



WGSN<sup>^</sup>  
BY ASCENTIAL

# 2022 Future Consumer

By Andrea Bell, WGSN Insight

# Industries are having to adapt to a new reality that demands flexibility, resilience and creativity



**The world is shifting at an unprecedented pace.** Trends that WGSN predicted for the next decade have accelerated to become part of our lives in a matter of weeks. From above-the-keyboard dressing to the home hub, we're now incorporating new ways of living and working at speed. At WGSN, we're used to seeing our long-term forecasts come to life quickly, but never this fast.

The coronavirus pandemic is shaping up to be the biggest global driver of change seen in most people's lifetime, and it is already forging new consumer attitudes. Entire industries are having to adapt to a new reality that demands flexibility, resilience and, above all, creativity.

The good news is that times of great crisis lead to great innovation, as history has shown us repeatedly, and I'm convinced the designers, creators, strategists, marketers, buyers and executives in our WGSN community will rise to this challenge like never before.

**We won't be on lockdown forever, but we will emerge in a different world, so now is the time to start envisioning different products and experiences.**

We will be designing for a new kind of consumer, regardless of industry, and it's more important than ever to understand what this consumer will want to buy in the short-, mid- and long-term.

At WGSN, our job has always been to see the signals of change and explain how they will impact the future. In our current moment of turbulence, **even as we rely on digital connectivity to survive, it's our need for human connection that will truly shape our lives.**

Our annual Future Consumer forecast gives you the tools to tackle the changes ahead, with a comprehensive analysis of the sentiments that will drive the way people think, feel and behave in two years' time. While 2022 might seem far into the future, the one thing our current situation can teach us is that the future will come faster than we think.

A handwritten signature in black ink, reading 'Carla'.

Carla Buzasi,  
Managing Director, WGSN

2020  
has been heralded as the dawn  
of the connected decade



# While our speed to connectivity rises, expect to see higher rates of digital emotional contagion – a behavioural trait in which people mimic the feelings of those around them.

We've read the headlines around 5G transforming the speed of connectivity. The hype surrounding driverless transport has become a watercooler conversation (hyperloop, anyone?, and seemingly no one can remember the last time a business conference failed to have a panel on the Fourth Industrial Revolution. Technology, both literally and figuratively, is all around us.

Society's shift to a connected decade will solidify in 2022. By then, according to Ericsson's 2019 Internet of Things forecast, **there will be around 29bn connected devices globally, which will be three times the human population.** 5G will be largely deployed in developing countries and 75% of the world's population will have internet access. But what

good is speed if the internet highway is congested? Don't worry, Wi-Fi 6 is just around the corner, promising to massively boost users' internet access in high-traffic areas without compromising their battery life.

While our speed to connectivity rises, expect to see higher rates of digital emotional contagion – a behavioural trait in which people mimic the feelings of those around them. In a digital age, these feelings are transmitted rapidly on a global scale. A meme sent around the world may result in global laughter; an image of a burning rainforest can spark outrage; and videos of healthcare workers rejoicing as they discharge patients who've beaten Covid-19 can offer inspiration.

How will these technological shifts transform our daily lives? Our annual Future Consumer white paper analyses the macroeconomic and societal drivers set to influence how consumer desires and spending powers will evolve. This research is layered with the emotional sentiments that are set to have the greatest impacts on consumer mindsets.

**Aligning with these mindsets will make the difference between growth and stagnation.**

# Contents

## Consumer Sentiments

Fear

Desynchronised Society

Equitable Resilience

Radical Optimism

## Meet Your Future Consumer

The Stabilisers

The Settlers

The New Optimists

## Action Points

## Research Matrix

## About WGSN



# 2022 Consumer Sentiments

An aerial photograph of a busy pedestrian crossing, likely in an urban setting. The crossing is marked with white diagonal stripes on a dark pavement. A large, diverse group of people is walking across the crossing in various directions. The image is used as a background for the title text.

Before we introduce the key consumer groups for 2022, we need to understand the inputs that are shaping their daily lives. What are their challenges and opportunities, and how can companies create products and services that will react to these diverse needs?

WGSN's global research teams have segmented the four largest global sentiments. Taking a considered approach to these overarching shifts will inform how business leaders innovate to remain relevant, in what is likely to be an increasingly challenging environment.





## Consumer Sentiment

# Fear

**Though the manifestations of fear differ slightly for each generation, there are commonalities that are impacting all ages – the two largest being environmental and financial uncertainty.**

A quick glance at a daily news feed (political unrest, environmental crises, fluctuating economies and, most recently, the global pandemic) and it's little surprise that fear is on the rise globally. During the research phase for this paper, fear was the overwhelming sentiment from our 13 regional teams' analysis. Fear is not only a global unifier – it has become a demographic one as well.



## Eco-anxiety

Eco-anxiety – a chronic feeling of worry about the impact of global warming – is rising, and it's not just a Western sentiment.

**A 2019 WGSN climate survey found that 90% of global respondents said the thought of a climate crisis made them feel uneasy about their future.**

Eco-anxiety has parents worrying more about the world their children will inherit, and this is shifting behaviours globally. In parts of Northern India, tracking the air quality index (AQI) has become part of many parents' daily routine. Based on the daily AQI, parents are limiting their children's outdoor and school time. According to reports, eco-anxiety is adding to childhood and teen inactivity in parts of North India, which could have devastating long-term effects, including the rise of non-communicable diseases. Parents in other regions (US, Australia and China) are also limiting outdoor time for children based on similar environmental concerns.

While parents grapple with protecting their children from environmental woes, the youth are transforming their fear into action, as evidenced by the thousands of teens from 16 countries that participated in the global school strike in 2019. Young people in regions fearful of protesting against the government planted trees or cleaned up rubbish. Howey Ou, 16, from Guilin, China, said: "Protesting needs a lot of courage in China, but planting trees is something we can do." Ou became so anxious about ocean plastic pollution that she had to see a therapist. **"That was a turning point for me, becoming a doer instead of just an observer,"** she said.



## Financial uncertainty

It's been over a decade since the 2008 global financial crisis, and the shockwaves are still rippling. Despite strong economic growth in many countries, 2019 saw a rising tide of financial fears globally. This uncertainty has been further compounded by immense economic insecurity and widespread unemployment brought about by the coronavirus pandemic.

### **In the US, 54% of Americans believe financial security for themselves and their family is unattainable, according to a 2018 study by MassMutual.**

In a report by the US Federal Reserve, 40% of adults in the US said they wouldn't be able to cover an unexpected \$400 expense. Perhaps the most concerning statistic is that one in four adults fear they'll "carry their debt to their grave".

This fear may soon become a global sentiment. According to a 2019 white paper published by the Organisation for Economic Cooperation and Development (OECD, in 14 nations (including Australia, Canada, Chile, Germany, Mexico, France, the UK and the US Millennials are falling out of the middle class, resulting in a 'prosperity collapse'.



## Emotional contagion – the fear flood

What's shifted? Why are financial fears rising in many regions that are levelling out and seeing stable economic growth? The short answer is emotional contagion – a behavioural trait in which people mimic the feelings of those around them. Thanks to the digital age, we rapidly transmit these feelings on a global scale. Certain emotions spread faster and further than others.

**A research study on emotional contagion and online virality found that the most-emailed New York Times articles in a three-month period were ones that evoked what are called 'high-arousal' emotions such as awe, anger and fear.**

Since 2008, social media platforms, livestream services and connected devices have grown exponentially. Digital emotional contagion is now more prominent than the physical equivalent, creating fear floods in the most stable of regions. This has been seen clearly with the coronavirus pandemic, leading to a contagion of anxiety, perpetuated by extreme uncertainty. This has manifested itself globally through panic buying, fake health claims circulating on social media, and individuals profiteering.

In the case of the coronavirus, the 'availability bias' (the tendency to give more psychological weight to events that are front of mind is impossible to escape, with 24-hour news cycles reporting on deaths, unemployment rates and an impending financial crisis.

Consumer Sentiment

# Desynchronised Society





In uncertain times, people crave stability and a sense of routine, and yet it seems society is getting the opposite. The same technological advancements that offer record levels of convenience (24-hour food delivery, same-day shipping) and productivity (global workforces, flexible offices) have resulted in a desynchronised society.

**A desynchronised society is one where people continue to do many of the same things but no longer do them at the same time as others.**

The time-space paths of individuals are more variable and scattered. People still work as much (or more) but the standard nine-to-five, five-day work week has lost its dominance. People still read or watch the news, but it's no longer done at 7pm, after work, at home in front of the television.

This desynchronisation plays a role in the breakdown of communities due to the lack of consistent human interaction. Commuting, going to the post office, gym time, grocery shopping – these were once reliable, scheduled community moments that are disappearing at accelerated rates. And with the loss of these daily interactions, communities are fracturing. Coronavirus has exacerbated this by removing the functioning normality from cities, leaving urban centres hollow and void of people, and making normal life seem abstract and foreign.



Consumer Sentiment

# Equitable Resilience

In today's climate of uncertainty and acceleration, it's little surprise that resilience – the ability to resist, absorb, recover and adapt successfully to adversity or a change in conditions – is quickly becoming an emotional priority. So much so that the World Health Organization (WHO) has made Strengthening Resilience the core theme for its policy framework in 2020.

Globally, there is emerging hype around building resilience. Primary schools in the US, India, China and the UK are now offering classes in resilience building. There are apps such as ResilientME and Happify that claim to make people more resilient. However, there are growing concerns that individual resilience is being unfairly measured, and that the unhealthy obsession to persevere or keep going is becoming a badge of honour instead of a coping skill.

The paradox within resilience is that it relies on a person's capacity to maintain positive thoughts and emotions during stressful and/or challenging times.

**However, research shows that building lasting resilience comes from confronting challenges head-on. It's difficult to see red flags through rose-coloured glasses.**

This is the danger of toxic positivity. According to a 2019 Emotion journal study, "chasing happiness can cause us to obsess over any not-happy feelings, bringing us more unhappiness overall". This happiness hunt is creating a spike in toxic positivity – the concept that keeping positive, and only positive, is the right way for people to live their lives. It means only focusing on positive things and rejecting anything that may trigger negative emotions. But there are benefits to negative emotions.

Numerous academic studies have found that people who embrace negative emotions have been shown to have better negotiation and decision-making skills, more stable marriages, lower risk of heart attack, longer lives overall, and even more wealth.

**This isn't a rallying cry for pessimism – quite the opposite. In 2022, consumers will look to emotional acceptance and gravitate towards dedicating time to feel.**

Coronavirus has provided time for mass reflection, and while fear has presided as the reigning sentiment, people are pulling together to look towards a more positive future.





Consumer Sentiment

# Radical Optimism

It seems that in 2020, there is more to be angry and fearful about than celebrated. The 24-hour news cycle has fed dismal headlines to the masses. Social feeds have become antisocial. At times, it seems that the world lacks hope. But there is a change occurring, and by 2022, radical optimism will push through the negative and result in a new focus on feelings of joy and pleasure.

### **Optimism isn't uncool – it's rebellious, and in times of uncertainty it's a brave choice.**

Without discounting any of the social, political, health and economic challenges we are facing globally, things are improving. Progress is being made. There is still good in the world. Things are getting better – really.

In his 2018 book, *Enlightenment Now: The Case for Reason, Science, Humanism, and Progress*, cognitive psychologist Steven Pinker looked at recent studies and found that the majority of people in Australia, Denmark, Finland, France, Germany, Great Britain, Hong Kong, Malaysia, Norway, Singapore, Sweden, Thailand, the UAE and the US believe that the world is getting worse rather than better.

Pinker presents an array of reliable data showing that life has been improving globally: healthcare has dramatically reduced infant and maternal mortality, and workers make more money and are injured less frequently. In the US, fewer

people are below the poverty level, and in Asia, billions fewer live in extreme poverty (defined as an income of less than \$1.90 per day).

Are there negative aspects regionally? Of course. Can we do better for future generations? Absolutely. Coronavirus has plunged us into a state of stagnant anxiety, but even through the uncertainty we must acknowledge that all isn't lost. What we are losing is the ability to sort through what's real and what's fake.

Globally, we are in the midst of an epistemic crisis. From post-truth and fake news to rumour mills, we are believing inaccurate and false information. Society has become more polarised in its opinions, leading to a rise in catastrophism: continually overstating what is wrong and bad. The media has grown substantially more negative, helping to fuel the epistemic crisis.

One example comes from Our World in Data, an online publication and research hub based at the UK's University of Oxford: **"The number of people living in extreme poverty fell from close to two billion in 1990 to 0.7 billion in 2015. On no day in this 25-year period was the headline of any newspaper in the world: The number of people in extreme poverty fell by 137,000 since yesterday."**

During times of epistemic crisis, we need to focus on what's true, not what sells.

A close-up portrait of two young women against a solid red background. The woman on the left has light skin, freckles, and blonde hair, looking directly at the camera. The woman on the right has dark skin, curly hair, and is looking slightly upwards. They are both wearing red clothing. Overlaid on the image is the text '2022 Meet Your Future Consumer' in a white serif font, with the year '2022' in a yellow outline font.

# 2022 Meet Your Future Consumer



Consumer Profile

# The Stabilisers

*Time-pressed · Overwhelmed · Burnt out*

*Acceptance advocates · Self-improvers · Zen seekers*

*Uncertain · Optimisation-weary · Prioritising stability*

The Stabilisers – mainly Millennials and Gen X – are prioritising stability across all aspects of their lives, in reaction to desynchronisation and feelings of chronic uncertainty. They are starting to opt out of the cult of productivity and opt into a mindset of radical acceptance.

An always-on mentality is resulting in high levels of global anxiety and depression, seeing an increase in people suffering from burnout. With the growing reaction to burnout being optimisation, asking how we can optimise our careers, personal lives, bodies and time is now the norm across the globe and generations – and its driving big business. Whether it's life coaches, self-help audiobooks or optimisation apps, the self-improvement market is booming.

**According to US intelligence company Market Research, the self-improvement market was worth \$9.9bn in 2016 and is estimated to grow to \$13.2bn by 2022 with 5.6% average yearly gains.**

Let's be clear, self-improvement is not a bad thing. However, large parts of society are falling victim to the 'wellness syndrome' – an unhealthy focus on self-improvement that

has the opposite effect: it drives low self-esteem and feelings of inadequacy.

What's the antidote to over-optimisation? In 2022, consumers will look to 'radical acceptance' – the willingness to experience life and ourselves as they are. In an era of buzzwords, what makes radical acceptance different? In the cult of improvement, radical acceptance blends the paradox between self-improvement and self-acceptance. For The Stabilisers, this means instead of trying to optimise every aspect of their lives, they can truly identify where they need to improve and allocate time and resources accordingly.

**“We are being sold on the need to upgrade all parts of ourselves, all at once, including parts that we did not previously know needed upgrading.”**

– Desperately Seeking Self- Improvement: A Year Inside the Optimization Movement



# Ways to Engage

How to prepare for a cohort that's uncertain about the future and weary of optimisation

1. Simplicity matters
2. Calm commerce
3. Unified commerce = unified communications





# 1. Simplicity matters

With decision exhaustion at record highs (Googling 'black dress' yields billions of results), the single biggest driver of shoppers buying or recommending a product is decision simplicity. This need for simplicity has been accelerated due to the pandemic, and as shelter-in-place orders are lifted, decluttered shopping experiences will resonate with consumers craving stability and ease of purchase.

## The current challenge

Time-pressed and overwhelmed, The Stabilisers are turned off by heavy product volume in-store and online. Clutter loses conversions.

## The 2022 opportunity

Create an in-store environment that declutters the shopping experience, and focus on packaging with direct and concise labelling. Don't take them on a journey. Save them time.

**Sales at 'limited assortment' stores – a category that includes Trader Joe's, Aldi and Lidl – are projected to grow 5.6% annually through 2023, according to Inmar Analytics, while sales at traditional supermarkets are projected to increase 0.5% annually.**

Simplicity matters

## Case studies

### Aldi

Aldi has doubled its US store count over the past decade and is now the third largest grocery store in the US behind Walmart and Kroger. While other grocery store retailers are at risk of bankruptcy, Aldi is thriving in the US and it's not due to price. The simpler store format, limited assortment (Aldi SKU count is about 1,400 items compared with 40,000 SKUs in traditional US supermarkets) and curated product options are driving growth and a cult-like following.

### Mapeei

Mapeei is a zero-waste lifestyle store in São Paulo. In addition to a decluttered in-store environment, the product categories are set out by key shopping areas: On the Go (think lunch boxes and travel containers), House Without Trash (everyday household items) and Zero Waste Kits (starter kits). The curated product, decision-free in-store navigation and clean in-store messaging have increased footfall and revenue in the brick-and-mortar location.

### NetEase Yeation

NetEase Yeation opened its first physical store in Hangzhou with limited inventory. The name Yeation (Yanxuan in Chinese) literally means “to carefully select”. The digital company opened the physical location to streamline its crowded e-shopping platform. The physical store stocks limited SKUs of the most popular online items and features high ceilings, low shelving and bright surfaces to avoid overwhelming customers.

### Takeo Mihoncho Honten

Tokyo paper retailer Takeo Mihoncho Honten is a prime example of a single-product offer in-store. Simplicity is key to the layout – over 2,700 types of paper are arranged by shade and size – taking the guesswork and frustration out of a potentially overwhelming shopping experience.



## 2. Calm commerce

Since 2016, WGSN has been tracking the rise of the mood market (products and services designed around how people feel), and it continues to remain a dominant path to purchase. Coronavirus has driven this strategy to the forefront as people across the globe look to products that offer respite from daily uncertainties. This category is ripe for long-term investment as it will continue to permeate in 2022 and beyond.

### The current challenge

The Stabilisers continue to prioritise Zen-like in-store experiences and products designed to alleviate stress and soothe anxiety.

### The 2022 opportunity

The need for calm commerce is evolving beyond fashion and beauty, with high rates of consumers looking to everyday shops for moments of calm. Financial institutions, grocery stores and medical offices should take note.



Calm Commerce

## Case studies

### Consum

Spanish supermarket chain Consum unveiled a new store in 2019, designed for floor-to-ceiling calm commerce. Special flooring mitigates noise, bright overhead signage is replaced with light displays on the ground, and shelving heights are lowered to avoid overwhelming shoppers.

### Higo Bank

Even financial services are making efforts to calm their environment. In Japan, Higo Bank transformed the typically cold banking atmosphere into a warm sanctuary with recycled wood fixtures, floor-to-ceiling windows and cosy seating areas. The redesign focused on changing the stressful feeling of a bank into a Zen-like space.

### Eath Library Showroom

Tradition meets innovation at the Eath Library showroom in Seoul. The beauty and skincare brand offers tea, ample natural lighting, and encourages shoppers to unwind before looking at the product. Teo Yang, Eath's creative director, says: "The intimate space, surrounded by countless books on traditional Korean medicine, had a subtle scent of the herb tea, and made me feel like I was at a small and peaceful library."

## 3. Unified commerce = unified communications

By 2022, consumers should be seeing the benefits of unified commerce, which takes omnichannel's many systems of record and merges them into one system. By doing so, unified commerce creates one single seamless customer experience across all channels – in-store, online and across devices. The deployment creates unified visibility across systems (inventory, customer, product, fulfilment, etc) and retailers can track what's happening across their business in real time.

### The current challenge

While companies merge towards unified commerce, they also need to ensure that communications are unified. Constant messaging is overwhelming for The Stabilisers, and results in clicking off more than clicking through.

### The 2022 opportunity

WGSN has identified three strategies to effectively break through the digital noise with this cohort.

### 1. Double-down on platform psychographic segmentation

By determining key priorities, life events and preferred social platforms, retailers can shift ad spend to invest in large targeted platform campaigns that will drive high sales and social ROI.

### 2. Invest in a feedback loop

Customers should be able to choose how often companies reach out to them and what kind of offer they would like to hear more about – helping brands find the right balance between engagement and harassment. Test the communication pattern and frequency to hone a seamless brand identity across platforms.

### 3. Adopt a less-is-more product push

Take cues from single-product e-commerce sites and focus on key product attributes and information. At the most basic level, if the customer is immediately overwhelmed by product pushes, they are less likely to convert.

Consumer Profile

# The Settlers

*Balanced · Supportive · Conscious*

*Career-driven · Urban expats · Hustlers*

*Community-invested · Localists · Environmentalists*

Desperate to redefine the global 'hustle hard' work cycle, The Settlers – typically comprising Millennials and Gen X – are looking to plant roots in their community without sacrificing their careers, and they are driving a new era of localism in the process.



The religion of work – or ‘workism’ – hit critical mass in 2019. Meetings logged, hours worked, sleep lost, cups of coffee consumed – these metrics suddenly became accepted bragging rights. But we know long hours don’t equate to increased productivity or creativity – they make people stressed, tired and often resentful.

**A 2018 Gallup study found that two in three workers suffer from the psychological effects of overwork, but everyone is paying the costs. The same Gallup report found that burnt-out employees have 37% higher absenteeism, 18% lower productivity and 15% lower profitability.**

Things are shifting, albeit slowly, with businesses establishing clear boundaries to avoid burnout. In Mumbai, WeWork implemented a ‘right to disconnect’ guideline, encouraging employees to not respond to emails between 7pm and 9am. Osaka-based software company YRGLM enforced a nine-day vacation in which employees were forbidden to communicate with the company. In the Chinese city of Zhuhai, authorities banned WeChat (used for virtually every aspect of life) after work hours to separate work from play. These changes may

seem trivial, but Settlers in leadership positions are not just setting these boundaries – they are also incorporating them into company KPIs.

**As clearer work-life boundaries emerge, so does a new circular economy, driven by localism.** According to a 2018 study by American Express, for every dollar spent at a small business in the US, approximately 67 cents stays in the local community.

From an environmental perspective, fewer office hours also equals less electricity consumption. In fact, Microsoft Japan’s four-day work week trial boosted productivity by almost 40% and reduced electricity use by 23%, according to the company.

For The Settlers, this new work cycle (fewer work hours + more time at home = better workforce productivity and more consumer spending) will be fundamentally better all round – for people, the planet and profits.

**Henley Business School in the UK discovered that in companies implementing a four-day work week, 78% of staff were happier, 70% were less stressed, and 62% took fewer days off sick.**

# Ways to Engage

How do companies prepare for a cohort that prioritises work-life boundaries and wants to invest in their local communities and businesses?

1. Action to archives
2. Hyper-localised social commerce
3. Second-tier cities matter





# 1. Action the archives

The resale industry shows no signs of slowing down (fashion resale site thredUP projects the market will more than double from \$24bn to \$52bn by 2024), and The Settlers will continue to drive this marketplace.

## The current challenge

Rather than prioritising newness when purchasing apparel, this cohort is gravitating towards more sustainable, community-driven initiatives and stores.

## The 2022 opportunity

As peer-to-peer commerce continues to gain market share from direct-to-consumer commerce, companies can align with this cohort by actioning their archives and opening dedicated stores and web shops stocked with past collections. The benefits of this strategy are twofold: it drives footfall to local shops, and feeds consumer demand for exclusive product in a sustainable way. Additionally, this strategy is an opportunity to highlight and drive conversions from leftover deadstock and fabric – a challenge that is top of mind for many retailers in the era of Covid-19.

Action the archives

## Case studies

### Ralph Lauren with Depop

In 2019, Ralph Lauren partnered with Depop to sell a limited line of 1990s archive pieces. The Re/Sourced collection included more than 150 pieces sourced via Depop sellers. The partnership featured a strategic call to action, with key items from the range at a pop-up space in Ralph Lauren's London flagship Éstore. In-store footfall and online sales went up.

### Rere

For some brands starting out, they are actioning other companies' archived deadstock to bring new garments to life. Based in Jakarta, Rere's apparel line takes on a circular economic approach, "rescuing fabrics instead of making them redundant, we at the same time are providing the opportunity for multiple factories to contribute to the welfare of 'recycling' at a comparative advantage". The factories make money from the sold fabric, which helps create jobs, and the staff at Rere sell the new clothes via their online shop and Instagram.

### Sézane

French womenswear label Szane opened its archive collection in 2019 with a dedicated online store. Giving customers the chance to discover pieces they might have missed out on in previous seasons, the site also sells restocks and exclusive pieces made from leftover materials at the end of each season – all at a lower price point than the main range. For luxury brands, this is an opportunity to highlight and profit Èfrom leftover fabric and/or deadstock.



## 2. Hyper-localised social

Peer-to-peer social commerce will continue to rise with The Settlers, who are focused on supporting community members and driving the new circular economy. By opting to purchase directly from their peers, Settlers can see the direct impact that their spending has on their community. “I use Storr [a US-based social commerce app] because I know my money is helping to pay for my friend’s degree. Why would I give a big corporation the money when she can at least get 30%?” said a 32-year-old San Francisco-based architect in a WGSN focus group.

### The current challenge

Traditional and institutional brands and retailers will continue to lose market share to local retailers and community-based shopping platforms.

### The 2022 opportunity

Identify social commerce platforms for strategic partnerships that best align with your product offer. Start small by deploying a limited product test, and track what’s gaining in terms of sales and discovery before full-scale investment.

**The long-term economic impact of the coronavirus pandemic is unknown, but the global short-term unemployment rates are daunting. Many people are relying on hyper-localised social commerce to supplement income during shelter-in-place orders, and this shopping behaviour will remain strong for the foreseeable future.**

Hyper-localised social commerce

## Case studies

### Storr

With more than 30,000 vendors in the US selling 175 brands (including adidas and Alex and Ani), Storr continues to expand. Users can open an online marketplace in three steps via a smartphone. Storr handles all the logistics, including shipping, returns and payments. Sellers are paid up to 30% sales commission and can donate a percentage to a charity of choice.

### Meesho & Bulbul.tv

In India, shoppers are quickly adopting peer-to-peer sales, with Meesho empowering more than a million small entrepreneurs to run digital stores on social platforms. Users set up their 'stores', pull products from numerous retailers, and earn a monthly commission. Bulbul.tv is the next evolution of peer-to-peer commerce. This TikTok-meets-home-shopping network allows people to 'go live' and sell goods to their local community.

### MyBeautyBrand

Based in the UK, MyBeautyBrand is a peer-to-peer platform that encourages you to "inspire your community, earn commission". Created as an antidote to influencers, it allows Millennials and Gen Z to express their beauty personalities, share their favourite products and earn commission on products they sell.



## 3. Second-tier cities matter

In regions including the US, China, Australia and Brazil, second-tier cities are the new urban champions, gaining economic impact and increasing their contribution to national GDP. Smart companies are focusing less on tier-one cities as those markets grow increasingly saturated.

### The current challenge

In the Amazon era, many retailers are struggling to meet the logistics and product demands outside of urban hubs.

### The 2022 opportunity

Large brands and retailers need to look to micro fulfilment to stay competitive with The Settlers, who prefer to only support local shops and retailers. Unified commerce will allow retailers to identify gaps in the marketplace and adjust product accordingly, and with 88% of shoppers willing to pay more for same-day delivery or faster, this is a key priority.

Second-tier cities matter

## Case studies

### Target

Target is embarking on a micro-fulfilment strategy, remodelling up to 300 stores per year to speed up delivery in local markets. In the first quarter of 2019, US Target stores handled 80% of the retailer's digital volume, including pick-up, drive-up, same-day delivery and home shipping.

### Kohl's

Amazon Returns at Kohl's is now available at more than 1,100 stores in the US. Shoppers can visit their local Kohl's store to return eligible Amazon items for free, without a box or label. Kohl's then packages and sends the returned items to Amazon centres on their behalf.

### Uniqlo

Uniqlo is now using data collected from its digital retail channels to determine the location of future physical stores in China's emerging regions. The brand plans to open 1,000 new stores by 2021, moving further inland into China's western region. Uniqlo has invested heavily in improving its digital operations in China, developing its Tmall flagship store and launching a WeChat Mini Program store in 2018 to enhance reach and brand awareness among lower-tier cities, where it has no physical stores.



Consumer Profile

# The New Optimists

*All ages · Activists · Hyper-connected*

*Adventurous · Joyous · Self-assured*

*Highly social · On the go · Pack mentality*

By far the most varied cohort,  
The New Optimists range from Gen Z to Boomers, but  
despite the broad demographic, they have many unifiers –  
the largest being a vivacious appetite to embrace joy.

From climate protests to equal rights marches, activism is now a common occurrence for Gen Z, but the weight of carrying these heavy issues is proving a load many young people can't bear. With anxiety and depression at critical levels globally for Gen Z, many are taking a more joyful approach to activism, combatting emotional burnout while still making an impact.

### **They don't need to be angry to be heard, they just need to be active.**

Generation Now – a global collective of Gen Z climate activists – is rewriting the narrative that all activists need to be angry to be authentic. According to a group statement: "It's really important that we reimagine the narrative around what or who is an activist." The group's first project is to plant a trillion trees globally. Similarly, the Sunrise Movement (whose mantra is "This dark hour cannot last" is organising joyful protests, gathering teens for tree planting, and working with local governments across the globe.

It's not only the youth who are determined to find joy. Ageing is also being rebranded, shifting the cultural narrative from ageism to ableism. The New Optimists strive for age equality (just because they're at different life stages doesn't mean they've stopped living, and smart companies are investing in the greying workforce. As career models are reshaped, The New Optimists are looking to redefine what role models look like – particularly around challenging the cult of youth.

### **This cohort, both young and old, wants accurate representation for all. Younger generations have seen first-hand the negative impact of visual stereotypes, and demand visual equality for all.**

And despite the uncertainty of the world, The New Optimists are embracing 'celebrationism' – a system that extols and exalts celebration as a core focus of society. This is being seen across work and social life, and it's driving business. The rise of experiential dining, pop-up museums, festival culture, and an increase in spend and attendance at amusement parks are all connected to New Optimists celebrating an achievement, big or small.

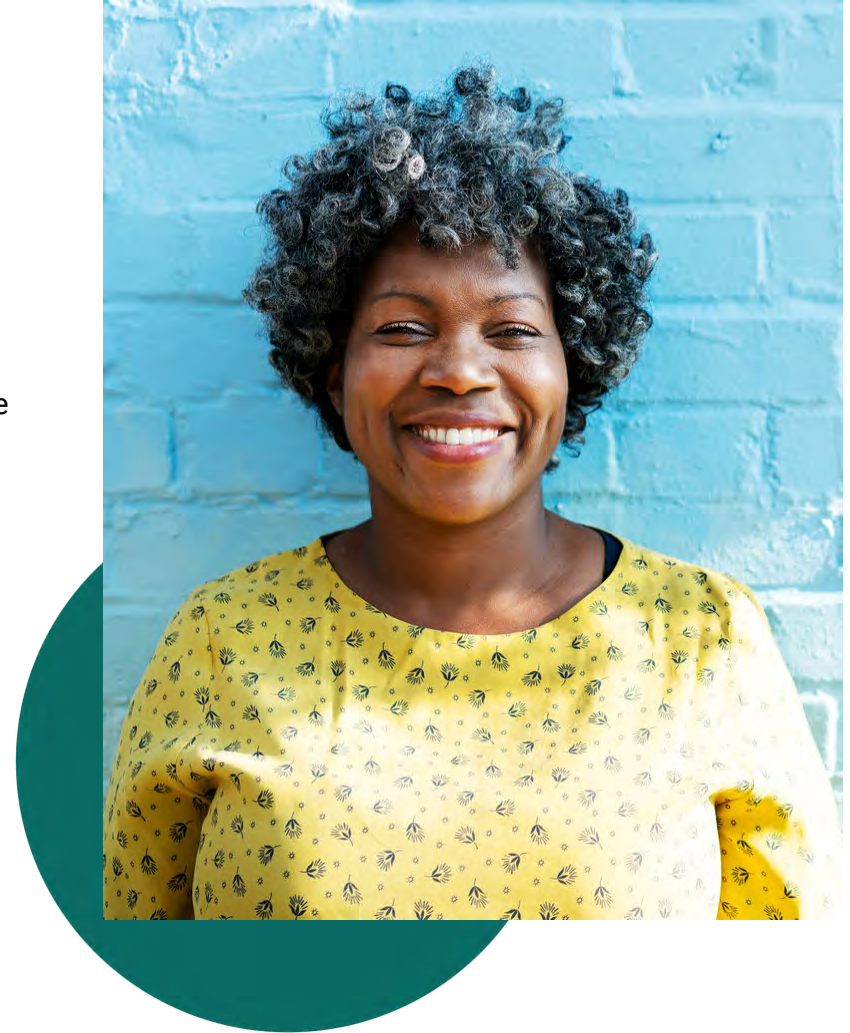
How does this differ from the experience economy? It's less about the online social clout and more focused on intimately spending time connecting with friends and family. It's the experience economy rooted in gratitude.

### **In a youth-obsessed culture, brands should update their portrayals of ageing to shift the dialogue and celebrate all ages.**

# Ways to Engage

To talk to a cohort that expects joy and celebration, create products and services that meet their lifestyles, focus on hyper-local delivery, and embrace the power of the pack.

1. Living in livestream
2. AR/VR shopping: from hype to convenience
3. On-demand evolution
4. The power (and savings) of the pack





# 1. Living in livestream

For The New Optimists, livestreaming will continue to be a dominant shopping option. Why? This is a highly social, on-the-go group, and livestream allows them to interact and shop virtually anywhere. This form of conversational commerce is mainstream in China (livestream shopping generated \$4.4bn in sales in 2018), Japan, Southeast Asia and South Korea, and it's shifting from everyday goods to event-based shopping and celebratory retail moments.

As more brands shift towards livestreams during the pandemic, we will see a lasting impact on shopping behaviours. Just as the SARS 2003 rebound is attributed to the rise of e-commerce in China, the coronavirus is normalising livestream sales for Western Europe and North America.

## The current challenge

This cohort is already oversaturated with online advertising, and more willing to turn to livestreaming for bargains and limited-edition products.

## The 2022 opportunity

Retailers should invest in branded livestream shopping events to drive sales.

**More than \$413bn of goods will be sold through social e-commerce in China by 2022, an almost fivefold increase from \$90bn in 2017, according to Frost & Sullivan.**



Living in livestream

## Case studies

### Estée Lauder

Estée Lauder hosted daily celebrity and KOL livestreaming campaigns during the last week of October 2019. Viewers were directed to Estée Lauder's Taobao and Tmall online stores, where pre-sales reached \$70m in the first 25 minutes, surpassing Estée Lauder's total Singles' Day sales from 2018.

### Nike

In January 2019, Nike released a limited-edition shoe via a livestream on the gaming platform Twitch. By strategically partnering with a massive online community, Nike was able to expand its consumer base while still catering to its core consumer. The buzz around securing the limited-edition shoe drove high rates of engagement and conversions, and the product soon sold out.

### Wayfair

Wayfair launched Way Day in 2018 in the US, the UK and Germany. The 2019 shopping event was livestreamed and featured more than 100,000 products, free shipping, and the debut of Share and Save, which offered shoppers an additional 40% off at the checkout on selected products for sharing deals on social media.

## 2. AR/VR shopping: from hype to convenience

According to a 2018 Gartner survey, 100 million consumers will shop AR/VR by 2020, and this will only continue to grow as a conversational commerce channel, especially in a hygiene-focused post-coronavirus world. Keep in mind, this isn't just a tactic for tech-savvy youth – it also appeals to time-pressed Gen X consumers, as it allows them to try on items while they're on the go or from the comfort of their home.

### The current challenge

The New Optimists often feel like in-store shopping is a chore, and don't want to dedicate their precious time to it.

### The 2022 opportunity

AR/VR enables New Optimists to test products at their convenience. This group gravitates towards peer feedback when purchasing, so retailers should make the experience sharable.

**“I usually use virtual try-on when I’m in a car on the way to the airport or after I put my kids to sleep,” a 42-year-old female respondent told a WGSN focus group. “If I think it really looks good, I’ll buy right away, like with my Ray-Ban glasses.”**

AR/VR shopping

## Case studies

### FlipFit

FlipFit enables users to receive a “fitting room in their living room”, get advice from friends, and get paid to give tips through the social commerce app. There is a sustainability element here too, as the company encourages shoppers to only purchase what they will truly wear.

### Carlings

Similarly, Carlings, the company behind the world’s first digital-only clothing collection, has launched a T-shirt with a logo that triggers designs to appear via AR filters on Instagram when it is detected.

**How does this strategy work for physical retailers? Look to smart mirrors and/or virtual catalogue shopping to expedite the process and convert customers.**

### Amey

In Brazil, Amey brings a new shopping experience to physical retail with the help of technology, AI and customised service. Two large screens at the entrance of the store act as a virtual catalogue, where customers can browse and see all of the clothes available. With just a few taps, they can select the items they want to try, and in a few seconds the items will be in the fitting room. They then see their name on a screen, where they can request other colours and sizes, view options to create looks, ask a salesperson for help and/or purchase items.

### AliExpress

In 2019, AliExpress stores opened in Madrid, using smart mirrors to scan customers’ bodies. Shoppers at the store can browse a catalogue, virtually try on clothes and accessories, and buy them directly from the mirror, requiring little to no interaction with a salesperson.



## 3. On-demand evolution

As key drivers of the celebration economy, New Optimists are always ready for an adventure or event. Retailers that provide a platform for group ordering and delivery will see conversions.

### The current challenge

In-app ordering still feels clunky for consumers in this cohort, who demand speed-to-purchase with mobile orders.

### The 2022 opportunity

Streamline the UX for in-app ordering – the fewer steps, the more likely you will drive sales. Also, brands that focus on hyper-local last-mile deliveries (think festivals, outdoor venues and sporting arenas) are likely to gain market share.

On-demand evolution

## Case studies

### Checkers

In November 2019, Checkers, a South African supermarket, launched an app called Sixty60, which aims for shoppers to order groceries in 60 seconds and have delivery within 60 minutes.

### 7-Eleven

In India and the US, 7-Eleven's 7Now app delivers to public locations including parks, beaches, sports fields and entertainment venues. Depending on the shopper's location, most deliveries are available within 30 minutes.

### Courrieros

Some retailers are partnering with delivery services to shorten the last mile, especially in congested urban areas. In Brazil, Nespresso and fashion brand Amaro work directly with Courrieros, a bike-delivery service. The items can be delivered to any location (home, work, concert venues, festivals) with delivery times averaging less than two hours.



## 4. The power (and savings) of the pack

The celebration mentality of The New Optimists means they have a stronger urge to spread joy, especially when it comes to savings and discounts. This is driving a renewed interest in group deals and bundle buys, both online and in-store.

### The 2022 opportunity

By 2022, retailers and brands that embrace The New Optimists' giving and gifting mindset are set to win with this cohort.

The power (and savings) of the pack

## Case studies

### Pinduoduo

Based in China, Pinduoduo is a third-party social commerce platform, mainly providing group-buying offers at reduced prices. The app uses the power of WeChat Mini Programs. For each product on sale, shoppers can either buy the product individually, or initiate or join a team to receive a discount. The more people in the purchasing group, the bigger the discount.

### Peddler

Peddler is a similar shopping platform, aimed at giving shoppers reductions on the most sought-after products. In theory, the more customers that want an item, the bigger the discount. Users can enter what they are looking to buy, and then see how many others also want the same product. The group can get up to 55% in savings.

### Amazon Facebook groups

In the US, the UK and Australia, there are numerous Amazon shopping groups on Facebook (Amazon Moms has more than 2,500 members, with more joining daily or being added in by friends and family) which share recently discounted items and deals of the day.

### Enjoei

Brazil's Enjoei resale platform offers free shipping and/or negotiated discounts if buyers purchase several items from the same seller. The company also aligns with The New Optimists' focus on sustainability by offering a 'create a bag' function (one large package instead of multiple boxes) to minimise the environmental costs of group purchases.



# Action Points

# Understand your consumer group

## The Stabilisers

Overwhelmed, yet aware of the pressures they face and how to negate them, The Stabilisers seek the clarity that comes with fewer available options. They want what they buy to make them feel good, and expect the same from the experience in itself.

## The Settlers

This cohort might be migrating out of your delivery radius, but that doesn't mean they won't want the products and services that they enjoyed before. Prepared to hustle, they want to bring their new surroundings up to speed, and they will put back into the community as they do so.

## The New Optimists

The New Optimists can't be pinned down, either in terms of age range or physically. This adventurous cohort isn't afraid to stand up for their beliefs, but they do so by spreading joy, not negativity. They want to share and celebrate with their fellow optimists when it comes to consumption, with inclusivity and connectivity high on their list of demands.

# Six ways to win

## 1. Simplicity matters

Consumers are increasingly overwhelmed. Create an in-store and online environment that declutters the shopping experience, and sales will follow.

## 2. Living in livestream

Conversational commerce is here to stay. Innovative companies are investing in creating branded livestream shopping events to drive sales and social ROI.

## 3. On-demand evolution

Retailers that provide a platform for group ordering and delivery will resonate, as will brands that focus on hyper-local last-mile deliveries.

## 4. Unified communications

As unified commerce comes to the forefront, double down on psychographic segmentation to ensure that your communications are streamlined and consistent.

## 5. AR/VR transitions to convenience

More consumers are using AR to test products at their own leisure. When it comes to these technologies, think less marketing hype and more in-home try-on.

## 6. The power (and savings) of the pack

There is a renewed interest in group deals and bundle buys, both online and in-store. Focus on regional engagement and discount pricing to determine the best ROI.



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# About Us

We help you navigate change, so you can design a better future.

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Our **WGSN Insight** subscription service helps the world's most creative thinkers stay ahead, with unparalleled coverage and analysis of trends in consumer behaviour, marketing, retail and innovation, featuring original and thought-provoking research.

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