



Consumer Goods Themes

Top 10 themes driving the industry in 2021

MarketLine Case Study

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1. Overview

1.1. Catalyst

In this report, we identify the top 10 themes that will impact the consumer goods sector in 2021. For each theme, we offer a definition of the theme, highlight trends and opportunities and then give key considerations for brands and manufacturers. Consumer goods is being pushed and pulled in multiple directions by multiple themes, from sustainability through to COVID-19 the industry is having to prepare for big changes moving forward.

1.2. Summary

Sustainability used to be just about saving the planet. Today it has morphed into an umbrella term for environmental, social and governance (ESG) issues. While some companies are making concerted efforts to improve their ESG performance across many areas, others are simply paying lip service to the concept of sustainable profits. Momentum is on the side of the sustainability movement. Citizens, governments, regulators and the media are turning the spotlight on corporations and demanding action. Social inequality, corruption, tax avoidance and a lack of action on climate change are all issues that companies must now address head-on, in full public view and this will continue into 2021.

The Internet of Things (IoT) refers to a world where various devices are connected to the internet with a view to automating more of our lives, saving energy, and making industrial processes run more efficiently. We are still early in this technology cycle; however, a lot of progress is already happening in these spaces, albeit on a smaller, but rapidly growing, scale. The reasons for the increasing uptake include technological advances, which have led to the availability of smaller chips at declining price points, and the drive to integrate them into many products during the manufacturing stage. These technological innovations have made it possible to seamlessly connect and control home appliances through smartphone apps, allowing consumers to perform many of their daily household tasks with minimal effort. For example, the Samsung "Family Hub" is a smart refrigerator with a Wi-Fi-enabled touchscreen that allows consumers to monitor their groceries, entertain, and connect with other members of the household. Smart assistants, such as Amazon Echo or Google Home, are central to the concept of an internet-connected home, allowing consumers to control their smart appliances through voice recognition.

Digital technologies are increasingly allowing consumer goods companies to develop greater levels of insight throughout their business across the whole value chain. Digital technologies are electronic tools, systems and resources that generate, store or process data. The use of these technologies can help to improve the visibility and efficiency of product processes throughout the supply chain, and not just at the end of the process for the end consumer. Digitalization offers the opportunity to enhance traditional business models that can be developed further. One example is digital supply chain management that uses a range of digital tools including GPS tracking, smart labels, barcodes and radio frequency identification (RFID). This greater system integration and connectivity helps to maximize efficiency and minimize waste.

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3. Sustainability is now about more than saving the planet concepts

Sustainability used to be just about saving the planet. Today it has morphed into an umbrella term for environmental, social and governance (ESG) issues. While some companies are making concerted efforts to improve their ESG performance across many areas, others are simply paying lip service to the concept of sustainable profits. Momentum is on the side of the sustainability movement. Citizens, governments, regulators and the media are turning the spotlight on corporations and demanding action. Social inequality, corruption, tax avoidance and a lack of action on climate change are all issues that companies must now address head-on, in full public view and this will continue into 2021.

3.1. Ethical consumerism will continue to be a powerful driver for purchase

The need to mitigate pollution, waste, natural resource depletion, and climate change heighten the expectations that consumers have for corporations. Changing societal values regarding ethicality, sustainability, and environmentalism are trickling down to consumer behavior and product choice. Consumers can be motivated by the satisfaction that stems from making ethical purchasing choices and actively contributing to social causes. In 2021 the growth in ethical consumerism will continue to be a powerful driver for purchase, brand engagement and brand loyalty. Brands, manufacturers and suppliers will need to continue to work together to drive industry change, respond to global environmental threats and stay on course to meet long-term goals to minimize resource consumption.

3.2. Sophisticated digital landscapes will drive increased awareness

Consumers are prepared to question big businesses' profits and they are therefore putting pressure on regulators to tighten regulations. Consumer cancel culture and mass media (in particular digital social media) often report breaches in companies' corporate responsibility, giving consumers a reason to take action (boycotting the brand, for example). An increasingly sophisticated digital landscape is fueling the emergence of more empowered and more demanding shoppers who expect companies to be socially responsible. With increased time at home due to the pandemic, shoppers can be expected to be more digitally active and informed in 2021 meaning that brands and manufacturers will need to prove to consumers that they are aligned with their personal beliefs and values.

3.3. Protecting more than just the environment

2020 was a year that brought many issues around sustainability into focus and not just regarding the environment. Movements such as Black Lives Matter and the call for unification rather than division in countries following political issues such as the presidential election in the US will see 2021 calling for yet more efforts to be made around diversity and inclusion. The pandemic has also put a spotlight on humanity and community highlighting the support and care that is required for consumers to stay safe and promote wellbeing.

3.4. Challenges and considerations for 2021

Brands and manufacturers will need to be able to demonstrate their credentials as genuine corporate citizens. Transparent transactions and communication will become expected as standard and winning consumers trust will need to be done in an increasing meaningful and relevant way to create engagement and loyalty.

4. Internet of Things is where many devices are connected to automate our lives

The Internet of Things (IoT) refers to a world where various devices are connected to the internet with a view to automating more of our lives, saving energy, and making industrial processes run more efficiently. We are still early in this technology cycle; however, a lot of progress is already happening in these spaces, albeit on a smaller, but rapidly growing, scale. The reasons for the increasing uptake include technological advances, which have led to the availability of smaller chips at declining price points, and the drive to integrate them into many products during the manufacturing stage. These technological innovations have made it possible to seamlessly connect and control home appliances through smartphone apps, allowing consumers to perform many of their daily household tasks with minimal effort. For example, the Samsung "Family Hub" is a smart refrigerator with a Wi-Fi-enabled touchscreen that allows consumers to monitor their groceries, entertain, and connect with other members of the household. Smart assistants, such as Amazon Echo or Google Home, are central to the concept of an internet-connected home, allowing consumers to control their smart appliances through voice recognition.

4.1. The evolution of wearable tech will have increasing impact on consumption habits

In 2021, opportunities for FMCG companies to develop smart tech are growing as consumer demands and IoT technology will continue to evolve. Smart tools give consumers newfound abilities to monitor and manage their lifestyles; for example, the BACtrack Skyn wearable displays blood alcohol concentration in real-time to help consumers manage their level of intoxication, while the Fitbit tracks steps, distance, calories burned, and sleeping behavior along with other variables to help consumers better manage their health and fitness. Increasingly, grocery products will need to become compatible and aligned with these tracking and monitoring systems through features such as smart packaging in order to aid the development of personal nutrition in future.

4.2. Voice activation will increasingly impact the traditional shopping list

Voice is the next big computing platform. It could, at some point, replace keyboards and touchscreens with the increase in digital assistants. This increase in usage of smart speakers and digital assistants, the leaders in voice platforms could have a distinct competitive advantage in ecommerce and subscription and direct-to-consumer models. In 2021, digital and voice-activated assistants such as Alexa and Siri will continue to impact how consumers search and order products online. It will become increasingly vital for brands and manufacturers to not only get consumers to recognize their brand name but to actually speak it.

4.3. Connected appliances will continue to create consumer's home inventories

Just as wearable tech will help consumers monitor their consumption, our appliances will increasingly become part of our personal monitoring systems. In 2021, appliances that are able to track, monitor and control our personal and household

routines will continue to gain traction. It will become increasingly common for appliances and devices to be connected allowing consumers to monitor the products in their household and manage their consumption and reordering on demand.

4.4. Challenges and considerations for 2021

While some innovative market leading retailers and FMCG companies are likely to invest heavily in IoT, there are still many players (around one-third of large retailers globally) without an IoT strategy and have yet to budget for these technologies. Collaboration between suppliers, manufacturers, and retailers will be essential in order to synchronize inventories and truly reap the benefits of this technology. For example, real time data collected by IoT devices in stores can be leveraged to avoid stock deficiencies and this information can be fed to manufacturers and then suppliers to help them better manage product assortment and supply.

5. Digitalization technologies are about improving efficiency and understanding

Digital technologies are increasingly allowing consumer goods companies to develop greater levels of insight throughout their business across the whole value chain. Digital technologies are electronic tools, systems and resources that generate, store or process data. The use of these technologies can help to improve the visibility and efficiency of product processes throughout the supply chain, and not just at the end of the process for the end consumer. Digitalization offers the opportunity to enhance traditional business models that can be developed further. One example is digital supply chain management that uses a range of digital tools including GPS tracking, smart labels, barcodes and radio frequency identification (RFID). This greater system integration and connectivity helps to maximize efficiency and minimize waste.

5.1. Intelligence and customer experience will remain key development areas

FMCG companies, retailers, and foodservice outlets have adopted digitalization in response to increasing smartphone usage and consumer desires for on-demand service. The digital transformation has enabled developments to consumer intelligence and customer experience. Beyond e-commerce platforms and selling online, data analytics enable brands unprecedented levels of insights to offer greater personalization based on an individual's location and previous purchasing behavior. In 2021, it will be vital for brands and manufacturers to continue developing tools that allow them to optimize consumer experience and the information they can gather on purchasing and product feedback in order to further innovation for the future.

5.2. Bridging the "digital divide" will be a collective responsibility

For all the benefits of digitalization, the lack of a uniform spread worldwide impacts on education and media, leading to a negative impact on access to information. The "digital divide" is a socioeconomic inequality concerning access to, use of, or the impact of information and communication technologies (ICT). As highlighted by the pandemic, access to technology has been a key enabler in all areas of consumers routines and this has only gone to highlight further the divide between some consumer groups. In 2021, as economic uncertainty will still be paramount, brands and manufacturers will need to be increasingly mindful of creating solutions for lower income households so that innovation doesn't become too 'two tier' in terms of premium and value options and remains inclusive for as many consumers as possible.

5.3. Reacting to economic uncertainties will require increased digital dynamism

Learnings for businesses from 2020 will undoubtedly include the role of digitalization in their ability to pivot and adapt in a time of crises. This interim dynamism can be leveraged into 2021 and beyond as brands and manufacturers will use their recent experiences to view and review their future strategies. A key element of this in 2021 may be pricing as the developing economic situation, both globally and nationally, will continue to unfold. Dynamic pricing is the use of algorithms to determine an optimum price at a given moment, taking into account external factors like consumer demand, competitor pricing and customer location. This gives brands the ability to adjust prices for demand, and consumers the opportunity to buy at the cheapest prices. Digitalization enables manufacturers the leverage needed to optimize efficient processes - helping to identify waste reduction and opportunities to increase profit margins.

5.4. Challenges and considerations for 2021

It is crucial for brands to consider digitalization, even if in sectors where online shopping may not be so commonplace. Digital approaches support customer engagement and provide access to customer data, helping brands better understand and react to their customers' demands. The result is improved services and tailored solutions that increase the likelihood of repeat custom.

6. AR and VR allow consumers to better understand an offering

Augmented reality (AR) and virtual reality (VR) technologies have the ability to transform numerous industries, including FMCG, retail, and foodservice, by creating new ways of marketing, offering entertainment, and staff training, and by enhancing product packaging to improve consumer experience. AR refers to a technology that overlays digital data on to the real world, whereas VR means the user is completely immersed in an entirely artificial world.

6.1. Product demonstration goes further into another dimension

VR and AR technology can be used by FMCG companies and retailers alike to show how to use various products such as DIY tools or electricals, or to promote clothing lines or beauty products. Restaurants and food companies can use VR to visually demonstrate how the food is cooked and demonstrate recipe suggestions. AR gives advertisers the ability to provide more inventive, eye-catching, and interactive experiences, and move beyond non-interactive media like print and TV. Brands like Pepsi and Lacoste have run campaigns in which smartphone cameras overlay virtual objects (and try-on services) onto the real world. In 2020, lockdown and distancing measures have forced the advancement and engagement with technologies that enable consumers to engage in experiences without the benefit of physical products or location and this will continue into 2021.

6.2. Augmented accompaniments will become more mainstream

Just as AR and VR can assist with remote practicalities of trial and purchasing on the consumer journey, they can also go beyond functionality to create a 'value add' element to products. For example, AR can be used to relay digital information on physical content, such as cookbooks, in order to help with recipe preparation and cooking processes. Examples such as this can add extra elements to physical products to incentivize purchase and foster new consumer behaviors.

6.3. Virtual tours will continue to help build brand narratives

In 2021, companies will continue using VR technology to allow consumers to virtually experience deeper parts of a brand's identity through virtual tours. For example, alcoholic beverage companies are using VR to offer consumers virtual brewery tours to communicate their authentic production processes better and build consumer trust through greater consumer engagement. Furthermore, restaurants can offer virtual tours of their establishments prior to visiting them in person, to enhance customer knowledge and improve decision making. Retailers can take a similar approach. This technology is also being used by FMCG companies to highlight their support for ethical causes and sustainability initiatives.

6.4. Challenges and considerations for 2021

AR and VR technologies are evolving, with notable improvements in both the hardware and software, and this is reflected in the growing number of use cases. There are, however, a few hurdles that impede both technologies to evolve faster. In the consumer goods industry, one can notice an ambivalence towards AR smart glasses, and a need for improvements for designing quality AR-based mobile applications. Privacy and security issues also need to be taken into consideration. In the

VR space, problems such as latency, nausea, high prices, and underdeveloped ecosystems are stopping the technology to be adopted more widely

7. Ecommerce involves purchases and data from online transactions

Ecommerce includes all consumer purchases using the internet as well as the transfers and data involved in all online transactions. The tech giants are writing the rules of the game in ecommerce, tapping into their huge user bases, mobile payment platforms, and superiority in artificial intelligence (AI) to dominate the digital economy. New players are trying to carve out their own niches, but much of the growth will continue to flow from the titans. Amazon, Google, Facebook, Alibaba, and Tencent are also racing to invest in emerging markets where opportunities are fueled by rising incomes, rapidly increasing smartphone usage and improving Internet infrastructures.

7.1. S-commerce will become a bigger driving force of online retail

Social media has created a new opportunity for brands and manufacturers to engage and interact with consumers. Many brands are now also utilizing social media platforms to create shopping platforms utilizing click through elements and micro-sites to enable purchase online. In 2021, converting social media browsers into consumers buying products online will increasingly be a key part of the shopping journey to win.

7.2. Subscription models will continue to succeed

Subscription options are set up by businesses to enable consumer can pay a price at regular intervals to receive products. Subscriptions services are now available across most FMCG categories and not only ensure repeat purchase but can also be used to encourage the trial of new products depending on the package selected. Ecommerce allows new opportunities for consumers to buy, monitor track and select these packages. 2020 saw increased opportunities for companies to market these types of products due to movement restrictions, these opportunities will continue into 2021 as the pandemic recovery period continues.

7.3. Mobile payments will be an important feature in both emerging and developed markets

Emerging market customers are embracing mobile payments much more enthusiastically than their western peers. This is probably because debit and credit cards work perfectly well in the west and mobile payment wallets such as Apple Pay offer little additional benefit to card payments. However, the COVID-10 pandemic has accelerated contactless payment across all countries, and we have become an increasingly cashless society, globally. Therefore, continuing into 2021, this is likely to be an evolution that becomes ingrained in consumer behavior.

7.4. Challenges and considerations for 2021

One grey cloud on the horizon for the super-monopolies continues to be increased scrutiny from governments and regulators looking to clamp down on tax avoidance and alleged abuses of the gig economy. Greater regulation poses a threat to

profitability and plans for expansion, but the big players should be strong enough, and diverse enough, to avoid suffering major damage.

8. Social media comprises of online platforms supporting information sharing and networking between users.

The worldwide popularity of social media has changed how consumers think about, and shop for products creating new opportunities for consumer goods brands. This includes the ability to "micro-target" different consumer groups through tailored marketing efforts. Consumer "influencers" with large online followings can help grow sales or even provide a platform for a new brand or product development. However, social media's ability to engage and connect with consumers can also mean that ill-judged online campaigns can just as quickly "go viral" for the wrong reasons. Consumer feedback, both positive and negative, is immediately visible to a global audience and brands must be prepared to respond rapidly when necessary. Social media has also seen the rise of online activism, becoming a notable form of communication by citizen movements, supporting fundraising, lobbying, and community building at an unprecedented rate

8.1. Social media will continue to provide the 'stamp of approval'

Social media has resulted in the evolution of social proof as a force behind purchasing decisions. Social proof describes a psychological and social phenomenon in which people tend to imitate the behavior of people around them or of those who emit some degree of influence. It can turn out to be a powerful tool, especially if it comes from those within their own social circles. In 2021, social media will continue to provide a "stamp of approval" for consumers when endorsed by a celebrity or peers, and the sharing of reviews will maintain the ability to induce a "fear of missing out" (FOMO) or a sense of confidence.

8.2. Real-time engagement and responses will become even more important

The 'on-demand' consumer culture that has developed can also be seen in social media adapting with its 'live' features. Conversing and creating discourse with consumers is increasingly happening in real-time with hyper-responsive comments and features required from brands to stay relevant and engage with consumers. In 2021, this requirement for brands to be up-to-the minute on consumer conversation will continue and intensify. Brands will need to use their social media presence to engage with consumers beyond selling online. As consumers increasingly look towards brands for leadership, companies must align with a set of values and attitudes that they can represent online.

8.3. Being aware of the 'splinternet' and providing responsible, democratic engagement will be key

Recent years and events have seen a worrying rise in fake news and misinformation. The splinternet is the compartmentalization of the internet. Regulators with growing concerns about fake news and online safety are beginning to target leading social networks to block access to specific parts of the internet. This process also relates to censorship of cyberspace, with governments in China, Iran, and Russia serving as prime examples of countries that have increased their internet oversight. In 2021, brands and manufacturers will have a growing responsibility as organizations and industry experts to provide consumers with balanced views that promote sustainable values and fair ethics.

8.4. Challenges and considerations for 2021

Brands must use their social media presence to engage with consumers beyond selling online. As consumers increasingly look towards brands for leadership, companies must align with a set of values and attitudes that they can represent online. Consumer desires for authenticity lead potential customers to resonate better with particular brands. In turn, this helps lead to organic conversions as ecommerce and social media become integrated as an eco-system.

9. Direct-to-consumer (DTC) refers to selling products directly to consumers

Direct-to-consumer (DTC) refers to selling products directly to consumers, usually by bypassing any retailers third-party or other middlemen. DTC brands are usually sold online only and, because they are sold straight from the brand or manufacturer offering, are often quite specialized or focused in terms of category or product. These models have become highly effective, especially during in 2020 where the pandemic forced many businesses to pivot and reconsider their distribution options in light of the pandemic and its associated lockdown and distancing measures. However, a movement away from viewing physical products in traditional store locations is likely to have a big impact on the way consumers interact with and purchase products in future.

9.1. Consumers' relationships with physical products will change

Demonstrating and displaying innovation in 2021 will be impacted from the increasing number of businesses adopting direct-to-consumer models. With a higher number of products being delivered straight to consumers' homes, new ways to aid display, communication and interactivity with these products will be required pre-purchase. Differentiating instore experience from the online one will be important; brands and manufacturers need to be able to offer sensorial and other premium benefits to consumers, both those who visit physical locations to see and sample their products but also those who chose to purchase purely online.

9.2. Brands will need to deliver experiences and not just products to consumers' doors

As DTC options become the norm, differentiating within this model will become even more important in 2021. In order to do this, both the creation process and end product enjoyment will be vital attributes to consider as both of these aspects have the potential to include experiential elements and sharing opportunities. If brands and manufacturers can create products in conversation with consumers and keep this conversation going post-purchase, this may mitigate any disadvantages from not engaging in traditional stores in these models.

9.3. Packaging will be a key consideration in DTC deliveries

As DTC models largely revolve around one-off shipments to consumers, brands and manufacturers will need to be mindful in 2021 of trying to balance this with a sustainability focus. Safe and robust packaging will be required for transit but will also need to be recyclable as more and more consumers choose this option. In this vein, it will also be necessary for organizations to consider the sustainability of delivering these individual orders and the extra legs of logistics or supply chain that this may require. Assessing packaging's role in this distribution model will also be required as communications are required on pack due to the removal of the point of sale element of the consumer journey. This could therefore alter packaging's role in this model and may necessitate an increased amount of engagement and interactivity to maximize consumer engagement in the home.

9.4. Challenges and considerations for 2021

The future of home deliveries will impact all categories. Packaging is a key area of focus here as new direct to consumer models will require new packaging options. Brands will also have to consider how ordering online will affect the requirements of packaging in the future if point of sale interaction is reduced but sustainability remains a key consumer driver.

10. Autonomous vehicles can use sensors to provide various degrees of self-driving

Otherwise known as driverless vehicles or robotic vehicles, autonomous vehicles (AVs) are capable of using sensors to establish its environment, detect hazards and obstacles and travel safely with no human input. The vehicles can be loaded and programmed with their destination. Combined with new energy solutions, these vehicles may offer a more sustainable, reliable and cost-effective transportation option within supply chains as well as a new mode of transport for consumers on shopping missions in the future.

10.1. Bigger players will continue to lead the way in utilizing AV technology

Companies will need to analyze and learn about the cost savings from using AVs to incorporate them into their ecosystem and reduce the costs associated with middle-mile connectivity. This type of advanced technology will only initially be an option for bigger players able to invest in making the necessary adaptations to their supply chain. Smaller players may need to rely on collaborations and shared approaches to using this technology for supply and distribution.

10.2. Plans for bricks and mortar stores of the future will need to be considered

As AVs become a mainstream mode of transportation this will have an impact on retail spaces. Bricks and mortar stores will have to revamp their store layouts to accommodate the vehicles. Once ride-sharing companies adopt the vehicles to transport customers, a considerable share of store visitors may use the service to travel to physical retail stores. In 2021, retailers will need to start - or continue - to consider how they may have to turn their parking spaces into drop-off zones to make effective use of available spaces.

10.3. The move away from traditional fuels and transport will create new innovation opportunities

Fundamental changes to consumer routine that will come with the move away from traditional fuels and vehicles will shape their product requirements for the future. Just considering how AVs will contribute to consumer 'down time' will be something that brands and manufacturers will need to start doing. Innovation pipelines from 2021 onwards will need to allow for new products, formats, and occasions created by this move away from traditional fuels.

10.4. Challenges and considerations for 2021

The move towards AVs will require brands and manufacturers to think about how this change in technology will shape consumer's lives in the future. Anticipating and disrupting consumer journeys will have to be monitored and managed

differently. Also tracking consumer journeys will require access to new technologies and on-the-go propositions redesigned. Car sharing may also lead to new shared experiences and interactions between commuters. While these changes will not happen in 2021, determining how to take organizations and consumers on the AV journey is something that needs to be considered now in order to plan for the future.

11. Health and wellness is the need for consumers to enjoy mental and physical health

Health and wellness captures the needs and lifestyle choices that consumers make to address physical and emotional health. The plethora of demands on time (both at work and leisure), combined with financial uncertainty and mounting debt, can drain energy levels, fueling stress and driving the need to rejuvenate. This theme is naturally front of mind for many consumers as the pandemic has forced health and safety to the top of their priority lists.

11.1. Personalized health will continue to be a key platform for innovation

A "just-for-me" ethos will continue to drive a desire for products optimally catering for more specific health needs in 2021. More specialized and differentiated products will need to be introduced in order to optimally cater for different age, gender and ethnic groups, as well as the lifestyle benefits sought by more demanding consumers. Although brands and manufacturers will need to consider how they create more complex product solutions while trying to simplify production processes, the opportunity to look into new products that are tailored to ultra specific lifestyles and go beyond a "one size fits all" approach will definitely remain.

11.2. Sterilized society

There has been an escalating obsession with hygiene, cleanliness, and immunity among global consumers, as awareness of infectious disease due to the pandemic - and how it can affect or be affected by consumer choices-rises. Furthermore, the deepening connection between hygiene and health is creating opportunities to incorporate broader functionality into products to enhance the "wellness factor." Healthier alternatives and products that are proactive rather than reactive towards health issues will be well-received by consumers. Brands and manufacturers will also need to be mindful of access to health information as consumers will continue to be connected to health information and news around the clock, during the pandemic recovery period.

11.3. Digiceuticals

The missing link in medical science has been how patients behave after medication is prescribed for specific medical conditions. It is impossible or impractical for a doctor or other medical professional to hover over a patient all day, every day to ensure compliance. Digiceuticals or digital therapeutics seek to fill this gap with devices or smartphone apps that gather data about patient behavior in real time, to ensure patients stay on-track with the course of prescribed medical care. Digiceuticals or digital therapeutics will continue to be able to complement or even replace chemical-based pharmaceuticals in 2021. Brands and manufacturers will have the opportunity to create digital tools that can be used to enhance consumer experience (e.g. AI tracking to predict consumer tastes and suggest products accordingly) This will allow consumers to be proactive about their health, while providing the expertise of dieticians in their pockets.

11.4. Challenges and considerations for 2021

The boosted interest in health products brings new opportunity for the healthcare industry to engage with potential consumers. Opportunity to utilize the digital platform to attract new customers that have moved away from traditional high street retail

12. The COVID-19 pandemic has changed many consumer habits

COVID-19 is caused by infection with a new coronavirus (called SARS-CoV-2) and cases have spread dramatically across the globe. As many groups of consumers are vulnerable to this disease and unable to fight this respiratory disease off naturally without intervention, this has resulted in a regrettable loss of life in countries all over the world as nations and governments have struggled to manage and advise on this public health crisis.

12.1. The pandemic continues to spread a parallel 'infodemic'

For all the benefits that social media brings, disinformation is a threat that has become more pervasive as improved access to technology has made people more susceptible to manipulation with false rumors. The United Nations has labeled fake news on COVID-19 as an 'infodemic'. As countries implemented quarantine measures in March 2020, the UN Secretary-General, Antonio Guterres tweeted, "our common enemy is #COVID19, but our enemy is also an "infodemic" of misinformation." 9 The social impacts of this 'infodemic' have effects that transpire beyond the virtual world. In the UK, dozens of phone masts were attacked based on a conspiracy theory linking 5G to COVID-19, speculation that was trending on Twitter under the #5GCoronavirus hashtag. Even academic research has been weaponized for ominous purposes, as social media has rapidly accelerated the sharing of early findings. A lack of context mixed with people's desires to rapidly learn about unfolding events creates mixed messaging and confusion. In 2021, and as a persistent issue, brands and manufacturers will need to be aware how fake news is can be combatted. Consumers will continue to turn to their favorite brands for leadership, with the biggest companies holding a responsibility to combat disinformation and offer their trusted view to gain public trust.

12.2. Accelerating changes to daily routines will continue

The pandemic has accelerated many changes to consumer behavior as they have tried to adapt to the 'new normal' and will continue to do so into 2021. Consumption habits and occasions around mealtimes will continue to be disrupted as the food service continues to try and recover from lockdown measures and social distancing. Online payment methods will also continue to be used as the path to become an increasingly cashless society persists due to both ease and necessity.

12.3. AI advancements

COVID-19 and AI have something of a symbiotic relationship, and this will continue into 2021. AI is helping with efforts to combat the virus, with the technology playing a role in everything from early detection and diagnosis of the infection to contact tracing, development of drugs and vaccines, and training of healthcare workers. For example, Amazon has created distance assistants that track workers' movements and give them feedback in real-time if they break social distancing guidelines. The virus has also profoundly impacted firms, which has acted as a catalyst for AI adoption. Conversational platforms have become more important than ever following dramatic increases in demand for support services and so brands and manufacturers may need to speed up their innovation pipelines in order to continue to adapt.

12.4. Challenges and considerations for 2021

There is no doubt that the COVID-19 pandemic has forced changes in consumer behavior and consumption habits. Ways to access information, products and services have had to adapt to enable a semblance of 'normal' life to continue. As 2021 develops the key considerations for brands and manufacturers will be how to maintain this accessibility whilst also focusing on affordability as the true economic impact unfolds around the world.

13. Appendix

13.1. Further reading

Global online retail (2020) Marketline industry Profile

Coronavirus (COVID-19): Executive Briefing - March 17, 2021 MarketLine Theme Report

Generation Z after COVID-19: Next generation of consumers will struggle to drive over-hyped trends (2021) MarketLine Theme Report

14. Ask the analyst

We hope that the data and analysis in this case study will help you make informed and imaginative business decisions. If you have any questions or further requirements, MarketLine's research team may be able to help you. The MarketLine Research team can be contacted at ReachUs@MarketLine.com.

15. About MarketLine

At MarketLine, we deliver accurate, up-to-date insights on over 100,000 companies, 3,500 industries, 215 countries, and 3,000 cities as well as the latest news and financial deal information from within your market and across the globe.

Established in 1997 when the Internet was in its infancy, we recognized the need for a convenient and reliable data service to help our clients understand local and global markets and the companies operating within them.

In today's information-rich world, sifting fact from fiction to pick out what's relevant and what's up to date has become the new 'holy grail' in business information provision.

Hundreds of dedicated research professionals aggregate, analyze, and cross-check facts in line with our strict research methodology, ensuring a constant stream of new and accurate information is added to MarketLine every day.