IPSOS UPDATE

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

June 2023

Ipsos Knowledge Centre

GAME CHANGERS

IPSOS UPDATE JUNE 2023

What's going on? Our round-up of research and thinking from Ipsos teams around the world

At last, some good news! In the volatile 2020s we are pleased to report that Global Consumer Confidence has reached its highest level for 16 months. Even in Europe, where the gloomy mood has dominated, we are now seeing some more positive scores, with Poland, France, Britain and the Netherlands all showing improved outlooks. Our monthly look at 29 major countries shows that concern about inflation has plateaued. Could this be the start of a new normal? Well, half think their country is currently in recession (it isn't – but it shows the downbeat mood of consumers). For the 14th successive month, the cost of living is the top concern in our What Worries the World survey, with most not expecting to see inflation to return to "normal levels" for at least a year. Sceptical? Consumers' expectations have generally been more accurate than central bankers' in our tracking since 2020.

With people everywhere concerned about the economy, and united on the challenges of climate change (but not its solution), we look at how rising focus on ESG in business is positive for most employees. The imperative to protect the environment – and build a more inclusive society – is a theme of our new *Ipsos Flair* report on Italy. Our team takes inspiration from the country's love of football, as they describe the dynamic of an Italy that is playing *catenaccio*, in which defence is a prelude to attack, redesigning policies, industries and brands in the face of competing crises. Like the Brazilians, the Italians find a way of making do…. Watch out for new reports on Chile, France, Indonesia and Brazil in the coming months.

If you can't fix the present, you can seek salvation elsewhere – our latest global study looks at the role of religion around the world. It reminds us of the big differences in the role of religion globally. Brazil, South Africa, Turkey and India are the most likely to believe in (a) God, with Japan, South Korea and many of the European countries far more secular. These massive differences in belief are accompanied by a common amount of tolerance: 76% say they are completely comfortable being around people who have different religious beliefs. Perhaps there is more that unites us than divides us after all.

Looking at all the signals I see daily, it does feel like we are in a transitional period – as Antonio Gramsci put it: "the old order is dying, and the new order is not yet ready to be born – throwing up all sorts of pathologies". We will keep measuring those every month. Links to more information are provided throughout the text. Let us know at ikc@ipsos.com if you want more on any topic.

Ben Page, Ipsos CEO

IN THIS EDITION

INFLATION MONITOR
Almost two-thirds expect inflation to rise this year

The latest wave of the Ipsos Global Inflation Monitor finds that in 26 of 29 countries, more people think their country is in recession than think it is not.

THE SHIFTING POWER OF INFLUENCE
Today's consumer-controlled environment

Brands are no longer fully in control of their narrative. Social media considerably amplifies the voice of the consumers to drive the future of the brands in a positive or negative way.

BEYOND THE SCREEN
The power of hybrid online-offline communities

People do not separate their online and offline experiences into separate boxes; they feel equally real to us, existing on the same continuum. Communities should not be an exception.

WHAT WORRIES THE WORLD?
Inflation top concern for 14 consecutive months

Of the 29 countries included in our survey, Argentina stands out, with inflation concern reaching a record-high and the proportion describing the country's economy as "good" reaching a record-low.

WHAT THE FUTURE: FARMING
Adapting to a hostile planet

What we grow, where we grow it and who grows it have all shifted due to macro forces like climate change, globalisation and technology advancements. How will farms of the future adapt and thrive?

SHOPPING REDEFINED
How eCommerce is reshaping shopper behaviour in MENA

The Middle East is witnessing rapid expansion in the eCommerce market, making it one of the fastest-growing regions globally. How is the landscape changing and what can brands and businesses do to adapt?

SUSTAINABILITY MATTERS
Are your ESG efforts impacting brand choice?

Understanding the importance of sustainability to consumers and how this impacts choice can be a difficult challenge for brands to navigate. We demonstrate how to ensure ESG efforts resonate.

FLAIR ITALY 2023
Catenaccio

The first in our series of country-level deep-dives focuses on Italy. Written by our local experts on the ground, articles explore generations, green mobility, fashion, tourism and more.

Cover photo: Italy.
Find out about how Italy is employing defensive strategies to defend itself from the new polycrisis era on page 11.

IPSOS INFLATION MONITOR

Almost two-thirds expect inflation to rise this year

The latest wave of the Ipsos Global Inflation Monitor finds that, in 26 of 29 countries, more people think their country is in recession than think it is not.

Although few countries are currently in technical recession (defined as two consecutive quarters of negative growth), 49% of the public on average across 29 countries say they think their country is in recession, while just 26% say it is not (a further 26% don't know). This includes a majority of people in nine countries, led by South Korea (where 79% think the economy is in recession), Hungary (78%) and Turkey (74%).

Six in ten are experiencing some level of financial pressure – this includes 28% who report they are finding it difficult to get by financially and a further 33% who say they are just about getting by. In many of the European countries that have been in the Monitor since April 2022, the proportion finding it "very or fairly difficult" has reached a new high.

Inflation remains a significant concern for the global public, with 63% across the 29 countries expecting it to rise over the coming year. This expectation is highest in South Africa (83%), Argentina (78%) and Singapore (77%), although in all countries at least half of the public expect this will be the case.

Further, most expect that inflation won't return to what they consider to be normal levels for at least a year.

Expectations for rising spending are also high. Seven in ten across the 29 markets expect the cost of their food shopping to rise over the next 12 months (71%) with similar proportions expecting an increase in the cost of utilities such as electricity and gas (68%) and their other household shopping (67%).

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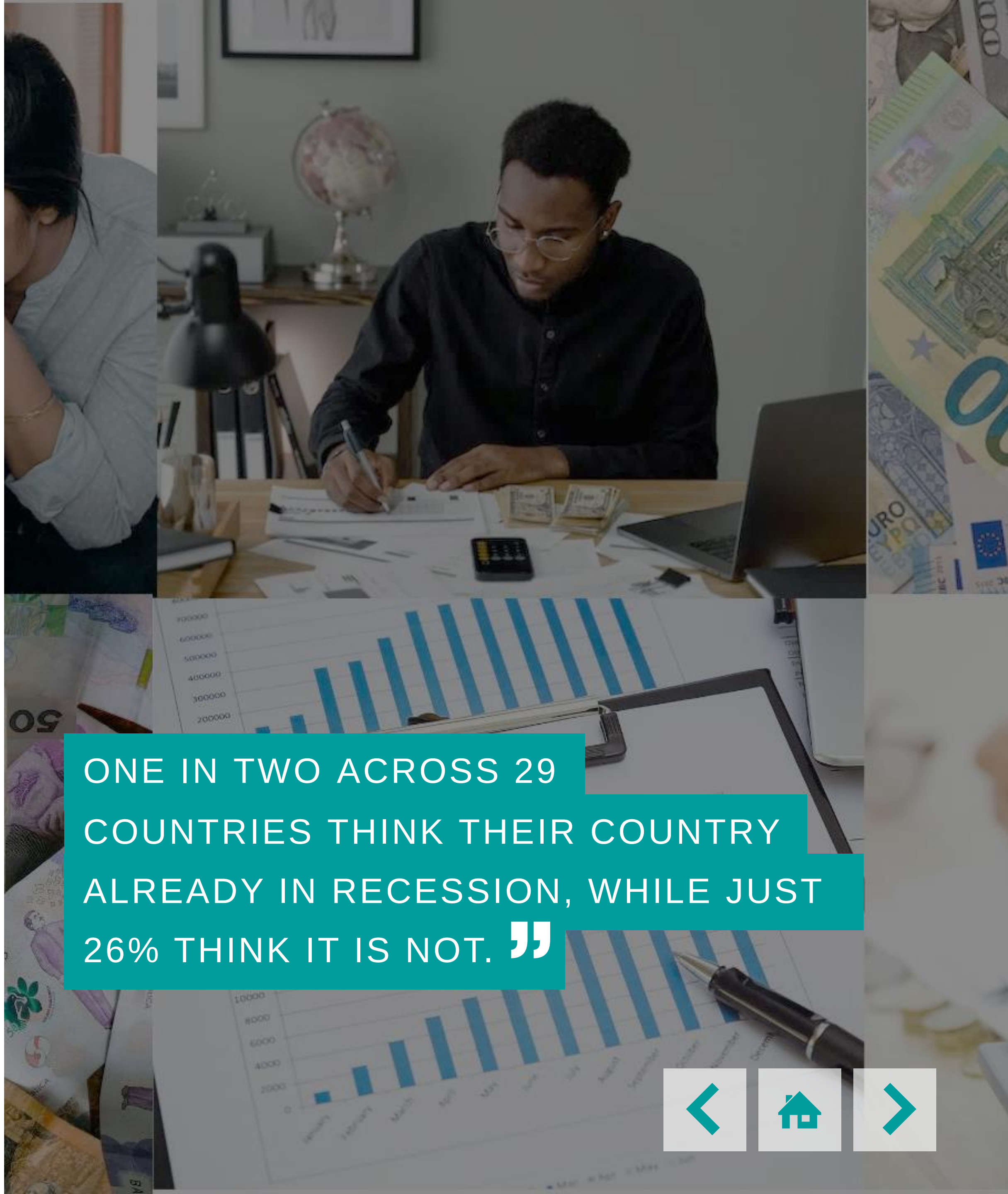

THE SHIFTING POWER OF INFLUENCE

Brands must rethink their approach in today's consumer-controlled environment.

Brands are no longer fully in control of their narrative. Social media considerably amplifies the voice of the consumers to drive the future of the brands in a positive or negative way.

New usages are spread and open opportunities for brands. To drive brand success, marketers must understand the role brands play in people's lives, empathise with them and shape their expectations.

Ipsos' most recent research brings to light how brand choice is driven by shaping expectations, integrating context, and acting with empathy.

To validate this framework, Ipsos zoomed in on the pain relievers and sparkling water categories. The results show that brands that score higher on *expectations, context, and empathy* capture much higher purchase shares.

Ipsos research highlights that to be successful, marketers must co-create brands with their audience, and shape consumers' expectations for how they interpret brand experiences.

To do so, marketers must understand the macro and micro context people live in, and act with empathy so that only their brand can meet these expectations. This philosophy calls for a new approach in analysing consumer data and surfacing insights.

As people's choices vary based on occasions, the performance of the brand must be tracked across time, markets, and in the context of varied experiences.

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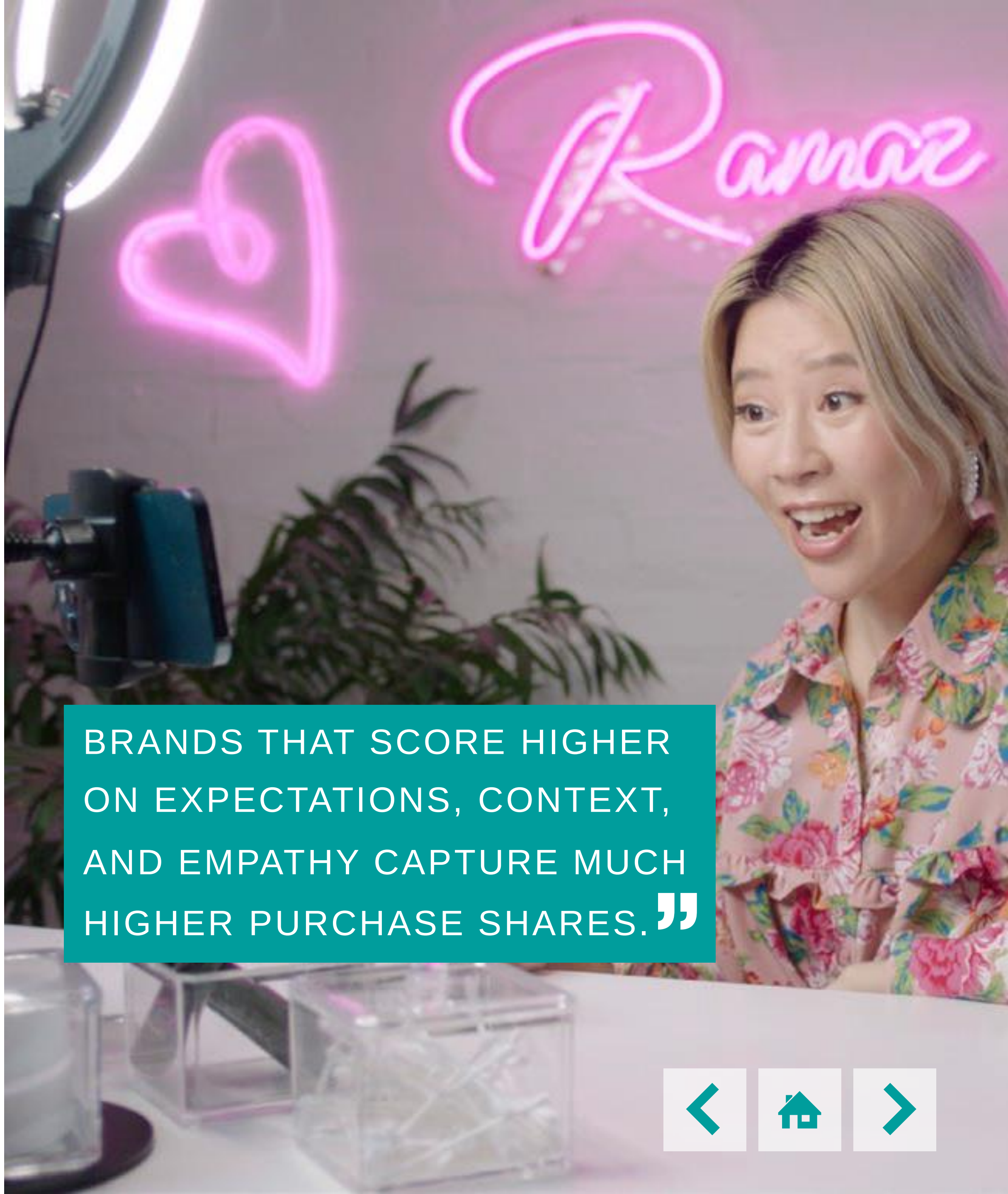

BRANDS THAT SCORE HIGHER ON EXPECTATIONS, CONTEXT, AND EMPATHY CAPTURE MUCH HIGHER PURCHASE SHARES.”

BEYOND THE SCREEN

Driving authentic engagement through hybrid online-offline communities

People do not separate their online and offline experiences into separate boxes; they feel equally real to us, existing on the same continuum. Communities should not be an exception.

As tools that allow brands to stay connected with their audiences, communities need to be wherever people are to get to the most real, complete, and collective human understanding. Blending online and offline spaces provides researchers with access to the whole range of human truths, creating richer experiences for our clients and strengthening community member engagement.

'Beyond the Screen' shares a series of case studies illustrating the market research benefits of integrating online and offline interactions.

Online communities have brought unique capabilities to marketing and market research. As interactive ecosystems where qualitative understanding merges with scale, communities enable both in-depth qualitative and agile quantitative to drive efficiencies in the research process. By combining methods like data analytics, social listening, ethnography and curation, community researchers become more effective in revealing the truth behind human behaviour and creating impact for the brand.

Combining online communities with offline experiences allows us to add an extra dimension to our understanding of the human experience, no matter which category or research topics we are exploring. It also provides unique co-creation opportunities and has special impact on member and client engagement.

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WHAT WORRIES THE WORLD?

Inflation is the top concern for 14th consecutive month

On average across 29 countries, rising prices are a concern for four in ten people (41%). While this month's level of concern remains stubbornly high, it does at least appear to have stopped rising month-on-month. There are also three fewer countries ranking rising prices as their top worry, down to 11 nations.

One nation stands out this month for all the wrong reasons. Argentina has hit the highest level of worry over inflation for any country in our survey's history, reaching 76%. It comes as no surprise then to learn that Argentina has reached a new low for economic outlook, as just 2% say their economy is in "good" shape. Additionally, 92% of Argentinians think their country is heading in the wrong direction.

Poverty & social inequality (30%), crime & violence (29%), financial or political corruption (27%) and unemployment (27%) make up the remaining top five global worries.

Climate change (16%) ranks seventh out of 18 global concerns, between healthcare and taxes. Concern is highest in Germany, with 31% choosing it as an issue. This marks the first time since October 2022 that concern in Germany has risen above three in ten – perhaps a sign that as summer approaches in the Northern Hemisphere we should expect concern to once again rise across Europe and North America.

This month, concern about poverty & social inequality has reached its lowest level since February 2022 (also 30%). Concern has not dropped below 30% since February 2021, when concern was instead focused on the pandemic (52%).

In contrast, this month coronavirus remains in 17th position, between maintaining social programmes and access to credit. Only one in 20 (6%) now choose it as a top issue.

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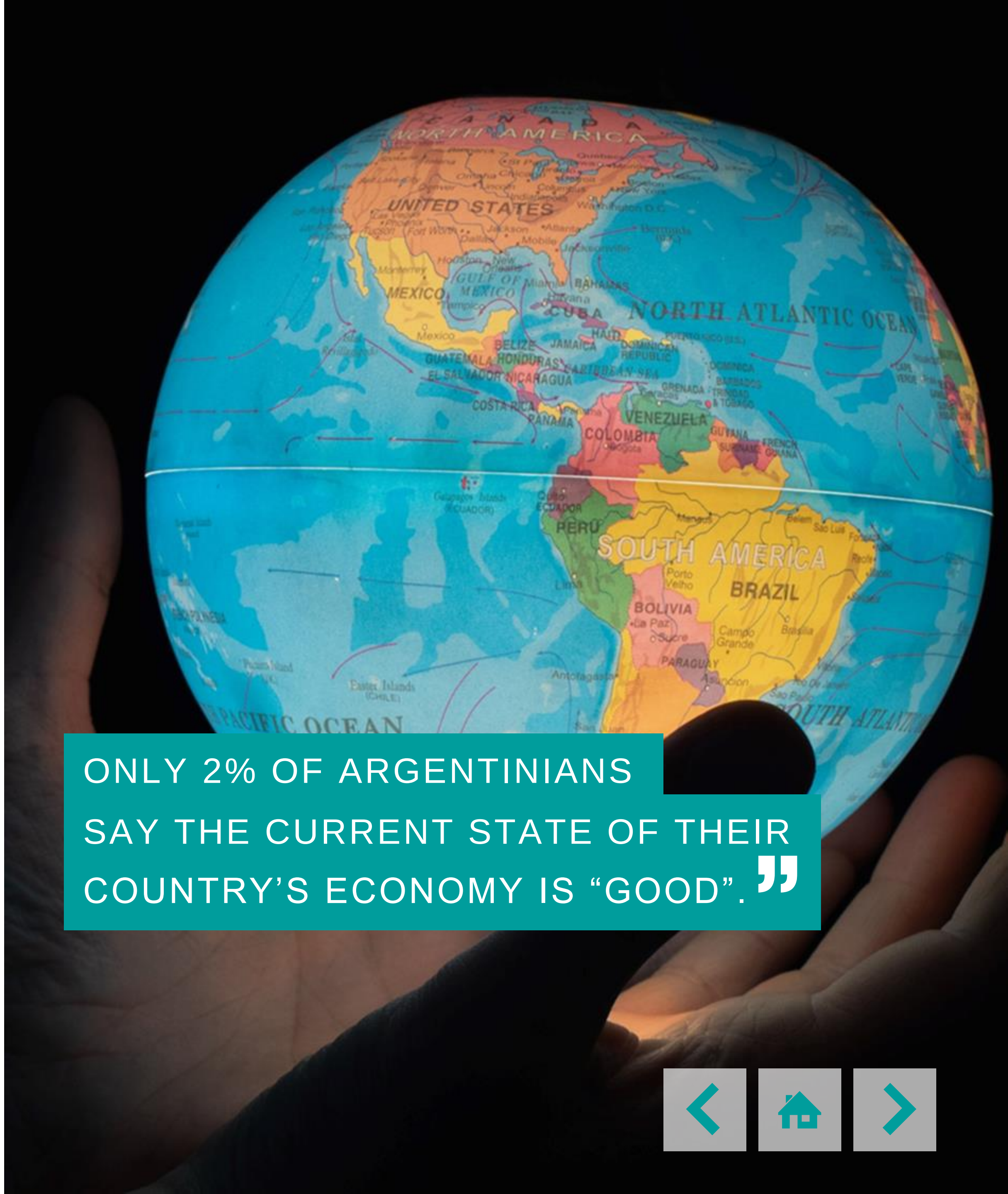

ONLY 2% OF ARGENTINIANS SAY THE CURRENT STATE OF THEIR COUNTRY'S ECONOMY IS "GOOD".

WHAT THE FUTURE: FARMING

Adapting to a hostile planet

What we grow, where we grow it and who grows it have all shifted due to macro forces like climate change, globalisation and technology advancements.

So how will tomorrow's farmers and food producers meet the growing demand for healthy and sustainable nutrition amid the uncertainties of global trade and the certainties of climate change? Brands and businesses will need investment, innovation, and ingenuity to feed a changing world.

The latest edition of *What the Future* explores the future of farming and what it means not only for your grocery list, but for a wide range of products, services, and the sectors that produce them - from tech, to restaurants, to CPG, auto and air travel.

Key findings include:

- A global majority (65%) agree that there will be more extreme weather in their country in 2023 than last year, impacting the crops that feed nations and the world.
- Most Americans feel positively about sustainable farming (79%) but far less so about using chemicals to protect farm crops (only 21% see this as a positive thing).
- 52% of Americans believe that the government should provide tax credits or subsidies to family farmers who invest in technology to help them compete with large industrial farms, while 41% say the government should fund technology that helps farmers reduce their water waste.

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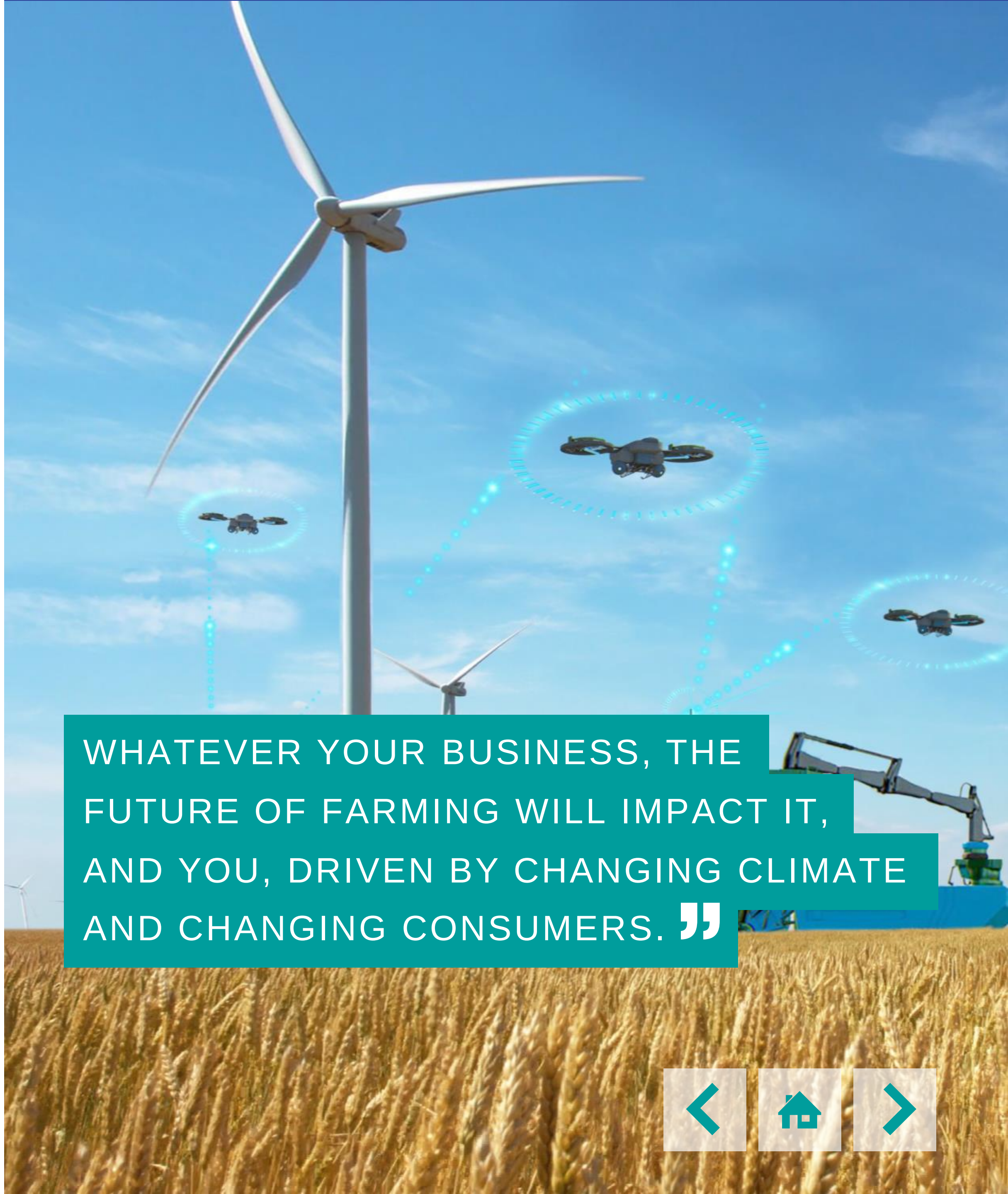

> WHATEVER YOUR BUSINESS, THE FUTURE OF FARMING WILL IMPACT IT, AND YOU, DRIVEN BY CHANGING CLIMATE AND CHANGING CONSUMERS. ”

SHOPPING REDEFINED

How eCommerce is reshaping shopper behaviour in MENA

The Middle East is witnessing rapid expansion in the eCommerce market, making it one of the fastest-growing regions globally. It is anticipated to grow at a rate of 7% annually between 2023 and 2027, resulting in a market size of $169 billion by 2027. This growth will be largely driven by the GCC region and Egypt. This is going to lead to a substantial increase in market size.

However, this growth is not the only change taking place. There are also important shifts in shopper behaviours and attitudes towards online shopping. These shifts involve changes in the way shoppers plan their journeys and choose their products, as well as their shopping frequency and expenditure.

Shopping in the real world is leisure-based, but the virtual shopping world is being approached very differently. MENA's online shoppers are significantly more planned in their approach, with the majority (71%) starting their shopping journey already aware of what they want to purchase, with many having a pre-selected brand in mind.

As a result, impulse buying is much less likely to happen online than during physical shopping trips. Brand selection is becoming more habitual in nature and shoppers are more likely to resort to the familiar and less likely to explore new options.

Online shopping also means shoppers are becoming more price sensitive, as easy access allows for easy price comparison. This is noticeable as 81% say they're triggered by promotions to shop online.

This report delves into these transformations, providing brands and retailers with insights as they continue to navigate the growing world of eCommerce.

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WITH ONLINE SHOPPING BEING MORE PLANNED, SHOPPERS ARE TAKING THE TIME TO BETTER PREPARE THEMSELVES PRIOR TO MAKING A PURCHASE.”

SUSTAINABILITY MATTERS

Are your ESG efforts impacting brand choice?

It's fair to say that consumers are conflicted when it comes to sustainability. Whilst we know that global concerns are usually dominated by more immediate issues, such as inflation or COVID-19, our global What Worries the World survey demonstrates that climate change, poverty and social inequality remain constant and significant worries across countries. But despite this sustained level of concern, most individuals are not willing to make substantial changes to their behaviour for the sake of sustainability alone.

Ipsos research shows that in order to drive positive behaviour change, sustainability needs to be positioned as a 'co-benefit' alongside other product/service features like it being cheaper, healthier, more convenient. Ensuring products and services are ingrained with sustainable co-benefits can provide brands with a competitive advantage.

Understanding the importance of sustainability to consumers and how this impacts choice can be a difficult challenge for brands to navigate. For effective brand measurement you need to understand the perception of your brand's ESG credentials and consider whether your actions are being noticed. Knowing which messages and target groups stand to deliver the greatest return on investment (ROI) allows you to focus on actions which are most likely to impact consumer behaviour.

Ipsos has developed measures and approaches to help our clients tackle this issue. Drawing on our research, this paper demonstrates how brands can ensure their sustainability efforts resonate with consumers and positively impact brand choice. By taking McDonalds UK as an example, we illustrate how to pursue the pillars of ESG (Environment, Social, Governance) together, and communicate these pursuits in an impactful way.

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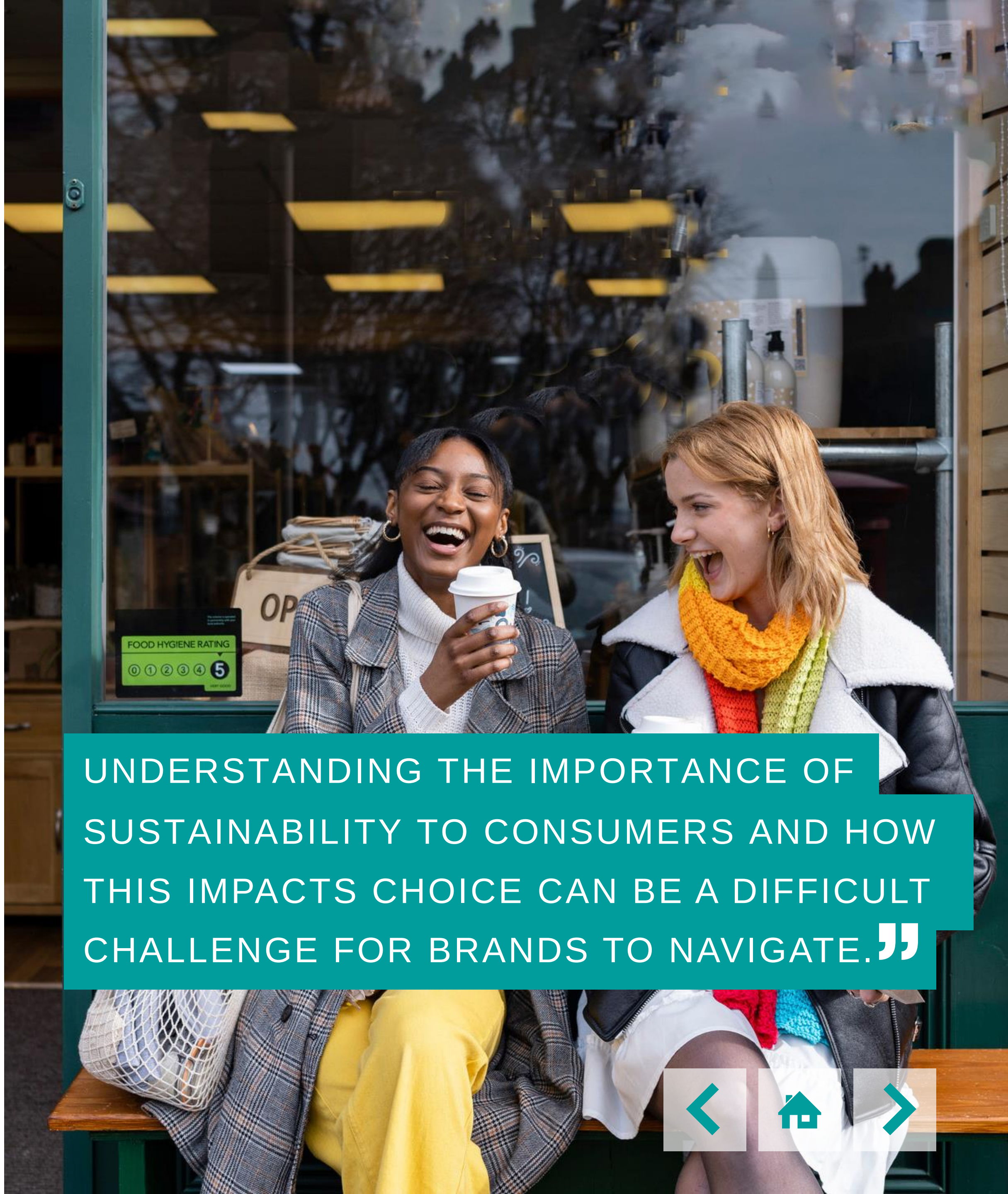

UNDERSTANDING THE IMPORTANCE OF SUSTAINABILITY TO CONSUMERS AND HOW THIS IMPACTS CHOICE CAN BE A DIFFICULT CHALLENGE FOR BRANDS TO NAVIGATE."

FLAIR ITALY 2023

“Catenaccio”

In the first of our spotlights on Flair – our state of the nation reports written by local teams – we turn to Italy, a country, like many major European nations, overwhelmed by a polyphony of crises.

Through in-depth analysis and expert perspectives on a range of key topics, we show how, despite the current challenges, Italy is playing a game of *catenaccio* (a tactical system in football), making a chain to defend itself from further attacks while ready to counterattack, looking for strategies for recovery and pushing for change.

Read the full introduction.

ESG INVESTMENT: From ‘ideals’ to concreteness.

FOOD: The trends driving the Italian food sector in the short and medium term.

FASHION: Opportunities and challenges for a futuristic and exciting industry.

GREEN MOBILITY: Cities as a laboratory for tomorrow’s mobility.

TOURISM: Holidays at all costs, plus luxury and premium hospitality.

GENERATIONS: Beauty boom – stereotypes, myths and reality.

SHORTCUTS

KEYS – The ESG Imperative

Organisations around the world are coming under increasing pressure to do their business in a more sustainable and equitable way. As a result, ESG (Environmental, Social, Governance) considerations are now a key part of companies' strategic plans.

In the 8th June episode of our KEYS webinar, we consider the issues at hand from the perspectives both of organisations and of people living their day-to-day lives. On the agenda:

- **Everything Everywhere All at Once**: We review how organisations can respond to what may feel like an overwhelming challenge.
- **ESG Through a Cultural Lens**: We present new analysis exploring the dimensions that influence sentiment and shape our behaviours.
- **More Equal Than Others**: Inequality is actually widening in many parts of the world. A new Ipsos guide looks at how research can improve our understanding and help us start to close the gap.

WATCH HERE

Sustainability and Employee Experience

How much does sustainability matter when it comes to creating a great employee experience? To answer this question, Ipsos Karian & Box surveyed over 8,000 employees in the UK and Ireland from four major Financial Services organisations.

Key findings include:

- Employees see sustainability as more E (environment) than S (social) or G (governance).
- Sustainability plays a significant role in boosting pride in their organisation and advocacy.
- There is a gap between how important employees think sustainability should be, and how important it is right now.
- For some people, an organisation's sustainability credentials are an important factor when considering a new role, but not as important as pay and flexible working.

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Global Religion 2023

Our 26-country Global Advisor survey on religion reveals wide variations in beliefs and attitudes across countries and generations toward religion and the extent to which it defines personal identity and morality.

On average, 40% say they believe in God "as described in holy scriptures", 20% believe in "a higher spirit but not as described in holy scriptures", another 21% believe in neither God nor any higher spirit, and 19% are unsure or will not say. While majorities in 11 countries believe in God as described in holy scriptures – most notably Brazil, South Africa, Turkey, and India – those who say they do not believe in God or any higher power or spirit make up a plurality in Japan, South Korea, and seven of the ten European countries surveyed.

Meanwhile, major generational shifts are emerging in many countries where younger people are less likely than older adults to identify as Christian, especially Catholic, and more likely to identify as Muslim or of some other faith.

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POLL DIGEST

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

GERMANY: 62% of Germans are responding to rising prices by buying private labels instead of brands, up 8pts from last year.

PERU: 65% of same-sex parents say it's likely they will emigrate abroad, mostly for greater recognition of rights and opportunities.

IRAQ: 81% of Iraqis don't own a bank account, primarily because they cannot meet the minimum balance requirements (71%).

CANADA: 68% of working Canadians say they would bring their dog to work if their employer allowed it.

CHILE: 68% of Chileans believe the sale of luxury products involving high animal suffering (e.g. animal skins) should be banned.

NORWAY: Almost one in five Norwegians (17%) aged 18-29 listen to Norwegian podcasts at least once a day.

UK: 20% of Britons are embarrassed that a monarchy is still in place, up six points from before the Coronation of King Charles III.

NETHERLANDS: Six in ten support reducing the nicotine levels of e-cigarettes (64%) and banning flavoured e-cigarettes (62%).

HONG KONG: 40% of Hong Kongers are cutting down on eating out to help manage their living costs, rising to 52% among Gen Z.

US: Seven in ten Americans disagree that the American government makes the health and wellbeing of its citizens a priority.

BRAZIL: 8% of the population follows a vegan diet, primarily for health-related reasons.

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.

Please email IKC@ipsos.com with any comments, including ideas for future content.

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