

What's Next in Retail & CPG

A look at the trends, behaviors, and insights that matter most to brands heading into 2022

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A little bit about me

- Hi, I'm Laura!
- I lead research science for Momentive market research solutions
- I've been with Momentive for 6 years
- I also work with media outlets (e.g. Axios, CNBC, Fortune) to field research projects that inform their journalism



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Industry Tracking
Competitive Intelligence
Market Segmentation
Usage & Attitudes
Shopper Insights



Product Experience Solutions

Concept Testing
Product Optimization (Conjoint)
Feature Importance (MaxDiff)
Price Sensitivity (Van Westendorp)
Package Testing
Claims Testing



Brand Insights Solutions

Brand Health Tracking
Brand Lift Analysis
Ad / Creative Testing
Message Testing
Name Testing
Crisis Management



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- Data security/ compliance
- 100+ integrations
- Built-in methodologies
- AI engine
- Automated insights
- Statistical analysis
- Industry benchmarks
- Custom dashboards

Global panel network

144M+ People

130+ Countries

60 Languages



Louise
25-34 years old
NYC metro area

Brand Health Tracker

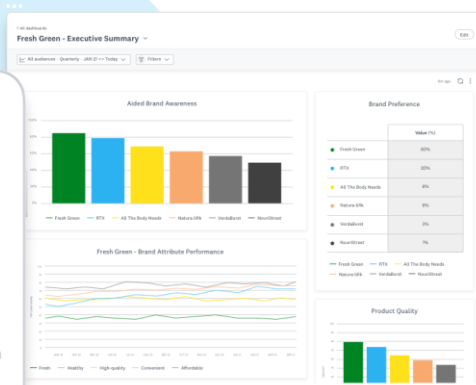
6. How would you describe your overall opinion of our brand?

- ☐ Extremely favorable
- ☐ Very favorable
- ☐ Somewhat favorable
- ☐ Not so favorable
- ☐ Not at all favorable
- ☐ I have not heard of this brand

5.0 100%

Prev

Next





We blend technology with expertise to deliver business-critical insights at radical speed

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Today's agenda

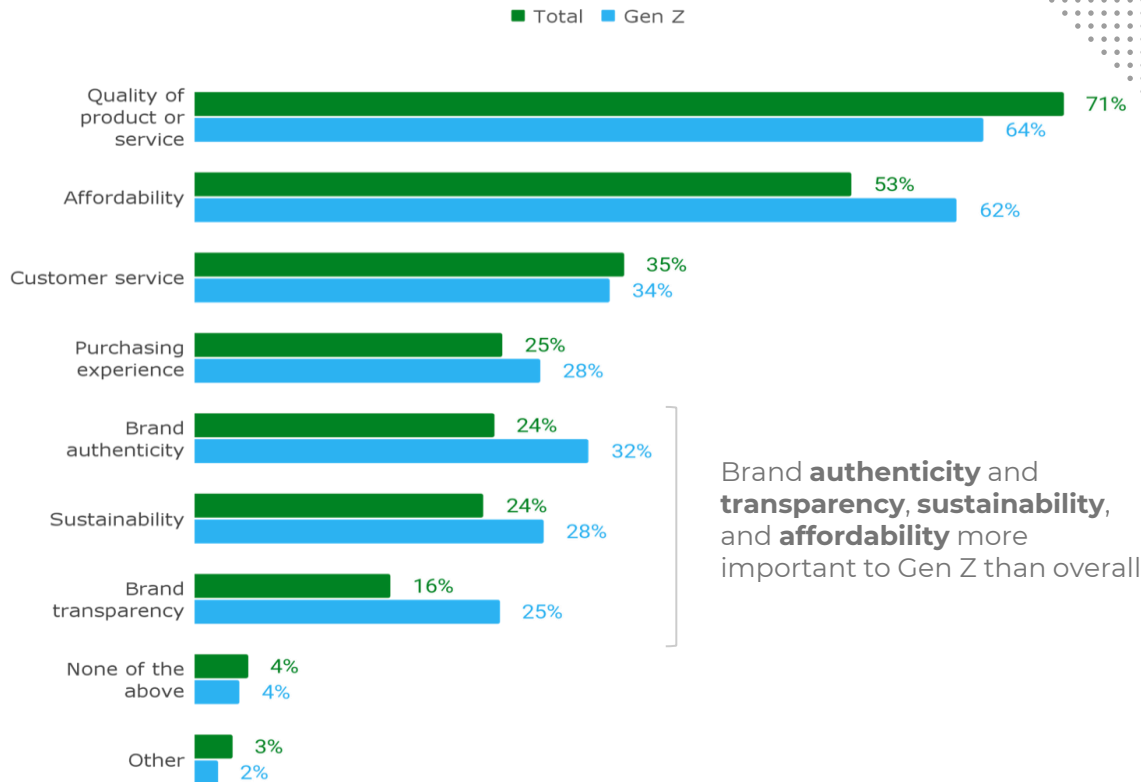


1. What matters to **younger consumers (Gen Z)** when making purchasing decisions
2. How consumers decide between **private label and name brand products**
3. What role **social values and sustainability** play in influencing brand and product choices
4. How **pandemic-related supply chain issues** are impacting consumer behaviors
5. How the emerging **“buy now, pay later”** option may affect your category

1. Gen Z looks to social media to make purchase decisions

Gen Zers expect more from brands than just good prices and high quality products

Which of the following are important to you when deciding to purchase from a brand?



Brand **authenticity** and **transparency**, **sustainability**, and **affordability** more important to Gen Z than overall

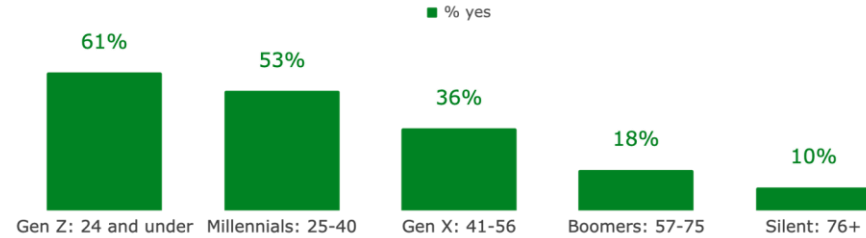
N = 5,934; June 15-22, 2021; Adults 18+ in the United States

Q: Which of the following are important to you when deciding to purchase from a brand? (Select all that apply)

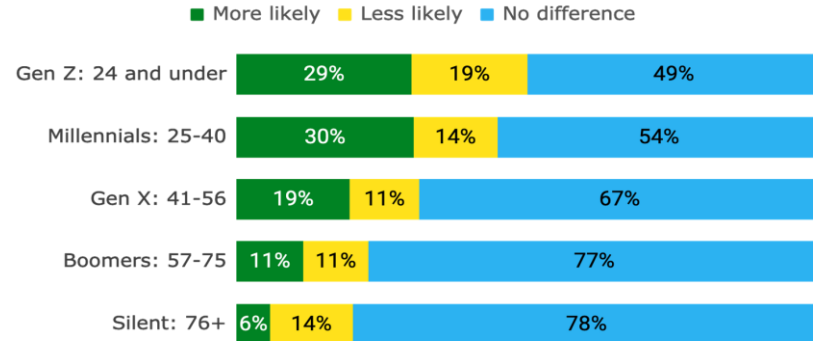


Social media plays an important role in influencing Gen Z's purchases

Do you follow any brands that you like on social media?



Are you more or less likely to purchase from a brand that has a social media presence?

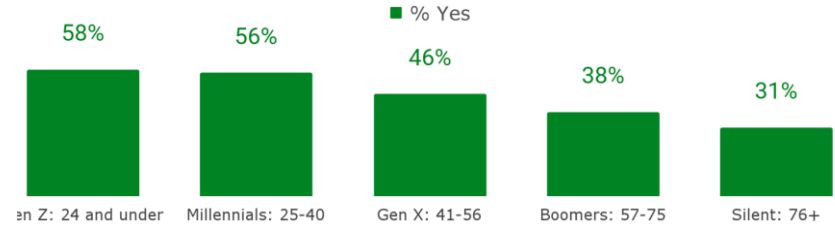


Younger consumers are more likely to purchase from a brand that has a social media presence.



Social media plays an important role in influencing Gen Z's purchases

Have you ever made a purchase based on a recommendation from a social media influencer or content creator?



Products purchased more of due to social media

	Gen Z 24 and under	Millennials 25-40	Gen X 41-56	Boomers 57-75	Silent 76+
Clothing	49%	38%	29%	20%	16%
Beauty and skincare	34%	28%	21%	12%	9%
Technology	31%	28%	21%	18%	17%
Food and beverages	29%	23%	17%	11%	8%
Home goods	20%	23%	22%	22%	17%
Other	5%	7%	8%	8%	8%

Less purchased



More purchased

N = 5,934; June 15-22, 2021; Adults 18+ in the United States

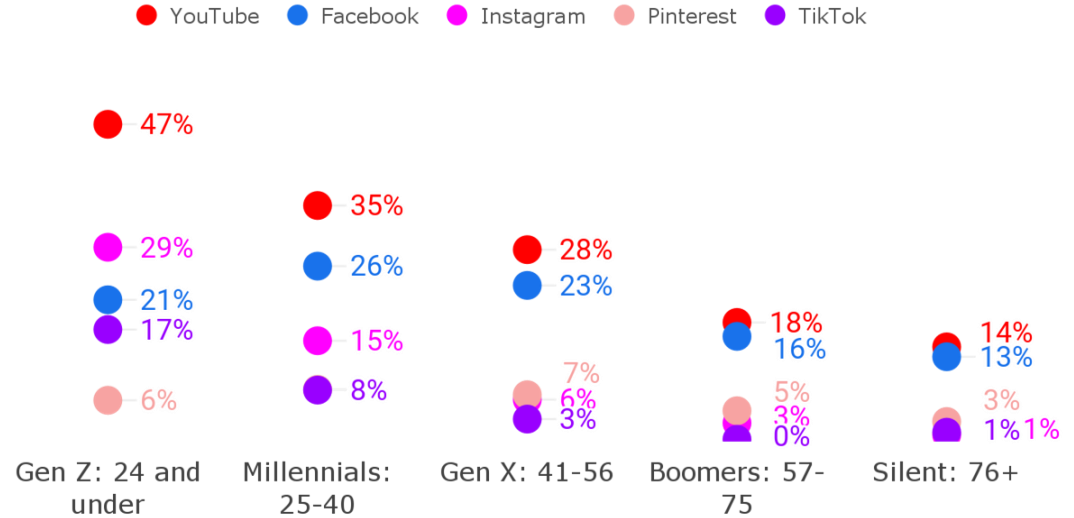
Q: Have you ever made a purchase based on a recommendation from a social media influencer or content creator?

Q: What type of product have you purchased more of due to social media? (Select all that apply)



Social media plays an important role in influencing Gen Z's purchases

Social media platforms used to research products



N = 5,934; June 15-22, 2021; Adults 18+ in the United States

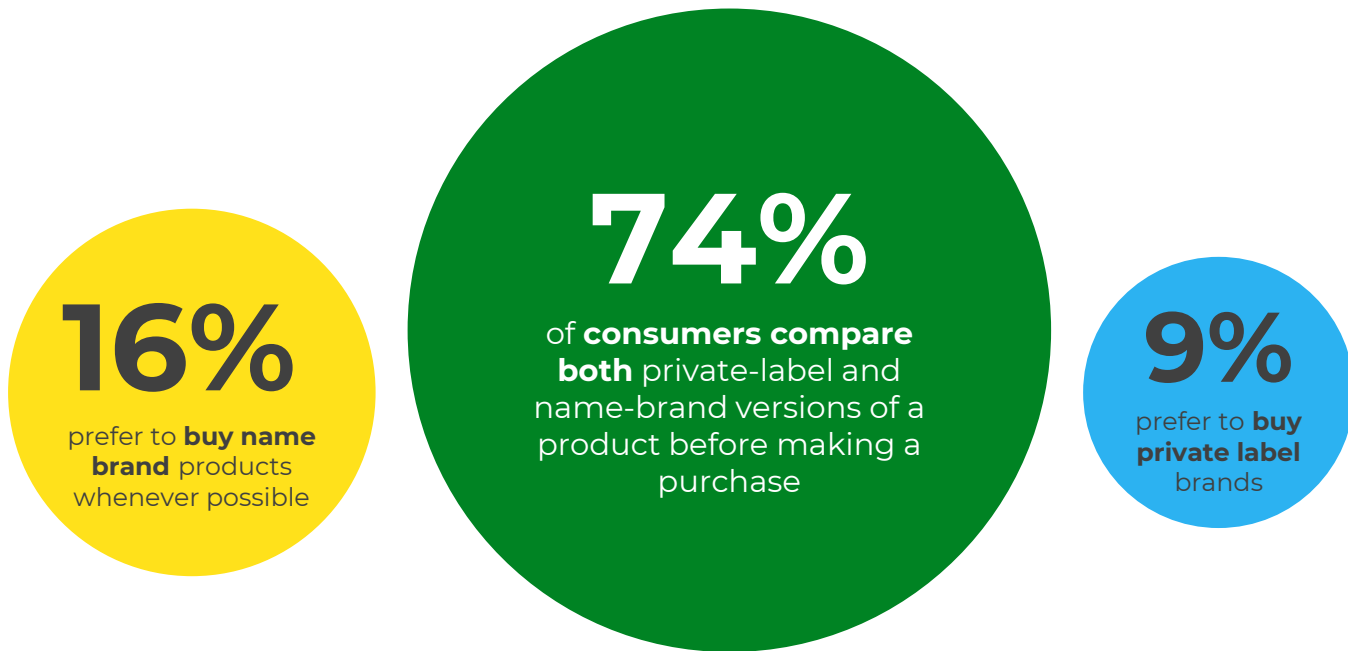
Q: Which of the following online or social media platforms do you use to research products before making a purchase? (Select all that apply).

Note: Platforms with less than 5% overall not shown



2. Private label is gaining traction across categories

A large majority of consumers consider private label brands before making a purchase.



N = 2,132; May 19-20, 2021; Adults 18+ in the United States
Q: Which best describes you?

COVID-19 hasn't changed spending patterns for private label vs. name brand products significantly

63%

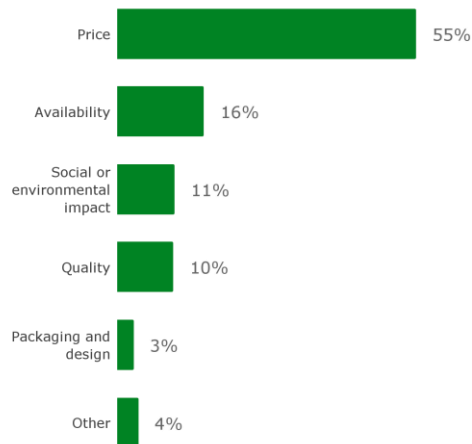
of Americans are spending about the same amount on private label vs. name brands now vs. before the pandemic

Spending on Private Brands vs. Name Brands



- Spending more on private labels
- Spending more on name brands
- About the same amount

Reason for Spending More on Private Labels



Price is the leading driver of purchases of private labels as consumers looked for less expensive alternatives to name brands

N = 2,132; May 19-20, 2021; Adults 18+ in the United States

Q: Throughout the pandemic, have you been spending more, less, or about the same amount on private labels than on name brands?

Q: What is the main reason for spending more on private labels than on name brands?



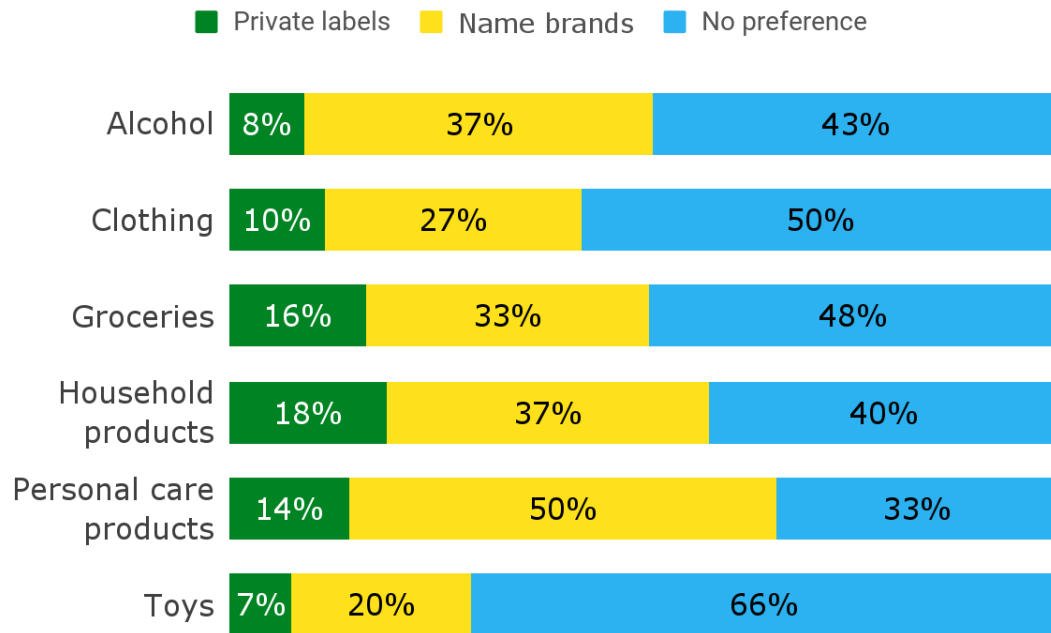
Brand awareness among top private labels brands reach half of all consumers



N = 2,132; May 19-20, 2021; Adults 18+ in the United States
Q: Which of the following private labels are you familiar with? (Select all that apply.)



Half of consumers prefer name brands when purchasing personal care products, and mostly indifferent for clothing and toys



N = 2,132; May 19-20, 2021; Adults 18+ in the United States

Q: Do you prefer private labels, name brands, or have no preference when purchasing: [category]



3. Sustainability continues to grow in importance

According to the Consumer Brands Association:



- The 25 largest consumer goods companies have made commitment to increase recyclable content, minimize packaging or reuse material
- 80% of those companies are working toward fully recyclable packaging for all of their products by 2030 at the latest





44%

Consumers say they care about environmental issues ***much more*** today than they did a year ago.

8 in 10

Have made purchase decisions ***based on their values*** in the past year.

70%

Consumers say they **very likely to purchase** from a company that shares their environmental values.

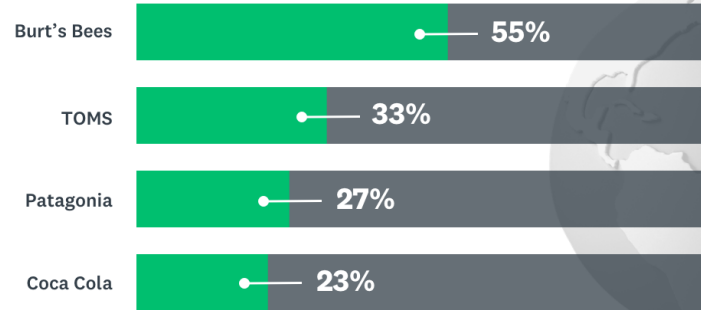


77%

of consumers said it's worth it to pay more for environmentally-friendly products

Early adopters of sustainability have cemented their place in the minds of consumers and continue to reap the rewards in terms of brand awareness

Brands that take positive actions to protect the environment

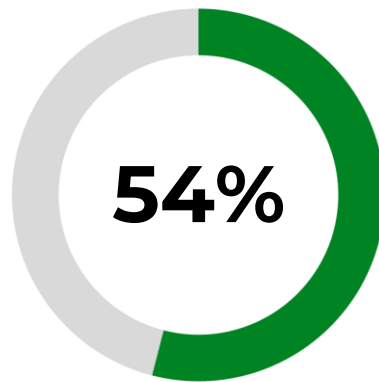


Momentive March 2021 study of 1,097 US consumers



4. Supply chain constraints continue to be a problem

Shopping has continued throughout the pandemic, even on large items and despite supply chain disruptions



More than half of people in the U.S. have experienced issues making a planned purchase during the COVID-19 pandemic

65% of people have still made major purchases during the COVID-19 pandemic



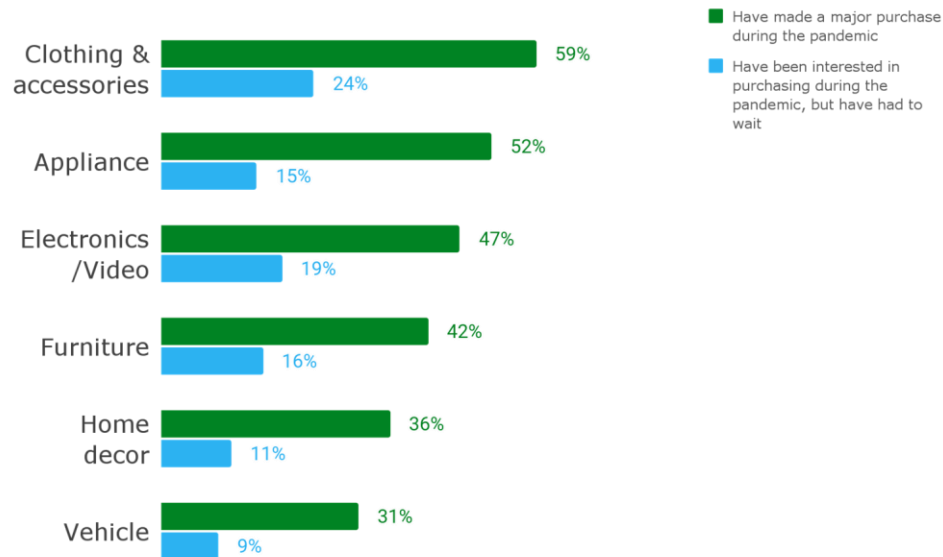
N = 1,118; 8/27/21 - 8/28/21; US Adults 18+

Q: Have you experienced issues making planned purchases during the COVID-19 pandemic, whether that be shipping issues or stock issues?

Q: Have you made any major purchases such as kitchen appliances, cars, electronics, furniture etc... during the Covid-19 pandemic?



Industry by industry, supply chain issues have caused proportionate problems



N = 1,118; 8/27/21 - 8/28/21; US Adults 18+

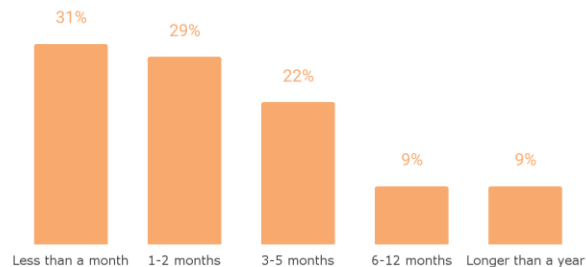
Q: What sort of major purchases have you made during the Covid-19 pandemic? (Select all that apply)

Q: Which of the following items have you been interested in purchasing during the Covid-19 pandemic, but have had to wait due to delays or it being out of stock? (Select all that apply)



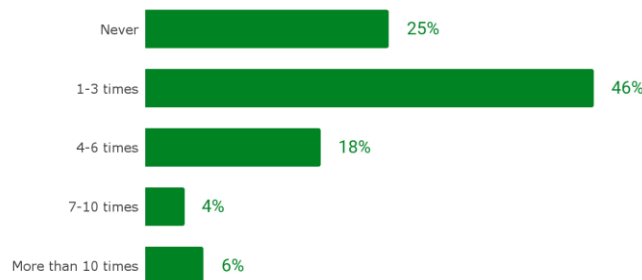
Most consumers have had to wait longer than usual for a purchase this year, but few are willing to wait more than a few months

What is the longest you'd be willing to wait for a desired item to become available?



60% would wait 2 months at most for a desired item to become available

How many times have you had to wait longer than usual for a purchase to be delivered due to COVID-19?



75% Have waited longer than usual at least once for an item to be delivered during COVID-19

N = 1,118; 8/27/21- 8/28/21; US Adults 18+

Q: Have you experienced issues making planned purchases during the COVID-19 pandemic, whether that be shipping issues or stock issues?

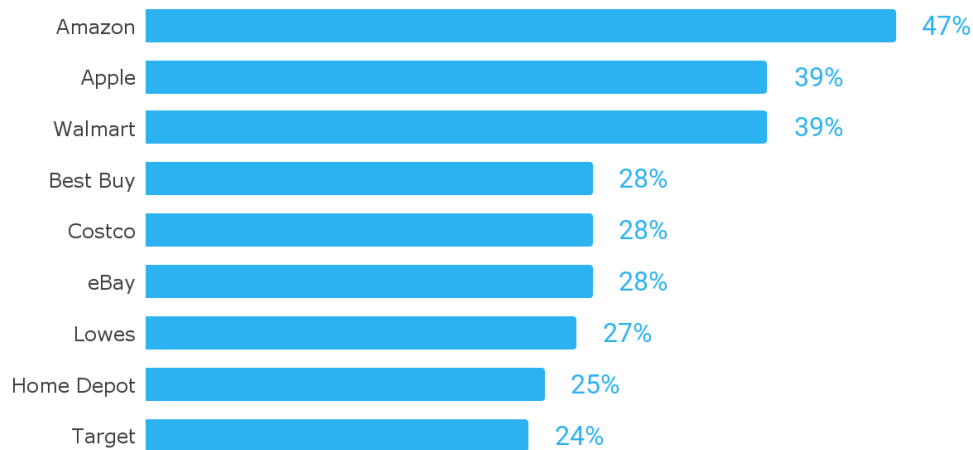
Q: How many times have you had to wait longer than usual for a purchase to be delivered due to COVID-19?



Even for the supply chain experts, shipping delays have abounded during COVID-19

Nearly half of Amazon customers say they've experienced delays when purchasing from Amazon during COVID-19

Percent of _____ shoppers who have experienced delays with each retailer during the pandemic



N = 1,118; 8/27/21- 8/28/21; US Adults 18+

Q: What retailers have you experienced delays with during the COVID19 pandemic? (Select all that apply.)

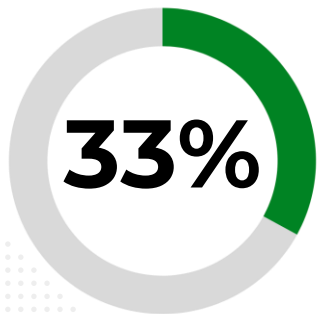


5. Buy now, pay later emerges as a purchase incentive

Affordability and interest-free payments drive “Buy Now, Pay Later” usage

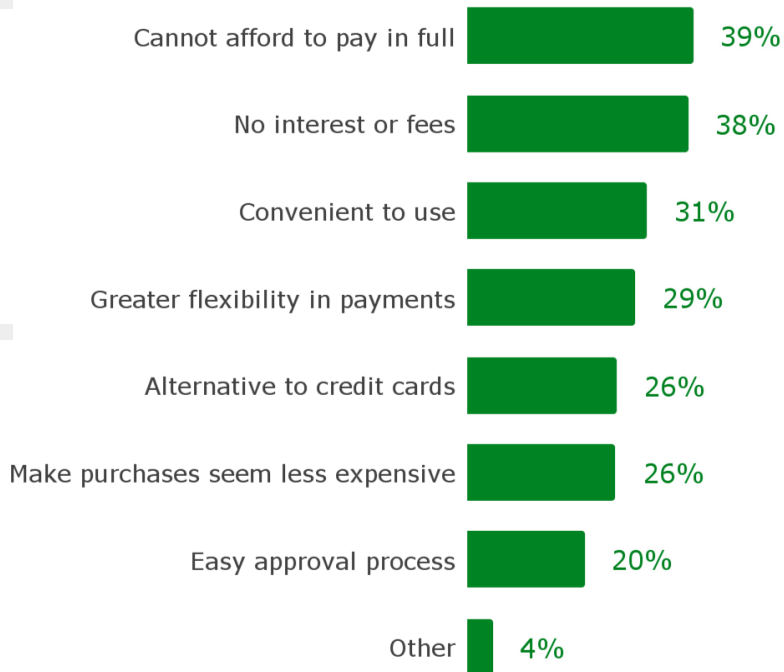


20% of consumers have used BNPL to make a purchase within the last 12 months



33% of consumers who haven't used BNPL express interest in using the service

Main Reasons for Using BNPL



N = 3,353; August 18-20, 2021; US Adults 18+

Q: Within the last 12 months, have you used a “buy now, pay later” service to make any purchases?

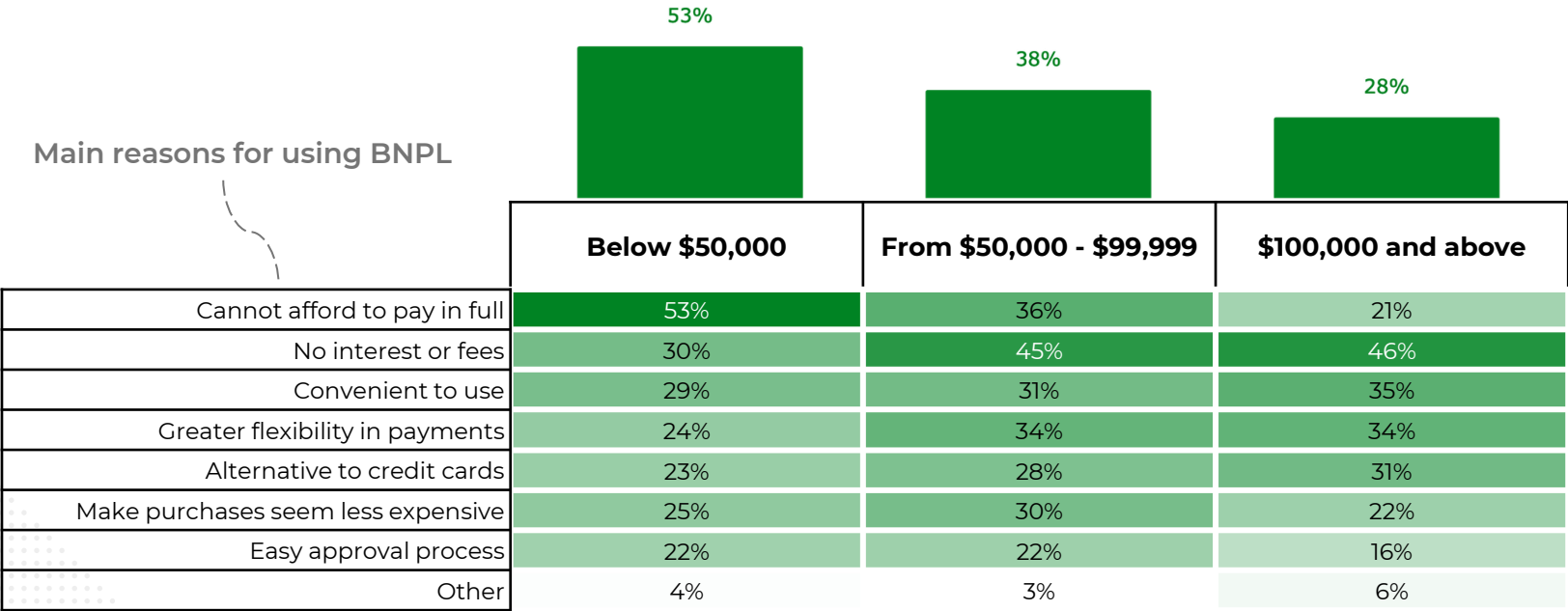
Q: How interested are you in using this type of service?

Q: What are your main reasons for using a 'buy now, pay later' service? (Select all that apply)

Interest in BNPL highest among lower income consumers, driven by affordability



% Interested in Using BNPL by Annual Income



Less common

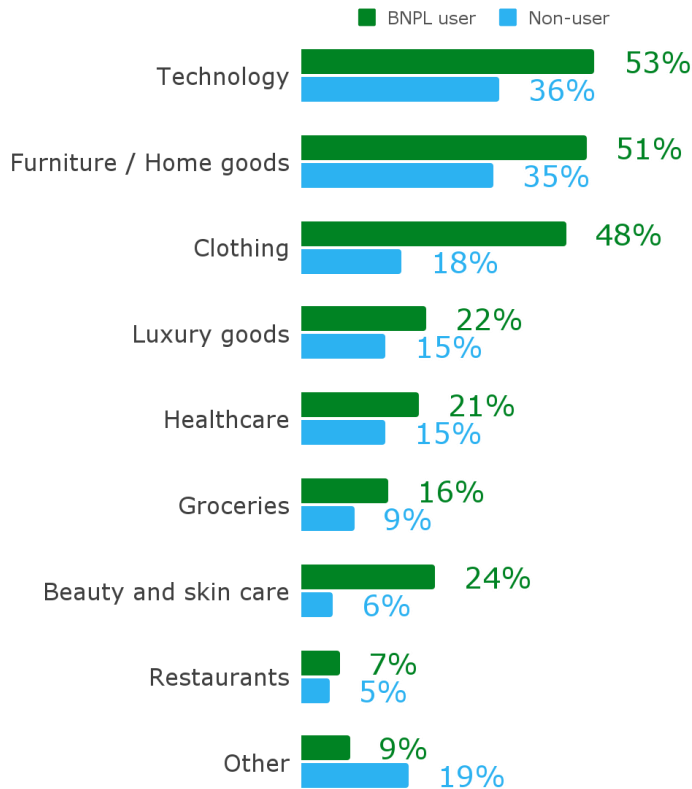


More common

N = 3,353; August 18-20, 2021; US Adults 18+
Q: How interested are you in using this type of service?
Q: What are your main reasons for using a 'buy now, pay later' service? (Select all that apply)

**Buy Now, Pay Later
users more likely to
use the service for
purchases beyond
technology and
furniture**

Expected Usage of Buy Now, Pay Later



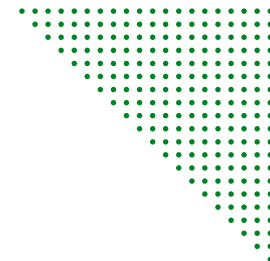
N = 3,353; August 18-20, 2021; US Adults 18+

Q: What types of products or services would you use "buy now, pay later" to make a purchase? (Select all that apply)



What's Next

RETAIL & CPG

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1. **Gen Z** looks to social media and influencers for purchasing decisions
 2. **Private labels** are gaining market power
 3. **Sustainability** continues to be an emerging factor in customer purchase decisions
 4. **Supply chain** disruptions will continue, but consumers won't wait to make purchases
 5. **“Buy now, pay later”** emerging as a key incentive for purchasing, especially among lower income brackets

Reach out to learn more: marketresearch@momentive.ai





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