

MARKETING

Brands must appeal to disparate consumer causes, financial anxieties

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Consumers in different financial positions will ostensibly be looking to brands to provide varying assurances. Image credit: Getty

By KATIE TAMOLA

After experiencing the COVID-19 pandemic, navigating stock market volatility and witnessing global strife, American consumers have a lot on their plate.

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A new **report** from media and marketing platform Catalyst explores how due to factors like inflation, several consumers' faith in the concept of the American dream is dwindling. As only one in three American consumers reports experiencing upward mobility, brands must work to stay transparent about pricing while working to align themselves with consumer values to assuage shoppers' many worries.

"Brands need to take notice to restore people's faith through stability in pricing, an easy shopping and service experience, empathy for customers' psychological outlooks, over-communication and demonstrating their values to make a positive impact on the world not just sell product," said Maxine Gurevich, senior vice president of cultural intelligence of Horizon Media's WHY, in a statement.

Horizon Media surveyed its Finger on the Pulse panel, a group of 930 adults over the age of 18, and used additional online conversation, content and financial accounts for this report.

Seeking different shopping

Inflation reaches consumers differently, but still impacts those of all economic backgrounds.

More than 90 percent of Americans are aware of current inflation, and more than two-thirds say they are concerned or very concerned.



Brands can connect with resilient consumers by rewarding and thanking them for their continued loyalty. Photo: Shutterstock

Catalyst identified three types of consumers affected by inflation: the resilient, the vulnerable and the anxious.

With vastly disparate backgrounds, attitudes and challenges permeating the lives of these groups, brands must be thoughtful and attempt to reach them in different ways.

The resilient consumer, which constituted 41 percent of the report's sample population, usually has high levels of wealth, income, liabilities and expenses. He is usually male, Gen X at an average age of 40, more diverse, married, likely to be a parent, a homeowner and a Democrat.

Their financial security and life satisfaction are high and concern about inflation and beliefs that outside obstacles get in their way are low.

The resilient consumer is generally optimistic successful and financially secure with most of their assets residing in home ownership at 73 percent.

Considering this kind of consumer feels in control of their ability to succeed and has a financially stable profile, brands can connect with them by rewarding and thanking them for their continued loyalty. Brands should take approaches to foster their positive attitude.

The vulnerable consumer, who made up 30 percent of the sample size, have experienced recent financial challenges and are more pessimistic. They have low assets and more than twice as much student loan debt as the other two consumer groups.

This consumer is typically male, a millennial around the age of 30, Hispanic, single, a renter, a Democrat and less likely to be a parent. They are more likely to live paycheck-to-paycheck and to be financially worse off than previous generations.

Brands can appeal to this group by acknowledging current challenges and incentivizing their spending with extra rewards including discounts and exclusive offers.



The anxious consumers are financially well off and have seen significant success. Image credit: Elisa Ventur/Unsplash

The anxious consumer, about 29 percent of the sample, is financially well off and has seen significant success. Most of their wealth is accumulated outside of their income, as 76 percent of their assets reside in the unpredictable

stock market, which is partially responsible for their financial apprehension.

This consumer is typically female, a boomer around the age of 68, skew Caucasian, married or divorced, less likely to be a parent, a homeowner and a Republican.

Although they are wealthy, they are pessimistic and feel financially insecure, possibly because they are old enough to have witnessed the stock market and prices fluctuate several times over the years. This kind of consumer has the most, but also has the most to lose.

In connecting with this kind of shopper, brands should provide reassurance through guarantees or testimonials that assuage doubt and reinforce value.

Consumers in different financial positions will ostensibly be looking to brands to provide varying assurances.

Above all, brands need to tailor their messaging to meet disparate emotional outlooks regarding shopping.

Consumers across the board also appreciate different kinds of reward programs. Assuaging worry in any way they can, through removing barriers to offering interactive features like added accessory recommendations, can also prove beneficial.

Most consumers do desire stable pricing and offering discounts to assist with higher-priced items is generally viewed as a traditional and effective tactic. If raising costs is necessary, anxious consumers and vulnerable consumers appreciate cost breakdowns and heads-up messages before the boosts, respectively.

Make it count

Seventy percent of consumers believe brands must contribute to the greater good of humanity and that those that do not will become obsolete.

Brands can help foster loyalty by addressing the issues people are most concerned about and contributing to these kinds of causes.

Some popular areas of concern that consumers yearn for brands to support are homelessness, affordable housing and protecting the environment.

Whether a campaign revolving around current events or a specific day or month dedicated to causes, brands try to highlight their altruistic efforts.

Last November, brands participated in Giving Tuesday, an annual movement encouraging people and organizations to give back to their communities, as companies across a multitude of sectors pledged contributions.

Media group Meta, formerly Facebook, matched up to \$8 million in donations to eligible fundraisers on the Facebook app, while hospitality group Fairmont Hotels celebrated the day by announcing its partnership with the Make A Wish Foundation. Retailers Nordstrom and Saks Fifth Avenue launched charitable campaigns in addition to financial donations ([see story](#)).

U.S. retailer Neiman Marcus Group continues expanding several partnerships as it increases its focus on sustainable goods and services.

Last year, NMG became the first North American luxury retailer to join the Textile Exchange, a nonprofit organization that develops and promotes industry standards for sustainable materials. The retailer is also building on its existing relationship with secondhand luxury seller Fashionphile and teaming with the nonprofit Give Back Box ([see story](#)).