

WHAT THE FUTURE: SPENDING

How businesses can support a resilient economy PAGE 5

How augmented reality will make shopping more personal PAGE 11

How purpose and innovation will shape how we spend PAGE 13

Four tensions that will drive change PAGE 17

+ Experts from Snap, VF Corporation and LTK discuss how future economic cycles to technologies will influence how people live, shop and spend



GAME CHANGERS



Imagine it's 2031.

The ways and reasons people spend are shifting as underlying forces from aging to technology to climate change reshape budgets to shopping options.

In this issue, we tackle two aspects of the future of spending. Where we will spend our money is one — what will be the mix of physical versus virtual in our future shopping? The other part gets at who will be able to spend. A huge generational wealth transfer is coming. Or is it? Economic volatility will matter to people's spending. Or will it? Privacy concerns will be a barrier to adoption curves. Or will they?

Oh wait, there's a third thing we tackle. It gets at the changing nature of "discovery," or how we find products and services. Think of every movie that took place in the 1980s or earlier. People hung out in malls. They strolled downtowns. They stopped in at the general store for a couple staple items and some gossip. But that is in the past. It is shifting but it's not totally gone.

The U.S. economy is a \$25 trillion beast. We're not going to solve all its problems. But hopefully, you'll get to the end of this issue, cock an eyebrow and scratch your chin as you read the scenarios and say to yourself, "I'd buy that."

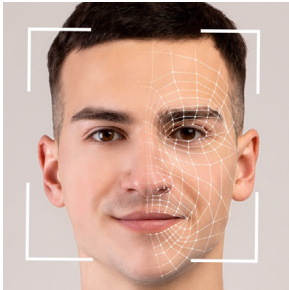
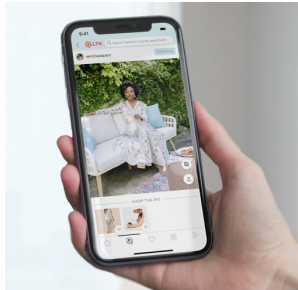


1/3

of American adults say they have a budget and stick to it.

(Source: Ipsos survey conducted Aug 23-24, 2022, among 1,116 U.S. adults.)

Contents

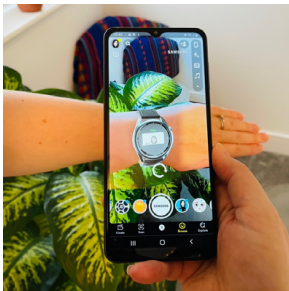


1. Territory map

The future of spending will be driven by forces coming from six directions. We map them out.

2. The lay of the land

We talk with experts from Snap, VF Corporation and LTK, as well as a prominent economist, about everything from macro shifts taking place in the economy to technology and how they will shape how people, society and brands interact and spend in the future.



3. Tensions

Will climate change impact future spending or not so much? Will augmented reality replace in-person shopping? Will people trade privacy for personalization? How people's opinions lean on these issues in the future will have a major impact on the way businesses and brands operate, sell and profit.

4. Future destinations

Based on our data and interviews with experts, we plot out a potential future — a plausible port in our future journey. Then, thinking of our tensions, we consider what happens if one of them shifts. We use that as a waypoint to ponder how that might send us to a different scenario, plausible port two. Finally, we outline the Future Jobs to Be Done, giving you a new way to think about the future.

5. Appendix

Want more? We show our work, including the highlights from our expert interviews, our contributors, and links to what we're reading today that has us thinking about tomorrow.

Territory: What will drive the future of spending?

The future of spending will be driven by how resilient people are to forces largely beyond their control. How will people respond to these forces with their values and their wallets?



How businesses can support a resilient economy



Claudia Sahm

Economist and founder, Sahn Consulting

Claudia Sahm is a former Federal Reserve and White House economist. She is best known for creating the Sahm Rule, which signals the start of a recession based on changes in the unemployment rate. Sahm developed it to act as a trigger for distributing relief, such as stimulus checks during a recession, thereby taking the politics out of such actions. Today she consults and writes about economic policy and macroeconomics on her accessible and self-referential [Stay-At-Home-Macro](#) substack.

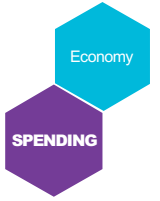
58%

of Americans say where they think the economy is headed impacts how they spend today.



(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)





Just as the pandemic gave the healthcare sector hard lessons about preparing for global health shocks, Sahm posits that the resulting economic crisis offers lessons for making the economy more resilient in the future.

Crises in the supply chain, labor, energy and housing markets collided with COVID-19 and the war in Ukraine, exposing the structural weaknesses in the economy, says Sahm. What will be important in the coming years is how we act on those lessons, she says.

“There are so many lessons to be learned, and some of them are sinking in. But this will come again, and maybe not be exactly with the same pressure points. How can we stress test to be resilient?”

While the federal government has some tools and policies to support that preparation, businesses can and should also play a role.

[Read the full Q&A on page 27.](#)

Most shoppers make spending decisions based on the economy

Q. How much do you agree or disagree with the following statements? (% Agree)

The overall economy right now (prices, inflation, stock market, etc.) impacts how I spend today



Where I think the economy is headed in the future (up or down) impacts how I spend today



When prices go up, I can't always buy the things I need



■ Gen Z and Millennial ■ Gen X ■ Boomer and Older

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)



Have we reached peak generational upward mobility?

One could argue that in the past people wanted to leave a better world for their kids, financially and otherwise. There's some evidence that that's shifting as Ipsos research shows 14% of Americans ages 55 and up say they don't expect to have much to leave to their heirs. Twice as many of those under age 54 say so.

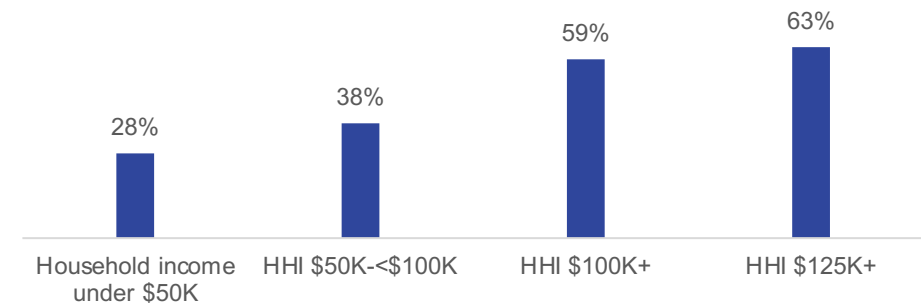
The Ipsos Global Trends survey in 2021 showed that about four in ten Americans wished that they had grown up in their parents' era. Today only 36% of Americans feel they will be better off than their parents.

This sentiment says much about our long-term financial opinions, as well as our prospects, says Annaleise Azevedo Lohr, a research director in Ipsos' Public Affairs practice.

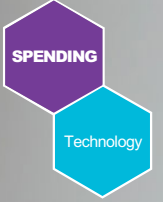
“This mirrors economic data showing increasing barriers to upward mobility. That could have profound impacts not just on how we spend, but on who can spend.”

Income determines outlook for a brighter financial future

Q. For each of the statements below, indicate your level of agreement — I believe I will be better off financially than my parents. (% Agree)



(Source: Ipsos Coronavirus Consumer Tracker conducted Aug. 16-17, 2022, among 1,120 U.S. adults.)



Why creators are key to making e-commerce human



Kit Ulrich

General manager, LTK

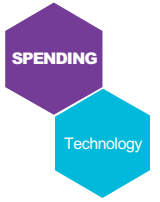
Anyone who’s scrolled through Instagram or TikTok in recent years has probably discovered new brands (or trends) to try. Increasingly, however, fashionable shoppers are gravitating to platforms like LTK, where style-minded influencers show off the hippest products found online. LTK now drives more than \$3 billion in annual retail sales from some 200,000 creators globally. General Manager Kit Ulrich says the app can bring new value — and a human touch — to online shopping.

45%

of Gen Z and Millennial adults say they have bought products or services based on recommendations from social media influencers.

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)





Creator-guided marketing can certainly make online shopping more fun, as LTK’s 8 million monthly users would attest. But in Ulrich’s view, influencers — who she thinks of as real people, shopping on your behalf — will also close the confidence gap created by e-commerce.

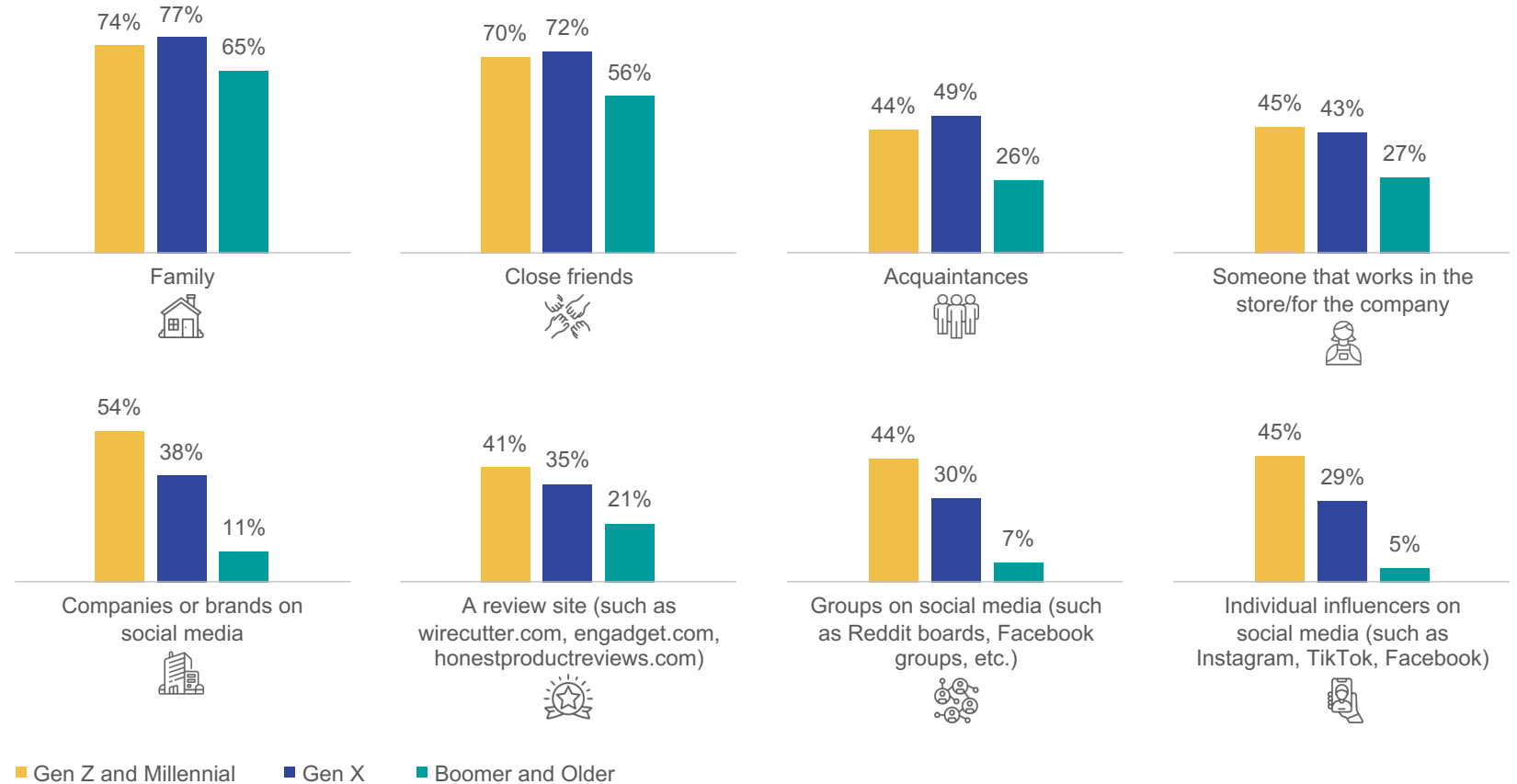
“If they promote a product with an artificial review and then you buy it, you’re not going to follow them anymore, and they’ve hurt their business model. Both sides are incentivized to build trust — and I think that’s why the industry is booming.”

For brands, an influencer can offer more authenticity, social currency and personality than an ad campaign. But for shoppers, apps like LTK can provide frank assessments of clothing quality and fit, all without leaving the house — at least until augmented reality catches up.

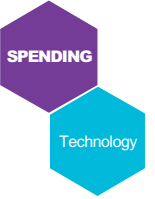
[Read the full Q&A on page 29.](#)

Social media is gaining influence with young shoppers, but family still reigns

Q. Have you bought products or services based on recommendations from each of the following, or not? (% Yes)



(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)



How our purchases drive where we shop

How we find products and services we want to buy is changing and will change. But even in younger generations, a large portion still want to buy items in-store as opposed to online, especially in categories like food and furniture. Could that change as augmented reality and virtual reality offer the potential to take “online” shopping to new levels? Certainly.

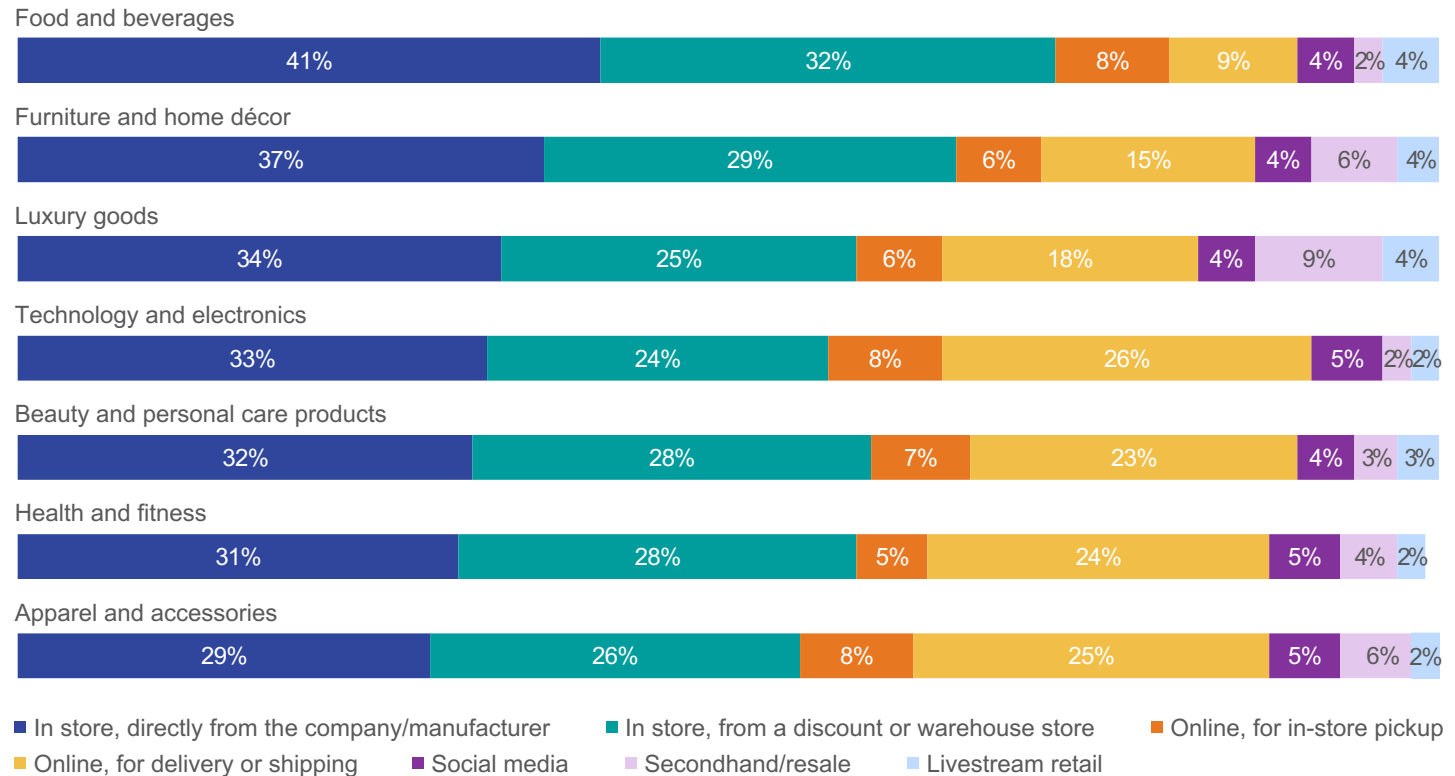
But we saw a trend in the pandemic that should give us pause. People would order groceries online for pickup at the store — and then go inside to pick out their own produce, says Amber Jawaid, senior vice president in Ipsos’ SMX Online Communities practice.

“Humans are funny. They like to touch things before they buy them, as any parent who’s ever said, ‘Look with your eyes, not your hands’ can attest.”

It leads to questions of where are the limits to virtual shopping and if there even are any.

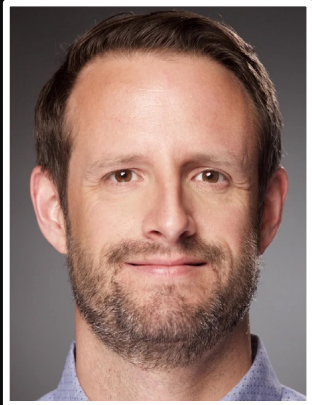
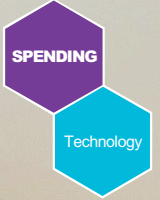
Context drives preference for where and how shoppers buy

Q. Where do you prefer to buy from for the following product categories? (% Total)



(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

How augmented reality will make shopping more personal



Doug Frisbie

Vice president, global business marketing, Snap

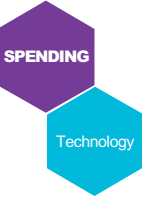
Between physical spending and virtual worlds lives augmented reality. AR is already opening new frontiers for people to experience products and share those experiences with friends and followers. Doug Frisbie, vice president of global business marketing for Snap, sees myriad ways AR will make shopping seamless and, more importantly, make sharing those experiences all part of the fun.

57%

of Gen Z and Millennial Americans say they are likely to use an augmented reality app for trying on clothes or accessories in lieu of a fitting room.

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)





Shopping is active and often social as well. Traditional advertising is typically passive and often leads to delayed responses. AR opens a huge new world of opportunity for marketers to make an experience for shoppers that is more active, social and in-the-moment, says Frisbie.

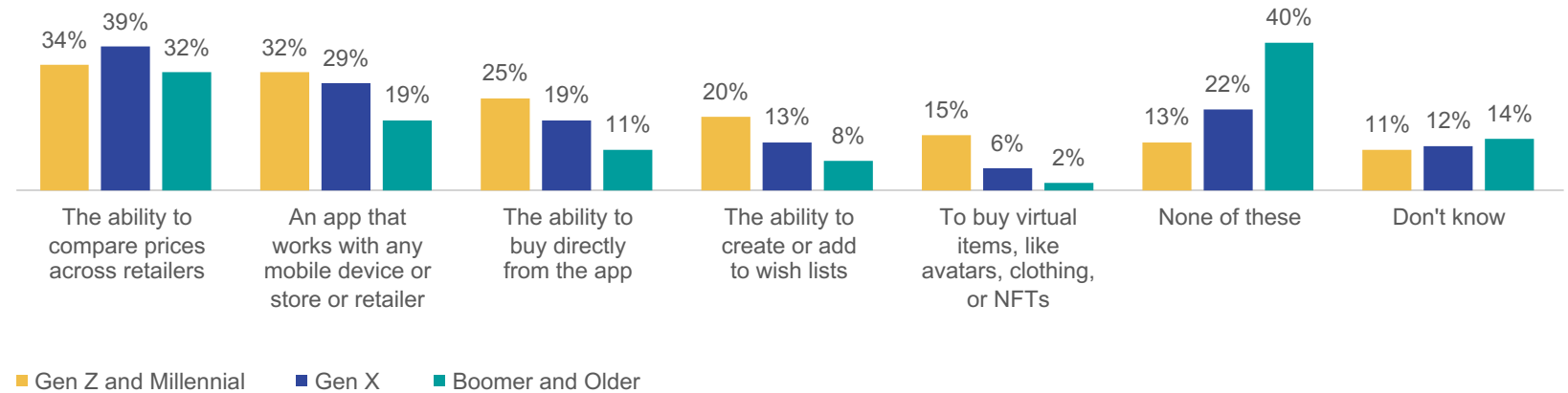
“Marketers have been trying to create ways for customers to see themselves in their brand for ages. There’s never been a better way to do that than through AR.”

Frisbie says that while AR might skew toward younger consumers today, research shows high levels of interest for older shoppers, too. And since brands go where their customers are, that should drive growth on both sides of the shopping rack.

[Read the full Q&A on page 31.](#)

Shoppers want functionality for AR apps beyond trying products

Q. Regardless of your likelihood to use augmented reality apps, what do you personally want most from these apps when thinking about using them for shopping? You may select up to two. As a reminder, an augmented reality app layers a digital image or information, over something in the physical world around you.



(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

How purpose and innovation will shape how we spend



David Wagner

Executive vice president, venture platforms, VF Corporation

VF Corporation is home to brands like The North Face, Timberland, Supreme and Vans that are ubiquitous from ski slopes to skate parks. David Wagner, executive vice president of venture platforms, leads the company's entrepreneurial incubator and early-stage venture capital investments. His mission is to take the 123-year-old company into the future while staying true to the company's purpose around "powering movements of sustainable and active lifestyles for the betterment of people and our planet."

74%

of Gen Z and Millennial adults say a company's stance on environment and sustainability is important when thinking about which companies or brands to buy from. That falls to 67% among Gen Xers and 56% of Boomers and older.

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)





As economic instability and climate change increasingly drive shoppers to rethink their purchases, brands will play a critical role in those spending decisions. The success or failure of brands can come down to how they fit with consumers' values or even purpose, especially for discretionary brands like those VF sells, says Wagner.

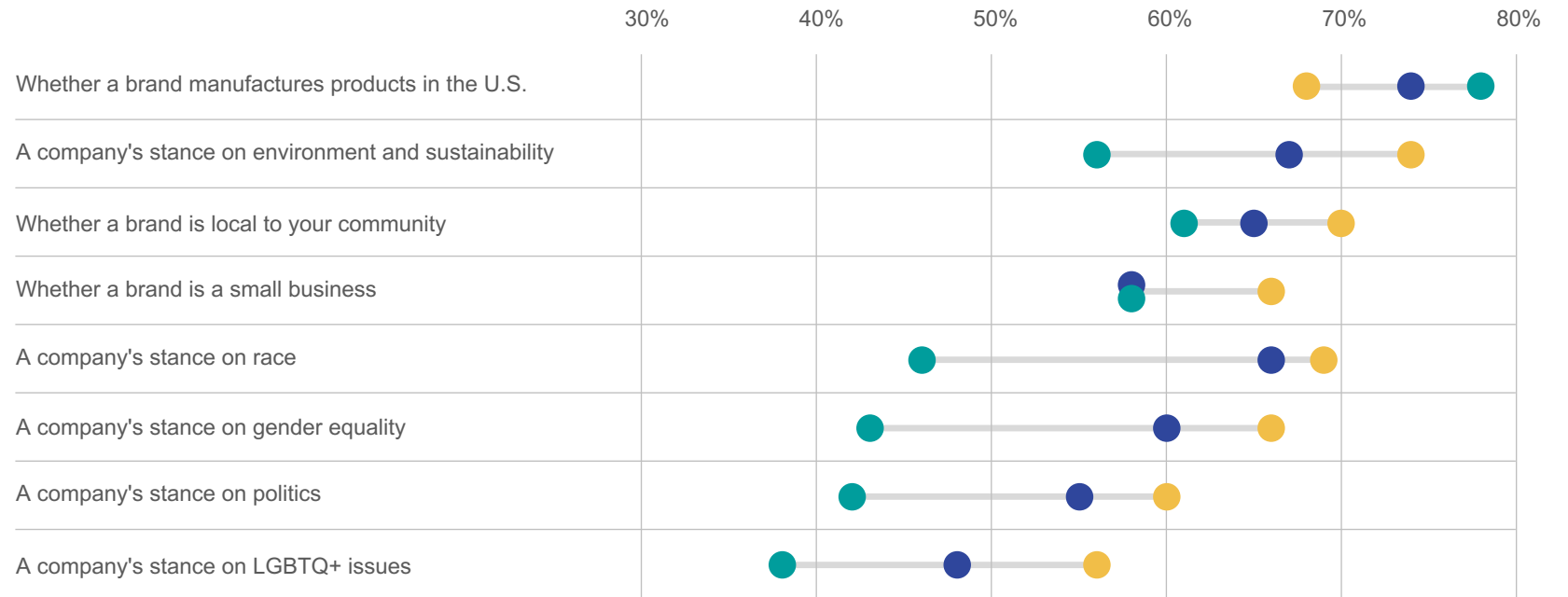
“If hiking or snow sports is a super important part of your life and the economy is tough, that’s probably an area of your personal spending that you’re going to protect. So, this activity-based orientation that most of our brands have we think gives us helpful insulation.”

Will that also be true when it comes to trading privacy for personalization?

[Read the full Q&A on page 33.](#)

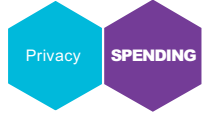
Nationalism and sustainability top shoppers’ brand priorities

Q. How important, if at all, are the following to you when thinking about which companies or brands to buy from? (% Important)



■ Gen Z and Millennial ■ Gen X ■ Boomer and Older

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)



Why user experience is key to easing privacy concerns

Globally, experiments and implementations using biometric technology in retail aim to ease checkout and customize products based on people’s facial scans, fingerprints or DNA.

Of course, that comes with a trade-off in privacy. People, especially women, report high levels of concern about several uses for biometrics today and potentially tomorrow. Three in four Americans wish companies would do more to protect their privacy, and seven in ten would like to see more government regulation in the space.

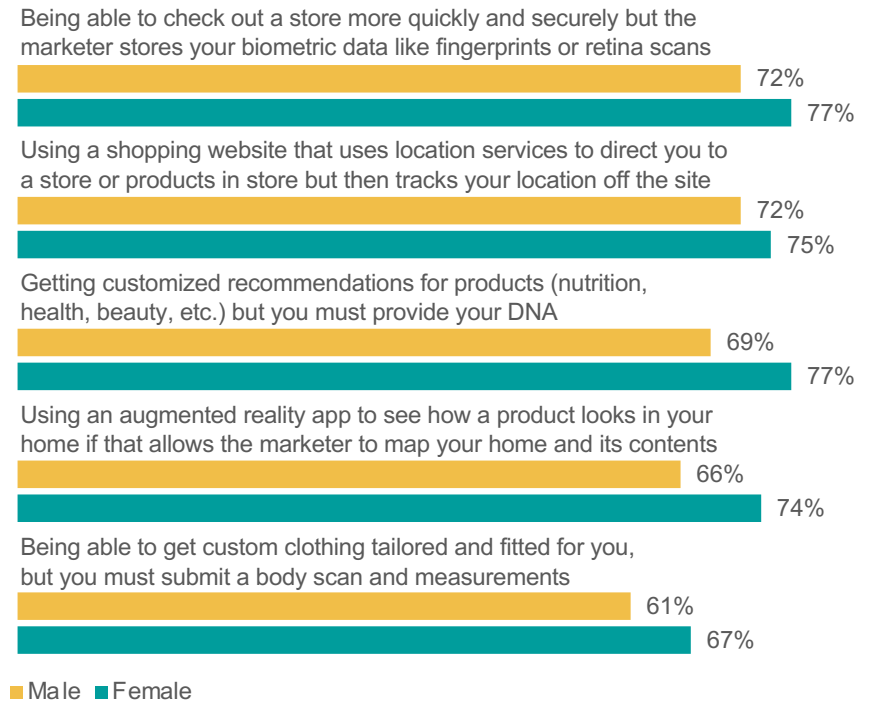
This is where user experience can make differences. “Making biometrics, from their collection to their use in the application, as seamless and non-intrusive as possible is part of the challenge,” says Ying Wang, a director in Ipsos’ User Experience practice. “The other part is being as transparent as possible about how the data is stored and shared. It’s about the ability to choose.”

It’s likely these technologies will grow in their usage, whether customers like them or not. But making the benefits clear and the tradeoffs as painless as possible could also speed adoption and acceptance.



Privacy is a concern for all, especially women

Q. How concerned, if at all, are you about your privacy when taking part in the following: (% Concerned)



(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

How to balance globalism and nationalism for resilient brands

Even before the pandemic, recent supply chain woes, the current geopolitical instability and rising tides of nationalism, Ipsos has been asking if we have reached “peak globalism.” While majorities in 25 countries surveyed support expanding trade, there is also strong support (39% in the U.S.) for putting more barriers and limits in place.

As is often the case, humans can hold somewhat contradictory opinions, especially on complex issues like globalization. While Americans mostly agree that globalization is good for our country, we also see a rise in identity politics in nationality and party affiliation. Plus, we tend to think that local brands make better products than global brands.

We see this giving rise to “reshoring,” the idea that we should be manufacturing closer to home to better control our supply chains. “Buy American” is among the strongest purpose-based drivers of purchase intent, according to Ipsos data. We will inevitably be a global economy for the foreseeable future. But in the U.S., brands can certainly differentiate with a broad base of customers by leaning into their U.S.-based design and manufacturing capabilities, says Philip Ryan, a partner with Ipsos Strategy3.

“Looking ahead, identity politics may take this idea one step further — expect to see some brands starting to lean into messaging to ‘buy blue’ or ‘buy red.’”

83%

of Republicans say that “made in the USA” is important when buying products, while 68% of Democrats and Independents, respectively, say so.

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

Four tensions that will drive change:

1. Does the economy dictate budgets or not?

Surprisingly, the income splits on this question aren't significant. A small majority of Americans say the economy impacts their spending. But a significant portion doesn't. Some have the means to be insulated from economic or supply chain flux. Others live tight to their budgets (which just one in three Americans sets each month). But shoppers are only part of the equation. "It's businesses that are going to make sure supply chains are more resilient. They are the customers of the supply chain," says economist Claudia Sahm. But what if the economy had a greater — or lesser impact? Or, what if a generation of gradual price hikes and years of continued inflation and volatility make us more conscious of macroeconomics? What does spending look like then?

A small majority of people say the economy influences their spending

The broader economy shapes how I spend my money

57%

43%

I spend what I want and need to regardless of what the economy is doing

Q. For each of the pairs of statements, please select the statement that comes closest to your view, even if neither is exactly right. (% Total)

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

Four tensions that will drive change:

2. Augmented reality shopping or physical shopping?

People are generally split today on whether augmented reality has a future in shopping. But even if AR doesn't replace stores, it will likely augment them. Part of its growing influence will have to do with what Snap's Doug Frisbie sees as an important triad: the customer, the influencer and the brand. Social and AR shopping experiences are built around the roles each of these factors play in this new ecosystem. As those roles become more defined and leveraged, it's plausible that more shoppers will see value there. "The inherently social aspects of AR and the ability to share those AR experiences with your friends that are coming from brands is an important source of influence as well," Frisbie says.

Most shoppers don't see AR replacing physical stores

There's a future for shopping via augmented reality

40%

60%

Augmented reality will never replace stores or online shopping

Q. For each of the pairs of statements, please select the statement that comes closest to your view, even if neither is exactly right. (% Total)

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

Four tensions that will drive change:

3. Will online shopping kill physical stores?

A 75:25 tension doesn't seem very tense. People still want to buy stuff in stores. That will likely not change too dramatically in the coming years. But as we've seen over the past decades, if there's a diminished amount of in-person revenue, it changes what kinds of shops can survive in what places. Retail will continue to evolve, but so will other technologies, both filling consumer needs. "When people used to go walk around a mall, it was interesting, it was fun, but it was also social. You were usually with a group of people. I think that's still true. We're just starting to do it in an online world," says LTK's Kit Ulrich.

Three in four say in-store shopping is here to stay

There are products that I will always want to buy in a store

75%

25%

I can see a future where I buy everything online

Q. For each of the pairs of statements, please select the statement that comes closest to your view, even if neither is exactly right. (% Total)

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

Four tensions that will drive change:

4. Does where a product is made matter or not?

The desire to buy American is complex. It's a form of nationalistic pride that can take on different flavors and cross ideological divides. Or maybe it's just a belief that U.S.-made products are higher quality. Ipsos data shows that as far as purpose-driven purchasing goes, American-made is a top driver. On a list that's more about price, quality and standard consumer values, it ranks as less important. But just because price wins doesn't mean you should discount purpose. "The notion of purpose and why it matters is it channels your activity, and therefore what you bring forth in the product or in the experience you're providing to the consumer," says VF Corporation's David Wagner. How will the tension between globalism and nationalism shift this in the future?

People are largely split on buying based on "made in" claims

I think about where a product is made before I buy it

54%

46%

I don't think about where a product is made before I buy it

Q. For each of the pairs of statements, please select the statement that comes closest to your view, even if neither is exactly right. (% Total)

(Source: Ipsos survey conducted Aug. 23-24, 2022, among 1,116 U.S. adults.)

Plausible port one:

Physical retail is losing some share to immersive retail

It's 2031. Years of economic uncertainty, labor market changes and technological shifts could easily have remade our shopping landscape. But they haven't entirely.

In this world, economic inequality has gotten worse, if anything. But people still buy stuff. They do so in stores — yet that is still changing. Online shopping continues to grow. Delivery of goods continues to grow. Downtowns in many cities have mostly regained their daytime working populations. Some of the largest cities have adapted to a smaller daytime population by reviving the decades-long trend toward increased downtown residential development. That leads to a different retail and restaurant mix, but cities will always evolve and adapt to trends and shocks, alike. The suburbs, however, have a harder time of it. Rising energy prices, coupled with accelerating climate change is affecting how we spend individually and as a society. Now we need snowplows in Nashville?! Cooling systems in Seattle?! After the pandemic pushed us toward outdoor living and entertaining, the climate is pulling us back inside.

In this world with its odd mix of convenience, uncertainty and inequality, how we spend continues to shift. Money is following the people who wind up in the immersive experiences that are well-funded and growing. More people are using augmented reality. Brands are playing in that space, and people are spending there. Virtual reality has taken off. Brands are playing there, too, and people are spending there. We're more used to buying virtual items, but we also want analog equivalents to show our real-world friends.

Waypoints

What if we become less dependent on physical stores?

Today 75% of people say they will always shop for goods in stores. That's likely true. But what goods will they buy and what will stores look like? What if that majority shifts and only 65% of people say they will always need stores?

Physical retail has already been working to become more experiential. Online retail has been trying to become more social. In this world, these trends continue and converge.



Plausible port two:



Artificial intelligence drives the supply chain and shopping

After a decade of financial instability, insecurity and inequality, a bevy of artificial intelligence tools are part of our everyday lives. Connecting to our digital and voice assistants, shopping is an “always-on” activity as bots are always on the lookout for in-the-moment deals that constantly fluctuate.

This is driven partially by our greater acceptance of digital and online shopping as the waypoint shifts and points us toward a future like this. But these AI assistants have a side effect. As brands can't compete on price to the same degree due to real-time algorithmic price changes, they must compete on other factors like purpose, quality and availability.

More and more product categories are commoditized. Like, actually commoditized. Futures markets evolved not just for grains and energy, but for back-to-school supplies and holiday gifts as well. This helps retailers to stock appropriately, as does the rise in customized, locally produced goods housed more in warehouses than retail stores. Physical retail has also pivoted. Augmented reality displays not just pricing information, but also stock levels, information about the carbon footprint of the items on the rack and stories about the workers who make it, ethically. Stores allow you to take part in the manufacturing with 3D printing bespoke goods to your exact specs as you stream the experience to your social media followers.

Mass market and scarcity continue to intertwine as luxury brands create FOMO-inducing limited-edition digital items, but consumers continue to wise up to the realities of what constitutes “scarce.”

Future Jobs to Be Done

The traditional “Jobs to Be Done” framework focuses on the tasks and outcomes that people are trying to accomplish and why they hire products and services to help them achieve that outcome. We don’t buy a ski parka; we hire one for warmth and status. We don’t buy credit services; we hire them for establishing credit or earning travel rewards.

Ipsos takes this theory forward with *future* Jobs to Be Done (fJTBD). We envision powerful and plausible future scenarios through strategic foresight. These scenarios help us define the circumstances in which people may find themselves, like in the metaverse. What will their new needs be? Then we use fJTBD to tie these scenarios to actions that organizations can take today and tomorrow to help people meet those future needs.

While many needs are enduring and do not change over time (e.g., managing budgets), the context of that job (e.g., inflation squeezing spending power) will change that job space and the potential solutions and alternatives. Because of this, we often create fJTBD clusters that are higher-order and needs-driven. Within each, we can envision more granular fJTBD to illuminate opportunity spaces to meet human needs in new ways.

Trevor Sudano is a senior engagement manager with Ipsos Strategy3.



Potential Future Jobs to Be Done related to spending

1

Help me manage my cash flow

Traditional “work” (hourly and salary) could continue to lose ground to new models, like microwork and micropayments that provide more flexibility for both employer and employee. But how does one keep track of cash flows in a less predictable world?

Potential fJTBD:

- Help me project my lifetime earning potential
- Help me compare my earnings to other people like me to learn ways to increase them

Imagine a world where ... entire lifestyles could be auto-financed by predictive algorithms that look at the lifelong value of each customer’s likely productivity and use of financial service products.

2

Help me get the best value every time

The digitization of retail broadly may result in a world of dynamic pricing. Increase foot traffic in the moment when stores are slow? Run a next-gen Kmart Bluelight Special, complete with customized push notifications.

Potential fJTBD:

- Help me track price fluctuations for items that I might like to purchase
- Help me sort through all my purchase options, tradeoffs and terms to find what works best for my situation

Imagine a world where ... anyone with a nontraditional or flexible schedule can reap the benefits of dynamic pricing by securing goods when they’re at their least expensive.

3

Help me keep track of what I own

In a world of physical, digital and even phygital goods, how am I supposed to keep track of everything I own everywhere? And how might I show the value of all my assets in all environments?

Potential fJTBD:

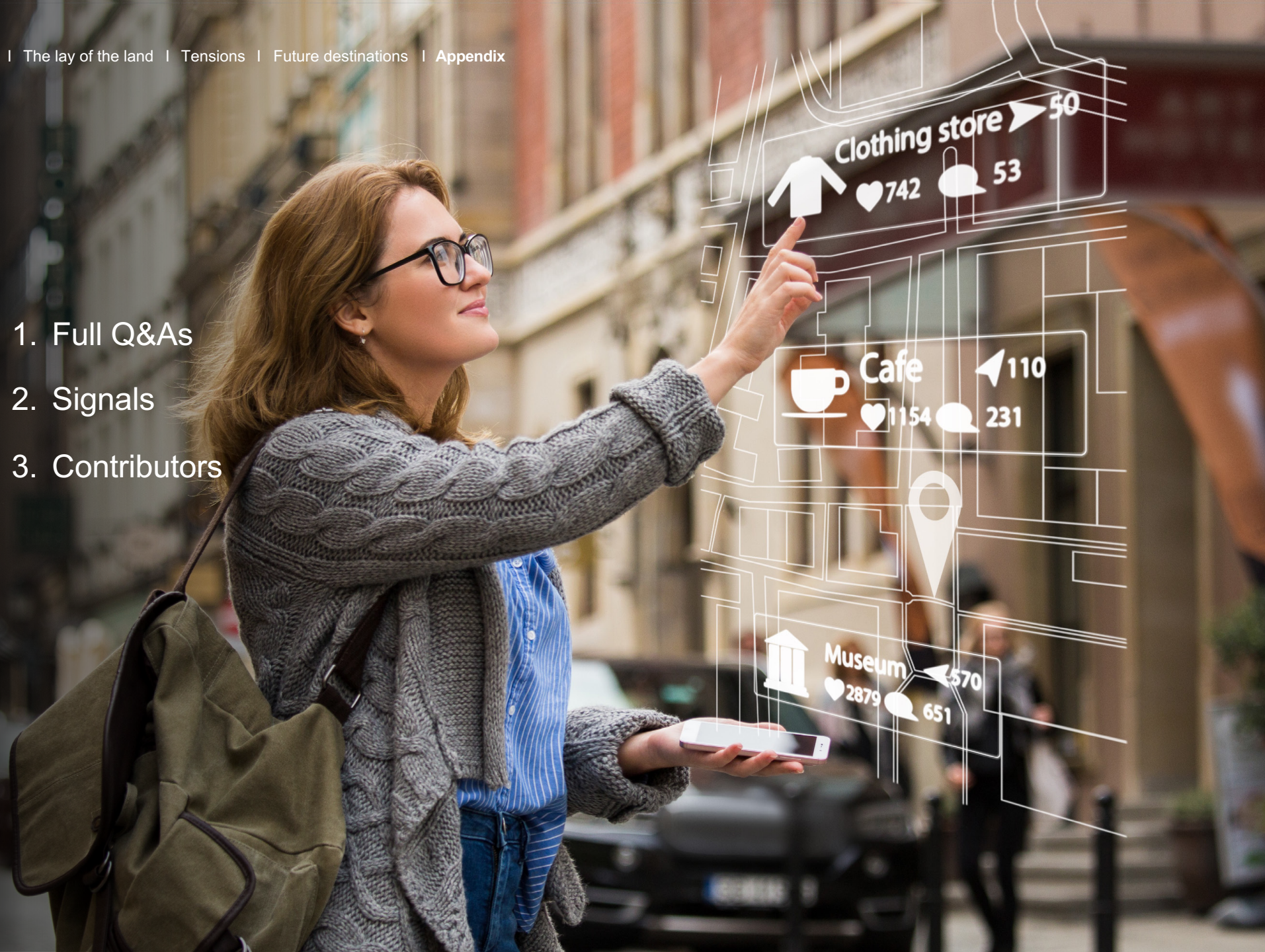
- Help me validate ownership of all my items
- Help me transfer ownership of assets easily and securely, both IRL and in digital environments

Imagine a world where ... your digital wallet holds real-world and digital inventory of all your worldly possessions, which can be used to buy, trade, sell and leverage.

Appendix

In this section,
we show our work
and our workers

1. Full Q&As
2. Signals
3. Contributors



How businesses can support a resilient economy



Claudia Sahm

Economist and founder, Sahm Consulting

Claudia Sahm is a former Federal Reserve and White House economist. She is best known for creating the Sahm Rule, which signals the start of a recession based on changes in the unemployment rate. Sahm developed it to act as a trigger for distributing relief, such as stimulus checks during a recession, thereby taking the politics out of such actions. Today she consults and writes about economic policy and macroeconomics on her accessible and self-referential Stay-At-Home-Macro substack.

Kate MacArthur: Is there a way to plan better for healthy economies and help people and companies be resilient through those situations?

Claudia Sahm: Yes. What's really going to be important over the next several years is the extent to which we take the lessons from this crisis and do better. In some ways, we're learning the true cost of the low prices that we've had. Globalization is a very good thing, and it has many plusses. But one thing that we've seen is we have global supply chains and just-in-time inventories, which are a great way to run lean and keep costs at a minimum — as long as they work.

MacArthur: What about resilience?

Sahm: We have to make sure that the systems are resilient to shocks like a pandemic, and we need to think really hard about these global shocks, things like climate-related disaster. What we're realizing is there is a structure to the economy. In the global financial crisis,

we came to understand how interconnected our financial markets were. Without the regulation, there were some real weak points, and it affected everyone. This time we're learning that our physical infrastructures are not up to the task. They can't endure a lot of pressure. There are so many lessons to be learned, and some of them are sinking in. This will come again, and maybe not be exactly the same pressure points. But this idea of how can we stress test, be resilient? What's the weakest link in how we're doing our business or being a family? Clearly, one has to get a little creative because things broke this time that were taken for granted that they would work.

MacArthur: How does housing fit in?

Sahm: One of the big contributors to inflation is housing costs. We went into the financial crisis with a massive underbuild of housing. So that's where these two factors collided, and the response should be, "Let's go build more housing."

MacArthur: How should stimulus payments be used to help consumers in a recession if inflation were high?

Sahm: There's a way to do the stimulus checks — spread them out, make them smaller — that would be less inflationary. But, if they do any form of stimulus checks, some people will be highly critical of anything like a stimulus check. I would be more in favor of better unemployment insurance benefits. The stimulus checks, they send them out in large part because they're relief to families. It's not just about getting the economy going faster. There are two pieces to it, and the relief is important.

MacArthur: Futurists love universal basic income. Should there be a role for it in the future?

Sahm: I think so. I am somewhat skeptical and yet I am open-minded about UBI. I've worked on some research on the macroeconomic effects of UBI. I've done a lot on the child tax credit, which is close to UBI for kids because it was a flat transfer. I'm very much in favor of the child tax credit. It is targeted to young people; you're doing investments, education, helping people raise kids. To me, the goals are reducing child poverty, making sure that you can make investments in children that have future benefits for them. The cash transfers do a good job of solving that problem. I'm less convinced that UBI is the path to addressing income stability in the future.

MacArthur: You've written that the Fed needs help from Congress, the White House and businesses. How should businesses help?

Sahm: Probably at least half of the inflation that we're dealing with is related to some type of a supply disruption. It's businesses that are going to make sure supply chains are more resilient. They are the customers of the supply chain. It is clear in some sectors, people don't want to come back to these low-paid, part-time service jobs and there are customers [to serve]. Well, that is a good case for making investments in technology. If you have shortages, address them, if you have things like the supply chains that have broken down, address them.

We have a \$25 trillion economy. The federal government is not going to make all these solutions. The Fed has a very blunt tool. Businesses make a lot of decisions. They make the investments, they figure out how to structure how they produce things, who they hire. They can really move the needle. It's the same thing about learning the lessons from this time. I would like them not to develop an inflationary mentality and try and keep raising prices. But I won't do the Jimmy Carter [thing] and be like, "Don't raise prices."

Kate MacArthur is deputy editor of What the Future.

“What’s really going to be important over the next several years is the extent to which we take the lessons from this crisis and do better.”

Why creators are key to making e-commerce human



Kit Ulrich

General manager, LTK

Anyone who's scrolled through Instagram or TikTok in recent years has probably discovered new brands (or trends) to try. Increasingly, however, fashionable shoppers are gravitating to platforms like LTK, where style-minded influencers show off the hippest products found online. LTK now drives more than \$3 billion in annual retail sales from some 200,000 creators globally. General Manager Kit Ulrich says the app can bring new value — and a human touch — to online shopping.

Christopher Good: What makes people shop differently when they see an influencer's social post, as opposed to an ad or a billboard?

Kit Ulrich: The main point is that creators are just real people — and they do the work on the behalf of you as a shopper. There's a lot of work that goes into curating and finding the best products. Even when you find something you think you want, does it fit the way you expected? Did you get it for the best price? Creator-driven shopping is about humanizing shopping, making it authentic and convenient for the consumers.

Good: Many customers are loyal to influencers or creators. How do you bridge that to brand loyalty?

Ulrich: As a platform, our No. 1 job is to make creators as successful as possible. What we are seeing more, though, is people understanding creator commerce — understanding that if they want to go shopping online, it is better if they do it alongside a creator, and that is



why they come directly to LTK. In a way, it's part of our democratization economy. Similar to how Airbnb democratized hotel rooms, or Uber democratized drivers, LTK democratizes personalized shopping. As a consumer, I'm hiring a creator to make shopping easier, more fun and more valuable.

Good: How will you remove barriers between browsing and buying?

Ulrich: What's really interesting in our category is that shopping or browsing can happen in an entertainment state. Take the analogy of when people used to go walk around a mall, it was interesting, it was fun, but it was also social. You were usually with a group of people. I think that's still true. We're just starting to do it in an online world. And that's exactly the space that creator commerce fits in. What we try to do is to balance that. We create paths that a browser can explore — and when a shopper is ready to buy, we're there to convert them.

Good: Reviews are crucial for consumer confidence, but they also have a trust problem. Will that get better or worse?

Ulrich: If you roll back the clock on e-commerce, there are really only two features that providers put out there to try to get people's confidence. One was reviews and the other was free shipping and returns. Now, we're feeling the pain of both those features. With reviews, it's so easy for it to be fake or paid. And with free shipping and returns, we're all living the pain of ordering 10 things and having to ship nine back.

Creators are incentivized to build trust. If they promote a product with an artificial review, and then you buy it, you're not going to follow them anymore, and then they've hurt their business model. Both sides are incentivized to do exactly the right behaviors to build trust — and I think that's why the industry is booming.

Good: Some shoppers prefer a physical retail experience. Do you think AR (or VR) tech could help reach reluctant online shoppers?

Ulrich: I'm a bit hesitant on this, at least for our space. AR and VR definitely work for some functions, like showing you what that mirror looks like on your wall. Clothing is much

more complex — and that means [VR and AR] can actually degrade trust, because putting on a shirt is very different from placing an image of the shirt on top of you. So, the exact thing that our creators do — trying it on and saying, “you know what, the armholes on the shirt are really tight,” or “I can't lift my arms above my head,” or “it shrunk dramatically” — these are things that a VR try-on room won't make massive strides for.

Good: LTK was established 11 years ago. What do you think the greatest change will be in another 11 years?

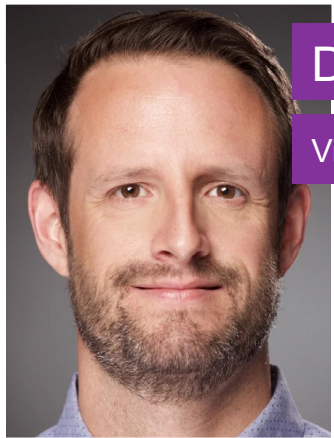
Ulrich: You'll see many different types of creators. You already see younger generations saying the job they want when they grow up is to be an influencer — you didn't have that a decade ago! Creators are going to develop authentic, niche types of expertise, because that's where they add value, tapping the long tail of shopping trends.

That's really exciting, because creators serve a need for their shoppers, saving them time and money, adding value to their lives. And on the flip side, these are creators who get to make their own income and build their own business. It's empowering people to live their own lives on the terms that they want to live it.

Christopher Good is a staff writer for What the Future.

“Creator-driven shopping is about humanizing shopping, making it authentic and convenient for the consumers.”

How augmented reality will make shopping more personal



Doug Frisbie

Vice president, global business marketing, Snap

Between physical spending and virtual worlds lives augmented reality. AR is already opening new frontiers for people to experience products and share those experiences with friends and followers. Doug Frisbie, vice president of global business marketing for Snap, sees myriad ways AR will make shopping seamless and, more importantly, make sharing those experiences all part of the fun.

Matt Carmichael: How will interest in stories and experiences shape retail experiences, both in stores and virtually?

Doug Frisbie: The Snapchat Generation really values the connections with their friends, brands and the world around them a lot more than other generations. They expect brands and retailers to provide those immersive experiences that create those connections.

Carmichael: How do you expect AR shopping to fit into the larger retail experience?

Frisbie: We see AR following a similar path to e-commerce. If you look at AR on Snapchat, it's evolved from just being an entertainment and self-expression opportunity to something that's providing utility for brands and consumers to interact and transact in new ways. Today you can try on shoes, watches, cosmetics, jewelry and several other categories. In the future, we believe you'll be able to shop for anything through AR.



Carmichael: How will that happen?

Frisbie: The first way that we enabled brands to provide that experience is through a singular Lens experience. But now you can actually experience all different types of brands in one place through a new feature called Dress Up, which allows you to look at all the best of AR fashion in one place.

Carmichael: How will AR evolve versus VR in audience size for customers and brands?

Frisbie: We think AR far exceeds VR from a customer experience perspective. In 2021, there were something like 11 million VR headset sets shipped worldwide. But on average, every day on Snapchat 250 million people interact with AR more than 6 billion times. We believe people are more interested in augmenting and experiencing the real world versus escaping to a virtual one. Brands have always wanted to invest where their customers are spending time and engaging.

Carmichael: In the creator economy, people trust creators. How can creators transfer that trust to the brands that sponsor them?

Frisbie: It probably depends on the customer, the influencer and the brand. There are all sorts of levels and sources of influence if we think about that kind of triad. As influencer marketing has proliferated you see a bunch of different ways that brands are engaging and ways that they're influencing. We know that Gen Z and really all consumers look to their friends as much as they do influencers. The inherently social aspects of AR and the ability to share those AR experiences with your friends that are coming from brands is an important source of influence as well.

Carmichael: Traditional advertising is passive, but with AR and filters there are different degrees of engagement.

Frisbie: There's also in some cases a delay. Traditional advertising, whether it's a print ad or a TV ad, that's a passive experience that's then directing you to do something else. With AR, you're able to experience the brand and interact with it right there in the moment. Marketers for ages have been trying to create ways for customers to see themselves in their brand. There's never been a better way

to do that than through AR. And that immediacy really delivers on customer expectations in a way that no other media has in the past.

Carmichael: Do you think today's trends are linked to life stage or are they more generational?

Frisbie: Across generations people really expect and anticipate to engage with AR much more than they are today. Older generations are even more likely to see the utility value of AR, maybe because they haven't experienced it as much as a social, fun way of interacting with their friends. But they do see that potential for it to play a role in things like commerce from a more utilitarian perspective.

Carmichael: What are some overlooked benefits?

Frisbie: AR has the potential to both impact the top and bottom line. We conducted research that showed that 66% of shoppers who use AR are going to be less likely to return their purchases. That has tremendous potential when you think about the cost and environmental waste that returns create.

Matt Carmichael is editor of What the Future and head of the Ipsos Trends & Foresight Lab.

“Marketers for ages have been trying to create ways for customers to see themselves in their brand. There's never been a better way to do that than through AR.”

How purpose and innovation will shape how we spend



David Wagner

Executive vice president, venture platforms, VF Corporation

VF Corporation is a global apparel and footwear company with brands like The North Face, Timberland, Supreme and Vans that are ubiquitous from ski slopes to skate parks. David Wagner, executive vice president of venture platforms, leads the company's entrepreneurial incubator and early-stage venture capital investments. His mission is to take the 123-year-old company into the future while staying true to its purpose around "powering movements of sustainable and active lifestyles for betterment of people and our planet."

Kate MacArthur: How does innovation help deliver purpose and value? Or is it the other way around?

David Wagner: It is a virtuous cycle. Our brands were all created in different ways with a purpose that came from the original founders. Innovation ultimately is what delivers value because in order to retain a consumer, you have to continuously deliver more value because you've got competition that's trying to do the same thing. The notion of purpose and why it matters is it channels your activity and, therefore, what you bring forth in the product or in the experience you're providing to the consumer.

MacArthur: I know you focus on four macro trends, but is there one that would be most meaningful for how consumers will spend in the future?

Wagner: It would be the active health and wellness space. The thing that's most different today versus



even just a couple of years ago is this emphasis on mental wellbeing, where both our society and cultures around the world are talking about mental wellness in ways that they did not before. We tend to believe that physical wellbeing is interrelated with mental wellbeing. We see consumers continuing to value brands that can provide solutions for them in those spaces.

MacArthur: How will you balance for consumers various economic climates with affordability and sustainability?

Wagner: We sell what most people would say are discretionary products. If hiking or snow sports is a super important part of your life and the economy is tough, that's probably an area of your personal spending that you're going to protect. So, this activity-based orientation that most of our brands have gives us helpful insulation.

MacArthur: How does climate change affect how you think about innovation and getting people outside and active?

Wagner: In general, consumers continue to say that they want more sustainable products, but they don't want to pay for them. Our brands often make sustainable innovation a point of difference for their consumers as opposed to being an important point of parity. Being more sustainable and being more affordable are not necessarily mutually exclusive ideas. Recommerce extends the product lifecycle and gives that next buyer a still-high-quality product at a discount versus if they bought it new.

MacArthur: What's the biggest challenge in taking physical products and brand experiences into virtual spaces?

Wagner: It's easy to fall into a trap of being technology-led because there are a lot of really neat, shiny objects that brands can try out. Our goal with the metaverse or virtual goods and experiences is not to help consumers get sucked into the universe, but rather to use these environments to introduce more consumers to healthy and active lifestyles and to have more fun in those real-world environments when they're there. For example, all else equal, we would favor augmented reality over virtual reality.

MacArthur: How are you thinking about the value for brick-and-mortar versus online or how they fit together?

Wagner: We see three specific roles for retail stores going forward. We see stores as brand equity enhancers. We see stores as consumer acquisition and trial enablers, and we see stores as fulfillment vehicles, and these are not mutually exclusive ideas store by store. We can't forget, especially in apparel and footwear, that shopping is fun and a very social thing for a lot of people. A great in-real-life shopping experience can speak to the senses in ways that digital cannot.

MacArthur: Where do you see the role for social shopping, like Instagram and TikTok shopping?

Wagner: We think there is an opportunity for social commerce through properties which can be part digital, part physical. They enable consumers who are like-minded in how they spend their time and what they deeply care about to come together and talk. For example, they can share their activities, the products they wear and the services they spend their money on — thus enabling commerce through that kind of trusted community setting. It's a potentially quite different approach to social commerce than what we might call version 1.0.

Kate MacArthur is deputy editor of What the Future.

“The notion of purpose and why it matters is it channels your activity, and therefore, what you bring forth in the product or in the experience that you're providing to the consumer.”

Signals

What we're reading today that has us thinking about tomorrow

Would you take out a loan to buy this week's groceries? via [The New York Times](#). As "buy now, pay later" apps grow in popularity, Americans are using them to buy necessities — and going deeper in debt.

Social media's big bet: The shopping revolution will be livestreamed via [Financial Times](#). Social media platforms are wagering that you'll find your next impulse purchase through a livestream.

Why brands are obsessed with building community via [Vox](#). A look at how brand loyalty became a sort of fandom, from hashtags to Discord groups.

Personalized coffees and prestige skincare: Consumers snap up premium products despite cost-of-living crisis via [CNBC](#). It might sound counterintuitive, but amid inflation and fears of a recession, many brands are pushing their priciest products.

Is selling shares in yourself the way of the future? via [The New Yorker](#). Two brothers want to list themselves (and their future earnings) on the stock market. Would you buy a share?

Who are the affluent environmentalists? via [Ipsos](#). Wealthy Americans are taking the environment into consideration when they spend, but gaps between attitudes and actions still exist.

What consumers are saying about the celebrity-owned cosmetics market via [Ipsos](#). How does the internet really feel about the explosion of celebrity-owned brands?

Inflation is changing Americans' impulse buys. Here's how. via [Ipsos](#). Impulse purchase behavior has been turned upside down, but there are still ways brands can take advantage of this key opportunity.

Why is cryptocurrency still confusing? via [Ipsos](#). Synthesio's consumer intelligence platform looks at both the popularity of cryptocurrencies and the barriers keeping people from diving in.

Here's what it takes to attract early adopters in 2022 via [Ipsos](#). Early adopters are more worried about inflation and have higher expectations for brands compared to Americans in general. Here's what brands need to know.

Scanning for signals is a type of research that is foundational to foresight work. These signals were collected by the staff of What the Future and the Ipsos Trends Network.

Contributors



Amber Jawaid is a senior vice president in Ipsos' SMX Online Communities. She leads a team focused on financial services and technology, providing clients with long-term strategic planning through ongoing consumer engagement. She brings over a decade of experience in community-focused research, pioneering some of the best practices used today.
amber.jawaid@ipsos.com



Annaleise Azevedo Lohr is a research director at Ipsos. She specializes in political and issue studies for public release for private sector clients and non-profits. Annaleise leads key components of some of Ipsos' largest and most complex projects in the U.S., including the polling program for Thomson Reuters.
annaleise.lohr@ipsos.com



Philip Ryan is a partner in Ipsos Strategy3, Ipsos' growth strategy consultancy, where he leads the innovation and trends and foresight advisory businesses. He works with brands across a broad range of industries, including auto, beauty, CPG, healthcare, retail and more.
philip.ryan@ipsos.com



Trevor Sudano is a senior engagement manager with Ipsos Strategy3, Ipsos' marketing strategy consultancy, where he leads client engagements in foresight, trends, and innovation. Trevor's expertise is at the intersection of creativity and rigor with a focus on simplifying the complex to help clients anticipate and shape the future through foresight.
trevor.sudano@ipsos.com



Ying Wang is a director in Ipsos' User Experience practice, leading the biometrics and quantitative UX businesses. Leveraging her multidisciplinary background in engineering and business, Ying integrates advanced user testing tools to help clients understand user behavior and improve their products, e.g., eye tracking, facial recognition, sentiment analysis, and UX score.
ying.wang3@ipsos.com

What the Future

Editor

Matt Carmichael

Deputy editor

Kate MacArthur

Staff writer

Christopher Good

Art director

Stephen Geary

Graphics

Avalon Leonetti, Kahren Kim

Newsletter

Ben Meyerson

Copy editing

Zoe Galland, Betsy Edgerton

Web

James Des Los Santos,
Matthew Alward

Survey design

Mallory Newall

Survey execution

Melissa Kordik

Events

Megan Philpott

For full results and methodology, visit future.ipsos.com
and [subscribe to our newsletter](#) to receive our next issue of What the Future

What the Future is produced by the Ipsos Trends & Foresight Lab

GAME CHANGERS

