

GLOBAL CONSUMER TRENDS

STAYING AHEAD OF THE DOWNTURN



OVERVIEW

GLOBAL CONSUMER TRENDS: STAYING AHEAD OF THE DOWNTURN

The tsunami of troubling news surrounding the state of the global economy reflects the struggles of many consumers, who face myriad waves of financial obstacles — not the least of which is an uncertain future.

People are pessimistic about economic conditions around the world — and perception matters. Almost half “strongly” or “very much” believe we’re entering a recession (regardless of official determinations or economists’ assessments), and a majority say their national leaders aren’t doing enough to fight rising costs.

Consumers around the world are feeling the burden of soaring prices on essential items: almost one in three are currently fighting to make ends meet, and more than half are struggling to afford basic needs with energy

at the forefront followed by food, basic clothing and housing payments.

To cope with climbing costs and the threat of a downturn or recession, more than half of consumers are reevaluating their lifestyles. People are resorting to different ways to reducing their overall spending — especially on non-essential purchases — as well as exploring the secondhand market.

However, consumers — and especially younger generations — remain willing to spend extra on products and services that reflect their values or that are perceived as healthier and/or environmentally friendly. A large majority expects to continue purchasing these products and services, even if they cost more.

Dynata’s latest research, “Global Consumer Trends: Staying Ahead of the Downturn,” draws on responses from 11,000 consumers across 11 countries — the United States, Canada, United Kingdom, France, Spain, Germany, Italy, Netherlands, China, Japan and Australia — to better understand how the evolving economic landscape affects consumers’ behavior and impacts brands.

KEY FINDINGS



CONSUMER PERCEPTION MATTERS

People are pessimistic about the global economic situation — and don't believe their national leaders are doing enough to fight rising costs

49%

of consumers globally strongly or very much believe we are entering a recession

56%

say their country's leaders are not doing enough to combat inflation



MANY STRUGGLE TO MAKE ENDS MEET

Feeling both the burden of soaring prices and the threat of a recession, consumers are struggling to afford basic needs, trying to save more, and finding higher-paying or second jobs

53%

globally are struggling at least slightly to afford basic needs — especially energy & utilities, followed by food, basic clothing and housing

49%

are trying to save more than a year ago



PEOPLE ARE CUTTING CONSUMPTION AND CHANGING BEHAVIOR

Consumers are trying to ease the impact of inflation by reducing their overall spending — especially on non-essential purchases — and exploring the secondhand market



73% are struggling at least slightly to afford non-essential expenses

67%

have taken action to reduce spending this year

27%

are buying secondhand products



WHEN IT'S WORTH PAYING MORE

Consumers — especially younger generations — remain willing to spend extra on products and services that reflect their values — and they expect to continue doing so



1 in 5 “almost always” or “often” pay more for a brand, product or service that represents their values; higher among Gen Z and Millennials



8 in 10 say they are likely to continue — even if it costs more

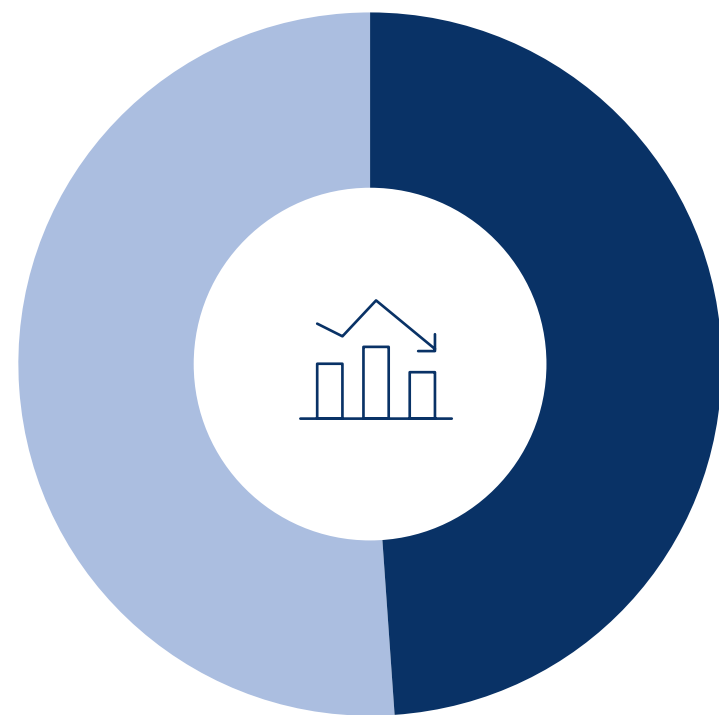


CONSUMER PERCEPTION MATTERS

People are pessimistic about the global economic situation — and don't believe their national leaders are doing enough to fight rising costs

HALF OF CONSUMERS AROUND THE WORLD BELIEVE “STRONGLY” OR “VERY MUCH” THAT WE ARE ENTERING A RECESSION NOW

CONSUMER PERCEPTIONS HAVE THE POWER TO INFLUENCE THE ECONOMY

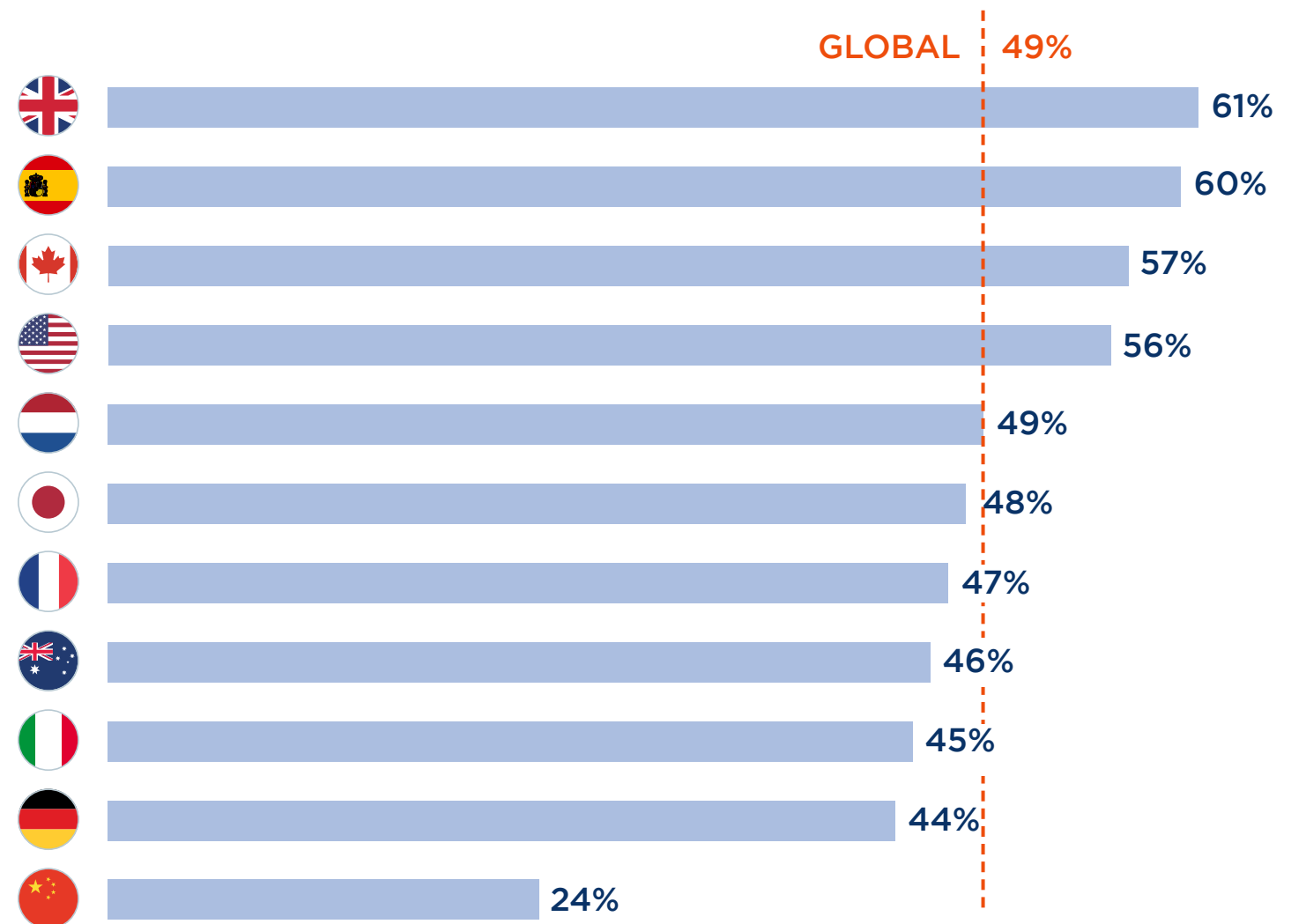


49%

globally believe “strongly” or “very much” that we are in a recession now

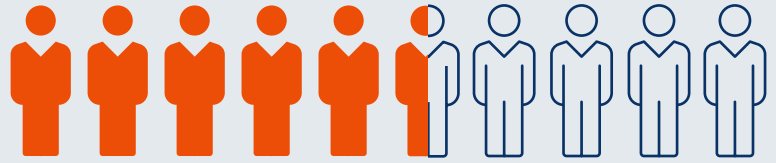
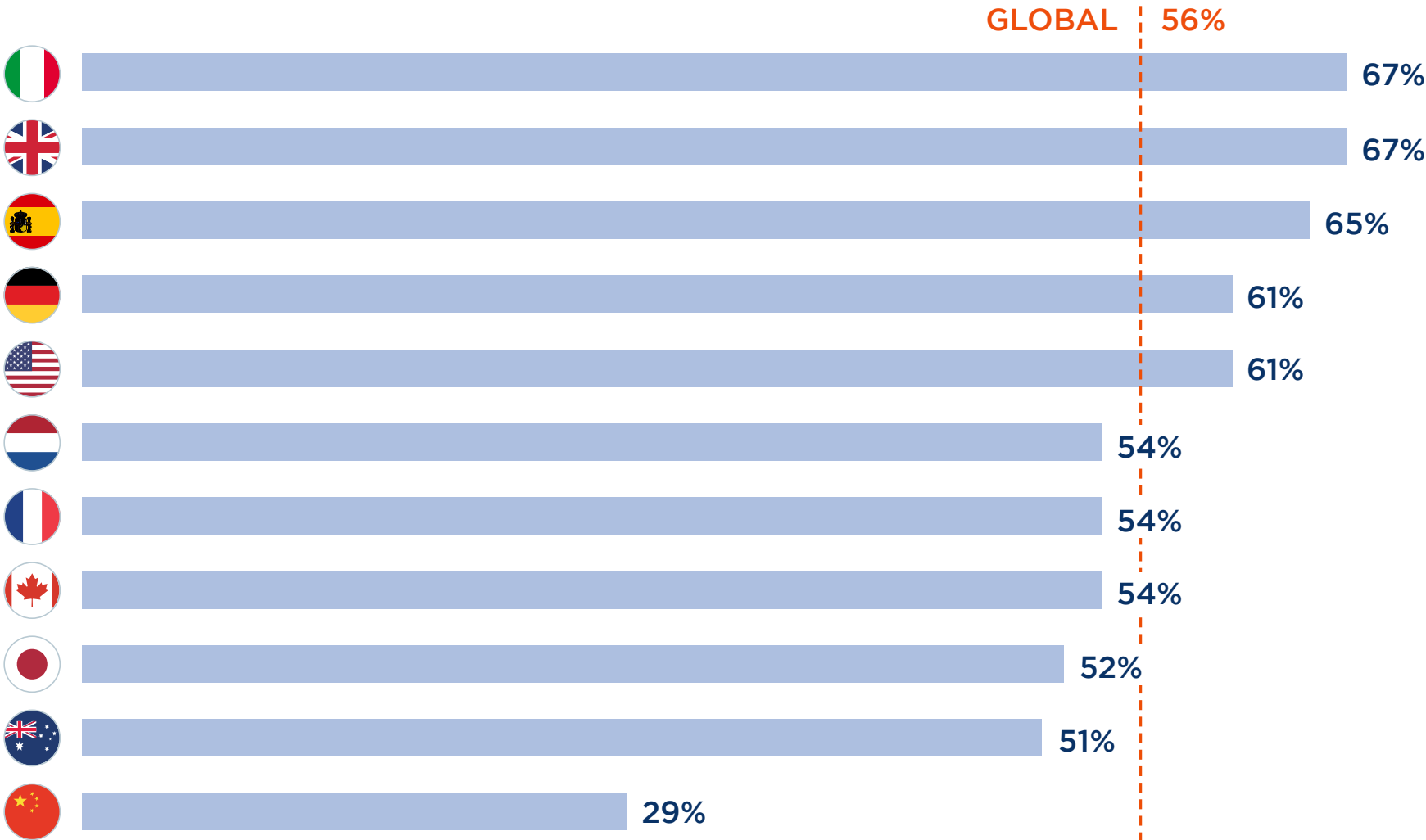
This sentiment is the strongest in the U.K., Spain, Canada and the U.S.

% “STRONGLY” OR “VERY MUCH” BELIEVE THAT WE ARE IN A RECESSION RIGHT NOW



A MAJORITY OF PEOPLE ALSO BELIEVE THEIR COUNTRY'S LEADERS SHOULD BE DOING MORE TO KEEP INFLATION IN CHECK

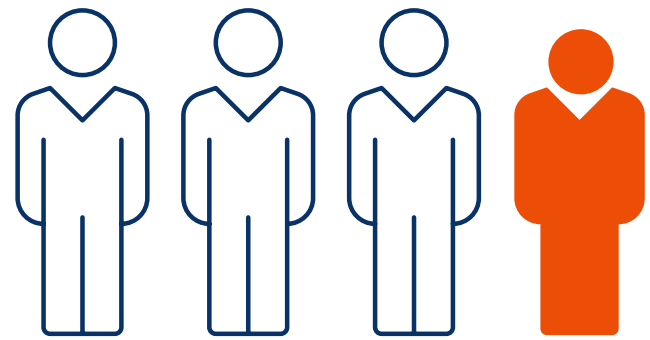
% WHO SAY THEIR COUNTRY'S LEADERS ARE NOT DOING ENOUGH TO COMBAT INFLATION



Globally, **56%** of consumers say their country's leaders are not doing enough to combat inflation.

People in Italy, the U.K. and Spain are most likely to think their leaders should be taking greater action

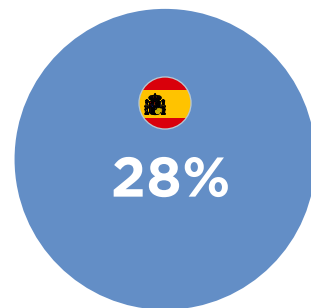
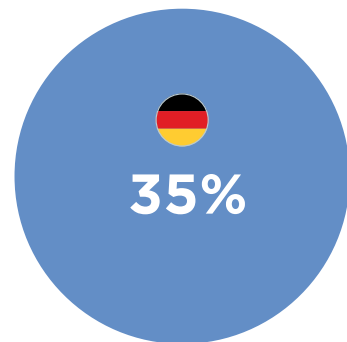
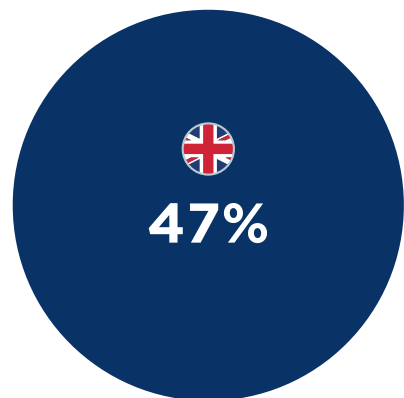
**ABOUT 1 IN 4 CONSUMERS
GLOBALLY THINK THEIR PERSONAL
FINANCES WILL WORSEN THIS YEAR**



26%

globally expect their financial situation will be worse at the end of 2022 than it is now

The expectation that one's personal finances will worsen by the end of the year is especially high in the U.K., Germany and Spain:



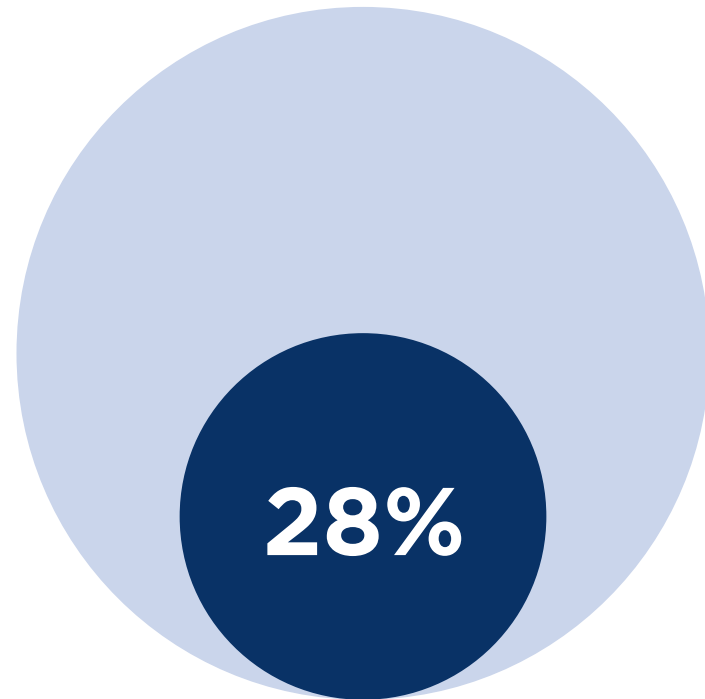


MANY STRUGGLE TO MAKE ENDS MEET

Feeling both the burden of soaring prices on essential items and the threat of a recession, consumers around the world are struggling to afford basic needs, trying to save more, and finding higher-paying or second jobs

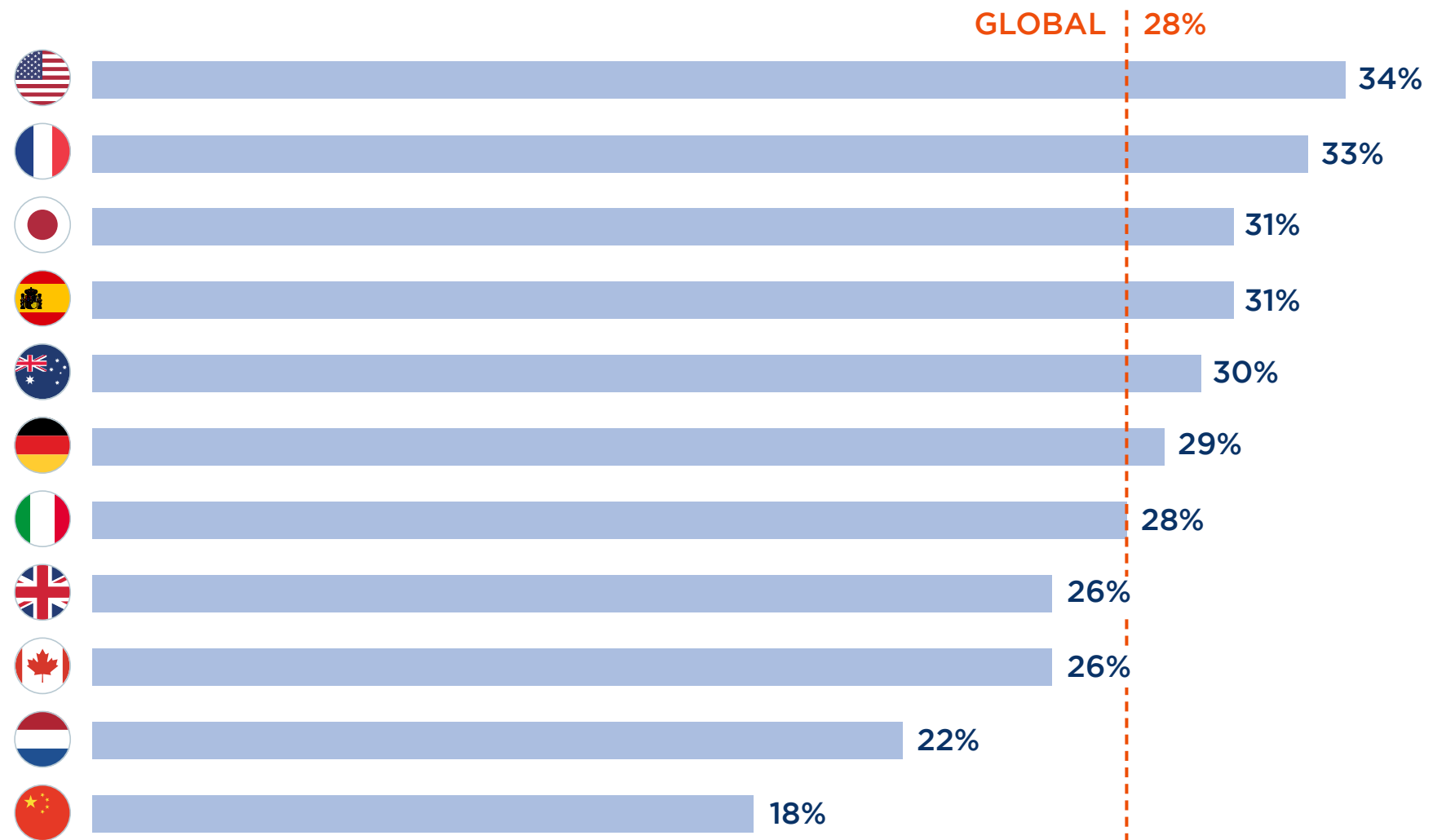
MANY STRUGGLE TO MAKE ENDS MEET

ALMOST 3 IN 10 CONSUMERS GLOBALLY ARE STRUGGLING TO MAKE ENDS MEET



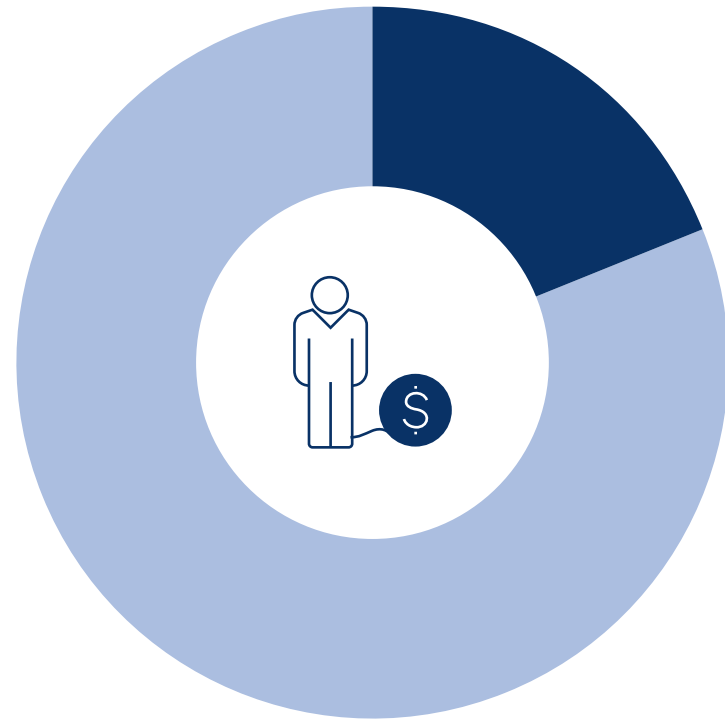
Globally, 28% of consumers say they are struggling to make ends meet financially

% WHO ARE STRUGGLING TO MAKE ENDS MEET FINANCIALLY



MANY STRUGGLE TO MAKE ENDS MEET

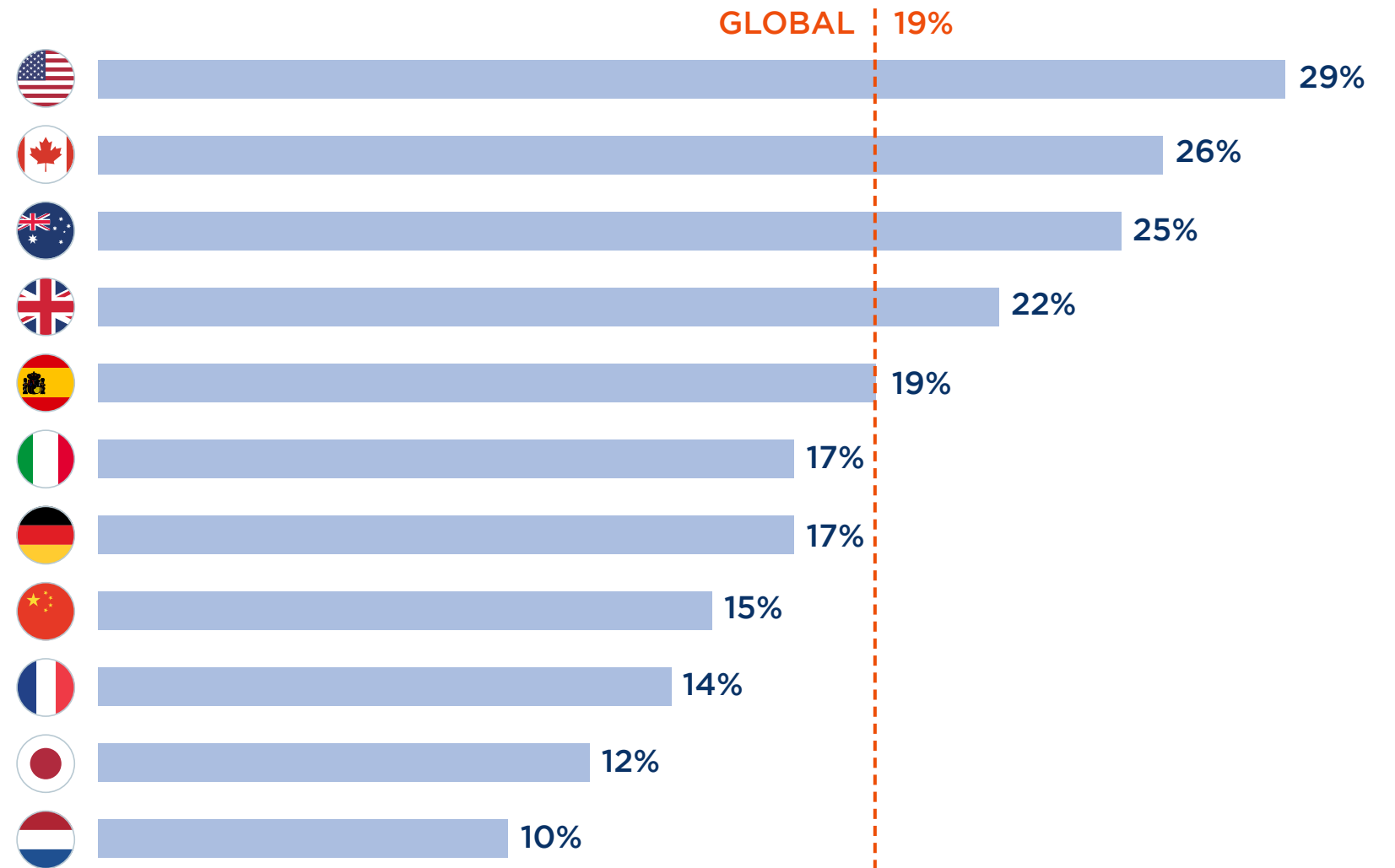
SOME CONSUMERS FEEL BURDENED BY DEBT — ESPECIALLY IN THE U.S., CANADA AND AUSTRALIA



19%

of consumers globally say they have too much debt

% HAVE TOO MUCH DEBT



MANY STRUGGLE TO MAKE ENDS MEET

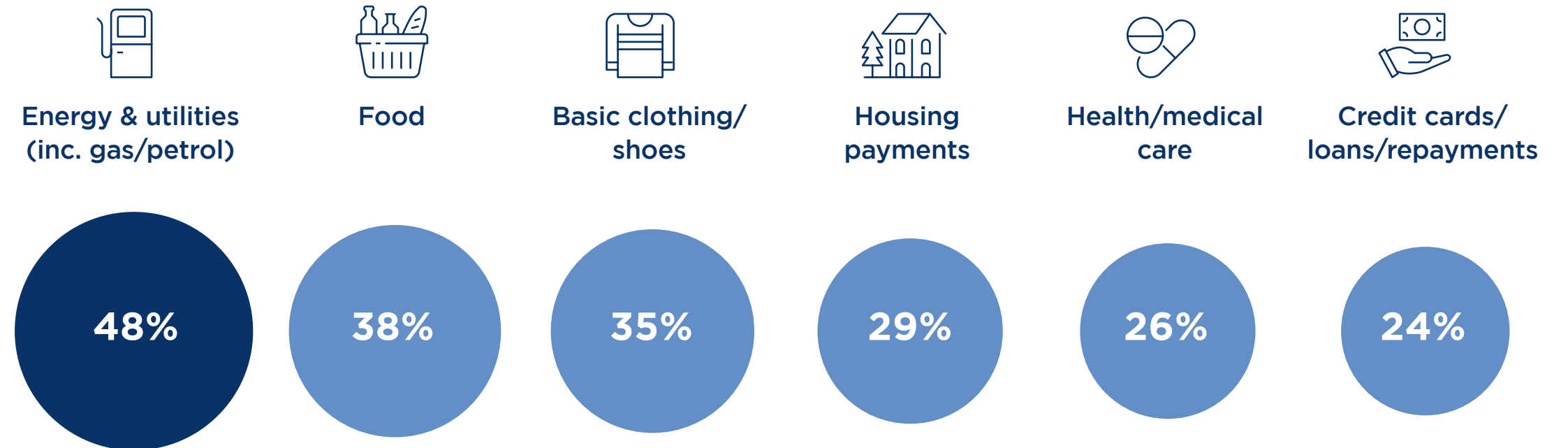
OVER HALF OF PEOPLE GLOBALLY ARE FINDING IT HARD TO PAY FOR BASIC NEEDS, WITH ENERGY AT THE FOREFRONT

BASIC NEEDS THAT PEOPLE ARE STRUGGLING TO AFFORD

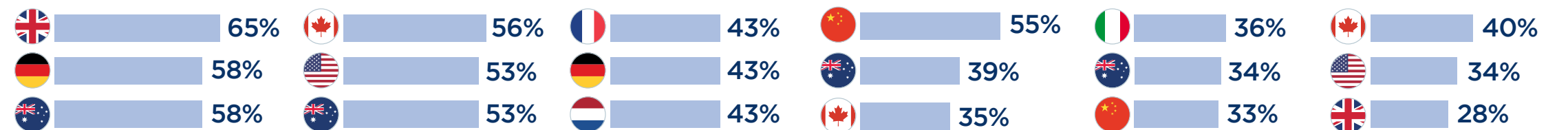
Among those struggling to afford basic needs at least slightly

53% globally are struggling at least slightly to afford basic needs

Including **9%** who are struggling “completely” or “a lot”



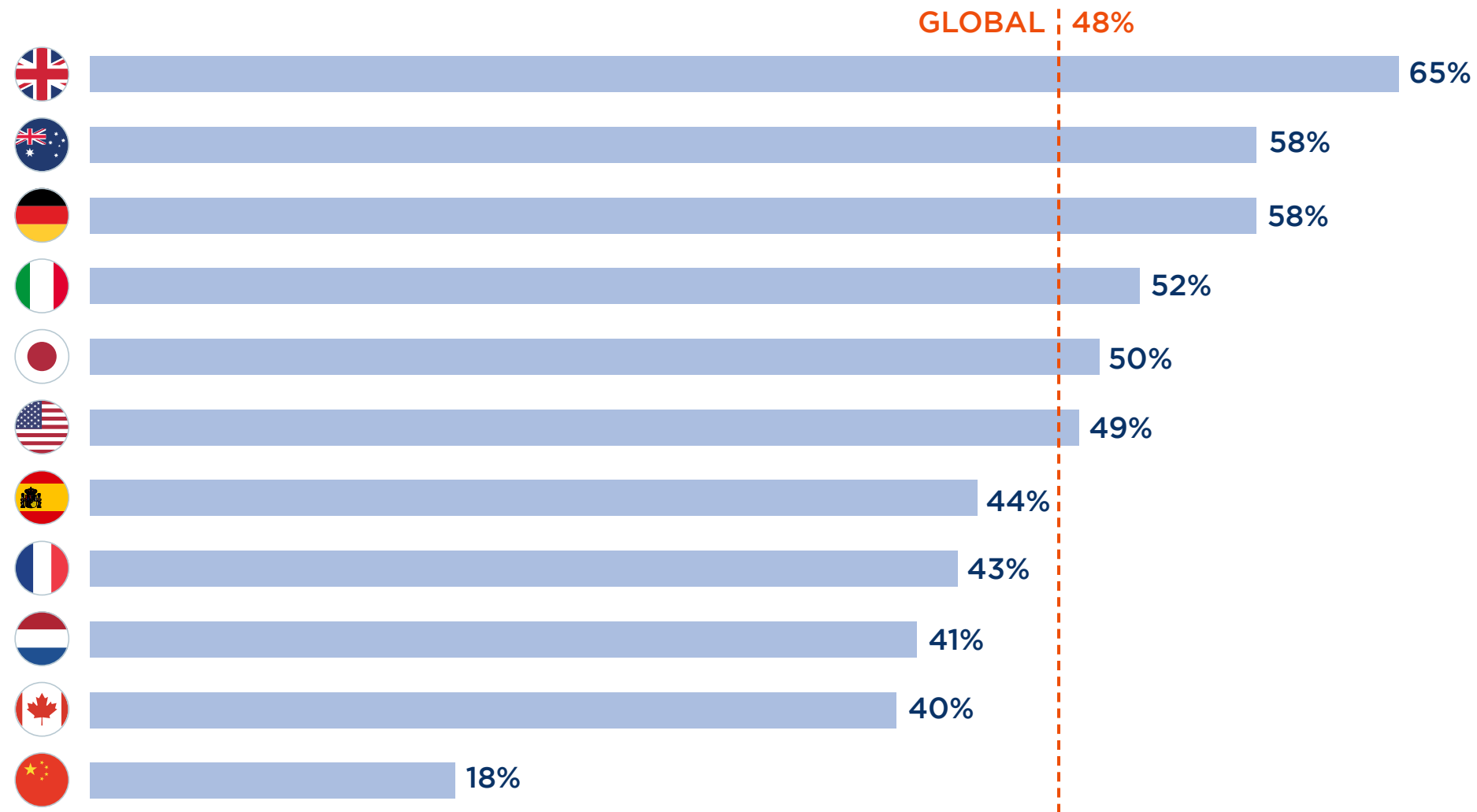
Top 3



MANY STRUGGLE TO MAKE ENDS MEET

HALF OF CONSUMERS ARE STRUGGLING TO PAY FOR ENERGY, WITH SOME COUNTRIES HAVING MORE DIFFICULTY

% STRUGGLING TO AFFORD ENERGY/UTILITIES NOW



Consumers in the U.K. are having the most difficulty paying for energy right now, followed by Australia and Germany



China is struggling the least with energy prices

MANY STRUGGLE TO MAKE ENDS MEET

—

SOME PEOPLE ARE TAKING HIGHER-PAYING OR SECOND JOBS TO OFFSET THEIR FINANCIAL STRUGGLES

—

Compared to Gen X and Baby Boomers (41-76 years old), people from the younger generations (Gen Z and Millennials) are:

3X

more likely to



have taken a second job



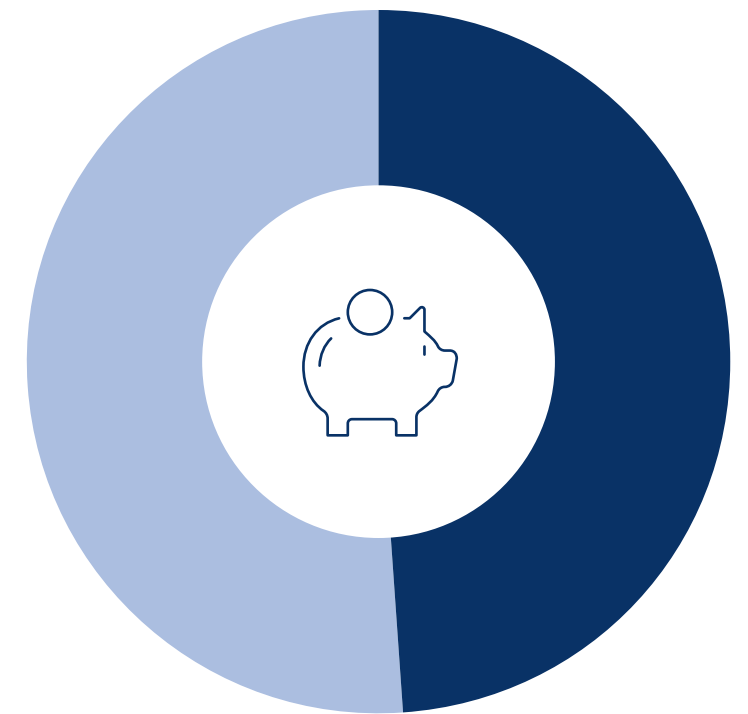
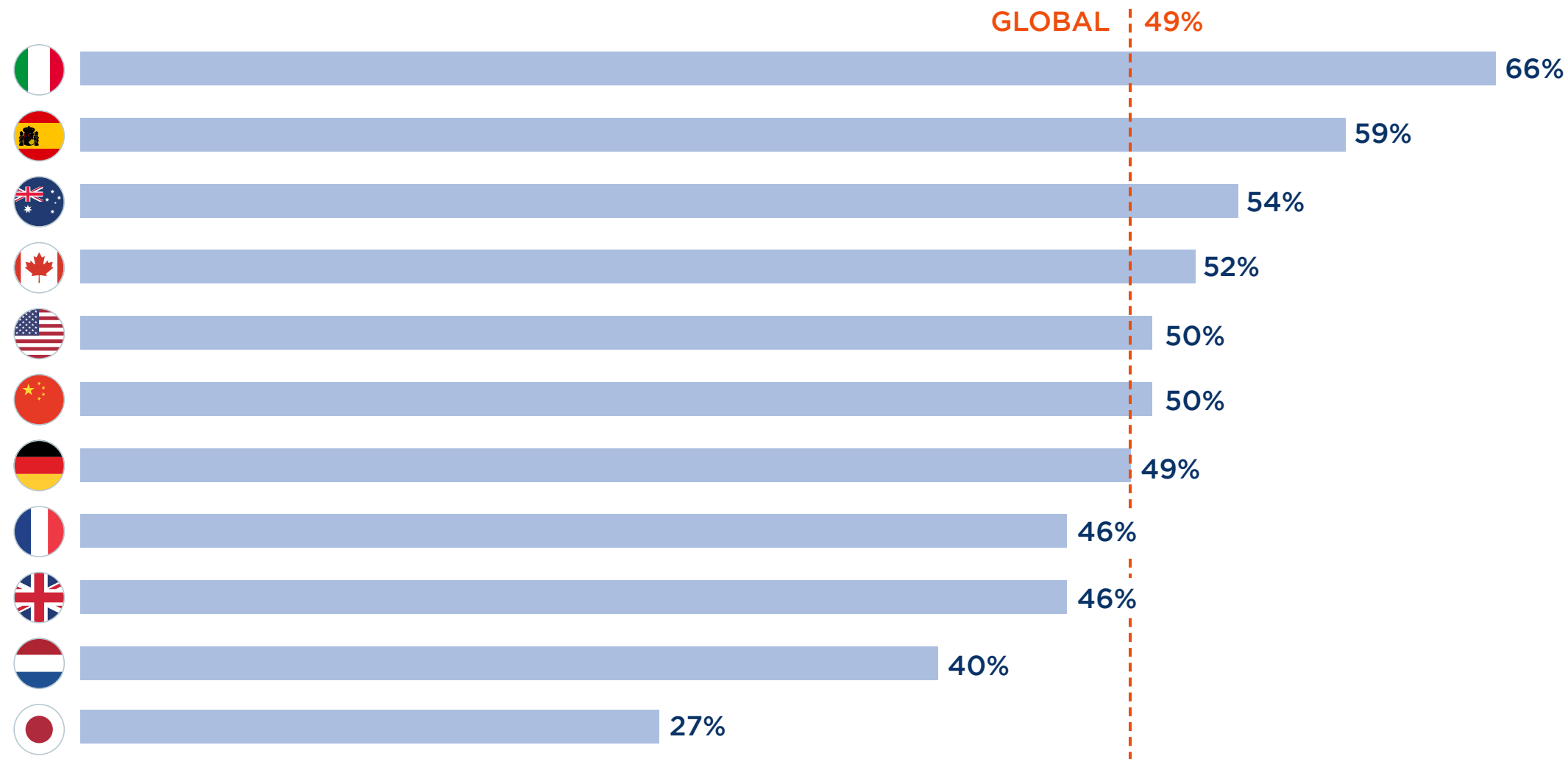
have taken a new job with higher pay to offset rising costs



MANY STRUGGLE TO MAKE ENDS MEET

HALF OF CONSUMERS ARE MAKING A MORE CONCERTED EFFORT TO SAVE THAN A YEAR AGO

% TRYING TO SAVE MORE THAN A YEAR AGO



Globally, **49%** are trying to save more than a year ago.

The urge to save more is strongest in Italy and Spain



CONSUMERS ARE CUTTING CONSUMPTION AND CHANGING BEHAVIOR

To cope with climbing costs, consumers hope to ease the impact of inflation by reducing their overall spending — especially on non-essential purchases — and exploring the secondhand market

CONSUMERS STRUGGLING TO AFFORD “NON-ESSENTIALS” ARE SPENDING LESS ON TRAVEL, ENTERTAINMENT, FASHION AND DINING

COMPARED WITH THE BEGINNING OF 2022, % SPENDING LESS ON THESE “NON-ESSENTIALS”

Among all struggling, at least slightly, to afford the non-essentials they used to buy

73%

globally are struggling at least slightly to afford non-essential purchases (things that they might want but not necessarily need)

Including **18%** who are struggling “completely” or “a lot”

In-person entertainment
(movies, concerts,
sports, etc.)



61%

Leisure
travel



61%

Restaurants (dining
in, take-out or
delivery)



59%

Fashion/clothing
beyond a basic
wardrobe



59%

Home
improvements



57%

Grooming/
beauty



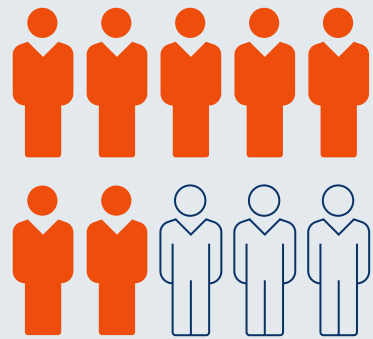
49%

Subscriptions/memberships
(TV streaming services, fitness
classes, meal services, etc.)



42%

BABY BOOMERS ARE MUCH MORE LIKELY THAN GEN Z TO HAVE CUT SPENDING THIS YEAR ON ENTERTAINMENT, FASHION, RESTAURANTS AND TRAVEL

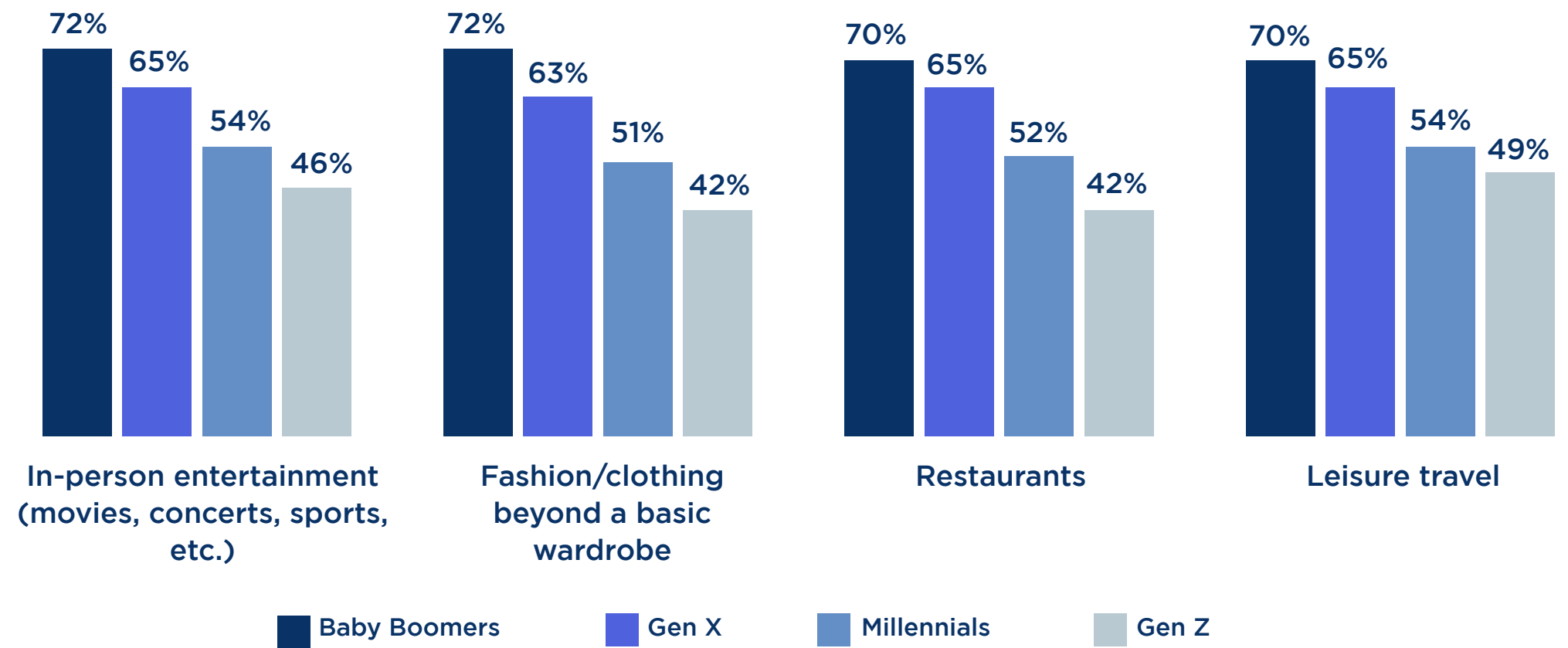


7 IN 10

Baby Boomers are spending less now on dining, entertainment, clothing and travel than at the beginning of the year

COMPARED WITH THE BEGINNING OF 2022, % SPENDING LESS ON THESE “NON-ESSENTIALS” (BY GENERATION)

Among all struggling, at least slightly, to afford the non-essentials they used to buy

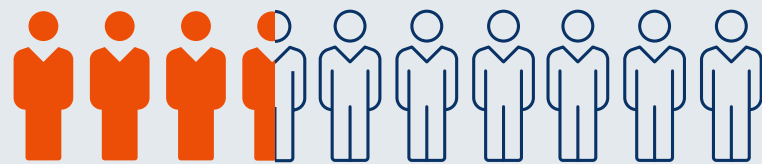


THOSE TRYING TO SPEND LESS HAVE FOUND BARGAIN-HUNTING, USING LESS ENERGY, AND COOKING TO BE MOST EFFECTIVE



67%

of people globally have taken action to reduce their spending since the beginning of the year

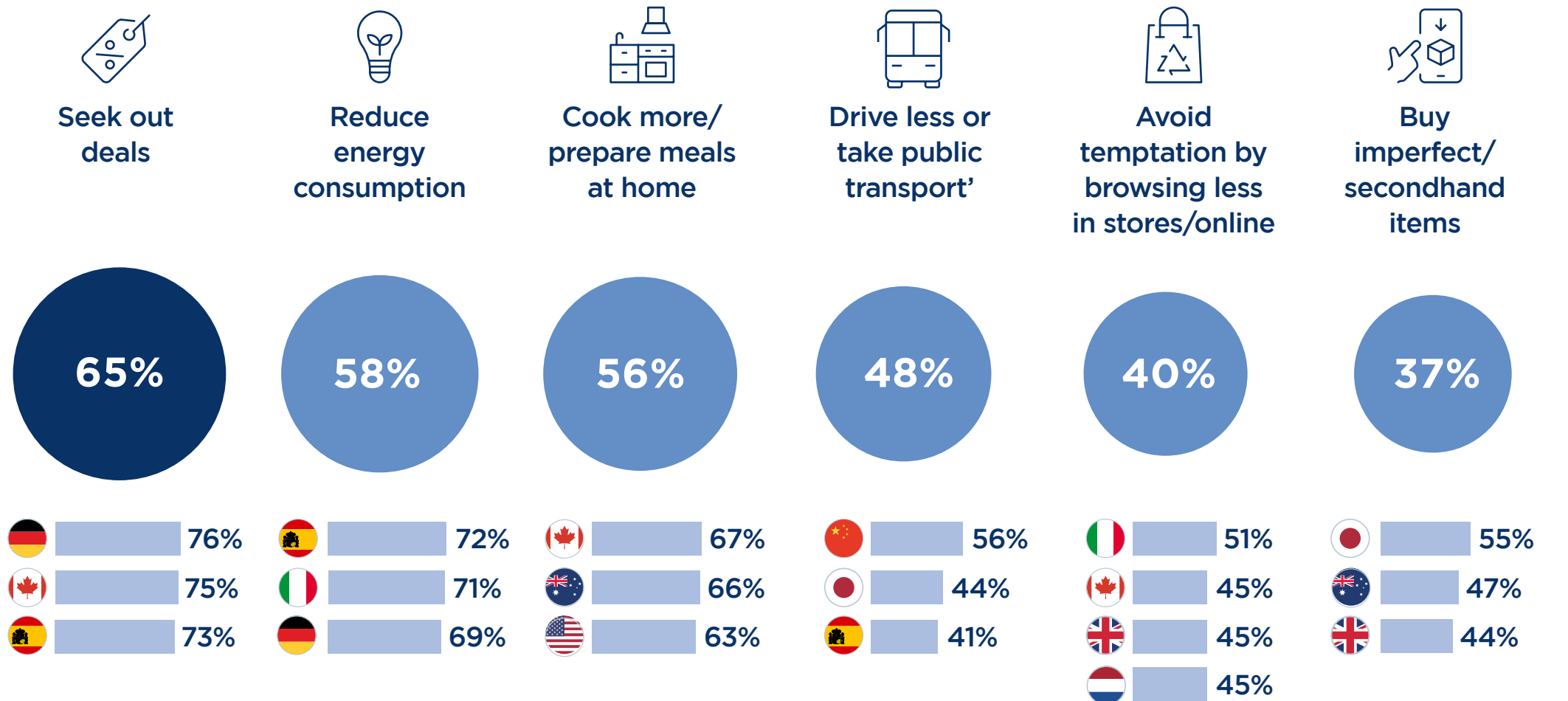


34%

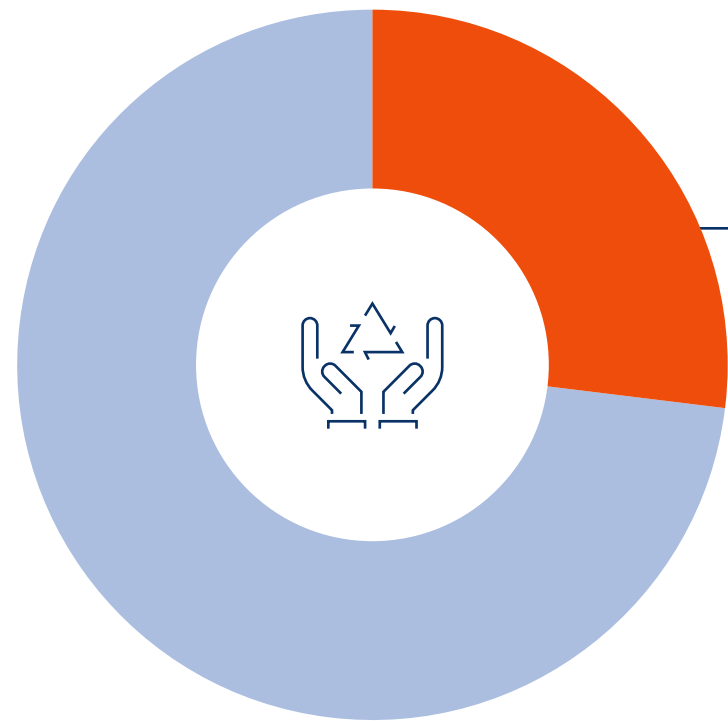
say they won't buy anything that's not discounted

ACTIONS THAT CONSUMERS SAY HAVE BEEN MOST EFFECTIVE FOR REDUCING THEIR SPENDING IN 2022

Among those who have taken action to reduce spending

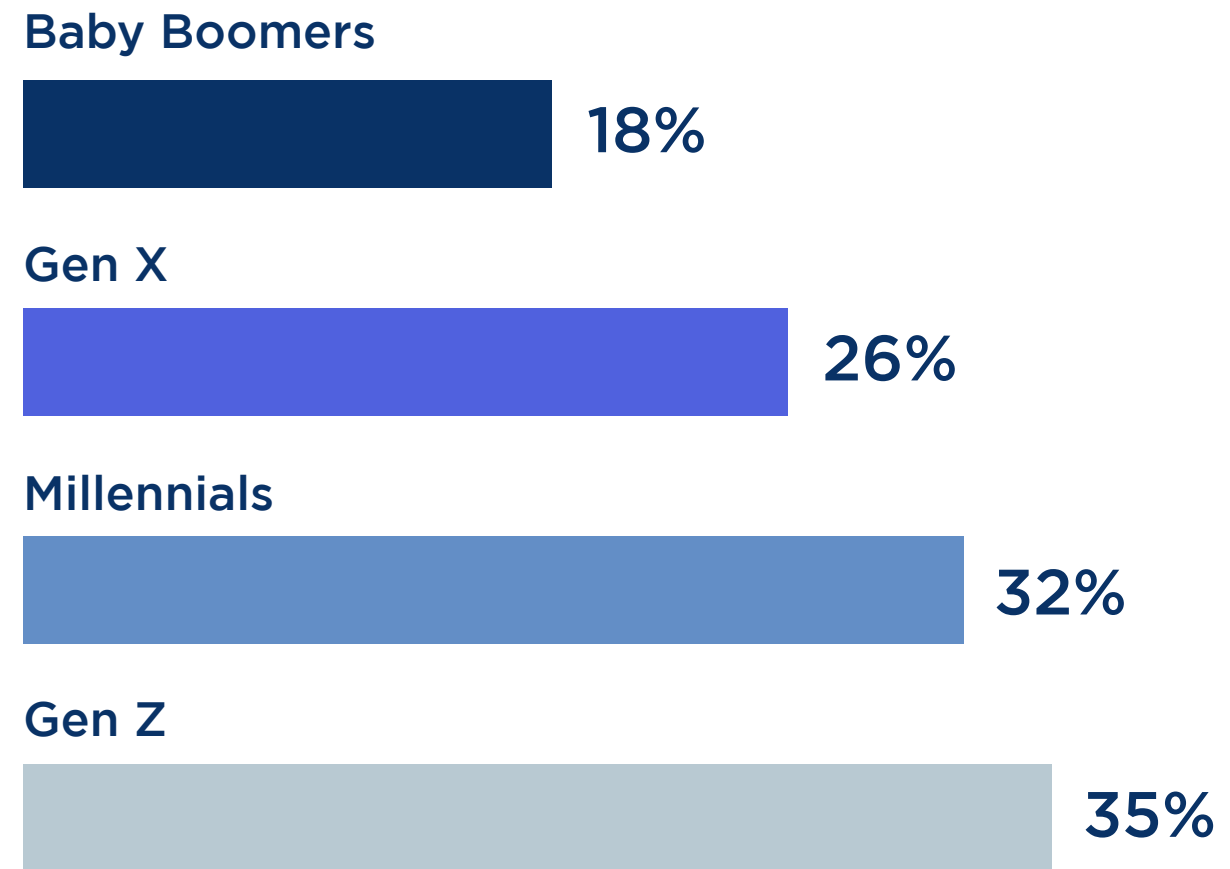


INFLATION IS MOTIVATING SOME CONSUMERS TO BUY SECONDHAND



27%

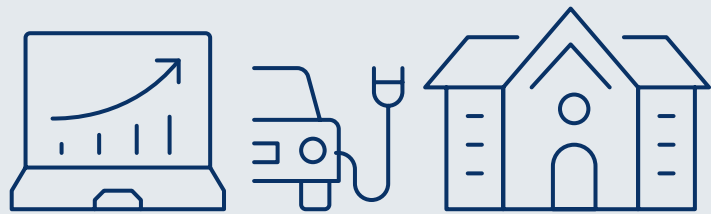
of consumers globally have been buying more secondhand items as a result of rising prices. This is especially the case for Gen Z and Millennials



THOSE WHO ARE FINANCIALLY COMFORTABLE ARE FINDING WAYS TO MAKE THEIR MONEY GO FURTHER



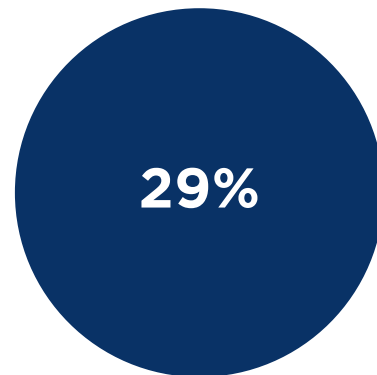
Some who feel financially comfortable are investing in the stock market, buying more energy-efficient cars, and buying real estate



AMONG THOSE AT LEAST SOMEWHAT FINANCIALLY COMFORTABLE RIGHT NOW, % INVESTING IN / DOING ANY OF THESE THINGS



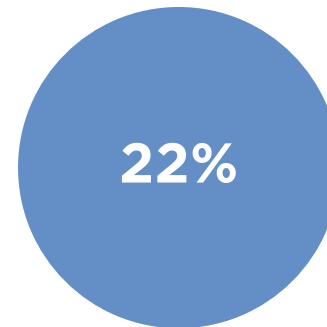
Investing in stocks, mutual funds, bonds, etc.



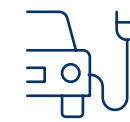
- JP (43%)
- CN (43%)
- CA (36%)



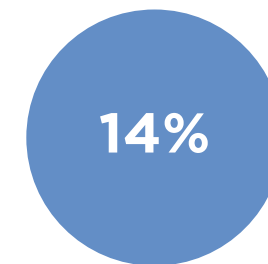
Planning a vacation/holiday in a country where your currency goes further



- U.K. (26%)
- DE (25%)
- CA (25%)



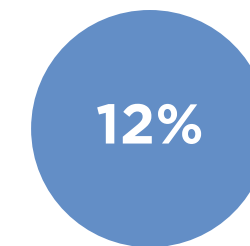
Buying an electric or hybrid vehicle



- CN (33%)
- IT (17%)
- JP (15%)



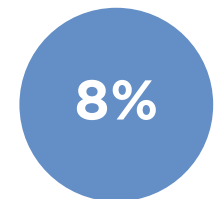
Investing in real estate/property in your own country



- CN (21%)
- AU (13%)
- IT (13%)



Investing in real estate/property in a country where your currency goes further



- CN (12%)
- U.S. (9%)
- IT (9%)



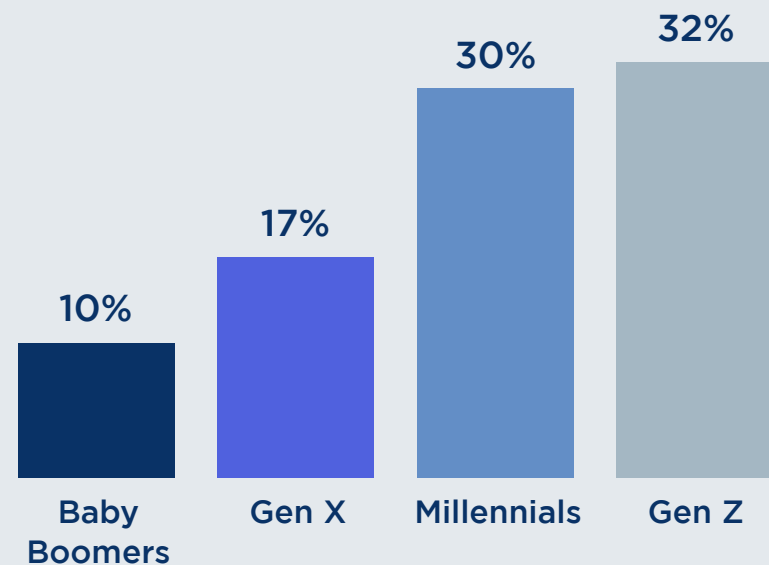
WHEN IT'S WORTH PAYING MORE

Consumers — especially younger generations — remain willing to spend extra on products and services that reflect their values — and they expect to continue doing so

1 IN 5 CONSUMERS GLOBALLY ARE “VALUES-DRIVEN,” OPTING TO PAY MORE FOR THINGS THAT REPRESENT THEIR VALUES

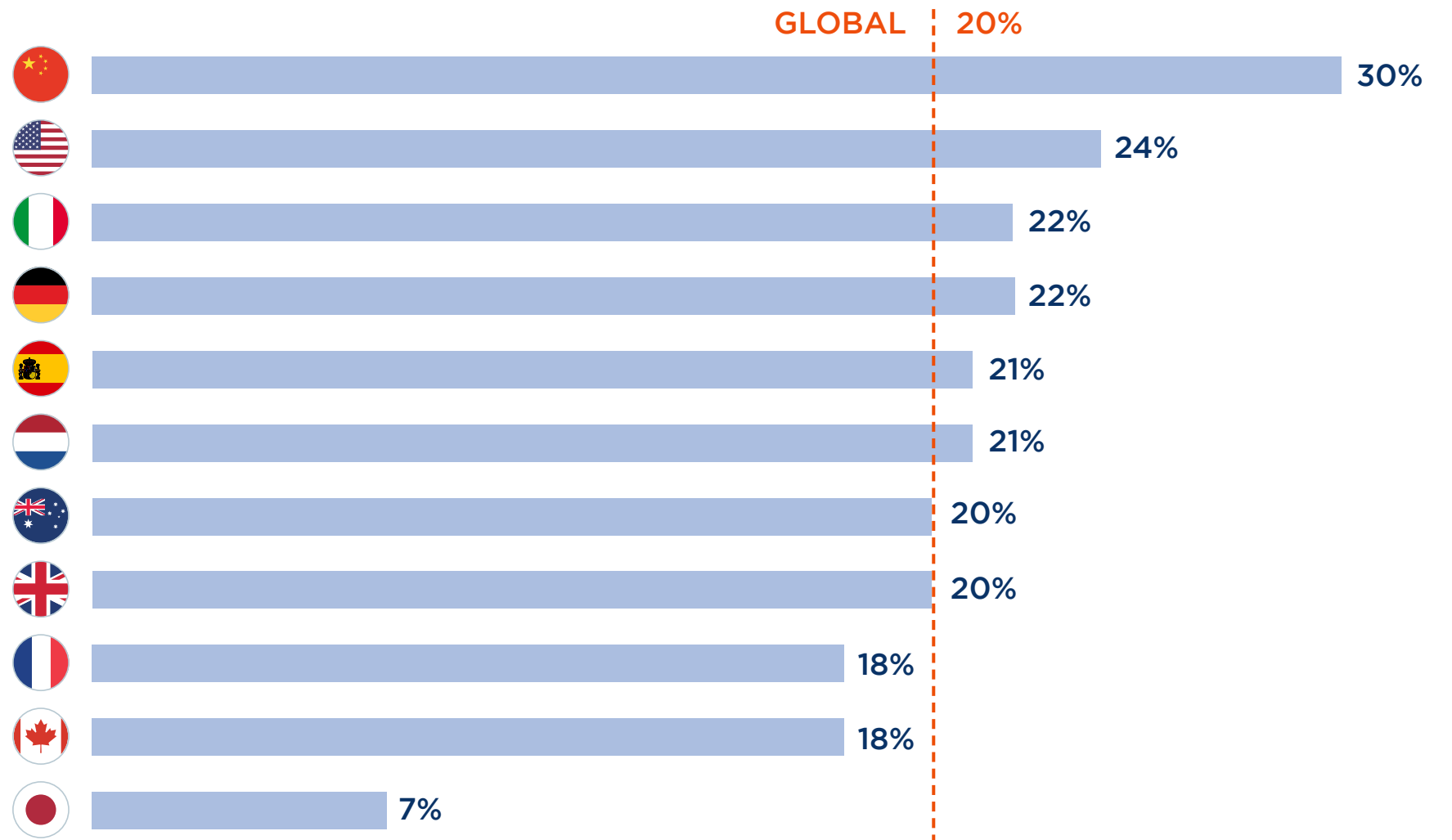


Gen Z and Millennials, as well as consumers in China, are most likely to say they “almost always” or “often” pay more for something that represents their values



VALUES-DRIVEN CONSUMERS

“Almost always” or “often” pay more for a brand, product or service because it represents their values



“VALUES-DRIVEN” CONSUMERS ARE MOST LIKELY TO SPEND EXTRA FOR ITEMS THEY CONSIDER HIGHER-QUALITY AND HEALTHIER



More than half of “values-driven” consumers also report frequently spending on things that are local, sustainable and have a brand they perceive as authentic



8 IN 10

“values-driven” consumers who “almost always” or “often” buy products with these features say they are likely to continue even if it costs more

% “VALUES-DRIVEN” CONSUMERS WHO “ALMOST ALWAYS” OR “OFTEN” BUY BRANDS, PRODUCTS, OR SERVICES WITH THESE FEATURES



SOCIAL JUSTICE CAUSES HAVE ESPECIALLY STRONG APPEAL AMONG GEN Z AND MILLENNIAL “VALUES-DRIVEN” CONSUMERS

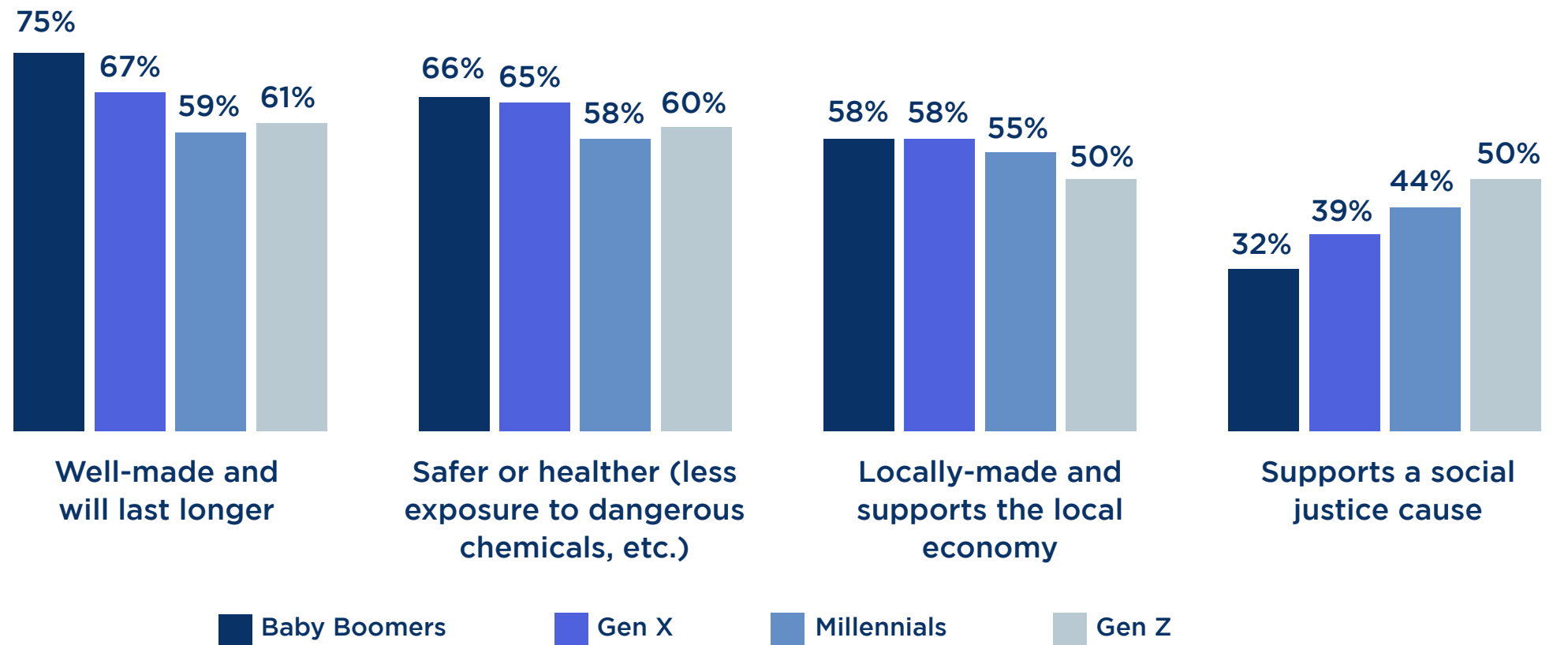


The generational differences are most apparent for products that support social justice causes — younger consumers who are “values-driven” are much more likely to purchase them

“Values-driven” consumers who are Baby Boomers and Gen X are more likely than Gen Z and Millennials to favor products or brands that are perceived as higher-quality, safer (such as having less exposure to dangerous chemicals) or locally made

% “VALUES-DRIVEN” CONSUMERS WHO “ALMOST ALWAYS” OR “OFTEN” BUY BRANDS, PRODUCTS, OR SERVICES WITH THESE FEATURES (BY GENERATION)

Items with environmentally friendly or sustainable practices have similar appeal across generations





METHODOLOGY

Dynata's newest research, "Global Consumer Trends: Staying Ahead of the Downturn," draws on responses from 11,000 consumers across 11 countries — the United States, Canada, United Kingdom, France, Germany, Italy, Spain, the Netherlands, China, Japan and Australia — to better understand how the evolving economic landscape affects consumers' behavior and impacts brands.

Fieldwork took place between Aug. 1-8, 2022. Participants were selected across all Dynata's online research panel assets, and the samples quota-controlled to reflect the population on age, gender and region. Generations were broken out as follows: Gen Z, age 16-25; Millennial, 26-40; Gen X, 41-57; Baby Boomer, 58-76; and Silent, 77+.

Total sample size is 11,103: U.S. (1,000), Canada (1,010), U.K. (1,005), France (1,008), Germany (1,006), Italy (1,012), Spain (1,012), the Netherlands (1,014), China (1,012), Japan (1,015) and Australia (1,007). The margin of error (at the 95% confidence level) is +/- 3% at the country level, +/-1% at the total level.



For more information, please visit www.dynata.com
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