



# UPSHOT'S EIGHT TRENDS TO WATCH IN 2021

A look at the forces shaping the role of brands in the marketplace and culture.





# ABOUT THIS REPORT

We launched our 2020 trends report just as the world was about to experience a historic reset of our collective reality. The events of this past year and their aftermath have accelerated trends already at play in the marketplace and culture, some of which we've seen evolving for years.

The year's tumult also upended consumer behaviors and their expectations of brands. To help you navigate our dynamic marketplace in ways that anticipate and exceed these expectations, Upshot's market intelligence team has compiled a list of eight trends meant to inspire your own approach to building exciting brands that inspire loyalty and drive growth in a changed culture and marketplace.

We look to the remainder of 2021 with a rekindled spirit of creativity shaped by the ingenuity required of all of us last year.

In what we hope will be the near term, we'll restore the fundamental pleasure of human connection that defines normalcy for us as social beings, but we'll also reject the old normal that has been upended by a historic awakening around social inequities, systemic racism, and the undeniable perils of climate change.

From uncertainty, pressure, and disruption, we've seen new ideas, models, and solutions emerge. So rather than dwell on the goal of getting back to normal, we have a clear mandate to move forward towards something better.

**The trends we're highlighting this year all ultimately speak to a collective desire for healthier, happier, and more equitable and just communities.**

Readers will note themes such as wellbeing, sustainability, regeneration, collective activism, and the blurring of digital and analog worlds that drive these trends and influence them in multiple ways.

So, without further ado, let's explore some of what's next for a year when progress is the imperative.

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RETAIL REINVENTED







# Retail Reinvented

During retail's most transformational year, McKinsey estimates that just the first three months of 2020 accounted for a decade's worth of growth in ecommerce. The race is on to retain the loyalty of these shoppers who now demand ease, speed, and the option to blend brick and mortar with the friction-free benefits of digital. Brands will focus on making all aspects of ecommerce more experiential, layering on entertainment, education, and delight. Curbside pickup will also be elevated with sampling, personalization, and a human touch. Think last minutes versus last mile.

**Brick and mortar will remain vital to brands while taking on new roles focused on discovery, curation, and service with a heavy overlay of digital transformation.**

And finally, brands will continue to refine and optimize data capture across the omnichannel experience chain as they adjust to a cookie-less world, increasing consumer skepticism about the uses of their data and the potential for greater governmental oversight in the near term.





# Retail Reinvented

## Manifestations

**Clean-beauty brand Beautycounter's new LA store aims to offer the best of both digital and in-person beauty shopping experiences.** Tapping into the growing trend in shoppable livestreaming and social commerce, the store features a studio where content can be created by staff and brand influencers for digital audiences as well as in-store shoppers. Expect more of this integration in other retail environments as stores act as hubs for content creation, bridging the physical and digital world of omnichannel retailing.

**Designed to make online shopping captivating as well as convenient,** sustainable-apparel brand Pangaia's recent invitation-only immersive shopping experience allowed shoppers to explore Antarctica and discover the unique properties of the brand's FLWRDN materials. Though it was purchase enabled, the experience focused most on storytelling. This example and Gucci's recent gamified AR campaign on Snapchat are examples of how gaming is influencing ecommerce experiences. Expect education, commerce, and gaming-style entertainment to continue to converge. We see immersive commerce becoming "multiplayer," ultimately creating opportunities for squad shopping.

**In an especially charming example of injecting personalized delight into omnichannel commerce,** online pet retailer Chewy surprises about 100 of its customers every week with a personalized portrait of their pets. It's no surprise that the practice has garnered the retailer raves and much brand love on social media.







# A Passport to Health

All the more vulnerable as we continue to battle a historic public health crisis, Americans will continue to consider what they eat and drink as foundational to their overall health, spurring brands to introduce a steady stream of new health-focused claims and formulations in the coming year. Yet with a “better for you” approach to eating that now rejects restrictive diets and sacrifice, Americans are looking to the food traditions of other countries for not just exciting flavors, textures, and forms but also approaches to eating healthier.

**The desire for both globally inspired fare and healthier options will continue to intersect, creating opportunities for innovation in the marketplace.**

From the fermented foods of Korea to the superfoods of African cuisines, consumers are keen to take culinary journeys that promise a richer way to eat better.





# A Passport to Health Manifestations

**Brands such as IMMI and Annie Chun are offering consumers healthier, cleaner label versions of dishes that have typically been associated with unhealthy fare.** IMMI's ramens, for example, boast authentic flavors, ingredients, and a "nutrition is our mission" promise of a high-protein, low-carb alternative to typical packaged ramen. Similarly, pan-Asian brand Omson's "loud, proud Asian" starters tout convenience, ethical sourcing, a cleaner preservative-free label, and cultural integrity that defies outdated ideas about ethnic food as monolithic cuisines. This year promises even more choices for global culinary exploration that aligns with our heightened health goals.

**Siete Foods was created when a Mexican-American family saw a need for healthier and diet-specific versions of pantry staples like tortillas and chips.** Proudly declaring that they "live the hyphen," Siete is an example of a true bicultural brand that draws on its culinary heritage to create a modern offering for a growing poly-cultural American palate in search of better ingredient stories.









# The Progress Imperative

The massive disruptions wrought by the pandemic combined with last summer's racial reckoning and widespread awareness of the threat of climate change have raised the bar for brands as forces for positive progress and tangible results. Edelman's recently released brand-trust study revealed that consumers now trust companies more than the government and media, a dynamic that's hardly surprising given how so many brands boldly stepped up to help meet pandemic-induced needs, address racial inequities, encourage electoral engagement, and commit to stronger sustainability measures in 2020.

Expectations for more decisive action will not abate, and brands will be taken to task if they don't deliver on their commitments to environmental stewardship, racial equity and justice, and meaningful purpose-driven change.

**The mandate for brands is clear: act decisively to contribute to the wellbeing of both people and planet or risk erosion of relevance with today's activist-minded consumers.**





# The Progress Imperative

## Manifestations

**Both gorgeous and profound, Beats's "You Love Me" campaign distilled the brutal irony of the nation's relationship with black culture in a society marked by systemic racism.**

The spot is sure to win many awards, but more importantly, it set the standard for breakthrough brand creativity and insight in a year of racial awakening. Proving the power of diverse brand leadership, under Dara Treseder's stewardship as global CMO, Peloton announced the most hype-worthy partnership of the year between the brand, Beyoncé, and HBCUs. The best creative brand ideas will be born of diverse teams who not only reflect today's culture but also are its makers.

**Last April, as misinformation about the pandemic proliferated, Steak-umm's Twitter feed became an unlikely voice of reason.**

As more brands assert their voices to address social, economic, and environmental challenges, we expect to see them use social-media presence and their influencers to advance their efforts. With this year's massive vaccination efforts underway, we expect to see many brands join the cause to rally Americans to get vaccinated and tame the pandemic.



MINDFUL BEAUTY



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# Mindful Beauty

Did your face-mask routine provide a sense of calm for you over the past few months? Perhaps your skin-care rituals became a bit more meditative. If so, you're not alone. In response to consumers' needs, both beauty and skin-care brands began to focus on the mood boosting and overall health benefits of their products.

This continued convergence of wellness and health with beauty is taking on many new forms including a growing demand for clean, humane, and sustainable choices, a desire for products that offer immunity and other health-boosting benefits, and options that, in their celebration of diversity, experimentation, and unconventionality, promise not just self-care but also transformational inclusivity.

**We expect that personal-care, beauty, and skin-care brands will spotlight the wellbeing benefits of their products to align with consumers' evolving ritualized self-care behaviors and desires.**





# Mindful Beauty Manifestations

**When the world went into lockdown and uncertainty was most acute, many beauty brands were quick to focus on wellbeing.**

Clean-beauty brand Indie Lee launched its Mindful Mondays video series, while Givaudan Active Beauty's Synchronight product promised to shield users from the "digital stress" inflicted on us by our devices' damaging blue light. Other brands such as SPKTRM and Rare Beauty embraced unapologetic imperfection to mitigate the mental-health perils of promoting impossible, one-note, and exclusionary standards of beauty.

**Injecting wellness into every possible personal-care routine, high-end hair-essentials brand Crown Affair encourages "mindful care for healthier hair"** with its collection of brushes, combs, and other essentials for "slow" hair care. No personal care routine is too mundane to reinvent in the age of anxiety consumerism.

**With scientists being some of the pandemic age's biggest heroines and heroes, consumers are seeking out science-driven brands** like Noble Panacea, developed by Nobel Prize-winning chemist Sir Fraser Stoddart and MIT-born Atolla. From saving the world to making our complexions glow, science will garner our trust and confidence in the near and long-term future.







# Metaverse Marketing

To combat the pandemic, the virtual world became a safer way to connect, work, be entertained, and more. As a result, we are increasingly living in a blurred blend of virtual and physical environments. And though gaming is the most recognized gateway to this new world, this shift ultimately will transcend gaming environments and encompass spaces for entertainment, work, commerce, connection, and other shared cultural experiences.

Already, we're seeing AR, VR, and game-based innovations that straddle the digital and physical in ways that humanize digital experiences for community building, commerce, activism, and entertainment. Increasingly comfortable in these environments, consumers will look to brands to help them personalize and enhance these digital spaces.

Expect to hear more about direct-to-avatar (D2A) commerce, blended entertainment that combines analog and digital elements, and shopping experiences that combine the real and digital worlds.

**This is not a retreat into wholly digital worlds but instead a blurring of the digital with the physical to create new experiences and opportunities for engagement.**





# Metaverse Marketing Manifestations

**We've recently seen several entertainment experiences in the world of gaming such as Travis Scott in Fortnite and Lil Nas in Roblox,** but

properties are also building out novel experiences beyond the confines of a particular game. This year, Sony Music artist Madison Beer's Immersive Reality concert will be available via Playstation VR and Oculus VR, as well as on music-streaming platforms. Expect more metaverse music experiences in the future with opportunities for brands to augment and sponsor these new events.

**With a variety of apparel brands, several in the luxury sector, already offering gamers the opportunity to outfit their avatars,** shopping in these environments

isn't new, but we expect a diversification of categories creating new shopping opportunities. Having already partnered with retailers such as West Elm and Pottery Barn, Design Home, a popular mobile game in which players outfit virtual homes, recently launched an ecommerce store within the game where players can purchase real-world home goods.

**Unable to host its annual ComplexCon festival in person, the streetwear and sneaker lifestyle brand Complex offered fans a game-like digital experience last December.** Via WebGL

technology, attendees accessed the environment via desktop or mobile. Once inside, they dressed their avatar (Gucci being a choice), attended sessions, shopped exclusive drops, and, in two cities, could order food for IRL delivery all from within the virtual festival.









# Z Rising

Prior to the pandemic, Generation Z, today's 11–24-year-olds, were already coming of age in an environment marked by volatility and uncertainty. Their tendency towards resilience, their ability to exert a collective call for social progress, and their demand for inclusivity have been accelerated by the events of the past year. Like Millennials before them, as today's youth generation, they are shaping culture and influencing how brands behave.

In digital spaces, they are iterating language and imagery, broadcasting who they are and what they love, and demonstrating an absurdist sense of humor (please see all the memes) as they cope with lives turned upside down during a formative life stage. Marketing savvy, they're pushing brands to dispense with the BS, contribute to social progress, ease their considerable anxieties, and help them course-correct the imperiled planet that they and their children will inherit. Expect more brands to wake up to their power and influence this year, especially as they set the terms for what's next in a changed marketplace.

**Digital fluency, co-creation, sustainability, radical inclusivity, and the ability to pivot to meet new needs should be on every brand's agenda in hoping to succeed with this new wave of omni-culturally minded consumers.**





# Z Rising Manifestations

**Expect brands to harness their collective creation skills with user-generated content from brands set to expand this year.**

If Millennials are natural curators, Gen Z are native creators, and their creative platform of choice currently is TikTok. Most notably in the beauty and personal-care categories, brands are ceding control to their influencers to create the type of content that will spur engagement on the app.

**McDonald's canny collabs with Travis Scott and J Balvin raised the bar on fast-food marketing this year.**

Gen Z consumers cultivate a closer relationship with celebrities via social media, but the chance to enjoy Scott's and Balvin's favorite meals and offbeat merch drops created a new and irresistible way to demonstrate their fandom while driving up sales at the fast feeder and creating a stir online. Expect more brand partnerships that tap into today's fan culture to play out both online and IRL.

**Gen Z, already nearly a minority majority, is demonstrating a stronger cultural openness than previous generations.**

And BIPOC Gen Z'ers are asserting their identities and their profound influence on modern American culture. House of Chingasos, Phenomenal, and Melanin Is Life are examples of apparel brands addressing this desire to assert their identities boldly. To connect with this generation, brands will need to help amplify this assertion of identity and embrace their demand for equity.





HOME AS HAVEN



# Home as Haven

Hemmablind, a term in Swedish, roughly translates to “home blindness.” It expresses the tendency to become so familiar with our home environments that we essentially become blind to them and their imperfections. Once the pandemic demanded home confinement for so many, we were forced to see our homes in a new and often jarring light. Suddenly, we became alert to the adaptations required of our homes once they became workplace, classroom, gym, and so much more. Despite the promise of a gradual opening up, our fixation with enhancing our homes, carving out spaces of sanctuary, and reconnecting with our neighborhoods will continue into this year.

**Understanding consumers’ new expectations of their homes and their immediate communities will be vital across a variety of categories.**

For example, many Americans embraced the call to support their communities’ small businesses, a dynamic that brands will do well to continue supporting.

From reinforcing newfound connections to neighbors, as neighborhoods became collections of quarantine pods, to empowering new DIY, cooking, crafting, and other home-focused skills, brands can help to enhance and optimize the reshaped role of home in Americans’ lives.





# Home as Haven

## Manifestations

**Home retailer Lowe's is predicting that Americans will continue to engage in home renovations and DIY projects** to adapt their homes to newfound needs while also cultivating the sense of control and competency that many felt when successfully completing these projects last year. Think of DIY as a source of self-care and emotional wellbeing. Brands in a variety of categories have an opportunity to empower consumers with this sense of control at home, where many of us will continue to spend plenty of time during this transitional year.

**The use of telehealth last year has been much discussed, but as we've noted in past reports, we expect that homes will also deliver ambient health benefits including embedded diagnostic tools.** Brands such as Toto and Tyto Care are already working on making homes an element in the healthcare pathway in this manner. And though some forms of smart-home technology only saw modest gains last year, analysts at EY expect home health and security to be future bright spots in the industry.



VOICE 2.0





## MANIFESTATIONS

Opportunities to connect in these audio landscapes abound, and we believe that brands will be wise to leverage them.





**diverse audiences.** Recently launched Futuro Studios is focused on foregrounding stories and content by BIPOC creators including La Brega, a new dual-language program about Puerto Rico. Brands are paying attention to these new properties with Pepsi recently partnering with podcasters (and Showtime stars) the Bodega Boys and Molson Coors signing on early with Charlamagne tha God's new Black Effect podcast network.

**by speaking.** Last June, Spotify ran a campaign for the cosmetics brand NARS that encourages UK listeners to respond to the ad and request a free sample during a time when in-person beauty sampling has been limited. We expect more voice elements to be woven into ecommerce given its dramatic rise over the past year. To enhance the omnichannel experience, grocery retailers like Wegmans are already exploring the role that voice may play in providing shoppers convenient ways to shop and place orders for pickup or delivery.

**platform in audio.** The invitation-only “drop-in audio only” social app claims 3 million users including a bevy of celebrities. With access still limited, content tends to be specialized and therefore considered more valuable to its members. Brands are already considering where they may fit in this new social space whether on Clubhouse or the other copycat audio social networks already emerging. At this stage, we’re recommending that participation efforts focus on high-quality thought leadership delivered by your brand’s most charismatic advocates.





## LOOKING FORWARD

These eight trends offer a glimpse into the many and varied shifts, developments, and innovations that our market-intelligence team is tracking on behalf of our clients. Americans welcomed 2021 with a focus on hope, tangible progress, and action, which they are holding both themselves and brands accountable for.

**We believe that today's most daring, imaginative, and of-the-moment brands are built on a solid understanding of these aspirations and expectations in our dynamic culture and marketplace.**

Finally, we'd love to begin a conversation about the specific implications of these trends for your brands and categories. So don't hesitate to contact us with your thoughts, questions, and predictions about 2021 and beyond.



AUTHOR

**Liz Aviles, VP, Market Intelligence**

[lizaviles@upshotmail.com](mailto:lizaviles@upshotmail.com)

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