



Trends in household expenditure

Lessons and opportunities from a
crisis

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Executive presentation – aims and objectives

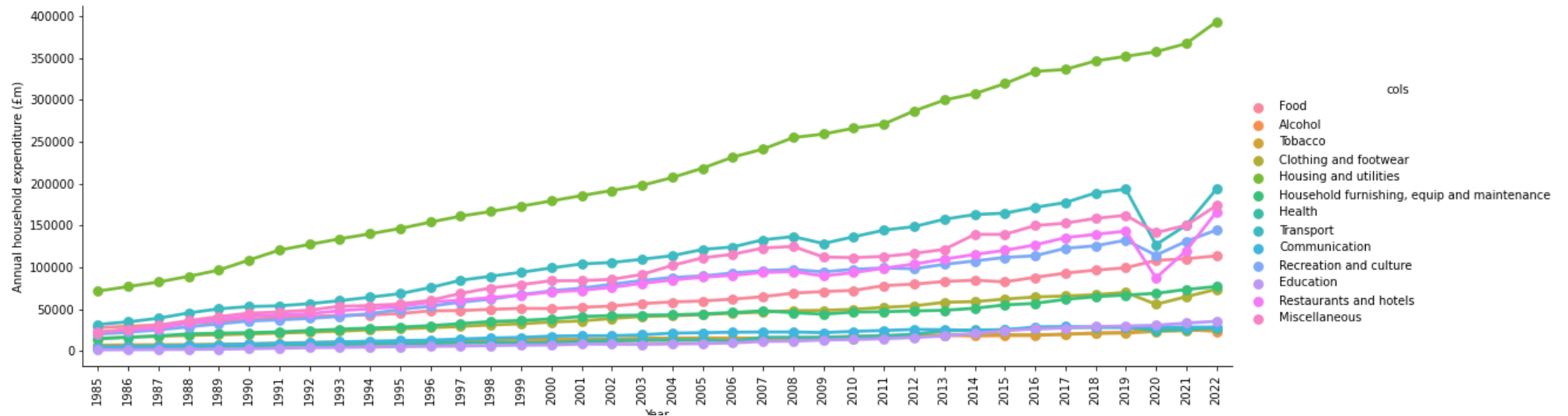
- Understand trends in household expenditure
- Identify opportunities and market sector for future growth
- Ensure sustainability through managing risk in different sectors
- Determining long-term and short-term priorities in changing market conditions

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Our approach

- Reviewed annual household expenditure in the UK over the last 40 years
- Analysed overall trends and variations
- Deeper dive into pre-, during and post-pandemic period
- Linked with population and made per capita assessments to test trend analysis

UK annual household expenditure 1985 to 2022

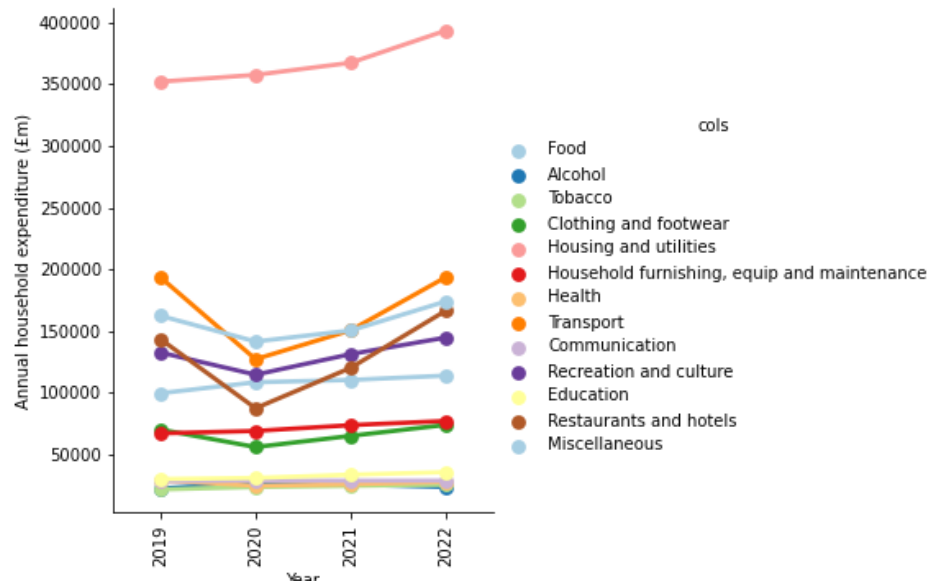


Steady growth through 40-year period, with notable changes during periods of change or crisis, eg:

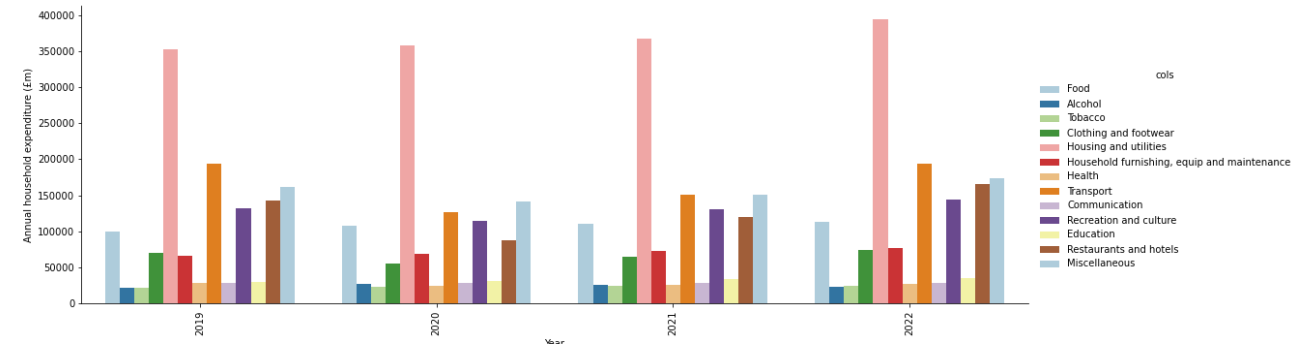
- 1997-1998 – change from Conservative to Labour Government
- 2008-2010 – international banking crisis/change to Conservative government
- 2019-2022 – Covid pandemic/Brexit

Change/crisis represents opportunity

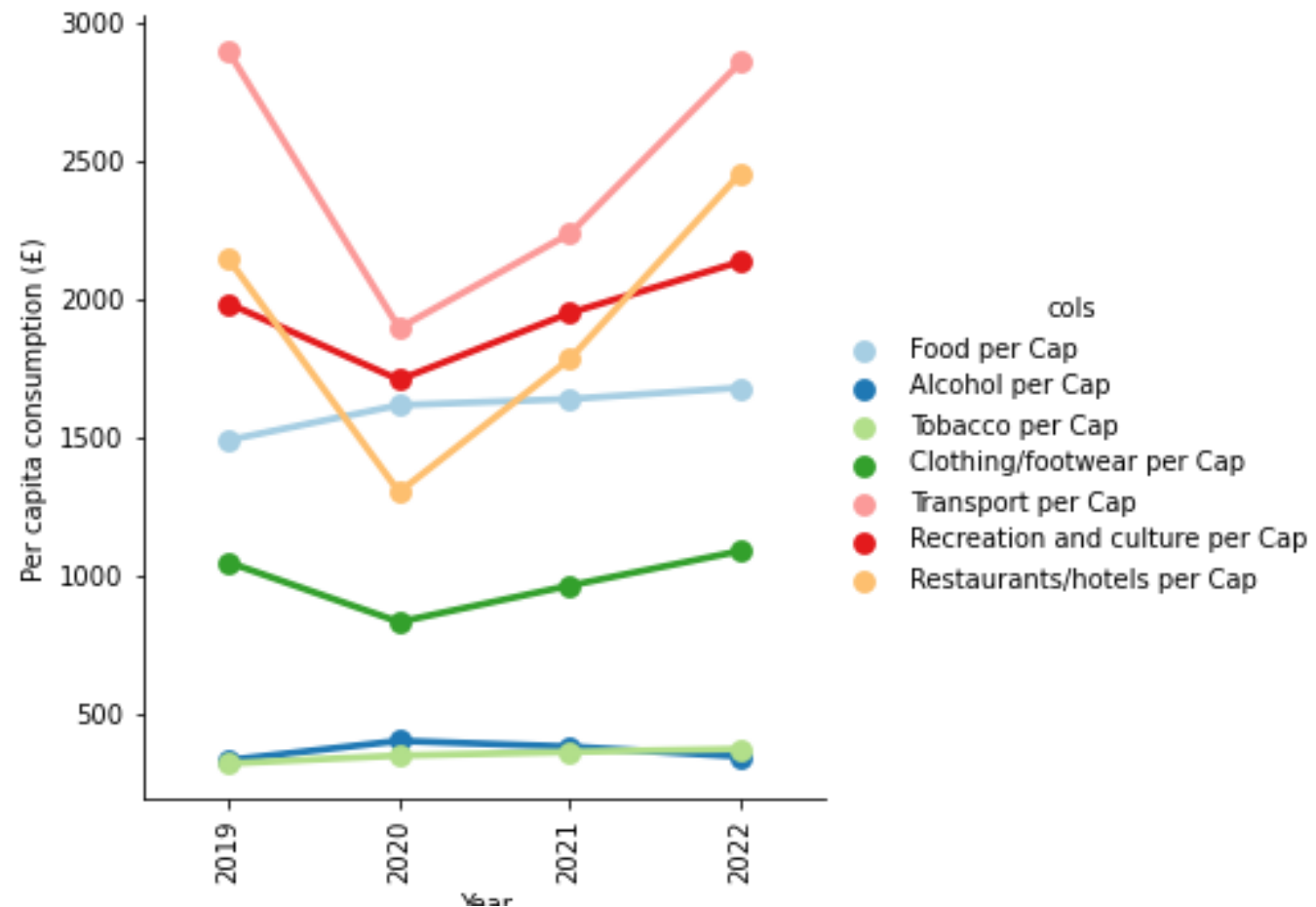
- Not all sectors respond in the same way



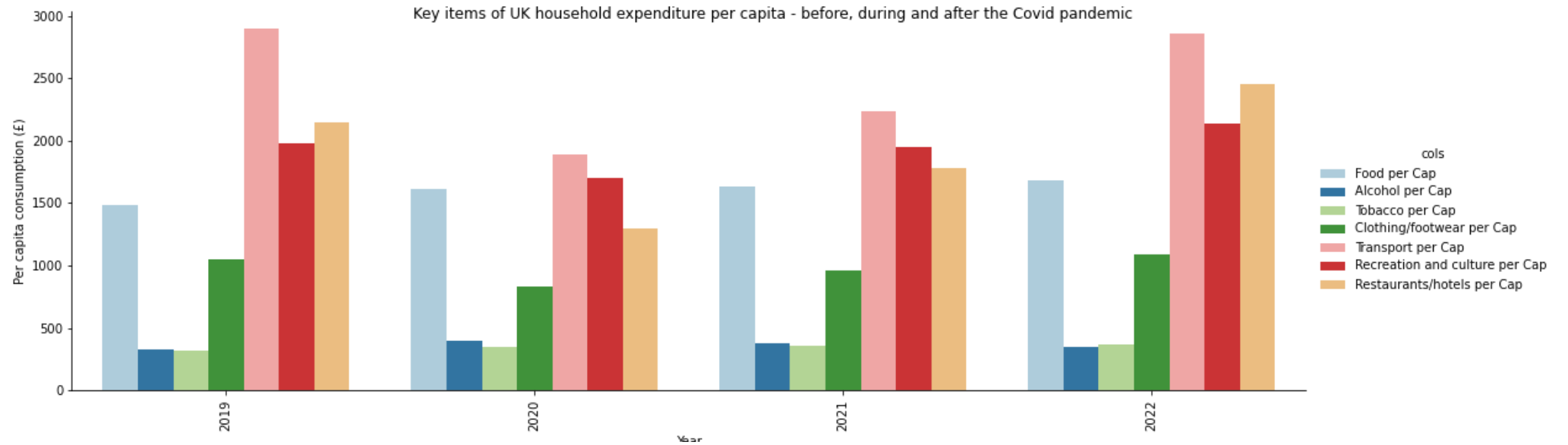
- Transport, recreation/culture, restaurants/hotels all hit hard
- Household equipment, maintenance, food, alcohol fare better



Per capital analysis gives more detail



Short-term and long-term opportunities



Conclusions

- Food is good for all time
- Alcohol helps in a crisis, but is a declining market in the longer term
- Clothing takes a hit, but weathers the storm
- Transport goes downhill and never makes it back up
- Restaurants, hotels, hospitality had major problems, but is bigger than ever

Recommendations

- Diversify our food products
- Get out of alcohol
- Keep away from transport
- Clothing is sustainable in the longer term
- Invest in restaurants for the longer term, but manage risk with agility

