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Wave 19 Global Barometer

Inflation's Impact on Global Consumers.

A need for market understanding.

- It's important to understand the changing needs of consumers. Consumers want to engage with brands that support them and share their values, so brands must continue to evolve in the way they position and market themselves.
- Understanding today's consumer is critical. We field our Consumer Barometer to better understand consumer changes as they happen.

Wave 19: Markets studied and field schedule

Fieldwork took place between 23rd – 29th March 2022

- Data has been weighted by age, gender, and region to be Census representative in all markets (except UAE, where regions are not weighted).
- In France, data is also weighted to reflect social grade.

Market	Completed Interviews
UK	1011
France	1006
Germany	1013
Italy	1010
Spain	1014
US	1007
Brazil	1006
Australia	1000
Singapore	502
Japan	1004
Korea	1006
China	1005
UAE	500
New Zealand	501
Mexico	1017
Saudi Arabia	504

Consumer Confidence

Life Satisfaction

is continuing to improve (+10 compared to March 2021)

Consumer Confidence

in spending remains low: **25%** globally are confident spending money (+6 since March 2021)

Over 4 in 10

have less money now than before the pandemic and concerns around job security remain

Optimism

Despite this, consumers continue to be optimistic – optimism is up slightly on last wave

Cost of Living

Consumers are noticing price increases across categories as a result of the rising cost of living and are trying to combat this.

69%	agree that rising energy and living costs are impacting their spending
58%	are affected (at least moderately) by the price changes within groceries
8 in 10	are noticing price increases in fresh food

- Consumers are most likely to **visit more stores** in search of value or **change to a cheaper supermarket**
- 48% globally will **increase their purchase of cheaper alternatives** to their usual choices
- **Social activities** are the area of spend consumers are most likely to cut back on to help manage finances

Supply Chain

Consumers are experiencing issues with increased prices and availability of products / brands both in-store and online

52% globally…

are extremely or somewhat frustrated with issues around product availability

6 in 10

Who experience issues with product availability online would switch to in-store shopping

Top actions to take

- Shopping in other types of stores
- Buying extra when items come in stock
- Use different recipes / food types

Brand values

Consumers are thinking more about the values of the brands they buy.

8 in 10	global consumers believe that brands should be accountable to consumers.
64%	go out of their way to engage with brands that align with their values
3 in 4	globally agree that it is important to them that they invest time and care into the decisions they make as a consumer

Positive environmental and social activities are highly important in whether consumers will use a brand

- However, a significant number of consumers don't have enough information about it to start making those changes (66%).
- **Nearly 7 in 10** (67%) global consumers would stop using a brand because of its negative environmental and social activities

Consumer Confidence

Global satisfaction has improved compared to this time last year…

43% Of global consumers report feeling very satisfied with their life over the last 2 weeks

WAS **33%** Were satisfied in March 2021

Optimism continues to rise

41% Of global consumers report feeling very optimistic about the future

- **30%** In Europe
- **41%** In APAC & MENA
- **60%** In the Americas

However, consumers are still worried about their finances

JUST
25%

Of global consumers say they are very confident spending money over the coming months given the pandemic

WAS
19%

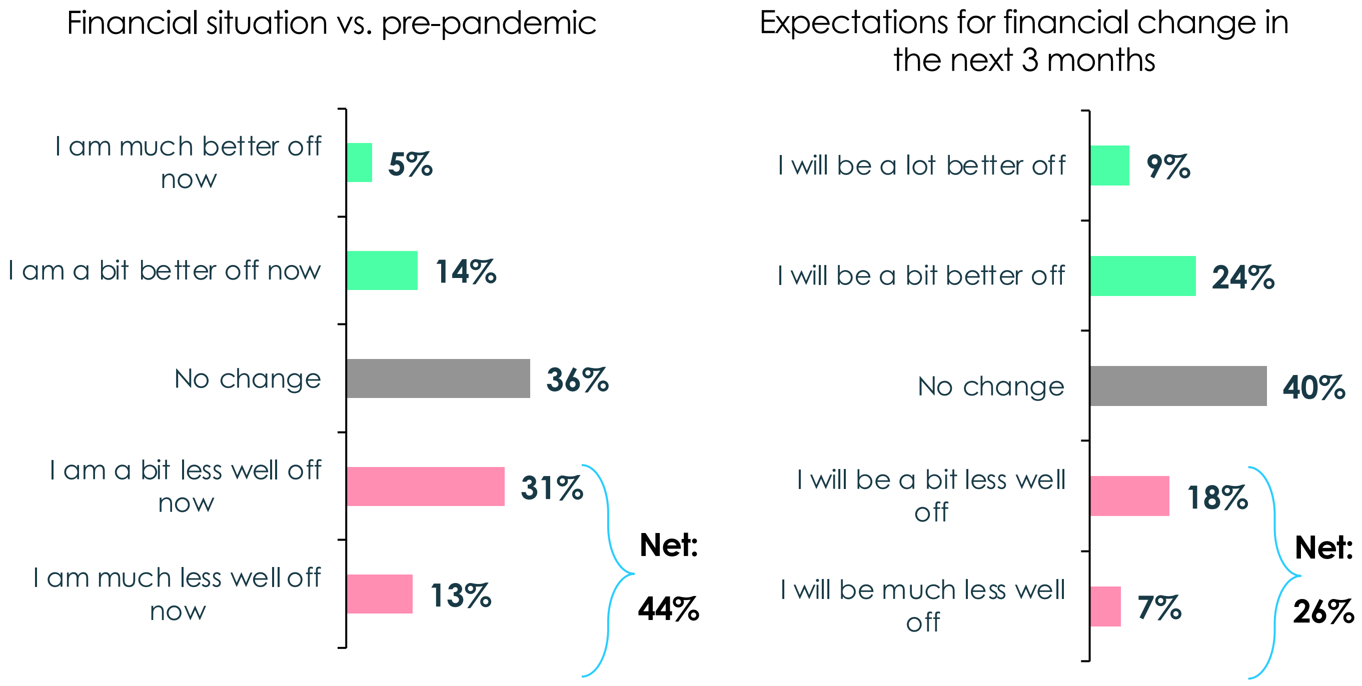
+6pp since March 2021

37%

Of global consumers are **very concerned** about their personal financial security given COVID-19 & current global and economic circumstances

52% In the Americas - driven by Mexico (64%)

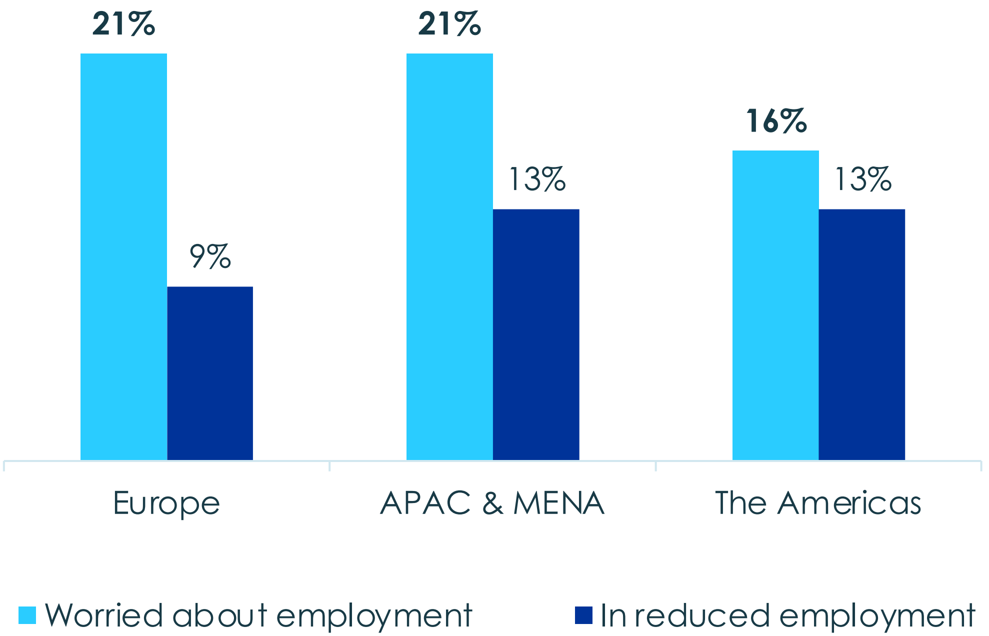
Over 4 in 10 consumers globally have less money now than they did before the pandemic. However, there is optimism regarding finances over the coming months



37%

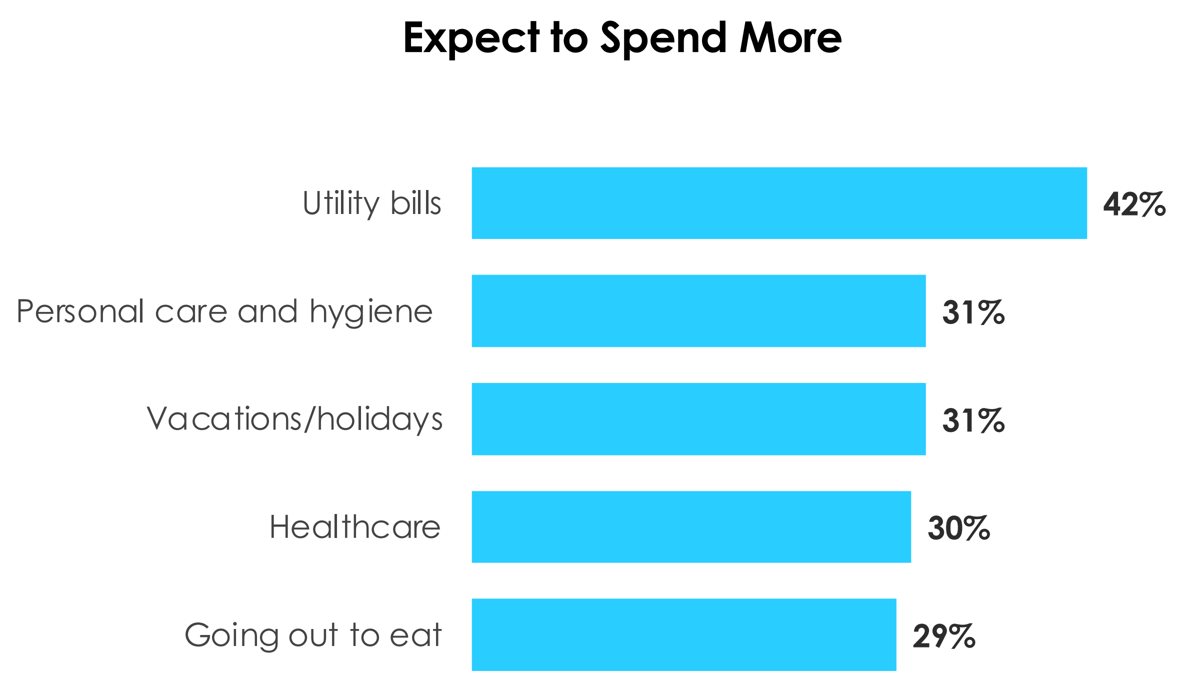
Of global consumers either feel **worried** about their employment, are in **reduced** employment, or have become **unemployed** since the pandemic

1 in 5 globally feel worried about their employment



The top areas global consumers are expecting to spend **more money** on this year are:

Utility bills

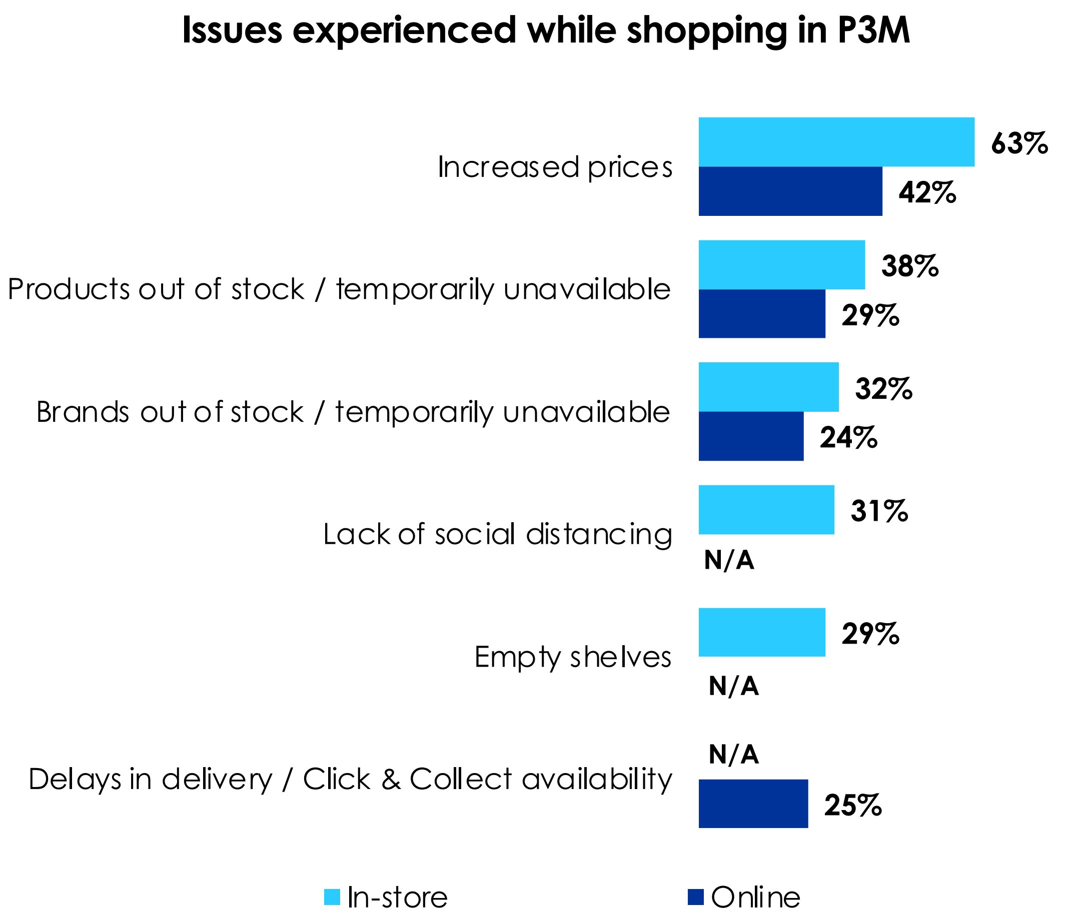


Supply Chain

Globally consumers are experiencing issues with increased prices and availability of products / brands online & in-store

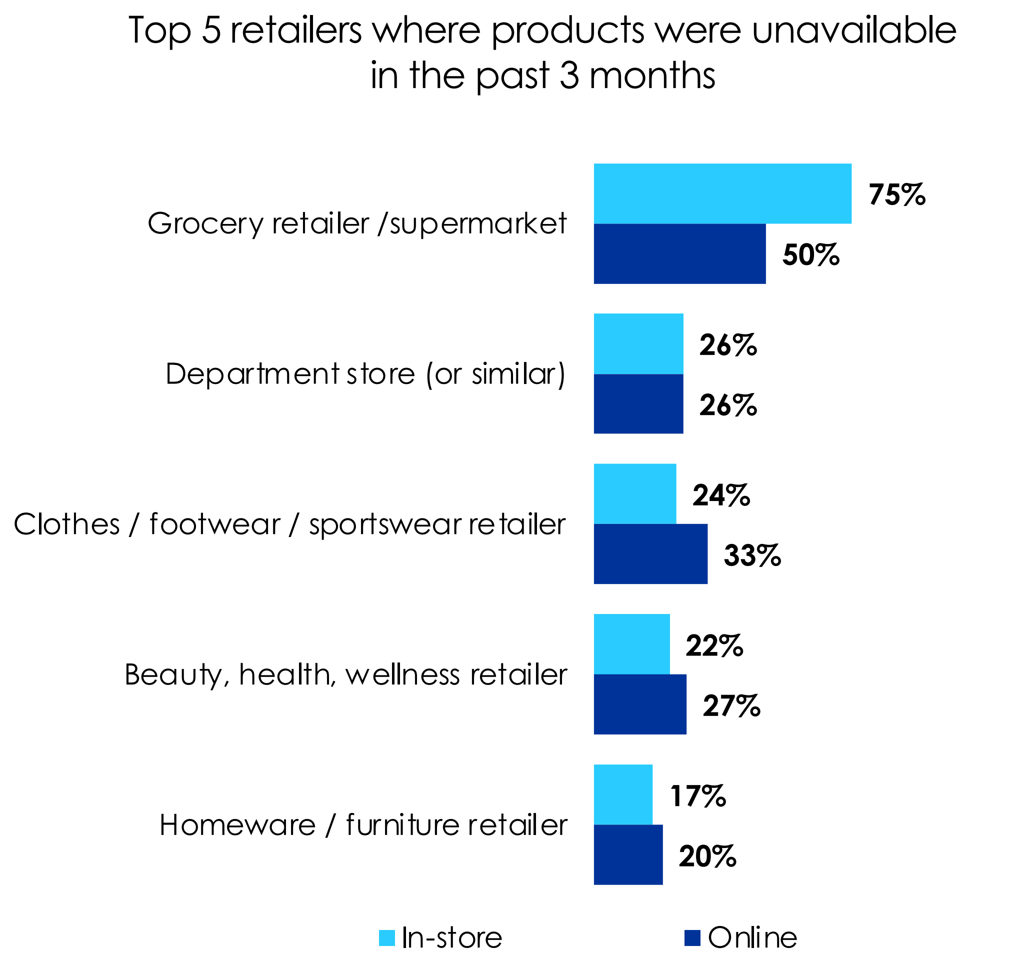
63% Experience **price increases** when shopping **in-store**

42% Experience **price increases** when shopping **online**



The main issues with product availability are experienced at grocery retailers/ supermarkets

Highest for in-store retailers in:
New Zealand (90%)
Spain (88%)
UK (87%)
Australia (87%)
Germany (85%)



60%

Of global consumers are willing to **switch to in-store** shopping because of products or brands being temporarily unavailable online

4 in 10 consumers…

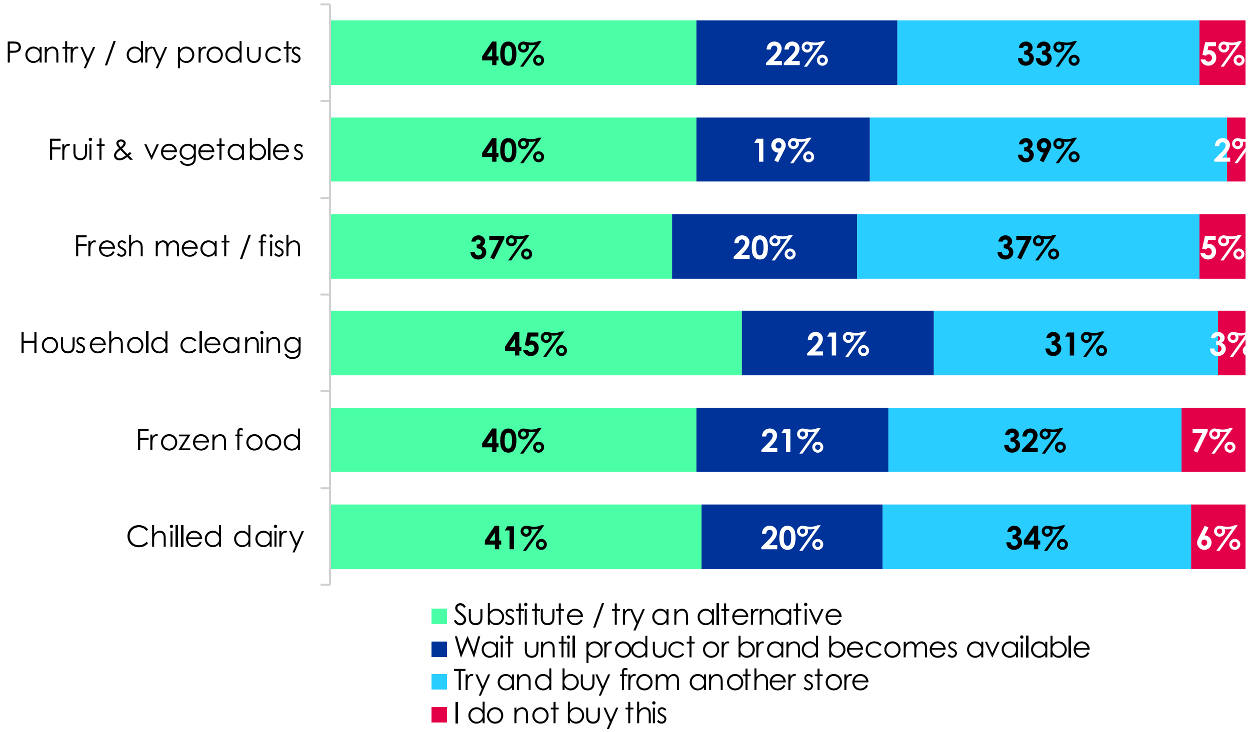
globally had difficulty buying **pantry/dry products** due to availability in-store in the past 3 months.

42%	Pantry/dry products
35%	Fruit & vegetables
31%	Fresh meat / fish
27%	Household cleaning products
26%	Frozen food
25%	Chilled dairy

Globally consumers are most likely switch brand/product if their usual one is unavailable, or to try and buy from another store

If consumers are unable to buy their usual product / brand, they are most likely to…

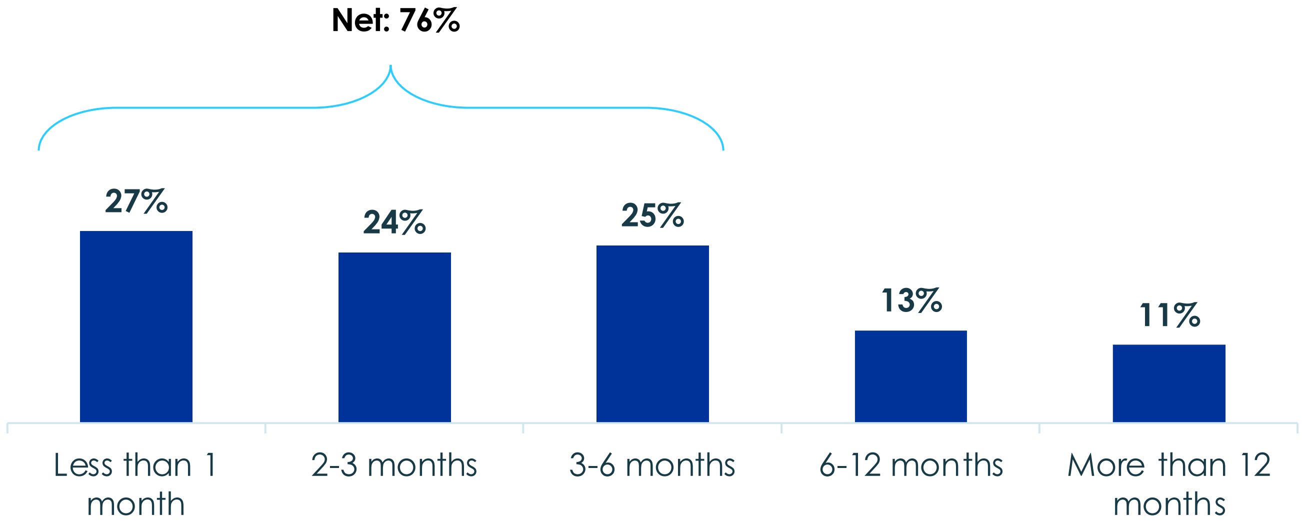
[Shown for the top 6 grocery items that consumers have experienced issues with]



52%

Of global consumers are **extremely/somewhat frustrated** with products being unavailable

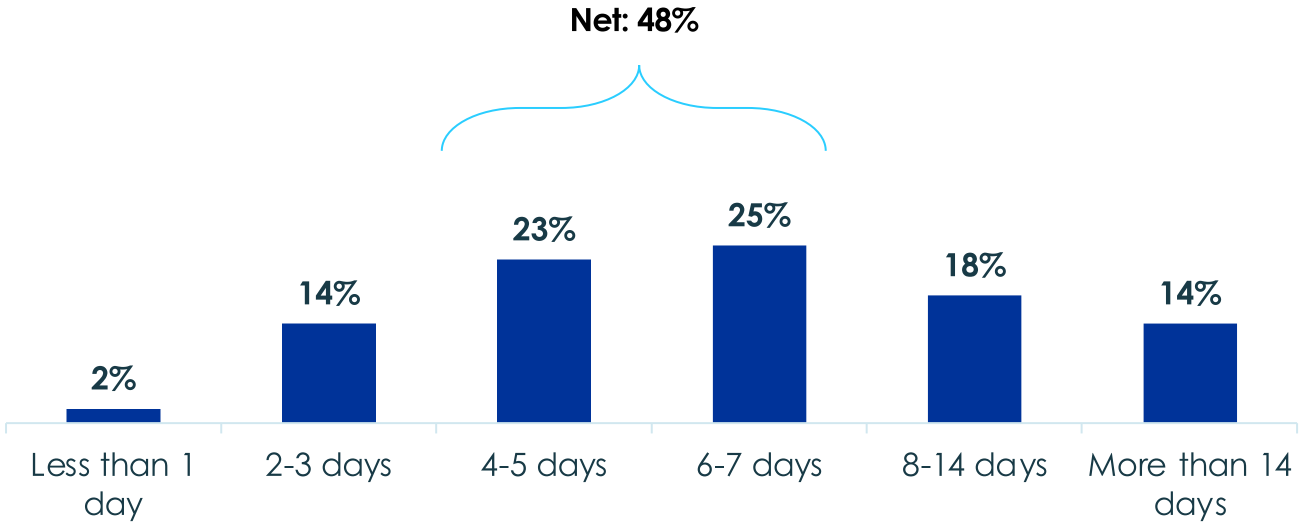
3 in 4 consumers expect issues with product unavailability to last up to 6 months



Top actions that consumers are taking to deal with the effects of product availability or delivery delays:

- Shopping in other types of shops
  e.g. local butchers or farmer's markets etc
- Buying extra when things come back in stock
- Experimenting with different recipes / food types

Consumers are most likely to say they could manage 4 to 7 days with their current pantry & fridge supplies without going shopping




Cost of living

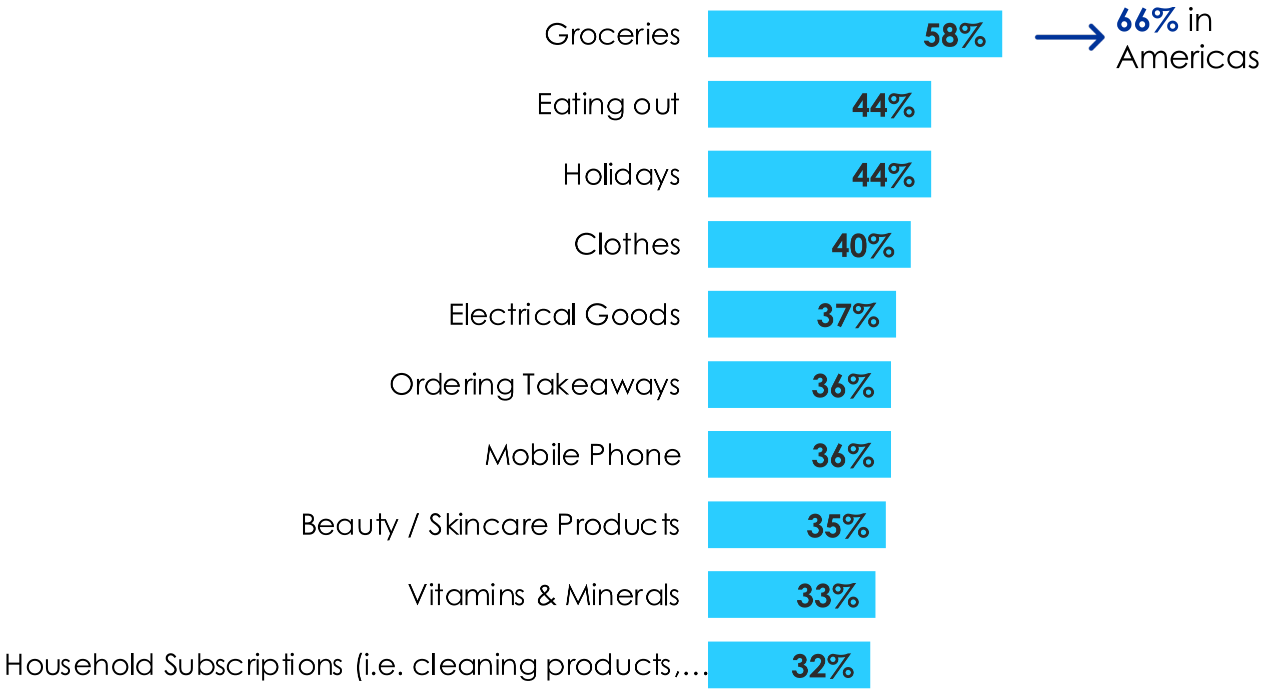

69%
Of global consumers agree that the rising energy and living costs are impacting their spending
*"The **energy crisis** and **rising cost of living** is impacting my spending plans"*

The areas consumers are most impacted by the price changes:

- Groceries
- Eating out
- Holidays

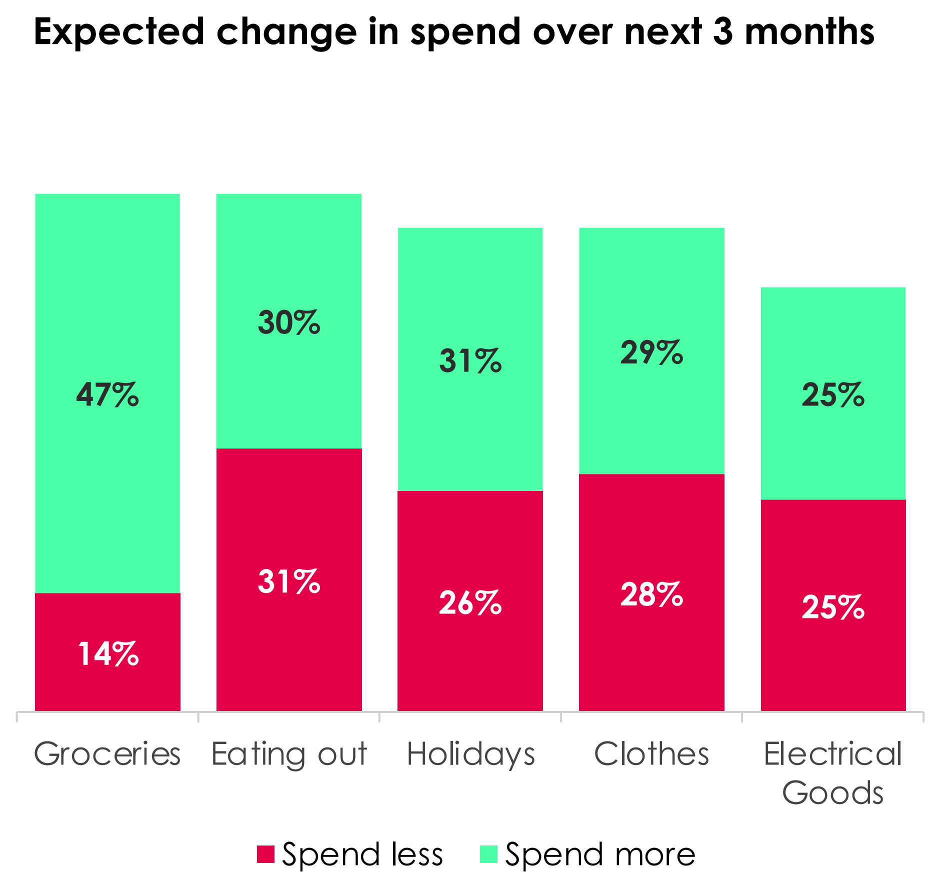
Top 10 areas most affected by price changes

[Top 2 Box – To a moderate extent/ to a large extent]



47%

Almost half of consumers globally expect to spend more on groceries over the next few months



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79%

Globally are experiencing price increases in **fresh food**

In order to manage cost of living increases over the next 3 months, consumers are most likely to change the brands/ products they buy, or visit more stores in search of value

44% Change the brands or products I normally buy (buy more own label)

29% Shop more often to avoid waste and get the best deals

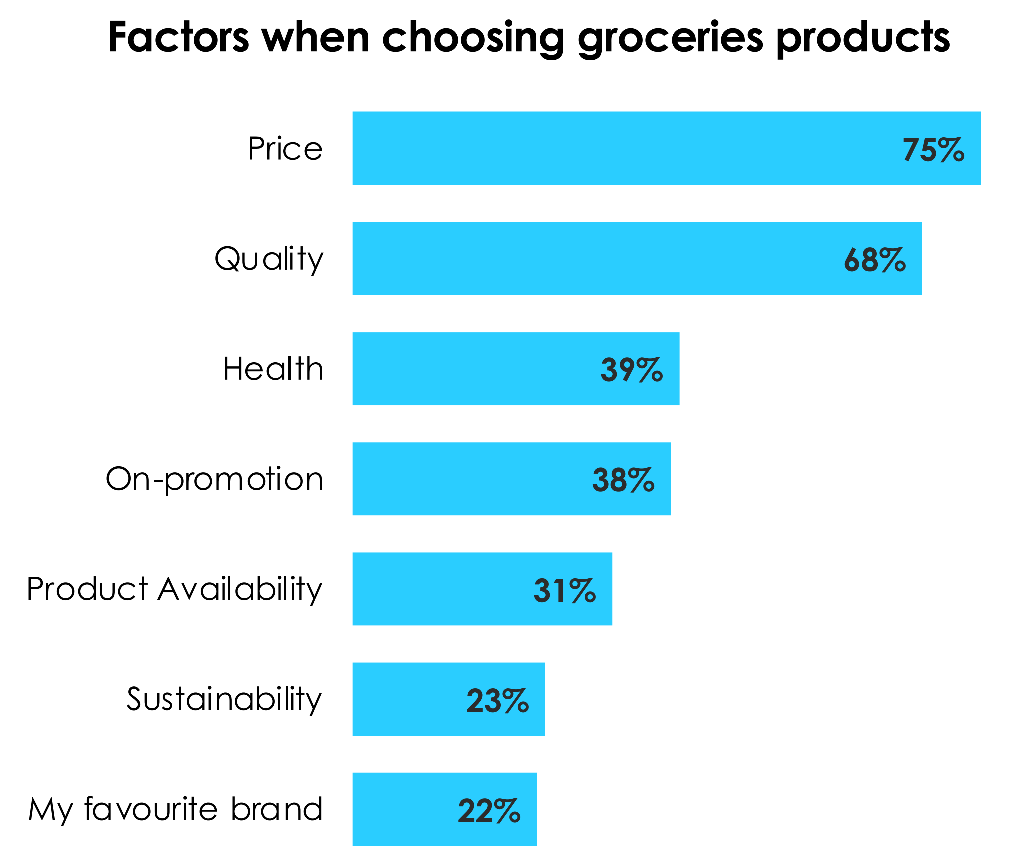
34% Visit more stores in search of value

27% Shop less often but buy in bulk

31% Change supermarkets to a cheaper alternative

3 in 4

Of global consumers report **price** as one of the most important factor when choosing groceries in the next 3 months. This is followed by **quality**.



Half of global consumers expect to buy cheaper alternatives to their usual products over the coming months

48%

Of global consumers will **increase** their purchase of **cheaper alternatives** to their usual choices

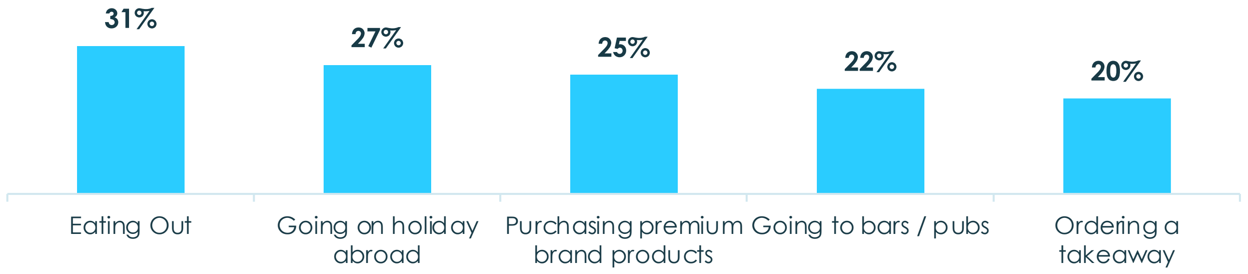
32%

Of global consumers will **decrease** their purchase of **premium brand** products

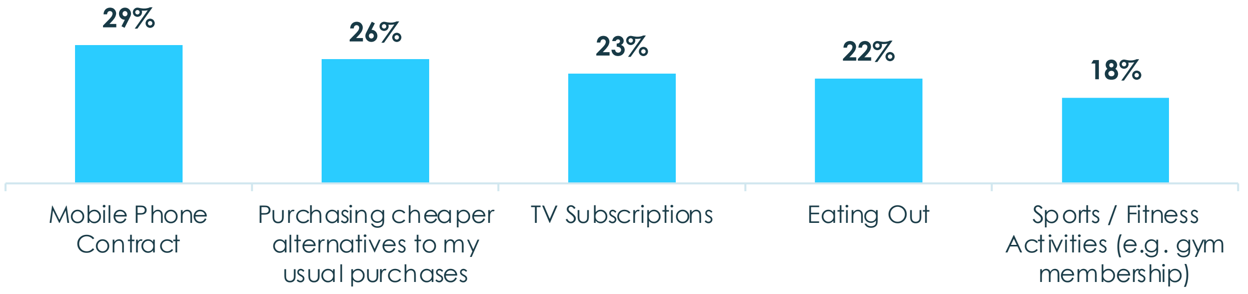
Consumers would be most likely to give up **social activities** in order to save money

Subscriptions are the activities that consumers are least likely to give up

Top 5 activities consumers would give up to save money



Top 5 activities where consumers would NOT give up to save money

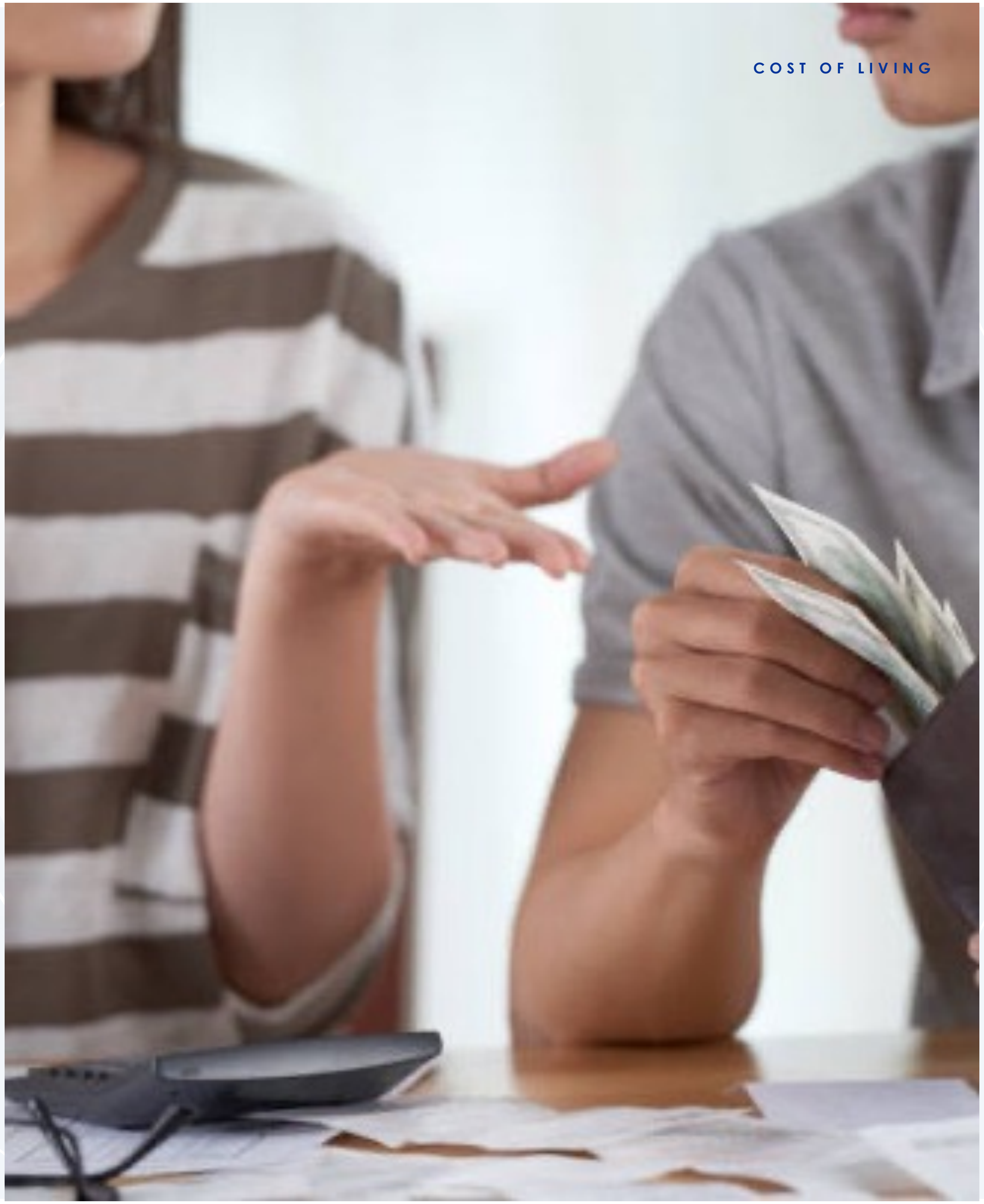


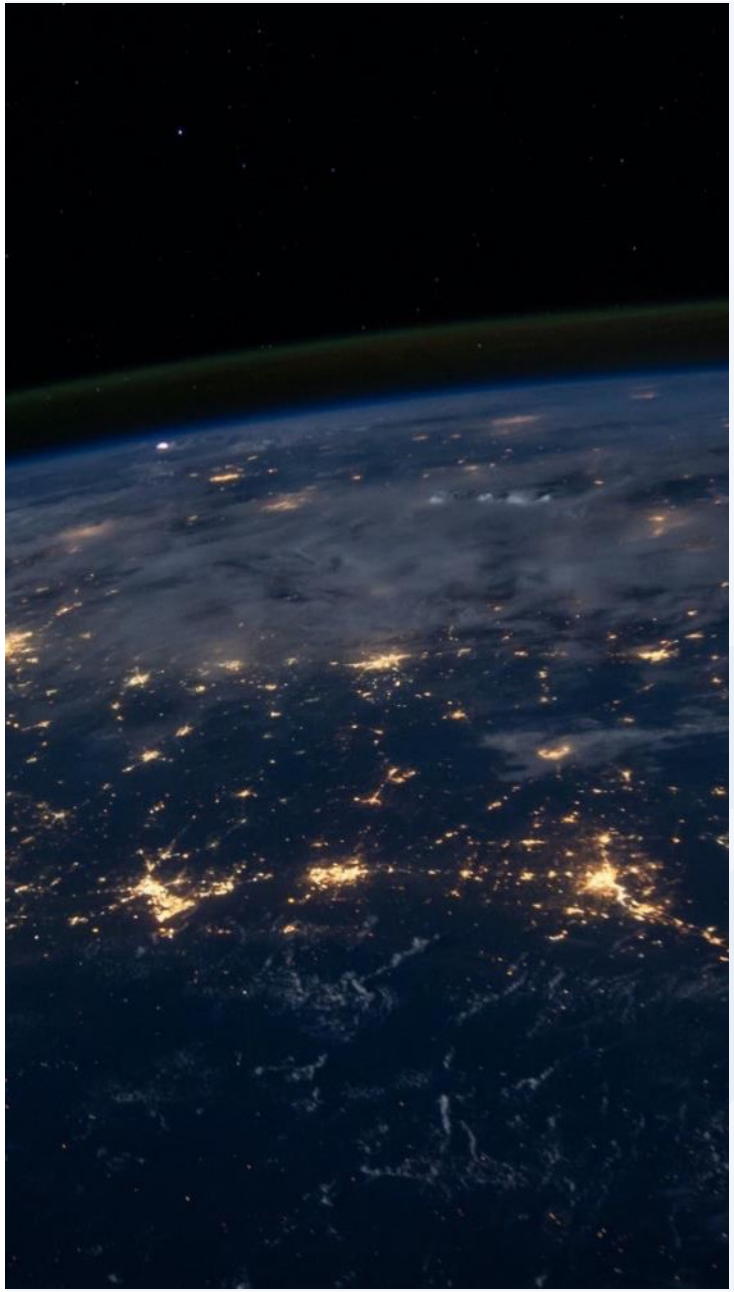
46% globally would turn to family if they needed financial help/support over the next few months

21% of people would turn to a **Banks / Building Society**

21% Would ask a **friend**

14% **Government / Benefit System**





Consumers plan to reduce energy and water usage over the coming months in order to help manage their finances

59%	Turning the lights off whenever possible
27%	Using eco/cold washes on washing machines or dishwashers
37%	Taking shorter showers to reduce water usage
24%	Programming laundry during low tariff hours
35%	Reducing the target temperature of heating
24%	Investing in smart solutions to reduce energy waste

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Brand values, ethics, and social responsibility

3 in 4

globally agree that it is **important** to them that they **invest time and care** into the decisions they make as a consumer

Consumers care about brand accountability and brand values.

80%

Of global consumers believe that brands should be **accountable**

68%

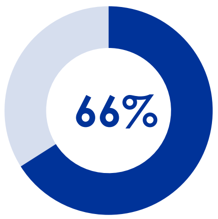
Of global consumers like to keep **informed about the values/ethics** of the brands they use

64%

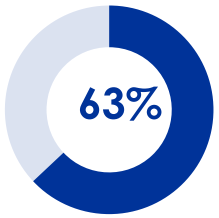
go out of their way to engage with brands that **align with their values.** The same proportion **avoid brands** whose values aren't aligned with theirs

71%

of consumers globally would start using / use more of a brand because of its **positive environmental and social** activities



would like to make more decisions about which brands they use based on environmental and social factors but don't have enough information



would like to make more decisions about which brands they use based on environmental and social factors but can't afford to

67%

would stop using a brand because of its **negative environmental** and **social activities**

The THREE most important attributes when choosing between brands:

67% Brands being **sincere and authentic** in what they do

59% Brands being committed to reducing the use of **plastic/ paper/ packaging**

56% Brands having policies which **benefit the environment and society**

76%

of people would like their savings and investments to align with their values

67%

Would never invest in a product if it carried a detriment to sustainability

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