



Global State of the Consumer Tracker

Middle East Highlights

January 2023

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

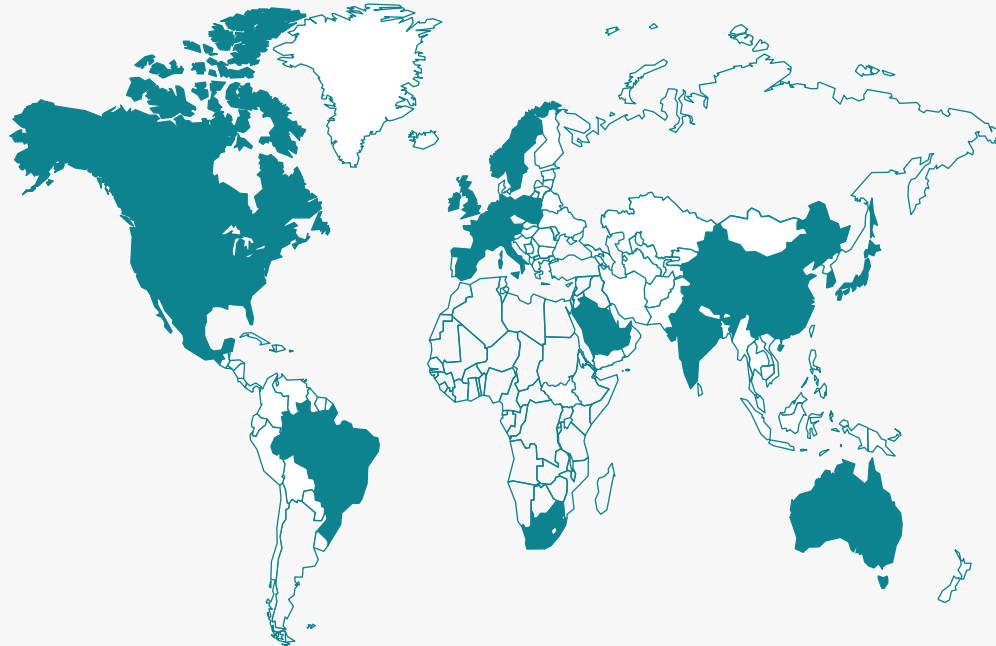
New metrics added

Wave 35 : September 22 – September 28
Wave 36 : October 27 – November 02
Wave 37 : November 24 – November 30
Wave 38 : December 22 – December 28

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 38:

December 22 – December 28, 2022

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- [Exploring 2022's toll on global financial well-being](#)
- [The cost of buying green: Part II](#)
- [When inflation concerns persist for too long](#)
- [Revisiting the great rethink](#)
- [The shape of consumer spending](#)
- [When rising prices break consumers' trust](#)
- [We've had a lot of time to think, and we're thinking a lot about time](#)
- [How remote work is influencing what we buy](#)

Financial well-being and spending confidence stable

At the global level, consumers appear unmoved in recent months. Given ongoing economic headwinds, it might be a case of 'no news is good news.' Signals vary at the country level, however.

Financial well-being in stasis

At the global level, consumer sentiment around present-day finances and their financial future has remained virtually unchanged in recent months. The signal could be interpreted as consumers' resilience considering ongoing headwinds.

Signals of financial stress and inflation's long-term toll remain. Concerns around savings and the percentage of respondents delaying large purchases, among other metrics, remain elevated.

In the Middle East, consumers are doing better on most of the financial matrices compared to three months ago.

Inflation worries persist

Three in four surveyed remain concerned about rising prices at global level—a figure showing little sign of decreasing over the last six months.

Inflation concern remains a country-specific story, reaching as high as 89% of South Africans to as low as 64% of Japanese surveyed. The Middle East has arrested the high inflation primarily on the back of reduction in fuel prices.

Gas price expectations ease, while utilities stall

Sixty-five percent of global respondents expect gas prices to continue rising, down significantly in recent months. While, in the Middle East the average is around sixty-two percent.

Globally, expectations around utility prices, however, are not following suit. The number of respondents expecting utility prices to continue rising now outnumber respondents feeling the same about gas and fuel.

Spending intentions: from free fall to stable

Spending confidence is generally better compared to a few months back. Shaken by strong inflation, discretionary and non-discretionary spending intentions remained in free fall in late summer 2022.

But spending intentions have largely stabilized since, even recovering slightly since October.

Saving intentions have been slowly but consistently rising in recent months. Emerging from the holiday season, many may likely be prioritizing saving over discretionary spending.

Leisure travel remains a bright spot

Leisure travel remains the only category with stronger spending intentions year-on-year globally. Booking intentions for major segments like hotels and domestic/international flights are higher year over year. The global travel sector continues to benefit from a prolonged post-pandemic recovery.

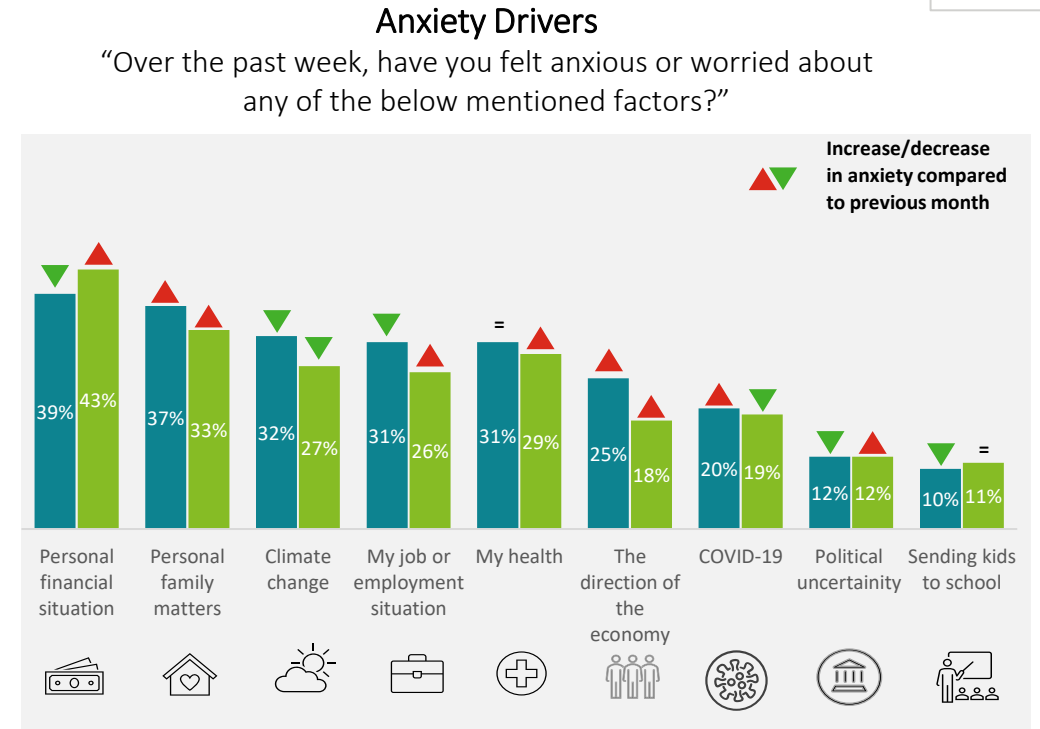
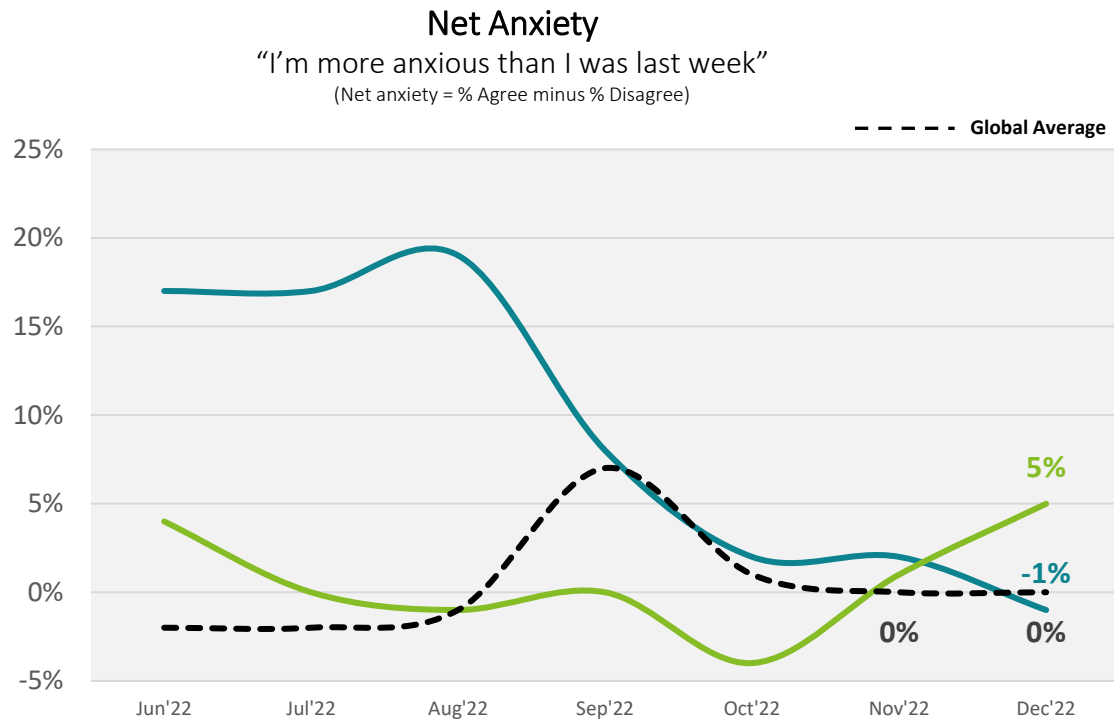
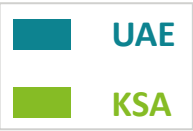
In the Middle East, the leisure travel intention varies for UAE and Saudi Arabia owing to dissimilar demography of the countries (UAE has higher proportion of expats, while Saudi Arabia is dominated by locals).

Vehicle purchase intent weakens

Globally, the vehicle purchase intent has weakened over the period of six-months. In the Middle East, the intents is roughly at same level where it was in June 2022 witnessing crests and troughs.

Level of Anxiety

Net anxiety and anxiety drivers



Key Takeaways

- **Saudi Arabian** consumers felt more anxious than they ever did since June 2022. Personal financial situation, personal family matters, health, job situation all had adverse effect on Saudi consumers’ anxiety level.
- The consumers from **UAE** are showing an opposite trend and for the first time since the beginning of the survey, the number of consumers feeling less anxious have outnumbered those feeling more anxious in the emirates.
- The proportion of consumers feeling anxious because of the climate change has declined compared to the previous month, pleasant winter season could be the reason behind the drop.

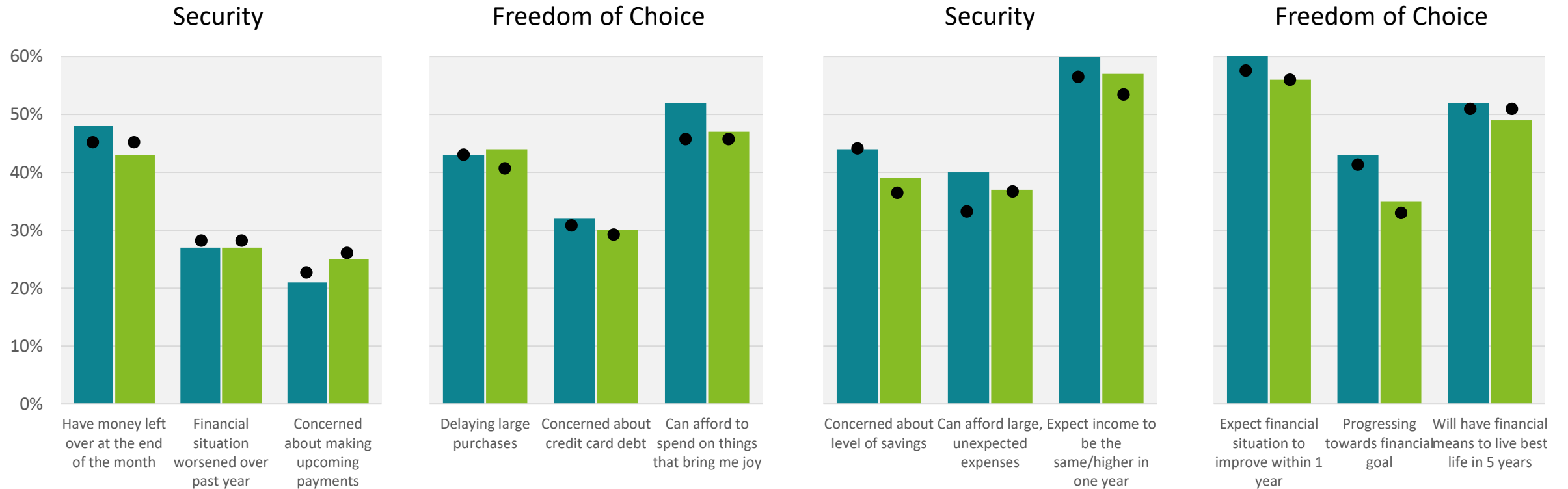
Financial Wellbeing

% of respondents



Present

Future

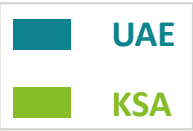


Key Takeaways

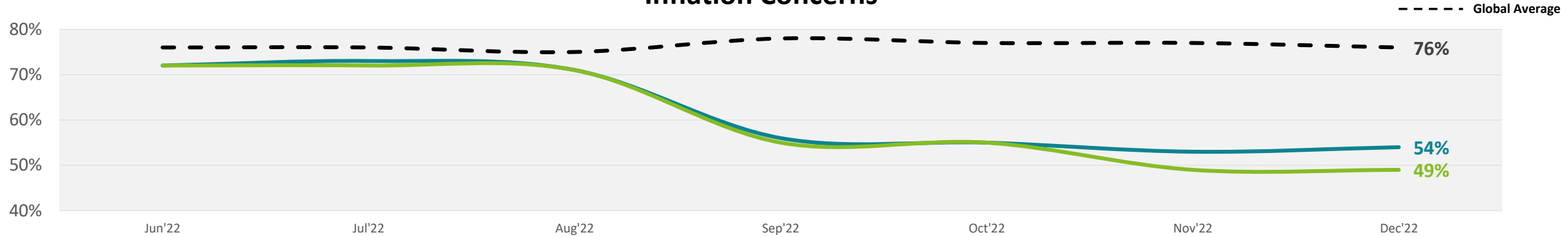
- **Present Security:** The proportion of consumers voicing that they don't have money left over at the end of the month is increasing in **Saudi Arabia**.
- **Present Freedom of Choice:** The affordability in terms of making joy-related purchases has increased in the region compared to what it was in the month of September.
- **Future Security:** Nearly 4 in 10 are concerned about their present level of savings.
- **Future Freedom of Choice:** More number of **UAE** consumers feel that they are progressing towards their financial goals than **Saudi Arabian** consumers.

Inflation Concerns and Price Perceptions

% concerned about rising prices for everyday purchases AND % that expect higher prices next month

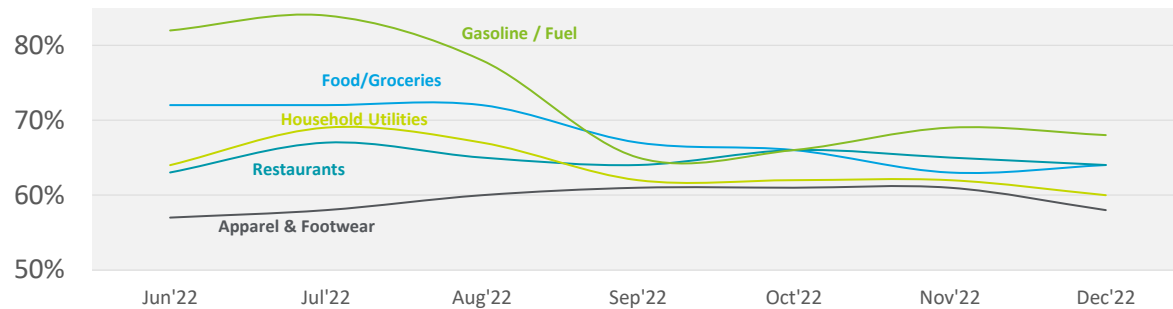


Inflation Concerns

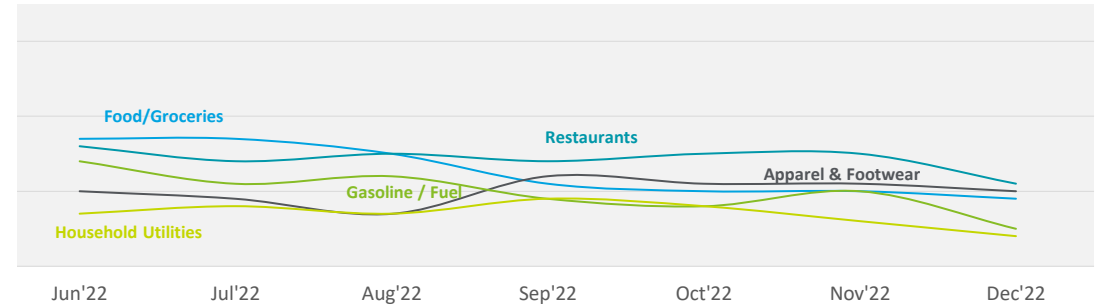


Price Perceptions

% UAE respondents who expect higher prices next month



% KSA respondents who expect higher prices next month

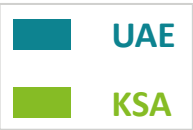


Key Takeaways

- Concern for inflation in the Middle Eastern countries is on a continuous declining trend, substantially lower than the global average. In fact, **Saudi Arabia** ranks 2nd across 24 countries in our global study when arranged from those least concerned to most concerned about inflation.
- Prices for food/groceries and gasoline/fuel has declined compared to where they were six months ago in both **UAE** and **KSA**.

Share of Wallet

Spending intentions, next 4 weeks

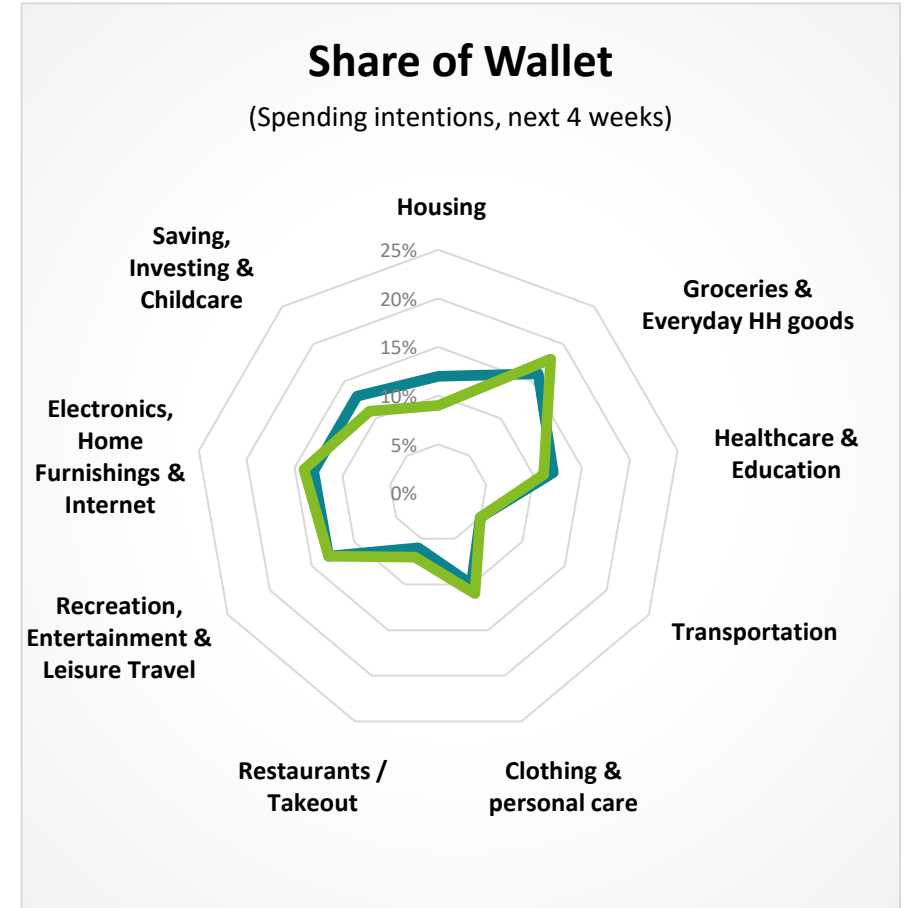


Less Discretionary

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

More Discretionary

	UAE		KSA	
	Vs Prior Wave	Vs June 2022	Vs Prior Wave	Vs June 2022
Rec / Entertainment & Leisure travel	-1	=	-2	-2
Restaurants	=	=	=	=
Electronics & home furnishing	=	=	=	=

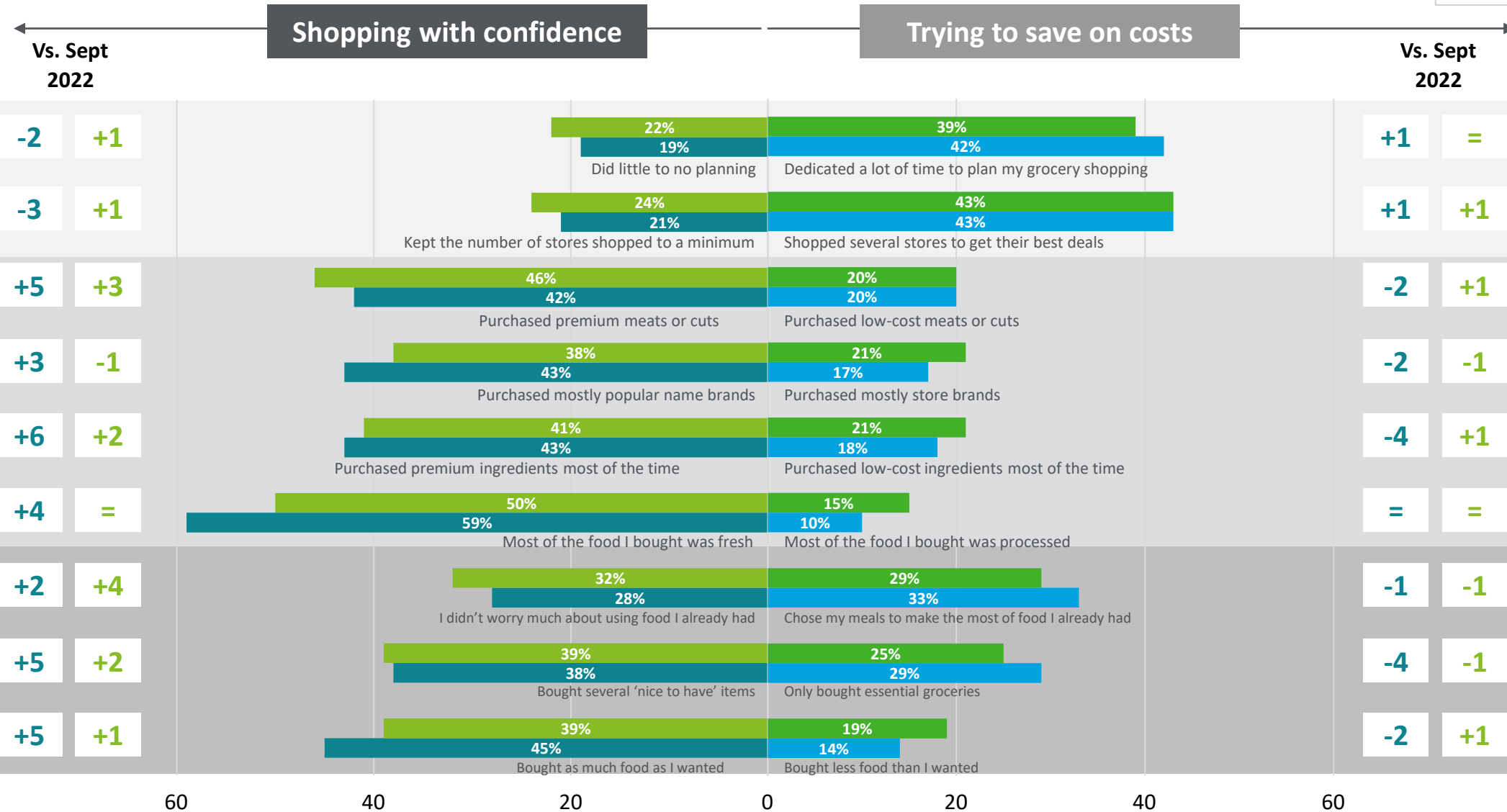


Key Takeaways

- Consumers in the middle eastern countries are intending to increase their spending intentions on groceries, household goods, clothing and personal care in the next 4 weeks.
- Also, as the holiday and festive period is over, consumers intention to spend on recreation, entertainment and leisure travel has declined.

Impact of rising prices on shopping behavior

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

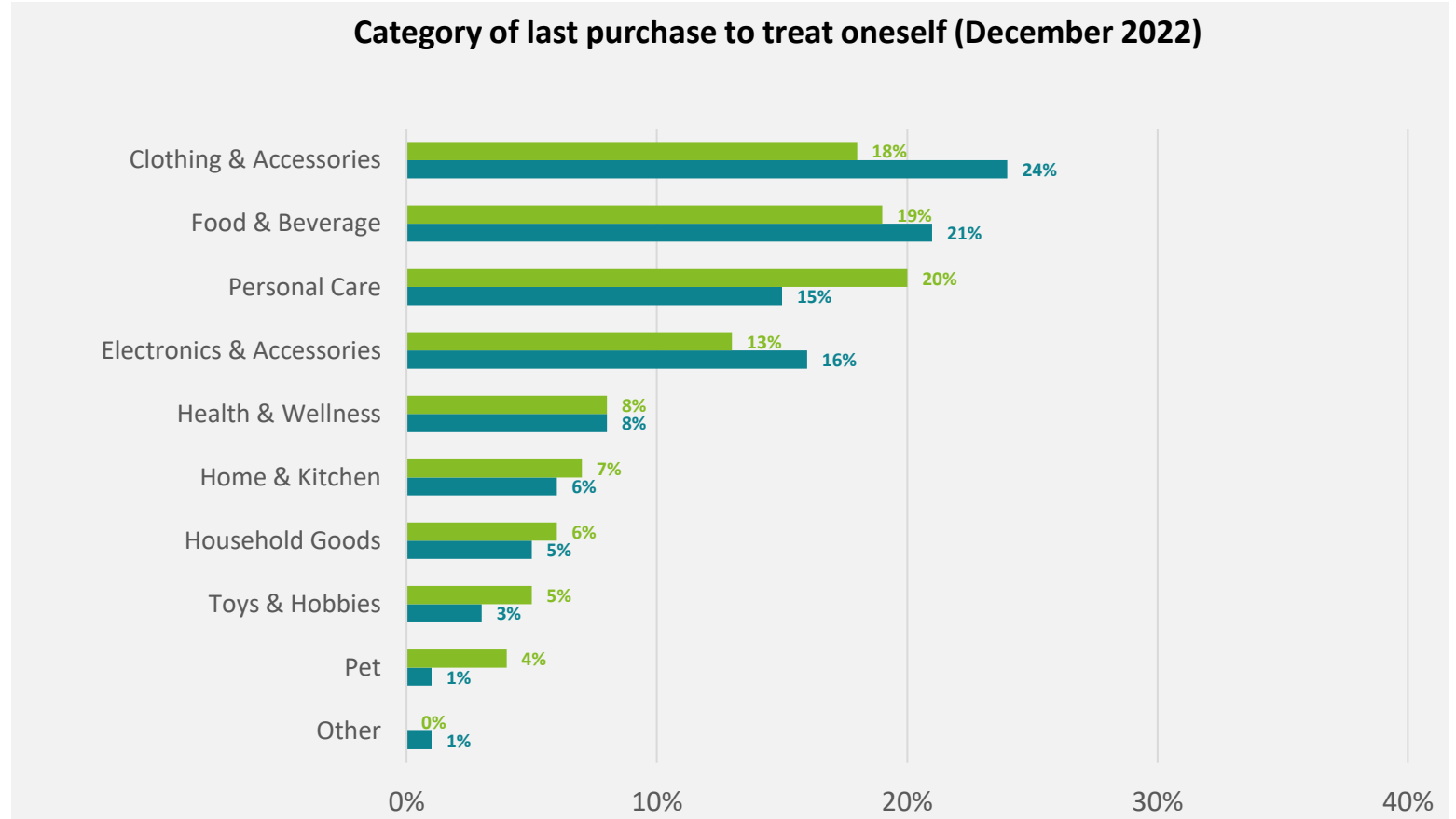
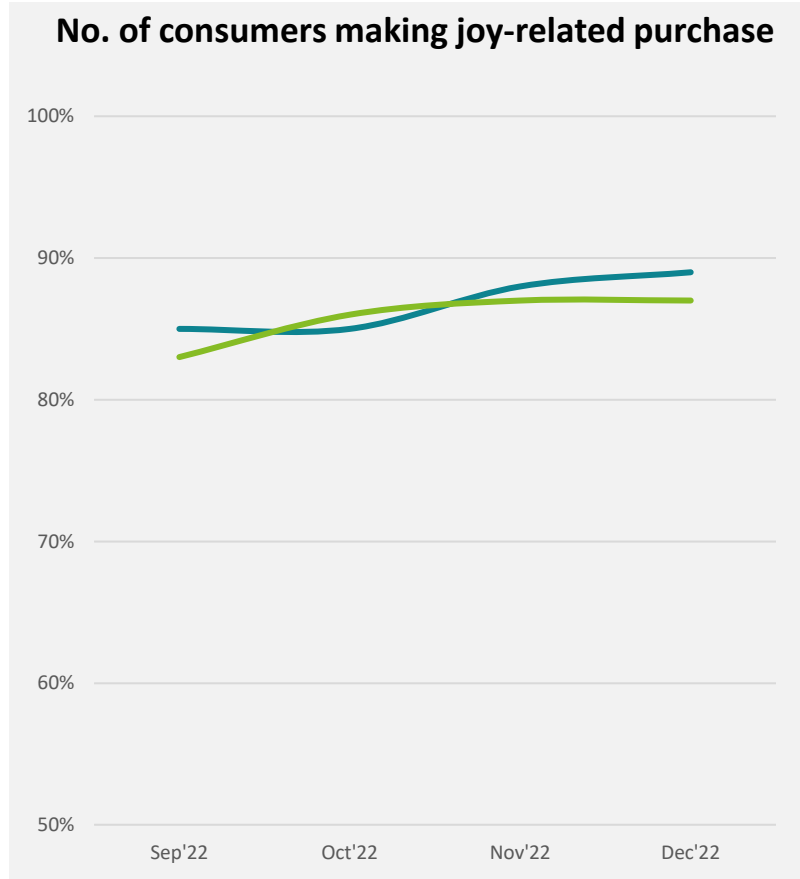
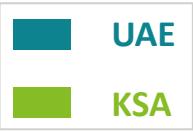


Key Takeaways

- Both UAE and Saudi consumers are willing to put more time and effort in their grocery shopping in order to save on their budget.
- Both UAE and Saudi consumers do not want to make trade-offs in terms of quality of ingredients.
- Middle Eastern consumers exhibit behaviors of a responsible shopper by minimizing the grocery wastage.

Spending on joy

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



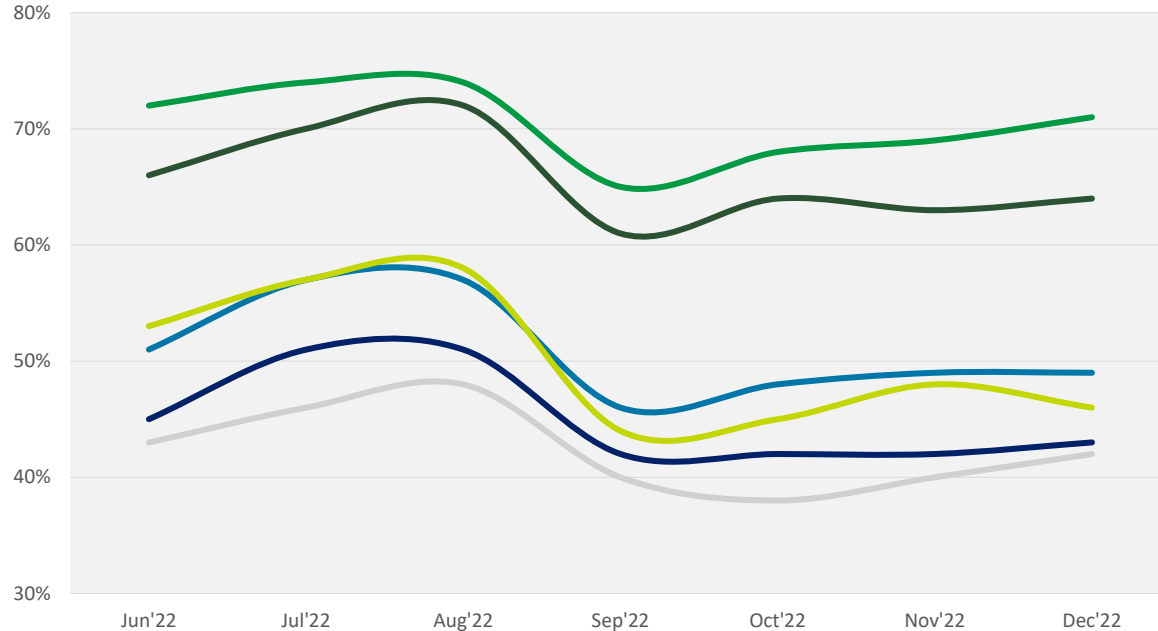
Key Takeaways

- Despite signs of financial stress, most are finding ways to treat themselves to a little joy. Nearly 9 in 10 made at least one 'joy-related' purchase, exhibiting gradual increment over the past few months.
- Clothing & Accessories was the most favourite category for consumers in the UAE, while Saudi Arabian consumers indulged on personal care products.

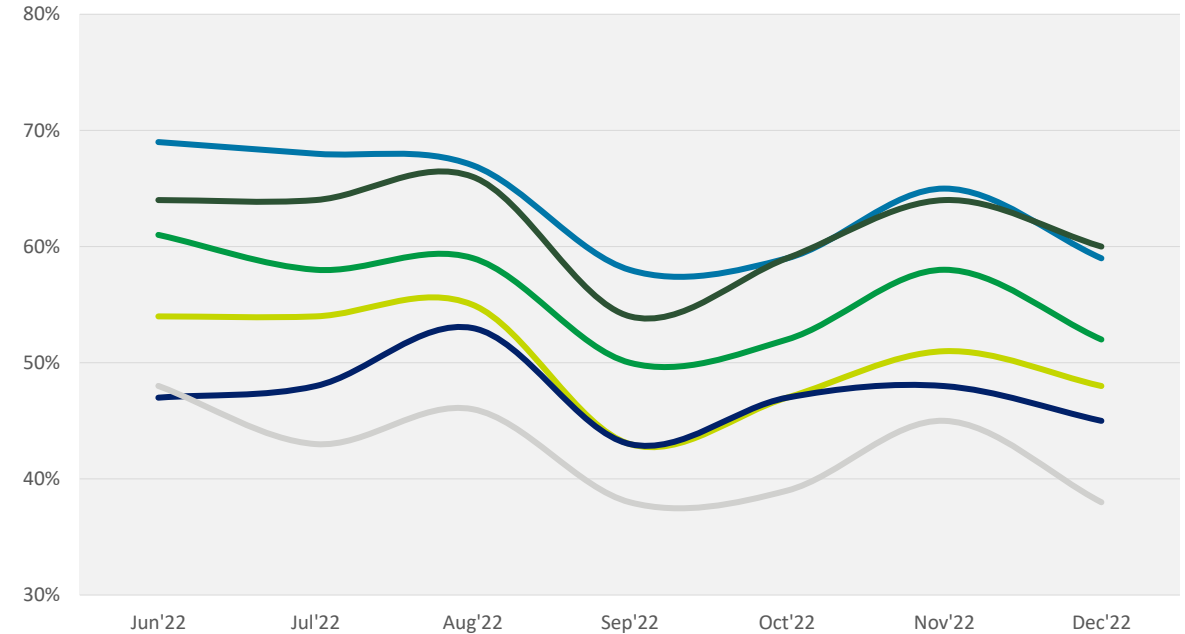
Leisure travel intentions

% that plan to book within the next 3 months

UAE



KSA



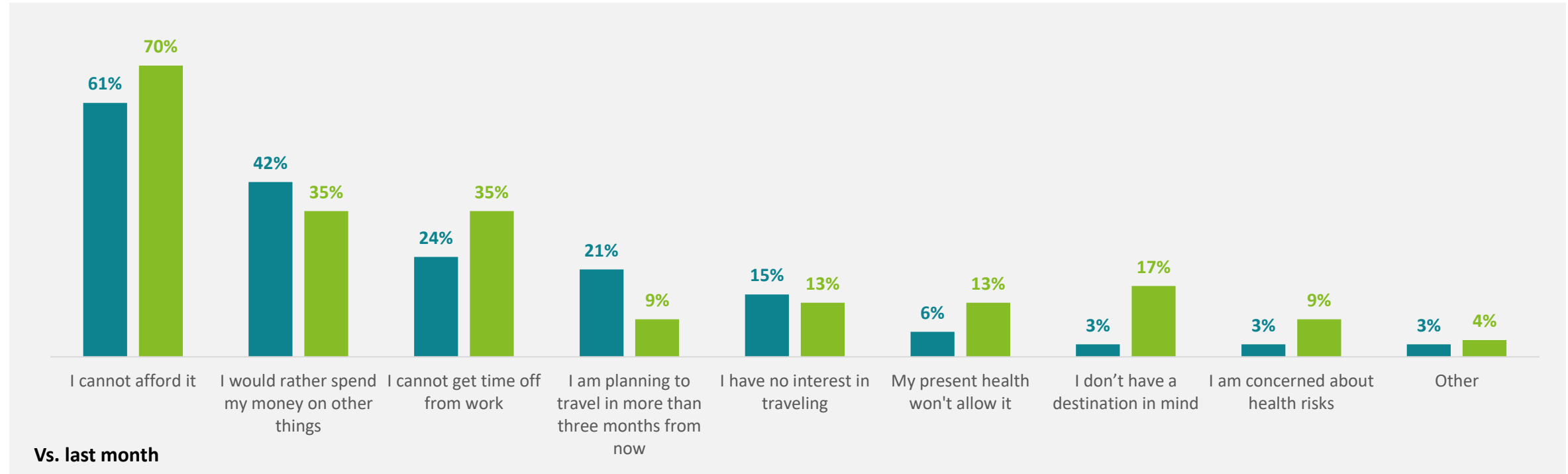
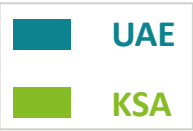
Domestic Flight International Flight Hotel Private Accommodation Car Rental Cruise

Key Takeaways

- As the holiday season passed by, the leisure travel intentions among **Saudi** consumers ebbed away exhibiting a cyclical pattern. Among **UAE** consumers, the leisure travel intention is still holding up for most of the categories.
- Flight booking intentions among **Saudi** consumers witnessed a sharp decline compared to last month. The delta between those planning to book domestic flight vis-à-vis international flight has remained constant in last six month with **Emirati** consumers preferring international destinations while **Saudis** preferring domestic ones.

Reasons for not travelling

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



Vs. last month

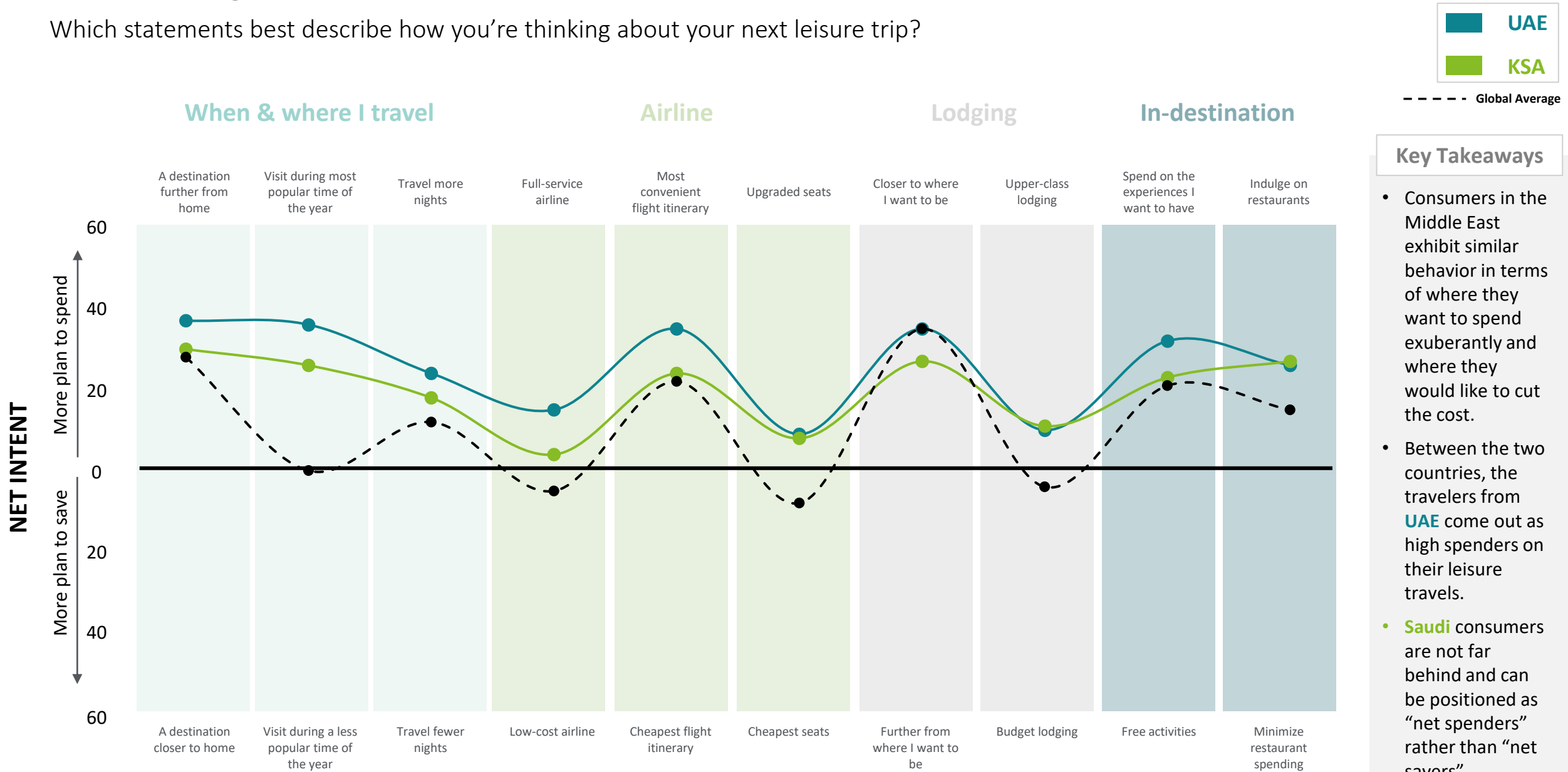
UAE	-15	+16	-2	+6	+12	=	-3	=	+3
KSA	+17	+10	+7	+3	=	+10	+4	+3	-5

Key Takeaways

- In **UAE** and **KSA**, affordability comes out as the biggest hinderance to consumer's ability to travel and it has significantly increased this month compared to the last among **Saudi** consumers.
- 4 in 10 Middle Eastern consumers who are not intending to travel have stated unwillingness as their reason, up from 3 in 10 consumers in the last month.

Travel Planning (Net intent)

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

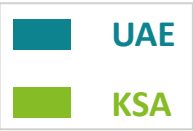


Key Takeaways

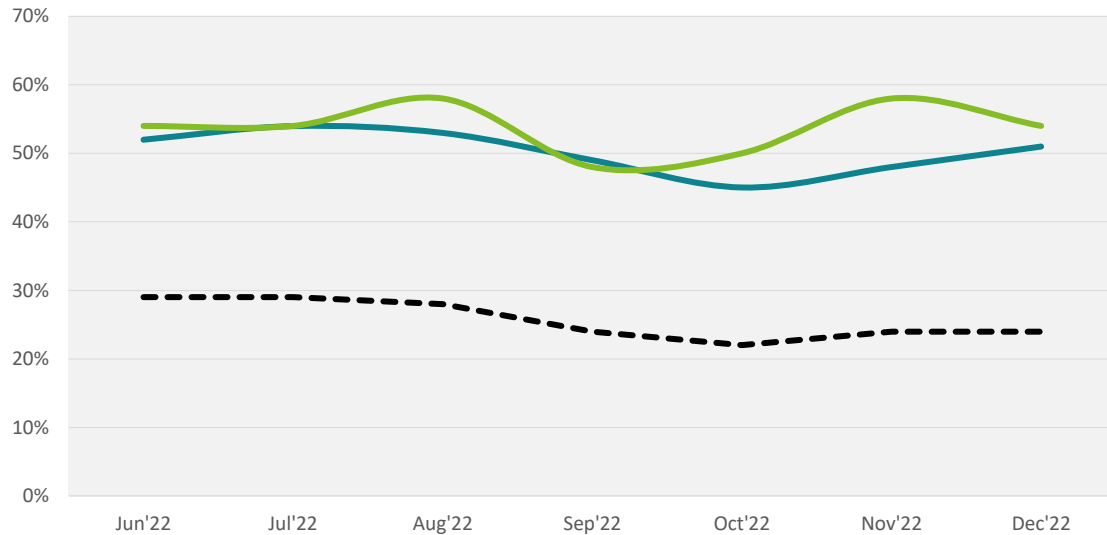
- Consumers in the Middle East exhibit similar behavior in terms of where they want to spend exuberantly and where they would like to cut the cost.
- Between the two countries, the travelers from UAE come out as high spenders on their leisure travels.
- Saudi consumers are not far behind and can be positioned as “net spenders” rather than “net savers”.

Vehicle Purchasing Intent

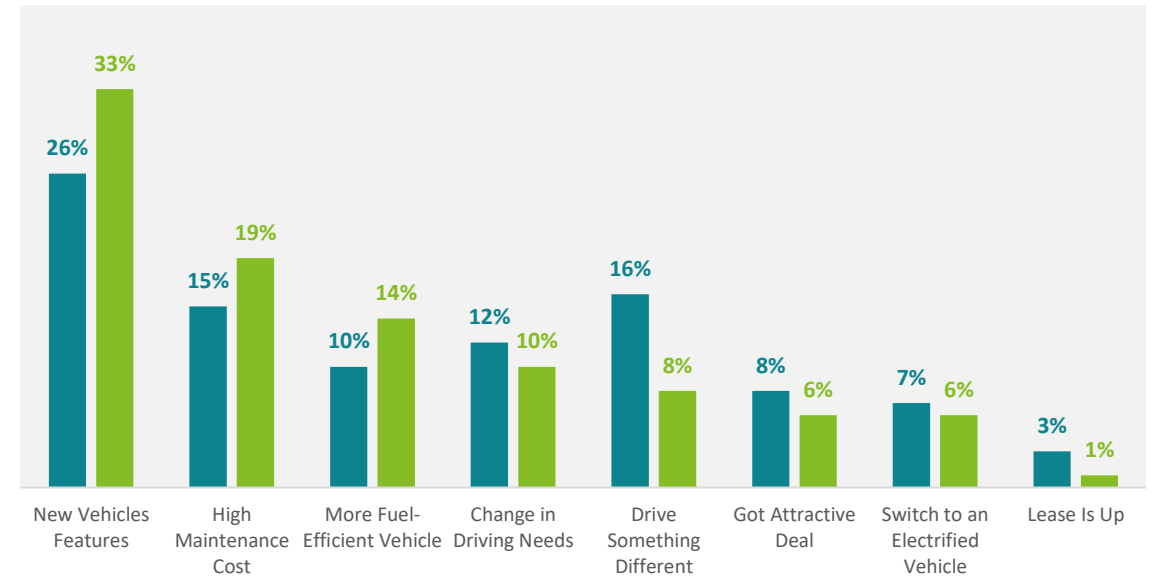
Planning to buy vehicle in next 6 months, reasons for purchasing new vehicle



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 54% Saudi and 51% Emirati consumers planning to purchase new vehicle)

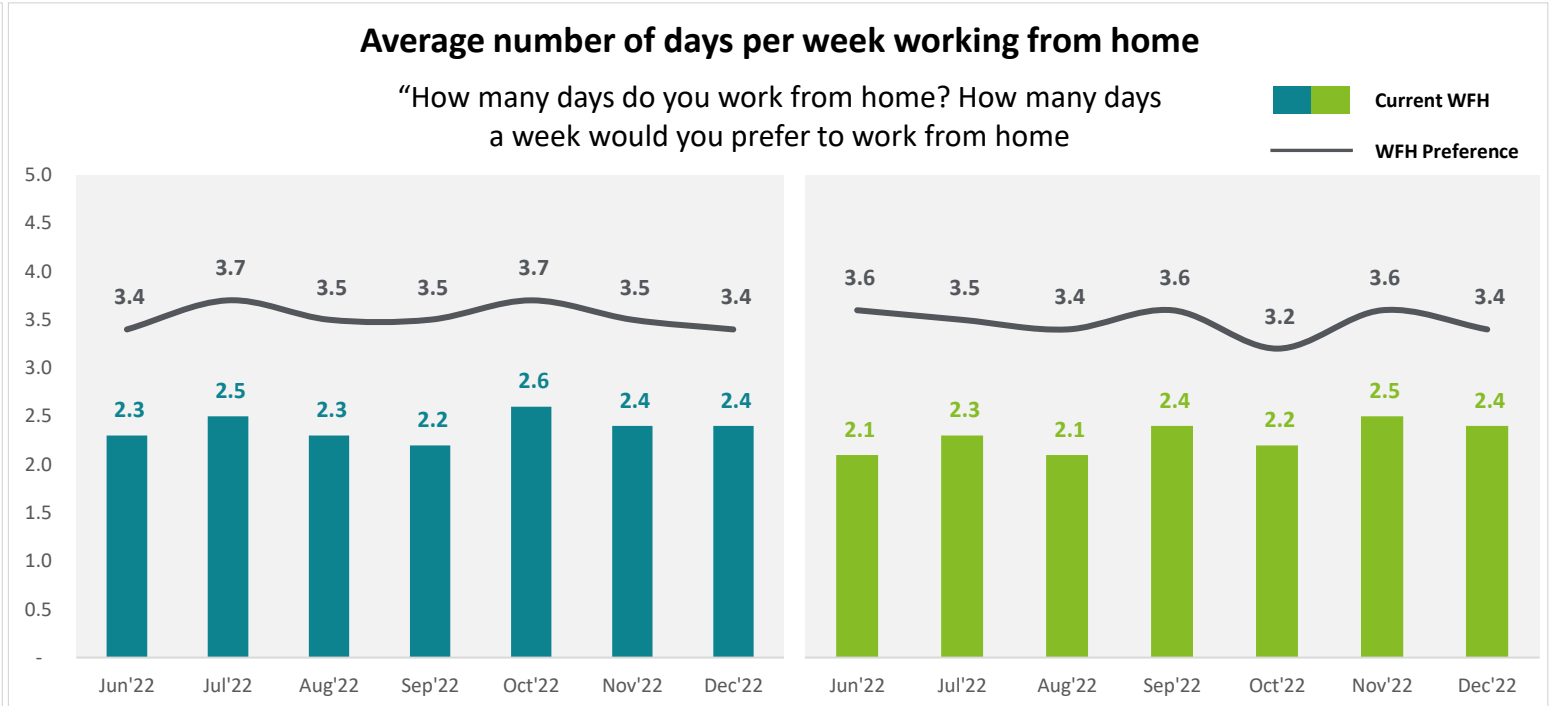
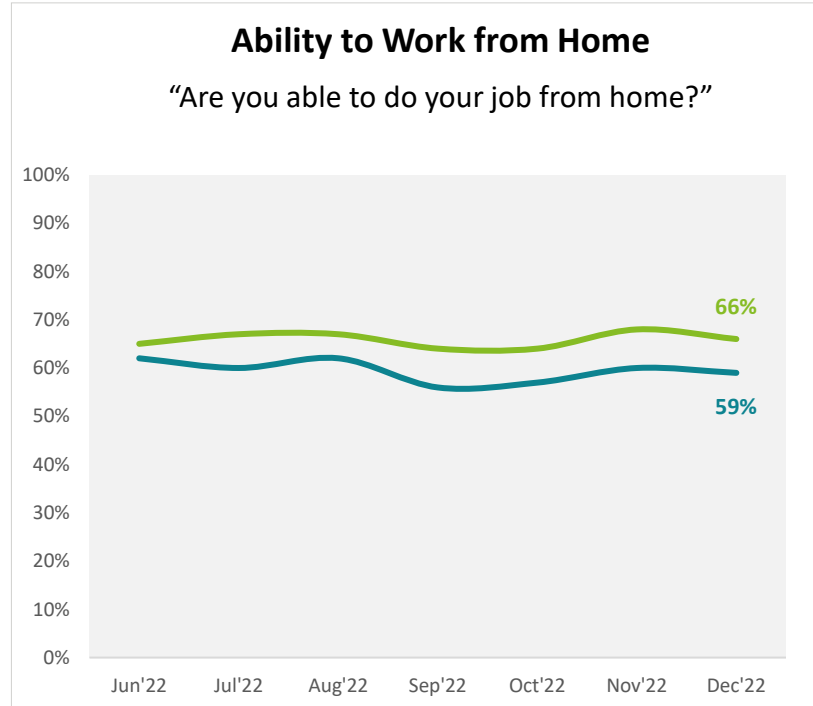
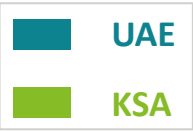


Key Takeaways

- Vehicle purchasing intent (VPI) increased over the last month in the **UAE**, while it has dropped in **Saudi Arabia**. The global average intent has remained at the same level, a bit lower than where it was six months ago.
- Analysing the data from June 2022, it is evident that at any moment 5 in 10 Middle Eastern consumers are planning to buy a vehicle in next 6 months, which is substantially higher than the global average which hovers between 2 to 3 consumers out of 10.
- Features/specs continues to be the most enticing factor for consumers in the Middle East to buy new vehicle. High maintenance cost of existing vehicle and wanting more fuel-efficiency are the other two reasons for purchasing new vehicle among **Saudi** consumers. While, **Emirati** consumers are planning to purchase vehicle in order to drive something different and to get rid of high maintenance cost of their existing vehicle.

Work from Home situation

Among respondents able to do their job from home



Key Takeaways

- Middle East has adopted the hybrid work pattern very efficiently. Since June 2022, nearly 3/5th of the survey respondents indicated that their job can be seamlessly done from the home.
- For those who are able to do their job from home, the number of days in a week that they work from home hovers between 2.1 to 2.6 days and is fairly consistent across the UAE and KSA and is also in line with the global average which is around 2.5 days.
- In terms of employee preference on the number of days that they want to work from home, it floats between 3.2 to 3.7 days in UAE and KSA. This is about a day more than what their employer is promising them.



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