

## Behind The Purchase

### Early Consumer Insights for Better Decision Making

January 19, 2023

#### Highlights:

**Consumer:** Influencers and social media posts have outsized impact on purchases.  
**Retail:** Brands pivot as the digitally trained embrace in-store shopping experiences.  
**Technology:** Augmented reality suffers from sluggish mainstream adoption.  
**Economy:** As consumers continue to belt tighten, which brands will feel the squeeze?  
**Industry:** Travel and leisure services benefit as people combine work with pleasure.

#### Under the influence(r)



In 2021, about \$37 billion in goods and services were purchased in the U.S. [via social commerce](#), up from \$27 billion in 2020. Approximately 30 percent of social-media users in the U.S. recently surveyed by Pew Research Center said they have purchased a product after seeing an influencer or content creator post about it online and that number increased to 50 percent for women between the ages of 18 and 29. Retailer Charlotte Tilbury says it is now adapting its supply chain to respond to customer demand as products go viral. The brand also uses data to monitor sales trends around the world and adjust supply accordingly.

**COMMENT:** In addition to being the [fuel of success](#) (free access) for social media platforms, content creators and influencers can change the fortunes of a company with a single viral post, whether paid for or organic. Sales via social commerce are going to continue to increase and retailers have to be ready to take advantage when they catch lighting in a bottle.

#### Return policy

For spring 2023, Neiman Marcus added more than [200 new brands](#) to its merchandise assortments. Neiman, Saks Fifth Avenue and other retailers have reported an uptick in foot traffic or brick-and-mortar sales in recent months.



**COMMENT:** During the pandemic, when e-commerce surged as a percent of retailers' sales, many stores trimmed their physical merchandise assortments. Now, with consumers demonstrating their willingness – or, preference in some cases – to shop in brick-and-mortar stores and shopping centers, retailers are again strategically honing their assortments. By bringing in fresh brands, department stores like Neiman Marcus are likely to attract the digitally trained, Gen Z consumer looking for novelty and their own personal style.

#### Not worth the bother



As of December 2022, sales of [VR headsets](#) in the U.S. declined 2 percent, year-over-year, to \$1.1 billion. Global shipments of VR headsets, as well as augmented-reality (AR) devices declined more than 12 percent, year-over-year, to 9.6 million in 2022.

**COMMENT:** VR headsets continue to occupy a niche market among gamers with most non-gamers seemingly unwilling to wear a headset for a long period of time. [Apple](#) is hoping that this is the year that augmented reality hits the mainstream, but thus far, [AR](#) has had more applications and usefulness in corporate settings. Both technologies are going to require a killer app to drive mainstream consumer adoption

#### Small pleasures in grande containers

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#### Lounging around



Before the pandemic, roughly 12 percent of airline passengers flying for business generated about half the U.S. airline industry's profits. Now, American Airlines said nearly half its revenue is coming from people in some way combining business and pleasure ([so called "Bleisure"](#)) travel and those customers are spending nearly as much as what corporate travelers once shelled out. United has said its flights are close to 10 percentage points fuller on Tuesdays and Wednesdays than they used to be on those days.

**COMMENT:** The pandemic has inspired individuals to revalue time as a critical element of their pursuit of a [Better Life](#) (free access). Individuals seem intent to find a new balance between work and pleasure that is right for them. The airline (and hotel) industries are two of the beneficiaries.