

# THE TOP RETAIL & CPG TRENDS FOR 2021

2021 will be a time for businesses to future-proof themselves as we carry on navigating the effects of the global pandemic. For consumers, suppliers, and retailers, new product discovery will have a hyperfocus on health and wellness and growing sustainability and diversity initiatives. There will also be an emphasis on shopping convenience, sourcing local, and price-consciousness.

Here are our top predictions for 2021 that will influence the CPG and retail industry across the U.S. and the world amid intense retail transformation.



## OVERARCHING RETAIL TRENDS

### Price-conscious purchases

**44%**

of shoppers plan to cut back on non-essential purchases<sup>1</sup> as unemployment rates continue to rise across the country.



### Buy-now-pay-later

**20%**

year-over-year (YoY) increase in 2020 for buy-now-pay-later purchases, accounting for \$24 billion in sales.<sup>2</sup>



### Diversity at the forefront

**56%**

of the small businesses that participated in Walmart's 2020 virtual Open Call event self-reported as diverse; Sephora will reserve 15% of its shelf space for Black-owned businesses.<sup>3,4</sup> We're living in the era of conscious consumerism, and the CPG industry is listening by bringing inclusivity and diversity to store fronts.



### Sustainability takes center stage

**75%**

of environmentally conscious consumers want brands to reduce the amount of packaging they use.<sup>5</sup>



### Shop small, shop local

**46%**

of consumers were more likely to shop with local or small businesses during the 2020 holidays than in the past.<sup>6</sup>



### Convenience

**53%**

of consumers plan to shop in ways that save them time – even if they do not get the lowest price.<sup>7</sup>



### E-commerce

**44%**

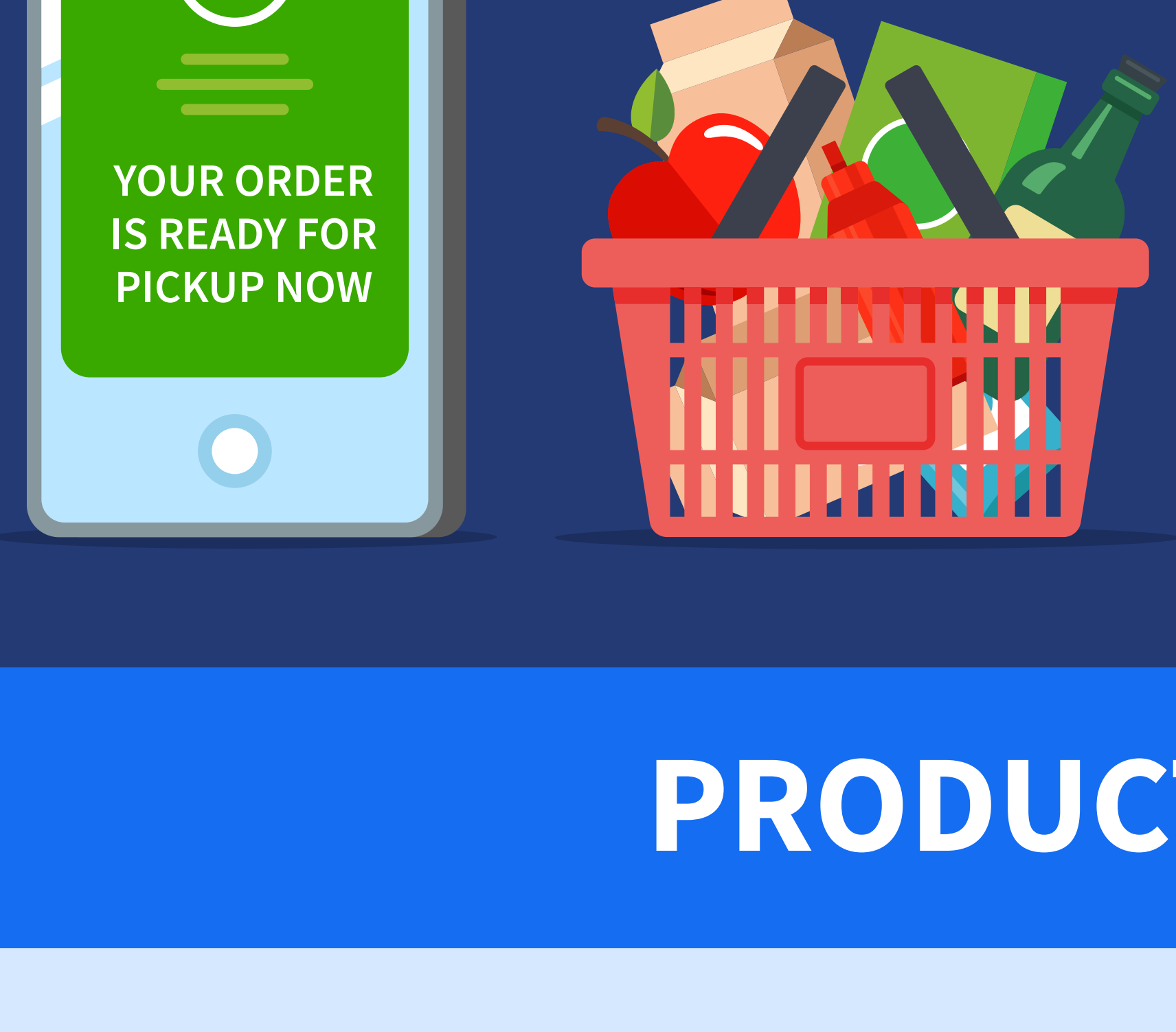
YoY increase in online shopping in 2020 (nearly triple the 15% U.S. e-commerce growth rate in 2019).<sup>8</sup>



### Altered brick-and-mortar space

**44%**

of the top 500 retailers with physical stores offer curbside pickup. Buy online, pickup in store (BOPIS), dark stores, and ship-from-store use physical retail to serve online shoppers.<sup>9</sup>



## PRODUCT TRENDS

### Luxury and premium indulgences

**23%**

online share of luxury sales in 2020 (vs. 12% in 2019). The 2020 launch of Amazon stores attests to growth in this high-margin segment.<sup>10</sup>



### Mind and body nourishment

**73%**

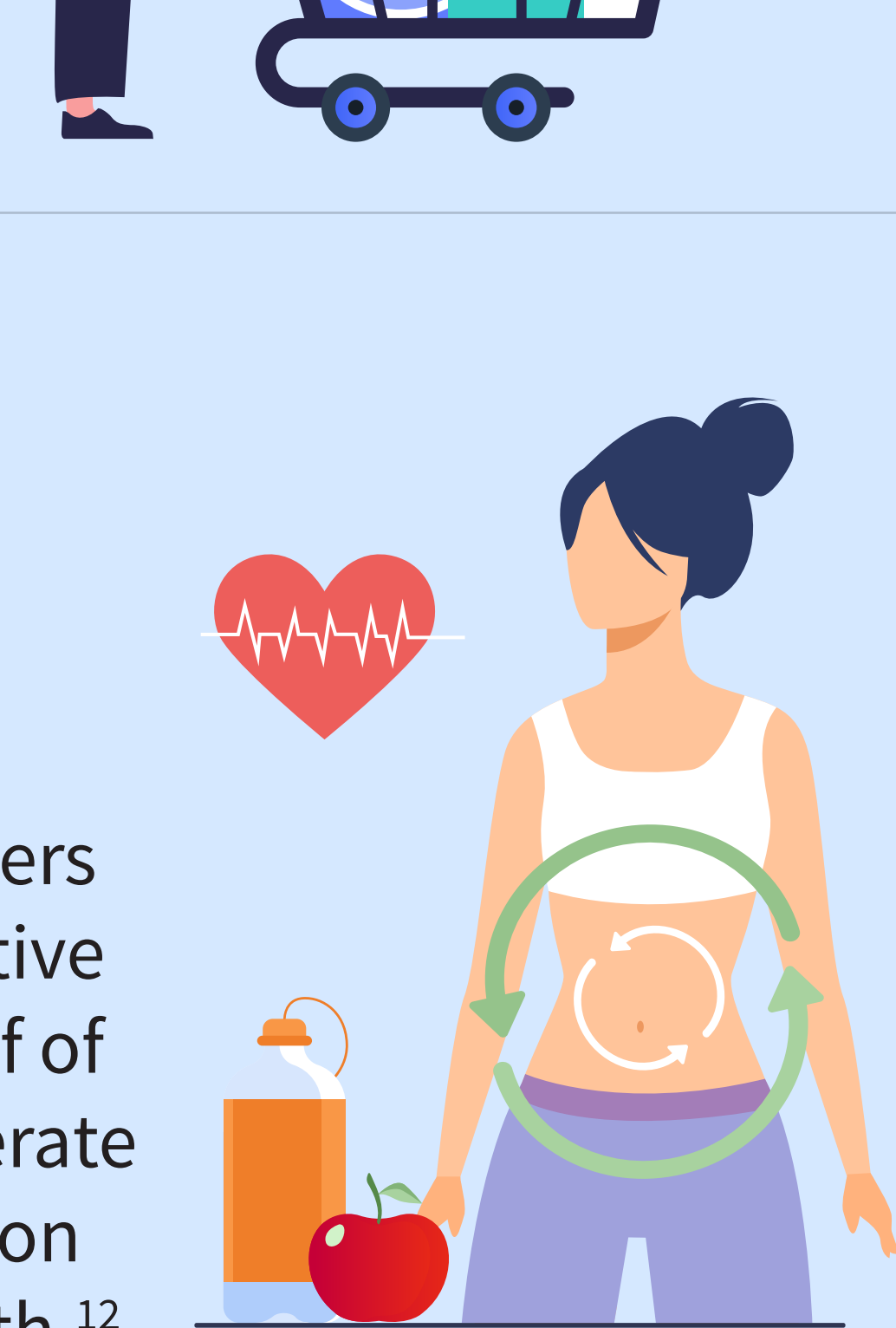
of shoppers are committed to supporting their wellness; 31% are buying more items tailored for their health (like weight, mental health, and immunity).<sup>11,12</sup>



### Gut health

**25%**

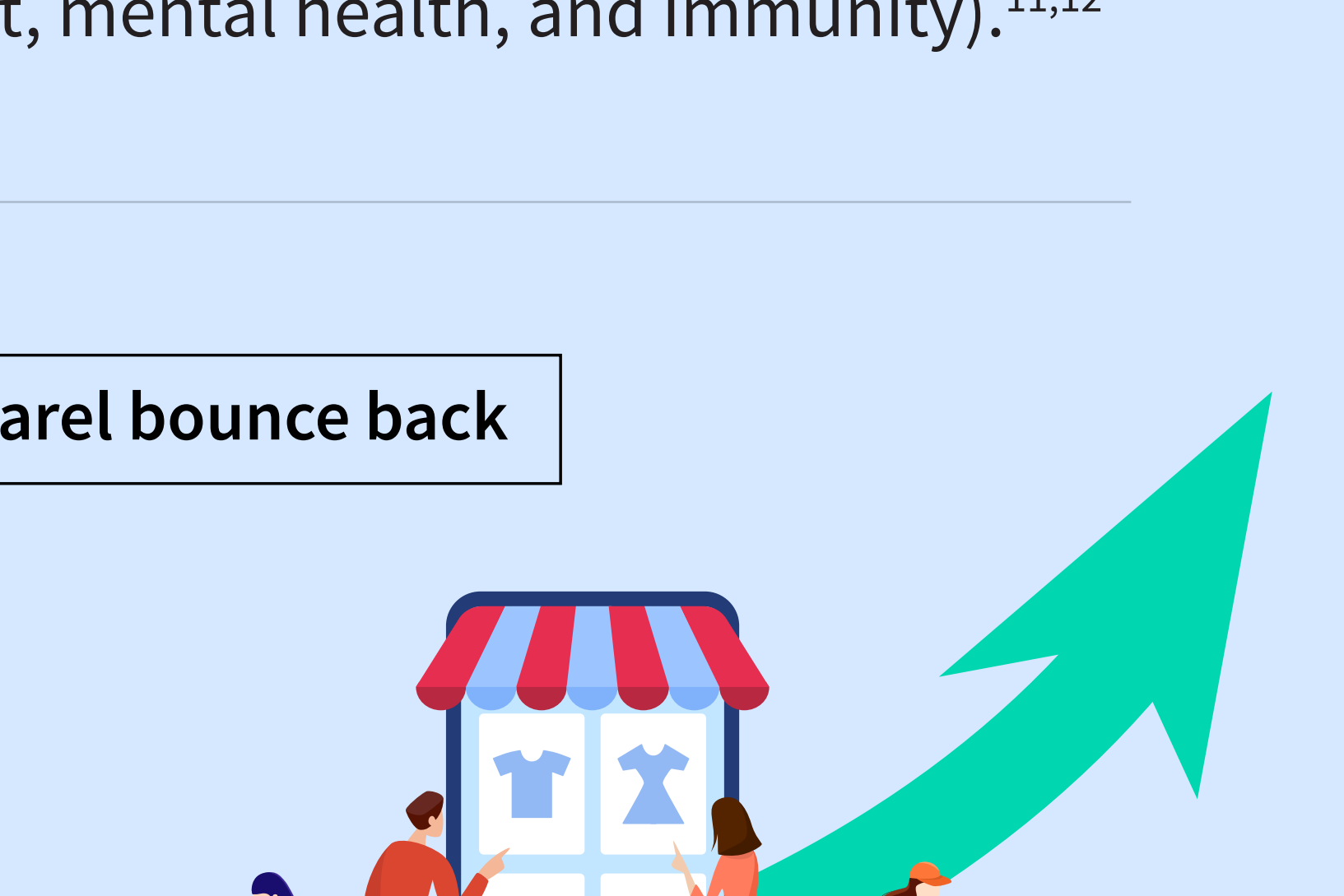
of global consumers suffer from digestive health issues; half of them cite a moderate or severe impact on their overall health.<sup>12</sup> Consumers are reaching for products that can support their gut health and are more aware of what products they should be avoiding.



### Apparel bounce back

**30%**

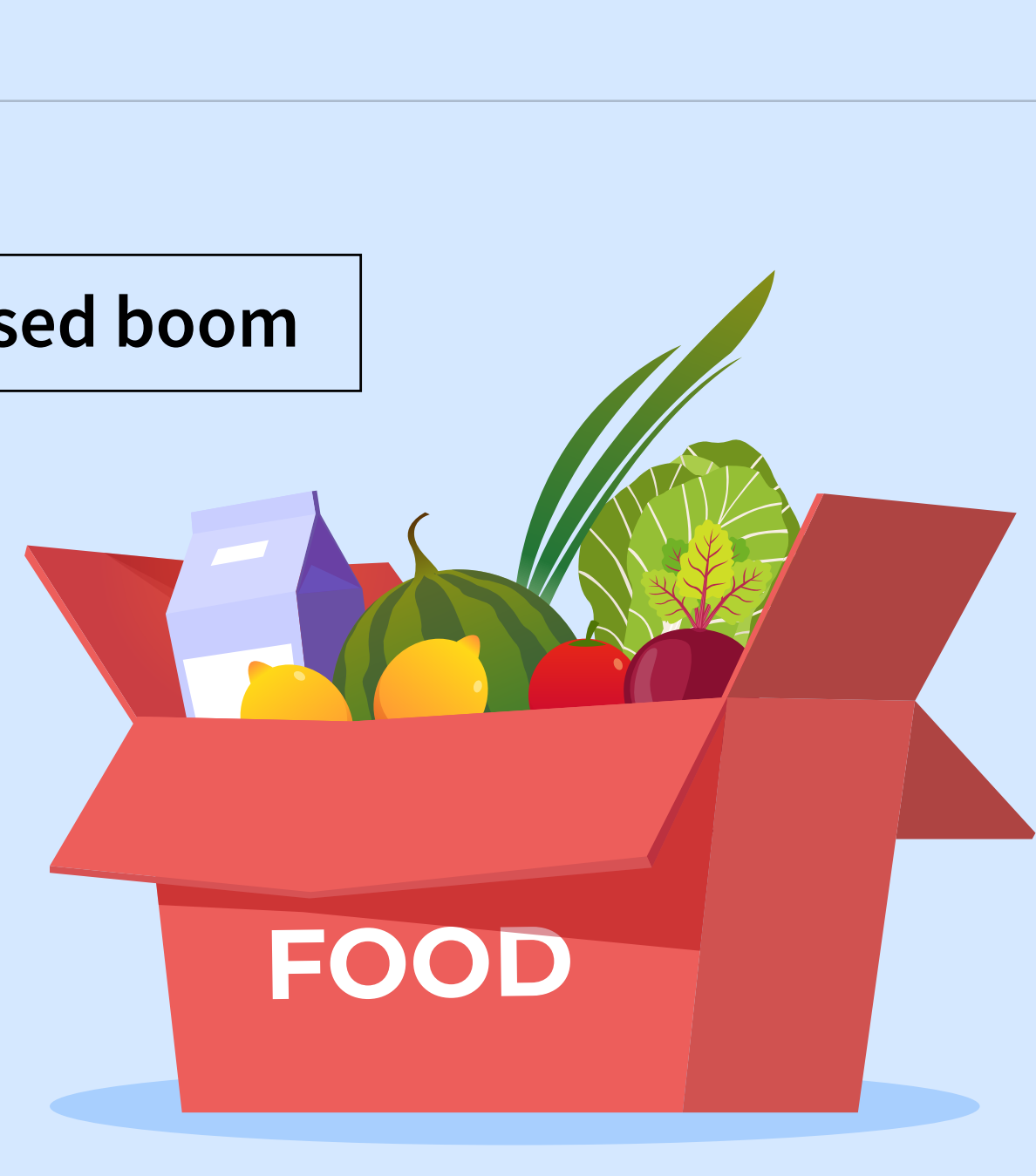
annual digital growth in apparel in the U.S. is predicted in 2021.<sup>13</sup>



### Plant-based boom

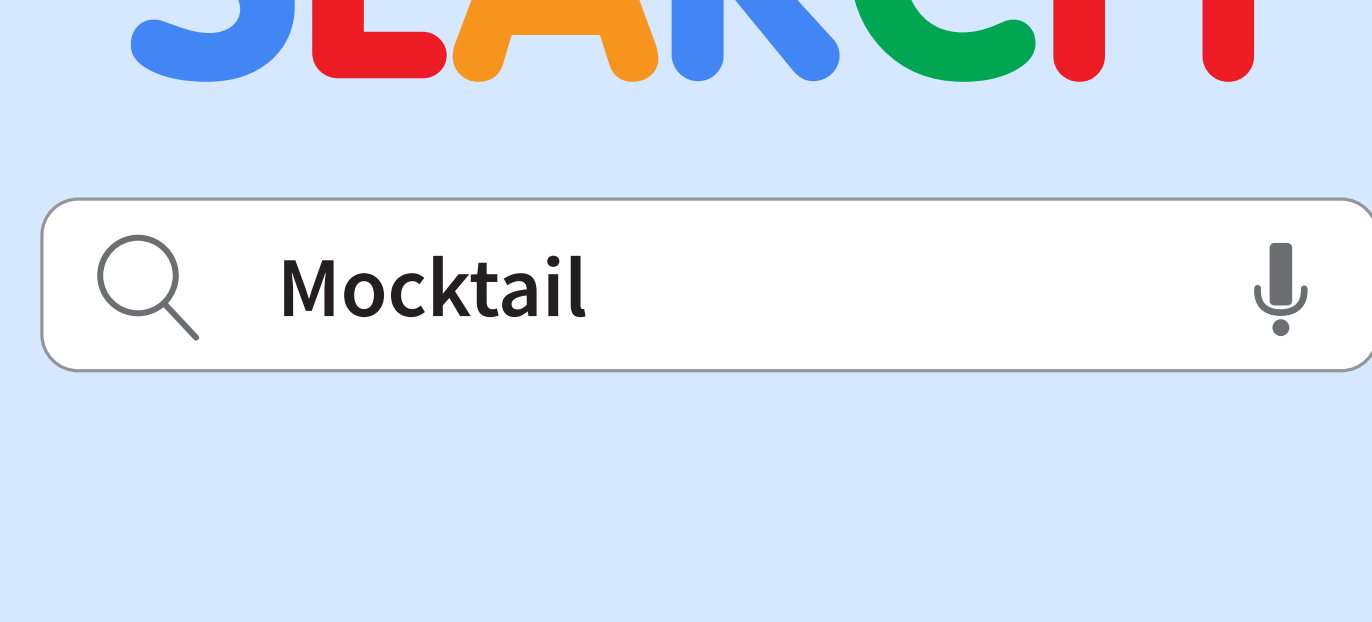
**231%**

YoY growth of fresh plant-based grocery sales in March, driven by health reasons, meal variety and product availability.<sup>14</sup>



### Non-alcoholic beverages

**SEARCH**



**42%**

YoY increase in Google searches for "mocktail," as consumers crave guilt-free beverages to avoid hangovers and empty calories.<sup>15</sup>

## GLOBAL TRENDS

### Preventative health

**50%**

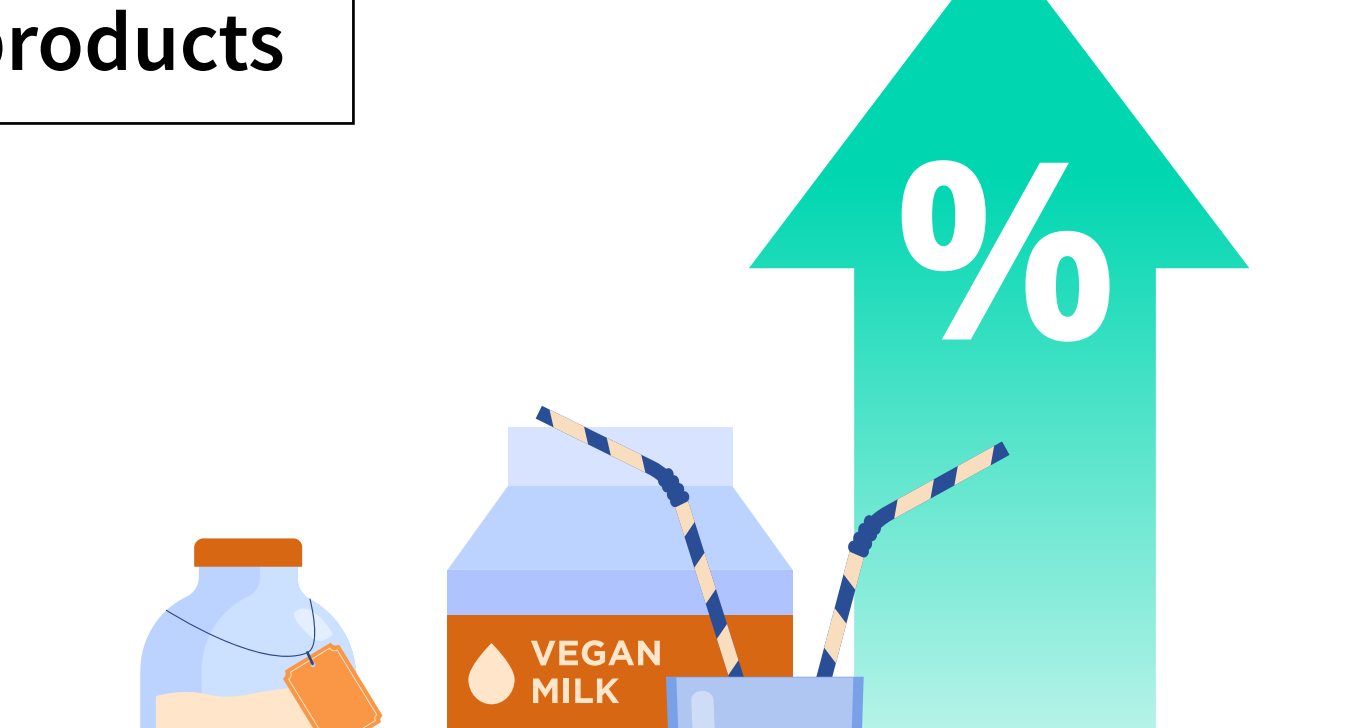
of Chinese consumers plan to spend more on preventative health care, vitamins and supplements, and organic foods.<sup>16</sup>



### Free-from products

**9%**

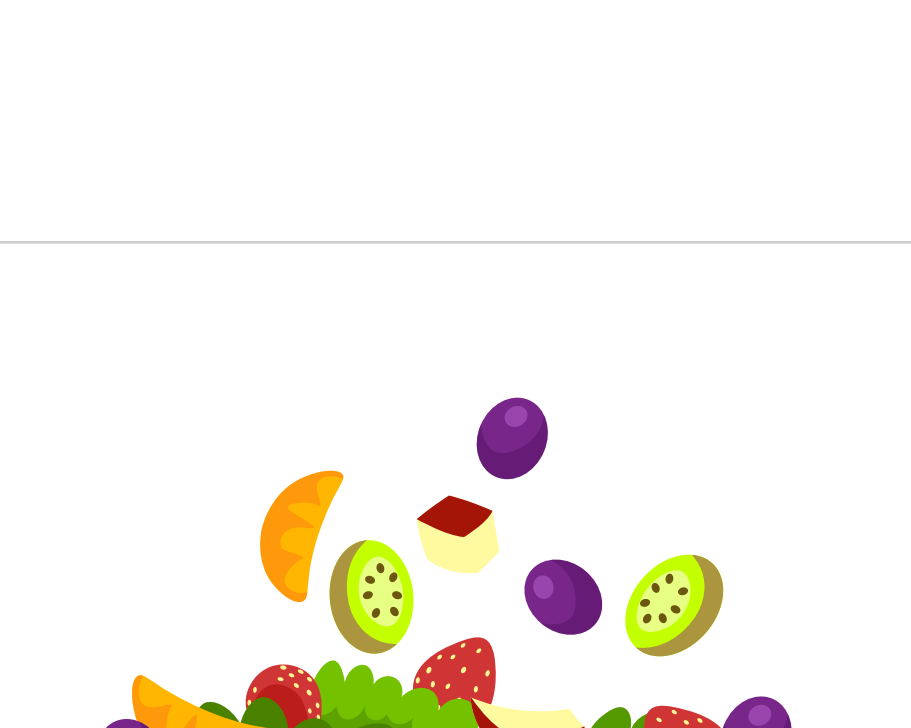
compound annual growth rate for the global market for food intolerance products between 2018 and 2023.<sup>17</sup> In Vietnam, dairy-free milk alternatives like nut-based milks are growing in popularity.<sup>18</sup>



### Vegan

**400,000**

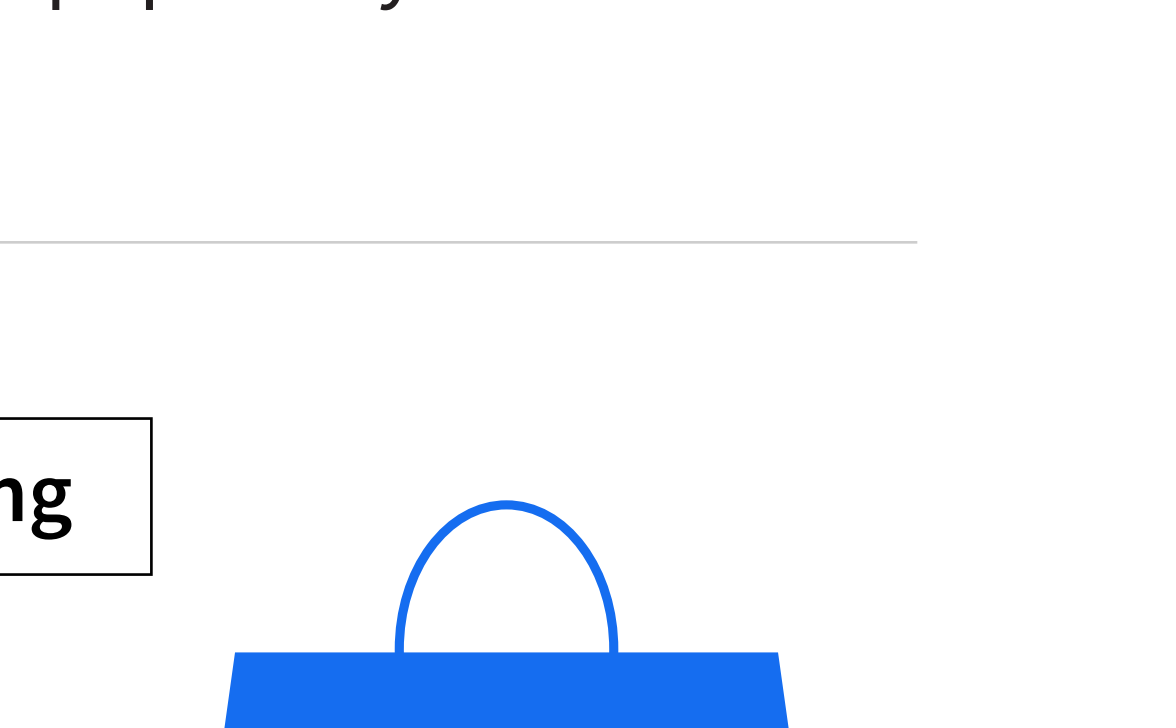
British consumers tried a vegan diet in 2020; 600 UK companies launched a Veganuary campaign and promoted 1,200 new vegan products. Asda will add a new vegan aisle to meet soaring demand.<sup>19</sup>



### Domestic sourcing

**60%**

of consumers in Spain saw Spanish origin food products as an essential factor in their purchases.<sup>20</sup> German consumers fueled a "buy local" trend for sustainability and social responsibility.<sup>21</sup>



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