

FEELING THE PRESSURE?

KEYS -
A WEBINAR SERIES
BY IPSOS

6 July
2023



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[Watch](#) the recording



FEELING THE PRESSURE?

CONSUMERS AND
THE POLYCRISIS

6 July
2023



Day
#187



A NEW WORD

A **polycrisis** is not just a situation where you face multiple crises. It is a situation... **where the whole is even more dangerous than the sum of the parts.**

– Adam Tooze, author & professor at Columbia University

AGENDA



01

The Dimensions of Public Opinion

Simon Atkinson
Chief Knowledge Officer, Ipsos

02

Crises, What Crises?

Priscilla Branco
Senior Manager, Public Affairs & Corporate Reputation, Ipsos in Brazil

03

Innovating in Uncertain Times

Jiongming Mu
Global Innovation Solutions Lead, Ipsos

04

Resilience and Dynamism

Suresh Ramalingam
Chief Client Officer, APEC, Ipsos

RESOURCES

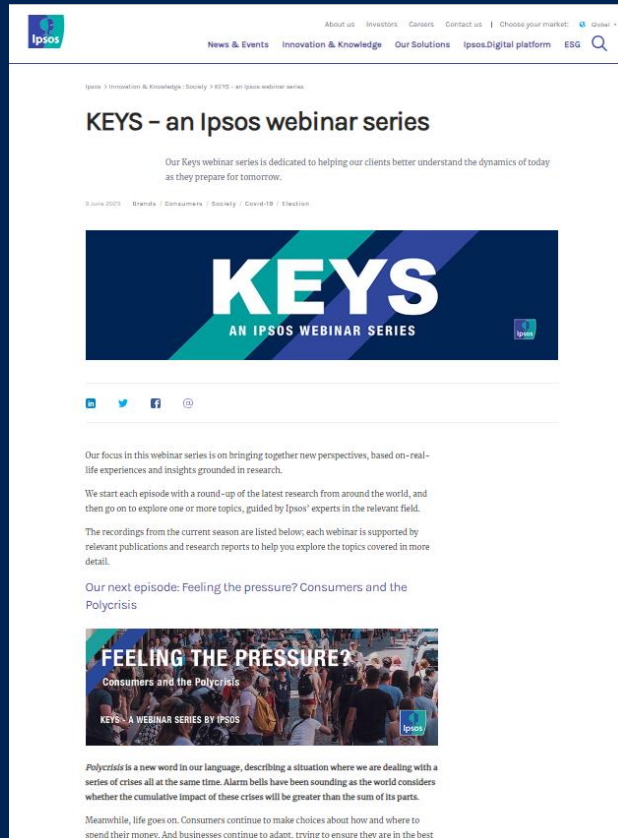
Links to the recording and the presentations will be available at the **KEYS** website on 7 July

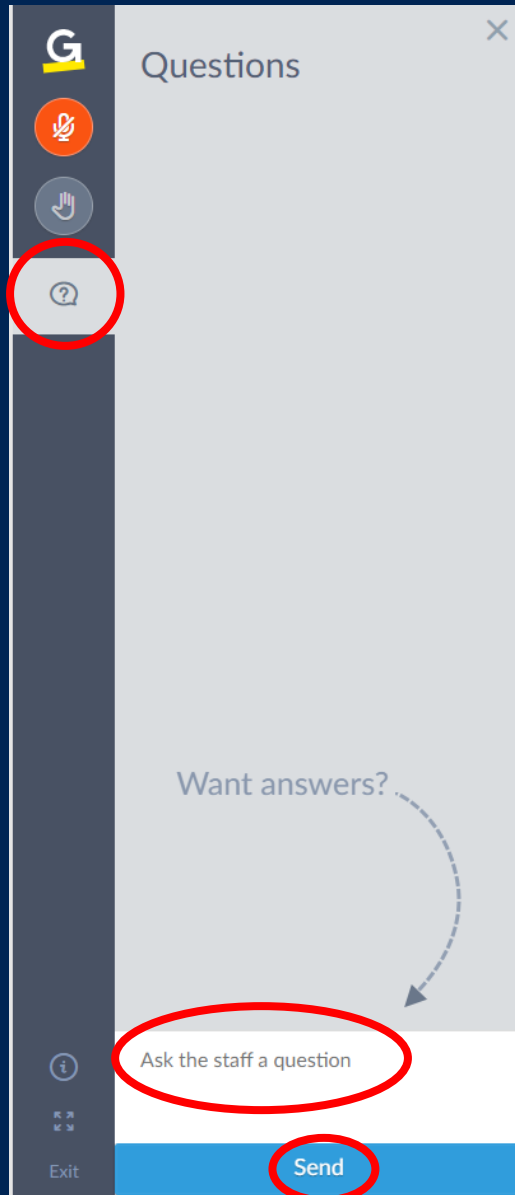
Including a “**Briefing Pack**” containing additional background information prepared by the team

FEELING THE PRESSURE?

CONSUMERS AND THE POLYCRISIS


Briefing Pack
July 2023





QUESTION TIME

Do you have questions for our panellists?

Please send them by clicking on the  on the left panel.

You can ask your question at any time during the session.



THE DIMENSIONS OF PUBLIC OPINION

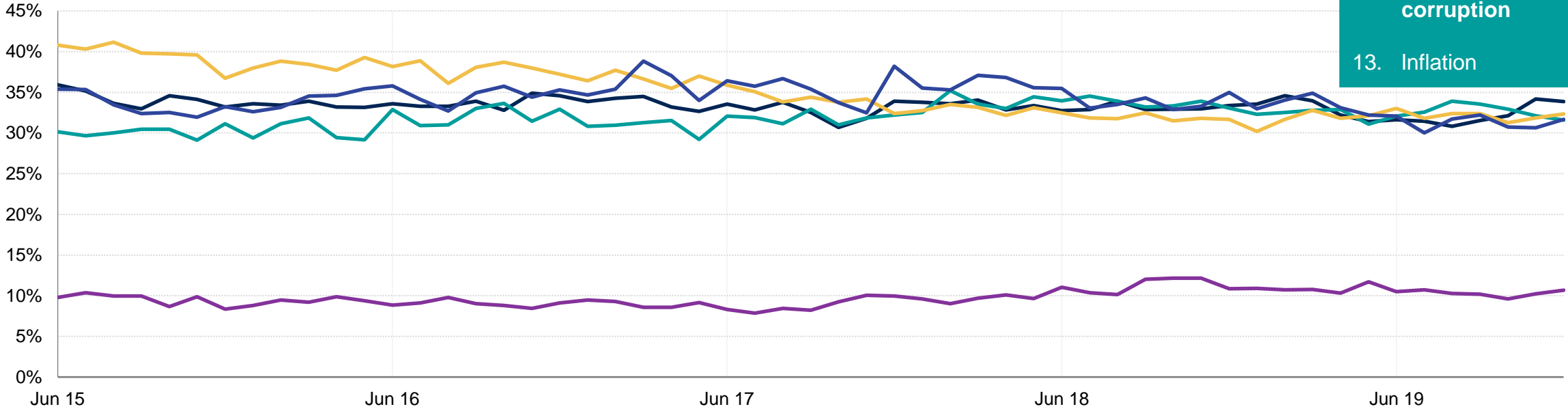
Simon Atkinson

WORLD WORRIES: 2015-2019

**DEC 2019
TOP ISSUES**

1. Poverty & social inequality
2. Unemployment
3. Crime & violence
4. Financial/political corruption
13. Inflation

Q Which three of the following topics do you find the most worrying in your country?
Global country average





Inflation



Poverty & social inequality



Crime & violence



Unemployment



Financial/political corruption

Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries, 2015 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.



WORLD WORRIES: APRIL 2020

Q Which three of the following topics do you find the most worrying in your country?
Global country average



61%

mention **Covid-19**
24/28 countries **#1 worry**



Inflation



Poverty & social inequality



Crime & violence



Unemployment



Financial/political corruption



Coronavirus

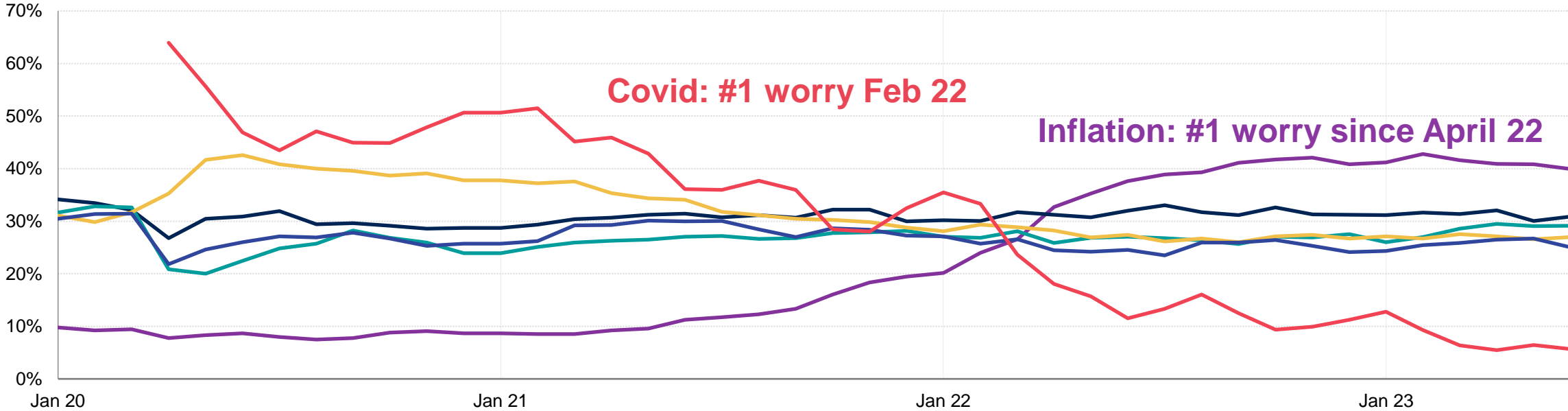
*Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries, 2015 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.*




WORLD WORRIES: RECENT TIMES


Q Which three of the following topics do you find the most worrying in your country?

Global country average







Inflation




Poverty & social inequality




Crime & violence



Unemployment



Financial/political corruption



Coronavirus

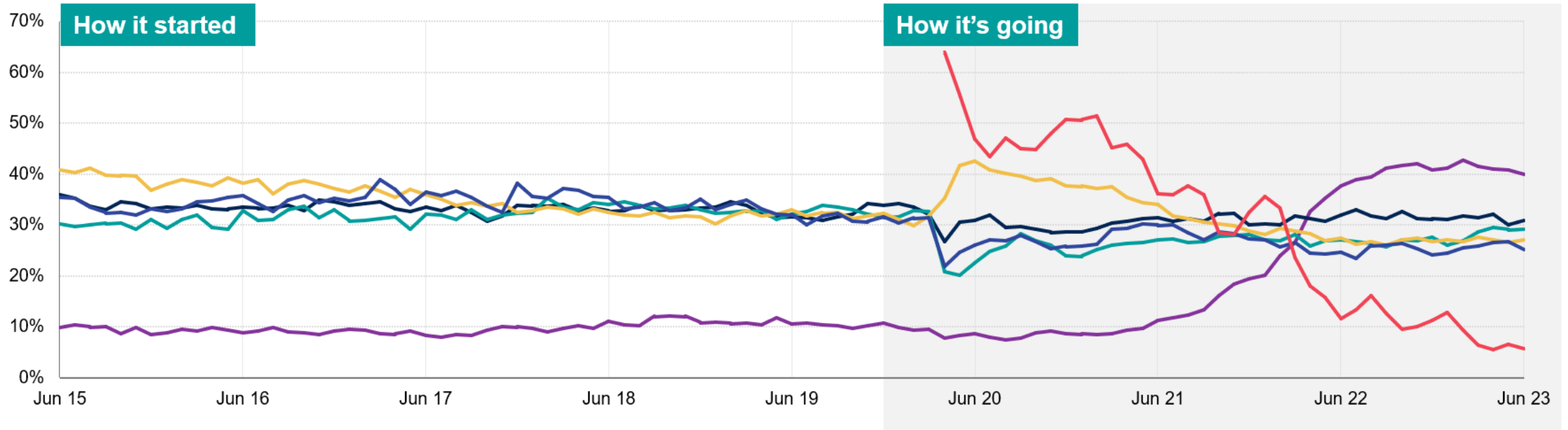
Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries, 2015 - 2023.
 Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.



THE PATH TO 2025

Q Which three of the following topics do you find the most worrying in your country?

Global country average




Inflation


Poverty & social inequality


Crime & violence


Unemployment


Financial/political corruption


Coronavirus

Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries, 2015 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.

THE DIMENSIONS OF A POLYCRISIS

AS WITNESSED THROUGH PUBLIC OPINON





ENVIRONMENTAL CRISIS



Explore [the results](#)

80%



“We are heading for environmental disaster if we don’t change our habits”



ENVIRONMENTAL CRISIS



Explore [the results](#)

56%



“Climate Change has already had a serious effect where I live”



GEOPOLITICAL CRISIS



Explore [the results](#)

48%



“Nuclear weapons will be used somewhere in the world” during 2023

ECONOMIC CRISIS



Explore [the results](#)

49%



“The economy in my country is already in recession”



ECONOMIC CRISIS



Explore [the results](#)

63%



“The rate of inflation will rise over the next 12 months”





ECONOMIC CRISIS



Explore [the results](#)

61%



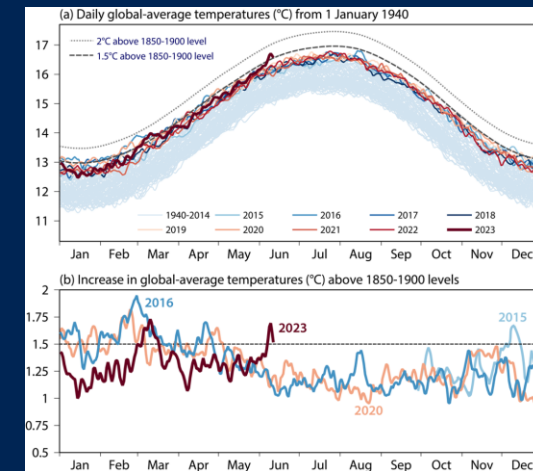
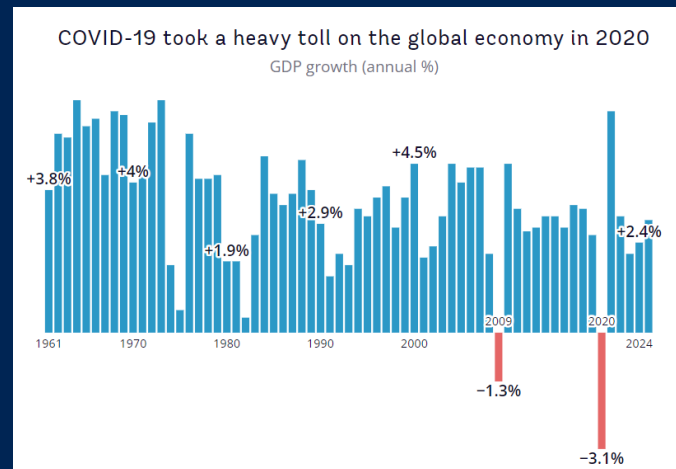
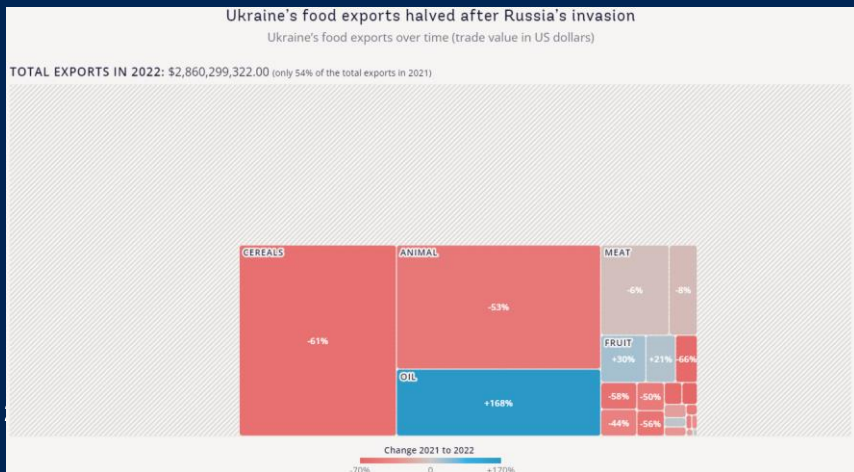
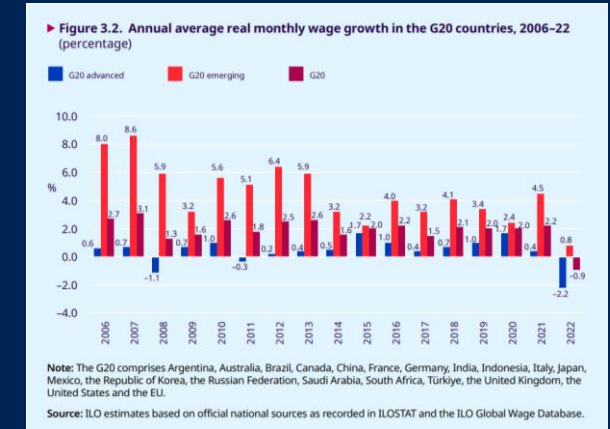
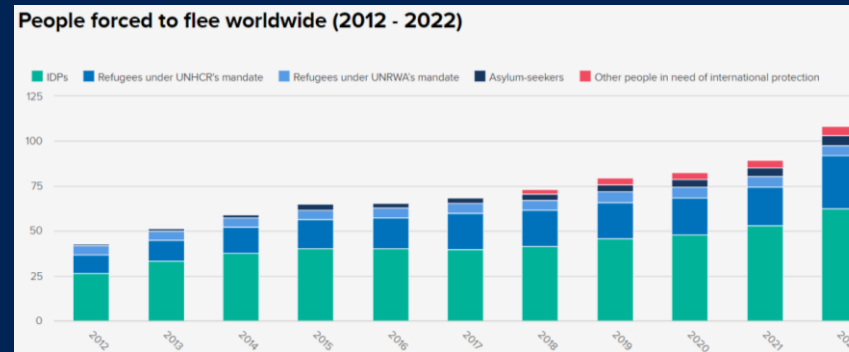
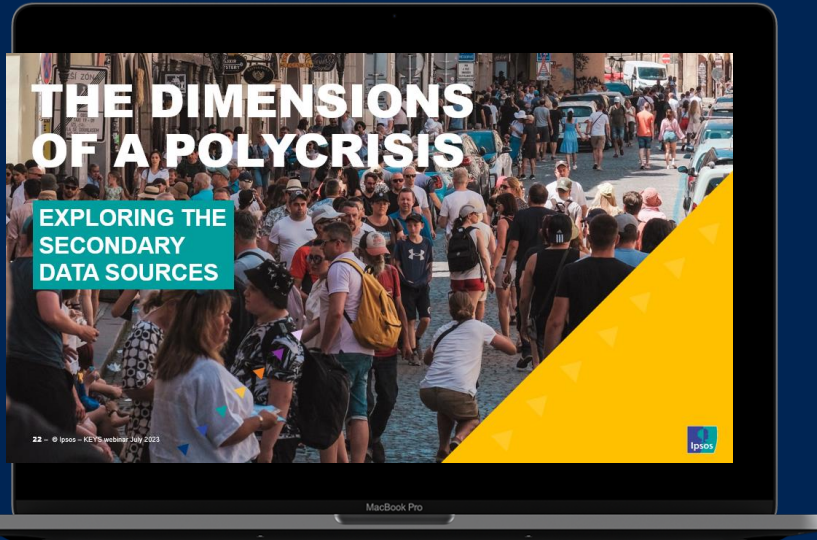
My current situation:
“Just about managing /
finding it difficult”

THE DIMENSIONS OF A POLYCRISIS

EXPLORING THE SECONDARY DATA SOURCES

REFUGEES | FOOD | ECONOMY | WAGES | CLIMATE

Our separate briefing pack contains 10 data charts we found useful while putting this presentation together



A MOMENT TO PAUSE

TWO YEARS ON:
LESSONS FROM
COVID TIMES

April 2022

CLICK TO ENTER

© Ipsos 2022



Adaptivity & Resilience



A MOMENT TO PAUSE

Not everything is bad



73% say
“I’m satisfied with
my life these days”



+6 on Dec 2021
+9 on June 2019

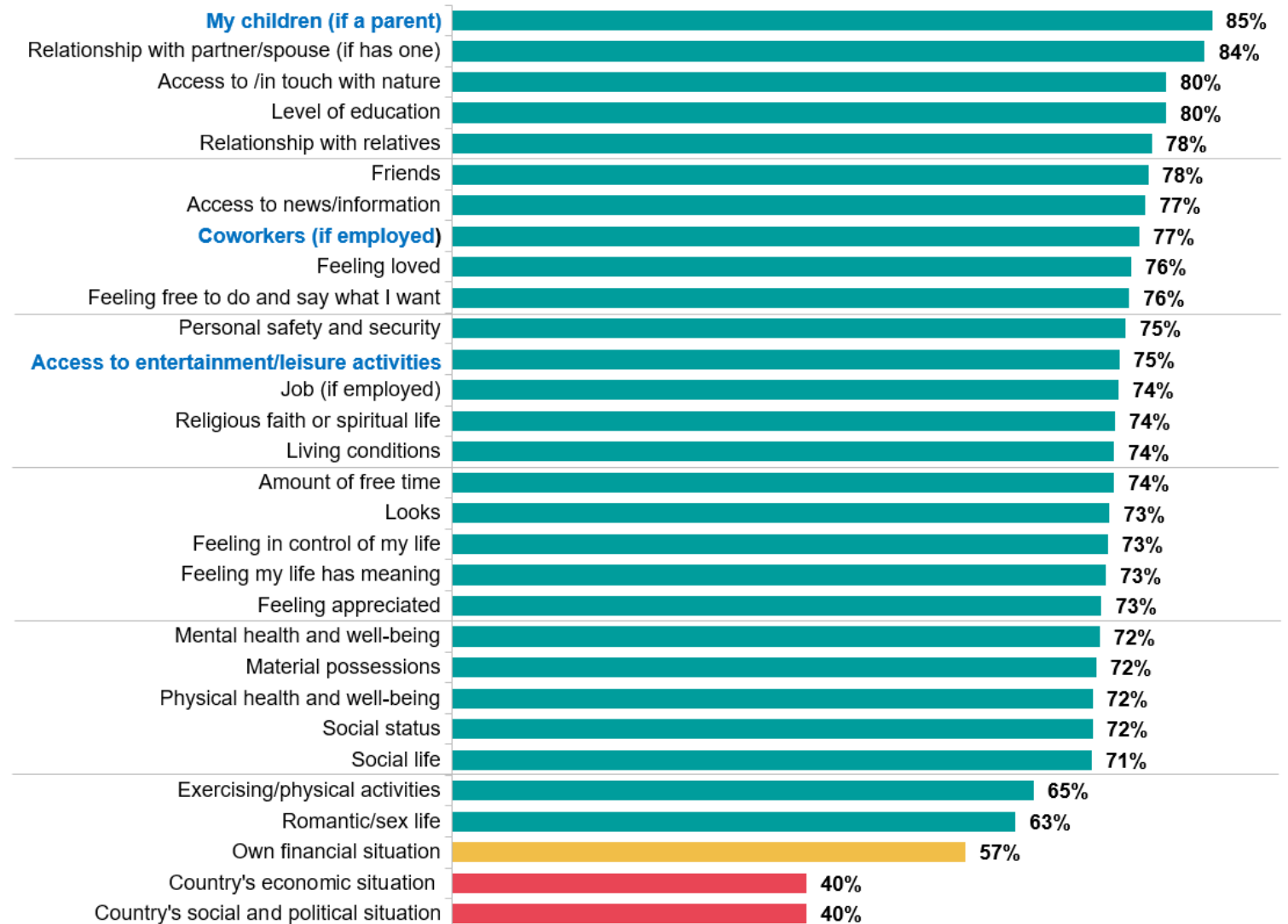
Explore [the results](#)

WE ARE HAPPY WITH MOST ASPECTS OF OUR LIVES



Overall, how satisfied are you with each of the following aspects of your life:

% satisfied (very/somewhat)



Base: 22,508 online adults under the age of 75 across 32 countries, interviewed Dec. 22, 2022 – Jan. 6, 2023

The "Global Country Average" reflects the average result for all the countries and markets where the survey was conducted. It has not been adjusted to the population size of each country or market and is not intended to suggest a total result.

The samples in Brazil, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, Peru, Saudi Arabia, Singapore, South Africa, Thailand, Turkey, and the UAE are more urban, more educated, and/or more affluent than the general population.

A MOMENT TO PAUSE

Not everything is bad



73% say
“I’m satisfied with
my life these days”

+6 on Dec 2021

+9 on June 2019

Explore [the results](#)

Change and continuity

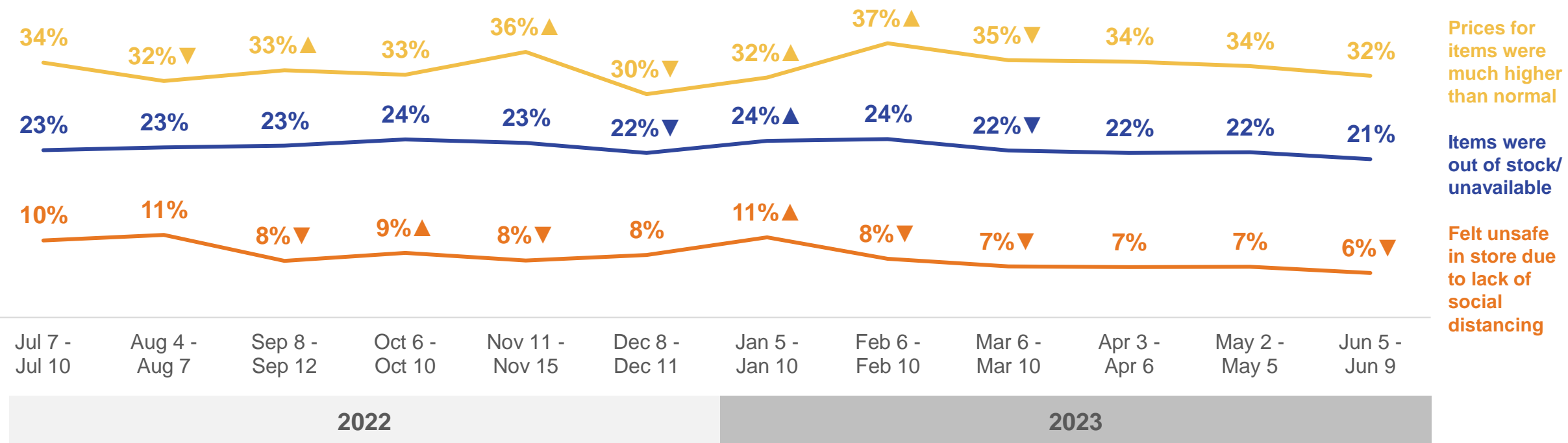


32% have noticed
“Prices in the shops
being much higher than
normal” in last 2 weeks

Explore [the results](#)

CHANGE AND CONTINUITY

Shopping Challenges Faced - Past 2 Weeks



Q: Which of the following challenges, if any, have you faced while shopping in the past two weeks?

Jul 7 - Jul 10:10014, Aug 4 - Aug 7:10006, Sep 8 - Sep 12:10017, Oct 6 - Oct 10:10015, Nov 11 - Nov 15:9986, Dec 8 - Dec 11:10021, Jan 5 - Jan 10:10036, Feb 6 - Feb 10:10036, Mar 6 - Mar 10:10044, Apr 3 - Apr 6:10039, May 2 - May 5:10047, Jun 5 - Jun 9:10036. ▼ or ▲ indicate change vs. previous wave (statistically significant @ 95% C.I.)

A MOMENT TO PAUSE

Not everything is bad



73% say
“I’m satisfied with
my life these days”

+6 on Dec 2021
+9 on June 2019

Explore [the results](#)

Change and continuity



32% have noticed
“Prices in the shops
being much higher than
normal” in last 2 weeks

Explore [the results](#)

There are opportunities
for brands



74% are worried
“Government & public
services will do too little
to look after people in
years ahead”

Explore [the results](#)

BUSINESS CAN SHAPE THE FUTURE



45%

think “businesses are good at planning for the long-term future”



36%

say the same about their national government



80%

believe brands can support good causes and make money at the same time

THE COUNTRY CONTEXT MATTERS



THE STATE OF THE ECONOMY IN MY COUNTRY

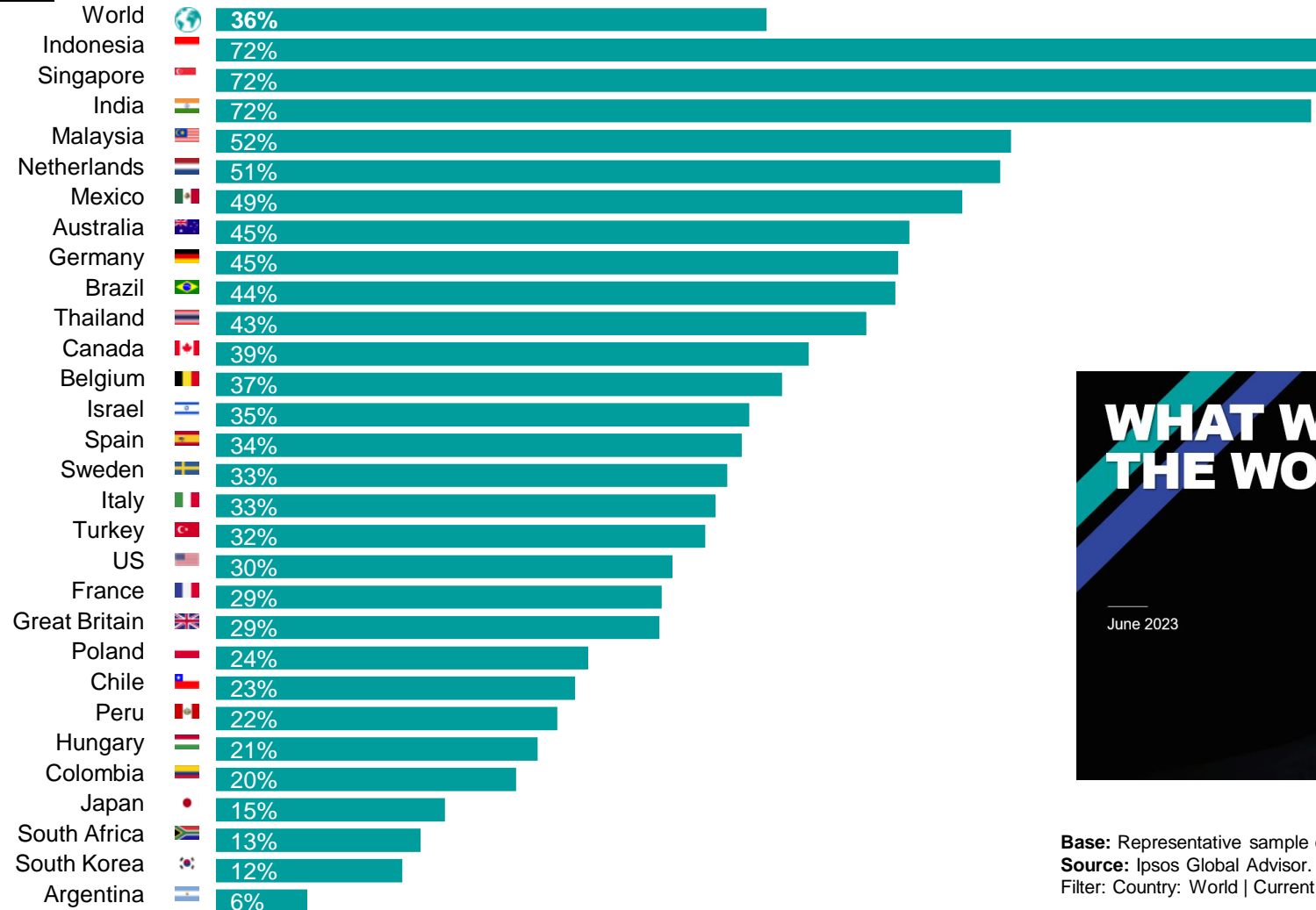
36%

The current economic
situation in my
country is “good”



CURRENT ECONOMIC SITUATION

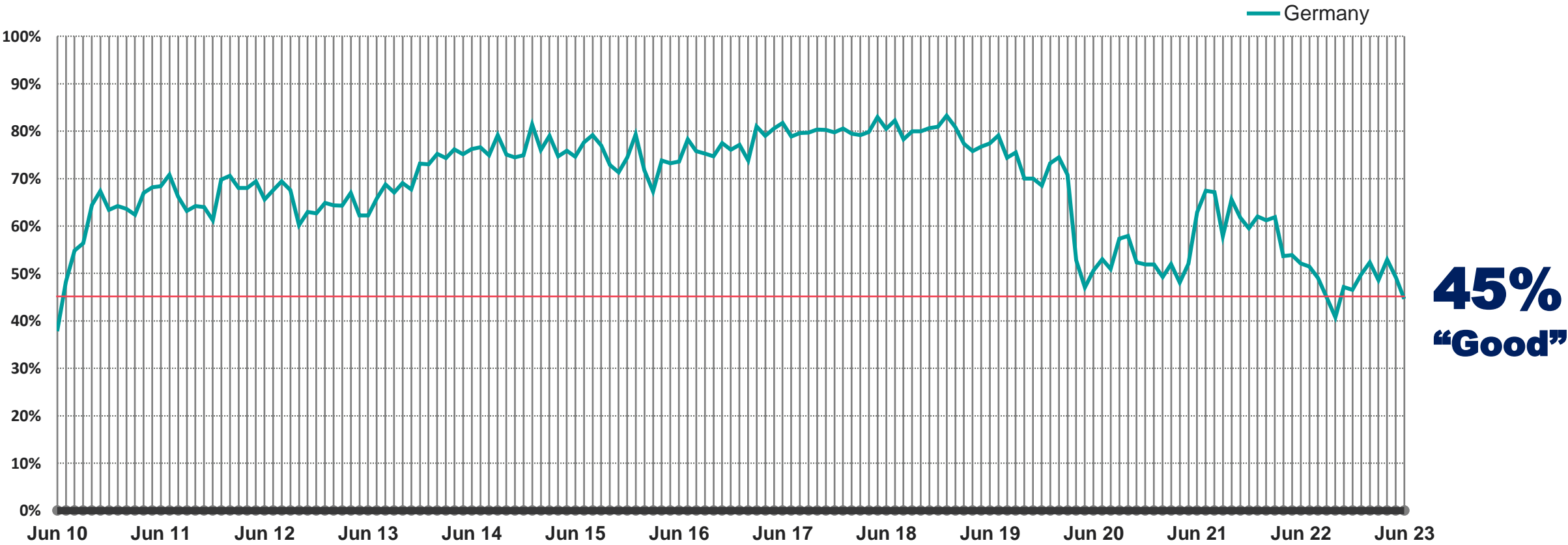
Q How would you describe the current economic situation in your country? (% *Good*)



Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries, May 26th 2023 - June 9th 2023
Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*
 Filter: Country: World | Current Wave: Jun 23

CURRENT ECONOMIC SITUATION: GERMANY

Q How would you describe the current economic situation in your country?
(% 'Very good' or 'Somewhat good')



45%
“Good”

Base: Representative sample c. 1000 adults aged 16-74 in Germany, 2010 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.



CURRENT ECONOMIC SITUATION: US

Q How would you describe the current economic situation in your country?
(% 'Very good' or 'Somewhat good')



Base: Representative sample c. 1000 adults aged 16-74 in US, 2010 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.



CURRENT ECONOMIC SITUATION: ARGENTINA

Q How would you describe the current economic situation in your country?
(% 'Very good' or 'Somewhat good')



6%
“Good”

Base: Representative sample c. 500 adults aged 16-74 in Argentina, 2010 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.



CURRENT ECONOMIC SITUATION: BRAZIL

Q How would you describe the current economic situation in your country?
(% 'Very good' or 'Somewhat good')



Base: Representative sample c. 1000 adults aged 16-74 in Brazil, 2010 - 2023.
Source: Ipsos Global Advisor. Global score is a Global Country Average. See methodology for details.



THE POLYCRISIS AND PUBLIC OPINION: RESOURCES

Briefing pack available at the KEYS webinar [home page](#)



CRISES? WHAT CRISES?

Spotlight on Brazil

Ipsos Public Affairs & Corporate Reputation Brazil

July 2023



Priscilla Branco
Sr. Manager
Public Affairs Brazil

Brazil country overview



Brazil country overview



203 million
people live in Brazil

60% of the
Amazon Basin is in Brazil

9th most unequal
country in the world

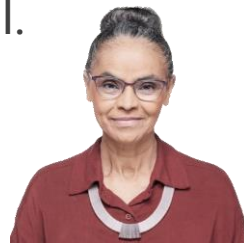
-10 million

Less than the last prediction. **Slowest growth rate ever registered!**

0 km²

Of **illegal deforestation** until 2030 is the new goal.

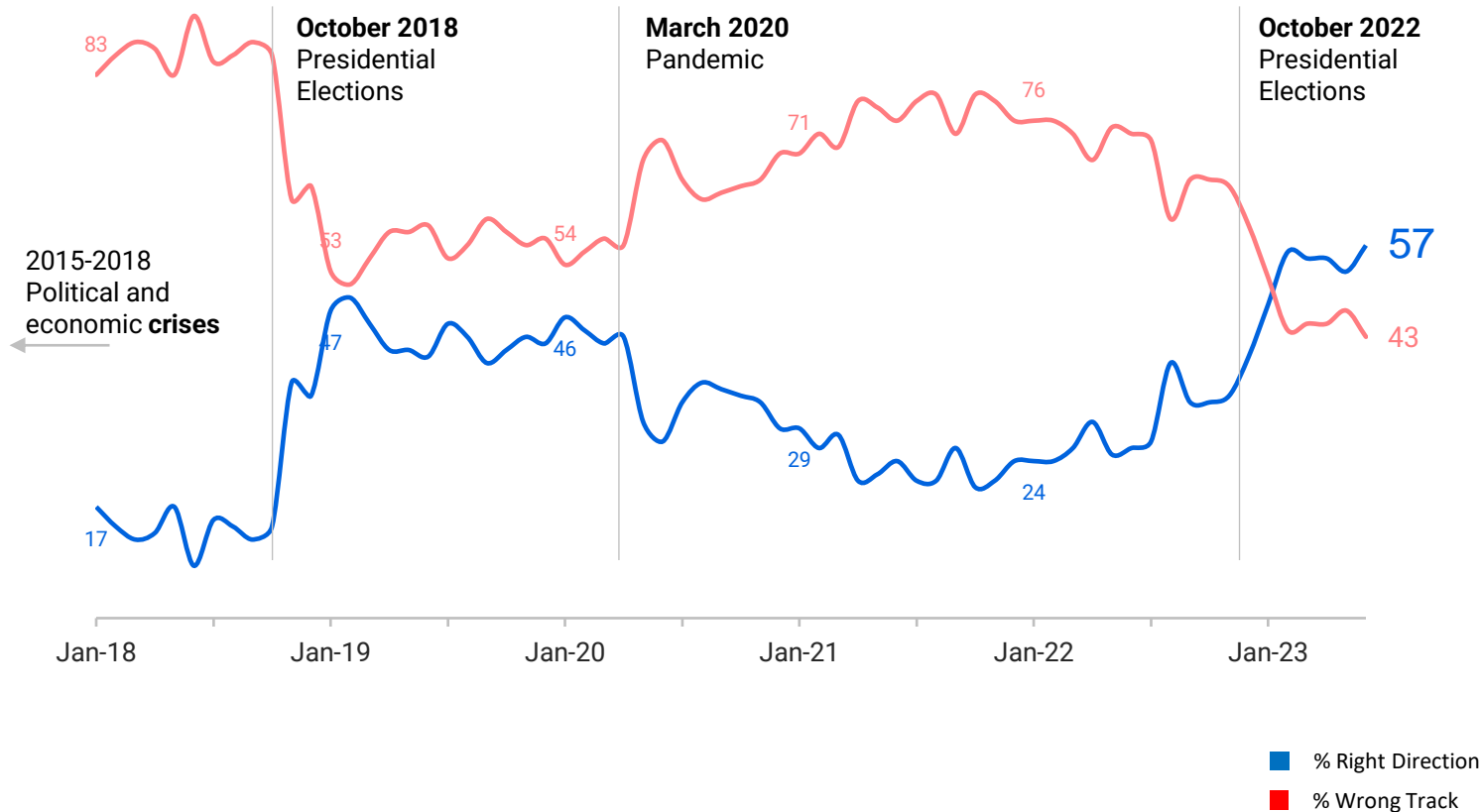
1st problem
Poverty/Social inequality (40%)



What are the good news?

Right Direction vs. Wrong Track

Brazil Data – 2018 to present



Brazilians' perceptions that the country is on the right track have been **on the rise** for the past 6 months.

consumer confidence

58.6 / 100

+ 12.3
vs. 2022

Global: 47.4/100

P: Would you say things in this country are heading in the right direction, or are they off on the wrong track?

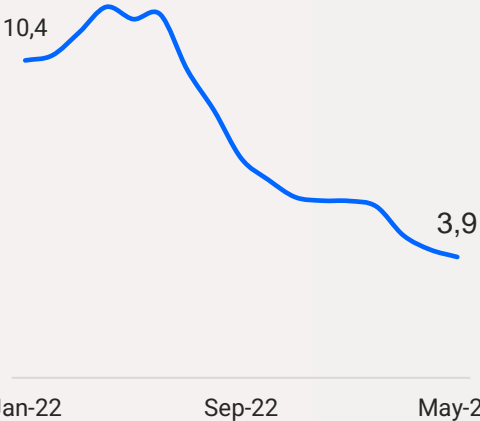
Reflections of the polycrises

an economy running on tentative positivity

political polarization still a reality

INFLATION

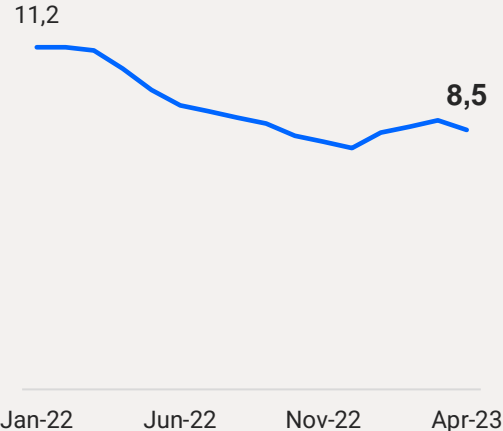
Cumulative inflation - past 12-months
January 2022 – May 2023



Source: Brazilian Census Bureau (IBGE)

UNEMPLOYMENT

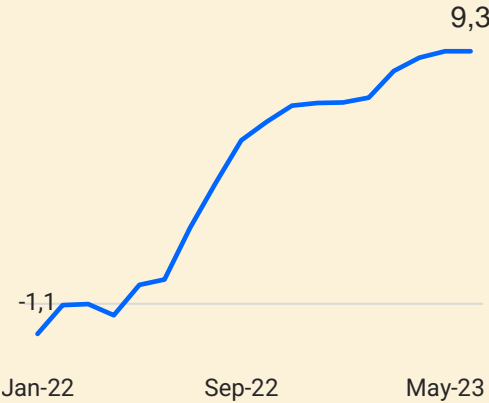
% Brazilians unable to find jobs
January 2022 – April 2023



Source: Brazilian Census Bureau (IBGE)

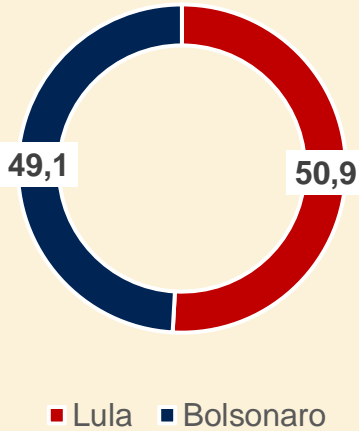
REAL INTEREST RATES

Interest rates considering inflation
January 2022 – May 2023



Source: Brazilian Central Bank

2022 ELECTIONS



Bloomberg
Why President Lula Is Clashing
With Brazil's Central Bank



Increasing concern with Sustainability, climate change and ESG agenda

49 %

Believe the economic costs of climate change itself are greater than the costs of measures to reduce it

63 %

Of Brazilians say climate change has already had a severe effect where they live





How companies can respond to the polycrises in Brazil?

“I expect companies **to take a stand on issues that matter** to me”

%Agree

59%

Brazil

What do we
expect from
companies?

“If businesses in my country do not act now to combat climate change, they **will be failing their employees and customers**”

%Agree

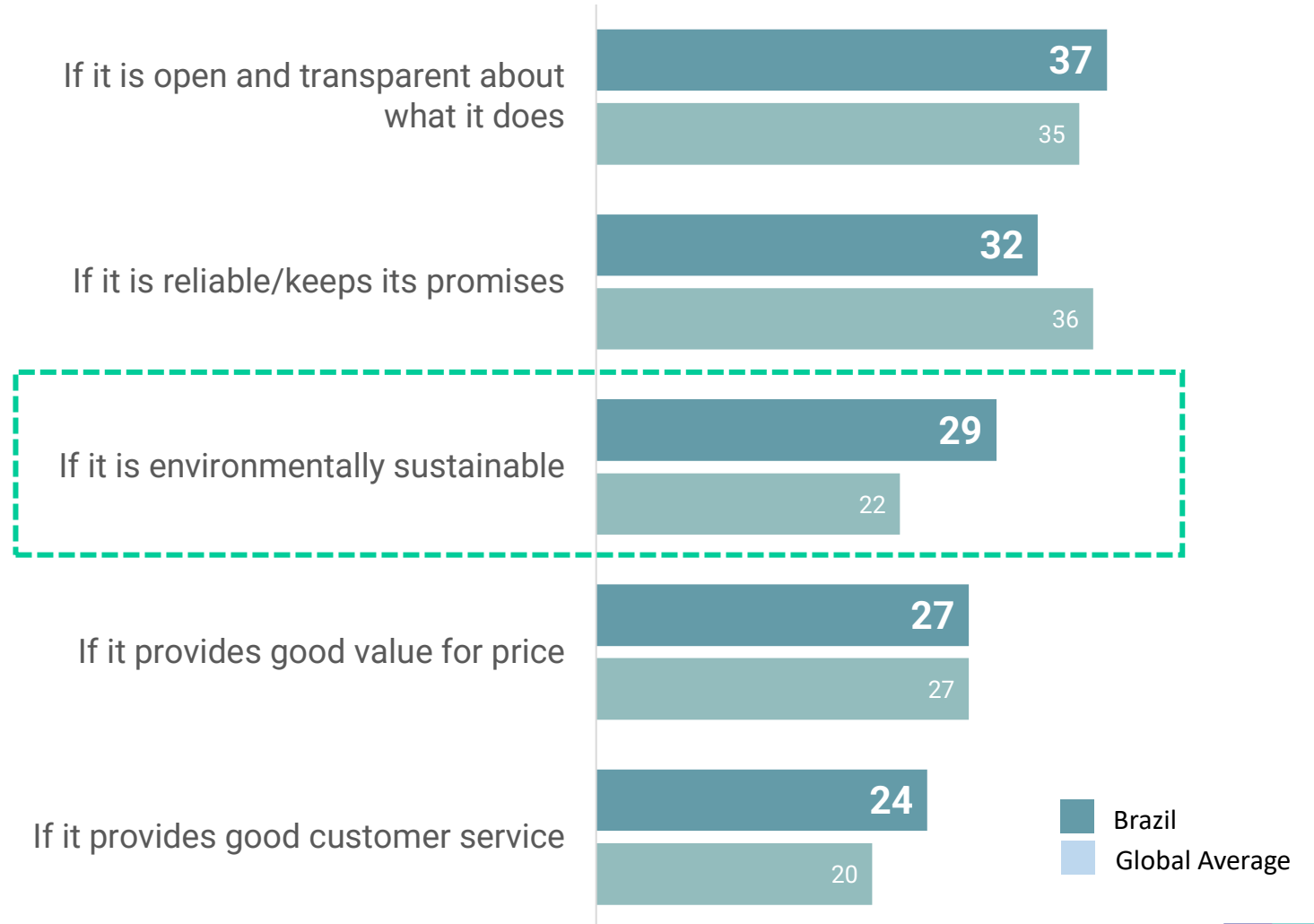
69%

Brazil

What do we **expect** from companies?

What is driving trust in Brazil?

Top 5 drivers



Responding to the polycrises: “Standing Forest” as a business model



Source: Natura



To summarize

- Economy: optimism in public opinion but some caution coming from the financial market – **overall, the context is positive.**
- Sustainability and environmental agenda is gaining more relevance, **consumers are more critical** and attentive to the role of companies in this matter.
- There is a **favorable context for innovations** and sustainable business models for basically all sectors in the economy.



INNOVATING IN UNCERTAIN TIMES

Portfolio strategy in a likely
stagflation scenario

Jiongming Mu



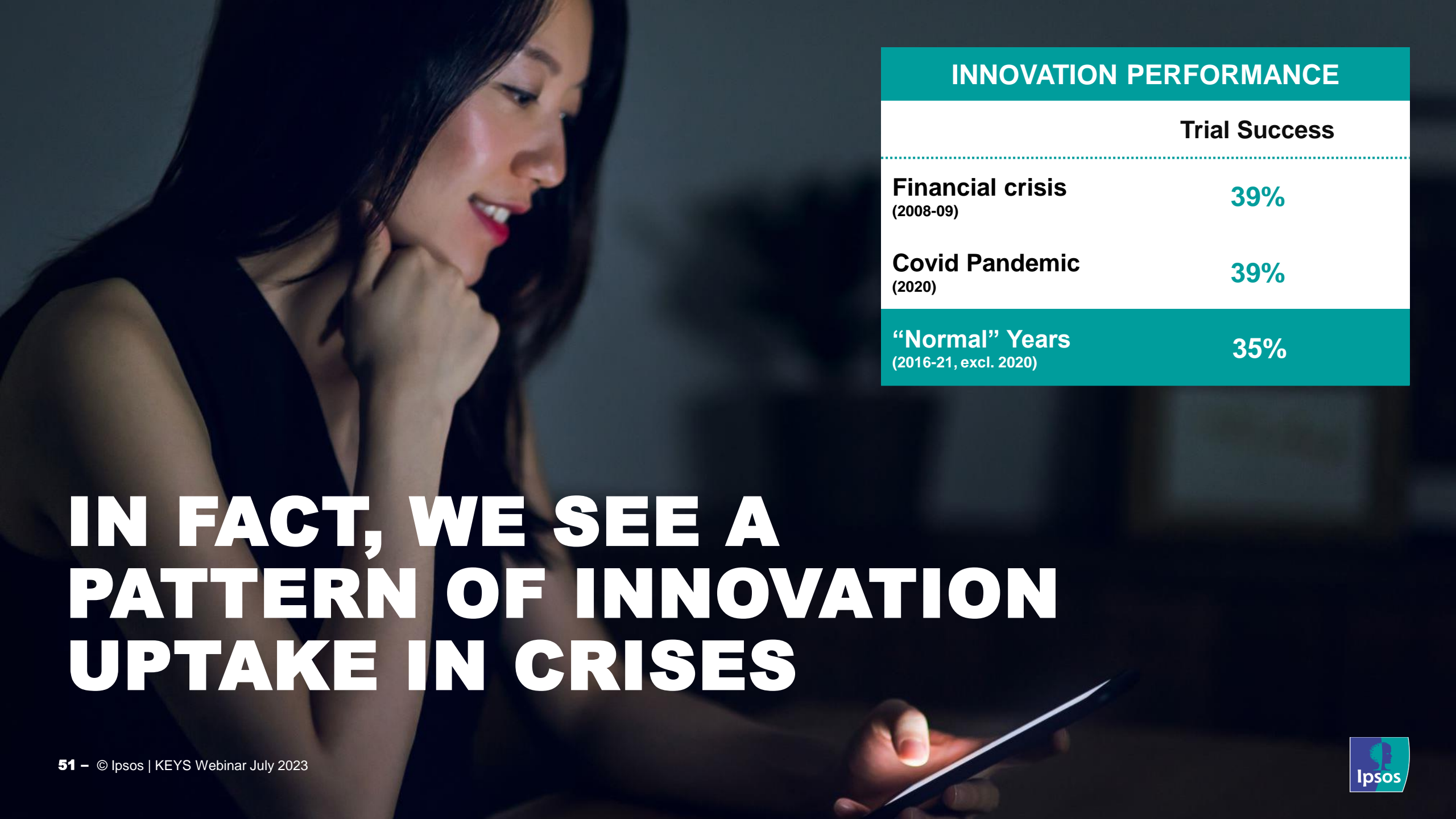
INNOVATION CONTINUED DURING INFLATIONARY TIMES

DESPITE AFFORDABILITY CONCERNS, CONSUMERS ARE MORE RECEPTIVE TO INNOVATION

Innovation Performance*		
	Trial Success**	Perceived as Expensive
2022	41%	55%
2016-2021***	35%	50%

*Ipsos Innovation global database analysis
** Success defined as reaching top 2 quintiles of the Ipsos innovation testing database
*** Excluding Pandemic year 2020, which is analysed separately





INNOVATION PERFORMANCE

Trial Success

Financial crisis
(2008-09)

39%

Covid Pandemic
(2020)

39%

“Normal” Years
(2016-21, excl. 2020)

35%

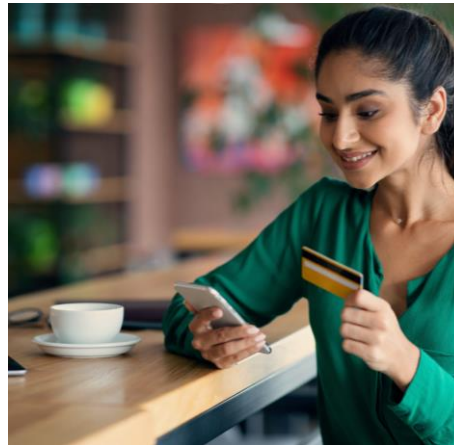
**IN FACT, WE SEE A
PATTERN OF INNOVATION
UPTAKE IN CRISES**

Why is a challenging environment favorable for innovation ?

Why are consumers more receptive?



**THE EVOLVING
STATUS QUO**



**NEW ATTITUDES
& PREFERENCES**




**COMPETITIVE
DISRUPTION**



**PORTFOLIO
ADJUSTMENT**



WHAT LIES AHEAD: STAGFLATION?

A hand in a blue sleeve points towards a digital chart on a screen. The chart features a blue background with a red line graph that has several peaks and valleys. The overall scene is dimly lit, with the screen's light providing the primary illumination.

NAVIGATING STAGFLATION: MITIGATING RISK WITH INNOVATION

THE PORTFOLIO RISK

DOWNTRADING

A risk to all brands is downtrading in either:

- **Brand choice** (to store brand or value brand)
- **Product tier** (retreat to basic varieties)
- **Transaction size**

THE INNOVATION STRATEGY

- **Price and Pack Innovations**
- **Value proposition** against lower tier products
- **Business Model** Innovations



THE PORTFOLIO RISK

CHOICE PROLIFERATION

- Reduced variety seeking and retreat to essentials
- Reduced profitability from SKU proliferation
- Suboptimal resource allocation from **SKU proliferation**

THE INNOVATION STRATEGY

- **SKU Rationalization**
- Replacing marginal SKUs with **resilient innovations**



FROM RISK TO OPPORTUNITY: WINNING DURING STAGFLATION WITH INNOVATION



COMPANIES THAT INVEST IN INNOVATION EMERGE FROM RECESSIONS 30% STRONGER THAN PEERS*



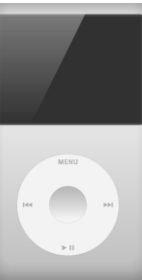
Great Depression



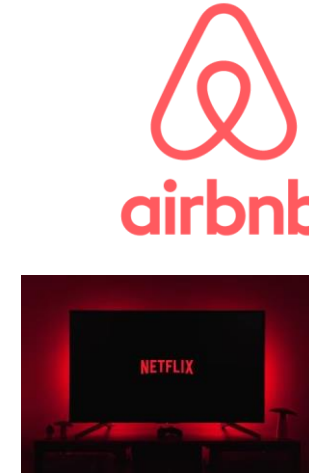
Oil Crisis and Recession



1980s "Double Dip" recession



Dot Com Bust



08-09 Great Recession



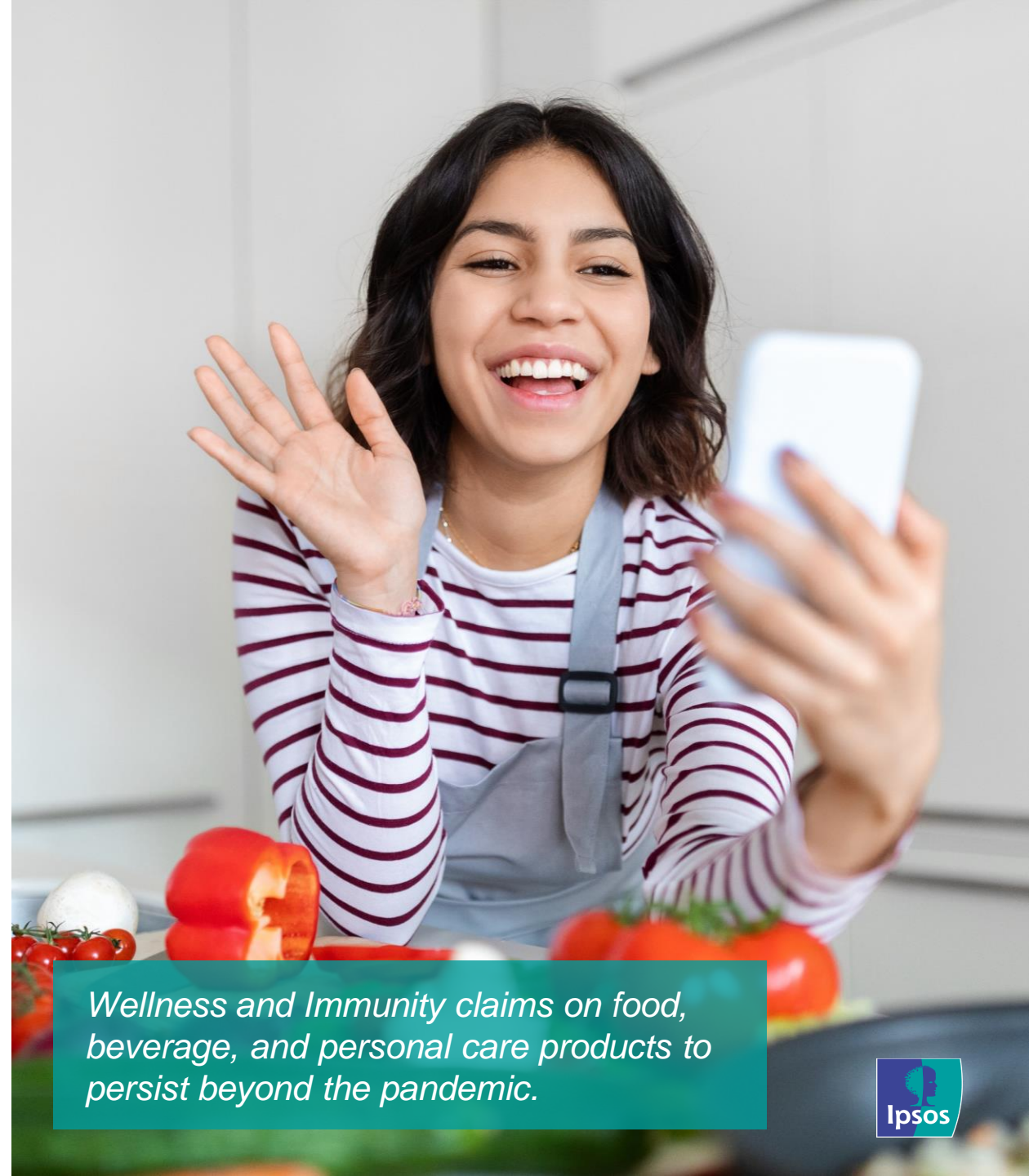
Covid Recession 2020

* McKinsey and Co: Innovation in a crisis: Why it is more critical than ever, analysis based on the 2008-2009 Great Recession

THE OPPORTUNITY

PERMANENT BEHAVIOUR CHANGE

Understanding what evolving consumer preferences and attitudes **will stay** after the Polycrisis to fuel sustained growth for innovation.



Wellness and Immunity claims on food, beverage, and personal care products to persist beyond the pandemic.

THE OPPORTUNITY

TRENDS PENDING EXPLOSION

As competitors focus on short term risk mitigation, **budding consumer trends that will fuel long term growth** could equip brands with the foresight to gain first mover advantage.



CASE STUDY

Innovating against budding trends

The 2008 recession was coupled with internet boom.

This involved the rapid development of tech infrastructure, consumers trading functionality for mobility, and the internet becoming ever-important.

IPAD was launched under this context



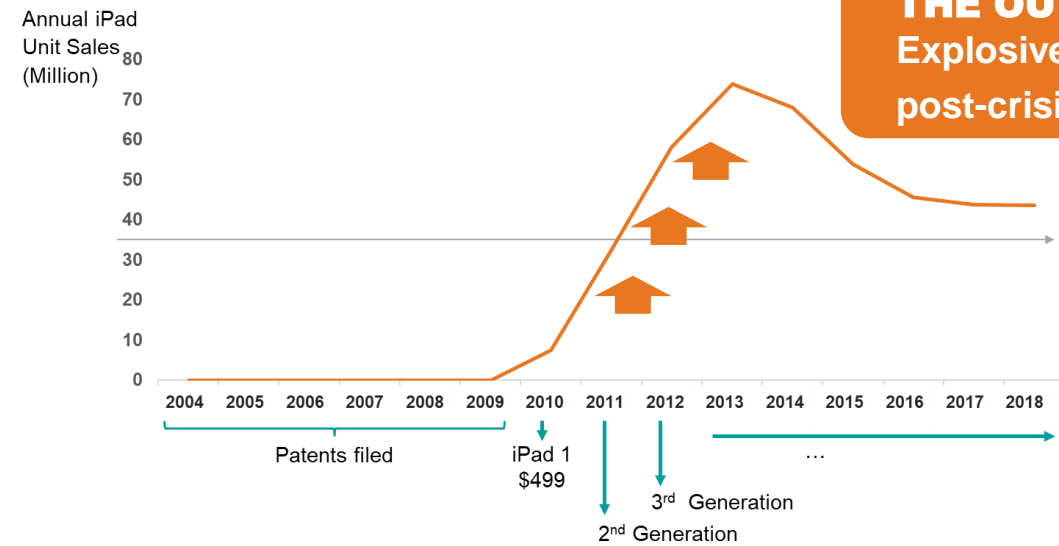
Ipsos Tested The IPAD Concept

Breakthrough



Our prediction: **Breakthrough innovation** with limited broad appeal to start but huge growth potential despite affordability issue and delayed purchase during difficult period

THE OUTCOME: Explosive growth post-crisis.



SEE THE RISKS

DOWNTRADING

SKU PROLIFERATION

**RISK TO PREMIUM
POSITIONING**

**REDUCED
CONSUMPTION**

BUT ALSO OPPORTUNITIES

**PERMANENT BEHAVIOR
CHANGE**

**ADJACENT
GROWTH SPACES**

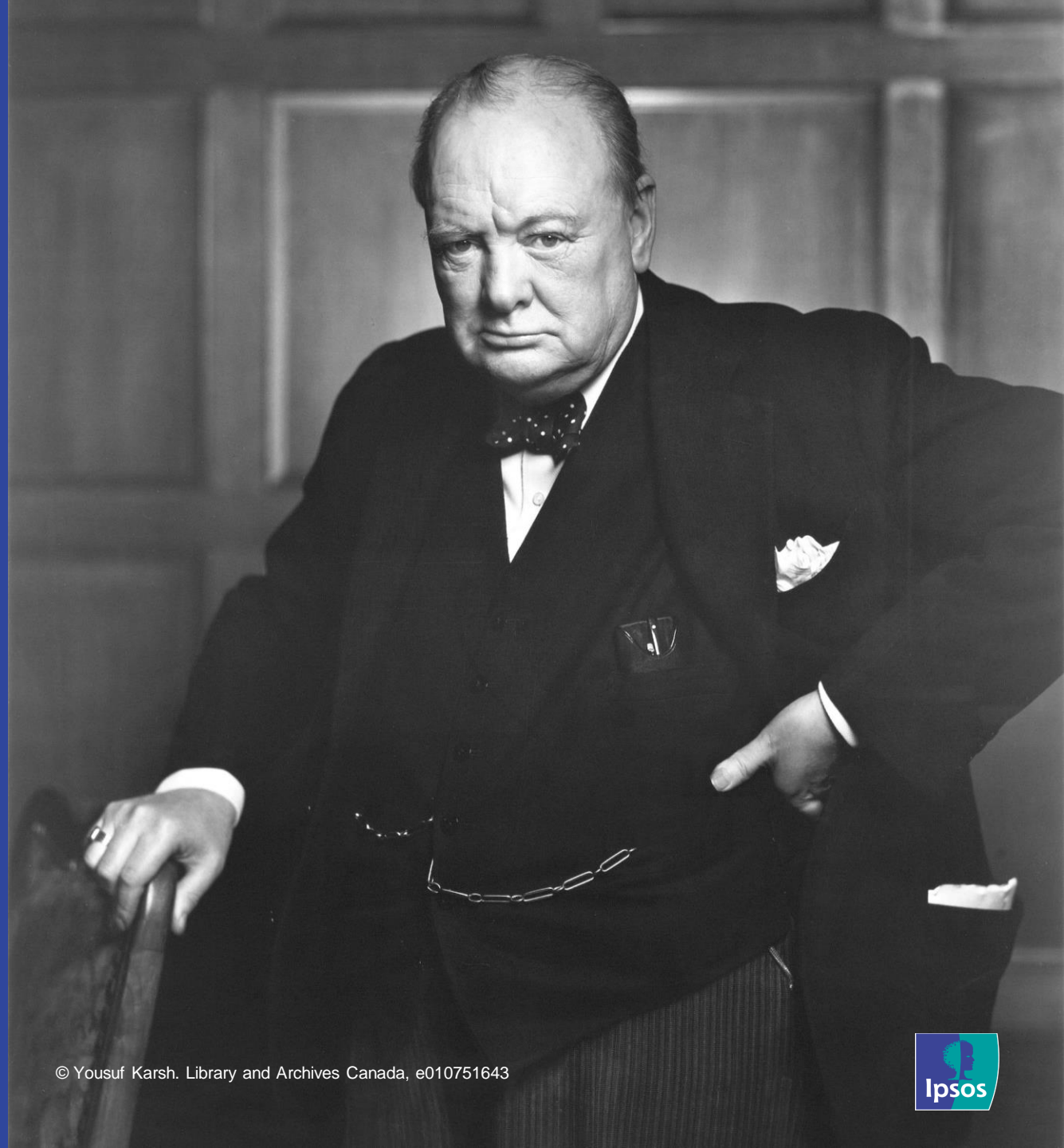
**VACANT
GROWTH SPACES**

**TRENDS PENDING
EXPLOSION**



**NEVER LET A
GOOD CRISIS
GO TO WASTE.**

- Sir Winston Churchill



Asia Pacific

Resilient & Dynamic Region



Suresh Ramalingam

GAME CHANGERS



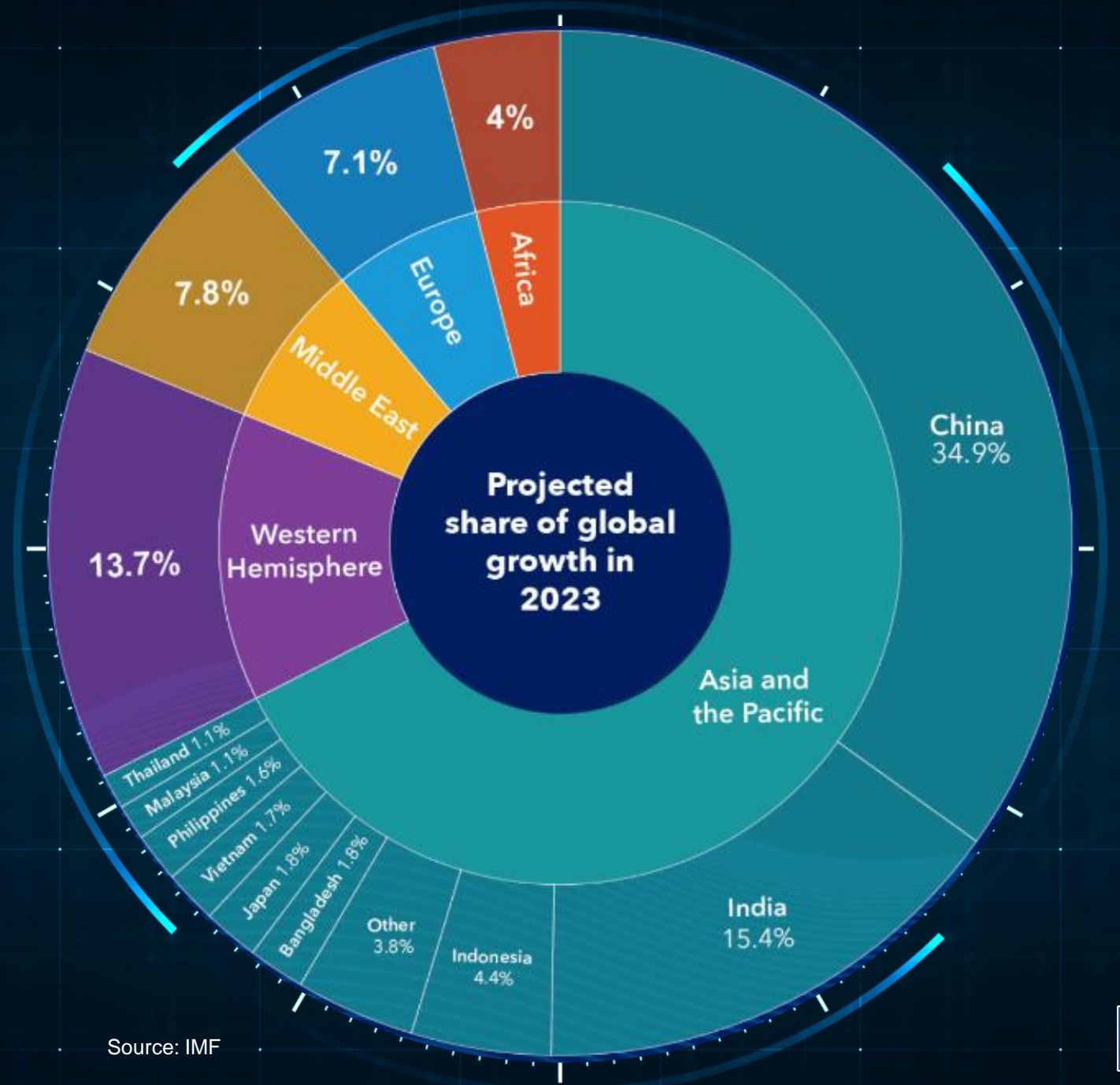
Why

APAC?



70%

OF GLOBAL GROWTH WOULD COME FROM APAC IN 2023



Source: IMF

WHILE THE WORLD IS
GOING THROUGH A

POLYCRISIS

MOST OF THE ASIAN
MARKETS ARE STILL

OPTIMISTIC



ASIA HAS SOME OF THE MOST POSITIVE COUNTRIES GLOBALLY

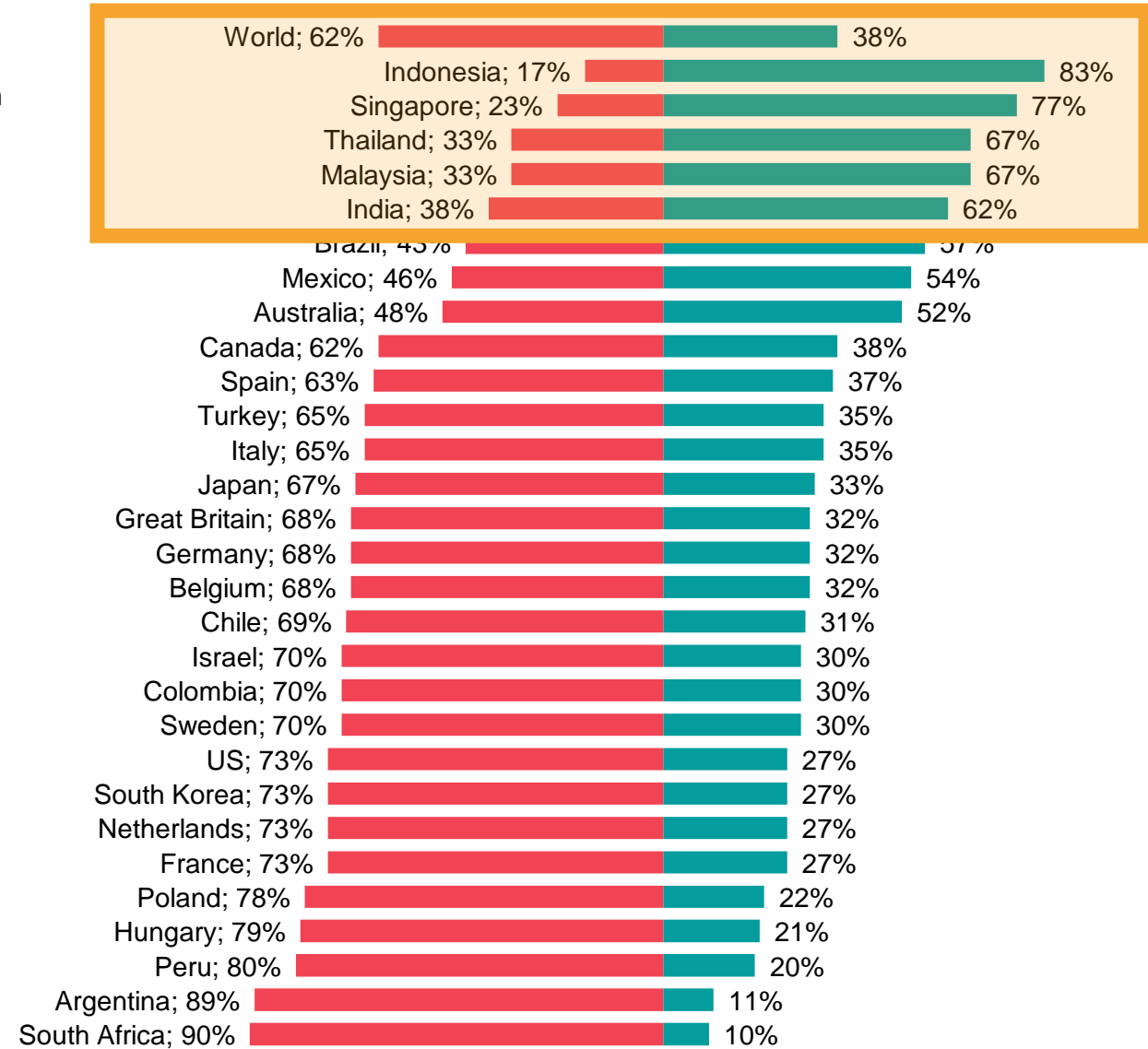


- Wrong track
- Right direction

Q Would you say things in this country are heading in the right direction, or are they off on the wrong track?

Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries, May 26th 2023 - June 9th 2023.

Source: Ipsos Global Advisor. *Global score is a Global Country Average. See methodology for details.*





BOTH

ARE THE FACE OF ASIA

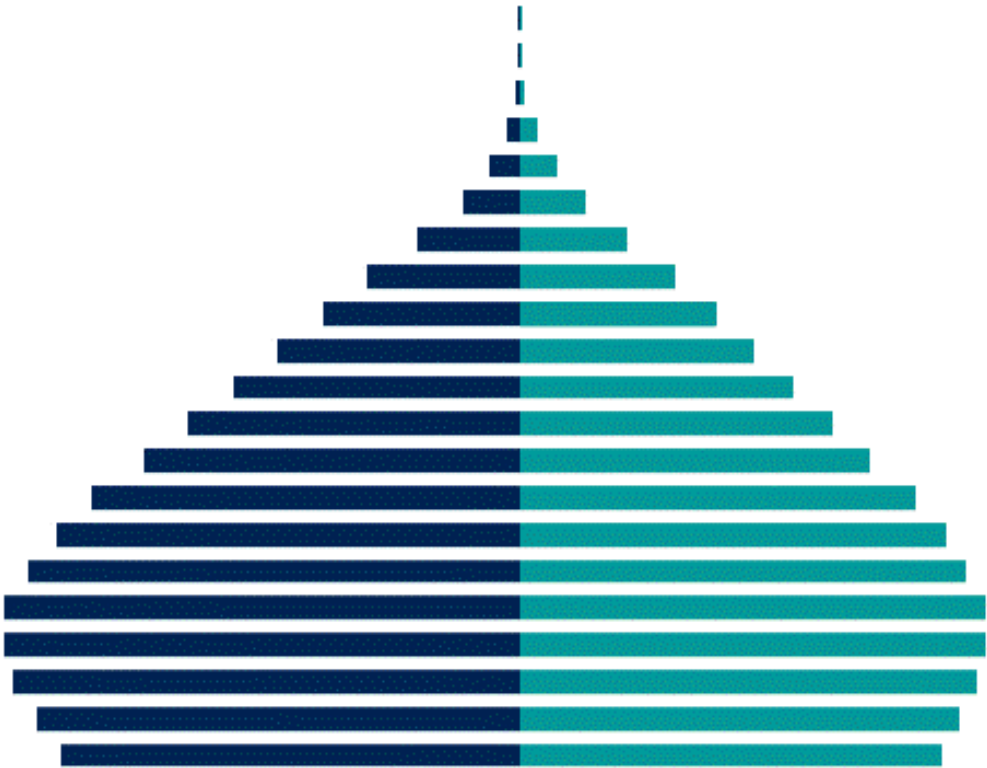
A sizable population under
30, as well as a rapidly aging
population over 60 years



ASIA IS MADE UP OF MANY YOUNG ECONOMIES BUT ALSO MANY COUNTRIES FACING IS AN AGEING POPULATION

INDIA

100+
95-99
90-94
85-89
80-84
75-79
70-74
65-69
60-64
55-59
50-54
45-49
40-44
35-39
30-34
25-29
20-24
15-19
10-14
5-9
0-4



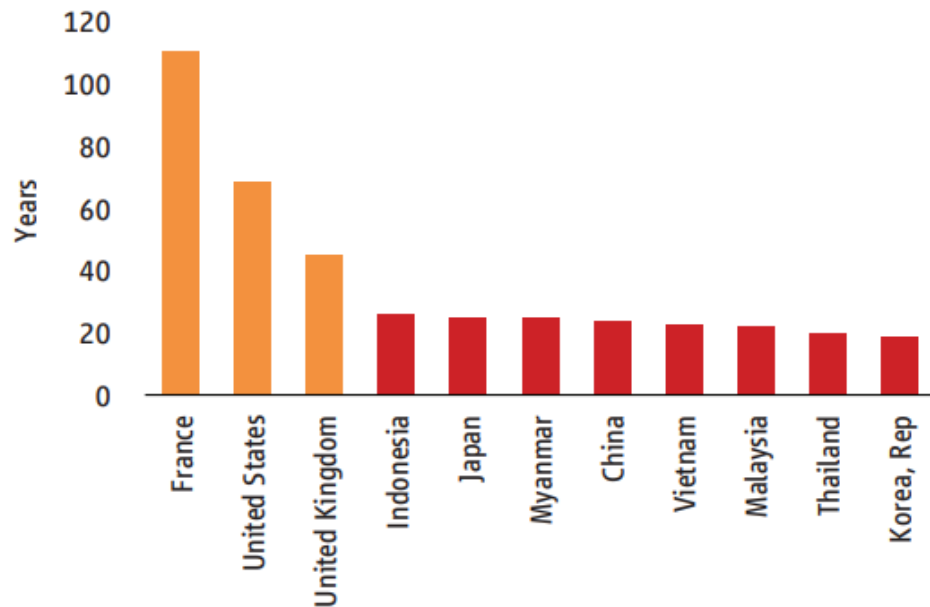
■ Male
■ Female



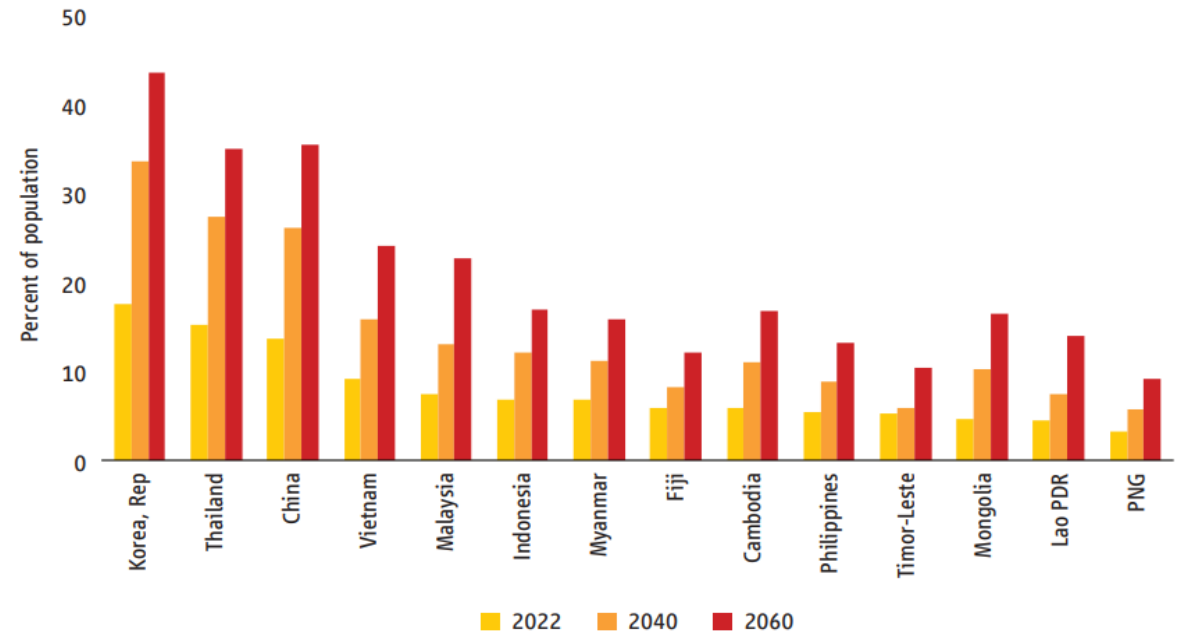
MANY ASIAN MARKETS ARE AGEING FASTER THAN THOSE IN THE WEST AND WILL CONTINUE TO AGE

OPPORTUNITIES ON BOTH ENDS OF THE SPECTRUM – TARGETING NEW GENERATION AS WELL AS A SILVER HAIR CONSUMER

A. Transition from aging to aged societies (i.e., from population 65+ reaching 7% to 14% of total)



Percentage of population aged 65+ (2022, 2040 and 2060)



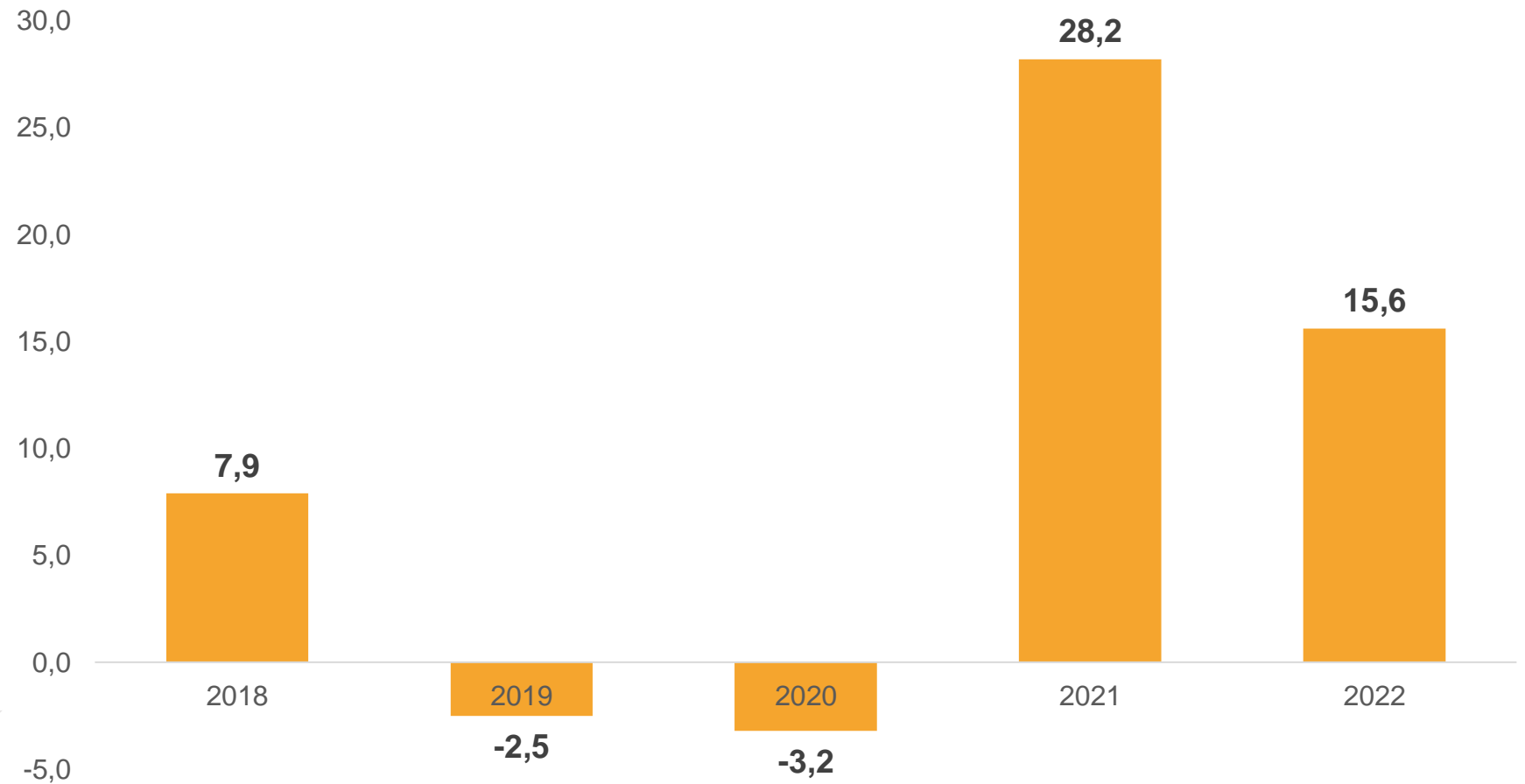
HOWEVER,
SOME HEADWINDS...



GOODS EXPORTS, WHICH CONTRIBUTE HALF OF ASEAN GDP, MAY HAVE PEAKED



ASEAN: Growth Rate of Goods Exports, 2018 - 2022

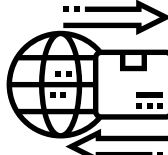
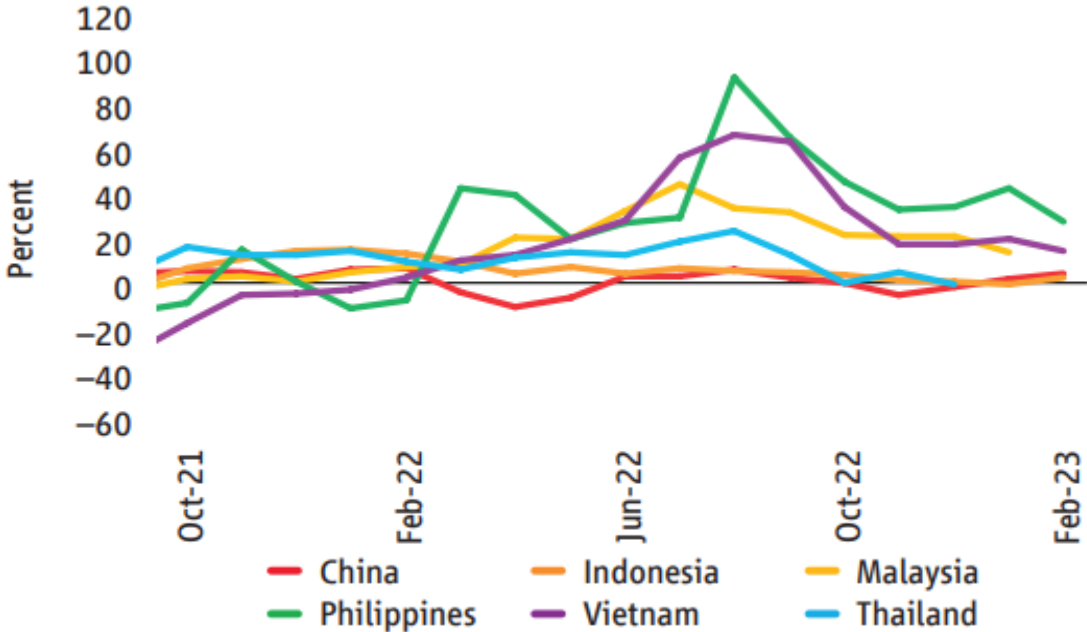


Source: ADB

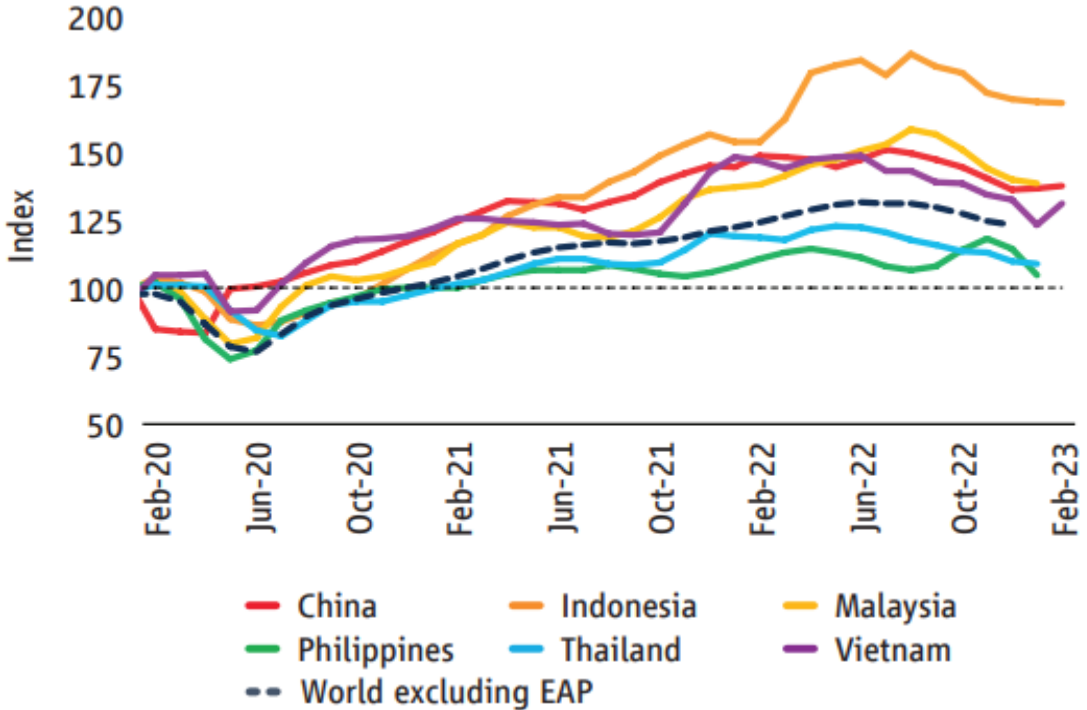
THERE ARE **SIGNS OF WEAKENING** DOMESTIC AND FOREIGN DEMAND IN THE EAP REGION



A. Retail sales
(year-on-year growth)



B. Goods exports
(index)



Source: World Bank

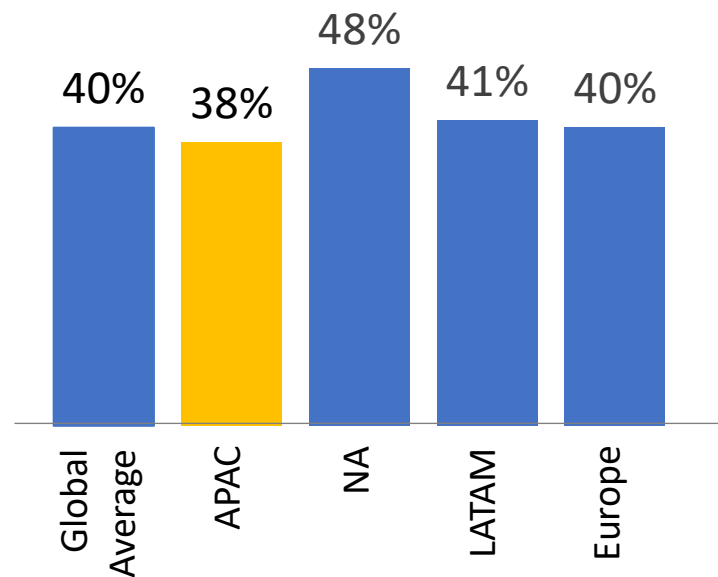
WORRY ABOUT
INFLATION
LOWER THAN
GLOBAL
AVERAGE,
WHILE
CONCERN FOR
JOBS GREATER
THAN OTHER
REGIONS



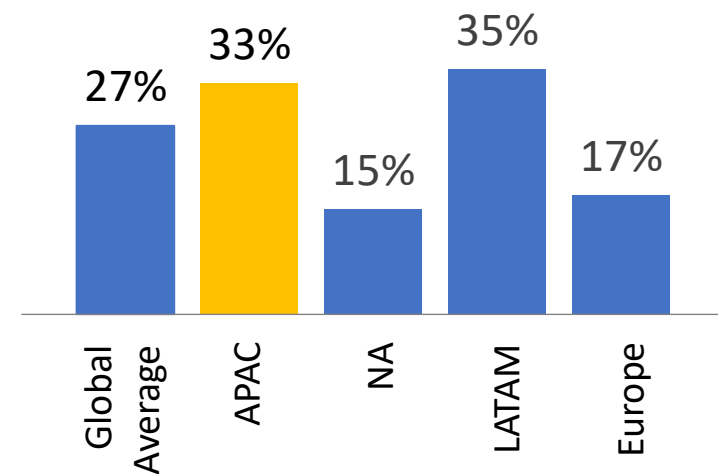
Which three of the following topics do you find the most worrying in your country?



Inflation



Unemployment

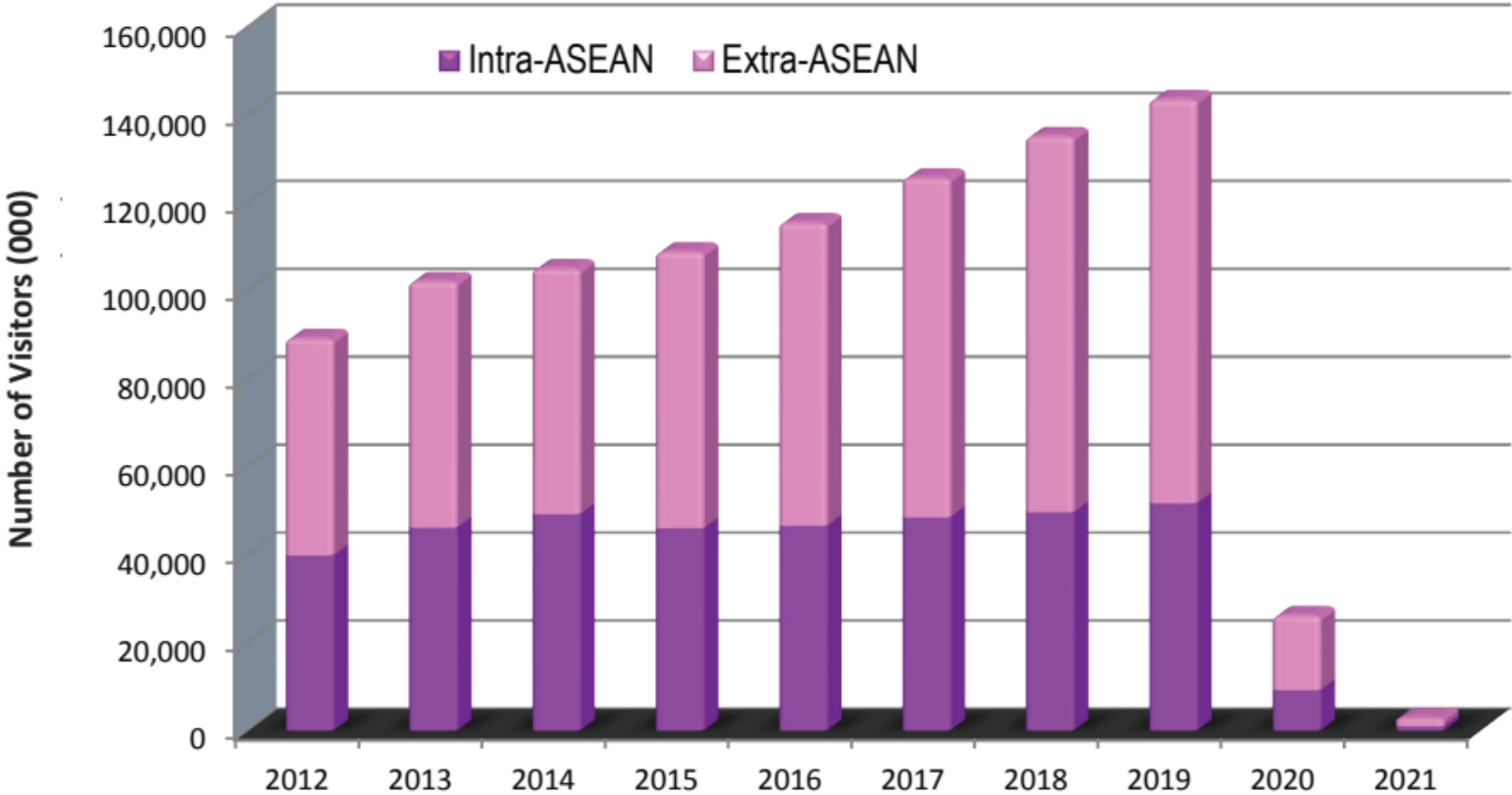


Base: Representative sample of 21,310 adults aged 16-74 in 29 participating countries
Source: Ipsos What Worries the World.

THE FOCUS
NOW IS
LOOKING AT
BOOSTING
TOURISM
AND
DOMESTIC
DEMAND



Chart 9.1. Intra and Extra-ASEAN Visitor Arrivals, 2012-2021



Source: ASEAN Statistical Year Book 2022

AT THE SAME TIME, THERE ARE
OPPORTUNITIES

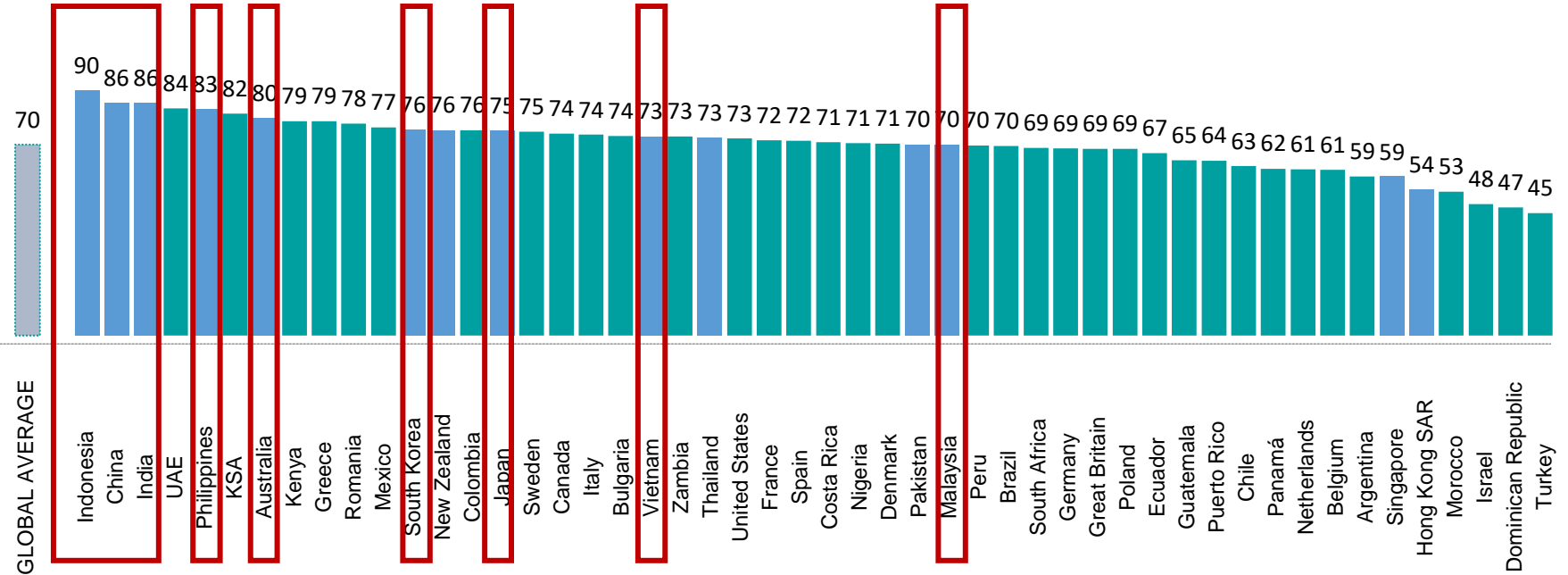


DEMAND FOR LOCAL GOODS IS HIGHER IN ASIA THAN OTHER REGIONS

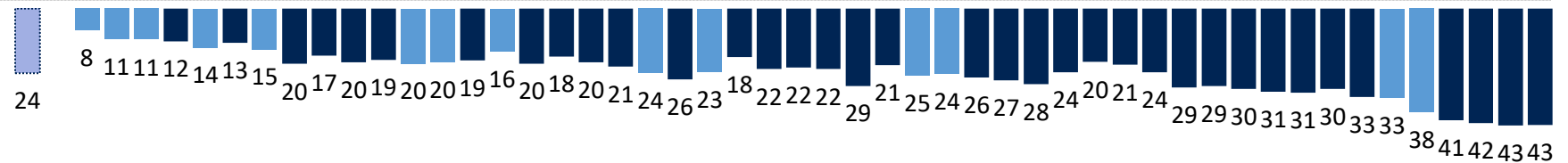
To what extent do you agree or disagree with the following statements?

I prefer to buy products from my own country rather than products from abroad

% Agree



% Disagree



Base:

48,541 adults surveyed across 50 markets between 23rd Sep - 14th Nov 2022. For full methodology see ipsosglobaltrends.com.

Source:

Ipsos Global Trends 2023

THE DESIRE OF PRODUCTS FROM YOUR OWN COUNTRY TRENDING HIGHER IN THE LAST FEW YEARS

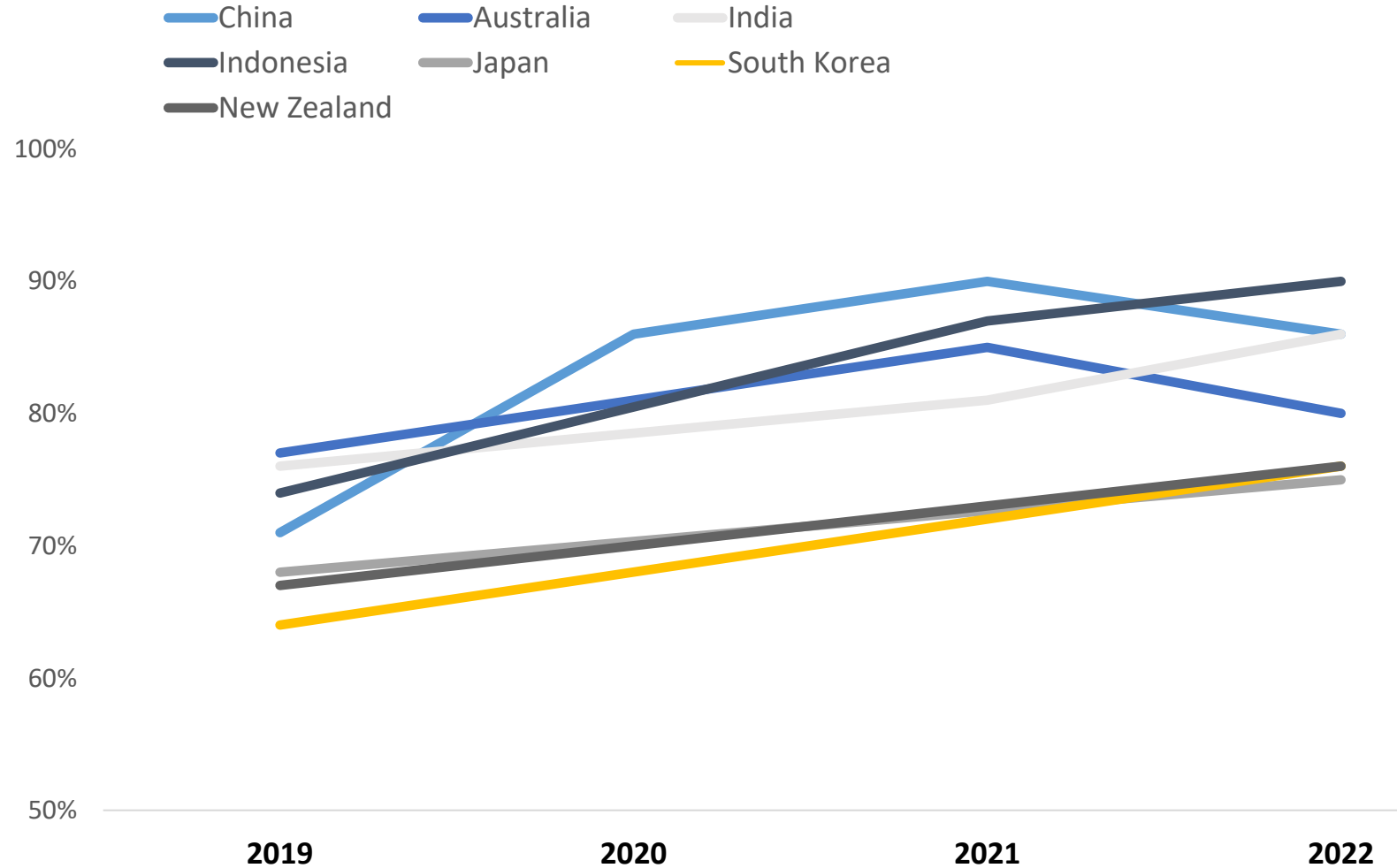


To what extent do you agree or disagree with the following statement?

% agree

I prefer to buy products from this country rather than products from abroad

% agree 2019 - 2022



Base:

48,541 adults surveyed across 50 markets between 23rd Sep - 14th Nov 2022.

For full methodology see [ipsosglobaltrends.com](https://www.ipsosglobaltrends.com)

Source:

Ipsos Global Trends



FLAVOUR LOCALIZATION



Vietnam

LOCAL BRANDS ADAPTING TO SERVE NEIGHBOURING MARKETS



Malaysia

IN SUMMARY.....

Make significant resource commitments to APAC as it would drive growth

APAC is demographically diverse, think of catering to both sides of the age spectrum, from cradle to sunset years

Tweak your product and brand to cater to the increasing demand for localization. Thus, implications for product, service, solution innovations to cater to Asian tastes, but also brand expression to reflect Asian sensibilities

KEYS

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and resources from this episode



[\[Webinar\] KEYS - Feeling the Pressure](#)

JOIN US for our next KEYS webinar:
Thursday, 21 September
11:00 & 17:00 Central European Time

WE NEED TO TALK ABOUT GENERATIONS

The Realities of Population Change

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