

Jordan Consumer Sentiment Index (Q4)

Jordan
February, 2021

Data Collected in December 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

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%

Al Mafraq 5.0%

Kerak 4.0%

Jerash 3.0%

Madaba 2.0%

Aqaba 2.0%

Ma'an 2.0%

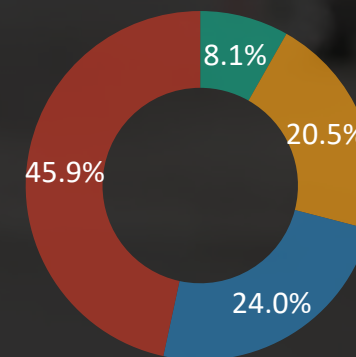
Ajloun 2.0%

Al Tafielah 1.0%

Socioeconomic

Class*

A B C DE



*Based on Household Income

*Excluding Don't Know/ Refused To Answer

Jordan Consumer Sentiment Index

Q4, 2020 Summary

Ipsos' Jordanian Consumer Sentiment Index Sees An Increase As The Year Comes To An End

As the year ends, Jordanian consumer sentiment index is up by almost 5 points approaching its levels at the beginning of the pandemic in Q1'2020. The uptake in the consumer sentiment index has been primarily driven by increased positivity towards the future of the economy, with the Economic Expectations Index experiencing a 7.5-point increase when compared to last quarter.

These subsiding negative sentiments towards a more stable future have been in part driven by several governmental relief measures that aim to preserve the livelihoods of those most affected by the lockdown measures imposed. Increasing the Minimum Wage, Extension of the NAF support program, supporting and extending the SSC relief packages and alleviation of permitted salary reduction under The Defense Order number (6), have all participated in reassuring Jordanians of an upcoming partial recovery and better purchase power. Noteworthy, these improved future sentiments were significantly higher among public sector employees vs. much lower levels among the private sector.

However, as consumers continue to grapple with the aftermath of the crisis on their livelihoods, unemployment ranks first on consumers list of worries. In fact, in comparison to other indices, the employment confidence index remained stagnant, placing Jordan amongst the bottom three countries when it comes to this index.

Increased optimism witnessed this quarter has not been unique to Jordan, as similar sentiments have been mirrored globally. In fact, Q4 2020 was marked with increased optimism across 14 out of 24 countries included in Ipsos' global survey. Positive sentiments have been largely fueled by the global vaccine roll out, delivering hope of breaking the surge in the number of cases and the accompanying restrictions that are putting a strain the global economy. In Jordan specifically, while the perceived threat of the virus is still at its highest levels, optimism regarding the approaching end of the crisis has intensified, with 72% of Jordanians believing that the threat posed by the virus will soon be over.

Despite Jordanians' conviction of the imminent end of the crisis, the threat imposed by the virus is far from over. Heightened risks associated with the spread of new strain of the virus coupled with the recent reopening of some sectors in the economy, places Jordan in a critical position. The need to monitor the public's sentiment towards the economy and actual economy performance is extremely critical at this stage as governments around the world continue to struggle to strike the right balance.

JCSI Q4 Summary

JCSI, Q4 2020

35.3

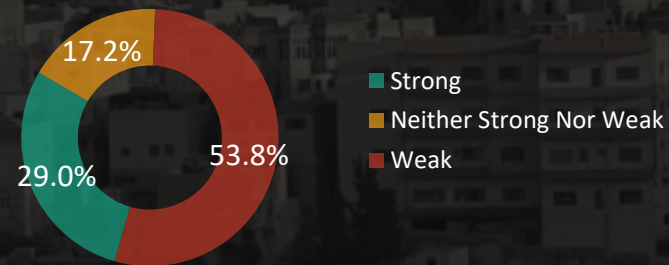


Versus
Previous
Wave

30.5

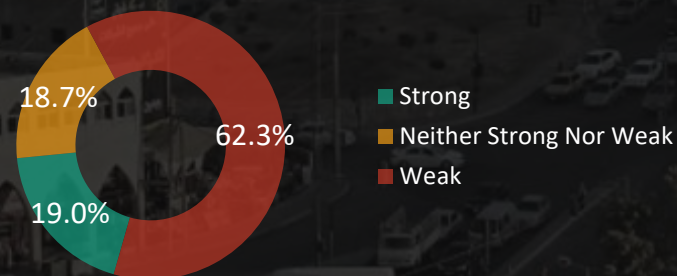
Country Economic Situation

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



58.5%

Unemployment



40.8%

High Cost of
Living/Inflation



38.7%

Poverty & Social
Inequality

Understanding Jordanians' Perceptions of COVID-19

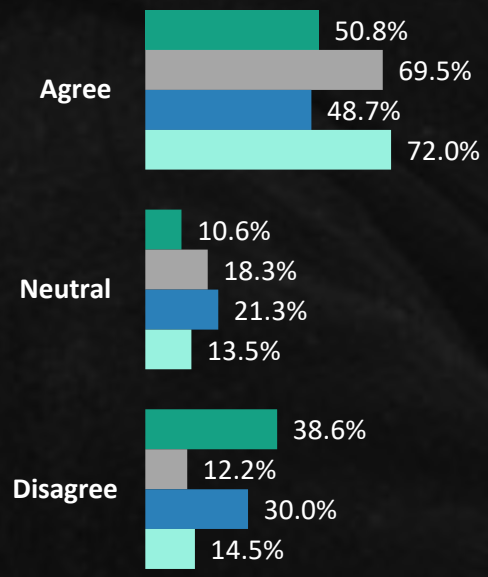


Impact of COVID-19 On The Country

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?

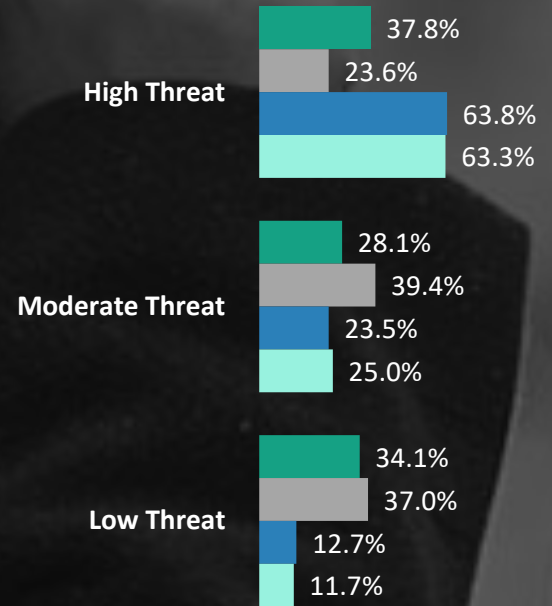
■ March (Q1, 2020) ■ June (Q2, 2020)
 ■ Sept (Q3, 2020) ■ Dec (Q4, 2020)



Level Of Threat On Jordan

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

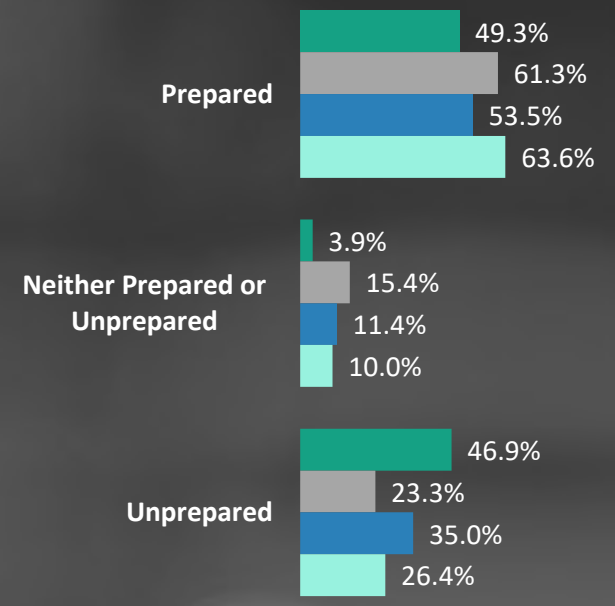
■ March (Q1, 2020) ■ June (Q2, 2020)
 ■ Sept (Q3, 2020) ■ Dec (Q4, 2020)



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)
 ■ Sept (Q3, 2020) ■ Dec (Q4, 2020)

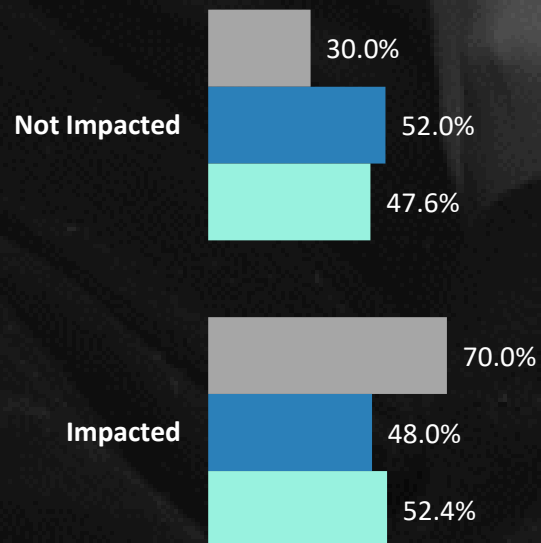


Impact of COVID-19 on Employment

(Out of Those Employed Only, N= 459)

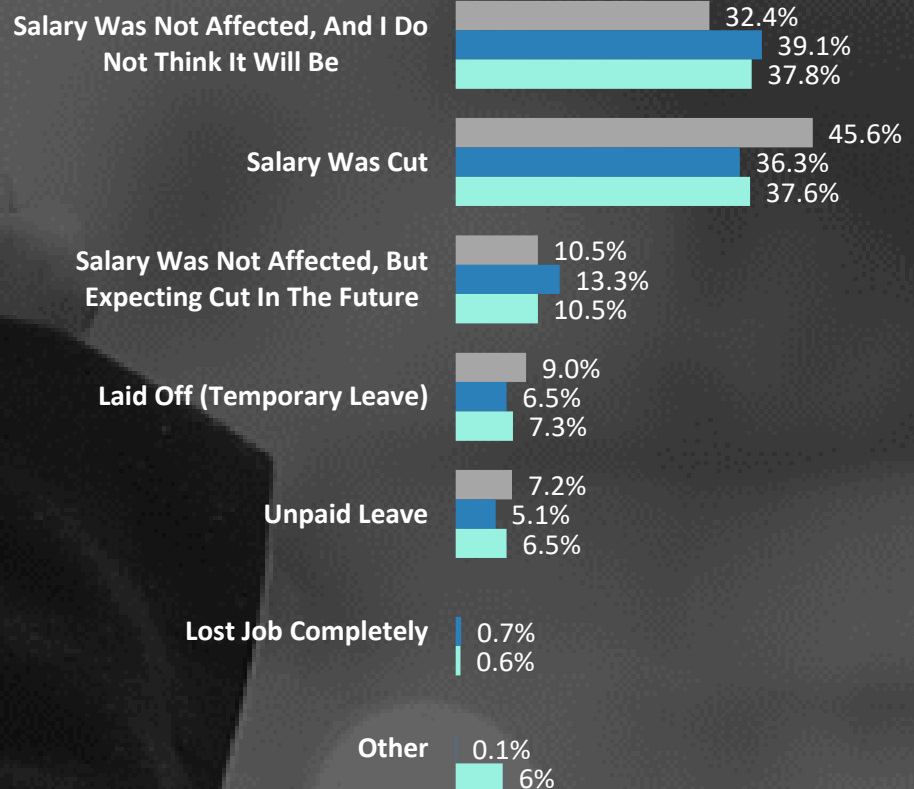
% of Those whose Employment was Impacted following the Pandemic

■ June (Q2, 2020) ■ Sept (Q3, 2020) ■ Dec (Q4, 2020)



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

■ June (Q2, 2020) ■ Sept (Q3, 2020) ■ Dec (Q4, 2020)



Country's General Situation

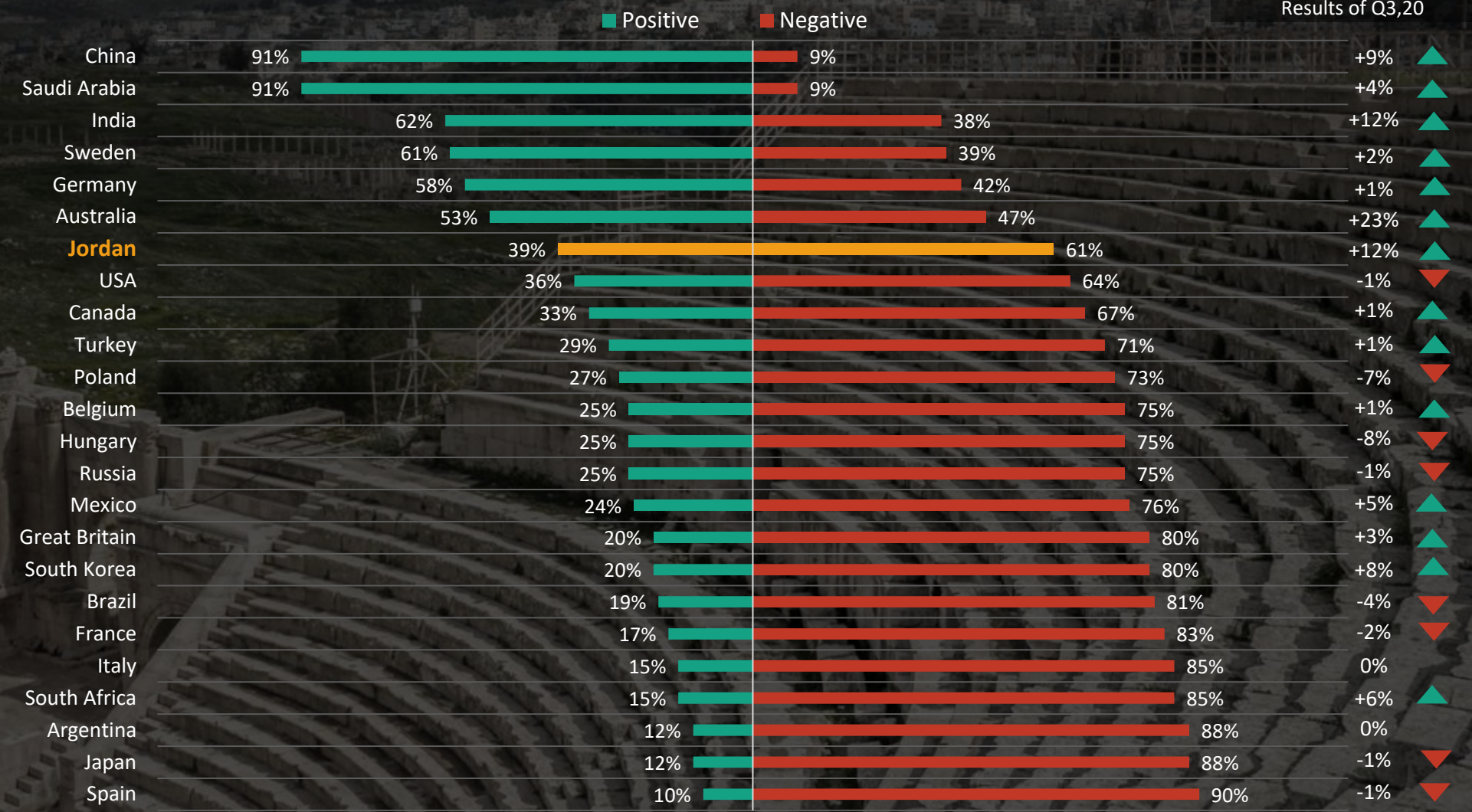


Current Economic Situation

Global Comparison

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

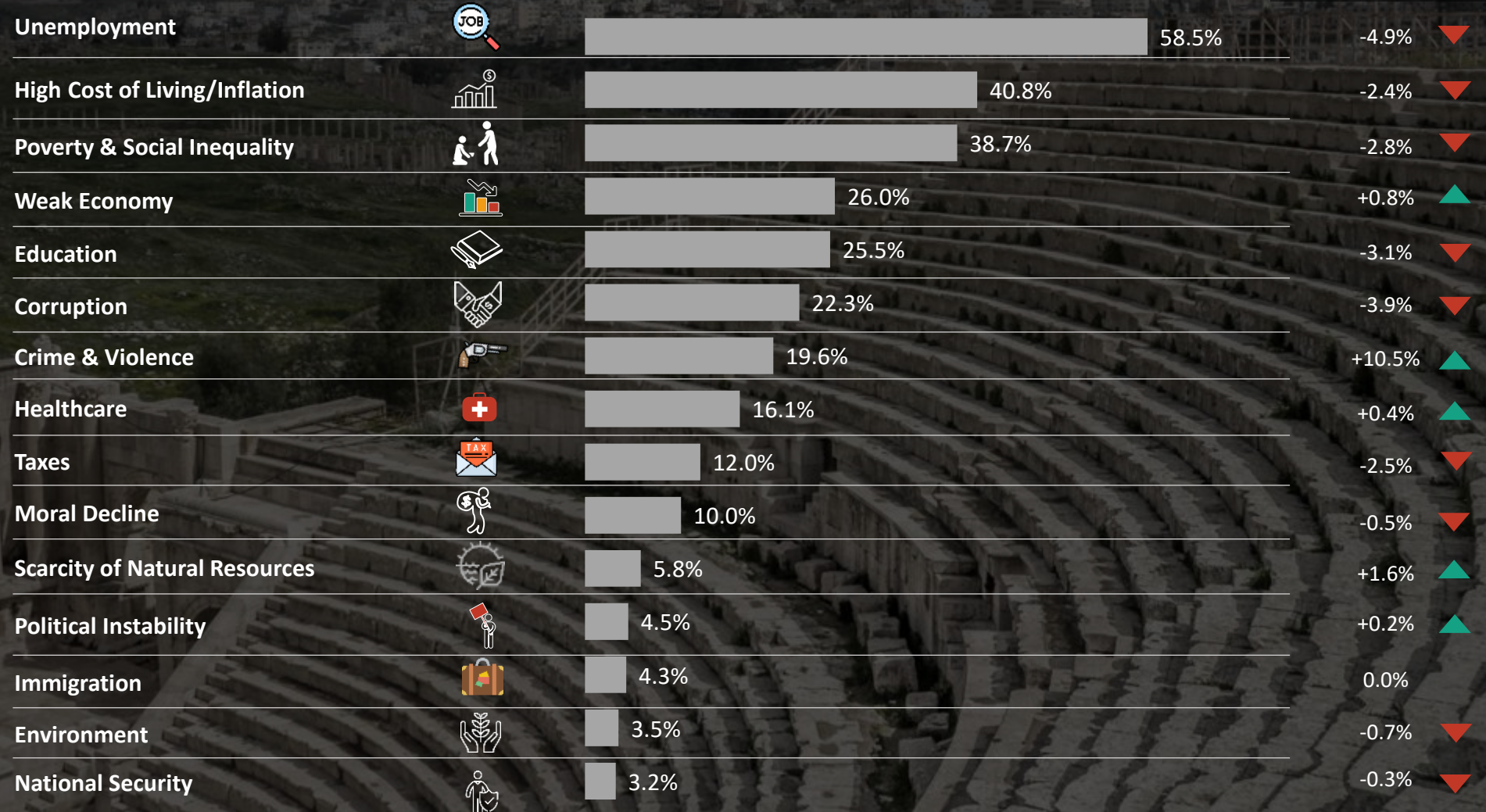
Compared to the Positive Results of Q3,20



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 Q3,20

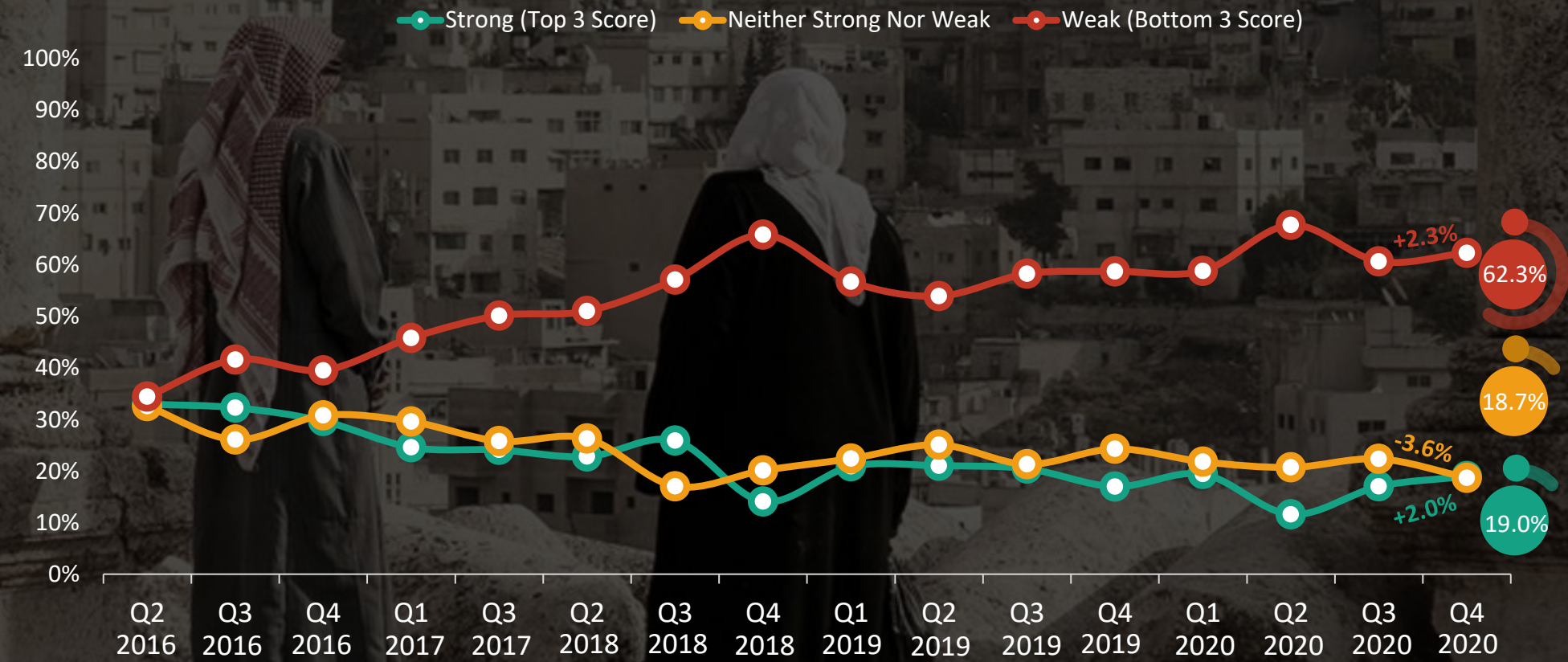




Personal Financial Situation

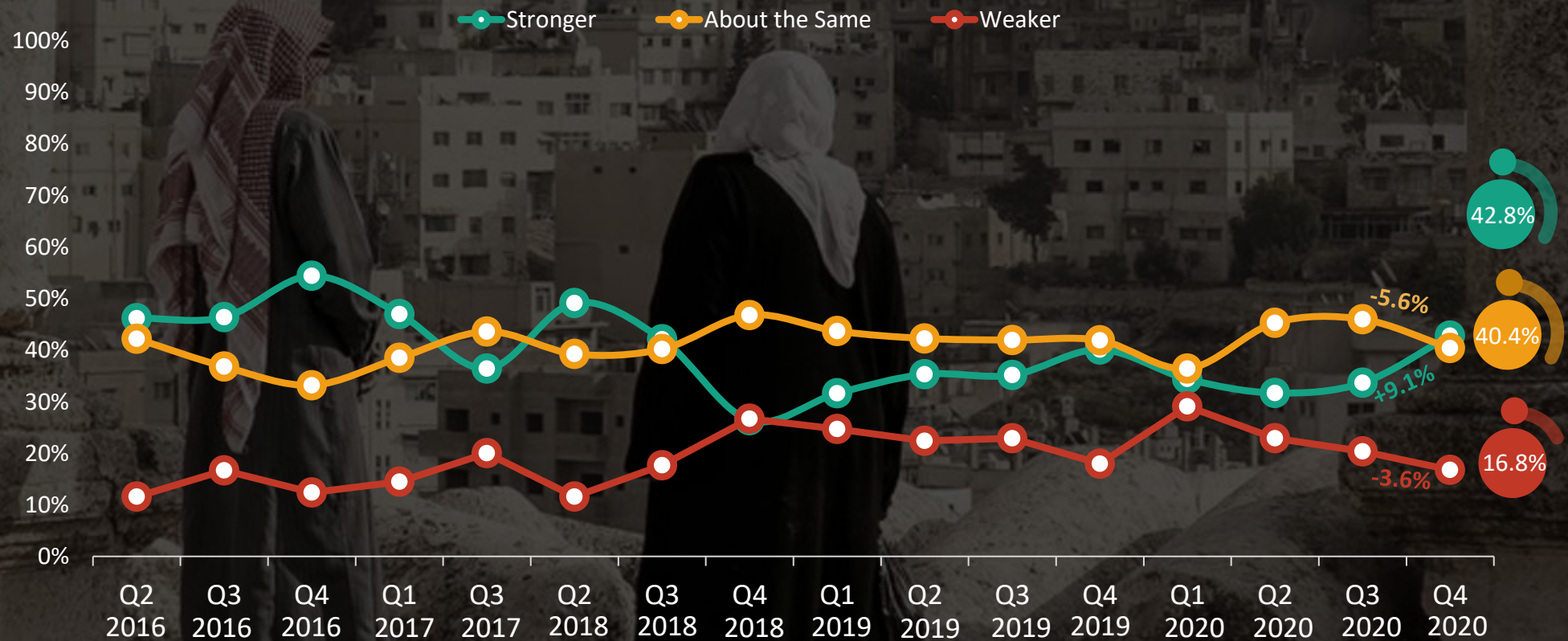
Current Personal Financial Situation

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?

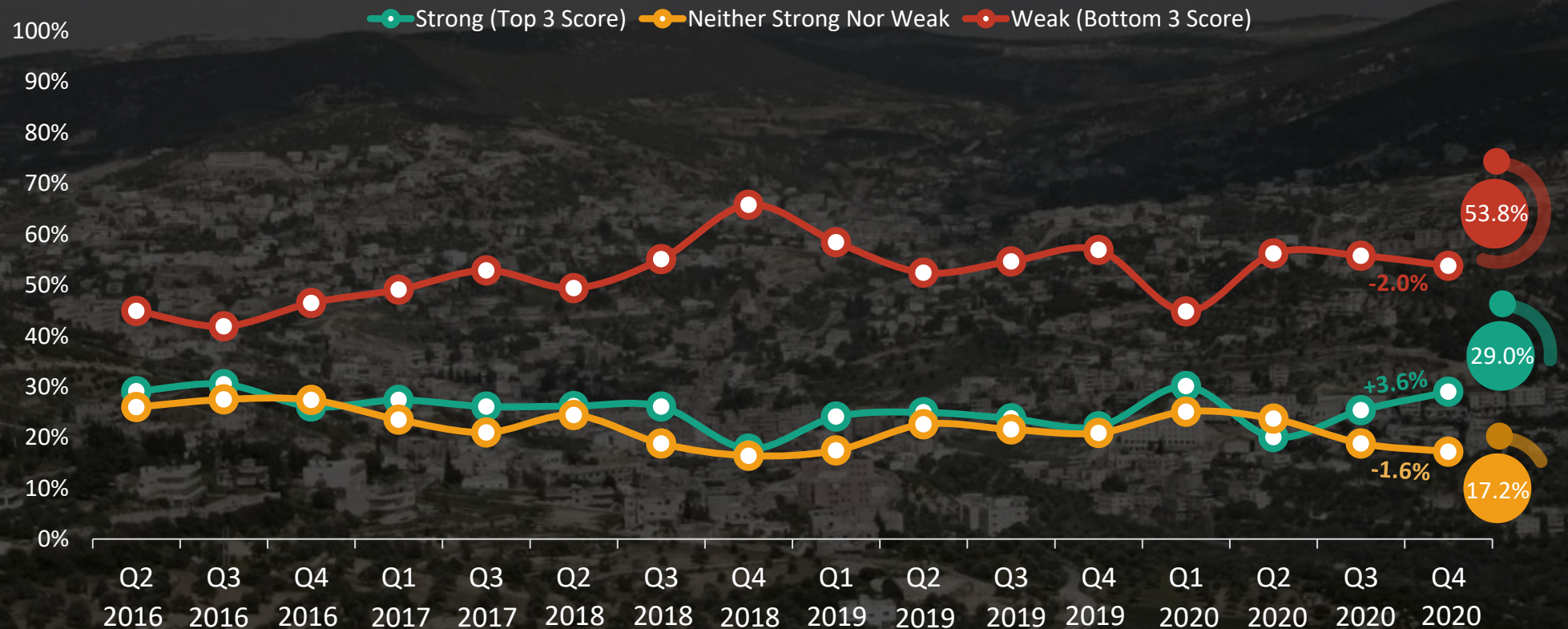




Jordan's Economic Situation

Current State of the Economy

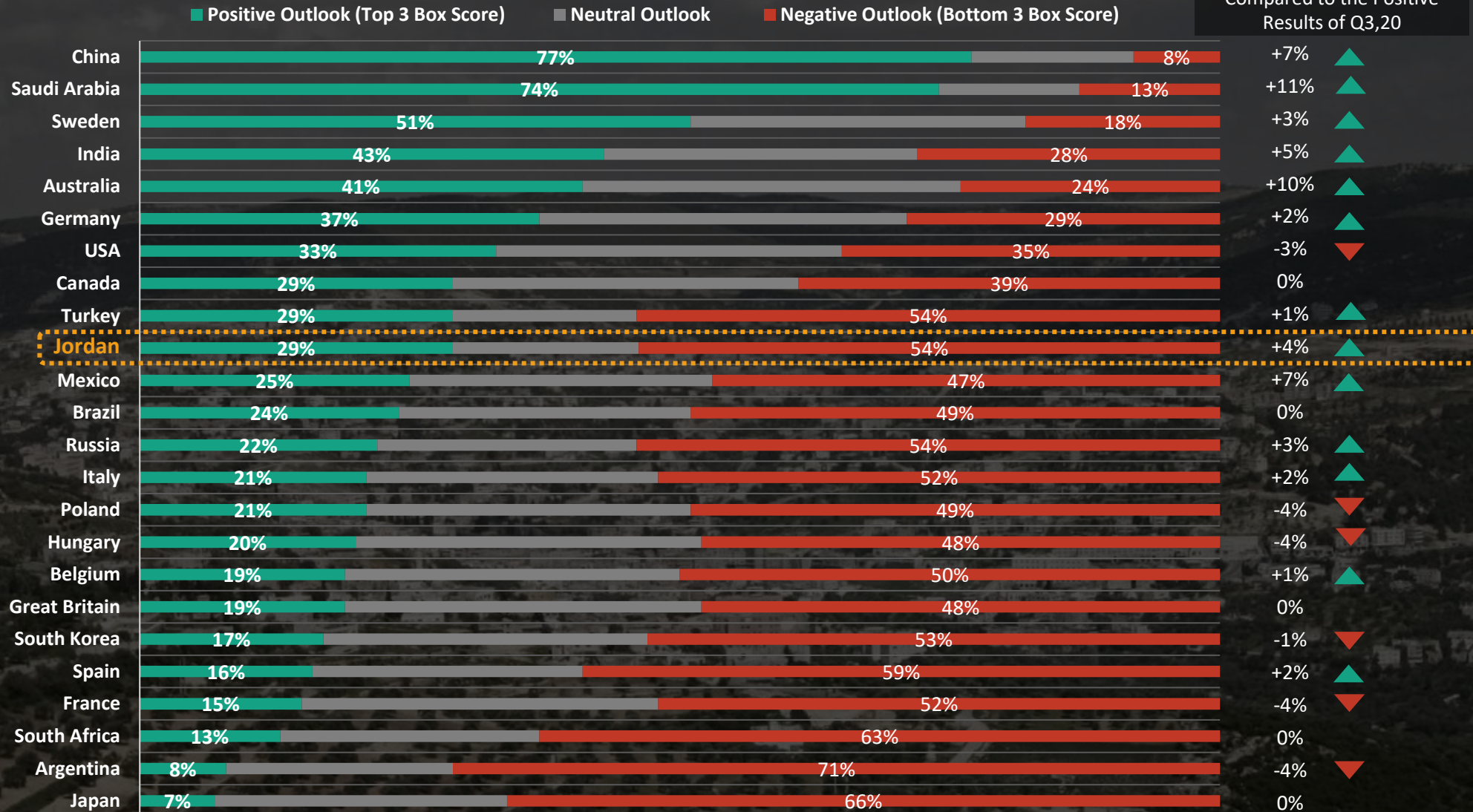
Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



Current State of the Economy

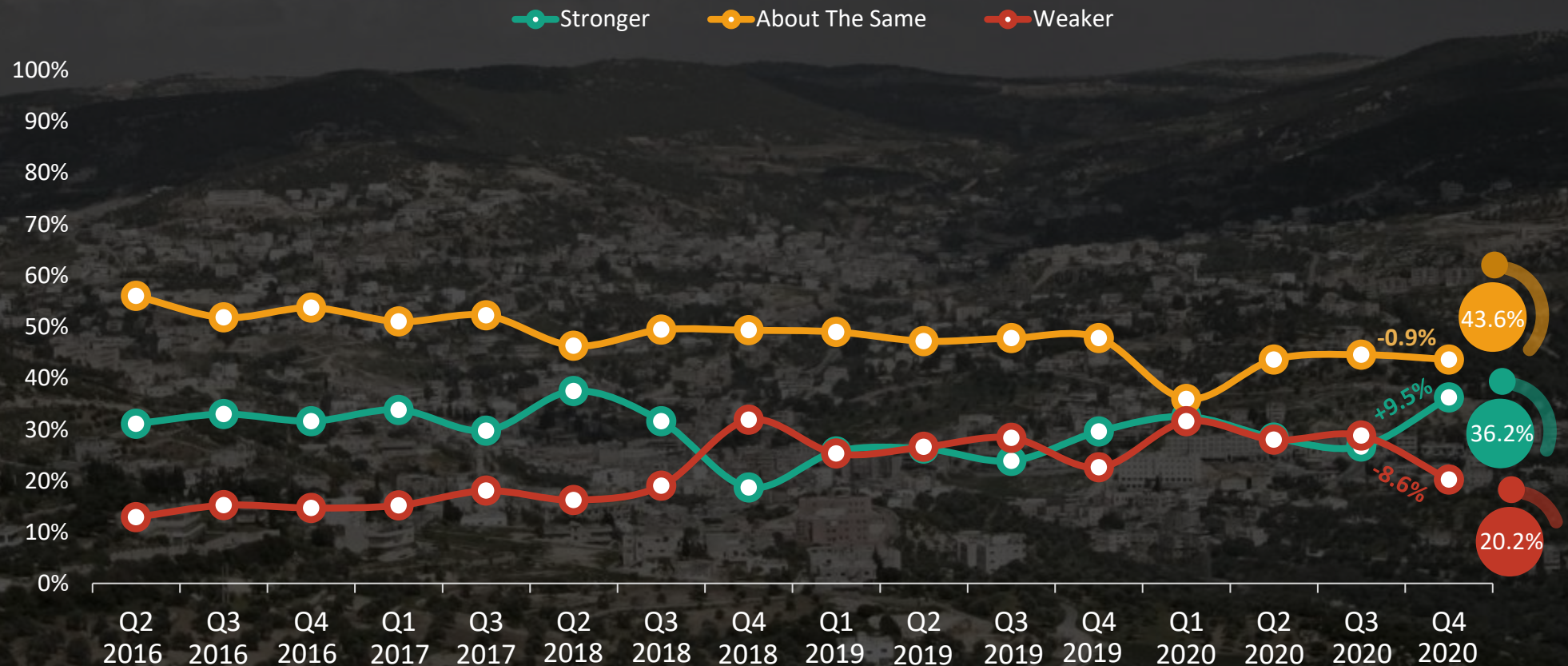
Global Comparison

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?

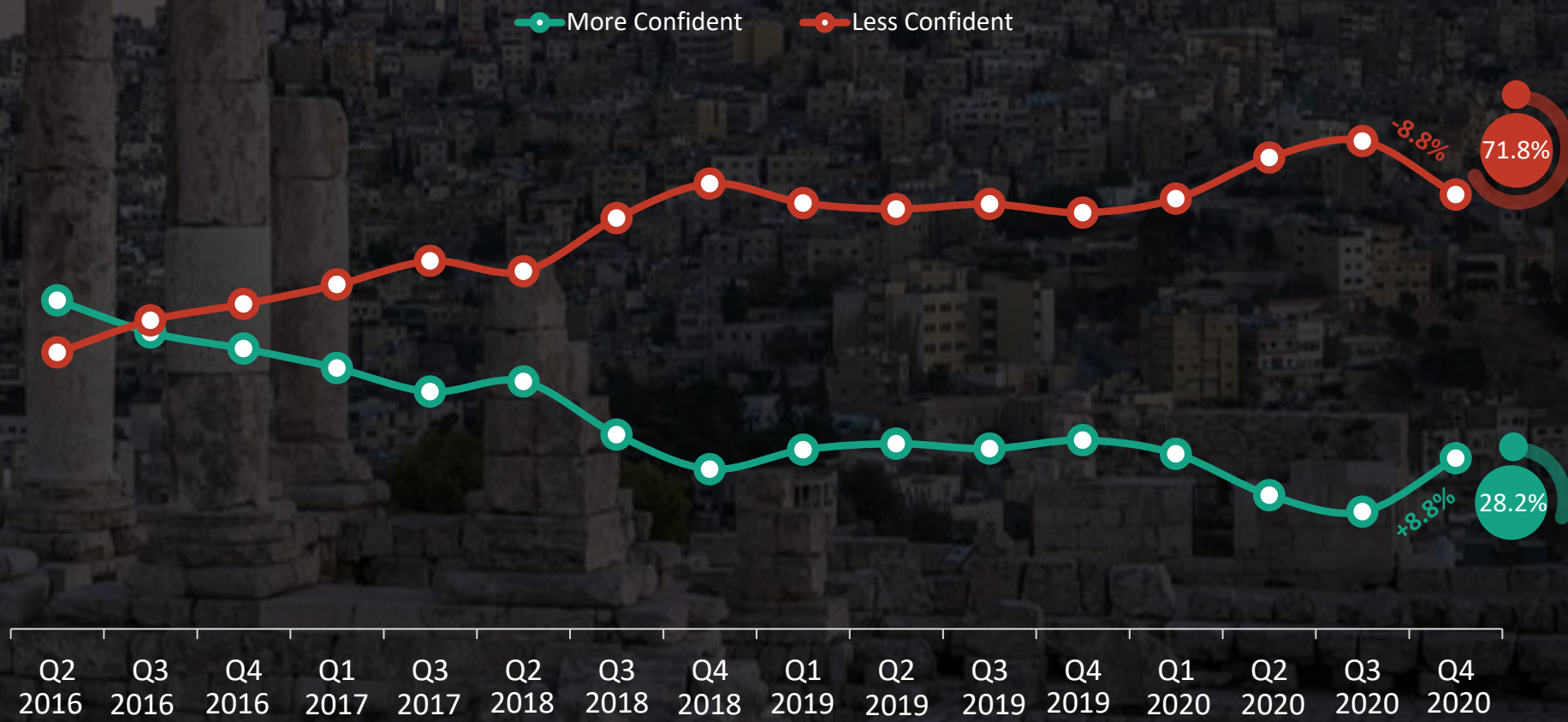


Employment



Job Security

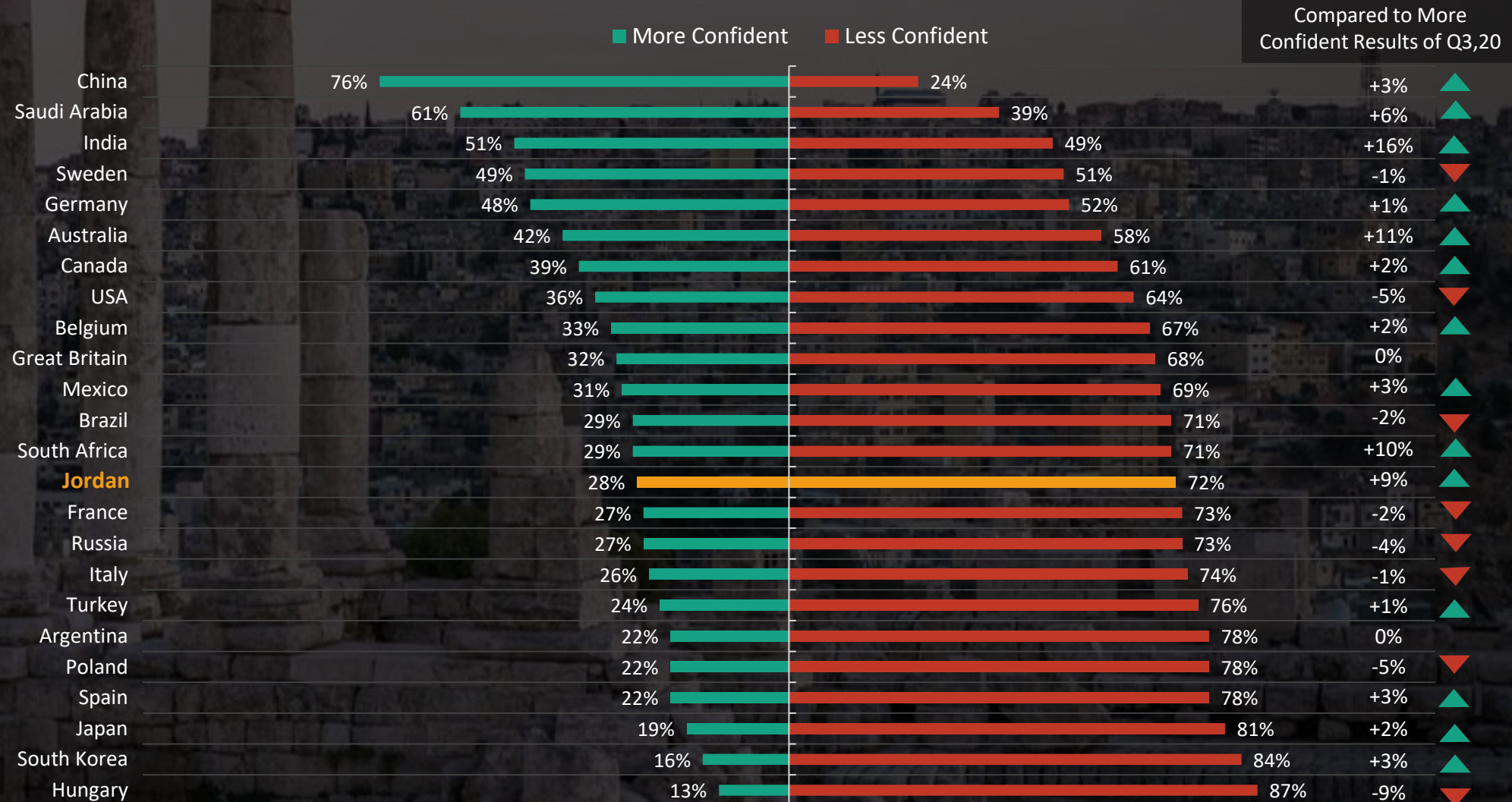
Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?



Job Security

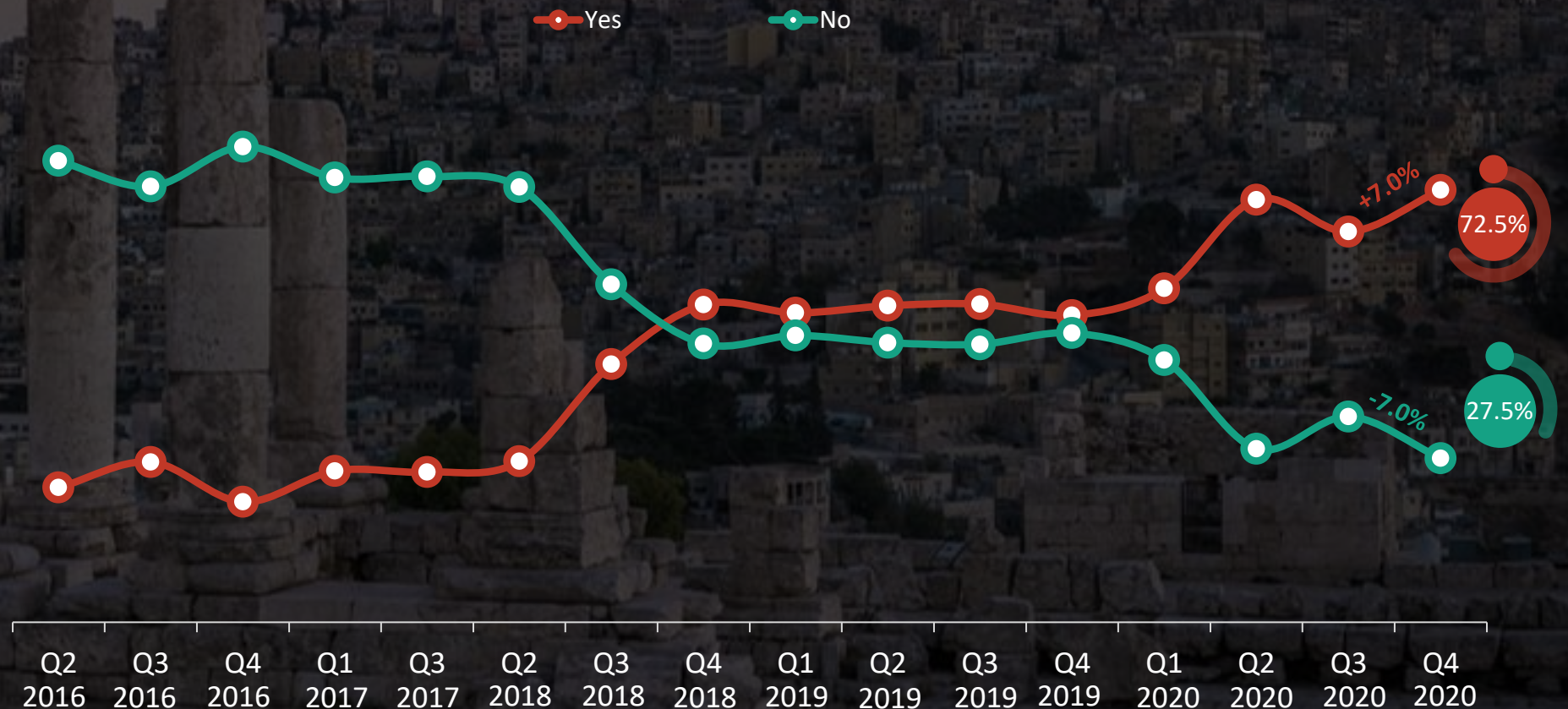
Global Comparison

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?



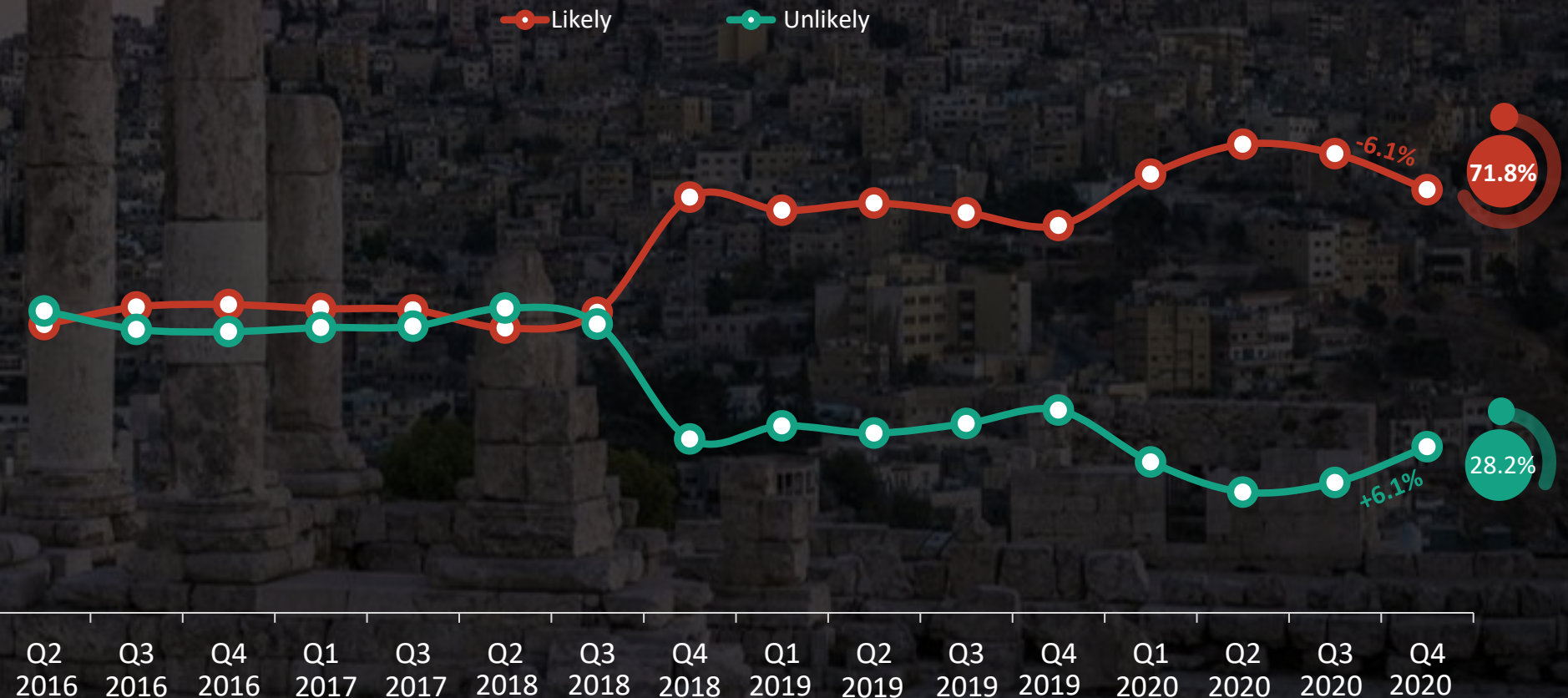
Job Losses in the Past Six Months

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?

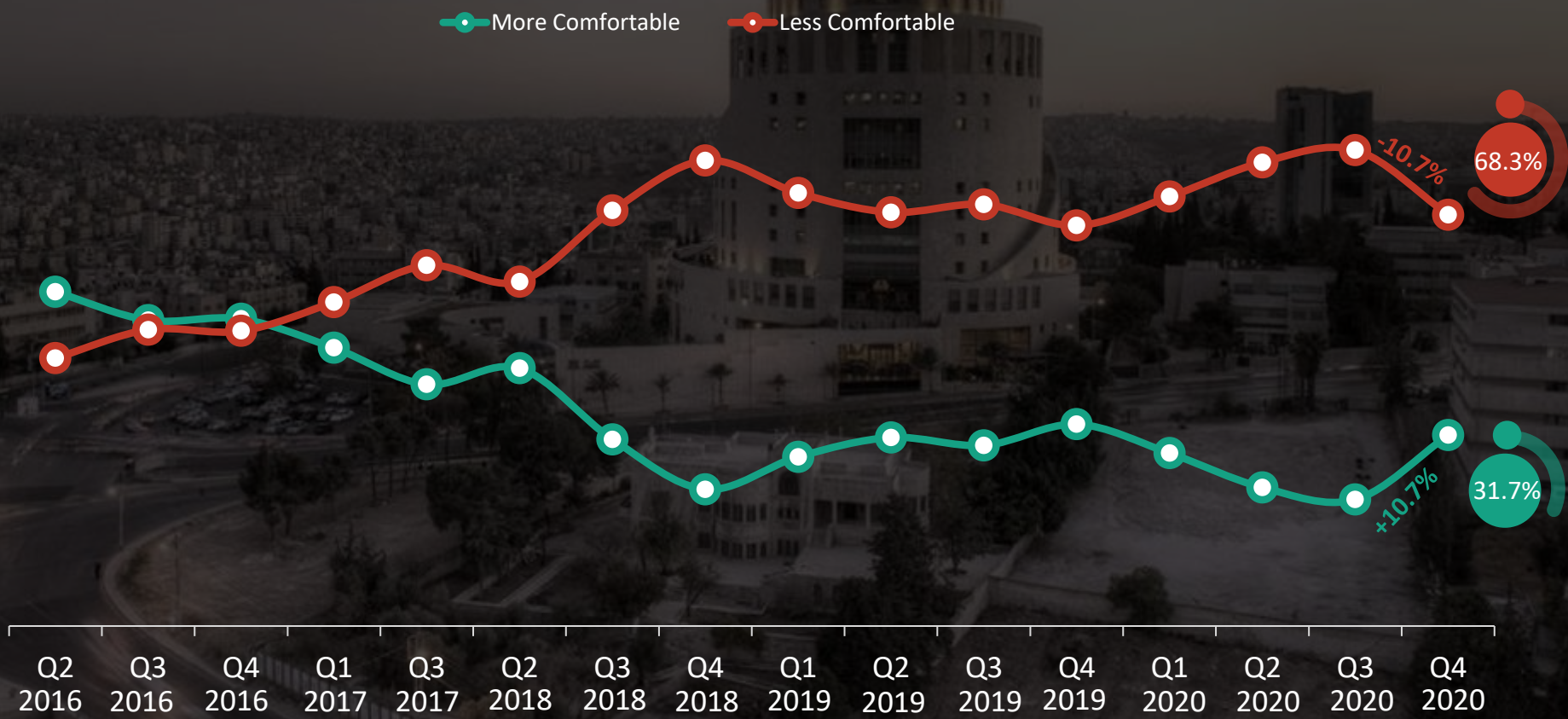




Investment Climate

Ability to Invest in The Future

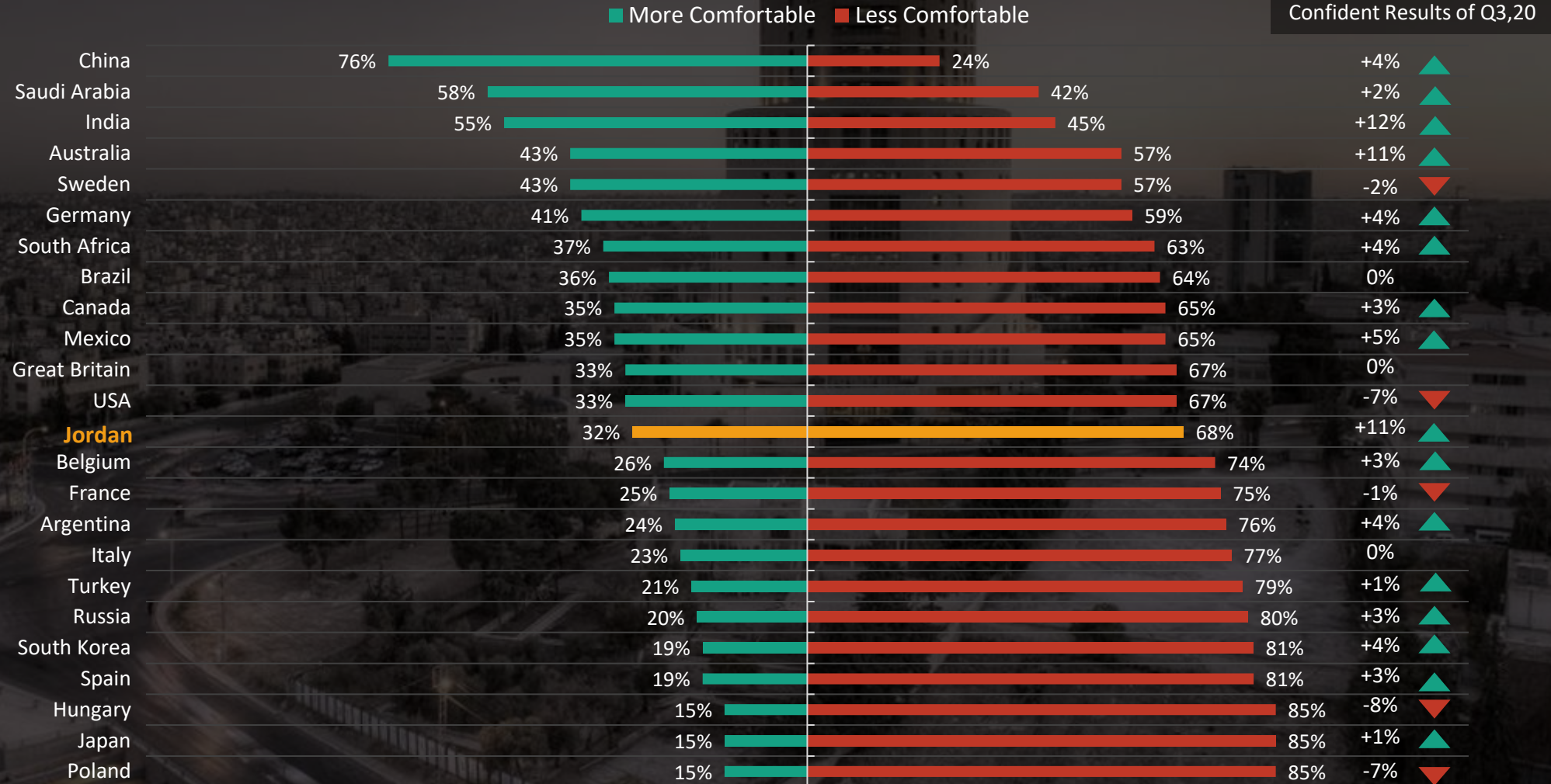
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



Ability to Invest in The Future

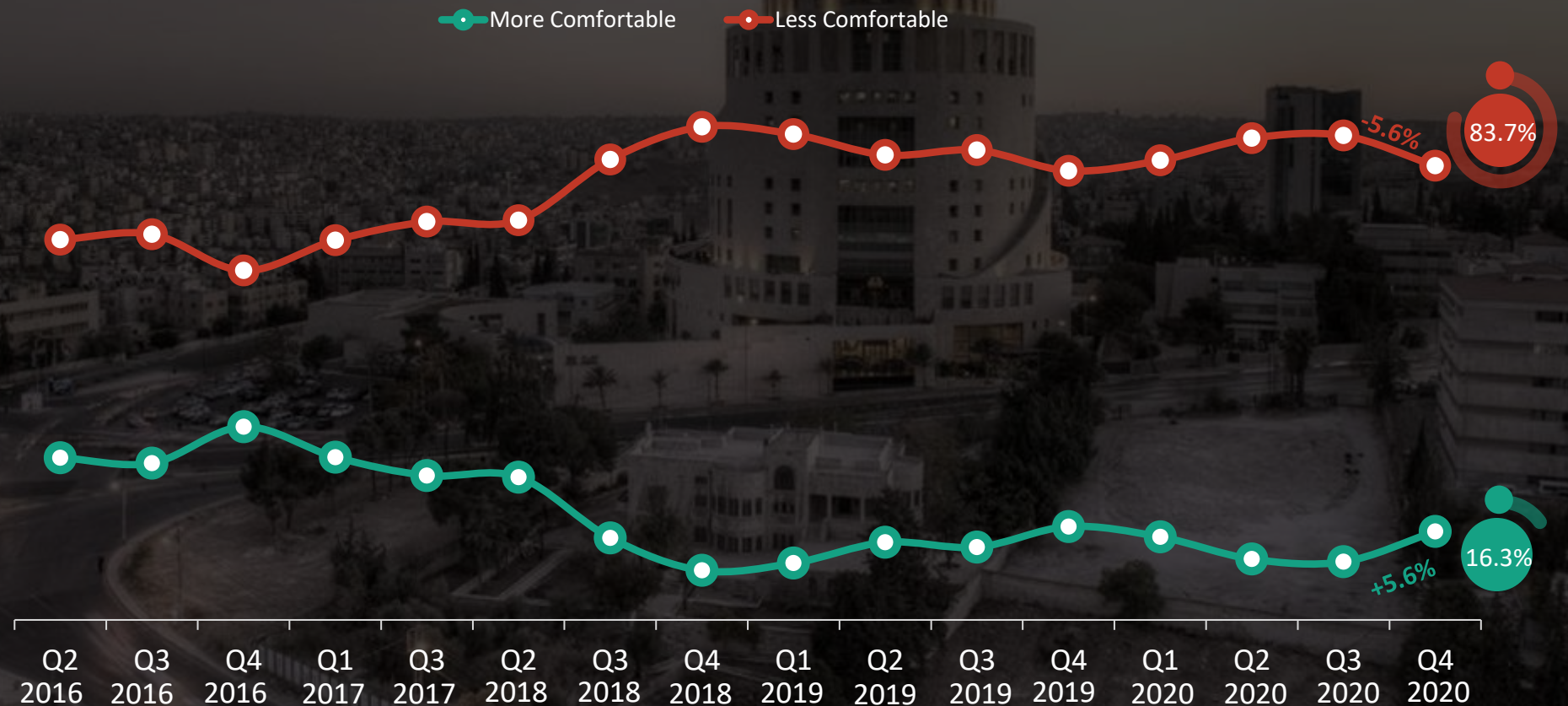
Global Comparison

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?



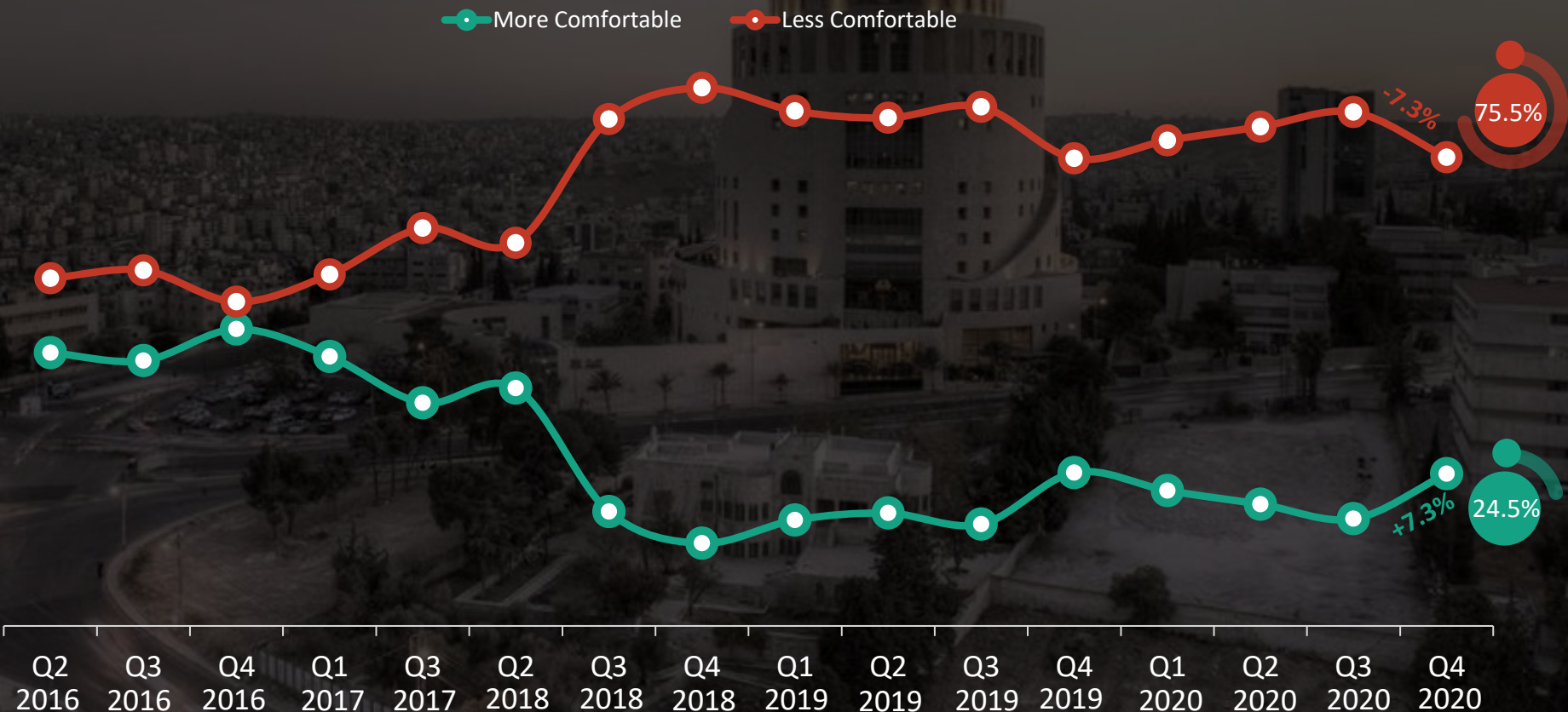
Ability to Make a Major Purchase

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?



Dealing With The COVID-19 Pandemic

Dealing With The Surge In COVID-19 Cases

Q: In your opinion, what is the best way to deal with the surge in coronavirus cases?

■ Sept (Q3, 2020)

■ Dec (Q4, 2020)

Lockdown

38.6%

29.9%

Adaptation

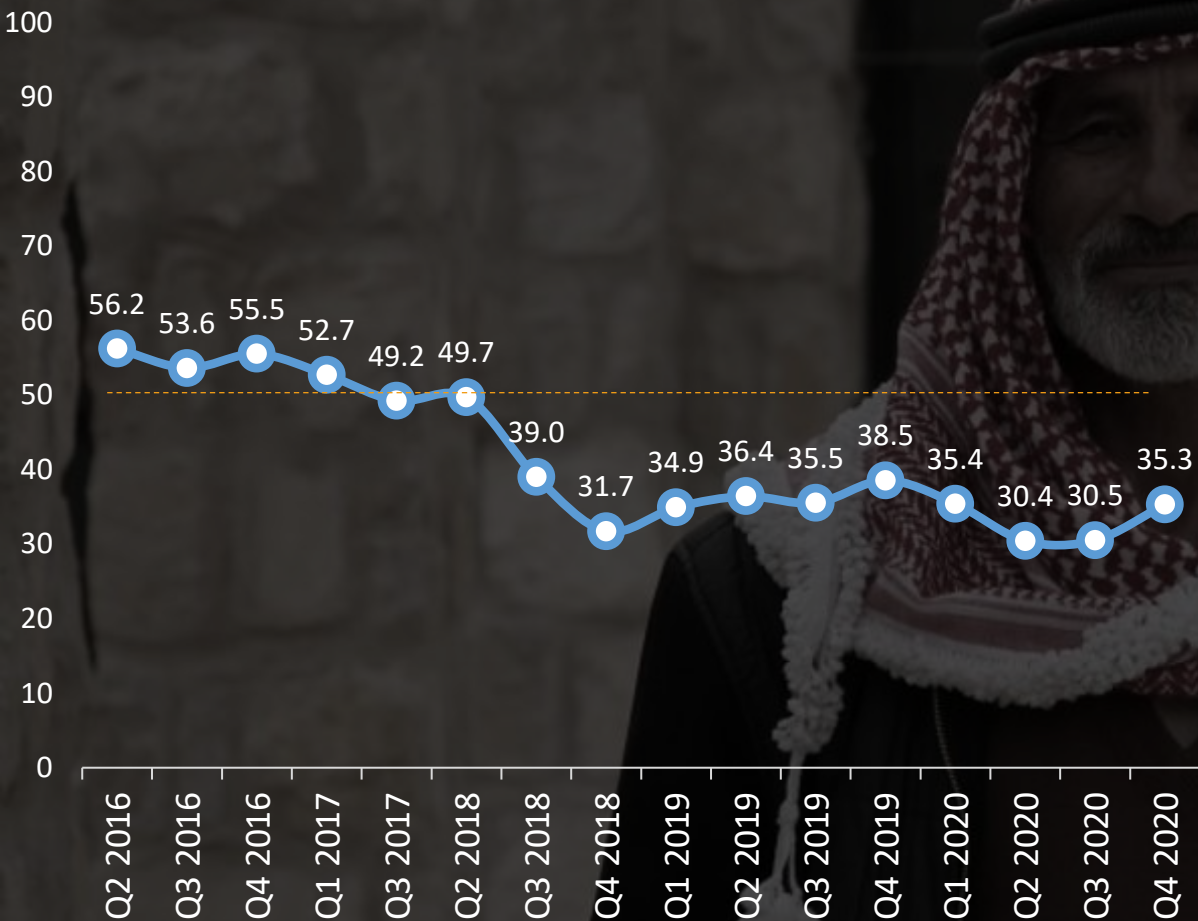
61.4%

70.1%

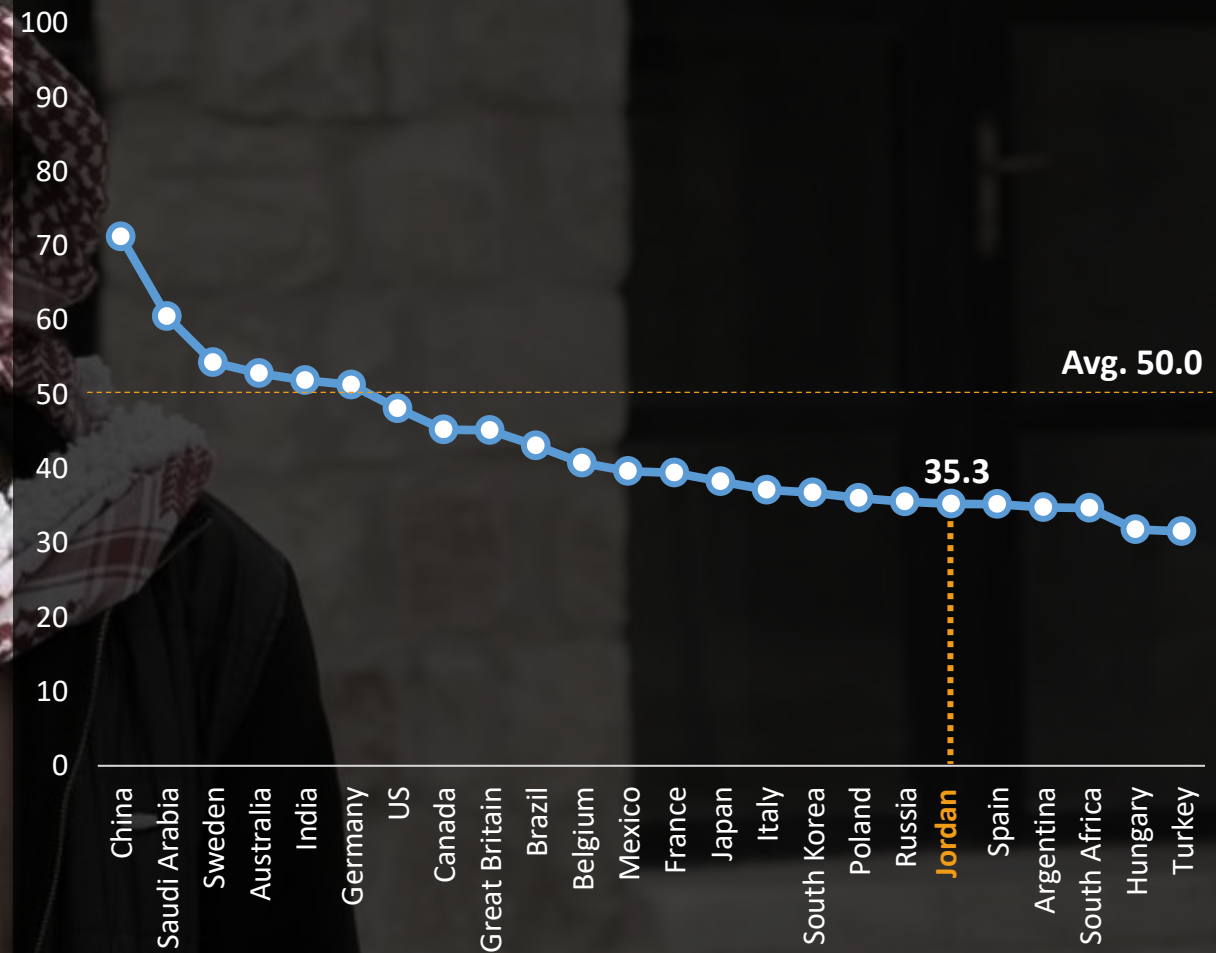
JCSI Deep Dive

Overall JCSI

JCSI- Trending



JCSI- Global Comparison

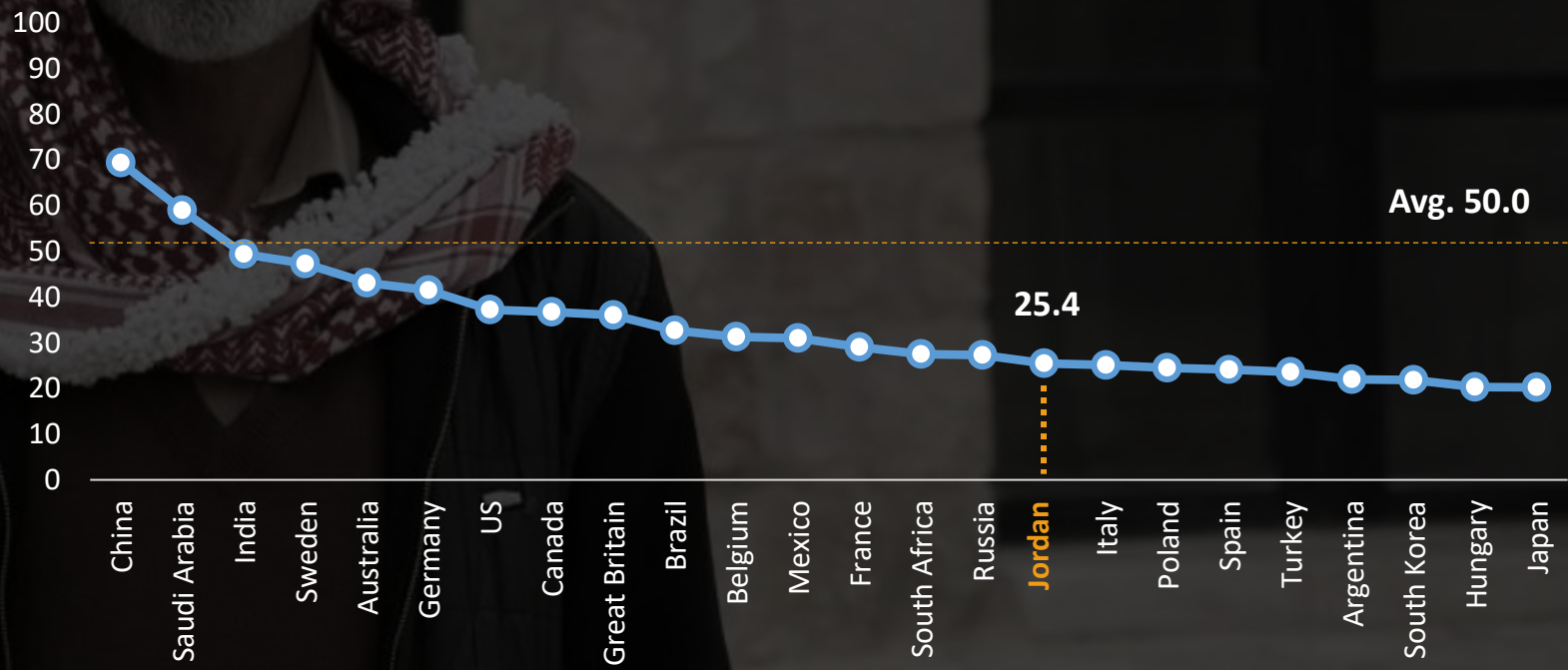
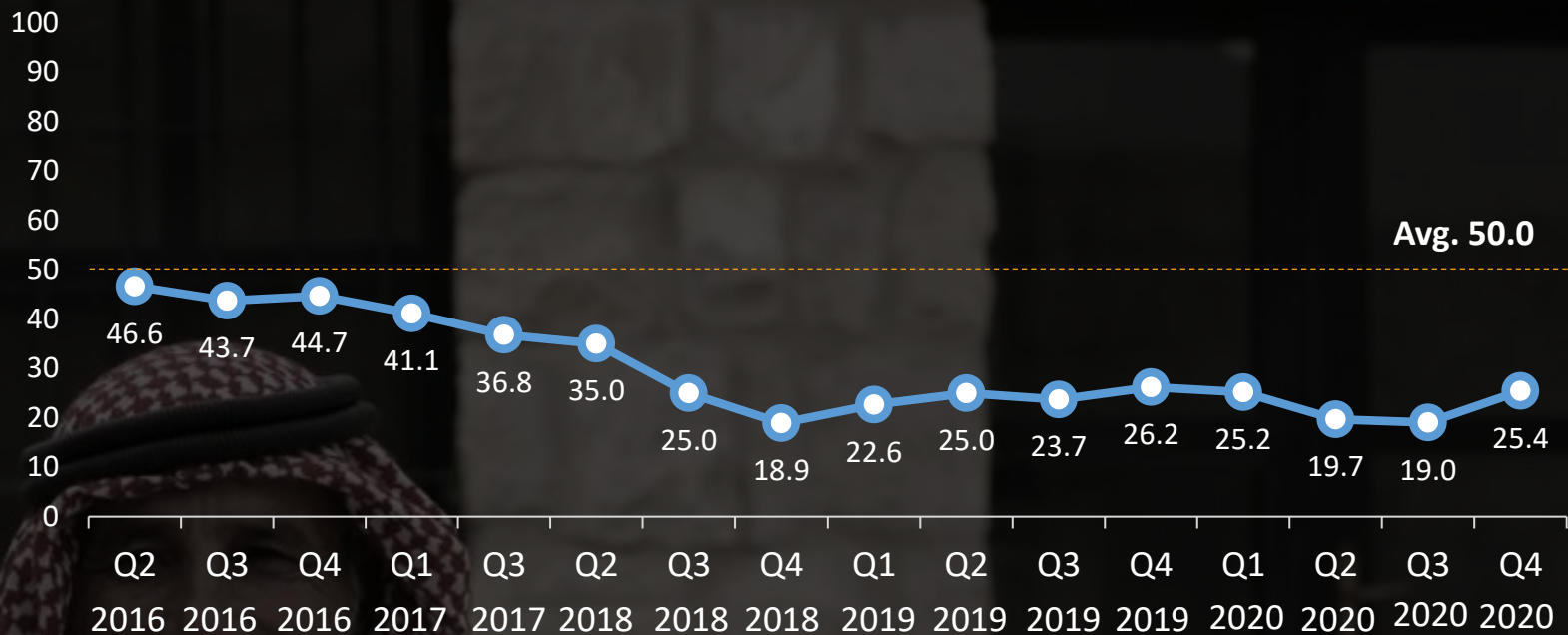




JCSI Personal Financial Conditions

This quarter's index on financial conditions has seen a significant 6.4 increase. Moreover, there is generally more positivity among countries.

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.



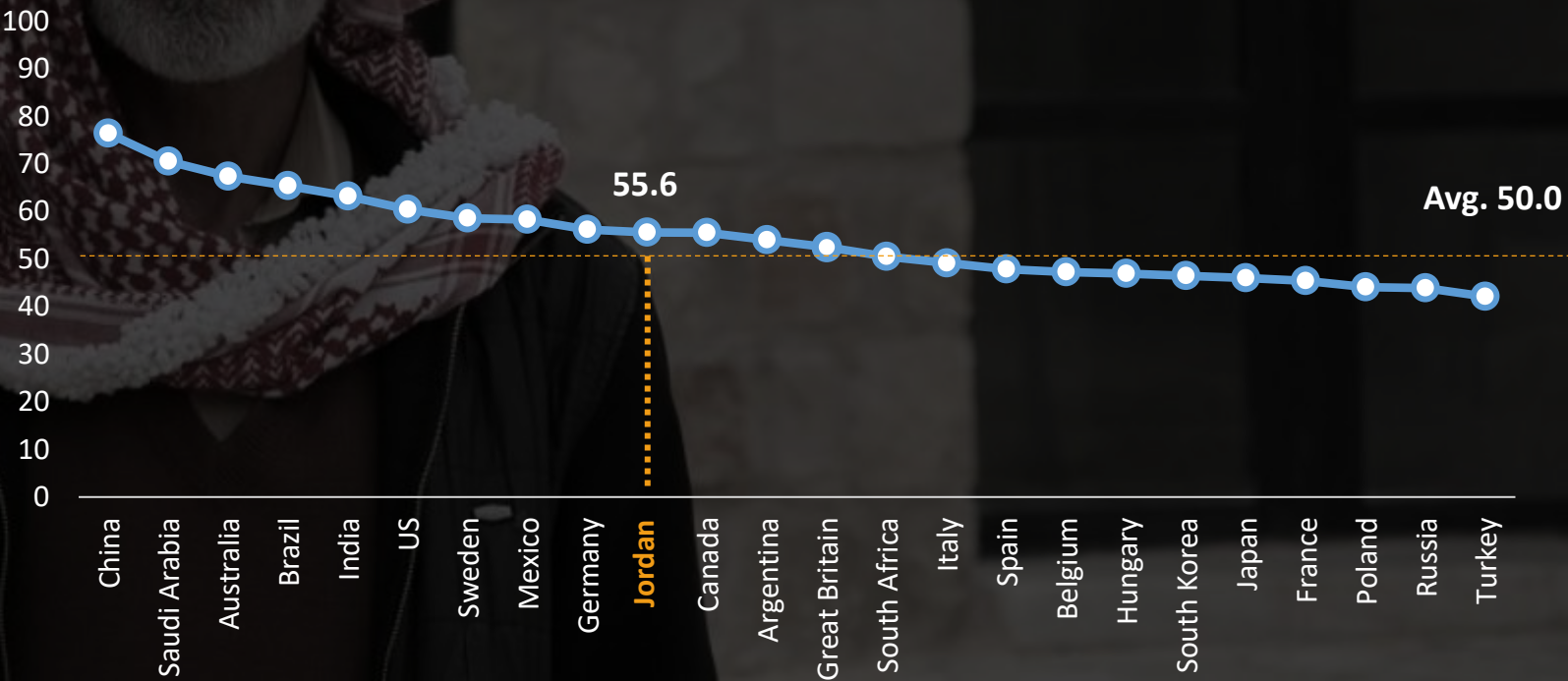
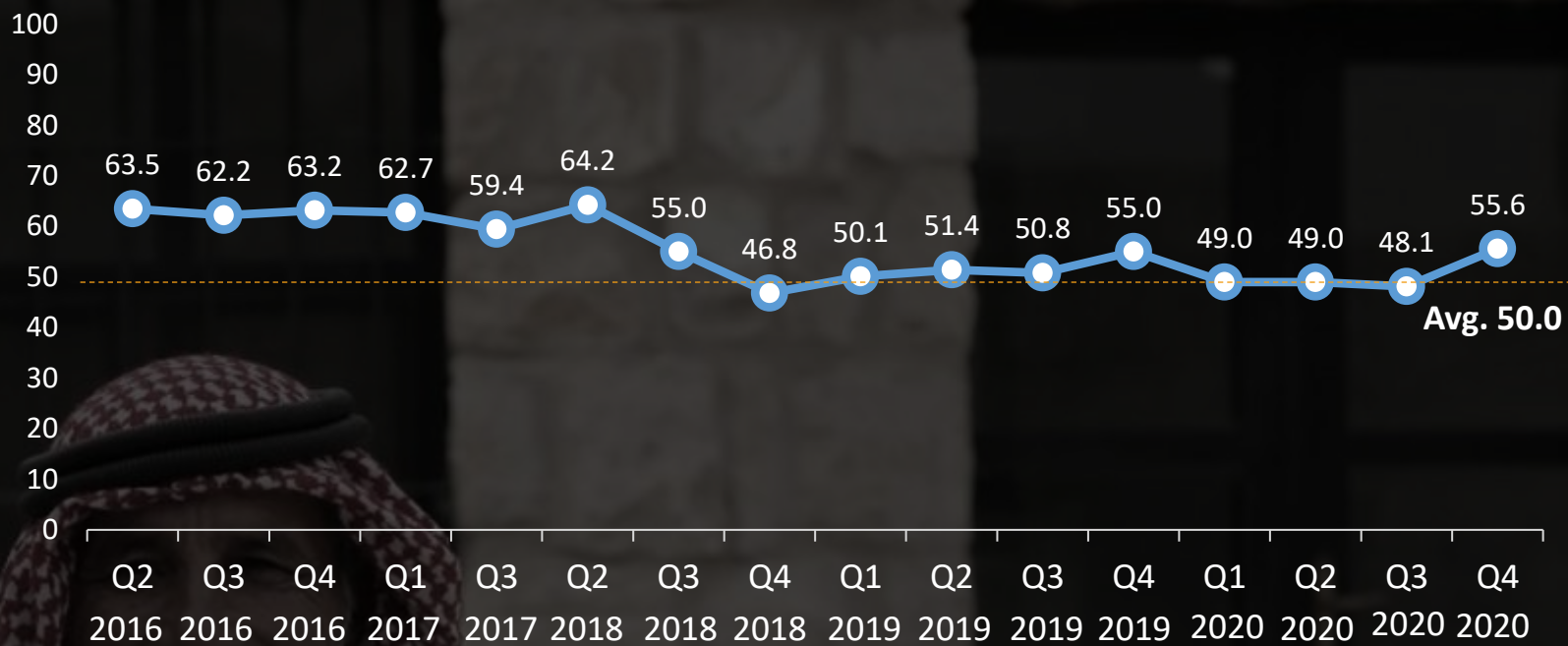


JCSI Economic Expectations

Jordanians' expectations regarding their country's economy has seen a rise of more than 7 points, pushing Jordan up to the top 10 countries when it comes to economic expectations.

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?

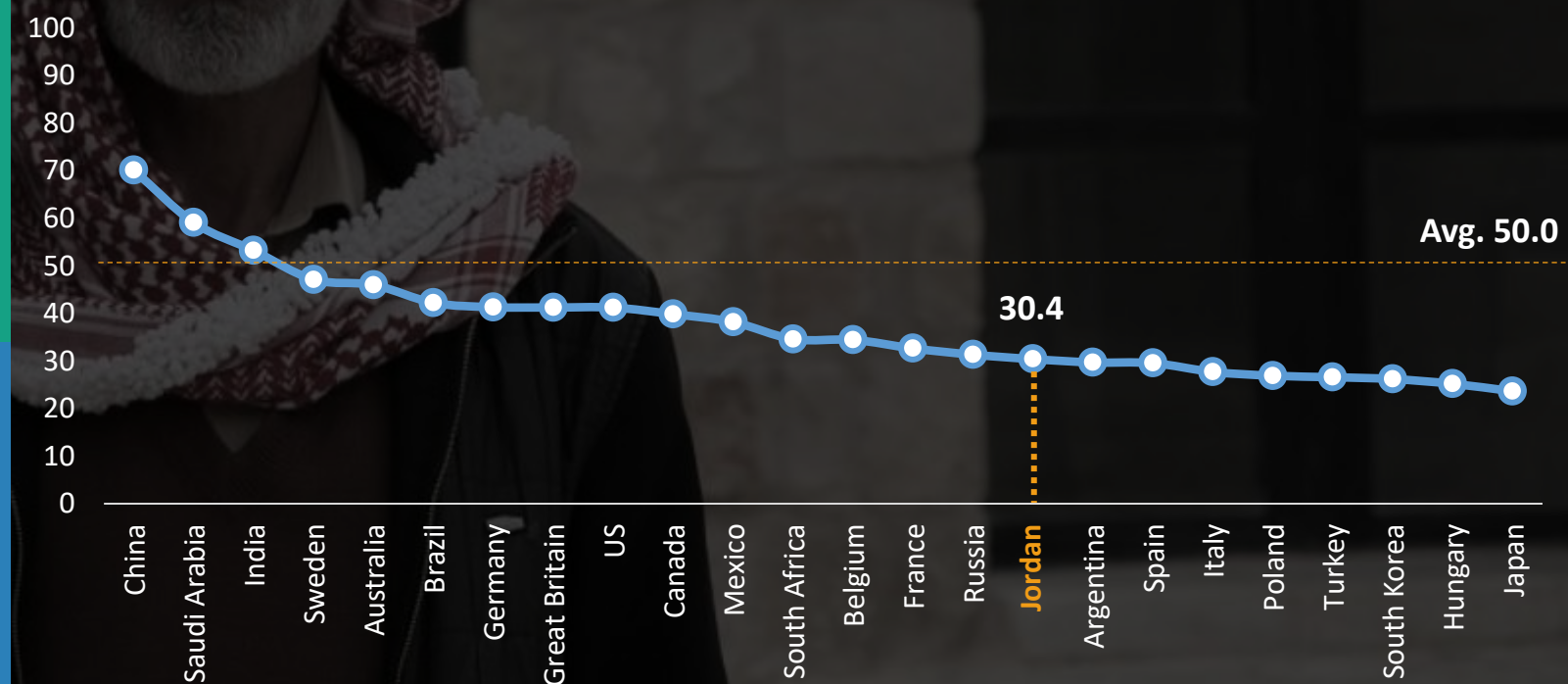
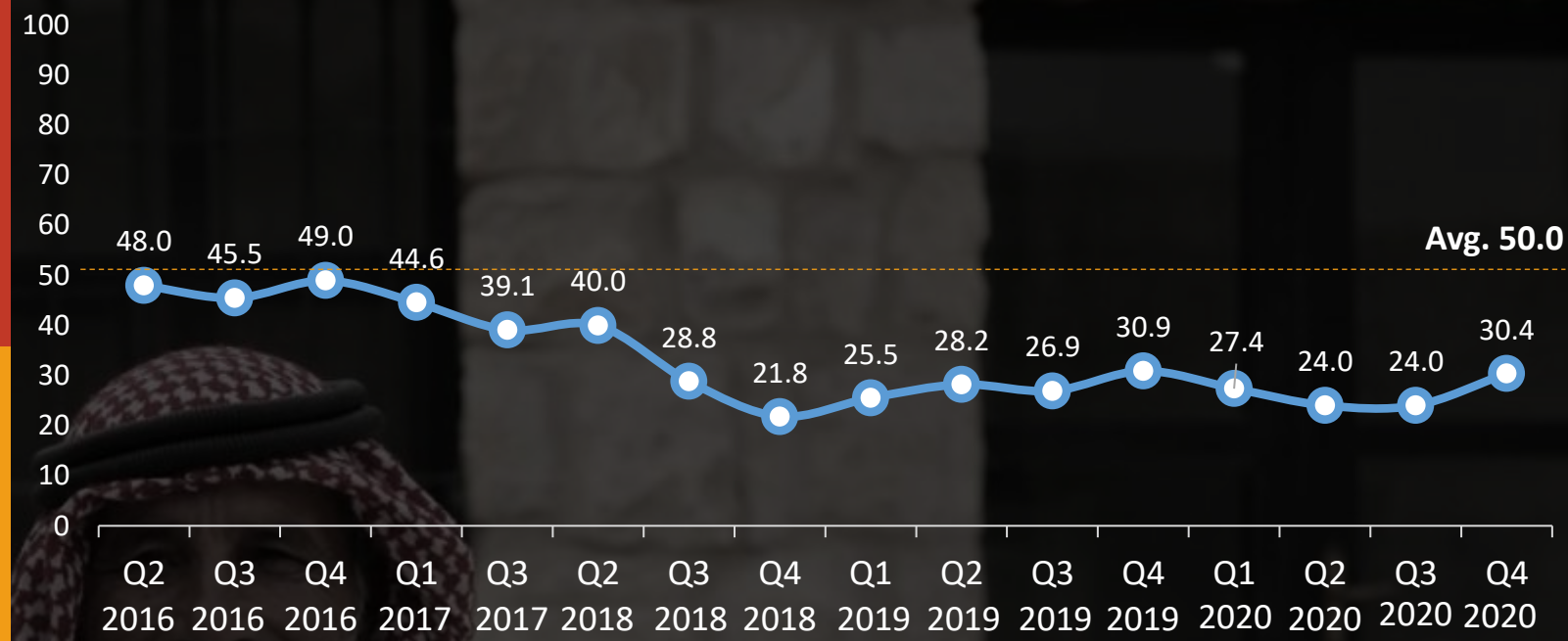




JCSI Investment Climate

Jordanians' perspectives on the investment climate is much more optimistic than last quarter, with a 6 point increase since September.

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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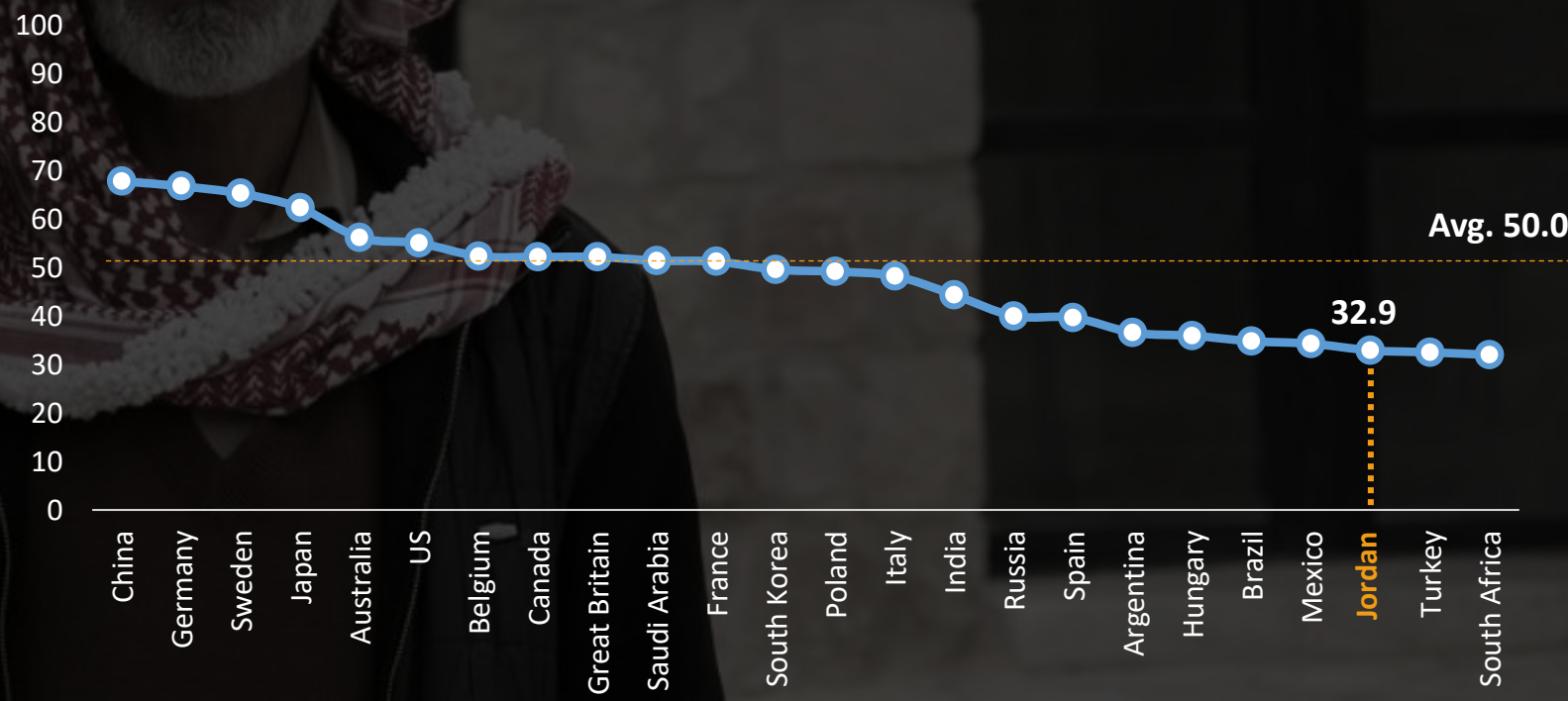
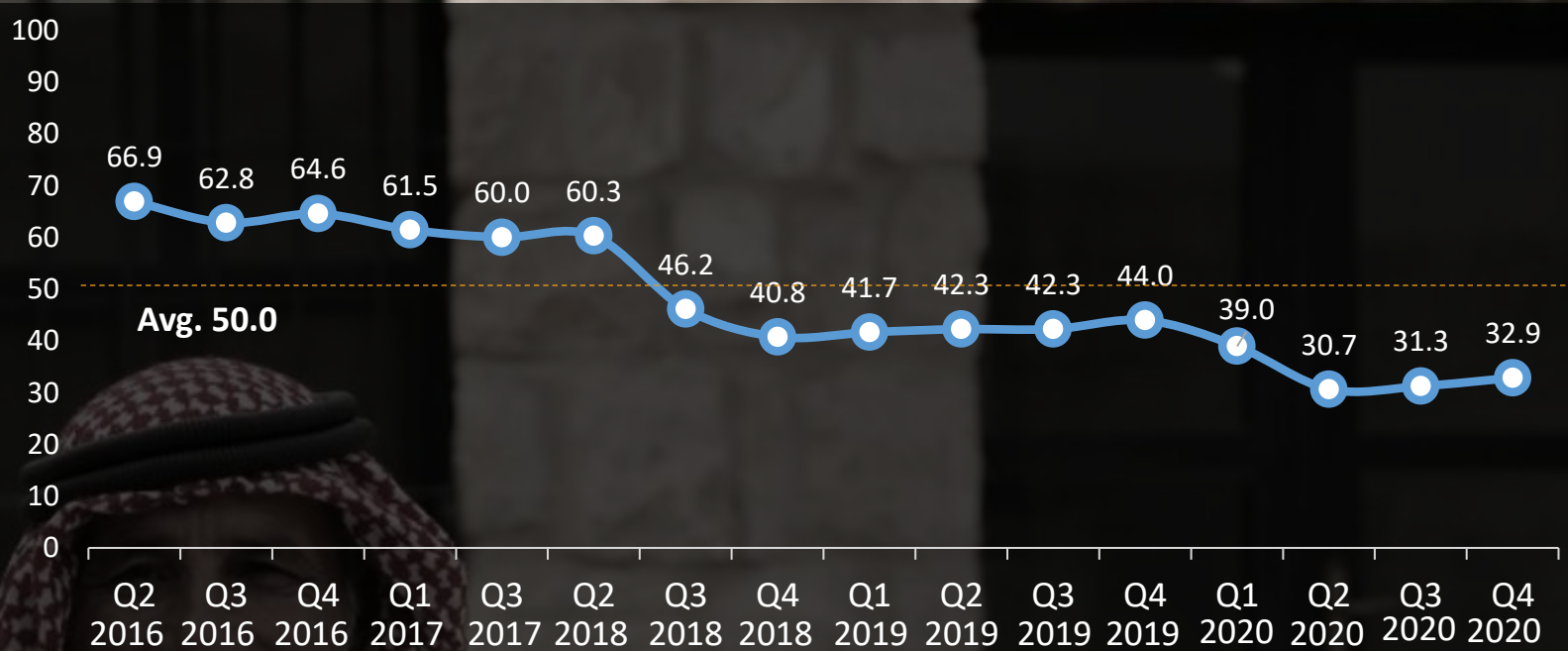


JCSI Employment Confidence

The employment index saw an increase this quarter, but the least one among all indices, where Jordan still scores very low in comparison to other countries.

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



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

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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