



## Deloitte State of the Consumer Tracker

Middle East Highlights

December 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

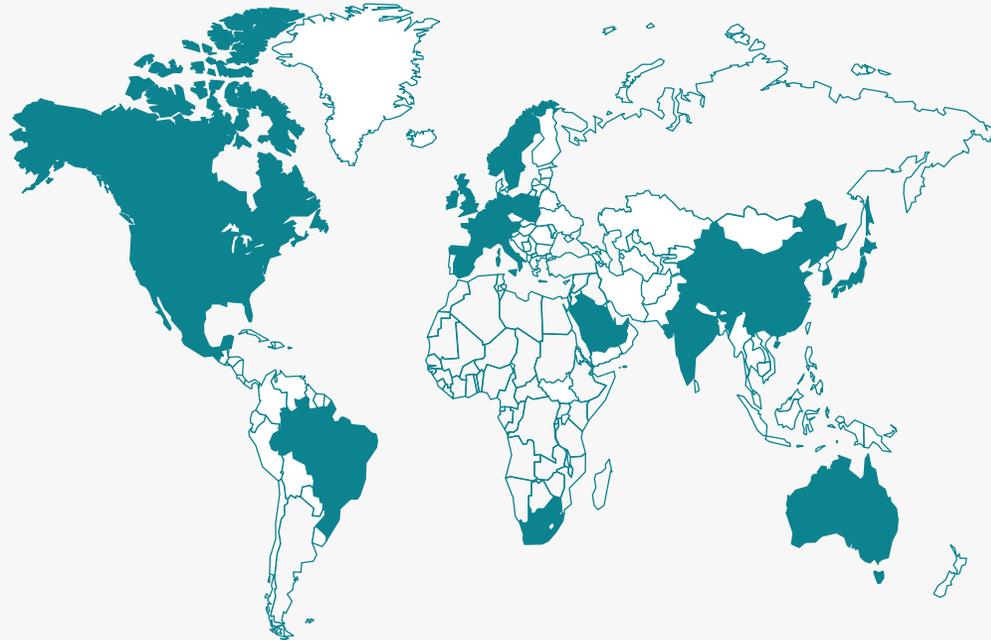
### New metrics added

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

## 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 37: November 24–  
November 30, 2022

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



### Financial wellbeing sentiment withstands persisting inflation pressure, middle east is ahead of the curve

Financial wellbeing sentiment has remained highly consistent over the past three months. Globally, 8 in 10 remained concerned about rising prices; in the middle-east this proportion is down to 5 in 10.

The percentage of respondents voicing concerns about making upcoming payments, level of savings, and other aspects of day-to-day finances have remained identical to September as a global average; while in the middle-east the situation is on an improving trends.

This sentiment could be interpreted as resilience and growth despite headwinds.

### Vehicle purchase intentions rebound

Global Vehicle Purchase Index (VPI) grew this month compared to the last. Two of the middle-eastern countries under study i.e. KSA and UAE are the growth engines as they are ranked 2<sup>nd</sup> and 3<sup>rd</sup> respectively across 24 countries.

### Leisure travel intentions level off

Leisure travel intentions finally leveled off in November following drops in recent months. In the middle-east, the intention is still lower than what it was 6 months ago. However, improvement over the last month would definitely give confidence to transportation and hospitality sector as they look forward to busy festive season.

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

Most of the global consumers are engaging in cost-saving behaviors to mitigate the pressure from rising prices. The trend is somewhat opposite in the middle-east as the inflationary pressure is relatively less in the region.

As a result, we see higher number of consumers shopping with confidence and not opting for trade-offs and saving costs. However, compared to September, a greater number of middle-eastern consumers are putting time & effort to plan their purchases.

### Spending intentions see improvement

Alongside some improved economic optimism, spending intentions increased in November.

Spending intentions improved across discretionary and non-discretionary spending. Still, they were most robust on the more discretionary side, with recreation & entertainment, leisure travel, restaurants, and other categories all seeing similar gains.

# Level of Anxiety

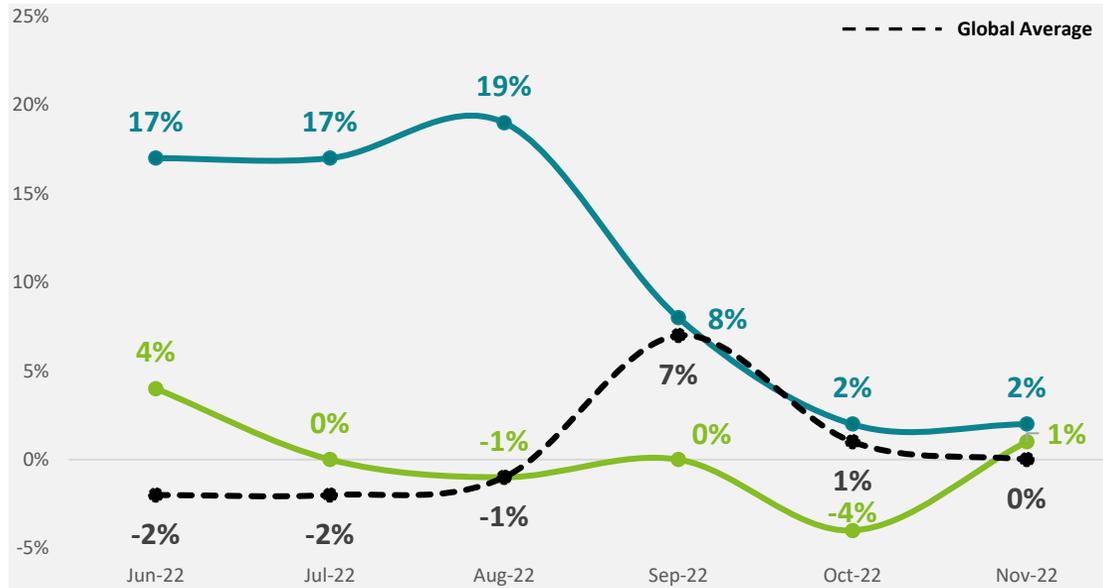
## Net anxiety and anxiety drivers



### Net Anxiety

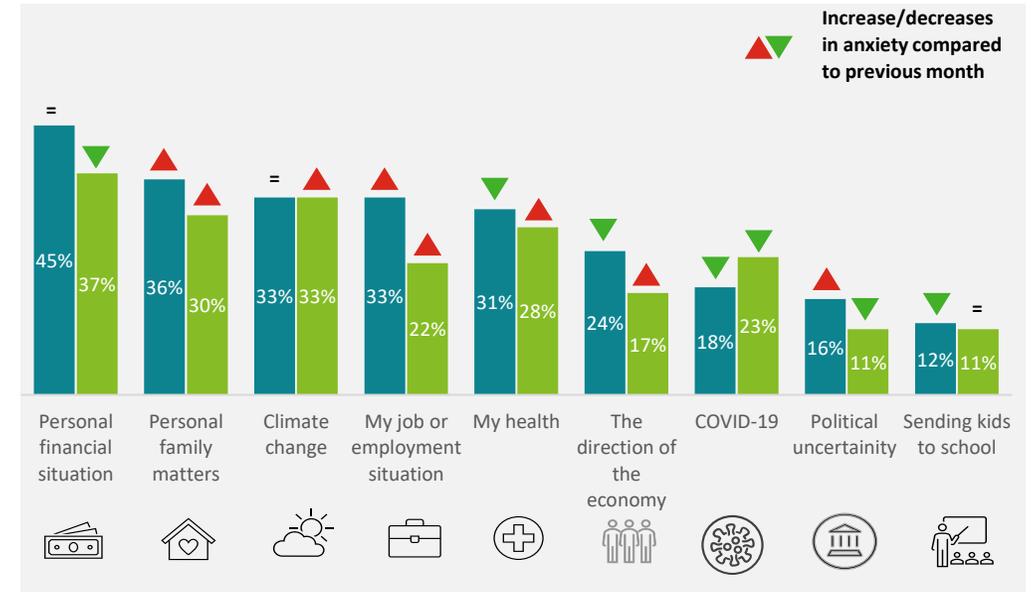
“I’m more anxious than I was last week”

(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

- **Saudi Arabian** consumers felt more anxious than what they did in the previous month, led by the increase in anxiety about personal family matters and the climate change. **Emirati** consumer’s net anxiety remained at the same level as that of previous month and slightly above the global average.
- A third of the consumers in both the middle eastern countries under study i.e. **Saudi Arabia** and **UAE** felt anxious because of the climate change and its impact on them.

# Financial Wellbeing

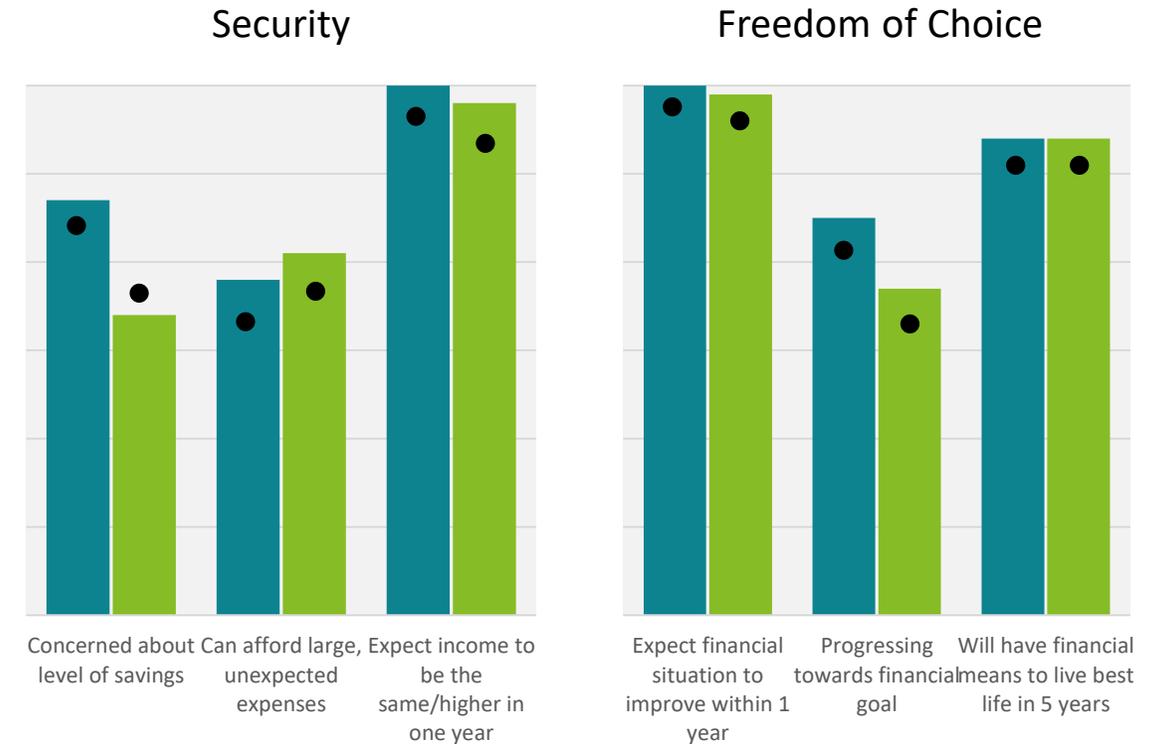
% of respondents



## Present



## Future



### Key Takeaways

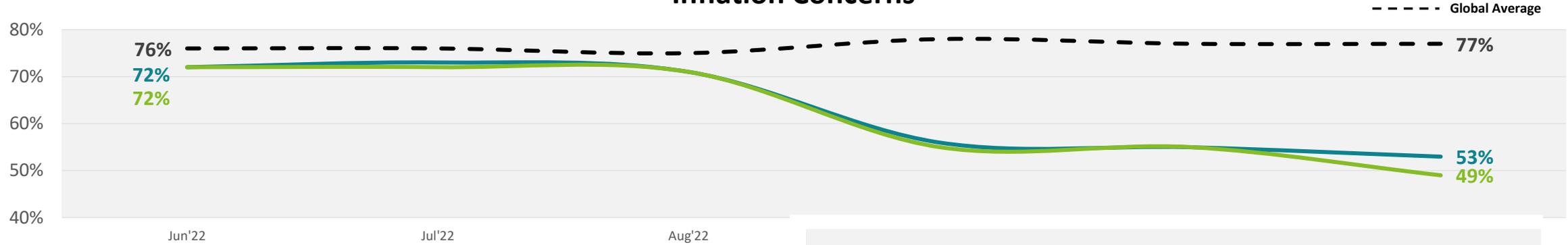
- **Present Security:** Most of the consumers seemed to be comfortable with their current financial situation, better than where they were couple of months back.
- **Present Freedom of Choice:** More than half feel that they can afford to spend on things that brings them joy, relative improvement compared to September 2022 data.
- **Future Security:** Nearly 4 in 10 feel they are well prepared to absorb future financial shock.
- **Future Freedom of Choice:** Middle eastern consumer's optimism about future financial situation is continuously improving.

# Inflation Concerns and Price Perceptions

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

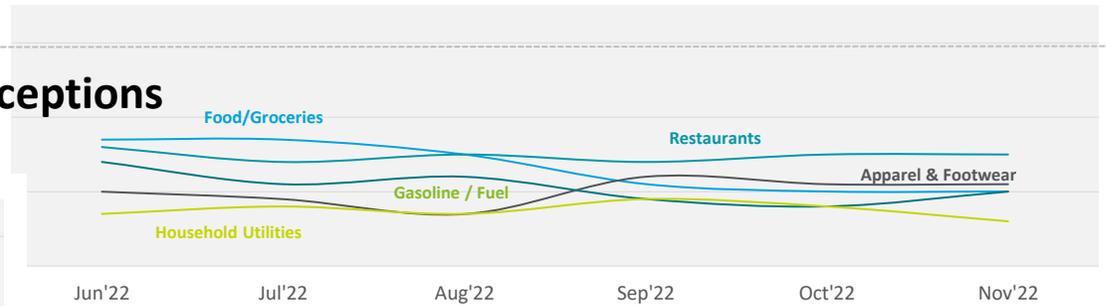
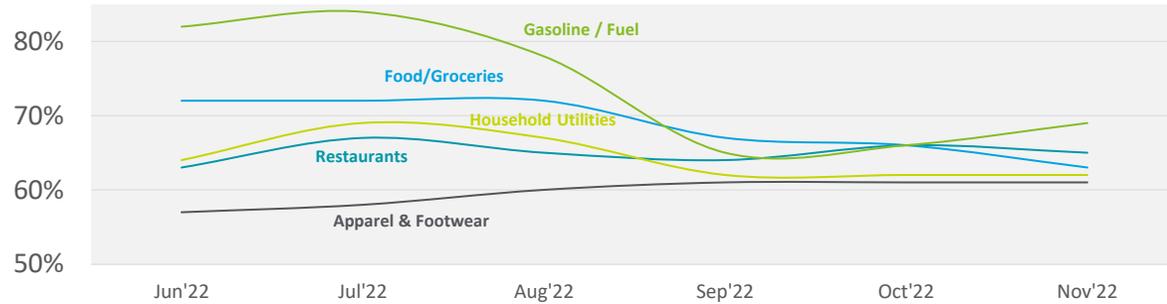


## Inflation Concerns



## Price Perceptions

% UAE respondents who expect higher prices next month



### Key Takeaways

- Concern for inflation in the middle eastern countries is on a continuous declining trend, substantially lower than the global average.
- In both UAE and KSA, expectations that the prices for everyday goods will increase has either remained same or declined for most of the categories. Fuel prices is the only exception as consumers in both the countries expect the prices of gasoline/fuel to go up in the next month.

# Share of Wallet

Spending intentions, next 4 weeks

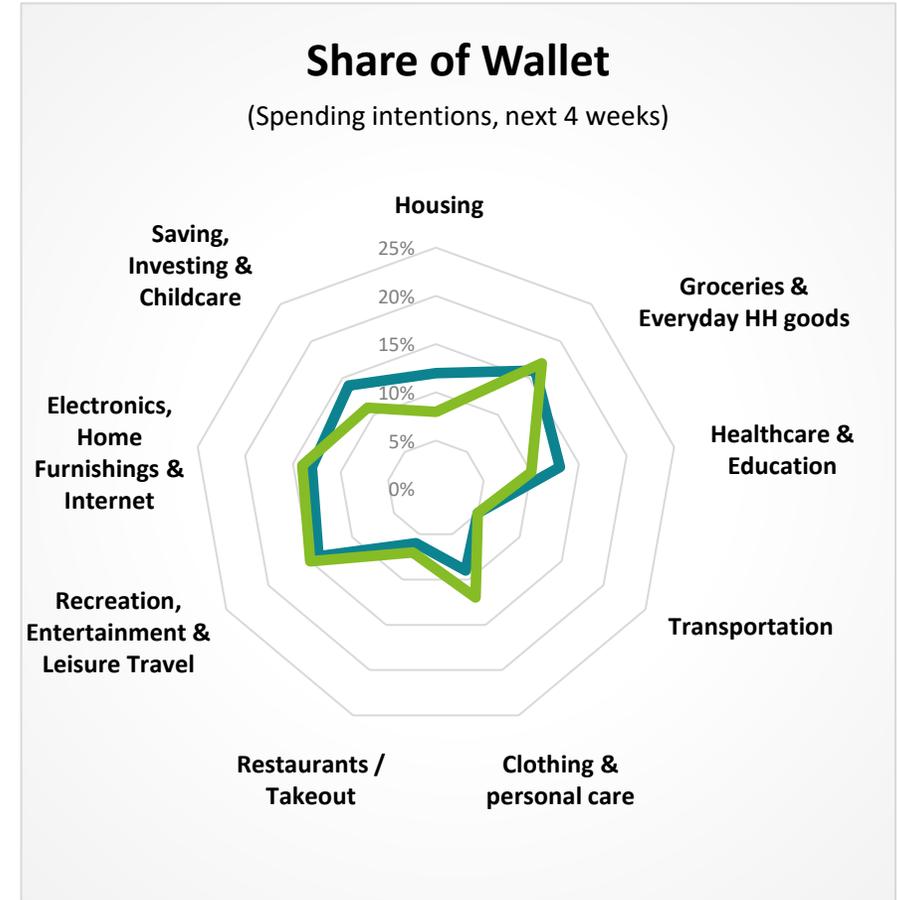


## Less Discretionary

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

## More Discretionary

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

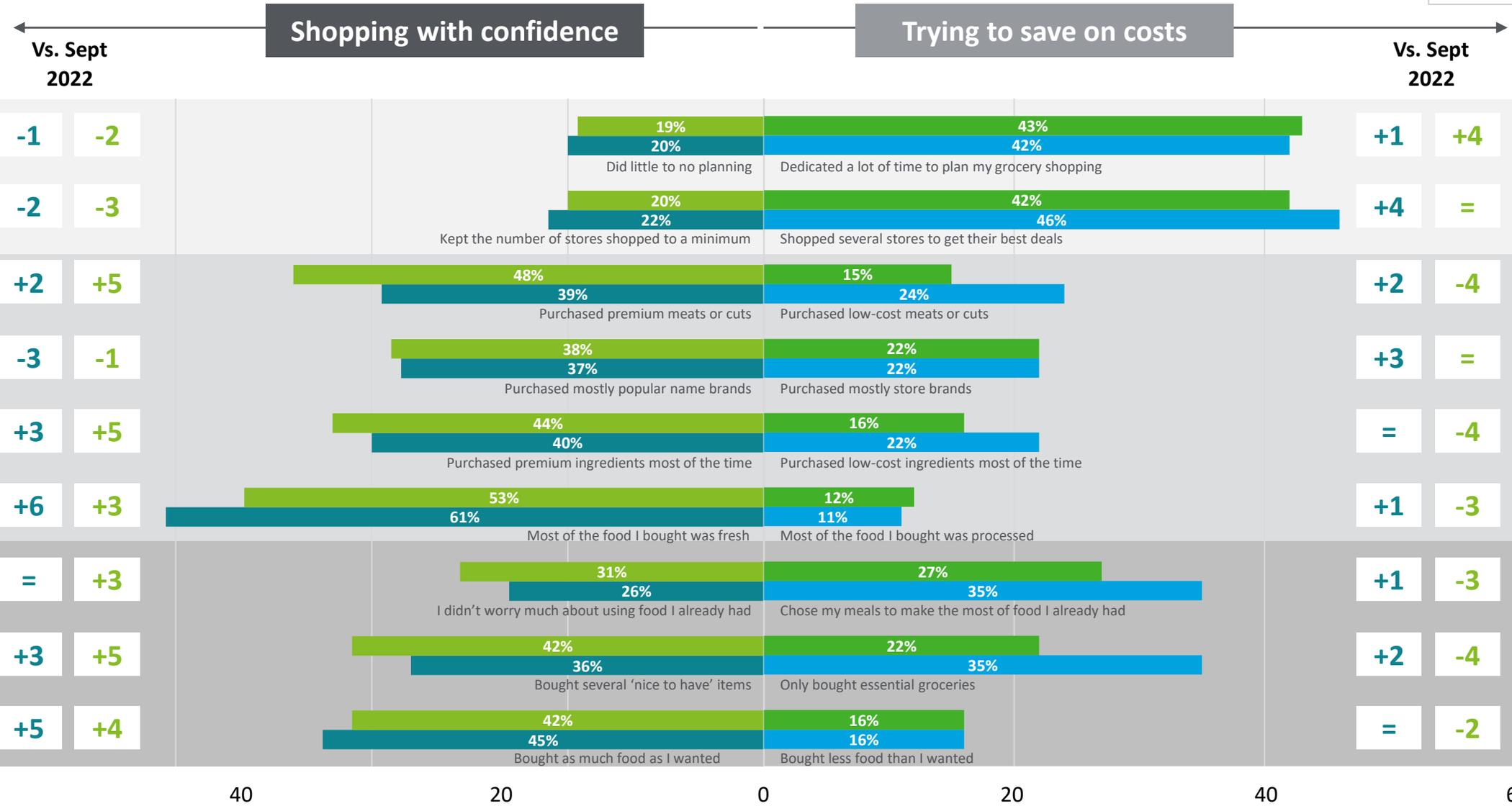


### Key Takeaways

- Intention to spend on housing (rent, etc.) items is generally more amongst Emirati consumers and is expected to marginally decline. Among the 2 countries, Saudi consumers seem to spend more on more discretionary items.
- Saudi Arabian consumers have shown greater intent to spend on clothing and personal care items this month compared to the last, possibly due to upcoming holiday season.

# Impact of rising prices on shopping behavior

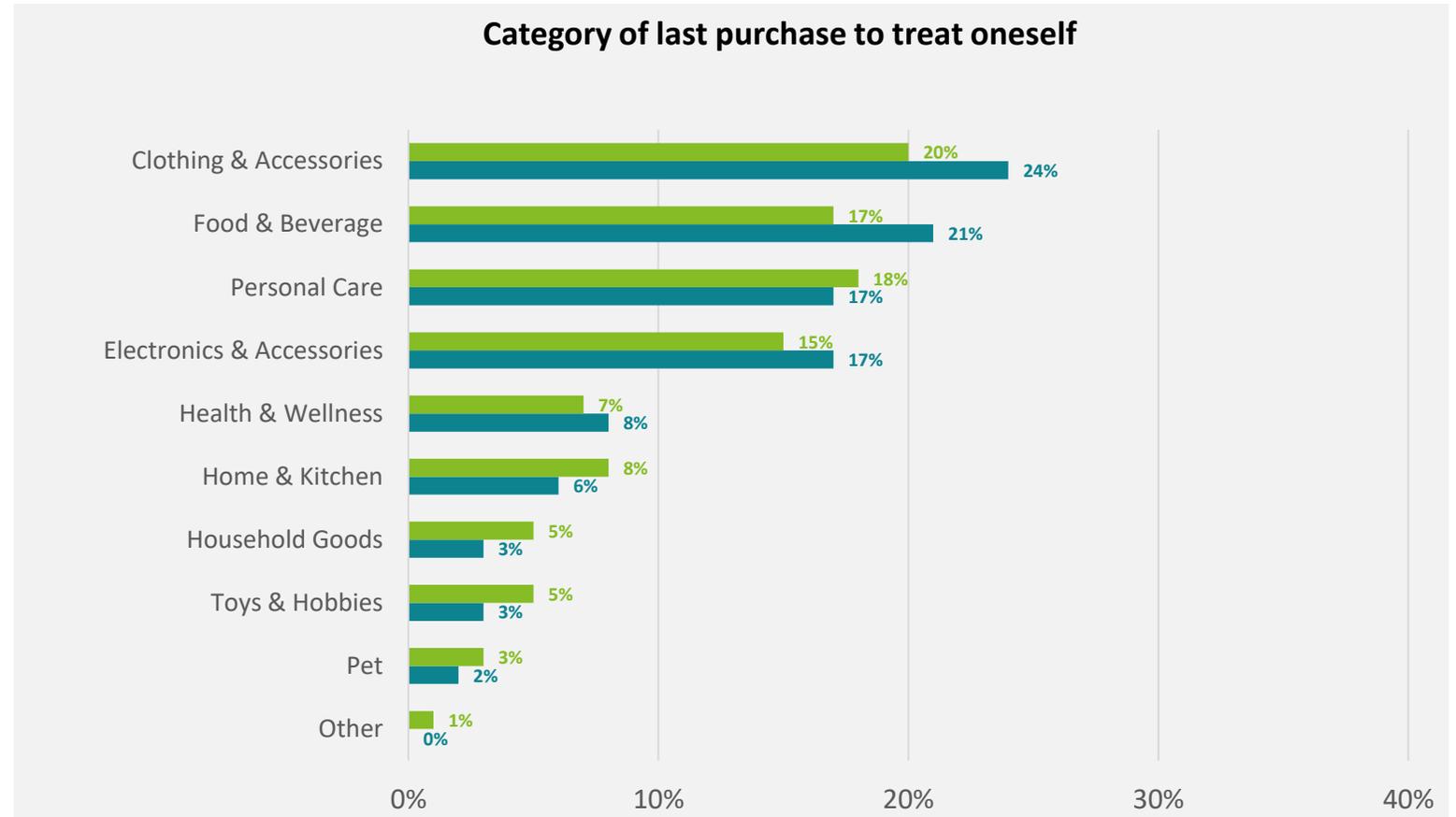
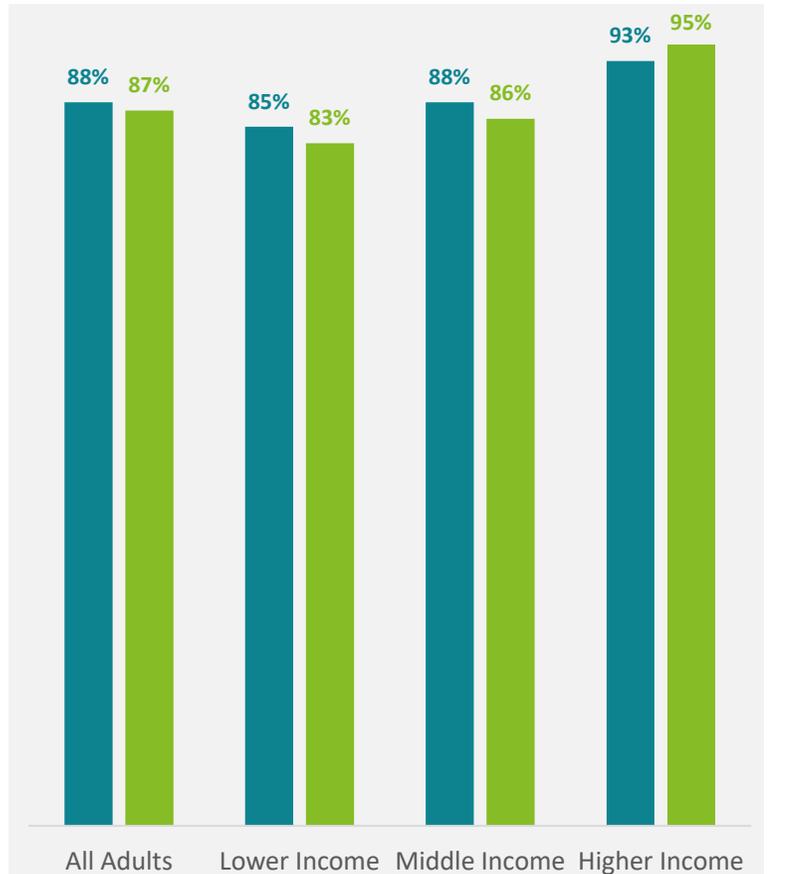
% who did each activity while shopping for groceries in the past 4 weeks



- ### Key Takeaways
- UAE consumers came out as more price conscious lot compared to Saudi consumers.
  - The consumers seemed to be dedicating more time & effort to plan their purchases.
  - Both UAE and Saudi consumers do not want to make trade-offs in terms of quality of ingredients.

# Spending on joy

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



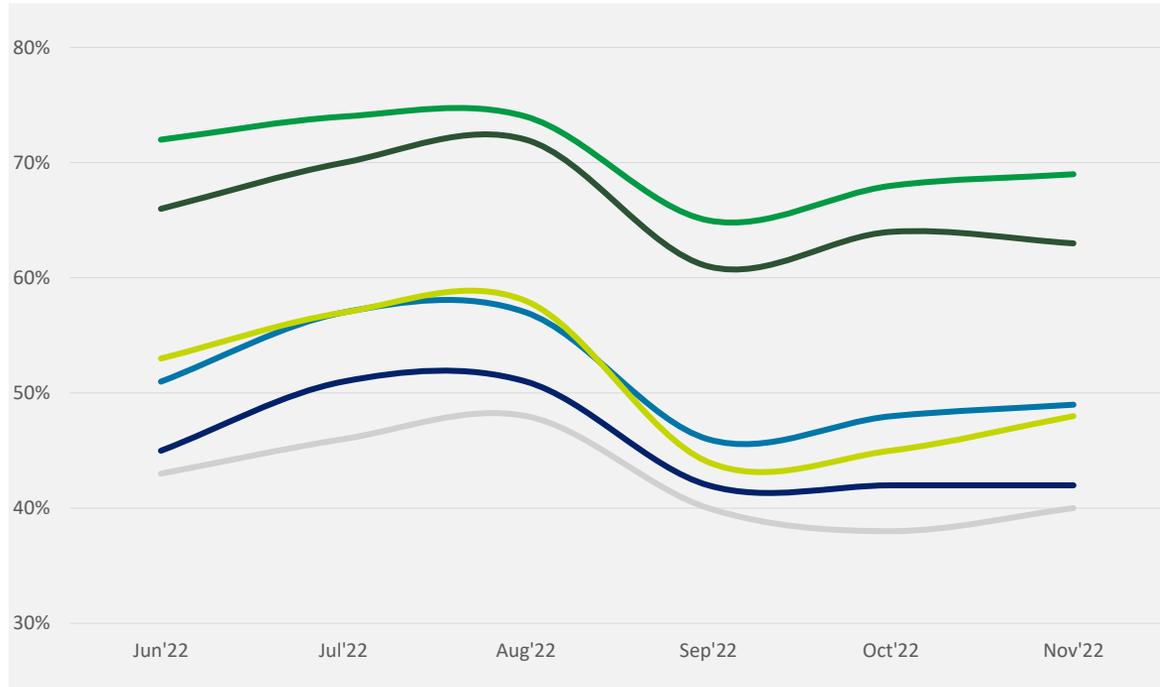
## Key Takeaways

- 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 in the past month, more or less consistent across all the income levels.
- Clothing & Accessories was the most favourite category for consumers in both UAE and KSA when it comes to their joy-related purchases.

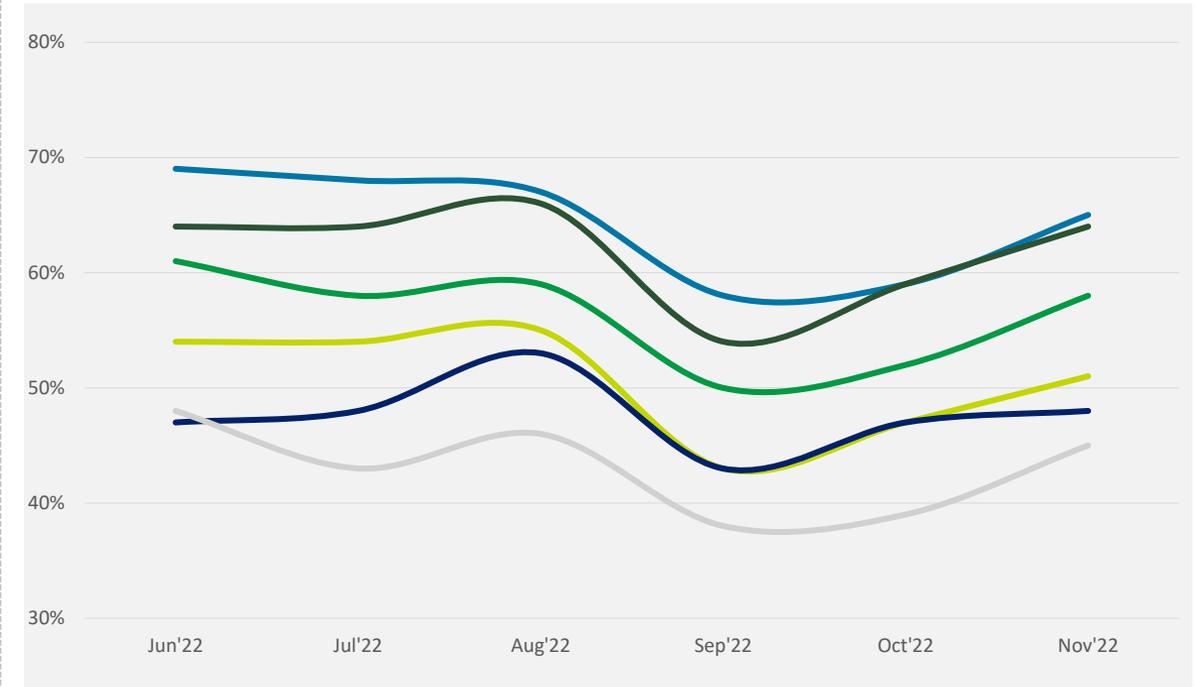
# Leisure travel intentions

% that plan to book within the next 3 months

## UAE



## KSA



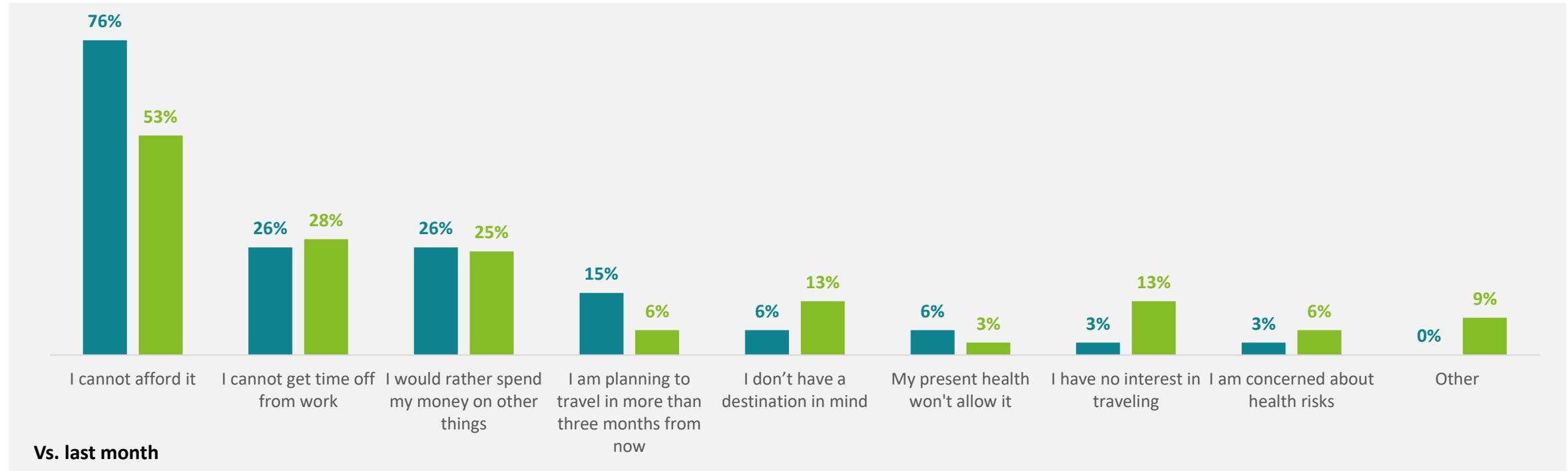
Domestic Flight International Flight Hotel Private Accommodation Car Rental Cruise

### Key Takeaways

- With the onset of winter holiday season, the leisure travel booking intentions are on the rise across most of the categories.
- Hotel booking intentions have risen rapidly amongst Saudi consumers compared to last month and is higher than the UAE consumers. International flight booking intentions have also seen unprecedented rise this month compared to the last among Saudi consumers.

# Reasons for not travelling

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



**Vs. last month**

UAE	+14	=	-5	+2	-2	-4	-5	=	-3
KSA	-17	-7	+1	-5	-1	-2	+8	+1	+9

### Key Takeaways

- In **UAE** and **KSA**, affordability comes out as the biggest hinderance to consumer’s ability to travel and it has significantly increases this month compared to the last among **UAE** consumers
- 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

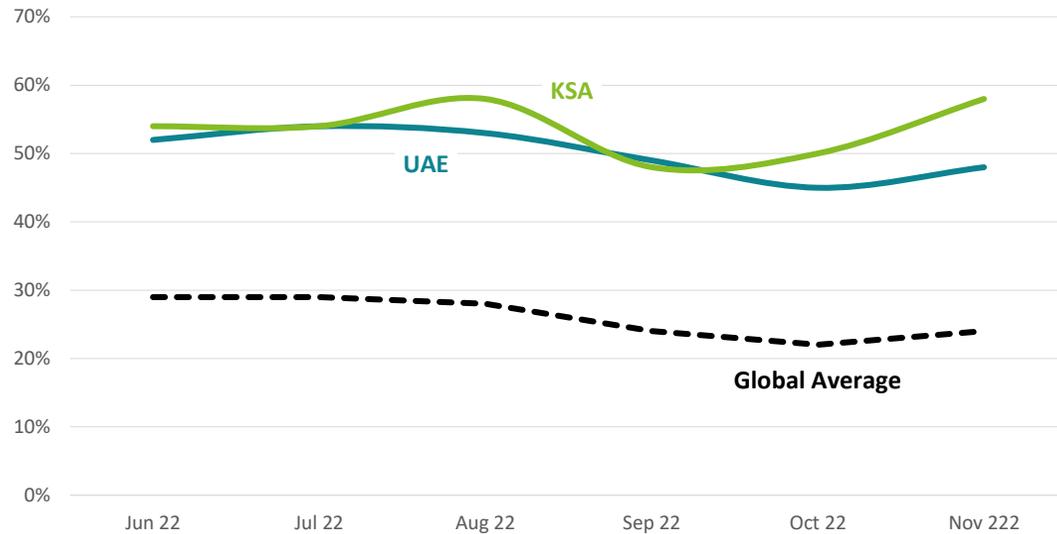
- Most of the consumers want their travel destination further from home and they are opting for most convenient flight itinerary.
- Consumers from UAE are looking to save costs on lodging and choosing cheapest seats; Saudi consumers are not looking to indulge in a lot of cost saving behaviors and want to enjoy their leisure trip to the fullest.

# Vehicle Purchasing Intent

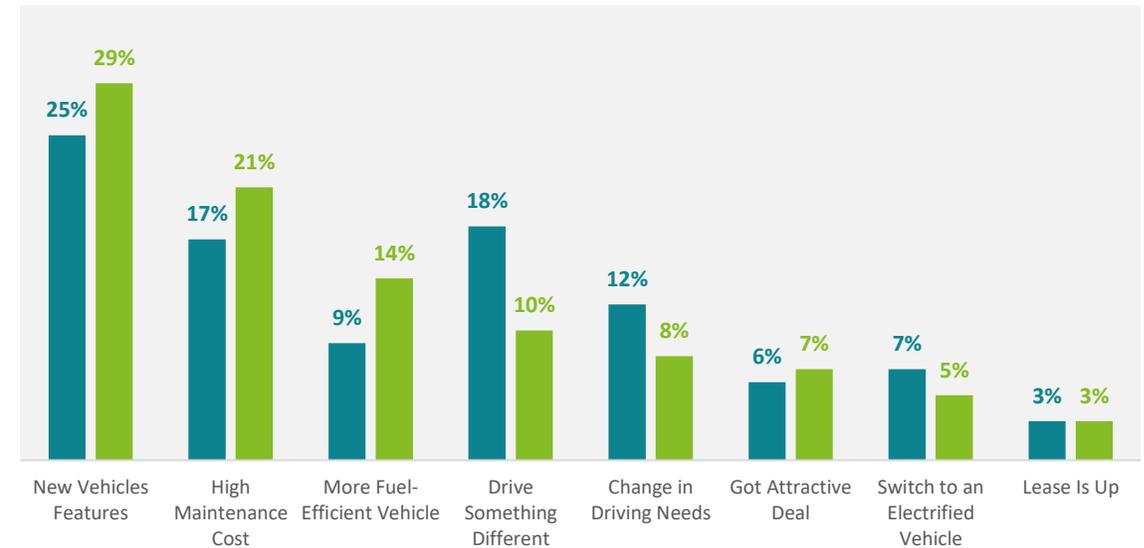
Planning to buy vehicle in next 6 months, reasons for purchasing new vehicle



**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 58% Saudi and 48% Emirati consumers planning to purchase new vehicle)



## Key Takeaways

- Vehicle purchasing intent (VPI) increased over last month in most of the geographies under study. Nearly 6 in 10 **Saudi** consumers are planning to buy a vehicle in next 6 months, making the kingdom as the 2<sup>nd</sup> highest region in our VPI rankings across 24 study countries, only behind India.
- **UAE** consumers are not too far behind and with 48% of consumers looking to purchase a vehicle in next 6 months, ranks the region as the 3<sup>rd</sup> highest in our rankings. This together represents a promising market for automotive across two of the middle eastern countries i.e. **UAE** and **Saudi Arabia**.
- Features/specs continues to be the most enticing factor for consumers to buy new vehicle. The consumers willing to switch to an electric vehicle is also gaining rapid momentum in the region.



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