

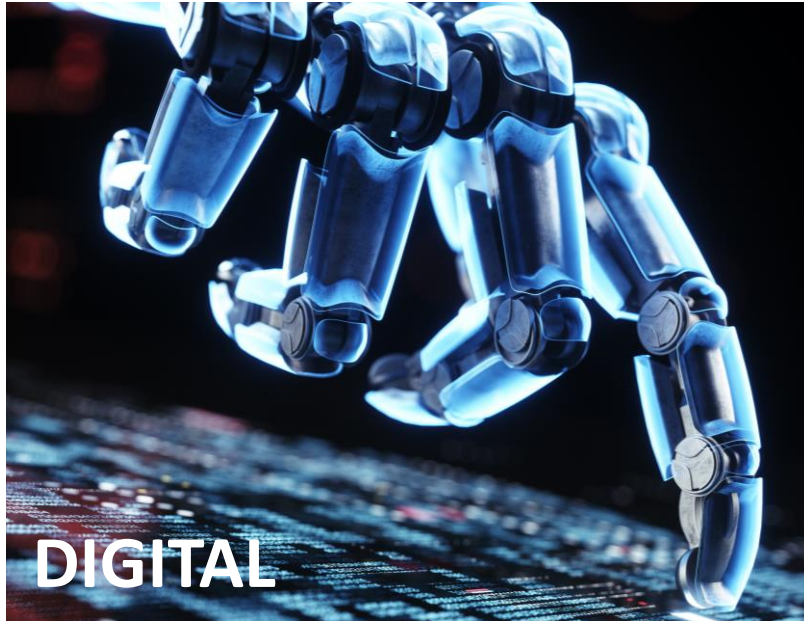


COMMUNICORP UK

2022 CONSUMER PREDICTOR

IDEAS THAT **INSPIRE**
RELATIONSHIPS THAT **COUNT**
RESULTS THAT **MATTER**

THREE TRENDS WILL PAVE THE WAY FOR BUSINESSES IN 2022



DIGITAL

2022 Digital consumers will:

- Expect more from digital experiences
- Look for seamless digital transactions
- Purchase direct from brands



EXPERIENCE

2022 Experiential consumers will:

- Enter into a period of exuberance in a post-war style celebration of life
- Expect more from brands and businesses in physical experiences



SUSTAINABILITY

2022 Planet conscious consumers will:

- Expect solutions that work for the pocket and the planet
- Look for easy to access mainstream eco-solutions across every day life

A SLIGHTLY BUMPY, BUT OVERALL GROWTH OF UK ECONOMY IS PREDICTED FOR 2022

A bounce back of the UK economy is expected in 2022, mainly **driven by high consumer spending** as households look for ways to spend the money they have saved over the last two years.

The biggest predicted **growth period will be April-Sept** as we move into warmer months. Over these months consumers will look for experiences outside of the home. There'll also be an increase in manufacturing to meet pent up demand.

There are a couple of potential flies in the ointment through – a slower opening up after winter Covid rises and the continuing problems with the EU supply chain.

IF EVERYTHING FALLS INTO PLACE, WE ARE IN FOR A GOOD 2022



LETS THINK POSITIVE!

The UK economy is predicted to boom from April 2022. Clients across **motor, events, wellness, tourism, fashion, and hospitality** need to get ready

**CONSUMERS WILL EXPECT
MORE FROM DIGITAL**

HIGH FREQUENCY, HIGH SPENDING ONLINE CONFIDENT YOUNG ADULTS LIKELY TO INCREASE IN 2022

HIGH FREQUENCY

15-24, 25-34 and 35-44 year olds are significantly more likely to shop at least once a week

Men are 26% more likely to shop every day

ABC1s are 25% more likely to shop every day

HIGH SPEND

25-64 year olds are the highest online spenders
- All more likely to spend at least £200 every 6 months on non-grocery. **35-64 year olds** are most likely to spend at least £600

HIGH CONFIDENCE

77% of 25-44 year olds are happy to make large online transactions (cars, homeware and tech)



FREQUENCY, SPEND AND CONFIDENCE HAVE ALL INCREASED IN LAST TWO YEARS

WITH INCREASED ONLINE USE AND CONFIDENCE COMES INCREASED EXPECTATIONS



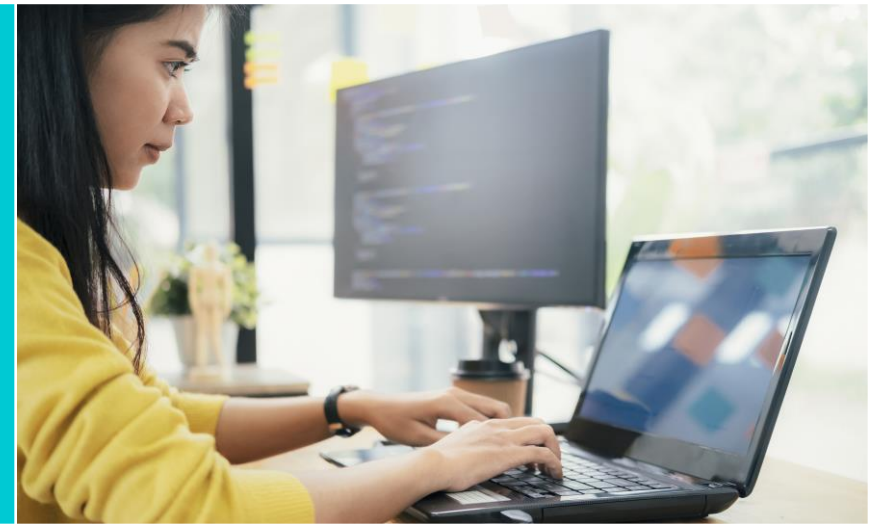
More than a third of 15-44 year olds say it is now important that their household is equipped with the latest technology. This is true of 60% of men



Half of 15-34 year olds agree that apps make their daily routine easier



45% of all UK households like innovative household devices and appliances. This rises to 56% of 25-34 year olds



INCREASED CONFIDENCE WILL SEE SHOPPERS CUTTING OUT THE MIDDLEMAN AND GOING STRAIGHT TO SOURCE



WHY BOTHER BROWSING THE HIGH STREET?

68% of shoppers say they can get all the information they need about a brand online.
This rises to 73% of 25-34 year olds.

25-44 year olds are most likely to shop online out of a dislike of going to the shops (42% compared to 34% average)

GROWING CONSUMER BRANDS OF NOTE:



**WHEN PEOPLE DO LEAVE THE
HOUSE – IT WILL BE FOR A
DAMN GOOD REASON**

A POST WAR LIKE EXUBERANCE IS ON THE CARDS...AS LONG AS COVID AND BREXIT DON'T SCUPPER IT



Sean Bernard

@seanbgoneill



Remember when it was like “when this is all over we’ll have the roaring 20s” and now everything is the exact same but you can’t get Uber’s anymore and I get a cold every week

9:31 am · 2 Nov 2021 · Twitter for iPhone

A LOOK BACK IN HISTORY SHOWS HOW HEDONISM AND EXCITEMENT FOLLOWS TIMES OF DIFFICULTY

Think the '**Roaring 20s**' that followed the 1918 flu pandemic. Consumers came out to **party, purchase and pursue** their dreams...could this be the look for a post pandemic 2022?

Well it could, as long as the UK addresses the issues that have carried over from Brexit. Can the leisure industry meet demand whilst they struggle to recruit staff?

It is predicted that there will be a visible bounce back of demand for **entertainment, leisure, travel, events, beauty and fashion.**



CONSUMERS WILL DEMAND MORE OF PHYSICAL SPACES LOOKING FOR EXPERIENCES FOR ALL THE SENSES

A recent study of Scotland families by Mind Field Research found that there is a keenness to get out and immerse in experiences. Families are well entertained at home and so leisure, restaurant, entertainment and event spaces have to work hard to capture and keep attention.

“ *Now that we are out of the house we want somewhere we can go for the day and have loads of fun. We want excitement* ”
-Mum of 4 children



BRANDS WILL NEED TO QUICKLY ALIGN WITH THIS NEW FOUND OPTIMISM BY CREATING:

Real human interactions that matter i.e. Beauty bar makeovers, wellness, group events, sports

Immersive experiences for all the senses i.e. Gigs, gardens, leisure venues

Frictionless transactions from on to off line i.e. web design and click and collect

**ITS NO LONGER THE "IN THING" TO BE
DOING THINGS TO THE SAVE THE PLANET
IT'S BECOMING MAINSTREAM**

BECAUSE OF SOCIAL MEDIA AND PEOPLE LIKE DAVID ATTENBOROUGH, 'SUSTAINABILITY' HAS BECOME MAINSTREAM AND EASIER TO UNDERSTAND



“That desperate hope, is why the world is looking to you and why you are here”

**-David Attenborough,
COP26 Summit**

AS SUSTAINABILITY BECOMES MORE MAINSTREAM, THE ONUS IS ON BIG BRANDS TO ENCOURAGE BEHAVIOUR CHANGE

People are forever making **excuses** as to why they can't lose weight or save money and the same goes for **living a sustainable life**.

Consumers' excuses for not living sustainably usually lays in the **expense of products** that are better for the planet, which tends to gives them a 'get out of jail free card'.

71% believe that it is important for companies to act ethically.

Brands and businesses need to **step up and push to change the behaviour** of consumers by making sustainability easy, and to suit pocket as well as planet.



HERE COMES THE BEHAVIOURAL SCIENCE BIT...

We can use the behaviour change COM-B wheel to help clients identify where they have the best chance of nudging consumer behaviour. If consumers are going to live more sustainably, they have to ***motivated*** to do so, and have the ***capability*** and ***opportunity***. It's often the opportunity part where businesses can help the most.

75% of consumers said they could be 'much more' sustainable if more companies made their packaging eco-friendly (opportunity).

The more auto-pilot the process is for the consumer, the more likely they will get on board.



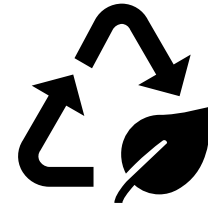
ASDA LEADS THE WAY WITH GIVING CONSUMERS THE OPPORTUNITY TO LIVE A MORE SUSTAINABLE LIFE



Teaming up with Music Magpie, they are rolling out “SMARTDrop” kiosks allowing customers to exchange pre-owned electronics for cash



They have launched it's 3rd refill store, with over 100 branded products in unpackaged format



They pledge to become a net zero carbon business by 2040 and removing 3 billion pieces of plastic from products by 2025



“The additional financial reward for using such refill concepts should also prove attractive to consumers given the current pressure on food prices.”

MANY CONSUMERS SHOPPED LOCAL DURING COVID TO HELP LOCAL BUSINESSES, WILL THIS CONTINUE TO HELP THE PLANET?

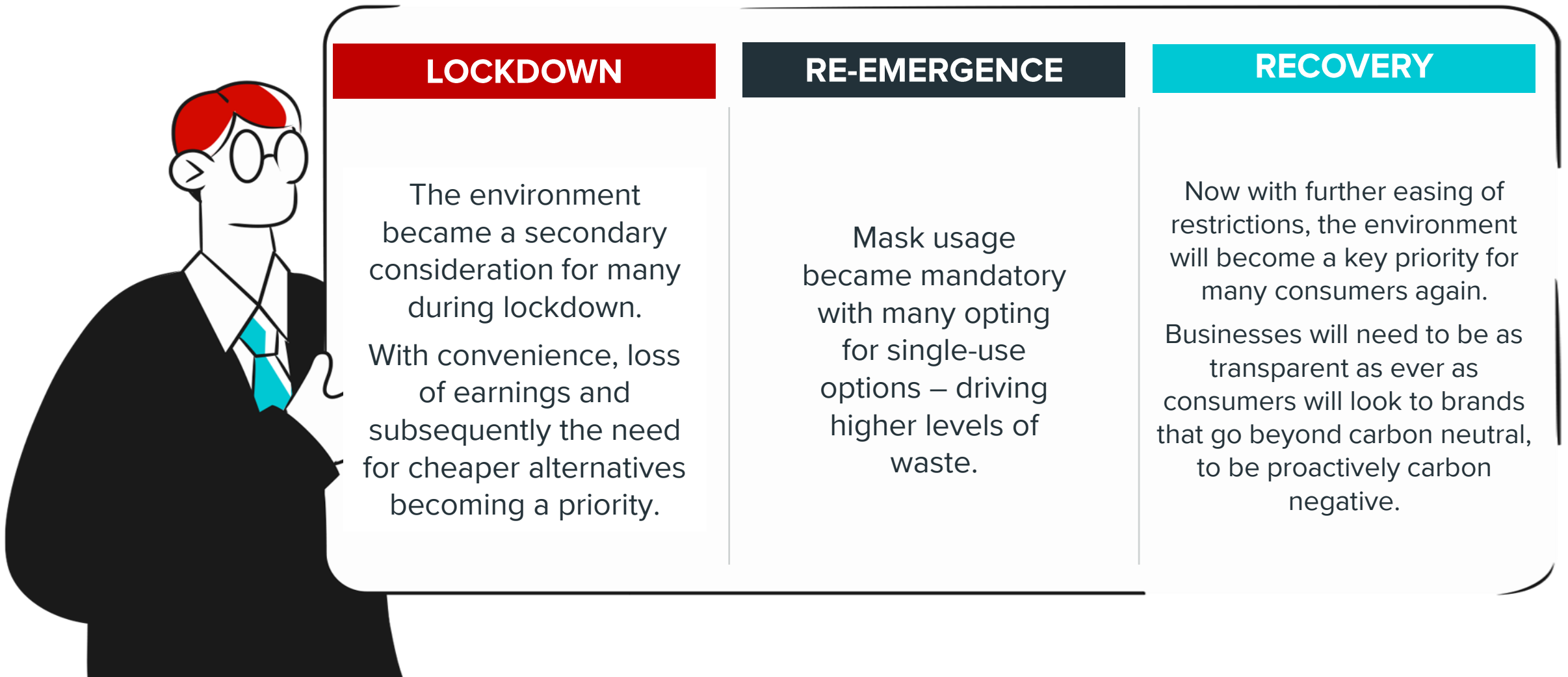


63%

of consumers shop more locally now than before the COVID – 19 pandemic



IT WILL TAKE SOME TIME FOR CONSUMERS TO TURN THEIR ATTENTION FROM THE PANDEMIC AND ONTO SUSTAINABILITY, BUT THEY WILL GET THERE IN 2022



CONVENIENCE, PRICE or SUSTAINABILITY... ..WHY NOT ALL THREE?



“There is a disconnect that exists for the majority of consumers between the convenience consumers want and their expectations around sustainability.”

The convenience of shopping online during the COVID-19 pandemic saw a growth of 5.4% and is set to keep going



48% of consumers say that although they know they should care more about the environment through their purchasing habits, convenience takes priority



Over half of consumers agreed they base their purchasing decisions on convenience and cost over sustainability and concern for their impact on the environment



With the launch of Amazon Fresh and the “Climate Pledge Friendly” badge on products pages, we are entering an era where we don’t have to choose between convenience and sustainability and businesses need to get on board

CONSUMERS RATE VALUE FOR MONEY AND PRICE MOST IMPORTANT OVER GREEN CREDENTIALS, ORIGIN OR WHETHER THEY'RE ENVIRONMENTALLY FRIENDLY



72%

of 15-34 agree that it is only worth doing environmentally friendly things if they save you money.



'RESPONSIBLE' & 'RESPONSIBILITY' SHOULD REPLACE 'SUSTAINABLE' & 'SUSTAINABILITY'

The latter have been overused, misused and exploited to the point that consumers are numb to them and their context.

Responsibility is intuitively understood and carries the burden of a personal connection. It incites actionability toward the greater issues, challenges and solutions associated with our planet, its people and consumer products.

After all 81% of people do agree that we have a duty to recycle.



BRANDS CLAMBER TO GET AHEAD OF THE SUSTAINABILITY AGENDA



PROJECT EARTH EDIT: RESELLFRIDGES

As part of our RESELLFRIDGES initiative, we invite you to shop one-of-a-kind pre-loved and archive pieces, which help to close the loop on wasteful production and retail practices.

Selfridges has launched a second-hand toy shop this Christmas to encourage shoppers to be more mindful.

It comes as part of their 'Project Earth' strategy along with their “shop & sell pre-loved” and “rent & repair” section of the website.

A number of industries are likely to follow suit with these kinds of initiatives in 2022. I.e. **motor, grocery, FMCG, travel, and of course fashion.**

**ITS AN EXCITING TIME FOR OUR
KEY INDUSTRIES WITH LOTS OF
OPPORTUNITY FOR GROWTH**

CONNECTING THE DOTS BETWEEN DIGITAL, EXPERIENCE AND SUSTAINABILITY



The digital savvy 25-44 year old consumer is the group to watch in 2022. This working group will play a big part in consumer spend and the subsequent bounce back of the economy. These consumers are making conscious high value purchases such as cars, homes, holidays, homeware and tech.

Businesses need to keep in mind that the 25-44 year old consumer expects more from both their tech and physical world. The at-home digital experience needs to be frictionless and innovative, and the out of home experience needs to be in stark contrast – fun, exciting and sensory.

This group of consumers are likely to lead in placing pressure on business when it comes to sustainability. The 25-34 year group are particularly likely to take their lead from social media – living the rhetoric they hear there. For this important consumer group to catch up with their older counterparts in taking responsibility, business will need to do their bit first to make sustainable options convenient and pocket friendly.



SOME INDUSTRIES WILL BE FRONT AND CENTRE IN 2022 ACROSS THE BIG CONSUMER THEMES

- 1 MOTOR
- 2 TRAVEL
- 3 LEISURE
- 4 EVENT AND ENTERTAINMENT
- 5 FASHION BRANDS





CONTACT JO OR HANNAH IN R&I FOR FURTHER INFORMATION

IDEAS THAT **INSPIRE**
RELATIONSHIPS THAT **COUNT**
RESULTS THAT **MATTER**