

# Jordan Consumer Sentiment Index (Q2)

Jordan  
August, 2020

*Data Collected in June 2020*

## 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

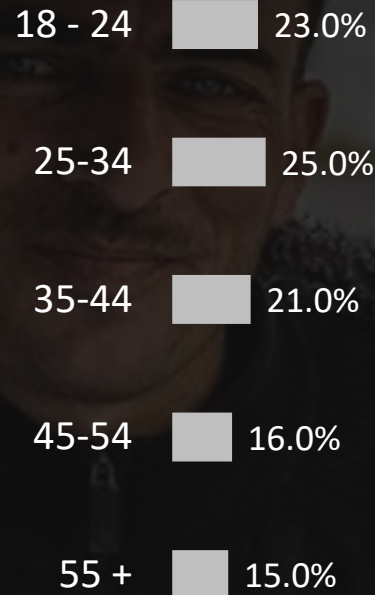


**51.0%**  
Males

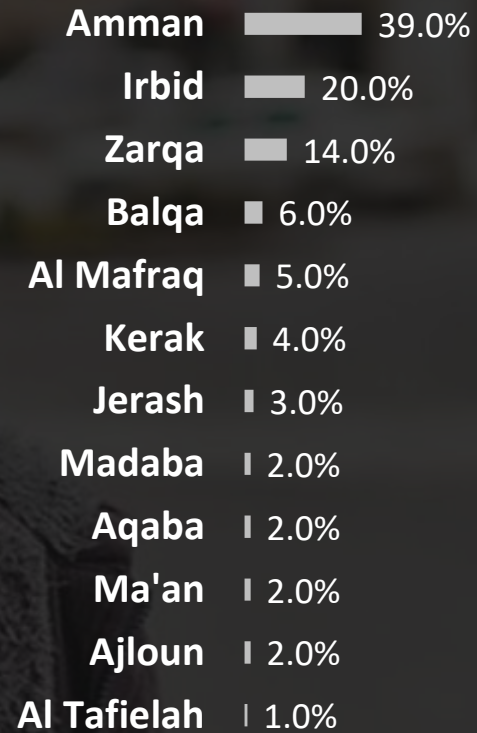


**49.0%**  
Females

## Age



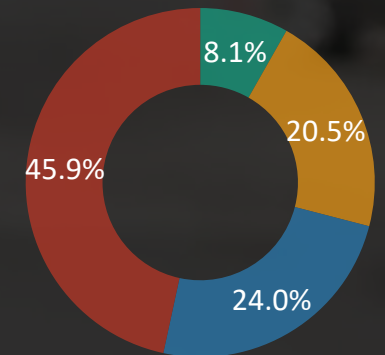
## Regions



## Socioeconomic

### Class\*

A B C DE



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

# Jordan Consumer Sentiment Index



## Q2, 2020 Summary

## Ipsos' Jordanian Consumer Sentiment Index Reaches its Lowest Levels in the Second Quarter of 2020

### Reviving the Economy and Protecting Livelihoods tops Jordanians' List of Priorities as Concern Regarding the Containment of the Pandemic Subsides

The preemptive measures imposed by the government at the beginning of the crisis played a crucial role in safeguarding public health, however, the strict lockdown measures further heightened financial pressures that were already facing Jordanians prior to the crisis. Subsequently, the gradual reopening of economic activity did not bring about reassurance regarding the state of the economy, but rather, as people resumed work and tried to acclimate to the new “Normal”, the economic impact of the previous months was clearly felt. In fact, 3 in 5 Jordanians believe that the state of the economy is weak – a considerable drop when compared to last quarter. Uncertainty regarding the country's economic future has led to a 5-point decrease in the Jordanian Consumer Sentiment Index (JCSI) for this quarter.

As the pandemic continues to wreak havoc worldwide, bleak sentiments towards the future were mirrored across most of the countries included in the survey. Globally, confidence towards job security was amongst the most impacted indices, with Jordanians exhibiting similar sentiments. While the government imposed various measures that aim to protect the national economy, maintain job security and limit the damages sustained as a result of the crisis, the vast majority of Jordanians have witnessed firsthand the heat of diminishing job security. In fact, 7 in 10 mentioned that they themselves or someone they knew have lost their livelihood as a result of the economic crisis and 1 in 2 of those employed witnessing a reduction in pay. With uncertainty surrounding their livelihoods, Jordanians' confidence in their ability to spend or invest in their future has plummeted even further.

With the number of cases subsiding towards the end of the second quarter and the country experiencing a temporary period of calm, Jordanians no longer felt the looming threat of the pandemic, with the majority believing that the pandemic will be short-lived. However, amidst the rising number of cases, striking a balance between protecting Jordanians' lives and their livelihoods will continue to be the governments biggest challenge in the months to come, with the results of this quarter's index clearly showing that Jordanians are in favor of reviving the economy as opposed to reverting back to strict lockdown measures.



# JCSI Q2 Summary

JCSI, Q2 2020

Versus Previous Wave

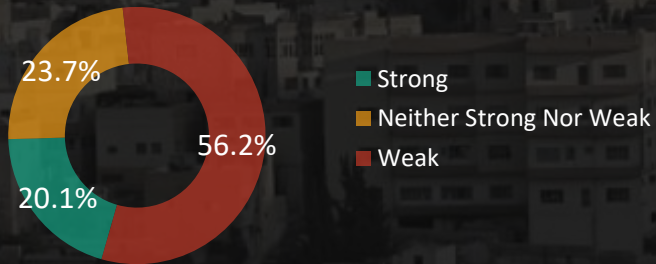
30.4



35.4

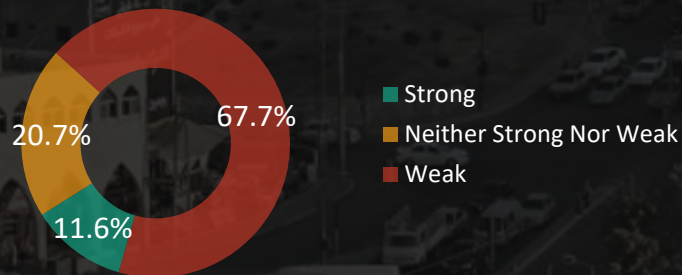
## Country Economic Situation

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



55.3%

High Cost of Living



49.7%

Unemployment



38.4%

Poverty & Social Inequality

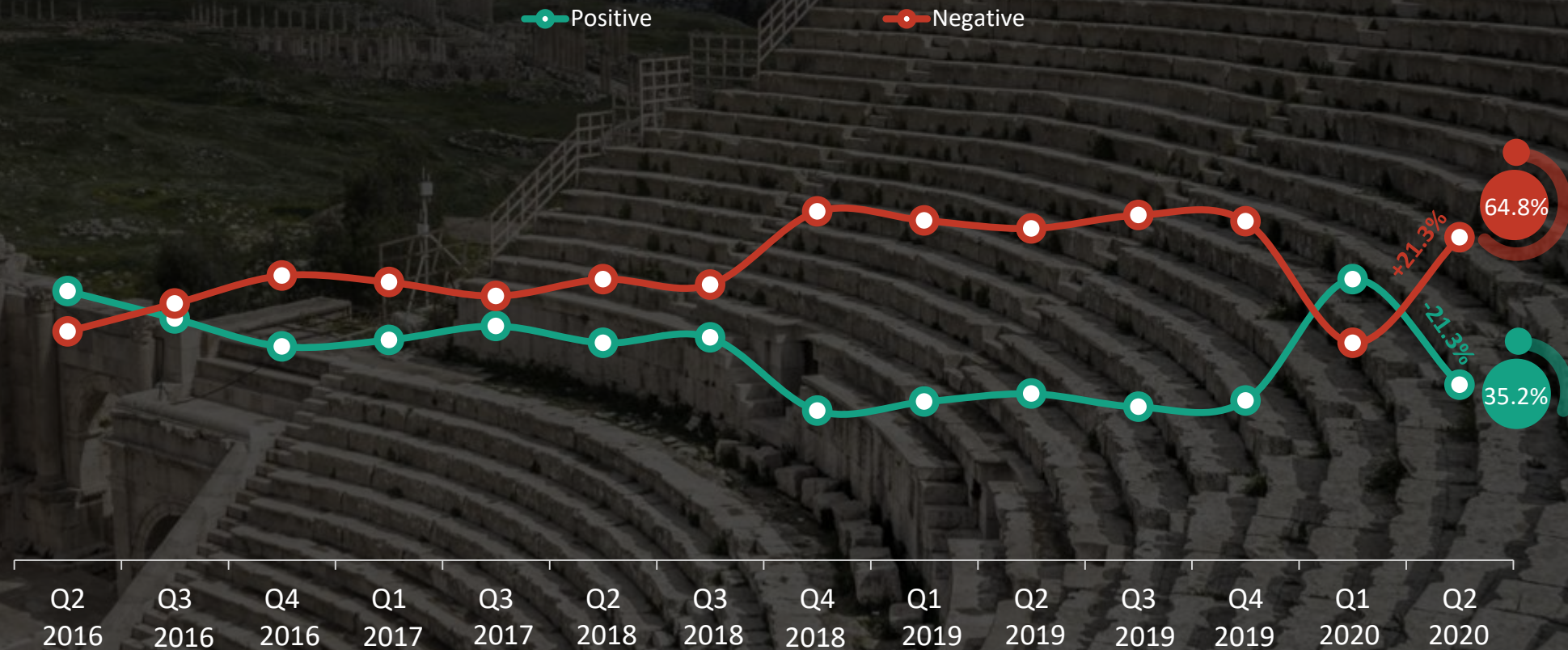
# Country's General Situation



# Current Economic Situation

## Trending

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

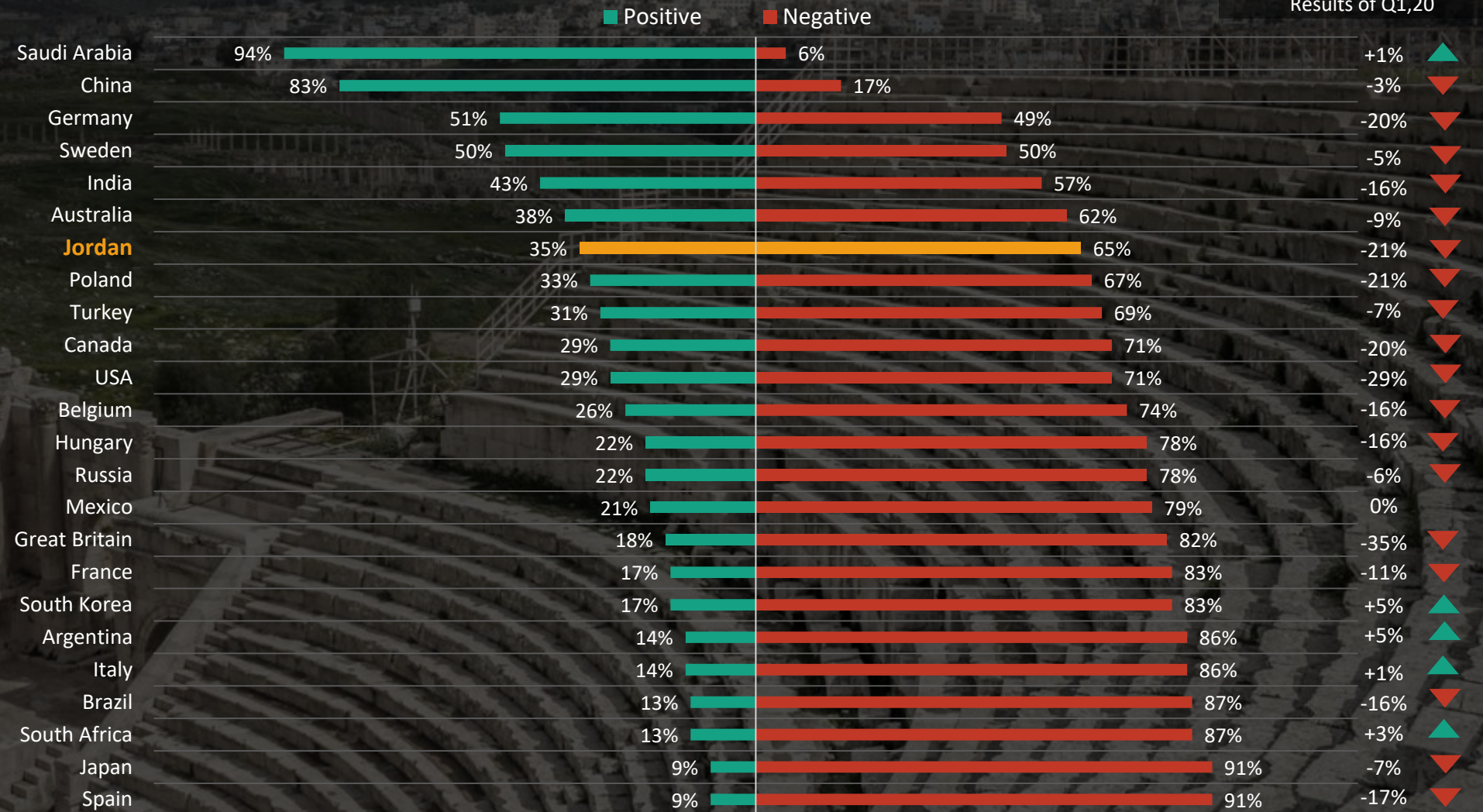


# Current Economic Situation

## Global Comparison

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

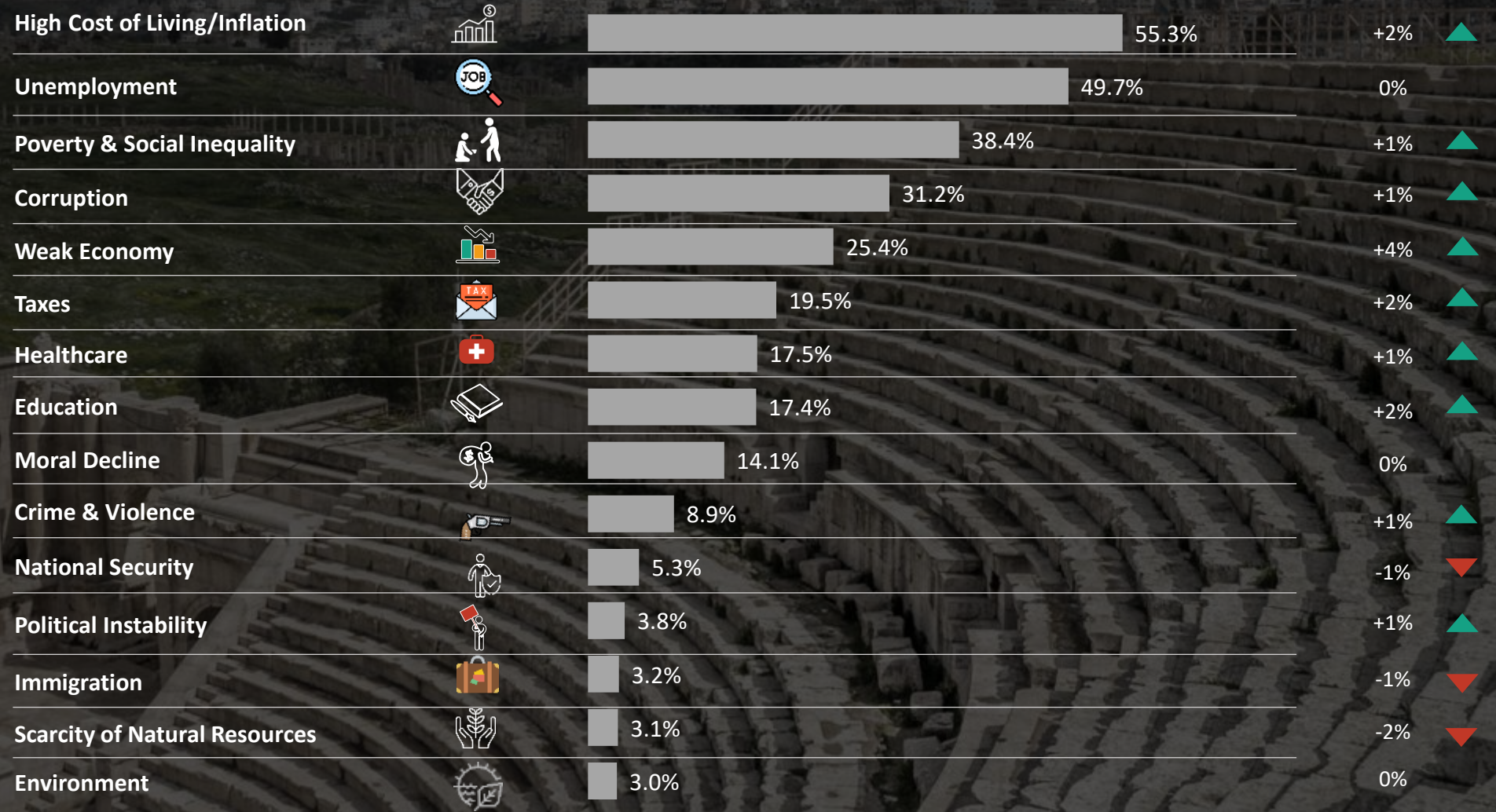
Compared to the Positive Results of Q1,20



# 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 Q1,20

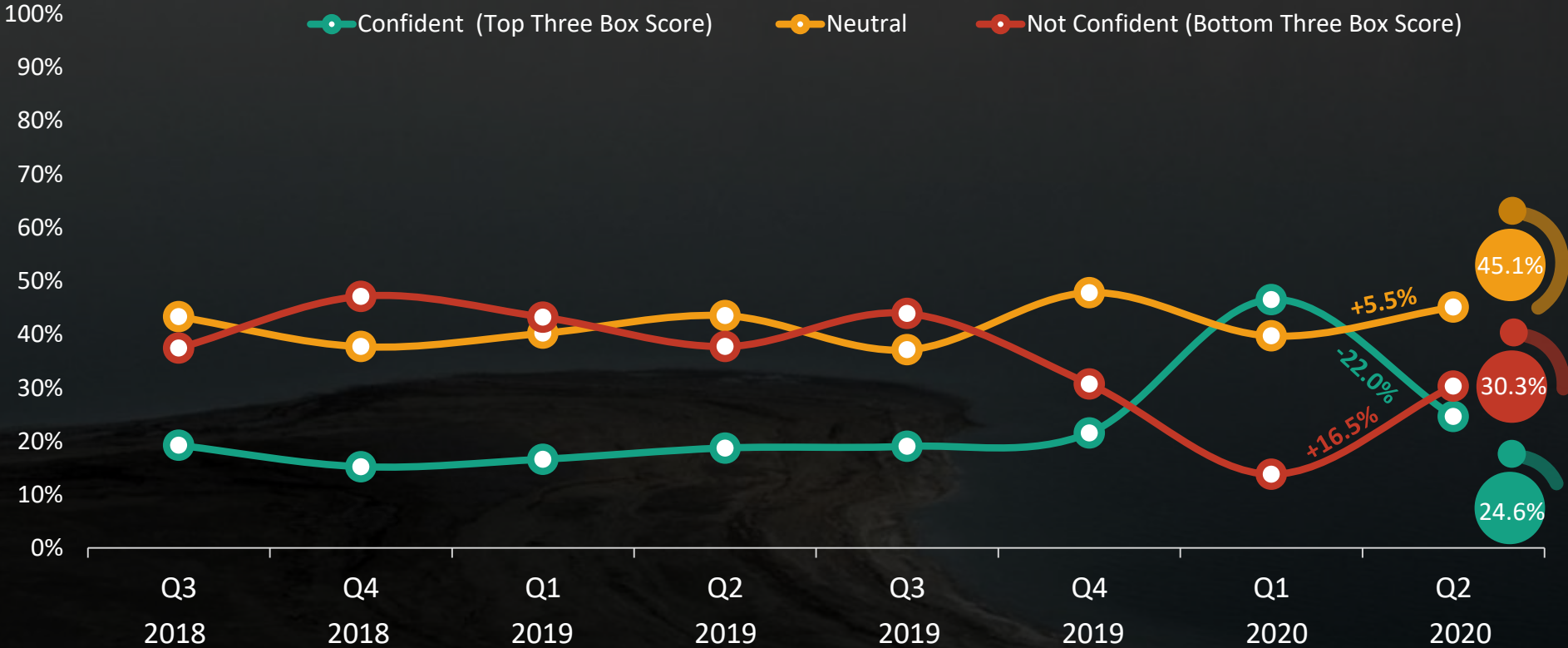


# Sentiments Towards the Current Government



# 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?



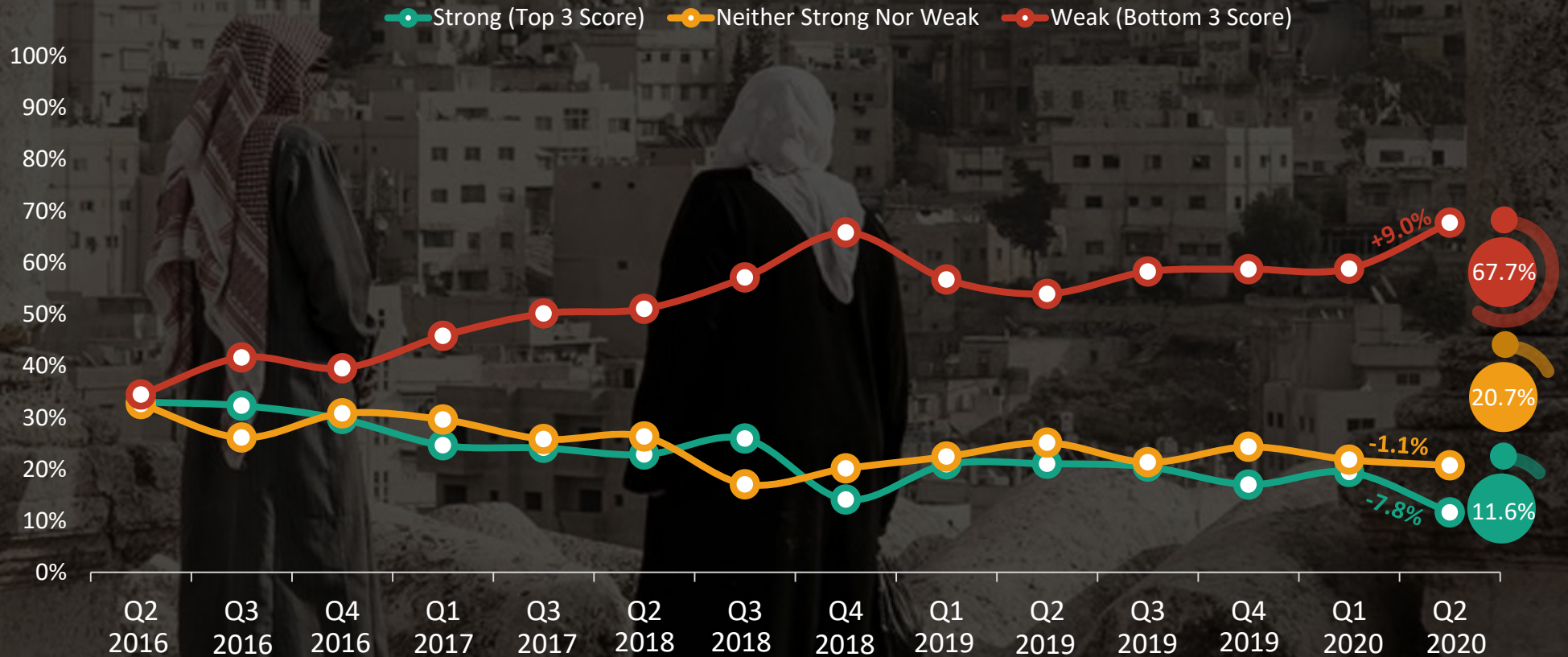
# Personal Financial Situation

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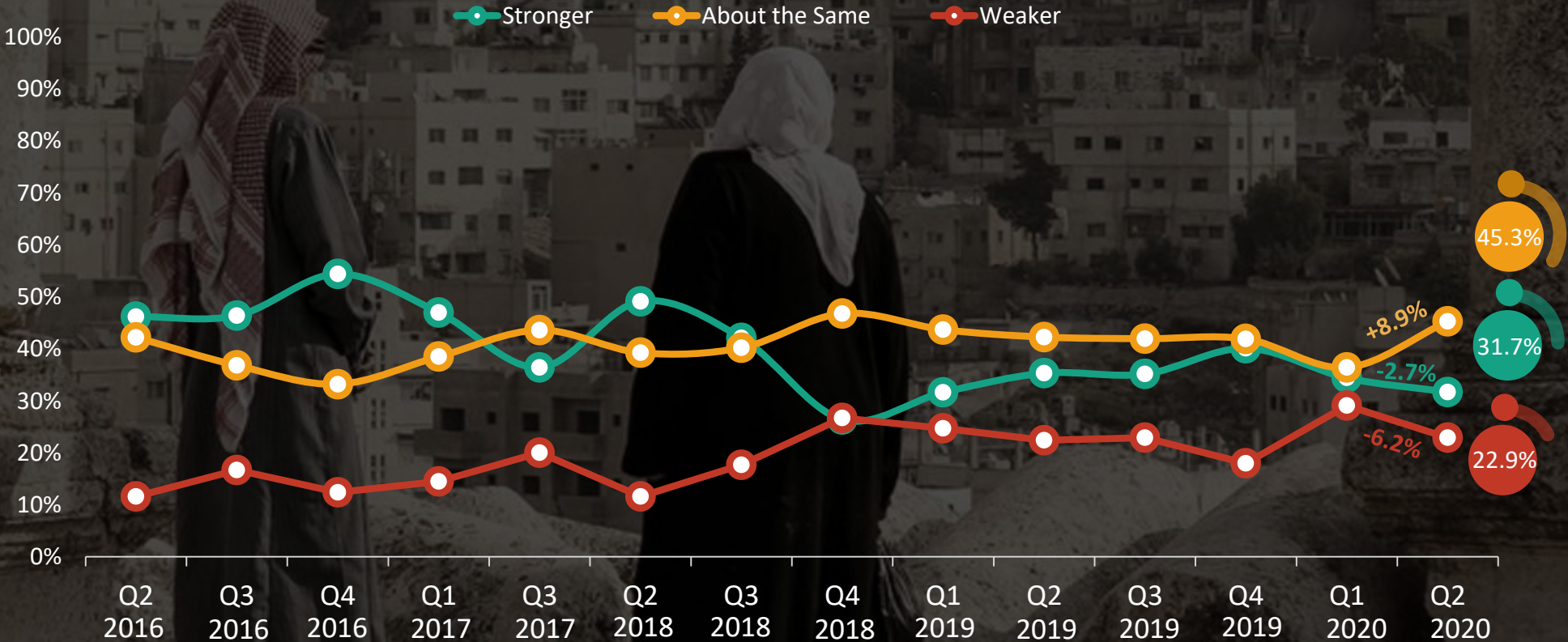
# Current Personal Financial Situation

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?



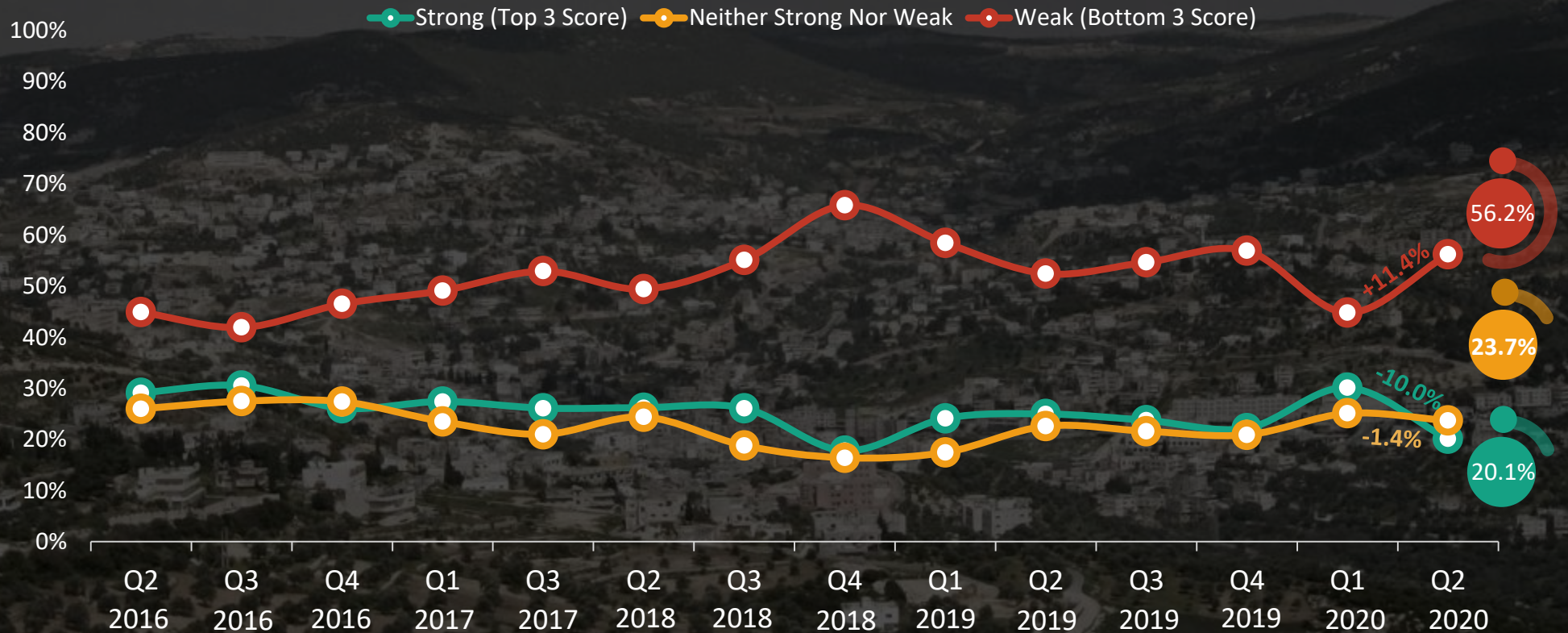


# Jordan's Economic Situation

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# Current State of the Economy

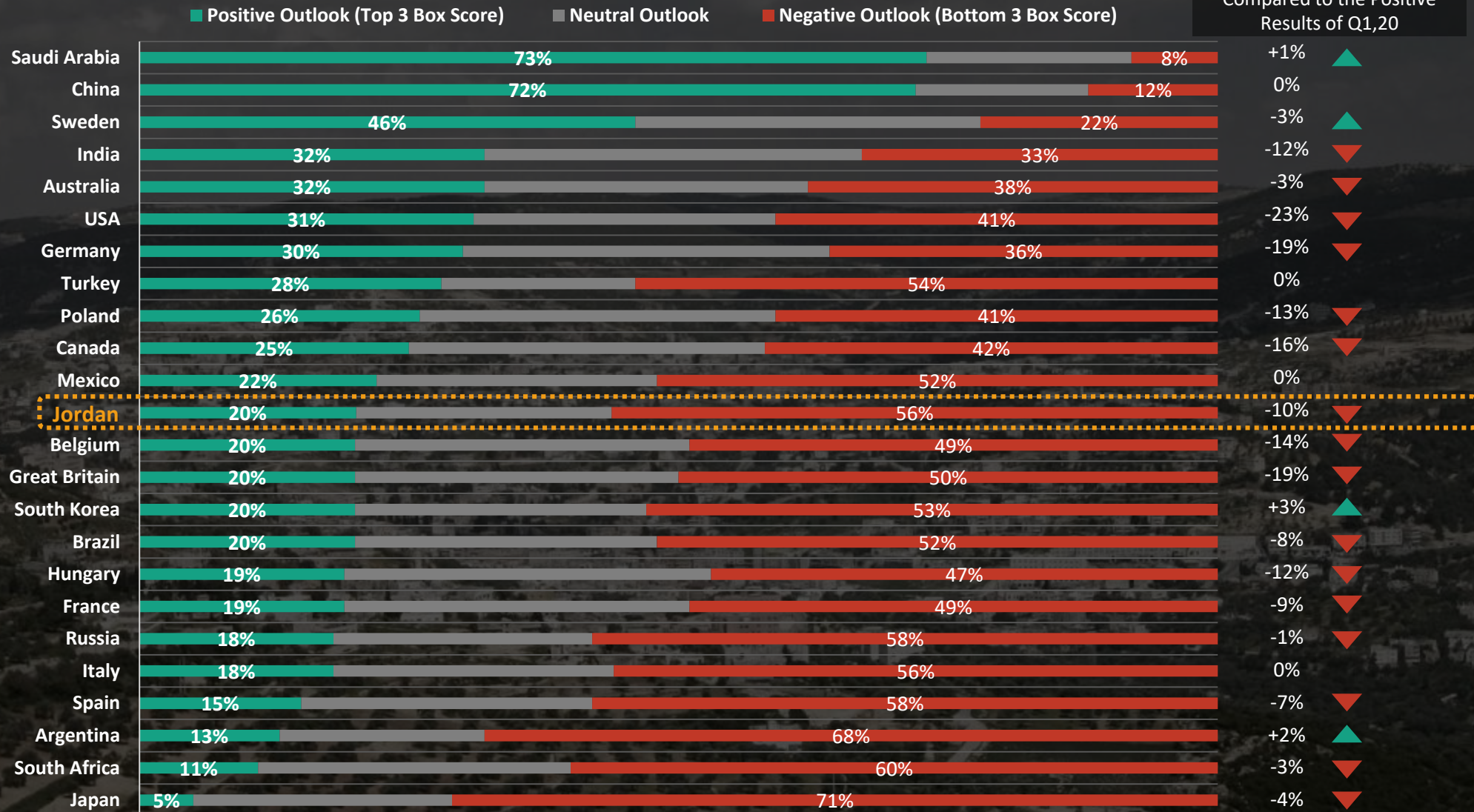
Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



# Current State of the Economy

## Global Comparison

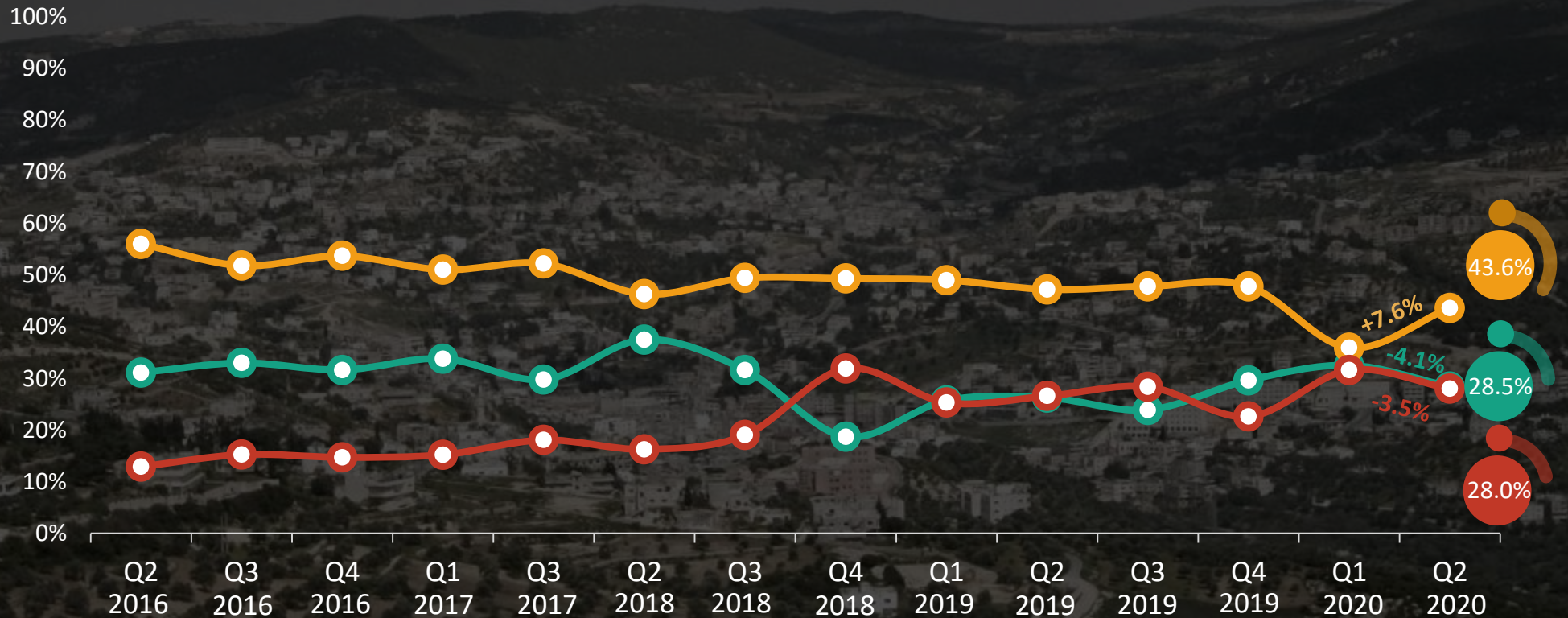
Q: Now Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



# 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?

● Stronger    
 ● About The Same    
 ● Weaker

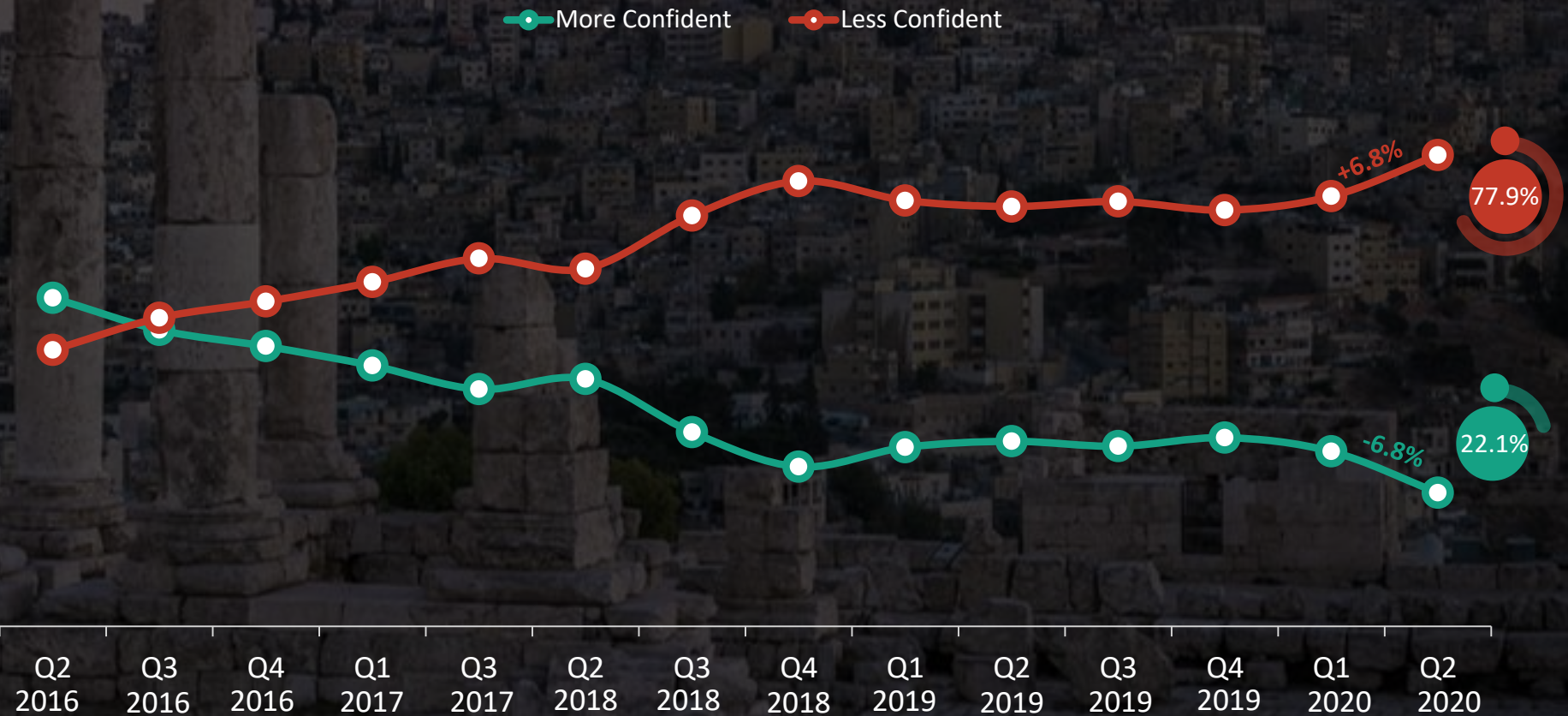


# Employment



# 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?

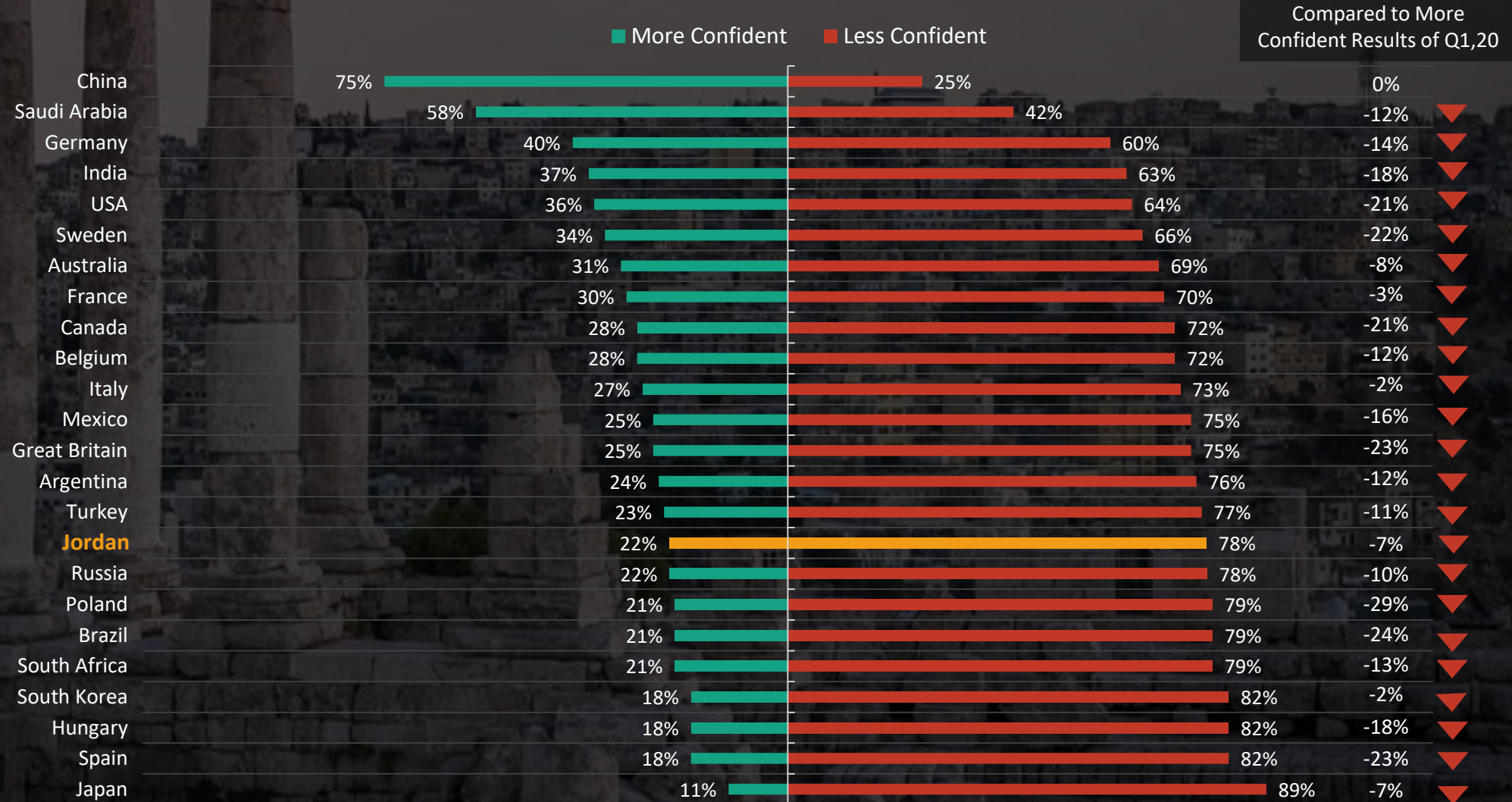




# Job Security

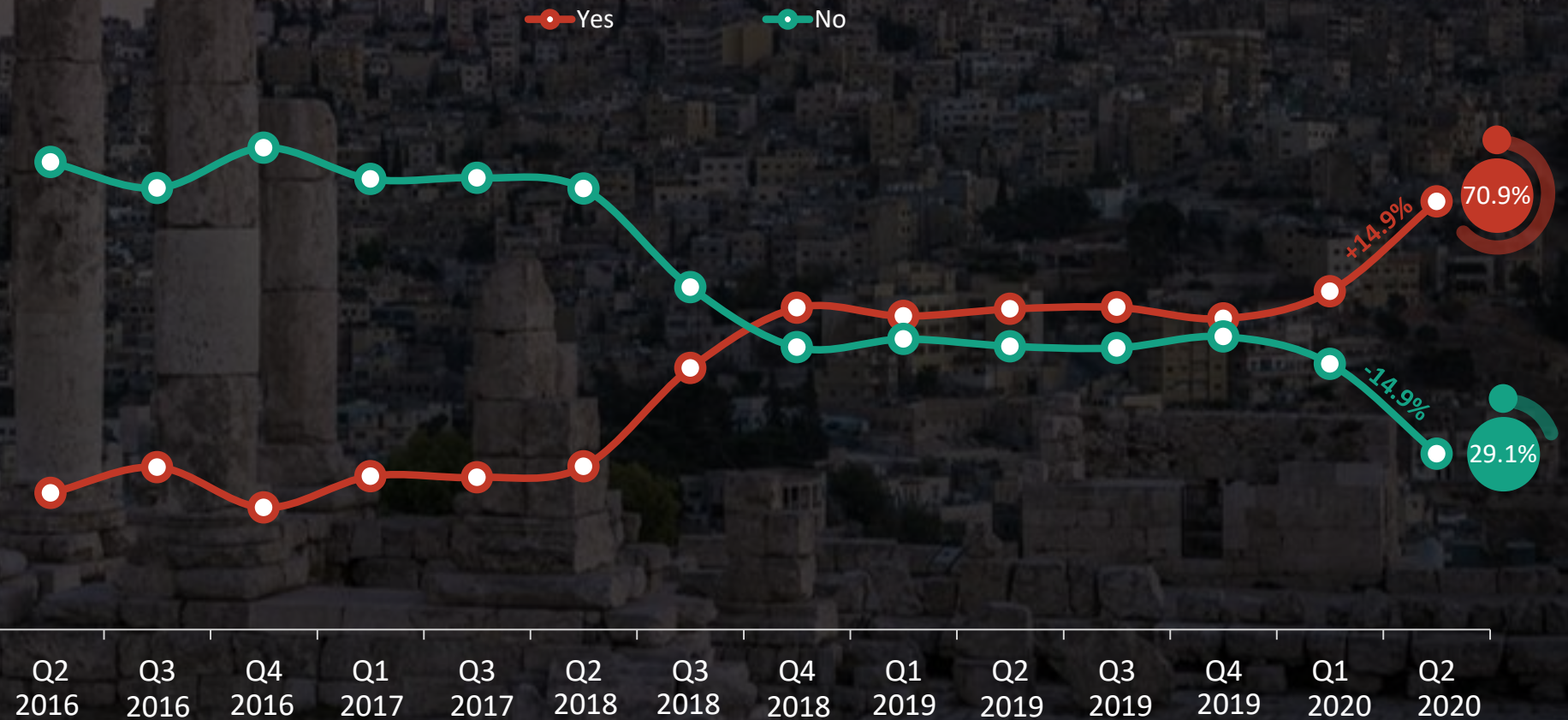
## Global Comparison

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?



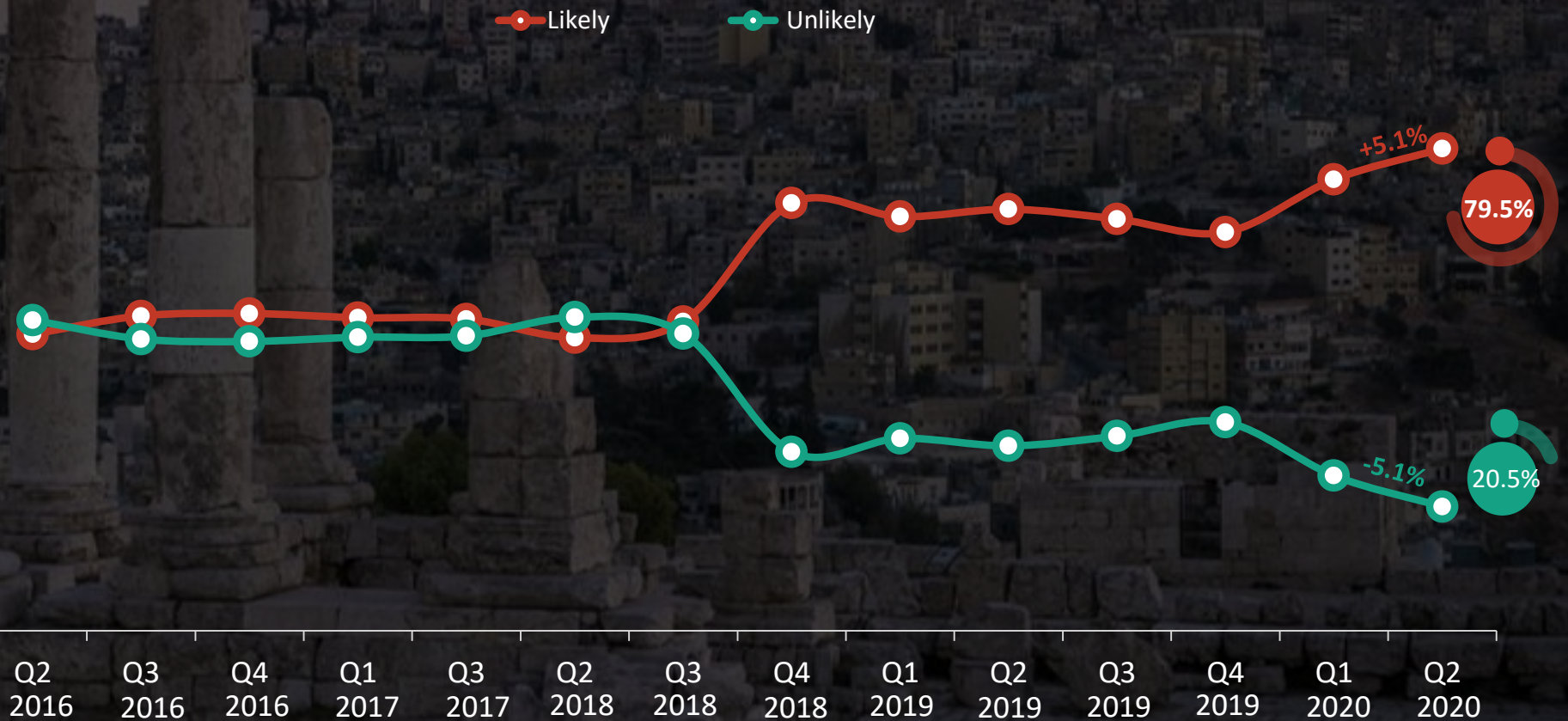
# Job Losses in the Past Six Months

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?

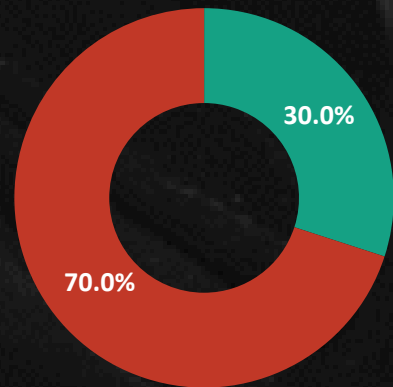


# Impact of COVID-19 on Employment

(Out of Those Employed Only, N= 444)

% of Those whose Employment was Impacted following the Pandemic

■ Not Impacted ■ Impacted



Q: Which of the following statement apply to you? Please select all that apply.

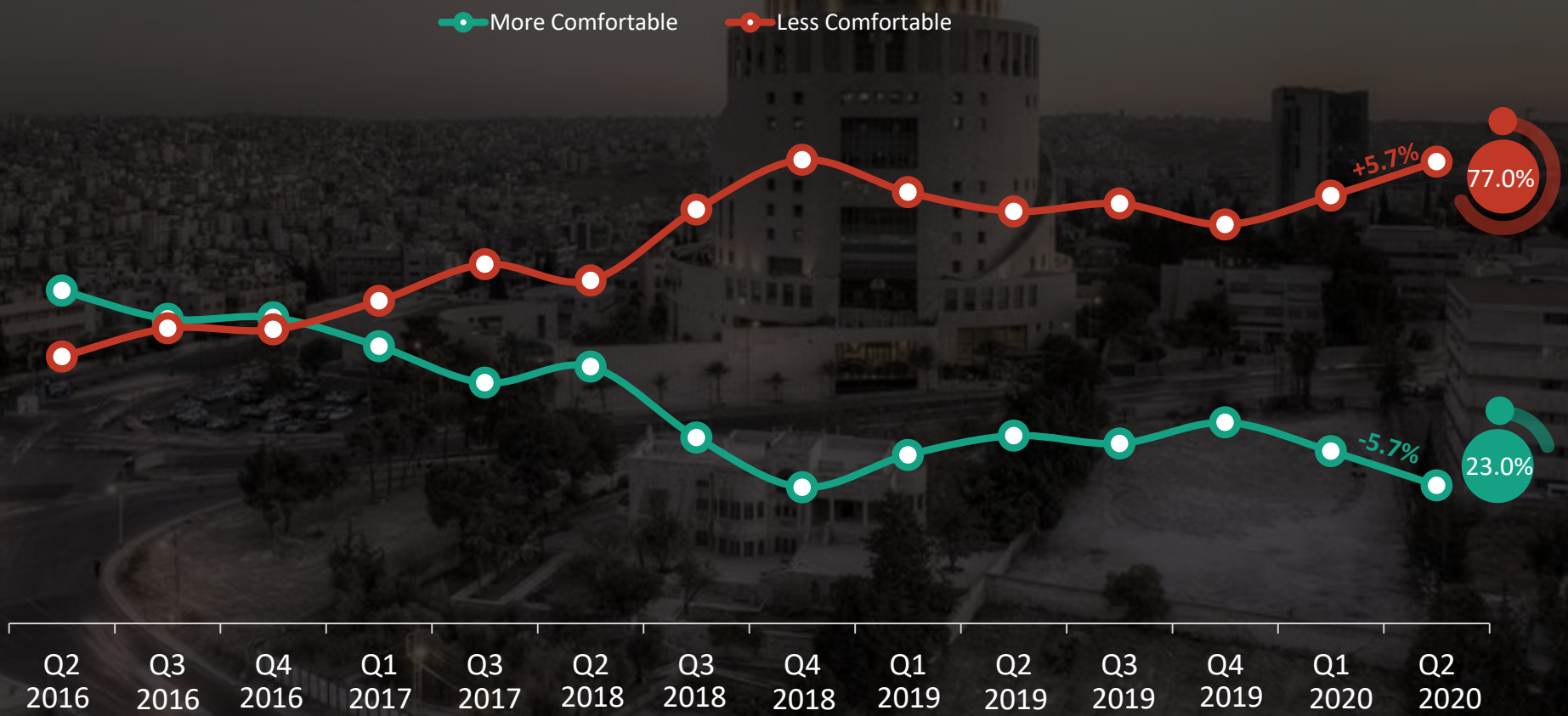




# Investment Climate

# Ability to Invest in The Future

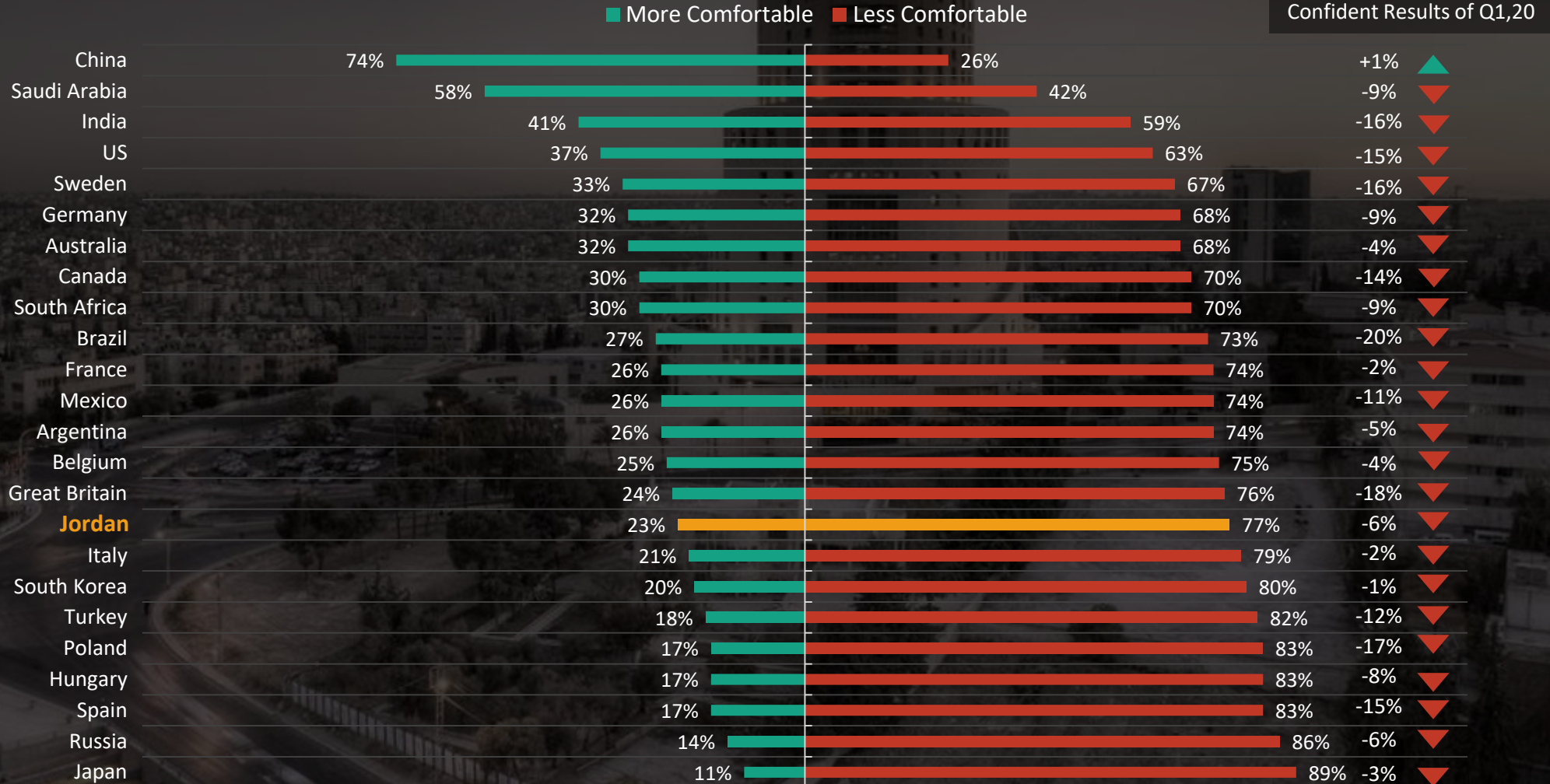
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



# Ability to 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?

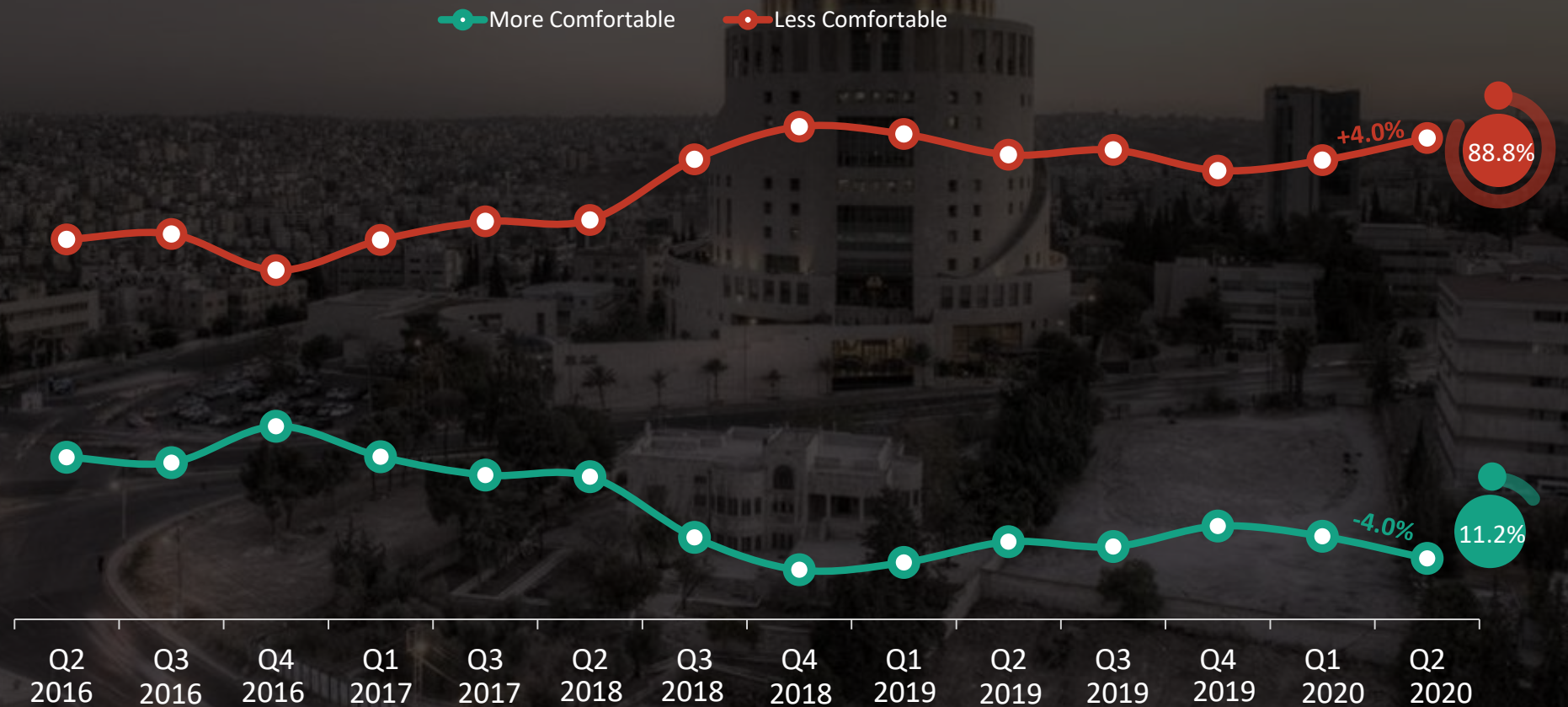


Compared to More Confident Results of Q1,20

More Comfortable Less Comfortable

# Ability to Make a Major Purchase

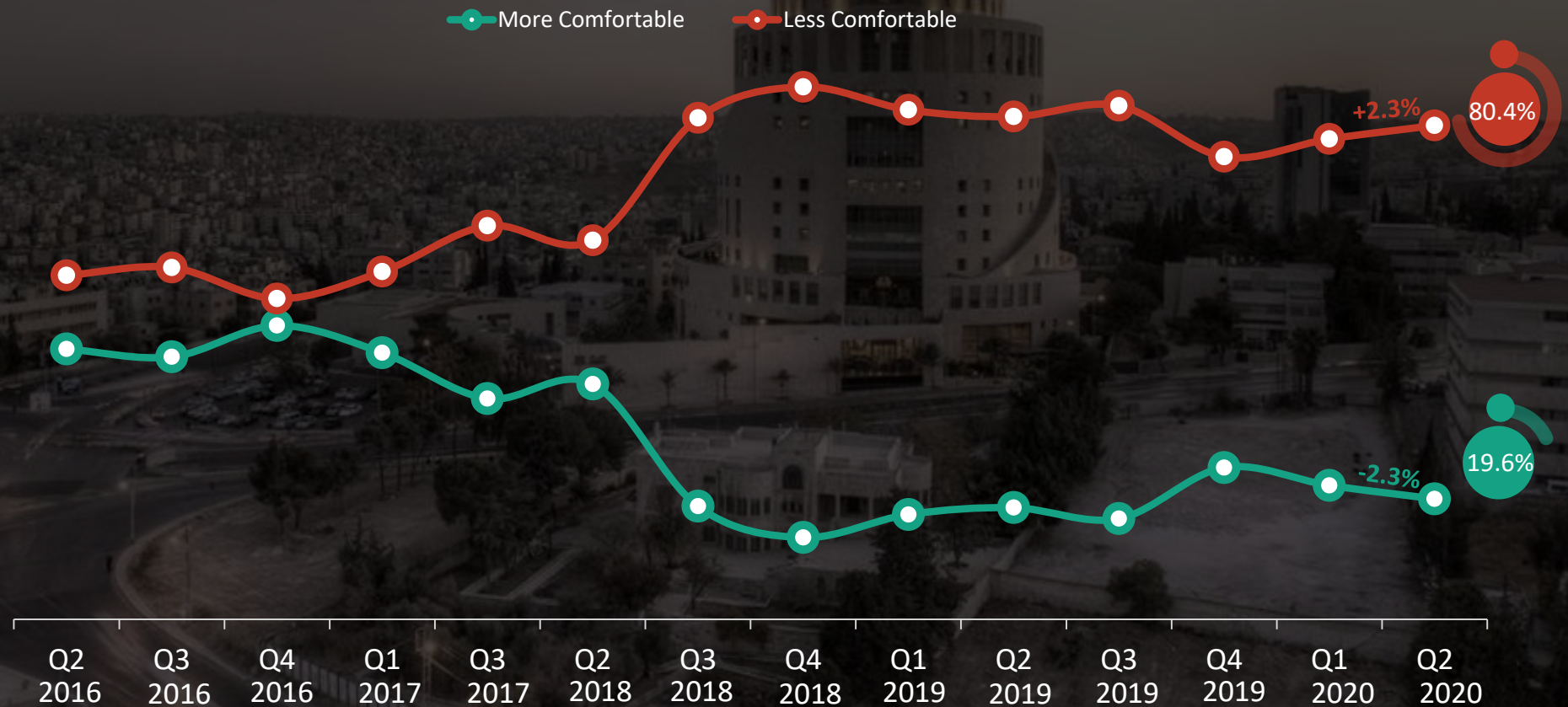
Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?





# Buying Household Durables

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



+2.3%

80.4%

-2.3%

19.6%



# Understanding Jordanians' Perceptions of COVID-19

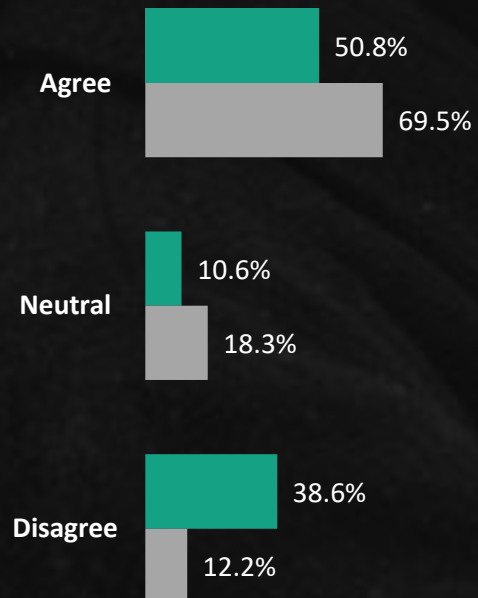
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# Impact of COVID-19 On The Country

## 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?

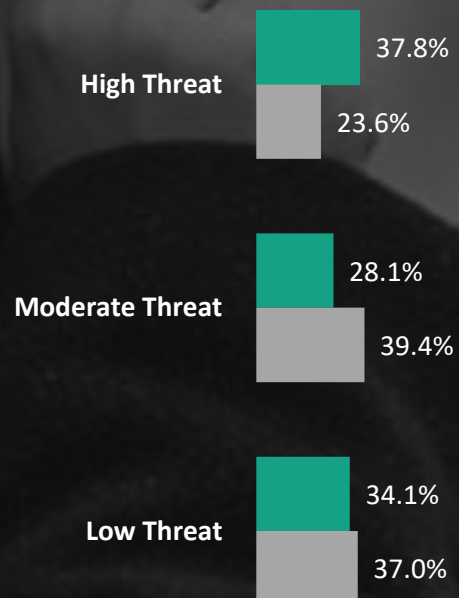
■ March (Q1, 2020) ■ June (Q2, 2020)



## Level Of Threat On Jordan

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

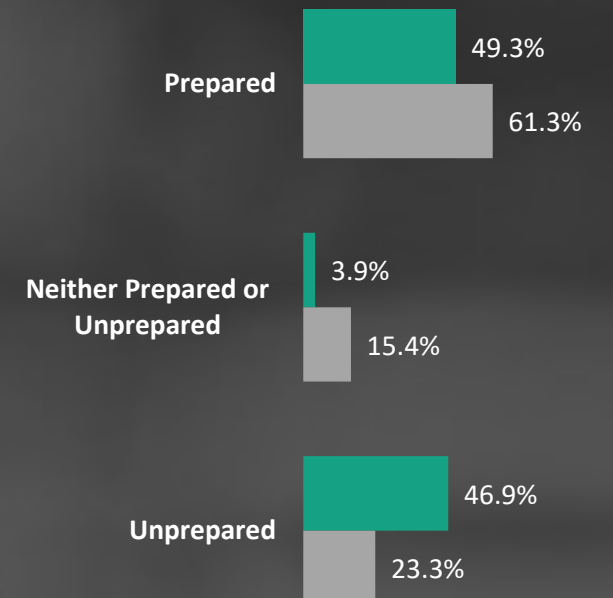
■ March (Q1, 2020) ■ June (Q2, 2020)



## 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?

■ March (Q1, 2020) ■ June (Q2, 2020)

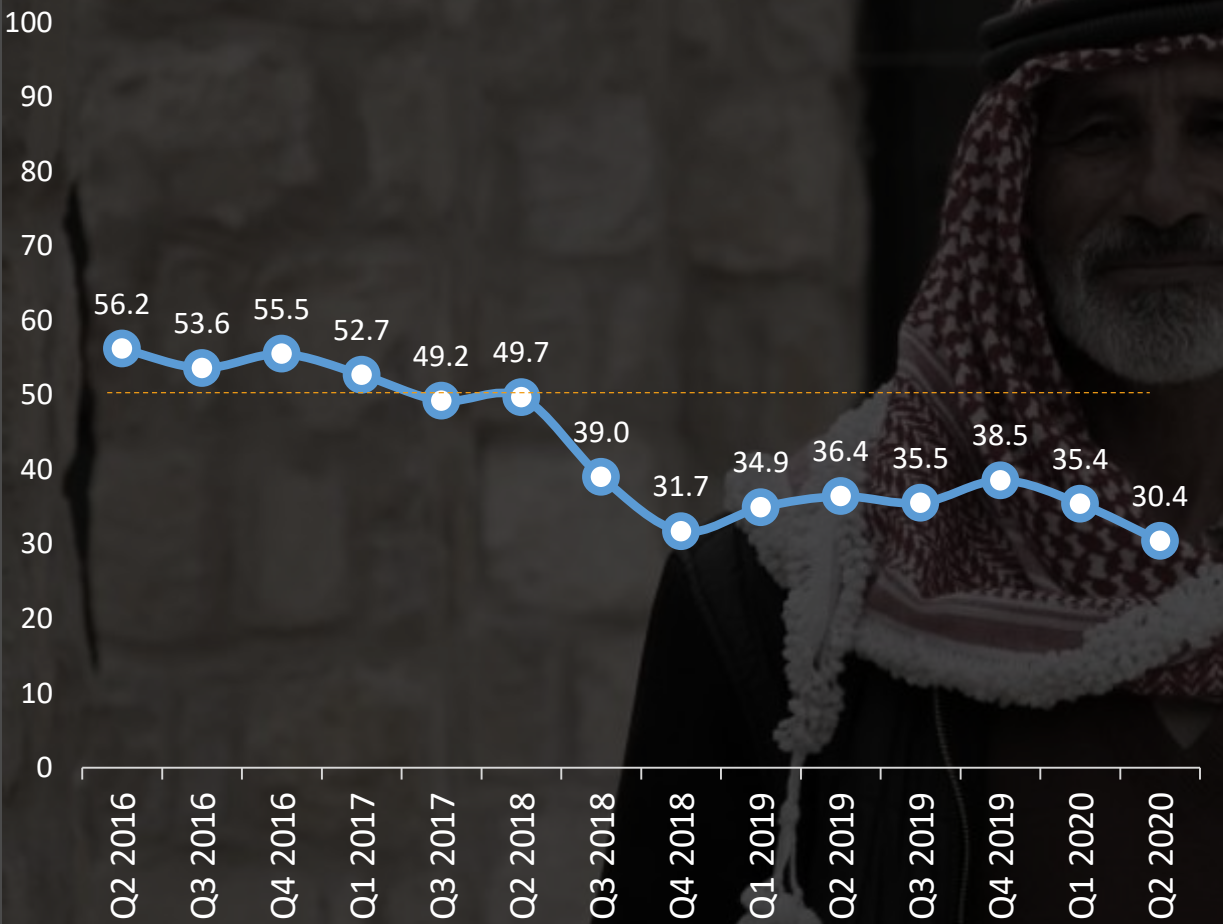


# JCSI Deep Dive

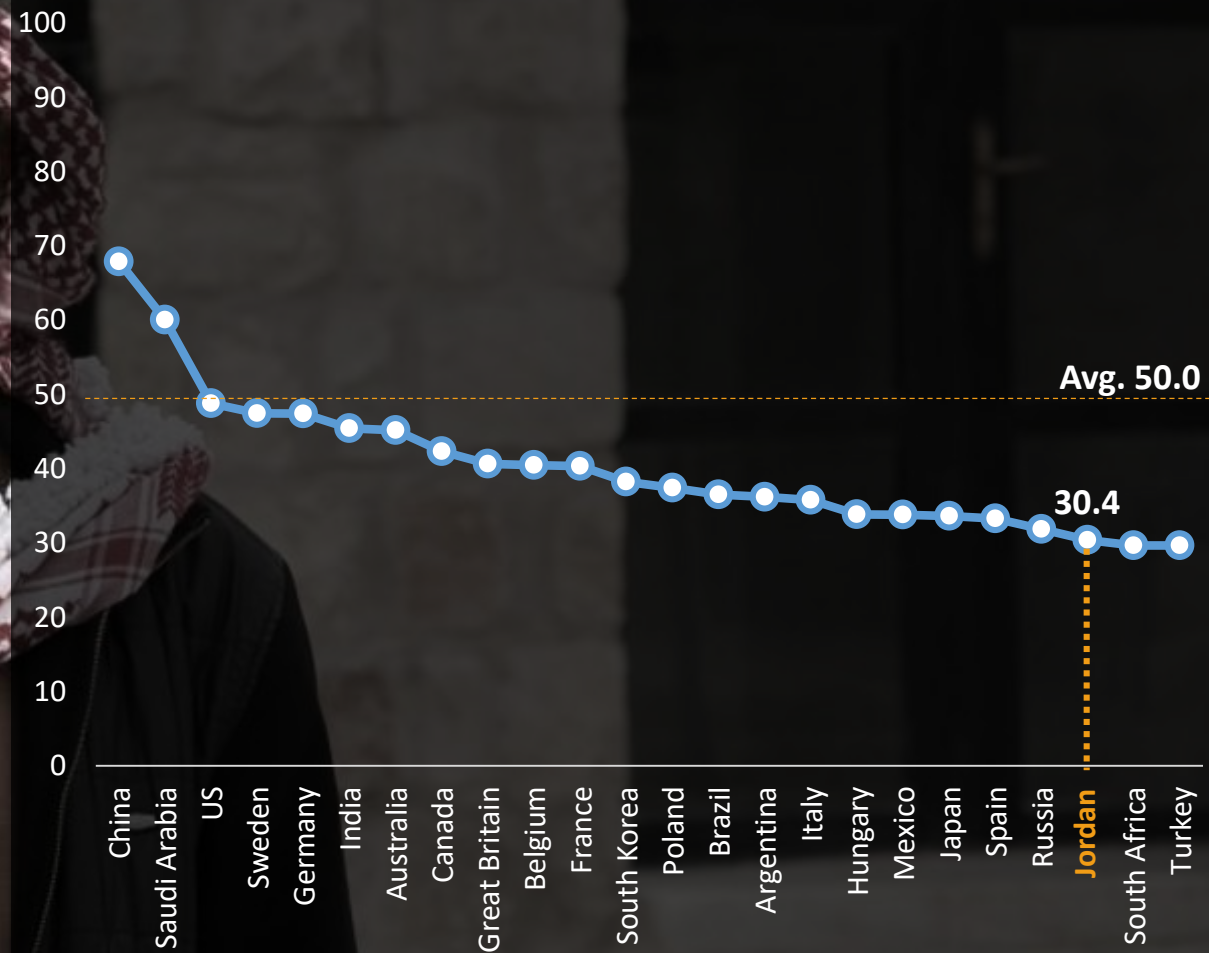


# Overall JCSI

## JCSI- Trending



## JCSI- Global Comparison

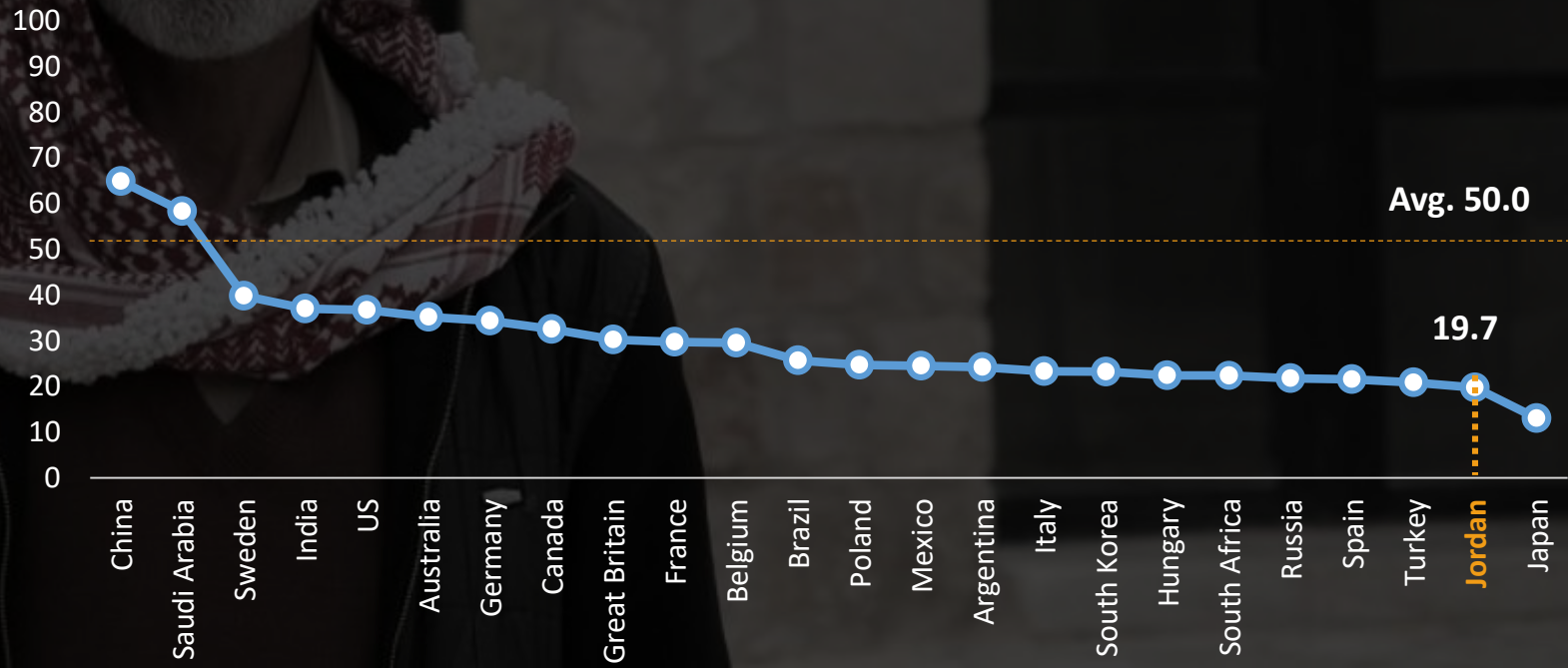
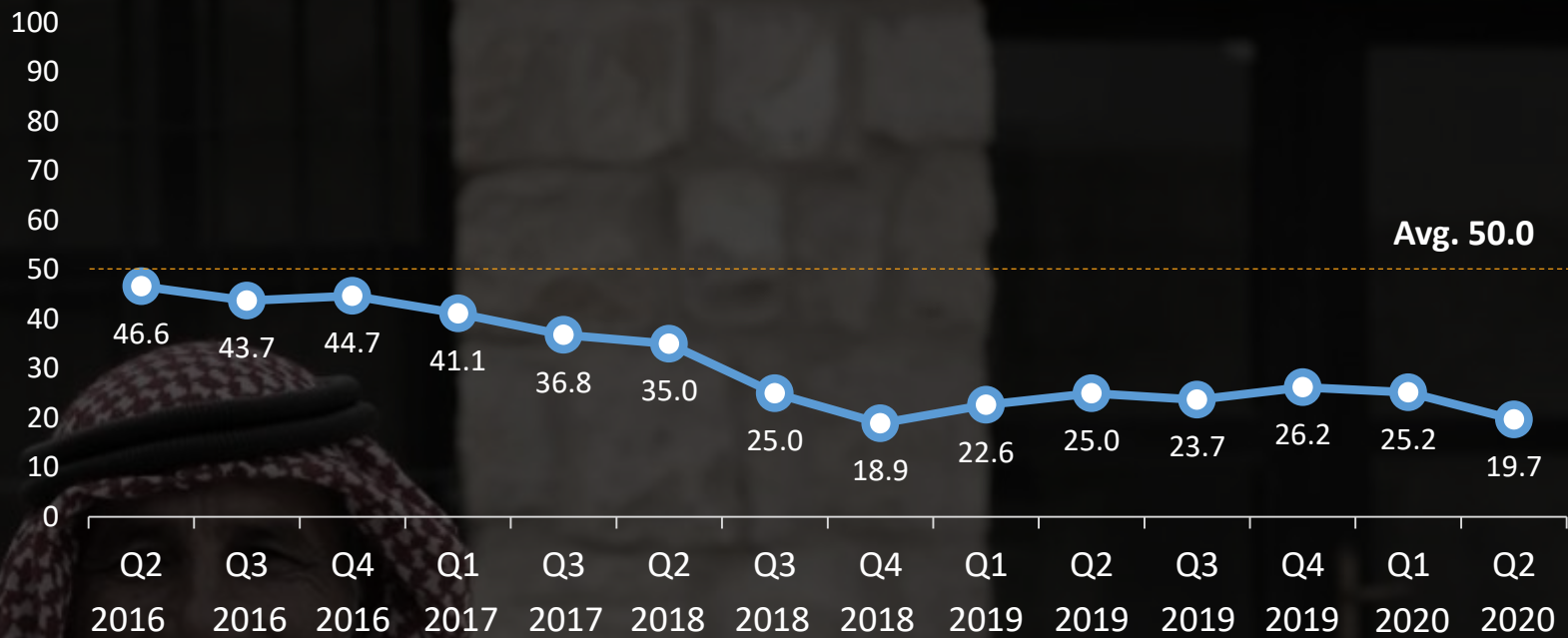




# JCSI Personal Financial Conditions

This quarter's index on financial conditions has seen a 5.5 point drop in comparison to last quarter pushing Jordan placing Jordan at the 23<sup>rd</sup> position. Nonetheless, there is a general decrease witnessed across countries when it comes to people's sentiment towards finances 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.



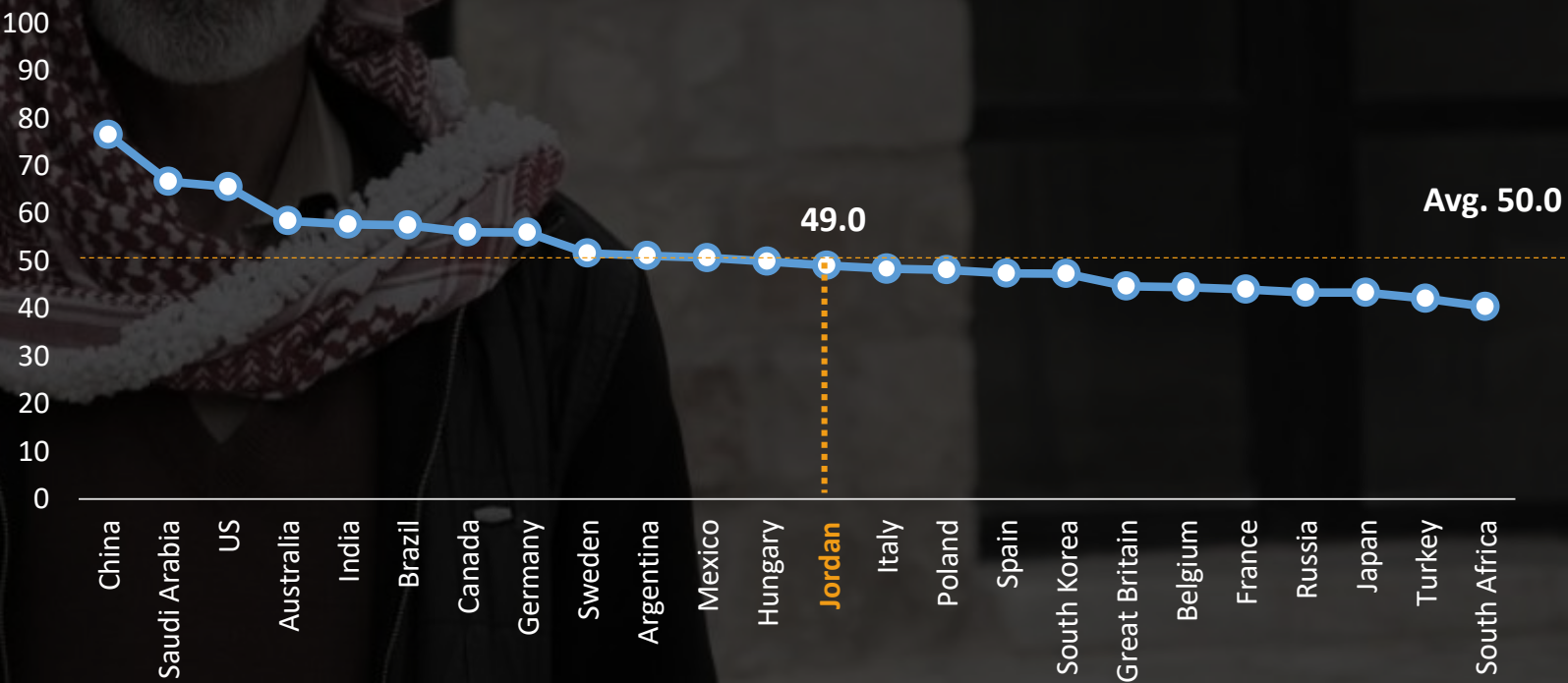
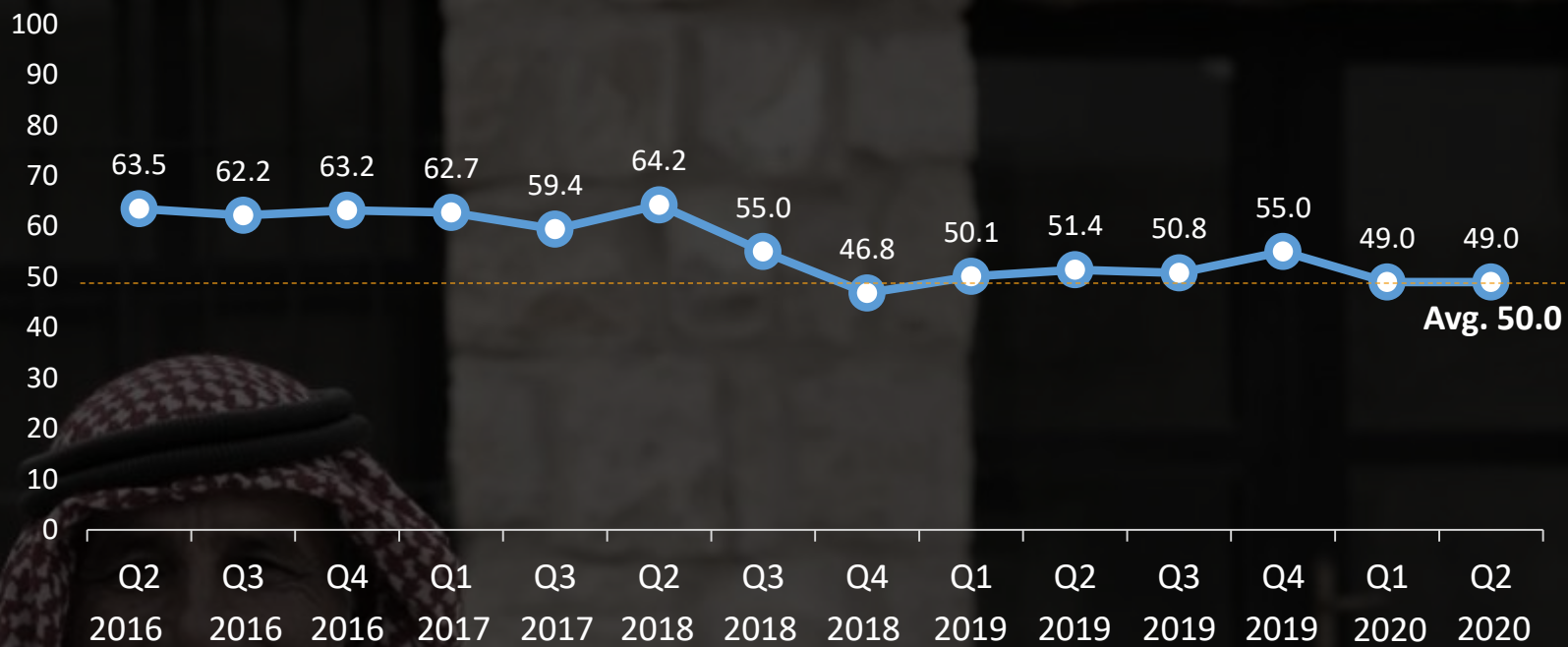


# JCSI Economic Expectations

Jordanians' expectations regarding their country's economy has been stable when compared to the previous quarter. While Jordan is placed at the 13<sup>th</sup> position when compared to other countries, there is a general level of pessimism witnessed globally.

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?

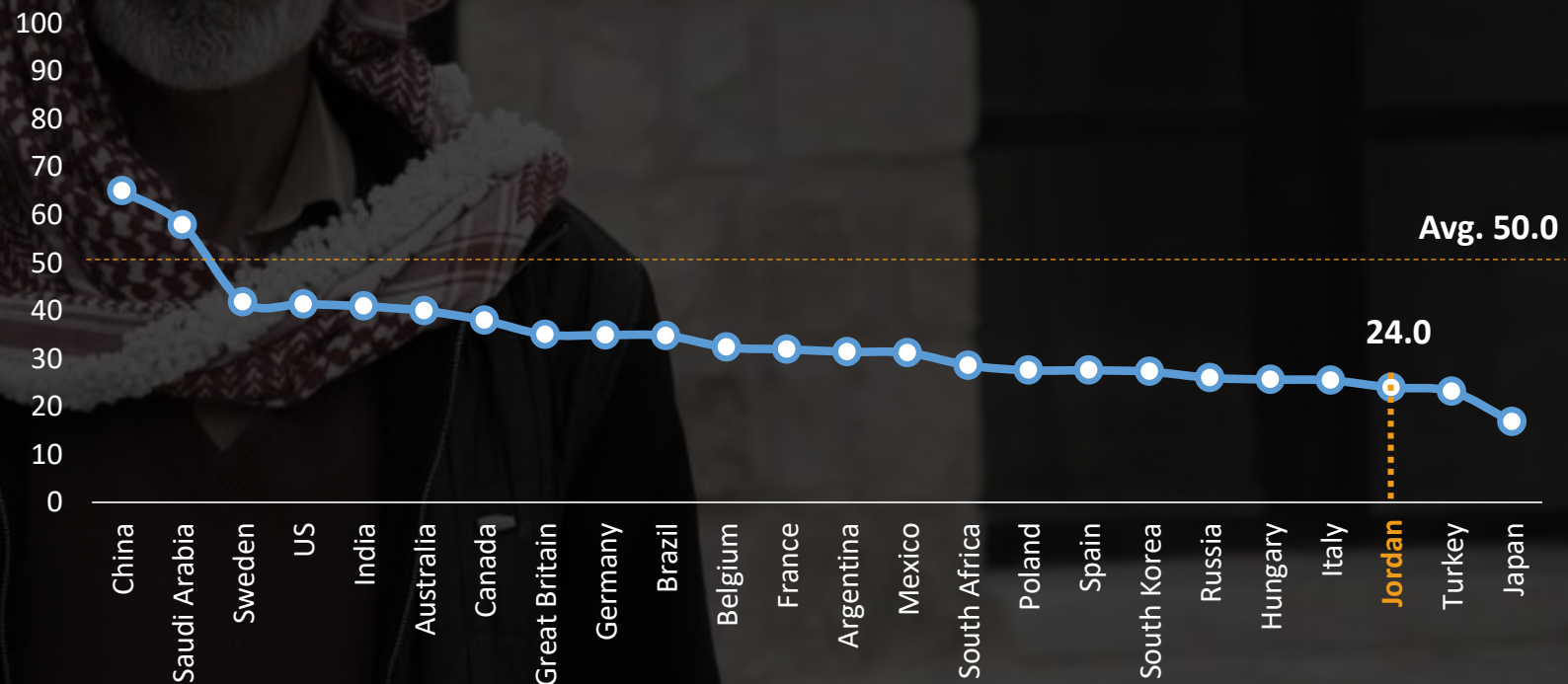
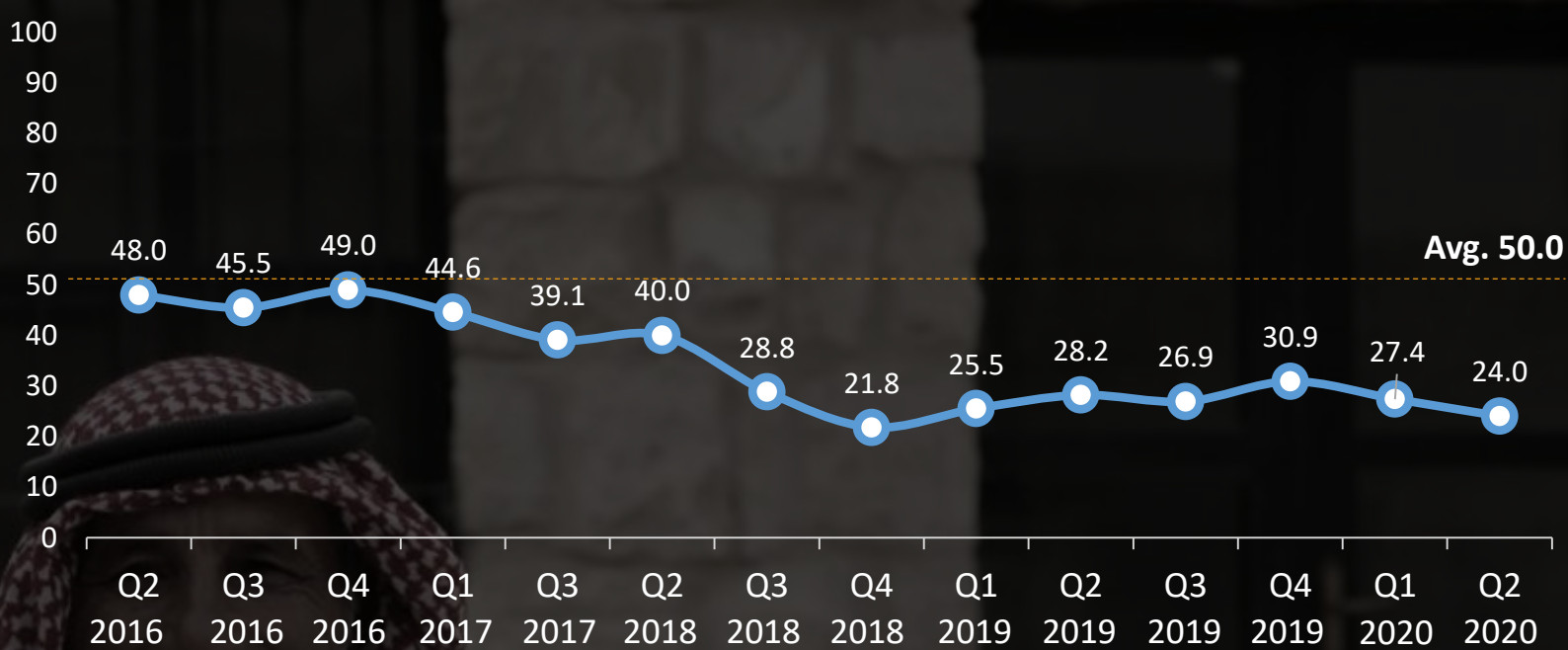
1. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
2. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat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



# JCSI Investment Climate

Jordanians' cynicism towards their ability to invest has increased this quarter, resulting in a further 3.4 point drop when compared to 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?





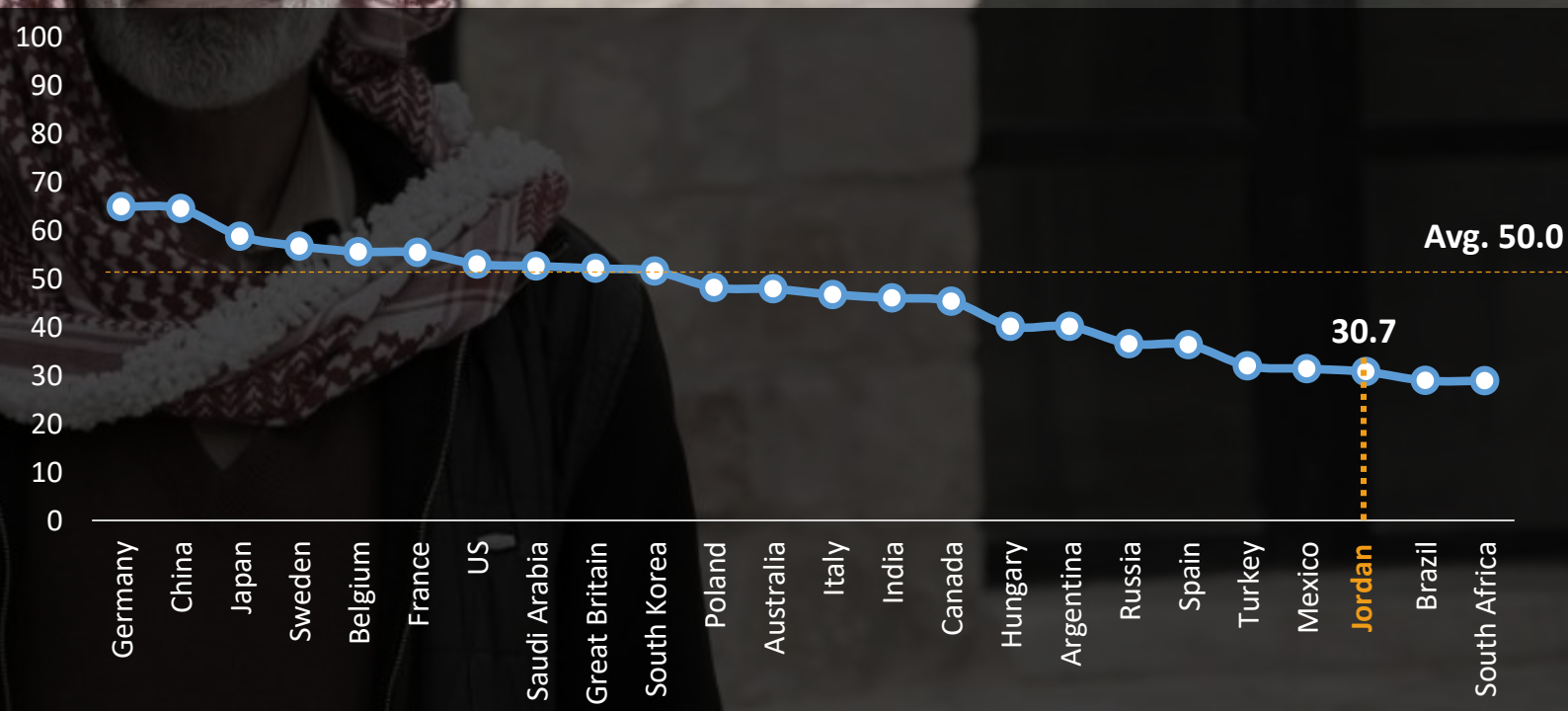
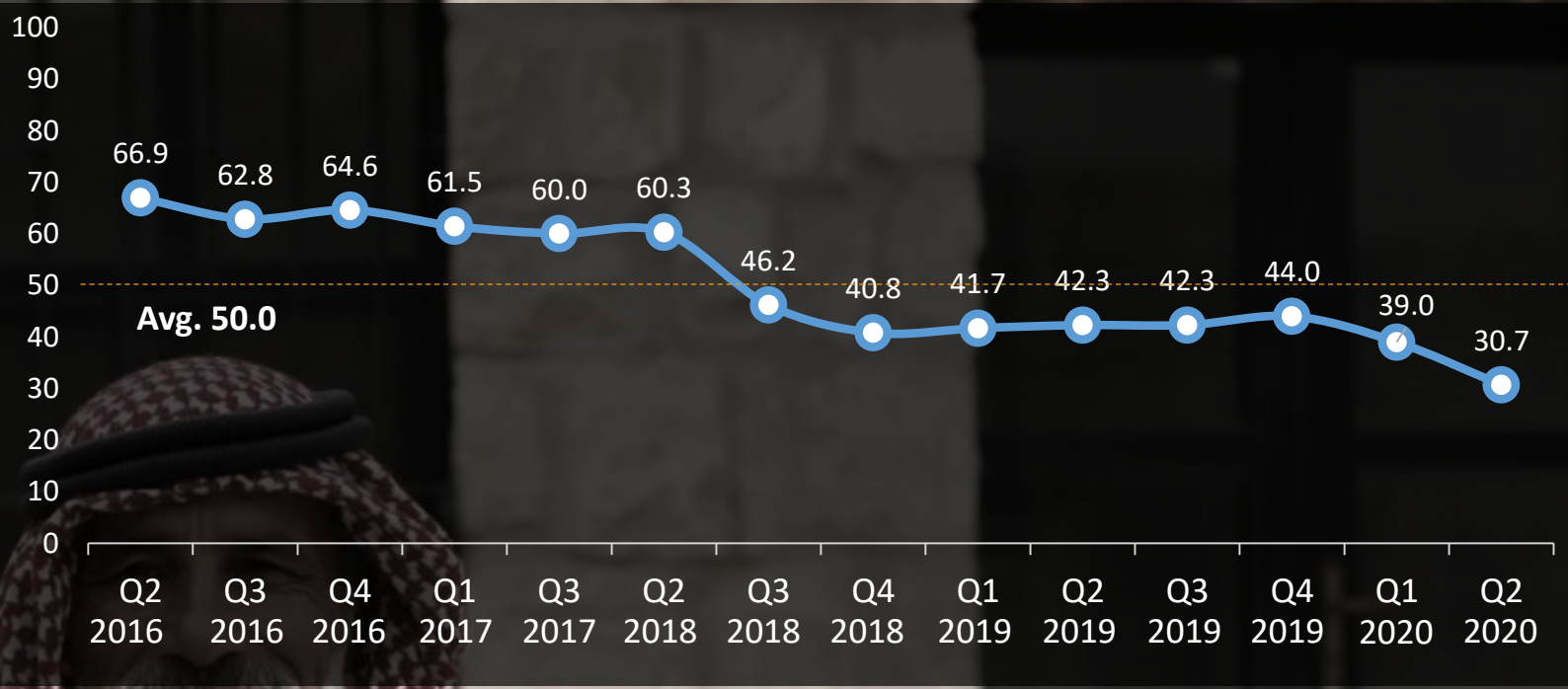


# JCSI Employment Confidence

The employment index has also seen a deterioration this quarter, pushing Jordan's position even further in comparison to the previous wave. Implications of COVID 19 on employment confidence is evident across all countries included in the survey.

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?

1. 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?
2. 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?



# JCSI Methodology

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## JCSI Methodology

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

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



## 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

For more information, please contact:

Saif Nimry

Managing Director of Jordan and Iraq  
Saif.Nimry@ipsos.com

Noor Al-Salhi

Senior Accounts Manager – Ipsos Jordan  
noor.alsalhi@ipsos.com

Tala Abughoush

Project Manager– Ipsos Jordan  
tala.abughoush@ipsos.com