



MEDIACOM REPORT REAL WORLD MONEY FEBRUARY 2010

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**The Recession may be officially over, but
what's next for the UK consumer?**

Why you should read it

- It's a comprehensive summary of everything that happened last year, reminding you of the changing behaviour patterns that emerged and providing analysis on the key themes of the recession
- This is brought to life with valuable evidence and case studies which support the findings
- It's a chance to learn from the brands that got it right (and wrong), to make sure you take the right course of action in 2010
- You'll be ahead of your peers, armed with some predictions for this year, so that in 2010 you are better prepared for how the rest of the recession and predicted economic upturn will pan out

Introduction

Is your business bored of tracking the recession and keen to find out what happens next? If so you should read on. After an extensive review of consumer behaviour this year we have identified some key trends for 2010.

We have taken a comprehensive look at the past 16 months, outlining changes in society with regards to money, and focusing on consumer behaviour, attitude and value changes as a result of the recession. Because of our own in-depth research following a number of families since September 2008, we are also able to offer our predictions for future consumer behaviour.

This report marks the first 16 months of our Real World Money (RWE) project – a longitudinal piece of research which offers a reflection on the UK's economy from the consumer's perspective.

What you can expect from the report

Our report takes you on an enlightening journey through the recession, reminding you of the changes that have emerged. We have integrated expert opinion, industry reports, statistics and trend analysis, and have anchored this data with our own proprietary insight – during the course of the last 16 months we have maintained contact with 21 families on our RealWorld Street. Our RealWorld Street brings this report to life with case studies and evidence, ensuring that the report takes account of the life experiences of real consumers throughout the recession. Importantly, we are able to anticipate how they will behave and what values will be essential to them as we move into the economic upturn.

We start with the triggers and first signs of behavioural change from the early days where 'credit crunch' and 'recession' were beginning to become common parlance. We take a look at some of the brands that adapted early on to see what we can learn from them. We move on to discuss how families across the U.K have adapted to these unfamiliar circumstances and the new attitudes and values that emerged. We use this blueprint to build recommendations on strategy in a recession, including guidance on channel, message and tonality. Finally we finish with an application of these learnings to provide guidance on communicating with consumers in 2010, using what we have learnt as a foundation for the predictions and implications for what will happen next.

The Journey



Using our 'Real World Street' to bring RW£ to life



On the 1st of September 2008 we began our in-depth longitudinal study of 13 households, following consumers as they navigated the twists and turns of the recession. We used our 'Real World Street' – a panel of families based in Reading and Bolton - to constantly gain real world feedback on their experiences and opinions. They spoke to us about what food they were sacrificing from their shopping baskets, what brands were holding their hands throughout the recession, their money-saving tips and techniques, and how they felt about the government, among many other issues. By regularly interviewing our families throughout the last 16 months, following their blogs and scouring their grocery receipts, we have been able to understand how the recession has impacted on their behaviour and what changes have occurred to their attitudes and values. The insight from these case studies has been integrated throughout this Real World Money report.

The proprietary element of this research is formed of three elements: 1) 13 case studies with families across a period of 16 months consisting of bi-monthly at home in-depth interviews, supplemented with tactical telephone interviews and blogging exercises when we felt there was something new and relevant; 2) grocery receipts from 8 families across a period of 9 months. In total 21 families were included within this research. 3) A Hopes and Fears survey in January 2009 amongst 100 U.K adults.

Using an ethnographic approach and utilising a case study methodology allowed us to truly understand how our Real World Street families were experiencing the recession – following their ups and downs, their times of optimism and their moments of fear and panic. By building this long term relationship and spending time to gain their trust we were rewarded with an overwhelming level of honesty and authenticity which provided an important foundation to the in-depth data that was generated throughout the course of this research.

A framework for our conclusions

This report is built around the journey of the recession and the voyage of discovery we took when we began Real World Street back in September 2008. So, Chapter Two charts consumer reactions to the onset of the recession in late 2008, and how they coped in early 2009. Chapter Three deals with the consistent attitudes and behaviours that emerged as consumers became more used to the new economic circumstances. We finish with Chapter Four which outlines our predictions for 2010. Throughout the report we build upon an attitudinal and behavioural framework which we have developed. This framework is based on 6 building blocks of themes that have been consistently present throughout the recession but which have evolved and adapted over time. The first 3 are attitudes that reflect consumers' enthusiasm, expectations and where their energy is being focused, the 3 Es. The next 3 are behaviours that tell of consumer support systems, spending habits and skills, the 3 Ss.

THEME		Chapter 2 Insights from 2008/early 2009	Chapter 3 Insights from Late 2009	Chapter 4 Trends for 2010
Attitude	Enthusiasms	Need to know The nation's appetite for news increases out of a desire to understand what is happening	Escapism Recession fatigue sets in and consumers seek another outlet	Face up to the new world Despite efforts to ignore the problem it hasn't gone away; consumers recognise it's time to face up to the new reality
	Expectations	Preparing for the worst Under these new and uncertain circumstances consumers fear the worst and seek to control this fear through preparation	Cautious resilience After 6-9 months of living in this new world of economic uncertainty there is a sense of resilience but this is tempered with caution that they could be the next affected	Hopeful for the future A new year brings new hope for an upturn; consumers feel they have been through the worst and surely there must be some light at the end of the tunnel
	Energy	Home sweet home With all the uncertainty in the outside world consumers turn their attention and energy inwards on their homes and families	Time for reflection Changing times and changing focus lead to a period of reflection where everything is up for debate	Re-prioritisation of values Consumers emerge from these turbulent times with a different take on the world; many re-evaluate where they want to focus their energy, there is an appetite for new lifestyles and working patterns
Behaviour	Support	Community support Experiencing these new circumstances, consumers seek comfort from their peers and local community; many turn to their neighbours and friends, the sense that others are experiencing the same things is reassuring	www Networked support At this stage more practical support is sought out; consumers look to their friends and neighbour but also to a wider community and online for tips, some brands start to make a real difference by offering support this is appreciated	Circle of trust After over a year of coping strategies consumers now have a network of resources they can trust; these include money-saving experts, friends and brands
	Spending	Focus on necessity As a knee jerk reaction to the panic that sets in once a recession is announced many consumers, rein in spending to the necessities	Sensible indulgence After a period of coping and having built up some reserves as a safety net consumers feel it's now safe to have some occasional indulgences	Temptation to revert to the old ways It's been a long haul with many ups and downs and consumers are a quite frankly a bit fed up with all this financial restraint; some will fall off the wagon and abandon any good behaviours they have adapted
	Skills	Learning new skills This whole new world turns everything upside down; old habits are now frowned upon and consumers begin to adapt learning new skills they become better at money management and saving	Considered consumer A new type of consumer emerges one who takes longer over their purchase decisions and switches around to find the best deal; they are savvy to the ways brands are providing a helping hand and make good use of this to enable the occasional indulgence	Demanding consumer Consumers feel they have the upper hand; there is an expectation that brands will continue to offer deals and incentives; consumers also begin to also seek value from service and product quality

The Start of the Recession

CLOSING
DOWN
SALE



Introduction

The end of 2008 was tough, and January seemed to offer no release from the doom and gloom in the media, job redundancies continued to plague the UK and fuelled worries over personal finance.

September's headlines and media hype over the impending credit crunch prompted fears about being able to cope and if the worst was yet to come. January brought with it intense caution from consumers who were constantly expecting the worst.

Confidence in the economy hit an all time low in July 2008 with consumer confidence, figures at -39 and remaining low throughout the next 10 months (Gfk NOP). Many people were planning to hold off on big ticket purchases and forfeit any kind of holiday in 2009.

Key facts and figures.

Consumer confidence: According to Nationwide consumer confidence surveys in September figures were low at -32 and dropped even lower in February to -35.

Employment: The number of people claiming jobseeker's allowance also rose, by 32,500 to 904,900 in August 2008 according to the Office for National Statistics (ONS). The end of 2008 saw job losses at Ford, travel firm XL and the investment bank Lehman Brothers, while the nationalised bank Northern Rock was in the process of shedding 1,300 jobs.

Housing market: House prices reached their lowest in February 2009, with the average house in the UK on the market for £147,746.

There were numerous behaviour changes emerging in reaction to the changing economic circumstances; we observed them in our Real World Street study and have witnessed them as part of the continuing industry recession debate.

- Need to know
- Preparing for the worst
- Home sweet home
- Community Support
- Focus on necessity
- Learning new skills

Need to know

Throughout the early stages of the recession it became more important for people to know what was going on in the wider economic world. Newspapers readership had been moving online for some time, but it hit an all time high in September 2008 with all the leading quality papers achieving record highs in their ABCe's. It was the quality papers that fared best as consumer priorities were on financial knowhow. There was a strongly felt 'need to know' with regards to the current economic climate in order to help anticipate changes and better prepare for what might be coming up.

"Interest in Interest rates goes up in our household" (Source: RWStreet).

"That was a scary budget talk delivered by the government yesterday. Buy now and be bankrupt later. The year of doom is going to be 2011, and that is a frightening thing to have on the horizon. I shall buy the FT this morning and read the whole thing" (Source: RWStreet).

Preparing for the worst

Preparation therefore, became a priority for many, triggered by the unknown and worries over what was going to happen. News about redundancies had people concerned about their own jobs and their ability to take care of their families if the worst did happen. Fear of the unknown fostered a desire to control and so many were beginning to think about how best to prepare.

'There is a dark cloud entering the New Year..... We need to prepare ourselves mentally, physically and hopefully financially' (Source: RWStreet)

"I'm quite worried about my job after hearing about it all the time at the moment, but we'll just have to wait and see" (Source: RWStreet)

Case study: The average family struggle

Introducing one of our most typical families, Mr and Mrs Jones and their 4 year old daughter Jane:

At the end of 2008 Mr Jones was made redundant from his painter-decorator job due to lack of demand and his wife had to return to work full-time to support them. They relied heavily on Mrs Jones' parents to look after their pre-school daughter Jane while out at work or looking for work. In their monthly blog the Jones' talk about the strain this had on their relationship.

"My husband has not heard back from the so called job! So very disillusioned again, he is very down and we keep arguing about it all, I am very pro-active in life, he is the opposite and so we clash, I just keep trying to keep calm and not think about it! With putting the mortgage on hold, we have until July to pay the mortgage, so that is 4 months, got everything crossed something comes up before then."

Fears about the year ahead caused them to re-evaluate their spending and the drastic changes in their income meant big changes in both attitude and behaviour. For example, they made the switch from online grocery shopping to shopping in-store, and driving around to a few supermarkets to ensure that they were getting the best deals available. They also cut out treats such as weekly take aways and going to the pub with friends every Friday. Their attitude towards the next few months was one of extreme caution and preparation.

Home sweet home

Staying in became the new going out and for most people, re-discovering the joys of being at home as well as saving money had a silver lining. Spending more time with the family was now more important than ever as people re-prioritised material goods with experiences and quality time. But how long would home sweet home last? Younger generations who were used to going out on weekends would not relish the novelty of being stuck indoors long.

"We spend a lot of our leisure time with friends at their homes or at ours, everyone is skint and so it is great to keep in touch and meet up with them. To be honest I think I prefer it too, as we are socialising with the children as well" (Source: RWStreet)

“We used to go away on weekends away and we went on 7 holidays last year, which is really bad! We went on loads of really good trips last year. But I think we try and do more things in the flat if we can” (Source: RWStreet)

Community support

As the media noise heightened, a mass panic ensued and a group mentality started to develop. The UK began to pull together with an attitude of ‘we’re all in the same boat’ which helped to deal with fears. This ‘community support’ focused attitude change occurred very quickly; consumers moved away from being inward-focused to becoming more aware of the situations of others.

“People seem to be chipping in a lot more. I’m noticing that people are sharing ideas more on things like how to get offers if they know someone is looking for something particular because we are all in the same boat” (Source: RWStreet).

Focus on necessity

A focus on necessity emerged as people began to re-prioritise. The changes we witnessed were so dramatic that there was even speculation we could be reverting to behaviours last seen in post war Britain. This time round it manifested itself in terms of cutting down on grocery shopping bills (44% said they decided which supermarket to go to based on promotions, Source TalkingRetail.com), saving money on energy bills by shopping around, and cutting down on going out. Within the weekly grocery shops treats were either downgraded or dropped and meals out or going to the cinema were curbed, even takeaways were cut back on. Asda’s Pulse of the Nation (a survey of 10,000 ASDA shoppers) asked ASDA customers, “If your household’s disposable income increases in 2009, will you spend or save the extra?” - just over 70% of the respondents said they would save but also use extra income to pay off debts, (Source theretailbulletin.com).

“(We now) think having a takeaway is a treat that’s really sad; we don’t go out for meals any more because we can’t afford those and we very, very rarely have a takeaway. We might have a takeaway once every 6 months” (Source: RWStreet).

Learning new skills

Consumer’s shopping routines changed overnight and suddenly budget supermarket shopping was socially acceptable; saving every penny and choosing Lidl or Aldi over Sainsbury’s helped families to cut back and prepare for the worst. Even charity suffered with consumers cancelling direct debits.

Consumers had to learn new skills in order to, in their minds, survive the recession. Many expressed guilt at their previous overspending and were doing their utmost to turn this behaviour around. It was replaced by a tendency to scrutinise all planned purchases to see if they were justified. This was accompanied by a new appetite to find the best deal, which they quickly realised wasn’t just about finding the cheapest price but was instead about finding the best value for money. Friends and family regularly shared tips and advice about ways to save money and the offers they had discovered.

Case Studies: Brands that adapted early to change; analysing their success

Sainsbury's brought out 'Feed your family for a fiver', aimed at cash-strapped families who they felt would welcome the helping hand. However these types of recession- focused ads came with mixed reviews from the general public. "Its gets to a bit of a slagging match, Asda and Tesco's supermarket wars ... I prefer to be entertained" Some of our mums felt fed up with all the credit crunch talk, although they were looking for brands to make their life easier, they didn't want to keep hearing about it.

Other brands took a nostalgic stance to combat the doom and gloom. Both Bisto and Virgin Atlantic tapped into feelings of safety and familiarity with their retro advertising. Virgin was a runner up for 'Campaign of the year' due to its stand out advertising at a time of airline turmoil, and supermarkets saw people returning to old favourites with sales of Bisto showing some rapid growth, up 20% (Source Brand Republic).

Some brands focused on entertainment as a respite from the doom and gloom. Perhaps the most memorable advert from around this time was the Cadburys gorilla, which was viewed as pure light-hearted escapism at a time when everything else was extremely serious and black. In fact, in response to the advert sales of Dairy Milk went up 7% and it received the highest recognition scores ever recorded by Hall and Partners (Source, Brand Republic). Boursin presented consumers with a satirical take on the art-house-esc. ads brands had previously favoured:

"After seeing the ads for the past couple of days I just had to go and buy some Boursin cheese! It's the first time in a long time that I've been actively aware that I've been influenced by advertising - it worked doubly well as I bought a baguette and a bottle of red wine too and sat down to a dinner of cheese, bread and wine!"

High street fashion chains that favoured bright, colourful clothing ranges fared much better than those who opted for demure greys and muted tones befitting of the current economic climate. (Source: Mintel)

Conclusions

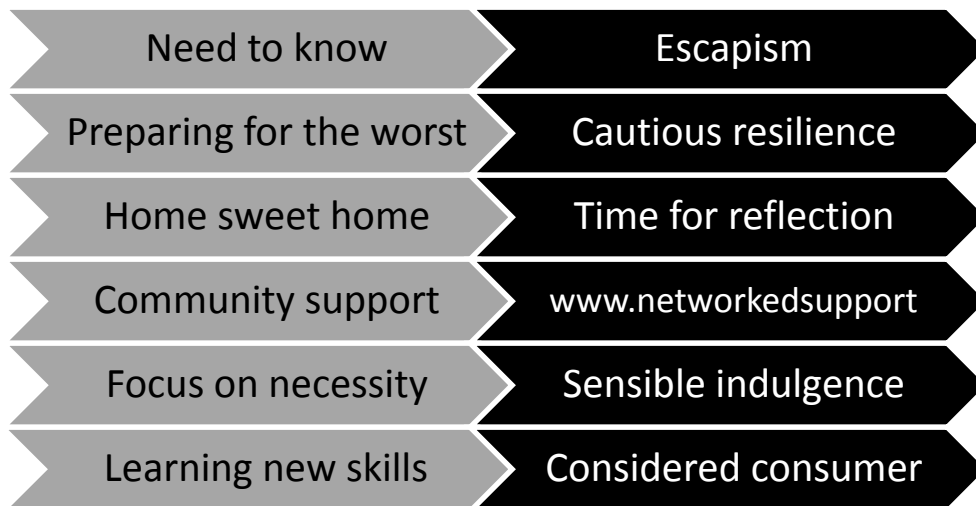
At the beginning it was the discount and traditional brands that won favour. Lidl and Aldi became acceptable as consumers delighted in finding a bargain. Consumers sought familiarity as a way to combat the air of uncertainty, traditional brands and campaigns that tapped into nostalgia were well received.

Deep in Recession



Introduction

Moving towards the end of 2009 we are beginning to see the bedding in and development of some of the key themes that emerged earlier in the year. In the early stages of the recession we saw how panic and fear set in as a response to the large scale and hard hitting changes that were happening outside of the control of consumers. The recession had caused consumer wallets to be severely squeezed by the combined impact of the rising cost of living and decreases in disposal income, and consumers attempted to regain some control over their lifestyles by adapting to the economic environment, adjusting their spending behaviour and shifting their attitudes. Throughout this chapter we consider some of the key shifts over the latter part of 2009: some of the attitudes and behaviours in the last chapter developed whilst others switched emphasis.



Escapism

A thirst for news was replaced by recession fatigue; consumers had gorged on news and analysis now they needed to purge, they sought out an alternative- escapism.

Our RWE Hopes and Fears survey showed us that the number one thing consumers were looking for was relaxation and escapism. A further 15% just wanted a damned good laugh, with women in particular being more likely to use media for relaxation and escapism. TV and cinema appeared to be effectively meeting this need with the rise of Sci-fi and fantasy genres, and vampire and comic book mania hit the large and small screens with True Blood on Channel 4 and films like The Watchman proving a huge success. There were also record takings in cinemas, with revenue projected to be £1 billion for 2009.

The appetite for escapism and laughter can also be seen in some of the more successful adverts in 2009—T-Mobile and comparethemarket.com used entertainment and fun as a successful way to engage their audiences and stimulate conversation about their brand.

“There’s too much doom and gloom in the media- it drives you mad. I prefer to watch something entertaining.’ (Source: RWStreet)

Cautious resilience

Struggling through a recession is hard – not only on the pocket. but because of the emotional and psychological effort of maintaining resilience through lifestyle-changing events. With Christmas approaching, December saw a reduction in consumer confidence, which was in contrast to the small but consistent increases that had been occurring over the previous months. The decrease was by 2 points to -19; however it's important to note that this is a substantial improvement on this time last year when consumer confidence was -33 (GfK NOP, 2009). So a year on consumers are more positive- their very survival has instilled a sense of resilience that makes them feel stronger-but this is tempered with a hint of caution. Our qualitative research indicates that consumers are looking forward to 2010 and starting a new year, but they are approaching the year ahead with caution and still remain somewhat sceptical about the upturn in the economy. They feel a sense of achievement at having made it through 2009 and at utilising the skills they learnt to get them through.

“There have been high and lows this year but overall I'm feeling more positive than before. There still a need to be cautious though- my husband has a permanent job again but he'll have a review in March” (Source: RWStreet)

The Facts

Unemployment rates are still the worst they have been in 13 years , rising to 2.49 million people out of work in October 2009 (ONS, 2009). The stress is impacting on mental health – particularly men who are less likely to talk about their problems, with nearly 40% saying they are feeling low or worried (Mind, 2009).

Time for reflection

Getting through a time of recession and coming out the other side brings with it massive lifestyle changes. This experience offers an opportunity for contemplation, a period of reflection with regards to values and priorities. Free and cheap ways of entertaining have been a helping hand for families through the recession, with museums and galleries seeing a surge in attendance and people utilising the home, parks and common spaces to spend their time. This focus on free and cheap experiences over consumption is an obvious result of having less money to spend but does this also reflect a change in attitudes and values? Are people moving away from the focus on careers, pay rises, consumption and materialistic values to focus more on family and fulfilment? The financial crisis has offered an opportunity for reassessing values, for re-evaluating work life balances. Are consumers ready to let go of their materialistic ways and enter a new phase of fulfilment? The consumers we spoke to were in reflective mood, thinking about new ways of living their lives, but it's not yet clear if this will translate into real behavioural change.

www.Networked Support

In the early days of the financial crisis people were looking around them for emotional support – needing confirmation that others were experiencing what they were going through and that they weren't alone. Throughout the year this support-seeking moved online as they were driven by their keenness to gather tips and tricks from a wider pool of resource. Brands prompted this switch of emphasis by proving to be a valuable helping hand. In particular restaurant chains fought to maintain their share of the household budget by continually offering deals. Pizza Express were probably the strongest example of this; by the end of the year they even ran a promotion that offered not only a discount on food but also tied up with Orange Wednesdays to provide a whole evening's entertainment at half the price. Other restaurant chains and fast food outlets followed suit including Dominos, Bella Italia, Ask, Gourmet Burger Kitchen and Strada; it seemed like if you wanted to eat out you no longer need to pay full price. Martin Lewis the money saving expert increased in popularity, moneysavingexpert.com receives at least 3500 new signups to their mailing list every day and received 8.2m visitors in December 2009.

'In the newspaper it had Tesco bad-mouthing Asda with their price cuts advertising; generally Asda are only cutting 1p off of a large amount of their products, so again it shows you can't trust the adverts' (Source: RWStreet).

Sensible indulgence

Initial reactions to the recession were to severely cut back to necessities, but with the new skills they had learnt and the network of support available from brands, consumers now felt they were free to sensibly indulge again. According to Tesco the austerity lasted six months and in the second half of the year they saw sales of their Finest range soar. Specifically sales of its top-of-the-range ready-made lasagne (twice the price of the basic equivalent) were up 20% on a year ago. Paella and lamb shank dinners – hardly austere dining – showed similar growth. Sales of Finest Parma ham went up 22% while Java ground coffee was ahead 34%. Consumers were still cautious about buying big ticket items but even these are faring better; the major purchases measure has increased by three points to -16; thirteen points higher than this time last year.

"We began to upgrade our grocery shopping products as we were tired of cutting back so much with value as found we were compromising on taste". (RWStreet)

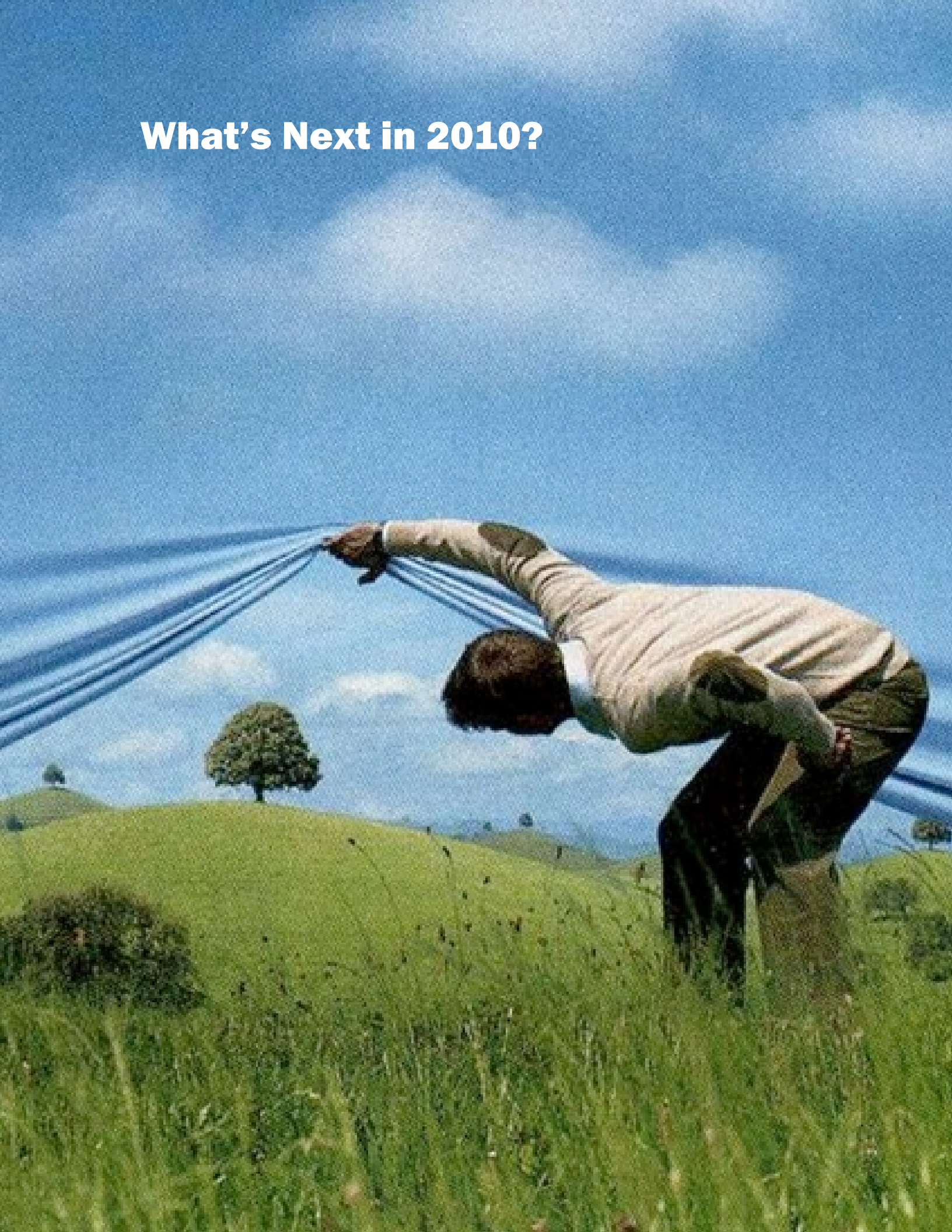
Considered consumer

From a combination of these new attitudes and behaviours learnt over the recession period a new consumer emerges. One who is more considered and savvy- spending more time over purchase decisions, one who is more in control, one who can make better use of the deals available and has mastered the art of finding the best quality. A consumer who will consider delaying a big ticket purchase rather than putting it on the credit card. A survey by the Post Office found that a third of us were talking about money which is more than ever before. It's not enough just to offer a deal- consumers will hunt out the best deal and look at reviews to make sure that not only are they getting a good price but that the product or service stands up to scrutiny too. Recent Mintel research shows that around 16 million adults use personal finance discussion boards and 23 million use price comparison sites when looking for advice on financial products.

Conclusions

The lessons for brands were clear: because of this new level of scrutiny, transparency was key. Consumers were now taking the time to work out exactly how much of a saving they are making, so brands couldn't afford to be caught out with misleading offers. As consumers adapted and learnt new skills, brands needed to reassure people that they were getting value for money at a level of quality that met their standards. Furthermore it was an opportunity to make the most of this network of support; become part of it, deliver content and offers that were easily passed on. But with all this austerity consumers also wanted a release- if a brand was able to entertain or amuse, or provide the opportunity for affordable luxury it could also win them over.

What's Next in 2010?



So where do these attitudes and behaviour take us? Because we have seen them evolve over time and we are in regular touch with our RealWorld Street consumers we feel confident in making some predictions for 2010...

Face up to the new world

Consumers have gone full circle from an initial intense appetite for news and analysis about the recession to a period of recession fatigue and now back again to an acceptance of this new reality.

Conversations in the news and in politics are about how we can stop this happening again and about real behavioural change accompanied with a sense of responsibility for past behaviours. Bankers have borne the brunt of blame for the mess we are in and politicians are lining up to defend or attack them; in the U.S. Obama is introducing sweeping reforms of Wall Street whilst our own London Mayor is backing curtailment of bankers' bonuses.

This new mindset is also reflected in the entertainment industry; instead of Harry Potter the next children's book to hit the big screen will be a series called 'The Carbon Diaries'. This series tells of a frightening new era when climate change is drastically altering the way we live. Instead of a hero sporting school scarf and round glasses we have a feisty character called Laura who plays in a band. At the cinema too there is a new mood with the release of Avatar, The road, 2012, Book of Eli and Daybreakers all reflecting a broken futuristic world because civilisation has learned its lessons too late. This is in stark contrast to last year's comic book and Sci-fi obsession and the release of Batman, The Watchmen, Moon and a new Star Trek movie.

Hopeful for the future

Despite all this doom and gloom there are signs of hope: a new year brings a fresh start and the media are starting to talk about the end of the recession. Gordon Brown even declared the recession over in his new year's speech. Consumers themselves also feel that they have come a long way, reining in their spending, starting to save and learning new skills. This perhaps explains the success on the High street and supermarkets over Christmas. According to the British Retail Consortium we saw the best Christmas since 2005 with total sales increasing at an annual rate of 6%. Consumers perhaps feel they are able to justify rewarding themselves again; however there is also an argument that this could be a sign they are tipping back into their old ways of spend now pay later. Talk of a recovery is always accompanied by words of warning that the economy is still fragile, and many are still sceptical that we are really entering a recovery period. But the word from our Real World Street in January is turning more positive, and after all the recovery is to some extent dependent on consumer confidence.

"I'm looking forward to this year, we really reined in last year and this year we have a few treats and holidays planned, I think we need it. I'm still doing lots of money-saving things I even negotiated the price of the flight down, but I'm not going to stop us doing stuff this year."
(RWStreet)

Re-priorisation of values

With change often comes a period of reflection and then re-evaluation. Last year we saw many signs that consumers were in a reflective mood; this year we will see them put some of those thoughts into action. Many have been re-evaluating their careers; we believe 2010 will bring a shift away from a desire to climb the career ladder and towards a pursuit of balance and happiness. According to a recent McKinsey study 85% of executives believe trust in businesses is declining. Instead many individuals are turning their hands to an alternative career such as teaching. Applications for switching into teaching are up according to the TDA (Training and Development Agency for Schools) there was a 35% year-on-year rise in the number of career changers applying to train as teachers during 2009/10. This was a faster rate than that of applications from students or graduates starting their first career, which increased by 19% and 27% respectively.

It's not really surprising; finding fulfilment in the workplace is challenging at the best of times; in a recession where many employers are of the mind that you should be grateful to have a job, many think "my employer isn't the kind of person I thought- what is the alternative?" The alternative may be to log on to careershifters.com a business set up to help people find a job they love and make that brave switch. Cath Roan who set up the business 4 years ago, says that she's seeing a significant shift from thought to action. "It's noticeable that those visiting us now are ready to take action" (The Observer, Sunday January 3 2010) Craftmanship, the topic of a new book by Sociologist Richard Sennett, provides some real insight into this societal shift. Sennett describes craftsmanship as "enduring, basic human impulse, the desire to do a job well for its own sake" and finds it severely absent in the industrialised world. He believes an absence of craftsmanship is linked to worker demoralisation and waning of loyalty. 2010 may well be the year where many re-think their careers and move into something that is more attuned to their interests and skills and better fits into the rest of their lifestyle. The notion of a portfolio career is increasingly being talked about; in her blog on the subject, Katie Ledger — co-author of the forthcoming book "And What Do You Do?: 10 Steps to Creating a Portfolio Career" — defines portfolio careers as work that "uses all your skills and passions...doing two or more jobs for different employers." Insecurity in the job market and has driven this trend but the period of reflection that quickly followed after the onset of the recession has led many people to seek a better work/ life balance and created an appetite for improved self-fulfilment. This trend started with consumers turning their attention inwards towards their homes and families, and it will continue with people making decisions and changes to facilitate being able to spend more of their time and energy here.

Circle of Trust

In the last 15 months consumers have needed all their reserves to pull through; along the way they have learnt a lot of new skills and developed a network of contacts they can rely on. These contacts now form a circle of trust: people, experts, brands, resources and strategies that they regularly tap into to get by in these challenging times. Brands that have become part of this group have achieved hard won loyalty, and as long as they continue to offer support they will be rewarded. Brands that have failed to demonstrate consumer empathy will find it much harder to break into this circle of trust now, as the relationship between the consumer and any trusted brands is so strong- being based on survival through adversity. Trusted brands include Pizza Express which has cleverly facilitated the 'Sensible Indulgence' trend that we talked about in the last chapter. Hyundai too have bucked the trend in a declining car market; whilst they are the

right car for leaner times instead of sitting back and eating out on this, they have introduced feature-packed new models and made a concerted effort to improve quality. Now offering the consumer even better value for money, they have seen a 102% rise in sales. Love film has benefited from the 'Home Sweet Home' trend but beyond this its transparent customer-friendly offering is likely to have secured it a place in consumer's hearts. Members can leave whenever they want; they're not asked to commit to lengthy contracts, and the brand offers genuine convenience and value for money, consequently membership has shot up by 40% since the onset of the credit crunch.

Temptation to revert back to old ways

The success on the high street over Christmas suggests that there is a possibility that consumers will revert to their old ways. At this stage we don't know how much of this Christmas spending was put on credit cards, but it's obviously something the government remain concerned about given its introduction of compulsory money-management education. From 2011 primary school children will be taught about current and savings accounts and how to budget. In secondary school, the lessons will move on to credit cards, mortgages and loans, with specific warnings about debt. Certainly signs that consumer may drop the ball on all this good behaviour are apparent; Britain's building societies reported a drop in deposits in January.

"It's obvious from any trip to a shopping centre during the sales or pre-Christmas that consumers are still spending money. As long as there is a desirable enough product and a strong enough brand they'll even queue up to pay full price for it. But otherwise everyone is now looking for a deal, and that can be something extra or special about the product (not just a cut price). People are talking more cautiously, but the habits of consumerism die hard. The addiction to shopping therapy is kicking off in kids as young as 5 or 6, and with the right consumer proposition, brands can feel optimistic about 2010 and beyond" Sue Unerman, Chief Strategy Officer MediaCom U.K.

Demanding Consumer

Alongside the bargain-hunting behaviour of last year there has also been an increased appetite for quality, value for money and good customer service. The Institute of Customer Service's own research shows that customer satisfaction is increasing as brands make efforts to impress consumers and keep them. However this is accompanied by increased expectations. The increased scrutiny and longer decision processes of the savvy recession-hit consumer, combined with the transparency that the internet facilitates, means consumers have become more demanding. They will check out your brand on price comparison websites, read reviews and pick up on any bad PR. A disappointed customer is much more dangerous these days, as they won't just tell their friends and neighbours but are also likely to post comments or tweet about it. According to the Institute of Customer Service, brands that have met demands and continue to keep customers satisfied include John Lewis, the Ambulance Service and Lloyds Pharmacy. Putting the consumer at the heart of your brand has been taken to new levels by some brands this year. This is a reaction to the demanding consumer who feels that the balance of power in the brand consumer relationship should lean towards them. Walkers Crisps 'Do us a Flavour', T Mobile 'Flash Mob' and Orange's 'I am who I am because of everyone' campaigns all turn the focus of attention away from the brand and place it on the consumer. This strategy must be accompanied by great products and amazing customer service for consumers to really feel that brands deserve their loyalty.

Conclusions

We are at a crossroads where some of the attitudes and behaviours we are witnessing appear to be in contradiction with one another. There is hope and positivity but also a heavy weight of responsibility to face up to past mistakes. There is an appetite to embrace new values that are in contrast to materialism and consumerism, but also a temptation to slip back into old ways-hitting the shops to alleviate stress and provide reward. 2010 is likely to be a year where consumers seek out a middle ground between these seemingly contradictory themes; after a period of uncertainty they seek stability and a more balanced lifestyle. Consumers are unlikely to give up their shopping habits, but it will be with moderation and a more considered approach instead of bursts of bingeing following by days of regret and remorse. Marketers would be wise to pay attention to the more demanding consumer with their network of support, as brands that work to these trends are the ones more likely to make it onto their considered shopping list.