



The human paradox

From customer centricity to life centricity



People are facing a world that feels out of control. At a time when economic, social, environmental and political upheaval is turning almost everything we know upside down, people are finding themselves in a multi-directional tug-of-war.

Faced with the pressure of all these external forces at once, their decisions boil down to trade-offs between what they want, what they need and what options are available.

The results can seem ... contradictory.

People are prioritizing themselves ... but want to effect change for others. They want to follow their values ... but not at the expense of value. They're taking matters into their own hands ... but also want companies to hold their hand.

These kinds of inconsistencies might not be new, but they're increasingly considered normal—and even good.¹ In fact, new Accenture research reveals that up to 69% of consumers globally who admit to behaving inconsistently think that paradoxical behaviors are both human and acceptable.²

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Consumer needs are changing fast—and companies will have to evolve just as quickly if they want to stay relevant.

Oversimplifying segmentation and underestimating the impact of life forces on behavior have led to a growing disconnect between what companies think their customers want and what consumers say they want. To bridge the gap, businesses need to widen their aperture and move from focusing only on the consumption of customers to seeing their customers as they see themselves: multifaceted, complex and doing their best to adapt to unpredictable life circumstances out of their control.

It's time for companies to move from customer centricity to life centricity.



“I made a conscious decision not to be defined by things I have to do in life and still make time to grow myself.”³

- *British consumer*



A crisis of relevance

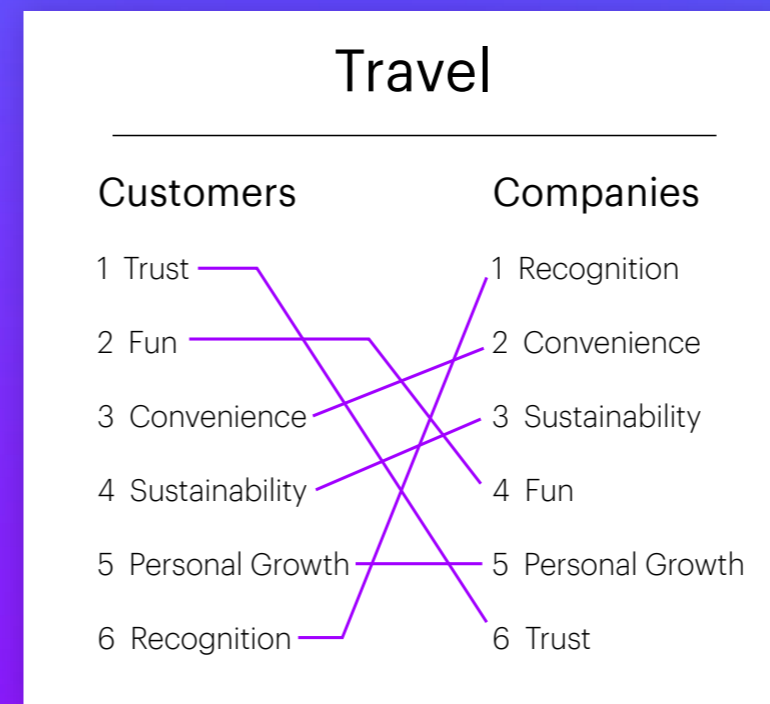
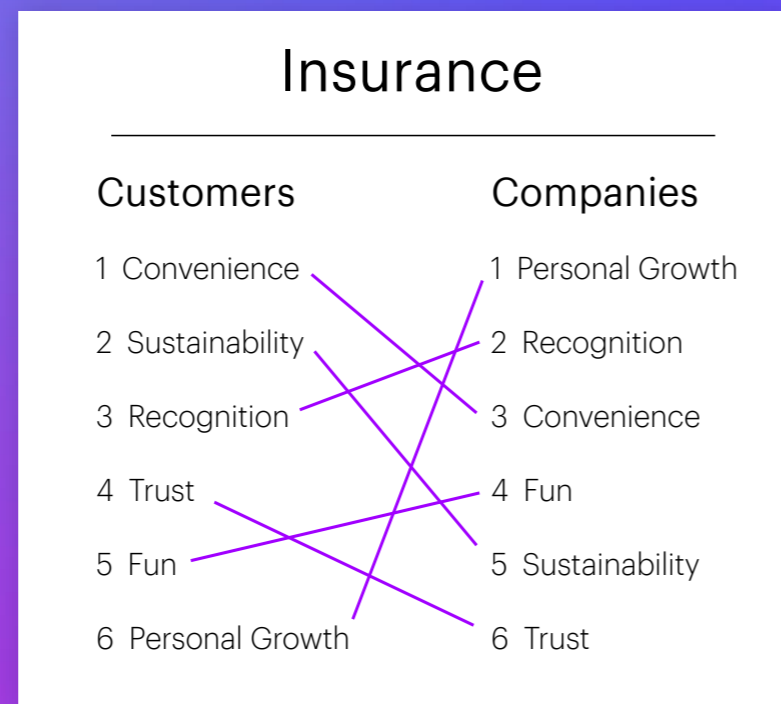
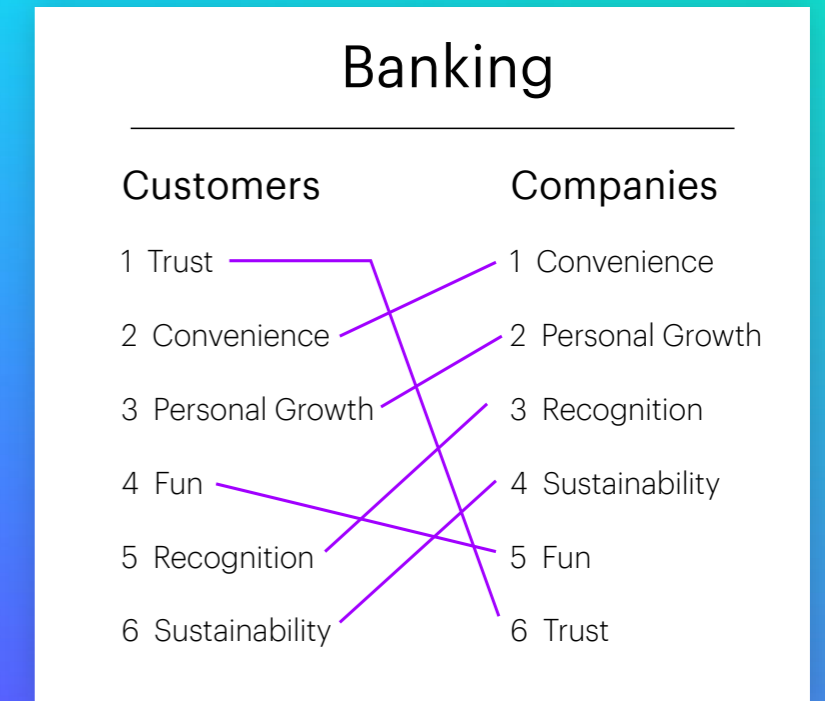
Consumers are showing they are comfortable being multi-dimensional, but many businesses continue to see them in just one way: as walking wallets.

Companies are focused on finding simple ways to define consumers and predict their behaviors. But our research reveals a major disconnect between what consumers say they most value from companies and what companies appear to be investing in (see Figure 1).⁴

Figure 1
**Signals
of a
disconnect**

What matters most to consumers is not what companies appear to be investing in.

Source: Accenture Research. See page 25 for more information.



“Stop hiding behind focus groups and marketing hype, and speak to people with an honest voice.”

- British consumer

The disconnect is broadly felt on both sides: Up to 64% of consumers wish companies would respond faster to meet their changing needs,⁵ while up to 88% of executives think their customers are changing faster than their business can keep up.⁶

This mismatch puts retention rates at risk and constrains companies’ efforts to attract new customers. A growing number of consumers—up to 67%, a jump from 51% one year ago⁷—expect companies to address their changing needs in new ways. More than half say company and brand names are not as important to them as they used to be, and that what they look for in a product or brand is likely to change depending on circumstances.⁸

Though broad analysis of this kind can only partially capture such a complex challenge, what it signals is still urgent: At a time when consumer choice has never been higher—and the cost of switching to a new brand has never been lower—a relevance gap this significant could come at great cost if not addressed.

One thing is clear: The old playbook for relevance is now obsolete. It’s time to take on a new strategy.

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Life forces causing relentless instability

The world as we know it today is radically different from the world of two years ago ... or even two months ago.

With its impossible-to-overstate impact on every area of our lives, the COVID-19 crisis spurred people to reevaluate what was important to them.

But it's more than just the pandemic: A non-stop barrage of external life forces—economic, social and beyond—is affecting day-to-day decisions in unavoidable ways.

In fact, up to 72% of consumers say that external factors such as inflation, social movements and climate change are impacting their lives more than in the past.⁹

Consumer prices are skyrocketing at their highest rates in 40 years,¹⁰ while the war in Ukraine indicates long-term consequences for global markets, food prices and political stability.¹¹ Major societal and cultural movements around the world are magnifying conversations around social justice issues, just as increased political polarization and a growing distrust in government and media complicate the path to change.¹²

Technology has democratized access to information, with Web3 and the metaverse hinting at a creative and dynamic future, but up to 43% of consumers say technology advancements have complicated their lives just as much as they have simplified things.¹³

With external forces exerting more pressure, and a list of practical and ethical considerations that keeps getting longer, people are facing more complex and more frequent decisions than ever before. To help make them, they are looking to the people they trust the most: themselves.

72%

of consumers say that external factors such as inflation, social movements and climate change are impacting their lives more than in the past.

60%

of consumers say their priorities keep changing as a result of everything going on in the world.

Purpose, redefined

Forced to adjust to circumstances beyond their control and armed with technology that gives them more access to expertise than ever, consumers are developing a stronger sense of self-reliance.¹⁴



They're wrestling with fears:

"At the moment, I'm worried about whether I can afford basics like food and electricity, as everything is so expensive."

- *British consumer*

They're making changes:

"It has been a rough two years for everyone with COVID, but I took it as an opportunity to change direction in my life, and I have not regretted it."

- *British consumer*

They're taking control:

"The purpose of using digital technology is to help myself. I won't let it control me. I will keep my conscience and be the master of myself."

- *Chinese consumer*

Today, up to three-quarters of consumers around the world say they feel empowered to make key decisions in their own lives.¹⁵

They are more self-assured in setting priorities and feel a greater sense of responsibility to make decisions that benefit themselves, their families and society. Our research indicates that this self-empowerment is on the rise.

As people become more self-reliant, they are also rethinking the values that drive them. Up to two-thirds of consumers say they have completely reimagined what's important to them in life—a 10 percentage point increase over the prior year.¹⁶ And up to 62% say many new things are important to them because of what's going on globally and locally.¹⁷

But redefining a sense of purpose amid a backdrop of unstable external life forces opens the door to inconsistencies, between what we believe or want and what we actually do. Some 61% of consumers say their priorities keep changing as a result of everything going on in the world.¹⁸ As those priorities change, so do decision-making behaviors.

Now, they are ready to act in their own best interests—because if they won't, who will?



“I’ve been through challenging situations and made bold decisions that turned out to be right. Now, I feel more confident in myself—and more empowered.”

- Indian consumer

Making peace with paradoxes



In an environment of perpetual change, consumers are working to reconcile their core values and sense of purpose with the demands and practicalities of everyday life.

“We are buying high-class food for our pet, but we are going to fast food restaurants ourselves.”

- American consumer

The results can be messy and inconsistent:

Customers prioritize themselves ... but want to effect change for others

Even as up to 66% of consumers say their decision-making is driven by their own needs,¹⁹ some 72% feel they can personally impact the world and their communities through behaviors and buying choices.²⁰

They're taking things into their own hands ... but also want companies to hold their hand

Though they are feeling newly empowered to make key decisions on their own, as many as 67% expect companies to understand and address their changing needs during times of disruption.²¹

Customers prioritize values ... but not at the expense of value

More than half of consumers say the pandemic motivated them to adopt a more sustainable lifestyle,²² but up to 65% say price increases have led them to select lower-cost brands on recent purchases.²³

They care about their impact ... but don't know how to act on it

Nearly 70% of consumers are worried about the impact of climate change on their lives²⁴—but continue to struggle to make sustainability a top priority over other needs.²⁵

The net-effect is a growing acceptance of paradoxes, in which people make peace with the often contradictory and conflicting consumption decisions they make moment to moment.



These paradoxical decisions are not new—humans have always been highly inconsistent, after all. What’s changed is the increasing frequency and comfort with which they are made.

It’s not that people are abandoning their values when making these decisions. They understand that perfect is the enemy of the good and accept that compromises are a fact of life when they are just trying to do their best.

As people become more self-reliant and more willing to accept the paradoxes in their own decision-making, they feel better prepared to meet future challenges.

“I’m following my own rules, listening to my own voice of reason and living the way I want.”

- *South African consumer*



From customer centricity to life centricity

Businesses once looked to a product-centric approach focused on performance.

Then they shifted to a customer-centric strategy, meant to prioritize experience. But now, the dynamics are more complicated. Until companies stop oversimplifying their customers and start accepting that they are ever-changing, multi-dimensional people deeply impacted by unpredictable external forces, they'll find themselves stuck.

They need to become **life-centric**.

Life-centric businesses deeply understand the different forces shaping customers' lives and deliver the most relevant solutions for those contexts. Companies that embrace a life-centered approach—one that takes into consideration the humanity of the consumer, their shifting modes and the unpredictable life forces that come into play along the way—are best positioned to thrive in the future.

To move toward life centricity, companies need to do three things.

01

See customers in their full life

For years, businesses have tried to come up with personas and profiles that sort their customers into tidy categories with predictable behaviors. And they're coming up short. Our research shows that as consumers lean into their self-reliance and accept the inevitability of paradoxes, they are breaking every convention.

By only focusing on static segmentation models and expecting a straight-line customer journey, companies risk missing out on the deeper insights underpinning behavior—and the ability to drive new value and relationships.

The way forward is to take a holistic, dynamic view of who customers are and what motivates their behaviors—and to treat them as more than just buyers.

A key requirement is to rethink their data. Data can reveal information about consumers and their behaviors in a revolutionary way—but numbers alone can't paint a whole picture. Businesses need to rethink how they collect data, as privacy concerns and regulation impact collection, and what they are looking for, as a greater need for finding the human side in the numbers emerges.



Case in point

Allstate lets you choose your own road

Pressure for change:

Owning a car can be fun and freeing. But for those that only use their vehicle occasionally, the monthly insurance costs can be a burden—especially as gas prices are on the rise.

The life-centric solution:

Milewise® by Allstate is a new type of car insurance where customers only pay per mile they drive. It comes with the same reliable coverage and claims service as traditional insurance, but for as low as US\$1.50 a day, plus a small mile rate.²⁶

Why it works:

This insurance puts customers firmly in the driver's seat. Whether they're planning a cross-country road trip or a bi-weekly grocery shop, Milewise® has the flexibility to meet their needs. It offers more control and transparency on their insurance costs—and shows one-size-fits-all isn't the only way.

02

Solve for shifting scenarios

Life-centric businesses are prepared to adapt and deliver relevant options across their products and services to accommodate the shifting life forces impacting their customers.

Consider where they are in terms of two key factors: time and control. Decision-making often hinges on whether something is required right now or can wait until later. Time-based considerations (short-term versus long-term needs, urgent versus unrestricted schedules) can change moment to moment, but always shape the way consumers make choices. Also crucial is their appetite for control.

People have a sliding scale of willingness to defer to others' expertise versus a desire to take control of their own options. Sometimes they want something highly specific; other times they value inspiration and new ideas.

Meeting these changing needs means turning paradox into product: If consumers are learning to accept their own inconsistencies and acknowledging the paradoxes in their day-to-day decision-making, companies can find ways to cater to their conflicts. Offering options that combine values and priorities in new ways will speak to consumers who are reevaluating what they want and need.

Ultimately, businesses need to abandon the idea of one-size-fits-all products or services and focus on flexible options. If customer needs are forever in flux, companies must be prepared to connect with them regardless of circumstances.



Case in point

Saying “yes” to life with Santander Sim

Pressure for change:

A personal line of credit can be life changing, especially when the pace of life makes long-term planning hard and unforeseen expenses inevitable. In Brazil, many people have no or little access to affordable credit, due to the limitations of legacy data and processes.

The life-centric solution:

Santander wanted to make affordable credit more widely available to Brazilian citizens, regardless of their bank account status. So it launched Santander Sim, a digital platform that is now the fastest and simplest way to apply for a personal loan in Brazil, with a decision time of approximately two minutes per loan.²⁷

Why it works:

When people need money, the word they most often hear is “no.” By cutting down on the time to process and the requirements needed to get a personal loan, Santander Sim helps people say “yes” to life without delay.

03

Simplify for relevance

Amid the pressure of life forces and the chaos of everyday life, what customers ultimately need is simplicity. They are drawn to anything that cuts through the noise and makes their decision-making—and their lives—easier. Businesses that want to stay relevant need to find ways to clear the path for consumers to walk easily.

To do this, companies can look to data, artificial intelligence and expert inputs to help draw connections between their customers' needs and the external life forces that are influencing them. Using technology combined with human expertise offers the qualitative and quantitative information necessary to understand what customers are facing and come up with creative solutions quickly.

But simplifying the consumer experience is impossible if organizations do not also simplify from within. Companies must be ruthless about prioritization and dynamic and continuous in how they evolve. This requires creating interoperability across all customer-facing functions (such as product innovation, marketing, sales, service and commerce), with an integrated technology stack across platforms and ecosystems. Companies that are focused on simplifying are best positioned to pivot as needed in a changing environment.



Case in point

Blue Buffalo grows beyond the bowl

Pressure for change:

Nearly one in five US families expanded during the pandemic to include a new pet.²⁸ But, as many learned, pet care is plenty of work. And with information and resources scattered across multiple sources, it can be hard to know what to trust.

Why it works:

By aiming to simplify the lives of pet owners and its own operations to deliver on these services, Blue Buffalo has become a trusted partner to pet parents, transforming the pet-care experience.

The life-centric solution:

In light of increased adoptions, pet food company Blue Buffalo sought to become equal parts food purveyor and trusted guide. It launched Buddies, a digital app that serves pet-care content and helps pet parents track their furry friends' health, connect with other pet owners and chat with Blue Buffalo advisors.²⁹

Putting life front and center



Global instability isn't going away.

So as consumers work to navigate it, businesses must embrace a life-centric approach that helps them meet customers' ever-changing circumstances and priorities.

By seeing customers in their full lives, businesses will be prepared to serve them no matter what external forces are in play.

Expanding options, addressing consumer values and connecting with them in new ways opens the door to ongoing growth and innovation. With this approach, life-centric businesses will be best positioned to meet the future—no matter what new challenges are around the corner.

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About the research

Accenture conducted a survey of 25,908 consumers aged 18+ across 22 countries to gain an understanding of how their preferences, beliefs and behaviors are evolving as they navigate the changing world around them. Fieldwork was conducted between January and February 2022, with follow-up surveys in April and June of the same year.

The follow-up surveys included 13,000 consumers across 12 countries. To deepen the understanding of our survey findings, Accenture ran online focus groups with 385 participants across seven countries in March 2022.

Figure 1 modeling

Customer ranking: To understand which dimensions are most predictive of a consumer's decision to stay with a current provider, Accenture Research built a set of machine learning models to account for 95 different attributes across six industries. These attributes were collected through our global consumer survey fielded January to February 2022.

The survey evaluated the importance of each attribute at different consumer decision points as well as the performance of their current provider. To account for intrinsic differences among consumers, the models also included a wide range of respondents' individual characteristics beyond traditional demographics, such as mindsets and decision-making status. The models were estimated using a Random Forest classification algorithm. After identifying the optimal model for each of the industries in scope, we extracted the average importance of each attribute (i.e. the improvement to predictive accuracy) of each dimension variable to define the attributes' predictive power.

Company ranking: The company ranking is based on analysis of natural language processing models on corporate earnings calls with the goal of understanding which six dimensions we tested—convenience, trust, recognition, personal growth, fun, and sustainability—are most frequently discussed by corporate executives.

To properly classify our proprietary NLP algorithm, we manually mapped hundreds of earnings calls snippets to the experience dimensions. We used this tagged dataset to estimate a classification model and assign the dimensions to earnings calls from 320 unique companies across six different industries for the period from 2020 to 2022.

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¹⁹ Accenture Research, global consumer survey, January to February 2022 (n=25,908).

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About Accenture

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