

Online Shopping Surges As Even The Well-Off Cut Back

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Nearly all of us are being more careful about what we spend – even if we are not directly affected by the recession, according to research published this month.

This increased caution is reflected in a rise in internet shopping as consumers go online to hunt for bargains.

The Online Consumer Spending Survey 2009, carried out by market research agency ORC International, reveals that 90% of consumers are keeping a close eye on bank balances, even though, among these, 32% have not had their incomes affected by the downturn.

Of the 5,000 head of household adults surveyed by ORC International, only around 500 said they were making no changes to the way they spend.

Online retailers are benefiting from this extra prudence as nearly half of us are trying to save money by turning to the internet much more frequently than we used to. A further 24% of consumers say they are more likely to compare prices online before heading out to the shops.

Angela Richmond, of ORC International's Customer Strategy and Technology Division, says:
"This survey confirms a low level of consumer confidence, with spending on non-essential luxuries definitely falling by the wayside.

"In some ways, the internet is coming to the rescue of consumers, with the opportunity to get online bargains. People are able to compare prices more easily and get better deals on essentials like insurance, electricity and gas. Interestingly, however, it is often higher income households who make the most of this."

More than a third of consumers are making the switch to online shopping in a bid to save money. For others, however, using the web is a lifestyle choice, with 25% looking to save time and 14% taking advantage of a wider choice of products.

The impact of the recession has been felt most severely in Northern Ireland, the North of England and the Midlands, where around a third of survey respondents said they had been forced to make considerable spending cuts.

But what are we spending less on? The ORC International survey showed that over half of the respondents are likely to be spending less on eating out and clothes. Gifts and holidays are next most likely to be cut back, with 45% of consumers spending less on presents and 42% spending less on trips away.

However, as confidence returns, holidays are likely to be the first area where people will start to spend again, with 42% putting it in the top three categories where they will spend more.

Clothing was the second most popular area where spending will be restored, with 28% of respondents looking forward to spending more in this area. Less generously, perhaps, only 10% of us will be prioritising our gift shopping once the economy has improved.

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