

Voice of the Consumer



The “Plenty” Paradox



Abundance, technology, and health consciousness are reshaping American consumer behavior in 2024. In an era of rapid technological advancements and shifting societal norms, understanding consumer behavior has never been more crucial for businesses. The Consumer Trends 2024: Mid-Year Report, compiled by The New Consumer, founded by longtime digital journalist Dan Frommer, and Coefficient Capital offers invaluable insights into the evolving landscape of consumer preferences and habits. Here are the five key trends that are reshaping industries and consumer experiences in 2024:

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The Resilient Consumer Economy

Despite ongoing economic challenges, the consumer economy has shown remarkable resilience. As of June 2024, inflation has decelerated to 3.0%, while unemployment remains low at 4.1%. This economic stability has contributed to a notable increase in overall life satisfaction among Americans, with the Consumer Trends Life Satisfaction Score reaching 6.95 out of 10 - the highest since measurement began.

However, the perception of inflation remains a concern for many. While economists measure inflation at 3% year-over-year, consumers feel the cumulative impact of a 19% price increase since January 2021. This discrepancy between official figures and consumer sentiment highlights the ongoing challenges in managing household budgets. It is important to mention that the sample size was N=3000 consumers, conducted in partnership with Toluna.

Despite these concerns, consumer spending remains robust across various sectors:

- Shopify stores have seen a 23% increase in Gross Merchandise Value (GMV) in Q1 2024.
- Online grocery platforms like Instacart reported an 11% growth in Gross Transaction Value (GTV).
- The restaurant industry, represented by companies like Sweetgreen, experienced a 26% revenue increase.
- Even luxury brands like On Running witnessed a 21% revenue growth.



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The Rise of New Beauty Brands

The beauty industry is undergoing a significant transformation, driven by the preferences of younger consumers, particularly Gen Z and Millennials. A new generation of beauty brands has emerged, characterized by their digital-first approach, focus on authenticity, and engagement with online communities.

These emerging brands are rapidly gaining market share. According to data from Daash Intelligence, brands founded since 2014 now account for 40% of sales at a major beauty retailer. These younger brands are driving all of the growth in the sector as of Q2 2024.

The success of these new brands can be attributed to several factors:

1. Digital Native Approach: These brands were created by and for digital natives, with e-commerce experiences and marketing strategies tailored to online platforms.
2. Niche Focus: Many of these brands start by focusing on specific niches or hero products, allowing them to build a loyal customer base.
3. Authenticity and Community Engagement: They prioritize authenticity in their messaging and actively engage with their communities, fostering strong brand loyalty.
4. Multi-Brand Routines: Younger consumers, especially Gen Z, are more likely to use multiple brands in their daily routines. For instance, 42% of Gen Z makeup users incorporate five or more brands into their routine.
5. Openness to New Brands: Gen Z and Millennial consumers are significantly more likely to try new beauty brands compared to older generations.

The GLP-1 Revolution in Health and Wellness

One of the most significant trends impacting both health and consumer industries is the rising popularity of GLP-1 drugs like Ozempic and Wegovy. These medications, primarily used for diabetes management and weight loss, are reshaping not only individual health outcomes but also consumer behaviors and market dynamics.

Key insights include:

- The number of Americans using GLP-1 drugs continues to grow rapidly, with estimates suggesting that 8-20 million people are currently using these medications.
- Google search interest for "Ozempic" now surpasses that of "Keto," indicating a shift in weight loss trends.
- Major pharmaceutical companies like Eli Lilly are seeing significant revenue growth from GLP-1 drugs, with these medications now accounting for nearly half of their US revenue.

The impact of GLP-1 drugs extends beyond the pharmaceutical industry:

1. Food Industry Adaptation: Over 90% of GLP-1 users express interest in foods specifically created for them, presenting new opportunities for food manufacturers and restaurants.
2. Changing Taste Preferences: 52% of GLP-1 users report that the taste of food matters more to them since starting the medication, potentially driving demand for more flavorful, quality food options.

- Grocery Shopping Behavior: GLP-1 users are more likely to try new grocery products and brands compared to non-users, suggesting a potential shift in brand loyalty and product preferences.
- "Trading Up" Phenomenon: While GLP-1 users may eat less overall, they report "trading up" on what they buy, particularly in categories like fresh produce, protein, and dining out.

The Shifting Landscape of Smoking, Drinking, and Cannabis Use

American consumption habits around tobacco, alcohol, and cannabis are undergoing significant changes, driven by health concerns, changing regulations, and evolving social norms.

Key trends include:

1. Declining Cigarette Use: The percentage of American adults who smoke cigarettes continues to decline, reaching historic lows.
2. Rising E-cigarette Adoption: While traditional smoking decreases, e-cigarette use is on the rise, particularly among younger generations.
3. Cannabis Normalization: More Americans now perceive cannabis positively (69%) compared to alcohol (65%) and nicotine products (35-36%).
4. Cannabis Legalization Impact: With recreational cannabis now legal in about half of US states, new consumer behaviors are emerging. The industry now boasts over 6,000 licensed dispensaries nationwide.
5. Diverse Cannabis Consumption Methods: While smoking remains the most common method (60% of users), edibles (41%) and vaporizing (23%) are gaining popularity.
6. The Zyn Phenomenon: Nicotine pouches, particularly the brand Zyn, have emerged as a cultural phenomenon, especially among Gen Z users.

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These shifts present both challenges and opportunities for businesses:

- Tobacco companies are diversifying into alternative nicotine delivery systems to maintain relevance.
- The alcohol industry may face competition from cannabis products, with many users indicating they would choose THC over alcohol if forced to pick one.
- The growing cannabis industry is creating new opportunities for retail, technology, and consumer packaged goods companies.



3. Cross-Generational Appeal: YouTube's popularity is strong across all age groups, with particularly high engagement among Gen Z users.

4. Unique Value Proposition: Compared to traditional TV or other streaming services, YouTube users report feeling smarter, more culturally aware, and more globally informed after watching content on the platform.

5. Action-Driving Content: YouTube videos frequently inspire viewers to take action, from trying new recipes (51% of users) to discovering new musical artists (40%) or starting new habits (26%).

6. Creator Economy: YouTube's success is largely driven by its ecosystem of content creators. Over 550,000 YouTube channels have at least 100,000 subscribers, with top creators like MrBeast reaching celebrity status among younger viewers.

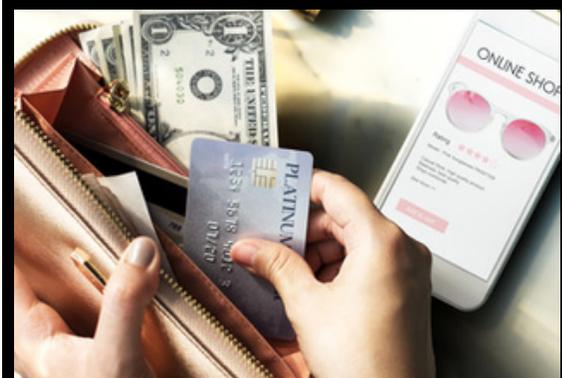
7. Advertising Preference: Younger viewers tend to prefer YouTube ads over traditional TV ads, presenting new opportunities for marketers.



- The implications of YouTube's dominance are far-reaching:
- Traditional media companies and streaming services need to reassess their content strategies to compete with YouTube's diverse, creator-driven content.
- Brands should consider YouTube as a key platform for both content creation and advertising, given its broad reach and high engagement levels.
- The rise of YouTube creators as influential figures presents new opportunities for collaborations and partnerships across various industries.

In conclusion, these five trends - the resilient consumer economy, the rise of new beauty brands, the GLP-1 revolution, shifting substance use habits, and YouTube's streaming dominance - are reshaping the consumer landscape in 2024.

For businesses looking to thrive in this evolving environment, understanding and adapting to these trends will be crucial. Whether it's developing products for GLP-1 users, partnering with emerging beauty brands, or creating compelling YouTube content - the opportunities for innovation and growth are abundant in this new consumer paradigm.



YouTube's Dominance in the Streaming Landscape

Perhaps one of the most underappreciated consumer trends is the growing dominance of YouTube in the digital entertainment space. The platform has emerged as a key part of the future of TV, commanding a significant portion of viewer attention.

Key findings include:

1. Market Leadership: YouTube is now the most-watched streaming service in the US, surpassing Netflix with a 10% share of total TV and streaming viewing.
2. Consumer Preference: In a hypothetical "deserted island" scenario, 31% of Americans would choose YouTube over any other streaming service, up from 27% in late 2022.

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IS THE DUST IN YOUR HOME DANGEROUS?



Health Impacts

Exposure to dust inside homes can have adverse health outcomes, such as respiratory problems, asthma, allergic reactions, and lead poisoning (if the dust contains lead). Dust comes from two sources. First, dirt and dust can be carried in from outside on shoes or blown in through windows and doors. Second, there are indoor sources of dust, particularly dust mites.

Reducing Exposure

While it is impossible to have a dust-free home, it is possible to live in a home that minimizes dust that is carried in from the outside and to avoid conditions that can promote allergens in dust.

- Keep dust out. Because nearly two thirds of the dust in our homes is tracked in from outdoors, one key strategy is to build and maintain homes that help occupants track off dust before it is carried inside. Simple steps such as using a mat at the entryway of a home, building steps or using grates to scrape dirt from shoes, and encouraging residents to remove shoes inside will all make a difference.
- Using effective filters in the heating system will also reduce the allergens and contaminants entering the building or home.

Here's something that's everywhere and always around us, but we don't talk about it very much: Dust. It can be a constant battle to keep at bay. But often dust isn't just annoying and dirty. A new Consumer Reports investigation reveals it may also contain dangerous particles that can cause serious health problems!

On the surface, dust appears to be skin, hair, and dander. But look even closer; you can find unhealthy substances including heavy metal fragments like lead paint, fungi, mold, mites, microplastics, and forever chemicals, or PFAS. Because we are surrounded by dust, we breathe it, which can irritate our lungs and trigger allergies and asthma in the short term. In the long term, some of the chemicals are linked to diabetes, various cancers, reproductive problems, and other serious health issues.



- Use materials that are easy to clean. Dust is easily removed from smooth and cleanable surfaces (smooth flooring such as wood, tile, linoleum, and vinyl) through vacuuming and mopping.
- Use a vacuum cleaner with high-filtration features (high efficiency or HEPA filter).
- Carpets are generally more difficult to vacuum effectively than hard surfaces; but among carpets, short- and closed-loop-pile carpets (such as commercial grade carpet) are typically easier to clean than loose-pile carpets, which allow dust and dirt to fall through to the underlying material.
- Keep dust mites under control. Dust mites contribute to dust problems, so taking precautions against them can also help reduce exposure.

While battling dust is certainly a challenge, it's not impossible! One of the best choices to combat dust in the home is a good air purifier that uses HEPA filters. These filters are designed to capture at least 99.97 percent of particles 0.3 micrometers in diameter – the size of many dust particles.

With a little bit of mindfulness and the right equipment, you can keep you and your family safe from the dangers of dust. Although dust is everywhere, you can minimize its presence in your home and its potentially damaging effects to your health.



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Summer Heatwaves--Not just “another summer”



Just a month into summer 2024, the vast majority of the U.S. population had already experienced at least one extreme heat wave, and millions of people were under heat alerts, with forecasts warning of more ahead. Death Valley hit 125 degrees Fahrenheit (51.7 Celsius) or higher for nine consecutive days in early July. Las Vegas broke its all-time heat record at 120 F (48.9 C). Days of 100-degree heat dried out the California landscapes, fueling wildfires there and in the Northwest. Oregon reported several suspected heat deaths.

Globally, the planet had its hottest day in at least eight decades of recordkeeping on July 21 – and then broke the record again on July 22, according to the European Union’s Copernicus Climate Change Service.

The extreme heat is part of a longer trend: Each of the past 13 months has been the hottest on record for that month globally, including the hottest June, the EU service reported in early July. It also found that the average temperature for the previous 12 months had been at least 1.5 C (2.7 F) warmer than the 1850-1900 pre-industrial average.

The 1.5 C warming threshold can be confusing, so let’s take a closer look at what that means. In the Paris climate agreement, countries worldwide agreed to work to keep global warming under 1.5 C, however that refers to the temperature change averaged over a 30-year period. A 30-year average is used to limit the influence of natural year-to-year fluctuations.

So far, the Earth has only crossed that threshold for a single year. However, it is still extremely concerning. We study weather patterns involving heat. The world appears to be on track to cross the 30-year average threshold of 1.5 C within 10 years.

Heat is now a global problem

Several countries have experienced record heat across the Americas, Africa, Europe and Asia in 2024. In Mexico and Central America, weeks of persistent heat starting in spring 2024 combined with prolonged drought led to severe water shortages and dozens of deaths. Extreme heat turned into tragedy in Saudi Arabia, as over 1,000 people on the Hajj, a Muslim pilgrimage to Mecca, collapsed and died. Temperatures reached 125 F (51.8 C) at the Grand Mosque in Mecca on June 17.

Hospitals in Karachi, Pakistan, were overwhelmed amid weeks of high heat, frequent power outages, and water shortages in some areas. Neighboring India faced temperatures around 120 F (48.9 C) for several days in April and May that affected millions of people, many of them without air conditioning.

Japan issued heatstroke alerts in Tokyo and more than half of its prefectures as temperatures rose to record highs in early July. Large parts of Europe were suffering through a long-running heat wave as the 2024 Summer Olympics prepared to open in Paris in late July.

The climate connection: This isn’t ‘just summer’

Although heat waves are a natural part of the climate, the severity and extent of the heat waves so far in 2024 are not “just summer.” A scientific assessment of the fierce heat wave in the eastern U.S. in June 2024 estimates that heat so severe and long-lasting was two to four times more likely to occur today because of human-caused climate change than it would have been without it. This conclusion is consistent with the rapid increase over the past several decades in the number of U.S. heat waves and their occurrence outside the peak of summer.

These record heat waves are happening in a climate that’s globally more than 2.2 F (1.2 C) warmer – when looking at the 30-year average – than it was before the industrial revolution, when humans began releasing large amounts of greenhouse gas emissions that warm the climate.

While a temperature difference of a degree or two when you walk into a different room might not even be noticeable, even fractions of a degree make a large difference in the global climate.

At the peak of the last ice age, some 20,000 years ago, when the Northeast U.S. was under thousands of feet of ice, the globally averaged temperature was only about 11 F (6 C) cooler than now. So, it is not surprising that 2.2 F (1.2 C) of warming so far is already rapidly changing the climate.



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If you thought this was hot

While this summer is likely be one of the hottest on record, it is important to realize that it may also be one of the coldest summers of the future.

For populations that are especially vulnerable to heat, including young children, older adults and outdoor workers, the risks are even higher. People in lower-income neighborhoods where air conditioning may be unaffordable and renters who often don't have the same protections for cooling as heating will face increasingly dangerous conditions.

Extreme heat can also affect economies. It can buckle railroad tracks and cause wires to sag, leading to transit delays and disruptions. It can also overload electric systems with high demand and lead to blackouts just when people have the greatest need for cooling.

The good news: There are solutions

Yes, the future in a warming world is daunting. However, while countries aren't on pace to meet their Paris Agreement goals, they have made progress.

In the U.S., the 2022 Inflation Reduction Act has the potential to reduce U.S. greenhouse gas emissions by nearly half by 2035.

Switching from air conditioners to heat pumps and network geothermal systems can not only reduce fossil fuel emissions but also provide cooling at a lower cost. The cost of renewable energy continues to plummet, and many countries are increasing policy support and incentives.

There is much that humanity can do to limit future warming if countries, companies and people everywhere act with urgency. Rapidly reducing fossil fuel emissions can help avoid a warmer future with even worse heat waves and droughts, while also providing other benefits, including improving public health, creating jobs and reducing risks to ecosystems.





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Is “Back To School” Too Expensive Now? --Parents say YES!



Parents are feeling the back-to-school financial crunch. More than 3 in 4 parents, or 70%, believe that schools ask them to buy too much for the back-to-school season, according to a new study by personal finance website WalletHub.

Eighty-six percent of parents think the cost of education is out of control, the study also found.

Most parents, or 52% of those surveyed, also expect to pay more for back-to-school shopping this year than last year.

"In comparing this year's back-to-school study to last year's, several notable changes stand out," WalletHub analyst Cassandra Happe told USA TODAY in an email.

"One significant shift was the increased concern among parents regarding the cost of education," she said, noting that 77% of parents are willing to go into debt for their child's education, compared with 72% last year.

Back-to-school spending expected to reach \$38.8 billion

Families with children in elementary through high school plan to spend an average of \$874.68 on clothing, shoes, electronics and school supplies, according to the National Retail Federation and Prosper Insights & Analytics' annual survey. That's \$15 less than last year's record of \$890.07 but is the second-highest amount in the survey's history.

Total back-to-school spending is expected to reach \$38.8 billion, also the second-highest on record after last year's high of \$41.5 billion, the retail federation said.

The most popular destinations for back-to-school shopping are online (57%), department stores (50%), discount stores (47%), clothing stores (42%) and electronic stores (23%).

College students and their families are expected to spend more. On average, they will spend \$1,364.75, about the same as last year's \$1,366.95. Total college back-to-school spending is expected to reach \$86.6 billion, the second-highest after last year's \$94 billion.

Highlights of the survey

Here are some other key findings from the WalletHub study:

- Financial literacy: 95% of parents say financial literacy should be part of the core curriculum in schools. That's up from 91% in last year's survey. "This reflects the increasing financial pressures parents face and the recognition of the importance of financial education for their children's future," Happe said.
- Looking for savings: The most popular method for 33% of parents surveyed to save on back-to-school shopping is through coupons. That's followed by applying for a new credit card (29%) and shopping on a sales tax holiday, which are held in 17 states in July and August (19%).

- Kids and debt: Seventy-seven percent of respondents said their kid's education was worth going into debt.
- In-person and online shopping: Respondents were pretty evenly split, with 53% saying they found the best back-to-school deals locally and 47% saying they found the top deals when shopping online.

"These findings underscore a heightened financial strain on families during the back-to-school season and a stronger call for educational reforms to address these economic challenges," Happe said.

In times like these, it is vital to look for back-to-school savings. Check your local thrift stores, ask friends with children out of school, and even check out online platforms such as Facebook Marketplace to find new and gently-used items at a great discount. Every penny counts!



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How Much Protein Does Your Body Need?

During pregnancy, protein needs of women go up. Experts recommend 75 to 100 grams of protein a day for the developing fetal tissue, as well as the enlarging placental, breasts, and blood supply. You should check with your doctor on your specific protein needs.

Protein: Is more better?

For a relatively active adult, a daily protein intake to meet the RDA would supply as little as 10% of his or her total daily calories. In comparison, the average American consumes around 16% of his or her daily calories in the form of protein, from both plant and animal sources. But is that too much? For some people, there may be potential benefits of higher daily protein intake to preserve muscle mass and strength. How and when you consume protein might also influence its effectiveness. Some studies described in the summit reports suggest that protein is more effective if you space it out over the day's meals and snacks, rather than loading up at dinner like many Americans do.

However, over the last several years, the public health message has shifted away from desired percentages of protein, fats and carbohydrates. For example, the current Dietary Guidelines for Americans emphasize the importance of eating healthier protein rich foods rather than concentrating on specific amounts of daily protein.

Protein is essential to good health. The very origin of the word – from the Greek protos, meaning "first" – reflects protein's top-shelf status in human nutrition. You need it to put meat on your bones and to make hair, blood, connective tissue, antibodies, enzymes, and more. It's common for athletes and bodybuilders to wolf down extra protein to bulk up. But the message the rest of us often get is that our daily protein intake is too high.

How much protein do I need a day?

The Recommended Dietary Allowance (RDA) for protein is a modest 0.8 grams of protein per kilogram of body weight, or 0.36 grams per pound. The RDA is the amount of a nutrient you need to meet your basic nutritional requirements. In a sense, it's the minimum amount you need to keep from getting sick – not the specific amount you are supposed to eat every day.

To determine your daily protein intake, you can multiply your weight in pounds by 0.36.

Daily protein intake for women
For a 50-year-old woman who weighs 140 pounds woman and who is sedentary (doesn't exercise), that translates into 53 grams of protein a day.

For daily protein intake, think "protein package"

Research on how much protein is the optimal amount to eat for good health is ongoing, and is far from settled. The value of high-protein diets for weight loss or cardiovascular health, for example, remains controversial.

Before you start ramping up your daily protein intake, there are a few important things to consider. For one, don't read "get more protein" as "eat more meat." Beef, poultry, and pork (as well as milk, cheese, and eggs) can certainly provide high-quality protein, but so can many plant foods – including whole grains, beans and other legumes, nuts, and vegetables. The table below provides some healthier sources of protein.

It's also important to consider the protein "package" – the fats, carbohydrates, vitamins, minerals, and other nutrients that invariably come along with protein. Aim for protein sources low in saturated fat and processed carbohydrates and rich in many nutrients.

One more thing: If you increase protein, dietary arithmetic demands that you eat less of other things to keep your daily calorie intake steady. The switches you make can affect your nutrition, for better or for worse. For example, eating more protein instead of low-quality refined carbohydrates, like white bread and sweets, is a healthy choice – though how healthy the choice is also depends on the total protein package.

Good sources of protein (grams)

3 ounces tuna, salmon, haddock, or trout
3 ounces cooked turkey or chicken
6 ounces plain Greek yogurt
½ cup cottage cheese
½ cup cooked beans
1 cup of milk
1 cup cooked pasta
¼ cup or 1 ounce of nuts (all types)
1 egg