‘THE BIG SQUEEZE’ IS A MAIL METRO MEDIA RESEARCH SERIES THAT TRACKS THE ONGOING IMPACT THAT THE COST OF LIVING CRISIS IS HAVING ON CONSUMERS FINANCES AND BEHAVIOURS ACROSS A BROAD RANGE OF CATEGORIES.

EACH WEEK WE ASK OUR MATTERS COMMUNITY MEMBERS ABOUT THEIR BEHAVIOURS IN ONE CATEGORY TO ASCERTAIN IF AND HOW IT HAS BEEN IMPACTED BY THE COST OF LIVING CRISIS.

OUR AIM IS TO OFFER USEFUL INSIGHTS AND PRACTICAL GUIDANCE ON HOW BRANDS CAN NAVIGATE THIS DIFFICULT AND TUMULTUOUS PERIOD.

WHAT BETTER PLACE TO START THAN SUPERMARKETS? FOOD PRICES HAVE RISEN 6.7% YEAR ON YEAR AND IN COMBINATION WITH SOARING ENERGY PRICES, MILLIONS OF CONSUMERS HAVE BEEN FORCED TO CHANGE HOW AND WHERE THEY SHOP.
We wanted to find out people’s feelings on their household finances, their current spending, and more specifically, grocery shopping habits and how these habits may have changed in recent months. We also wanted to see how people felt about celebrating special occasions.

**Approach:**
10 mins online survey, respondents recruited through Matters Community survey

**Fieldwork:**
6th – 11th May 2022

**Sample:**
410 Respondents

Data is weighted to be representative of readership by age, gender and social grade
WHAT WILL WE COVER?

1. KEY FINDINGS
2. HOUSEHOLD FINANCES
3. GROCERY SHOPPING HABITS
4. SUPERMARKET BEHAVIOURS
5. CELEBRATING SPECIAL OCCASIONS
6. IMPLICATIONS FOR BRANDS
THE CURRENT STATE OF PLAY...

- Whilst 3 in 4 of adults are still feeling comfortable with their current finances, a significant group are being hard hit. 1 in 10 are having to go without essentials – this rises to 1 in 5 under 35’s

- Out of home leisure has been impacted. 1 in 3 are now opting to cook from scratch more and eat/drink out less

GROCERY SHOPPING

- Behaviours are adapting. 6 in 10 have made changes to their grocery shopping habits. Under 35’s and families are making the most compromises

- Behaviours are different by demographic group

- Younger groups are increasingly reliant on value ranges and ‘yellow sticker’ offers

- Families are moving to buy own brand and value ranges

- Those 55+ have become more conscious of product offers and reductions (58%)

- Shopping online removes the temptation to over spend and there is a belief that more offers are available. Those who are struggling most financially are returning to shop in-store
KEY FINDINGS

SUMMARY

GROCERY SHOPPING

- The most common way to shop is doing one main shop and additional smaller shops each week. The least affluent are shopping most frequently.

PERCEPTIONS OF SUPERMARKETS

- Tesco scores highest amongst consumers on key perception metrics.
- Discount supermarkets (Aldi & Lidl) are perceived to be doing the best at holding prices during the cost of living crisis.
- Sainsbury’s & Tesco score well on offers and loyalty schemes; the Discounters score well for affordability. Asda & Morrisons do not score highly on either – suggesting work to do to convince on cost of living credentials.

CELEBRATING SPECIAL OCCASIONS

- 2 in 5 will be making cutbacks at celebrations; 1 in 3 are nervous about paying for celebrations.
- Under 35’s are more likely to feel pessimistic about their ability to celebrate special occasions; 1 in 3 claim they will no longer be celebrating.
"HOUSEHOLD FINANCES"
3 in 4 are feeling ‘comfortable’ with their current household finances but only 1 in 5 describe their finances as healthy

Younger and family groups are more likely to be struggling

Q – How would you describe your household finances?

NET Comfortable: 75% vs 64% for under 35

NET Uncomfortable: 23% vs 34% for under 35

Source: Grocery Shopping Matters Community Survey (April-May 2022)
Base: 410 Respondents
7 in 10 have made changes to their shopping habits

Under 35’s and family groups are making the most changes, 1 in 5 of these groups are going without essential items

The most common behaviours involve reducing, budgeting and compromises

Q – Continuing to think about your household finances, how would you describe your current spending behaviour?

Source: Grocery Shopping Matters Community Survey (April-May 2022)
Base: 410 Respondents
GROCERY SHOPPING HABITS
6 in 10 have made changes to the way they shop

4 in 5 under 35’s and over 9 in 10 families have made changes to the way they shop
Consumers are starting to change where they shop and the brands that they purchase

Q – Thinking about your grocery shopping habits, how, if at all, have your habits changed?

Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 410 Respondents
1 in 3 are now opting to cook from scratch more and eat/drink out less

The most common change in eating/drinking habits for families is eating less expensive items / food stuffs (42%)

Q – Thinking about your eating and drinking habits generally and how they may have changed in recent months. Which, if any, of the following statements apply?

- 34% of under 34’s are eating less expensive items
- 33% are eating less
- 29% are eating healthier food
- 24% are eating more
- 21% are drinking less alcohol
- 18% are eating seasonally
- 18% are batch cooking

Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 410 Respondents
Consumers are increasingly substituting for own brand, paying attention to product offers and shopping at more affordable supermarkets

Q – Continuing to think about how your grocery shopping habits may have changed recently, which of the following statements apply?

- Buying more supermarket own brand products: 46%
- Shopping at more affordable supermarkets: 42%
- Paying closer attention to product offers and reductions: 40%
- Buying more products from supermarket value ranges: 35%
- Seeking out the reduced section of the supermarket: 30%
- Buying more healthy products: 14%
- Buying more products that claim to be environmentally friendly: 11%
- Shopping more at markets: 7%
- Buying more food from independent stores: 6%
- Buying more unhealthy products: 6%
3 in 5 of those 55+ are now paying closer attention to product offers and reductions; those with kids are focused on buying cheaper products including both own brand and value ranges.

Younger groups are looking to markets and independent retailers.

Q – Continuing to think about how your grocery shopping habits may have changed recently, which of the following statements apply?

- Buying more supermarket own brand products
- Shopping at more affordable supermarkets
- Paying closer attention to product offers and reductions
- Buying more products from supermarket value ranges
- Seeking out the reduced section of the supermarket
- Shopping more at markets
- Buying more food from independent stores

Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 252 Respondents
Consumers are choosing to shop online over in store due to less temptation and a perceived increase of offers available

Those who are struggling financially are more likely to shop in store

Q – How has the way in which you shop for groceries e.g. in store or online, changed? (Base: Those who have changed the way they shop)
Q – Why is this?

**PRO IN STORE**
- “To see if there are any reduced items”
- “It is nice to get out of the house and physically see the store and find deals that you don’t always see online”
- “I can hunt down the reduced items”
- “Online I had to spend so much for delivery whereas I can nip to the shop and just get a few things”
- “Able to grab reduced priced bargains”

**PRO ONLINE**
- “Some discounts can only be found online”
- “I do most of my shopping online where prices tend to be most competitive”
- “Easier to browse to select promotional items and cheaper/own brands”
- “Less temptation”
- “I find that when I am in the shop I get tempted into impulse purchases but if I am shopping online this is less likely”

Source: Grocery Shopping Matters Community Survey (April-May 2022)
Base: 65 Respondents* Small Sample Size
SUPERMARKET BEHAVIOURS
Tesco & Sainsbury’s are the most popular supermarkets

Families are most likely to be shopping at Tesco & Asda, older groups are more likely to shop at upmarket supermarkets than younger groups seeking out the discounters

Q – Thinking again about your grocery shopping habits, where out of the following do you regularly shop for groceries? By regularly, we mean at least once a month.
The plurality do a main shop each week followed by additional smaller shops

MMM readers are just as likely to top up at M&S as Lidl & Aldi

Q – Which, if any, of the following best describes how you shop?
Q – Where do you tend to do your a) main shop and/or b) top up shop?

1 in 4 do one main shop each week. Those in financial trouble are more likely to shop several times a week.

Tesco is the most popular store for people to perform either a main shop or a top up shop.

Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 410 Respondents
Half of adults agree that discount supermarkets are effectively maintaining prices

Discounters are doing a better job than upmarket supermarkets at communicating that holding the price of items
Tesco is doing a better job than Sainsbury’s and Morrisons in convincing consumers it is on their side

Q – To what extent do you agree or disagree that each of the following supermarket chains are doing well in holding the price of items and/or helping with the cost of living? NET: Agree or Disagree

<table>
<thead>
<tr>
<th>Supermarket Chain</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Degree</th>
<th>Don’t know / Not sure</th>
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<tbody>
<tr>
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<td>20%</td>
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<td>Lidl</td>
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<td>Asda</td>
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Source: Grocery Shopping Matters Community Survey (April-May 2022)
Base: 410 Respondents
The majority of those shopping around are favouring discount supermarkets

Of the big four supermarkets, it's believed Asda are doing the most to help the cost of living crisis

Q – To what extent do you agree or disagree that each of the following supermarket chains are doing well in holding the price of items and/or helping with the cost of living? NET: Agree or Disagree (Base: Those shopping at more affordable supermarkets)

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<td>Lidl</td>
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Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 410 Respondents
Tesco scores highest amongst consumers for availability, range, offers, initiatives and keeping prices low

7 in 10 consumers associate M&S with having good quality own brands, 2 in 5 believe Aldi is making healthy food accessible

Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 410 Respondents
When it comes to additional offers and initiatives, Asda and Morrisons do not resonate strongly with consumers.

Q – When thinking about supermarkets, which, if any, of the following phrases do you associate with each?

- **Is making healthy, sustainable food affordable and accessible**
  - **Aldi**: 73%
  - **Lidl**: 64%
  - **Asda**: 39%
  - **Morrison’s**: 35%
  - **Tesco**: 37%
  - **Sainsbury’s**: 30%

- **Is focused on keeping prices as low as possible for consumers**
  - **Aldi**: 33%
  - **Lidl**: 28%
  - **Asda**: 28%
  - **Morrison’s**: 27%
  - **Tesco**: 39%
  - **Sainsbury’s**: 31%

- **Is looking to help customers through additional offers**
  - **Aldi**: 42%
  - **Lidl**: 31%
  - **Asda**: 31%
  - **Morrison’s**: 47%
  - **Tesco**: 41%
  - **Sainsbury’s**: 40%

- **Is looking to help customers through additional initiatives (e.g. loyalty cards)**
  - **Aldi**: 10%
  - **Lidl**: 14%
  - **Asda**: 33%
  - **Morrison’s**: 57%
  - **Tesco**: 54%
  - **Sainsbury’s**: 54%
CELEBRATING SPECIAL OCCASIONS
2 in 5 will be making cutbacks at celebrations; 1 in 3 are nervous about paying for celebrations

Q – Given the current cost of living crisis, to what extent do you agree or disagree with each of the following statements around how you’d celebrate special occasions?

NET: Agree or Disagree

Source: Grocery Shopping Matters Community Survey (April-May 2022)
Base: 410 Respondents

- I will be spending the same amount when I celebrate special occasions: 42% Agree, 25% Disagree
- I will need to make cutbacks when celebrating special occasions going forwards: 39% Agree, 27% Disagree
- I am nervous about how I will afford to celebrate special occasions: 35% Agree, 33% Disagree
Under 35’s are more likely to feel pessimistic about their ability to celebrate special occasions

3 in 5 under 35’s predict the need for cutbacks when celebrating, with 1 in 3 claiming they will no longer be celebrating

Q – Given the current cost of living crisis, to what extent do you agree or disagree with each of the following statements around how you’d celebrate special occasions?

NET: Agree

Under 35 | 35-54 | 55+
---|---|---
I will need to make cutbacks when celebrating special occasions going forwards | 58% | 35% | 30%
I will be spending the same amount when I celebrate special occasions | 54% | 37% | 39%
I am nervous about how I will afford to celebrate special occasions | 50% | 38% | 23%

Source: Grocery Shopping Matters Community Survey (April-May 2022) Base: 410 Respondents
"IMPLICATIONS"

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IMPLICATIONS FOR ADVERTISERS

THEMES THAT MATTER

- **OWN BRAND FANS**
  - 1 in 2 MMM readers say they are buying more supermarket own brand products

- **SHOPPING AROUND**
  - 2 in 5 MMM readers say they are shopping at more affordable supermarkets recently

- **SEEKING DEALS**
  - 2 in 5 MMM readers are paying closer attention to product offers and reductions

- **SCRATCH & BATCH**
  - 1 in 3 MMM readers say they are cooking from scratch more and 1 in 5 say they are batch cooking more

- **XMAS CUTBACKS**
  - 2 in 5 MMM readers say they will need to make cutbacks when celebrating occasions moving forward

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**SHOW ALTERNATIVES**
- People are actively changing their spending habits when it comes grocery shopping. They are switching shops, brands and ranges. Show / provide alternative options to cater for all budgets

**PRACTICAL NOT PATRONISING**
- There is a desire for more information on how to navigate rising food prices but consumers are after practical and realistic tips and hacks. Be mindful to not come across as patronising and be aware that humour might backfire

**GENUINE OFFERS**
- Consumers are shopping around more and more open to offers and deals. To maximise basket size ensure consumers are well informed about offers and reward loyalty with upgrades and special deals

**HELP WITH SPECIAL OCCASIONS**
- Whilst people are optimistic about being able to celebrate special occasions in the same way, brands must be mindful of making cutbacks when celebrating. Highlight how people can continue to celebrate whilst trying to save money

**BE VISIBLE**
- Some supermarkets are scoring higher than others on key cost of living metrics. With many consumers changing their habits, ensure consumers know what you are doing to help limit the impact of the squeeze