Wave 18 Global Barometer

Conscious Consumers

A Year of Change

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.

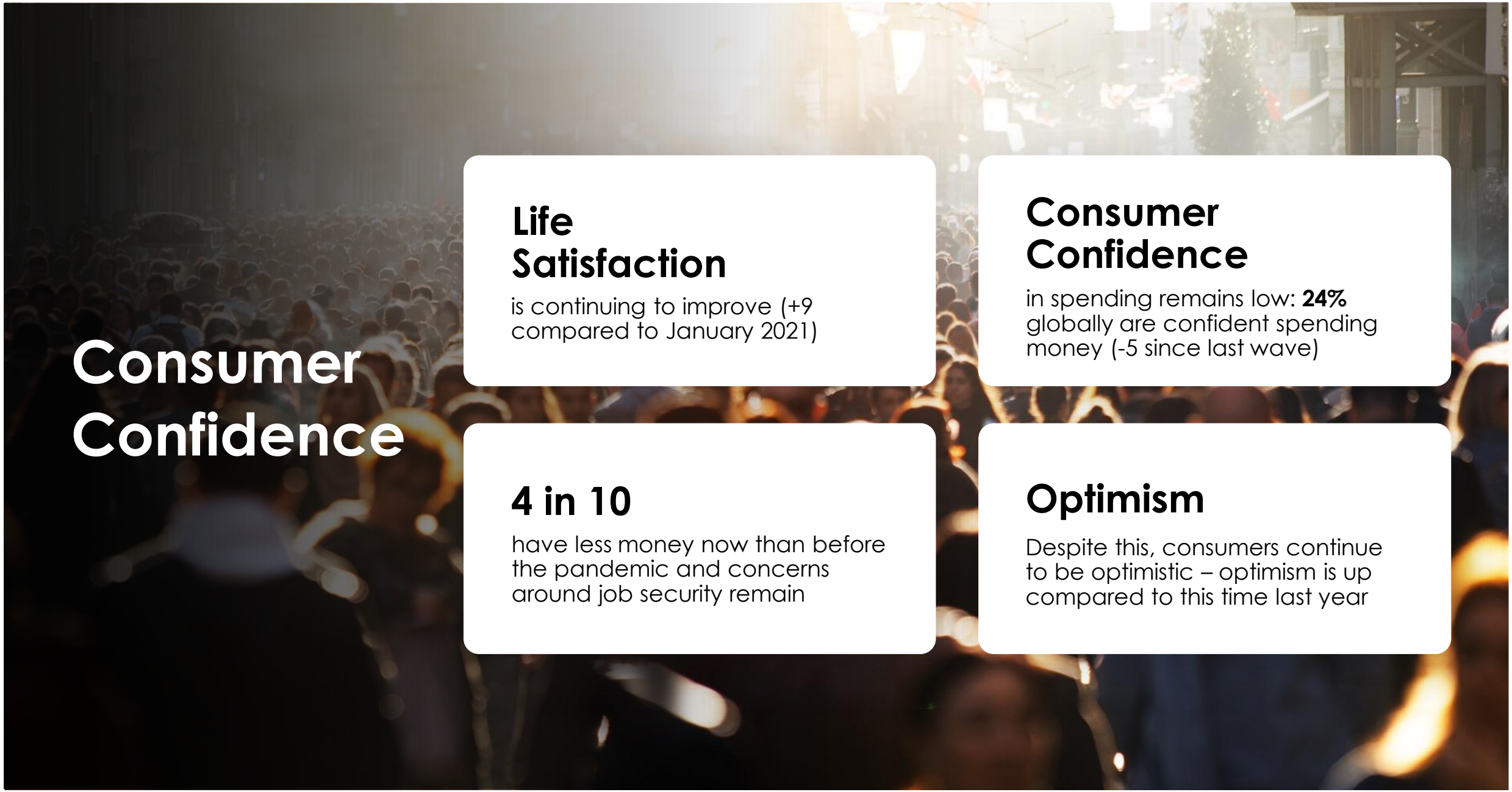
- Understanding today's consumer is critical. We field our Consumer Barometer to better understand consumer changes as they happen.

Wave 18: Markets studied and field schedule

Fieldwork took place between 4th – 10th January 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	**1066**
France	**1059**
Germany	**1038**
Italy	**1080**
Spain	**1063**
US	**1065**
Brazil	**1070**
Australia	**1060**
Singapore	**521**
Japan	**1082**
Korea	**1043**
China	**1077**
UAE	**531**
New Zealand	**530**
Mexico	**1065**



Consumer Confidence

Life Satisfaction

is continuing to improve (+9 compared to January 2021)

Consumer Confidence

in spending remains low: **24%** globally are confident spending money (-5 since last wave)

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 compared to this time last year

Brand values

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

79% Of global consumers believe that brands should be accountable to consumers.

6 in 10 go out of their way to engage with brands that align with their values

74% Of global consumers believe that brands should care about their role and contribution to society

Consumers most want brands to:

- Have fair prices
- Have high quality products/ services
- Listen to consumers

When communicating with companies, customers want:

- Greater clarity, sincerity, honesty

It is also important that brands align with consumers' values around the environment and social responsibility…

More than half of global consumers believe that positive changes regarding the climate crisis should be the responsibility of brands or manufacturers

The Recent Holiday Season

The pandemic impacted consumer habits and spending globally:

45% say they were very concerned about COVID-19 over the holiday period

31% were very concerned about being able to afford it

58% tried to save over the holidays given the economic uncertainty – a third saved more than they would do in normal years (pre-pandemic)

Plans since the pandemic have changed – people were more eager to celebrate at home, and don't plan as much in advance as before COVID-19.

- 33% didn't really plan in advance for the holiday season given the COVID-19 situation

3 in 10 consumers globally agree that the climate crisis had an influence on their spending

- 38% were more concerned about sustainability / environmental issues when buying gifts

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Consumer
Confidence

Global satisfaction has improved compared to this time last year…

41% Of global consumers report feeling very satisfied with their life over the last 2 weeks

32% Were satisfied in January 2021

Optimism is also higher (+8pp vs. January 2021)

39% Of global consumers report feeling very optimistic about the future

29% In Europe

38% In Asia

58% In the Americas

Current satisfaction is higher in the Americas, driven by Mexico and Brazil

However, consumers are still worried about their finances

JUST 24%

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

29%

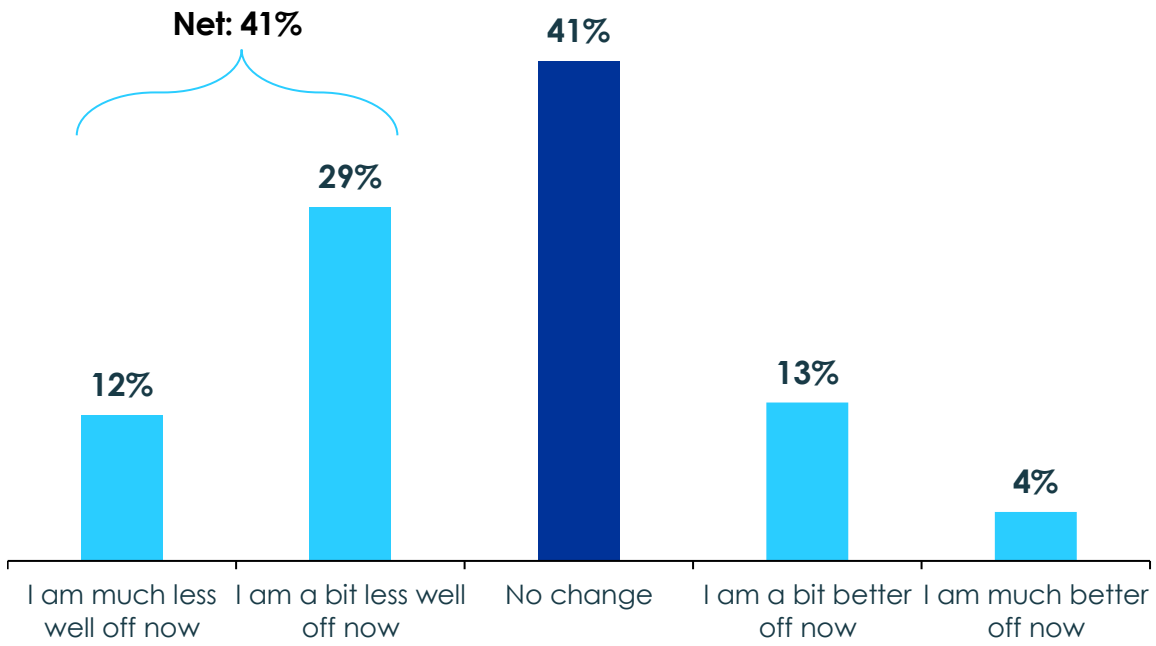
-5pp since September 2021 (29%)

34%

Of global consumers are **very** concerned about their personal financial security in light of COVID-19

50% In the Americas - driven by Mexico

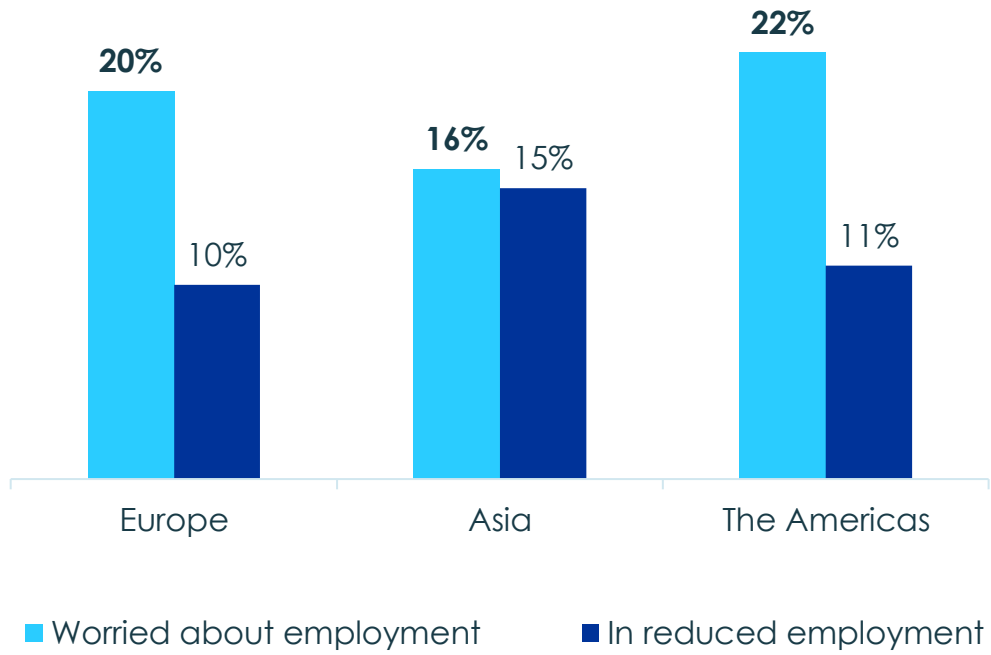
4 in 10 consumers globally have <u>less money</u> now than they did before the pandemic



37%

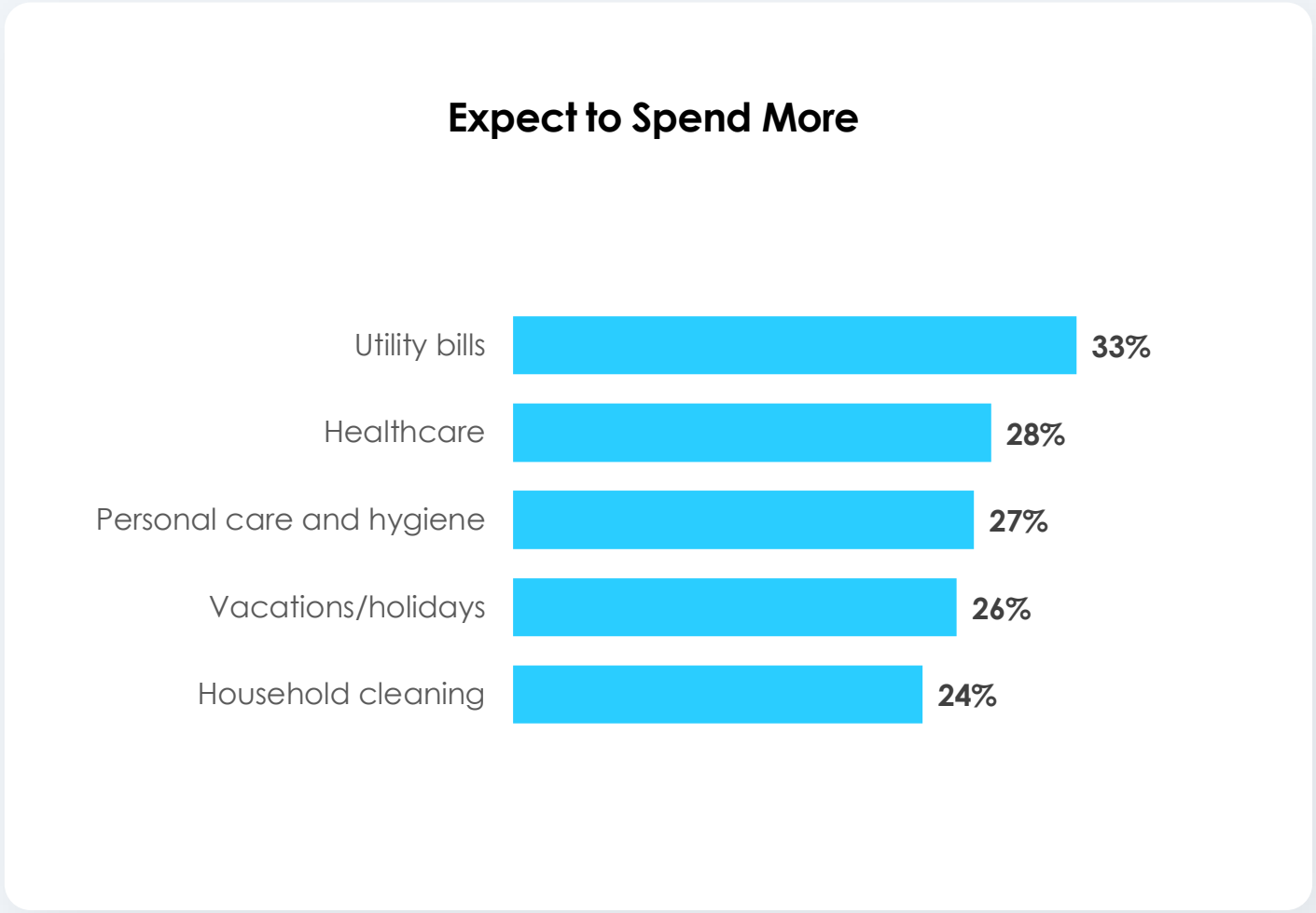
Of global consumers either feel **worried** about their employment, are in **reduced** employment, or have become **unemployed** since the pandemic

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
- Healthcare
- Personal care & hygiene



55%

Of global consumers agree that the rising energy costs are impacting their spending

"The energy crisis and rising cost of energy is impacting my spending plans"

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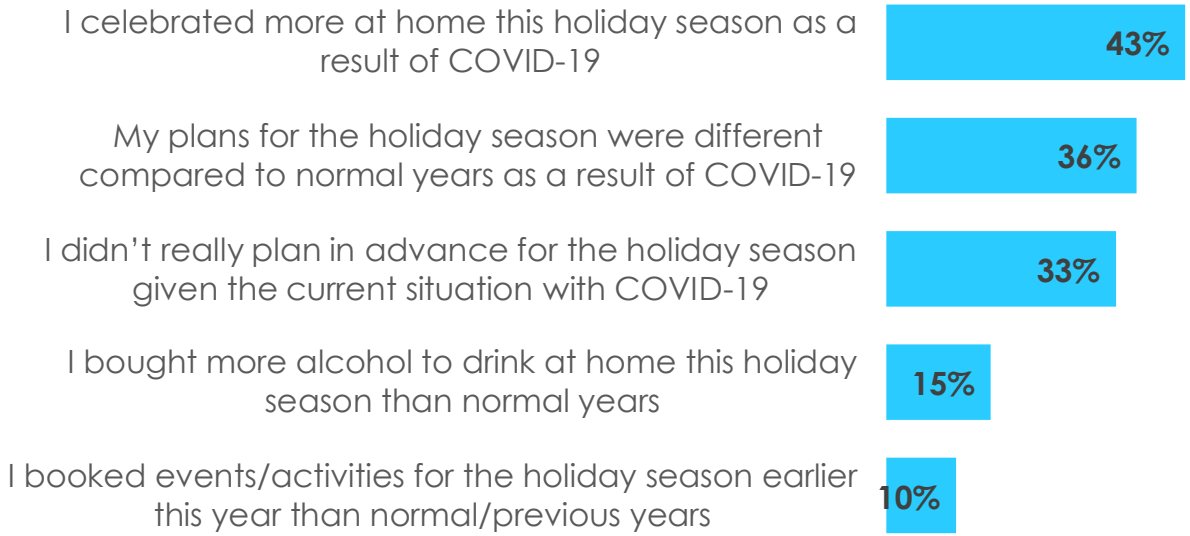
The Holiday Season

43%

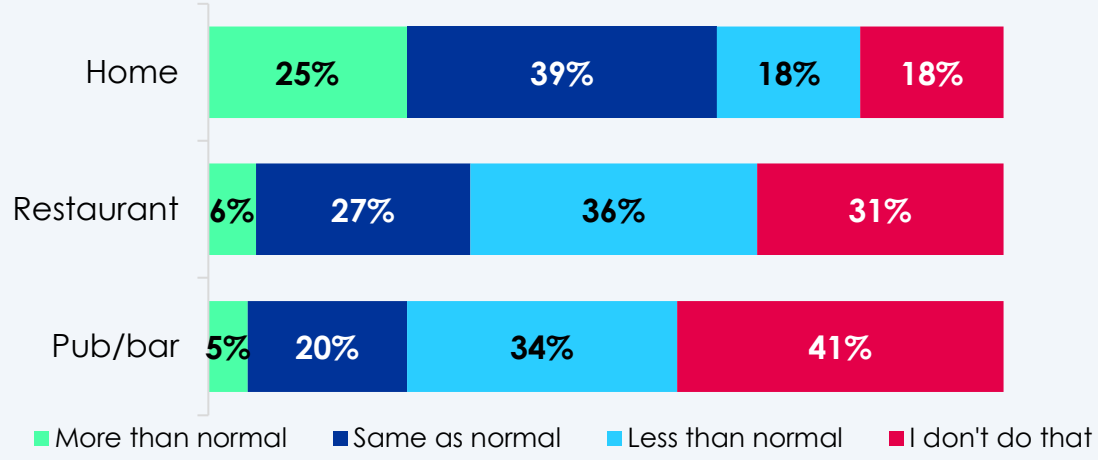
of people celebrated more at home this holiday season as a result of COVID-19

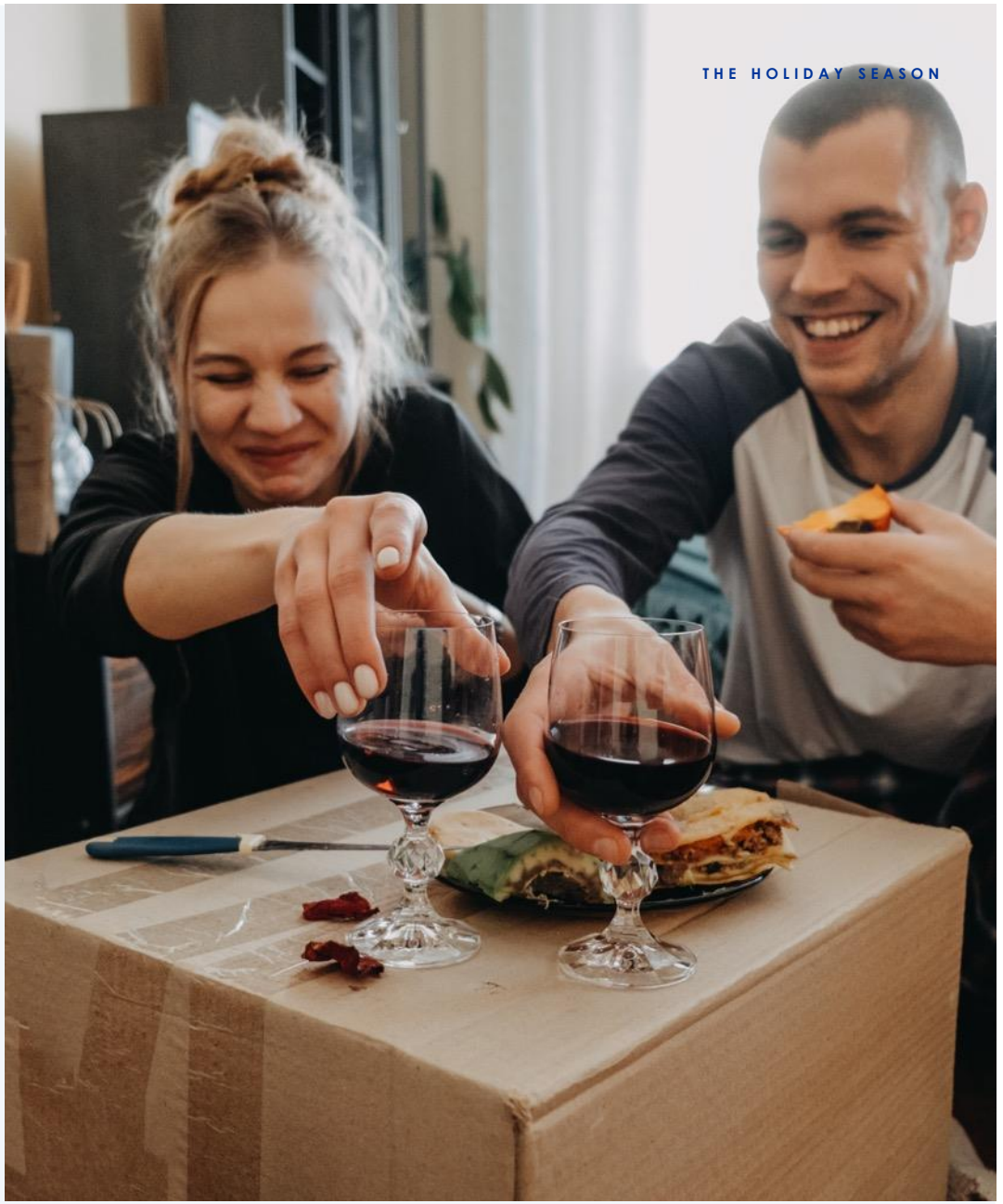
Plans for the holiday season compared to pre-COVID years:



Globally, consumption of alcohol in restaurants and pubs/bars over the holiday season decreased this year given the restrictions during this time

Alcohol consumption over the recent holiday season vs normal years





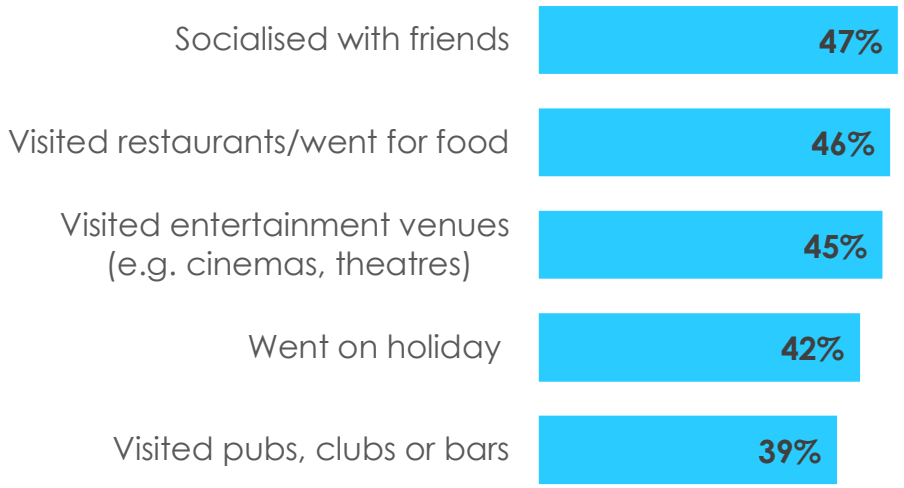
45%

Of global consumers were **very concerned** about the COVID-19 situation during the recent holiday season

43%

Of global consumers report **not feeling confident** at all travelling over the holiday season

Top 5 activities consumers **did less this year** compared to normal:



Consumers shopped earlier this year.

32% Bought **earlier this year** compared to normal/previous years as they were worried about stock shortages

2 in 5 consumers globally did their shopping for the holiday season this year in October or November

28%

Stocked up on groceries and household items for the holiday season because they were **worried about availability** of products

The majority of consumers made an effort to save for the holidays…

58% Of global consumers tried to save given economic uncertainty

11% Decided to have a special holiday, so they didn't worry about money for that reason

People were concerned about cost this holiday season.

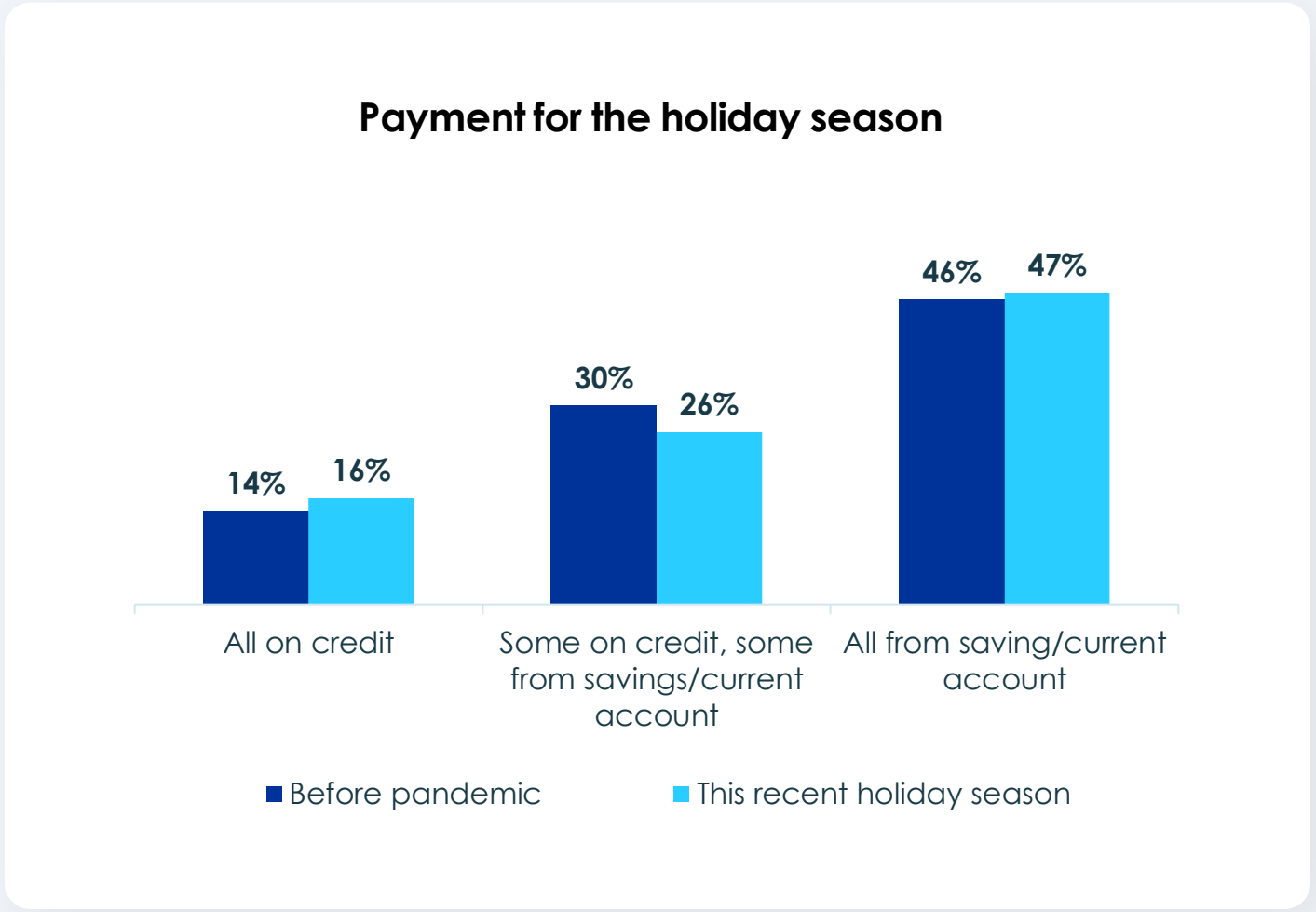
31% of people were **very concerned** about being able to afford the cost of the recent holiday season

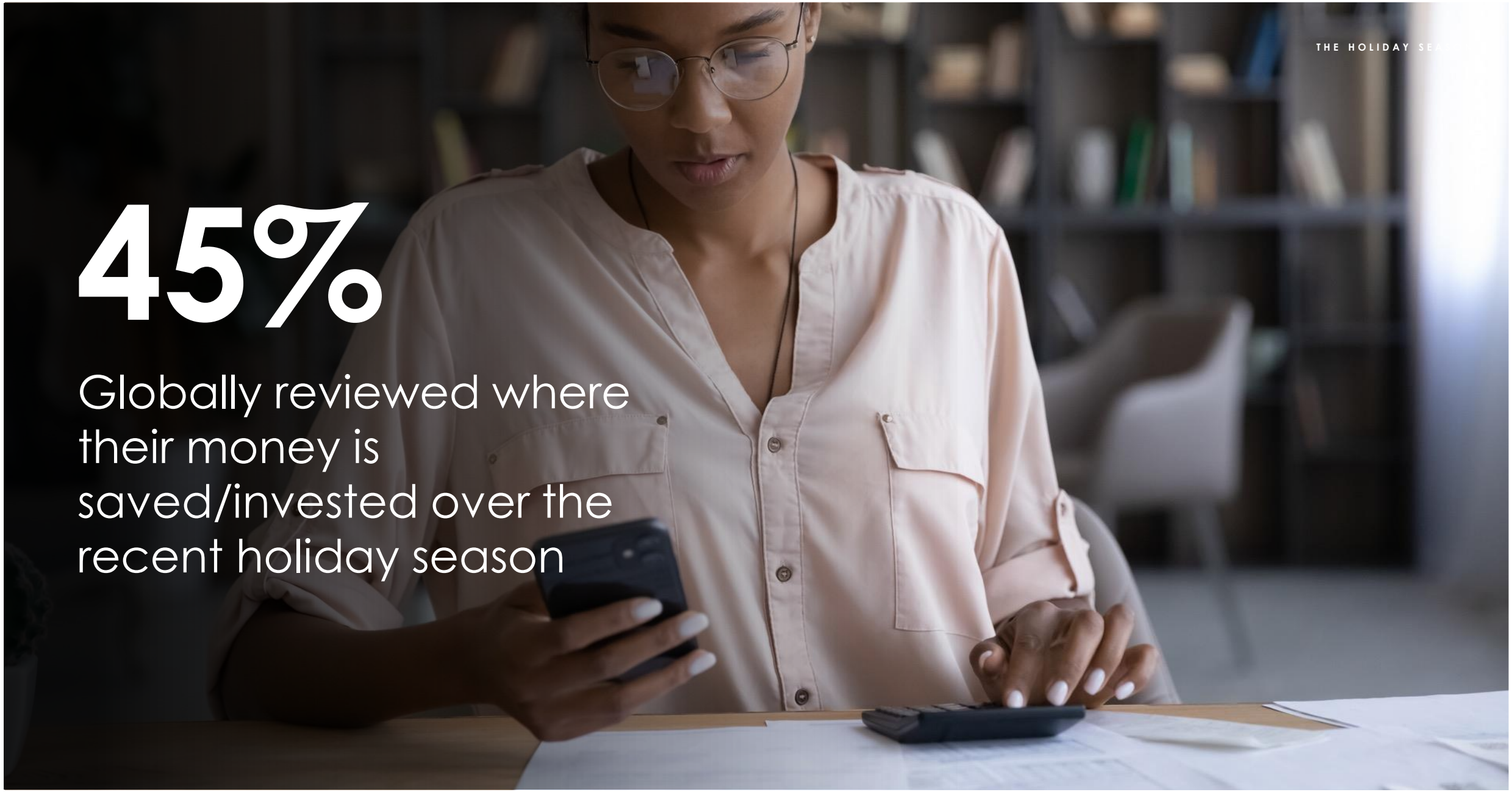
31% **Saved more** for the holiday season than previous years

→ 56% In Brazil

45% **Used credit** to delay payment and spread the cost over time to pay for their holiday season

Globally, consumers are saving for the holiday season in a similar way to pre-pandemic, with a combination of credit and savings/current account





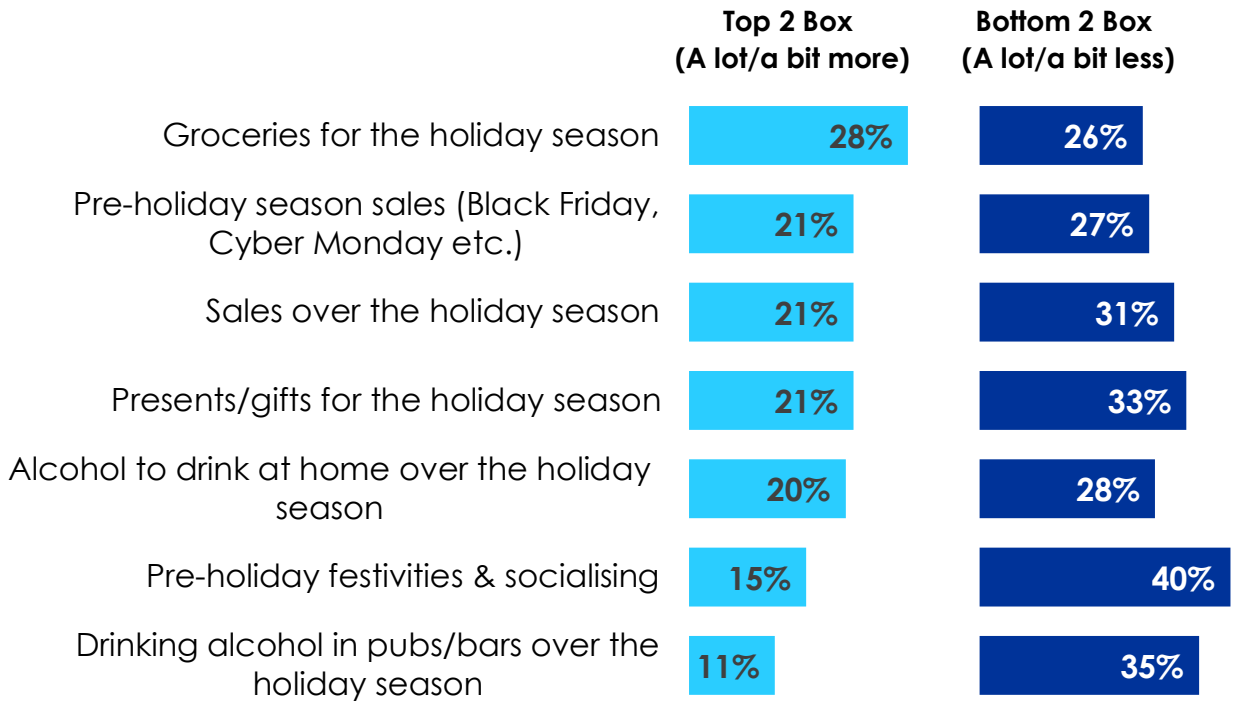
45%

Globally reviewed where their money is saved/invested over the recent holiday season

The areas consumers were most likely to cut back on this holiday season compared to before COVID-19:

- Pre-holiday festivities
- Socializing
- Drinking alcohol in pubs/bars

Spends over the holiday season



The climate crisis also had an influence on consumer spend…

Agreement that the climate crisis has impacted holiday season spending:

Strongly agree/ agree (T2B)

32% **Strongly agree**
Which products/brands you bought

30% **Strongly agree**
Where you bought from

31% **Strongly agree**
Travel Plans

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Gifting over the holiday season

21% Globally spent **more** on gifts this holiday season

33% Globally spent **less** on gifts this holiday season

Top 3 reasons for spending more on gifts

Top 3 reasons for spending less on gifts

Globally, consumers started to buy gifts **earlier and more online** than during normal years

43% Bought **more gifts online** this year compared to normal/previous years

36% Bought gifts **earlier** this year compared to normal/previous years

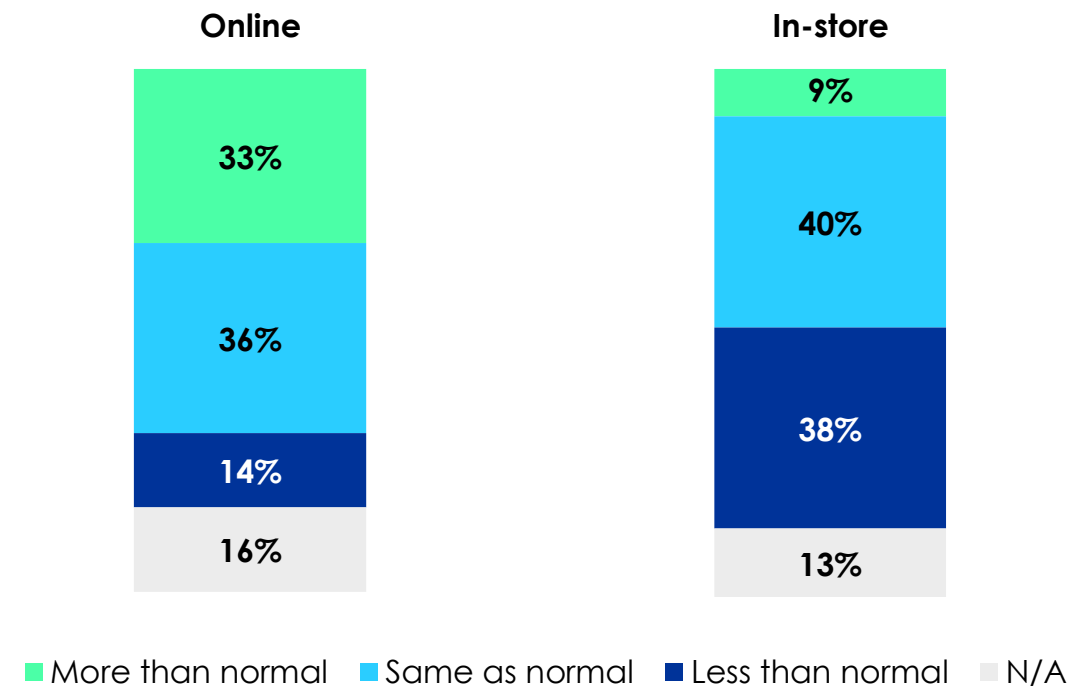
23% Struggled to get the gifts they wanted due to stock issues

In light of the pandemic, consumers tended to shop for more gifts online, and much less in store.

4 in 10

Around 4 in 10 did not change from their normal shopping channels.

Shopping for gifts this year compared to a normal/pre COVID year:



Impact of environmental and social issues when buying gifts:

Strongly agree/ agree (T2B)

38%

Were more concerned about sustainability/environmental issues when buying gifts this year

36%

Were more concerned about social/ethical responsibility when buying gifts this year

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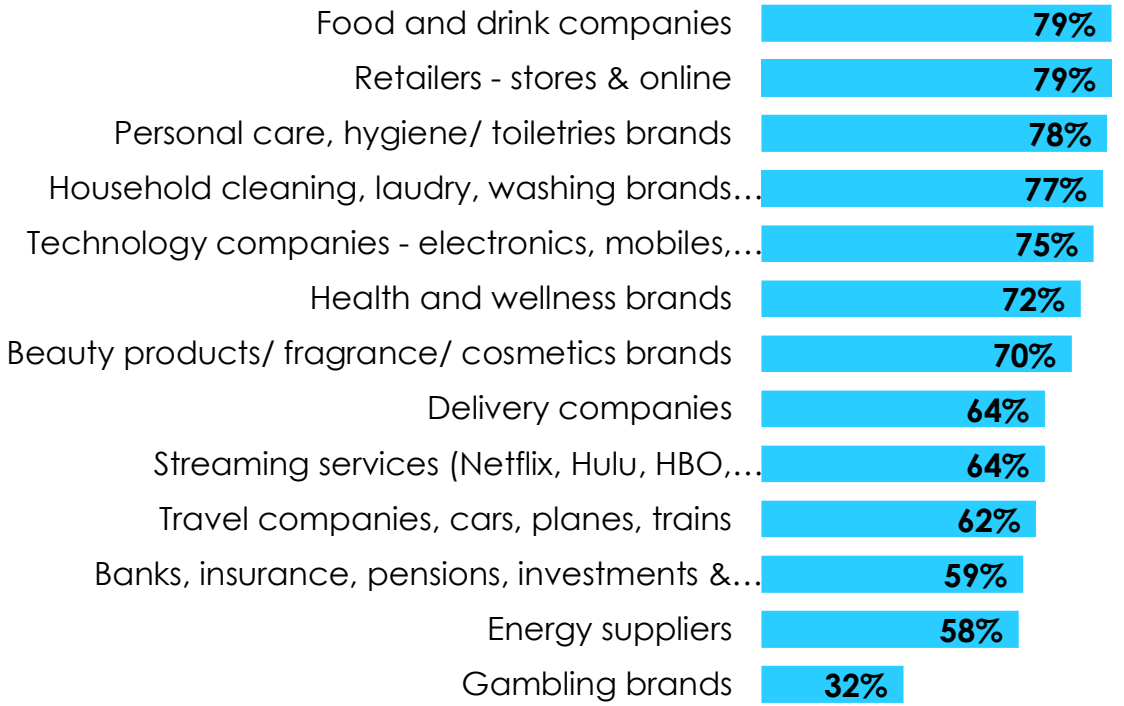
Brand values, ethics, and social responsibility

Categories consumers are most likely to **have tried or be willing to try** new brands or products:

- Food & Drink
- Personal Care
- Household Cleaning
- Technology

Recent trial and consideration of brands/ products/ services [Net]

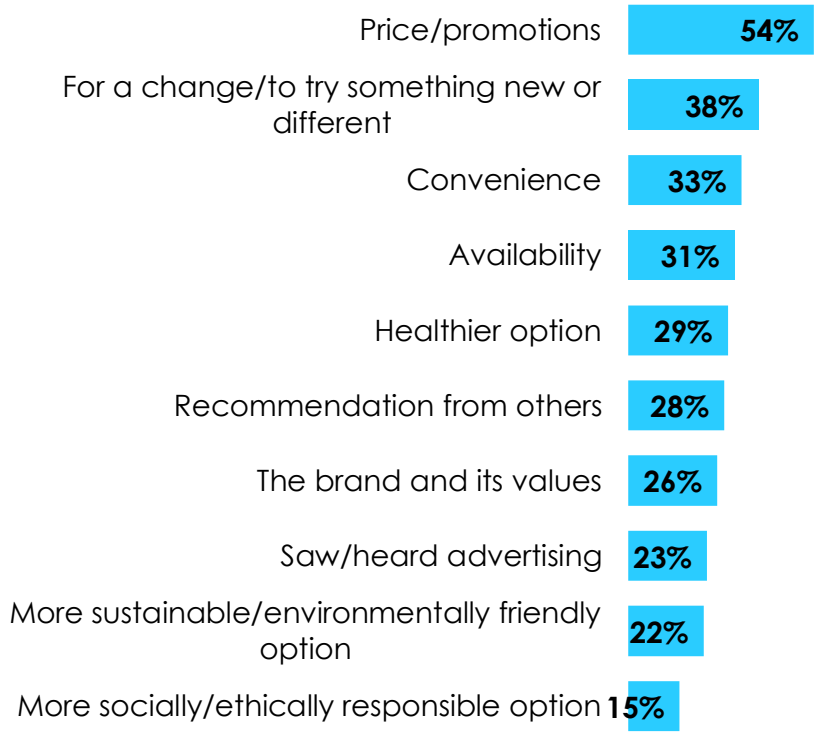


The majority of consumers tried something new.

54% Globally tried new brands, products, or services because of **price/promotions**

26% Tried something new because of the brand and its values

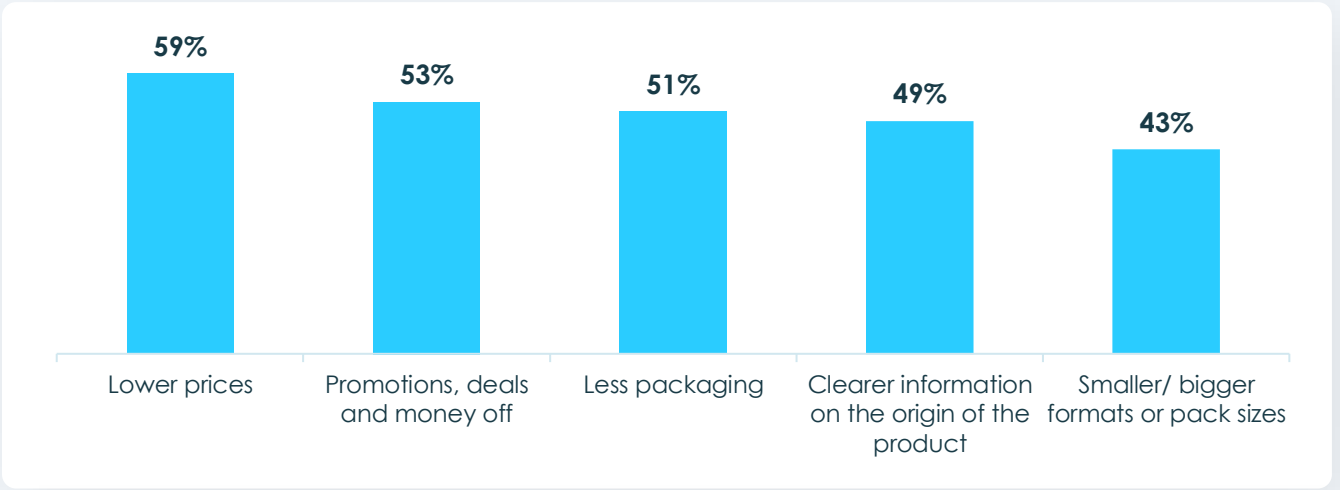
Reasons for trying new brands/ products/ services:



Food & drink companies

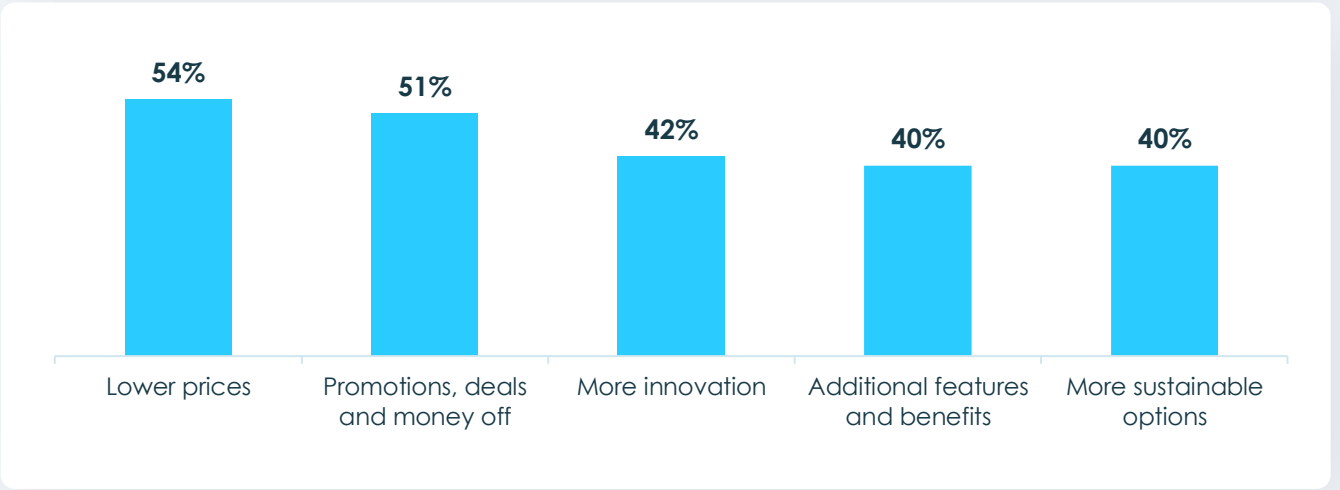
After price factors, half of consumers would like to see more food and drink products with less packaging, and clearer information on origin

Top 5 aspects that consumers want to see more from brands & manufacturers:



Technology, electronics, gadgets companies

Innovation, additional features and benefits, and more sustainable options are most important for tech



When choosing brands…

consumers place most importance on fair prices, high quality products/services, and brands listening to customers.

When considering which brands to buy/use, how much importance do you place on the following? Brands should… [Top 5]

87% Have fair prices

83% Provide high quality customer service/support

85% Have high quality products/services

77% Have innovative products/services

84% Listen to their customers

74%

of global consumers find it important that brands **care about their role and contribution to society**

Consumers care about brand accountability and brand values.

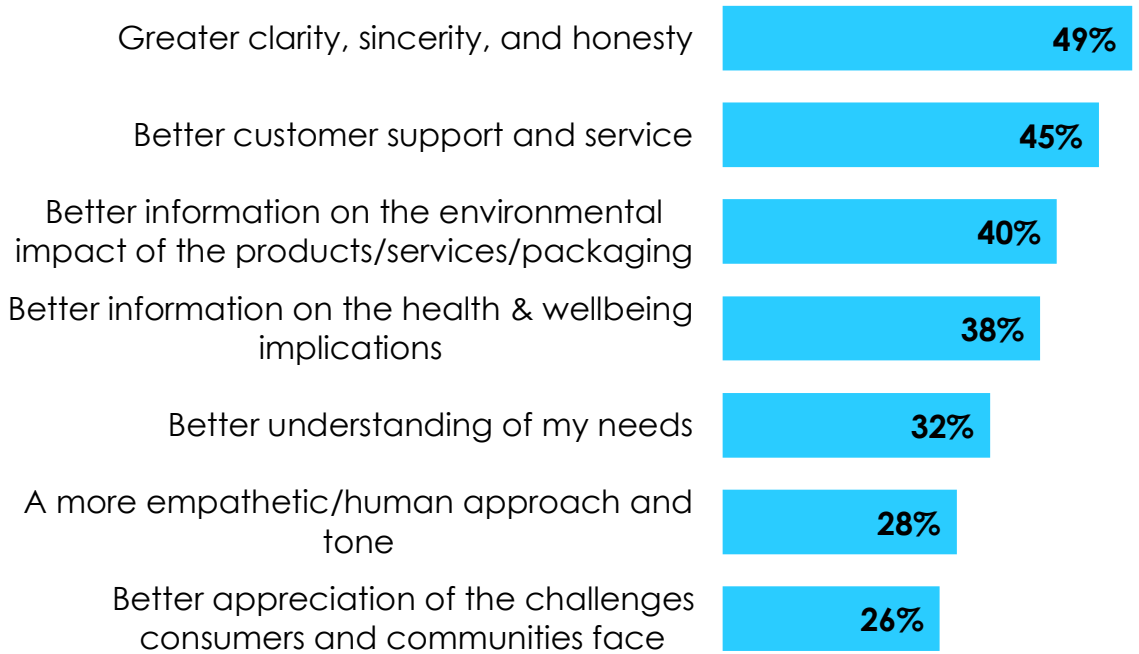
79% Of global consumers believe that brands should be **accountable** to consumers

61% Of global consumers go out of their way to engage with brands that **align with their values**

49%

Of global consumers want to see **greater clarity, sincerity, and honesty** around products and services

How can brands better communicate with and inform consumers?



Around 7 in 10 globally consider it important that brands align with their values around the environment and social responsibility

Importance of environmental & societal factors when choosing which brand to buy:

74% Brands implementing policies which benefit the environment

72% Brands having products/services that support environmental/societal change

71% Brands aligning with my evolving values on environmental and societal aspects

2 in 3

Consumers say they like to **make a difference** to their community and the world

More than half of consumers…

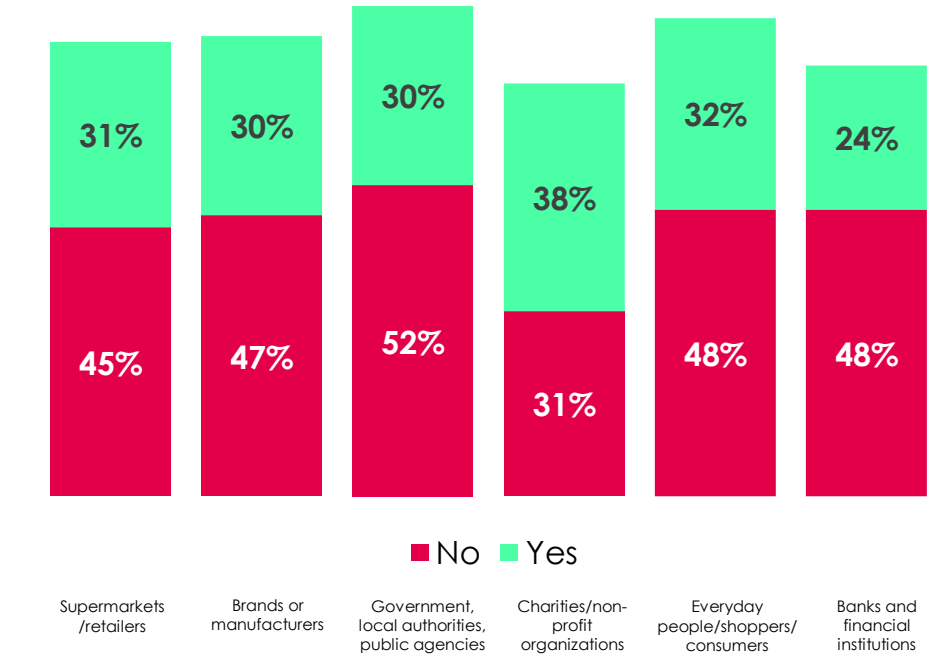
globally believe that positive changes regarding the climate crisis should be the responsibility of **brands or manufacturers**

71%	Government, local authorities, public agencies
56%	Brands or manufacturers
55%	Everyday people/ shoppers / consumers
41%	Supermarkets / retailers
32%	Banks and financial institutions
25%	Charities / non-profit organisations

Globally, consumers don't believe that companies are doing enough to support environmental issues

52%

Of global consumers believe that **government and local authorities** are not doing enough to support environmental issues



Around 3 in 10 consumers

believe that institutions are being ambitious enough with climate change targets; a similar amount trust that they will keep their promises

'Yes': Institutions are being **ambitious enough** with their future targets around climate change		T2B: **Trust institutions to keep to their promises**/ targets around climate change and emissions	
34%	Brands or manufacturers	**35%**	Brands or manufacturers
36%	Government, local authorities, public agencies	**33%**	Government, local authorities, public agencies
27%	Banks and financial institutions	**29%**	Banks and financial institutions

73%

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

64%

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

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