



## Deloitte State of the Consumer Tracker

Middle East Highlights

November 2022



# 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

### New metrics added

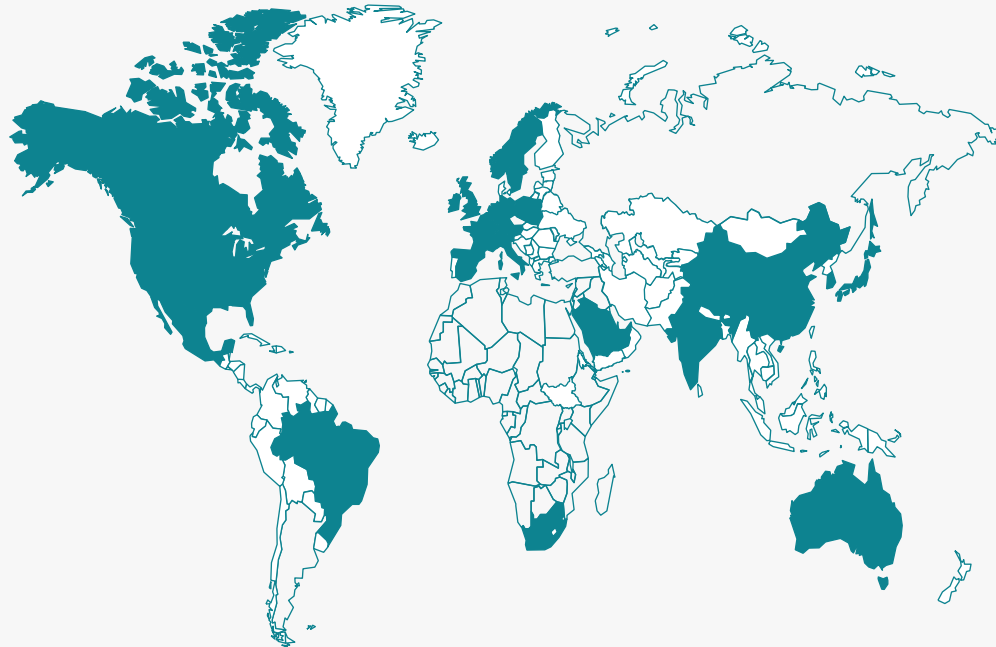
Wave 35 : September 22 – September 28

Wave 36 : October 27 – November 02

## Methodology:

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

## 24 Countries



## Countries in focus

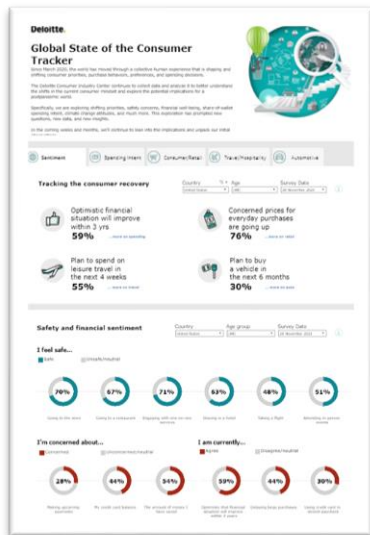
- Australia (AU)
- Belgium (BE)
- Brazil (BR)
- Canada (CA)
- China (CN)
- Denmark (DK)
- France (FR)
- Germany (DE)
- India (IN)
- Ireland (IE)
- Italy (IT)
- Japan (JP)
- Mexico (MX)
- Netherlands (NL)
- Norway (NO)
- Poland (PL)
- Saudi Arabia (SA)
- South Africa (ZA)
- South Korea (KR)
- Spain (ES)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

# The evolving state of the consumer

## Top Takeaways

Wave 36: October 27 – November 02, 2022

[Visit the interactive dashboard for more insights](#)



### Global anxiety stabilizes after last month's spike, middle east follows the trend

Net anxiety saw dip after substantial rise in the past month. In the middle east, anxiety level of Emirati consumers continued its declining trend, and is now marginally higher than the global average. In Saudi Arabia, the number of consumers feeling less anxious have outnumbered those that are feeling more anxious.

Personal financial situation continues to remain primary anxiety driver. The rise of climate change as the second highest anxiety driver is an indication of a more mature society.

### Prolonged stress is taking its toll on financial wellbeing globally, middle easterners are relatively well placed

Globally, 4 in 10 feel their financial situation worsened over the past year; in the middle east, this proportion is 3 in 10.

Less than half (UAE: 47%, KSA: 44%) cite having the money left over at the end of the month after expenses. Globally, every third consumer is prepared for any future economic shock; while in the middle east the proportion is slightly better viz. 4 in 10.

Among all the study countries, only 1 in 3 consumers is optimistic that his/her financial situation will improve next year. While in the middle east this number is as high as 3 in 5.

### Vehicle purchase intent is damping, contrasting picture in the middle eastern countries

A preponderance of economic pressure is conspiring to drive near-term vehicle purchase intent to its lowest level in last 5 months.

Across middle east, the intent is on continual decline in UAE; while in Saudi Arabia it is exhibiting sinusoidal behavior with slight rise in the last month.

### Shoppers continued to engage in cost-saving behaviors, middle easterners are not willing to make fundamental tradeoffs

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

When it comes to preferences, middle eastern consumers don't seem to be making fundamental tradeoffs as most have shown willingness to purchase premium and popular products. This is against the global trend where consumers are found to be engaging in cost saving behaviors.

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

### Leisure travel booking intentions jumped

With the onset of winter holiday season, consumers have shown willingness to travel for leisure in the coming months. More number of Emirati consumers are willing to go on leisure trips than the Saudi Arabians. Most are willing to travel internationally.

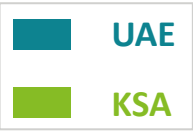
With the fear of COVID-19 all but over, the consumers are giving preference to staying in hotels as against opting for private accommodation.

Consumers are looking to save their money by opting for cheapest seats and staying in budget lodging; whereas they are willing to spend on the flight which has most convenient flight itinerary, hotel which is closer to the main attraction and on restaurants.

Among those that are not travelling, affordability is the biggest hinderance.

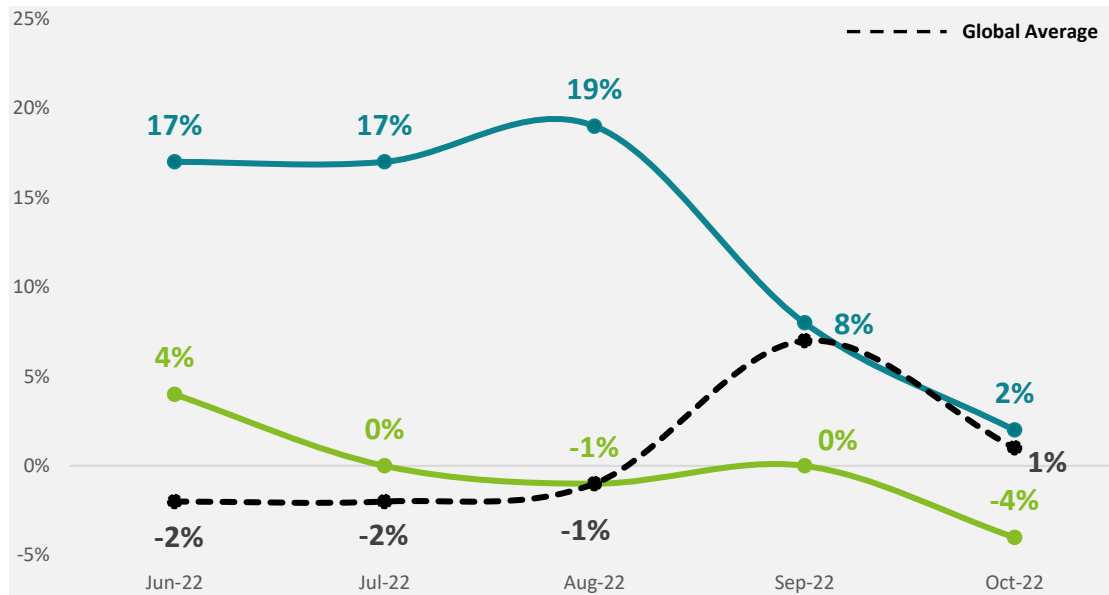
# Level of Anxiety

## Net anxiety and anxiety drivers



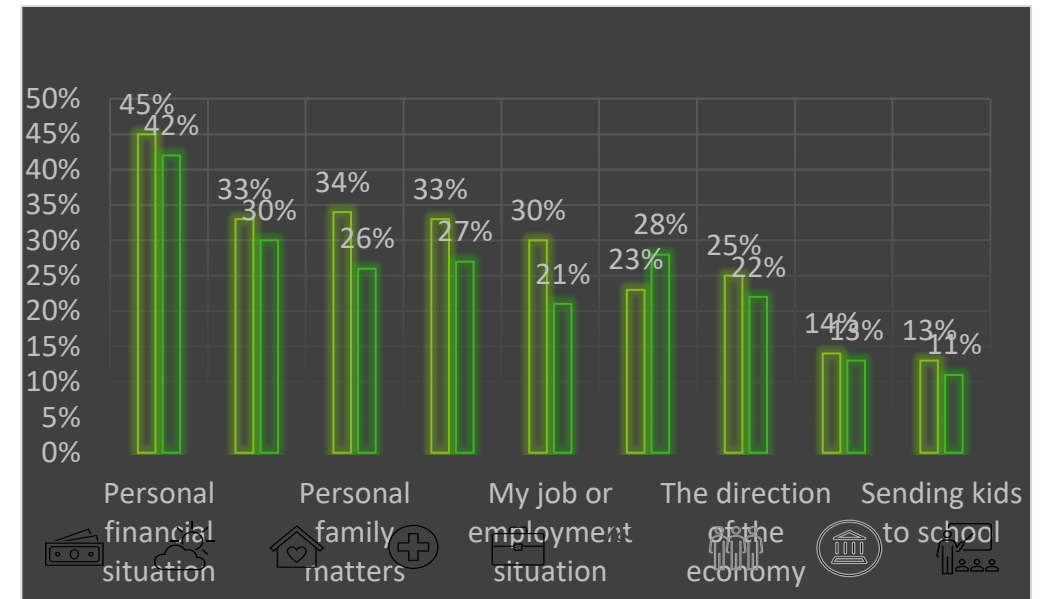
### Net Anxiety

“I’m more anxious than I was last week”  
(Net anxiety = % Agree minus % Disagree)



### Anxiety Drivers

“Over the past week, have you felt anxious or worried about any of the below mentioned factors?”

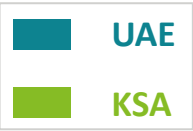


### Key Takeaways

- The number of consumers not feeling anxious have outnumbered those feeling anxious in **KSA**. The net anxiety has continued its declining trend in the **UAE** too which is in accordance with the global average.
- While personal financial situation continues to be the primary anxiety driver, **climate change** is rapidly climbing up the places and is now a significant anxiety driver for at least a third of the population in the region.

# Financial Wellbeing

Present state vs future state



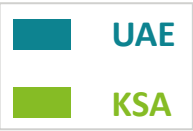
|                   |  | PRESENT                                      |   |   | FUTURE  |   |                                       |
|-------------------|--|--|---|---|---|---|---------------------------------------|
| SECURITY          |  | 47%  | 27%   | 22%   | 58%   | 49%   | 37%                                   |
|                   |  | 44%  | 27%   | 24%   | 53%   | 35%   | 41%                                   |
|                   |  | Have money left over at the end of the month | Say their financial situation worsened over the past year | Are concerned about making upcoming payments    | Expect income to be same or higher in 1 year        | Are concerned about level of savings                                | Can afford large, unexpected expenses |
| FREEDOM OF CHOICE |  | 32%  | 44%   | 49%   | 58%   | 51%   | 40%                                   |
|                   |  | 27%  | 41%   | 47%   | 62%   | 54%   | 35%                                   |
|                   |  | Are concerned about credit card debt         | Are delaying large purchases                              | Can afford to spend on things that bring me joy | Expect financial situation to improve within 1 year | Believe they will have financial means to live best life in 5 years | Progressing towards financial goals   |

## 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 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.

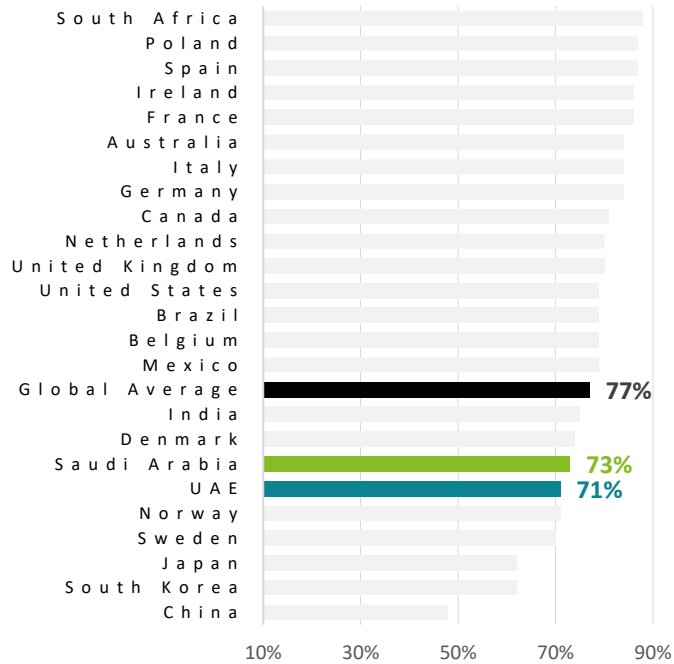
# Price Change Perceptions

% that expect higher prices next month

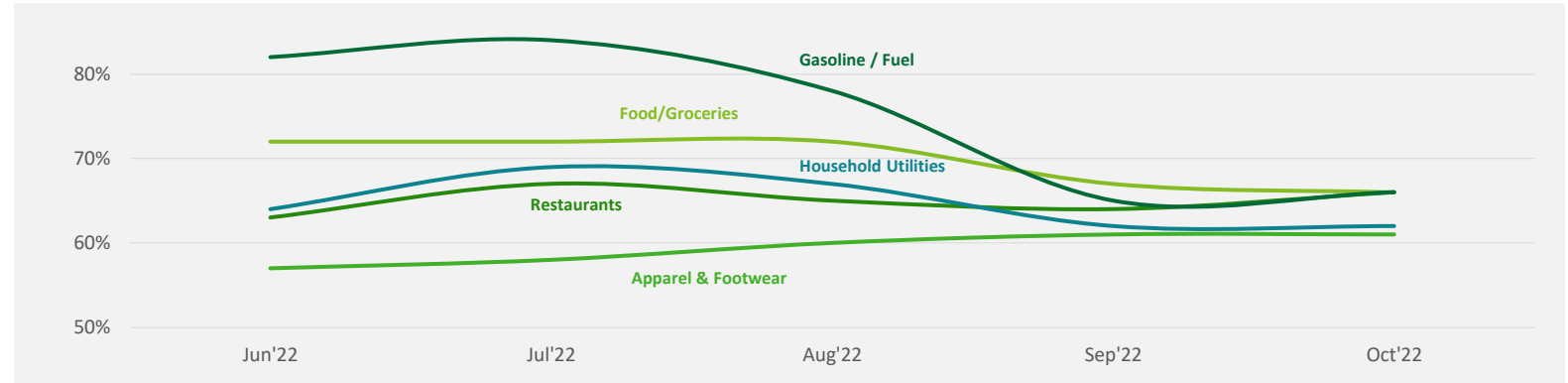


## % concerned about prices rising for everyday purchases

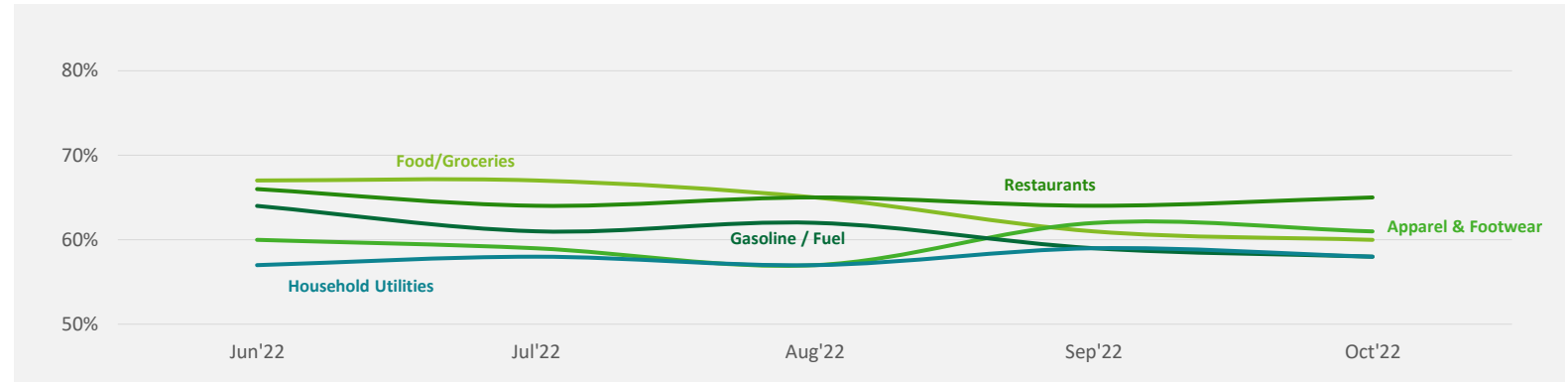
Concern for inflation in UAE and Saudi Arabia is lower than the global average



## % UAE respondents who expect higher prices next month



## % KSA respondents who expect higher prices next month

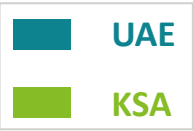


### Key Takeaways

- After showing declining trend for couple of months, The perception of rising prices has started to go up across many geographies.
- In the middle east, the perception of high prices has started to come down in general and it has either remained the same or declined across most of the categories compared to last month. 7 in 10 consumers in the region anticipate higher prices for various product categories.

# Share of Wallet

Spending intentions, next 4 weeks

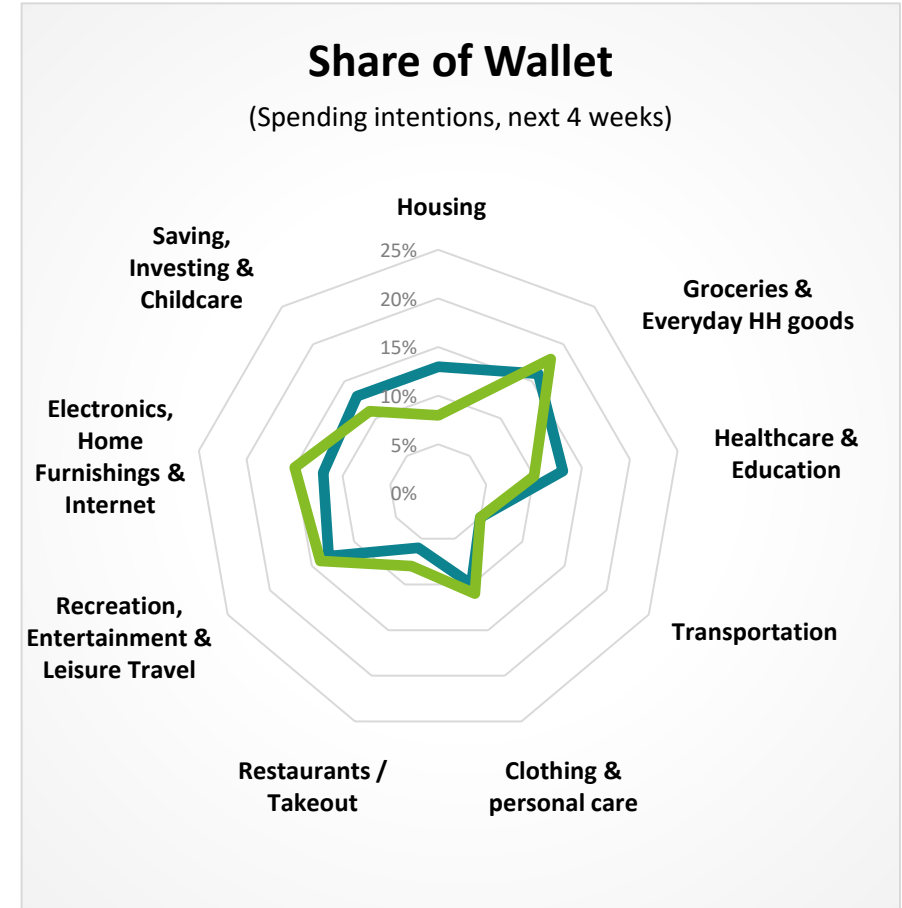


## Less Discretionary

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

## More Discretionary

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

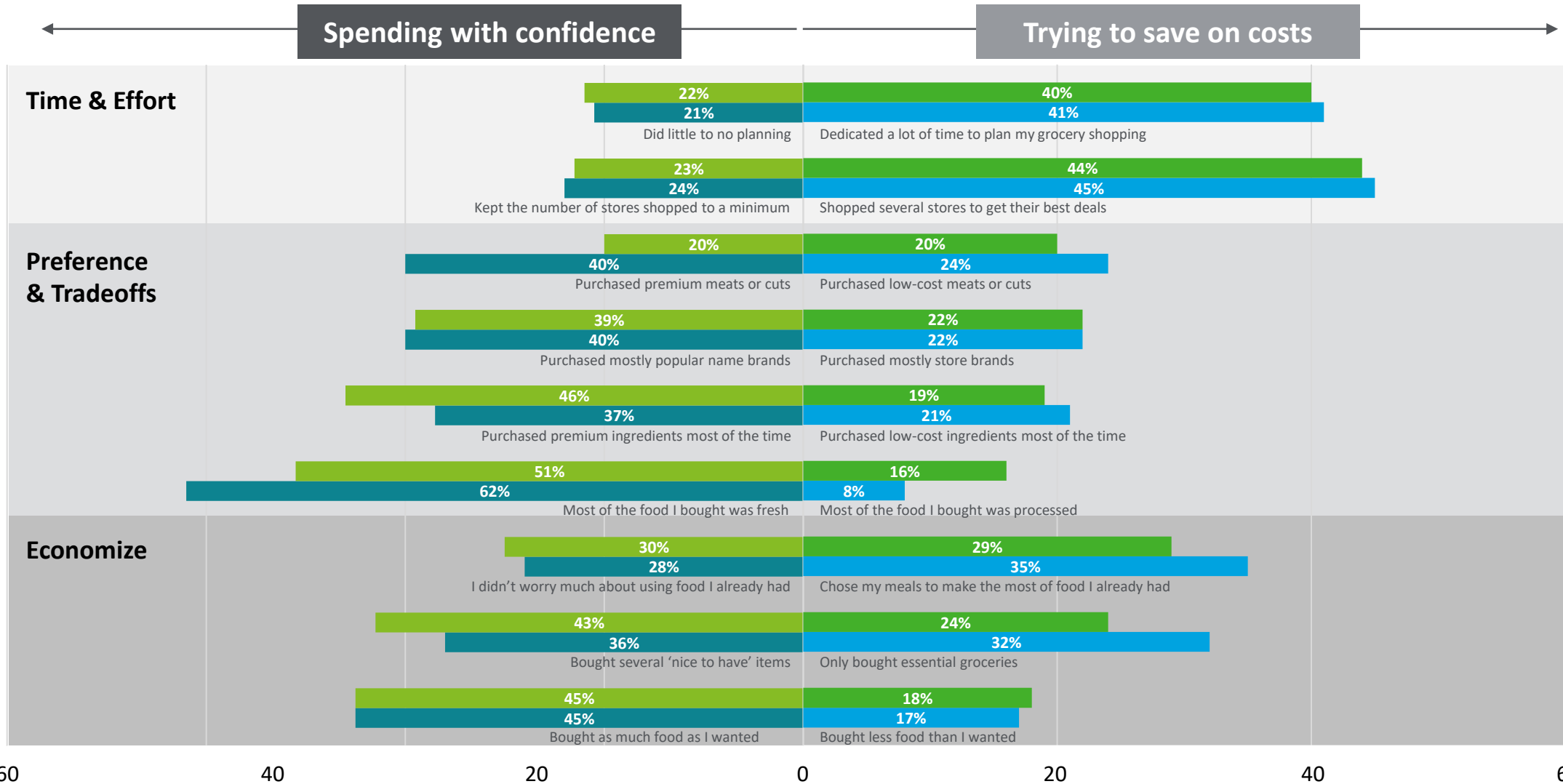


### Key Takeaways

- Intention to spend on housing (rent, etc.) items is generally more amongst Emirati consumers and is expected to rise; whereas, Saudi consumers are intending to spend less than what they have done in previous months for most of the less discretionary purchases.
- Saudi Arabian consumers have shown greater intent to spend on more discretionary items this month compared to the last.

# Impact of rising prices on shopping behavior

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



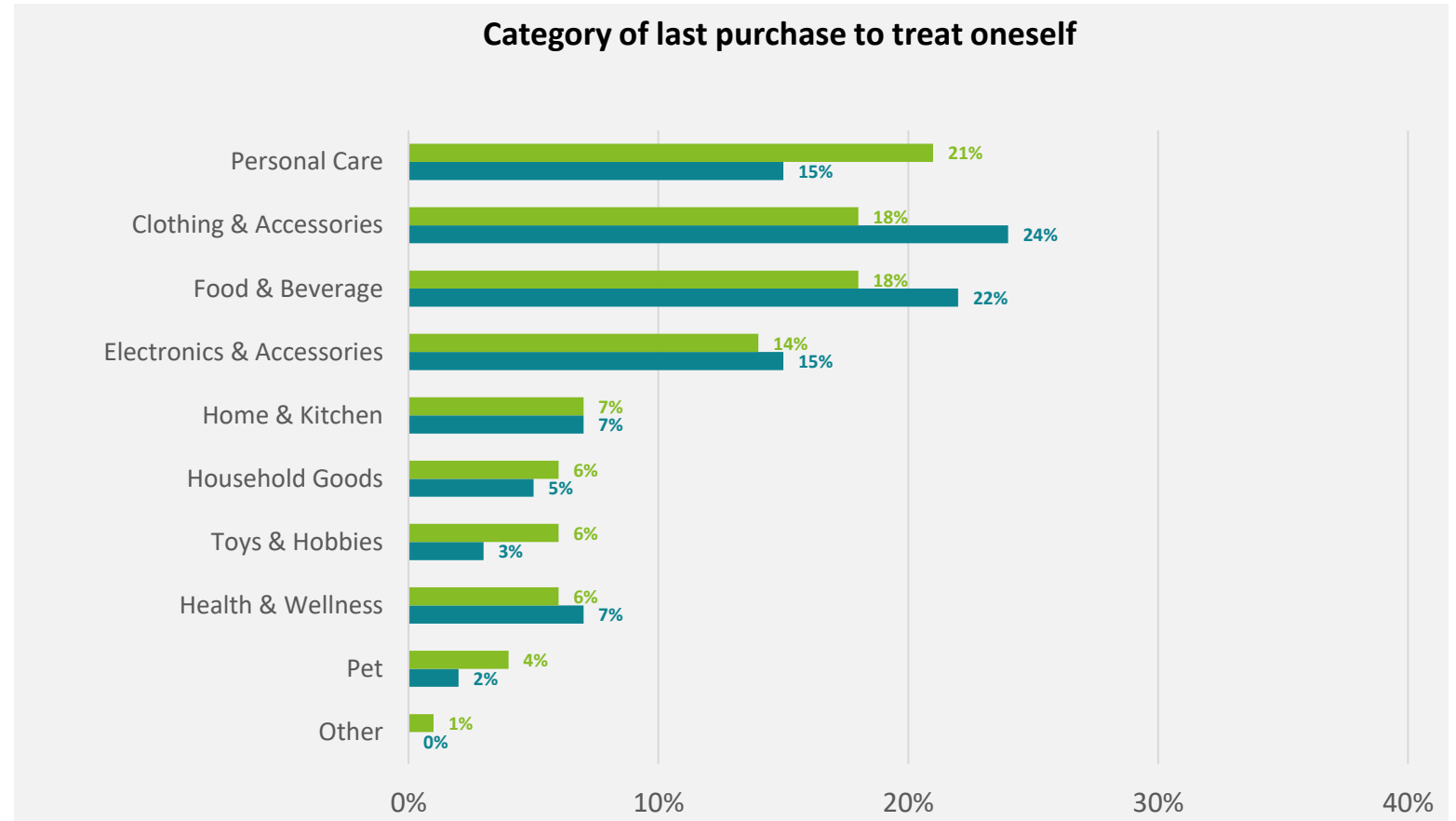
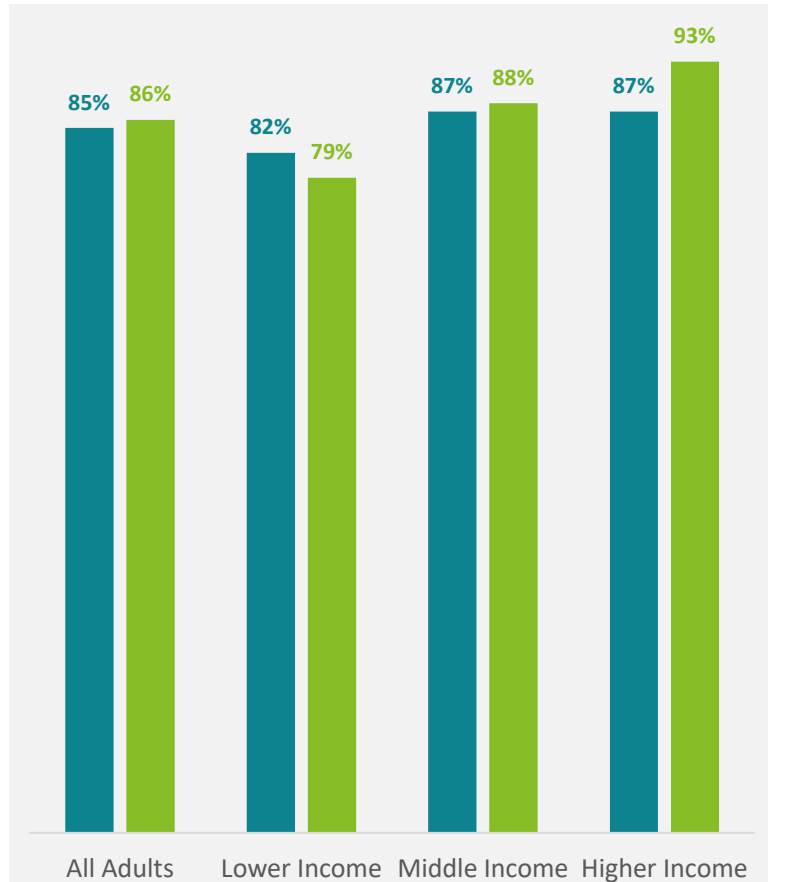
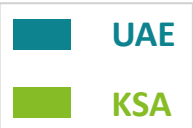
## Key Takeaways

- 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 are some subtle differences between Emirati and Saudi consumers especially in preferences & tradeoffs.



# Spending on joy

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



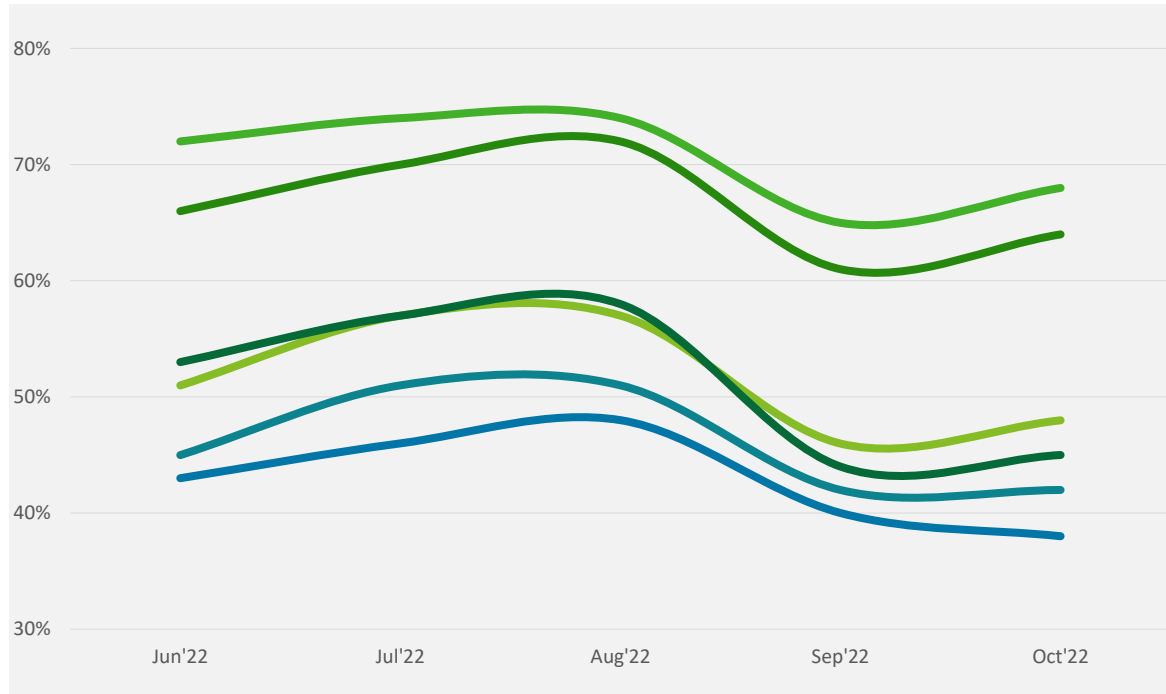
## Key Takeaways

- 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.

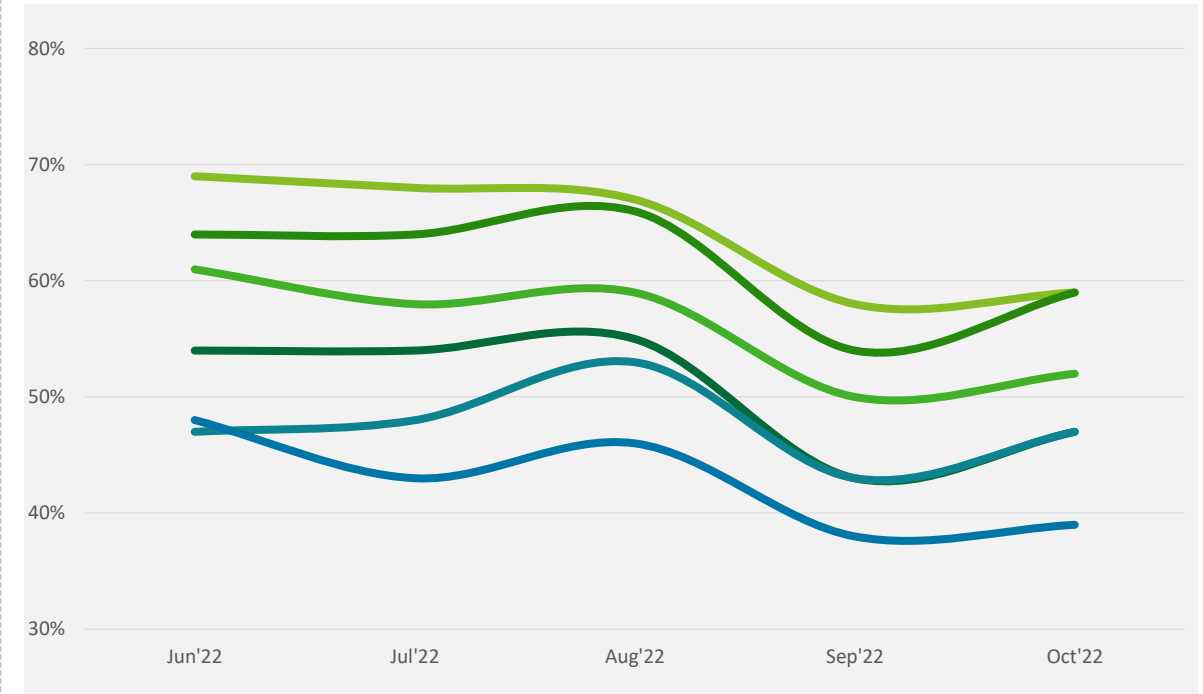
# Leisure travel intentions

% that plan to book within the next 3 months

## UAE



## KSA



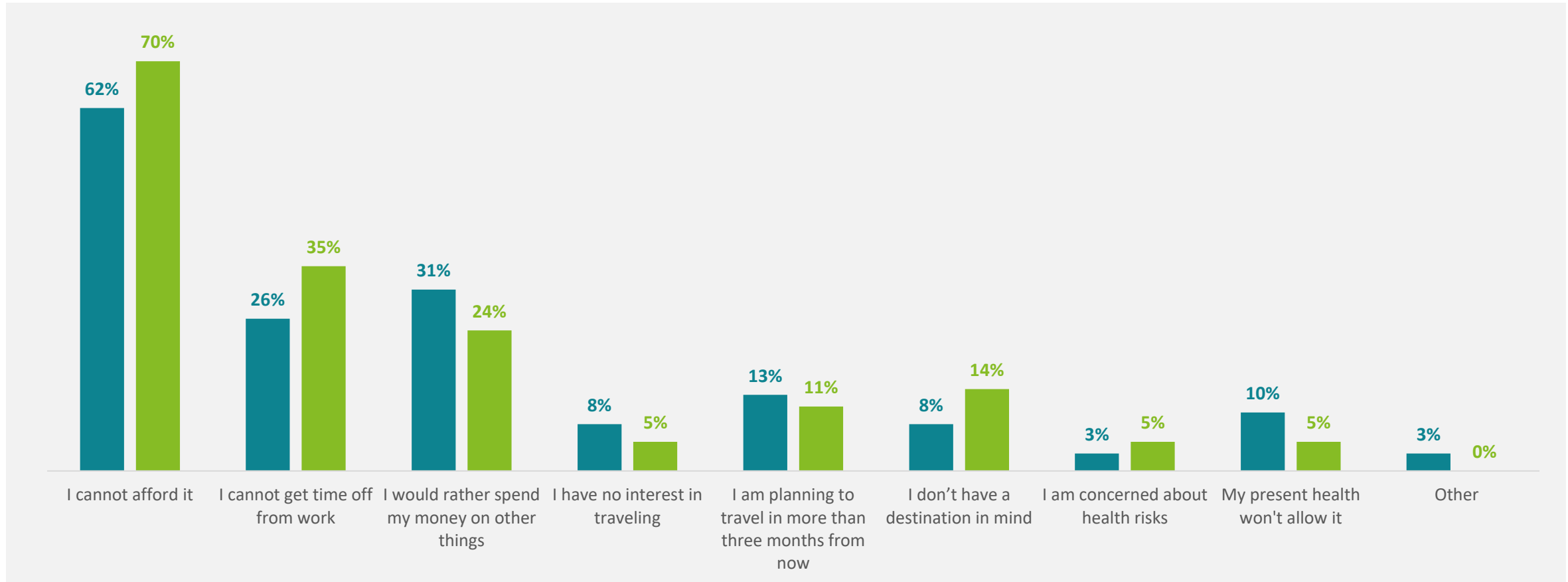
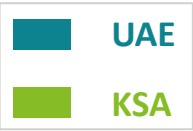
Domestic Flight International Flight Hotel Private Accommodation Car Rental Cruise

### Key Takeaways

- With the onset of winter holiday season, the leisure travel booking intentions jumped compared to last month.
- **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.

# Reasons for not travelling

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

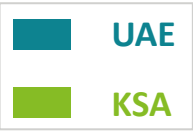


## Key Takeaways

- 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.

# Travel Planning (Net intent)

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

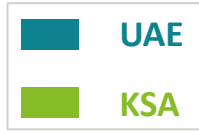


## Key Takeaways

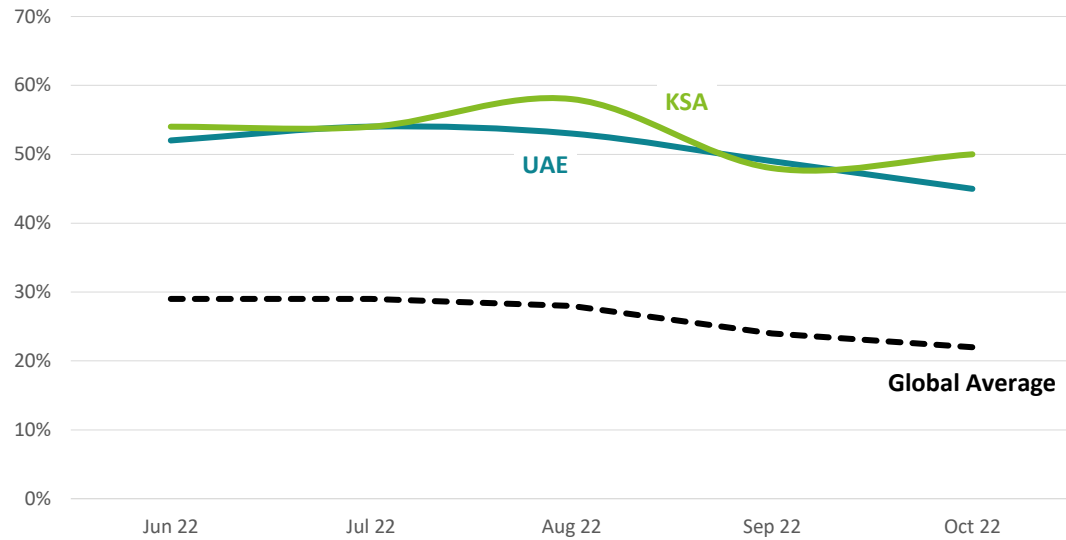
- Most of the consumers want their travel destination further from home.
- A lot many don't want to spend too much on full-service airlines or upgraded seats.
- Consumers want to stay near the local attractions, but don't want to overspend on lodging.
- They don't mind spending a few bucks extra in a good restaurant.

# Vehicle Purchasing Intent

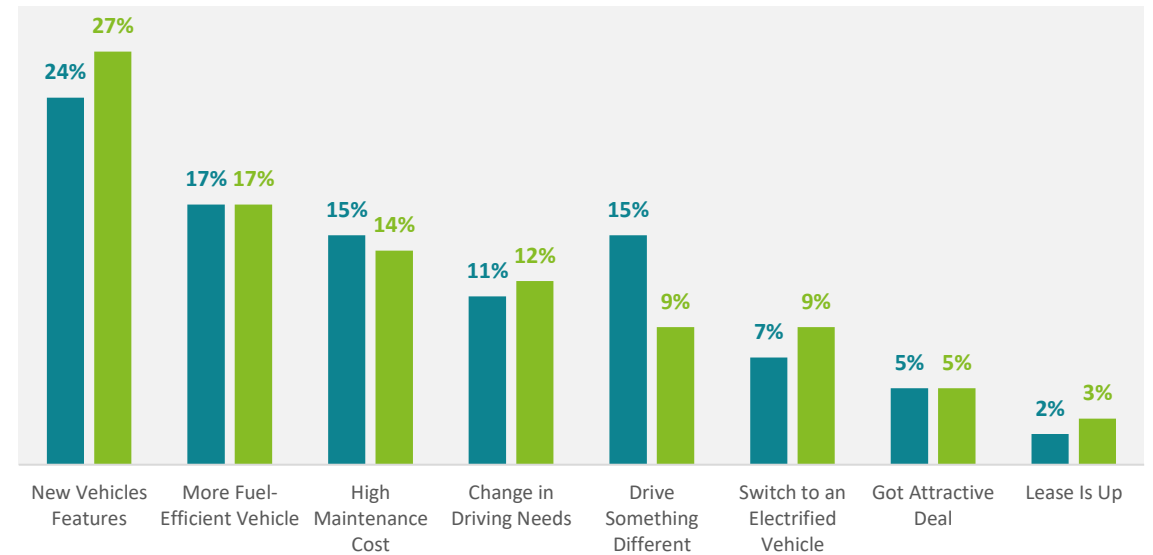
Planning to buy vehicle in next 6 months, reasons for purchasing new vehicle



**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 50% Saudi and 45% Emirati consumers planning to purchase new vehicle)



## Key Takeaways

- Vehicle purchasing intent for **Emirati** consumers has slightly dipped, while it has jumped for **Saudi** consumers compared to last month; however, it is still much higher than the global average which is on a declining trend in last few months.
- Features/specs is the most enticing factor for consumers to buy new vehicle; some are looking to opt for more fuel efficient options. The consumers willing to switch to an electric vehicle is also gaining rapid momentum in the region.



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