



# WINNING IN THE REBOUND II

What brands need to know to win with  
Britain's post COVID-19 consumers

COLLABORATIVE

Insight . Ideas . Inspiration

December 2021

# REVISITED

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In early 2021 we sought to understand how the nation was feeling and how the challenges brought about by the pandemic might shape behaviour as the world “opened up.” We wanted to look beyond the short term financial and lifestyle changes driven by furlough, loss of employment and working from home. We wanted to understand if the pandemic was changing our perception of the world, shaping the long term plans we made for our families or increasing our fear about the sustainability of life as we knew it! As the world moved into the “Summer of Rebound” we wanted to ensure our clients were attuned to the mood and mindset of Britain.

In our first edition of ‘Winning in The Rebound’ we unearthed clear evidence that people’s values and fears far outweighed their financial wellbeing as indicators of post COVID-19 behaviours and concerns. We identified 5 distinct segments and their markedly different responses to the pandemic.

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Recapping our segments the ‘Winning In The Rebound’ report revealed 5 consumer tribes:

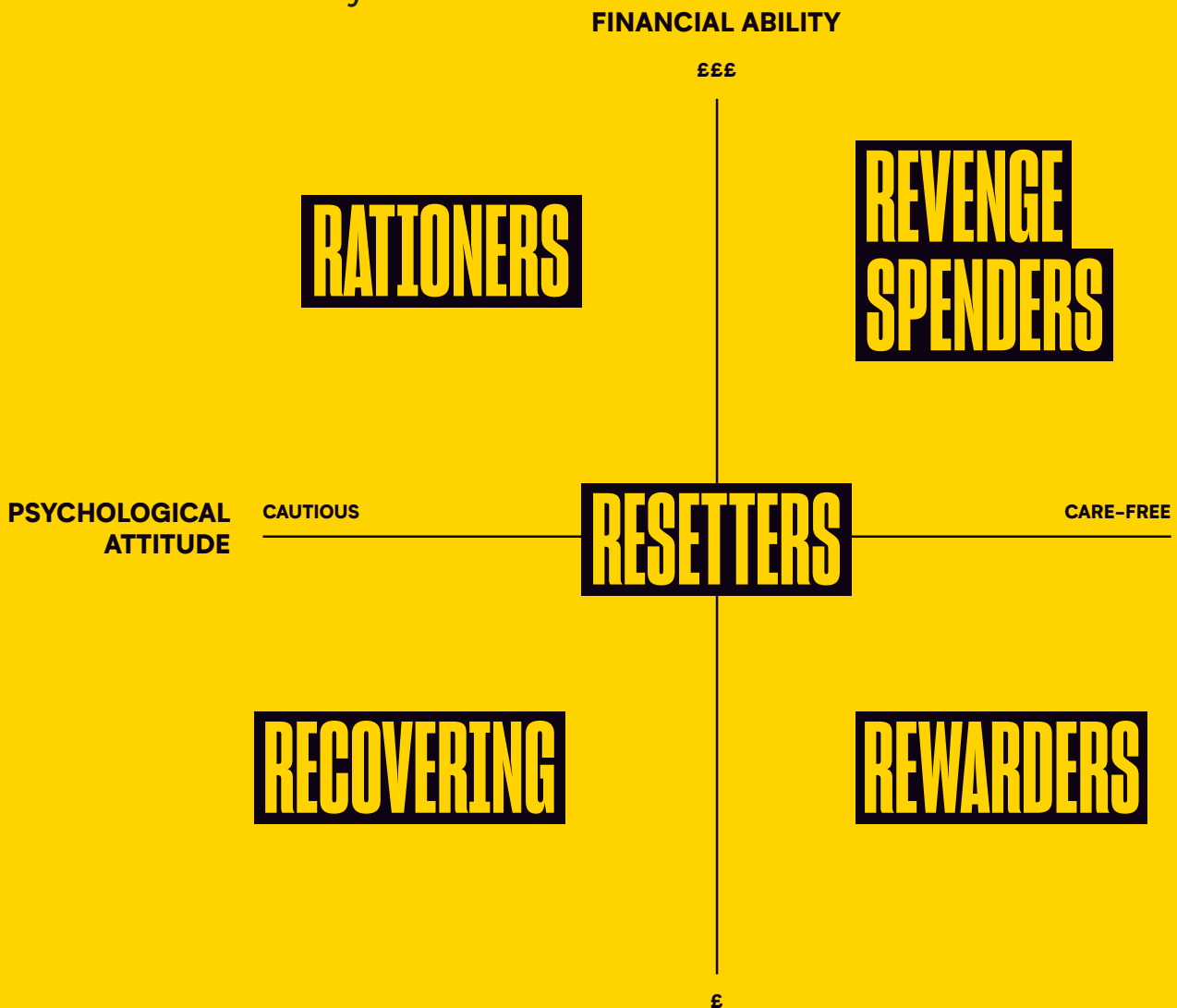
1. **Revenge Spenders – back with a bang and looking to make up for lost experiences**
2. **Rationers – surplus money to spend but fearful of future austerity**
3. **Resettlers – looking beyond COVID-19 to make life changes that reflect the bigger issues of climate and sustainability**
4. **Rewarders – not much money but looking to make life enjoyable again**
5. **Recovering – struggling before COVID-19 and now hit by unemployment and reduced future opportunities**

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We saw a huge sense of pessimism for the future – even from those who had not been particularly badly hit. Our “Rationers” audience feared long term employment loss, rising prices and challenges facing their (grown) children. Our “Resetters” audience wanted to use the Pandemic as a springboard to a more balanced and sustainable lifestyle.

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**6 months on**, we decided to check in with the nation, to see how the summer of “Revenge Spending” and staycations had affected the mood of our segments and whether spirits were lifting. We needed to ensure we were on the right track for the Christmas period to come.



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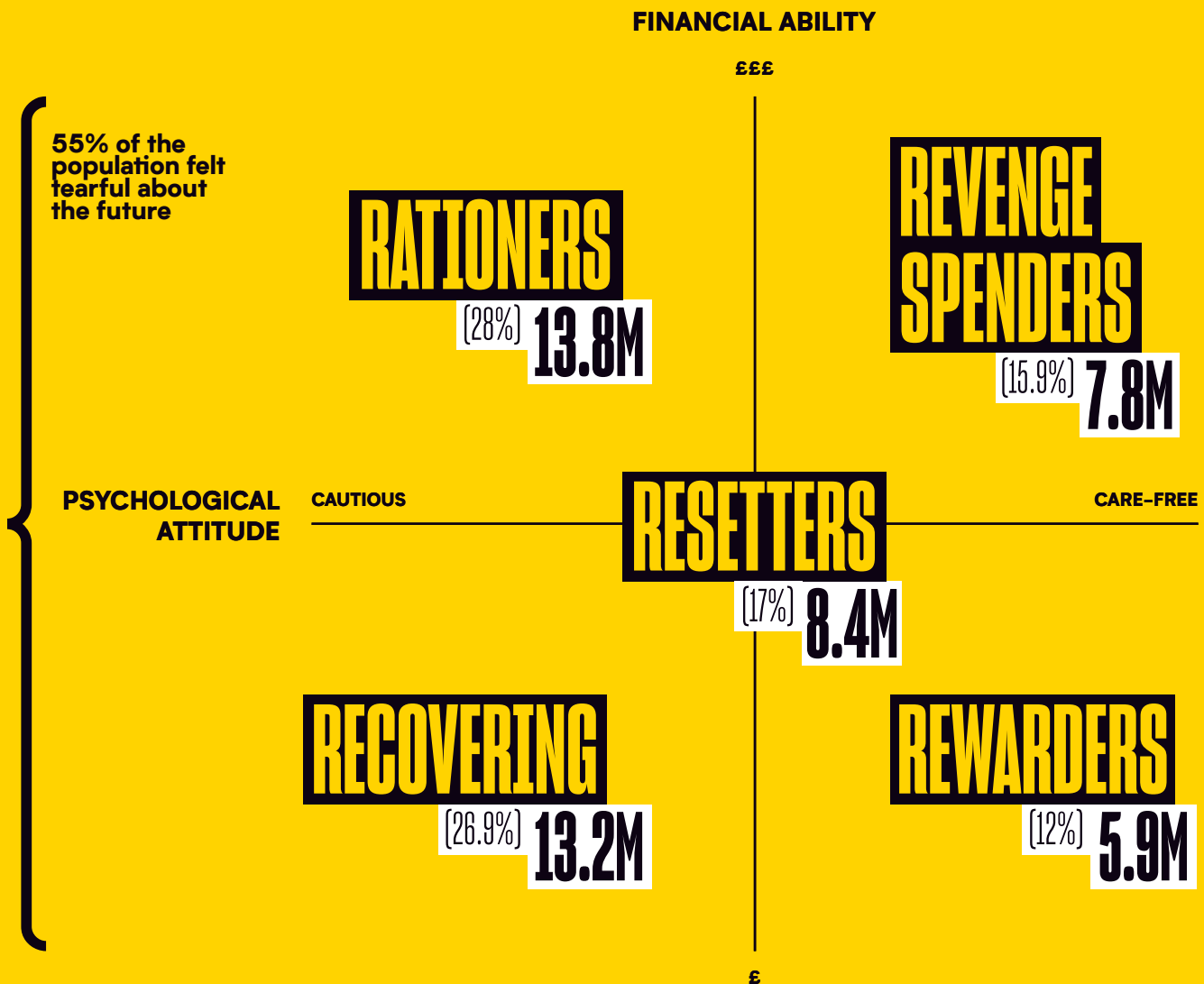
Reminding ourselves  
of the dominance of  
cautious behaviours  
as we ended 2020

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#### So what's changed?

Our analysis of 2021 TGI data found that summer had indeed brought a renewed **sense of optimism** across the majority of UK segments. Employment slowly bounced back to 2017 levels, and this moment of positivity was also fuelled by the success of the vaccination programme and the success in UK sport with The Olympics, Paralympics and Euros.

We saw the pent up disposable income saved during the early pandemic decline as consumers started to spend more as their lives slowly returned back to normal. Great Britain spent furlough savings on revamping the house and garden and increased consumption of alcohol and treats.



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## A collective moment of positivity

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Resetters start to show shifts in spending behaviour

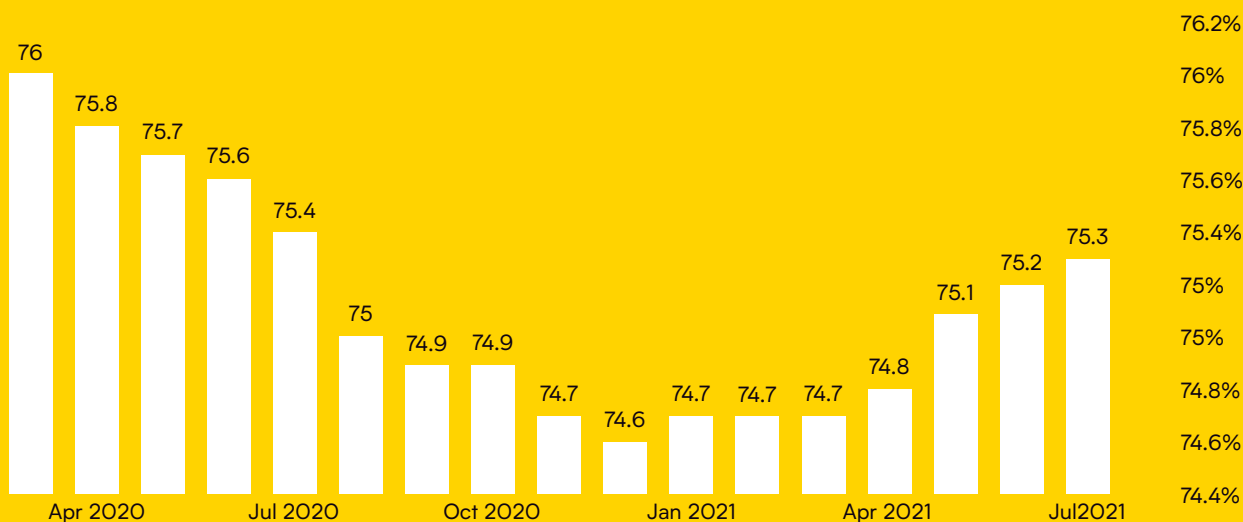
Spend on plant-based milk reached £394m in 2020.

Increasing 32% from 2019.

Source – Mintel

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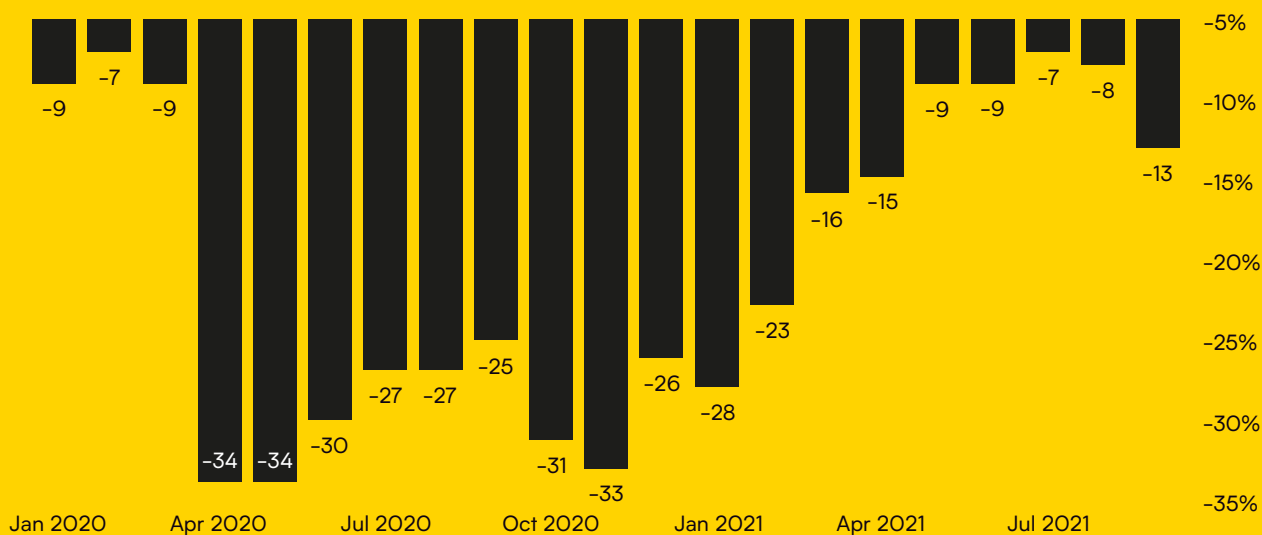
Employment rates returning to pre COVID-19 levels



Source: Tradingeconomics.com / Office for National Statistics

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Consumer confidence had returned to pre COVID-19 levels



Source: Tradingeconomics.com / GfK Group

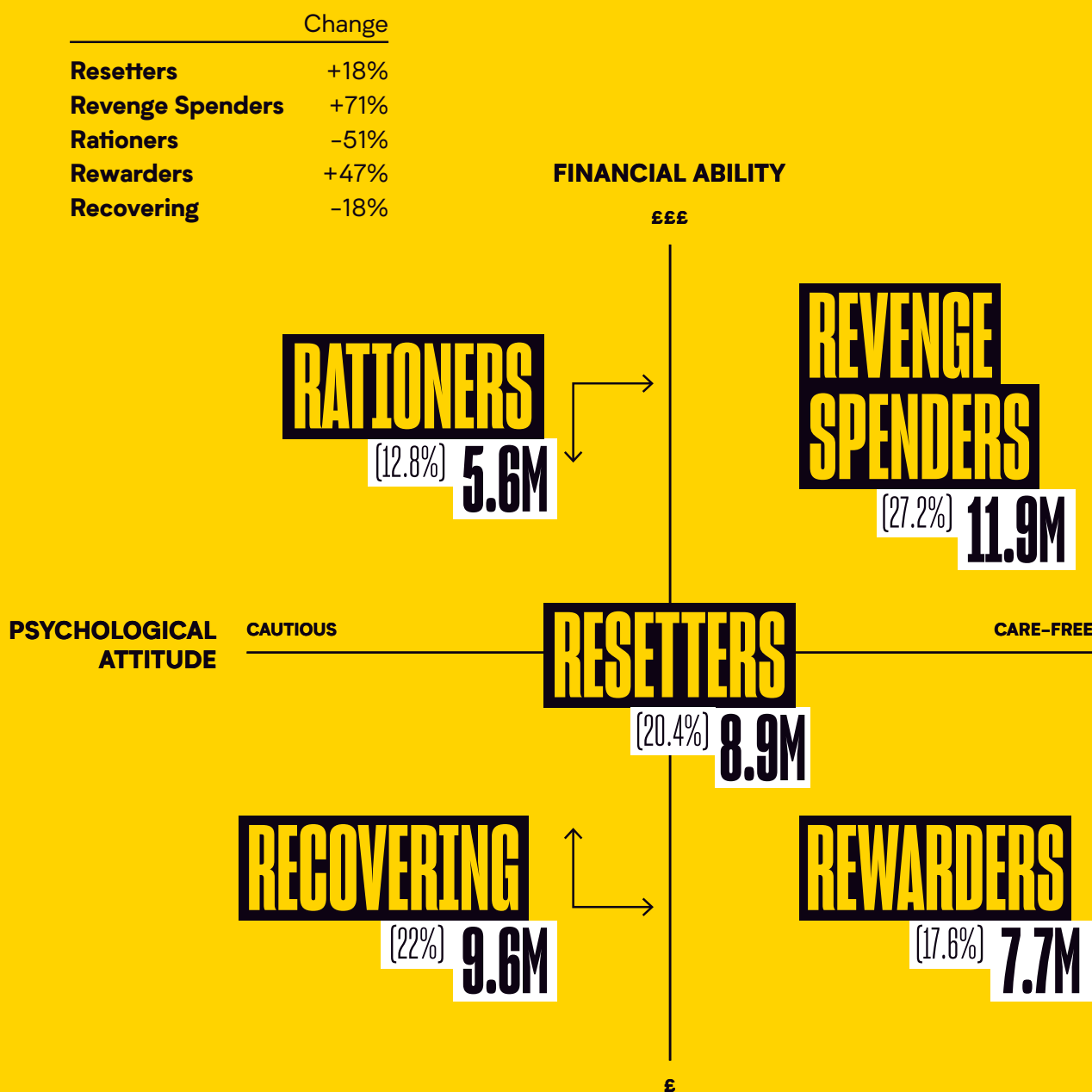
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We saw a significant shift to more optimistic segments across 2021 as behaviours shifted to “new normal”

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When we analysed the shift of segmentation from June 2020 to August 2021, we saw a 90% increase in more optimistic attitudes, regardless of financial situation.

People were ready to move on from COVID-19 and resettle back into life, and the largest changes came from the Rationers segment to the growth of Revenge Spenders.



# WHO SHIFTED?

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The largest shift we saw was the reduction of Rationers and Recovering segments. Rationers reducing from 28% to 13%, and Recovering reducing from 27% to 22%.

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- **Retired "Rationers"** who were very cautious and concerned for the future went on "staycation" – eating out, visiting family, buying garden furniture, and increasing expenditure on food and drink.
- **Working families** (Rationers) who were concerned about future employment but saved during COVID-19 or had furlough funds – spent on "staycation" (and some vacations) – eating out, takeaways, home improvements, food and alcohol, some new cars and moving home.
- **Recovering** – the employment market improved (for all) and students found jobs. Income may not be much improved but optimism increased and "Rewarder" behaviour. Those in employment may display Rationer behaviours.

# WHO GREW?

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Revenge spenders and Rewarders notable growth within this time period. Revenge spenders grew from 16% to 28% and Rewarders 12% to 18%.

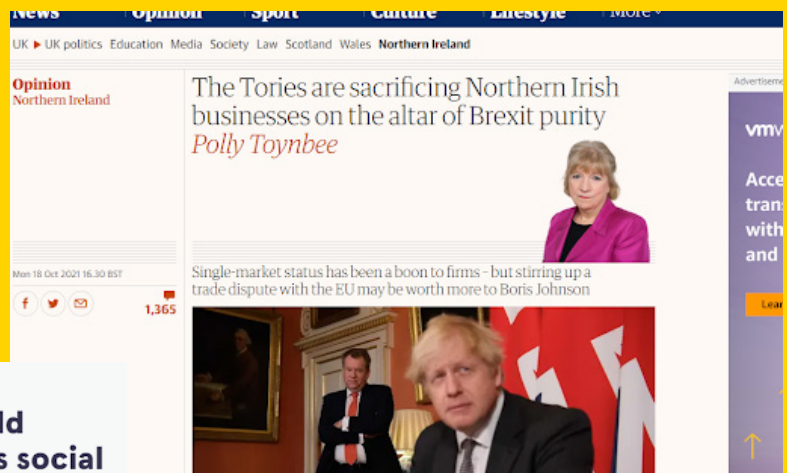
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- **Resetters** continued to grow steadily – using COVID-19 as an opportunity to support lifestyle changes by long term working from home, moving out of London and adapting new eating behaviours.
- **Revenge Spenders** saw the biggest increase as audiences adapted to "new normal" – and choosing to enjoy life, even if it throws up new challenges each week. Many are experiencing a feeling that "nothing is as bad as COVID-19 was"
- Many **Recoverers** have found employment and, whilst money is still tight, they are finding room for small treats in life (snacks, BBQs, days out)



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**As Summer ended, positivity has been dented.**



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The Collaborative, "Winning In The Rebound II" reveals significant psychological shifts in the mood of the nation as Brits enjoyed a summer of staycations, spending and socialising, only to be brought down to the ground with a bump as autumn delivered fuel shortages, energy price increases, supply chain issues, price rises and the Omicron variant.

A general air of caution looms over 2022, but we know that the UK will embrace Christmas in the best way possible.



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However, despite clear optimistic signs for spending and normality for consumers, in the autumn of this year we began to see a change from the summer carefree attitude as the reality of winter began to hit.

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With fuel shortages, concerns over Brexit prices, rumours of increased tax and slashes to universal income – consumer confidence has plummeted from a summer high, indicating we may see a YOYO effect for the winter period. At the same time, we were seeing consumers showing remorse over their lockdown purchases, with 1 in 10 consumers regretting the purchases they bought over lockdown from hot tubs to indoor gym equipment.

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Autumn 2021 has dented consumer confidence and deepened concerns about 2022. The largest discrepancy we expect to see within these segments will be their attitudes to Christmas spending. There are early indications that this Christmas could be seen as the 'last hurrah' before we buckle up for a tight 2022. However, how each of the segments makes the most of Christmas will vary.

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Some consumers are spending early to manage budgets and avoid shortages, whilst others are "choosing with care," finding value solutions for Christmas dinner and focussing on "meaningful gifting" rather than splashing the cash. One thing is common across all audiences – the desire to spend this Christmas with family and friends.

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In summary, the great British public are aware of the challenges but are unwavering in the face of adversity

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Whilst costs are increasing, employment levels are good.

Consumers will seek value but still spend.

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Multiple lockdowns have brought into focus the importance of family & friends.

Christmas will be about getting together and sharing good times.

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Resettlers start to show shifts in spending behaviour.

Shifts towards sustainable products, low impact gifts, experiences.



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What does this mean for 2022?

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We anticipate consumers will be conscientious spenders in the first half of 2022 as they tread with caution in an ever-changing world. Early indications from our research and consumer sentiment are showing consumers are still willing to delay big-ticket purchases until they feel greater confidence and stability for 2022.

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Along with delaying large purchases, we are seeing a shift in values and greater consciousness of where their money is going. For all segments we are seeing a greater focus on sustainability, longevity and localised aspects of their purchases.

<sup>1</sup> Findings were taken from a survey of 4,003 UK adults, carried out by Censuswide Research on behalf of Aviva in September 2021

# NEXT 12 MONTH FORECAST

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This year we sought to understand how the nation was feeling and how brands are best fit to respond to the current environment.

As we head towards Christmas and into 2022, and Plan B is activated, this analysis has reinforced for us the importance of understanding the psychological motivations behind both short and long term consumer behaviours.

Brands must continue to tread a fine line, remaining sensitive to the Recovering and Rewarder segments who are likely to be struggling with increased energy costs, whilst making the most of consumers eagerness to embrace more generous spending habits in the lead up to the 'last hurrah' before the UK buckles up for a tight 2022. We will see a gradual return to normal spending, however this will be much more gradual and conservative than previously predicted.

In 2022 the economic climate looks likely to be tough and we foresee consumer caution around big-ticket spending e.g. holidays & cars. Consumer behaviour and expenditure in 2022 will reflect the shift in attitudes and priorities of the UK with growth in sustainable shopping, local shopping, work/life balance and increased importance of time with family & friends.

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## A Meaningful Christmas

Family and friends  
Decorate the house  
Meaningful gifting  
Nice food – but that can mean  
Lidl & Aldi

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## A Cautious 2022

Holiday or new car, not both  
Small pleasures/treats  
Sustainable living  
Employment ok but fear of  
prices rising across the board

# METHODOLOGY

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Collaborative at VCCP brings together our planning minds on a regular basis to share insights and discuss the communications challenges facing our clients. Throughout 2021 we digested reports from CEBR, YouGov, WARC, FCA amongst many others. We felt that UK consumers were experiencing a unique set of circumstances but being evaluated via traditional methods. Our own qualitative work and social listening was picking up psychological shifts from many consumers and we felt there was a schism emerging which would affect post COVID-19 behaviours.

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For the segments included in this report, we used TGI Sept 2021 with 24,000 people surveyed for this survey, proportionately representing the UK population. The groups were split using binary statements on the state of their finances, their attitudes on optimism and their feelings about the future among other demographic and lifestyle factors. There is no overlap between these groups.

**TO FIND OUT MORE  
ABOUT THE REPORT,  
AND CATEGORY SPECIFIC  
INSIGHTS PLEASE CONTACT  
[COLLABORATIVE@VCCP.COM](mailto:COLLABORATIVE@VCCP.COM)**

# ABOUT COLLABORATIVE

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Collaborative is VCCP's insight platform, showcasing the collaborative thinking of its strategists from across the VCCP Partnership which include specialists in media, communications and experience design.

Winning in The Rebound II is a collaborative research project undertaken by VCCP and VCCP Media.

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