

# Segmenting for the future: 5 emerging consumer types

By [John Watling](#)

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The truth is we are not returning to normal as we knew it before Covid-19, and many South African consumers are grappling with a range of emotions as they consider what the future will look like.



Source: [Pexels](#)

Early on in the pandemic, there was a belief that not much will happen to drastically affect consumer behaviour. Some had more money, as they continued to earn but did not spend as they would before the outbreak. Eventually, however, it all caught up and many people were impacted financially by an inevitable recession.

Covid-19 has utterly reshaped consumer behaviour. At the onset of the outbreak, we discovered the consumer in crisis who typically responded to the initial shock of the global pandemic through fear-driven purchasing. This consumer adjusted as country restrictions were imposed and adapted to changing personal circumstances.

Now as we look ahead, the future consumers will determine their new normal and retailers need to understand them in order to adjust to meeting new consumer needs.



5 post-Covid consumer myths debunked

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## Who are the future consumers?

From our research, we discovered five types of consumer behaviours that have surfaced as a result of the pandemic. They differ according to changes in way of life, fears and concerns, as well as their hopes and desires for the future after the pandemic. Here are short descriptions of each type.

### 1. On the edge:

Consumers on the edge (20%) are extremely worried about health, finances, and going out in public. As such about 42% have cut back on future spending while 60% explored new sources of income. This group of people reverted away from what they were doing in the past and are the least comfortable visiting public places in the next six months.

## 2. Tentative returner:

These consumers (23%) are cautiously trying to re-enter society and return to normal routines. Most are cutting back on future spending and will actively avoid non-trusted and non-essential places such as bars, clubs or using public transport. They are fearful for the economy and public health.

## 3. Me. Reinvented:

This group is characterised by consumers who developed new personal habits during the pandemic. They took the outbreak as a chance to transform themselves and what they care about, with many pivoting to local products. On average 89% plan to sustain these new habits post-outbreak.



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## 4. Stubbornly seeking normal:

These consumers are consistent in their circumstances and seeking normality. About 56% report they did not see a change in income level as a result of the outbreak versus 38% of others. Only 39% are worried about their job security versus 71% of others. Furthermore, more than half have about the same free time as before. They are the more cost-conscious, but least willing to change their behaviour.

## 5. YOLO consumer:

This consumer is low fear and eager to re-enter. Around 74% have seen their disposable income increase or stay the same through the crisis, and this group reports the second-lowest levels of fear over the outbreak's impact on their job security. Less than half are concerned about their personal health, and they are twice as likely as others to think restrictions are being lifted too slowly, yet still complying with restrictions whilst they last.

## How can retailers segment their consumers now?

For retailers, consumer history is no longer relevant as the purchasing habits during the pandemic are likely completely different to previous years. Merchandising decisions on how much inventory to buy, or what to stock at which location have no reference point anymore. There is however a lot of data and analytics available now that many retailers and consumer goods companies didn't have the ability to do.

The new segments are based on what consumers buy, and their behaviour, but to what degree can you segment, and do your analytics cater for that? Can you do scenario modelling on what's likely to happen?



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Digital has accelerated across all segments. Consumers that didn't buy online, are now doing so and likely to continue. That creates a supply side change, meaning from the demand side, as consumers demand more online solutions and make more online purchases, leading retailers see that it's worthwhile to invest in the overall experience.

This also goes for reassessing the product and port services portfolio. In the fashion space, for instance, people are not buying formal clothes in the same way. [Levi's announced](#) that it wants to reduce the role of denim jeans to move into more athleisure clothing because people just aren't wearing jeans when they are at home all day. This is why it's important to assess what people want from you, their behaviours, to meet their needs.

Retailers that do well are those that use data coupled with an understanding of what the consumer is doing and how they're behaving, rather than assuming they know from the beginning.

### Quick tips for consumer businesses

The consumer you thought you knew is no longer. Get reacquainted with consumers to understand the changes they've been through, and the new values they hold. Prior consumer segmentations will need to be redefined.

Identify what your consumers need now and unlock the new value pools that emerge from shifting consumer behaviours. Keep checking in on how your consumers and employees are evolving and move with them.

### ABOUT JOHN WATLING

John Watling leads seven of Accenture's businesses in Africa. These businesses are retail, consumer goods, telco, media, banking, insurance and industrial. He supports clients in digital innovations and commerce, assisting them to resolve complex business challenges, drive transformation and growth in a rapidly changing business environment, and deliver real value.

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