

A photograph of two women walking down a city street, both carrying shopping bags. The woman on the left is wearing a light-colored, long-sleeved top and dark pants, while the woman on the right is wearing a dark, long-sleeved dress. They are both looking at each other and talking. The street is lined with trees and buildings, and the scene is bathed in warm, golden light, suggesting late afternoon or early morning. In the background, other pedestrians and outdoor cafe seating are visible.

UK POST-LOCKDOWN SUMMER OF SPENDING

FUTURE PLC 2021

FUTURE



Where are we now

Where we are now...

01

Roadmap - A new four-step plan to ease England's lockdown could see all legal limits on social contact lifted by 21 June, if strict conditions are met.

02

Vaccines - As at 30/3/21, 30,680,948 people were reported to have received an NHS vaccination (1st dose) for COVID-19 in the UK.

03

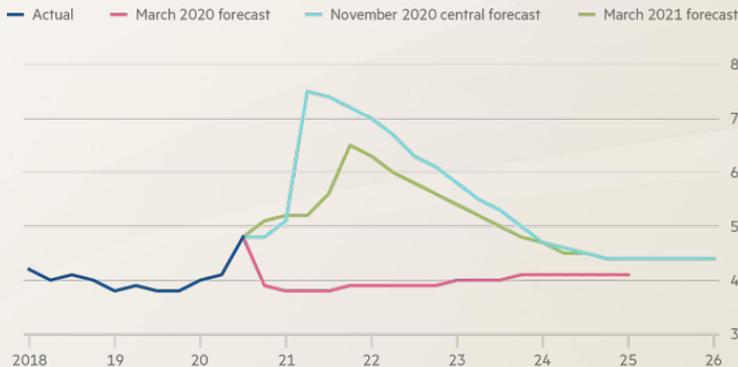
Economy - The OBR now expects the UK economy to regain its pre-pandemic size in the third quarter of 2022, six months earlier than it forecast in November. It has cut its forecast for GDP growth in 2021 to 4 per cent, reflecting the effects of the first-quarter lockdown.

04

Unemployment - The UK has fought off the threat of a post-Covid surge in unemployment, with the jobless rate set to peak well below the level reached after the 2008 financial crisis, official forecasts show.

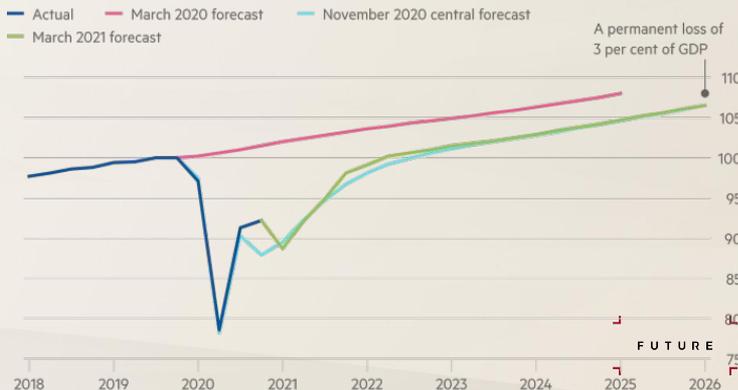
The peak in unemployment looks lower than feared

Unemployment rate (%)



A faster rebound in GDP does not lessen the long-term damage

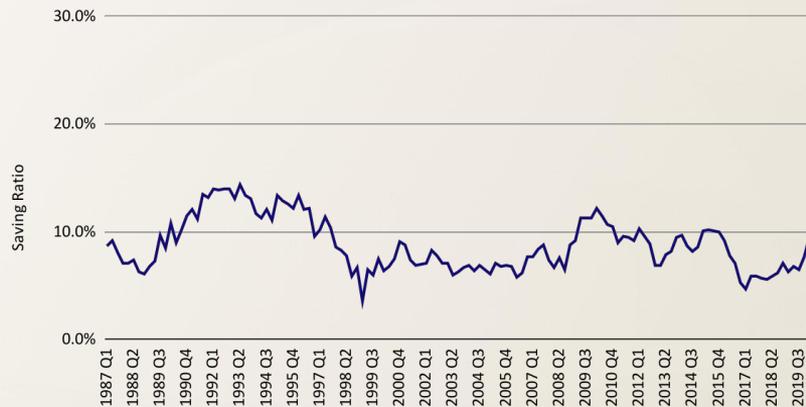
Real GDP (Q4 2019 = 100)



Incontrovertible evidence

According to the ONS, the UK's **household savings ratio** rose to 29.1% in Quarter 2 (Apr to June) 2020, the **highest since records began.**

Household saving ratio



(ONS data non-seasonally adjusted, quarter 2 (Apr to June) 1987 to quarter 2 2020)



The research

We launched a quantitative research study to understand the UK situation, plans and feelings better.



Format

Online survey with over 20 in-depth questions about financial situation, future spending plans, inspiration sources and passions.

The data collection took place in **March 2021**.



Sample

2,000 respondents were recruited independently via our research platform - *The Lens*.

The sample is nationally representative for the UK. The percentage split was ensured for:

- Gender
- Geography
- Age
- Social class



Audience

According to the latest TGI data, we reach 29.3m adults in the UK on monthly basis. That's 55% of the country population.

This is **reflected in the nationally representative sample**, where **54%** (1,064) confirmed that they've read / visited at least one of the Future brands recently.

UK Household Savings

Many forms of savings and investments have been made by the British public



81%

Have saved money in the past 12 months

UK average: 77%

20% saved up a lot of money

41% saved up some money

20% saved up a little bit

15% have not saved anything

3% is not sure

1% prefer not to say



┌ Considering the end of lockdown and social distancing, are you planning to keep on saving, or will you treat yourself and/or your family to something? Could you tell us why?

“

“A bit of both, I have a minimum amount I want to save a month and that won't change, but *I've been doubling that* at least 8 lockdown months”

“

“Both; *we need a treat to celebrate* all the events we missed celebrating and we need to keep some put by for a rainy day”

“

“Following lockdown I *will be spending savings* on installation of solar panels to my home and paying for a great long haul holiday.”

“

“I am saving into a pension scheme but will certainly treat my family after lockdown hopefully with loads of bbqs to *celebrate all the missed birthdays and occasions*”

“

“Yes, I intend to treat myself to new clothes, meals out and a holiday. I haven't been able to do this during lockdown so want to catch up.”

Money Saving Methods

Savings happened mainly due to keeping more income in the current accounts and increasing the monthly amount saved.

There is also lower or no balance left on the existing loans / credit cards.



└ Polarisation Effect

There's almost as many people who saved £10k+ as £1.5k or less.

£4,808

Is the average savings amount per household in the UK.

Approximately how much have you saved and/or invested?

Feel free to include all the types of savings and investments.



└ Spending Ideas

Majority already has plans and ideas on **how they're going to use their savings.**



...but a similar amount (58%) confirms that they've become more financially aware and **will think twice before spending** anything.



£245bn

Total amount saved (UK).
[Future audience = £141bn].

25%

Of these savings will be spent
immediately or soon after
lockdown ends.



“

“My top priority is to treat my youngest daughter asap, an NHS nurse, who could not celebrate her 30th birthday due to lockdown and will be 31 in May.”

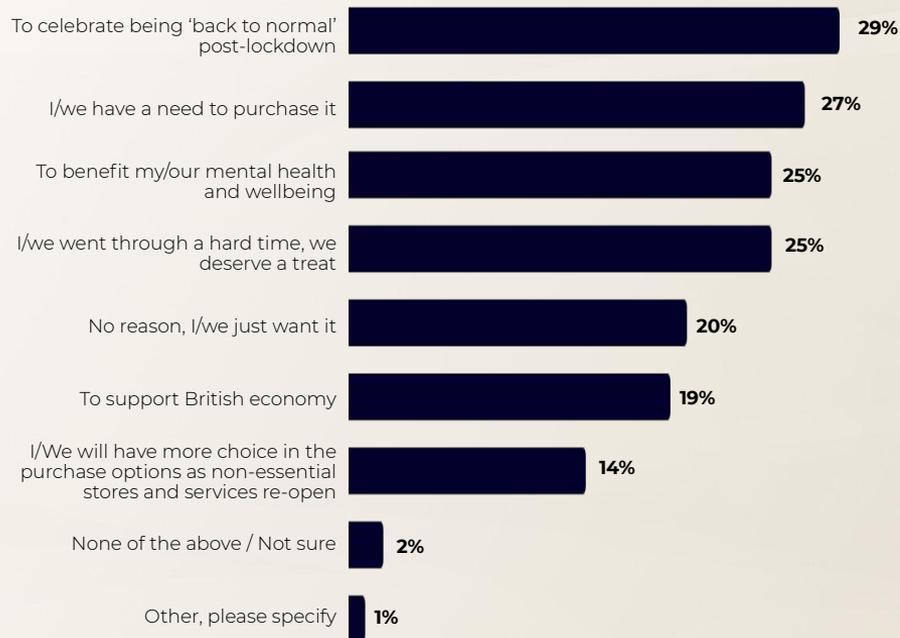
“

“I think there is the potential for much more, perhaps even most, of this savings pool to leak into the economy, fuelling a faster recovery”

**Andy Haldane - Chief
Economist, Bank of England**

Celebration, need, treat and wellbeing are **equally important** reasons behind spending the savings.

And what reason(s) do you (and your family) have for planning to spend it?



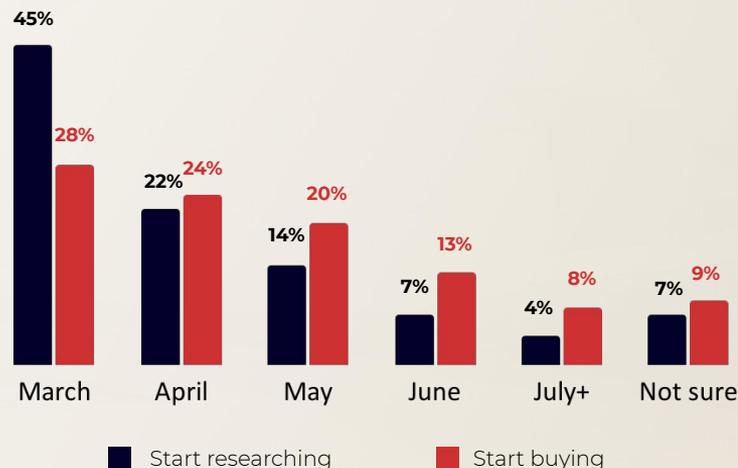
Timing

The research for products and services has already started, but the purchasing stage will be spread between April and June.

57%

Of the spend will happen between April and June.

**When will you start researching those products / services and reading about them before buying?
VS
And when do you think you will start shopping for those products / services using your saved up money?**



Higher Value, More Research

The time spent on researching a product / service by the consumers is proportional to the purchase value.

The length of an average consumer's research time, if the product / service costs...

<£100 → 8 days

£100 - £500 → 11 days

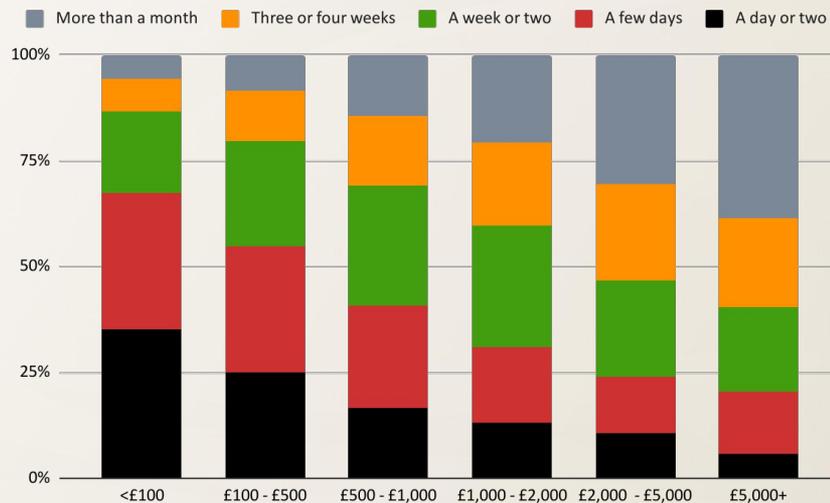
£500 - £1,000 → 15 days

£1,000 - £2,000 → 18 days

£2,000 - £5,000 → 22 days

£5,000+ → 25 days

How much time will you spend researching before buying products / services in certain price brackets?



└ Spending per Category

There are two consumer spending trends. One includes all the things we missed out on, and second is an extension to what we already have spend on.

Highest consideration

Categories which were not available show the highest purchase consideration, e.g.:

- Holidays
- Going out
- Attending events / shows

These were also identified as the biggest sources of savings in the last 12 months (alongside clothes, shoes, and costs related to car / public transport)

Continuous spend

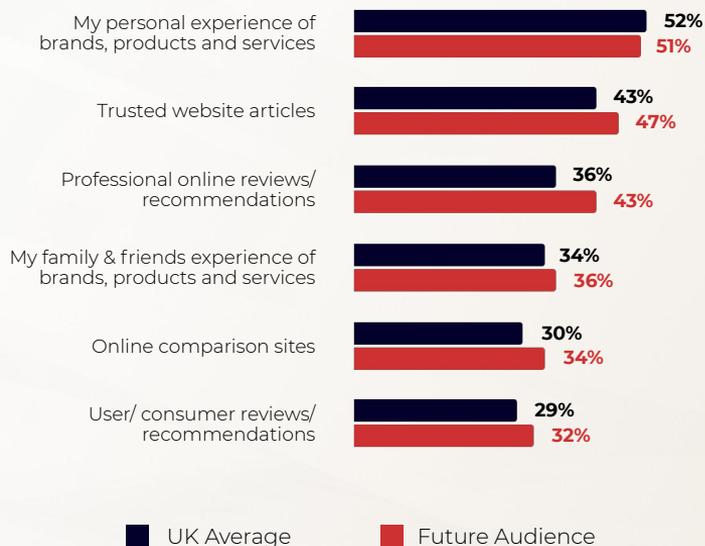
Many categories where the savings were relatively low, still see a similar purchase intent, including:

- Gifts for others
- Home decoration
- Garden products
- Personal tech (mobile phones, laptops etc.)
- Home tech (TV, smart home devices etc.)
- Gaming
- Home appliances
- Toys



Inspiration & Research Resources

What sources will you use to get the right information before spending your money on products and services? (TOP 6)



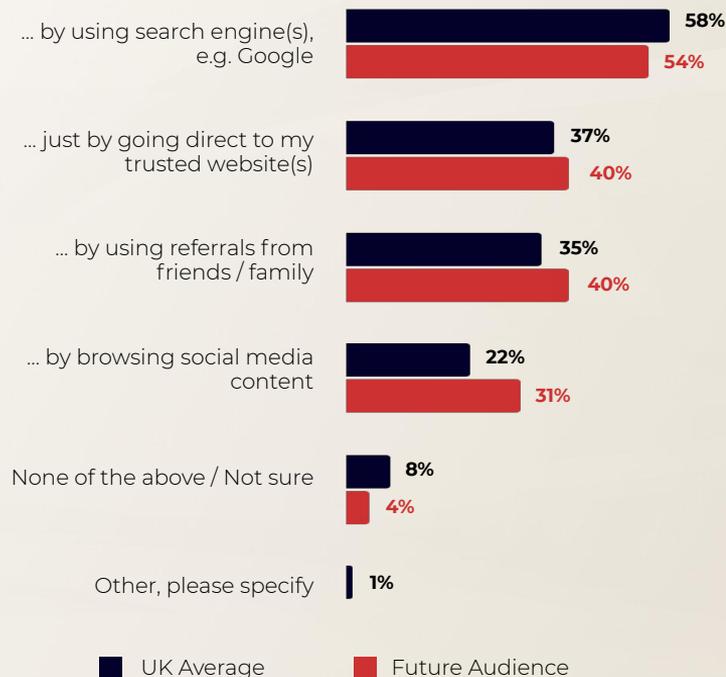
People trust reliable website articles almost as much as their own personal experience.

Professional online reviews are +19% more trusted than the opinion of family and friends.

Online Search

Consumers use a wide variety of methods to get to the right trusted website, but **search engines** are the most popular one.

Future Audience is slightly **more likely to go directly** to the page they know already.



Future Brands - Search Analysis

With SEO baked into our DNA, our brands are highly discoverable frequently taking up top spots* in google search. **80% of traffic is through SEO**

Home

best gas bbq: 1, 3,4 (IH, Living Etc, RH)

best mattress: 1, 3, 6 (Ideal Home, T3, Real Homes)

best paint for kitchen cabinets: 1, 2 (Real Homes, Ideal Home)

best patio cleaner: 1, 2 (Real Homes, Ideal Home)

best lawnmower: 1, 9 (IH, RH)

Tech

best wireless earbuds: 1, 2, 3 (TR, WhatHiFi?, TG)

best camera phone: 1, 2, 3 (TR, DCW, TG)

best iphone: 1, 2, 3 (TR, TG, WhatHiFi?)

best android phones: 1, 2, 3 (TR, TG, T3)

best laptops for students 1, 2, 3 (CB, TR, T3)

best smartwatch: 1, 2,4 (TR, TG, T3)

best tv: 1, 3,5 (TR, WhatHiFi?, TG)

best soundbar: 1, 2, 4 (WHF, TR, T3)

Music

best guitar cables: 1, 2 (Guitar World, MusicRadar)

best guitar for beginners: 1, 2 (Guitar World, MusicRadar)

best looper pedals: 1, 2 (Guitar World, MusicRadar)

best pedal board: 1, 2 (MusicRadar, Guitar World)

Games

best gaming monitor: 1, 2, 4 (TR, TH, PCG)

best gaming mouse: 1, 2, 3 (TR, TH, PCG)

└ Shopping Online VS In-store

Online will remain an **important shopping channel** in the post-pandemic world.

86%

will continue to shop online for products and services after the pandemic ends.

Only 11% said that they are definitely going to shop in-store as they don't enjoy shopping online at all.



└ The Importance of Passion

72%

can't wait until they can go back to doing their passion/hobby without any restrictions.

6 in 10

Own high-quality and premium products which relate to their passion/hobby.



69%

Agree that their life would lose a lot of meaning if they didn't have their passion/hobby. The same amount say that they read a lot of information, news and updates from their passion/hobby world.

5 in 10

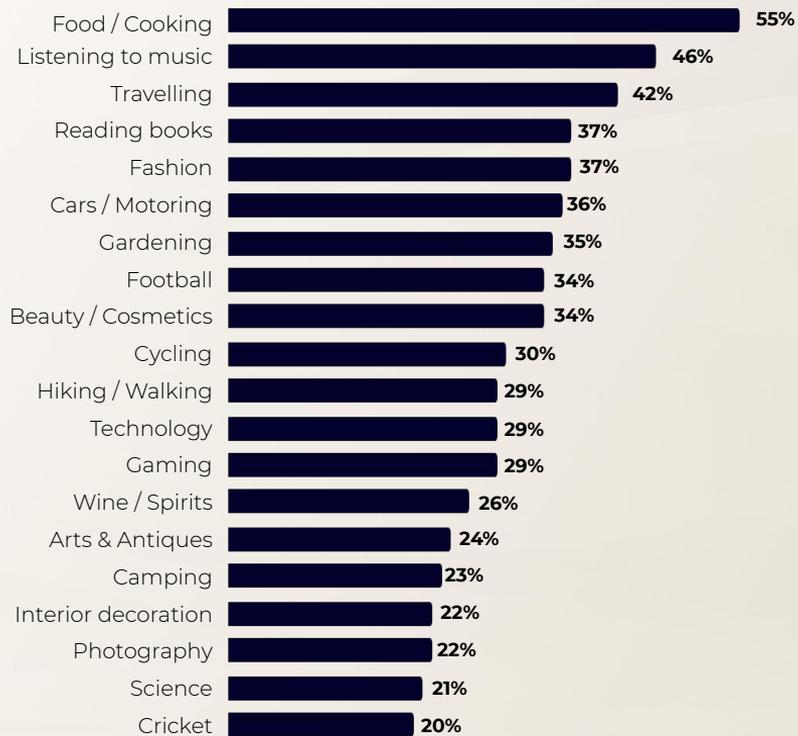
Spend a **very high** proportion of their salary on premium products related to their passion/ hobby.

Future Audience - Top Hobbies

99%

of our audience has
at least one passion

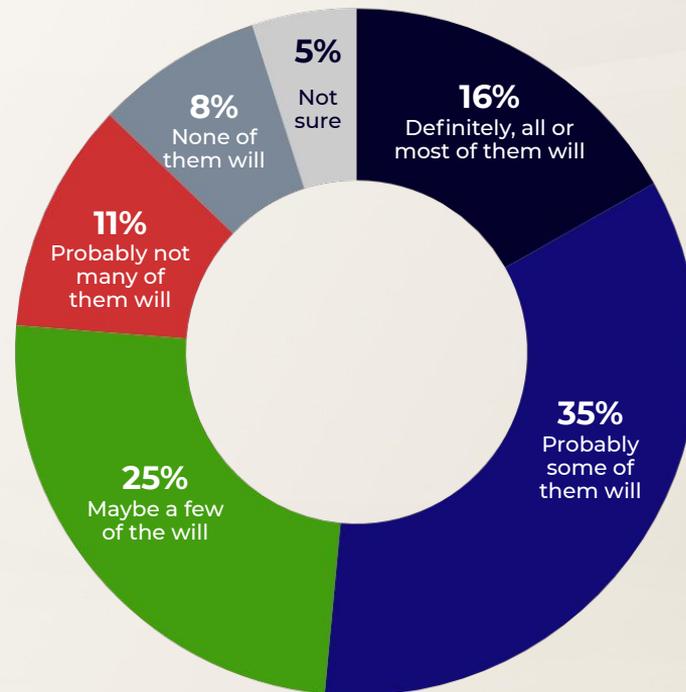
TOP 20 PASSIONS INCLUDE:



└ The Passion Point of Difference

Most of the post-lockdown purchases and treats will be in some way be related to the passions (**76%**).

Are any of your post-lockdown purchases going to be related to your passion or hobbies? (e.g. cycling holidays, attending a football match, investing in new gear / equipment for training etc.)



Summary

01 Savings are real

Over £4.8k of savings have been made in the last year by the average UK household. Only 15% of people haven't saved anything.

02 Growth of purchasing power

Alongside higher savings, comes lower borrowing. Many have paid off credit cards and existing loans freeing up their purchasing power.

03 Many reasons to spend

While the British public will prioritise their spend and is more financially aware, they also talk about many reasons why they should spend their savings post-lockdown.

04 We all deserve a treat

Majority will buy products / services for themselves as well as for other family members and friends. Gifting is a popular post-lockdown shopping category.

05 In-store Vs Online

9 in 10 will continue to shop online for products and services after the pandemic ends. Only 11% say they don't enjoy it and will stop doing it as soon as the lockdown ends.

06 The passion point of difference

99% of the Future audience has at least one passion. Most of the post-lockdown purchases and treats will be in some way be related to it (77%).

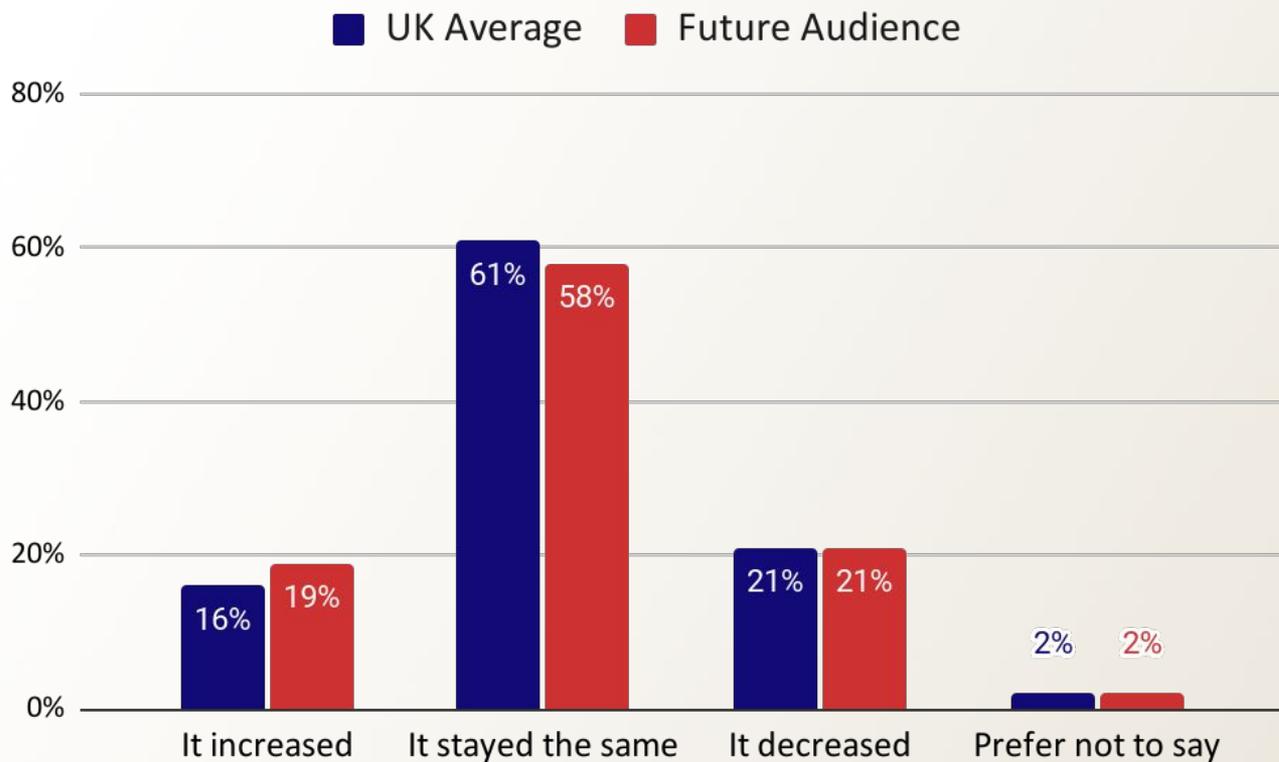


Thank you.

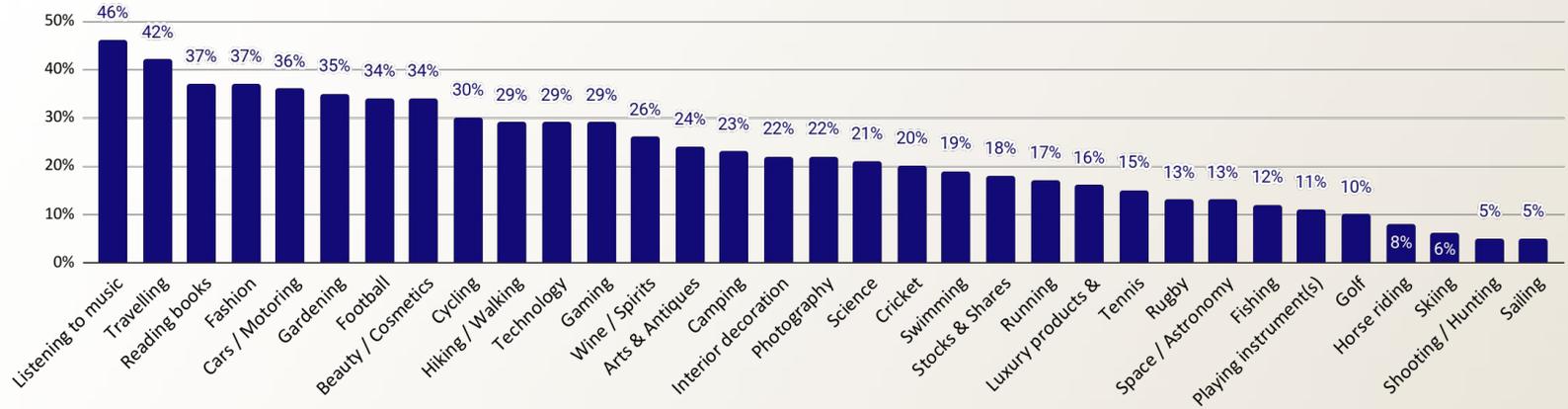


Appendix

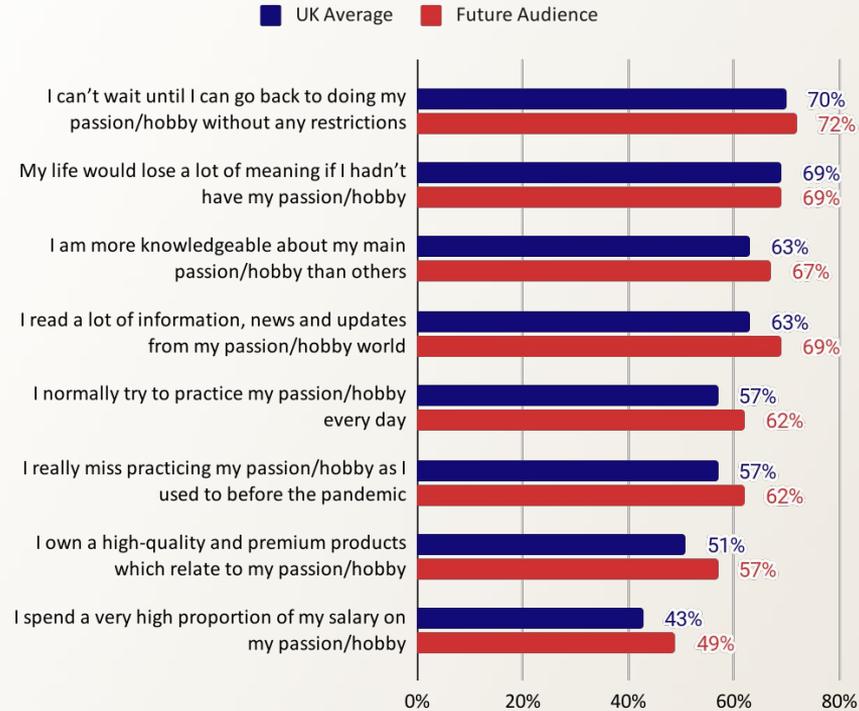
And has your household income changed in the past 12 months?



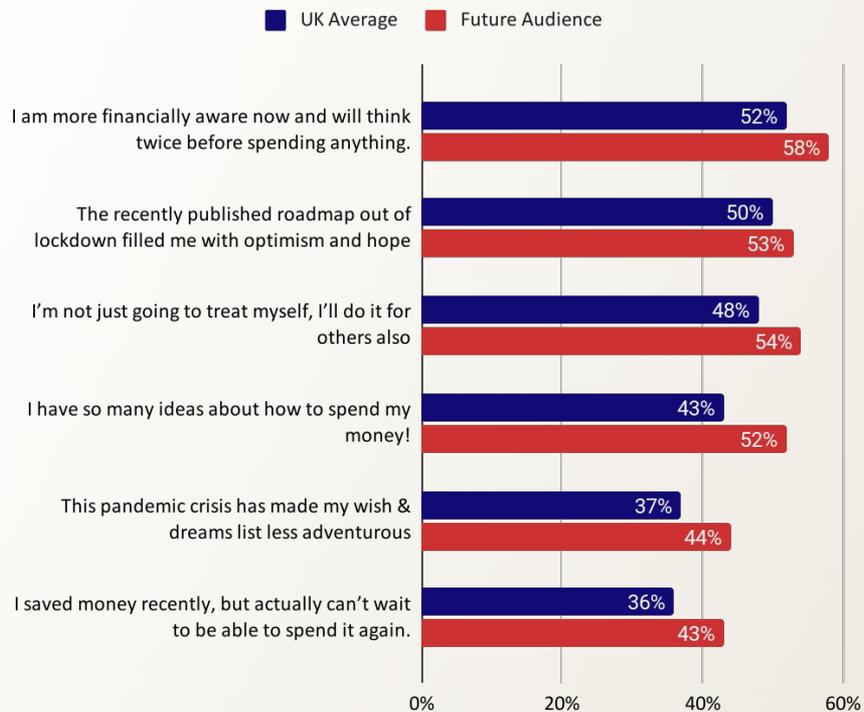
Do you have any interest in the below categories?



How do you feel about your passion/hobby right now? (ALL AGREE)



┌ To what extent do you agree / disagree with the below statements? (ALL AGREE)





What categories / products / services are you going to purchase using your savings in 2021?

