IPSOS UPDATE

A selection of the latest research and thinking from Ipsos teams around the world

December 2022

Ipsos Knowledge Centre

GAME CHANGERS

Ipsos

IPSOS UPDATE DECEMBER 2022

Our round-up of research and thinking from Ipsos teams around the world.

As the year ends - unlike the polycrisis we are all living through - we have some signs of hope amid the gloom.

On inflation, we are at least able to report – for the first time in a year and a half - that levels of concern are stable this month rather than rising. But the public mood is still pretty cautious: 16 out of 23 countries are posting lower consumer confidence scores than they were back in February, before the invasion of Ukraine.

As our new *Feeling the Pressure* report on the cost of living illustrates, the diversity of experience and expectation across countries is something that it is vital for brands and policy makers to remember. There are massive regional differences in optimism. In this round-up we look at India and Turkey, both no strangers to inflation. But their current circumstances are very different, with the level of price increases relatively moderate in India but accelerating in Turkey. Our *Global Inflation Monitor* provides more country-level context on this key issue.

The Football World Cup in Qatar - and debate about it – is filling our headlines. For a deeper dive, take a look at our latest *Nations Brands Index* looking at how countries perform overall on a range of dimensions in global public opinion. Germany retains top spot, joined on the podium by Japan and Canada. Meanwhile my own country, the UK, has fallen out of the top five for the first time following its own chaotic political year, and Russia has slumped to 58th place (out of 60).

Last month's big global event – the COP 27 climate change summit – took place against the backdrop of the UN's announcement that there is "no credible pathway" to restricting temperature rises to below 1.5C. Our new research suggests that the global public may now be in a more radical frame of mind than their leaders: significant proportions are ready to engage with steps like banning oil-powered cars from cities and putting taxes on red meat and dairy products - at least in principle.

We do hope you find this edition useful - links to more information are throughout the text - please email **IKC@ipsos.com** with any comments or ideas.

Finally, may I just wish all our readers all the best for the festive season and 2023. As I know all too well predictions are tricky, but it probably won't be as bad as most people expect.

Ben Page, Ipsos CEO

IN THIS EDITION

FEELING THE PRESSURE
Understanding consumers during inflationary times

This report aims to help brands and decision-makers understand how people are trying to navigate the global crises we are facing in 2022 and explores how this differs across the world.

GLOBAL INFLATION MONITOR
Have we reached peak worry about inflation?

A new 36-country survey for the World Economic Forum finds that on average seven in ten people globally (69%) expect prices to continue to rise in 2023.

WHAT WORRIES THE WORLD?
Inflation concerns stable for the first time in 16 months

Inflation remains the top global worry in our 29-country tracker. However, for the first time in 16 months, the level of concern has not increased from last month.

FUTURE OF MOBILITY
Autonomous driving and the impact on our life

The potential uses of autonomous driving (AD) could change every aspect of consumers' lives and businesses alike. We explore the current state of technology and potential future applications.

ENVIRONMENTAL SUSTAINABILITY: WHO CARES?
A segmented landscape of barriers and opportunities

We share the results of our global segmentation of attitudes and concerns towards environmental sustainability, identifying five key groups and sharing guidance on how to engage each successfully.

CLIMATE CHANGE FOCUS
The latest from Ipsos on environmental sustainability

We share the results from two new global surveys on government policies to tackle climate change and on plastic pollution. We also introduce our new podcast mini-series 'People, Planet, Prosperity'.

THE MORPHING STORE
Shop evolution in a convergent commerce world

As the nature of commerce continues to shift and evolve, what are the imperatives for survival and success of the physical store? We explore the functional, experiential, and human aspects of the store.

ANHOLT-IPSOS NATION BRANDS INDEX 2022
Global perceptions of countries around the world

The 15th edition of the Anholt-Ipsos Nation Brands Index (NBI) finds Germany claiming first place for the sixth consecutive year. Japan and Canada follow in second and third place.

Cover photo:
Berlin, Germany.
Germany is the top ranking country in NBI 2022. See page 11 for more.

FEELING THE PRESSURE

Understanding consumers during inflationary times

Sometimes if feels like we are moving from unprecedented crisis to unprecedented crisis. In 2022, we shifted from a once-in-a century global pandemic to a cost-of-living crisis, as war returned to Europe and the devastating effects of climate change became ever more apparent.

Feeling the Pressure: Understanding Consumers during Inflationary Times aims to help brands and decision-makers understand how people are trying to navigate these global crises and how this differs across the world.

During the pandemic, we got used to new words like lockdown and social distancing. Now we're adjusting to the *polycrisis*, a series of concurrent crises with the potential to cause harm greater than they would offer in isolation.

During this period of rapid change, we have been trying to stay close to how people are feeling. Our new 36-country study (see following page for more) focuses on people's perceptions of their own situation as well as looking ahead to where they think things are going.

Looking across the globe, it's hard to get one overall narrative, with different contexts bringing a different local dimension to the global problem of rising inflation. For this reason, our experts on the ground in India, France, Turkey, Argentina, Brazil and Malaysia, write about how the current crisis is unique in their market.

Against the backdrop of so much change, we looked at what behavioural science can tell us about consumer psychology during the *polycrisis*. Coming on the back of the pandemic we have been looking to ground ourselves in the broader context. Our Ipsos Disruption Barometer provides a panorama of the broader dynamics of our current situations.

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LOOKING ACROSS THE GLOBE, IT'S HARD TO GET ONE OVERALL NARRATIVE, WITH WITH DIFFERENT CONTEXTS BRINGING A DIFFERENT LOCAL DIMENSION TO THE GLOBAL PROBLEM OF RISING INFLATION. ”

GLOBAL INFLATION MONITOR

Have we reached peak worry about inflation?

A new 36-country survey for the World Economic Forum finds that on average seven in ten people globally (69%) expect prices to continue to rise in 2023. This is highest in Singapore (81%), South Africa (81%), and Argentina (80%).

But has worry about inflation peaked? Globally, the proportion of people who think prices will increase over the next year is down from 75% in June and 78% in April 2022. 27 of 28 countries included in [previous waves of the Ipsos Global Inflation Monitor] have seen a decrease in the proportion of people expecting further price increases.

However, this doesn't mean that people think their lives will get any easier in 2023. One in three globally expect their standard of living to fall, a figure unchanged from earlier waves. Negativity about their current situation is highest among Europeans. One in two in Turkey (52%), Hungary (50%), Poland (48%), Belgium and Great Britain (both 47%), think their standard of living will go down. Similarly, more than one in two in Great Britain (58%), Ireland (56%), and Belgium (51%) feel they will have less disposable income next year.

Inflation is perceived as being a global problem, with the state of the global economy (74%) and the Russian invasion of Ukraine (70%) seen as the primary causes of rising prices.

However, local factors are playing their part too: over two-thirds say interest rates and the policies of their government are playing a role. Five countries select their government's policies as the biggest factor in causing inflation, with blame highest in Great Britain where 84% say this is the case, up 10 percentage points since June.

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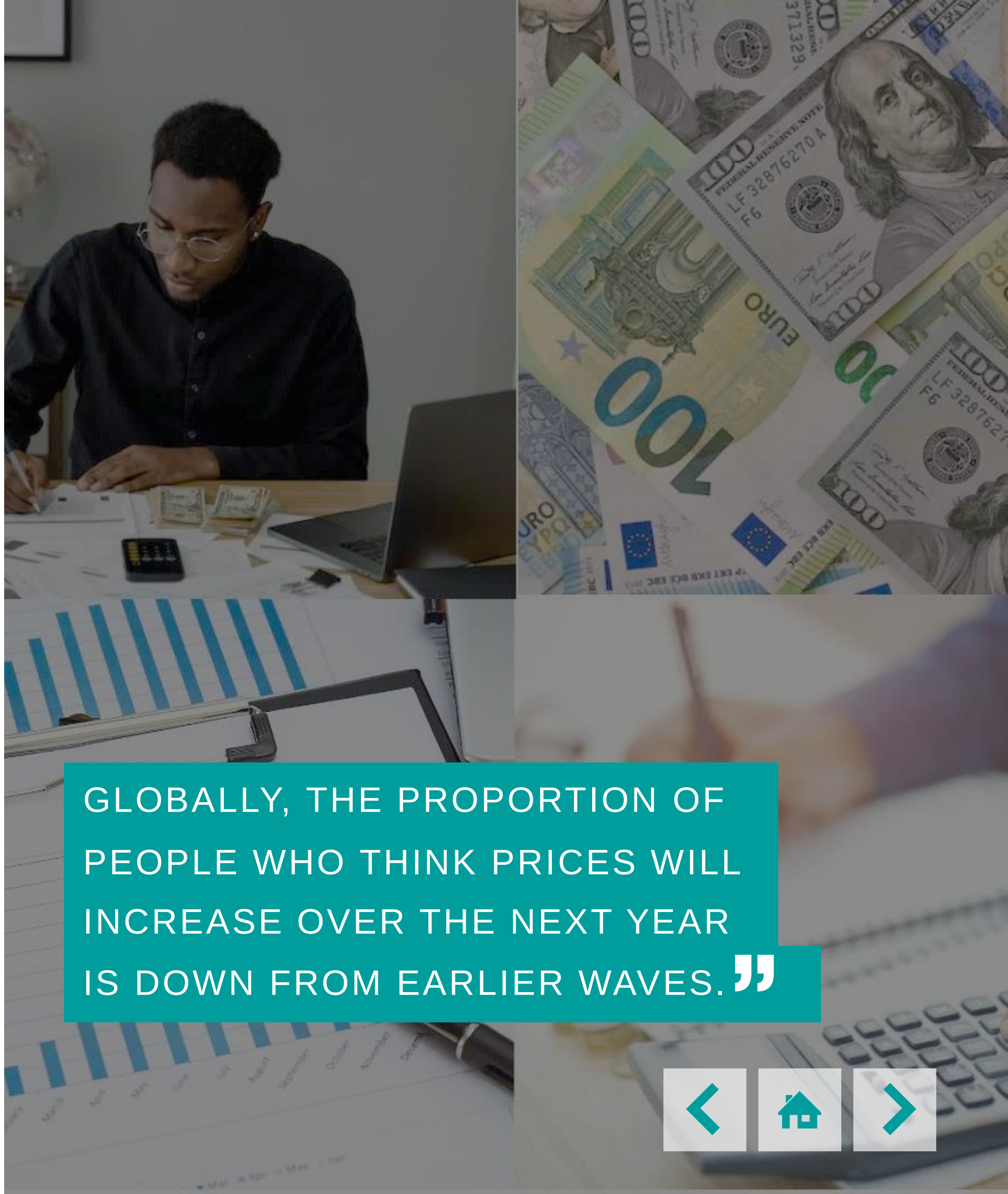


GLOBALLY, THE PROPORTION OF PEOPLE WHO THINK PRICES WILL INCREASE OVER THE NEXT YEAR IS DOWN FROM EARLIER WAVES.

WHAT WORRIES THE WORLD

Inflation concerns stable for the first time in 16 months

Inflation remains the top global worry in our 29-country tracker at 42%. However, for the first time in 16 months, the level of concern has not increased from last month.

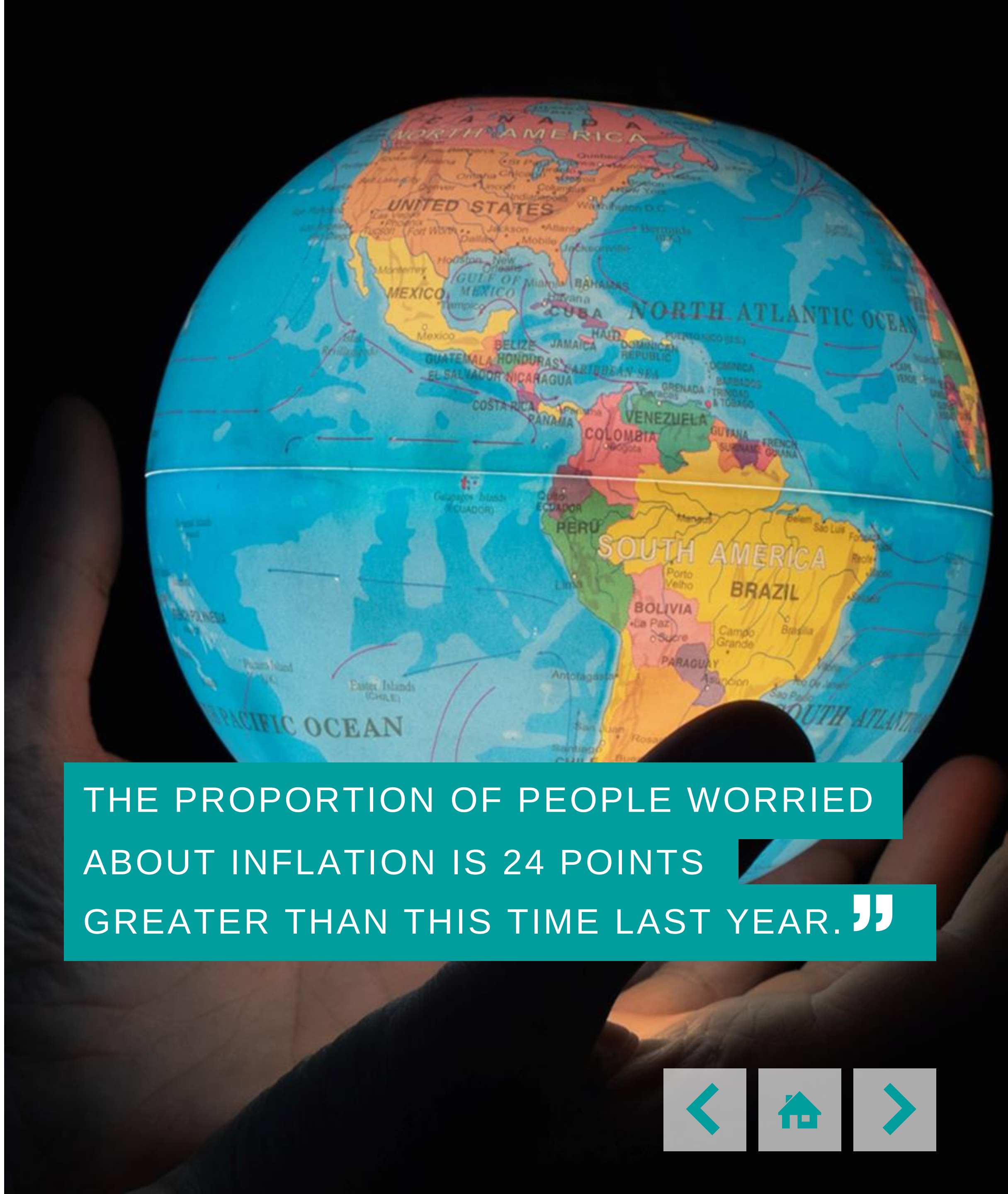
This month's score is 22pp greater than the start of this calendar year and 24pp higher than this time last year, which illustrates the escalating concern on this issue. And levels of worry are 33pp greater than two years ago. Eight countries have at least half choosing inflation as one of their key worries and this rises to over two-thirds in Argentina. Poland’s concern for inflation (65%) has dipped since last month (-5pp).

This November, 13 countries have inflation as their number one worry - Argentina, Australia, Belgium, Canada, France, Germany, GB, Netherlands, Poland, Saudi Arabia, South Korea, the US, and Turkey. With the Netherlands replacing Hungary.

Meanwhile, Germany is now joint first at 31% with Australia and France over worry about climate change. This is after a slight fall in the Germany figure (-2pp) and an increase from Australia (+4pp) and France (+4pp). In France and Australia, it is the second biggest concern behind inflation. It is Germany’s third biggest concern, behind poverty and inflation.

Concern about coronavirus is highest in Japan (28%) but this is down 1pp from last month and now the country’s third largest issue. Saudi Arabia (26%) is now second after jumping 12pp from October. Covid is considered more of an issue in Saudi Arabia than climate change.

On average globally, 32% of people describe the current economic situation in their country as “good”, unchanged from last month.



THE PROPORTION OF PEOPLE WORRIED ABOUT INFLATION IS 24 POINTS GREATER THAN THIS TIME LAST YEAR.”

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FUTURE OF MOBILITY

Autonomous driving and the impact on our life

The shift towards autonomous driving (AD) and autonomous vehicles (AVs) has proven to be a bigger challenge for manufacturers and the tech industry than expected. This hasn't stopped them, however, from pouring massive amounts of resources into the technology and it's clear to see that manually-driven vehicles will become a thing of the past.

Advantages of AVs are numerous and could include reduced costs to long-haul trucking, agriculture, improved ride hailing services, better public transport, more hygienic street cleaning, but there is potential for seemingly endless applications.

Benefits to the consumer are also unquestionable: expanded mobility for people with physical impairments; more efficient driving that leads to fewer traffic jams and therefore lower pollution and more hospitable cities.

Time previously spent operating a vehicle will be freed up, providing people with hours each week that can be spent doing other activities like working, playing, watching TV, eating food etc.

However, there is some scepticism surrounding AVs, especially around malfunctioning AI and privacy concerns. Overall, western consumers tend to be more hesitant: only 31% of Americans and 33% of Germans say they would consider owning an AV (compared to 51% of Chinese).

In this paper, we explore the current state of autonomous vehicles, explore where the technology is, and consider what the future applications will be for autonomous driving. The potential uses of AD look to change every aspect of consumers' lives and businesses alike. We also investigate the generational attitudes to AD and the barriers the industry will have to overcome.

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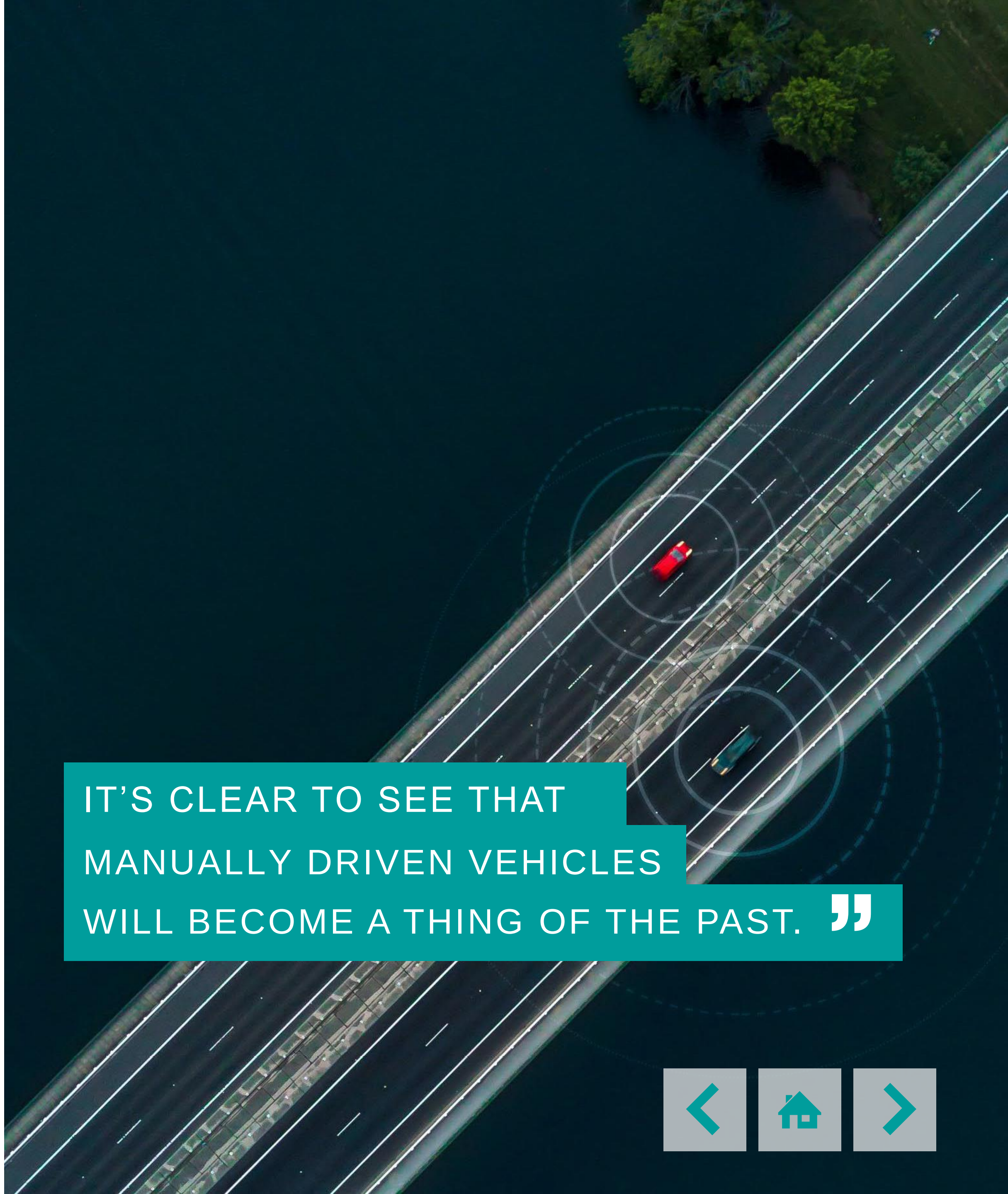

ENVIRONMENTAL SUSTAINABILITY: WHO CARES?

A segmented landscape of engagement, challenges, and opportunities

There is a growing acknowledgement globally that the world is facing an environmental crisis. And the public believe that the responsibility to act to address this is shared among government, industry and citizens.

But urgent day-to-day issues like managing the cost-of-living crisis often take precedence over important long-term matters.

What's more, citizen concerns, attitudes, priorities and actions are not homogenous when it comes to environmental and social issues. If government and businesses are to engage citizens and consumers with planet-friendly legislation or services and instigate positive behaviour change, it is necessary to understand different citizen views and actions across the globe.

To this end, Ipsos conducted a global segmentation study covering 15 markets across all continents. Five segments were identified based on their level of concern for the environment and the level of action or intended action to reduce their own impact on the planet: *Activists, Pragmatists, Conflicted Contributors, Busy Bystanders* and *Disengaged Denialists.*

This paper shares a detailed profile of each of the segments, covering their lifestyles, purchase behaviours and motivations. It also provides guidance for governments and businesses for targeting, engaging and driving positive behaviour change among each of the segments.

For more from our ESG series, check out Sustainability and Advertising: Friends or Foes?

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CLIMATE CHANGE FOCUS

A round-up of Ipsos polling and research on environmental sustainability

SUPPORT FOR POLICIES TO TACKLE CLIMATE CHANGE

Across 34 countries, 68% of people are in favour of government policies that would make environmentally friendly technologies like solar panels or electric vehicles cheaper.

On average, one in two are also in favour of giving more road space to pedestrians and cyclists at the expense of motorists (49%) but levels of support vary between countries. Seven in ten are supportive of this in Indonesia (75%), Peru (71%) and Mexico (70%) but support falls to just 28% in Japan.

Four in ten globally oppose placing higher taxes on non-renewable energy sources such as gas and oil in order to make them more expensive, making this the least popular policy.

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PEOPLE, PLANET, PROSPERITY

Our new podcast mini-series features Ipsos experts interviewing clients and partners from different sectors, unpacking the ways they are responding to environmental, social and governance (ESG) challenges they are facing.

In episode 1, Dr Pippa Bailey interviews Elizabeth Eaves (Senior Sustainability Engineer for EMEA at Mattel) about the strides Mattel are making on both environmental and social fronts within their business.

In episode 2, Samira Brophy speaks with Stuart Templar MBE (Director of Global Sustainability) and Thomas Nagy (Consumer Insights Lead) who tells us why Volvo are prioritising sustainability and how they are making it a key priority running through every part of their business.

LISTEN

PLASTIC POLLUTION TREATY

An average of seven in ten people (70%) across 34 countries support a treaty that would create global rules for governments to end plastic pollution, according to a new 34-country survey conducted in partnership with the Plastic Free Foundation and WWF.

Regionally, support for global rules is highest in Latin America (77%) and Europe (72%). At a country level, support is highest in Peru and Indonesia (both 81%).

Clear majorities in every country surveyed, and a global average of 75%, believe that it is important to have global rules to ban unnecessary single-use plastics. Once again, Latin America shows the highest level of support at (81%), followed by Europe (74%).

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THE MORPHING STORE

Shop evolution in a convergent commerce world

Whilst the pandemic opened the digital commerce floodgates, there has since been a return to physical store shopping as the pandemic eases.

Ipsos data indicates that the death of the physical store has been greatly exaggerated. Depending on the category, shoppers spend between **39%** and **73%** of their shopping time in the physical store. And between **29%** and **77%** of subsequent purchases are made in brick-and-mortar stores.

The shifting commerce environment is pushing the physical store to adapt and reassess. The store is no longer just a place to display and purchase products and we see an increase in the functional, experiential, and human aspects of the store.

The channels around commerce are also adapting. Physical and digital environments are blurring, channels no longer compete but work together. There is therefore a need for CX Service Design to design and deliver end-to-end experiences, which will ultimately deliver Return on CX Investment (ROCXI).

We also need to reconsider the metrics used. As many stores place a greater focus on the experiential, success can no longer be measured by sales per square foot. Ipsos' ROCXI framework can demonstrate the financial impact of physical stores.

It's nearly impossible to have significant change without experiencing any growing pains. As commerce develops, new challenges will arise. Hurdles like: how will physical stores pay for themselves? What forms will they take as needs change? Has the pandemic changed consumer behaviour? You can find out more about convergent commerce and the impact on the customer journey, in the latest Customer Perspective podcast.

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THE SUPPOSED DEATH OF THE BRICKS AND MORTAR STORE HAS BEEN GREATLY EXAGGERATED.”

ANHOLT-IPSOS NATION BRANDS INDEX 2022

Germany takes the top spot for the sixth year in a row

The 15th edition of the Anholt-Ipsos Nation Brands Index (NBI) finds Germany claiming first place for the sixth consecutive year.

The NBI measures the global views and opinions towards 60 nations around the world, examining global perceptions of six aspects of a nation's identity: Exports, Governance, Culture, People, Tourism, and Immigration & Investment.

This year marks Germany's eighth time overall at the top of the ranking, officially breaking the record for most NBI number one rankings (previously held by the United States).

Japan rises to second place this year, with strong reputational rankings on the Exports, Tourism, and Culture indices.

Canada falls to third place, Italy and France complete the top five.

After ranking in second place in 2020, the United Kingdom has dropped in the rankings again this year, moving from fifth to sixth place. This is the first time since the NBI began that the UK has fallen out of the top five.

As a result of the war with Ukraine, Russia has dropped 31 places from last year and now sits in 58th place, with only Botswana and Palestine below it in the rankings.

Globally, the largest drivers of desire to visit a nation are the natural beauty of the country (16%), to visit a close friend (10%) or as a place to work and live (9%).

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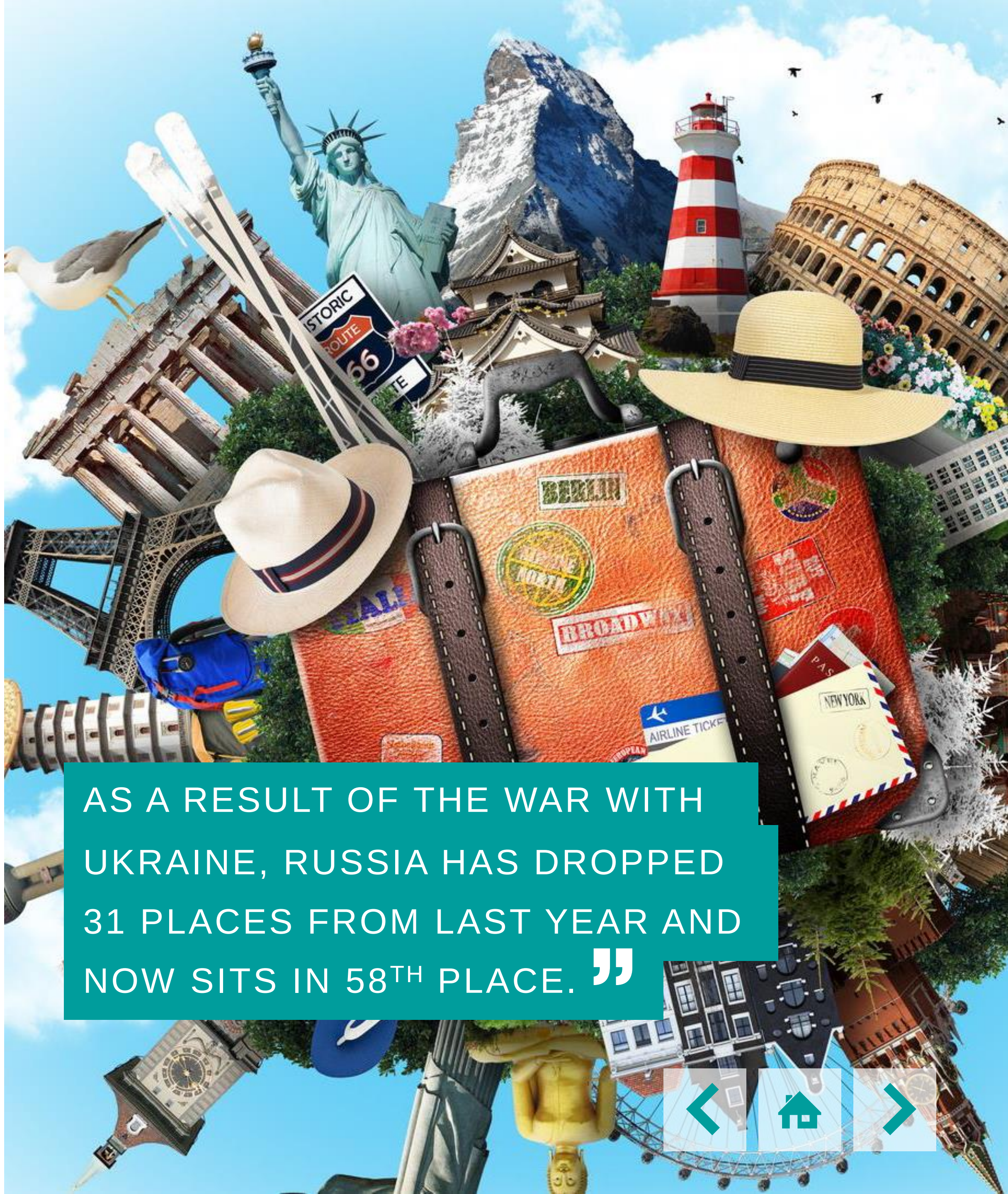

AS A RESULT OF THE WAR WITH UKRAINE, RUSSIA HAS DROPPED 31 PLACES FROM LAST YEAR AND NOW SITS IN 58TH PLACE. ”

SHORTCUTS

The 2022 FIFA World Cup in Qatar

This 34-country survey explores attitudes towards the current World Cup. It finds that more than half (55%) of all those surveyed plan to watch this year's tournament via various media (TV, Internet, radio, etc.). This is compared to 9% saying they don't plan to watch, 7% who haven't decided and 29% who are unaware of the 2022 FIFA World Cup.

Passion for football shows some fluctuation from country to country. Looking at the global country average, 17% of adults describe themselves as "passionate" about football while nearly a quarter (23%) say they follow the game, but will only watch matches played by their favourite team. The most passionate country is the UAE, followed by Saudi Arabia and India.

Among those aware of the tournament, 21% expect Brazil to be the winning country, 13% Germany, and 10% for Argentina and France. Given their history, it's no surprise to see that the Brazilians are the most patriotic optimists with 66% of citizens believing their country will win – 45pp higher than the global average.

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The Environmental Footprint of SMEs

The 2022 edition of the Flash Eurobarometer on small and medium enterprises (SMEs), resource efficiency and green markets reveals that SMEs in the EU have already undertaken substantive actions to transition their business operations towards environmental sustainability.

89% of SMEs in the EU are taking action to be more resilient, while 77% are planning to implement additional resource efficiency measures over the next two years.

Most commonly, SMEs are taking action by minimising waste (64%), saving energy (61%) and saving materials (57%).

However, the actual investment in resource efficiency remains low: 35% of SMEs surveyed invested 1% or more of their turnover in this area in the past two years. This figure, nonetheless, represents an increase compared to 2017 (+4 pp).

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Making a Plant-Based Future

Over the past few decades, the avoidance or reduction of meat in diets has typically been presented as an extreme choice. Storylines featuring vegans often centred around the limitations of a meat-free diet while the assumption that abstainers must be craving meat persisted throughout the mainstream media.

However, gradually the tide started to shift. We are now at a point where meat and dairy reduction is not just seen as something for those with strong principles or specific dietary requirements.

A global shift towards a more sustainable way of eating is vital; an essential step in this is a large-scale shift, which is moving away from a reliance on consuming meat and dairy towards a plant-based lifestyle.

This report seeks to identify how we got to where we are now and how to overcome the barriers that stop us from embracing a truly sustainable relationship with food.

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POLL DIGEST

Some of this month's findings from Ipsos polling around the world.

CHILE: 74% of Chileans are in favour of having a new constitution. This figure rises to 81% among 18-29-year-olds.

US: 61% of Americans are concerned that members of Congress are too old to represent the American population.

ITALY: 57% of Italians think that a metaverse creates the risk of losing touch with physical life and reality.

FRANCE: 36% of young French people who are not interested in the news say this is because it is too negative and stressful.

DENMARK: Six in ten people (60%) think that eating locally-produced foods is important in order to eat climate-friendly.

NORWAY: 27% of Norwegians dread Christmas to varying degrees, with almost half saying this is because of high costs.

UK: Six in ten Britons lack confidence that if they needed an ambulance, one would arrive quickly (64%).

CZECH REPUBLIC: Three-quarters of the population (73%) are concerned about rising housing costs or housing unavailability.

CANADA: Six in ten Canadians (60%) can't or don't want to pay more taxes to help combat climate change.

ECUADOR: 84% of Ecuadorians say they do not trust the state or the political institutions of their country.

KENYA: 51% of homes in Kenya own at least one smartphone, up 32 percentage points since 2015.

Visit Ipsos.com and our local country sites for the latest polling and research.

CONTACT

All the information within this *Ipsos Update* is in the public domain – and is therefore available to both Ipsos colleagues and clients.

Content is also regularly updated on our website and social media outlets.

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