IPSOS UPDATE

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

February 2024

Ipsos Knowledge Centre

GAME CHANGERS

Ipsos

IPSOS UPDATE FEBRUARY 2024

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

This month we see green shoots of recovering economic confidence in Europe, a new gender divide among the young and much more.

On the economy, the general mood is a little better than it was this time last year, and we've now seen three successive months of falling concern about inflation. We'll be watching closely to see what impact the latest geopolitical events, such as threats to Red Sea shipping, have on the consumer confidence numbers.

I spent much of January in America, visiting our teams and talking to our clients on both the east and west coasts. Talk of this year's presidential election dominates. Two in three Americans say the US needs a strong leader to take the country back from the rich and powerful. At this stage in the race, all three of our Ipsos scenarios for November 5th point to a Trump victory.

The race for the White House is just one of more than 50 elections taking place around the world in 2024 and our Ipsos teams will be polling public opinion in many of them. Watch out for updates throughout the year – from India to Indonesia, and from South Africa to the UK – there will be much for us all to digest.

2024 will also be the year when we all learn more about the wonder and the worry of Artificial Intelligence. As individuals, many of us are uneasy. For the moment at least, more of us think it will be a job-destroyer than a job-creator in our country. Meanwhile, businesses are busy exploring how generative AI tools can be put to work. Our latest point of view shows how Large Language Models can enhance text analytics and boost understanding of customers – provided we stay close to our core principles of Truth, Beauty and Justice.

When it comes to Artificial Intelligence, it can sometimes feel like we are entering entirely new and unchartered territory. But the enduring principles of good research are never far away. As our authors point out, Don't Forget the Data! If the information you are using isn't representative or relevant to your business, or if it doesn't contain sufficient detail to answer your question, you need to think again.

Talking of data, an obligation for us all is to make sure we're using the evidence we have to challenge received wisdom and preconceived ideas. Generation Z, so often the subject of sparkling assertions and sweeping generalisations, is a case in point. Our research on both sides of the Atlantic is now showing a sharp divide between young women (more progressive) and young men (rather less so) on a range of topics, including gender roles, attitudes to abortion and political outlooks. Watch out for more from Ipsos on these topics, as we continue to explore what is myth and what is reality when it comes to generational and population change.

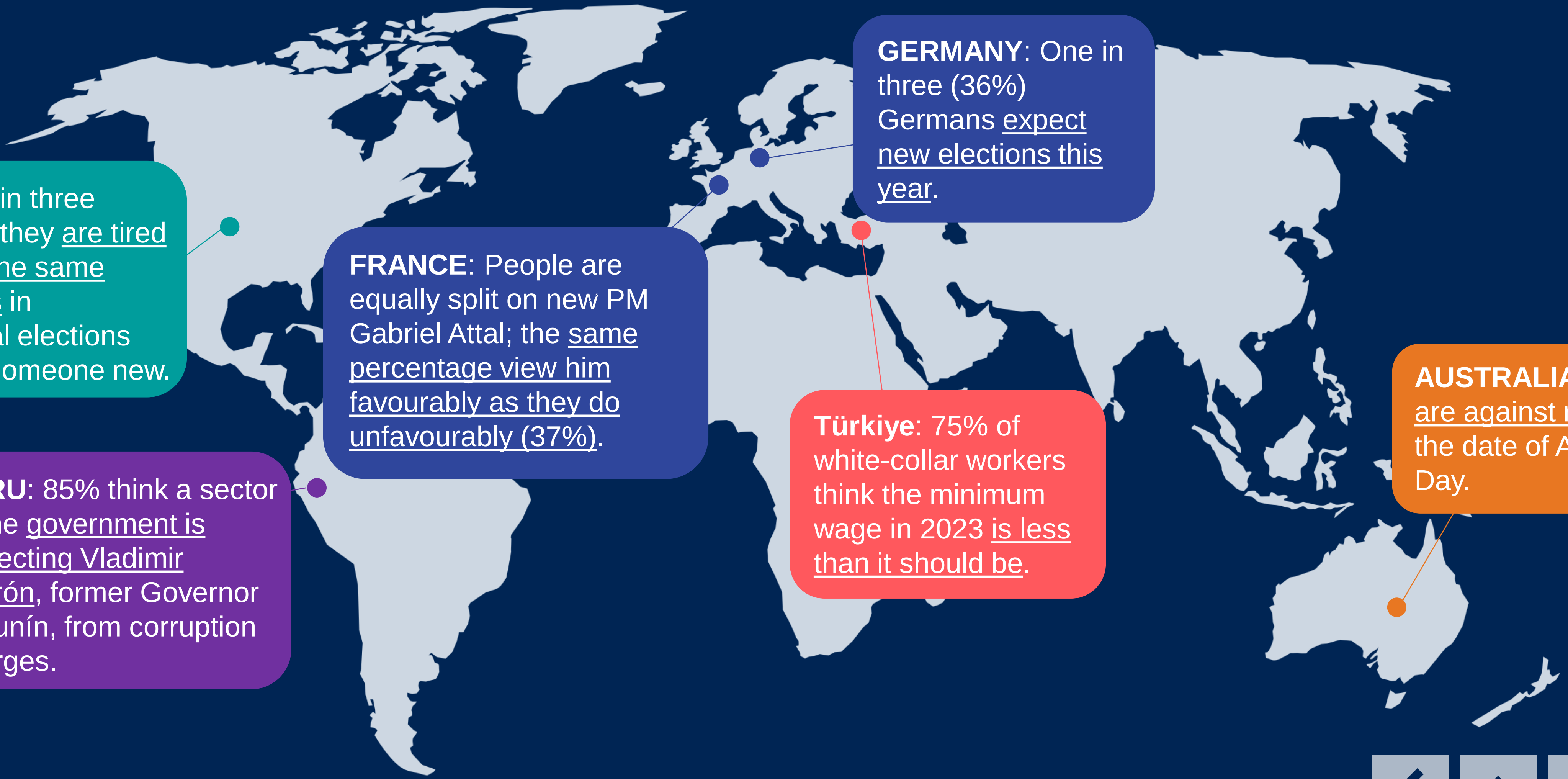
In that spirit, we hope some of the research set out here can be useful to you in your own work. As ever, please get in touch if you'd like to discuss anything in more detail.

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.



USA: Two in three (67%) say they are tired of seeing the same candidates in presidential elections and want someone new.

FRANCE: People are equally split on new PM Gabriel Attal; the same percentage view him favourably as they do unfavourably (37%).

GERMANY: One in three (36%) Germans expect new elections this year.

PERU: 85% think a sector of the government is protecting Vladimir Cerrón, former Governor of Junín, from corruption charges.

Türkiye: 75% of white-collar workers think the minimum wage in 2023 is less than it should be.

AUSTRALIA: 48% are against moving the date of Australia Day.

IN THIS EDITION

WHAT WORRIES THE WORLD?
Inflation top for 22 months in a row

Inflation is the number one global concern once again, but levels of worry have been on the decline for three months. Argentina and Poland continue to ride their post-November election highs.

NOT DOOMED TO REPEAT
CX Text Analytics and Generative AI

Generative AI has rapidly democratised the power of text-based AI. We draw on 15 years of text analytics learnings to share five lessons teams must keep in mind when using Generative AI tools.

A QUESTION OF GENDER
Gender classification in international research

This paper discusses the importance of asking about gender in an inclusive way, especially when conducting international research. It also presents a recommended question framework.

WORKPLACE TRENDS IN SINGAPORE
Culture, behaviours and expectations

Singapore's workplace culture is mostly seen as a positive experience. However, Singaporeans rank significantly lower than the global norm when it comes to pride in their work.

OUR LIFE WITH AI
People see the promise of AI for today and the future

A new study conducted for Google examines global public perceptions of AI today, the near future, and the distant future. Overall, many people are optimistic for AI's applications.

WHAT THE FUTURE: MANUFACTURING
Entering a new age

The "death of manufacturing" in the US is a trope that has made deadlines for years, but with AI, geopolitical changes and ESG, manufacturing isn't dying but evolving.

SOCIAL MISFITS
Power of empathy to enhance social ads

A new paper by our Creative|Spark Digital team examines the evolving landscape of social media advertising. Digital ad media spending is set to outpace any other by 2025.

BUSINESS AND POLITICS
Tactics for surviving hyper-partisan consumers

Sidestepping politics is not always within a company's control. We share four key tactics for organisations to manage the increasing politicisation of their consumer base.

Cover photo: The Capitol, Washington, D.C. America is facing another divisive election this year. Find out what this means for brands on page 12.

WHAT WORRIES THE WORLD?

Inflation has been the top global worry for 22 months in a row

Rising prices has now been the number one concern globally for 22 consecutive months. That said, the proportion mentioning inflation as an issue has been steadily falling for three months, with just over a third of people (36%) currently worried. This is its lowest level since May 2022 (34%).

Four of the top five most concerned countries have seen a fall in worry this month. Only Poland (52%) has seen an increase in the proportion of people mentioning the cost of living – up four percentage points.

Argentina (where 68% are worried) reached record levels of concern last month. The nation has been the most concerned country about inflation for the last 15 months.

Despite its inflationary concerns, Argentina is experiencing a wave of optimism since the election of Javier Milei in November.

Up another six points this month, Argentina's right direction score has now reached its second highest level in ten years (66%).

Poland is also seeing a similar phenomenon, though not to the same degree, rising 7pp to 57%. This is Poland's highest right direction score in the past ten years.

These optimism scores also seem to be reflected in our [Global Consumer Confidence Index](). Since January 2023, Poland has experienced the biggest increase in consumer sentiment (+16.4 points) and Argentina has also risen significantly (+6.2 points). The countries with the largest losses are Australia (-4.7) and Israel (-2.3).

Israel's level of worry about military conflict (41%) and terrorism (58%) remain elevated.

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HEALTH CARE IS NOW GREAT BRITAIN'S HIGHEST CONCERN WITH OVER TWO-FIFTHS (43%) MENTIONING IT. "

NOT DOOMED TO REPEAT

Applying Lessons from CX Text Analytics to Generative AI

Generative AI has rapidly democratised the power of text-based Artificial Intelligence, with chatbots like ChatGPT placing these capabilities into the hands of anyone with internet access.

AI tools – particularly Large Language Models (LLMs) – can be leveraged for many practical text analytic use cases. While we are in a new landscape, learning from the past of text analytics will ensure we don't repeat errors and can leverage these new tools to their full potential.

Text analytics is no longer the niche offering it was over a decade ago, and is now standard in most large or ongoing Customer Experience (CX) programmes. It can be used to provide identification and quantification of key topics and sentiment across solicited (e.g. open-end questions) and unsolicited (e.g. social media) feedback.

In 'Not Doomed to Repeat', our CX experts draw on 15 years of text analytics learnings, and use our AI framework of Truth, Beauty, and Justice, to share five key lessons that teams must keep in mind as they apply LLM-powered Generative AI tools:

1. Demand transparency.
2. Don't forget the data.
3. Formal evaluation still matters.
4. Remember to manage expectations.
5. Establish a reporting/usage mechanism that meets business needs.

If we treat LLMs with the respect they deserve, learn from the past, and embrace the future, they will undoubtedly lead to better, more loyal, and more profitable customer relationships.

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A QUESTION OF GENDER

Gender classification in international research

There is growing recognition of the diversity of gender identities and the need for guidance on this topic.

The terms ‘sex’ and ‘gender’ are often used interchangeably, despite not being equivalent. Very few census questionnaires or official data sources have included questions that distinguish between the terms and, where they have, there hasn’t been a consistent approach across countries.

This paper discusses the importance of asking about gender in an inclusive way, especially when conducting international research. We also present a recommended question framework, suitable for both self-completion and interviewer-led surveys, which can be used as is or customised further to meet requirements for specific research objectives, countries, cultures, or target groups.

Topics covered within the paper include:

- Key data and insights about the non-binary population (including the limitations of the current data).
- The importance of considering international factors (cultural nuances and legal implications can vary widely by country or region).
- How to ask the question about gender (the various ways to phrase research questions about gender).
- Why inclusivity should be central at each research stage (particularly in studies involving products or categories typically targeted to one sex or gender).
- Interviewing children (the key considerations when asking children non-binary gender questions).

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WORKPLACE TRENDS IN SINGAPORE

Workplace culture and behaviours

A new workplace study in Singapore, based on research carried out with a representative sample of 1,000 employees, highlights the key trends that can provide valuable context for decisions by Singapore's employers.

Findings reveal that three in five (62%) Singaporean employees say they are proud to work for their employer or would recommend them to others. This is between 14 and 19 percentage points (pp) below global norms. Pride declines with age and is nearly 20pp lower among 55 – 65-year-olds compared to those aged 18-24. Women are also 6pp less proud than their male peers (59% vs 65%).

When considering whether to look for a new job, pay is the overwhelming factor for Singaporean employees, with 65% seeing it as most important.

Flexible working opportunities also remains one of the most important reasons for considering a new role, highlighted by two in five (40%) of the Singapore workforce.

Workplace culture is mostly seen as positive, with 68% of the workforce experiencing positive behaviours around them at work. This is one of the most important drivers of engagement. Especially the experience of supportive, trustworthy, and friendly behaviour.

Working long hours is experienced by 17% of the workforce. While it is the highest negative experience, it remains lower than the global norm of 21%. Favouritism, bias and narrow-minded behaviours are the ones that act as the strongest 'drags' on engagement, all experienced by one in ten (10%) of the workforce.

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AROUND THREE IN TEN WORKERS IN SINGAPORE SAY THEY PLAN TO LEAVE THEIR EMPLOYER IN UNDER TWO YEARS. ”

OUR LIFE WITH AI

People see the promise of AI for today and the future

Google partnered with Ipsos to understand global public attitudes on AI, conducting 17,000 interviews across 17 countries. This in-depth study finds that many people are hopeful about AI's applications today, tomorrow and in the future.

People across the countries surveyed believe AI will have tremendous positive impact over time, from speeding up workloads to improving transportation and education to enhancing quality of life. The data shows they even believe AI can address pressing challenges such as climate change, poverty, and bias and discrimination, while also making us healthier, smarter, and safer.

Emerging markets tend to be the most favourable about AI. When asked, for instance, how much of a positive impact AI is having on the way we access information or the way we learn, 77% in emerging markets say it's positive. In contrast, only 42% of Americans feel it's having a positive impact on the way we learn.

As with any new technology, there are some concerns about AI, both for society and for individuals. Resoundingly, however, experiencing AI first hand appears to drive excitement about the boundless opportunities it can bring – and calm concerns. To capture these opportunities and ensure they are shared and beneficial for all, there is a strong desire for public-private partnership to best deploy and develop AI in a responsible way without dampening the innovation that is so exciting to people around the world.

This reports aims to be a helpful contribution to the conversation about AI and its impact on society, the workforce, and individuals.

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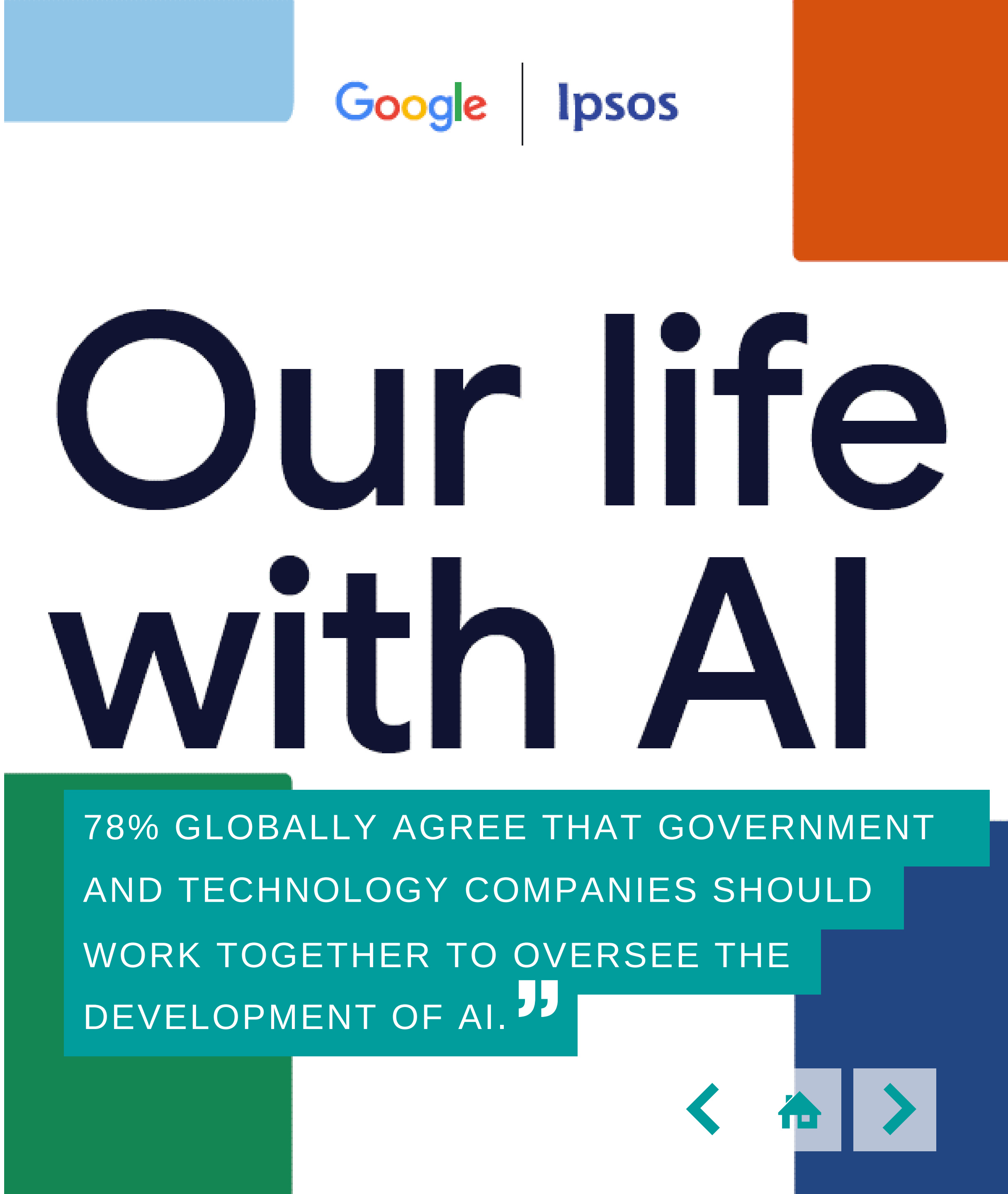

WHAT THE FUTURE: MANUFACTURING

Entering a new age

The manufacturing landscape in the US is undergoing a transformation influenced by the advancements in AI, the dynamics of geopolitics, and a growing emphasis on sustainability. What The Future: Manufacturing presents a dichotomy between small-scale operations like Dearborn Denim in Chicago, which sources and assembles apparel locally, and global giants such as Caterpillar.

The future of manufacturing is expected to be shaped by increased automation, AI, and shifting power dynamics between employers and employees. However, the direction of this change is not singular. There's potential for automation to accelerate job decline, but there's also a chance for a resurgence in direct-to-consumer brands and local manufacturing facilitated by social media and technologies like 3D printing.

We see a tension between the preference for US-made goods and those produced abroad. Americans tend to associate domestic products with higher quality, with 68% believing American-made goods are superior. Yet, when it comes to purchasing decisions, price is a significant factor, and many Americans are swayed by affordability, which is often found in imported goods. Despite this, there's a strong perception that foreign-made goods, particularly from China, lack the quality of their US counterparts, influencing buying behaviours and attitudes toward globalisation.

Consumers are divided on whether they are willing to pay more for sustainably produced goods or pay less for lower quality products. In summary, the future of manufacturing is caught between technological advancement, economic pressures, consumer preferences, and sustainability concerns. Its evolution will depend on how these competing forces are reconciled, with the potential for both large and small manufacturers to adapt and thrive in this changing landscape.

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SOCIAL MISFITS

Power of empathy to enhance social ads

Social Misfits: How to put the 'social' back into social ads and spark brand growth looks at the evolving landscape of social media advertising. It notes the pervasive nature of social platforms in people's lives and the significant increase in digital ad spending, predicted to account for 71% of all media spend by 2025.

The paper observes a shift in marketers' objectives, with 70% now focusing on brand awareness outcomes, a move from the previously dominant focus on lower funnel sales conversions, which was at 59%. However, it challenges the typical focus on ad view times, arguing that although it might lead to short-term conversions, it holds a weak relationship with long-term brand effects.

Rather than focusing on view times, it's better to focus on delivering quality audience experiences which can be achieved by being creative and empathetic. These factors are identified as key components of successful brands. In fact, drawing on a dataset of over 400 social ads evaluated in the Creative|Spark Digital solution, ads which strongly deliver new ideas or express empathy see greater success. Specifically, ads that deliver new ideas generated a 31% increase in memory encoding effects and those that expressed empathy achieved a 47% increase.

Moreover, the paper also highlights that empathetic experiences and new ideas contribute significantly to the behaviour change potential of social feed video ads. Ads that perform strongly on delivering creative ideas achieve a 44% increase in effects on short-term choices, while those with strong empathetic experiences see a 58% increase.

Emphasising the importance of making social ads more 'social' involves delivering empathetic experiences, offering new ideas and at times, providing simple entertainment. This paper suggests that when social ads align with what people want from social platforms, they are more effective and contribute to long-term brand growth.

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BUSINESS AND POLITICS

Tactics for surviving hyper-partisan consumers

Conventional wisdom recommends that companies respond to hyper-partisan consumers by keeping their heads down and trying not to be drawn into debates. This is largely sensible advice – but is it enough in today's polarised world? Over the last two decades, it has become clear that sidestepping politics is not always in a company's control.

Companies are still learning how to cope with a fragmented media environment which provides a platform to anyone with a complaint. Recent high-profile examples show many businesses are still struggling with this. Now the landscape has shifted again, with intense partisan reactions causing sudden and unanticipated political and ideological realignments of customer bases.

In this paper, we explain why businesses must have a lens towards social and governance issues and the importance of taking and sticking to a stand.

We examine why employees need to be considered alongside consumers and how to centre the human over the issue in all arenas of business. The paper also shares **four key tactics** for organisations to manage the increasing politicisation of their consumer base. These involve:

1. Understand your company's risk profile
2. Understand your customers
3. Track social media
4. Prepare a communications plan

We delve into these topics in more detail in our recent webinar.

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SHORTCUTS

KEYS – The Year Ahead

The start of a new year is a time for reflection and optimism. Seven in ten people (70%) around the world say things will be better for them over the next 12 months than they were in 2023.

Yet the disruptions of recent years have taught us all to be cautious about exactly what lies ahead.

Citizens and consumers face a year of uncertainty. Elections will be held in more than 60 countries, and turbulence is expected. Meanwhile, we see muted consumer optimism, with eight out of ten expecting real incomes to fall in their country.

People also expect further disruptions caused by unpredictable weather due to climate change.

Our first episode of 2024 is all about setting the scene, as we review the evidence in the light of recent experiences.

WATCH HERE

Shrinkflation and Skimpflation

Have you ever picked up your favourite snack off the shelf only to find it seems to be a little lighter and a lot smaller than it used to be? You're not alone.

Business leaders, like everyone else, are aiming to balance the books in these inflationary times and some have landed upon what they'd call savvy (but customers might dub sneaky) ways to beat the high costs of making and selling goods.

While employing shrinkflation and skimpflation strategies may have fooled shoppers in the short term, in the longer term, shoppers around the world are now noticing that an array of products have shrunk and/or changed in the years following the COVID-19 pandemic in 2020.

We look deeper into a few of the "creative" ways businesses are aiming to turn a profit during these tough times and how shoppers are feeling about it.

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Brand Talk Episode 9

In this latest episode we talk with Tom Roach, the VP of Brand Strategy at the marketing services company, Jellyfish.

Tom shares some of his experiences in the world of effectiveness and explains why he describes himself as "an evangelist for the commercial value of brands and creativity", citing examples dating right back to his involvement on award winning work for the UK supermarket brand, Sainsbury's.

Tom also talks about his belief that we should "ignore the sceptics: Brands can be built on digital platforms" and reminds us of the benefits of a balance of brand building advertising and immediate direct response activity – on whatever platform is most appropriate

He wraps up with some great thoughts on how effectiveness and creativity are two sides of the same coin.

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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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