

What will a budget Christmas look like?

Harry Holmes

Two-thirds of Brits are planning to cut back on food and drink spend as inflation mounts

This is the season to be jolly, proclaims the famous carol (fa-la-la-la-la, la-la-la-la). Jolly indeed are the supermarkets and fmcg brands that typically cash in during the Christmas season as Brits fill their kitchens with chocolate, snacks, and booze.

Households typically increase spending by an average of 20% on food and 38% on booze through the course of December, the Bank of England estimates.

But this year, that exuberance could be curtailed as 66% of shoppers plan to cut food and drink spend due to the cost of living crisis, exclusive YouGov polling for The Grocer has revealed. The trend is far starker among discounter shoppers, 71% of whom plan to reduce their spend compared to 61% of big four shoppers.

As living costs rise along with food and drink prices – turkeys are up to 32% more expensive than last year – it's no surprise shoppers are cutting back. For around half of people, this will mean cutbacks on snacks, confectionery and party food, the polling shows, while for almost a third budget constraints will mean less meat. In many cases, cutting back on food and drink comes alongside savings on gifts and socialising; 64% plan to cut back on gifts while 57% plan to reduce socialising.

As expected, many shoppers are buying items earlier to help spread the cost of Christmas. In most cases, these are ambient items such as alcohol and snacks, but 42% of discounter shoppers are getting ahead on meat.

Supermarkets are responding to the shift in behaviour, according to Katie Thomas, lead of the Kearney Consumer Institute, who points out retailers are already launching more promotions to remain competitive.

Here are the key findings that will impact spend in what's shaping up to be a budget Christmas.

Brits are planning cutbacks at every turn

What are you buying early to spread the cost of the shop?

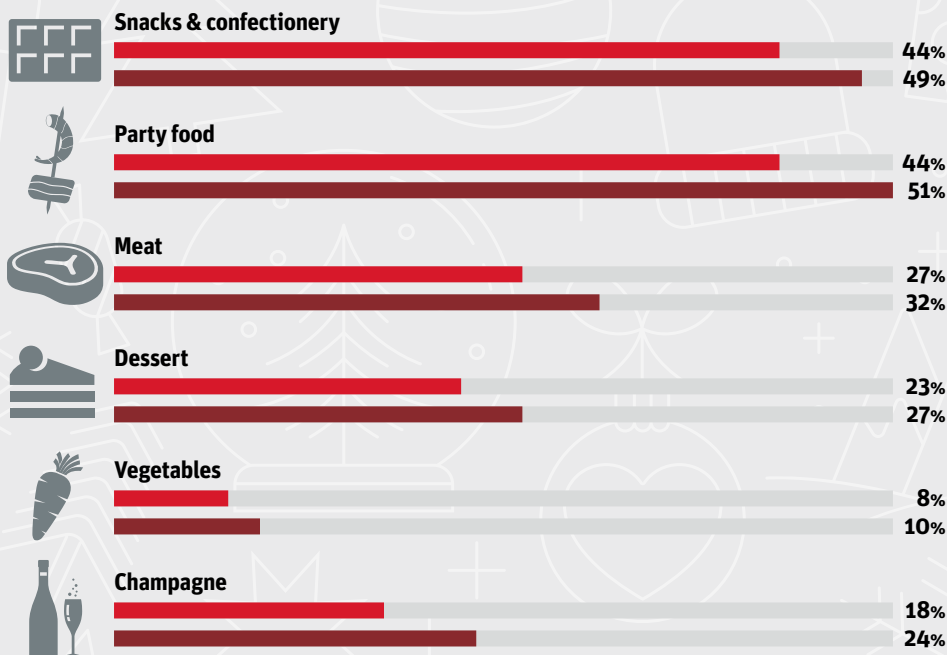
Big four | Discounter



Source: YouGov Survey Direct for The Grocer (1,000 'big four' respondents have their main supermarket as Tesco, Morrisons, Sainsbury's or Asda; 940 'discounter' respondents have their main supermarket as Aldi, Iceland, or Lidl)

What food and booze will you spend less on this year?

Big four Discounter



How will you pay for Christmas?

Big four

Discounter



Savings	31%
Credit cards	23%
Buy now, pay later	4%
None of the above	42%

Savings	29%
Credit cards	23%
Buy now, pay later	6%
None of the above	43%

What, if anything, will you cut back on to save money?



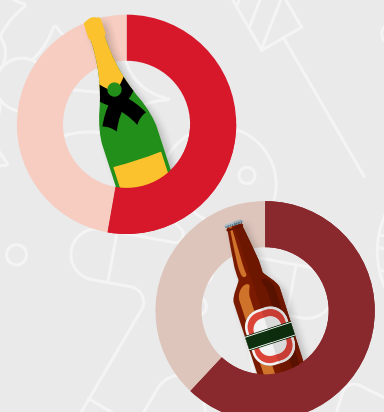
Food & drink

Big four	61%
Discounter	71%



Gifts

Big four	59%
Discounter	69%



Socialising

Big four	53%
Discounter	62%