UK Consumer Tracker

October 2020

BORD BIA
Thinking House

What We Did

- ✓ Online Tracking Survey
- ✓ National Survey of UK Grocery Shoppers
- ✓ N=1,079
- ✓ Wave=9
- ✓ Research Agency Partner = Opinions

  Note: Waves 1-6 conducted by Red C in 2019
- ✓ Fieldwork: 12th – 14th October 2020.

Why did we do it?

To enhance our understanding of the impact of Brexit and its ensuing economic effects on UK consumers and also to understanding their perceptions and attitudes to Ireland and Irish produce.



Methodology and Context

Bord Bia are continuing the tracking of UK grocery shoppers to gauge how the Brexit situation is impacting on attitudes towards the Rep. of Ireland and the core food & drink export categories.

This study is conducted via a **nationally representative survey of UK grocery shoppers online** and this is the 9th wave of research conducted to date. The fieldwork for this period was conducted between the **12th – 14th October 2020.**

The survey focuses on a range of Brexit related topics including understanding the mood of the nation, future concerns, personal impact based on economic situation, perceptions of Rep. of Ireland food and drink vs. key competitor markets around being local, openness to choosing, trust, visibility and premium credentials. It also evaluates the extent that Rep. of Ireland food and drink would be missed should Brexit encourage a price increase or a limitation in availability of Irish produce.

Bord Bia's research partner for this project is



Mood of the Nation & Economic Outlook

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Mood of the Nation and Economic Outlook

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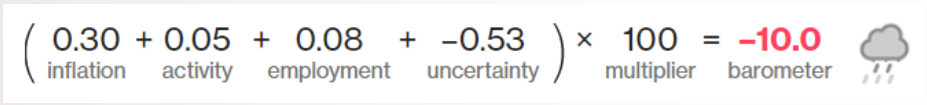
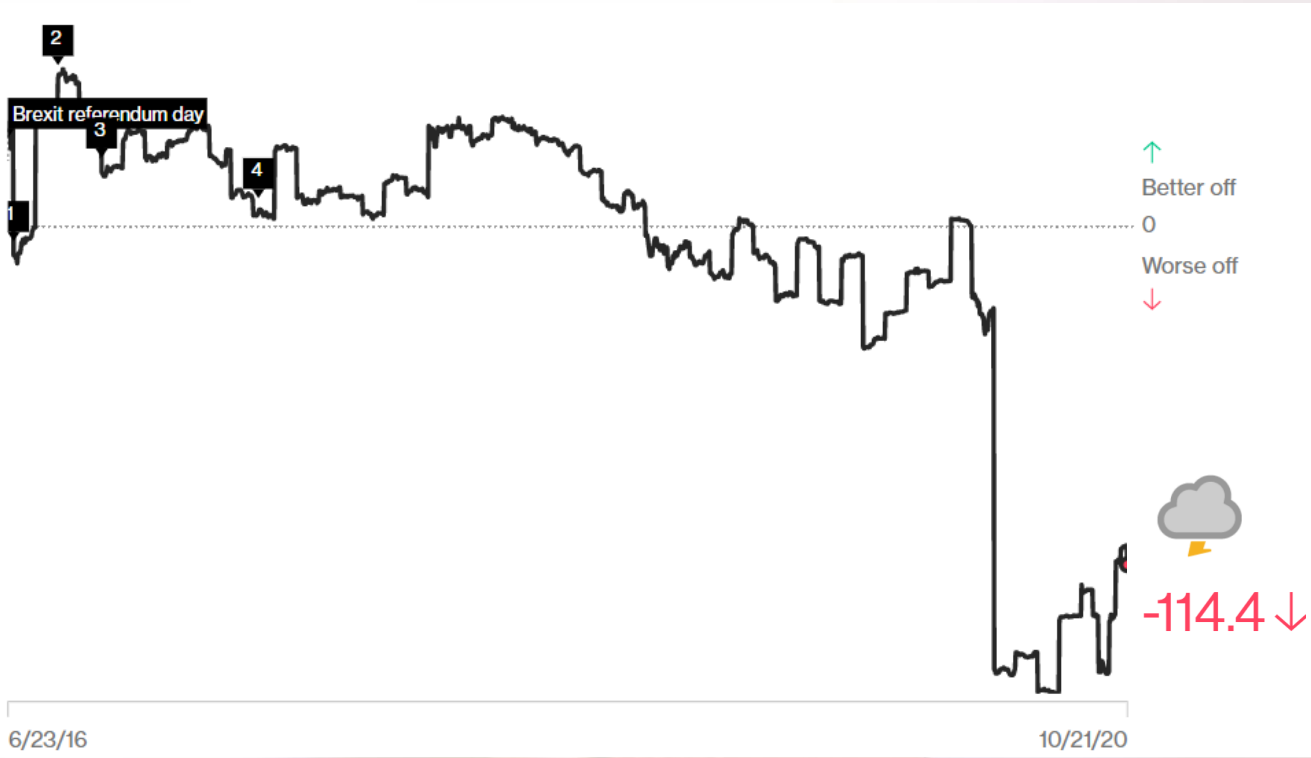
Brexit + Covid-19 making economic outlook very gloomy *(21st October 2020)*

Even before Covid-19 there were signs that the UK economy was underperforming; with the impact of Covid-19 exacerbating this we see the UK's economic wellbeing to be significantly below the long term average as indicated in the Bloomberg Brexit Barometer below. It has been lower, but not since 2009!

The barometer is a custom index designed to show how the U.K. economy is responding to the Brexit process. It's made up of indicators for employment, inflation, growth and uncertainty. The higher the number, the healthier the economy—and vice versa.

That means the U.K.'s economic well-being—and that of its people—is below the long-term average.





Source: Bloomberg Brexit Barometer 26th May 2020

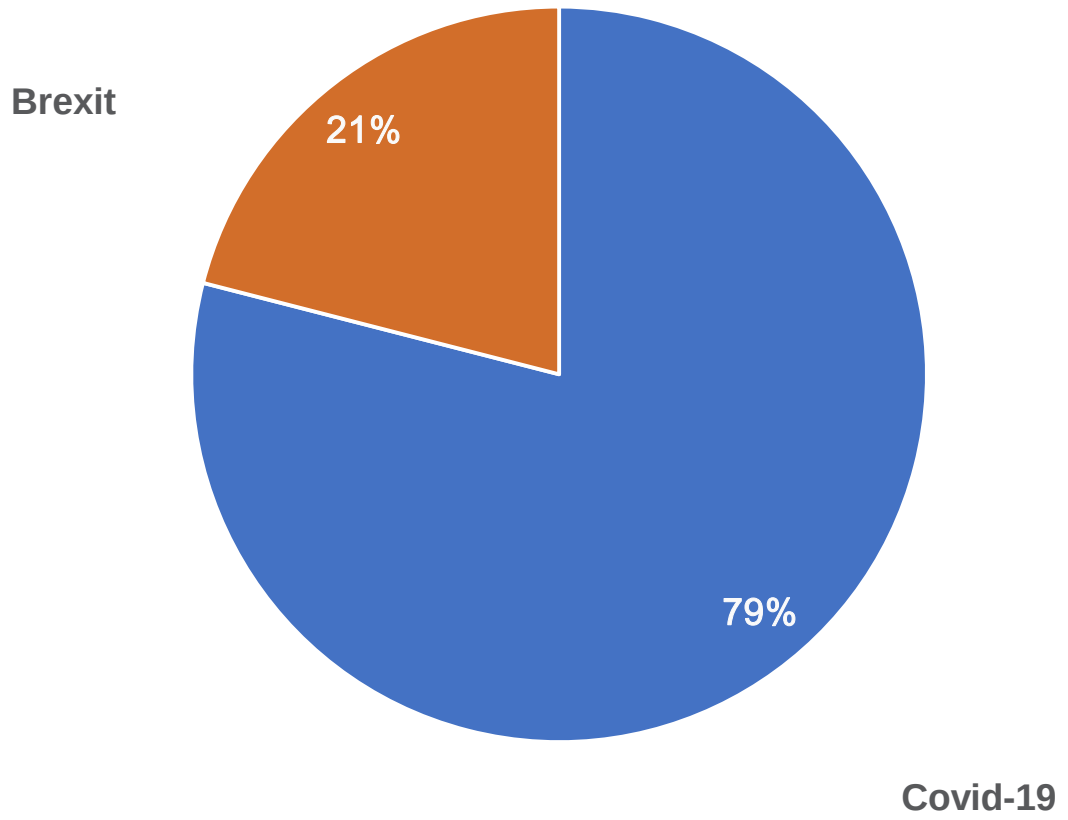
https://www.bloomberg.com/graphics/2017-brexit-barometer/

Covid-19 vs. Brexit – Which is of greatest Concern?

From Bord Bia's Covid Indicators Tracking Research, October 2020

(Base: Adults 18+ in the United Kingdom, n=1,079)

Which of these is of greatest concern to you personally?



The continued concern of Covid-19 is evident with 8 in 10 UK adults feeling it is more concerning than Brexit.

Source: Bord Bia/Opinions Covid Indicators Tracker October 2020

Mood of the Nation and Economic Outlook (JUNE)

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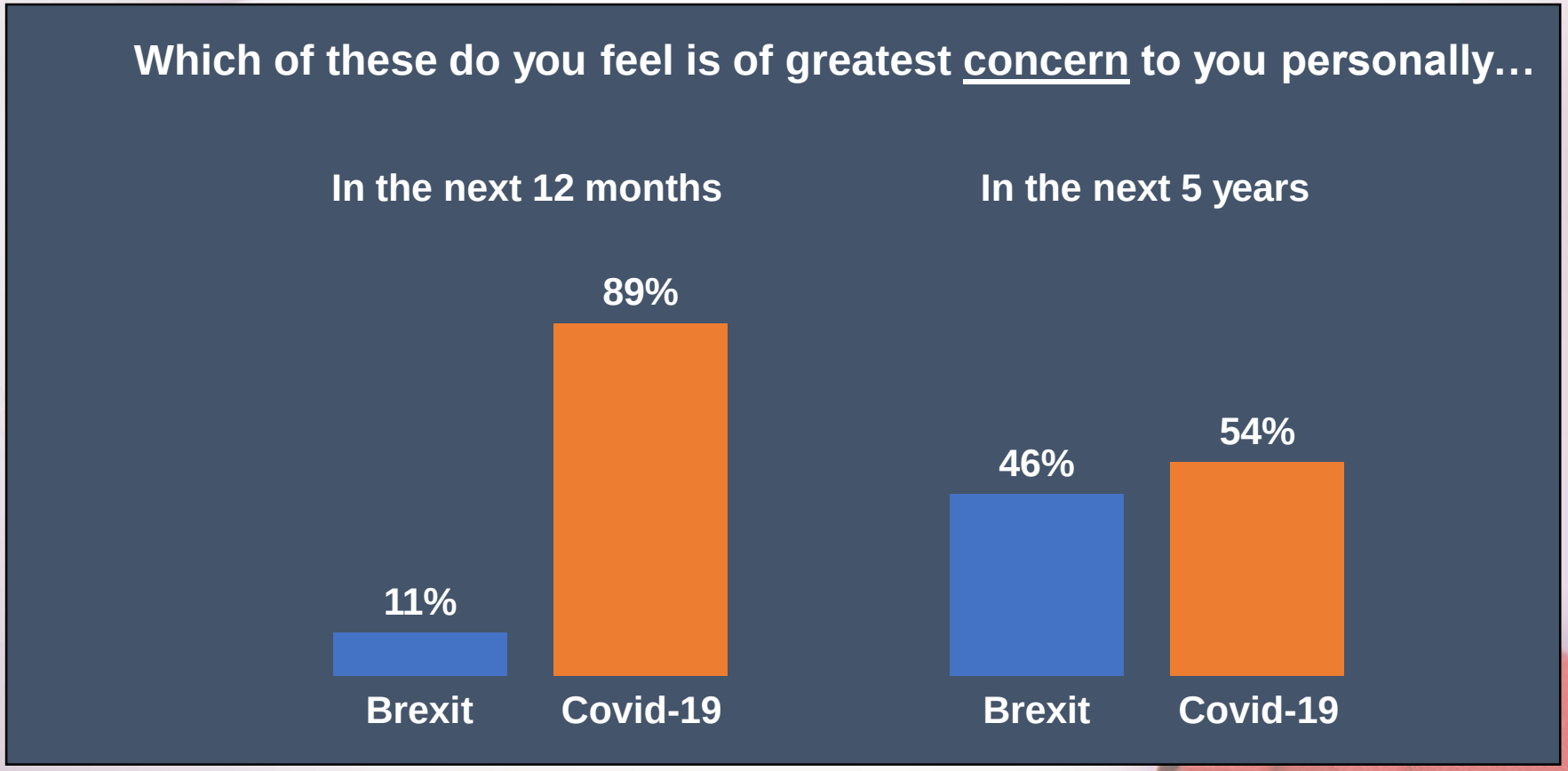
Brexit taking a back seat to Covid-19 currently

Given the impact of Covid-19 in the UK, the debate around Brexit has taken a back seat for now despite ongoing trade negotiations between the UK and the EU. So much so that 9 in 10 UK grocery shoppers cite Covid-19 as a greater concern than Brexit in the next 12 months, and a majority cite Covid-19 as a greater concern in the next 5 years. *(Note: Data Collected **June 2020**)*



Confidence

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Photo by Miguel Bruna on Unsplash



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Does Confidence Matter Anyway?

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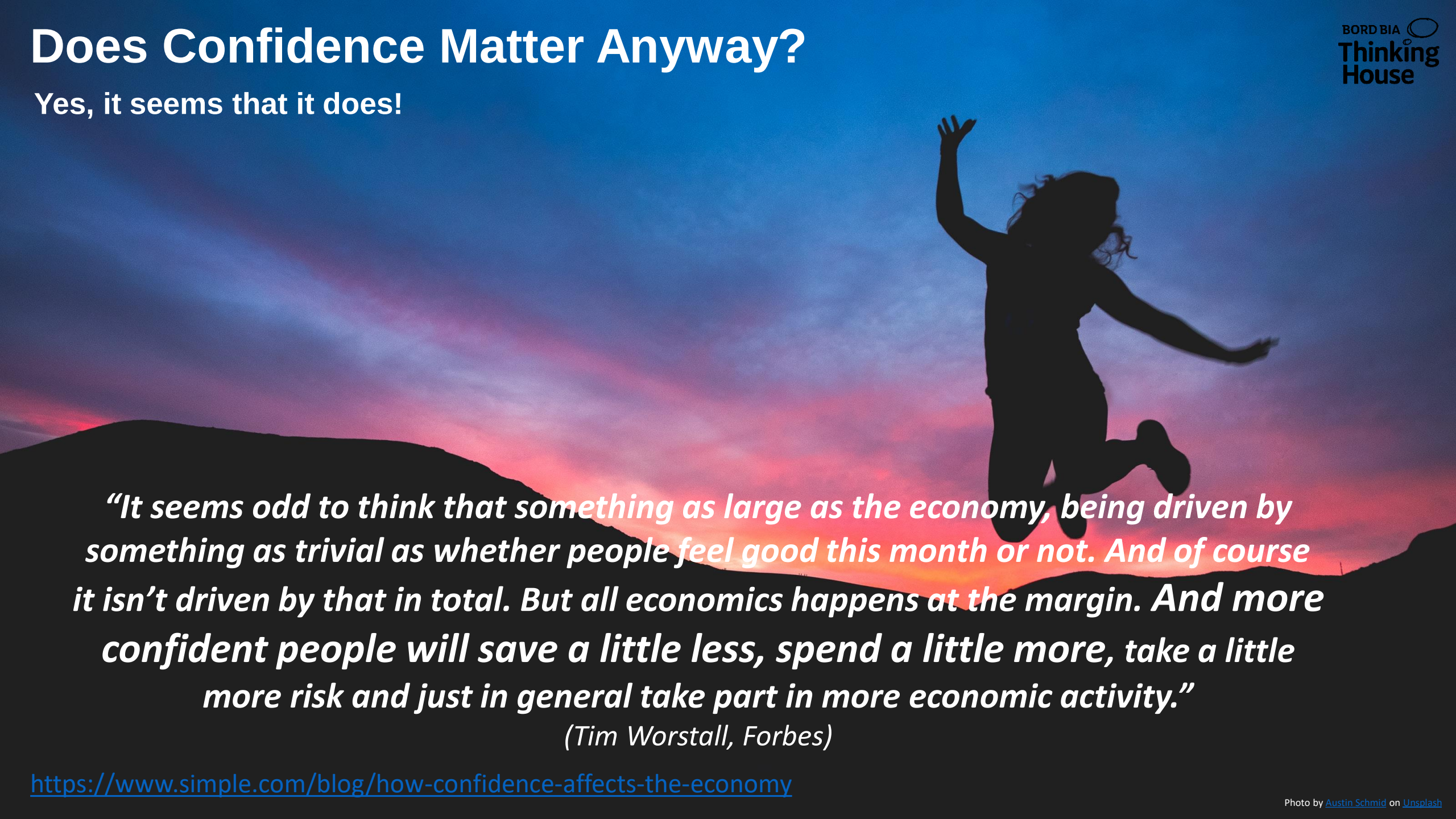
Yes, it seems that it does!



"It seems odd to think that something as large as the economy, being driven by something as trivial as whether people feel good this month or not. And of course it isn't driven by that in total. But all economics happens at the margin. And more confident people will save a little less, spend a little more, take a little more risk and just in general take part in more economic activity."

(Tim Worstall, Forbes)

https://www.simple.com/blog/how-confidence-affects-the-economy

Photo by Austin Schmid on Unsplash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72% in the UK feel that the current economic situation has had a NEGATIVE effect on their confidence
Photo by Austin Schmid on Unsplash

Mood of the Nation and Economic Outlook

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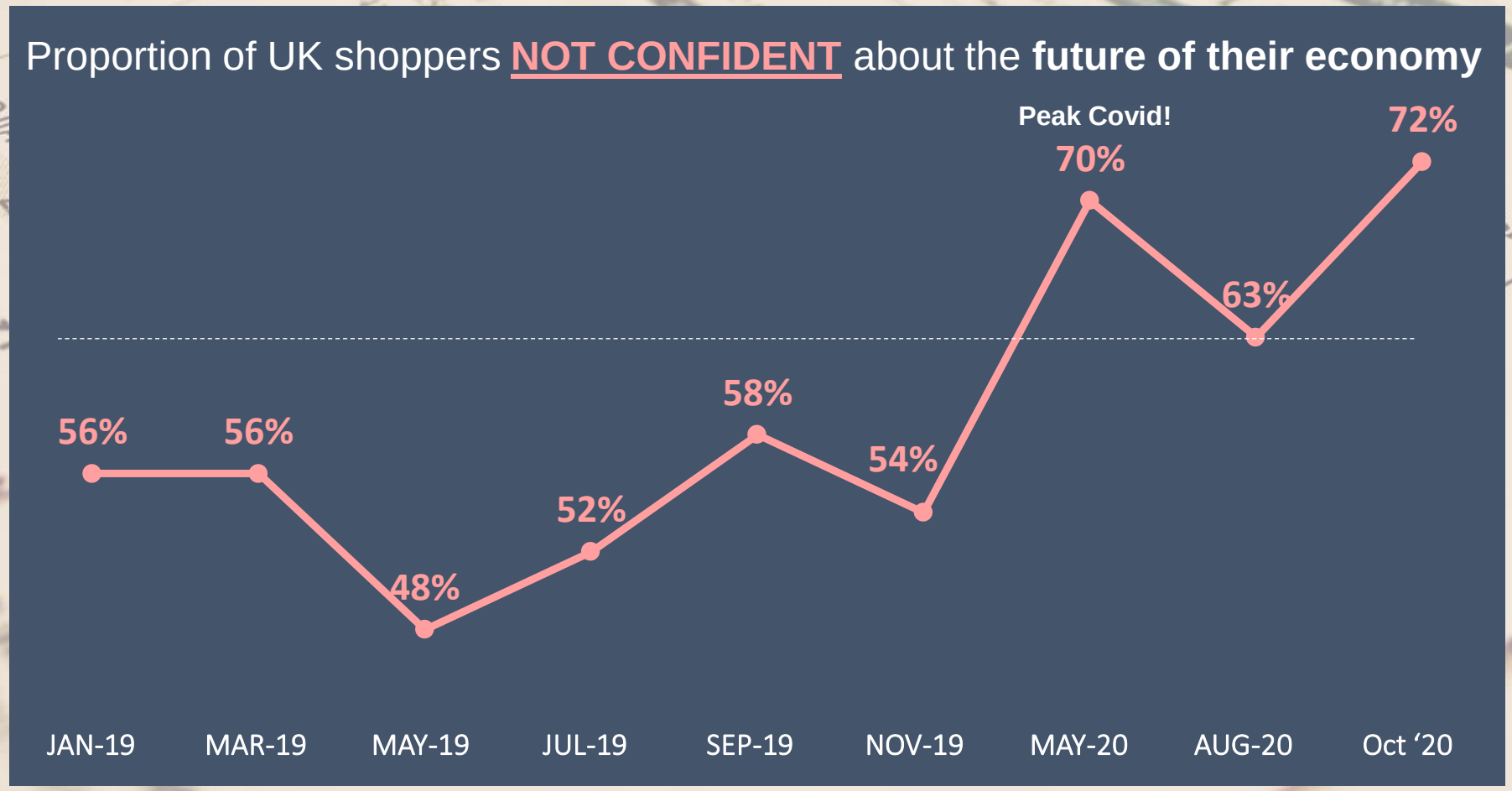
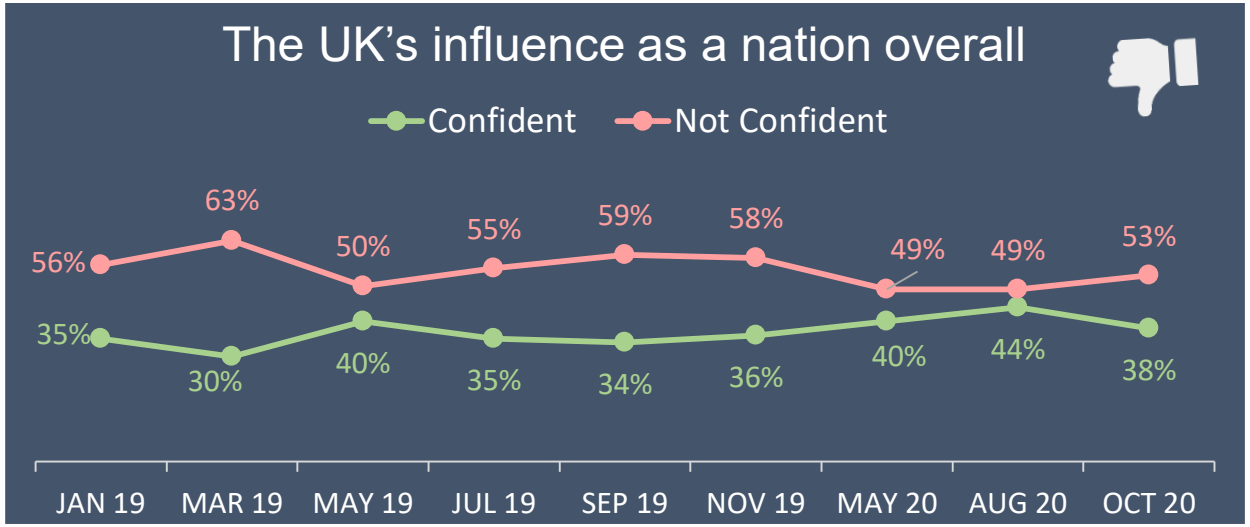
Confidence around economic future at a new and significant low

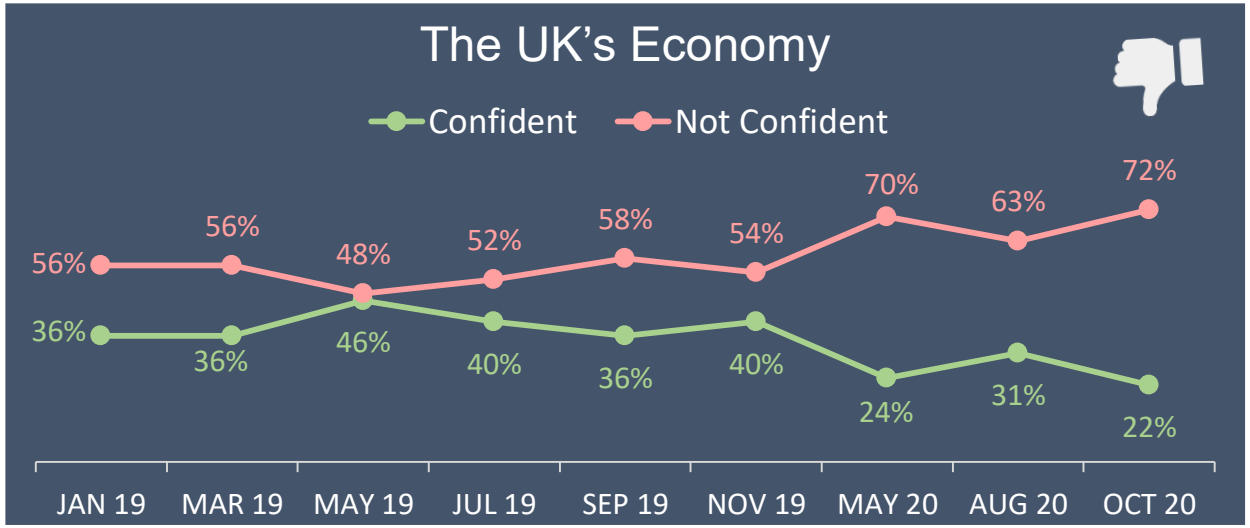
Following a brief reprieve in the Summer, there is now widespread lack of confidence in the UK economy, with 7 in 10 NOT CONFIDENT. This is perhaps unsurprising with the convergence of Brexit and Covid-19, but it is nonetheless worrying and it will adversely effect consumer spending.

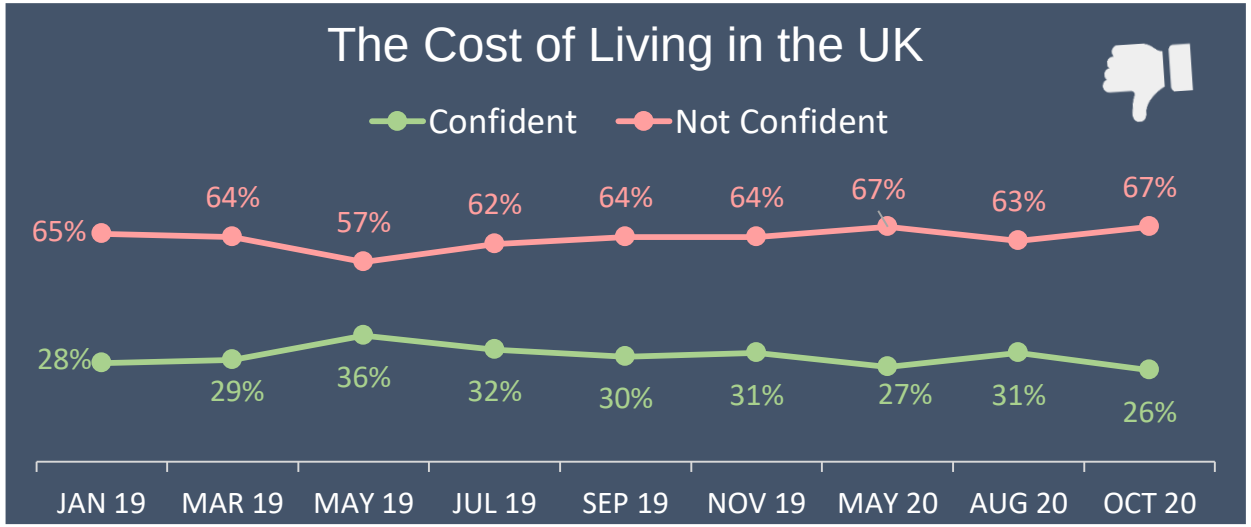


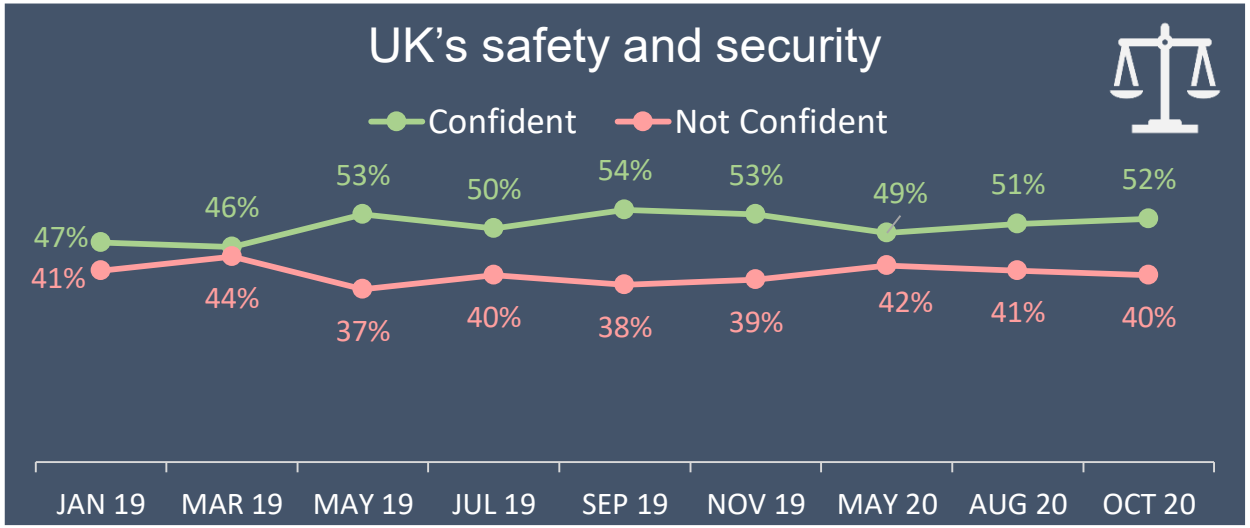
Future Confidence on Key Aspects

Confidence has slipped across all these areas, with the exception of Safety and Security. What is most stark is the persistent downward trend in economic confidence.





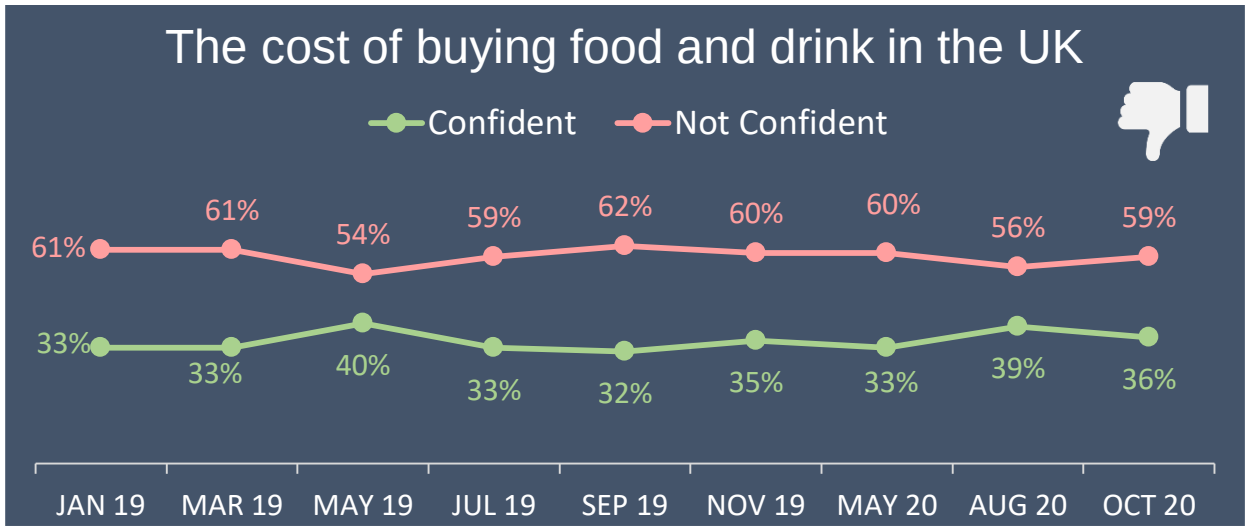


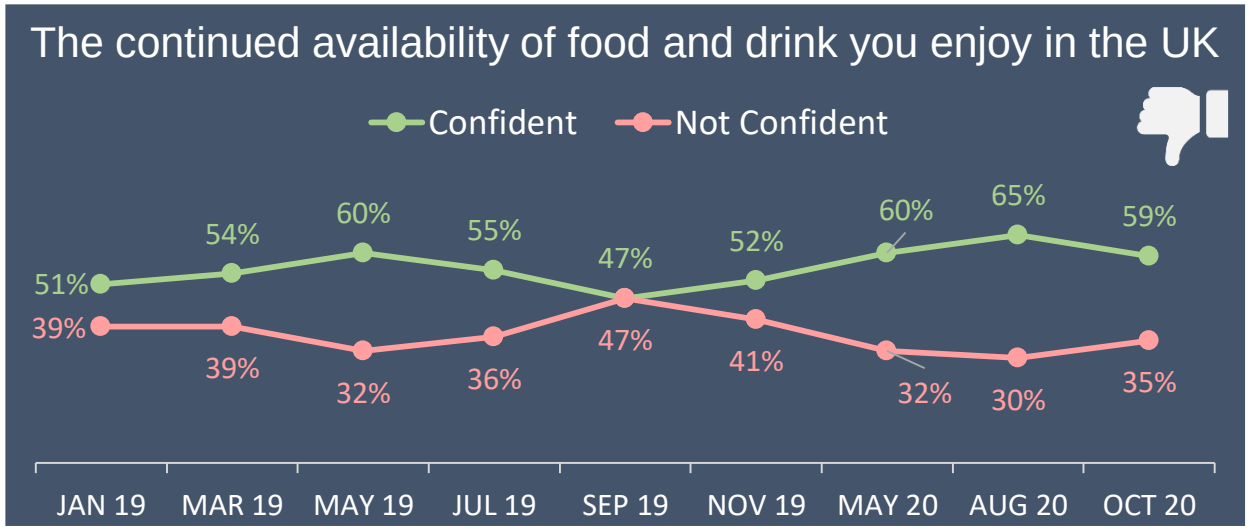


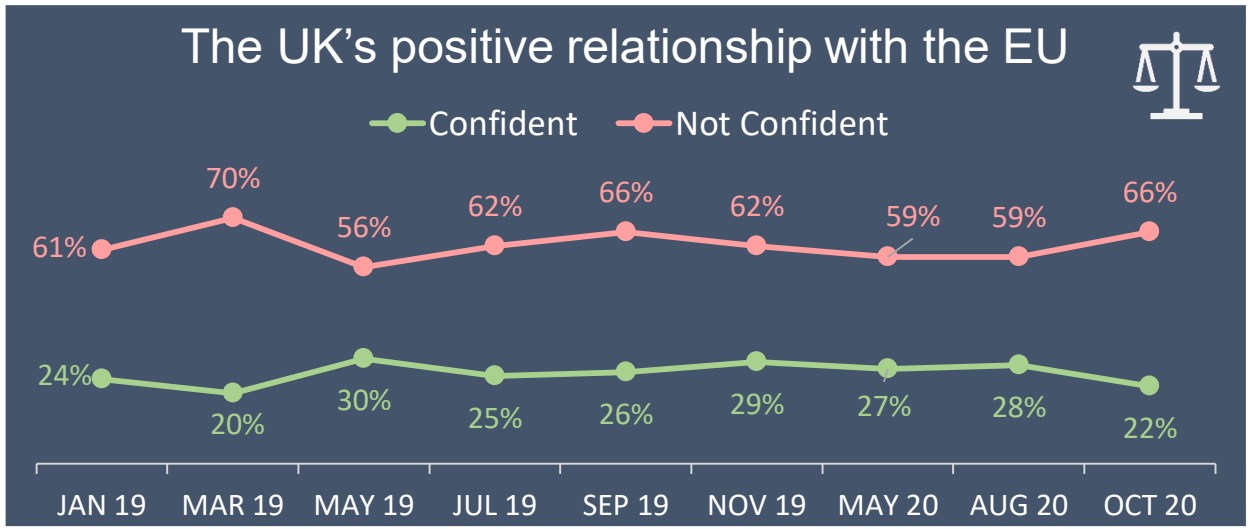
Looking at each of the areas below, how confident are you feeling at the moment about the future of each?

Future Confidence on Key Aspects

Concerns regarding the cost of food in the UK remains a consumer concern at this point, but in line with a perceived deterioration in the UK's relationship with the EU, there is some growing concern about the continued availability of food and drink







Looking at each of the areas below, how confident are you feeling at the moment about the future of each?

Personal Impact

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Current economic situation having an increasingly negative impact on shoppers

Independent of this high concern for the future of the UK economy, UK shoppers are already feeling the pinch with being more negatively impacted vs. 2019 around future optimism, their personal finances, their safety and security and their job security.

62%

of UK shoppers feel their **optimism for the future** has been negatively impacted as a result of the current economic situation *(up 5% since Aug '20)*

37%

of UK shoppers feel their **safety and security** has been negatively impacted as a result of the current economic situation *(down 4% since Aug '20)*

47%

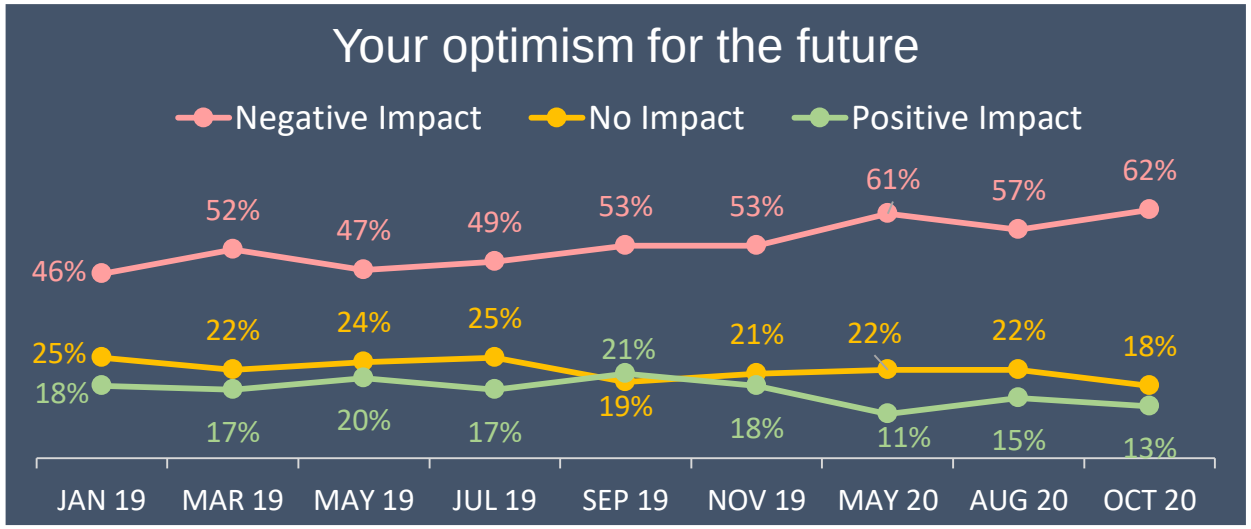
of UK shoppers feel their **personal finances** has been negatively impacted as a result of the current economic situation *(unchanged since Aug '20)*

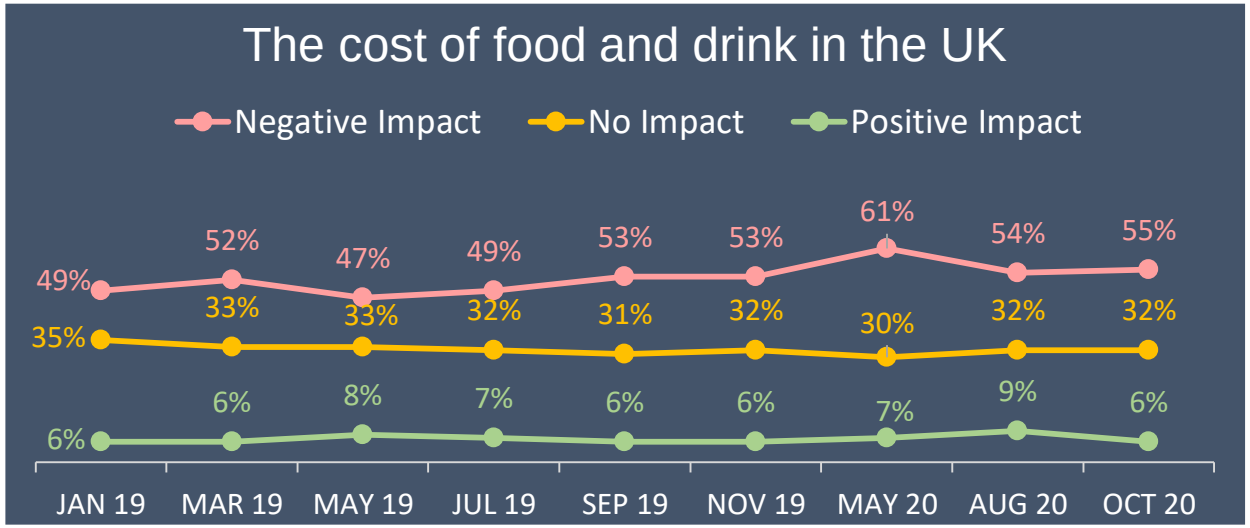
32%

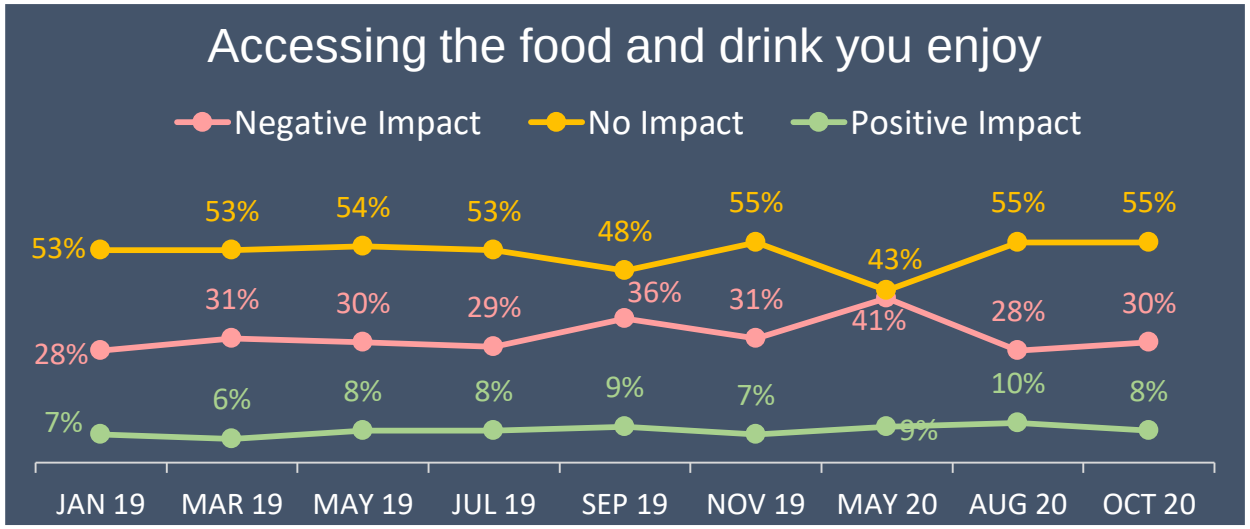
of UK shoppers feel their **job security and prospects** have been negatively impacted as a result of the current economic situation *(down 1% since August '20)*

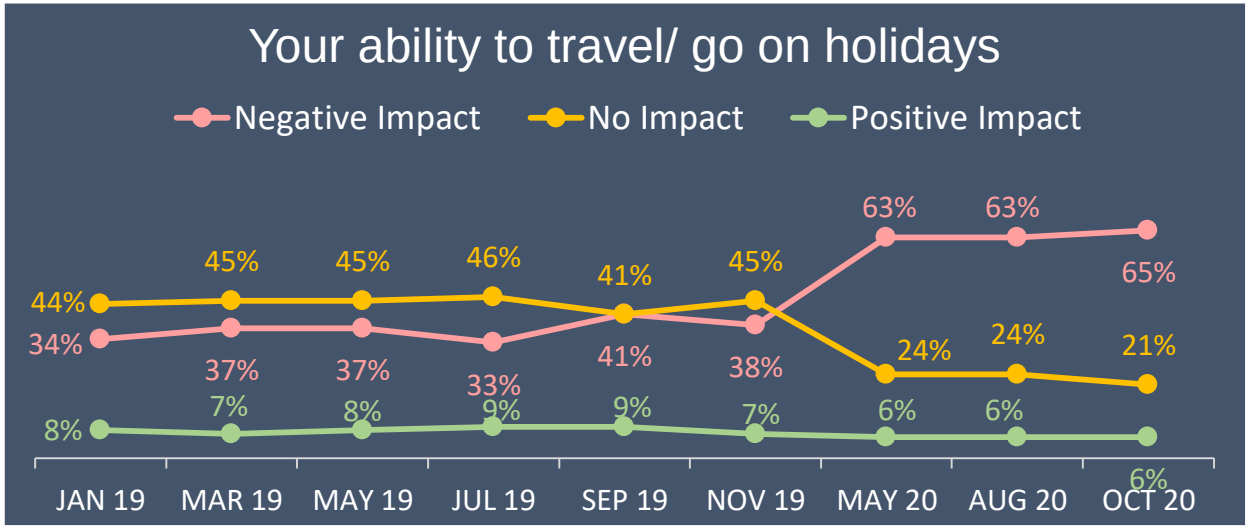
Personal Impact of Economic Situation on…

The current economic situation has eroded optimism further among UK shoppers in Q3, while for food costs and availability the trend remains stable, but more than half sense a negative impact on food costs.





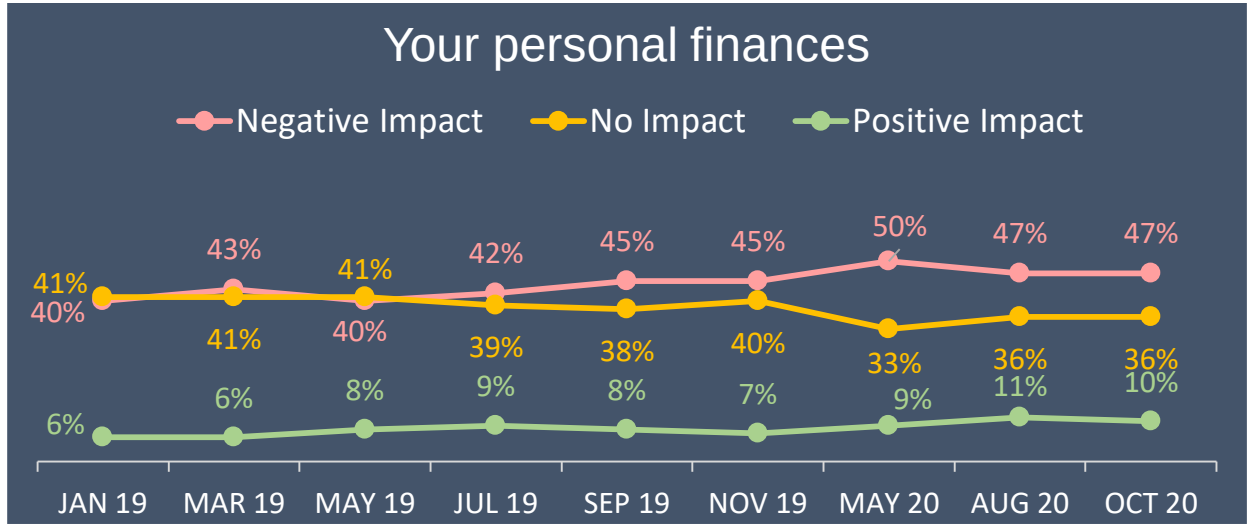


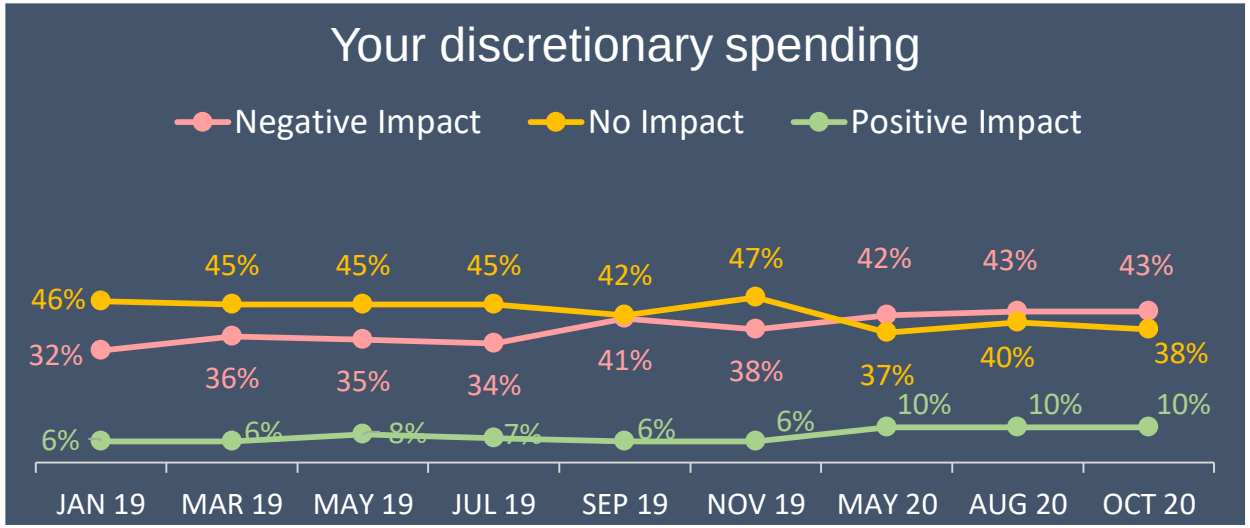


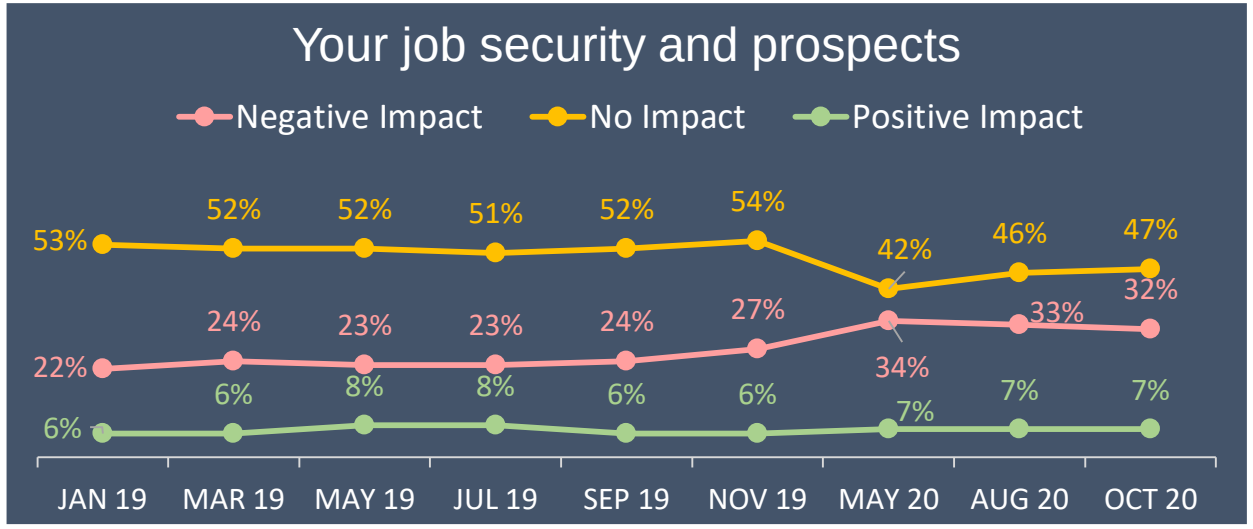
To what extent do you think the current economic situation is having a negative or positive impact for you personally in each of the following areas?

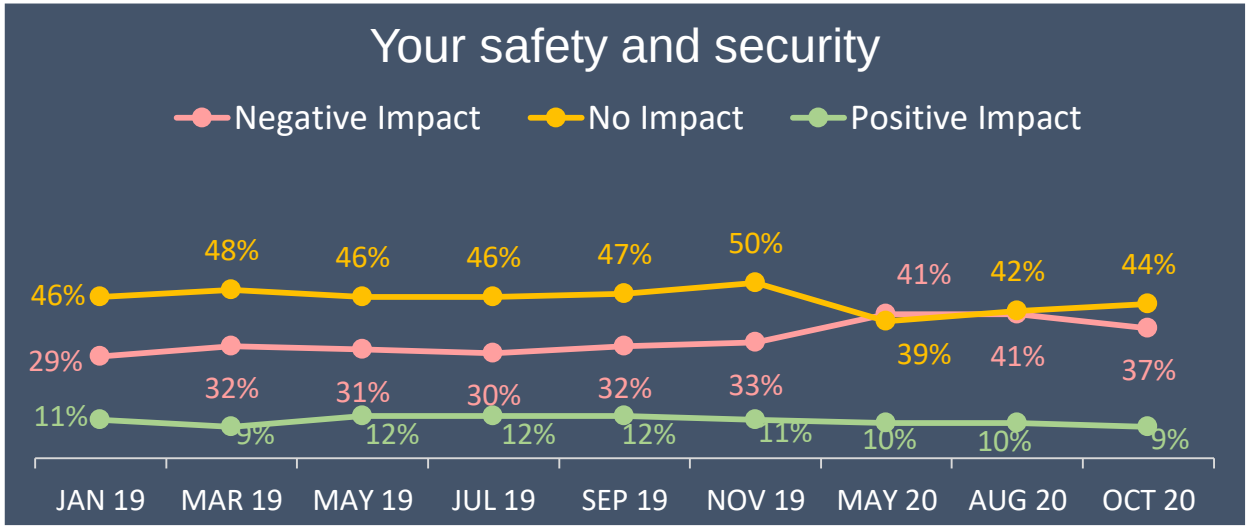
Personal Impact of Economic Situation on…

Clearly the **current economic situation** continues to have a negative impact on UK shoppers most notably around personal finances and spending as well as job security and prospects (Note not just Brexit!).









To what extent do you think the current economic situation is having a negative or positive impact for you personally in each of the following areas?

Future Outlook

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Photo by Garidy Sanders on Unsplash

Looking Ahead

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Negotiations between the UK and the EU are tricky at the moment and the betting markets are reflecting that. Interestingly though the odds have been "green" for a deal of late, despite the decline in shopper confidence in a positive future relationship on our Pulse survey.



https://smarkets.com/event/40554343/politics/uk/brexit/trade-deals

66% (+7)

of UK shoppers are Not Confident about a **future positive relationship with the EU** and thus no significant improvement since May 2020

Mood of the Nation and Economic Outlook

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And what about food & drink? Plenty of concern still exists with the Brexit situation

While the shifts are small they are consistently downward again this round in terms of the future cost, quality, availability and variety of food and drink that they buy for their households as a result of the current Brexit situation.

67%

of UK shoppers are concerned about the future **cost** of the food and drink they buy for their household as a result of the current Brexit situation *(up 2% since August '20)*

51%

of UK shoppers are concerned about the future **quality** of the food and drink they buy for their household as a result of the current Brexit situation *(up 4% since August'20)*

48%

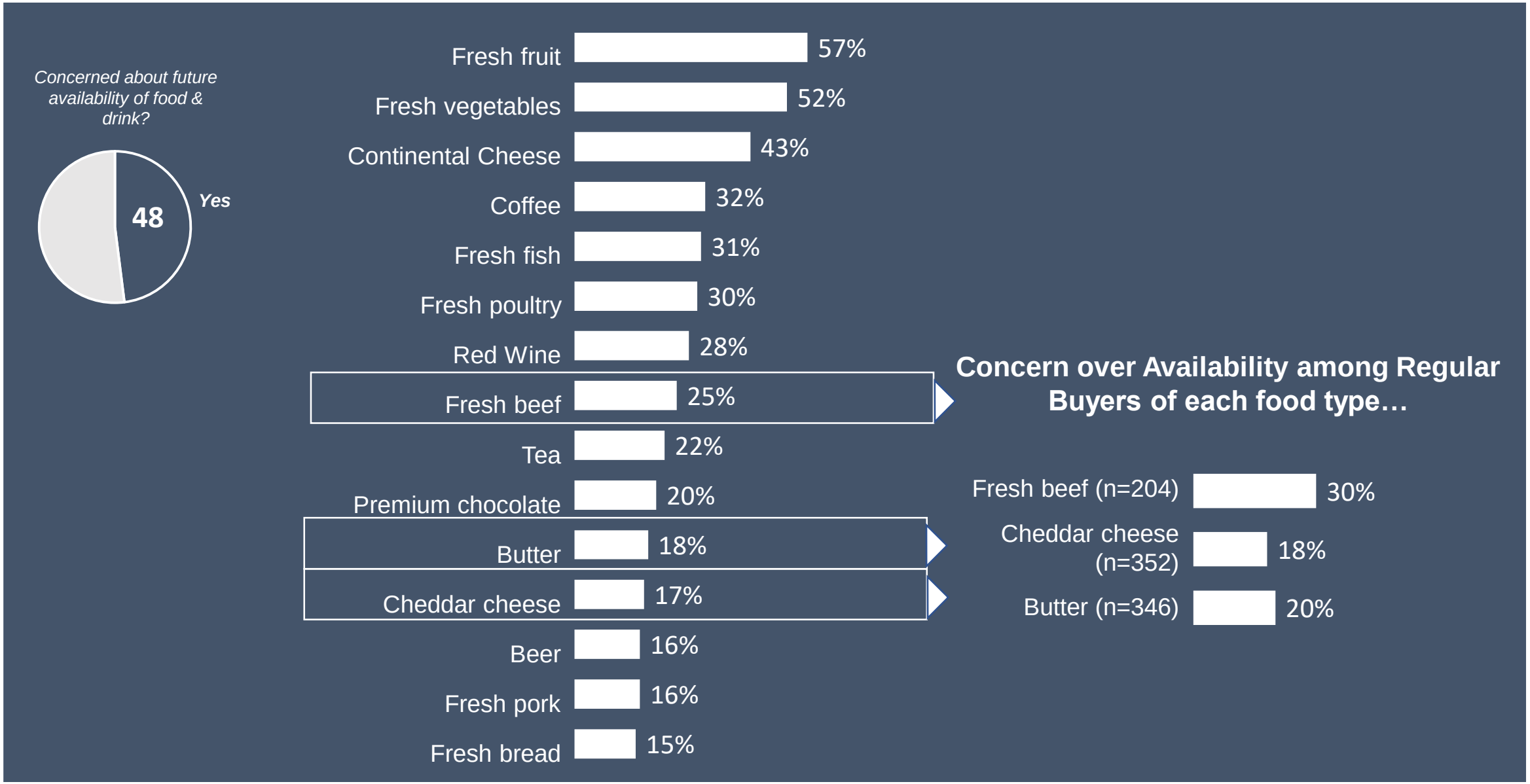
of UK shoppers are concerned about the future **availability** of the food and drink they buy for their household as a result of the current Brexit situation *(up 5% since August'20)*

43%

of UK shoppers are concerned about the future **variety** of the food and drink they buy for their household as a result of the current Brexit situation *(up 3% since August'20)*

Foods most Concerned about Availability post-Brexit

Base: All concerned with future availability of Food and Drink, n=527



And which, if any, of the following type(s) of food and drink are you concerned about with regard to availability in the event of a no deal Brexit at the end of 2020?

Extent of missing Irish Food & Drink

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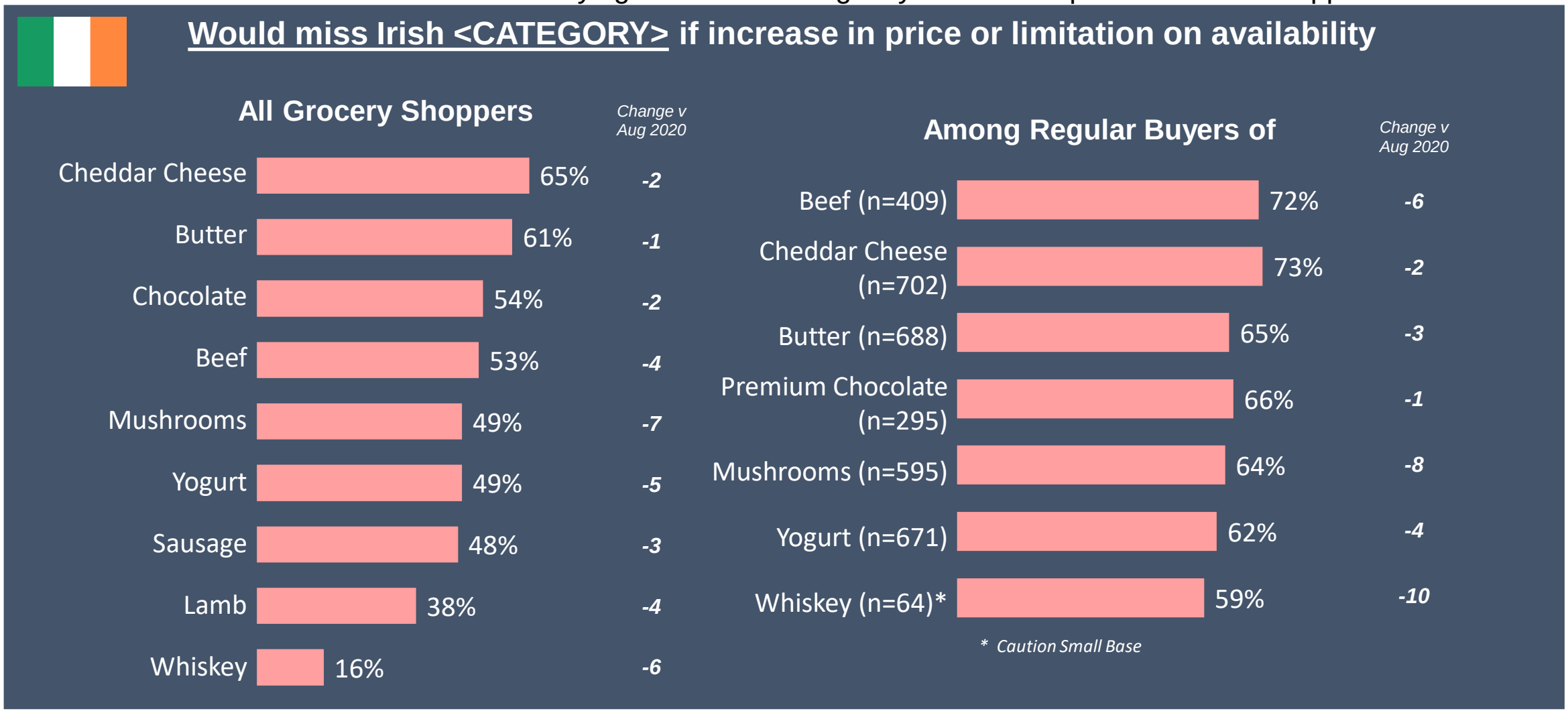
Clear to see that Irish beef, cheddar and butter would be the most missed categories among regular buyers of these categories if an increase in price or limitation on availability occurred as a result of Brexit. However, it is considered less of an issue over time as we see that the number saying this is something they would miss post-Brexit has dropped.

Would miss Irish <CATEGORY> if increase in price or limitation on availability



Now thinking about Irish food and drink, imagine a scenario where there is significant increase in price or limitation on availability. To what extent would you miss each of the following, if at all?

How is Ireland viewed in the UK?

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The View from Across the Sea

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The affinity of UK shoppers towards the Rep. of Ireland is still evidenced in their attitudes towards food and drink. UK shoppers trust Rep. of Ireland food and drink more than any other EU country, has greater environmental sustainability credentials and is considered the best alternative to UK food.



UK shoppers **trust food and drink** from the Rep. of Ireland more than any other EU country or the EU itself

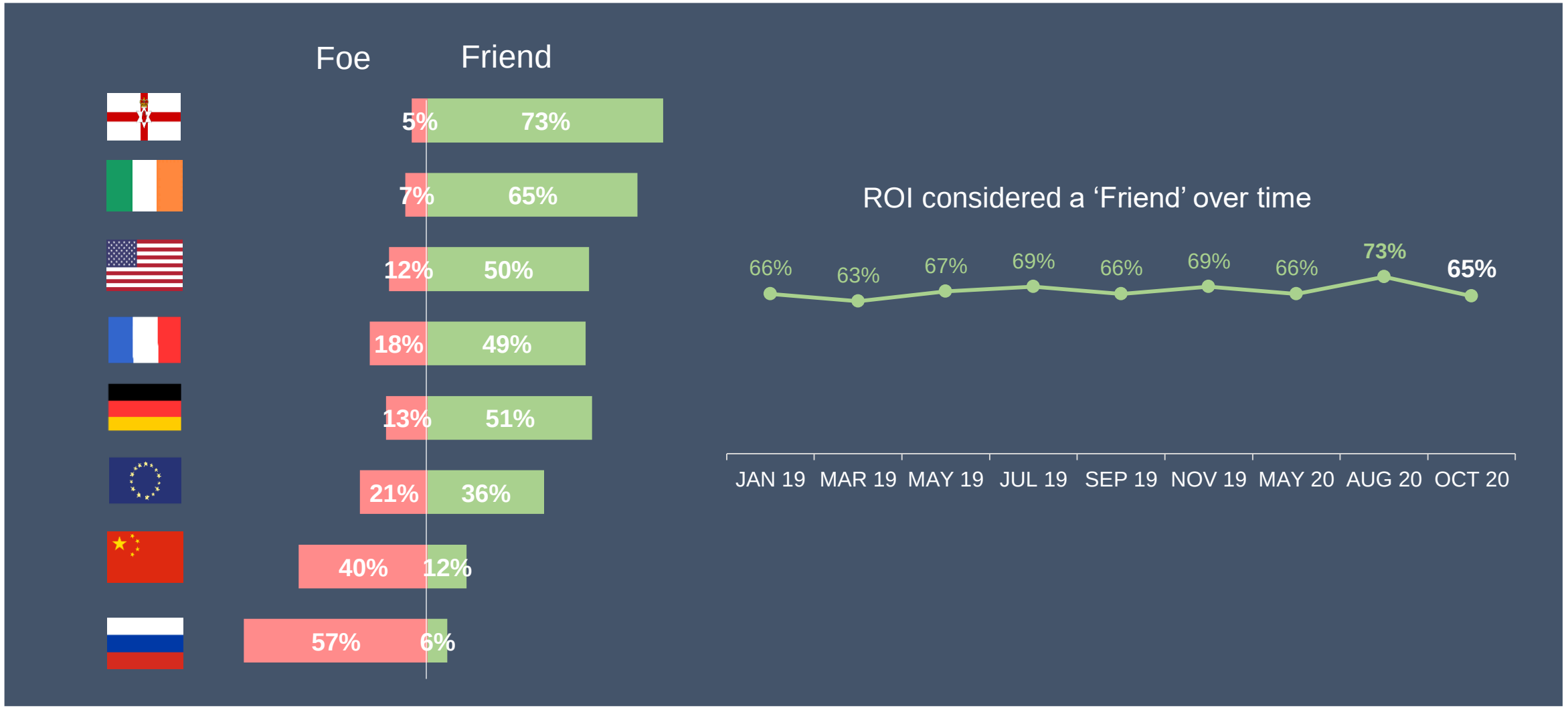
Food and drink from the Rep. of Ireland is **considered the best alternative to UK food** and **reassured** to know that their food and drink is from there.

UK shoppers believe the Rep. of Ireland produce their food in an **environmentally sustainable way** more than any other EU country or the EU itself

OPINIONS

Considered a Friend or Foe to the UK…

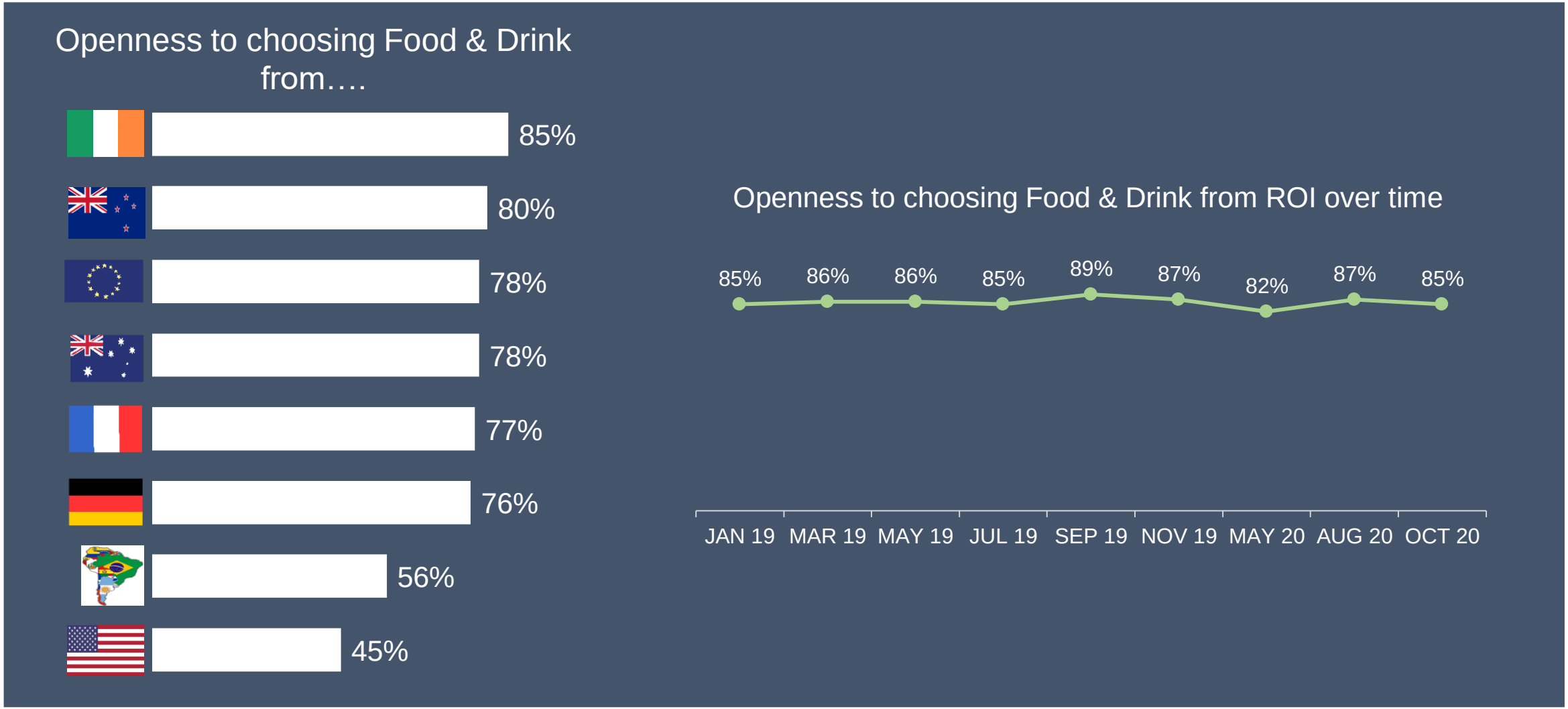
The strong affinity UK shoppers hold for the Rep. of Ireland has fallen back from an all time high in August 2020 to a level similar to those seen in 2019. This is one to watch as Breixt continues to evolve.



For each of the following countries/ regions, would you currently consider them a 'friend' or 'foe' of the UK's?

Openness to choosing Food & Drink from…

UK shoppers are most open to choosing Rep. of Ireland food and drink from all the non-UK markets tested and the level of openness to Irish food and drink remains consistent over time.



To what extent are you open to choosing food and drink from these markets currently?

The View from Across the Sea

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In times like this TRUST is key to shoppers – and Rep. of Ireland food & drink produce has this

The Bord Bia Covid-19 Indicators work show that **15% of UK families are choosing brands they know and trust more often now** as a result of the Covid-19 situation.

Source: Bord Bia/Opinions, October 2020

The reality is that the Rep. of Ireland is **the most trusted European origin for food and drink** (outside the UK) among shoppers but only just and the gap is tightening…..

Given the increasing importance of TRUST in the grocery environment currently, it appears paramount that Irish producers reinforce the trust that UK shoppers have for Irish food and drink produce when engaging with retailers in the lead up to Brexit.

Northern Ireland trumps ROI marginally at 57% trust scores.



The View from Across the Sea

BORD BIA Thinking House

As tensions still remain highly visible in the UK regarding the future trading relationship with the EU, and while affinity to Ireland remains strong we cannot afford to rest on our laurels as some of these metrics show signs of coming under pressure

65% *(-8)*

of UK shoppers consider the Rep. of Ireland to be **a friend of the UK** this has remained strong over time.

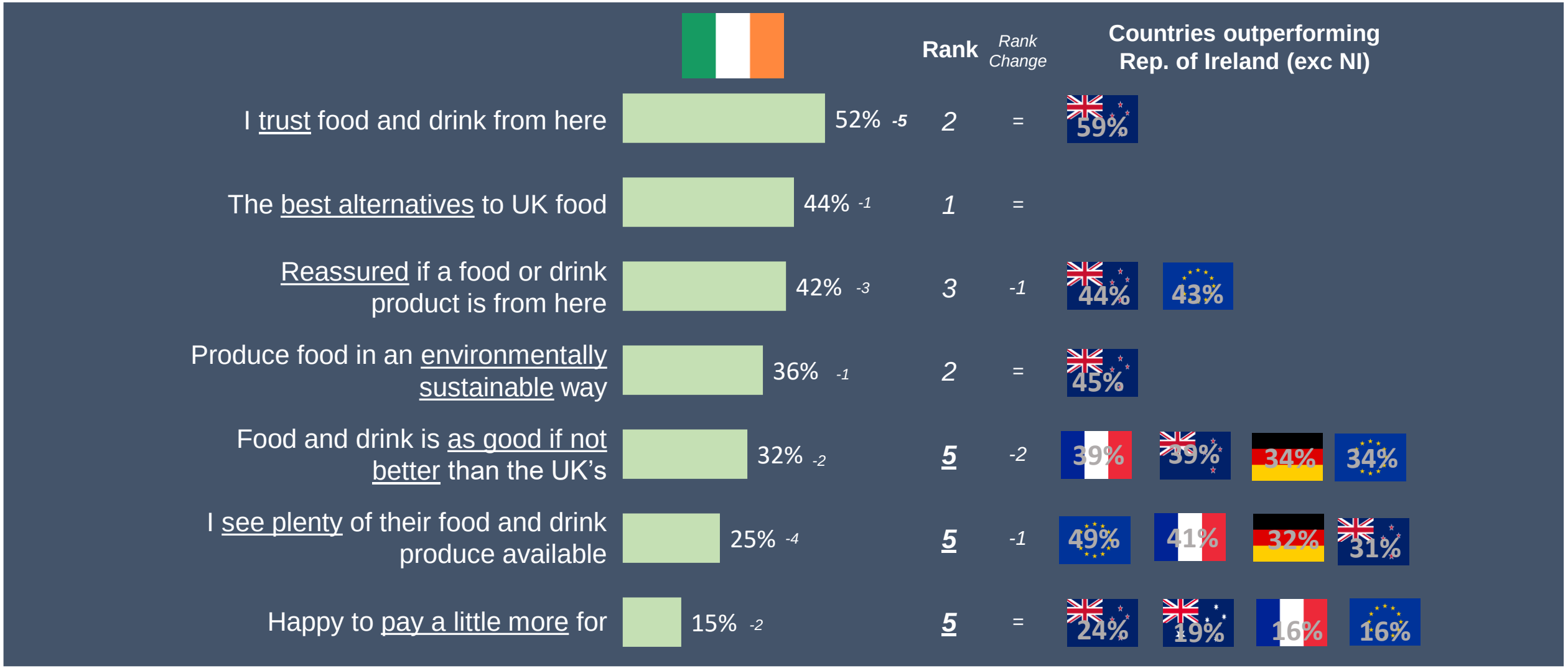
Rep. of Ireland considered more of a friend to the UK compared to any other EU country or the EU itself

85% *(-2)*

of UK shoppers are **open to choosing** food and drink from the Rep. of Ireland – higher than any non-UK country

Origin Equity for Food & Drink

Ireland does well with regard to equity but has lost some rank positions in particular to the EU and NZ



Looking at this list of things that other people have said about origins of food and drink, can you please choose the countries/regions to which you believe each applies

Rep. of Ireland Equity for Food & Drink over time

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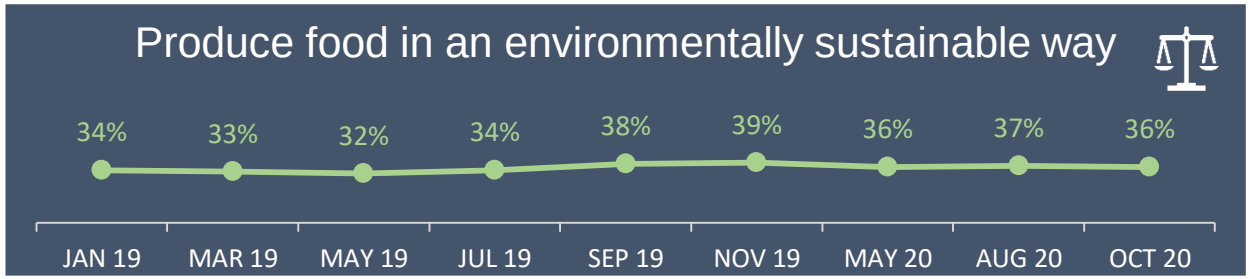
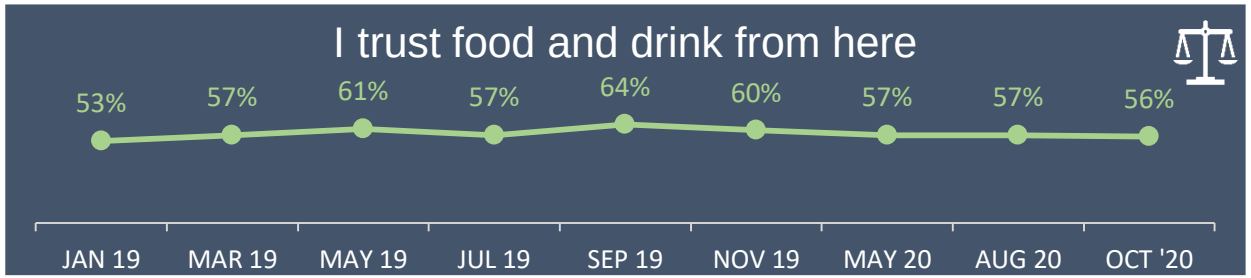
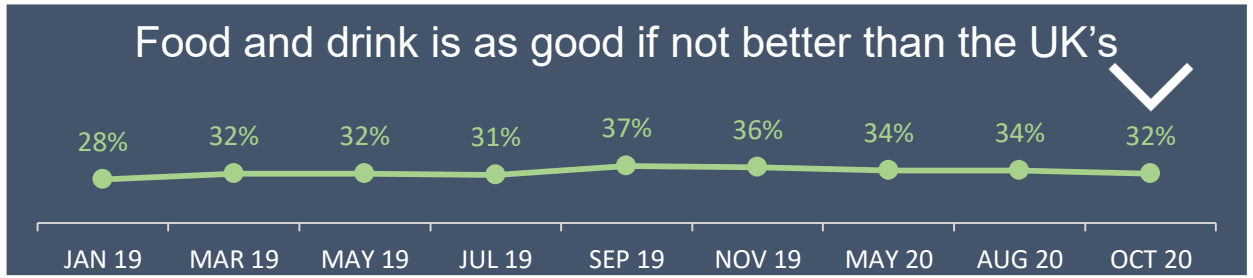
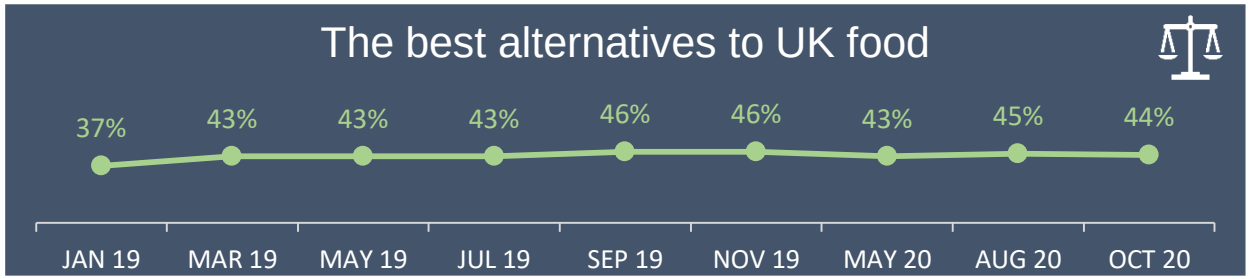
Significant decline

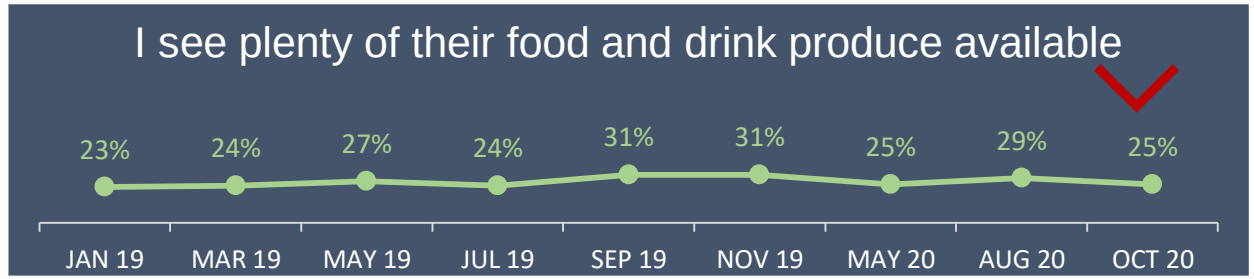
We can clearly see continued strong brand equity behind Irish food & drink among UK shoppers, but again there are some declines creeping in this round.

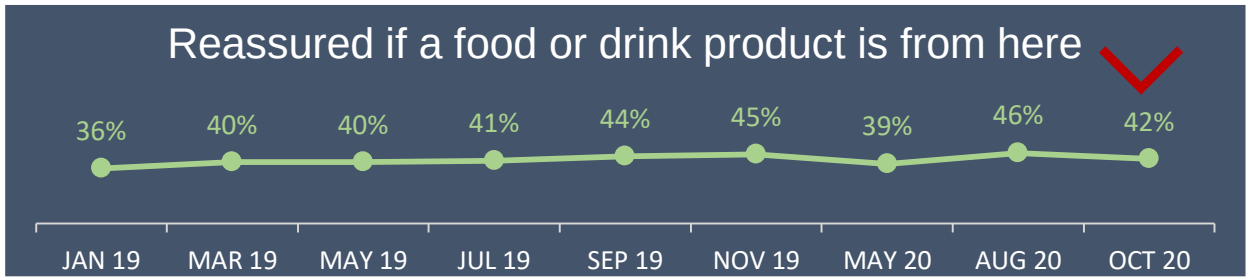


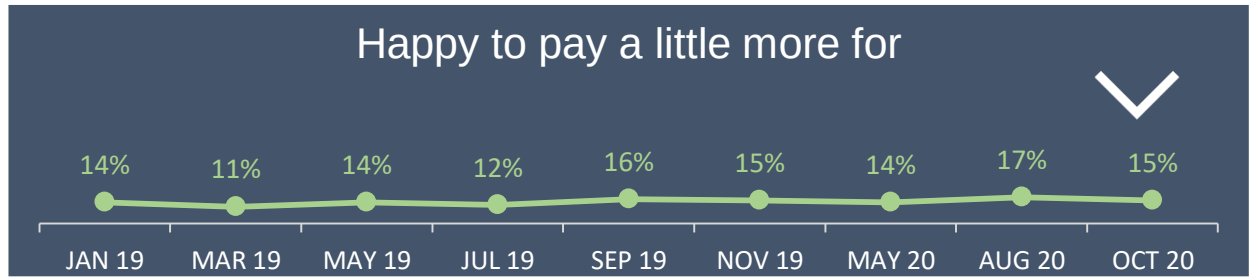












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Category Specific Support

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The Support for Irish Beef in the UK

BORD BIA Thinking House



Current Brexit Impact

48% of UK beef shoppers are concerned about the future availability of the food and drink they buy as a result of the current Brexit situation

51% of UK beef shoppers are concerned about the future quality of the food and drink they buy as a result of the current Brexit situation



Affinity for Rep. of Ireland

ROI deemed significantly more 'local' than any other country outside of UK

UK beef shoppers see ROI as the best alternative to UK food

ROI is the most trusted European origin for food & drink among UK beef shoppers



Retailer Engagement Support

72% of UK beef shoppers would miss Irish beef if there was a significant increase in price or limitation on availability

The Support for Irish Butter in the UK

BORD BIA Thinking House



Current Brexit Impact

48% of UK butter buyers are concerned about the future availability of the food and drink they buy as a result of the current Brexit situation

51% of UK butter buyers are concerned about the future quality of the food and drink they buy as a result of the current Brexit situation



Affinity for Rep. of Ireland

ROI deemed significantly more 'local' than any other country outside of UK

UK butter buyers see ROI as the best alternative to UK food

ROI is the most trusted origin outside of the UK for food & drink among UK butter buyers



Retailer Engagement Support

65% of UK butter buyers would miss Irish butter if there was a significant increase in price or limitation on availability

The Support for Irish Cheddar Cheese in the UK

BORD BIA Thinking House



Current Brexit Impact

48% of UK cheddar buyers are concerned about the future availability of the food and drink they buy as a result of the current Brexit situation

51% of UK cheddar buyers are concerned about the future quality of the food and drink they buy as a result of the current Brexit situation



Affinity for Rep. of Ireland

ROI deemed significantly more 'local' than any other country outside of UK

UK cheddar buyers see ROI as the best alternative to UK food

ROI is the most trusted origin outside of the UK for food & drink among UK cheddar buyers



Retailer Engagement Support

73% of UK cheddar buyers would miss Irish cheddar cheese if there was a significant increase in price or limitation on availability

The Support for Irish Mushrooms in the UK

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Current Brexit Impact

48% of UK mushroom buyers are concerned about the future availability of the food and drink they buy as a result of the current Brexit situation

51% of UK mushroom buyers are concerned about the future quality of the food and drink they buy as a result of the current Brexit situation



Affinity for Rep. of Ireland

ROI deemed significantly more 'local' than any other country outside of UK

UK mushroom buyers see ROI as the best alternative to UK food

ROI is the most trusted origin outside of the UK for food & drink among UK mushroom buyers



Retailer Engagement Support

64% of UK mushroom buyers would miss Irish mushrooms if there was a significant increase in price or limitation on availability