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Living in the UK Today

Highlights

Blue Touch Papers

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- Every day there seems to be a bad-news story about the economic situation: with high unemployment, spiralling Government debt and negative publicity about politicians, the atmosphere seems bleak.
- But what is really happening in ordinary people's lives?
- We conducted focus groups to take a 'snap shot' of modern life across the life stages. Our findings suggest that despite feeling the strain, the recession is forcing people to adapt and be resourceful.

Word of mouth and the internet are increasingly important when selecting financial providers and products.

- In an unstable financial marketplace, rocked by negative publicity, consumers want **security**:
 - ✓ Take recommendations & advice re. financial providers from **trusted sources** including friends, family & money pages.
 - ✓ See **long-standing institutions** as a "more secure" option (associate with parents/grandparents).

"I read the money pages in the Express and the Mail and I look for the best savings deals on the high street." (Female, retired, 65)

It's not the time to make long-term financial plans.

- Across the board, the downturn has jolted people into **thinking more** about their financial future.
- At the same time, with less disposable cash, it is increasingly **difficult to make substantial long-term financial plans**.
- BUT people are finding ways to cut back & **make savings in the here and now**.
- Now more than ever, they want help to keep on top of their finances. They want:
 - ✓ **Information** (online banking & text updates for 18-25s and a local high-street presence for 26+).
 - ✓ **Transparency** (clear small print & upfront around policy details).

Poor service will not be tolerated.

- In a competitive market place, **savvy consumers** can '**pick and choose**' where to go.
- There is **no time for loyalty** - if the service doesn't match up, they'll take their custom elsewhere.

"I use forums for anything that's worthwhile, like buying a new watch" (Male, personal trainer, 35)

Meet the respondents

"Setting Out"

- Typically students or starting careers.
- Commitment-free they enjoy spending and 'live for the day'.
- Influenced by technology and brands.



"Getting established"

- Juggling work, study and family. Keen to 'get an edge' in the workplace.
- Jolted into taking care of cash, despite few long-term plans.



"Settling down & family life"

- Work to live; it's a necessity.
- Conscious of amount they spend; **MAKE** their money work for them.
- Use internet for work not play.



"Retirement"

- Fulfilled & happy - free from constraints of work. Value freedom above money.
- Feeling the pinch, but **USED** to thrifty living
- 'Silver surfers' have become internet-savvy.



"It's affected my ability to look into a pension. I was supposed to be sorting one out." (Female, freelance graphic designer, 35)

The internet is the Swiss Army Knife of the downturn.

- Everyone wants to be sure they get the **best deal** - internet is essential to **stay ahead of the game**:
 - ✓ Young use it for **cheap entertainment** (iPlayer, YouTube).
 - ✓ Tech-savvy, of all ages, use it for **communication** (Skype, email).
 - ✓ **Online reviews** help people to make considered purchases.
 - ✓ More than ever, **online comparison sites** are first port of call.

Consumers SHOUT about great value.

- A new mindset is taking hold: **open discussion** about spending creates opportunities to recommend favourites.
- With everyone affected by the downturn, getting a **bargain** is something to **show off** about.
- Brands that **understand the need to be frugal** are the most talked-about.
- Respondents spontaneously mentioned: Primark, Tesco, TK Maxx, Aldi.
- It's much easier to **look good for less** – especially for women. Cheap “unbranded” clothes are popular - why pay more for labels?

“I never let myself buy anything the first time I see it now” (Male graduate, global corp, 24)

Britain is still a nation that loves to shop.

- But there is **less impulse buying** – consumers are being more considered in what they spend.
- People are **strategising**: those who like to shop stay away from the shops or think twice before making a purchase.
- Seemingly ubiquitous sales and offers mean **few feel the need to pay full price**.
- Consumers are wising up on ways to make their money go further; making the most of **online vouchers** and using credit cards purely to collect **loyalty points**.

“10 years ago, we would never have admitted to buying clothes in Tesco. Now you show off about it.” (Female, housewife, 36)

Brands seen to “represent” Britain today will survive and prosper.

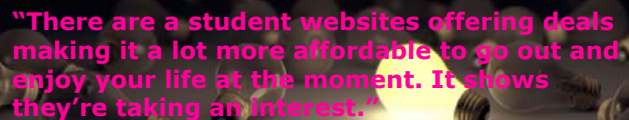
- People want to hear about **“success stories”** amidst the doom and gloom of the downturn.
- They like brands that are seen to be **prospering** while helping their customers to maintain their lifestyle for less:
 - ✓ Sainsbury's: good-quality food for less (feed your family for a fiver).
 - ✓ Topshop: iconic, British, accessible for all.
 - ✓ Ebay: something for everyone.
 - ✓ O2: on the pulse (music venues, iPhone).

The extended family is back. Families are pulling together to weather the storm.

- Parents share bulk buys with grown-up children and their families.
- Some young people move back into the family home to economise.
- In some cases grandparents provide free childcare.

The recession is hard but there's a mood of resilience.

- People at all life-stages have been affected:
 - ✗ 18-25s demoralised by lack of opportunity.
 - ✗ Difficult to get re-established after a break e.g. postgrad study/having children.
 - ✗ Those with dependents ‘tied’ to job.
 - ✗ Some retirees forced to eat into savings.
- But they attempt to ‘make the most’ of the situation:
 - ✓ 18-25s see opportunity to travel (no dependants/mortgage to tie them down). Trust situation will improve.
 - ✓ 26-35s still “getting established” prompted to take action: networking, up-skilling.
 - ✓ Retirees know how to be frugal and live on less.



“There are a student websites offering deals making it a lot more affordable to go out and enjoy your life at the moment. It shows they're taking an interest.”

(Female, student, 21)

People will adapt but there are some things they won't go without. Brands that recognise this desire to maintain a lifestyle for less are popular.

- They still want:
 - ✓ **To eat well.** Shop around to find the same products as before for less. E.g. in budget chains such as Aldi.
 - ✓ **To go out.** Use 2-for-1 meal vouchers/buy cheaper theatre tickets/student promotion websites.
 - ✓ **To look good.** Go to low-cost brands, charity shops or buy fewer expensive items (such as occasion wear).
 - ✓ **To keep up with technology.** No age group will forego home internet or mobile.

Ethical concerns can fall by the wayside.

- There's a **growing awareness of corporate social responsibility**.
- Some use this to **differentiate** between the good, the bad & the ugly.
- But when it comes down to it, people prioritise their own needs over their morals and **looking after the wallet is more important**.

“I know it's really unethical & disgusting but Primark's good value.” (Female graduate bartender, 23)