TRAJECTORY

Where are we now?
Consumer Values in 2020

Trajection 2019/9

September 2019

SIGNAL

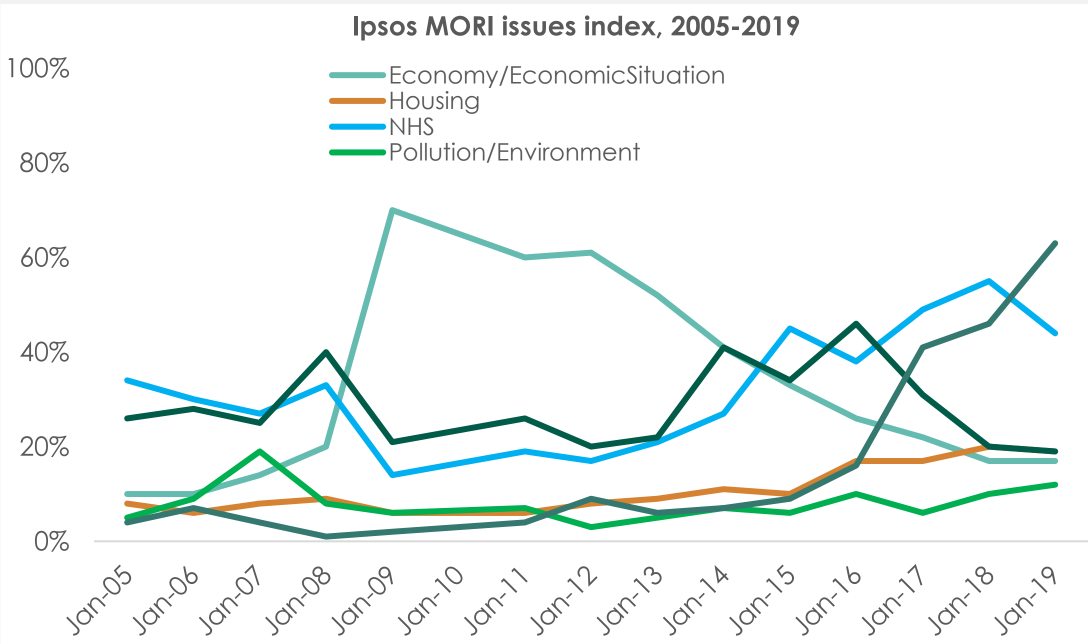
Introduction: Where Have We Been?

The last decade has been a tumultuous one. Ten years ago, as we approached 2010 the UK was recovering from recession, fearing an economic collapse in the near future unless urgent action was taken. The parliamentary class was reeling from scandal (in this case, the MPs expenses scandal) and struggling to maintain a connection – let alone trust – with the public. Consumers themselves were feeling maligned and forgotten, anticipating tougher times ahead and prepared for a period of belt-tightening while the ship was steadied.

Well, the more things change, the more they stay the same. Today, the scandals feature different players but are still there, the UK faces a fork in the road and hard choices about its future that cannot hope to please everyone. Economic fears simmer as the bubble that separates the powerful – whether in a semi-imagined Westminster, or Fleet Street, or City of London – from the 'people' becomes a defining issue in our polarised climate.

In the meantime the UK has lived through extraordinary times; enormous developments in technology and access that see more than 90% of people use the internet, a growing fragmentation between different consumer groups and the cultural polarisation that has exploded into life since the 2016 EU referendum.

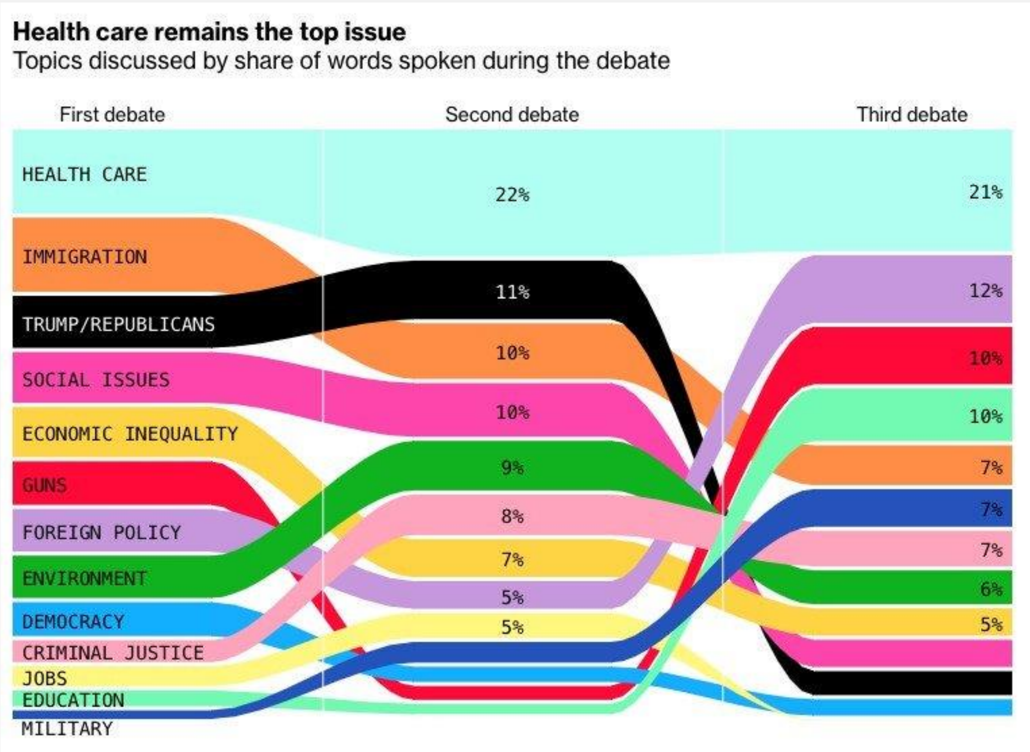
A common thread through all of this has been the economy. For much of this decade the economy has been the key focus; whether through shaping consumer trends, spending priorities and behaviours or dictating the political narrative and key election issues. Ipsos MORI's issues tracker demonstrates just how high up the agenda this has been in the consumer psyche:



Source: Ipsos MORI issues index, 2005-2019

However, in the last few years the economy has taken a back seat to another conversation amplified by the EU Referendum and the UK's attempt to withdraw from the European Union. In Ipsos's issues monitor they are captured under 'EU/Brexit', but in reality speak to a wide range of issues, including Brexit, British Identity and our own fragmenting culture.

Although economic issues might underpin this discussion they are taking a back seat as we approach 2020. In the next year, both in the UK, the US and other major economies around the world, we face the prospect of elections being fought on issues other the economy. The graphic below, produced recently by Bloomberg shows how frontrunners in the race to be the Democratic challenger to President Trump are talking about a wide range of issues – but the economy is not one of them.



Source: Bloomberg, September 2019

In the UK the battlelines for the next electoral contest are already being drawn. Recent reports suggest that the government are conducting polling on a wide range of social and cultural issues in order to develop policies or messaging that resonates with voters – they recognise the economy will not be the central issue next time round.

Given this renewed focus on the non-economic drivers of consumer behaviour, this report will explore the major trends in consumer values over the last decade – and ask how they might continue to change in the future.

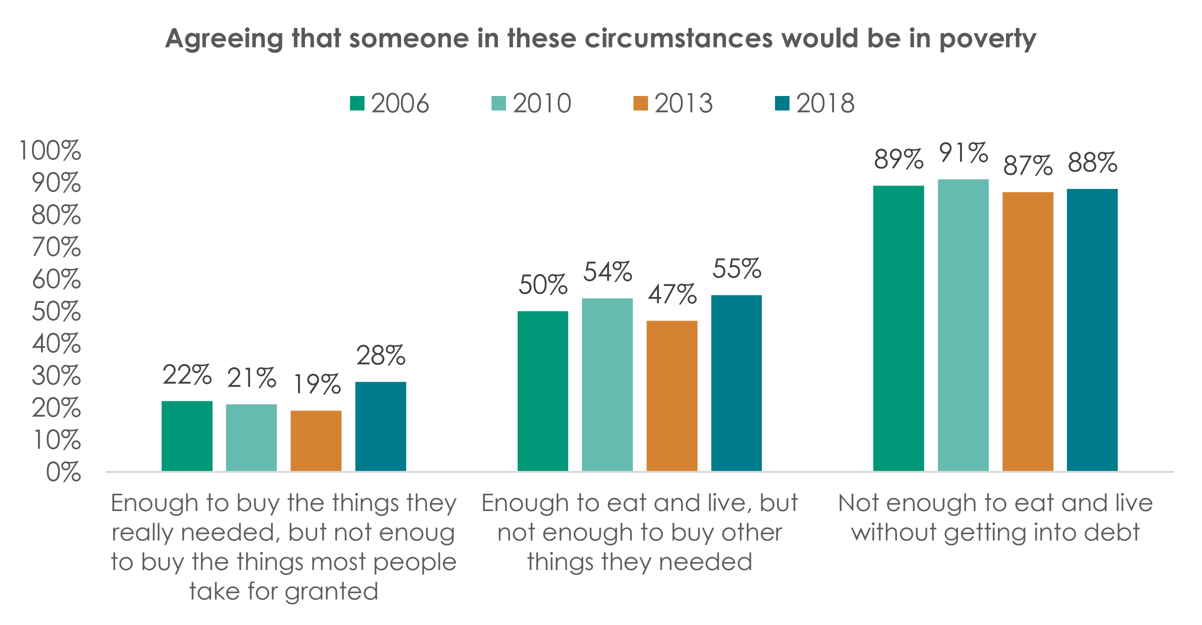
Legacy of the downturn: the New Morality

At the start of the decade, and in the midst of the deepest and longest economic downturn in living memory, changes in consumer values were determined by a new set of concerns we labelled the **New Morality**.

At its core, the **New Morality** was a kind of financially legitimised and defined selfishness on part of consumers. Ethical concerns, which had been broadening before the downturn were put on the back burner; consumers could literally not afford to have wider concerns anymore. At the time, there was much discussion about state spending reductions and the void being filled by the 'Big Society'. Our research at the time suggested that the consumer mindset was somewhere else completely; asked to complete a mock comprehensive spending review the results revealed this selfishness – the English took money from the Scottish budget, the young took money from pensions and the retired took money from education. Everyone was in it for themselves.

Trend data from the British Social Attitudes study is highly useful in charting how these attitudes have developed. At a policy level, support for governments increasing taxes and spending peaked in 2003 (at c.65%) and fell for nearly a decade, reaching around 30% in 2011. However, since then it has been increasing, reaching around 50% in 2016.

At the same time, consumer views on the level of deprivation in the UK – and what constitutes poverty itself – have shifted too. In line with the **New Morality**, consumers became less tolerant of less restrictive definitions of poverty at the start of the decade. In the last few years, however, this stance has softened. At the same time, consumers are more likely to believe that poverty levels are increasing.

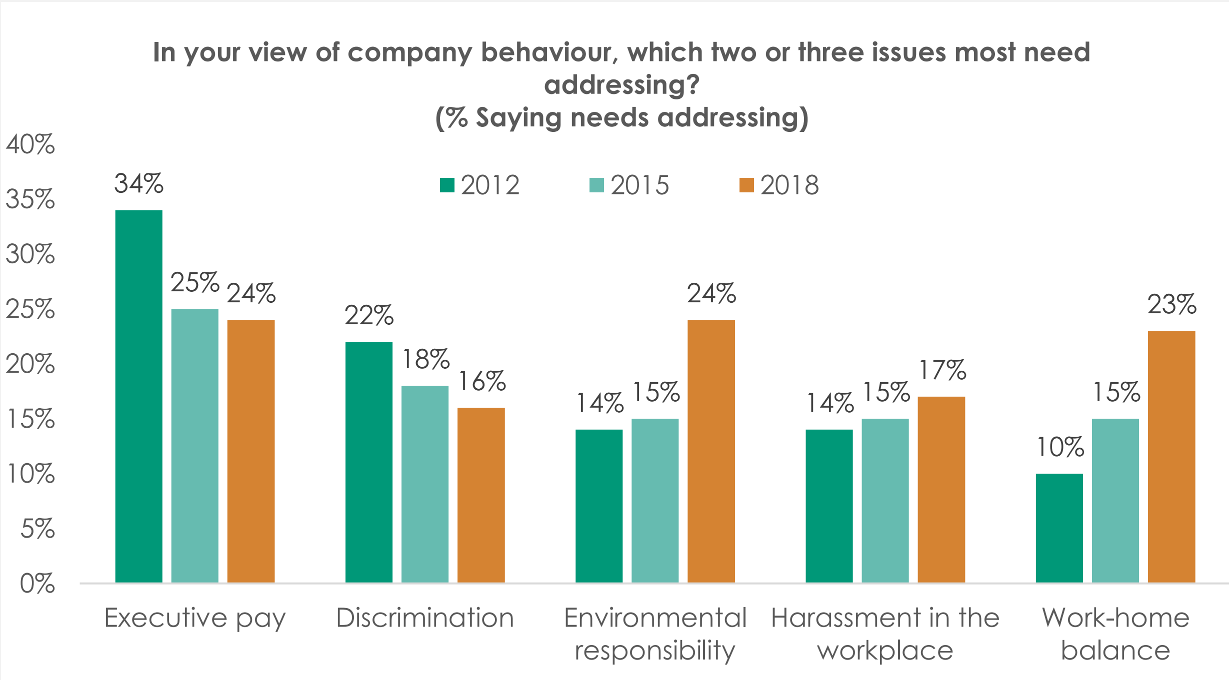


Source: British Social Attitudes

So are we less selfish – is the **New Morality** waning? Not quite yet: the data from BSA shows only a modest increase in attitudes to poverty and in some cases the 2018 figures actually remain lower than in 2010.

However, the landscape for businesses is changing as our ethical criteria broaden once more. Pre-recession, a business might do ethics as a side note to its core functions, and that ethical focus was likely to be predominantly concerned with environmental or 'green' concerns. This changed dramatically and swiftly a decade ago as the **New Morality** narrowed consumer focus: green issues became a lesser priority, replaced by issues of boardroom practice, tax, supply chain issues and corporate governance. During the Deepwater Horizon crisis in 2010 as much focus was placed on the difficulties of the BP CEO, Tony Hayward as on the environmental impact.

More recently, consumers ethical concerns have broadened again, with environmental issues coming back onto the agenda.



Source: IBE Attitudes of the British Public to Business Ethics 2018

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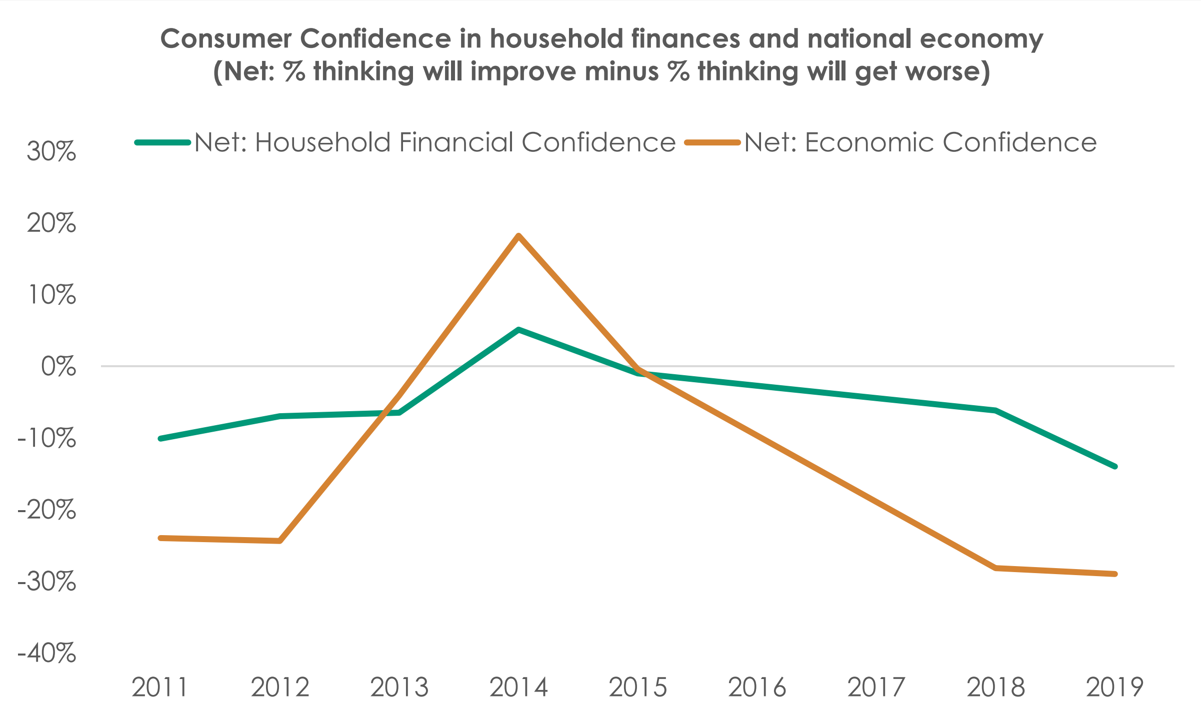
Consumer Trends: a recessionary mindset, without the recession

Although the national discourse is less focussed on the economy than at other times in the last decade, consumers still have it on their mind. Indeed, according to consumer confidence data from September 2019, consumers are as downbeat about both the national economy and their own household finances as at any point in the last decade

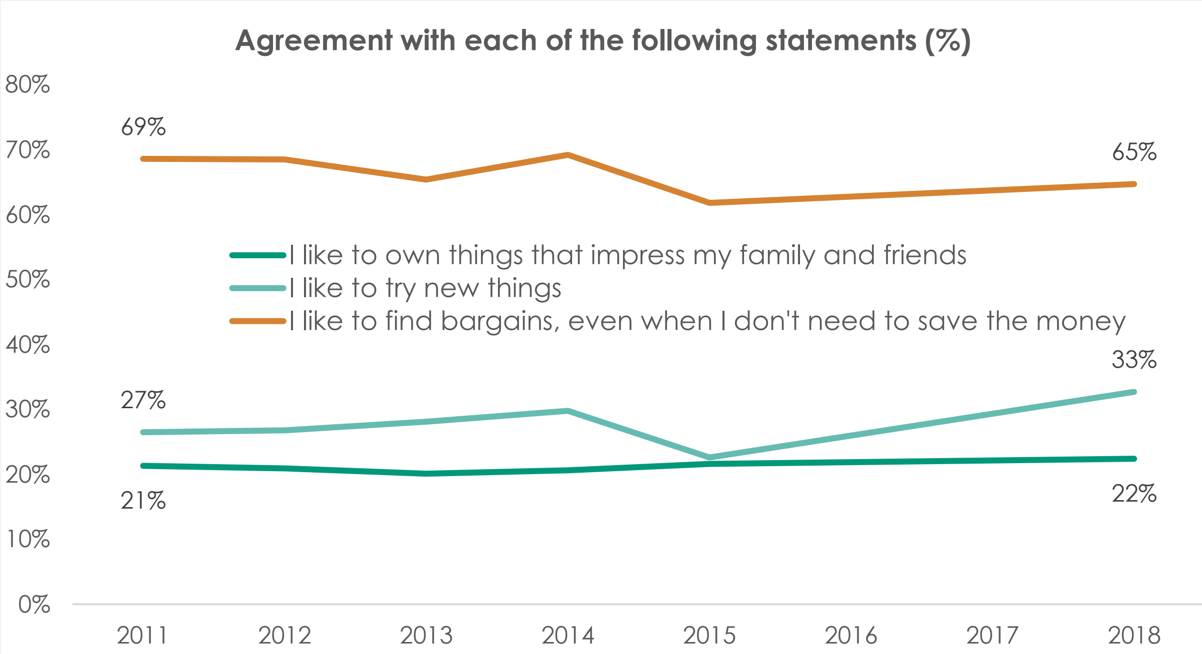
Aside from one bright year (2014), this has been a decade of financial constraint and worry for consumers. Over the past year, Brexit has been the dominant conversation but the issue of the economy – and Brexit's impact on it – never far behind. The UK may be heading for recession – according to the NIESR, it may already be in one – but consumers have been in a recessionary mindset for some time.



Source: Trajectory Global Foresight 2011-2018 / The Optimism Index 2019

This recessionary mindset influences wider consumer behaviours and the sheer duration of the economic pressures have transformed potentially transient trends into established norms. Trends that accelerated during the downturn, such as the value consumers find in choosing to save (i.e. rather than saving money out of necessity), remain deeply entrenched, as does the rejection of the most ostentatious forms of consumption and owning to impress. In this sense, both the adoption of **Discretionary Thrift** and the rejection of **Conspicuous Consumption** are new consumer norms.

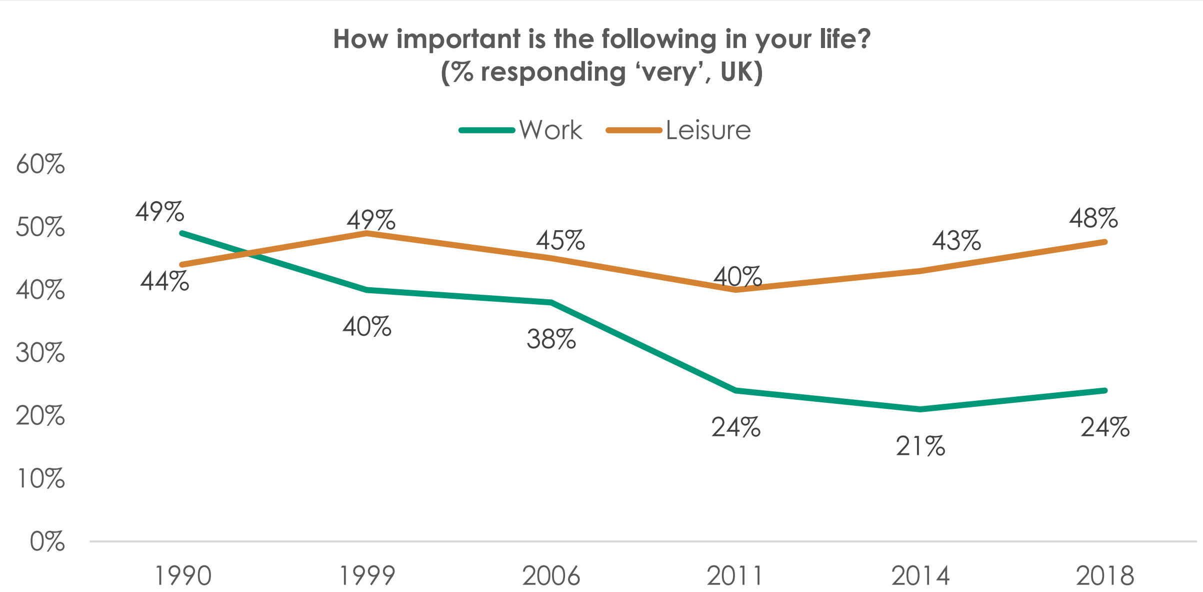
But we are becoming more adventurous. The proportion of consumers who agree that they like to try new things has risen slightly from the beginning of the decade and notably since 2015.



Source: Trajectory Global Foresight 2011-2018

Consumer desire for new experiences chimes with other data confirming a group that are increasingly leisure focussed. In keeping with other trends, new experiences must satisfy the value criteria: they must not be ostentatious and ideally they will contain and element of thrift or savviness in their choosing. But despite the recessionary mindset and grim outlook regarding future finances, consumers will continue to prioritise leisure where possible.

Longer term data demonstrates both this shift and how powerful the last decade has been in terms of rebalancing the work-life scales. In 1990, more consumers saw work as important than leisure. By 2006, work had declined slightly in importance, but the gap remained close.



Source: World Values Survey, 1990-2006 Trajectory Global Foresight 2011-2018

Since 2011 we have seen a more fundamental shift in priorities: the importance of work has declined sharply, to the benefit of leisure. In 2019, consumers may be fearing a recession but their priorities are clear.

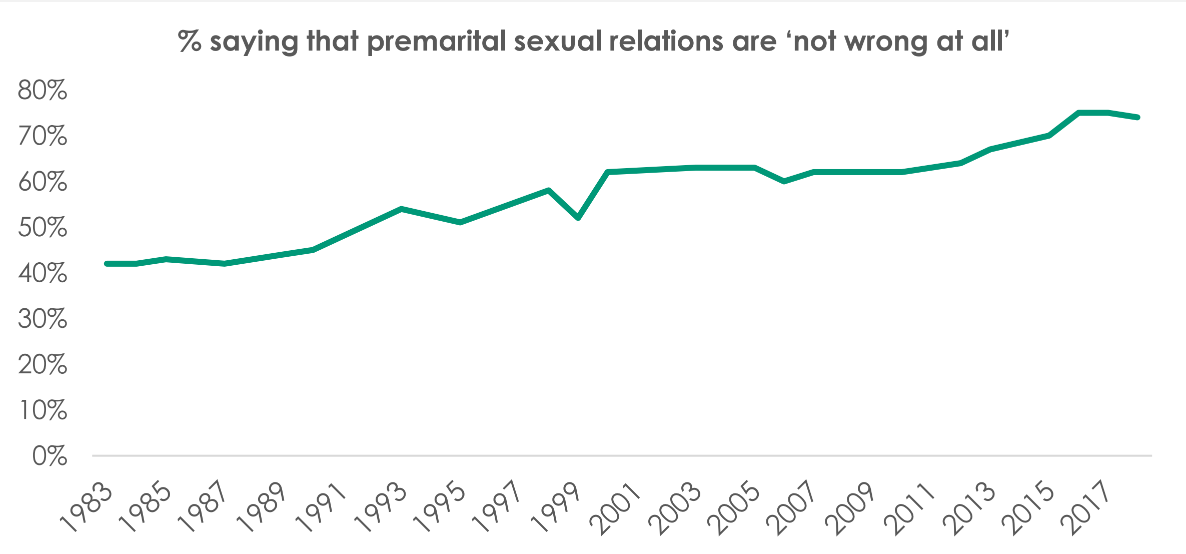
Equality and tolerance

Is the UK a more tolerant country than it was a decade ago? At a societal level, progress on tolerance, diversity and equality is multifaceted, and perhaps unsurprisingly, there is no clear answer.

In the UK in the last decade we have witnessed the legalisation of same-sex marriage, the country's second female Prime Minister, the capital's first Muslim mayor and greater visibility and representation of BAME individuals in prominent positions. We have also seen the Windrush Scandal, the 'hostile environment' policy and a Brexit debate that was – at least partially – about immigration and the loss of British identity.

Trends in consumer values in this area are equally mixed. In some areas we are becoming markedly more liberal – for example, attitudes towards same-sex relationships have become markedly more tolerant over the last decade. In 2010, c.45% of people said that sexual relations between two adults of the same sex were 'not wrong at all'. By 2018 that figure had risen to c.70%.[1]

In other areas there are also signs of long term liberalisation. Attitudes towards premarital sex, for example, have been become more tolerant for some time, including within the last decade.

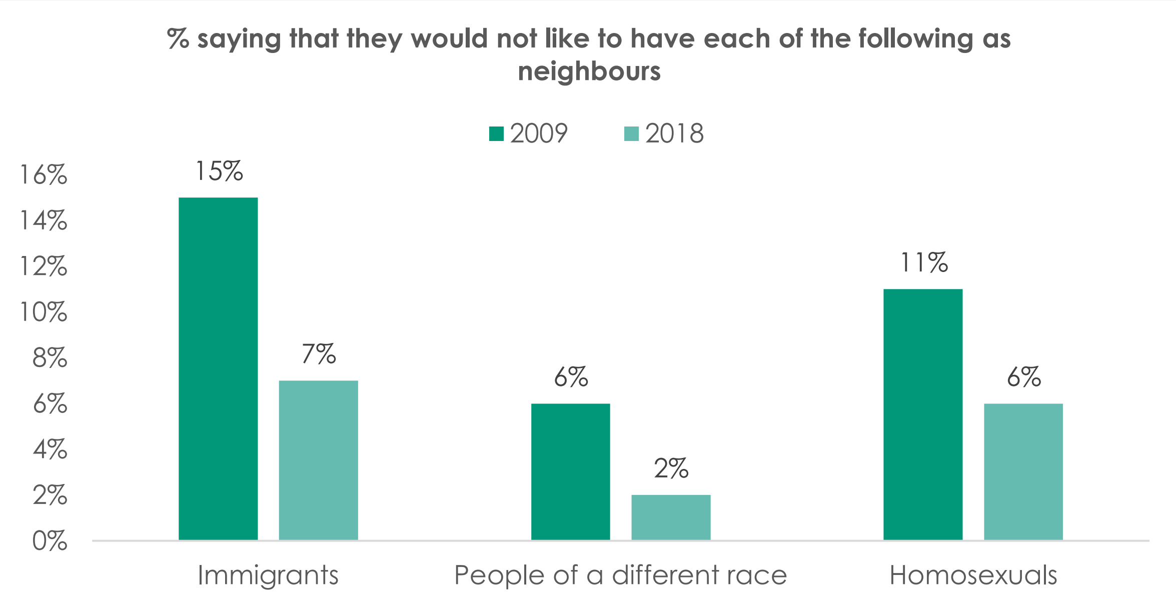


Source: British Social Attitudes, 2018

Elsewhere, there is positive evidence of declining prejudice. Over the past decade, the European Values Survey has explored public prejudice by asking who people would not want to have as neighbours. In 2009, more than one in ten said they would not want to live next door to someone who was homosexual and 15% said

[1] British Social Attitudes 36, p9.

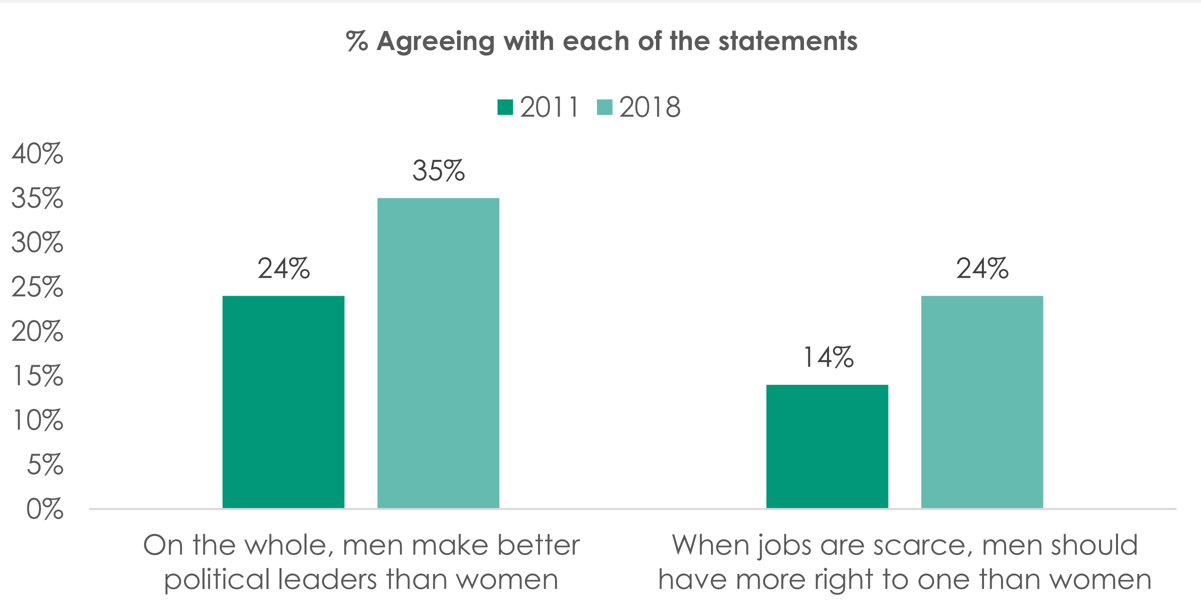
they would not want to live next door to an immigrant. Over the last decade, the proportion saying this have halved.



Source: European Values Survey, 2009-2018 (UK)

However, not all change in this area has been positive. Trajectory Global Foresight data shows that attitudes to gender roles have been becoming markedly less liberal over the past three to four years, having been stable before that.

More than one in three (35%) agree that men make better political leaders than women, and around a quarter (24%) agree that when jobs are scarce, men should have more right to one than women.



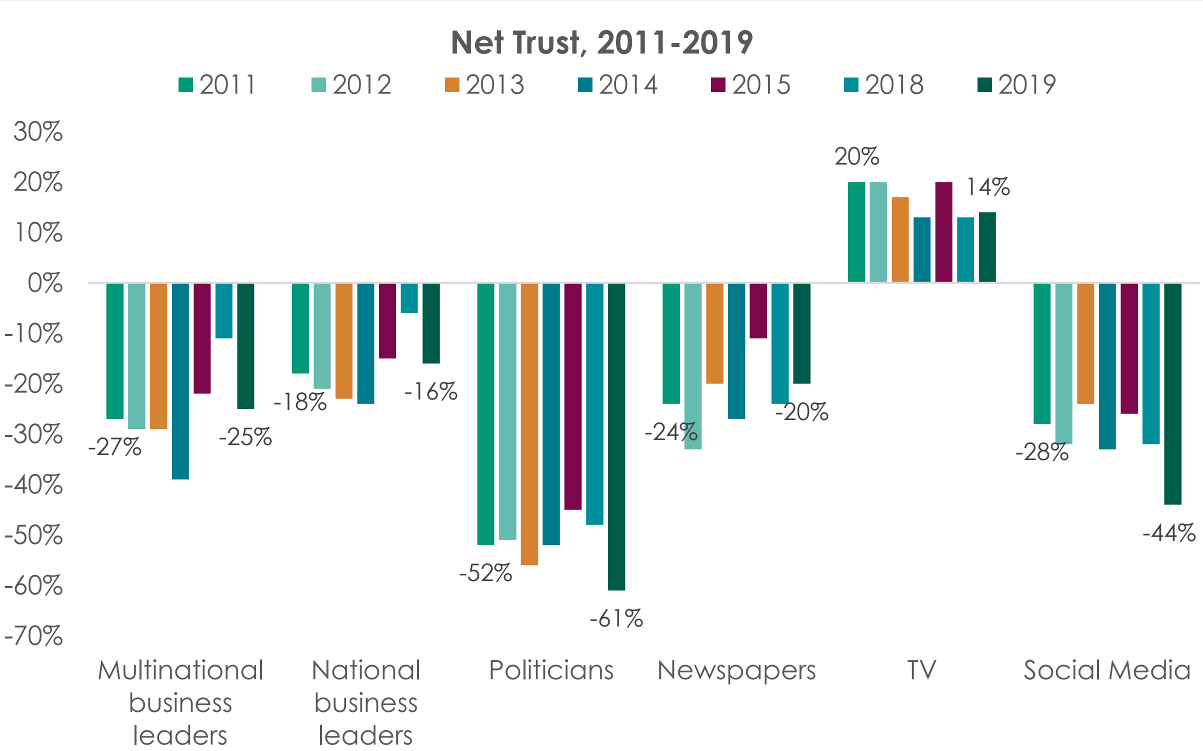
Source: Trajectory Global Foresight, 2011-2018 (UK)

There is, therefore, no clear answer to the question of whether or not we are a more open and tolerant nation at the end of this decade than we were at the start. In some areas there is a clear and obvious change towards greater permissiveness and liberalisation and a retreat from deeply prejudicial attitudes. However, in other areas, old prejudices not only persist, but are growing.

Trust and Confidence

It has not been a good decade for trust. As the data below shows, for almost every area of media, politics and business we ask about trust is strongly negative.

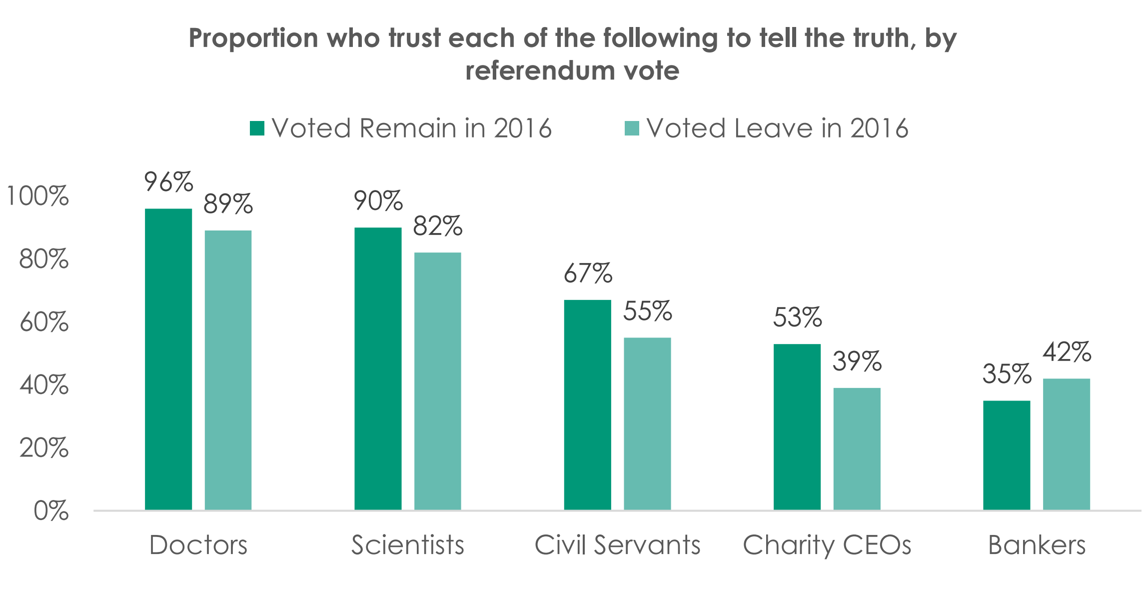
Politicians have experienced low trust for decades, but in 2019 find themselves plumbing new depths of (un)popular opinion. Businesses have struggled to regain their footing since the start of the downturn and social media started the decade with the same level of mistrust as newspapers but have since seen their position worsen. TV remains the one area with positive levels of trust but even here there is evidence of slow decline in public opinion.



Source: Trajectory Global Foresight 2011-2018 and The Optimism Index, 2019

Trust matters. Regression analysis demonstrates that levels of trust influence consumer identity (whether they identify as global citizens or not) their levels of nostalgia, consumer confidence optimism and even spending plans. Businesses that foster high levels of trust with consumers can expect engaged, loyal and even evangelical customers as a result.

Over the last decade, trust has been affected – effectively, supressed – by a number of trends, including a litany of scandals (chiming with **New Morality** values) an acceleration in the **Decline of Deference** (into a wholesale **Death of Deference**) and by increasing consumer polarisation. This final issue is deeply powerful, particularly as Brexit has created a cultural lens through which everything else – including sources of information – can be judged.

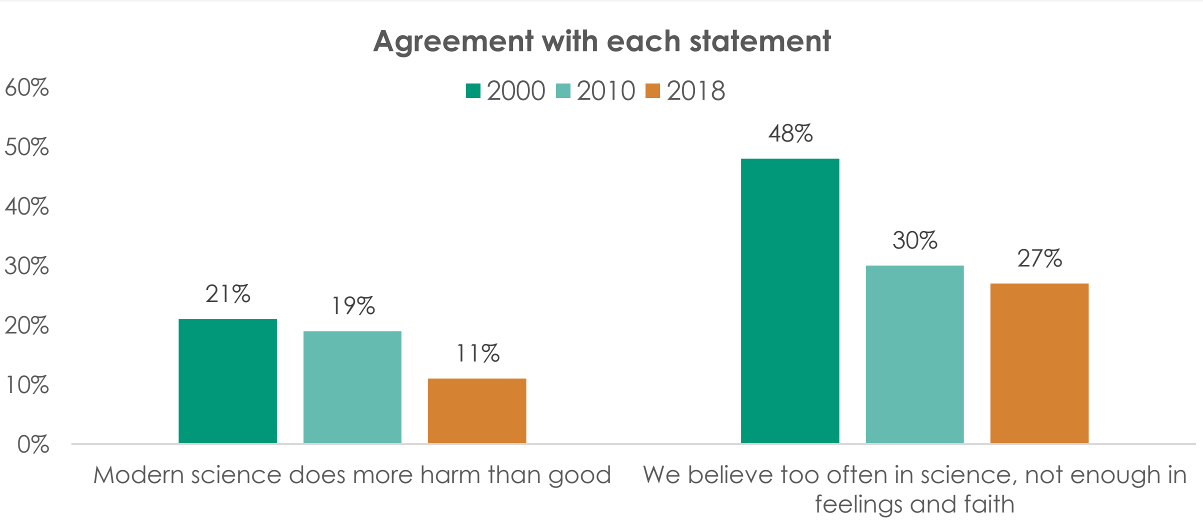


Source: Ipsos MORI Veracity Index, 2019

Consumers' unprecedented access to information has played a role in shifting trust trends over the past decade. Online, misinformation can take many forms, including hoaxes, outright lies and fake news and rhetoric that is false in a literal sense but applicable in a metaphorical one.

Most of all, consumers' behaviour online contributes to greater polarisation and a willingness not to listen to an opposing point of view. A study in the US from 2014 shows that even five years ago consumers were taking an active role in creating their own filter bubbles and echo chambers. In these bubbles, certain expertise can count for less; meaning that creditable information from the NHS, ONS, Government and others does not have the same impact. As a manifestation, witness the prevalence of belief in conspiracy theories in the UK public.

However, despite this crisis of trust we have not lost faith in science altogether. Trend data from British Social Attitudes suggests that, far from having 'had enough of experts' consumers trust science more.

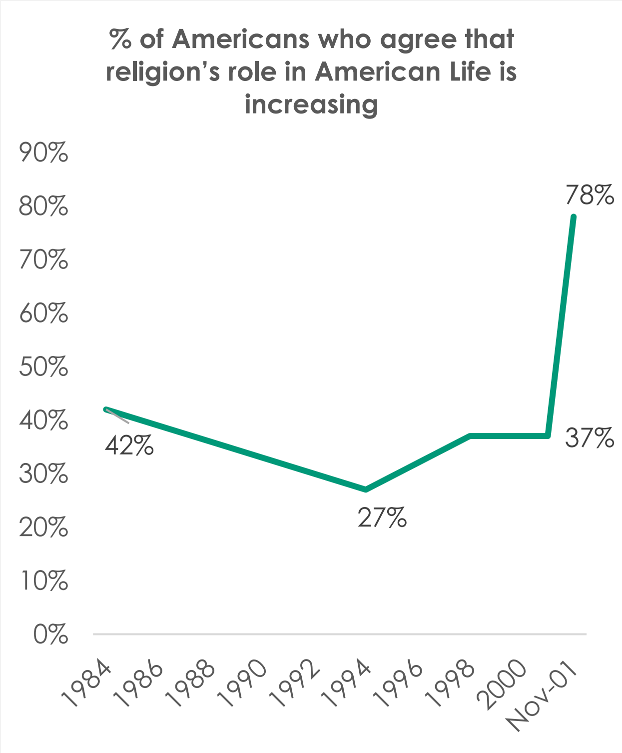


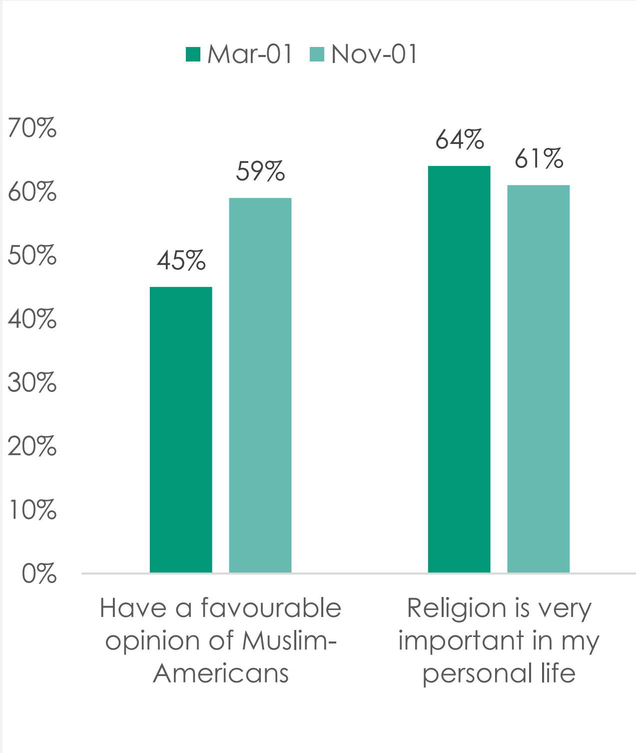
Source: British Social Attitudes, 2018

Conclusion: Where Are We Now?

Brexit: expect the unexpected

Brexit is a momentous event in the recent history of the UK; it will have profound impacts at a political and economic level. But it may also drive unexpected and apparently sudden changes in consumer values too. An example here is the surprising shift in deeply held values and attitudes witnessed in the US after the 9/11 Terrorist Attacks.





Source: Pew Research Centre

In the aftermath of those attacks, religion was seen as playing a much more prominent role in society, despite no increase in individual religiosity. Furthermore, attitudes to Muslim-Americans became more favourable immediately after the attacks.

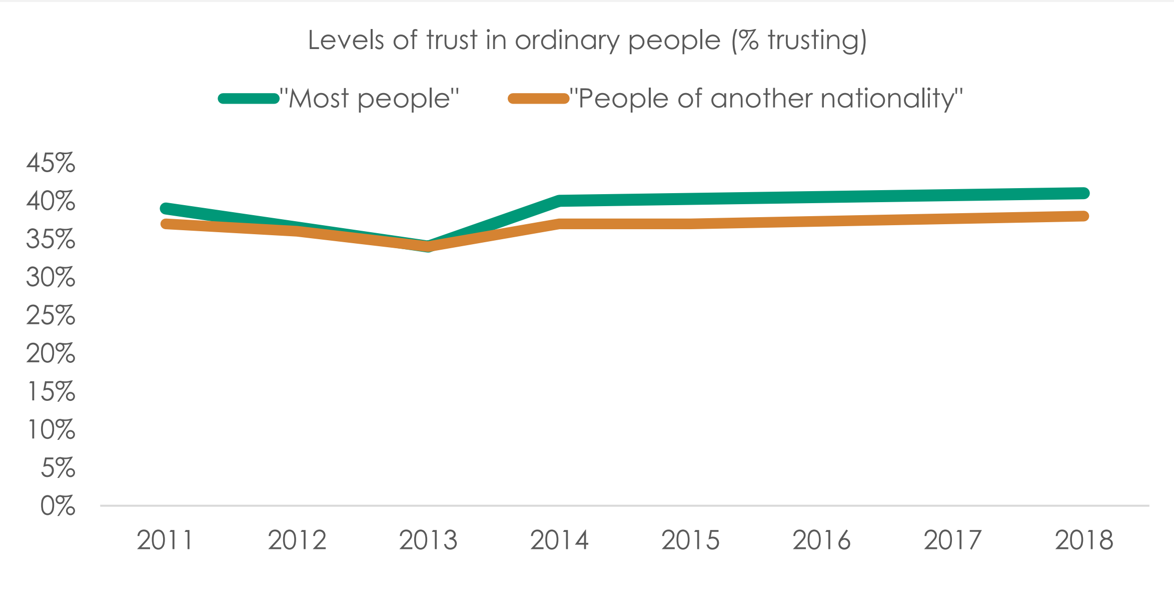
Brexit is a very different event to 9/11 – it concerns political and economic realignment rather than a sudden and violent attack on a nation – but the UK's departure will have significant overnight impacts, potentially changing the way businesses can operate or trade, the amount and type of food in the shops and the movement of people from the UK around the world. When these changes to daily life or to the consumer image of the nation occur, our values will change too – as we saw in the US in 2001.

Trust and confidence

Another impact of those terrorist attacks was a rise in trust and confidence in government and politicians (according to Pew in the US and British Social Attitudes in the UK). This is less unexpected; although the decline of deference is a decades old trend charting consumers increasing willingness to question authority it often slows at times of national crisis: in these moments, consumers once again put their faith in institutions to steer them through the crisis.

However, trust in institutions is now – even by historic standards – at a low ebb. Even a notable rise in trust prompted by a significant national event is likely to leave confidence in institutions in negative territory. Who, then, will consumers turn to for information and support?

One area of trust that has remained stable throughout the last, turbulent, decade is levels of trust in other people.



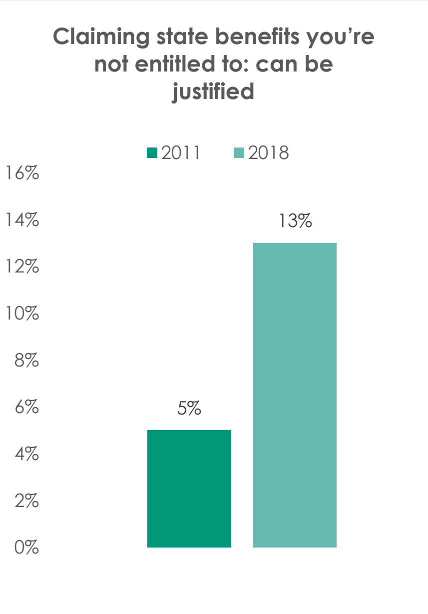
Source: Trajectory Global Foresight 2011-15/ EVS 2018

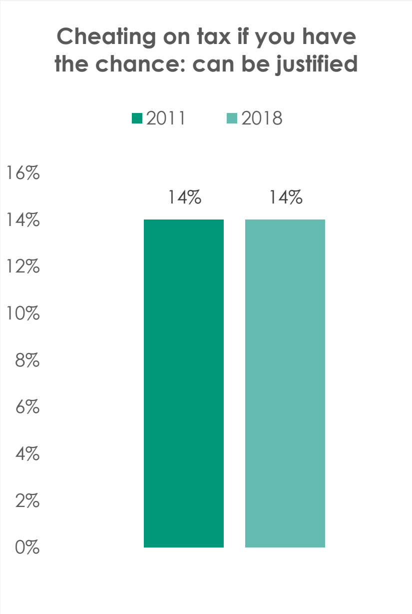
Although the levels of trust here are short of a majority (c.35-40%) they are remarkably stable over time. Levels of trust in media, business and politicians are volatile and respond to scandals, economic news and our perception of the country's direction.

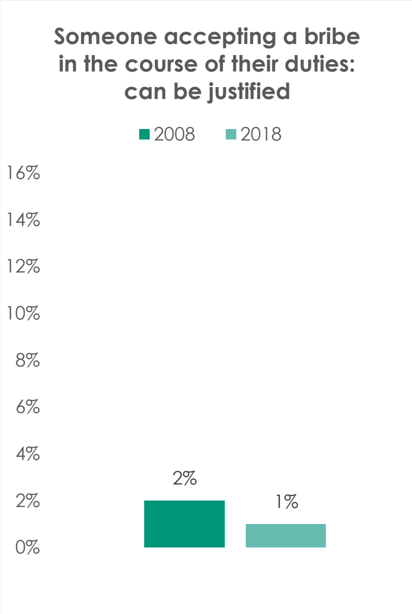
Them & Us

Stable trust in ordinary people, along with low and declining levels of trust in institutions reveals a powerful new dynamic as we head into 2020 and the next decade: **Them & Us**. In this trend, we see not just different alignments in terms of trust, but also different standards being applied to figures of authority and ordinary people. In some instances, for example – the profiling (or doxing) of ordinary members of the public after they asked questions of Tory Leadership Candidates on the BBC, or of the neighbours of Boris Johnson and Carrie Symonds, who recorded their argument – this manifests itself as increasing scrutiny of ordinary people.

Elsewhere, there is evidence of a divergence in values depending on the circumstances. Over the last decade the proportion of consumers agreeing that someone cheating on tax or claiming benefits they are not entitled to has either increased or remained stable. Conversely, consumers have become even less permissive of organisation misconduct.







Source: Trajectory Global Foresight 2011-2018, EVS 2008-2018

Them & Us is the latest manifestation of the New Morality trend that has been driving consumer sentiment and attitudes since the outset of the downturn. In this instance, it has developed into something volatile and almost contradictory: reflecting our polarised and fragmented times.

Them & Us is already making its presence felt in a commercial landscape. In December 2018, mobile network O2 suffered a major outage, depriving millions of customers network access for a day. To make amends, O2 offered each affected customer the chance to vote on how their compensation – calculated at 90p per person – would be spent.

The majority of customers (61%) voted to keep the compensation for themselves – after all, every penny counts – while 39% voted to donate their share to O2's chosen charity, Crisis. While casting no slight on the hundreds of thousands of customers who voted to claim their miniscule compensation for themselves, if a business had acted in a similarly penny-grabbing fashion it would have been crucified in the court of public opinion.

As we enter 2020 the message from consumers is clear: do as I say, not as I do.

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