



# Consumer Mood Monitor UK

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April 2024  
REDC



# RED C Consumer Mood Monitor – Key Headlines



1

With 2024 very likely to be an election year in the UK, the government would like Britons to feel more confident in the future. However, UK consumers **continue to demonstrate a negative outlook on the economy and spending**. The aspect expected to fare the worst in the next six months is observed to be the cost of living.

2

While most consumers maintain a pessimistic view of the economy, there **has been a modest increase in optimism since October 2023**. With inflation falling to a 2-year low, an **improvement has been seen in perceptions associated with cost of borrowing**. In other areas like disposable income, fewer consumers are starting to believe things will get worse.

3

Consumers anticipate that their **spending on essentials will remain largely unchanged, on par with October 2023 results**. In fact, most UK adults are not anticipating as significant a rise in their expenses as previously expected late last year.

4

- **Gen Z are feeling more positive than other demographics, following the fall of inflation.** Gen Z consumer outlook favours improvements towards the UK Economy, Global Economy and disposable income.

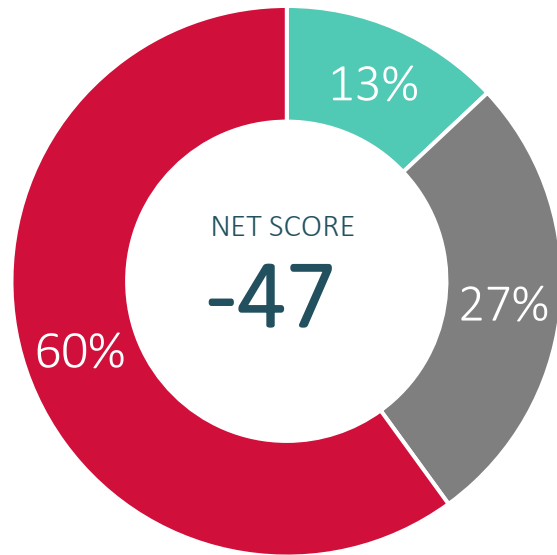
Consumer sentiment towards the Global Economy is comparatively more pessimistic than that towards the UK economy, despite forecasts suggesting things will look up at a global level

# Since last October, the opinion on the UK economy remains pessimistic amongst UK adults

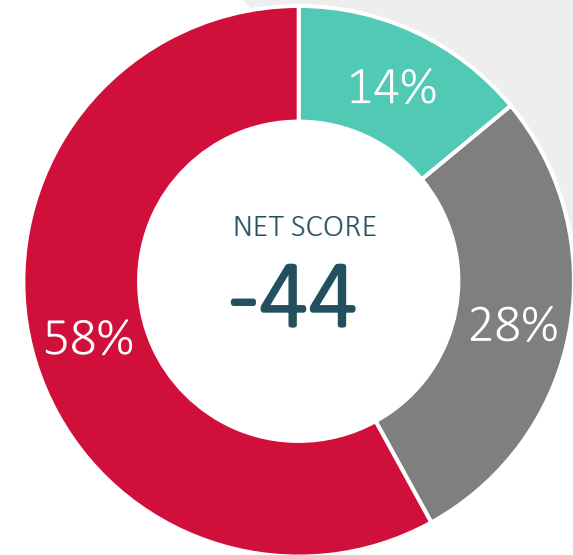
Net score sees a small +3 improvement compared to October last year, but no significant shift



UK Economy (Total)  
October 2023



UK Economy (Total)  
April 2024



■ Get better ■ Stay the same ■ Get worse

Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
Base: Total sample Oct 23 (n=2095), Apr 24 (n=2066)

▲ Significance tested at 95% vs Oct 23

# 18-24s remain the most optimistic towards the UK Economy



Females' opinion of the UK economy continues to be more negative than that of males, with concerns regarding the gender pay gap and uncertainties surrounding pensions still ongoing

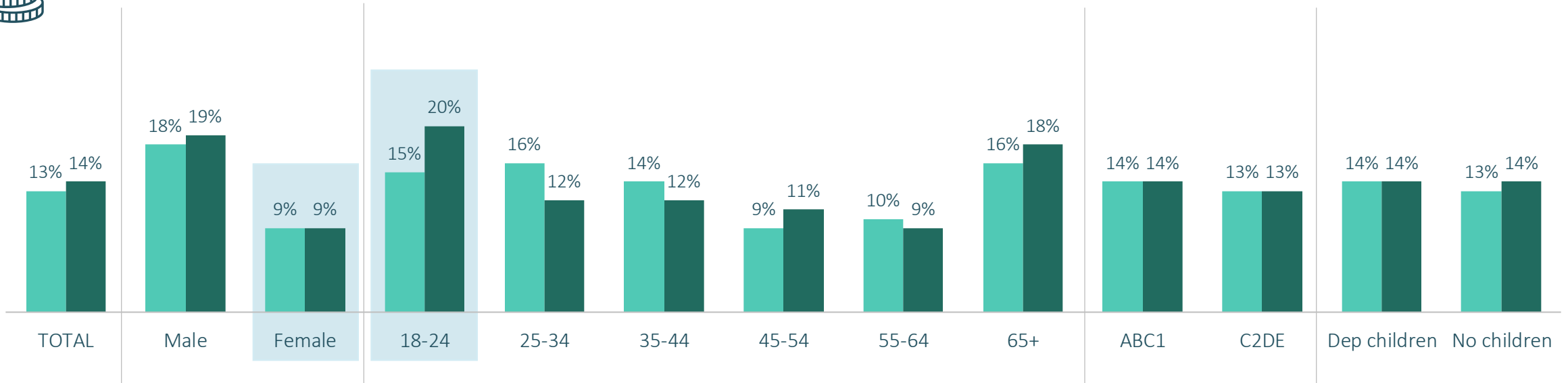
## Expectations for the UK Economy six months from now

% who believe it will get **better**



■ Oct-23      ■ Apr-24

“Median pay for all employees was 14.3% less for women than for men in April 2023”\*



Q1. How do you think the following aspects of the economy will fare in the next 6 months?

Base Oct 23/Apr 24: Total (n=2095/2066) M (n=1069/1009), F (n=1021/1050), 18-24 (n=209/209), 25-34 (n=356/321), 35-44 (n=359/330), 45-54 (n=383/371), 55-64 (n=337/329), 65+ (n=451/506), ABC1 (n=1082/1190), C2DE (n=1013/876), Any child (n=947/504), No child (n=1137/1548)

▲ ▼ Significance tested at 95% vs Oct 23 / No significant difference observed

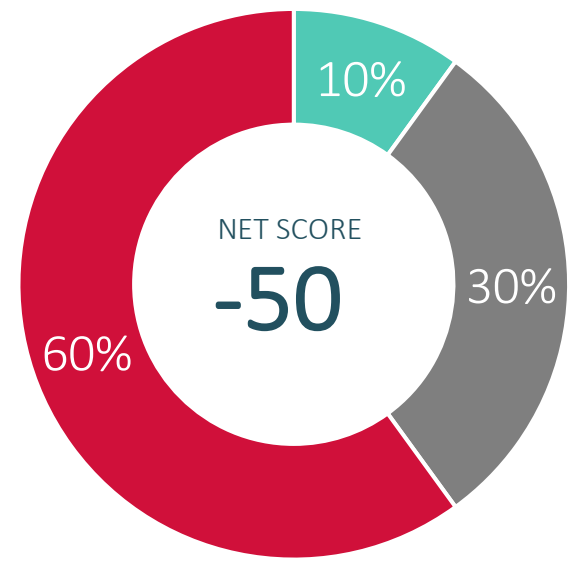
\* Source: <https://researchbriefings.files.parliament.uk/documents/SN07068/SN07068.pdf>

# 5% fewer UK adults feel that the World Economy is going to get worse compared to October last year

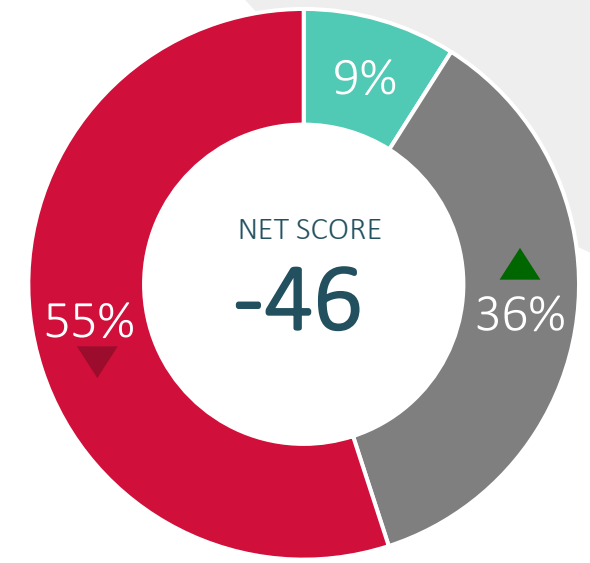
Overall opinion on the World Economy has, similar to the UK Economy, remained steady amongst UK adults



World Economy (Total)  
October 2023



World Economy (Total)  
April 2024



■ Get better ■ Stay the same ■ Get worse

Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
Base: Total sample Oct 23 (n=2095), Apr 24 (n=2066)

▲▼ Significance tested at 95% vs Oct 23

# Once again, the 18-24 demographic are most optimistic



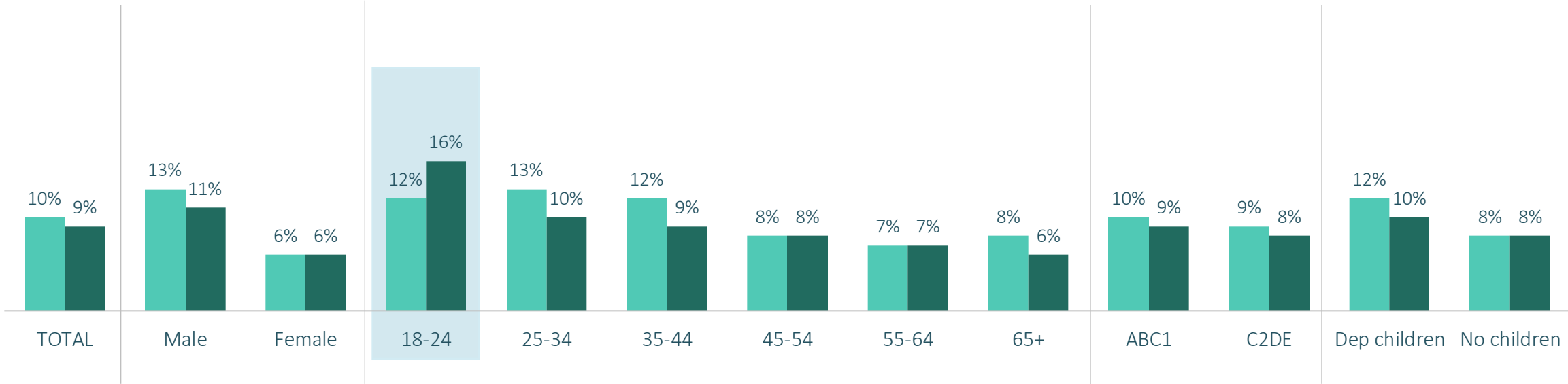
Low scores likely driven by widespread sense of unease in light of escalating tensions in the Middle East and conflicts along the borders of Europe

## Expectations for the World Economy six months from now

% who believe it will get **better**



■ Oct-23      ■ Apr-24



Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
 Base Oct 23/Apr 24: Total (n=2095/2066) M (n=1069/1009), F (n=1021/1050), 18-24 (n=209/209), 25-34 (n=356/321), 35-44 (n=359/330), 45-54 (n=383/371), 55-64 (n=337/329), 65+ (n=451/506), ABC1 (n=1082/1190), C2DE (n=1013/876), Any child (n=947/504), No child (n=1137/1548)

▲▼ Significance tested at 95% vs Oct 23 / No significant difference observed



In accordance with a decrease in inflation to 3.2%, the Bank of England anticipates lower interest rates for summer 2024, influencing consumers' mindsets.

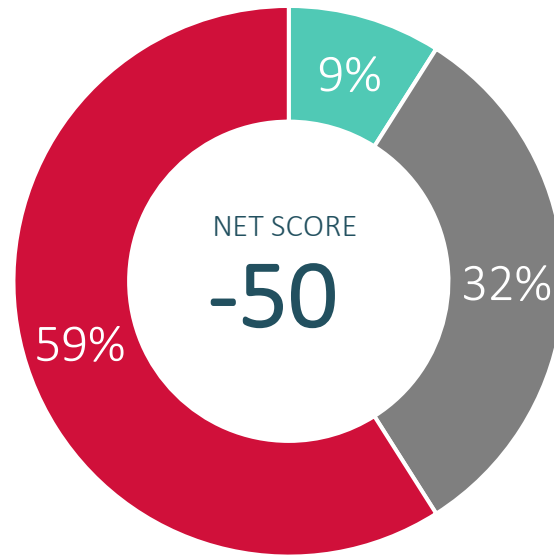


# As a result, in comparison to October 2023, significantly more UK adults believe that the cost of borrowing money is going to improve

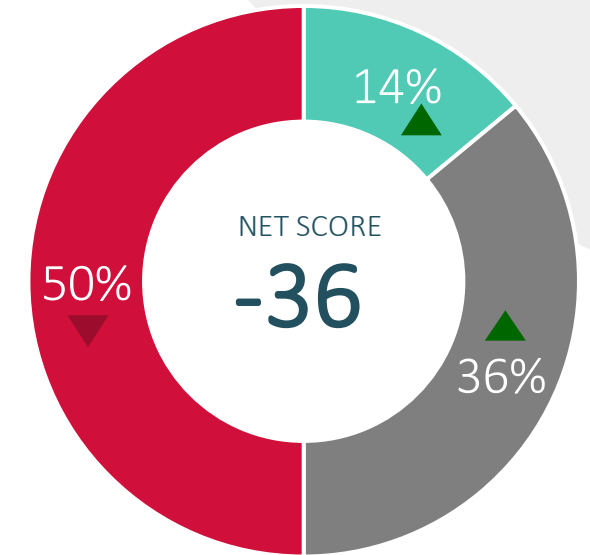
UK adults are evenly divided on their opinion



### Cost of borrowing money (Total) October 2023



### Cost of borrowing money (Total) April 2024



■ Get better ■ Stay the same ■ Get worse

Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
Base: Total sample Oct 23 (n=2095), Apr 24 (n=2066)

▲▼ Significance tested at 95% vs Oct 23

# Cost of borrowing sees positive uplifts across demographics

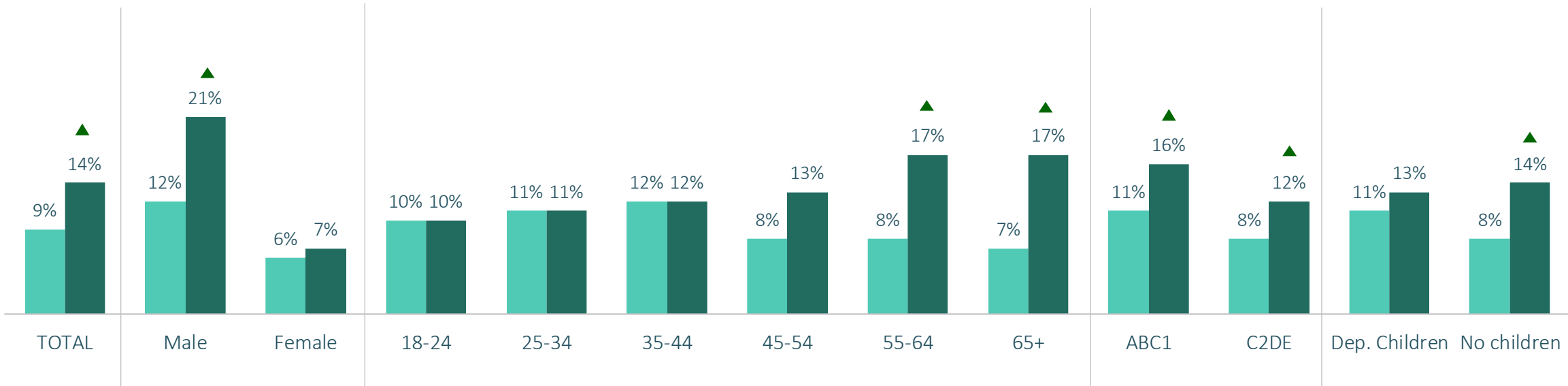


Uplifts from October last year are driven by males, those over 55+, those without children and consumers who are likely to own property through a mortgage

Expectations for the cost of borrowing money six months from now  
% who believe it will get **better**



■ Oct-23      ■ Apr-24



Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
Base Oct 23/Apr 24: Total (n=2095/2066) M (n=1069/1009), F (n=1021/1050), 18-24 (n=209/209), 25-34 (n=356/321), 35-44 (n=359/330), 45-54 (n=383/371), 55-64 (n=337/329), 65+ (n=451/506), ABC1 (n=1082/1190), C2DE (n=1013/876), Any child (n=947/504), No child (n=1137/1548)

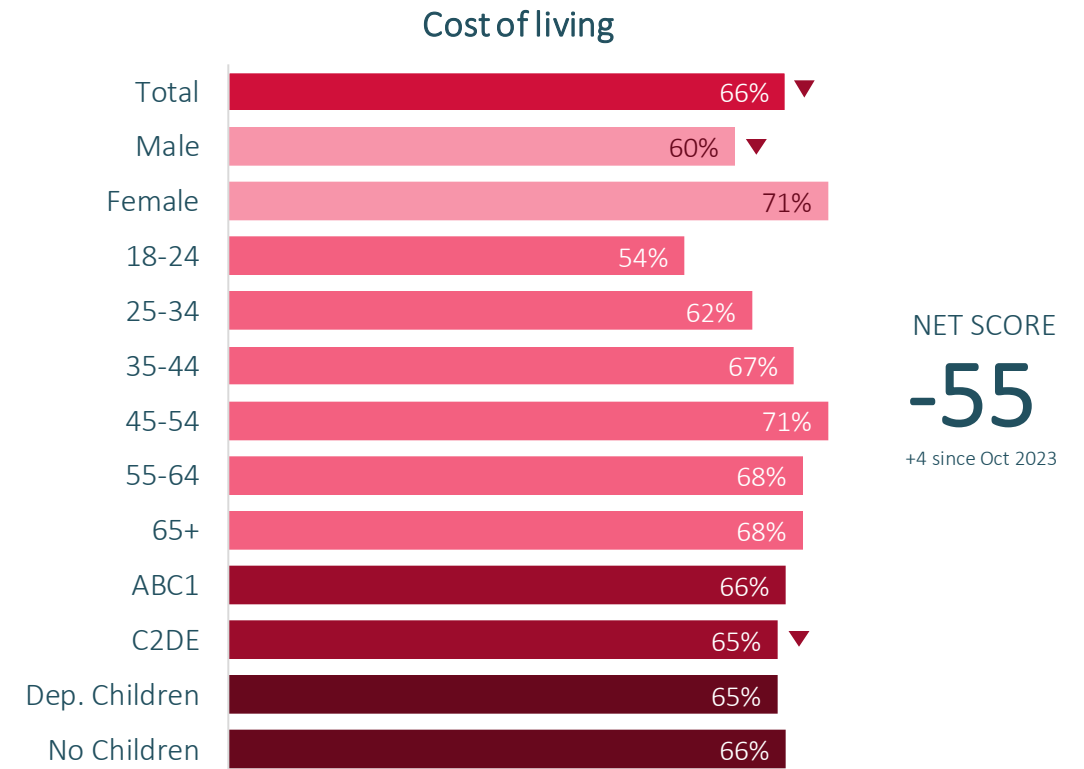
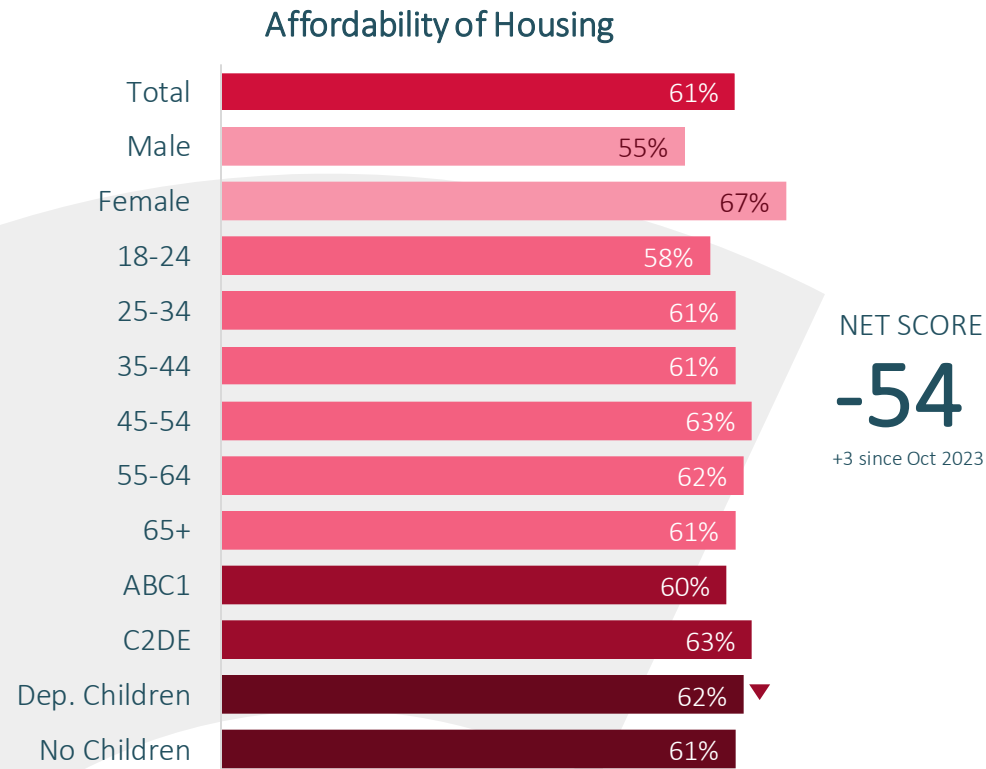
▲▼ Significance tested at 95% vs Oct 23

# Small shifts for cost of living, but overwhelmingly still negative



2 in 3 UK adults still believe that the costs associated with securing housing and the cost of living are going to get worse

How do you think the following aspects of the economy will fare in the next 6 months  
% who believe it will get worse



Q1. How do you think the following aspects of the economy will fare in the next 6 months?

Base Oct 23/Apr 24: Total (n=2095/2066) M (n=1069/1009), F (n=1021/1050), 18-24 (n=209/209), 25-34 (n=356/321), 35-44 (n=359/330), 45-54 (n=383/371), 55-64 (n=337/329), 65+ (n=451/506), ABC1 (n=1082/1190), C2DE (n=1013/876), Any child (n=947/504), No child (n=1137/1548)

▲▼ Significance tested at 95% vs Oct 23



# More consumers, versus 2023, believe their disposable income will remain stable

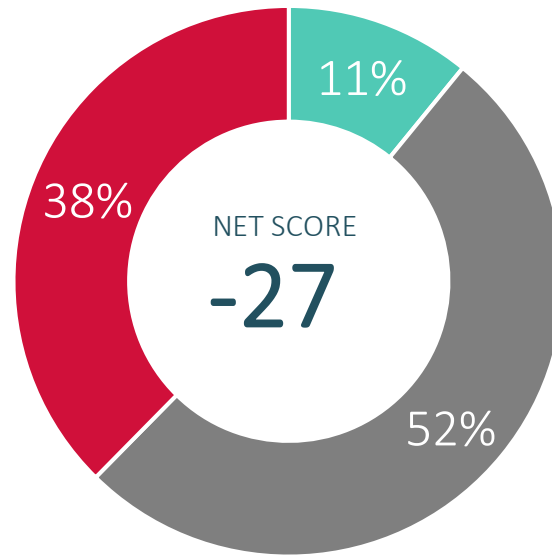
Employment (the ability to get and change jobs) remains unchanged vs October last year



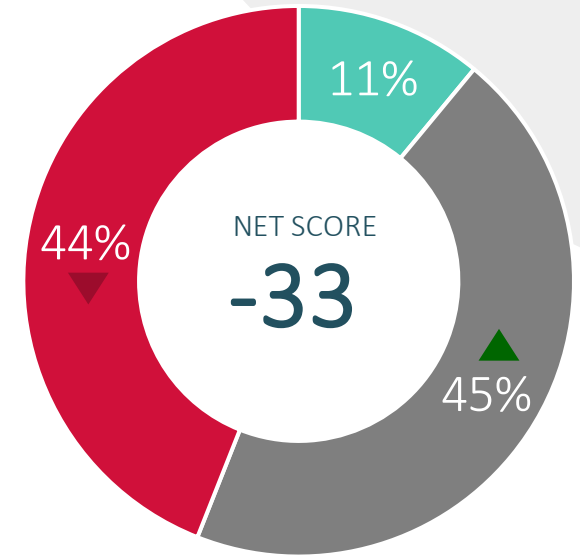
Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
Base: Total sample Oct 23 (n=2095), Apr 24 (n=2066)

▲▼ Significance tested at 95% vs Oct 23

### Employment (Total) April 2024



### Disposable Income (Total) April 2024



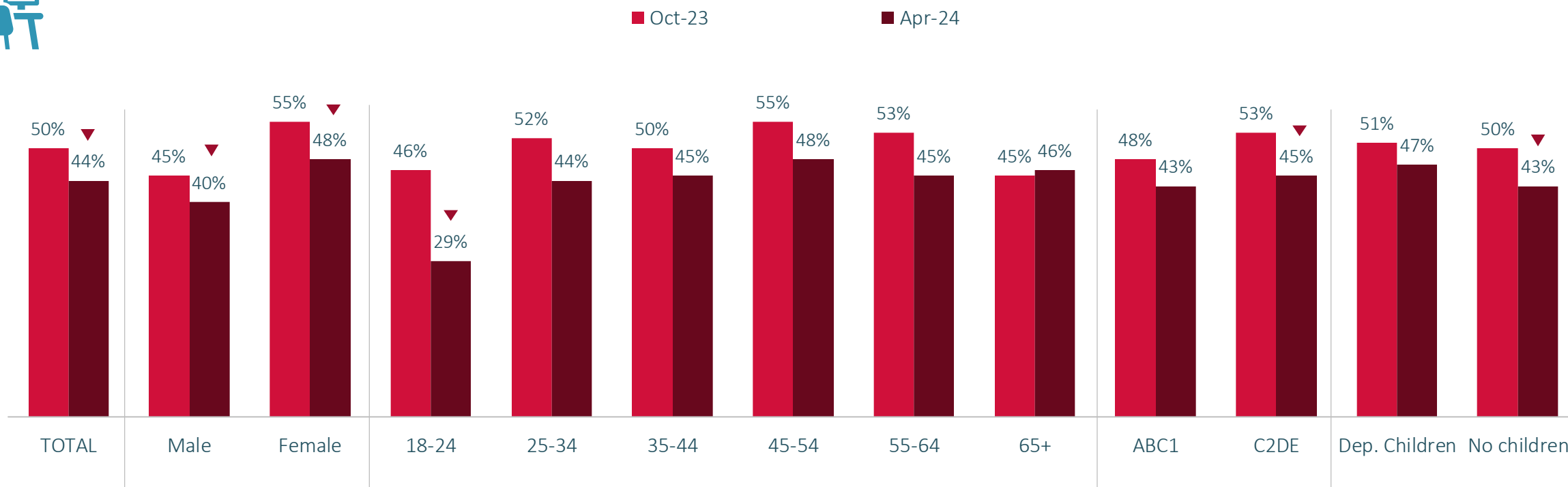
■ Get better ■ Stay the same ■ Get worse

# 2 in 5 UK adults still believe their disposable incomes will decline



The number of 18-24-year-olds expecting their disposable incomes to decline has decreased by 17% compared to October, coinciding with lower interest rates alleviating pressures on budgets and borrowing

## Expectations for disposable income six months from now % who believe it will get worse



Q1. How do you think the following aspects of the economy will fare in the next 6 months?  
 Base Oct 23/Apr 24: Total (n=2095/2066) M (n=1069/1009), F (n=1021/1050), 18-24 (n=209/209), 25-34 (n=356/321),  
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 Any child (n=947/504), No child (n=1137/1548)

▲▼ Significance tested at 95% vs Oct 23



UK consumers are more optimistic than in October 2023 when it comes to spending on essentials

# Despite recent COL struggles and the difficult international context, UK consumers observe marginal financial improvements compared to 6 months ago



**Prices in the UK rose by 3.2% in the year to March 2024, the lowest rate since September 2021.**

<https://www.bbc.co.uk/news/business-12196322>

**UK household energy bills to fall as Ofgem reduces price cap by 12%**

Typical household will pay £1,690 a year, still well above levels before energy crisis

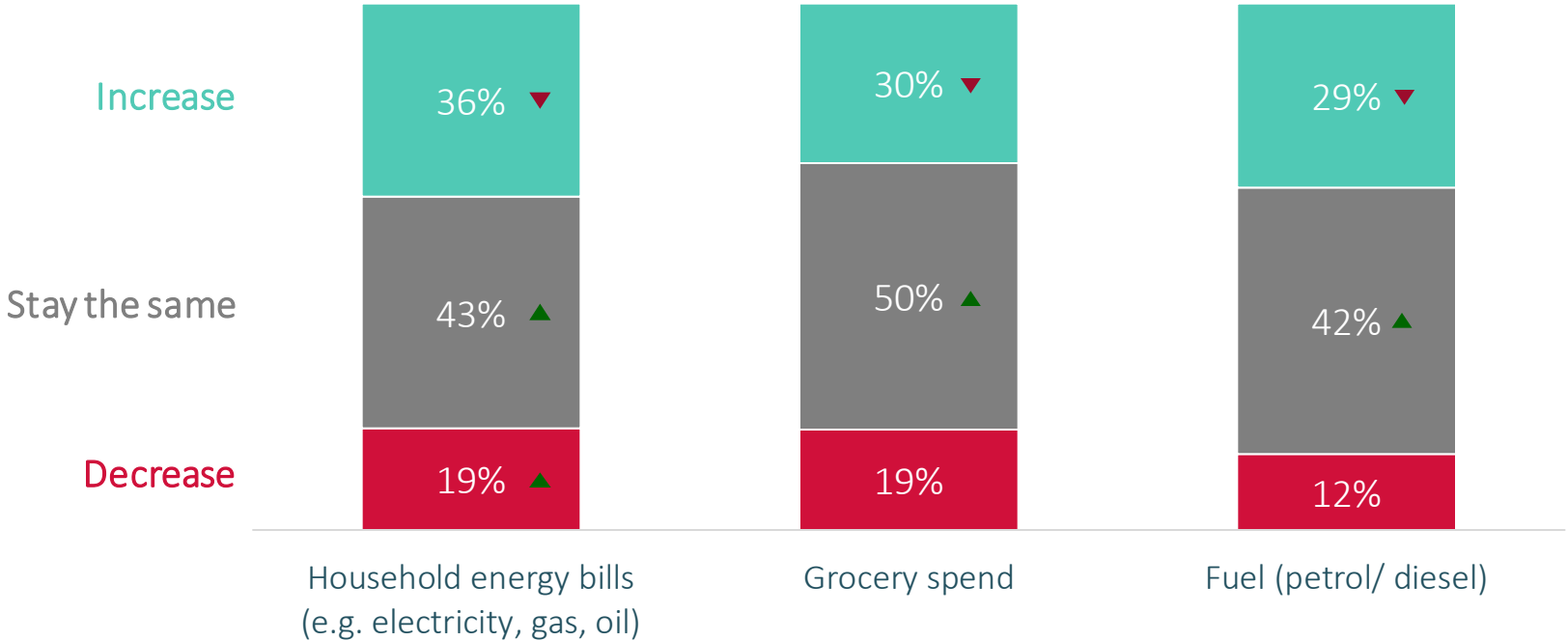
<https://www.ft.com/content/ee6c7d3f-bc49-4f02-90a5-5012938a648d>

Grocery price inflation in Great Britain has slowed to 4.5%, its lowest level since February 2022, but one in four households are still struggling financially, retail researchers have found.

<https://www.theguardian.com/business/2024/mar/26/uk-food-price-inflation-slows-to-45-but-many-still-struggling>

# As a result, expected increase in spending on essentials is down compared to Oct '23

Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? – Total sample



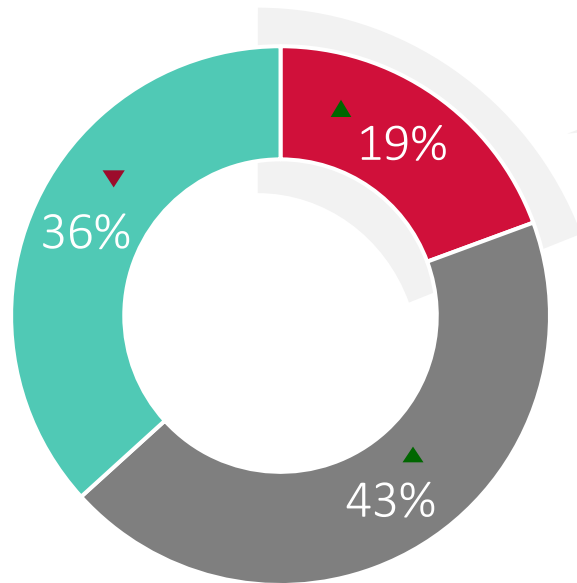
Q2. Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? / Base Oct 23/Apr 24: Total (n=2095/2066)

▲▼ Significance tested at 95% vs Oct 23



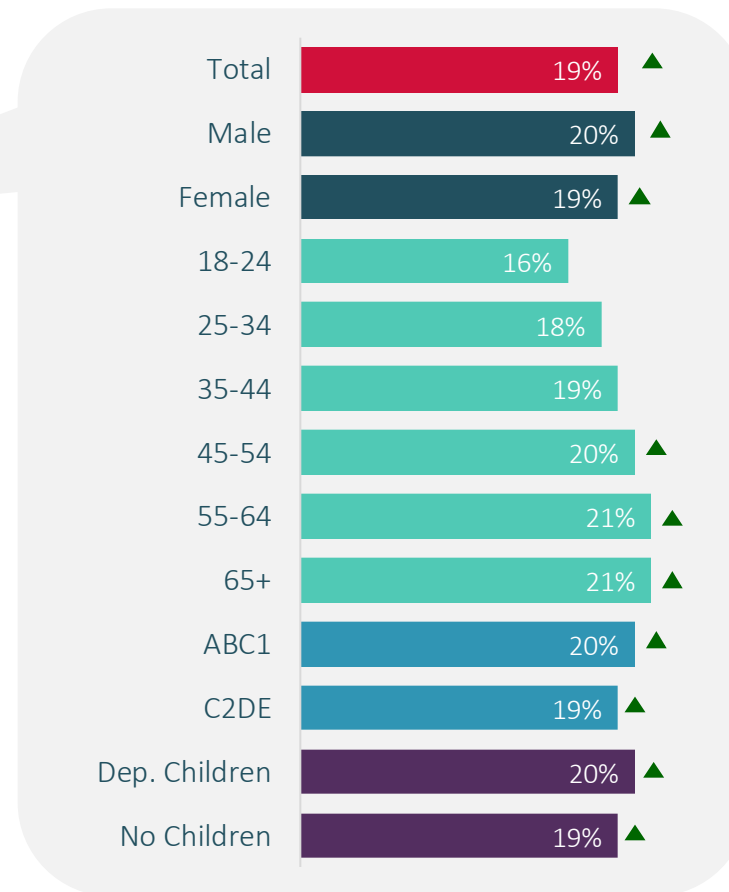
# 45+ are particularly optimistic about energy bills going down, compared to Oct' 23

Expected spending on Household energy bills (Total) - April 2024



■ Decrease ■ Stay the same ■ Increase

% who believe spending to decrease



From 1 April until 30 June 2024, gas prices will be capped at 6p per kilowatt hour (kWh), and electricity at 24p per kWh. Previously, gas was 7.42p per kWh and electricity 28.62p per kWh.

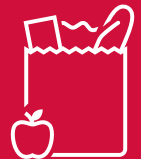
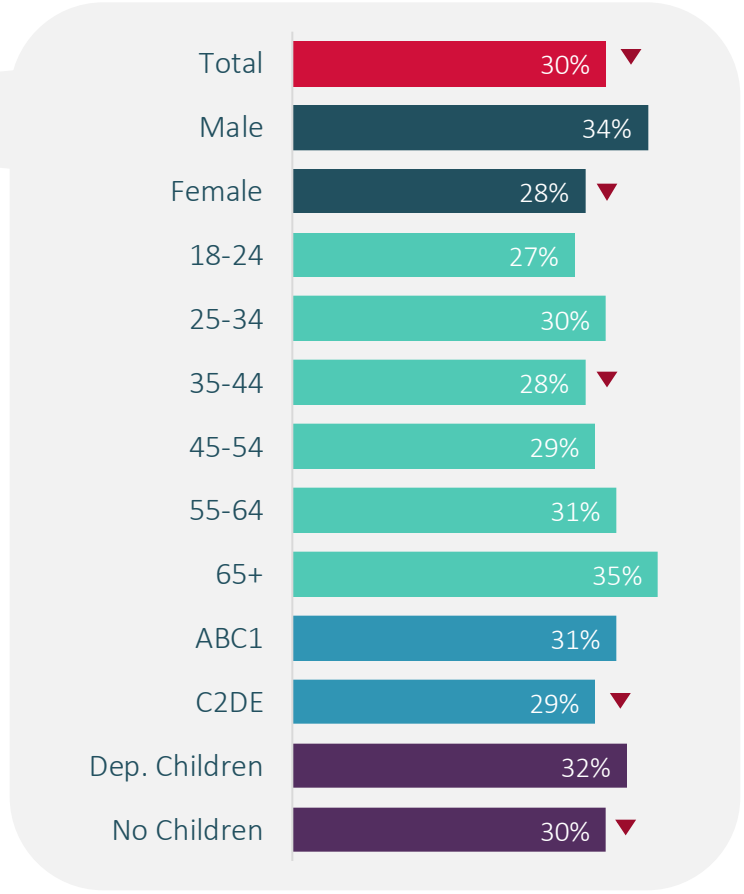
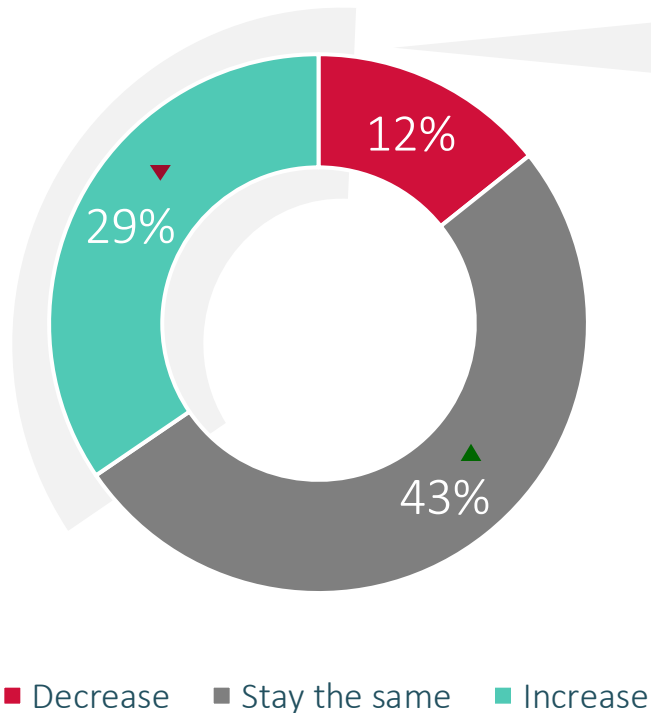
Q2. Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? Base Apr 24: Total (n=2066) M (n=1009), F (n=1050), 18-24 (n=209), 25-34 (n=321), 35-44 (n=330), 45-54 (n=371), 55-64 (n=329), 65+ (n=506), ABC1 (n=1190), C2DE (n=876), Any child (n=504), No child (n=1548)

▲▼ Significance tested at 95% vs Oct 23

# 3 in 10 consumers expect an increase in Groceries spending, down from a third last wave

This shift driven by Women, 35-44s, C2DE and households with no children

Expected spending on Groceries (Total) - April 2024



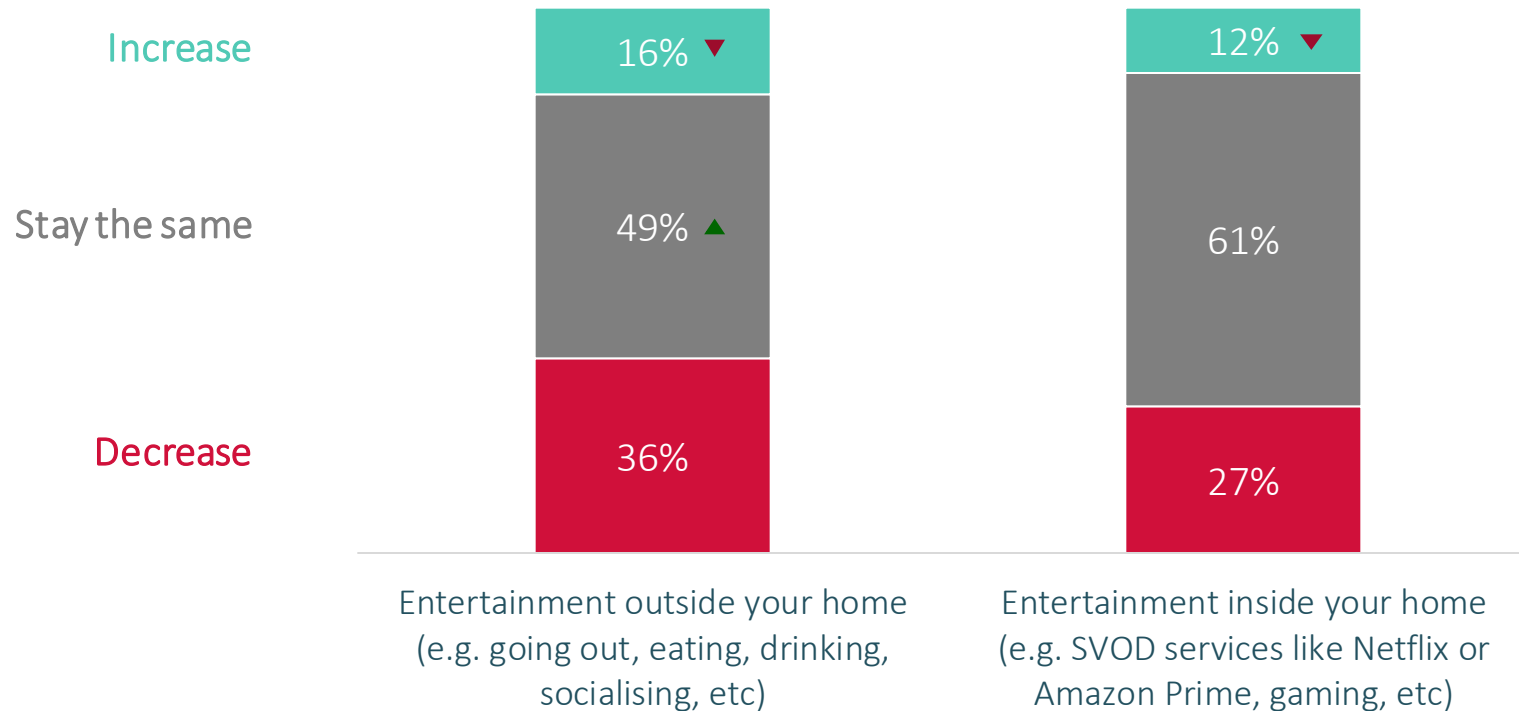
UK grocery price inflation fell to a 30-month low in April

Q2. Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? Base Apr 24: Total (n=2066) M (n=1009), F (n=1050), 18-24 (n=209), 25-34 (n=321), 35-44 (n=330), 45-54 (n=371), 55-64 (n=329), 65+ (n=506), ABC1 (n=1190), C2DE (n=876), Any child (n=504), No child (n=1548)

▲▼ Significance tested at 95% vs Oct 23

# Spending on entertainment is expected to remain stable, significantly more so than in October '23

Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? – Total sample



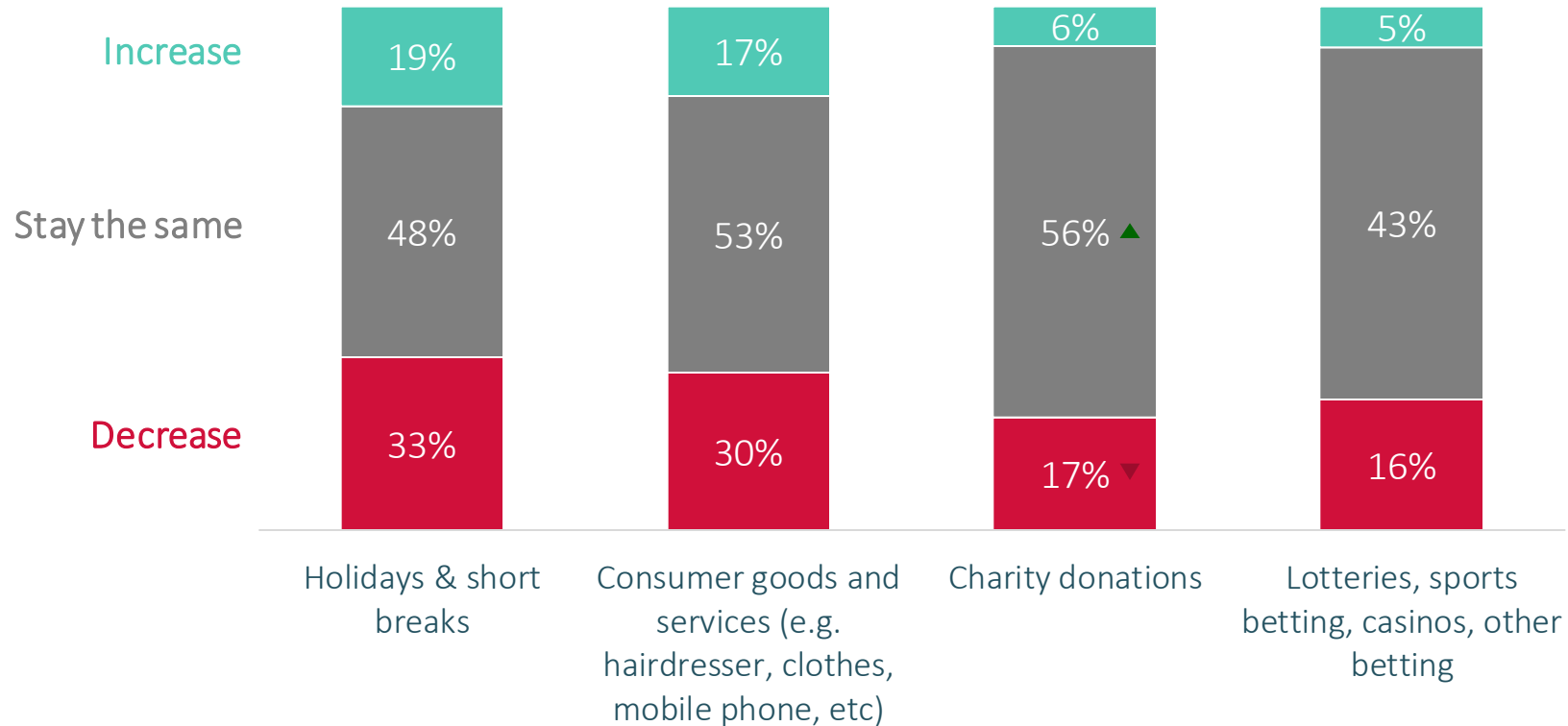
Q2. Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? / Base Oct 23/Apr 24: Total (n=2095/2066)

▲▼ Significance tested at 95% vs Oct 23



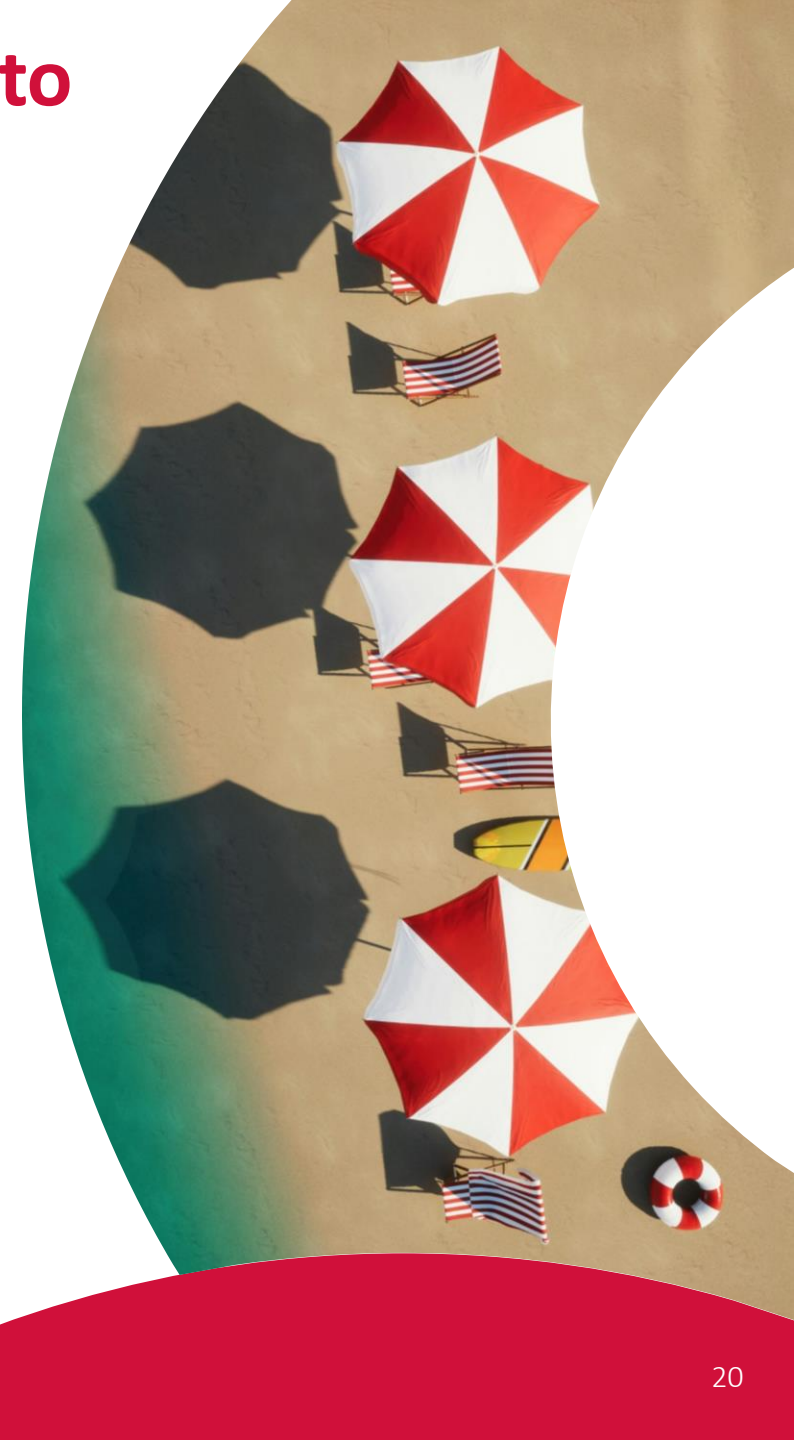
# All other areas of spending are mostly expected to remain stable, on par with the previous wave

Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? – Total sample



Q2. Thinking about the next 6 months, to what extent, if at all, do you expect to increase or decrease your spending on the following areas? / Base Oct 23/Apr 24: Total (n=2095/2066)

▲▼ Significance tested at 95% vs Oct 23



# THANK YOU

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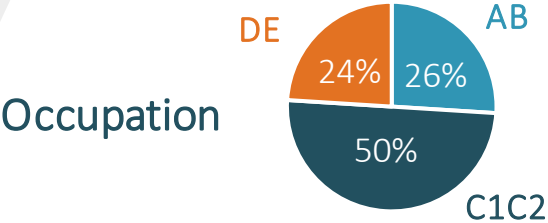
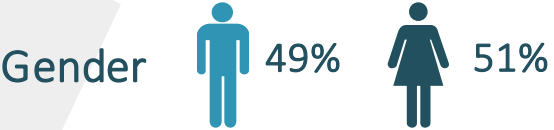
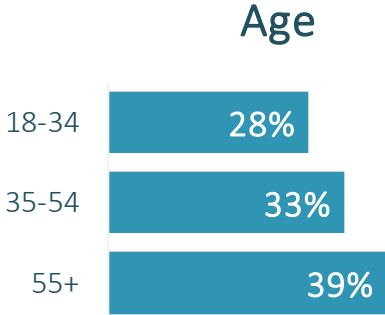


# Appendix

# Sample and methodology



- Online Survey among a Nat Rep Sample of n=2066 UK Adults
- Fieldwork conducted: 5<sup>th</sup> – 7<sup>th</sup> April 2024



### Region

