

L'Observatoire Cetelem 2017

1

THE AUTOMOTIVE INDUSTRY UNDER PRESSURE

Bucharest, June 22nd

**Consumption in Europe:
New paths to confidence**

#obsconso2017



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Recap of the methodology



Sample

- 12,000 individuals aged 18 to 75.
- These individuals were drawn from a national sample representative of each country.
- 15 countries:
 - United Kingdom, Germany, Italy, Spain, Czech Republic, Hungary, Portugal, Slovakia, Poland, Belgium, Denmark, **Romania**, Austria, Bulgaria, France (800 respondents per country)
 - *Austria and Bulgaria: new countries for this edition.*



Data gathering method

- The CAWI technique was used. Kantar TNS
- The quota method was employed to ensure that the sample was representative (gender, age, profession and socioprofessional category/income).



Survey dates

- The interviews took place end of 2016
- Duration of the questionnaire: 15 min

AGENDA

1 ECONOMIC CLIMATE

2 REASONS TO BE ANXIOUS ABOUT THE PRESENT AND THE FUTURE

3 NEW PATHS TO CONFIDENCE





1 ECONOMIC CLIMATE

GDP growth



	2015	2016 (e)	2017 (p)	2018 (p)
EU (28)	2.2	1.8	1.6	1.8
Romania	3.7	5.2	3.9	3.6
Slovakia	3.8	3.4	3.2	3.8
Spain	3.2	3.2	2.3	2.1
Bulgaria	3.6	3.1	2.9	2.8
Poland	3.9	3.1	3.4	3.2
Czech Republic	4.5	2.2	2.6	2.7
Hungary	3.1	2.1	2.6	2.8
United Kingdom	2.2	1.9	1.0	1.2
Germany	1.7	1.9	1.5	1.7
Austria	1.0	1.5	1.6	1.6
France	1.3	1.3	1.4	1.7
Belgium	1.5	1.2	1.3	1.5
Denmark	1.0	1.0	1.7	1.8
Portugal	1.6	0.9	1.2	1.4
Italy	0.7	0.7	0.9	1.0

A fall in unemployment

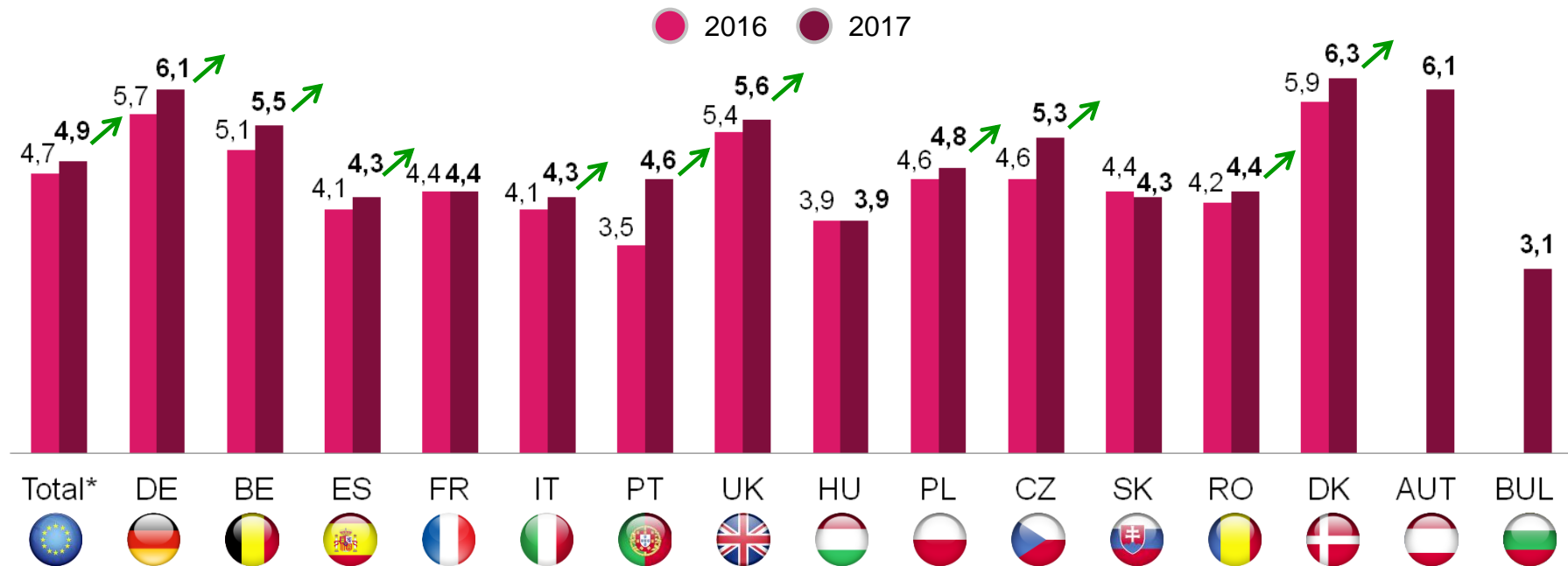


	2015	2016 (e)	2017 (p)	2018 (p)
EU (28)	9.4	8.6	8.3	7.9
Czech Republic	5.1	4.2	4.1	4.0
Germany	4.6	4.4	4.3	4.2
United Kingdom	5.3	4.9	5.2	5.6
Hungary	6.8	5.1	4.7	4.1
Austria	5.7	5.9	6.1	6.1
Denmark	6.2	6.1	5.9	5.6
Poland	7.5	6.2	5.6	4.7
Romania	6.8	6.5	6.4	6.3
Belgium	8.5	8.0	7.8	7.6
Bulgaria	9.2	8.1	7.1	6.3
Slovakia	11.5	9.7	8.7	7.5
France	10.4	10.0	9.9	9.6
Portugal	12.6	11.1	10.0	9.5
Italy	11.9	11.5	11.4	11.3
Spain	22.1	19.7	18.0	16.5

Morale continues to improve



How would you rate the general situation in your country today on a scale of 1 to 10?

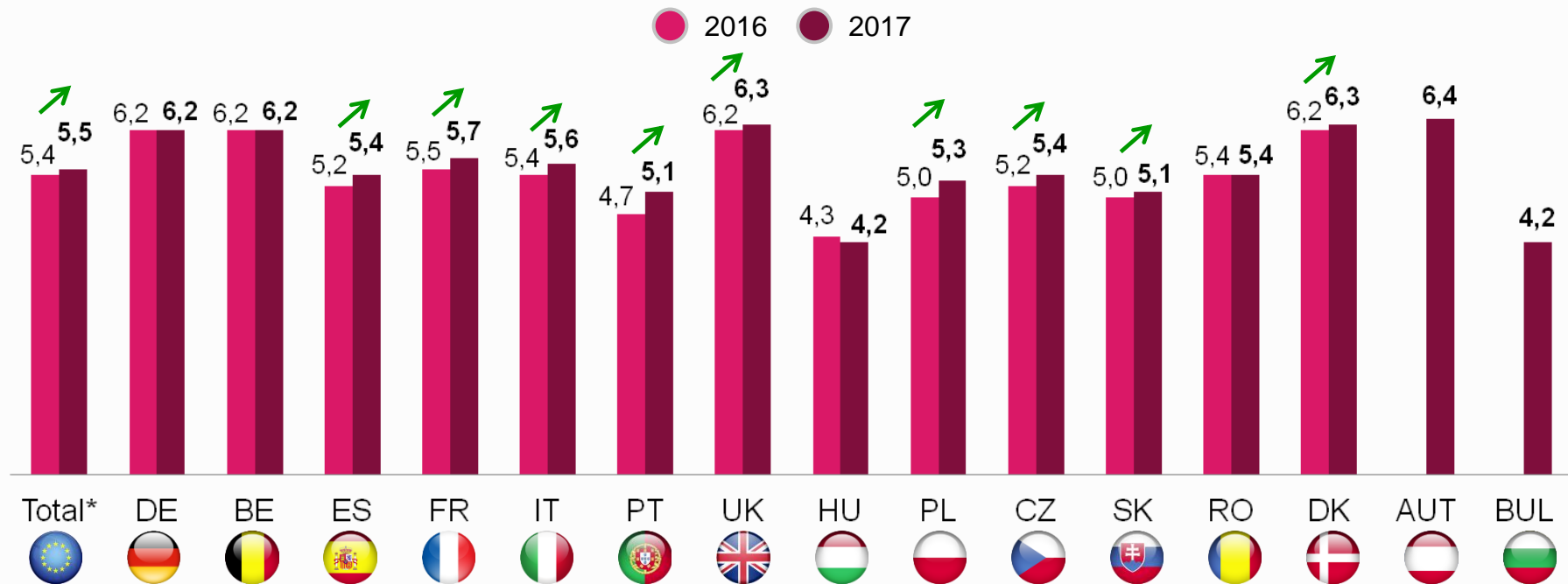


* Previous figure for 13 countries - 15-country average for 2017: 4.9

Personal circumstances have also improved



How would you rate your personal circumstances today on a scale of 1 to 10?



* Previous figure for 13 countries - 15-country average for 2017: 4.9

37% of Europeans believe that their spending power fell in 2016



Over the last 12 months, would you say that your spending power has...

In %

















Variation vs. 2016		= 0	= 0	+5	+1	-1	+4	-2	-1	+6	-1	+2	-5	+7	-	-
Increased	18	20	12	21	8	8	15	18	16	26	21	26	23	25	20	17
Variation vs. 2016		-2	= 0	-5	+6	+3	-5	+2	+2	-2	+4	=0	+5	-5	-	-
Remained stable	45	49	39	40	41	50	38	60	46	45	50	45	46	51	38	39
Variation vs. 2016		+3	= 0	+1	-7	-2	-11	=0	-1	-4	-3	-2	+1	-2	-	-
Decreased	37	32	49	39	51	42	46	22	38	29	29	29	32	24	42	44
	TOT	DE	BE	ES	FR	IT	PT	UK	HU	PL	CZ	SK	RO	DK	AUT	BUL

A rise in spending intentions



Over the next 12 months, do you expect to...

In %

Variation vs. 2016	-1	-3	-4	+20	+6	-6	+4	+2	-2	+3	+3	+1	-4	-4	-	-
Save more	41	36	37	42	34	50	57	48	35	38	37	38	48	48	43	26
Variation vs. 2016	+6	= 0	+4	+6	+7	+1	-2	+2	+1	+5	-1	+1	+4	+8	-	-
Spend more	46	35	35	47	35	35	33	42	27	66	62	72	62	33	39	69
																
	TOT	DE	BE	ES	FR	IT	PT	UK	HU	PL	CZ	SK	RO	DK	AUT	BUL



2

REASONS TO BE ANXIOUS ABOUT THE PRESENT AND THE FUTURE



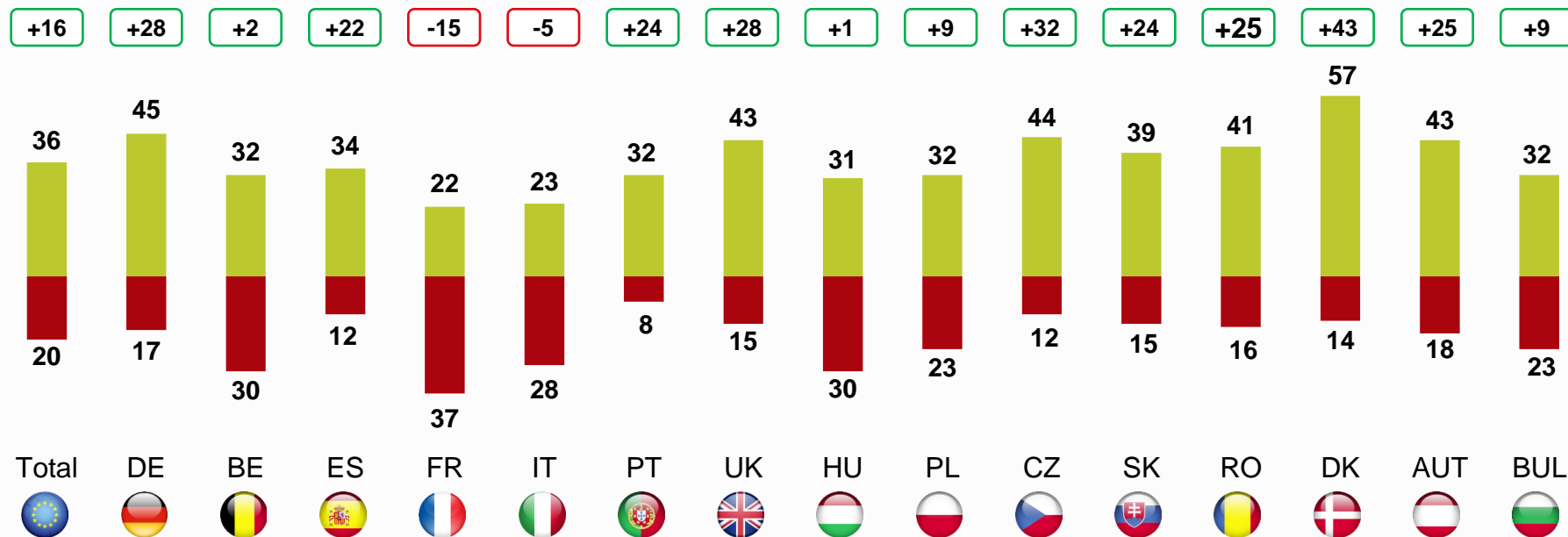
A stronger sense of anger in France and Italy



Which of the following best describe your current state of mind?

In %

Well-being / serenity Exasperation / Anger Differential



















Multiple reasons to be anxious



Regarding the changes that might take place in your country in the future, are you...

% worried + very worried

Housing	57	53	53	65	63	67	59	62	63	59	46	55	62	40	44	64
The consequences of Brexit	63	58	56	68	56	55	80	52	71	69	70	63	71	56	49	71
Security in the country	67	64	66	69	76	74	61	53	77	71	70	68	65	42	61	83
The country's global influence	68	56	63	69	68	73	70	48	75	66	76	71	76	50	68	84
The education system	69	64	56	80	73	71	72	53	84	67	57	76	81	51	62	88
The economic situation in the country	74	52	74	80	81	81	81	58	81	73	72	84	79	49	66	87
The environment	73	69	73	81	75	82	80	56	87	68	64	77	79	64	65	83
The country's capacity to reform	74	66	74	79	79	75	79	54	74	71	81	83	80	55	74	90
The healthcare / social security system	74	67	68	74	69	77	79	65	89	80	67	91	85	60	64	89
The migratory situation	77	71	78	77	82	79	75	67	75	74	85	81	75	65	77	94
	 TOT	 DE	 BE	 ES	 FR	 IT	 PT	 UK	 HU	 PL	 CZ	 SK	 RO	 DK	 AUT	 BUL

Hence the pessimism that remains regarding their country's future



Do you think that, in the next two years, the situation in your country will...

Improve % Very probably + perhaps	19	9	10	32	12	14	32	18	20	18	19	15	28	31	10	18
Remain stable	30	40	33	29	28	41	31	33	16	21	33	33	30	32	32	13
Worsen % Very probably + perhaps	45	47	53	34	50	40	32	41	55	55	42	45	34	32	54	54
	 TOT	 DE	 BE	 ES	 FR	 IT	 PT	 UK	 HU	 PL	 CZ	 SK	 RO	 DK	 AUT	 BUL

Note: the total is not 100% because of the % of "Don't know" answers.

... But there is slightly less pessimism regarding their own future



Do you think that, in the next two years, your personal circumstances will...

Improve % Very probably + perhaps	32	21	25	39	18	19	42	20	36	30	36	44	50	49	27	33
Remain stable	38	45	44	36	46	55	36	51	24	35	35	29	29	34	40	23
Worsen % Very probably + perhaps	23	28	27	19	29	19	16	22	27	27	21	18	15	12	29	28
	 TOT	 DE	 BE	 ES	 FR	 IT	 PT	 UK	 HU	 PL	 CZ	 SK	 RO	 DK	 AUT	 BUL

















Note: the total is not 100% because of the % of "Don't know" answers.

Almost ¾ of Europeans are worried for future generations



Looking towards the future, are you confident or anxious regarding...

% very worried + quite worried

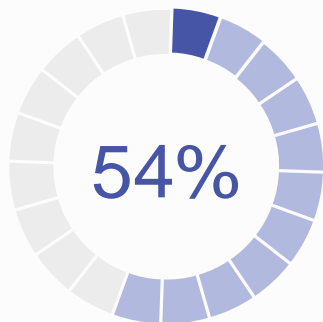
The fate of future generations	73	71	74	78	82	77	76	59	84	66	77	79	65	54	73	75
																
	TOT	DE	BE	ES	FR	IT	PT	UK	HU	PL	CZ	SK	RO	DK	AUT	BUL

Less anxiety about health

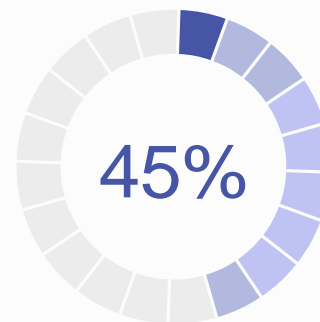


Looking towards the future, are you confident or anxious regarding...

Confidence in the future: % very + quite confident



Your health



Your company's future



Looking towards the future, are you confident or anxious regarding... Base: Total

Lack of confidence is affecting consumption



Of the following, which are the 1st, 2nd and 3rd biggest obstacles preventing you from making purchases?

In %

Can't afford to spend the money	59	61	52	53	56	48	59	51	70	58	66	68	65	45	61	69
Saving in case of hard times	45	49	49	45	51	52	45	51	35	33	51	46	50	38	46	40
Not confident enough about the future	34	26	32	38	31	31	31	29	38	55	39	33	32	30	25	44
Saving for an expensive purchase in the future	24	38	26	19	22	21	21	31	20	21	22	19	27	29	37	16
Uncertainty about how the country will change	23	19	28	24	29	20	32	33	15	27	14	12	23	25	17	27
Fear for your or your partner's job	23	12	12	34	18	30	25	16	29	31	22	25	23	18	14	29
Repaying a home loan	21	16	28	28	25	20	24	21	24	15	17	26	12	30	22	13
Saving to help your children in the future	20	17	22	21	21	28	20	19	19	16	17	19	22	15	19	19
Saving for retirement	17	27	22	19	18	18	15	22	11	15	16	15	12	21	20	8
Renovating your home	12	11	14	7	13	10	4	13	17	13	15	17	13	12	12	17
Paying for your children's higher education	9	6	8	10	9	14	14	4	11	7	8	7	12	13	8	11
	TOT	DE	BE	ES	FR	IT	PT	UK	HU	PL	CZ	SK	RO	DK	AUT	BUL

Uncertainty that translates into a wait-and-see attitude



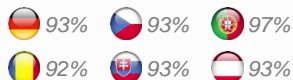
Which of these affirmations best describe your attitude when you are looking to buy a product worth more than €300 or €500?

% agree + agree completely

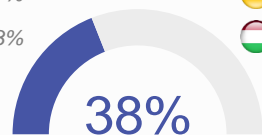
Price dimension



I increasingly compare prices



I request more quotes



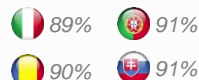
I use credit facilities



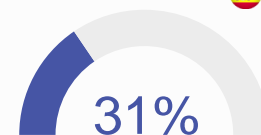
Time dimension



I take more time to think



I hesitate more before buying



I put off a purchase for longer





3 NEW PATHS TO CONFIDENCE

Confidence is built in the same way, whether it be confidence in people or in organisations.



RELATIONSHIPS

These can be formed if the preceding stages are completed in a satisfactory manner

EXPERIENCE

Confidence acquired through the past experiences of others/products/brands, which help to build satisfaction.

KNOWLEDGE

Learning to know oneself, building solid foundations, particularly through individuals or entities with whom one can identify (what we have in common, similar experiences, etc.), with an emphasis on certain crucial values: honesty, integrity, reliability, transparency, etc.

To restore confidence in the future, income and the economic climate are the main priorities of consumers, ahead even of national security.



Which of the following propositions would give you the most confidence in your country's future?

In %, maximum of 5 answers

A rise in wages	40	27	29	45	34	41	48	26	49	53	45	43	50	17	31	59
Controlling immigration in your country	24	27	27	11	30	21	40	40	29	13	32	25	11	26	38	22
A drop in unemployment	32	18	28	15	42	4	52	24	37	34	23	38	35	41	39	44
The elimination of the terrorist threat	23	33	28	16	33	19	4	34	21	21	30	16	15	28	21	20
A reduction in insecurity	20	27	21	13	28	42	10	14	23	18	18	20	9	15	23	18
Less social inequality	29	44	29	35	27	33	44	22	17	25	20	20	26	40	34	20
An improvement in public finances	20	6	20	22	18	22	33	30	17	30	22	17	17	24	13	10
Concrete action on environmental issues	15	15	19	13	14	19	11	16	17	90	11	18	18	17	15	9
Improved access to housing for disadvantaged families	15	29	13	21	9	10	12	16	18	15	11	15	12	16	24	6
More resources ploughed into education and teaching	23	27	25	32	14	19	25	18	21	15	13	19	47	24	25	21
A rise in pensions and benefits	27	32	25	33	20	27	18	22	22	41	37	29	25	19	16	33
A return to economic growth in your country	29	12	29	41	30	41	38	36	16	25	30	24	33	31	20	35
	TOT	DE	BE	ES	FR	IT	PT	UK	HU	PL	CZ	SK	RO	DK	AUT	BUL

Confidence in collaborative consumption, especially in France.



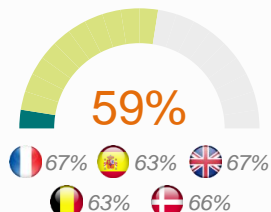
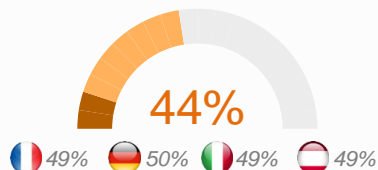
Which of the following collaborative practices do you employ?
Do you currently have confidence in these practices?

In %

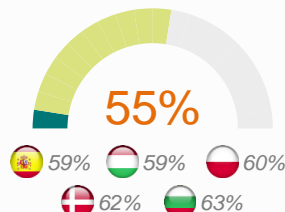
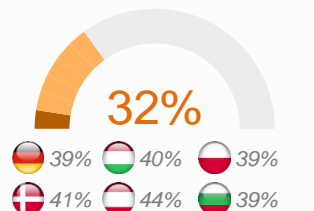
Regularly
Occasionally

Totally confident
Quite confident

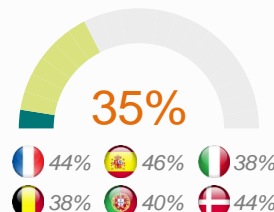
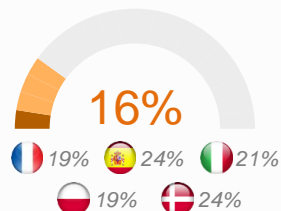
Purchase/sale of items to private individuals



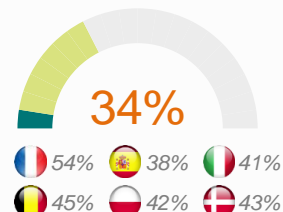
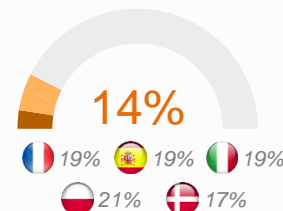
Exchange of goods / services with private individuals



House / apartment rental to private individuals



Ride sharing

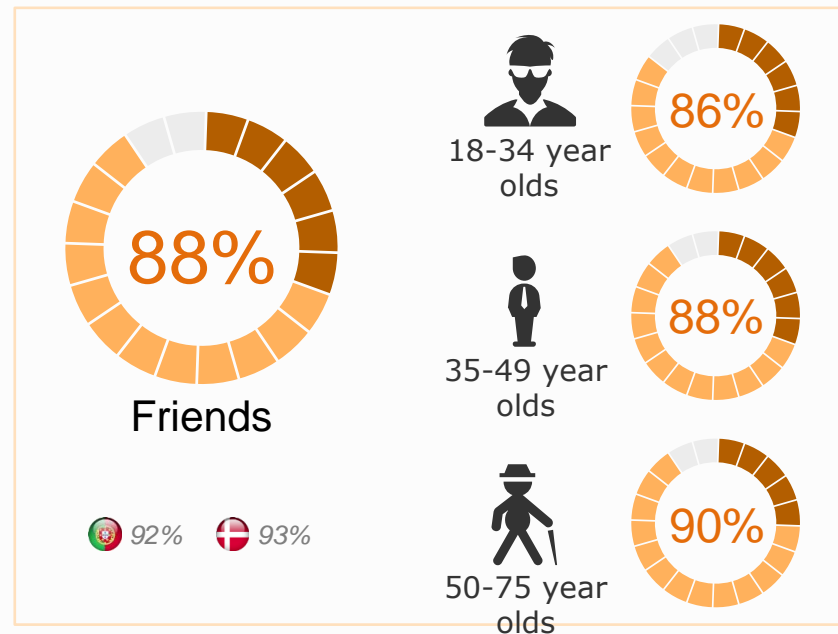
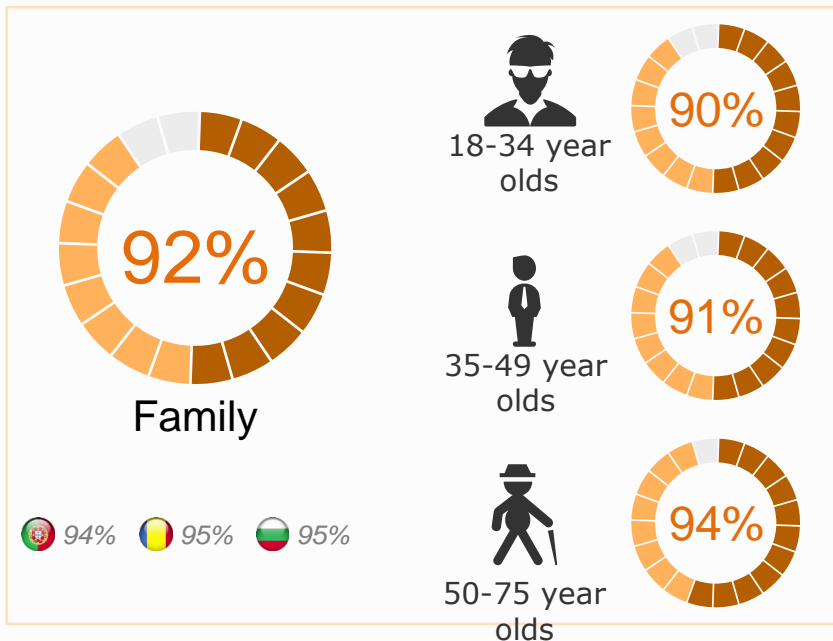


In this context, the intimate community is seen as a haven for all generations



Today, do you have confidence in...

% totally + quite confident

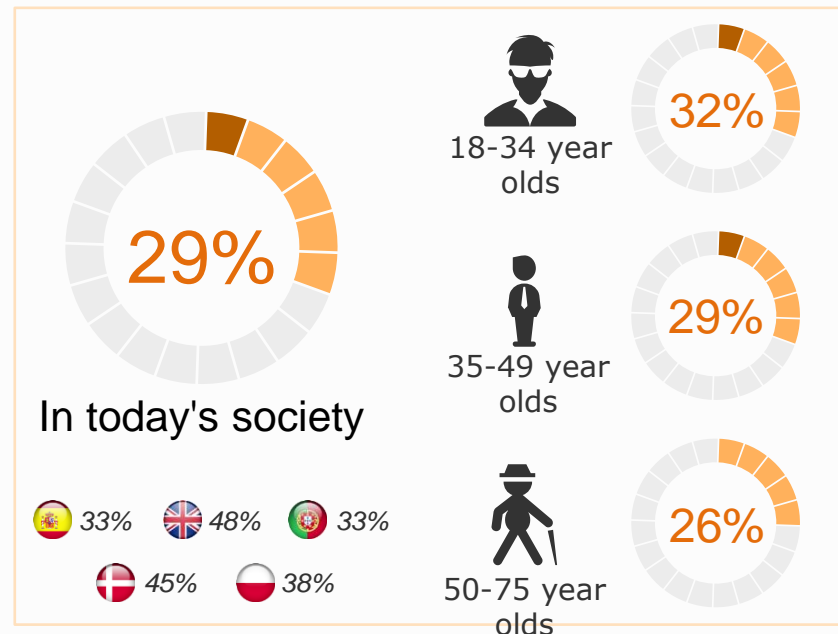
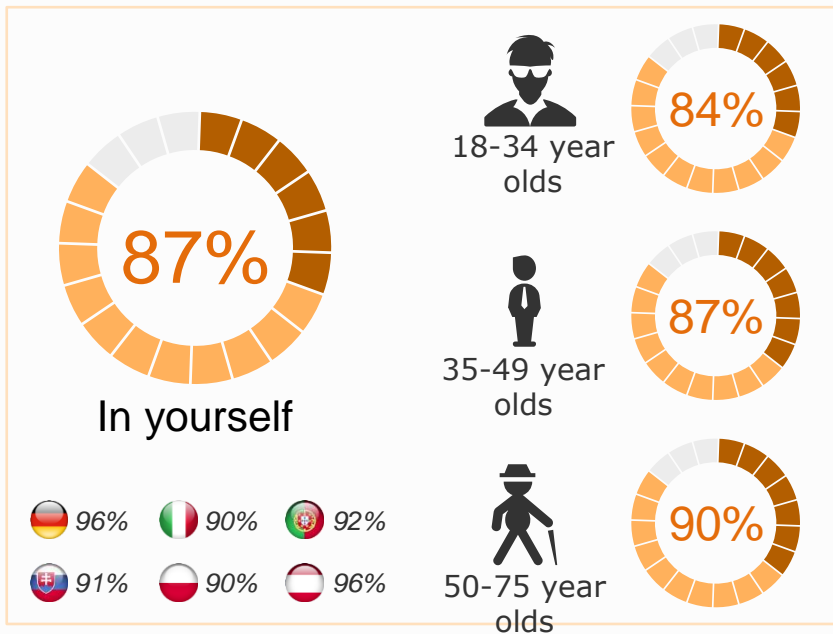


Individual confidence, collective defiance...



Today, do you have confidence...

% totally + quite confident



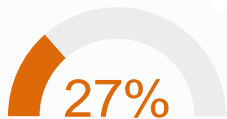
... against a backdrop of widespread mistrust of politicians and institutions...



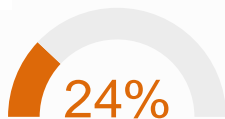
Today, do you have confidence...

% totally + quite confident

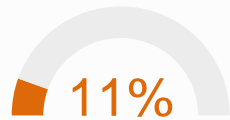
Politicians



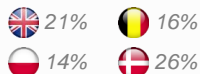
Local elected representatives



The national government



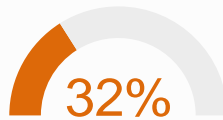
Politicians as a whole



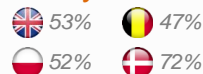
Public institutions



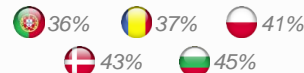
Major international institutions



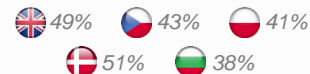
The country's justice system



European institutions



Financial institutions

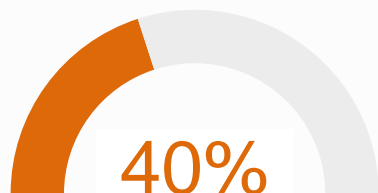


... not to mention social and traditional media.



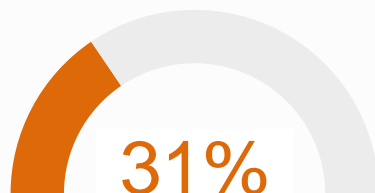
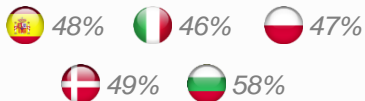
How confident are you in the following organisations/stakeholders?

% totally + quite confident



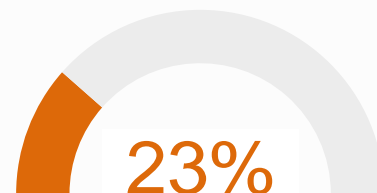
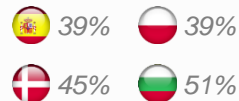
40%

Internet



31%

Social media



23%

Journalists

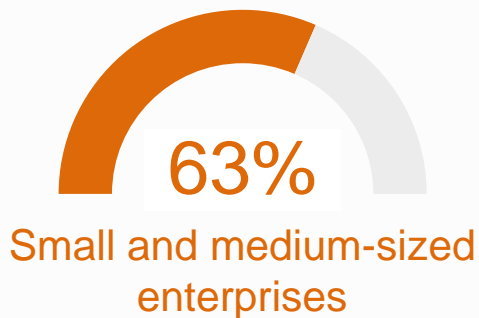


Small and medium-sized enterprises and brands come out well.



How confident are you in the following organisations/stakeholders?

% totally + quite confident



🇫🇷 74% 🇩🇪 70% 🇬🇧 70%

🇧🇪 67% 🇩🇰 75% 🇵🇱 75%



🇬🇧 55% 🇨🇪 51% 🇵🇹 49%

🇵🇱 52% 🇩🇰 54% 🇮🇹 51%



🇫🇷 36% 🇮🇹 34%

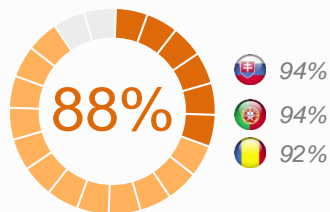
🇵🇹 36% 🇩🇰 58%

Brands that breed confidence breed loyalty.

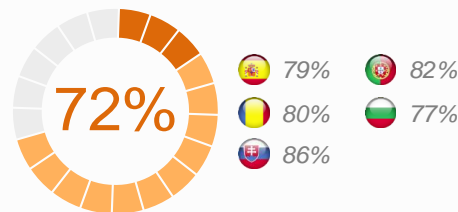
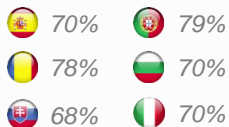


In general, which statements best describe your attitude when you are choosing a brand?

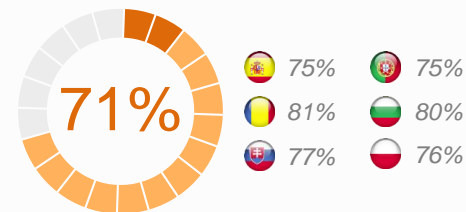
% totally + quite confident



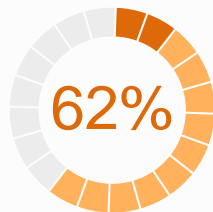
I am more and more careful about *what I buy*



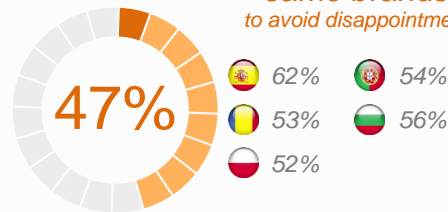
I know increasingly far in advance which brands
I am going to buy



I increasingly choose the same brands
to avoid disappointment



I pay increasing attention to what
people say about *a brand before buying it for the first time*



















I increasingly have the confidence to
try new brands

Confidence in a brand is a function of quality, reputation and past experience



For a brand to secure your confidence, which attributes do you rank 1st, 2nd and 3rd?

% totally + quite confident

















Offering quality products / services	78	78	82	81	81	80	86	72	73	77	77	78	83	62	78	84
Having a positive image / reputation	55	49	50	52	48	48	52	66	56	57	62	67	57	59	44	59
Past experience of the brand	52	56	50	53	41	46	51	55	74	52	63	48	40	51	51	50
Being ethical and responsible	33	32	36	40	44	42	31	26	23	32	26	20	38	36	40	26
Being recommended (word of mouth, media)	22	24	19	15	18	22	21	21	27	26	22	25	21	24	20	21
Offering well-designed and good-looking products	11	13	8	9	8	10	13	6	12	13	8	12	11	14	15	12
Professional salespeople	7	6	8	6	9	5	2	6	3	9	9	7	7	12	8	4
Strong advertising	5	5	4	7	4	5	2	6	3	8	4	6	4	11	5	6
	 TOT	 DE	 BE	 ES	 FR	 IT	 PT	 UK	 HU	 PL	 CZ	 SK	 RO	 DK	 AUT	 BUL

Quality labels are important to 68% of Europeans



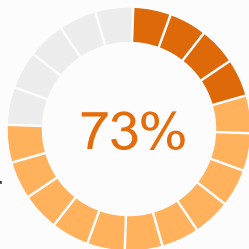
Do you have greater confidence in products that have received a quality label and/or certification?

% much + slightly more confidence

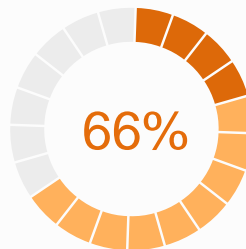
Confidence in products with quality labels and/or certification	68	61	63	75	68	76	82	50	78	67	49	62	81	64	68	84
																
	TOT	DE	BE	ES	FR	IT	PT	UK	HU	PL	CZ	SK	RO	DK	AUT	BUL



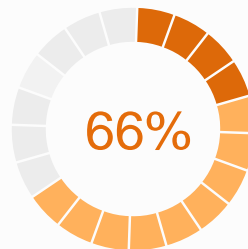
18-34 year olds



35-49 year olds



50-75 year olds







67% of Europeans are prepared to pay more for a brand in which they have confidence.



Have you previously purchased a product or service on impulse, because it instilled you with confidence?
Conversely, have you previously given up on making a purchase because you were not confident enough in the brand?

Would you be prepared to pay more for a brand that instils you with confidence?

In % by age

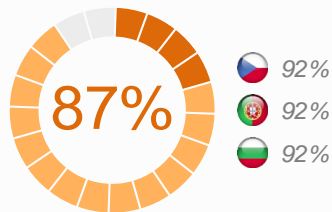
Impulse purchase triggered by confidence in a brand % yes	51	54	51	49
Giving up on a purchase through lack of confidence in the brand % yes	58	63	59	55
Propensity to pay more for a brand in which you are confident % definitely + probably	67	72	65	63
	 TOT	 18-34	 35-49	 50-75

Opinions posted on the internet have great credibility, particularly among the young.

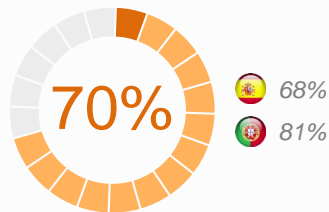


When buying a product, do you have confidence in the recommendations/advice given by...

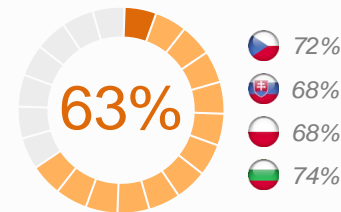
% Totally + quite confident



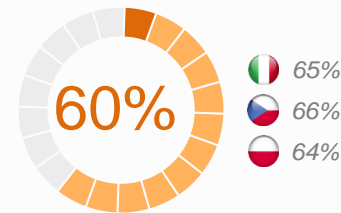
Those close to you



Specialist magazines



Ratings and opinions posted online by other consumers



Websites
(comparison sites, brand websites, blogs)





- Economic key data are globally good in Romania (n°1 in GDP growth)
- Gap between the overall perception, not so good, and the individual, much more good, specially for the future ...
- Consumption is on the individual side that why 62% want to spend more in the coming months....
- To build confidence : Knowledge, Experience, Relationships
- Romania : confidence mainly in family, and also in what people say about a brand or a product ...
- Internet, Social media, brand content, Customer Experience, label, really key in Romania to give confidence.

Thank you for your attention

Q & A

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