

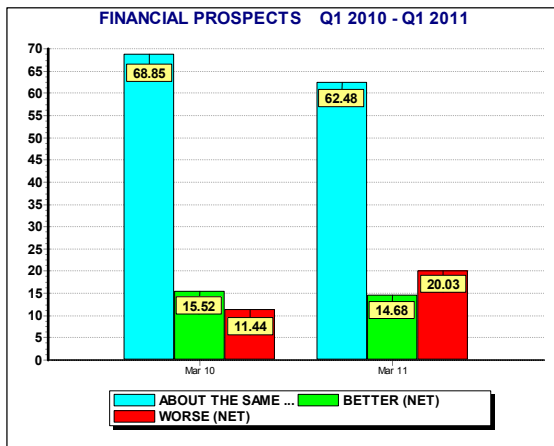
BRITISH MARKETING SURVEY - DATASHEET

AUSTERITY BITES (BUT WHO IS BITTEN?) Q1 2010 to Q1 2011

- Those likely to purchase goods or services have fallen by over 40% in some sectors.
- The number of people who think their financial situation will worsen has risen by 75%

With the public spending cuts emerging from the Comprehensive Spending Review beginning to create an environment of Austerity, and reports from the Retail Sector evidencing distinct curbs on consumers' High Street spending, understanding how these changes will impact on different commercial sectors and different segments of the population becomes paramount to successful marketing.

The British Marketing Survey monitors the consumer marketplace every month and provides unique perspectives on how this climate of austerity is altering the marketing environment.



One of the clearest indicators of the effect of the CSR on potential consumer behaviour is our monitor of personal financial expectations.

As the chart on the left shows, financial pessimism has increased year on year from 11.44% to 20.03% - a rise of 75%.

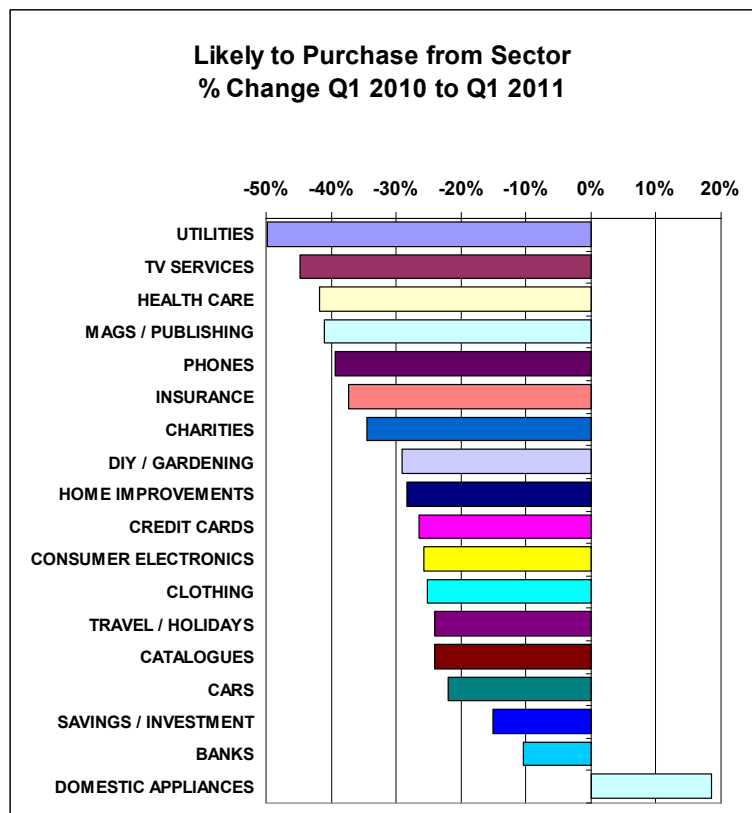
This is most obviously going to have a significant effect on consumer purchase potential, the key is to anticipate where that potential fall will impact, and the degrees to which it may prove selective.

The Table on the right shows changes in the number of people likely to buy from each sector now, compared to the same time last year

At the top level, we can immediately see that the impact of austerity is very far from even across the sectors, with fundamental changes to overall year on year demand differing from minus 49.8% (Utilities) to plus 18.5% (Domestic Appliances). The first stage is therefore to understand how your own sector is likely to be affected, against the background of the overall reduction in domestic financial confidence.

Sectors hardest hit are Utilities, TV Services, Healthcare and Magazines & Publishing, while the only sector likely to have more people shopping is Domestic Appliances.

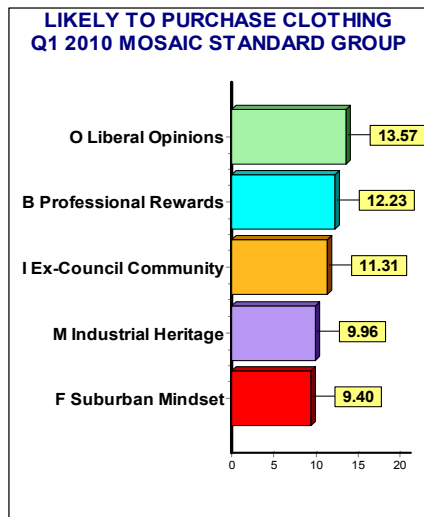
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As the Marketing Industry continues the perennial pursuit of refining How to Communicate with Who about What, this indicator of significant diversity of impact on sectors might well suggest that the impact will also be diverse across potential consumer segments. If this proves to be true, a complete review of last year's target segmentation would become an urgent priority.

BUT WHO IS BITTEN?

The top three sectors in the Q1 2011 'Likely to Purchase' League Table are (1) Clothing, (2) DIY / Gardening and (3) Travel / Holidays. Unlike a number of the sectors, it would be relatively easy to assume that these particular sectors could well be indicative of a decline across the board but a strong likelihood of little change in their core demographics. However a closer analysis of 'Those likely to make a purchase in the next few weeks' in each of these sectors reveals sharp changes in their warm markets.

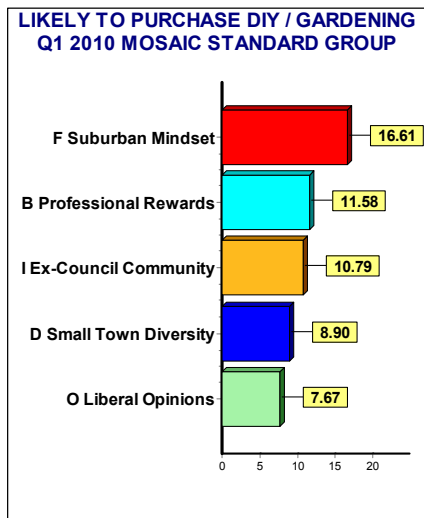
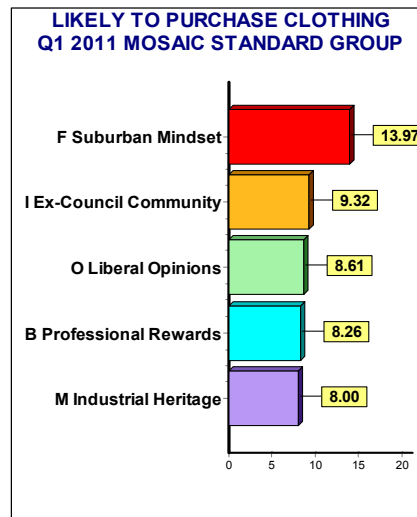


Looking first at the Clothing Sector:-

In Q1 2010 the top 5 MOSAIC Standard Groups, covering 50% of the warm market, were O, B, I, M and F.

In Q1 2011, covering 48% of the warm market, the top five MOSAIC Standard Groups are now F, I, O, B, and M.

On the face of it not a dramatic change, as the top 5 are the same groups. However Group F were in 5th place last year at under 10%, but now represent the top Group at virtually 14% - the type of market intelligence that can make all the difference in a carefully targeted campaign.



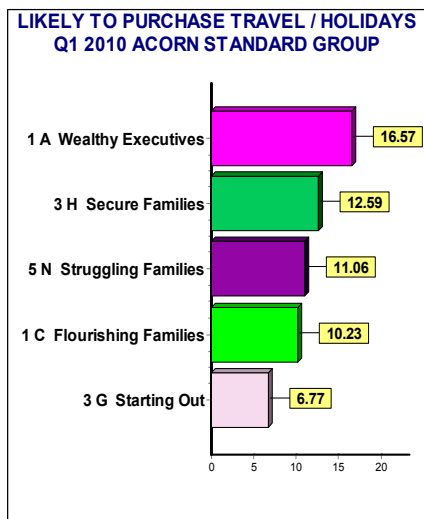
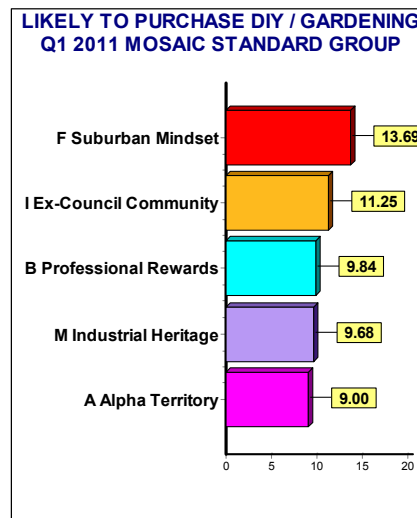
Moving on to DIY / Gardening:-

We see a similar change with the top five groups being

In Q1 2010 shown as F, B, I, D and O

In Q1 2011 these are now F, I, B, M and A

In this case a continuing emphasis on the same groups as last year will overlook Groups M and A which together now represent almost 20% of the warm market this spring season.



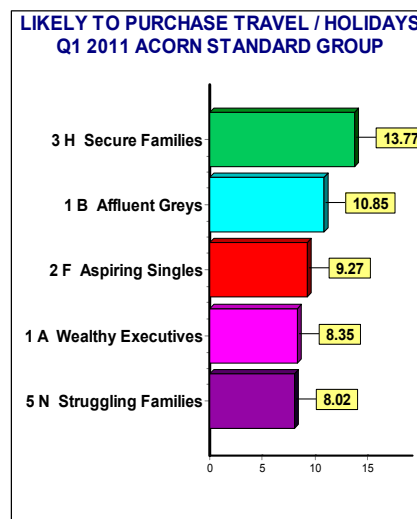
Finally, we can look at Travel / Holidays:-

Using ACORN Standard Groups to provide another perspective

In Q1 2010 the top Groups were 1A, 3H, 5N, 1C and 3G.

In Q1 2011 these are now 3H, 1B, 2F, 1A and 5N.

The potential for last year's top group, 1A, has halved from 16.57% to 8.35%, and two new groups, 1B and 2F now represent, between them, 20% of the potential market.



What is fundamentally clear is that, in a shrinking market, to win and maintain market share will require careful analysis of the most topical and comprehensive data.

To obtain that data, on your desktop, now, go to www.thebps.co.uk/data-shop and follow the simple 3 STEPS.

Or contact us at Info@thebps.co.uk,