



COVID-19 Edition

Jordan Consumer Sentiment Index (Q1)

**Jordan
May, 2020**

Data Collection Occurred From March, 15th Till April, 30th

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

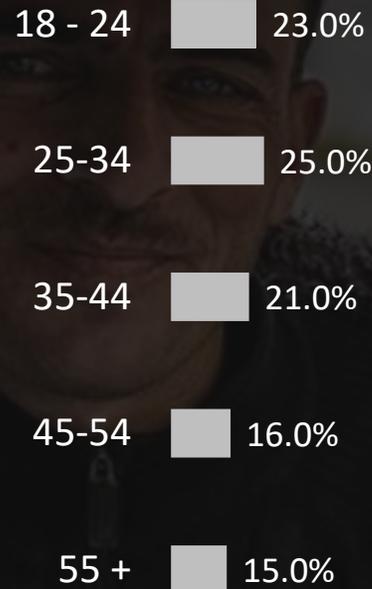


51.0%
Males

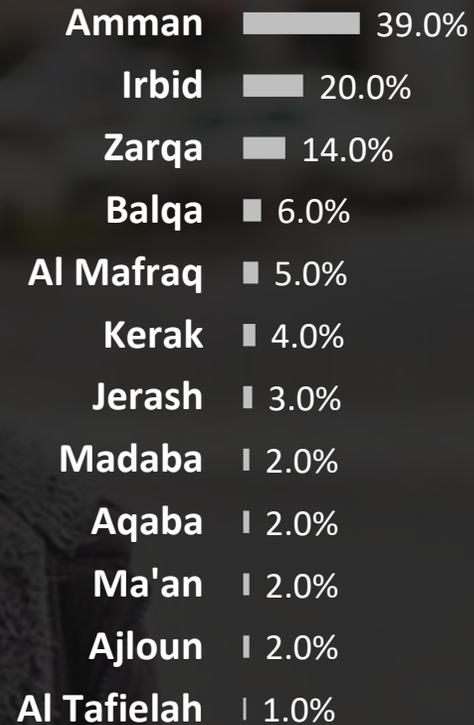


49.0%
Females

Age



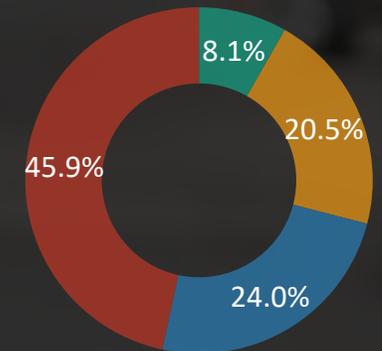
Regions



Socioeconomic

Class*

A B C DE



*Based on Household Income
*Excluding Don't Know/ Refused To Answer

Jordan Consumer Sentiment Index

Q1, 2020 Summary

Prelude

The end of 2019 was marked by a slight diffusion of negativity with Jordanians showing some signs of optimism regarding long-term implications of newly introduced government measures and economic packages. However, the repercussions of the global COVID-19 pandemic has taken the country by storm, halting 2020 economic plans, and forcing the government to focus on the imminent health and economic threats posed by the pandemic. Uncertainty regarding the country's economic future has led to a 3-point decrease in the Jordanian Consumer Sentiment Index (JCSI) for this quarter.

As people grappled with the impact of the pandemic on their lives and livelihoods, Jordanians turned their attention to the government's response to the current crisis. In fact, as a result of the government's early adoption of strict measures to prevent the spread of coronavirus coupled with measures that alleviated immediate financial pressures posed by the lockdown, Jordanian's trust in the government reached an all-time high with almost 1 in 2 expressing high confidence towards government actions.

Nonetheless, despite immediate relief measures, the strict lockdown has brought the country's aid-dependent economy to a standstill causing Jordanians to share a bleak outlook regarding the future. In fact, Ipsos was able to track the evolution of sentiments as the situation unfolded. While initially, Jordanians were optimistic that the crisis will be short-lived, as the situation progressed, people turned their attention to the economic impact posed by the virus, leading to a more pessimistic view regarding future personal finances and the country's economic situation.

Furthermore, many continue to voice their concerns about their deteriorating ability to spend, with around 8 in 10 feeling less comfortable making household purchases and 84% feeling less capable of committing to major purchases at this point in time. This along with a heightened uncertainty regarding future job security, have dwindled Jordanian's positive expectations of better economic and financial conditions in the coming 6 months.

As Jordanians demonstrate lower degrees of confidence in the prospects for economic recovery, striking a balance between protecting Jordanians' lives and their livelihoods will continue to be the governments biggest challenge in the months to come.

JCSI Q1 Summary

JCSI, Q1 2020

35.4

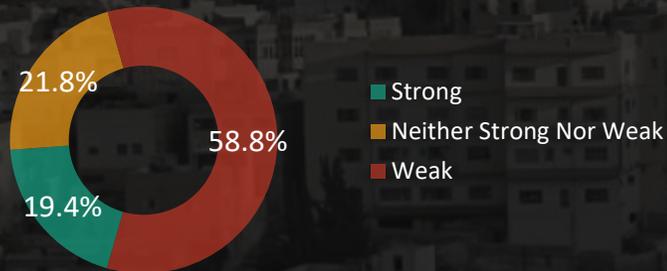


Versus
Previous
Wave

38.5

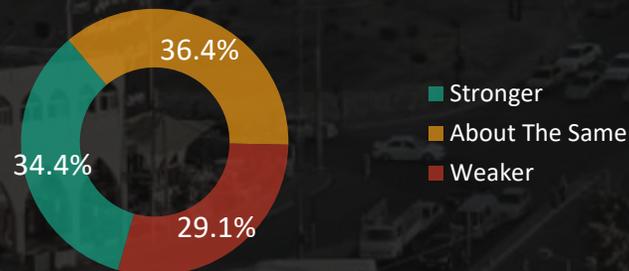
Personal Financial Situation

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 that it is now?



Top 3 Concerns For Jordanians



52.9%
High Cost of Living



49.7%
Unemployment



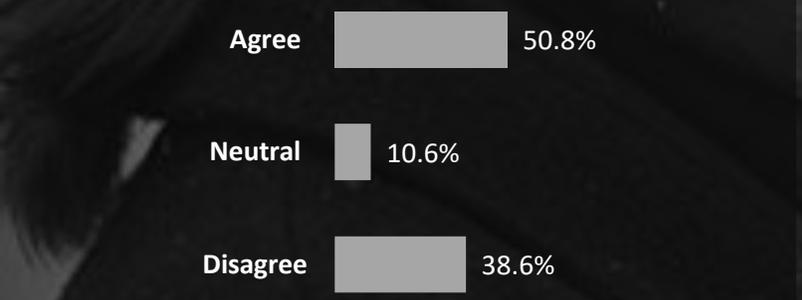
37.8%
Poverty & Social
Inequality

Impact of COVID-19 On The Country

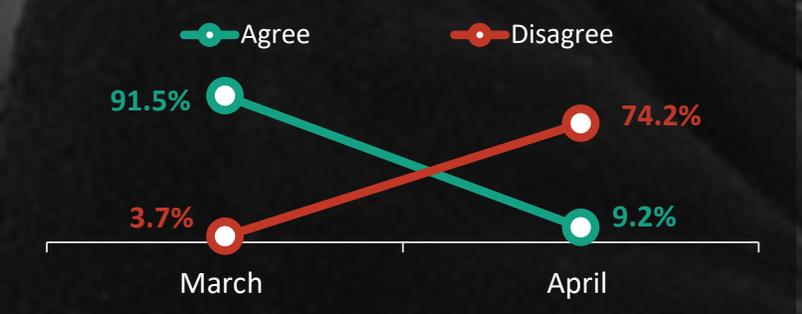
During the Month of March, despite believing that the virus posed a serious health risk, the vast majority of Jordanians were extremely optimistic, believing that the impact of the crisis will be short lived. Nonetheless, as the situation progressed, Jordanians became less likely to believe that the virus poses a big health risk on the country, but instead people became more anxious about the impact duration and the country's readiness to deal with the virus' economic repercussions.

Duration of COVID 19

Q: "COVID-19 is being contained and will soon be over", to what extent do you agree or disagree with the statement?

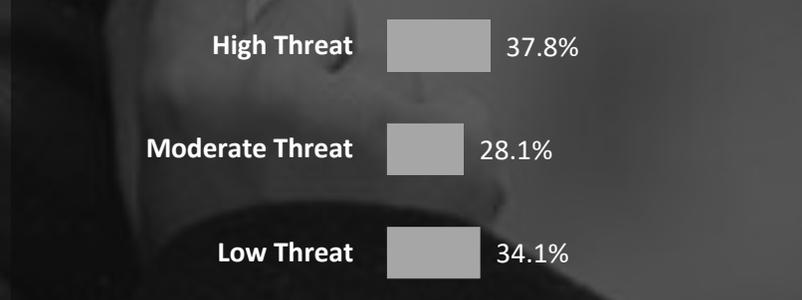


Results Broken Down by Month:

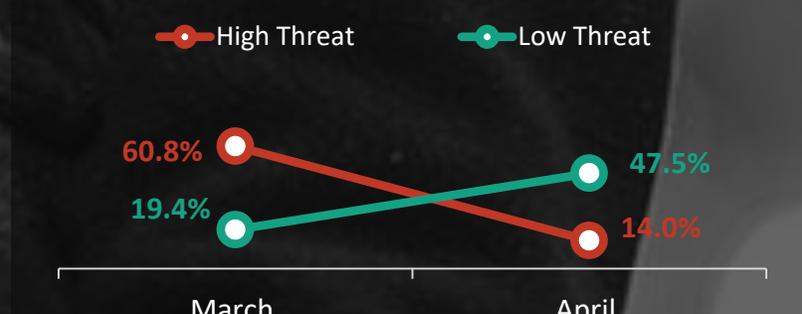


Level Of Threat On Jordan

Q: What level of threat does the coronavirus pose to your country ?

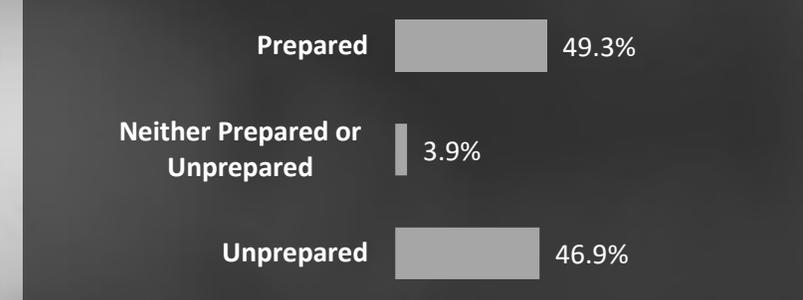


Results Broken Down by Month:



Preparedness to Deal With COVID 19

Q: Based on what you have seen, how confident are you about the overall preparation to effectively deal with COVID-19?



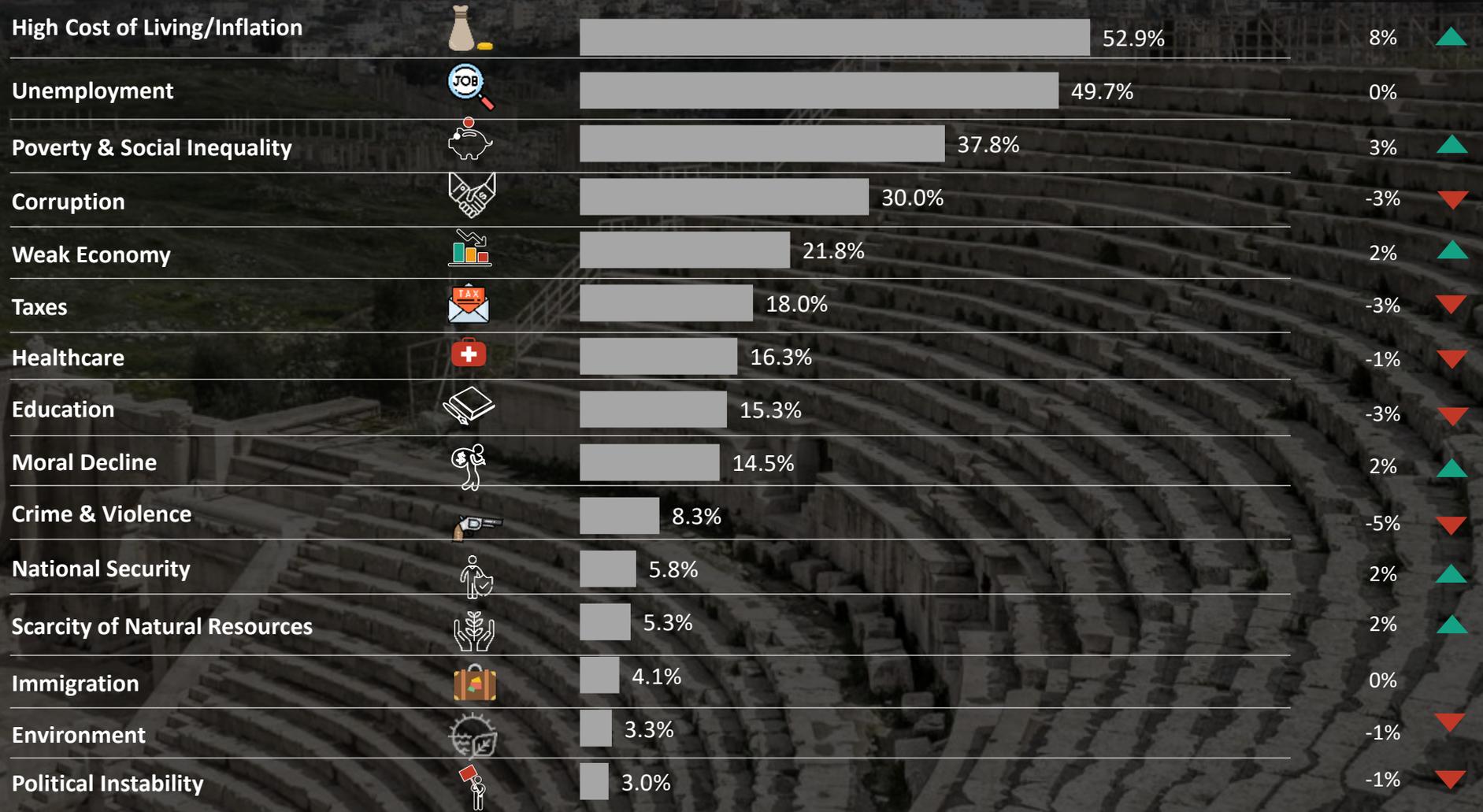
Results Broken Down by Month:



Jordanians' Top Concerns

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

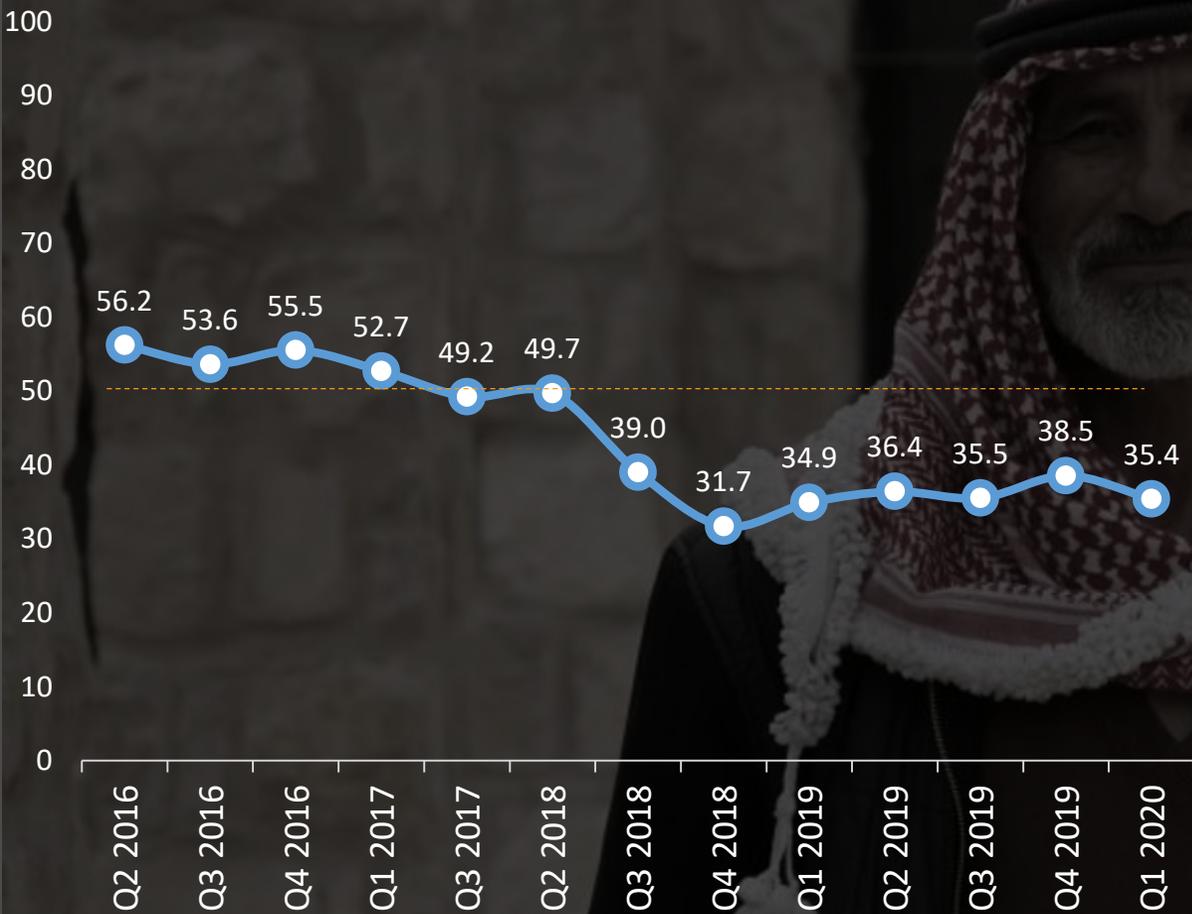
Compared to Q4,19



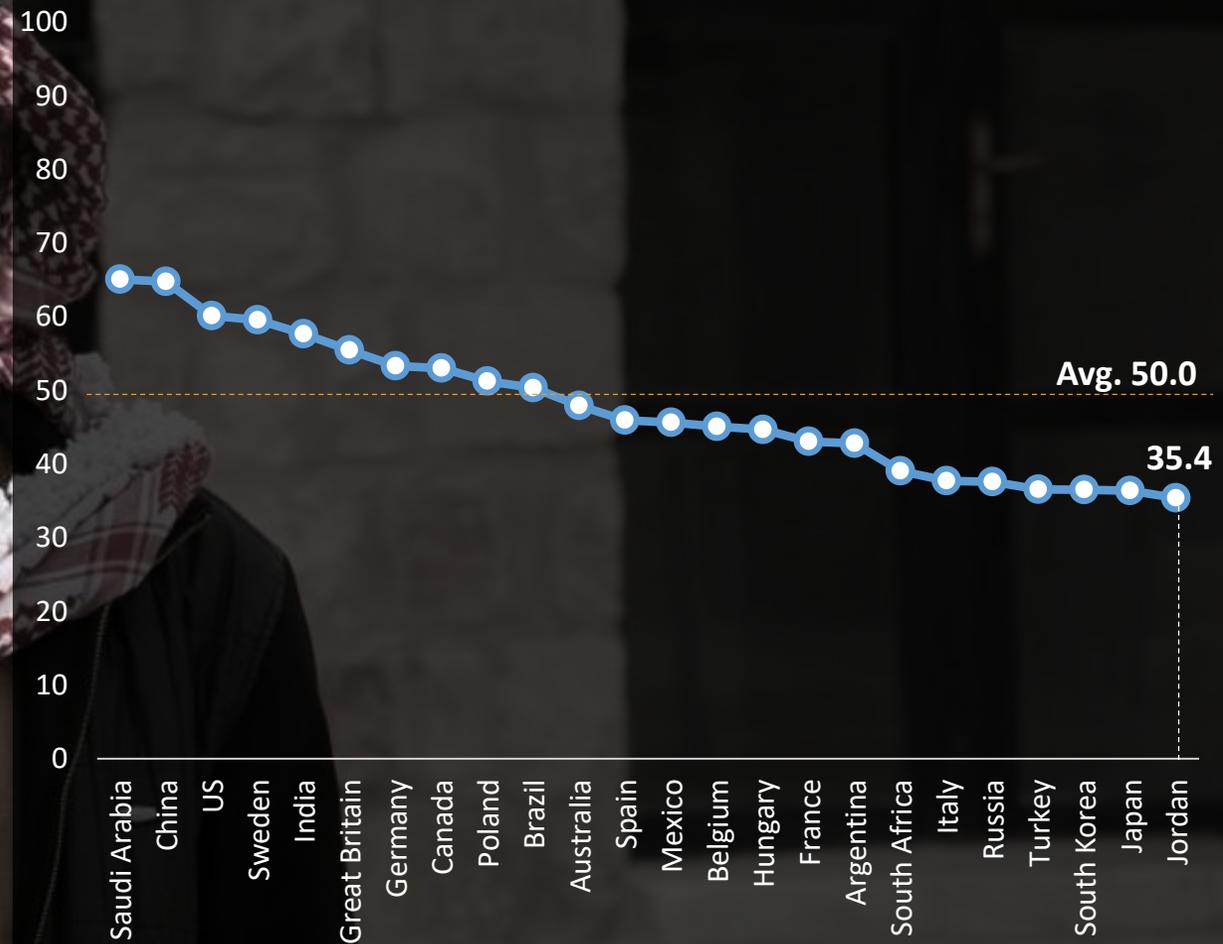


Overall JCSI

JCSI- Trending



JCSI- Global Comparison

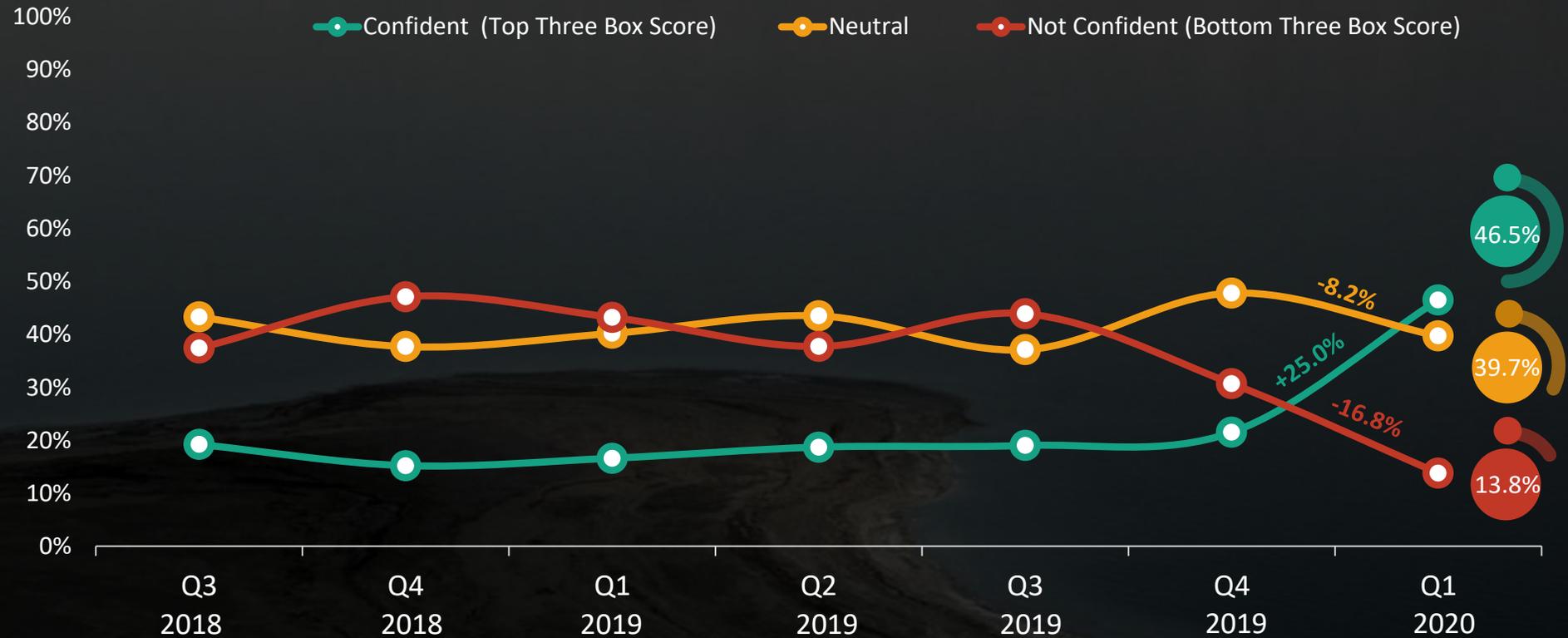


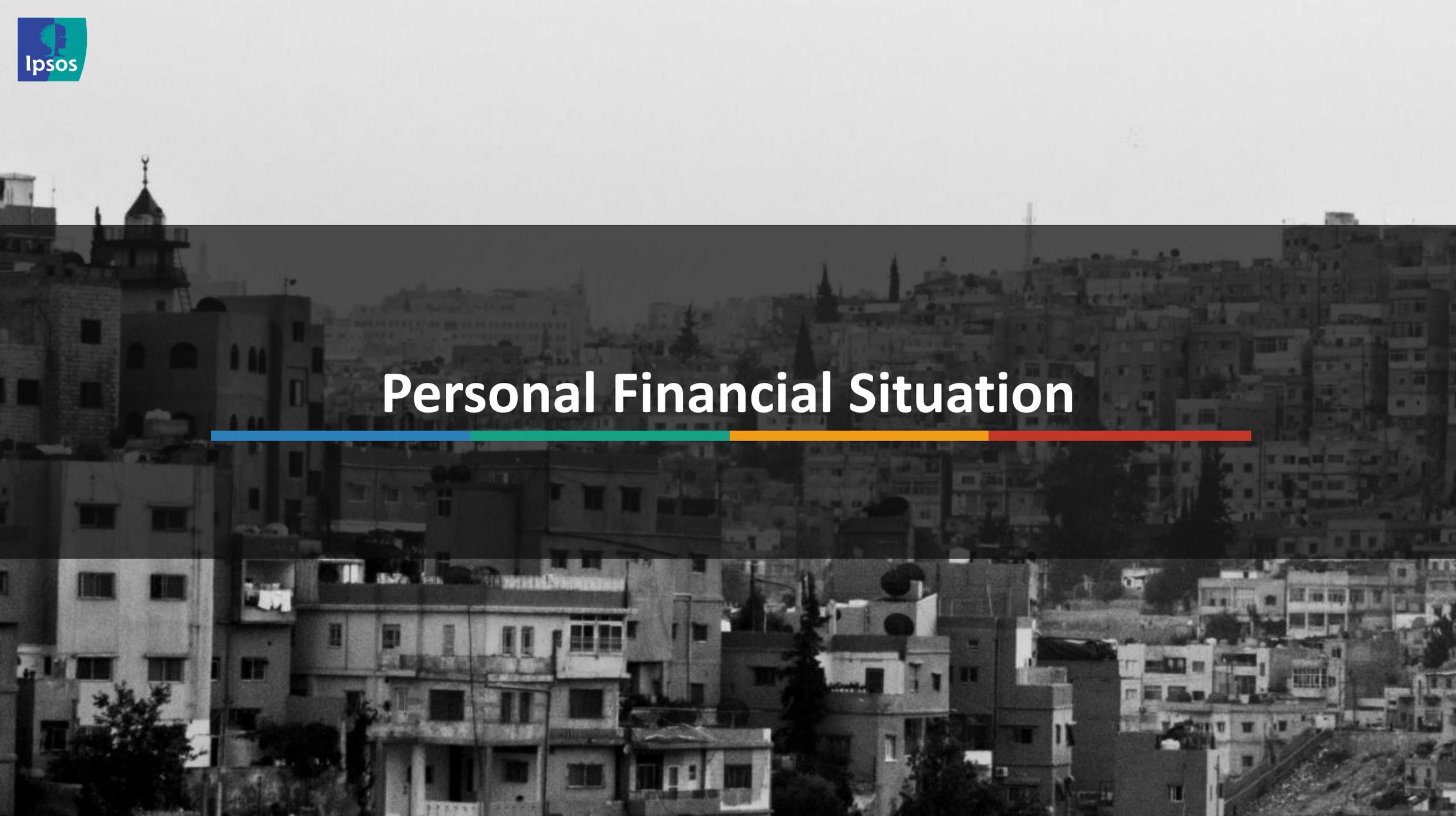


Sentiments Towards the Current Government

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 government's overall ability to improve the situation in Jordan?





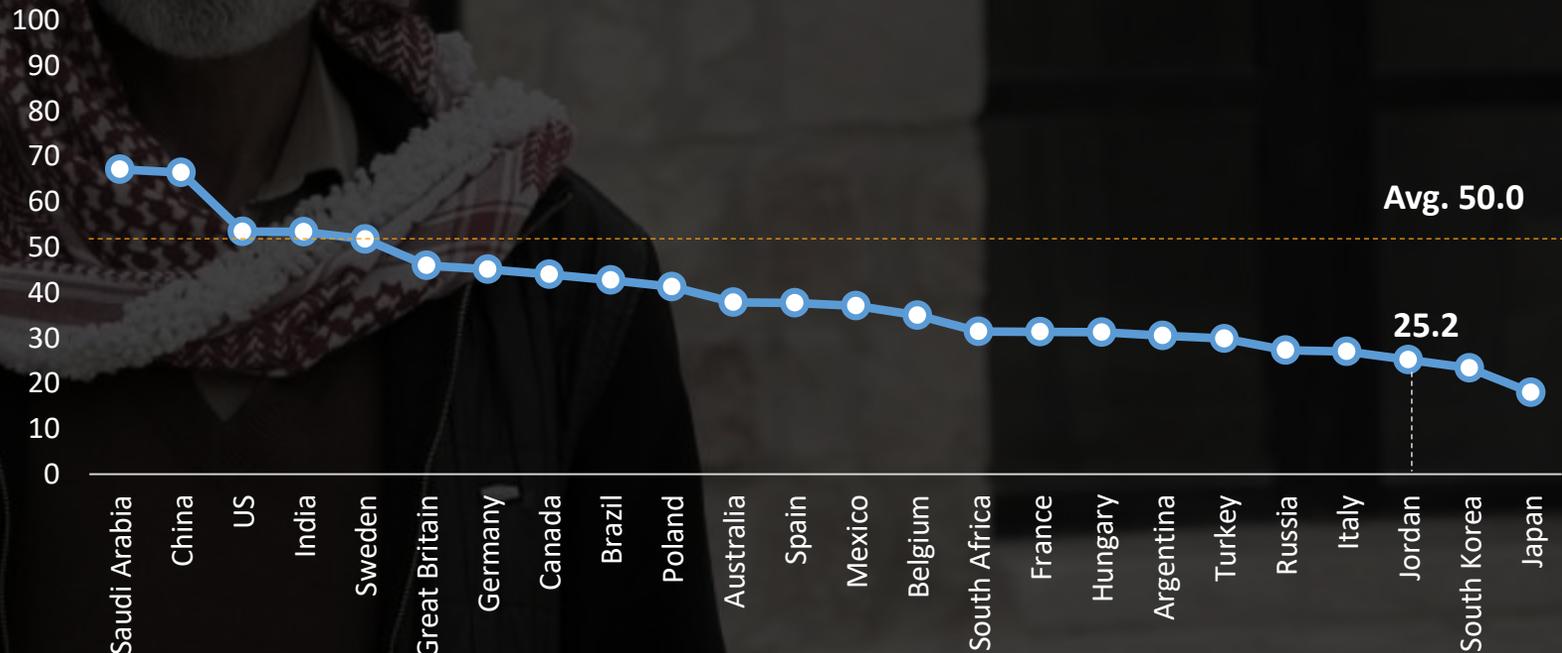
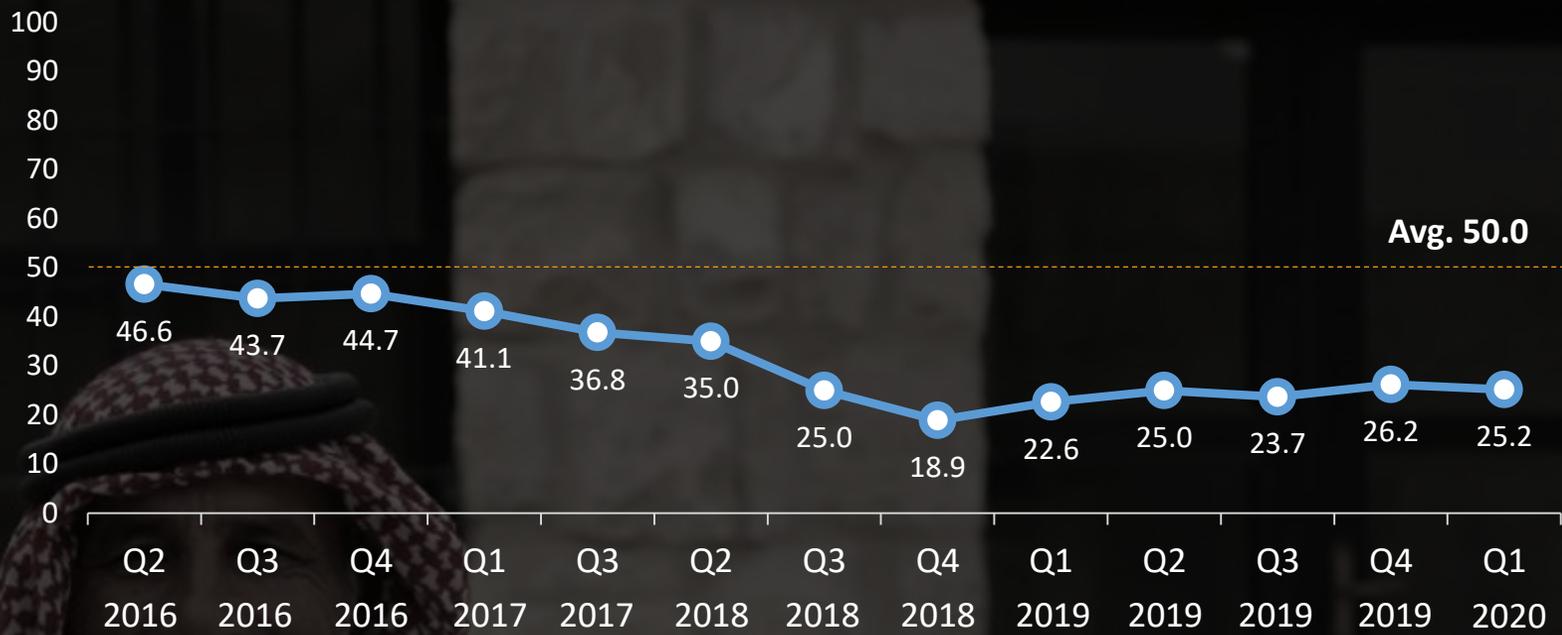
Personal Financial Situation



JCSI Personal Financial Conditions

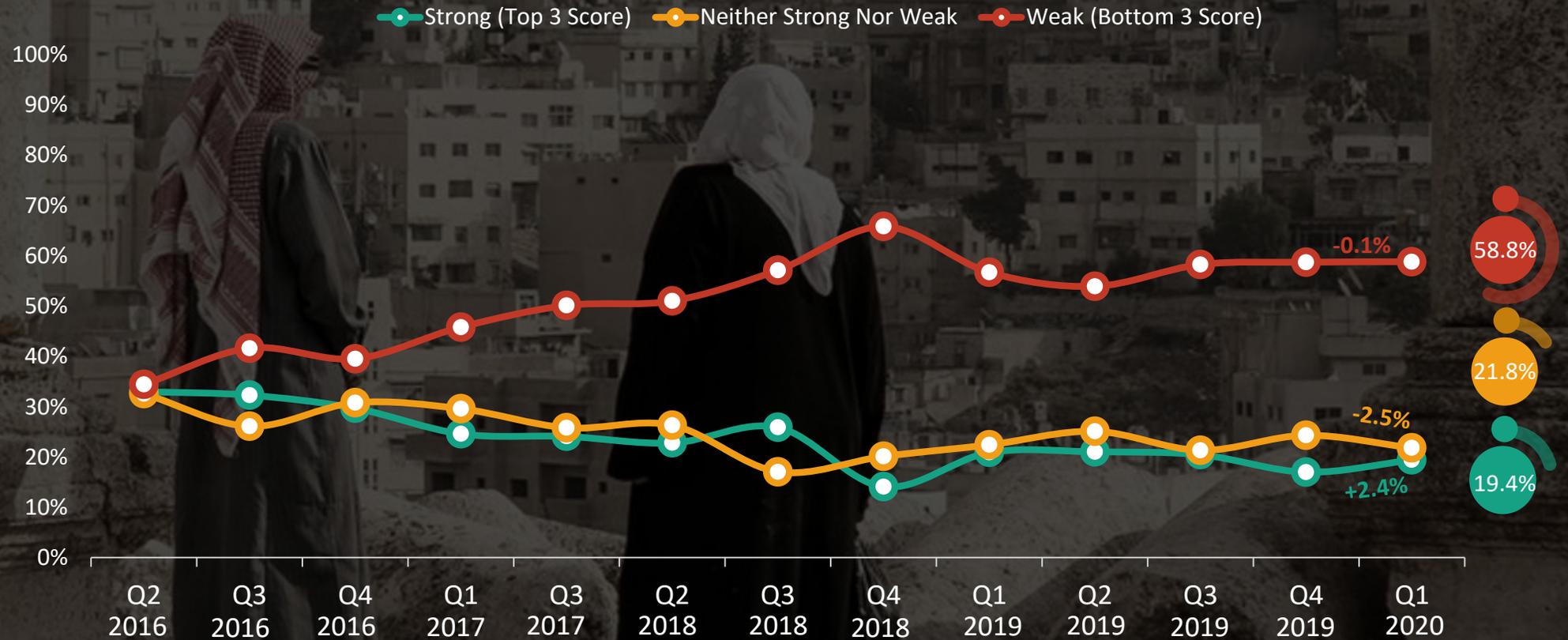
This quarter's index on financial conditions has seen a 1 point decrease in comparison to last quarter pushing Jordan down the scale to rank country number 22 out of 24, as there is a general decrease witnessed across countries in people's financial sentiment when compared to last quarter.

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.



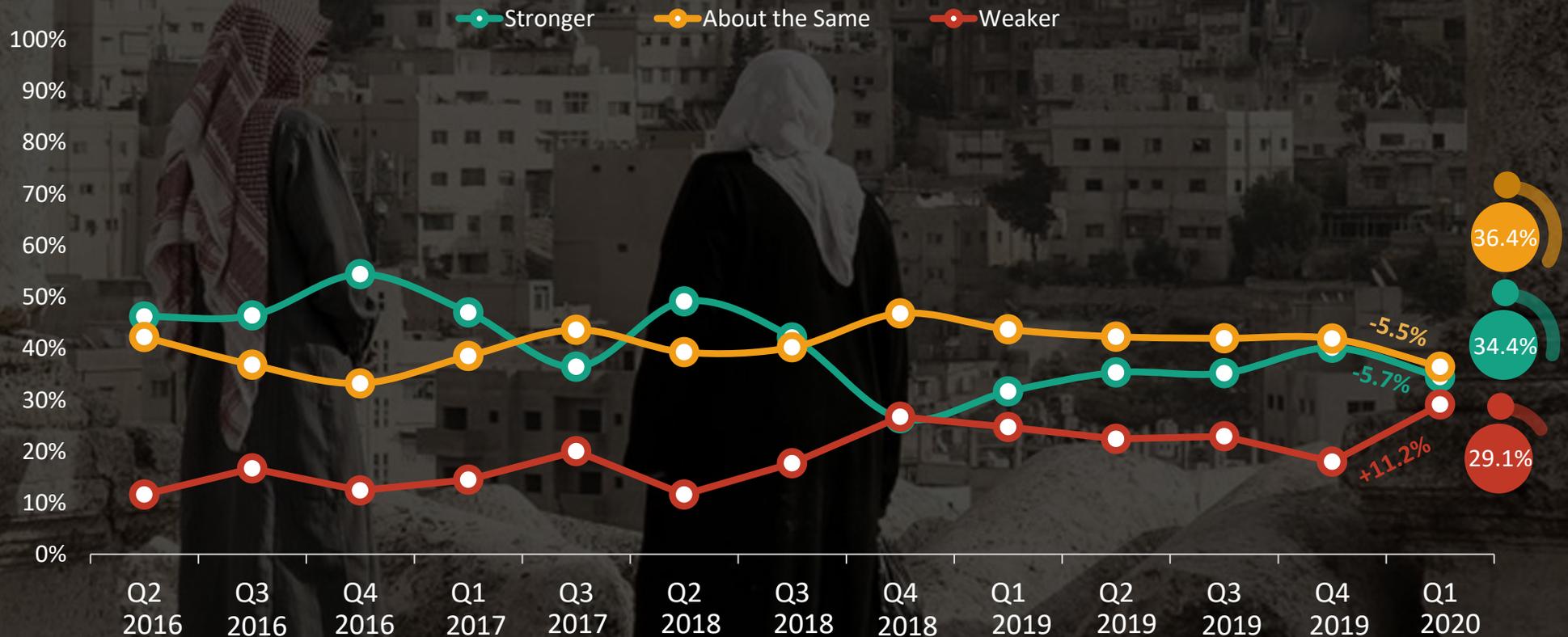
Current Personal Financial Situation

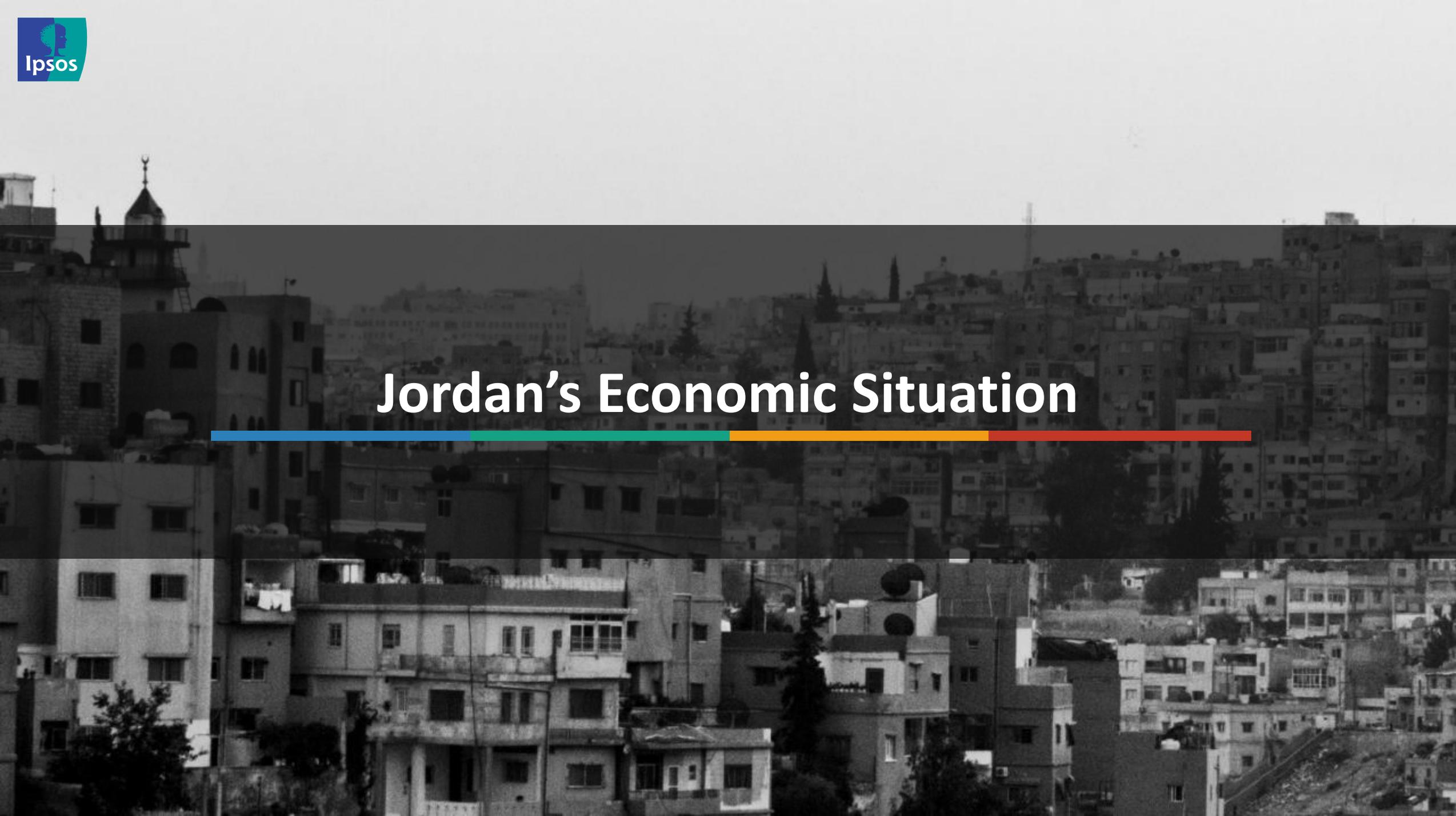
Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



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?





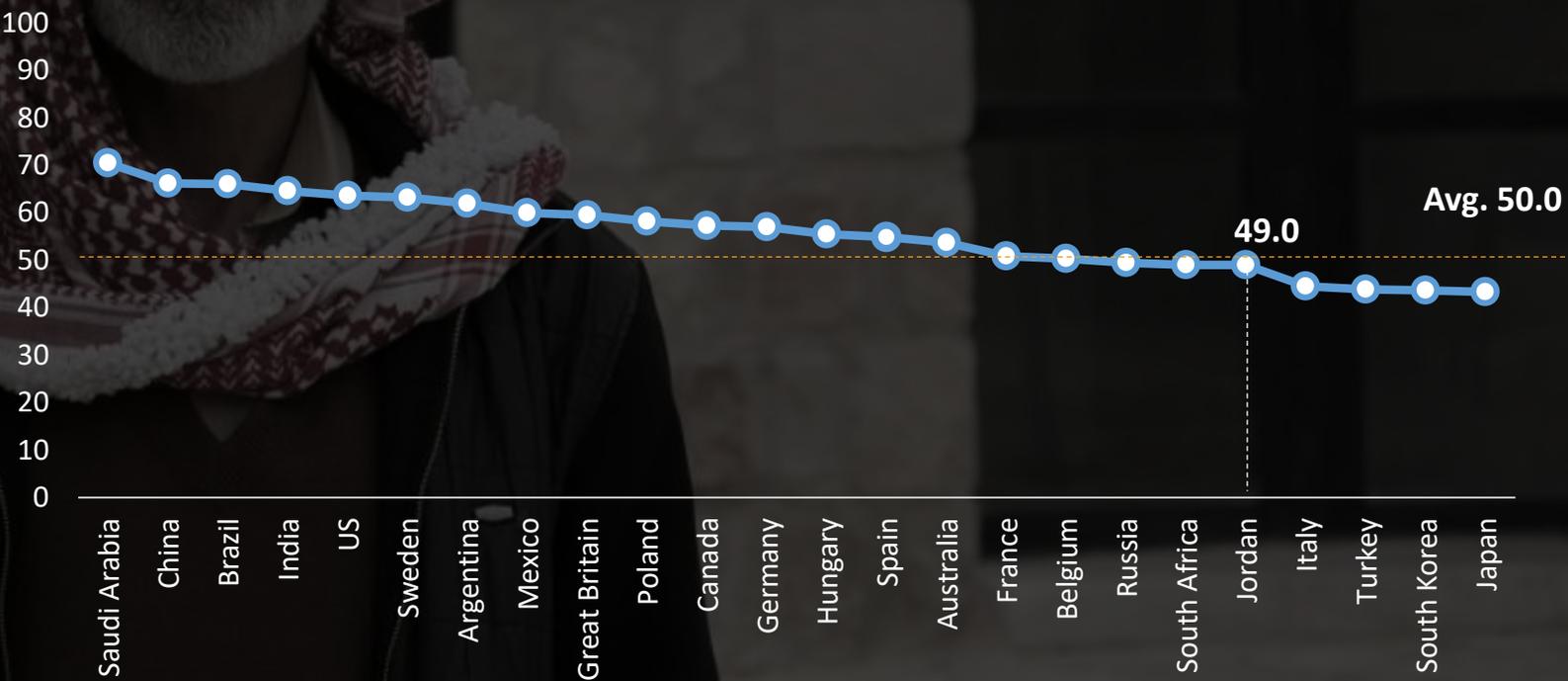
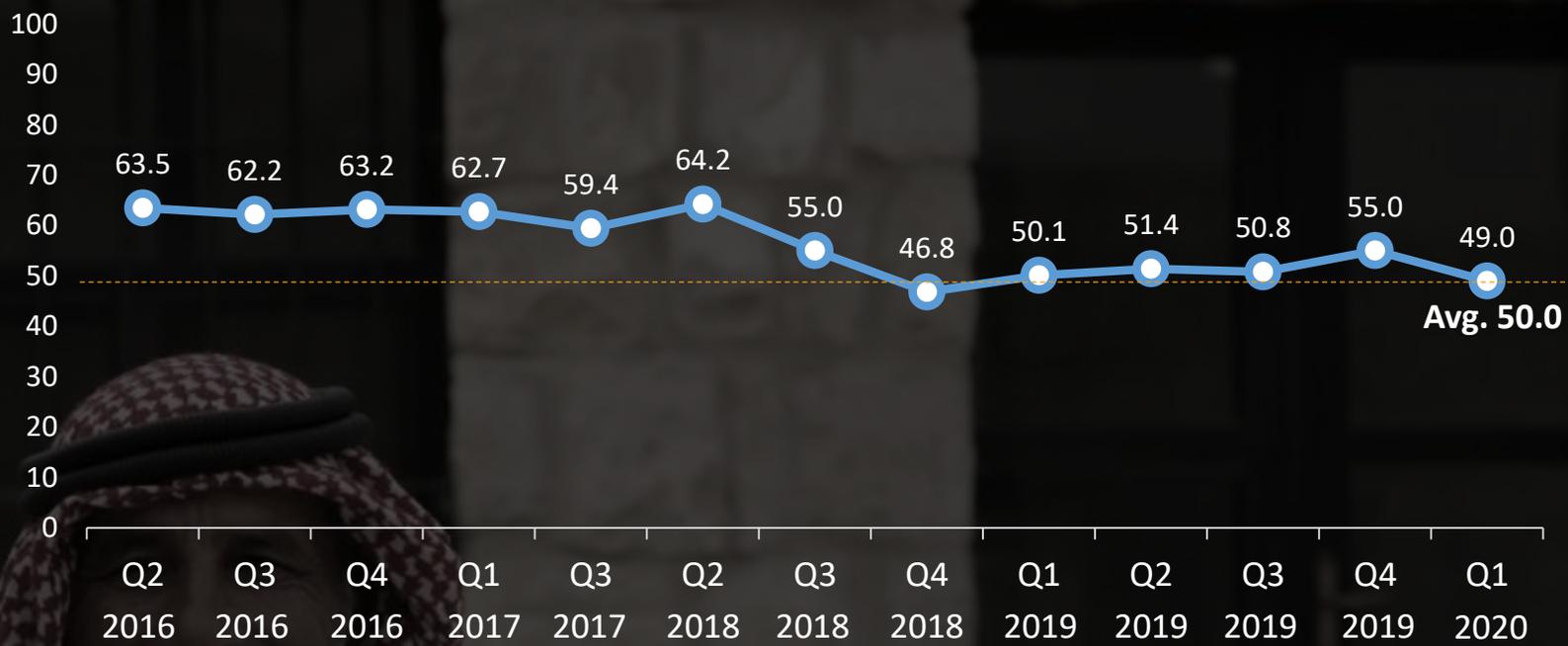
Jordan's Economic Situation



JCSI Economic Expectations

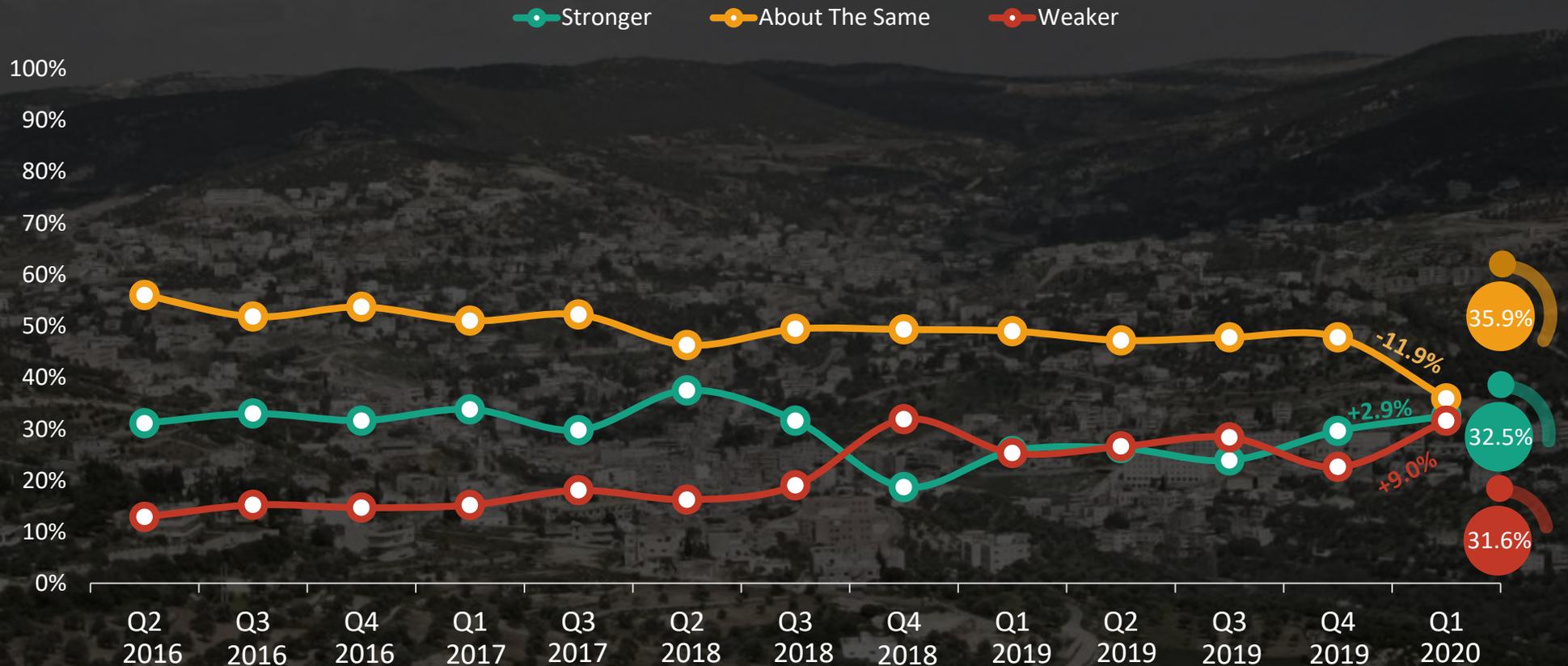
Jordanians' expectations regarding their country's economy have been less positive this quarter given the COVID-19 situation. Their pessimism has repositioned Jordan to be the 20th country (down from the 13th) out of 24 countries.

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?



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

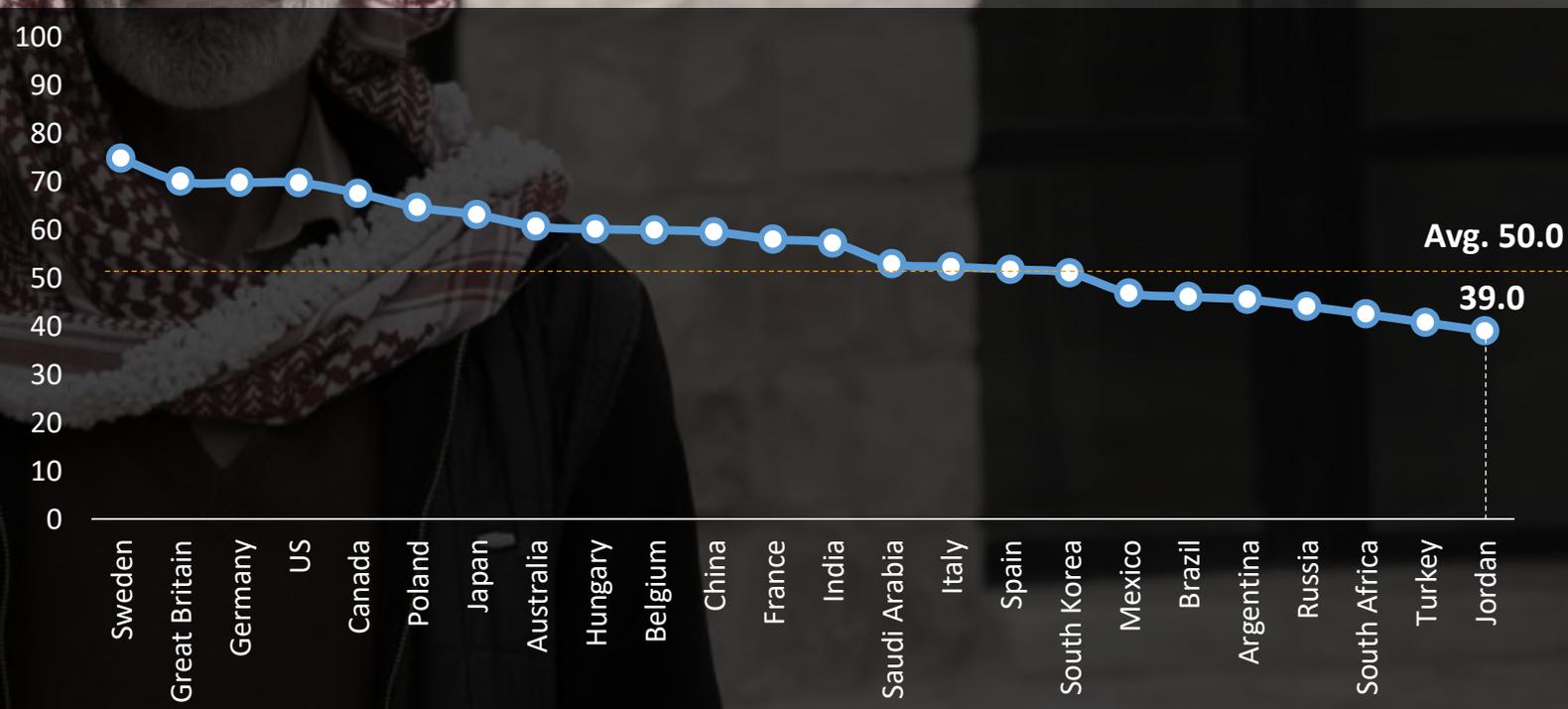
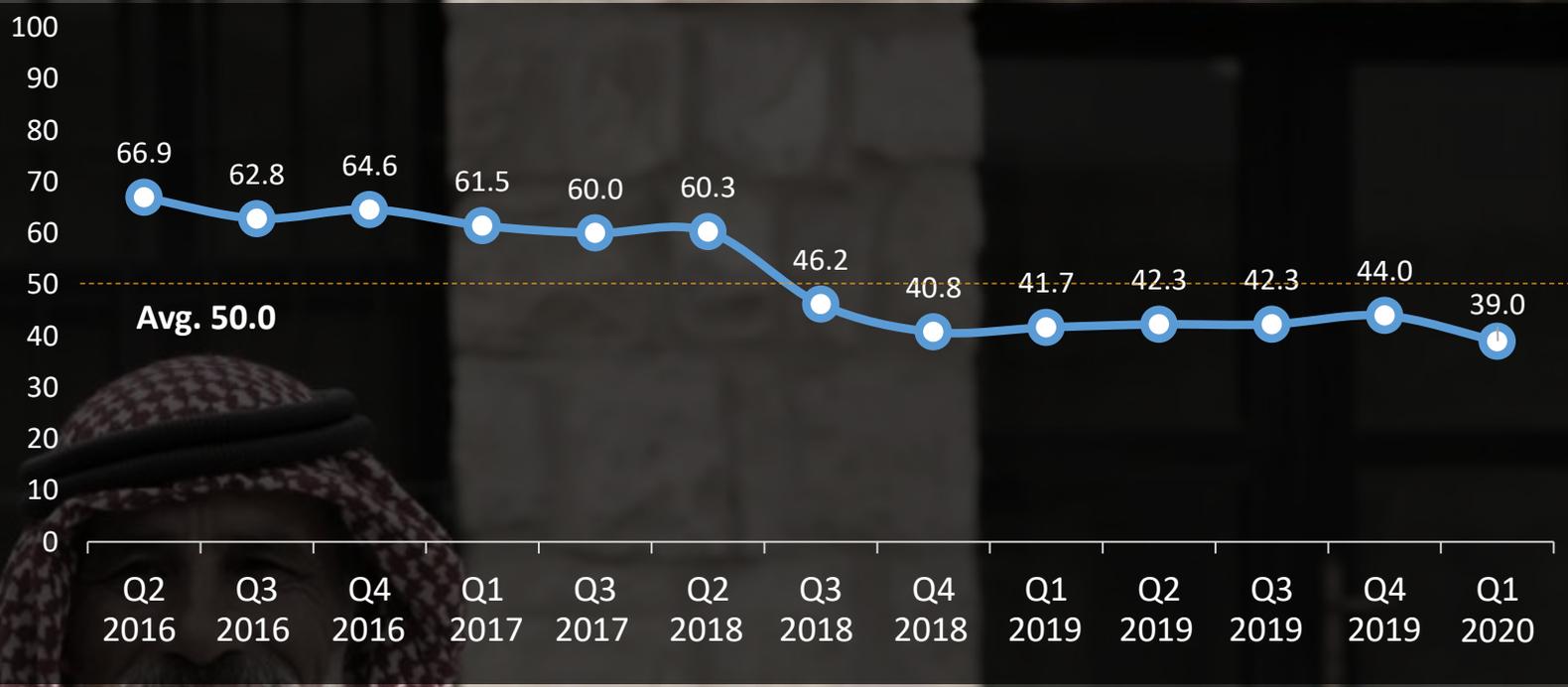




JCSI Employment Confidence

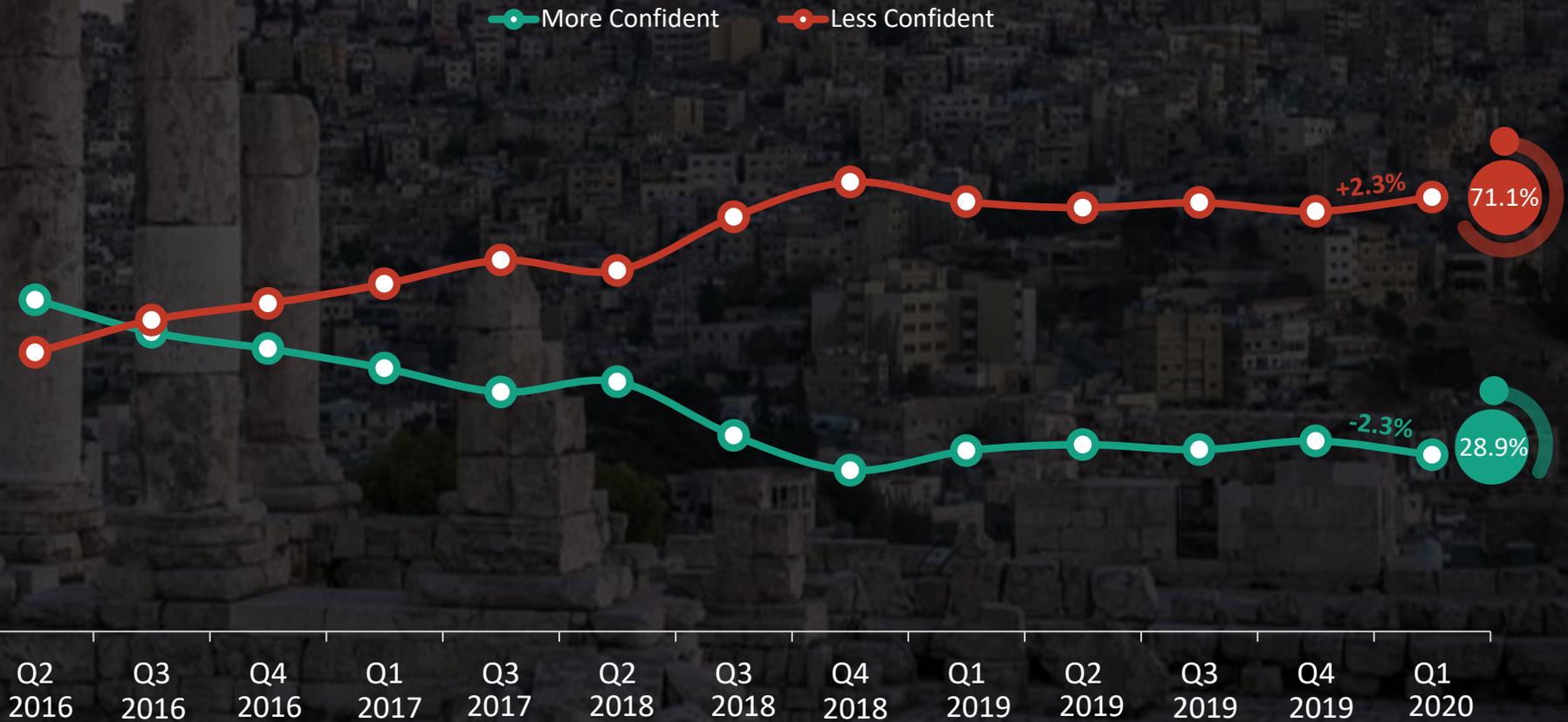
The employment index has also seen a deterioration in comparison to other indices this quarter. This may be related to COVID-19 as it had a negative effect on a global scale, including Jordan, pushing its' position down in comparison to the previous wave.

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?



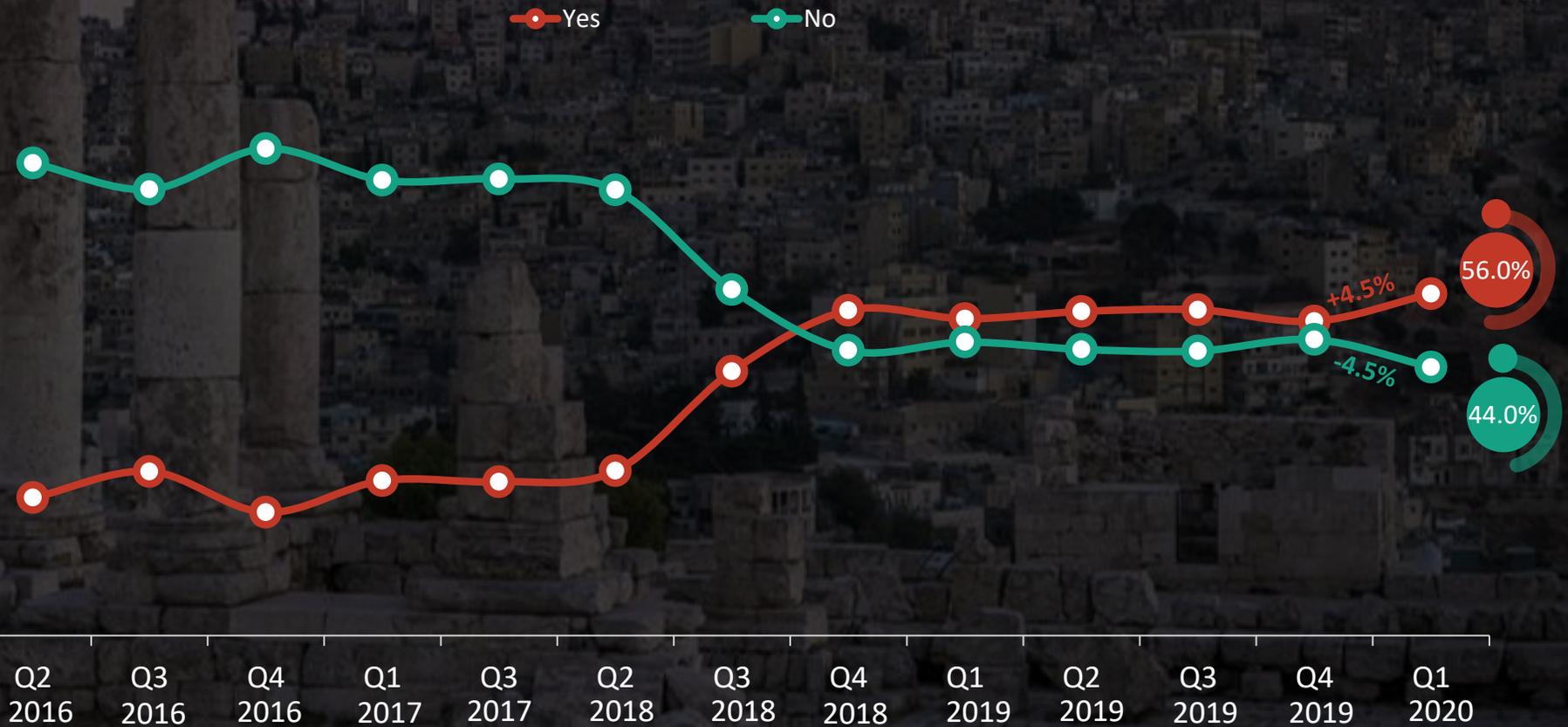
Job Security

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?



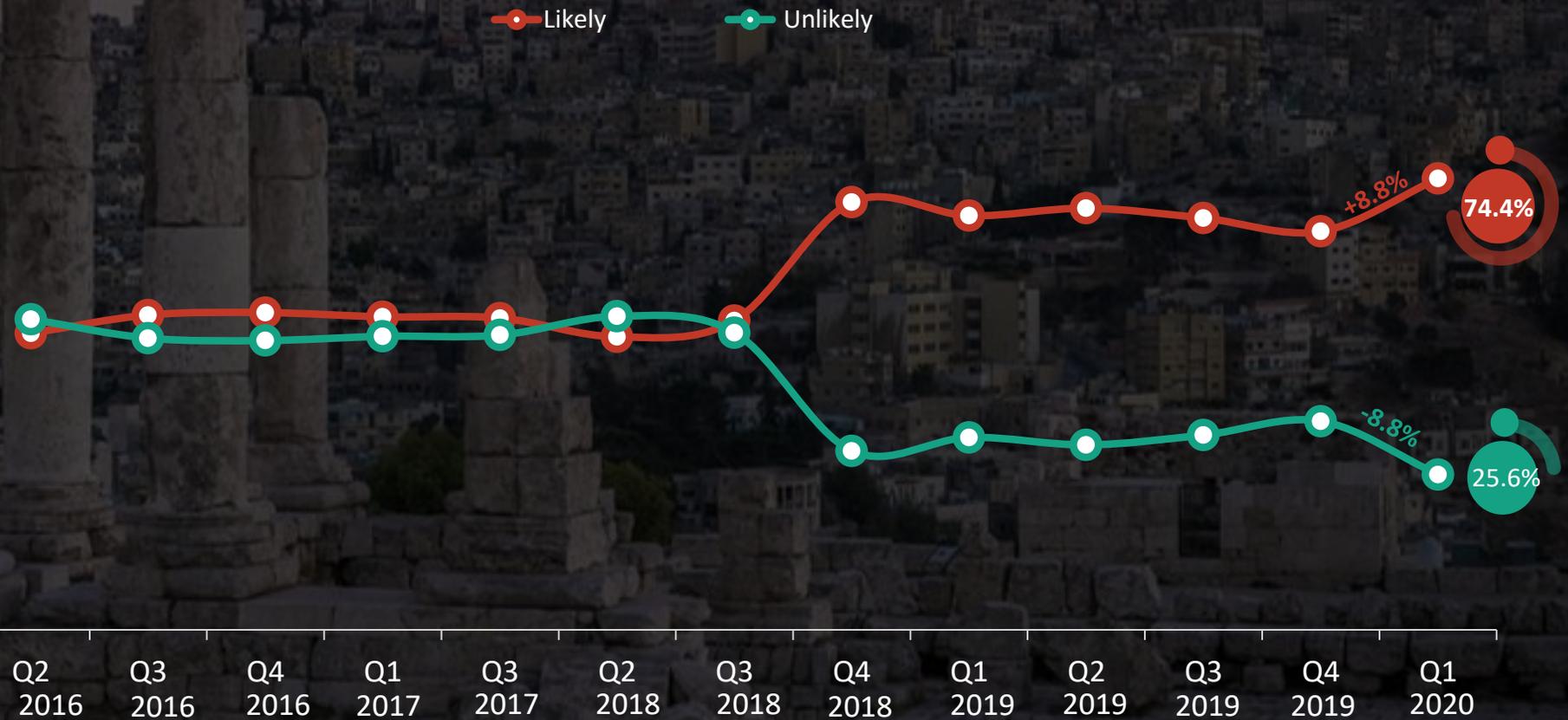
Job Losses in the Past Six Months

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?



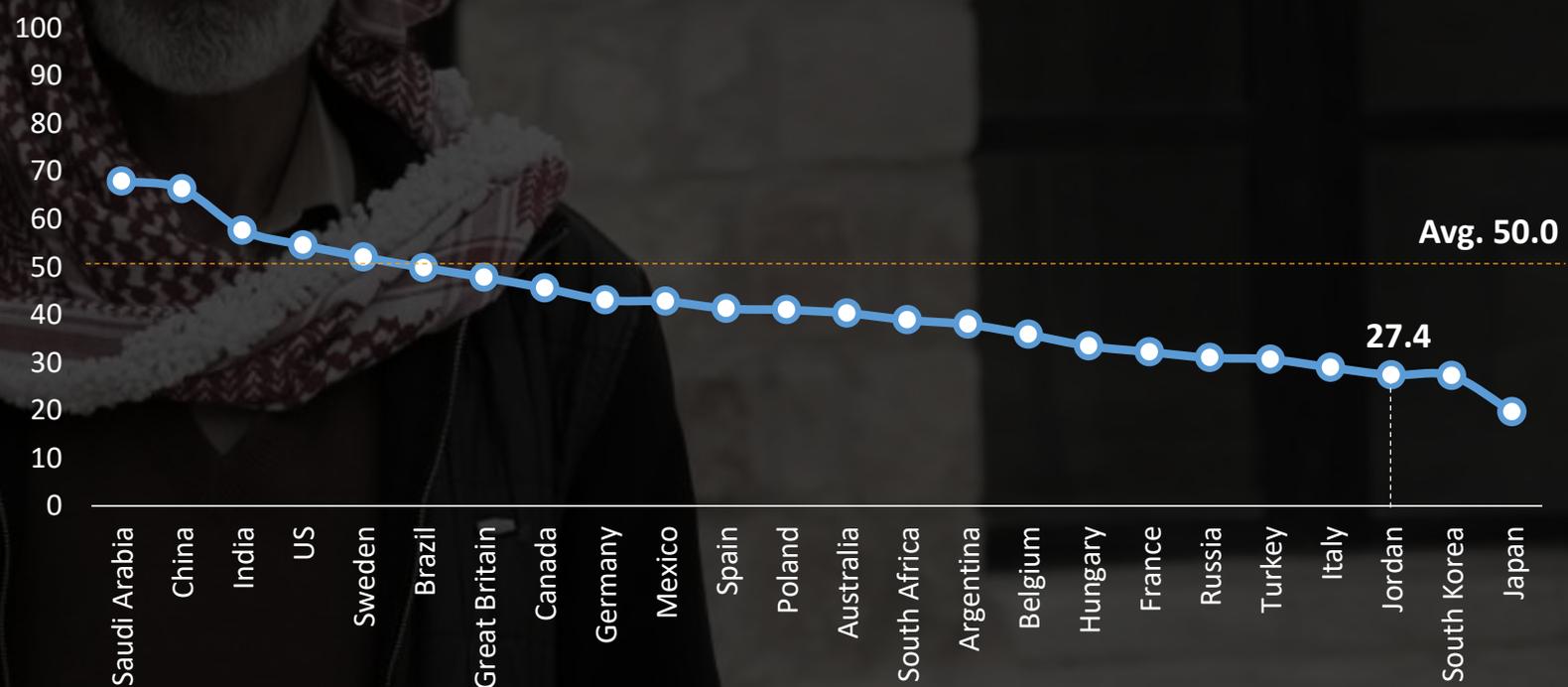
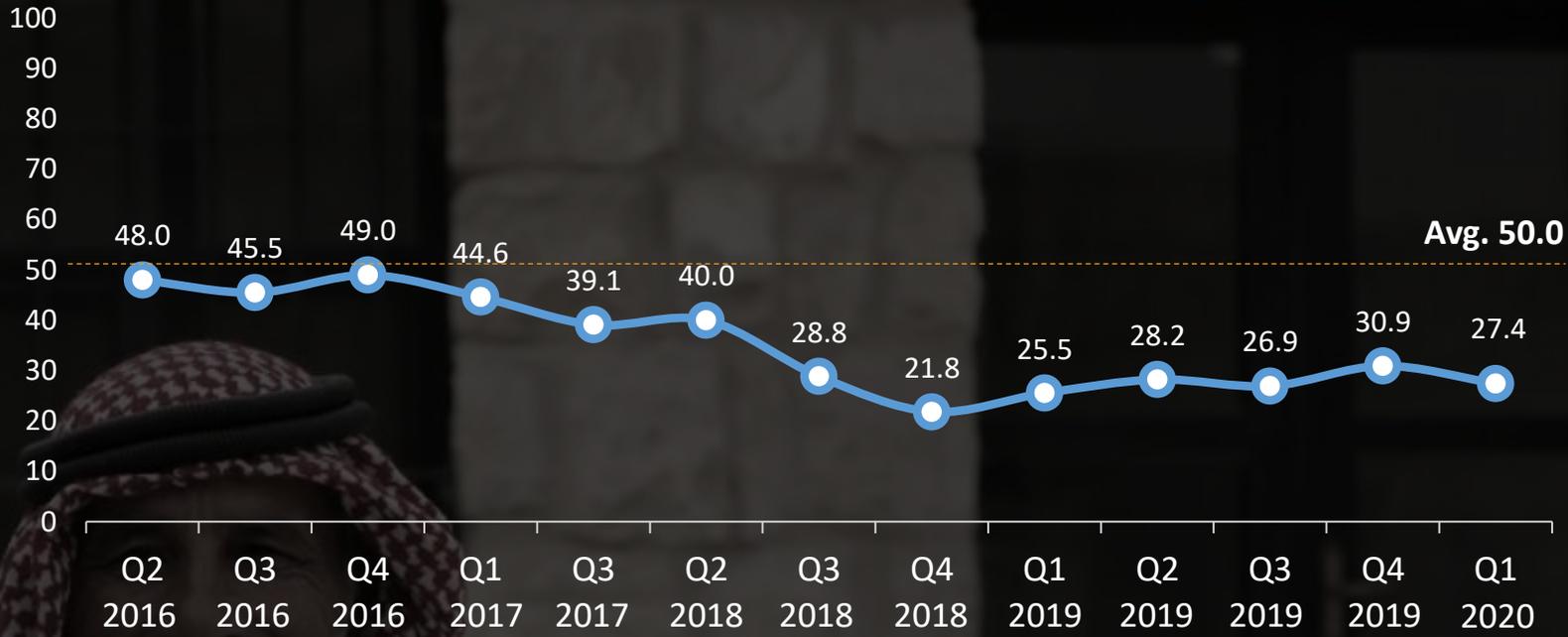


Investment Climate

JCSI Investment Climate

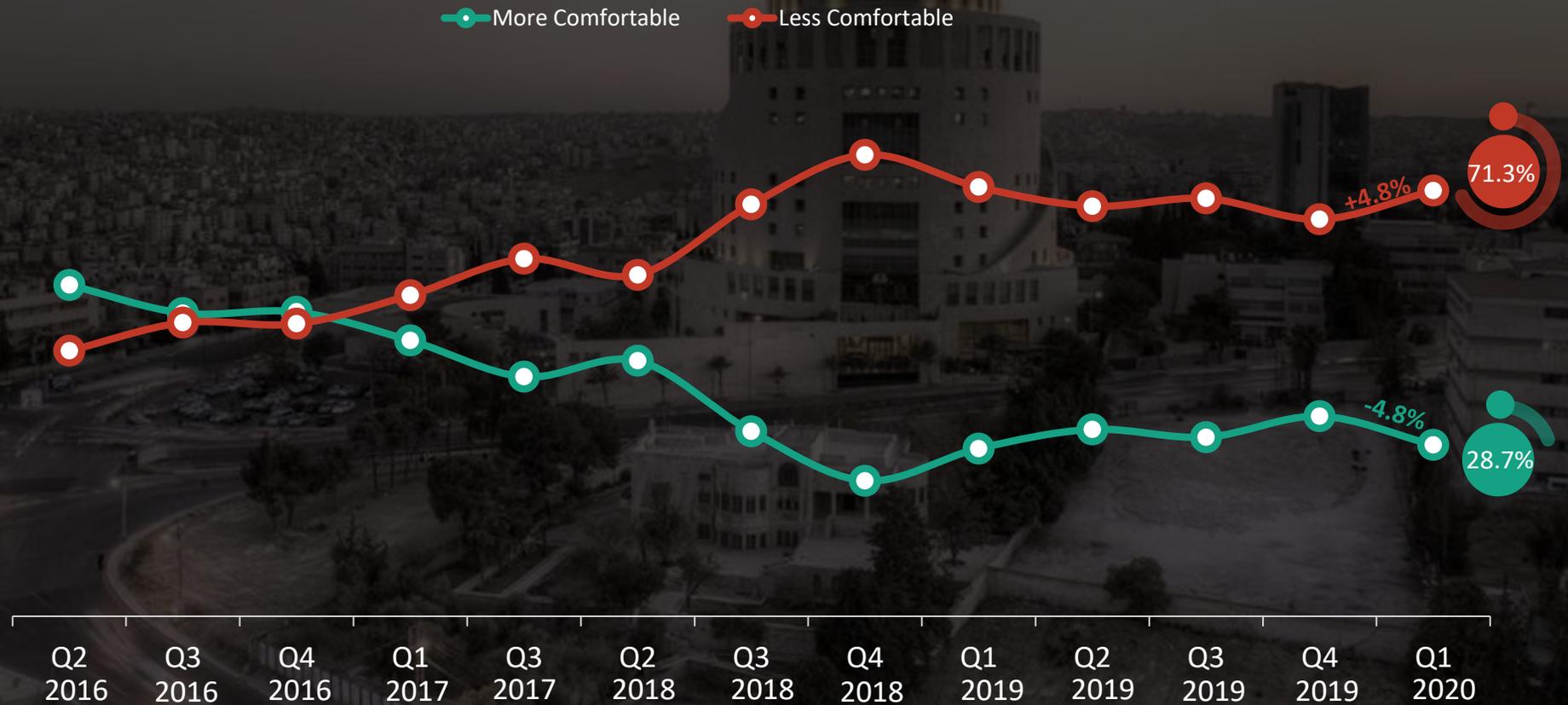
Jordanians' cynicism towards their ability to currently invest has decreased this quarter, resulting in a 3.5 point decrease in the first quarter of this year.

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.
5. 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?



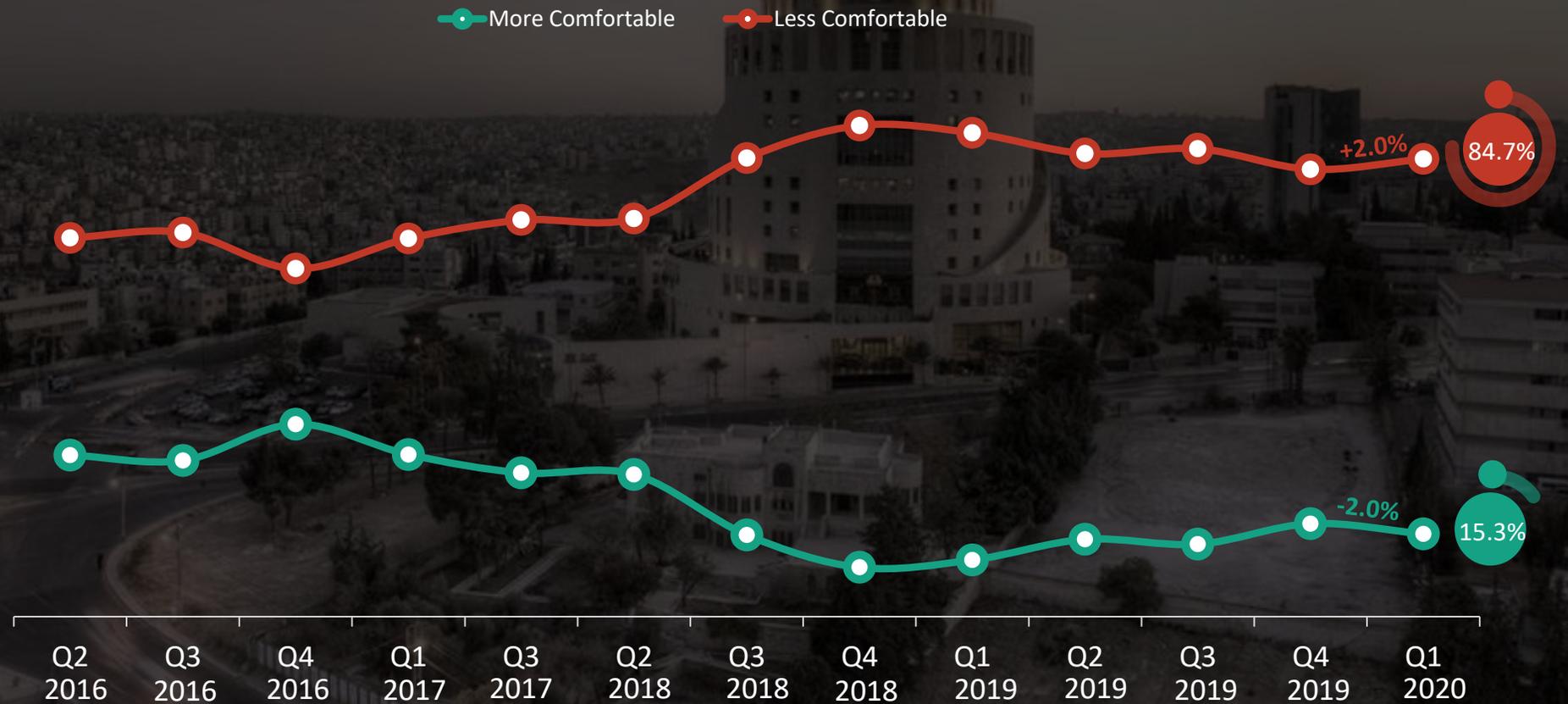
Ability to Invest in The Future

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?



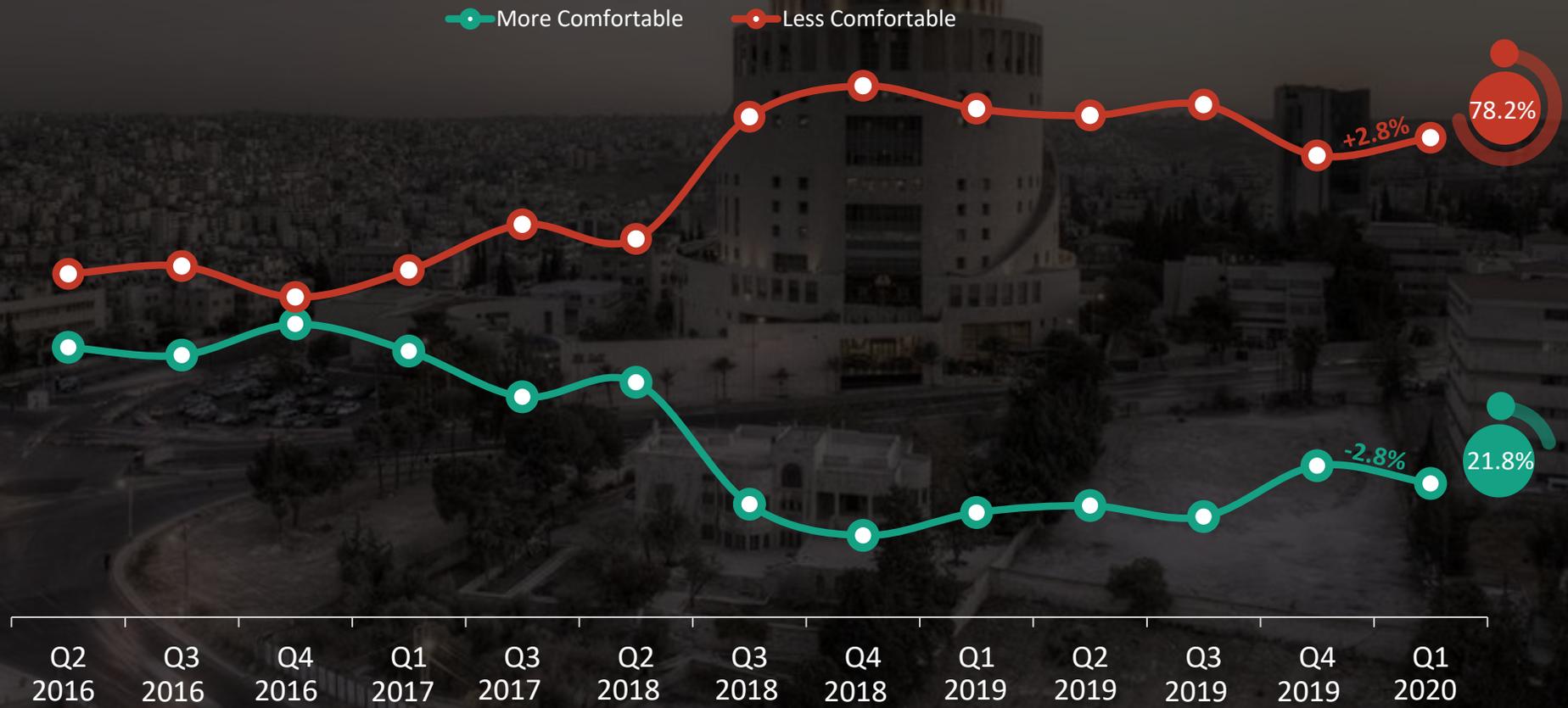
Ability to Make a Major Purchase

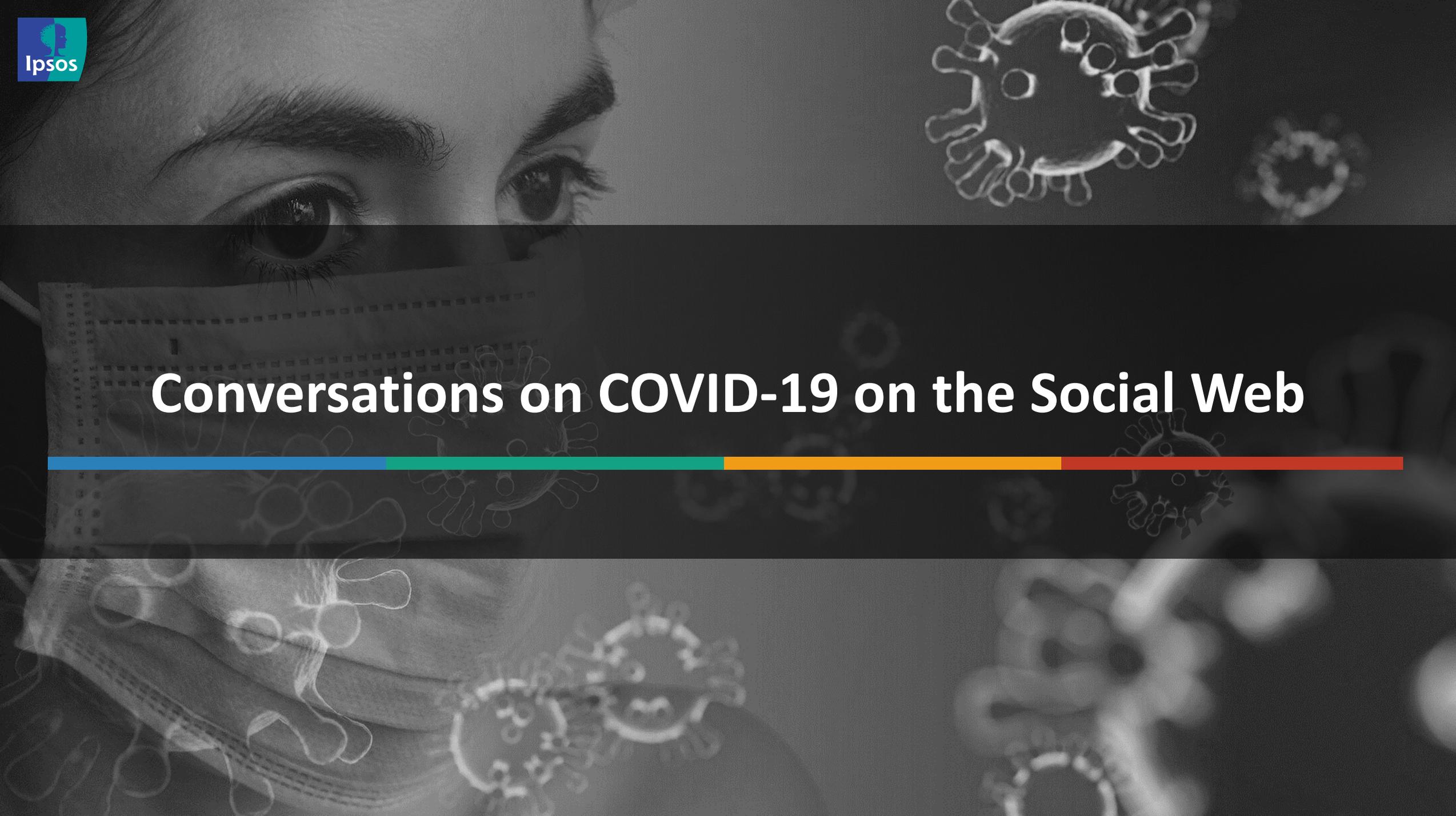
Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?



Buying Household Durables

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





Conversations on COVID-19 on the Social Web

Methodology

Using an application of **social intelligence and analytics**, this section sheds light onto the conversations happening online on COVID-19, with a focus on organic posts regarding the economy.



38,658
Organic Public
Conversations
Analyzed*



Timeframe
*March 16th till
April 30th 2020*

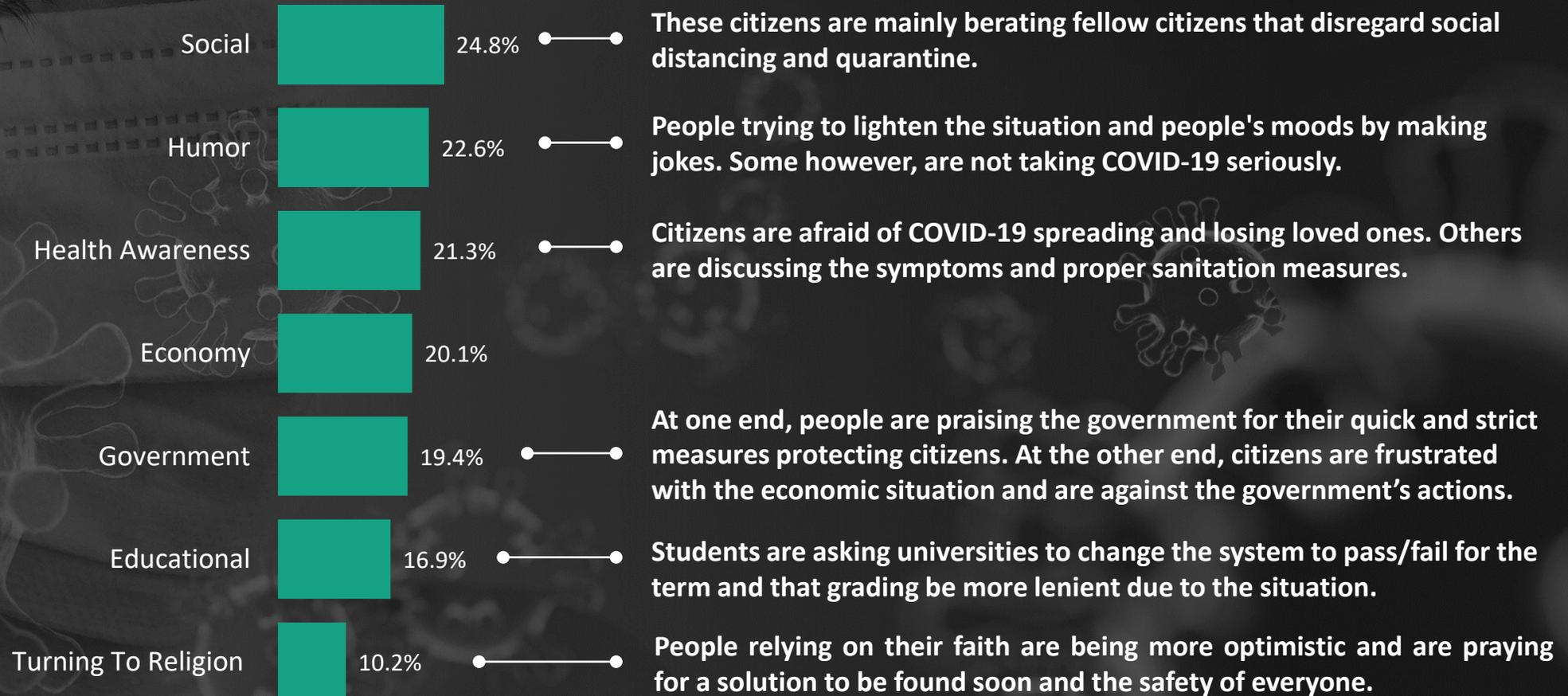


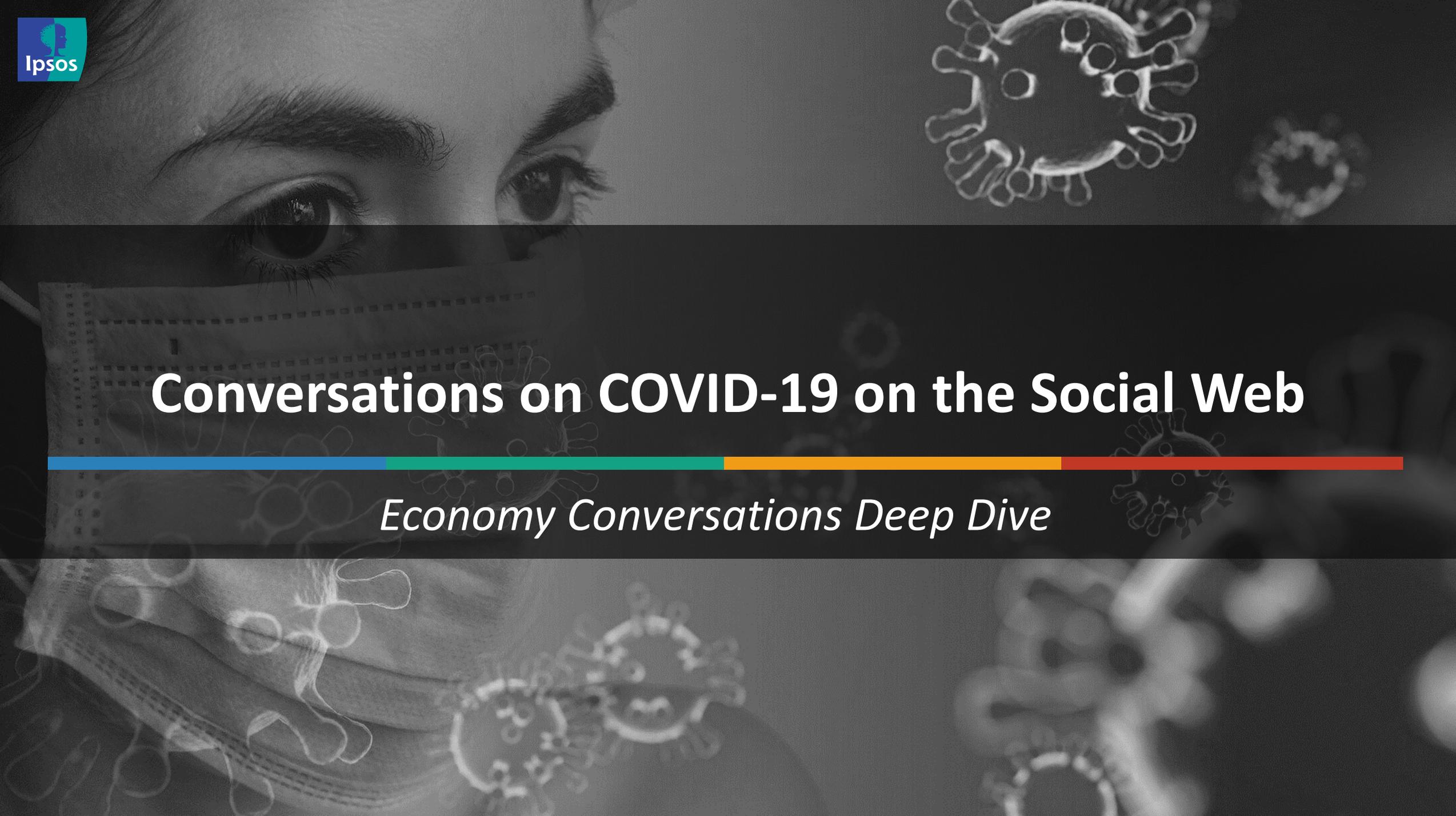
Tool
*Ipsos' Social
Intelligence Platform
Synthesio.*

**Our SIA tool adheres to GDPR guidelines which inhibit the access to personally identified data, including private profiles. All the data that is analyzed by Synthesio only cover public pages and accounts.*

Share of Topics Online

Period March 16th to April 30th

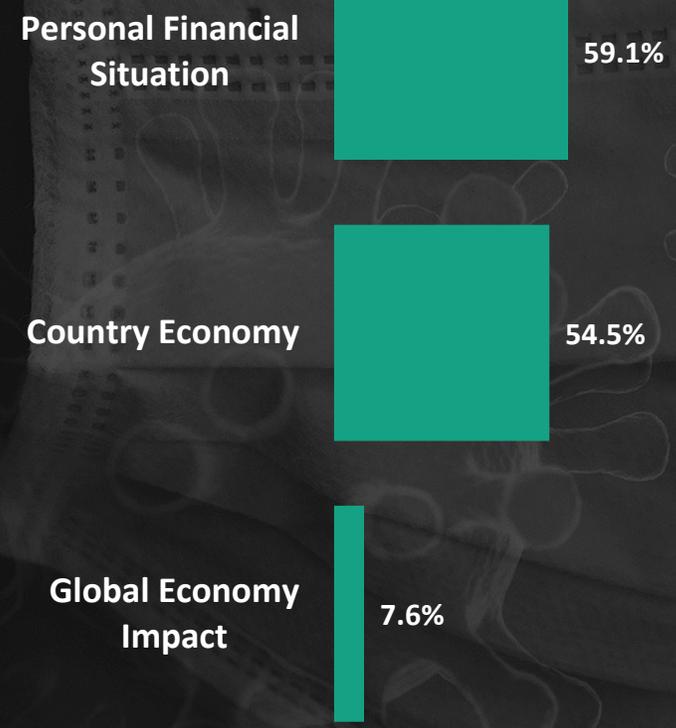




Conversations on COVID-19 on the Social Web

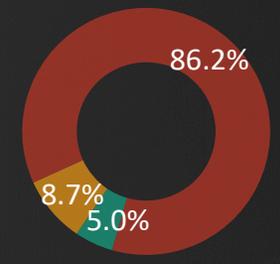
Economy Conversations Deep Dive

Economy Subtopics (Out of 7,770 economy related posts)



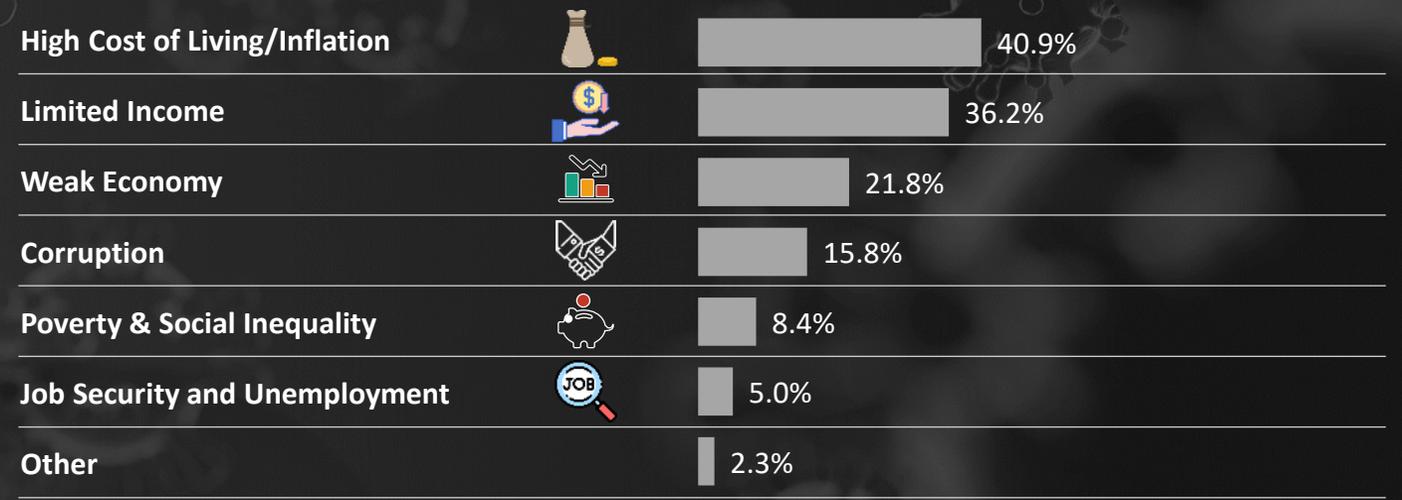
Economical Concerns and Sentiment

■ Positive ■ Neutral ■ Negative



“ I mean we are poor... and our entire salaries are being spent on loans, rent and utility bills, yet people are afraid of the corona virus.... I swear death is more merciful ”

“ Fight corruption and those stealing money before you fight corona. Corona is temporary and will go away regardless, but corruption stays... ”



*Verbatims were translated from Arabic to English

Voices Behind the Concern

Citizens



- Jordanians are expressing worries over their ability to provide for their family during COVID-19.
- In particular, daily workers are worried about not having a steady salary while those working in the private sector are concerned about wage cuts.
- Others are worried about corruption, some specifically targeting shop owners who have increased the price of their fares and wondering whether the government has a role to play in this.

“ I have a family that want to eat, where am I supposed to bring food and drinks if you don't allow us to go to our shifts? We are daily workers, we don't have salaries.... ”

“ I expect that once the raises period is over in May, they'll tell you that you can go back to work and that there's no more corona and we lose out on our promotions and bonuses ”

Business Owners



- Those who own a business are expressing concerns over their ability to pay their employees' wages, some even citing their financial troubles before COVID-19.
- As such, they are stating the urgency in reopening their businesses as they currently have no source of income.

“ The Coronavirus has a huge impact on the economy, and it's not fair to have businesses continue to pay employees their full salaries as it is a burden and loss for the company... the worker and the owner are both affected... ”

Perspective

During the beginning of the COVID-19 crisis, more people were prioritizing health and containing the virus over the economy.

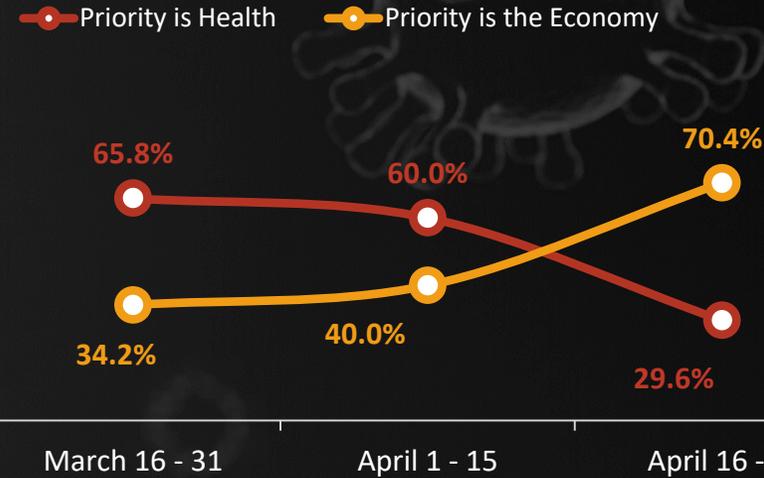
As time went on, people's financial situation looked more bleak, and thus, priorities shifted towards the economy.

In fact, Jordanians on social media are no longer concerned with the long-term economic implications of the virus, as they are more worried about their current personal finances and meeting the essential needs of their families, namely food, rent and utility bills.

Priority: Health vs. Economy

(n=29% of overall posts where priorities can be determined)

“ The numbers are rising, for the love of God stay at home, for your kids and country ”

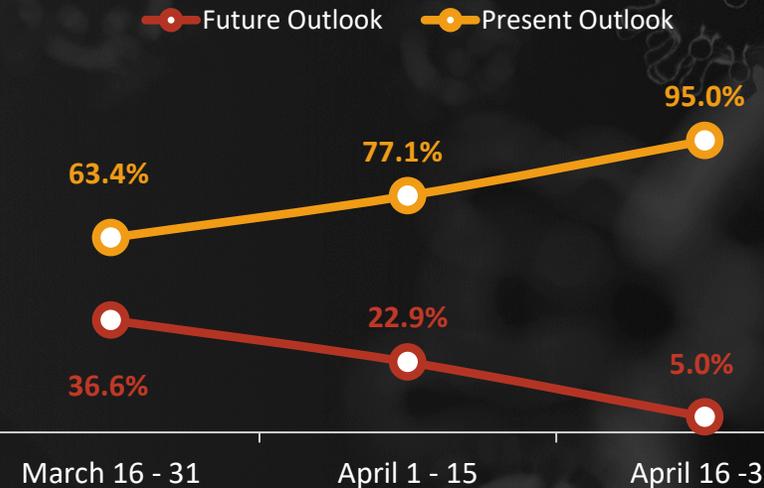


“ Losing our salaries is a bigger pandemic than corona ”

Perspective on Economy: Future vs. Present

(n=75% of economy posts)

“ This way, the country will slowly come to a halt... and if we don't end up dying from Corona we will eventually die from this poverty and collapsing economy ”



“ I'm a daily worker and need to pay rent, get diapers and milk... ”

*Verbatims were translated from Arabic to English

JCSI Methodology



JCSI Methodology

Mixed Methodology - Computer Assisted Telephone Interviews (CATI) and Self Administrated Online Interviews (Online Panels)

Sample Size – 1500 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: $\text{Importance} \times (\text{Top Box Wt} * \text{Top Box \%}) - (\text{Bottom Box Wt} * \text{Bottom box \%})$.



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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