

Emerging Consumer Trends 2022

looking ahead

to what customers need next



The pandemic has ushered in a revolutionary period of global change. Its impact is systemic.

Demographers refer to key events as markers that shape an entire generation. It's rare that a marker would have a global impact and reshape consumer behaviors quite like the pandemic has. The tail of the pandemic has fixed consumer behaviors adjusting how we work, shop, travel, connect and consume.

Select references:

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The consumer landscape has changed. Our roadmap prepares us for what's next.

Taking a long-term view is essential. Nationwide is always adapting to ensure we fulfill our commitments to the millions of households, businesses, pets and retirement dreams we protect. This document highlights four consumer trends that prepare us to take proactive measures and bold, future-focused actions.



Balancing digital



Evolving individually



Amplifying care



Earning trust

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Balancing digital

At the onset of the pandemic, consumers demanded digital experiences for their own safety. This catalyst prompted a surge, across all industries, to digitize experiences at an accelerated rate. The pace, adoption and use of technology has introduced new challenges.



Balancing digital

Less than ideal

As experiences become digitized, consumer technology adoption and usage have increased. As a result, more consumers have higher expectations that digital experiences work well. Although consumers are generally willing to forgive companies struggling with pandemic-related disruptions, they also expect companies to double down on building a successful and sustainable digital customer experience.

Sanitized experiences

Digital consumer experiences contributed to social isolation and emotional distancing. Consumers were not only isolated from in person interactions, but the quality of a human interaction was modified in the digital realm. It was largely void of emotion and missing non-verbal cues that signal how someone feels. Experiences like this have led consumers to feel distanced from brands and memorable emotional connections.

Offloaded memories

Referred to as “cognitive offloading”, consumers are relying on Google, GPS, and other external devices for what they once memorized. And as consumers use technology more, they remember less. They recall less details because they’re using external sources to document. The more they use technology, they even doubt their own memories and believe technology is more reliable.

CONSIDERATIONS

Shift to long term innovation

Short-term gains were necessary at the beginning of the pandemic, but as consumers use more digital tools it’s time to renovate rather than redecorate. Companies should identify key customer experiences and develop a vision for what each should ultimately be at a tactical level.

Humanize what’s digitized

Consumers’ life events trigger their need to interact with companies. Because of this, consumers enter and navigate the experience, with emotion. Companies should acknowledge the emotion, good or bad, so consumers see companies are empathetic.

Anticipate saved information

Consumers expect companies to store information so they can enter and navigate experiences with ease. But as companies determine which experiences are digitized, they should refrain from ones that build a memorable consumer experience.

Consumer facts

Increased adoption and usage of digital channels influenced consumer behaviors.

60%

Of consumers had their first digital experience at the onset of the pandemic

67%

Of consumers have stopped doing business with a company due to slow service

36%

Of consumers tried a new product brand and 73% plan on continuing to incorporate new brands

50%

Of consumers believe prices and fees are the top improvement opportunity for companies today

145

Million users access Microsoft Teams on a daily basis (April 2021)

85%

Of consumers expect contacting customer service to be faster. 67% stopped doing business with a company because of slow service

Amazon and Microsoft prospered the most during the pandemic, \$401 billion and \$270 billion respectively.



Simplified solutions

At Nationwide, we are blending solutions that balance simplified, digital self-service with comprehensive support from Nationwide associates. The customer's experience provides extraordinary customer care, in times both ordinary and extraordinary.



Evolving individually

For consumers and workers alike, the pandemic led them to question their own identity including what value they provide and receive in their lives—even questioning where fulfillment comes from. Their choices are shaping the market and which companies will grow throughout the pandemic.



Evolving individually

Individual economy

Post-traumatic growth manifests itself in people in many ways. Consumers are questioning who they are, what matters to them and, in many cases, they're finding new confidence to show up as themselves and live their true lives. That thinking has led to an entrepreneurial boom. Tech has encouraged the ability for entrepreneurs to enter the market in record numbers.

Individual autonomy

COVID influenced companies to pivot towards virtual work environments and hybrid work schedules. Workers also required greater levels of speed and efficiency to balance professional and personal life circumstances. New technology and revised systems helped, but many workers sought new employment elsewhere.

Individual benefits

Consumer experience expectations have shifted again. No longer evaluating price and product alone, they're desiring a custom designed experience. And within it, they want reminded the value of selecting a product and continuing to stay with the company. In response, select companies recently deployed "continuous value delivery" throughout the experience.

CONSIDERATIONS

Tap into the "me" economy

Consumers are pursuing side hustles and additional income streams. How might companies tap into the me economy and position their products and services as a valuable resource, helping entrepreneurs achieve their goals?

Empower localized decision-making

A great consumer experience is inextricably linked to a great worker experience. Companies can push decision making to the edges of the organization where workers are equipped to make decisions with greater velocity and autonomy.

Increase value delivery

Go beyond transactional value to continuous value delivery to increase retention and nurture long-term customer relationships. Embed value throughout the experience, emphasizing security, flexibility, efficiency, control, personalization, and reduced costs.

Consumer facts

Consumers and workers alike are turning inward and looking for personalized value.

1/3

Of consumers will walk away if a company can't deliver on their expectations. 1/3 will of workers will quit as well

5.4

Million new business applications were filed in 2021. That's a 71% increase over the last ten years

2

Million people collect six figure incomes creating content for platforms like YouTube

\$11k

Average income people collect from side hustle passion projects and businesses

4.5

Million U.S. workers left their jobs in November 2021. Finance was the least affected of all industries, with 1.7% leaving their jobs

17%

Of marketing leaders are going beyond basic transactional data to deliver personalized experiences

Mr. Beast earned \$54 million in 2021 as the highest paid content creator for YouTube.



Investing in people

The pandemic brought many new solutions to the forefront. Nationwide's hybrid work models equipped associates to best serve our customers with extraordinary from anywhere. And upskilling prepares associates for roles, and customer needs, of the future.



Amplifying care

Care is at the core of our humanity and character. Self-care, care for others, the service of care, and channels to deliver care (both digital and physical) all came into the forefront throughout the pandemic. The emotional toll of the pandemic resulted in a greater need for care with consumers and workers alike.



Amplifying care

The awareness of care

The normalization of self-care not only took center stage, but it reminded us the importance of kindness and compassion towards others. Consumers are increasingly focused on self-care, caring for others, caring for underrepresented and underserved populations, and caring for the environment. It's shaping their behaviors and perceptions of companies.

Colleague care

Productivity expectations, combined with emotional toll, led workers to carry a heavy mental load. The delicate balance of self-care, caring for others and meeting increased performance objectives became too much for many workers to handle. For many, showing care (empathy) competed with psychic numbing (apathy) and resulted in empathy fatigue (burnout).

Moral and ethical values

Increasingly, consumers' purchasing power supports companies that take visible actions to express care— for the environment, their workers, groups in need, and consumers directly. Consumers took note of what companies stood for during the pandemic. They're looking for signs that the company has integrity and is aligned with their own values and (new) priorities.

CONSIDERATIONS

Amplify care

Companies should design care, formally and informally, to be delivered throughout the experience. Equip workers with products, processes and technology to maximize care where appropriate.

Reduce mental loads

A common work experience is “looping” and spending considerable time to align teams, seek approval, and work in unison. Companies can resolve this by instituting searchable knowledge management systems and decluttering work processes.

Let values lead

Companies should increase the visibility of their values and what actions they take to follow through on them. The values should be omnipresent throughout the consumers experience.

Consumer facts

Care shapes how consumers think, feel and purchase. Their values are influencing the change.

46%

Of the “reimagined” segment would pay more to support a brand making a positive societal effect

10%

Of consumers prioritize product origin as one of their key purchasing motivations

62%

Of consumers feel companies need to care more about them

60%

Of consumers say they would buy more from a company that demonstrates they care more

68%

Of consumers expect companies to demonstrate empathy

37%

Of consumers say companies generally demonstrate empathy

Wegmans Food Markets was named People’s Top Company that Cares for 2021



More than a business

Nationwide pursues efforts that impact our communities, support diversity, equity and inclusion and take care of the environment. Those efforts demonstrate care is at Nationwide's core. We're always finding new ways to express care in everything we do.



Earning trust

Consumers aren't sure what information to trust as they navigate prolific misinformation. Consumers want to make informed purchasing decisions and that means they want to trust what they're told about their options. Values-driven consumption continues to rise, and it's an important shift to note. Consumers want to feel good about what they're buying.



Earning trust

Congested content

Anything. Anytime. Anywhere. Consumers can access an abundance of information in real-time. They access it via news media, websites, social media, product reviews, blogs, podcasts, video and apps. But what they find can be general, overwhelming or even inaccurate. That's making it harder for companies to gain their consumers' trust.

Hidden information

Consumers' trust is eroded when they perceive vital information is hidden within complex legal language, disclaimers, unspoken policies and processes. Legal language contributes to confusion and doubt because it isn't intuitive. Whereas companies institute legal language to mitigate risk consumers need information to navigate the experience and make informed decisions.

Private information

Consumers are concerned about the implications of data collected on them, especially due to the lack of transparency around what's collected and how it's used. As seen with companies like Meta, the ethical and moral practices of companies are under question. Consumers desire control over what data is collected and how it's used.

CONSIDERATIONS

Become an information oasis

Companies can consider how their information differs from what's available elsewhere and how it provides a unique value not found within the market. Otherwise, information adds to the complexity of consumers evaluating trustworthy sources.

Deliver the right content at the right time

Companies can cadence conversational information throughout the experience so consumers receive the right information, in the right way and at the right time. Informed consumers are more confident consumers. They'll appreciate the effort.

Increase transparency and flexibility

Consumers can be empowered with more control—options to select what information is collected and how it's used. Companies can increase transparency around their data use policies and debunk myths.

Consumer facts

Trusted companies are more likely to grow. Consumers value companies with a conscience.

88%

Of U.S. company heads reported trust as their number one priority

3x

Companies that focus on trust outperform others in the market by nearly three times

\$140

Million donated by Patagonia to preserving and restoring the natural environment

70%

Of U.S. news consumers are worried about fake news and consider it a problem

44%

Of news consumers overall say they don't trust news from traditional sources

0

Edelman's 2021 Trust Barometer declared last year as an Information Bankruptcy

Patagonia gives 1% of all sales to environmental organizations globally



A foundation of trust

Nationwide is in the business of making and keeping promises. That's why we work daily to earn our customer's trust. We've built a legacy of relationships that last a lifetime and will continue building a future just as bright.



Act upon consumer trends by using Nationwide's experience principles.

EFFORTLESS



PERSONAL



REASSURING

The principles are a set of enterprise-wide guidelines that define Nationwide's customer experience and how we can achieve it. They are an aspirational depiction of extraordinary care and will help us to create and enable consistent delivery of experiences to all our customers.

Learn more about the [principles](#)



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Together, we got this.

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