IPSOS UPDATE

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

May 2023

Ipsos Knowledge Centre

GAME CHANGERS

IPSOS UPDATE MAY 2023

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

We often caution against being too confident about making projections too far into the future: history tells us that most predictions turn out to be wrong. But the current situation for businesses, banks and consumers is one of even more uncertainty. Depending on which indicators you choose, a recession looks likely, or else green shoots of better growth are showing. For example, the long-running Ipsos Consumer Confidence Index measures consumer views on employment, the investment climate and future economic expectations. This month's release finds the Index moving in opposite directions across the world's largest economies, with sentiment rising in Japan, Germany and Canada, but falling to a two-year low in France. The Economist sums up the challenges at hand: "The global economy is becoming more like the Mona Lisa; no matter how many times you look, you are unsure what is happening."

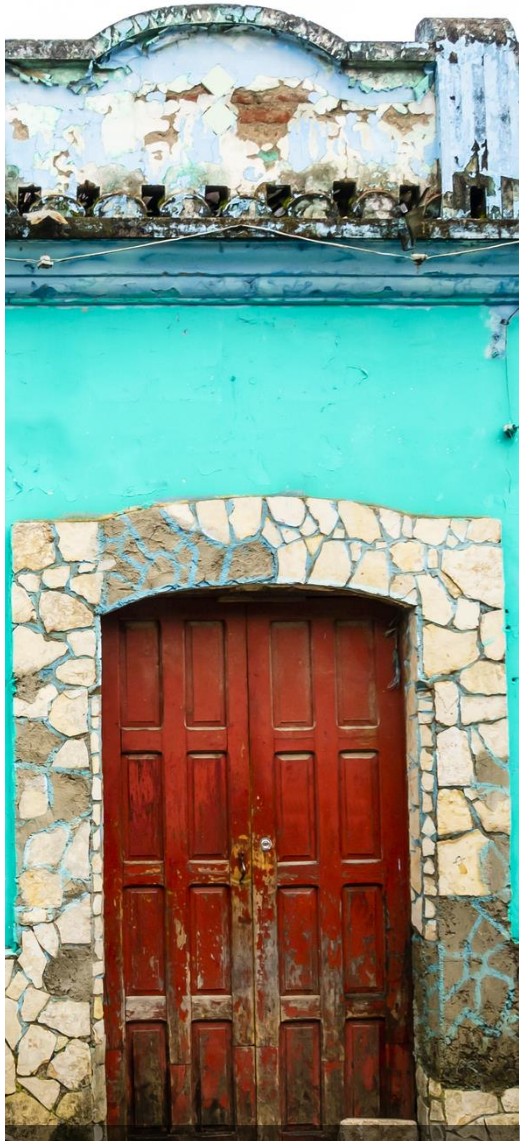
Volatility seems set to continue, at least until inflation is under control. Our What Worries the World monitor finds cost of living concerns occupying the top spot in the list of worries for the 13th successive month. The challenge is whether we now have much faster feedback loops in a more digital economy. As the rapid collapse of the Silicon Valley Bank showed, what used to take weeks can now happen in a weekend. In the same way, if consumers are reacting to signals more quickly, and businesses are trying to anticipate falls in demand more rapidly, one can see a world of hypersensitivity to adverse signals which means growth becomes even more uncertain.

Add to this the rapid roll out of Generative AI which heightens uncertainty. Its speed of adoption has been many magnitudes faster than the arrival of previous new technologies and at Ipsos we have over 100 people testing beta versions of it across our processes. We have included our latest review of the current landscape and the opportunities these technologies present.

Meanwhile, demography is STILL destiny. With India overtaking China as the world's most populous country, we've been reflecting on today's demographic dynamics, exploring on how we can do a better job when it comes to understanding different generations. We do hope you find this edition useful – links to more information are provided throughout the text – please email IKC@Ipsos.com with any comments or ideas.

Ben Page, Ipsos CEO

IN THIS EDITION



Cover photo: San Cristóbal de las Casas, Chiapas, Mexico.
Birth rates in rural Chiapas are twice as high as in Mexico City. Find out more about how Mexico is moving from a teenage country to an adult one on page four.

WE NEED TO TALK ABOUT GENERATIONS

Generational myths and demographic realities

Much of what is written about generations is misleading or, in some cases, simply wrong. While some academics think we should stop all reference to generations, we disagree.

Using a generational lens is an effective way of understanding how and why societies and consumers change. The real task is to separate three effects that explain changes among consumers.

- **Lifestyle effects** are stages that all generations go through. For instance, people tend to be more physically active, and date more, when they are young.
- **Period effects** affect all generations (such as the Covid-19 pandemic).
- And, most importantly, **cohort effects**, where we can see that a particular generation is different from others at the same age and is ***staying different***.

Separating these three effects allows us to predict the future in a much more meaningful way and understand demographic changes and population trends happening across the world.

This report forms part of a new Ipsos research programme to help us better understand the dynamics of generational analysis and demographic change.

We have tried to challenge the natural temptation to make generalisations, and ground ourselves in evidence, with a particular emphasis on understanding what is happening on the ground, as seen through the lens of a series of "case study" countries.

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BETTER ANALYSIS CAN SHINE A LIGHT ON THE BIG POPULATION TRENDS THAT NOW NEED TO SHAPE OUR THINKING ABOUT GENERATIONS"

EARTH DAY 2023

Is concern and focus slipping on climate change?

Across 29 countries, just under one third of people (31%) agree that their government has a clear plan in place for how government, businesses and people are going to work together to tackle climate change. This is down by 8pp on average across the 26 countries included in both this year's and last year's surveys.

This is perhaps indicative of our polycrisis era, as governments around the world respond to more immediate political, social and economic issues. We see this reflected in the divided global opinion around whether now is the right time to be investing in climate change.

This is despite more people – in all countries except for Japan – estimating the economic cost of climate change itself to be greater than the cost of measures taken to reduce it (42% vs. 26% on average globally). Further, a majority (52%) **disagree** that the negative impact of climate change is too far in the future for us to worry about.

Across 29 countries, six in ten (62%) agree that developed countries who have contributed more towards the climate emergency, should pay more towards solving the problem. While one in two globally (46%) agree that developed countries ***are*** leading the fight, seven in ten (70%) say that they should be doing ***more***.

In general, citizens tend to perceive many actions as having a far greater impact on reducing emissions than they actually do, but we do see some progress. In previous years' surveys, recycling has consistently been regarded as the household action with the most impact on reducing carbon emissions (true rank 60 in terms of actual impact). This year, the percentage of people choosing recycling has dropped 18pp; switching to renewable energy (true rank 4) is now seen as the most impactful action that households can take.

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EXPLORING THE CHANGING AI LANDSCAPE

The opportunities and implications of Generative AI

While the domain of Generative AI has been growing in recent years, ChatGPT has really accelerated its adoption, breaking through as the first “mass” Generative AI application.

It is important to step back and put this in perspective, as the implications of the technologies will be far reaching and fast.

As with the advent of the internet, this new technology will change how we work, consume, communicate, get informed and educated. The rise of Generative AI will have similar seismic consequences on how we live our lives.

This time though, the pace of acceleration is so incredible that these tools – which are shocking and aweing us now – will seem quaint by the end of the year, because their capabilities are increasing exponentially, and they are being embedded in other tools and services far more quickly than past advances.

‘Exploring the Changing AI Landscape’ highlights the fact that while the potential is huge, adequately evaluating these tools in specific use cases is key to getting the most value from them, while avoiding significant potential risks.

This paper places the opportunities in perspective, while recognising some of the limitations and watchouts to consider in the exploration and implementation of ChatGPT, LLMs (Large Language Models), even newer multimodal models (text and image like in the newly released GPT-4), and Generative AI more generally.

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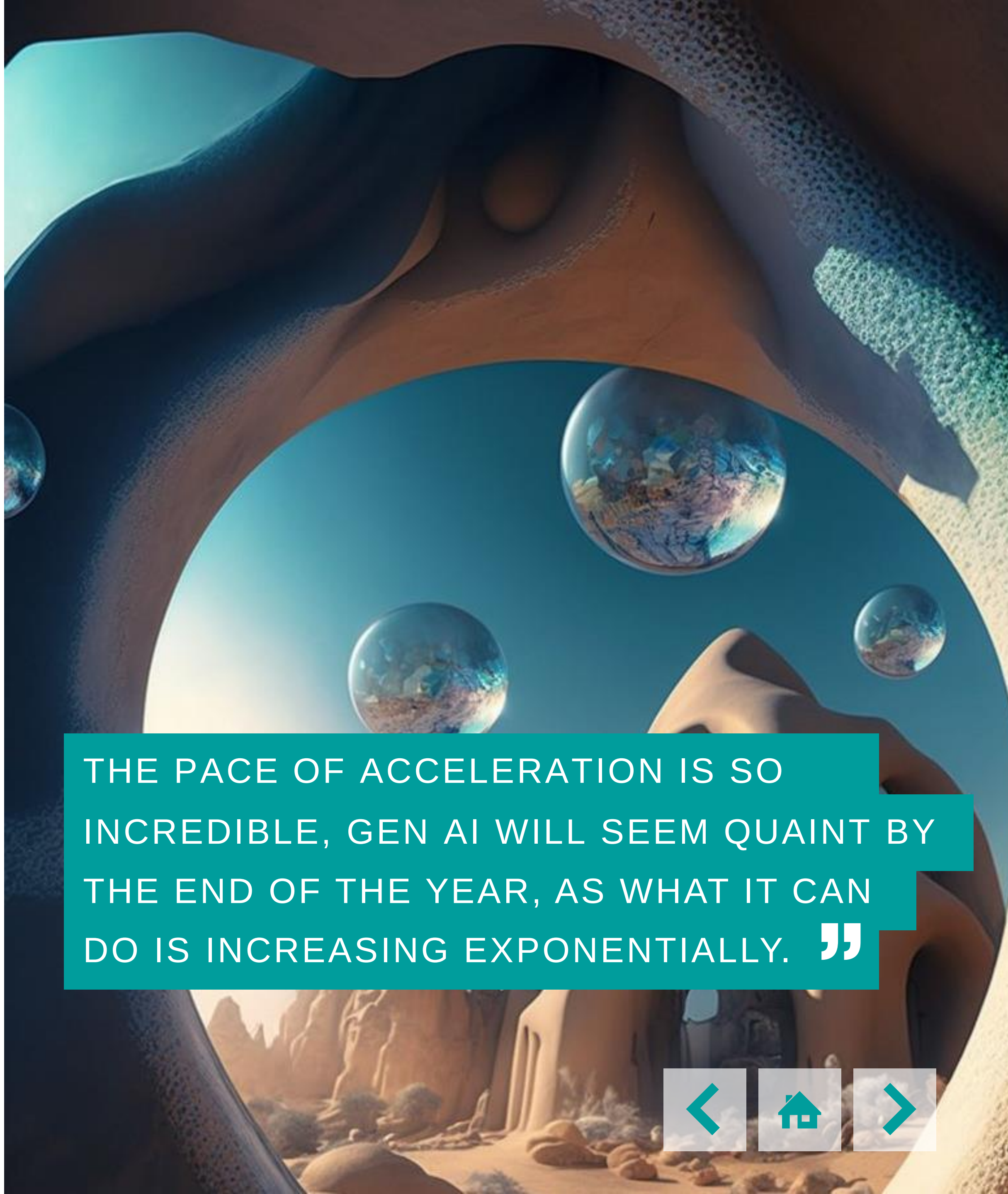

WHAT THE FUTURE: PURPOSE

How brands can emphasise purpose in a polarised world

The saying goes: if you're not part of the solution, you're part of the problem. For brands, being part of the solution has long been a tool for boosting reputation – and in an age of global challenges, they have a unique opportunity to make a difference on global issues, from equality to climate change.

But solving those problems is easier said than done. In a future defined by multiple crises and political polarisation, how will brands balance reputation, responsibility, and ROI?

The latest edition of *What the Future* delves into what the future of corporate purpose and ESG mean for a wide range of brands, from beverages and entertainment to luxury and wellness, and considers how evolving notions of purpose will impact stakeholders and citizens alike.

Key findings include:

- **Purpose lags far behind other purchase drivers**, like having trust in the quality of the brand, having used the brand previously, and the presence of a sale or promotion.
- Across all age demographics, a brand making **local charity donations and giving back to the community** is the action that would make people most likely to purchase something from them (63% agree on average).
- Eight in ten (80%) globally agree that it is possible for a brand to **support a good cause and make money at the same time**.
- 72% of Americans agree that too many businesses **use the language of social purpose without committing to real change**.

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IN A FUTURE DEFINED BY MULTIPLE CRISES AND POLITICAL POLARISATION, HOW WILL BRANDS BALANCE REPUTATION, RESPONSIBILITY, AND ROI? ”

DIGITAL DOCTOR 2023

The digital reality among doctors in the era of AI

Running since 2015, Digital Doctor is a 20-market study exploring digital behaviour and future trends among primary care physicians (PCPs). This year's survey includes speciality comparisons between the view of PCPs and paediatricians, oncologists, and neurologists. The report reveals five key trends:

- **Patient empowerment** features at the heart of connected healthcare solutions, despite also being seen as a threat. 77% agree that with Connected Health Devices (CHDs) it feels easier for patients to understand their own health and health conditions, but 58% believe patients may misinterpret data.
- **Telehealth** has become a reality and an integral part of post-pandemic healthcare, with 40% saying they are currently using telehealth solutions.
- Increased opportunities to drive the adoption of **artificial intelligence** (AI) and **digital therapeutics** (DTx). Four in ten believe AI automates repetitive tasks (45%), improves efficiency of diagnosis (40%), and improves accuracy of diagnosis (40%).
- A move to an **omnichannel reality**, requiring a mind shift towards a more consumer-centric model. In the past year, 39% have recommended patients to visit a non-pharma website offering lifestyle advice.
- A drive towards a more **sustainable and equitable future**. Although 72% agree that CHDs improve access to healthcare for patients, telehealth barriers remain. Four in ten believe patients have difficulty describing their situation accurately (44%), have poor broadband issues (44%), and don't always have the right equipment to participate (40%).

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WHAT WORRIES THE WORLD?

Inflation now the top concern for 13 months in a row

While inflation remains the world's greatest concern, we see signs that levels of worry are beginning to stabilise – albeit at a historically high level. This month, 41% of people list it as one of their top worries, down 1pp.

Our monthly What Worries the World survey explores what the public think are the most important social and political issues, drawing on more than ten years of data to place the latest scores in context. This wave was conducted between March 24th – April 7th, 2023, one week ahead of Earth Day.

Concern about rising prices is highest in Argentina, with this month's score of 71% equalling its highest ever level (71% in August 2022). The four other most concerned countries about inflation have all seen their level of worry fall from last month – Poland -3pp, Turkey -8pp, Canada -5pp, and France -2pp.

Climate change is the seventh biggest concern in our survey, up one place from last month. Across 29 markets, 16% consider climate change as one of the biggest issues affecting their country.

The Netherlands is the most worried country about climate change, with three in 10 picking it as a worry (+4pp to 30%). Australia (28%), Germany (28%), France (26%), and Canada (25%) round out the top five. Concern falls to just 2% in Israel and 4% in Argentina.

Meanwhile, almost two-thirds (64%) believe their country is heading in the wrong direction, up 2pp from last month. This sentiment is once again highest in Argentina (90%) and South Africa (89%) but falls to just 17% in Singapore.

Test yourself on how Singapore's worries differ from the global picture and its neighbouring countries in our quiz here.

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CONCERN ABOUT RISING PRICES IS HIGHEST IN ARGENTINA, WITH THIS MONTH'S SCORE EQUALLING ITS HIGHEST EVER LEVEL.

A JUST TRANSITION

Energy transition and the resulting inequalities

How do Europeans balance the urgent need to transition to clean energy with the risk that this transition might create or increase social inequalities? Conducted in collaboration with BNP Paribas, this 10-country survey seeks to answer this question.

Across the 10 surveyed countries, Europeans consider the effects of global warming to be the joint-second most personally worrying issue. Although purchasing power is considered a more worrying topic in each country, on average across Europe, 70% say they are anxious about climate change and its consequences.

In each European country surveyed – except for the Netherlands – people believe that the energy transition is happening too slowly (37% agree vs. 24% who say it is happening too quickly).

But half of Europeans say that low-income groups (55%) and small-to-medium enterprises (49%) would be unfairly penalised under the energy transition. There is a consensus that efforts to combat global warming could generate social inequalities – particularly between those who are forced to take the car and those who can do otherwise (69% agree) and between the most well off and the poorest (68% agree).

Parity is a key factor determining the level of support for potential measures required as part of a transition to clean energy: 61% say they would accept major lifestyle changes if they were shared fairly among all members of society.

The survey also covers support for potential measures adopted as part of a just and fair energy transition, and perceived effectiveness of various means of reducing behaviours and products that contribute towards climate change.

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WHEN AND HOW TO SPEAK OUT

Guidance for corporate leaders navigating social issues

In 2023, corporate leaders are finding that "taking a stand" on a range of issues is a high-stakes game. Choosing to stay silent on one issue or overstepping on another can trigger more than a negative media cycle, often resulting in heightened regulatory risk, sales loss and even market cap depreciation.

This year, the Ipsos Reputation Council – an annual study of communications and corporate affairs leaders globally that explores top issues and trends in reputation management – emphasised the clear demand for business to play a societal role beyond management of the bottom line.

Building from these insights and in partnership with The Observatory on Corporate Reputation, this report shares five pieces of actionable guidance for corporate leaders as they determine what to speak out on and how, with a focus on maximising opportunity and limiting risk:

1. Invest in building a deep understanding of **what key stakeholder groups expect** of you.
2. Ground strategy and communications in **authenticity and credibility**, with an eye on where you can be truly effective.
3. **Socialise strategy** to ensure buy-in, adoption and accountability beyond communications teams.
4. **Develop protocols** that help guide responses when issues arise.
5. Establish means for understanding **how corporate strategy and communications are performing**.

CHOOSING TO STAY SILENT ON ONE ISSUE OR OVERSTEPPING ON ANOTHER CAN TRIGGER MORE THAN A NEGATIVE MEDIA CYCLE. ”

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SHORTCUTS

KEYS – The Empathy Effect

Empathy is a powerful tool for understanding the people that matter to us from different angles, and for re-thinking the way we do things.

The latest episode of our KEYS webinar series explores how applying an empathetic lens to a situation can transform an insight from being a detached observation to something more transformative. Discussion topics include:

- **Empathy in Action.** Action without empathy is meaningless. Empathy without action is soft and directionless. But together they form a potent force to help drive change.
- **How Empathy Elevates Brand Success.** How can brand managers, marketers and communicators use empathy to truly connect with individuals in the moments that matter?
- **Creative Effectiveness.** We share new evidence and cases which illustrate how creativity and empathy are a potent blend when it comes to building successful advertising campaigns.

WATCH THE RECORDING

Consumer Confidence

Although Ipsos' Global Consumer Confidence Index measures a slight rise of 0.3 points from last month, this global average hides significant movement in opposite directions among the world's largest economies.

Three G7 countries see rises of 2 points or more to their National Index (Japan +2.8, Germany +2.0 and Canada +2.0), with sentiment also up in Turkey (+5.2), Thailand (+4.4), Peru (+2.9) and Hungary (+2.6).

Meanwhile, France's National Index has fallen a further point this month and is now at its lowest point in more than two years. Sentiment is also down in Israel (-5.2), Argentina (-2.5) and Chile (-2.2).

Among the 29 countries, Indonesia (63.5) holds the highest National Index score this month and is the only country with a National Index score above 60.

Compared to 12 months ago, Sweden (-8.0) and Hungary (-7.4) continue to show the steepest drops in consumer sentiment. Brazil (+11.3) and Turkey (+10.5) now show the largest gains.

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Early Warning Systems in Ukraine

Public safety alerts have saved countless lives in Ukraine – but lose effectiveness over time, according to a new study by researchers from Ipsos, the University of Chicago and the University of Michigan.

Like many other nations, Ukraine has developed a hybrid early warning air alert system that combines a smartphone application with conventional air sirens to urge citizens to take shelter during military operations.

The study finds that as many as 35-45% of casualties have been prevented in the first few months of the war through heightened public responsiveness and the Ukrainian government's effective communications strategy – but it also shows that responsiveness wanes over time, as the public become normalised to the risk of wartime environments.

The study provides key learnings, both for Ukraine and for the other 39 countries around the world with similar early warning systems, on providing effective communications during prolonged conflicts.

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POLL DIGEST

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

CZECH REPUBLIC: 52% of consumers are willing to pay more for a responsible or sustainable product, down from 68% in 2016.

CHILE: 44% of Chileans think that companies operating in Chile take care to control and avoid corruption.

UK: Six in ten Britons think that nurses (62%) and ambulance workers (58%) are paid too little.

US: 35% of Americans are in favour of a national abortion ban after six weeks of gestation.

POLAND: Almost one in six Poles are supporting Ukrainian refugees by helping them find a job or enrol in school (17%).

DENMARK: Climate change is Denmark's biggest worry, with 13% of Danes choosing it as the country's single biggest challenge.

ITALY: 40% of Italians say they are familiar with ChatGPT, making it the most known AI application in Italy.

NORWAY: in 10 Norwegians report using social media daily, most commonly Facebook, which 66% of adults use at least once a day.

CROATIA: One in ten Croatians (9%) believe that it is already too late to avoid environmental collapse.

FRANCE: Almost nine in ten French people are worried about the future of France (89%) and the future of the environment (87%).

CANADA: Six in ten (63%) Canadians who don't own a home have "given up" on ever owning one.

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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