

Get Ready for the Next Normal

As the generations age post-COVID, their needs will also evolve

It's not only generational differences that are shaping shoppers, but how these groups embrace the "next normal" as well that provides insights into how retailers should prepare for the next 10 years.

In an update on his keynote address for the 2020 Inspired Home Show, Springboard Futures' Mr. Tom Mirabile gave a glimpse through the recent International Housewares Association webinar "2020 Vision: A New Focus on the Now & Envisioning the Next Normal—The Realities and Mindsets Mapping the Road to 2030" into what drives the various generational groups currently, and what they are likely to be looking for 10 years from now. Gen Z, the most racially diverse among the groups, is more focused currently on access to products and services rather than ownership, said Mr. Mirabile. He labeled this group as "analytical and pragmatic," and as brand participants who are likely to give feedback on the products they use. By 2030, when this group is 22 to 33 years old, they will view consumption as inseparable from ethical concerns.

Millennials, characterized by Mr. Mirabile as "experience junkies" who are carrying a fairly heavy debt load and thus worry often about finances, are loyal to retailers who in turn show loyalty to them through benefits such as rewards programs. As they enter their prime earning years 10 years from now, a majority of these 33- to 53-year-olds will have children and their work from home rate, which Mr. Mirabile put at 40 percent pre-COVID, is likely to be even higher. Gen Xers, who are now in their prime earning years, are the group most likely to respond to personalized offers, and care less about engaging with brands online. About half of them are supporting children and parents, and that trend will continue in 10 years when they reach ages 54 to 63 with continued multi-generational living situations, said Mr. Mirabile. With that in mind, modularity and flexibility in living space, whether that is within the existing home or with add-on living quarters like pre-fab dwellings, will be important.

For the Baby Boomer generation, quality of life is their key interest, he said, and many are abandoning home ownership for renting. Whatever living situation they choose, in 10 years, when they are ages 64 to 84, they will be seeking interactive technologies that help them make the most of their accommodations, especially as it relates to health and wellness.



With people living longer and financial pressures from COVID-19 lingering, Mr. Mirabile said the multi-generational home will continue to be significant. The benefits of this type of arrangement includes more people to keep up the home, more sharing of products and shared experiences. On the downside, he said, more people translates into more clutter, the need for products to function across varied levels of capabilities and dealing with divergent interests.

No matter what generation people come from, Mr. Mirabile said that are certain intangibles that rise to the fore and with each of these come products to fit the need. With time at a premium, the industry has given consumers things such as digital thermostats, smart coffeemakers and robotic cleaners, while the space conscious are being served with portable kitchens and convertible furniture. Other categories among these intangibles are health and wellness, flexibility, safety, sustainability, convenience and experience. And products to serve these needs range from food allergy sensors to reusable straws to a multi-functional coffee table with built-in refrigerator.

Looking at the post-COVID world, Mr. Mirabile cautioned the housewares industry to examine closely whether they are dealing with the "now normal" or the "next normal" as they plan. "You have to be careful on assessing the new normal," he said, noting that some changes could be relevant for a week, while others will last, providing time to act on it. He cited bread makers as a possible temporary blip because of more people using them while sheltering in place. Before entering a category, he said, it's good to ask: What will people keep? And what will they go back to? ■ *Source: HFN*

COVID Recovery Predictions Are ‘Uncertain,’ Says NRF USA

Businesses are beginning to reopen, experts say it's too early to tell

While the reopening of businesses shut down by the coronavirus pandemic is a significant step forward, it is too soon to say how quickly or smoothly the nation's economy will recover, National Retail Federation Chief Economist Jack Kleinhenz said. "Is it possible the worst of the coronavirus pandemic is behind us? Maybe, but we are not out of the woods yet, and uncertainty abounds," Kleinhenz said. "Predicting what will happen is even more challenging than usual. While history often helps guide us, previous downturns offer little guidance on what is likely to unfold over the next six to 12 months. There is no user's manual in which government, businesses or consumers can find precise solutions for what we are going through."

Record drops in employment, gross domestic product, retail sales and other indicators have resulted in "such unparalleled numbers that it is not comparable to anything in economic history and it has yet to catch up with the reality of what we are experiencing," he continued. "With such sizeable disruptions, it is difficult to tally the damage or determine the future."

Kleinhenz said the US economy "changed course almost overnight" from the longest expansion on record to an "historic economic slump" because of the shutdowns ordered in an attempt to bring the virus under control. With monthly and quarterly govt. data unable to keep up with the rapid changes seen during the pandemic, Kleinhenz welcomed three new weekly studies being produced by the U.S. Census Bureau – the Household Pulse Survey, the Small Business Pulse Survey and a weekly version of the Business Formation Statistics report. While the first two show households have seen reductions in income and most businesses do not expect to resume full operations for six months, the third found new businesses are still being formed despite the pandemic, with 9,000 applications for companies planning to hire workers filed in a single week in mid-May alone. Another report from the Conference Board and labor market analytics company Burning Glass Technologies found online help-wanted ads were down 60 percent from February as of mid-April, but only 40 percent since then – a sign that the downturn may be easing and "seeds for recovery are being planted." ■ *Source: Gifts & Decoratives*