

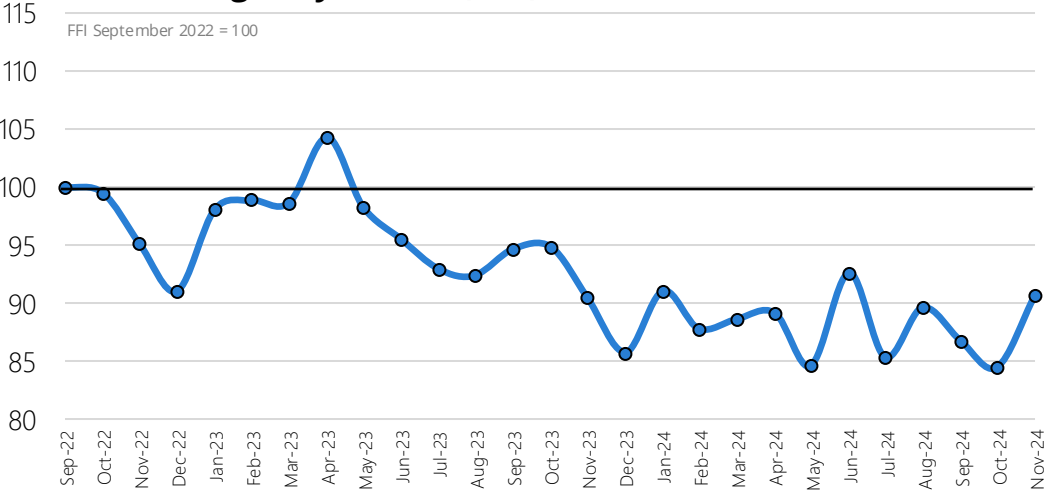
Takeaways

- With high food inflation already established, South African consumers may have been near peak levels of frugality when our index launched. This month, frugality among surveyed consumers increased 6 pp, driven consumers making more frugal choices and fewer premium choices.
- Though below baseline, South Africa has the highest rate of frugality among surveyed countries based on number of consumers adopting 3 or more frugal behaviors (43%, up 4 pp MoM).
- YoY food inflation hit its lowest level in 2+ years, but 80% of consumers are expecting higher prices next month, a spike up in what had been a downward trend.

Everyone needs to eat, but food is becoming less affordable for some.

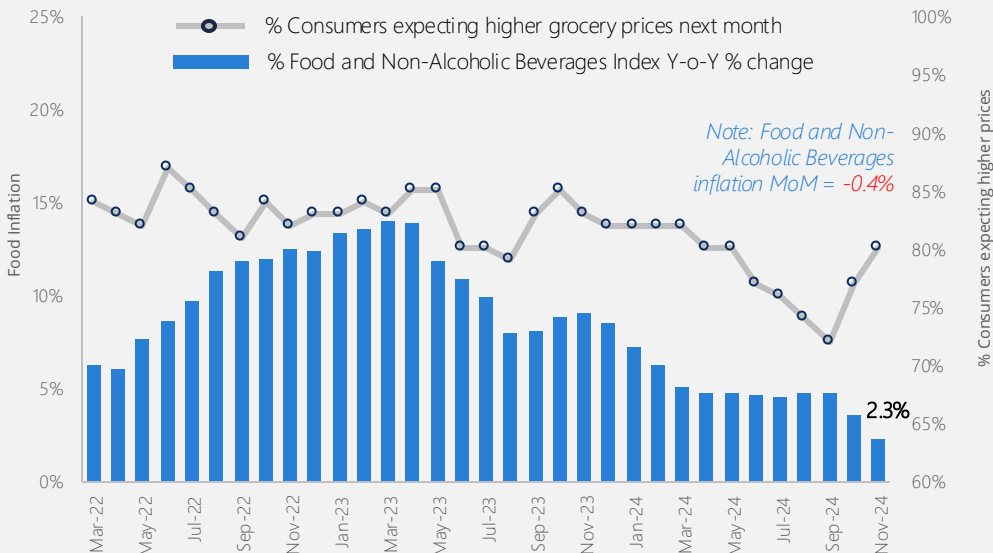
The Deloitte Food Frugality Index (FFI) is a monthly, proprietary measure of behaviors associated with financial stress at the grocery store—and how they may be shaping the way consumers shop for food.

Food Frugality Index (FFI)

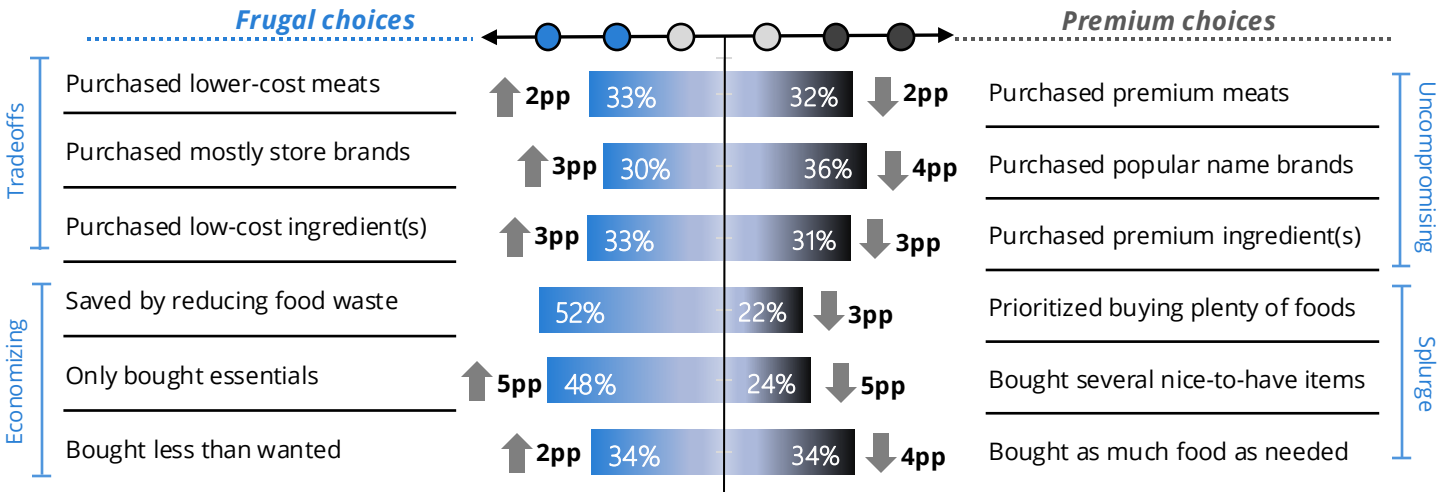


Grocery price expectations and food inflation

Changes in consumer expectations seem to precede changes in the CPI

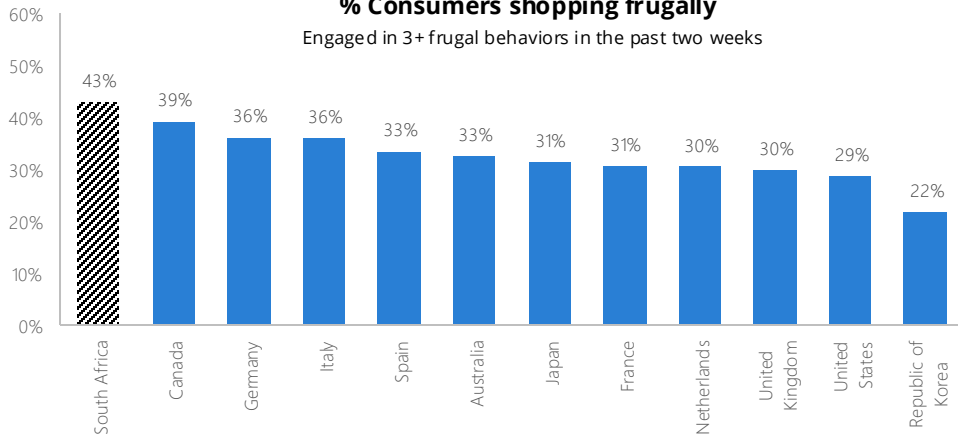


Underlying Food Frugality Index Behaviors
(change vs previous month)



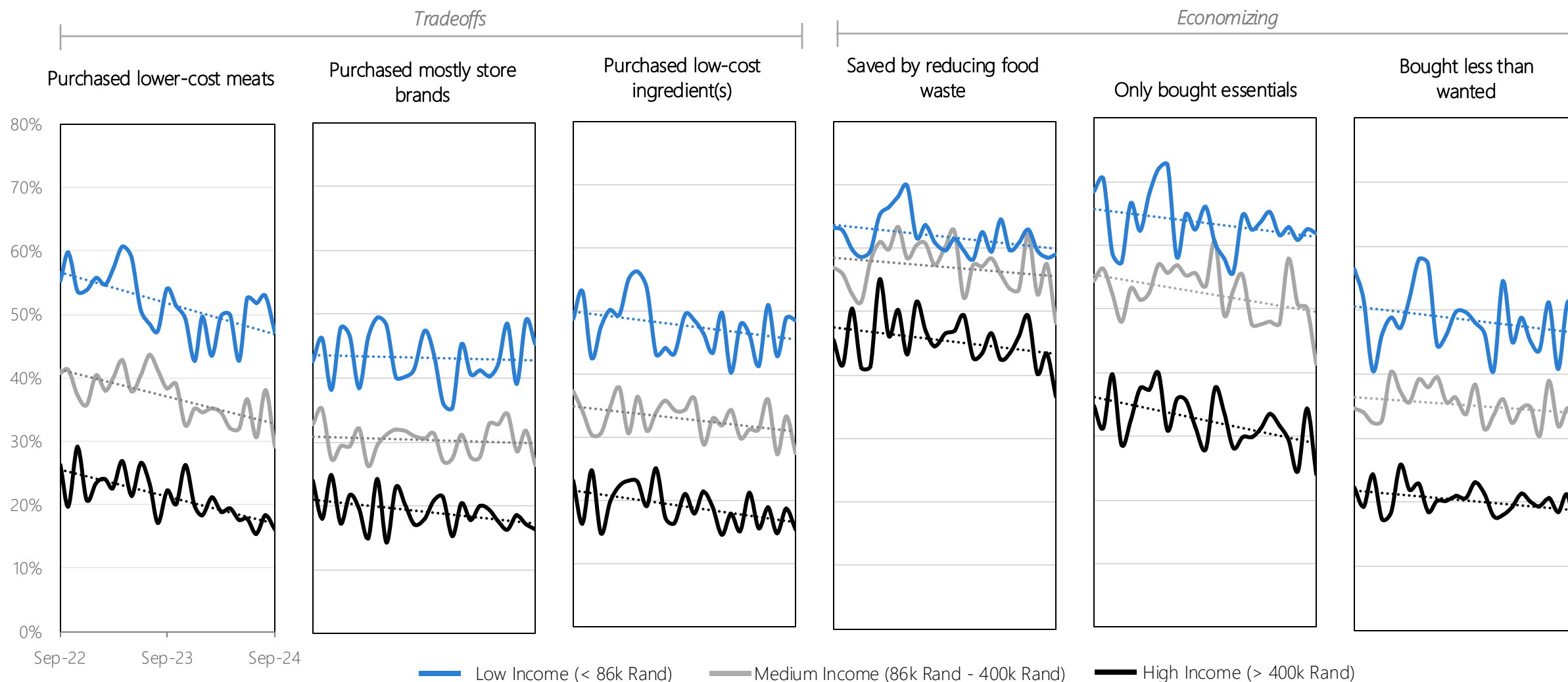
% Consumers shopping frugally

Engaged in 3+ frugal behaviors in the past two weeks



Underlying frugality behaviors across surveyed consumers at different income levels

Use of frugal behaviors splits by income, as expected, but has generally trended downward for all surveyed consumers over the last 2 years. One potential exception – store brands seem to be sticking for low and medium-income consumers.





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