

COST OF LIVING REPORT

A SPECIAL REPORT BY HAVAS MEDIA GROUP

MARCH 2023



FOREWORD

Along with New York, Singapore was recently ranked the most expensive city in the world, according to the Economist Intelligence Unit (EIU) in its Worldwide Cost of Living (WCOL) 2022 survey.

Part of that, surely, was due to inflation experienced in the city-state. In particular, food and fuel prices have reached an unprecedented peak not seen in 14 years (Sep 2022, Monetary Authority of Singapore & Ministry of Trade and Industry). A tight labour market, supply chain disruptions and larger price increases in food and services amongst others, are firmly weighing down on Singaporeans as we enter 2023.

This will undoubtedly change the way Singaporeans go about their daily lives and their overall costs of living. Will we be tightening our purse strings, or our resolve? Should the state, be solely responsible for the state of affairs? How will a generation move forward when starting on the backfoot?

In this paper, we've raised five key insights post examining the thoughts, attitudes and behaviours of Singaporeans across four generations, and attempted to identify where the trends and opportunities may lie for brands as we navigate this crisis.

Enjoy.



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ABOUT THE REPORT

For most people, inflation has a bad reputation.

Generally defined as a loss of purchasing power over time, it means your dollar tomorrow is smaller compared to today.

Truth is, a moderate amount of inflation is generally a good thing. A sign of a healthy economy, demand for products and services grows and forces greater supply. This in turn, benefits the workforce as it drives a greater demand for labour and in tandem, higher wages.

The issue then, is when we find ourselves in a situation where wages are not keeping up with price hikes. Acknowledged by 78% of our respondents, the inability of wages keeping pace with the increase in products and services is a real concern.

With headlines such as 'income not keeping pace with inflation for four in 10 people' on The Straits Times and 'beat inflation with these hacks!' on SG Budget Babe, the term has once again become vogue.

But it's not only concerns that have risen. Expectations, too have climbed. 64% of respondents indicated they expect their employers to provide them pay raises to meet the hikes. The reality on the other hand, is that less than a third have received help from their employers.

This gap only serves to reinforce two issues: greater financial impact on the short-term (76% agree) and greater wealth inequality over the long-term (73% agree).

Even though inflation is real and being experienced, about a quarter (24%) of respondents believe it to be a media-created ghost riding on a hype-train designed by the press.

Either way, while the Singapore government is pushing out policy moves and rushing out financial packages to cushion the impact from the top-down, we decided to hit the ground to find out what makes dollars and sense for Singaporeans from the bottom-up.

With that in mind, this report presents findings from a study of original consumer data via an online quantitative survey among over 600 Singaporeans in December, 2022 - and includes interviews with industry experts and case studies.

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OVERALL FINDINGS ON RISING COST OF LIVING :

CONCERN OVER ISSUES

1



AMONG THE THINGS THAT SINGAPOREANS
ARE MOST CONCERNED ABOUT TODAY,

RISING COST OF LIVING IS TOP-OF-MIND,

FOLLOWED BY ENVIRONMENTAL
INSTABILITY LEADING TO CONCERN ON
HEALTH AND WELLBEING AND THEIR
LONG-TERM FINANCIAL SITUATION



Q. Firstly, which of these issues, if any, are you most concerned about? Please rank them in order of your level of concern, with the issue you are most concerned about at number 1.

RISING COST-OF-LIVING REMAINS THE TOP-MOST CONCERN ACROSS GENERATIONS.

HOWEVER THE YOUNGER POPULATION IS CONCERNED ABOUT THEIR LONG-TERM FINANCIAL SITUATION OVER THEIR HEALTH AND WELL-BEING

	Baby Boomers	Gen X	Millennials	Gen Z
Inflation and rising cost-of-living	33%	29%	18%	20%
My health/well-being	26%	19%	14%	11%
My long-term financial situation	4%	12%	14%	15%
Singapore economy	10%	6%	9%	11%
COVID-19 (virus, vaccinations, lockdowns)	6%	7%	9%	7%
Losing my job	1%	8%	10%	6%
My day-to-day financial situation	1%	6%	9%	7%
Climate change	10%	5%	4%	3%
General life satisfaction/enjoyment	1%	2%	5%	7%
Health and well-being of others	4%	2%	2%	5%
The wealth gap	1%	2%	2%	3%
LGBTQ+ rights		1%	2%	3%
The political climate in Singapore	3%	1%	1%	2%
Equal opportunities/diversity			2%	2%
Anti-racism movement			1%	1%

Q. Firstly, which of these issues, if any, are you most concerned about? Please rank them in order of your level of concern, with the issue you are most concerned about at number 1.



2

OVERALL FINDINGS ON RISING COST OF LIVING :

AWARENESS

WITH THE COST-OF-LIVING CRISIS FURTHER ESCALATING, A SIGNIFICANT NO. OF PEOPLE (94%) ARE AWARE OF BIG INCREASES IN THE PRICE OF GOODS AND SERVICES, MORE SO AMONG OLDER GENERATIONS. A LARGER % OF HIGHER INCOME GROUPS ACKNOWLEDGE THE INCREASE IN COSTS VS LOWER INCOME GROUPS

Perceived cost of goods & services - TOTAL



Perceived cost of goods & services - GENERATION

	Baby Boomers	Gen X	Millennials	Gen Z
Noticed big increase in costs	74%	68%	58%	46%
Noticed small increase in costs	23%	28%	33%	46%
I haven't noticed any change	1%	4%	6%	6%
Noticed small decrease in costs	1%	1%	1%	2%
Noticed big decrease in costs	1%		1%	1%

Perceived cost of goods & services - HH-INCOME

	Low-Income (<\$4K)	Mid-Income (\$4K - \$8K)	High-Income (\$8K - \$15K)	Affluent (\$15K+)
Noticed big increase in costs	58%	62%	60%	68%
Noticed small increase in costs	29%	31%	36%	29%
I haven't noticed any change	9%	5%	3%	1%
Noticed small decrease in costs	2%	1%	0.5%	1%
Noticed big decrease in costs	1%	1%	0.5%	

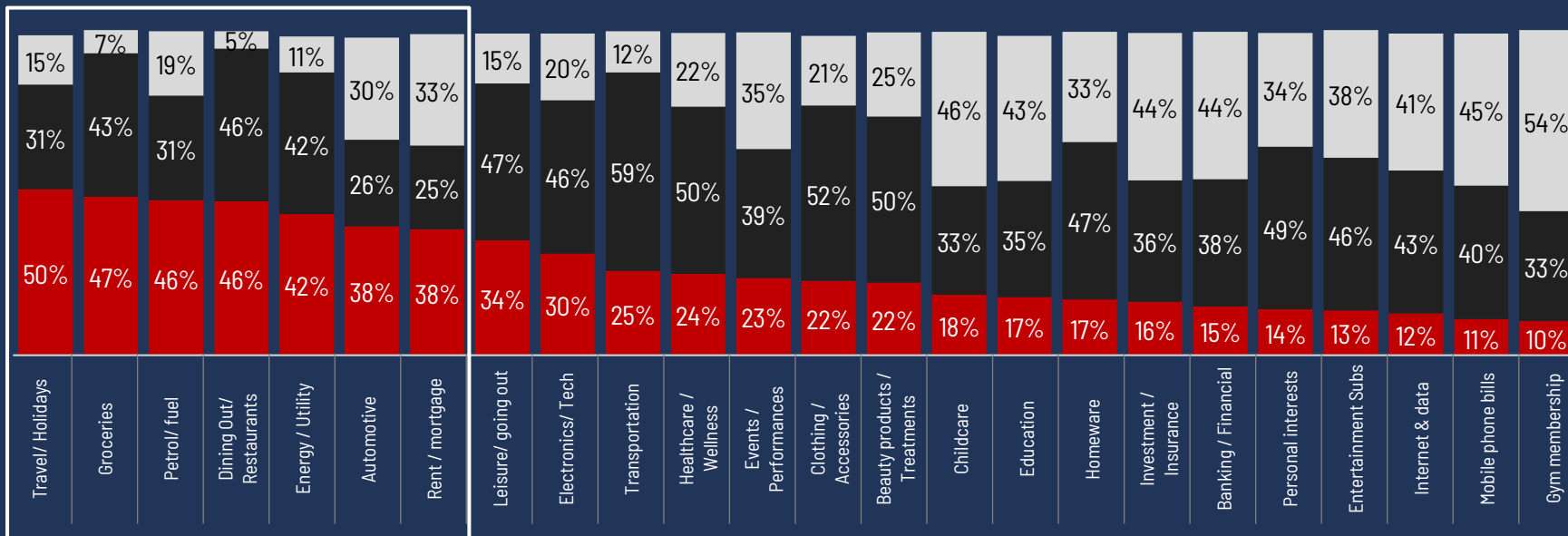
Colour coded cells represent directional difference as compared to Total Singapore as there was no significant difference observed in the significance testing at 95% confidence level

Q. Firstly, which of these issues, if any, are you most concerned about? Please rank them in order of your level of concern, with the issue you are most concerned about at number 1.

ALTHOUGH THERE WAS A HUGE SURGE SEEN IN OUTBOUND TOURISM IN 2022 (EXCEEDING PRE-COVID LEVELS), CONSUMERS ARE EXPERIENCING THE HIGHEST COST INCREASE IN THIS CATEGORY FOLLOWED BY GROCERIES, FUEL AND F&B

Perceived cost of goods & services per category - TOTAL

■ I've noticed big increase ■ I've noticed small increase ■ I haven't noticed any change

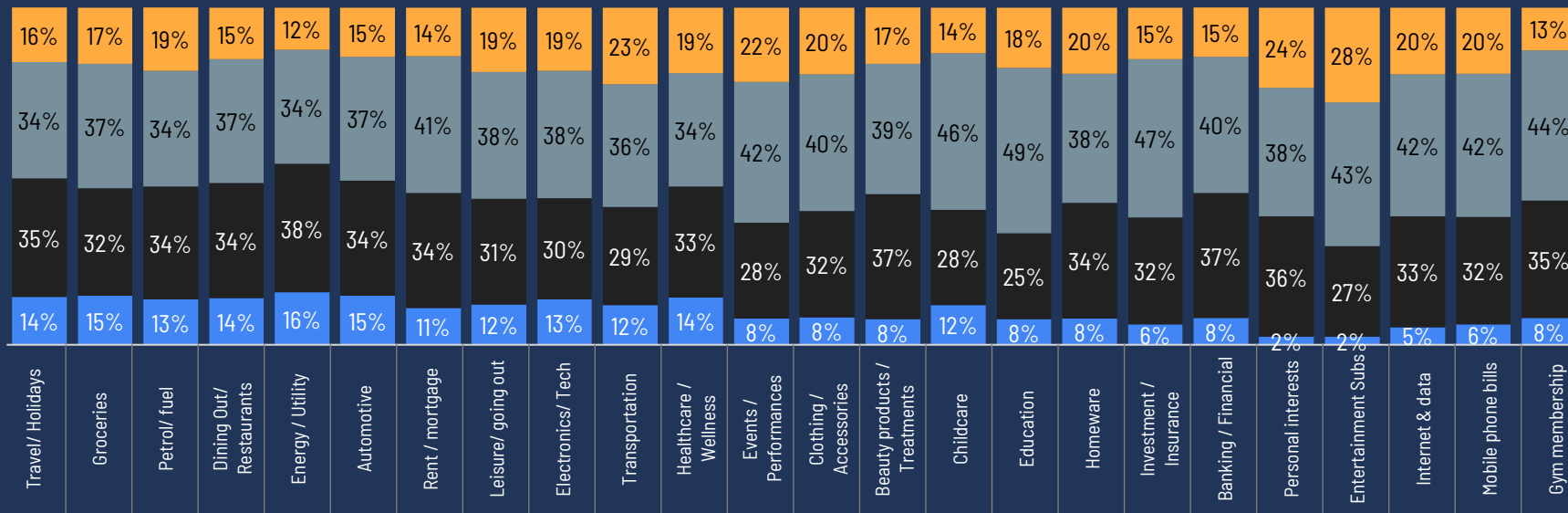


Q. And thinking more specifically about each of these categories, compared to 3-6 months ago, which of the following best applies to you?
(Degree of observed cost increase scale)

GEN X AND MILLENNIALS HAVE NOTICED THE BIGGEST INCREASES IN COSTS ACROSS MOST CATEGORIES, BABY BOOMERS HAVE PICKED UP ON LARGE INCREASES IN THE COST OF GROCERIES AND UTILITIES. GEN Z ON THE OTHER HAND SEE IMPACT ON THEIR REGULAR CATEGORIES LIKE TRANSPORTATION, HOBBIES/ INTERESTS AND ENTERTAINMENT SUBSCRIPTION SERVICES

Perceived cost of goods & services per category - TOTAL

■ Baby Boomers ■ Gen X ■ Millennials ■ Gen Z



*Priorities by generations based on normalisation of scores

Q. And thinking more specifically about each of these categories, compared to 3-6 months ago, which of the following best applies to you?
(Degree of observed cost increase scale)

3

OVERALL FINDINGS ON RISING COST OF LIVING :

CURRENT IMPACT



MANY ARE STRUGGLING TO AFFORD DAILY LIVING EXPENSES
LIKE FOOD AND GROCERIES AND ARE HAVING TO

CUT BACK ON NON-ESSENTIALS



Higher expenses, (I) need to think twice before making purchases

Hope salary increment will overcome the inflation and opt to get better bargain

The daily expenses have increased when the salary stays unchanged

As there is no income, many such as my family are greatly affected even though GST of 1% by 1st Jan 2023. Many food center, groceries have already by more the 100%. Even with government subsidy it is still too much for us. Many businesses take this opportunity to increase prices.

Q. Please tell us in a few words how, if at all, the rising cost of living in Singapore is most impacting you.

CHOICEFUL CUTBACK ARE COMMON ACROSS GENERATIONS

Baby Boomers

"Everything is affected, I'm cutting back on all expenses except healthcare"

"Cutting back is mandatory. Rising cost is like 55. Pay rise is 10% to 15%. Does not help at all."

"Energy cost have impacted my life. I have plan to stop using refrigerator. I have totally cut off all Leisure travel."

"As there is no income, many such as my family are greatly affected even though GST of 1% by 1st Jan 2023. Many food center, groceries have already by more the 100%. Even with government subsidy it is still too much for us. Many businesses take this opportunity to increase prices."

"Impact heavily as almost everything, from perishables to nonperishables are rising its costs. Making the standard of living in Singapore rocket high"

"It has made my savings becoming less and less by the days which will affect my retirement plan"

Gen Xs

"Concerns about the spending is not keeping pace with earnings"

"Cut back on unnecessary expenses but food prices increase is a big headache. Expenses on food rose greatly."

"Daily food prices are increasing so we don't dine at restaurants as often but go for less luxurious options."

"I have become more conscious with the things that I buy as I don't want to spend unnecessarily"

"Electricity bill increases, food increases making me stress and tired"

"It is most noticeable in the form of higher utility bills, but I also see fewer reductions when shopping for groceries"

Millennials

"a bit difficult to live, salary no change, public transport keep rising and no improvement at all. it is sick"

"have to budget our family expenses and giving up some personal hobbies that are costly"

"I can't afford to go out shopping everyday, spend on my favorite foods, my lifestyle will be greatly affected"

"I have to limit my grocery or shopping. I need to cut back or downgrade my phone plan. I need to spend less on my restaurant dine. I have to recycle things in order to save money."

"mortgage costs and prices of daily necessities like food are rising so much faster than income"

"yes, as my expenses would have to go up and I need to work harder"

Gen Zs

"I am afraid on how I will cope in the future"

"holding back when trying to purchase things that are seen as not necessary"

"The rising cost in transportations affects me significantly and the upcoming increase in goods and services will greatly affect me when going out. This means I will definitely be going out less"

"Less willing to spend on recreational and wellness items"

"More difficult to save money for the future"

"Making things very expensive even basic necessities. Got to save up more and limit spendings on leisure activities"

Q. Please tell us in a few words how, if at all, the rising cost of living in Singapore is most impacting you.

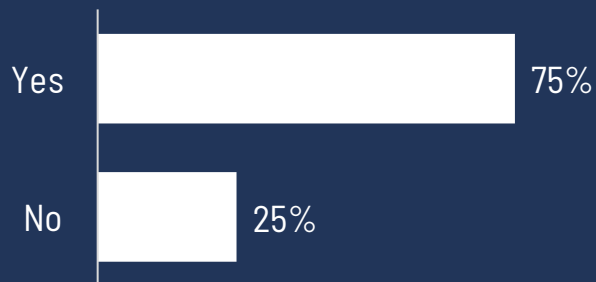
BUT TRIGGERS MIGHT BE UNIQUE

	Baby Boomers	Gen Xs	Millennials	Gen Zs
TRIGGERS	Save / be ready for retirement	Manage Day-to-day	Maintain Quality of Life	Plan for future
IMPACT	Depleting and lower savings	Daily living expenses and cutbacks	Reduction of spending power	Drastic cut on non-essentials

Q. Please tell us in a few words how, if at all, the rising cost of living in Singapore is most impacting you.

A LARGE 75% ARE CURRENTLY CUTTING BACK ON SPENDING. GEN Z AND LOW-INCOME HOUSEHOLDS ARE MORE LIKELY TO IMPLEMENT CUTBACK MEASURES AS COMPARED TO OTHERS

Current cutback on spending – TOTAL



Current cutback on spending – GENERATION

	Baby Boomers	Gen X	Millennials	Gen Z
Yes	69%	72%	76%	82%
No	31%	28%	24%	18%

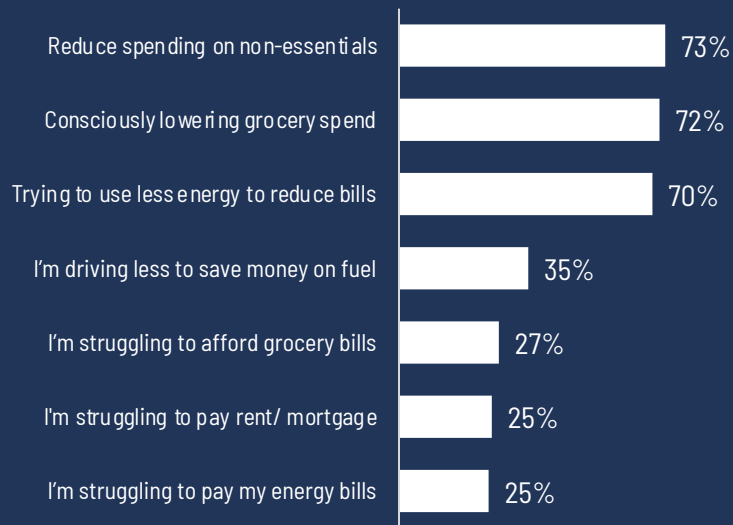
Current cutback on spending – HH-INCOME

	Low-Income (<\$4K)	Mid-Income (\$4K - \$8K)	High-Income (\$8K - \$15K)	Affluent (\$15K+)
Yes	78%	73%	77%	63%
No	22%	27%	23%	37%

Colour coded cells represent directional difference as compared to Total Singapore. There was no significant difference observed in the significance testing at 95% confidence level

OVER 70% ARE ACTIVELY REDUCING NON-ESSENTIAL SPENDING, TRYING TO CUT GROCERY SPENDING & USING LESS ENERGY

Impact of cost increase (Net Agree) - TOTAL



Impact of cost increase (Net Agree) - GENERATIONS

	Baby Boomers	Gen X	Millennials	Gen Z
Reduce spending on non-essentials	64%	73%	73%	80%
Consciously lowering grocery spend	65%	70%	78%	67%
Trying to use less energy to reduce bills	79%	76%	66%	61%
I'm driving less to save money on fuel	35%	35%	40%	29%
I'm struggling to afford grocery bills	20%	20%	35%	29%
I'm struggling with rent/mortgage payments	11%	18%	35%	29%
I'm struggling to pay my energy bills	14%	23%	31%	23%

*Priorities by generations based on normalisation of scores across generations

Q. Now we'd like you to consider how recent cost increases may have impacted certain areas of your life. How much, if at all, do you agree with each of the following statements? Please rate on a scale of 1 to 5, where 1 is 'Strongly Disagree', and 5 is 'Strongly Agree'

LOW AND MIDDLE INCOME HOUSEHOLDS

TRYING TO REDUCE NON-ESSENTIALS SPENDING
STRUGGLING MORE TO AFFORD GROCERY AND
UTILITY BILLS

VS

HIGHER INCOME HOUSEHOLDS

ATTEMPTING TO SAVE MONEY ON FUEL

Impact of cost increase (Net Agree) – HH-INCOME

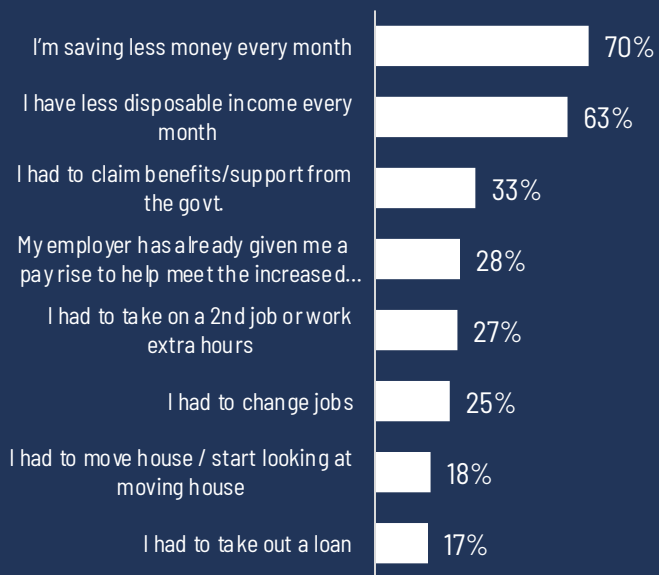
	Low-Income (<\$4K)	Mid-Income (\$4K - \$8K)	High-Income (\$8K - \$15K)	Affluent (\$15K+)
Reduce spending on non-essentials	74%	73%	73%	67%
Consciously lowering grocery spend	70%	71%	73%	70%
Trying to use less energy to reduce bills	70%	71%	69%	68%
I'm driving less to save money on fuel	26%	28%	45%	51%
I'm struggling to afford grocery bills	44%	22%	26%	15%
I'm struggling with rent/mortgage payments	33%	27%	21%	25%
I'm struggling to pay my energy bills	32%	26%	24%	10%

*Priorities by HHI based on normalisation of scores across income groups

Q. Now we'd like you to consider how recent cost increases may have impacted certain areas of your life. How much, if at all, do you agree with each of the following statements? Please rate on a scale of 1 to 5, where 1 is 'Strongly Disagree', and 5 is 'Strongly Agree'

NEARLY THREE-QUARTERS ARE EXPERIENCING LESSER SAVINGS AND 63% HAVE LOWER DISPOSABLE INCOME EVERY MONTH. ONE-THIRD HAD TO CLAIM SUPPORT FROM THE GOVERNMENT. YOUNGER COHORTS HAVE EXPERIENCED CHANGE IN LIFE PLANS LIKE WORKING EXTRA HOURS, CHANGING JOBS OR MOVING HOUSES TO ACCOMMODATE

Current experience (Net Agree) - TOTAL



Current experience (Net Agree) - GENERATIONS

	Baby Boomers	Gen X	Millennials	Gen Z
I'm saving less money every month	73%	71%	69%	67%
I have less disposable income/month	65%	61%	71%	50%
I had to claim support from the govt	28%	25%	39%	37%
My employer has already given me a pay rise to help meet the increased costs	6%	21%	32%	27%
I had to take 2nd job or work extra hours	9%	25%	31%	35%
I had to change jobs	5%	20%	33%	29%
I had to move houses/ looking to move	5%	13%	27%	20%
I had to take out a loan	4%	14%	26%	16%

*Priorities by generations based on normalisation of scores across generations

Q. Have you experienced any of these as a result of the cost of living crisis?
Please rate on a scale of 1 to 5, where 1 is 'Strongly Disagree', and 5 is 'Strongly Agree'

LOW-INCOME HOUSEHOLDS HAD TO CLAIM GOVERNMENT SUPPORT AND ADD WORK TO MANAGE THE CURRENT SITUATION, WHILE OTHERS EXPERIENCE LOWER SAVINGS AND DISPOSABLE INCOME EVERY MONTH. AFFLUENT HOUSEHOLDS LARGELY SEE REDUCED DISPOSABLE INCOMES AS COMPARED TO OTHER GROUPS

Current experience (Net Agree) – HH-INCOME

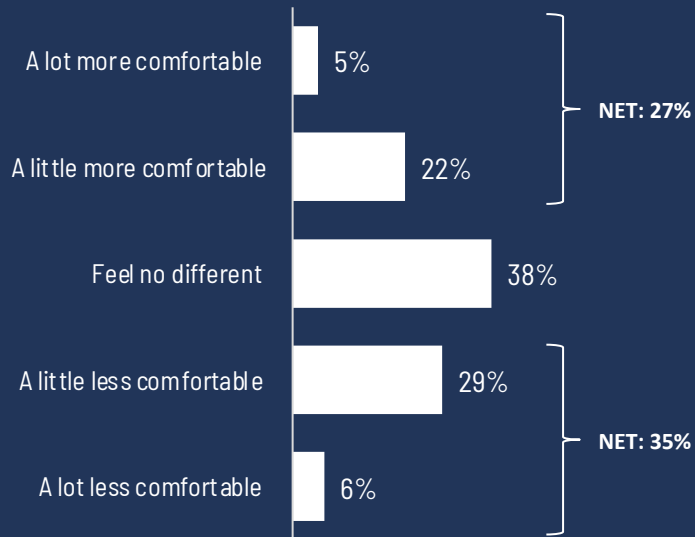
	Low-Income (<\$4K)	Mid-Income (\$4K - \$8K)	High-Income (\$8K - \$15K)	Affluent (\$15K+)
I'm saving less money every month	70%	75%	68%	66%
I have less disposable income/ month	59%	62%	70%	60%
I had to claim support from the govt	38%	35%	31%	25%
My employer has already given me a pay rise to help meet the increased costs	22%	21%	30%	26%
I had to take 2nd job or work extra hours	32%	27%	25%	26%
I had to change jobs	27%	26%	24%	23%
I had to move houses/ looking to move	16%	23%	17%	19%
I had to take out a loan	16%	18%	20%	14%

*Priorities by HHI based on normalisation of scores across income groups

Q. Have you experienced any of these as a result of the cost of living crisis?
Please rate on a scale of 1 to 5, where 1 is 'Strongly Disagree', and 5 is 'Strongly Agree'

35% HAVE EXPERIENCED SOME FORM OF FINANCIAL DISCOMFORT IN RECENT MONTHS. THE BIGGEST INCREASES IN FINANCIAL STRUGGLES ARE EVIDENT FOR ALL GENERATIONS EXCEPT FOR MILLENNIALS AND AFFLUENT HOUSEHOLDS

Financial comfort – Total



Financial comfort – GENERATION

	Baby Boomers	Gen X	Millennials	Gen Z
Net more comfortable	8%	27%	34%	26%
Net less comfortable	38%	41%	28%	37%
Net comfort score	-30%	-14%	6%	-11%

Financial comfort – HH-INCOME

	Low-Income (<\$4K)	Mid-Income (\$4K - \$8K)	High-Income (\$8K - \$15K)	Affluent (\$15K+)
Net more comfortable	27%	25%	26%	32%
Net less comfortable	38%	35%	35%	30%
Net comfort score	-11%	-10%	-9%	2%

Q. Considering your current financial situation, how comfortable are you compared to 3-6 months ago? By this, we mean how much you can afford the essentials and maintain a good quality of life.

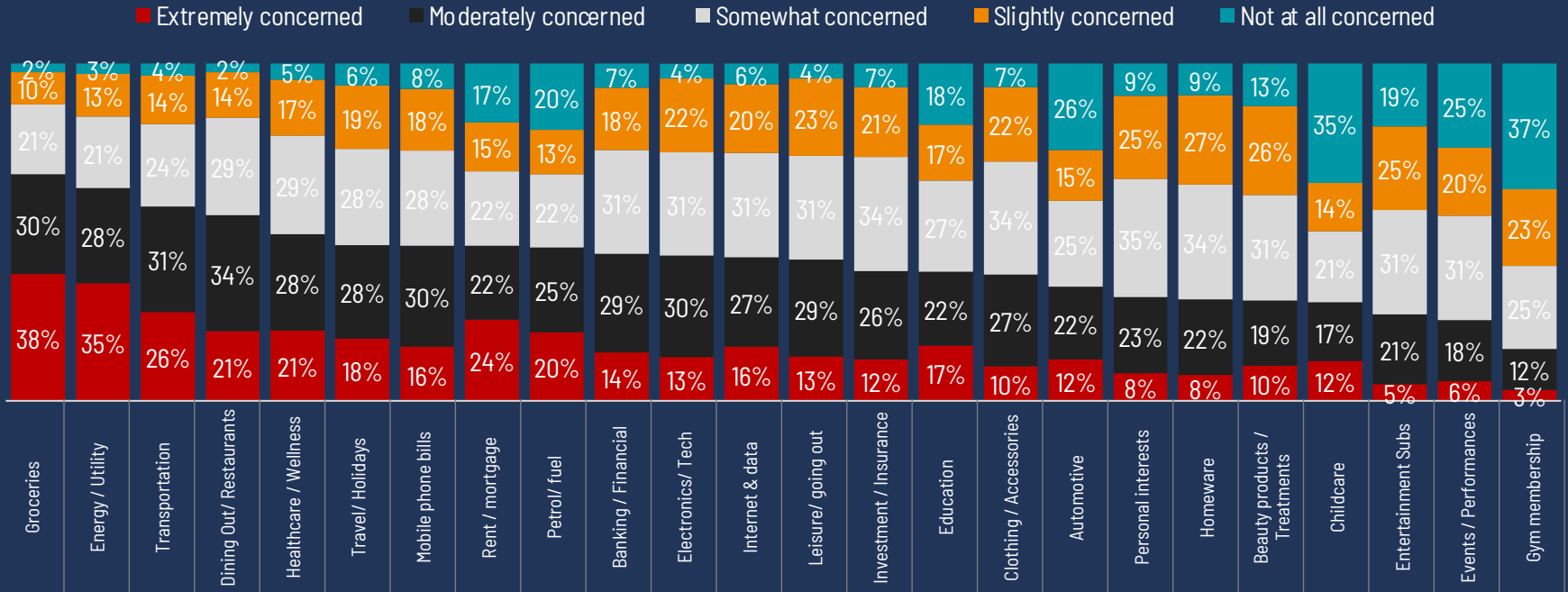
OVERALL FINDINGS ON RISING COST OF LIVING :

FUTURE IMPACT



THE COST-OF-LIVING CRISIS IS ASSUMED TO WORSEN OVER TIME. CATEGORIES THAT ARE CONSIDERED NECESSITIES ARE EXPECTED TO EXPERIENCE GREATER COST INCREASES, FORMING THE BIGGEST CONCERN IN THE FUTURE

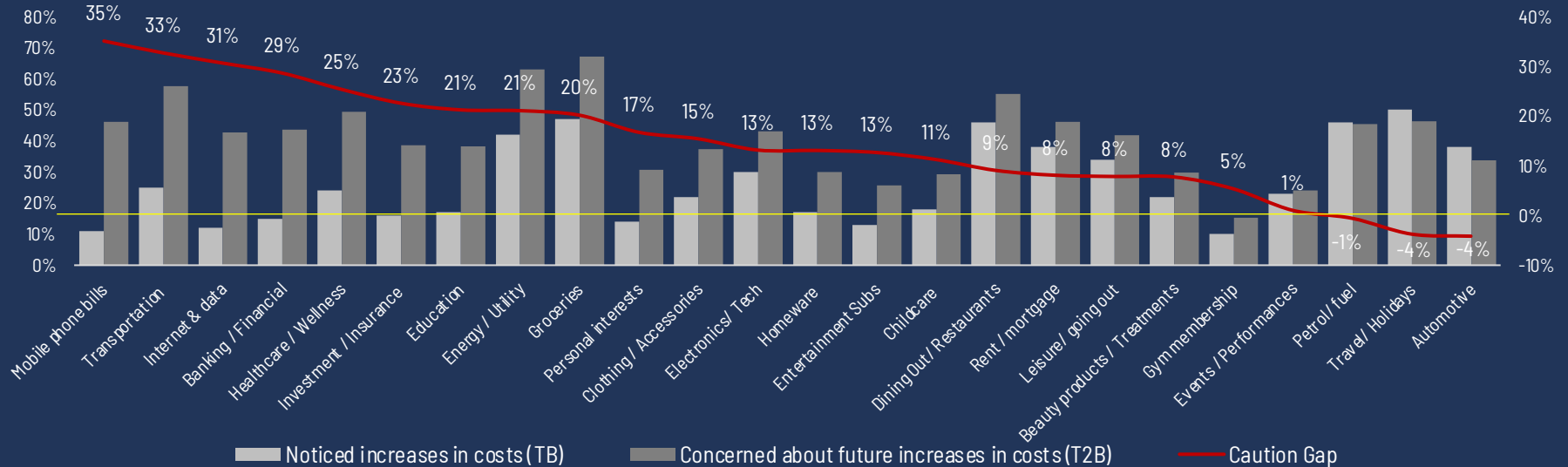
Future cost increase concern per category - TOTAL



Q. Again, considering each of these categories, how concerned are you about the future increase in their costs? (5-point concern scale)

COMPARED TO THE CURRENT EXPERIENCE, FUTURE EXPECTATIONS OF RISING COSTS FOR MOST CATEGORIES EXCEPT FUEL, TRAVEL AND AUTOMOTIVE ARE HIGHER. MOBILE BILLS, TRANSPORTATION AND INTERNET/DATA ARE EXPECTED TO BE THE TOP 3 OUT-OF-REACH CATEGORIES IN THE FUTURE

Already noticed increases in cost vs. future concern over increases in cost by category - TOTAL



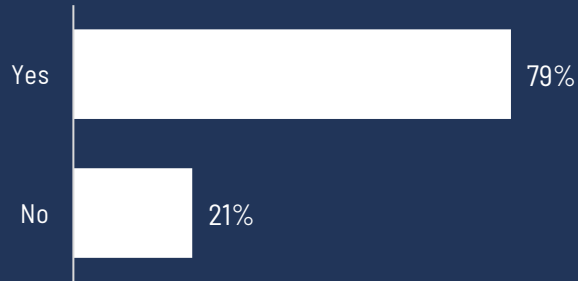
*Categories with higher Caution Gap are likely to experience higher customer caution in spending and higher cutbacks
 Caution Gap = (Future concern over increase - Noticed increase in cost)

Q. And thinking more specifically about each of these categories, compared to 3-6 months ago, which of the following best applies to you? (Degree of observed cost increase scale)

Q. Again, considering each of these categories, how concerned are you about the future increase in their costs? (5-point concern scale)

NEARLY 8 IN 10 THINK THEY WILL HAVE TO CUT BACK ON THEIR SPENDS IN THE NEAR FUTURE. THIS IS MOST NOTABLE FOR GEN Z AND LOW-INCOME HOUSEHOLDS

Future cutback on spending – TOTAL



Future cutback on spending – GENERATION

	Baby Boomers	Gen X	Millennials	Gen Z
Yes	73%	79%	77%	83%
No	28%	21%	23%	17%

Future cutback on spending – HH-INCOME

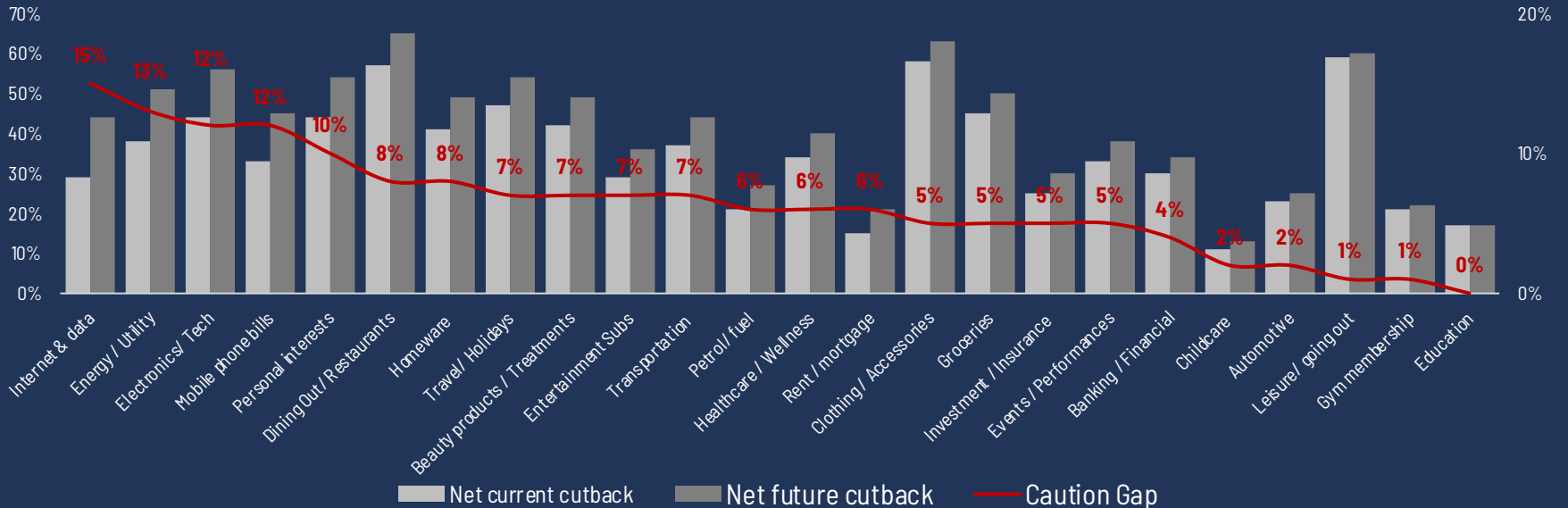
	Low-Income (<\$4K)	Mid-Income (\$4K - \$8K)	High-Income (\$8K - \$15K)	Affluent (\$15K+)
Yes	82%	77%	80%	70%
No	18%	23%	20%	30%

Colour coded cells represent directional difference as compared to Total Singapore. There was no significant difference observed in the significance testing at 95% confidence level

Q. In the near future, do you think you will need to cut back on spending in any areas to afford essentials such as food, travel, bills etc.?

THE LARGEST FORECASTED CUTBACK ON SPENDING REMAINS ON DINING OUT, CLOTHING/ACCESSORIES AND LEISURE/GOING OUT. HOWEVER, THE BIGGEST JUMP IN CUTBACKS WILL BE OBSERVED IN INTERNET/DATA, ENERGY/UTILITY AND ELECTRONICS/TECHNOLOGY

Current cutback vs. future cutback by category - TOTAL



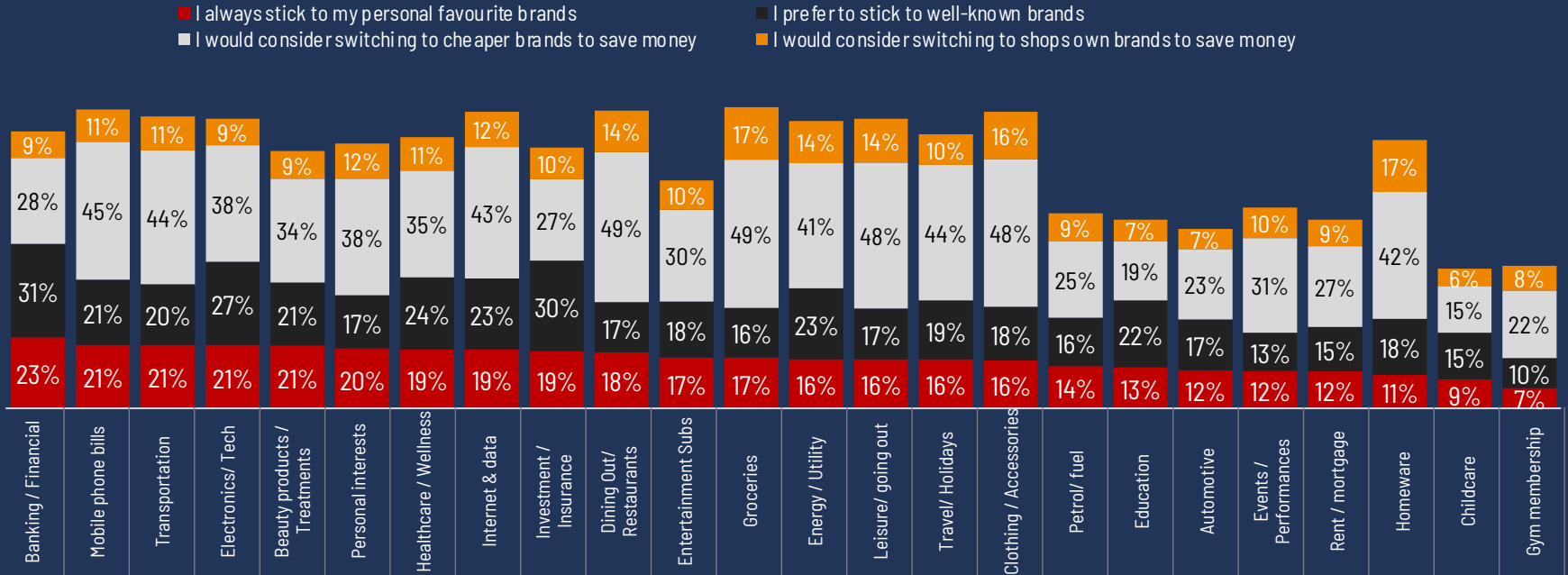
*Categories with higher Caution Gap are likely to experience higher cutbacks
 Caution Gap = (Net future cutbacks - Net current cutback)

Q. Considering your recent spending in the following areas, to what extent have you cut back or increased your spending on each category? (Degree of current cutback in spending)

Q. Again, consider your spending in the near future in the following areas, to what extent do you plan to cut back or increase your spending on each category? (Degree of expected cutback in spending)

BANKING/ FINANCIALS, TELECOM, TRANSPORTATION & TECH GENERATE THE MOST BRAND LOYALTY, BUT INTENT TO SWITCH TO CHEAPER BRANDS / HOUSE BRANDS IS HIGHER IN GROCERIES, CLOTHING/ACCESSORIES, RESTAURANT/DINING OUT & LEISURE CATEGORIES

Brand purchase preferences per category - TOTAL



Q. For each of these categories, please tell us which of the following statements apply to you?

OVERALL FINDINGS ON RISING COST OF LIVING :

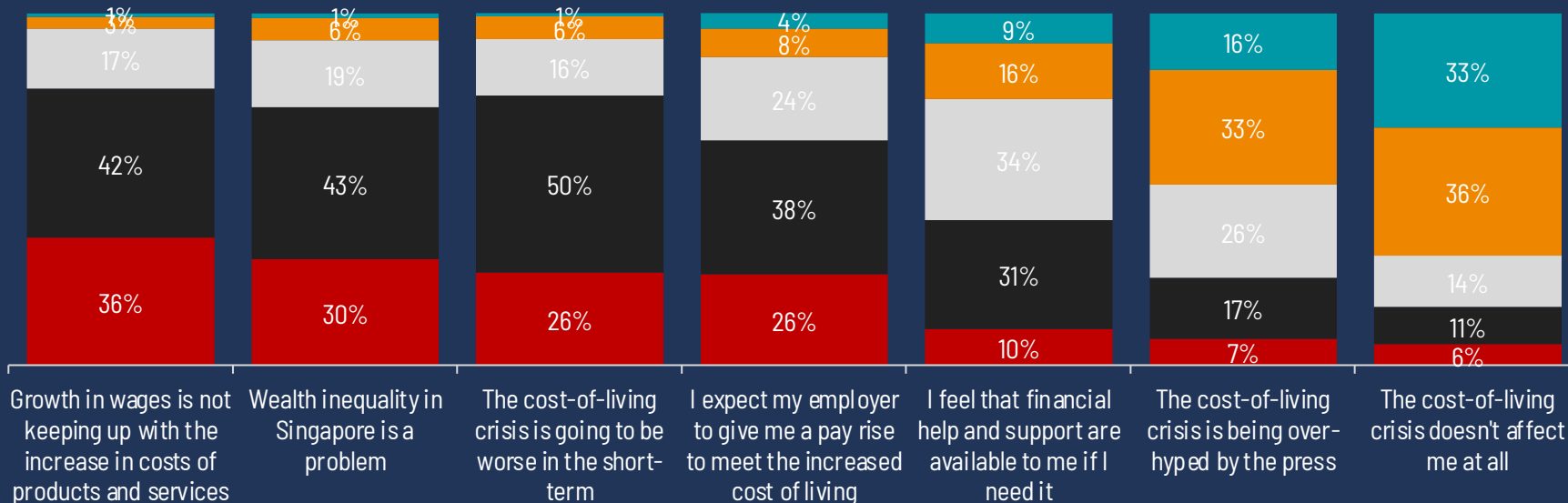
OPINIONS ON CRISIS



78% AGREE THAT WAGE GROWTH IS NOT KEEPING UP WITH INFLATION AND A CLOSE 73% THINK THAT WEALTH INEQUALITY IS A PROBLEM. CONCERNINGLY, 76% ALSO FEEL THAT THE CRISIS IS GOING TO WORSEN IN THE SHORT TERM. ONLY A SMALL 41% ARE AWARE OF ANY AVAILABLE FINANCIAL SUPPORT AND 64% EXPECT EMPLOYER INTERVENTION TO MITIGATE THE IMPACT OF RISING COSTS

Thoughts on the crisis - TOTAL

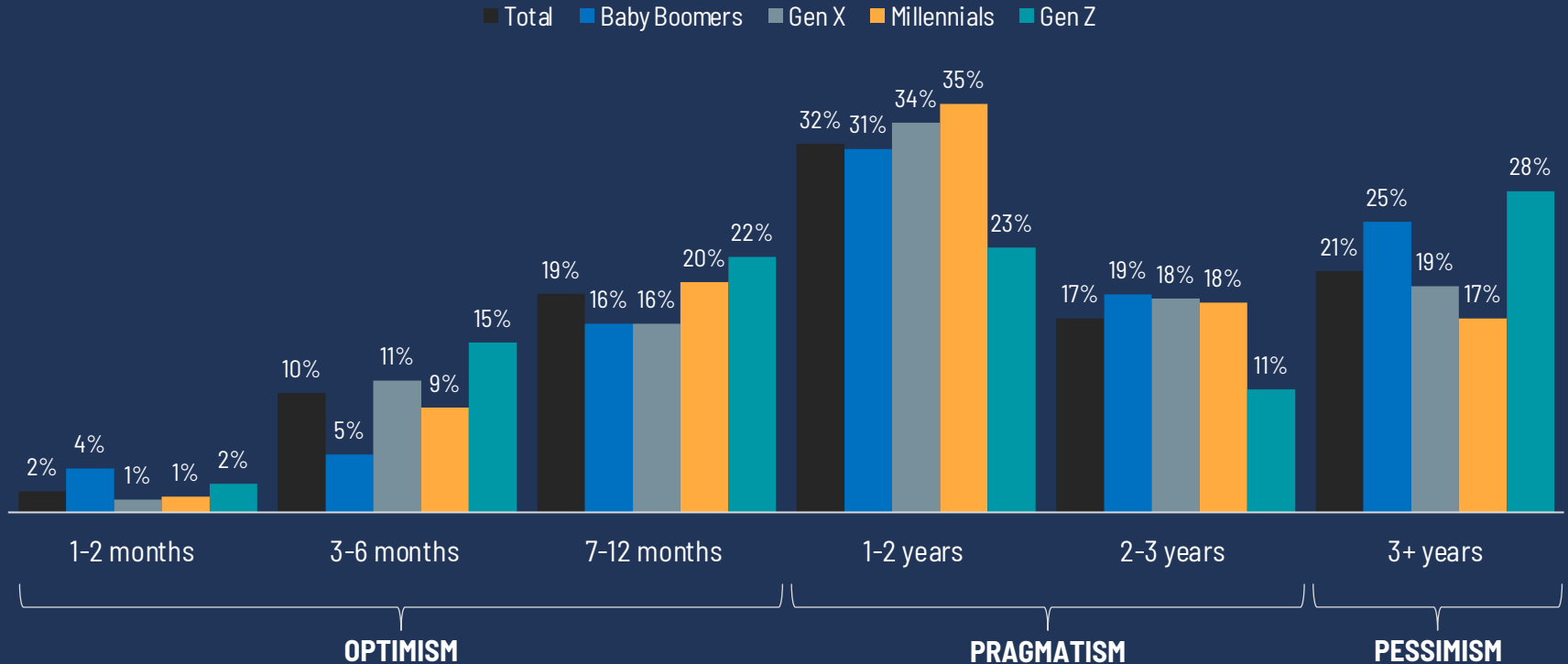
Strongly Agree Agree Neither Agree nor Disagree Disagree Strongly Disagree



Q. How much do you agree or disagree with the following statements? (5-point agreement scale)

MOST PEOPLE STILL EXPECT THE COST OF LIVING CRISIS TO GO ON FOR 1-2 YEARS. GEN Z ARE MORE POLARISED AS THEY ARE THE MOST OPTIMISTIC ABOUT THE CRISIS' EXPECTED LENGTH AND ALSO THE MOST SCEPTICAL

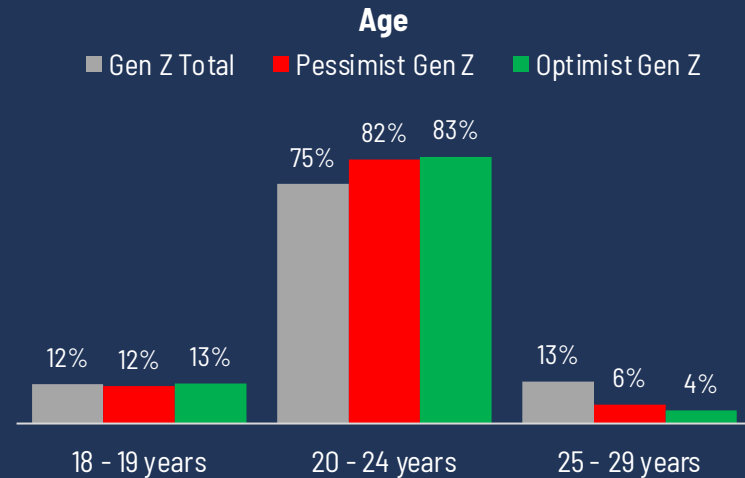
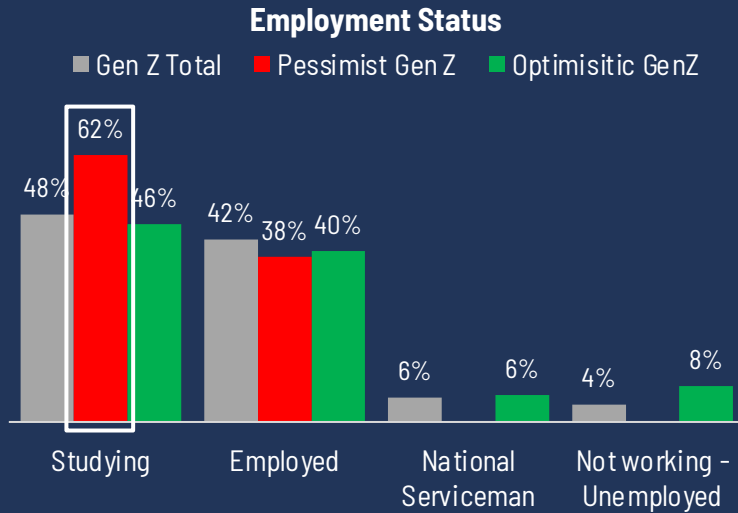
Expected length of crisis



Q. How long do you think the cost-of-living crisis will go on?

PESSIMISTIC GEN Z'S TEND TO BE STUDENTS, WHILE NO SIGNIFICANT DIFFERENCES ARE OBSERVED BY AGE

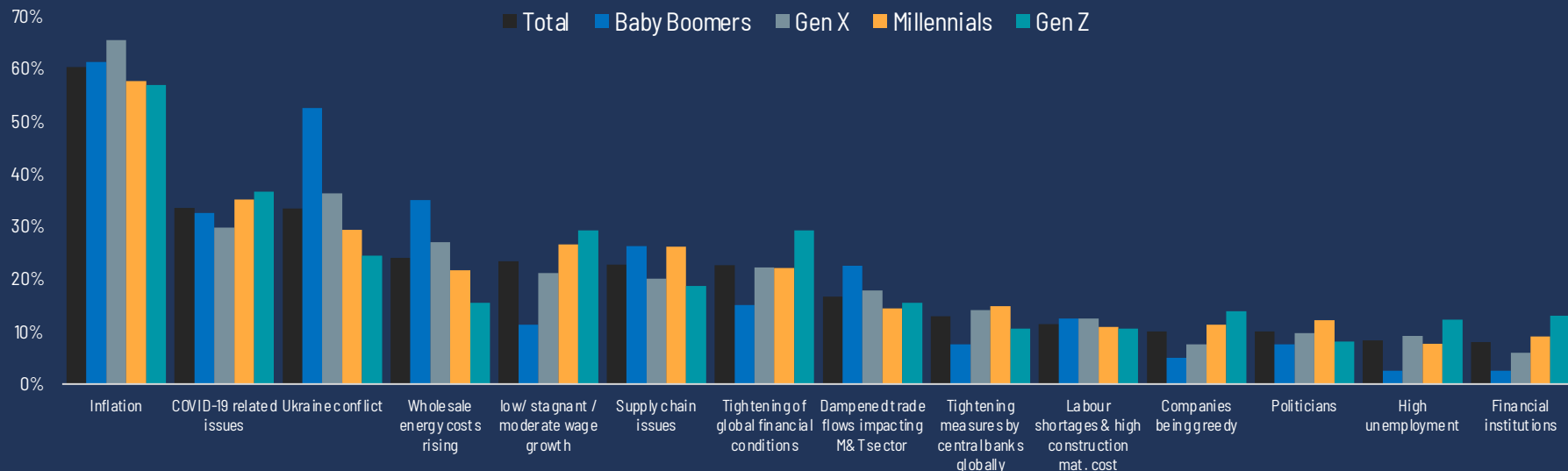
Pessimistic on length of crisis – Gen Z profile



Q. How long do you think the cost-of-living crisis will go on?

INFLATION, COVID-19, THE UKRAINE CRISIS & WHOLESALE ENERGY COSTS ARE NOW HELD JOINTLY ACCOUNTABLE FOR THE COST-OF-LIVING CRISIS, WITH BABY BOOMERS IN PARTICULAR FAVOURING THE UKRAINE CONFLICT, GEN X THE INFLATION, MILLENNIALS THE STAGNANT WAGE GROWTH AND GEN Z THE TIGHTENING GLOBAL FINANCIAL CONDITIONS

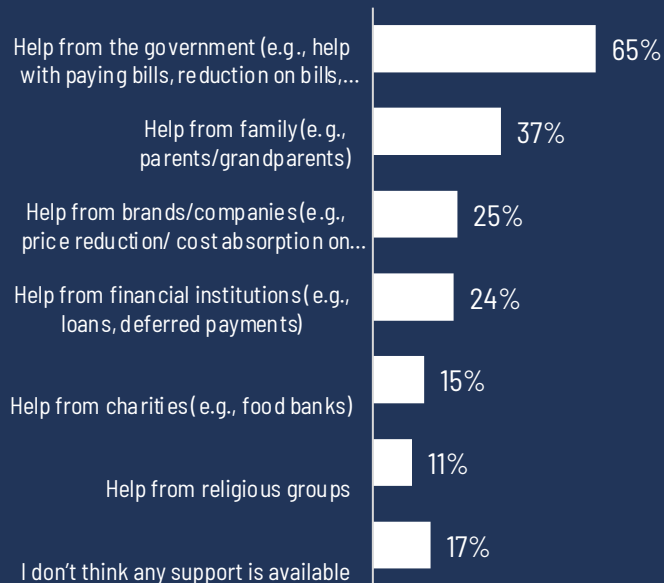
Responsibility for crisis



Q. Who or what do you think is most responsible for the 'cost of living' crisis?

OLDER GENERATIONS FEEL THERE IS NO FINANCIAL HELP AVAILABLE IF THEY ARE STRUGGLING. A LARGE 65% ARE AWARE OF HELP PROVIDED BY THE GOVERNMENT, AND IT'S HIGHEST AMONG GEN Z

Available financial help - TOTAL



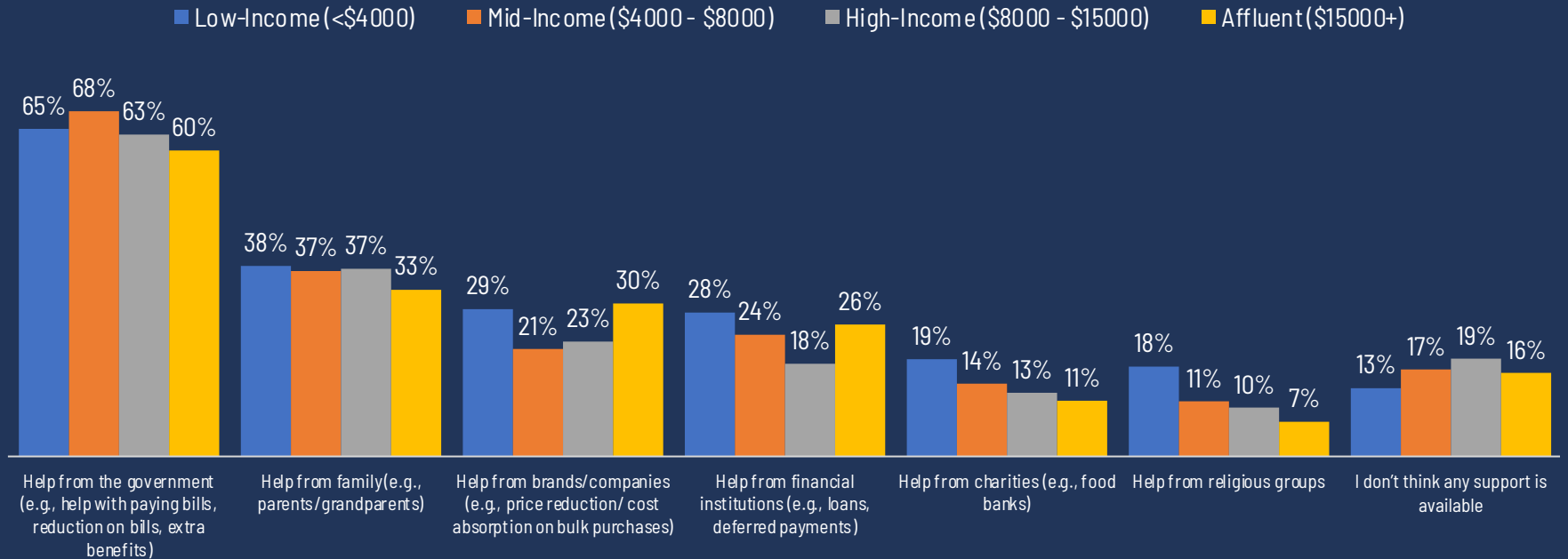
Available financial help - GENERATIONS

	Baby Boomers	Gen X	Millennials	Gen Z
Help from the government (e.g., help with paying bills, reduction on bills, extra benefits)	64%	62%	62%	74%
Help from family (e.g., parents/grandparents)	26%	22%	43%	58%
Help from brands/companies (e.g., price reduction/ cost absorption on bulk purchases)	18%	21%	26%	33%
Help from financial institutions (e.g., loans, deferred payments)	13%	15%	27%	39%
Help from charities (e.g., food banks)	18%	12%	16%	16%
Help from religious groups	14%	9%	10%	15%
I don't think any support is available	24%	25%	14%	3%

*Priorities by generations based on normalisation of scores across generations

LOW-INCOME HOUSEHOLDS ARE MORE AWARE OF HELP FROM CHARITIES AND RELIGIOUS GROUPS WHILE HIGHER INCOME HOUSEHOLDS ARE MORE LIKELY TO TURN TO FINANCIAL INSTITUTIONS OR COMPANIES

Available financial help – HH-INCOME



Q. What kind of help do you feel is available to you if you are struggling financially, due to the cost of living crisis?



FIVE INSIGHTS STEMMING FROM THE FINDINGS

INSIGHTS GOAL

Which user will use the number of green cars equally based on their income and location in the San Diego Metropolitan Area. To determine this, we will analyze the data and see how many users will use the number of green cars equally based on their income and location in the San Diego Metropolitan Area.

RESULTS CALCULATOR

RESULTS

Category	Value	Percentage
Green Cars	100	100%
Other Cars	0	0%

TOTAL SAVED

Category	Value
Green Cars	100
Other Cars	0

REMODEL

SERVICES

Electrical

Plumbing

Paint

Subtotal

MATERIALS

Tile

Plumbing

Subtotal

PRODUCTS

Paint

Plumbing

Subtotal

LABOR

Contractor 1

Contractor 2

Subtotal

TOTAL

Subtotal

Change

Total

20%

ONE

INFLATION IS THE TOP CONCERN FOR SINGAPOREANS TODAY

BUT

THE PERCEIVED INCREASE DIFFERS ACROSS GENERATIONS



TWO

THE CRISIS STEMS FROM A VARIETY OF FACTORS

BUT

THE GOVERNMENT IS RESPONSIBLE FOR HANDING OUT THE FAVOURS

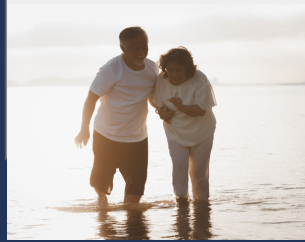


THREE

ALL CATEGORIES ARE EXPERIENCING A RISE IN PRICES

BUT

EACH GENERATION VALUES THEM DIFFERENTLY



FOUR

FOR SOME, INFLATION IS A TIME OF 'USING LESS'

BUT

FOR OTHERS, IT'S A TIME FOR 'DOING MORE'

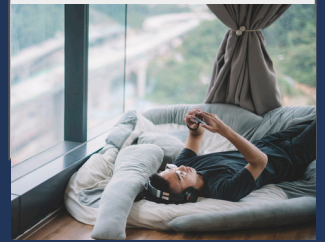


FIVE

GEN Z MOST OPTIMISTIC ABOUT CRISIS' EXPECTED LENGTH

BUT

ALSO THE MOST SCEPTICAL



ONE

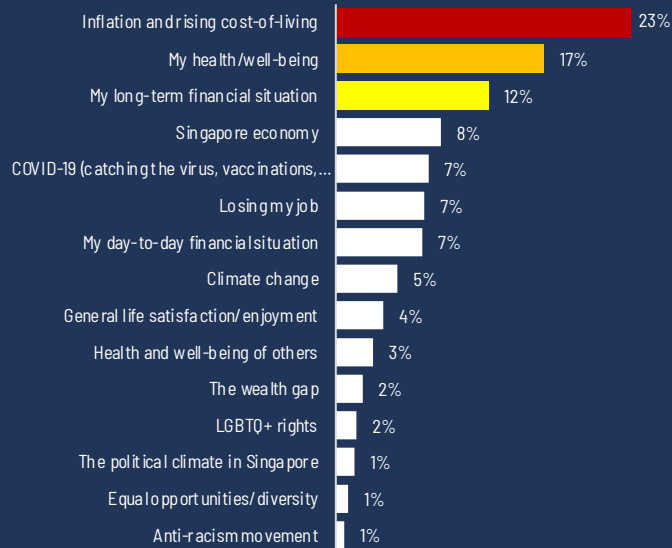
**INFLATION IS THE TOP CONCERN
FOR SINGAPOREANS TODAY**

**BUT THE PERCEIVED INCREASE
DIFFERS ACROSS GENERATIONS**



INFLATION, OR INFLATED?

INFLATION IS THE TOP CONCERN FOR SINGAPOREANS TODAY



BUT

THE PERCEIVED INCREASE DIFFERS ACROSS GENERATIONS

Noticed big increase in costs

Noticed small increase in costs

I haven't noticed any change

Noticed small decrease in costs

Noticed big decrease in costs

	Baby Boomers	Gen X	Millennials	Gen Z
Noticed big increase in costs	74%	68%	58%	46%
Noticed small increase in costs	23%	28%	33%	46%
I haven't noticed any change	1%	4%	6%	6%
Noticed small decrease in costs	1%	1%	1%	2%
Noticed big decrease in costs	1%		1%	1%

Q. Which of these issues, if any, are you most concerned about?

Q. Now we'd like you to think broadly about how much you currently pay for goods and services across different areas. Compared to 3-6 months ago, which of the following best applies?

Inflation, or inflated?

In last year's National Day speech, Prime Minister Lee Hsien Loong mentioned that 'top of everyone's minds is the cost of living.'

And he'd be right. According to our survey, 23% of Singaporeans indicated that inflation and the rising cost-of-living is what weighs down on them the most.

Interestingly, whilst many feel the pressure, the perceived increase in costs differs across generations - with Baby Boomers and Gen X feeling the pinch far more compared to Millennials and Gen Z.

This pessimism is understandable considering 31% of Singaporean Gen X fear losing their jobs (Randstad, 2022) and Baby Boomers are receiving smaller cash allowances from their loved ones (CPF, 2022).

As a greater number within them look to curb spending on non-essential items in the coming months, how can brands meaningfully help?

Feelings, not just facts

As the economy continues to swing from one issue to the next, people are forced to evaluate uncertainty the best way they know how: through feelings, not facts.

Truth is, emotions matter in a crisis. For example, more people are afraid of flying (whenever a plane dives) compared to driving even though evidence suggest the latter to be far riskier.

Similarly for inflation, people are led to greater negative impressions when they're faced with news and articles that shout about price hikes and know of people posting on their social feed who are struggling to get by.

Because people's beliefs aren't always rational, we should aim to first acknowledge their feelings.

Consider how some local supermarkets are seemingly 'turning back the clock.' Giant wants to bring the 'same lower prices every day since 2020' while Sheng Siong promises to counter inflation by providing a 1% storewide discount amidst the GST hike. FairPrice, on the other hand, is eager to appeal to Singaporeans' hearts with their stance on moderating the costs of living across every crisis, since its inception.

These strategies essentially bring back a time when shopping for essentials were far more palatable, disrupting any negative feelings one might have in this climate.

Think long-term, not just short

It might be easy for one to lean on greater bursts of tactical deals during this period - helping people to see what's on sale. While these short-term carrots may seem practical, they are ultimately less persistent in the minds of consumers.

Based off our findings, 'my long-term financial situation' was ranked the third (12%) greatest concern, followed with 'my day-to-day financial situation' coming in at seventh place (7%).

This suggests brands can make a difference by going beyond helping consumers save today, but also planning for their (financial situation) tomorrow.

As an example, youths are said to be experiencing frustrations as their wages are not rising as quickly as the costs of everyday goods. Financial institutions here, have an opportunity to not just touch on the ease of starting investment journeys, but to convey a message of how investing can help one's savings avoid losing its purchasing power over time.

We're pivoting towards encouraging greater uptake of investment plans within an environment where a lot of assets are marked down from previous highs, making it a good opportunity of picking up value investments. We're also providing agents with the necessary talking points to help customers discuss inflation and manage points of concerns they might raise.



Melita Teo
Chief Customer & Digital Officer
AIA Singapore

Stay up by trading down

While it's fairly obvious people will be looking to trade down their goods (think housebrand items off supermarket shelves), the crisis has also triggered what is now known as 'The Great Unsubscribe'.

While subscription services boomed during COVID, inflation is now undoing all of that and forcing people to rethink what they signed up for when times were different.

Spending an average of \$57.69 every month for subscription services (Sinema.sg, 2021), many will be looking to cut back over this period.

For some brands, adopting a premium/lite subscription model could very well be the model answer. YouTube for example, is trialling a 'Premium Lite' model where you receive none of the ads akin to 'Premium', but without other services like offline downloads or background playback.

This tiered system would give people more options to scale back, as opposed to unsubscribing altogether.

TWO

**THE CRISIS STEMS FROM
A VARIETY OF FACTORS**

**BUT THE GOVERNMENT IS
RESPONSIBLE FOR HANDING
OUT THE FAVOURS**



The factor in our favours

The reasons for today's increased costs of living may come from an amalgamation of factors - a snowstorm of catastrophic events happening one after another.

Yet when put forward to our respondents, we noticed that different groups attributed slightly different reasons for where we find ourselves today:

Baby Boomers mainly attributed global socio-political factors like the Ukraine conflict, rising wholesale energy costs and dampened trade flows.

Gen X overwhelmingly blamed inflation.

Millennials pointed toward low/stagnant wage growth.

And Gen Z decided it was a mix of low/stagnant wage growth, tightening of global financial conditions, high unemployment and interest rates from financial institutions.

Regardless of how it came about, an overwhelming almost 2/3rds (65%) of respondents feel that it's the government's responsibility to provide assistance during this period. From helping with daily bills, making cuts on existing ones, to providing greater benefits, a majority of Singaporeans agree that it's the government's role to help them out of this predicament.

In contrast, only a quarter (25%) surveyed thought brands could do more in terms of providing assistance.

Payment structure, not just pricing structure

While the government rushes to roll out a slew of initiatives, Singaporeans have been looking for their own ways of dealing with the tightening economic conditions.

Enter the Buy Now, Pay Later (BNPL) concept, a way of allowing people to pay for their purchases in short installments without an interest fee. As a method of helping locals better manage their finances, it has generally received favourable perceptions across Singaporeans of all age groups (Blackbox, 2022).

Expected to account for 8% of all e-commerce transactions in Singapore by 2025 (Blackbox, 2022), the likes of Atome, Hoolah, and Grab PayLater are some of the big players that have garnered a first-mover advantage.

Banks too, have begun to cash in on paying later. OCBC has recently released the NXT Credit Card allowing one to 'split any payment, anywhere, on anything' while DBS has partnered with MasterCard and pine Labs to introduce a BNPL facility.

This trend should go some way in encouraging brands to think beyond their pricing structure, but also of their payment structure for increased flexibility.

Minimise risk, not just maximising value

Another aspect pointing to the huge reliance on the government for help also suggests that this crisis is not only about inflationary pressures, but also one of risk-avoidance.

This means with 7% of respondents **fearing job-loss** as well as being worried about their **day-to-day financial situation**, signs also point to increased anxieties that go beyond rocketing costs.

For example, when worries over taking the vaccine was rampant amidst the COVID situation, insurance companies like FWD and Chubb stepped up and offered free vaccination coverage to customers and even food delivery service providers to promote greater peace-of-mind.

These acts of assuring consumers during a time of crisis was not only good for people, but also good for business.

While this might not apply for all categories, the bottomline is to think creatively and address the emotional needs consumers might be experiencing when most others simply look to cut prices.



THREE

**ALL CATEGORIES ARE
EXPERIENCING A RISE IN PRICES**

**BUT EACH GENERATION VALUES
THEM DIFFERENTLY**

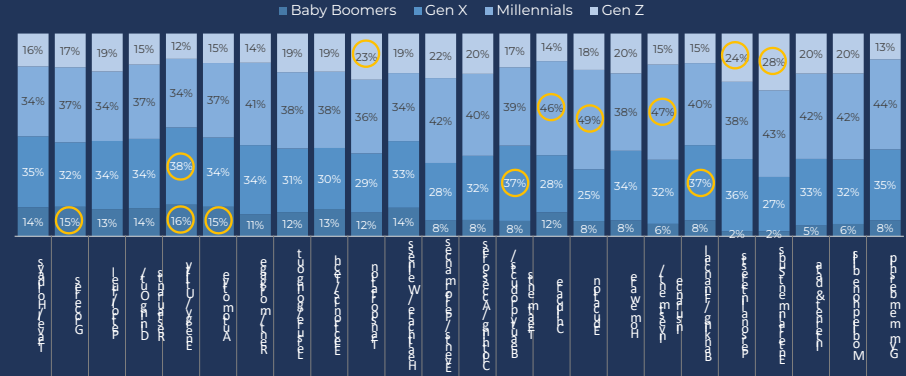
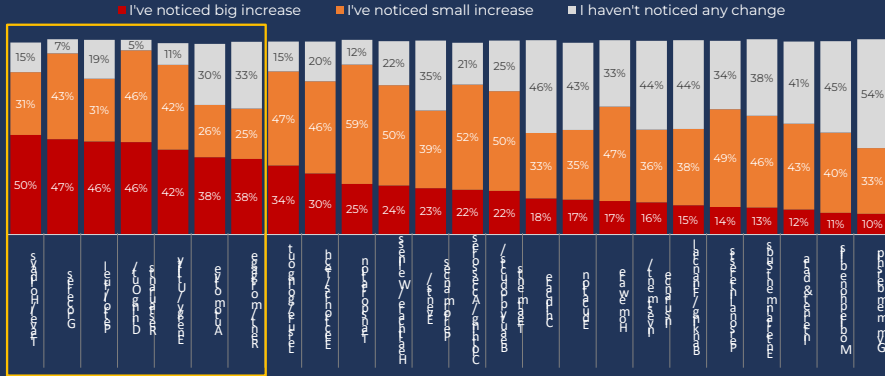


VALUE WHAT'S OF VALUE

ALL CATEGORIES ARE EXPERIENCING A RISE IN PRICES

BUT

EACH GENERATION VALUES THEM DIFFERENTLY



Q. And thinking more specifically about each of these categories, compared to 3-6 months ago, which of the following best applies to you?
(Degree of cost increase observed scale)

Value what's of value

Warren Buffett once famously said: Price is what you pay. Value is what you get.

While he attributes the learning to economist Ben Graham, the learning for everyone else is perhaps to focus on what you receive and possibly, what is of value to you.

Alvin Neo, Chief Customer & Marketing Officer for Fairprice, agrees. 'People are looking for better value and that doesn't always mean the cheapest prices. They'll seek greater deals, partake in more loyalty programmes and even optimise their bank cards for better savings, rewards and points. This makes them more aware, conscious and intentional with their spending.'

But what are Singaporeans spending on that requires a keener eye? Across a wide range of activities and essentials presented to our respondents, the top five that have registered a large increase in price perception include:

- Travel / Holidays (50%)
- Groceries (47%)
- Petrol / Fuel (46%)
- Dining out / Restaurants (46%)
- Energy / Utility (42%)

While illuminating, this picture of 'price' fails to address the 'value' our different audiences care about.

In an attempt to understand what is of value to them, we broke down the specific categories each generation felt was impacted the most. This, provided us an insight into what they were truly paying attention to and were most concerned about.

Baby Boomers: Every day matters

For a generation consisting of mostly near-retirees / retirees receiving a fixed income, their concerns were understandably focused towards the basic necessities: energy /utility (16%), groceries (15%) and automotive fuel costs (15%).

With inflation eroding the value of cash, it means a dollar today can buy much less. To conflate matters, Singaporeans are also generally living longer lives and must learn to make their monies stretch over a greater period of time.

In many cases, Baby Boomers also display greater reluctance in reaching out for help, worrying about coming across as burdensome. With this in mind, brands that fall within this categories would do well in providing greater education and care in assisting them over this period.

As we are not receiving an income, many including my family are greatly affected. Many food centres and groceries have increased prices. Even with the government subsidy it is still too much for us.

Gen X: Prudence in indulgence

Often referred to as the overlooked generation, Gen X are largely 'sandwiched' between the traditional Boomers and digital-firsts Millennials and Gen Z.

With some at the peak of their careers, they have double the gross mean income compared to the previous generation and double the responsibilities - with about half caring for both a parent and child at the same time (Asia Research Media, 2021)

This means outside the top concern of energy / utilities (38%), cost increases across a flurry of little luxuries they can afford themselves are being felt:

Beauty products / treatments (37%), banking / financial products (37%), personal interests (36%), gym memberships (35%), travel / holidays (35%) and restaurants / dining out (34%)

Brands that help this generation exercise prudence in their indulgences will likely be rewarded with greater spends and loyalty.

Daily food prices are increasing so we don't dine at restaurants as often, but go for less luxurious options.

It is most noticeable in the form of higher utility bill but I also see fewer reductions when shopping for groceries.

Millennials: Heirs to tomorrow

Accounting for about 22% of the local population, this group is often cited to be highly stressed. Yet between work and family, they are also known for being hardworking, disciplined and future-forward with their financial planning.

With both eyes affixed firmly on the future, results from the survey yielded strong feelings towards:

education (49%), investment / insurance products (47%) and childcare (46%) as having seen the highest price increase.

A highly educated generation, they understand what yields tomorrow, must first be planted today.

With them, brands should seek to take a long-term approach and assist them with seeing the bigger picture. Goal-oriented approaches coupled with self-improvement techniques are likely to tickle their fancy.

It reduces our spending power and drags our retirement plan but if the interest rate is higher, saving interest will increase too.

Yes, as my expenses would have to go up and I need to work harder



The rising costs in transportation and increase in goods and services affects me significantly when I head out. This means I will definitely be going out less.

Gen Z: Engaged in entertainment

The youngest of the cohort, they are today's most diverse and connected generation yet.

For many of them entering the workforce for the first time, the current environment has hit them especially hard, considering they start off with less income and it'll take a longer time for them to grow their salaries.

Surely, one of the largest areas they've noticed to have been affected is transportation (23%), but it's the discretionary expenses or their 'wants' that are truly taking a hit.

For our respondents, these include the likes of:

Entertainment subscriptions (28%), personal interests (24%) and events / entertainment (22%)

For them, they yearn to experience life and don't wish to be held back despite the conditions. This means brands need to practice greater flexibility when it comes to appealing to Gen Z. This ranges from waiving extra fees, enabling full refunds and even delaying payments.

FOUR

**FOR SOME, INFLATION
IS A TIME OF 'USING LESS'**

**BUT FOR OTHERS,
IT'S A TIME FOR 'DOING MORE'**



USE 'LESS', OR DO 'MORE'?

FOR SOME, INFLATION IS
A TIME OF 'USING LESS'

BUT

FOR OTHERS, IT'S A TIME
FOR 'DOING MORE'

Reduce spending on non-essentials
Consciously lowering grocery spend
Saving less money every month
Trying to use less energy to reduce bills
Have less disposable income/ month
Driving less to save money on fuel
Had to claim support from the govt
Struggling to afford grocery bills
Had to take 2nd job or work extra hrs.
Struggling with rent/mortgage payments
Struggling to pay my energy bills
Had to change jobs
Had to move house/ looking at move
Had to take out a loan

	Baby Boomers	Gen X	Millennials	Gen Z
Reduce spending on non-essentials	64%	73%	73%	80%
Consciously lowering grocery spend	65%	70%	78%	67%
Saving less money every month	73%	71%	69%	67%
Trying to use less energy to reduce bills	79%	76%	66%	61%
Have less disposable income/ month	65%	61%	71%	50%
Driving less to save money on fuel	35%	35%	40%	29%
Had to claim support from the govt	28%	25%	39%	37%
Struggling to afford grocery bills	20%	20%	35%	29%
Had to take 2nd job or work extra hrs.	9%	25%	31%	35%
Struggling with rent/mortgage payments	11%	18%	35%	29%
Struggling to pay my energy bills	14%	23%	31%	23%
Had to change jobs	5%	20%	33%	29%
Had to move house/ looking at move	5%	13%	27%	20%
Had to take out a loan	4%	14%	26%	16%

Reduce spending on non-essentials
Consciously lowering grocery spend
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Had to move house/ looking at move	5%	13%	27%	20%
Had to take out a loan	4%	14%	26%	16%

Q. Now we'd like you to consider how recent cost increases may have impacted certain areas of your life. How much, if at all, do you agree with each of the following statements?
Please rate on a scale of 1 to 5, where 1 is 'Strongly Disagree', and 5 is 'Strongly Agree'

Use 'less', or do 'more'?

When it comes to tackling inflation, our survey findings show a stark contrast to how the different generations approach it.

Despite recent trends such as 'quiet quitting' in the West and the 'laying flat' movement in China taking over younger populations everywhere, it appears that today's environment is having an opposite effect on Singaporeans.

While an older generation is happy to cut back and save harder to tide through this period:

Baby Boomers:

- trying to use less energy to reduce bills (79%)
- spending less money every month (73%)

Gen X:

- trying to use less energy to reduce bills (76%)
- reduce spending on non-essentials (73%)

Our younger population seems happy to do otherwise. Turning to a culture of hustling, our youth appear ready to step up and double-down on their efforts to combat this sombre situation:

Millennials:

- had to change jobs (33%)
- had to move houses / looking to move (27%)

Gen Z:

- had to take a second job or work extra hours (35%)

A few recent movements have possibly inspired this.

FIRE movement


For one, the FIRE movement has regained its momentum within the local sphere during COVID, encouraging people to rethink their lifestyles.

With time on their side, young people are motivated to work hard and save even harder, channelling their savings into investments that will eventually sustain their retirement early.

Hyphenated careers

For two, an increasing trend of seeing people turn their passions into profit is also surfacing. Termed as hyphenated careers, these banker-slash-baker's, accountant-slash-DJ's and lawyer-slash-singer's are popping up across the island.

This multi-hyphen workforce continues to pick up steam as people find alternative incomes outside their regular day jobs to not only realise their financial goals, but also their dreams.



The increased costs-of-living only look set to exacerbate this. With many looking to increase the number of their income streams to support their goals, cutting back is not exactly an option.

Therefore, when speaking to them, it's crucial for brands to convey a message of empowerment. They've responded with resilience and motivation in a world where competition is stiff, wealth is increasingly unequal and working hours progressively getting longer. And they're not backing down.

Inflation surely, isn't about to change that.

FIVE

**GEN Z MOST OPTIMISTIC
ABOUT CRISIS' EXPECTED LENGTH
BUT ALSO THE MOST SCEPTICAL**

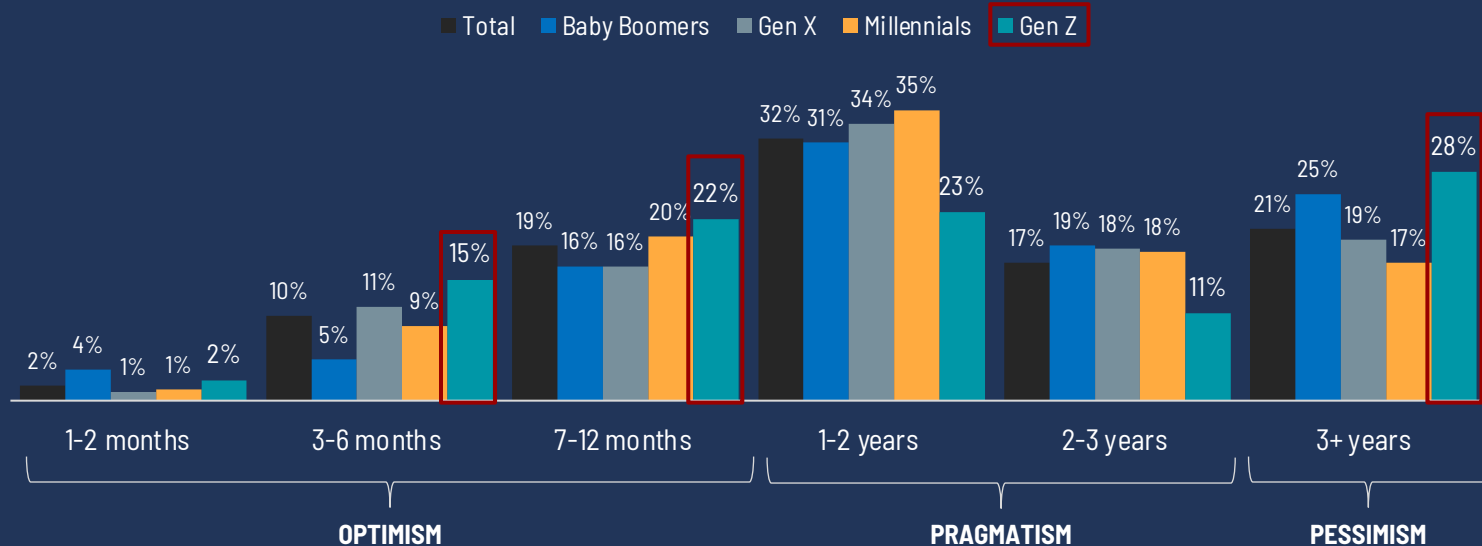


WILDLY OPTIMISTIC, AND HIGHLY SCEPTICAL?

GEN Z MOST OPTIMISTIC ABOUT
THE CRISIS' EXPECTED LENGTH

BUT

ALSO THE MOST SCEPTICAL



Q. How long do you think the cost-of-living crisis will go on?

Wildly optimistic, and highly sceptical?

In a year where most economists suggest will continue to be bumpy for Singapore as it battles slow economic growth and high inflation, a majority of our respondents appear to agree - with 32% of the total pool believing this period will stretch over 1-2 years.

However, one generation that breaks this mold comes in the form of Gen Z. Coming in at 23%, their belief that this crisis will last between 12 - 24 months is substantially lower compared to their compatriots.

This optimism is reflected in their responses when queried on how long they expected the crisis to last:

3 - 6 months: Gen Z (15%) vs. Total (10%)

7 - 12 months: Gen Z (22%) vs. Total (19%)

In some part, this can be attributed to how Gen Z possess an asset other generations don't - flexibility. Not only are they more likely to switch jobs over the next 12 months, they are also more vocal about asking for a pay raise because being fairly rewarded financially is important to them (PwC, 2022).

Furthermore, as they are at an earlier stage in their earning power cycle, they generally have less commitments and a greater ability to shift their spending around depending on their priorities.

Yet, this doesn't tell the full story.

On the other end of the spectrum, a sizeable number of Gen Z also admit believing that the crisis will last longer than most expect:

5 years: Gen Z (17%) vs. Total (12%)

In Singapore alone, a majority of Gen Z workers are 'merely surviving or flat-out struggling' (Microsoft 2021 Work Trend Index, 2021) while '40% of them feel anxious or stressed all the time (Deloitte, 2021).

Fresh out of a global pandemic and straight into the seismic pressures of the economy, it's hardly surprising they feel a lack of job opportunities and security will be prolonged for a great deal of time.

This pessimism suggests they're not just focused on cutting back on everyday essentials, but also when it comes to bigger-ticket items. Everything from getting married, purchasing a home to even raising children might get affected.

BRANDS ROLE IN CRISIS



WHAT CAN BRANDS DO?

Building a long-term brand vs. creating short-term demand

Considering the inflationary pressures are not likely to abate anytime soon, it can be tempting for brands to take an elongated stance of offering promotions and deals to drive short-term demand.

Whilst that is important in helping consumers manage their finances, it can also work against a brand that fails to deliver on consumers' unstated expectations.

Truth is, opportunities abound in any crisis, even for brands.

This is why we've incorporated our proprietary Meaningful Brands ideology into our study, which examines the changes in consumers' relationship with brands and their wider expectations from products and services.

Meaningful Brands

At Havas, we believe in building Meaningful Brands, and with the new paradigm, these values should form the building blocks of 'New Meaningfulness' for brands. A Meaningful Brand tangibly improves the lives of people and positively impacts society thereby gaining trust and commanding a higher share of wallet.

To contextualise these adjustments, we ventured to take a more in-depth look at what is expected of the brands in the Cost of Living crisis through the lens of our longstanding Meaningful Brands' research.

A tangible definition of 'Meaningful'

Understanding what matters across 3 pillars and 14 dimensions. Brands are measured against specific attributes - pertinent to their category - within each pillar.



Personal Benefits

Messages and behaviours that connect on an individual basis and serve a specific personal need or want.



Physical



Organisational



Financial



Intellectual



Social



Emotional



Natural

Collective Benefits

Company initiatives, behaviours, and actions that respond to and connect at the social and cultural level.



Economy



Employer



Ethics



Good Living



Environment



Social Justice

Functional Benefits

Rational benefits focused on product functionality, customer service, interactivity and technology.

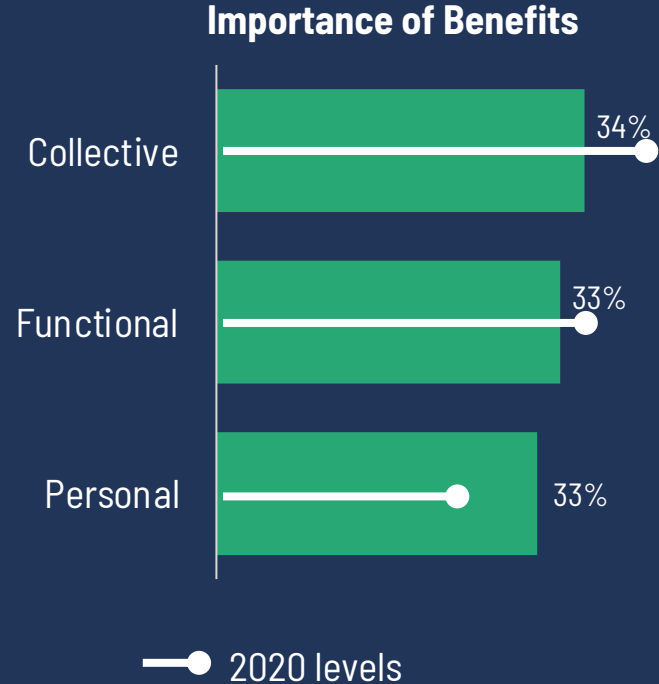


Functional

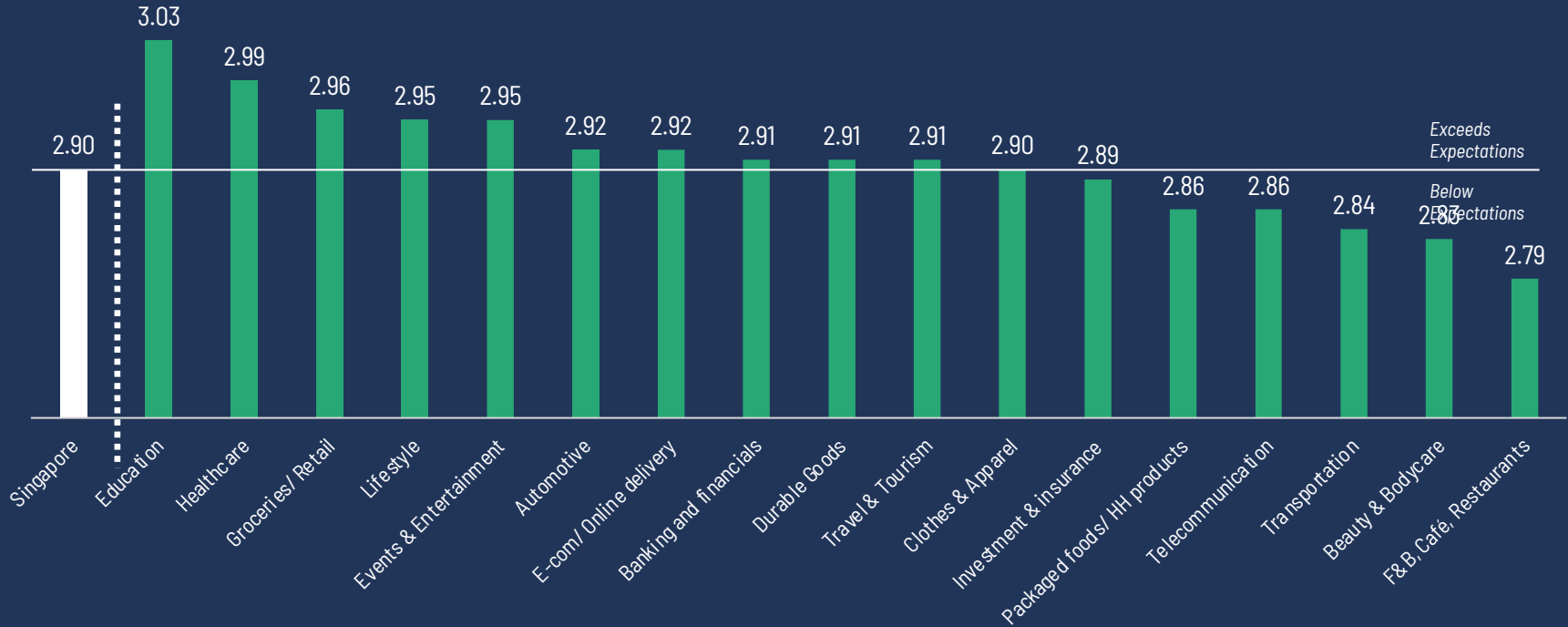
2020 vs 2022 COVID vs COST-OF-LIVING

4%
**GROWTH IN PERSONAL
BENEFITS IN 2022 OVER 2020**

Though collective and functional benefits are still leading, only personal benefits sees increased priority and is now at similar levels as the other two pillars in 2022



OUTSIDE EDUCATION AND HEALTHCARE, NO CATEGORY IS EXCEEDING EXPECTATIONS



Q. Please think of brands / companies in this category. In the context of the rising cost of living in Singapore, how well have brands/companies in this category performed so far on each statement? (5-point expectation scale)

UNDERSTANDING THE EXPECTATION GAP



Q. Please think of brands / companies in this category. In the context of the rising cost of living in Singapore, how well have brands/companies in this category performed so far on each statement? (5-point expectation scale)

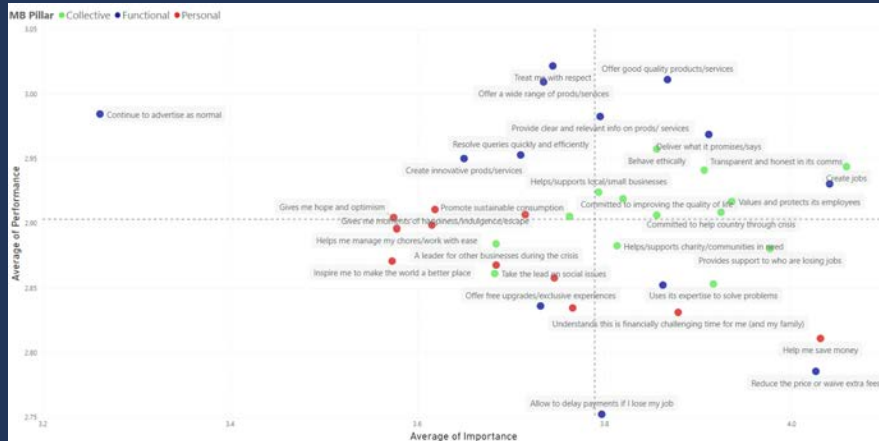
WHILE THERE ARE SOME COMMONALITIES...

Bridging the expectation gap

Holistically, what can brands do about it? How should they go about meeting consumer expectations and perhaps, even surpassing it?

Across the Personal, Collective and Functional Benefits we introduced earlier, we've unlocked a handful of common 'focus areas' to assist brands during this period.

Split across two buckets: 'Prioritise' and 'Maintain', these priorities spell out some of the methods which include 'what is important to consumers but have yet to meet expectations' as well as 'what is meeting expectations and requires a continued effort' respectively.



Personal Benefits

- Understands this is a financially challenging time for me (and my family)
- Helps me save money

Collective Benefits

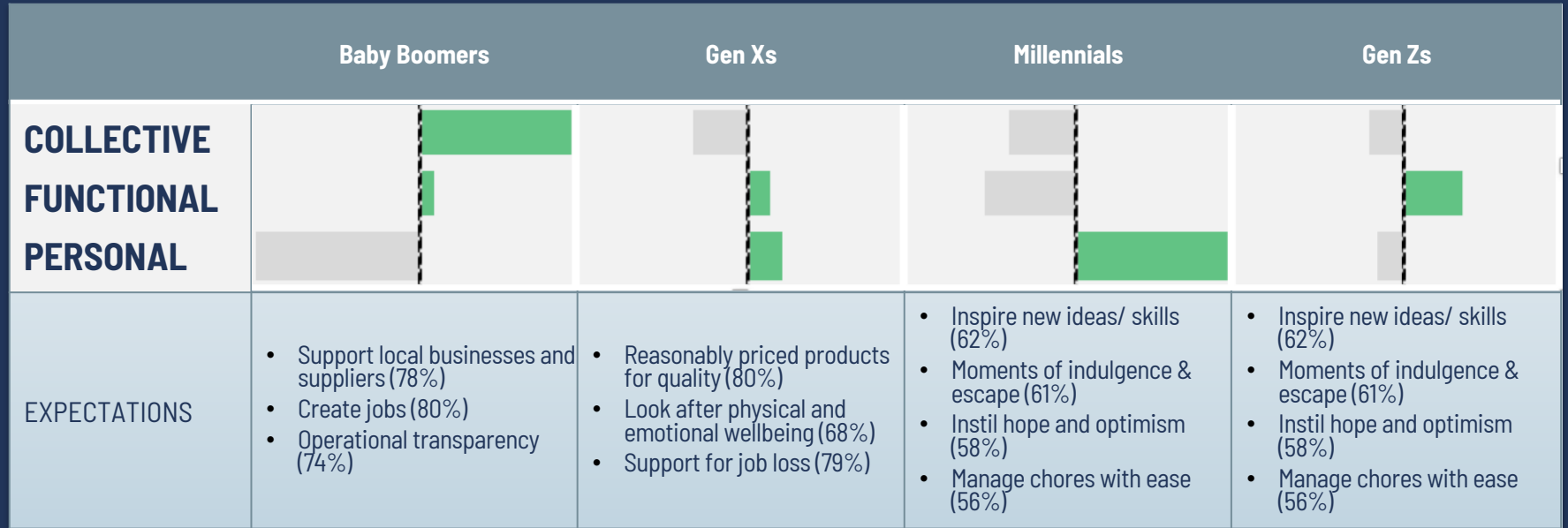
- Provides support to those who are losing jobs
- Uses its expertise to solve problems
- Helps / Supports charities / communities in need

Functional Benefits

- Reduce the price or waive extra fees for their products / services
- Enable full refunds for products / services that can no longer be delivered
- Flexible cancellation policies
- Allow me to delay payments if I lose my job / until the crisis is over

Q. Please think of brands / companies in this category. In the context of the rising cost of living in Singapore, how well have brands/companies in this category performed so far on each statement? (5-point expectation scale)

CONSUMER EXPECTATIONS VARY BY GENERATIONS



Q. Compared to 3-6 months ago (before the cost-of-living crisis emerged), is it now any more or less important to you that brands/companies do the following?

- Grouped by Collective, Functional and Personal Benefits

Varying generations, varying expectations

While there are commonalities in techniques to better appeal to consumers on a broader level, brands with specific target audiences will benefit from knowing that when it comes to distinct generations, there are different strategies they can opt for.

In breaking down our findings, we found that older cohorts generally expect brands to fulfil the Collective contributions on a wider community and societal level. For example, when it comes to Baby Boomers, they possess greater expectations on brands to:

- support local businesses and suppliers
- create jobs
- deliver greater operational transparency

For them, in order for brands to do good here, they must be able to show that they're here for good. This means displaying a sense of commitment to the state and well-being of its people during a time when it's crucial to think less of what to take, but rather what to give.

When it comes to Millennials, a high emphasis on Personal Benefits come through:

- inspire new ideas / skills
- moments of indulgence and escape
- instil hope and optimism
- manage chores with ease

In the thick of their careers, they know opportunities abound as long as they keep their chins up. An extremely motivated group, they're looking for brands to push their boundaries by providing more of everything: more ideas, indulgence, optimism and convenience.

Finally, with our youngest cohort - Gen Z, there is clearly a desire for more Functional Benefits:

- refunds and flexible cancellation policies
- resolve queries efficiently
- promote sustainable consumption

New to the workforce, they are eager to 'do more' to thrive in this economy. But first, they'll have to survive. With tighter purse strings, they'll be looking out for greater flexibility and efficiency from brands looking to speak to them. It's partially because it's embedded in their values, but also because this digitally-savvy group is more sensitive when it comes to defining true value.

How should brands approach Media moving forward?

While the current situation presents its set of challenges, there are a few unique opportunities brands can leverage in order to eke an advantage:

Create the right connections

While there is little doubt a significant majority of Singaporeans are affected by the crisis, the reality we've learnt is that it hits different from group to group.

Cutback on spending, or double-down on hustling? Prioritise today's needs, or tomorrow's wants? Stay optimistic, or remain sceptical?

Clearly, the varying answers and specific nuances for each group are too large to ignore. Thankfully, with greater access to data, we can now afford to be more relevant when it comes to planning and executing campaigns for our desired audience(s).

Ultimately, it's about creating a real connection with the audience, and today we're better able to cater to their specific needs rather than looking at them purely as a demographic. In our next report, we'll be taking a closer look at how to achieve this.

Find the right context

Given the state of affairs, it's likely marketing budgets across the board will see cuts. That means brands will be looking to maximise greater efficiencies and reduce waste.

For Media agencies, this means choosing the most efficient partners to attain reach, attention and trust is crucial. That said, this synergy shouldn't merely exist between the agency and its partners.

In this environment, clients desire greater choice and participation over the course of their campaigns, which is why collaboration with the right allies are key.



Kelly Khoo
CEO
Clear Channel Singapore

We have been creating products and services that provide a sense of accountability and ownership - giving the client a better sense of control. This sense of control comes from providing more data to inform their investments from optimisation to attribution, creating synergies between OOH and their digital investments and supplying information on audience and impressions.

Drive the right content

On one hand, the content experience in advertising wasn't exactly up to scratch, interrupting positive experiences with digital ads getting in the way of our favourite song or video, for example.

Meanwhile, there's also been no shortage of impressions or impacts. There's a huge amount of advertising inventory available to buy, but not all of it is good. Truth is, advertising impressions are seemingly infinite, but attention is not.

And when it comes to attention, content matters. For Creatives, it's in the message. For Media, it's in the delivery. Combined, they should aim to deliver an interesting media experience that truly engages.

I think most creative agencies are not harnessing some media platforms properly. When we first came on, they literally took a TVC, cut it down and slapped it on. But increasingly, we're noticing the savvy ones tweak the way the message is being delivered.



Henry Goh
Chief Commercial Officer
Target Media



SUMMARY OF KEY TAKEOUTS...

I. OVERALL FINDINGS ON RISING COST OF LIVING

1. Concern Over Issues

Rising cost of living is followed by environmental instability, leading to concern on health and wellbeing and their long-term financial situation, especially for the younger generation

2. Awareness

Consumers see big increases in the price of goods and services, especially in categories of travel, groceries, fuel and F&B, with varying impacts to spending habits across generations

3. Current Impact

Choiceful cutbacks made across generations, but triggers are unique as each generation experience different impact from rising costs

4. Future Impact

Crisis is assumed to worsen especially on necessities. Forecasted cutback on spending is expected to differ from actuals, leading to differing impacts on brand loyalty across categories

5. Opinions on crisis

Unmatched wage growth to inflation, wealth inequality with macro factors add to the pessimism on the crisis. Help is expected from government and companies.

II. FIVE INSIGHTS STEMMING FROM THE FINDINGS

ONE

INFLATION IS THE TOP CONCERN FOR SINGAPOREANS TODAY
BUT
THE PERCEIVED INCREASE DIFFERS ACROSS GENERATIONS



TWO

THE CRISIS STEMS FROM A VARIETY OF FACTORS
BUT
THE GOVERNMENT IS RESPONSIBLE FOR HANDING OUT THE FAVOURS



THREE

ALL CATEGORIES ARE EXPERIENCING A RISE IN PRICES
BUT
EACH GENERATION VALUES THEM DIFFERENTLY



FOU

FOR SOME, INFLATION IS A TIME OF 'USING LESS'
BUT
FOR OTHERS, IT'S A TIME FOR 'DOING MORE'



FIVE

GEN Z MOST OPTIMISTIC ABOUT CRISIS' EXPECTED LENGTH
BUT
ALSO THE MOST SCEPTICAL



II. BRANDS' ROLE IN CRISIS

- Building a long-term brand vs. creating short-term demand
- Understand what is meaningful to consumers across collective, personal and functional benefits
- Understand the varying expectation gaps across generations
- Create real connections with audiences, in the right context, with the right content

THANK YOU.

Questions?

Reach out to us at strategy.sg@havas.com

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