

EXECUTIVE BRIEF

ANTICIPATING CONSUMER NEEDS TODAY AND TOMORROW

When was the last time you reconsidered your approach to consumer monitoring? Your usual methods of tracking consumer trends may work well under typical, everyday market conditions—but these are not everyday market conditions.

As consumer behaviors continue to change at a rapid pace, your ability to make fast, accurate decisions and meet customer needs will be challenged.

Prepare for the COVID-19 pandemic's long- and short-term effects by:



Understanding when consumers are buying and why.

Use current, weekly shopper insights to quickly and accurately respond to market changes.



Updating your view of channel behaviors.

As consumers increasingly choose new shopping channels, visibility across all channels ensures you can identify opportunities as they arise.



Staying ahead of trends.

Don't just track changes—understand the behaviors or consumption patterns behind trends, so you can plan for short and long-term growth.

Keep reading to learn how to navigate these changes and adjust your strategies to meet consumers' evolving needs.

THE NEED FOR SPEED AMID DISRUPTION

As economic concerns and restrictions continue to impact consumers, new spending patterns and behaviors have emerged. U.S. retail and food services sales declined by **16.4%** in April 2020, while online CPG **shopping** has increased by 58% since the start of the crisis.

These changes are forcing manufacturers to rethink how they track consumer behaviors and plan for growth. To understand purchasing patterns, you'll need a comprehensive view of how consumers are shopping and what they're buying, online and offline.

**ONLINE CPG SHOPPING
HAS INCREASED BY**

58%

**SINCE THE START OF
THE CRISIS.**

Adapt to the new market and emerge stronger by preparing for:

- Rapid decision cycles that can impact your ability to meet fluctuating demand
- Potentially permanent purchasing channel shifts
- Consumer confidence signals that determine whether you need to pivot strategies

TRADITIONAL DATA APPROACHES CAN CREATE SUPPLY GAPS

The crisis has set off rapid [changes in consumer spending](#). Early panic-buying initially caught retailers and CPG manufacturers unprepared, and new, emerging buying patterns will continue to challenge brands and retailers in unexpected ways.

While economic factors have often been the primary drivers of shopping behavior, today, many shoppers are also making choices based on personal health and safety concerns and [keeping their families safe from diseases](#). Sales of sanitizers and cleaning products have stabilized, but new behaviors can be seen in the surge of self-care products, including DIY hair coloring products, which have risen by 23% from the same period a year ago (Nielsen). Other purchasing trends, like the boom in at-home fitness equipment, reflect the rise of the “[homebody economy](#)”, and even new consumer outlooks.

As consumers adjust to [new working and home-life conditions](#), companies must be able to monitor household shopping patterns weekly—not monthly, as they’ve in the past. Quickly identifying and responding to emerging behaviors in-store and online means you’ll be able to stay ahead of consumer trends, and meet product demand.

Delays in decision-making can be costly. Without information on what consumers are buying today, you could be missing opportunities to get your product in front of consumers and outpace competitors.

Faster Decision Cycles

As spending and consumption patterns fluctuate, some consumers are now willing to try new brands or pay higher than usual for items they can’t find. Frequent monitoring of data is the only way to adapt to these unpredictable changes. Avoid losing momentum and potential market share: Use the most up-to-date shopper insights to plan for expected volumes.

SOME CHANNEL PREFERENCES ARE HERE TO STAY

Shopping trends, like grocery [e-commerce](#), have accelerated since the start of the crisis. Overall online CPG sales were 45% higher for the 4-week period ending May 2, than a year ago (Nielsen and Rakuten Intelligence).

Lack of product availability has driven more consumers online, but social restrictions and safety concerns are also contributing factors. [A Nielsen COVID-19 survey](#) revealed that as of April 2020 there was a significant increase of US consumers shopping online (50%), a 20% increase from the previous month. The online shopping habits will likely continue in the post COVID world, as less than a third of consumers expect to return to previous online shopping behaviors.

They also have growing options from third-party and retailer delivery services, as well as click-and-collect. These reflect the need to provide consumers with more convenient options and improved shopping experiences, which can drive loyalty.

DIY HAIR COLORING
PRODUCTS HAVE RISEN

23%

FROM THE SAME PERIOD
A YEAR AGO.

“THE ABILITY TO MAKE REAL-TIME DECISIONS IS ESSENTIAL. BUT THERE’S NO NEED TO SACRIFICE ACCURACY FOR SPEED. WITH CURRENT SHOPPER AND STORE INSIGHTS, YOU’LL BE LESS PRONE TO MISTAKES IN A MARKETPLACE THAT IS CHANGING BY THE DAY.”

ONCE THE CRISIS IS OVER,

26%

OF U.S. ADULTS SAY
THEY’LL CONTINUE BUYING
PACKAGED FOOD ONLINE

However, more choices may present a challenge to manufacturers when it comes to anticipating volume and managing fulfillment. Without frequent, comprehensive shopper insights, you won't know if consumers are moving from brick-and-mortar to e-commerce sites, and where those orders get fulfilled.

Bricks, Clicks and Lasting Changes

Although online adoption will drop some once the crisis is over, 26% of U.S. adults say they'll continue buying packaged food online. A combined view of data allows you to spot emerging behaviors and identify where consumers are choosing to shop. To ensure you meet the demand plan for the right distribution levels, you must view in-store and e-commerce data together, instead of individually.

WHAT TODAY'S PATTERNS REVEAL ABOUT TOMORROW'S NEEDS

As new shopping routines emerge, companies are examining how consumption patterns will evolve post-pandemic. BCG estimates a **16% drop** in U.S. household spending over six months, impacting nearly 40 categories, including food delivery, packaged food and household care.

Tracking changes over time allows you to gauge whether consumers are buying more or less, what they're buying less of and how that impacts your category.

Localization and product shortages have already changed where people shop; many consumers are buying from convenience stores and warehouse clubs for the first time. They're also willing to try new brands; 72% of CPG shoppers are influenced by brands' activities during the crisis and **48% will consider brand-switching**.

With these new factors influencing shoppers' decisions, keeping up with consumer sentiment becomes essential. Which habits will endure, and why? Without the latest intelligence to guide you, you could be missing key opportunities to sell more products, or even create new ones.

Evolving Signals Show the Way Forward

Measuring changes in various categories and channels is critical to understand the real impact of COVID-19 today, and changes to watch out for going forward. Consumer insights can help you identify post-pandemic patterns as they evolve so you can adjust your strategies accordingly.

ADAPTING NOW FOR FUTURE NEEDS

COVID-19's most lasting effect may be on how consumers behave and shop. It has accelerated demand for **greater product safety**, which will have a lasting impact on manufacturers and retailers, too.

Navigating through the disruption requires a change in how companies use new trends and shopper insights to inform their decisions and fulfill consumer needs. With consumer loyalty at risk, your strategies must ensure shoppers get what they need from your brand next month and next quarter.

Emerging stronger from the crisis means using reliable intelligence to stay ahead of fast-moving market changes. Making the right data-informed decisions will be critical.

"FMCG/CPG MANUFACTURERS MUST MONITOR BUYING PATTERNS ACROSS CHANNELS. WITHOUT CURRENT, CONNECTED DATA, IT CAN BE DIFFICULT TO MEASURE TOTAL COMMERCE EFFECTIVELY, AND REACH CONSUMERS WHERE THEY ARE."

72%

OF CPG SHOPPERS ARE INFLUENCED BY BRANDS' ACTIVITIES DURING THE CRISIS

"KNOW WHAT DRIVES CONSUMER BEHAVIOR AND CONSUMPTION PATTERNS TODAY, SO YOU'RE BETTER ABLE TO PREDICT DEMAND POST-CRISIS."

Learn how Nielsen is helping FMCG/CPG manufacturers stay ahead of changing consumer behaviors and prepare for what's ahead.