

Download on the Next Normal

Introducing a framework for understanding the scope, stickiness, and staying power of change in a disrupted consumer marketplace.



Not all change is created equal

From the coronavirus pandemic and the worst economic collapse in almost a century to a racial reckoning generations in the making and sustained mass demonstrations across the country, 2020 has seen massive disruption on a colossal scale. But what goes back to the old normal? What becomes the new normal? In this Download we offer a framework for understanding what to expect from consumers as the next normal unfolds.



People don't aspire to a new normal. People are anxious about what's been taken away. They are not anxious to leap headfirst into the unknown. They want what they remember not something unfamiliar and uncertain. People want to get back to the routine of normal change.

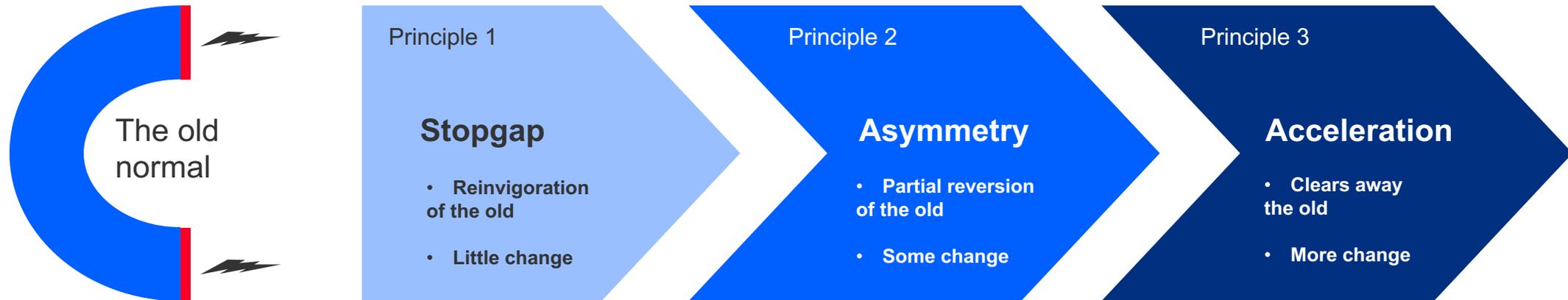
But **sometimes change is the legacy of disruptions.** The commercial imperative is to figure out when this is likely to happen and what will change. Experience shows that **people embrace change caused by disruptions when it resonates with their cultural values and lifestyles,** when it measures up to their expectations about quality, and when it comes into full flower from a bud that was greening on the vine already.

J. Walker Smith
Chief Knowledge Officer
Kantar, Consulting Division

A framework of change

We offer three principles on a continuum to use when assessing whether change will break free from the strong magnetic pull of the old normal. The first is the stopgap principle: the new is nothing more than a coping mechanism, and change never takes root. The second is the asymmetry principle: the new offers value and doesn't entirely revert, giving change a toehold. The third is the acceleration principle: the new punishes inefficiencies and clears away stale conventions, enabling change to define a new normal.

Change: Old and New Normals



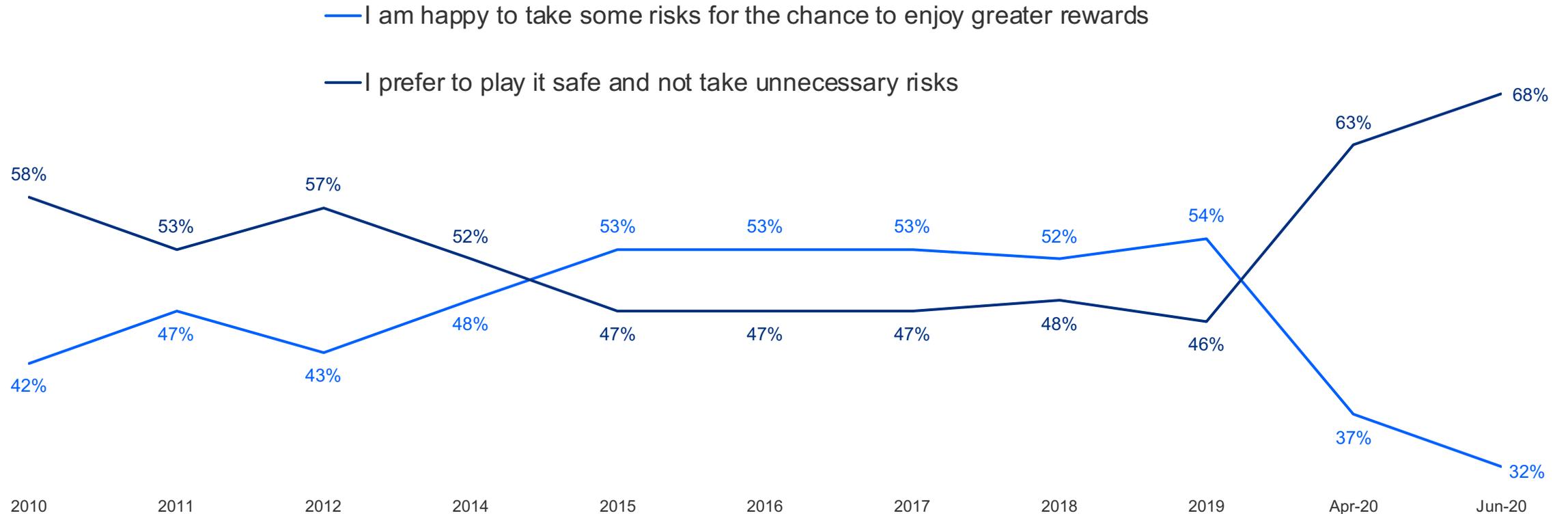
Personal Finances

1. Rethinking risk
2. Reining in spending
3. Adapting to financial anxiety



Rethinking risk

For most of the last decade, appetite for risk typically split America down the middle with roughly half on the risk averse side and half on the risk tolerant side. But the onset of the coronavirus pandemic has radically changed that equation, with more than two-thirds now saying they prefer to avoid unnecessary risks.

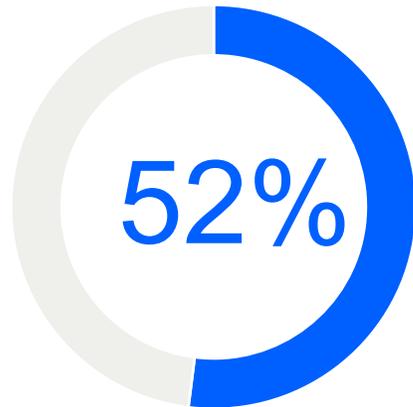


Rethinking risk

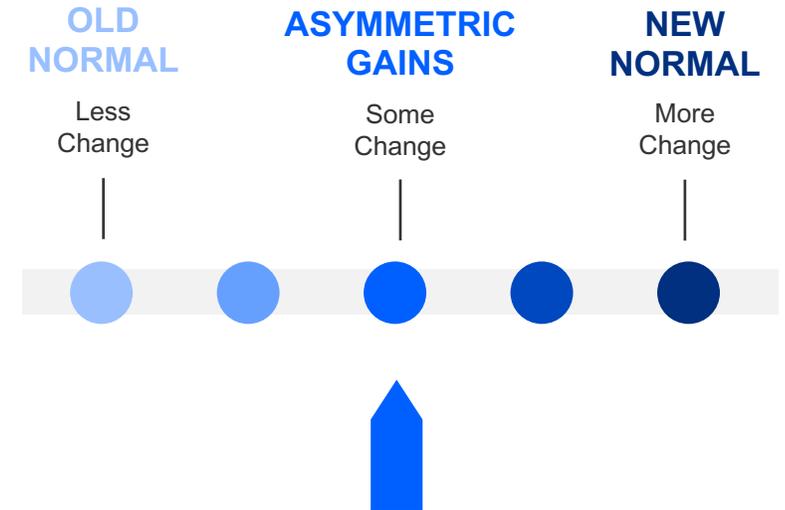
MONITOR data on risk tolerance over time clearly demonstrates how difficult it is for consumers to grow their appetite for risk. It took more than six years after the Great Recession in 2008 for the level of risk tolerance to surpass the level of risk aversion. That tenuous inversion lasted five years, but the pandemic quickly and dramatically reversed that trend. Appetite for risk is hard to build and easy to lose—today’s level of risk aversion is likely to last well into the decade ahead.

Proof Point:

How much stress this causes:
Thinking about the future of the country
(Top-3 Box on a 7-pt. scale)

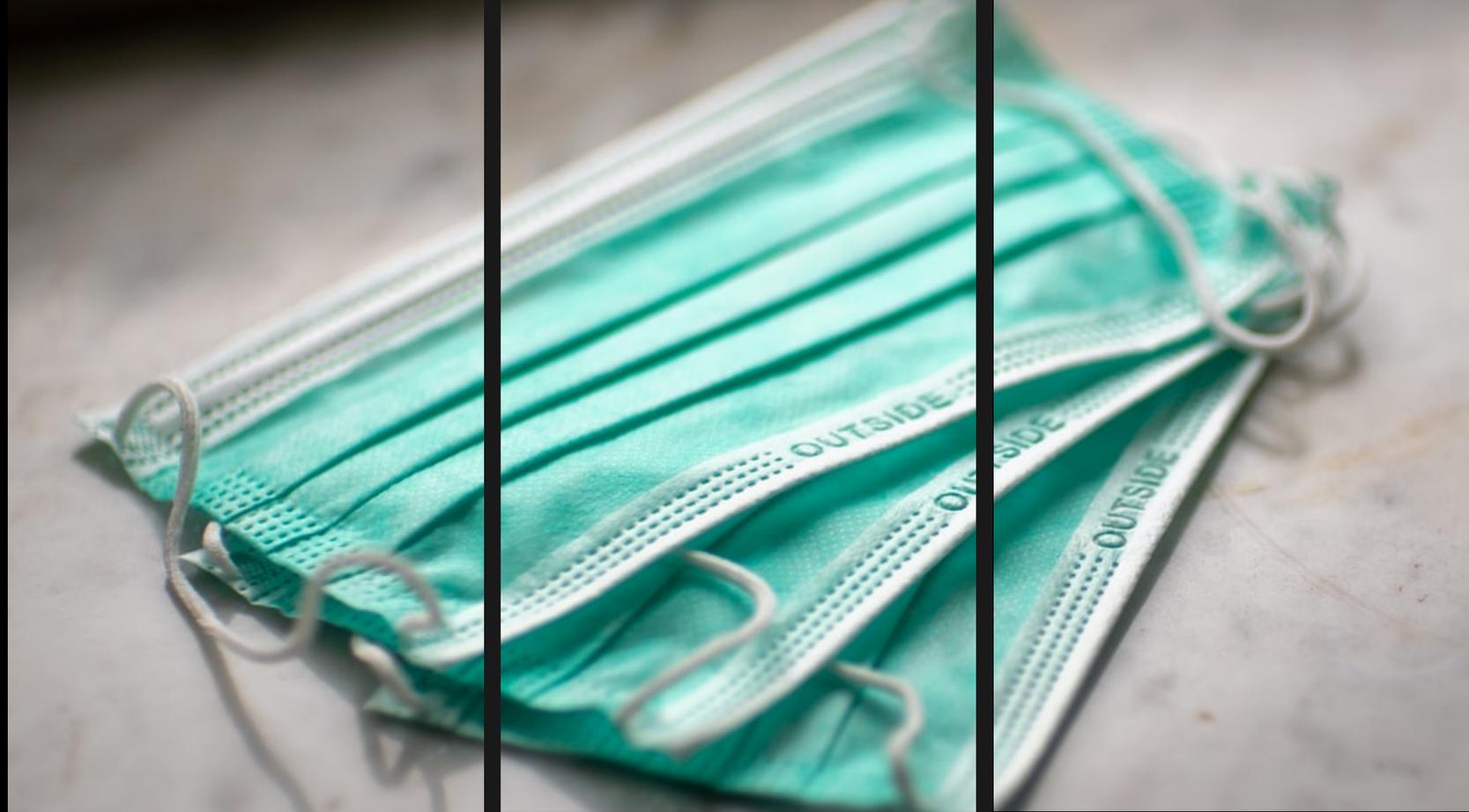


Staying Power:



Health

1. Stressing out
2. Recognizing the threat of pandemics
3. Normalizing personal protection

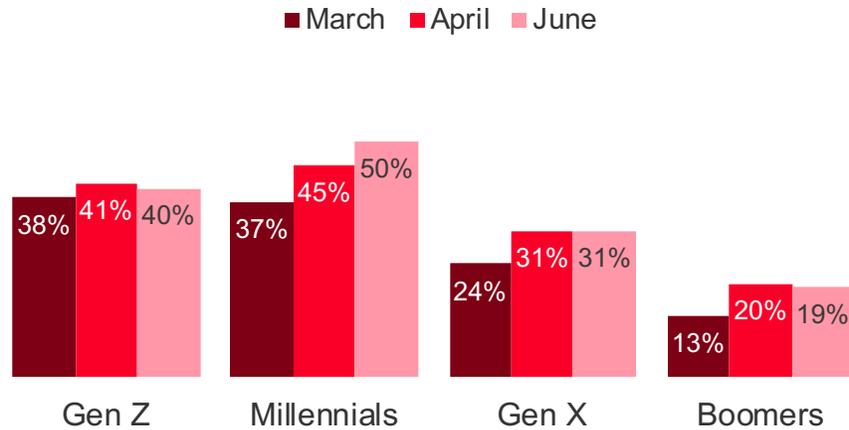


Stressing out

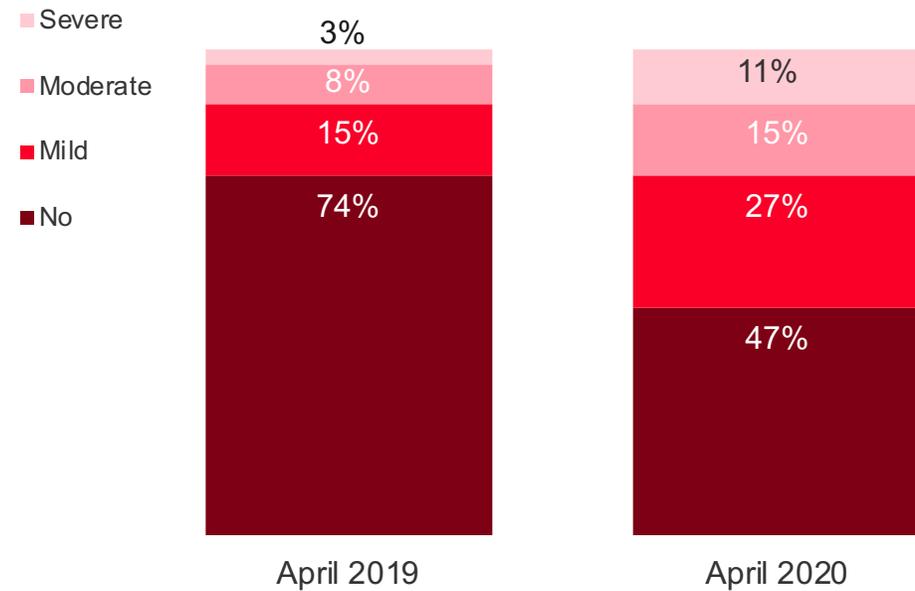
Weeks of worry and uncertainty, combined with social isolation, created a growing strain on some consumers' mental health, particularly Millennials and Gen Z. By April, over half of Americans experienced general anxiety as concerns around health, finances, and the future weighed on their psyche.

Aspect of your wellbeing you're most concerned about:

Mental health



Anxiety 2019 vs. 2020, U.S. Total

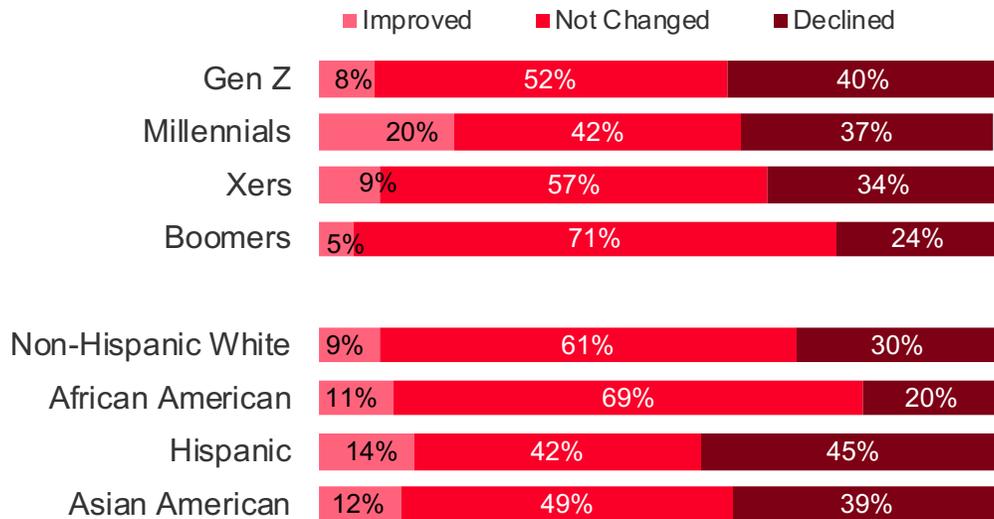


Stressing out

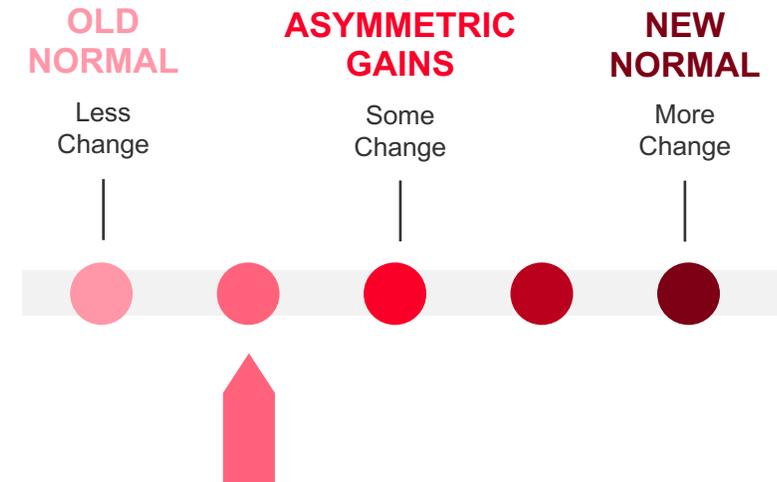
While many Americans paid extra attention to their mental wellbeing during the pandemic, the majority of them remained unaffected by the added stress. However, certain cohorts fell vulnerable to the mounting pressures—namely Gen Z and Hispanics. They experienced negative impacts to their mental health that might take longer to recover from, despite these groups’ desire to bounce back to normal. With already high rates of anxiety and depression pre-pandemic, Gen Z could experience a worsening mental health crisis.

Proof Point:

How has the coronavirus affected your emotional Health?
My emotional wellbeing has _____



Staying Power:



Community & Family

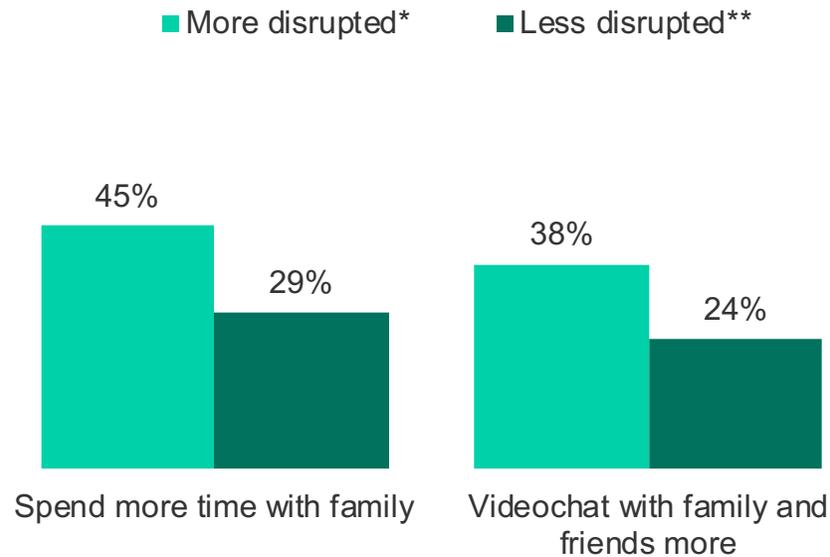
1. Social cocooning
2. New dividing lines
3. Parenting through adversity



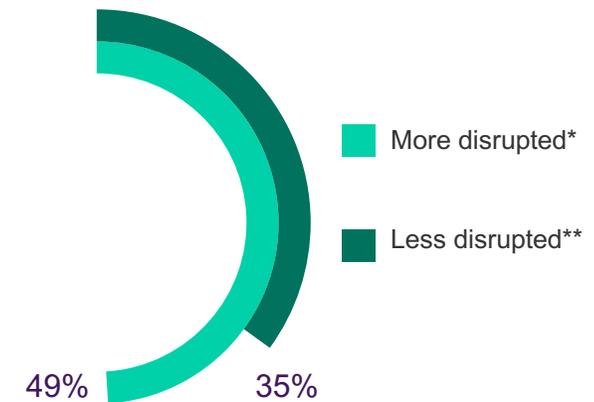
Social cocooning

The more disrupted the daily lives are of Americans, the more likely they are to wrap themselves in the comfort and safety of their closest relationships. And people are increasingly adopting new tools that can digitally facilitate the social intimacy lost by physical distancing and quarantining.

I plan to do more of this as a result of the coronavirus



The coronavirus is making me cherish my intimate relationships more



Social cocooning

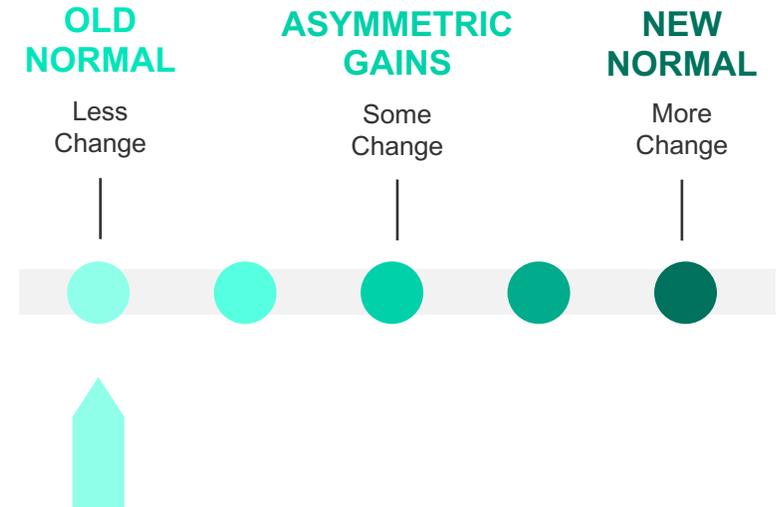
Before the pandemic, much of the social discussion about community was focused on the increasing perception of loneliness. The pandemic has put that in sharp perspective, as solitude has now become synonymous with safety. Still, as Americans learn more about how the virus behaves and how to protect themselves, they're increasingly willing to engage with the outside world, mostly in small groups with familiar faces. Once that becomes safe, people will act on their desire to spend time with their closest friends and family in person.

Proof Point:

Thinking about the coronavirus, how safe do you feel doing each of the following activities?
(extremely / somewhat safe)



Staying Power:



Leisure & Lifestyle

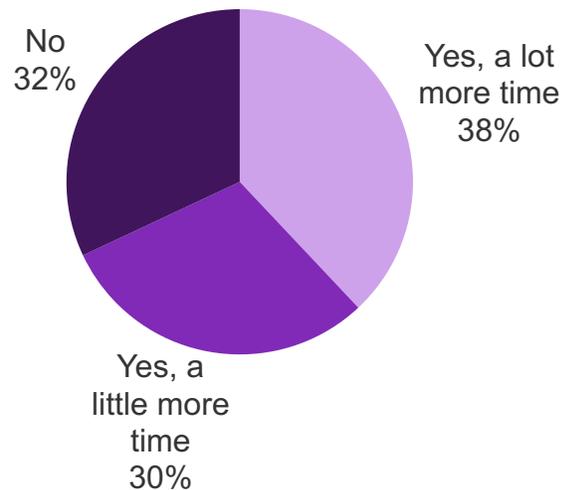
1. Hustle Busting
2. Shifting social lives online
3. Cautiously leaving home



Hustle Busting

The economic shutdowns caused by the coronavirus put work and life plans on hold for many Americans. With less items on their to do list (and less to do in general), consumers used their newly available downtime as a chance to slow down, relax, and simply do less.

Do you feel like you have more free time on your hands since the pandemic began?



Activities I've been doing more of since the coronavirus arrived in the U.S.:

- #1** Doing nothing / relaxing **37%**
- #2** Eating comfort foods **29%**
- #3** Sleeping/napping **26%**

Hustle Busting

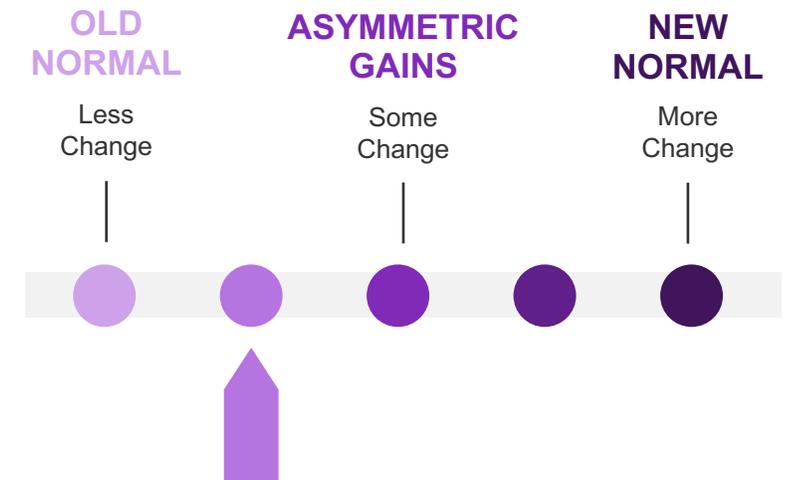
American culture equates busyness with success, but, in recent years, MONITOR has tracked consumers' growing desire to adopt a slower, more manageable pace of life—a trend we call “Hustle Busting.” The shutdown gave consumers a chance to try on a more laidback lifestyle, and many appreciated having time to experiment with new hobbies or enjoy relaxation that seemed out-of-reach pre-shutdown. As economies reopen, life will pick up speed for most Americans, but some consumers will try to make room for these new habits to stick.

Proof Point:

I am enjoying a slower pace of life that I would like to keep even after the coronavirus is over



Staying Power:



Work & Home

1. Home as a Hub
2. Living at Work
3. Employment Uncertainty



Home as a Hub

Americans anticipate the pandemic will reshape certain contours of everyday life, namely by putting home more central to everything, from work and education to healthcare, shopping and personal attire. This suggests that the “home as hub” lifestyle trend will only accelerate and become one of the dominant cultural forces of the 2020s.

Five years from now, how likely do you think each of the following will be true because of the coronavirus?
(very/somewhat likely)

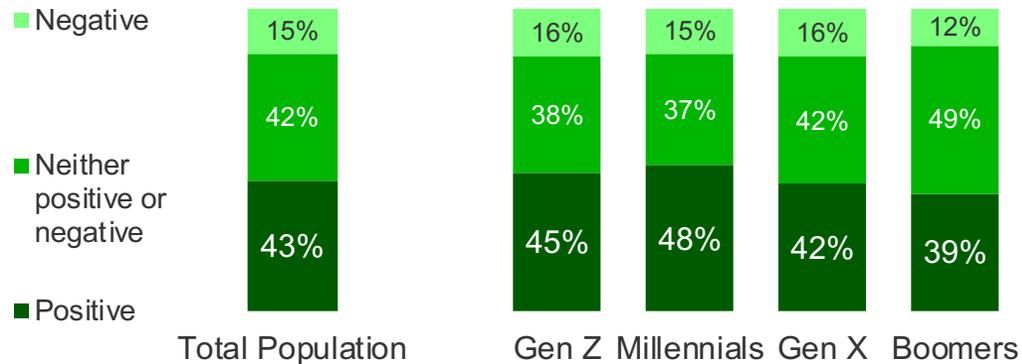


Home as a Hub

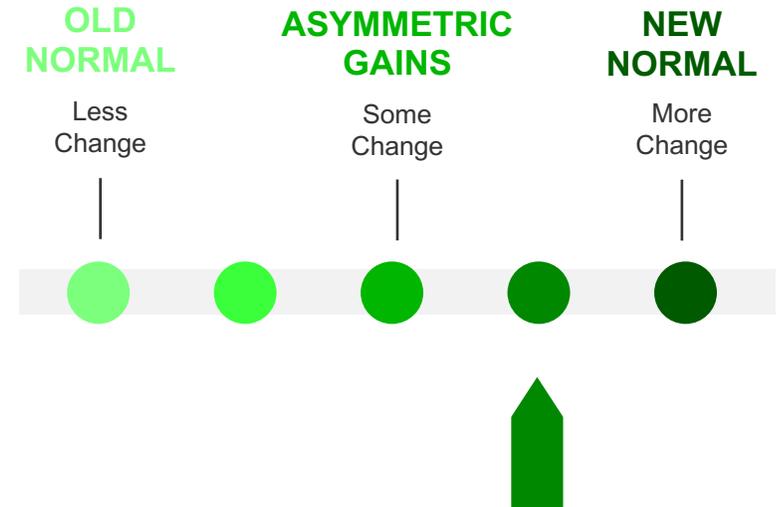
Before the pandemic, the home was already evolving into a multifunctional space. Lockdowns have cleared the way for this trend to accelerate, driven by years of working-from-home innovation happening in the span of weeks. People are largely enjoying their time spent at home. With businesses already offering permanent work-from-home employment, this trend will continue to accelerate.

Proof Point:

Overall, what's it been like to spend so much more time at home?



Staying Power:



Brands & Shopping

1. Leaning into e-comm
2. Seeking safety in small numbers
3. Expecting brands to lead



Expecting brands to lead

The pandemic and Black Lives Matter protests have both proven beyond a shadow of a doubt that the expectations of corporations in America have shifted into a new era. Consumers have lost faith and trust in many social, cultural and political institutions, and they are looking to brands and businesses to occupy the roles they see institutions failing to fulfill. Consumers increasingly evaluate brands on how effective they are in enabling societal change and in creating a better world.

Marketing eras

What is it that brands are expected to bring to the marketplace?

Public

2010 - present

- What you accomplish
- The rules of society
- Better society



Person

1960 - 2010

- Who you are
- The rules of self
- Better Self



Product

1920 - 1960

- What you own
- The rules of stuff
- Better stuff



“

Brands do a lot to help people realize their own potential and enjoy more fulfilling lives. But consumers want brands to do that and more. They want brands to help improve society as well.”

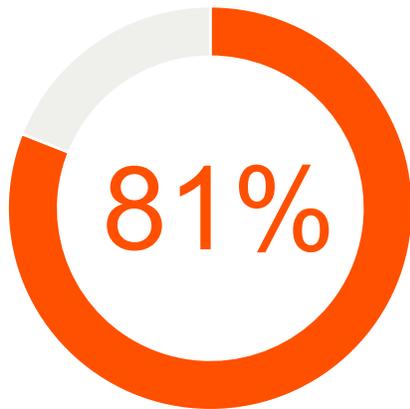
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Expecting brands to lead

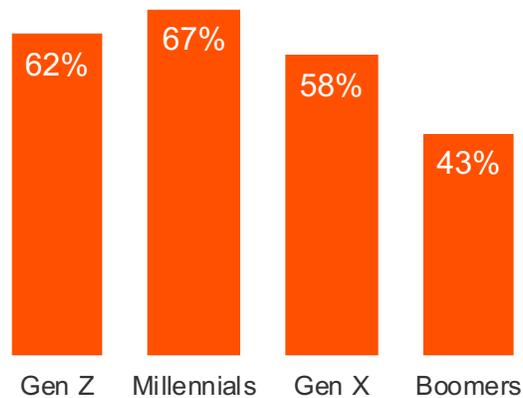
This is one of the biggest and most consequential shifts in the consumer marketplace in recent memory, akin to the way that experientialism dominated marketing in the 2000s. The shift from the shareholder imperative to the stakeholder imperative—and the attendant expectations that consumers increasingly place on brands and companies to be agents of positive social, cultural, and political change—will be a defining feature of American business in the 2020s.

Proof Point:

I expect businesses to have a **positive impact on society** and the environment



Brands and businesses will play an important role in **resolving the divisions** in American culture and politics



Staying Power:

OLD NORMAL

Less Change

ASYMMETRIC GAINS

Some Change

NEW NORMAL

More Change

