

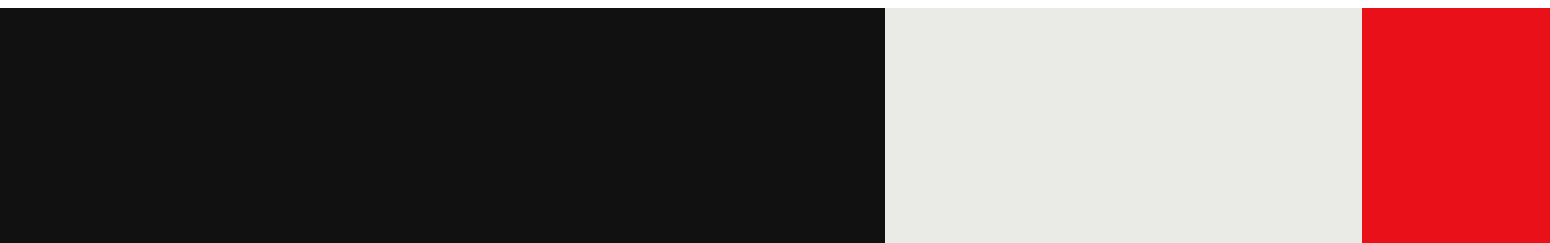
What does the ‘loud budgeting’ trend mean for retailers and marketers?

Article



Last December, TikTok user Lukas Battle [posted a video](#) proclaiming that 2024 is all about loud budgeting. Since then, the trend has gained popularity, with [users across TikTok](#) sharing how they’re taking part.

What is loud budgeting? Loud budgeting is the opposite of quiet luxury, per Battle. Quiet luxury is about spending lots of money on a minimalist look. Loud budgeting encourages



consumers to open up about how they spend their money and take pride in saying no to unnecessary purchases.

What does it mean for retailers? While the concept of budgeting isn't new, the idea behind this trend is to make it cool, whereas in the past it may have been something consumers wanted to hide. Retailers need to be ready for shoppers to be even more cost-conscious than before.

There are ways to play into the trend without losing sight of the bottom line. Here are three insights from Battle's original video and how retailers and marketers can lean into them.

1. Loud budgeting makes consumers feel like they got away with something

Loud budgeting is less about actual budgeting, but rather feeling good about prioritizing what you spend your money on.

Consumers don't want to feel like they're beholden to the latest trends or buying something just because—they want to come out of a transaction with something of value or feel like they're “winning” something, according to Battle.

Retailer takeaway: Customers are becoming more conscious about what they purchase, so retailers' pricing and messaging need to reflect that.

- Make sure to illustrate what value, convenience, or joy your product is bringing to consumers' lives and what makes it worth spending money on.
- Use value-adds like free samples or exclusive discounts to make customers feel like they're getting more bang for their buck.

2. Loud budgeting helps consumers take a stand against inflation

Inflation rates may have come down from historic highs in 2021 and 2022, but it did cool less than expected in January, and many consumers aren't seeing any break in high prices at the store. Instead, they see many items getting more expensive, causing them to feel like suppliers and retailers are taking advantage of them.

But for most consumers, there's a limit to the prices they'll put up with. And if they can't find what they want at the price they're looking for, they will stop buying those products, as

PepsiCo is seeing right now.

Retailer takeaway: Lowering prices may not be an option for every brand or retailer.

- But being more strategic with deals and discounts could alleviate some consumer pain points and help keep loyal customers from straying.
- Instead of offering a blanket discount to all shoppers, consider targeting those that regularly shop certain products or categories. Or maybe use a coupon to entice a shopper to trade up in size or price point.

3. Loud budgeting is for the average consumer

Celebrity endorsement is one of the oldest marketing tricks in the book. But the marketing landscape is changing, and some consumers are more interested in a product recommendation from the average consumer than a Hollywood star.

“Quiet luxury is about idolizing celebrities; loud budgeting is about the everyday person, the average Joe,” said Battle.

Retailer takeaway: Brands should reconsider their use of celebrity influencers.

- Celebrity partnerships may not carry the sway that they used to. Instead, brands should consider partnering with smaller influencers and creators that have audiences they already know and who trust their recommendations.
- Even with aspirational brands, it could be more valuable for consumers to see how a product fits into a “regular” person’s life rather than a celebrity’s.

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