GLOBAL CONSUMER TRENDS

THE ECONOMIC CROSSROADS

dynata
OVERVIEW

Global Consumer Trends: The Economic Crossroads

Across the world, rising costs are causing anxiety and financial struggles for consumers.

The worldwide impact of inflation is affecting their outlook and behavior. More than half of consumers globally are struggling financially because of inflation and the increasing price of fuel, housing and everyday goods. Russia’s war on Ukraine intensifies their concerns around supply-chain disruptions related to the pandemic — almost half say the war has influenced a recent purchasing decision.

As a result, having arrived at an “Economic Crossroads” themselves, people are deciding how to cope with inflation anxieties — and changing their behavior in significant ways.

They're becoming more cost-conscious — bargain-hunting, buying less on impulse and going out less. They're becoming less brand loyal, as rising costs makes this luxury unaffordable. Over half also think it's a good idea to stock up on what they need, due to potential supply-chain disruptions.

Rising fuel prices have caused 84% of drivers to change their behavior — mainly by taking fewer car trips, but also traveling shorter distances and spending less in other areas. Inflation is boosting interest in “greener” vehicles: three in four consumers who currently have a vehicle are at least somewhat interested in getting an electric or hybrid vehicle next time.

Inflation is also causing consumers to manage their money differently. Compared to a year ago, 41% of savers are setting aside more today, and over one-third of investors have a more conservative allocation. When it comes to housing affordability, high costs lead 76% of consumers globally to believe it’s hard to find a place to live. Twenty-seven percent of workers are pushing retirement further in the future.

Rising costs are affecting Millennials more than any generation — with Gen Z not far behind. Millennials are the likeliest to be looking for deals. Gen Z and Millennials — both at 79% — are most likely to be saving money on a regular basis. More than a third of these groups aren’t confident they could afford to buy or rent a suitable home if they had to.

Dynata’s newest report, “Global Consumer Trends: The Economic Crossroads,” uses responses from over 11,000 consumers across 11 countries — the U.S., Canada, the U.K., France, Spain, Germany, Italy, the Netherlands, China, Japan and Australia — to better understand how the evolving economic landscape affects consumer behavior and its impact on brands.
KEY FINDINGS

1. Across the world, rising costs are causing anxiety and financial struggles for consumers

   - 7 in 10 are extremely or very concerned about inflation

   - 6 in 10 say inflation has impacted their everyday lives

2. The Russia-Ukraine conflict is exacerbating consumers’ concerns and influencing their financial decision-making

   - Almost two thirds are concerned about the Russian invasion of Ukraine

   - Nearly 1/2 say Russia’s invasion of Ukraine has influenced a recent purchasing decision
As a result of consumers’ worries:

- They are changing their behavior to become more cost-conscious
- Rising gas prices are pushing drivers toward greener habits and boosting interest in electric vehicles
- High housing costs are leading over half of consumers globally to believe it’s hard to find a place to live

1 in 2 are less brand-loyal, due to the rising cost of goods

3 out of 4 vehicle owners are at least somewhat interested in getting an electric or hybrid vehicle next time

76% think it’s at least somewhat difficult to find a home to purchase or rent right now
KEY FINDINGS

4

Anxiety about the future is inspiring consumers to save more, invest more conservatively and push retirement to a later date

4 in 10 Savers are saving more than a year ago

More than 1 in 3 investors have a more conservative allocation than a year ago

More than 1 in 4 workers say they plan to retire later

5

Rising costs are affecting Millennials more than any generation — and Gen Z isn’t far behind

More than other generations, Millennials are experiencing financial struggles because of:

- 60% The rising cost of everyday goods
- 58% The rising cost of gas/petrol
- 52% The rising cost of housing

Driven by concerns about future uncertainty,

76% of Gen Z and Millennials save money on a regular basis
ACROSS THE WORLD, RISING COSTS ARE CAUSING ANXIETY AND FINANCIAL STRUGGLES FOR CONSUMERS
INFLATION IS HAVING A WORLDWIDE IMPACT

7 in 10 consumers globally are "extremely" or "very" concerned about inflation right now.

95% feel at least slightly impacted by inflation.

60% feel impacted "completely" or "a lot".
INFLATION IS CAUSING FINANCIAL STRUGGLES FOR OVER HALF OF CONSUMERS GLOBALLY

Spain, France, and the U.S.A. are feeling most impacted by the rising cost of everyday goods and gas/petrol.

The USA, Canada and Australia feel hardest-hit by the rising cost of housing.

% EXPERIENCING FINANCIAL STRUGGLES BECAUSE OF THE RISING COST OF...

EVERYDAY GOODS
53% Globally

GAS/PETROL
50% Globally

HOUSING
38% Globally

HIGHEST
LOWEST

EVERYDAY GOODS
Spain (73%), France (65%), USA (61%)
China (35%), Spain (38%), USA (44%)

GAS/PETROL
Spain (71%), France (67%), USA (59%)
Germany (30%), Spain (33%), USA (40%)

HOUSING
USA (49%), Canada (46%), Australia (46%)
Japan (23%), Spain (29%), Italy (29%)
THE RUSSIAN INVASION OF UKRAINE IS EXACERBATING CONSUMERS’ CONCERNS AND INFLUENCING THEIR SPENDING
AS THE RUSSIA-UKRAINE WAR CONTINUES, CONCERN LEVELS REMAIN HIGH – AND MANY FEEL PERSONALLY IMPACTED

HIGH LEVELS OF CONCERN

64% ARE “EXTREMELY” OR “VERY” CONCERNED ABOUT THE RUSSIAN INVASION OF UKRAINE RIGHT NOW

HIGHEST AMONG BOOMERS

75%

EFFECTS ARE MORE GLOBAL THAN LOCAL

63% BELIEVE THE EFFECTS OF THE RUSSIA-UKRAINE WAR CAN BE FELT EVERYWHERE RIGHT NOW

37% BELIEVE THE EFFECTS CAN BE FELT IN SOME PARTS OF THE WORLD BUT NOT OTHERS

4 IN 10 FEEL PERSONALLY AFFECTED

40% SAY THE RUSSIAN INVASION OF UKRAINE HAS IMPACTED THEIR EVERYDAY LIVES
CONSUMERS ARE CHANGING THEIR SHOPPING HABITS IN RESPONSE TO THE RUSSIA-UKRAINE WAR

% SAY RUSSIA’S INVASION OF UKRAINE HAS INFLUENCED A RECENT PURCHASING DECISION

GLOBAL: 47%
Spain: 60%
Italy: 57%
Netherlands: 52%
Japan: 51%
Germany: 48%
France: 43%
US: 43%
UK: 42%
Canada: 41%
China: 40%
Brazil: 37%

ALMOST HALF OF CONSUMERS GLOBALLY say Russia’s invasion of Ukraine has influenced a recent purchasing decision.

MOST CONSUMERS DO NOT WANT TO SUPPORT RUSSIA

1. 72% are at least somewhat interested in reducing their use of fuel that may have come from Russia.
2. 60% believe it’s morally wrong for companies to do business with Russia.
3. 58% think people should boycott companies that do business with Russia.
AS A RESULT OF CONSUMERS’ WORRIES:

They are changing their behavior to become more cost-conscious

Rising gas prices are pushing drivers toward greener habits and boosting interest in electric vehicles

High housing costs are leading three-quarters of consumers globally to believe it’s hard to find a place to live
TO COPE WITH INFLATION, CONSUMERS ARE BARGAIN-HUNTING, BUYING LESS ON IMPULSE, AND GOING OUT LESS

COMPARSED WITH A YEAR AGO, WHAT ARE PEOPLE DOING MORE OF NOW BECAUSE OF RISING INFLATION?

LOOKING FOR BARGAINS

- 60% Buying cheaper products or seeking out more coupons/discounts

CUTTING OUT NON-ESSENTIALS

- 48% Buying fewer non-essential items (clothing, etc.)

GOING OUT AND TRAVELING LESS

- 45% Dining out less
- 38% Traveling less
- 36% Going out less - to concerts, sporting events, etc.

2 out of 3 CONSUMERS ARE BUYING FEWER IMPULSE ITEMS BECAUSE OF HIGHER COSTS
CONSUMERS ARE BECOMING LESS BRAND-LOYAL TO AFFORD WHAT THEY NEED

CONSUMERS ARE BUYING CHEAPER PRODUCTS INSTEAD OF INCREASING THEIR BUDGETS

25%
expand their budget so they can buy their favorite brands

75%
buy the brands that fit their budget, even if they're not their favorite

% AGREE “THE RISING COST OF GOODS TODAY HAS MADE ME LESS LOYAL TO MY FAVORITE BRANDS”

GLOBAL 51%
62%
58%
56%
55%
55%
54%
54%
52%
49%
47%
44%
33%

RISING COSTS ARE MAKING BRAND LOYALTY UNAFFORDABLE
MANY ARE FEELING THE IMPACT OF SUPPLY CHAIN ISSUES – AND OVER HALF THINK IT’S A GOOD IDEA TO STOCK UP ON WHAT THEY NEED

8 in 10 consumers globally feel heavily impacted by supply chain issues. 4 in 10 think it’s good to stock up on everyday items that could be affected by supply chain issues.

THE U.S.A. IS FEELING THE IMPACT OF SUPPLY CHAIN ISSUES THE MOST, with 50% of consumers feeling “completely” or “a lot” impacted. 8 in 10 consumers in the U.S. are at least “fairly” concerned about the difficulty of getting certain products right now.

GLOBAL

87% 93%

HIGHEST

LOWEST

71% 69%

21% 40%

% FEEL THEIR EVERYDAY LIVES ARE IMPACTED “COMPLETELY” OR “A LOT” BY SUPPLY CHAIN ISSUES
TO DEAL WITH RISING GAS/PETROL PRICES, **DRIVERS ARE MAINLY TAKING FEWER CAR TRIPS**, BUT ALSO SPENDING LESS IN OTHER AREAS AND TRAVELING SHORTER DISTANCES.

**84%**

OF DRIVERS HAVE CHANGED THEIR BEHAVIOR
BECAUSE OF HIGHER GAS PRICES

**WHAT ARE THEY DOING?**

- **57%** Taking fewer car trips
- **36%** Spending less on other things
- **34%** Traveling shorter distances
- **25%** Taking public transportation
DRIVEN BY HIGH GAS PRICES AND ENVIRONMENTAL CONCERNS, INTEREST IN ELECTRIC AND HYBRID VEHICLES IS GROWING

REASONS FOR GREATER INTEREST IN AN ELECTRIC/HYBRID VEHICLE
Among those at least somewhat interested getting one

- Better for the environment: 63%
- Fuel is too expensive now: 63%
- More electric vehicle charging stations are becoming available: 40%
- Better long-term investment: 34%
- Don't want to support Russian gas/petrol: 25%

3 out of 4 consumers who currently have a vehicle are at least somewhat interested in getting an electric or hybrid vehicle next time.
3 OUT OF 4 CONSUMERS BELIEVE IT’S HARD TO FIND A PLACE TO LIVE, MAINLY DUE TO HIGH PRICES

% THINK IT’S AT LEAST SOMEWHAT DIFFICULT TO FIND A HOME TO PURCHASE OR RENT RIGHT NOW

<table>
<thead>
<tr>
<th>Country</th>
<th>Difficulty</th>
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<tbody>
<tr>
<td>Global</td>
<td>76%</td>
</tr>
<tr>
<td>UK</td>
<td>88%</td>
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<tr>
<td>NL</td>
<td>86%</td>
</tr>
<tr>
<td>CA</td>
<td>85%</td>
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<tr>
<td>US</td>
<td>81%</td>
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<td>ES</td>
<td>78%</td>
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<td>CA</td>
<td>78%</td>
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<td>BR</td>
<td>74%</td>
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<td>FR</td>
<td>69%</td>
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<tr>
<td>DE</td>
<td>68%</td>
</tr>
<tr>
<td>GB</td>
<td>68%</td>
</tr>
<tr>
<td>JP</td>
<td>61%</td>
</tr>
</tbody>
</table>

OF CONSUMERS GLOBALLY THINK IT’S AT LEAST SOMEWHAT DIFFICULT TO FIND A HOME TO PURCHASE OR RENT RIGHT NOW

Harder to purchase (68%) than rent (61%)

IF THEY HAD TO MOVE

44% ARE “NOT VERY” OR “NOT AT ALL” CONFIDENT THEY COULD FIND A SUITABLE PLACE THAT THEY COULD AFFORD

High prices (71%) and not having enough savings (39%) are the main reasons for not being confident
ANXIETY ABOUT THE FUTURE IS INSPIRING CONSUMERS TO SAVE MORE, INVEST MORE CONSERVATIVELY AND PUSH RETIREMENT TO A LATER DATE
CONSUMERS ARE SAVING MORE MONEY THAN A YEAR AGO, DRIVEN BY ANXIETY ABOUT AN UNCERTAIN FUTURE AND CONCERNS ABOUT A GLOBAL FINANCIAL CRISIS OR WAR.

69% OF PEOPLE GLOBALLY SAVE MONEY ON A REGULAR BASIS.

41% OF SAVERS ARE SAVING MORE THAN A YEAR AGO.

PEOPLE ARE SAVING MORE BECAUSE:

- 54% The future feels more uncertain
- 50% They’re concerned about a global financial crisis
- 49% They’re worried about war
- 37% They’re concerned about losing a job
MORE THAN 1 IN 3 INVESTORS HAS A MORE CONSERVATIVE ALLOCATION THAN A YEAR AGO

COMPARED WITH A YEAR AGO, ARE YOU CURRENTLY INVESTING YOUR MONEY...
Among those who invest in the stock market/mutual funds/bonds

- More Conservatively: 36%
- No Change: 39%
- More Aggressively: 24%

WHY ARE THEY INVESTING MORE CONSERVATIVELY?

1. The future feels more uncertain (64%)
2. Worried about a global financial crisis (57%)
3. Worried about war (47%)
4. Worried about losing their job (31%)
1 in 4 workers are pushing retirement further in the future, driven by concerns about inflation.

In the last year have your retirement plans changed?

Among full-time workers:

- 27% Plan to retire sooner
- 49% No change
- 13% Plan to retire later

40% of full-time workers have changed their retirement plans in the last year.

Of those who plan to retire later, 84% say inflation has at least somewhat influenced this decision.

13% Plan to retire sooner
27% Plan to retire later
RISING COSTS ARE AFFECTING MILLENNIALS MORE THAN ANY GENERATION — AND GEN Z ISN’T FAR BEHIND
MILLENNIALS ARE FEELING THE STRAIN OF RISING COSTS MORE THAN ANY OTHER GENERATION

% EXPERIENCING FINANCIAL STRUGGLES BECAUSE OF THE RISING COST OF...

- Everyday Goods
  - Gen Z: 55%
  - Millennials: 60%
  - Gen X: 57%
  - Boomers: 41%

- Gas/Petrol
  - Gen Z: 54%
  - Millennials: 58%
  - Gen X: 53%
  - Boomers: 39%

- Housing
  - Gen Z: 49%
  - Millennials: 52%
  - Gen X: 38%
  - Boomers: 21%

Boomers are struggling the least.
The rising cost of housing is affecting Gen Z and Millennials the most.
IN RESPONSE TO RISING COSTS, **MILLENNIALS ARE MOST LIKELY TO BE LOOKING FOR DEALS**

SHOPPING BEHAVIORS INFLUENCED BY RISING COSTS

- 59% Gen Z
- 64% Millennials
- 58% Gen X
- 44% Boomers

- 52% Rely on coupons/discounts more than before
- 58% Less loyal to favorite brands

Boomers have changed their shopping habits less than younger generations.
**GEN Z AND MILLENNIALS** are hardest-hit by today's high housing prices.

**IN THE MARKET TO BUY OR RENT A HOME**

- **44%** Gen Z
- **42%** Millennials
- **21%** Gen X
- **8%** Boomers

4 in 10 Gen Z and Millennials are currently in the market for a new home.

More than 1/3 of Gen Z and Millennials are not confident they could afford to buy or rent a suitable home if they had to.

**THEIR MAIN REASONS:**

- Prices are too high
- Lack of savings
Younger generations are most likely to have changed their spending and transportation habits because of rising gas prices.

% Drivers who have done the following because of rising gas/petrol prices.

- Spent less on other things: Gen Z (46%), Millennials (42%), Gen X (37%), Boomers (28%)
- Traveled shorter distances by car: Gen Z (41%), Millennials (36%), Gen X (32%), Boomers (31%)
- Taken public transportation: Gen Z (39%), Millennials (32%), Gen X (22%), Boomers (17%)

Gen Z and Millennial drivers lead in changing the way they get around in response to rising gas/petrol prices.
MOTIVATED BY UNCERTAINTY, YOUNGER GENERATIONS ARE SAVING MORE AND INVESTING MORE CONSERVATIVELY THAN OLDER GENERATIONS

<table>
<thead>
<tr>
<th>Generation</th>
<th>Regular Basis Saving</th>
<th>More Conservative Investment</th>
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<tbody>
<tr>
<td>Gen Z &amp; Millennials</td>
<td>79%</td>
<td>57%</td>
</tr>
<tr>
<td>Gen X</td>
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<tr>
<td>Boomers</td>
<td>59%</td>
<td>52%</td>
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% saving more than a year ago because the future feels more uncertain

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METHODOLOGY

Dynata’s “Global Consumer Trends: The Economic Crossroads” survey was taken April 29 to May 9, 2022, and included respondents from the U.S., Canada, the U.K., France, Spain, Germany, the Netherlands, Italy, China, Japan and Australia. Participants were selected across all Dynata’s research panel assets, and the samples quota-controlled to reflect the population on age, gender and region. Generations were broken out as follows: Gen Z, age 16-25; Millennial, 26-40; Gen X, 41-56; Baby Boomer, 57-75; and Silent, 76+

Total sample size is 11,056: U.S. (1,012), Canada (1,000), U.K. (1,012), Spain (1,004), France (1,013), Germany (1,001), the Netherlands (1,010), Italy (1,001), China (1,001), Japan (1,000) and Australia (1,002). The margin of error (at the 95% confidence level) is +/- 3% at the country level, +/-1% at the total level.