



Navigating the Cost-of-Living Crisis

October 2022

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INTRODUCTION

Scope

Key findings

“Inflation” and “cost-of-living crisis” are not the same thing

The war in Ukraine adds to the already high price pressures

Plunging consumer confidence

COST-OF-LIVING CRISIS FROM CONSUMER PERSPECTIVES

UK: Consumers agitated by the increasing cost of living

In the UK, food and non-alcoholic beverage prices emerge as the big concern

US: Consumers mulling over largely worrisome environment

In the US, energy prices emerge as the big concern

India: Consumers driven to despair by evolving circumstances

In India, food and non-alcoholic beverage prices emerge as the biggest concern

South Africa: Consumers distressed by the economy

In South Africa, food and non-alcoholic beverage prices emerge as the big concern

Key takeaways from social listening

HOW CONSUMERS ADAPT

Significant slowdown in consumption growth

Limited space to manoeuvre for cash-strapped consumers

Top consumer behaviours observed by Euromonitor’s industry experts

Consumers choose a discounter as a first-stop shop

Aldi Price Match initiative by Sainsbury’s and Tesco

Branded experience of the non-branded goods

Lidl accredited for its private label alcohol products

Indian consumers, dissatisfied with price increases, lean towards private label brands

Choosing the alternatives or alternative shopping

Amazon adds Prime Day-like shopping event in October

Navigating the other side of K-shaped consumers

Solar panels present an investment opportunity

IMPLICATIONS FOR INDUSTRIES

Strategies used to manage cost of doing business has severe repercussions on consumers

Increase price or accept a lower profit margin

Bernard Matthews/2 Sisters Food resets poultry prices

Shrinkflation is another way to cope with inflation

Shrinkflation: Toblerone increases the space between the peaks

Streamlining product portfolio by focusing on relevant product lines and SKU pricing

The Coca-Cola Co: Balancing affordability and price increases through price/package mix

CONCLUSION

Volatility and uncertainty are here to stay

It’s not all challenges

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