



Primary Consumer Sentiment **Index**

Saudi Arabia, September 2020

Introducing the Primary Consumer Sentiment Index

Ipsos Saudi Arabia's Primary Consumer Sentiment Index (PCSI), is a 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 confidence 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 Primary Consumer Sentiment Index

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



PCSI Current Personal Financial Conditions



PCSI Economic Expectations



PCSI Investment Climate



PCSI Employment Confidence

Overall Primary Consumer Sentiment Index

Overall Primary Consumer Sentiment Index

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?

Primary Consumer Sentiment Index

September 2020 Summary

PCSI SUMMARY: SEPTEMBER 2020

PCSI, September 2020

Versus Previous Wave;
August, 2020

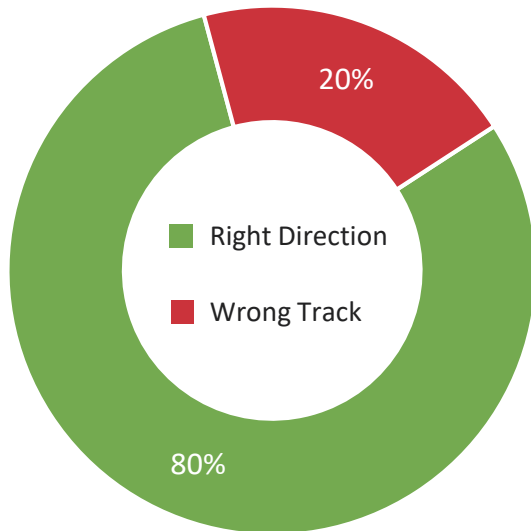
57.3



58.0

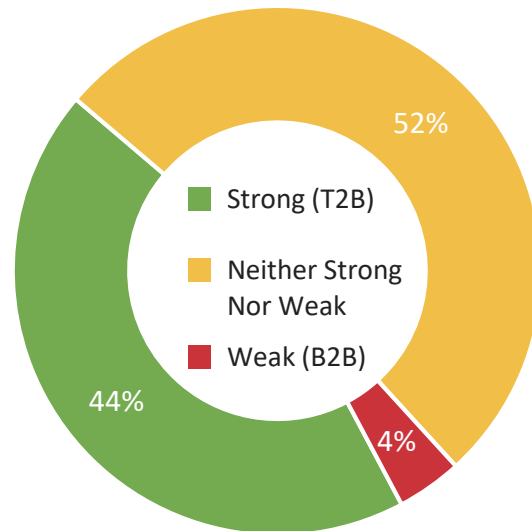
Right Direction / Wrong Track

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



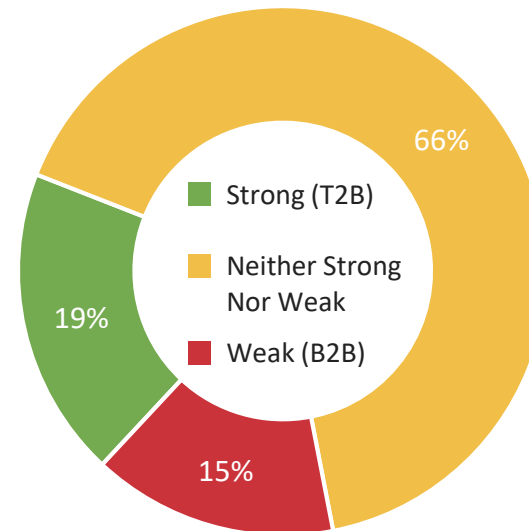
Country Economic Situation

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 5 Concerns for Consumers in Saudi Arabia



Covid-19 54.0%



Taxes 41.0%



Unemployment and jobs 35.0%



Poverty and Social Inequality 18.0%



Corruption 15.0%

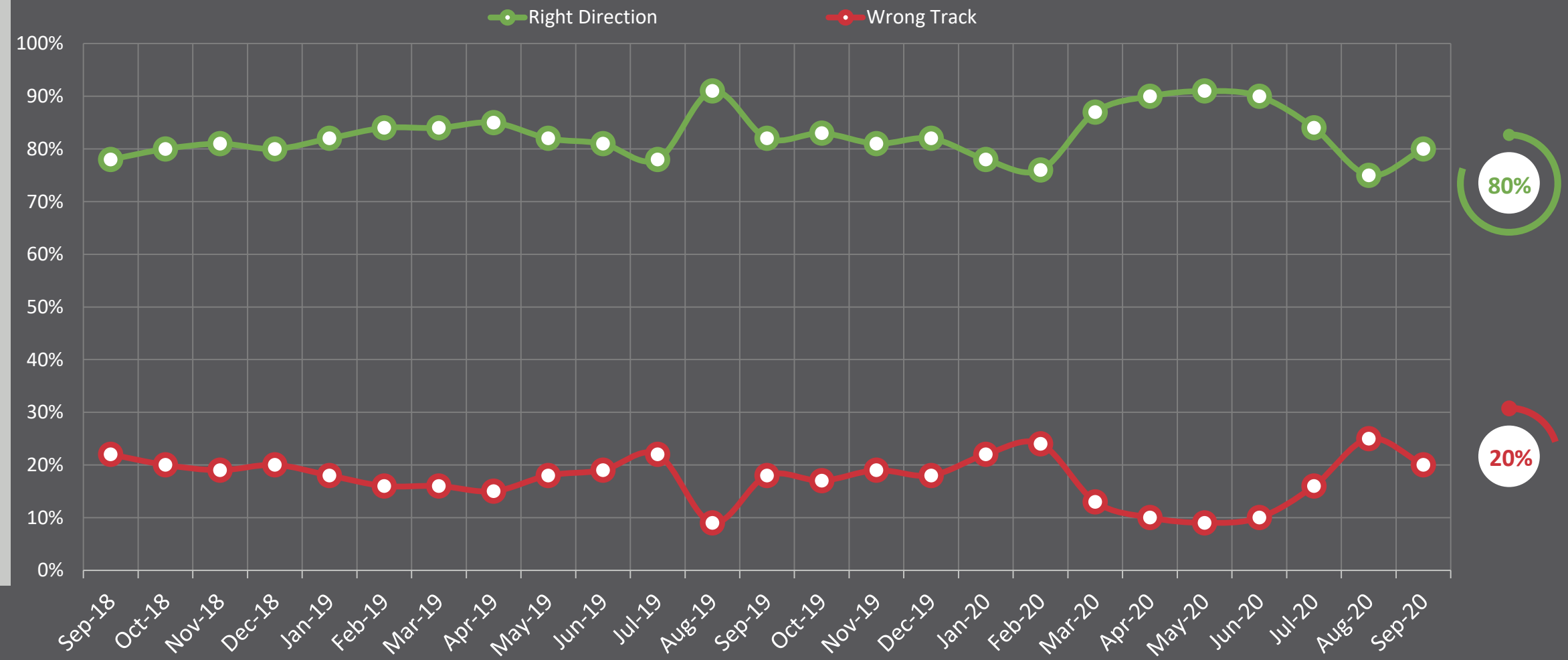


Country's General Situation

SAUDI ARABIA: RIGHT DIRECTION/WRONG TRACK

Trending

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



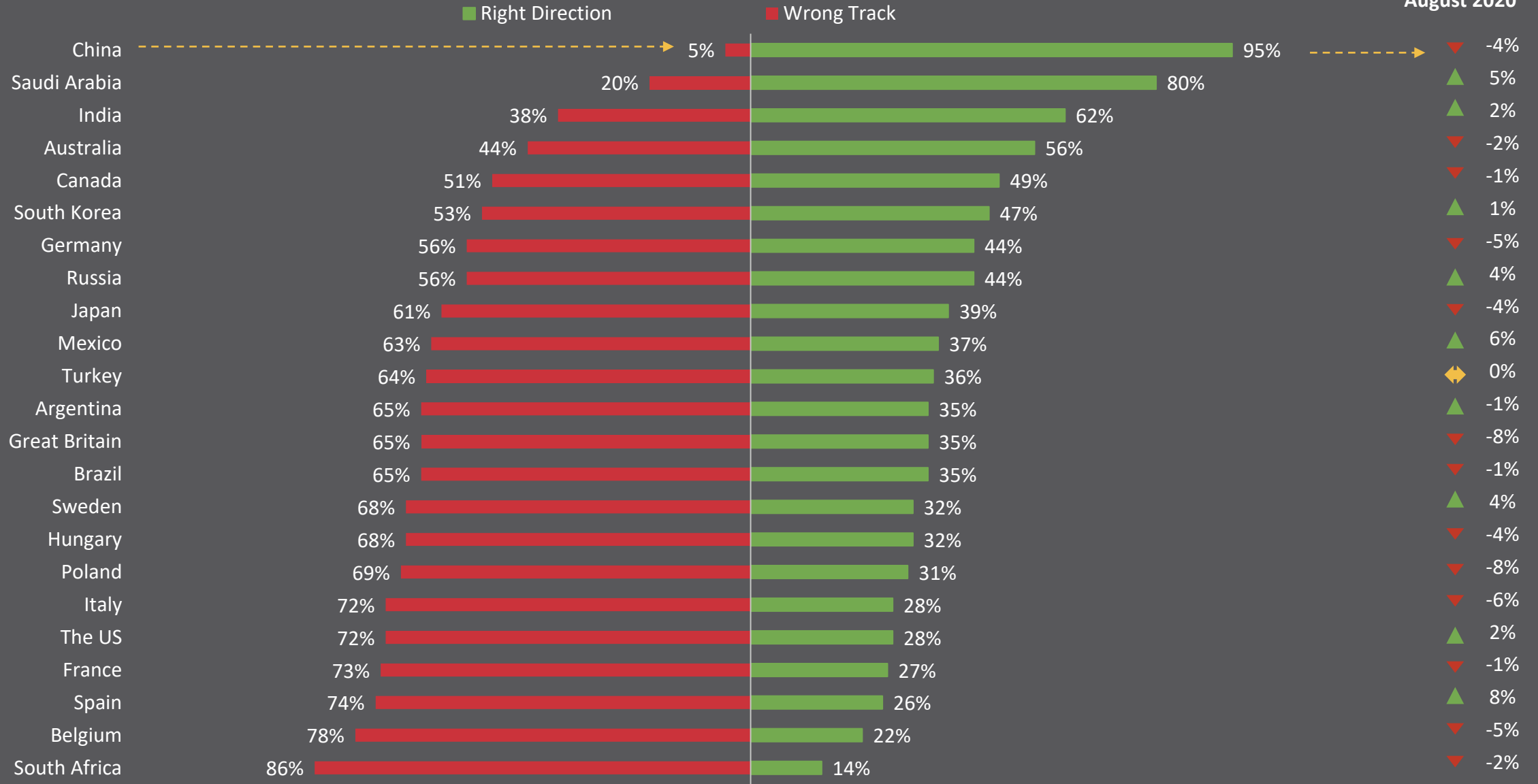


SAUDI ARABIA: RIGHT DIRECTION/WRONG TRACK

Global Comparison

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

% change compared with previous month; August 2020

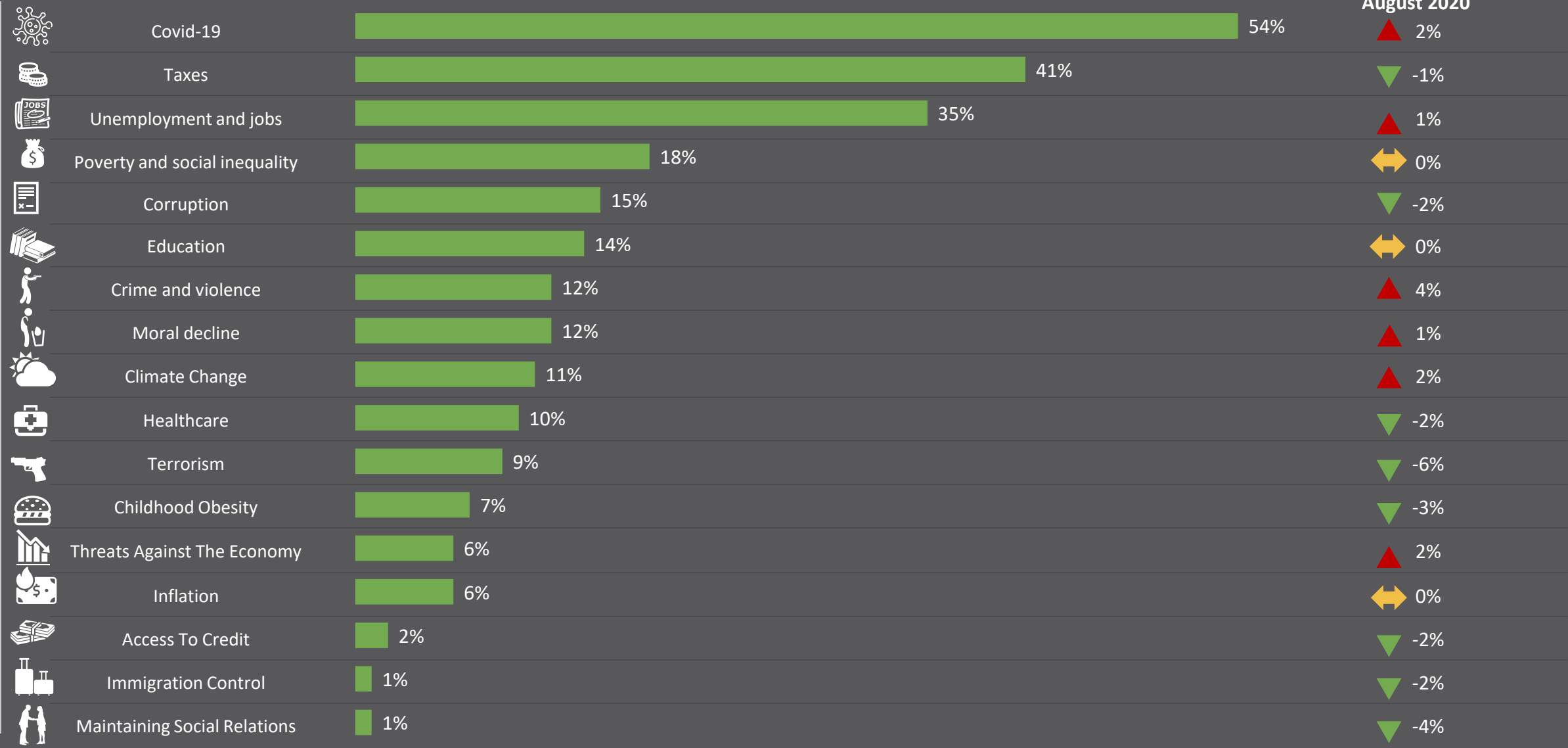


WHAT CONCERNS SAUDI ARABIA

Concerns for Consumers in Saudi Arabia

Q: Which three of the following topics do you find the most worrying in Saudi Arabia?

% change compared with previous month; August 2020



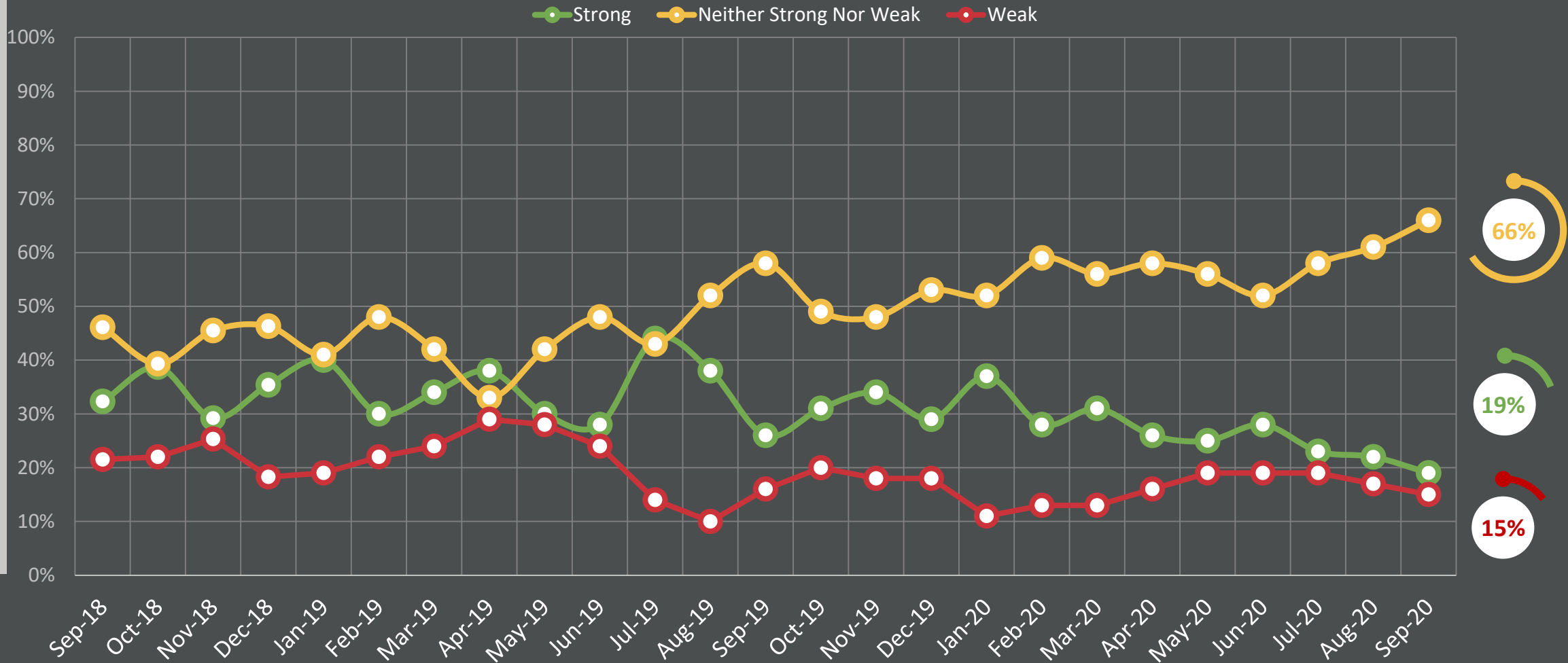


Personal Financial Situation

CURRENT PERSONAL FINANCIAL SITUATION

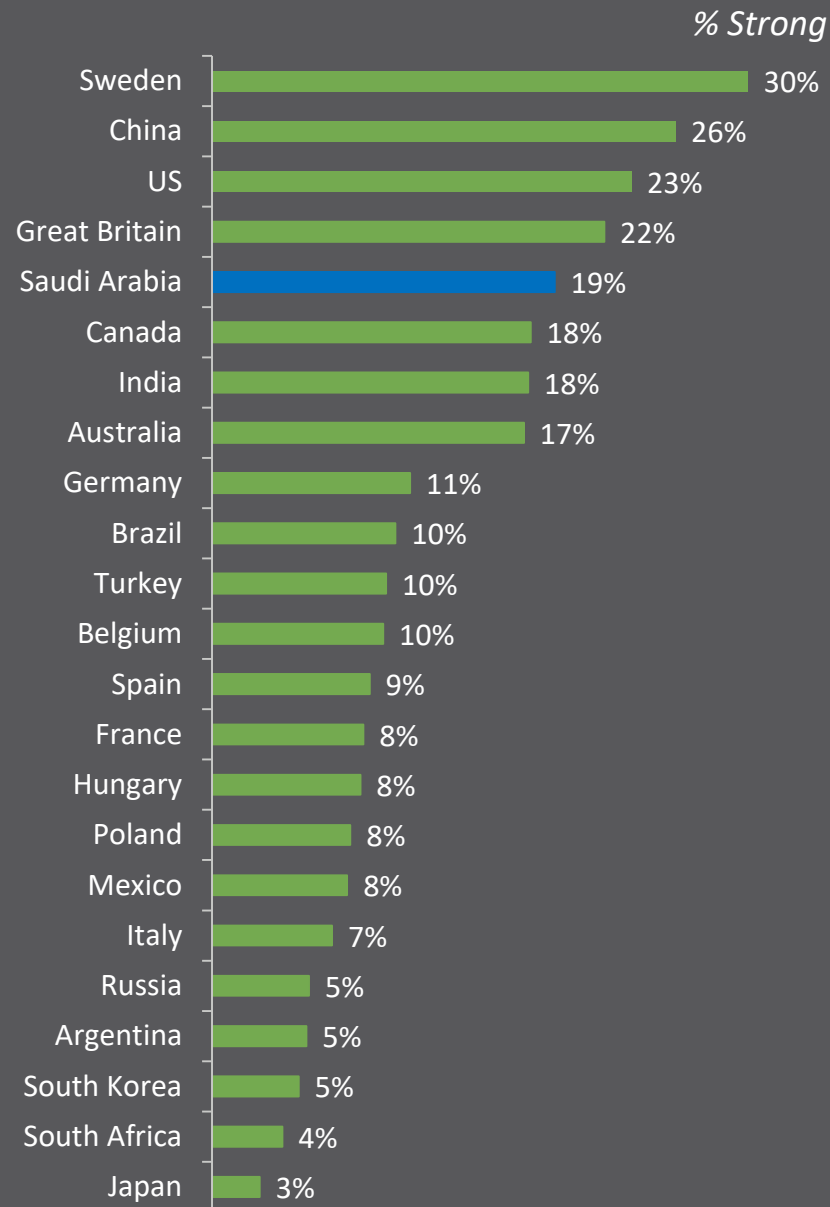
Trending

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.



CURRENT PERSONAL FINANCIAL SITUATION

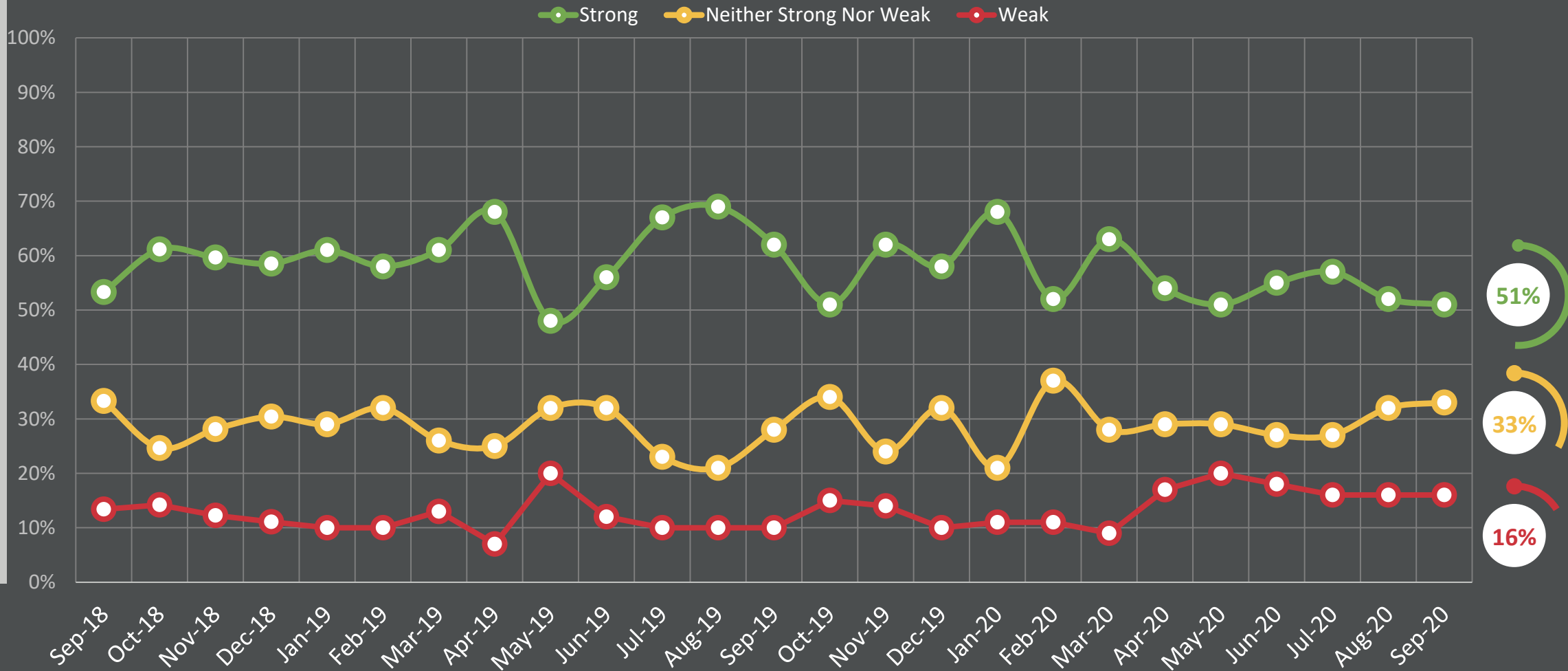
Global Comparison



FUTURE PERSONAL FINANCIAL SITUATION

Trending

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?



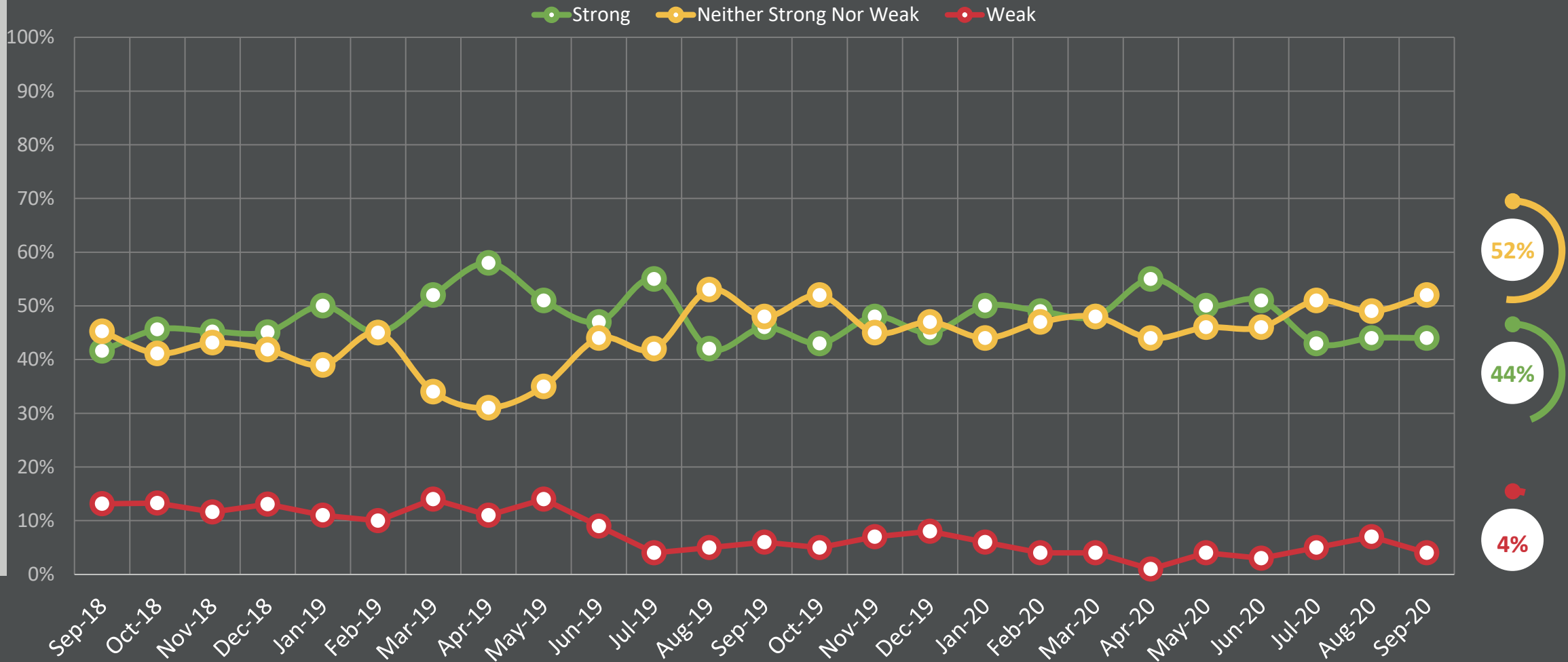


Saudi Arabia's Economic Situation

CURRENT STATE OF THE ECONOMY

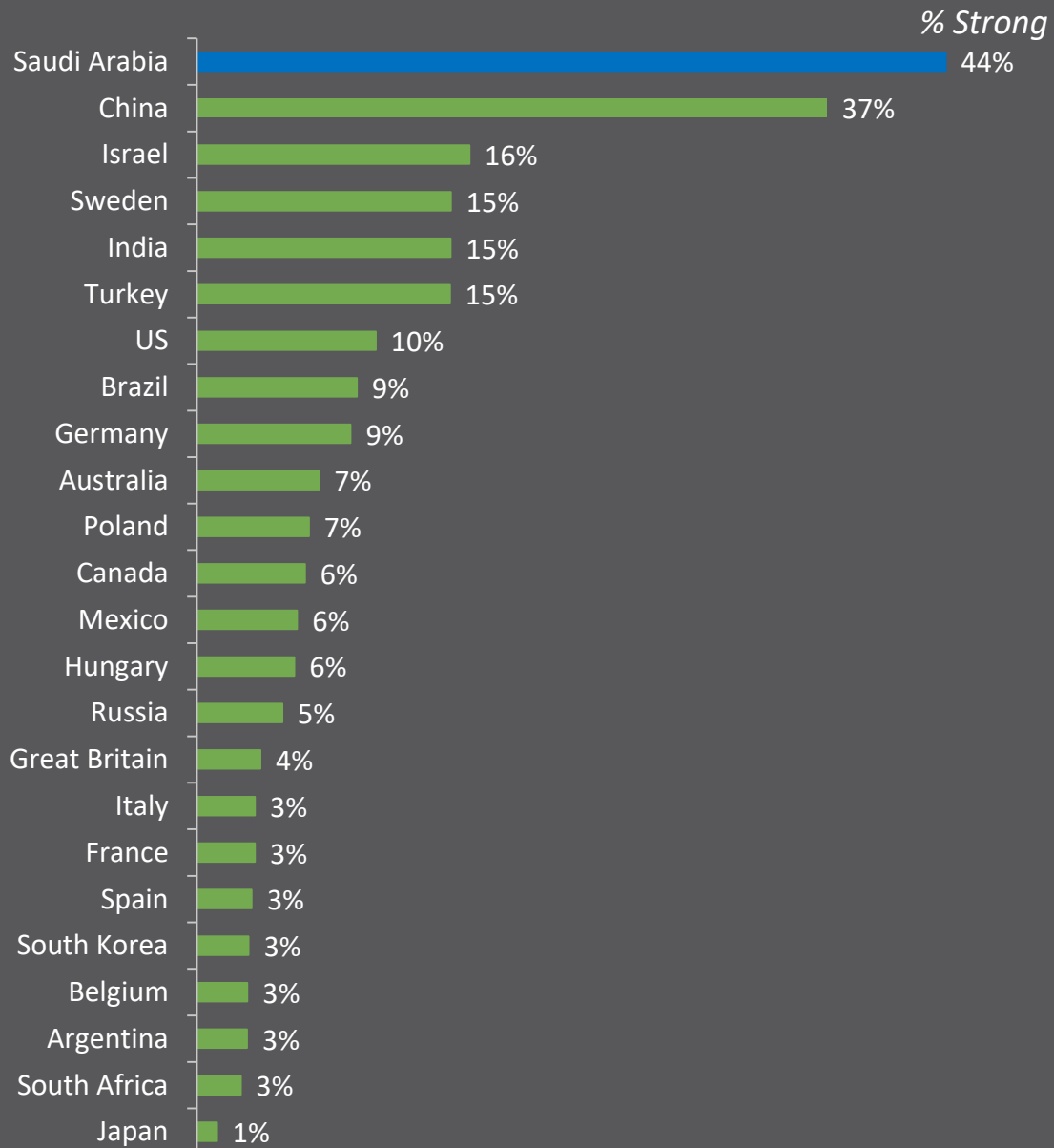
Trending

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

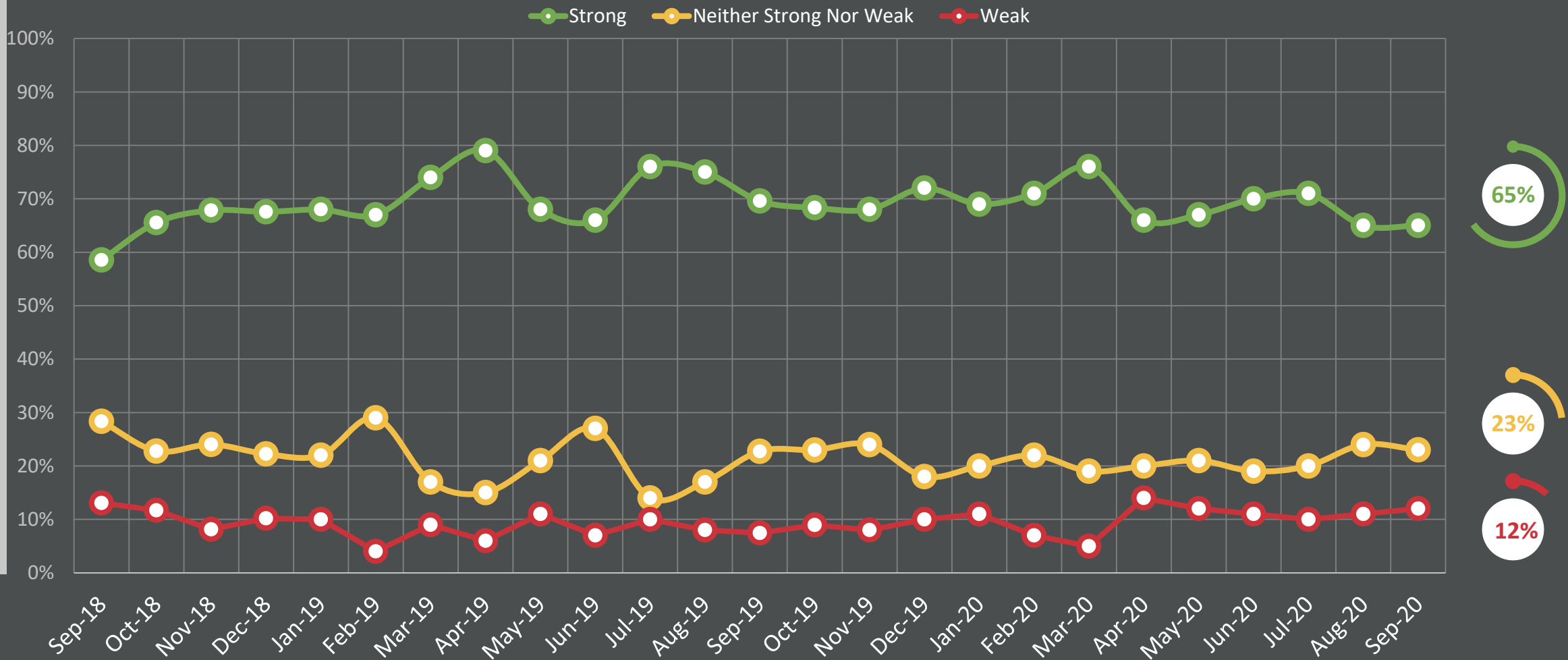
Global Comparison



FUTURE STATE OF THE ECONOMY

Trending

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





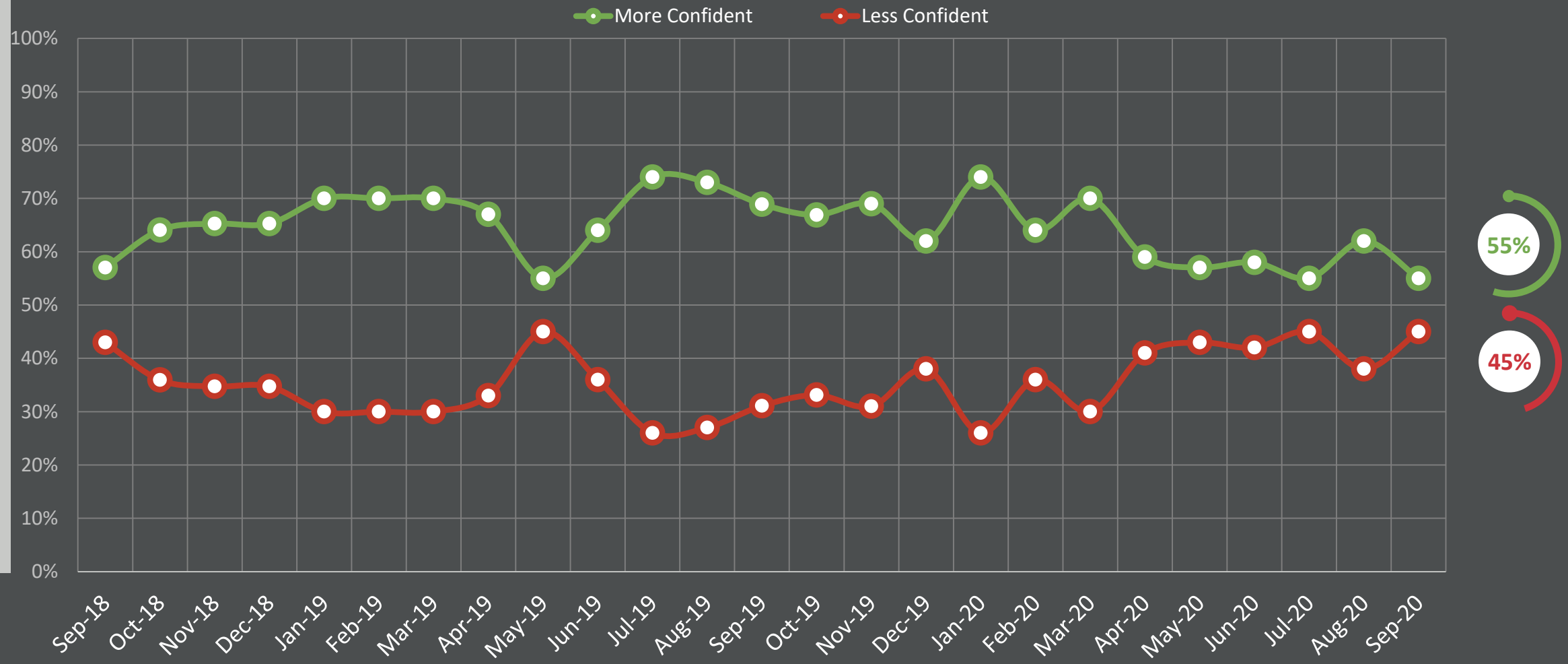
Employment



JOB SECURITY

Trending

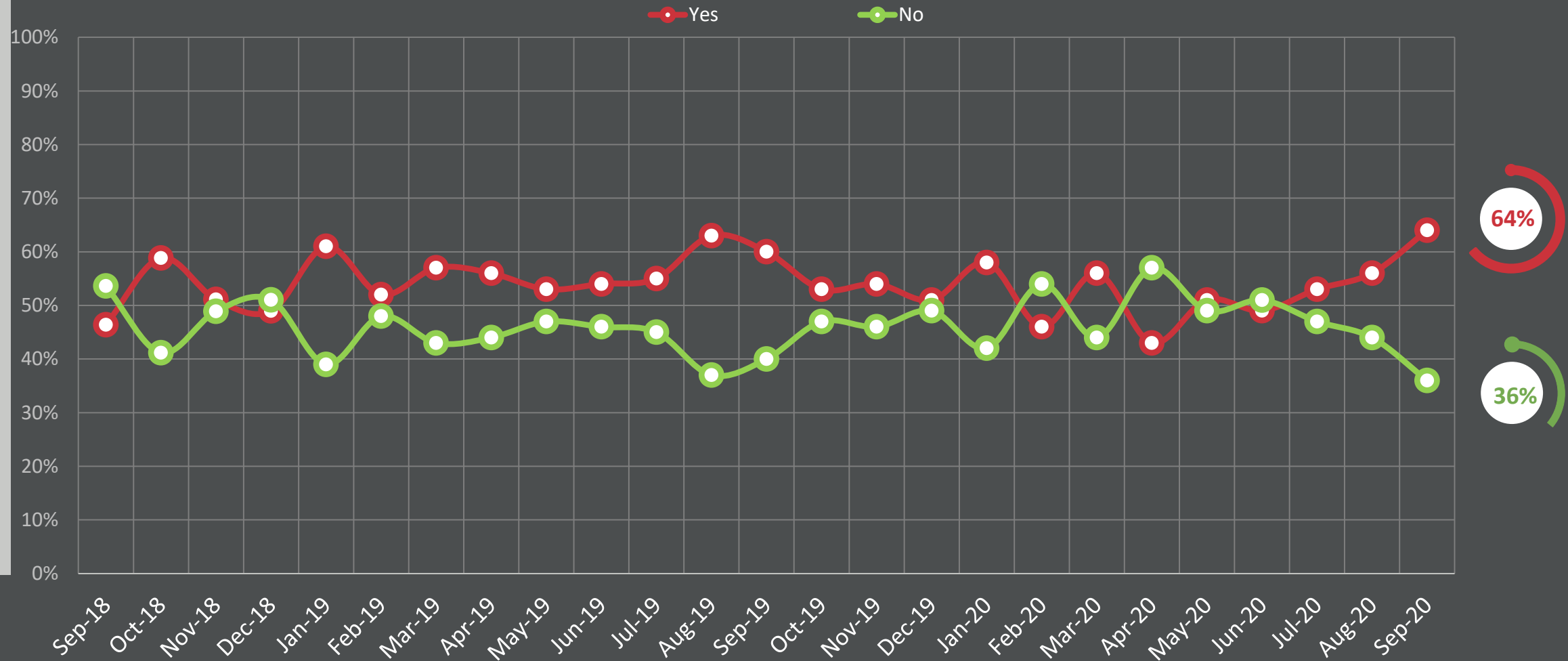
Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?



JOB LOSSES IN THE PAST SIX MONTHS

Trending

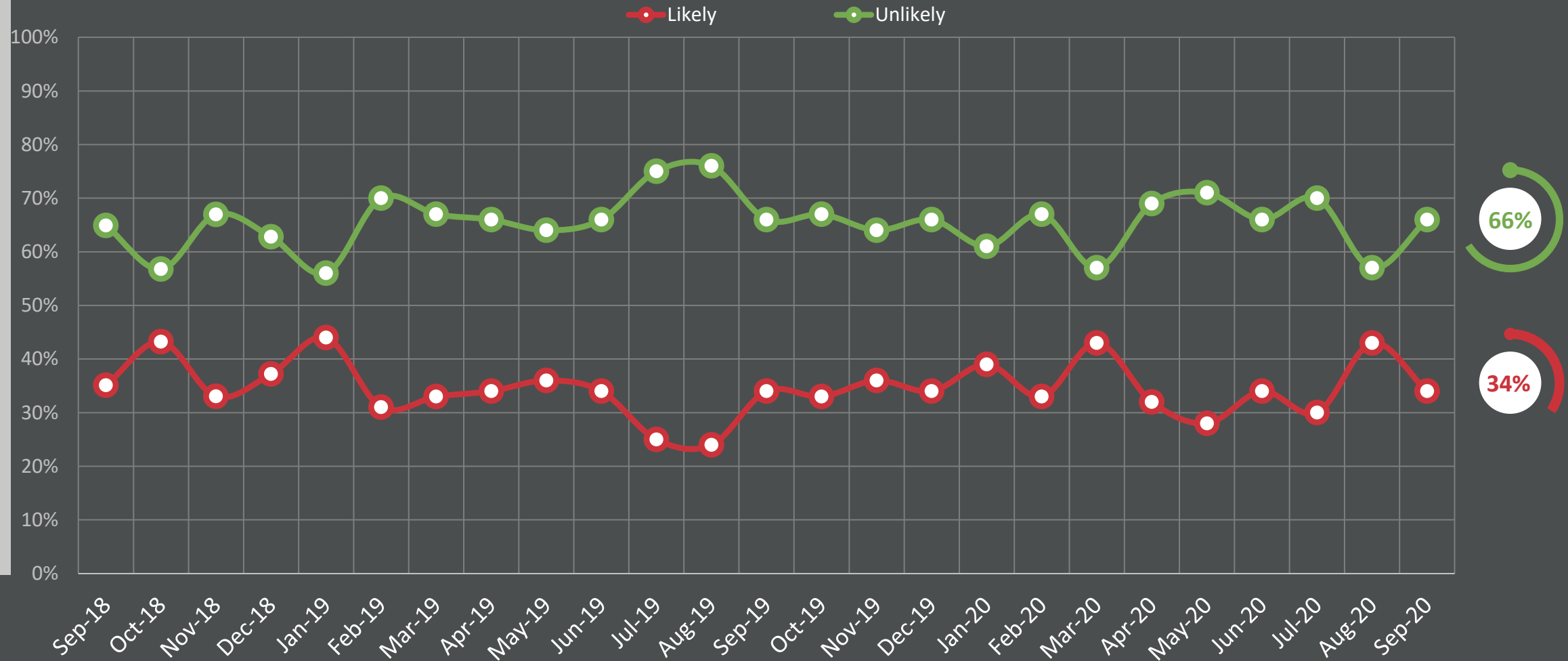
Q. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?



JOB LOSSES IN THE NEXT SIX MONTHS

Trending

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?



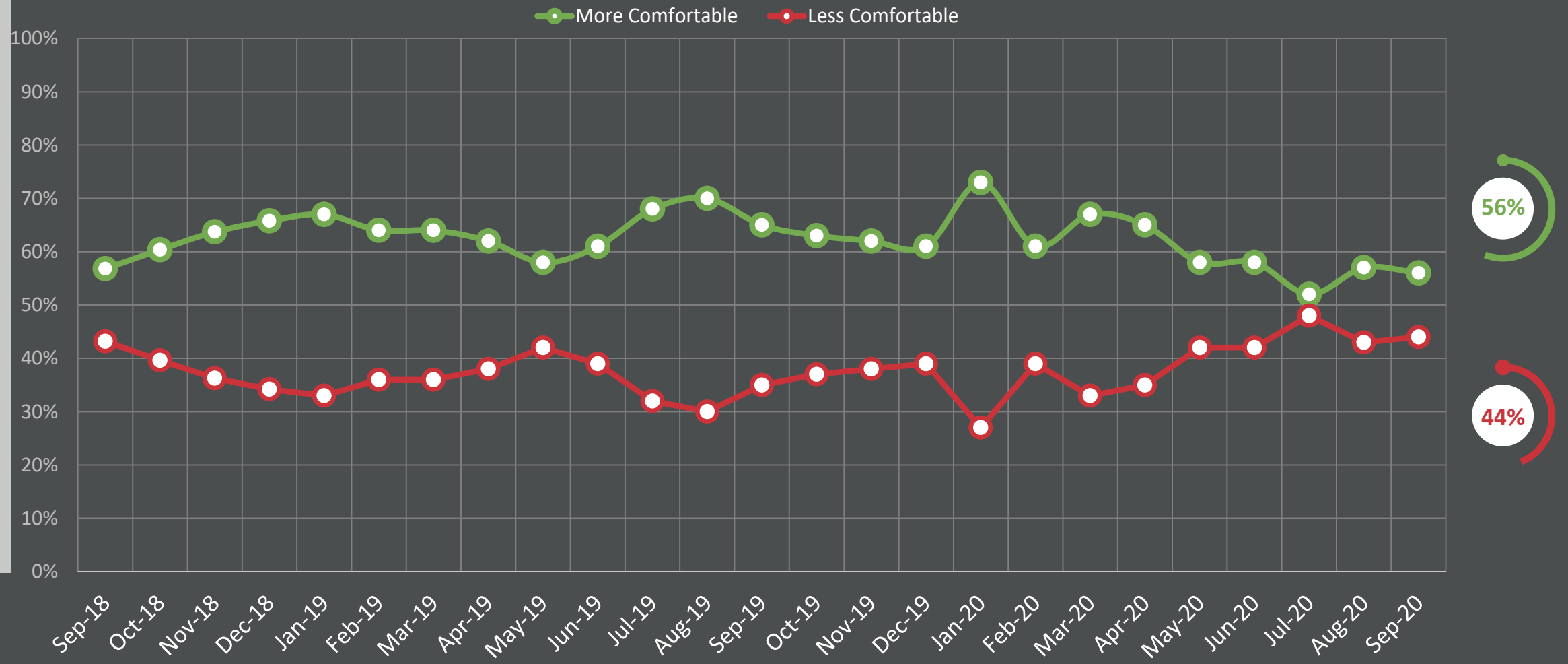


Investment Climate

ABILITY TO INVEST IN THE FUTURE

Trending

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?

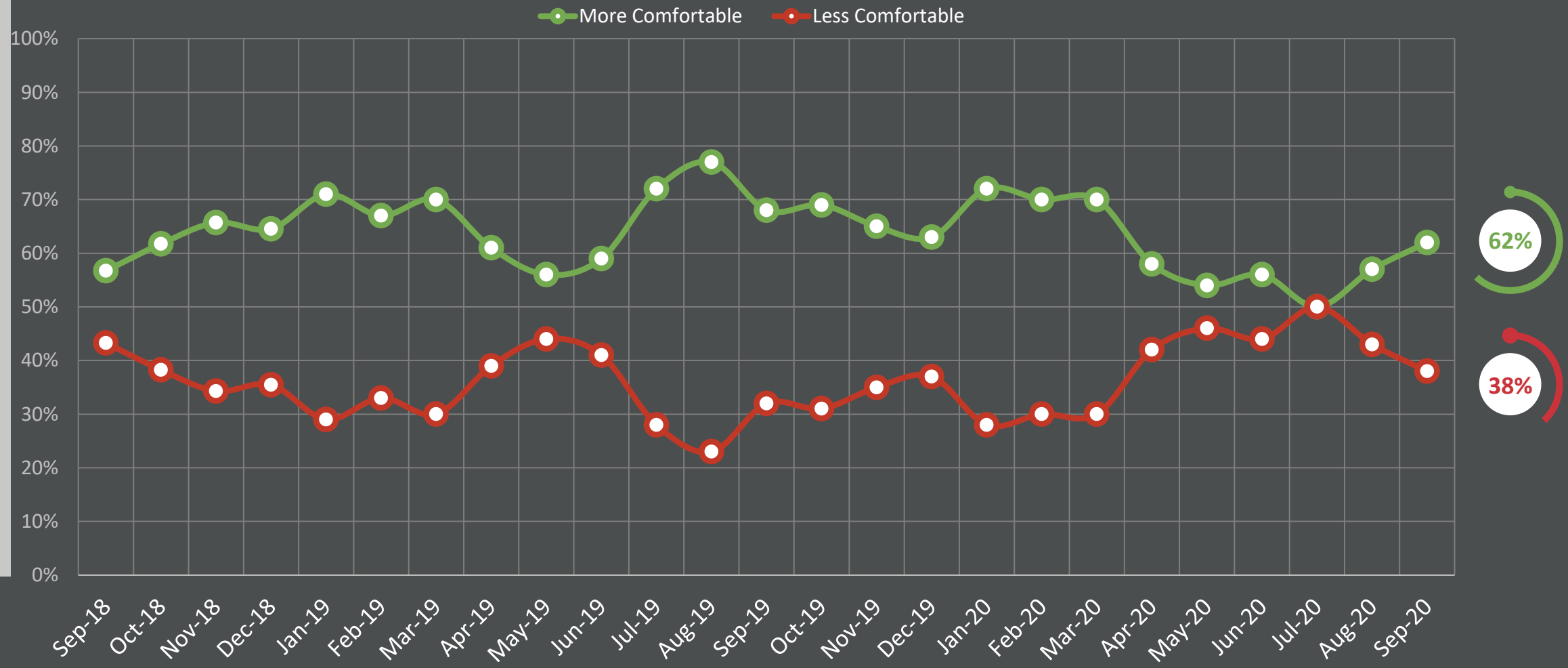




ABILITY TO MAKE A MAJOR PURCHASE

Trending

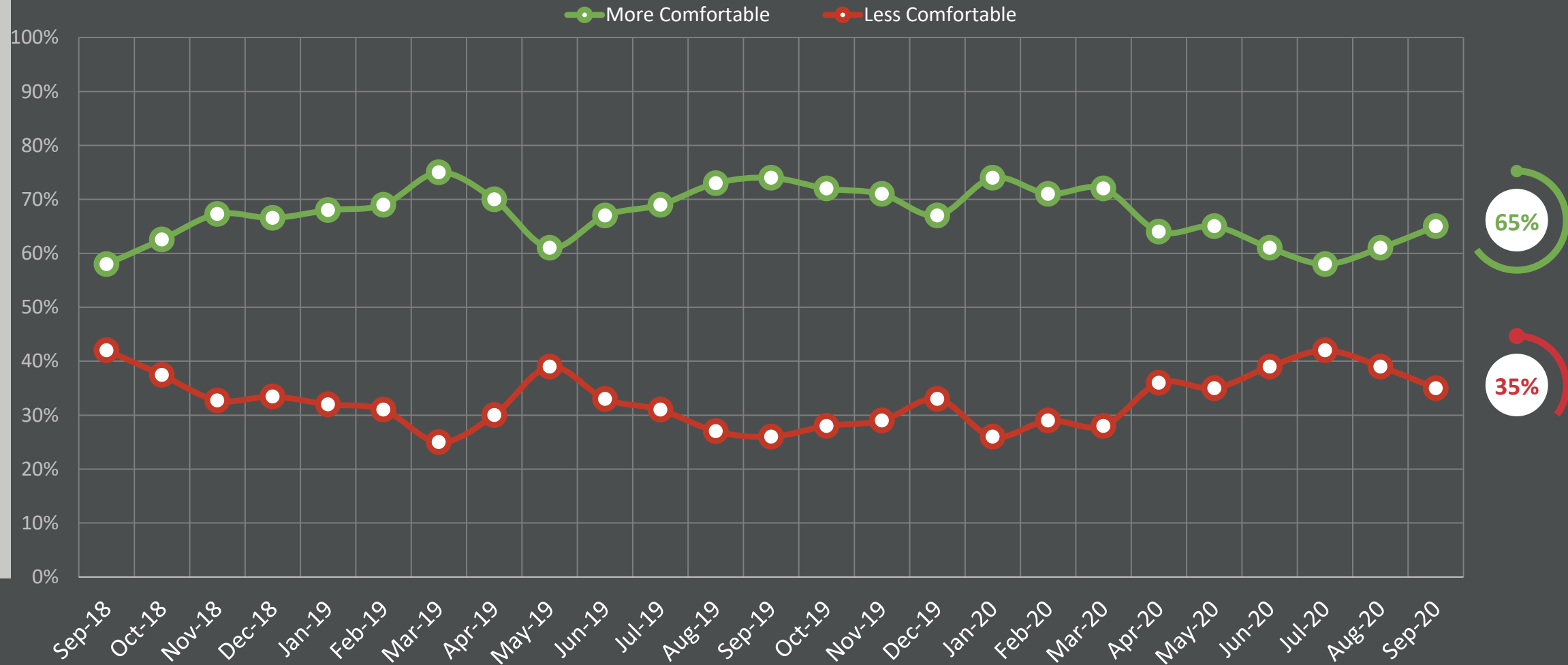
Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?



BUYING HOUSEHOLD DURABLES

Trending

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

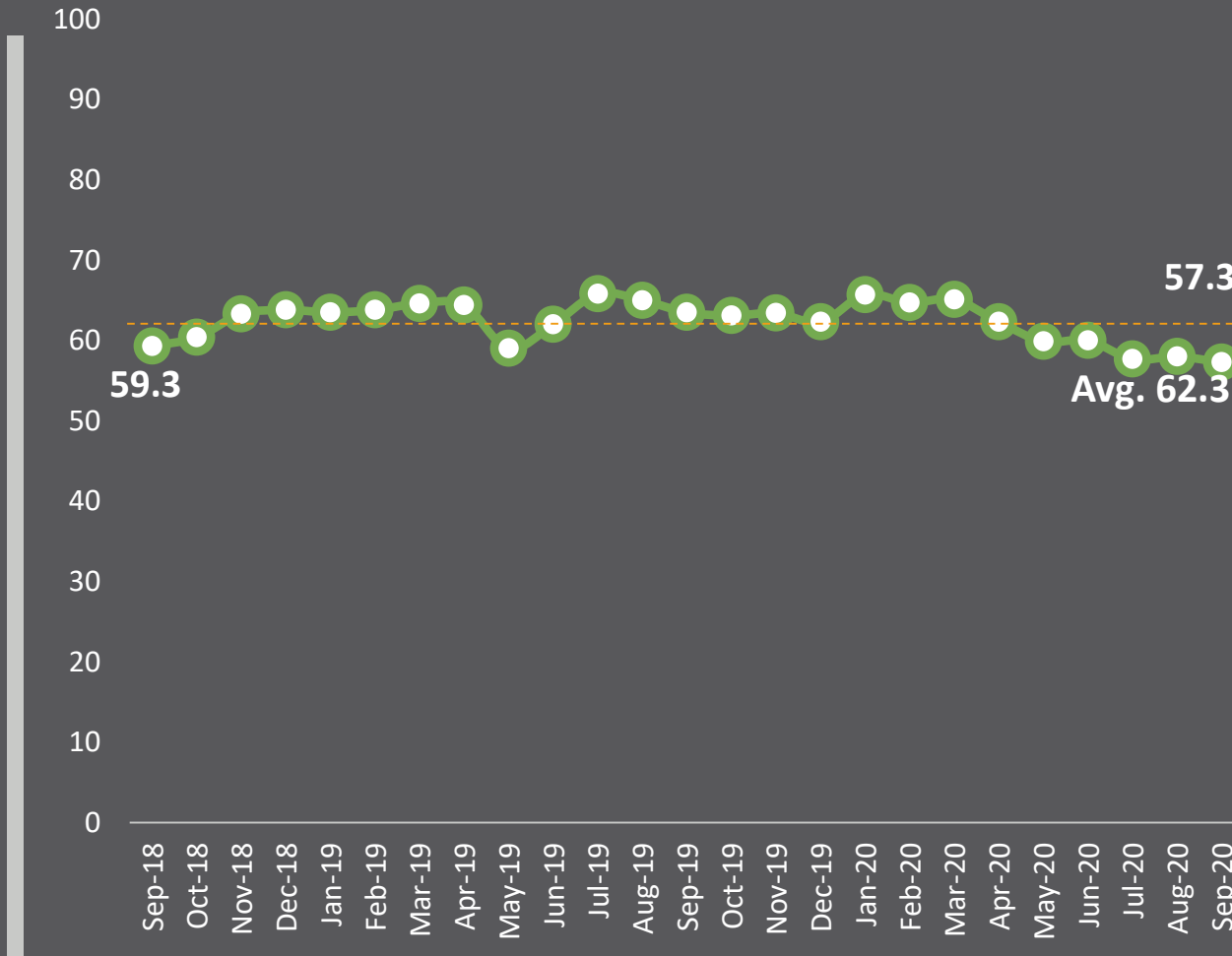




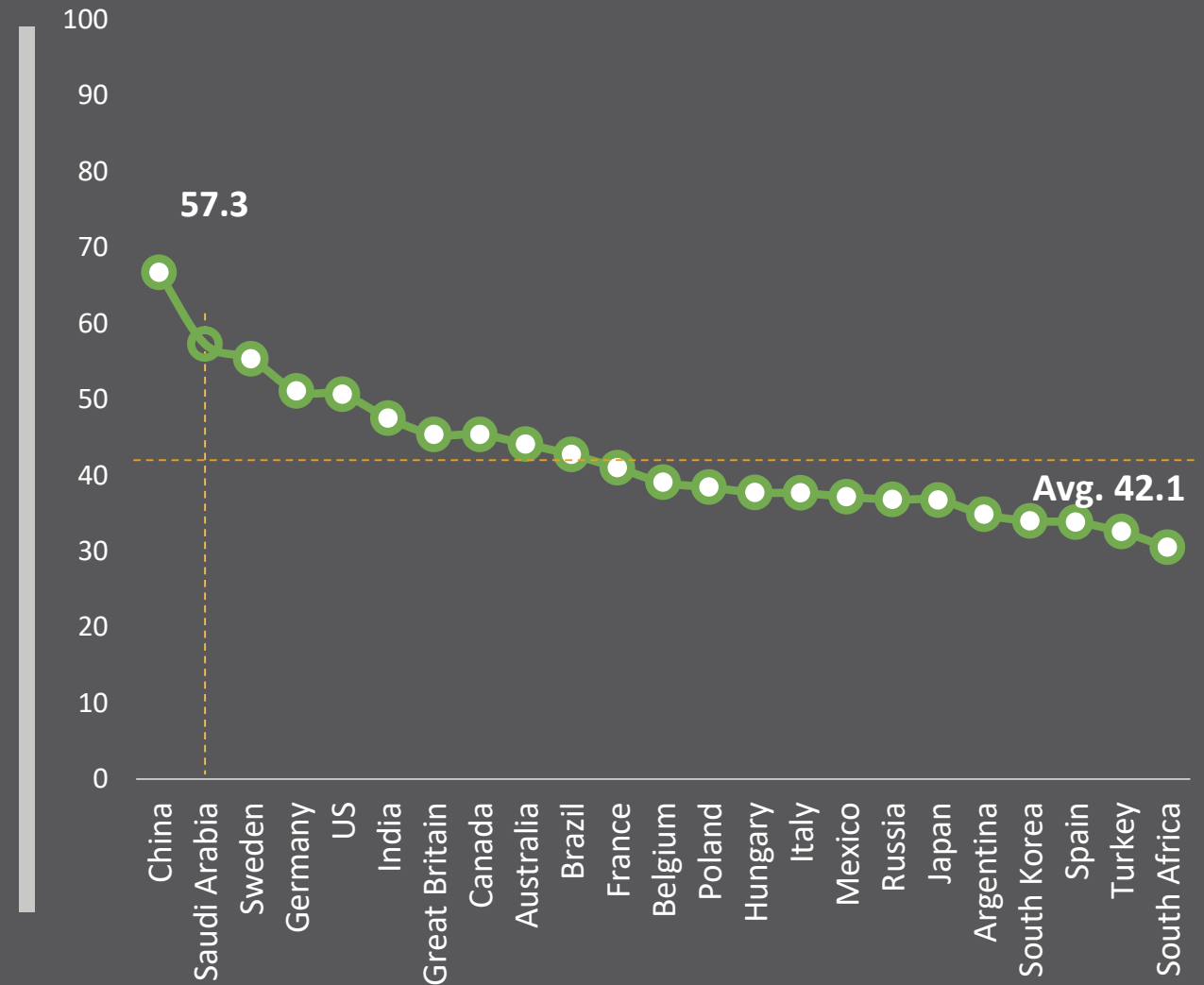
PCSI Deep Dive

OVERALL PCSI

Saudi Arabia



Global Comparison

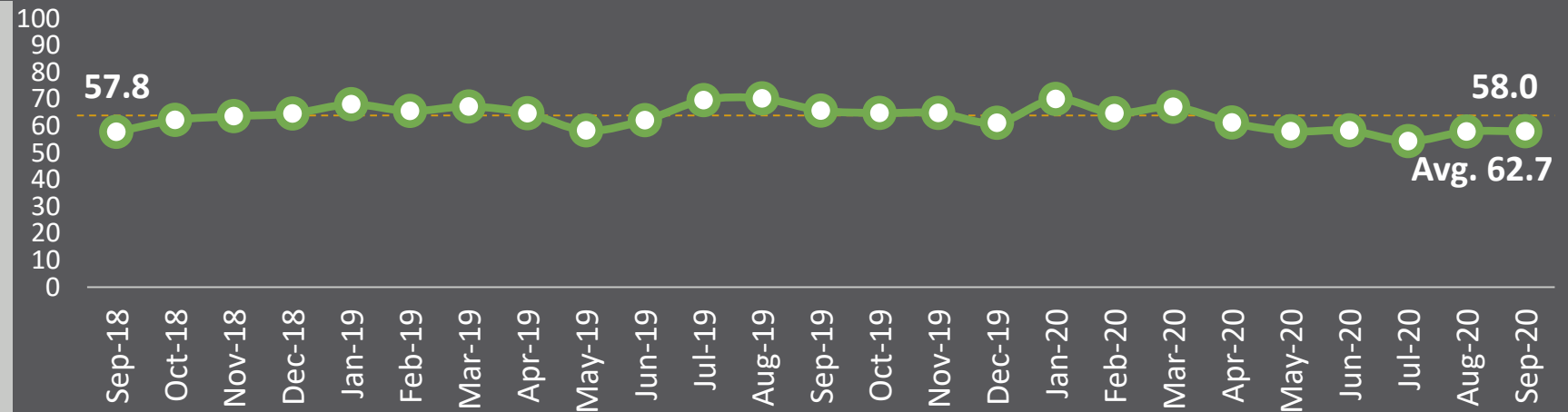


PCSI PERSONAL FINANCIAL CONDITIONS

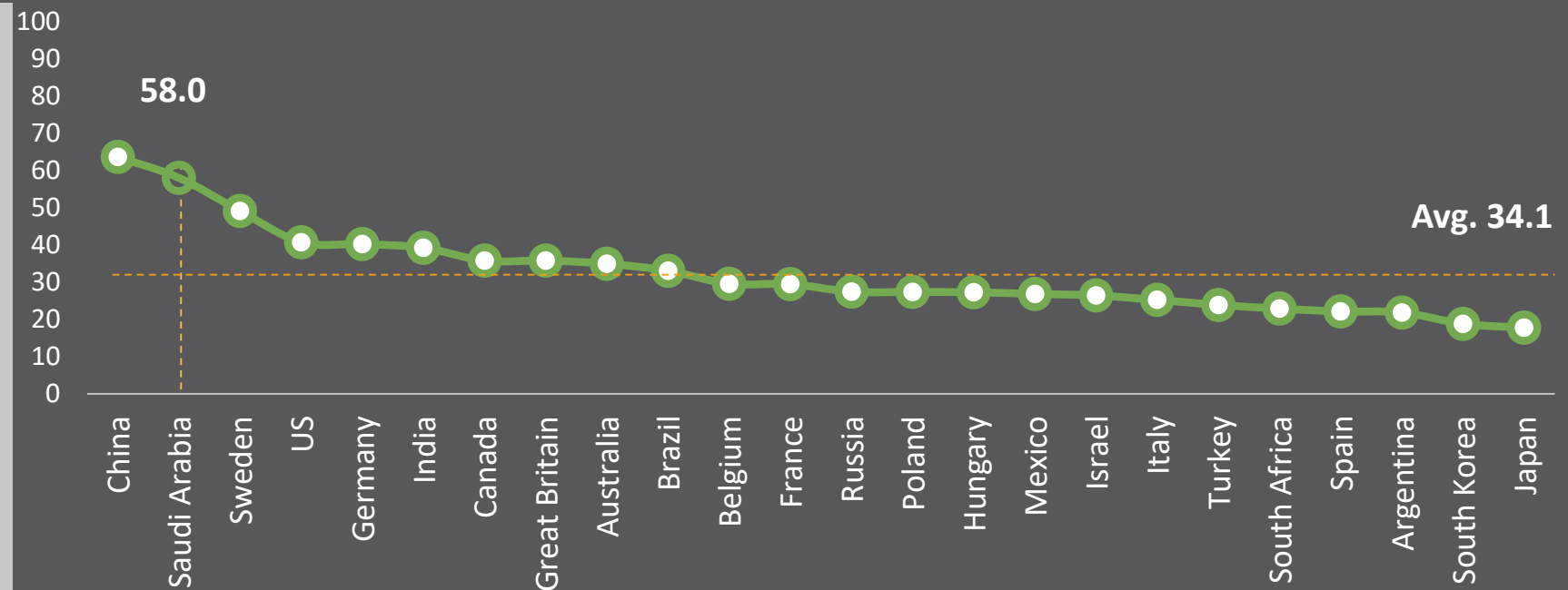


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3. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
4. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, 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.

Saudi Arabia



Global Comparison

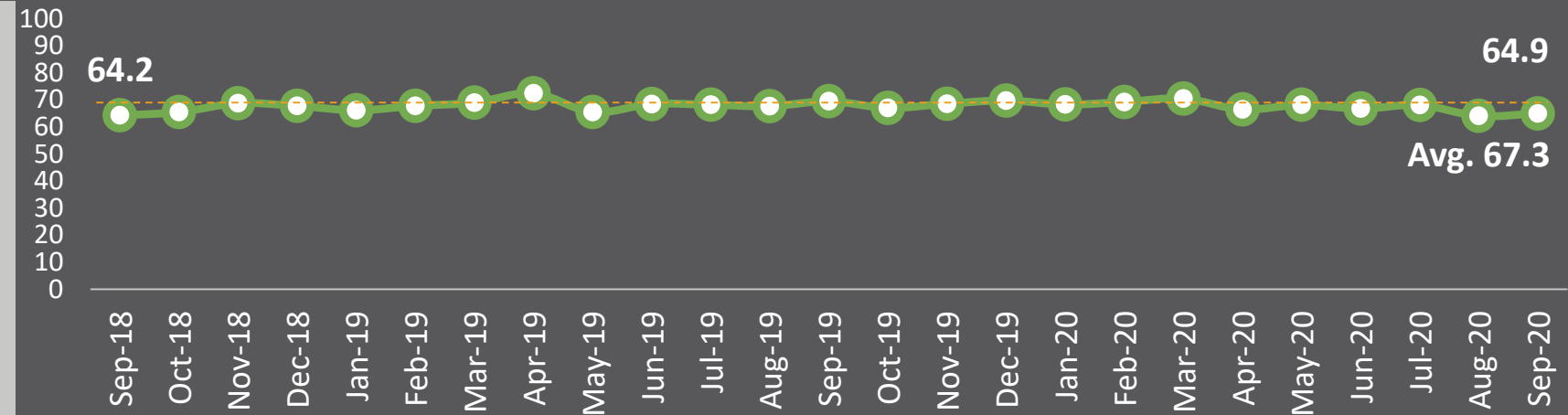


PCSI ECONOMIC EXPECTATIONS

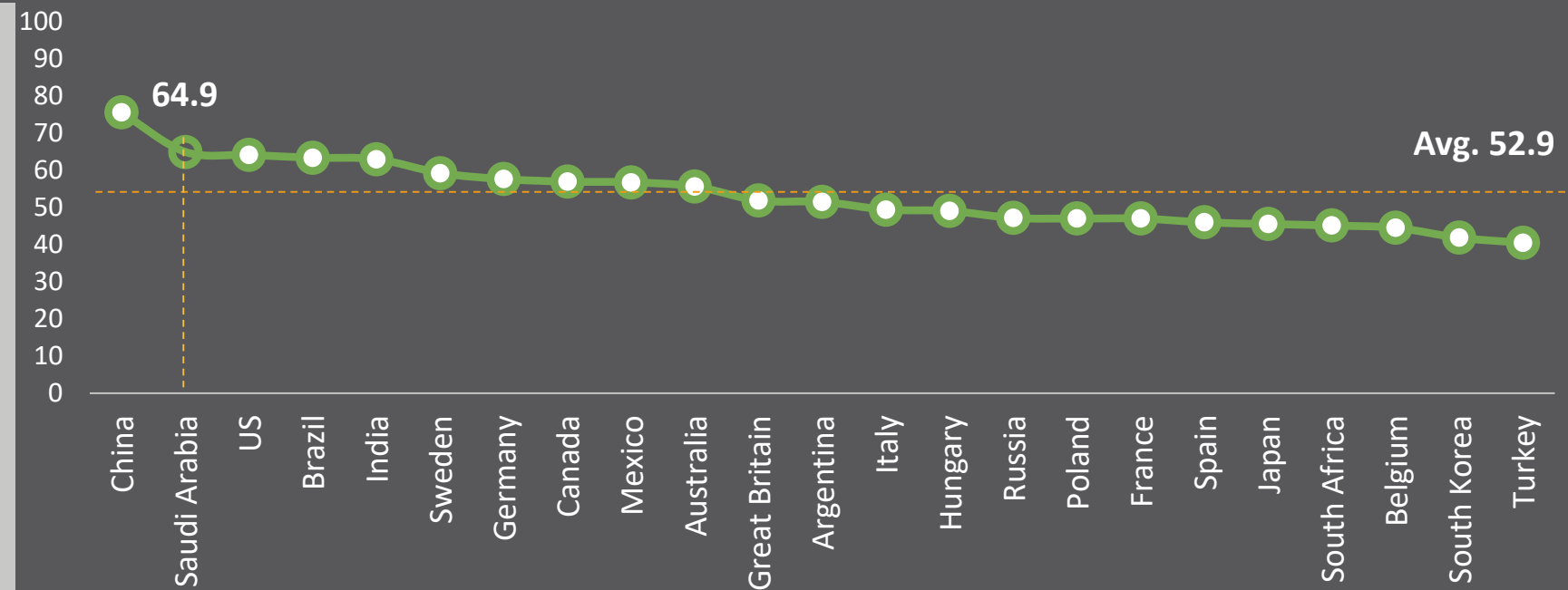


1. Now look ahead at the *next* six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?
2. Looking ahead six months from now, do you expect the economy in your local area to be much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

Saudi Arabia



Global Comparison

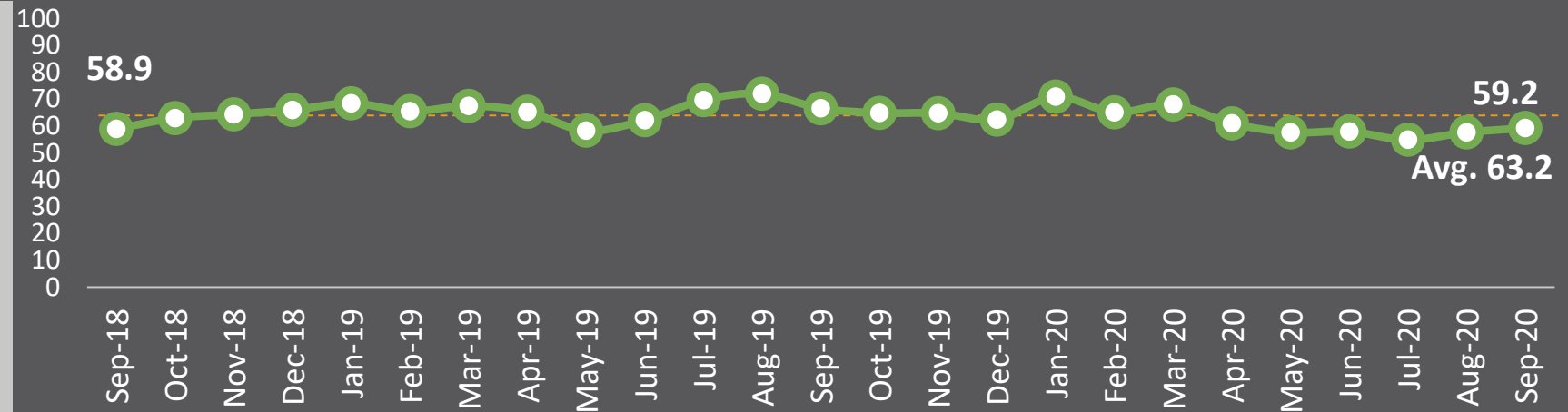


PCSI INVESTMENT CLIMATE

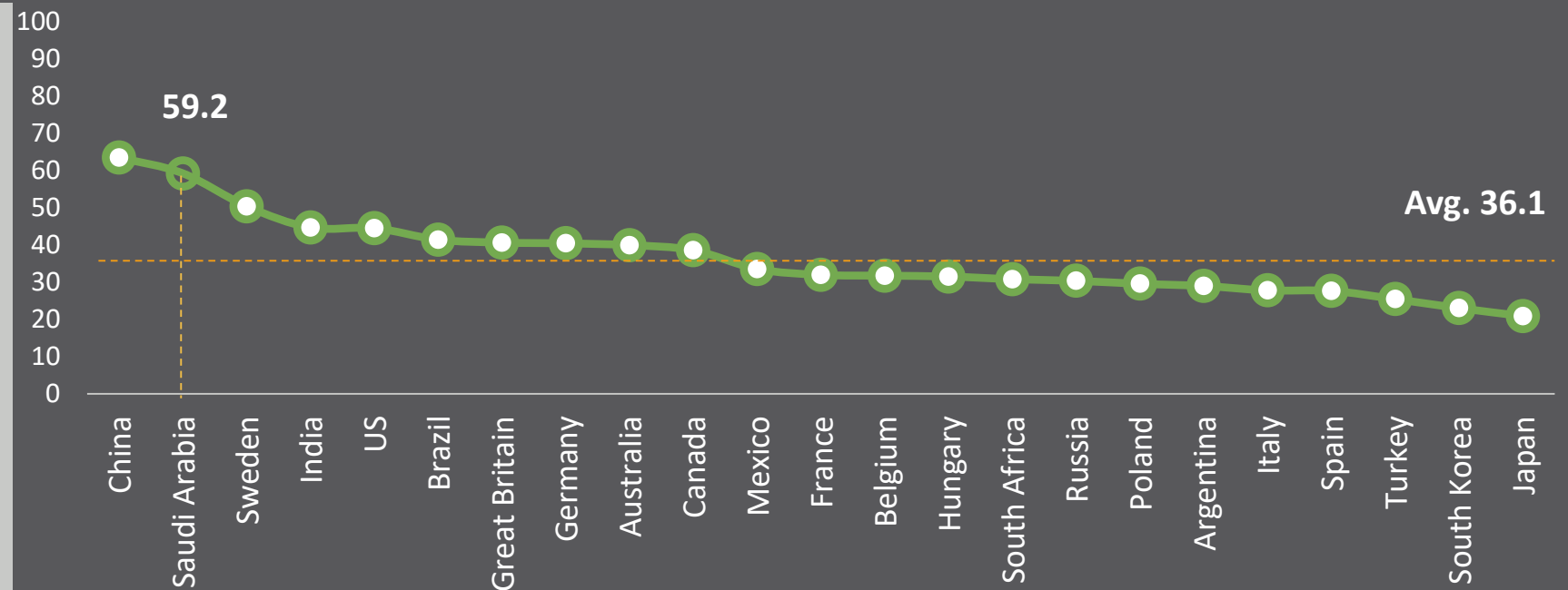


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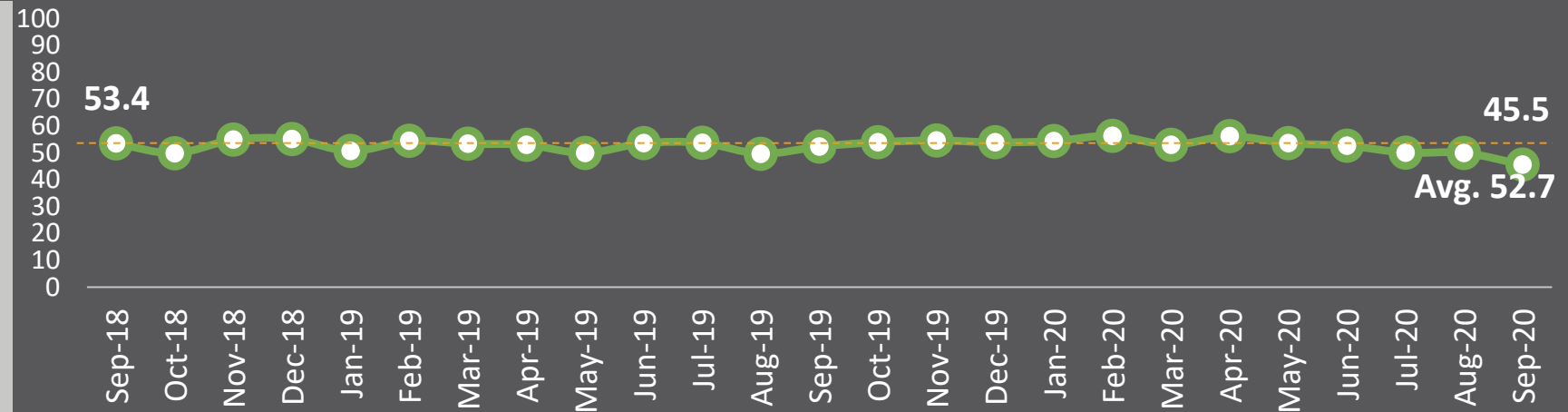


PCSI EMPLOYMENT CONFIDENCE

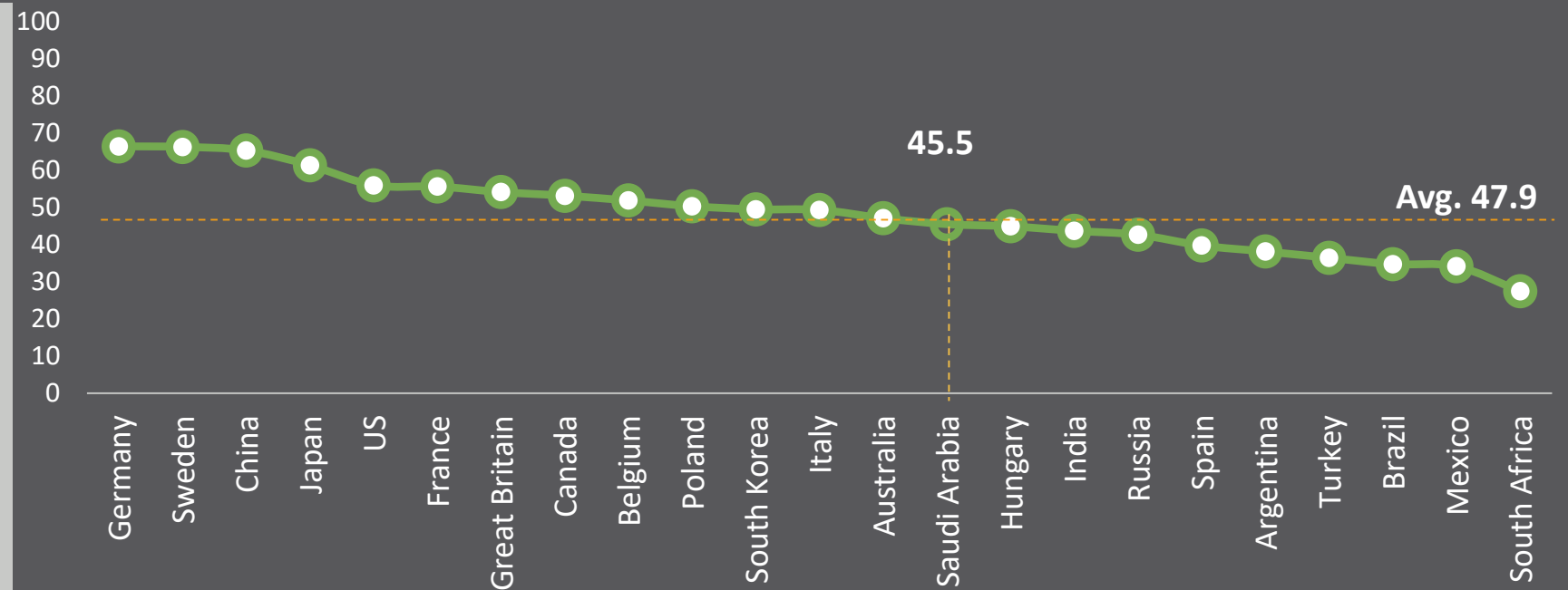


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2. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
3. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

Saudi Arabia



Global Comparison



Methodology

- Methodology – Self Administered Online Interviews
- Sample Size – 500 Respondents
- Age – 15 years old and above
- Sample Criteria – General Public

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



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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