

# ***Mood of the World* report shows most of world focuses on inflation**

NUREMBURG, GERMANY: British consumers are facing the double whammy of still feeling the effects of recession even as rising costs fuel inflationary worries. They are not alone in the world, though, according to GfK Roper Consulting's 2011 *Mood of the World* Report, which is based on a global survey of more than 32 000 consumers ages 15 and older in 25 countries.



Consumers' top concerns, globally, are economic ones, followed by key social and other issues:

1. Inflation and high prices
2. Recession and unemployment
3. Having enough money to pay the bills
4. Crime and lawlessness
5. Environmental pollution

## **Middle East upheaval triggers consumer concern**

"One of the countries we looked at especially closely this year was Egypt, because we wanted to see how the recent economic and political turmoil truly affected the country's people," says Holly Jarrell, group managing director of GfK Roper Consulting. "It turns out that while Egyptians understandably list crime and lawlessness as their top concern, they also register higher-than-average levels of worry about inflation and recession. In contrast, their already lower-than-average level of concern about pollution has dropped even further, from 8th to 12th place, compared with 5th place globally. When people are preoccupied with concerns about financial and political stability, they tend to put social and other issues on the back burner."

## **Global pressures still cap optimism**

Global economies appear to be stabilising and are showing encouraging signs of growth, but optimism among consumers has been slow to materialise. 68% of respondents in the US and 59% globally report that their household experienced at least one negative economic event in the past year such as a job loss, difficulty paying bills, or housing distress of some kind; these numbers are essentially unchanged from the previous year. As a result, many are still feeling very hesitant about buying conditions. Globally, only 17% feel it is "a good time to buy" the things they want and need, while 40% feel it is "a good time to wait."

Consumers are adapting to the financial pressures they face in a variety of ways. Half of global consumers have used coupons during the past year -ranking it highest among ten strategies used to save money in 12 of 25 countries. In addition, 84% of global consumers have cut back in at least one of 26 areas identified in the survey. One of the most common cost-cutting measures among global consumers is dining out less frequently. Spain has the highest percentage of consumers doing so at 68%, compared to 62% in the US and 44% of consumers globally. Indeed, more than 90% of Spaniards made at least one cutback and 96% used at least one savings strategy, which along with high levels of economic distress, explains why Spain tops this year's Consumer Recession Index.

## **Polarised consumer mentality**

In contrast, consumers in the BRICS nations (Brazil, Russia, India, Indonesia, China, and South Africa) report less economic pressure and therefore take fewer actions to save money than those in other countries.

"The net result of these shifts is increasing polarisation in the global consumer mindset," said Jarrell. "In some countries,

like Brazil and Korea, there is a notable spender mentality, often fuelled by a productive workforce and access to resources, not to mention high expectations on consumers' part, all of which serve to drive economic growth. In other countries, economies still falter and consumers remain skittish."

The *Mood of the World Report* also suggests that optimism is still tempered and closely tied to the lingering effects of the global financial crisis. Consumer sentiment and attitudes are constantly evolving and, until consumers perceive financial stability, the financial pressures they face will have a direct correlation to the actions they take.



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## About Mood of the World

*Mood of the World* is part of the GfK Roper Reports Worldwide consumer trends service. Conducted annually by GfK Roper Consulting since 1997, GfK Roper Reports Worldwide offers subscribers a globally comparable view of consumer attitudes, values, behaviours, and cultural influences. Interviews were conducted among more than 32 000 consumers ages 15 and older in 25 countries from January to April, 2011 using a mixed-mode interviewing methodology. Data from each country were weighted to match key demographic norms (e.g., age, sex).

## About GfK Roper Consulting

With offices in the US and the UK, GfK Roper Consulting comprises GfK's syndicated consumer trend services - GfK Roper Reports US, GfK Roper Reports Worldwide, GfK Roper Green Gauge and the GfK Roper Youth Report - which monitor consumer values, beliefs, attitudes and behaviours in the US and more than 25 other countries. GfK Roper Consulting's mission is to help clients turn insights into inspiration and foresight into advantage worldwide.

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