



2022

RETAIL

TRENDWATCH

How Evolving Consumer
Expectations Will Shape
Retail Innovation

VERICAST

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How Evolving Consumer Expectations Will Shape Retail Innovation



TRENDS IN CONSUMER EXPECTATIONS

Do It Yourself +
Treat Yourself

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FINAL IMPRESSION

What Does the Future
of Retail Look Like?

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After a long period of changing restrictions

and plenty of time spent indoors, people have embraced the desire to nest at home. But recent headwinds of increasing costs and delivery delays have brought new challenges for home retail and service providers.



People prioritize a **good value** when making purchases and they want retailers with **strong values**. They're focused on DIY, but also open to splurges. They're looking for products online and in-store, and for print and digital deals.

Consumers want it all. Sometimes they want contradictory things, and sometimes they just expect miracles. But these demands create opportunities for retailers and should spark innovation in the engagement, discovery and shopping experience.

Retailers that capture this mindset and focus on new approaches to discovery — not just deals — win the hearts of shoppers.

This report is informed by two complementary surveys:

- **A consumer insight survey** of 1,841 people on their spending priorities and buying outlook for 2022
- **A retail industry survey** of 268 home retailers and service providers on the biggest marketing and operational challenges in 2022

LET'S GO! →

01

Do It Yourself + Treat Yourself

Despite any fears of economic uncertainty after two years of change, it's an even split.

A considerable portion of consumer behavior is still focused on the home, whether that's looking to make big improvements, dining indoors or simply purchasing a small luxury to lift their spirits.

50%

OF SHOPPERS
are (cautiously) optimistic
about the year ahead

People are willing to spend, but retailers need to give them a reason to splurge — now more than ever.

- **77%** of retailers say they need to give consumers stronger reasons to purchase
- **81%** of retailers say consumers are looking more for deals and discounts — but supply issues are hindering their advertising plans



79%

OF RETAILERS SAY
it's more important
than ever to promote
products and services

01

Do It Yourself + Treat Yourself

In home retail, DIY is on the upswing, and money saved on big projects could be spent elsewhere.

DO IT YOURSELF

- As people turn to DIY, many are painting (exterior or interior) or hanging wallpaper (**18%**)
- Installing or maintaining landscaping, patio or deck (**16%**) projects are also popular

TREAT YOURSELF

- People still just wanna have fun, with nearly one-third (**27%**) concerned about having money to spend on fun purchases, dining out and self-indulgence
- **19%** of people are planning to treat themselves to home decor or accessories

SAVE FOR YOURSELF

- Money saved could go toward bigger purchases down the road, with **29%** of people delaying purchases to save money in the next three months



26%

OF PEOPLE
choose DIY
over hiring
professionals



46%

OF PEOPLE
plan to purchase products
or services to make their
home more enjoyable,
comfortable and beautiful

KNOW MORE →

ABOUT WHAT RETAILERS
AND SHOPPERS ARE
BRACING AND BUSTING
FOR GOING FORWARD.

Retailers have their own opinions about keeping shelves stocked and shoppers happy. Empty shelves can lead to empty carts which can lead to empty stores or sites if not handled well.

Our retail industry survey found:

- **37%** of home retailers cite finding parts or products needed as one of their customers' biggest challenges, as well as extensive delays from service providers (**34%**)

- **32%** of retailers think a big challenge will be people switching products because their preferred product isn't available
- **65%** of retailers say supply issues are affecting their company's advertising plans



Supply chain issues have led to promoted items being 'out of stock' across multiple industries. With growing inflation concerns, everyone is keeping a watchful eye and shifting plans as needed.

MEGAN O'GORDEN
PRODUCT MARKETING
MANAGER

CONSUMER EXPECTATION

02

Value + Values

People want to make their money stretch further. Factors like rising prices and supply chain delays (particularly across industries like restaurants and grocery) will continue to influence buying decisions. There's an opportunity for savvy brands not only to compel people to try new products, but to switch retailers altogether.

55%

OF PEOPLE ARE WILLING TO TRY

a new retailer or provider when purchasing a product or service **for their home**

CONSUMERS CITE THE TOP 3 CHALLENGES

WHEN MAKING A PURCHASE OR HIRING A SERVICE PROVIDER

44%

PRICE INCREASES

TOP

01

18%

LENGTHY DELAYS TO RECEIVE PRODUCTS

TOP

02

16%

DIFFICULTY FINDING PARTS/PRODUCTS

TOP

03

OUR CONSUMER INSIGHT SURVEY

Shoppers looking to switch are focused on value.

Our consumer insight survey found:

- **38%** of people use coupons, discounts or deals to plan their shopping list
- People will continue to seek retailers that appeal to their shifting priorities and individual identity

Our retail industry survey found:

- Home retailers say fair prices (**55%**) and quality (**57%**) are the top factors when people are deciding to shop at a new retailer or use a new service provider

But it's not just value shoppers care about. They want to shop with retailers that share their values.



People are more likely to respond to retailers that reward their loyalty with personalized offers and discounts.

MATTHEW TILLEY
EXECUTIVE DIRECTOR
OF CONTENT MARKETING
& THOUGHT LEADERSHIP

Shoppers looking to switch are also focused on values.

Our consumer insight survey found:

- Ethics- and values-based buying decisions are of particular importance to Gen Z, who prioritize social and environmental responsibility (17%) more than other generations (12%)

Our retail industry survey found:

- Nearly **40%** of retailers say getting the best deal or convenient shipping options are important to consumers when selecting a new retailer or service provider. **37%** say social and environmental responsibility rank highly too.

People care about values that impact their family, community, country and planet.



Retailers should target the needs of value-based shoppers who are both socially conscious and budget-sensitive.

MATTHEW TILLEY
EXECUTIVE DIRECTOR
OF CONTENT MARKETING
& THOUGHT LEADERSHIP

Value + Values

SPOTLIGHT ON CONSUMER PRIORITIES

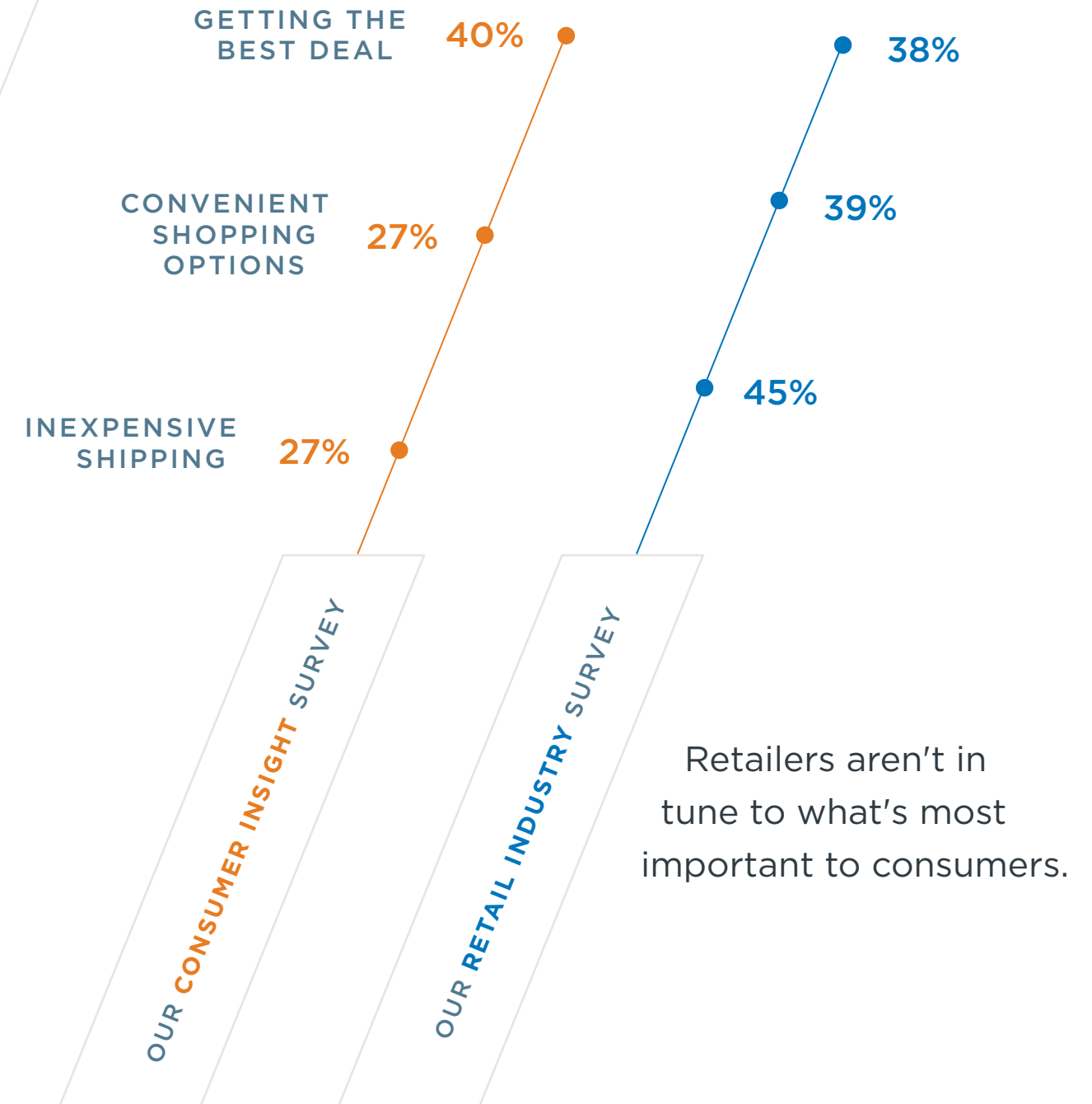


FAIR PRICES



QUALITY

DRIVING CONSUMER CHOICE OF WHERE TO SHOP



Relevance + Immediacy

It's important not to take loyalty for granted. A multitude of forces disrupting legacy buying decisions means you need to give people a clear, compelling reason to keep coming back.

Of course, you have your own disruption to contend with. Supply chain complexities might necessitate a pivot from product- to category-level advertising so you can cultivate and meet demand without getting hampered by logistics.

Whatever your approach, ensure you stay top of mind and inbox across the buying journey — online and offline.



Retailers need to be top of mind and top of the inbox. Each day people make conscious decisions about wants versus needs.

DAVID CESARO
EXECUTIVE DIRECTOR,
CLIENT STRATEGY

47%

**PRODUCT SHORTAGES
caused nearly half of
consumers to switch
stores or purchase
something different**

OUR CONSUMER INSIGHT SURVEY

Relevance + Immediacy

Online shopping is growing but people are also excited to get back into stores.

ONLINE SHOPPING HABITS

- **30%** of people plan to increase online spending

→ This is particularly driven by millennial parents (**39%**) and Gen Z (**43%**)

IN-STORE PREFERENCES

- **36%** plan to increase in-store spending, including **45%** of Gen Z and **46%** of millennial parents

ONLINE + IN-STORE COMBO

A blended approach to shopping can encourage spending, so be ready to meet people in all the places they shop.

- **50%** are more likely to purchase from a retailer that reaches out at the right time when there is a need for a product or service



OUR CONSUMER INSIGHT SURVEY



Relevant ads and timely messages get people excited. Address people's desire to be practical and responsible by including discounts and coupons to help them save money.

MATTHEW TILLEY

EXECUTIVE DIRECTOR
OF CONTENT MARKETING
& THOUGHT LEADERSHIP

People are embracing a variety of purchasing and saving options, and retailers should take heed. While it may be a surprise that paper still holds strong over digital deals, retailers should note it ultimately depends on lifestyles and preferences.

Using digital and traditional marketing, from mobile to mailbox, is the best approach.

Our consumer insight survey found:

- **28%** are influenced by print coupons, discounts or deals when they're shopping at a new store
- **23%** say online coupons or discounts are an influence, while only **17%** say they're influenced by social media

Retailers are focused on digital and social media spending, but there's still power in traditional advertising.

Our retail industry survey found:

- **67%** of home retailers and service providers consider social media an effective acquisition strategy
- Over one-third say direct mail (**36%**), print (**34%**) and online coupons or discounts (**37%**) are also effective tactics



70%
OF RETAILERS SAY
print is an important
part of their overall
media strategy

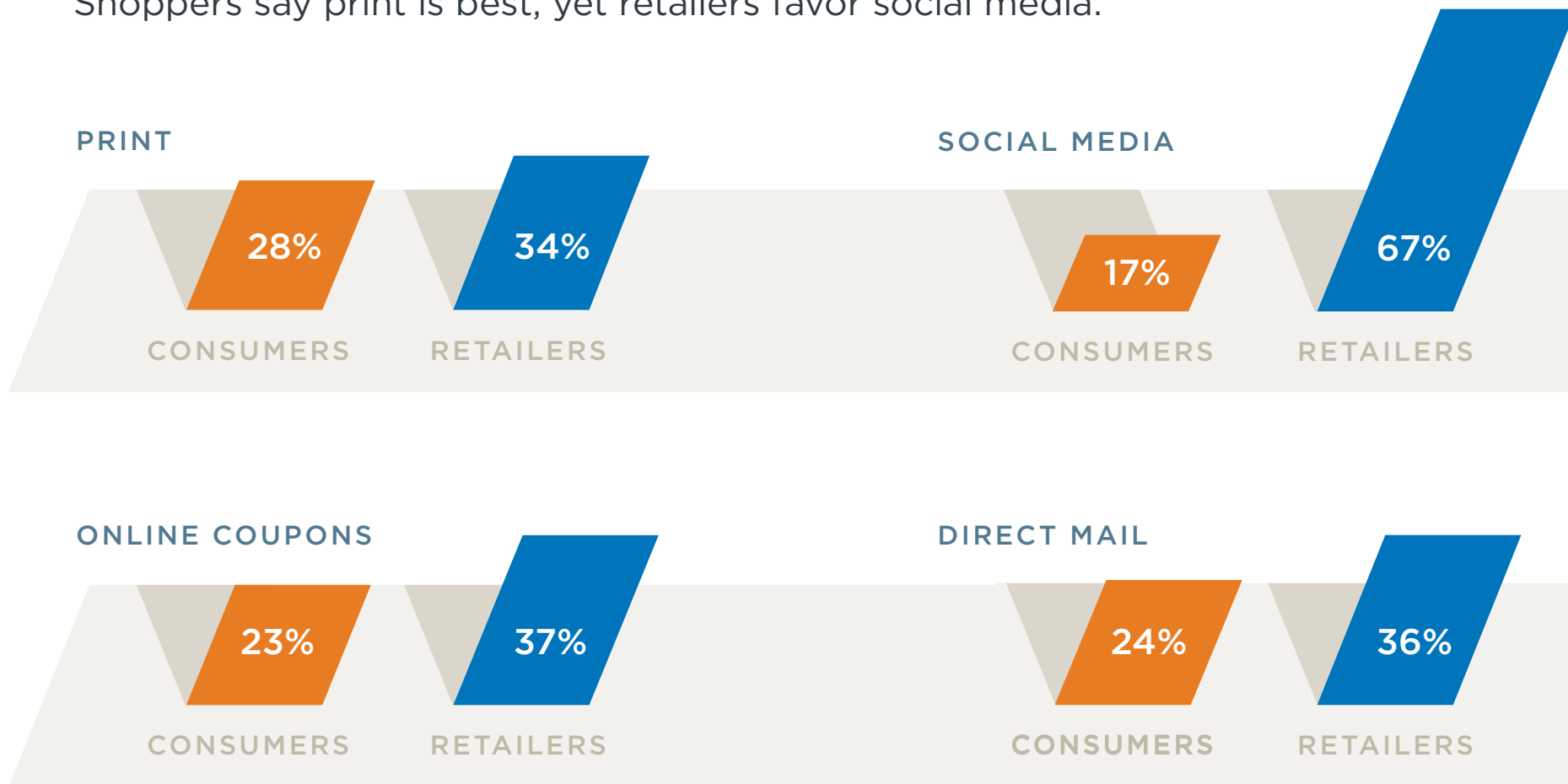
04

Mobile + Mailbox

EFFECTIVE ACQUISITION STRATEGIES

Consumers and retailers have different perspectives when it comes to the best ways to introduce and consider a new product or brand.

Shoppers say print is best, yet retailers favor social media.



67%

OF RETAILERS CONSIDER social media an effective acquisition strategy

CONSUMER EXPECTATION

04

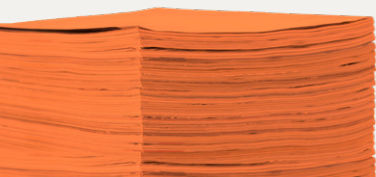
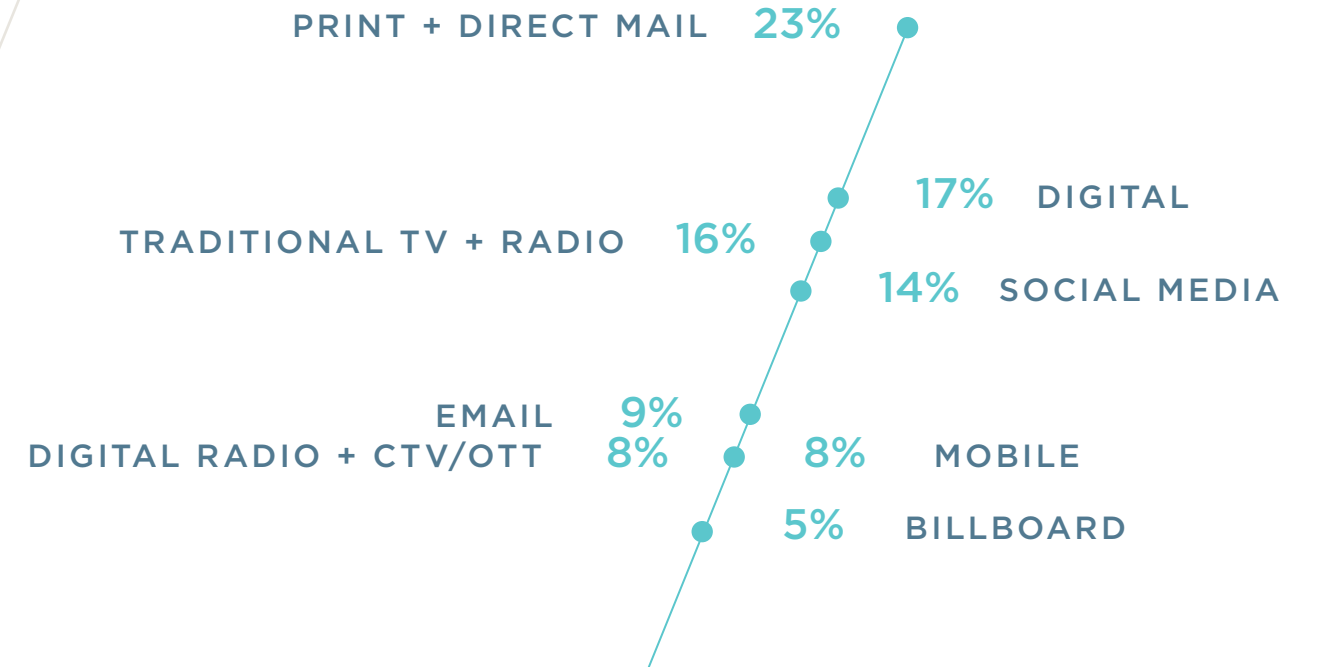
Mobile + Mailbox

Many retailers plan to increase their spend on social media and digital marketing but print and direct mail still represent most of the total media budget.

The increased spending by channel reflects only a small shift in the total budget spend.

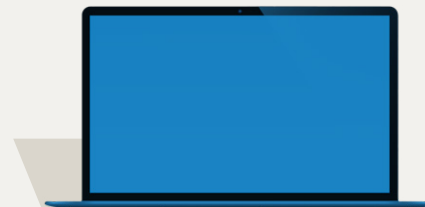
OUR RETAIL INDUSTRY SURVEY

PERCENTAGE OF TOTAL MEDIA SPEND



40%

OF RETAILERS plan to increase print spend



53%

OF RETAILERS plan to increase digital media spend



54%

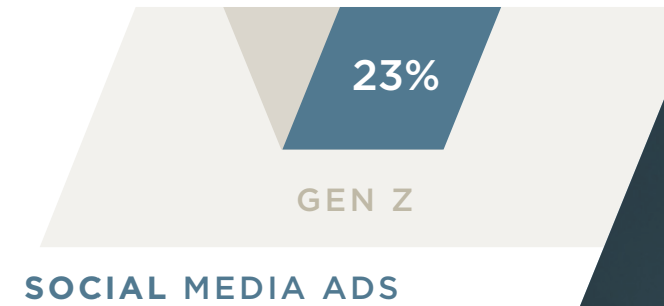
OF RETAILERS plan to increase social media spend

CONSUMER EXPECTATION

04

Mobile + Mailbox

MOST INFLUENCED BY:



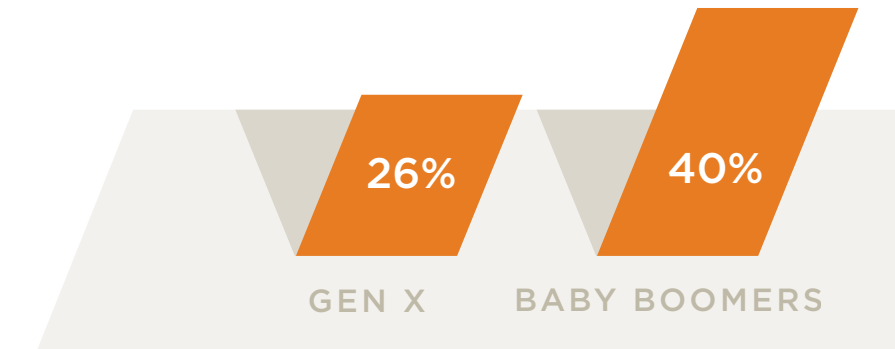
SOCIAL MEDIA ADS

Should social media take center stage?

It all depends on people's lifestyles. When it comes to shopping at a new store or website or trying a new service provider, every generation is swayed by something slightly different.



ONLINE COUPONS OR DISCOUNTS



PRINT COUPONS, DISCOUNTS OR DEALS

OUR CONSUMER INSIGHT SURVEY

BEST OF BOTH

70%

of people go online after seeing a print ad

What Does the Future of Retail Look Like?

The future of retail shines when you focus on convenience, communication and connection.

Experiences to delight. People want to be wowed online and in-store. The wow factor can be presented in a cadre of ways — from predictive shopping to brand immersions to fanatical customer service at every consumer touchpoint.

Your employees live your brand. Your employees are the living representation of your brand, now more than ever. Investing in their training, well-being and retention will show in how they treat shoppers.

Social selling is here to stay. Whether on Instagram or TikTok, the influencer economy isn't going anywhere. Influencers can bring a product to life by fostering a personal connection to a brand, providing more revenue, engagement and trust.



One of the top ways brands are found and purchases are made is through social shopping. Influencers can bring a product to life, helping consumers feel a personal connection to the brand. This provides more revenue, engagement and trust with consumers.

TINA SEITZINGER
SENIOR DIRECTOR, INFLUENCER
MARKETING & PAID SOCIAL

/ ABOUT

RETAIL TRENDWATCH

The annual TrendWatch explores the challenges and opportunities facing retailers in the U.S.

The **consumer survey** was fielded February 15 through February 20, 2022 to 1,841 respondents. The survey is part of an ongoing study fielded in conjunction with Prosper Insights & Analytics. The sample was derived via an online survey and all participants were at least 18 years of age and living in the contiguous United States.

The **industry survey** was fielded February 24 through March 7, 2022 in conjunction with a global, third-party market research firm with proficiency in internet surveys. We surveyed 268 respondents from retailers in the home retail and home service provider categories through an online B2B panel.

Home retailers included furniture, home accessories, mattress, hardware/home improvement, electronics and appliances. **Home service providers included** home improvement/renovation services and day-to-day services such as security, yardwork and cleaning.



/ MEET OUR EXPERTS



David Cesaro

Exec. Dir., Client Strategy

Dave has over 25+ of experience in advertising and direct marketing. He is a member of the Data & Marketing Association, Marketing Management Association, and Print Production Professionals. He is a regular guest speaker for the National Postal Forum, NEMOA, and LEADSCON.



Tina Seitzinger

Sr. Dir., Influencer Marketing & Paid Social

Tina is responsible for the go-to-market strategy for Vericast's Influencer Marketing & Paid Social program. She focuses on developing and executing innovative campaigns for clients by marrying strategy, consumer insight, and technology to drive measurable results.



Megan O'Gorden

Product Marketing Manager

As part of the Vericast marketing team, Megan specializes in the CPG promotions landscape. She has 20+ years of experience in product storytelling and go-to-market execution, helping B2C and B2B clients discover and utilize solutions that drive meaningful consumer engagement and positive business results.



Matthew Tilley

Exec. Dir., Content Marketing & Thought Leadership

Matthew leads content marketing for Vericast. You can find him behind the scenes perfecting content, or on the screen or stage, presenting or moderating. He has 20+ years of experience in digital advertising and consumer promotions to help develop, communicate, and distribute ideas.



/ ABOUT US

[Vericast](#) is reimagining marketing solutions one business-to-human connection at a time. By influencing how over 120 million households eat, shop, buy, save and borrow, Vericast fuels commerce, drives economic growth and directly accelerates revenue potential for over 70,000 brands and businesses. While its award-winning portfolio of products, technology and solutions are part of the Vericast story, its people are the true differentiators; trailblazers in data intelligence, marketing services, transaction solutions, campaign management and media delivery.

We believe with more meaningful insight, you can create more meaningful connections. [Find out more at Vericast.com](#)

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