



---

*The art of customising shopper research*

---

## **Impact of the Recession Continues to Hit Home**

### **New Report Indicates 31 Percent of Shoppers are now Making Major Changes to Spending Habits**

**...54 percent of the population expect the emergency budget to make things even worse for them...**

London, UK - 20<sup>th</sup> July 2010 - A new report announced today by Shoppercentric, an independent agency specialising in shopper behaviour research, shows that UK households are continuing to struggle to make ends meet - despite the recession being "over". This study follows up from Shoppercentric's "Shopping in the Recession" reports published in January, April and December 2009, and its purpose is to provide an indication of how shopper behaviour is changing - right now and in the future.

Shoppercentric reported back in January 2009 that 24 percent of shoppers said that they had made *major* changes to their spending - as of July 2010 this figure has now risen to 31 percent. Furthermore, 75 percent of all shoppers surveyed agreed that they had made *some* changes to their spending - highlighting the almost universal impact of the on-going economic situation.

"In April 2009 we reported that 11 percent of shoppers claimed their salaries had been affected by pay cuts / pay freezes or a drop in hours and hence we saw a fall in spending habits as a result. We then noted an improvement in this situation in December 2009 (five percent were reportedly affected by salary cuts etc.), however our latest report shows that the situation has worsened again with 12 percent of shoppers now being affected," comments Danielle Pinnington, Managing Director at Shoppercentric. "It's still a very challenging time for a lot of people - despite reports of green shoots on the horizon! Difficulties in managing budgets don't just disappear overnight, many people will have gone into debt to just keep afloat. It's a case of looking at how and where they can make savings and work towards recovery."

The report also found that most shoppers have adopted the strategy of Prudence (87 percent) rather than Economising (82 percent) or Store Switching (76 percent). It's all about avoiding waste, cooking from scratch and being careful about what they buy. From Shoppercentric's first report in January 2009 it was identified that Prudence had the potential to become a long term trend, to become learned behaviour among shoppers. This latest data set emphasises the continued use of this strategy, whilst others such as economising are falling away over time.

#### **Recession update: Other key findings**

- 54 percent of respondents felt that the government's emergency budget would make things worse for their financial situation. 30 percent did not expect to see any real change and just 16 percent thought it might make things better for them.
- Bearing in mind the emergency budget implications, the report found that Shoppers are looking to categories beyond household groceries to make savings. Of those hit the

---

PO Box 435 · Harpenden · Herts · AL5 2WZ

Tel · +44 (0)1582 468047

Shoppercentric Ltd registered in England , Company Number: 5078433

VAT Reg No: 847 6172 01



---

## *The art of customising shopper research*

---

hardest economically, 51 percent said they would look to reduce spending on clothes and shoes (adult), 49 percent on going out/eating out, 40 percent on holidays and household and grocery shopping coming in fourth place with 33 percent.

- Women continue to bear the brunt of the recession, both in terms of reduced circumstances (15 percent of women cited their income has been reduced as a result of a job loss compared with 11 percent of men), and making changes to household spending (87 percent of women compared with 79 percent of men).

“The report update has flagged up some interesting, perhaps surprising results,” concludes Pinnington. “The continuation of prudence by the shopper presents retailers and manufacturers with new challenges and promotions opportunities on ingredient items amongst others - to fire up shopper enthusiasm for cooking from scratch etc.

Retailers need to continue to listen to shoppers and their needs and respond accordingly with good pricing and reward strategies. Likewise the government needs to recognise and provide support for the impact that the VAT increase will have on providers of clothing, restaurants, holidays etc., as the long lasting impact of the recession continues to press sectors outside of the grocery arena.”

-Ends-

### **About the research**

The findings are based on quantitative research conducted in July 2010. 1000 interviews were conducted using an on-line panel with adults aged 18-64 years who were the main grocery shopper for the household. Quotas were set on gender, age, SEG, and geography to achieve nationally representative sample.

### **About Shoppercentric**

Shoppercentric is an independent agency specialising in shopper behaviour research, providing brand owners and retailers with the perspective that drives shopper marketing and retail strategies. It was established in 2004 and works with clients ranging from Cadbury to Debenhams.

### **Press contact:**

Nikki Alvey, The PR Network  
Tel: +44 (0) 7973 354 706  
Nikki.alvey@theprnetwork.co.uk