

RETAIL

## Adaptability key as retailers respond to economic, social disruptions: Kantar

January 26, 2022



*Today's consumers are increasingly more empowered and informed. Image credit: Farfetch*

By SARAH RAMIREZ

Early into 2022, global economies are stronger, but an unpredictable environment continues to impact consumer behavior.

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According to a Kantar "Commerce Now" webinar on Jan. 20, retailers will need to stay cognizant of socioeconomic trends to better understand consumers. Labor and supply chain issues will continue to impact businesses to varying degrees as well.

"The shopper has been changing radically in the last few years," said David Marcotte, senior vice president at [Kantar](#).

"We're starting to see the part come together assertively," he said. "The question being how they actually fit the fluid ecosystem, that whole area that surrounds the retail system."

### Macro vs. micro

In the U.S., the Great Resignation and the high rate of inflation have created economic tensions.

Income gains have also accelerated since 2020 but are expected to taper off this year.

According to Mr. Marcotte, other macro factors that will impact the economy and retailers throughout 2022 include escalations in labor strikes, cyberattacks and social actions.

These disruptions can impact retail's supply chain, including luxury brands. Fuel shortages, as seen with Brexit ([see story](#)), or strikes among custom officials or delivery drivers can delay how quickly retailers can stock shelves or ship goods.

The global threat of COVID-19 has also evolved as the virus has become more problematic in China in recent weeks ([see story](#)).

In line with China's zero-COVID policy, large-scale shutdowns continue in major cities impacting the country's manufacturing and port systems. For instance, leading chipmakers have manufacturing bases in Xi'an, the city of

China's largest lockdown in recent months.

In contrast, while COVID-19 has proven deadlier in the U.S., lockdowns in the States have declined. According to Kantar's insights, the expectation is that China will pursue its zero-COVID policy at least through June 2022 due to several political factors, including next month's Winter Olympics.

On a more micro level, consumers becoming more complex, and retailers will need to become more precise in their marketing and targeting.

In a positive sign for luxury, however, higher-income groups are spending more on discretionary categories, including dining out, travel and personal services.

The rise of ecommerce and work-from-home lifestyles have also empowered consumers to personalize their shopping experiences. This has shaped what Kantar dubs as "me commerce."

"A hybrid work environment is severely disrupting a lot of the patterns that we've seen in the past," Mr. Marcotte said.

Consumers also increasingly selecting fulfillment options based on convenience, ahead of time savings and speed. So while retailers continue to enhance and expand fulfillment options such as click-and-collect and buy-online-pickup-in-store, shipping especially same-day delivery when available still has the edge.

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