

# GutCheckonomics™

Equipping brands to innovate and communicate with empathy by applying a human-centric lens to current economic and societal trends

WAVE 5 OVERVIEW

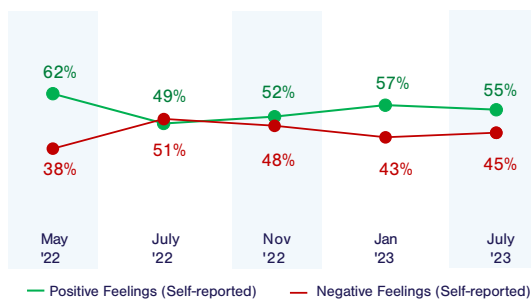
## Checkout Aisle Anxiety: Cost of Living and Grocery Prices Temper Enthusiasm

People in America are complex beings. Privately held fears, aspirational desires, outward appearances, and many other psychosocial factors, contribute to their purchasing habits. This is why we started GutCheckonomics – to unearth the true feelings and sentiments that influence consumer behavior.

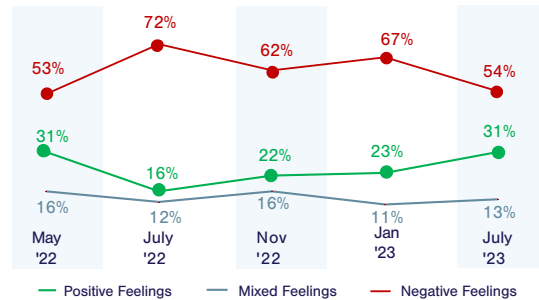
In the latest Wave 5 survey, fielded late July 2023, it showed that while Americans express outward optimism and excitement for the post-pandemic era, deep down people are feeling anxious and stressed, mainly due to the elevated cost of living and prices for essential products. Amid the backdrop of an uncertain economic outlook, the cost of groceries stands out as a top-of-mind concern for the American consumer.

This infographic goes beyond just what buyers are ‘saying’ to what they’re genuinely ‘feeling’ when considering purchases, which can help brands to build deeper empathy with their audiences, and cultivate long-lasting value in the eyes of their customers.

### Under the Surface: Positivity Gains, Negativity Wanes



Which one of the following best describes how you feel when you think about your plans and what lies ahead for you in the next 3 months?



When you think about what lies ahead for you in the next 3 months, we'd like to know how you feel about it all and why. Please use at least 2-3 sentences to describe how you feel about what you expect in the next 3 months.

Despite all the volatility we have been living through, people's self-reported feelings about the future have been largely static across the last 12 months, with a thin margin of difference between positive and negative feelings.

However, when we look at the trend gained by asking this as an open end question and analyzing people's responses using Hybrid Natural Language Processing, we see a much different picture.

A year ago, there was a 56 point gap between detected negative and positive feelings, which has now narrowed to just 23 points. So despite what they may claim to be feeling, people are, under the surface, starting to become distinctly more positive.

# People's Needs Differ by the Issues They Are Most Concerned About



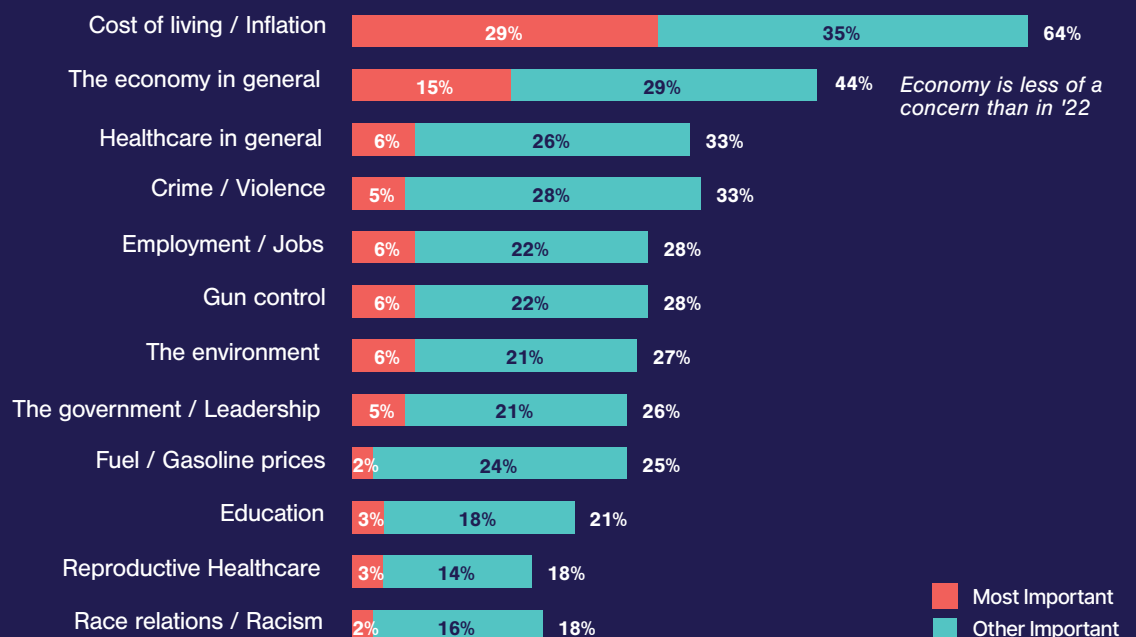
Using a variety of approaches, we also explored the issues people are currently most concerned about as well as understanding their current states of need. As the US turns a corner toward a 'new normal', and based on Maslow's hierarchy of needs, we discovered that in addition to the most dominant needs for Closeness and Challenge, some interesting concerns-to-needs patterns emerge. Those who are concerned about:

- ▶ **The Economy** have a very strong need for Stability. This audience seeks a solid current state and doesn't cope well with change.
- ▶ **Education and Race Equality** have a very strong need for Curiosity. They are looking to learn something new and expand their thinking.
- ▶ **Data Security** shows a very strong need for Self-Expression. They seek to chart their own path and assert their identity.

## Most Important Issues

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We are a middle class family, but I am having trouble staying within a budget and having money to put into savings or extras for my family.

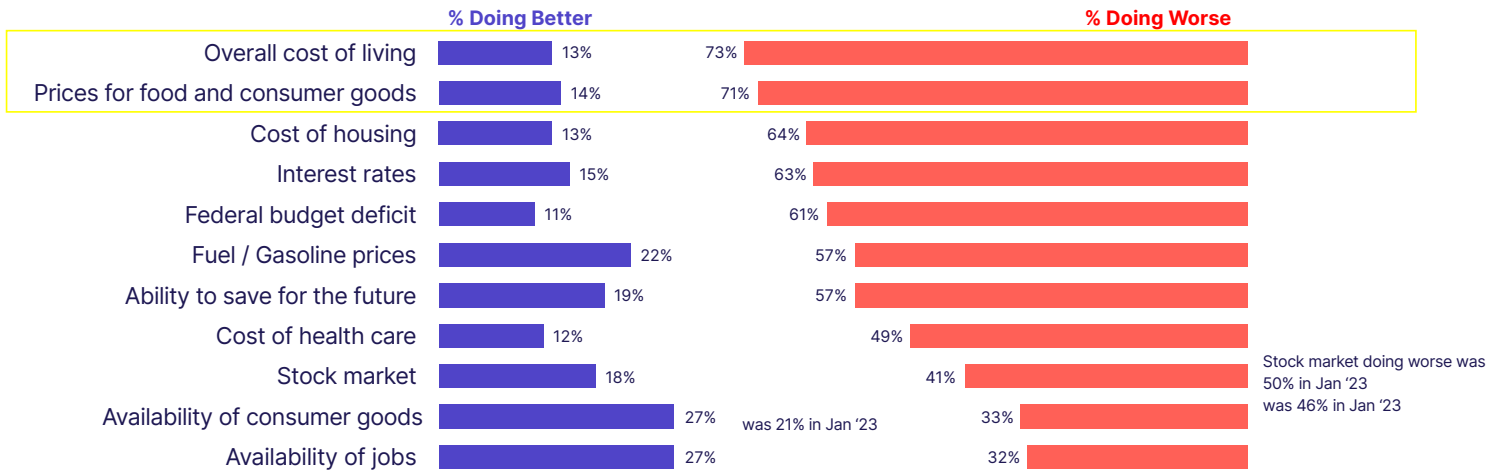
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I feel anxious [and] nervous how I am going to financially support my household. The good is that I have monies coming in, however the bad is that those monies cannot fully support my household. The ugly of it... things don't get to be paid on time. some bills will be late and some activities not able to participate in.



Digging deeper into the most important issues, cost of living and inflation remain the top concerns for consumers, followed by the economy in general. Americans are worried about a broad spectrum of issues, contributing to pervasive feelings of stress. While people are more confident in the current job market, expenses remain high, making it a challenge for many households to save or splurge.

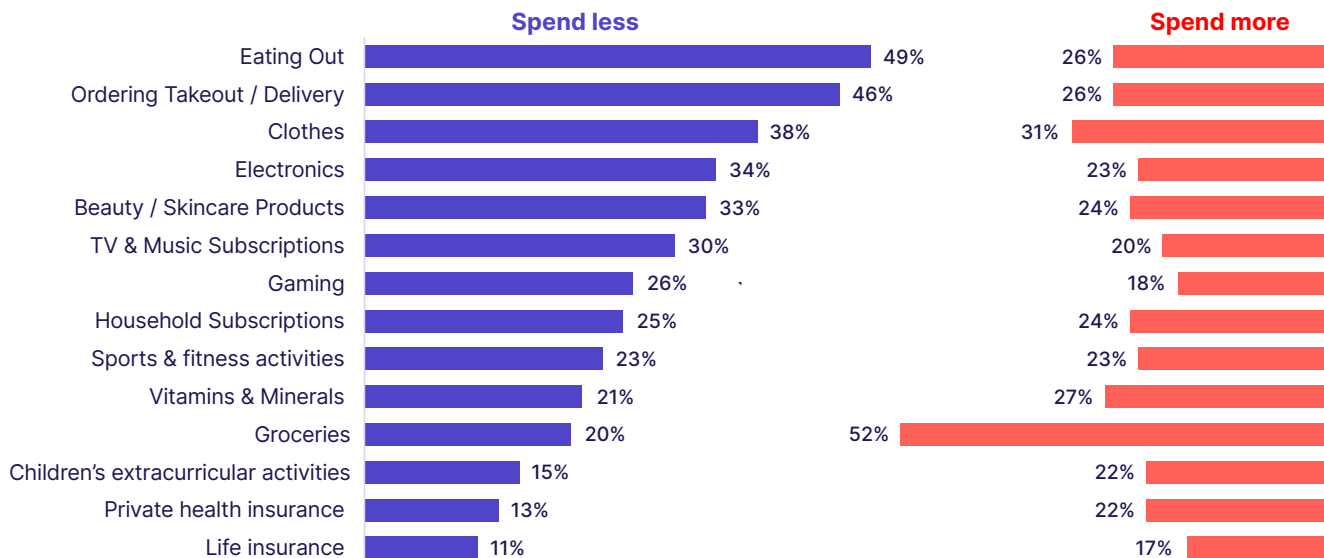
When viewed by generations, cost of living and inflation are consistently the most important issue for Millennials, Gen X (both 31%) and Baby Boomers (29%). And while still the most important issue for Gen Z as well, with only 18% citing it as their top issue, this indicates they consider a more diverse set of concerns overall.

### Specific Problems



Accordingly, the data show people perceive the 'overall cost of living' (73%) and 'prices for food and consumer goods' (71%) are doing worse than last year. The notable difference in other factors in January 2023 was that fewer people felt the stock market was doing worse.

### Planned Changes in Spending Over the Next 3 Months



So how do these findings translate to shifts in spending mindset? Most notably, more than half of those surveyed anticipate the need to spend more on groceries, while reducing dining out and food deliveries. Consumers also expect to spend more on Clothes and Vitamins & Minerals.

## WHAT DOES THIS MEAN FOR YOUR AUDIENCE AND YOUR BRAND?

With this most recent GutCheckonomics report, we continue to observe and explore the deeper layers of the American consumer's complexion – marrying self-reported data points with the authentic language shared in open-ended responses.

Overall positivity and optimism were reported; yet anxiousness and stress to satisfy deficiency needs continue to simmer under the surface. Economic instability continues to weigh heavy on people's minds. Cost of living and prices of everyday goods like groceries hit hard on wallets. Combined, these factors make the current mindset both hypothetical and realistic, placing all household purchases under scrutiny.



In this environment, winning brands double down on understanding their audience on a deeper level. To do that requires a more holistic understanding of people's emotions, needs, personalities, and the context within which they make purchase decisions.

**Explore this topic further in the full GutCheckonomics Wave 5 report that covers:**

- A primer on core elements that drive affinity and people's behavior
- An authentic view of people's emotions, attitudes, whys and needs gleaned from Hybrid NLP-powered emotion analytics
- A look at people's stress, physical and mental health levels
- An exploration of people's biggest current concerns
- People's likely cost-cutting measures and tradeoffs in light of continued price rises

To learn more about this report and how the findings may impact your business, please [contact us](#).

For more information about GutCheckonomics and a variety of helpful resources, visit [www.gutcheckit.com/gutcheckonomics](http://www.gutcheckit.com/gutcheckonomics).