

# Top 6 Consumer, Social, and Business Trends That Will Have the Most Impact on Your Business



MAINE SMALL BUSINESS  
DEVELOPMENT CENTERS

# Summary Agenda

- Brief Introduction of Who I AM
- Quick Review of 2020 (even if we don't want to relive it again)
  - Because knowing where you were can help you know where to go
- Overview of How Industries Fared in Maine
- How Covid is changing 2021 and Consumer Behavior
- Questions at the End
  - This is a webinar to help point out current trends and broadly discuss impact



# Who am I and Who do I Work For?

- Peter G Harriman

Portland Center Director and  
Certified Business Adviser



Maine Small Business  
Development Centers

*Building Maine's Future, One Business at a Time.*

Hosted by the  
University of Southern Maine  
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[WWW.MAINESBDC.ORG](http://WWW.MAINESBDC.ORG)



**Service Centers**  
**Outreach Locations**  
**State Office**

**Northern**  
**Central**  
**Eastern**  
**Southern**

**Northern Maine Designated Communities**  
**Coastal Enterprises, Inc.**  
**Eastern Maine Designated Communities**  
**Southern Maine Designated Communities**



# What Does the SBDC Do?

- PROVIDES **FREE** BUSINESS ADVISING TO MAINE BUSINESSES AND ENTREPRENEURS, INCLUDING:

- BUSINESS PLANNING
- BUSINESS STARTUPS
- CREDIT & FINANCING
- FINANCIAL ANALYSIS
- MARKETING & SALES
- OPERATIONS & MANAGEMENT
- MUCH MORE

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SVOG      RRF  
LMNOP



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<https://www.mainesbdc.org/>





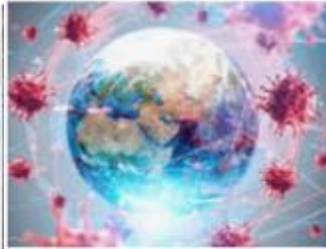
# Pre-2020 – If you can remember



Pre-pandemic the US had 128 months of economic expansion, unemployment was at 3.5%, and most businesses I advised were expecting their best year ever.

Then – Around March 15<sup>th</sup>





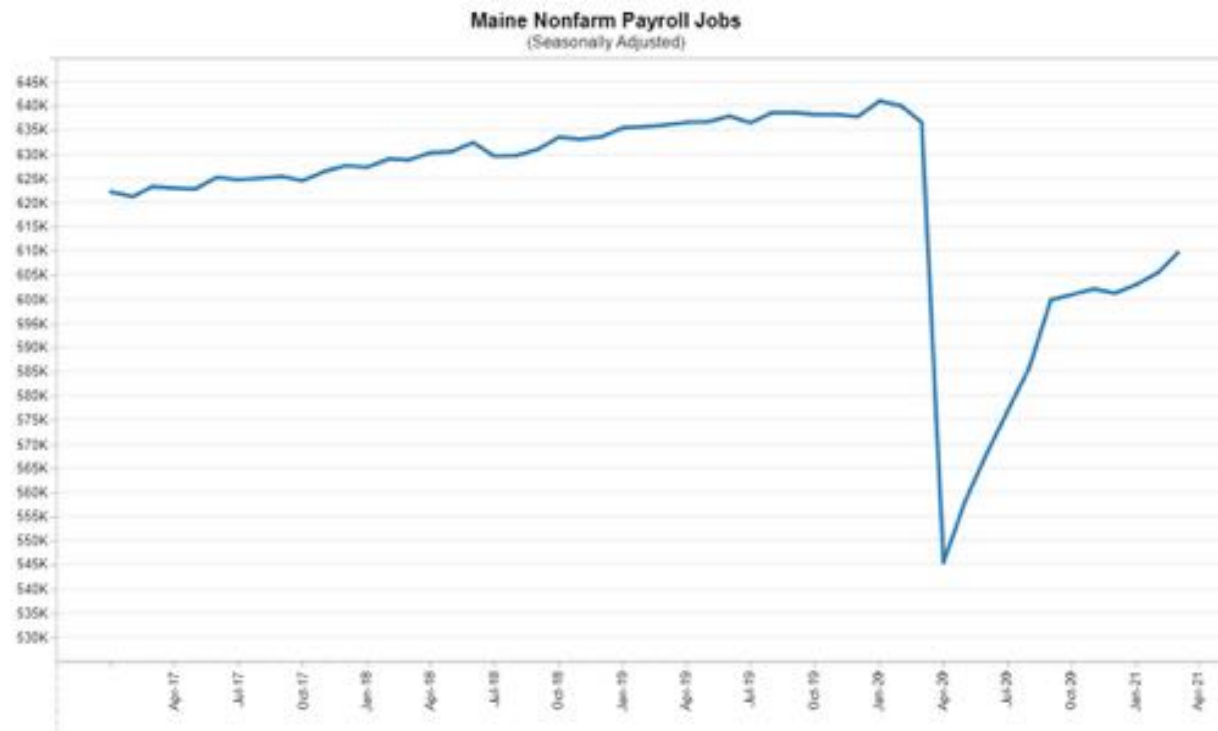
# The



# Downside

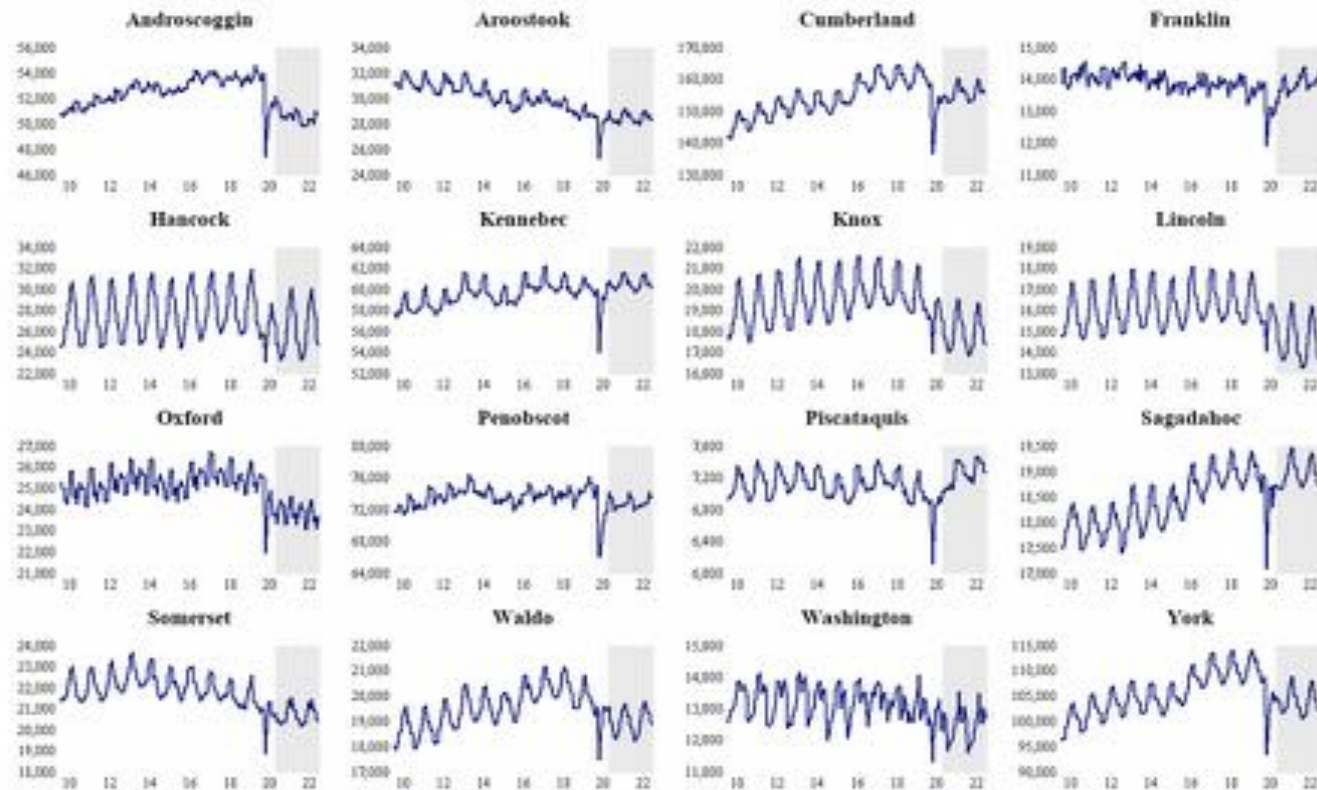
- By April, unemployment reached 14.7% Nationally and remained in double digits until August.
  - Maine lost 16%, or around 104,000 according to the Maine Department of Labor (Unemployment peaked at 10.4%)
  - Most of the lost jobs came from Bars, Restaurants, and Hotels

# Looking at Maine Non-Farm Payroll



# Non-Farm Job Loss by County?

## COLBY ECONOMIC OUTLOOK | DECEMBER 2020



# Government Response DURING 2020

## Federal Level Response:

- SBA EIDL (Advance and Loans)
- Paycheck Protection Program (PPP)
- Medical Provider Grant
- Day Care Provider Grant
- Families First Coronavirus Response Act (FFCRA)
- Employee Retention Credit
- Expanded Unemployment Benefits



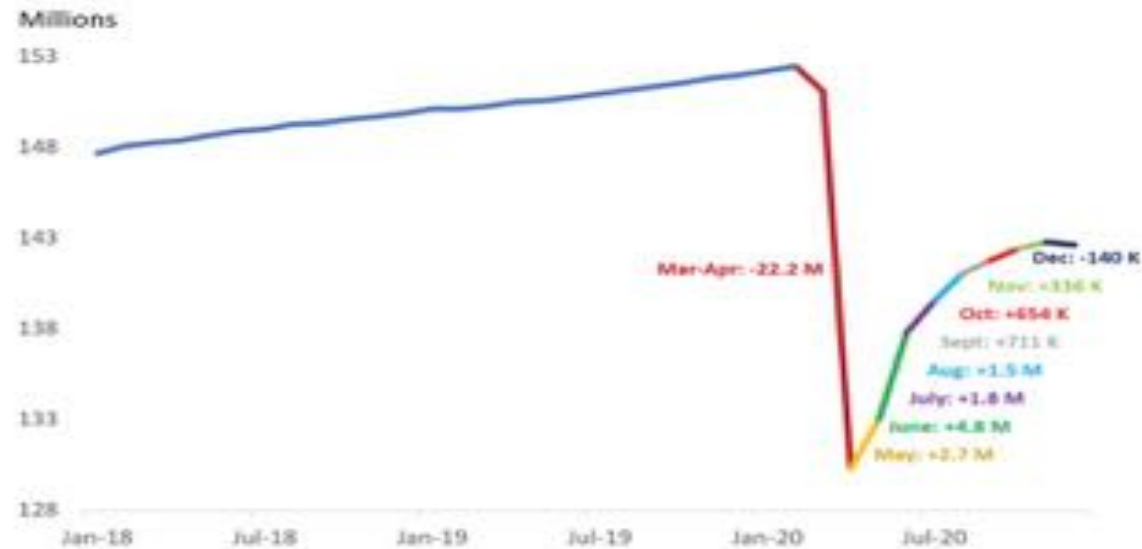
## State Level Response:

- Maine Economic Recovery Grant (4 Rounds)
- Additional Municipal Responses (CDBG Grant, Town loans/grants, etc)



# The V (Sort of) Recovery

Exhibit 2. U.S. Nonfarm Payroll Employment since 2018



Source: U.S. Bureau of Labor Statistics and St. Louis FRED

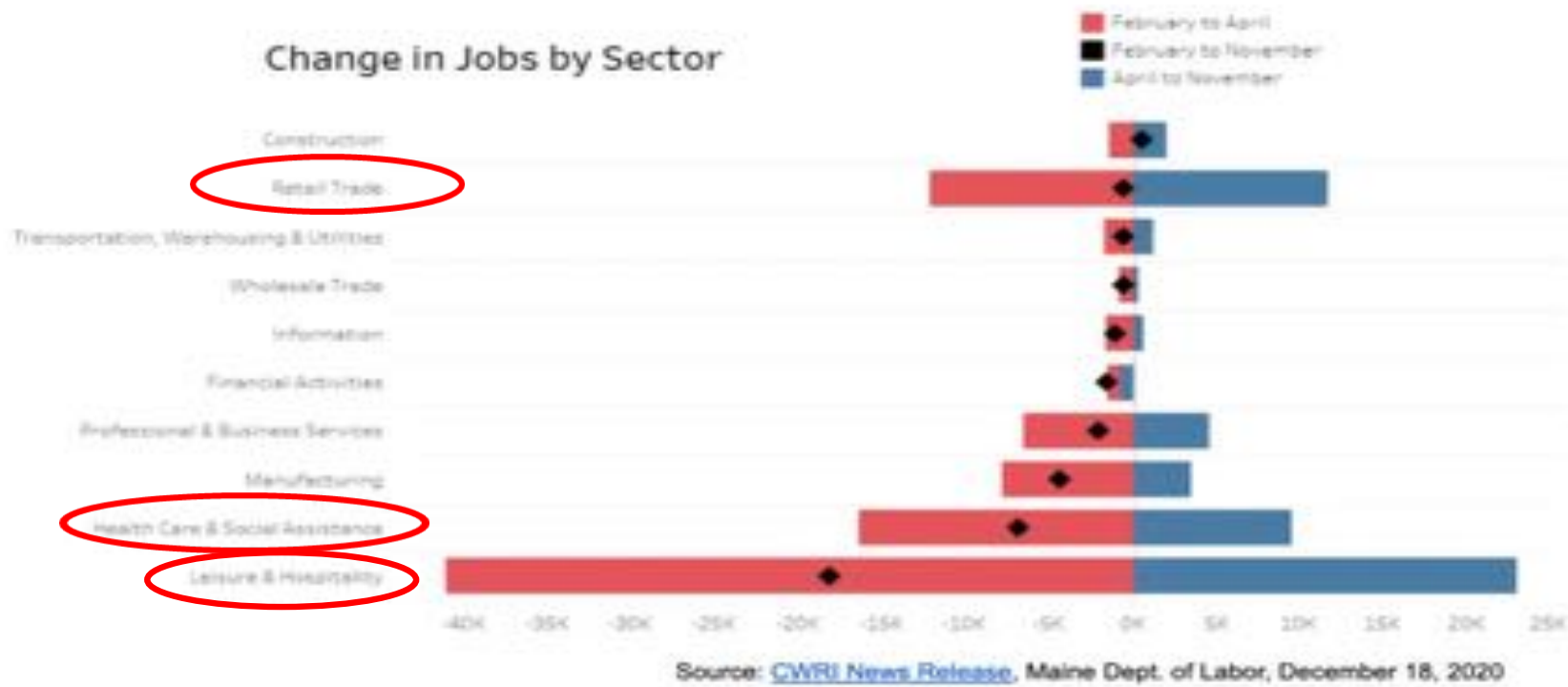


## Or Looking at REAL GDP Instead of Jobs

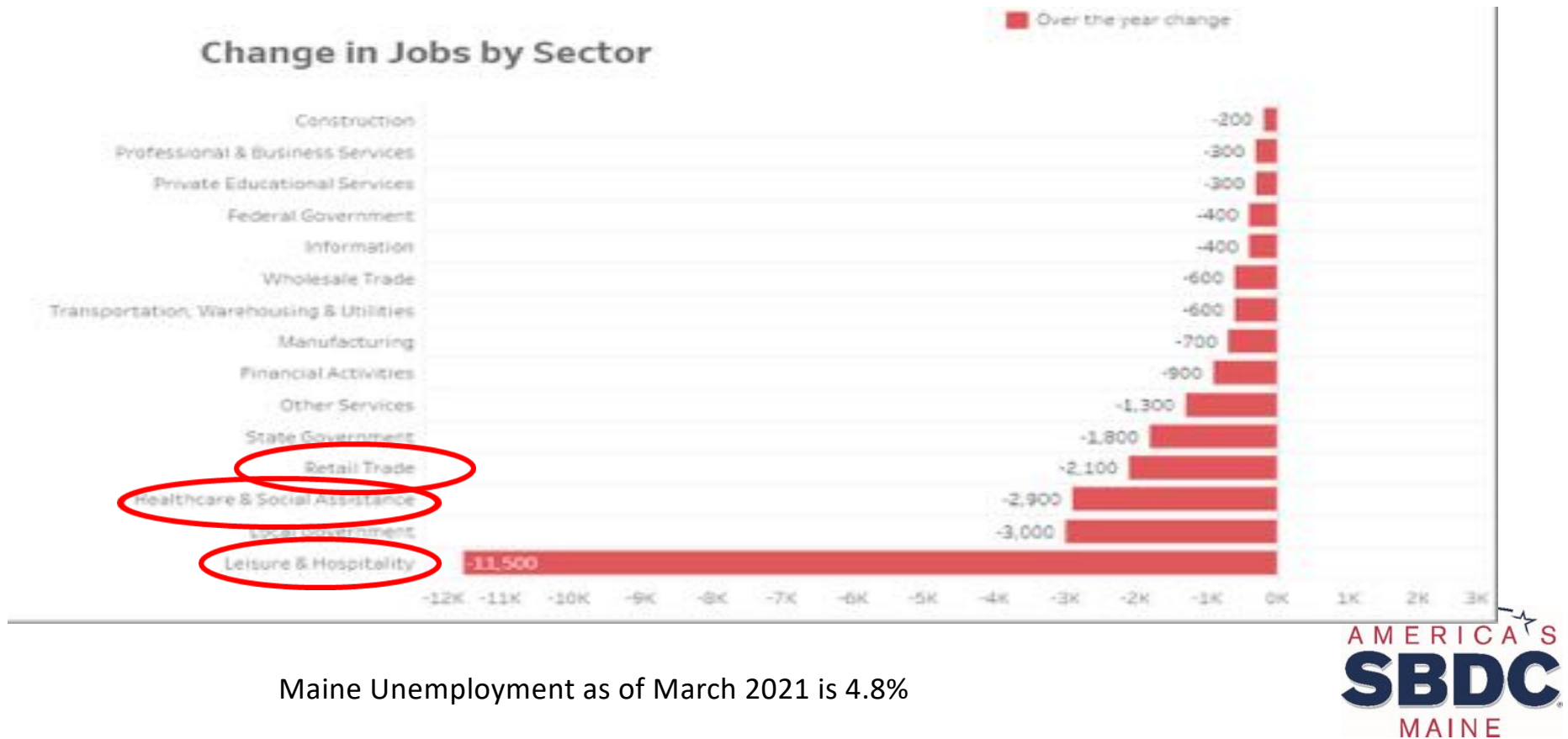
Annualized Percent Change from the previous quarter and Compound Annual Growth Rate (CAGR)

Real GDP	2020:Q1	2020:Q2	2020:Q3	2020:Q4	2019:Q4- 2020:Q4
Maine	-6.5	-34.4	37.3	2.8	-3.6
New England	-4.8	-32.3	34.2	4.9	-2.4
United States	-5.0	-31.4	33.4	4.3	-2.4

# Looking At Maine (As of December 2020)



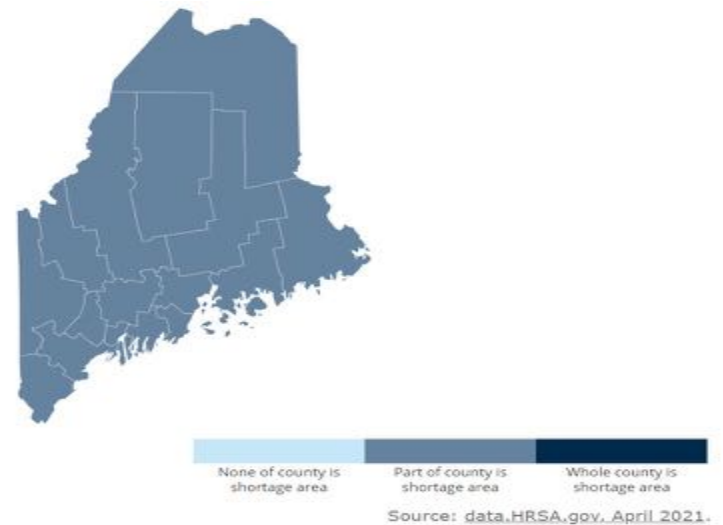
# Job Loss by Industry (April Update)



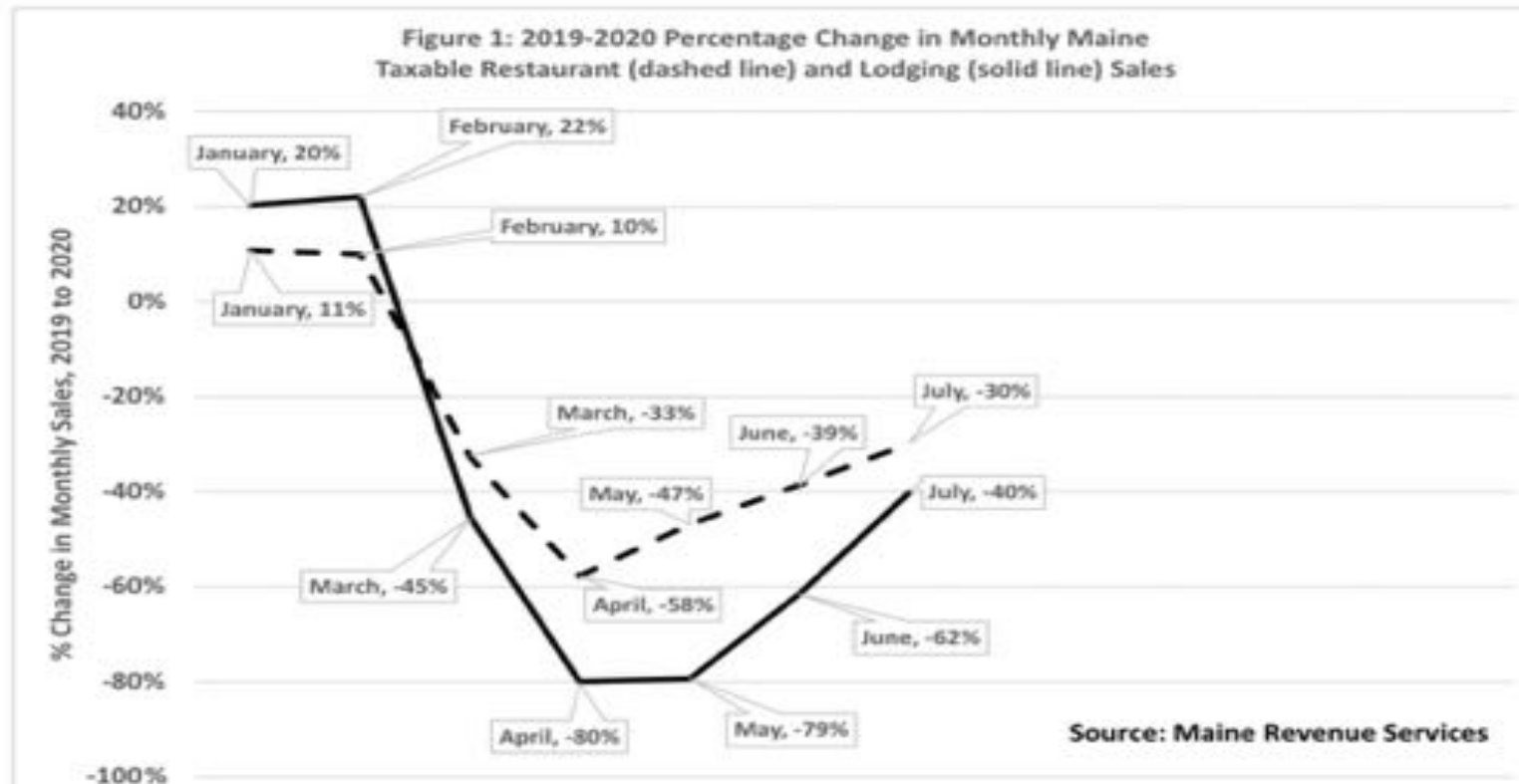
# Focus on Three Industries

## The Good, The Bad, and the Ugly

- **The Good - Construction** seems to have been the least effected with IBIS World reporting that Maine is one of the top States in the US in Residential Construction (permits). Future outlook - good
- **The Bad - Healthcare** – Even pre-pandemi Maine was losing Health Care workers with News reports of severe nursing shortages– the pandemic exasperated this  
Future outlook – good opportunity to, Get in, but shrinking industry



# The Ugly - Hospitality and Restaurants



[https://digitalcommons.library.umaine.edu/cgi/viewcontent.cgi?article=1053&context=c19\\_teach\\_doc](https://digitalcommons.library.umaine.edu/cgi/viewcontent.cgi?article=1053&context=c19_teach_doc)

# **Hospitality, Retail, and Restaurant Industry Future Outlook is Positive**

- Pent up Demand and some Trends:
  - For Weddings
  - For Vacations
  - Due to Increase in Population
  - For Outdoor Travel
  - For Domestic Travel



**Now we have a broad look at three  
major Maine Industries...**

let's start to delve into  
Consumer, Social, and Business  
Trends!!!!



# Consumer Trend #1 Home Based Projects/ Home Sales

- Lowes and Home Depot have seen @ 30% increase in sales YOY (CNBC)
- Lowes Conducted a Survey December 2020:



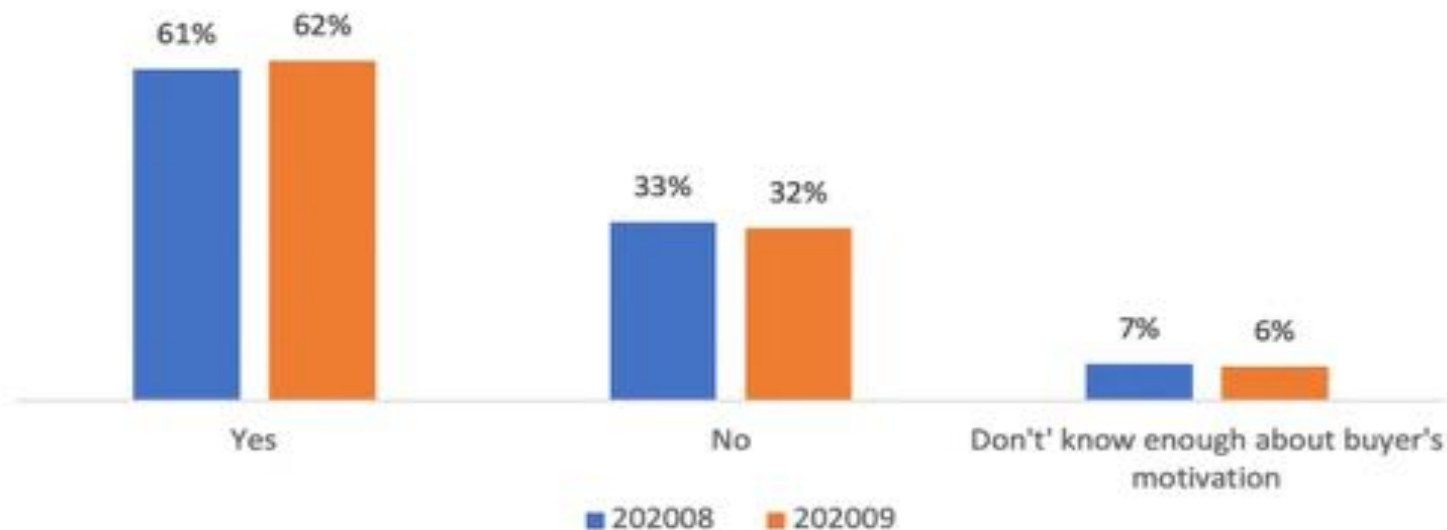
# Outdoor Home Space became more too!

- 51% of respondents said additional outdoor space became important to them:



# This is reflected in Home Sales in Maine

Did you have any potential buyer who was looking for home features (e.g., an extra room, finished basement, bigger home) to use as work from home space?



Source: NAR RCI Survey

# Home Sweet Home

## Market Insights for Maine

Home sales in 2020 were the highest in Maine's history showcasing just how hot the market is currently. A third of home sales in November 2020 was enacted by buyers from other states leading to a record high 31.0% increase in homes sold compared to November 2019. The median sale price is ~\$270,000, which is an increase of 20.0% from last year's figure.

### 2020 Maine Real Estate Market Data

Zillow Home Value Index	\$269,753
1-Year Change on Home Values	+10.5%
1-Year Forecast	+10.9%
1-Year Change on Rent Prices	0.0%
Delinquent on Mortgages	1.0%
Buyer's or Seller's Market	Seller's

<https://www.theceshop.com/agent-essentials/blog/2021-what-to-expect-in-maine-real-estate-market>



# Consumer Trend #2 YOLO Economy

## New Terms

- **Languishing** - Between Depression and Flourishing



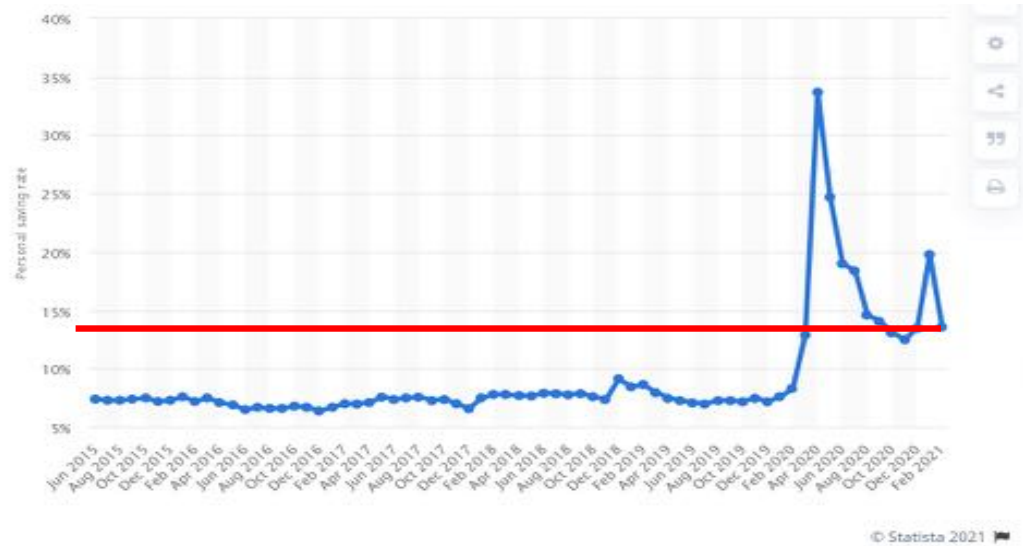


# YOLO Economy: High Savings, Frugal Shopping

Have heard this period compared to waking up from Hibernation

Also heard the term “revenge spending”

- Higher Bank accounts due to forced, stay-at-home savings  
= More Risk Prone, higher value on Quality and Experience



- Made in America/ Buy Local Branding – Increased prominence

## What's the Impact of 1 & 2:

- Businesses that add to home experience will continue to do well, both in the retail AND SERVICES markets
- The HOME is the destination
- Customers will continue to improve their properties, both indoors and outdoors
  - (Many will be in the DIY market, ideal for small businesses)
- Customers are valuing experience and quality over price
  - Increased attention to local (USA) products

### Employee Facing:

- Rethinking Telework Policies to help attract or retain employees



# Social Trend #3 CSR – Corporate Social Responsibility

Consumers care about CSR. Here's How



87% of Americans are more likely to buy a product from a company who cares about the same issues



55% of consumers are willing to pay extra from companies that have CSR plans



67% of consumers will boycott brands with opposing social values

Sources: edelman.com, nielsen.com

Submittable

## Employees care too!

In a CONE study, 76% of Millennials consider a company's commitment to social and environmental responsibilities when looking for employment.



# CSR comes in all shapes and sizes

- Reducing carbon footprints
- Community volunteering
- Improving labor policies
- Social and environmental investments
- Fairtrade projects
- Corporate policies that impact the environment
- Causes for children (education, poverty, etc)
- **Inequality, women's rights, and diversity**

<https://blog.submittable.com/great-csr/>



## Social Trend #4 Environmental Impact

- A majority (55%) of consumers are willing to spend extra money in order to purchase environmentally friendly products, though at differing amounts. Younger shoppers are the most willing to spend more to go "green," while women are more on board with sustainable spending than men (61% versus 49%).
- Nearly 40% of consumers would boycott a company for not being eco-conscious; and of that group, 18% have done so. Gen Z and millennials are most willing to boycott, at 58% and 50%, respectively, compared to 29% of Gen X and 27% of baby boomers.
- More than a quarter (28%) of consumers said they're spending more on environmentally friendly products than ever before. For millennials, the percentage is even higher at 41%. The same goes for consumers with household incomes of \$100,000+ (40%).

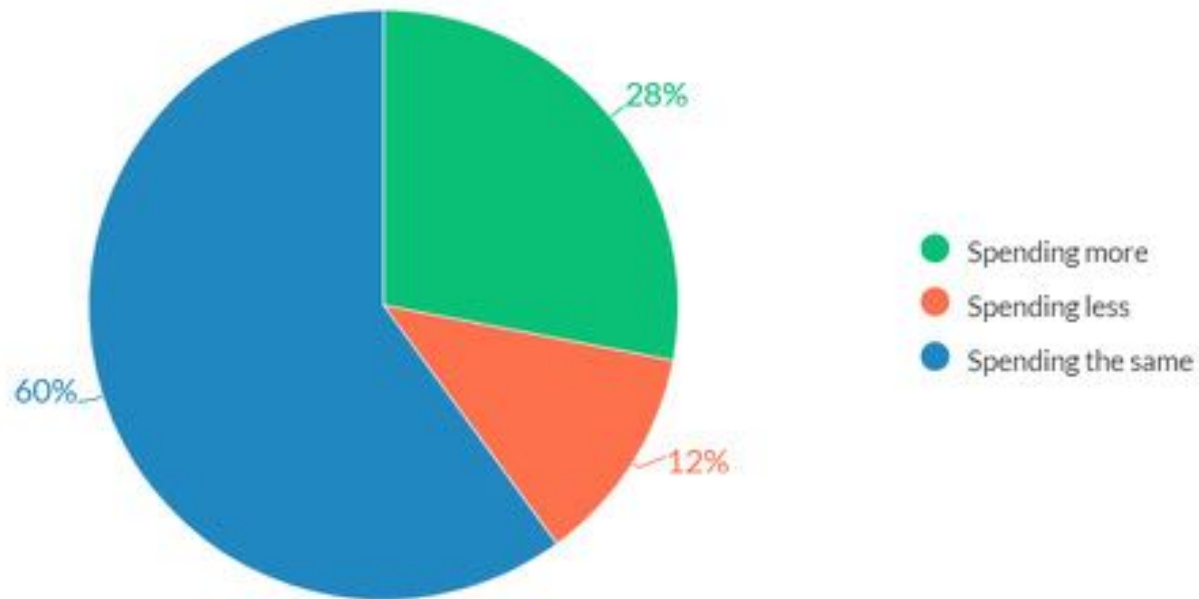
<https://www.lendingtree.com/credit-cards/study/consumers-would-spend-more-on-eco-friendly-products/>



# The Future Spending Trend

How consumers' current spending on eco-friendly products compares to the past

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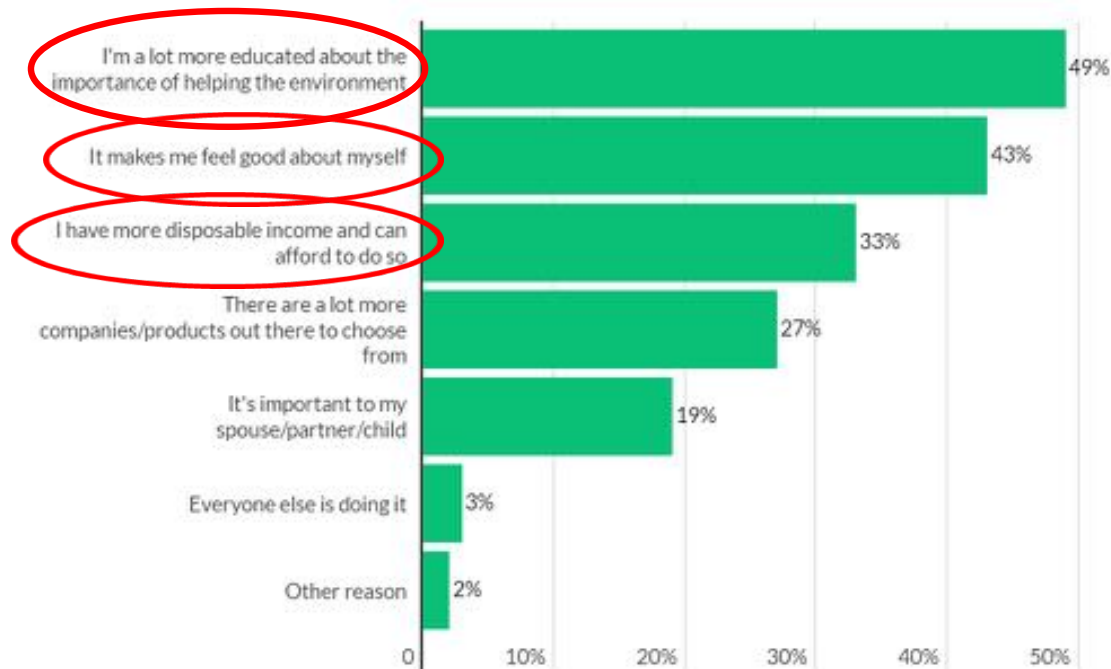


Source: LendingTree survey of 1,048 consumers conducted March 18-24, 2021.



# Why will Consumers spend more?

Reasons some consumers are spending more on sustainable products



Source: LendingTree survey of 286 consumers who increased their spending on eco-friendly products, conducted March 18-24, 2021. Respondents could select multiple answers if applicable.

# There is a generational difference



Question: Has the importance of any of these things changed for you, because of coronavirus? - Companies behaving in more sustainable/eco-friendly ways | Reducing how much single-use plastic I use | Reducing my carbon footprint/impact on the environment Source: GlobalWebIndex Custom Research, May 19-26 2020  
Base: 17,149 internet users aged 16-64

# What's the impact of 3 & 4:

Consumers and Employees WANT to know what your company cares about (other than profit)

- Know what causes your Core Clients care about and how this aligns with your companies goals
- You do **NOT** need to spend millions!
  - Think of ways to engage the local community
  - You could support local non-profits or education
  - Rather than spend money, think of how to develop your business culture, practices, or environmental footprint

A Good CSR plan will help win consumers and promote and develop a more **loyal** and passionate workforce.



# Business Trend #5: Supply Chain Shortages

Markets

## Toilet Paper Is Next Likely Victim of World's Container Crisis

By [Fabiana Batista](#)

March 24, 2021, 5:15 PM EDT *Updated on March 25, 2021, 12:00 AM EDT*

- ▶ CEO of largest pulp exporter Suzano warns of export delays
- ▶ Container squeeze is spilling over into break-bulk shipping

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*Supply Lines is a daily newsletter that tracks trade and supply chains disrupted*

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# And Lumber

## New homes cost \$36,000 more because of an epic shortage of lumber

By Matt Egan, CNN Business

Updated 7:47 AM ET, Thu May 6, 2021



**lendingtree**

Mortgage

Personal Loans

Car

Loan Type

Rate

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MAINE

AS

# And Gas

## Coming this summer: Gas stations running out of gas



By Chris Isidore, CNN Business

Updated 3:44 PM ET, Tue April 27, 2021



lendingtree

Mortgage

Loan Type

30-yr fixed

SBC  
MAINE

# And Chicken

BUSINESS

## Chicken Shortage Sends Prices Soaring, and Restaurants Can't Keep Up

Spicy sandwiches, hot wings and a labor crunch push poultry prices to records



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COULD GIVE YOU  
MORE SPECIAL MOMENTS  
WITH MOM?

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2. Dogecoin's 12,000% Rally Sparks Hunt for



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## And Chlorine/ Other Chemicals

### **There's a Massive Chlorine Shortage Coming This Summer. Here's What You Should Do.**

You can still swim in your pool, but you might need to make these swaps.



BY CAROLINE DELBERT MAY 6, 2021



# And Computer Chips

## Global shortage in computer chips 'reaches crisis point'

Consumer price rises loom while dearth of semiconductors slow  
production from Samsung to Ford



# And Used Cars

## A Shortage of Used Cars Looms on the Horizon

By Benjamin Hunting

A shortage of used cars might be on the horizon. Anyone who has shopped for a new or used car over the course of the past 12 months is undoubtedly aware of the problems facing the automotive industry due to the global recession. Those troubles have

Image not  
available

# And Plastics

## PLASTICS SHORTAGE HITS PLASTIC PARTS SUPPLY CHAIN

### PLASTICS SHORTAGE HITS PLASTIC PARTS SUPPLY CHAIN

#### Raw Material Shortages Plus High Demand Disrupts Production

Manufacturers using prime and engineering grade plastics face ongoing shortages, price increases and delivery delays

#### Shortages and long lead times are affecting plastics goods production

Since March 2020, a perfect storm of events has been putting severe strains on supplies of plastic raw materials, base plastics and compounded plastics. This shortage has hit plastic product manufacturers very hard.



# And Furniture

Metro

**Eager furniture buyers face long delays because of supply chain issues, shortage of chemical used to make cushion foam**

Updated Apr 12, 2021; Posted Apr 12, 2021



## And Corn



# And Bacon and Hot Dogs

HOME > RETAIL

## A looming shortage of bacon and hot dogs could leave big cookout plans up in smoke for July Fourth when most Americans are vaccinated

Natasha Delley Apr 11, 2021, 8:29 AM





# And Ketchup Packets

## America is facing a ketchup packet shortage



By Tom Foreman, CNN

Updated 12:11 PM ET, Thu April 8, 2021



# And Labor Shortage

Labor

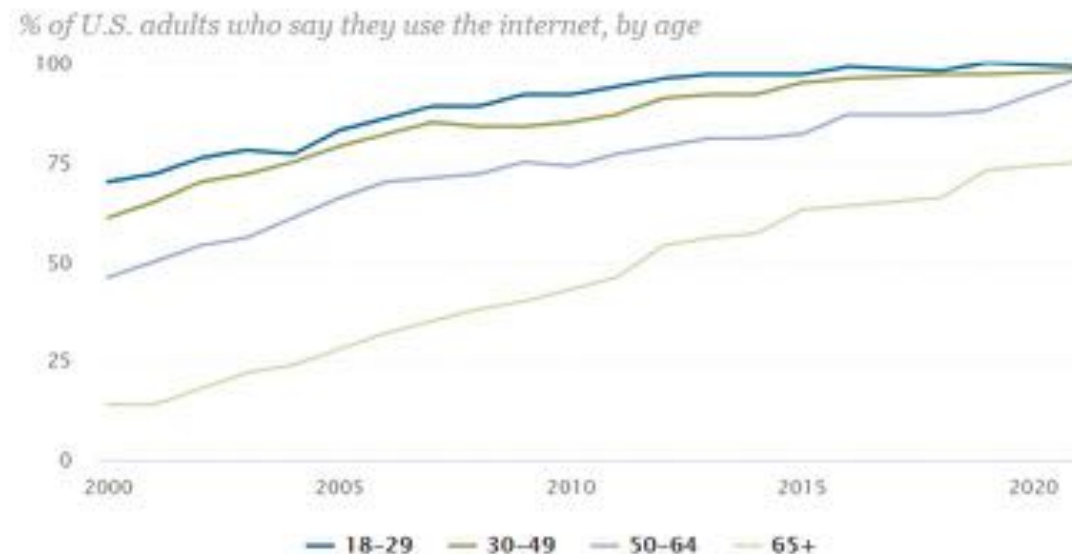


AP Photo/Nam Y. Huh

## What's the impact of 5:

- Businesses need to Pre-Plan and Budget
- Look for and/or offer alternatives
- Ensure YOUR supply chain is in place (and perhaps work on backups if one fails)
- Think about additional inventory if possible

# Business Trend #6 Online Marketplace – The Rise of the Digital

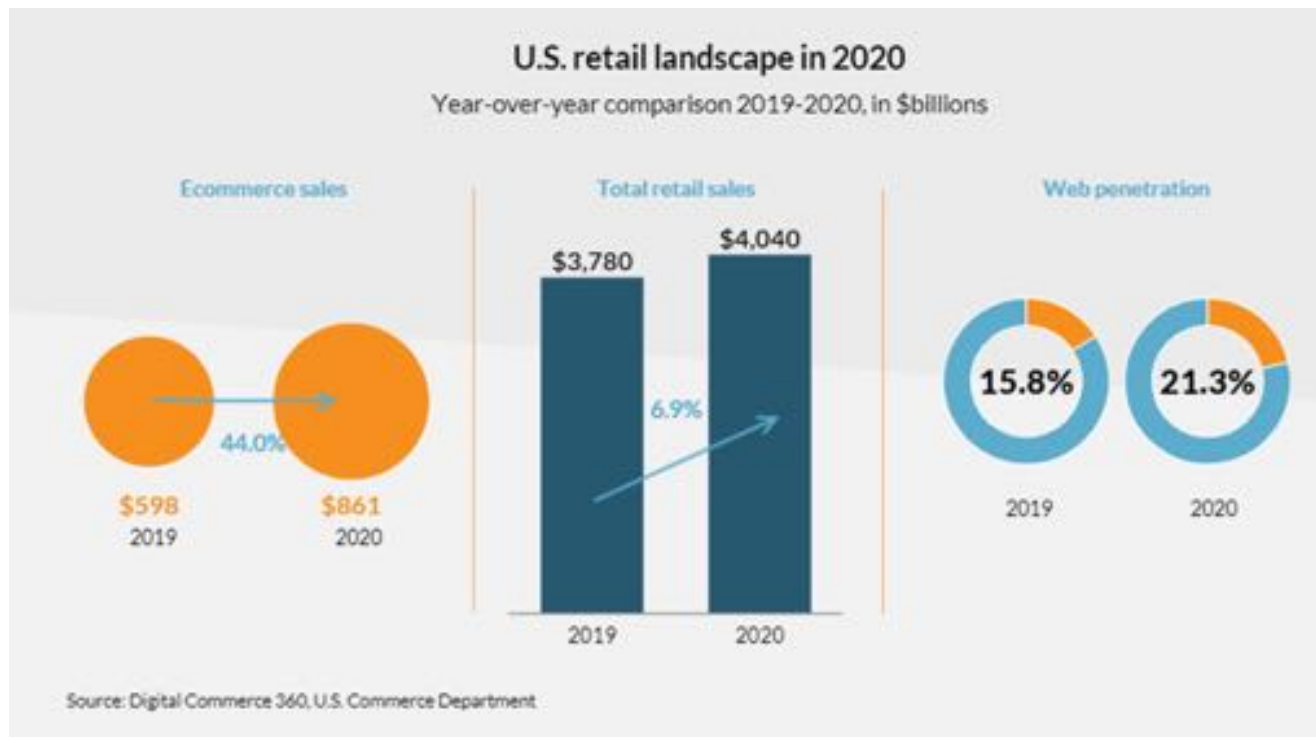


Note: Respondents who did not give an answer are not shown.

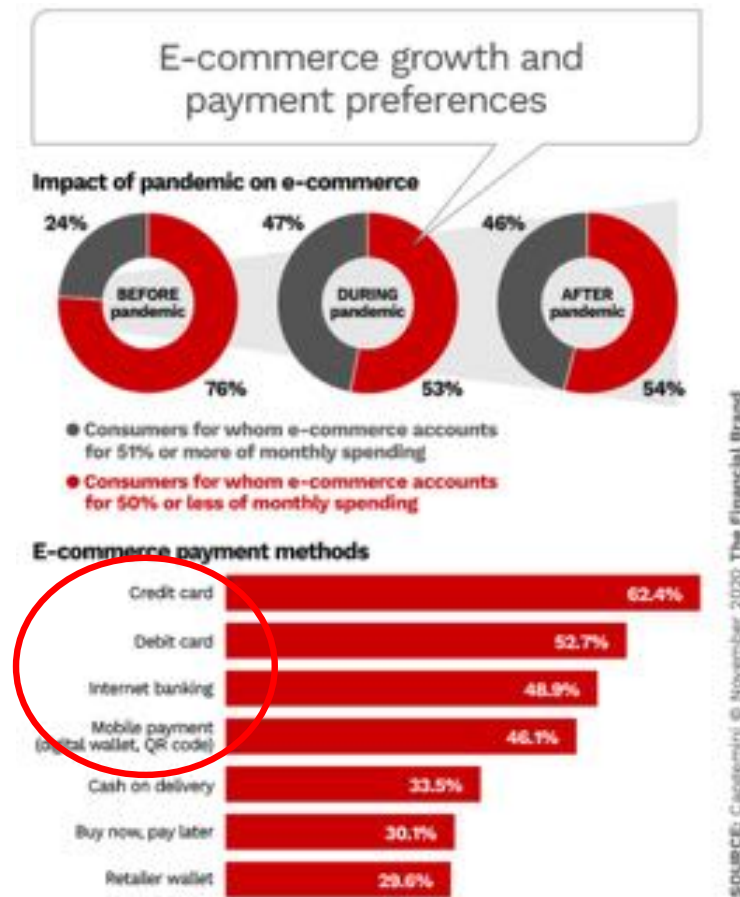
Source: Surveys of U.S. adults conducted 2000-2021. Data for each year based on a pooled analysis of all surveys conducted during that year.

PEW RESEARCH CENTER

# Biggest Impact in Retail



## Another way to look at the transition:



# Unforeseen Casualty of the transition to a Digital World

- The (Physical) Dollar has been said to be doomed many times throughout the past years... is this time different?

## How Did US Adults Pay for Their In-Person vs. Digital Shopping in 2020?

% of respondents, Jan 2021

	In-person	Digital
Debit card	66%	50%
Credit card	62%	57%
Cash	62%	-
Mobile apps like Venmo	32%	44%
Digital wallets like Apple Pay	23%	25%
Prepaid card	20%	17%
Check	15%	-
Cryptocurrency	-	11%
Order online, pick up in-store	-	16%
Bank or wire transfer	-	13%
Buy now, pay later services	-	7%

Source: CouponFollow, "The State of Cashless Spending & Payments in 2021," Feb 23, 2021

264042

InsiderIntelligence.com



# Rise of Decentralized Crypto Currency

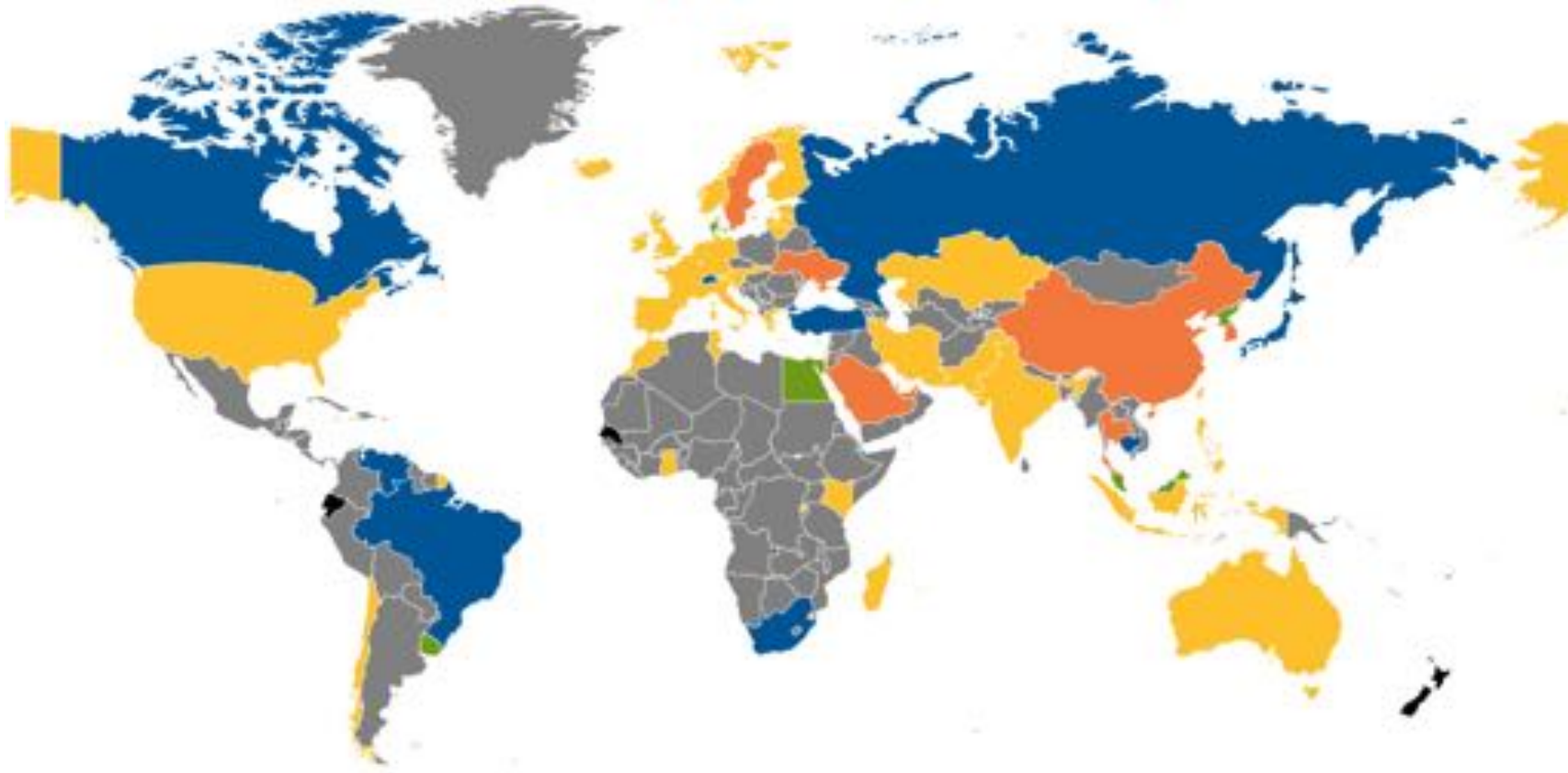
- The value of all Cryptocurrency is now more than all US currency in circulation (\$2 Trillion)
  - USDT (Tether – stable coin) has a higher value now than all insured deposits in all but 44 banks
- Crypto is becoming an option for Employer and Employee Retirement Planning
- Crypto is becoming an option for investment of underused business assets

However, the BIG problem is still large fluctuations of value



# Rumors of CENTRALIZED Digital Currency

■ No development yet ■ Research ■ Pilot ■ Development ■ Inactive ■ Cancelled ■ Launched



■ Research ■ Pilot ■ Development ■ Inactive ■ Cancelled ■ Launched

## What's the impact of 6:

- Market Transactions are increasingly digital, with the possibility of going all digital in the nearish future
- If you are not on a digital platform, you should think about having a presence there (or at least accepting digital payments)
- Look for opportunities to diversify your business assets (prudently)
- Look at opportunities to engage and attract work force

# Summary of the Top 6 Consumer, Social, and Business Trends that will have the most impact

- Consumer Trends
  - 1 Home Based Projects/ Home Sales
  - 2 YOLO Economy –quality vs price, American Made
- Social Trends
  - 3 CSR– social impact, social purpose
  - 4 Environmental impact
- Business Trends
  - 5 Supply chain failures
  - 6 Online Driven Marketplace – Crypto/ Alternative Payment

