

Consumer Trends

2024

The New Consumer

Coefficient
Capital



The New Consumer

- Launched in 2019 by longtime business journalist Dan Frommer
- Exploring how and why people spend their time and money
- Analysis, research, trends, and advisory services
- newconsumer.com

Coefficient
Capital

Coefficient Capital

- Launched in 2018 by Franklin Isacson and Andrew Goletka
- Investments in digitally powered consumer brands
- Focus on transformational consumer shifts
- coefficientcap.com

Coefficient Capital Portfolio

EXIT
NOM NOM

Personalized
pet nutrition

EXIT
**JUST
SPICES**

Cooking solutions for
the new consumer

hydrant

Sustainable, functional
hydration

Hawthorne

Personalized men's
personal care

IPO / EXIT
THE ORIGINAL
OATLY!

Global plant-based
dairy leader

**MAGIC
SPOON**

Low-carb
breakfast innovator

HODINKEE

Content-driven
marketplace

SESAME

Direct-to-patient
healthcare

**MILANO
VICE**

Next-generation
restaurant brand

lemme

Innovative
wellness brand

kate farms

Clinical
nutritional formulas

NEW
GORGIE

Functional energy
beverage company

Consumer Trends Report

- Our first look at 2024 includes new, in-depth research on Ozempic and TikTok Shop
- We look for profound changes in the consumer landscape and what matters most for the years ahead
- View the latest and our previous reports: newconsumer.com/trends

Consumer Trends Survey

- A big part of our research is our proprietary **Consumer Trends Survey**
- We've now conducted eight surveys of 3,000+ US consumers, most recently in Nov. 2023
- Powered by Toluna, “delivering real-time consumer insights at the speed of the on-demand economy” tolunacorporate.com

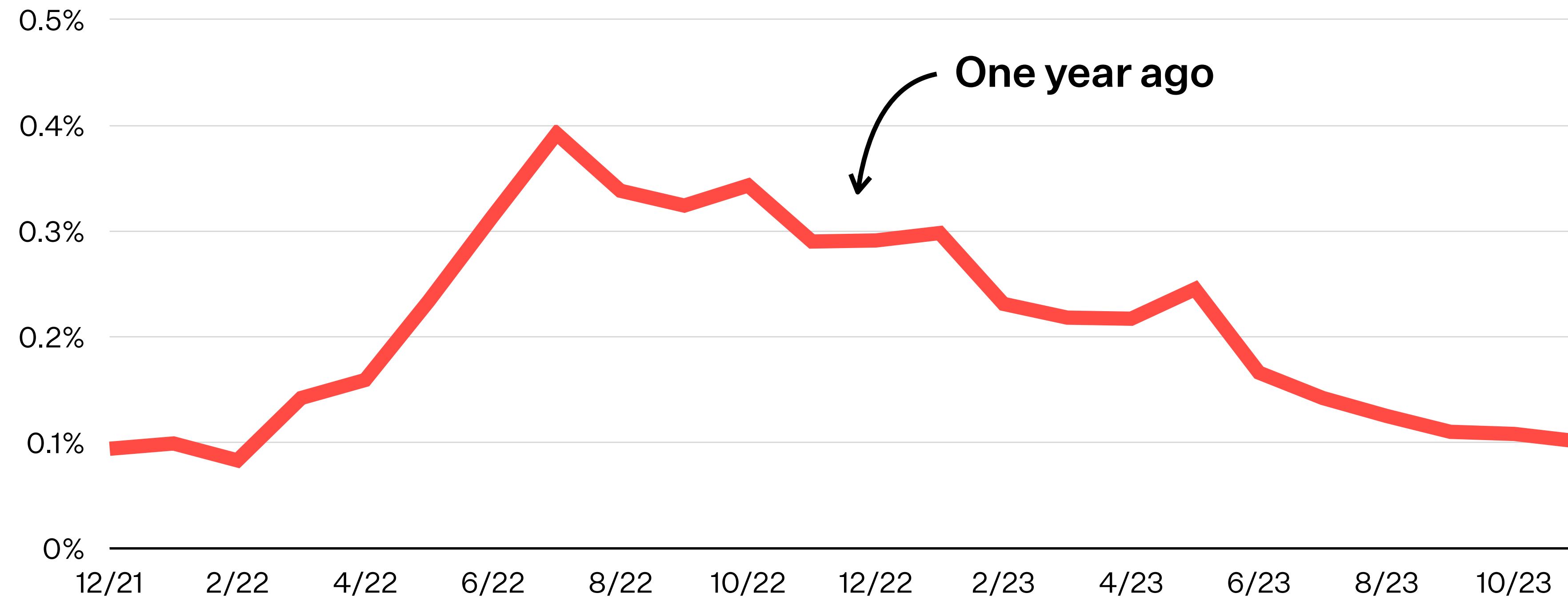
1

“Reports of my death have
been greatly exaggerated”

— *The US consumer*

This time last year, we were still bracing for a potential recession

Percentage of monitored online news articles mentioning 'recession' or 'recessionary'



(Well, we weren't —)

ONE YEAR AGO

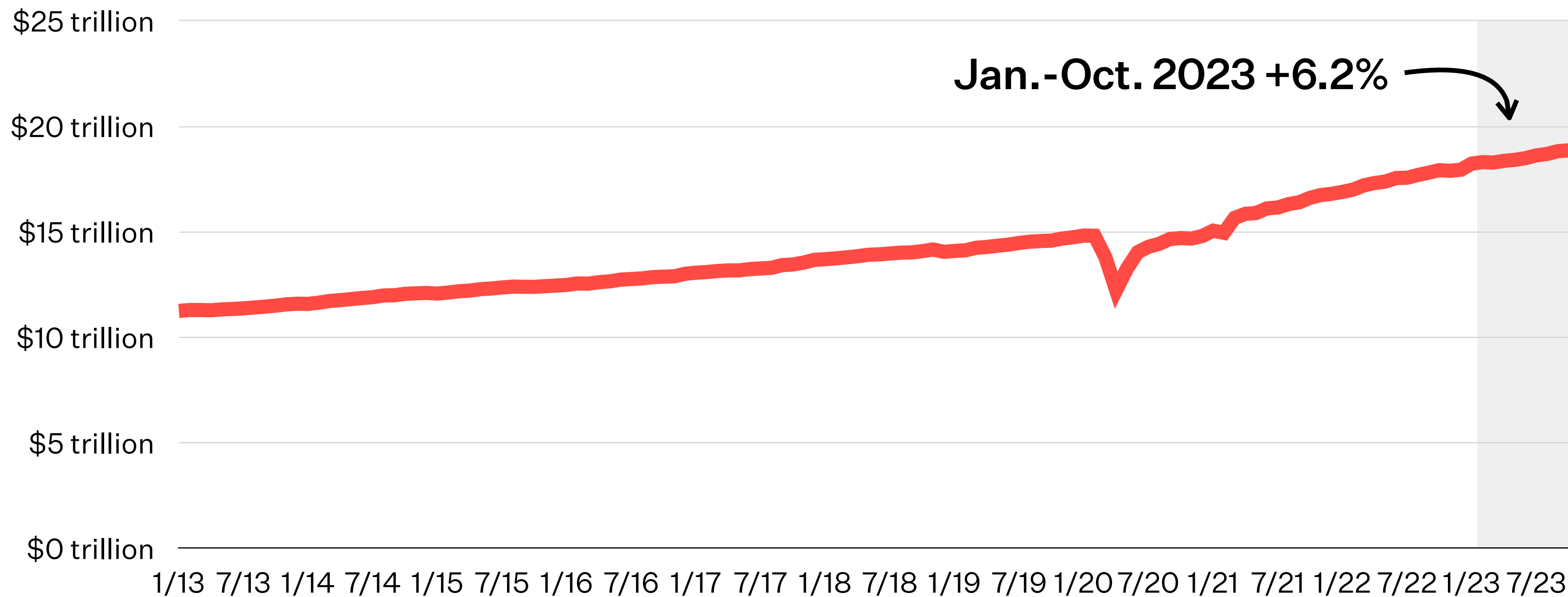
Heading into 2023, we believe
the new consumer economy
is alive and well.

The New Consumer | Coefficient

The New Consumer | Coefficient

Instead, US consumer spending set new records in 2023

Monthly US personal consumption expenditures, 2013-2023, trillions of dollars



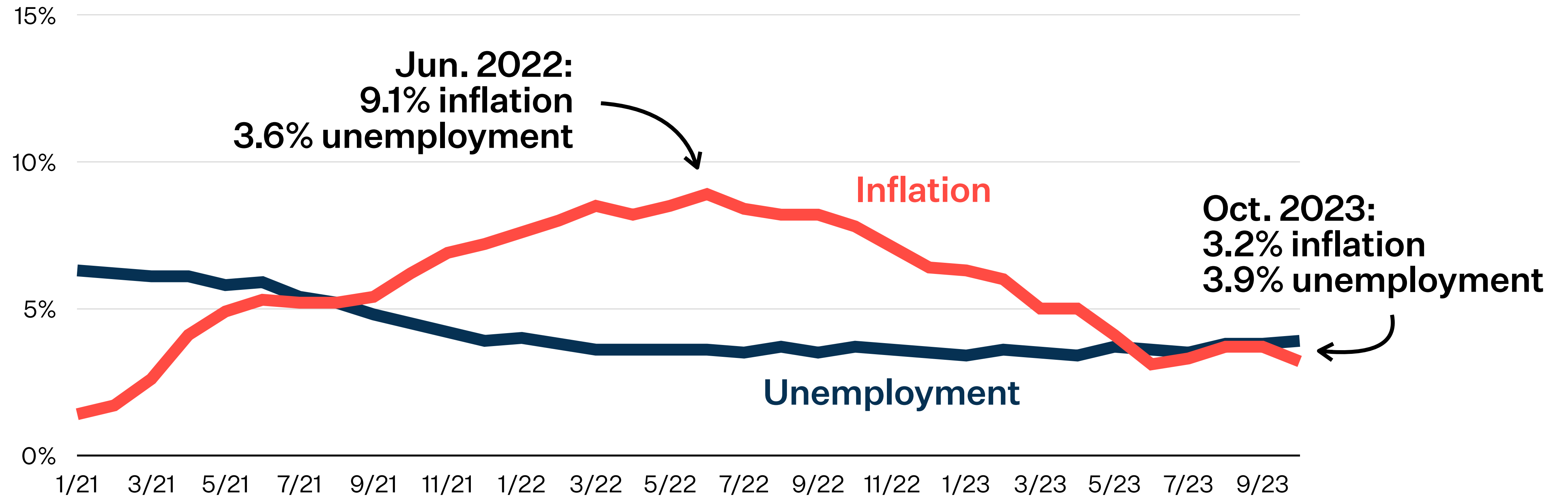
Prime Day and holiday shopping set new records as Black Friday week accelerated

| Prime Day (July) | Black Friday | Cyber Monday | Nov. 1-27 |
|------------------|--------------|--------------|-----------|
| \$12.7b | \$9.8b | \$12.4b | \$109.3b |
| +6.1% | +7.5% | +9.6% | +7.3% |

Global Black Friday weekend spending reached \$9.3 billion on the Shopify network alone, up 24% year over year (vs. 22% GMV growth in Q3 '23).

Inflation has decelerated while unemployment remains low and stable

US unemployment rate, and year-over-year change in US Consumer Price Index, seasonally adjusted



Despite record spending, consumer financial optimism is ~flat

36%

of consumers say they feel “moderately” or “very” optimistic about their financial situation right now.

That’s down from 37% a year ago.

It’s higher among Millennials (41%), urban consumers (40%), and \$100k+ earners (49%).

40%

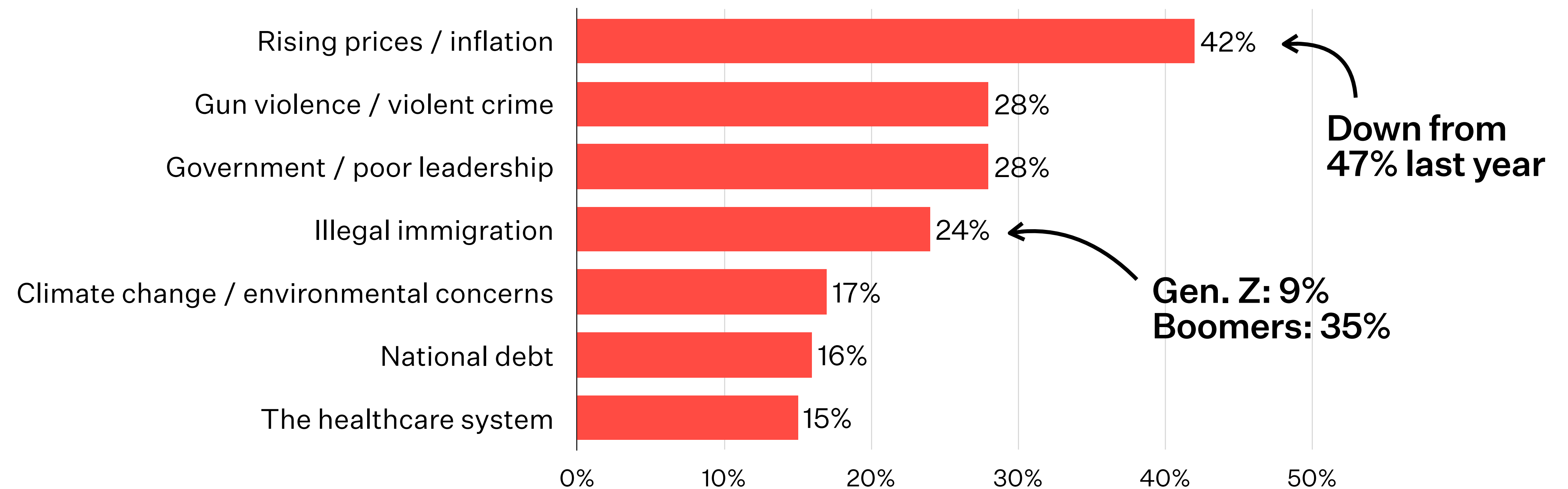
say they feel “moderately” or “very” optimistic about their financial situation over the next 12 months.

That’s down from 43% a year ago.

It’s higher among Millennials (46%), urban consumers (45%), and \$100k+ earners (54%).

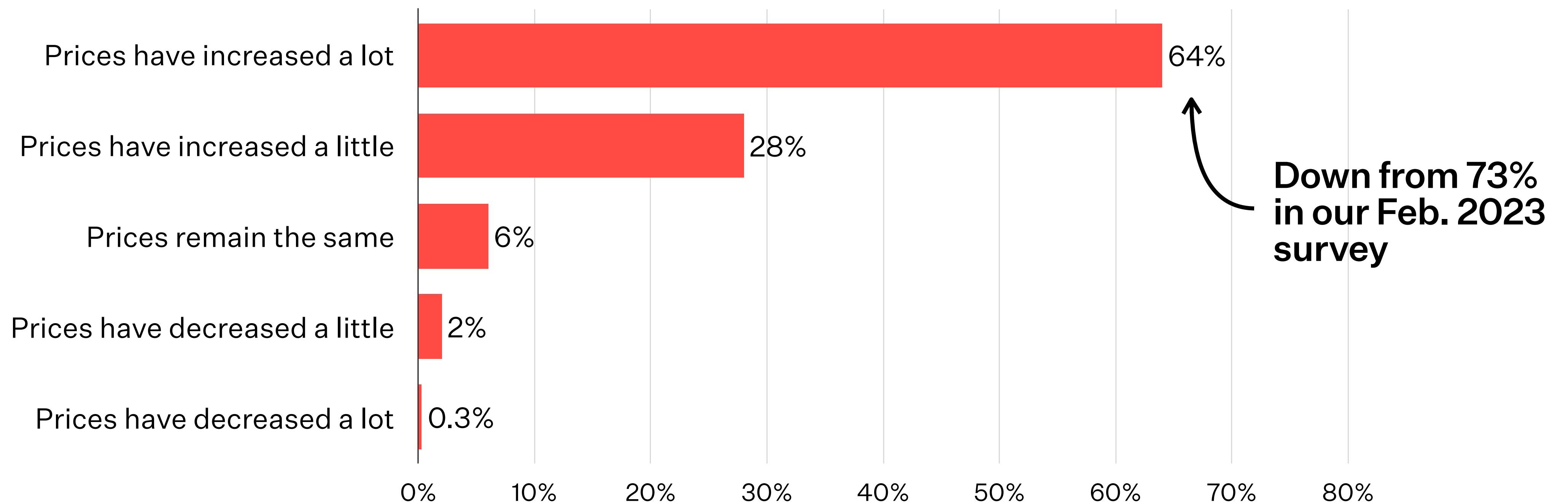
Americans still say rising prices are the most important problem in the US

Percentage of responses: What's the most important problem in the US right now? (Choose up to three.)



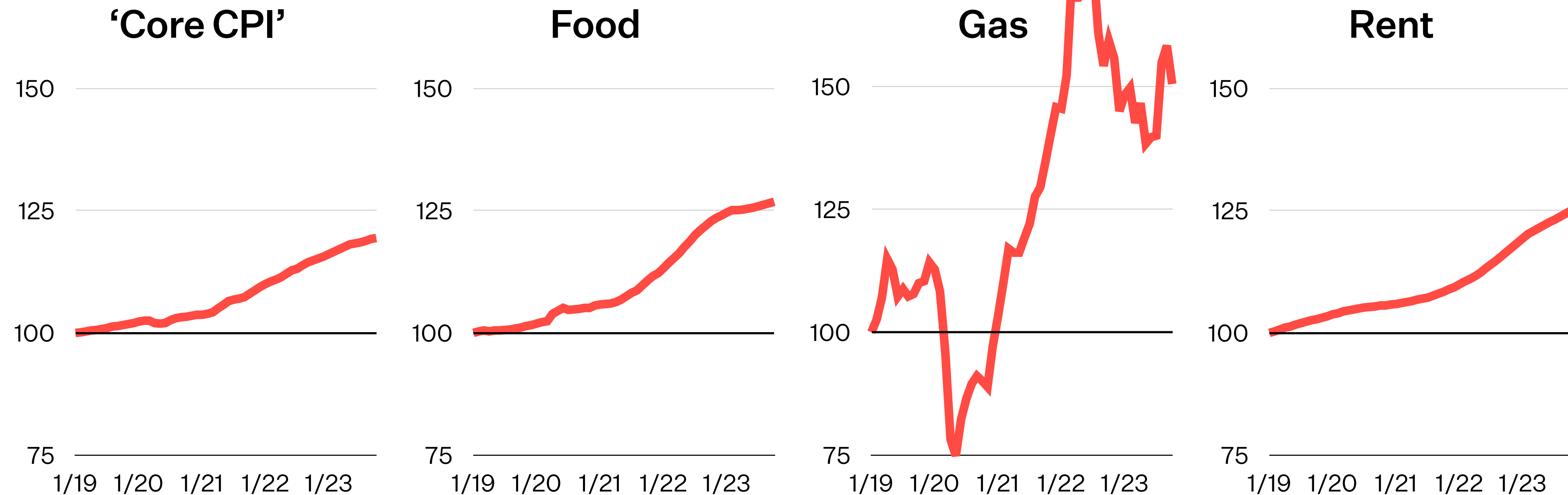
Even as inflation decelerates, it still feels like prices have increased ‘a lot’

Percentage of responses: How, if at all, have prices for everyday goods changed over the past six months?

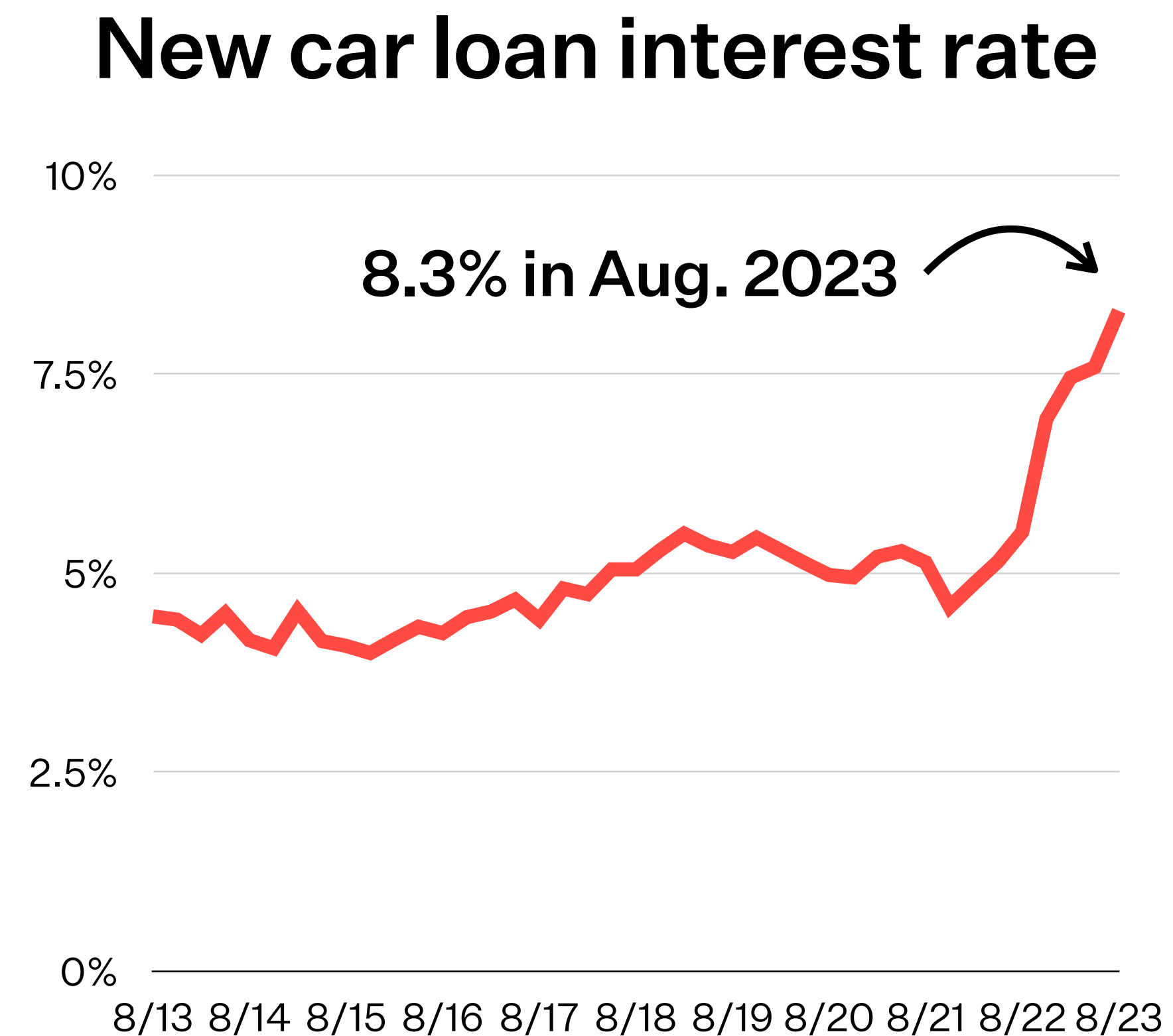
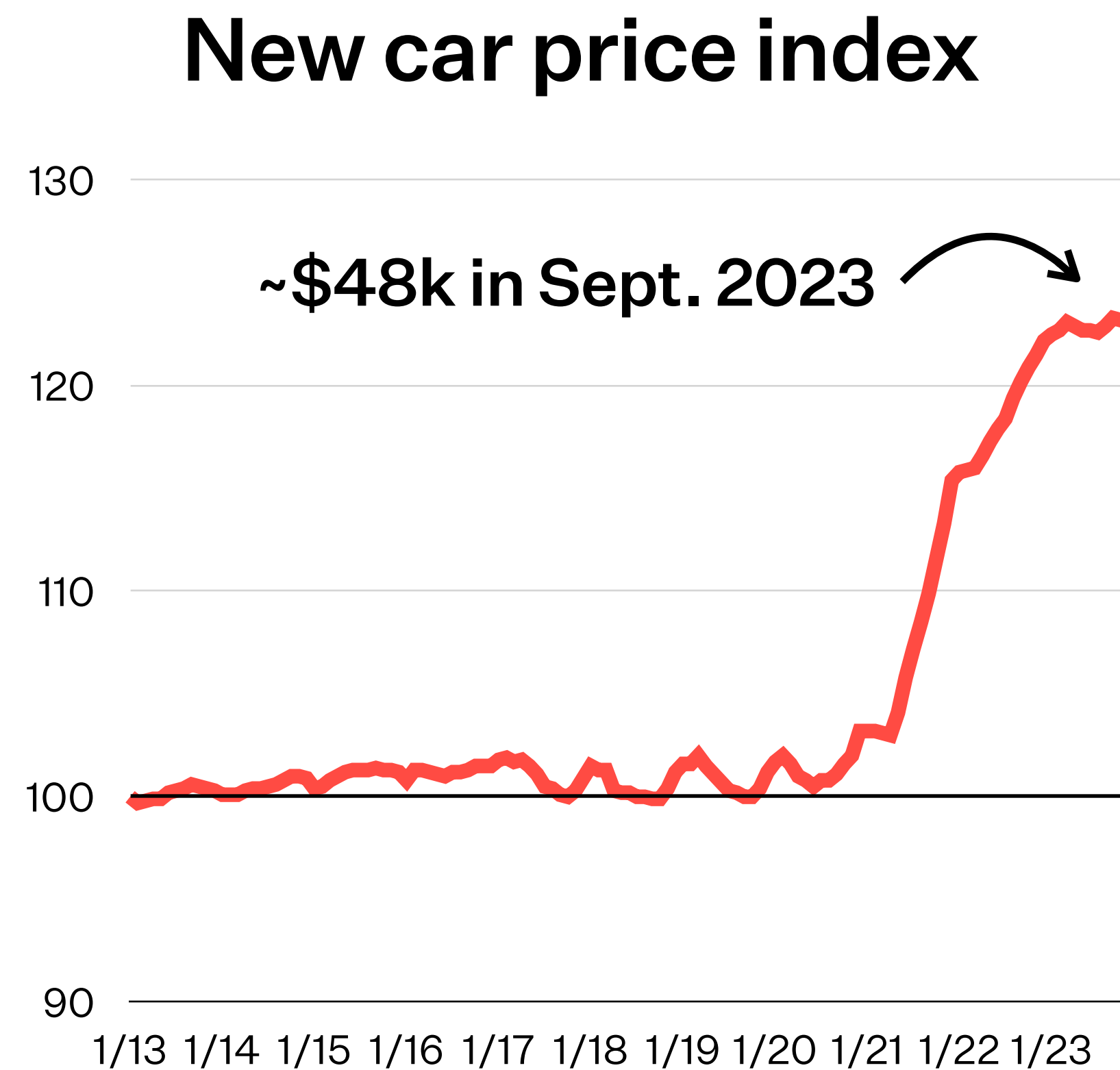


While inflation has slowed, essentials still cost a lot more than they used to

US Consumer Price Index values, indexed to January 2019



Car ownership quickly got expensive: Prices and loan rates *both* spiked



'Life Sat'

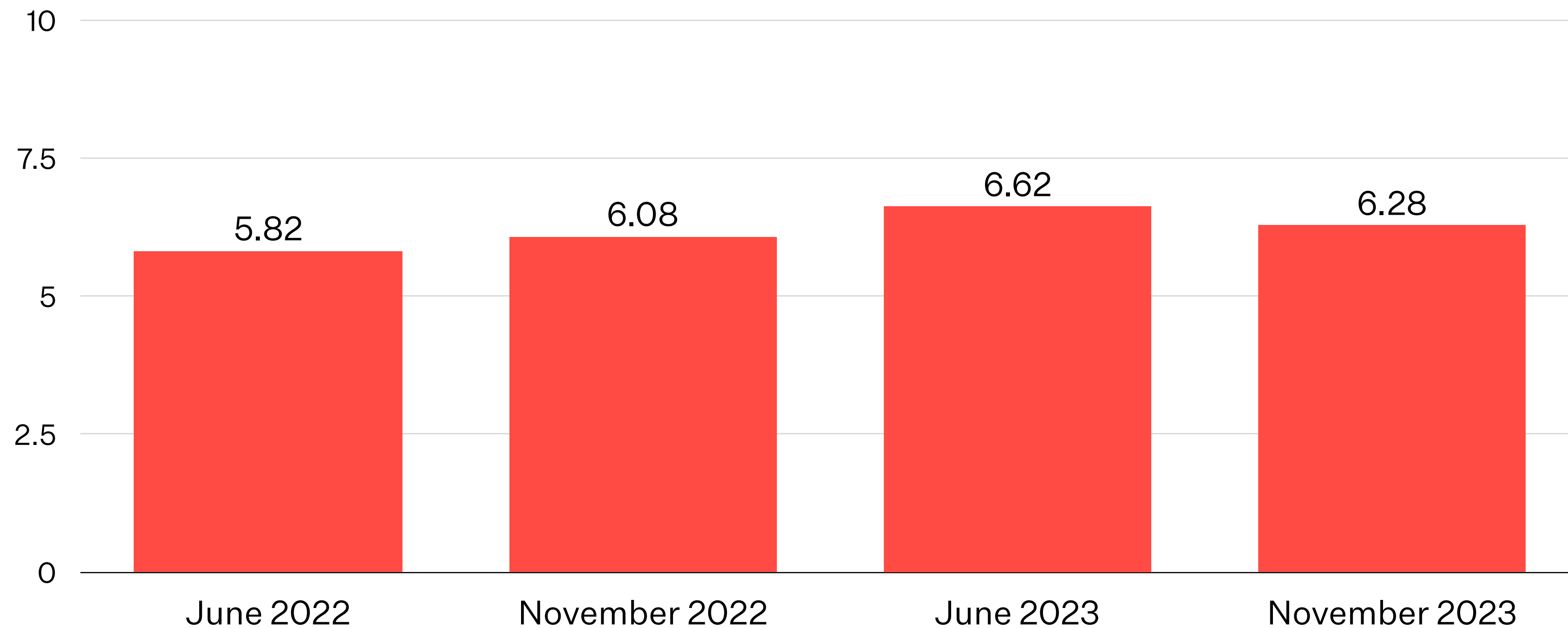
On a scale of 0 to 10, how satisfied are you
with life as a whole these days?

6.28

Overall, November 2023

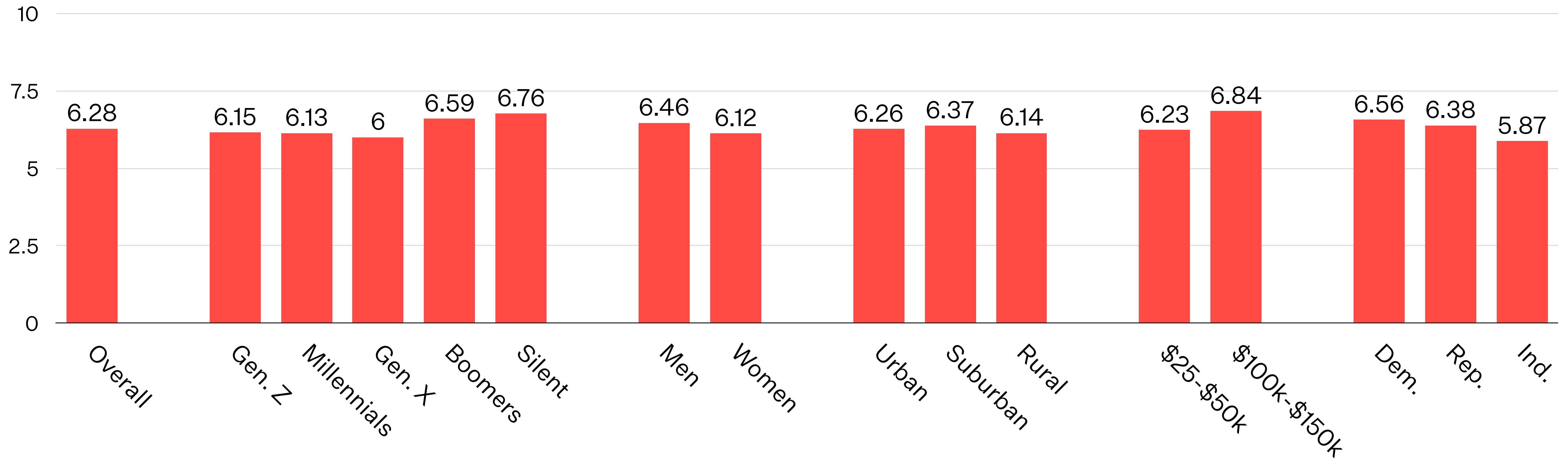
'Life Sat' is up from this time last year

On a scale of 0 to 10, how satisfied are you with life as a whole these days?



'Life Sat' varies across consumer groups

On a scale of 0 to 10, how satisfied are you with life as a whole these days?



2

We surveyed 388 Ozempic
and GLP-1 drug users.

How are they feeling?

What's changed?

Is the snack industry toast?

Weight remains Americans' top health problem

42%

of Americans age 20 and older — more than 100 million people — were considered obese, and 9% severely obese, in the latest National Health Statistics Report, published in 2021.

Also, 20% of children under 20 were considered obese.

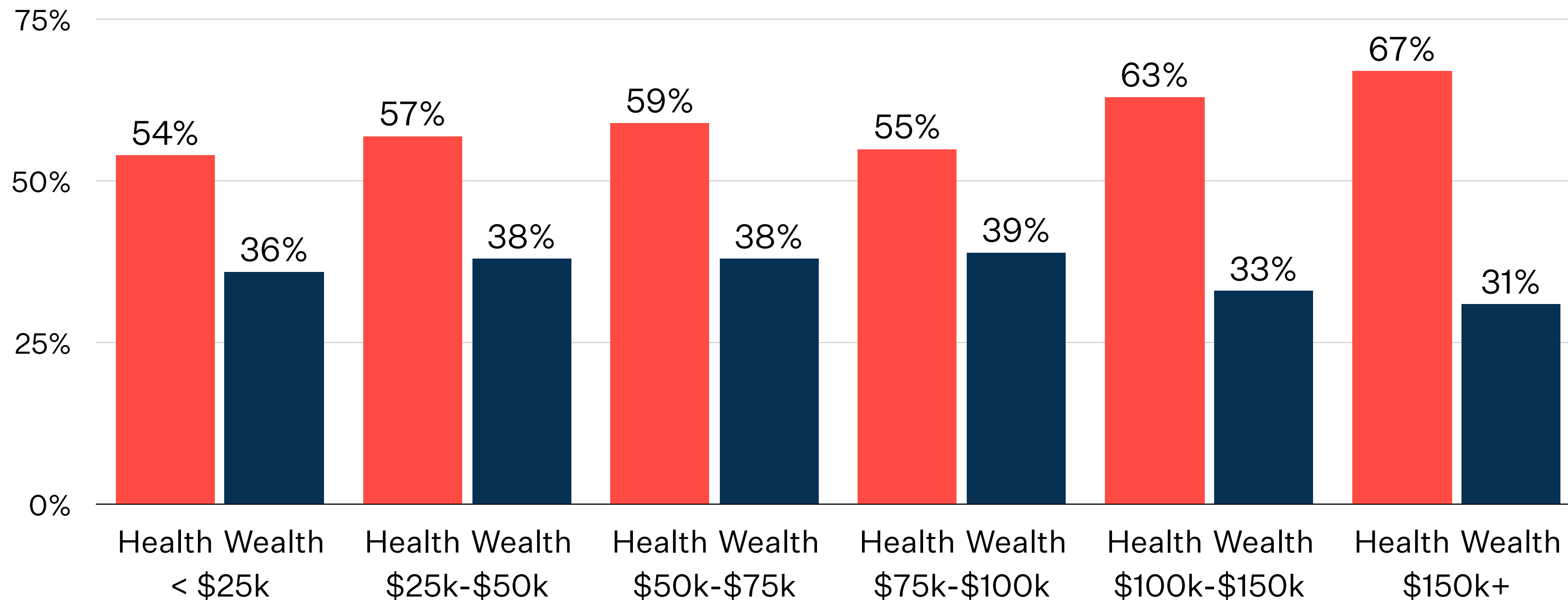
15%

of Americans age 20 and older — approaching 40 million people — were considered diabetic.

And 45% had hypertension, according to the same report.

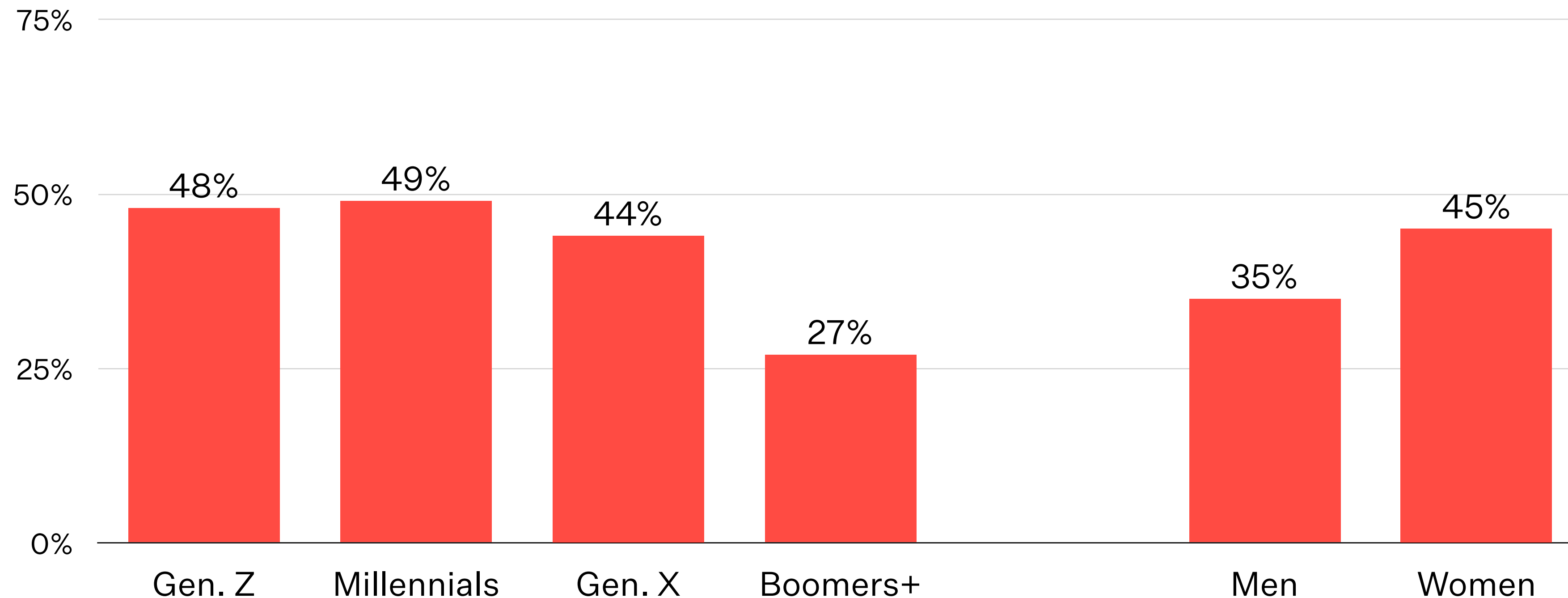
More Americans would rather feel 25% healthier than earn 25% more money

Percentage of responses: If you could only choose one, would you rather feel 25% more healthy or earn 25% more money?



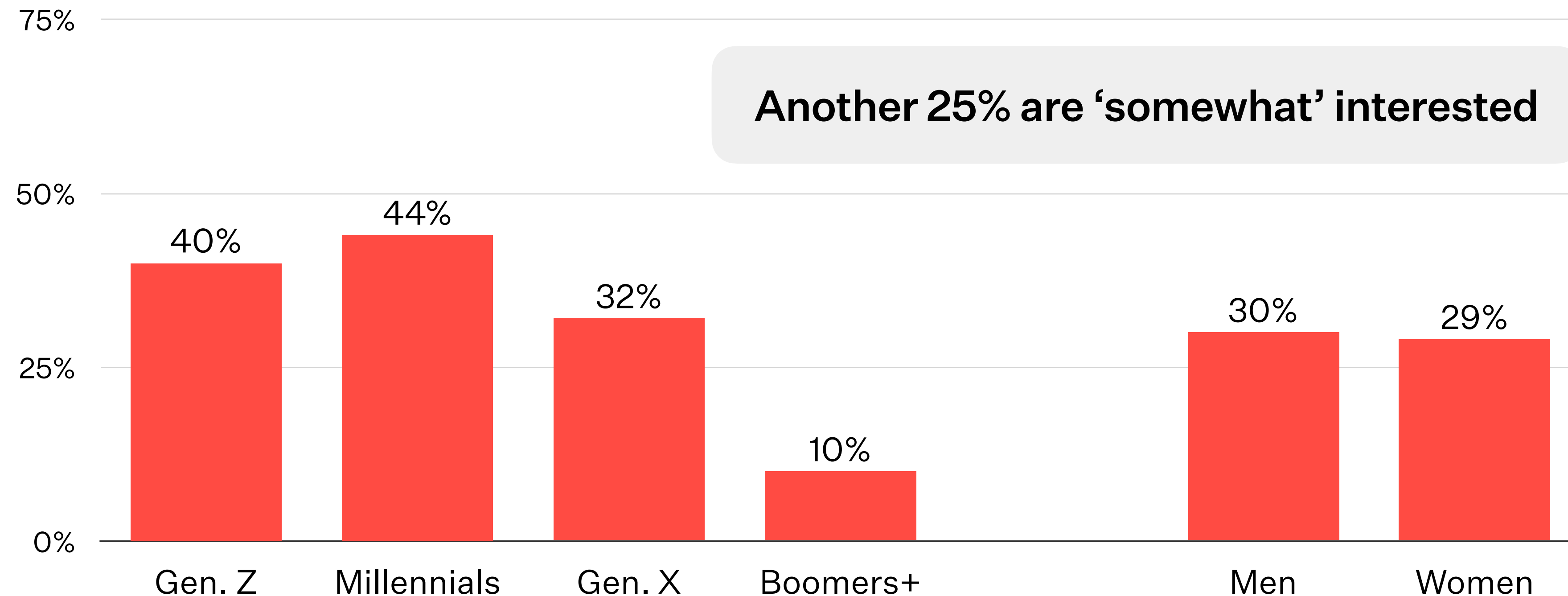
40% of Americans are highly interested in losing weight

Percentage of 'Extremely' or 'Very' interested responses:
How personally interested are you in losing weight?



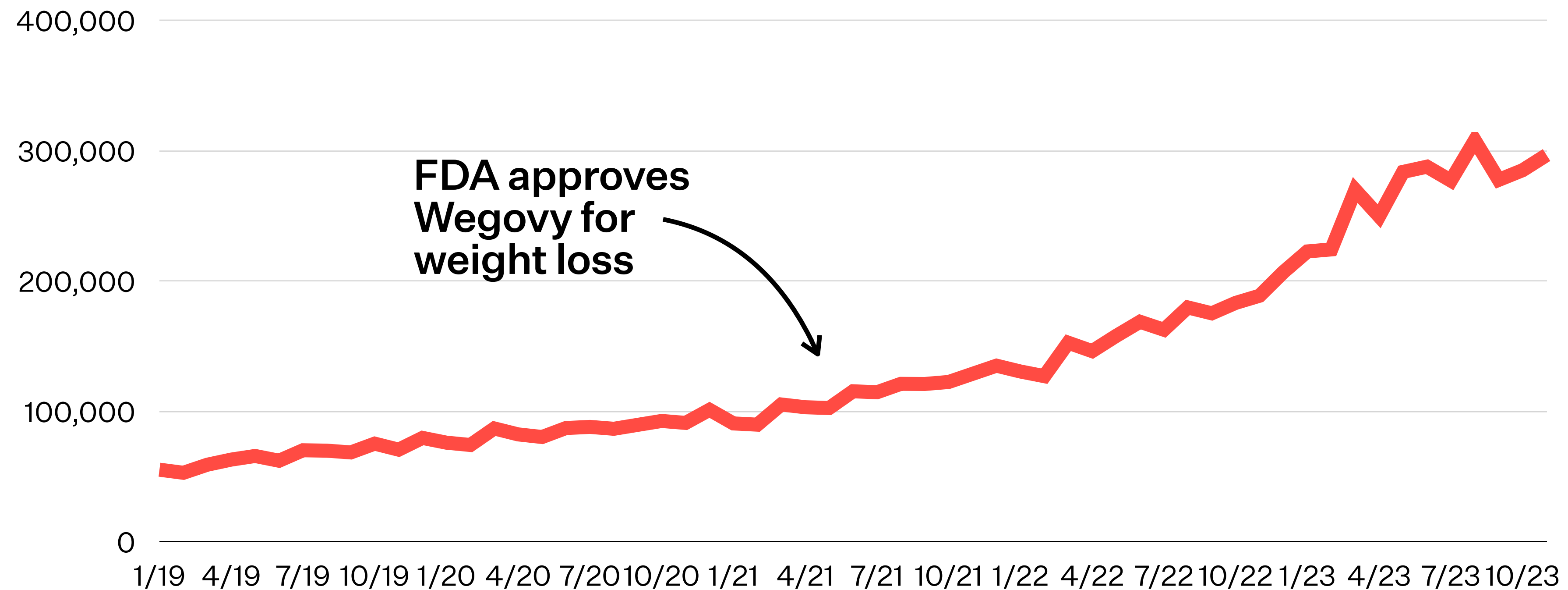
30% of those aware of prescription weight-loss drugs want to use them

Percentage of 'Extremely' or 'Very' interested responses: How personally interested are you in using a prescription pharmaceutical for weight loss?



GLP-1 drugs like Ozempic and Wegovy have soared in popularity

Monthly claims for GLP-1 prescriptions — Earnest Analytics



The basics on GLP-1 drugs

- GLP-1 drugs like Ozempic, Wegovy, and Mounjaro act to reduce hunger by making users feel full
- GLP-1 drugs can drive a 20%-30% reduction in caloric intake, causing meaningful weight loss
- GLP-1 drugs can have significant side effects, primarily nausea and other gastrointestinal issues

The basics on GLP-1 drugs

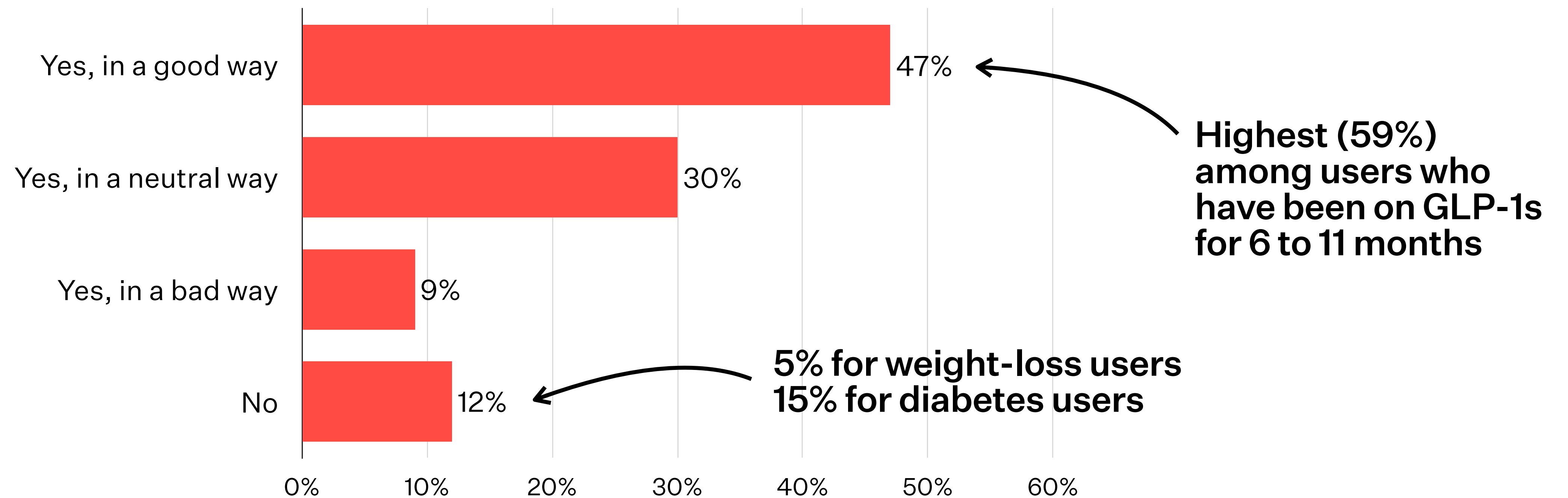
- Insurance coverage is inconsistent and costs can be high: ~\$1k/month with no coverage
- Diabetes users skew lower income, while weight-loss users skew younger, higher income, per Numerator
- A key question if usage becomes widespread: How it will affect consumer habits and spending, especially around food, plus fitness and wellness

Around **8-15 million** Americans are currently using GLP-1 drugs to manage diabetes or to lose weight, we estimate.

We just polled 388 in our new **Consumer Trends Survey**.

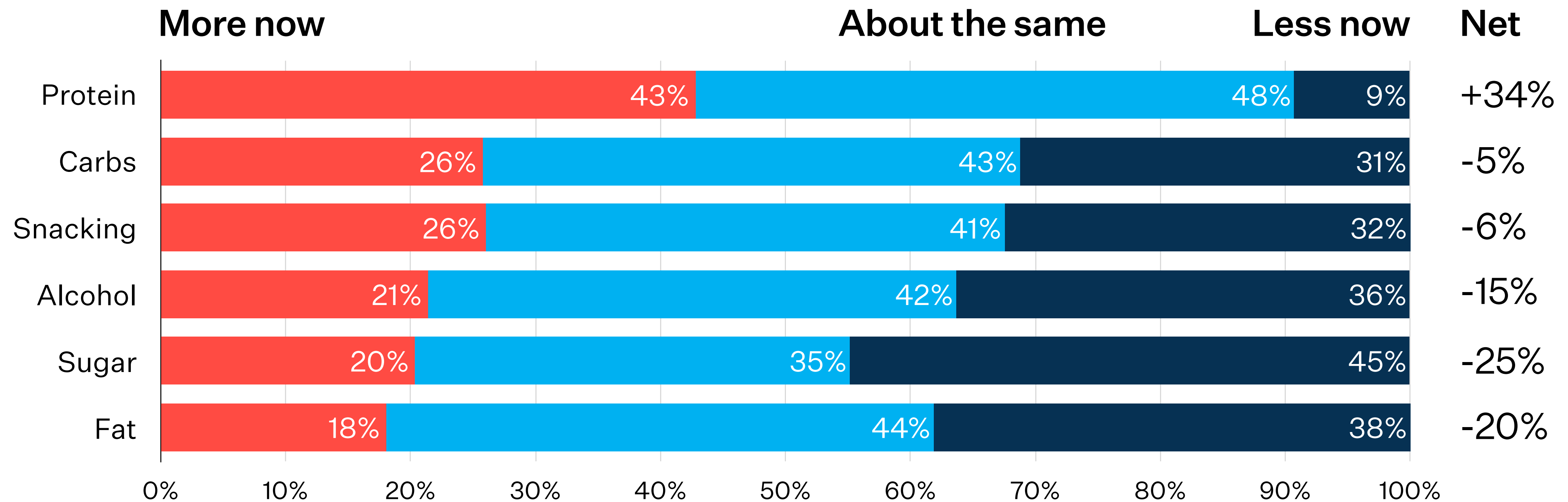
86% of GLP-1 users say they feel like a different person

Percentage of responses: Do you feel like a different person since you've been on the GLP-1 medication?



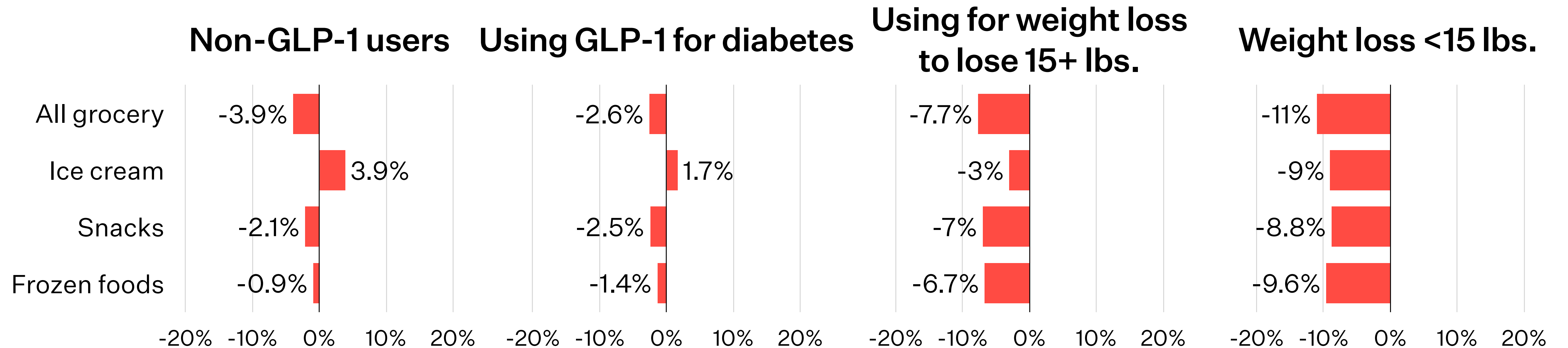
GLP-1 users say they're eating more protein, less sugar, and drinking less

Percentage of responses: How has your x consumption changed since starting GLP-1 drugs?



GLP-1 weight-loss users are spending less on food and snacks

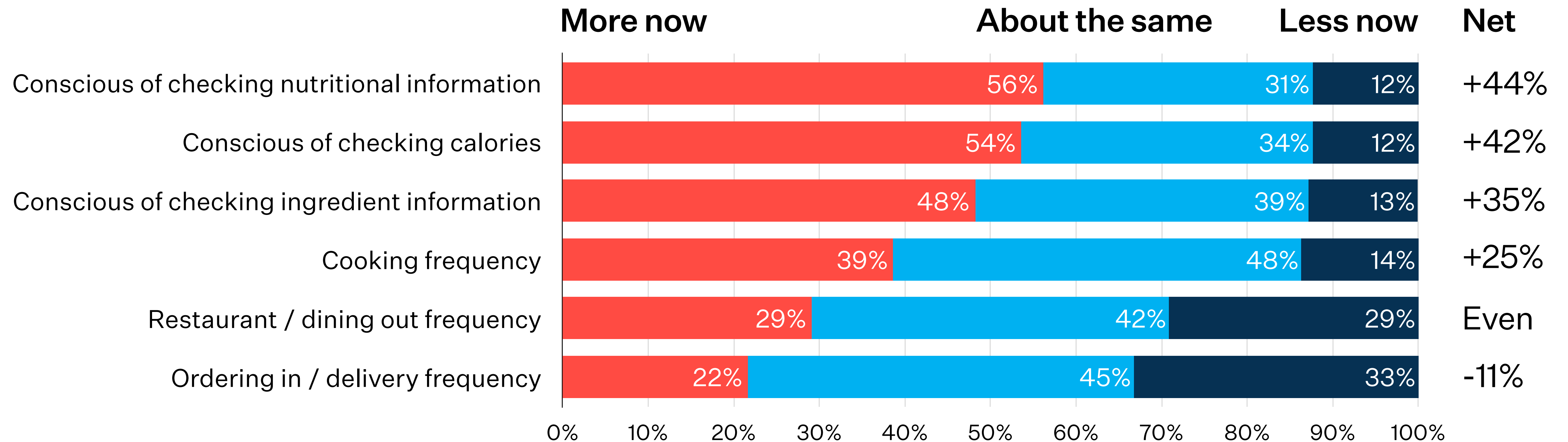
Year-over-year change in buy rate by department



Biggest-losing categories for weight-loss users include beans/grains, deli and prepared foods, and bakery. Meal kits and beverages are less affected.

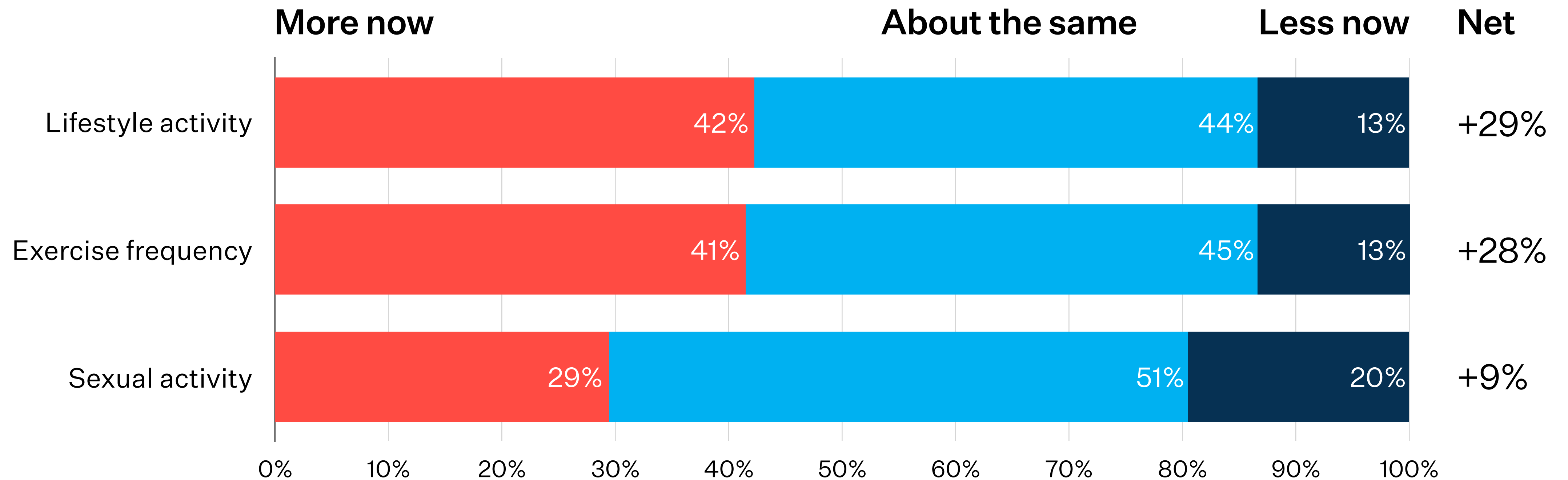
GLP-1 users say they're more conscious with nutrition labels, and ordering in less

Percentage of responses: How has your behavior x changed since starting GLP-1 drugs?



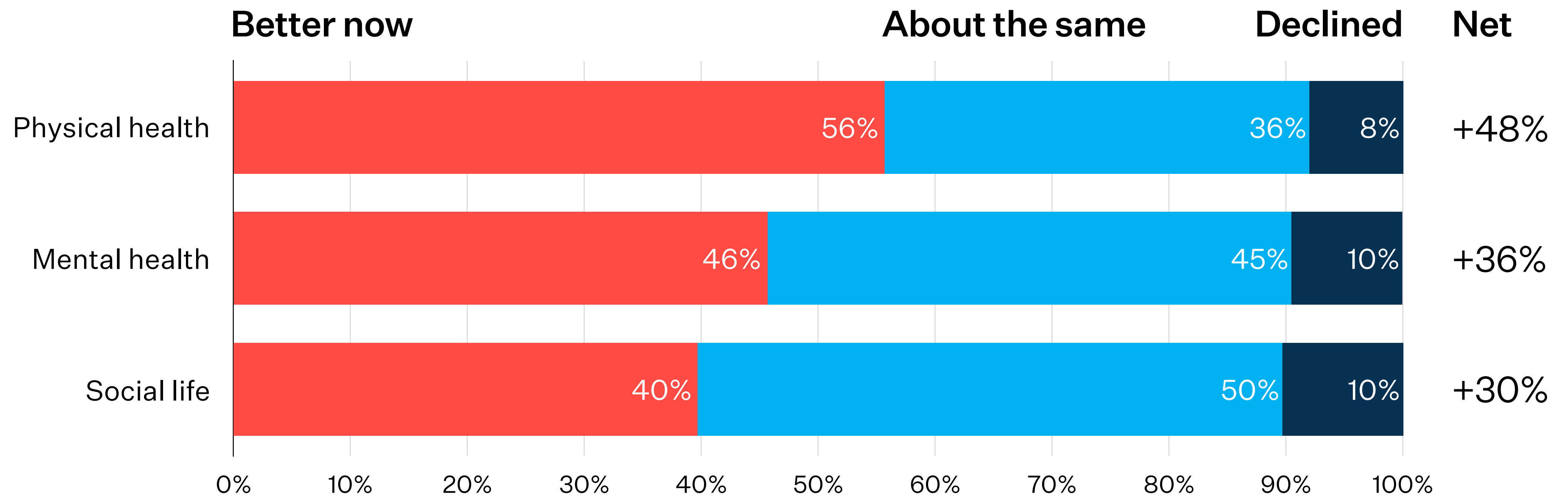
GLP-1 users say they're more active — physically, sexually

Percentage of responses: How has your x changed since starting GLP-1 drugs?



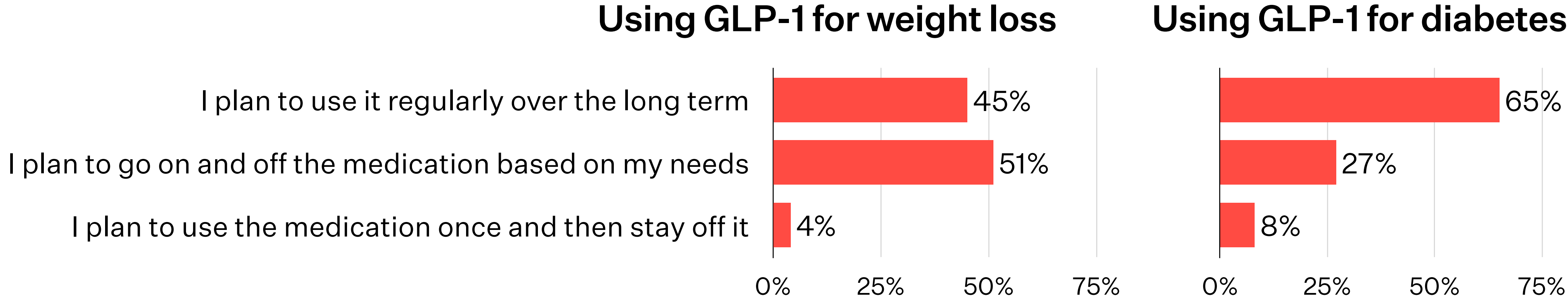
GLP-1 users report better physical and mental health

Percentage of responses: How has your x changed since starting GLP-1 drugs?



Many GLP-1 users plan to stick with it, but churn is significant

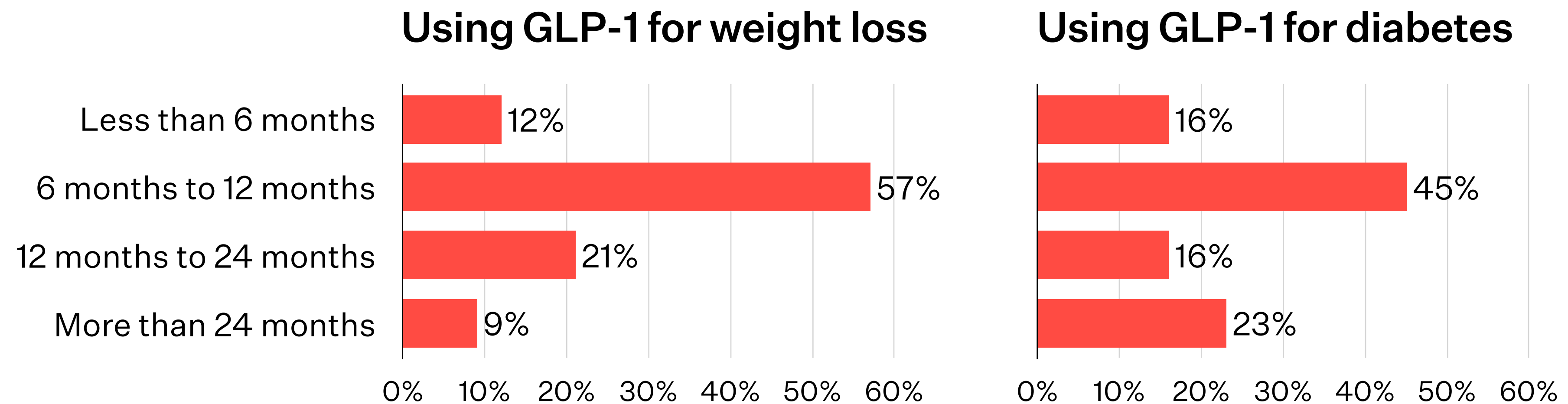
Percentage of responses: How do you plan to use your GLP-1 medication?



No side effects: 72% plan to use regularly, vs. 52% with side effects
Yes side effects: 40% plan to start and stop, vs. 23% with no side effects

GLP-1 users expect to stay on for ~6 months to 2 years

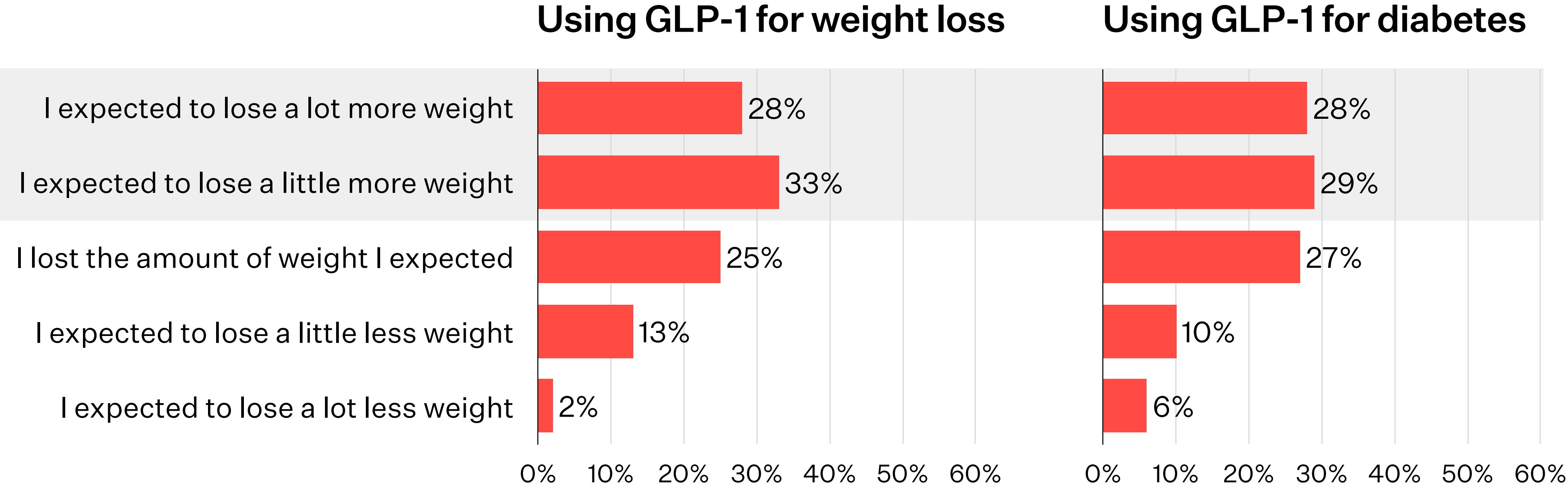
Percentage of responses: How long do you plan to be on your GLP-1 medication, in terms of total time?



\$0 copay: 46% plan to use for more than 24 months, vs. \$100+ copay: 7%

Most GLP-1 users say they've lost weight — and most thought they'd lose more

Percentage of responses: How does your weight loss since using GLP-1 drugs compare to expectations?



Data: Consumer Trends Survey, powered by **toluna*** Among those who reported losing weight since on GLP-1 medication. (n=268)

Many are concerned about diet drugs' long-term effects

46%

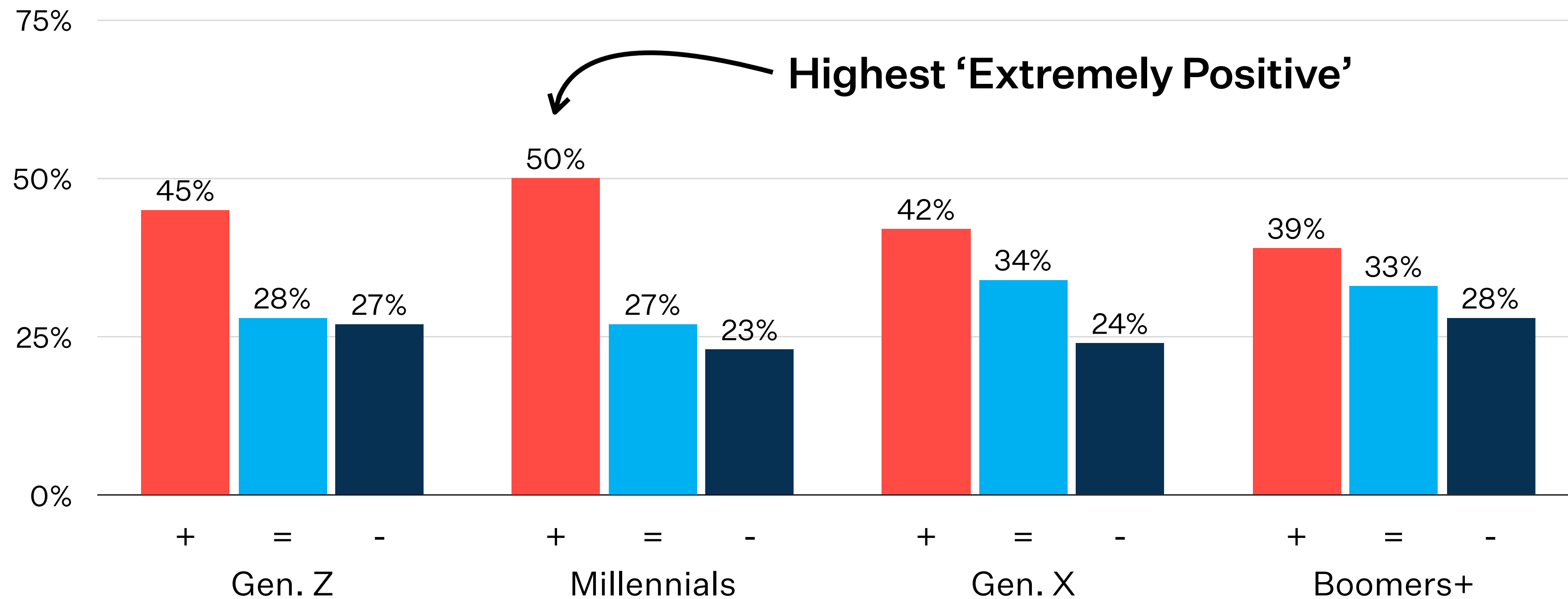
of consumers aware of GLP-1 weight-loss drugs say they are “extremely” or “very” concerned about their long-term health impact.

This is higher among those who say they take GLP-1 drugs (51%), especially those who say they take them for diabetes (60%).

(Another 37% are “somewhat” concerned. Only 17% are not concerned.)

Americans are split on the sort of impact GLP-1 drugs will have on society

Percentage of Positive, No Impact, and Negative responses, by generation



How likely is it that you would recommend a GLP-1 medication to your family, a friend, or a colleague?



A recommendation score for GLP-1s

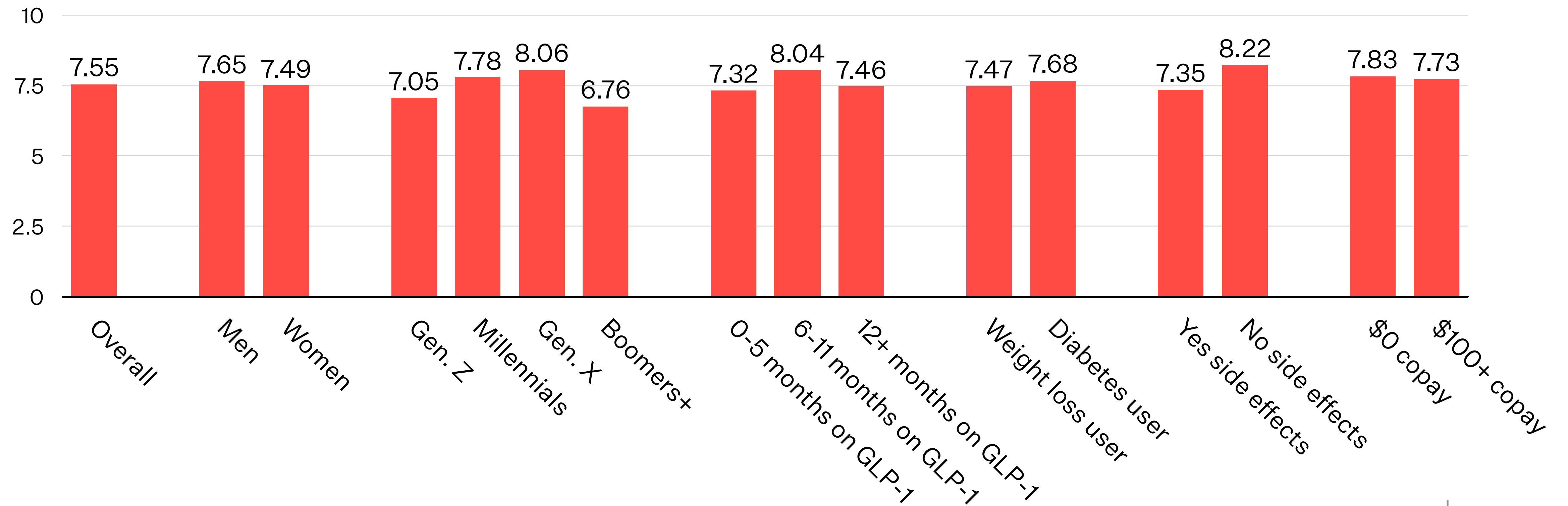
7.55

**Overall average among self-identified
GLP-1 users, November 2023**

(Scale of 0 to 10)

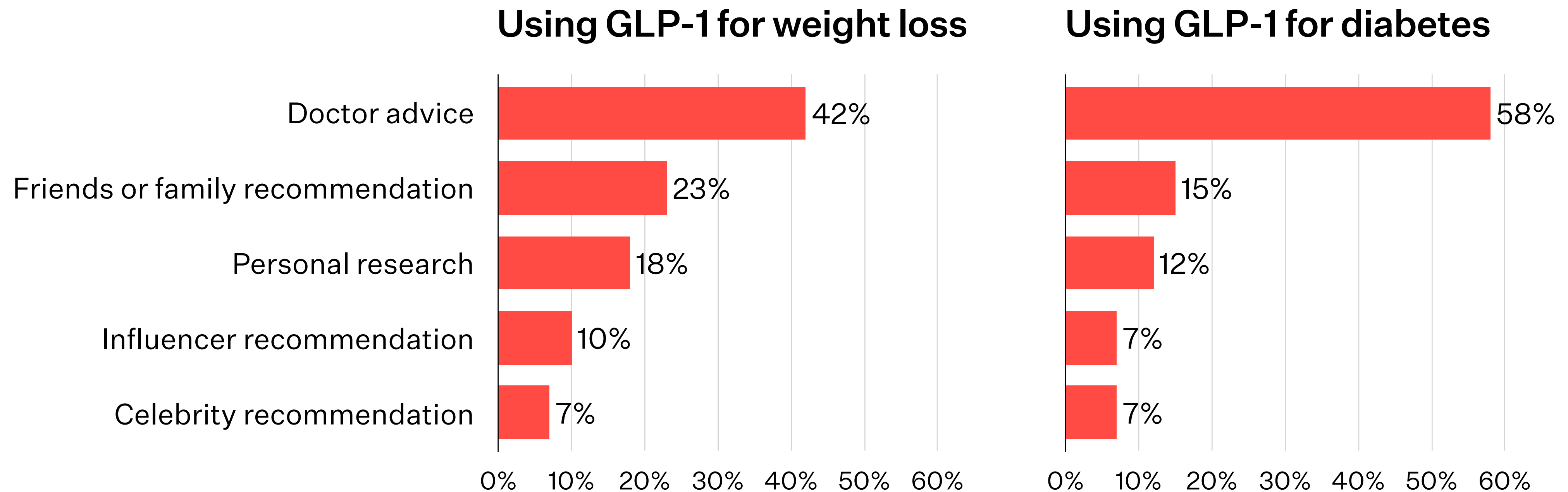
GLP-1 recommendation level varies across patient groups

Among self-identified GLP-1 users, November 2023
(Scale of 0 to 10)



Doctors' (and friends') recommendations are most influential for GLP-1 patients

Percentage of responses: What was the top factor that convinced you to take GLP-1 medication?



A Net Promoter Score for GLP-1s

How likely is it that you would recommend a GLP-1 medication to your family, a friend, or a colleague?

$$\left(\begin{array}{c} \boxed{9} + \boxed{10} \end{array} \right) - \left(\begin{array}{c} \boxed{0} + \boxed{1} + \boxed{2} + \boxed{3} + \boxed{4} + \boxed{5} + \boxed{6} \end{array} \right)$$

Promoters % Detractors %

A Net Promoter Score for GLP-1s

11

Overall among self-identified GLP-1 users, November 2023

(Scale of -100 to 100)

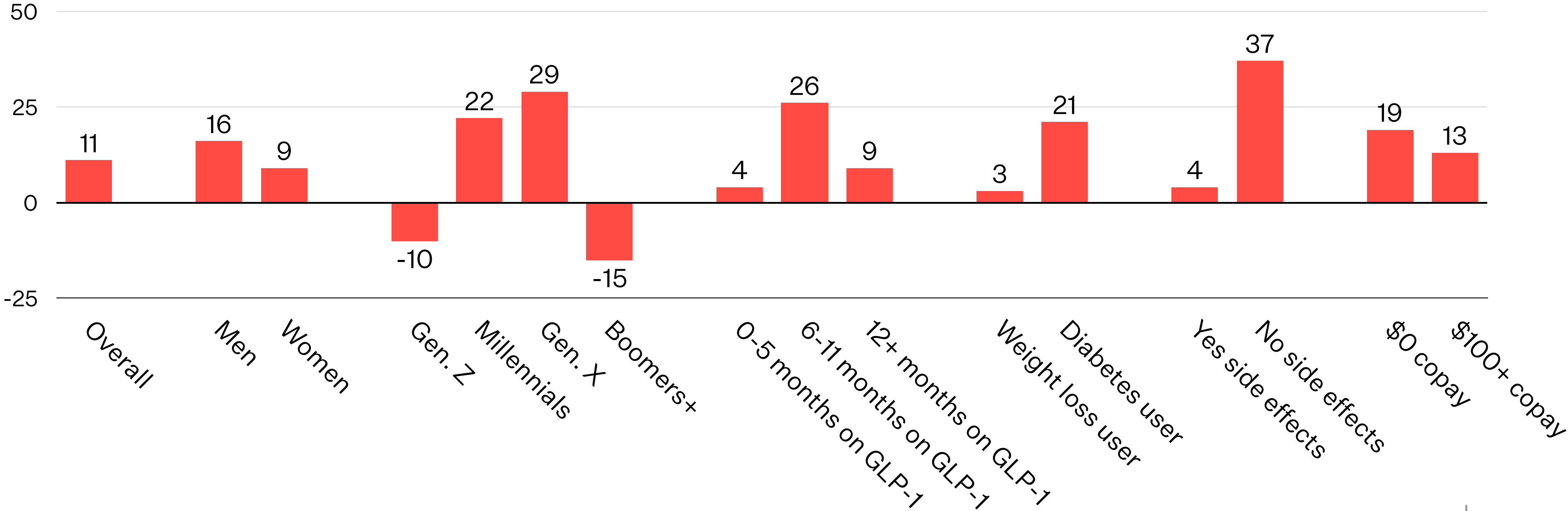
It's hard to compare NPS apples-to-apples between different companies, products, and services. Generally anything positive is considered good; over 50 is great.

For some context, average NPS for internet service is 6, rideshare and food delivery is 20, health insurance is 30, and smartphones is 56, according to Nice Systems.

GLP-1 NPS varies across patient groups

Among self-identified GLP-1 users, November 2023

(Scale of -100 to 100)



2024 is the year of weight loss:

- These are powerful, effective, life-changing — potentially life-saving — drugs that can benefit more than 100 million Americans
- GLP-1 users say that they're happier, healthier, more conscious consumers
- We think this will have the biggest consumer impact for 2024

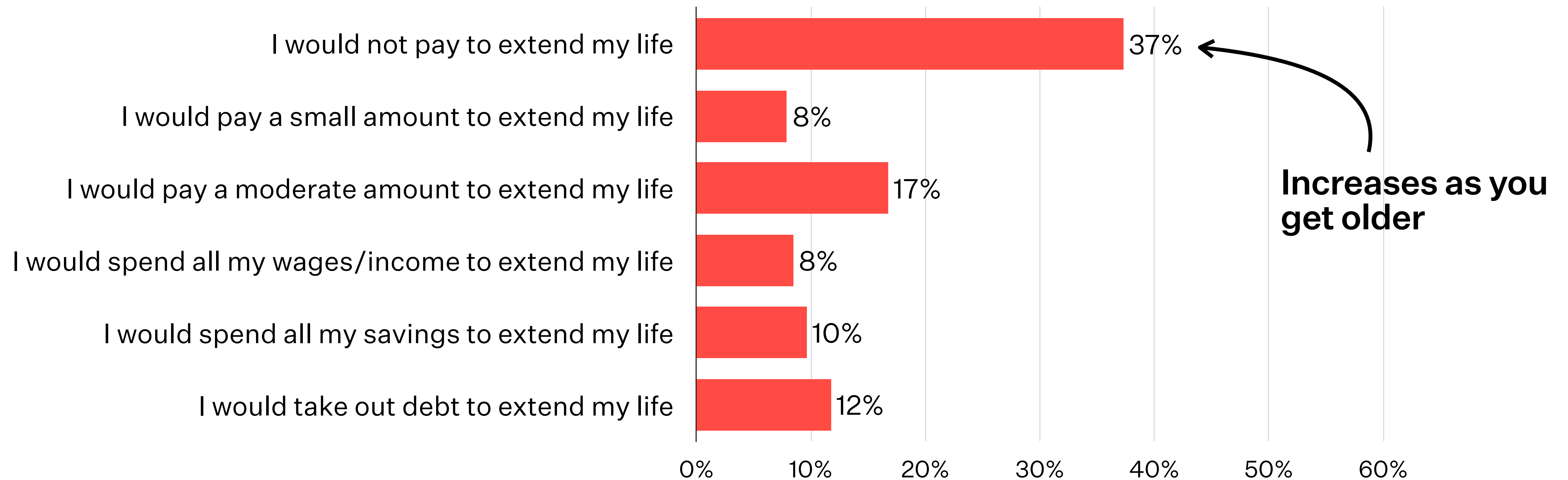
3

33% of US consumers, given the choice, say they'd like to live forever.

(The rest, on average, say 103.)

Most people would not spend a lot of money to live longer

Percentage of responses: How much would you pay to extend your life?



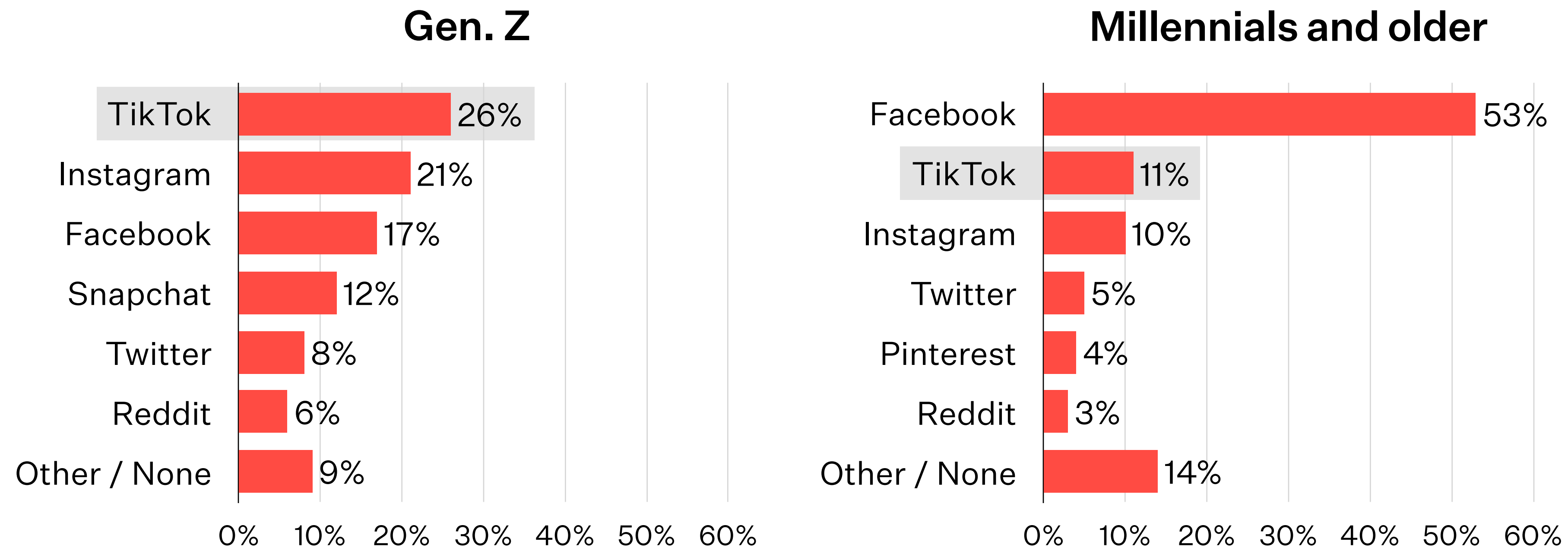
4

TikTok Shop is an ambitious attempt at creating a huge, new e-commerce marketplace, with built-in traffic.

It's early, but there's something there.

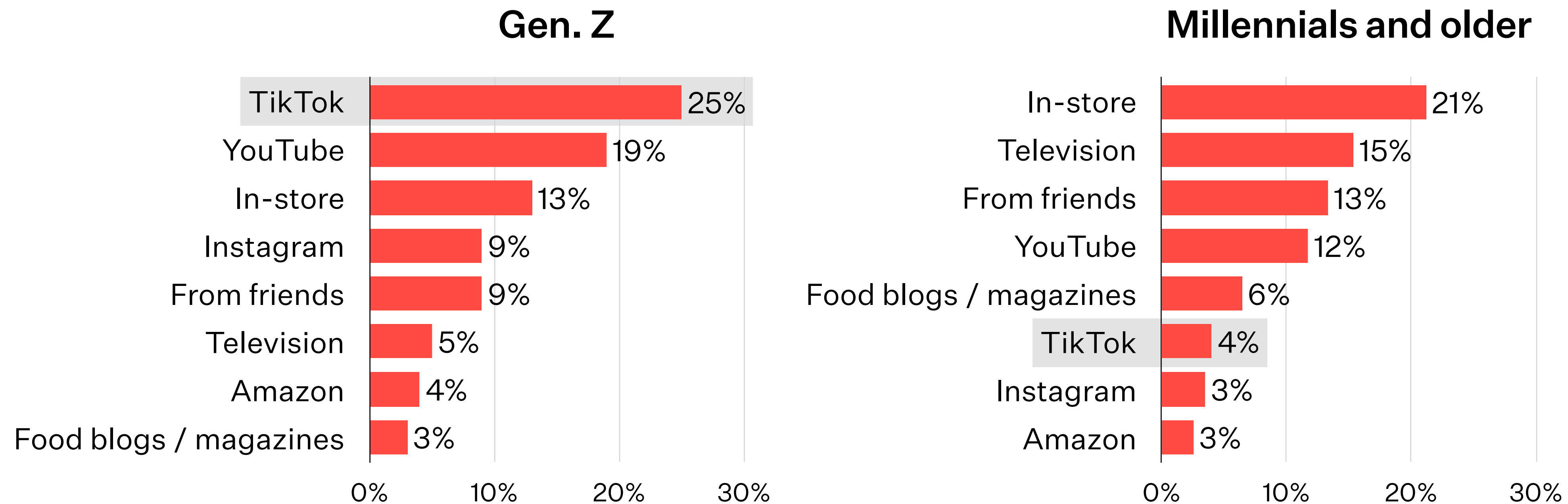
From the archives: Gen. Z wouldn't want to live without TikTok

Percentage of responses by generation: If you were trapped on a deserted island and could choose to access only one social media network for entertainment purposes, which would it be?



From the archives: TikTok is also where young consumers discover new brands

Percentage of responses by generation: Where do you primarily discover new food and beverage brands?



TikTok Shop: Native shopping on TikTok

- Launched in September 2023 after months of testing, featuring thousands of products for sale
- TikTok creators can publish videos featuring products and earn commissions
- Supports live shopping, which has not yet become the 'next big thing' in US e-commerce
- Sellers range from no-name drop-shippers to big brands like Estée Lauder, Anker, and Magic Spoon

Most active US TikTok users say they'd buy something from TikTok Shop

Awareness:

64%

Willingness:

69%

Conversion:

28%

of consumers who say they **use TikTok once a month or more** say they are **aware of TikTok Shop**
(Among those who are aware of TikTok but don't use it, only 7% say they're aware of TikTok Shop.)

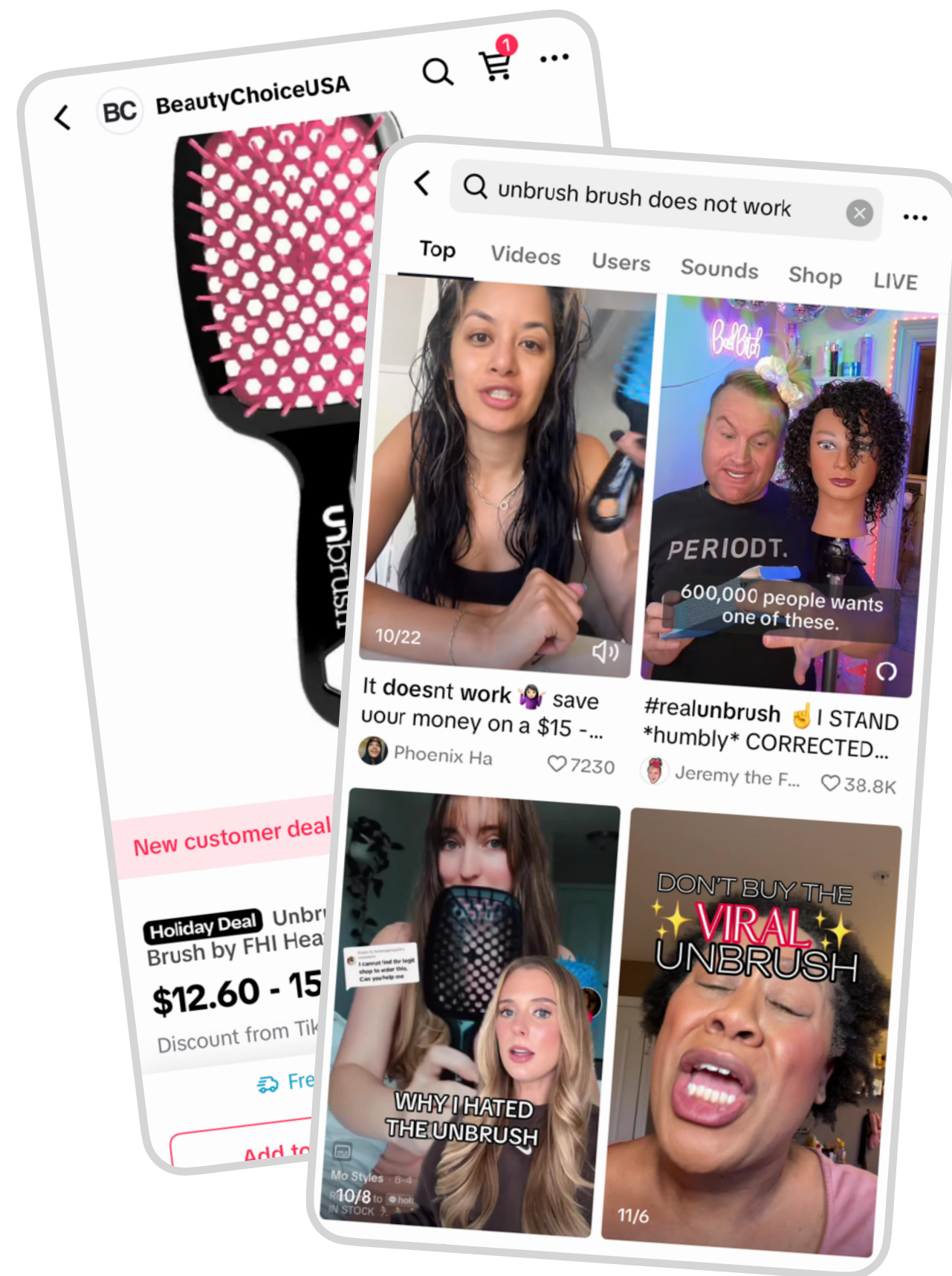
of consumers who say they **use TikTok once a month or more** say they are **willing to buy something from TikTok**
(Among those who are aware of TikTok but don't use it, only 10% say they're willing to buy from TikTok.)

of consumers who say they **are aware of TikTok Shop** say they **have already made a purchase**
(It's 32% for women and 21% for men.)

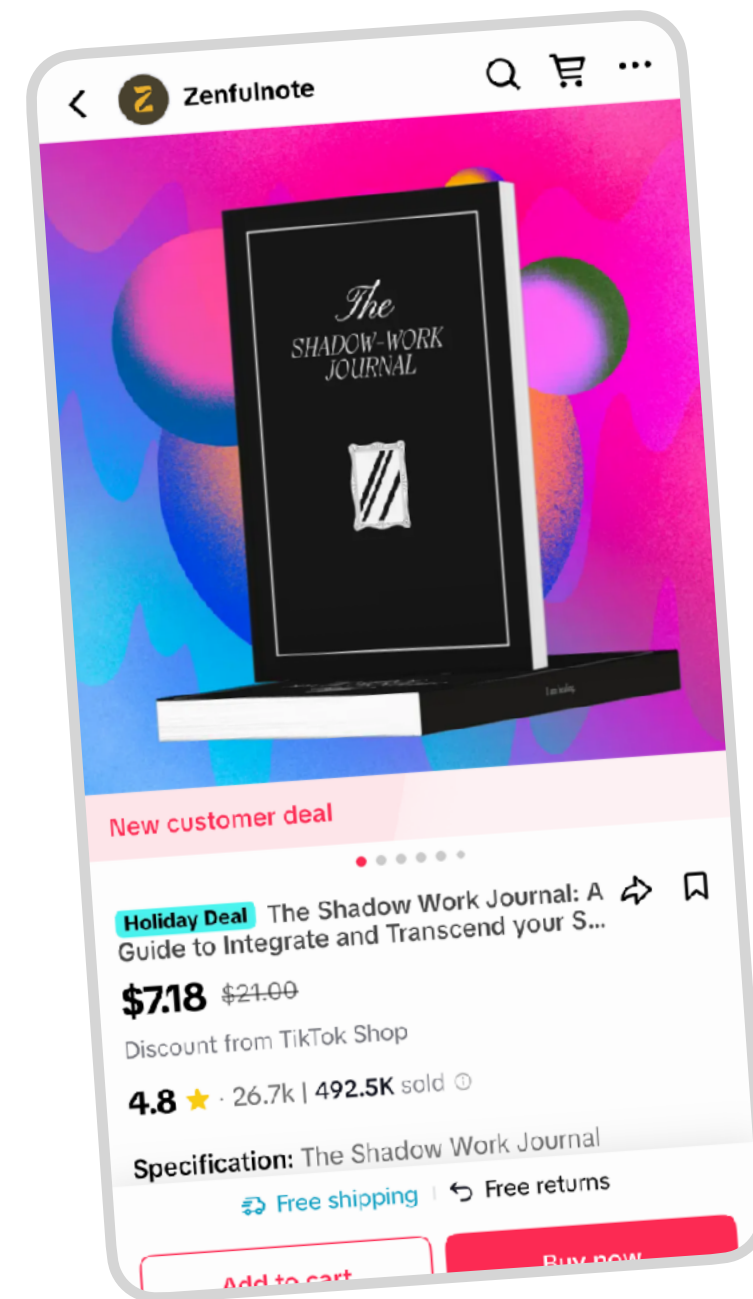
We watched 200 TikTok Shop videos:

- Top products include jumpsuits, eyelashes, hair brushes, device chargers, bags, and a curling iron
- The viral “Unbrush” detangling hair brush (\$12.60 — or more, or less, depending on the seller) has sold more than 670,000 units on TikTok Shop
- ~80% are from non-vendor accounts
- ~2/3 were posted by women
- ~20% are unboxing videos; most are demos

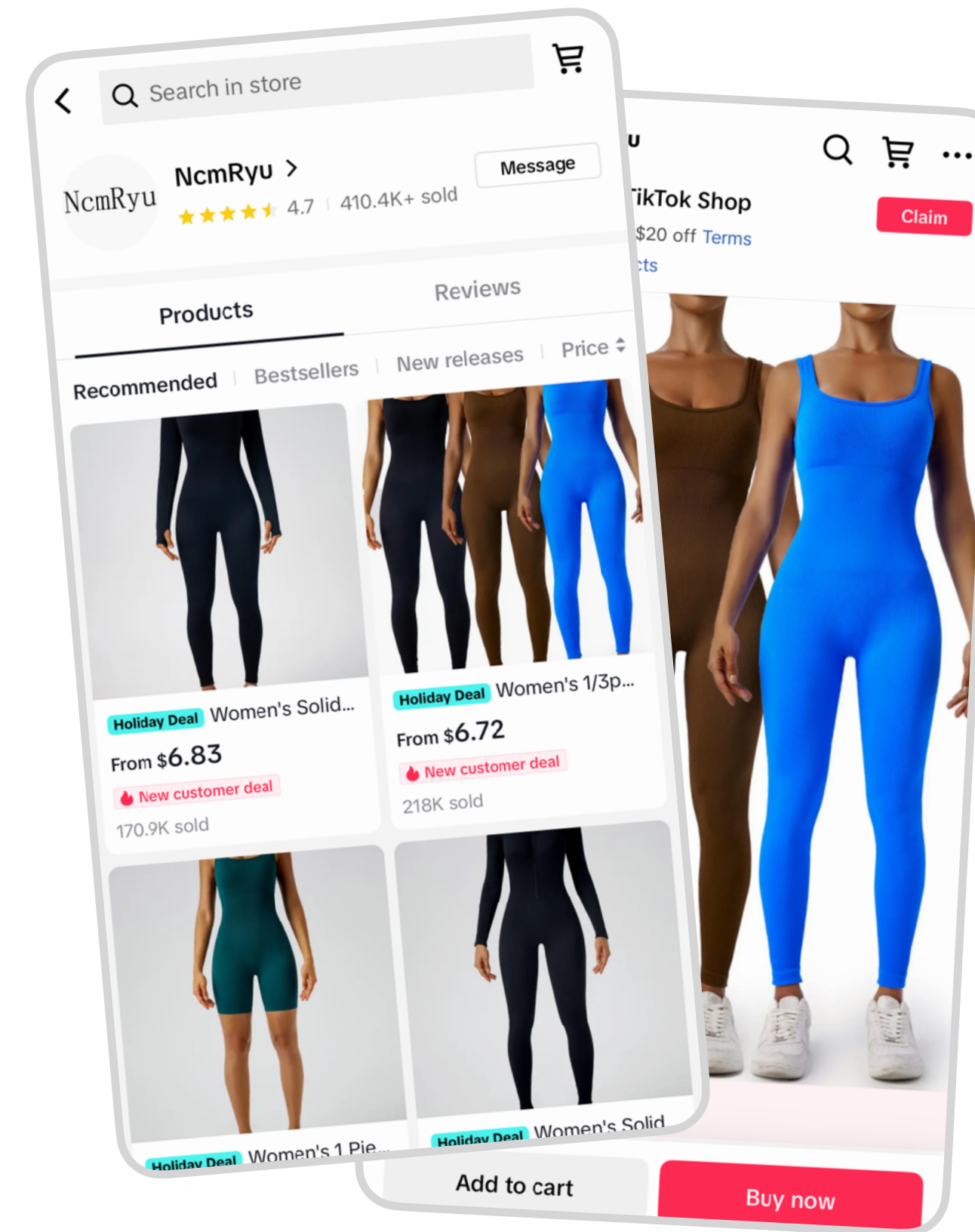
Popular products on TikTok Shop



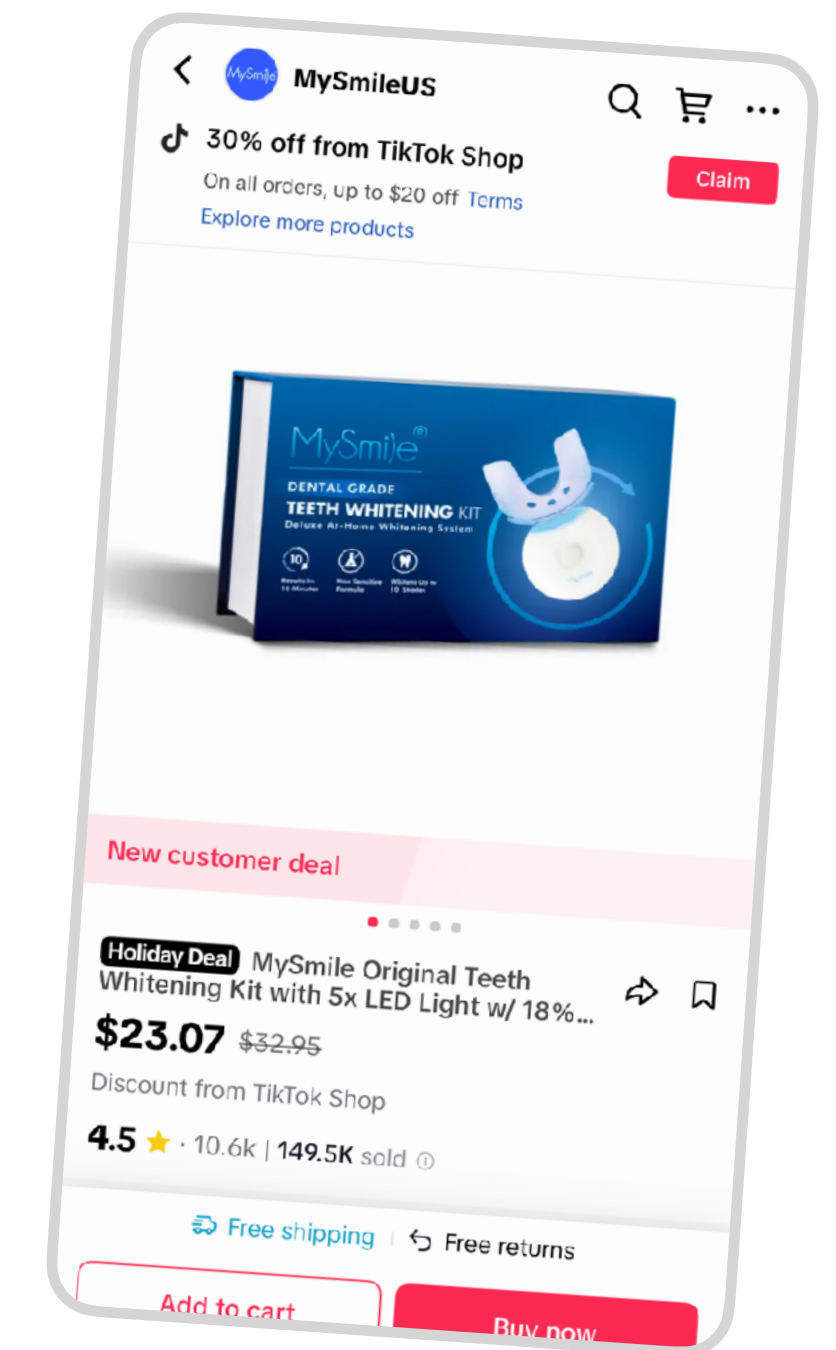
Unbrush hair brush
670,000+ sold



The Shadow Work Journal
490,000+ sold



NcmRyu shapewear
410,000+ sold

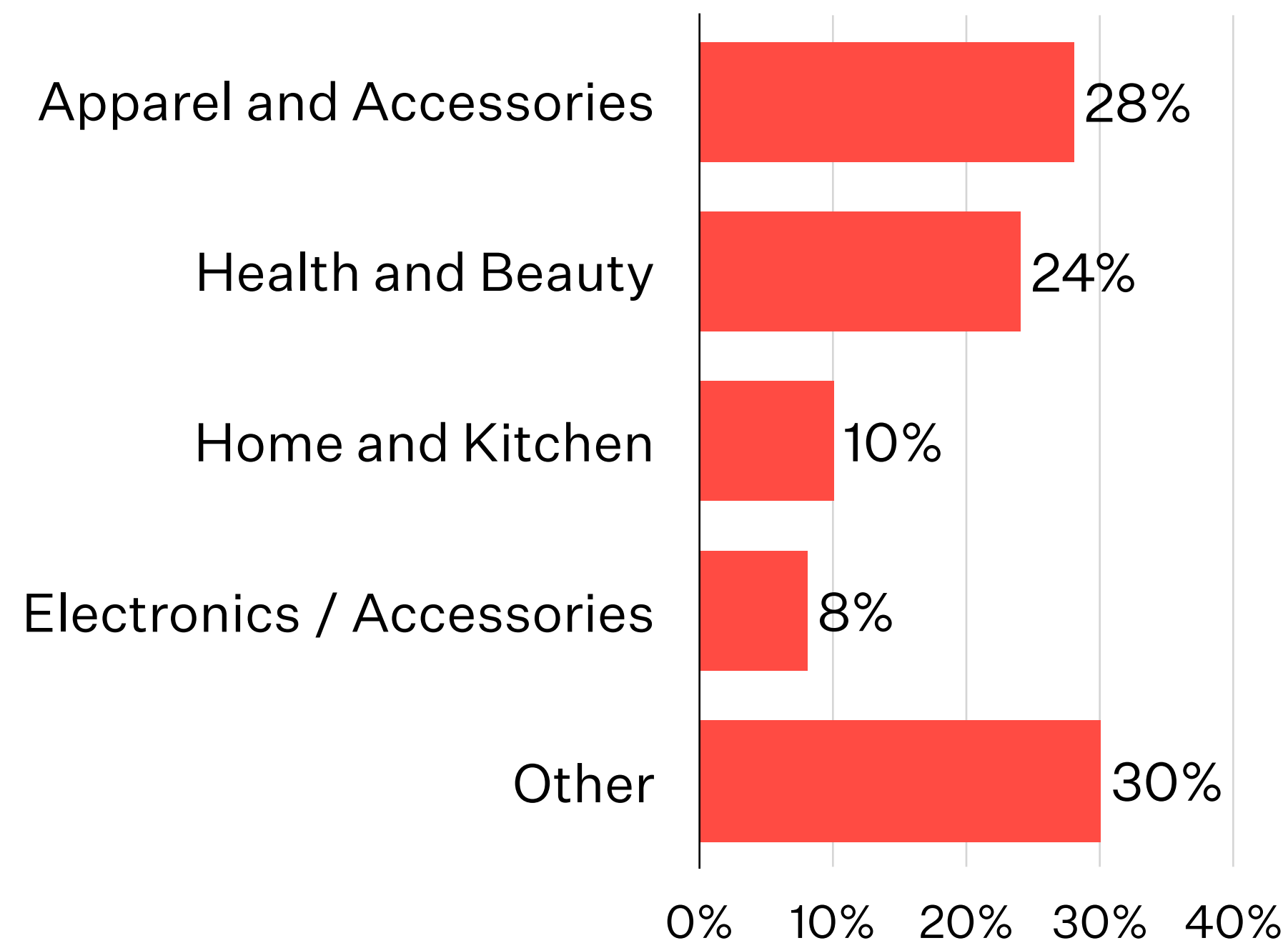


MySmile whitening kit
150,000 sold

What are people buying on TikTok?

Jeans, sweatshirts, haircare, skincare

Percentage of US TikTok Shop spending by category, as estimated by NielsenIQ, Jan-Oct. 2023



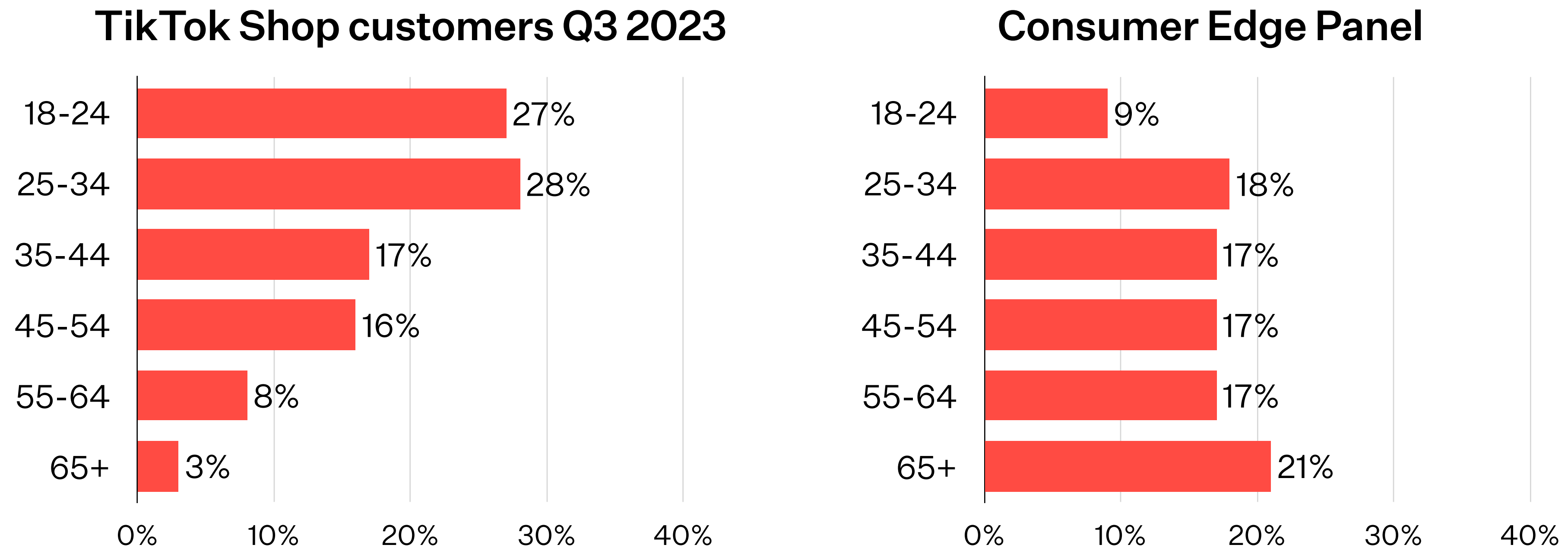
1.3 items at ~\$30

per order, on average, according to NielsenIQ, based on aggregated receipt data for September and October purchases.

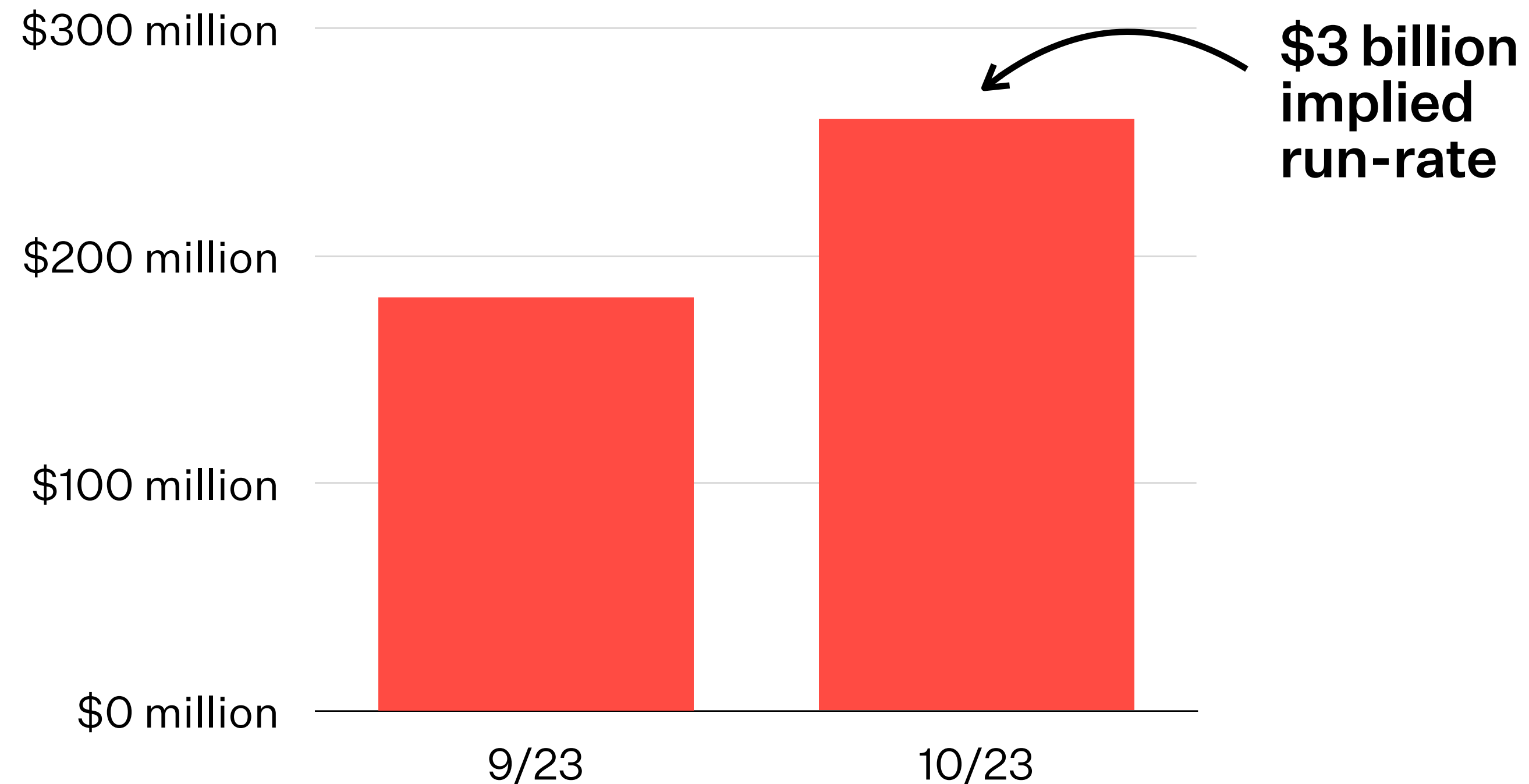
(Buyers, on average, placed 1.5 orders, spending ~\$45.)

55% of TikTok Shop customers are under age 35

Percentage of US TikTok Shop customers — and Consumer Edge card spending panel — by age range



How big is TikTok Shop already?

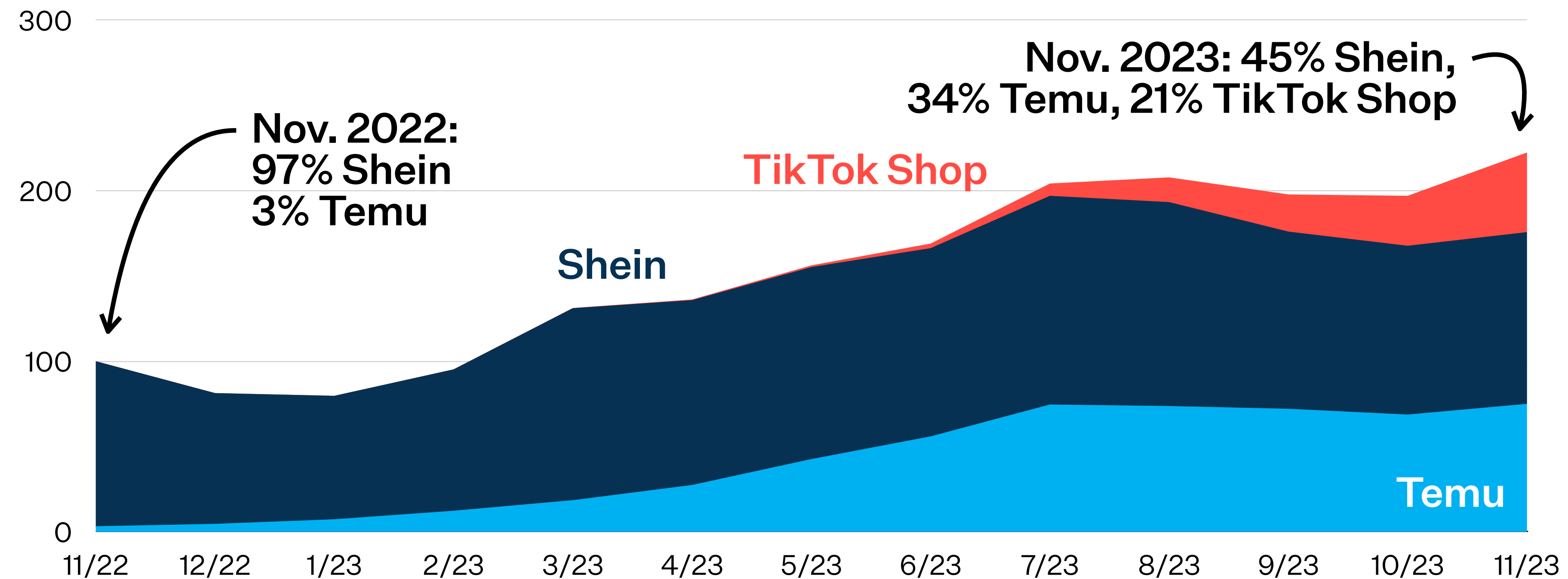


\$260 million Gross Merchandise Volume in October 2023, according to YipitData estimates for US shoppers, up 43% from September (when TikTok Shop officially launched).

(+ **\$944 million** estimated October GMV in Southeast Asia.)

Shein shoppers are already spending a significant portion on TikTok Shop

Indexed monthly spending on Shein, Temu, and TikTok Shop, among US Shein customers — Earnest Analytics



Almost all TikTok Shop early adopters say they'd make another purchase

Satisfaction:

93%

of consumers who say they have made a purchase from TikTok Shop say they were satisfied with the TikTok Shop experience

Retention:

92%

of consumers who say they have made a purchase from TikTok Shop say they would make another purchase in the future

Integration:

90%

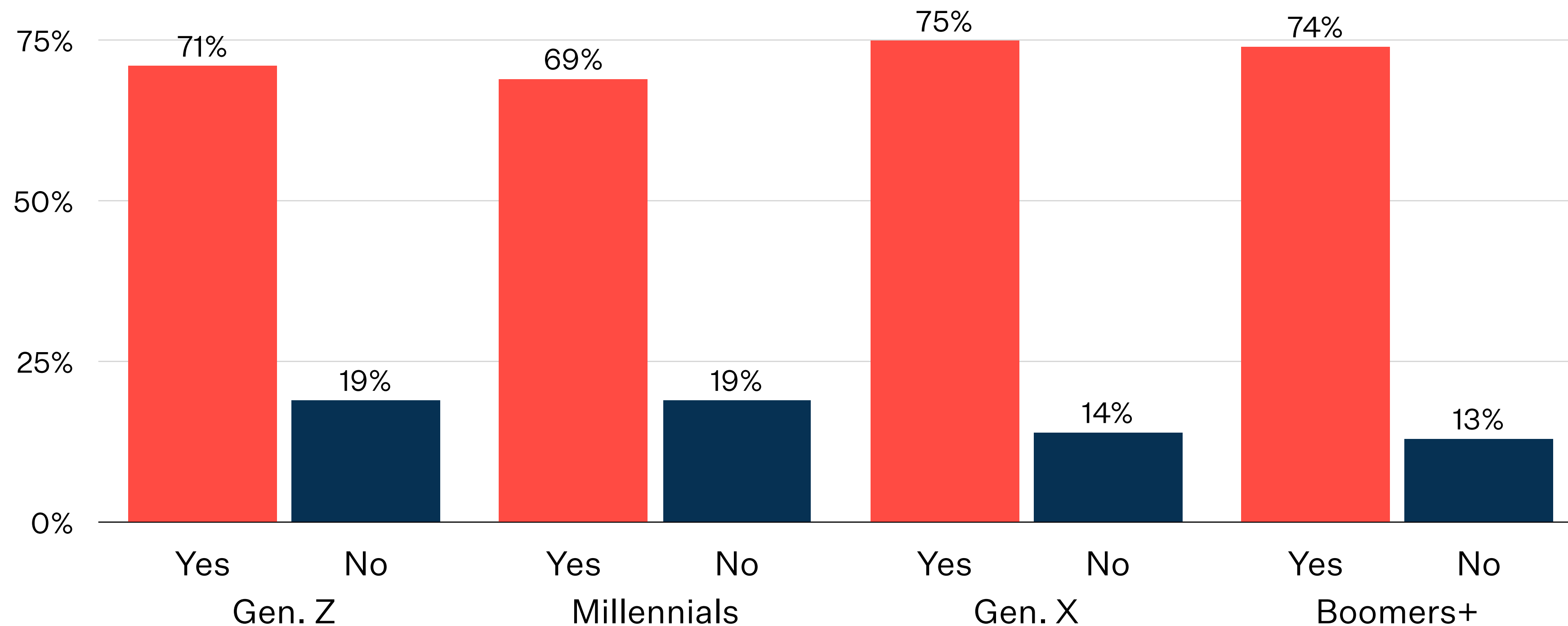
of consumers who say they have made a purchase from TikTok Shop say it felt like a natural extension of the TikTok experience

5

What consumers say isn't necessarily what they do, especially when it comes to sustainability.

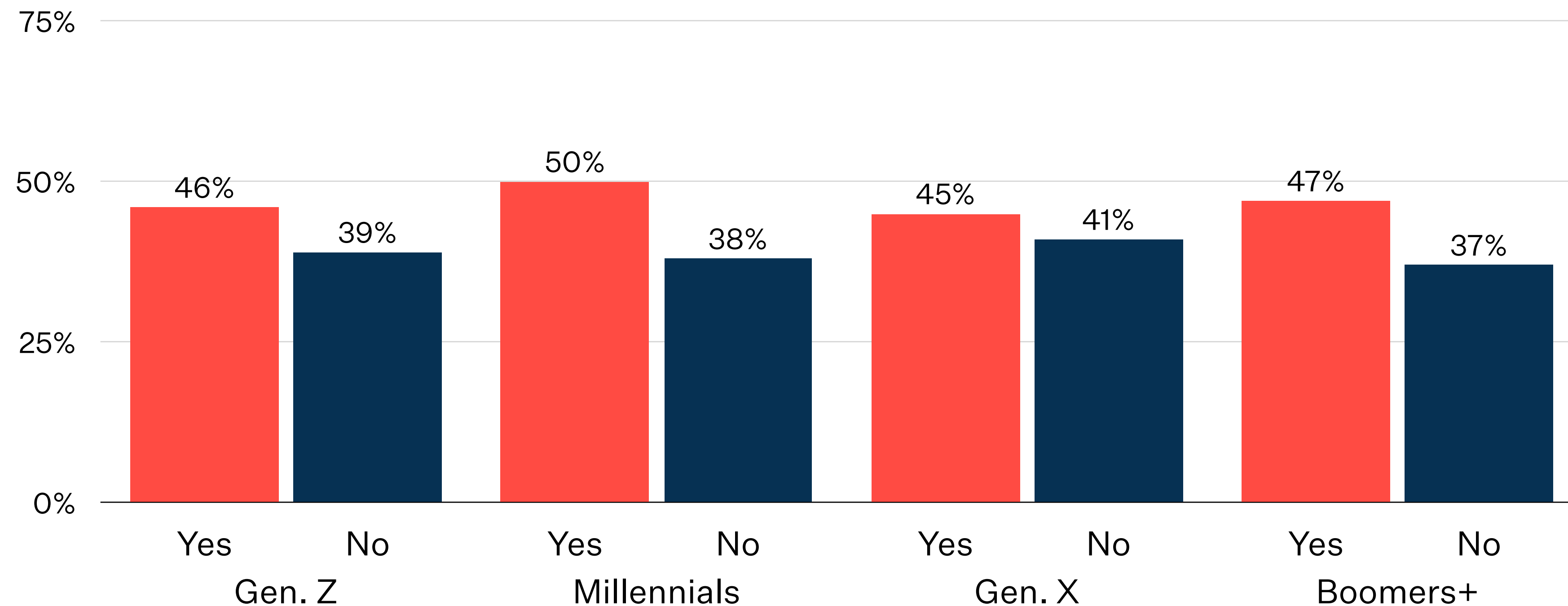
Most consumers believe individuals can make a difference for the environment

Percentage of responses: Do you believe individuals (vs. corporations or governments) can make a difference for the future of the environment?



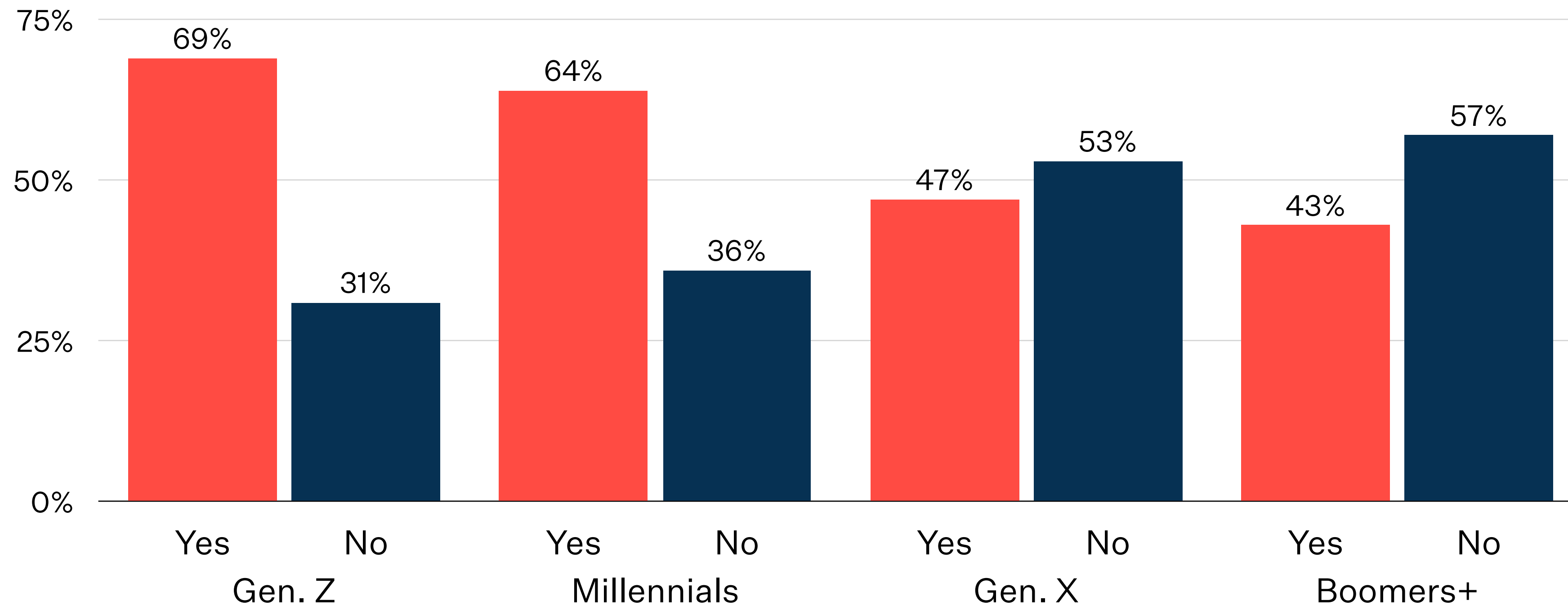
~Half of Americans consider caring for the environment as a big part of their identity

Percentage of responses: Do you consider caring for the environment to be a big part of your personal identity?



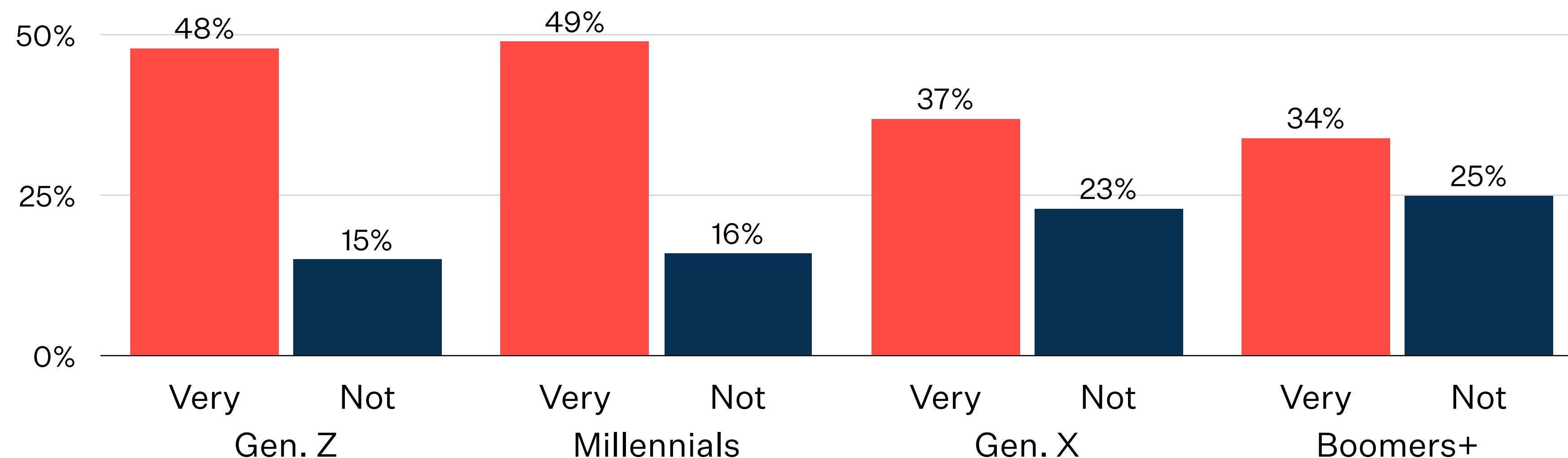
Most Gen. Z and Millennial consumers say they'd spend more for sustainable goods

Percentage of responses: Are you willing to pay more for environmentally sustainable goods?



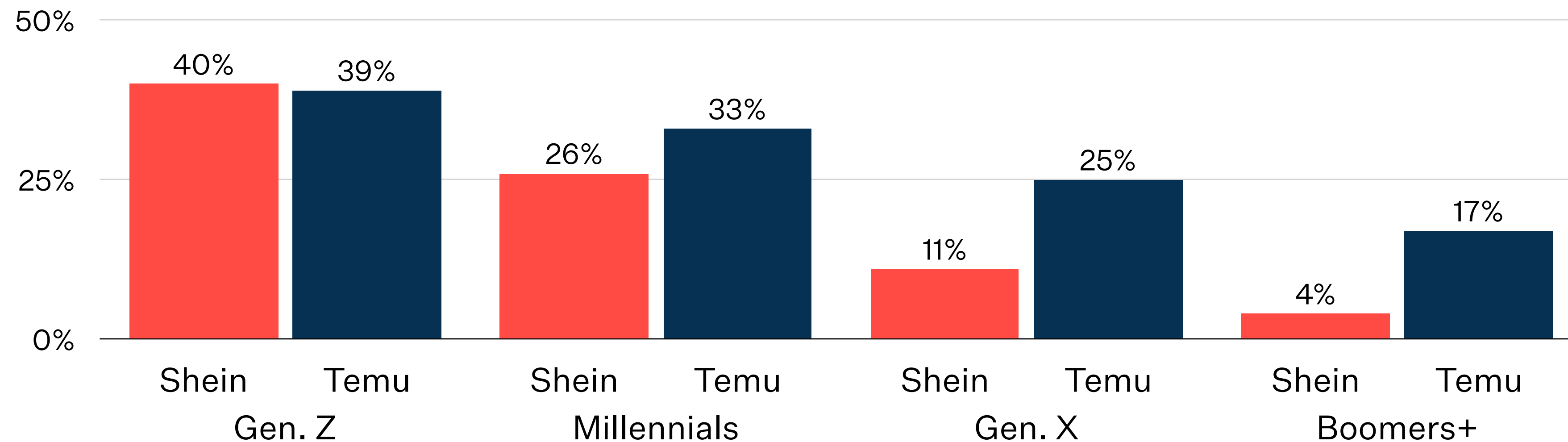
Younger consumers say it's important to purchase from brands that align with their values

Percentage of 'extremely' and 'very' important and 'not very' and 'not at all' important responses: How important is it to purchase from brands that align with your values?



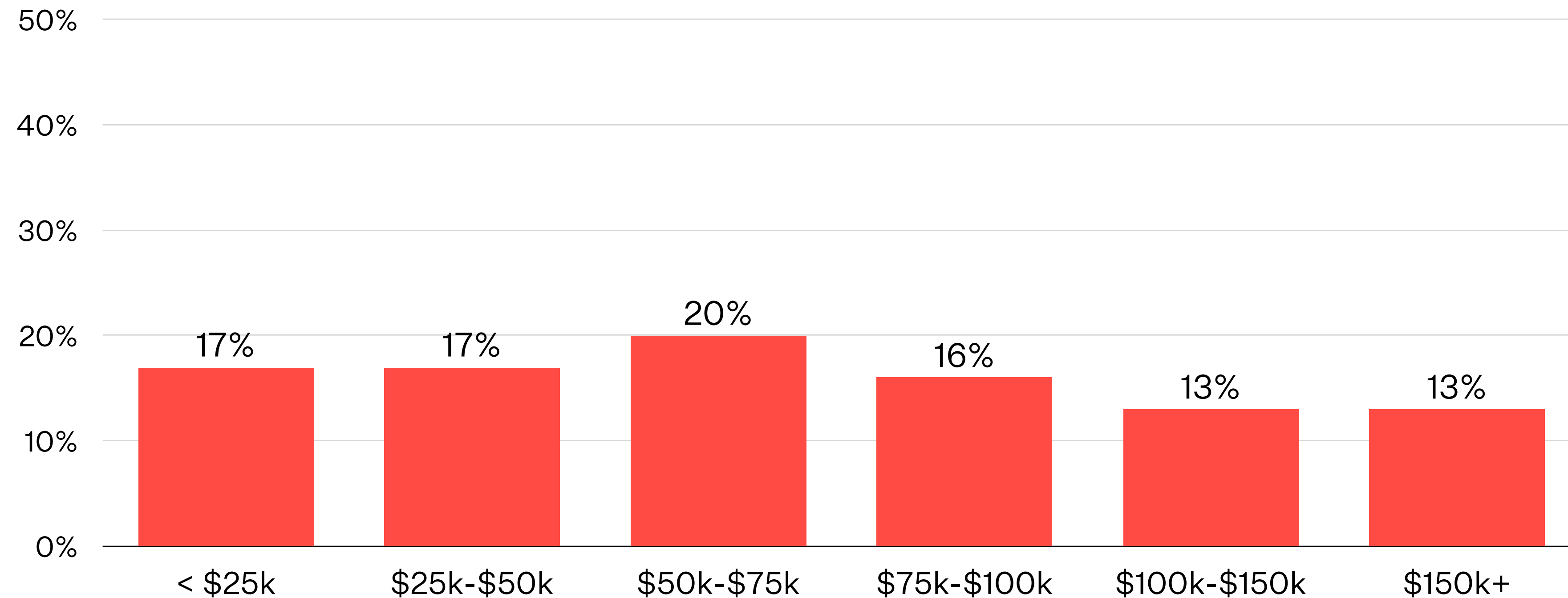
Yet ~40% of Gen. Z consumers say they've purchased from Shein and Temu over the past year

Percentage of responses: Which of the following stores have you made purchases from in the past 12 months?



Shein, known for fast, cheap — almost disposable — fashion, appeals broadly

Percentage of 'Shein' responses: Which of the following stores have you made purchases from in the past 12 months?



More Shein shoppers make sustainability claims than the average consumer

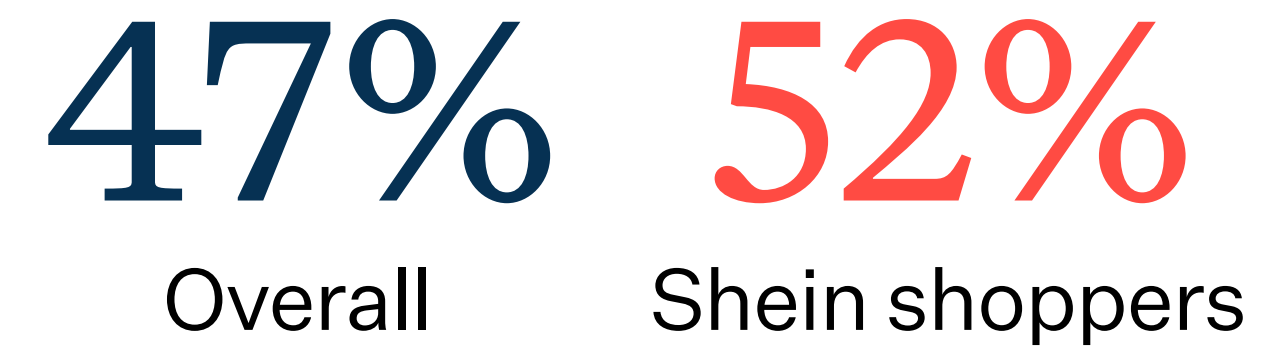
Are you willing to pay more for environmentally sustainable goods?

“Yes”



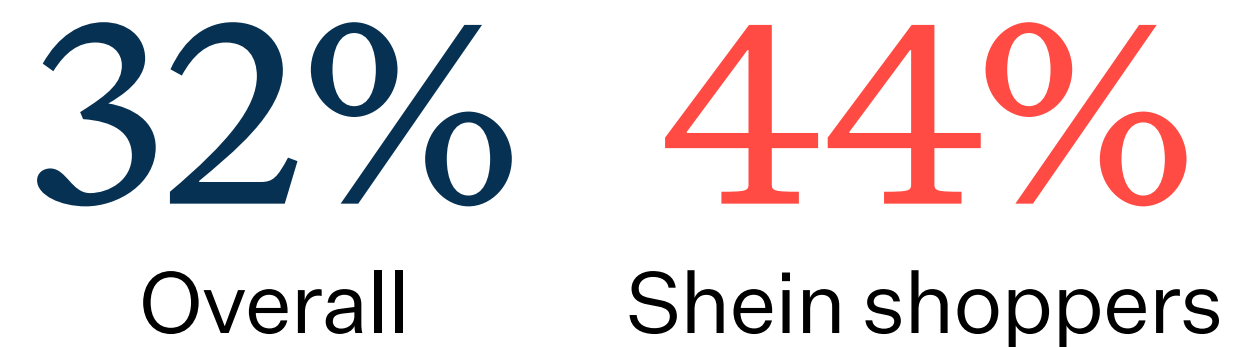
Do you consider caring for the environment to be a big part of your personal identity?

“Yes”



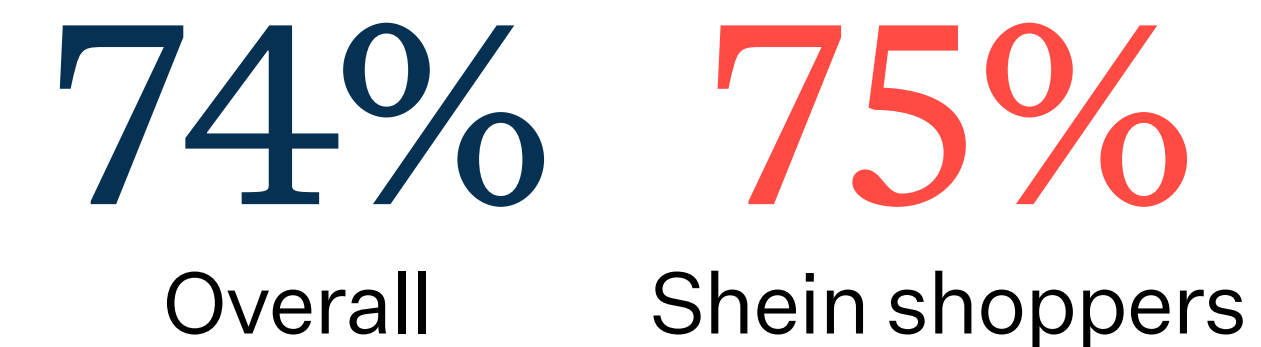
How often do you consider the environmental impact of a specific purchase?

“Always” or “Most of the time”



Do you believe individuals have a responsibility to live in a way that’s friendly to the environment?

“Yes”



Who shops at Shein?

Percentage of each brand's Gen. Z shoppers who also shopped at Shein over the past year:



Consumers say they want to
live in a way that's good for
the environment.

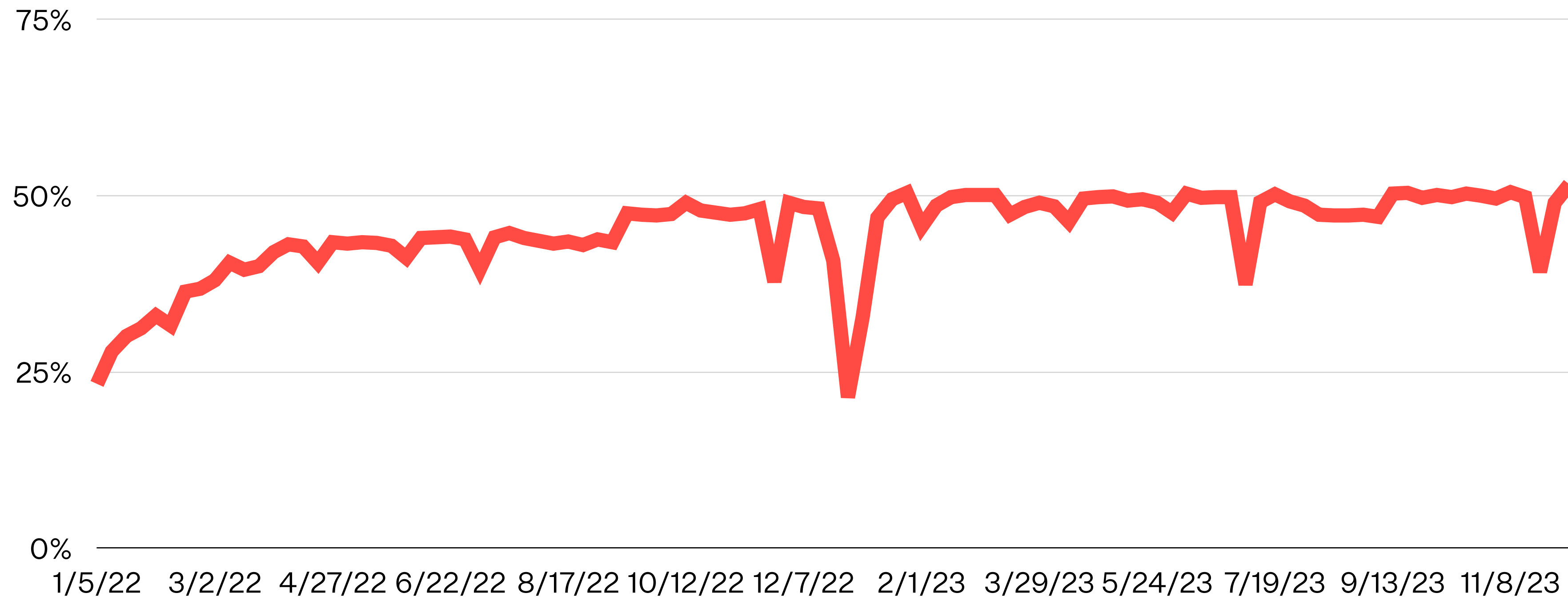
But what many also want is
a lot of fun, cheap stuff.

6

Work has changed.

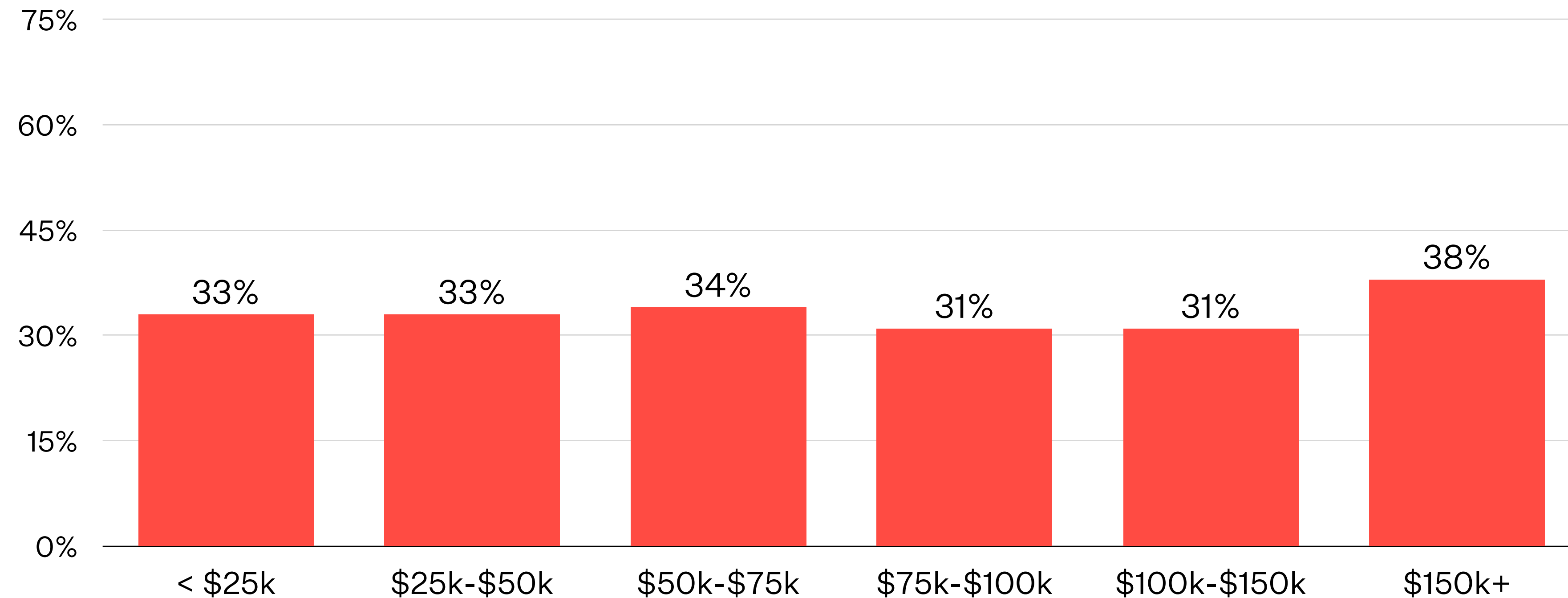
The 'return to work' seems stalled around 50%

Office occupancy in 10 major US cities, weekly average



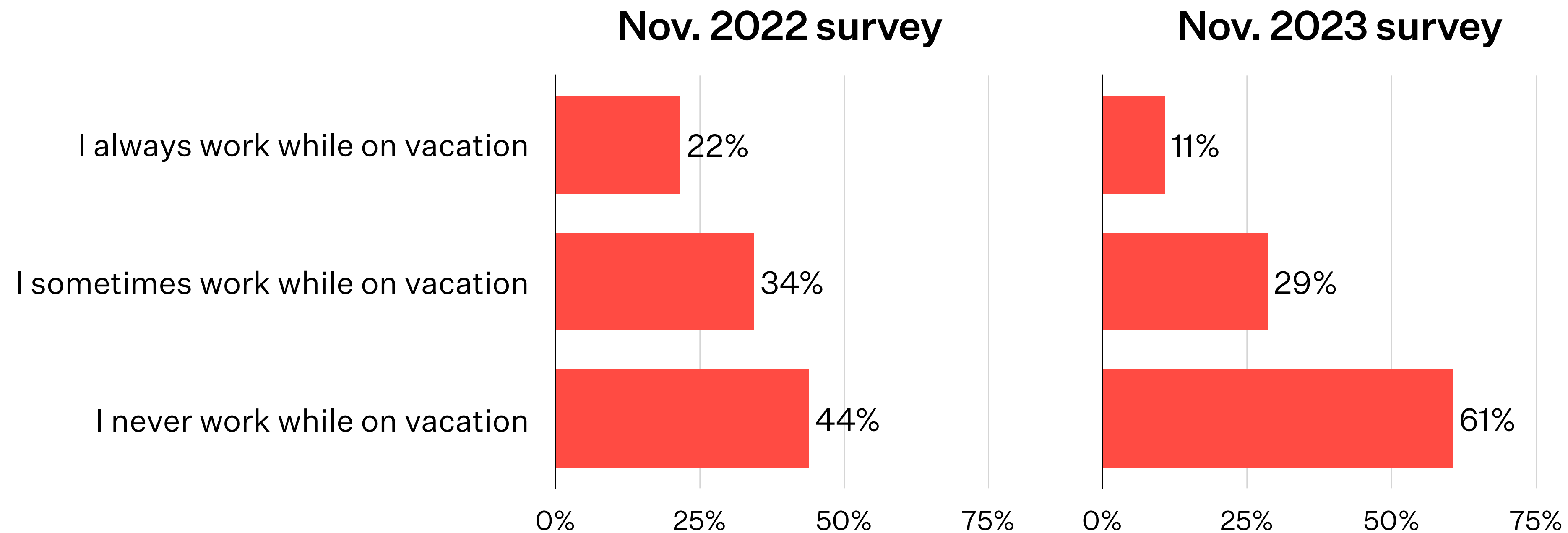
Around a third of consumers say their identity is strongly tied to their work

Percentage of 'All' or 'Most' responses among part- and full-time workers: How much of your identity is tied to your work?



The COVID 'workation' is (thankfully) fading from memory

Percentage of responses among part- and full-time workers:
When you go on vacation, how often do you need to work?

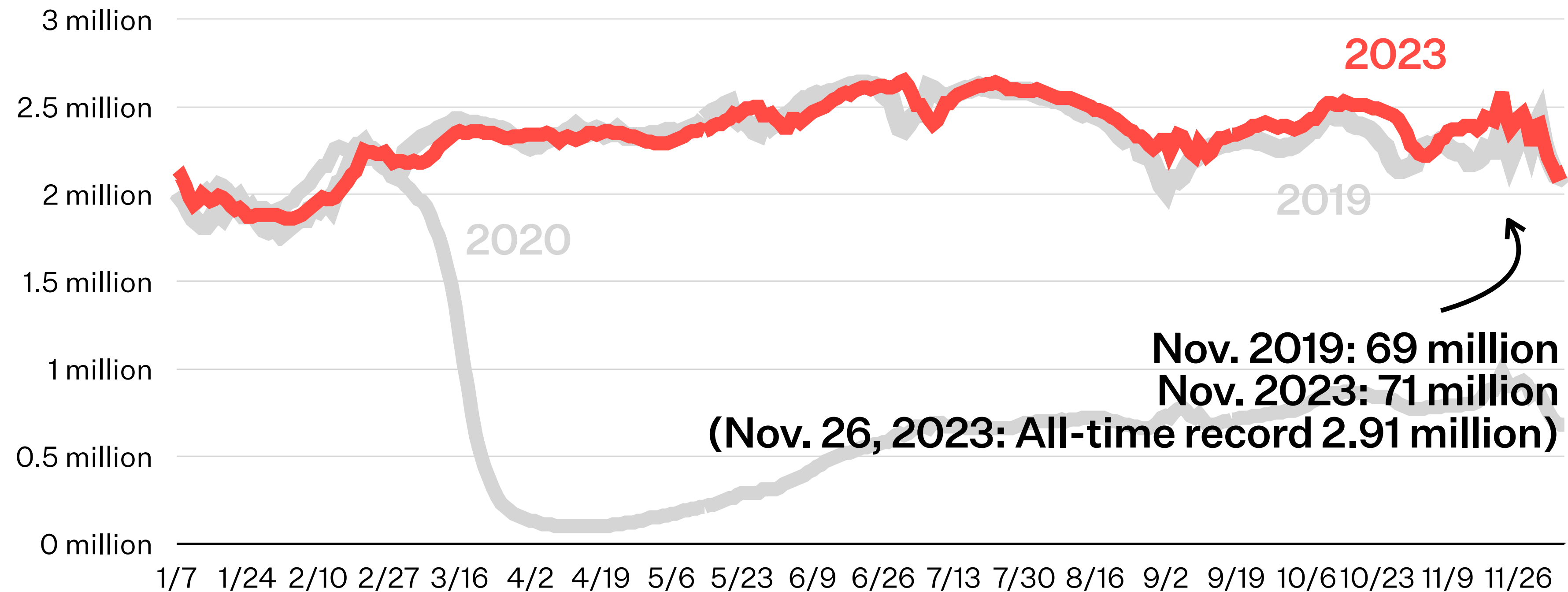


7

The Roaring 20s
are here at last!

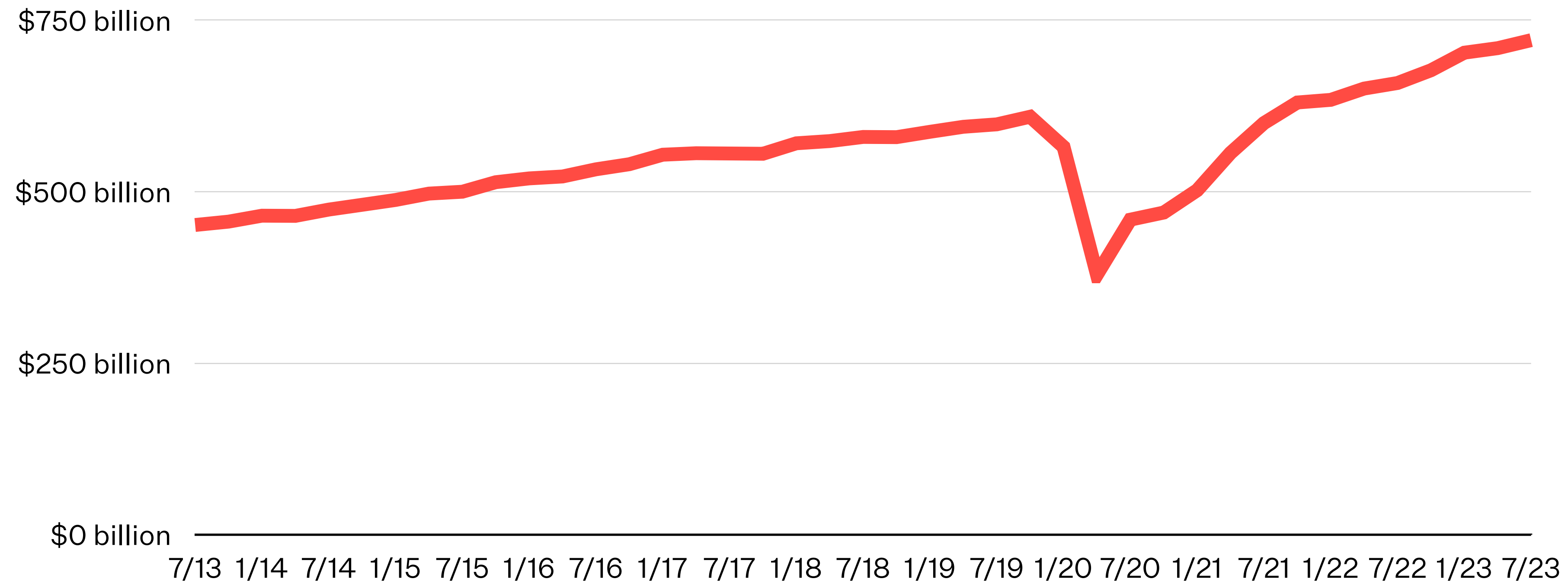
Air travel in 2023 surpassed pre-pandemic levels for the first time

Millions of passengers processed by US TSA checkpoints, same weekday, 7-day average



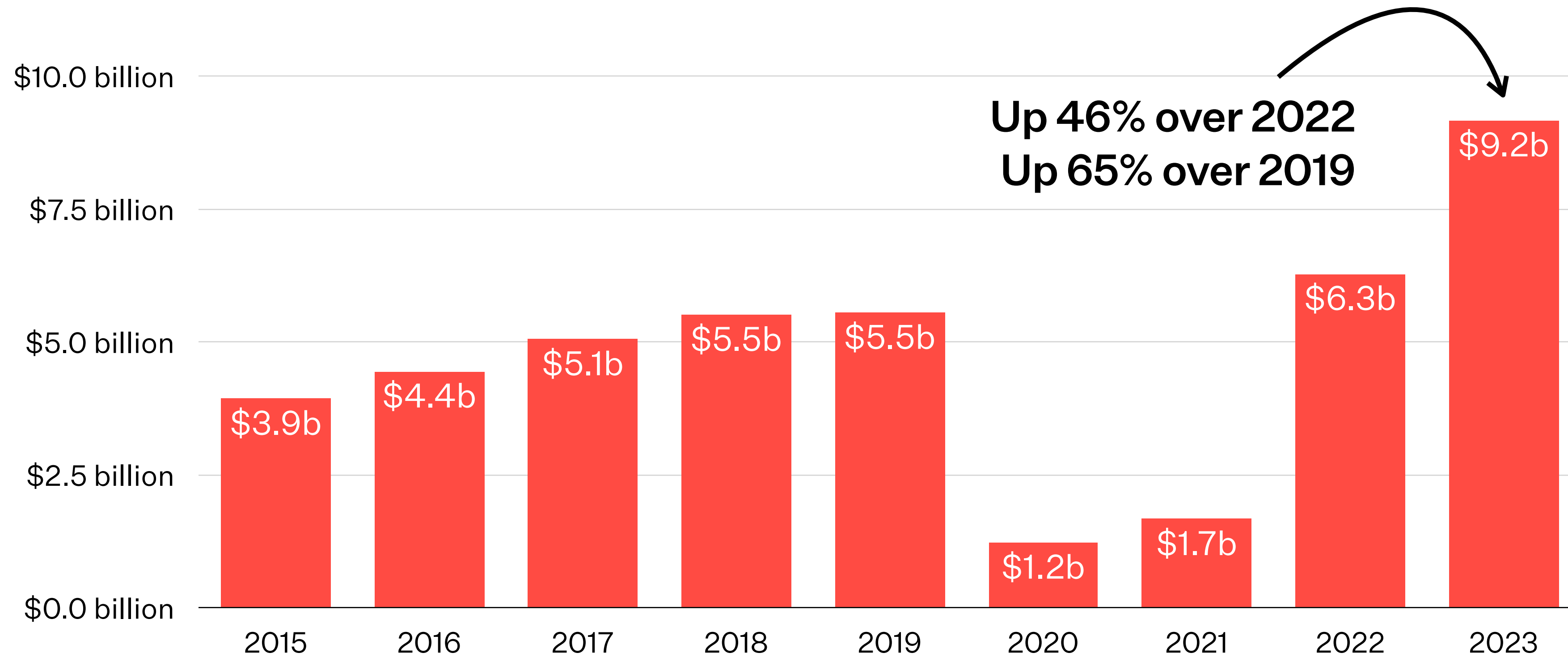
Consumer spending on recreation has taken off after a major pandemic dip

Quarterly US consumer spending on recreation services



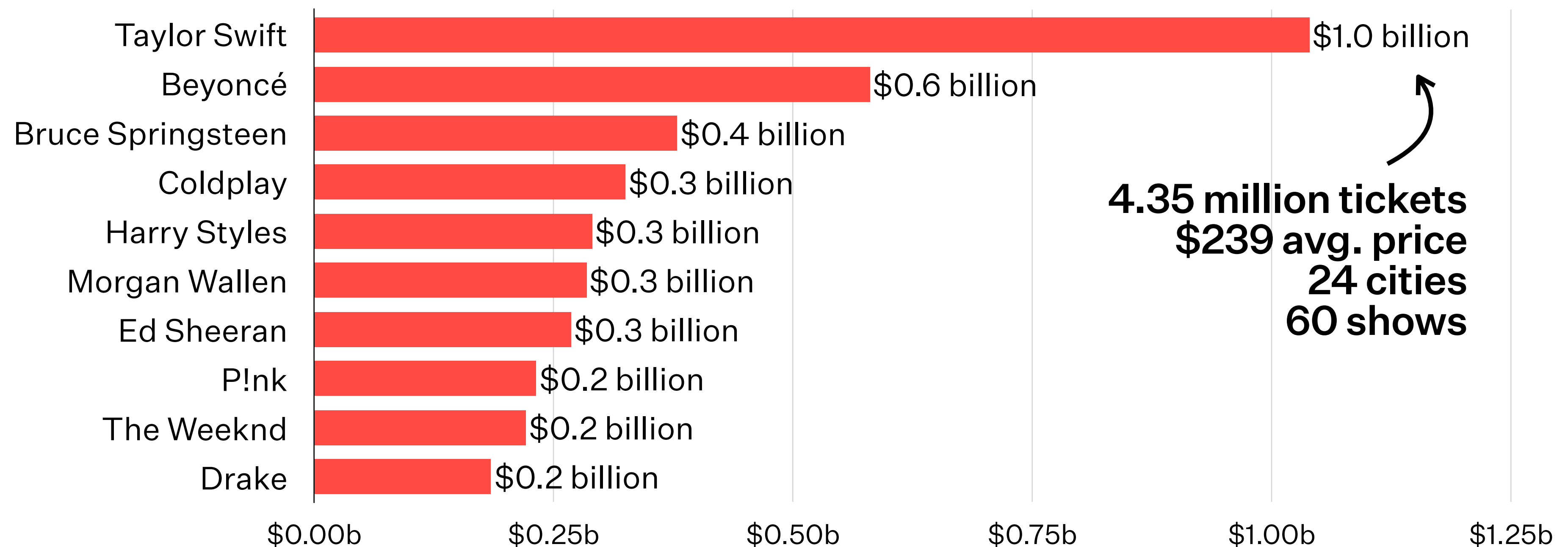
Consumer spending on music concerts exploded in 2023 after a record 2022

Worldwide top 100 concert tour annual gross



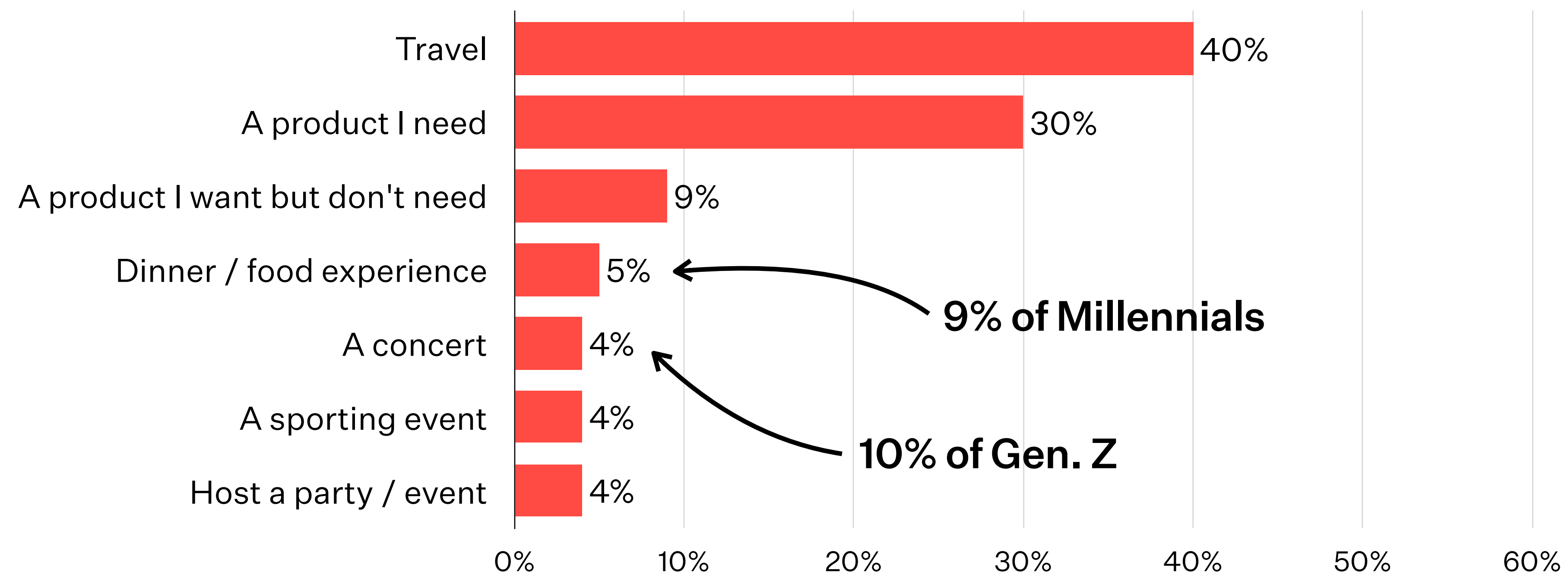
Taylor Swift's 2023 Eras Tour was the highest-grossing concert tour ever, passing \$1 billion in ticket sales

Top 10 grossing worldwide concert tours in 2023



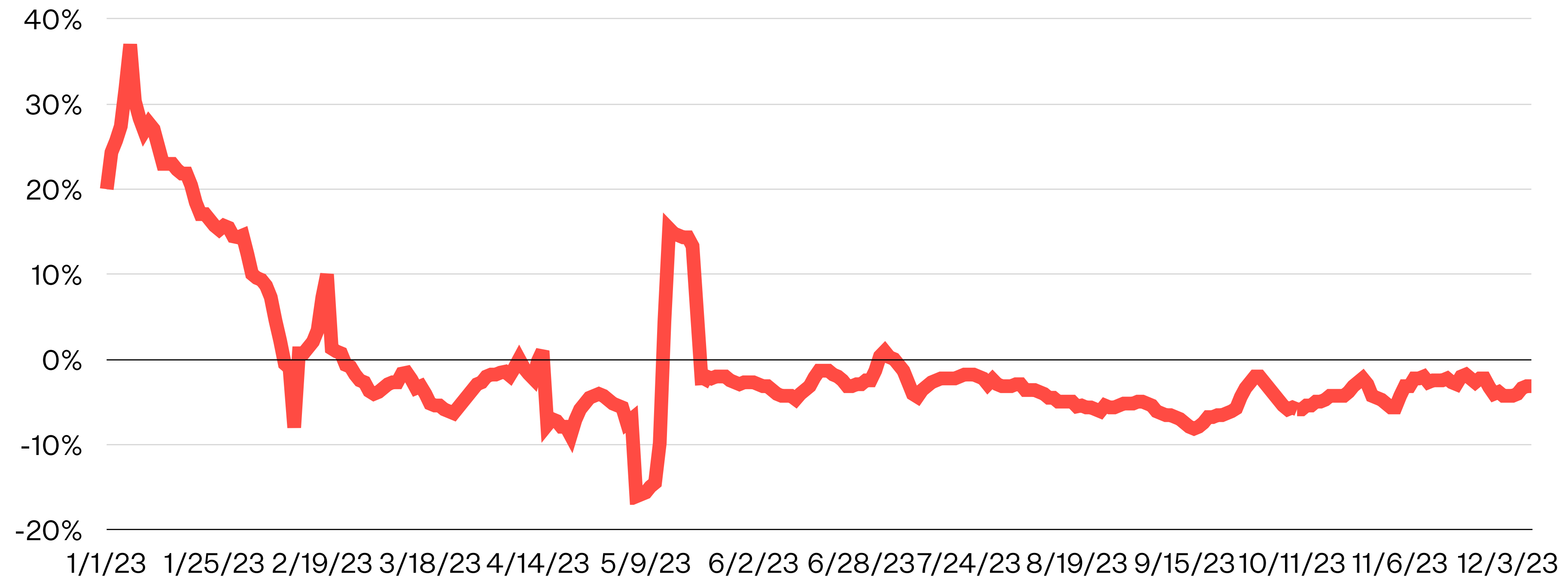
Travel remains the top \$1,000 splurge, while experiences trend younger

Percentage of responses: Which of the following options would you be most excited to spend \$1,000 on?



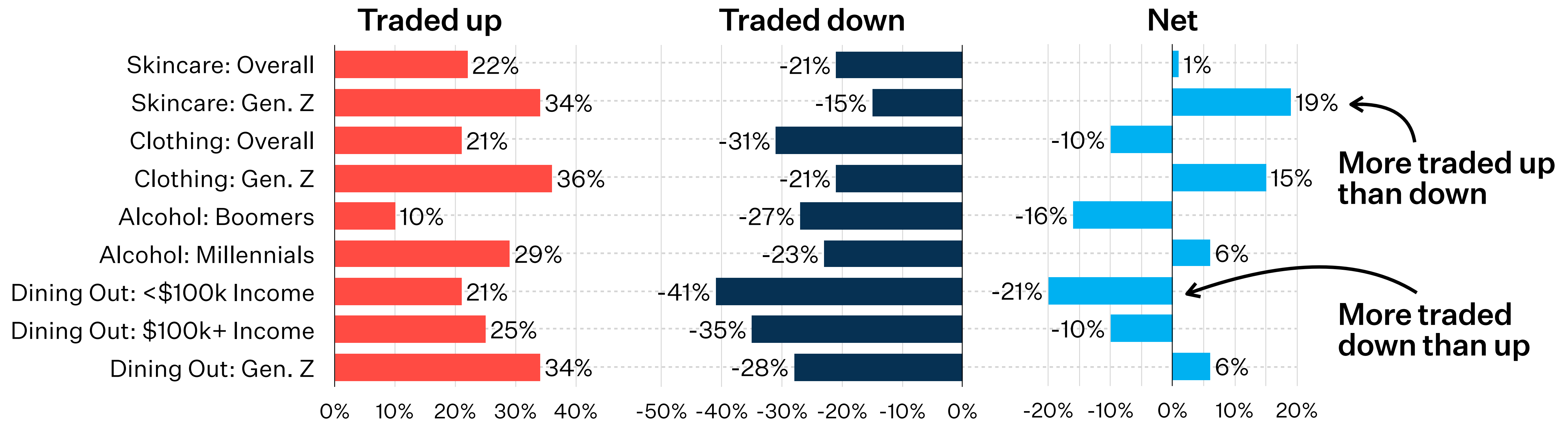
'Revenge dining' has probably passed its peak

Year-over-year change in US seated diners on OpenTable



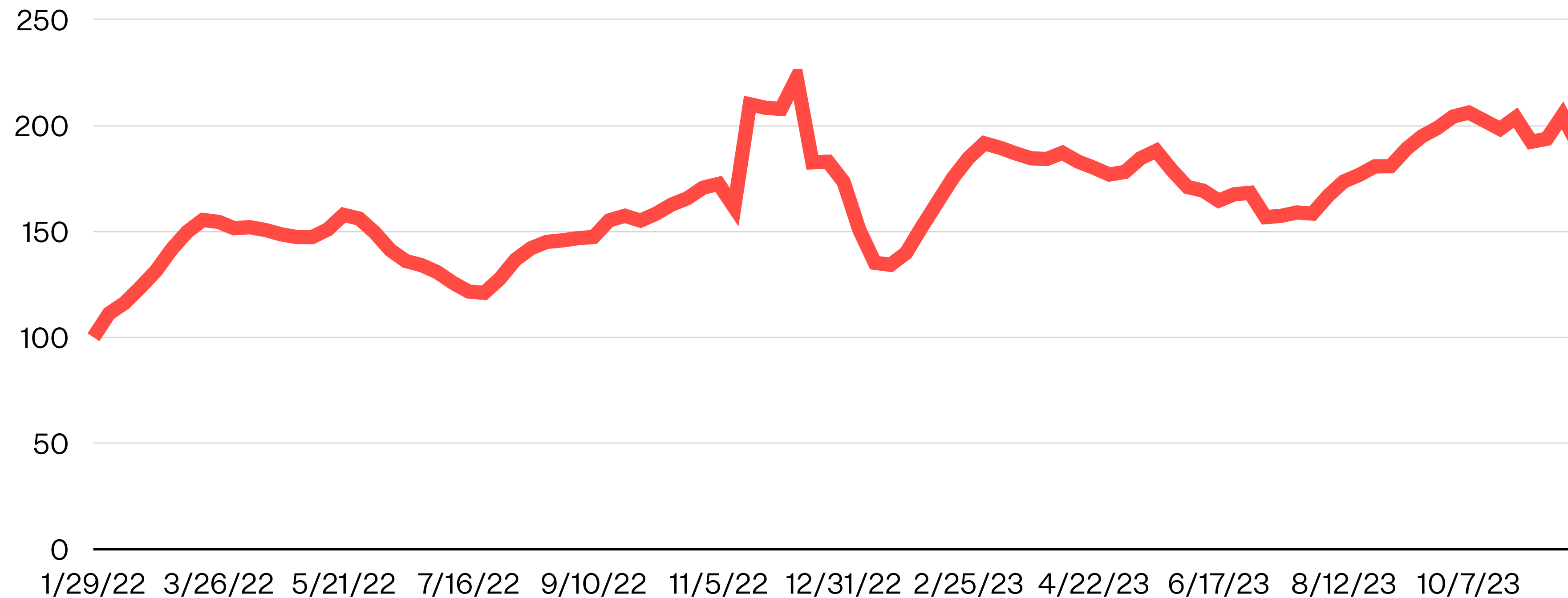
Gen. Z says it's been trading up as other consumers trade down

Percentage of responses: In the past 6 months, have you traded up, down, or purchased the same in these categories?



Event bookings continue at strong levels heading into 2024

Indexed US credit and debit card spending at event booking platforms — Earnest Analytics



The over-the-top Sphere in Las Vegas has already entered mass consciousness

30%

of consumers — and 40% who say they make over \$100k in household income — **say they're aware of the Sphere**, which just lit up in mid-2023.

That's compared to 71% for Madison Square Garden and 68% for Yankee Stadium, both in New York.

27%

of Gen. Z and Millennial consumers who are aware of the Sphere say it's a 'top' or 'high' priority to see a show there in the next 12 months.

(That compares to 10% for Gen. X and 7% for Boomers.)

Some 10% of these Millennials say it's the 'top' priority.

Apple's Vision Pro headset aims to make profound A/V experiences portable

26%

of Gen. Z and Millennial consumers — and 29% who say they make over \$100k in household income — say they're aware of Apple Vision Pro, which the company unveiled in June 2023.

(Awareness is 19% among all consumers. That's vs. 65% who say they're aware of the iPhone 15 and 24% for Meta Quest 3.)

46%

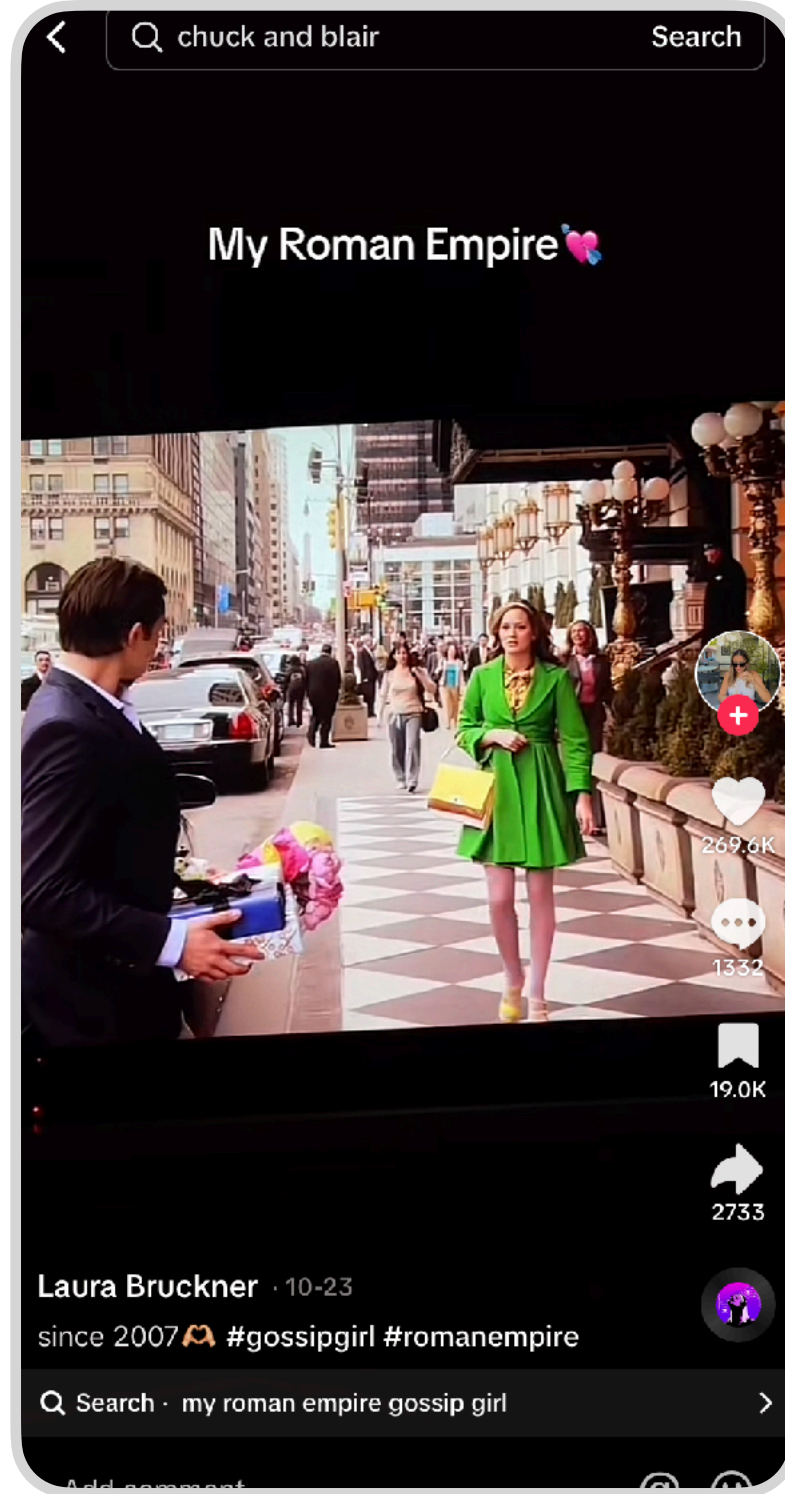
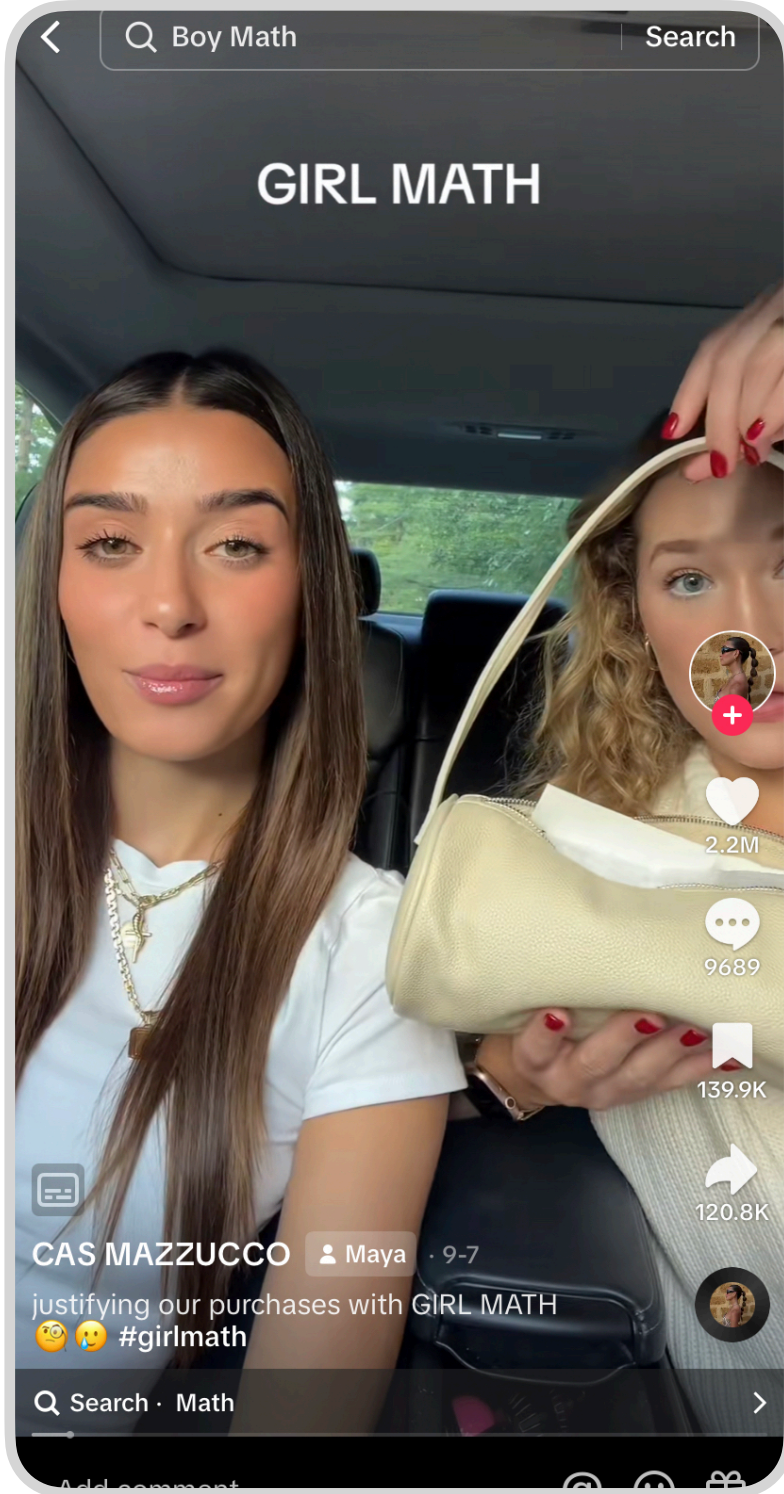
of Gen. Z and Millennial consumers who are aware of Apple Vision Pro say they're 'extremely' or 'very' interested in purchasing it.

Among consumers at least 'somewhat' interested, ~1/3 say they would pay up to \$1,000 for it, ~1/3 say they would pay \$1,000-\$2,000. (v1.0 will debut at \$3,499. Give it a few years.)

8

Testing TikTok's great theories
of life with the **Consumer
Trends** Survey panel

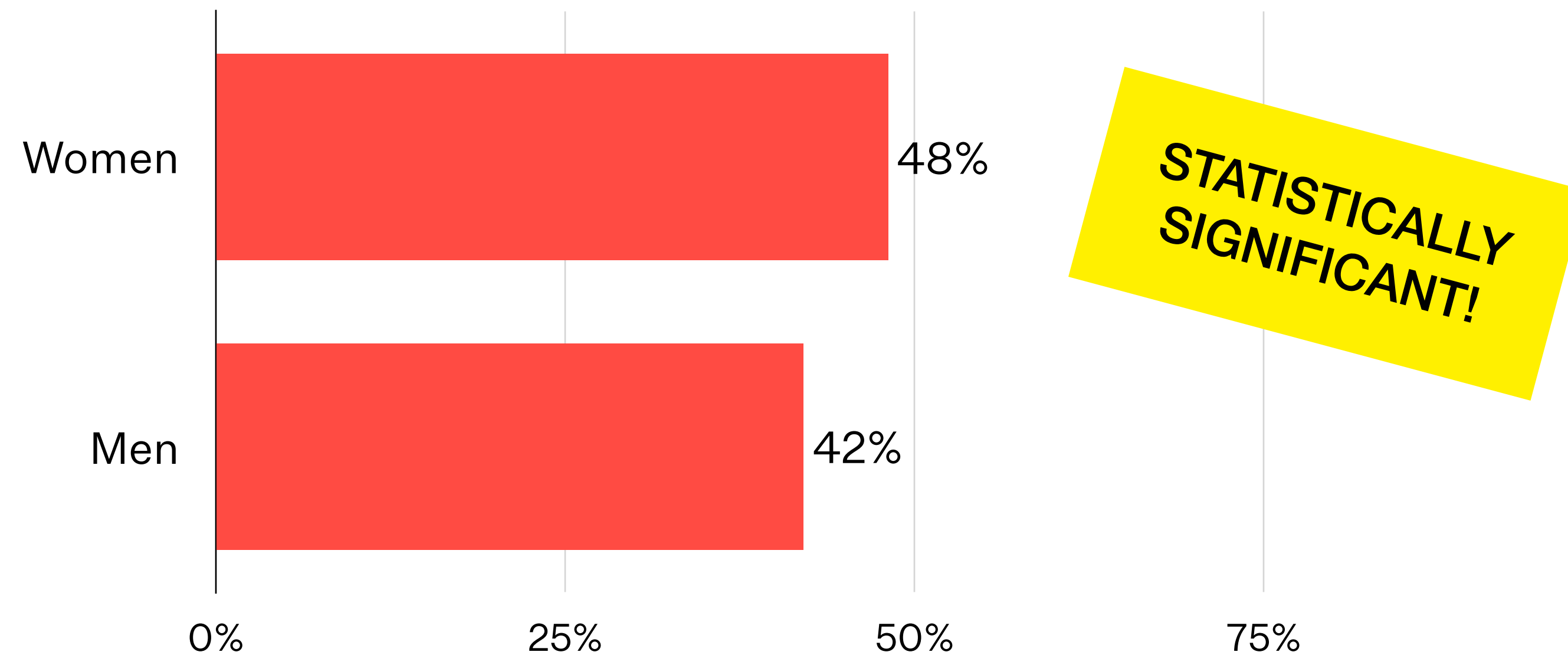
'Girl math' and the Roman Empire have unexpectedly taken over cultural discourse



‘Girl Math’

“When online shopping, I’d rather spend an additional \$30 on products to get free shipping than pay \$15 for shipping”

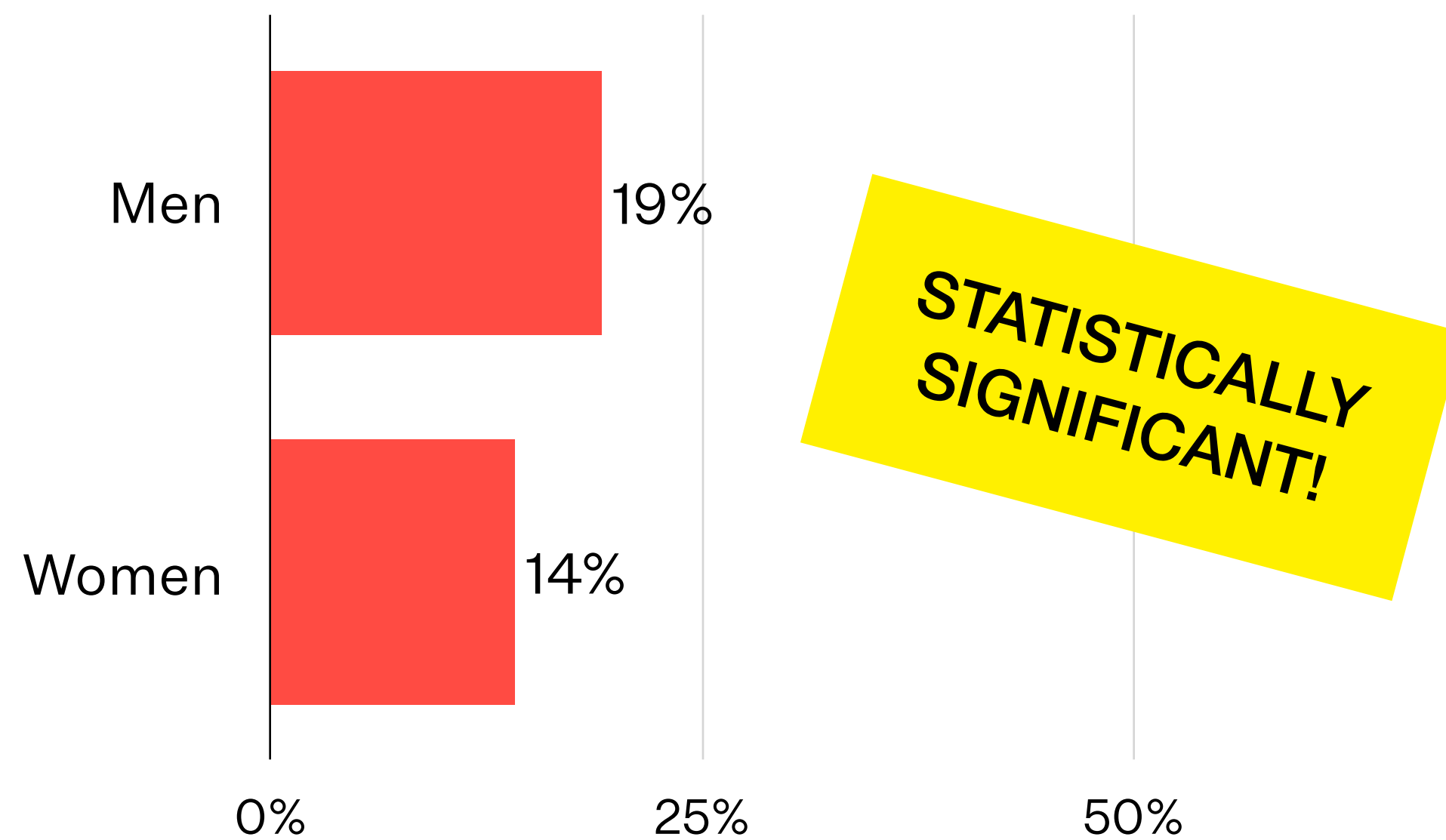
Percentage of ‘Strongly’ and ‘Somewhat’ Agree responses



'Boy Math'

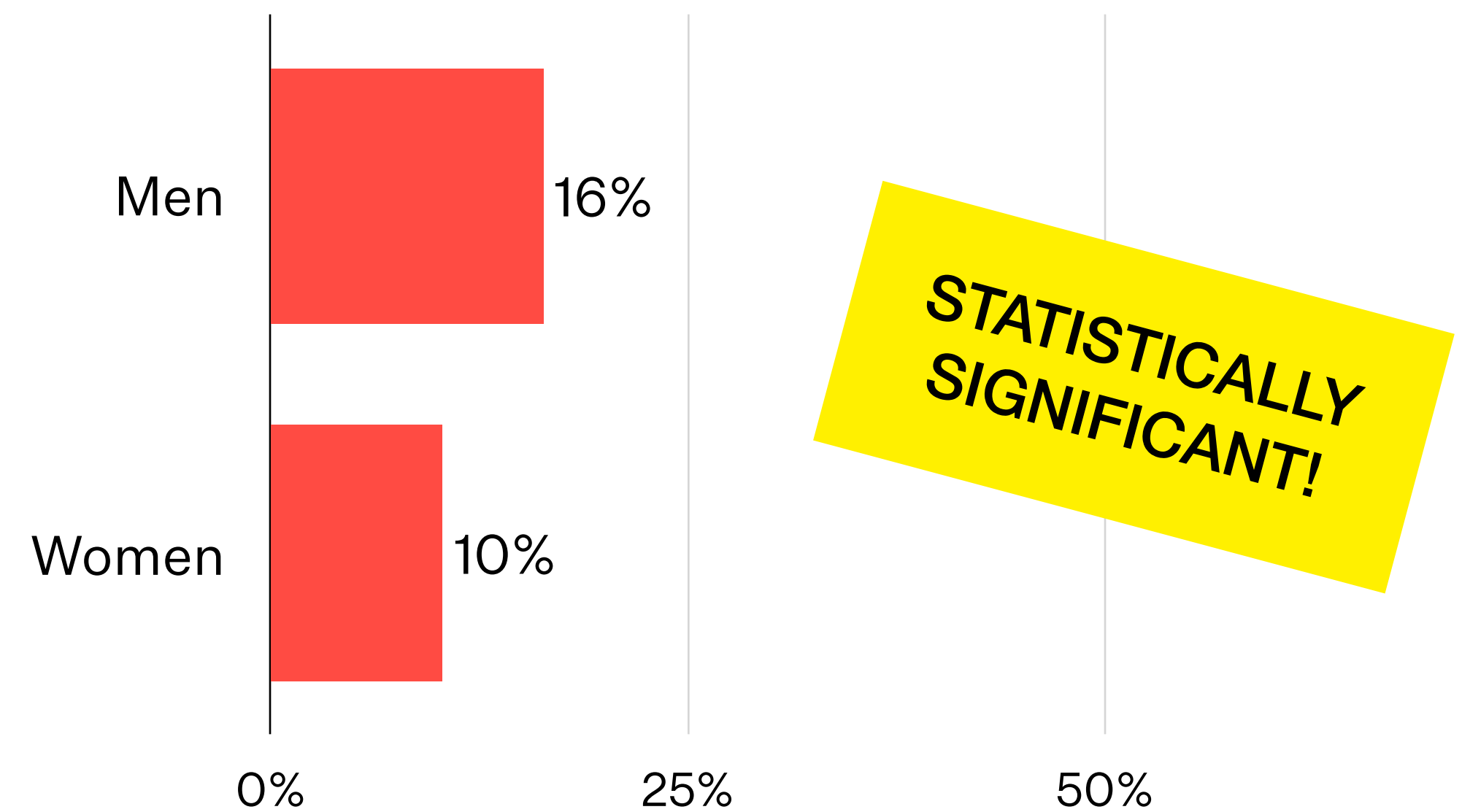
“I worry that my romantic partner will take a lot of my future earnings”

Percentage of 'Strongly' and 'Somewhat' Agree responses



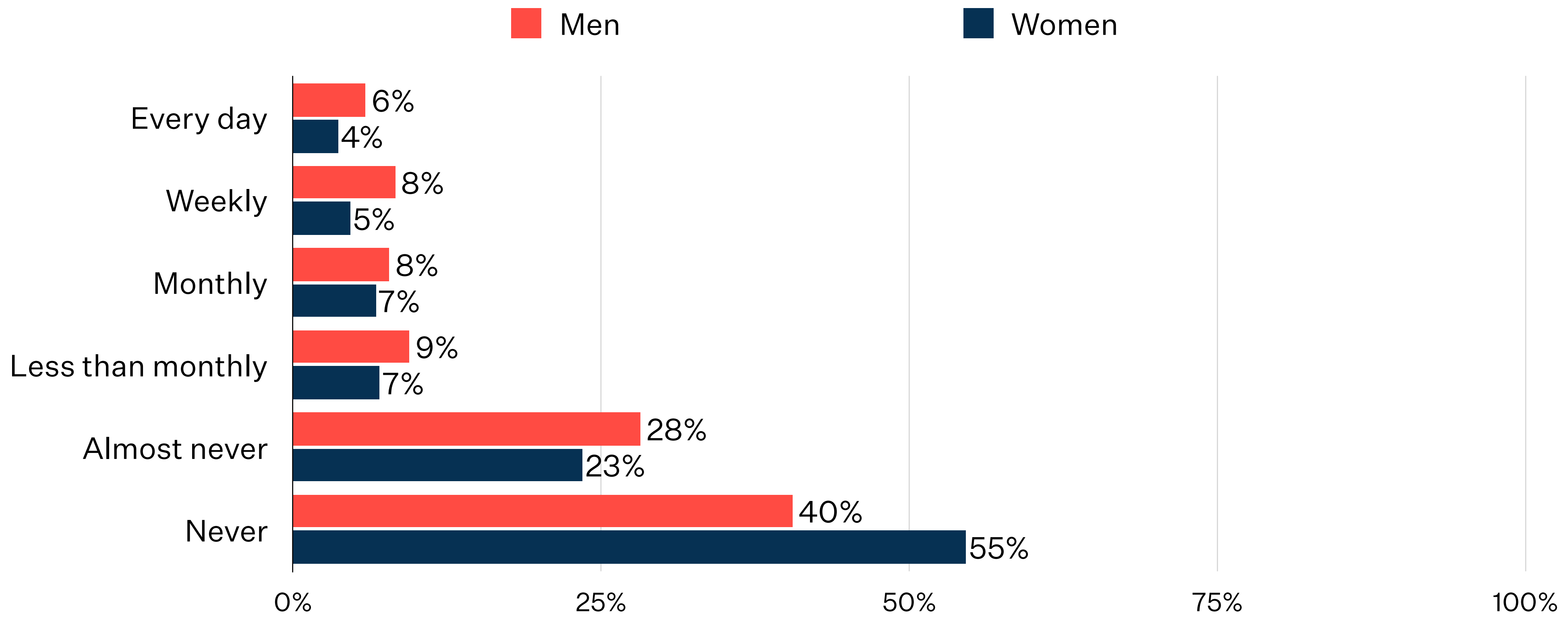
“When I tell someone my height, I add one or two inches”

Percentage of 'Strongly' and 'Somewhat' Agree responses



How often do you think about the Roman Empire?

Percentage of responses



Data: Consumer Trends Survey, powered by **toluna*** (n=3197)

Heading into 2024, we still believe
the new consumer economy
is alive and well.

2024 is the year of weight loss.

TikTok Shop is the next Amazon.
(Or at least the next Temu!)

Special Thanks:

Natalie Borowski • Charlotte Dougall

Arpon Ray • Caroline Lippman • Anna Whiteman

Chloe Kantor • Jimson Mullakary

Andrew Goletka • Franklin Isacson

Toluna • Earnest Analytics • Consumer Edge • NielsenIQ

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