

Optimism on the rise: PwC report reveals shifts in consumer behaviour

Consumers are returning to in-store shopping in greater numbers, and out-of-home entertainment and travel are on the rise as three in five (61%) express optimism about the future, according to the latest [PwC 2021 Global Consumer Insights Pulse Survey](#).



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The PwC survey has moved from being an annual report on consumers perceptions and trends to a bi-annual pulse survey. The first pulse survey was carried out in March 2021, and the second survey was conducted during June 2021.

The most recent survey (September 2021) of 9,370 consumers across 26 territories, of which 503 were in South Africa, found that when asked to consider their country's Covid-19 situation, those who are vaccinated are much more positive about the future versus those who are yet to be – 66% of those at least partially vaccinated are optimistic, compared to 43% of unvaccinated respondents.

During the pandemic, consumers have had to pivot and adopt new habits. Business leaders wondered at the outset of the pandemic whether these changes, which accelerated trends already in motion, would be fleeting or permanent. Now, *PwC's Global Consumer Insights Pulse Survey* reveals that the changes are sticking – signifying a dramatic shift in consumer behaviour.

Overall Categories Shopped



SA's follow through on their plans to shop Black Friday specials

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Anton Hugo, retail leader for PwC Africa, says: "It is positive to note that optimism among consumers is on the rise. As optimism continues to rise, so consumers are planning to spend more, and they are seeing improvements in their lifestyle as employers allow new ways of working. Some things, however, never change: when it comes to shopping, price and convenience still matter most, even as other factors, such as sustainability, are increasingly on consumers' minds."

Here are six of the most important survey findings:

Consumer optimism and working arrangements

Work arrangements also influenced optimism levels, with those working from home or in a hybrid way being 10 percentage points (68%) more optimistic than their away-from-home counterparts (58%). In South Africa, 40% of survey respondents said they were required to work to be physically located at their place of work, while 27% said they were required to work in a hybrid manner.

Under half of South African respondents (46%) said they had a good work life balance, compared to 44% of global respondents.

As optimism rises, consumers plan on spending more on out-of-home activities: from in-store shopping to entertainment and travelling:

- In-store shopping is recovering with about half (48%) of global respondents (South Africa: 37%) saying they visit a physical store at least once a week and nearly three quarters globally (72%) being 'likely' to visit a shopping mall in the next 6 months.
- Consumers also plan to spend more on groceries (Global: 41%; South Africa: 51%), fashion (Global: 33%; South Africa: 40%), and health and beauty (Global: 30%; South Africa: 35%) further boosting economic recovery.
- Of the nearly one-third (31%) of consumers globally who expect to increase their spending on travel in the next six months, 82% are at least partially vaccinated. In South Africa, 28% of consumers say they are fully vaccinated against Covid-19

Smartphone shopping is at a historic high

The survey has also found a continued shift to mobile devices for online shopping. Nearly half (41%) of respondents said they are making purchases by smartphone at least once a week compared to 30% in 2020 and 17% in 2019.

In South Africa, 41% of consumers shop using their mobile phones or smartphones, compared to 24% in 2019. Millennials are embracing mobile shopping enthusiastically, with 50% shopping via their smartphone at least weekly.



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29 Nov 2021



Data privacy is key to consumer trust

While companies can take heart that consumers generally believe they are living up to their purpose and promises, they need to recognise that this trust is fragile. The survey data shows that across all industries, more than one in ten consumers do not believe companies are living their values or delivering on what they promised. The level of distrust is greater among younger consumers, with nearly three in 10 (28%) Gen Z respondents saying companies are not doing the right thing.

How companies are using data emerged as one of the key factors affecting trust. Eighty-three percent of respondents stated that data protection practices influence their trust in a company and nearly half of global consumers (47%) say that the use of their data has become a top priority for them. This is now deemed much more important than receiving a tailored customer experience which stands at 22%.

As three in five (Global: 59%; South Africa: 67%) consumers believe they have become more protective of their data over the past 6 months, nearly the same amount (Global: 55%; South Africa: 51%) also said they are unwilling to trade their data for financial compensation or discounts.

Consumers care more about sustainability than ever before

Consumers are taking sustainability into account in shopping decisions more than ever before. Fifty-two percent of global respondents (South Africa: 59) say they are more eco-friendly than they were six months ago. 22% of South African consumers stated that they buy products to support retailers that sell biodegradable and eco-friendly products. Globally, half of respondents (51% compared to 54% in South Africa) also say that when considering a purchase, they factor in whether the product was produced with a traceable and transparent origin.

Suleman Jhavery, consumer markets leader for PwC Africa, adds: "It's intriguing that those who work from home show more interest in sustainable shopping. The survey findings suggest that this could be because at-home workers tend to be more white-collar and affluent, with more financial freedom to be selective in their purchasing choices. It could also be that the smaller carbon footprint inherent in working from home has led to more heightened awareness about how shopping habits affect the planet."

Price and convenience still matters most

Consumers care about ESG factors, but when stacked up against the basics of price and convenience, ESG fades in importance. In general, people want to do the right thing for society and for the environment, but products can't be only either affordable and easy to get or sustainable; they have to be both.

Even when it comes to other factors in the shopping experience, such as trust in a brand, price is a key consideration. Eighty-two percent of South African shoppers that buy online stated that they actively seek the best deal, while 66% said they buy from retailers that provide an efficient delivery or collection service.

But price and convenience still matter most to consumers. More than half of those surveyed say an efficient delivery or collection service is always or very often important in the purchasing decision.



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Consumers are venturing more out for work and play

As consumers' optimism re-emerges, they're also emerging physically. Not only are global consumers more likely to travel and go to restaurants than they were six months ago, they're also significantly more likely to go to a gym or a large arts, culture or sporting event. But the vast majority of survey respondents are still getting their entertainment at home and doing

their workouts, dining and socialising with friends and family at home, too.

Fifty percent of South African respondents (compared to 41% in March 2021) stated they were likely to use public transport to travel.

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