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## What Are Consumers Thinking?

Jennifer Polanz



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It's never easy to suss out what's on the mind of everyday consumers as they go about their lives. Did you have Stanley tumblers on the bingo card for 2024? Because I sure didn't.

Fortunately, there are markers we can turn to for a good idea of what the future holds. And at the moment (as of press time—and we all know things can change in a snap), things are cautiously optimistic. I'm basing that on a couple of factors, one of them being University of Michigan's Consumer Sentiment Index, which increased in December and—proving it wasn't a fluke, they said—increased another 13% in January 2024.

Here's what they wrote about the most recent numbers: "Consumer views were supported by confidence that inflation has turned a corner and strengthening income expectations. Over the last two months, sentiment has climbed a cumulative 29%, the largest two-month increase since 1991 as a recession ended."

That's great, because researchers saw a record low in sentiment in June of 2022, which wasn't all that long ago. As the researchers mentioned, other factors are reduced inflation, as well as the potential for interest rate cuts, which could heat up the housing market (although housing starts jumped late last year, signaling that heat-up may have already started).

Is it all good news? With an election year in the mix, probably not (I heard that collective head slap, along with my own). And while spending was up 3.8% over the previous year for 2023 holiday shopping, the increase was more in line with pre-pandemic spending versus the large upticks during the pandemic, which seems to signal those free-for-all days of 2021 might not be coming back.

So what can we deduce from all that? My thought for this year comes back to offering customers the products and value they want without giving away margin dollars. Part of that is telling the story of your products to make sure customers understand their value. Another part is offering them something they won't get anywhere else, so they have to buy with you. What does that look like for you and for your customers?

In this month's issue, we're looking at ways to set yourself apart, including with pots that have some kind of sustainability message. A McKinsey study last year showed, broadly, that products making ESG (environmental, social and corporate governance) claims have made more headway in consumer sales over a five-year period

(2017-2022). Here we'll take a look at containers that are offering an eco-friendly message.

Next up are unique components for combos that will help fill those containers, on page 24. If you're looking for more diversity in the pollinator plants you offer, we have you covered. Or, if you're looking for more diversity in how you offer products to customers by way of omnichannel retail, then check out Bill Calkins' interview with Rich Christakes of Ship My Plants.

I hope this consumer sentiment sticks around for several months and we have happy customers in droves ready to spend money this spring on the products that matter to them. As I look out my window at mounds of snow, I know I'll be one of them. **GP**