

RECIPES FOR SUCCESS IN UNCERTAIN TIMES

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the
recording



KEYS – A WEBINAR SERIES BY IPSOS

9th June 2022

GAME CHANGERS



AGENDA

INFLATION: What do We Know? What To Do?

Simon Atkinson

Chief Knowledge Officer, Ipsos

and

Jiongming Mu

Global Innovation Solutions Lead, Ipsos

MISFITS

Adam Sheridan

Global Head of Products & Innovation, Creative Excellence, Ipsos

and

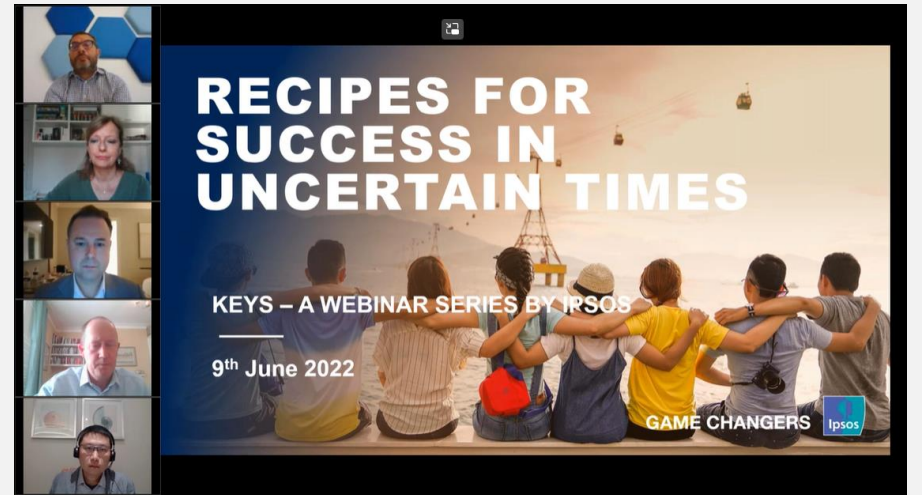
Ananya Roy Mathur

Service Line Leader, Creative Excellence, Ipsos in India

STAND-OUT LEADERSHIP AT WORK

Ghassan Karian

CEO, Ipsos Karian & Box



WATCH the recording

INFLATION AND THE PUBLIC

WHAT DO WE KNOW?

Simon Atkinson

Bringing together the evidence



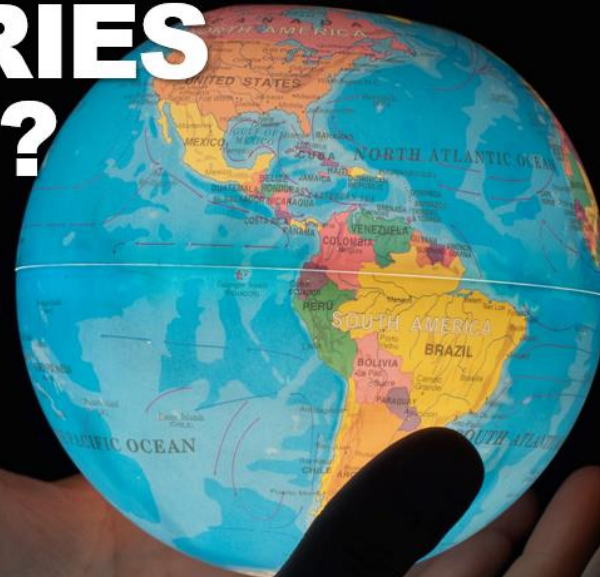
Explore the
resources on
the webinar
home page



A year ago

WHAT WORRIES THE WORLD?

Inflation in 9th place



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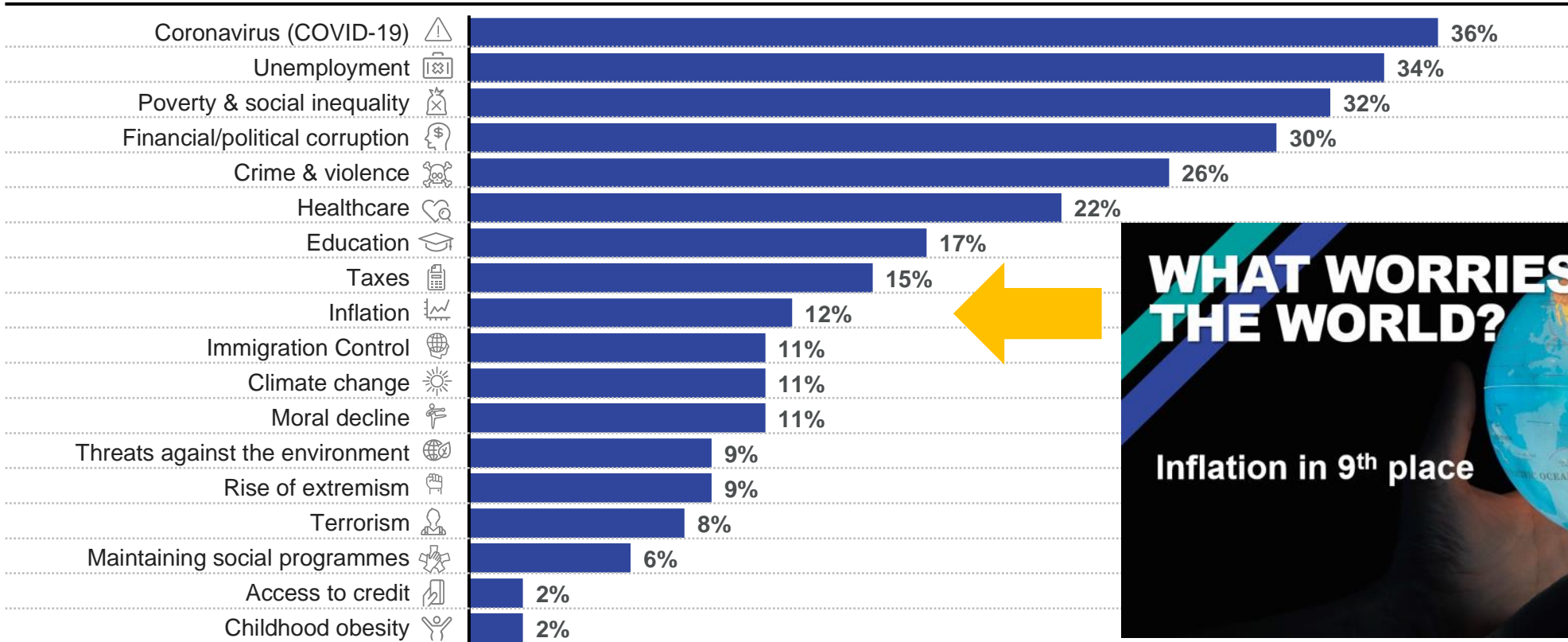
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World Worries: the full list (JUNE 2021)

Q Which three of the following topics do you find the most worrying in your country?

% mentioned in June 2021 (global country average)



Base: Representative sample of 19,010 adults aged 16-74 in 28 participating countries, May 21st – June 4th 2021.

Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*

Six months ago...

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...People were starting to notice

59%

Prices “seem higher”
than in mid-2021



Download [here](#)

75%

Prices in my country will rise
faster than people's incomes



Download [here](#)

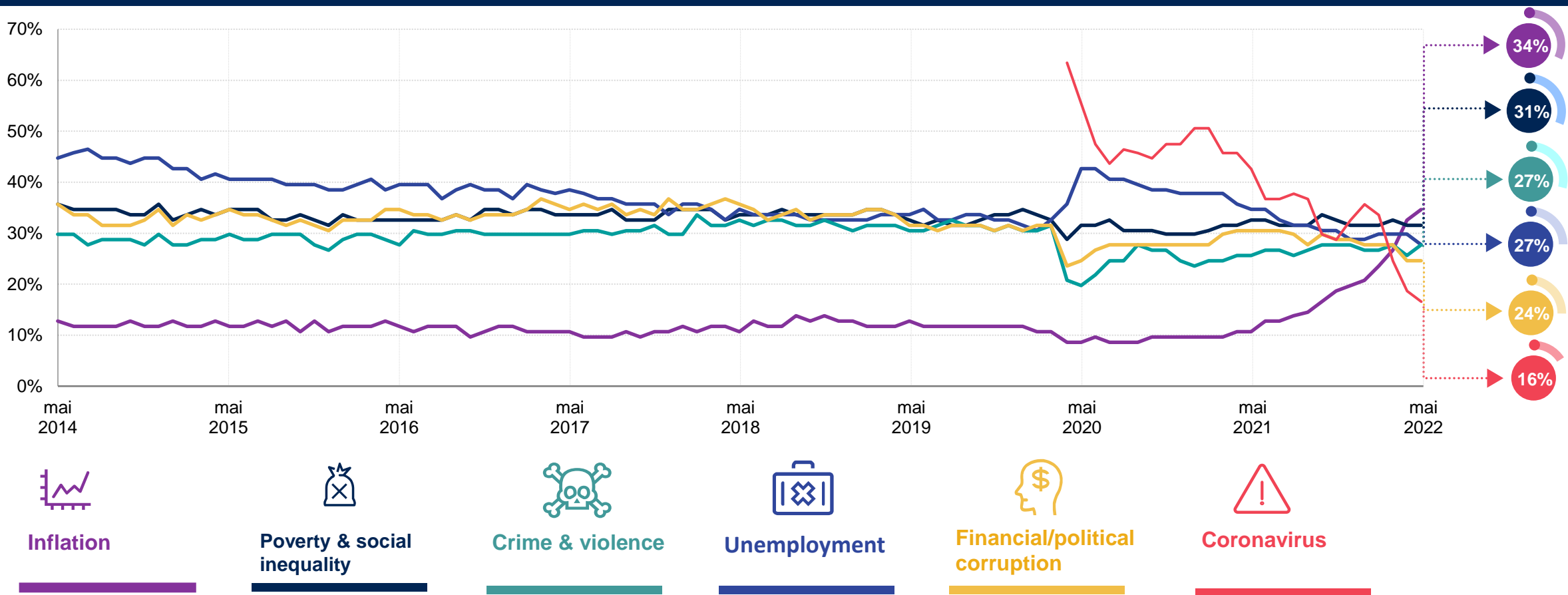
And now...

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World Worries: The long-term trend

Q Which three of the following topics do you find the most worrying in your country?
Global country average



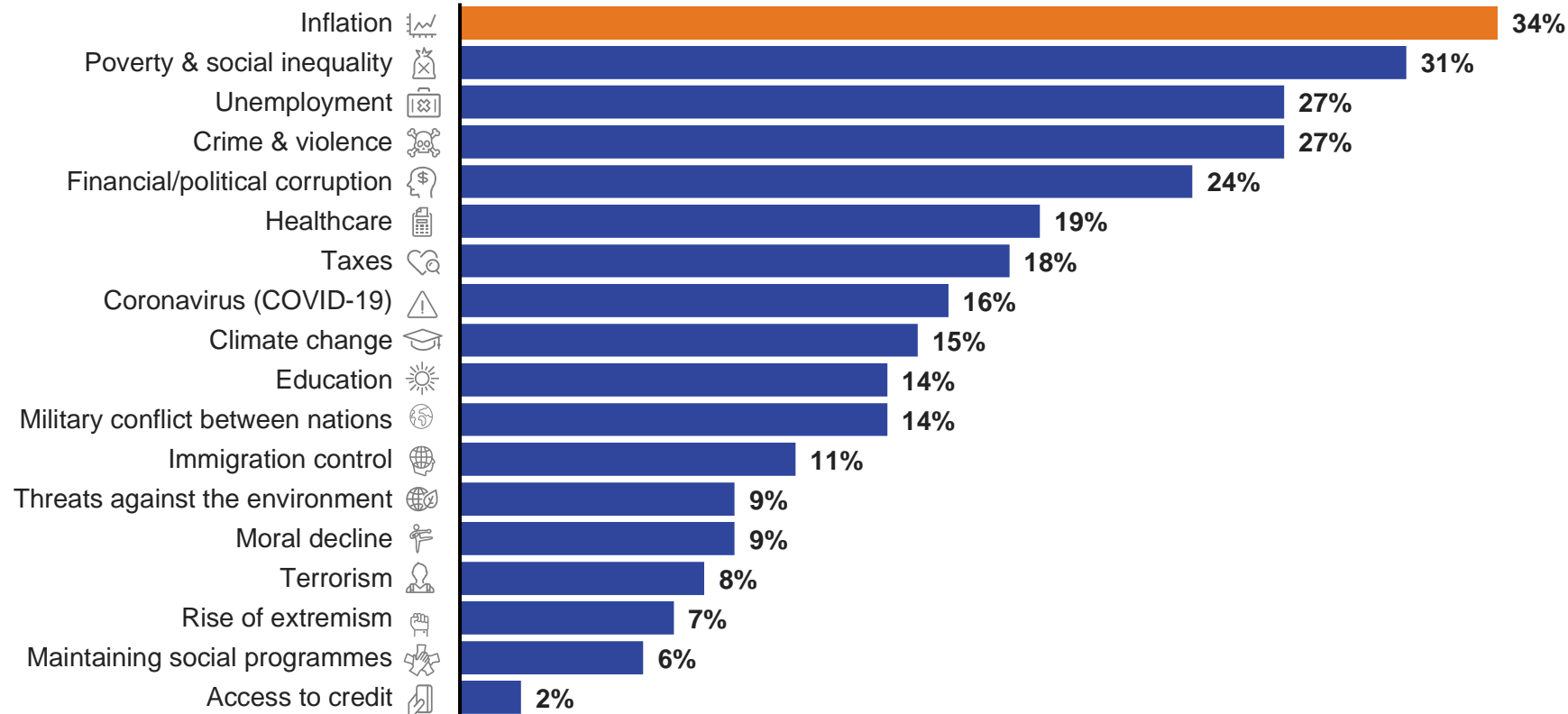
Base: Representative sample c. 18,000-21,000 adults aged 16-74 in 27 participating countries, 2014 – 2022.
Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*



World Worries: the full list (MAY 2022)

Q Which three of the following topics do you find the most worrying in your country?

% mentioned in May 2022 (global country average)

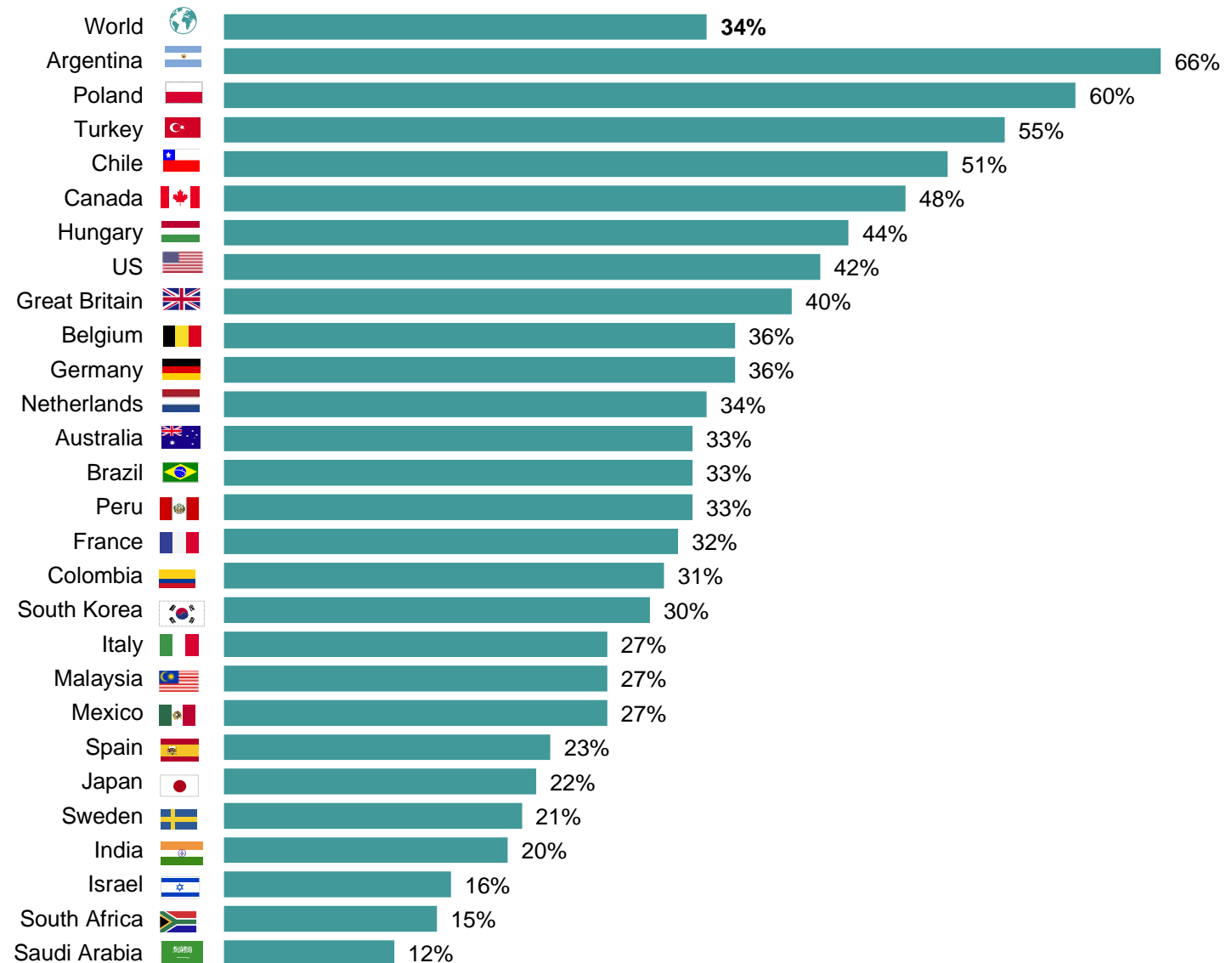


Base: Representative sample of 19,505 adults aged 16-74 in 27 participating countries April 22nd 2022 – May 6th 2022.

Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*

Still big differences by country...

(%) worried about INFLATION in May 2022 in each country



Base: Representative sample of 19,505 adults aged 16-74 in 27 participating countries April 22nd 2022 – May 6th 2022.

Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*

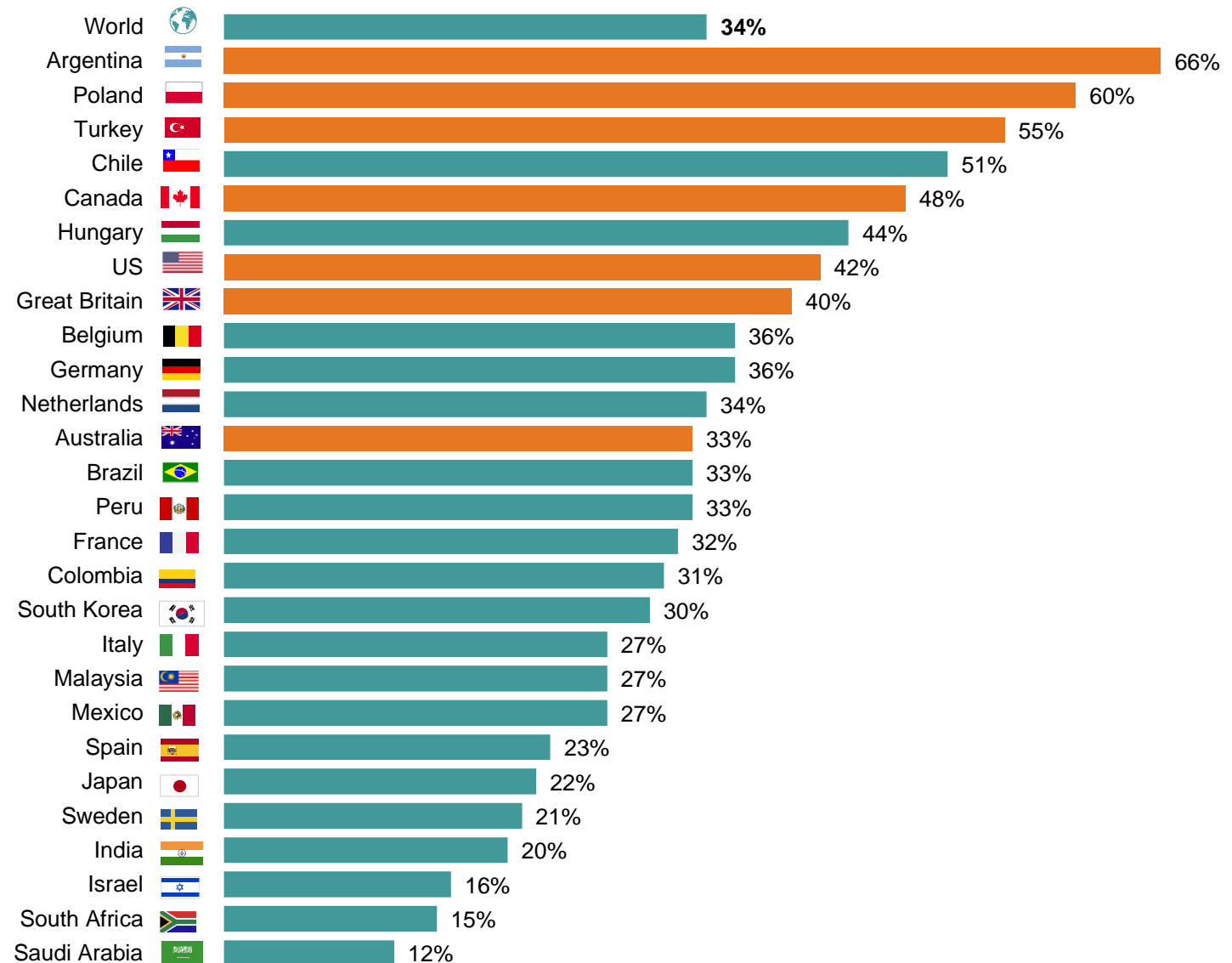
Still big differences by country...

(%) worried about INFLATION in May 2022 in each country

Inflation

#1 worry in 7 countries

Argentina	Poland
Australia	Turkey
Canada	US
Great Britain	

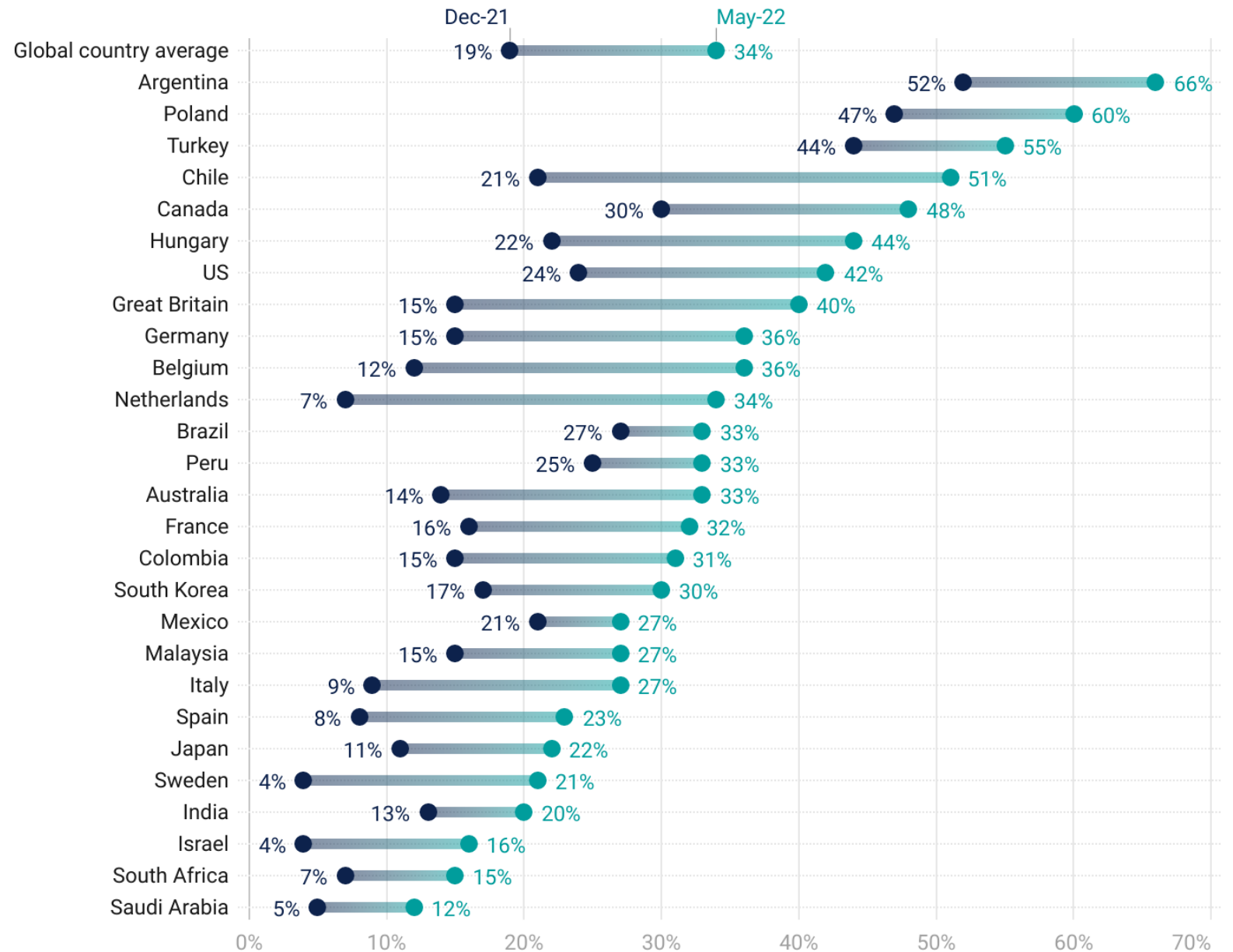


Base: Representative sample of 19,505 adults aged 16-74 in 27 participating countries April 22nd 2022 – May 6th 2022.

Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*

...but concerns about inflation are rising everywhere

(%) worried about INFLATION in each country



How are people feeling now?

GLOBAL PERCEPTIONS OF INFLATION 2022

9 May, 2022

For more information, visit www.ipsos.com/en/global-perceptions-of-inflation-2022

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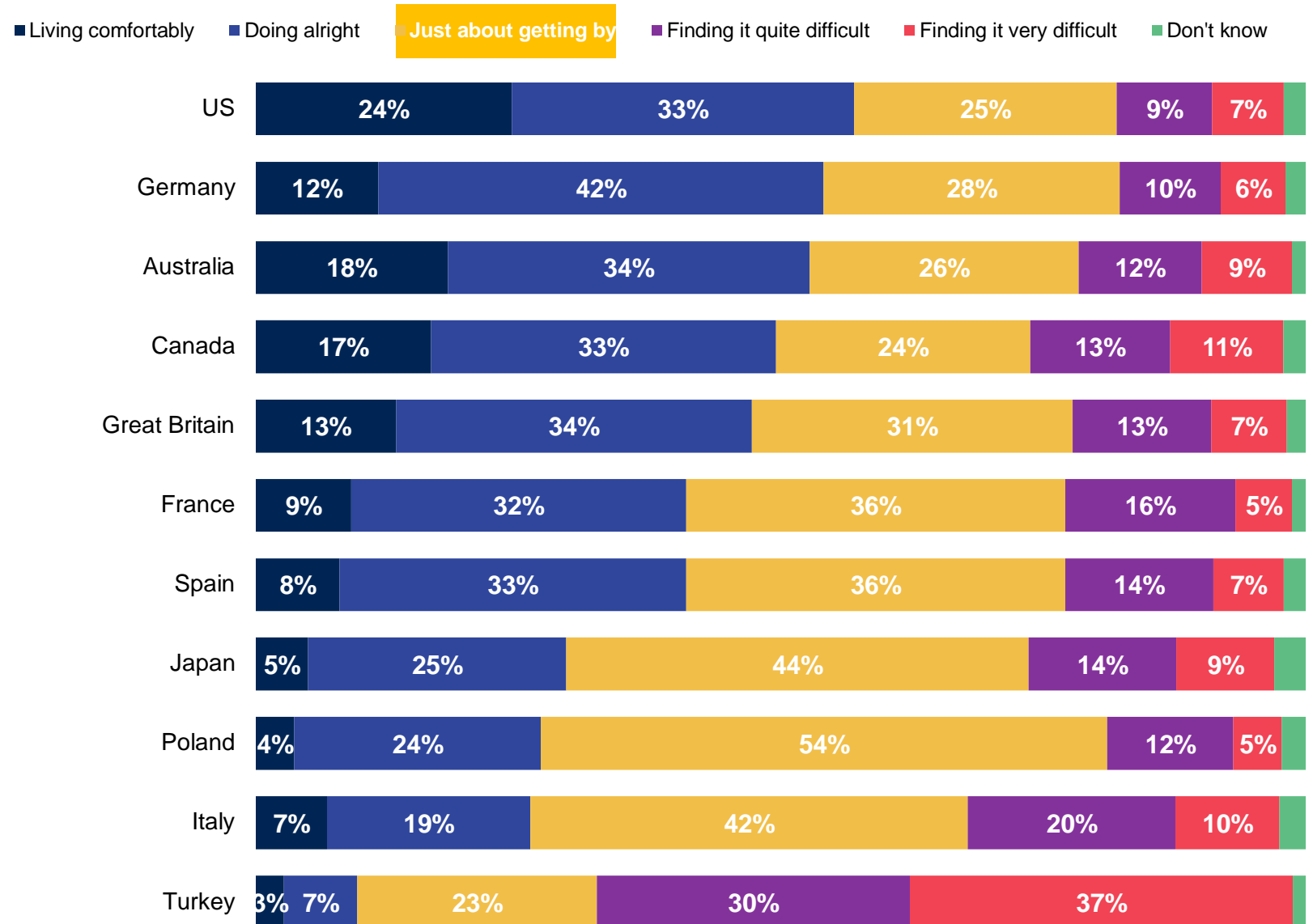


An 11-country study



“Just about getting by...”

How well would you say
you are managing financially these days?
Would you say you are...

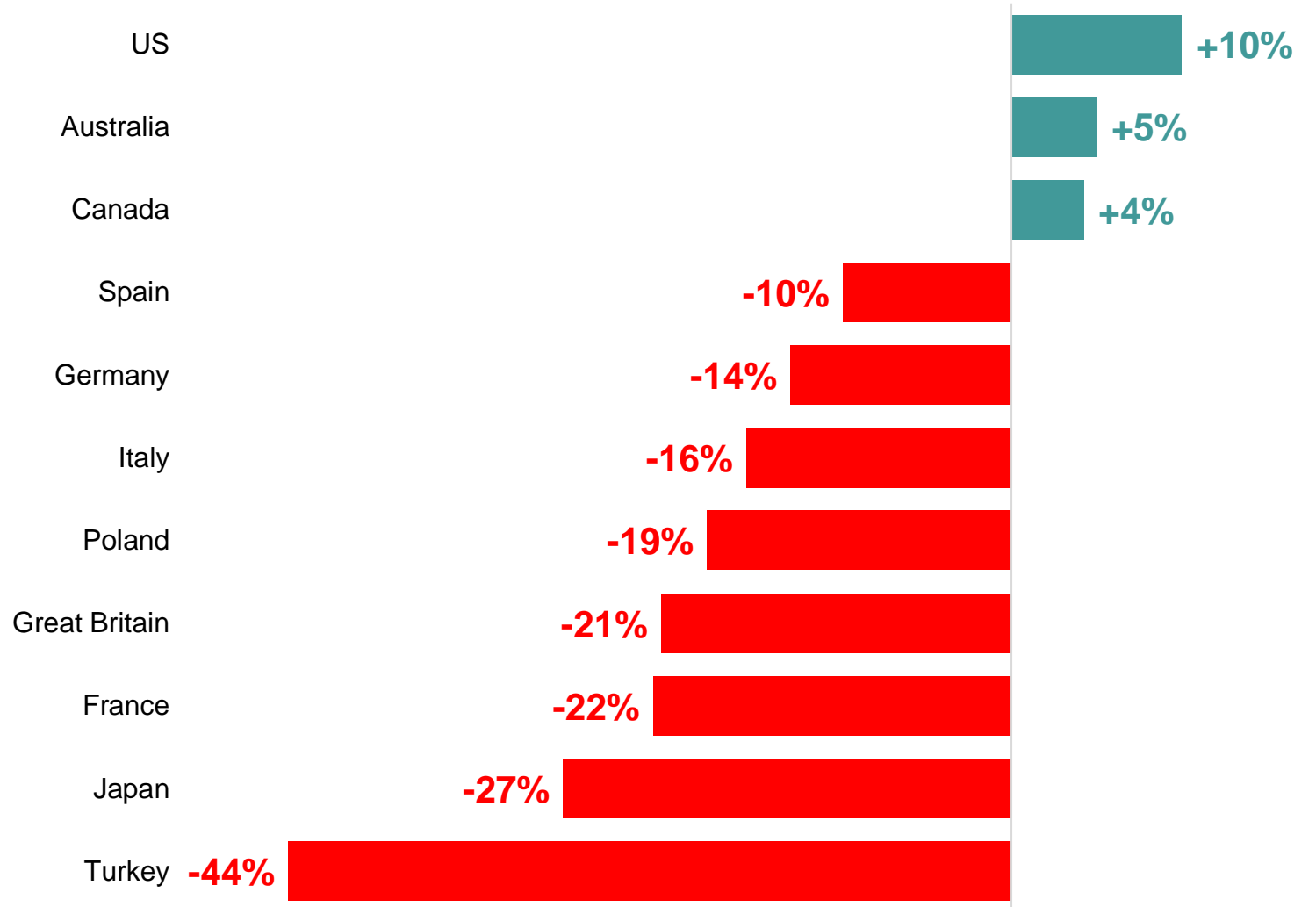


Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7 - 18 April 2022

Future pessimism is widespread

Over the next year, do you think **your own standard of living** will rise, decline, or stay at about the same level?

Net “rise”



Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7 - 18 April 2022

Will we change our behaviours?

And if price rises meant that **you could no longer afford your normal lifestyle**, which, if any, of these actions would you be likely to take?



The most common responses are cutting discretionary spend and luxuries

*And if price rises meant that **you could no longer afford your normal lifestyle**, which, if any, of these actions would you be likely to take?*



#1

Spend less money on socialising

#2

Delay large purchase decisions

The most common responses are cutting discretionary spend and luxuries

And if price rises meant that **you could no longer afford your normal lifestyle**, which, if any, of these actions would you be likely to take?

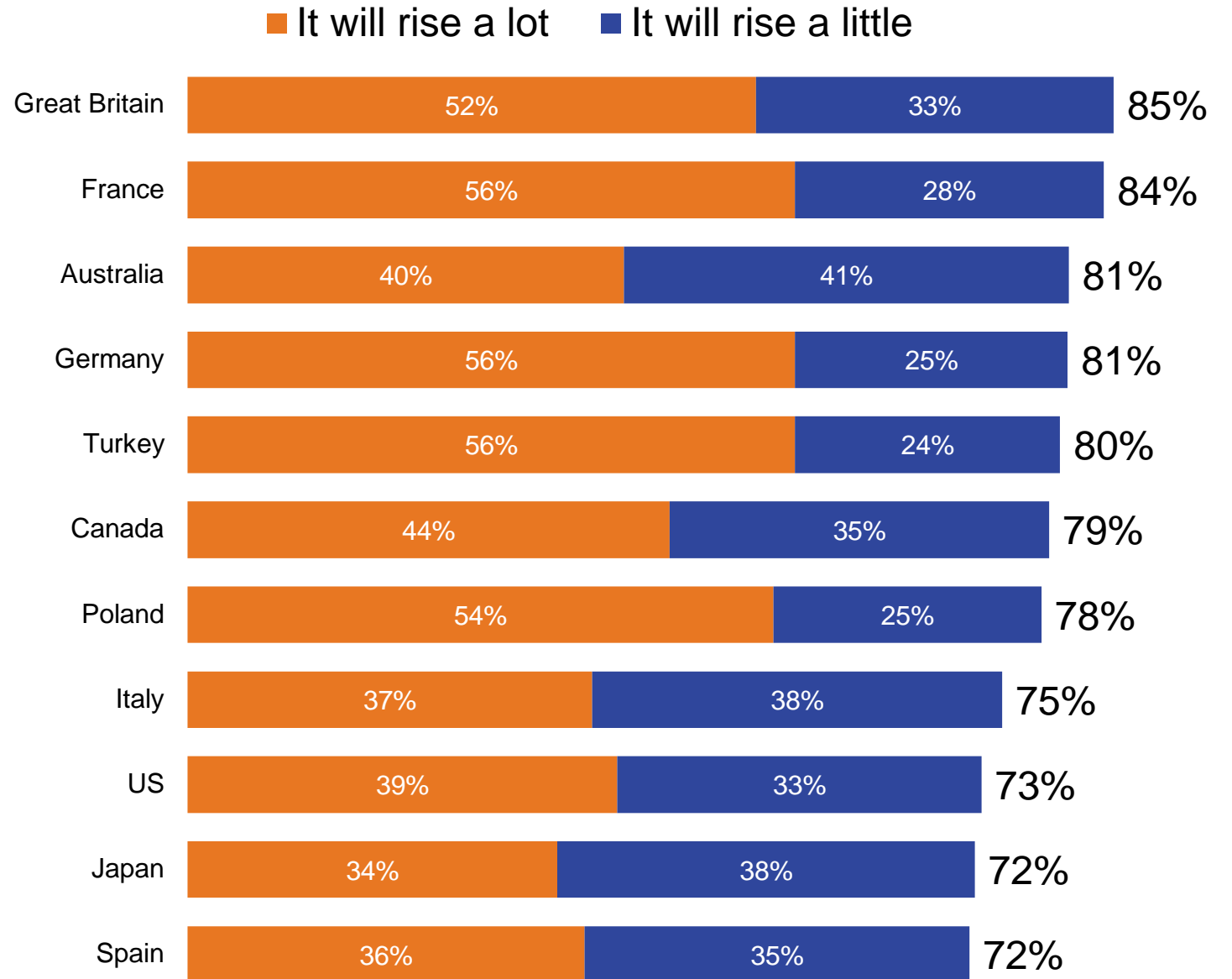
	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR
Spend less money on socialising	42%	47%	51%	47%	43%	42%	24%	47%	40%	50%	51%
Delay large purchase decisions	38%	39%	47%	45%	36%	43%	37%	42%	39%	39%	44%
Spend less money on other household shopping	37%	43%	44%	33%	34%	31%	38%	37%	41%	32%	44%
Spend less on holidays	29%	37%	39%	39%	37%	35%	28%	34%	34%	40%	41%
Use less heating, electricity or water	24%	49%	23%	40%	34%	46%	37%	27%	34%	34%	44%
Use a car/motor vehicle less often to spend less on fuel	26%	30%	28%	34%	20%	34%	16%	31%	30%	31%	42%
Spend less money on food	28%	34%	33%	29%	19%	25%	41%	30%	27%	16%	29%
Use savings	24%	29%	25%	24%	17%	20%	31%	25%	23%	17%	19%
Save less	21%	35%	24%	22%	16%	21%	19%	28%	17%	22%	20%
Check what benefits/support are available to me	14%	12%	14%	17%	14%	15%	7%	18%	16%	12%	19%
Seek employment	13%	9%	15%	6%	9%	7%	9%	12%	18%	10%	19%
Seek higher-paid work from another employer	11%	10%	10%	10%	6%	7%	4%	12%	18%	8%	12%
Spend less on healthcare	8%	8%	9%	12%	10%	8%	7%	16%	8%	4%	13%
Move into cheaper accommodation	9%	5%	11%	8%	5%	6%	7%	9%	7%	8%	15%
Ask for a pay rise from my employer	9%	5%	6%	9%	5%	6%	2%	7%	12%	5%	10%
Borrow money	9%	8%	9%	4%	4%	4%	4%	8%	6%	6%	13%
Spend less on education	6%	3%	5%	4%	5%	7%	2%	5%	7%	3%	8%
Other	2%	2%	2%	1%	2%	3%	2%	1%	1%	2%	2%
None of these	7%	4%	4%	4%	2%	6%	5%	4%	2%	3%	2%
Don't know	5%	4%	6%	4%	6%	5%	8%	5%	10%	6%	4%

What do people expect to happen next?



Further rises in inflation are expected

Over the next year, do you think **the rate of inflation** (how much prices are going up by) will rise, decline, or stay at about the same level?



Food and utility costs expected to rise most

Thinking now about **your household spend in the next 6 months**, for each of the following types of spend, please say whether you expect it to increase, decrease or stay the same as it is now?

% increase a lot/a little

	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR
The cost of your food shopping	75%	88%	83%	85%	79%	85%	45%	79%	85%	77%	84%
The cost of your utilities	71%	89%	75%	85%	80%	84%	55%	72%	84%	71%	83%
The cost of your other household shopping	72%	85%	77%	76%	74%	80%	41%	75%	83%	73%	84%
Your motoring fuel costs	73%	75%	75%	77%	78%	74%	41%	76%	79%	69%	81%
The overall cost of going out socialising	60%	70%	68%	64%	60%	65%	18%	65%	66%	67%	74%
The overall cost of your subscriptions	45%	55%	58%	44%	48%	42%	10%	47%	55%	45%	68%
Your mortgage/rent	35%	38%	40%	28%	25%	39%	10%	44%	53%	36%	75%

Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7 - 18 April 2022

INFLATION AND THE PUBLIC

THREE THINGS TO WATCH

“Just about **getting by**”

“**Further price rises** coming”

“I will cut spending on **socialising & large purchases**”

For more, see the webinar homepage



[KEYS - Recipes for success in uncertain times | Ipsos](#)

Nine things to know about consumers and inflation

1. Globally, **consumer confidence stalled in mid-2021**. Economic optimism is now more diverse than it was pre-pandemic, with South America and MENA both reporting lower consumer confidence than in 2019.
2. **Concern about inflation has risen sharply and is seen as a worry by 34% - ahead of all other issues**: it varies widely between countries (from 66% in Argentina to 12% in Saudi Arabia).
3. In this 11-country study **many people report struggling financially**: a third are "just about getting by" and a quarter are finding it quite or very difficult.
4. **Pessimism for the future is high**: in eight of 11 countries, more people say they expect their living standards to fall, rather than rise, over the year.
5. The most common response to rising costs are to **cut spending on socialising and large purchases**.
6. The proportion of the public who say they would **look for higher paid work or ask their employer for a pay rise** in response to rising prices is currently low. This suggests we are not yet at a tipping point causing a wage-price spiral...so far.
7. The public are most likely to see **the causes of current inflationary pressures as global**: the top three are COVID, war in Ukraine and the global economy – not their own government or central banks so far.
8. Looking to the future **there is a widespread expectation of further increases in inflation**, ranging from 85% of Britons to 72% in Spain – but even so evidence suggests the public do not appreciate how difficult it may become.
9. Public **expectations for further price rises are highest in the sectors which will also have the biggest impact on household budgets**: food, utilities and motoring fuel.

KEYS

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Thursday 7 July, 11:00 & 17:00 CET

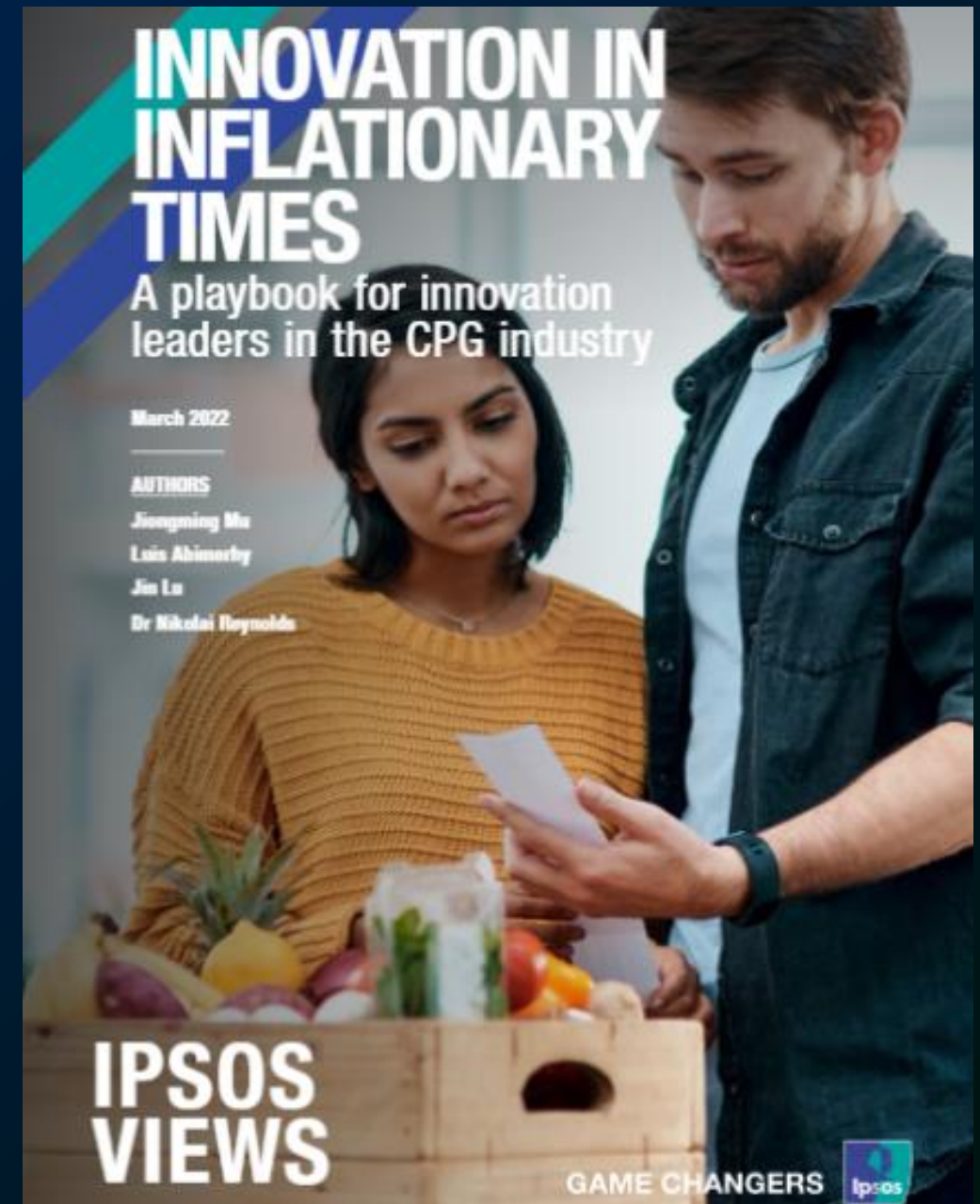


INNOVATING IN INFLATIONARY TIMES

WHAT TO DO?

Jiongming Mu

How do we make our product portfolio inflation resilient?



Increase pricing
resilience through
Differentiation
in Your Product
Proposition...



Differentiation proven to reduce price elasticity

Example from a Brazilian instant coffee manufacturer



A highly unique “instant espresso” concept was validated through consumer research

	Trial Potential	Relevance	Expensiveness	Differentiation
Concept Performance				

Pricing resilience confirmed in follow-up pricing pressure test

Volume reaction to price increase	Instant Espresso	Category Leader
Price increase 4%	-2%	-11%
Price increase 11%	-5%	-19%

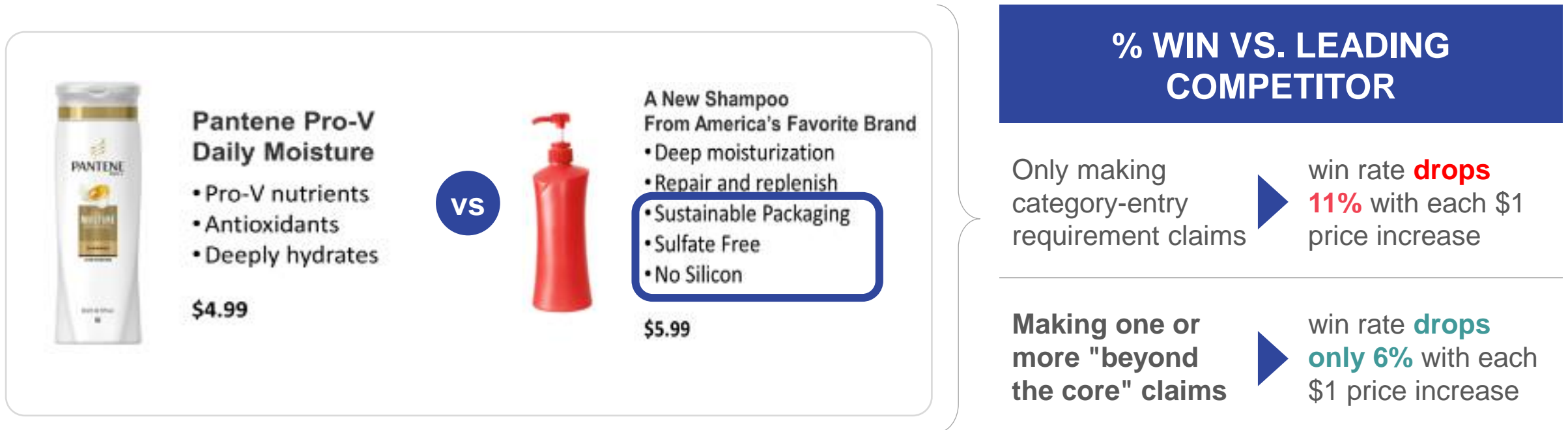
But How...

1. Differentiate through **superiority**



Differentiate by **Overlaying Superior Claims** to increase resilience...

Shampoo Example: “beyond the core” claims overlaid on hypothetical new launches in US



2. Finding the right claims to differentiate yourself with...



Finding **the right claims** that carries “Permissibility to Pay” to differentiate yourself with

Example from US Beverage brand



Over 20 beverage superiority claims validated on permissibility to pay

Vast performance difference by claims through resilience validation test

- Overall, **2/3** of the claims were **ineffective** in supporting price increases
- **Winning claims in “functional wellness”** were able to support as much as a **29% price increase** without losing current share of choice



3. Framing your competition to **Different and Premium** rivals.

Differentiate by Framing Your Pricing Competition On New Rivals

Expensiveness is always relative

Examples from maker of anti-bacterial hand soap in UK



£2.49

Benchmarked to
other hand soap



£12

Benchmarked to
bathroom gadgets



£39

Benchmarked
to small appliances

4. Play the **differentiation** card in tactical strategies such as **downsizing**

Raising price directly?

~~\$2.99~~ \$3.29



Downsize?

\$2.99



Restage?

\$3.29
New Look!
New Benefit!



Differentiation in tactical pricing strategies such as downsizing

EXAMPLE

An effective short-term strategy



US mouthwash maker renovates downsize with new package

Share of choice
observed from
choice exercise



Current
Design



New fancy
design with
new claims

	Current	Relaunch
Size	18 oz → 16.9 oz	
Total Brand	9.0% → 9.2%	
Variant A (\$3.98)	6.5%	6.6%
Variant B (\$4.48)	1.9%	2.0%
Variant C (\$4.98)	0.6%	0.6%

But beware of bad press hurting company reputation



Shoppers beware: Products shrink but prices stay the same

'Shrinkflation' strikes shoppers across the country: Companies faced with rising costs are downsizing packages without reducing prices in stealthy move to hit consumers in the wallet

Sneaky Manufacturers Shrink Packaging, While Keeping Prices the Same

The New York Times

OPINION

Product downsizing cheats consumers

Food Inflation Kept Hidden in Tinier Bags



By **Natalie Hein**
Jan. 12, 2009 9:46 p.m.

Ice cream shrinkflation

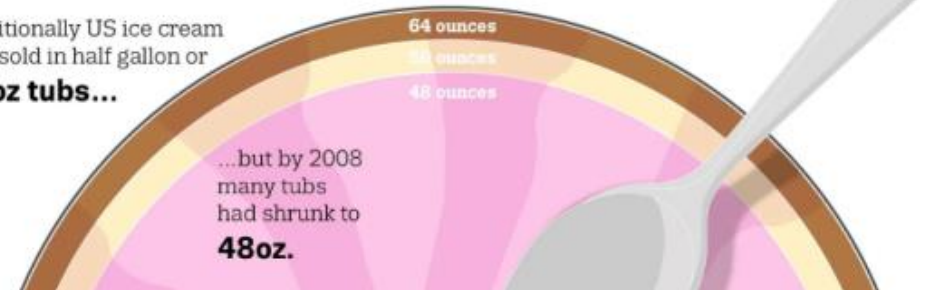
You're not imagining it...your dessert is getting smaller.

BBC
capital

Traditionally US ice cream was sold in half gallon or **64oz tubs...**

64 ounces
56 ounces
48 ounces

...but by 2008 many tubs had shrunk to **48oz.**



"The first time I've ever seen an 11-ounce can of corn at the store was about three weeks ago, and I was just floored," she said. "It's sneaky, because they figure people won't know."

Differentiation as key to an inflation resilient portfolio



Differentiate
through superiority



Finding the right
claims to
differentiate with



Smart competitive
framing



Play the
differentiation card
in tactical moves
such as downsizing

MISFITS

How creativity in advertising sparks brand growth

Adam Sheridan, Ananya Roy Mathur

9 June 2022



A CULTIVATION OF CONFORMITY



A LACK OF SHARED LANGUAGE

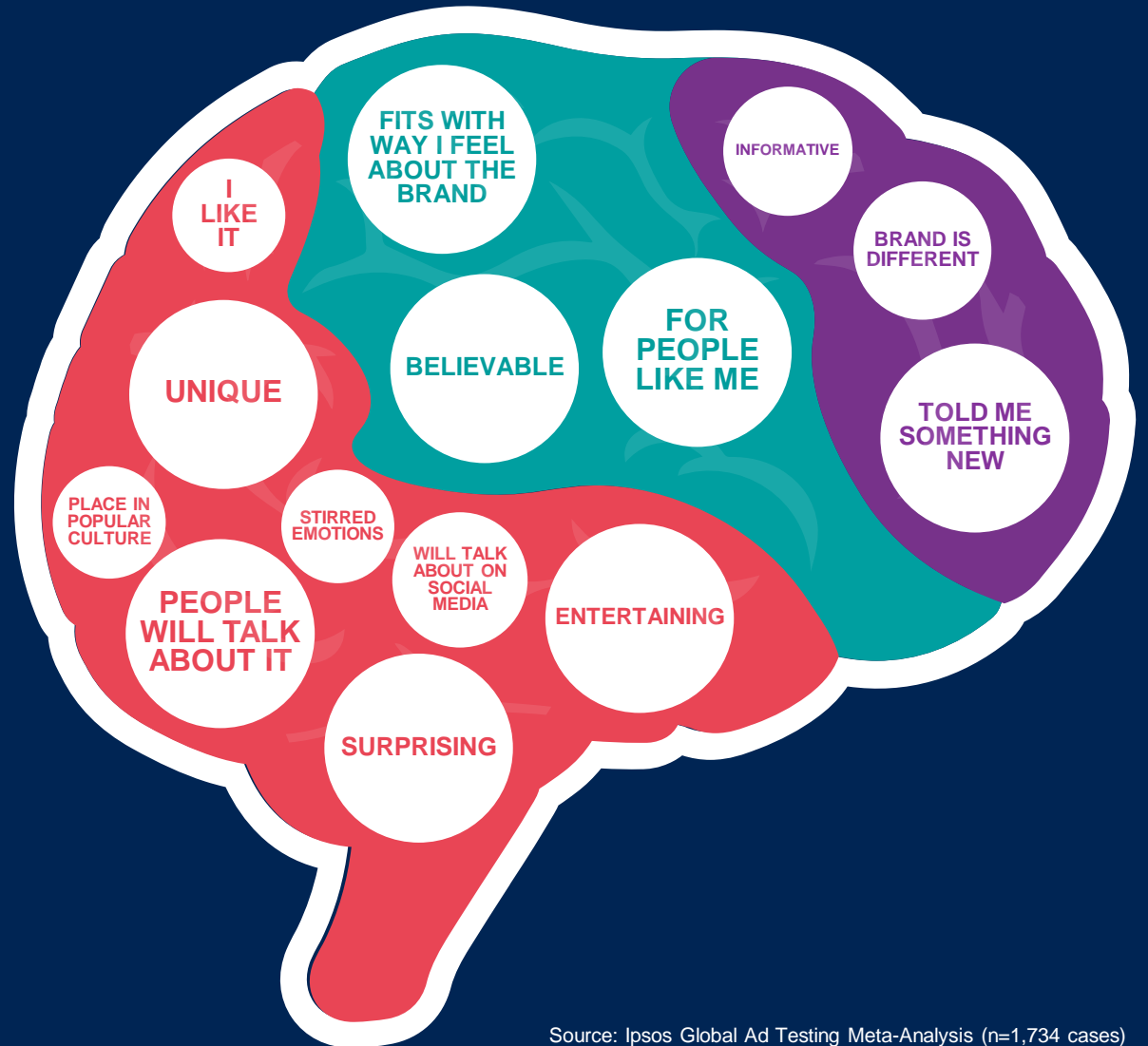
CO-CHAOS TIME

ADVERTISING DELIVERS EXPERIENCES THAT HARNESS CREATIVITY AND EMPATHY

CREATIVE EXPERIENCES

EMPATHY & FITTING IN

CREATIVE IDEAS



Source: Ipsos Global Ad Testing Meta-Analysis (n=1,734 cases)

AMAZON – NOT A BOX

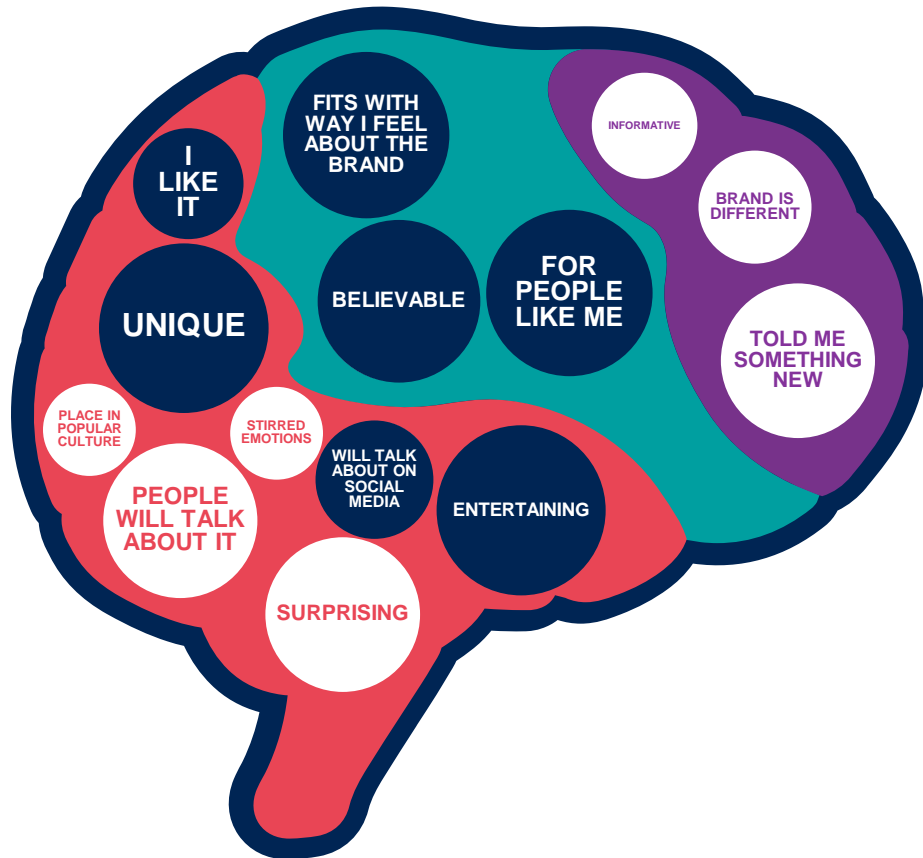
A culturally relatable story which hits the bull's-eye on Empathy & Fitting in, and possibly also driving Creative Effectiveness to a large extent



CREATIVE EXPERIENCES

EMPATHY & FITTING IN

CREATIVE IDEAS



This is a pledge

MISFITS COMING SOON





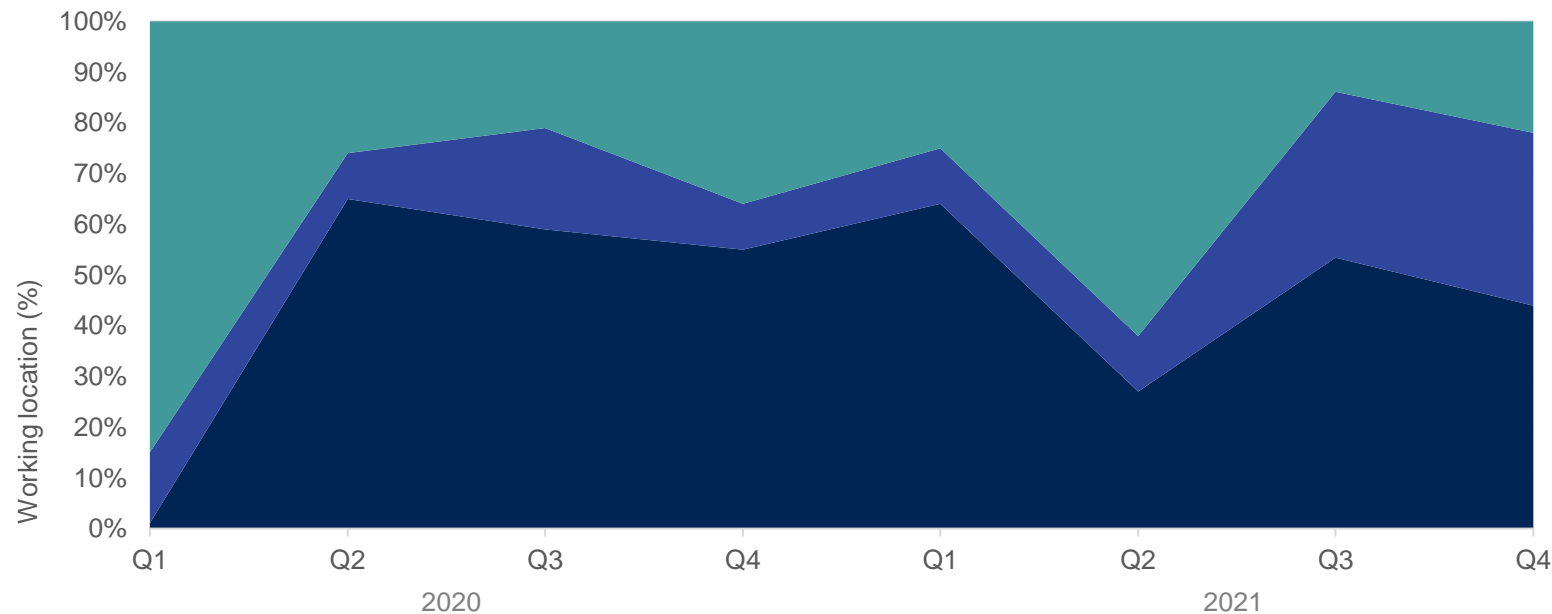
Stand-out leadership in a changing world

Ghassan Karian

Radical shift to where we work

COVID-19 has caused a fundamental shift to ways of working at unprecedented speed

■ Working from home ■ Working hybridly ■ Working from office / location



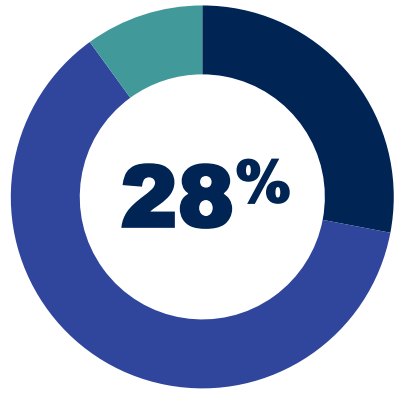
- **Hybrid is here for the long term**
- How do you **sustain virtual leadership**; how do you communicate with teams in different settings?

Source: 435,577 responses from employees collected through online surveys on behalf of twelve large organisations in the Financial Services, Manufacturing and Retail sectors.

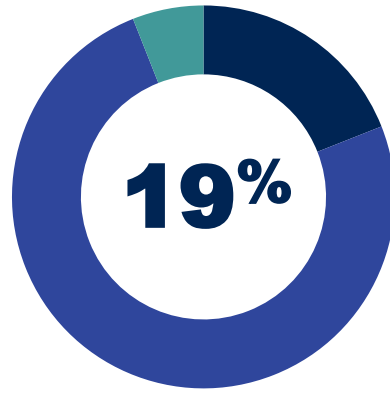
The hybrid working challenge

Senior leaders are far less likely to want to work wholly remotely than junior employees

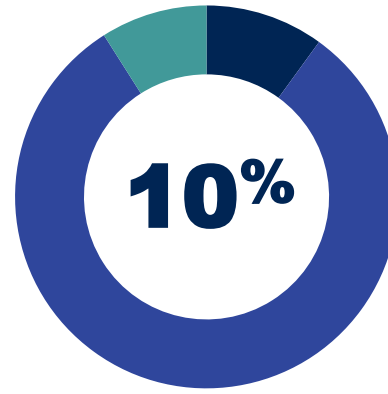
■ Working from home ■ Working hybridly ■ Working from office / location



Junior employees



Middle managers



Senior leaders



A great resignation, a big story...



...or is it?

The
Economist

Finance & economics | All mouth and no trousers

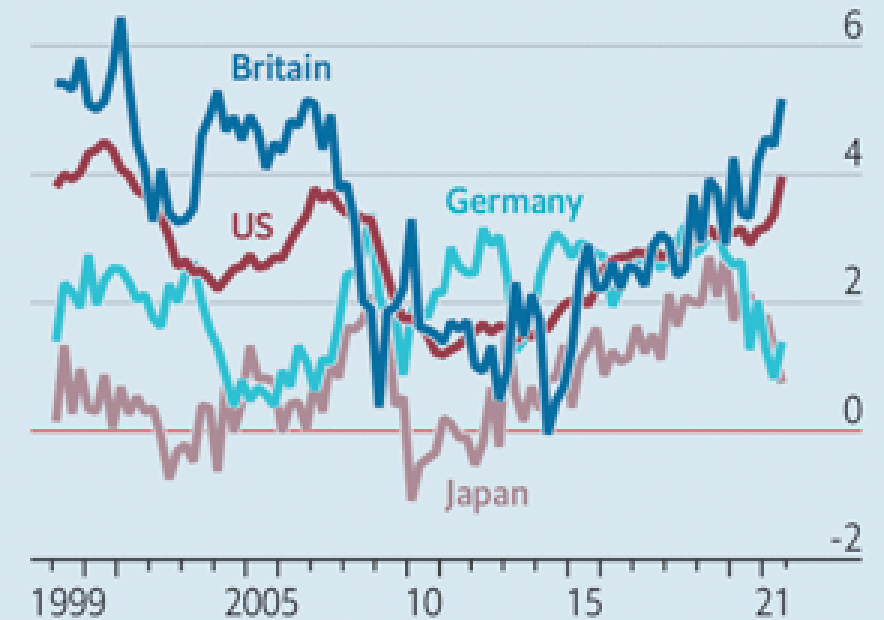
Evidence for the “great resignation” is thin on the ground

Job quits are not unusually high



We'll pay, will you stay?

Wages*, % change on a year earlier

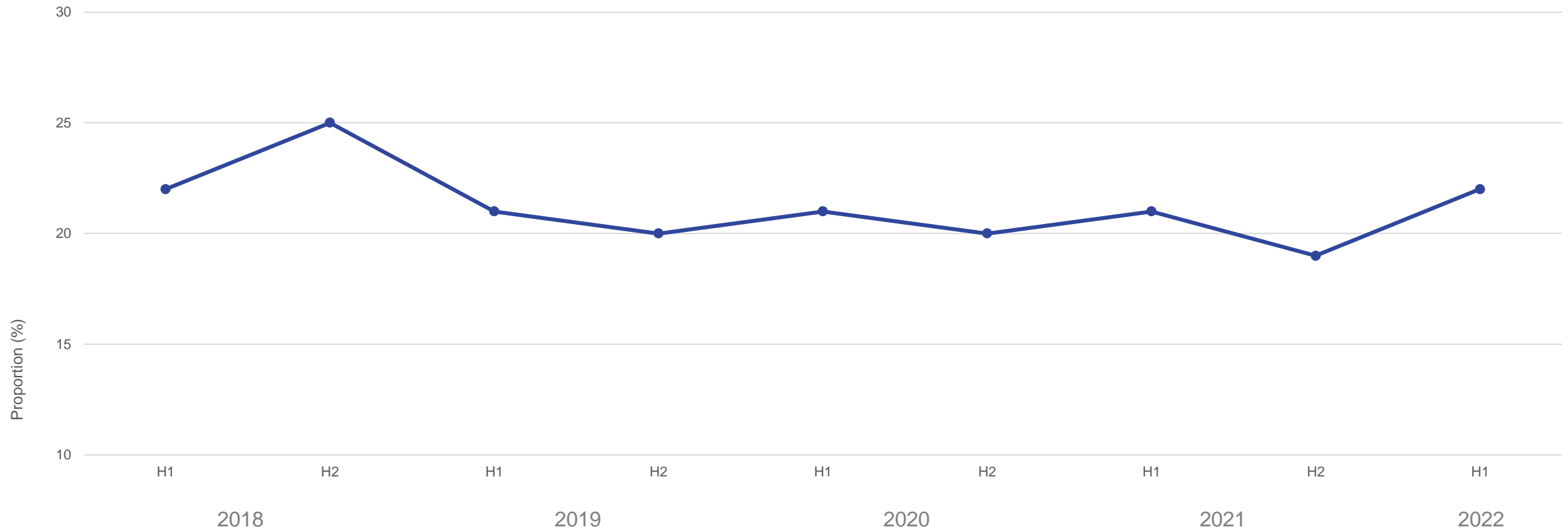


Source: Goldman Sachs

*Corrected for pandemic-related distortions

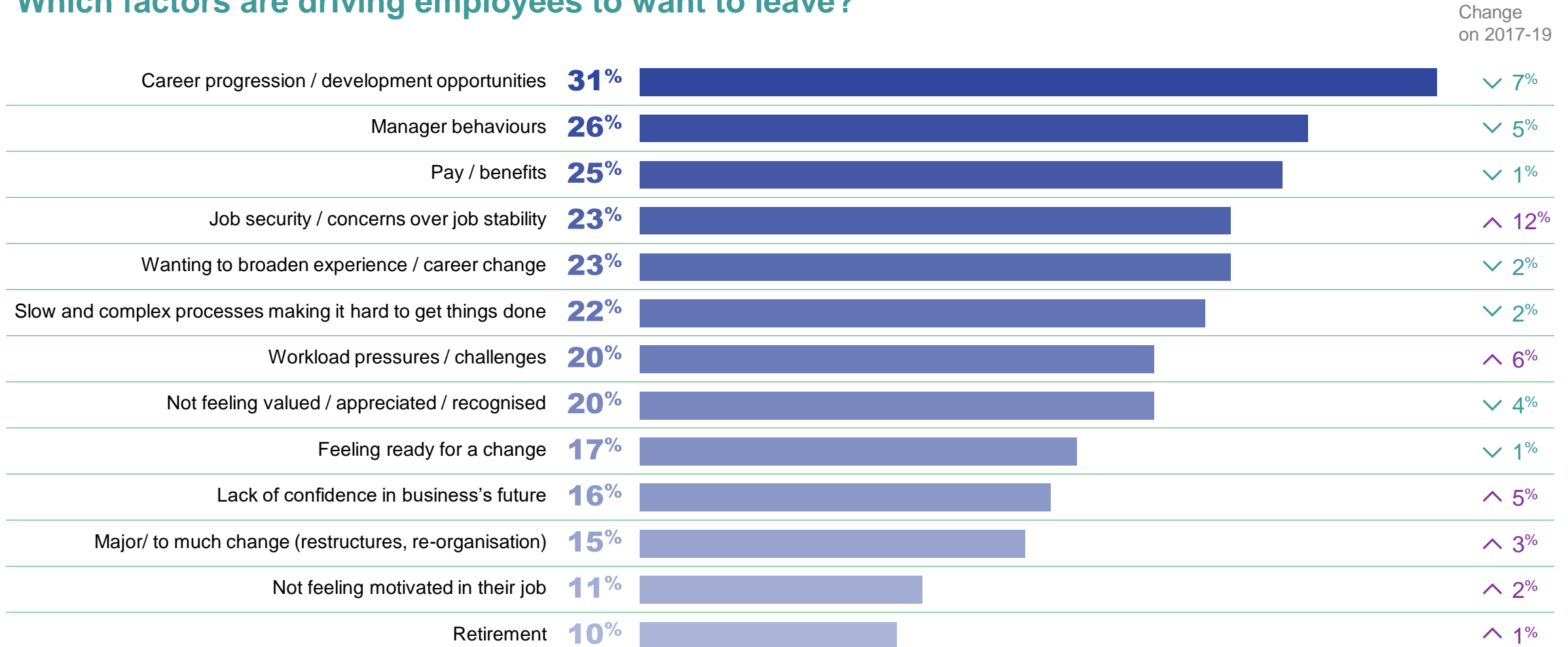
A rise yes, but more of a correction

The proportion of employees who intend to leave their employer in the next 2 years has remained broadly stable



Factors driving planned resignation

Which factors are driving employees to want to leave?



Drivers of high vs low attrition – more than just the job

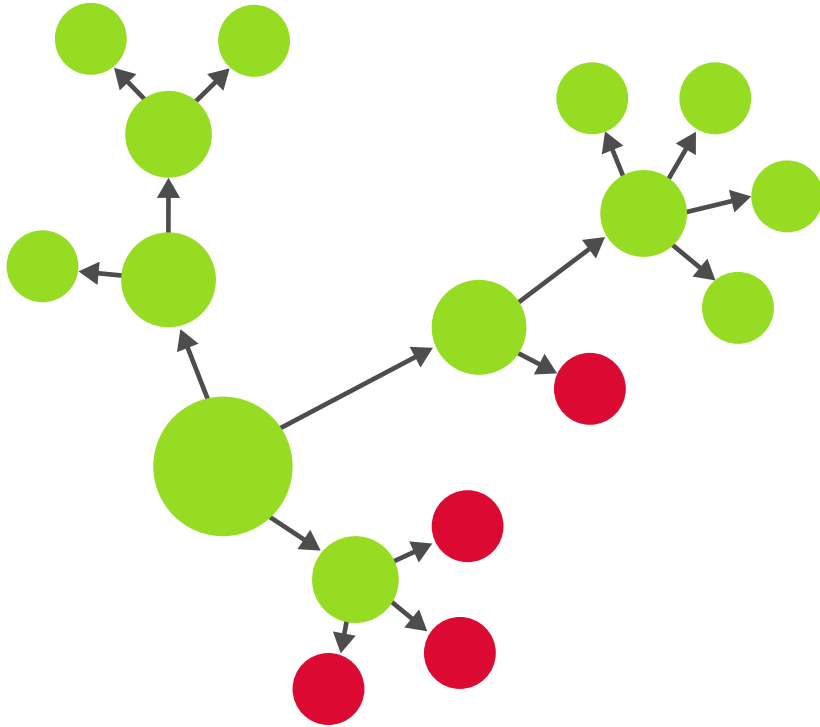
Job considerations...

1. Job security
2. Cost of living
3. Hybrid working
4. Worklife balance
5. Personal development

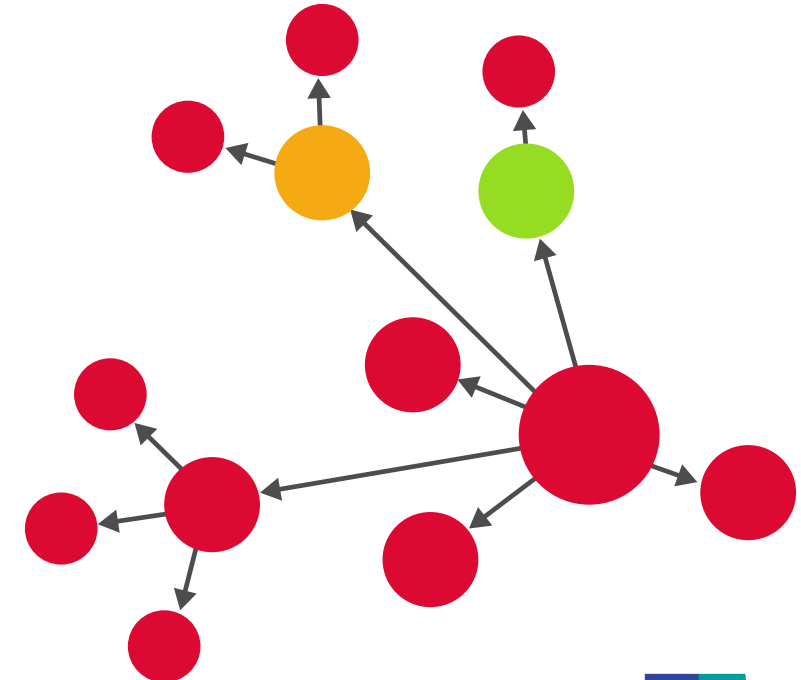
**But culture
and leader
behaviours play a
critical role too...**

The shadow of the leader makes a difference

Findings from over 20 large global businesses



- 1 Visibility when needed
- 2 Openness and honesty
- 3 Empowering behaviour
- 4 Humility and willingness to be challenged



In conclusion

1

We are beginning to see changes from the pandemic

2

Yet many of the basics for employers are unchanged

3

What leaders are seen to do matters

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