

CONSUMER PULSE IMPACT OF THE MIDDLE EAST CONFLICT ON URBAN INDIANS

Apr'26

Before the sales and market impact are felt, the first signs of a global crisis are seen in how consumers start thinking, spending, and prioritising



Context

Periods of global conflict often act as inflection points for consumer behaviour, and the ongoing US-Iran tensions are no exception. While geographically distant, such events can quickly translate into local economic anxieties for Indian consumers, particularly around inflation, supply stability, and income security.

In a hyper-connected environment, real-time news exposure is accelerating how quickly these concerns take shape, influencing not just sentiment but also day-to-day decision-making.

For businesses, this creates a rapidly evolving landscape where consumers are likely to re-evaluate priorities, shift spending patterns, and become more value-conscious. Early signals of such shifts are critical, helping brands anticipate demand changes, identify at-risk categories, and adapt pricing, communication, and portfolio strategies accordingly. Understanding the pulse of consumers in real time is therefore not just diagnostic, but a strategic imperative to remain relevant, responsive, and trusted in times of uncertainty.



Key findings

1 High awareness continues to drive concern

The conflict remains highly tracked, with widespread and sustained concern about its impact and expectations of a prolonged (~6 months) disruption

2 Inflation fears are deepening and broadening

Fuel concerns persist, while anxiety around food inflation and potential shortages of imported goods has risen sharply

3 A sustained precautionary mindset is taking hold

Consumers are consistently shifting toward savings and tightly controlled spending, with cautious consumption now an entrenched behaviour

4 Spending is tightening, but in a measured way

Spending contraction is imminent but not drastic. Most consumers prioritizing essentials while maintaining some level of discretionary spend

5 Discretionary and big-ticket spends remain most vulnerable

Consumers will defer large purchases & experiences; price hikes to accelerate consumption drops in discretionary categories, except small indulgences

6 Value, price stability and reliability will define choice

Affordability is the top expectation, with consumers prioritizing price stability, supply reliability, and smart shopping - seeking control over spend rather than trading down

- Majority of Indian consumers continue to follow news about the ongoing conflict in the Middle East
- Concern about impact on India also remains widespread
- While fuel price rise continues to concern almost all Indian consumers, expectation of price rise of food and shortage of imported products has gone up significantly over the past 1 month

% Rating Top Box (Very Closely)

Extent of following ongoing conflict in Middle East

78% -2% vs. Mar'26

% Rating Bottom 4 Box

22%

% Rating Top Box (Very Concerned)

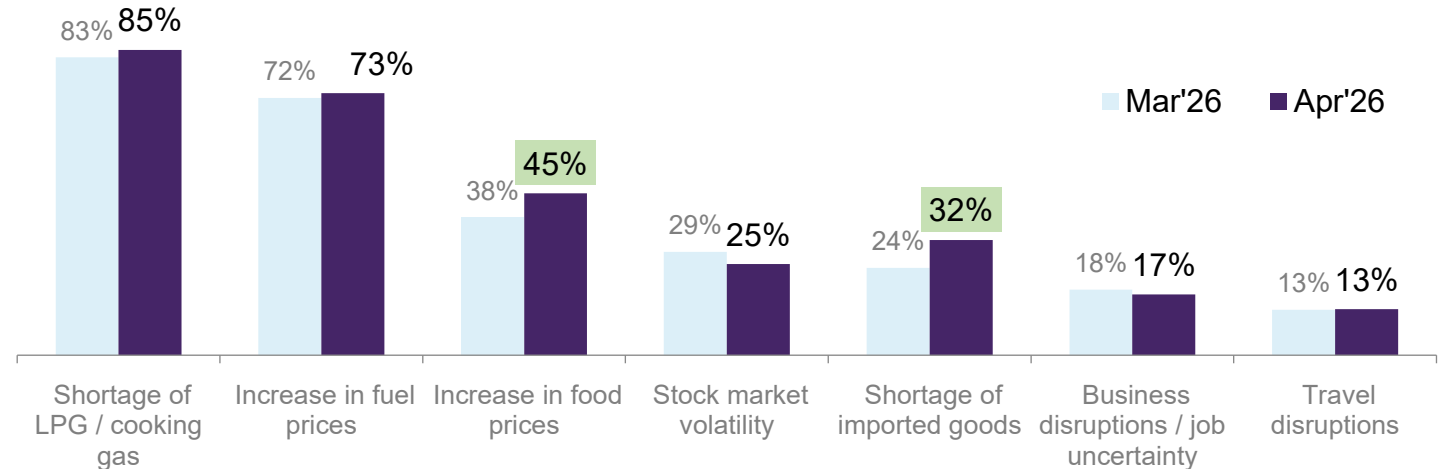
Level of Concern about Impact on India

74% -3% vs. Mar'26

% Rating Bottom 4 Box

26%

Top 3 Expected Economic Impacts of the Conflict in India



How closely are you following news about the ongoing war/conflict in the middle east? | How concerned are you about the impact of this conflict on India? | Which of the following impacts do you expect in India due to the conflict? Select the top 3

Base: Mar'26: 625 | Apr'26: 641

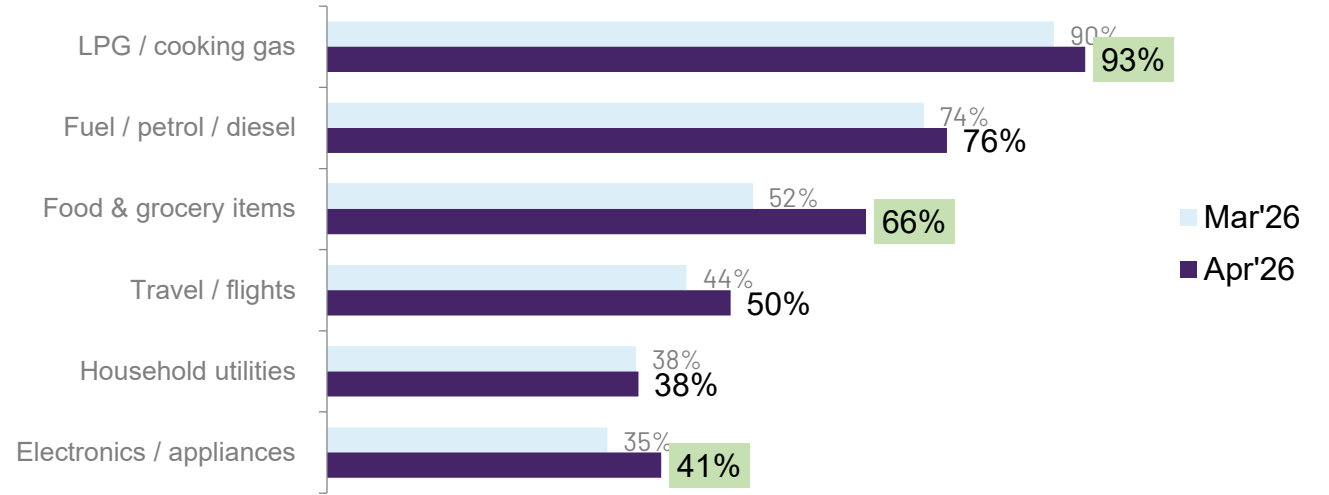
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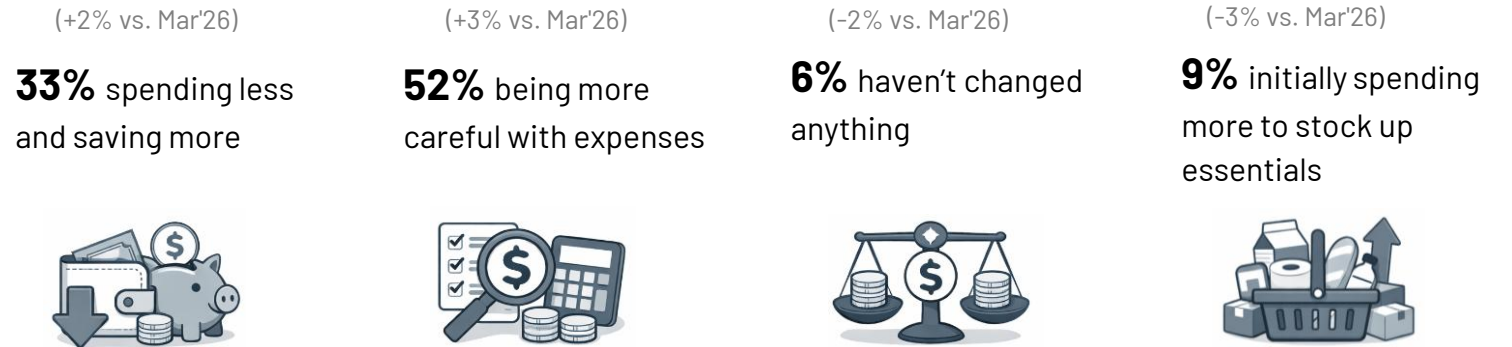


- Concerns around fuel and food price increases are being reinforced by consumers continuing to observe rising prices in these categories
- A sustained pattern of increased focus on savings is forming with consumers focusing more on cautious and controlled spending

Categories where consumers are already experiencing price increases



How consumers are adapting in face of the price changes



Which of the following price increases are you already noticing? | Has the conflict made you change your household spending behaviour?

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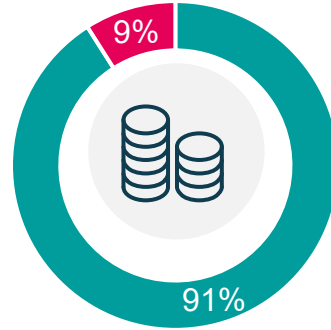
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Sig lower than Mar'26 at 95% CI



- In the face of rising prices, consumers are going to defer big-ticket purchases and cut back on discretionary experiences like travel and dining
- Purchase of smaller electronic items and entertainment subscriptions least likely to be impacted if prices rise
- This behaviour has remained largely the same as a month ago

Are future price increase going to cause expense cuts?



▲ **91%** (unchanged vs. Mar'26)

Yes, Likely to cut back

▲ **9%**

No, not likely

Top 3 Categories where expenses will be cut back



65% to cut large purchases (-2% vs. Mar'26)



60% to travel and holiday less (+5% vs. Mar'26)



51% to reduce dine out occasions (-6% vs. Mar'26)



49% to splurge less on fashion and lifestyle products (no change vs. Mar'26)



39% to reduce purchase of electronics/ gadgets (+3% vs. Mar'26)



36% to cut back on entertainment subscriptions (no change vs. Mar'26)

When prices increase, are you likely to cut back on expenses on certain things? | When prices increase, which three categories are you most likely to cut back on? Rank top 3

Base (Those likely to cut expenses): Mar'26: 566 | Apr'26: 583

Sig higher than Mar'26 at 95% CI

Sig lower than Mar'26 at 95% CI



- Precautionary mindset persists among consumers
- Although the tendency to stockpile LPG cylinders and fuel/petrol has reduced, primarily in the metros

With consumers continuing to keep ~**2.5 weeks of essential supplies** at home at present...

3 in 4 remain intent on stockpiling

And which products will be stockpiled by Indian consumers?

	Mar'26	Apr'26
Base (Those stockpiling):	480	509
LPG cylinders	80%	73%
Cooking oil	64%	66%
Fuel / petrol	61%	52%
Packaged food / staples	54%	0%
Alternative cooking aids like Air Fryers, Induction Cooktops, etc.	52%	49%
Medicines	47%	52%
Laundry care (detergents, softeners, etc.)*	-	36%
Dishwashing liquids, bars, etc.*	-	35%
Personal care and grooming products*	-	35%
Staples and cooking essentials - flour, cooking oil, sugar/salt/spices*	-	68%
Ready to cook/eat noodles, frozen food, etc.*	-	46%
Snacks and indulgences (chocolates, chips, namkeens, etc)*	-	41%

How many weeks of essential supplies do you currently have at home Have you stocked up or plan to stock up on any essential products due to uncertainty? | Have you stocked up or plan to stock up on any of the following due to uncertainty?

- Price stability is the single biggest expectation from brands, with consumers prioritising affordability above all else – this focus has intensified over the past month amid rising prices
- Functional reliability matters more than emotional gestures, with supply continuity and availability outweighing softer brand actions



85% consumers **expect brands to step up** amid current uncertainty (unchanged vs. last dip)

Actions Consumers expect brands to take	Mar'26	Apr'26
Base (Those who want brands to take action)	531	546
Keep prices stable and avoid unnecessary price increases	67%	75%
Avoid shortages by managing supply and distribution better	45%	49%
Ensure availability of essential products	44%	41%
Offer value packs to keep products affordable	37%	36%
Communicate clearly about price or supply changes	33%	29%
Maintain product quality despite disruptions	28%	27%
Offer smaller or budget-friendly pack sizes	20%	20%
Act responsibly and avoid creating panic or encouraging stockpiling	16%	13%
Support communities or relief efforts	10%	11%

Do you expect any actions from brands to help during such uncertain times? | What actions would you expect from brands during such uncertain times? Select the top 3.

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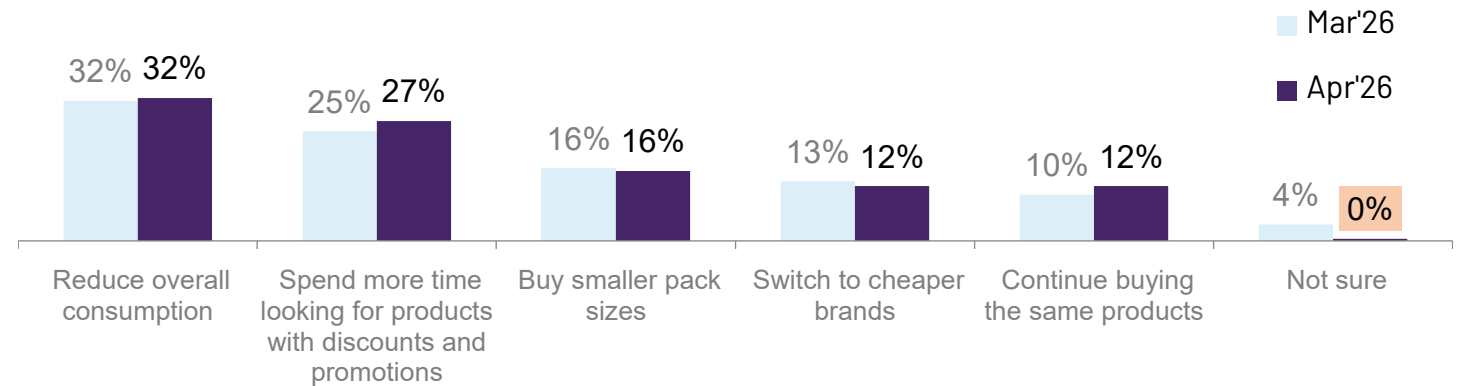


- Consumers are prioritising control over compromise, with reduced consumption emerging as the primary response to price increases
- Smart shopping is the secondary strategy, with deal-seeking outweighing downtrading to cheaper brands



Price rise and uncertainty also likely to alter the way consumers shop

Action consumer will take in the event of price rise



If prices of everyday products increase significantly, which of the following are you most likely to do?

© Ipsos | Impact of middle east conflict on Indian consumers | Apr'26 | Public

Base: Mar'26: 625 | Apr'26: 641

Sig higher than Mar'26 at 95% CI

Sig lower than Mar'26 at 95% CI



- The expectation of the conflict to last another ~6 months is likely driven by continued geopolitical uncertainty and lack of visible de-escalation signals

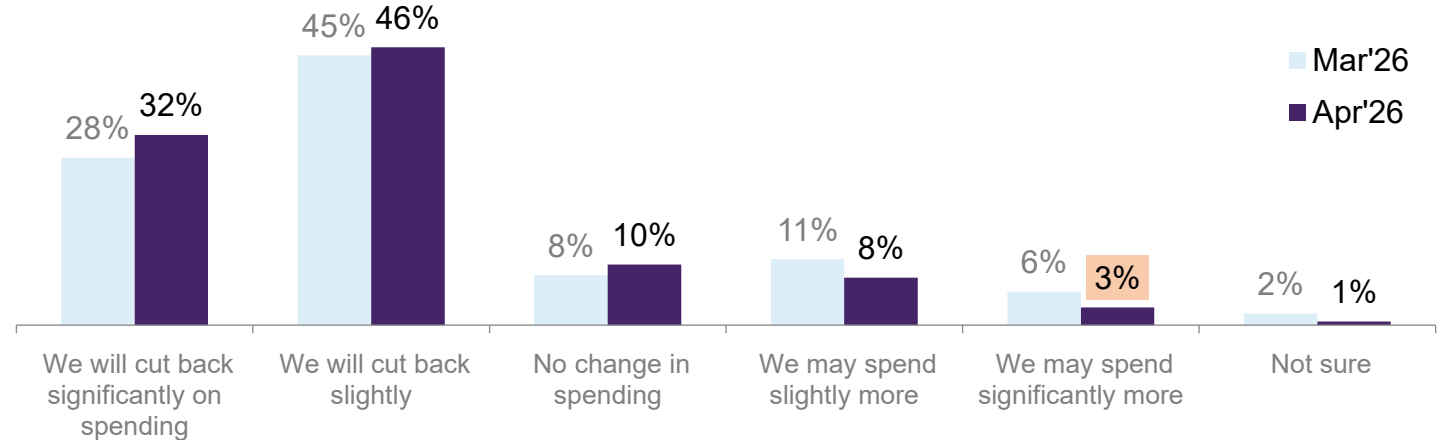
- Spending contraction is imminent but not drastic, with nearly 3 in 4 consumers planning to cut back to some extent

- In a climate of cautious consumption, winning brands will be those that help consumers manage trade-offs – balancing value, accessibility, and perceived necessity*

Indian consumers expect the current conflict in the Middle East to last for about **5.7 months (vs. 5.2 months in Mar'26)**



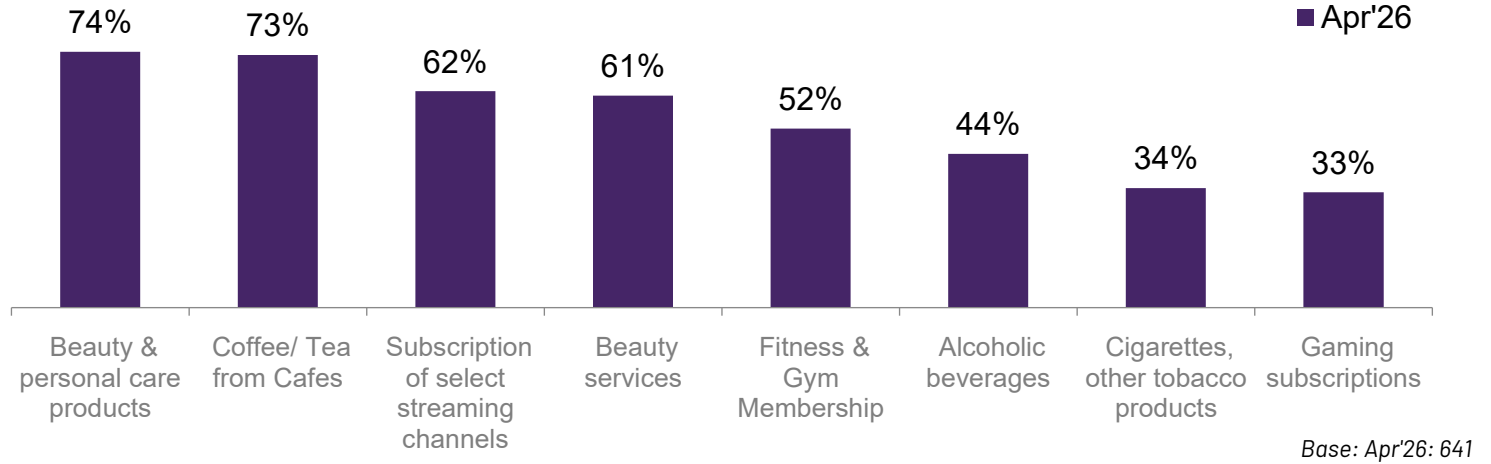
Impact on Spending in the next 6 months



How long do you think this conflict will go on? | Because of global economic uncertainty due to the conflict in the Middle East, how do you expect your household spending to change in the next 6 months?

- Price hikes in discretionary categories like cigarettes/tobacco and alcobev are likely to reduce consumption for nearly half of consumers- significantly higher sensitivity than for everyday essentials (32%)

***Consumption of Discretionary Categories**



Action if Price of Tobacco/Cigarette/Alcobev changes - Apr'26

	Tobacco/Cigarette Consumer	Alcobev Consumer
Base (Consumers of the Product)	221	284
Reduce overall consumption	48%	44%
Switch to other less expensive options within the same brand	17%	24%
Switch to cheaper brands	17%	18%
Continue buying the same brands	14%	13%
Not sure	3%	1%

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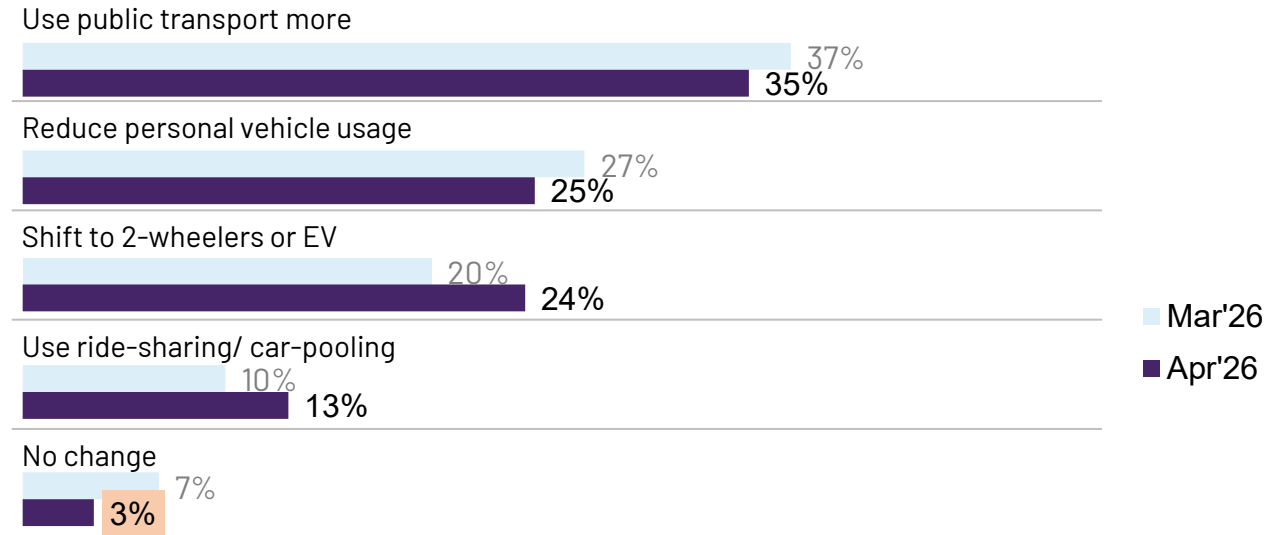
Which of these personal consumption items do you spend on for yourself, beyond what is bought at your home?
If prices of Alcoholic beverages increase significantly, which of the following are you most likely to do?

*Given the sample composition, this data may not align with mass penetration figures



- If fuel prices rise, consumers are likely to shift towards cost-efficient mobility, prioritising public transport and reducing personal vehicle usage

Adjustment in local transport behaviour in response to fuel price increases



Base: Mar'26: 625 | Apr'26: 641

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- ~1 in 2 consumers plan to purchase a 2-wheeler in the next 6 months
- Fuel prices are accelerating EV interest with nearly all prospective buyers (95%) saying rising fuel prices has increased their likelihood of considering electric two-wheelers
- Under a 15% petrol hike, 2 in 3 would advance EV purchase, while only a much smaller proportion will shift to high-mileage petrol options

Behaviour related to 2-wheeler purchase

Apr'26

Interest in purchasing 2 wheeler in the next 6 months

Base (All respondents)

641

Yes

51%

No

49%

Impact of rising fuel prices on interest in purchasing electric two-wheelers (next 6 months)

Base (Those wanting to purchase 2-wheeler in N6M)

328

Yes

95%

No

5%

Purchase preference shift under a 15% petrol price increase (next vehicle choice)

Base (Those wanting to purchase 2-wheeler in N6M)

328

Buy an EV scooter/bike sooner

66%

Buy a high-mileage petrol bike (100-110cc)

20%

I will not purchase anything/ will have no change in purchase

14%

Are you planning to purchase a 2 wheeler in the next 6 months?

Has the recent rise in global fuel prices made you more interested in buying an Electric Scooter/Bike in the next 6 months?

If petrol prices go up by 15% next month, what would you choose for your next vehicle purchase?

- Long-term savings trump short term costs with 72% preferring EVs amid fuel uncertainty, far outweighing interest in petrol or second-hand options
- Price hikes won't fully deter purchase - over half will proceed despite a ₹5-8K increase, with others adjusting via downgrading or delaying rather than dropping out

Behaviour related to 2-wheeler purchase	Apr'26
Vehicle consideration amid fuel price uncertainty	
Base (Those wanting to purchase 2-wheeler in N6M)	328
Buying a new Electric bike (Save money later)	72%
Buying a second-hand petrol bike/scooter (Save money now)	14%
Buying a first-hand petrol bike/scooter	9%
Wait for some time and not purchase now	5%
Purchase response to a ₹5,000-₹8,000 price increase in chosen model	
Base (Those wanting to purchase 2-wheeler in N6M)	328
Buy it anyway	55%
Downgrade to a cheaper model	21%
Wait for some time and not purchase now	16%
Buy a second-hand vehicle	7%

Given the uncertainty in fuel prices, what would you likely consider?
 If your chosen model becomes Rs. 5,000-8,000 more expensive tomorrow, what will you do?

Methodology & Target Group

This is an ongoing opinion tracker designed to understand the evolving impact of the Middle East conflict on consumer sentiment, behaviour, and expectations in Urban India



Methodology

- Self administered Online survey using structured questionnaire among Ipsos' online panel members.
- Length of Interview: 8-10 mins
- Language of survey: English
- Sample Coverage: 600 per wave



Target Group

- Metro – 50% | Tier 1 – 30% | Tier 2+3 – 20%
- Male – 50% | Female – 50%
- Age: 18-60 yrs | 18-29 yrs – min. 45% | 30-45 yrs – min. 45%
- NCCS A – 80% | NCCS B – 20%

Fieldwork period
Mar 2026 – 21st to 26th
Apr 2026 – 25th to 30th



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