Consumer Confidence & Perceptions around the Impact of COVID-19

North West Research & Strategy are bringing you regular updates on the key points coming out of the COVID-19 pandemic through our weekly review of research and intelligence. This week, we have used BVA BDRC's ClearSight Consumer Attitudes and Behaviour report and data from VisitBritain's Latest Inbound and Domestic Research and Insights webinar. We hope these consumer and business insights help assist with your current business resilience and planning for recovery post-COVID-19. Don't forget, you can also get further information on Government support and sector specific advice on the Growth Platform website.

Key points from the ClearSight report include:

- Since the pandemic, the British population have been spending more on grocery shopping, alcohol for consumption at home and TV subscriptions. The long holidays abroad, theatre/concert visits and cinema visits are the categories which have seen the highest proportion of people claiming not to have spent anything on since COVID-19.
- The population has been segmented into 6 different groups, each with a different outlook on COVID-19 and life in general. These segments are:

1. Cautious but Content (13% of the population):
    - This group are concerned about COVID-19 but are generally settled and content with a restrained lifestyle. They tend to have a lower income and typically don't travel abroad as much, so their experiences are less likely to be affected by COVID-19.

2. Currently Constrained (18% of the population)
    - For this segment, COVID-19 is limiting their lifestyle, but they believe the sacrifice is worth it to prevent the spread. Their main concern is that COVID-19 has brought a temporary halt to travelling abroad.
    - Currently Constrained is one of the groups who have decreased their spending the most since the pandemic, reflecting their anxiety about COVID-19.
3. Struggling (26% of the population)
    - This group have been hit hard by COVID-19 financially, which is a source of anxiety. Their leisure time usually offers them respite, but limited budgets are making this difficult.
    - Struggling is one of the groups who have decreased their spending the most since the pandemic., reflecting their financial difficulty.
4. Protective but Pragmatic (10% of the population)
    - Those in this segment are pragmatic about the COVID-19 situation and believe strongly in the need to balance the health of the nation with the health of the economy. They are financially comfortable but naturally cautious with money.
5. Less to Lose (26% of the population)
    - This group feel fairly relaxed about COVID-19 and are yearning for normality but expect the pandemic to be present for some time. They are confident about their financial future, but their means are currently limited. This means their leisure budgets are squeezed but they will prioritise foreign travel when restrictions allow.
    - Less to lose are one of the groups who have increased their spending the most since the pandemic, reflecting their desire to continue as normal.

6. Life Goes On (7% of the population)
    - Those in this segment are unfazed by COVID-19 and believe the risks have been exaggerated. They believe the economy should be protected and easing of restrictions should be a priority. They are well off and leisure experiences are a chance for them to indulge.
    - Life Goes On are one of the groups who have increased their spending the most since the pandemic, reflecting their desire to continue as normal.

Highlights from VisitBritain's webinar include:

- The majority of the UK population (58%) don't believe life will 'return close to normal' before June next year. 19% don't expect their lives to return to something close to normal until at least 2022.
- The purpose of trips for those who took a UK trip in September was a 'holiday' (65%), followed by 29% who were visiting friends or relatives.
- In September, the South West attracted the highest proportion of holiday-takers (20%), closely followed by the North West at 18%.
- Countryside or village was the main destination type for a holiday taken in September (38%), closely followed by a city or large town (33%).
- The majority of those who intend to take a break in winter (November to March) are families (36%) and are mainly from the AB social grade (31%).
- The top reason respondents have given for not being confident about travelling in both autumn and winter is 'restrictions on travel from government', followed by 'I have concerns about catching COVID-19'.

- When booking serviced accommodation, ‘plentiful hand sanitisers’, ‘enhanced cleaning regimes’ and ‘free cancellation’ are the top three conditions respondents look for.
- 2020 has seen a decline of 73% in inbound visits, as well as a decline of 79% in spending.
- Interest in visiting Britain was much lower in September 2020 than in August 2016 for most markets. Current interest in visiting Britain is highest in China, USA, Italy, Spain and Sweden, while it is lowest from Germany, the Netherlands and France.
- Going to a new country, history & heritage, London and other cities, and experience of previous visits have the most positive influence on interest in visiting Britain in 2021, whilst COVID-19 is the strongest barrier.

Growth Platform

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