

# TRENDSPOTTING

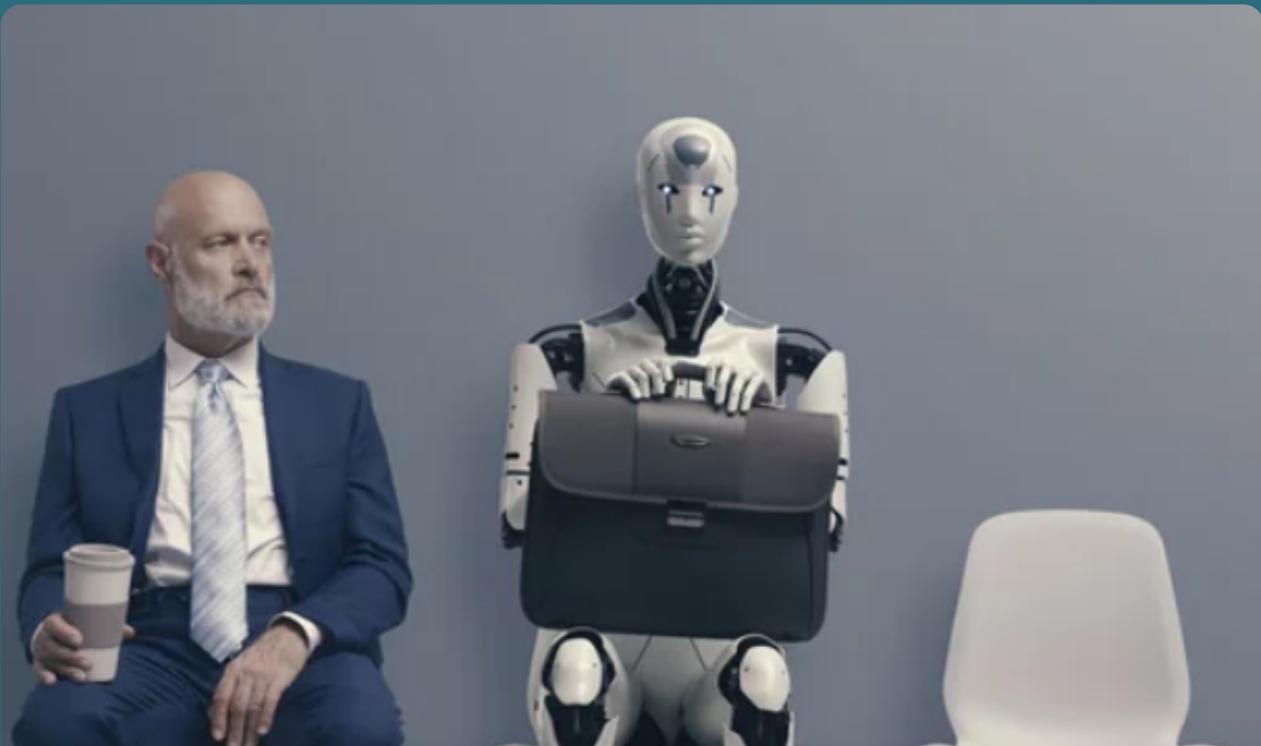
Your USA Today & Tomorrow  
The latest consumer trends to watch





# 7 SOCIAL AND DEMOGRAPHIC SHIFTS

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## AI - Devil or Deliverer?

# 01

AI will undoubtedly continue to change the world as we know it. Markets and Markets\* predicts that AI market will be valued at around \$1,345.2 billion by 2030.

Many industries will continue to be revolutionized by AI, and as generative AI tools such as Bard and ChatGPT become more mainstream, AI will increasingly become a part of everyday life.

As expected, most Americans are familiar with some form of AI and **about half claim to use it**. Furthermore, a significant number (**57%**) say it **will impact their livelihoods over the next 5 years**.

Having a good understanding of how customers perceive AI and addressing any concerns will go a long way to helping us swing the balance from Devil to Deliverer.

The biggest hurdle for many brands is to ensure that Artificial Intelligence doesn't equal an Artificial Interaction. Many of us have experienced the frustrations of having a non-sensical "conversation" with a Chatbot, or the irritation of being constantly reminded about a product bought ages ago.

Brands that understand how to use AI effectively to deliver a better customer experience, without compromising personalization and the humanity of the experience, will be the clear winners of the future.

\*<https://www.marketsandmarkets.com/>



## Unaffordable Healthcare

# 02

The lack of affordable healthcare is keeping Americans up at night. Our study shows that it ranks as **the second biggest concern after the rising cost of living**.

The Covid-19 pandemic illuminated how anyone can need healthcare at any time. Currently, in the US the cost of this can be ruinous.

Many will say that addressing healthcare affordability falls squarely at the feet of the government and healthcare providers. However, brands and businesses can play an important role here too. Arguably, brands and businesses that choose not to contribute towards improving the health and wellness of everyday Americans are missing out.

Poor healthcare affordability coupled with the increasing proliferation of health information available online and in the media, rising chronic health conditions and a bigger focus on early prevention, creates opportunities for several categories. Those who choose to make a significant contribution to enhancing the health of the population are also likely to see growth in their bottom lines.



## Winning in Tough Times

# 03

**77% of Americans** say that they have been **personally impacted by inflation**, with Gen Z claiming to be the most unscathed.

As inflation continues to bite, groceries and healthcare are expected to take a bigger share of consumer spending. Out-of-home dining and big-ticket items are likely to be the key categories negatively impacted. Gen Z being the only generation that is likely to buck this trend.

Consumers' views on expenditure on various forms of "entertainment" particularly streaming services and international travel are more mixed. Some consumers, particularly younger consumers, are claiming that they are likely to spend more on these areas and others cutting back.

This poses many interesting questions for businesses and brands, including:

- How can we address affordability issues and create incentives to buy without devaluing our businesses and brands?
- How can brands and businesses fill the void and deliver personal, valuable experiences that drive long-term loyalty and customer value?
- How will marketing continue to provide some light relief in times of turmoil?
- How can technology be leveraged to deliver greater value along with experiential retail?
- Who should we target to best leverage changes in spending patterns?



## A Paradigm Shift at Work

# 04

Covid gave many of us a taste of what it was like to work more flexibly and spend less time on the commute. The increasing tug-of-war between employees' desire to Work From Home (WFH) and the CEO's desire to get everyone back into the office is well documented.

We also know that inflation is continuing to bite with the rising costs of living being the primary thing keeping Americans up at night.

Tightening economic conditions impact both businesses who are looking at ways to reduce costs – including their permanent wage bill – and individuals who are looking to earn more money more easily, or just to get by. **Hence, the rise of the hustle.** Our study showed that **59% say they are likely to take on an additional job** in the next twelve months. **34% say they will work for themselves** in some capacity.

Businesses and brands need to consider how they can support the “hustling consumer” – whether that is making it easier for them to do business in a B2B context or making their home lives a little easier as hustlers become more time-poor.

*“I live in NYC and the cost of living is very expensive, especially as a single mother. I will do any gig work I can find like working events, retail pop-ups etc.”*

*“I will DoorDash for a secondary income because I want more \$\$ and my job only has overtime during the holidays and that's the only time a paycheck is good.”*



## Making “Friends” with Generation X

# 05

Born between 1965 and 1980, Gen X have lived through their fair share of global life-changing events, including the dot com crash of the early 2000s, AIDS, 911, the GFC and the pandemic. It’s a generation that can remember life before the internet, mobile phones and social media. Gen X are often characterised as being self-reliant, resourceful and authentic. We see these characteristics reflected in the big entertainment hits featuring this generation such as “Friends”.

Now, more than ever, Gen X are having to draw on that resourcefulness and self-reliance. Approximately **two-thirds of Gen X’s are highly concerned about the rising cost of living** (vs about one in two millennials). **A third worry about a lack of affordable healthcare** (vs a quarter of millennials). **One in four are worried that they won’t be able to afford to retire.**

These economic worries come as no surprise given the pressure Gen X is typically under to support a family. This burden shows no signs of easing with Gen X’s often supporting their “kids” well into adulthood. Yet despite Gen X’s often supporting several dependents, it’s often a generation that is ignored by marketers. **Less than 10% strongly agree that they are well represented by US media and advertisers.**

We need to get a deeper understanding of this consumer group and ensure that our portfolio of brands addresses their needs. We also need to reconsider how we can best represent this group in the media so that our communications can resonate more strongly.



## Millennial Housing Woes

# 06

Millennials currently make up the largest demographic group in the US. Despite spending excessively on avocado toast (or perhaps facing economic disadvantages such as stagnant wages and declines in housing affordability). Millennials are currently the majority homeowner group according to census data.

That said, the rate of home ownership remains lower than previous generations at the same age. The current economic crisis is likely to exacerbate this trend, with housing concerns being particularly prominent among this group. **Just under one in two Millennials say they are worried about either being able to save enough for a home deposit, being able to continue to pay the mortgage or finding an affordable rental property to live in.**

It's a phenomenon that has already been particularly keenly felt in other countries, leading to growing income inequality, people moving further out, kids staying at home well past their use-by date and changing spending patterns.

It's paramount that individual brands and businesses understand exactly how this trend will impact them and consequently their marketing, innovation and media strategies over the years to come.

*"It is very stressful knowing that at 43 we may never own our own home."*



## Distrust of Mainstream Media

# 07

**Only a third of Americans agree that they trust the information and content provided by mainstream news providers.** Vehement **distrust rises with age** - only **10% of Gen Z disagree strongly** that they trust mainstream news providers, **whilst a quarter of** those in their golden years feel this way.

This mistrust in mainstream media is likely to continue to fuel the fragmentation of the media industry, making it increasingly harder for brands and businesses to achieve mass reach of a particular audience.

We can also expect to see news organizations continuing to come under fire for political bias, reporting accuracy and misinformation as consumers demand greater accountability and transparency. It will be particularly interesting to keep a watch on how this plays out in the upcoming US election.

Businesses need to give careful consideration to where they choose to represent themselves, along with the information they are communicating as it will undoubtedly increasingly impact corporate reputation and buying behavior.

# Why are Trends important to track ?

Staying ahead of demographic shifts is critical.

Demographic changes can directly impact consumer behavior, preferences, and purchasing patterns.

By understanding these shifting trends, brands are able to more effectively target and engage with their audience, tailoring marketing strategies to resonate with specific demographic segments.

Recognizing even small shifts in age, gender, income levels, lifestyle preferences and use of technology such as AI, allows brands to adapt their messaging, product offerings, and distribution channels to meet the evolving needs of their customers.

More importantly, it allows you to identify emerging market opportunities and stay ahead of your competition.



2027

2026

2025

2024

# WHAT DOES THIS MEAN FOR ME?

Your brand could start looking into how these demographic shifts disrupt your business or marketing strategy:



Target audience - Has this changed?



Brand strategy - Is there a rethink required?



Customer Journey - Are there implications?



Buyer persona - Are revisions necessary?



Market Sizing - Larger or smaller?

Now is the time to leverage insights about the audiences you are targeting and understand if and how these shifts impact your brand.



## Why market research?

Market research provides your business with invaluable insights into the needs, preferences, behaviors, and motivations of your customers.

Without a solid understanding of your market, you risk making decisions based on assumptions or outdated information, which can lead to misaligned branding efforts, wasted campaign spend, and costly mistakes.

### **What research services can you tap into?**

- Market sizing and new market entry
- Brand Development
- Product Market Fit
- Customer Understanding & Profiling
- Behavioral Observations & Interviews



## How do we do this?

Our global team of experts uses a wide range of research techniques to answer your questions and drive your business towards achieving its goals.

### Qualitative Research

- Online Communities
- In-depth interviews
- Online focus groups
- In-person focus groups
- Behavioral Observations & Interviews
- Customer journey mapping

### Quantitative Research

- Online surveys, polls and questionnaires
- Brand health tracking
- Concept Testing
- Market & Consumer Insights
- Market Sizing
- Customer Profiling



INSIGHTS  
EXCHANGE

## **ABOUT INSIGHTS EXCHANGE**

Insights Exchange has a network of over 35+ researchers globally including Australia, USA, UK and South East Asia.

Our tech-driven approach and partnerships with fast-growth global research technology companies empower us to provide scalable, flexible and global market research solutions to businesses to businesses.

### **Contact**

w: [insights-exchange.com](https://insights-exchange.com)

e: [info@insights-exchange.com](mailto:info@insights-exchange.com)

Make smarter decisions with confidence for  
growth, profit & competitive advantage.

# METHODOLOGY

The results are from a nationally representative 10 minute survey of n = 1530 Americans in Jan 2024.

- 50/50 Male vs. Female
- Age from 18-70yrs
- Lifestages from single to Empty Nester
- Location - Inner and Outer urban, regional and rural households
- Mix of Working and industries
- Home ownership/Type of dwelling
- Household income from \$40k - \$300k+
- Broad mix of ethnicity
- All to be key/joint decision makers for household purchases

