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Deloitte State of the Consumer Tracker

Middle East Highlights

October 2022

MAKING AN IMPACT THAT MATTERS since 1845

Top Takeaways

Wave 35: September 26, 2022

Visit the interactive dashboard for more insights

Global anxiety spikes, middle eastern anxiety dips

Net anxiety turned positive for the first time in 2022—meaning the percentage of consumers feeling more anxious is outnumbering those feeling less anxious.

In the middle east, anxiety level of Emirati consumers has declined significantly; however, it is still marginally higher than the global average. In Saudi Arabia, the number of consumers feeling more anxious is exactly same as those feeling less anxious.

Personal financial situation, personal family matters and climate change are three main reasons due to which middle eastern consumers are feeling anxious.

Middle easterners want to go on leisure travels, unlike global counterparts

Globally, one in four are not planning to travel for leisure within the next three months. While in the middle east, this proportion drops down to as low as one in fifteen.

The trends among those planning to travel are mostly similar among middle eastern and global consumers. These trends are saving on trip costs by flying with low-cost airlines, opting for cheaper seats and budget lodging, and visiting destinations during less popular times.

Financial wellbeing, prolonged stress is taking its toll

Middle eastern consumers are better off than their global counterparts in terms of surfing through current as well as future financial difficulties.

Most middle eastern consumers are still not confident that their current financial condition will allow them to spend on joyful or more discretionary purchases.

Optimism is slightly on the higher side for middle eastern consumers as 6 in 10 believe that their financial situation will improve within next 1 year. Also, nearly 5 in 10 believe that they will have financial means to live best life in 5 years.

Shoppers engaging in cost-saving behaviors

Most are engaging in cost-saving behaviors to mitigate the pressure from rising prices.

Grocery shoppers were most likely to dedicate more time to planning their shopping and chose meals based on food at home.

But many are also making fundamental tradeoffs.

Roughly one-third are switching to cheaper proteins and buying store brands. Significantly fewer, however, are willing to give up eating fresh versus processed foods.

Study Overview

Survey Fielding

Waves 1–22 : April 2020 – Sept 2021

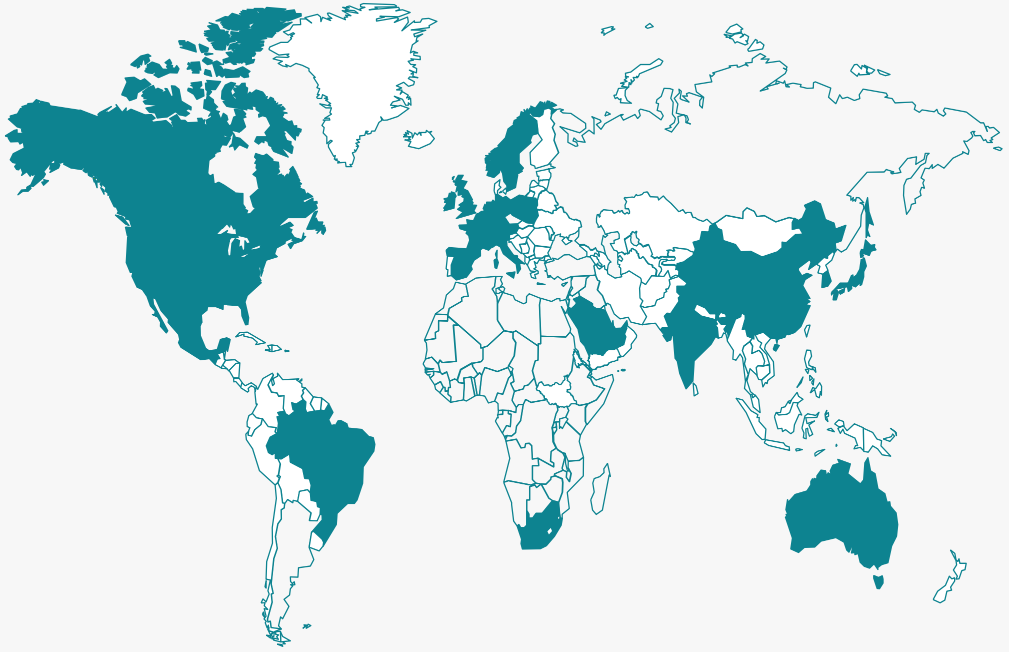
New metrics added

Wave 23	: September 23-29
Wave 24	: October 21-27
Wave 25	: November 25 – December 01
Wave 26	: December 23 – December 29
Wave 27	: January 27 – February 02
Wave 28	: February 24 – March 02
Wave 29	: March 24 – March 30
Wave 30	: April 21 – April 27
Wave 31	: May 26 – June 01
Wave 32	: June 23 – June 29
Wave 33	: July 21 – July 27
Wave 34	: August 25 – August 31
Wave 35	: September 22 – September 28

Methodology:

- Online panel, Minimum N=1,000 consumers per country, age 18+
- Fielded in 24 countries (US Bi-weekly)
- Margin of error ±3%
- Responses are weighted at the country level according to publicly available age and income profiles

24 Countries



Countries in focus

- Australia (AU)
- Belgium (BE)
- Brazil (BR)
- Canada (CA)
- China (CN)
- Denmark (DK)
- France (FR)
- Germany (DE)
- India (IN)
- Ireland (IE)
- Italy (IT)
- Japan (JP)
- Mexico (MX)
- Netherlands (NL)
- Norway (NO)
- Poland (PL)
- Saudi Arabia (SA)
- South Africa (ZA)
- South Korea (KR)
- Spain (ES)
- Sweden (ES)
- UAE (AE)
- United Kingdom (UK)
- United States (US)

Level of Anxiety

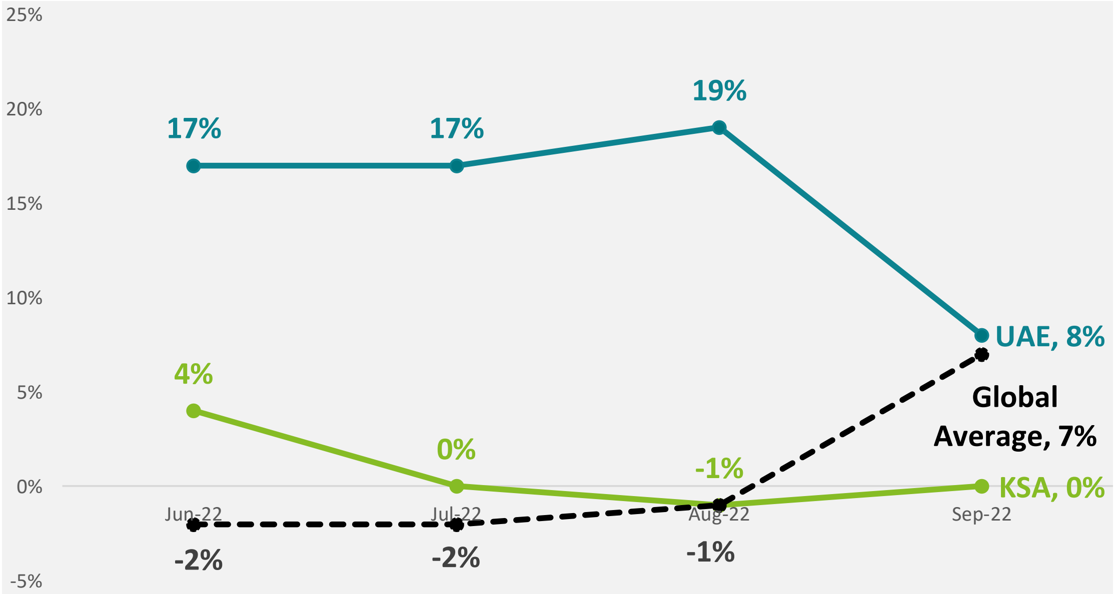
Net anxiety and anxiety drivers

UAE
KSA

Net Anxiety

"I'm more anxious than I was last week"

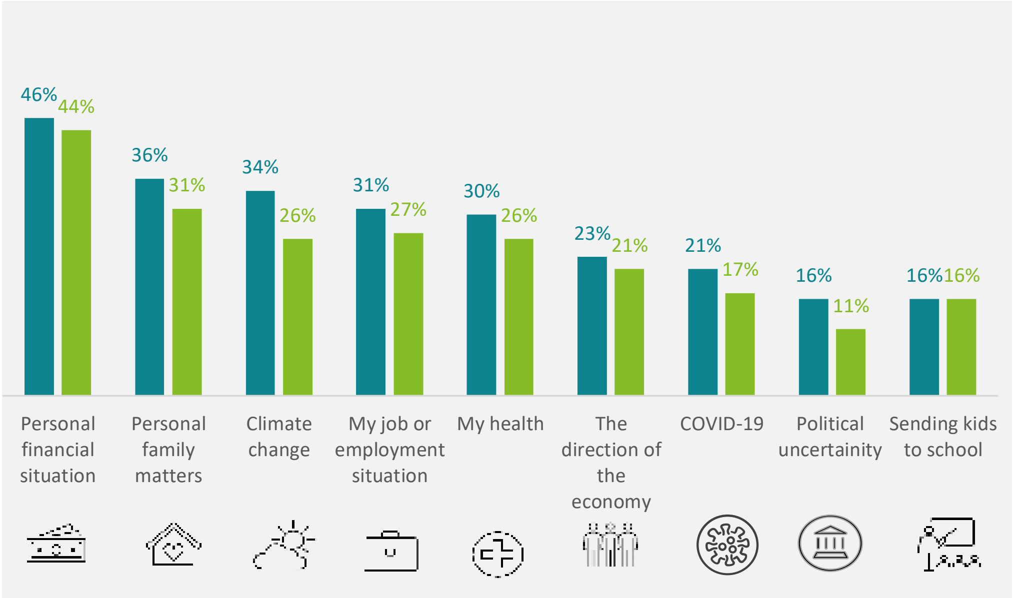
(Net anxiety = % Agree minus % Disagree)



Anxiety Drivers

"Why are you feeling more anxious than last week?"

(Among the 39% of Emiratis and 37% Saudis feeling more anxious)



Key Takeaways

- Over the past few months, there was substantial a gap between the level of anxiety in **Saudi Arabian** and **Emirati** consumers. The gap is now started to decrease with the decline in level of anxiety amongst **Emirati** consumers.
- While personal financial situation and family matters continue to be the primary anxiety drivers, **climate change** has emerged as one of the significant drivers of anxiety in both **UAE** and **KSA** especially when the countries have experience hot summer as well as flood-like situations.

Source: Deloitte Global State of the Consumer Tracker

Financial Wellbeing

Present state vs future state

UAE | KSA

	PRESENT			FUTURE		
SECURITY	44% / 43% Have money left over at the end of the month	28% / 28% Say their financial situation worsened over the past year	22% / 26% Are concerned about making upcoming payments	56% / 52% Expect income to be same or higher in 1 year	45% / 38% Are concerned about level of savings	34% / 37% Can afford large, unexpected expenses
FREEDOM OF CHOICE	31% / 28% Are concerned about credit card debt	42% / 44% Are delaying large purchases	45% / 45% Can afford to spend on things that bring me joy	57% / 56% Expect financial situation to improve within 1 year	49% / 51% Believe they will have financial means to live best life in 5 years	40% / 33% Progressing towards financial goals

(First value: UAE; second value: KSA)

Key Takeaways

- **Present Security:** Most of the consumers seemed to be comfortable with their current financial situation.
- **Present Freedom of Choice:** Less than half feel that they can afford to spend on things that brings them joy.
- **Future Security:** Only 3-4 in 10 feel they are well prepared to absorb future financial shock.
- **Future Freedom of Choice:** Many are optimistic that financial situation will change in the short or medium term.

Source: Deloitte Global State of the Consumer Tracker

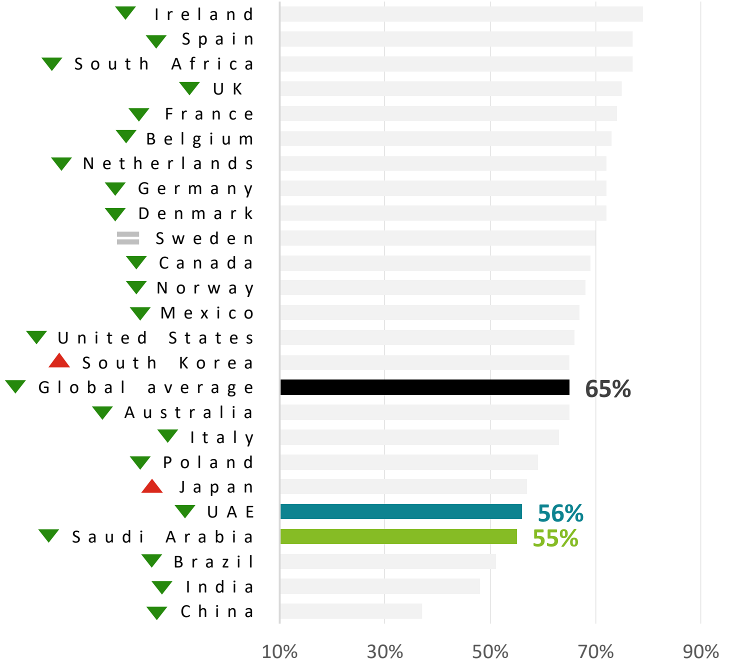
Price Change Perceptions

% that expect higher prices next month

UAE
KSA

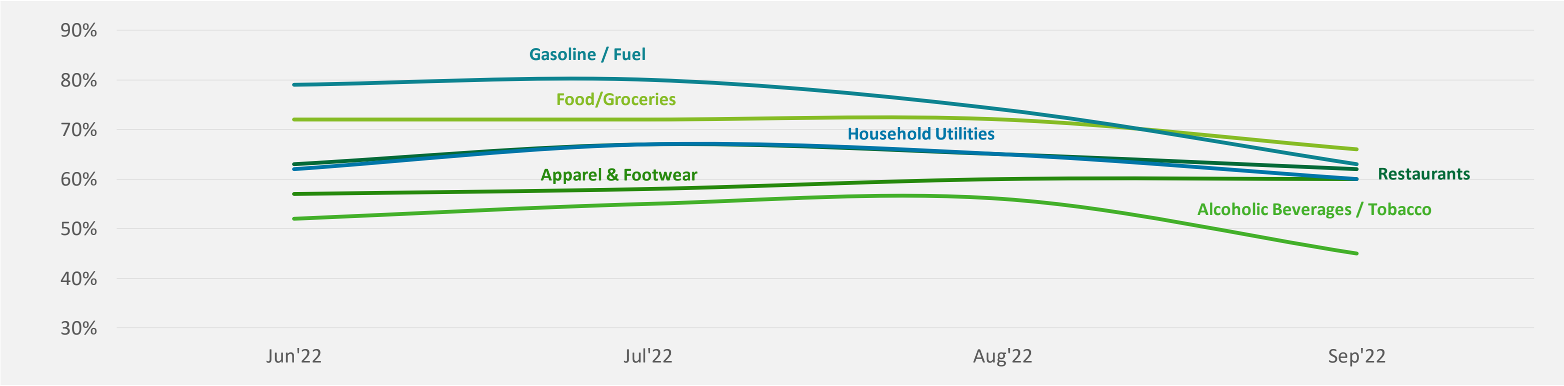
% concerned about prices rising for everyday purchases

Concern for inflation in UAE and Saudi Arabia is lower than the global average

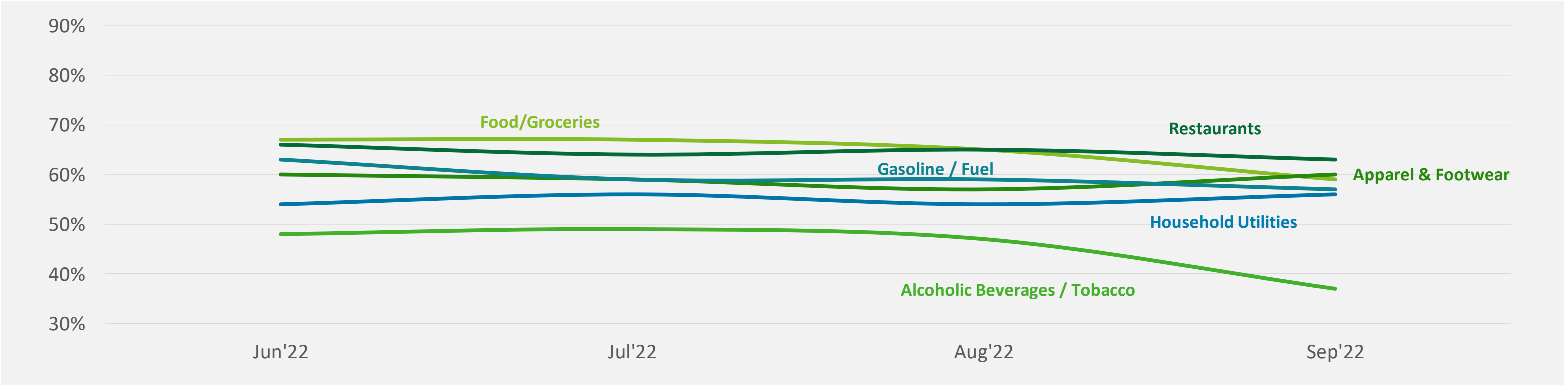


Increase/Decrease compared to last month

% UAE respondents who expect higher prices next month



% KSA respondents who expect higher prices next month



Key Takeaways

- The perception of inflation is going down across many geographies except couple of Asian countries viz. Japan and South Korea.
- Across middle east, the perception of high prices has started to come down across most of the categorise. Apparel & footwear is an exception where consumers feel the prices are increasing.

Source: Deloitte Global State of the Consumer Tracker

Share of Wallet

Spending intentions, next 4 weeks

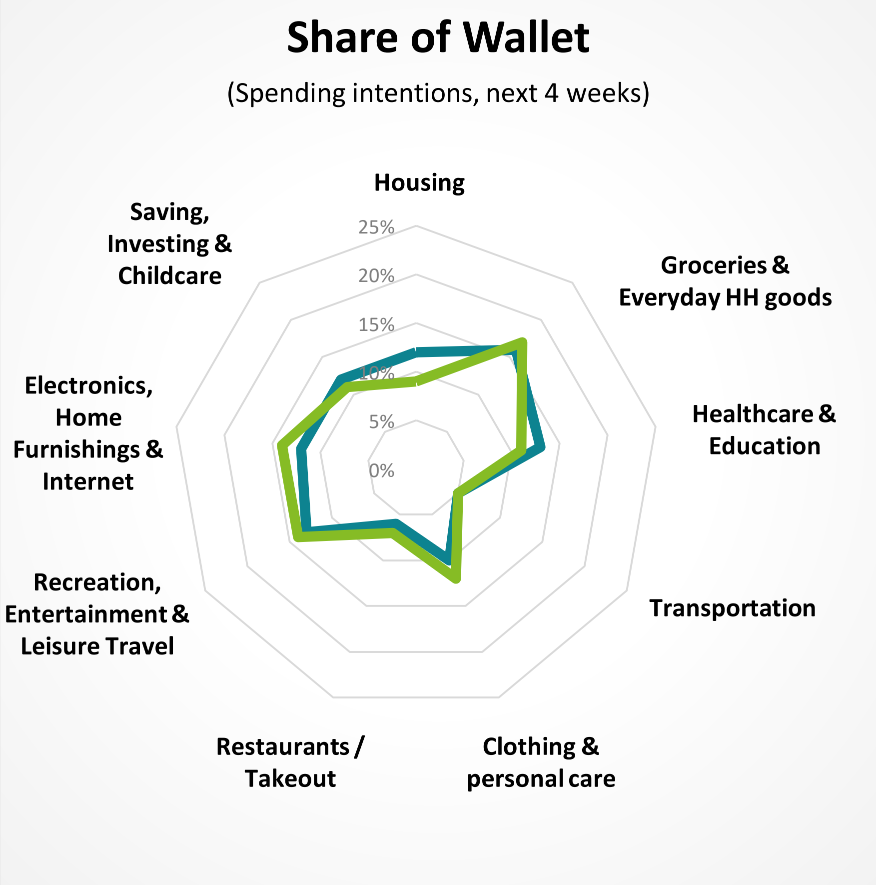
UAE
KSA

Less Discretionary

	UAE Vs Prior Wave	UAE Vs June 2022	KSA Vs Prior Wave	KSA Vs June 2022
Housing	=	-1	=	=
Groceries	+1	+1	+1	=
Transportation	=	=	=	=
Health care	=	=	=	=
Clothing & personal care	=	+1	+1	+2
HH goods	=	=	=	=
Childcare	+1	-1	=	=
Education	=	=	=	+1
Internet & data	=	=	=	=

More Discretionary

	UAE Vs Prior Wave	UAE Vs June 2022	KSA Vs Prior Wave	KSA Vs June 2022
Rec / Entertainment & Leisure travel	=	=	=	-1
Restaurants	=	=	=	=
Electronics & home furnishing	-1	+1	-1	=



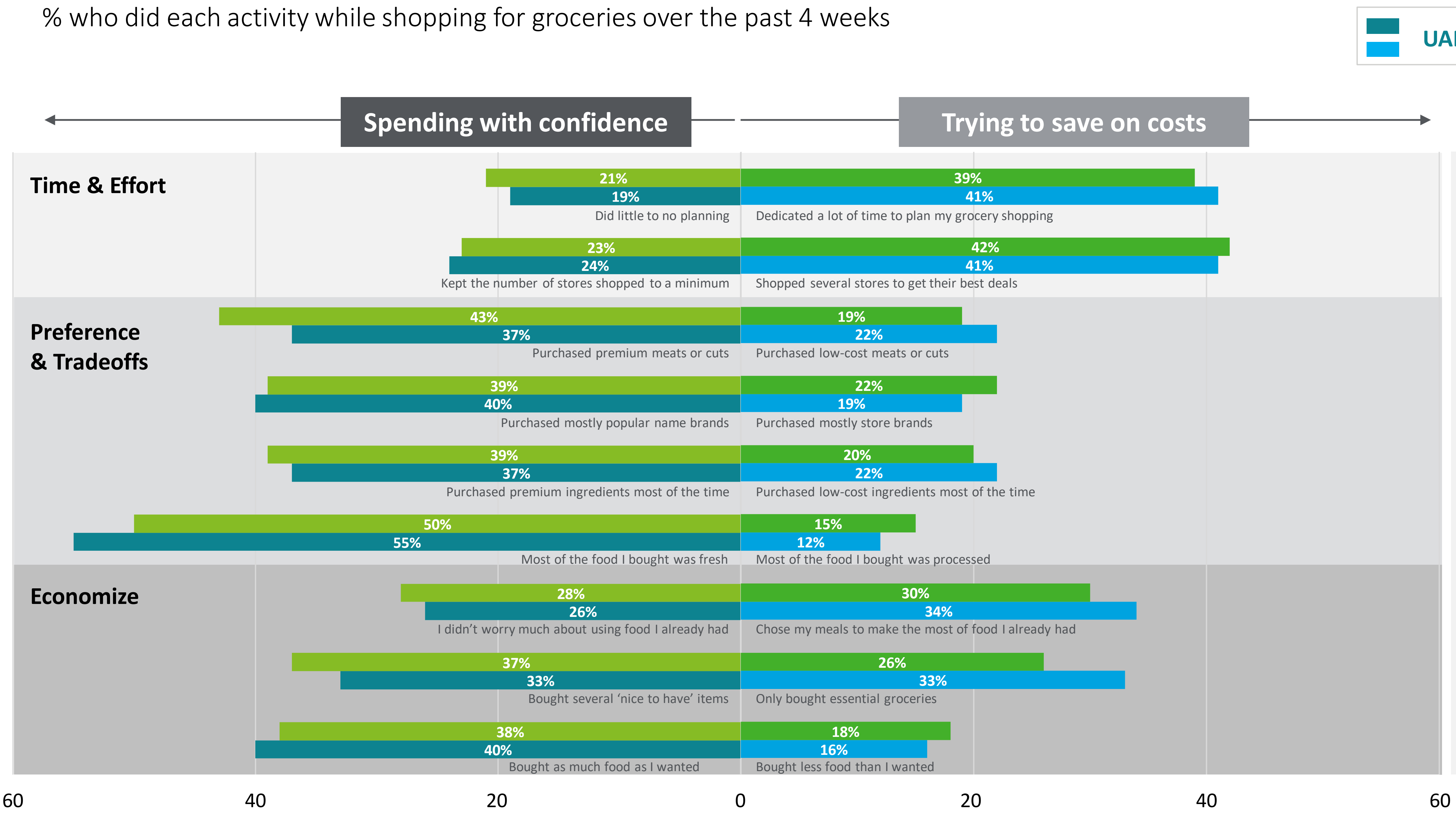
Key Takeaways

- With the change in season, both **Emirati** and **Saudi** consumers have shown an intent to spend more on clothing & personal care. The spend in groceries is also expected to increase marginally.
- Compared to previous month, consumers in both **UAE** and **KSA** are less willing to spend on electronics and home furnishing.

Source: Deloitte Global State of the Consumer Tracker

Impact of rising prices on shopping behavior

% who did each activity while shopping for groceries over the past 4 weeks



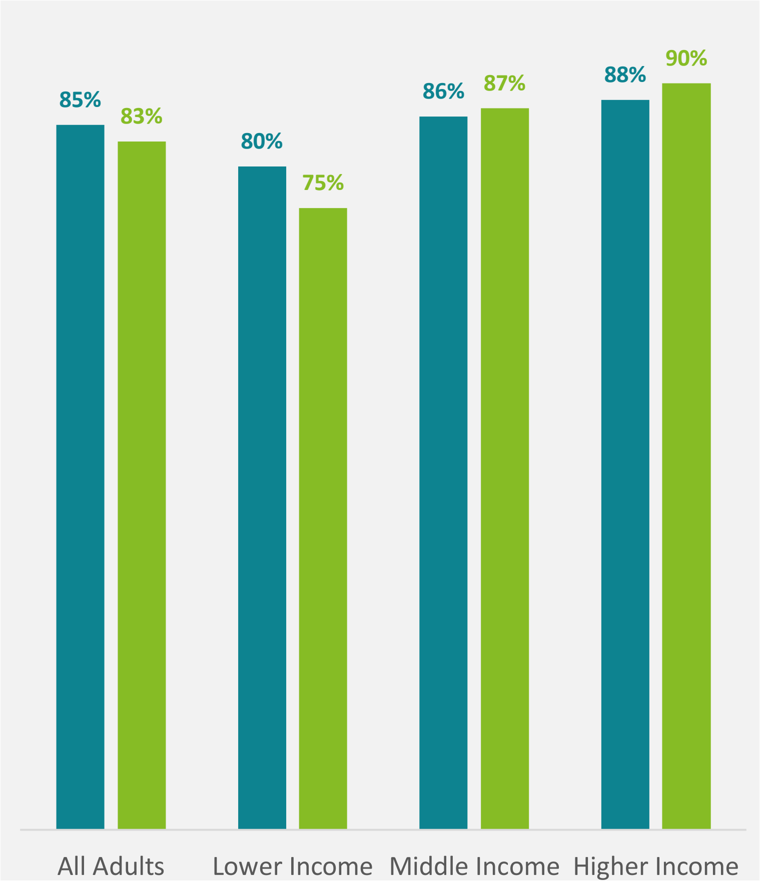
Key Takeaways

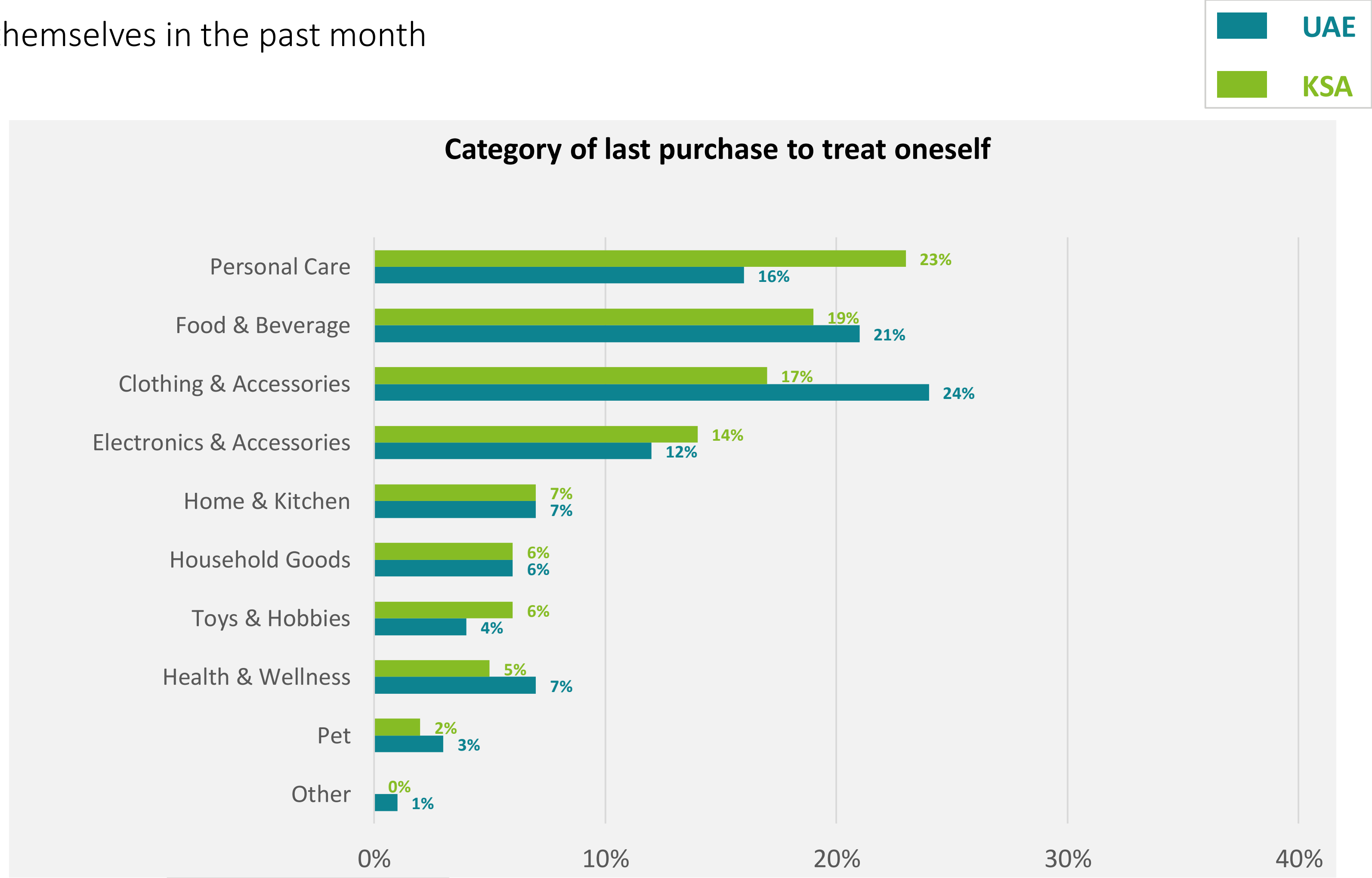
- In the face of rising prices, many are engaging in cost saving behaviors
- Grocery shoppers are most likely to spend more time planning their shopping and build their shopping lists based on food at home.
- There is not a lot of difference between shopping behavior of **Emirati** consumer vis-à-vis **Saudi** counterpart.

Source: Deloitte Global State of the Consumer Tracker

Spending on joy

% who purchased at least one product to treat themselves in the past month





Key Takeaways

- Despite signs of financial stress, most are finding ways to treat themselves to a little joy. 8 in 10 made at least one 'joy-related' purchase in the past month, the proportion goes to about 9 in 10 for higher income households.
- Personal care was the preferred choice for **Saudi** consumers; whereas, most of the **Emirati** consumers treated themselves with clothing & accessories.

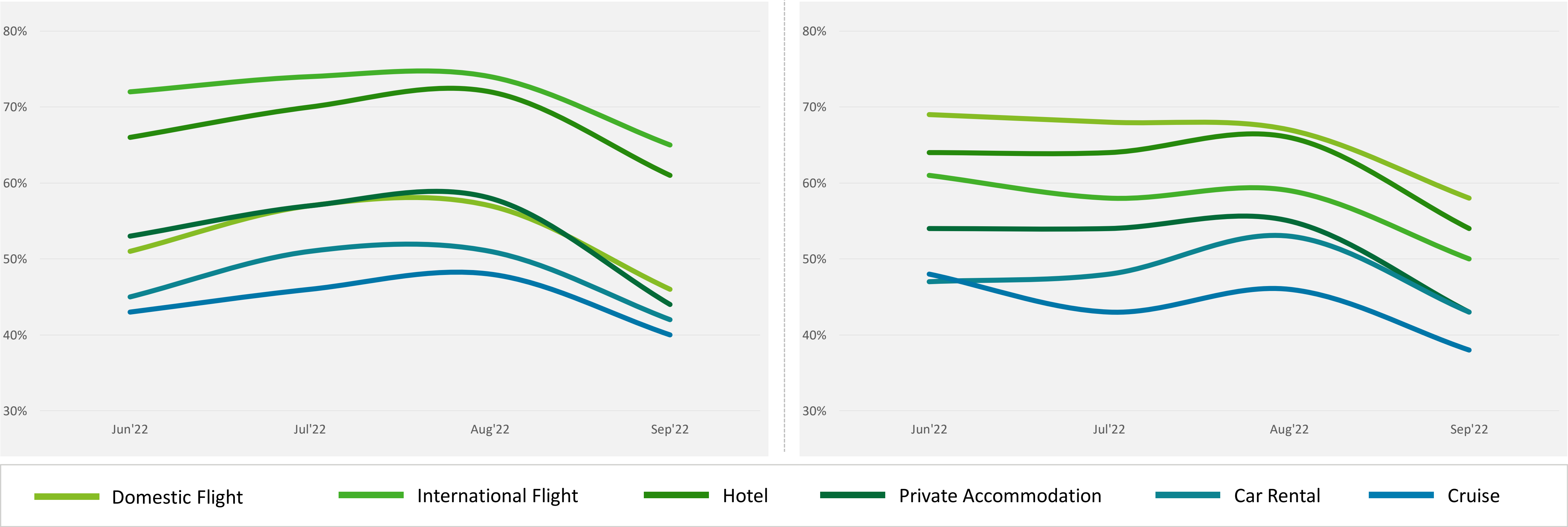
Source: Deloitte Global State of the Consumer Tracker

Leisure travel intentions

% that plan to book within the next 3 months

UAE

KSA



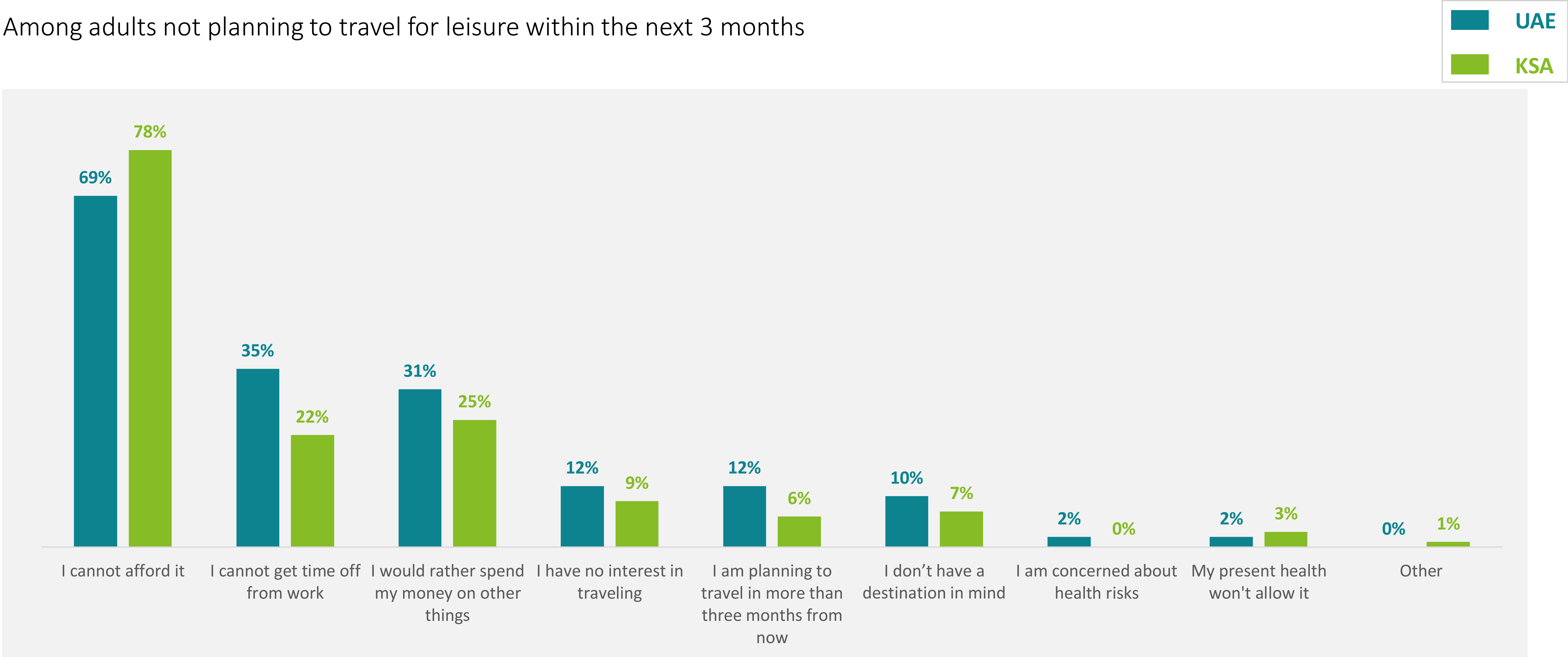
Key Takeaways

- Seasonality sees leisure travel booking intentions slipping. The intention built up during summer time and is now beginning to slow down.
- **Saudi** consumers gave highest preference to booking domestic flight, while most of the **UAE** consumers are looking to book international flight for their upcoming leisure trip.

Source: Deloitte Global State of the Consumer Tracker

Reasons for not travelling

Among adults not planning to travel for leisure within the next 3 months



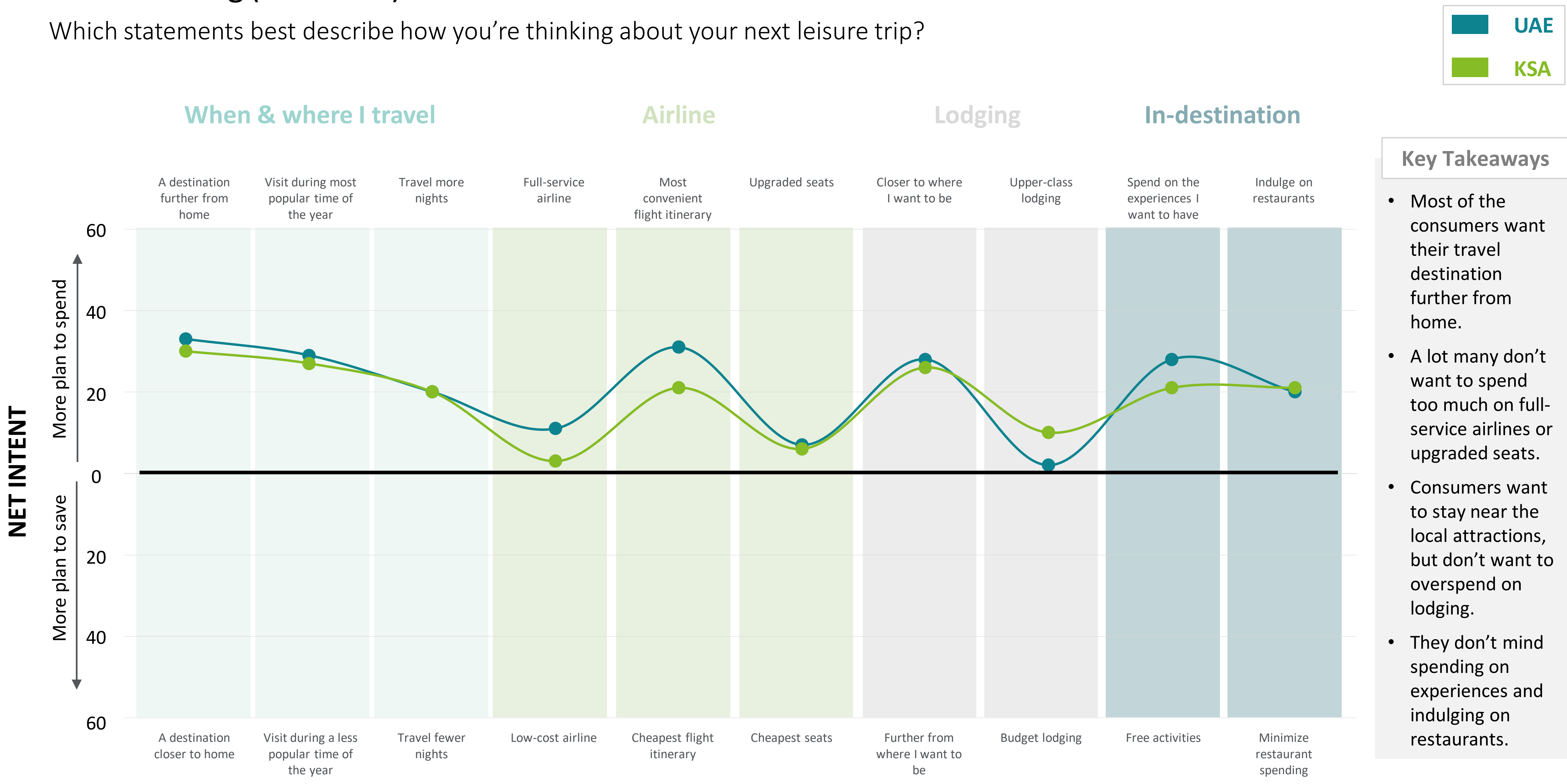
Key Takeaways

- In UAE and KSA, affordability comes out as the biggest hinderance to consumer's ability to travel.
- Unable to get time off from work and unwillingness to spend on travel are other two major concerns for Emirati and Saudi consumers.

Source: Deloitte Global State of the Consumer Tracker

Travel Planning (Net intent)

Which statements best describe how you're thinking about your next leisure trip?



Key Takeaways

- Most of the consumers want their travel destination further from home.
- A lot many don't want to spend too much on full-service airlines or upgraded seats.
- Consumers want to stay near the local attractions, but don't want to overspend on lodging.
- They don't mind spending on experiences and indulging on restaurants.

Source: Deloitte Global State of the Consumer Tracker

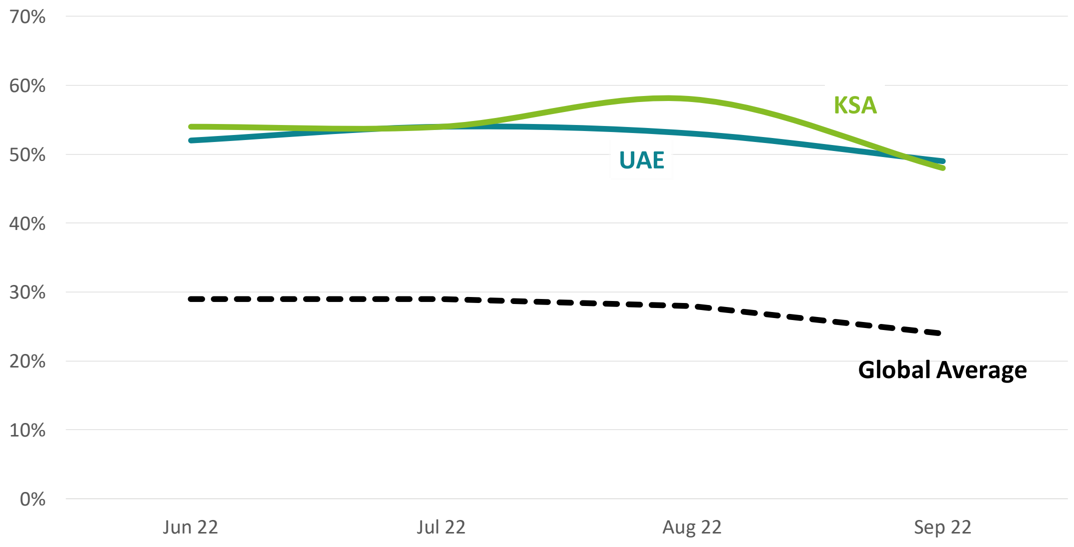
Vehicle Purchasing Intent

Planning to buy vehicle in next 6 months, reasons for purchasing new vehicle

UAE
KSA

Vehicle Purchasing Intent

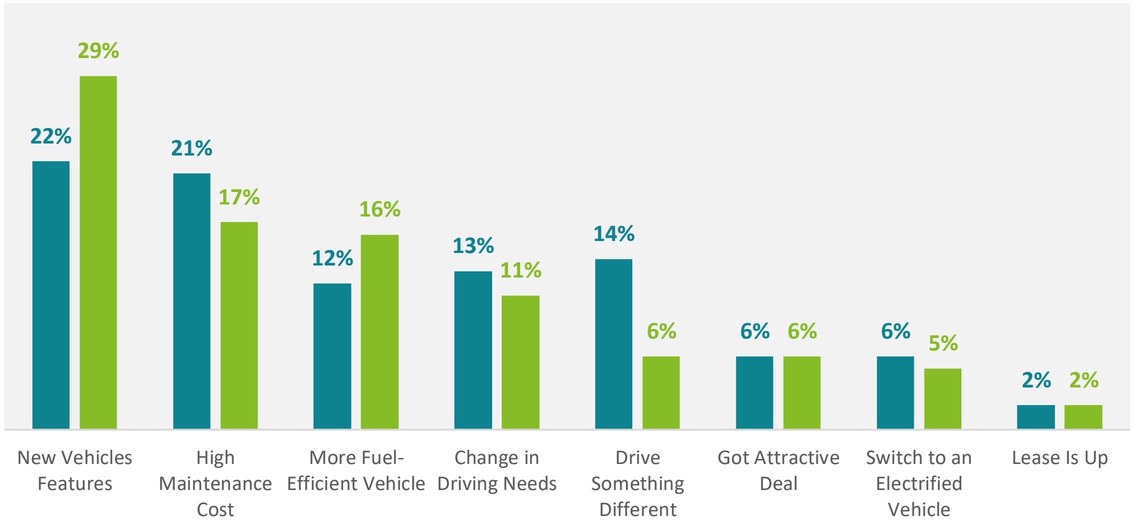
"Planning to buy vehicle in next 6 months"



Reasons for purchasing new vehicle

"What is the main reason you will be acquiring a vehicle?"

(Among the 48% Saudi and 49% Emirati consumers planning to purchase new vehicle)



Key Takeaways

- Vehicle purchasing intent for middle eastern consumers has slightly dipped this month compared to last; however, it is still much higher than the global average which has also seen a decline in the last month.
- Of the consumers that are planning to buy vehicle, 8 in 10 are looking to buy a new vehicle indicating a possible uptick in the demand for new vehicles over that of the used ones.
- Features/specs is the most enticing factor for consumers to buy new vehicle along with high maintenance cost of existing vehicle.

Source: Deloitte Global State of the Consumer Tracker

