

BRC CONSUMER SENTIMENT MONITOR

May 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	10-11
- WAYS TO REDUCE SPEND	12
- NON-ESSENTIAL SPENDING PRIORITIES	13
- EXPECTED SPEND ACROSS RETAIL CATEGORIES	14
APPENDIX	
- 2024 SUMMER SPORTS EVENTS	16
- ENERGY PRICE CAP	17
- VISITS TO PHYSICAL STORES	18-19
- SHOPLIFTING	20

HEADLINE COMMENTARY

CONSUMER SENTIMENT MONITOR – MAY 2024



Dr Kris Hamer, Director of Insight | British Retail Consortium

“In May, there was a notable increase in consumer optimism about the UK economy compared to recent months. The percentage of consumers expecting an improvement over the next three months rose by 7%, while those anticipating a worsening economic situation decreased by the same percentage. Younger consumers, particularly Gen Z and Millennials, remain the most optimistic groups, with favourable responses from these groups increasing by 6% compared to April.

Expectations regarding personal finances also saw an improvement in May, with a 2% increase in consumers who expect their financial situation to improve, and a 3% decline in those expecting their finances to worsen over the coming months. The overall perception of debt levels showed little change, although there was a slight decline, with 45% of consumers reporting some form of debt, down from 47% in the previous month.

This month, we also surveyed consumers about their recent visits to physical retail stores. The results revealed that one in five consumers have reduced their store visits over the past 3 months. The main reasons cited were a general decrease in purchasing, the convenience of online shopping, and the ease of price comparison online. This trend aligns with findings from our Footfall Monitor, which indicates a consistent decline in retail footfall, with May experiencing the steepest drop since March 2021.”

EXECUTIVE SUMMARY

CONSUMER SENTIMENT MONITOR – MAY 2024

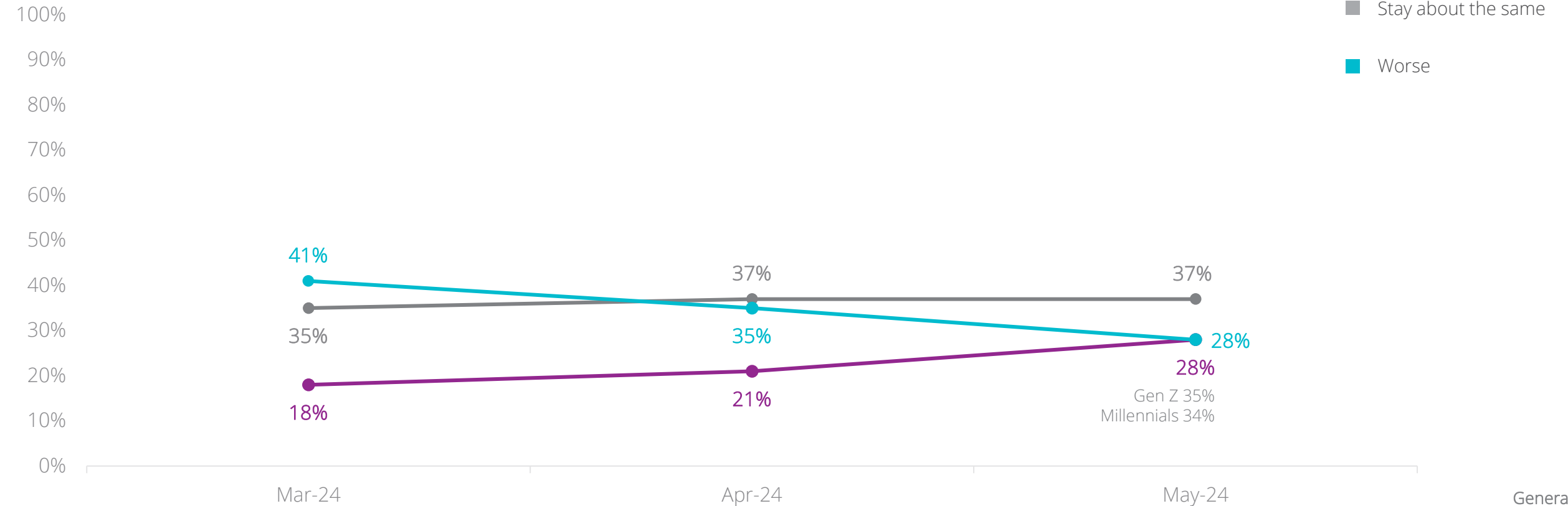
A SURVEY OF 2,000 UK CONSUMERS WEIGHTED TO BE NATIONALLY REPRESENTATIVE. CONSUMERS ARE SURVEYED MONTHLY ABOUT THEIR FINANCIAL STATUS, SHOPPING BEHAVIOURS, AND OTHER TOPICAL ISSUES.

- Optimism towards the UK economy shows a notable increase compared to previous waves, with 'will get *better*' responses improving by 7% and 'will get *worse*' responses lowering by an equal 7%. Younger age groups continue to show more optimism than older generations, with Gen Zs (35%) and Millennials (34%) also giving increasingly favourable responses (both +6% compared to April).
- Compared to April, slightly more report to be *coping* financially (+2%). Encouragingly, slightly less report to be *struggling* (-2%), who are still most likely to be those from Gen X.
- Similar to feelings about the economy, expectations towards personal finances also show an improvement. 'Will get *better*' responses have increased by +2% and 'will get *worse*' responses have lessened by -3%. Gen Z also continue to show the most optimism across the age groups (43% - almost twice the average) which is also an in-group increase of +8% since April.
- Perceptions of overall level of debt remain highly consistent with previous waves, but are showing a slight decline. Nearly half (45%) hold some sort of debt, continuing to be most represented by Millennials (64%). Borrowing expectations show a slight uptick compared to April with half (51%) expecting to keep their borrowing levels the same as usual over the next 3 months (-3%), one in ten (12%) expecting to borrow more (+2%) and one in five expecting to borrow less (-3%). Millennials continue to be biggest borrowers (24%) and expect to borrow slightly more than last month (+3%).
- When it comes to spending plans, responses remain very much the same to the April wave, with most (52%) planning to spend the same, one quarter (26%, +1%) planning to spend more and 17% (-2%) planning to spend less money over the next 3 months.
- Saving expectations also remain very similar overall with most expecting to save the same amount (54%), just under one in five (18%) expecting to save more and just over one in five (22%) expecting to save less (-2%). Reflecting optimism in their personal finances, Gen Z are twice as likely to report expecting to save more than other age groups (36% vs. 18%) which is also a notable in-group increase of +6% from April.
- Over the next 3 months, non-essential spending priorities continue to be dining out, leisure travel and home improvements.

NOTABLY MORE OPTIMISM TOWARDS THE UK ECONOMY IS REPORTED IN MAY, PARTICULARLY AMONGST GEN ZS AND MILLENNIALS.

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

Total sample



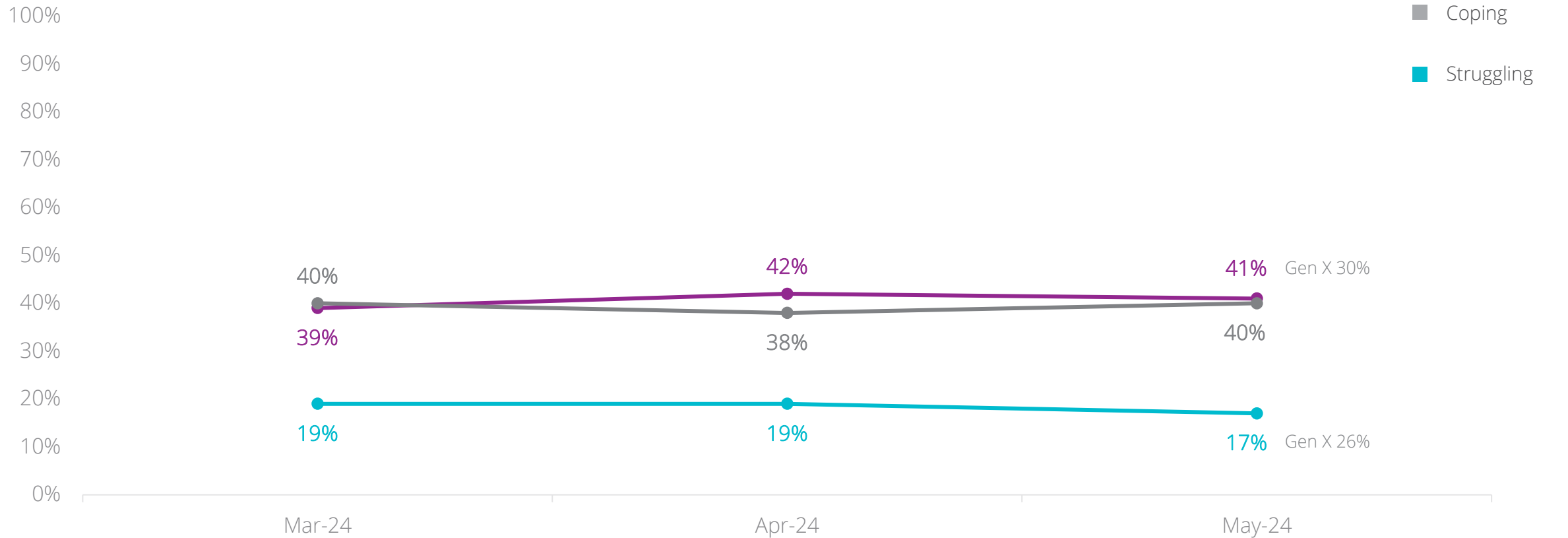
*Some net figures may be impacted by rounding differences

Q2. Over the next 3 months, do you expect the following to get better or worse? State of the UK economy. Base size (2,000)

TWO IN FIVE REPORT TO BE COPING FINANCIALLY - A SLIGHT UPTICK FROM APRIL. GEN X CONTINUE TO BE THE GROUP MOST LIKELY TO BE STRUGGLING, BUT SLIGHTLY LESS CONSUMERS REPORT THIS OVERALL.

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

Total sample



*Some net figures may be impacted by rounding differences

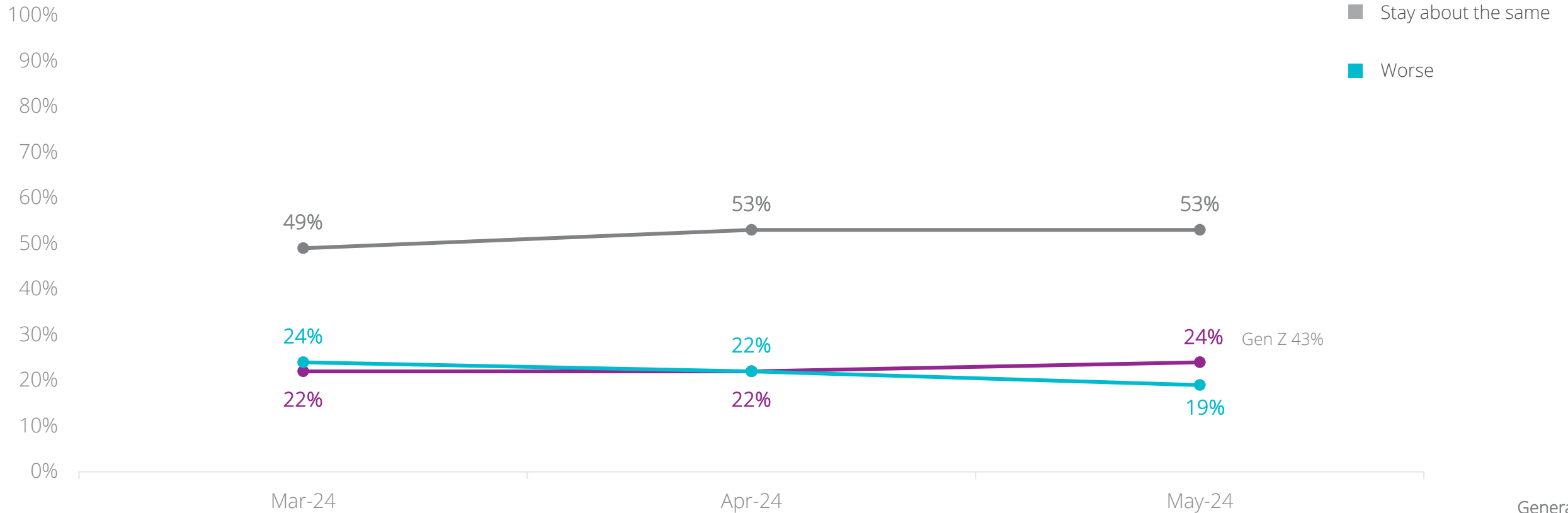
Q1. What is the best way to describe your current financial situation? (Base size: 2,000)

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

EXPECTATIONS OVER PERSONAL FINANCES REMAINS FAIRLY IN LINE WITH PREVIOUS MONTHS, WITH MOST STILL EXPECTING THEIR SITUATION TO STAY ABOUT THE SAME. GEN Z AGAIN SHOW THE MOST OPTIMISM.

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

Total sample



*Some net figures may be impacted by rounding differences

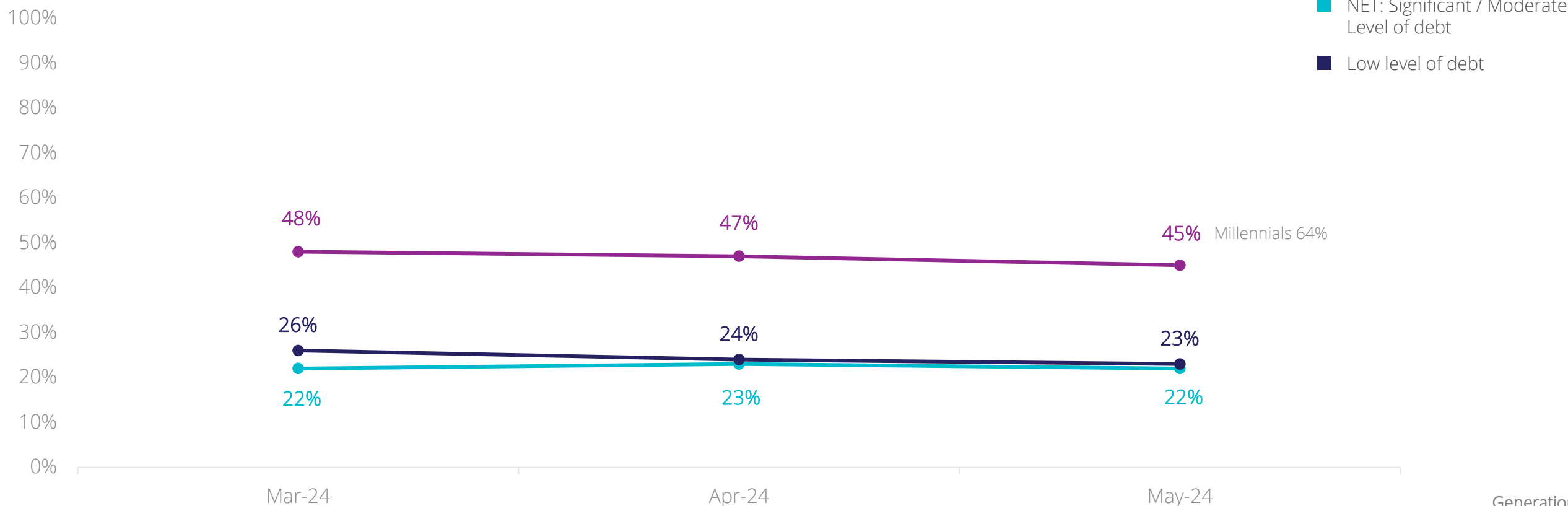
Q2. Over the next 3 months, do you expect the following to get better or worse? (Base size: 2,000)

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

IN LINE WITH MARCH AND APRIL, NEARLY HALF HOLD SOME FORM OF DEBT WHICH CONTINUES TO BE THE HIGHEST AMONGST MILLENNIALS. OVERALL, DEBT APPEARS TO BE DECLINING MONTH ON MONTH.

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

Total sample



*Some net figures may be impacted by rounding differences

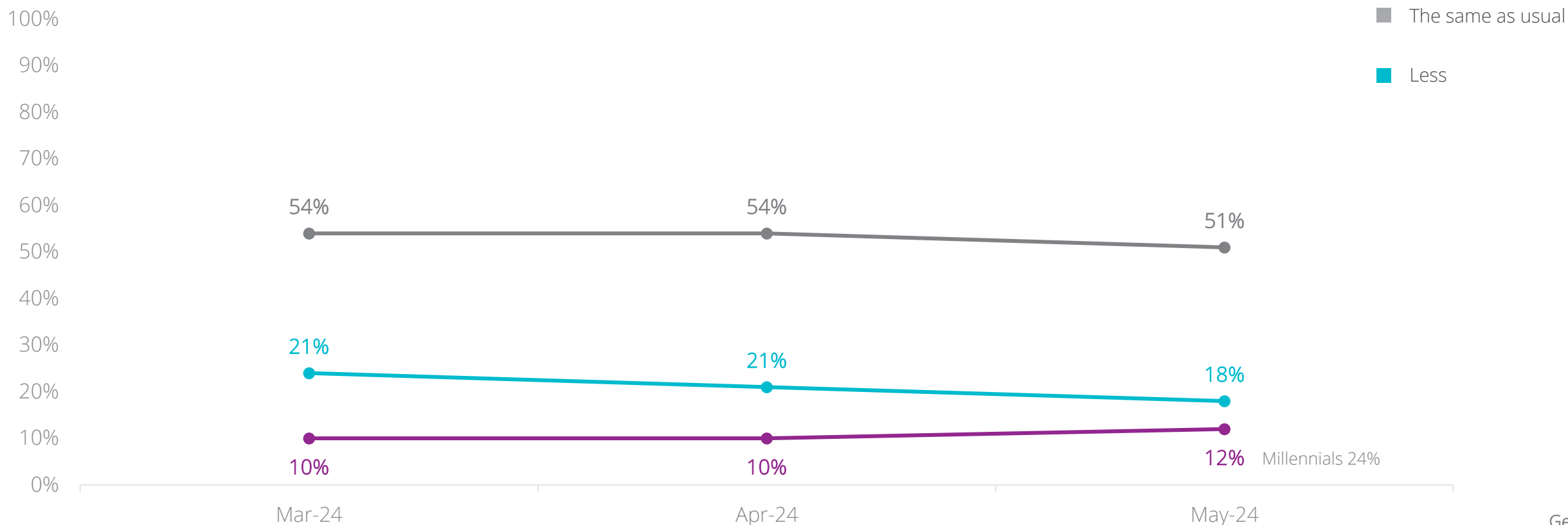
Q8. What is your perception of the overall level of consumer debt you currently hold? By 'consumer debt' we mean any debt used to purchase goods or services for personal consumption. This includes bank overdrafts, credit card balances, personal loans etc. but excludes mortgages and student debt. Base size: (2,000)

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

BORROWING EXPECTATIONS SHOW A SLIGHT INCREASE OVER THE NEXT THREE MONTHS, WITH MILLENNIALS AGAIN MOST LIKELY TO BE BORROWING.

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

Total sample



*Some net figures may be impacted by rounding differences

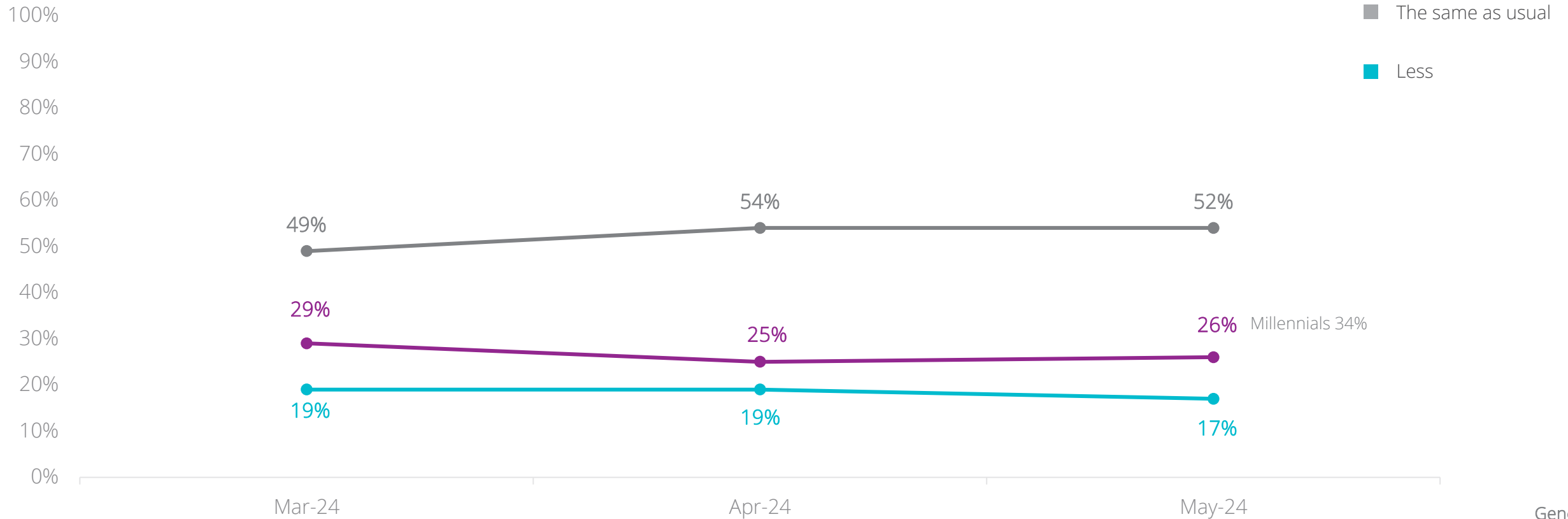
Q7. What are your expectations for borrowing over the next 3 months? Please only think about loans, overdrafts, credit etc. and not about mortgages. By 'usual' we'd like you to think about your typical borrowing habits. Base size: (2,000)

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

SPENDING PLANS REMAIN RELATIVELY THE SAME IN MAY, HOWEVER MILLENNIALS ARE MUCH MORE LIKELY TO SPEND MORE THAN OTHER GROUPS OVER THE NEXT THREE MONTHS.

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

Total sample



*Some net figures may be impacted by rounding differences

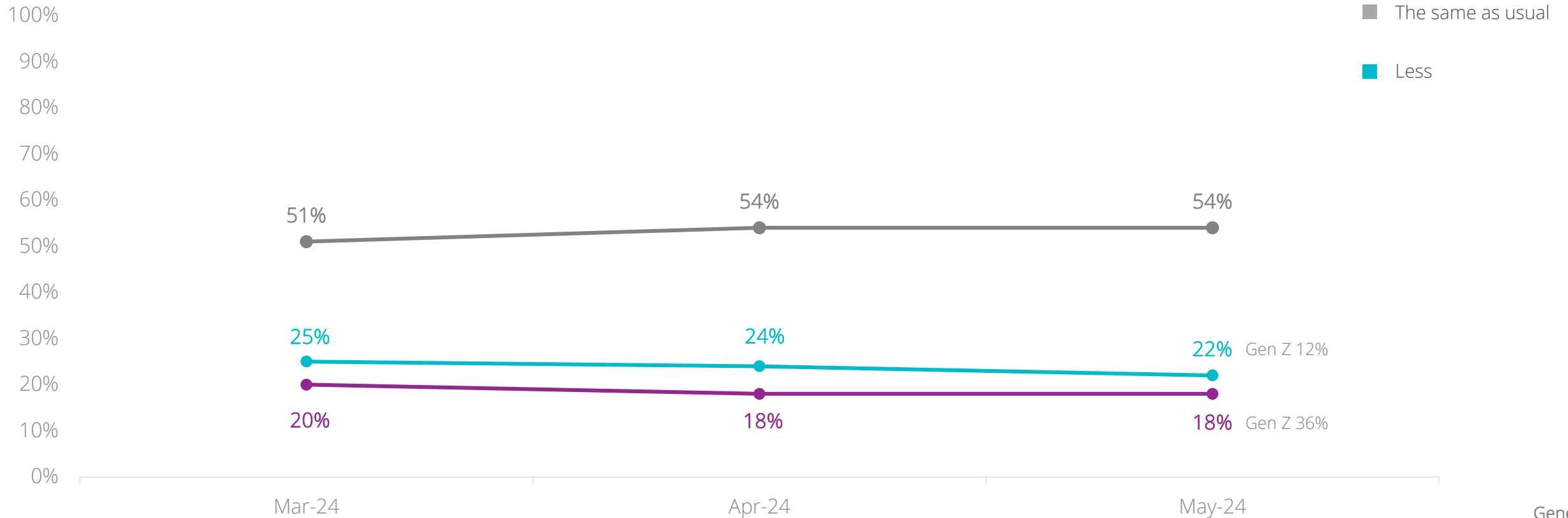
Q3. What do you plan to do in relation to your spending over the next 3 months? By 'usual' we'd like you to think about your typical spending habits.. Base size: (2,000)

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

CONSUMER SAVING EXPECTATIONS REMAIN GENERALLY THE SAME COMPARED TO PREVIOUS MONTHS. GEN Z STAND OUT AS BEING TWICE AS LIKELY TO EXPECT TO SAVE MORE.

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

Total sample



*Some net figures may be impacted by rounding differences

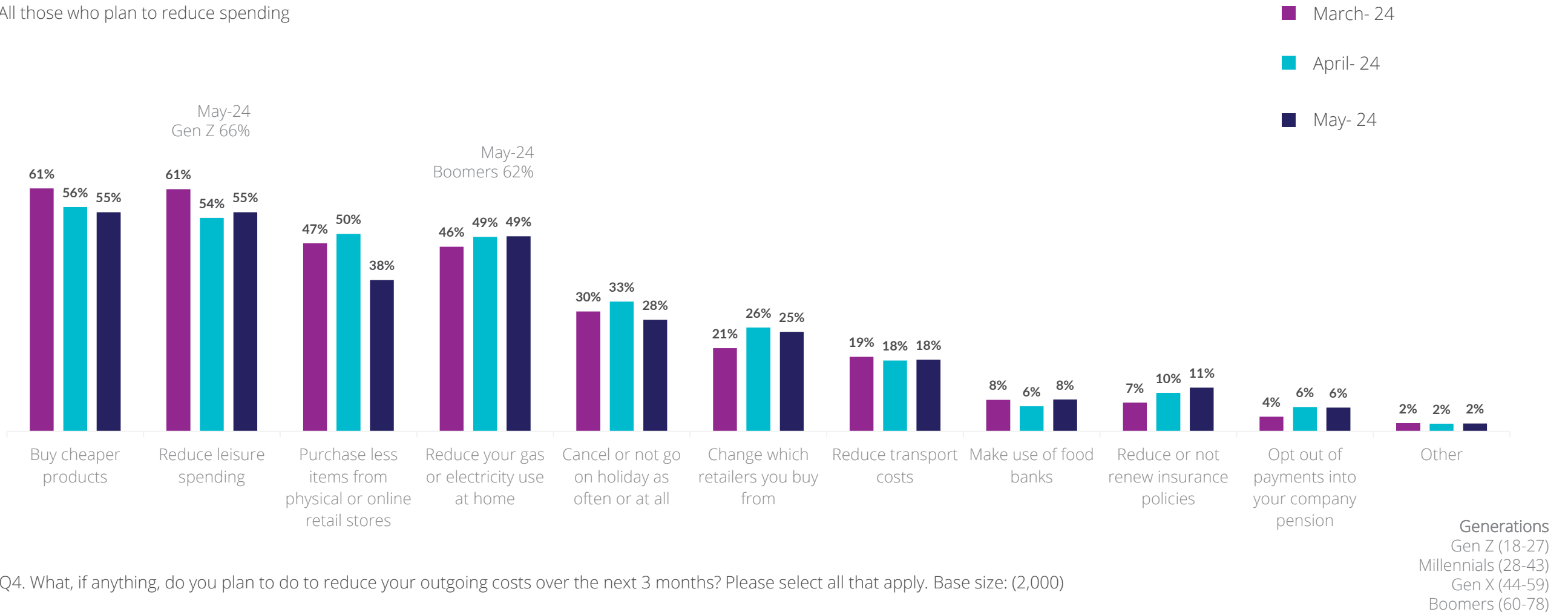
Q5. What are your expectations for saving over the next 3 months? By 'usual' we'd like you to think about your typical saving habits. Base size (2,000)

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

BUYING CHEAPER PRODUCTS AND REDUCING LEISURE SPEND REMAIN TOP WAYS TO REDUCE OUTGOINGS FOR MAY. REDUCING ENERGY USE OVERTAKES PURCHASING LESS FROM PHYSICAL STORES COMPARED TO MARCH AND APRIL.

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

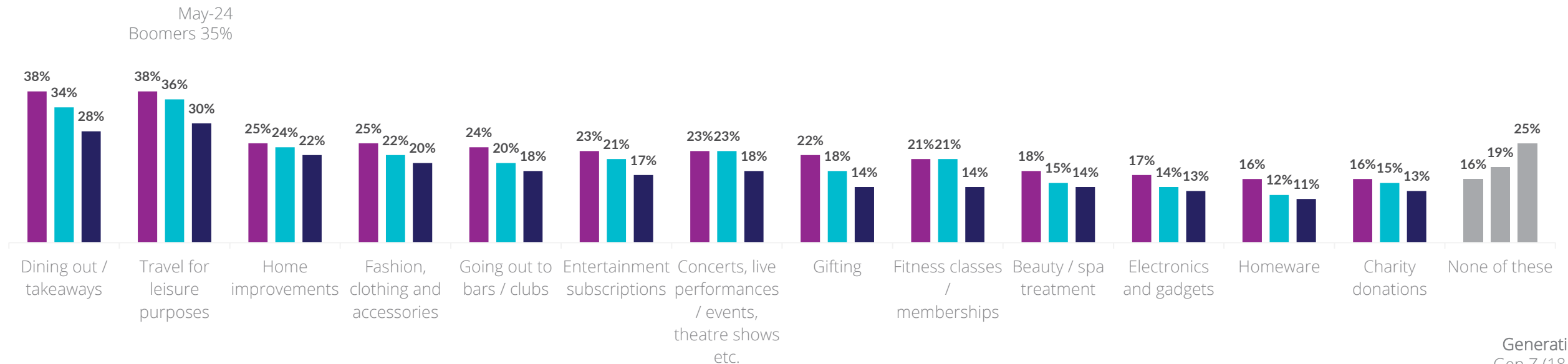
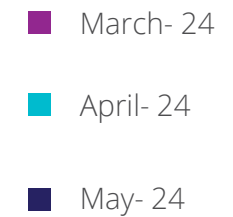


Q4. What, if anything, do you plan to do to reduce your outgoing costs over the next 3 months? Please select all that apply. Base size: (2,000)

CONSUMERS CONTINUE TO PRIORITISE DINING OUT, LEISURE TRAVEL AND HOME IMPROVEMENTS FOR THEIR NON-ESSENTIAL SPENDING PRIORITIES.

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

Total sample



Q10. 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)

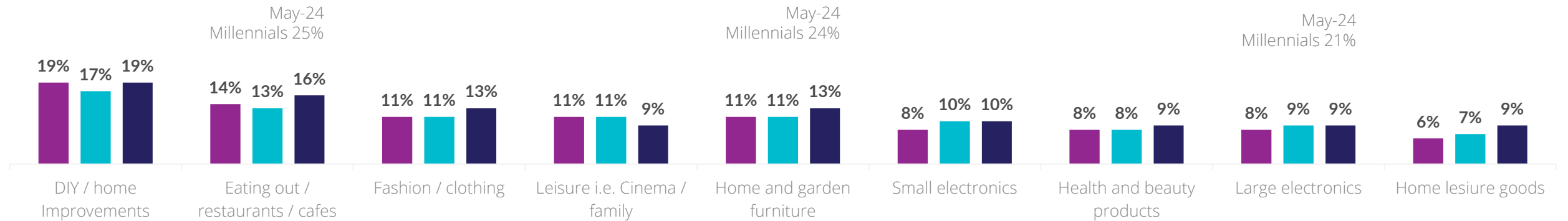
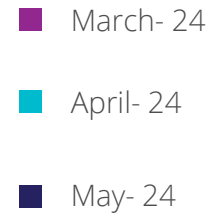
Generations
 Gen Z (18-27)
 Millennials (28-43)
 Gen X (44-59)
 Boomers (60-78)

CONSUMERS CONTINUE TO EXPECT TO SPEND MORE ON DIY, EATING OUT AND FASHION / CLOTHING IN THE NEXT THREE MONTHS, WITH MILLENNIALS PRIMARILY DRIVING THIS SPENDING.

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

Total sample

NET: More



*Some net figures may be impacted by rounding differences

Q11. 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)

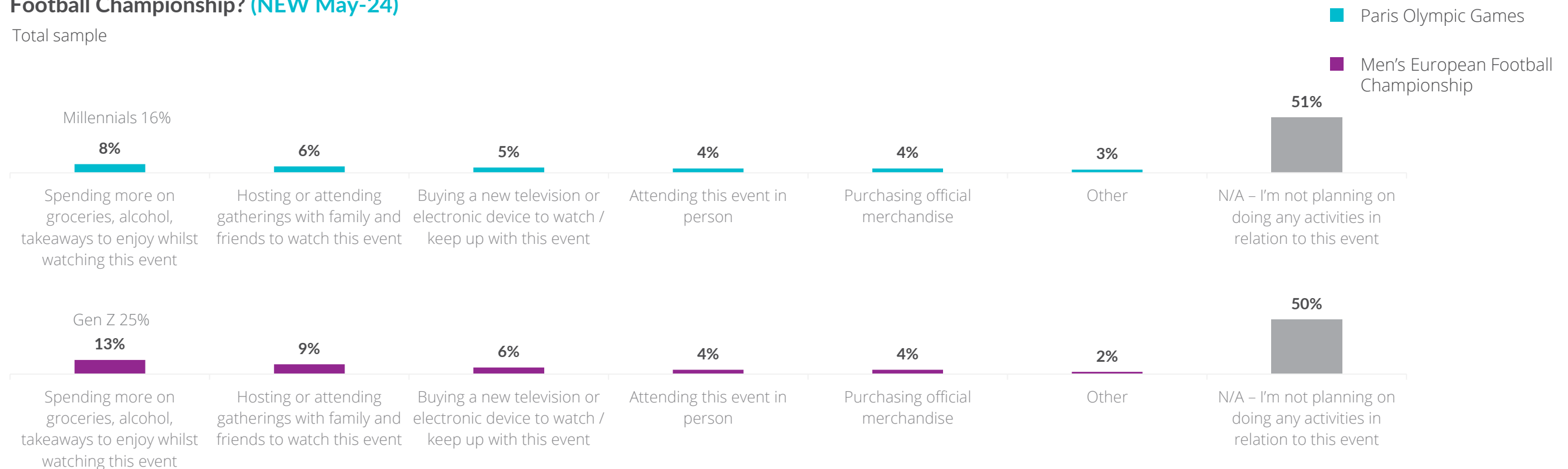
Generations
 Gen Z (18-27)
 Millennials (28-43)
 Gen X (44-59)
 Boomers (60-78)

APPENDIX

THOSE PLANNING ACTIVITIES FOR THE SUMMER'S SPORTING EVENTS ARE MOST LIKELY TO ANTICIPATE SPENDING MORE ON FOOD AND DRINK, PARTICULARLY GEN ZS AND MILLENNIALS.

Which of the following activities, if any, are you planning on doing in relation to the upcoming Paris Olympic Games and / or the Men's European Football Championship? (NEW May-24)

Total sample



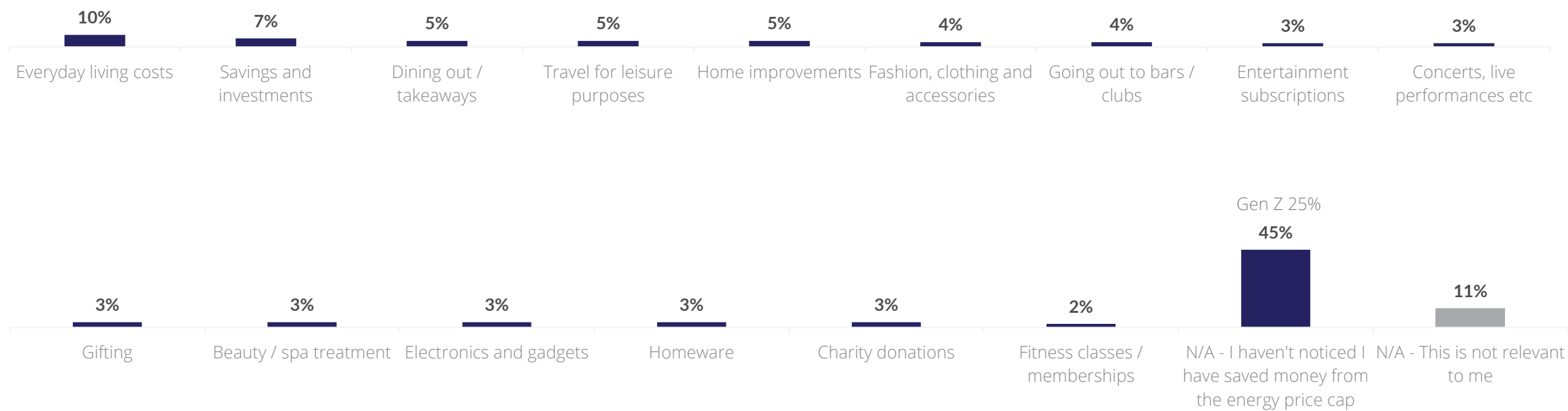
Generations
 Gen Z (18-27)
 Millennials (28-43)
 Gen X (44-59)
 Boomers (60-78)

Q9. During summer 2024, there will be two major sporting events. In June and July, there is the Men's European Football Championships. In July and August, there is the Paris Olympic Games. Which of the following activities, if any, are you planning on doing in relation to the upcoming Paris Olympic Games and / or the Men's European Football Championship? Please select all that apply. Base size: (2,000)

CONSUMERS ARE MOST LIKELY TO PUT ENERGY PRICE CAP SAVINGS ON NECESSITIES SUCH AS EVERYDAY COSTS AND SAVINGS, WHILE NEARLY HALF HAVEN'T NOTICED IF THEY'VE SAVED ANY MONEY.

Thinking about the money you have saved via the price cap, which out of the following, if any, have you put this saving towards? (NEW May-24)

Total sample



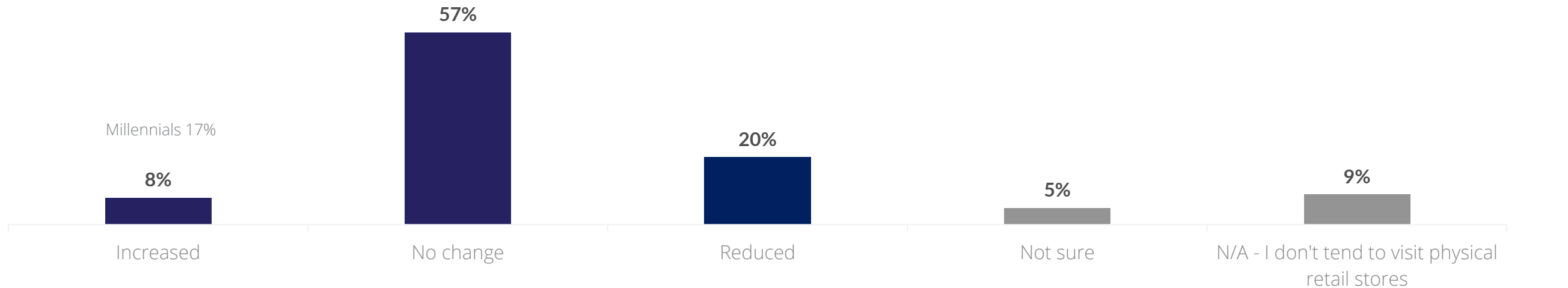
Generations
 Gen Z (18-27)
 Millennials (28-43)
 Gen X (44-59)
 Boomers (60-78)

Q6. Ofgem is the energy regulator for Great Britain, responsible for protecting consumers, especially vulnerable people, and ensuring they are treated fairly. On the 1st of April 2024, Ofgem reduced the energy price cap by an average of 12% for UK households. This has meant the price of electricity and gas in a typical household has decreased. Thinking about the money you have saved via the price cap, which out of the following, if any, have you put this saving towards? Please select all that apply? Base size: (2,000)

OVER THE LAST 3 MONTHS, ONE FIFTH HAVE REDUCED THEIR NUMBER OF VISITS TO PHYSICAL RETAIL STORES, WHILST ONE IN TWELVE HAVE INCREASED THEM. A FURTHER ONE IN TEN REPORT NOT OFTEN GOING INTO STORES AT ALL.

Have you increased or reduced your number of visits to physical retail stores over the last 3 months? (NEW May-24)

Total sample



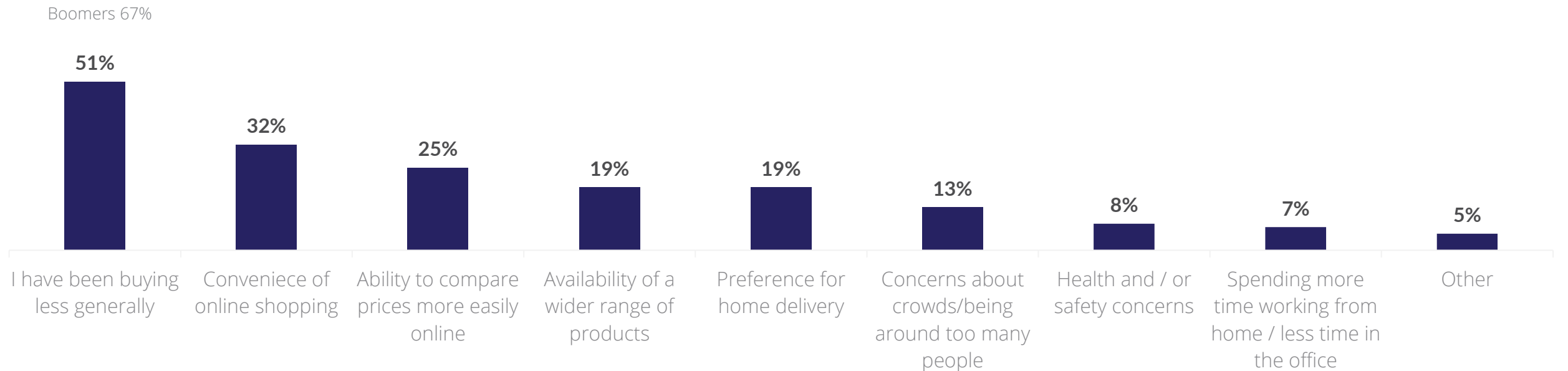
Q12. Have you increased or reduced your number of visits to physical retail stores over the last 3 months? Base size: (2,000)

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

CONSUMERS HAVE REDUCED THEIR VISITS TO PHYSICAL STORES BECAUSE OF BUYING LESS IN GENERAL (PARTICULARLY BOOMERS), THE CONVENIENCE OF ONLINE SHOPPING, AND BEING ABLE TO COMPARE PRICES MORE EASILY ONLINE.

What factors, if any, have influenced your decision to shop less in physical stores? (NEW May-24)

All those who reduced visits to physical stores



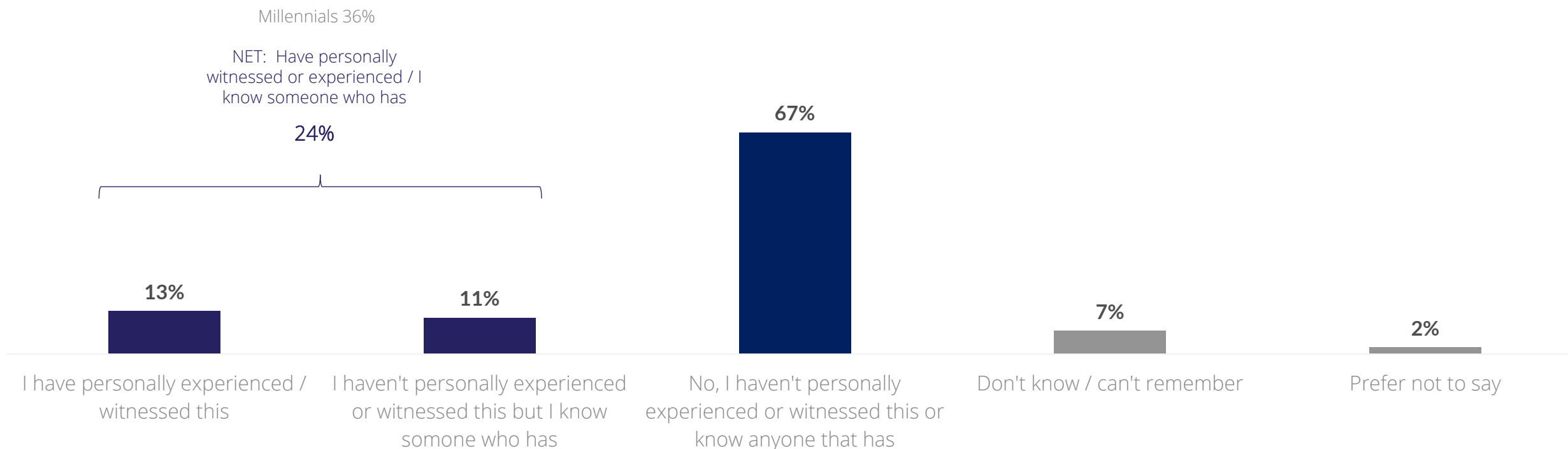
Q13. What factors, if any, have influenced your decision to shop less in physical stores? Please select all that apply. Base size: (2,000)

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

A QUARTER HAVE EITHER PERSONALLY WITNESSED A SHOPLIFTING INCIDENT OR AT LEAST KNOW SOMEONE WHO HAS, RISING TO MORE THAN A THIRD AMONGST MILLENNIALS.

Have you personally witnessed, or do you know anyone who has personally witnessed, any shoplifting incidents in a retail store in the last 3 months? (NEW May-24)

Total sample



*Some net figures may be impacted by rounding differences

Q14. Have you personally witnessed, or do you know anyone who has personally witnessed, any shoplifting incidents in a retail store in the last 3 months? Base size: (2,000)

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

The Form Rooms 22 Tower Street WC2H 9NS

+44 (0)20 7854 8900 | info@brc.org.uk | brc.org.uk

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OPINIUM

Founded in 2007 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, the Opinium team is passionate about empowering clients to make the decisions that matter.

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