

# How to reach the independent consumer: The art of persuasion



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Meeting today's independent consumers means getting to know them in a new way and being accepted into their circle of influence.

### In brief

- ▶ Connecting with consumers in real time with the right message to create moments that matter is critical for consumer products companies and retailers alike.
- ▶ When consumers are choosier about who they listen to brands and retailers must strive to appeal to and engage them in new ways to stay relevant.



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EY Global Consumer Leader





Consumers are becoming more intentional about who and what they listen to and feel empowered to demand even exchange for their time and money. They still enjoy digital experiences and shopping in store, but they want things on their terms — with their downtime and privacy respected, and a fair exchange of value for their data and loyalty. AI and other technologies will help retailers and CP companies meet some of these needs, but the human touch is more important than ever.

Consumers around the world are remarkably resilient. At a time of rising living costs, acute geopolitical tensions and climate peril, most of them have a positive outlook on things. They feel in control of their lives and confident about the future. They are finding it easier to afford what they need. And this time next year, they expect to be better off financially.

These and other findings from the latest EY Future Consumer Index show the extent to which the troubles of the world have, for many people, become normalized. For them personally, it feels like things have turned a corner. This is especially true for the significant minority of consumers who increasingly just want a simple life, lived in the moment.

In this 14th wave of the Future Consumer Index, we use our data insights to look at where consumers are now through various lenses, expressed in the voice of the consumer. This provides a new perspective on how and why consumer behaviors are changing, and what that could mean for the consumer products (CP) companies and retailers that hope to serve them.

## Voices of the consumer

- 1 "I trust the views of my peers, not what brands say."
- 2 "I've had too many cookies; all things in moderation."
- 3 "You can buy my loyalty, for as long as it suits me."



# Chapter 1

## "I trust the views of my peers, not what brands say."

The proliferation of social media channels has made it easy for consumers to get instant information about companies and brands, and to hear a much wider range of views. In that cacophony of voices, social media influencers have become increasingly powerful. CP companies and retailers need to find authentic and effective ways to join and shape the conversation.

### Growing power of social media influencers

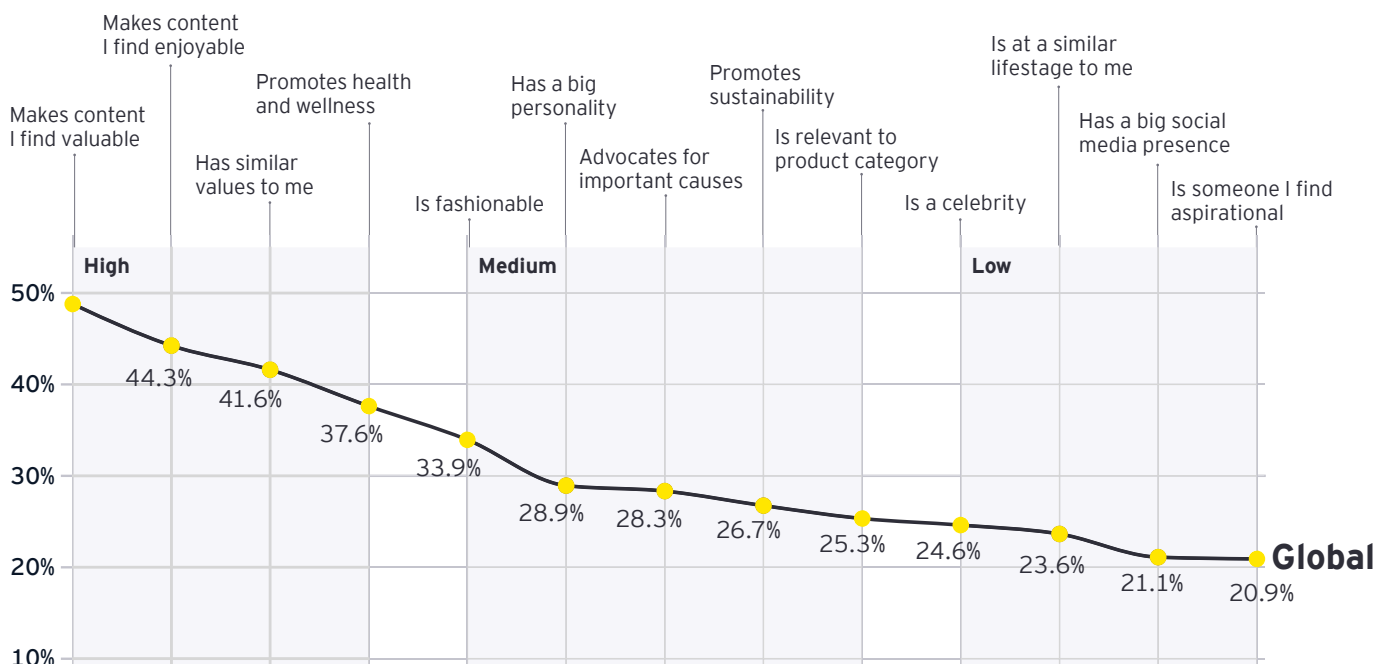
Most consumers follow people on social media because of the content they produce, not because they are famous. It's the micro-influencers, niche experts, and online communities that are driving behavior, not celebrity endorsements – which at their best drive only a macro view of the brand and at their worst are seen as inauthentic.

The product demonstrations and discussions that take place in online social spaces directly impact buying behaviors in ways traditional marketing could never achieve. They give everyone the opportunity to share advice, experiences and reviews. People trust what their favorite influencers say and buy products they recommend.

# 45%

of consumers follow a social media influencer, blogger or vlogger.

### Reasons why consumers follow an influencer by generation



Many brands have struggled to adjust to this new world, where they have less control over what's said about them, and where what they want to say can get lost in the noise. However, this is also an opportunity, if they can create a two-way conversation with the consumer to help shape their own innovation and engagement strategies.

Those that are skilled at listening to the flow of information, and know how and when to best participate, can gather priceless feedback about their brands and what might improve them.

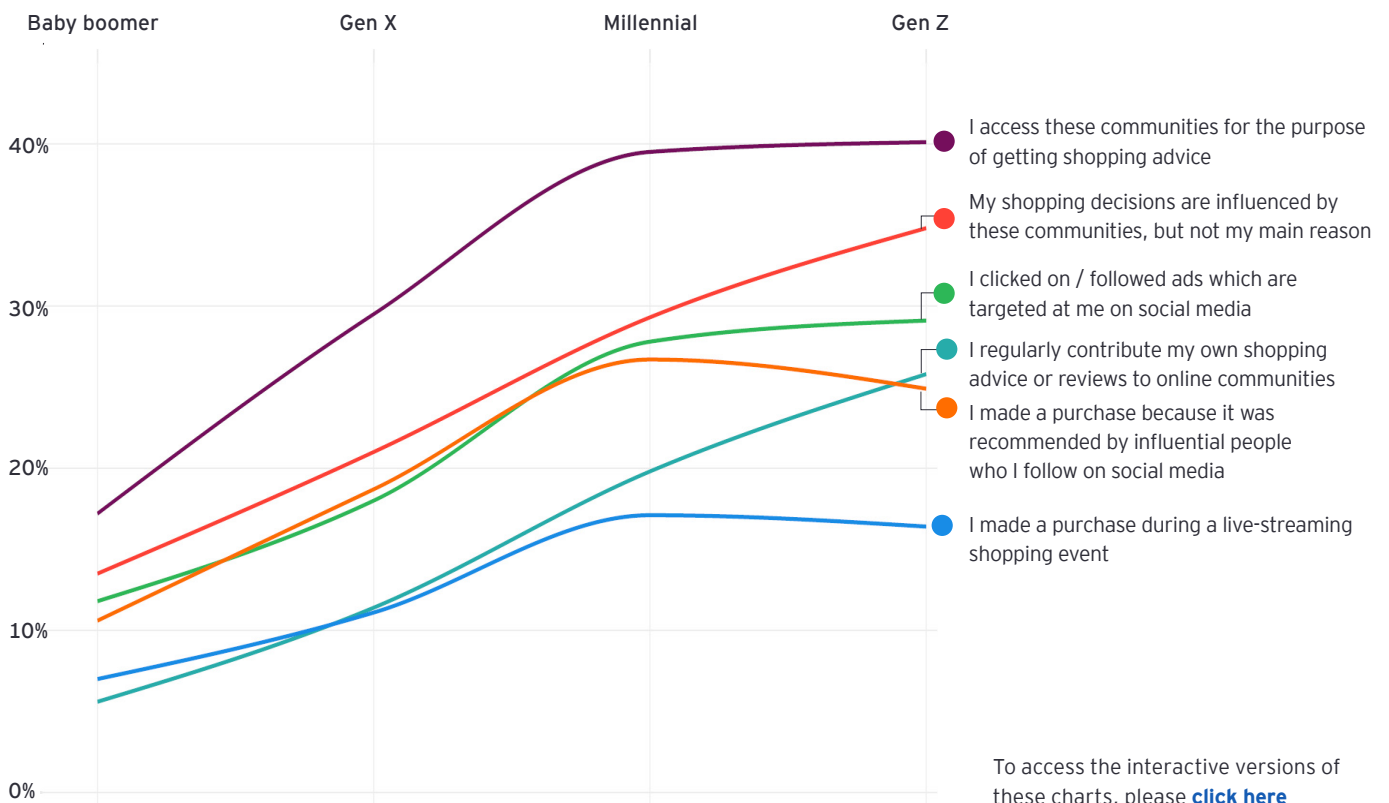
### Influencing future consumption choices

CP companies that want to become consumer-centric must create an authentic and effective relationship with the influencer economy. Most are investing in building these relationships, but they need to be cautious about how they select and manage influencers, and how they monitor their performance. Who is the best fit for the brand, its values, and the aspirations of its target audience?

# 67%

of consumers have purchased a product solely on the influencer's recommendation.

% of consumers who have done the following in past 6 months



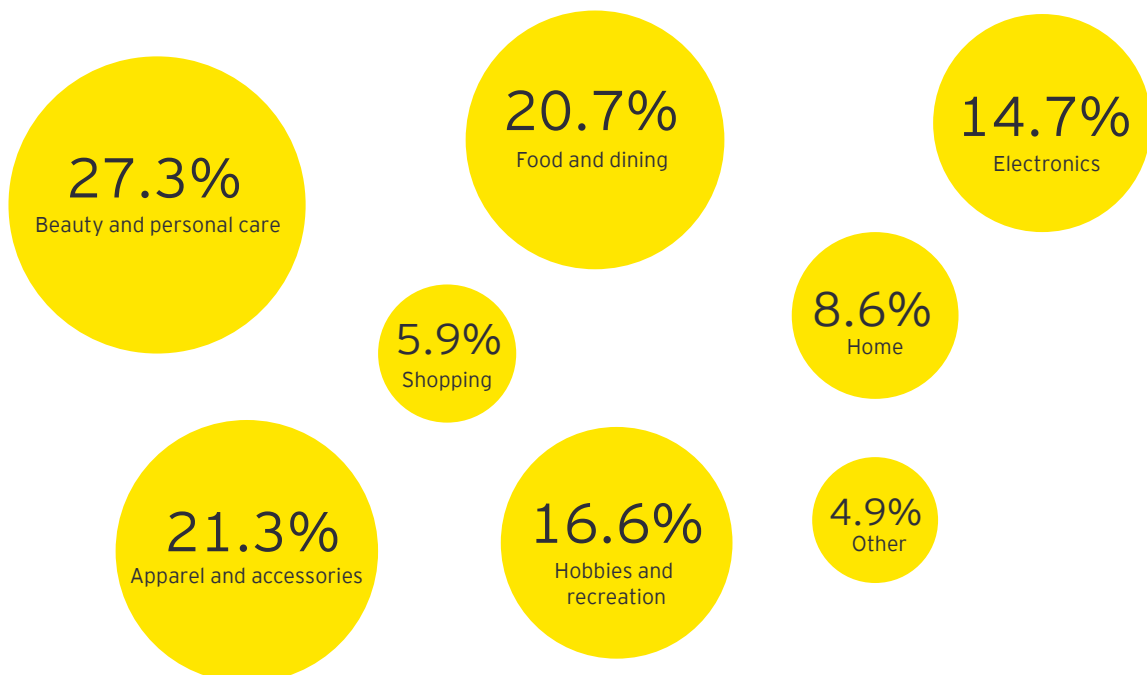


# 74%

of consumers find product recommendations by influencers trustworthy.

Brands can maximize their return on marketing spend by engaging with a greater number of micro-influencers and the platforms they use, rather than committing to relatively few individuals. But with a larger group, there's more risk. Companies need to manage influencer performance at a new and detailed level, to measure the impact they have on the brand and purchases.

## Top categories consumers look to influencers for advice



To access the interactive versions of these charts, please [click here](#)

# Chapter 2

## “I’ve had too many cookies; all things in moderation.”

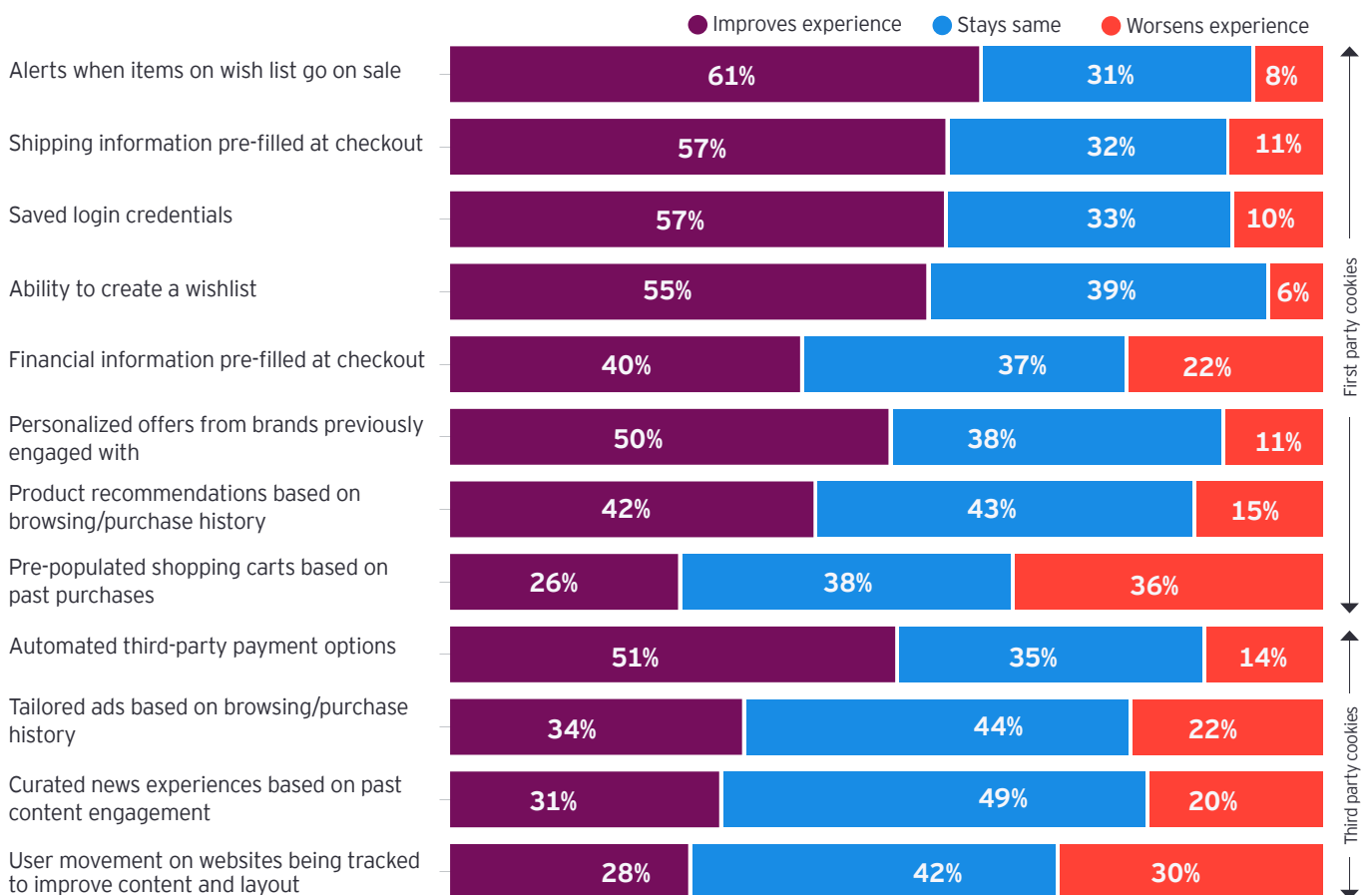
Many brands have relied on third-party cookies for their digital marketing strategies. Some consumers will be delighted to see the back of them. But phasing them out could result in chaos, with scattershot marketing exposing consumers to irrelevant experiences and offers. This serves nobody. Brands need to find better ways of staying visible to and connected with their target audiences.

The demise of third-party cookies will be felt differently across consumer-facing companies. Brands with nascent or non-existent direct-to-consumer channels will find it harder to get enough first-party data to support their marketing campaigns. Larger retailers are likely to have more first-party data, as their websites attract more consumers; this should make their shift away from third-party cookies easier.

In fact, many retailers see an opportunity here. They are establishing their own retail media networks by gathering data and creating brand promotion opportunities, which they can sell. Working with these networks could be a preferable option for a brand. They would be selling to consumers who are already in a buying context – they will be shopping, not scrolling.

### Acceptance of cookies’ role in online shopping experiences grows as consumers get younger

Consumer attitudes towards cookie-enabled online shopping features



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As retailers create these new promotion opportunities, they need to be mindful of the trust consumers are showing them. If it feels like they're only being exposed to big brands with deep pockets, that would be a turn off. What they value is curated options that feel personal.

### Striking the right balance between data gathering and data privacy

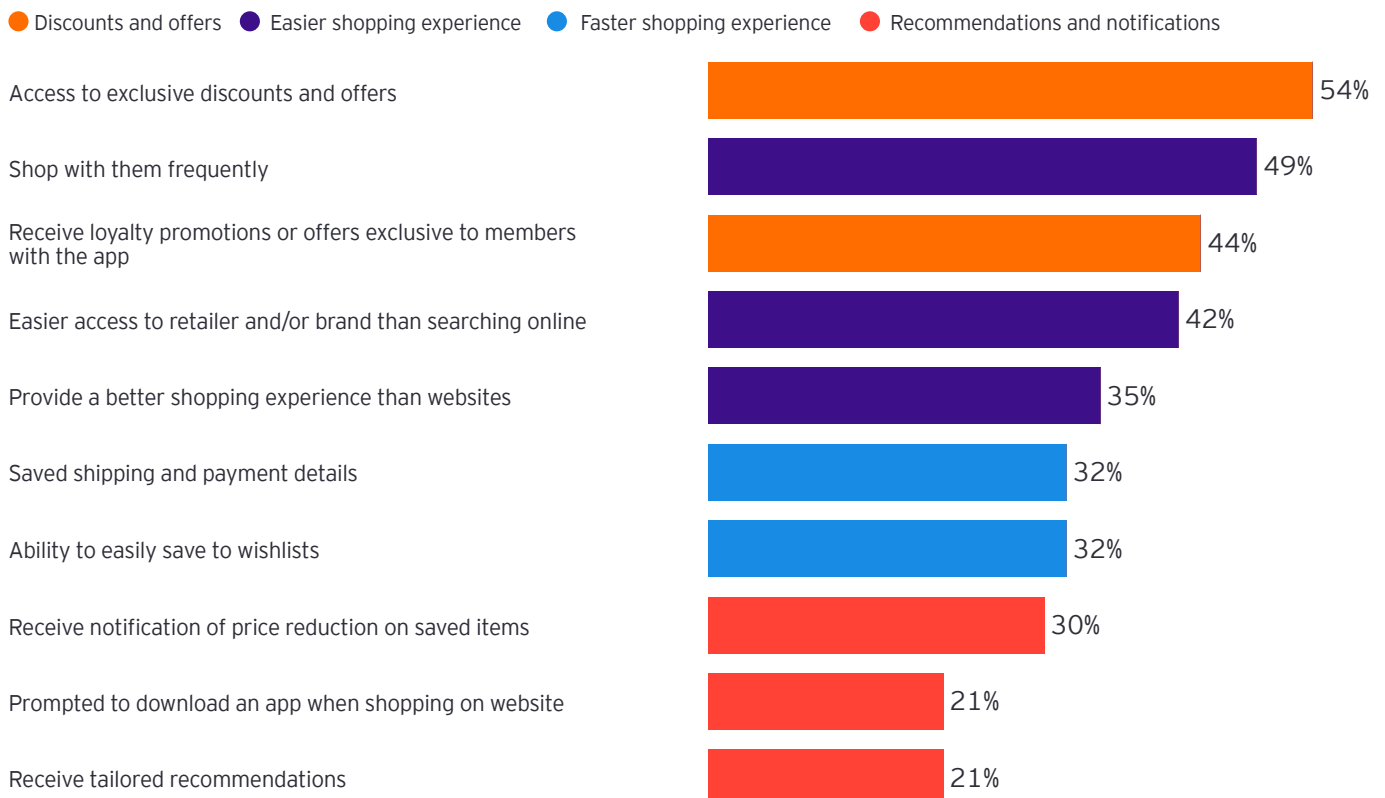
It's important to optimize online experiences, but this won't generate the volume of data that effective digital marketing requires. A priority now for brands is to think strategically about acquisitions and partnerships that will get them the data they need. Retailers should be investing in their retail media capabilities to build profitable, long-term partnerships with brands.

First-party cookies are not going away. Mastering their evolving use is critical for companies that want to grow digital traffic, better understand their consumers, and keep their needs at the center of the business.

All companies must be transparent about how they use data and make it as easy as possible for people to opt out. If it's too complex for the consumer, they will leave the site rather than work out how to change their data-sharing preferences. Simplicity is also important for those consumers who are willing to share their data - it needs to be easy for them

## Consumer preference for shopping on apps is enabling retailers to build profitable media networks and create new opportunities for brands

Reasons why consumers download shopping apps



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# Chapter 3

## “You can buy my loyalty, for as long as it suits me.”

Loyalty programs remain popular with companies, but the nature of consumer loyalty has changed. Brands and retailers need to offer tangible benefits, in order to attract and retain members. Emotional connection doesn't drive sales like it used to. In many ways, successful programs are driven by a dependency on accessible benefits, rather than true loyalty.

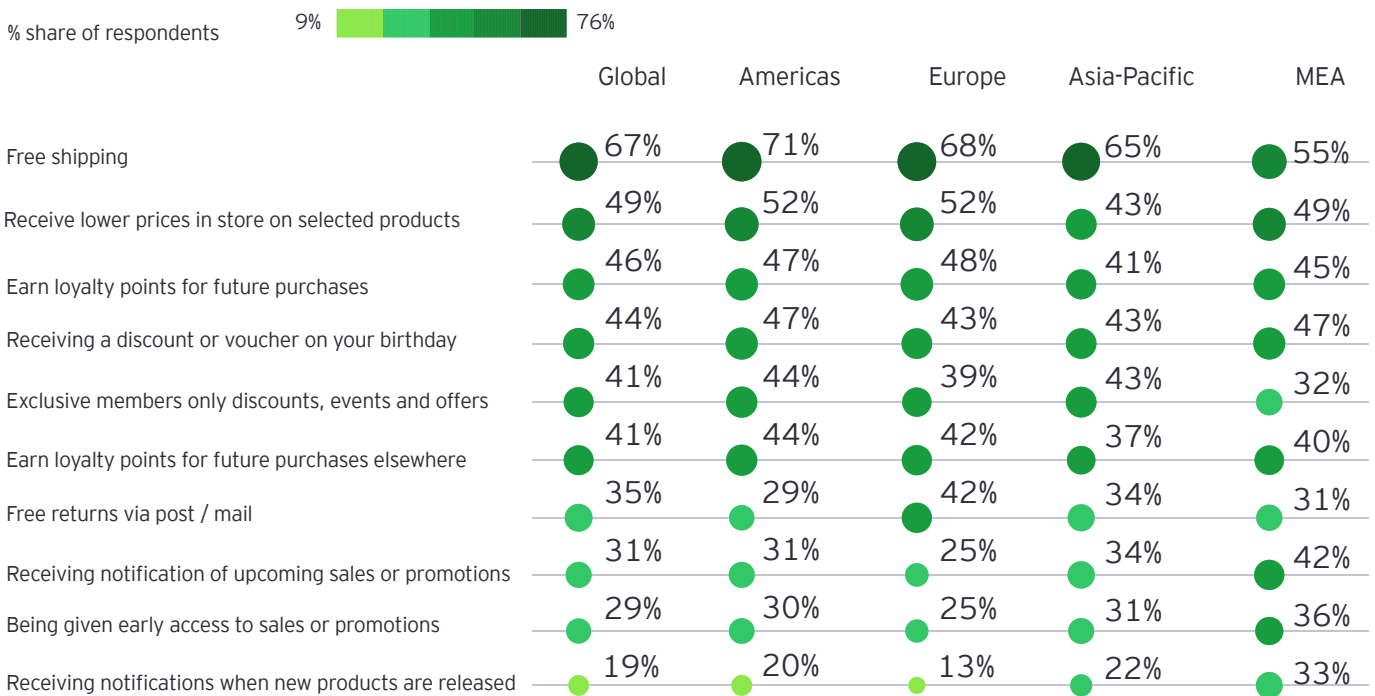
Loyalty programs are increasingly transactional. Consumers become members to access discounts and deals. Their commitment to the relationship is only as strong as the last offer they received, which is a weak kind of loyalty.

This changes the dynamics of a successful loyalty program. It's critical that consumers feel the exchange of value is fair. To secure their participation, brands and retailers may need to accept smaller margins. That is the price to pay for what now counts as loyalty, and for the data a successful program brings them.

Consumers are more willing to share their data, but they want value in return. Some retailers can cover this cost by giving brands access to their media networks, as this is an effective way for them to target and engage consumers. Without the consumer data needed to understand what consumers want and the distribution networks needed to give it to them at the point-of-sale, brands are becoming ever more reliant on retailers.

### Consumers seek value-oriented benefits when joining a loyalty program

Reasons why consumers join a rewards or loyalty program



Note: MEA includes Middle East and Africa

### Creating incentives that build consumer trust

Retailers have access to a volume and richness of consumer data that creates significant new opportunities. By using loyalty programs to gather even more data, they can create more targeted discounts and use data-derived insights to help brands reach specific consumer profiles.

While retailers can leverage granular datasets to improve performance, consumer products companies have access to broader behavioral datasets that help with targeting and segmentation. If they work with retailers, they can find the sweet spot between holistic behavioral datasets and distinct purchase decisions.

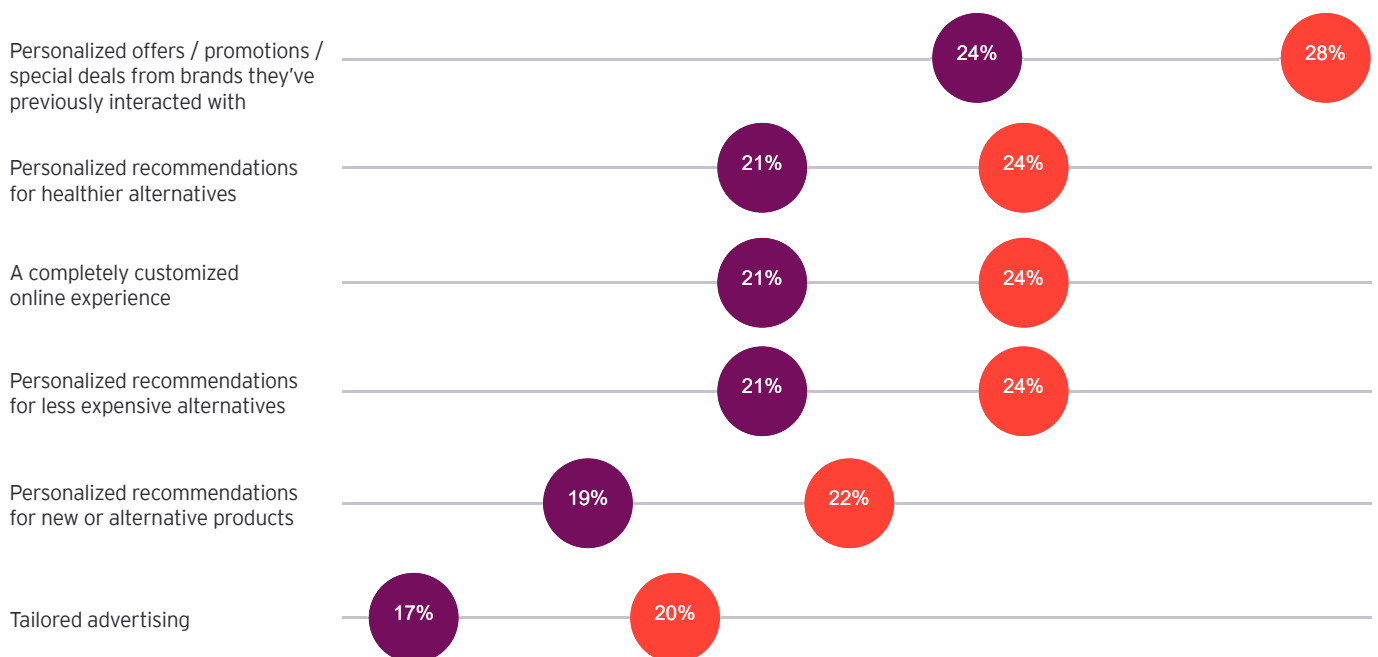
Both retailers and CPG companies need to capture these opportunities while building trust with consumers as data security concerns grow. For example, they should let consumers see that they are investing in cybersecurity and taking data protection seriously. And it must be easy for consumers to see how they benefit from sharing their data.



### Consumers are increasingly more comfortable sharing personal data in exchange for custom offers and experiences

% share of consumers willing to share personal data in exchange for the following

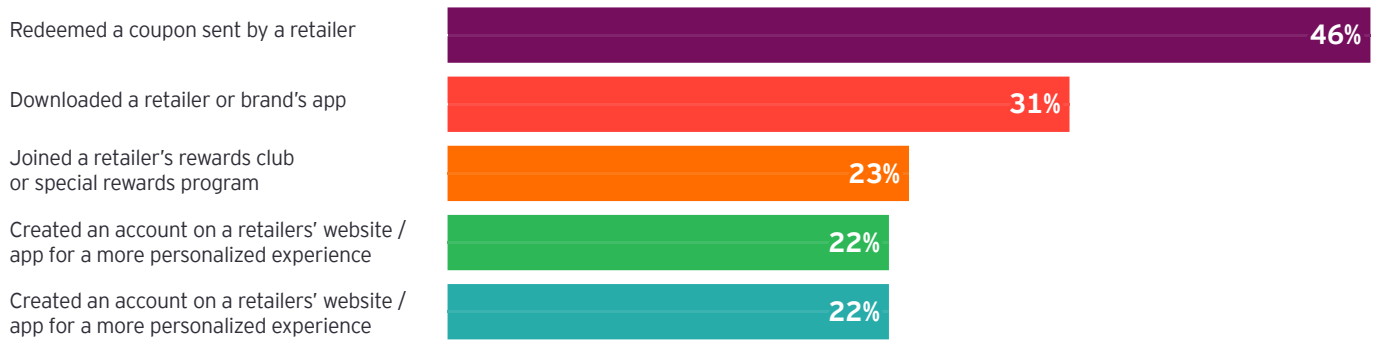
Time ● Jan-21 ● Apr-24



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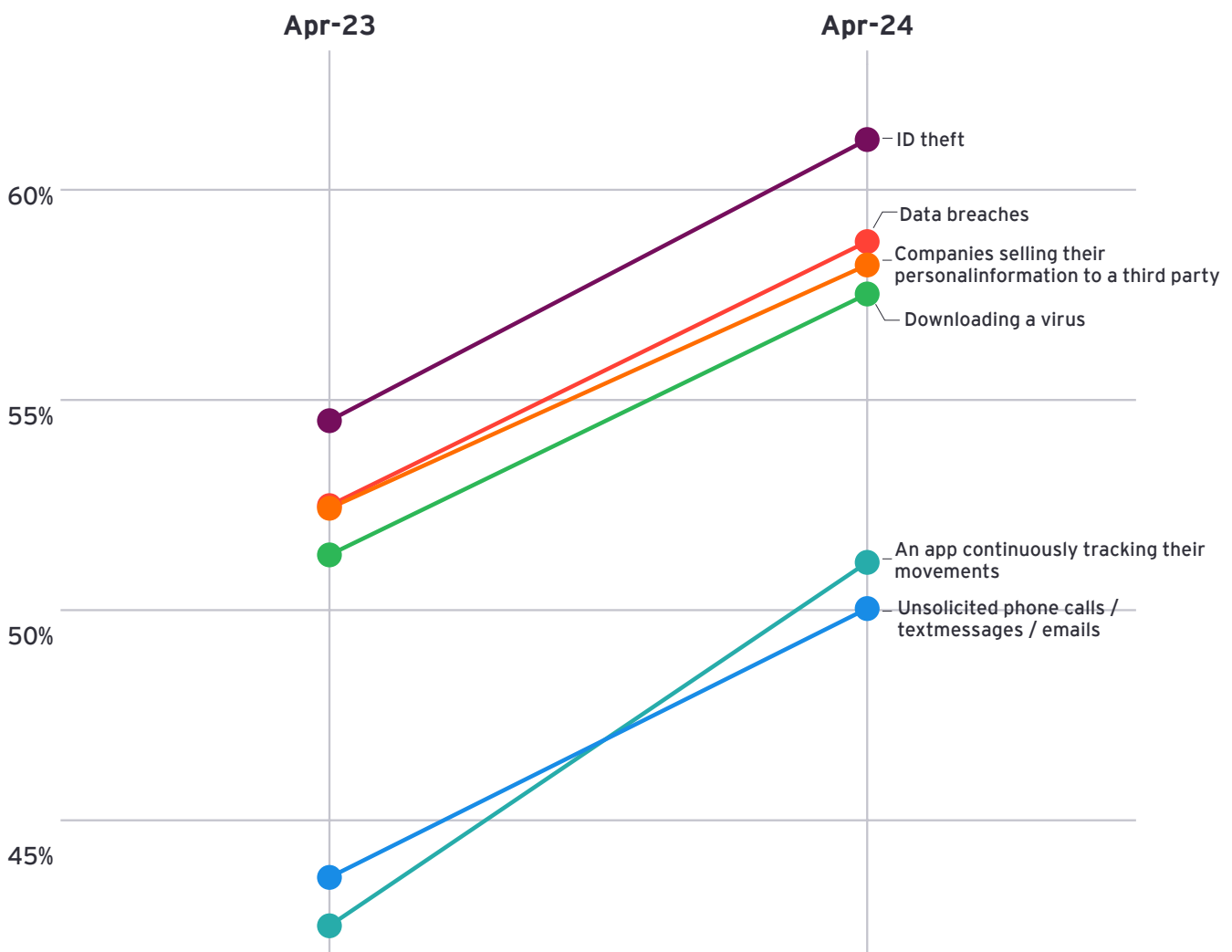
## Retailers' relationships with consumers are driven by discounts

% of consumers who have done the following when online shopping in the past six months



## Concern over data security grows as brands want more personal information from consumers

% of consumers who are concerned about the following issues after using a digital product and service



## Methodology

The EY Future Consumer Index tracks changing consumer sentiment and behaviors across time horizons and global markets, identifying the new consumer segments that are emerging. The 14th edition of the EY Future Consumer Index surveyed 23,016 consumers across the US, Canada, Mexico, Brazil, Argentina, Chile, Colombia, UK, Germany, France, Italy, Spain, Ireland, Denmark, Finland, Sweden, Norway, Australia, New Zealand, Japan, China, India, Indonesia, Thailand, South Korea, Saudi Arabia, South Africa, Vietnam, Nigeria and Netherlands between 29 March to 10 April 2024.

*Special thanks to the following individuals who contributed greatly to the development of the EY Future Consumer Index – the survey, analysis and insights: Andreas Waelchli, EY Global Consumer Analyst; Lourdes Canizares-Bidwa, Global Consumer Products Marketing Leader and Rebecca Edwards, Global Consumer Marketing Leader.*

## Summary

Consumers are becoming more intentional about who and what they listen to and feel empowered to demand even exchange for their time and money. They still enjoy digital experiences and shopping in store, but they want things on their terms – with their downtime and privacy respected, and a fair exchange of value for their data and loyalty. AI and other technologies will help retailers and CP companies meet some of these needs, but the human touch is more important than ever.

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