

Consumer product trends: Navigating 2020

UNDERCURRENT 1

Unfulfilled economic recovery for core consumer segments



44%

Of consumers self-identify as middle class—a decrease from 53% in 2008.¹



94%

Of consumers said that even if the economy improved, they would remain cautious and keep spending steady.¹

ACTIONS to consider

Revisit product portfolio, pricing, promotions, and merchandising.

UNDERCURRENT 2

Responsibility, wellness, & health as the new basis of brand loyalty



74%

Of consumers are closely watching the nutritional content of the food they purchase.¹



55%

Of consumers are willing to pay up to 10% more for healthier versions of products.¹

ACTIONS to consider

Align offerings and engagement strategies around consumer interests and values.

UNDERCURRENT 3

Pervasive digitization of the path to purchase



19%

Growth rate of e-commerce sales across all retail channels, compared to 3.2% for overall sales.²



92%

Of CPG executives say e-commerce is strategic for sales, yet only 43% thought their company had a clear digital commerce strategy.³

ACTIONS to consider

Create seamless experiences via technology and collaborations.

UNDERCURRENT 4

Proliferation of customization & personalization



42%

Of consumers are interested in technology to customize products.¹



19%

Of consumers indicate a willingness to pay a 10% price premium to customize products.¹

ACTIONS to consider

Develop processes and business models to allow for customization and consumer interaction.

UNDERCURRENT 5

Increased resource shortages & commodity price volatility



44%

Amount the International Monetary Fund Food Commodity Index rose over the past decade.⁴



\$17 BILLION

The damages that resulted from 8 weather and climate disasters in the US in 2014.⁵

ACTIONS to consider

View commodity decisions with resource preservation and social impact in mind.

Sources:

¹ Deloitte, 2015 American Pantry Study. ² Retail Indicators Branch, US Census Data. ³ Pat Conroy, Rich Nanda, and Anupam Narula, *Digital commerce in the supermarket aisle: Strategies for CPG brands*, Deloitte University Press, December 13, 2013. ⁴ International Monetary Fund (IMF) food commodity index. ⁵ National Oceanic and Atmospheric Administration, National Climatic Data Center.

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