Bounce back and beyond

How listeners are planning to
spend as lockdown is relaxed

The Study

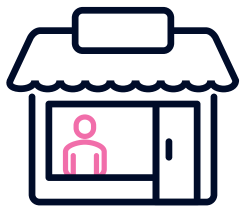
- Radiocentre commissioned research agency DRG to explore how the coronavirus crisis has influenced spending intentions in the short and long term
- 1013 commercial radio listeners took part in an online quantitative survey
- We have identified 3 key groups of interest:

Newly working from home

Used to work primarily from an office but is now working from home

Newly at home (not working)

At home due to furlough or work being non-essential

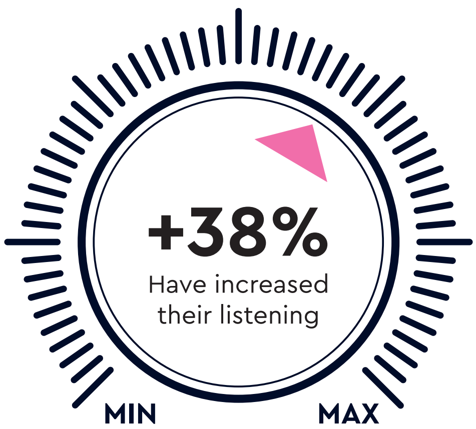


Key Workers

Still working at employers premises due to being a designated key worker

Learnings from our previous study

Commercial radio listeners are listening to more radio than before lockdown

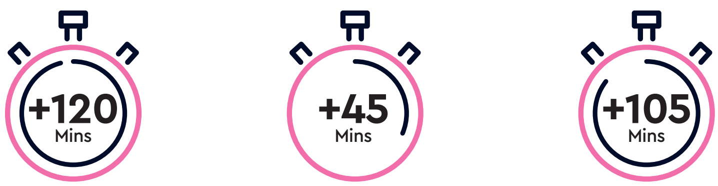


Radiocentre's study *Staying Connected During the COVID-19 Crisis* showed that 38% of commercial radio listeners have increased their listening during lockdown. This uplift was driven largely by those newly WFH or newly at home (not working), but we saw uplifts among key workers too.

Who is listening more?

Newly working from home	Newly at home (not working)	Key Workers
+45%	**+43%**	**+32%**

How much more are they listening?



Newly working from home	Newly at home (not working)	Key Workers

Learnings from our previous study

Radiocentre's study *Staying Connected During the COVID-19 Crisis* showed that radio has an emotional role to play in people's lives, keeping them connected even in isolation. It also serves as a trusted source of information.

Why are people listening to more radio?

I can listen to it in the background while working

87%

Newly working from home

91%

Key Workers

Those not working have more time to indulge in radio...

88% agree

Newly at home (not working)

I have more time/ opportunities to listen to the radio than I did before

How does radio help in people's lives?

It keeps me in touch with the outside world...

90% agree

It keeps me company...

84% agree

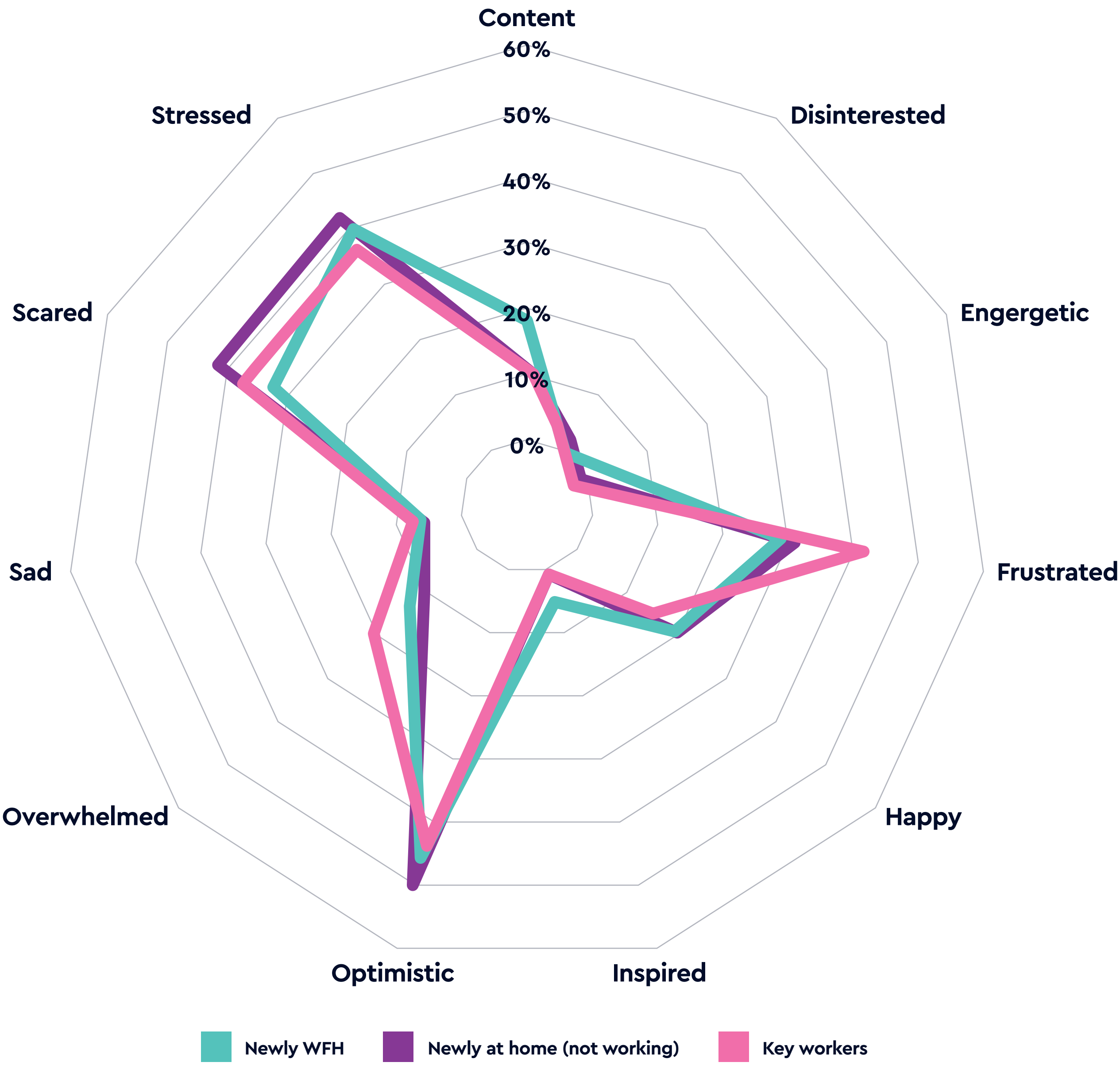
It keeps me informed...

89% agree

It delivers trusted news...

68% agree

As the UK government starts to gradually relax lockdown, how are people feeling and what do they want to spend their money on?



Optimism dominates emotions but this is offset by stress and concern, especially among those not working perhaps accentuated by financial problems.

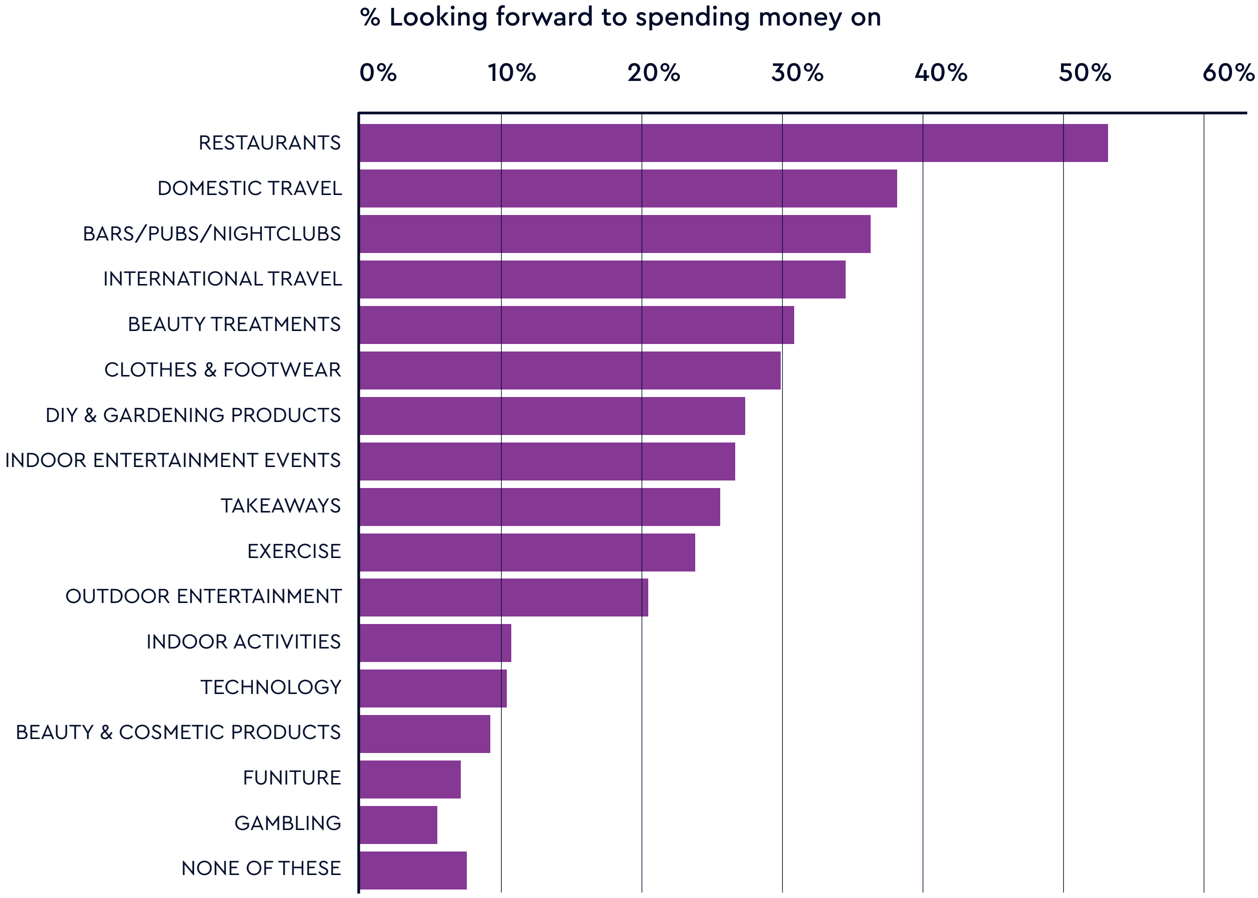
Key workers also score highly for frustration, perhaps relating to the nature of their work increasing their exposure to the virus.

These mixed emotions are exerting influence on how people plan to spend money upon relaxation of lockdown.

Q: The government will be announcing a plan for how they will relax some lockdown restrictions over the coming months and weeks, which of the following most closely matches how you feel about this? Please choose up to 3

Short term spending intentions

There is pent-up demand for social activities

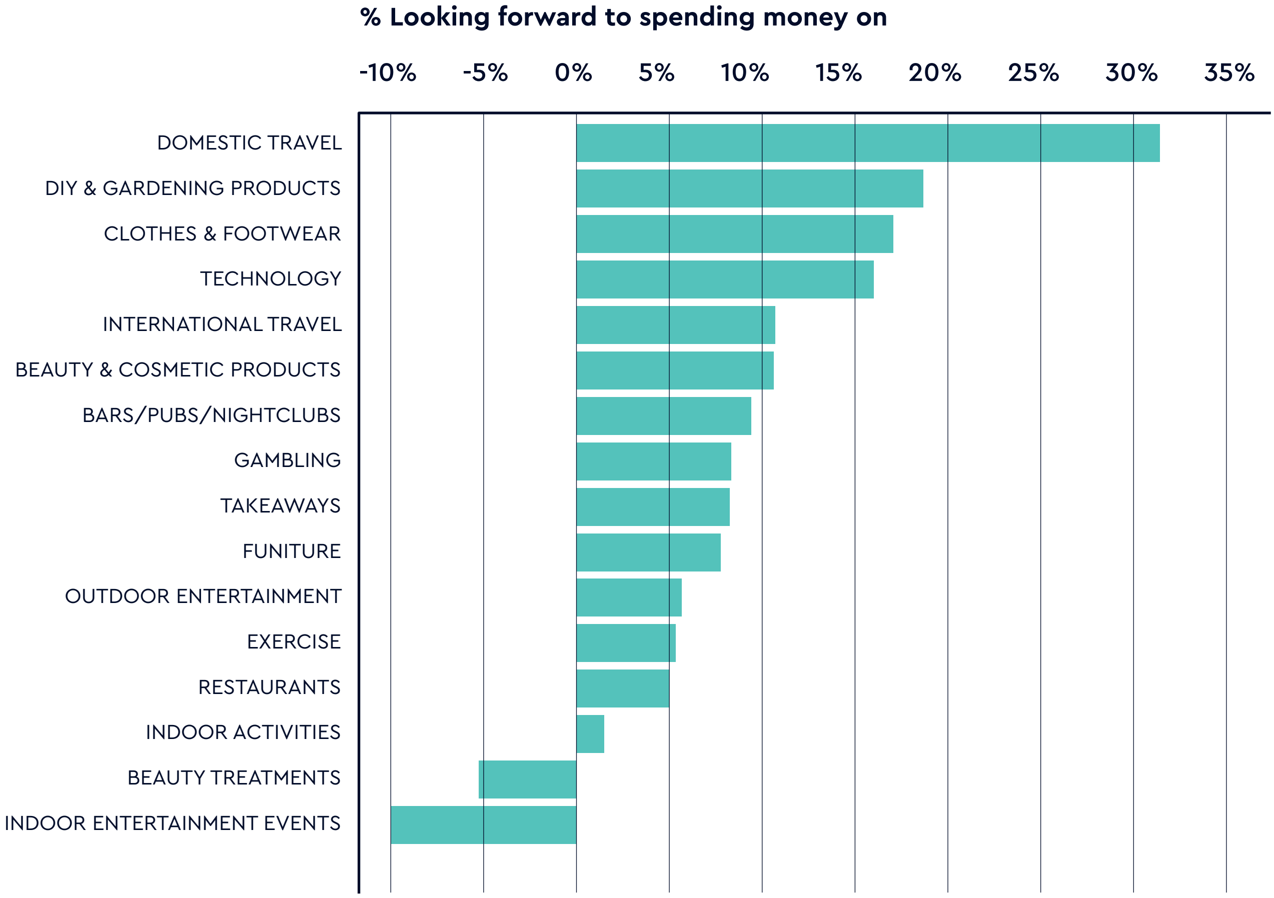


Social activities and travel top the list of things people are looking forward to spending money on – the activities that have been most impacted by the lockdown.

Q: You say you are looking forward to spending money again on _. Compared to the amount you were spending before lockdown do you think you will spend more, less or about the same on _ in the immediate future?

**Beauty treatments include hairdressing, manicures and spas. Indoor entertainment events include gigs, theatre and cinema. Exercise includes gyms, climbing centres, swimming baths. Outdoor entertainment includes festivals, theme parks. Indoor activities include bowling, arcades and soft play. Gambling includes bingo, casinos, betting shops.*

The predicted net increase in spending is narrower and more pragmatic



People intend to increase their spend (versus pre-lockdown) across most categories.

Despite restaurants, bars/clubs and international travel scoring highly as categories people are excited to spend money on, the comparatively lower predicted net increase in spend, coupled with the dominance of domestic travel, suggests a more pragmatic outlook when it comes to the reality of how much they are planning to spend.

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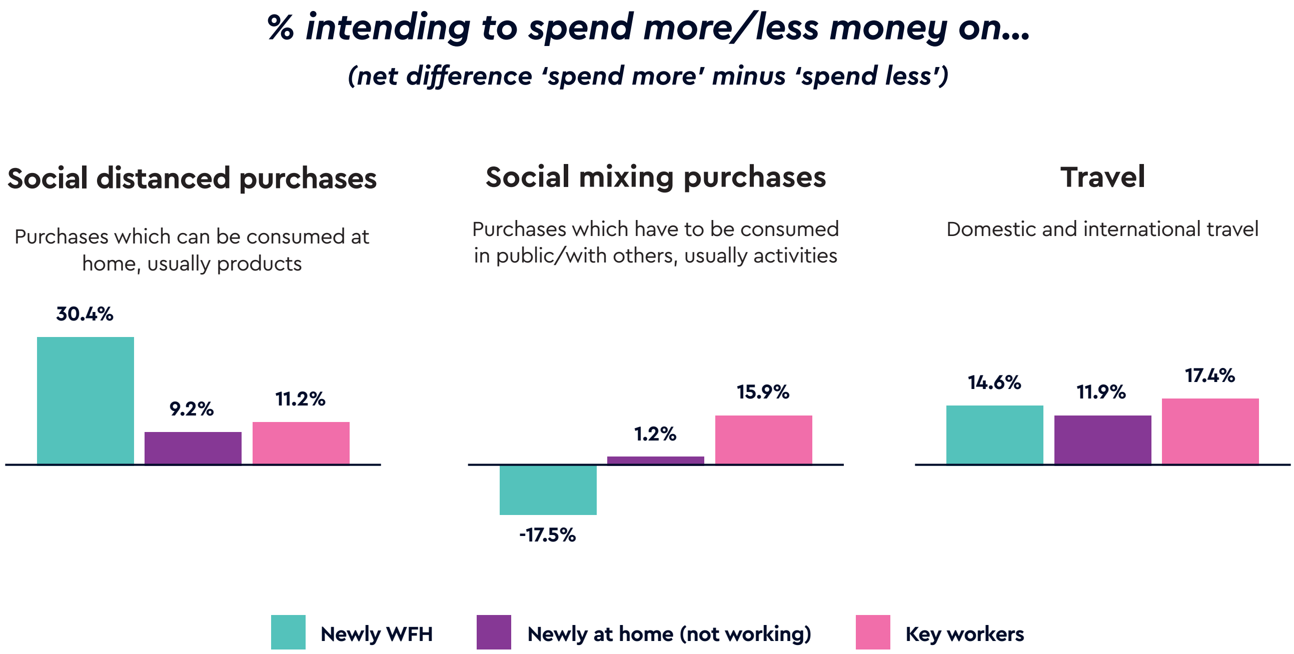
Different attitudes to spending driven by perceived risk and available funds



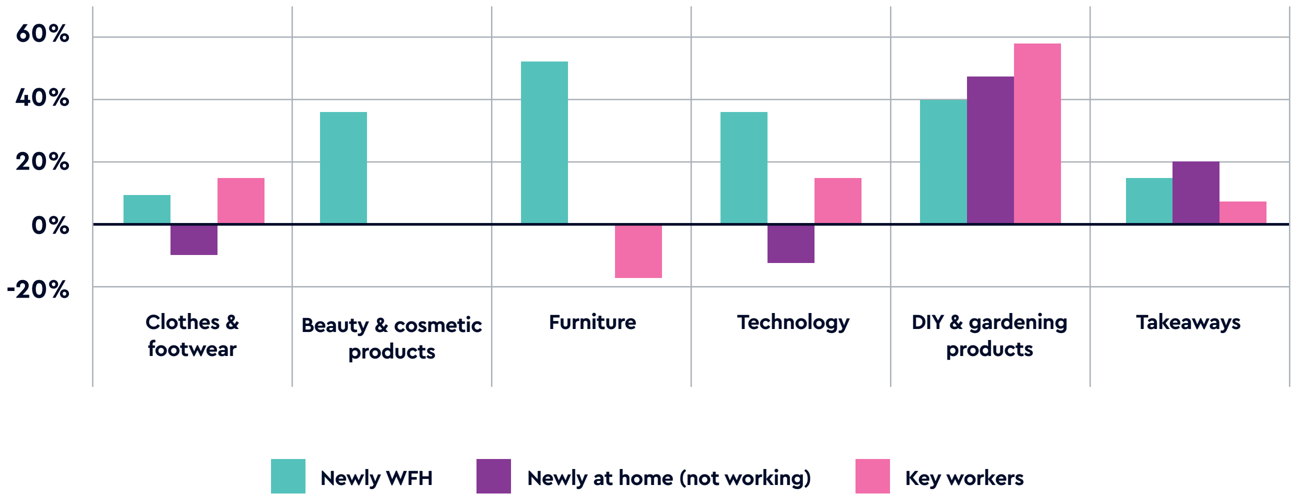
- Having spent so much time indoors, Newly WFH group have perhaps become partly institutionalised and are therefore more likely to increase spend on social distanced purchases and to decrease spend for social mixing purchases.
- Key workers on the other hand, who have been out on the frontlines and likely less fearful of social mixing, are due to increase their spend in that area in the short term.
- The Newly at home (not working) are more likely to be financially insecure, which helps to explain the more modest uplifts.

Q: You say you are looking forward to spending money again on _. Compared to the amount you were spending before lockdown do you think you will spend more, less or about the same on _ in the immediate future?

The Newly WFH dominate increased spend on social distanced purchases

% intending to spend more/less money on...

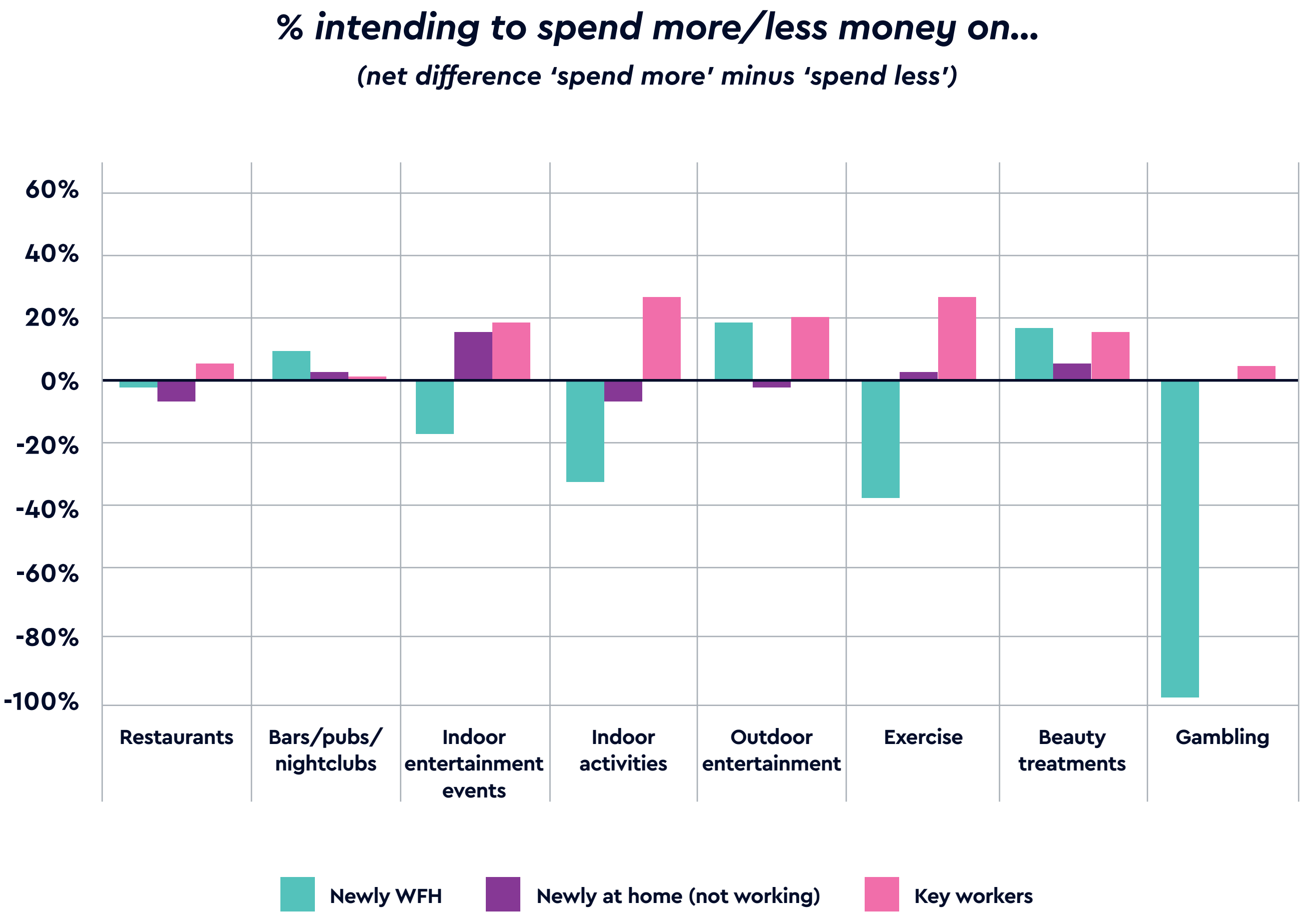
(net difference 'spend more' minus 'spend less')



- The Newly WFH are set to increase spend across all types of socially distanced purchase
- The large increases expected in furniture and technology for this group could be due to the expectation of setting up a home office as working from home continues.
- All groups expect to increase spend for DIY/Gardening – a move towards greater self sufficiency perhaps.

Q: You say you are looking forward to spending money again on _. Compared to the amount you were spending before lockdown do you think you will spend more, less or about the same on _ in the immediate future?

Key workers are more inclined to increase spend on social mixing activities



Key workers, more psychologically immune to the risk of coronavirus as they have continued to work as normal through lockdown, are more likely to anticipate increasing spend on social mixing activities.

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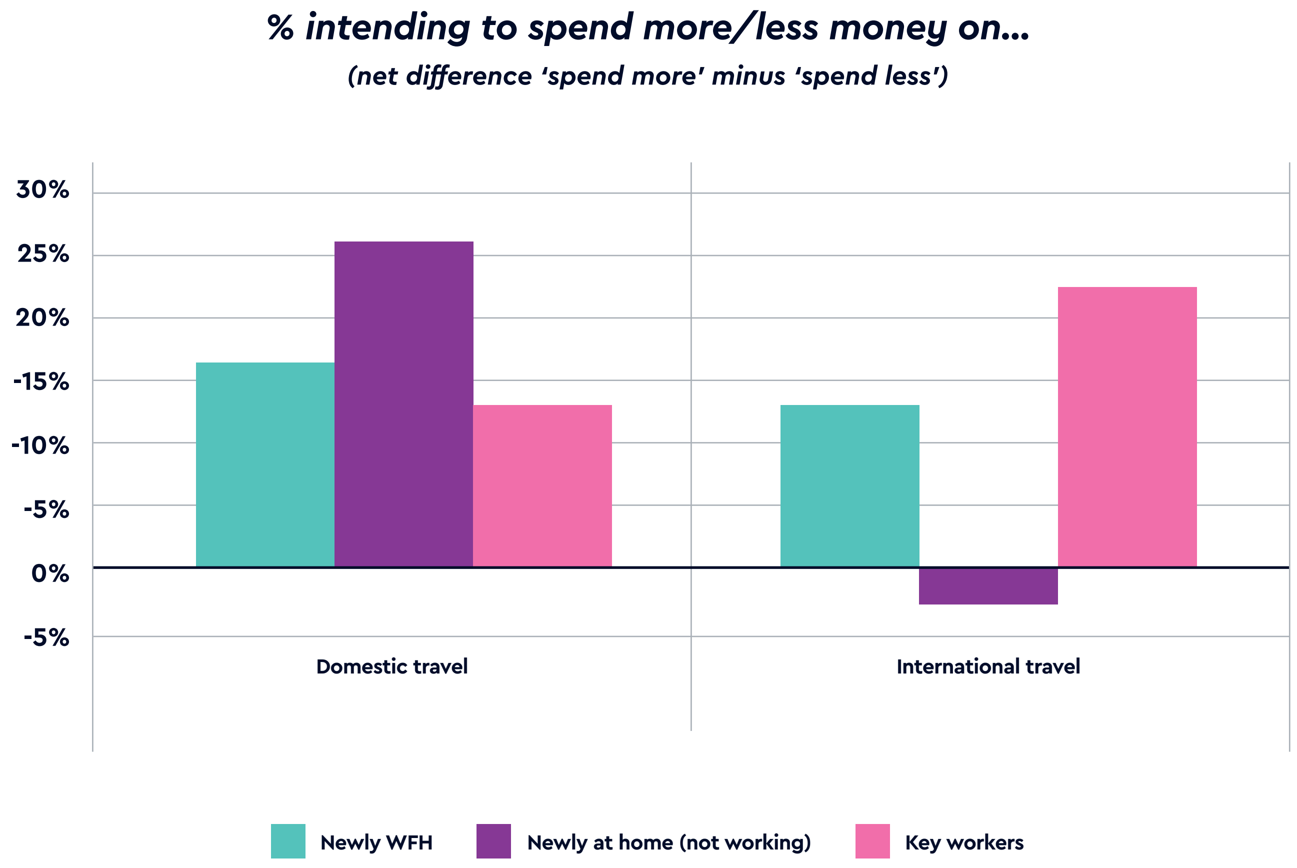
Domestic travel set to see an initial boost across all groups



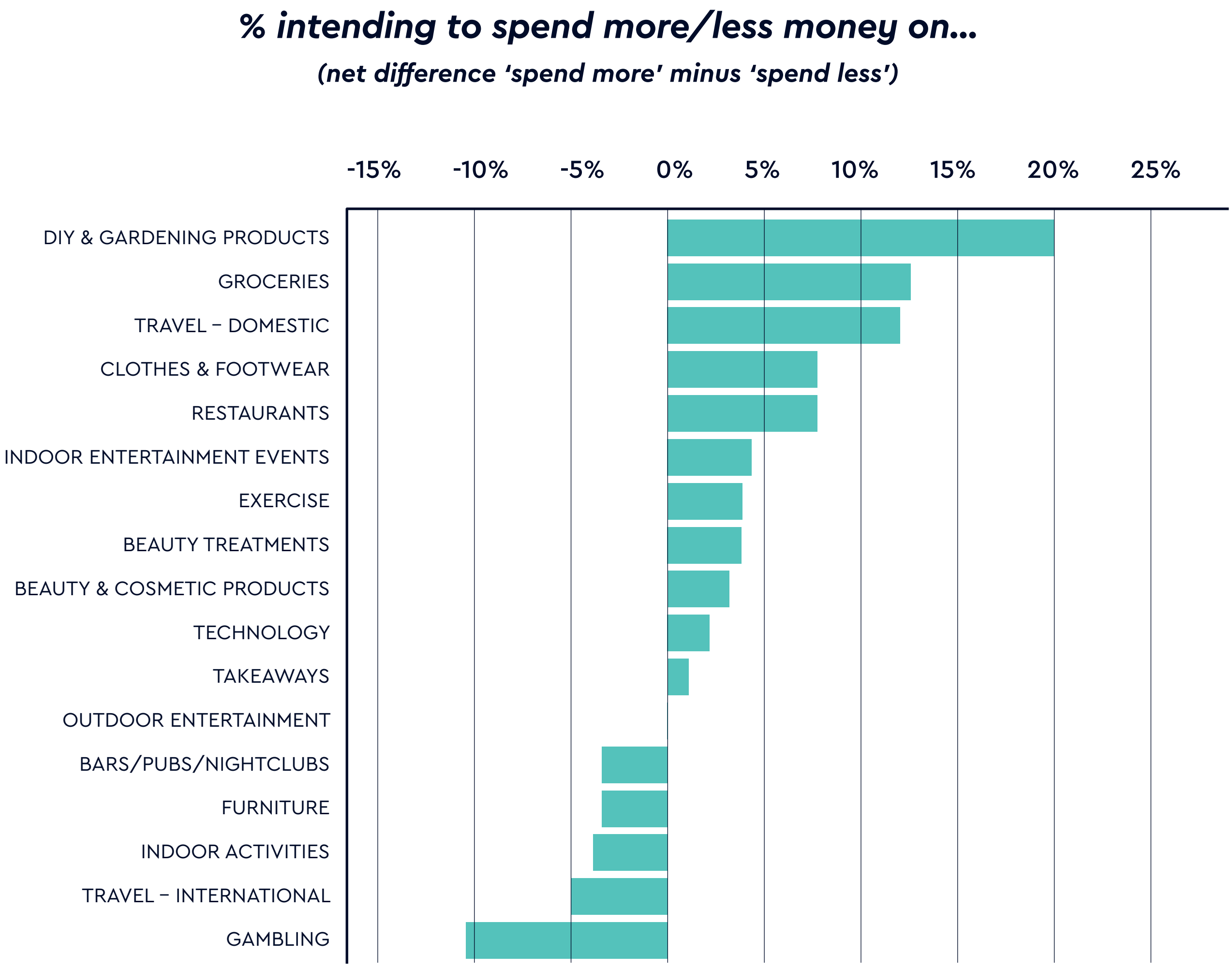
With non-essential travel discouraged, all groups intend to spend more money travelling within the UK

The uplifts in international travel for Key Workers again reflects their relative confidence in living with COVID

Q: You say you are looking forward to spending money again on _. Compared to the amount you were spending before lockdown do you think you will spend more, less or about the same on _ in the immediate future?

Longer term spending intentions

After initial bounce-back, major growth categories are DIY/ gardening, domestic travel, groceries



Overall longer-term spending intentions are less extravagant.

The trend towards more practical, home-centred lives is reflected in spending intentions relating to DIY/ gardening, groceries, and domestic travel.

This is further supported by a corollary reduction in spend for international travel and gambling.

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Newly WFH more likely to increase spend in the long term

% intending to spend more/less money on...

(net difference 'spend more' minus 'spend less')

Social distanced purchases

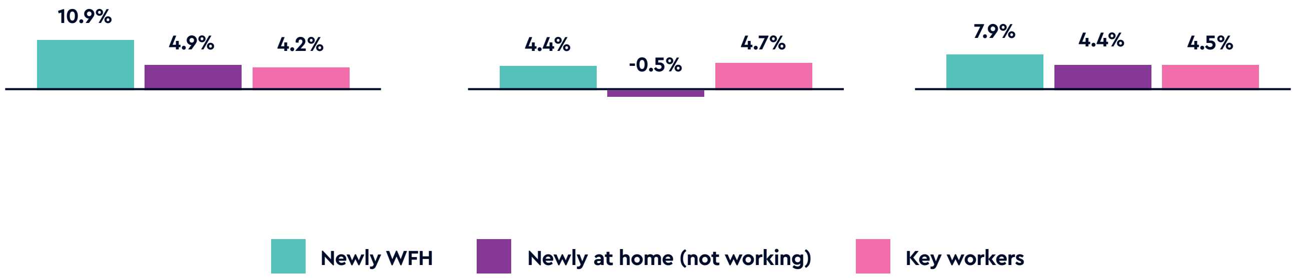
Purchases which can be consumed at home, usually products

Social mixing purchases

Purchases which have to be consumed in public/with others, usually activities

Travel

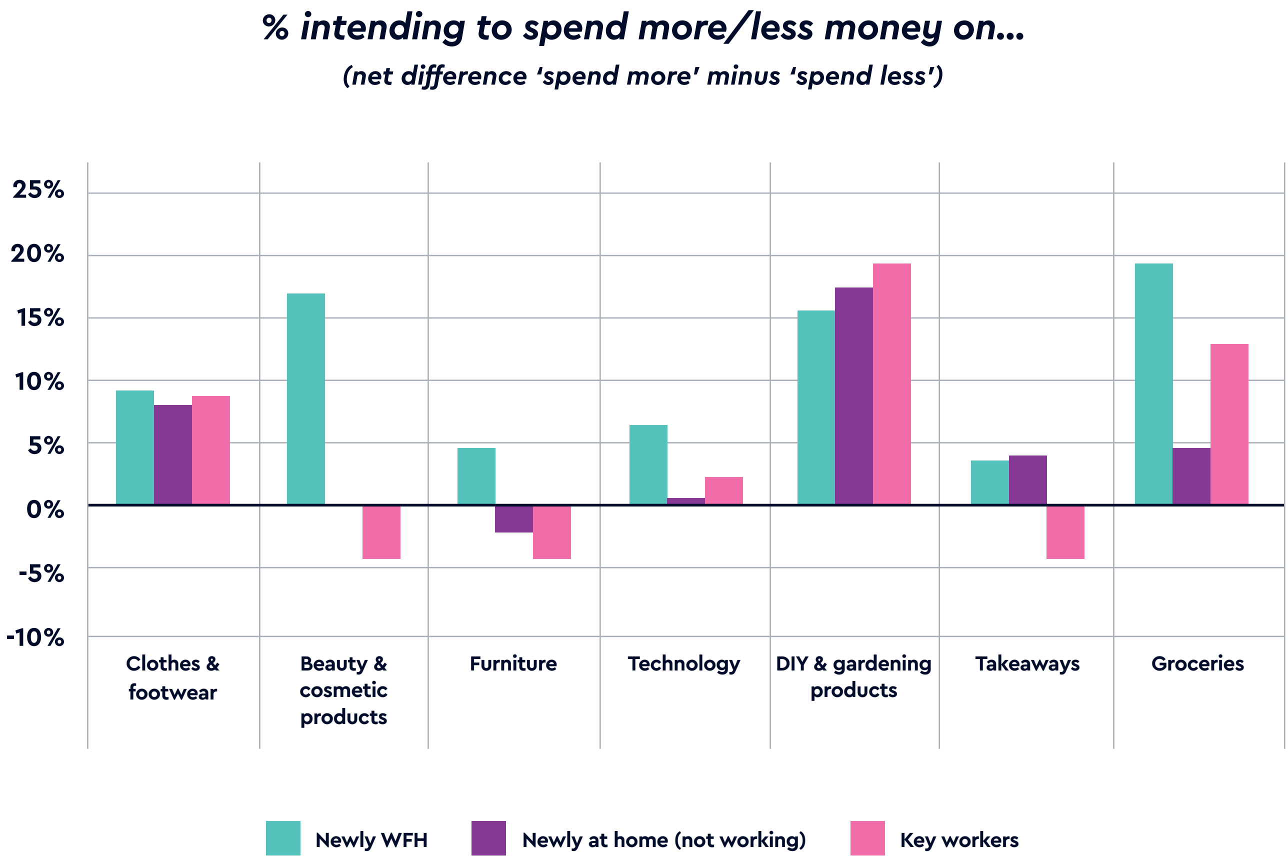
Domestic and international travel



- Longer term there is less distinction between the different audiences in terms of predicted spend
- Overall increases are lower, perhaps reflecting greater uncertainty about how things will be in the longer term
- Those Newly WFH are likely to increase spend most except for social mixing purchases

Q: You say you are looking forward to spending money again on _. Compared to the amount you were spending before lockdown do you think you will spend more, less or about the same on _ in the immediate future?

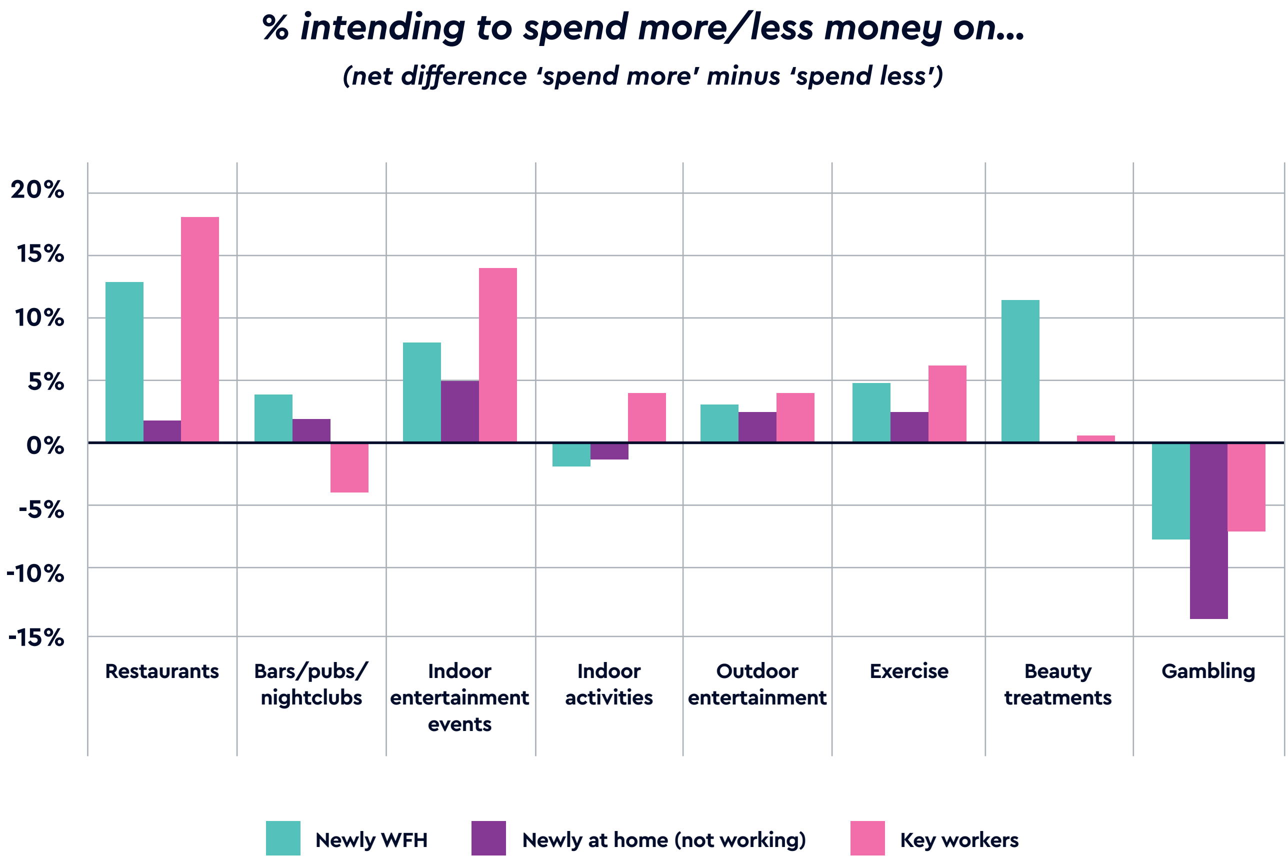
Newly WFH continue to predict an increase in spend on socially distanced purchases



Newly WFH continue to increase spend in the longer term but at much lower levels than in the short term. Other groups also predicting an increase in spend on more practical purchases like DIY/Gardening, groceries, and clothing/footwear.

Q: You say you are looking forward to spending money again on _. Compared to the amount you were spending before lockdown do you think you will spend more, less or about the same on _ in the immediate future?

Newly WFH and key workers expect to spend more on social mixing purchases



Longer term, restaurants can expect to see spend returning to the sector, with Newly WFH expect to increase spend on social mixing categories as the threat from COVID decreases. Key workers also predict increased spend on eating out and other social past-times.

Perhaps predicting greater pressure on their finances, those Newly at home (not working) are less likely to predict big spending increases in these areas.

Q: Now thinking further ahead, once things return to "normal" how will the COVID-19 experience influence your spending in general in the following areas? If you didn't spend money on this thing before please select no change

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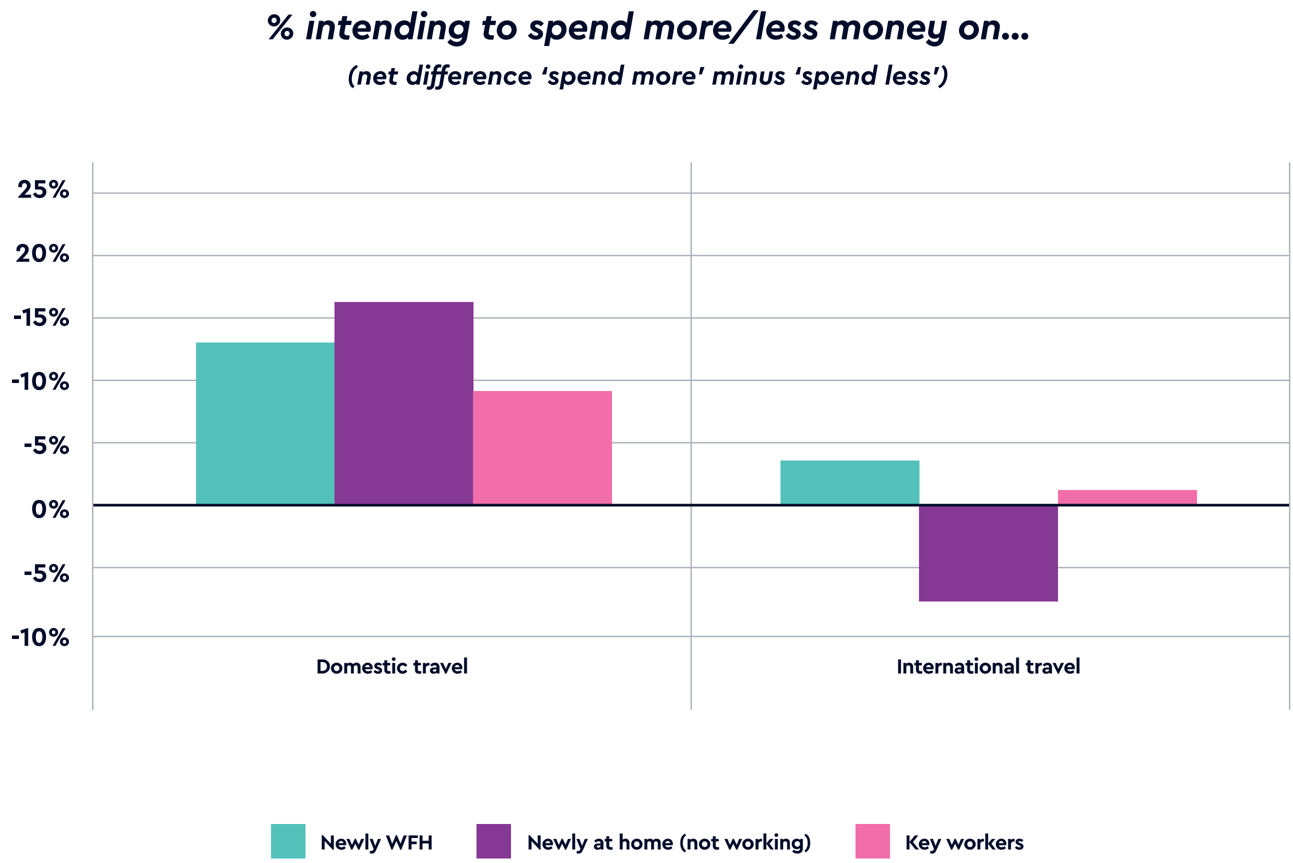
Continued boost for domestic travel long term, with international travel set to struggle



All groups will continue to spend on domestic travel due to its lower risk and affordability.

The future looks more uncertain for international travel with the net decrease in spend among the Newly at home (not working) likely to offset any modest increases among the other groups.

Q: Now thinking further ahead, once things return to "normal" how will the COVID-19 experience influence your spending in general in the following areas? If you didn't spend money on this thing before please select no change

Radio plays an important role in purchase decisions, particularly the Newly WFH group

I often search for more info on products because I have heard them advertised on the radio

44%
Newly WFH agree

34%
Total

Radio advertising gives me ideas on what to spend money on

39%
Newly WFH agree

29%
Total

I have bought things in the past because I heard them advertised on the radio

35%
Newly WFH agree

28%
Total

As we saw in the Radiocentre study *Staying Connected During the COVID-19 Crisis*, the Newly WFH group have increased their radio listening the most during lockdown. This additional exposure seems to have made them even more receptive to and influenced by radio advertising than the other groups.

Q: Here are some things people have said about radio advertising and making decisions about what to buy. How much do you agree or disagree with each statement?

Summary

- *People feel mixed emotions about the relaxation of lockdown, with both optimism and concerns dominating feelings*

- *There is pent-up desire to spend among commercial radio listeners across a range of categories, particularly on travel and social activities (bars and restaurants) again*

- *This is likely to be realised in a bounce-back in spend across a number of categories, but more pragmatically distributed across socially distanced/practical activities*
    - *DIY/gardening*
    - *domestic travel*
    - *clothes/footwear*

- *After the initial bounce-back, long-term spending predictions are less extreme with a continued focus on the pragmatic, with positive indicators around social activities as COVID threat recedes*
    - *Increase in grocery spend and DIY/Gardening; clothes/footwear*
    - *Longer term future looks rosier for restaurants*
    - *Domestic travel remains the dominant choice for the longer term*

- *Radio has a key role to play in purchase decisions. This is particularly clear among the Newly WFH group who have increased their listening the most, suggesting they have an even greater opportunity to be impacted by radio advertising*

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