

MARKETING

More consumers expect return to normal' in 2022: report

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Consumers have returned to in-store shopping. Image credit: Madison Ave BID

By SARAH RAMIREZ

The widespread uncertainty spurred by rising cases of the COVID-19 delta variant may be contributing to shifts in consumer behavior.

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According to findings from consumer insight platform Resonate, since June, there has been a 44 percent increase in consumers who believe "normalcy" is more than a year away. Additionally, about one-third of shoppers are spending less than they were pre-pandemic.

"I believe the delta variant will continue to negatively impact consumer sentiment," said Ericka McCoy, chief marketing officer at [Resonate](#), Washington.

"We have already seen a significant uptick in the number of consumers who are concerned about the health-related consequences of the COVID-19 situation and the number of consumers who are concerned about the economic impact of the of the COVID-19 situation is also on the rise," she said.

Resonate's most recent [COVID-19 consumer sentiment flash report](#) was fielded between July 14 and Aug. 2 and scaled to 230 million U.S. consumers.

According to the Centers for Disease Control and Prevention, the highly-contagious COVID-19 delta variant became the dominant strain in the U.S. in early July. Hospitalizations and deaths have been increasing since mid-July.

Changing circumstances

As cases of the delta variant increase, so does the share of consumers that report being concerned about the economic-related consequences of the pandemic to a "large" or "very large" extent.

While 18.1 percent of consumers believe life has already returned to normal as of late July, this is down from 18.5 percent in late June.



A shift to remote work has also led to a shift in consumer behavior. Image credit: Neiman Marcus

Nearly three in 10 respondents, 28.5 percent, believe normalcy is more than a year away, up from 19.8 percent in late June. Additionally, 16.2 percent think normalcy is seven to 12 months away, up from 15.4 percent.

More than one in 10, 12.3 percent, believe life will never return to normal the highest share since Resonate began the flash studies in late March 2020. In May 2021, two-thirds of Resonate respondents were expecting normalcy to resume by this winter ([see story](#)).

Focusing on the economy specifically, 57 percent believe normalcy with the U.S. economy is at least seven months away while 19.8 percent believe normalcy is out of reach completely and 16.3 percent think the economy will normalize in the next four to six months.

Only about a quarter, 25.9 percent, rate the quality of the U.S. economy as "slightly good," "good" or "excellent."

While most consumers, 51.6 percent, are spending about the same as they were before the COVID-19 pandemic, 33.4 percent are spending less. Only 15 percent are spending more than they were pre-pandemic.



Neiman Marcus was one of several retailers to introduce contactless curbside pickup during the pandemic. Image credit: Neiman Marcus

Since early April 2021, in-store clothing purchases have increased by 20 percent while consumer preference for in-store shopping browsing and buying in physical locations has jumped 18 percent since June 2021 to 67.5 percent.

"It's clear that consumer preferences have shifted permanently and retailers who identify this opportunity and seize it will keep their customers shopping," Ms. McCoy said. "For example, consumers who report a desire to browse and buy in a physical store was up 18 percent from late June to late July and the demand for curbside pickup remained consistent over this same time period.

"Consumers want flexibility and options, but they also demand excellent in-store experience," she said.

On a positive note, vaccination rates have been increasing in response to the spread of the delta variant and FDA approval of the Pfizer COVID-19 vaccine ([see story](#)), with 63.4 percent of Resonate respondents already fully vaccinated. Another 17 percent still plan on getting vaccinated, which is essential to slowing the spread according to public health experts.

Delta obstacles

The delta variant continues to have an outsized impact on the hospitality industry in particular.

Even as uncertainty remains in the economy and workplaces, 60 percent of consumers expect leisure travel will

return to normal in the next six months. Nearly half of respondents, 47.3 percent, plan to travel domestically within the next 90 days compared to 5.7 percent who plan to travel internationally.

Less than a quarter, 22.2 percent, have canceled an existing airline or hotel booking due to the changing coronavirus situation.

Business travel is likely to have a longer recovery than leisure vacations, with only 45.1 percent expecting it return to normal in the same time frame while a quarter of consumers believe business travel will never be the same as it was pre-pandemic.

As of Aug. 30, the European Union (EU) is **recommending** member states reinstate travel restrictions on U.S. tourists.

The new safety measures come only two months after the EU lifted travel restrictions on non-essential travel from the U.S., among other countries, when vaccination rollouts picked up (**see story**).

Luxury retailers and other businesses may also see more fallout from delta in the coming weeks.

In mid-August, more cities and businesses have turned to new mask mandates or vaccination requirements. Major companies, including tech giants and banks, have also pushed back plans to reopen offices further threatening the tenuous economic recovery (**see story**).

"How retailers and other brands handle the situation will be critical," Resonate's Ms. McCoy said.

"Beyond the actions that retailers take to ensure shoppers' comfort, there is an opportunity to support the greater community by promoting vaccines to their customers and certain brands have a unique opportunity to help society and increase brand loyalty by evaluating their own customers' sentiment on vaccines."

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