


# OUR PRESENTERS TODAY




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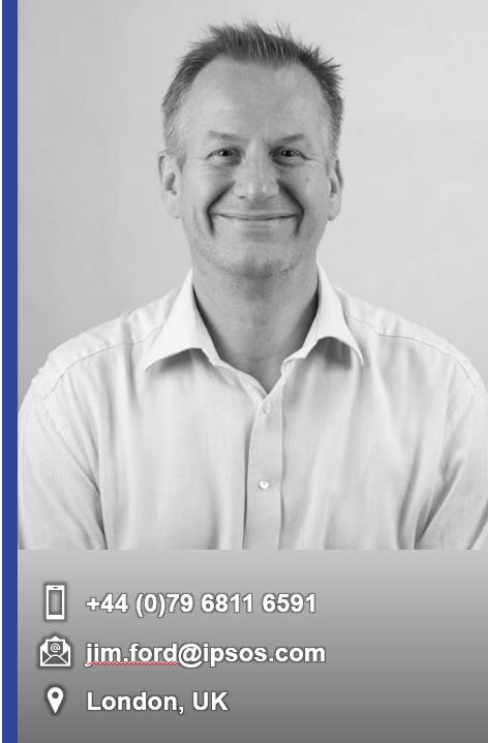
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# SOUTH AFRICAN CONSUMER CONTEXT

**Building empathy for your South African  
Audience, Consumer, Public**

Ipsos in South Africa  
June, 2023

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**GAME CHANGERS**



IPSOS' PHILOSOPHY IS THAT SUCCESSFUL BRANDS ARE BUILT ON 3 KEY INGREDIENTS

BRANDS NEED TO DELIVER AN EXPERIENCE:

Against

**EXPECTATIONS**

Within

**CONTEXT**

Built on

**EMPATHY**



# DATA SOURCES

## **IPSOS GLOBAL TRENDS:**

<https://www.ipsos.com/en/global-trends>

## **IPSOS GLOBAL TRUSTWORTHINESS MONITOR:**

<https://www.ipsos.com/en/trust>

## **IPSOS WHAT WORRIES THE WORLD:**

<https://www.ipsos.com/en/what-worries-world-may-2023>

## **IPSOS GLOBAL CONSUMER CONFIDENCE INDEX:**

<https://www.ipsos.com/en/ipsos-global-consumer-confidence-index>

## **IPSOS ESSENTIALS TRACKER:**

<https://www.ipsos.com/en-ca/knowledge/consumer-shopper/Essentials-Did-You-Know>

# SETTING THE SCENE GLOBALLY

Where we have been and where we are headed, at a glance

## 2022 IN RETROSPECT



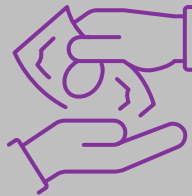
Say "This year was a bad year for my country", down from 77% last year and 90% in 2020\*

This ranges from **87%** in Hungary  
To **44%** in Saudi Arabia

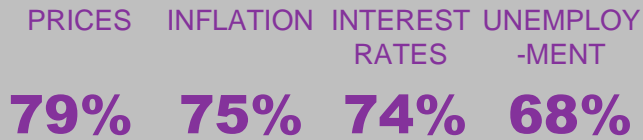


Say "This year was a bad year for me and my family", down from 58% last year and 70% in 2020

## ECONOMY



Expectations are for the economy to worsen in 2023. Large numbers expect the following to rise



## WORLD SECURITY



Think it is likely that nuclear weapons will be used in a conflict somewhere in the world in 2023 (up from 34% last year)

This feeling has increased by more than 10pp in **25 of 31 countries**

## ENVIRONMENT



Expect more extreme weather events next year than this year



Think 2023 will be the hottest year on record in their country



Expect a natural disaster to hit a major city in their country

## SOCIETY



Think it is likely that there will be no further COVID-19 lockdowns in their country

This ranges from **82%** in Indonesia  
To **43%** in China

## TECHNOLOGY



Expect a space rocket to be launched en route to Mars in 2023



Expect space tourism service moon trips to launch in 2023



Expect a brain implant to restore lost memories in 2023

## OUTLOOK FOR 2023

Not surprisingly given all of this.....



Optimism that next year will be a better year than this year has fallen from



And is at a 10-year low

Optimism that the global economy will be stronger next year than it was this year has fallen from



And is at a 10-year low

**\*81% of South Africans said 2022 was a bad year**



# THE WORLD IS CHANGING

(HYPER) INFLATION

COVID-19

UNEMPLOYMENT

ACCESS TO EDUCATION

E-COMMERCE & DELIVERY

CLIMATE CHANGE & SUSTAINABILITY

SUPPLY CHAIN ISSUES

ARTIFICIAL INTELLIGENCE



# ... AT A FASTER PACE THAN EVER BEFORE

Time to reach 1 Million users



Netflix  
3.5 years



Facebook  
10 months



iPhone  
74 days



Chat GPT  
5 days



Airbnb  
2.5 years



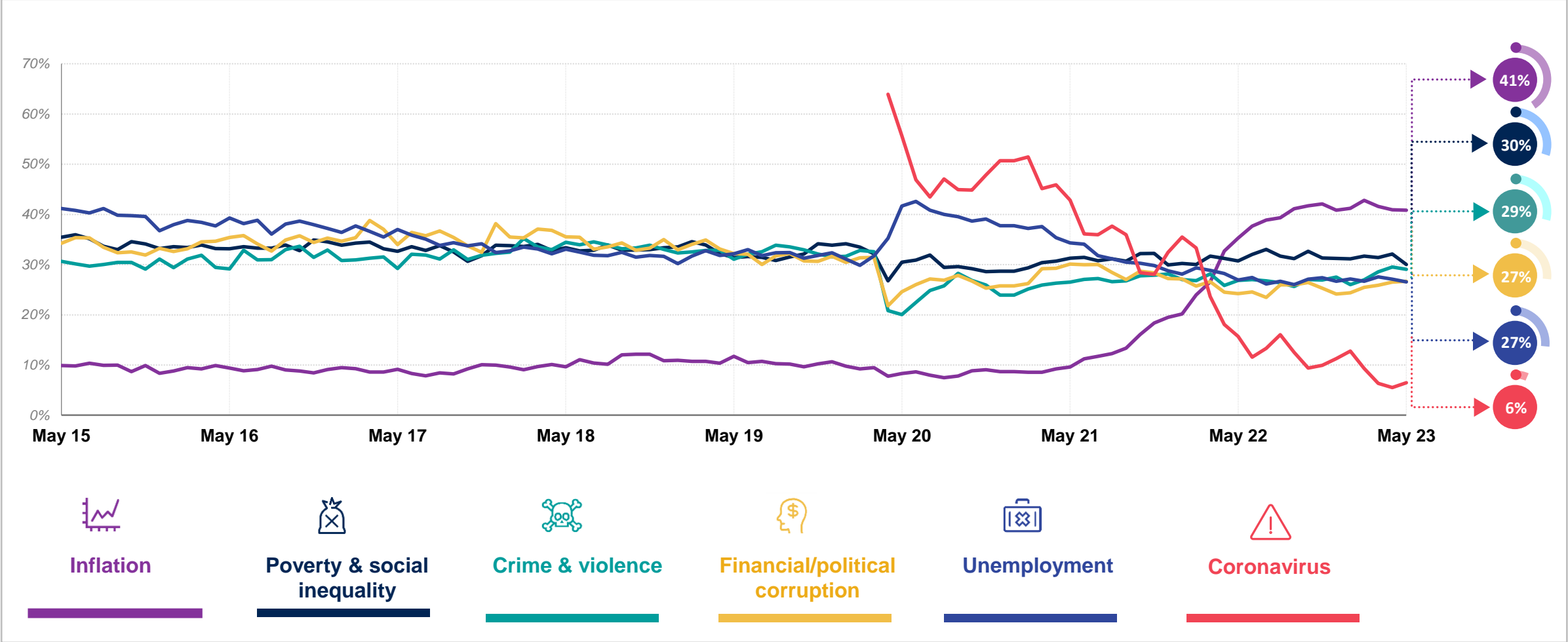
Spotify  
5 months



Instagram:  
45 days

# LOOKING AT WHAT WORRIES THE WORLD: THE LONG-TERM TREND SEES INFLATION RISE TO THE TOP OF THE LIST

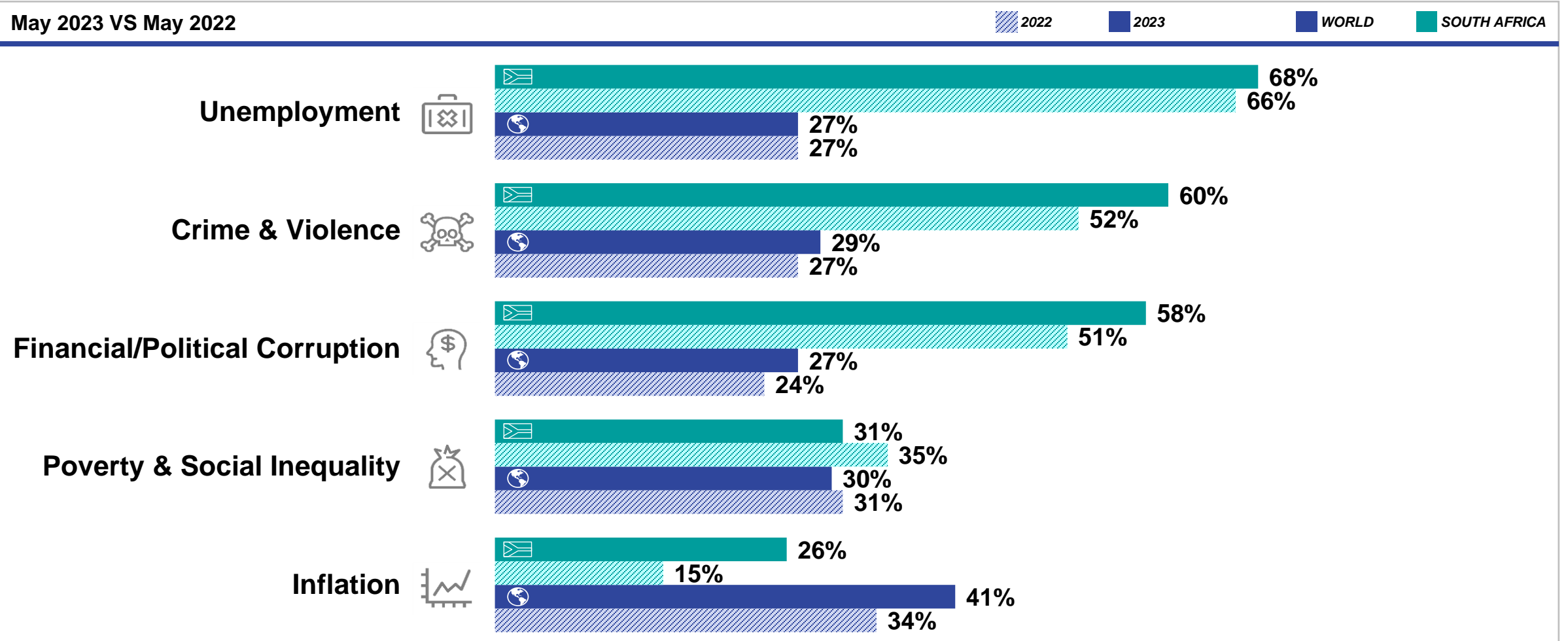
**Q** Which three of the following topics do you find the most worrying in your country? Global country average





# WHILE SOUTH AFRICANS' GREATEST CONCERN REMAINS UNEMPLOYMENT AND ITS FALLOUT

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

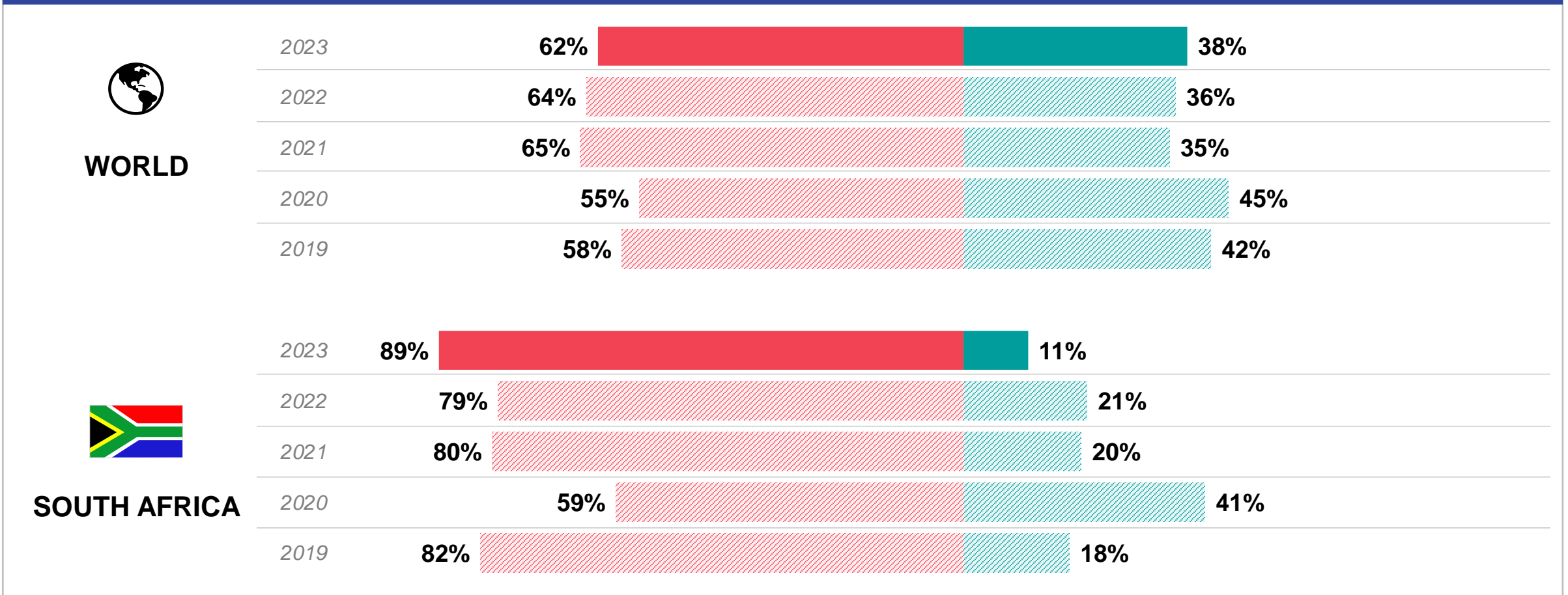


# INCREASINGLY WE FEEL OUR COUNTRY IS ON THE WRONG TRACK

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

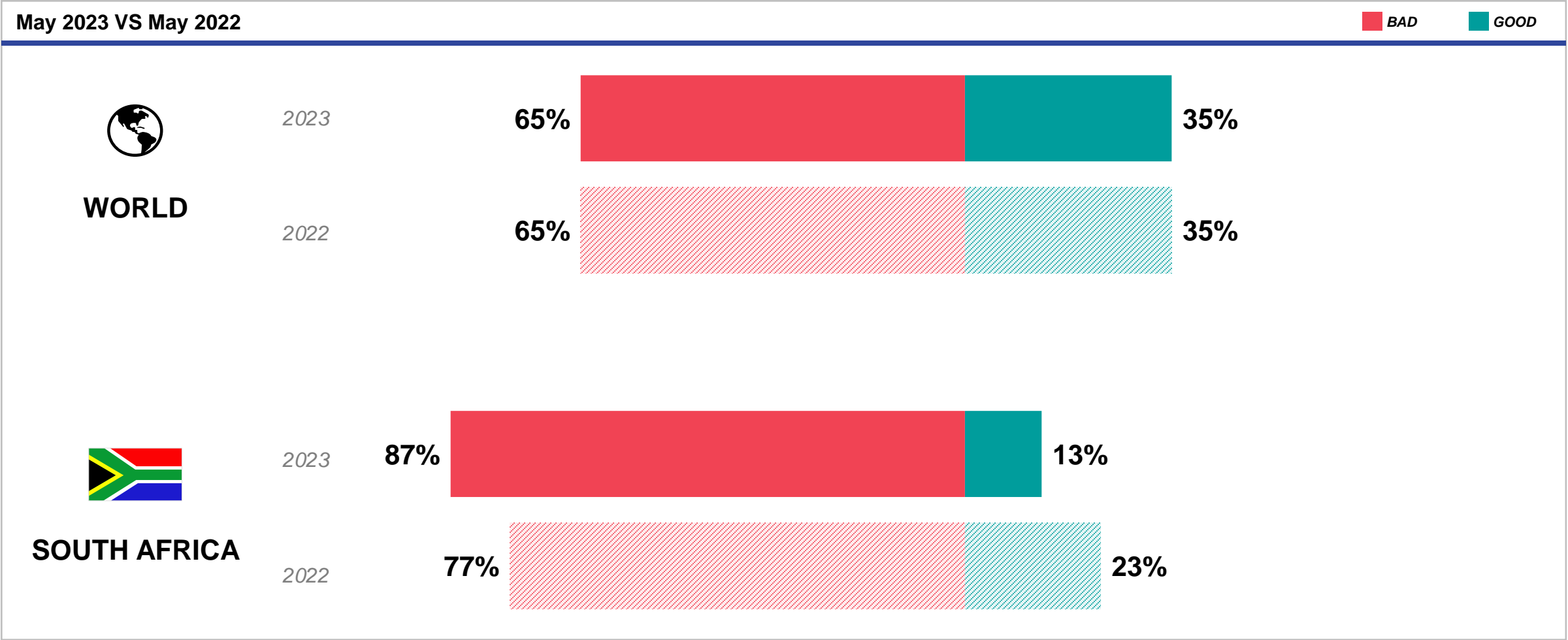
May 2023 - May 2019

■ WRONG TRACK ■ RIGHT DIRECTION



# AND THAT OUR CURRENT ECONOMIC SITUATION IS BAD

**Q** How would you describe the current economic situation in your country?



# RESULTING IN LOW CONSUMER CONFIDENCE

Q Consumer Confidence Index 2023

May 2023



WORLD



47.2



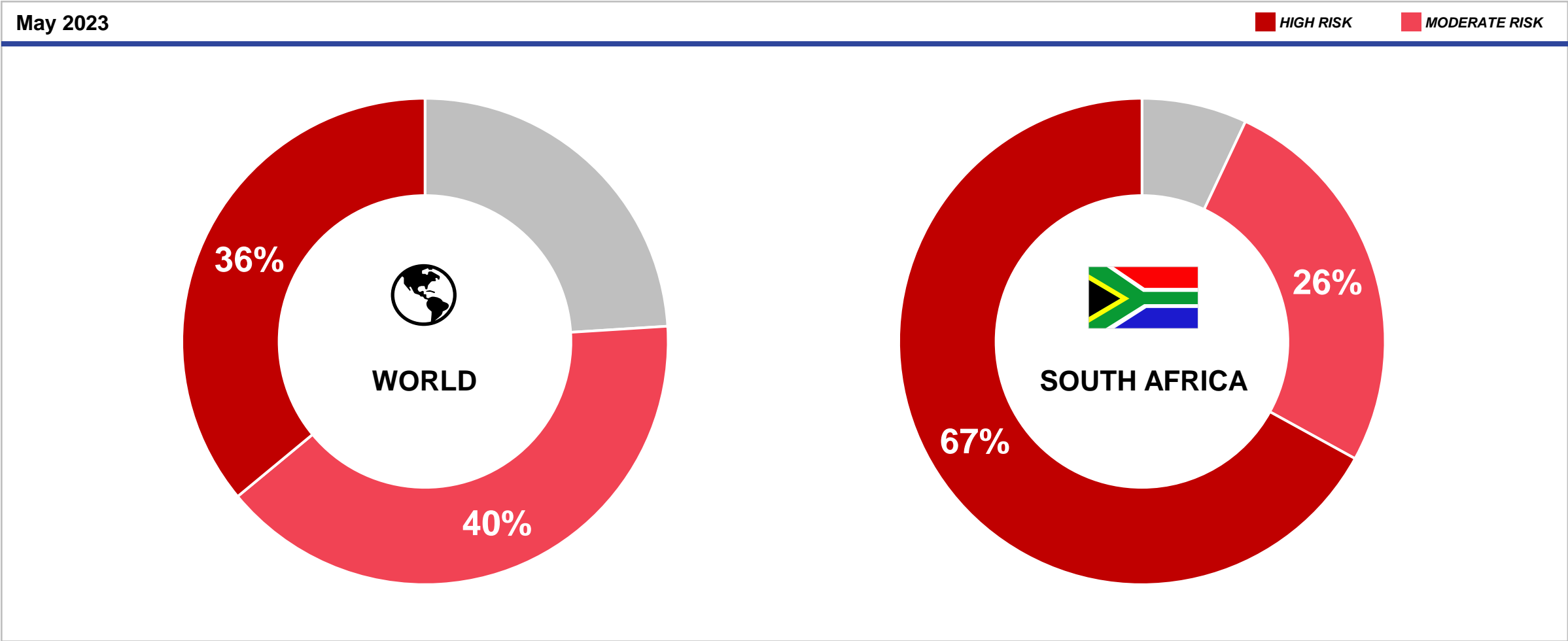
SOUTH AFRICA



38.9

# WE FEEL LIKE THINGS ARE OUT OF CONTROL AND WE ARE AT SERIOUS RISK FROM INFLATION

**Q** What level of risk do you think rising prices and inflation pose to each of the following? (you personally)



# AND BELIEVE WE'RE ALREADY IN A RECESSION

**Q** To what extent do you agree or disagree with each of the following? (My country is headed towards a recession)

May 2023

MY COUNTRY IS HEADED TOWARDS A RECESSION

MY COUNTRY IS EXPERIENCING A RECESSION RIGHT NOW



WORLD



65%



58%



SOUTH AFRICA



82%



71%

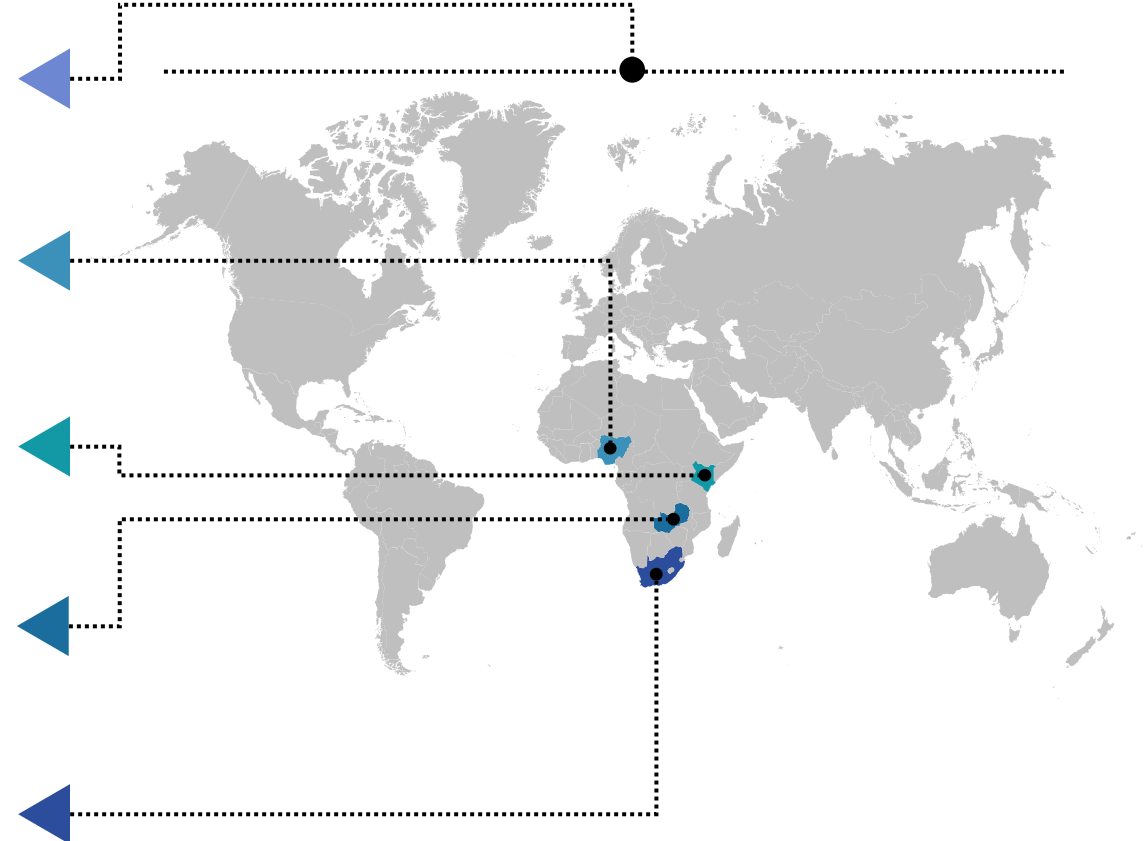
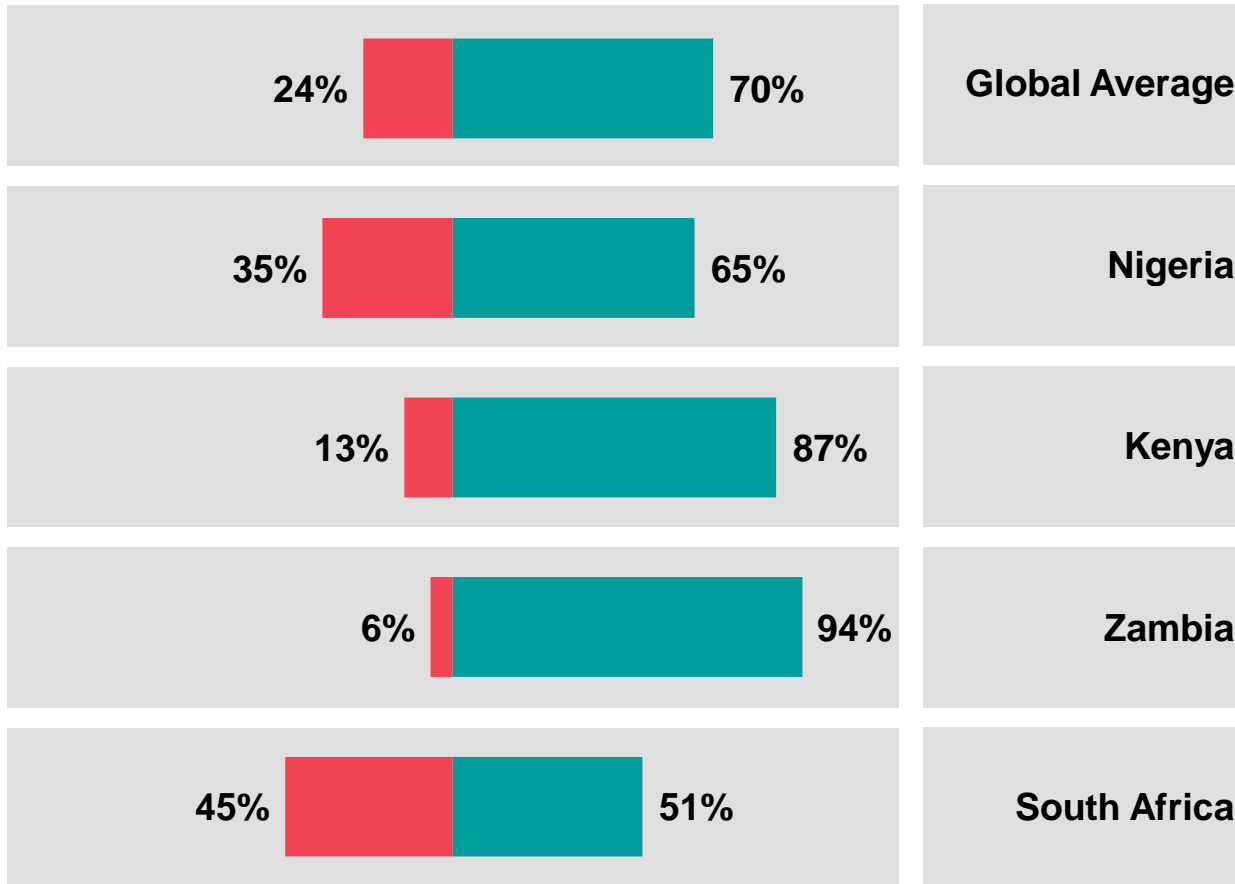
# SADLY, THIS ALL MEANS ONLY HALF OF SOUTH AFRICAN'S FEEL PROUD OF THEIR COUNTRY

Q

[To what extent do you agree or disagree with the following statements?]  
I feel very proud of my country

DISAGREE

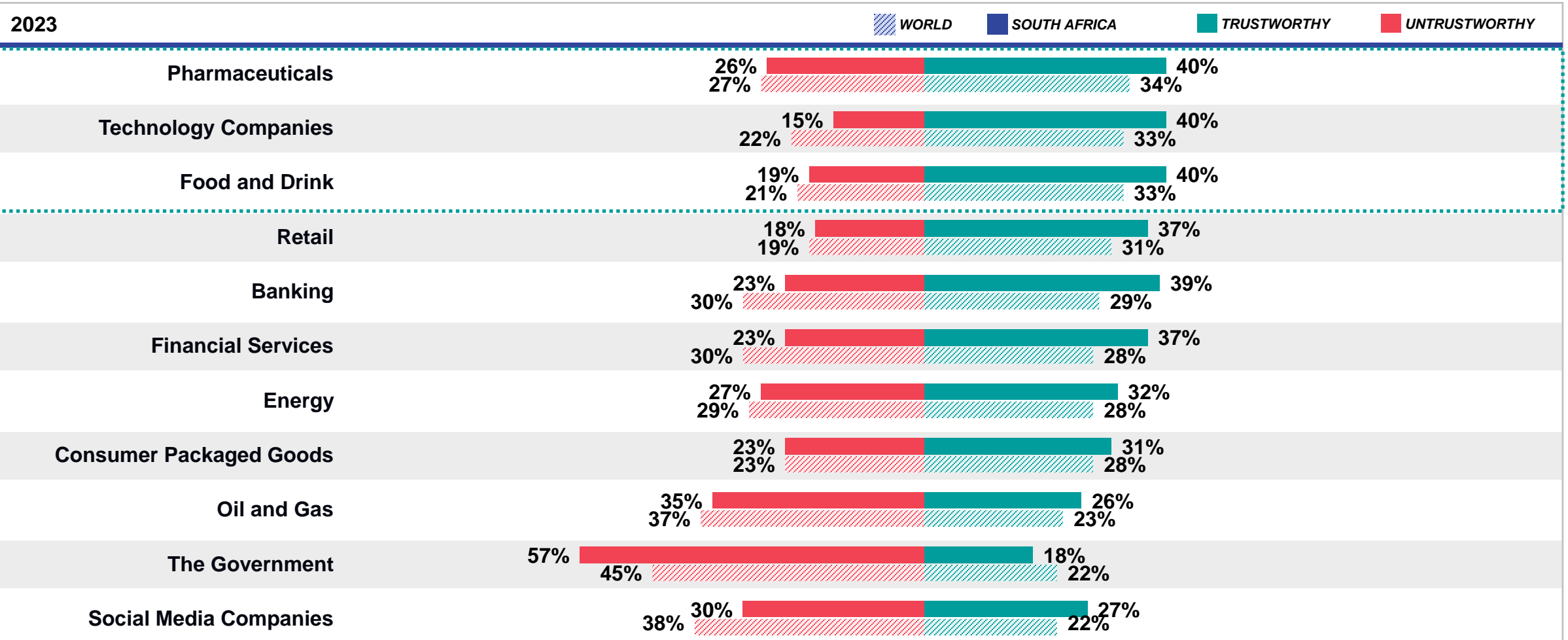
AGREE



# SO WHO DO WE TRUST / RELY ON IF NOT THE GOVERNMENT?



Please look at this list of different types of organisations and institutions. In General, do you think each is trustworthy or untrustworthy?





# AND HOW CAN THESE ORGANISATIONS BUILD TRUST?

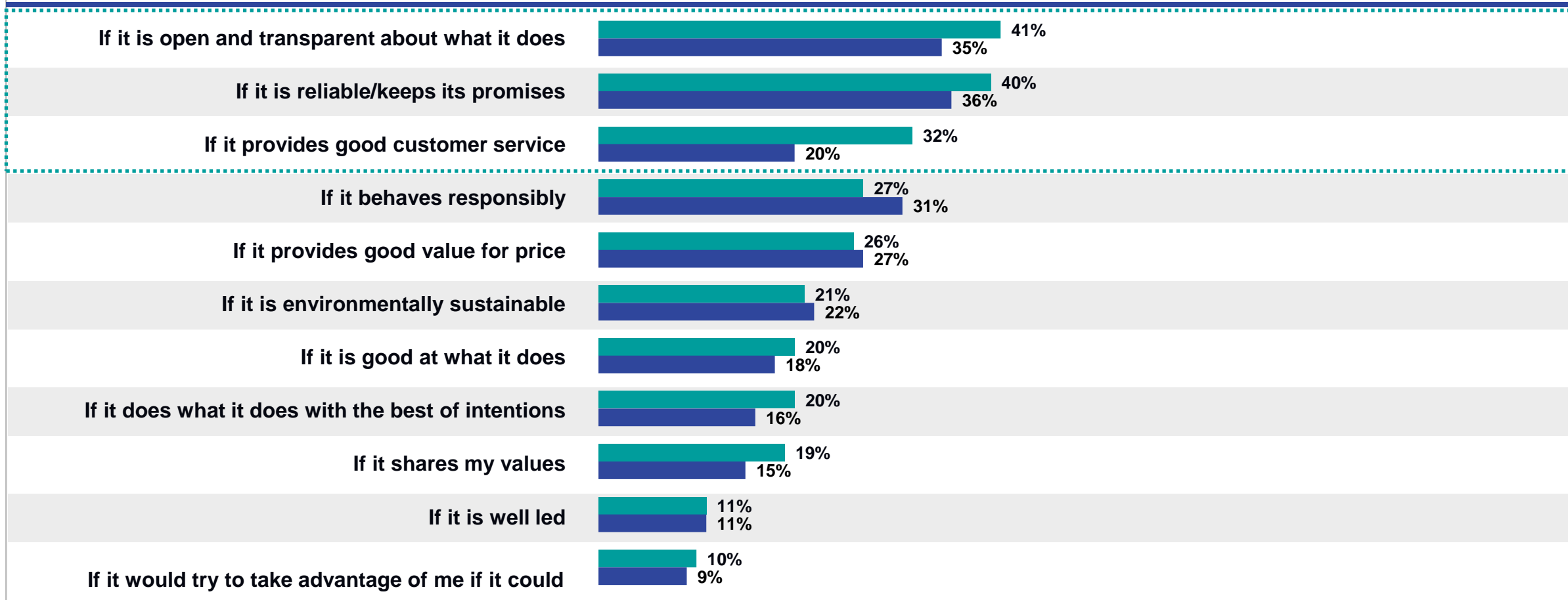
Q

Which two or three of the following attributes, if any, are most important to you when deciding whether or not to trust an organization or institution?

2023

WORLD

SOUTH AFRICA



# FUTURE SUCCESS LIES IN BRANDS THAT POSITIVELY IMPACT SOCIETY BEYOND THEIR PRODUCTS AND SERVICES

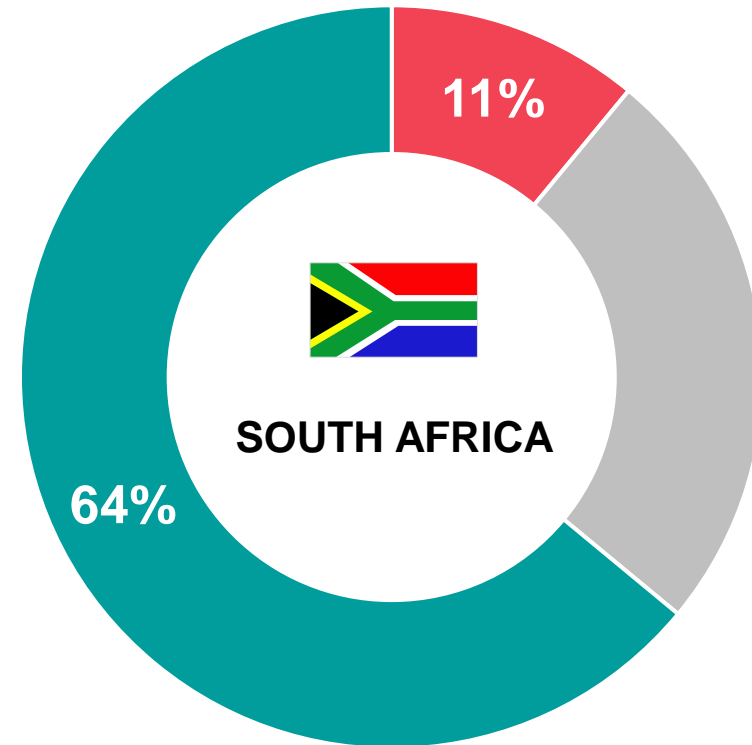
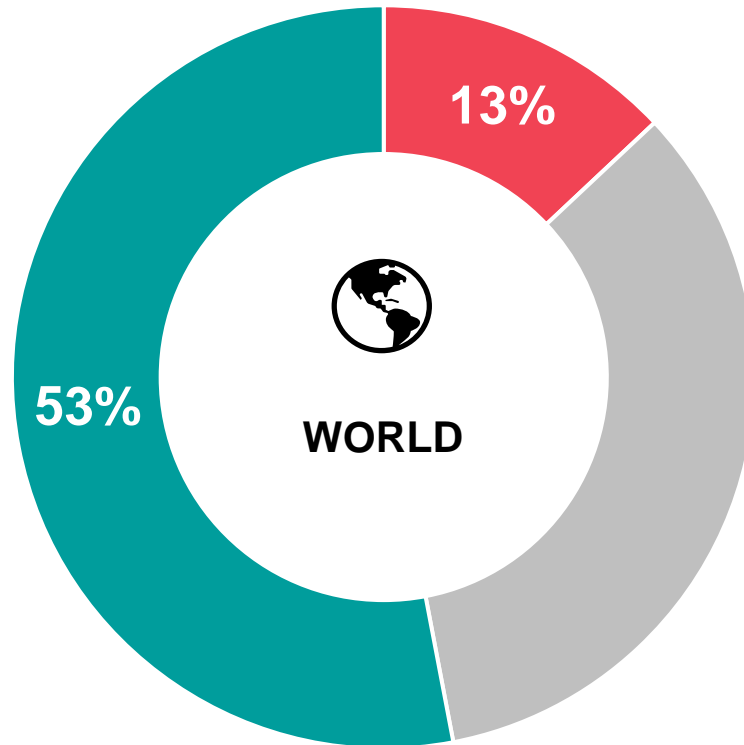
Q

*In the future, the most successful brands will be those that make the most positive contribution to society beyond just providing good services and products*

2023

DISAGREE

AGREE

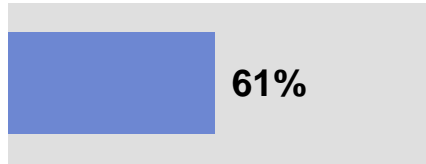
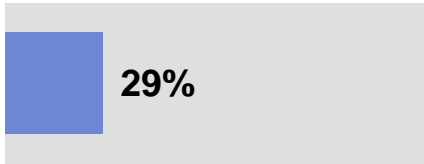


# AND ENVIRONMENTAL RESPONSIBILITY IS IMPORTANT TO US PERSONALLY

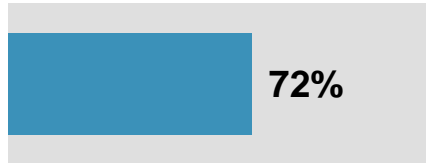
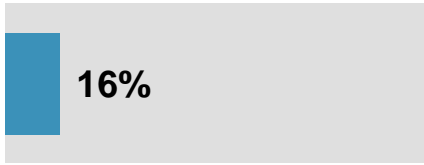
**Q** Which of the following, if either, is more important to you personally?

**Companies paying the correct amount of tax**

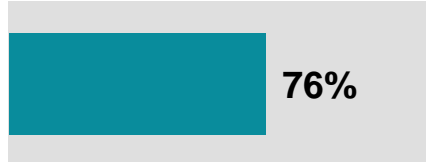
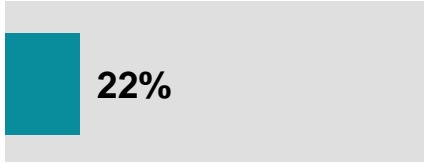
**Companies doing as much as they can to reduce harm to the environment**



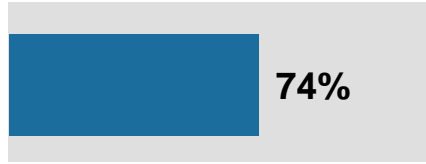
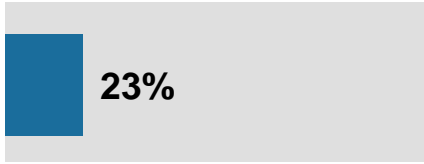
**Global Average**



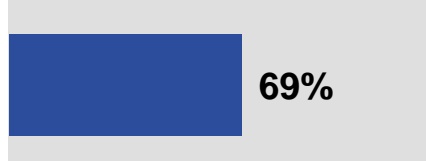
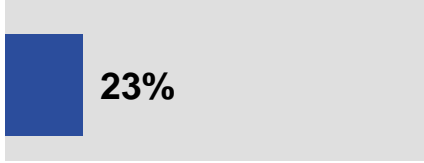
**Nigeria**



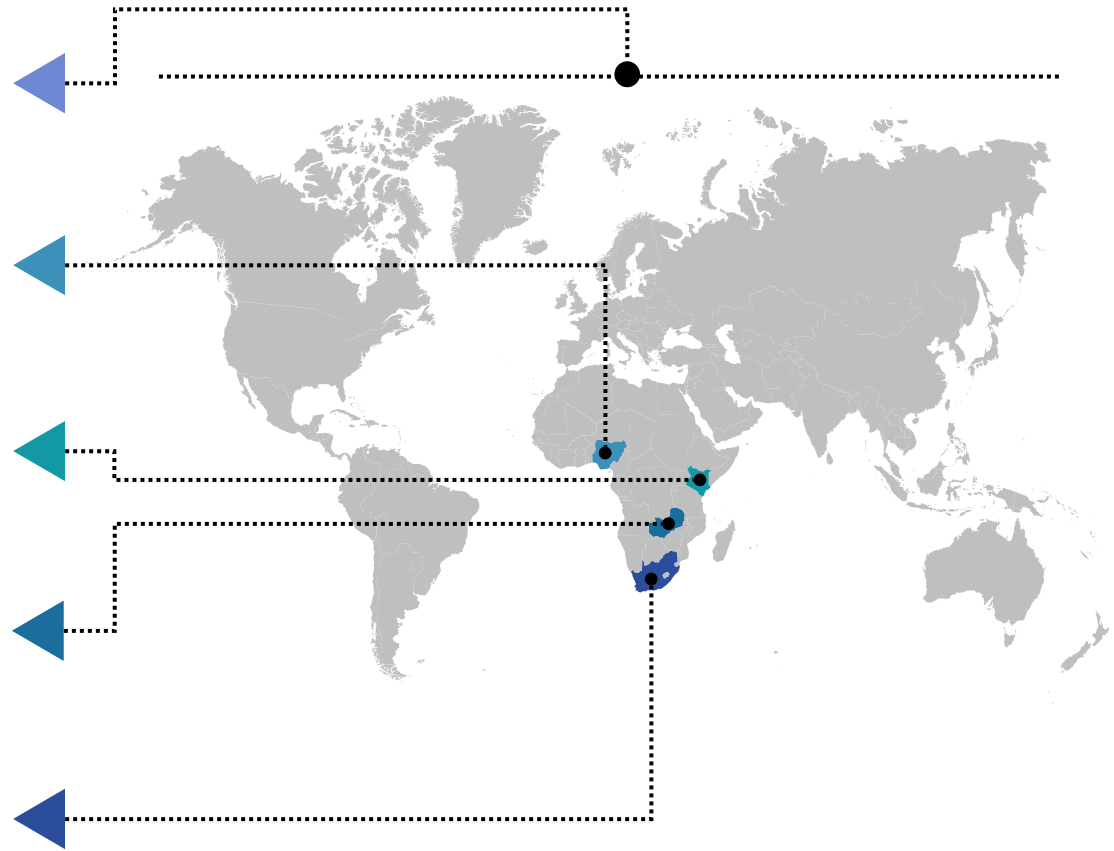
**Kenya**



**Zambia**



**South Africa**

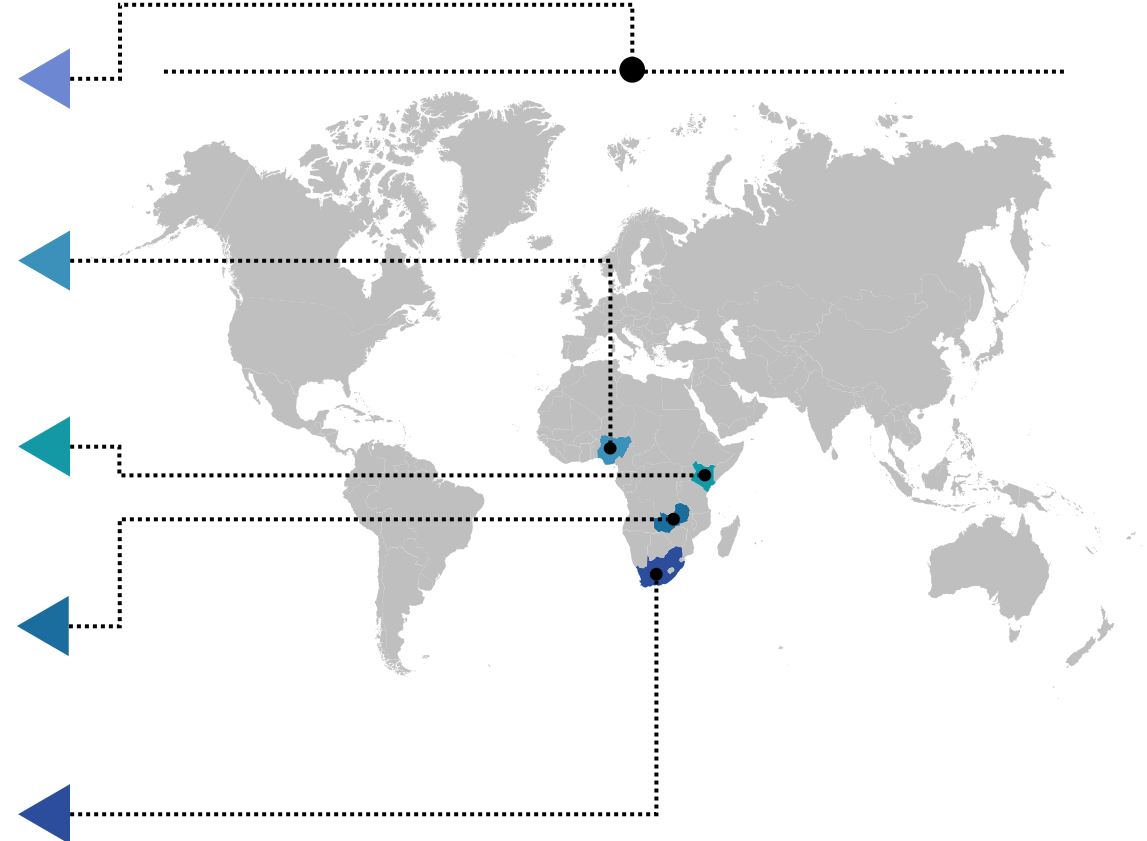
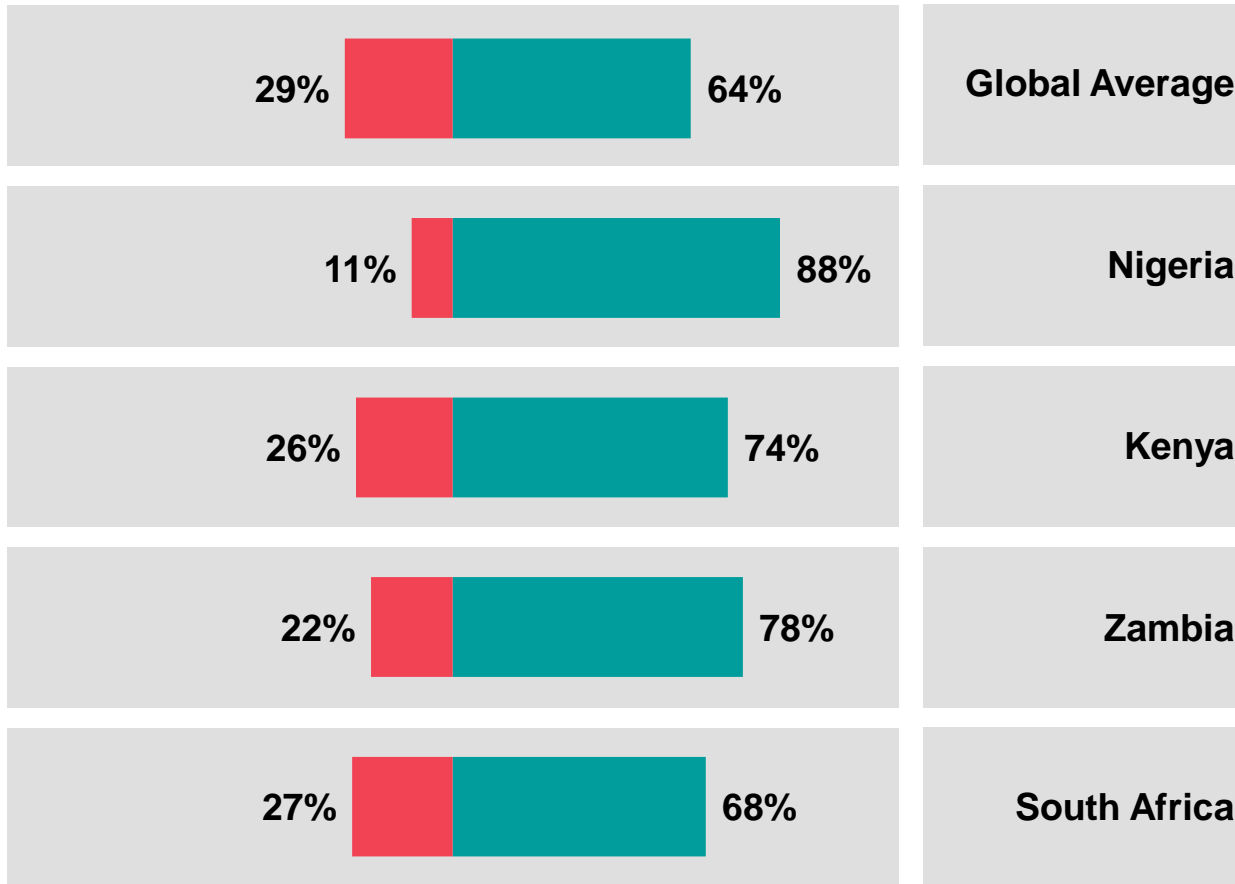


# SO WE TRY TO BUY PRODUCTS FROM BRANDS THAT ACT RESPONSIBLY, EVEN IF IT MEANS SPENDING MORE

**Q** [To what extent do you agree or disagree with the following statements?]  
I try to buy products from brands that act responsibly, even if it means spending more

**DISAGREE**

**AGREE**



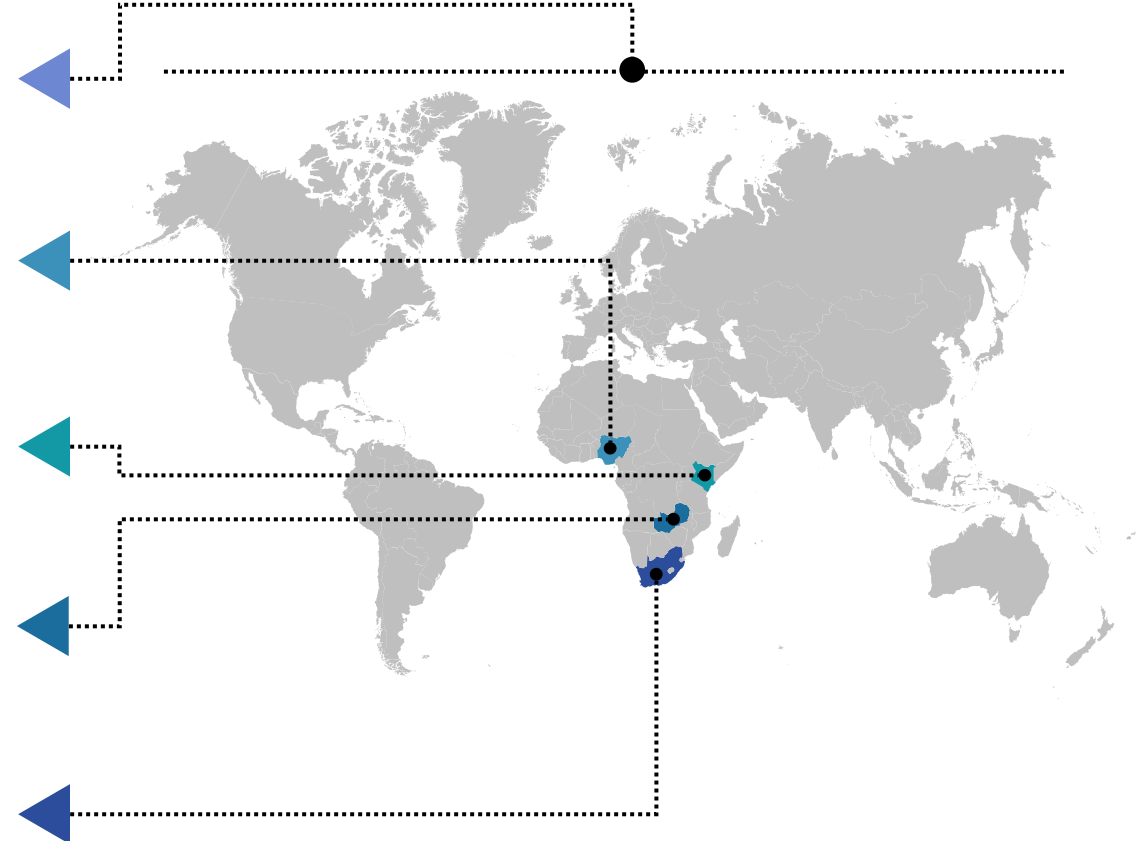
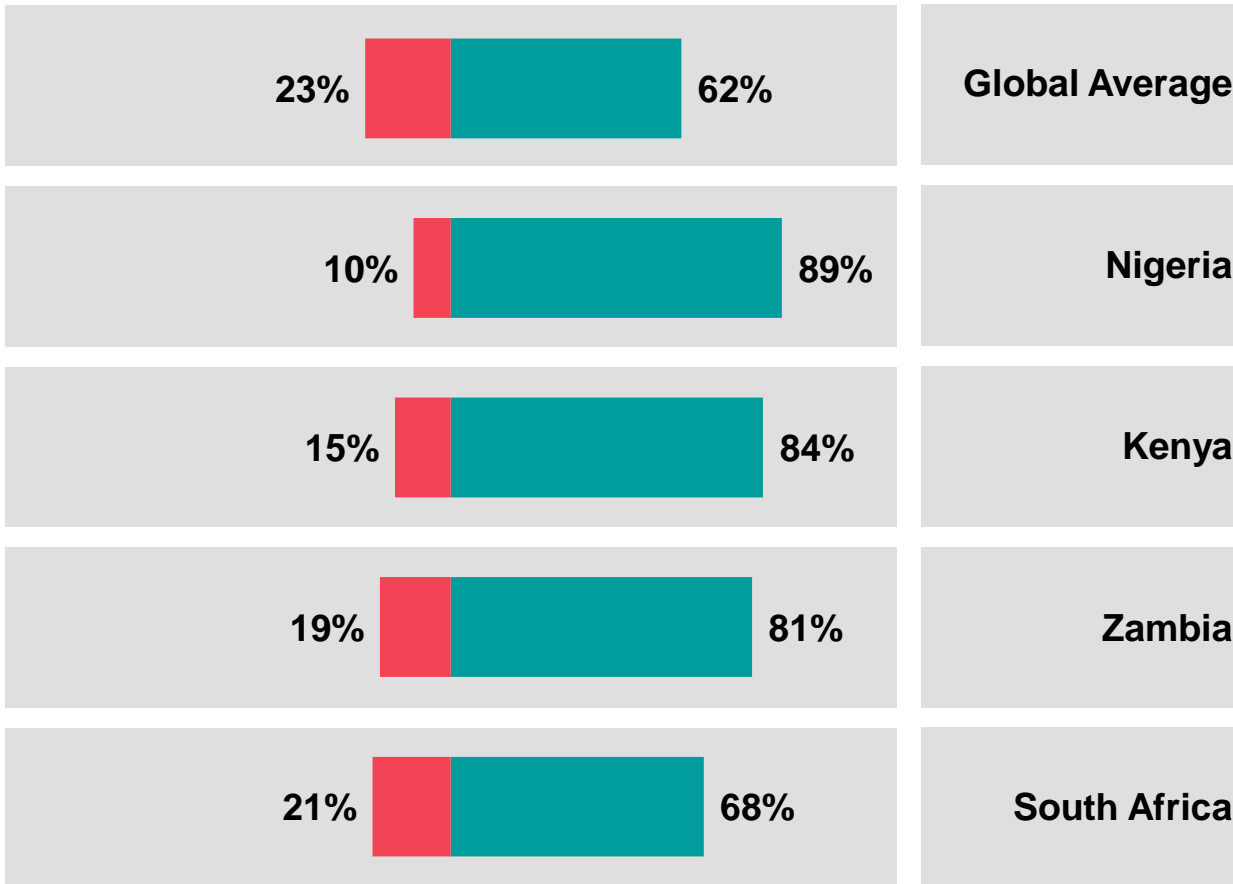
# WHILE WE BELIEVE GLOBALISATION IS GOOD FOR US PERSONALLY

Q

[To what extent do you agree or disagree with the following statements?]  
Globalisation is good for me personally

DISAGREE

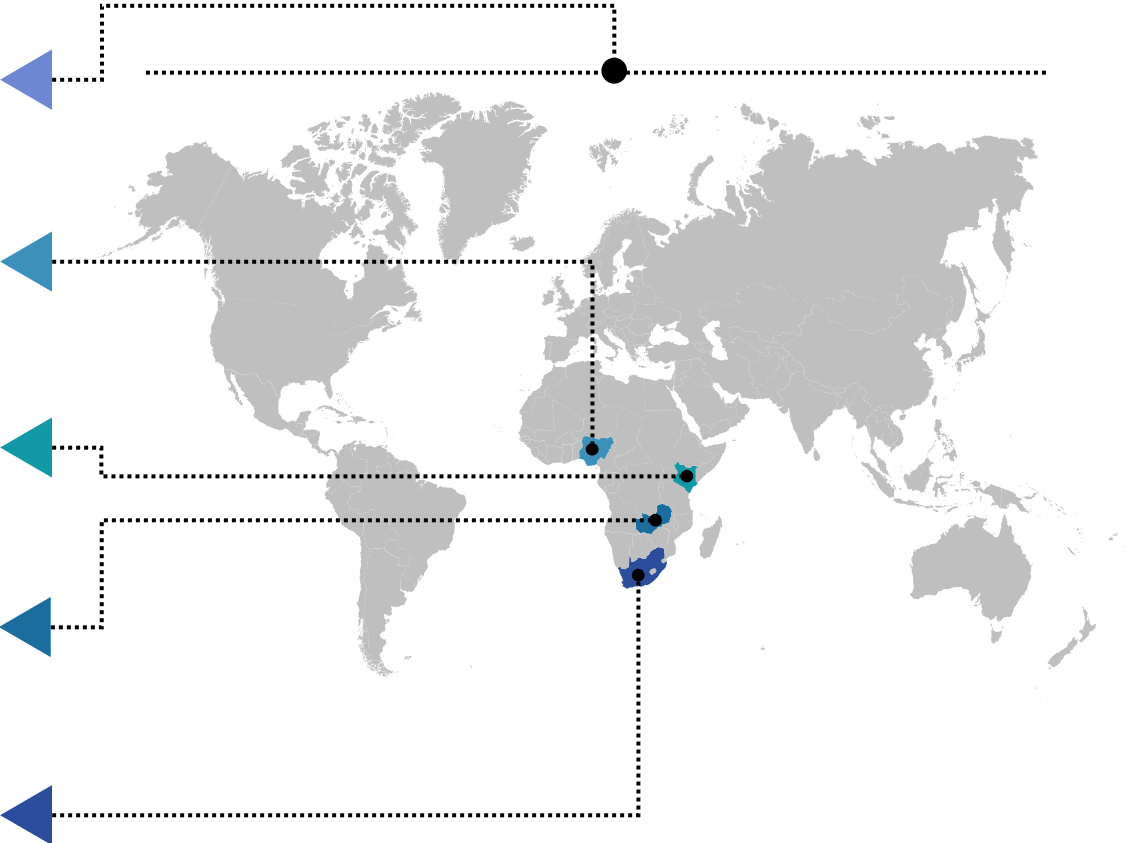
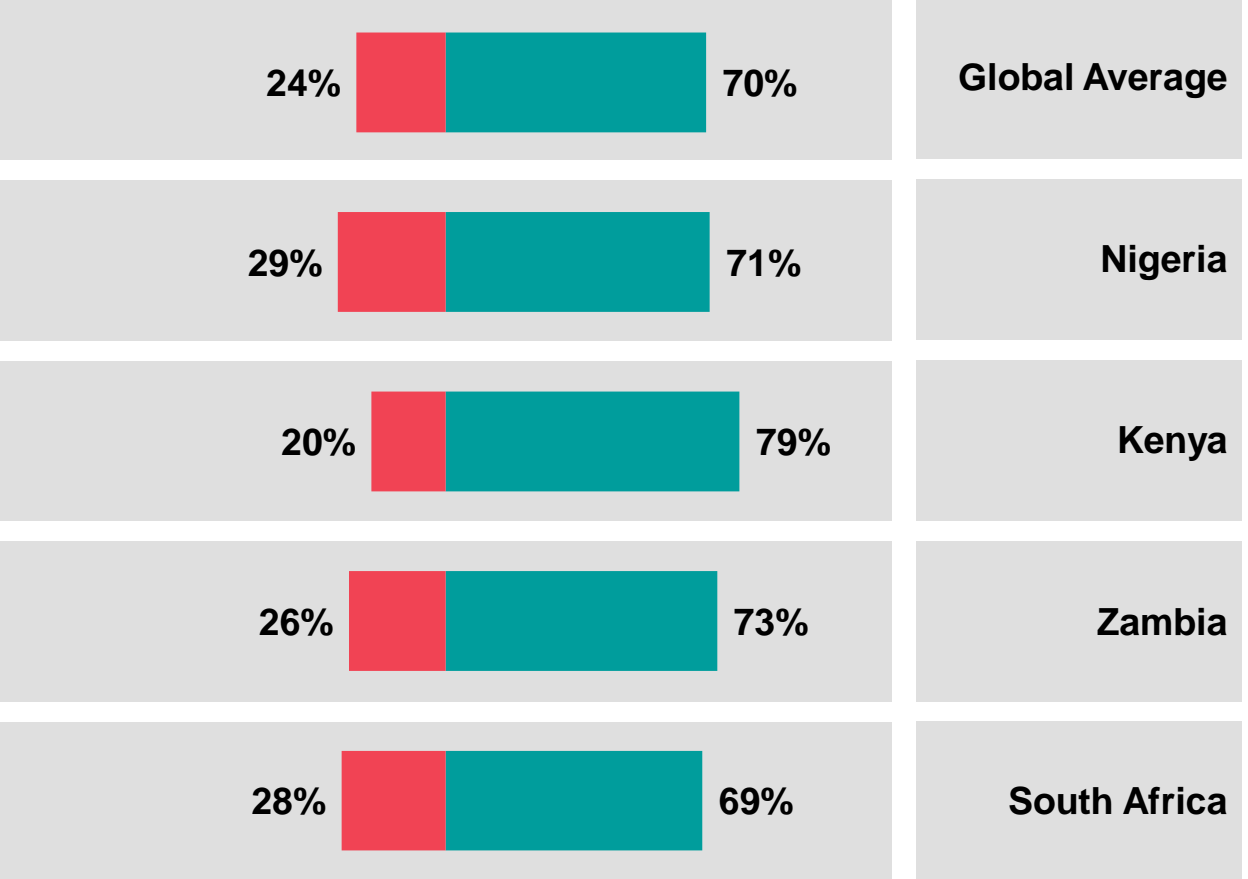
AGREE



# WE GENERALLY PREFER TO BUY PRODUCTS FROM OUR OWN COUNTRY RATHER THAN FROM ABROAD

**Q** [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

**DISAGREE** **AGREE**

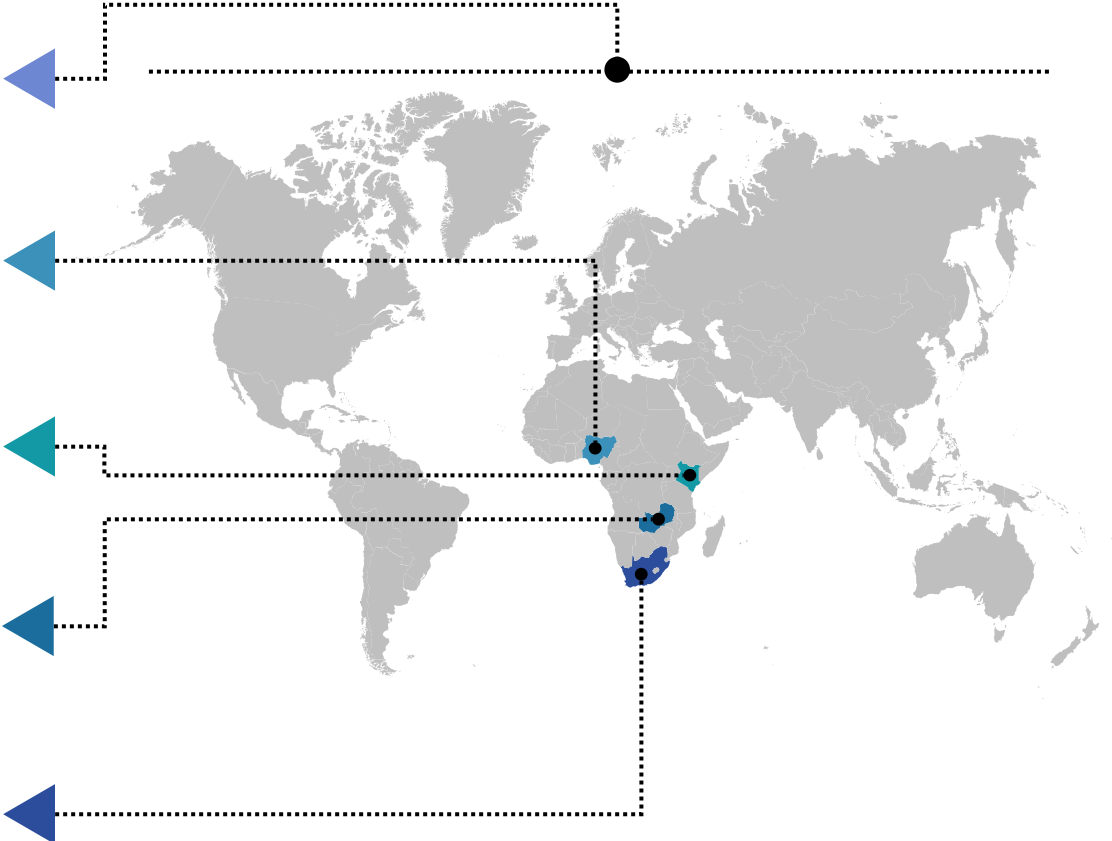
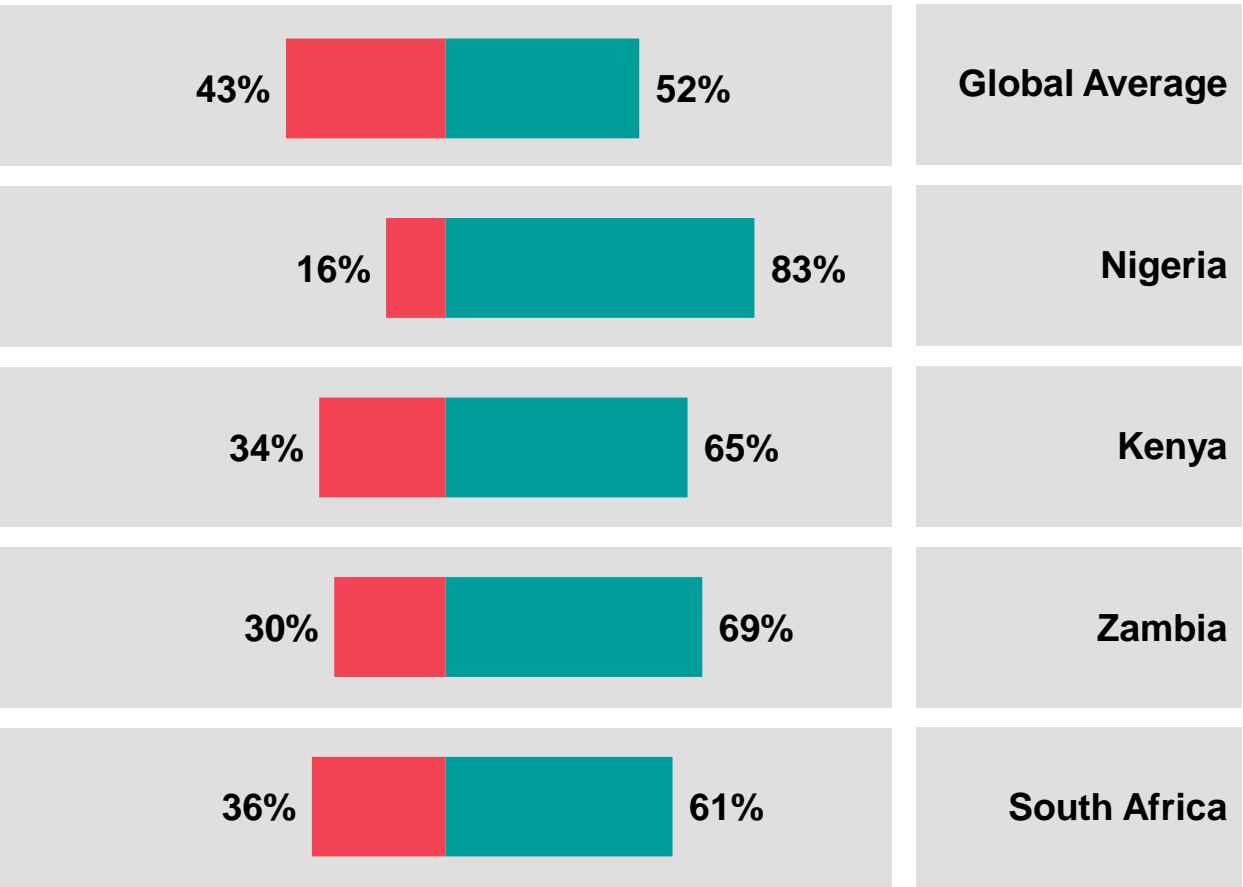


# AND ARE MOSTLY WILLING TO SPEND EXTRA FOR A BRAND WITH AN IMAGE THAT APPEALS TO US

**Q** [To what extent do you agree or disagree with the following statements?]  
I am generally willing to spend extra for a brand with an image that appeals to me

**DISAGREE**

**AGREE**

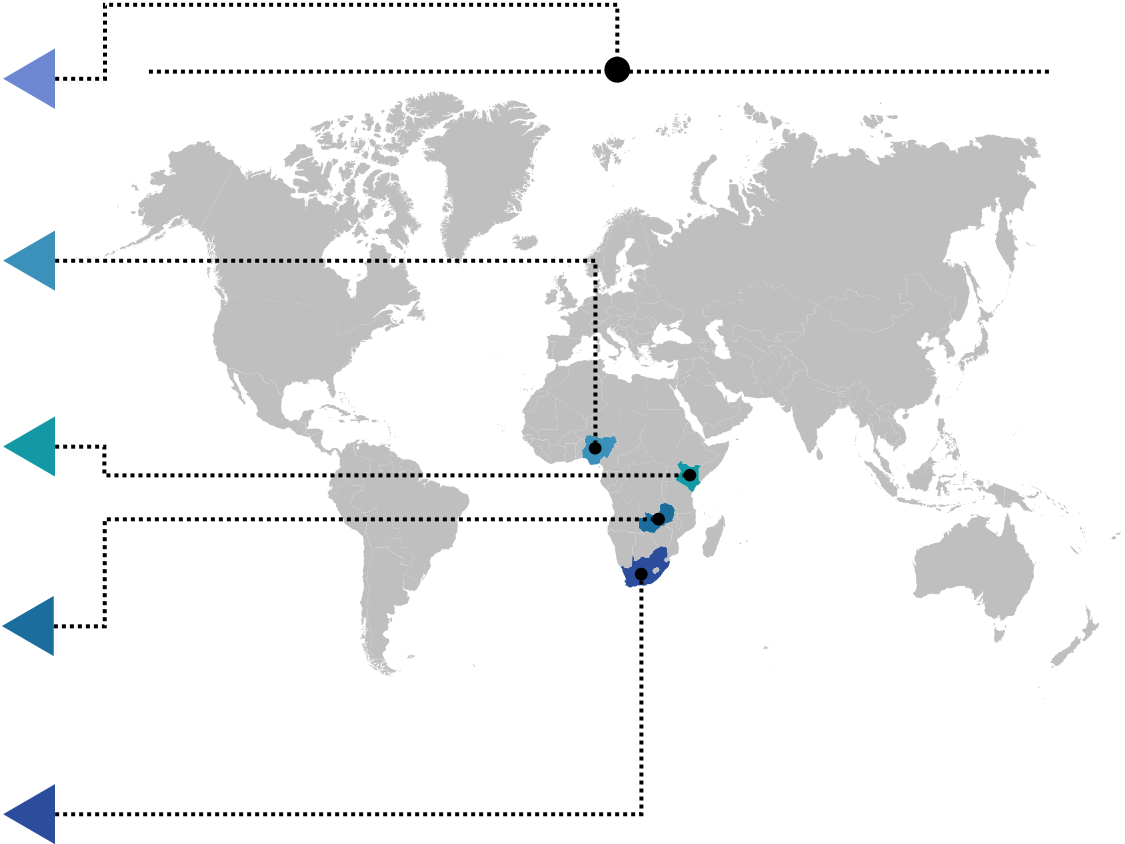
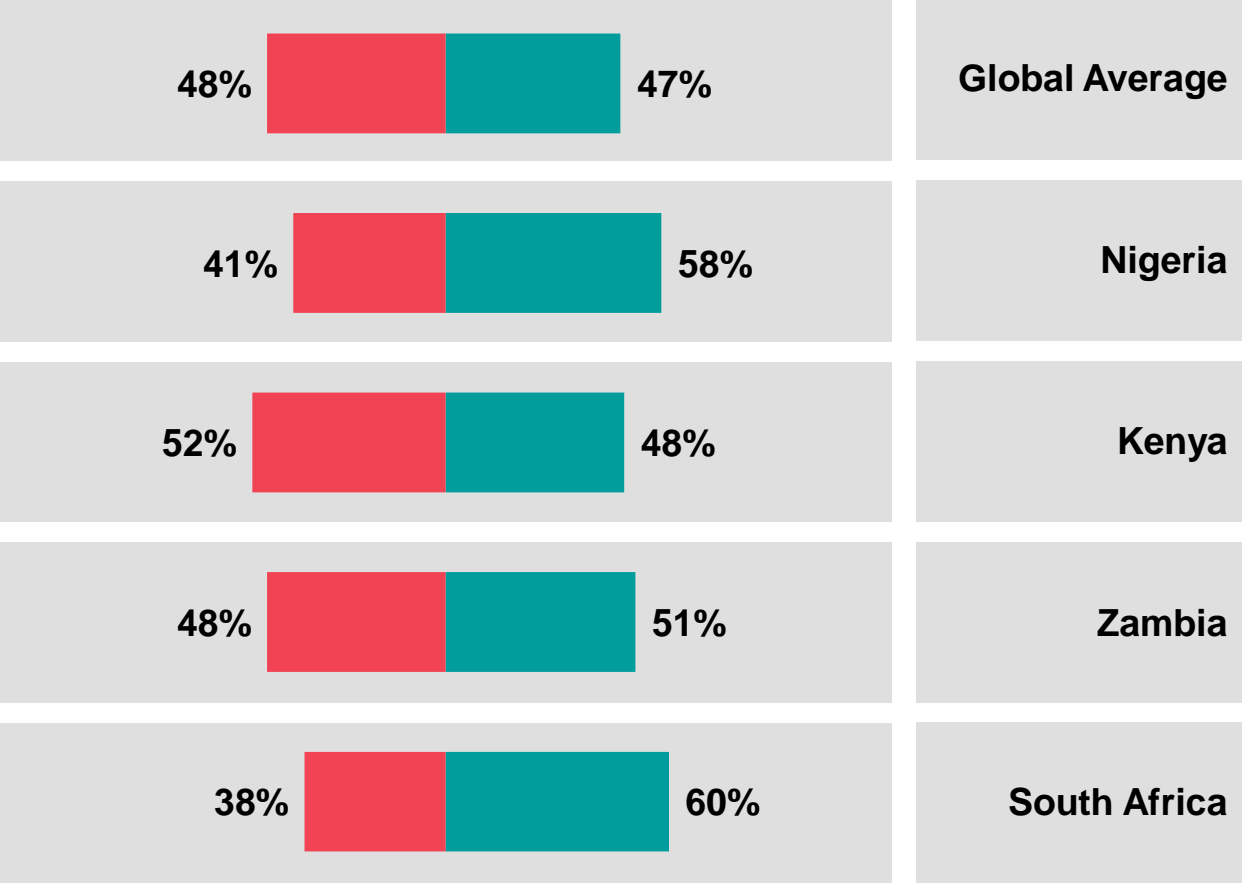


# WE ARE MORE LIKELY TO BE THE FIRST AMONG OUR FRIENDS TO TRY OUT NEW THINGS THAN GLOBALLY



[To what extent do you agree or disagree with the following statements?]  
I am usually the first among my friends to try out new things

DISAGREE (red)      AGREE (teal)





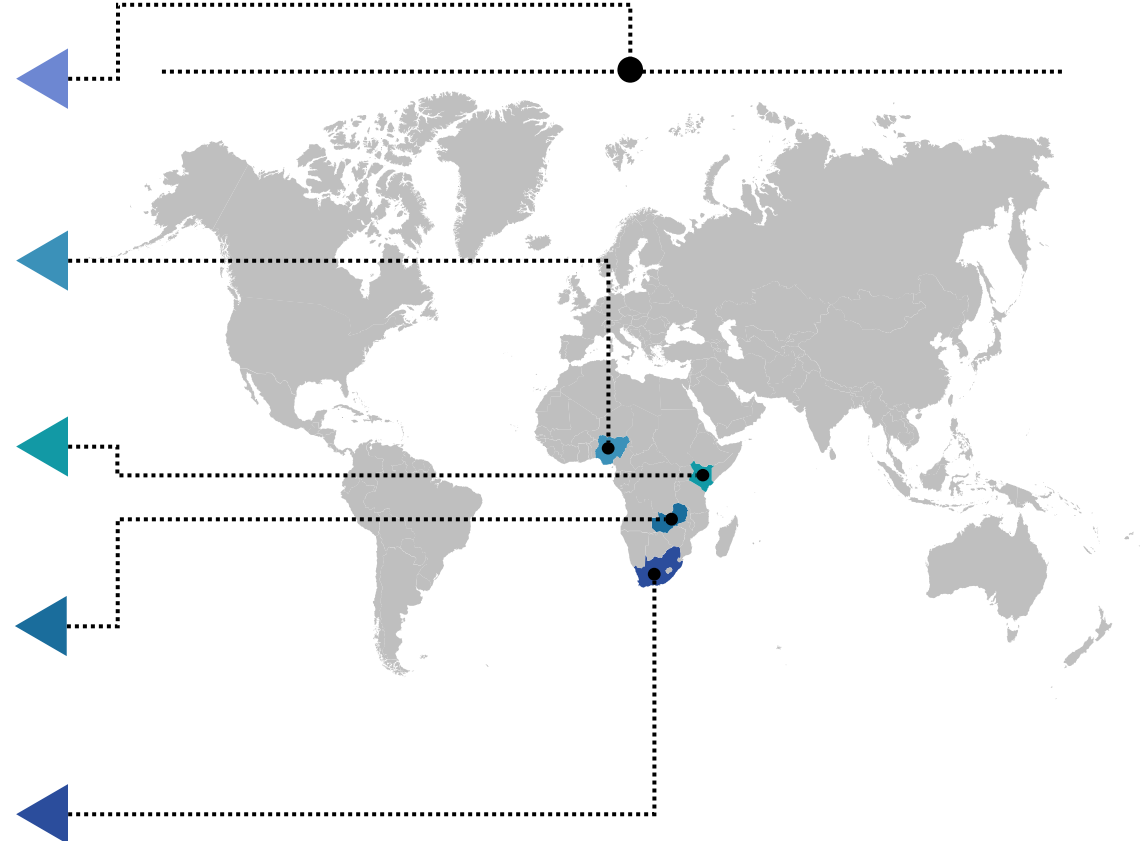
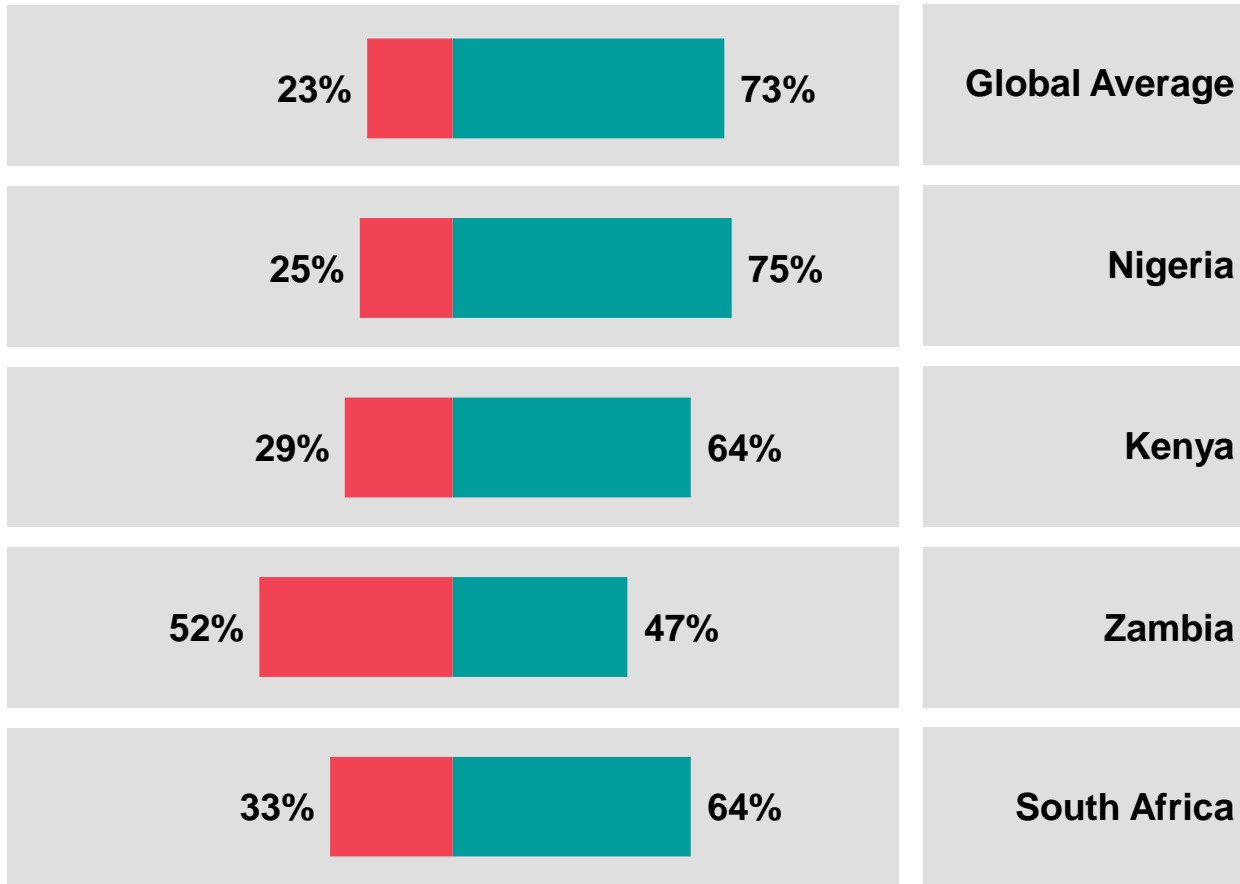
# BUT STILL FEEL THAT THINGS ARE MOVING TOO FAST

Q

[To what extent do you agree or disagree with the following statements?]  
I wish I could slow down the pace of my life

DISAGREE

AGREE

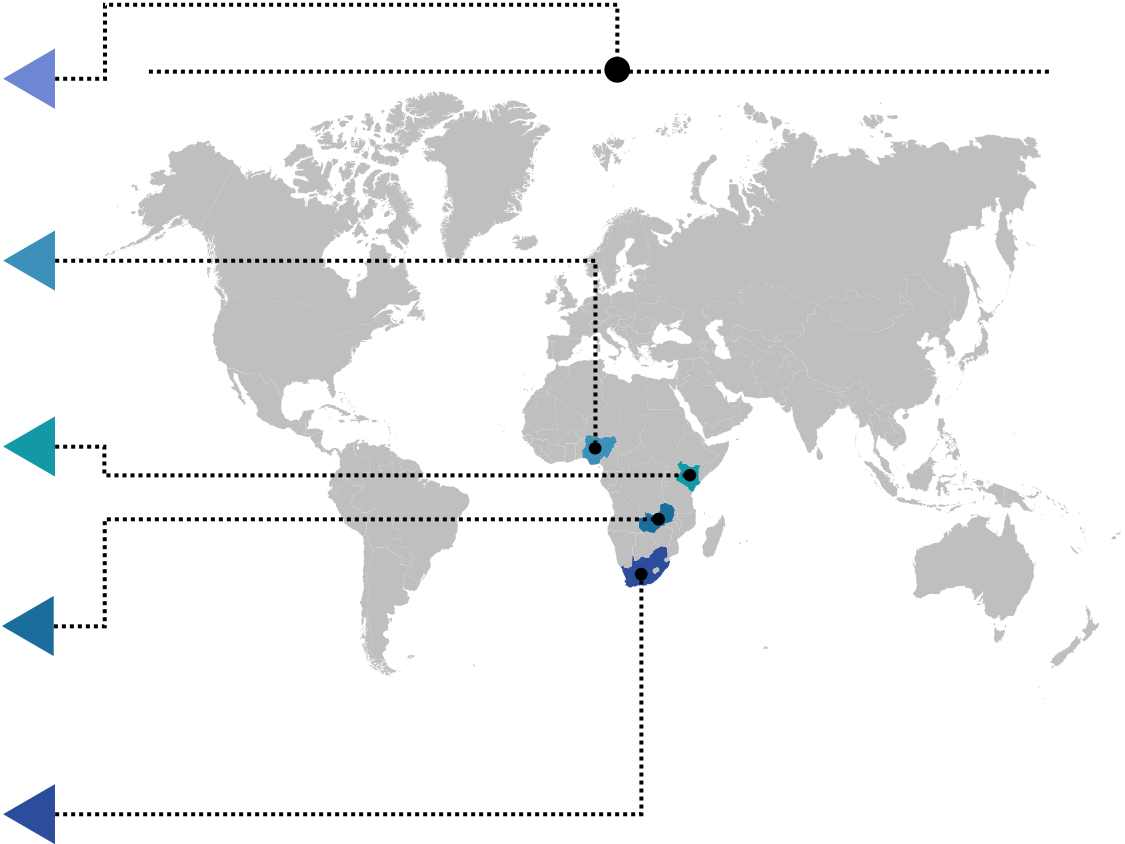
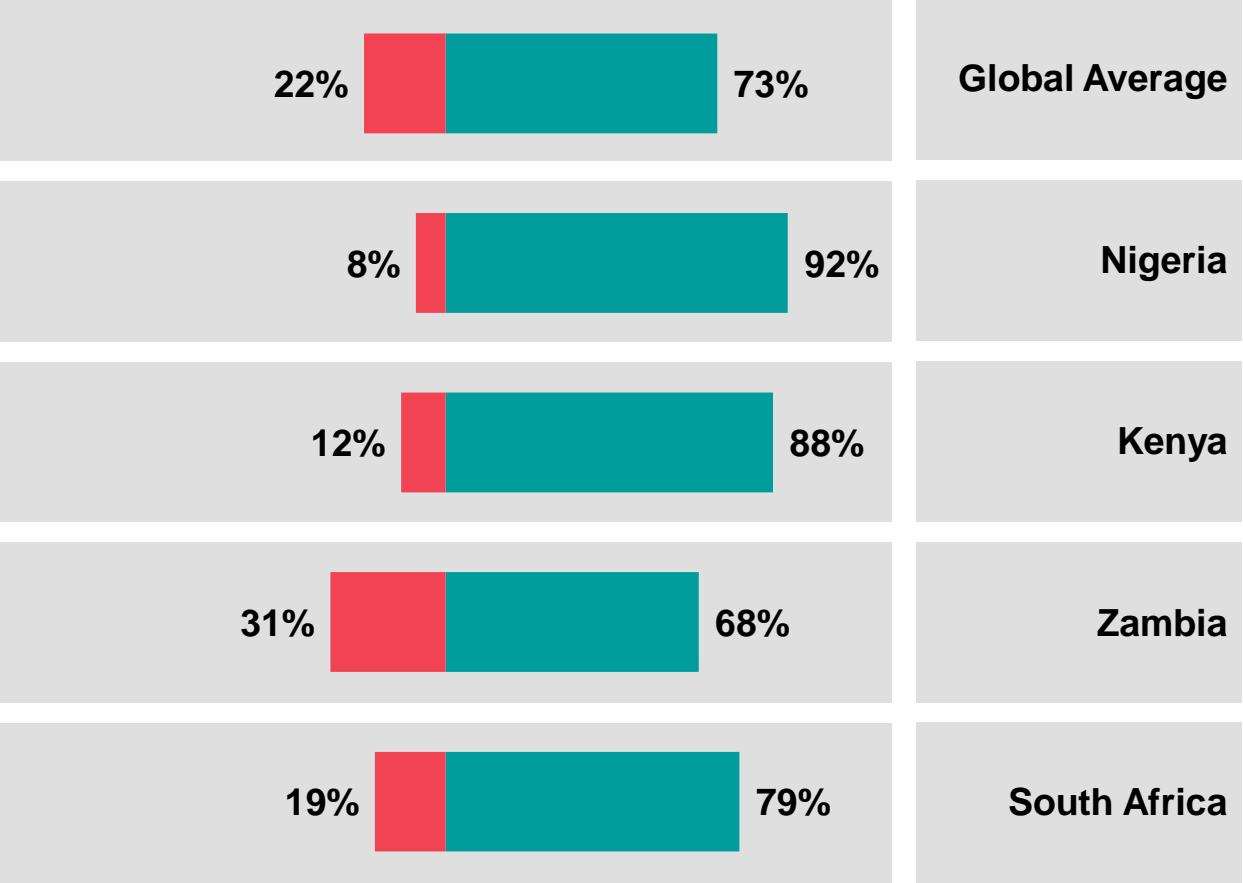


# AND WE WISH OUR LIVES WERE SIMPLER

Q

[To what extent do you agree or disagree with the following statements?]  
I wish my life was more simple

DISAGREE (red)      AGREE (teal)



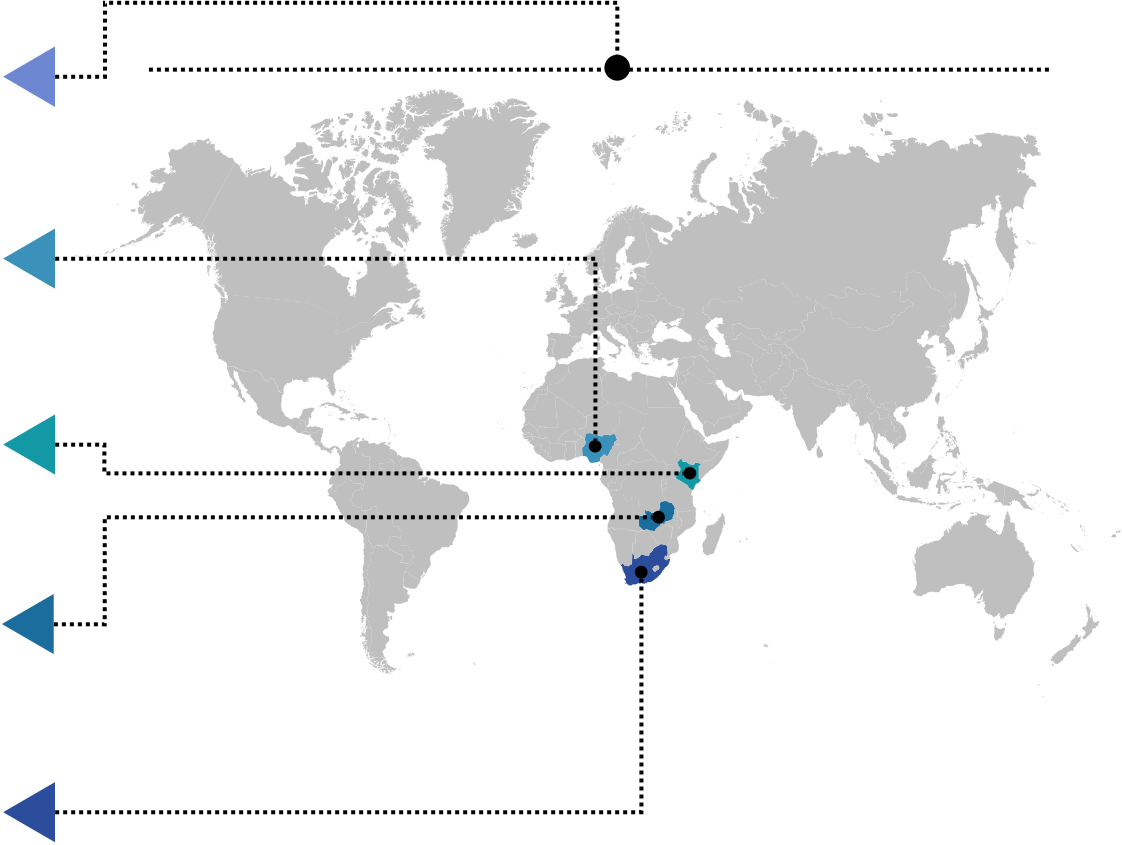
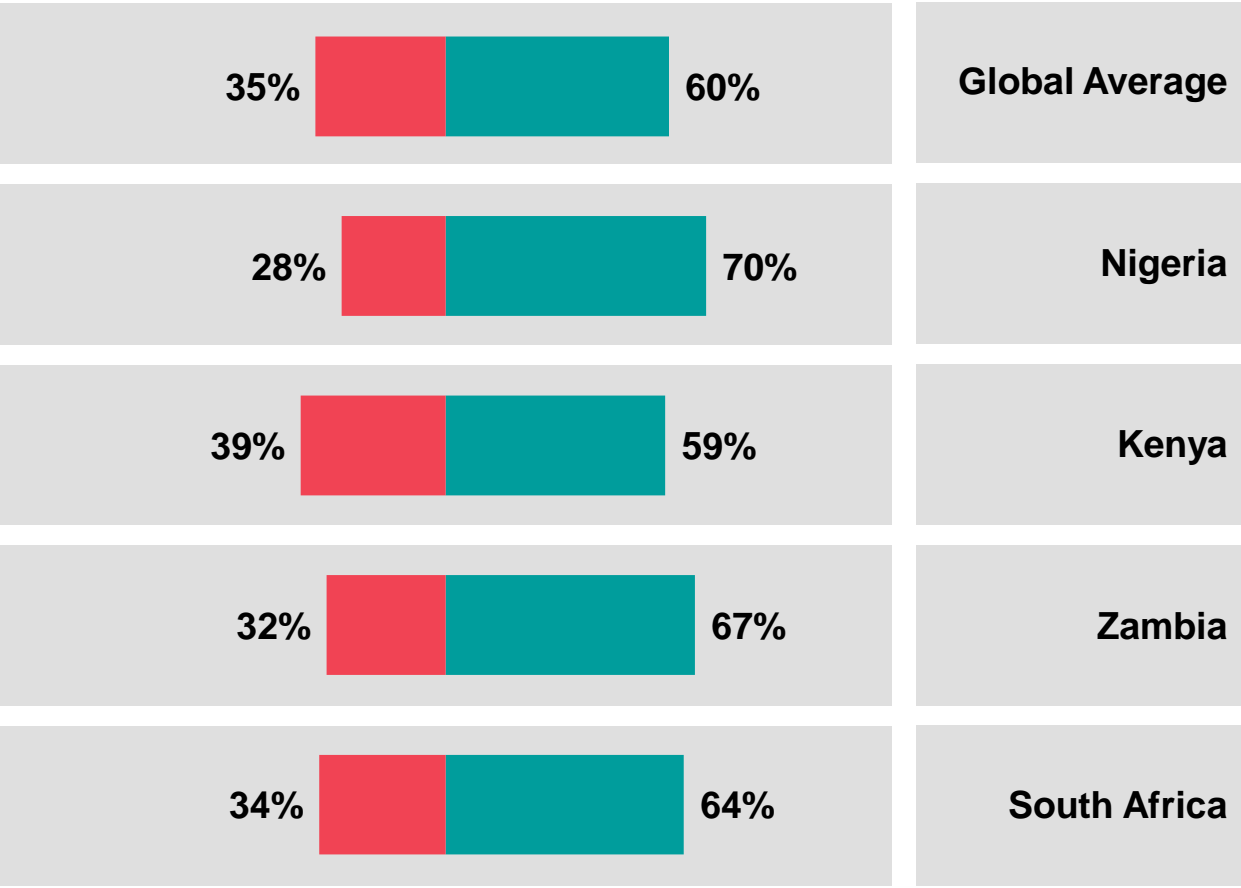
# WE FEAR THAT TECHNICAL PROGRESS IS DESTROYING OUR LIVES – BUT VALUE THE BENEFITS IT BRINGS



[To what extent do you agree or disagree with the following statements?]  
I fear that technical progress is destroying our lives

DISAGREE

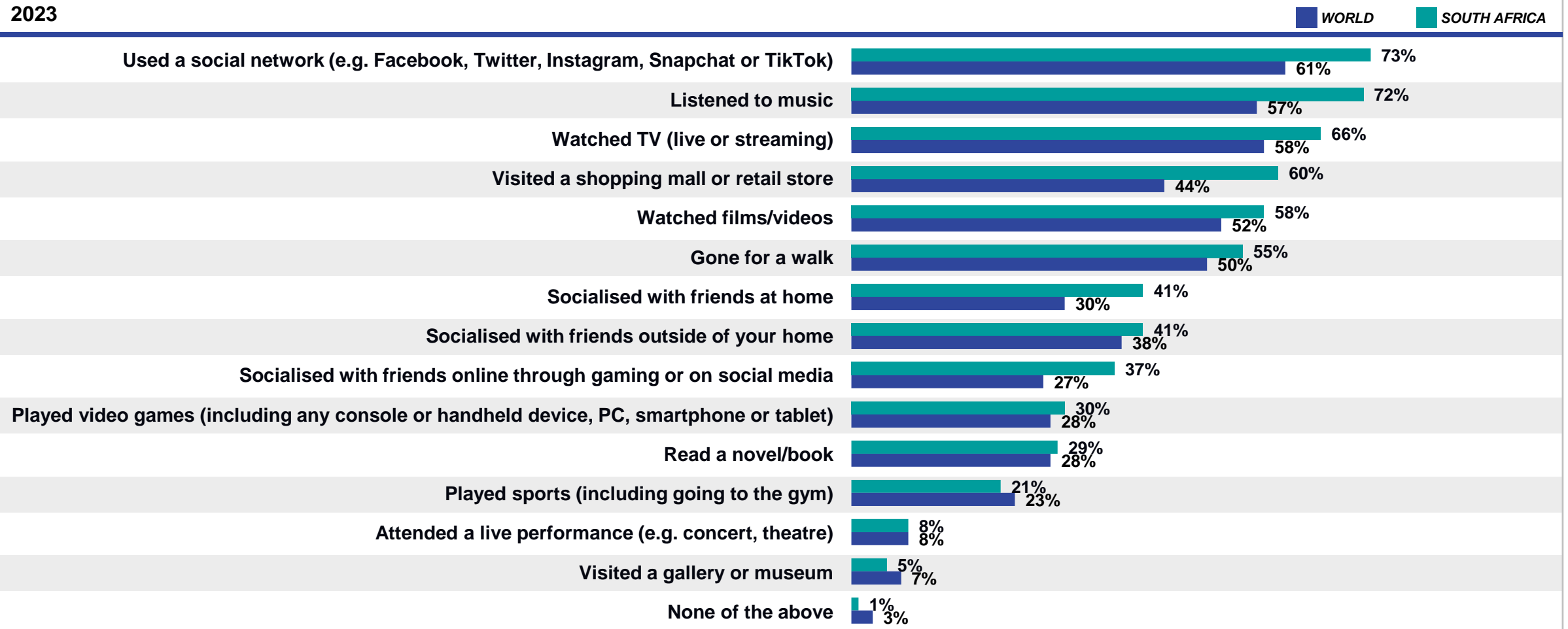
AGREE



# MUCH OF OUR SOCIAL INTERACTION AND RELAXATION IS FACILITATED BY TECHNOLOGY

Q

Which of the following, if any, have you done in the past week?

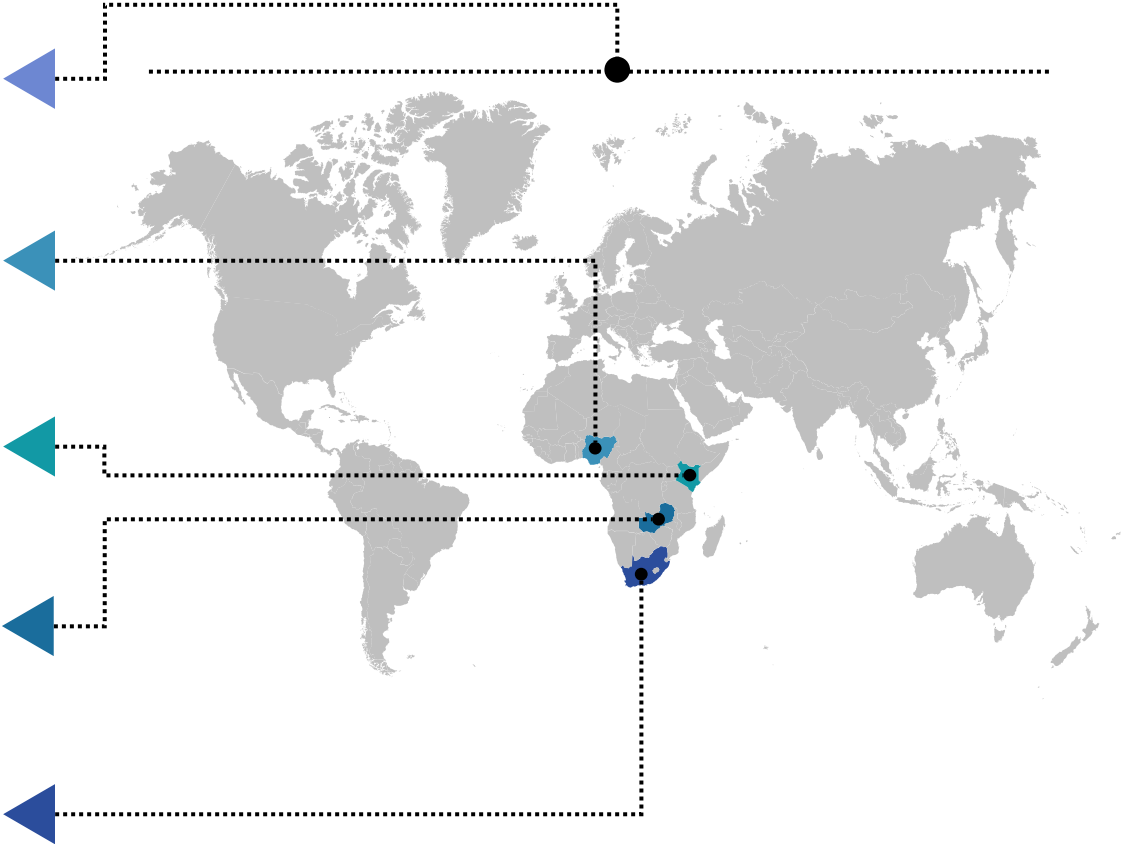
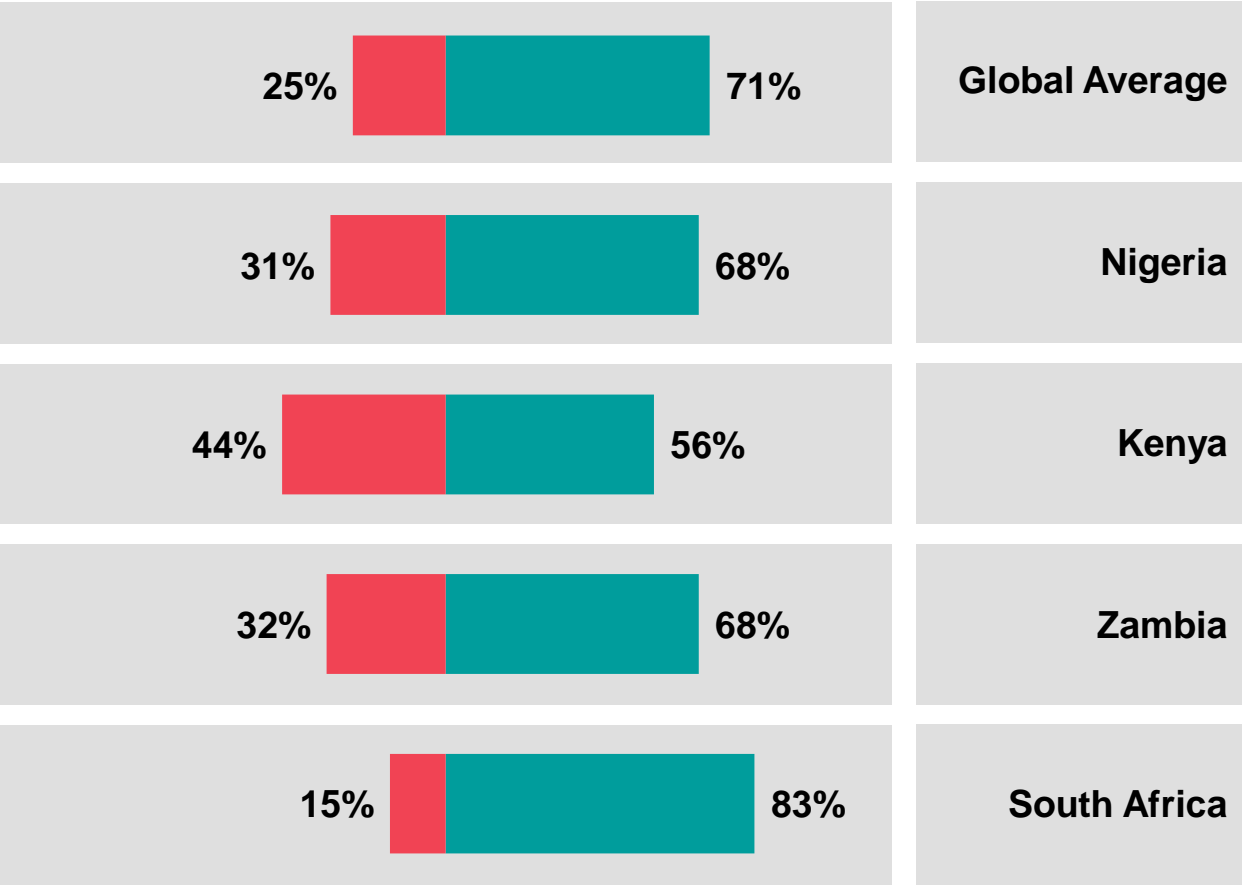


# SOUTH AFRICANS, IN PARTICULAR, CANNOT IMAGINE LIFE WITHOUT THE INTERNET



[To what extent do you agree or disagree with the following statements?]  
I cannot imagine life without the internet

DISAGREE (red)      AGREE (teal)



# AND WILL TRUST ONLINE RECOMMENDATIONS IF THEY'RE FROM A WELL-KNOWN SITE / APP

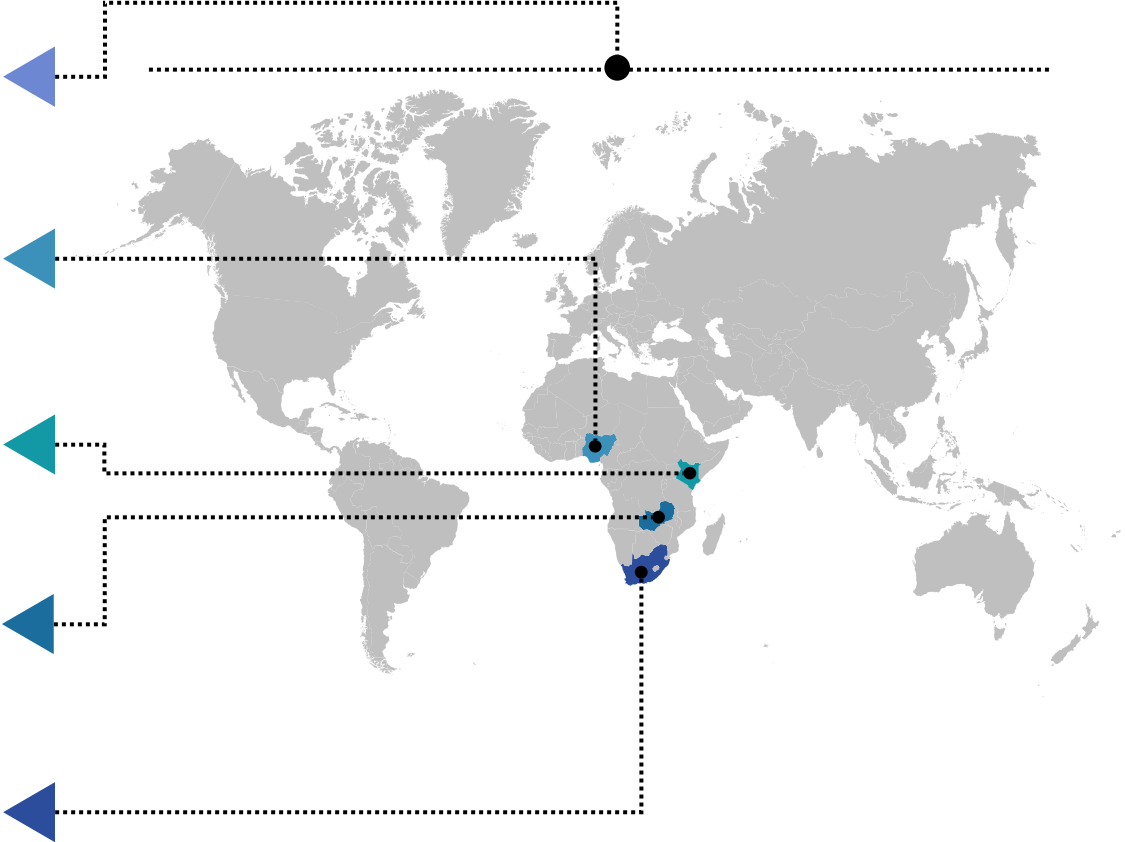
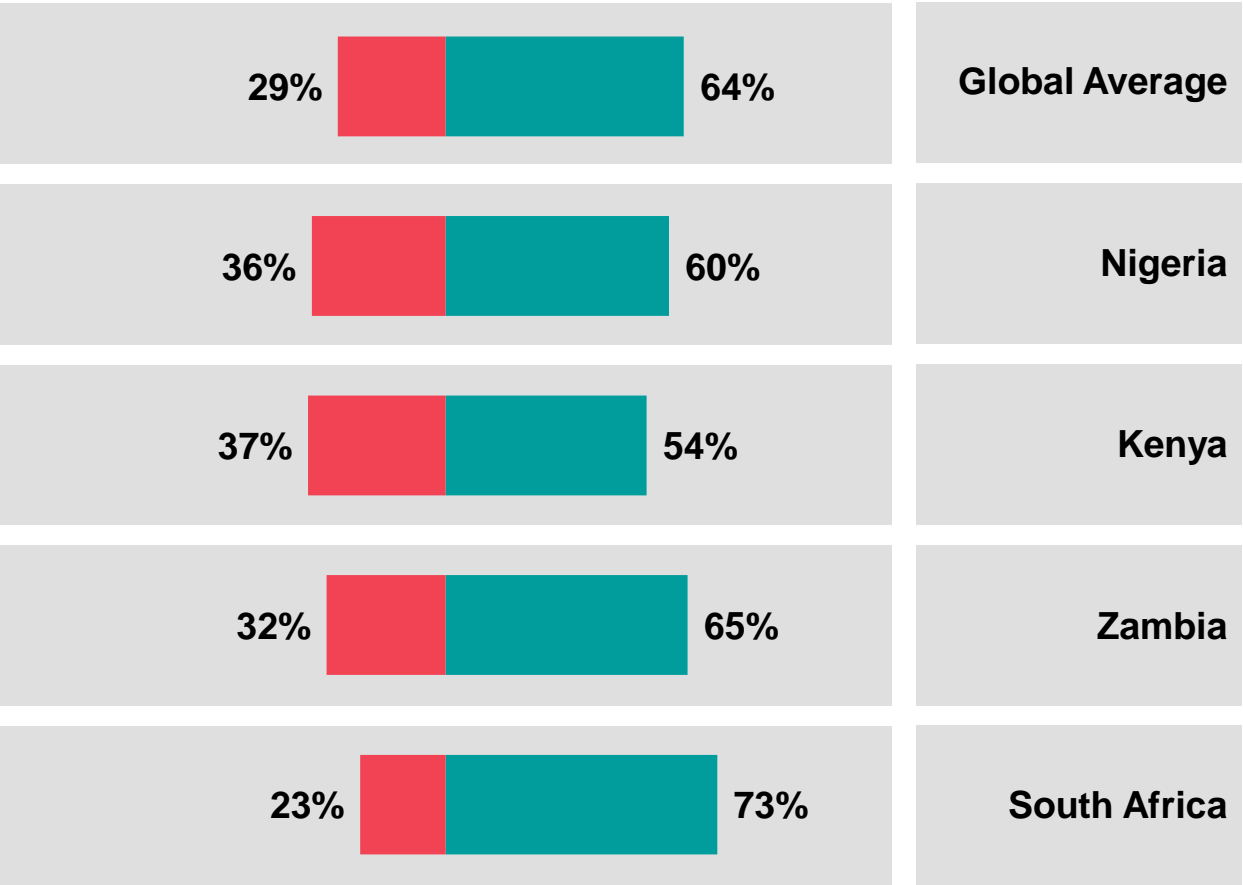
Q

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

I trust online recommendations if they're from a well-known site / app

DISAGREE

AGREE



# WE GENERALLY FIND SHOPPING ONLINE EASIER THAN SHOPPING IN TRADITIONAL STORES

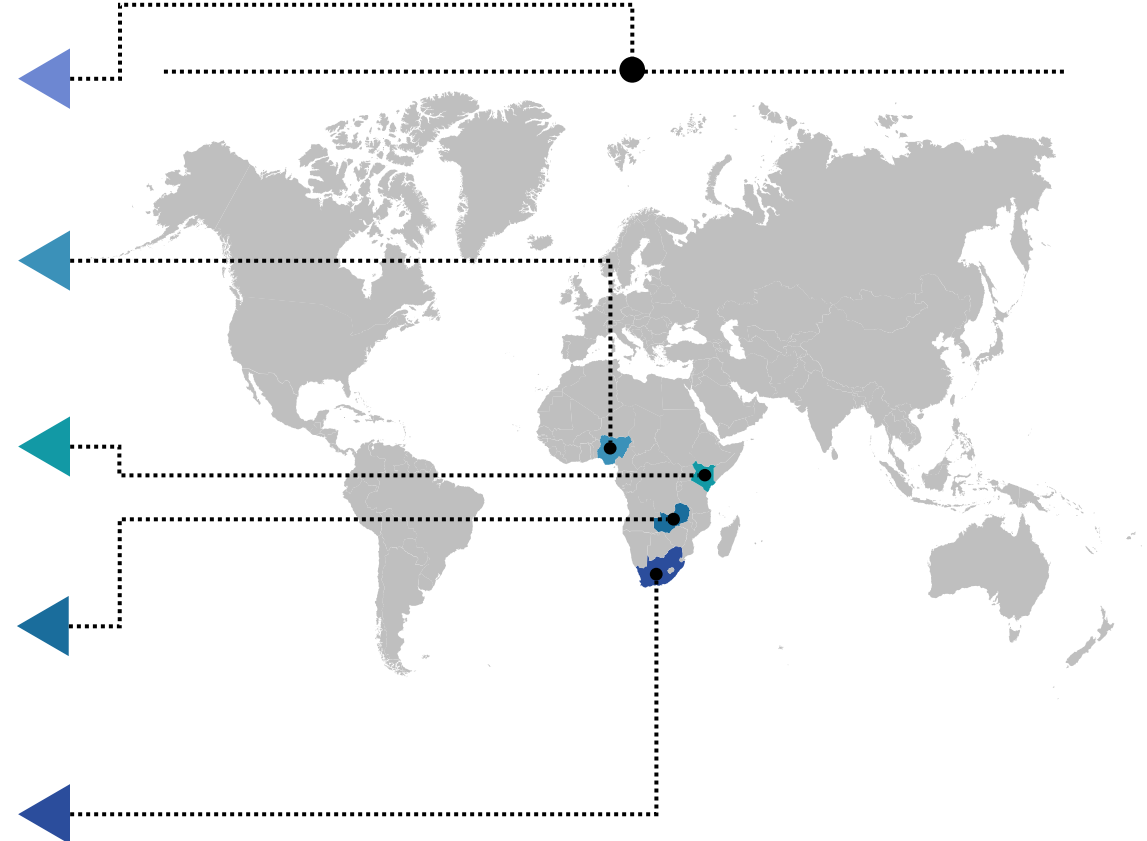
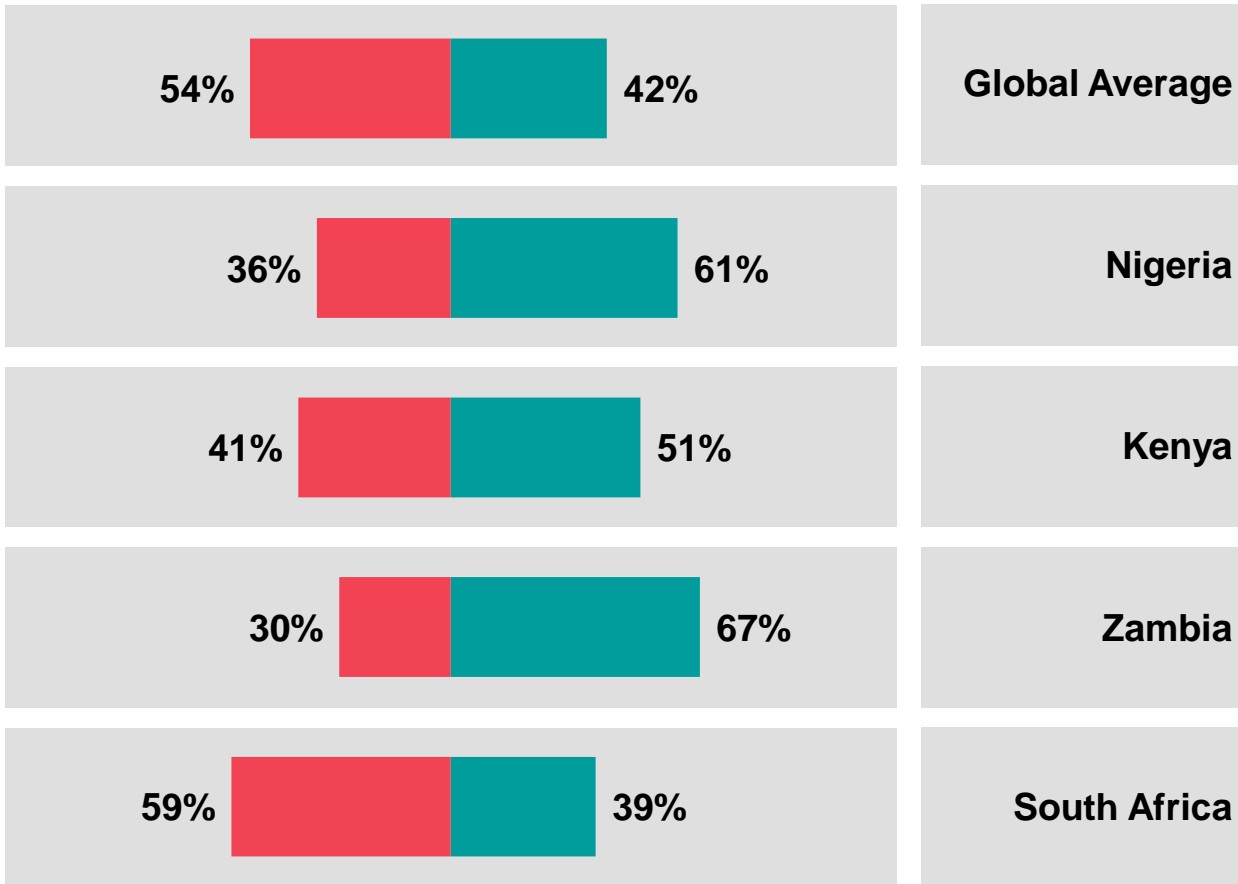
Q

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

I find shopping online more difficult than shopping in traditional stores

DISAGREE

AGREE

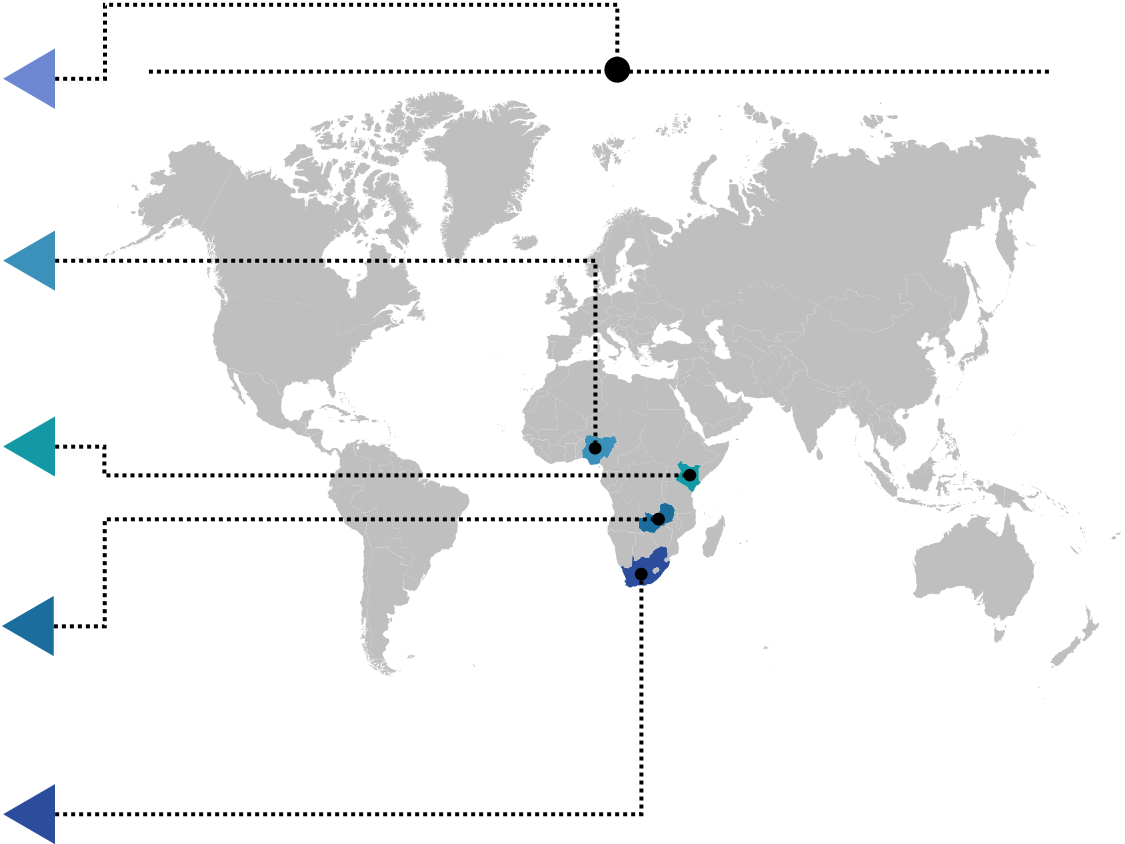
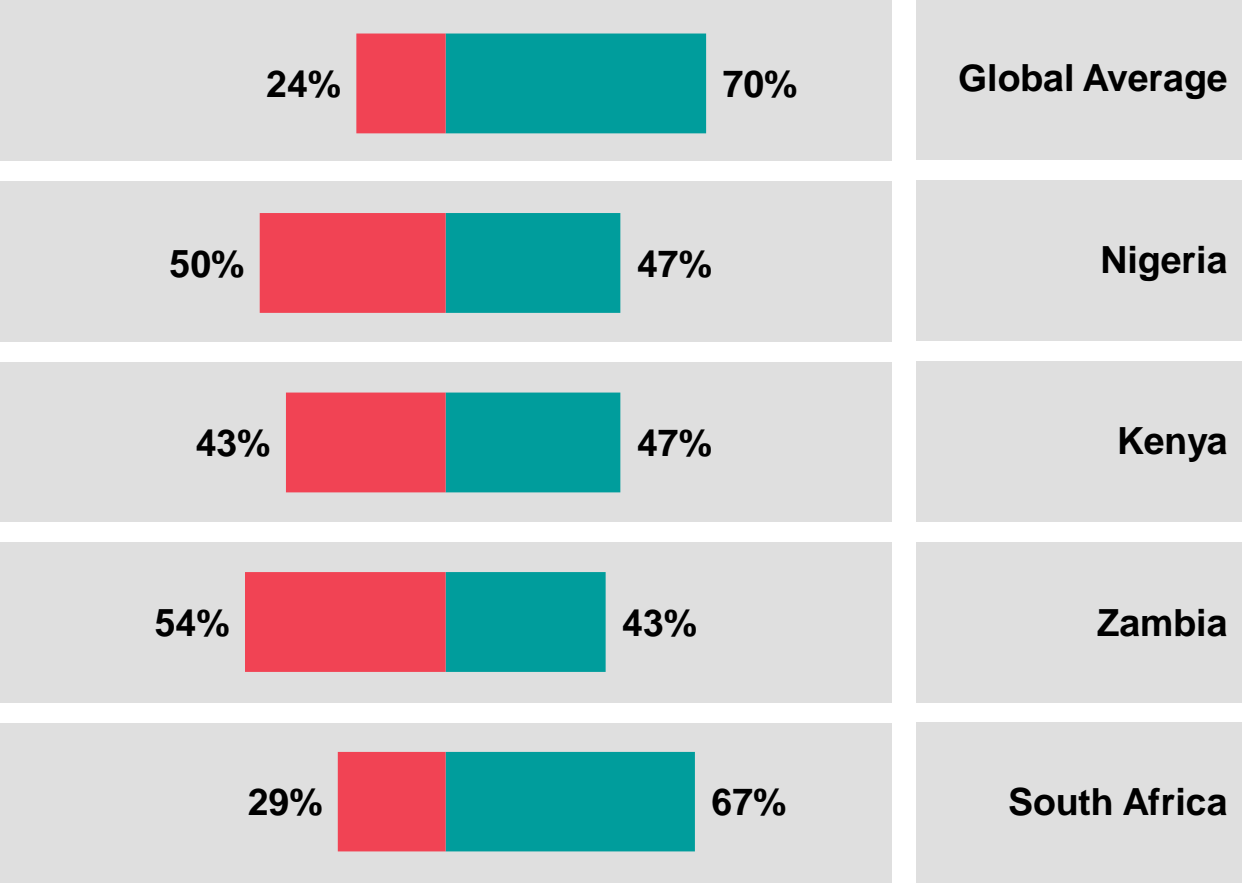


# AND CAN FIND BETTER DEALS SHOPPING ONLINE THAN IN TRADITIONAL STORES (UNLIKE OTHER SSA COUNTRIES)



[To what extent do you agree or disagree with the following statements?]  
I can find better deals shopping online than shopping in traditional stores

DISAGREE (red square) AGREE (teal square)





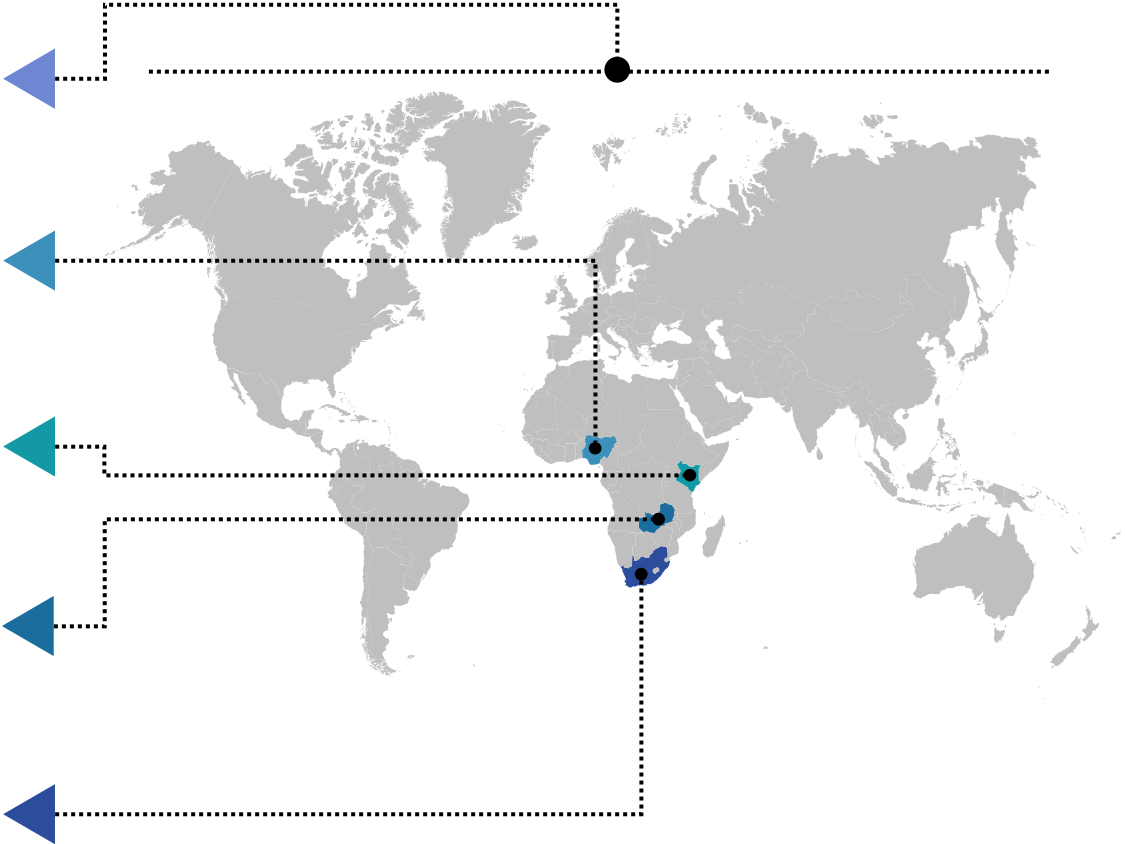
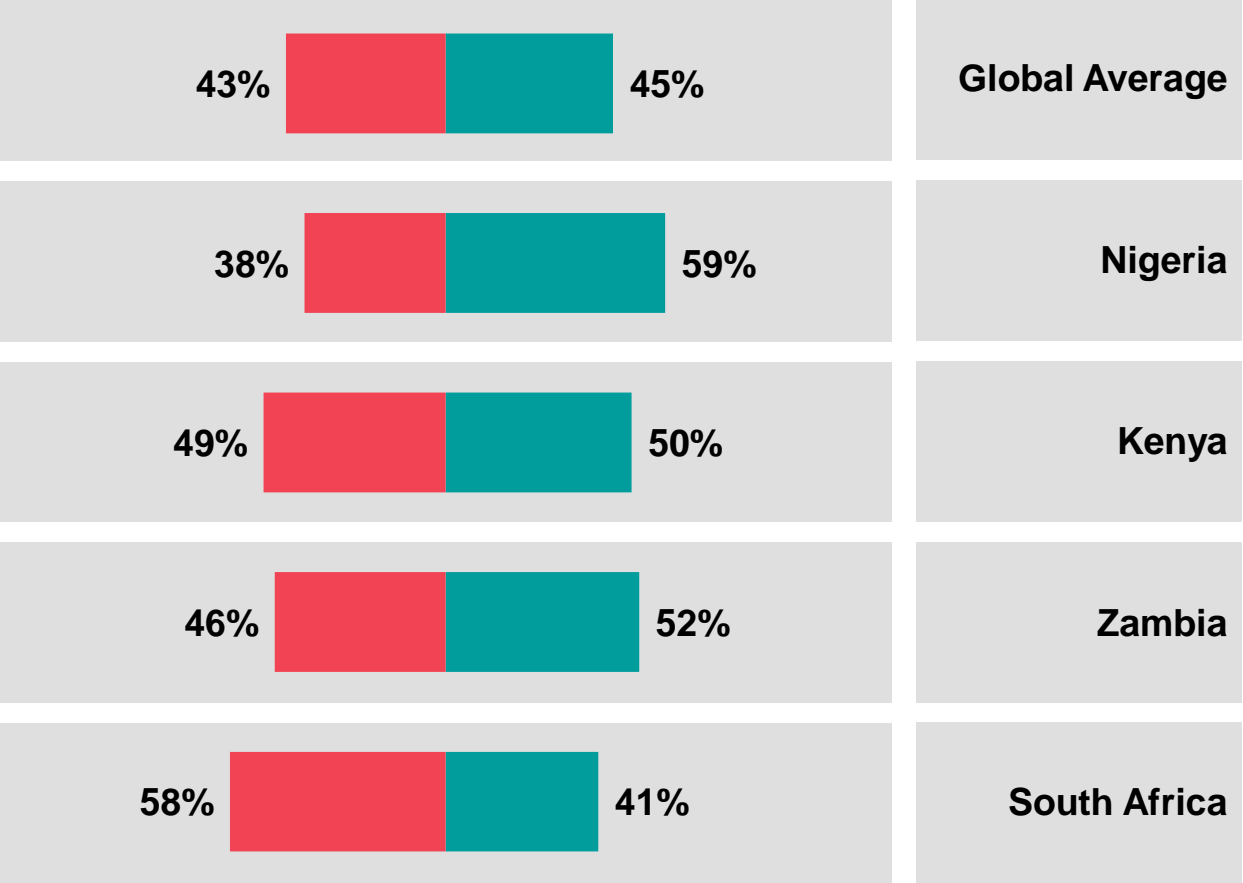
# WHILE WE TEND TO BE DIVIDED ON THE PRIVACY ISSUE



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

People worry too much about their privacy online - I'm not concerned about what companies or the government know about me

DISAGREE (red square)      AGREE (teal square)



# WHAT DOES THIS MEAN FOR BRANDS / MEDIA / MARKETERS / ADVERTISERS / ORGANISATIONS?

1

South Africans are **concerned** about our **economic situation** and **future** and issues related to **financial sustainability**

...which means there is pressure **on competitive pricing and the perception of value delivered**

2

However, we see ourselves as **experimental / trend setters**, and while we **enjoy the global connection** we **want the local provision**

...which means consumers are **adaptable** and are willing to **try new things and actively support local brands (even paying more)** if they **connect with the brand**

3

We believe being a **responsible brand is important**, in **particular environmental** responsibility

...which means brands need to **build sustainability into their offer and communication in a relevant, appropriate and believable way**

4

We are **very dependent** on the **internet** and active on **social media**, finding **online easier** and providing better deals than traditional shopping

...which means brands need to **leverage their online presence and optimise their user experience**, while being cognisant of consumers' **online privacy concerns**

5

There is very **little trust** in politics and politicians – or business for that matter – many South Africans are just not interested - **highest levels of trust** are in **family**

...which means **brands need to build trust** through **demonstrating shared values, transparency, reliability / responsibility and good service**

# IN SUMMARY...



1

**2022 was bruising for very many Africans**

Economic pressures and political challenges contribute to a negative outlook



2

**It was a trigger year for longstanding issues**

Moving post-pandemic has surfaced a range of longer-term trends and pressures



3

**2023 will be tough too**

Change and volatility are rising – the public need government and business to set a course through our difficulties



*Which is why understanding people's **context** and showing them **empathy** becomes more important than ever....*

