

# SMOKING GUN

**The Rise of**

**The Shrewd Shopper**

**A brand playbook to  
make it onto the  
nation's shopping list**

Our essential guide for marketers who want to ensure their brand is never crossed off Brits' trusty shopping list



**Against a backdrop of tumultuous world events - Brexit, a global pandemic, the war in Ukraine and now, the cost of living crisis - consumer attitudes have altered irrevocably - and they still continue to shift. As brand marketers, our approach needs to shift too.**

Consumers are demanding more from brands than ever before. They are buying less, shopping around and every purchase is considered.

Brand loyalty is diminishing in favour of best price. Brands that were never your competition are now. And, customers you would never have previously targeted are walking through your doors and visiting your online stores.



## **A recent froghop survey showed:**

**62%**

**of customers now make a shopping list before heading to supermarkets.**

**40%**

**of customers are setting themselves a shopping budget**

**40%**

**of customers are now using self-scanners**

**48%**

**of customers are shopping around for deals and lower prices**

**It is evident that product and service choices have become much more premeditated - and far less impulsive.**

# So with the rise of the shopping list, what can brands do to get listed and make sure they are never crossed off?

Brands that can adapt their strategy today to stay relevant, win hearts as well as minds, and understand their customers as individuals rather than a mass commodity will leave their competition in the dust.

**With change comes opportunity.** We've drawn on newly commissioned data, expertise from pioneering thought leaders and our own depth of experience helping the nation's biggest brands find their voices, to bring together this **essential guide to winning a place on the coveted shopping list.**

We're the agency for ballsy brands with brains. Our intelligent, disruptive, ingenious communications campaigns solve real business problems.

If you're looking for support to turbocharge your communications strategy - we're ready to help you get on the list.

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**Rick Guttridge** - Managing Director of Smoking Gun



## Shopping - by Attitude

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## Shopping - by Attitude

We know that the turmoil and uncertainty of recent years have changed attitudes that influence consumer spending. This shift now demands that brand marketers work harder to understand their customers on a deeper level.

**Surface demographics like age, gender and even taste will no longer cut it to reach and resonate with your potential audience.** What's much more powerful today is to consider the attitudes of your customer - how satisfied are they feeling with life right now? What is their outlook amid the unrest? And how is that influencing their spending choices?

It's not hard to guess who's been hit hardest in terms of age and income by the cost of living crisis. According to a survey by The Grocer, those aged between 45 to 54 are most concerned about the cost of living, closely followed by ages 35 to 44 and 25 to 34. Notably, these are the groups who are most likely to have mortgages and dependents, while the older demographic appears to be the least concerned.



We must look at things by attitude to uncover the less obvious angles and new opportunities. For example, new cutting edge research from YouGov looked at how the crisis affects five distinct groups of the British population, each with a unique experience and viewpoint, segmenting by the following attitudes:

- **Worried and Suffering**
- **Cautiously Hopeful Strugglers**
- **Squeezed but Coping**
- **Unsettled Withstanders**
- **Calm and Comfortable**



## YouGov Cost of Living Segmentation: how satisfied are people in each group with their life at the moment?

In general, how satisfied or dissatisfied would you say you are with your life at the moment? %



YouGov

30-31 January 2023 • [Get the data](#)

*YouGov Cost of Living Segmentation*



The research rejected income levels, savings, or any background socio-demographic information to measure how affected consumers are by the cost of living, against their satisfaction with their lives right now. By looking at levels of general life satisfaction, we are considering the attitude of individual spenders and not just their behaviours.

The data uncovered who is making significant changes to their spending habits (and who isn't), how and why. **This offers a unique opportunity for brands to address specific pain points and meet what consumers are seeking both practically and emotionally.**

Brands that win understand the attitudinal context, not the demographic one. Periods of economic and societal unrest - not to mention almost daily platform developments - may have shifted what you previously knew.

# The Opportunities



**Go beyond your traditional targeting** - don't treat your audience as a homogeneous mass. Segment, ideally by attitude, not just behaviourally. Once you understand your customer to this extent, you can start to discover your role in their lives as a brand, and how best to serve them.



Understand that with these insights, **your messaging and how you talk to your customer, may need to adapt**. You'll need to understand and develop the nuances in your brand USPs and tone of voice, for example.



Now you know your customer and how to appeal to them, think about how to reach them. What are they reading? **How are they consuming their content?** When are they online?





## Brands Enhancing Life Moments

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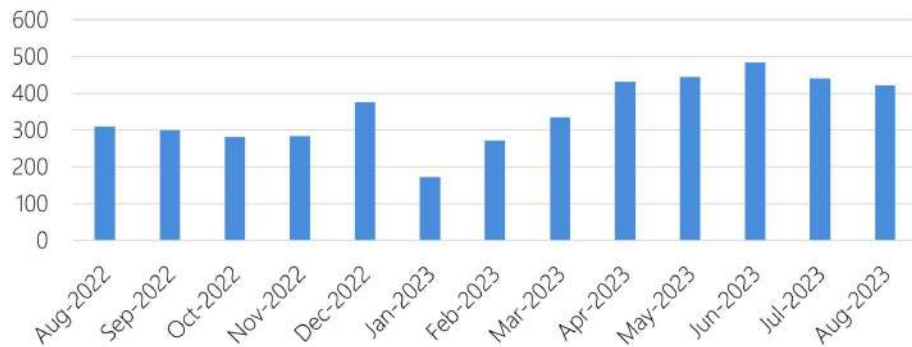
## Brands Enhancing Life Moments

Though spending on big luxuries and discretionary items has dipped (six in 10 people who have seen their cost of living rise cut spending on non-essentials, ONS), new research commissioned by Smoking Gun with retail data app **Reapp** has revealed that **spending has actually increased on 'life's little treats'**.

Beer sales have remained healthy, with peaks in summer and December in particular suggesting a sway away from beer gardens and Christmas gatherings in the pub to enjoying a drink at home.

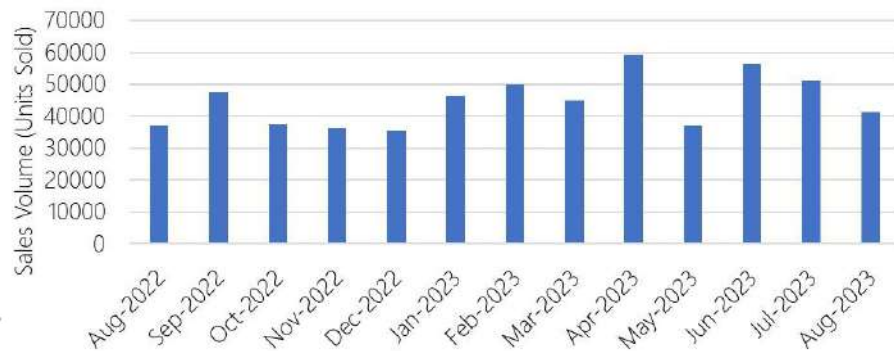
Similarly with brew-at-home coffee - the data showed that post-Covid and with more people working from home, less commuters were visiting coffee shops but still treating themselves to mid-range supermarket coffee. While sales of 'fakeaway' sauces and meal kits soared this year as people traded weekend takeaways or meals out for cheaper and healthier DIY options.

Average Sales Volume of Beer by Month



*\*Tesco, stores only*

Sales Volume of 'Fakeaway' Sauces & Meal Kits by Month



*\*Tesco and Morrisons, stores only*

**Reapp CEO Greg Phillips commented:**

“Takeaway sales peaked during key sporting events such as the World Snooker Championship, Grand National and US Open, with more people watching at home and avoiding hospitality venues as economic uncertainty continued.


**“Across the board, the data is telling us that people are looking to find pleasure and create mini celebratory moments at home, with affordable treats reigning supreme.”**

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**For brands, this offers an opportunity to infiltrate and facilitate these moments of comfort and enjoyment and form a deeper emotional connection with consumers.**

At Smoking Gun, we've capitalised on this opportunity for our clients, from virtual pub crawls with rum brand **Old J**, to surprise and delight doorstep deliveries for global flower delivery network **Interflora**.





When the King's Coronation took place, we planted our client **PG Tips** firmly at the heart of this major cultural event. We collaborated with a music producer to create a stirring rendition of the National Anthem, made entirely using the harmonious sounds of making a cuppa. A boiling kettle, a tinkling spoon, a splash of milk – media, influencers and public all agreed it was fit for royal-tea.

And you only have to look at **John Lewis' new slogan, 'for all life's moments'** (with its tear-jerking ad campaign showing the tiny but oh so special moments in a child's life at home - from changing nappies to first steps and birthday celebrations), to appreciate the power of being part of this narrative.



# The Opportunities



**Look for ways to position your brand as part of life's little occasions** or moments of joy - whether that be a midweek pick-me-up, a Saturday night in watching the football, or a gathering round the kitchen table with mates. By doing so, not only will you influence purchase consideration now but you'll increase salience for the future.



If you are a service-led brand, think about how you talk beyond simply 'what you do' and **enhance and facilitate life's simple pleasures for a deeper emotional connection** with your audience - from work-time breaks to relaxing on the commute.



Identify chances to **join in big cultural moments** that feel true to your brand - big sporting events, landmark anniversaries, national celebrations and more. Playing to the news agenda and social media trends will be key to success and achieving dominant share of voice.





## Escapism and Consumers as Co-Creators

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## Escapism and Consumers as Co-Creators

There's an opportunity for brands to connect with their audiences by expanding their purpose beyond selling to entertaining.

With big world issues and financial pressure come a desire for fun and escapism which brands can help fulfil. They can bring optimism and 'lightness' to a heavy world - and become more memorable in doing so - just as they did in the pandemic.

**Entertaining is a vital tactic to add value to consumers - that isn't about stripping out cost.**

Of course, the idea of taking a brand beyond the immediate product or service and widening your content sphere is not a new one. But with the expectations of today's consumers - particularly Gen Z whose buying power is growing - we are seeing **a demand for co-creation.**

There's a shift happening. Consumers don't want to be 'talked at'. They want to 'work with' brands and respond to exciting and innovative opportunities for collaboration - beyond email polls or brand videos.



## Research from IBM showed:

66%

of people say it's important that brands ask them for their opinions

44%

want to be involved in the design of products and services

**David McGlone, director of research and planning consultancy, Brand Edge, commented:**

**“Think of them as participants, not consumers.** There’s a non-negotiable expectation that experiences should be stimulating and immersive. They’re becoming participants in the digital space, rather than passive onlookers.

“While co-creation might feel remote from the cost of living crisis, it’s actually part of the authenticity and transparency agenda. To make Gen Z your future customer, brands need to encourage youth to share and help shape the direction of the business at all levels.”

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The co-creation movement is gathering force, as is evident in a number of **best practice case studies engaging young people.**

Brands that let people in, and entertain at the same time, are winning on **TikTok** with organic content. **ASOS** is using UGC to involve its audience in brand socials, share outfit inspiration they can easily recreate, and show behind the scenes of projects and photoshoots.

**At Smoking Gun we took this further with our activewear client Dare 2b.** We partnered TV presenter and Strictly darling Fleur East with dance content creators for a series of fun and energising TikTok Duets – where customers stomped the floor side-by-side with their idol in Dare 2b’s statement activewear collection.



Co-creation continued in our award-winning campaigns for the world-famous Alton Towers Resort. Smoking Gun's fan-first strategy put aside suits and celebrities to bring fans closer to the resort action with exclusive after-dark experiences and first chances to ride, as well as social media content collaborations.

**Pot Noodle** demonstrated the benefit of insight-driven launches in 2022, bringing its Doner Kebab variant to market only after it gathered feedback from 100,000 customers through Instagram, Facebook and Twitter. The approach paid off, with the SKU becoming its best performer of the year.

Several brands are storming their market by entertaining consumers through gaming experiences and partnerships. **Nike's** 'Nikeland on Roblox' for example is a micro metaverse designed to empower creators, bring users together in a virtual space and deliver uniquely immersive experiences.





While **IKEA**, long innovators in the co-creation arena, not only asks customers for product design ideas but problem solves with university students, entrepreneurs and innovation labs around the world.

**If we engage, entertain, stir emotion and give back, we'll inspire more lasting brand loyalty than a sales message ever could.**

Times of unrest have brought a thirst for easy-to-access entertainment like never before. If we can share our brands in this way, the opportunities to foster communities, build trust, reach new audiences, change perceptions and gain valuable insights served to you daily, are endless.



# The Opportunities



**Add value through entertaining** rather than stripping out cost, and plan your content strategy accordingly. Gen Z takes in information instantaneously, and loses interest just as fast. Think about visual and video-led content, and immersive experiences. Be concise in your message.



**Take advantage of new social media capabilities**, like TikTok Shop, to move your audience seamlessly from entertaining to buying. Tactics like unique discount codes seeded via content creators provide an incentive to shop, without sacrificing organic engagement.



**See customer collaboration as a chance to shape and streamline product or service innovation.** Many suppliers are looking for fewer but more impactful launches and ones that play into tightened budgets. As both households and brands are less willing to gamble on new products, the digital space offers a more agile and cost effective way to gather the regular insights you need to feed your sales and marketing strategy.



## Personalisation and the Demand for Transparency

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# Personalisation and the Demand for Transparency

Beyond the economic squeeze, the cost of living crisis is amplifying issues that had already emerged from years of unrest. It's reinforced the cynicism that's developed from the political landscape with Brexit and national lockdowns, with people railing against being treated as commodities.

The upshot? **Personalisation, beyond the tokenistic, is now a must.**

With trust compromised and today's heightened concern around price, consumers are not only looking for complete transparency but to strip the complexity out of the shopping process (it's not just about the value of what you buy but the efficiency with which you can buy it).

**Consumers want to feel tailored to and understood.**

## YouGov data tells us that:

**87%**

**of people expect high levels of personalisation from brands**

**41%**

**will leave a website if it doesn't predict what they need**

**91%**

**of customers say they are more likely to purchase from brands that provide them with relevant offers and recommendations**



In the same vein, consumers now guard their privacy more and call out brands for falling short. 43% have switched brands off the back of a poor privacy experience and 1/3 say they block ads weekly.

**So, brands must work even harder to gain their trust, and their business,** by building a seamless customer experience and highly relevant communications. The data tells us in no uncertain terms that the commercial rewards will be worth it.

Artificial intelligence is making it easier for brands to deliver experiences that are tailored to the preferences and needs of individual customers.

**Marks & Spencer** recently acquired Thread, a personalised styling service that uses AI to analyse data on customers' body types and style preferences in order to provide personalised fashion recommendations.

Meanwhile **Nike** launched a system that allows customers to design their own trainers in store. Not only is this a great gimmick to drive sales, but it also collects a huge amount of useful data that machine learning algorithms can use to design future products and deliver personalised recommendations and marketing messages.



**Authenticity and transparency must be 'all-in'.** For Gen Z in particular, this is driving buying patterns. Talking about values is not enough. Action counts. If you say you support a cause, you must do exactly that. Although younger consumers are more likely to be enthusiastic about brands, that loyalty evaporates if the trust is broken.

**"It's not good enough to simply echo the topics or tone of voice that Gen Zs use themselves. You've got to live by their values and do the work. That means actively contributing to LGBT+ causes rather than simply changing a rainbow flag – or proving how you're improving racial diversity internally before posting in support of movements like BLM."** (Student Beans)

**There is an intersection between transparency and value.** Clarity of pricing is more important than the price itself to some consumers – people want to know that they're getting value for money. How you communicate this to your customers is everything. If brands and retailers keep attuned to the challenges today's consumers face, they can define a role for themselves which will help to add value to their customers' lives.





# The Opportunities



**Work to understand your customers as individuals**, and their unique challenges, rather than a mass commodity. Investing in the right insights up front will enable you to bring personalisation to the centre of your marketing and communications strategy - hitting the right people, with the right message, at the right time.



Go beyond the tokenistic. **Authenticity and trust are more about how you behave than what you say** - inviting consumers into your world, respecting privacy, personalising offers and content (you can be the cheapest brand in the world and not win if you don't do these things). Remember that consumers aren't the only ones doing their homework these days. The media too is dogged about brand transparency and will dig into every corner of your business - so ensure your communications plan is foolproof.



**Seek opportunities to reward loyalty** - personalising where possible. Nothing irritates people more than seeing new customers being incentivised to the cost of people who've been with you all along. There are plenty of creative ways to achieve this beyond monetary discounts, from exclusive content to shared cause-related initiatives.



## My World Vs Big World

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## My World Vs Big World

While we have examined the importance of brand transparency and authenticity, according to a survey by The Grocer, **half of all people who switched retailers in 2023 didn't give a thought to ethics.**

During the cost of living crisis, only 32% of men and 25% of women have continued with all their sustainable shopping habits. But it's not that they don't care; people literally cannot afford to be concerned about 'big world' issues.

**There is a subtle but significant shifting of responsibility happening. Shoppers are more likely to be consumed with 'my world' issues but, as they're compelled to do less, they expect brands to do more.**

**98%** of people think brands should be involved in social issues and  $\frac{2}{3}$  choose employers who act on environmental issues. They're increasingly looking to brands and retailers to take the burden of doing the right thing and support them in their 'ideal world' ethics.

The data tells us that brand ethics tend to be more important to younger generations, but beside age, income plays a part and it's no surprise that those with more money can prioritise ethics in real terms. The squeezed and struggling don't have the same luxury of choice.



**David McGlone, director of research and planning consultancy, Brand Edge, commented:**

“Even the most ethically committed have to prioritise what and where they buy - and big world considerations rank relatively low in the hierarchy of needs. When push comes to shove, people just aren't willing to pay that big a premium for things. Practical and pragmatic considerations will win for the majority.”

**So, how can savvy brands step up to facilitate consumers to make a contribution to issues they care about, and command a presence in the wider community to inspire brand loyalty? Here's some examples of how the retail sector reacted over the past year.**



## **Aldi**

**Meal Donation:** Partnered with Neighbourly and donated 700,000 meals to charities, food banks and community groups during the school summer holidays

**Other Donations:** Donated 80,000 items from Mamia baby range to charities and food banks that help new parents/carers on low incomes.

**Price Cuts:** Reduced the price of 30 essential household grocery products and made more than 130 price cuts across its entire range.

**Staff Pay Increase:** Committed to paying all store staff £11.40 per hour, rising to £12.30 nationally, and £13.15 within the M25. Warehouse selectors now receive a minimum starting salary of £13.18 per hour.



## ASDA

**Financial Advice:** Launched an 'Essential Living Hub' – an online money-saving advice site to help parents struggling with the cost of living.

**Charity Donation:** Worked with children's poverty charity Buttle UK to donate £125k worth of gift cards to fund school uniform and essentials.

**Community Investment:** The Asda Foundation recently invested £750k in 60 local community groups and charities across the UK, with the aim of transforming community spaces after customers said the cost of living crisis has impacted their social interaction.

**Investment in prices:** Invested £36m to lower prices on 600+ products by an average of 11%.

**Discounted Meals:** Extended 'Kids Eat for £1' café offer, which since launch has served two million meals. Invested £1.3 million to keep meal prices pegged at £1.

**Staff Pay Increase:** Increased the hourly rate of pay to £11.11 from July 2023 - increase of 18% since beginning of 2022.







## Boots

**Charity Partnership:** Partnered with The Hygiene Bank to launch a back to school campaign to donate basic hygiene products to children and schools. Boots is donating 50,000 products.

**Loyalty Scheme:** Boots Advantage Card holders can access exclusive discounts and offers on over 900 products each month. Customers have saved £12.5m since the scheme launched in 2022.

**Price Freeze:** Announced a price freeze on 1,500 own brand products to ensure they remain affordable.

**New Value Range:** Launched a new Everyday range of essential products at the lowest prices, all at £1.50 or less.

Other big brands that are setting the standard include Co-op, Costa Coffee, Currys, Decathlon, Dreams, Dunelm, Halfords, Iceland, John Lewis, Lidl, M&S, Primark, Sainsbury's and Tesco.

**Notably, these brands aren't just working to support their customers' immediate needs, they're commanding a presence in their communities with various charitable and good work initiatives.**

# The Opportunities



Many consumers need support in terms of more money in their pocket right now, so it's key to offer tangible and practical benefits. But supporting them in their 'ideal world' ethics at a time when this is compromised is important to lasting brand loyalty. **It's crucial to find out what matters in different categories to know where to invest.** Is ethical packaging or sourcing of materials important? On what issues do they need advice? What charities resonate with them? It's not about looking virtuous in your corporate reporting - but providing a real benefit to your customer.



**Develop a solid positioning and communications plan to communicate what you're doing and why** - and prepare for questions on any points of contention which may arise from customers on social media or the press. You'll need a clear narrative to guide your customers in what to look for - you have to make it easy even for the most ethically or financially aware to shop with you.



As consumers scrutinise every penny spent, brand reputation is everything. Things like customer or employee reviews are carrying even more weight, so **seek ways to harness your positive stories and build your online reputation**, both at a brand and C-suite level. Be open and transparent and show you treat people fairly. This is how most consumers evaluate 'goodness' now, rather than whether you're tackling the big climate issues as part of your ESG programme.



## Opportunities Abound for Ballsy Brands with Brains

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**In times of unrest and financial uncertainty, brave brands will focus on their reputation and hold their nerve to bounce back more strongly when recovery comes.**

You only have to look at the recession of 2008 and the Coronavirus lockdowns of 2020 to see that brands which continued to invest in marketing gained a **larger share of voice** over competitors. This increases saliency, preference and leaves them best positioned for long term profitability.

A price-only positioning will not see a brand thrive into the future. Brands must define themselves in a way that's sensitive to today's pressures, while continuing to make more meaningful connections with consumers for future growth and saliency.

**You must review your marcomms strategy NOW to respond to the changing demands.**



Understand your customers at an attitudinal level and how they are responding to the world around them



Embed yourself in their life moments, demonstrate generosity and humanity, and invite them into your world



Add value by entertaining, becoming their outlet offering escapism and optimism



Reward loyalty and facilitate them in their choices - both 'my world' and 'big world'



At Smoking Gun, we're already helping brands like **PG Tips, Alton Towers Resort, Interflora, Eurocamp and the NHS** achieve their marcomms goals through intelligent, disruptive, ingenious communications campaigns.

We don't do PR. We shift consumer behaviour. We build trust. We change perceptions. We move your audience.

We help build brand reputations to secure your place on the shopping list - and **WILL** make sure you stay on it.

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**Rick Guttridge** - Managing Director of Smoking Gun







## Do you need support adapting to today's consumer demands?

We're ready to guide you on this journey and help turbocharge your communication strategy for success

**Talk to Smoking Gun today**

**To arrange an initial consultation, please contact Rick Guttridge or Caroline Aspinall**

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We would like to sincerely thank our ingenious partners in the bringing together of this report.

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