IPSOS UPDATE

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

August 2023

Ipsos Knowledge Centre

GAME CHANGERS

Ipsos

IPSOS UPDATE AUGUST 2023

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

Has inflation peaked? Not only is core inflation falling around the world but so is consumer anxiety: 38% see this as it as a key issue facing their country, down from 43% in February, but it is still the number one concern globally, for the 16th month in succession.

At the same time you can see the “Mona Lisa economy” in action – each time you look you see something different. Our latest Consumer Confidence Index is a case in point. In Europe consumer confidence has declined sharply, particularly in Britain, France and the Netherlands, and the spectre of stagflation is now very real. On the other hand, we see some renewed optimism in the US, and sentiment in many APAC markets – the source of around 70% of the world’s economic growth this year – remains buoyant.

Against this difficult economic background, governments and businesses face pressing Environmental, Social and Governance (ESG) challenges. I write these notes in the Earth’s hottest recorded week, as countries across the Northern Hemisphere grapple with heatwaves. On every measure, it’s starting to look like we’ve hit a “tipping point”. Even if economic concerns still beat environmental ones most of the time for the public, change is coming. Indeed, we’re already seeing people moving into consensus mode, acknowledging that the realities of climate change are with us right here, right now – see this month’s special report on Australia for an illustration.

To remind us of the dynamics of societies around the world, this edition features our inaugural Ipsos Equalities Index, showing how people feel about fairness and progress (or lack of it) in their own countries. Financial or political corruption is consistently one of our Top Five World Worries and is a big issue for 50% or more people in Indonesia, Malaysia, Peru and South Africa. Our two new ESG reports – one looking at culture and context, the other at how Chief Sustainability Officers are coping – are designed to provide some perspective on these interconnected challenges.

All over the world businesses are urgently reviewing what Generative AI means for them. New Ipsos research among YouTubers, podcasters and video writers finds two in three of them already using Gen AI for content production! But how do the public feel about all this? We find them excited and nervous in equal measure. For those in work, it comes with some uncertainty: 36% of us say that “AI will replace my current job in the next five years”.

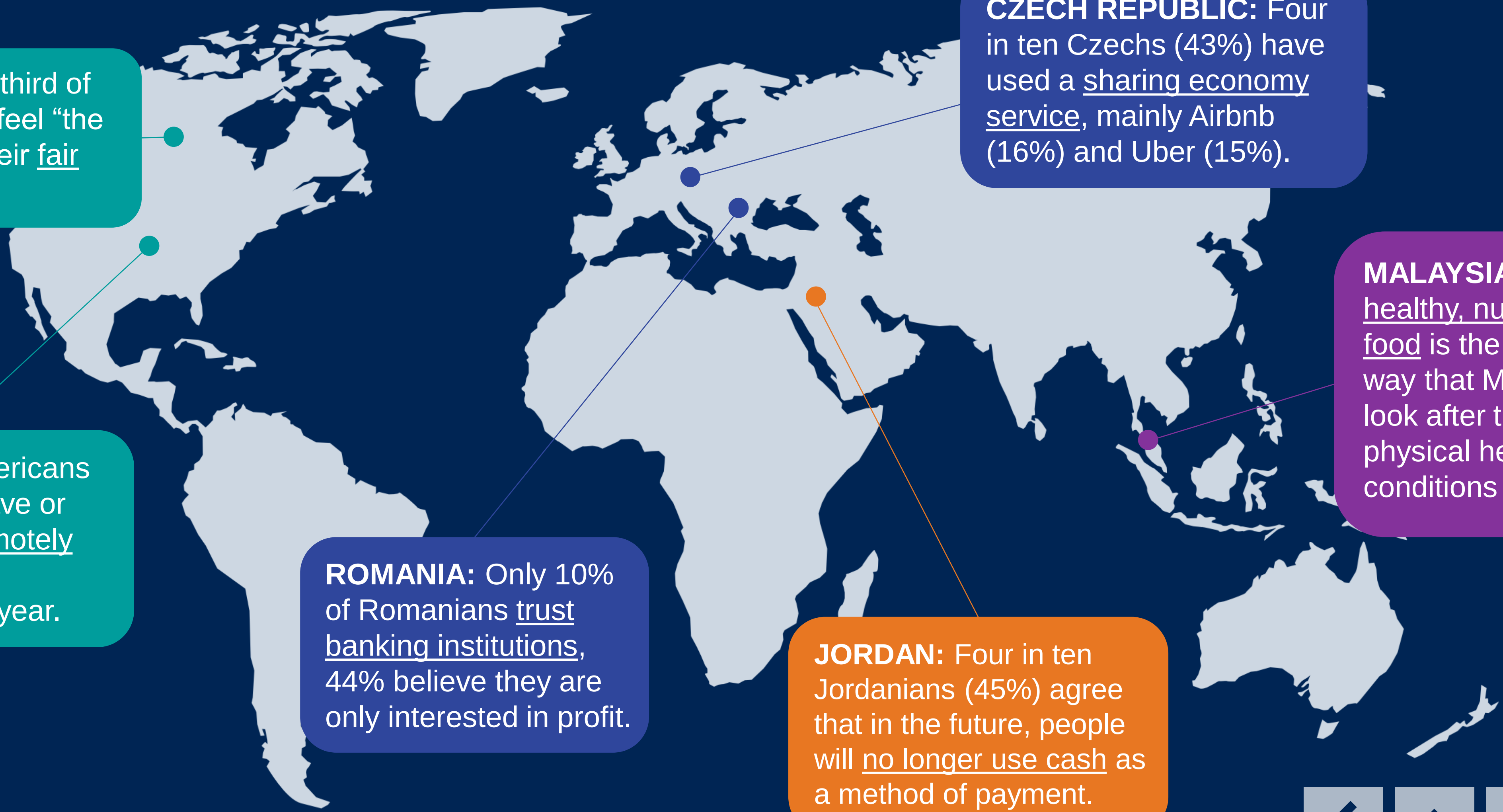
We hope that some of research here can make a difference to your own work – please do get in touch if you’d like to discuss anything in more detail.

Ben Page, Ipsos CEO

POLL DIGEST

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

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



CANADA: Only a third of Canadians (33%) feel "the rich" are paying their fair share of taxes.

US: 28% of Americans say that they have or plan to work remotely from a vacation destination this year.

ROMANIA: Only 10% of Romanians trust banking institutions, 44% believe they are only interested in profit.

JORDAN: Four in ten Jordanians (45%) agree that in the future, people will no longer use cash as a method of payment.

CZECH REPUBLIC: Four in ten Czechs (43%) have used a sharing economy service, mainly Airbnb (16%) and Uber (15%).

MALAYSIA: Eating healthy, nutritious food is the primary way that Malaysians look after their physical health conditions (75%).

IN THIS EDITION

IPSOS EQUALITIES INDEX
Who are we worried about and how much do we care?

Around the world, inequality is a more salient issue for younger generations, who are also less likely than older people to believe they live in a society that rewards merit and hard work.

ESG ACROSS BORDERS
The cultural context

How does culture shape how people around the world understand and prioritise sustainability issues? We share new analysis, focusing on five case study countries.

GLOBAL VIEWS ON AI
Expectations of the impact of artificial intelligence

A 31-country survey finds an almost equal balance of excitement and nervousness surrounding products and services that use artificial intelligence.

LOOKING INTO THE SHADOWS
The size, shape, and impact of illicit trade

In this paper, we address the main business challenges and questions around sizing and understanding illicit trade. We also outline the best practice approaches and key research considerations.

WHAT WORRIES THE WORLD?
Is concern about inflation past its peak?

While inflation has been the world's top concern for 16 months, worry has now fallen for the second month, sparking the question: are we now over the worst of it?

THE IPSOS ESG COUNCIL
Key issues in sustainability management

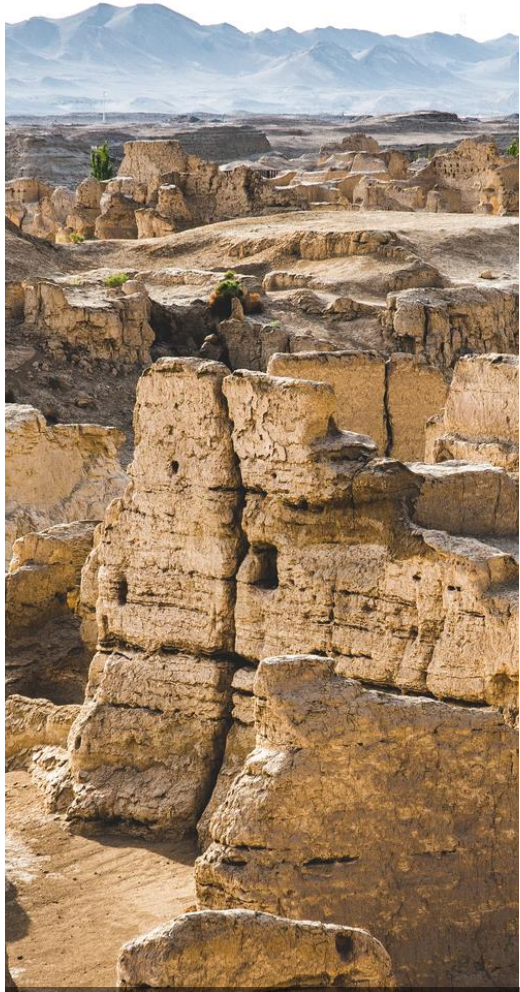
We explore the latest thinking from senior executives responsible for sustainability and ESG in some of the world's most respected companies.

AUSTRALIA CLIMATE CHANGE REPORT 2023
People less likely to feel they can make a difference

The 2023 edition of the Ipsos Australia Climate Change Report finds an increasing consensus that climate change is already impacting Australia.

LISTEN TO OUR EXPERTS
Podcasts from across Ipsos

Listen in as our experts discuss the superpowers of Barbie, how to help clients objectively measure User Experience, and the importance of reinforcing and shaping expectations as a brand leader.



Cover photo: Jiaohe Ruins, Xinjiang, China.
This month, China recorded 52.2C in its Xinjiang province, shattering its previous national all-time high temperature of 50.3C. Find out how ESG attitudes in China are shaped by Chinese culture on page six.

IPSOS EQUALITIES INDEX

Who are we worried about and how much do we care?

The inaugural edition of the Ipsos Equalities Index examines how people in 33 countries understand fairness, perceive discrimination faced by different groups in society, and who they believe is primarily responsible for improving the situation.

The index reveals that younger people are, on average, more sensitive to inequality than older generations, less likely to believe that they live in a meritocratic society, and more likely to think that a truly fair society is one where everyone enjoys the same quality of life rather than simply having the same opportunities.

We also see some significant differences between the genders, with women more likely than men to consider that neurodivergent people, LGBT+ people, people with physical disabilities or poor mental health are treated unfairly in their country.

Countries with a higher degree of ethnic fractionalisation / diversity tend to express more concern about the unfair treatment of ethnic minorities. The ethnically diverse country of Indonesia ranks top with the highest level of belief that ethnic minorities most suffer unfair treatment (38%). Conversely, the more ethnically homogenous countries of Japan (7%) and South Korea (9%) sit at the bottom of the rankings.

Listen to experts from Canada, Ireland, Poland, and South Africa explore these findings in more detail in the latest episode of the [People, Planet, Prosperity] podcast.

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ESG ACROSS BORDERS

The cultural context

Each country has its own idiosyncrasies, grounded in history, context, language, and culture. Just because a sustainability approach works in one place does not mean it will be a success elsewhere.

The latest report in our ESG series shares new analysis on how culture impacts people's awareness and understanding of ESG issues, as well as how it shapes their (often competing) priorities.

It explores how people across the world use the language of sustainability and their expectations of individuals, businesses and institutions. It illustrates how individuals in different countries can be most inspired and encouraged to take positive action, and raises questions about how we can better understand, communicate, and innovate.

By diving into the cultural context of five case study countries – the US, India, Brazil, South Africa and China – we explore three cultural dimensions that shape our attitudes and behaviours when it comes to ESG.

1. Whether a country's **relationship with nature** leans more towards one of conquest or co-existence.

2. Whether citizens see the **responsibility** to address ESG issues as one that sits primarily on the individual or with institutions.

3. And whether they are **motivated** most by **benefits** to the wider world in the long term, or by benefits to their personal, local community.

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GLOBAL VIEWS ON AI

Expectations of the impact of artificial intelligence

Across 31 countries, nearly as many adults say that products and services that use AI make them nervous (52%) as say that they are excited about them (54%). Nervousness has increased 13pp from 18 months ago and is notably higher in predominately Anglophone countries than in Japan, Korea and Eastern Europe.

Levels of trust in AI also vary dramatically by region, with a significant divide between the generally AI-enthusiastic emerging markets and AI-wary high-income countries. Eight in ten people in Thailand (83%) say they trust AI not to discriminate or show bias towards any group of people. In contrast, this number falls to just three in ten in Sweden (33%).

Globally, one in two (49%) say that AI-powered products and services have significantly changed their daily lives over the past three to five years, up just one point from 18 months ago.

Younger generations are much more likely to say they've noticed the impact of AI over recent years – more than one in two Gen Zers (58%) and Millennials (54%) agree compared to just a third of Boomers (34%).

People with higher incomes, higher educations and those in employment are also more notably more likely to say AI has had a profound change of their daily life.

Looking to the future, expectations of (further) impacts are high. Two-thirds of people globally (66%) and majorities in all 31 countries expect AI-powered products and services to lead to significant changes to their daily life over the coming years.

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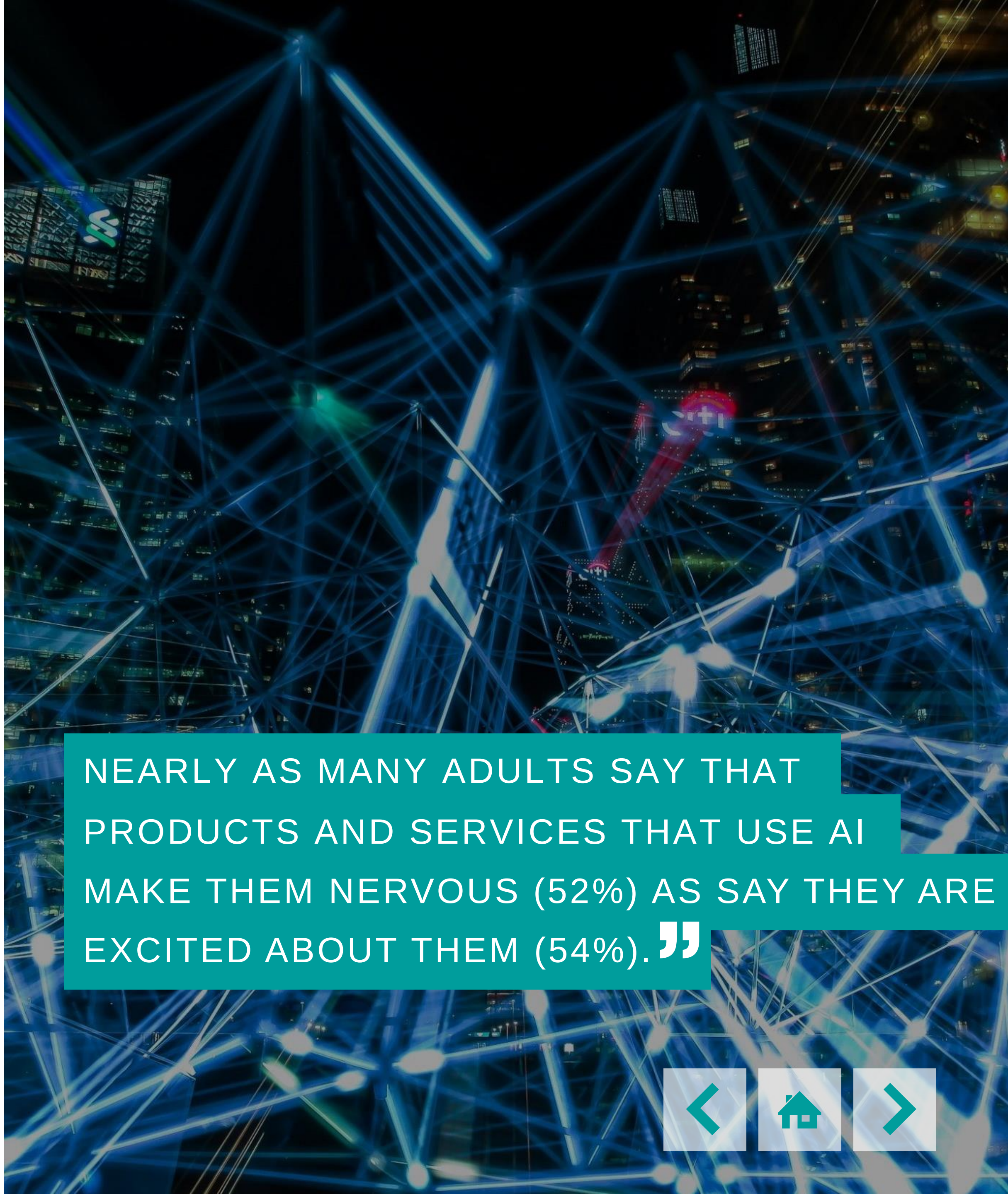

LOOKING INTO THE SHADOWS

Measuring and understanding the size, shape, and impact of illicit trade

Illicit trade, otherwise known as the shadow economy, isn't new news. The introduction of prohibition in 1920s America, for instance, saw the demand for illicit alcohol filled by Mafia bootleggers and 'speakeasies'.

Fast forward 100 years and the issues with illicit trade are magnifying and multiplying across markets and categories – food, tobacco, alcohol, clothing, accessories, medications and more – creating a range of macro and microeconomic problems for governments, manufacturers, and players throughout the supply chain.

Broadly speaking, the illicit economy is defined as where transactions occur illegally. However, it is important to have a clear definition of what would be seen as illicit in your market, because definitions are not the same across the globe, or even across categories.

In this new paper, we address the main business challenges and questions around sizing and understanding illicit trade. We also outline the best practice approaches and key research considerations, including:

- **Why it's important to size and understand illicit trade** – we highlight some of the macro and micro level risks to economies, categories, and businesses.
- **How to approach sizing and profiling** – we outline some of the key considerations.
- **An 'impact story'** – we share a case study, to demonstrate the power of Ipsos' Illicit Trade Assessment.

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WHAT WORRIES THE WORLD?

Is concern about inflation past its peak?

The global level of concern about inflation is down for the second month in a row, -2pp since June 2023 and now sits below 40% for the first time since August 2022 (39%).

Across 29 countries, four in ten people (38%) list inflation as one of the most worrying issues in their country, marking the 16th consecutive months of being the top global concern. Inflation is the number one biggest worry in ten countries: Argentina, Australia, Canada, Germany, Great Britain, India, Poland, Singapore, Turkey, and the US.

Crime & violence (31%) has risen 2pp from last month to become the world's second biggest worry. Concern has particularly increased since last month in France, which has seen a 21pp increase up to 49%. This is the first time that crime & violence has been France's top worry since June 2021 and is the highest level of concern France has recorded for this issue.

Worry about poverty & social inequality (30%, -1pp), unemployment (26%, -1pp), and financial or political corruption (26%, +1pp) complete the top five biggest global worries.

Climate change (17%) remains in seventh position, unchanged from last month. A 5pp increase in concern in Canada sees the country move from the tenth to fifth most concerned country about climate change, with more than one in four (27%) listing it as a top worry.

Almost four in ten (38%) globally say that things in their country are headed in the right direction. Optimism is strong in Asia Pacific, with an 8pp rise in positivism taking Singapore (85%) to the top of the rankings. Indonesia (79%), Thailand and Malaysia (both 60%) follow behind. Meanwhile, the "right direction" score has fallen 8pp in France (19%) and 6pp in Great Britain (26%).

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THE IPSOS ESG COUNCIL

Key issues in ESG and sustainability management

The Ipsos ESG Council, newly established in 2023, brings together senior level executives with responsibility for sustainability and the development of ESG best practice from some of the most respected corporations in the world.

In this first sitting, council members explored the evolving role of the Chief Sustainability Officer (CSO), with seven in ten council members (71%) saying that the role **has changed a great deal** over the last five years. This has largely been driven by increasing expectations from stakeholders – investors, governments, consumers, talent and, in some cases, business leaders themselves.

Nine in ten council members (89%) agree that **the CSO role or its equivalent has become a strategic leadership position** within organisations. Over the past few years, the CSO's strategic role has involved helping organisations set their basic long-term ESG goals and commitments, identifying ways in which these goals can be achieved in a way that drives business values, and embedding ESG strategy throughout the organisation.

Yet there is widespread agreement that businesses still need to go further. Eight in ten (80%) agree that **businesses have a long way to go before sustainability is fully embedded** into every function, process and role.

The report shares council members' insights on the challenges facing CSOs, the factors acting as a catalyst for change, the ESG stakeholder landscape, how to build a truly integrated ESG strategy, and the tangible benefits that applying best ESG practice can bring to an organisation.

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NINE IN TEN COUNCIL MEMBERS AGREE THAT THE CSO ROLE OR ITS EQUIVALENT HAS BECOME A STRATEGIC LEADERSHIP POSITION WITHIN ORGANISATIONS. ”

AUSTRALIA CLIMATE CHANGE REPORT

People less likely to feel they can make a difference

The 2023 edition of the Ipsos Australia Climate Change Report finds an increasing consensus that climate change is already impacting Australia.

Two-thirds now believe that climate change is already causing more frequent and/or more extreme bushfires (66%), floods (65%), and droughts (65%). Almost one in two (46%) also believe that it has already caused an increase in the annual rates of heat-related deaths.

In addition, two-thirds of Australians (67%) agree that climate change presents a threat to our way of life in the next 25 years. While this is stable compared to 2021 and 2022, it is up notably compared to a decade ago (54% agreed in 2013).

But we do see some progress in Australians' assessment of their government's response. While three in ten (31%) say the Federal Government is doing too little to address climate change, this is down 13pp from 2022, when more than four in ten (44%) said this.

Yet on an individual level we see a drop in engagement. Although more than six in ten Australians (63%) agree it's their personal responsibility to help to do something about climate change, fewer than half (46%) feel they can personally make a difference – an 8pp drop in agreement from last year.

Renewable energy remains the environmental issue that Australians would most like to see action on. However, as with all issues tangled up in the polycrisis, things are not as simple as they seem and confidence that energy transition would lead to positive outcomes appears to be slipping.

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LISTEN TO OUR EXPERTS

PEOPLE, PLANET, PROSPERITY

This Barbie is… Chief Sustainability Officer.

Join Pippa Bailey (Head of Ipsos Climate Change & Sustainability Practice) in discussion with Elizabeth Eaves (Senior Sustainability Engineer for EMEA at Mattel) who explains how the superpowers of Barbie, the world's bestselling doll, are being used to educate a future generation on everything to do with the environment and topics related to diversity and inclusion.

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WHAT'S NEXT IN UX?

User Experience is essential for brand success but can be hard to measure due to its subjective nature. So how does a brand or business know if they are providing an excellent experience and how they compare to competitors?

Listen in as Ipsos experts discuss how the Ipsos UX Score can help clients objectively assess the User Experience they provide.

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BRAND TALK

Ipsos' brand strategy podcast is back and is focusing on the fundamentals of brand success.

In this first episode in the new series, David Robson, author of Expectation Effect: How Your Mindset Can Transform Your Life, joins the podcast to discuss the importance of reinforcing and shaping expectations as a brand leader.

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SHORTCUTS

Lives on Hold: Ukrainian Refugees

New research for the United Nations High Commissioner for Refugees (UNHCR) explores the intentions and perspectives of refugees and internationally displaced persons (IDPs) from Ukraine.

The research finds that most refugees (62%) and IDPs (67%) still hope to return to their place of origin in the future. Among refugees, intention to return is higher among those who face higher challenges to sustain themselves in host countries (e.g. older people or those hosted by friends or family), those who have information about the state of their place of origin, and those wanting to reunite with close relatives.

While the main factor determining whether, and when, refugees want to return home is an end to the war and the related safety risks, having access to basic services, housing and livelihoods are also important barriers: 90% of refugees and 85% of IDPs say this is an important factor determining whether they return to their place of origin.

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Understanding Generations

The more we look at generations, the less we know about them. That's why it is important to see the trees in the data forest. Are Baby Boomers, Gen X, Millennials and Gen Z universal concepts in the world?

At a global level, there is a clear correlation between age and many aspects of consumer and citizen behaviour. Younger people tend to be more left in their political orientation, older people tend to be more right. Older people tend to be less positive about change than younger people, but not always.

Even the four big generational categories don't transfer across countries perfectly. There is no equivalent to the Baby Boomer generation, at least as it's defined in the West, in Nigeria. Gen Z is a blip on the generational landscape in Japan, where people live longer than almost anybody in the world and the median age of their population is 48. Gen X is a unique population segment that doesn't likely exist in the developing world.

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Consumer Confidence

The Ipsos Consumer Confidence Index shows sentiment significantly down in many European countries this month.

Confidence has fallen most in Hungary (-4.7 points), a country which remains in recession and continues to experience high inflation. Great Britain is also down 4.2 points after reaching its highest point in 15 months last month. The Netherlands (-2.4 points) and France (-2.1 points) also show significant declines.

In contrast, consumer confidence has climbed in the US, which is up 4.8 points and currently sits at its highest score for 14 months.

A rise of 1.4 points sees Brazil (60.0) record its highest score since February 2013, joining Indonesia (63.7) as the only countries with a National Index score of 60 or higher.

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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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