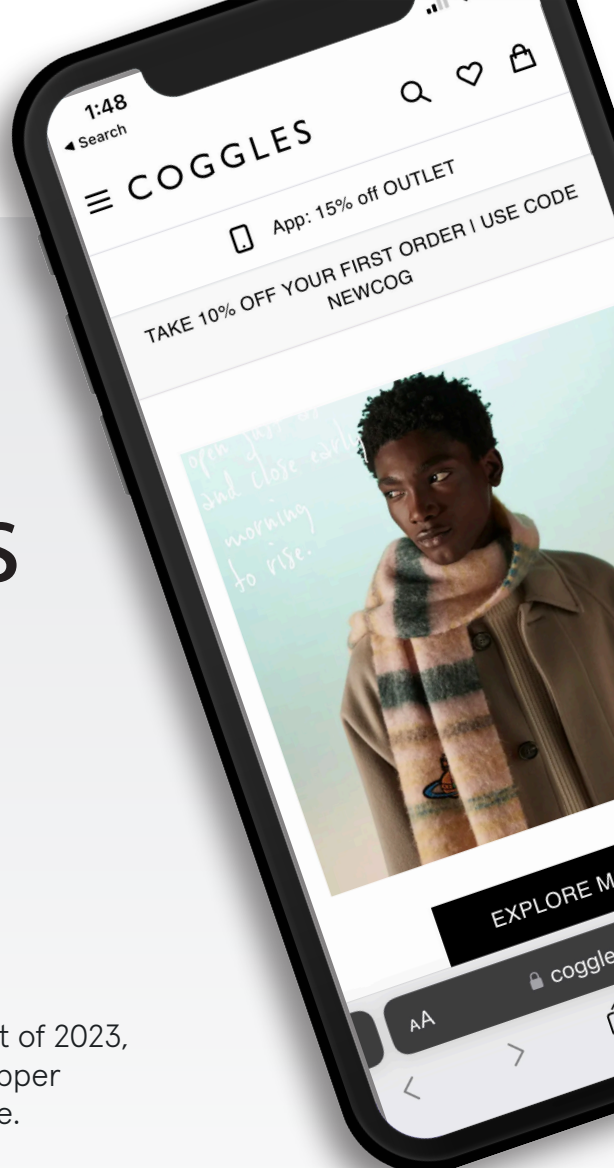




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# How can brands adapt to the cost-of-living crisis?

The cost-of-living crisis is becoming a defining element of 2023, impacting brands and consumers alike. Learn how shopper habits are changing (and what you can do about it) here.



**61%**

of UK consumers plan to cut discretionary spending in 2023.

**6.8%**

inflation: while high, it's still falling.

**27.4%**

of retail sales took place online in July, and more shoppers are switching to online stores.



## Major Trends

### Spending money to save money

As consumers adjust their spending habits, brands have seen an increase in sales of products that are versatile and value-for-money. More and more consumers are making larger-value purchases to save money in the long term.

### The rise of dupes: premium-feel products at lower prices

Rising living costs aren't stopping consumers from spending altogether. Instead, shoppers are increasingly looking to substitute expensive products for lower-priced options, known as dupes. This increased interest indicates consumers are craving premium-feel products, but at a lower price point.

**16,200**

monthly searches for Clinique's Black Honey dupes.

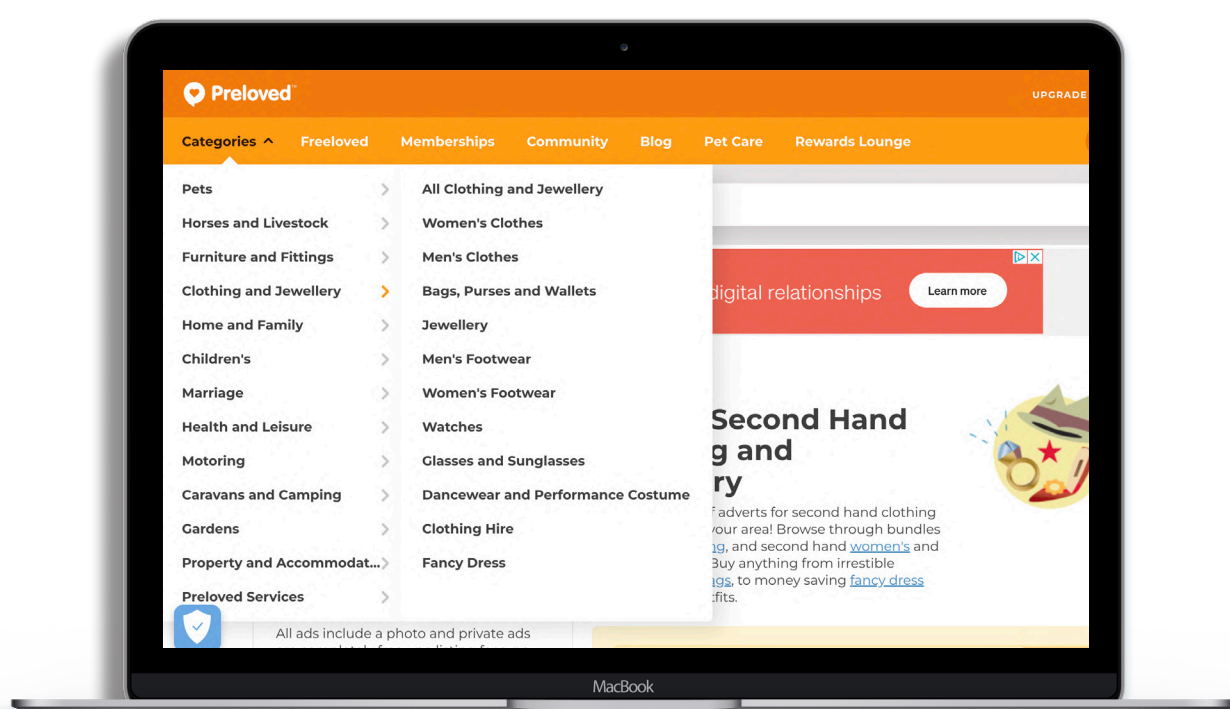
**219%**

increase Superdrug Christmas sales saw a 219% increase YoY in 2022, attributed to value-for-money gift set purchases.

**38%**

of consumers paid higher prices for products that were longer lasting and more durable in 2022.

But it's not just for everyday products – resale platforms give luxury brands like Hugo Boss a place to sell luxury, high-quality items at a lower price point while contributing to positive sustainable resale practices.



## What does this mean for brands?

In the wake of the cost-of-living crisis, brands need to be aware of how consumers' shopping habits are changing – and how to change with them.



### Be **transparent** about rising costs

Let customers know about increasing costs for ingredients, raw materials and returns, so they understand what they're paying for and why.



### **Shift** investment to digital opportunities

AI-driven dynamic pricing, for instance, or owned DTC platforms can help optimize costs to combat challenging economic trends.



### **Focus** on value throughout the purchase journey.

Demonstrate an awareness of financial hardship by offering free samples or gifts, or by highlighting the cost-saving value of products, showing empathy to the challenges consumers are facing.



See how Ingenuity can support your brand in adapting to shifting consumer habits in the wake of the cost-of-living crisis. [Reach out to our experts today.](#)