



MRS Annual Conference 2012

[mrsannualconference2012.com](http://mrsannualconference2012.com)

Paper 11

**Con-Demmed youth**

What will happen to the kids  
who have to pick up the tab?

**Andreas Thorslund**

**Nicola Turnill**

Dipsticks Research

## Abstract

When we noticed that recent portrayals of young people in the press were mostly negative, presenting an angry and frustrated underclass stuck in perpetual unemployment; we wanted to understand whether this was justified. A number of relevant articles and academic papers seemed to substantiate the gloomy media reporting. The most recent report from the Independent National Equality Panel concludes that: "Inequalities in earnings and incomes are high in Britain, both compared with other industrialised countries, and compared with over thirty years ago"<sup>1</sup> In other words social mobility is on the decline and this is most evident among young people with one in ten 16-18 year olds classified as NEET (not in education, employment or training) in the UK<sup>2</sup>. Young people's current situation will change the way they think about the future and their role in a polarised society. We wanted to understand the affects these social changes may have on retail consumption and brands, now and in the future. We conducted an online survey with a spread of 1,000 18-24 year olds from all walks of life, from mollycoddled students to secondary school drop-outs. After data collection a segmentation analysis was carried out by Ken Baker (MRS Fellow) and 5 distinct typographies of young people clearly emerged. We then further followed this up with some qualitative research to bring the findings to life and add depth. The research showed that reality for today's young people isn't as black and white as recent media reporting would have us believe. The recession has had a hugely unequal impact depending on social class and background and it's clear we can't paint a picture of young people using one brush. Multinational brands know that they need to capture the loyalty of young people early, but the division and divergence of experience between our 5 typographies is clearly having a massive impact on spending and consumer habits today. Moving forwards this is likely to have a massive impact on brands, marketing and consumption in the future.

## Introduction

Together with our regular clients at creative agency Karmarama we agreed a jointly funded partnership to conduct the research and disseminate the results within the media industry. Very broadly speaking we hoped to uncover new behaviours; attitudes and activities that define young people in an increasingly polarised society to help brands communicate with, and remain relevant to this group in the future. As a secondary objective we also hoped that by studying the brand consumption of the young, we would be able to elicit some predictions for which brands will be the winners and the losers in the future. This was by necessity a limited exercise as only a certain number of categories and brands could be included in the study.

Before conducting the primary research we needed to understand the impact of increased polarisation in a post-industrial society. Recent reports from the London School of Economics<sup>3</sup>, the National Equality Panel<sup>4</sup> and the Joseph

Rowntree Foundation<sup>5</sup> are drawing on different factors from education to political representation to evidence a decrease in social mobility in Britain since 1970. The economic downturn has only served to accelerate society's polarisation into an upper class and an underclass. In the 50s and 60s many in the traditional working class took advantage of the grammar school education system, bought their council houses and traded up to white-collar jobs. This left the other half of the working class who were stuck in a cycle of generational unemployment and poverty stemming back to the decline of manufacturing in this country. In recent years with jobs in short supply and a good education and a good home becoming ever more expensive, is an entire underclass becoming priced out of society?

It's a tough time for young people in particular. Only recently youth unemployment levels made headlines when it was announced that there are over a million (1.02) unemployed 16 to 24 year olds<sup>6</sup> which equates to around one in five young people who are now out of work. Lack of jobs combined with factors such as rising tuition fees, cuts to funding for vocational and work experience placements and increases to the costs of living mean that many young people are left with some tough decisions to make about their future.

Social class accounts for a large proportion of the gap between high and low educational achievers – a gap evident from early childhood which tends to widen with age. In 2007, only 35% of the poorest pupils obtained 5 or more A\* to C GCSEs compared with 63% of their better-off peers. Between 1981 and the late 1990's the proportion of poorer children getting degrees rose by just 3%, compared to a rise of 26% amongst the children from the wealthiest backgrounds. Attitudes and opportunities are an important part of this picture and research shows that high achieving young people from the lower social classes are still significantly less likely to apply to the most prestigious universities<sup>7</sup>.

Over the last two decades the number of graduates entering the labour market has increased significantly<sup>8</sup>. Despite this finding employment has become more difficult than ever and the position of under 25 year olds in the labour market and in terms of net income has declined in the last decade<sup>9</sup>. However, there is a direct association between educational attainment and employment with the highest rates of employment amongst those who have a degree or other higher education qualification and the lowest levels amongst those who have no qualifications whatsoever<sup>10</sup>. An academic degree is still the most effective way of reducing the likelihood of short-term and long-term unemployment although employment prospects can vary according to field of study. In their analysis of over 700,000 individuals across Europe, Núñez and Livanos (2010) concluded that in general higher education does increase the chances of employment and avoidance of both long term and short-term unemployment in the UK<sup>11</sup>.

However, current circumstances still mean that many young people face a future of sacrifice, with the poverty rate for working age adults without children at 20% the highest rate since 1997<sup>12</sup>. On the other hand those with the privileges of a high profile education, the funds to do unpaid internships or

contacts through social circles will be the ones most likely to be given the scarcely available jobs.

Society should be concerned about the potential effects of long term unemployment on young people. In addition to the obvious consequences of exclusion from the labour market and the resulting lack of finances, unemployment in young people has been associated with increased use of tobacco and illicit drugs, criminality, deteriorated health behaviour and increased mortality, especially in suicides and accidents<sup>13</sup>. In the UK the difference in life expectancy between the top and bottom social classes is a gap of five years for men and three and half years for women<sup>14</sup>.

The period of time between 18 and 24 years is crucial in shaping young people's opinions and habits and in helping to establish a personal sense of identity and promote self-esteem. Long term unemployment is likely to have a profound negative effect on young people and therefore it is more than plausible that this could have a serious impact on young people's associations with brands and ongoing brand preferences in the future.

### Economic polarisation and its effect on brands

Our society is becoming more polarised between budget and luxury brands. Using fashion as an example, at the lower end of the scale brands like Primark and New Look, catering for those in need of style on a tight budget are rapidly increasing in popularity while at the top end of the scale, brands such as Jimmy Choos and Burberry, are also becoming a more common sight on the high street. Kantar Worldpanel data also provides evidence from the supermarket sector in that the big winners of this recession have been at the far ends of the scale, Aldi and Lidl posted strong double digit growth of 20.2% and 15.6% respectively, in the 12 weeks leading up to July 2010 and Waitrose was the next big winner with growth of 9%<sup>15</sup>. In contrast, long standing, middle market brands such as Jane Norman and Thorntons have recently been pushed into administration and Tesco shares dropped by 16% following very disappointing trading over the 2012 Christmas season<sup>16</sup>.

A recent survey for Marketing Week conducted by Leapfrog Research in early 2011<sup>17</sup> showed that mid-market brands are at risk from new consumer shopping habits as people adapt to having less 'ready cash' with luxury and budget brands stealing share and effectively squeezing mid-priced brands out of the market. The survey of 1,000 people showed that 20% admit they fall into the 'spectrum shopper' category, 40% have stopped buying things they don't really need and 50% say they are bargain hunters. Using a 'polarised shopping index' (PSI) the Leapfrog research also indicates that the polarisation of consumers' shopping habits is more pronounced in some sectors than in others. PSI is calculated by dividing the percentage of consumers in a retail category who say they are likely to treat themselves by the percentage trading down for cheaper alternatives, then multiplying by 100. In this case, a score above 100 means there is the potential for middle brands to survive and thrive. A score of 50-100 means brands must adapt or risk losing market share and a score below

50 means the category is in real trouble. The areas with the healthiest outlooks for middle brands were holidays (121) and electronics (118). At the wrong end on the PSI, middle brands that are most at risk are those operating in the following markets: drinking out (31), takeaway coffee (39), toiletries and make-up (40) and clothes (42).

In the recently published CoSkill report, they also agree that the future isn't necessarily looking very bright for middle market brands and they predict increasing polarisation between budget and luxury. History tells us that the brands who survive in times of change are the ones who are best able to adapt and change<sup>18</sup>. Point in case being the decline of Kodak who until the 1990s was regularly rated one of the world's 5 most valuable brands. As a result of the shift from film to digital photography the company is now near bankruptcy. During the same time its once main rival in the film market Fujifilm managed to diversify, adapt and prosper<sup>19</sup>. It is difficult to predict who the winners and losers will be in ten or twenty years time but one thing is certain; remaining relevant to today's young consumers is going to be part of the key to success.

### Hypothesis

This leads us onto how brands can engage with young consumers in an increasingly polarised social and economic environment. Judging by the current portrayals of young people in the press it would be all too easy to make the mistake of assuming that all young people are the same; angry, frustrated and prone to crime and rioting<sup>20</sup>.

The phenomenon of grouping the younger members of society together in antagonised and socially excluded groups is not a new construct or one specific to the UK. Wacquant's (1999) observations of age and social exclusion in Parisian suburbs concludes:

"If there is a dominant antagonism which runs through the Red Belt cite and stamps the collective consciousness of its inhabitants, it is not contrary to widespread media representations, one that opposes immigrants (especially 'Arabs') and autochthone French families but the cleavage diving youth (*les jeunes*), native and foreign lumped together for all other social categories. Youths are widely singled out by older residents as the chief source of vandalism, delinquency and insecurity, and they are publicly held up as responsible for worsening condition, and reputation of the degraded *banlieue*."<sup>21</sup>

This view of young people as antagonists or 'delinquents' is prevalent in the UK, illustrated by the number of policies and legal procedures introduced in the last two decades to tackle 'disorderly' youth. Most well known is perhaps New Labours ASBOs – Anti-Social-Behaviour Order which have mainly been directed at young people in inner-city communities<sup>22</sup>.

We reject this simplified view purported by the media, and argue that increased socio-economic polarisation has led to a more diverse group of young people in society than ever before. Furthermore, we will show that the group of 'disorderly' young people, who arguably get a disproportionate

amount of media exposure, is in fact a small minority. Even though social mobility has declined, the vast majority of 18-24 year olds in England are very much part of society and have enough material, civil and social capital to not risk being socially excluded.

## Methodology

In order to ensure we were able to present meaningful and robust data about young people with a reasonably high level of confidence about the population a quantitative research methodology was chosen. As previously described we reject the notion that all young people are the same and to allow for a robust segmentation of 16-24 year olds we decided on a sample of 1,000 respondents. The achieved sample of 1,002 interviews offers a margin of error of 3.1% at the 95% confidence level and can thus be considered to be statistically robust. The fieldwork was carried out in June 2011, and all of the 1,002 18-24 years old were sourced from our in-house online panel, [www.panelbase.com](http://www.panelbase.com), which has over 180,000 registered members in the UK. Panellists on [panelbase.com](http://www.panelbase.com) are recruited from a wide variety of channels, both online and offline and we implement many measures to ensure engagement and quality. The panel is managed in accordance with ESOMAR standards and all the research was carried out according to the MRS code of conduct. Given the almost ubiquitous level of internet penetration among our target age group we felt that an online methodology was sufficiently inclusive, that we did not risk excluding a potentially marginalised minority without any means of internet access. ONS figures from 2010 show that 82% of 16-24 year olds use internet every day and a further 15% at least once per week<sup>23</sup>.

We designed a 15 minute questionnaire to assess young people's attitudes to their own personal situation and their opinions of the current economic and cultural environment as well as their interactions with brands and brand preferences. The key topics covered were:

- Money and spending
- Higher education and university fees
- Career prospects and the economy
- Brands and consumption across cars, fashion, food, restaurants, technology

Quotas were imposed on gender and location to ensure a spread of responses. Following data collection segmentation analysis was undertaken by our experienced consultant statistician, Ken Baker. After inspection of the cluster diagnostics a 5 cluster solution was revealed to be most stable as its members either stayed together or donated members to a new cluster in a higher level solution.

**Table 1 – The Five Segments**

Segment	% of sample	1,002
Cotton Wool Kids	23%	234
Go Getters	23%	231
Passive Massive	22%	222
Shundergrads	15%	146
Minimum Rage	17%	163
<b>Total</b>	<b>100%</b>	<b>1,002</b>

In addition, we set up short term micro-communities with members of each segment who had opted in during the quantitative phase and a series of vox pops, undertaken in Newcastle and London, to provide us with some additional depth and added insight.

## Cotton Wool Kids

As the name suggests, this segment are predominantly from the upper echelons of society (47% are from households classified as A or B according to socioeconomic status). They also tend to be slightly younger than the rest of our sample, with a significantly higher proportion of 18 (19%) or 19 year olds (21%) and it is possible that some of their positive attitudes might be due to limited life experience.

Cotton Wool Kids see the attendance of university as essential with 88% agreement that a degree is worth the investment and 82% agreement that it makes people more employable. Cotton Wool Kids are also significantly more likely to say that money is no object to their attending university, for example 44% say rising tuition fees would not put them off and interestingly, in stark contrast to what those in the other cluster groups say, 28% don't think rising tuition fees would put anyone else off either. University is clearly a natural step for this group and they are highly likely to be currently studying for a degree (58%), particularly in subjects such as business, economics, law or finance (24%) or a medical discipline (7%). Those working full-time (15%) are employed in sectors that are likely to be relevant to their degree (80%) largely in high-powered graduate jobs and 77% are happy in their current position.

Money is a key feature of this group and as well as income from student loans or employment they are likely to receive monetary support from parents (52%) and they tend to think of themselves as better off than their peers (38%). As such they are a lot less likely to struggle financially and are most likely to say they have not had to delay any major milestones in life due to financial constraints (35%). They are also *least* likely to agree that the economy has had the most negative impact on 18-24 year olds (45%).

Cotton Wool Kids have active and social lives and are significantly more likely to say they are unwilling to compromise on their social life (68%). They can be mercurial and materialistic with 75% who say they sometimes treat themselves to things they don't need and only 24% who say that current economic conditions have affected their purchasing behaviour. They are a brand savvy cluster, with

relatively high disposable incomes and they aspire to shop in top-end stores such as Kurt Geiger (30%) and frown upon budget brands such as Matalan and Peacocks with 39% and 43% saying they would never shop there respectively.

As well as money they have the ambition to match and is one of the groups with the strongest positive outlook on life. 21% rate their career prospects over the next 2-5 years as 'very positive' increasing to 50% when the time frame is extended to 6-10 years. Furthermore, 43% are 'very positive' about their future in general, 83% consider themselves to be in control of their own destinies and they are the happiest cluster overall with 60% who say they are happy with their life as it is.

The following key verbatim comments offer further insight into the characteristics of this cluster.

"At my age, I thought I would have a graduate job, but due to the shortage of jobs in the sectors I am interested in I am doing a Masters instead. I would rather be doing this than have a job I didn't really want to do."

"I have had a very good education and have been supported well by my parents giving me an extremely good quality of life. I am happy with my current situation."

"I'm very positive for the future, there are lots of things to look forward to - uni, starting my first job, moving out, getting my own home etc."

"I think you can do anything that you set your mind to."

"Many of my friends, along with myself were supported through university, which lifts a great weight of our shoulders."

## Go Getters

Go Getters are the only cluster where a significant gender difference is apparent with members of this cluster more likely to be female (62%). They tend to come from middle class backgrounds with a significantly higher proportion who are classified in C1 households according to socio-economic grade (39%) and are most likely to have obtained a degree already (29%) or to currently be studying at university (61%) including qualifications higher than a degree.

Education and university are the key defining characteristics of this group: 83% believe that a degree is worth the investment, 77% believe it makes people more employable and 80% are interested in gaining more qualifications in the future. Additionally, 93% believe a university education offers benefits other than education although 71% think that the changes to tuition fees means that only people with rich parents will be able to go to university.

Interestingly, Go Getters claim that money and a career are not essential to be happy (73% agreement) whilst at the same time striving to get at the top of their careers (95%) and seeing their work as a career rather than as a 9 to 5 job (70%).

Go Getters have a pretty optimistic outlook on their lives, although they are more positive about their long term prospects (81% positive over the next 5-10 years) than their

short term (46% positive over the next 2-5 years) and tend to say that they are currently a bit worse off than they expected to be at their age (33%). Almost all of members of this cluster (94%) agree that 'they are prepared to work hard to get to where they want to be' and most feel in control of their lives (70%).

Although some Go Getters do receive parental support (42%) they are more likely to be surviving off student loans (55%) and overdrafts or credit cards (24%). However, they are ambitious in their personal and professional lives and want to have a perfect family as well as career. They feel that they are in about the same situation as their parents were at their age or better off (59%) and although a third (33%) wish they were a bit better off, only 10% feel they are a lot worse off than they had expected.

'Soft-values' such as environment and fair trade tend to be important to this cluster, 34% explicitly say they try and buy products from companies that they feel give something back to society. They express concern about their less well off and less well educated peers with 71% stating that now only those with wealthy parents can afford a university education. However, 83% still agree that a university degree is definitely worth it. In terms of consumption preferences Go Getters are not concerned about traditional status symbols but love to be able to buy fashionable clothes and to be able to socialise with friends in cafes and restaurants.

Some verbatim comments that define this cluster group include:

"I am fairly positive as I am a very hardworking person and no matter what job I do, I like to give my best."

"I have secured a place for medicine at the University of East Anglia, which has been an ambition of mine for several years."

"I'm feeling fairly optimistic, I figure if I apply to enough places I'll find a job eventually and since I've only finished Uni within the past few months I'm not too worried."

## Passive Massive

The Passive Massive can be found in all walks of life and come from a variety of backgrounds. They are fairly likely to be working (18%) but there are also fairly high levels of unemployment in this group (17%). They are quite likely to have achieved a degree already (28%) and many are currently studying at university (41%), most commonly in subjects such as History, geography, politics, English or religion (17%).

In terms of financial status they are significantly more likely (51%) than other groups to say they are about where they expected to be in life at their age but they tend to feel 'somewhat worse off than their peers (35%) and are also likely to say they find it hard to get by financially 'sometimes' (66%). The Passive Massive are unwilling to compromise on essentials but are quite happy to put off having things like a nice car (82%) or expensive make-up (80%). They tend to shop in budget to mass market brands, are not particularly

brand savvy and don't really aspire to be able to buy expensive gadgets or eat in fancy restaurants.

The passive massive have been so called because they tend to have lukewarm perceptions of their situation in life and are not terribly happy (47%) but neither very unhappy (18%) with their life as it is. They simply have no strong opinions either way and often give neutral responses, particularly to statements which relate to the benefits of university, which may reflect the broad demographic incorporated within this cluster.

Several verbatim comments that we feel illustrated the passive massive are given below.

"I am struggling to get a job and it has been very hard and I'm sure I'm not the only one. I have the experience and a good education and it is so frustrating that I have to put my life on hold."

"My education is pretty average - C's in 10 GCSEs and I work as a civil servant which I feel is a better job than a few other people I know. I own my own home with my fella and most other people I know haven't had the chance to do so. My quality of family life is really good we are doing well money wise but I don't go out socialising."

"At 24 I thought that I would have a permanent job working a few years now and hoping to move out of parents' house. I always thought that once you completed your degree at university, it would be easier to get a job but with the current economy, I guess I graduated in the wrong year"

"I don't really think about my future too much."

## Shundergrads

Those who fall into the Shundergrad cluster are most likely to come from working class backgrounds with a significantly higher proportion classified as C2 according to social grade of the household (24%) compared to any other segment. They are significantly less likely to be studying at university (14%), instead being a lot more likely to be currently attending college full time (16%) or to have already obtained vocational qualifications such as NVQ's at level 1 (21%), 2 (23%) and 3 (17%). Additionally, a significantly higher proportion of this cluster group are already in full time employment (42%) and 79% are happy in their current role.

As the name implies, Shundergrads tend to view university education as not being worth it, especially given the rise in tuition fees with 91% who say this would put them off. 44% of the cluster disagree that a degree is worth the investment, 32% disagree that a degree makes people more employable and 85% agree that you don't need a degree to do well in life.

With high levels of employment and vocation qualifications they are significantly more likely to say they are better off than they expected to be at their age (37%) and to feel better off than their peers (56%). They are concerned about the

general state of the economy and tend to feel things will get worse before they get better (68%) but despite this they are pretty confident about their personal prospects in both the short (50% positive in the next 2-5 years) and long term (70% positive in the next 5-10 years). In terms of spending Shundergrads are relatively more likely to be reluctant to compromise on buying big ticket items such as cars and computers (22%) compared to other clusters.

They are mildly ambitious and fairly content with their current situation in terms of work, 79% stating they are happy in their current position. This group tend to be fairly settled and often viewing family as more important and a big reason for working is to support those nearest and dearest with a significantly higher proportion who say they would like to have children in the next few years (32%) and buy a house (43%).

The following comments from members of this cluster highlight their key characteristics.

"Students' grants and loans are plentiful and enough to pay for what they need. Fair enough they have to pay them back, but it is better than nothing."

"It's stupid really because students get in a lot of debt to learn when there are jobs where you learn as you get paid."

"As well as knowing a lot of people who like the system and just "sponge" off of it, I also know a lot of people who are proud and try to stay off of it as much as what they can, sometimes going without to keep this true."

"How do you get a job when they all require experience and you don't have any?"

## Minimum Rage

Those who fell into the segment we have called 'Minimum Rage' are significantly more likely to be unemployed (27%), reliant on welfare benefits (28%) and to be living in homes classified as social grades D (24%) or E (25%). They also tend to be slightly older than average with a significantly higher number of 24 year olds (17%).

The cluster is further distinguished by very low levels of education, containing a significantly higher proportion of young people who have only obtained GCSE grades D-G (27%) and only 20% who are currently studying at university. Members of this cluster are significantly less likely to say their parents encouraged them to go to university (31% disagreement), 65% say the cost of university put them off and 70% agree that the change in tuition fees means only people with rich parents can go to university.

They are the cluster group who are most likely to have delayed key milestones in their life due to their financial situation particularly moving out from their parents (49%). They tend to live fairly anti-social lives rarely going out to socialise with friends as this is considered a luxury and they are significantly more likely to say they are willing to

compromise on entertainment (88%), travel (86%), eating (91%), socialising (56%) and going out (82%) than average, Minimum Rage tend to buy only budget brands, price is a key factor in purchase making decision and they are significantly more likely to aspire to purchase main stream brands such as H&M (20%) and TK Max (14%) in comparison to the other clusters, whilst being unlikely to have heard of brands such as Gio Goi (72%) and Chloe (60%).

Minimum Rage are the least happy cluster with 62% saying they are unhappy with their life as it is and 51% who say they 'often' find it hard to get by financially. Of those who are employed, be that full-time or part-time, only 25% say they are happy in their current position and 54% of the total sub-set say they are unhappy with their standard of living. Furthermore, three-quarters (76%) say they are worse off than they expected to be at their age, 47% feel they are worse off than their parents were at their age and 61% feel worse off than their peers. Despite the fact that they tend to be unhappy with their current situation this group seem to lack the ambition or means to do anything about it. 58% disagree that they feel in control of their own life and only 23% are positive about their future in general. They describe their short-term and long term career prospects as negative (47% negative over the next 2-5 years and 43% negative over the next 5-10 years) and also tend to have a very gloomy outlook on the economic situation in general with 72% who think things will get worse before they get better.

Some verbatim that demonstrated the characteristics of this group include:

"I am finding it extremely hard to obtain part time work, for every 1 job in my town there is an exceptional response from other people. I do feel very let down and disappointed. At the moment I am living at

home with my parents, I could never afford to live on my own."

"I definitely feel like I'm going through a difficult time at the moment. In terms of finance, being unemployed has affected the way I spend and has restricted my options when it comes to lifetime opportunities."

"I've been unemployed for so long, I've had really hard times over the past year."

"I'm quite positive [about my life looking forwards]. I figure, once you hit rock bottom, the only other way is up."

"I have been job-seeking for over a year now, and have had countless interviews which lead to nothing. It truly is a crushing process which stresses you out and makes you feel unworthy, frustrated and lost."

### Effects on Brands and Spending

As shown in the table below the consumer categories where young people are least likely to be willing to compromise are socialising (37%), food (46%) and transport (52%).

Those in the 'Minimum Rage' cluster group are significantly more likely to say they would be willing to compromise on the luxuries in life such as eating out (91%), travelling (86%), going out (82%) and socialising (56%). It is likely that this is an expression of a lifestyle where they already feel that they are forced to compromise on all of these things.

In contrast, those classified as 'Cotton Wool Kids' tended to be less likely to say they would be willing to compromise on spending, particularly in the case of socialising (31%) and going out (59%).

Table 2 – Segment and willingness to compromise spending in different consumer categories

	Total	Cotton Wool Kids	Go Getters	Passive Massive	Shundergrads	Minimum Rage
Beauty treatments	93%	94%	94%	93%	92%	93%
Gadgets	87%	87%	88%	89%	82%	88%
Computer	86%	88%	86%	86%	78%	89%
Entertainment	82%	81%	84%	79%	79%	88%*
Eating out	81%	79%	80%	81%	74%*	91%**
Clothes	78%	74%	76%	80%	80%	82%
Cars/motor	78%	75%	81%	82%**	68%*	80%
Beauty Products	75%	74%	74%	80%	72%	76%
Mobile phone	72%	68%	71%	77%	68%	73%
Travelling	72%	70%	69%	69%	72%	86%**
Going out	70%	59%**	69%	69%	76%	82%**
Transport	52%	50%	55%	59%**	40%**	50%
Food	46%	50%	46%	46%	42%	44%
Socialising	37%	31%*	37%	31%*	34%	56%**

\* statistically significantly different at 95% confidence

\*\* statistically significantly different at 99% confidence

Table 3 below shows shopping habits at budget, middle market and luxury supermarket chains.

Whilst brands at either end of the budget and luxury spectrum have considerable market share, young people still shop more at middle market supermarkets such as Tesco, Asda and Morrisons. There are some notable variations across the 5 cluster groups. The two best educated and more affluent groups, Cotton Wool Kids and Go Getters, are significantly more likely to shop at M&S (37% and 18% respectively) and Waitrose (26% and 10% respectively). At the other end of the spectrum Minimum Rage respondents were much more likely to state they currently shop in Netto (23%).

We did not distinguish between big out of town stores and local city stores which most likely accounts for the high proportion of Tesco shopper among Cotton Wool Kids as they have a big network of Tesco Express stores in inner city student areas.

Whilst there are significant variances across the 5 segments with Cotton Wool Kids being significantly more likely to shop at up-market brands like French Connection (27%) while Minimum Rage were significantly less likely to do so (9%), we also discovered a surprising amount of overlap between budgets and luxury brands, even within the more affluent clusters indicative of a 'mix and match' culture. This theme was further explored qualitatively in our micro-communities with select respondents from each segment. From those discussions with Cotton Wool Kids and Go Getters it was clear that much of the overlap was down to one off purchases of basic items such as tops and tights that were then discarded after being used once or twice.

H&M is a middle market fashion retailer that has placed a heavy emphasis on designer collaborations, for example with Lagerfeld, Cavalli and Choo. As is evident in the data above this strategy has been highly successful in attracting both

**Table 3: Shopping habits at supermarkets**

	Total	Cotton Wool Kids	Go Getters	Passive Massive	Shundergrads	Minimum Rage
Lidl	43%	40%	41%	49%*	42%	42%
Netto	15%	9%***	16%	13%	15%	23%***
Aldi	40%	38%	41%	40%	40%	43%
Tesco	89%	93%**	90%	86%	86%	87%
Asda	75%	72%	79%	71%	79%	76%
Morrisons	61%	64%	61%	54%	67%	62%
Sainsbury	70%	77%	72%	73%	65%	56%
M&S	29%	37%**	32%	27%	28%	18%**
Waitrose	18%	26%**	23%*	16%	10%**	10%**

\* statistically significantly different at 95% confidence

\*\* statistically significantly different at 99% confidence

**Table 4: Shopping habits at fashion retailers**

	Total	Cotton Wool Kids	Go Getters	Passive Massive	Shundergrads	Minimum Rage
Peacocks	41%	34%	37%	43%	49%	49%+
Primark	71%	68%	74%	71%	67%	75%
New Look	63%	62%	66%	62%	63%	61%
H&M	66%	72%*	76%*	65%	62%	50%*
Dorothy Perkins	41%	39%	46%	33%	48%	36%
Oasis	19%	29%**	19%	14%	19%	12%**
Next	57%	68%**	53%	54%	64%*	44%**
Warehouse	23%	32%*	26%	17%	25%	14%*
French Connection	17%	27%*	13%	14%	19%	9%*
Kurt Geiger	6%	8%	7%	5%	4%	5%

\* statistically significantly different at 95% confidence

\*\* statistically significantly different at 99% confidence

Cotton Wool Kids (72%) and Go Getters (76%) who are the two segments that expressed the strongest views on fashions and are likely to have greater disposable incomes.

There is a correlation between how affluent a segment is and how likely their members are to eat out in a restaurant or fast food chain. Cotton Wool Kids and Go Getters who, as we have seen previously are the least affected by the current economic climate, are also most likely to still be dining out. Go Getters are most likely to frequent traditional high street haunts such as Nandos and Pizza Express whilst Cotton Wool kids have been the keenest to adopt more upmarket restaurant chains such as Yo Sushi! and Wagamamas. The Minimum Rage group is mainly confined to fast food chains such as KFC and McDonalds and are the least likely to eat out in restaurants. They are the hardest pressed financially and 91% of respondents in this groups said they compromise on eating out.

## Conclusions

Today's young people are a surprisingly diverse group. They certainly cannot be painted with one brush stroke and the media's recent negative portrayals of this age range are considered to be unfair and unjust in the case of the vast majority. Only one group of young respondents in our research 'Minimum Rage', lack the social and economic resources to participate fully in society. This group which can be considered socially excluded accounts for 17% of the total population researched. It is a fairly homogenous group with most of its members coming from poorer backgrounds.

In itself economic disparity and inequality is not necessarily a bad thing. However, when increased social polarisation is combined with lower levels of mobility we risk creating

a significant group of people stuck in perpetual economic and social despair. From our findings it is clear that group membership is strongly linked to socio-economic background. 'Cotton Wool Kids' tended to come from relatively wealthy AB households, 'Go Getters' from middle class BC1 households. Shundergrads from blue collar backgrounds (C2 demographic profile), and 'Minimum Rage' respondents from households with high levels of long-term unemployment. Only among the 'Passive Massive' group was there a broad mix of respondents from both wealthier and poorer backgrounds. With social mobility in decline this really matters, among our key 5 segments there was only one group 'Go Getters' who were upwardly mobile.

Everyone has felt the forces of the recession unleashed by the banking crises in 2008. However its impact has been massively uneven. Young people traditionally tend to far worse in recession times compared to their older counterparts who are further along in their professional and financial trajectories. Based on the key defining characteristics of our 5 cluster groups it is clear that the impact has been very uneven not just between young and old but also between different groups of young people in society. Based on our findings we feel that the outlook for young people in today's society is a relatively bright one. One in five young people who want to work are currently unable to do so; turning this on its head that means that four out of five young people who can and want to work are doing so.

Many young people, particularly those classified as Cotton Wool Kids and Go Getters, are ambitious and well educated. However, it is worth noting that the recent increases in university tuition fees have already had a notable affect on university application and enrolment numbers<sup>24</sup> and in the long run we may see more young people turning to vocational courses as a safer option in the current economic climate. This

Table 5: Restaurants and fast food eating habits

	Total	Cotton Wool Kids	Go Getters	Passive Massive	Shundergrads	Minimum Rage
KFC	61%	64%	56%	67%	58%	
Burger King	55%	61%	55%	53%	57%	45%
McDonalds	77%	81%	77%	73%	77%	74%
Subway	66%	71%	71%	64%	61%	62%
Pizza Hut	66%	69%	70%	62%	69%	56%
Nandos	53%	58%	62%**	47%*	57%	38%*
Pizza Express	49%	61%**	57%**	45%	48%	24%**
Wagamamas	23%	35%**	23%	18%*	20%	13%**
Yo Sushi!	12%	19%**	10%	10%	9%	10%
La Tasca	17%	23%*	20%	18%	14%	9%**
Zizzis	20%	29%**	22%	20%	15%	5%**

\* statistically significantly different at 95% confidence

\*\* statistically significantly different at 99% confidence

means the group of young people described as Shundergrads (15%) are likely to grow whilst we may see fewer university educated 'Go Getters' (23%) and 'Cotton Wool Kids' (23%). This has implications for the number of jobs required in vocational fields such as the manufacturing industry. Fewer university graduates with no vocational options such as apprenticeships available potentially risk ending up in low-paid and low skilled jobs or unemployment.

Turning to the question of brand preferences and purchasing behaviour, we have demonstrated that although belonging to one cluster group is clearly associated with certain brand purchasing behaviours and preferences there is evidence of a mix and match culture. This is perhaps most evident when looking at the fashion category. Although the most fashion conscious and financially well off group 'Cotton Wool Kids' and are more likely to shop in up-market high street chains such as Oasis (29%) and French Connection (27%), the majority also buy basic articles of clothing in Primark (68%) and New Look (62%). The divergence is more obvious when looking at supermarket shopping and restaurant / fast food visits. 23% of 'Minimum Rage' respondents shop in Netto whilst this figure is only 15% for the total sample and lowest at 9% among 'Cotton Wool Kids'. Still middle of the road supermarkets such as Tesco, Asda and Morrisons have by far a bigger share among all segments compared to budget (Lidl, Netto and Aldi) and high end food retailers such as M&S and Waitrose. Restaurants and fast food chains also see a similar split between our 5 different segments. 'Minimum Rage', 'Passive Massive' and 'Shundergrads' eat out less often and less well than 'Cotton Wool Kids' and 'Go Getters'.

If brands are to communicate effectively with young people in post-recession times they need to consider that 18-24 year olds are an increasingly diverse group. Certain segments will be more 'valuable' than others depending on market category and which end of the budget to luxury spectrum a brand occupies. For example 'Cotton Wool Kids' and 'Go Getters' are relatively well-off and reluctant to compromise on many things such as fashion and going out, but compared to 'Shundergrads' they are a lot more likely to put off buying or to compromise on spend when buying a car. There is definitely no magic bullet to target all young people and marketers need to be increasingly discerning about which group of 18-24 year olds they are trying to appeal to.

We have previously speculated that some groups will grow at the expense of others as a result of the changing economic situation and also the introduction of university fees. To test this assumption and to understand whether the 5 different types of groups we found are now relatively static post-recession or whether they are in a state of flux, research is required further down the line to assess this.

### About the Authors

Dr Nicola Turnill joined Dipsticks Research in 2007 and now heads up Public Knowledge, the public sector division. Nicola is an experienced quantitative and qualitative researcher having worked with clients in health, local government,

the arts and leisure, housing, education and the third sector as well as many private sector clients. She has a First Class Honours Psychology degree from Swansea University and a PhD examining the relationship between wellbeing and eating behaviour which she was awarded from Newcastle University in 2007.

Andreas Thorslund is a Politics graduate from Sweden who joined Dipsticks Research in 2008. He now heads up the media research specialist team working closely with media agencies, owners and brands. Andreas has a passion for bringing research results to life and has recently focused on large scale consumer segmentation projects, helping advertisers to better understand their target audiences. Andreas has a Politics degree and a Master in Politics and Public administration from Uppsala University in Sweden. He also spent a year at Durham University in the School of Government & International Affairs as part of an institutional exchange programme.

### Endnotes

- 1 National Equity Panel, *An Anatomy of Inequality in the UK*, 2010
- 2 The Labour Force Survey, <http://www.esds.ac.uk/findingData/lfsTitles.asp>
- 3 Blanden, J., Gregg, P & Machin, S (2005). *Intergenerational Mobility in Europe and North America*, London School of Economics and Political Science [http://www2.lse.ac.uk/newsAndMedia/news/archives/2005/LSE\\_SuttonTrust\\_report.aspx](http://www2.lse.ac.uk/newsAndMedia/news/archives/2005/LSE_SuttonTrust_report.aspx)
- 4 *An Anatomy of Economic Inequality in the UK*, Report of the National Equality Panel (2010)
- 5 *Monitoring Poverty and Social Exclusion* (2011). <http://www.jrf.org.uk/publications/monitoring-poverty-2011>
- 6 Office for National Statistics (2011). *Labour Market Statistics*, July to September 2011
- 7 Report from the Independent Commission on Social Mobility (2009) [http://www.tuc.org.uk/extras/Social\\_Mobility\\_Report\\_Final.pdf](http://www.tuc.org.uk/extras/Social_Mobility_Report_Final.pdf)
- 8 Report from the independent commission on social mobility [http://www.tuc.org.uk/extras/Social\\_Mobility\\_Report\\_Final.pdf](http://www.tuc.org.uk/extras/Social_Mobility_Report_Final.pdf)
- 9 *An Anatomy of Economic Inequality in the UK*, Report of the National Equality Panel (2010)
- 10 Portes, J (2011). *Youth unemployment in the UK*. National Institute of Economic and Social Research <http://www.oecd.org/dataoecd/16/6/48166657.pdf>
- 11 Núñez, M & Livanos, L (2010). *Higher education and unemployment in Europe: an analysis of the academic subject and national effects*. *Higher Education* 59:475-487
- 12 *Monitoring Poverty and Social Exclusion* 2011
- 13 Hammarström, A (1994). *Health consequences of youth unemployment—review from a gender perspective*, *Soc Sci Med.* 1994 Mar;38(5):699-709
- 14 ONS, *Mortality decennial tables* (1997:230)
- 15 Wallop, H (2011). 'Two Nations' Supermarket Figures Show , Telegraph Online <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/8647799/Two-nations-supermarket-figures-show.html>
- 16 BBC (2011). *Tesco 'disappointed' by its UK Christmas Trading* <http://www.bbc.co.uk/news/business-16524387>

- 17 Cooper, L (2011). Putting some Balance Back into the Market. Marketing Week. <http://www.marketingweek.co.uk/analysis/features/putting-some-balance-back-into-the-market/3028396.article>
- 18 Kitching, J, Blackburn, R, Smallbone, D, Dixon, S (2009). Business strategies and performance during difficult economic condition, Department of Business Innovation and Skills
- 19 The Last Kodak Moment (2012). The Economist, <http://www.economist.com/node/21542796>
- 20 See for example: <http://www.dailymail.co.uk/debate/article-2024284/UK-riots-2011-Liberal-dogma-spawned-generation-brutalised-youths.html> <http://www.dailymail.co.uk/news/article-2023874/UK-riots-2011-16k-police-ready-use-plastic-bullets-lid-Londons-looters.html>
- 21 Wacquant, L.D. (1999). Urban Marginality in the coming millennium, *Urban Studies* 36(10):1639-47
- 22 Byrne, D (2005). Social Exclusion, 124-125
- 23 ONS, UK, Internet Access 2010: Households and Individuals, Aug 27, 2010
- 24 Coughlan, S. (2012) UK university applications down as fees rise. BBC News, 30th January 2012 <http://www.bbc.co.uk/news/education-16787948>