

REPORT—SUMMER 2021

Consumers Unmasked

The past year has changed the way we spend. But how much of that change is permanent? Through a 12-month study of consumer attitudes and actions, EPAM Continuum will help lifestyle brands understand which habits have stuck—and why.



Contents

- 1. Foreword 3
- 2. Findings at a Glance..... 5
- 3. Meet the EPAM Continuum Consumer Council 8
- 4. Understanding Consumer Spending Habits by Category12
 - Food**13
 - Fashion**16
 - Fitness**18
 - Travel** 20
 - Home** 22
- 5. Themes from a Pandemic..... 25
- 6. Conclusion: Focusing on the Future 33



1. Foreword

1. FOREWORD

Why this study? Why now?

We are emerging from one of the most sustained periods of social instability in modern times. It is a period that has changed us all.

When we think about ourselves as consumers, we can undoubtedly garner a picture of today's behaviors, wants and desires. But that will be a snapshot of a moment in time, and not necessarily one that will endure. Such is the level of change we have been through and the level of uncertainty we face as we begin to look forward.

Rather than report on a single moment in time, when feelings and emotions are at their rawest and our future behaviors are unknown, we felt it would be more valuable—and frankly more interesting—to truly understand how current emotions and actions will translate into sustained behaviors.

That's why we've launched the Consumers Unmasked project, a 12-month study with our Consumer Council—71 millennial and Gen Z consumers in the UK, the US and Germany—which will be supported by broader quantitative research along the way.

Over the next year, we'll track consumer spending habits across the food, fashion, travel, fitness and home shopping industries.

Much of the initial insight from our Consumer Council aligns with our expectations. But the purpose of the project is to look further and dig deeper to discover:

- What new habits were formed during the pandemic? Which will stick or grow in prominence? Which will fade?
- How will consumer behavior play out during what will inevitably be another year of change? What's driving that behavior?
- Why are consumers acting as they do? What's influencing their choices? What's concerning them?

Consumers Unmasked will build a deeper understanding of customer motivations, helping brands learn more about their evolving needs and interests—and how best to serve them.

Through discussion forums, Q&As, diaries, exercises and vlogs, we will explore what's influencing our council's buying habits and why. Then we'll support this qualitative data with quantitative surveys to create a robust, comprehensive view of consumer behaviors.

Methodology & Project Timeline

AUGUST 2021

**Stage 1:
Qualitative Study of
Consumer Council**

Results of June interviews with 71 millennial and Gen-Z consumers in the UK, the US and Germany published.

OCTOBER 2021

**Stage 2:
Quantitative Survey**

The results of a survey of a broad spectrum of UK, US and German citizens—including our council—will be published.

JANUARY 2022

**Stage 3:
Quantitative Survey**

The results of a second survey of a broad spectrum of UK, US and German citizens—including our council—will be published.

APRIL 2022

**Stage 4:
Qualitative Study of
Consumer Council**

The final results of interviews with the council will be published.



2.

Findings at a Glance

2. FINDINGS AT A GLANCE

We asked our Consumer Council to tell us about their recent purchases in five key areas: food, fashion, travel, fitness and home. Then, we explored the triggers and barriers that underpinned their buying decisions.



Food

- Sensory experiences matter. Replicating them online is not easy, but businesses that took steps towards it were appreciated.
- Curbside pickup, or click and collect, grew in prominence, offering customers a safe and convenient way to get food.
- Consumers appreciated continuing takeaway deals and discounts, helping to fuel brand loyalty.

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Fashion

- Consumers expected a seamless transition between physical and digital services. The most successful brands made the experience fun.
- Flexible payment options encouraged online spend.
- With so much choice available online, brands that have distinctive offerings (in product and experience) fared best.
- Sustainability and doing good were not decisive factors for many, but they have grown in influence.

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Travel

- Trust is the overriding motivator—and is as important as price.
- Brands able to solve travelers' vacation challenges are at an advantage.

[LEARN MORE](#)



Fitness

- Consumers value subscriptions that offer fitness without judgment.
- Building niche communities has helped brands provide a more holistic experience.

[LEARN MORE](#)



Home

- Superbrands lead the space and set the benchmark.
- The need for comfort and wellbeing have driven consumer spend.
- The ease of returning items has been a growing factor in online spend—especially for larger items.
- Brands doing good have earned respect from consumers, influencing spend.
- Businesses that bring the physical experience home have been appreciated.

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2. FINDINGS AT A GLANCE

Triggers & Barriers

It's undeniable—our consumers changed their approach to buying during the pandemic. But what were those changes, and what effect have they had?

[LEARN MORE](#)

TRIGGERS

Whatever else matters, value for money matters more

Finding the best deal is a “badge of honor”

Ethics “climb the leaderboard”

Creating rewarding experiences helps brands stand out

Customers seek comfort and security

Social brought brands home

The power of friends remains high

BARRIERS

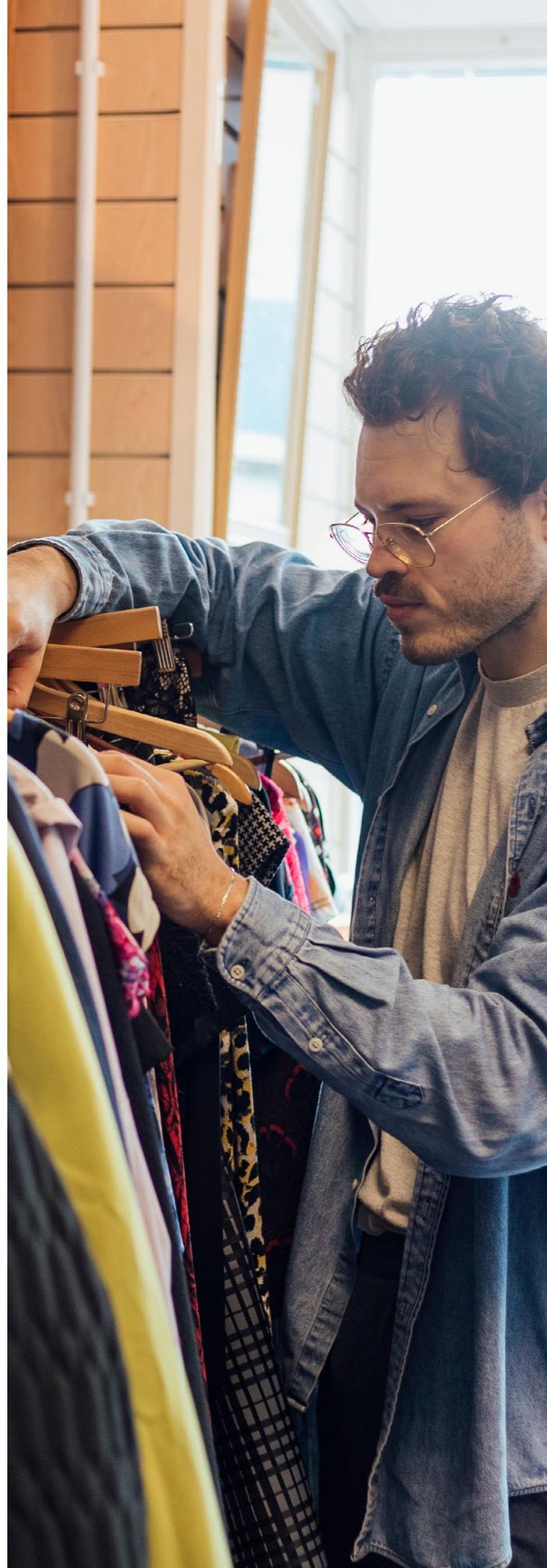
Trust issues persist

Subscription causes suspicion

COVID concerns linger

TRIGGERS & BARRIERS

Superbrands change the rules





3.

**Meet the
EPAM Continuum
Consumer
Council**

3. MEET THE EPAM CONTINUUM CONSUMER COUNCIL

Demographics

Aged: 18–34

Locations: UK, US, Germany

Regularly spend money on food, fashion, travel, fitness or home

We're following 71 millennials and Gen-Z consumers over the next 12 months as they make their way out of the pandemic. Meet some of our Consumer Council members below:

US



Ariella, Woman, Employed Full-time, West Coast

"I love to travel to see different parts of the world as well as eat different cuisines. Aside from it being very fun, it's also a great way to experience different cultures. This is very important to me because one of the fundamental values that I live by is to educate yourself on others' lives and experiences."



Alex, Man, Employed Full-time, East Coast

"I work full time, so I'm always busy multi-tasking work items with personal and family matters. I try to allocate my time appropriately and otherwise enjoy relaxing and shopping."



David, Man, Employed Full-time, West Coast

"Head down or roll up your sleeves.' Basically, I believe in both focus and research, and doing the hard work to get things done, rather than talking about getting things done. I am outcomes-focused."



Ori, Man, Student, West Coast

"I love having fun and know how to balance being a mature adult while channeling my inner child. I also very much love sports, and I've been passionate about sports since I was very young. Music is also something that represents me and is a hobby of mine."



Peter, Man, Employed Full-time, West Coast

"Covid changed my way of shopping. I shop online more often than in person now as online saves time and effort."

UK



Florence, Woman, Employed Full-time

"It wasn't difficult for me to adapt to working from home. I actually prefer it. Before the pandemic, I pretty much had no social life, so my typical day was go to work, come home, cook, and sleep."



Zain, Male, Full Time Working

"I like to spend on takeaway or food kits mostly. Throughout the pandemic, I have become a bit more relaxed as I try to enjoy life and treat myself a bit considering how tough the last year has been. I wouldn't go as far as saying my attitude is cavalier, but I definitely would describe my attitude as a lot more relaxed."



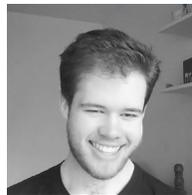
Lucy, Woman, Employed Full-time

"Lockdown meant I was able to spend more time with my children, and they were able to spend more time together, too. We were outside a lot more, we did a lot more exercise as a family. We also ate better, more nutritious meals, as we had a lot more time to prepare, instead of throwing frozen food into the oven."



Zoe, Woman, Student and Employed Full-time

"My main passions are shopping and following beauty trends, but you will also find me hooked to tennis and football matches when they are on."



Oliver, Man, Student

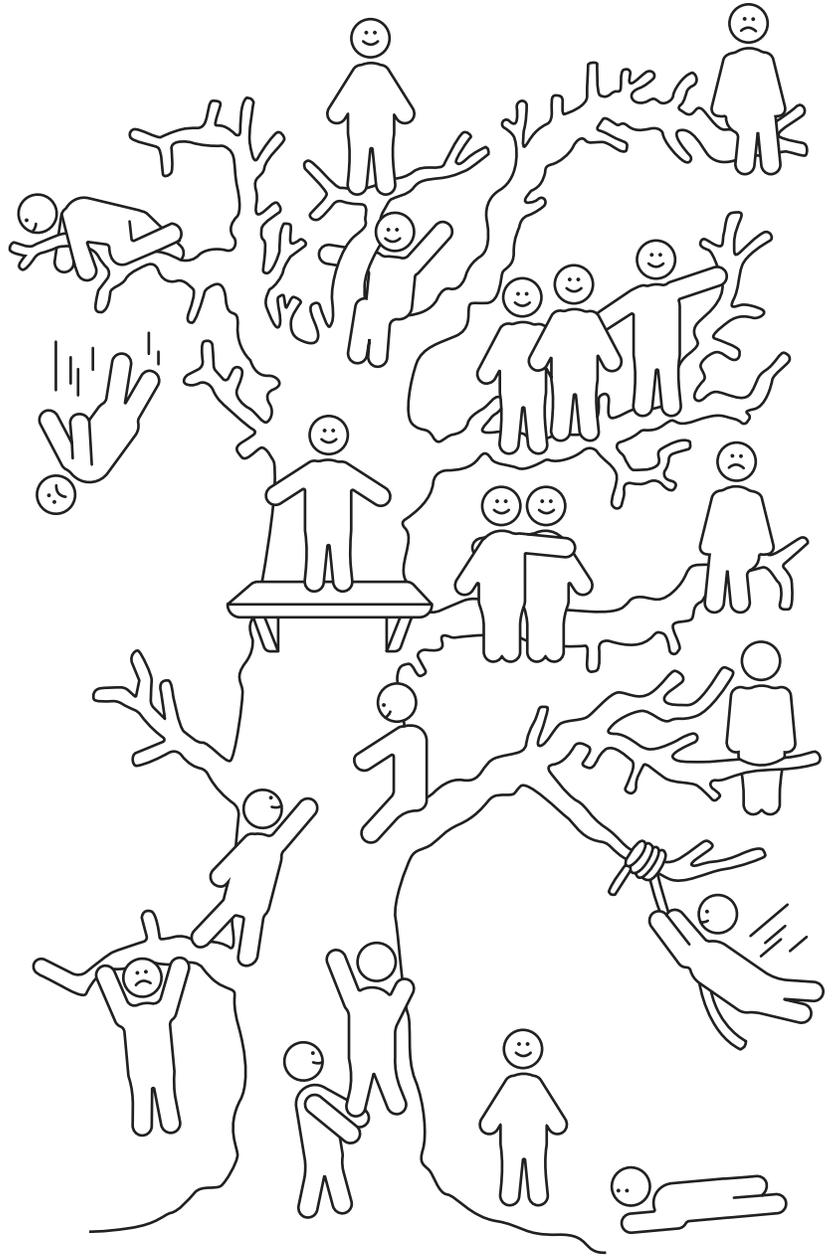
"I love meeting new people without inhibitions and learning about them. Getting to know as many people as possible is extremely important to me."

Germany

Data protection laws in Germany prevent us from sharing the profiles of our contributors. Throughout this report, their contributions have been anonymized and marked with an asterisk*.

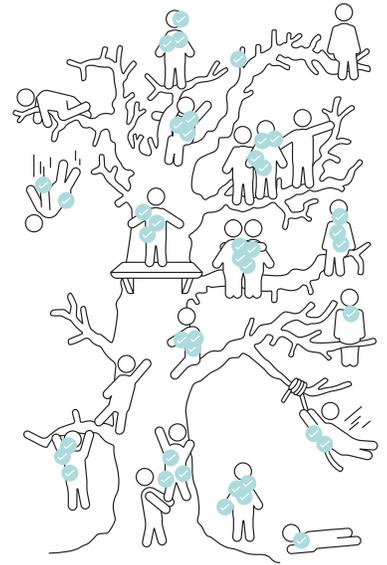
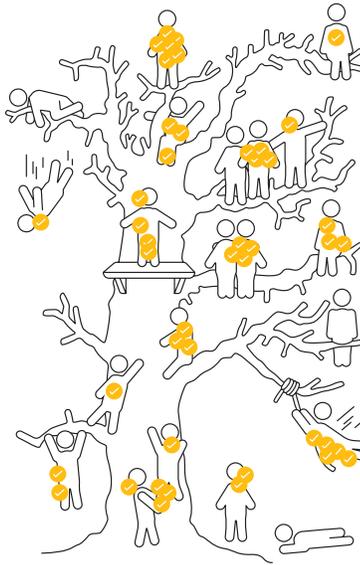
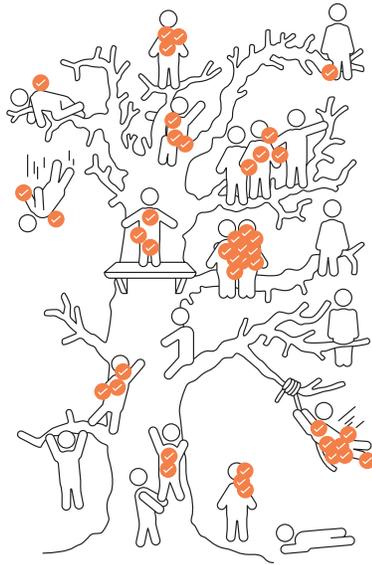
How do our council members feel right now?

We asked the council to choose characters on our “blob tree” that best represented their feelings as their countries reopen. Responses ranged from caution to excitement, but the most expressed feelings are detailed in the chart on the following page:



* Blobtree.com

3. MEET THE EPAM CONTINUUM CONSUMER COUNCIL



GERMANY

UK

US

Most selected characters:

Sitting on a branch, arm-in-arm
Swinging on a rope

Sitting at the top of the tree
Swinging on a rope

Sitting at the top of the tree
Looking up (and climbing up) from ground level

What this indicates:

Social interaction was sorely missed, and there was real excitement for being able to move freely again. Our German council members expressed very little negativity—although there was some concern about emerging too quickly. Mostly, there was excitement for what lies ahead.

Council members were eager to get back into society and spend time with friends and loved ones after prolonged separation. There was some anxiety about reopening too soon leading to another lockdown.

People were excited to return but expressed caution, knowing the pandemic is still very much at large. Excitement was primarily focused on spending time with loved ones they haven't been able to see over the pandemic.

What they said:

"I am really looking forward to seeing my friends again and experiencing new things together!" - Anna-Lena*

"I want to get back to restaurants and fitness studios as soon as they open up again." - Patrik*

"I am looking forward to new adventures ahead and going to places I couldn't go last year. I think that this character also represents ambition, enthusiasm and a sense of optimism about embracing restaurants, gyms and retail." - JW

"This represents my anxiety. This anxiety comes not from any unwillingness to return to places once open, but more from the worry that they will close again. I worry that this is just a tease of normalcy." - Vanessa

"Cautious. I have chosen this character because I am a little nervous to go back to places in-person because of all the time I have spent away from these places. Change is always a cause of some anxiety." - Patrick

"I am a little nervous about leaving my home where I have spent 24 hours a day 7 days a week over this last year. I have become a little bit of a homebody. Now, I find that I prefer to be home when given the option. I hope that this feeling passes." - Kel



4.

Understanding Consumer Spending Habits by Category

We asked our Consumer Council to tell us about their recent purchases in five key areas: **food, fashion, fitness, home and travel**. We spent time understanding their purchasing decisions and the motivations behind their choices.

In this section, we discover which brands have been seen as standouts and why. We consider the factors influencing consumers' spend. And we ask how evolving habits will impact brands.

4. UNDERSTANDING CONSUMER SPENDING HABITS BY CATEGORY

Food

Our council were eager to return to their favorite restaurants as we emerged from lockdown, but recipe kits and an app-driven takeaway culture proved extremely popular.

What We Found

Supermarkets

Creative retail partnerships support consumers: Thanks to a partnership with Deliveroo sparked by COVID-19, UK supermarket Waitrose began delivering groceries within 30 minutes or less to consumers. Partnerships like this one have opened up new ways for businesses to reach a wider audience.

Sensory experiences matter: While some took to new delivery options, some of our council members preferred to shop in-store for groceries to ensure they could select the fresh produce of their choice. Replicating the full sensory experience online is not easy, but those that took steps towards it—through WhatsApp video calls, social media, online tutorials and more—were appreciated.

“ Something I really liked was the offer of a local shop to make an appointment for a video call to shop. The assistant showed me everything in the shop via a WhatsApp video call. That was great!
- Jennifer*, Germany

Click and collect & curbside pickup grows in prominence: Curbside pickup, or click and collect services, are hardly new, but many of our consumers used them for the first time during the pandemic. In addition to ease and convenience, our consumers used this as a way to stay safe and healthy.

Consumers still expect rewards: For all the appreciation of new services to help them adapt to their new normal, consumers still expected to be rewarded for their loyalty.

“ It's important businesses have a loyalty program. This is something I look out for when buying something.
- Krip, UK

Restaurants & Takeaways

Meal-in-a-box adventures thrive: Meal kits provided by restaurants proved popular with consumers wanting to combine having more time on their hands and more disposable income, and gave them an opportunity to get creative.

Discounts fuel takeaway spend: With restaurants closed, takeaways fed a strong desire to bring eating out, in. Several council members were accustomed to regularly eating out, and they appreciated restaurants that adapted to offer their menus via services like Deliveroo and Just Eat.

Even more appreciated was the fact that deals and discounts remained when businesses could have increased delivery fees and other surcharges. In the US, the Uber Eats pass was championed for offering savings on each order. This feeling of consumer appreciation appears to have fed a degree of brand loyalty.

Appetite for eating out goes undimmed: Our consumers were eager to return to their favorite local businesses for professionally prepared food, ambiance and an enjoyable experience.

“ Dining indoors has always been one of my favorite things to do. This Memorial Day weekend, my family and I were able to go out and dine at restaurants in New York City. We had sushi. I don't usually mind how much I spend at restaurants because it is nourishing both my mind and my body.
- Kel, US

Favorite Brands

Tesco (UK):

"Tesco offers high-quality products but at a reasonable price, has a great selection and offers really good sales. You can get everything from there where other shops might not have the more unique items that they offer."

- Christian, UK

REWE (Germany):

"I respect them for their sustainability and organic food campaigns. REWE really values transparency, and I really like shopping there every week to support regional companies."

- Christiana*, Germany

McDonald's:

"McDonald's has become very sustainable with its food packaging and has gained even more bonus points through its new

delivery service. As a result, McDonald's has made a very positive impression on me during the pandemic."

- Jette*, Germany

Uber Eats:

"I have been ordering from Uber Eats often since the pandemic started. After COVID hit, the number of restaurants I saw on the app has increased quite a bit. Every time I had food delivered, all the drivers were wearing masks and following COVID-19 protocols."

- Amit, US

Lidl:

"Lidl really pays attention to sustainability, so I always feel very good when I shop there—online or in-person."

- Daniel*, Germany

How Our Markets Differed



Impulse spending on dining (in and out) was prevalent in the US and UK.



In Germany, spend was less frivolous and more clearly focused on supporting smaller businesses and local restaurants.

Brand Spotlight: La Boheme

La Boheme has found a way to deliver food home-to-home, so customers can enjoy the same quality as restaurant dining in a fun and creative way while still having more time for themselves.

“ You get all of the advantages of takeout without even leaving your house!”
- Ann*, Germany

“ You can pick up meal kits from there and cook them at home, so you get all the advantages of a take-away—something fresh and hot to eat, with an added fun factor.”
- Anna-Lena*, Germany



Fashion

Unsurprisingly, our consumers across all countries spent more on online fashion during the pandemic than they had previously. Moving forward, they don't anticipate this changing as they have gotten used to shopping in this way, but they also missed the benefits of physical shopping. Everyone said they expected deals, variety, flexibility of payment and delivery options to be the cornerstones of their buying decisions.

What We Found

Hybrid but fun: Our consumers expected a quality digital experience from brands with the ability to seamlessly transition between physical and digital services. The differentiator was the ability to make the experience fun.

“ I am excited to return to shops in-person because it's more fun to walk around a store and browse a wide selection in front of me. Buying online is great—and I will be continuing to do so—but in-person is pretty fun as well.”
- Patrick, US

Buy Now, Pay Later (BNPL) encourages spend: Online shoppers have been addressing the fit issue by buying the same product in different sizes and selecting BNPL options to manage costs. For retailers, the ability to offer BNPL and other flexible payment options may be costly but appears to be one of growing importance.

COVID anxiety persists: The anxiety is not just about the increasing volume of people in stores, restaurants and public transport. Some are also concerned about the way brands and other customers don't measure up to their own hygiene standards. For some, the pace of change is a problem. They say the loosening of controls, such as mask wearing and social distancing, feels out of control and rushed, leading to feelings of insecurity.

Building identity: Standing out became more of a challenge for consumers presented with many similar items online. Brands that offered something unique that played to our council members' individuality were popular.

“ I shop regularly at ASOS because I know I will find something that stands out and perhaps is not as mass-produced.”
- Emmanuel, UK

Sustainability becomes an influencing factor: Buying sustainably was not an issue that outweighed value for our consumers. But where products were perceived as being of equal value, the brand's approach to sustainability could prove decisive.

Admiration for brands trying to do good grows: Our consumers recognized the efforts of fashion brands seeking to act responsibly. For some, there was a sense of a shared mission—they felt proud to contribute to a business's goals with the spend of their dollar.

“ I respect Nike greatly as they've poured millions of dollars into R&D, charities and many projects that uplift people in poverty. I feel proud and thrilled to be a customer as I feel I'm a part of its mission.”
- Alex, US

For others, brands' efforts to be more inclusive have earned their respect and made them feel good about shopping there. The brands doing this best—Brazilian brand Rio Farm received particular praise—have demonstrated the capacity to make their customers feel “joyful, colorful and transported” (Aube, US).

Favorite Brands

Nike:

"I shop a lot at Nike, both online and in store, because I know the quality of their products are above average. They always act as innovators in regard to the technology that's used in their products."

- Alex, US

ASOS:

"I tend to shop a lot at ASOS because they have a large petite section. I also like their pay later option, as it enables me to try things in multiple sizes before paying."

- Lucy, UK

Adidas:

"Adidas has had numerous sales during the pandemic. They have offered extended returns policies. I will be shopping more with them in the future."

- Faisal, UK

Decathlon:

"I shop at Decathlon because there is good communication, low prices— not only online but also in the store— and a great overall experience."

- Anna*, Germany

Zara:

"Zara has quick delivery and good sales. I think I will shop there more due to its delivery service. I feel other brands could learn from their marketing strategies as their website is great, particularly for notifying when products are back in stock."

- Christine, UK



Fitness

While an appetite for gyms remains, our consumers have appreciated the benefits of apps and subscriptions that have offered fitness with added data, support and a community feel—and free from judgment.

What We Found

Overall spend on fitness is lower than other categories:

For some of our council, the pandemic has left them making difficult financial choices, leading them to take advantage of free classes on YouTube instead of paid options. For others, app options proved cheaper than in-person gym membership.

“ I previously had a gym membership, but, due to lockdown, I discovered online platforms and apps where I could work out at home, which has been cheaper. I haven't renewed my gym membership.
- Christine, UK

Not everyone is eager for a return to the gym: While some missed the social interaction of being able to attend their local gym, others, particularly in the UK and Germany, found benefits in the alternatives. Many enjoyed the way dedicated virtual providers enabled them to fit their workouts into their daily routines—and appreciated the affordability and ease of online fitness subscriptions. In the US, however, consumers were more likely to remain connected to their gyms, attending classes streamed online, which may have helped to preserve memberships.

Fitness without judgment: Online fitness subscriptions and wearable fitness tech were appreciated for the availability of performance data and the privacy of the experience. Although some of our consumers wanted to share their performance with friends, most wanted fitness without judgment.

“ I have been really liking the Peloton app rather than a gym subscription for its convenience, quality and lack of judgment.
- David, US

Supporting not selling: We saw an appreciation of brands that demonstrated an understanding of their customer and took practical steps to engage with them rather than merely sell to them. For instance, Myprotein's approach of combining regular discounts with help to achieve fitness goals was praised.

Building niche communities: For our consumers, Peloton is fulfilling a need for broader shared experiences. They see it not as purely a fitness company but rather as a social group or movement.



Favorite Brands

Peloton:

"I did buy a bike during the pandemic, so I guess their marketing worked! I feel that despite the high pricetag, the product is really good and the constant new content—challenges and themed rides—have made me feel it's worth it."

- Amy, US

ClassPass:

"I worked out at the gym for the past couple of weeks just to maintain a healthy lifestyle for myself. I also bought a spin ClassPass to try that out as well."

- Victoria, US

How Our Markets Differed



The US was the most gym-centric of our markets, choosing to stream online classes with their gyms.



Germany was our most outdoor-centric market, preferring to go for a run or ride a bike, and the one most focused on big brands.



UK was the most tech-centric market (although online fitness was also prominent in Germany), driven by a desire for the social experience without fear of judgment.



Travel

Our council showed a strong desire to travel again, but only consumers in Germany were confident enough to book flights and accommodation overseas. Unsurprisingly, the shifting state of testing, quarantine and COVID cases has been the biggest barrier for UK and US consumers.

What We Found

Trust is the motivating factor: Given the scale of many international travel purchases, our consumers leaned on brands they felt were reliable and offered late cancellations, refunds, rebooking flexibility and a COVID-safe experience. Frequently, this led consumers to larger brands with the resources to offer the protection consumers need.

Trust is more important than price: Even when searching for the best deal, our consumers would find flights with carriers they trusted first before searching for the best deals with those brands.

Vacation solutions welcome: With overseas vacations off the agenda for many, our consumers appreciated the brands that offered safe travel alternatives and made changing plans and switching arrangements easy.

“ With so much uncertainty, I was impressed with brands that came to me with solutions for still enjoying travel safely.
- Rachel, UK

Stepping up won friends: The pandemic presented opportunities for some brands to play their part in the COVID relief efforts. Uber was one brand that won plaudits, partly as a result of the way its COVID-safe measures made travelers feel secure and partly through specific initiatives (e.g. free rides to help the vaccination effort) that our consumers found inspiring.



Favorite Brands

Deutsche Bahn (Germany):

"In March, there was the uncomplicated possibility to have train-bound bookings fully refunded if the reason for the trip was canceled due to the virus. Proof of this was not even required, so I was able to have several connections booked under super savings price—which are actually not refundable—reimbursed in full as a result of canceled football matches."

- Joey*, Germany

JetBlue (US):

"I am a frequent flyer with JetBlue, and I have Mosaic status. I prefer JetBlue because of my Mosaic status; when I earn points, they provide

more value than other airlines. I would pick JetBlue even though it may be more expensive than other airlines."

- Amit, US

EasyJet (UK):

"I mostly prefer EasyJet flights due to their prices and discounts over other companies."

- Shalini, UK

British Airways:

"When I do have to fly, I try and make it BA. There's a sense of trust, reliability and safety built into the brand, which is comforting."

- Andy, UK



How Our Markets Differed



US travelers were cautious about international travel, but far more open to local weekend trips and interstate spend.



Germany was our boldest market, spending confidently and looking for combination deals.



UK council members were our most cautious travelers. Booking a vacation was desired but deemed too risky. Plans are on pause.

4. UNDERSTANDING CONSUMER SPENDING HABITS BY CATEGORY



Home

With people spending more time at home than ever, the home became a focal point in all of our lives—and so did the need to spruce it up. Similar to food, home was linked with a strong desire to get an in-person feel for items.

What We Found

Consumers seek comfort: Spending more time at home increased the need to feel comfortable there. Although many in our council are not homeowners, they have spent more on home furnishings and gardening.

Sensory creates fun: As with food, sensory experiences matter. Our consumers said they liked being able to compare sizes, colors and being able to touch and feel items. Stores that invoked sensory elements best made in-store shopping fun.

“ I like to buy home design in-person, so I can see how things will look and gauge if it will be a right fit for my home.
- Nicole, US

Superbrands lead the space: Price, range and speed of delivery meant that online purchases were seen as being a natural route for more utilitarian purchases, like Wi-Fi amplifiers and cellar door locks...

“ You can ultimately find everything you need, compare prices, and read reviews comfortably from home.
- Robert*, Germany

...but the pandemic has been a catalyst for larger online purchases, too. Swift delivery and tracking and the ability to find items that were out-of-stock in physical stores made a positive difference.

“ I love that I am able to buy just about anything on Amazon. I can compare different products and see what people have written about the product to see if it would work for me. I also love Amazon's customer service when I need to return anything.
- Amit, US

Ease of return still important: Curbside pickup wasn't only popular for its convenience in terms of purchasing items but also for returning them. As consumers bought larger items during the pandemic, they valued being able to see immediately if an item was going to be suitable and return it promptly.

Doing good earned respect: In the UK, Home Bargains' approach to the pandemic presented just one example of how consumers are expecting more from retailers than quality and value. Our council members mentioned reports they had read of the way the company had curated packages to help consumers shop swiftly and easily online, of how vulnerable staff were placed on furlough to keep them safe, and of the way the retailer had rewarded staff during the pandemic. For our consumers, the result was increased respect.

Brands go home: Traditionally, in-store shopping has been the natural route for consumers seeking an experience. Online was more transactional, bolstered by influencers, blogs and reviews. During the pandemic, brands have been replacing in-store with in-home experiences, such as personalized tutorials and advice sessions.

Favorite Brands

Target:

"I think Target has done an amazing job with curbside pickup. They have a no-fee, no-spending limit and almost everything in the store is available for curbside pickup. I think this is huge because there have been so many times that I think of something I want to buy and I will go into the Target app, purchase it and literally within an hour it's ready (they say to expect it to be ready in two hours). I've bought a lot of extra items that I probably normally would not have bought had they not had the curbside pickup with no-spending limit as an option."

- Salma, US

Home Bargains:

"I liked how they rewarded their staff for working through the pandemic and placed vulnerable staff on furlough to keep them safe. It gave me a lot of respect for them as a company. I've always shopped there a few times a month, and I can't see that changing."

- Lucy, UK

How Our Markets Differed



Germany was most focused on renovating home and gardens, driven by a desire for comfort.



The US expressed similar desires, although less strongly.



As the council members most likely to have roommates, the UK focused on smaller buys.

A photograph of a Target store exterior. The large, red, 3D 'TARG@T' logo is mounted on the light-colored stucco wall. The building has a red-tiled roof. Below the logo, there are glass doors and windows. A red Target shopping cart is visible near the entrance. The sky is clear and blue.

TARG@T

Brand Spotlight: Target

Target was viewed as adapting well to changing customer needs by developing its pickup and drive-up services throughout the pandemic.

“ They have massive, easy to navigate parking lots, have plenty of pickup parking, lots of space with clear signage, and very easy to deal with staff.
- David, US

“ I consistently go to Target and the reason for this is the variety of products they offer, the constant innovation and keeping up with the trends and also their consistent quality.
- Ariella, US



5. Themes from a Pandemic

It's indisputable—our consumers changed their approach to buying during the pandemic. Here, we explore the triggers and barriers underpinning those changes. Some, like concerns over COVID, are (hopefully) temporary. Some, such as the role of social media, were important long before the pandemic and have only grown in prominence during it. And some were initiatives forced by COVID, which may extend into our new world.

TRIGGER

Of all the themes explored here, one dominates all others:

Whatever else matters, value for money matters more.

Peer influence. Brand innovation and resourcefulness. Acting responsibly and sustainably. They all matter, but value for money (that is, a combination of quality, availability, choice and price) is the key trigger. With value for money in the mix, other factors have a chance to influence buying decisions. Without it, the decision will be to look elsewhere.



Value for money doesn't have to mean cheap. It just has to mean that I get the quality and durability I expect for the money that I pay.
- Andy, UK



5. THEMES FROM A PANDEMIC

TRIGGER

Finding the best deal is a “badge of honor.”

Not only were our consumers more inclined to spend if offered an incentive or discount, they were also more inclined to spend time searching for them. For many, searching for the best price became a challenge and finding it was seen as an achievement. Indications this behavior became more embedded over the pandemic raised two issues:

- Will the trend for deal searching remain now that people have less time on their hands?
- How will the trend affect the way customers approach in-store shopping and traditional loyalty and discount programs?

“ I want the feeling that I have picked out the ‘best’ offer. I compare prices across industries, but for travel and fitness, my orders are dependent on good offers and discounts.
- Joey*, Germany

“ Reward loyalty, offer discounts or incentives and reward schemes. Make sure you take quality pictures for your website and the description is detailed, so I know what I’m paying for.
- Isabella, UK

BARRIER

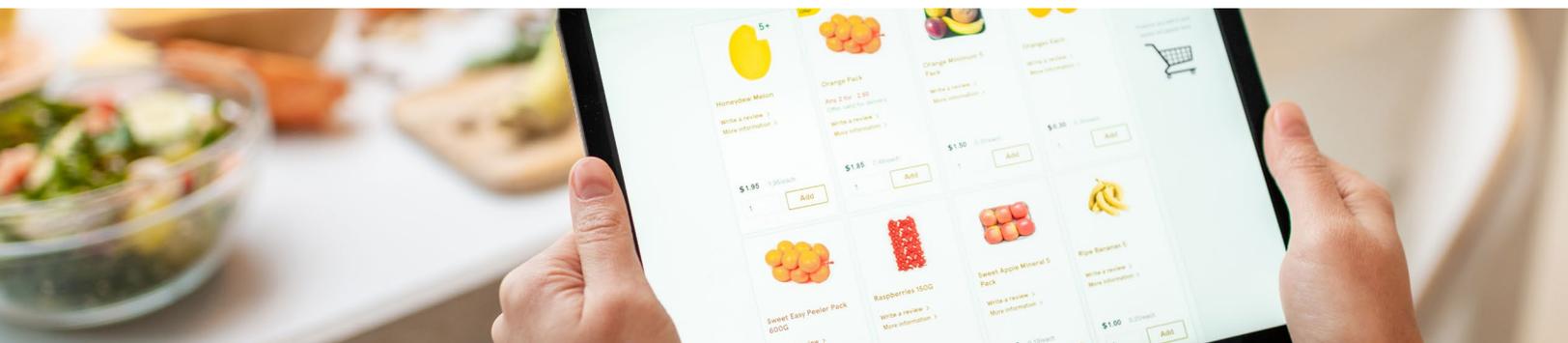
Trust issues persist.

The need for trust was most evident with travel purchases, where the general uncertainty led consumers to seek out brands that could minimize the risk of making purchases that might need to be changed or canceled.

More generally, the importance of online reviews in establishing trust has grown during the pandemic as more of our consumers shopped online for a greater

range of products. Some said they would use their credit card when shopping at a new online store to limit risk. For smaller online players, offering a sense of security and comfort without the safety net of a wealth of reviews is a growing challenge.

“ I do not know the provider and do not know if it is trustworthy.
- Lena*, Germany



5. THEMES FROM A PANDEMIC

TRIGGER

Ethics “climb the leaderboard.”

Brand ethics may not beat value as the deciding factor, but they do appear to be playing a larger role in consumer decisions. Many in our council voiced respect for brands that do—or are trying to do—good, but altruism needs to be genuine and transparent.

“ If a brand or seller is genuinely committed to sustainability, makes that extra effort and makes this transparent to the outside world so consumers can see it and know that buying those products are doing something good, then that definitely incentivizes me to buy from them—to make that conscious decision to buy sustainably.

- Joey*, Germany

Others saw it from their own perspective. Shopping with a responsible brand made them feel responsible. Being part of the brand’s community enhanced the feeling that they were doing good.

“ I love Waitrose. They stand up for what they believe in, they are trying to be as sustainable as possible and they offer great value for money—all the things I am looking for in a place to shop. I respect that they aren’t pretending to be something they aren’t. They have a market and cater to that market as well as they can.

- Andy, UK

The need for brands to do good appears to have been heightened by the pandemic, but it hasn’t been the only issue driving consumer interest. In the US, support for social movements has proved just as influential.

“ Given the 2020/2021 movements for social justice, I think it is going to be very important for companies to show that they are socially responsible. It is important for companies to support their employees and customers no matter what the color of their skin is, what sexual orientation they have or what gender they relate to.

- Amit, US

Despite a strong desire to shop ethically, sustainably and locally, affordability won out. In part, this appears to have been an issue of availability. Consumers won’t seek sustainable products, but they may choose them if presented with them. The perception also persists that shopping sustainably or locally means shopping more expensively. For that reason, many in our council felt that buying ethically would be something they were more likely to do in the future.

“ I try and support local businesses; however, I find them a lot more expensive than shopping with large businesses.

- Lucy, UK

Where, however, customers are comparing two products or services of roughly equal value, the more sustainable product or the brand with the greater reputation for acting ethically won out.

“ Sustainability has crept up the leaderboard recently. It’s increasingly important for me that the products I buy and the materials they are made from are sustainable.

- Andy, UK

5. THEMES FROM A PANDEMIC

TRIGGER

Creating rewarding experiences helps brands stand out.

Experience matters. It matters in the sense that a positive experience increases feelings of trust and the chances a brand will earn a first look for the consumer's next purchase. It matters in the sense that poor service is a major barrier and can deter a customer for life. But both of these were standard before the pandemic.

“ If I receive bad customer service, for example, to a query online or in-store, I am unlikely to purchase from there again.
-Zoe, UK

What has changed is the nature of experience

consumers expect to enjoy. Customers across all markets articulated the importance of retailers developing digital services, resourcefulness and creativity in their offerings.

Innovations that excited customers included:

- Curbside pickup and other delivery alternatives
- Accompanied video shopping
- Gyms offering outdoor training
- Restaurants finding new ways to reward loyalty or larger orders



5. THEMES FROM A PANDEMIC

TRIGGER

Social brought brands home.

More than ever, the pandemic demonstrated the value of social media in enabling brands to connect effectively with their customers.

“ Local shops learned that you have to make the best of the situation and come up with new things. Don't just grumble about politics and regulations, but be creative and promote your store through all possible channels.

-Daniel*, Germany

Retailers who used social media in novel ways to bridge the space between store and home have found new customers during the pandemic. Approaches have varied from sharing their mission to making emotional connections to creating educational tutorials. Brands able to enter consumers' homes with creativity and fun have been welcomed.

“

A local record store near me adapted really well during COVID. Since people couldn't come and shop, they started doing Facebook Live auctions. I thought that was cool.

-Reeva, US

“

A friend of mine owns a beauty parlor and faced a lot of financial issues due to the lockdown. He and his wife did makeup tutorials and live advertisements of their business ideas for the future on social media.

-Vanya, UK

For the more frivolous spenders in our council, impulse purchases were often prompted by advertisements or social media campaigns. Where social media enabled a product or experience to become a trend, some in our council felt they had to be part of it.

“

I saw an ad on TV showing a group of people on a stationary bike burning insane calories, and I thought I had to get one.

-Alex, US

TRIGGER

Customers seek comfort and security.

During the pandemic, a rewarding experience also meant enhancing feelings of safety and wellbeing. Buying online enabled our council to avoid risky social interaction, while even small purchases (like flowers or vases) enhanced comfort levels.

BARRIER

Subscription causes suspicion.

Our council had a general wariness of subscription services, feeling that they:

- Can be too expensive
- Are used too infrequently to be valuable
- Offer additional services, which are seen as justifying the subscription price rather than being genuinely useful

Notable exceptions were subscription services that enabled users to be part of a community, join social interest groups and share experiences.

5. THEMES FROM A PANDEMIC

TRIGGER

The power of friends remains high.

The chance to reconnect with friends and loved ones isn't just about recovering a sense of normalcy. For many, there's a feeling that life has been on hold for too long, and that enjoyment is overdue.

“ Can't stop. Won't stop. I feel like I've put off indulging with my friends for a long time and am now at a place where I think, 'Why not?' Especially after COVID.
-Isabella, UK

Our consumers said they were influenced by their friends' shopping habits, which may have encouraged them to buy from brands they wouldn't normally choose.

“ I want to spend time with friends, and my friends want to spend money here. So, I will also spend money here, so that I don't feel left out and I can enjoy myself.
-Rachel, UK

BARRIER

COVID concerns linger.

The uncertainty of the pandemic manifested itself in numerous ways. Some were wary of returning to crowded stores, restaurants or public transport. Some were conscious of not overspending. Some have been asking, "Do we really need that?"

Others struggled to rationalize the actions of others with their own interpretation of the rules. This tension has created a feeling of unease about returning to stores—something that may be exacerbated as restrictions ease and social distancing and mask-wearing become matters of personal choice rather than mandated.

Our German council members expressed the greatest reserve (although not in relation to travel), but all brands face the challenge of overcoming new mindsets forged during lockdown.

“ I don't trust that staff or other customers who are not wearing masks have been vaccinated.
- David, US

TRIGGER & BARRIER

Superbrands change the rules.

Our council members love the convenience of shopping in one location. Superbrands—like Amazon, TJ Maxx and Target—offer a wide variety of quality products at low prices and the chance to find virtually everything under one "roof."

“ I still order a lot on Amazon, because I can find everything without running into 10 stores.
- Anna*, Germany

Amazon in particular has set a high bar for retailers. Free shipping, next-day or same-day delivery and hassle-free returns are now expected as standard by our council. The challenge for other retailers is to mimic Amazon's service levels. The offer of free next-day delivery is no longer an incentive.

If you had to give one piece of advice to retailers, what would it be?

Online Spend



Make things easy for me—product listings, detailed descriptions, seamless ordering payment.
- David, US

Keep the ease of ordering, delivery options and easy and more lenient return policies—even post-COVID.
- Reeva, US

Have a good and easy-to-use app.
- Monique, UK

Expand Digital Presence



I think the pandemic has provided the opportunity for small businesses to come forward and creatively market themselves. All the small business owners taking advantage of reels on Instagram and TikTok have been given the opportunity to really market themselves during this time, and some of them have been INCREDIBLY successful.
- Kel, US

Human Relations



Treat your workers right.
- Liam, UK

Give more information on what you stand for and be more human.
- Rachael, UK

Do your bit for the world (e.g., recycle, be carbon neutral and support local).—Morgan, US

Continue to keep customers safe with COVID measures in place.
- Lucy, UK

Communicate brand values. We want you to be socially responsible regarding Black Lives Matter, the climate crisis, rise of right-wing politics, LGBTQIA rights, etc. We want to know what you're doing, who you're supporting, and how you're making the world a better place. I want to support businesses that want to support the community.
- Oliver, UK

Reward Loyalty



Give bigger discounts for very loyal customers.
- Kiran, US

Do something original and different with accessible pricing to create a world-class online experience. Set expectations. Show us everything we need to know about the product. Provide fast delivery, and reward us for loyalty with promotions or points. When something goes wrong, communicate with us the process and make it right. Always.
- Chris, US



6.

Conclusion

Focusing on the Future

Hybrid shopping. Price. Ethics and sustainability. As the Consumers Unmasked project continues, we'll explore to what extent these factors grow or diminish in importance and consider how brands should prepare for these changes.

6. CONCLUSION

The New State of Hybrid Living

The pandemic drove more people online—and drove them to try new products and services they might not have discovered otherwise. We've seen innovative and creative partnerships develop at pace that have created new flexible and seamless customer experiences and business models for brands. We've seen the rise of social commerce, which has enabled new

ways for large and, in particular, local stores to connect with consumers. And we've seen brands entering our homes through the clever use of tutorials, influencers and more. These examples demonstrate how digitalization, creativity and engagement became core opportunities during the pandemic.

Adaptability

Responding quickly to customers' changing needs and practices is crucial for brands to stay relevant.

Creativity

Finding unique solutions to challenging circumstances can help retailers stand out from the crowd.

Seamlessness

Creating an experience that is simple, convenient and quick is imperative to meeting customers' rising expectations.

Hybrid Online & Offline Services

Whether behind their laptops or at a register, customers are looking for convenient and inclusive experiences no matter where they are shopping.

Fun Factor

Building an experience that's enjoyable is critical for brands aiming to build loyalty.

Physical shopping and entertainment still exert a powerful pull. With a growing trend towards the sharing economy, businesses are finding opportunities to create new experiences while reducing overheads and increasing revenue opportunities. This trend seems like it will only continue as physical retail space explores new ways to differentiate from online shopping.

Which trends will remain, which ones will grow and which will disappear? We'll learn more as our council members move out of lockdown.

Does Price Still Rule?

According to our council, the answer is a resounding "yes." The ability and desire to shop around is reinforcing this and may change as the opportunity to compare prices diminishes. For brands, responding to consumers' need for affordability is not purely a matter of price. Offering easy, up-front access to discounts and more flexible ways to pay are clear opportunities—albeit ones that carry a cost for retailers.

But, there are signs of competing forces at play, which may threaten the dominance of price.

Our council said security and trust had approximate parity with price in the travel sector. Although viewed warily by our consumers, subscriptions could attract a premium for brands that get the model right. And, as we'll discuss later, ethical issues are gaining ground.

6. CONCLUSION

How Is Loyalty Changing?

Loyalty is important, although as our council demonstrated, it's attached to perceptions of quality, experience and value more than it is to specific brands. Even then, loyalty can be fleeting and superficial. A good experience last time may win a first look next time—but unless value is maintained, it won't necessarily be enough to prevent a customer from shopping around.

Social media has highlighted businesses going the extra mile during the pandemic and finding new ways to engage customers. Our consumers expressed their respect and admiration for this, but will a good pandemic response translate to loyalty in the long term?

The restrictions of lockdown and the need for safety have led consumers to let brands into their homes to a greater

extent than ever before. For brands, this is an opportunity to leverage proximity in pursuit of loyalty—but who will take that opportunity?

Excitingly, a wealth of emerging factors are presenting the potential to innovate new loyalty-driving behaviors and programs. And as we have seen, where value is already present, ethics is now seen as one of the most important considerations as consumers look to the future.

As the study continues, we'll track the changing shape of consumer allegiance and ask what that means for the way brands engage, the service and subscription models they develop and the discounts they offer.



6. CONCLUSION

The Growing Importance of Ethics

The pandemic may have heightened consumer interest in brands doing good, but it's far from the only issue that has grabbed consumer attention and prompted a re-evaluation of the way brands do business over the past year. As a result, the value of acting responsibly, sourcing ethically and operating sustainably is unlikely to diminish as the pandemic recedes.

Over the coming year, we'll assess to what extent "doing good" becomes a default expectation of consumers. We'll explore the emerging trend of sustainable fashion and how the explosive growth of resale impacts consumer behavior as we move forward. If buying second-hand and repairing clothes makes

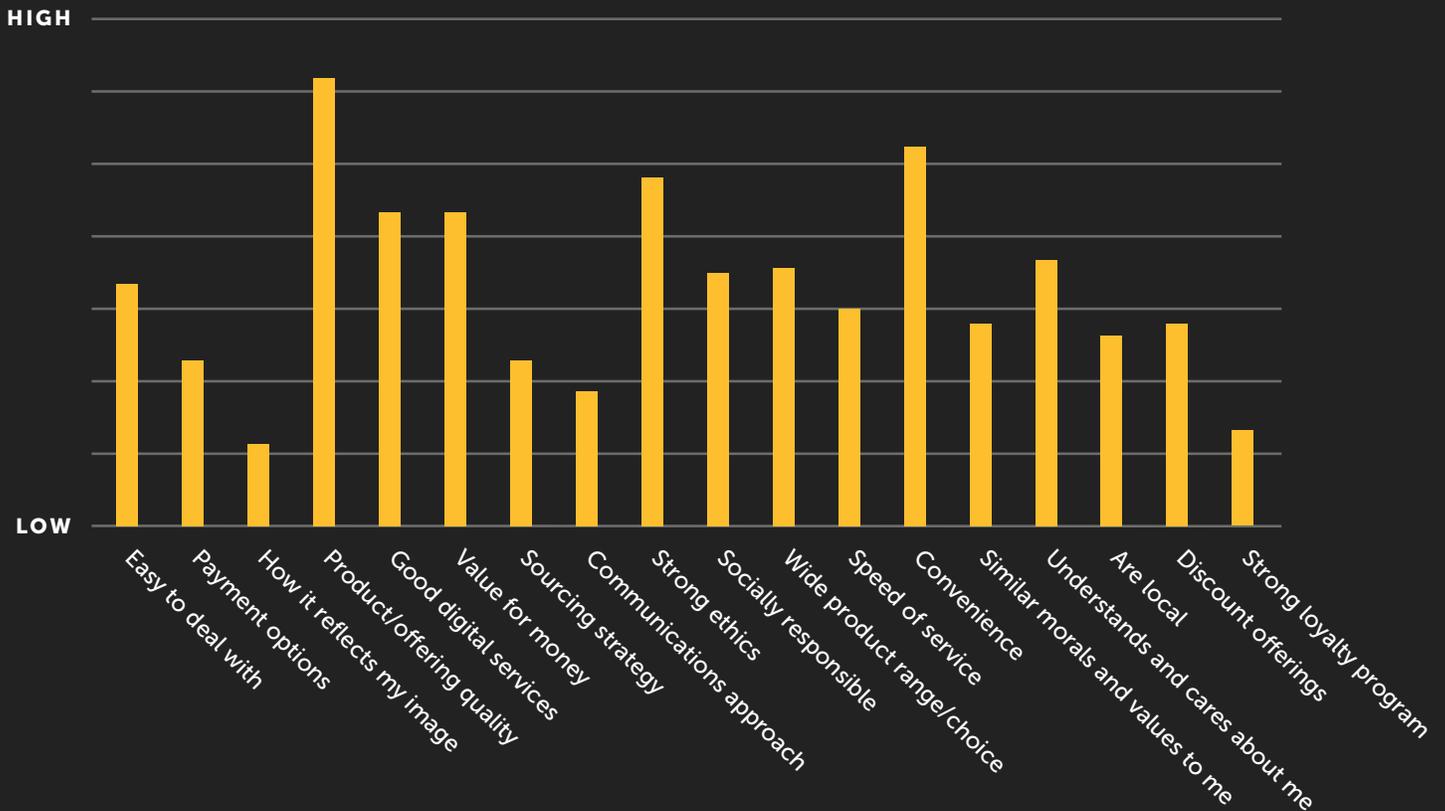
consumers feel good about themselves and delivers value for money, how can brands join their customers on that journey?

Some (although certainly not all) of our consumers indicated that they would pay a premium for responsible or sustainable products.

Our council demonstrated a complex set of emotional triggers for ethical purchase decision making—see the graph below for more on that. We'll explore how much more people are willing to pay for sustainable products—and why.

What Do You Think Will Become **Increasingly Important for You** when **Spending**?

RESPONSES FROM OUR COUNCIL MEMBERS



Amazon: A Standout, Standalone Brand

In addition to our key themes, and running right through them, is Amazon. It seems no one can compete when it comes to being able to find anything and everything at a reasonable price. The superbrand was frequently referenced as the benchmark by our council.

Over the next 12 months, we'll be closely monitoring how our council's behavior with—and toward—Amazon evolves, and also examining how other brands are finding avenues to compete.



6. CONCLUSION

More to Play For

For brands, the pandemic has been a Pandora's Box. Services developed at pace are now expected. Innovative partnerships are quickly being seen as standard. Brands have raised the bar on the services they deliver, the experiences they create and the good they do—and their efforts are striking a chord with consumers who are looking for excitement and demanding change.

This is just the start of the post-pandemic journey, and there is much to play for. The Consumers Unmasked project will follow what happens next.

Register **here** to follow Consumers Unmasked and receive regular updates from our ongoing study.



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