



H/L presents: Key 2024 consumer trends

January 2024
www.hl.agency

Key 2024 consumer trends observed + compiled by:



Rebecca Rosen

Associate Strategy Director



Kyra Caruso

Director of Strategy
& Insights



David Morrissey

VP, Director of
Brand Strategy

Momentum drives everything we do

Our passion at H/L is to Make Momentum™ in all its forms—whether that's changing perceptions and building impact for our client partners, fostering environments for H/Lers to do the best work of their careers, or giving back in the communities we call home.

Learn more at www.hl.agency.



In general, how do we counsel brands to communicate in 2024?



Elevate experience, not cost; assert identity; offer an insider view; and take the opportunity to refocus on who your customers really are.



Key trends shaping consumer + brand behaviors

- 1 Consumer spending**
What happens next?
- 2 The future is female**
...and the future is now
- 3 AI's impact on brand trust**
Fakes overshadow truth for some brands
- 4 The growing Polycultural segment**
Who are they and how can we reach them?
- 5 Taking flight**
Where will travel take us next?

Consumer spending

What happens next?



Consumer spending

Consumers see elevated inflation as the new normal

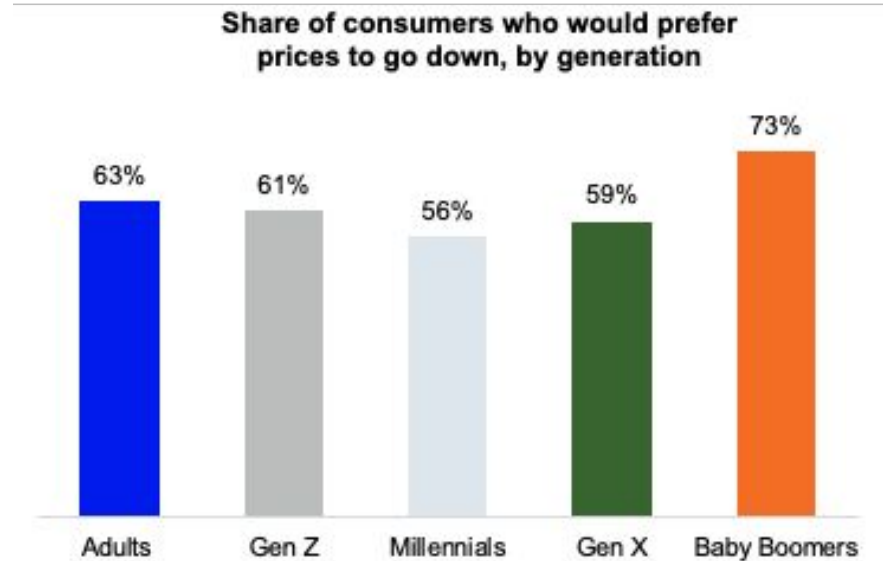
Compared to January 2021, Americans now need an extra \$11,400 each year just to afford the basics

Source: Daily Express US: Americans now need to spend an extra \$11,400 each year just to afford the basics, 11/29/2023



Consumer spending

Despite wage increase over the past two years, consumers still feel squeezed—would rather see prices drop vs. additional wage increases



99% of Americans will be financially worse off than they were pre-pandemic by mid-2024



Consumer spending

It's forcing us to
redefine our
wealth classes

Click the image to link to video



Consumers are leveraging Buy Now, Pay Later (BNPL), but there may be consequences with “phantom debt”



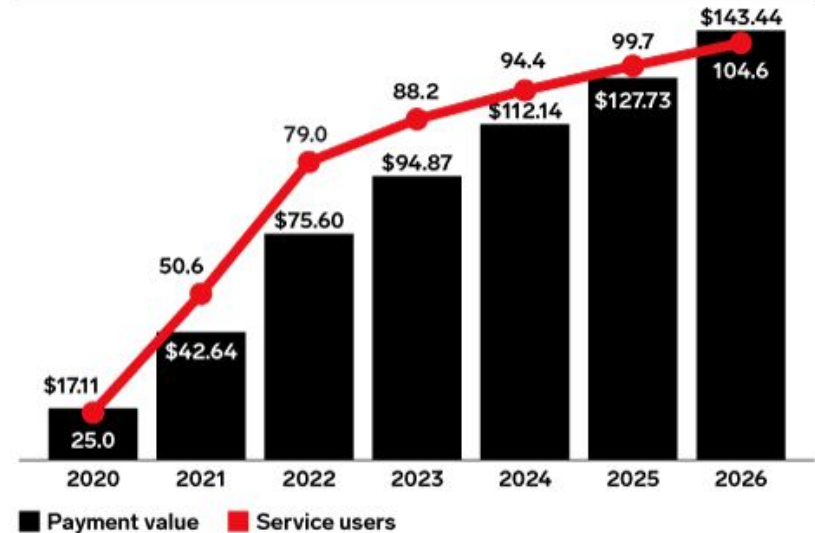
Consumer spending

US consumer spending using BNPL services could reach \$143 billion by 2026—**+236% from 2021**

And it's not just for retail items—**groceries'** share of BNPL orders grew 40%

US Buy Now, Pay Later (BNPL) Payment Value and Service Users, 2020-2026

billions of \$ and millions of users



Consumer spending

0% short-term interest rate + perceived payment flexibility make BNPL attractive

56%

of BNPL consumers say they prefer them to credit cards because they're easier to pay and offer more flexibility

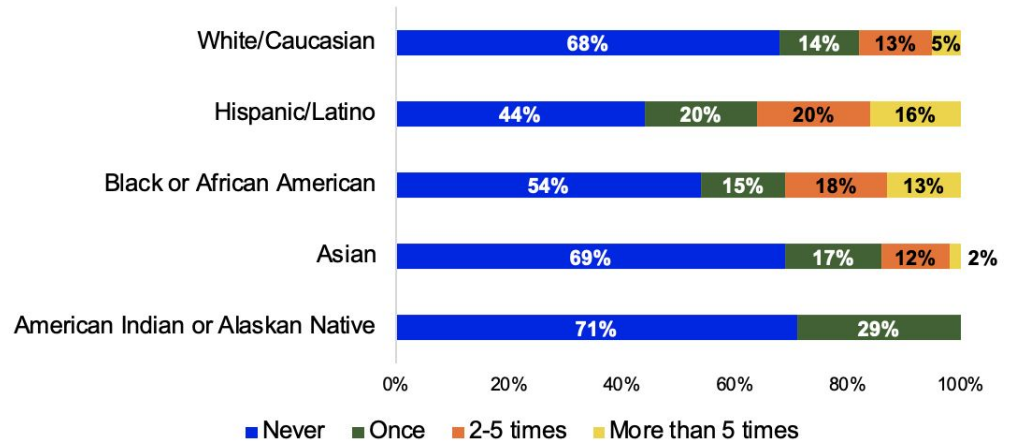
38%

of BNPL users say that these services will eventually replace their credit cards

Consumer spending

BNPL is making it easier to take on more debt, especially for Hispanic and Black consumers

Black and Hispanic/Latino communities have used BNPL the most within the past year



Q: How many times have you purchased something using a buy now, pay later (BNPL) in the past 12 months? n=349

Brands appealing to inclusivity +
experience—without sacrificing
affordability—will win



Consumer spending

Brands are pulling different levers to remain attractive to consumers



Abercrombie & Fitch

Successfully wooed Millennial and Gen Z consumers by focusing on inclusivity, diversity, and authenticity; and by expanding the range of sizes and categories they sell.



e.l.f.

Saw sales soar by leaning into the “dupes” trend thanks to strong spending from Gen Z and Millennials and their desire to buy lower-cost alternatives to premium beauty products.



TJ·maxx®

Off-price retailers like TJ Maxx successfully won over Gen Z shoppers with their treasure hunt experiences and selections of premium brands at affordable prices.

The effects of inflation haven't impacted all generations equally



Consumer spending

Gen Z is especially
feeling the pinch

18%

of Gen Z who save think their
current funds could cover their basic
living expenses for 6 months+

vs.

43%

of Boomers who save think their
current funds could cover their basic
living expenses for 6 months+

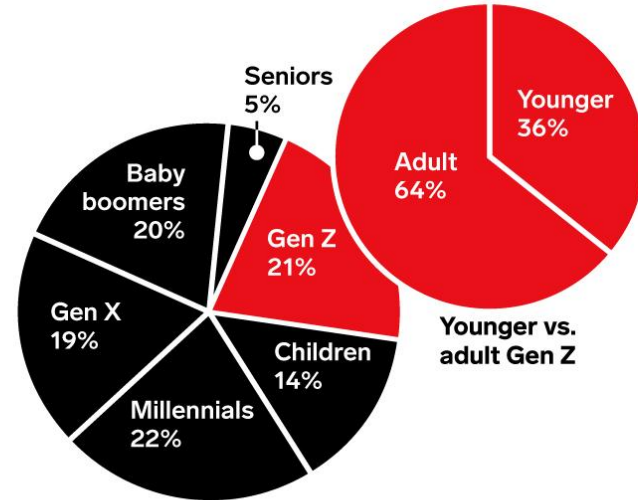
“Marketers will indeed continue to shift their focus to younger consumers as Gen Z claim their significance as a trendy and highly important target group. But Millennials are certainly not out of style, as they hold influence within all industries. Although they are less wealthy than previous generations, they still control a notable share of total wealth. Here at Mintel, we expect to see more advertisements targeting middle-aged consumers as brands devote resources to targeting older Millennials.”

Mintel

Opportunity to broaden target audience beyond Gen Z

US Gen Z and Total Population, 2024

% of total



Population, by generation

Consumer spending

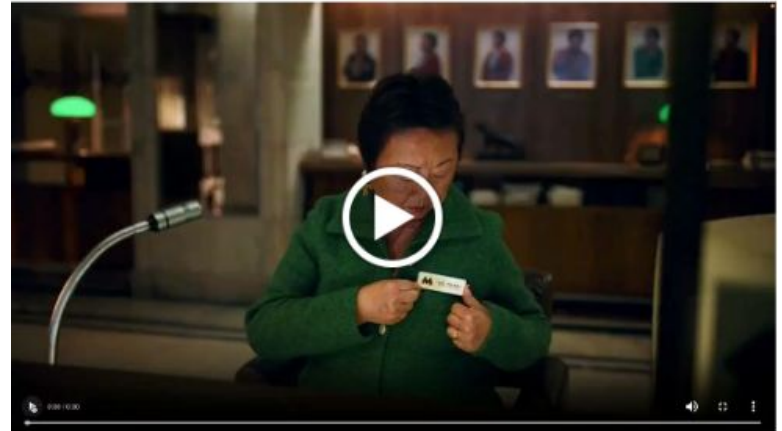
Even brands typically associated with youth are expanding their audiences

Disney:



Jan. 2024

Hasbro:



Oct. 2023

Consumer spending

What it means for brands

Elevating experiences without elevating costs will be relished by consumers.

BNPL may be attractive in the short term, but raises questions over the long term.

Inflation has hit some generations harder than others. Diversifying target audiences to include those that have more discretionary income may open additional sales opportunities.

The future is female

...and the future is now

The future is female—and the future is now

Female consumers flexed their spending power in 2023



\$5 billion

Eras Tour impact
to US economy



\$4 billion

Beyoncé Renaissance Tour
impact to US economy



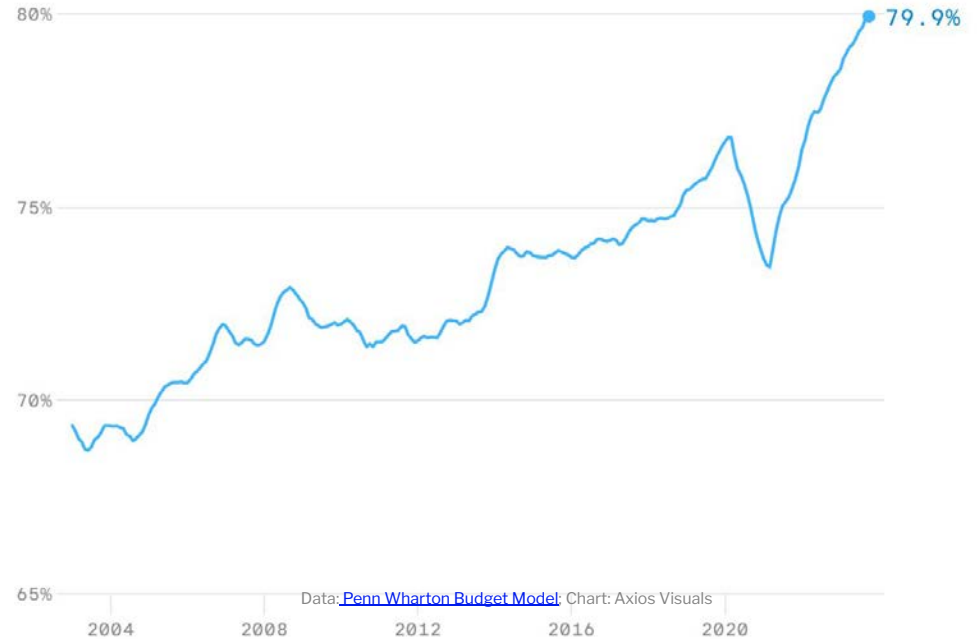
\$636 million

Barbie movie revenue, PLUS impacts to
WB, Mattel, Birkenstock, paint suppliers

The future is female—and the future is now

Employment of women 25-54 with a college degree has soared over the past 20 years

Women ages 25-54; Monthly rolling 12-month averages, January 2003 to October 2023



The future is female—and the future is now

More flexible work arrangements are key for women in the workforce

- **1 in 5** women said flexibility has helped them stay in their jobs and avoid reducing their work hours
- Work-life balance is the top reason women would take another job—and it's more important than a big salary boost or job security



The future is female—and the future is now

Share of women in C-Suite roles rose to 28%, up 11% from 2015

The share of women Fortune 500 board members grew from 22.5% in 2018 to 30.4% in 2022.



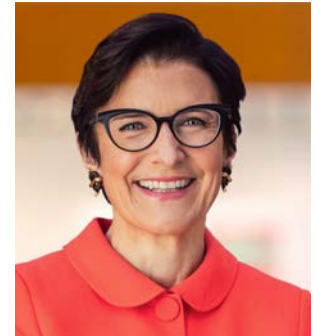
Corie Barry, CEO Best Buy



Thasunda Duckett, CEO TIAA



Safra Catz, CEO Oracle



Jane Fraser, CEO Citi

The future is female—and the future is now

Latinas are closing the gap in entrepreneurship

- There are over 2 million Latina-owned businesses, representing 14.3% of women-owned and 42.3% of Hispanic-owned businesses
- Between 2019 and 2023, Latinas grew business revenues 17.1% vs 12.1% for all women-owned businesses



“There was no clean beauty brand that was authentic and outwardly speaking to the Latina community, despite our spending power, and there was no clean beauty brand that understood how different we all are, how three-dimensional, and that didn’t lump us all together.”

Ann Dunning
Co-founder of Vamigas

The future is female—and the future is now

Brands are tapping into the rise of women entrepreneurs

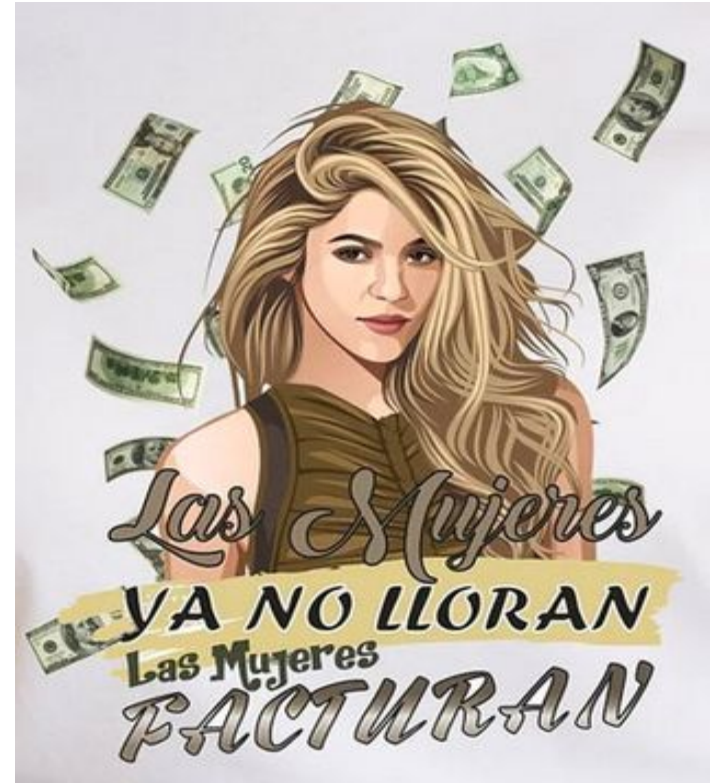



Click the images to link to videos

The future is female—and the future is now

High-income women and Gen Z led the spending boom

- Easily overpowered by FOMO, social media is fueling today's "keeping up with the Joneses," despite economic pressures
- [#TikTokmademebuyit](#) garnered over 85 billion views and that doesn't count the YouTube and Instagram versions of the channel



A WNBA player in an orange jersey is celebrating on the court, with her arms raised and hands in the 'rock on' gesture. She is smiling and looking towards the camera. The background is a blurred crowd of spectators.

The future is female—and the future is now

Women's sports will surge to \$1.28B in revenues in 2024—a 300% increase from three years ago

The future is female—and the future is now

The Women's Sports Club intends to level the playing field on media/sponsorship investments



Join The Club. Break The Cycle.

The time is now to level the playing field

Women's sports fans spend more per fan than general sports fans on the brands that sponsor the sports they love. Yet, women's sports receive only a fraction of sponsorship and media investments. "The Women's Sports Club, powered by Ally" is a curated network formed to drive dollars and spend in women's sports.

REQUEST TO JOIN



The future is female—and the future is now

The largest-ever institutional investment in women's pro sports—right here in the Bay

- Bay FC's launch day in March 2023: 500 people expected; 5,000 showed up
- \$125M invested to start up the team, including a \$53M franchise fee (previous franchise fees ranged from \$2M to \$5M to join the NWSL)



“We’re building this team to set the standard of what women’s sport franchises should be. We will commit more resources and capital to the sporting side of things and the business side of things than probably any women’s professional sports team in the world.”

Alan Waxman, CEO of
Sixth Street

The future is female—and the future is now

What it means for brands

In 2023, female-led brands' impact to a sluggish economy was undeniable—and will continue in 2024. Latinas are a particular entrepreneurial group to watch in 2024.

Brands should reevaluate that they're telling female-led stories appropriately.

Women's sports sponsorships are taking off, but largely remained an untapped opportunity to reach women and younger generations.

AI's impact on brand trust

Fakes overshadow truth for some brands

Every technology brings good and bad. We're not here to comment on that—just to consider the increasing impacts to brand health and brand safety.

In 2023, we saw major developments in AI

Advances

Recent advances in large language models propelled generative AI capability, including ChatGPT's release in late 2022

Adoption

Accessible interfaces and buzz led 79% of organizational employees to try generative AI tools

Content generation

This led to widespread distribution of content touched by AI

Pushback

Artists filed copyright suits, AI-authored articles produced backlash, and concerns rose about accuracy

AI's impact on brand trust

AI is poised to create confusion

- Some inaccuracies are easily spotted and dismissed, but others are creating confusion
- 50% of Americans who have heard of AI believe it poses a threat to society
- Google filed a lawsuit against unknown individuals in Vietnam for a phishing scam involving fake clickable ads for Google's Bard AI chatbot



AI's impact on brand trust

Fake images are already stoking outrage

- Fake images of carnage (not shown here) in the Israel-Hamas war and of Donald Trump being arrested went viral, adding confusion to already divisive topics
- Abhorrent and shocking images are more likely to be remembered and shared



“The disinformation is designed to make you engage with it.”

Imran Ahmed
CEO of *The Center for
Countering Digital
Hate*

AI's impact on brand trust

Past brand misinformation has lingered

- Even without AI, urban legends and myths have created lingering problems for brand reputation and safety perceptions
- While faked images are not new, advances in AI create opportunities for faster and more convincing misinformation



TheGrio
Report: Tommy Hilfiger still doesn't know where those racism rumors started
The founder of the American legacy brand reflects on the impact of those rumors and his brand's rise as a staple of streetwear.
Feb 24, 2023

AI's impact on brand trust

AI's increasing realism will contribute to believability

Disinformation that calls a brand's values into question can wreak havoc.



AI's impact on brand trust

Brands should take note
as the next generation
votes with their dollars

33%

would boycott
a brand with
bad labor
practices

57%

are more likely
to buy a brand
that supports
a cause they
care about

46%

would pay more
for a brand that
fits the image
they want
to convey



Brand reputation will become more important than ever

- Those who have a solid foundation are best positioned to weather an AI crisis
 - Strong brands are more resilient following other crises, such as recessions
 - Trusted brands retain loyal customers when they have negative one-off experiences (or encounter negative disinformation)



Trust in media will continue to be tested

- Globally, only 42% see the media as reliable
 - Misrepresenting AI or failing to catch disinformation will further erode trust
- 83% of people want news organizations to label articles that use AI, but trust for those using AI drops
- During this election year, media sources that position themselves as more reliable than the sea of AI-fueled disinformation may be able to earn back some trust

 Nieman Lab

Most readers want publishers to label AI-generated articles — but trust outlets less when they do

"We already expect quite a lot from the public in terms of media literacy to be able to navigate the contemporary information environment;..."

 NBC News

Sports Illustrated publisher fires CEO in latest round of exec terminations after AI scandal

The publisher of Sports Illustrated, The Arena Group, announced Monday that its CEO, Ross Levinsohn, has been terminated in the latest round...

 AP News

Sports Illustrated is the latest media company damaged by an AI experiment gone wrong

NEW YORK (AP) — Computer-generated writers ... writing computer-generated stories? Sports Illustrated is the latest media company to see its...

AI's impact on brand trust

Brands can still see some benefits from AI

People are more supportive of AI that enhances, rather than replaces, human decision-making

47%

are interested in
AI-powered travel
recommendations

49%

believe AI can help
find products and
services online

AI's impact on brand trust

What it means for brands

Build a strong brand with a clear identity to weather the storm of AI-powered misinformation.

Use AI transparently and in ways that enhance (vs. replace) human decision making.



The growing Polycultural segment

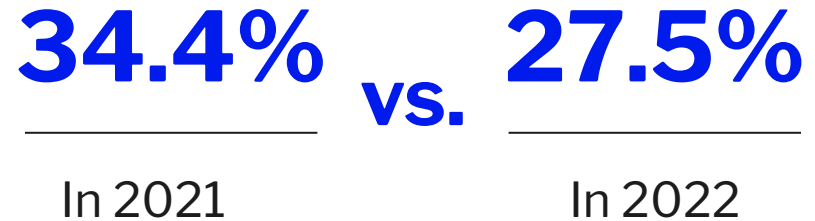
Who are they and how can we connect with them?

The growing Polycultural segment

The industry is struggling to represent the multicultural majority

- While some brands have consistently advertised to non-White audiences, others are playing catch-up
- This is driven by recent Census numbers that contrast the lack of diversity in ads
 - Non-White representation in advertising actually decreased between 2021 and 2022, falling short of the 41% in the overall US population

Percent of non-White actors in
TV and digital video ads:



But most are still not capturing a growing segment: Polyculturals.

Polyculturals are the growing segment of people who embrace more than one racial or ethnic identity and move between these groups with fluidity.

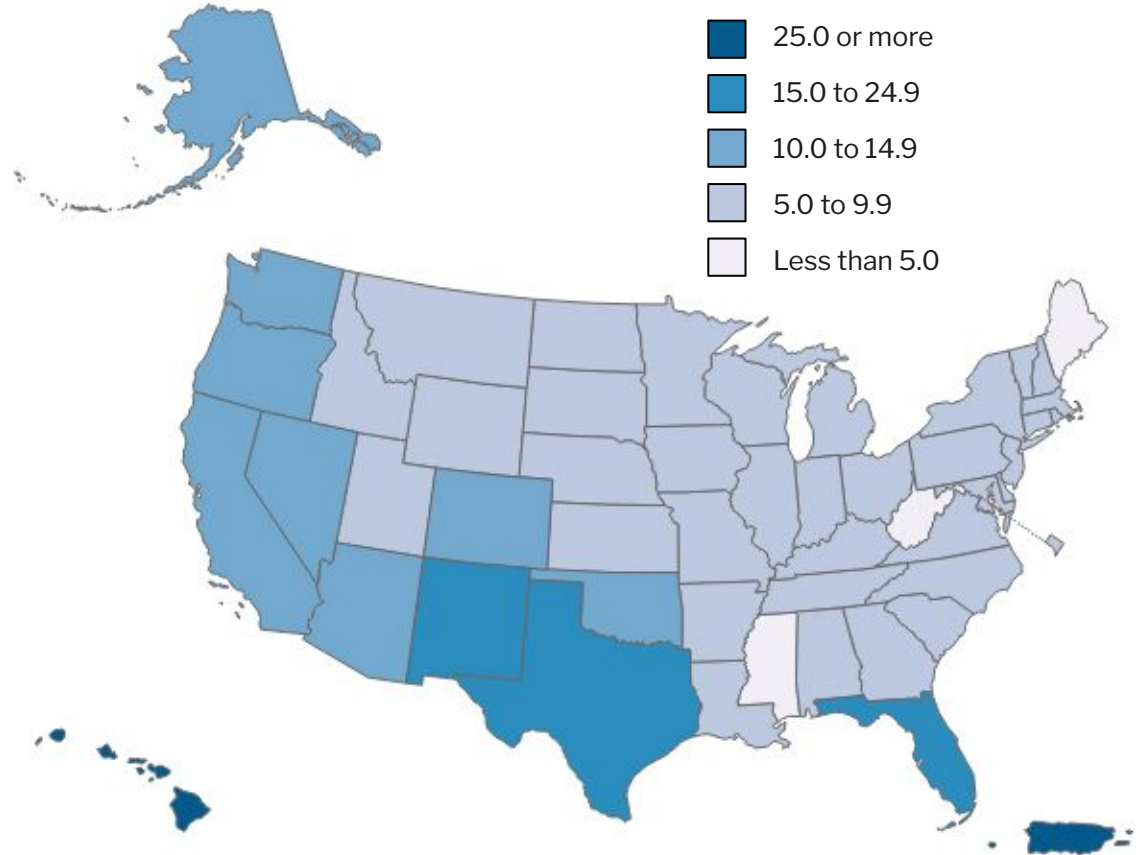
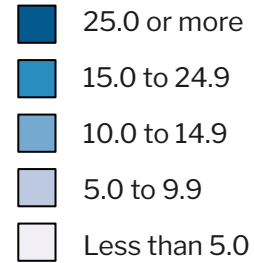
The growing Polycultural segment

Polyculturalism is on the rise

276%

increase in people identifying
as more than one race
between 2010 and 2020

Percentage of total population





The growing Polycultural segment

Polyculturals live a 200% experience

“I can be 100% American and 100% Latino at the same time. I don’t have to give up any part of my culture in order to become more American. I am bilingual and bicultural, and my duality is a part of my reality every day.”

Felipe Korzeny

Professor Emeritus and author of Hispanic Marketing

The growing Polycultural segment

Click the image to link to video

Polyculturals
embrace *all* of
their individual
identities



The growing Polycultural segment

Brands have to put in the work

“Cultural fluency is understanding storytelling and picking the right people to tell those stories.” —Jo Franco, author of *Fluentish*

[Click the image to link to video](#)



The growing Polycultural segment

Americans crave more content storylines outside of their own cultural identities

- Nearly 75% of 13- to 49-year-olds watch content featuring a cast and themes outside of their own culture
- Six out of 10 people ages 13 to 49 watch shows in a language they don't speak



The growing Polycultural segment

What it means for brands

Show audiences that you understand their experiences of moving between cultures fluidly.

Go beyond checking the box for disparate segments and tell specific stories at the intersections of human experiences.

Trust your audience to connect with intersectional stories, even when it doesn't perfectly map onto their identity.

Taking flight

Where will travel take us next?

Taking flight

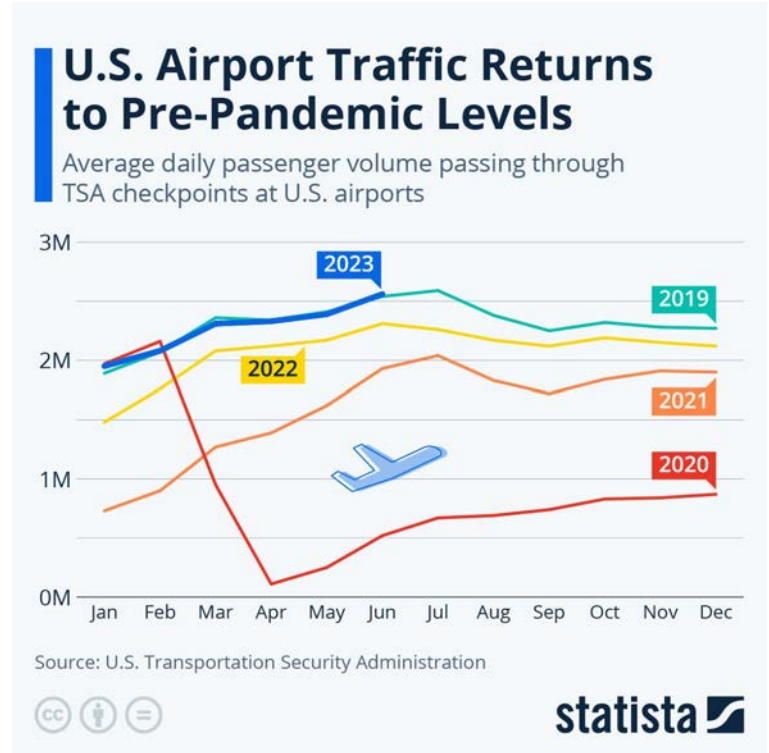
We're back to traveling!

41%

plan to travel
domestically in the
next 3 months

19%

plan to travel
internationally in
the next 3 months



GenZs are overtaking Millennials in travel

- For GenZ, travel is a budget priority
- GenZs are on pace with Millennials as frequent travelers: 52% of both generations take 3+ trips per year (vs 41% of GenX and 35% of Boomers)
- As GenZs age and earn more, they may overtake Millennials as the most frequent travelers, making them a key opportunity audience



Taking flight

Social media is their travel guide

- Since the pandemic, people tend to take a more vetted approach to traveling
 - 53% of GenZs use social media for travel inspiration
 - Influencer partnerships provide a trustworthy source while generating a bit of FOMO
- The #CoosDay campaign is at the core of Visit Scotland's agritourism strategy
 - In 2023, the posts reached over 16 million views and the agritourism businesses tripled

Click the image to link to video



Taking flight

Less visited destinations have increasing reach

- Promoting African vacation locations to an international audience has been easier thanks to the proliferation of social media
- Hashtag initiatives, such as #DiscoverSouthAfrica and #ShareSouthAfrica, have brought attention to lesser-known attractions and encourage user-generated content

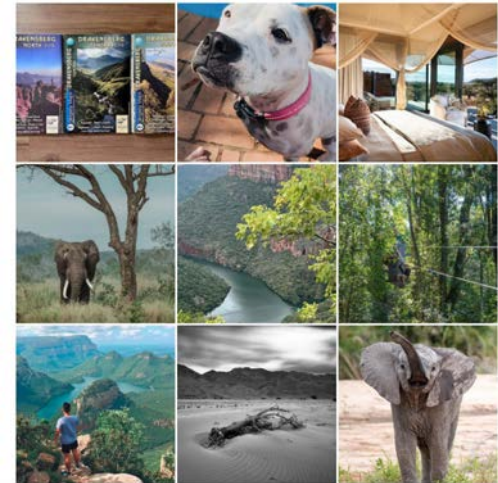
How social media can help market African tourist spots

BI AFRICA | September 16, 2023 1:25 PM



#sharesouthafrica
60,710 posts

Top posts



Taking flight

But large partnerships with actual residents in the spotlight are taking a cue from social media

- South African-produced content is generating interest in the country from around the globe
- While past tactics relied on outsiders to sing the country's praises, Netflix is giving a platform to local South African creators
- Visit Orlando is using locals to point audiences to lesser known attractions

Netflix study: South African content creates deeper cultural affinity, potentially drives tourism

21 SEPTEMBER 2021



Netflix Unveils South African Originals, Content Partnerships

"We're committed to investing in South Africa's creative industry and showcasing the incredible talent the country has to offer."

BY GEORG SZALAI | SEPTEMBER 4, 2023 7:00 AM



Taking flight

Meanwhile, US cities are luring back suburban commuters

- Suburban residents used to commute to cities then stay for various events and kept cities vibrant, but the lack of suburban visitors and perceptions of crime in cities is making it difficult to attract visitors
- Some cities are launching campaigns to convince suburban residents to frequent urban attractions
- Minneapolis found that people living in the suburbs actually think their nearby city is more unsafe than other travelers think it is and sought to counter that perception

U.S. City Tourism Boards Want Suburban Visitors Back

Rashaad Jordan, Skift
June 28th, 2023 at 4:06 AM EDT



[Click the image to link to video](#)

Taking flight

The common thread is authentically local pride

- Social media has shifted toward an “unfiltered” look at everything, and travelers expect to get the real scoop on every locale they visit
- While selling to visitors from afar, such campaigns may also reinforce local pride and stimulate nearby visits



“We want to shift Miami’s brand away from the stereotype... The focal point of each photo and caption is Miami. I am there to humanize the brand, and to show people they can trust what I write about—because I’m living it.”

Alex Klumpp
Beyond South Beach

Taking flight

What it means for brands

Local brands should emphasize a common identity and impact in their communities. Perceived similarity can facilitate liking. More global brands can breed curiosity by leaning into brand heritage.

Brands can take a cue from social media and cater to GenZ's preference for the unfiltered insider's view.

In 2024, being everything to everyone will be less compelling than a strong, localized identity.

Closing

Closing summary

1 Consumer spending

What happens next?

- Beware credit overextension
- Elevate experiences, not costs
- Diversify targets

2 The future is female

...and the future is now

- Appeal to women's priorities
- Plan for the rise of entrepreneurs
- Capitalize on sports sponsorships

3 AI's impact on brand trust

Fakes overshadow truth for some brands

- Build brand identity
- Be transparent
- Enhance, not replace, human decisions

4 The growing Polycultural segment

Who are they and how can we reach them?

- Tell unique stories
- Connect across cultures
- Trust your audience

5 Taking flight

Where will travel take us next?

- Emphasize commonalities
- Offer an unfiltered, insider view
- Assert brand identity

Elevate experience, not cost; assert identity; offer an insider view; and take the opportunity to refocus on who your customers really are.



Closing–upcoming working from H/L

H/L thought leadership work on the horizon



What marketers need to know to be most impactful with Hispanic audiences in 2024—featuring members of the Enrich Mi Gente affinity group and Multicultural practice—[click the image to view](#)

H/L



What it means to have a maker's mentality, from concept to execution—featuring members of the H/L Creative and Wolfhouse Productions teams—coming in February 2024

Thank You.

