

Value-conscious Consumer - US - 2021

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This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and the retail industry
- Consumers' budgeting tendencies and value-seeking behaviors
- How consumers think about convenience and quality
- Consumers' shifting attitudes pertaining to purchasing and ownership

Value-conscious consumers are difficult to define and size because every consumer values something to some degree, whether it be savings in their pocket, time saved in a checkout line, or an exclusive, one-of-a-kind product. Most consumers, though, equate the word "value" with dollars and cents, and the most "value-conscious" of them arguably take a more mindful approach to their budgeting and spending practices. COVID-19, and the economic turmoil it caused, led to consumers pulling back on nondiscretionary spending and being even more diligent about seeking value: 37% of adults said they have been budgeting even more since the pandemic.

COVID-19 has also caused consumers to think about what it is they truly value and their priorities. More consumers don't want to "sweat the small stuff" anymore, instead refocusing energies on their passions and friends and family. Their attitudes toward consumption, or rather overconsumption, are shifting, with 57% of adults actively trying to reduce the amount of tangible goods they buy. This is obviously a threat to retailers that sell tangible goods, but many opportunities remain to connect with value-conscious consumers.

One of the biggest opportunities for brands is to consider participating in the circular economy, which could include offering preowned items for sale, enabling platforms that allow for peer-to-peer selling, offering trade-in programs or allowing customers to rent items on a temporary basis versus buying them outright. Experiential retailing (and gifting) should also see gains in the future as consumers place more value on intangibles over tangibles.



"Retailers should view every consumer as value-conscious and work to understand the different dimensions of value to best serve customers' varying needs and motivations. Essentially, everyone appreciates a good deal, and some shoppers will go to great lengths to find one."

– Diana Smith, Associate Director – Retail & eCommerce

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