

# Jordan Consumer Sentiment Index

Jordan  
March, 2019





## Introducing the Jordan Consumer Sentiment Index

Ipsos's Jordan Consumer Sentiment Index (JCSI), is a quarterly national survey of consumer attitudes on the current and future state of the local economy, personal financial situation, as well as confidence to make large investments and ability to save.

Consumer sentiment is a key predictor of purchase trends in the market. Despite it being a lagging indicator, if consumer sentiment is high, people will make more purchases and the economy will expand.

Businesses and Policy Makers can monitor changes in the index to factor the data in their decision-making processes. A wave-on-wave decreasing trend suggests consumers have a negative outlook on their ability to spend. Thus, manufacturers may expect consumers to avoid retail purchases, particularly items that require financing. Likewise, banks can anticipate a decrease in lending activity, mortgage applications, and credit card usage.



# Introducing the Jordan Consumer Sentiment Index

The quarterly JCSI result is driven by the aggregation of four, weighted, sub-Indices



JCSI Current Personal Financial Conditions



JCSI Economic Expectations



JCSI Investment Climate



JCSI Employment Confidence

Overall Jordan  
Consumer  
Sentiment Index

## Overall JCSI Survey Questions

1. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.
2. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
3. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
4. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
5. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
6. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
7. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
8. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
9. Thinking of the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
10. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?



# Demographics



# Demographics

## Gender



**51.0%**  
Males



**49.0%**  
Females

## Age

18 - 24 23.0%

25-34 25.0%

35-44 21.0%

45-54 16.0%

55 + 15.0%

## Regions

Amman 39.0%

Irbid 20.0%

Zarqa 14.0%

Balqa 6.0%

Almafraq 5.0%

Kerak 4.0%

Jerash 3.0%

Ma'an 2.0%

Aqaba 2.0%

Ajloun 2.0%

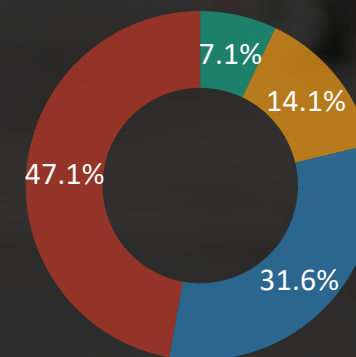
Madaba 2.0%

Altafielah 1.0%

## Socioeconomic

### Class

A B C D-E





# Jordan Consumer Sentiment Index

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March 2019 (Q1) Summary



## Prelude

For Jordanians, 2018 was a year plagued with economic hardship and uncertainty. As a consequence, many exhibited decreased confidence in the government's ability to improve the country's economic situation and enhance people's living standards. While pessimistic sentiments about the country's current economic trajectory persist, the intense negativity that marked the end of 2018 have slightly subsided as a result of Jordanians' increased optimism regarding their personal financial situation.

The slight change in Jordanians' sentiments had a direct impact on this quarter's JCSI with the index witnessing a 3-point increase when compared to the last quarter of 2018- the first increase in 9 months. Although the general pessimism on both the local and global economic scenes persists, at the end of 2018, Ipsos Jordan predicted the slight improvement witnessed this quarter. The main instigator behind this change is the aftermath of the newly implemented tax law on Jordanians' livelihoods. With 9 in 10 Jordanian households not actually being subjected to income tax, the majority of Jordanians have grown more comfortable with their current financial situation. The government has also been more active when it comes to increasing media coverage relating to its new economic reforms. Such reforms mainly included lowering the sales tax on some products, subsidizing bread prices, fighting corruption, promoting business and growth opportunities in Jordan to the international community in the last London Initiative Conference, and last but not least working on developing trade relations with Iraq and Syria. All these developments have played a crucial role in subsiding Jordanian's negative sentiments towards their finances.

However, despite increased confidence surrounding personal finances, Jordanians are still feeling the heat of financial burdens as evident by increased expenditure on household staples and utilities which has come at the expense of expenditure on more luxury items when compared to 12 months ago. Not only that, but Jordanians also continue to express their concerns about high unemployment levels with many witnessing firsthand the heat of diminishing job security. This in return has only pushed Jordanians to believe that Jordan is still not headed in the right direction.



# JCSI Summary: March 2019

JCSI, Q1 2019

34.9

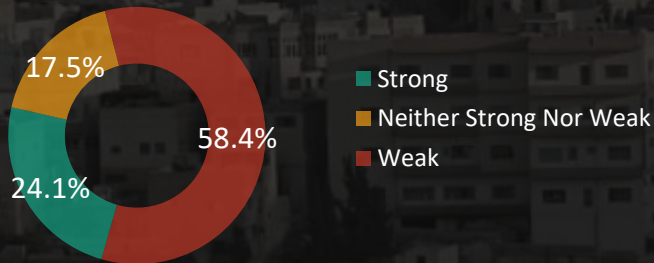


Versus  
Previous  
Wave

31.7

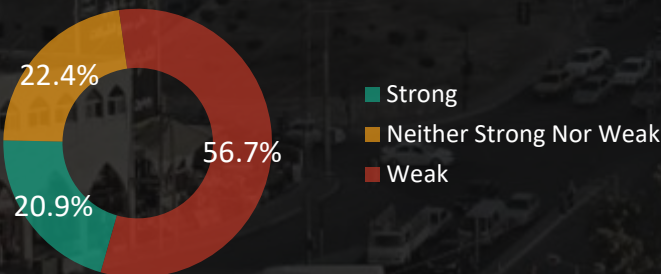
## Country Economic Situation

Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



## Personal Financial Situation

Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



## Top 3 Concerns For Jordanians



**55.7%**  
Unemployment



**44.3%**  
Inflation



**37.9%**  
Poverty & Social  
Inequality





# Country's General Situation

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# Current Economic Situation

## *Trending*

Q: Now, thinking about our economic situation, how would you describe the current economic situation in Jordan?



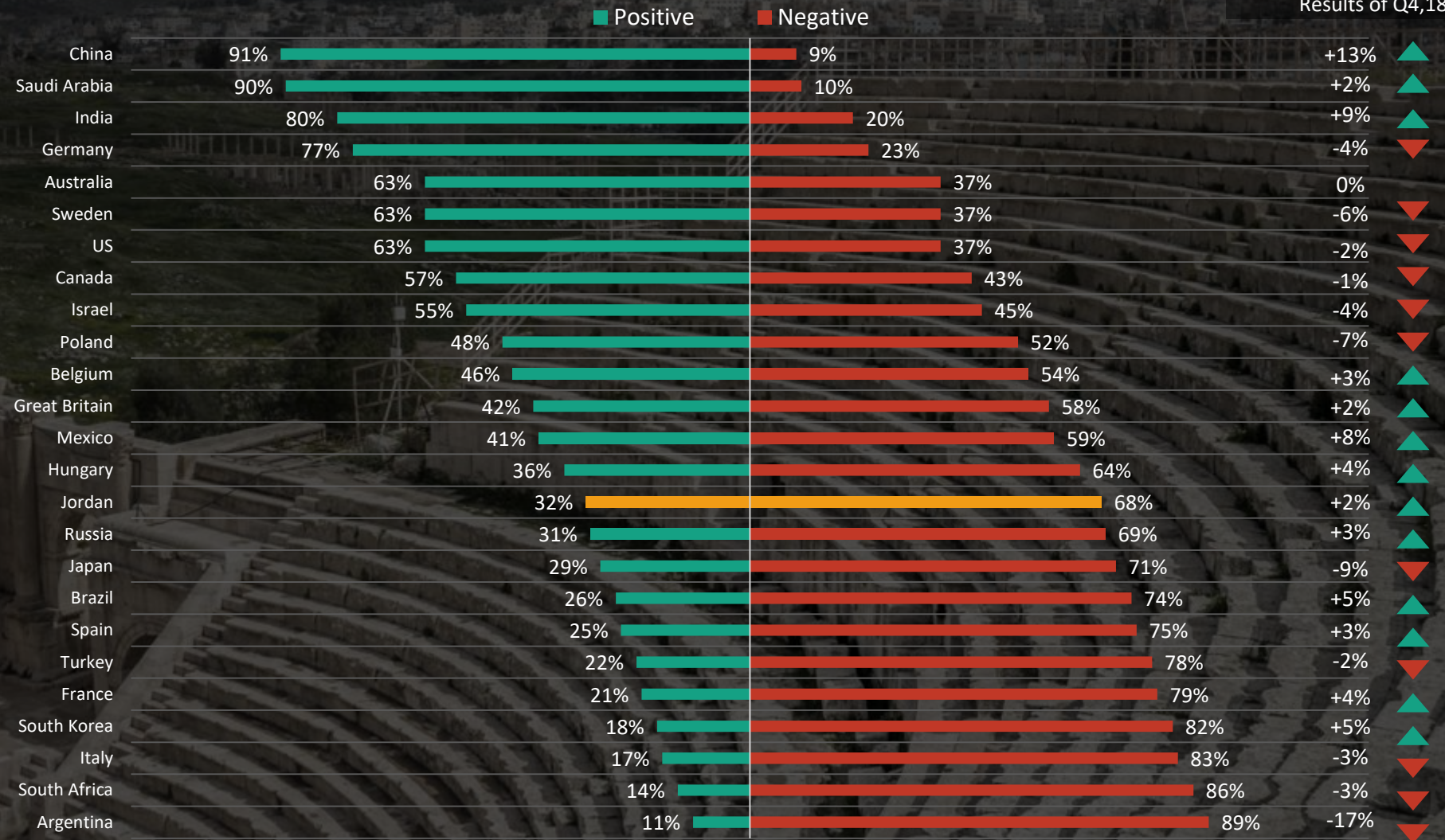


# Current Economic Situation

## Global Comparison

Q: Now, thinking about our economic situation, how would you describe the current economic situation in Jordan?

Compared to the Positive Results of Q4,18

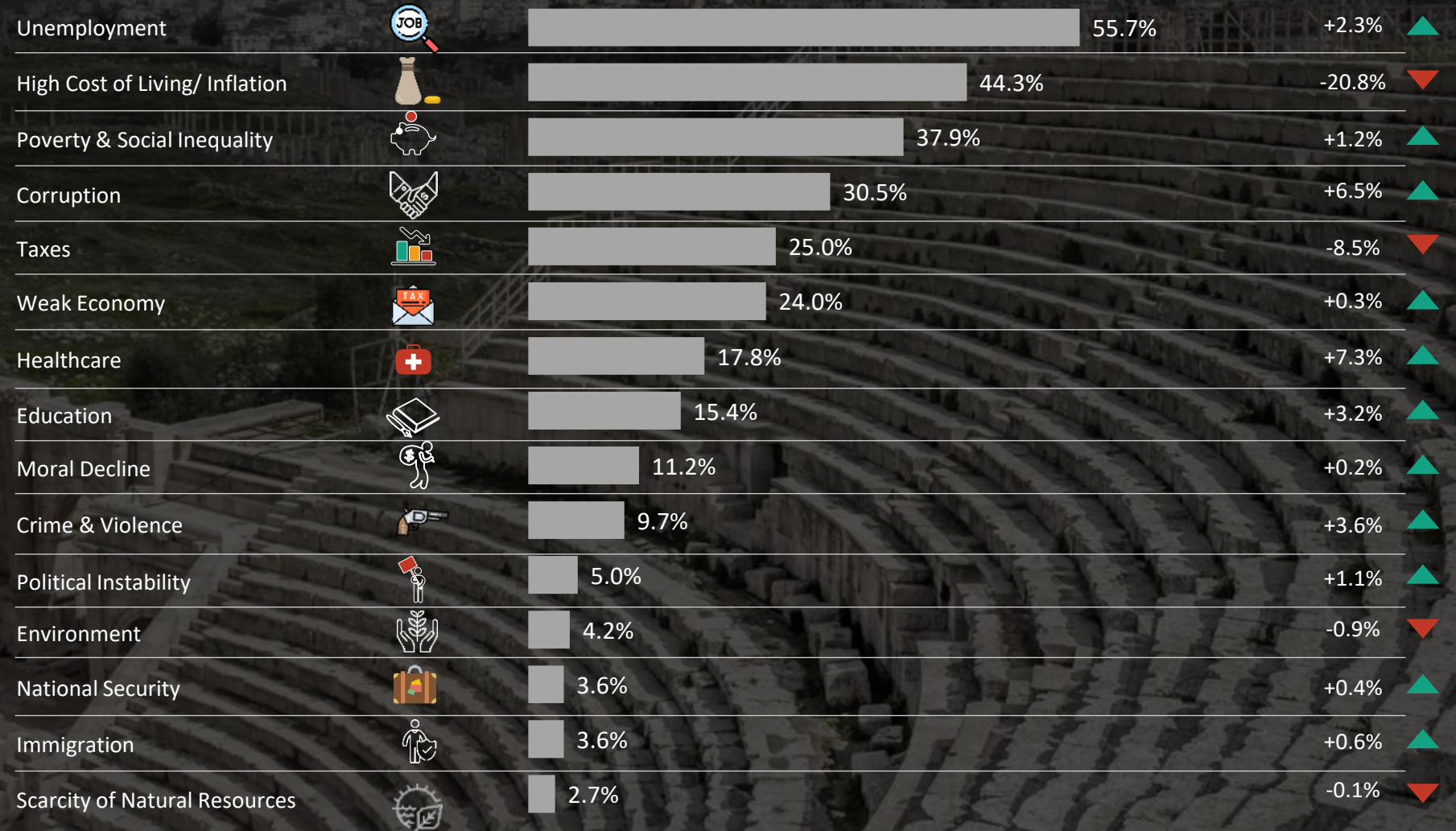




# Jordanians' Top Concerns

Q: Which of these are your top three biggest concerns as a Jordanian citizen, whether they are economic, social or political?

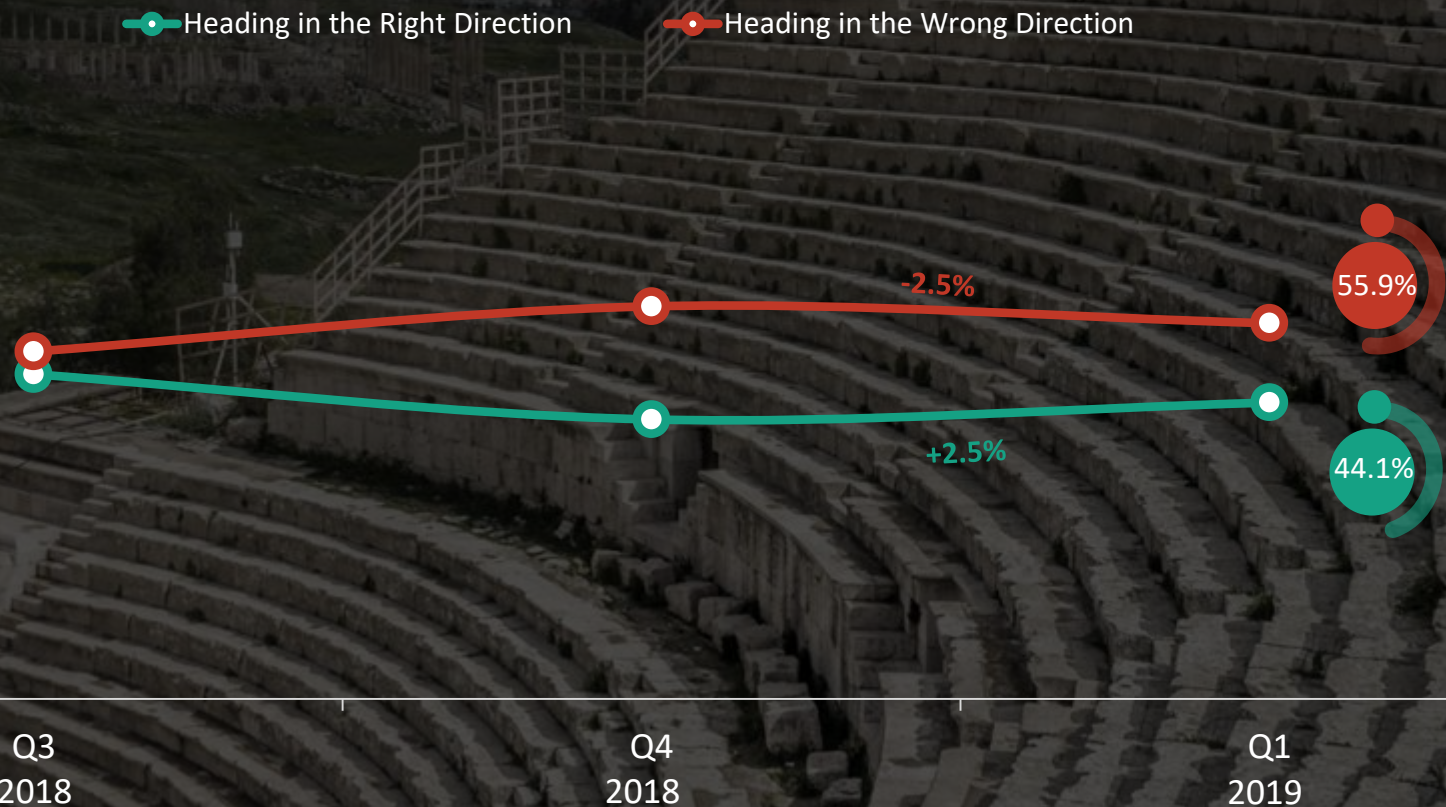
Compared to Q4,18





# Stance on the Country's Future Situation

Q: Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?







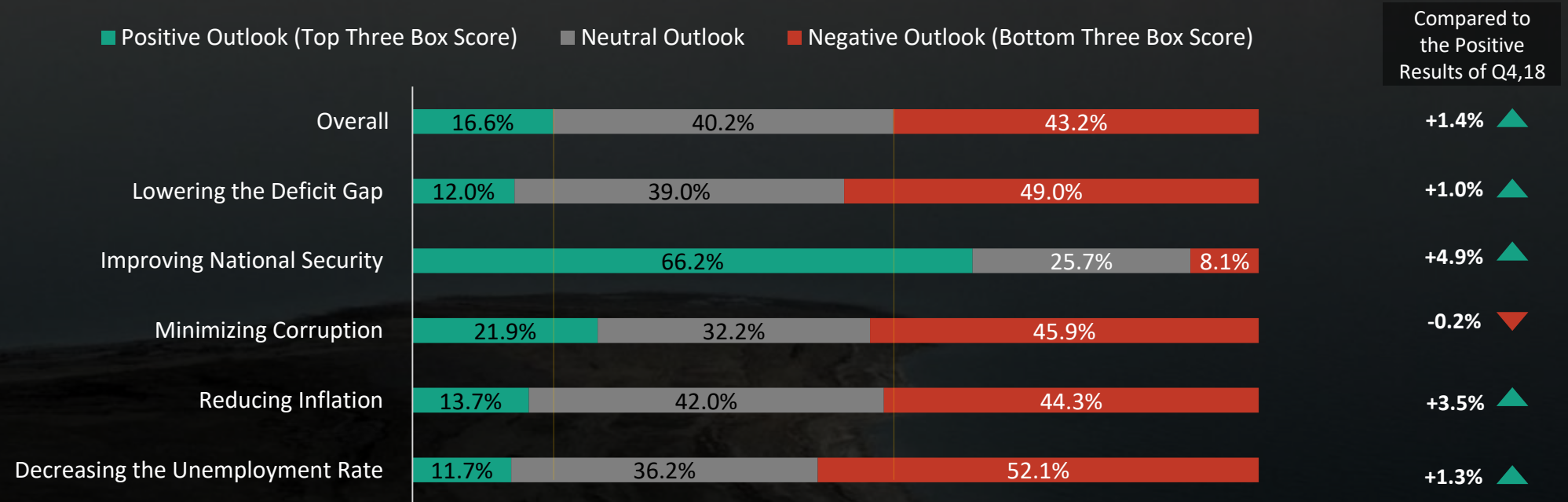
# Sentiments Towards the Current Government

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# Confidence in the Government's Role

Q: How confident are you on a scale of 1 to 10, where 1 is not confident at all and 10 is extremely confident, with the new government's overall ability to improve the situation in Jordan?

Q: Rate your confidence level, on a scale of 1 to 10 where 1 is not confident at all and 10 is extremely confident, in the government's ability to achieve each of the following: Lowering the Deficit Gap, Improving National Security Through Reducing Terrorism, Minimizing Corruption, Reducing Inflation & Decreasing the Unemployment Rate.







# Personal Financial Situation

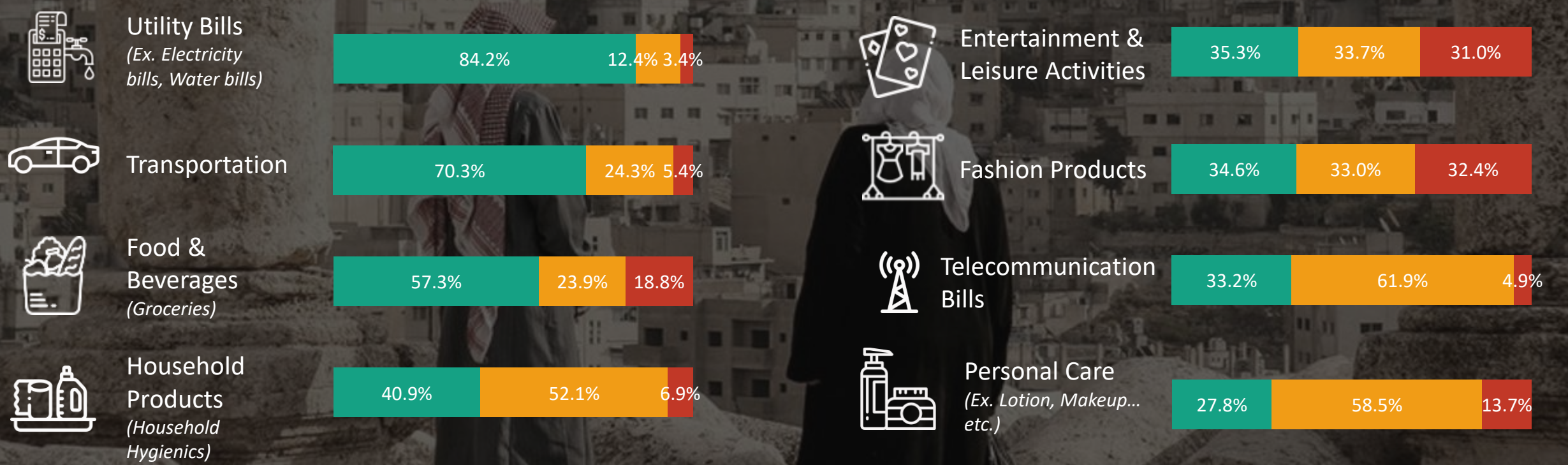
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# Jordanian Spending

Q: Compared to 12 months ago, has your expenditure on the below increased, decreased or stayed the same?

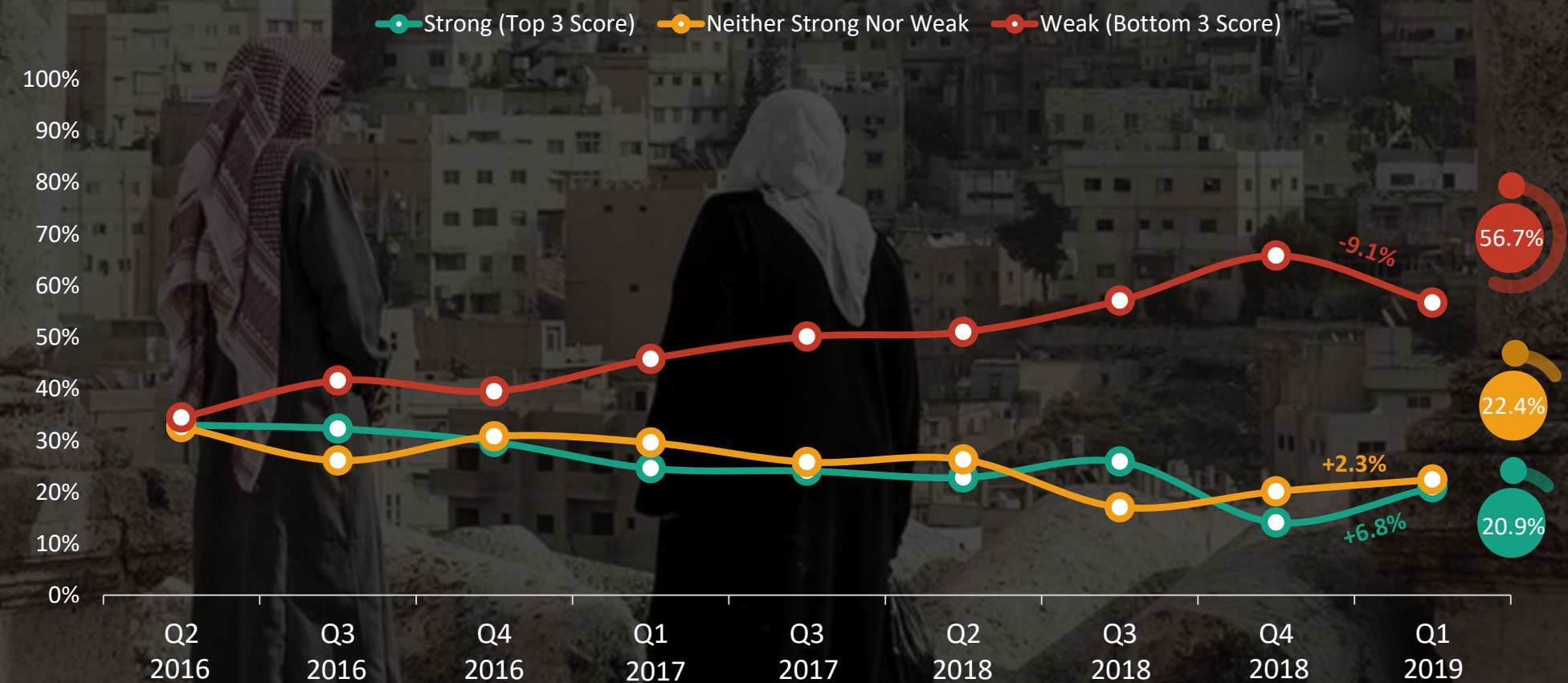
■ Increased   ■ Stayed The Same   ■ Decreased





# Current Personal Financial Situation

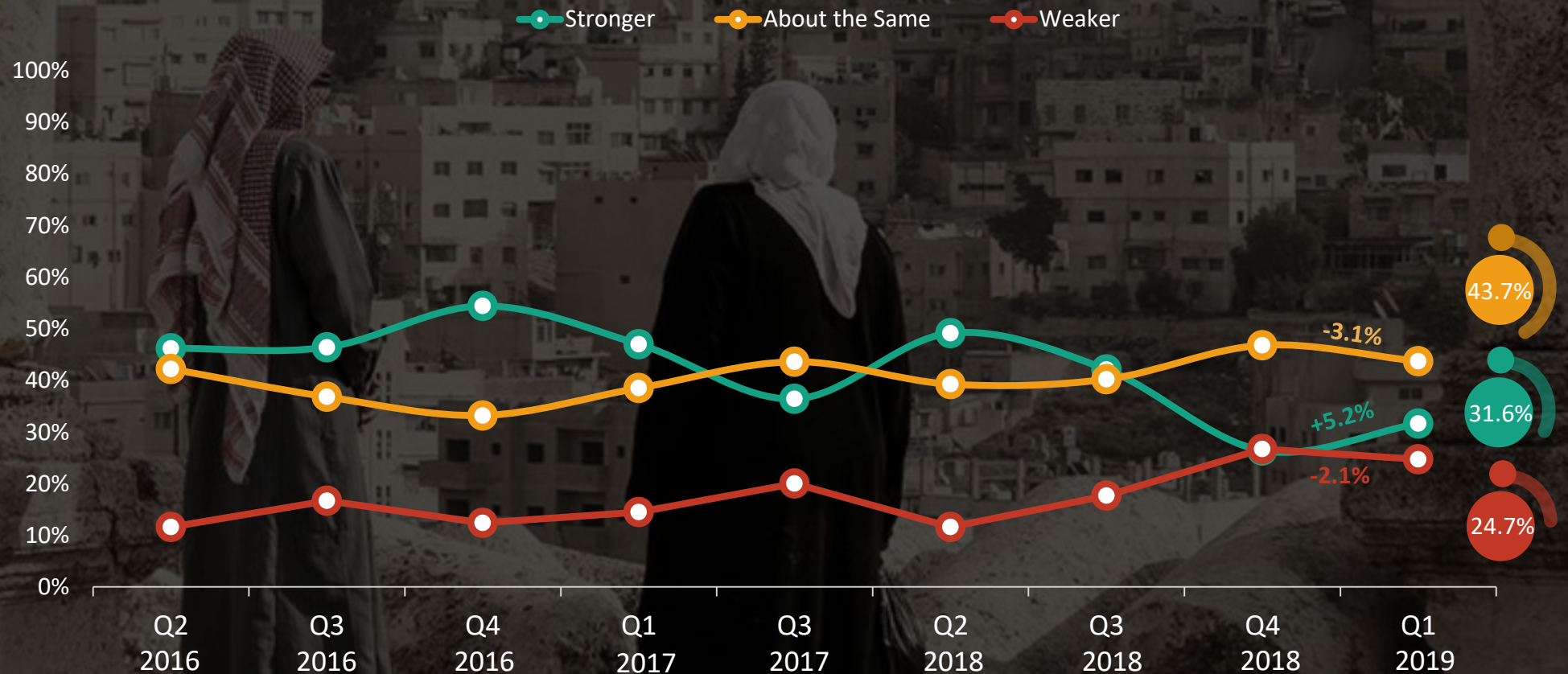
Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.





# Future Personal Financial Situation

Q. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?







# Jordan's Economic Situation

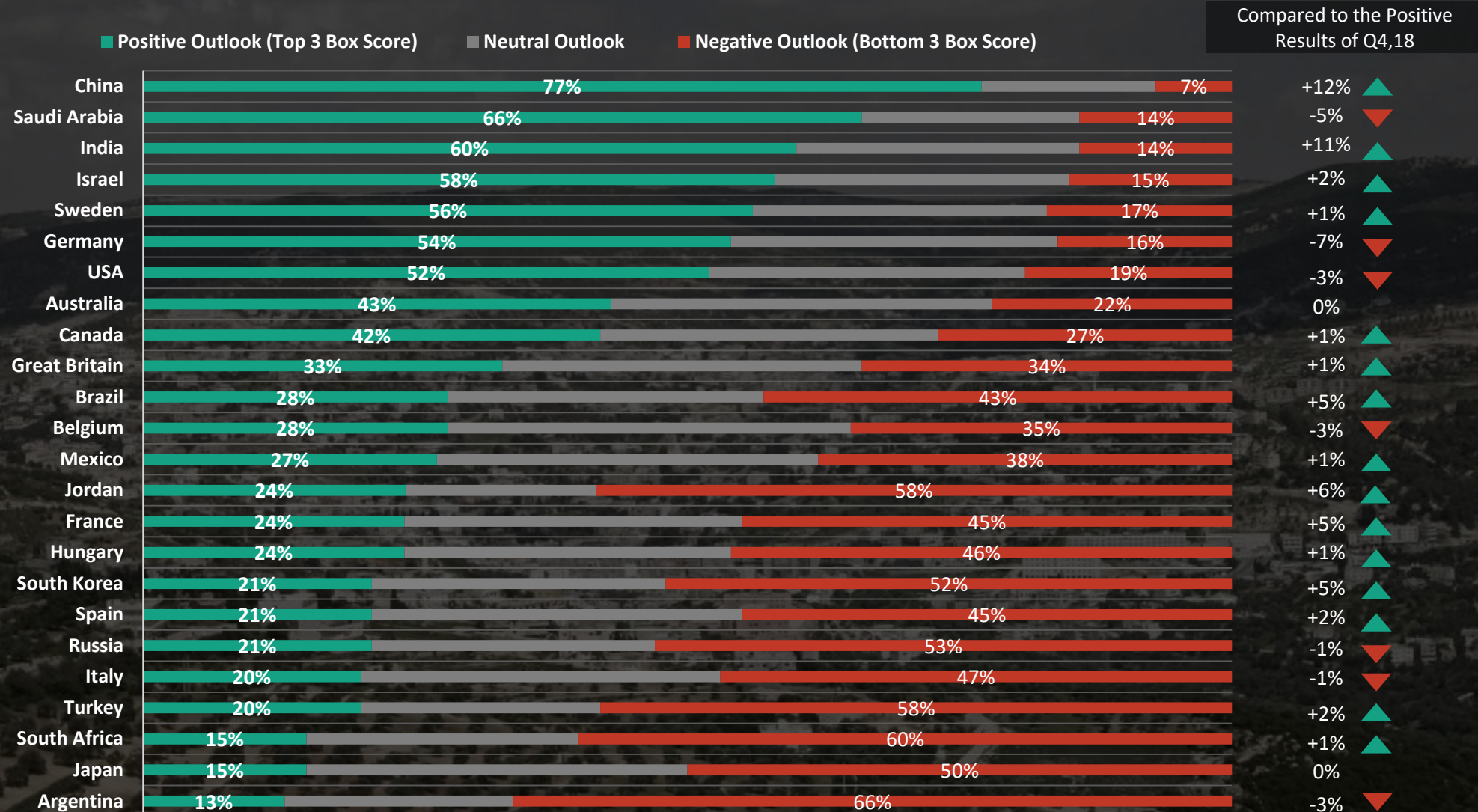
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# Current State of the Economy

## Global Comparison

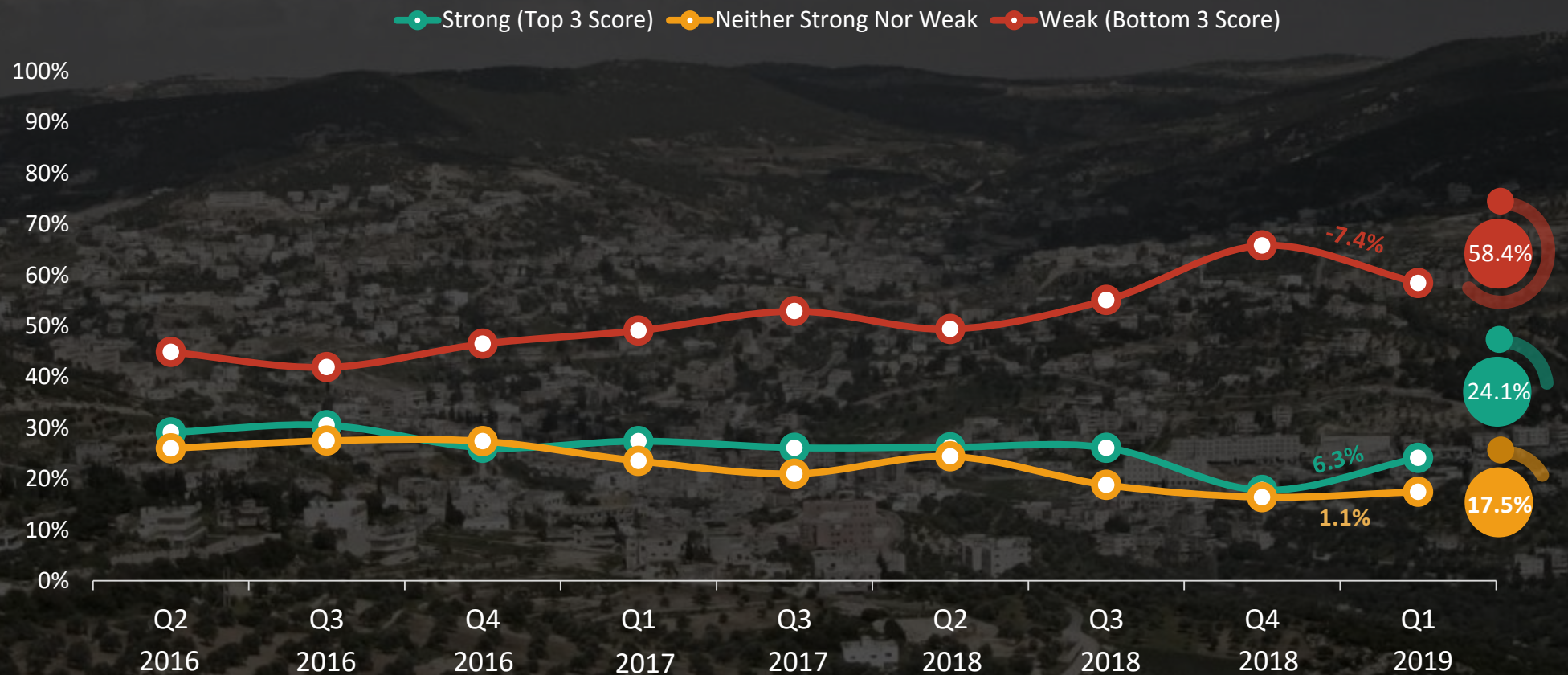
Q: Now Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.





# Current State of the Economy

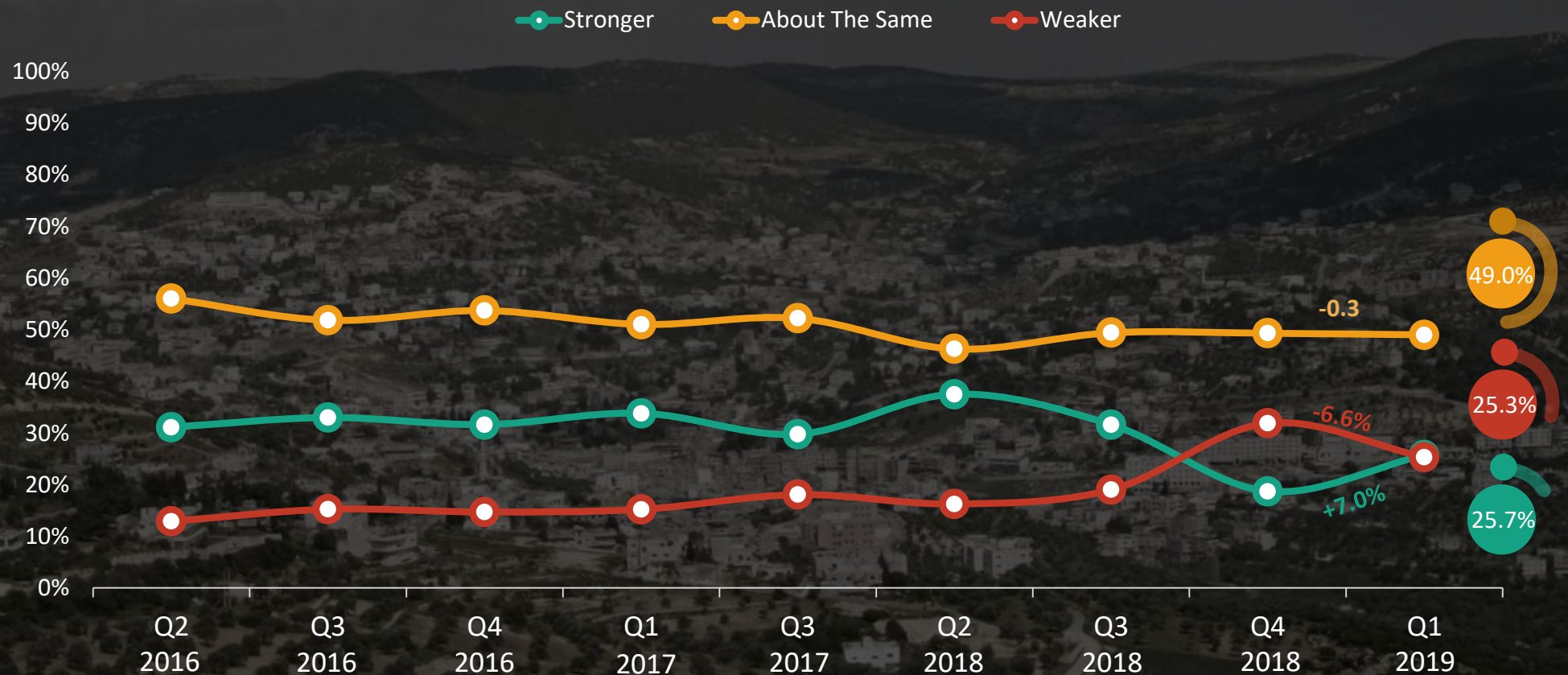
Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.





# Future State of the Economy

Q: Looking ahead six months from now, do you expect the economy in your local area to be stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?





# Employment

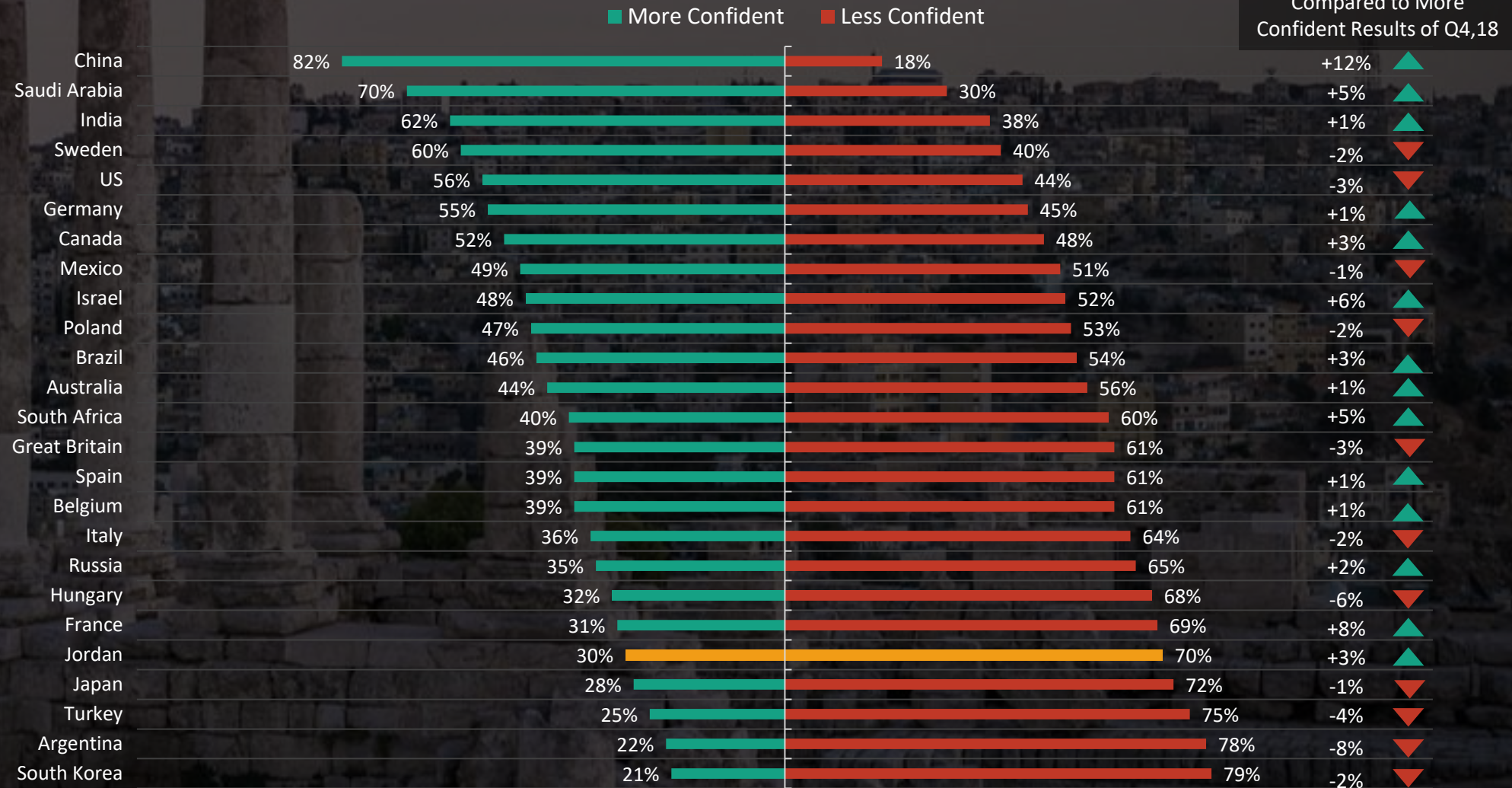




# Job Security

## Global Comparison

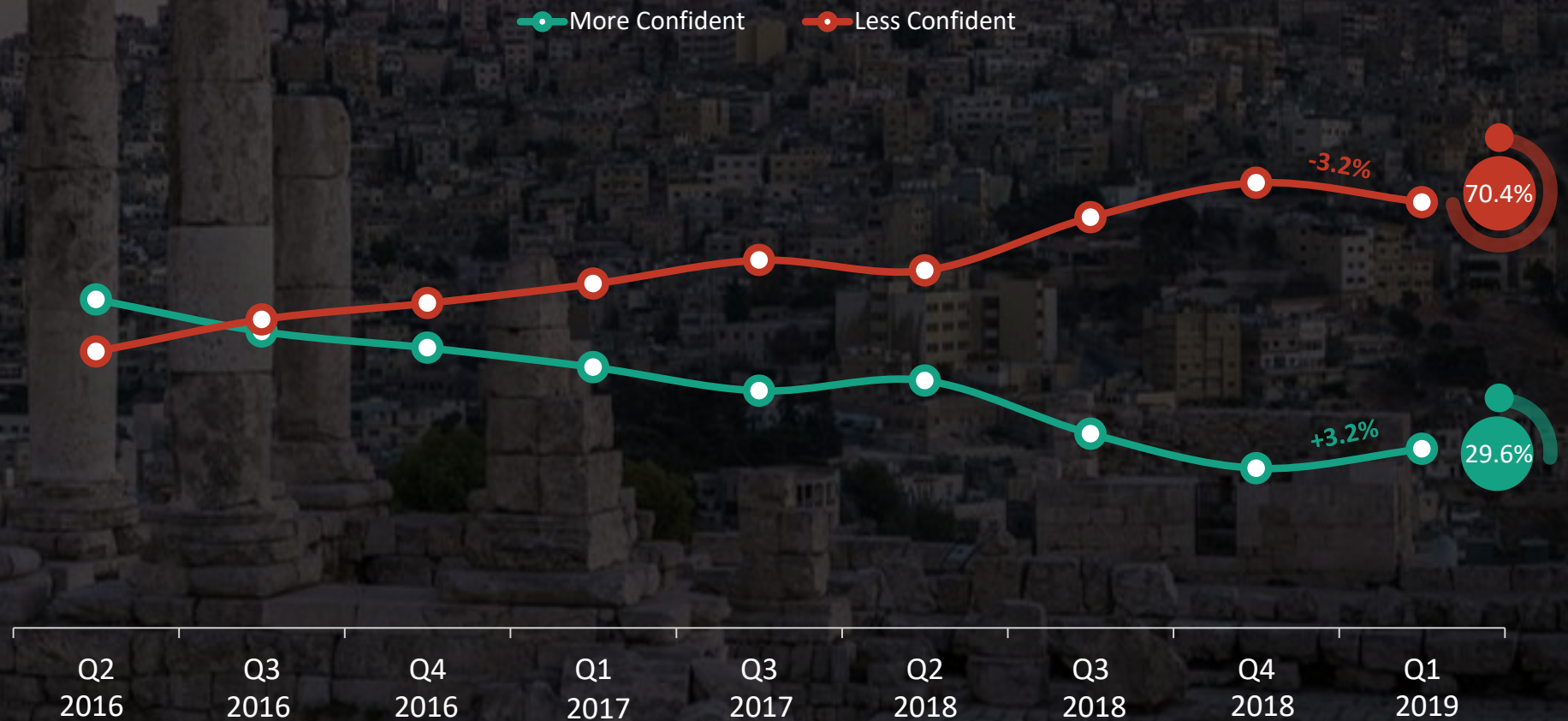
Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?





# Job Security

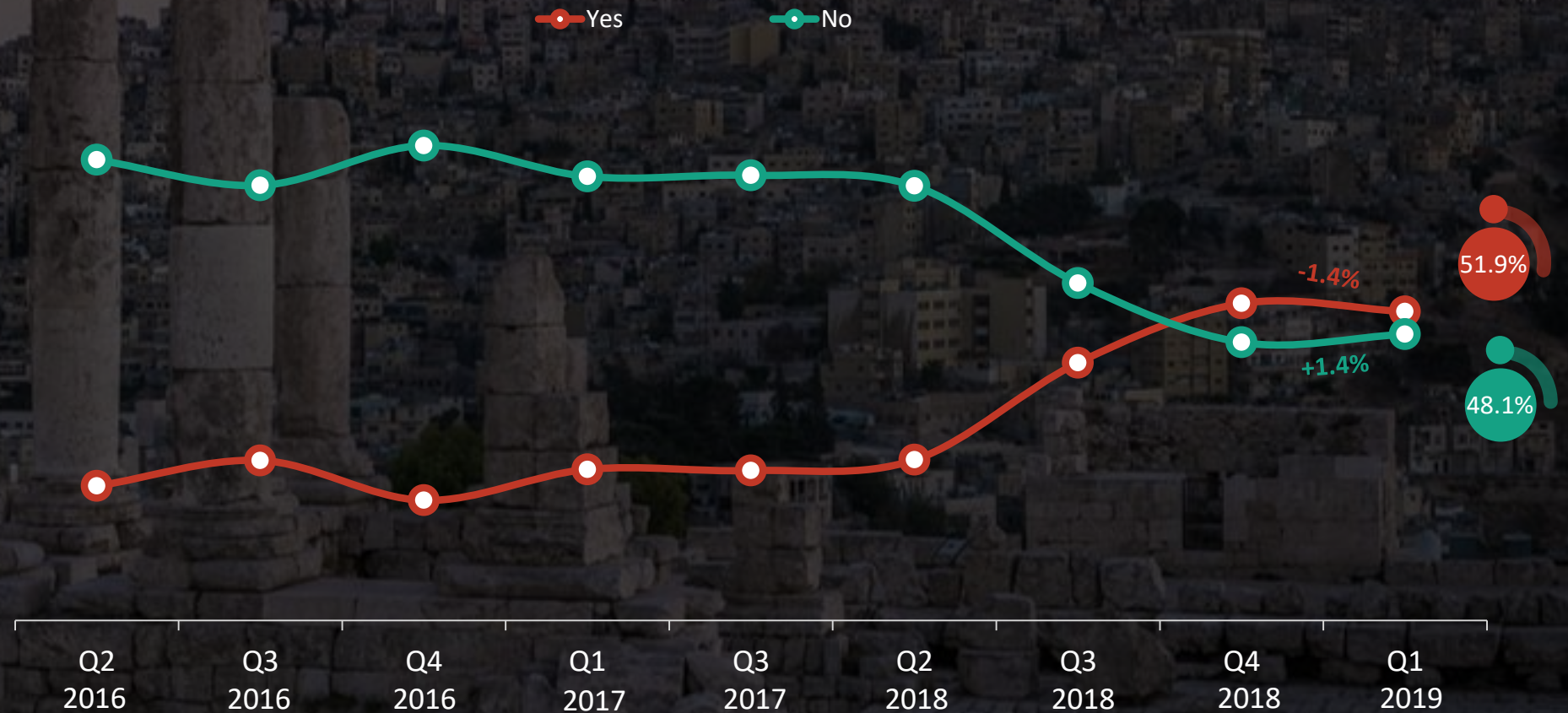
Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?





# Job Losses in the Past Six Months

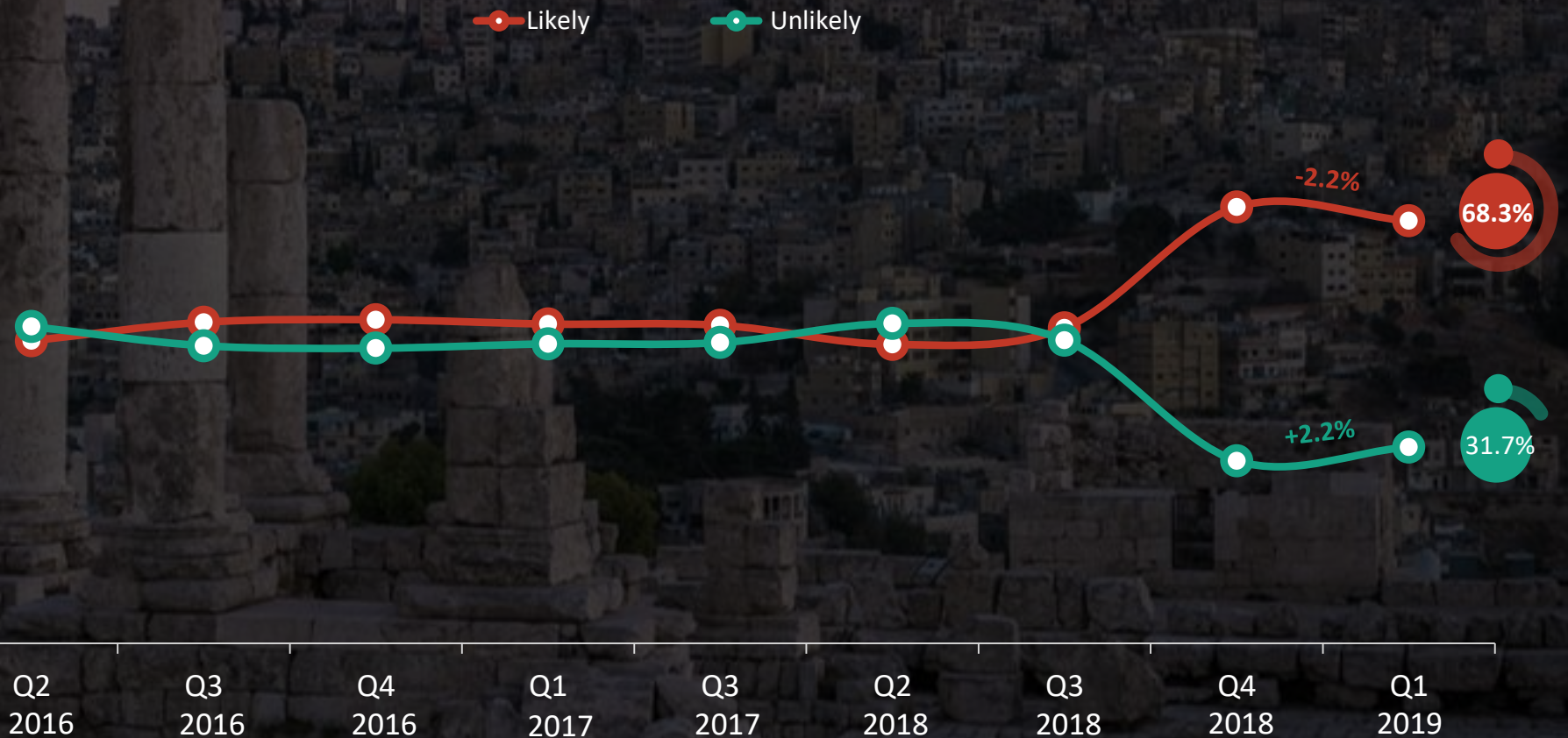
Q. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?





# Job Losses in the Next Six Months

Q. Looking ahead at the *next* six months, how likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?







# Investment Climate

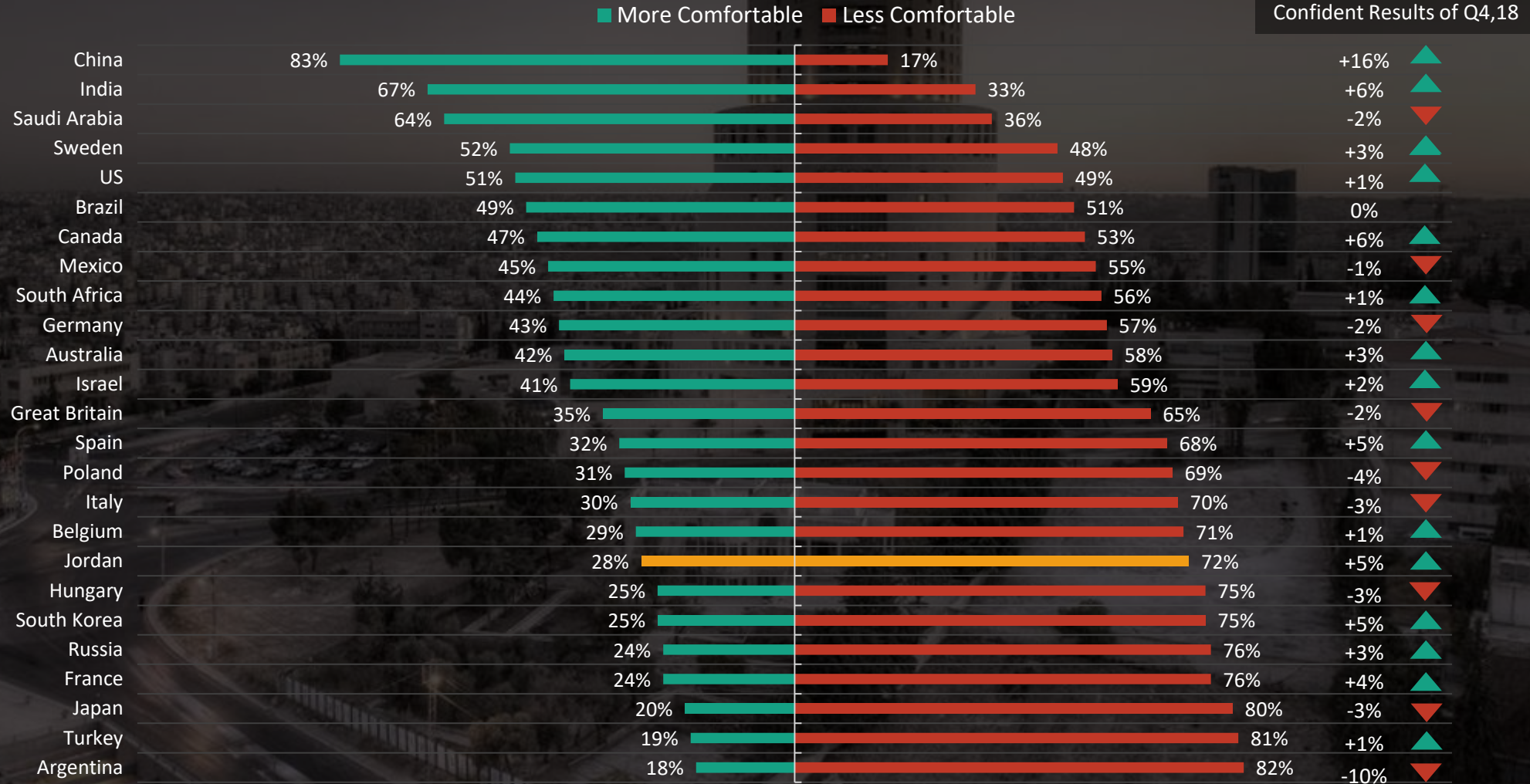
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# Ability to Invest in The Future

## Global Comparison

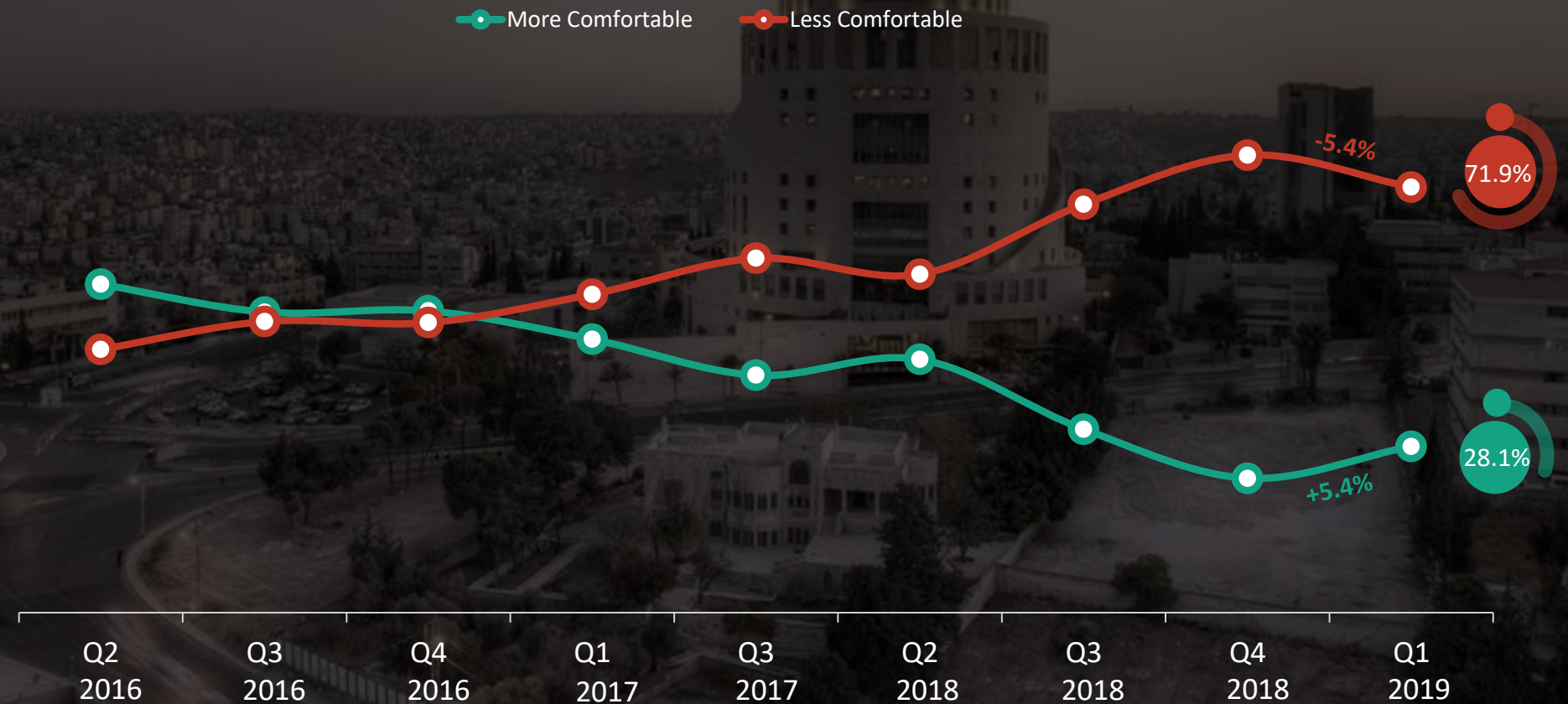
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?





# Ability to Invest in The Future

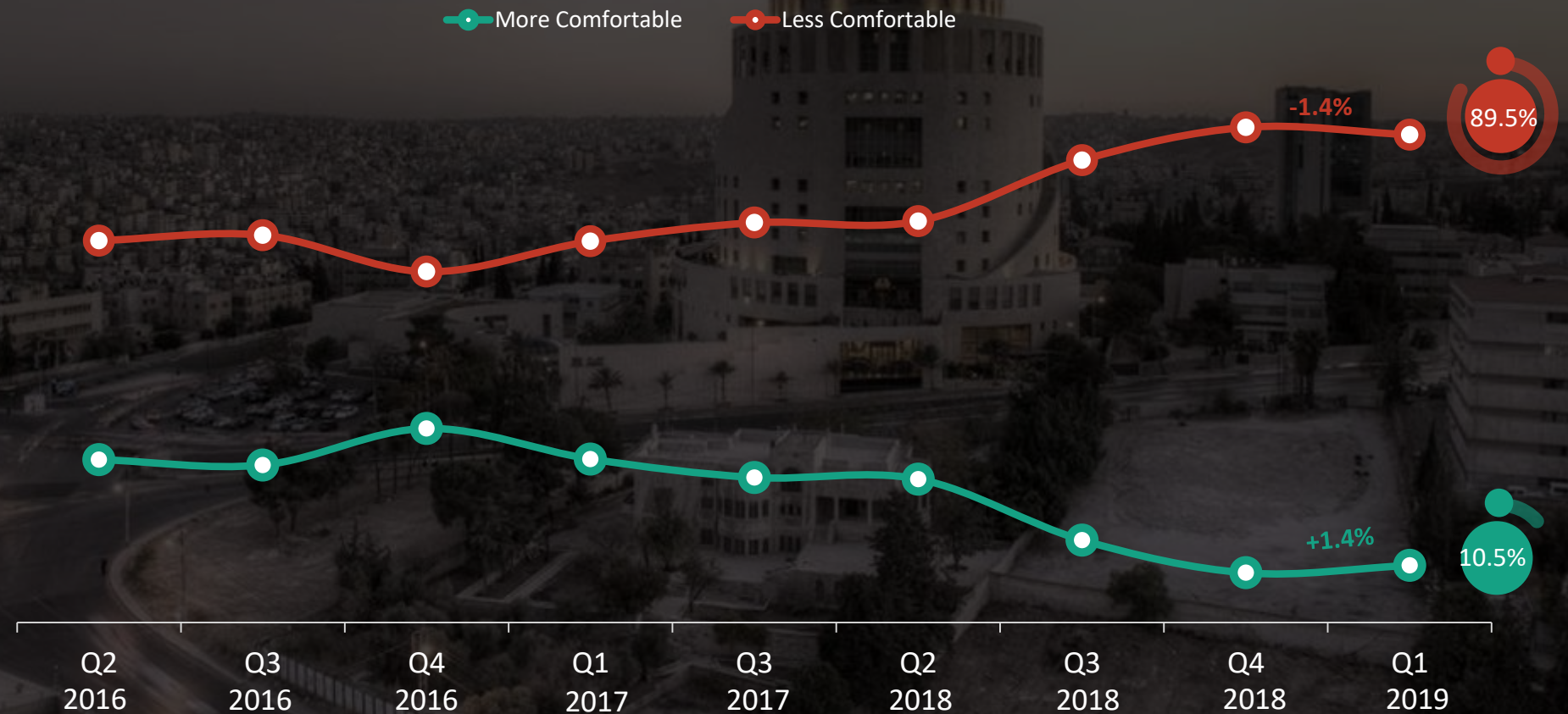
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?





# Ability to Make a Major Purchase

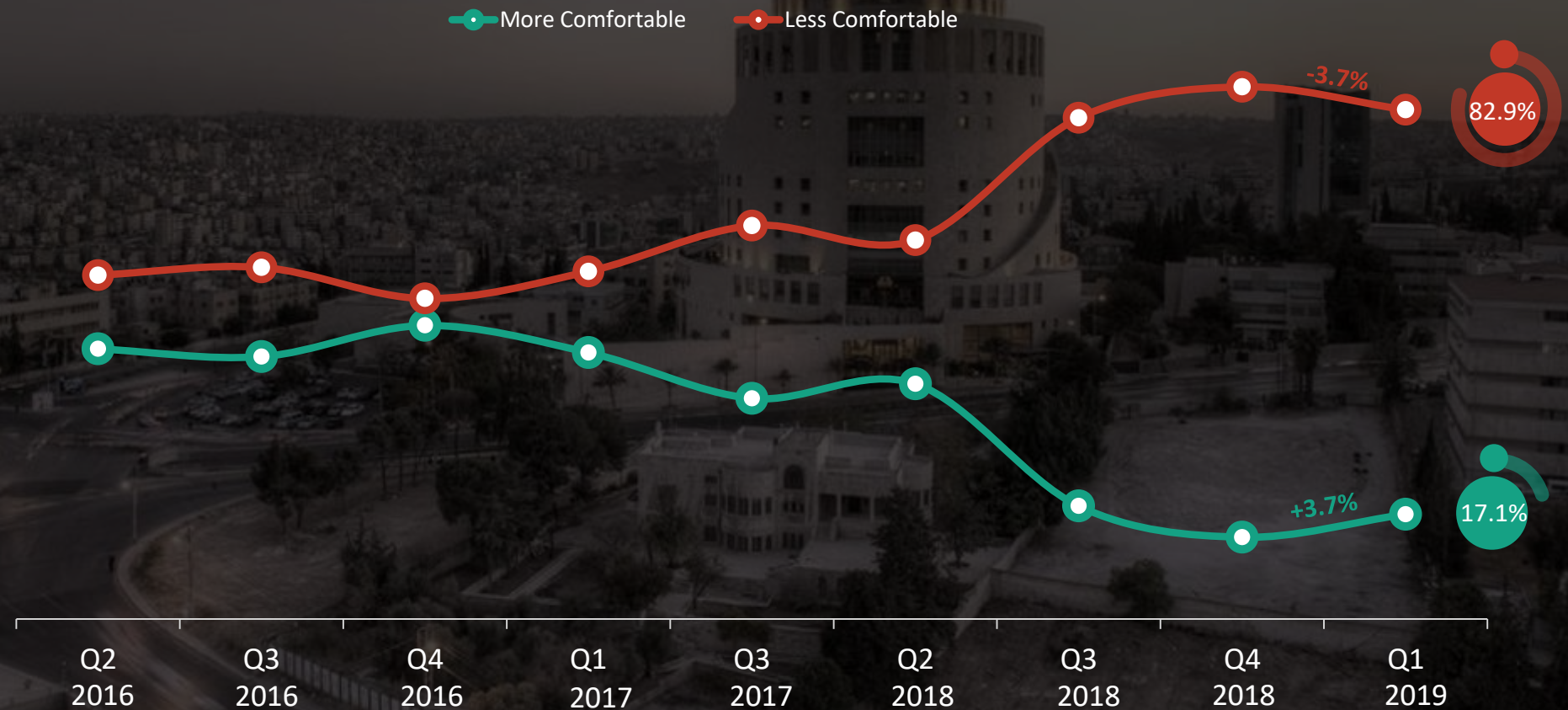
Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?





# Buying Household Durables

Q. Compared to 6 months ago, are you now more or less comfortable making other household purchases?





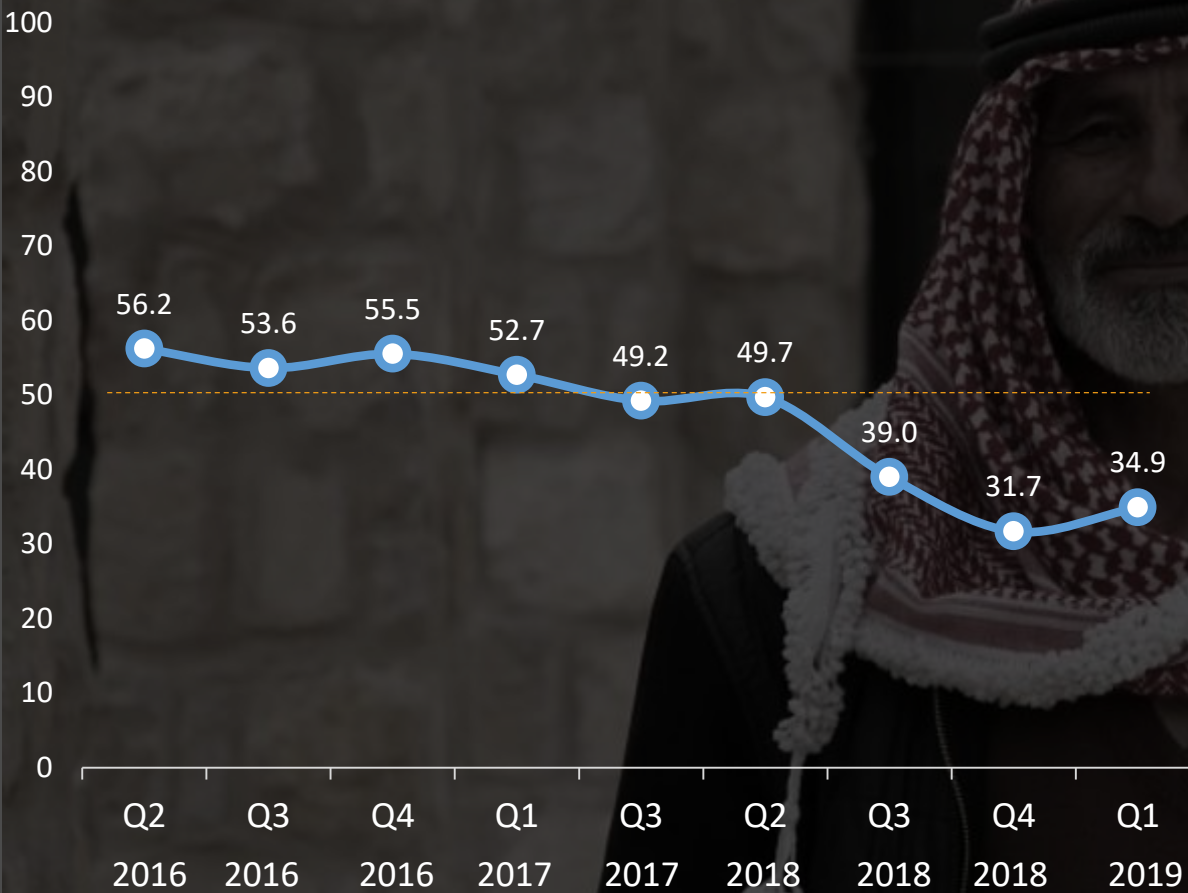
# JCSI Deep Dive



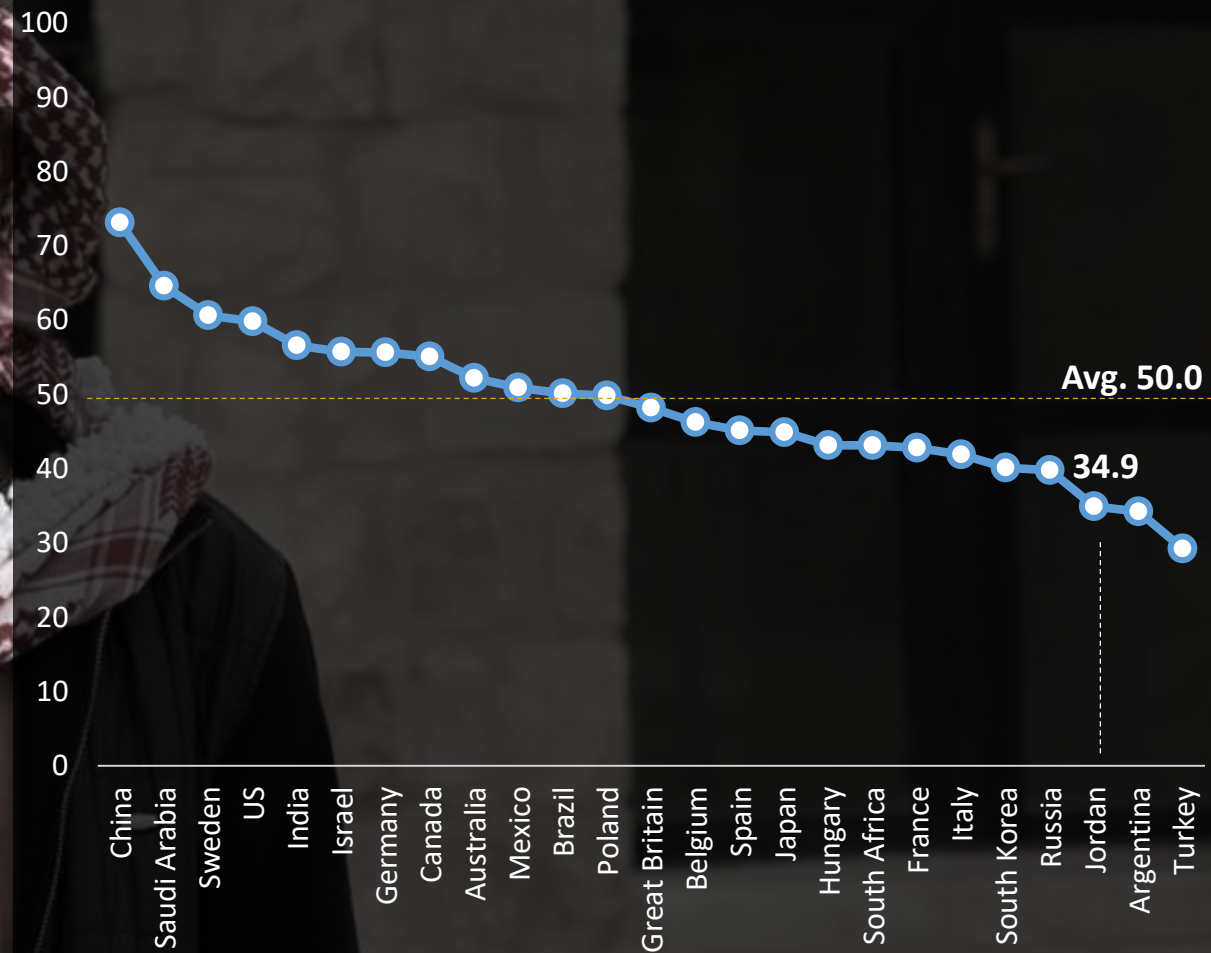


# Overall JCSI

## JCSI- Trending



## JCSI- Global Comparison



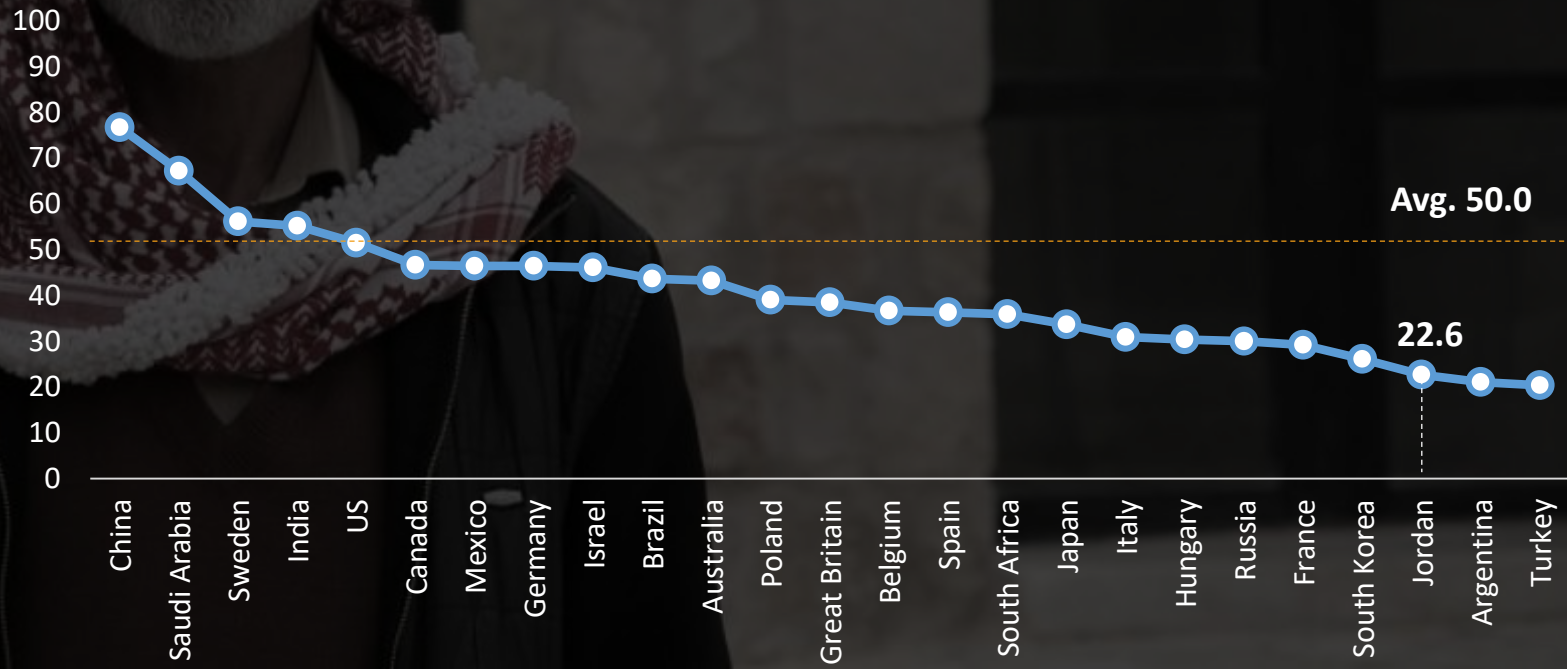
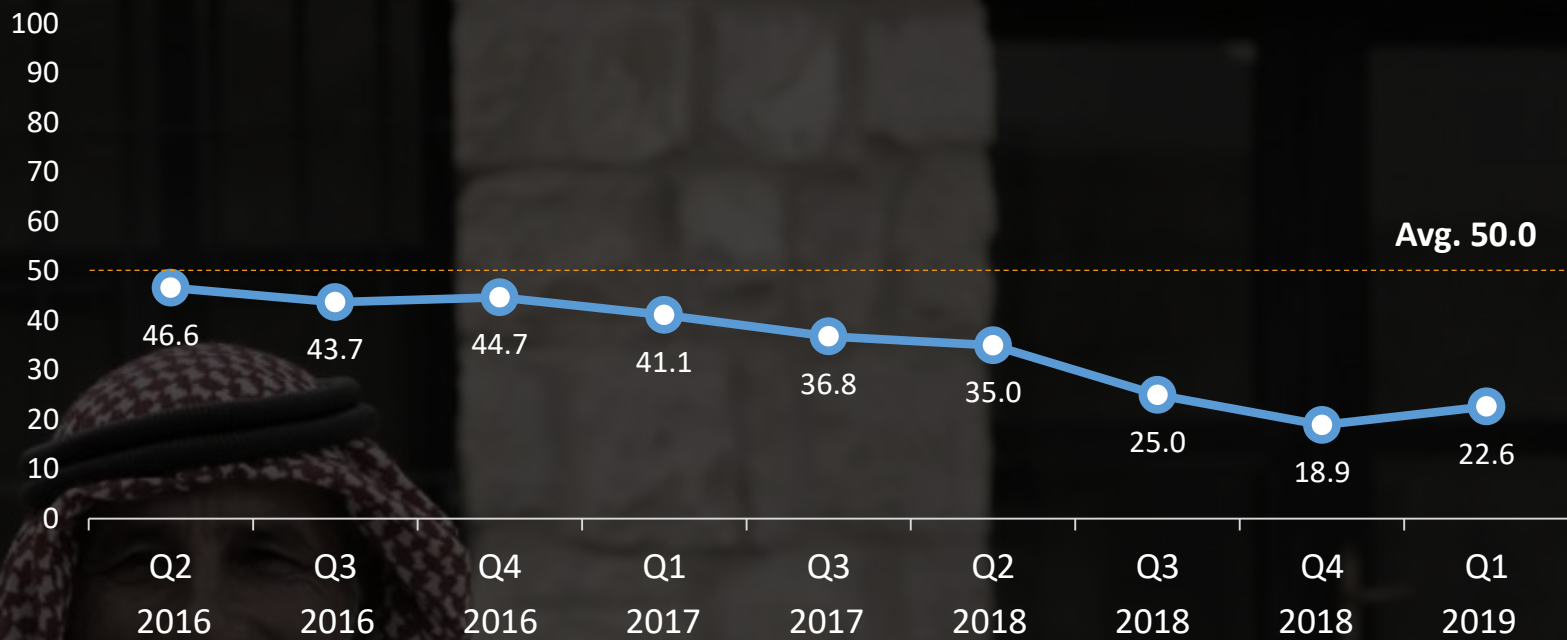




## JCSI Personal Financial Conditions

This quarter's index on financial conditions has seen a **3.7** increase in comparison to last quarter. This increase has caused Jordan to jump a position amongst other countries, leaving it in the 23<sup>rd</sup> position.

1. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
2. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
3. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
4. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
5. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
6. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



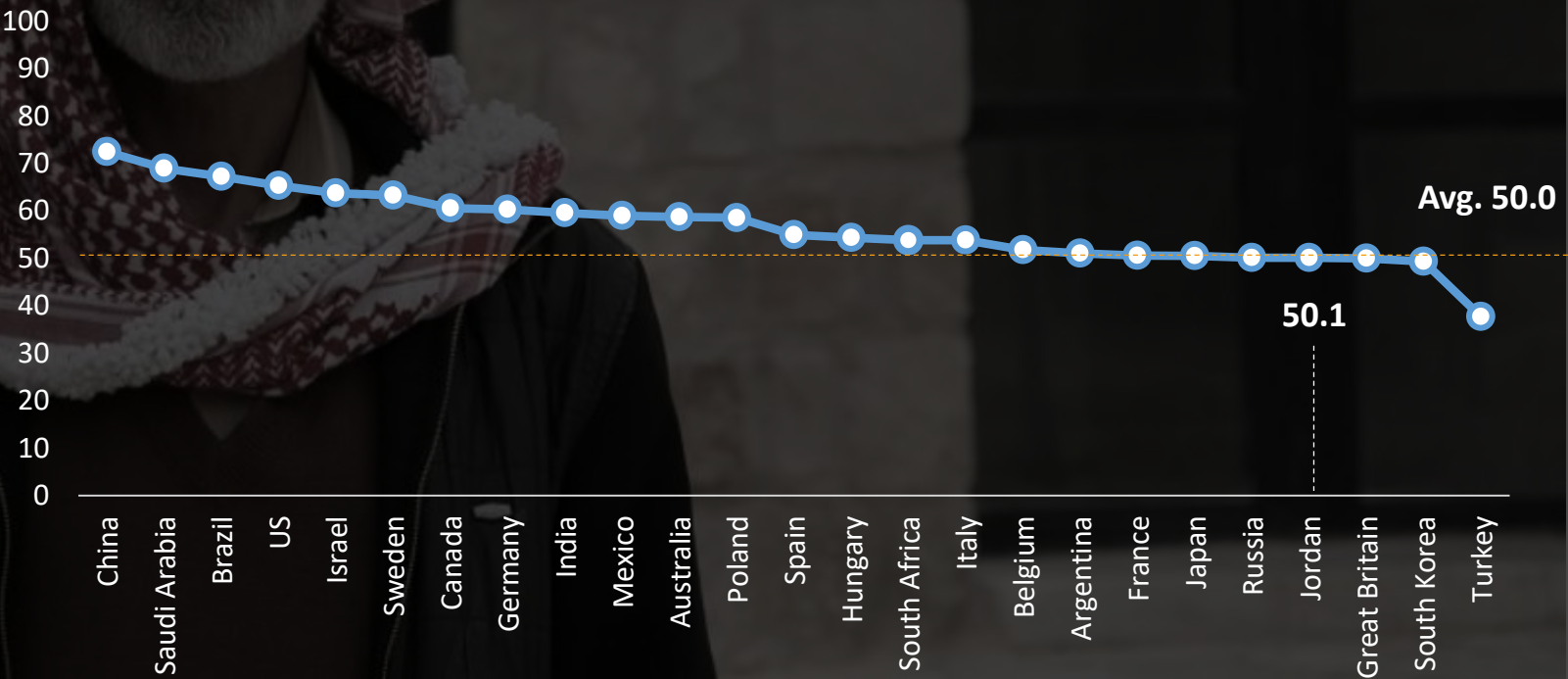
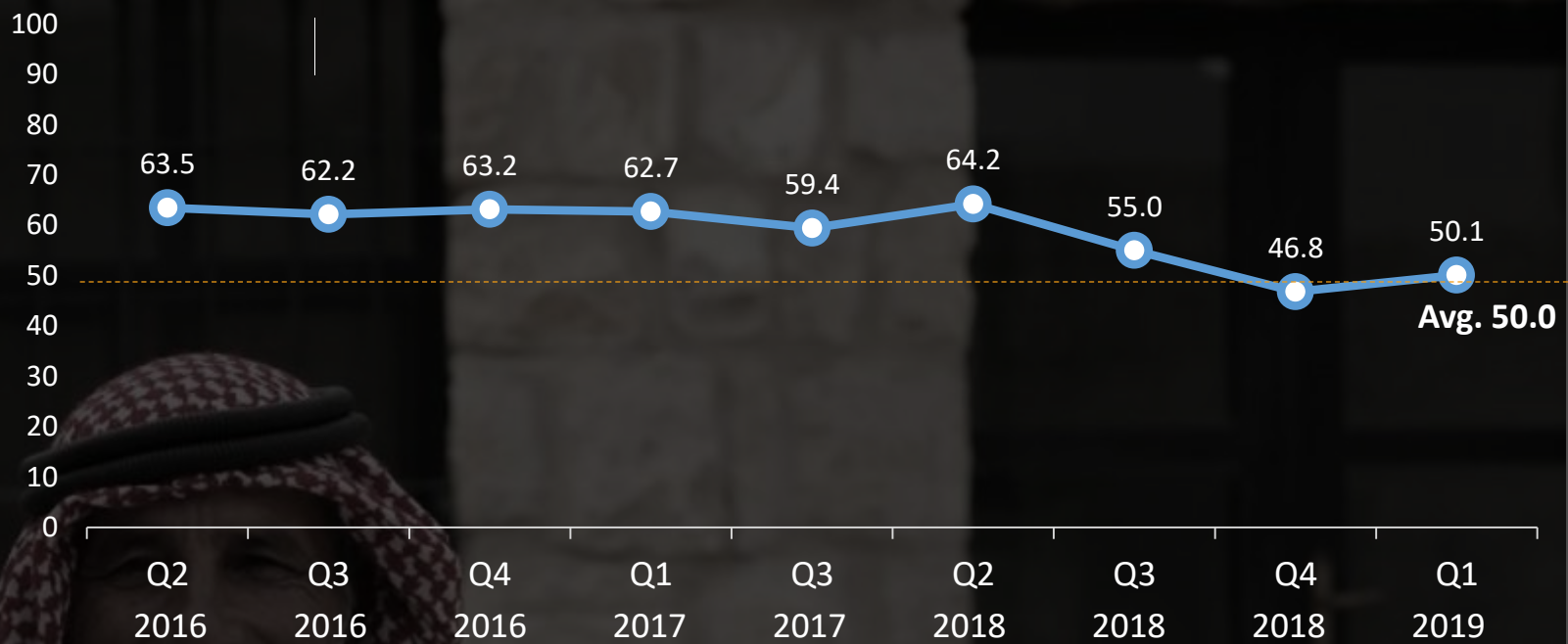




## JCSI Economic Expectations

The index measuring economic expectations has not been any different; Jordan was able to reposition itself above the 50 point average. This quarter, the index has unlocked a series of pessimism that trailed back the last two quarters.

1. Now look ahead at the *next* six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?
2. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
3. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?



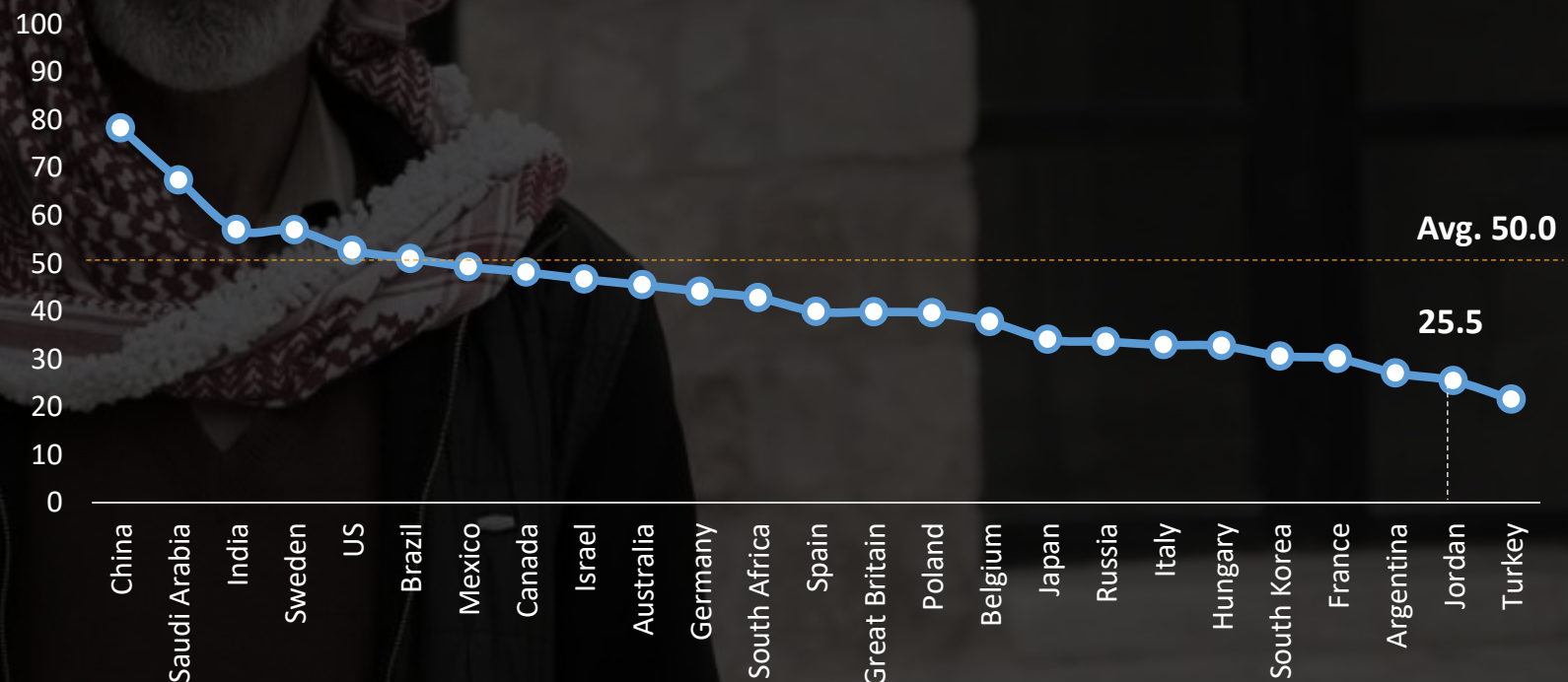
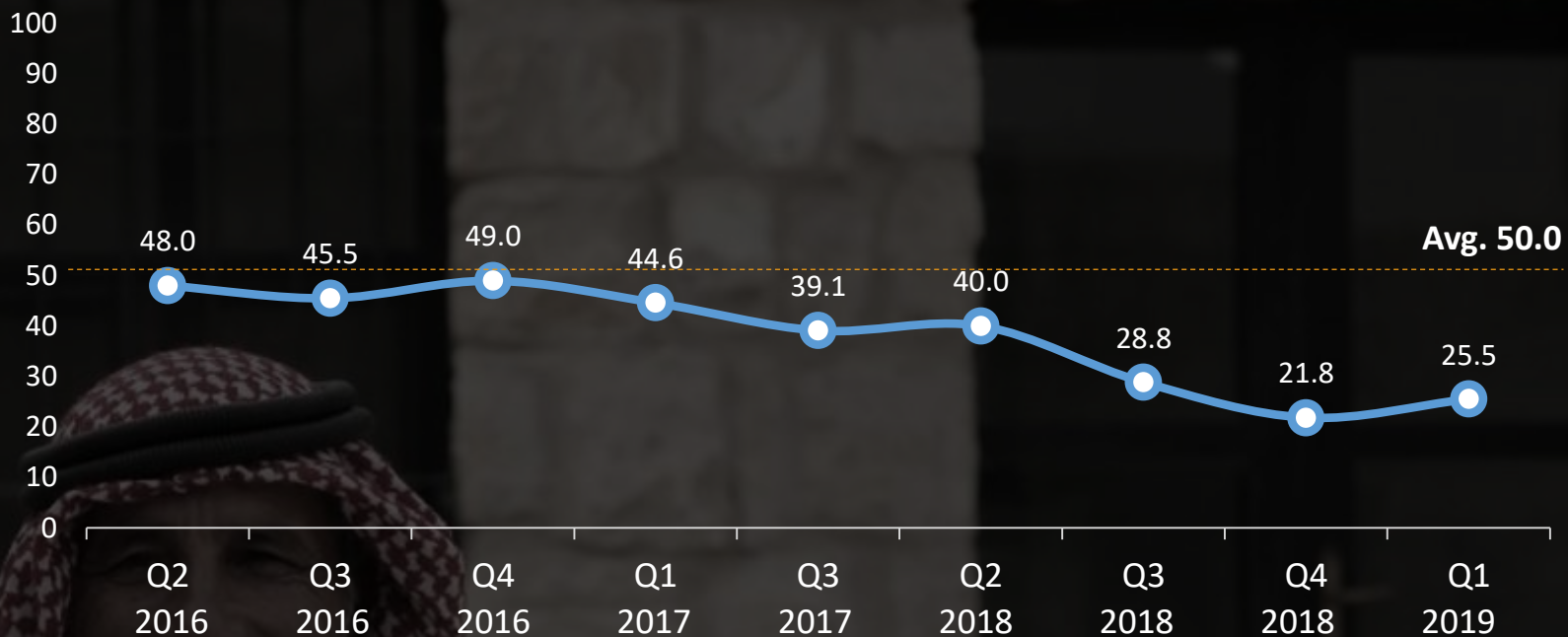




## JCSI Investment Climate

Derived from a boost in finances, Jordanians are more likely to spend and invest this quarter in comparison to previous one. This quarter alone, the index improved by 3.7 points.

1. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
2. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
3. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
4. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
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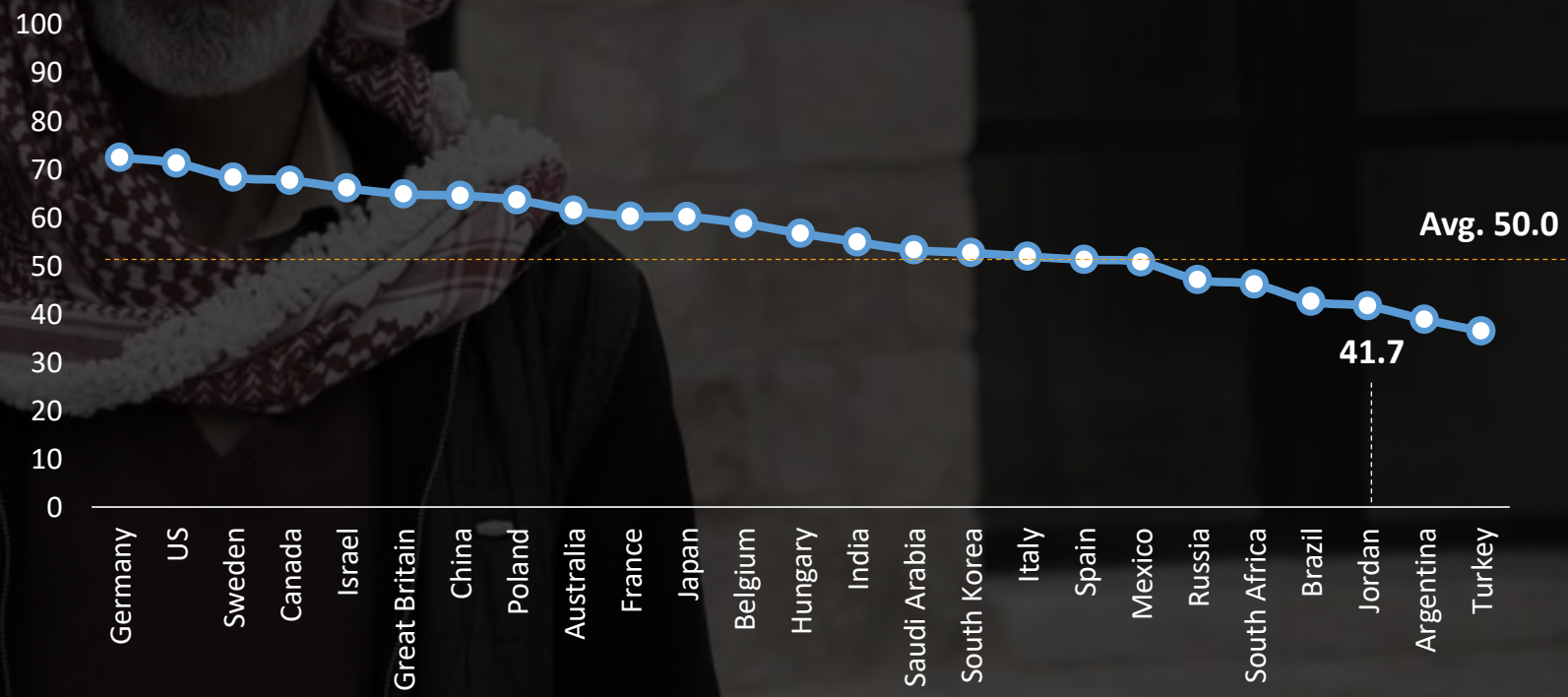
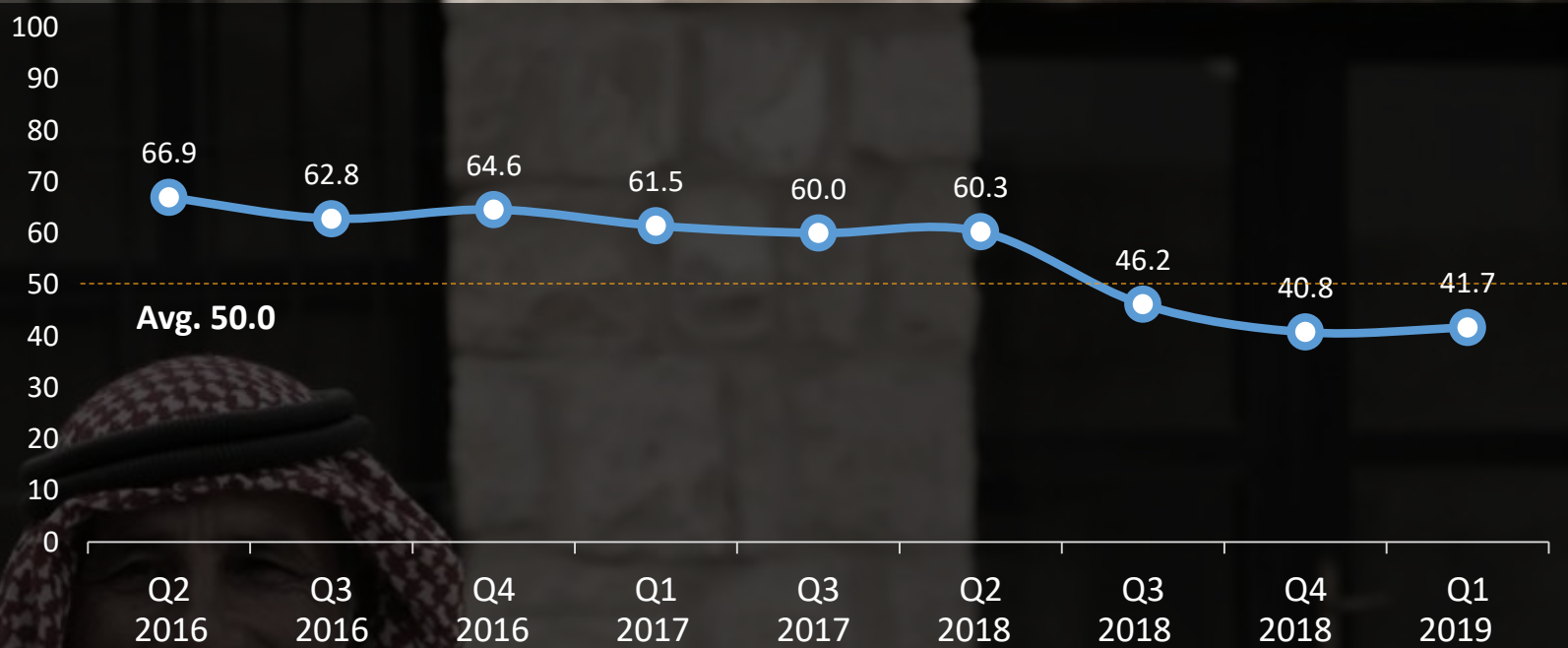




## JCSI Employment Confidence

The employment index has seen the least improvement in comparison to other indices this wave. But the slight improvement has pushed Jordan one position higher.

1. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?
2. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
3. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?





## Methodology

**Methodology – Computer Assisted Telephone Interviews (CATI)**

**Sample Size – 1000 Respondents**

**Age – 18 years old and above**

**Sample Criteria – Nationally Representative Sample of Jordanians**

The JCSI Index is calculated by utilizing data from the survey results. Responses are divided into aggregated Top Box (Reward) numbers and Bottom Box (Penalty) numbers. Using Shapely Value Analysis, values were generated for the penalty and reward for each question. The magnitude of each question is the difference between the reward and penalty. An Importance factor, which the ultimate weight of the particular question in the index, is the magnitude of each question divided by the total magnitude of all questions. A Top Box Weight for each question is calculated by dividing the Reward by the magnitude of each question. Similarly, the Bottom Weight for each question is calculated by dividing the Penalty for each question by magnitude of the same. The Index Value for each question is calculated by using the formula:  $\text{Importance} \times (\text{Top Box Wt} \times \text{Top Box \%}) - (\text{Bottom Box Wt} \times \text{Bottom box \%})$ .





## GAME CHANGERS

At Ipsos we are passionately curious about people, markets, brands and society. We make our changing world easier and faster to navigate and inspire clients to make smarter decisions. We deliver with security, simplicity, speed and substance.

### We are Game Changers

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