

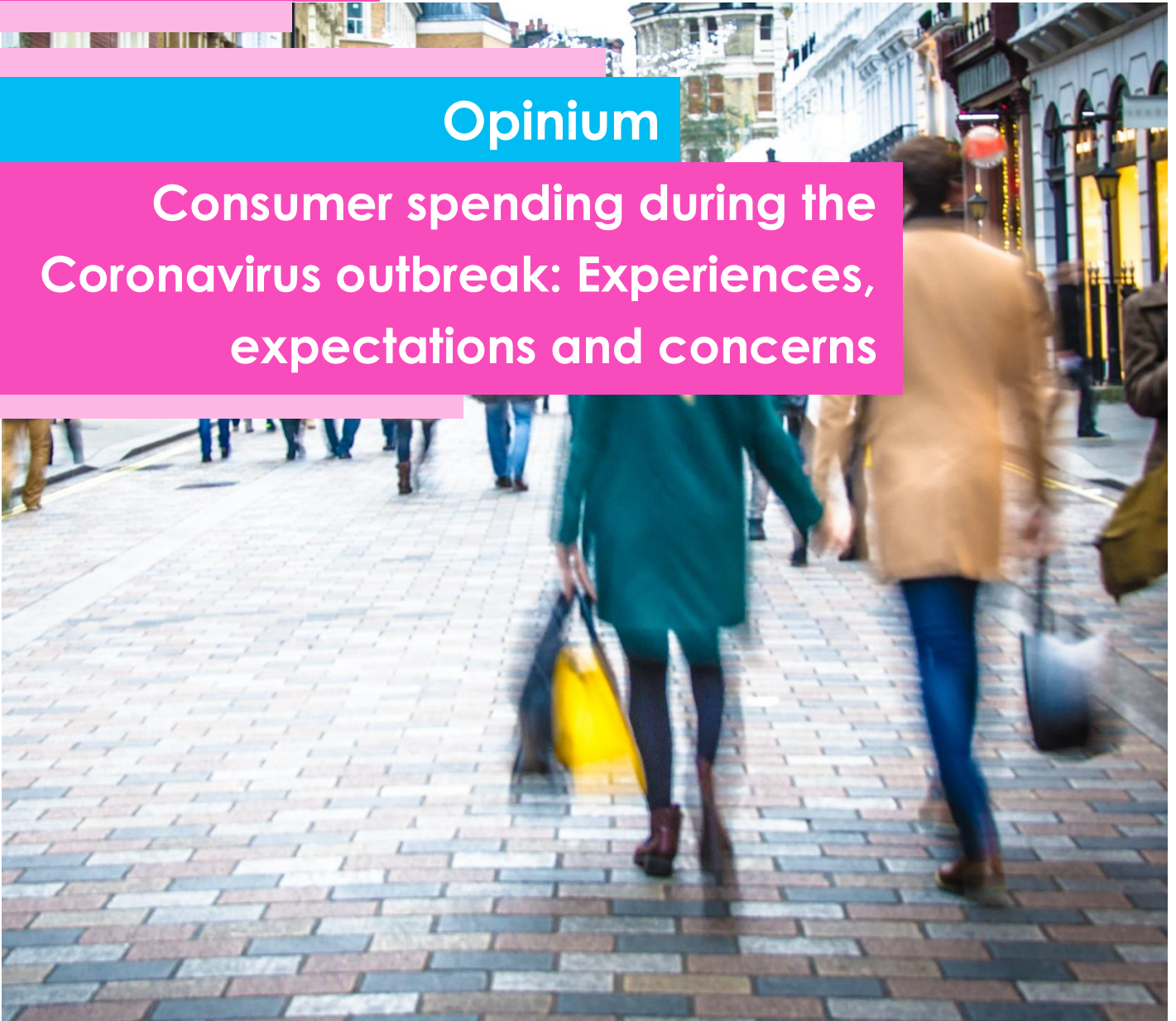


What people think,
feel and do

www.opinium.com
research@opinium.com
[@opiniumresearch](https://twitter.com/opiniumresearch)

Opinium

Consumer spending during the
Coronavirus outbreak: Experiences,
expectations and concerns



UK Report

1 April 2020

As to be expected during the current COVID-19 pandemic, there is huge concern over what any potential drop in consumer spending will mean; not only for the financial stability of the countries that are suffering the most, but the economy at a global scale.

Some countries like Hong Kong have brought in measures such as monetary vouchers in an attempt to combat the impact in the spending decline. In the UK, we're still coming to terms with the 'lockdown' announced by the Prime Minister recently, so any new initiatives or incentives to increase spending are yet to be announced – if at all.

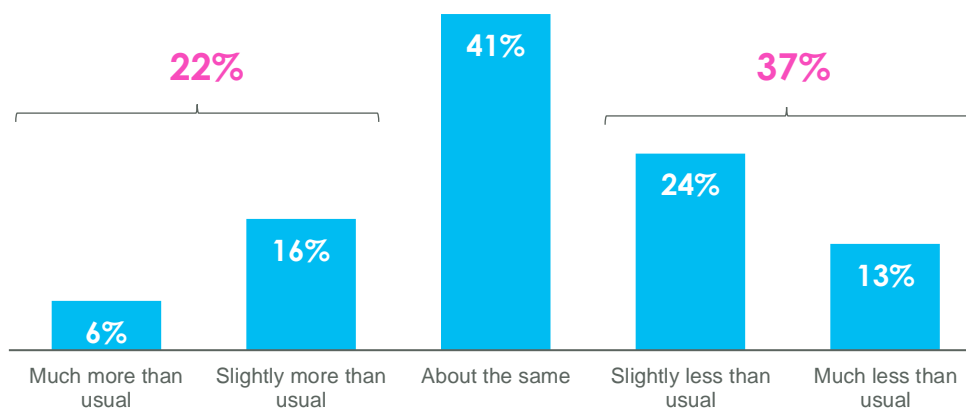
At this stage we're yet to understand the extent of the impact of change in spending behaviours, as the duration of the outbreak is still unknown. However, we decided to interview consumers to explore their expectations over their flexible spending during the pandemic and how they believe their usual purchasing behaviours will be affected.

Perhaps not a spending downturn but a shift in spending preferences that needs to be adapted for?

When consumers are asked how they expect their flexible monthly savings (e.g. groceries, entertainment, going out) might change as a result of COVID-19, almost **two in five (37%) believe they will be spending less overall, particularly 18-34-year olds (44%)**. The main reasons being the absence of socialising, lack of need for new clothes and the reduction in travel costs.

On the other hand, **one in five (22%) believe that they will be spending more than usual**. The key reasons for this being the need for more in-home entertainment, desire for home improvements but predominantly for the increase in grocery supplies.

Impact of the coronavirus on flexible monthly outgoings



Overall, do you think your flexible monthly outgoings during the Coronavirus pandemic will be more or less than usual? Flexible outgoings are anything you spend outside of your fixed monthly outgoings, for example leisure, exercise, going out, groceries etc.
Base: 2,005 UK Adults

Not only do some consumers feel that they need to be spending more on grocery items due to an increased period of time in the home, but the **effect of stockpiling and panic buying has meant many have no other choice than buying more expensive alternatives**.

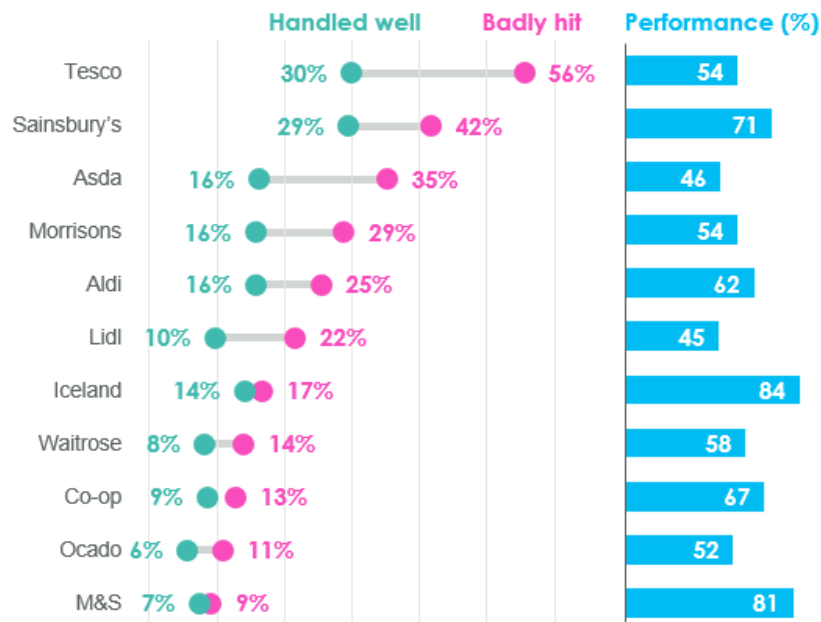
When asked which products they've struggled to purchase in recent shopping trips, consumers claim toilet roll (58%), pasta (47%), bread (41%) and tinned goods / soups (38%) have been the most difficult to get their hands on.

So how are supermarkets seen to be handling the demand?

We explored which supermarkets consumers feel have been affected the most by stockpiling / panic buying and how effective their response has been in implementing improvements to their service.

Iceland tops the supermarket leader board, likely due to the media coverage of their over 70's opening hours – the first supermarket to trial the initiative, to a welcomed reaction. Whereas **Lidl and Asda were deemed the worst responders** to the grocery demand, **along with Ocado** where queues of thousands to get into the website have been well publicised both in the media and on social channels.

How badly have supermarkets been hit by panic buying how well have they handled it?



Which of the following supermarkets do you feel have been worst hit by the impact of any 'stockpiling' or panic buying?; Which of the following supermarkets do you feel are implementing the most effective practices to avoid any potential future 'stockpiling' or panic buying?
Base: 2,005 UK Adults

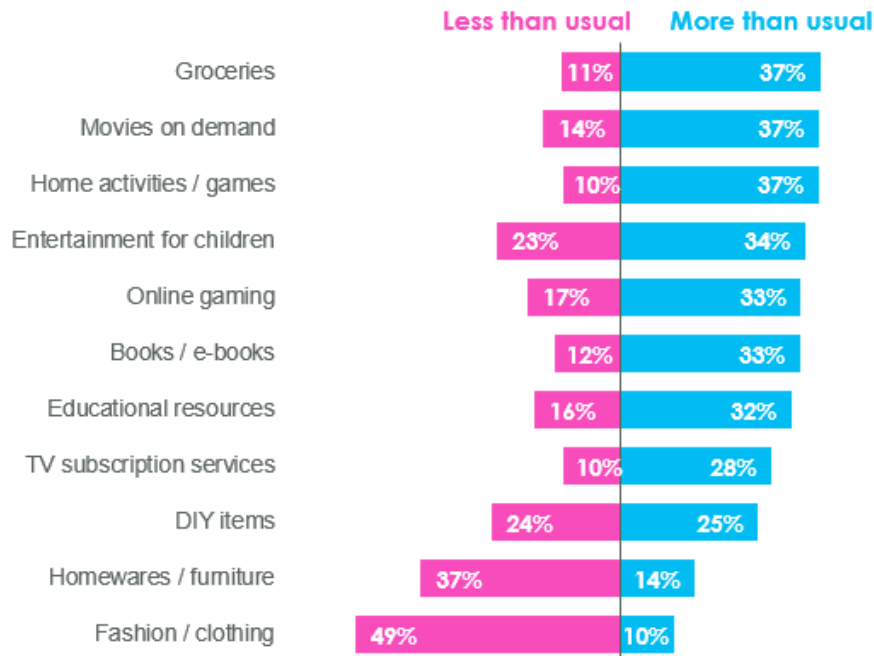
In a world devoid of external experiences, consumers are willing to spend on those which will keep them entertained at home.

We also asked consumers to think about particular spending categories and whether they think they might spend more or less over the COVID-19 outbreak.

Understandably Groceries is the category many consumers thought they would be spending more on (35%) **followed by different types of in-home entertainment (books, home activities & TV subscription services)** as people look for ways to keep themselves occupied whilst being advised to stay at home.

On the other hand, homewares and furniture along with fashion / clothing are likely going to be the most negatively impacted by the current situation.

In the wake of Coronavirus, do you think you will be spending more or less than usual on the following...

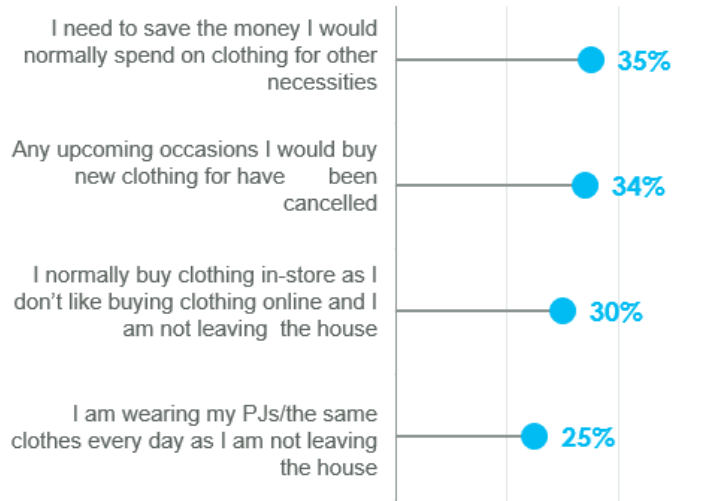


In the wake of Coronavirus, do you think you will be spending more or less than usual on the following?
 Base: 2,005 UK Adults

So, will it be possible to keep the nation from spending their days PJ bound?

Those most likely to be planning on spending less on fashion / clothing are females (46%) and those aged between 55-64 (47%). The main reason for this across all of those who said they would reduce their spending in this area, was because of the money needed to be saved and spent on other necessities (35%), this particularly the case for 18-34-year olds (41%) and those aged 45-54 (48%). Furthermore, new clothing was deemed unnecessary for some who have no need for new outfits during the lockdown (35%). Another reason was that many consumers prefer to buy clothing in-store rather than using online retail websites (30%), this being especially pertinent amongst those aged 55+ (36%).

Reasons for reducing spending on fashion during the coronavirus outbreak



What would you say the main reasons you are spending less on fashion/clothing are?
 Base: 766 UK Adults who claim they will reduce spending during the coronavirus outbreak

Bearing in mind the large number of those reluctant to spend on fashion as they don't enjoy the online shopping experience or find it difficult, **retailers need to focus on how to make their website more user friendly and enjoyable - particularly for older age groups.**

Some retailers have chosen to extend their returns policy in order to ensure a greater level of reassurance and some have made their deliveries free in order to overcome one of the main barriers to this channel – but will these be enough to truly change long standing shopping behaviours? Other potential options could include implementing or better communicating online support services, in an attempt to replicate the in-store experience as much as possible or review the user experience of their website in light of the newer, 'older' audience on its way?

Ultimately fashion retailers need to understand how to encourage those who aren't typical online shoppers to use their website and to feel secure in doing so quickly, in order to maintain buying behaviour.

If you'd like to know more about shifts in intended flexible spending or consumer's attitudes towards their likely future needs, get in touch: research@opinium.com

About Opinium

OPINIUM is an award winning strategic insight agency built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on pulse of what people **think, feel** and **do**. Creative and inquisitive, we are passionate about empowering our clients to make the decisions that matter. We work with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. We use the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

www.opinium.com | research@opinium.com | 0207 566 3190