

FUSION HILL



20 YEARS

Five recent shifts in the consumer mindset

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Introduction

While much has changed over our 20 years in business, one thing that remains constant is our obsession with human behavior. Our deep understanding of what people want – and how they act – helps our clients navigate cultural and technological shifts to better resonate with their consumers.

From the nuances of cancel culture to a surge in digital minimalism, join us in exploring some of the shifts in consumer behavior we're seeing across industries and our clients' initiatives.

Want to learn more about how Fusion Hill can help you stay on top of your consumers' shifting needs and behavior? **We'd love to connect!**



AMY BEHRENS
Vice President, Research & Strategy
abehrens@fusionhill.com



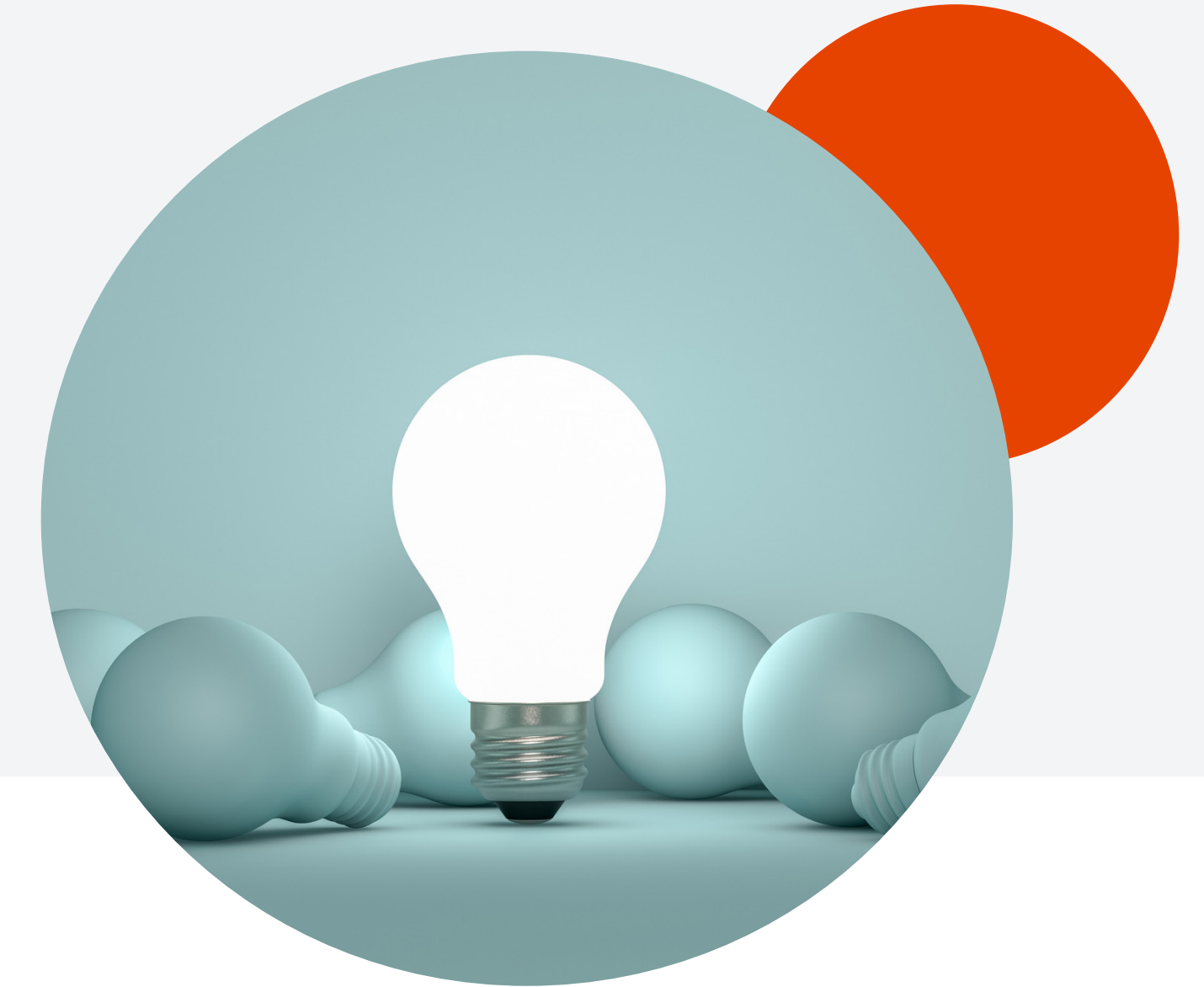
JESSICA GREY HELVEY
Vice President, Creative
jhelvey@fusionhill.com

1

Digital Minimalism

Consumers are re-evaluating their technology use with **personal wellbeing in mind**, increasingly recognizing the negative effects that come with technology's prevalence.

- 41% of frequent tech users say that **technology has complicated their life just as much as it has simplified it.**
- Some consumers, including teens, are even starting to embrace digital minimalism, by adopting less-advanced devices like “dumbphones” and using apps like Brick and Unplug to actively limit their tech usage.



Insights from the field

In many recent interviews, especially with teens and young adults, **we've noticed a desire to limit their social media platforms and uninstall non-critical apps.** We've also seen a shift in our clients and team members to taking more tech breaks, returning to audio-only meetings, and finding more strategic moments to gather in person for connection and innovation.

2

AI vs. Privacy

As conversations about AI, the metaverse, wearables and other new tech become mainstream, consumers **continue to confront a long-simmering paradox** – enjoying newfound efficiencies and levels of personalization, while being increasingly concerned about their privacy and data security.



- **80% of consumers say their data will be used in ways they are not comfortable with** and that are beyond its original intent.
- On the flip side, consumers are **increasingly eager to reap the benefits of data-enabled tools and services**, with high utilization of AI and products like Spotify playlists, digital banking tools, travel planners and more.
- A recent study shows that mentioning AI in product and service descriptions can negatively impact purchase intent, as consumers associate it with reduced emotional trust and added complexity.

Insights from the field

Over the past 10 years, we've seen consumers navigate the adoption curve of many initially "scary" technologies. From biometrics ("Criminals will definitely start cutting off thumbs!") to order tracking ("It's creepy and unnecessary to watch my Domino's delivery driver en route!"), **we expect and are seeing a similar journey from fear to acceptance of today's new technology.**

3

Purchasing Power for Activism

Boycotts and social media activism have become an increasingly common method for consumers to voice their opposition toward companies and their practices, and they expect companies to take a stance, especially on highly politicized topics.



- LGBTQ+ issues have been most prominent recently, including the conservative backlash against Bud Lite and, on the flip side, the backlash against Target for reducing their Pride merchandising and initiatives.
- Brands perceived to be supporting Israel amid the war on Gaza has also led to consumer boycotts of products and calls for divestment and sanctions. Examples include McDonald's, Starbucks, Coca-Cola, and Domino's.

Insights from the field

While cancel culture remains powerful, **our research with Gen Z has shown that they are surprisingly open to forgiving brands** that right their previous wrongs.

4

Global Curiosity

Consumers are hungry, literally and metaphorically, for international tastes and culture. Thanks to more international media (from streaming content to social media), **previously unknown cuisines and cultures are becoming a familiar part of American palates and Netflix queues.**



- A third of global consumers say that they are excited and intrigued by new, unique and different flavors, a trend largely led by Gen Z and millennials.
- **70% of U.S. consumers say that they enjoy watching TV shows or movies that help them learn about different cultures.**
- 92% of Americans plan to travel at least the same amount in 2024 as they did in 2023. These travelers are going abroad more than ever, with large increases in travel to Asia and Central America. When funds aren't plush, **'Destination Dupes' are being used as a strategy to make exploration more affordable**, like Liverpool instead of London or Memphis instead of Nashville.

Insights from the field

When asked about their favorite shows and hobbies, **participants are more likely than ever to talk about non-American media** and content creators, like Korean pop music and television dramas.

5

Financial Literacy Gaps

American financial literacy continues to disappoint.

Despite consumer desire and industry tools aimed at improvements, financial literacy in the U.S. continues to hover around 50%.



- At the same time, reports show that **Americans have an overinflated confidence in their understanding of finances**, a dangerous combination.
- Despite continued low financial literacy, **Gen Z and FinTok are leading a new movement in more open conversations about finances**, with trends like ‘loud budgeting,’ that empower individuals to decline social opportunities that put their financial goals in jeopardy and dating apps like “Score” that base matches on financial compatibility in romantic relationships.

Insights from the field

In the last 20 years, we’ve seen the financial services industry answer consumer calls for better financial education tools with varying levels of success. **Consumers continue to share with us the importance of tools that solve true core needs with personalized and timely support.**

SOURCES

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Thank you for continuing to
be a part of our journey.

Cheers to 20 more years of insights!