

BRC Consumer Sentiment Monitor

October 2024

An analysis of UK consumer sentiment based on financial status,
shopping behaviours and attitudes





Contents

HEADLINE COMMENTARY	3
EXECUTIVE SUMMARY	4
PERCEPTIONS ON THE STATE OF THE ECONOMY	5
PERSONAL FINANCES	
- STATE OF PERSONAL FINANCES	6-7
- PERCEPTIONS OF DEBT AND EXPECTATIONS FOR BORROWING	8-9
SPENDING AND SAVING	
- SPEND AND SAVING EXPECTATIONS	10-12
- WAYS TO REDUCE SPEND	13
- NON-ESSENTIAL SPENDING PRIORITIES	14
- EXPECTED SPEND ACROSS RETAIL CATEGORIES	15
APPENDIX	
- BLACK FRIDAY/CYBER MONDAY SPEND	17-18
- THANKSGIVING PLANS	20
- CHRISTMAS SPEND	21
- PERCEPTIONS OF LOCAL HIGH STREET	22

Headline commentary

Consumer Sentiment Monitor – October 2024



Dr Kris Hamer, Director of Insight | British Retail Consortium



"With the latest survey conducted just before the government's budget announcement, we find that consumer optimism about the economy and personal finances remains low, though there has been a slight improvement since September. Encouragingly, the percentage of individuals reporting financial struggles has decreased for the third consecutive month, dropping to 15% in October from a peak of 19% in July.

As we approach Black Friday and Christmas, consumers are naturally planning to spend more, especially among Gen Z, with gifting leading the category spending intentions. However, it's notable that 40% of consumers over 60 years old intend to spend less over the next 3 months, with retail goods and utilities their focus of thrift.

Black Friday and Cyber Monday will be a busy time for retailers, with a third of consumers reporting their plan to spend on offers and 1 in 5 still to be persuaded to shop - consumers will have the keenest eye on Clothing, electronics and beauty, offers topping their list of priorities."

Executive Summary

Consumer Sentiment Monitor – October 2024

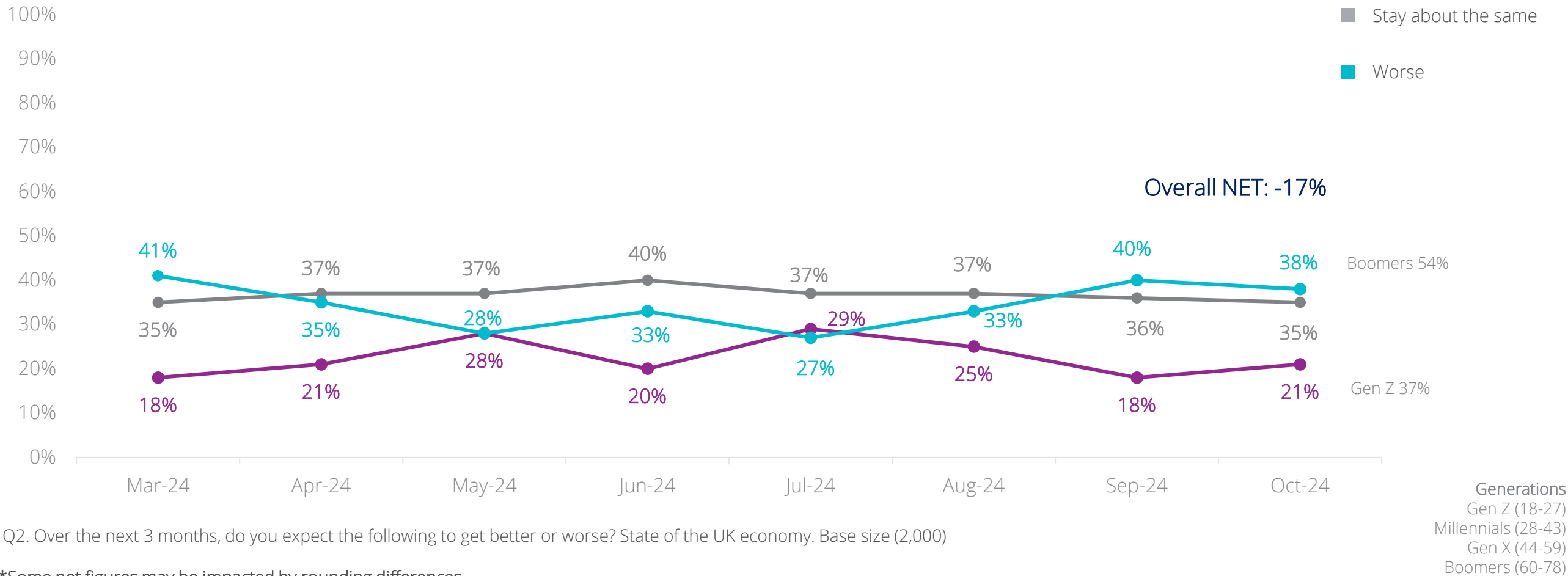
A Survey of 2,000 UK consumers weighted to be Nationally Representative. Consumers are surveyed monthly about their financial status, shopping behaviours, and other topical issues.

- Optimism towards the future of the UK economy partially recovers since September (NET: -17%, + 5%) yet maintains overall negativity. Similar to September, optimism and pessimism is polarised between younger and older generations, with over a third (37%) of Millennials anticipating improvement and over half (54%) of Boomers anticipating regression.
- Expectations towards personal finances over the next three months also reveal a slight recovery, with Millennials jumping from 36% having positive expectations in September to 42% this month. Current perceptions over finances also improve as more report being comfortable (44%, +2%), and less report to be struggling (15%, -1%).
- As we enter the festive period, spending expectations increase for the next three months (17%, +7%) compared to last month. In line with this, expected retail spend also shows a notable increase (2%, +10%). However, consumers report that they expect to curb their spending across most product categories this Christmas compared to last year.
- When it comes to saving expectations across the next three months, consumers continue to expect to save less. However, generations are split as two fifths (35%) of Gen Z expect to save more and a similar proportion (40%) of Boomers expect to save less.
- When thinking about reducing outgoings this month, reducing home use of electricity and gas continues to increase as temperatures lower (54%, +9%).
- UK consumers reveal that product quality (92%) and value for money (92%) are top concerns when making purchases, with three in five (61%) reporting that sustainability is important. This rises to 71% amongst Gen Zs.
- Top non-essential spending priorities remain as dining out (36%) and travelling for leisure (33%), however gifting continues to increase as we approach Christmas (30%, +4%).
- Finally, consumers were asked about their current perceptions of their high street compared to five years ago and over half (56%) report that they have worsened.

Encouragingly, consumers are slightly more optimistic about the economy this month. Millennials and Boomers offer polarised responses between optimism and pessimism, respectively.

Over the next 3 months, do you expect the state of the UK economy to get better or worse?

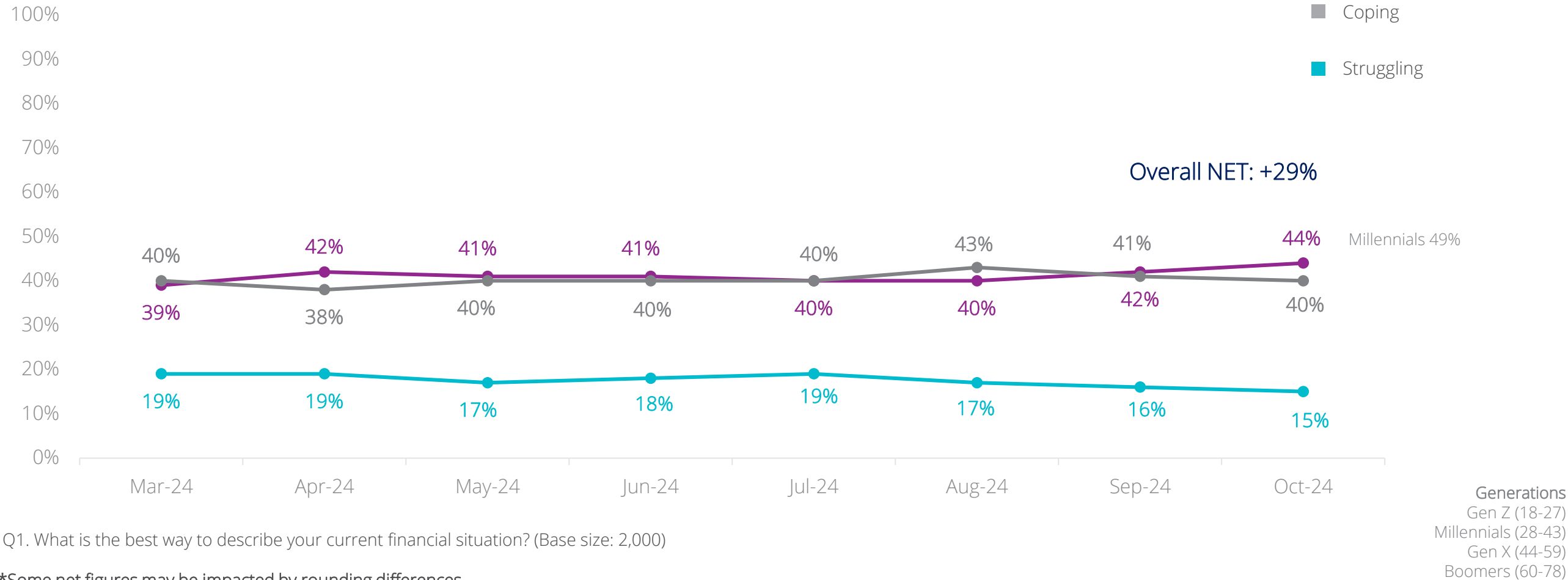
Total sample



Perceptions over current financial situation also improve slightly, particular amongst Millennials as half report feeling comfortable.

What is the best way to describe your current financial situation?

Total sample



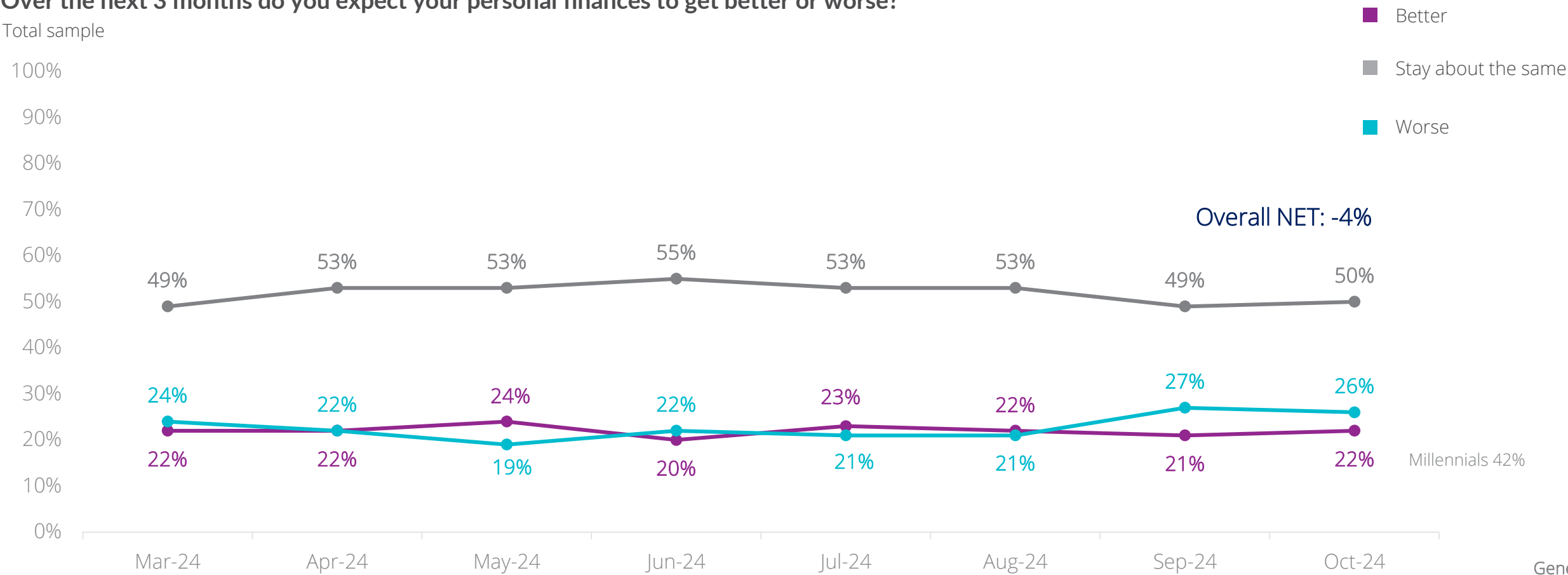
Q1. What is the best way to describe your current financial situation? (Base size: 2,000)

*Some net figures may be impacted by rounding differences

Expectations towards personal finances over the next three months also show increased optimism, particularly amongst Millennials.

Over the next 3 months do you expect your personal finances to get better or worse?

Total sample



Q2. Over the next 3 months, do you expect the following to get better or worse? Your Personal Finances. Base size (2,000)

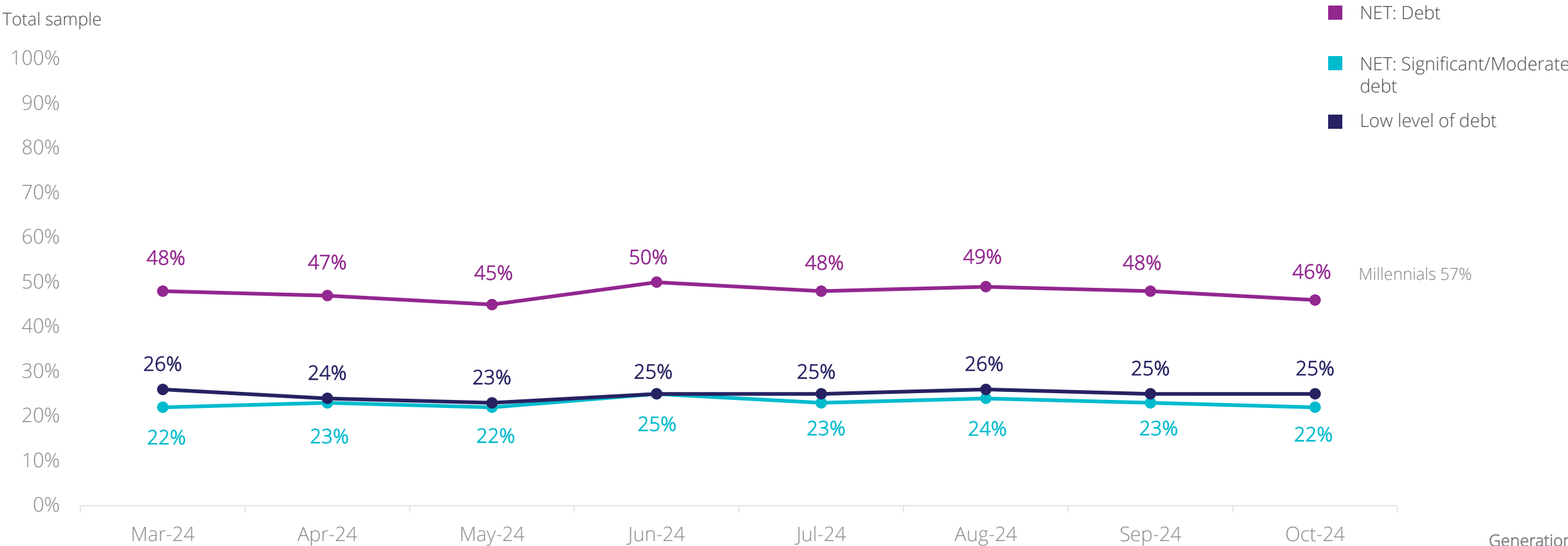
*Some net figures may be impacted by rounding differences

- Generations
- Gen Z (18-27)
 - Millennials (28-43)
 - Gen X (44-59)
 - Boomers (60-78)

Debt levels lower slightly this month. Millennials remain as most likely generation to hold debt.

What is your perception of the overall level of consumer debt you currently hold?

Total sample



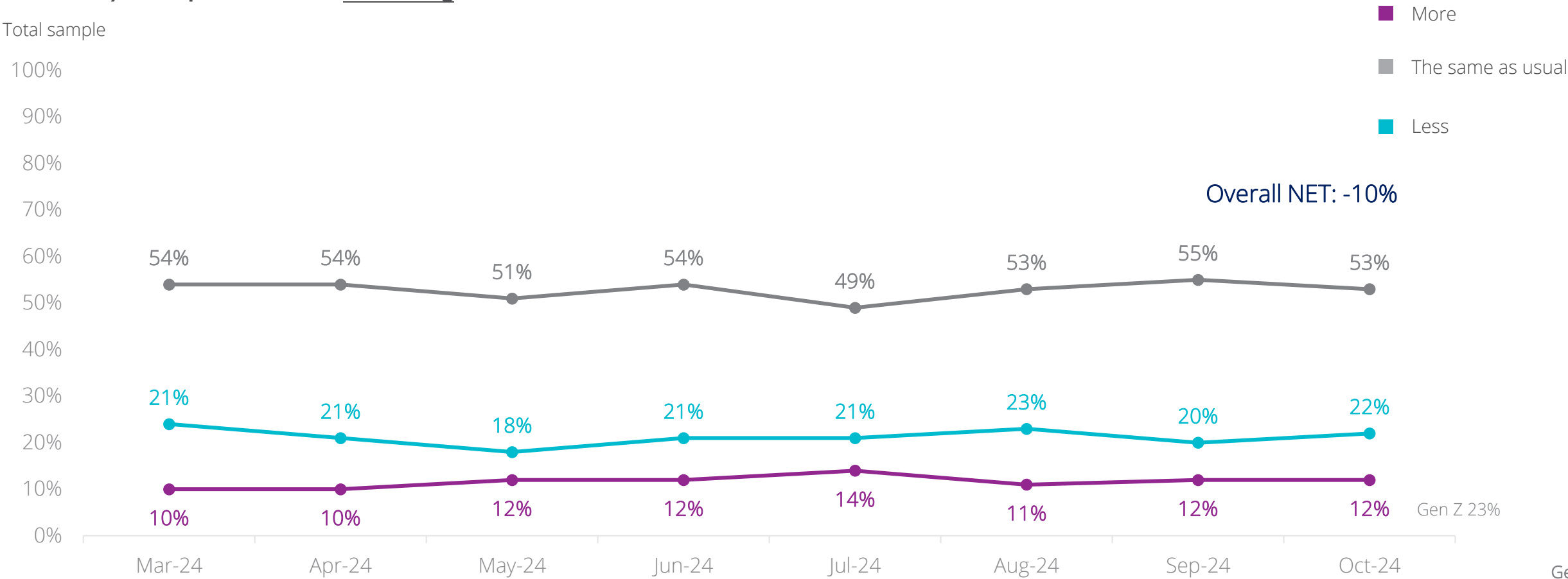
Q7. What is your perception of the overall level of consumer debt you currently hold? By 'consumer debt' we mean any debt used to purchase goods or services for personal consumption. This includes bank overdrafts, credit card balances, personal loans etc. but excludes mortgages and student debt. Base size: (2,000)

*Some net figures may be impacted by rounding differences

Consumers expect to borrow slightly less this month, but Gen Zs regain top spot as most likely to borrow more.

What are your expectations for borrowing over the next 3 months?

Total sample



Q6. What are your expectations for borrowing over the next 3 months? Please only think about loans, overdrafts, credit etc. and not about mortgages. By 'usual' we'd like you to think about your typical borrowing habits. Base size: (2,000)

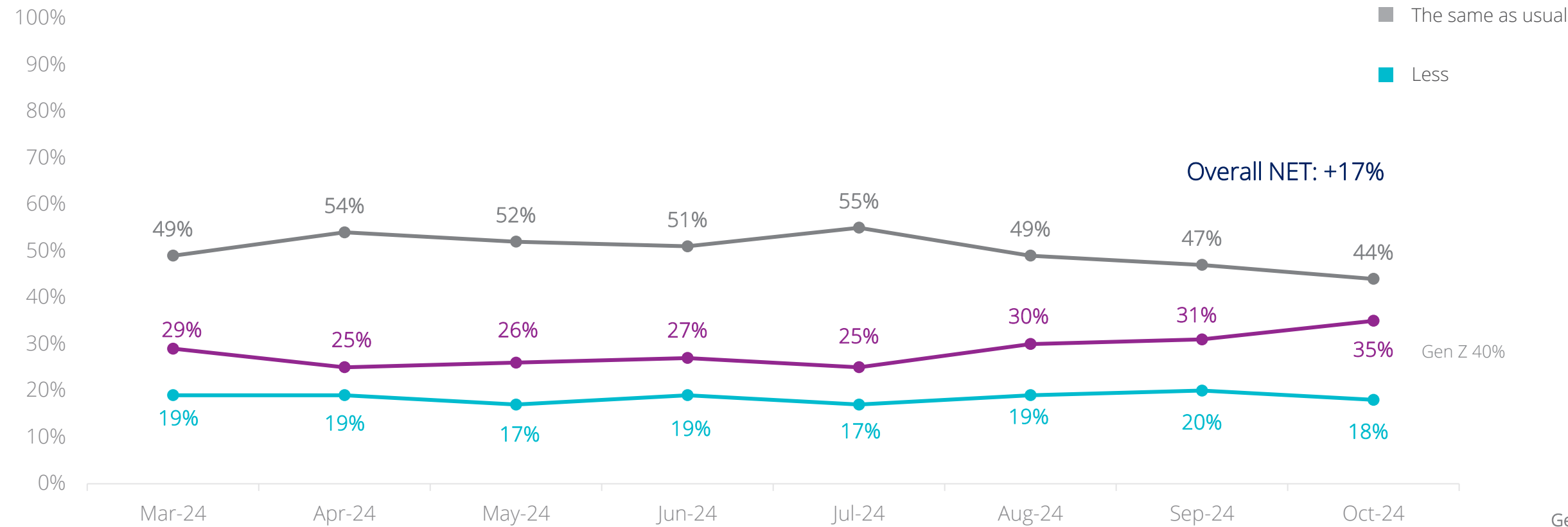
*Some net figures may be impacted by rounding differences

Generations
Gen Z (18-27)
Millennials (28-43)
Gen X (44-59)
Boomers (60-78)

As we enter the festive period, general spending expectations increase over the next three months.

What do you plan to do in relation to your spending over the next 3 months?

Total sample

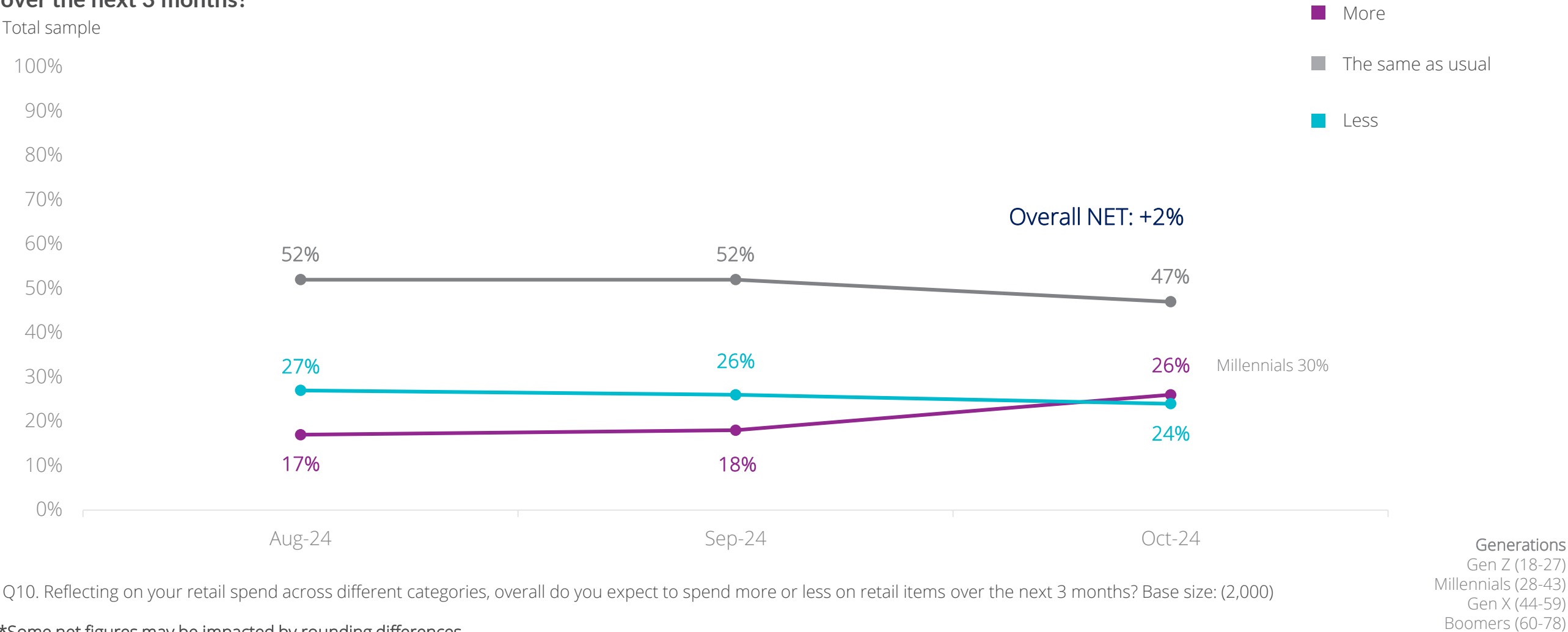


Q3. What do you plan to do in relation to your spending over the next 3 months? By 'usual' we'd like you to think about your typical spending habits. Base size: (2,000)

In particular, expectations towards retail spend experience a notable increase, with Millennials the most likely to spend more.

Reflecting on your retail spend across different categories, overall do you expect to spend more or less on retail items over the next 3 months?

Total sample



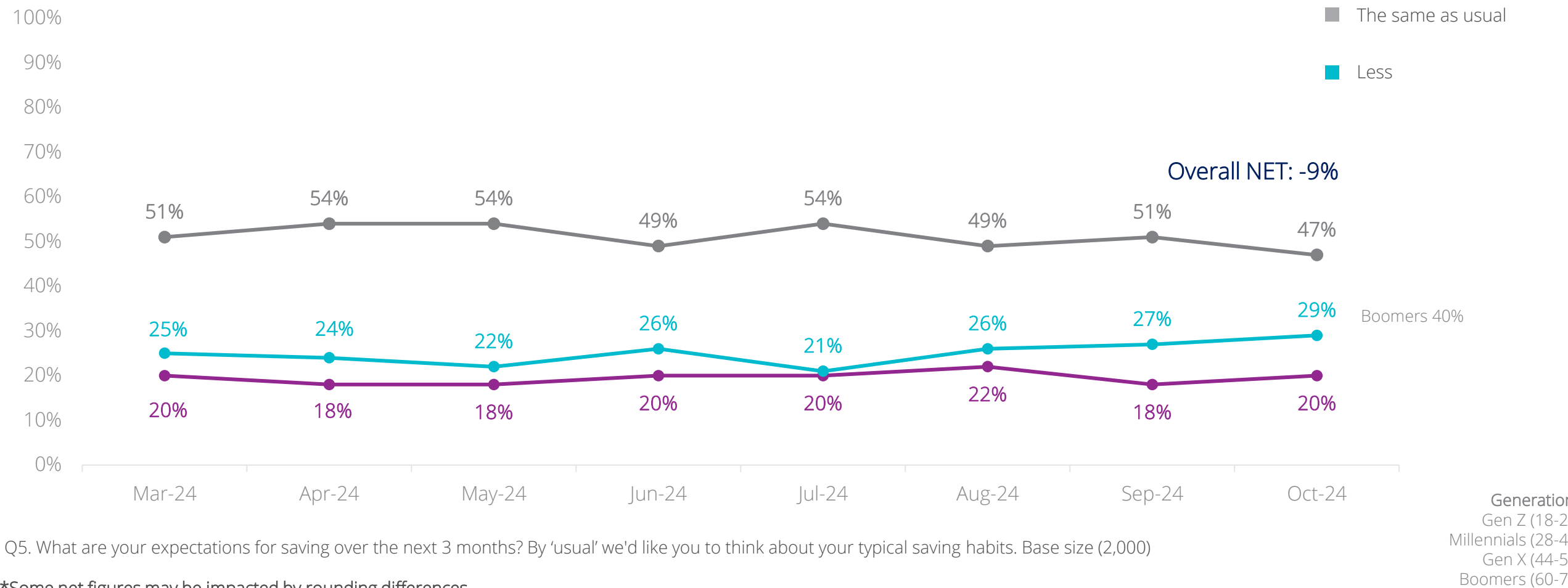
Q10. Reflecting on your retail spend across different categories, overall do you expect to spend more or less on retail items over the next 3 months? Base size: (2,000)

*Some net figures may be impacted by rounding differences

Consumers continue to expect to save less across the next three months, Boomers remain as the most pessimistic about their saving ability.

What are your expectations for saving over the next 3 months?

Total sample



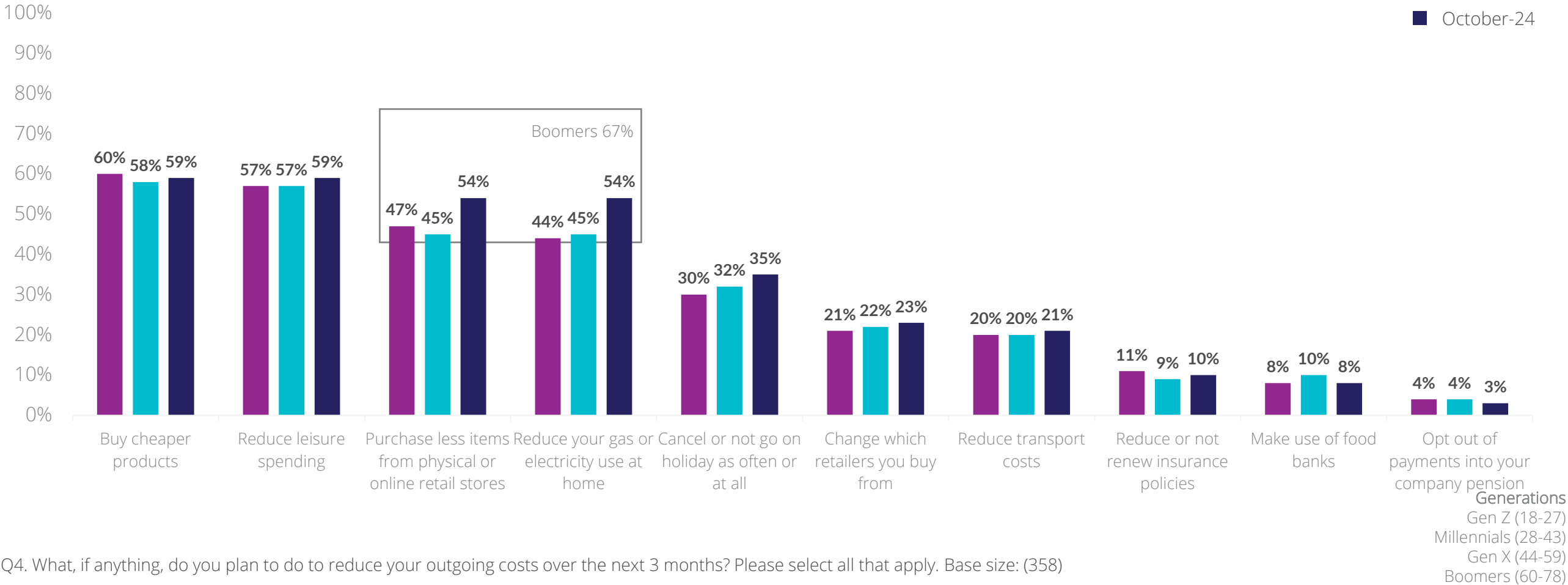
Q5. What are your expectations for saving over the next 3 months? By 'usual' we'd like you to think about your typical saving habits. Base size (2,000)

*Some net figures may be impacted by rounding differences

Purchasing less items and reducing home energy use experience notable upticks as ways to reduce outgoings over the next three months.

What, if anything, do you plan to do to reduce your outgoing costs over the next 3 months?

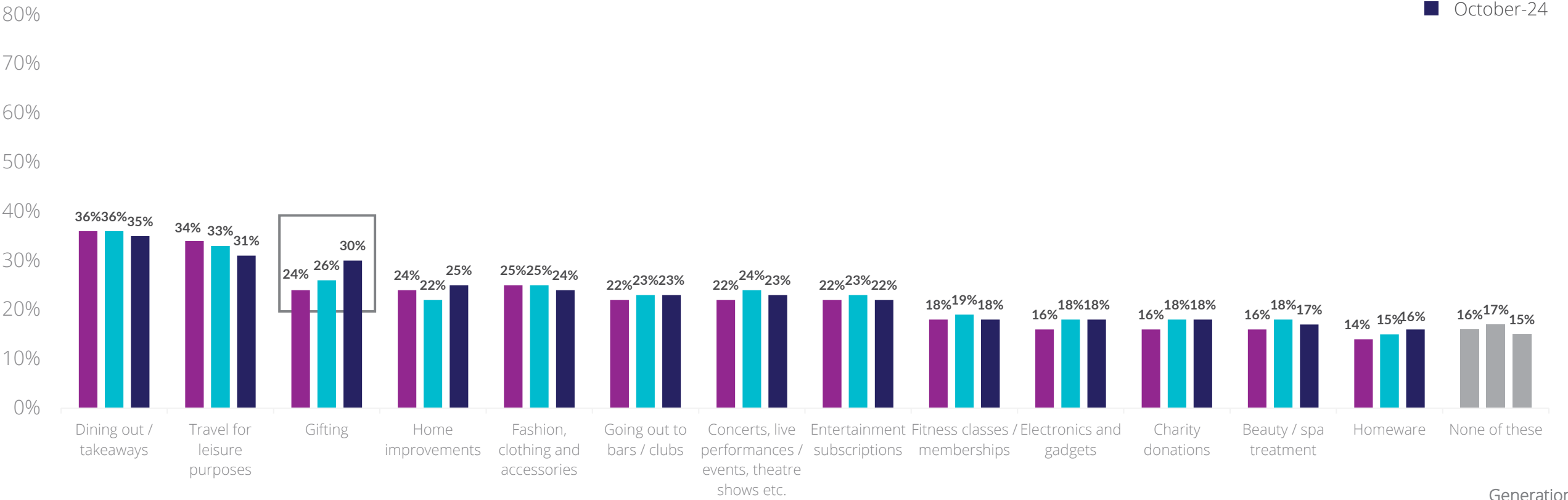
All those who plan to reduce spending



Consumers maintain dining out and travelling for leisure as non-essential spending priorities, however gifting reveals a notable increase as Christmas approaches.

Over the next 3 months, which of the following would you say are your non-essential spending priorities?

Total sample



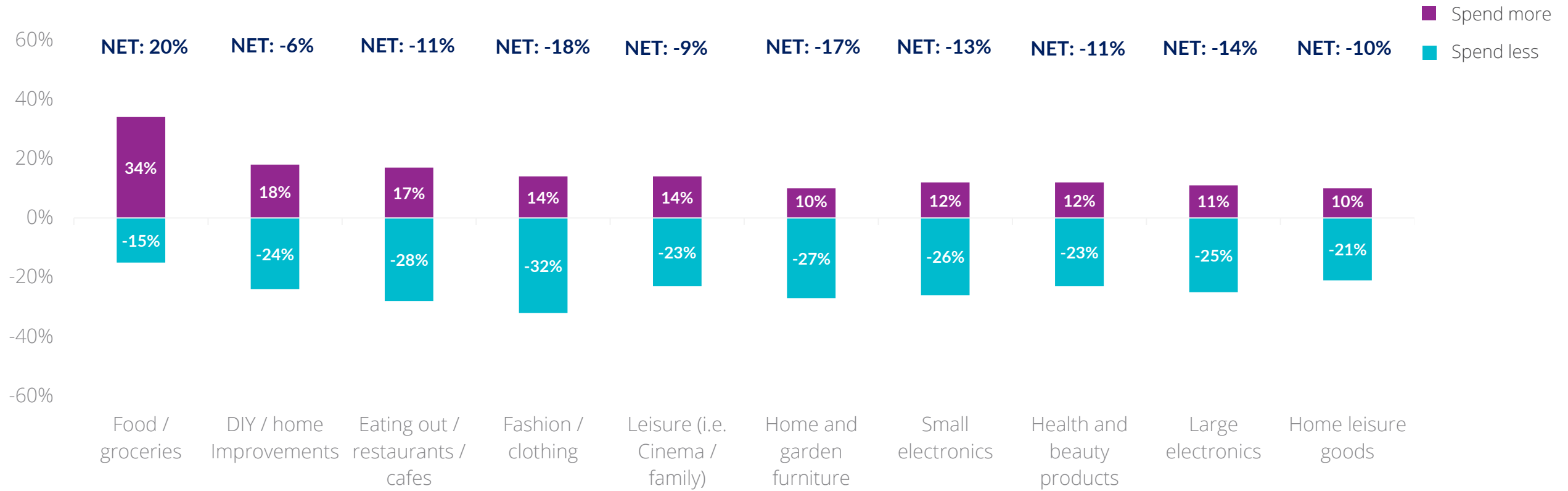
Q8. Non-essential spending is optional / discretionary spend for goods or services that are not necessary for maintaining a minimum standard of living. With this in mind, over the next 3 months, which of the following would you say are your non-essential spending priorities? Please select all that apply. Base (2,000)

Generations
Gen Z (18-27)
Millennials (28-43)
Gen X (44-59)
Boomers (60-78)

NET expectations for spending over the next three months by category

What are your expectations for spending on the following retail categories over the next 3 months, compared to the previous 3 months?

Total sample



Q9. What are your expectations for spending on the following retail categories over the next 3 months, compared to the previous 3 months? Base size: (2,000)

*Some net figures may be impacted by rounding differences

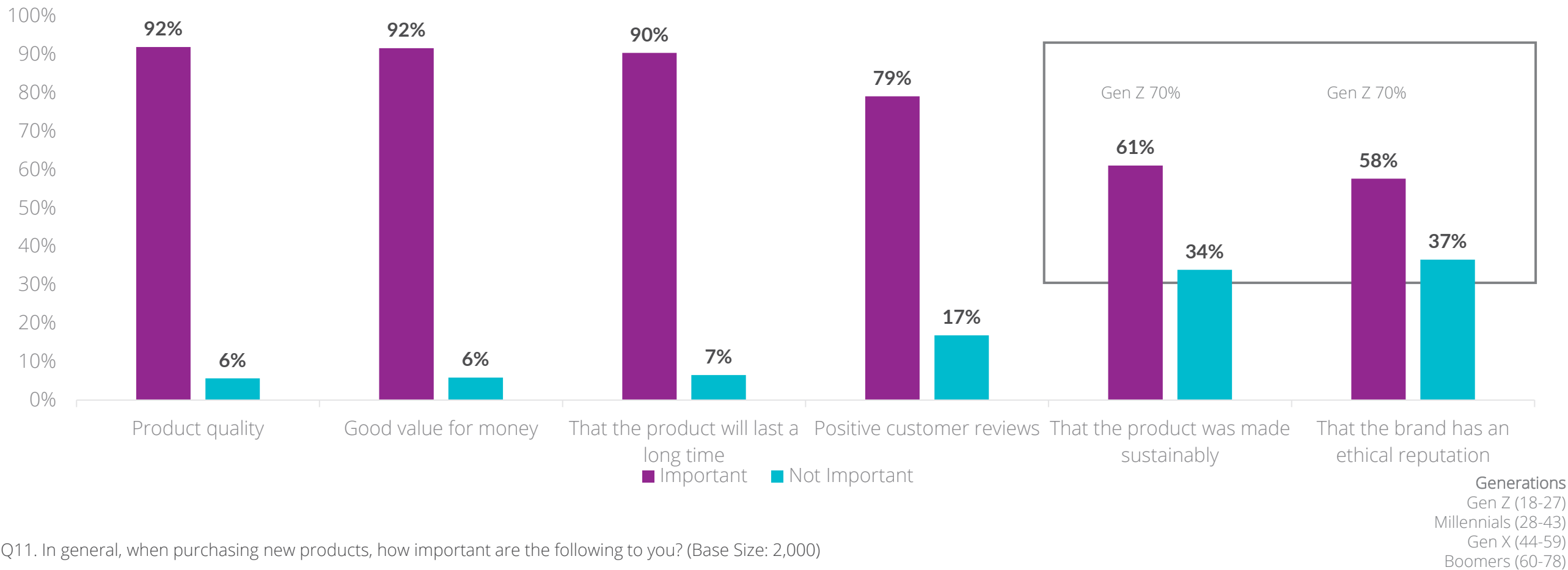
- Generations
- Gen Z (18-27)
 - Millennials (28-43)
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 - Boomers (60-78)

Appendix

Quality, longevity and value for money are prioritised by UK adults when purchasing products. Younger generations are more likely to prioritise sustainability and ethical reputation.

In general, when purchasing new products, how important are the following to you? (NEW October-24)

Total sample

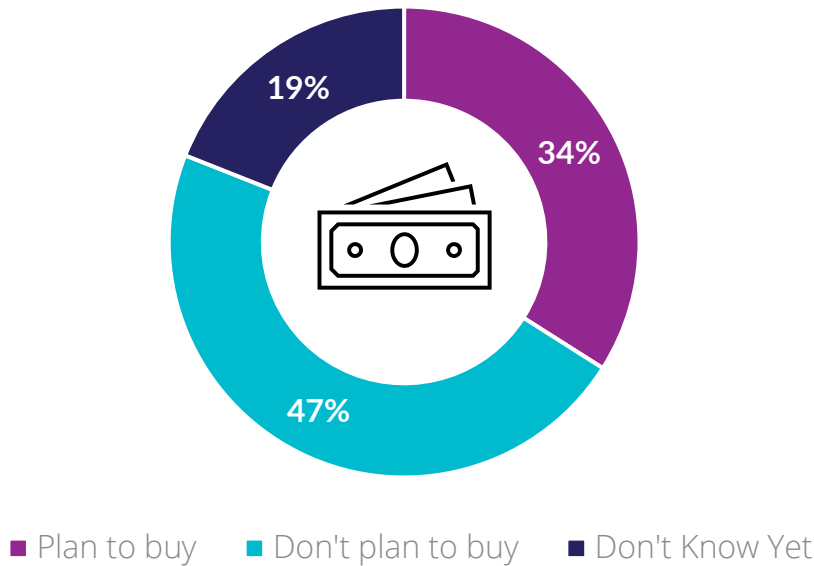


One in three plan to find deals over Black Friday or Cyber Monday, with clothing and electronics as top categories of interest.

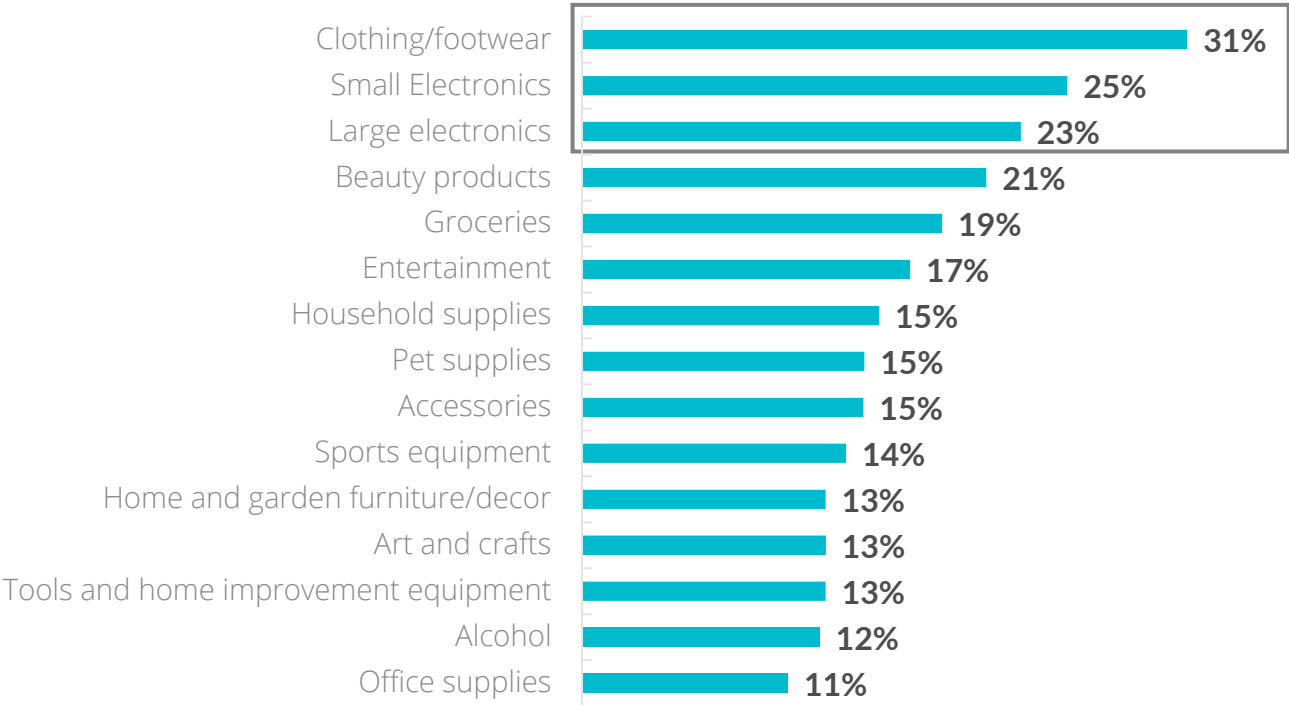
Which, if any, of the following products are you planning to buy over the Black Friday/Cyber Monday period at a reduced cost? (NEW October-24)

All Respondents planning to take advantage of Black Friday/Cyber Monday offers

Consumer intentions for Black Friday/Cyber Monday (n=2,000)



Most popular spending categories amongst those taking advantage of deals (n=687)



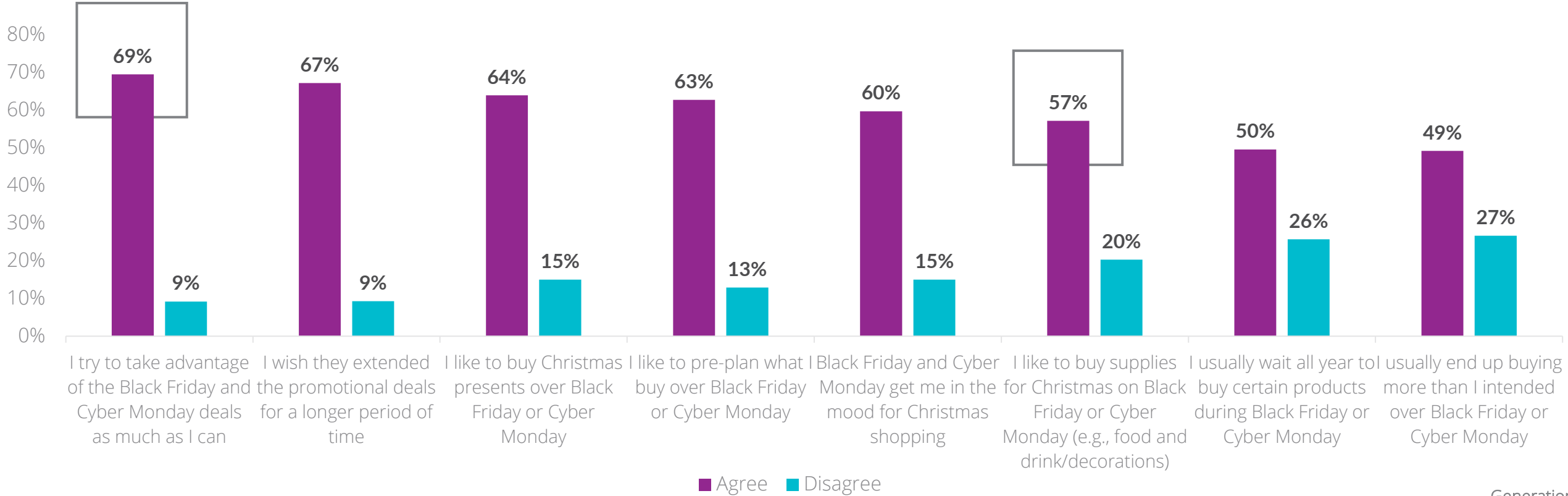
Q12. Black Friday and Cyber Monday are other promotional shopping events happening on November 29th and December 2nd 2024 respectively, where you can buy items at reduced prices. Looking ahead, which, if any, of the following products are you planning to buy over the Black Friday/Cyber Monday period at a reduced cost? Base size: (2,000)

Generations
Gen Z (18-27)
Millennials (28-43)
Gen X (44-59)
Boomers (60-78)

Amongst Black Friday and Cyber Monday shoppers, the deals are seen as a good opportunity by more than half to prepare for Christmas, with seven in ten trying to take advantage as much as they can.

You mentioned you’re planning to buy products over Black Friday or Cyber Monday. To what extent do you agree or disagree with the following statements when shopping during this time? (NEW October-24)

All Respondents planning to take advantage of Black Friday/Cyber Monday offers



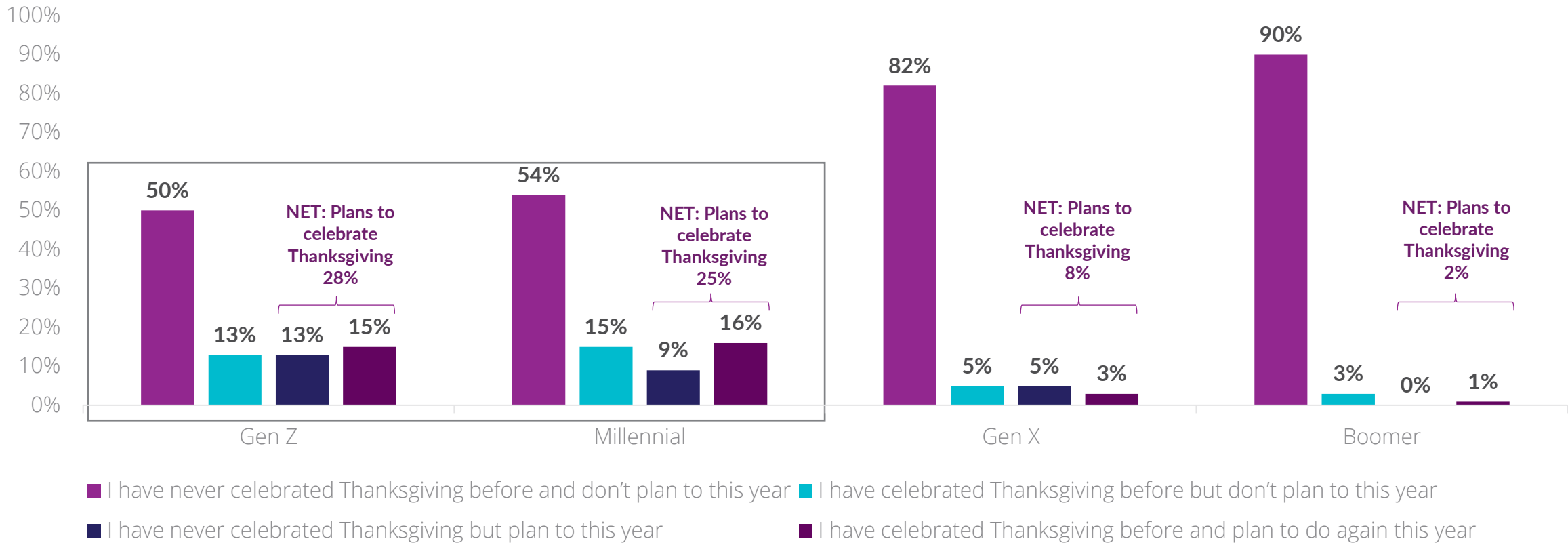
Q13. You mentioned you’re planning to buy products over Black Friday or Cyber Monday. To what extent do you agree or disagree with the following statements when shopping during this time? Base Size – All who plan to buy products over Black Friday/Cyber Monday (687)

Generations
Gen Z (18-27)
Millennials (28-43)
Gen X (44-59)
Boomers (60-78)

Almost a fifth of UK adults have previously celebrated Thanksgiving, and 14% plan to celebrate this year - with younger generations driving participation.

Which, if any, of the following best describe your intentions to celebrate, or not celebrate, Thanksgiving this year? (NEW October-24)

Total sample



Q14. Which, if any, of the following best describe your intentions to celebrate, or not celebrate, Thanksgiving this year? (Base Size: 2,000)

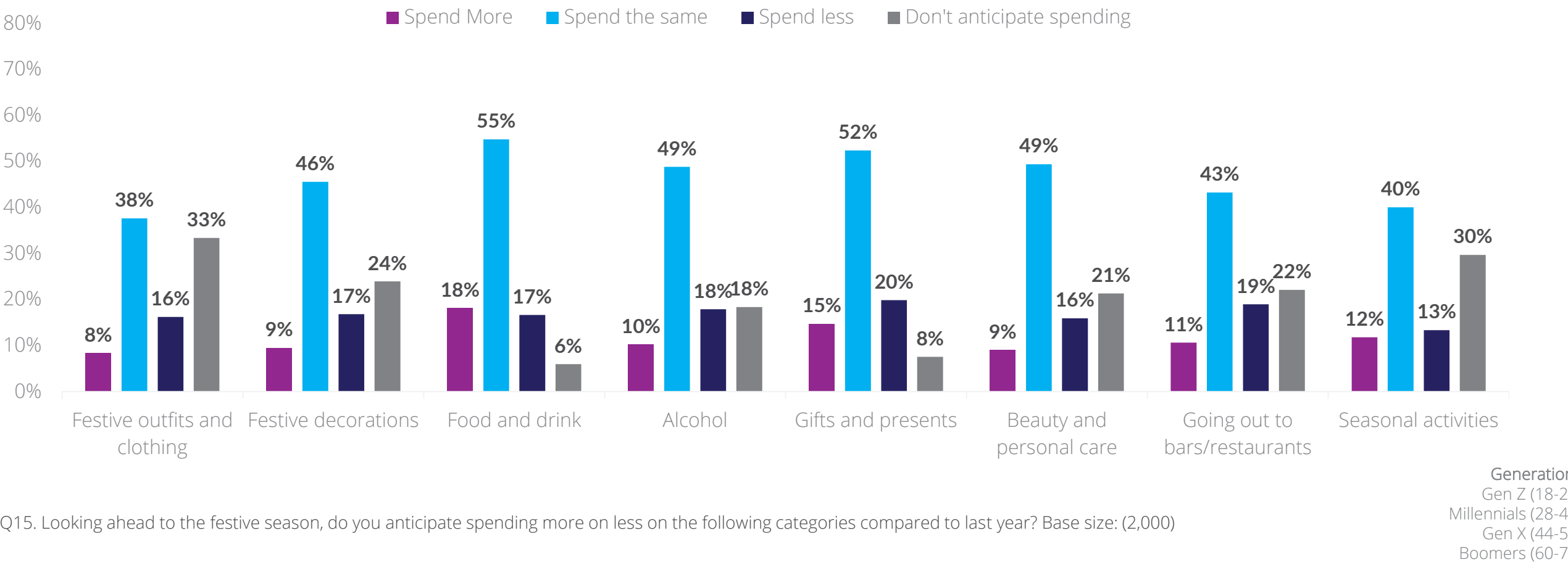
*Some net figures may be impacted by rounding differences

Generations
Gen Z (18-27)
Millennials (28-43)
Gen X (44-59)
Boomers (60-78)

Aside from food and drink, consumers are looking to curb their spending across most categories this festive season compared to last year.

Looking ahead to the festive season, do you anticipate spending more on less on the following categories compared to last year? (NEW October-24)

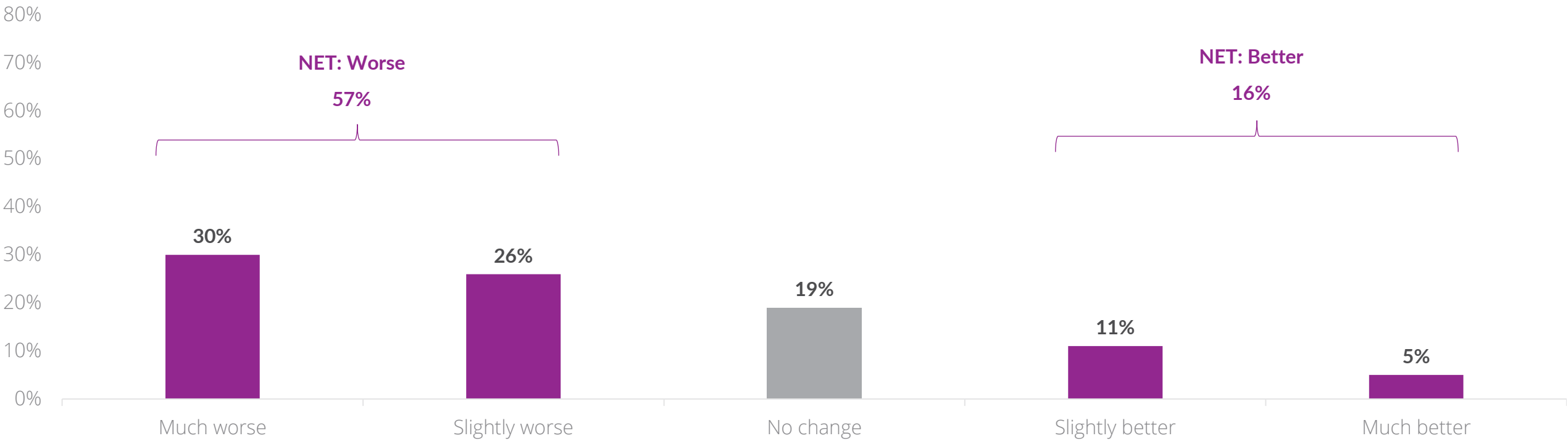
Total sample



Perceptions of British high streets have plummeted in the past five years, as more than half of UK adults believe they have worsened.

Thinking about the last 5 years, has the state of your local high street changed for the better or worse since 2019? (NEW October-24)

Total sample



Q16. Thinking about the last 5 years, has the state of your local high street changed for the better or worse since 2019? When we say state, we mean the variety and quality of the retailers, shops and services available. (Base: 2,000)

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- Generations
- Gen Z (18-27)
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 - Boomers (60-78)

THE BRITISH RETAIL CONSORTIUM

The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.



BRITISH RETAIL CONSORTIUM

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OPINIUM

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Opinium works with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. It uses the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

Opinium's consultants are experts in political, financial services, tech, industrial, healthcare and consumer packaged goods research. Opinium was the most accurate research agency in the 2019 UK General Election, the 2016 London Mayoral Election and the EU Referendum.



What people think,
feel and do