



# Our state of mind and impact on current shopping behavior

September 2024

# Methodology - Quantitative research

## Target

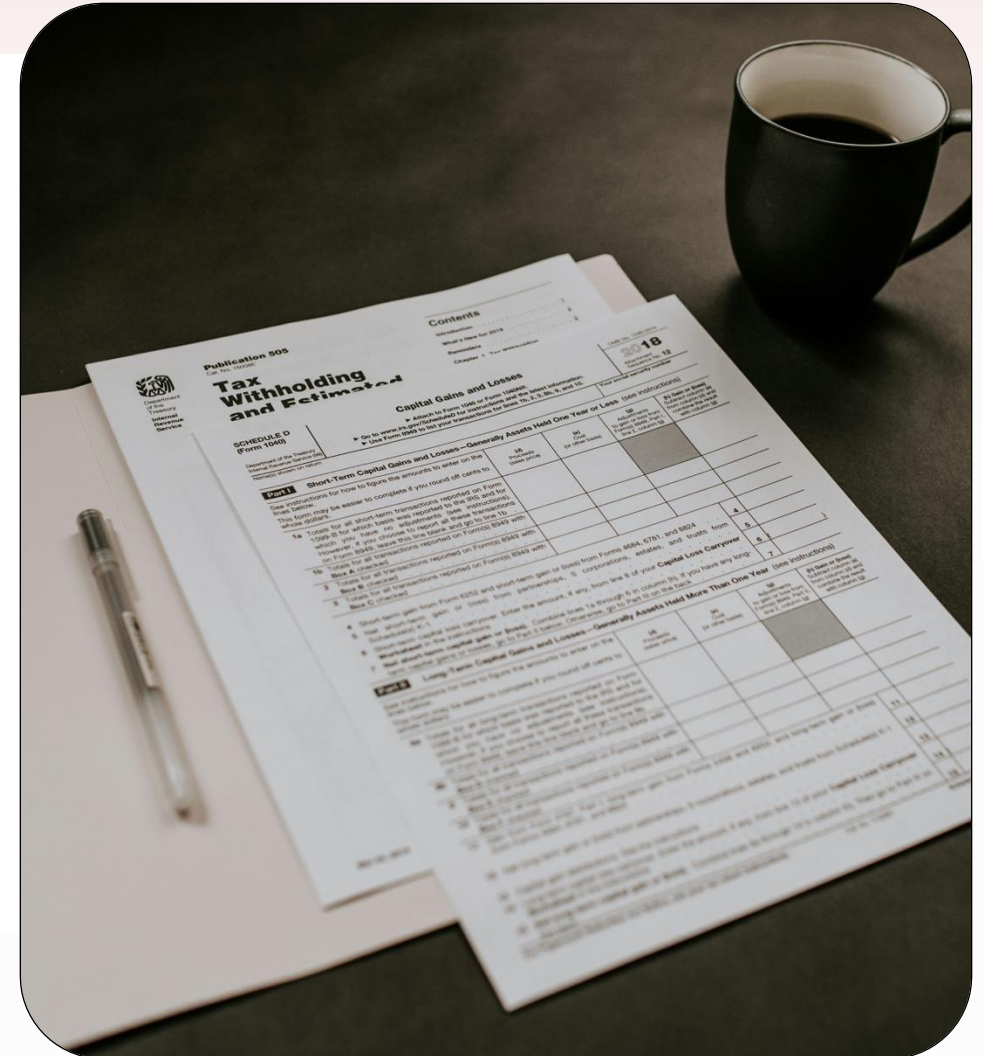
- Men and women, 18 – 65 years old
- Representative for online urban population

## Sample size

- 2024: 516 interviews
- 2023: 518 interviews
- 2022: 1006 interviews

## Data collection

- Methodology: online interviews, from the iSense Solutions online panel ([www.SensePanels.com](http://www.SensePanels.com)), data collection period: August-September





# Consumer Psychology

## Attitudes and Fears

# Nervousness and sadness increased after reentering post-pandemic life

...but in 2024 vs. 2023 they are slightly decreasing



	2022	2023	2024
I'm happier	46%	40% ↓	43% →
I'm more nervous	38%	43% →	39% ↓
I feel sadder	32%	37% →	35% →

# Need of **fun and relaxation** remains high



	2022	2023	2024
I need to relax more	<b>79%</b>	<b>83%</b> →	<b>81%</b> →
I have only one life, I need to make the most of it	<b>72%</b>	<b>72%</b> →	<b>71%</b> →
I need to have more fun	<b>51%</b>	<b>52%</b> →	<b>49%</b> →
I'm missing out on important opportunities	<b>32%</b>	<b>33%</b> →	<b>30%</b> →

# Empathy remains high

...but availability to help others is on a decreasing trend



	2022	2023	2024
I am more empathetic towards others	64%	68%	67%
I am more willing to help others	63%	59%	58%

# Key state of mind note: We are a little less pessimist

... but still on alert



2022

2023

2024

I am more optimistic

51%

48% 

49% 

I am more afraid

35%

41% 

39% 

I am more pessimistic

36%

38% 

34% 

# Top 3 fears in consumers mindset remain the **financial** ones (increasing trend y.o.y.)



	2022	2023	2024
The rise in the inflation rate	84%	87%	90%
The increase in taxes after the election year	-	-	89%
The possibility of an economic crisis	84%	85%	88%
The rise in interest rates on loans	64%	63%	67%
The increase in rent prices	49%	49%	53%

Q11. To what extent do you feel worried about the following aspects: *N=1006/518/516*



Because of the prolonged war in Ukraine, **fear of the war** expanding in Romania increases from y.o.y.



2022

2023

2024

The possibility of the war expanding into Romania

**72%**

**73%** →

**76%** →

Financial insecurities and War in Ukraine make the fears regarding **Job Stability and Family Safety** to remain high in 2024, after the significant increases in 2023.



	2022	2023	2024
Personal and family safety	75%	81% ↑	81% →
Job stability	51%	68% ↑	66% →

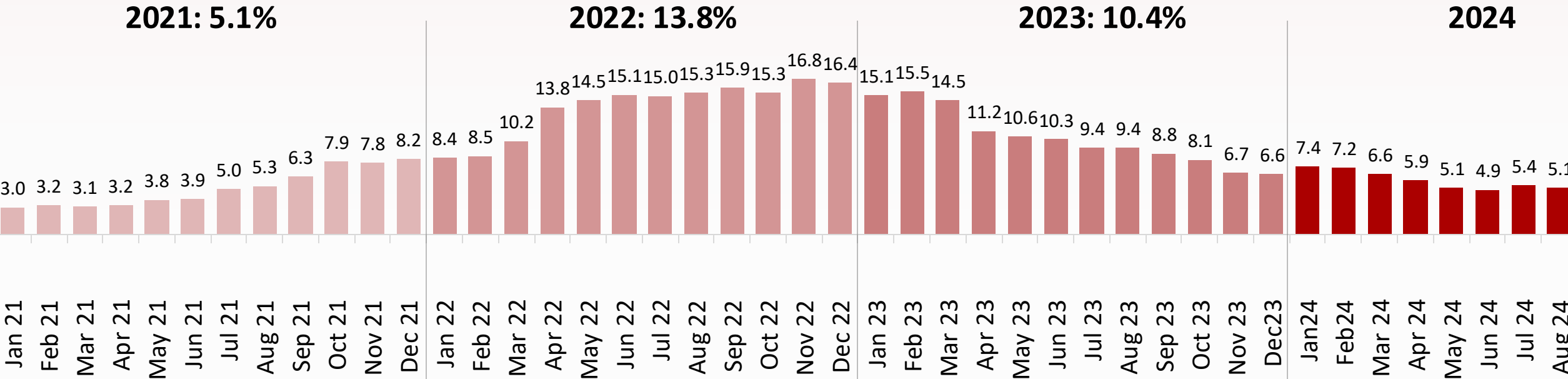
Q11. To what extent do you feel worried about the following aspects: *N=1006/518/516*



# Shopping Behavior in Actual Context

# Inflation tends to stabilize in **the last 4 months**

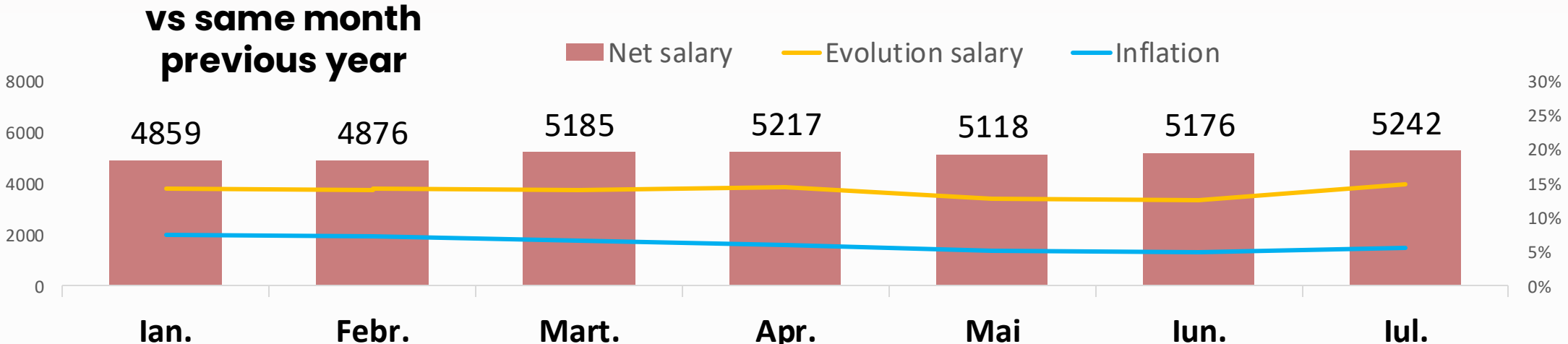
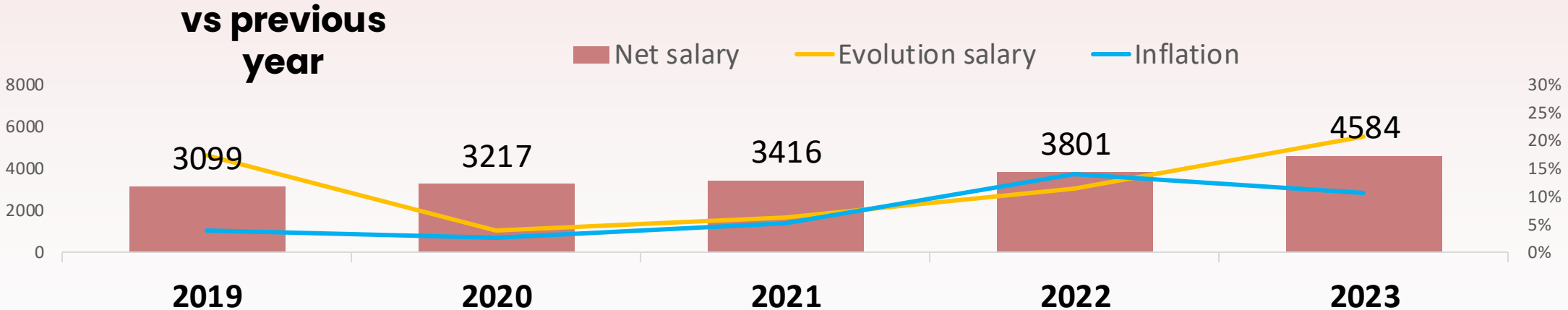
Inflation (vs the same month of previous year)



**Average rate over last 12 months:  
6.5%**

Source: INSSE

# Salaries increased more than inflation



Source: INSSE

# Average household expenditures increased **+11% in Q1 2024**

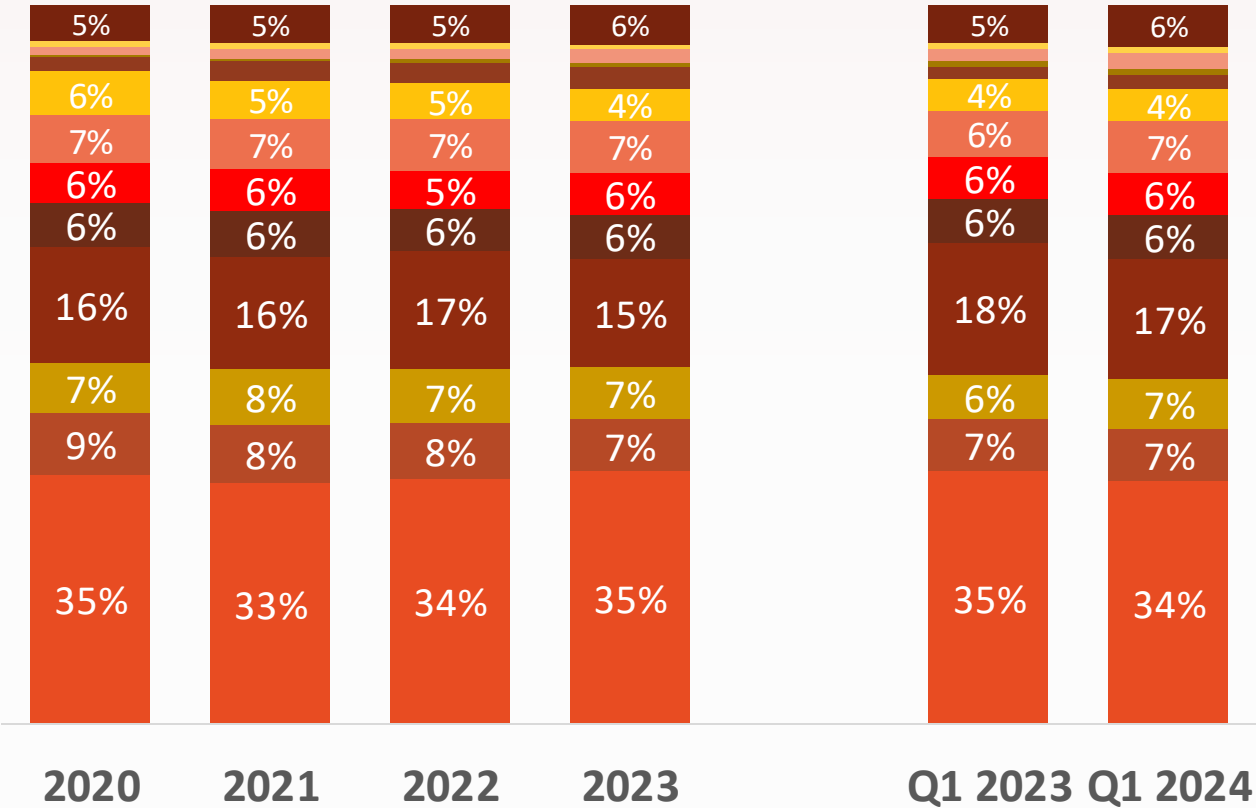
Consumption expenditures (lei/ HH/ month)

2622	2979	3450	3860
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3702	4099
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**+11%**

- Personal care, social protection and miscellaneous
- Insurance and financial services
- Miscellaneous products and services
- Hotels, cafes and restaurants
- Education
- Recreation, sport and culture
- Recreation and culture
- Information and communication
- Communications
- Transportation
- Health
- Furniture, furnishing and maintenance of dwellings
- Housing, water, electricity, gas and other fuels
- Clothing and footwear
- Alcoholic beverages, tobacco
- Agriculture food and non-alcoholic beverages

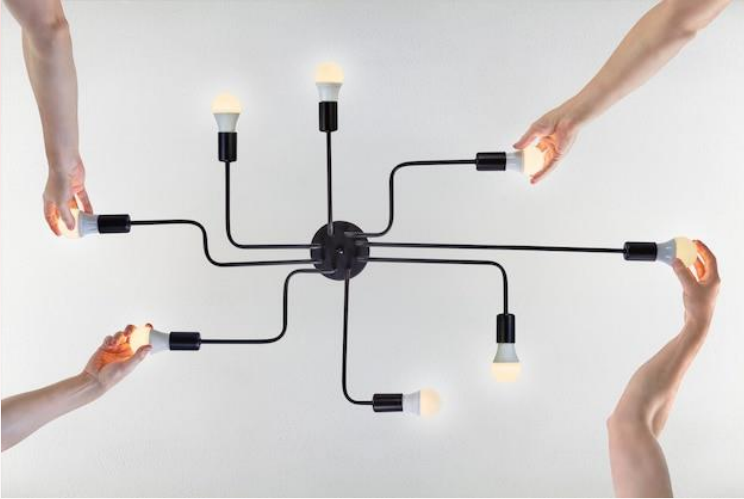


Source: INSSE

# Food and utilities **increased less than average**

	Q1 2024 lei/ HH	Evolution vs. Q1 2023	Average inflation rate Q1 2024 vs Q1 2023
Agro-food products & non-alcoholic bev.	1380	6%	Total food goods 4%
Dwelling, water, electricity, gas & other fuels	693	2%	Rent 13%/ Electric energy, gas and central heating 1%/ Water supply, sewage collection, refuse collection 18%
Alcoholic beverages, tobacco	302	11%	Alcoholic beverages 10% (included in total food)/ Tobacco, cigarettes 11%
Transport	300	26%	Urban transport 2%/ Interurban transport 7%/ Fuels 5%
Clothing and footwear	280	22%	Clothing, hosiery, trimmings, haberdashery 9%/ Footwear 10%
Health	247	9%	Medical care 14%/ Medicines 18%
Furnishings, dwelling equip. & maintenance	240	11%	Household products, furniture 5%
Personal care, social protection and miscellaneous goods and services	234	20%	Hygiene and cosmetic items 14%/ Hygiene and cosmetics services 14%
Information and communication	175	7%	Post and telecommunications 5%
Hotels, cafes and restaurants	88	37%	Restaurants, cafés, canteens 13%
Recreation, sport and culture	86	40%	Cinemas, theatres, museums, expenditure on education and tourism 11%
Insurance and financial services	42	35%	
Education	34	42%	

# Brand switching tempers down, but still high



	2022	2023	2024
Switched to a cheaper brand	54%	58%	47%
Switched to a more expensive brand	22%	27%	21%



# Strategy of **reducing the shopping budget or to buy less items** decreases



	2022	2023	2024
Reduced the budget for non-essential purchases	<b>80%</b>	<b>83%</b> →	<b>76%</b> ↓
Bought smaller quantities of products	<b>73%</b>	<b>72%</b> →	<b>62%</b> ↓
Reduced the budget for essential purchases	<b>50%</b>	<b>54%</b> →	<b>48%</b> ↓
Replaced personal car with public transportation	<b>38%</b>	<b>38%</b> →	<b>33%</b> ↓

# Appetite for **promotion hunting** is increasing compared to last year



	2023	2024
Studied retailer apps for discounts/offers	68%	73%
Read more magazines stores magazines, looking for discounts/offers	60%	62%

# Half of urban population **make stocks** **with promotional items**



2022

2023

2024

Stocked up on products on discount

**52%**

**49%** →

**50%** →

# Discounters may expect to grow less accelerated



	2022	2023	2024
Went to stores with lower prices	71%	72% →	66% ↓

# Consumer begin to **less likely** **compromise on quality**



	2022	2023	2024
I made quality compromises in the products I bought	51%	51% →	41% ↓

# Important criteria when they buy...

% Very important



## Cosmetics or household items



## Food

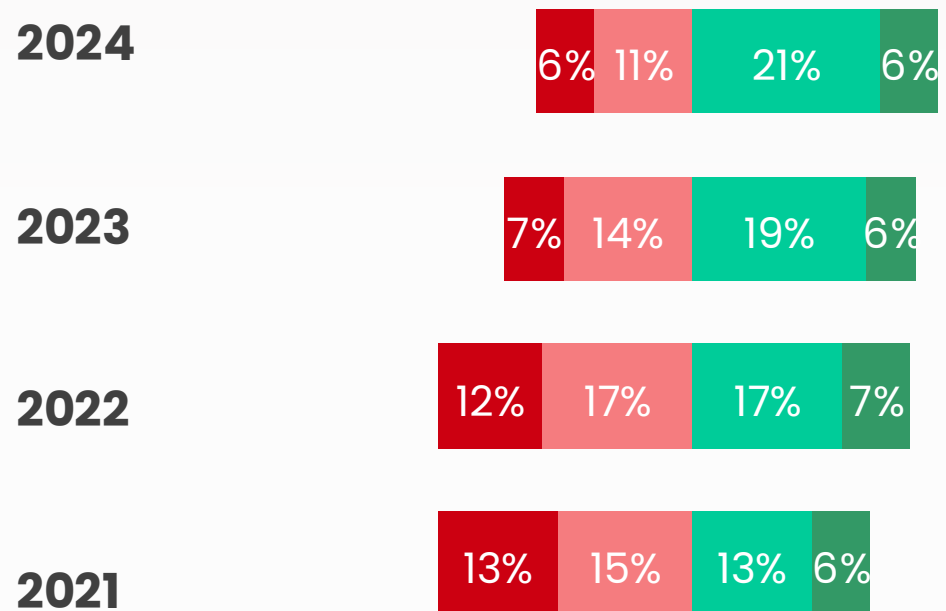


C1. How important are the following aspects when purchasing cosmetic products or household items/ food?  
N=1006/518/516

# Consumers are **positive** about their future **incomes**



Definitely decrease   Probably decrease   Probably increase   Definitely increase

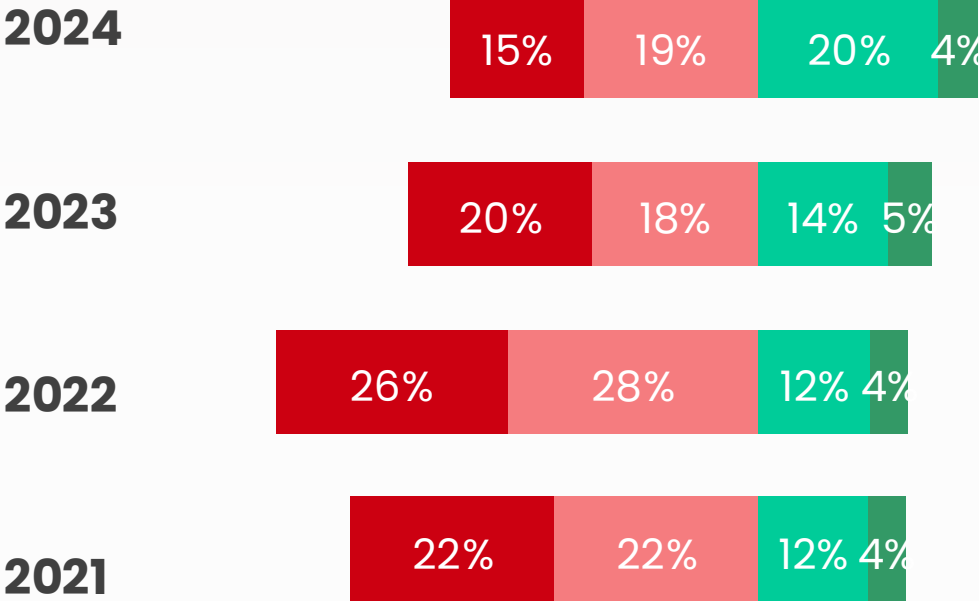


AH204. How do you think the following categories of expenses and revenues will evolve in the next 3 months compared to the last 3 months? Your household's income will...-N=501/1006/518/516

# Consumers expect to be able to **save more**



Definitely decrease    Probably decrease    Probably increase    Definitely increase



AH204. How do you think the following categories of expenses and revenues will evolve in the next 3 months compared to the last 3 months? Your savings/ money set aside will...-N=501/1006/518/516

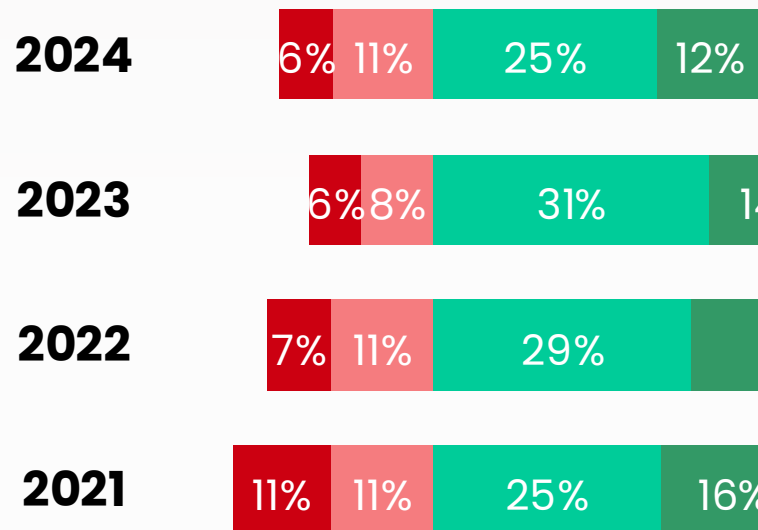


# Less consumers anticipate **growing expenses** for ...

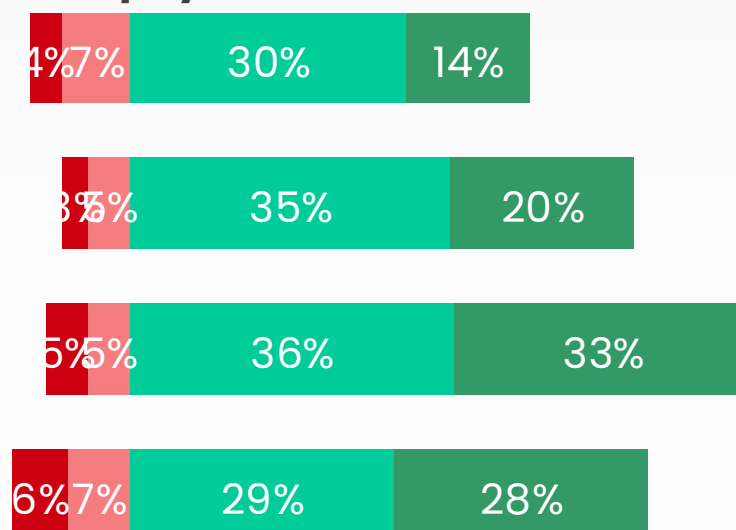


Definitely decrease    Probably decrease    Probably increase    Definitely increase

## Everyday products



## Utilities and rent/ mortgage payments



AH204. How do you think the following categories of expenses and revenues will evolve in the next 3 months compared to the last 3 months? Your spending on everyday products (such as food, toiletries, and cleaning supplies) will ... /Your spending on utilities and rent/mortgage payments will ... N=501/1006/518/516



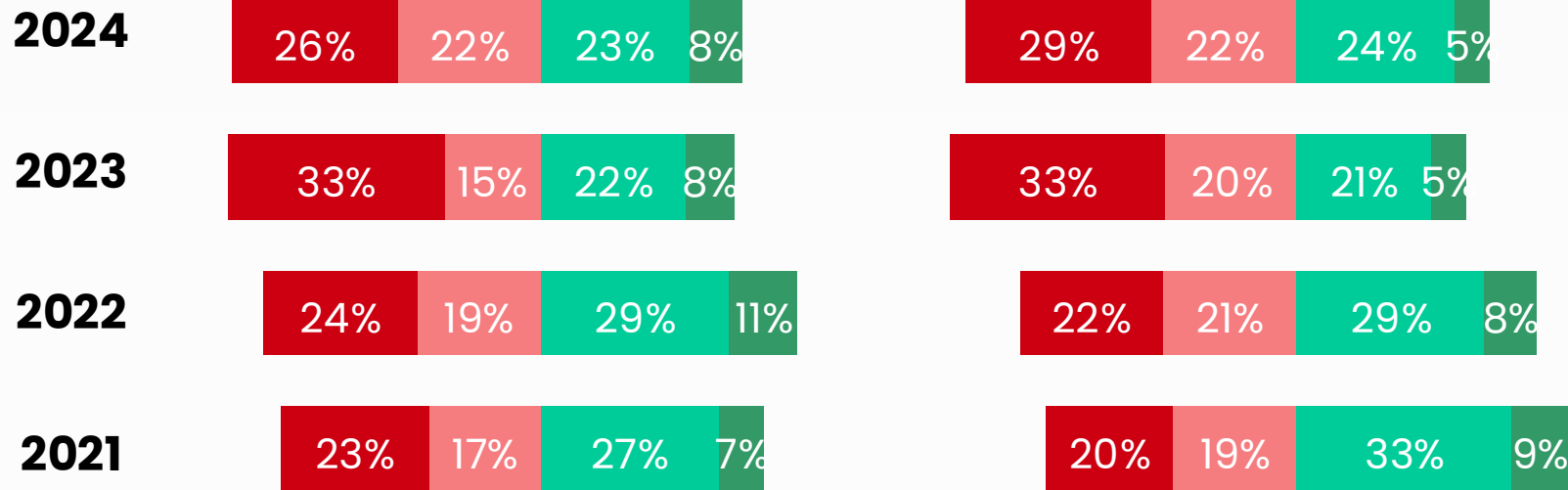
# Slightly more inclined for **some important spendings**



Definitely not buy    Probably not buy    Probably buy    Definitely buy

## Renovations

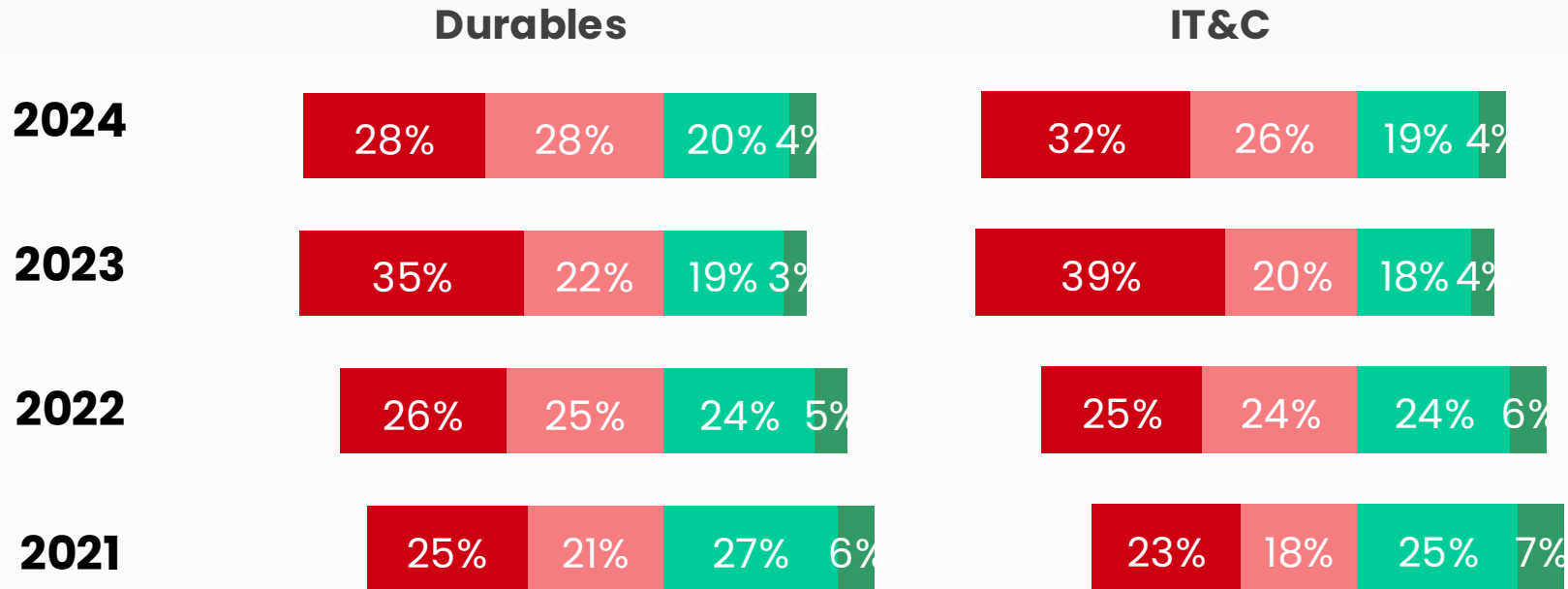
## Furniture & Deco



# Less reluctant regarding durables and electronics



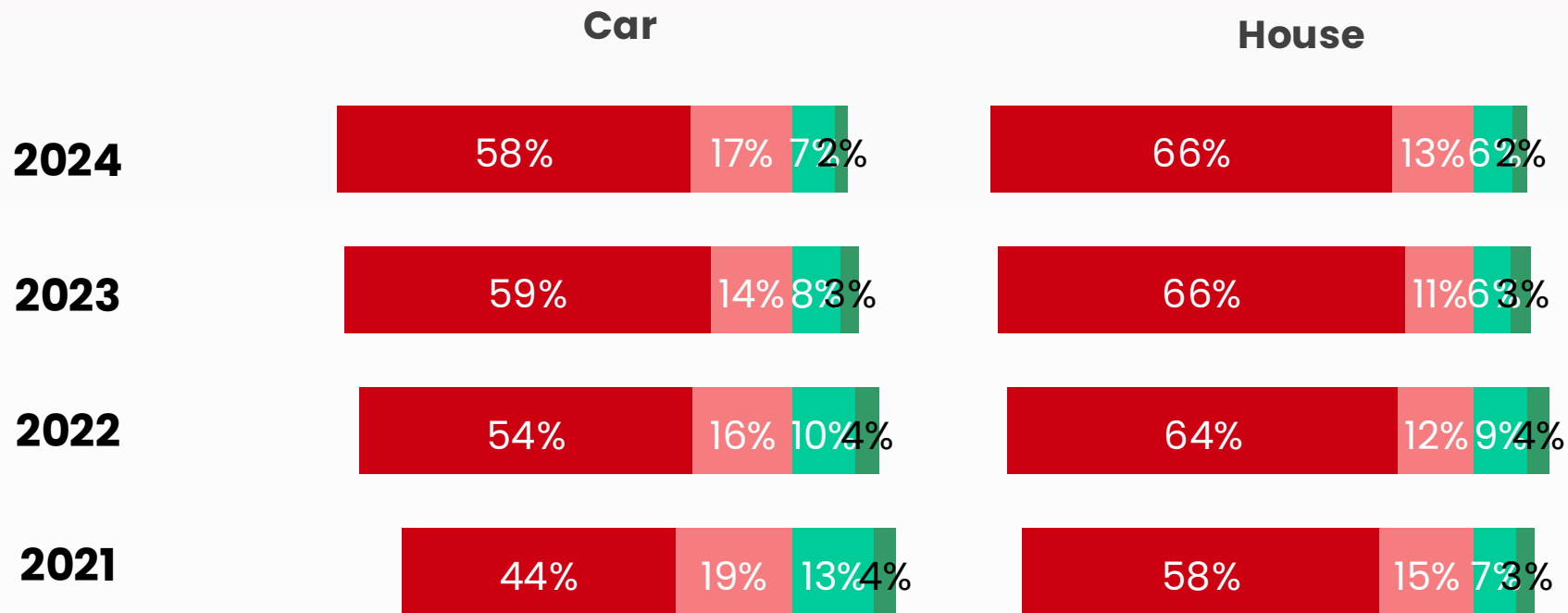
Definitely not buy    Probably not buy    Probably buy    Definitely buy



# Still **careful** about expenses related house and cars.



Definitely not buy    Probably not buy    Probably buy    Definitely buy



# Key takeaways

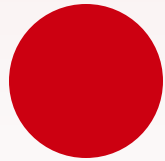
## Consumer psychology and fears in 2024

- **Nervousness and sadness** are slightly **decreasing**. Consumers are less pessimistic, **but still on alert**.
- **Income increases provide some relief**, even though they are not a full solution to the still challenging economic and social environment.
- **Family security and job stability** fears remain **high** in 2024, after significant increase in 2023.

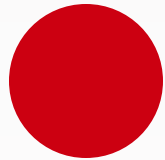
## Shopping behaviour in 2024

- Consumers put **less effort in strategies for more efficient spending**: less brand switching, fewer consumers reduce the shopping budget or buy smaller quantities
- Appetite for **promotions** is slightly **rising**, as an easy way of optimising expenses
- Consumers seek to focus on **positive aspects of their financial future**, willing to engage in planned expenditures.

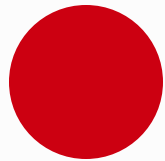
# Recommendations



Focus on delivering consistent **quality to build trust** in dealing with the skeptical consumers who are increasingly critical and discerning.



Attract consumers with **fair prices and promotions** that facilitate conscious spending rather than impulse buying.



Communicate in a **clear and transparent** manner to build loyalty and keep a high flexibility to adapt quickly to consumers mindset.

# Thank You



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