



Perception is Reality

The Rising Cost of Living Part 4
Autumn '23

**”People view the world and the events in it
through their own coloured glasses...”**

Lee Atwater, Political Consultant & Strategist (1951-1991)



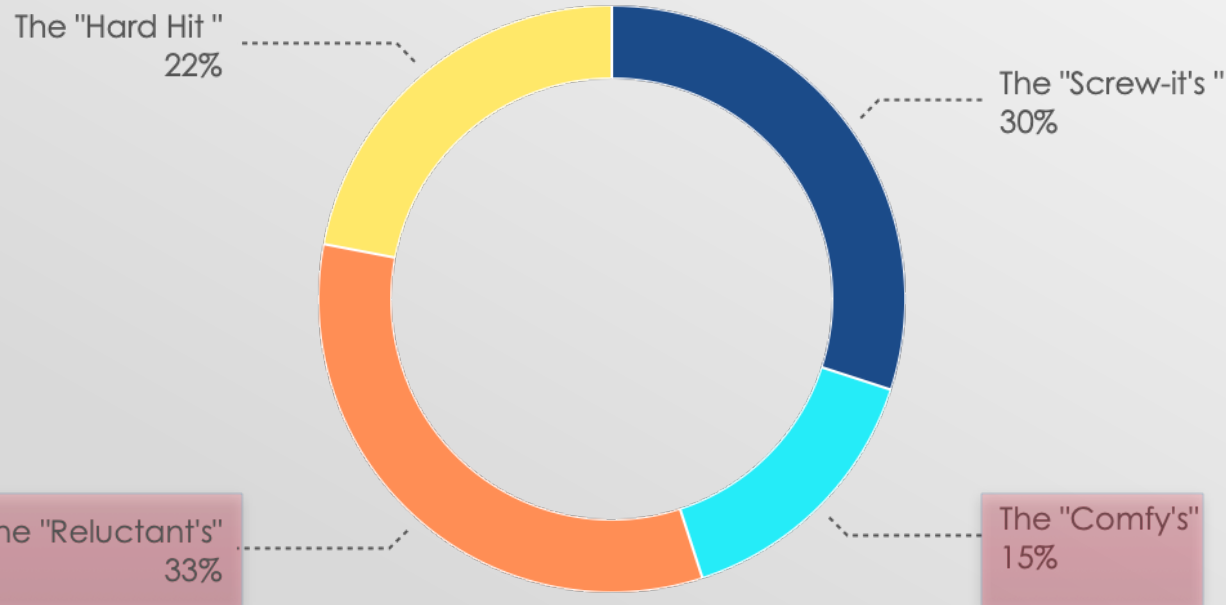
What's new for Part 4?

- An evolved approach to the consumer segments
- Two new themes
- Implications for advertisers (building on Part 3 strategies)



The 4 Segments

Part 3 - Jan '23



The Hard Hit

You're cutting back everywhere you can. You're reducing your spending, substituting or postponing purchases. Life feels hard at the moment.



The Reluctant's

You're resilient but don't feel particularly confident and feel uncertain about the short-term. You don't really want to make changes but feel you should



The Screw It's

You're still trying to make up for lost time after the pandemic. You're trying to carry on as normal but extending the timeline for some purchases and making a few changes here and there.



The Comfy's

You feel secure in your ability to ride out the current and future economic bumps. You purchase almost like normal but are a little more selective

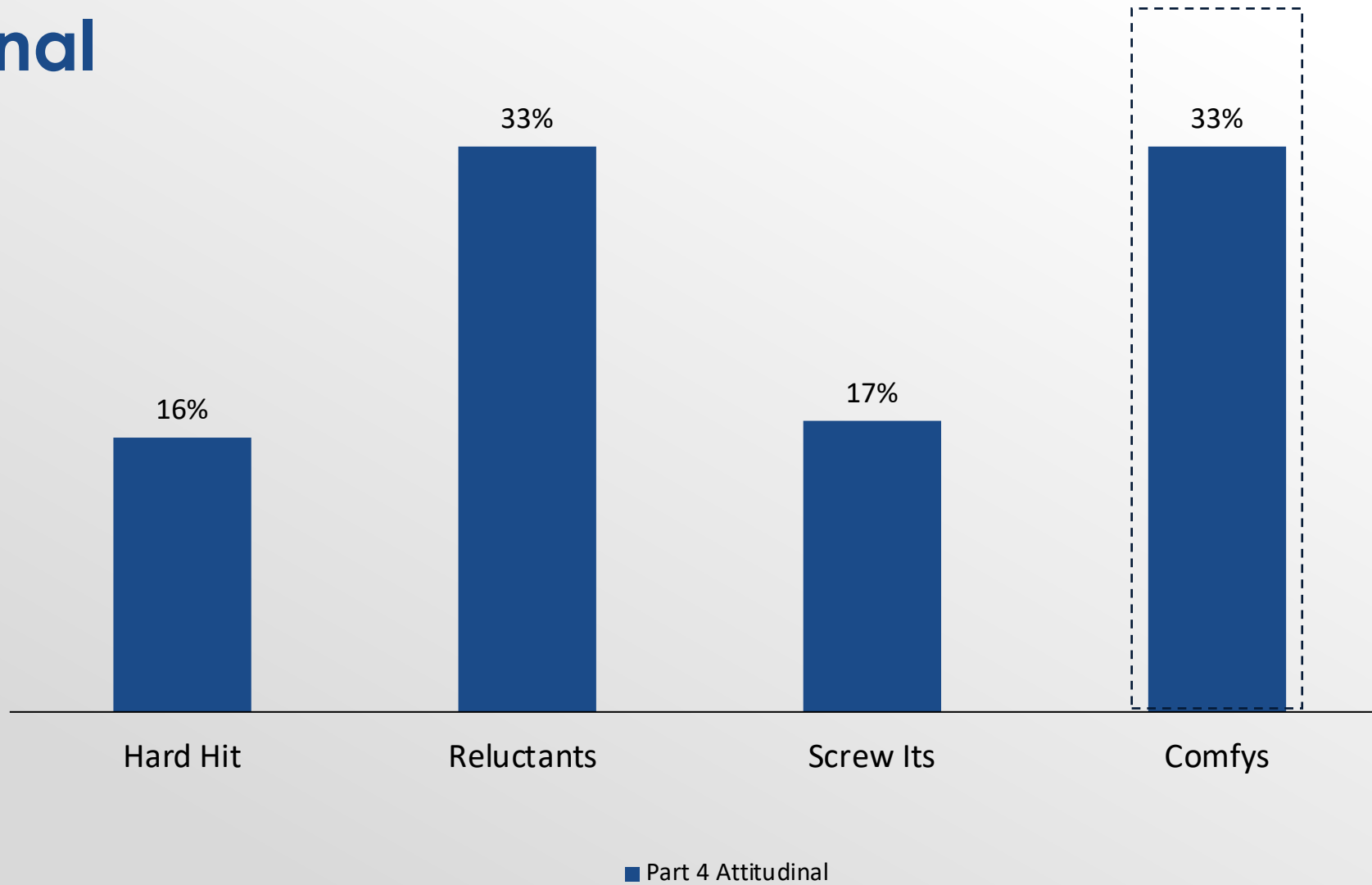




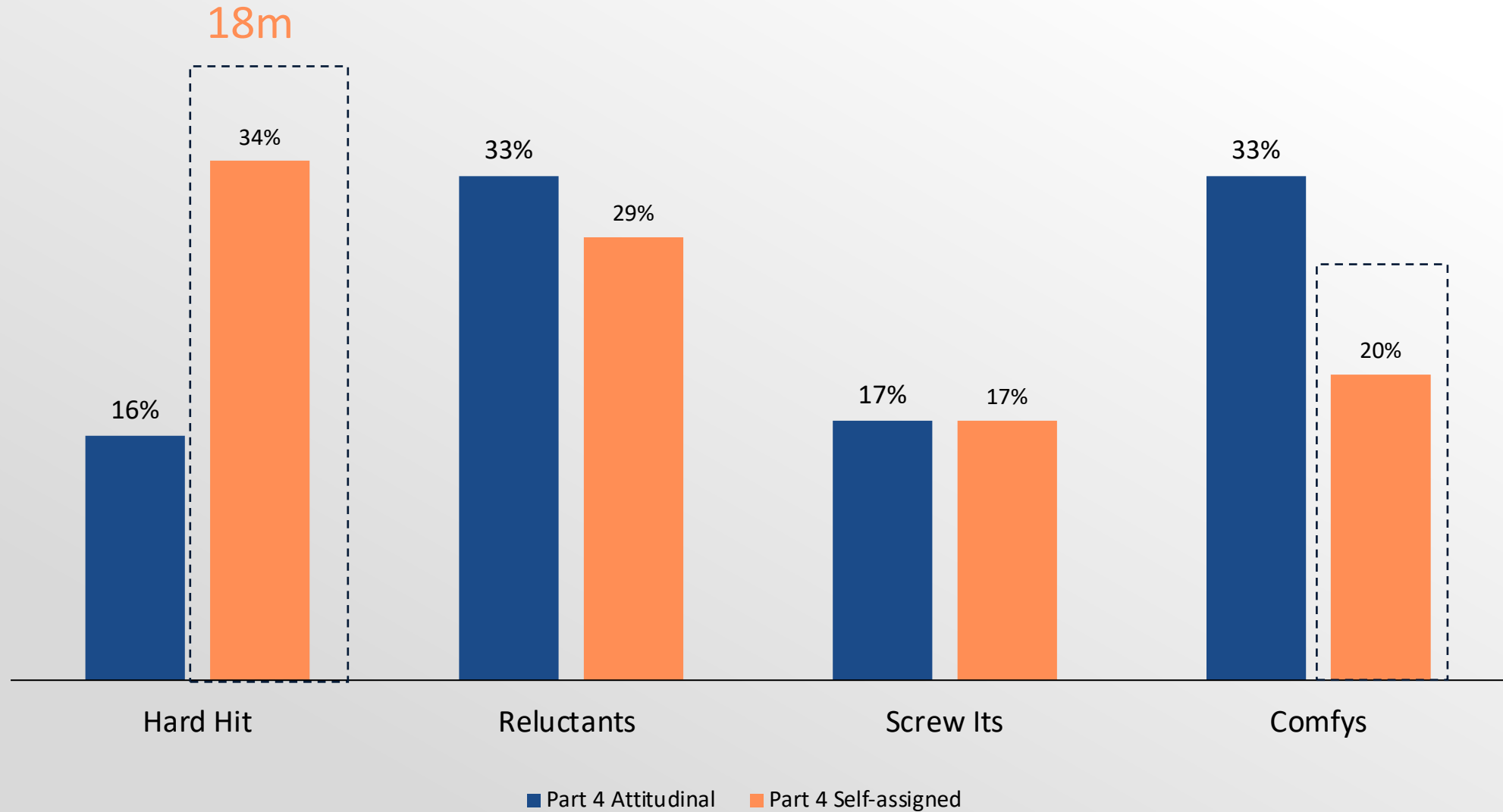
Why is this important?



Part 4 (Oct '23): Attitudinal



Attitudinal v Self-assignment



It's all about our Frame of Reference

Q. And why do you feel you belong to that group?



Perceived
Hard Hit

We're giving up a lot of our treats & **we haven't had a holiday this year.** Times feel harder than ever before

The price of everything is rising and I'm trying my best to be careful

I feel the pressure not to spend even though I'm financially comfortable

We've **never really had to economise before,** always been able to buy what we want, so it feels hard



True Hard
Hit

I would love to buy a £4 pizza from Asda, but I can't afford it. **I live day to day and only buy absolute essentials**

I go to **Asda at 7.30pm when they reduce the bread to 30p** and buy enough for a full week & freeze it

I visit community food banks to make food go further. It's been tough

I feel as though I'm **just about keeping my head above the water** but it's extremely tight



How do they differ demographically?



The Perceived Hard Hit

Aged 25-44

Living in London, West Mids

Families with young children

20% have household income of £60k+

Thinking ahead and planning for the future

Regular public transport users



The True Hard Hit

Aged 45-64

Living in the North

Empty nesters

37% have household income of less than £20k

Living more day to day than they normally would



Why is this important?



How to target the Hard Hit...

An Essential:

- Emphasise price
- Offer smaller pack sizes for less money

A Treat:

- Advertise it as a "treat / small indulgence" that you deserve

A Postponable:

- Challenge risky behaviour e.g. holding off buying new tyres & risk of not doing it now
- Promote exceptional deals

An Expendable:

- Continue awareness led marketing / advertising for future purchases



How to target the Reluctants...

An Essential:

- Emphasise dependability
- Promote bulk buys, offers etc. to encourage stockpiling

A Treat:

- Reward loyal customers
- Advertise products as boosting mood & morale
- Advertise products as affordable alternatives to more expensive options

A Postponable:

- Promote repair services
- Offer similar options at a lower price

An Expendable:

- Continue awareness led advertising



How to target the Screw Its...

An Essential:

- Continue with ad awareness campaigns
- Remind consumers they can't live without it

A Treat:

- Promote is an an opportunity to seize the moment

A Postponable:

- Offer monthly payment plans / BNPL
- Promote quality of life benefits by buying now

An Expendable:

- Offer exciting new products & advertise as "must haves"
- Promote products to aspire to when financial situation improves



How to target the Comfy's...

An Essential:

- Continue awareness led advertising

A Treat:

- Emphasise the quality
- Advertise as a product "you deserve because you've done well"

A Postponable:

- Promote savings by buying now
- Advise they're missing out if they postpone

An Expendable:

- Enable discreet purchasing that avoids flaunting in front of other
- Communicate the feeling of indulging



How to target the Perceived Hard Hit...

An Essential

Emphasise reliability / durability

Reminder of "Buy cheap, buy twice"

A Treat

Advertise it as a mood / morale boosting and a little indulgence that they deserve

A Postponable

Advertise as a smart choice




Highlight cost savings / benefits by doing it now

An Expendable



Promote product to aspire to when they feel more financially comfortable






How is your brand categorised?

	Essential (necessary / perceived as central to well-being)	Treat (Indulgences whose immediate purchase is justifiable)	Postponable (Needed or desired that can be reasonably delayed / put off)	Expendable (Unnecessary and unjustifiable)
 <p>The True Hard Hit (blended)</p>	<p>Major household appliance</p> <p>TV Subscription</p>	<p>Hobbies</p> <p>Major celebration</p> <p>Kids activities / clubs</p> <p>Morning coffee / pastry</p> <p>Alcohol</p> <p>Experiences</p> <p>Eating out</p> <p>Takeaway</p>	<p>Giving to charity</p> <p>New clothes</p> <p>Gym membership</p> <p>Tech upgrade</p> <p>Home Improvements</p> <p>Self-care</p> <p>Car upgrade</p> <p>Holiday</p>	
<p>Brand Partner examples</p>				

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Brand Partner examples		 		



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The Screw Its
(self-assigned)

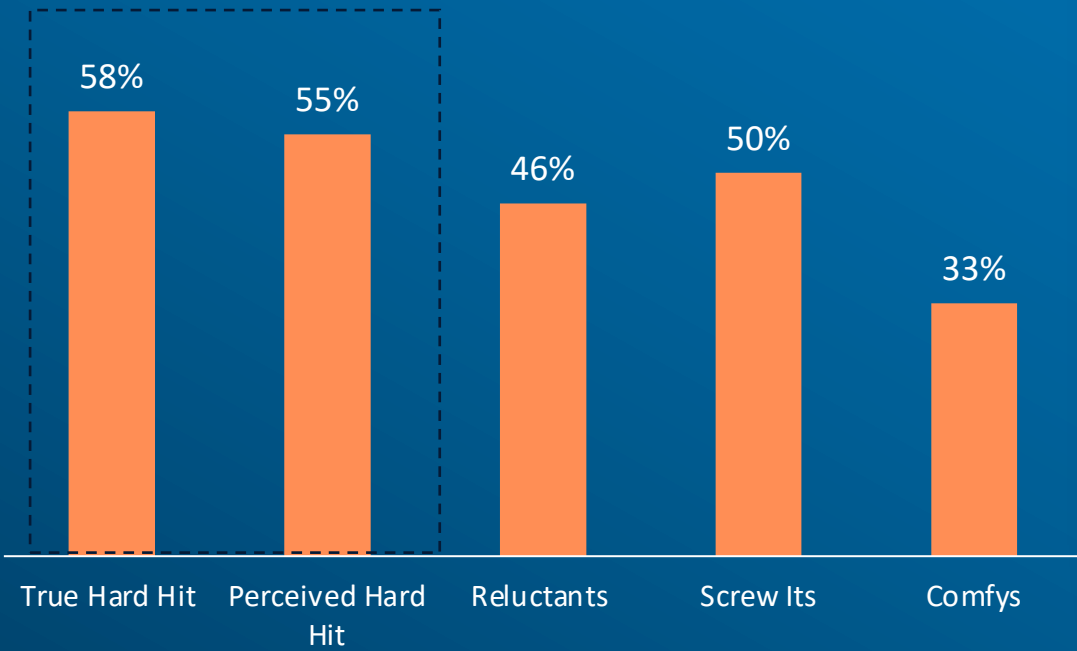
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Brand partner examples				

What's in it for me?!

Q. I can't afford to worry about the environment during financial times like these
Any agree



Good for the planet and your pocket

Trade in your smartphone for
up to €400 and we'll recycle
and repurpose it.

🔍 Search Vodafone trade in

Trade in is subject to trading in an eligible device. Average trade in value is €130 for devices that have met the trade in criteria. For full terms see vodafone.ie/terms

Together we can



How to capitalise on the “What’s in it for me” mindset?

Q. Thinking about advertising in the current economic climate, which of the following are most important to you?

Top 3 box



The True Hard Hit



The Perceived Hard Hit



The Reluctants



The Screw Its



The Comfys

1. Informative

2. Relatable

3. Clear & easy to follow

4. Clear who the ad is for

5. Simple message

1. Relatable

2. Clear who the ad is for

3. Informative

4. Stands out

5. Simple message

1. Informative

2. Positive message

3. Clear who it's for

4. Relatable

5. Simple message

1. Informative

2. Clear & easy to follow

3. Relatable

4. Helpful

5. Positive message

1. Informative

2. Simple message

3. Clear & easy to follow

4. Relatable

5. Clear who the ad is for

Cometh the hour

Perform better with half price electricity. Every Sunday 11am – 4pm.

British Gas

LT443

224



British Gas



Paralympic GB



“Why do prices always go up
but never come down?”



Prices are rising because
the UK's North Sea gas is
steadily running out.

Britain now has to buy around half its gas from abroad
and these wholesale gas prices have increased by 26%
since last winter. When we can put prices down we do,
and we have dropped our prices four times since 2009.

It's time for an honest conversation.

You can get answers to more of your questions at
britishgas.co.uk/honestconversation or by emailing me
and my team at phillip.bentley@britishgas.co.uk

Phil Bentley
Managing Director of British Gas



British Gas
Looking after your world





Key Takeaways

1. Acknowledge
**perception is
reality**

2. Address the
**"what's in it for
me"** mindset





Rising Cost of Living Series:

Part 5 – Summer '24



insight | [Headlines](#) | [Life Events](#) | [Moods & Feelings](#) | [Media](#) | [Work](#) | [Shopping](#) | [Future](#) | [Lifestyle](#)

Select target groups to show on chart

Total

Moods and Feelings

[Life at the moment](#) | [Outside](#) | [Happiness](#) | [Positive about the future](#) | [Concerns](#) | [Trust in institutions](#) | [Want more of](#)

How are you feeling about life at the moment?

September '21 – question amended to include additional adjectives

NET: Negative feelings

Year	Percentage
2019 (Q1)	74%
2019 (Q2)	74%
2019 (Q3)	64%
2019 (Q4)	64%
2020 (Q1)	69%
2020 (Q2)	64%
2020 (Q3)	66%
2020 (Q4)	62%
2021 (Q1)	59%
2021 (Q2)	59%
2021 (Q3)	66%
2021 (Q4)	62%
2022 (Q1)	62%
2022 (Q2)	65%
2022 (Q3)	64%
2022 (Q4)	62%
2023 (Q1)	63%
2023 (Q2)	63%

NET: Positive feelings

Year	Percentage
2019 (Q1)	40%
2019 (Q2)	44%
2019 (Q3)	51%
2019 (Q4)	45%
2020 (Q1)	45%
2020 (Q2)	60%
2020 (Q3)	59%
2020 (Q4)	61%
2021 (Q1)	64%
2021 (Q2)	66%
2021 (Q3)	63%
2021 (Q4)	62%
2022 (Q1)	62%



**Thank-you &
Merry Christmas!**

