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How Consumers are Responding to the Cost of Living

Toluna Global Consumer Barometer: Wave 23



Research without limits

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 43 million strong. 70+ markets.

WAVE 23: 19 Markets

Fieldwork took place between
24th August – 4th September 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.

Market	Completed Interviews
Total	15,892
 UK	1,030
 France	1,022
 Germany	1,015
 Italy	1,045
 Spain	1,041
 US	1,061
 Brazil	1,053
 Australia	1,001
 Singapore	511
 Japan	1,020
 Korea	1,012
 China	1,001
 UAE	514
 New Zealand	501
 Mexico	1,021
 Saudi Arabia	516
 India	515
 Thailand	506
 Netherlands	507

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Global Summary

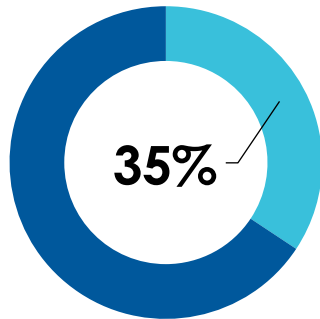
GLOBAL BAROMETER: WAVE 23

Consumer Sentiment

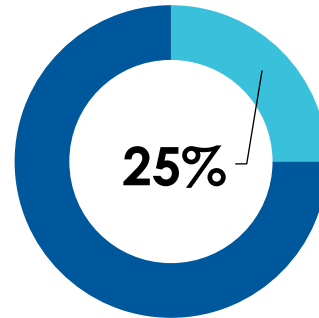
45%

globally feel very satisfied with their life over the past two weeks **+4pts YoY**

A third globally expect an improvement in their personal finances in the next three months



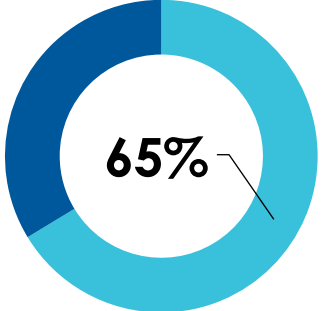
Consumer confidence in spending remains low and is down 2pts vs. last wave



are confident spending money

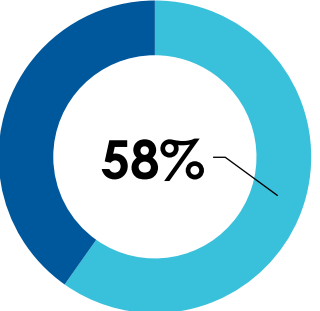


Universal Impact of the Rising Cost-of-Living



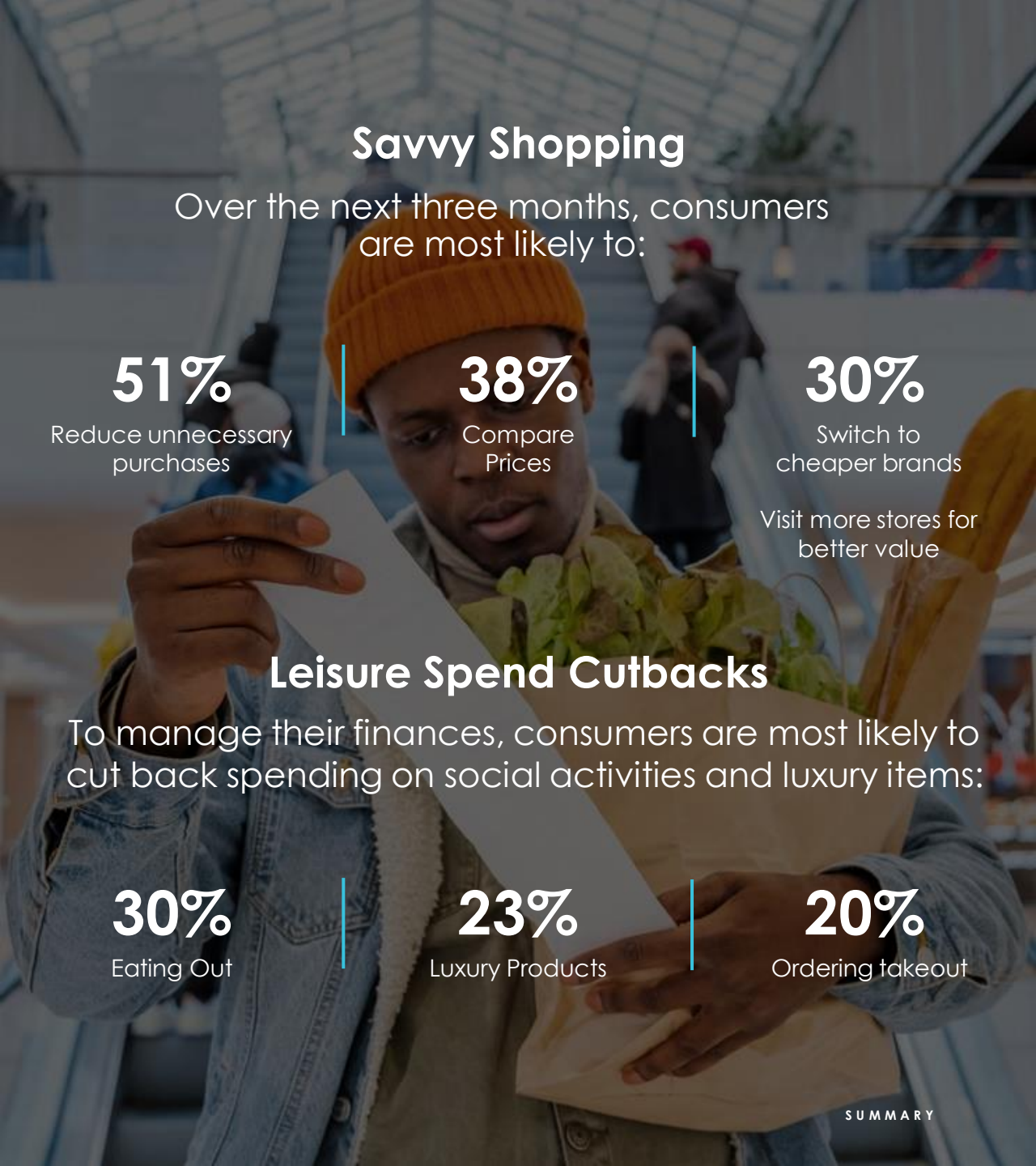
agree that rising energy and living costs are impacting their spending

-2pts since May '23



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

-3pts since May '23



Savvy Shopping

Over the next three months, consumers are most likely to:

51%
Reduce unnecessary purchases

38%
Compare Prices

30%
Switch to cheaper brands
Visit more stores for better value

Leisure Spend Cutbacks

To manage their finances, consumers are most likely to cut back spending on social activities and luxury items:

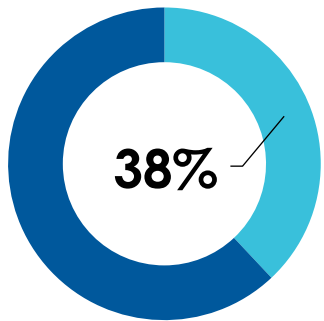
30%
Eating Out

23%
Luxury Products

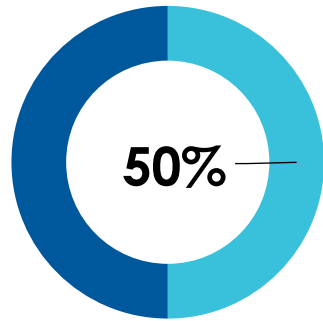
20%
Ordering takeout

Direct Impact on Consumer Health & Well-Being

The effect of the cost-of-living crisis:



are experiencing **higher levels of stress** due to the higher cost of living
+4pp since Jan 23



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

Despite global economic circumstances, Health is still important. Consumers are:

1. Focusing on their health and well-being
2. Eating better
3. Exercising

But they want more support from brands. Seven in ten think brands should provide...

1. A better range of healthy food and drink products
2. Better information on the health & well-being implications of their products

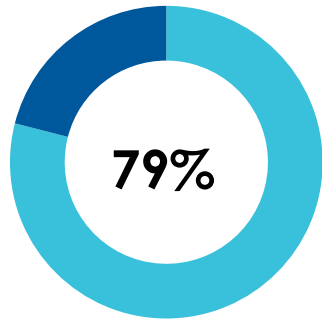
63%
are looking for more cost-effective solutions for health and wellbeing

59%
are buying more own brand health and wellness products

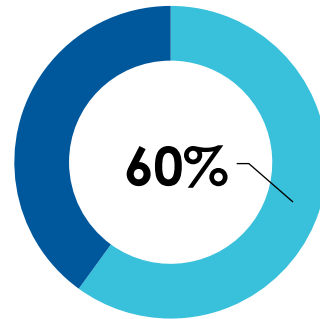
Being socially/ environmentally responsible remains key for brands

3 in 4

say brands being socially responsible is **equally or more important** to them now, **despite the current economic situation**



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



have **started using** a brand— or used it **more**—because of its **positive environmental and social activities**



64%

want to choose brands based on environmental and social factors, but *don't have enough information*

What actions should brands take?

Be **sincere and authentic** in what you do

Commit to reducing use of **plastic/ paper/ packaging**

Have policies that **benefit the environment and society**





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Consumer Confidence

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Consumer optimism for the future remains stable - and lowest in Europe

43%

Of global consumers report feeling very optimistic about the future
+2pts since August '22, -1pts since May '23

33%

In Europe

+1pt since May '23

42%

In APAC & MENA

-4pts since May '23

61%

In the Americas

-2pts since May '23



'Life Satisfaction' has increased 4pts since last year

45% of global consumers report feeling very satisfied with their life over the last two weeks
+4pts since August '22, -2pts since May '23

41% in Europe +2pts since May '23

43% in APAC & MENA -3pts since May '23

55% in the Americas -5pts since May '23



Consumers remain cautious with their spending, with confidence down 4pts vs. two years ago

JUST
25%

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

→ 18% in Europe
28% in APAC & MENA
33% in the Americas

WAS
26% -1pt since August '22

WAS
29% -4pts since Sept '21



Consumers still have concerns around their personal financial security

39%

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

-1pt since August '22

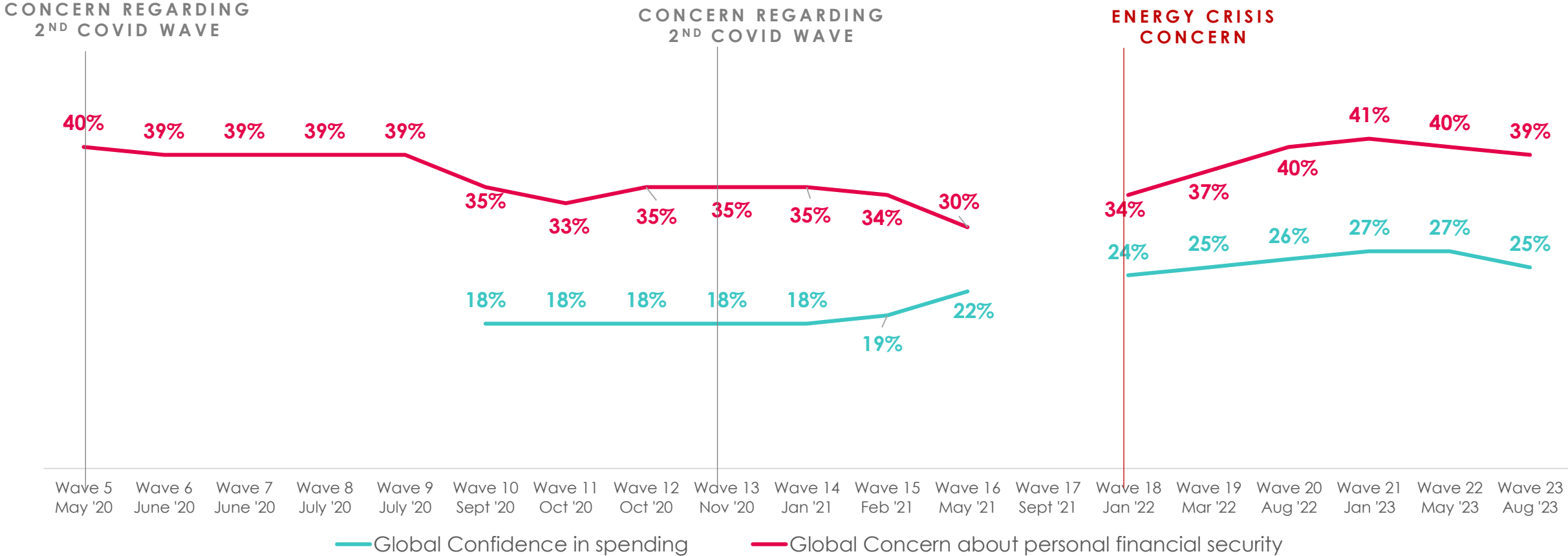
34% In Europe

35% In APAC & MENA

56% In the Americas

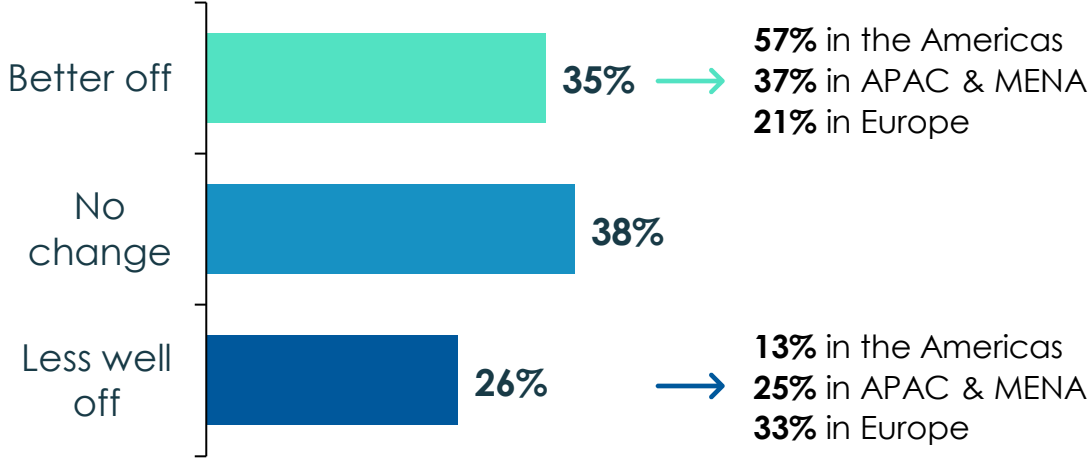


Confidence in spending remains ahead of the lows of the pandemic, but concerns over financial security are comparable



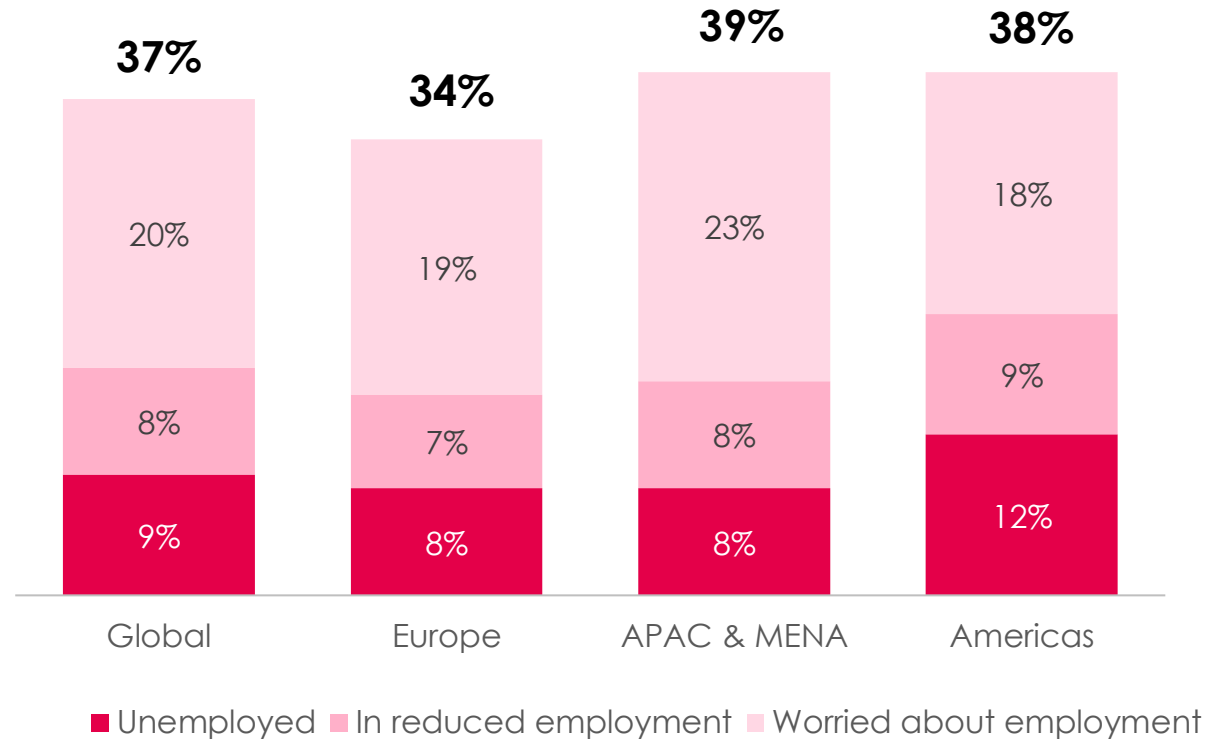
Globally, 35% expect to be better off in the next three months, but pessimism is equally prevalent in Europe

How will your personal financial situation change in the next three months?



37%

Are worried about their employment, in reduced employment, or unemployed



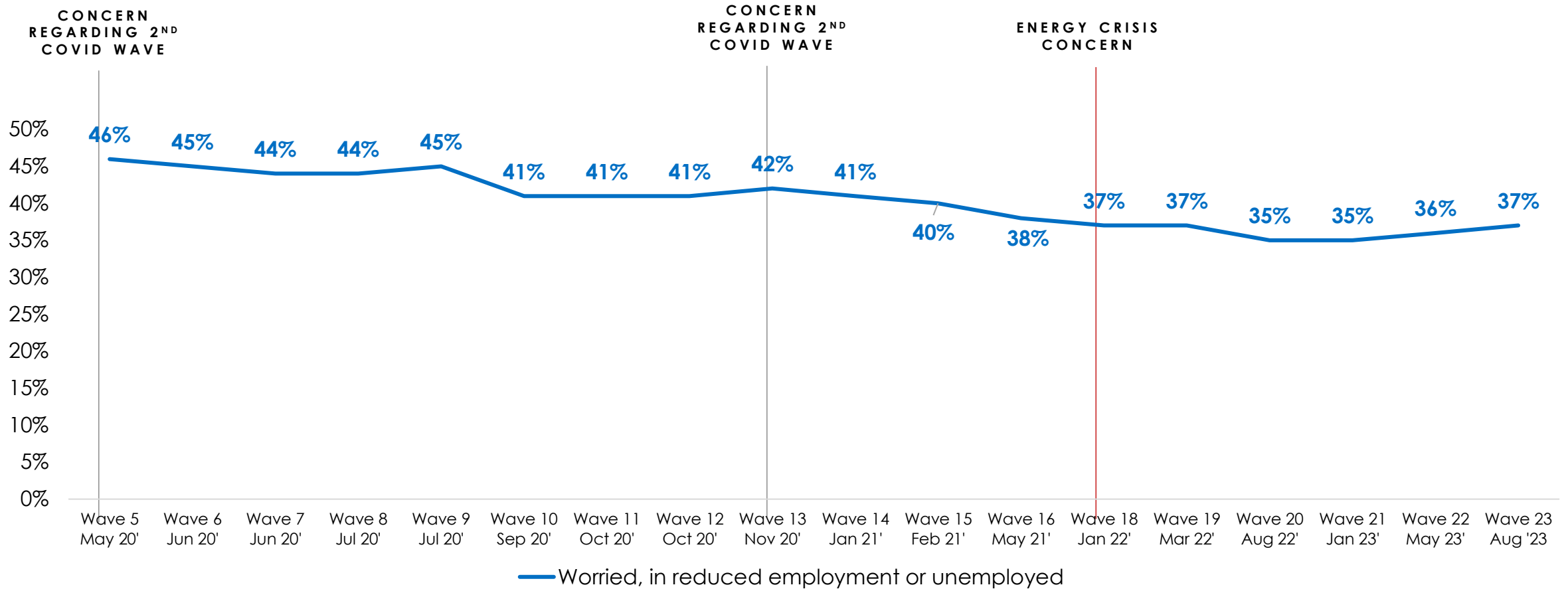
Globally, younger consumers are more likely to be worried/in reduced employment/unemployed

(43% of 18-44 vs. 30% of 45+)

Females are also more likely than males

(39% vs. 35%)

Employment concerns are slowly rising, yet still lower than the height of the pandemic



When asked which emotion best describes feelings about the future, consumers cited both hope and anxiety

23% Hopeful

21%

Europe

24%

APAC/MENA

27%

Americas

19% Anxious

18%

Europe

20%

APAC/MENA

21%

Americas



Overall, consumers are feeling...

44%


Positive

15%

Neutral

41%

Negative

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The Impact of the Rising Cost of Living

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65%

of global consumers agree:

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

In Europe

64%

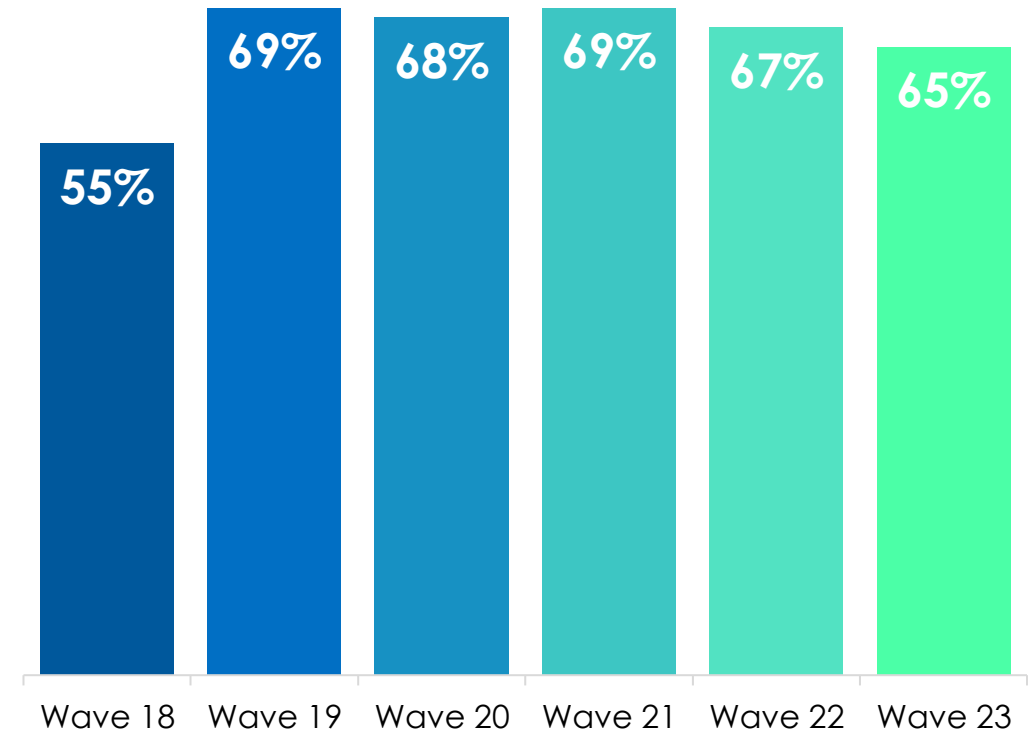
In APAC/MENA

67%

In Americas

64%

After a notable increase between wave 18 and 19 (January vs March 2022), the impact of the energy crisis on spending has remained high



58%

of global consumers agree

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

In Europe

56%

-5pts since May '23

In the Americas

62%

-1pt since May '23

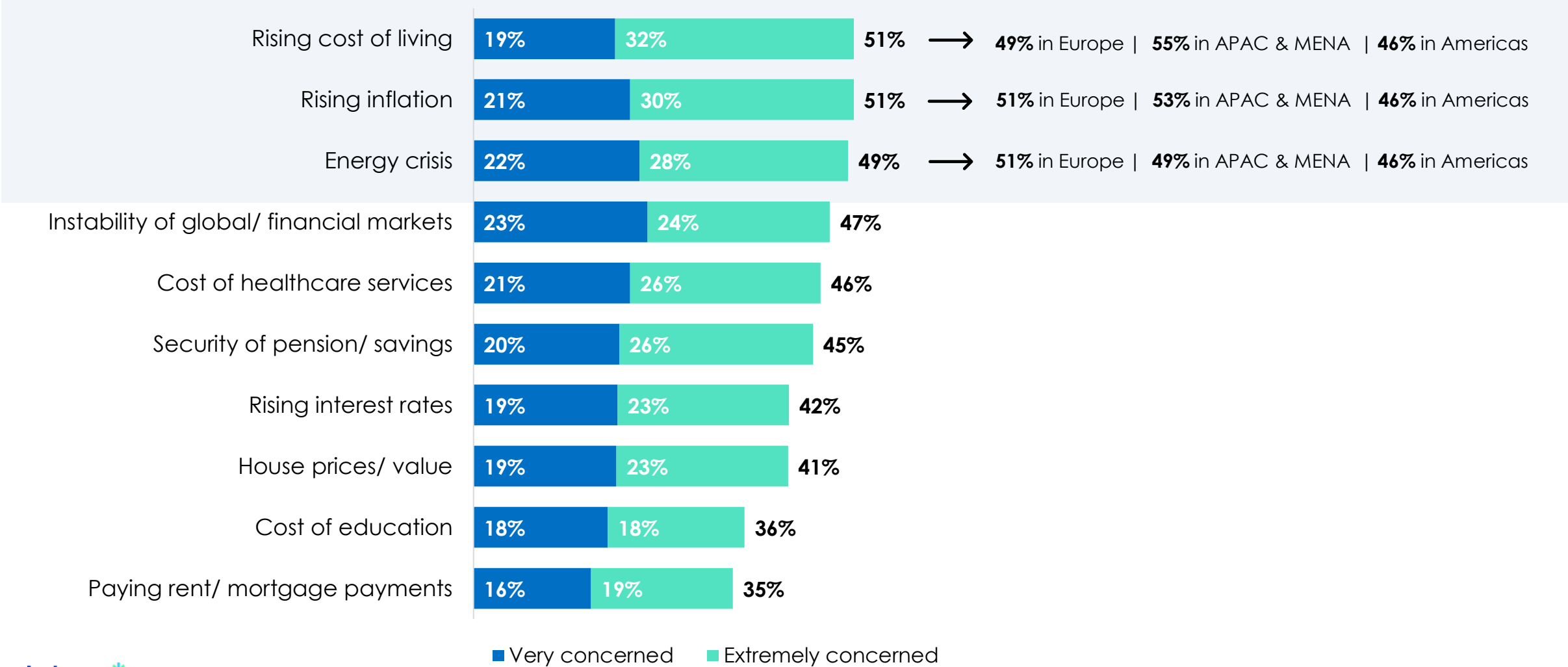
In APAC/MENA

58%

-2pts since May '23



Over half of global consumers express great concern over the rising cost of living, inflation, and the energy crisis



Consumers are trying to reduce unnecessary purchases and save money, especially in the Americas

44%

I plan to reduce unnecessary purchases

Highest in Americas (48%)

33%

The current economic/ financial climate is impacting my spending habits

Similar across regions

23%

I expect to have less disposable income over the coming months

Similar across regions

38%

I am trying to save more money due to economic uncertainty

Highest in Americas (44%)

24%

I expect to save less over the coming months

Highest in Europe (25%) and APAC & MENA (25%)

18%

I am worried about paying off debts

Highest in Americas (29%)

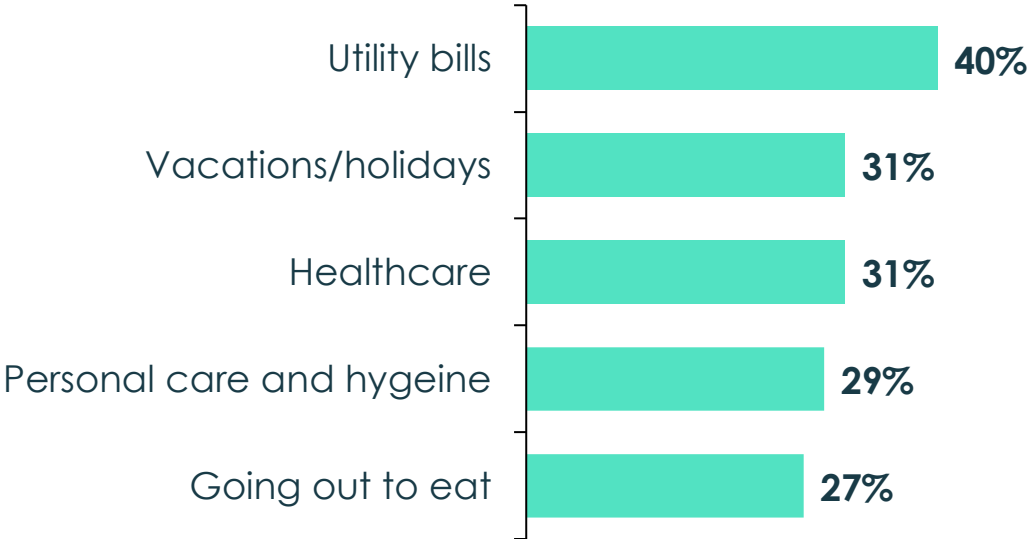


Consumers expect to spend more on utility bills, holidays, and healthcare compared to last year. Spending on luxury goods is most likely to decline.

Expect to Spend LESS in 2023 (Top 5)

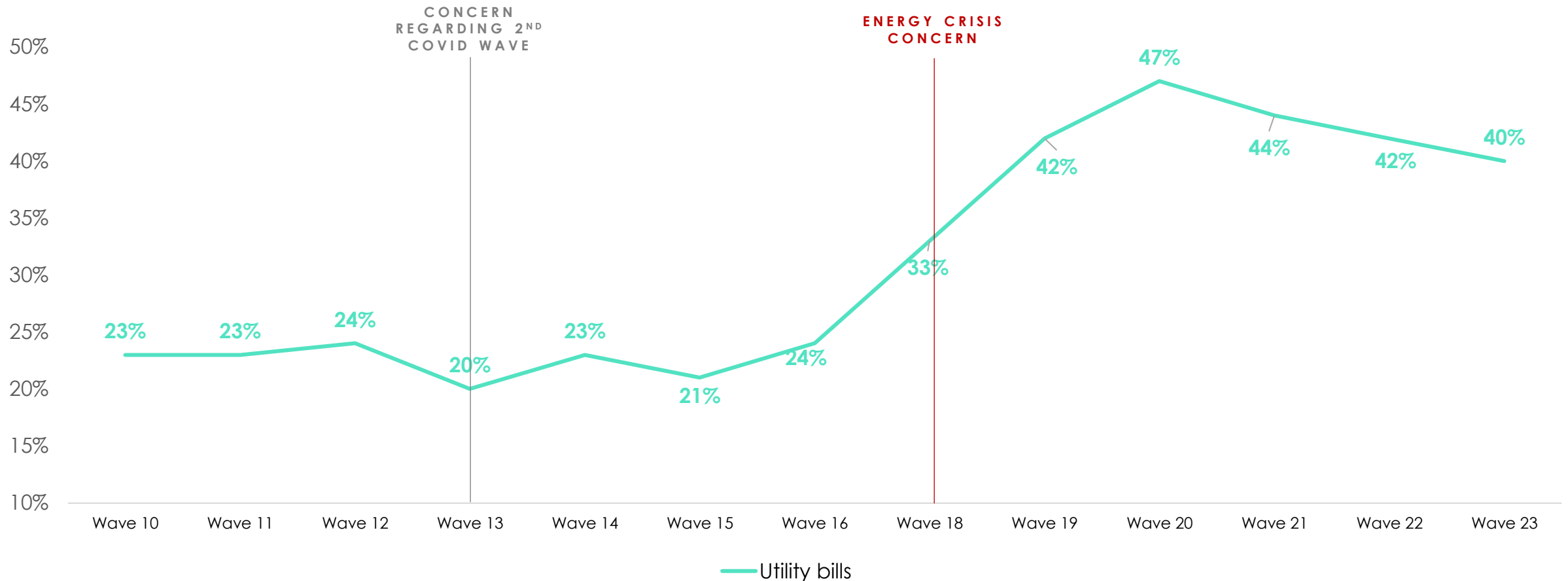


Expect to Spend MORE in 2023 (Top 5)



Expected utility bill spending continues to decline from the sharp rise after the energy crisis

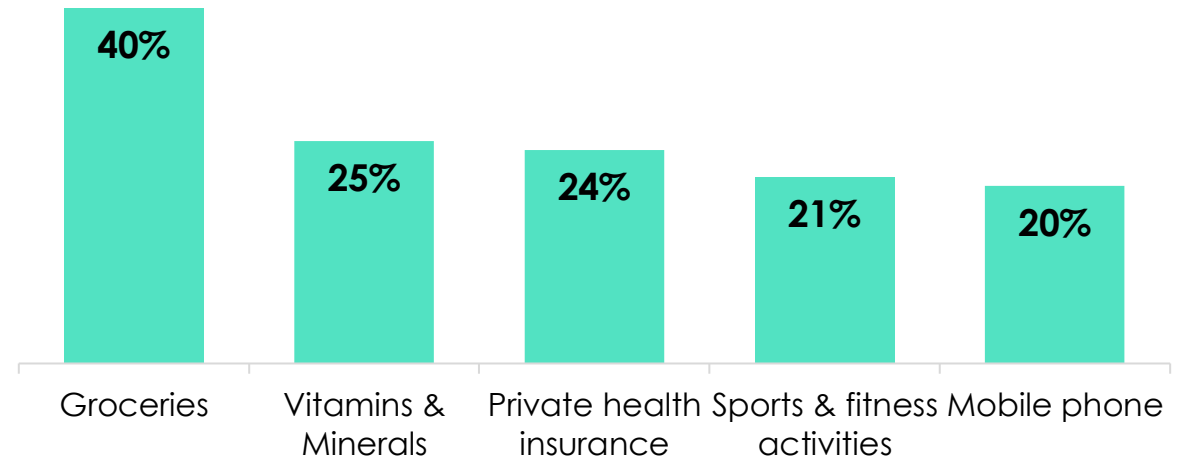
Expect to Spend More



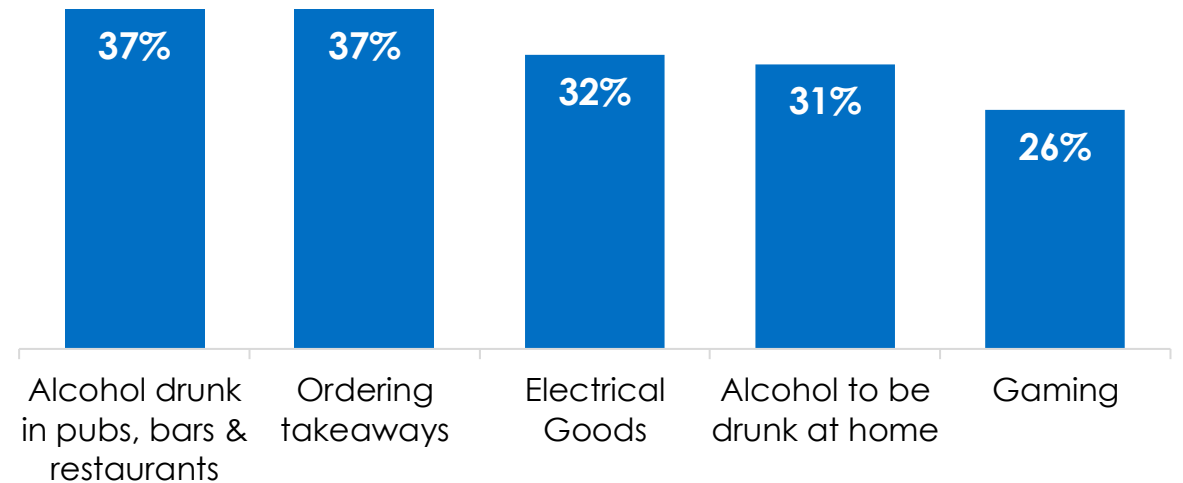
Nearly 4 in 10

expect to spend less on drinking outside the home and takeaways in the next few months

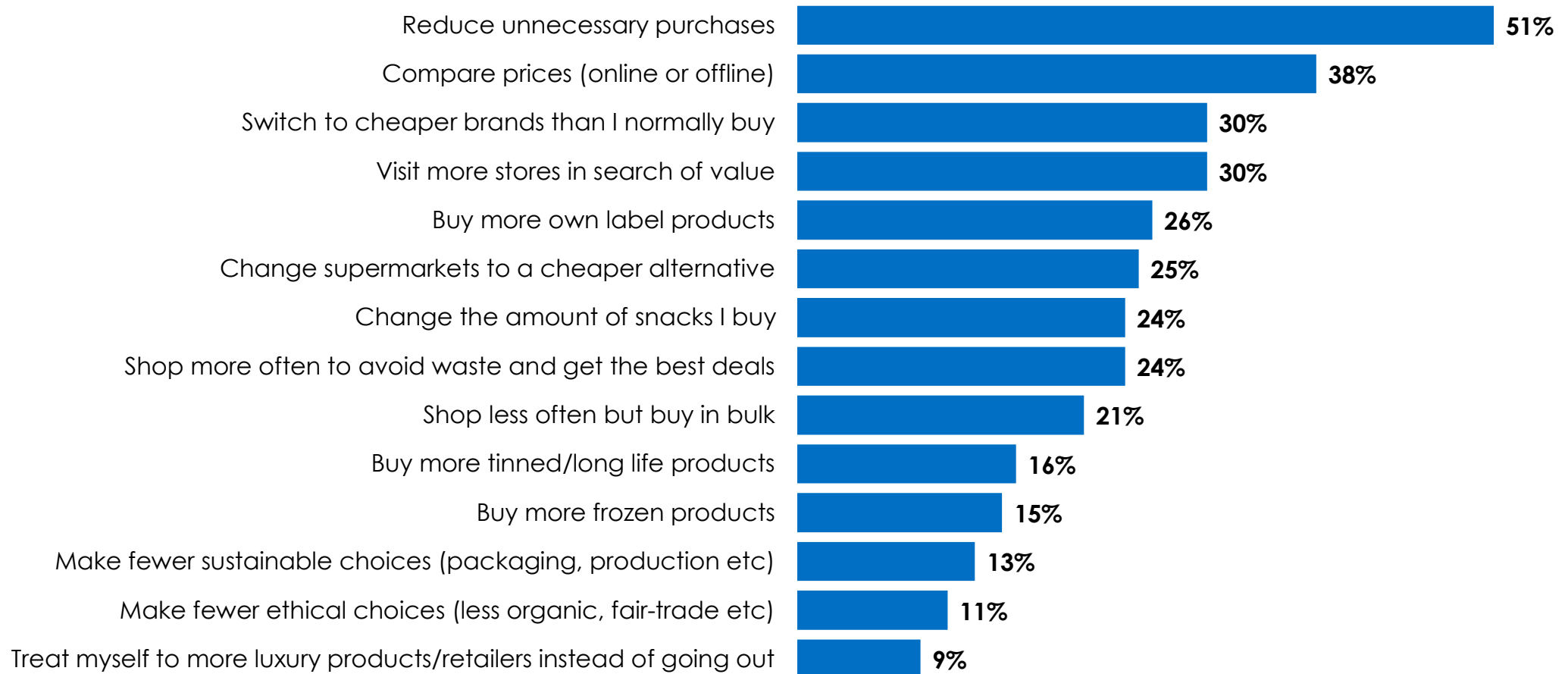
Areas consumers expect to spend more on over next 3 months



Areas consumers expect to spend less on over next 3 months

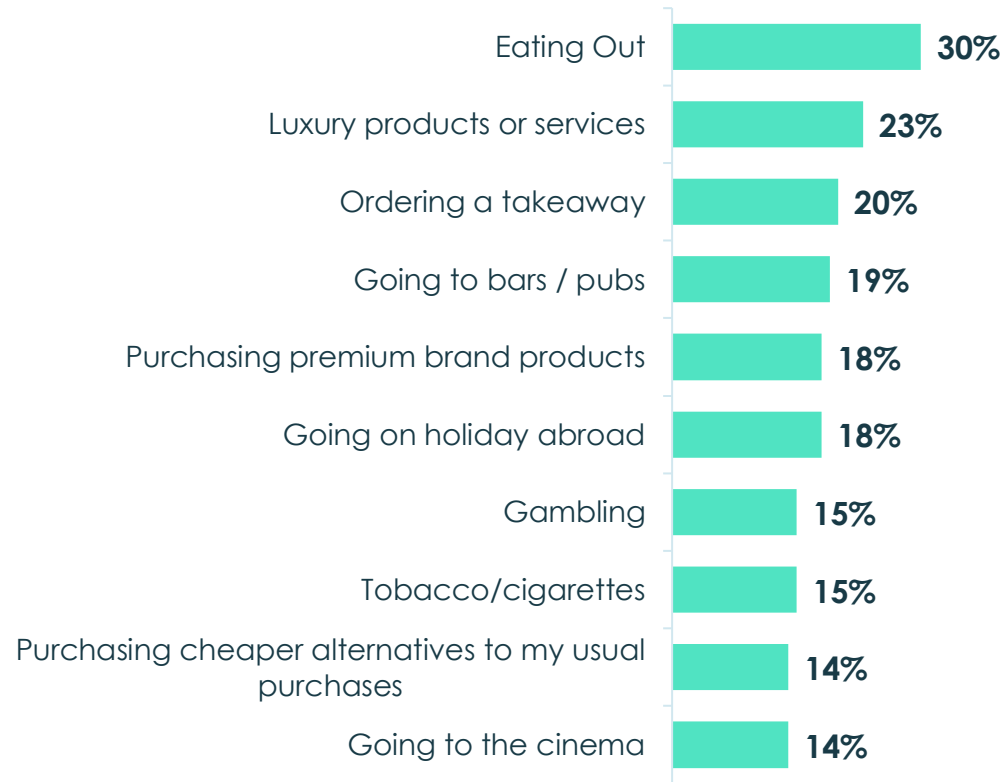


To manage cost-of-living increases over the next three months, consumers are most likely to cut back on non-essential items, compare prices, or switch to cheaper brands

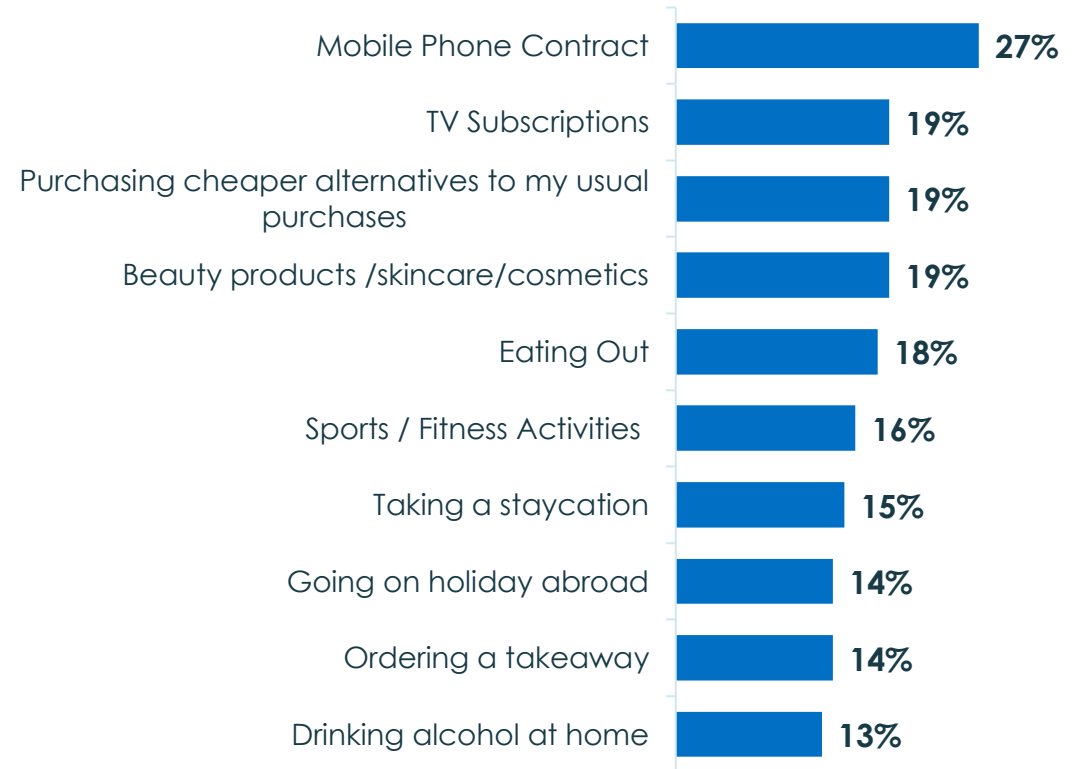


Consumers are most likely to give up social activities and luxury items

Top 10 activities consumers would give up to save money



Top 10 activities consumers would NOT give up to save money



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Household Finances

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36%

are likely to review their mortgage given the current economic climate

45%

will turn to family if they need financial support in the coming months

If in need of financial support, others would turn to...

21%

Friends

20%

Bank/ Building Society

15%

Government / Benefit System

14%

Credit card companies

12%

Short term loan companies /Pay Day Loans

12%

Financial advisor

2 in 10

Globally, in the past 3 months
have managed to put
money into saving accounts

In Europe

16%

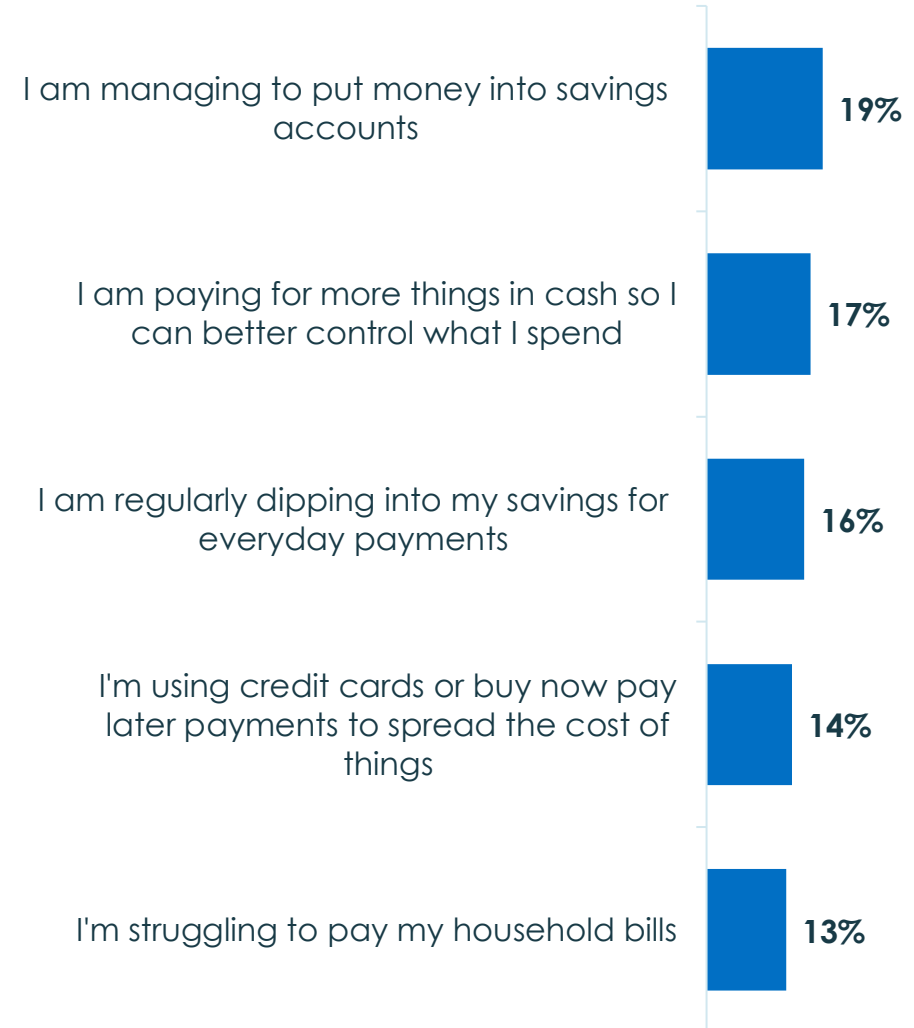
In the Americas


20%

In APAC/MENA

22%

Top 5 changes to personal finances over the past 3 months



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Impact on Consumer Health and Well-Being

50%

Of consumers agree

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

In APAC/MENA

55%

In Americas

53%

In Europe

43%



Due to the current climate, 38% of people are feeling more stressed

38% I feel more stressed
+5pp since Aug '22
35% in Europe
37% in APAC & MENA
47% in the Americas

21% I'm eating less healthy
+2pp since Aug '22

17% I'm less health conscious because I have other priorities
+1pp since Aug '22

22% I'm buying fewer items to support my health
+2pp since Aug '22

17% I'm getting less exercise
-2pp since Aug '22



72%

agree that brands should provide better information on the health & well-being implications of their products



Brands should provide better information on the health & wellbeing implications of their products

72%

Sustainability/ the environmental impact of health/wellness products is important to me

65%

I am looking for more cost-effective solutions for health, wellness and fitness

63%

I am buying cheaper or more 'supermarket own-brand' health/wellness products

59%

I would like to make healthier lifestyle choices, but can't afford to

58%

I don't think brands are doing enough to help me make healthier lifestyle choices

57%

I cannot access the health/wellness products I want due to availability issues

44%

3 in 4

think brands should offer a better range of healthy food and drink products



Food and drink brands should offer a better range of healthy products

73%

I would like to see better availability of healthy food and drink when I'm shopping

71%

I would like to make more decisions about which food and drink brands I buy based on health factors but can't afford to

58%

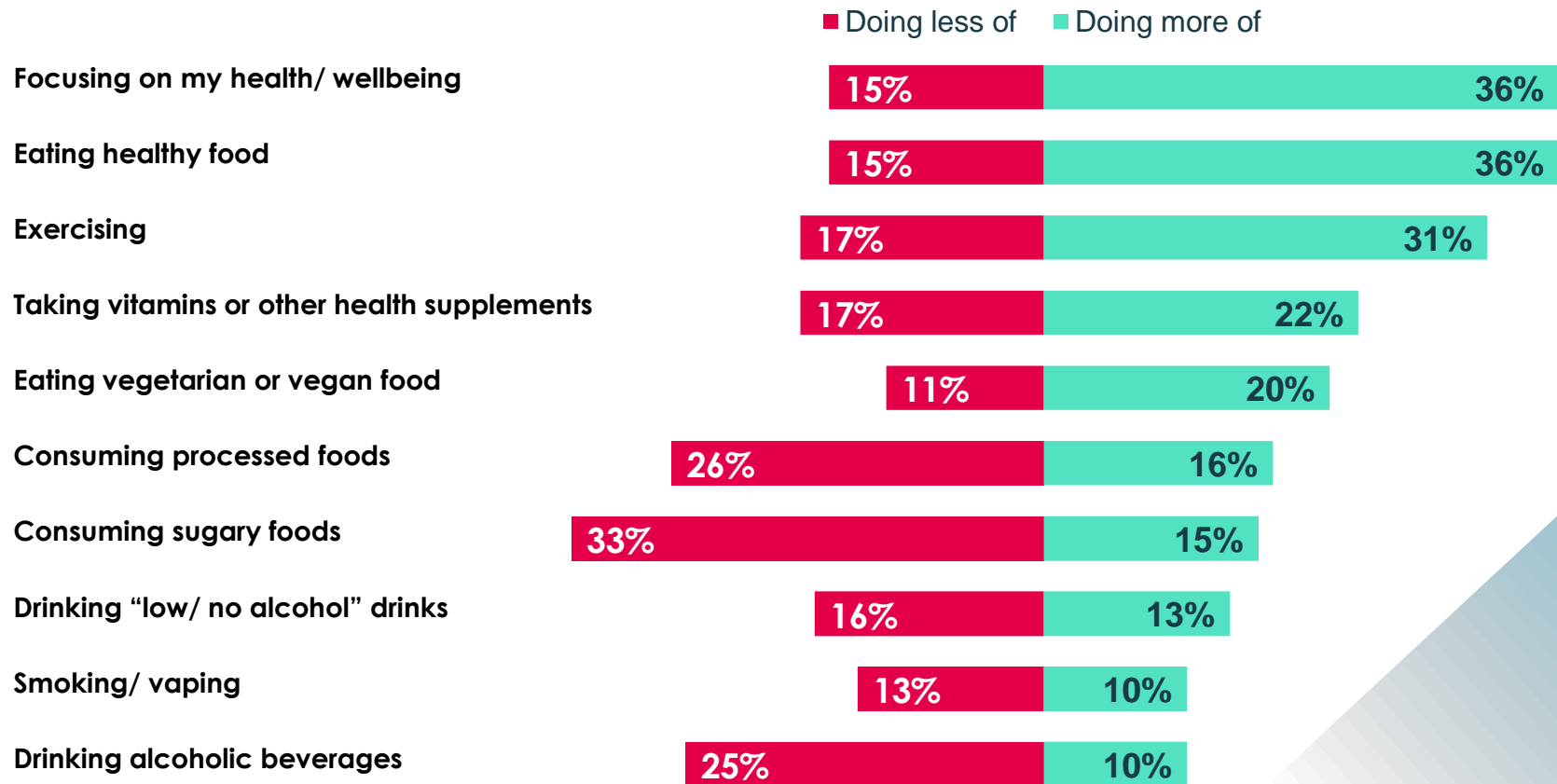
I prioritise price over health benefits when buying food and drink


57%

Enjoying the food I eat is more important to me than health benefits

54%

Despite current global & economic circumstances, health is still important to respondents





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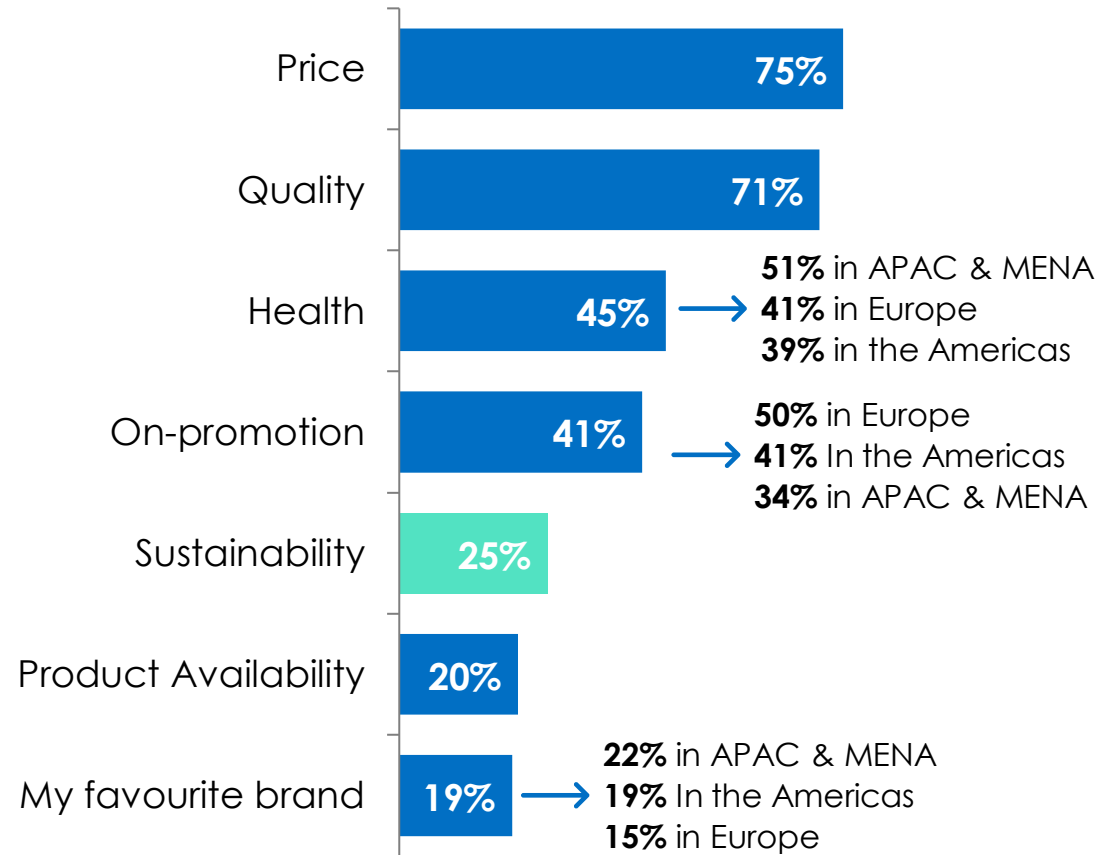
Brand values, ethics, and social responsibility

- GLOBAL BAROMETER: WAVE 23

3 in 4

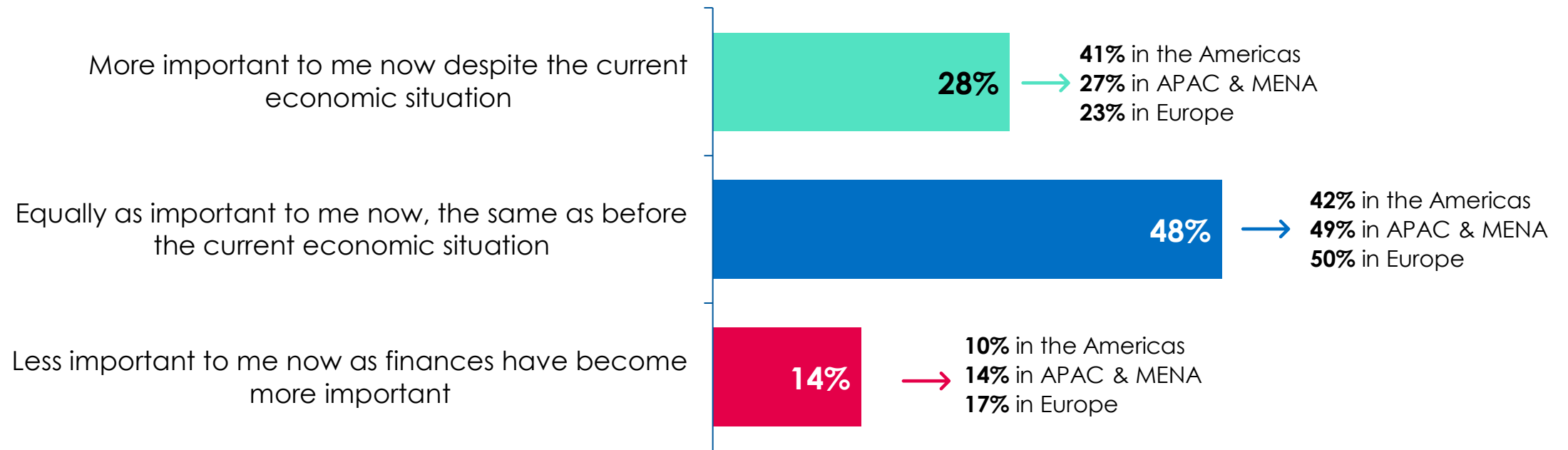
global consumers report price as a key factor for choosing groceries over the next three months, whilst sustainability ranks 5th

Top factors when choosing grocery products



Three in four say it is equally or more important to them that brands are socially/environmentally responsible, even in the current economic situation

Brands being socially/ environmentally responsible is...



The **THREE** most important actions for brands to take:

64% Be **sincere and authentic** in what they do

→ **75%** in the Americas
64% in APAC & MENA
59% in Europe

57% Be committed to reducing the use of **plastic/ paper/ packaging**

→ **69%** in the Americas
54% in APAC & MENA
54% in Europe

55% Have policies which **benefit the environment and society**

→ **67%** in the Americas
53% in APAC & MENA
50% in Europe





Brand values

Consumers care about the values of the brands they buy.

79%

of global consumers believe that brands should be **accountable** to consumers

74%

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 (**68%**)

65% of global consumers would stop using a brand because of its negative environmental and social activities

Shoppers still care about brand accountability and brand values

75%

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

66%

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

63%

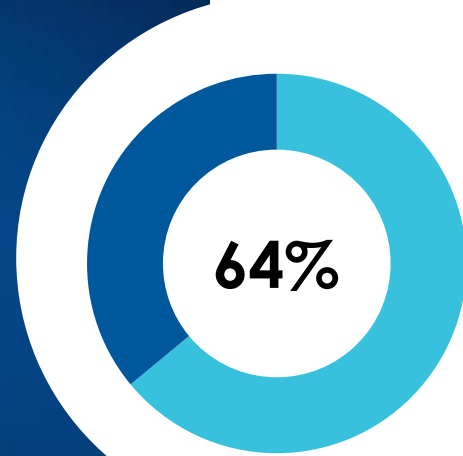
go out of their way to engage with brands that **align with their values**. The same proportion **avoid brands** whose values aren't aligned with theirs



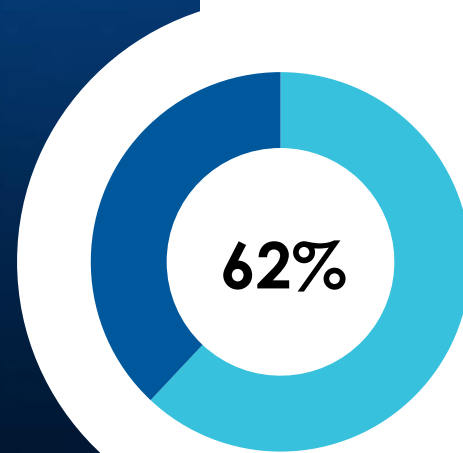
60%

of global consumers have started using a brand—or used it more—because of its positive environmental and social activities

- 67% in the Americas
- 62% in APAC & MENA
- 55% in Europe



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**

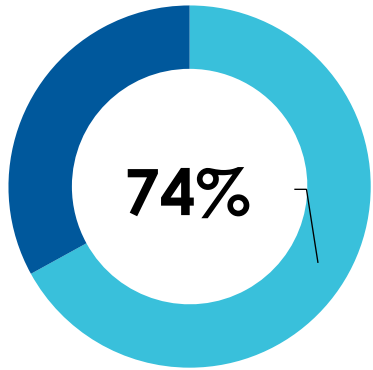
A woman with long dark hair, wearing a blue denim jacket and white earbuds, is looking at a product in a grocery store aisle. She is holding a clear plastic bag of orange snacks. The background shows shelves stocked with various products.

55%

Have stopped using a brand because of its negative environmental and social activities

- 60% in the Americas
- 58% in APAC & MENA
- 50% in Europe

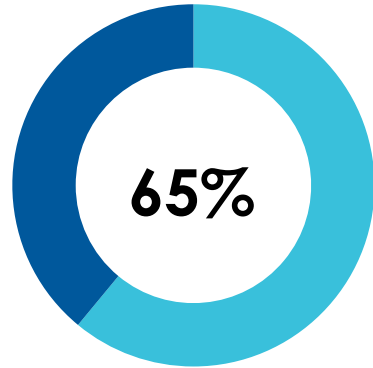
Three in four feel their investments should align with their values



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



80% in the Americas
76% in APAC & MENA
69% in Europe



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



69% in the Americas
66% in APAC & MENA
60% in Europe



In summary....

Key Themes



Despite low consumer confidence, there are signs of optimism that things will improve by the end of 2023.

In the short term, shoppers will continue to adapt behaviors & plan for financial challenges.

The cost-of-living crisis continues to impact people's spending, saving, and lifestyles.

Big-ticket items and luxury goods are feeling the pinch alongside smaller luxuries such as eating out.

Health & well-being are important, but have been negatively impacted by financial & social challenges.

There is pressure for brands to do more to help consumers make positive and affordable choices for their health.

Being socially and environmentally responsible remains key for brands.

Consumers will start or stop using a brand because of these factors, but many feel they don't have enough information

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