



Brands with green credentials still attractive to younger audiences in spite of cost of living crisis, CACI research finds

Research conducted by CACI, the consumer and location intelligence specialist, has shown the extent to which consumers are planning to modify their spending, when considering the cost of living crisis. The data presents positive opportunities for businesses that can adapt to the changing spending habits of younger generations.

Through a survey, CACI discovered that nearly three-quarters (74%) of people aged 18-24 would be willing to spend more on a brand that aligns with their core values. This is also supported by more than half of 25-34 year olds (57%), suggesting that there is potential growth for brands that can showcase how their ethos corresponds with these groups, in spite of the cost of living crisis.

In addition to this, CACI asked those surveyed whether they were looking to purchase a new home, and if this decision was going to be influenced by the cost of living crisis. The group most likely to reconsider buying a new home (of those who had been planning to already) was again the younger generations, that had targeted getting a first foot on the housing ladder. This significant shift in expectation reinforces the notion that younger people are less willing to challenge their core values, even if it means they could save enough money to buy a first home.

This research follows on from an ESG focused survey conducted by CACI earlier this year, which drew similar conclusions about the willingness of younger people to spend more to achieve a higher sustainability standard. The two youngest age groups own proportionally more EVs than older generations*, and were more willing to increase energy spend if it meant securing it from purely renewable sources**.

Hannah Smith, Senior Consultant at CACI, said: “The cost of living crisis is a cause for concern and undoubtedly impacting spend, with over 50% of the population concerned about their finances, but our study does demonstrate that there is opportunity for brands. Much like the pandemic, this is accelerating changes in consumer behaviour that were already on the move, so if businesses can grapple with this, there is the possibility of coming out the other side stronger and better aligned with what customers actually want.

“We are very much in the age of conscious consumerism. Younger generations have become more considered with how they spend their money, scrutinising company values with a particular focus on ESG. While they might not yet be as cash rich as older generations, and are more likely to be affected by the cost of living crisis, they are more willing to push their spending to the limit to be more sustainable, even if it means delaying the aspiration of home ownership. Businesses that are able to adapt, or target younger people with effective marketing to highlight existing credentials, will be in a great position to attract customers now, and win their future loyalty.”

This research follows the CACI’s production of an ESG scorecard, which is based on extensive research of the values of different demographics, and has been designed to help businesses determine the areas their customers (or potential customers) care about most, to support targeted change.