

The Cost of Living Diaries II:

Which typology is your customer? And what could it mean for your brand?

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October 2022

We are closely monitoring public sentiment, to understand how rising costs are affecting everyday life

Our research on the cost-of-living increases provides additional contextual insights we can apply to all of our clients' challenges.

We have **identified five typologies** that can help marketers navigate what cost-of-living increases/inflation may **mean for your customers**; and questions to ask yourself **about what you should do about it**.



Wave 1: March 2022

Wave 2: June 2022

Wave 3: Autumn 2022
Watch this space!

We have identified four key messages from our research about cost of living increases:

Almost everyone is concerned by cost of living increases and it is impacting behaviour...but in very different ways for different groups...

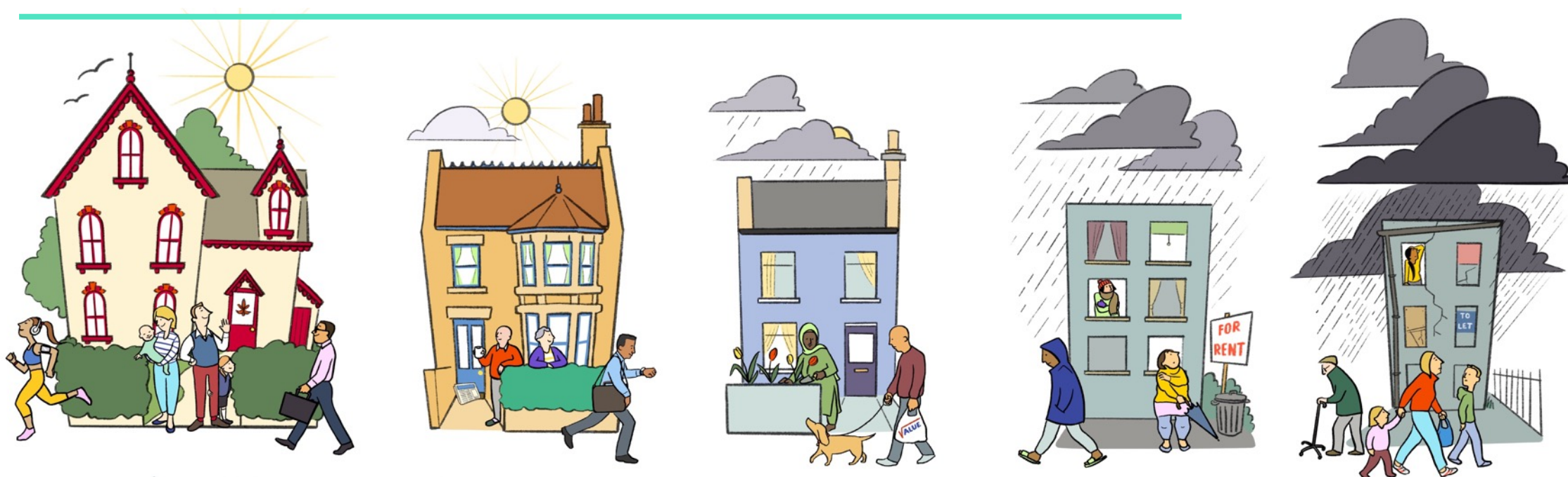
Other concerns have not gone away... increasing costs just add to the pressure...

...despite this, or because of it, people do want to live their lives and enjoy themselves...

...but getting the messaging and marketing right isn't going to be easy.

Knowing your customer has never been more important...

People are experiencing these rising costs in very different ways...and from different starting points



Top of the world

Very optimistic about the essentials and the luxuries

Cautious but comfortable

Optimistic about the essentials and fairly optimistic about luxuries

Just about managing

Optimistic about the essentials and pessimistic about luxuries

Beginning to struggle

Fairly pessimistic about affording the essentials and pessimistic about affording the luxuries.

Going under

Very pessimistic about affording the essentials and the luxuries.

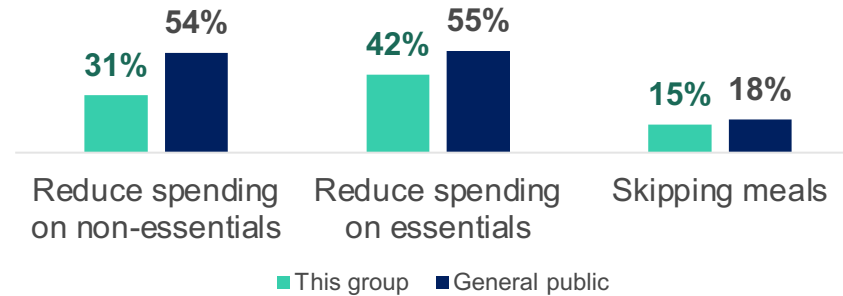
Top of the world

'Top of the world' are optimistic and unconcerned. Making up **4% of the population**, they are least likely to feel concerned about news topics we have explored, and are most likely to say they definitely won't do the money saving behaviours we explored.



Actions being taken to deal with the cost of living crisis

% selecting "already doing" or "will definitely do"



72%
are concerned about the cost of living increases, compared to **92% of the general public**

More likely to be

- Mean average household income of **over £38,000.**
- 78% Have no children under 18
- 77% Home owners
- 66% Men
- 61% Co-habiting including 53% married

42%

of this group are **planning to save this summer**, even if it means not being able to do everything they'd like



Waitrose
Amazon Fresh
Co-op



London

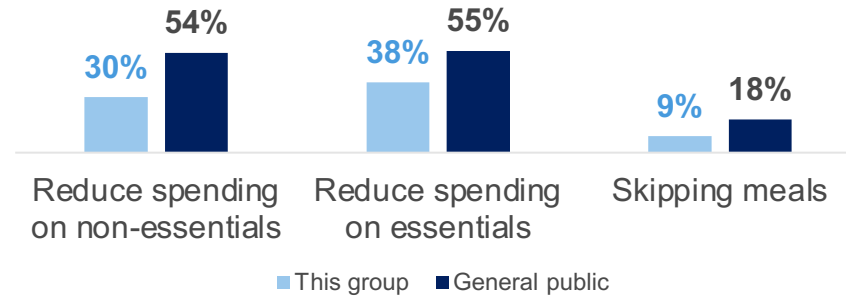
Cautious but comfortable

Fairly optimistic about their prospects. Almost a **third of the population** (28%), they are relatively optimistic about their finances, however they are still concerned about the cost of living, and are considering many of our tested money saving behaviours.



Actions being taken to deal with the cost of living crisis

% selecting "already doing" or "will definitely do"



89%

are concerned about the cost of living increases, **compared to 92% of the general public**

More likely to be

- Mean average household income of **over £37,000.**
- Even split between men and women
- 78% Home-owners
- 77% Have no children under 18
- 61% Co-habiting including 49% married
- 48% Over 55-years-old

49%

of this group are **planning to save this summer**, even if it means not being able to do everything they'd like



Sainsbury's
Waitrose



London

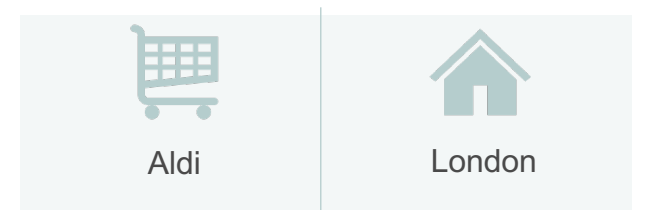
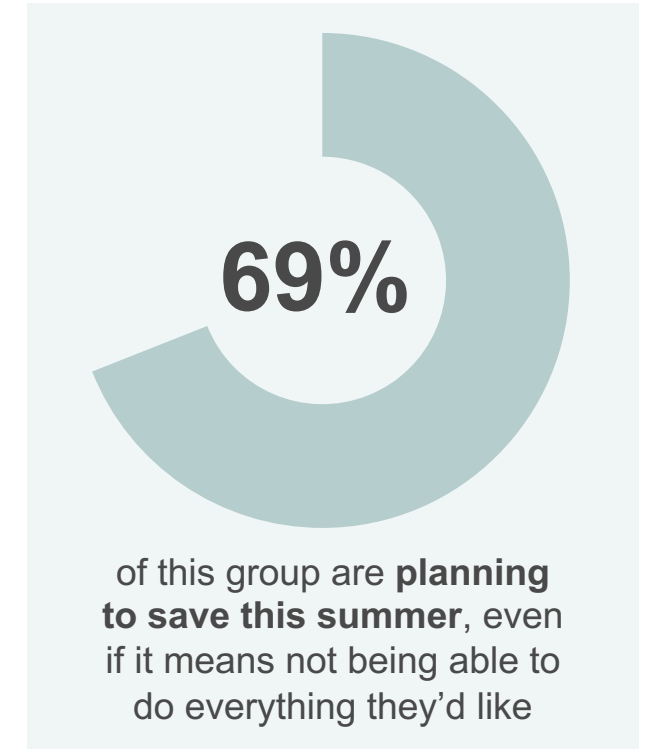
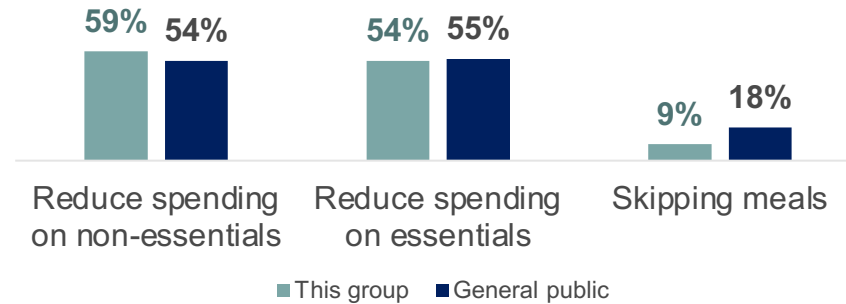
Just about managing

Beginning to feel the pinch of the cost of living, but are optimistic about affording the essentials in the short-term. This group makes up **a fifth of the population** (19%) and whilst they have mixed feelings about their finances, they are optimistic about their lives.



Actions being taken to deal with the cost of living crisis

% selecting "already doing" or "will definitely do"



95%

are concerned about the cost of living increases, **compared to 92% of the general public**

More likely to be

- Mean average household income of **over £35,000.**
- 72% Home-owners
- 57% Co-habiting including 44% married
- Almost even split men and women (51% women)

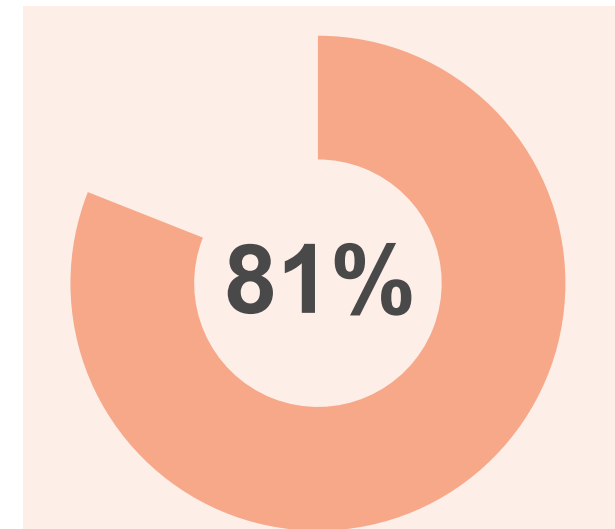
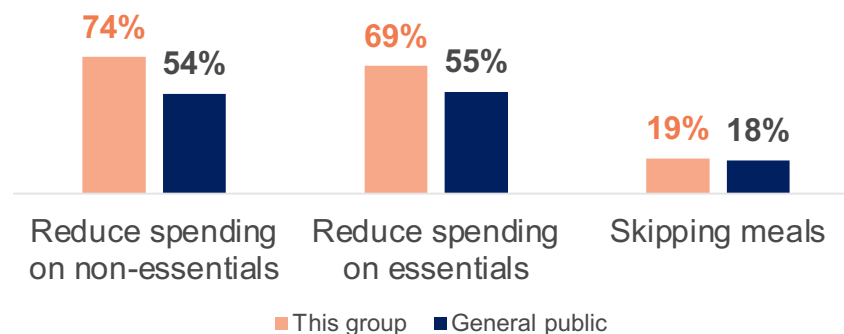
Beginning to struggle

Struggling with the cost of living crisis. This group makes up a **fifth of the population** (19%) and they are fairly pessimistic about their finances. They are already cutting down spending in lots of areas, and believe this will increase further.



Actions being taken to deal with the cost of living crisis

% selecting "already doing" or "will definitely do"



of this group are **planning to save this summer**, even if it means not being able to do everything they'd like

97%

are concerned about the cost of living increases, **compared to 92% of the general public**

More likely to be

- Mean average household income of just over **£28,000**.
- Almost even split men and women, with 53% Women
- 41% 35-54-years-old
- 36% Single
- 26% Have a LTHC or disability



Aldi
Iceland



South East
Eastern

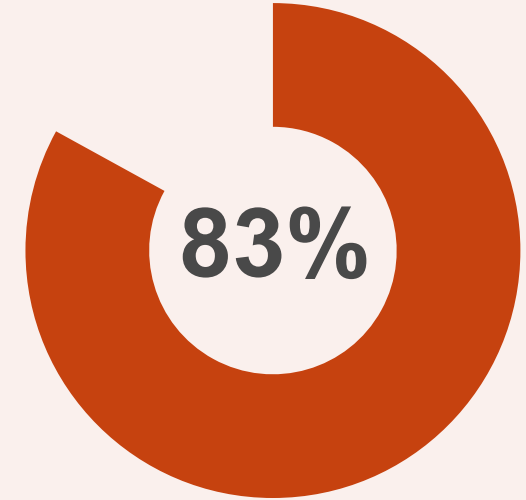
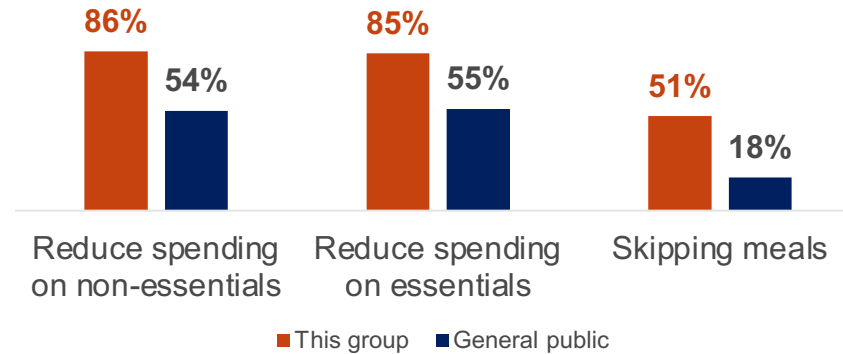
Going under

Struggling to stay afloat. Over **1 in 10** (12%) of the population, this group are pessimistic about a lot in their lives, including their finances. They are very concerned about the cost of living, and are more likely to already be cutting back and actioning money saving behaviours.



Actions being taken to deal with the cost of living crisis

% selecting "already doing" or "will definitely do"



of this group are **planning to save this summer**, even if it means not being able to do everything they'd like

100%

are concerned about the cost of living increases, **compared to 92% of the general public**

More likely to be

- Mean average household income of just over **£25,000**.
- 91% White
- Almost even split men and women, with 53% Women
- 47% 35-54-year-olds
- 45% Renters
- 40% Have a LTHC or disability
- 32% Parents of school-aged children (5-18 years old)



ASDA
Iceland



North West
Wales

There is a lot to navigate... And a changing regulatory, geopolitical and social landscape

Knowing your customers is vitally important – are they Going Under or Cautious but Comfortable? Families or older people?

People are seeking a sense of agency and control – how can you help them feel they have this when they interact with your brand?

There is an opportunity to genuinely help customers in the face of difficulties – what is your brand doing and saying about it?

Some people are really struggling and hugely vulnerable; others are just seeking to be helped make the right choices.

Many are still looking forward to things in their lives – and are trying to put a positive spin on the actions they take, but don't want virtue signaling from brands.

This is particularly relevant when it come to supporting those who may find themselves in financial detriment/debt as they respond to rising costs.



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We put the people that matter most at the heart of our clients' thinking



Thank you

Please contact:

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Our next wave of Cost of living Diaries comes out later in October 2022 – contact us to receive more information or talk about your big questions.

We would love to discuss further with your teams. Please keep in touch.

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