Insight Department:

UK Segments during the COVID-19 pandemic

Updated Topic paper
January 2021

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Overview

UK Segments during the COVID-19 pandemic

During the pandemic, it has become clear that the factors that previously identified key segments for Scottish tourism are being affected by the current COVID-19 situation (see previous UK segmentation in this link visitscotland.org/research-insights/about-our-visitors/uk).

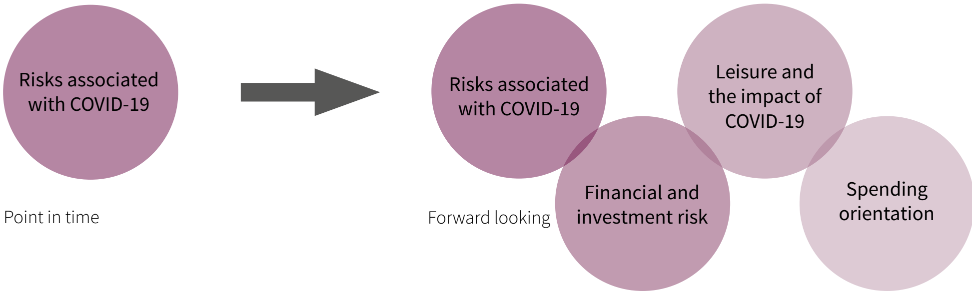
As part of the joint UK Consumer Sentiment Tracking (VisitScotland, VisitEngland and Visit Wales) www.visitscotland.org/research-insights/coronavirus-insights/uk-market, some new segments have been developed by the BVA-BDRC group to help the tourism industry to understand consumer attitudes and behaviour towards travel and leisure during the current crisis. Since the original iteration of the COVID Segments (published October 2020) the segments have been updated to reflect the constantly changing picture caused by the pandemic.

New segmentation

This updated segmentation is based on a broader selection of attitudes and risk perceptions:

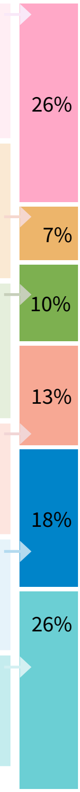
Original segmentation
Attitudes to:

Expanded segmentation
Broader selection of attitudes and risk perceptions:

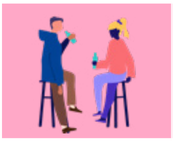


The new segments are as follows

Share of the population



Less to Lose



Spontaneous and optimistic for the future, even though their current circumstances are fairly limiting. They believe that we should learn to live with COVID-19. Foreign travel will be back on the cards once restrictions are lifted or budgets allow.

Strong likelihood to take UK domestic breaks

Life Goes On

Protecting the economy should now be the focus for these well-off individuals who are willing to 'speculate to accumulate' and pay a premium for top notch experiences. The risks of the COVID-19 virus have been overstated in their estimation.

Strong likelihood to take UK domestic breaks

Protective but Pragmatic

Characterised by everything in moderation across spending finance and leisure time; an approach that reflects their attitude to COVID-19 and the need to balance the health of the nation with the health of the economy.

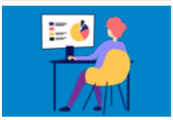
Medium likelihood to take UK domestic breaks

Cautious but Content

Concerned about COVID-19 but generally settled and content with a restrained life-style. Risk, luxury and high-end aspirations do not feature for these steady state individuals.

Low likelihood to take UK domestic breaks

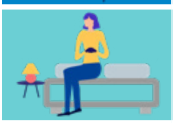
Currently Constrained



Worry about COVID-19 has a brought a temporary halt to globe-trotting for these financially confident and ambitious early adopters.

Low likelihood to take UK domestic breaks

Struggling



Hit hard by COVID-19, active decisions about financial risk or aspirational spending are a luxury that they cannot afford - the funds simply aren't available.

Low likelihood to take UK domestic breaks

Updated segmentation

Less to Lose

(26% of UK population)

Any reduction in restrictions is welcomed by *Less to Lose* and they will be chomping at the bit to seize further tastes of normality, providing their wallets can stretch to it. Aspirational messages about what they and their life-style can become, rather than what they are now, are expected to resonate. This segment was the largest to take holidays or short breaks in Scotland during the opening of tourism in 2020.

Fairly relaxed about COVID-19 and yearning for normality, but expecting the pandemic to be a presence for some time.

Confident about the financial future and willing to take risks to grow wealth, but their means are currently limited.

Leisure budgets are squeezed, but prioritised for foreign travel when restrictions are lifted.

Spontaneity wins out over planning, particularly with spending: high-end material goods signify achievements, but they are not always attainable.

Demographics

- Young - majority under 35

Media Consumption

- Social Media
- Broadcaster Video on Demand
- Radio
- Magazines

Watch on TV

- Late night
- Adult

Top distinguishing factors:

I am willing to take substantial investment risk to earn substantial returns

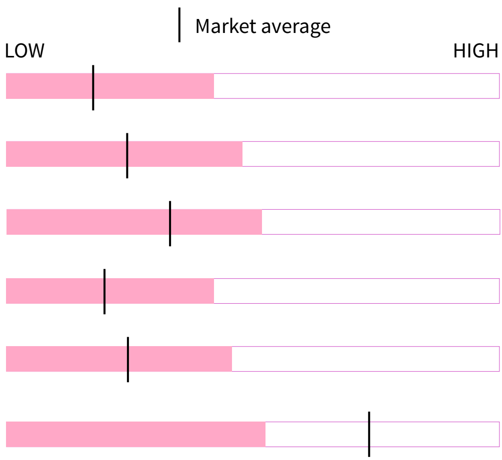
I enjoy buying the very latest products and keeping on top of trends

I admire people who own expensive homes, cars and clothes

The risks of COVID-19 have been exaggerated and we should return to normal sooner rather than later

Life is too short to worry about COVID-19 it's just one of the many dangerous things in the world

People can't be trusted to behave responsibly so government restrictions are essential to prevent another outbreak of COVID-19



Updated segmentation

Life Goes On

(7% of UK population)

Accustomed to a certain lifestyle and comfortable with risk, *Life Goes On* are increasingly frustrated with COVID-19 restrictions and (in their view) 'overblown' concern about the virus. They will be seeking a sense of freedom and release from the constraints of COVID-19.

Unfazed by COVID-19 and confident that the risks have been exaggerated: protecting the economy or easing restrictions should be the first priority even if it leads to more cases.

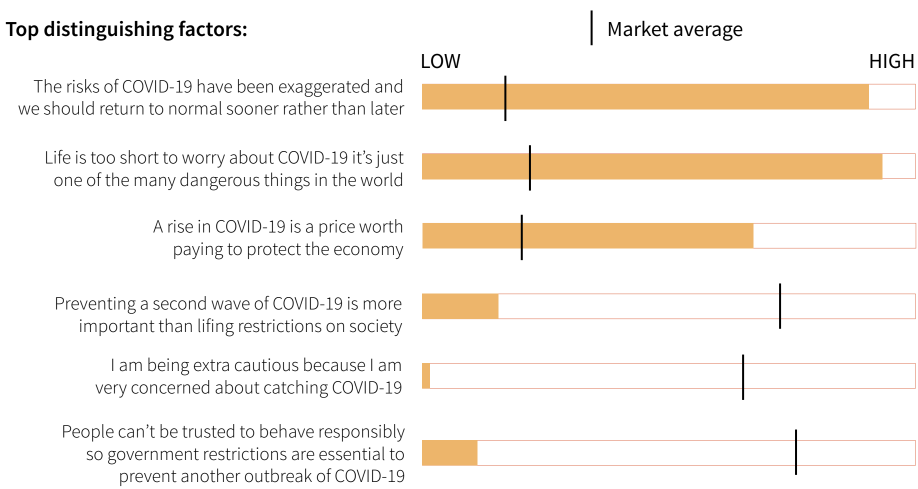
Well-off and generally comfortable with a higher degree of risk - they are unlikely to look for safe bets when it comes to investments.

Leisure experiences and holidays are a chance to indulge: they are willing to pay a premium and will be loyal to memorable destinations.

Demographics
- Over 25 years old

Media Consumption
- Subscription Video on Demand
- Social Media

Watch on TV
- Films



Updated segmentation

Protective but Pragmatic

(10% of UK population)

Balance is the order of the day for this comfortable but not lavish segment. This segment should be targeted with an emphasis on messaging that taps into personal goals, quality and value, rather than pure indulgence for the sake of it.

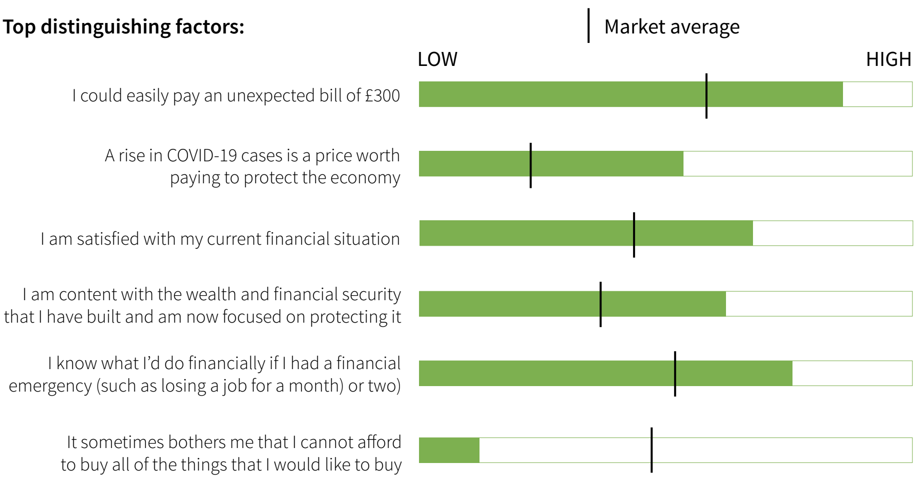
Pragmatic about the COVID-19 situation with a strong belief in the need to balance the health of the national and the health of the economy.

Financially comfortable but naturally cautious with money: risks are minimised as a protective strategy.

Unlikely to rein-in a previous moderate budget for leisure activities but equally unwilling to splash the cash on ‘frivolous’ luxuries.

Demographics	Media Consumption	Watch on TV
• Tend to be older – 50% aged 55+	• Broadcast TV (All others lower than average)	• Drama • Films • Documentaries

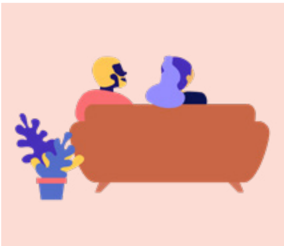
Top distinguishing factors:



Updated segmentation

Cautious but Content

(13% of UK population)



This segment is unlikely to be found at a Michelin star restaurant or carrying luxury luggage, *Cautious but Content* is defined by steadfastness and balance. They will require reassurances about safety measures when travelling.

COVID-19 is a cause for concern amongst this segment predisposed to caution and restraint in many areas of life.

Lower income, with little experience of investments, but comfortable, settled and content with their lot.

Leisure experiences are typically closer to home rather than abroad, and so less likely to be affected by COVID-19.

Managing well day-to-day, spending is oriented toward essentials: they have little interest in trends and are generally unmaterialistic.

Demographics
Older – majority aged 65+

Media consumption

- Broadcast TV
- Listening to the radio
- Other websites

Watch on TV

- Drama
- News
- Documentaries
- Wildlife/History

Top distinguishing factors:

I am satisfied with my current financial situation

I know what I'd do financially if I had a financial emergency (such as losing a job for a month or two)

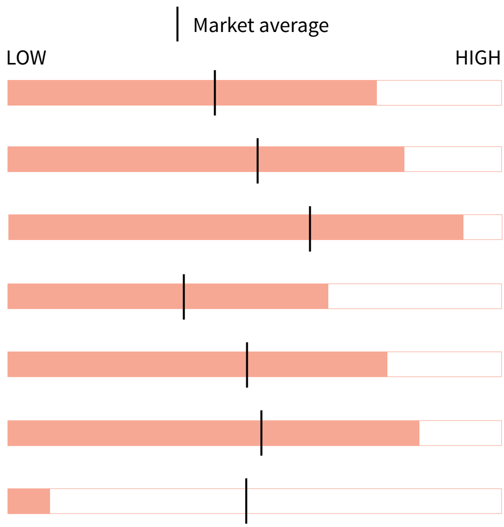
I am being extra cautious because I am very concerned about catching COVID-19

I am content with the wealth and financial security that I have built and am now focused on protecting it

I generally look for safer investments, even if that means lower returns

I could easily pay an unexpected bill of £300

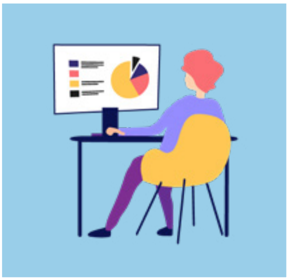
It sometimes bothers me that I cannot afford to buy all of the things that I would like to buy



Updated segmentation

Currently Constrained

(18% of UK population)



Life may be on pause for the 'greater good', but this segment will be ready to re-connect with their previous lifestyle when some degree of normality returns.

Concerns about COVID-19 are inhibiting a previously varied life-style and ambitious mindset, but the sacrifice is worth it to prevent the spread.

Open to a degree of financial risk and confident about long-term wealth.

Prior to COVID-19 the world was their oyster, seizing opportunities for global travel and willing to pay more to maximise memorable experiences (often spur of the moment).

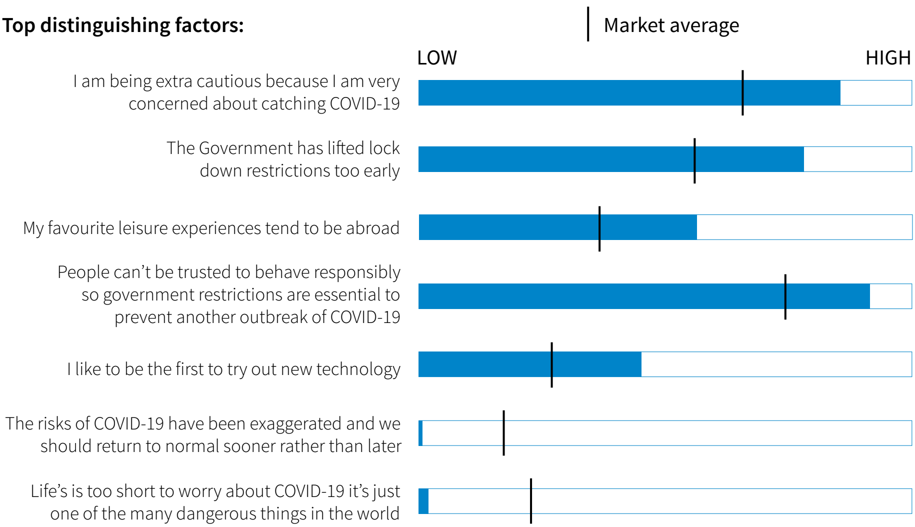
Classic 'early-adopters', they like to keep on top of trends and be the first to try new technology: material possessions are a symbol of achievement in life.

Demographics
- No real spikes - broadly in line with average

Media Consumption
- Broadcast TV
- Social media
- Other websites

Watch on TV
- Holiday or travel
- Home & lifestyle/cooking/health
- Art/design
- Sport

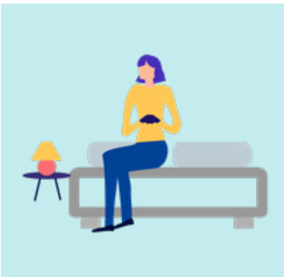
Top distinguishing factors:



Updated segmentation

Struggling

(26% of UK population)



Difficult circumstances inevitably mean that *Struggling* will focus on the present day and getting through a challenging situation relatively unscathed.

COVID-19 is one of several challenges facing the segment: their financial situation is precarious and a more immediate source of anxiety.

Hit hard by the pandemic, bills are a burden and longer-term financial options such as investments are an unfamiliar territory.

Leisure time offers respite and a chance to escape but budgets are dwindling, making discount deals essential if holiday or paid-for activities are to be a reality in future.

Items that they wish to buy are often out of reach: affordability issues create frustration.

Demographics

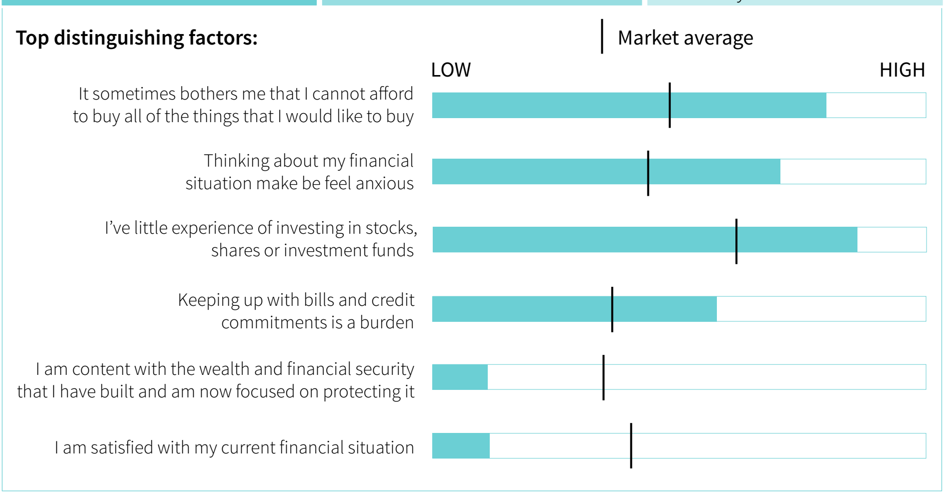
- No real spikes
  – broadly in line with average

Media Consumption

- Streamed subscription TV
- Broadcast TV

Watch on TV

- Films
- Comedy
- Documentaries
- Soaps
- Reality TV



Final thoughts

As the situation during the pandemic develops it is likely that there will be fluidity within these segments given the rapidly changing situation. Figures on holidays taken in Scotland during 2020 and future holiday intentions by each segment will be outlined in the Scotland reports in the UK Consumer Sentiment tracker which can be found here (visitscotland.org/research-insights/coronavirus-insights/uk-market). This insight will be used by VisitScotland to inform our activities as well as keeping tourism industry groups informed during the pandemic. UK Covid Segments reproduced with permission from BVA-BDRC www.bva-bdrc.com

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