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January 2023: Wave 21 Global Consumer Barometer

Understanding the Outlook of Global Consumers in 2023

Toluna - Helping you Make the Right Decisions, Faster.

Expertise and Service

We incorporate our best thinking into our platform and can offer custom consultancy service when needed.

Technology

Cutting-edge research capabilities through our **Toluna Start platform** and ongoing tech innovation.

People

The world's largest social voting community. More than 40 million strong. 70+ markets.

WAVE 21: 18 Markets

Fieldwork took place between 6th – 13th January 2023

- 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.
- India and Thailand are new markets added for Wave 21

Market	Completed Interviews
 UK	1023
 France	1010
 Germany	1004
 Italy	1011
 Spain	1018
 US	1007
 Brazil	1015
 Australia	1017
 Singapore	500
 Japan	1005
 Korea	1005
 China	1027
 UAE	507
 New Zealand	510
 Mexico	1007
 Saudi Arabia	508
 India	503
 Thailand	502



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Summary

Consumer Sentiment

Life Satisfaction Continues to Improve

+6pts compared to January 2022

Consumer Confidence in Spending is Low

Only **27%** globally are confident spending money (+3pts since January 2022)

Expectations for Improvement by End of 2023

35% believe their personal financial situation will improve in the next three months

44% believe it will improve by the end of 2023



Holiday Season

59%

tried to save over the holidays given the economic uncertainty

31%

were very concerned about being able to afford the recent holiday season

25%

of people are **very concerned** about paying off debts from their spending during the recent holiday season

Consumers saved more and earlier than normal because of the rising cost of living:

- 53% **tried to spend less** than normal/previous years
- 40% started **saving earlier**

Consumers were also worried about availability of items:

- 32% **bought earlier this year** compared to normal/previous years due to concerns about stock shortages



Universal Impact of Rising Cost-of-Living

69%

agree that rising energy and living costs are impacting their spending

60%

are putting off big life expenditures until the economic / financial climate is more stable

Savvy Shopping:

- Consumers are most likely to **reduce unnecessary purchases (52%)**, **compare prices (37%)** or **visit more stores in search of value (31%)**

Leisure Spend Cutbacks:

- Consumers are most likely to cut back spending on social activities to help manage finances:
 - 32% Eating out
 - 22% ordering a takeout
 - 20% Going to bar/pubs
 - 20% Going on holiday abroad

Direct Impact on Consumer Health & Well-Being



The effect of the cost-of-living crisis:

34% of consumers are experiencing higher levels of stress due to the higher cost of living.

50% agree that the rising cost of living is impacting their health and well-being

Expectations for 2023

35% expect to be more satisfied with their personal health and wellbeing by the end of 2023

Consumers expect to increase spending on:

- Healthcare, generally
- Vitamins and supplements
- Personal care and hygiene



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Consumer Confidence

Globally, 'Life Satisfaction' has improved 6pts compared to this time last year...

47%

of global consumers report feeling very satisfied with their life over the last two weeks (+6pts vs January 2022)

60%

in the Americas, led by Mexico (72%)

46%

in APAC & MENA
→ **68%** in UAE
→ **65%** in Saudi Arabia

39%

in Europe



Optimism is high in some regions, but lowest in Europe

44%

Of global consumers report feeling very optimistic about the future

30%

In Europe → **40%** in Germany

46%

In APAC & MENA
→ **74%** in UAE
→ **70%** in India

64%

In the Americas



However, consumers are still cautious with their finances

JUST
27%

Of global consumers say they are very confident spending money over the coming months given the cost of living

- **35%** in the Americas
- **16%** in Europe

WAS
24%

+3pp since January 2022

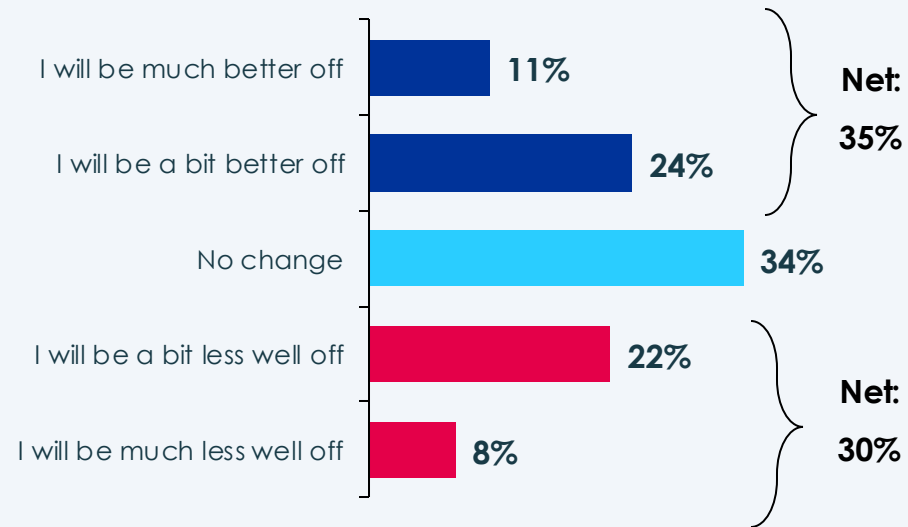


41%

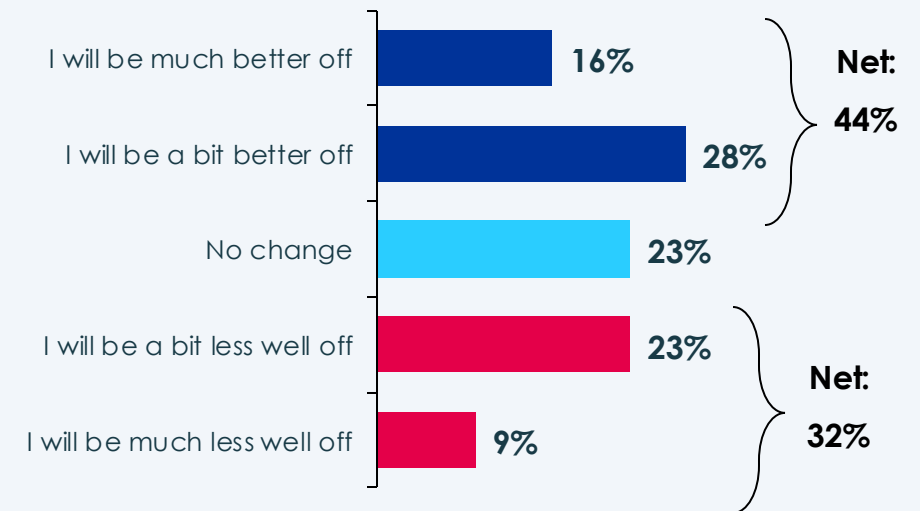
Of global consumers are **very concerned** about their personal financial security given current global and economic circumstances

35% of global consumers believe their personal financial situation will get better in the next three months, and 44% believe they will be better off by the end of 2023.

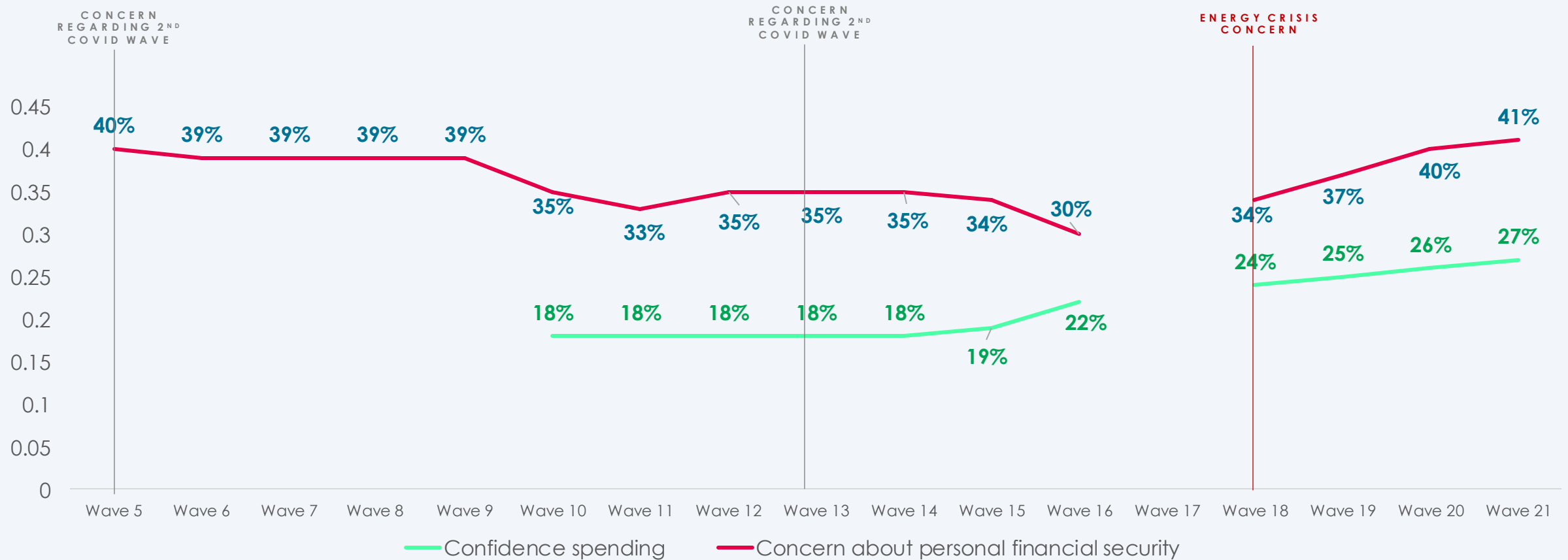
Financial situation in the next **3 months**



Financial situation by the **end of 2023**



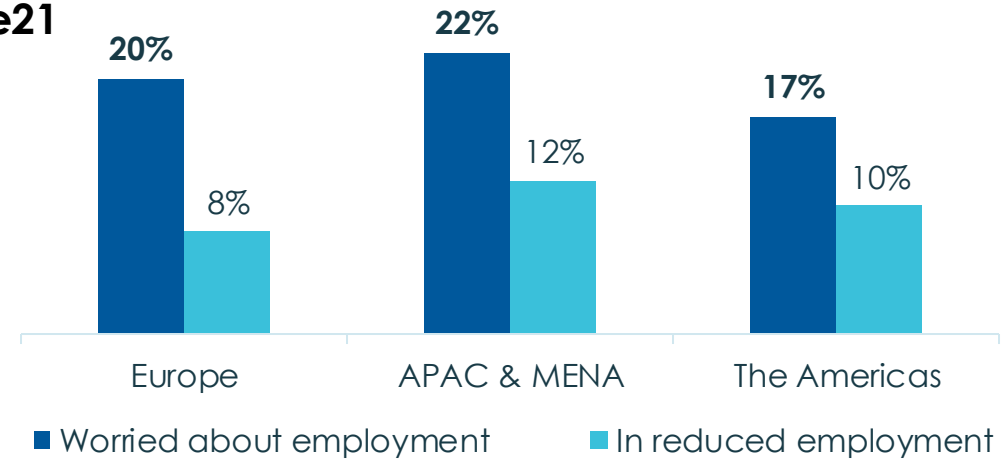
Consumers are increasingly concerned about their personal financial security, yet confidence in spending is slowly rising



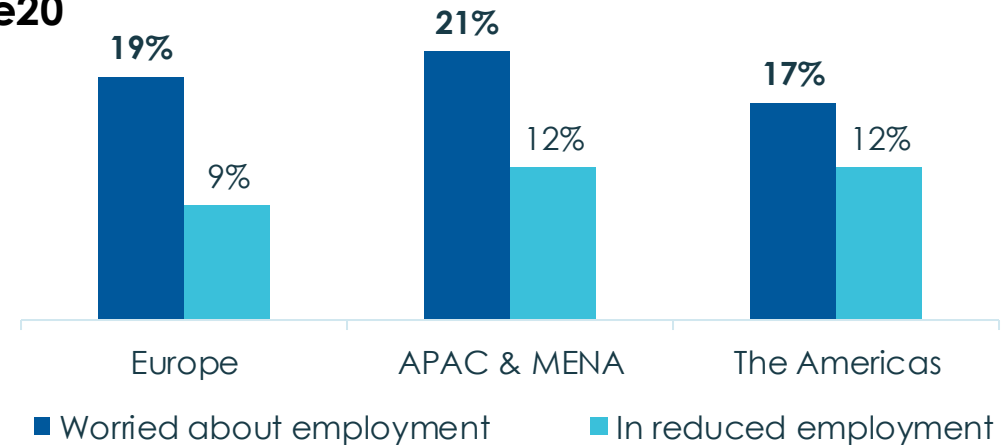
35%

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

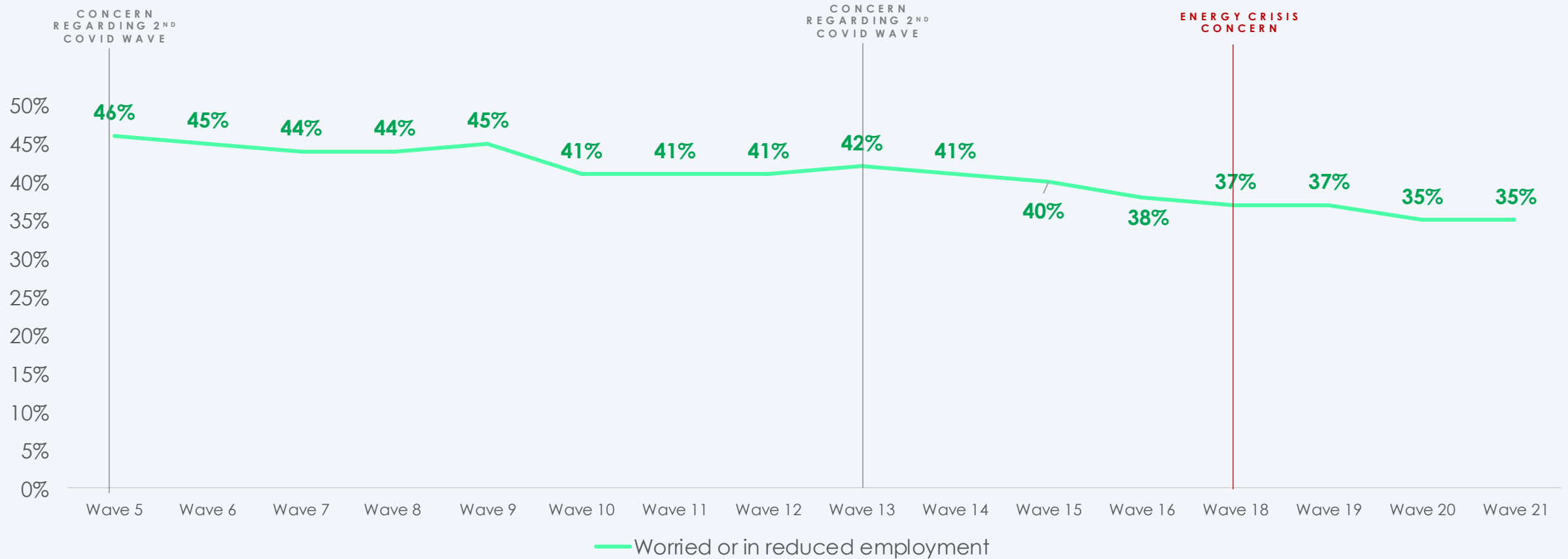
Wave21



Wave20



Consumers feel less worried about their employment since the pandemic, but the proportion remains sizeable



Utility bills are seeing the sharpest expected increases

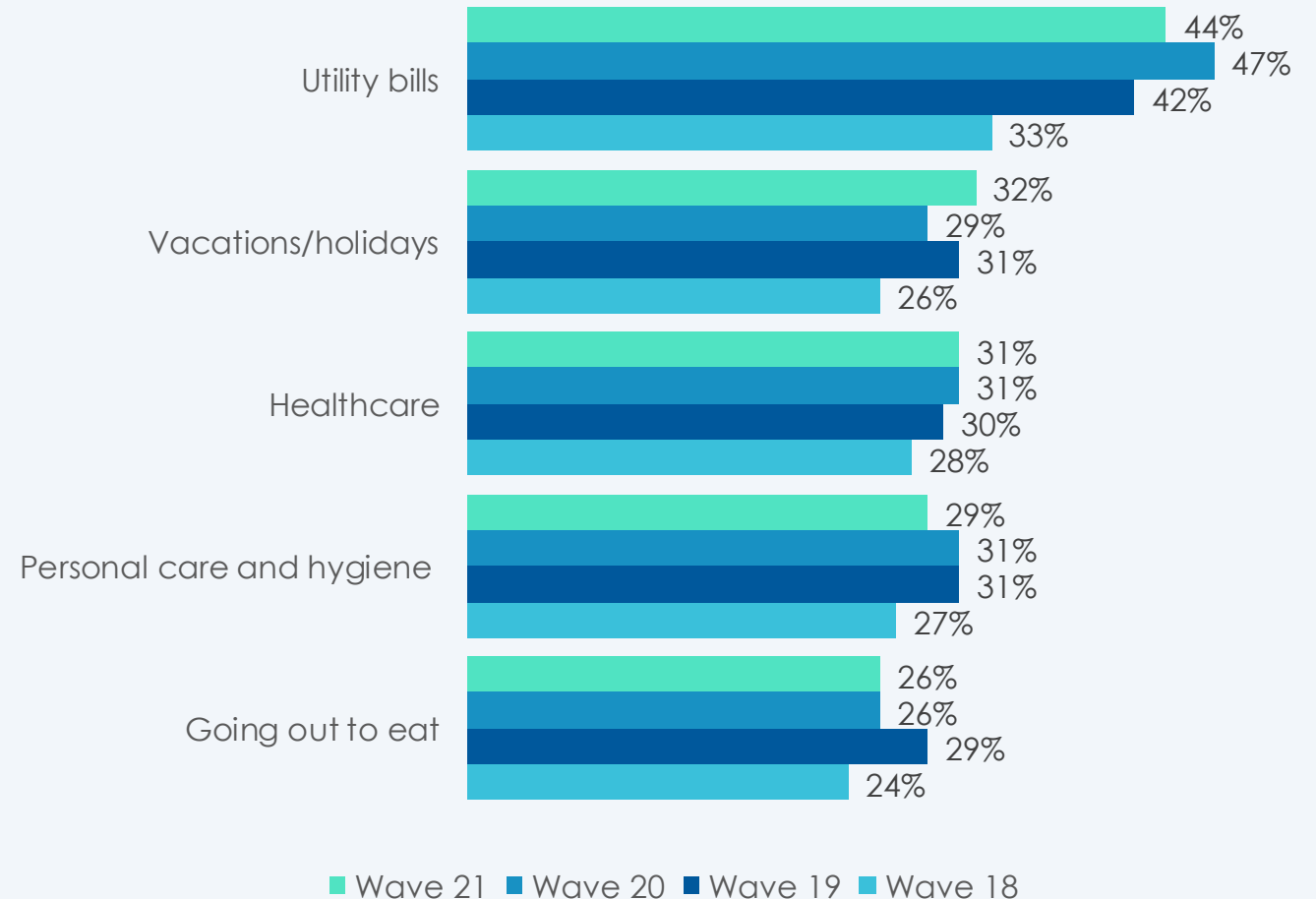
The top areas in which consumers expect to spend **more money** this year are:

Utility bills

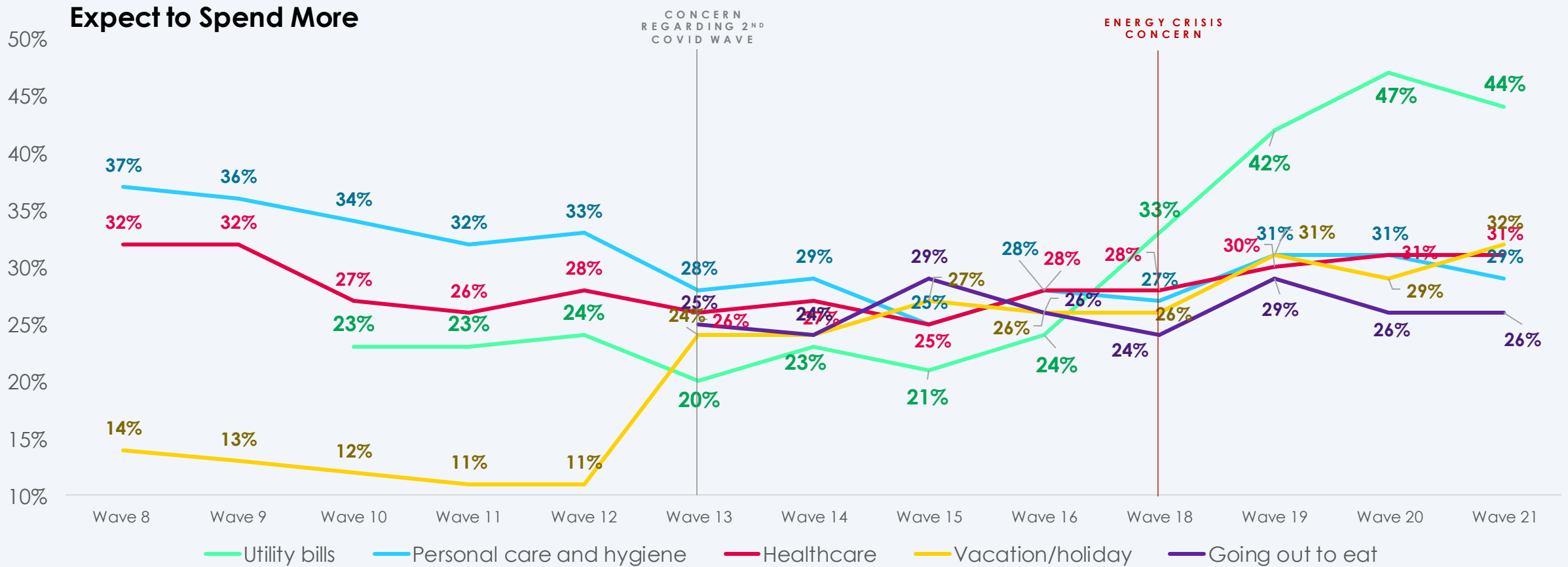
Vacations/holidays

Healthcare

Expect to Spend More



Since the energy crisis, utility bills have seen the sharpest expected rise in spend





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The Holiday Season

Consumers shopped earlier for the 2022 Holiday Season

32%

Bought **earlier this year** compared to normal/previous years due to concerns about stock shortages

30%

Shopped around to get the gift they wanted because items were not readily available

23%

Struggled to buy the gifts they wanted to this year due to **stock issues**

22%

Paid more to get the gift they wanted because items were not readily available



Most consumers made an effort to save for the holidays

59%

Of global consumers tried to save given economic uncertainty

(+1pp since Jan 22)

28%

Were not concerned about spending/spending more

(-4pp since Jan 22)



3 in 10 saved more this holiday season than previous years

31%

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

30%

Saved more for the holiday season than previous years

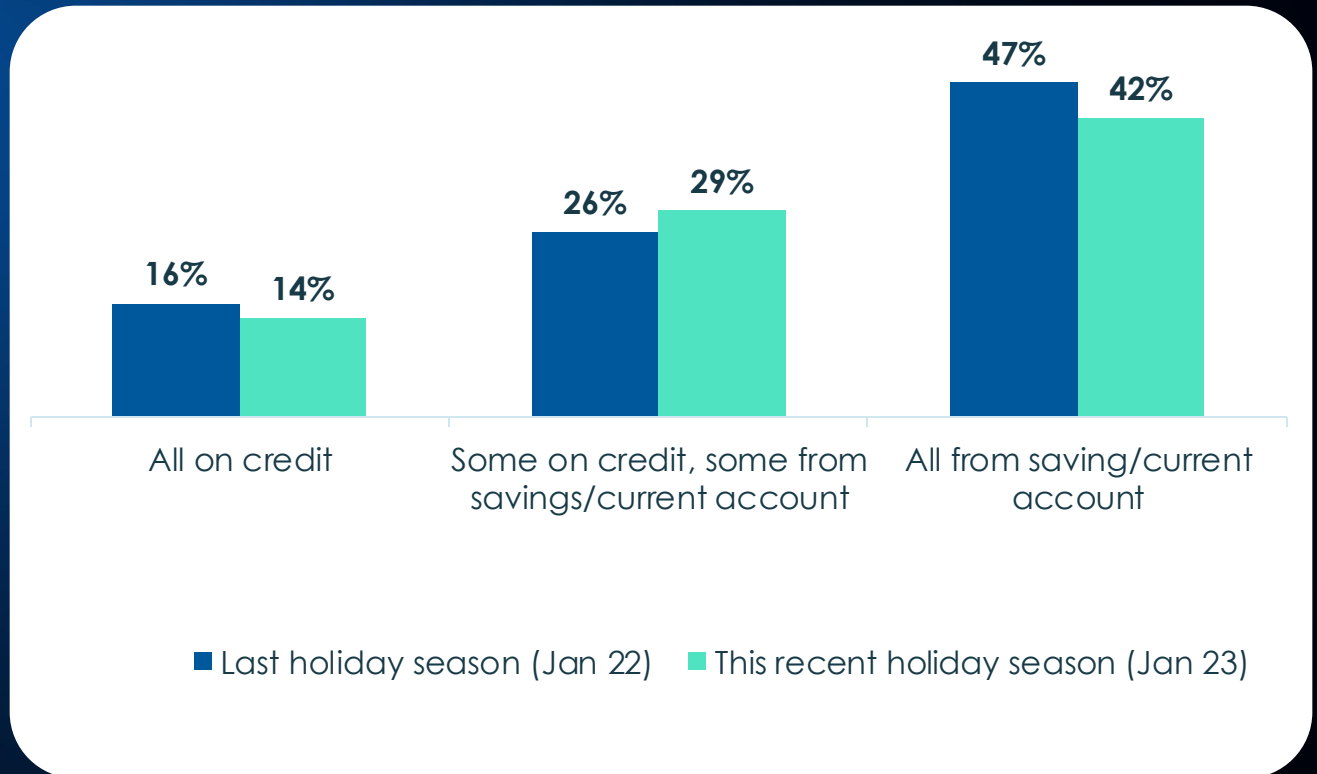
43%

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



Globally, consumers paid for the holiday season in a similar way to last year, with a combination of credit and savings/current account

Payment for the holiday season

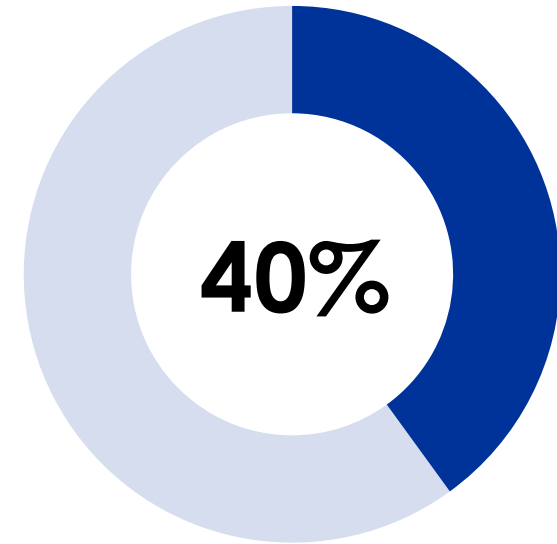


25%

Of global consumers are **very concerned** about paying off any debts from their spending during the recent holiday season

53%

of global consumers **tried to spend less** than normal over the holiday season given the rising cost of living



started saving earlier for the cost of the holiday season this year for the same reason

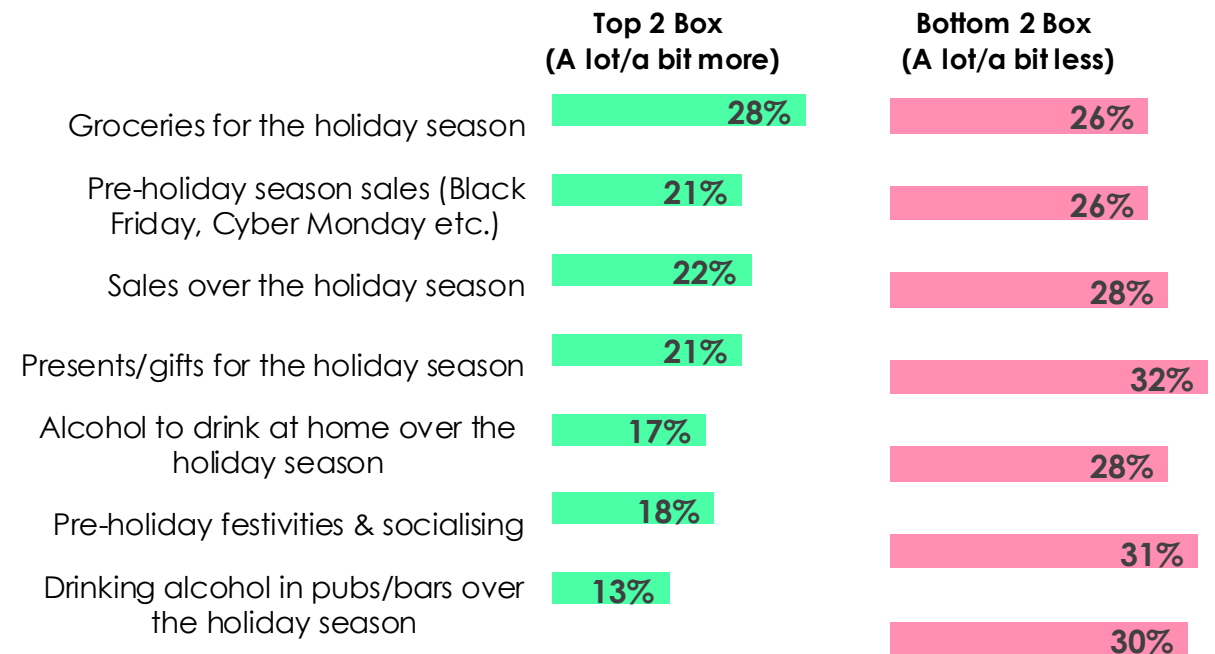
Compared to a normal year, consumers were mostly likely to cut back on:

Presents/gifts

Pre-holiday festivities

Drinking alcohol in pubs/bars

Spending over the holiday season



Those who spent more on gifts in 2022 cited that items were more expensive—while those who spent less attributed it to the cost-of-living crisis.

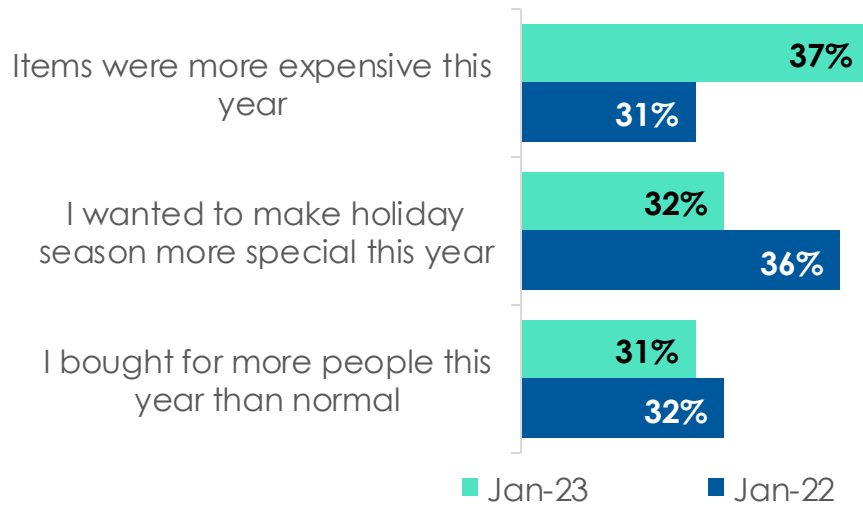
21%

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

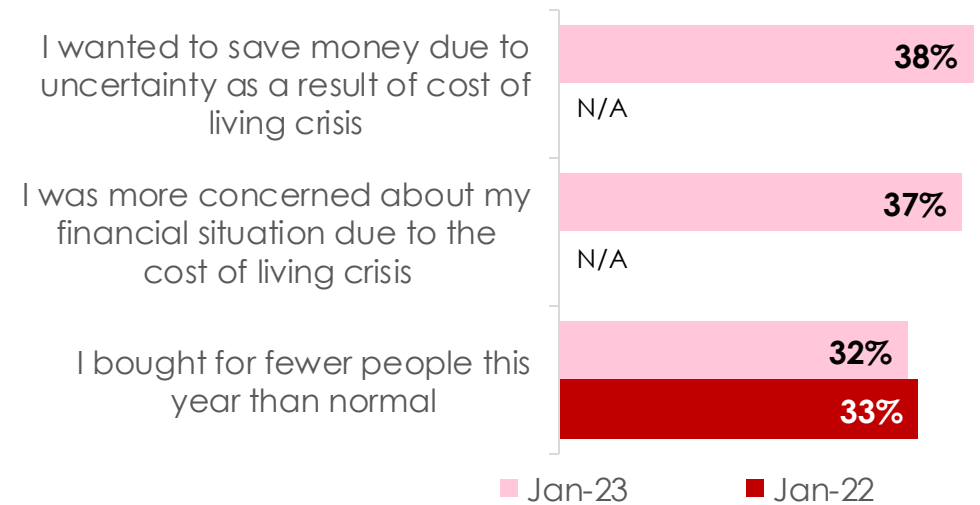
32%

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

Top 3 reasons for spending more on gifts in 2023



Top 3 reasons for spending less on gifts in 2023



Impact of environmental and social issues when buying gifts:

Strongly agree/agree (T2B)

36% Were more concerned about **sustainability/environmental** issues when buying gifts in 2022

35% Were more concerned about **social/ethical responsibility** when buying gifts in 2022



The Impact of the Rising Cost-of-Living

69%

Of global consumers agree:

*“The **energy crisis** and rising **cost of living** is impacting my spending plans.”*

86% In Thailand

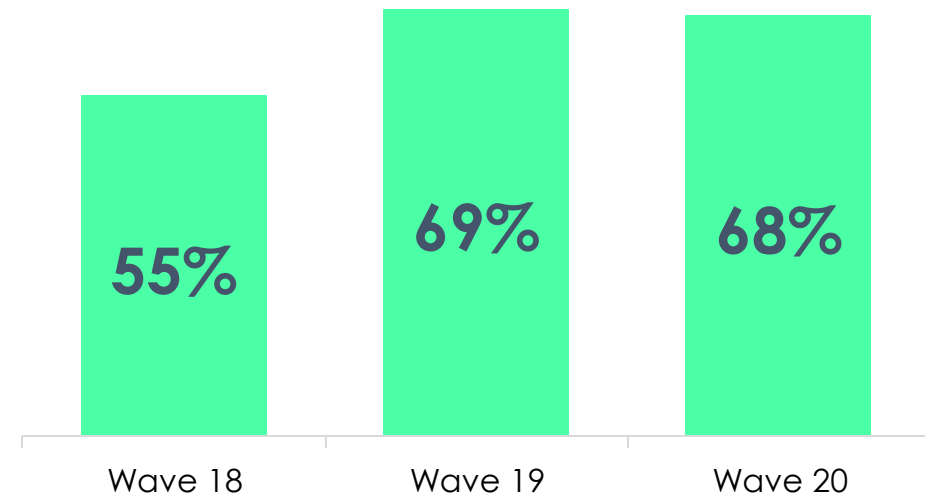
73% In Saudi Arabia

77% In India

72% In Spain and UAE

74% In Singapore

Since January 2022 (Wave 18), concerns around the energy crisis have notably increased



Consumers plan to save money by reducing energy and water usage in the coming months

63%

Turning the lights off
whenever possible
(+5pp since last wave)

41%

Taking shorter showers to
reduce water usage
(no change since last wave)

39%

Reducing the target
temperature of heating
(+4pp since last wave)

32%

Using eco/cold washes
on washing machines
or dishwashers
(+3pp since last wave)

26%

Programming laundry
during low tariff hours
(no change since last wave)

25%

Investing in smart
solutions to reduce
energy waste
(+1pp since last wave)

60%

Of global consumers agree that now is not the time to spend on big-ticket items

*"I am putting off **big life expenditures** until the economic / financial climate is more stable."*

63%

In the Americas, driven by Brazil (72%)

59%

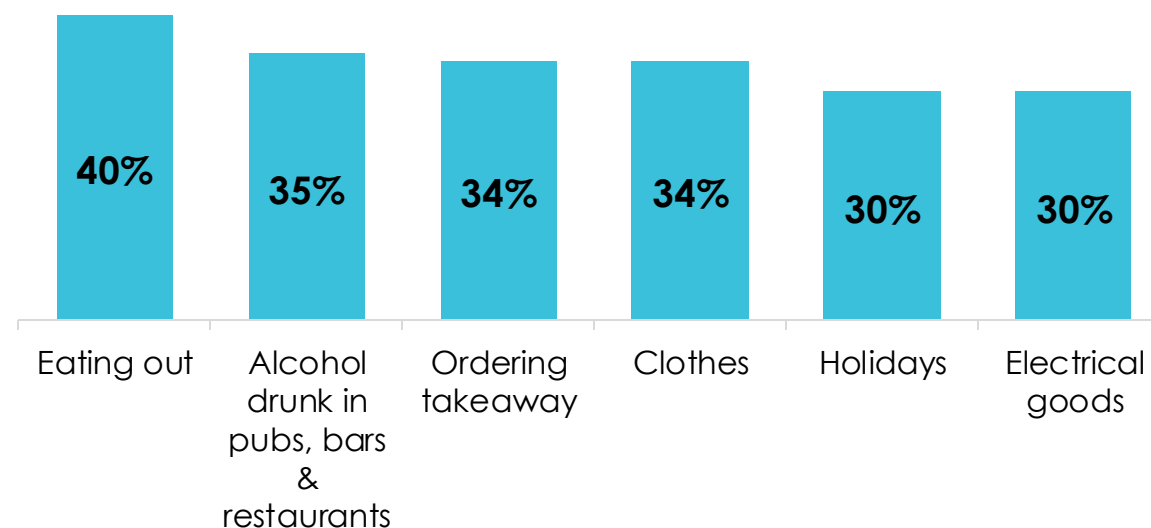
In Europe, APAC, and MENA

40%

of global consumers expect to spend less on eating out over the next few months

Beyond eating/drinking out, clothes, holidays and electricals also appear to be hard-hit as the cost-of-living crisis continues

Top areas consumers expect to spend less on over next 3 months



84%

Of global consumers are experiencing price increases in **fresh food**

WAS **81%** In Wave 20

In order to manage cost-of-living increases over the next three months, consumers are most likely to cut back on non-essential items

52%

Reduce unnecessary purchases
(+7pp since last wave)

37%

Compare prices
(online or offline)
(+6pp since last wave)

31%

Visit more stores in
search of value
(+1pp since last wave)

28%

Change supermarkets to
a cheaper alternative
(no change since last wave)

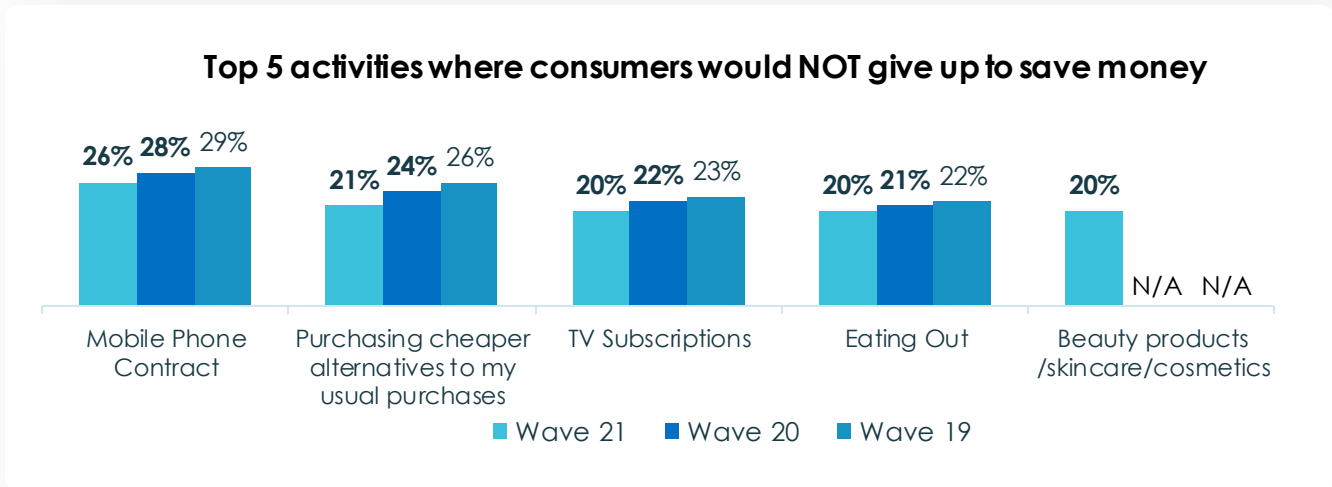
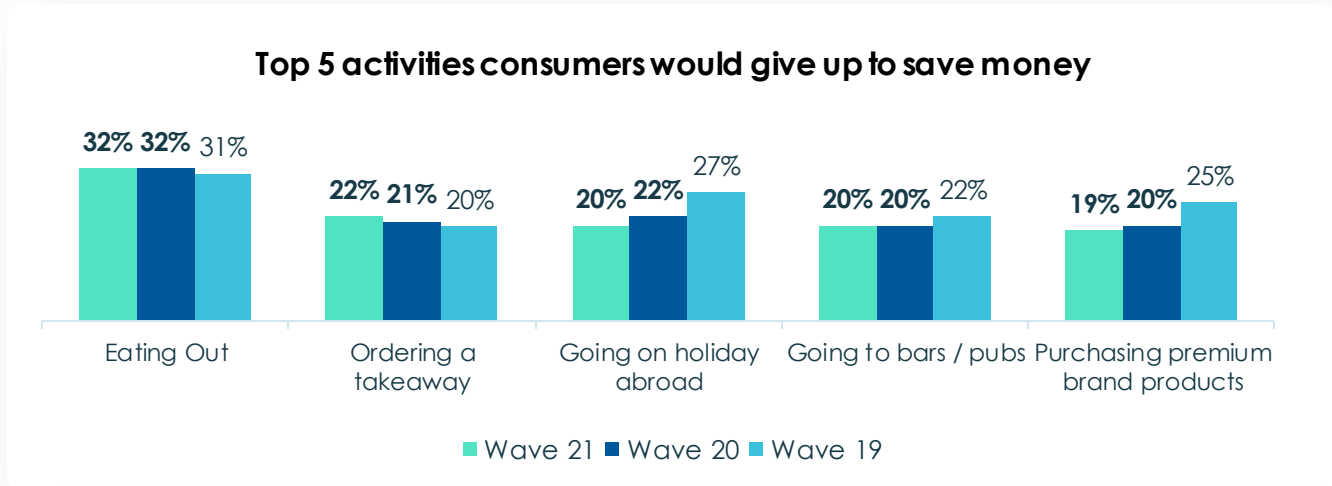
27%

Buy own-label products
(no change since last wave)

25%

Shop more often to
avoid waste and get
the best deals
(no change since last wave)

Consumers are most likely to give up **social activities** to save money



Cost-conscious consumers are least likely to give up **phone contracts**



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Impact on Consumer Health & Well-Being

50%

agree that the rising cost of living is impacting their health and well-being

*“The **rising cost of living** is impacting my health and well-being.”*

75% In Thailand

73% In India

64% In Saudi Arabia

63% In Singapore and UAE

35%

expect to be more satisfied with their personal health and well-being by the end of 2023



Due to the current climate, people are feeling more stressed

34%

I feel **more stressed**
(+1pp since last wave)

21%

I'm **buying fewer** items
to **support my health**
(+1pp since last wave)

20%

I'm **eating less healthy**
(+1pp since last wave)

18%

I'm getting **less exercise**
(-1pp since last wave)

16%

I'm **less health conscious** because I
have other priorities
(no change since last wave)

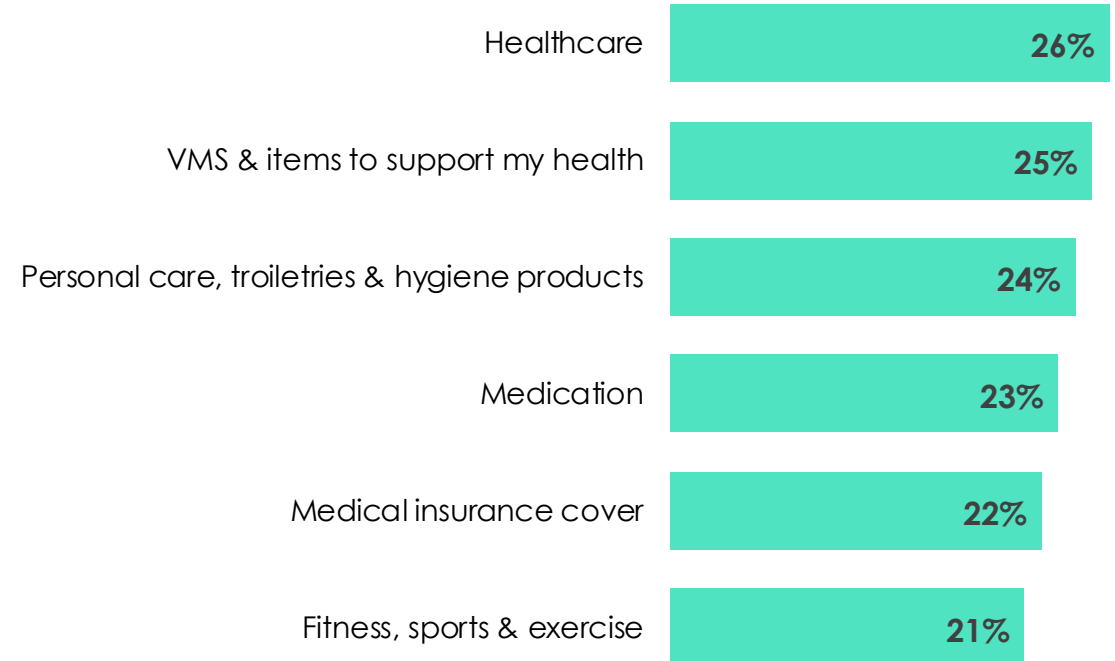
The top areas consumers expect to spend more in the next three months are:

Healthcare

Supplements & items to support my health

Personal care & hygiene products

Areas consumers will spend more: [Top 2 Box – Spend a lot more/ a bit more]





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Brand values, ethics, and social responsibility



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

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

Positive environmental and social activities

remain highly important in determining whether consumers will use a brand (70%)

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

Shoppers still care about brand accountability and brand values

76%

Of global consumers feel satisfied when they make **socially responsible** choices

68%

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

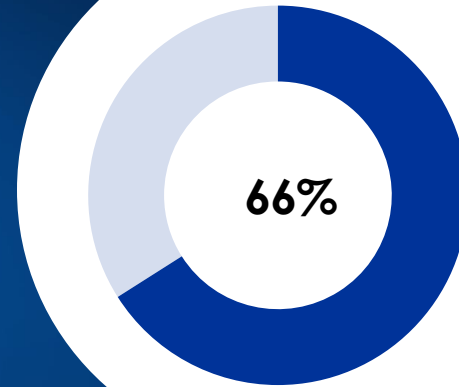
64%

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

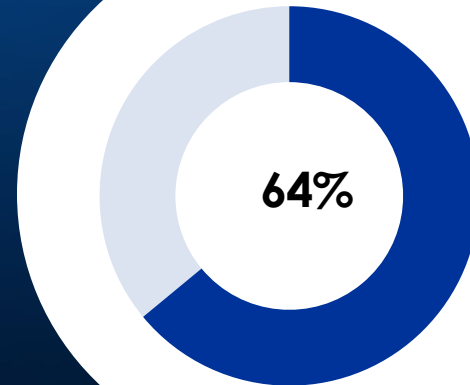


70%

of global consumers would start using a brand—or use it more—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**

76%

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

66%

Would never invest in a product if it was detrimental to sustainability

The THREE most important actions for brands to take:

66%

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

58%

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

55%

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



In summary....



Key Themes from Today....

Despite low consumer confidence, there are signs of optimism that things will improve by the end of 2023. For now, shoppers will continue to adapt behaviors & plan for financial challenges in the short term.



The cost-of-living crisis dramatically impacted people's outlook on saving, spending, and credit over the holiday season. Its associated debt is now a concern for 1 in 4.



Health & well-being continue to be negatively impacted by financial & social challenges. Again, we see optimism that this will improve by year end



