

Attitudes towards Brexit: A consumer view of its affect on food prices.

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WALNUT

The human understanding agency.

With uncertainty in the likelihood of a 'no deal' Brexit, consumers are concerned about the prospect of rising retail prices.

In July, it was reported that the government had been preparing plans to stockpile food in the eventuality that a 'no deal' Brexit would interrupt our current free flow of goods. Theresa May has since commented that this was only one aspect of their plan to "prepare for all eventualities".

However, the European Commission's warning that "the UK's withdrawal will undoubtedly cause disruption... whether or not there is a deal" reflects the public's concern about what Brexit means for retail prices in their everyday lives.



We know that the EU is a major source of the UK's food imports, so the uncertainty surrounding our future trade deal has inevitably caused an atmosphere of anxiety amongst consumers

Amy Nichols, Research Director

The government has just published its advice to businesses and citizens

The cost of card payments between the UK and EU will "likely increase" and won't be covered by a ban on surcharges

Business trading with the EU should start planning for new customs checks, and might have to pay for new software or logistical help

Britons living elsewhere in Europe could lose access to UK banking and pension services without EU action

"Let me assure you that, contrary to one of the wilder claims, you will still be able to enjoy a BLT after Brexit, and there are no plans to deploy the Army to maintain food supplies."

Brexit Secretary Dominic Raab

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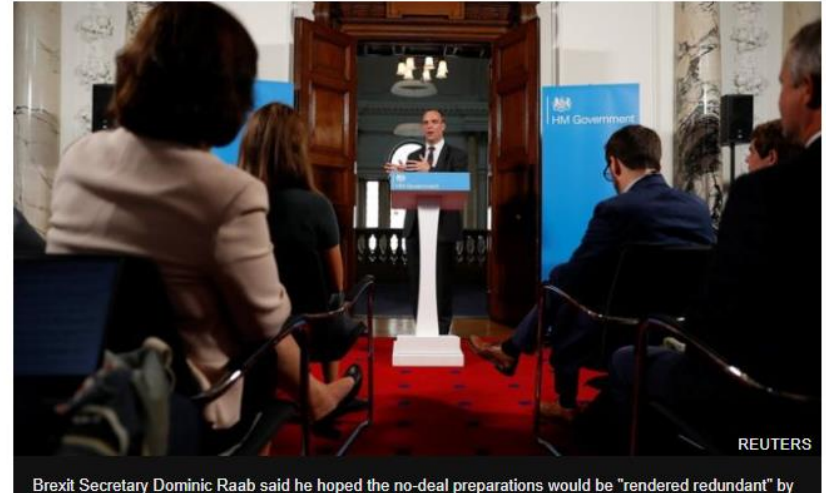
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'No-deal' Brexit advice published by UK government

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Brexit



Brexit Secretary Dominic Raab said he hoped the no-deal preparations would be "rendered redundant" by

Our insight featured in Retail Week this week.



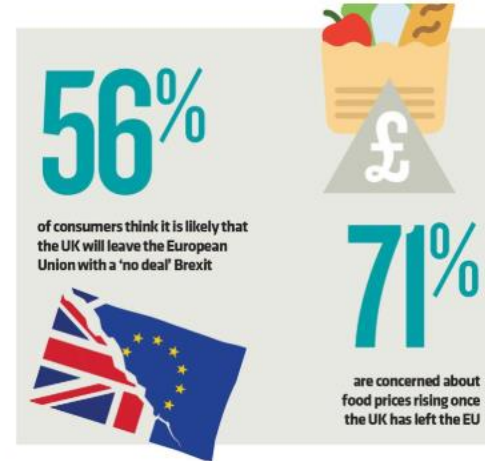
DATA

Data: Post-Brexit food prices – the consumer verdict

By Grace Bowden | 21 August 2018



In recent months, retailers' concerns about Brexit and its impact on the sector have reached new heights.

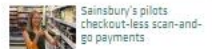
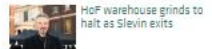


[Sainsbury's](#) chief executive Mike Coupe, who warned last year of food rotting at borders post-Brexit, stressed in March that no trade deal would result in an unprecedented crisis in grocery.

*The impact of closing the borders for a few days to the free movement of food would result in a

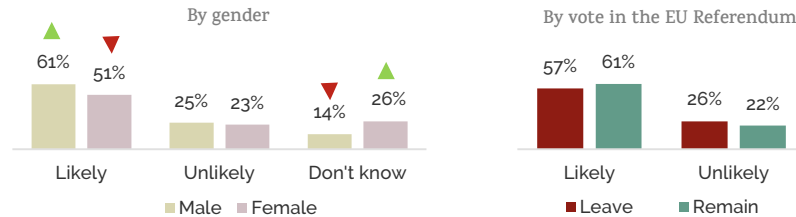
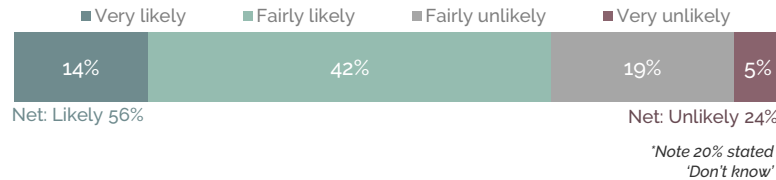


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Over half of consumers feel that it is likely the UK will leave the EU with a 'no deal' Brexit. Those that voted to remain seem even more sceptical.

How likely do you think it is that the UK will leave the European Union with a 'no deal' Brexit?



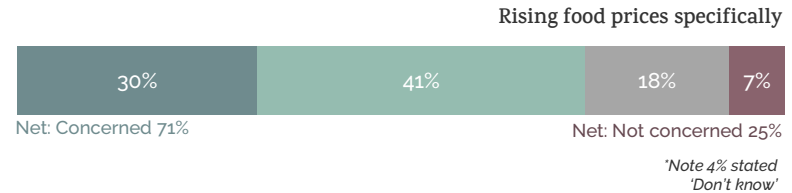
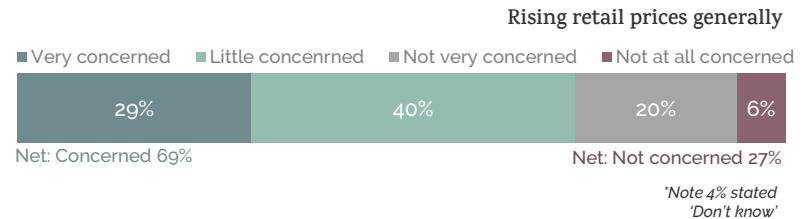
Women are significantly more likely to say they 'don't know'.

▲ ▼ Indicates that difference is significant at 95% confidence from other groups

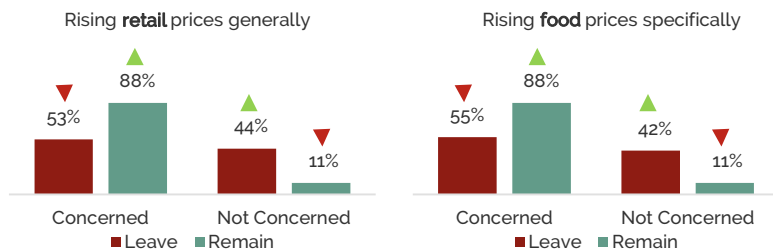
Q1. How likely do you think it is that the UK will leave the European Union with a 'no deal' Brexit?
Base: All participants (2051), Male (968), Female (1083), Leave (889), Remain (900)

Seven in ten consumers are concerned that both food prices, and retail prices in general, will rise after the UK has left the EU.

Once the UK has left the EU, how concerned are you about each of the following?



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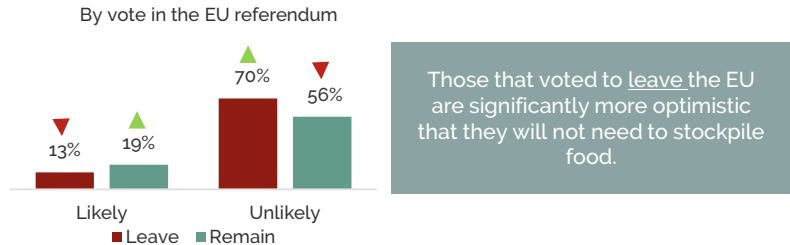
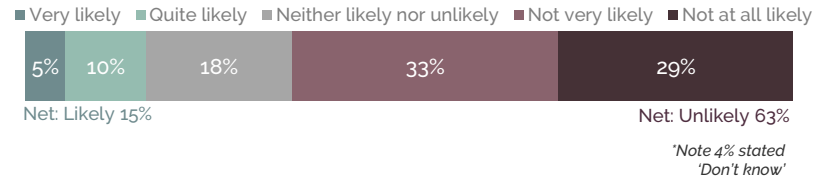


Seven in eight consumers that voted to remain in the EU are concerned about rising retail prices compared to only half of those that voted to leave.

Those that voted to remain are significantly more concerned about both rising food prices, and rising retail prices in general, once the UK has left the EU.

Although consumers are concerned about a rise in food prices, almost two thirds feel they are unlikely to stockpile additional food ahead of our exit from the EU.

To what extent do you plan to stockpile additional food ahead of our exit from the EU?

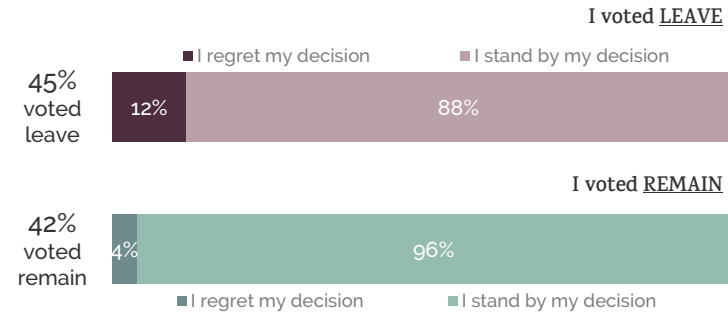


▲ ▼ Indicates that difference is significant at 95% confidence from other groups

Q2. Once the UK has left the EU, how concerned are you about each of the following?
Base: All participants (2051)

Regardless of their decision, the vast majority of consumers do not regret how they voted in the EU Referendum.

Thinking back to the referendum on UK membership of the European Union in June 2016, which of the following applies to you?



Over 9 in 10 remain voters stand by their decision in the EU referendum. This is significantly higher than those who still stand by their decision to vote leave.

*Note 11% stated they 'did not vote' and 2% stated they 'cant remember/refuse to answer'



Our human understanding analysis.

We know from psychology that the desire to stockpile is not always based on logical or rational behaviour. When we feel like something is out of our control (in this case, a no deal Brexit causing delays and changes to our food supply) our primal instincts are dialled up. It is likely therefore that as the urgency around leaving the EU increases, more people may consider stockpiling.

It is not surprising to see so many people concerned about rising retail and food prices. Any period of uncertainty leaves people feeling unsure about the future and this can change decision making. In the past, financial uncertainty has changed where people shop, or how they shop. Continuing to move away from the Big Four and hunting for special offers may become more important to customers as they become more savvy in their shopping.

Grocers need to provide reassurance to customers that they are putting the customer first. Hunger and fear are very powerful human instincts which can drive us to change our behaviour. Retailers need to be careful with their language and comms to avoid creating anxiety amongst customers.



Thank you.

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