

The Virgin Media O₂ Business Movers Index

How people are moving around the UK
and what that means for business




2023 Q4 Edition

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Foreword

Navigating 2023 and charting the course ahead.

As we unveil the final quarter report for 2023, we're excited to share how the year wrapped up.

Our dedicated team of data engineers and scientists have analysed anonymised and aggregated data on population movement captured by O₂ mobile events, painting a vivid picture of the state of commuting, retail and transport in the UK and the trends behind them.

This data and expertise can empower our business customers, providing them with the tools to make swift and confident decisions.

From researchers to healthcare providers, accurate data is crucial for informed decision-making and progress. Each quarter, our Movers Index report unveils the latest UK movement trends, making them accessible to anyone who wants to better understand the evolving landscape.

In this Q4 edition we delve into trends from our O₂ Motion data, coupled with polling findings from 2,000 businesses and 2,000 consumers. This holistic approach paints a reliable picture of how commuting challenges unfolded, retail spaces adapted and transportation habits evolved in 2023.

It also offers a glimpse into the anticipated trends set to shape 2024.

True to our commitment, the [Virgin Media O₂ Business Movers Index](#) remains a free and accessible resource. We firmly believe data should be a tool accessible to everyone, whether they are our business customers or inquisitive individuals.

Read on to uncover the major trends from 2023 and see what lies ahead for 2024.

Diego Tedesco, Director of Commercial, Product and Marketing, Virgin Media O₂ Business





Commuting

2023 marked the great office return.

Over half (52%) of UK workers expressed a preference for working in the office, with an additional 39% admitting to going into the office more frequently compared to the previous year.

But the journey to the office in 2023 hasn't been a smooth ride.

55% of public transport commuters experienced delays of over an hour last year and more than one-in-five (21%) of these missed important meetings or appointments due to severe delays.

Adding to the complexity is the substantial financial toll of the daily commute during the ongoing cost-of-living crisis. The average daily commuting cost, including expenses like lunch and transportation, stands at £29 – this translates to £628 monthly and a hefty £7,540 annually for a five-day office week.

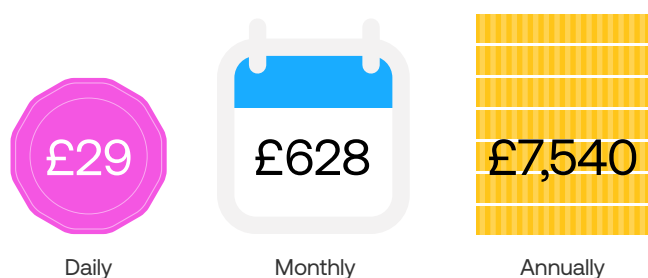
At the same time, the bottom of the travel corridor growth table is dominated by London routes, with trips between the capital and towns and cities in the West (Bristol (-3.44%), Cardiff (-3.81%)), Midlands (Coventry (-4.08%), Nottingham (-6.42%), Derby -1.97%), and North (Leeds (-2.7%), Sheffield (-3.03%)) all falling. With 10 of the lowest growth travel routes including London, this demonstrates that fewer people from across the UK were travelling to the capital by the end of the year.

This could be attributed to the continued impact of hybrid working.

A likely driving factor for the return to the office was the finding that 92% of companies enforced some form of mandatory in-office policy in 2023, with four in ten companies reverting back to the traditional five-day office week.

But this isn't the only reason. Despite the acknowledged frustrations of noisy coworkers (34%), office politics (36%) and unnecessary meetings (32%) – which top the list of workplace annoyances – workers place high value on office connections.

58% of workers revealed that stronger connections with colleagues were a driving force behind their decision to work in the office. And 55% reported a boost in mental health attributed to the in-office work environment.



Commuting index findings:

	Q1	Q2	Q3	2023
Have changed how they commute (public)	27%	45%	37%	37%
Reported remote working decreasing productivity (public)	6%	8%	8%	8%
Cost a more important issue when commuting (public)	55%	62%	63%	63%
Most popular day to commute (public)	Weds	Weds	Weds	Weds



Retail

The retail landscape is poised for a significant transformation this year, with Brits revealing a strong preference to shop local, spearheaded by Gen Z.

70% of Brits want to actively support small or local businesses in 2024. With 64% of shoppers influenced by the local high street when deciding where to shop, shoppers are willing to spend an average of 19% more to bolster local establishments.

The inclination to shop local is particularly strong among Gen Z, as 83% of 18-24 year-olds are willing to pay extra for local goods. This is in contrast with 44% of those over the age of 65.

The cost-of-living crisis in 2023 prompted 49% of shoppers to become more budget-conscious. Notably, only 34% of 25-34 year-olds reported this behaviour, compared to 63% of 55-64 year-olds.

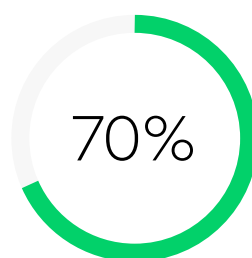
As people look for opportunities to cut costs, 2023 saw a surge in the popularity of second-hand shopping.

19% of Brits tried second-hand shopping apps for the first time, a trend that's particularly pronounced among 25-34-year-olds (32%). Clothing emerges as the most likely category to be purchased second-hand (43%), followed by books and media (33%), and furniture (26%).

During the Christmas period, week-on-week growth data from O₂ Motion revealed both shopping centres (-16%) and high streets (-10%) saw large falls in visitors, while shopping centre trips grew in the lead-up to Christmas. This suggests shoppers may have chosen to do their Christmas shopping early.

Looking across age groups, the fall in trips to shopping centres and high streets observed in December 2023 was driven by younger age groups, with a decline among those aged 18-24 (-2.1%), 25-34 (-3.6%), and 35-44 (-2.2%). In contrast, those 45 and over increased visits to retail areas during this month. The uptick was particularly pronounced among those aged 45-54 (6.2%), 55-64 (12.1%), and 65 and above (16.2%).

Looking ahead to 2024, over half (54%) of Brits anticipate making a second-hand purchase, with 68% of 25-34-year-olds leading the charge. Money-saving (76%) and environmental consciousness (46%) are the key motivators behind this emerging trend.



70% of Brits want to actively support small or local businesses in 2024

Retail index findings:

	Q1	Q2	Q3	2023
Noticed changing customer shopping patterns (businesses)	83%	78%	88%	92%
More budget conscious when shopping (public)	49%	44%	40%	49%
Buying food less than 3 months ago (public)	30%	13%	12%	15%
Buying food more than 3 months ago (public)	10%	28%	31%	33%
Buying clothing less than 3 months ago (public)	52%	39%	30%	49%
Buying clothing more than 3 months ago (public)	12%	19%	22%	21%
Buying electronics less than 3 months ago (public)	53%	45%	33%	50%
Buying electronics more than 3 months ago (public)	11%	12%	14%	14%



Transport

2023 saw Brits adapt their transport habits in response to the prevailing cost-of-living crisis.

Over half (54%) of respondents revealed that cost was the main concern when deciding their mode of transportation, signalling a pivotal shift in priorities compared to previous years.

The environmental impact also significantly influences transportation decisions for 55% of Brits, reflecting a growing awareness of the ecological footprint associated with travel choices.

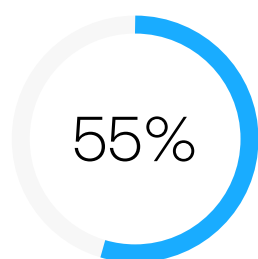
During December there was a notable surge in travel activity among the elderly population compared to the preceding month. Their morning trips to towns substantially increased by 13%, while evening outings saw an even more popular with a 42% increase. By contrast, young adults in the 18-24 age bracket exhibited a decline in morning trips marked by an 18% reduction compared to November. However, evening trips showed growth across all age groups, with higher increases observed among the older demographic.

For those using public transport, playing music without headphones was called out by more than half (53%) of Brits as the most broken social norm on public transport. This was followed by overly loud conversations (52%) and the occupation of extra seats (48%).

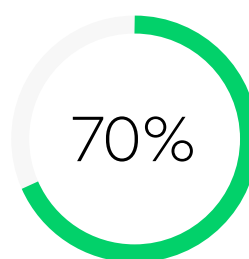
Despite these challenges, 27% of Brits increased their use of public transport.

Among this group, 49% identified cost as a driving factor, while 34% were motivated by environmental considerations. Conversely, among those reducing their use of public transport, 29% cited concerns about reliability.

To counter potential delays and disruptions in travel, Brits are even pre-emptively adjusting their airport routine, with a staggering 70% of the public saying they arrived at airport terminals earlier in 2023.



55% Of Brits are significantly influenced by the environmental impact of their travel decisions



70% arrived earlier to airport terminals in early 2023, to counter potential delays to travel

Transport index findings:

	Q1	Q2	Q3	2023
Noticed a change to customer travel patterns (businesses)	73%	35%	39%	43%
Anticipate these changes having positive impact (businesses)	6%	63%	64%	69%
Mode of public transport most typically used for non-work travel (public): Bus	56%	49%	43%	37%
Increased public transport use in past 3 months (public)	23%	22%	19%	27%

Methodology

[O₂ Motion](#) provides aggregated, anonymised data on origin-destination insights into population movement around the UK by trip mode, purpose, time of day, age and gender by week. The data captured by O₂ represents 35% of the UK's population. Through the use of advanced methodologies, O₂ is able to expand that figure to represent the whole of the UK's population movement. This analysis has layered the journey start time, mode and journey purpose onto geographic boundaries and land use data to generate transport, commuting, and retail focused insights. O₂ Motion data does not capture international visitors in the UK or children.

Strand Partners' specialist research team conducted an online survey of 2,000 nationally representative members of the public (by age, gender and NUT1 region) online between 22.12.23 and 27.12.2. All data was then weighted against the latest ONS census. For businesses, 2,000 UK business leaders were surveyed who confirmed that they were currently in senior leadership roles (e.g. CEO, C-suite, director-level) of UK businesses. All data gathered is of a publishable quality and is produced within Market Research Society guidelines. For full data tables and more detail of the methodology, please e-mail: polling@strandpartners.com.



Business