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## The clock is ticking on daylight savings. Does it matter for the consumer?

If you live in Europe, you probably enjoyed an extra hour of sleep on Sunday morning (unless you're the parent of a young child, of course). But this could well be the last time that the clocks change. Could this be a good thing for our well-being and spending habits?



The European Commission recently decided to abandon the practice of turning clocks back in the autumn and forward in the spring after <u>a survey</u> indicated that 84% of Europeans were in favour of ending daylight savings. As a result, each individual European country will have to choose to permanently adjust the time to summer or winter time from 2019 onwards.

Summertime was first implemented in the European Union to save energy after the first and second world wars and was reintroduced during the oil crisis in the 1970s. But 40 years on, the energy saving argument no longer seems valid. Research has shown that daylight saving time does not lead to a reduction in energy consumption. And various experts have indicated that on an economic and societal level, keeping time constant can be positive, particularly if this is aligned at the global level.

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## **Disrupted routines**

There is surprisingly little research into the consequences of ending daylight saving time on people's daily behaviour and consumption decisions. But the limited <u>research that is available</u> suggests that switching time twice a year substantively affects us and deregulates our sleeping patterns. Our internal biological clock and daily routines are disrupted until we get used to the new time. As a result, we're more grumpy and claim to be less positive about life in general.

So in theory, ending the practice of daylight savings would seem a good idea for individuals. But the question remains whether countries should switch to summer or winter time. Although the decision will be based on country-level concerns, such as economic and health issues, the impact on the individual consumer might matter to policymakers as well.

## Big spenders – a matter of timing?

The decision to switch between summer and winter time does not change the number of daylight hours, but it does affect which part of the day there is daylight. If countries switch permanently to winter time, the sun will rise and set earlier than in countries that adopt summer time. The choice between summer- and winter time particularly influences the Nordic countries where the number of daylight hours differs dramatically in winter and summer. On the shortest day of the year, December 21, people in Stockholm, Sweden, have only six hours of daylight compared to 18.5 hours on the longest day of the year, 21 June.

When we are exposed to the sun we not only feel happier, we also make different decisions, which can affect spending habits. For example, we look for more variety and tend to spend more money. Research has shown that when we head to the supermarket for our weekly purchases, we are more likely to pick different flavours of yoghurt during the day than after sunset. In addition, we are willing to pay more for the same yoghurt during daylight time. Outside the shopping context, we also tip more and tend to help others.

The decision to permanently switch to summer or winter time also creates opportunities. In daylight, we not only spend more, we also get <u>more enjoyment out of shopping</u>. So having the most daylight hours when consumers typically spend money (e.g. grocery shopping) could help to stimulate the local economy.

Whatever Europe decides, the move to abandon daylight savings will almost certainly put an end to the bi-annual debate and confusion over when and why we 'spring forward' and 'fall back'. Whether the new permanent time zone has any true benefits for consumers, only time will tell.

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