

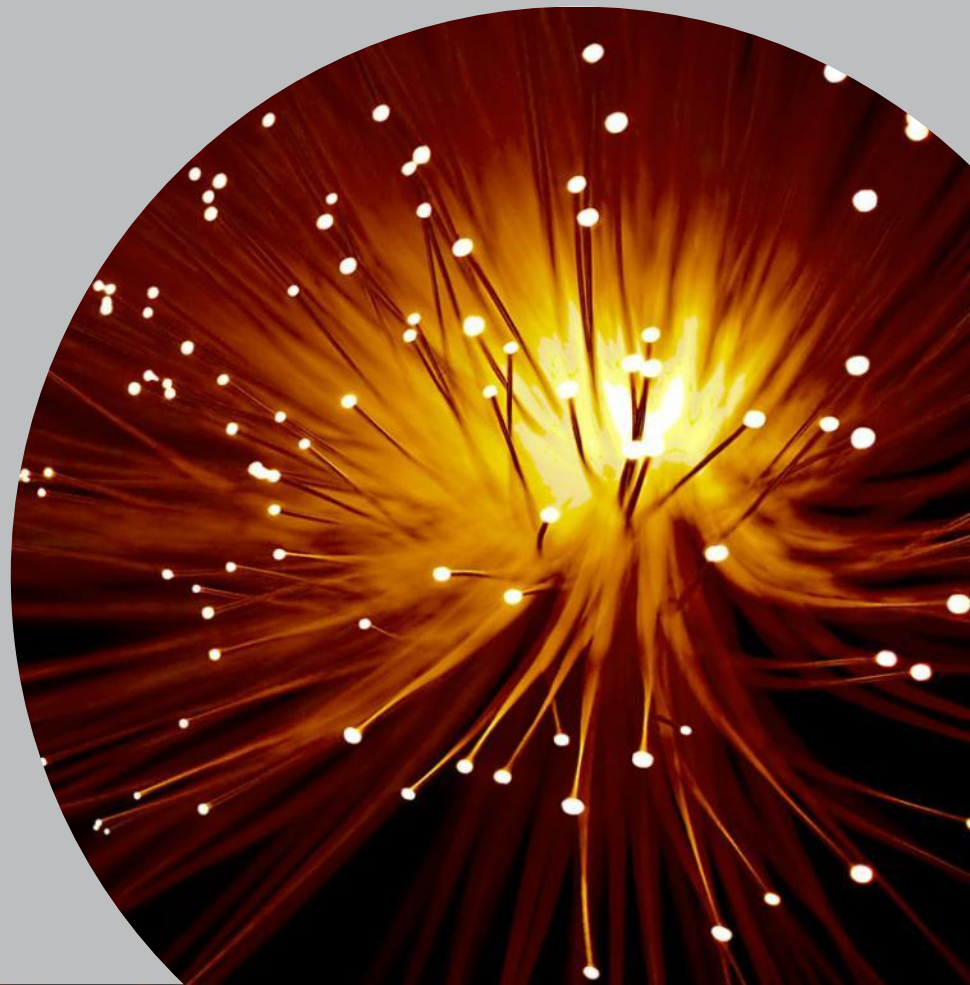


Things to consider when conducting innovation research in the UK

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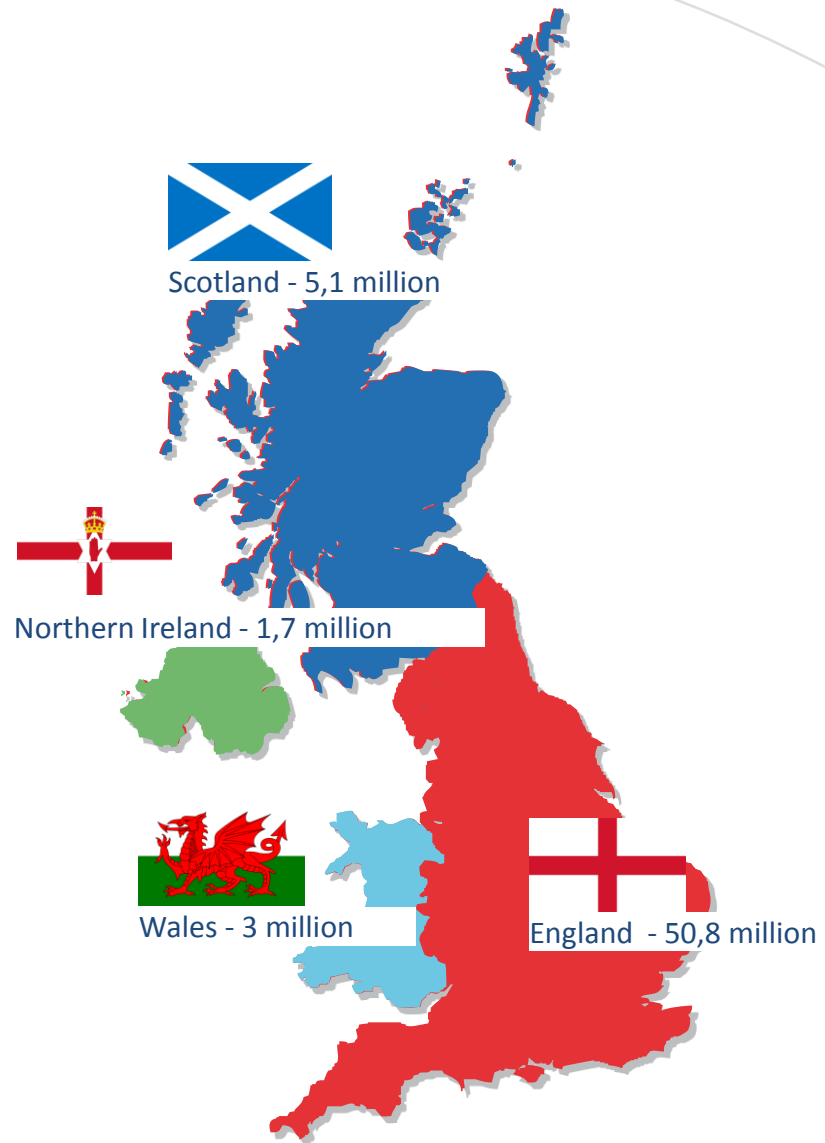
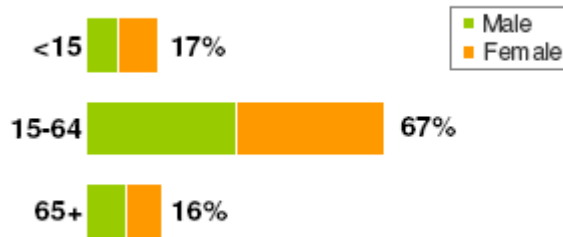


Bringing the UK to Life



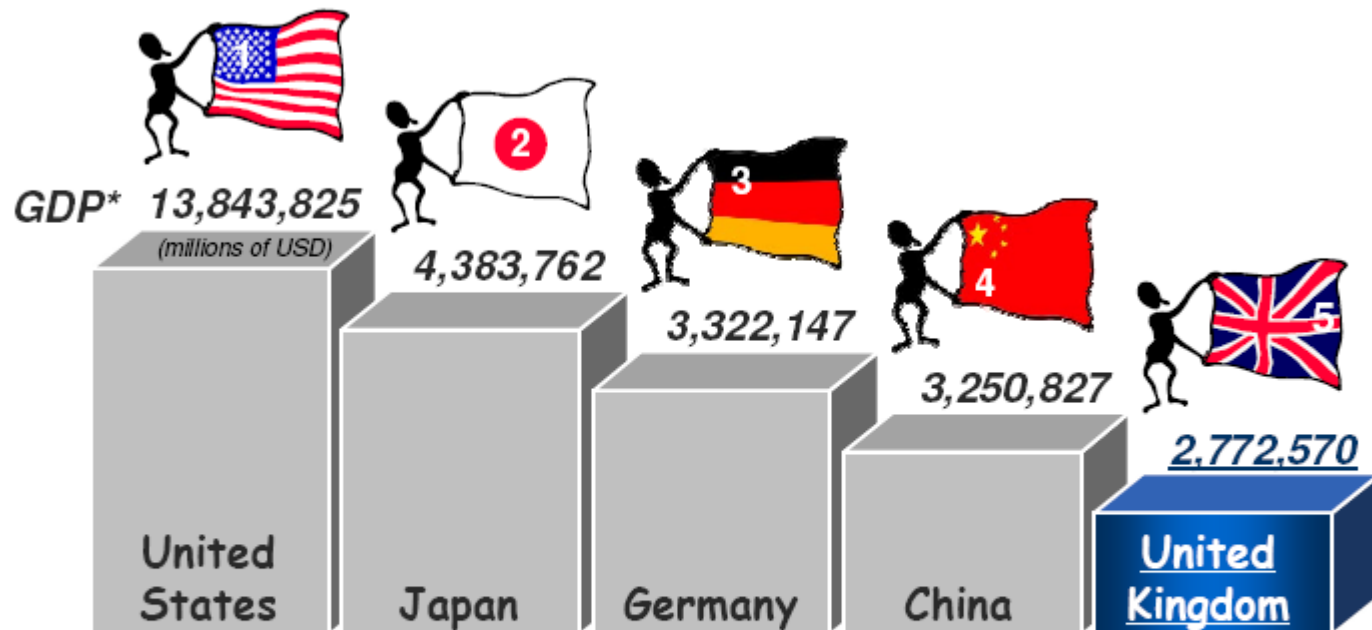
- This document is designed to give you an overview of the UK, its people and some of the key issues and trends Ipsos is observing
- The core source of information is Ipsos own research and understanding of this country's culture.
- Following a brief introduction of some background information on the UK, our discussion has two main parts:
 - „Big Ideas“: insights into English culture and consumers
 - Implications for research

- **Population:** 60,587,600 (mid 2006)
 - 9/10 people live in towns and cities
- **Annual population growth rate:** 0.276%
- **Total area:** 244,100 square km
- **Official language:** English, Welsh
- **Literacy:** 99%
- **Age distribution:**



Source: central intelligence agency website/ statistics.gov.uk website/ news.bbc.co.uk website

5th Biggest Economy in the World



Source: International Monetary Fund 2007

*GDP: Gross Domestic Product

UK Post-Industrial Economy

- Annual Economic Growth Rate (2007): 3.1%
- Gross Domestic Product (GDP) composition by sector:



0.9%
Agriculture



23.4%
Industry

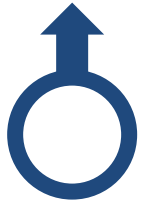


75.7%
Services

- Exports: \$441.4 billion f.o.b
- Imports: \$616.8 billion f.o.b
- Inflation rate: 2.3%
- Unemployment rate: 5.4%
- Population below poverty: 14%

The UK Population is Changing

- The average life expectancy increases:



Males: 76.9



Females: 81.3

- Adult obesity has doubled since the mid-1980's
 - UK has the highest obesity rate in Europe
- Net international migration into the UK from abroad has been an increasingly important factor in population change



London: The Biggest City in Europe!

- Population: 7,172,036 (2001)
 - 12% of UK population
- Area: 1,580 km²
- Largest underground rail system in the world:
 - 242 miles (390 km)
 - 267 stations
- 48% of the Londoners are aged between 20 and 44 (35% for the rest of England)
- More than 100 theatres in London
 - 45% of all the UK theatre admissions
 - Over 70% of UK box-office revenues (Source GLA economics)



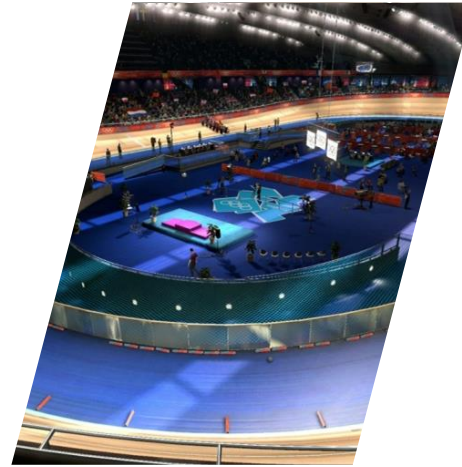
London Economy: a Leading Trading Power and Financial Centre

- **World foreign exchange turnover: a third is realized in London everyday**
- **London is the**
 - Largest market in terms of international bank lending (20%)
 - Third largest fund asset manager in the world: £1,686bn
- **They have offices in London:**
 - 75% of Fortune 500 companies
 - 254 foreign banks
- **London Stock Exchange: 692 foreign companies are listed**



London 2012

- London hosted the Olympic Games



London: a Cosmopolitan City

- **Less than 2/3 of London's population is White British**
 - 85.7 for the UK
- **Largest non-White population of any European city**
- **Over 250 languages spoken**
- **In London, you can readily eat**
 - **Thai food** in traditional English pub
 - **Peking Duck** in China Town
 - **Indian Curry** in Brick Lane
 - **Kimchi** in New Malden



UK: Culturally Diverse

Cultural Mix



„Suddenly you’ve got a third generation Poles friends with third generation Pakistanis and no one thinks anything of it... Eventually it breaks down, like their parents might not know any English people but their children will and eventually everything normalises“

(Tom, 22)

„I think that’s what makes the UK at the end of the day. Great Britain is made up of many different cultures and faiths“

(Rob, 24)



Are The British European? Sometimes Feels Like Not...

	Money	Metric system	Driving side	Time zone
EUROPE 	 Euro	 Km	 Right side	 GMT+1hour
UK 	 Pound Sterling	 Miles	 Left side	 GMT

Mainstream Lifestyle

- There are two prevailing stereotypes of English mainstream lifestyle:
- Gross Domestic Product (GDP) composition by sector:



- In addition, there is an assumption that we lead an excessive lifestyle in terms of **work, food, drink** etc but what is the reality?



Section I: Big Ideas

Bringing the UK to Life: “Big Ideas”

Insights into UK Culture and Consumers



The British are generally polite and reserved in public



But alcohol and sports act as important social lubricants



House prices are a national obsession



UK print media fuel Britain's appetite for „Junk News“



Big supermarket brands dominate the retail sector



Ethical consumerism is now big business

Big Idea: The British are Generally Polite and Reserved in Public

- The UK is a nation of orderly queues!
- Generally, well mannered and reserved in public
- But, inability to speak out leads to poor service (particularly with public services e.g. London transport)
- However, the British show a different side when socialising!



 Service Update

Bakerloo	Part suspended
Central	Part suspended
Circle	Part suspended
District	Severe delays
East London	Good service
Hammersmith & City	Severe delays
Jubilee	Good service
Metropolitan	Part suspended
Northern	Part suspended
Piccadilly	Part suspended
Victoria	Minor delays
Waterloo & City	Good service

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Big Idea: Alcohol and Sports Act as Important Social Lubricants

- Pub: drinking occasions
- Pub: implicit code of conduct
- Drinking culture is all about excess
- Booze Britain
- A strong passion for Sport



Pup: Drinking Occasions



After-works/ Friday drinks



Socialising with friends



Watching sport games



Sunday Roast



Christmas parties

Pub: Implicit Code of Conduct

- Standing, not sitting
- 'Eating is cheating'
- Buying a round of drinks (no tabs)
- Speaking loudly / Making noise
- Order and pay at the bar
- Order Beer by pint
- Order Pimm's by jar
 - Pimm's is the Summer Drink



Drinking Culture is About Excess

- **BINGE DRINKING!**
- Media perpetuates belief that the problem is getting worse with Britain's youth



Booze Britain

- The UK recently topped a poll as Europe's heaviest alcohol consumer...
- In November 2005 licensing laws in England were altered to allow for later opening..

„Sometimes I don't feel the need to drink...most of the time I do though“
(Tom, 22)

„I know two people who don't own a television, but I don't know anyone who doesn't drink“

„I see friends most days – hang out, watch films, have a drink in the pub. Which do you do most often? Have a drink in the pub“
(John, 21)



shop windows dedicated to the display of alcohol

How many of your social activities involve drinking?

„The majority, nay the entirety“
(Tom, 22)

An Immensely Strong Passion for Sport – Both Watching and Playing

- Football (Soccer) – 92 fully professional clubs across England. All loyally and well supported
- Rugby Union – 1,182,602 male registered players



The Myth of the British Football Fan

While British football fans generally have a bad reputation globally; the reality is that football hooliganism is relatively rare in England today. The FA have cracked down on this type of behaviour and furthermore, most people see football as a ‘family’ game...

Football has been celebrated for bringing people together...

In the past, England fans were predominantly white and male. During the World Cup, however, they were highlighted for their willingness to embrace supporters from ethnic minorities, especially those from black and British Asian backgrounds. Across Germany, in the stadiums and in the baroque city squares, a smorgasbord of different coloured faces representing diverse cultures and religious beliefs were unified under the red and white St George's Cross flag
(British Council 2006)

„I think that England has dealt with football hooliganism in a way that the rest of Europe could really take note of, for example, in Italy this weekend two matches were cancelled due to hooliganism – that would never happen in England. Football is a family sport in the UK.“
(Tom, 22)

„There are plenty of families that go to football matches, there's plenty of people that just enjoy going to watch the football but there's always going to be an element of you know, young lads boozed up, looking for trouble and using football as an excuse.“
(Rob, 24)

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Big Idea: House Prices Are National Obsession (and Dictate Outlook for Economy)

- About 70% of British people own their own home
 - 57% in France
 - 47% in Germany
- The most popular type of home (27%) is a semi-detached: 2 houses joined together

Typical semi-detached house ➤

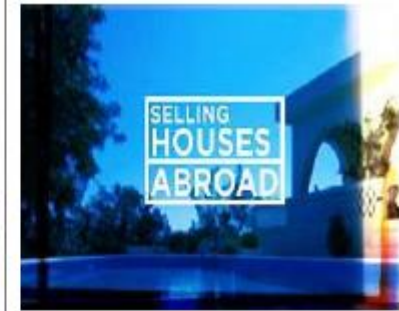


- Average House Price
 - in the UK: £194,893 (\$384,048)
 - in Greater London: £304,781 (\$600,589)



...TV Channels Dominated by Property Programmes

- Grand Designs
- Grand design abroad
- A place in the sun
- Selling houses abroad
- Location, Location
- Relocation, Relocation
- Property ladder
- 60 minute makeover...



Kirsty Allsop and Phil Spencer:
famous TV presenters of
"Location Location"



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Big Idea: UK Print Media Fuel Britain's Appetite for Junk News

- **45% of the population** read at least one of the top ten national daily newspapers on an average day*
- **7.4 million Britons** visit at least one Top 10 daily newspapers' website in an average day
- **The best-selling papers are Tabloids**
 - the News Of The World (NOTW) (Sunday only) 3,471,415/Sunday
 - The Sun 3,148,700 / average day



World's “Best” Tabloids

- The News Of The World provides the best ‘scoops’:
 - Recently...
 - Prince Harry underage drinking and drugs (2002)
 - David Beckham’s affair with Rebecca Loos
- The Sun
 - **Page3** – A consistent subject of controversy – young girl, posing topless
- **7 free newspapers have recently been added to this offer:** Metro, London Paper, London Lite... Which further fuel celebrity obsession



Media Cultivate the Intense British Interest for Celebrities (Both A-list and B-list)



Eastenders Girls at the British Soap Awards ceremony

From UK Soap operas / dramas



Finalist of the Apprentice 2008



Katie Jordan and Peter Andre



From UK TV Reality Shows

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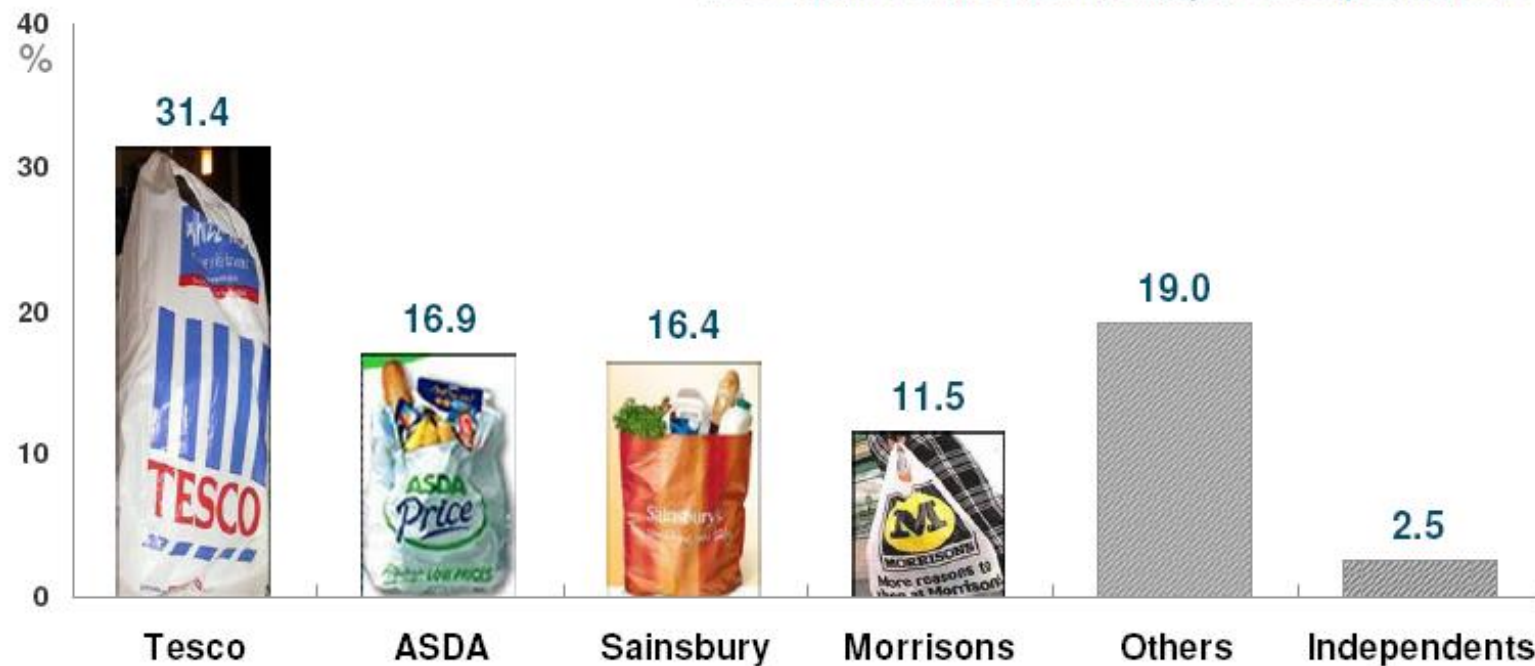
Big supermarket brands dominate the retail sector



Ethical consumerism is now big business

Big Idea: Supermarket Brands Dominate the Retail Sector

2008 Market shares for the major UK Supermarkets



Source: The Guardian

...Especially Tesco

- Tesco's growing market share on the grocery market

- in 1998: 21.8%
- in 2008: 31.4%

- **£1 in every £7 spent in British shops goes through Tesco tills!**

- **Emergence of the so-called “Tesco Towns”**

- In Inverness, 52% of the grocery market is controlled by Tesco



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Big Idea: Ethical Consumerism Is Now Big Business in the UK

- 2007 UK organic food sales over **\$4,000,000,000** per year (580% increase in 10 years)
- Sales of **free range eggs** higher than battery farmed eggs for first time in 2008
- 70% of Britons recognize the **Fairtrade** mark, compared with 57% at the same time last year



Source: Soil Association

Source: Fairtrade Foundation

It's become far more fashionable. Well, the green party used to be a bunch of weirdoes but it's become so mainstream and legitimate now



**Green
Eco-friendly**



81% of respondents to a Synovate questionnaire claimed to have become more green in the last five years

"Called Eco, the shop will be Britain's first "ecological destination store", offering not just contemporary, artisan-made, ethical, Fairtrade and eco goods, but the services of environmental experts to help homeowners make their spaces more energy efficient." (Observer 2007)

London could become the world's largest plastic bag-free city within 18 months. 90% support a levy or ban in poll of Londoners (Guardian 2007)

Vintage



Vintage clothing is a trend that seems to encompass peoples desire to be 'individual' and also 'green'...

However, it seems that although people are aware of green issues, there is a contradiction between their level of concern and their level of action...



Section II: Implications for research

Implications for Research

- London is not representative of England or indeed Britain as a whole although it can provide a good indication of future, more widespread trends
- As a country we can be reserved and whilst this is often mistaken for rudeness it's more likely a reflection of our cultural concern with manners and awareness of personal space. Indeed, this observation may also explain our passion for online social networking sites – something which obviously appeals to the more reserved English nature
- However, we don't take ourselves too seriously and seize any opportunity to have a joke, as evidenced in the national census in which a large number of respondents classified their religion as 'Jedi knights'
- Alcohol plays an important role as a social lubricant, BUT, not everyone in England is an alcoholic and young people are not the only age group prone to overindulgence!
- The mix of cultures in England today is widely accepted as a 'good thing', however, there are still tensions in some areas and integration can be a slow process

Implications for Research

- We tend to embrace novelty and as such there is generally a high turnover of trends, put simply, we like anything 'new'...however this does not mean that we are uncritical or believe everything we hear!
- This may also partly explain our 'celebrity' or 'tabloid culture'. The reality is that as a country, we love an underdog and therefore seeing a celebrity come from nothing and then following their lives seems to have mass appeal. However, it's also true that we are simply a bit nosy and interested in others lives which is certainly nothing new – English people have been looking over the neighbour's fence for years!

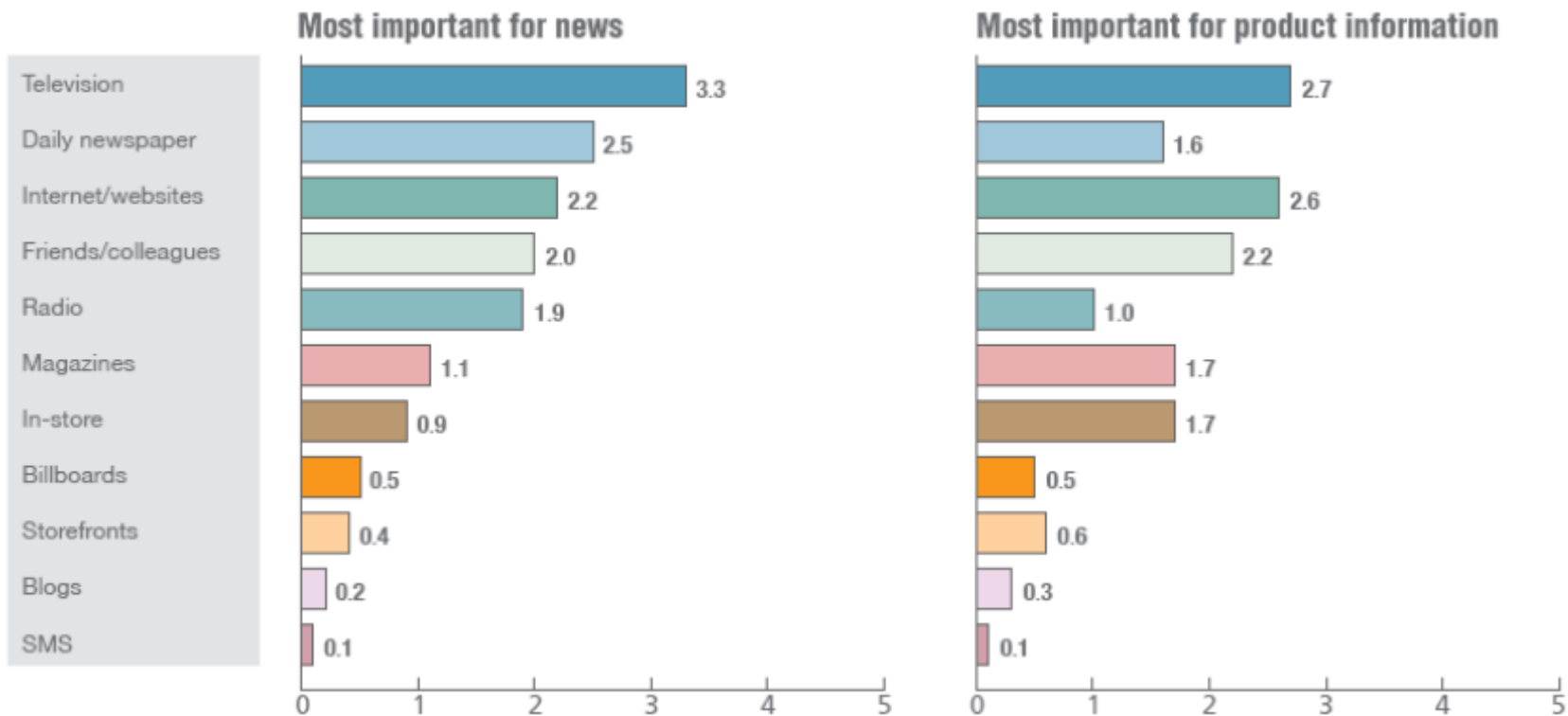


Section III: Data

Sources

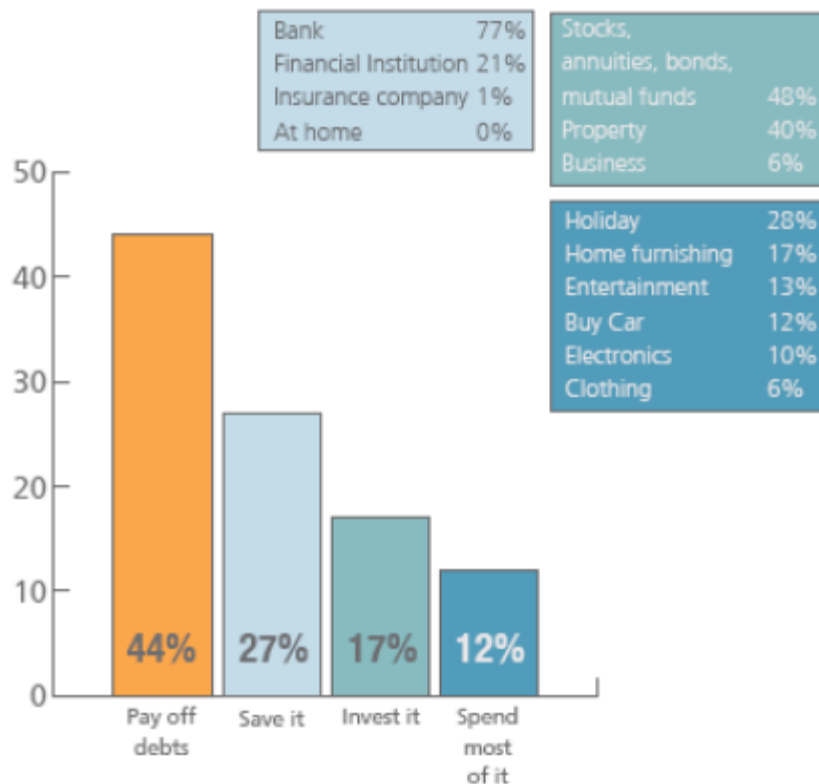
- This data is assembled from a Ipsos telephone survey of a representative sample of adults conducted in April 2006.
- It is supplemented with some basic country facts, as well as economic population and communications data from the Central Intelligence Agency World Factbook.

Most Important Media Sources (5 = most wanted)

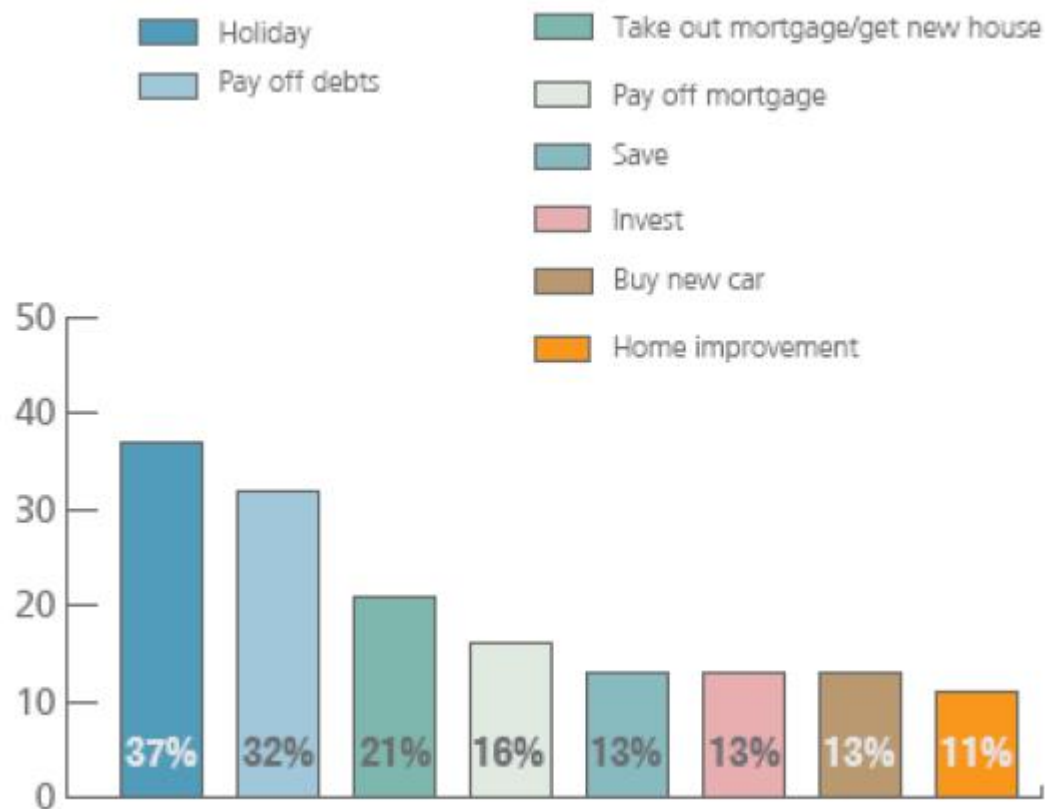


What Would You Do With 20% More Household Income?

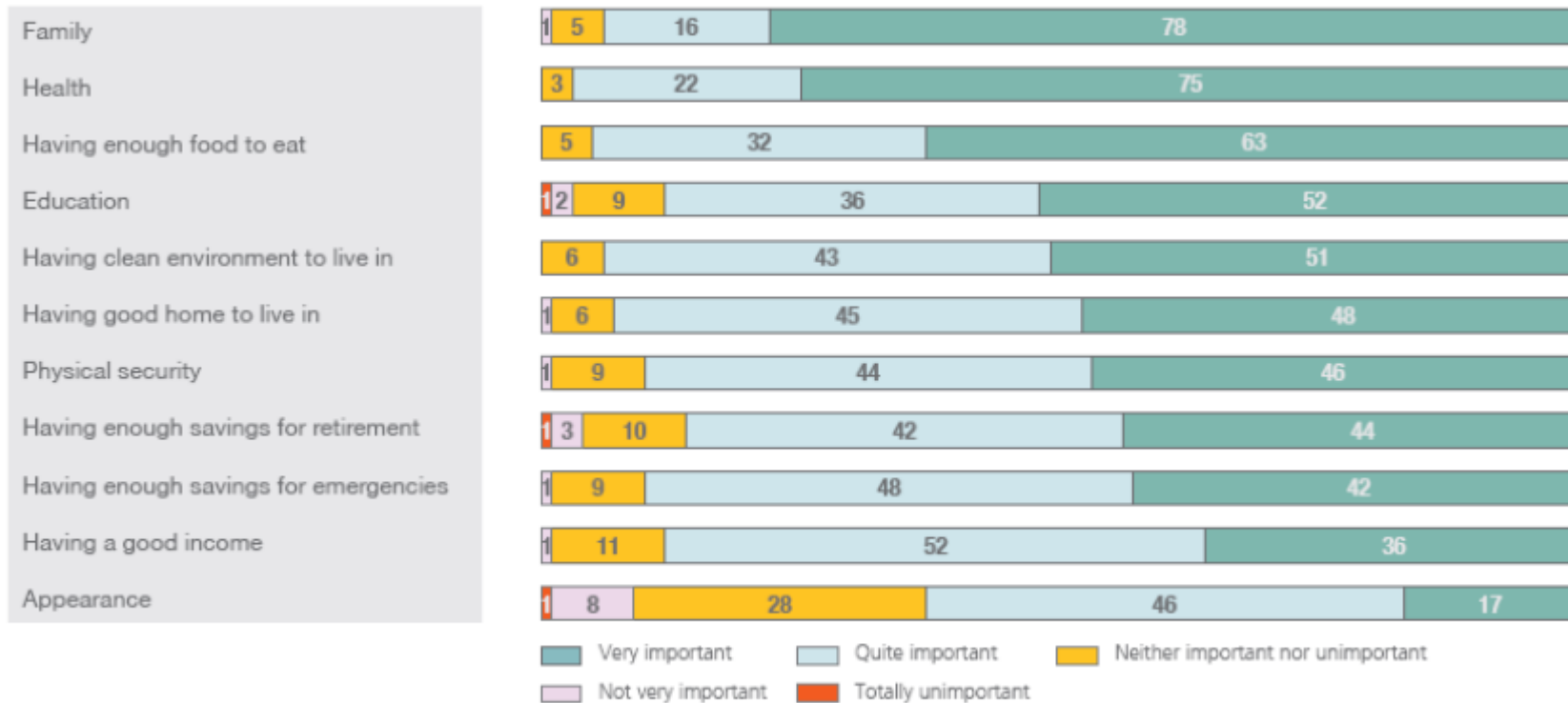
What would you do with 20% more household income?



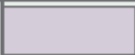
What Would You Do if You Won GBP 50,000 in a Lottery?



Lifestyle Personal Importance (Numbers in percent)



Products and Services – Usage during Past Three Months and Brand Image

	Used past 3 months	Best Brand
Travel		
Hotel group	 32%	Hilton
Airline	 32%	British Airways
Alcohol		
Beer	 52%	Stella Artois
Whiskey/Scotch	 23%	Glenfiddich
Brandy/Cognac	 16%	Martell

Products and Services – Usage during Past Three Months and Brand Image

	Used past 3 months	Best Brand
Soft drinks		
Fruit juice	87%	Own brand
RTD Tea	79%	Tetley
RTD Coffee	74%	Nescafé
Cola	64%	Coca-Cola
Auto		
Fuel for your car/motorcycle	60%	BP
Car/pick-up truck/SUV	46%	Ford
Motorcycle	3%	Yamaha

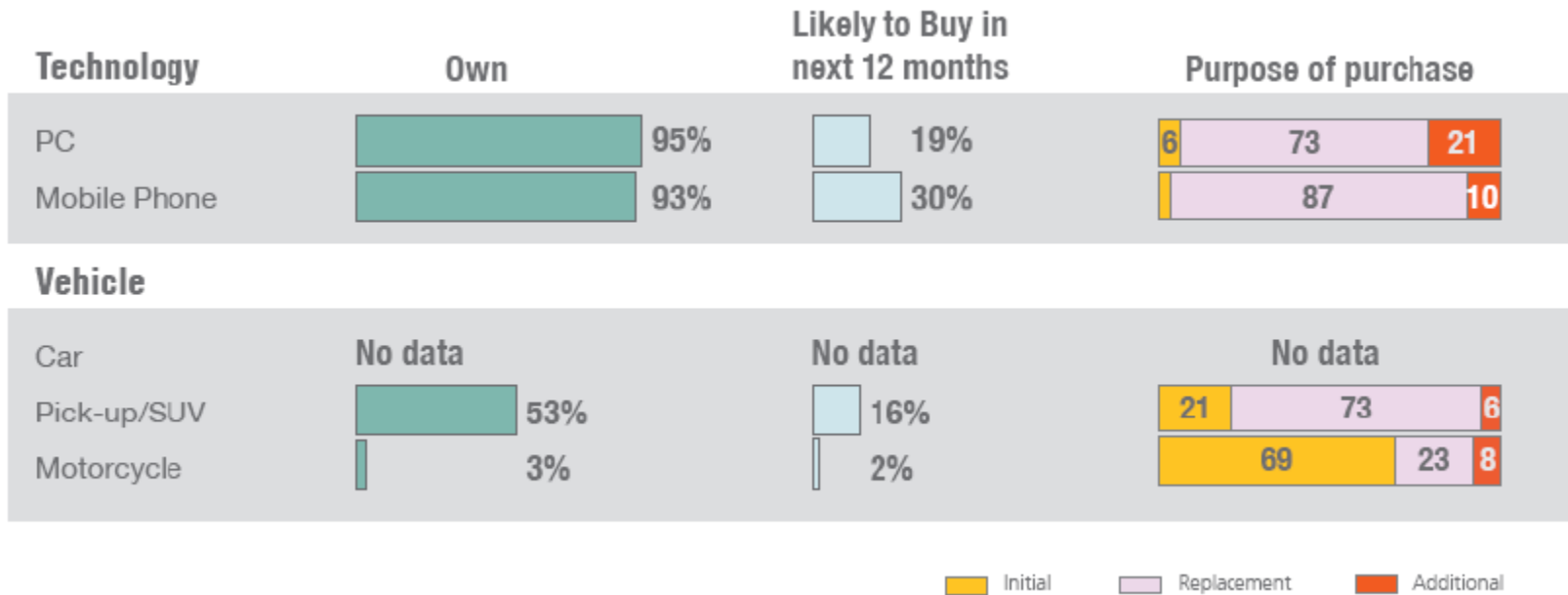
Products and Services – Usage during Past Three Months and Brand Image

	Used past 3 months	Best Brand
Retail		
Everyday clothing store	70%	Primak
Designer clothing store	24%	Selfridges
Fastfood chain	65%	McDonald's
Technology		
Mobile phones	84%	Nokia
MP3 player	36%	Apple iPod

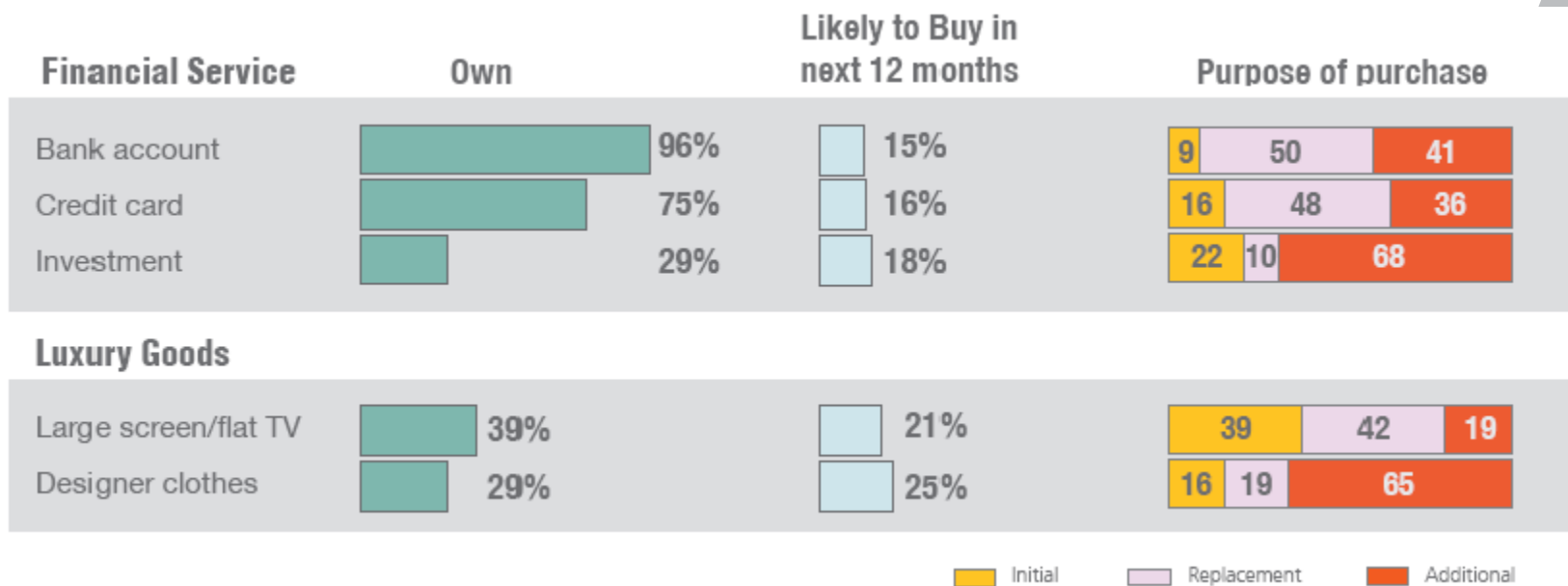
Products and Services – Usage during Past Three Months and Brand Image

	Used past 3 months	Best Brand
Personal Care		
Shampoo	95%	Head & Shoulders
Soap	86%	Dove
Shower gel	79%	Radox
Conditioner	72%	Pantene
Facial moisturiser	62%	Olay
Facial cleansers	54%	Olay
Face make-up	45%	Max Factor
Lipstick	44%	No. 7
Eye make-up	44%	No. 7

Product Ownership



Product Ownership



Global Retailers' Image

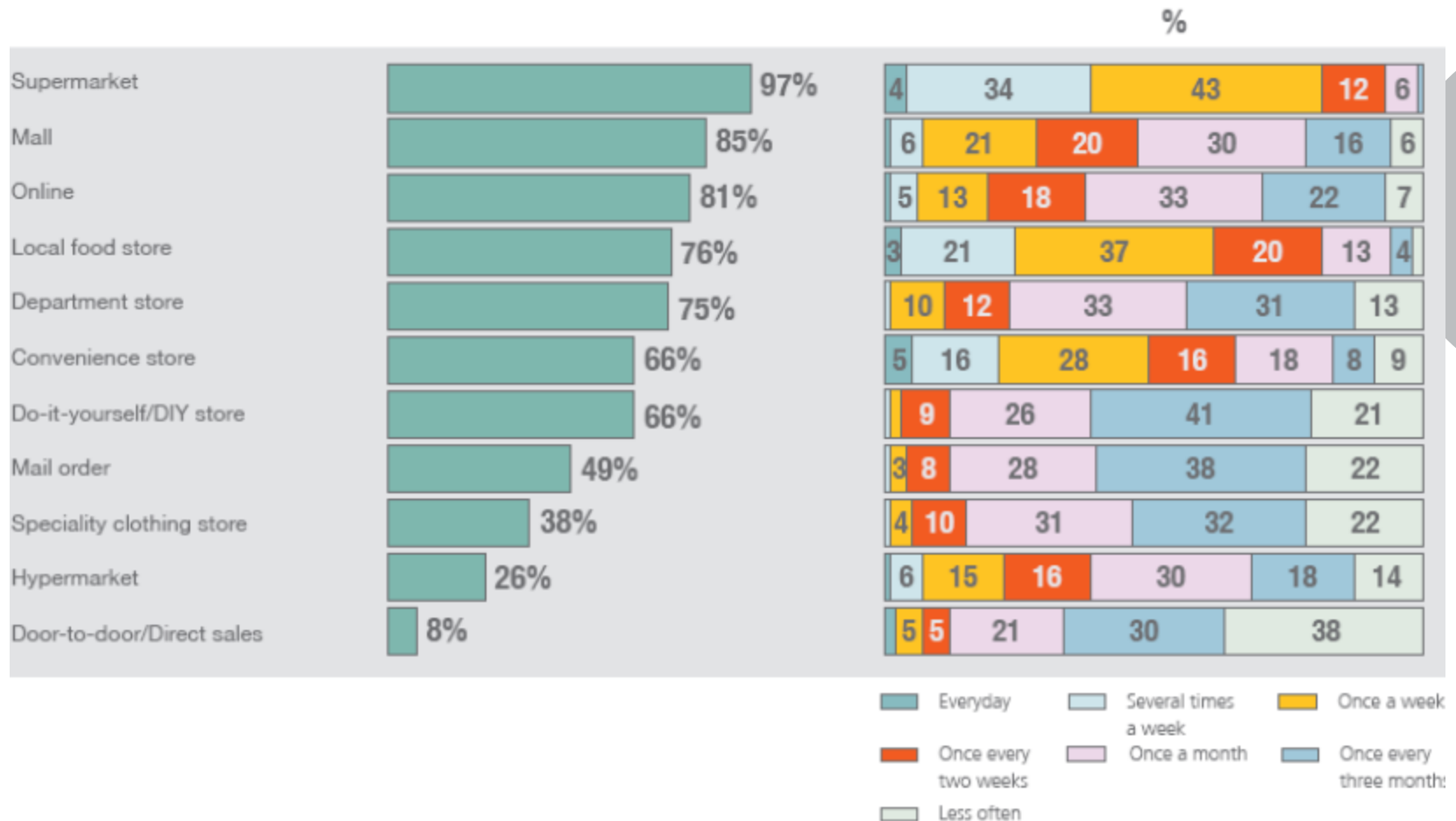
	Awareness	Very positive	Positive	Neutral	Negative	Very Negative
Carrefour	43	6	29	62	3	1
Wal-Mart	92	11	30	45	10	5
Tesco	99	26	49	20	4	1

How Do I Spend My Weekday/Weekend (Hours)

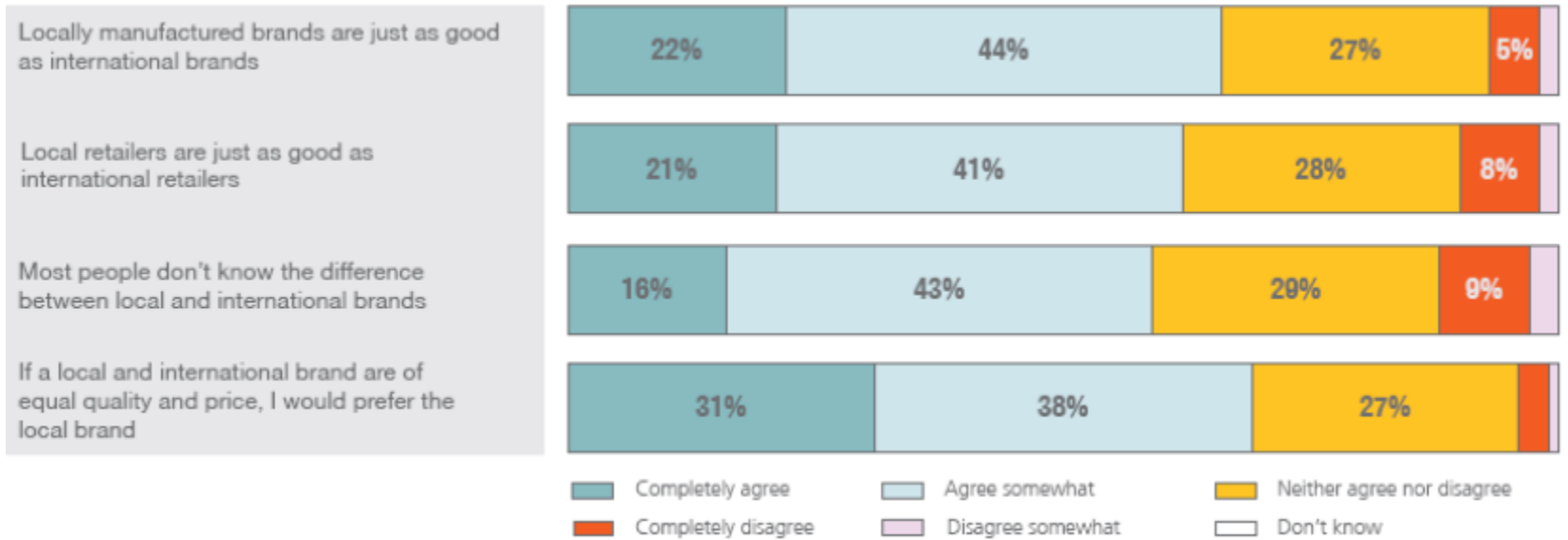
	Media/Information			Sleeping
	Reading newspapers/magazines	Surfing the Internet	Watching TV	
Weekday	0.7	2.5	2.6	7.8
Weekend	0.9	2.7	3.2	8.5

	Working/school			Exercising/ Playing sports	Staying at home
	Commuting	Housework	Work/school		
Weekday	1.0	1.1	4.5	0.5	2.2
Weekend	0.2	1.5	0.6	0.7	2.4

Retail Penetration and Frequency (Past year)



Local or International



Have You Experienced Any of These Distressing Situations in the Past Year? (Figures in percent)

	Total
Been the victim of a crime	29
Had to skip a meal because you did not have money for food	23
Lost your primary job	19
Been sick and could not afford medical attention	19
Been a victim of discrimination	19
Had to accept a pay cut	17
Been sick and could not get medical attention	7

Attitudes (Figures in percent)

Economy

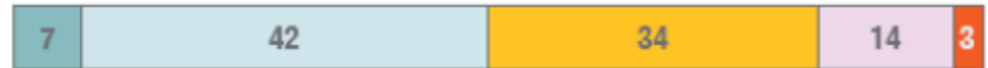
Free trade is good for me and my family



Free trade is good for my country



My country has a competitive economy



The high price of oil is driving inflation in my country



The high price of oil is helping our economy



Completely agree

Agree somewhat

Neither agree nor disagree

Completely disagree

Disagree somewhat

Don't know

Attitudes (Figures in percent)

Environment



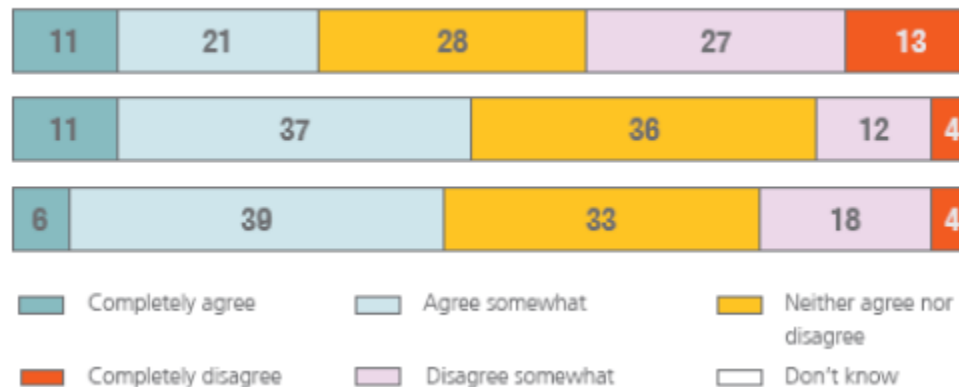
Attitudes (Figures in percent)

Personal

Five years ago things were better for me

In five years time things will have improved for me

Today life is good to me and my family



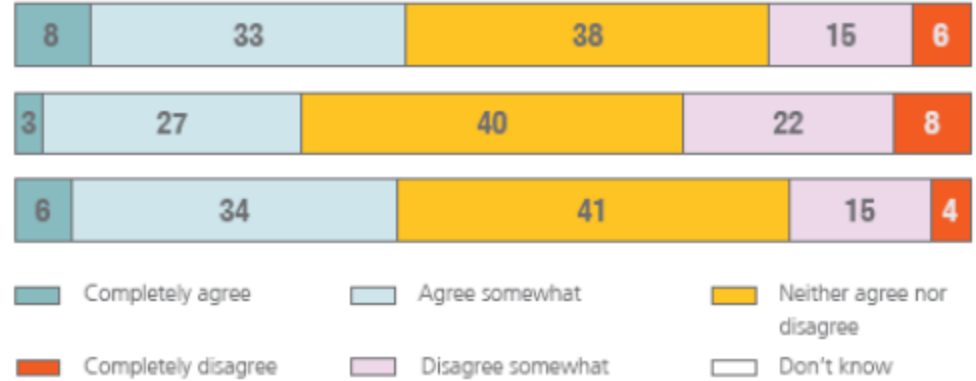
Attitudes (Figures in percent)

Social

I am proud of what my country has achieved

My country has a bright future

My country is innovative





Thank you!