



Trendspotter: The Impact of Inflation

Surging prices, high energy costs, and shifting interest rates have Americans readjusting their spending habits and household budgets as they forgo some purchases and purchasing power contracts over time. With the U.S. economic forecast fluctuating day by day as the Federal Reserve seeks to rein in record-high inflation, U.S. consumers are on the hunt for goods and services that offer the best bang for their buck.

PMG’s latest proprietary research offers insight into the state of the American consumer as rising prices and economic uncertainty impact household budgets and purchase decisions.

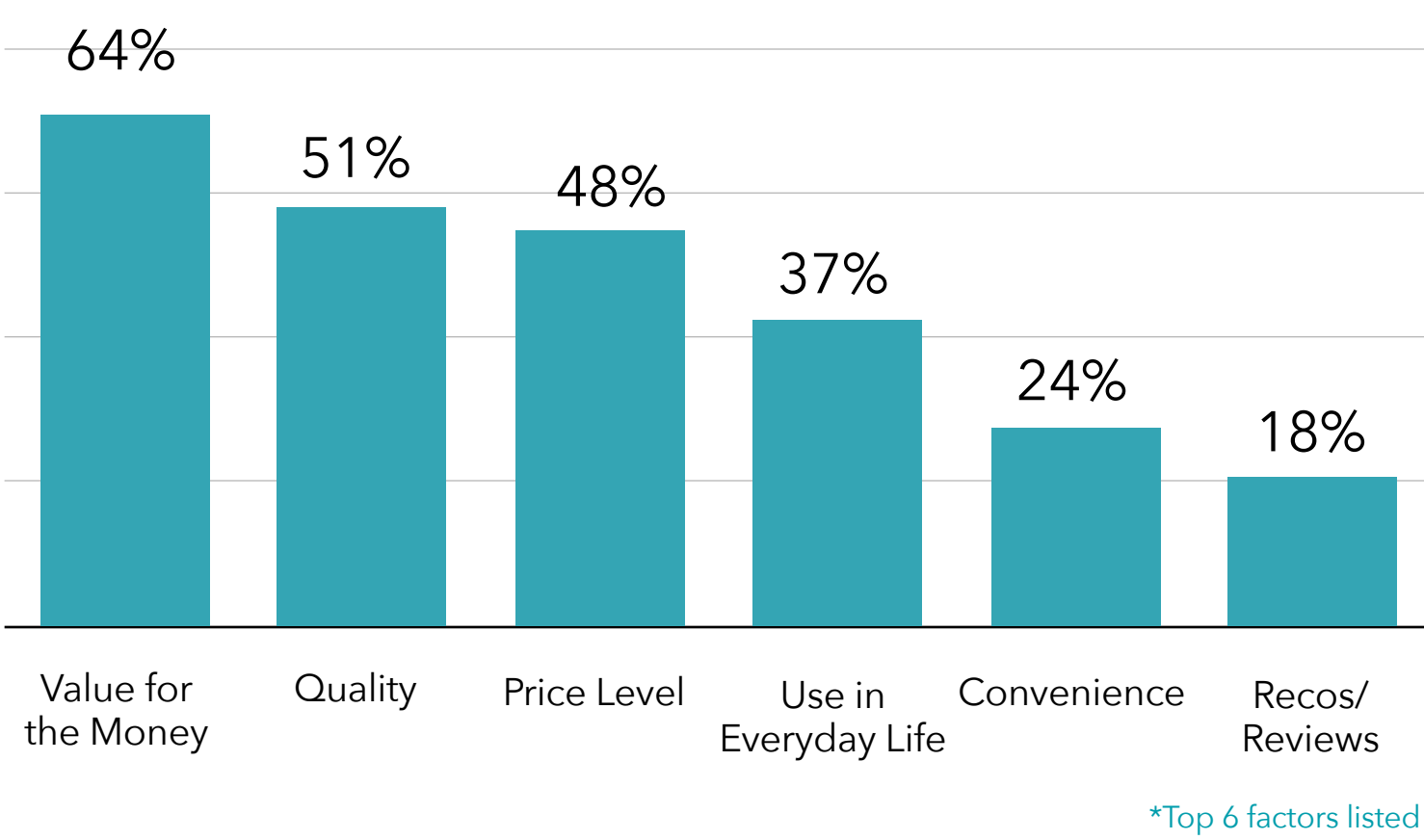
For all inquiries, please connect with us at insights@pmg.com

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1032 adults. Fieldwork was undertaken between 8th - 13th September 2022. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+).

What Factors Influence Recent Purchase Decisions?*

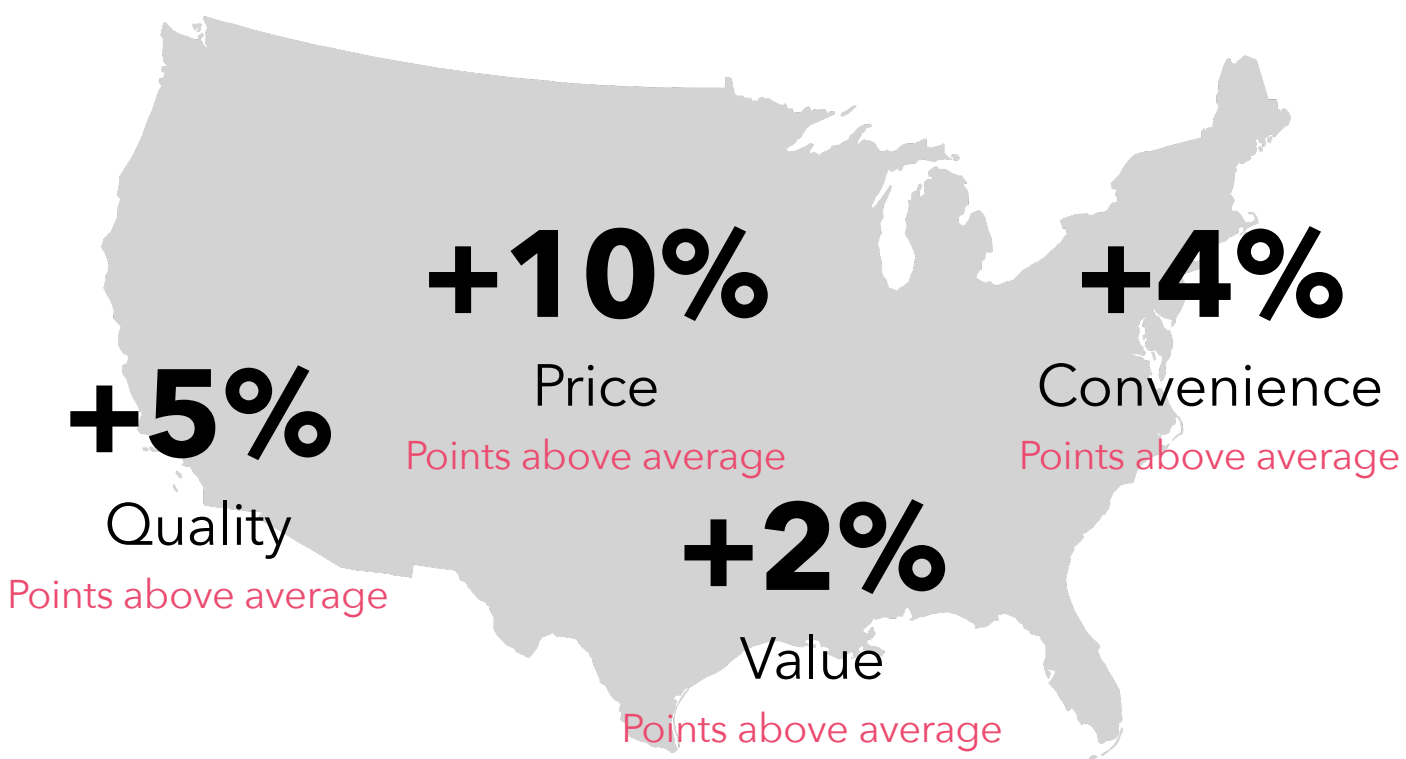
When asked to select the top factors influencing purchase decisions, a majority of survey respondents listed value for the money (64%) and quality (51%).

- Those 18-34 over-indexed for “aligns with my values” (17%)
- Women over-index for “use in everyday life” (40%) while men over-index for “quality” (55%).
- Consumers with a HHI of \$80K+ over-indexed for “recos/reviews” (22%)



Influencing Factors with Highest Over-Index by Region

- The Northeast cares most about convenience (+4%), personal health (+3)
- The Midwest cares most about price (+10%), value for the money (+6%)
- The South cares most about value (+2%)
- The West cares most about quality (+5%), followed by recommendations and reviews (+1%)

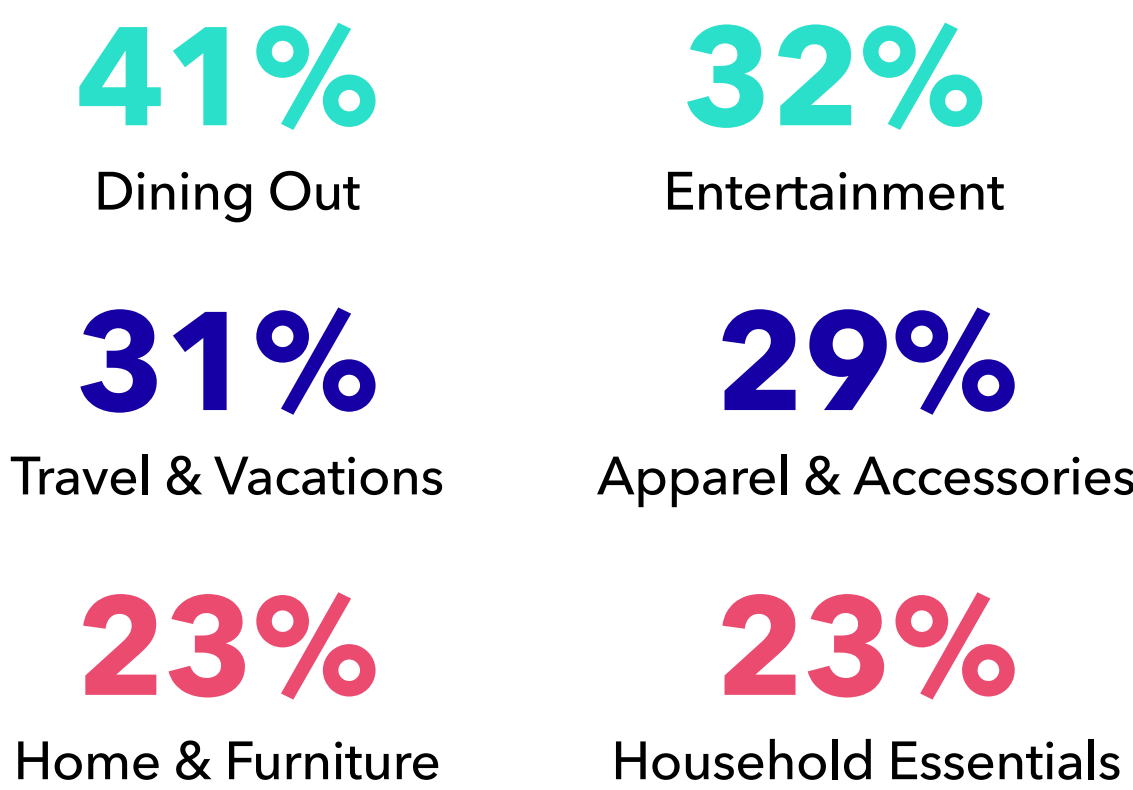


How Are Budgets Shifting Due to Rising Prices?*

A majority of Americans surveyed are readjusting household budgets in light of rising prices, with many households planning to spend less money on dining out (41%), entertainment (32%), and travel (31%) in the next two weeks.

- Those 18-34 most strongly under-index for pulling back spend on dining out (31%)
- Women over-index for decreasing spend on apparel and accessories (34%)

What Do Americans Plan to Spend Less On?



People are increasingly looking to brands to play their part in mitigating the financial impact inflation is having on everyday life,” said Shelina Taki, senior director of strategy and insights of PMG. “Brands that are sensitive to the economic volatility and uncertainty we are currently experiencing, whether through thoughtful messaging, or well-crafted promotions, will be best positioned to start or continue meaningful relationships with their target consumers.”