

South versus North 'Can Do' versus 'Could Do' Time for Some Clarity

There is a divide going on in this country that has been with us for decades, only now it seems to be getting worse.

The talk at the moment is of an end to recession with growth figures trumpeted. There certainly is a sense that people are prepared to consider being more optimistic, but that seems to depend on where you live in the United Kingdom.

When talking about how this recession is affecting them, people are describing its impact in very distinct ways; "They say things are going to get better. Well I can tell you they are getting worse and that's not about to stop" and "I haven't really noticed any recession. In fact we've got more money than ever". These comments are made by people who in many ways see themselves as similar, but tend to follow a pattern between a struggling North and prosperous South.

Struggling & Surfing

We believe this recession is more deeply splintering the UK in a way that other recessions haven't. There are sections of our national community that are really suffering and others that haven't missed a beat – at least so far. Just go to Stoke on Trent, Huddersfield or Stockport and see boarded up High Streets, the only reasonably new shops being the Aldi discount store.

The UK appears to be operating in two parallel economic universes. London and the South East seem to be part of a different world - the global economy. The rest of the country, with some exceptions (described by Danny Dorling, at University of Sheffield as "islands of affluence"), is operating in a national economy. While globally life has continued, albeit with hiccoughs, the national economy has had a very difficult time.

Warning From History

The Economist recently reminded us, Harold Macmillan warned of an economic North / South divide in 1962, and its editorial was scathing about the legacy of complacency since then. In the intervening fifty years efforts to rebalance the geography of the economy by well-meaning governments of all hues have been half-hearted and singularly failed.

There has been an inexorable drift to the South. Since 1918 the percentage of the population of England living in the three northern regions has decreased from 35% to 25% as people have moved to the 'honey pot' South.

Growth Catch 22

ONS (Office of National Statistics) figures show that between 1997 and 2010 Gross Value Added (a measure of output) rose in the three northern regions of England by 61%, but in London and the South East it increased by 92%. Not only is that increase 50% more than in the North, growth builds on growth as value builds on value. That means that the South is better primed for further growth, making it more likely that differential will get even worse over the next decade, unless something dramatic happens.

Government Making It Worse

Something dramatic is planned, but not for the better as far as the North is concerned. We fear a divide that has been widening for a long time, that looks to have accelerated with this prolonged recession, is starting to get a lot worse. The government and many economists are relying on recovery to be driven by the private sector. A private sector rooted in the South that is likely to drive growth in the South disproportionately. At the same time government spending cuts are going to start biting and those cuts look likely to affect the North more severely.

The dependence the North has on government spending is demonstrated by the University of Manchester. They have shown that between 1998 and 2007 64% of jobs in the North were created directly or indirectly by government, while in the South that figure was only 38%.

Business Response

Businesses and marketers in particular, have to respond to this. Customers in different regions of the country are becoming more different. Their current spending patterns, sense of optimism and opportunities can be markedly different. Where online may be used more to save time in the harried South, we see it used to ensure controlled spending in the North.

That is not to say that Alderley Edge and Cobham are not the same place divided by 200 miles. And there are a series of brands for whom this is especially relevant - the likes of Aston Martin, Mark Wilkinson and Prada.

What we have been seeing during this recession is an attitudinal shift that appears as divisive as the economic one. We are hearing people in the South talking in terms of 'can do' while in the North that sentiment is often presented more as 'could do'; with a greater sense of possibility being

manifested in the South. In the North things are framed with more caution, less optimism - even fatalism; a 'whatever you do' idea of powerlessness.

Some of this taps into cultural traits, but we do feel this is being accentuated by current times and experiences. The reversal of social mobility playing hard in areas where there are few examples of people 'getting on and doing better for themselves'.

Buyer Behaviour

What it means is that the mass market / majority of people in different parts of the country are responding in different ways to products, services and presentation. Accessible aspiration is more relevant, coupled with a level of practicality and rationalism that, for a while, many in the North had turned their backs on. While in the past marketers could gloss over these differences with a 'one brush stroke fits all', these differences can provoke alienation and rejection simply on the basis of relevance.

As we all come to terms with this dichotomy, marketers as the great reflectors of society will respond to it. The result of course could be to accentuate the North / South divide even more, perpetuating the trend that Macmillan feared 50 years ago and nobody has found a solution to.

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