Roper Reports® Worldwide



# SEARCHING FOR SOLACE

UK consumers one year on

# ABOUT THIS REPORT

## Searching for solace

One year after the UK's vote to leave the European Union, British people are still ridden by division. The practicalities of the UK's exit from the EU are no clearer now than they were last year.

The uncertainties posed by the looming Brexit, as well as the Trump administration, North Korea and terrorism at home, are felt by consumers in all walks of life. In this report we provide an overview of the state-of-mind of UK consumers by drawing on insights from two GfK surveys: the annual Consumer Life study of attitudinal and behavioural trends, and the monthly Consumer Confidence Barometer conducted for the European Union.

Above all, we aim to question, amidst all this uncertainty, what can marketers do?



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# CONSUMER CONFIDENCE INCHES UP AMONG LOWER INCOME EARNERS

- Last year, we highlighted the fact that personal economic confidence had barely shifted among low-income Brits since 2011. In comparison, in the same period it had grown considerably for those in higher earning groups.
- In the past 12 months, however, confidence among the low income group grew more than in the previous six years. It fell slightly for the more affluent.
- One possible explanation for this is that lower earners may be more likely to see economic benefits associated with Brexit.

Percentage confident that they'll be better off in 12 months than they are at present (percentage point difference versus 2011)



■2017 **■**2016 **■**2011

011, 2016, 2017 A1 (15+)



# CONSUMERS DIVIDED ON KEY CONCERNS



- When it comes to consumers' concerns, the most commonly cited items fluctuate. However, having enough money to live right and pay the bills is the one concern that has remained in the top three consistently throughout the past year.
- Concerns about the NHS have risen steadily throughout 2017 to become the most common concern in July. Worries about terrorism have spiked recently, but overall, it is finances that have been the most widespread worry more regularly than anything else.

## Percentage of UK consumers mentioning each concern as first choice from a list of 15 concerns (showing to five)



Source: GfK for EU. Top Concern from list of 15 Concerns May 2016 to July 2017. NHS = NHS and cost of healthcare; Money = Having enough money to live right and pay the bills; Brexit = Our role in Europe. GfK for EU, 2,000 adults, UK online population representative. First mention.

- We have analysed concerns based on how they voted in June last year. The most striking differences pertain to immigration (13% points higher among those who voted to leave), and terrorism (up five percentage points among those who voted to leave).
- In the remain camp, a clearly over-indexing worry is that of Brexit and the UK's role in Europe. This is cited by 15% as opposed to 9% of those who voted to leave.
- The NHS is the one thing that unites both leave and remain voters as the most commonly cited concern for both

Total UK consumers' top eight concerns among those who...



Source: GfK for EU. Top Concern from list of 15 Concerns July 2017. NHS = NHS and cost of healthcare; Money = Having enough money to live right and pay the bills; Brexit = Our role in Europe; Retirement = The future of retirement/pension plans provided by our Government; EU economy = Uncertain economic outlook in the EU; Inflation = Inflation and high prices. GfK for EU, 2,000 adults, UK online population representative. First mention.



# CONFIDENCE AND CONCERNS | WHAT IT MEANS

## Implications

The data on confidence and concerns show that while there is a good deal of uncertainty and a lot to be worried about, consumers are reacting in different ways.

This means that practical help and messaging should be targeted and tailored to the audience. For mass marketing campaigns, an inclusive message that everyone can relate to is necessary.

### Micro-job app targets Gen Z

Pickle is a social platform designed to appeal to younger people looking to earn money by carrying out tasks on a one-off basis. It connects people with tasks that they have a personal interest in, and offering "dares" such as ice-bucket-style challenges

### Reusing unwanted items

Globechain is a platform that enables businesses to get rid of their unwanted furniture etc. Rather than throwing them away, the items can be given to charity or to individuals. This provides financial benefits as well as environmental and ethical ones.



# CAUSES OF STRESS ON THE RISE

- One of the more striking findings this year is that the proportion of consumers citing any of a list of 14 causes of stress has risen to a staggering 90%.
- This was driven by more mentions across many reasons. Two of the most prominent are threats from the outside world (including terrorism) and crime.
- The top causes of stress revolve around money, which often features at the top, the pressure consumers put on themselves, and their health.
- There are variations by age. For example, those aged over 50 are now more likely to cite their children as a source of stress (up four places by rank).

## Major causes of stress in consumers lives



## Any causes of stress

+23% points up to 90% saying at least one of 14 reasons is a major cause of stress (v 2015)

## **Top stressors**

**#1** The amount of money I have to live on

- #2 Pressure I put on myself
- **#3** My health
- **#4** Not getting enough sleep
- **#5** The amount of work I have to get done in the day

## **Up most** (rank change)

- +6 Threats from the outside world (natural disaster, terrorism, etc.)
- **+4** The threat of crime



## CAUSES OF STRESS ON THE RISE | WHAT IT MEANS

## Implications

There is a complex interplay of different factors at the heart of what causes UK consumers to experience stress in their lives.

The top factors feature money, pressure and health – the big worries of our time.

Brands that can leverage these concerns and create peace of mind in consumers' lives are more likely to appeal to consumers.

Innovations don't need to be groundbreaking. Anything that reduces consumers' burden in these areas will be welcomed with open arms.

## Chest wearable monitors and regulates stress mangement

The Sensate device and its partner app use audible tones that are heard and felt to reduce stress levels.

The device works with smartphone headphones and the accompanying app to measure and respond to stress indicators. These include heart rate, respiration, posture, temperature and mood.

## New subscription service for health and wellbeing

In the UK mental health unit where the Calm Boxes\_were first used, staff saw an impressive reduction of agitated, aggressive behaviour.

Each month's box is has a theme, such as meditation, living in the present moment and stress relief. Items include books, motivational reminders, herbal teas, iPods loaded with soothing music, stress balls and soft blankets.





# THE "GOOD LIFE" BECOMES LESS MATERIALISTIC



- In our list of 15 things that could make up what consumers say is part of a "Good Life", we see the importance of self-fulfillment coming to the fore.
- Free/leisure time and travel have grown in importance among UK consumers.
- Most importantly, however, spiritual enrichment is now more often cited than in 2012. It is up a fairly considerable four ranks among those aged 15-34.
- On the contrary, a relatively lower number of consumers mention a second/luxury car, or having the latest gadgets. This suggests a trend towards a less materialistic outlook on what constitutes a "Good Life".

## Rank change vs. 2012



Source: GfK Consumer Life UK 2012, 2017 I1 (15+)

10 | September 2017

# A "GOOD LIFE" BECOMES LESS MATERIALISTIC | WHAT IT MEANS

## Implications

The fact that self-fulfillment and experiences, rather than possessions, are gaining traction is good news for the service, entertainment, travel and related categories.

But even manufacturers of staple goods can capitalise on this trend by shifting their focus to the areas that are gaining in their appeal. "It's the people that make the chicken" Under the banner "it's the people that make the chicken", a recent Nando's job advert places the emphasis on the people component of the job. It explains that the people make it worthwhile to be working at night and over weekends. This clearly highlights a non-materialistic aspect of the job.

#### "You Want, We Do"

Throughout Thomas Cook's recent advertising campaign, the company reiterates the many things that people want to do on their holiday.

From "me time", "family time", relaxing and letting go of stress – Thomas Cook promises to deliver on all of these so families can really let go.



# VALUING HERITAGE WITH AN OPEN VIEW OF THE WORLD

We still see a number of the same personal values on a growth trajectory as we did this time a year ago. In 2017, we have respecting ancestors, creativity and internationalism at the top of the leader board.

Respecting ancestors, defined as having respect for those that came before us, is up the most among those age 50+ - by a staggering 15 ranks. Still, there is growth amongst younger consumers too. Internationalism on the other hand has shot up among the group aged 15-49. What this may tell us is a movement towards holding on to their heritage among older consumers. In comparison, younger consumers are much more open to our increasingly connected world and its opportunities.

## Moving up the ranks: 2011 to 2017





GfK Consumer Life UK 2011, 2017 C1/C2 (15+)

# VALUING HERITAGE WITH AN OPEN VIEW OF THE WORLD | WHAT IT MEANS

## Implications

Respecting ancestors and having a desire to preserve and celebrate heritage does not have to be at odds with embracing internationalism. The best strategy is to have a clear idea of what you stand for as a company and stay true to that in your communications and actions.

## Nostalgia for hire: Volkswagen camervans

There's nothing like an old Volkswagen camper van to evoke images of holidays during the Summer of Love.

Now, modern day flower children can re-live the experience thanks to Devon-based O'Connors Campers and Bristol's Seven Degrees West. Both companies operate small fleets of VW campers, offering a retro taste of freedom for authentic hippies and wannabes alike.

## Farm camping in cottage-style tents Feather Down Farms are small-scale, working farms that offer cottage-style tents with traditional interiors including feather beds, wood-burning stoves and flushing toilets. A far cry from a rustic tent, the spacious accommodations feature master and bunk bedrooms along with an extra canopy bed—sleeping up to six. There is no electricity in Feather Down tents, but oil lamps and candles are provided for lighting and hot showers are available nearby.





# PRODUCT ORIGIN IS INCREASINGLY



The past 12 months have seen a further growth in the proportion of consumers agreeing that where and how a product is made is very important.

Furthermore, the measure is now increasing in importance among those aged 50+. Previously it had declined slightly in popularity.

There is an ethical and transparency angle to this trend, and potentially a patriotic one as well. Last year we suggested that one strategy could be an "I'm backing Britain" style campaign. We've subsequently seen a few examples of this in various categories.

## Percentage of consumers who agree (top two) "Where and how a product is made is very importante to me"



■2017 **■**2016 **■**2011

# PRODUCT ORIGIN EVER MORE IMPORTANT - "MADE IN BRITAIN"

In which of the following categories do you think it's important to buy products that are made in Britain wherever possible?







**34%** (+8)



**28%** (+6)

Cars



**31%** (+4)





UK total (50+ vs. Total % pts.)

**63%** (+5) Food & Drink

Clothing & Home Shoes Furnishings

**37%** (+8)

Toiletries & Cosmetics

Small Electrical Appliances

Large Electrical Appliances

When posed the question directly, over half of UK consumers say they're more likely to buy products that are promoted as being made in Britain. Food and drink is the category where local provenance is most important, but it plays a role in many others.



56% "I am more likely to buy from a company that promotes its products as made in Britain"

50% "I prefer to buy products that are made in Britain because they are better quality"

46% "I prefer to buy products that are made in Britain because they are better designed"

**44%** "I am prepared to pay more for products that are made in Britain"

**44%** "I prefer to buy products that are made in Britain because they are better value for money (VFM)"

# PRODUCT ORIGIN EVER MORE IMPORTANT | WHAT IT MEANS

## Implications

While there is a traceability and security aspect to food and drink that makes origins particularly important, many other categories could benefit from a desire to buy products that are made in Britain.

Of course, those who are against the idea of Britain leaving the European Union may not be so amenable to this approach, so caution is required.

### Farmer's milk

The spate of launches of products that are not only made in Britain but reward the producers directly fits with the desire of some consumers to buy British and back Britain. This trend could grow as the effects of Brexit become more pronounced.

### Cars made in Britain

The car industry is one which has been talked about a lot in relation to Brexit. Many consumers may not be aware of which cars are actually made in the UK. Perhaps it's time for manufacturers to make more of this?



Rashers of bacon Delivered to a car factory in Swindon Tucked in between slices of bread In the Honda canteen That is open again After four months of rest The factory is hungry Hungry to start production again It feels good to open the doors again Welcoming back the bacon delivery man Giving him business again

Say hello to the HONDA effect

## THE SHARING ECONOMY SPREADS



Last year we spoke about the potential for peer-to-peer services to become more widespread if economic conditions made it a necessity to maintain living standards.

In the past year, we have seen a growth in both familiarity and use of these services, albeit from a fairly low base, with the biggest increases among older consumers. We still believe that a worsening of the economic situation could help to drive forward uptake of these services if they offer better value than more traditional alternatives.

The sharing economy: The generation gap is closing, with Millennials the biggest users



Source: GfK Consumer Life UK 2011, 2016, 2017 M1i (15+)

# THE SHARING ECONOMY SPREADS | WHAT IT MEANS

## Implications

For those in the sharing economy space, there is a real potential to capitalise on consumers' desire to maintain a certain quality of life even if finances are strained.

Traditional suppliers can counter the threat by maximising concerns consumers may have about quality, trust and possible ethical qualms, such as low pay or job insecurity of gig economy workers.

## Airbnb - Pros and Cons

Airbnb's latest advertising campaign highlights just how much money consumers can make by renting out their spare room.

In some parts of the world, however, hotel chains have been funding "sting operations" to uncover people who are illegally subletting in contravention of their tenancy agreements.

### Extending Uber's reach

One area where the sharing economy is not so well established is among older consumers.

After some seniors in the US began offering to book Uber's on their friends' behalf, the company decided to introduce a service called Uber Central, which lets users manage as many as 15 rides at once.



# A WILLINGNESS TO PAY FOR CONVENIENCE



One of the most increased attitudes among UK consumers is the willingness to pay more for products that make their lives easier. This is particularly for 15-34s, where agreement has grown by 12 points since 2011. Time is an increasingly precious commodity, and solutions that help consumers to save it are increasingly sought after and therefore lucrative.



Of UK consumers agree they are willing to pay more for products that make their life easier +9 pts. vs. 2011



Also agree they would rather have more time than more money ts that make their life easier +2 pts. vs. 2011

# A WILLINGNESS TO PAY FOR CONVENIENCE | WHAT IT MEANS

## Implications

Time is a rare commodity for most consumers. Many will appreciate products and services that allow them to spend more of their time doing the things they love rather than followingup on chores.

A number of services have sprung up over the past two years, delivering against consumers' yearning for more time in effective ways.

Look for ways to augment your offering in ways that reduce the time consumers spend on inconvenient tasks. In London, one-hour book delivery from local, independent stores The NearSt database shows inventory from local bookstores, enabling customers to collect instantly or opt for same day delivery. The searchable database enables Londoners search for a book or author by postcode, then order an item for instant collection, or one-hour delivery.

#### McDelivery... has arrived

There is seemingly no stopping to the convenience bandwagon, even when it comes to businesses already perceived as at the top of the convenience pyramid.

In the UK, McDonald's has launched McDelivery in conjunction with UberEats to bring McDonald's menu right to people's doorstep in select areas – ahead of a national roll out.



Order for instant collection or 1-hour delivery in London.



# McDelivery o..... has arrived

# ASSUAGE GREEN GUILT AND OTHER ETHICAL DILEMMAS



The single most increased attitude to life among UK consumers is the idea that they feel guilty when doing something that is bad for the environment. It's just another of the many pressures that people feel on a daily basis, and so they look for ways to mitigate it.

+ 10 points

vs.2011

Also growing, but by a smaller margin, is the idea that products and services must appeal to consumers' beliefs, values and ideals. Whether to assuage guilt, feel good about themselves or even "virtue signalling", consumers look for ways to help them be more virtuous.

+ 3 points

vs.2011

27% say "I feel guilty when I do something that is not environmentally friendly." 22% state "I only buy products and services that appeal to my beliefs, values or ideals."





Source: GfK Consumer Life UK 2011, 2017 M1k, M1a (15+)

# ASSUAGE GREEN GUILT AND OTHER ETHICAL DILEMMAS | WHAT IT MEANS

## Implications

The growth in feelings of green guilt doesn't necessarily mean that people are prepared to ditch their regular products or services for environmentally-friendly alternatives. People may not be prepared to compromise on price or quality, but if ethical or environmental benefits can be offered on top, then there is a chance that their choice will be swayed.

## Ethical hotel

Aiming to provide job opportunities and training to the local community by reinvesting its profits back into the business, the Good Hotel is the first of its kind. It puts helping the local community at the heart of its mission.

### Coffee cup recycling

Veolia has come up with a plan to help workspaces capture coffee cups before they end up in the rubbish. An in-house recycling bin has been specially designed, along with bulk and postal collection options. Businesses return empty cups once tipped, flipped and stacked to separate.



PREMIUM HOSPITALITY WITH A CAUSE



# SUMMARY: OFFER CONSUMERS THE SOLACE THEY ARE SEEKING

## What?

The overall picture of where the UK is heading is no clearer now than it was a year ago immediately following the EU referendum. Consequently, consumer confidence, concerns and attitudes are varied and complex, with a lot of uncertainty.

That said, there are a number of themes emerging that offer clues for marketers to position brands in the current climate.

### So what?

We are not yet in an economic downturn situation where consumers are behaving tactically and a different playbook will apply. In the current context, importance should be placed on understanding consumers' aspirations, values and fears.

Besides the economic decisions we face on a daily basis, there is a lot of emotional reaction to the current situation.

### Now what?

Consider the themes set out here and how they relate to your business. Which are most relevant? Are you well-placed to capitalise on them? Do they represent opportunities or threats?

A deeper understanding of your customers mindset and reactions to events will be essential to honing your strategy and messaging.

Get it right, and you can offer them the solace they are seeking



Questions? Contact us! David Crosbie, Senior Innovation Consultant T +44 207 890 9177 david.crosbie@gfk.com

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