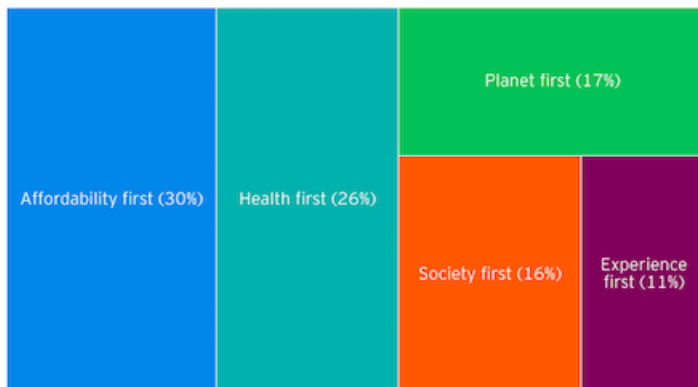


RESEARCH

## 5 consumer segments will shape demand post-pandemic, with shift in values: EY

July 7, 2020



The COVID-19 coronavirus outbreak is reshaping consumer values and priorities, eventually forcing marketers to adapt their pitches and products. Source: EY

By LUXURY DAILY NEWS SERVICE

Five new consumer segments will emerge beyond the COVID-19 coronavirus pandemic, reflecting both a craving for return to normality, health safety concerns and changed values.

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Consumers crave normality, but they have new priorities, according to the third edition of the EY Future Consumer Index that monthly tracks the sentiment and behavior of 14,074 individuals across 18 countries.

"Organizations will need to work out how to serve a more value-conscious, health-conscious consumer, but also a consumer who demands purposeful brands that reflect their environmental and social values," said Kristina Rogers, EY global consumer leader, in a statement from London.

"Business leaders should focus on reshaping their portfolios so that they are relevant to the future consumer, providing digital customer journeys that reflect the way consumers will behave and creating the transparency needed to secure consumer trust," she said.

Consumers expect to make deep and lasting changes. But will they follow through?



Consumers expect to make deep and lasting changes, but will they follow through? Source: EY

New normal

Per the [survey](#), 40 percent of consumers are keen to "get to normal," doubling over last month's numbers of 20 percent.

That said, half (50 percent) of consumers still expect their lives to change significantly in the long term, while 53

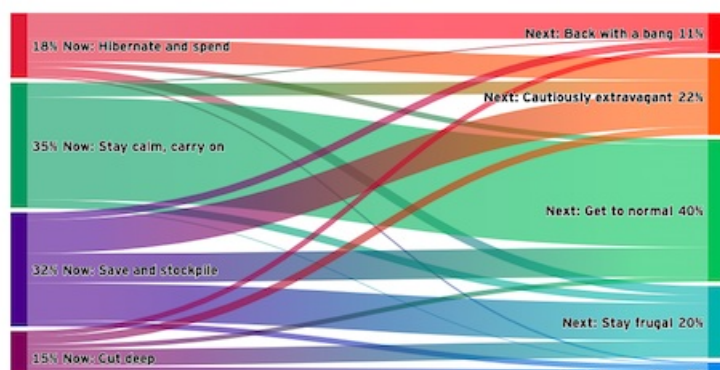
percent said the pandemic has led to a re-evaluation of their values and how they look at life.

Five new consumer segments have emerged as a result of these changing sentiments, according to the EY Future Consumer Index:

- **Affordability first:** These consumers want to live within their means and represent 30 percent of the cohort. They are the most pessimistic segment in their perception of how long it will take their country to recover and for financial stability to return. More than half of them identify price as increasing in importance.
- **Health first:** These consumers (26 percent) prefer brands and products they trust to be safe and minimize unnecessary risks. Fifty-seven percent say they now pay more attention to how healthy the products they buy are for them.
- **Planet first:** Most likely to change the products they buy, these consumers (17 percent) would pay a premium for high-quality, ethically sourced and sustainable goods. Fifty-nine percent intend to shop more locally in the long term.
- **Society first:** Consumers in this segment (16 percent) believe that everyone should work together for the greater good, with 73 percent of them prepared to change their behavior to benefit society. They prefer to buy from organizations that are honest and transparent about what they do.
- **Experience first:** Intent on living for the moment, these consumers (11 percent) are the least anxious about their health and finances. Two-thirds of them feel comfortable returning to a mall just days or weeks after the pandemic has stabilized in their country.

EY Future Consumer Index: How consumer segments could transition post-COVID-19

Numbers are rounded



How consumer segments could transition post-COVID-19. Source: EY

## Health is wealth

Given the ongoing COVID-19 crisis, health and affordability will continue to dominate beyond the pandemic.

The survey found that consumers expect to make deep and lasting changes, with 62 percent indicating that they will be more aware and cautious about their physical health and 58 percent increasingly focusing on value for money in the future.

These are not new drivers of behavior and preference, but the EY Future Consumer Index indicates that consumers will commit more to their values.

"Many businesses believe they already have the right portfolio, marketing and supply chain," said EY global consumer knowledge leader Andrew Cosgrove in a statement. "However, few are resilient enough to deliver against these heightened consumer expectations.

"Efficiency is important but must be balanced against the need to keep developing the capabilities that will deliver growth," he said. "Businesses now have the opportunity to not just protect what worked in the past, but to actively shape a successful future."