

The 2021  
Consumer  
Trends that  
Brands Need to  
Prepare For

**2021**

Predictions Report



Let's face it, the 2020 we were expecting is hardly the one we got. And 2021 will no doubt present a number of surprises. But it's not all been unknown. While they might have been overshadowed by the pandemic, a number of predicted trends still came to fruition.

One clear example is the digitization across various industries. The line between physical and virtual will forever be blurred, with global events like SXSW having to adapt to provide fully digitalized alternatives. In the coming years, we will see this move beyond live streaming and Zoom links to fully virtual experiences.

However, data privacy will have to be prioritized in order to create confidence among consumers. At the beginning of the pandemic we saw a lot of concerns in the news around the security of video conferencing companies. These concerns have subsided as people became used to living through an online lens, but they will be back if not addressed.

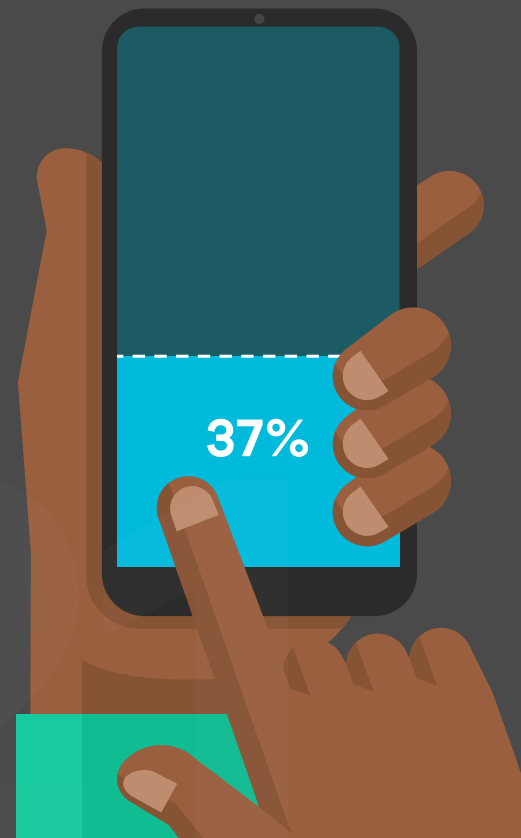
As digital connectivity increases, brands simply can't afford to not give users transparency and control over their data.

Let's take a look at some of the other big trends we can expect in the next year, and beyond.

“

**I've been working from home so long I can't imagine going back to the office full time. Although it was a shock to the system to do everything virtually, it meant we could at least stay connected with each other and keep life going.**

Female, 32, UK



**37%**

**of consumers worldwide increased the time they spent online and on social media in 2020**

# Out of Home Marketing will become more competitive than ever, and emotional connection will be essential

Lockdowns and social distancing restrictions have wreaked havoc on industries across the board. Not only has it impacted businesses with a physical space that rely on foot traffic, but it's also massively limited brands' marketing activities. With people spending far less time out of home, businesses had to find new ways to connect with consumers.

During the first UK-wide lockdown, advertising spend across traditional media outlets - TV, newspapers and magazines, radio, cinema, billboards etc - almost halved. Some brands cut their budgets by up to 97%. In May, it was reported that global advertising spend was predicted to drop by \$50bn (8.1%), then in July this was increased to 9.1%.

But not everyone responded so cautiously - some increased their media budgets, and others simply continued as planned.

Out-of-home is not over, but it will be different. Working from home will become a staple for many businesses, and industries that have proved they can replicate the same experience online will continue doing so. This means understanding out of home occasions, and their drivers, will be more important than ever before. It's not enough to know people are going out, it's the 'why' that'll become the gamechanger.





To coincide with the launch of the PS5, PlayStation 'took over' London's Oxford Circus underground station both inside the station itself and the street level entrances. Despite the country being in lockdown, and the once heaving Oxford Street becoming fairly reminiscent of the opening scene to 28 Days Later, the campaign went ahead.

There are three key reasons this worked so well, something that brands should pay attention to as we venture into 2021:

### 1 It was consistent

In 2013, London's OXO Tower received a similar takeover to mark the launch of the PlayStation 4.

### 2 It stood out

Not only is it one of the few big OOH campaigns of 2020, but it used an iconic location normally teeming with tourists and locals alike - one that is recognised worldwide.

### 3 It created a sense of nostalgia and connection to 'normal' life

While most people couldn't visit the station to see the rebrand in person, it reminded consumers that the things we loved before Covid can still exist. It made people excited about when they can once again return to their favourite places and look forward to life post-pandemic.





# Brands will need to view 'health' holistically, incorporating both the physical and mental

Going forward you can expect to see greater innovation behind foods that are good for emotional wellbeing, not just physical health. COVID-19 saw a big rise in people struggling emotionally and reaching for foods and drinks to help them through it.

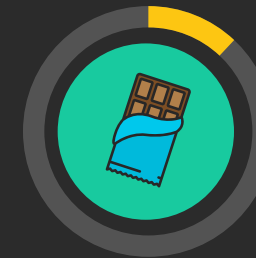
Now that the panic stage of the pandemic has passed, consumers are becoming more mindful of the lifestyle changes they need to make. The demand for foods that are both good for the body and the mind will increase. Brands have an opportunity to tackle this directly through NPD and communication strategies.

For example, beauty is not just about improving the appearance anymore; consumers are looking for products that also improve skin health, sleep, and productivity.

This trend will be particularly pertinent for alcohol. Consumers have been pretty divided between drinking more and drinking less - but both of these changes are often driven by health. European markets place a higher emphasis on mental wellbeing vs markets such as China and India, where the emphasis shifts to physical health.

The increased priority over health is also fuelling the no-low trend - meaning a pivot in messaging is needed. There's a level of 'free from' fatigue - consumers want to know what's in what a product rather than what it isn't. So instead of focusing on the low ABV of the product, brands should be more vocal about the benefits. Whether it's through added vitamins or minerals, or even CBD infusion, highlighting what the product gives the consumer will become essential.

## WHAT IS YOUR STAPLE SNACK/TREAT ITEM RIGHT NOW?



**Chocolate**  
12%



**Crisps/chips**  
10%



**Chewing gum**  
8%

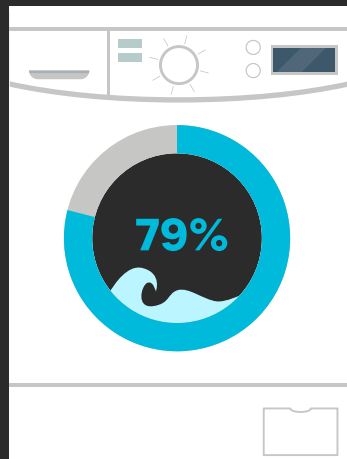


**Biscuits**  
4%

Data from 36,248 in-the-moment snack occasions

79%

of those who have made changes to their laundry habits plan to continue with them after the pandemic



## Category extensions must be prioritized

While the global pandemic has resulted in a number of challenges for the consumer world, it's also created a significant opportunity for brands to branch out of their traditional categories and expand their offerings. The global crisis has actually helped speed up NPD strategies and created an environment of greater experimentation. Categories are becoming increasingly interlinked as the lines between usage blur, paving the way for brands to break into new areas.

Thanks to the conversations we've had with our bees this year about what they want and how they feel, in their own words, we've seen a distinct shift in their everyday behavior. There is a clear opportunity for brands to reposition their existing products and even develop category extensions into the hygiene space.

### Homecare:

Consumers are seeking anti-bacterial and germ-killing properties from their washes, with 56% of all covid-related laundry changes relating to increasing the disinfecting power. Streetbees' global community of over 3.5m bees have been employing more additive products and even washing items at temperatures up to 90°C! As the virus continues and economic concerns kick in, these needs will remain - but consumers are already on the lookout for detergents that can do more for less. Therefore brands will need to really hone in on the value of the various benefits of their products.

### Personal Care:

Haircare has seen a massive switch in demand. Consumers' concern for their hair health will shift their purchasing toward products that work from the



14%

of consumers are paying much greater attention to their immune system



inside-out, especially as increased hygiene concerns are at odds with achieving healthy hair. One brand that leveraged this shift early on, is L'Oreal's Elvive, which launched ads that promoted the need to manage consumers' hair in the absence of hairdressers and salons.

Healthy hair has seen the biggest growth as a goal for consumers' haircare moments - 17% are currently looking to achieve healthy hair vs just 7% in the beginning of April.

### Over-the-counter healthcare:

With consumers being more sensitive to health and immunity than ever before, there are some specific opportunities for OTC brands to cross over into traditional food and beverage categories. This could take two forms:

- 1 OTC brands enter into new categories alone, launching products that promote specific benefits that boost health or immunity.

- 2 Partner with incumbent Food & Beverage brands to increase credibility to new offerings.

Covid has fundamentally changed the way consumers feel, behave and live. As the long-term shifts become more apparent, brands must be prepared to redefine how they approach their communication and new product development strategies.

“

The skin on my face feels dull and a little dehydrated... to make it brighter I am using a 2 in 1 product. It is a treatment that cleans the face well and moisturizes it. With a single treatment I get two functions: detergency (cleaning) and hydration.

Female, 47, Italy



# D2C will no longer be the landscape for challenger brands

As Covid continues, more brands will have to pursue new routes to get their products to consumers directly. The past year has shown that businesses can no longer rely on retailers or restaurants to sell their products for them.

## Beauty and Personal Care:

Testers will likely become a thing of the past as the prospect of germs and contamination put consumers off. With the clear benefit of seeing and trying products taken away, more and more consumers will look to buy their items online. This means brands will be expected to translate the full experience in a virtual setting - and that means more than digital makeovers and using VR.

Photos and videos of models will be expected to be unretouched and show a

large variety of skin colors, body types, and abilities. There was a growing demand for these kinds of marketing campaigns already, but the Covid-19 crisis has made it a requirement if brands want to stay connected with consumers.

## Alcohol:

With consumers finding it difficult to gain normal access to their regular stores and a lot of socializing happening in people's homes, online and delivery is seeing a surge in popularity as a channel for alcohol. Of course, online adoption varies by market - China is leading the way with 15% of all alcohol orders coming from online channels.

What's holding back other markets is a strong need for a variety of products: Only 14% of consumers who bought



alcohol online did so for the variety of products available, compared to 29% for those who went to alcohol stores and 20% for large supermarkets.

### Pet care:

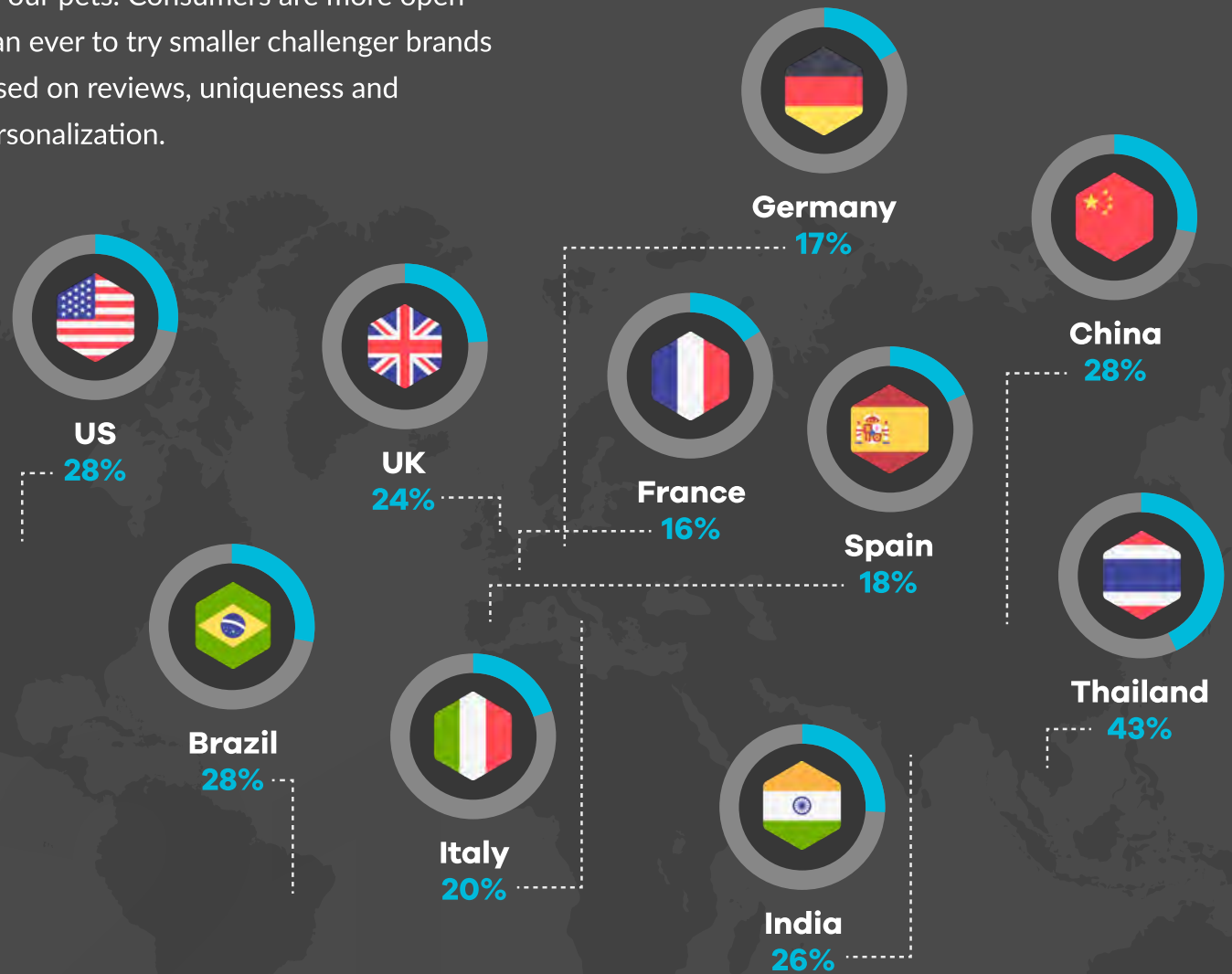
The increased time spent at home meant that many consumers chose to welcome a new furry friend into their family - something that would not have been practical when commuting into the office every day. And this created a further boom for online suppliers for pet food and toys. During the first UK lockdown in April, consumers were happily waiting over half an hour just to get onto the Pets at Home website.

Even before COVID-19, pet care was one of the fastest-growing online categories in the world. In 2018, e-commerce sales grew by 67% in the US alone.

With a new generation of pet parents, comes an opportunity for brands. Younger

consumers are more likely to scrutinize ingredients lists, meaning 'natural', organic and healthy are a high priority. Heritage brands must be aware of how personal the purchase journey is when it's for our pets. Consumers are more open than ever to try smaller challenger brands based on reviews, uniqueness and personalization.

### % SPENDING MORE TIME SHOPPING ONLINE IN 2020



# Home really is where the heart is

Consumers have spent more time at home this year than ever before, turning their living rooms into their office, their dining room into a school, and the garden their gym. Remote working is now becoming a staple for many traditionally office-based businesses, with 25% of people hoping to continue working from home either part-time or permanently even after the threat of the virus subsides.

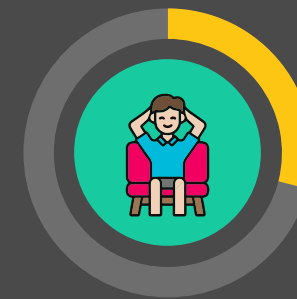
This creates a need for optimizing their home environment for this new way of living. 2020 was about adaptation and coping, 2021 will be more about optimization and comfort (both psychological and physical). Currently, only 19% feel their home doesn't need any improvements to make it more comfortable or practical - and this has stayed relatively consistent over the course of the year.

In 2020, 14% of people added more houseplants since the beginning of the pandemic, regardless of whether they live in urban, suburban or rural areas. They've been most commonly incorporated into the living room (55%), the bedroom (28%) and the kitchen (21%). Going forward, this will likely increase in urban areas, particularly for those without gardens.

This 'homebody' attitude extends beyond furniture - it's rippled into consumption habits, like alcohol. Even as restrictions lift, the trade-down of the premium that home drinking has brought about will persist. As consumers have leveled up the home experience, the on-trade will have to up its game to tempt back drinkers to the same level as pre-crisis. Again, this is an acceleration of a structural decline that has been happening since the 90s - not directly caused by the pandemic.



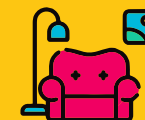
**37%**  
associate their home with safety and a lack of risk



**29%**  
associate their home with relaxation, being calm and peaceful



The bedroom is associated most with relaxing and privacy



The living room is associated most with entertainment and communal space





## There will be even further polarisation between needs and wants

We've seen it before with economic downfalls - as consumers continue to struggle financially, we'll see more recessionary behaviours. People will trade down and save money on products they don't connect with emotionally (bread, milk) and trade up to treat themselves more on the things they really care about (snacks, desserts). Brands must do everything they can not to be stuck in the middle of the spectrum - because that will become the 'no man's land' of brands, trying to appeal to everyone, while connecting with none.

What makes this different to other economic crises is the added health concerns. Since the beginning of the pandemic, Streetbees' proprietary machine learning algorithms identified four key groups or 'tribes' based on their fear of the virus, their concerns over

financial impact, how they are feeling emotionally, as well as how they are adjusting their consumption and purchase behaviours.

As time goes on, the proportion of people adapting and juggling their emotional and behavioral responses with this new reality will eventually grow. However, that will create further tensions between what consumers think and what they actually do.

“

**I've been trying to eat healthier as I've had much more time to meal prep - but today the news was making me really anxious so I went and bought chocolate. I wanted something cheap that would give me a boost.**

Male, 23, US

# Introducing the COVID-19 Consumer Tribes

These four tribes show the varying emotional state of consumers around the world and how this impacts their interactions with different categories, products and brands. As marketers, we need to recognise these differences - and similarities - and use them to fuel our short-mid term strategies in order to remain relevant to our consumers.

Learn more about the  
Covid-19 Consumer Tribes here

EXPLORE MORE



Opportunists

- ✓ Very low fear of the virus
- ✓ Not concerned by financial impact
- ✓ Understanding of situation
- ✓ Use as opportunity to further self



Survivalists

- ✓ High financial impact
- ✓ Financial concern outweighs fear of virus
- ✓ Survival mode for pandemic
- ✓ Only spending on necessities



Shielders

- ✓ Highest fear of germs and virus
- ✓ Leaving the house the least
- ✓ Shopping more online
- ✓ Spending more on personal hygiene



Jugglers

- ✓ Combined financial and virus fears
- ✓ Aware virus has impact on financial situation
- ✓ Aware if finances are impacted they can't prioritize their health

# Brands will need to help nurture meaningful connections between consumers

One thing that the current pandemic has shown us, is how important technology is for maintaining and facilitating communication. Not simply for work purposes, but for building real emotional connections.

In the next few years we can expect to see this progress accelerate, with AI technology built to connect people at a human level and drive them closer to each other, even when physically apart.

Brands should focus on helping consumers both connect with each other and with the brand itself.

Now is the time to build a direct and deeper relationship with different audiences, on a more meaningful level, and to transform your understanding of the consumer.

Brands must champion the voice of the consumer - something that Streetbees' Always ON platform makes possible by capturing unfiltered, authentic real-life experiences. Through consumer-led discovery, we empower the world's largest brands to act like a start-up - giving them the eyes and ears on the ground and providing them with intimate knowledge of local markets.

By collecting rich, open text, unstructured data, we're discovering deep human desires from the bottom up, instead of from the hypothesis down. Continuously capturing natural behaviour in the moment takes brands on a journey of discovery that enables them to decode the "why" behind people's real life choices: something they're often not even conscious of themselves.

## What Streetbees Provides

- 1 Real, in-the-moment behaviour capturing full context and emotions
- 2 Consumers own words, analysed with advanced NLP to eliminate bias
- 3 Agility and proactiveness, uncovering opportunities to drive growth

If you're interested in learning more about how to build a strategy for your brand and the categories you operate in:

[BOOK A DEMO](#)







Streetbees helps the world's leading brands grow by building an Always ON connection with consumers.

**Observe the moment of truth**

Real life behaviour captured at the moment a consumer makes a decision. Never rely on claims.

**Get close to consumers at scale**

Access rich data with photos and videos from millions of demographically representative consumers.

**AI driven growth**

Streetbees identifies hidden growth opportunities by applying AI to millions of real life observations from real consumers.

**3.5 Million**

BEES

**2.5 Billion**

DATA POINTS

**190**

COUNTRIES

MARKET LEADING BRANDS USE STREETBEES TO UNLOCK GROWTH



L'ORÉAL®



MARS

BBC

GET IN TOUCH



**Streetbees' Solutions**



Dynamic Growth Engine



Brand Experience Monitor



Dynamic Media Landscape