

Clothing And Pubs Hit As People Reduce Spending

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While most UK consumers expect to cut back on a wide variety of goods and services, Gen Y appear more immune when it comes to going out drinking.Â

A GfK NOP survey has found that most UK consumers expect to be spending less on the range of popular activities; only a fifth of people thought that they would not be cutting back.Â

Of the range of activities GfK NOP asked about, the biggest victims of the slow-down in the economy were "buying new clothes" and "eating out", with over half of people saying they'd be cutting back in these areas, closely followed out drinking and "planning holidays or short breaks" at 46 and 45 per cent respectively. Not far under a half of us (41 per cent) say we're cutting back on saving.Â

Helen Roberts, Retail Director for GfK NOP, comments, "Our data suggests that pubs may be particularly badly hit, with over half of their core 25-44 year old market saying they will be "going out drinking" less. That broke down into 52 per cent of 25-34 year olds and 56 per cent of 35-44 year olds. The travel industry is also likely to suffer, with not far under half our survey " 45 per cent - saying they would be less likely to be "planning short breaks or holidays", suggesting that the slopes may be rather empty this season."

Generation Y spending

The younger "generation Y" consumers (16-24 yr olds) do not appear to be quite so concerned about reducing their spending. While 56 per cent of 35-44 year olds are going out drinking less, this comes down to 43 per cent for Generation Y. Similarly, for entertaining, 47 per cent of the 35-44 year olds say they'll be doing less of this, compared to just 27 per cent of the 16-24 year olds.Â

Roberts comments, "This reflects both the higher disposable income of Gen Y, with no mortgages to pay, but also their particular circumstances. A high percentage will still be living in the parental home, meaning they are likely to do less "entertaining" than older generations anyway, and also likely to place higher importance on meeting up with friends outside the home. However, they do seem to be feeling the pinch in other areas, such as buying new clothes, where we see 56 per cent of 16-24 year olds cutting back, not all that much lower than the 60 per cent for 35-44 year olds."

The GfK NOP survey also indicates that there will be down-turns in charity donations and purchase of ethical and organic products. Whilst these don't seem as badly hit as other areas, it is likely that the overall impact will be the same given the lower proportion of the population to which these activities apply in the first place.

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