



SURVEY + SEGMENTATION ANALYSIS

# New Realities & Routines



# About this Report

Numerator's New Realities & Routines study, based on a custom Numerator survey & segmentation analysis of over 10,000 consumers, dissects the various market dynamics affecting today's consumers and provides an in-depth understanding of how consumers today are faring when it comes to their finances and increased post-pandemic flexibility.

The New Realities & Routines Survey was fielded to 10,010 consumers between 4/8/22 and 4/14/22. We utilized this single survey to create custom groups based on two key themes companies are challenged to understand today:



## *"New Realities"*

*Leverages a custom segmentation analysis investigating how inflation has and will impact consumers across various financial segments.*



## *"New Routines"*

*Leverages a cross-section of respondents' work-from-home status to understand consumption behaviors within the landscape of today's workforce.*

Verified shopping behaviors of these groups were analyzed using Numerator Insights.

# Executive Summary

## NEW REALITIES

Consumers are facing harsh financial realities, with fewer than half feeling comfortable in their current situations.

- **Financial struggles span income levels**— many high income households are struggling just as much as low income ones.
- **Inflation is more heavily impacting those already struggling**, and consumers expect it to get worse before it gets better.
- **Households with more financial flexibility are stocking-up** on sale items and searching for deals rather than cutting back on non-essential spending.
- **Spending in non-essential categories was down** in the first three months of 2022 vs. 2021, particularly among struggling households with low purchase power.

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## NEW ROUTINES

Consumers are adjusting to post-COVID routines and lifestyles, heavily impacted by their current work styles.

- **Work styles have a close tie to personal lifestyle preferences**, with on-site workers favoring out-of-home activities.
- **Remote & hybrid workers are spending more online**, tech-forward in both their work styles and shopping methods.
- **Average grocery spend & meal kit usage remains high** among individuals working from home, as does their media consumption and technology usage.
- **On-site workers are driving QSR trips**— particularly at breakfast time. They are also driving weekday in-store shopping trips along with non-working individuals.

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# New Realities

How are consumers faring financially?

# "New Realities" Segments



## STRUGGLING + LOW PURCHASE POWER (19%)

This group's finances are extremely tight and inflation has impacted them heavily, leading to declining financial situations. Individuals in this group have lower incomes and are highly concerned about the future & making ends meet—half of the group members are not currently employed.



## STRUGGLING + HIGH PURCHASE POWER (13%)

Finances are also tight for this group, though they have slightly higher incomes to work with than struggling low purchase power consumers. They've experienced heavy inflation impacts & declining finances over the past two years, and they are very concerned about the future.



## PUSHING ON (29%)

Neutral or comfortable with finances, this group skews a bit younger and has only experienced slight inflationary impacts. These individuals are less worried about inflation or making ends meet, and their finances have generally improved or held steady in the past two years.



## PROSPERING (30%)

This group feels comfortable with their current finances and has experienced little-to-no inflationary impact to-date. Their financial situation has generally improved over the past two years and they're more concerned with work, family and world events than they are making ends meet.



## COMFORTABLY RETIRED (9%)

Comfortable with finances, individuals in this group have an average age of 66 and none are currently employed. The vast majority say inflation has not impacted their finances, and they're not worried about it in the future. Their financial situation has stayed the same in the past two years.

**PURCHASE POWER DEFINED:** the most accurate picture of a consumer's buying power which takes annual income and controls for household size and regional cost of living.

# Segment Profiles

The layered nature of advanced segmentations allows for a more nuanced understanding of these groups and how they're truly faring. Demographically, struggling high purchase power consumers look similar to prospering consumers— high income, full-time employed, suburban homeowners— but they are living two financial realities.

## SEGMENT PROFILES | % OF GROUP (INDEX VS. TOTAL)



### STRUGGLING (LOW PP)

**44%** Boomers+ (124)

**65%** Low Income (209)

**32%** Rural (117)

**36%** Retired or Disabled (145)

**39%** Rent Home (132)



### STRUGGLING (HIGH PP)

**33%** Gen X (130)

**80%** High Income (190)

**40%** Suburban (110)

**60%** Employed Full-time (128)

**70%** Own Home (112)



### PUSHING ON

**52%** Gen Z / Millennial (133)

**56%** Low Income (180)

**39%** Urban (111)

**36%** Student or Part-Time (144)

**37%** Rent Home (126)



### PROSPERING

**70%** Millennial / Gen X (132)

**83%** High Income (199)

**42%** Suburban (114)

**71%** Employed Full-time (153)

**71%** Own Home (115)



### COMFORTABLY RETIRED

**76%** Age 65+ (312)

**58%** High Income (139)

**37%** Rural (133)

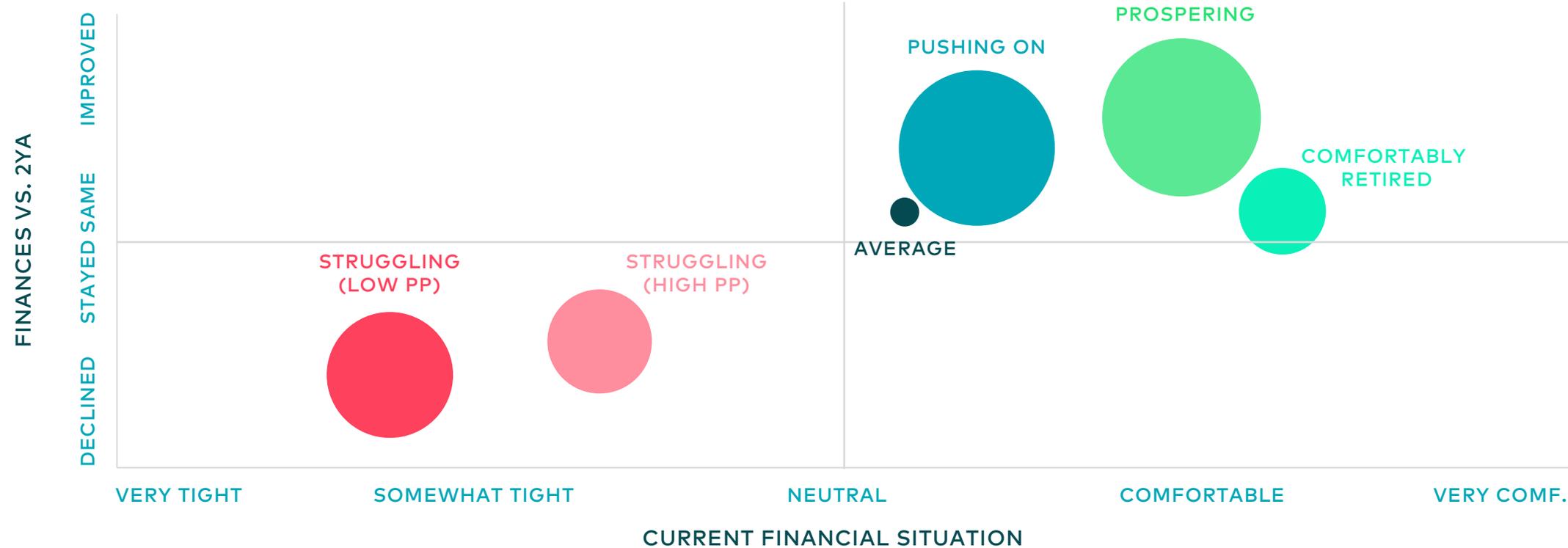
**90%** Retired or Homemaker (359)

**91%** Own Home (147)

# These groups are largely defined by their finances— both current and past.

While households in the prospering segment feel comfortable with their current financial situations, they've also seen the most improvement over the past two years. Struggling households, on the other hand, are feeling their financial squeeze worsen over time.

## FINANCES BY CONSUMER SEGMENT

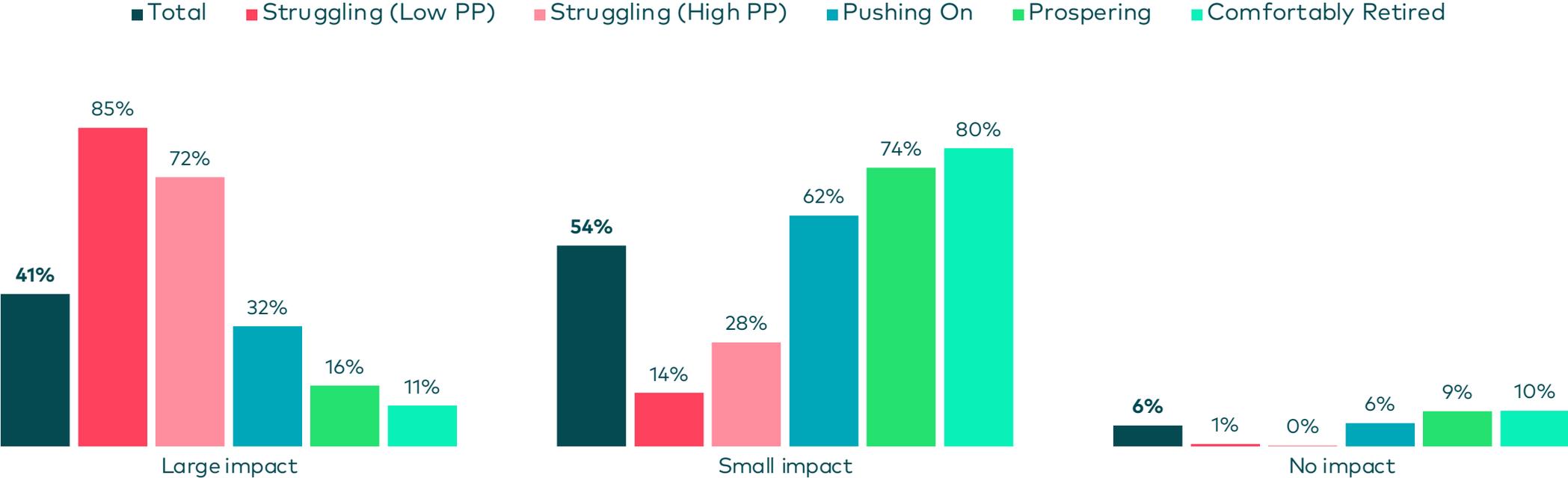


Numerator New Realities & Routines Survey 4/14/22 ( n=10,010) | \*Bubbles sized by # of households within each group  
Which of the following best describes your current financial situation? / How would you compare your current financial situation to two years ago?

# Inflation has disproportionately affected those already struggling.

Over nine-in-ten consumers say inflation has impacted their finances in some way, but for struggling households, the impact has been twice as significant. Most consumers in the pushing on, prospering or comfortably retired segments say inflation impacts have been minimal.

## INFLATION IMPACT PAST FEW MONTHS

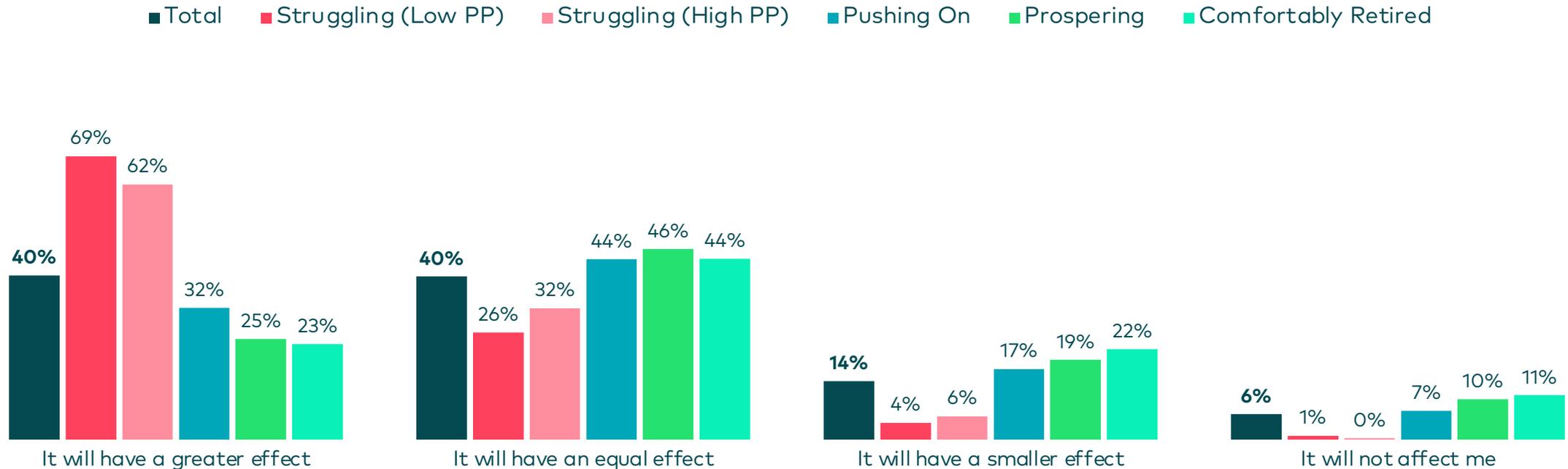


Numerator New Realities & Routines Survey 4/14/22 (n=10,010)  
What effect have rising prices/inflation had on your financial situation in the **past few months**?

# But many expect inflations impact to worsen in coming months.

Two-in-five consumers believe inflation will have a greater impact on their financial situation in the next few months than it has to-date—a belief that nearly doubles among struggling households. Comfortably retired households are least concerned with future inflation effects.

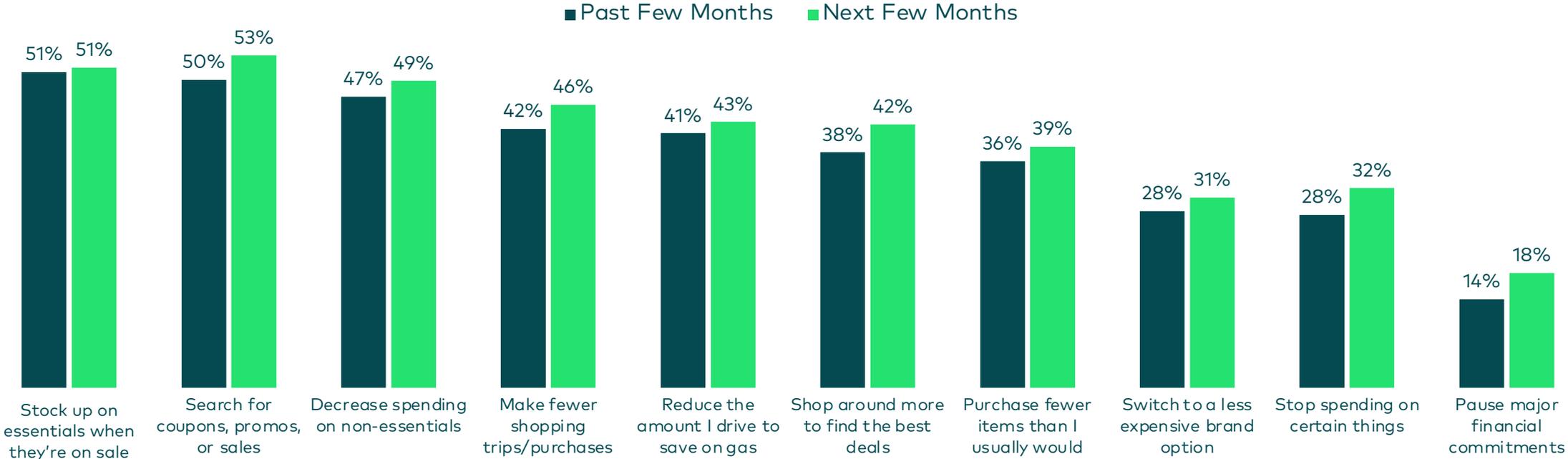
## INFLATION IMPACT NEXT FEW MONTHS VS. NOW



# Nearly all households are taking some steps to combat rising prices.

Only 5% of consumers overall say rising prices have not changed their shopping behaviors. The most common adjustments have been stocking up on sale items and searching for coupons & promotions. In the coming months, consumers expect to increase all money-saving opportunities.

## INFLATION RESPONSES



Numerator New Realities & Routines Survey 4/14/22 (n=10,010)  
Have you done any of the following in recent months in response to rising prices/inflation? / Do you plan to do any in the next few months?

# Inflation response varies by group, with struggling households cutting the most.

Cutting out non-essential spending is the first step for most struggling households, something financially flexible consumers are avoiding when possible. Instead, these households are opting for coupons and stocking up on items when they find sales & deals. Struggling households are also making more adjustments to their behaviors, with over half participating in 5+ money-saving measures, compared to two or less for other groups.

## TOP 5 INFLATION REACTIONS BY SEGMENT



Numerator New Realities & Routines Survey 4/14/22 (n=10,010)  
Do you plan to do any of the following in the next few months in response to rising prices/inflation?

# Non-essential spending cuts are already evident for some consumers.

Compared to the first three months of 2021, most consumers this year spent less on non-essentials, with apparel the only exception. Struggling, low purchase power households saw the most noteworthy spending declines, and comfortably retired households the least.

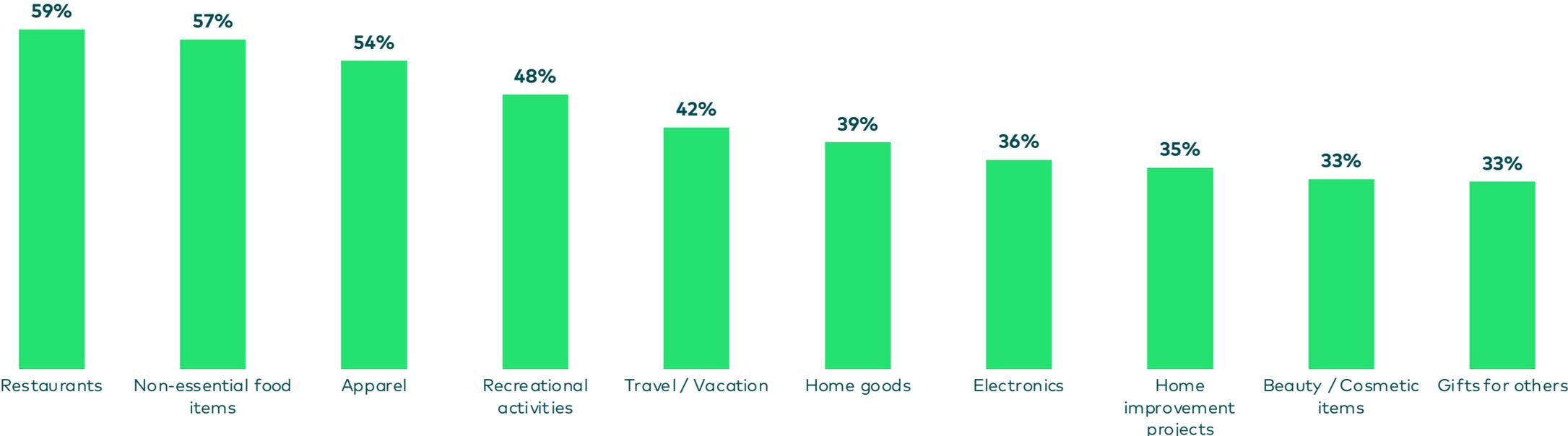
## OBSERVED SHOPPING BEHAVIOR Q1 2022 BUY RATE INDEX VS. Q1 2021

	APPAREL	ELECTRONICS	HOME & GARDEN	TOOLS & HOME IMP.
● TOTAL	109	89	86	93
● STRUGGLING (LOW PP)	89	81	84	101
● STRUGGLING (HIGH PP)	136	74	83	93
● PUSHING ON	101	93	84	109
● PROSPERING	120	95	86	82
● COMFORTABLY RETIRED	100	103	108	80

# Moving forward, consumers are most likely to adjust dining expenses.

Of the 54% who said they'll decrease or stop spending on non-essential items, restaurant and non-essential food items topped the list for expected cuts, followed by apparel and recreational activities like movies & concerts.

## EXPECTED NON-ESSENTIAL SPENDING CUTS

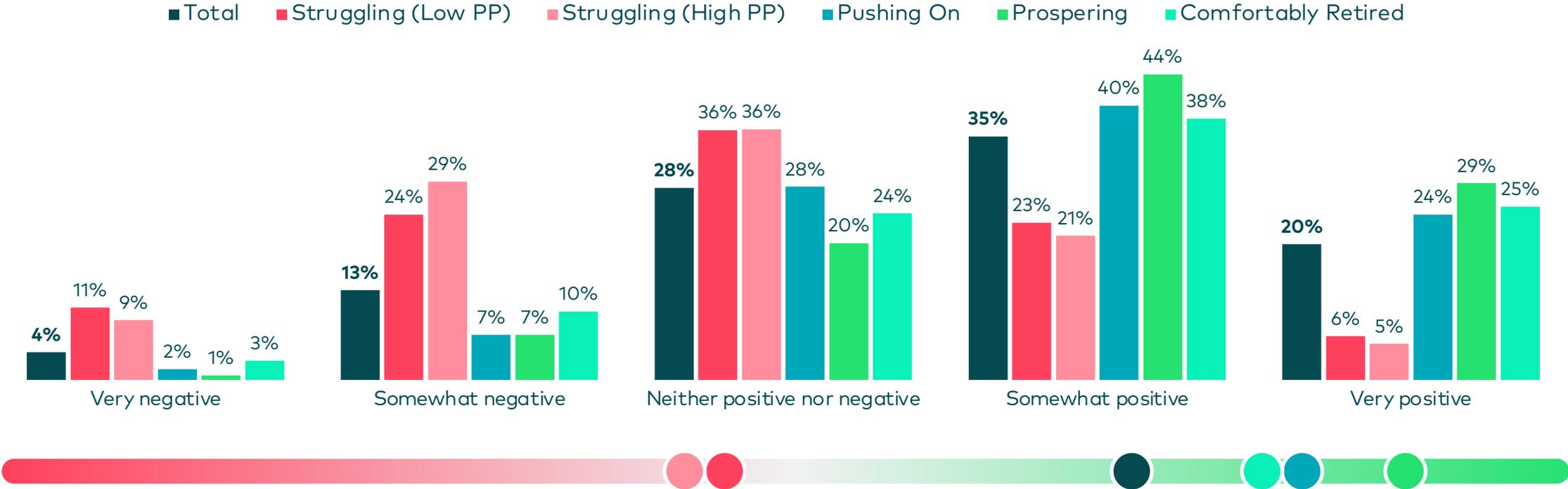


Numerator New Realities & Routines Survey 4/14/22 ( n=10,010) | \*Among those who said they'd decrease or stop spending (n=5,414)  
Where do you plan to decrease/stop spending in response to rising prices/inflation?

# As they look to the future, these groups have varying levels of optimism.

Overall, those in the prospering or pushing on groups have the most favorable future outlook, aided by their increasing financial security. Struggling groups are feeling more neutral, though at least a third say their outlooks are somewhat or very positive.

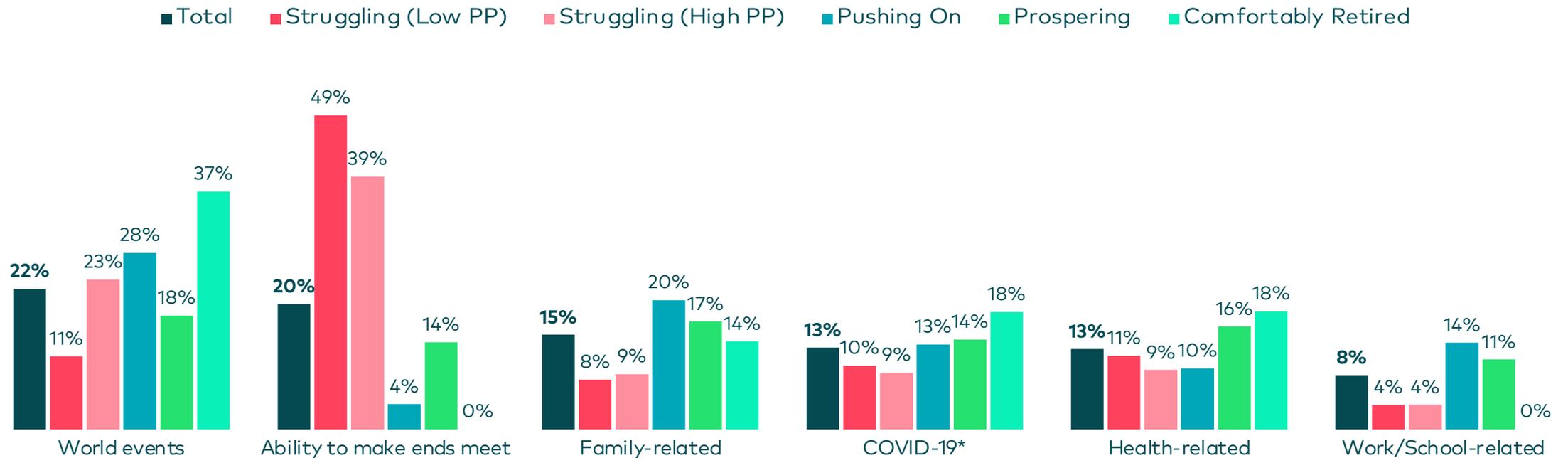
## FUTURE OUTLOOK



# And each group has vastly different concerns for the year to come.

While world events are the top concern overall, consumers in the struggling group are first and foremost worried about making ends meet. Those with more budget flexibility are worried about world events, work & family, new COVID waves or other health concerns.

## PRIMARY CONCERN FOR THE COMING YEAR



Numerator New Realities & Routines Survey 4/14/22 (n=10,010)  
What do you think your *primary* concern will be over the next year? (\*New wave or variant of COVID-19)

# Key Takeaways

## NEW REALITIES

- **Inflation will impact all shoppers no matter what, but the way they respond will differ by segment.** Struggling households are the biggest concern as they will drop out of categories entirely, meaning promotions are crucial in retaining category health.
- **Companies will need to bring targeted messaging** to each segment in a way that is appropriate and respectful to those facing financial hardships.
- **A nuanced understanding of consumer segments will continue to be highly important,** as a household's general demographic profile or income level isn't necessarily indicative of their financial wellness.

## NEW ROUTINES



NEXT SECTION



# New Routines

What do "post-COVID" lifestyles look like?

# "New Routines" Work Groups



FULLY REMOTE  
(16%)

Fully remote workers are more likely to be Millennial & Gen X high income individuals living in cities. They're heavy online shoppers and place online orders more frequently than any other group. Their most common professions include finance, banking, insurance, sales, IT services and human resources.



HYBRID WORK  
(17%)

Hybrid workers are primarily high income Gen Z and Millennials living in cities. They're less likely to enjoy cooking and are heavy users of meal kits & delivery services. Their primary occupations include post-secondary education, real estate, architecture & design, law and advertising.



FULLY ON-SITE  
(38%)

On-site workers skew slightly younger, though span all income levels and urbanities fairly equally. They enjoy getting out of the house and visit QSRs more frequently than other working groups, particularly for breakfast. Many are front-line workers in teaching, healthcare, food services and manufacturing.



NOT WORKING  
(29%)

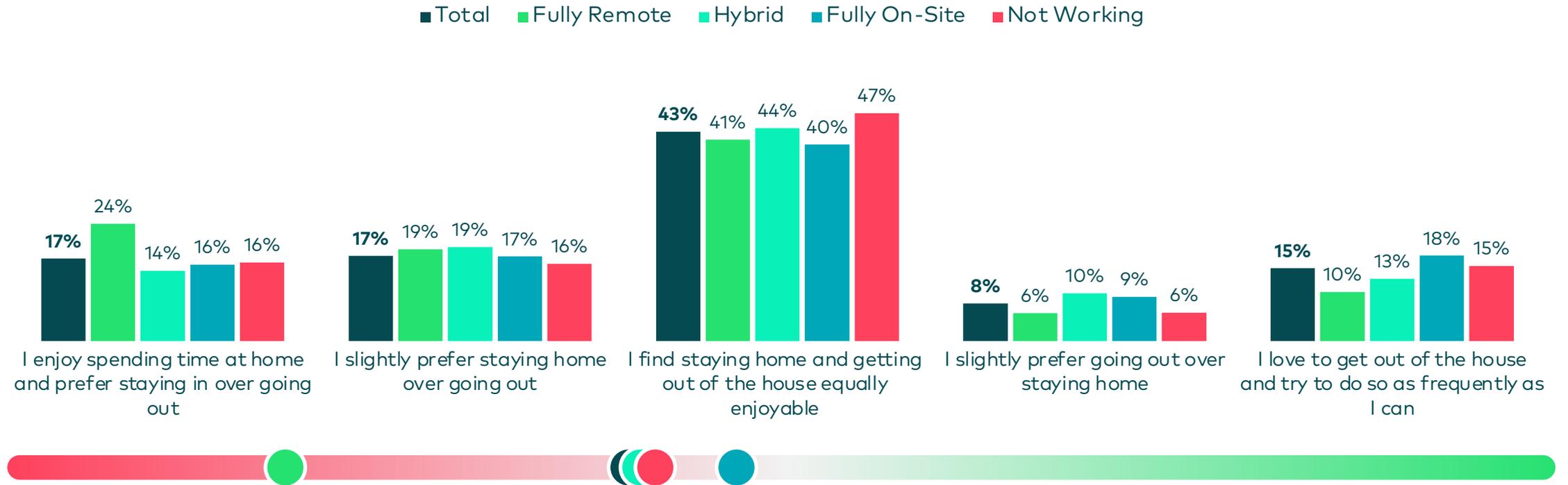
This group is primarily comprised of retired individuals over the age of 65. They're more likely to live in rural settings and come from two-person households. In their free time, they enjoy many leisure activities such as reading, gardening & landscaping, cooking and going out to eat.

**A NOTE ON WORK STYLE PROFILES:** While work styles were identified via the Numerator New Realities & Routines survey, these profiles were built out using Numerator Insights Advanced People Profile & Premium People Profile reports.

# Work styles have a noteworthy tie to personal lifestyle preferences.

Across groups, most consumers are equally happy staying in or getting out of the house, preferring a mix of both in their personal lives. Personal preferences are reflected professionally, though, with remote workers most likely to prefer staying in and on-site workers going out.

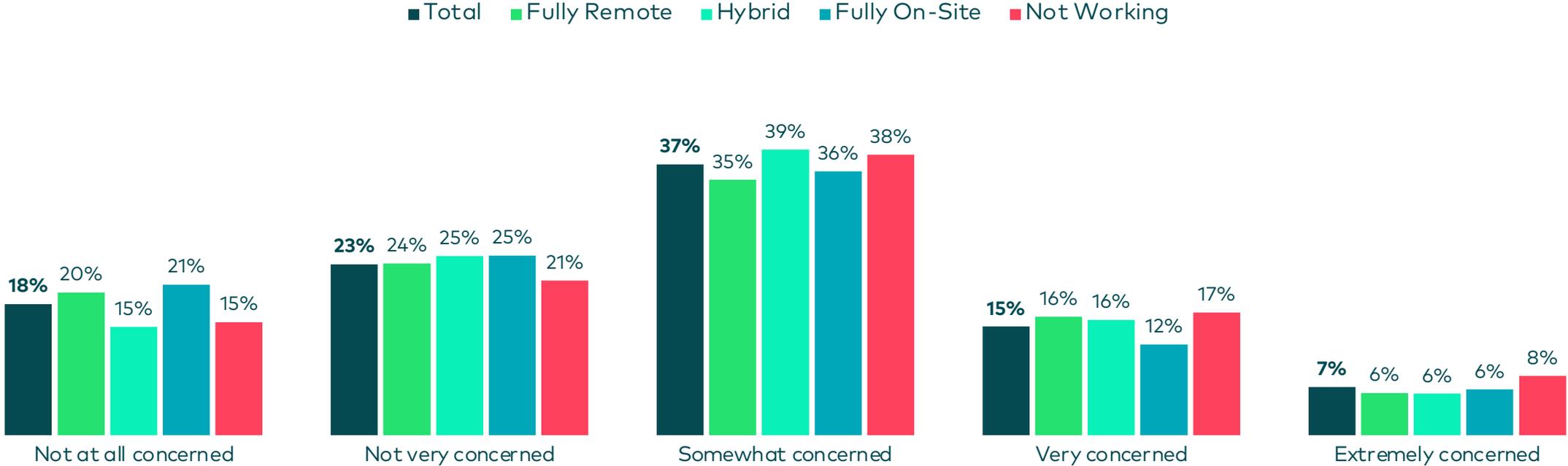
## LIFESTYLE PREFERENCES



# But these work styles have less tie to ongoing pandemic concerns.

Aside from those not working— primarily older, retired individuals with a slightly higher level of COVID-19 concern— today’s work styles are not notably tied to COVID concerns. Whether going to work regularly or working from home, most consumers have low levels of pandemic concern.

## COVID-19 CONCERN



Numerator New Realities & Routines Survey 4/14/22 ( n=10,010)  
As restrictions continue to lift across the country, what is your current level of concern as it relates to the COVID-19 pandemic?

# Remote & hybrid workers are tech-heavy in their personal lives, too.

For many, working from home full or part time translates to more time on a personal computer. But these groups also have an affinity for podcasts, social media, and smart home devices. On-site workers and those not working are much less tied to tech.

## MEDIA & TECHNOLOGY PROFILES | % OF GROUP (INDEX VS. TOTAL)



### FULLY REMOTE

- 20%** Technology innovators (**137**)
- 37%** Use PC 8+ hrs. daily (**171**)
- 18%** Use mobile 8+ hrs. daily (**128**)
- 26%** Listen to podcasts (**125**)
- 28%** LinkedIn users (**147**)
- 47%** Own smart home speaker (**107**)



### HYBRID WORK

- 18%** Technology innovators (**118**)
- 35%** Use PC 8+ hrs. daily (**163**)
- 18%** Use mobile 8+ hrs. daily (**123**)
- 28%** Listen to podcasts (**138**)
- 31%** LinkedIn users (**165**)
- 51%** Own smart home speaker (**115**)



### FULLY ON-SITE

- 43%** Technology early majority (**106**)
- 19%** Use PC 6-8 hrs. daily (**111**)
- 38%** Use mobile 3-5 hrs. daily (**108**)
- 47%** Listen to AM/FM radio (**106**)
- 28%** Snapchat users (**113**)
- 43%** Own smart home speaker (**97**)



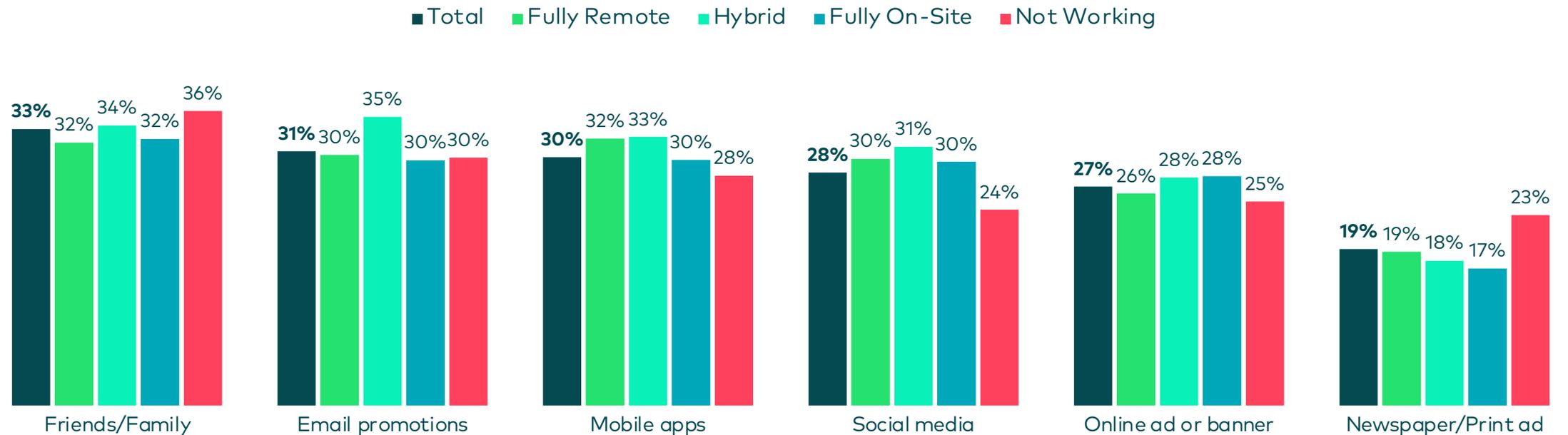
### NOT WORKING

- 21%** Technology late majority (**119**)
- 28%** Use PC 1-2 hrs. daily (**152**)
- 10%** Use mobile <1 hr. daily (**169**)
- 20%** Read print newspaper (**128**)
- 79%** Facebook users (**106**)
- 40%** Own smart home speaker (**90**)

# And media preferences are evident in advertising awareness.

Like many other areas of their lives, remote and hybrid workers learn about offerings and deals digitally. Individuals who are not working tend to find out via friends & family or in print media like newspaper or magazines.

## NEW OFFERINGS & DEAL AWARENESS



# Tech-forward work styles translate to heavier online spending.

Remote workers spend over a fifth of their dollars online, nearly four share points higher than the average shopper. Individuals who don't currently work spend the least online, a combined effect of more time to spend out of home and an older generational skew.

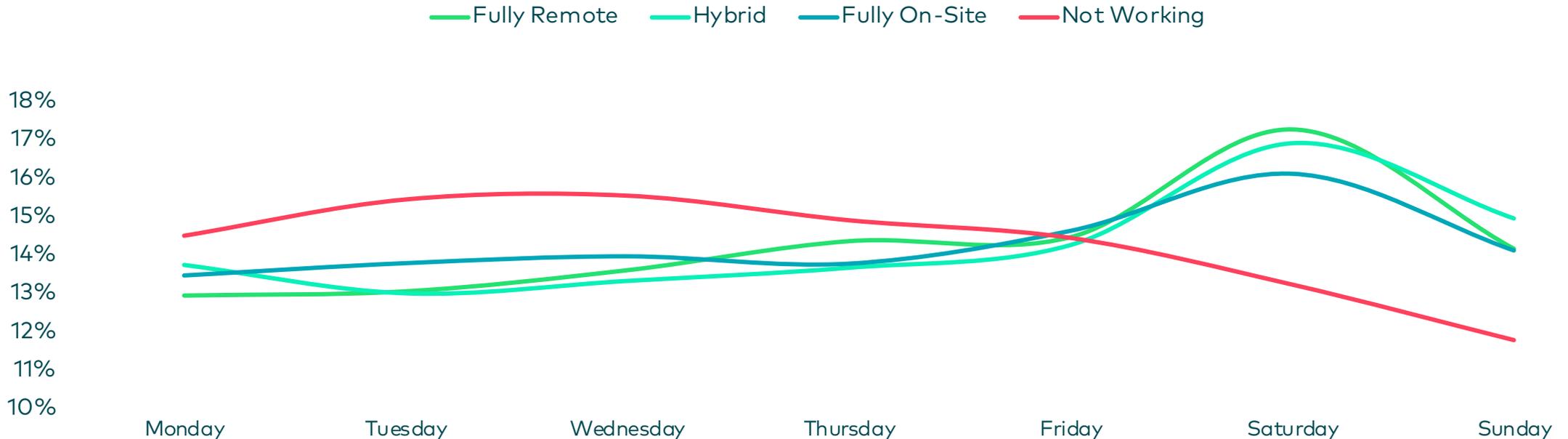
## OBSERVED SHOPPING BEHAVIOR SHARE OF SPEND IN-STORE VS. ONLINE



# Weekday in-store trips are driven by on-site and non-working individuals.

Remote workers are less likely to venture out during the work week and make more in-store trips on Saturdays than any other group. Meanwhile, on-site workers and those not currently working make more of their trips on weekdays, avoiding peak periods.

## OBSERVED SHOPPING BEHAVIOR % OF GROUP'S IN-STORE TRIPS BY DAY

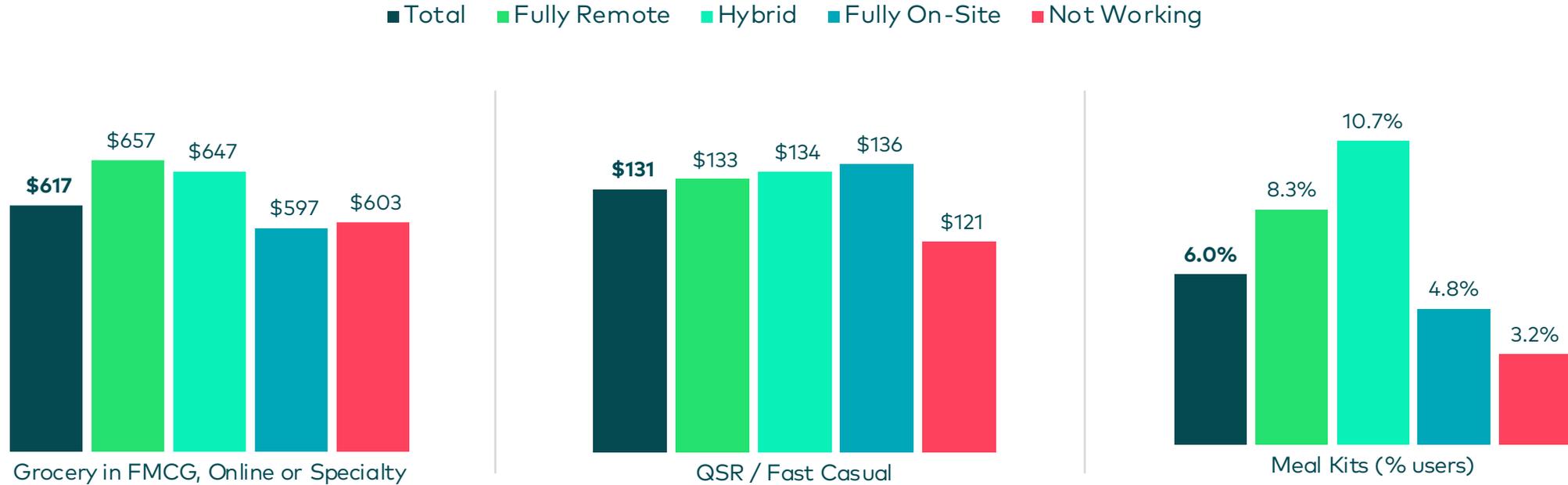


# Remote & hybrid workers spend more on groceries and favor meal kits.

Naturally, more time at home means more meals at home, translating to a significantly higher grocery spend than those work outside of their homes. Additionally, those working from home are roughly twice as likely to use meal kits as those who work on-site.

## OBSERVED SHOPPING BEHAVIOR

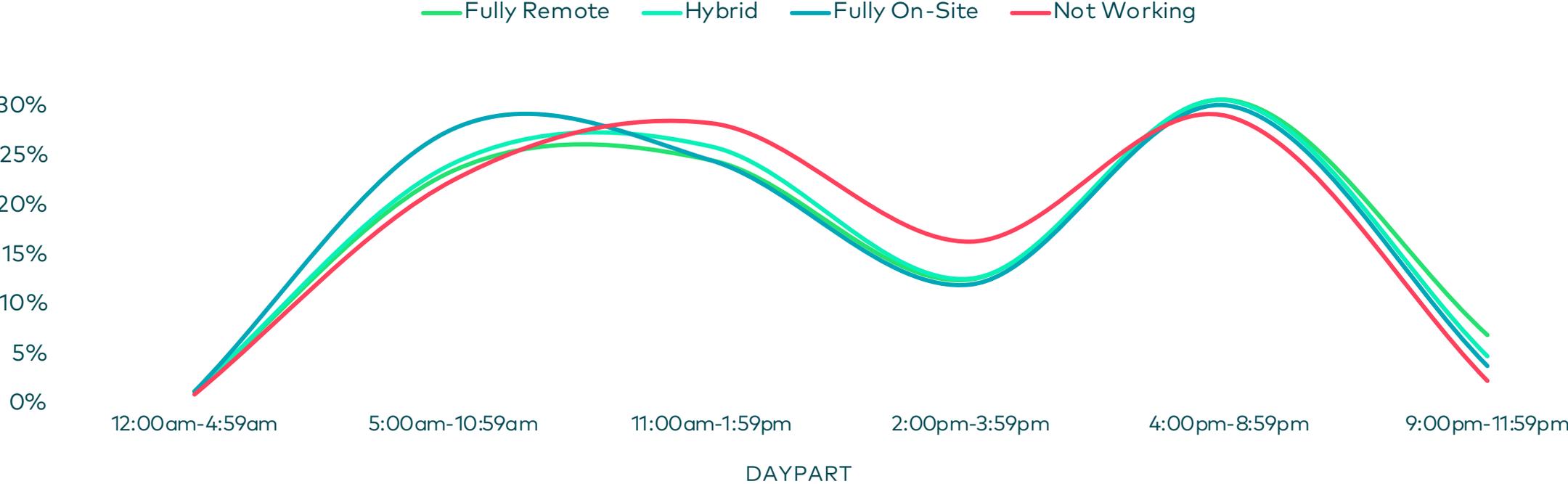
### AVERAGE MONTHLY SPENDING / % OF MEAL KIT USERS



# On-site workers drive breakfast trips at QSRs.

In addition to spending slightly more in QSR overall, these individuals make more trips at breakfast time than other groups. As seen with their preferred shopping days, non-working individuals are more likely to visit QSRs outside of peak hours.

## OBSERVED SHOPPING BEHAVIOR % OF GROUP'S QSR TRIPS BY DAYPART



# Key Takeaways

## NEW REALITIES

- **Inflation will impact all shoppers no matter what, but the way they respond will differ by segment.** Struggling households are the biggest concern, as they will drop out of categories entirely, meaning promotions are crucial in retaining category health.
- **Companies will need to bring targeted messaging** to each segment in a way that is appropriate and respectful to those facing financial hardships.
- **A nuanced understanding of consumer segments will continue to be highly important,** as a household's general demographic profile or income level isn't necessarily indicative of their financial wellness.

## NEW ROUTINES

- **Companies will need to adjust media targeting to reflect the difference between remote and on-site workers.** Reaching the remote worker requires much more digital presence versus the on-site worker.
- **Workstyles will continue to have a dramatic impact on consumption habits and timing.** QSRs should tailor their breakfast menus to the on-site worker, while grocery and meal kit brands need to continue to stay top-of-mind with remote workers.
- **Retailers will want to focus on the importance of the weekend stock-up trip,** as remote workers are significantly less likely to leave their homes for weekday shopping trips.



# There's always more to know.

- **Gain access to the people groups** used in this analysis by contacting your Numerator consultant or sales representative.
- **Learn more about Numerator's custom & applied segmentation capabilities** and how they can help you bring your shopper insights to life.

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