our community as we recognise that the journey continues and that we are in a more dynamic time than ever before.



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About WGSN

Getting ahead of change in times of uncertainty and disruption can be challenging. Changes in consumer behaviour and shopping priorities have meant that brands and businesses had to rethink their engagement strategies to stay relevant and deliver what their consumer will still need and desire.

At WGSN, we help you navigate changes in consumer behaviour and create opportunities for growth – despite any disruption and uncertainty – giving you actionable forecasts that you can act on right now.

Act on insight with WGSN Mindset





Our consultancy division, WGSN Mindset, works with our clients across the globe to put insight into action. We translate what the trends mean for you and when and how to adopt them.

With crucial early insights into changes in behaviours, attitudes and beliefs of consumers, and shifts in culture, economy and technology, we can help you develop rich personas for effective targeting, enabling you to reach new consumers and markets.

To find out how WGSN Mindset can support your business, please get in touch at contactus@wgsn.com.



Find out more on how we can help you today,
so you can create tomorrow.

    [WGSN Insider Blog](#)