

# Jordan Consumer Sentiment Index (Q3)

Jordan  
November 2022

*Data Collected in September 2022*

## Introducing the Jordan Consumer Sentiment Index

Ipsos's Jordan Consumer Sentiment Index (JCSI), is a quarterly national survey of consumer attitudes on the current and future state of the local economy, personal financial situation, as well as confidence to make large investments and ability to save.

Consumer sentiment is a key predictor of purchase trends in the market. Despite it being a lagging indicator, if consumer sentiment is high, people will make more purchases and the economy will expand.

Businesses and Policy Makers can monitor changes in the index to factor the data in their decision-making processes. A wave-on-wave decreasing trend suggests consumers have a negative outlook on their ability to spend. Thus, manufacturers may expect consumers to avoid retail purchases, particularly items that require financing. Likewise, banks can anticipate a decrease in lending activity, mortgage applications, and credit card usage

# Introducing the Jordan Consumer Sentiment Index

The quarterly JCSI result is driven by the aggregation of four, weighted, sub-Indices



Overall Jordan Consumer Sentiment Index

## Overall JCSI Survey Questions

1. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.
2. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
3. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
4. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
5. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
6. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
7. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
8. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
9. Thinking of the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
10. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

# Jordan Consumer Sentiment Index

Q3, 2022 Summary

## Ipsos' Jordanian Consumer Sentiment Increases in Q3 For The First Time Since 2021

The Jordanian Consumer Sentiment Index witnessed a 4.3 point increase between the second and third quarter of 2022, unlike the Sentiment Index at the global level which has declined within the same period. In fact, Jordan's consumer sentiment index rose 3 spots and now ranks 19<sup>th</sup> globally amongst countries where Ipsos conducts the sentiment index survey, above Poland, Turkey and others.

Admittedly, almost 7 in 10 Jordanians have a negative outlook towards the current economic situation in Jordan. This has been primarily driven by their concerns regarding the high cost of living/inflation and unemployment. In fact, 3 in 5 Jordanians mention inflation as one of their current top three concerns. However, despite Global Headwinds, economic recovery is projected to remain steady in 2022 for Jordan\*.

Indeed, 6 in 10 Jordanians believe they have a weak financial situation and nearly half expect their current financial situation to stay the same in the next six months. While historically sentiment for the future has been increasingly negative, this has changed in Q3 2022 whereby most Jordanians have a rather neutral outlook and an increasing positive one. Moreover, Jordanians' confidence in the current investment climate has leaped by 3.6 index points, this is reflected with a jump of 7 percentage points in their ability to save money for their retirement or their children's education. There has also been an increase of approximately 4 percentage points in their confidence of making big purchases (e.g., car/house) and 5 percentage points in purchases of household durables.

Although there are financial concerns, unemployment is no longer the number one concern of Jordanians as citizens' outlook on the current situation of the labour market have taken a more positive trajectory. Furthermore, there is a decrease of 8 percentage points of Jordanians who have mentioned losing their job or knowing someone that have lost their job in the last six months compared to the 2<sup>nd</sup> quarter in 2022. As a result, this has caused a 4 percentage point increase in confidence when it comes to their job security although unemployment remains a top concern of Jordanians.

\*<https://www.worldbank.org/en/news/press-release/2022/07/18/jordan-despite-global-headwinds-economic-recovery-is-projected-to-remain-steady-in-2022>

# JCSI Q3 Summary

JCSI, Q3 2022

37.2

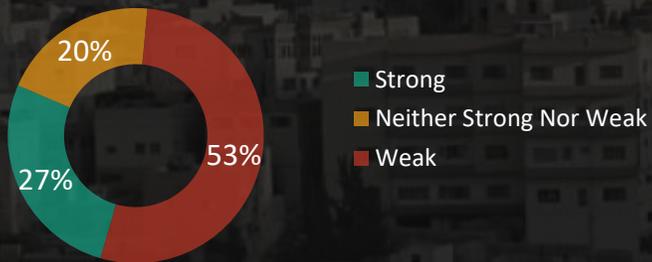
Versus  
Previous  
Wave  
Q2 2022



32.9

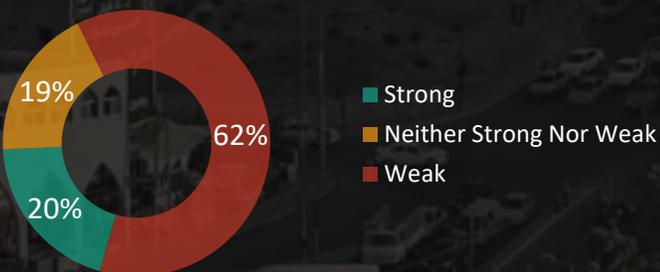
## Country Economic Situation

Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



## Personal Financial Situation

Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



## Top 3 Concerns For Jordanians



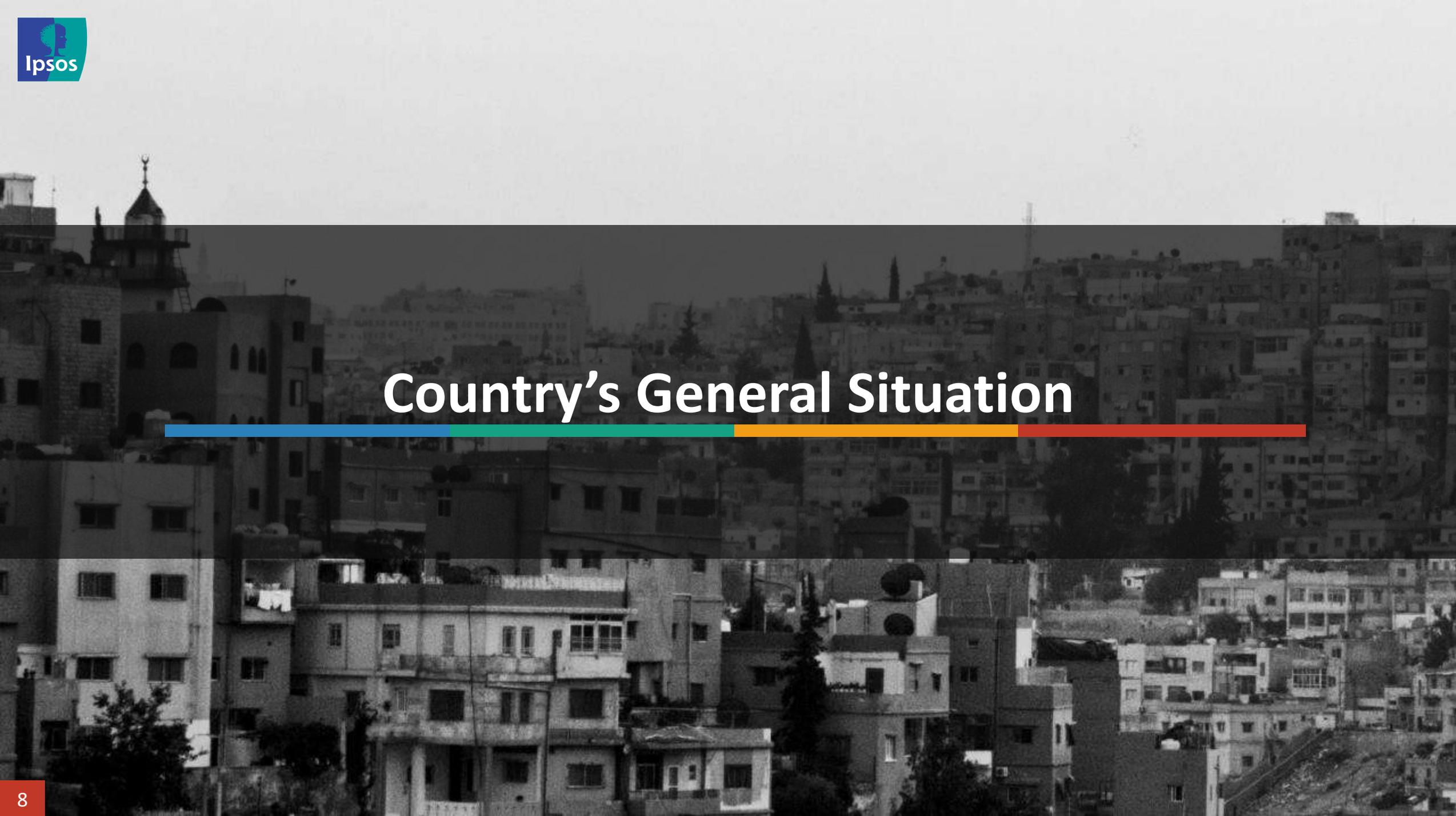
**57%**  
High Cost of  
Living/Inflation



**57%**  
Unemployment



**38%**  
Poverty & Social  
Inequality



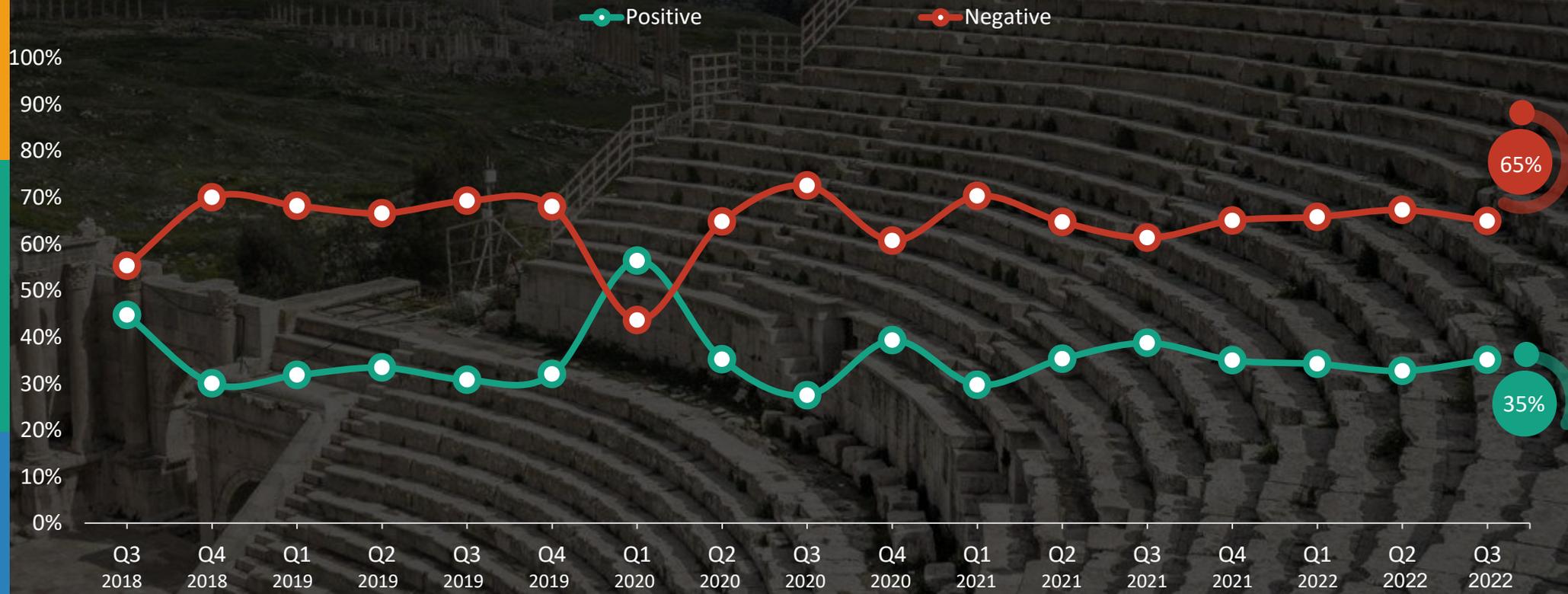
# Country's General Situation

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# Current Economic Situation

## Trending

Q: Now, thinking about our economic situation, how would you describe the current economic situation in Jordan?



65%

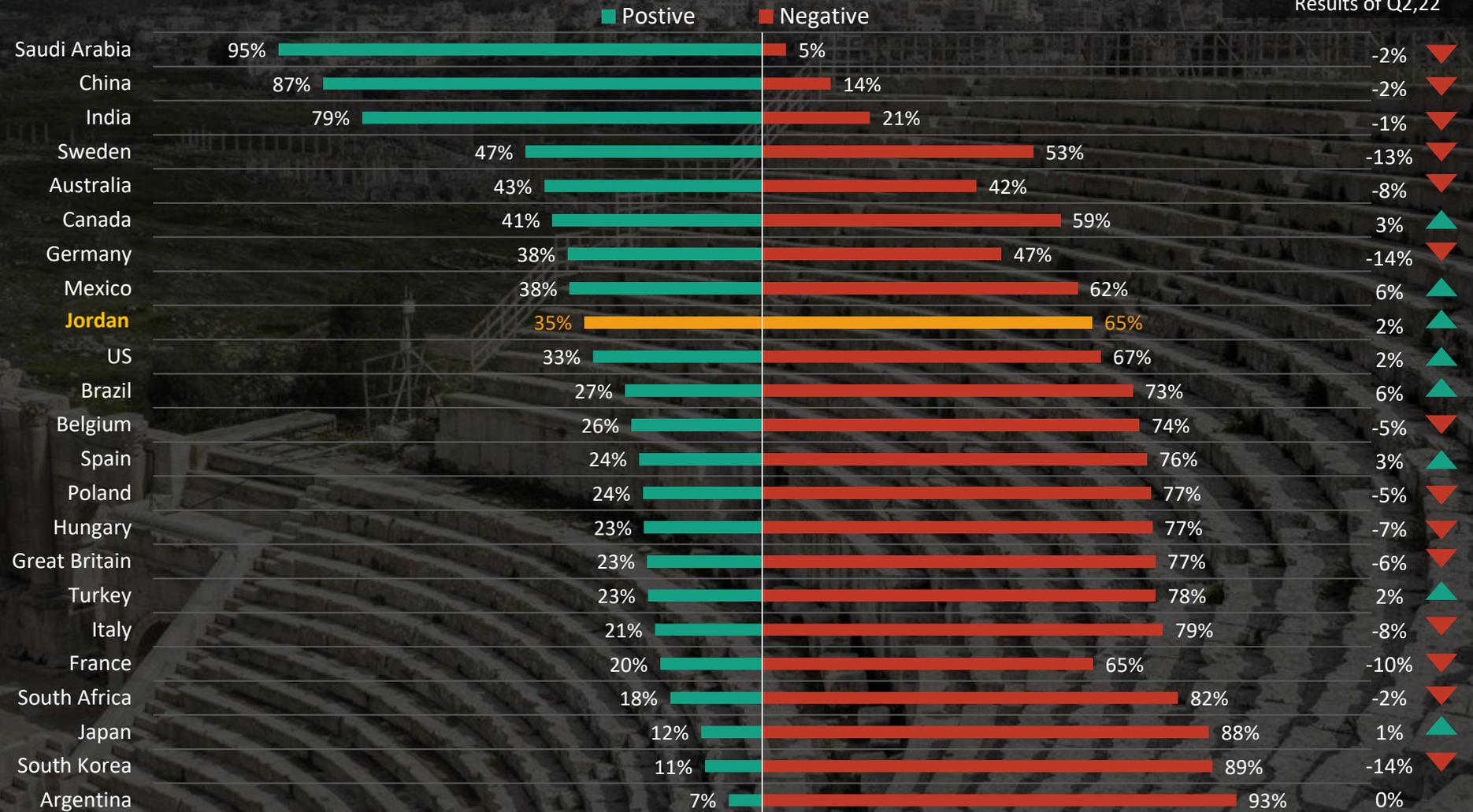
35%

# Current Economic Situation

## Global Comparison

Q: Now, thinking about your economic situation, how would you describe the current economic situation in your country?

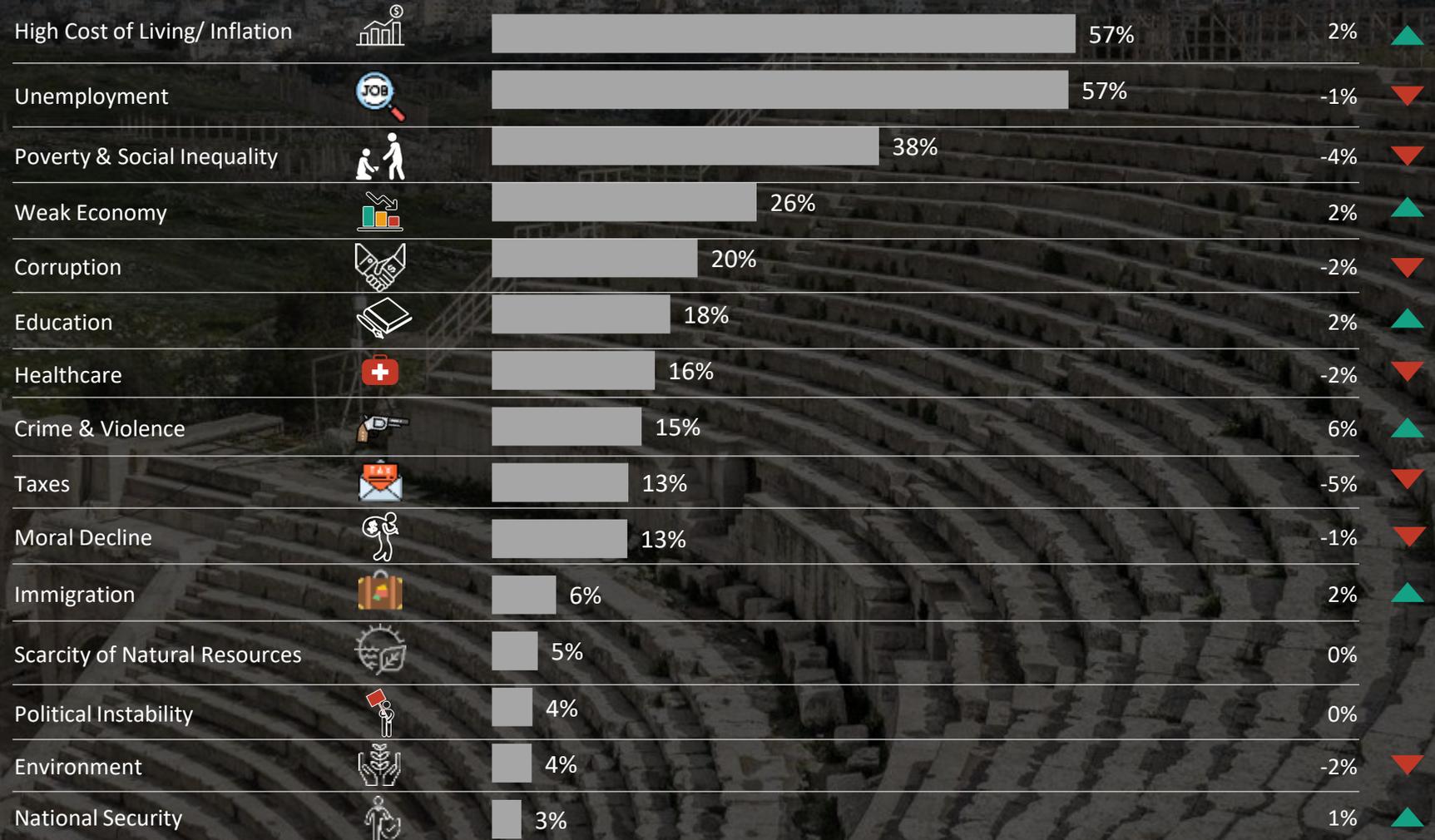
Compared to the Positive Results of Q2,22



# Jordanians' Top Concerns

Q: Which of these are your top three biggest concerns as a Jordanian citizen, whether they are economic, social or political?

Compared to Q2,2022

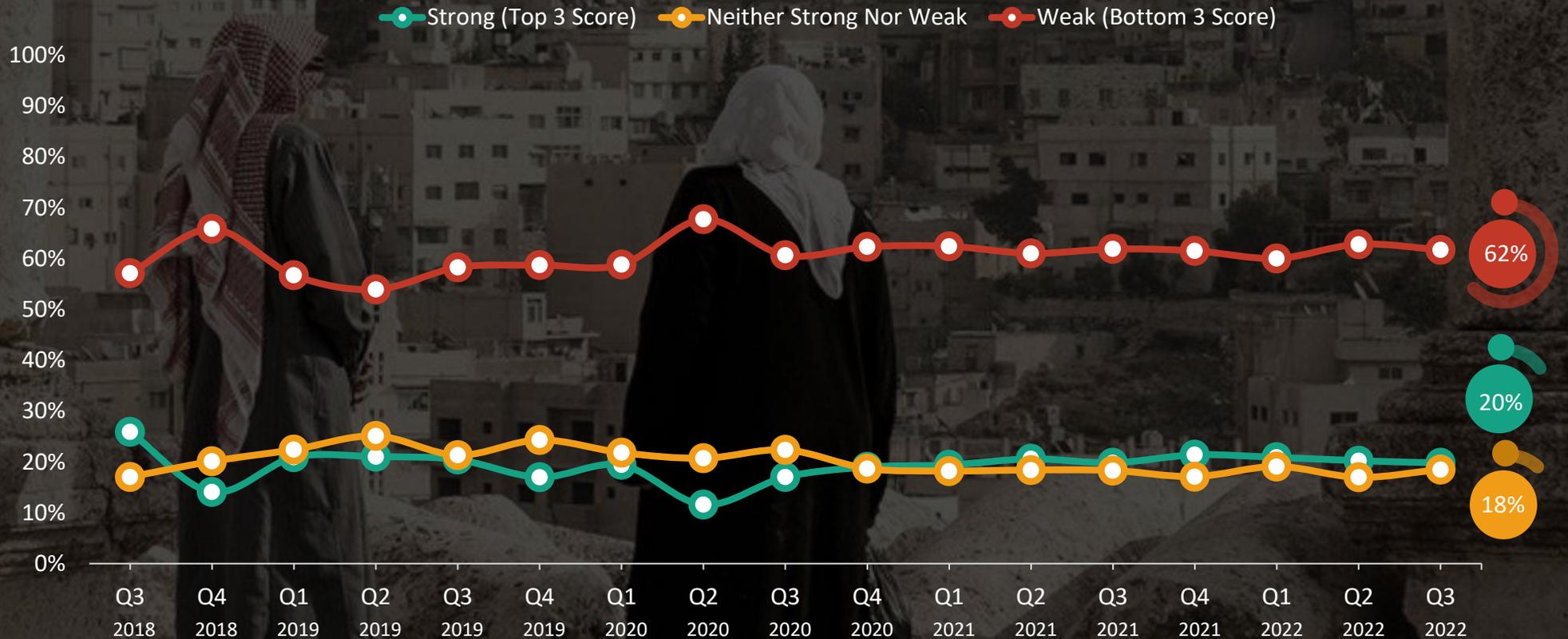


# Personal Financial Situation

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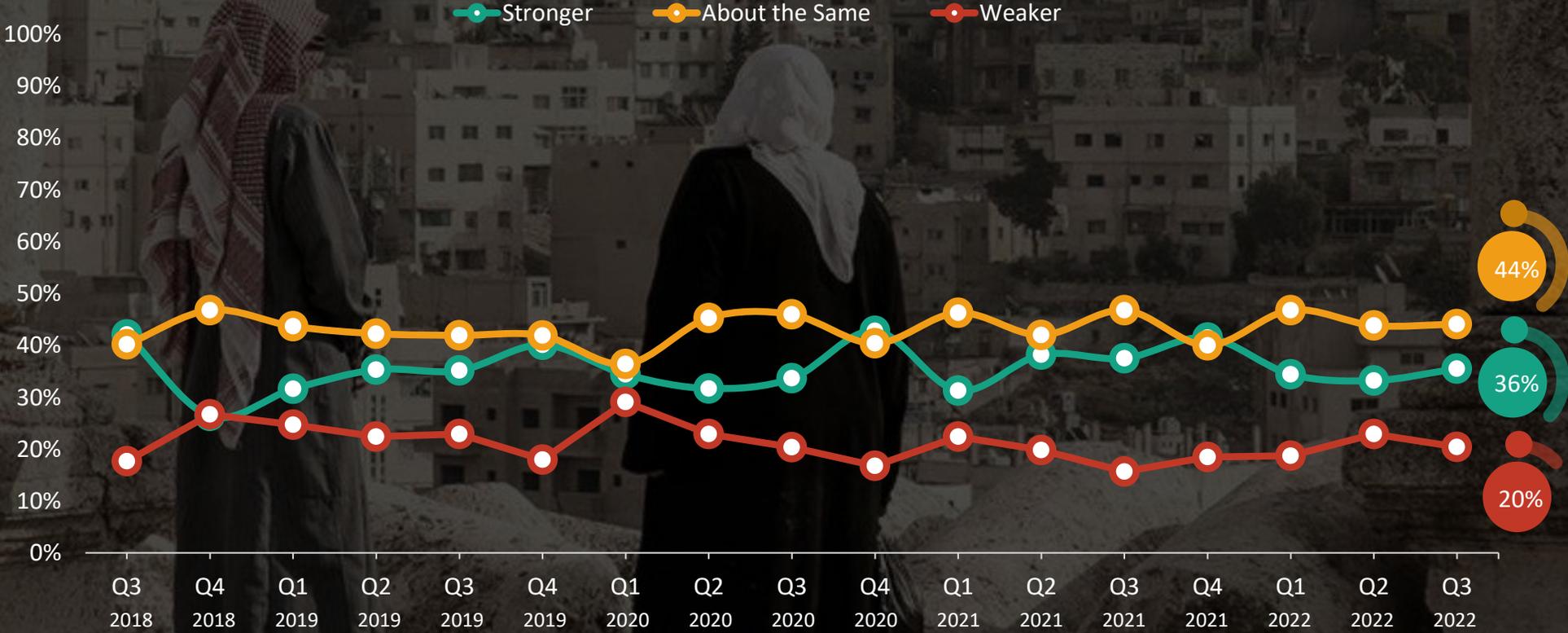
# Current Personal Financial Situation

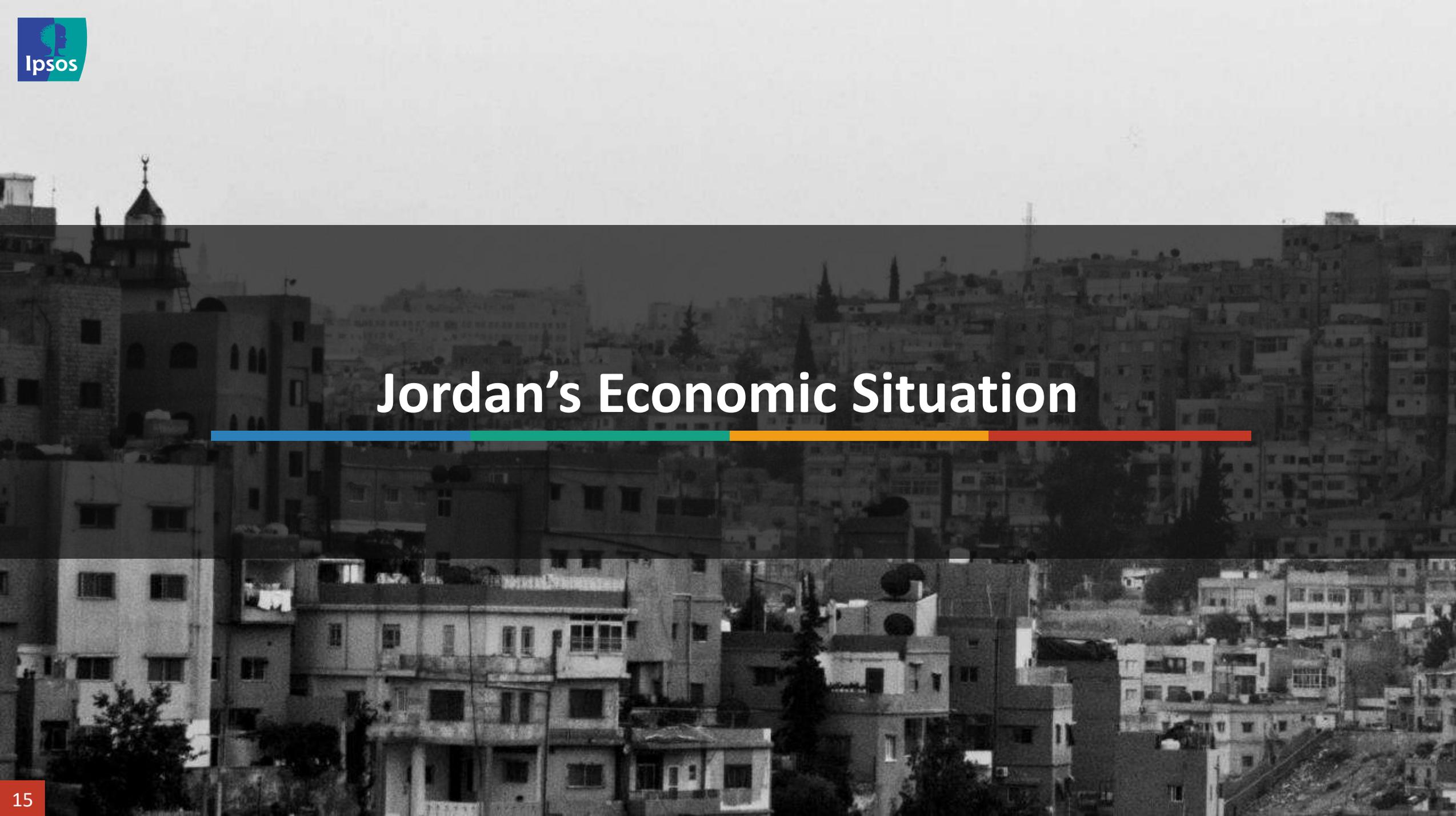
Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



# Future Personal Financial Situation

Q. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?



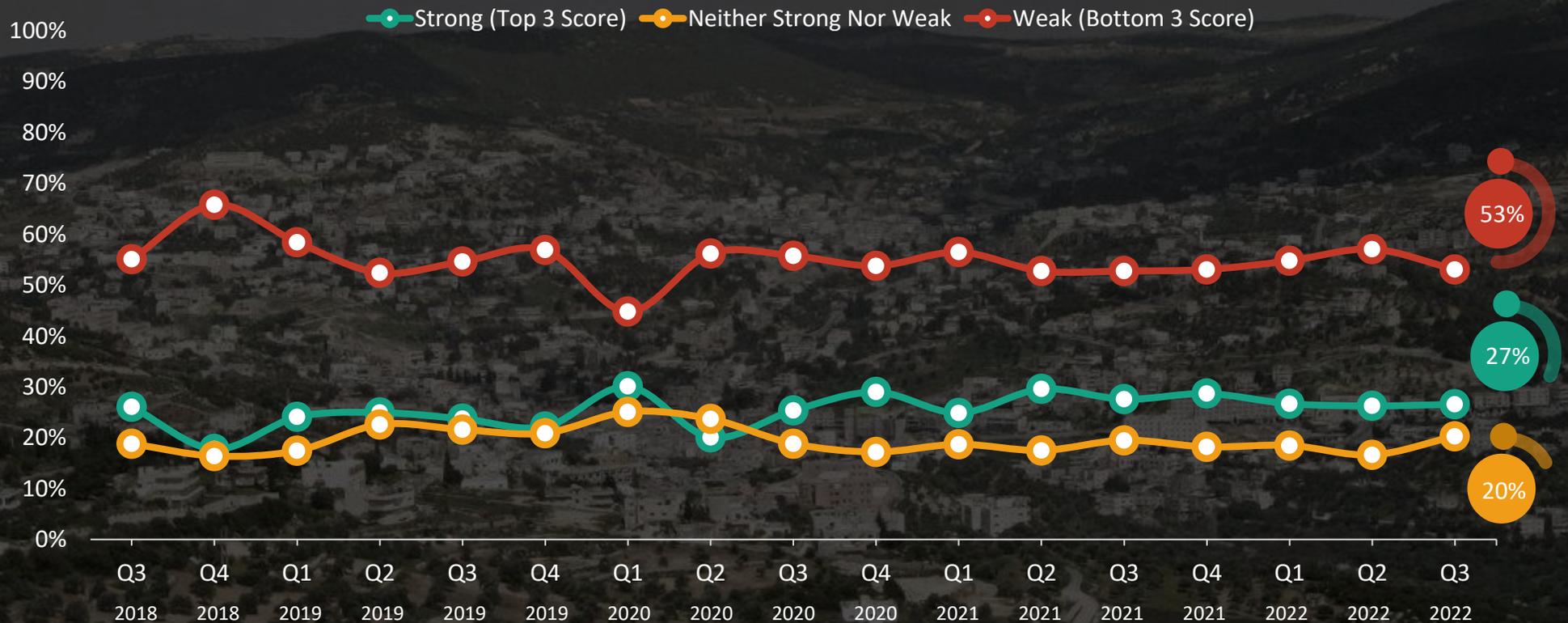


# Jordan's Economic Situation

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# Local Area State of the Economy

Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

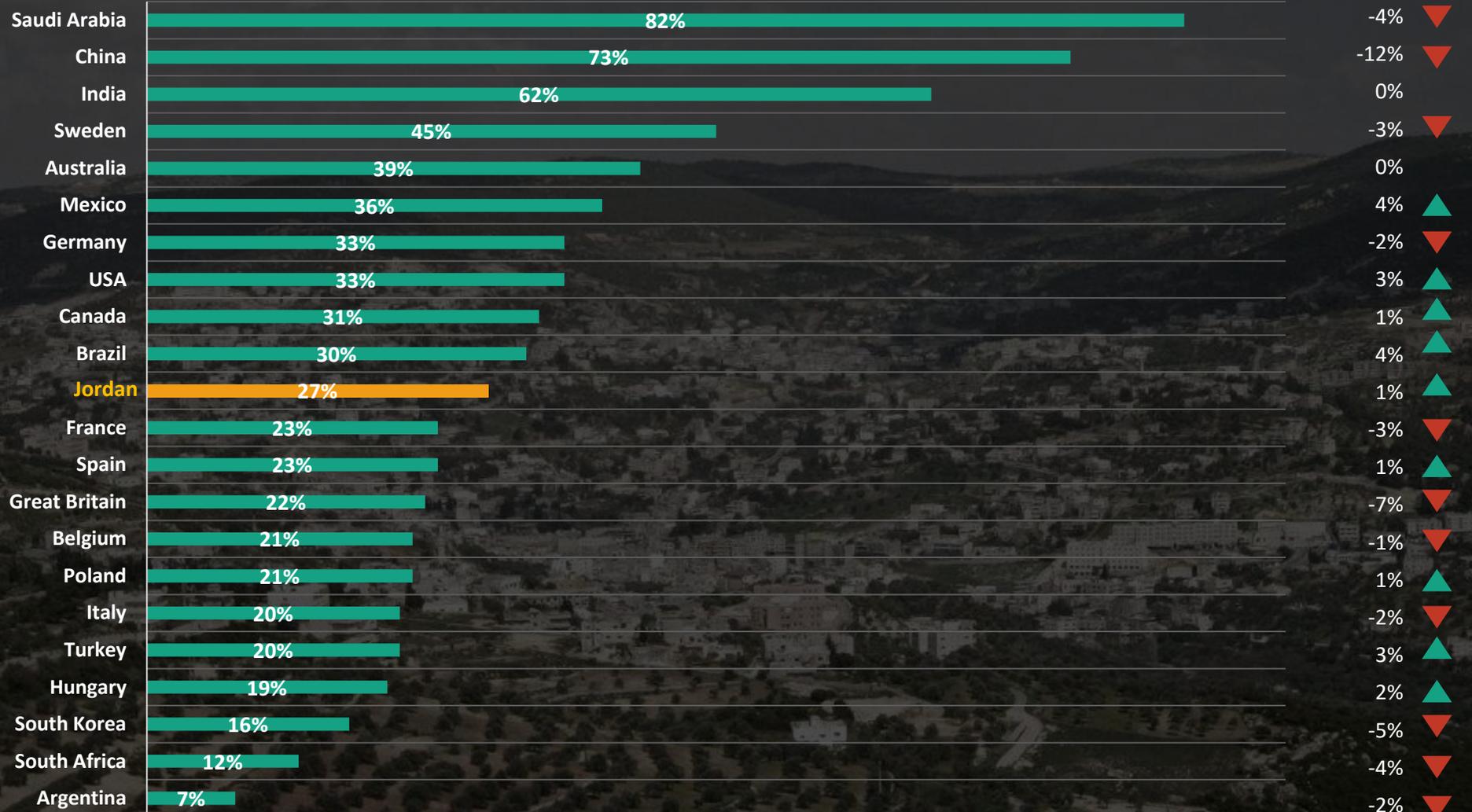


# Current Local Area State of the Economy

## Global Comparison

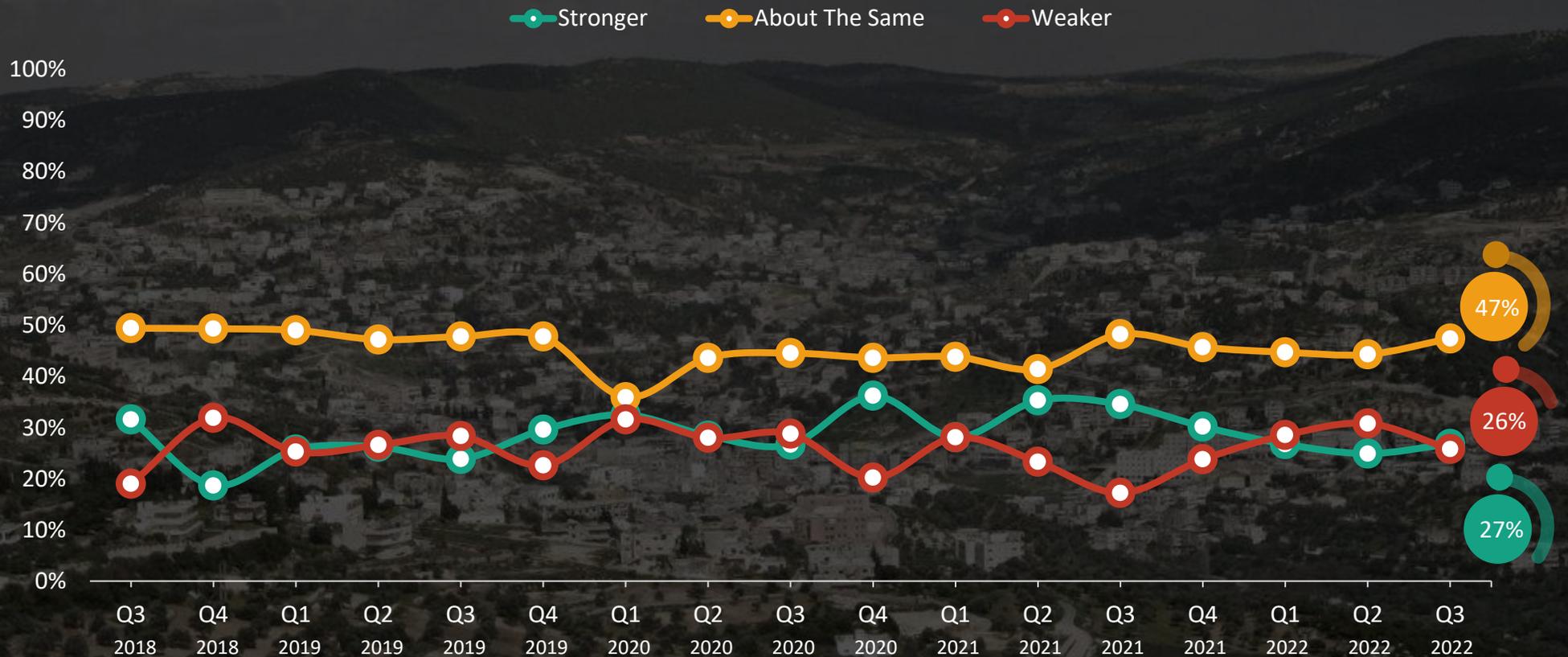
Q: Now Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

Compared to the Positive Results of Q2,2022



# Local Area Future State of the Economy

Q: Looking ahead six months from now, do you expect the economy in your local area to be stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

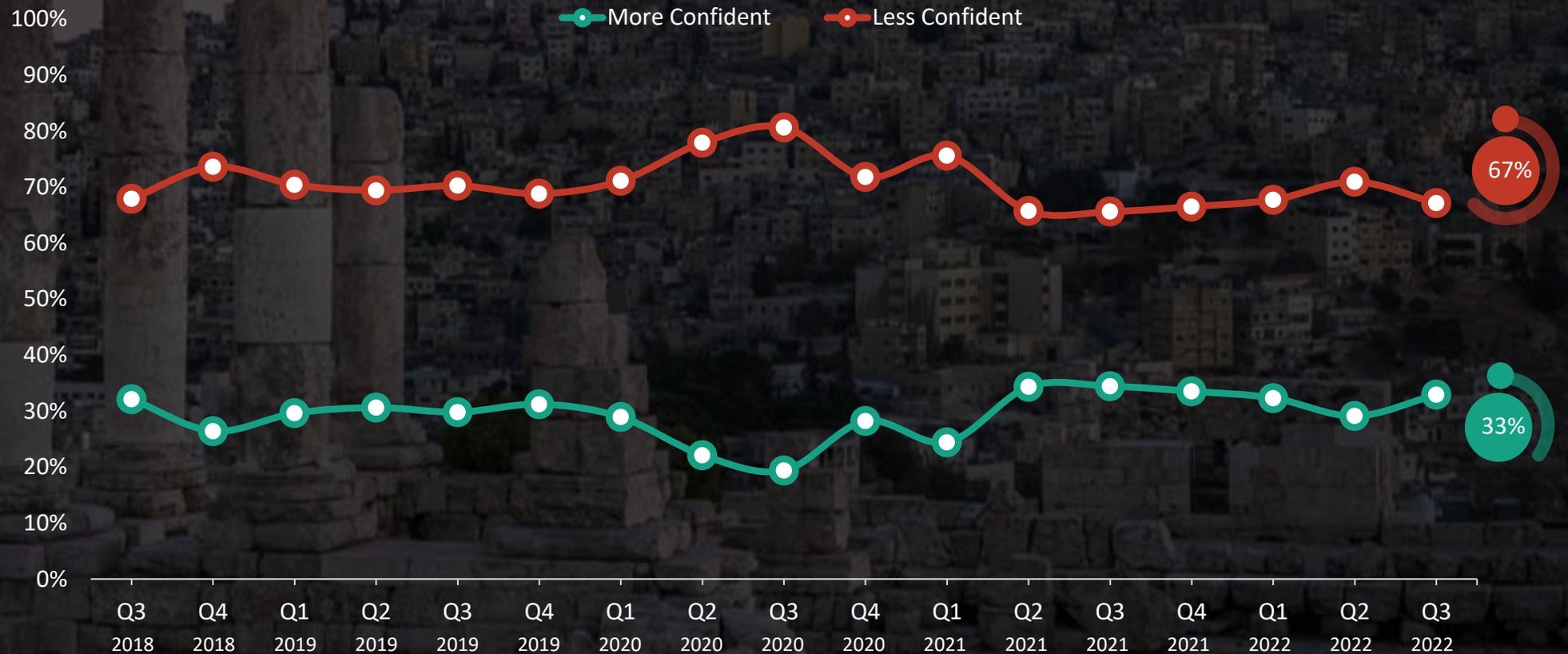


# Employment



# Job Security

Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?

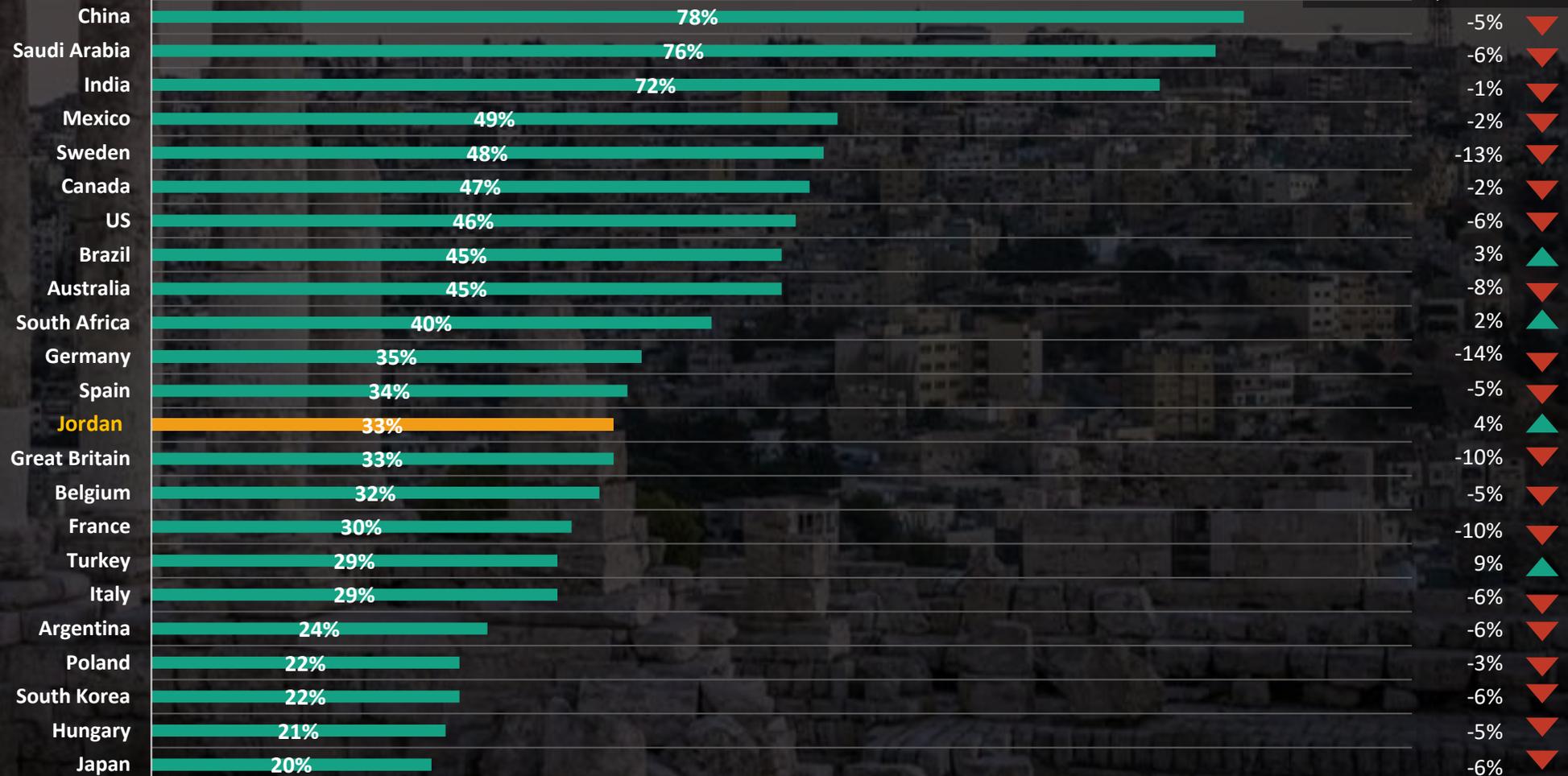


# Job Security

## Global Comparison

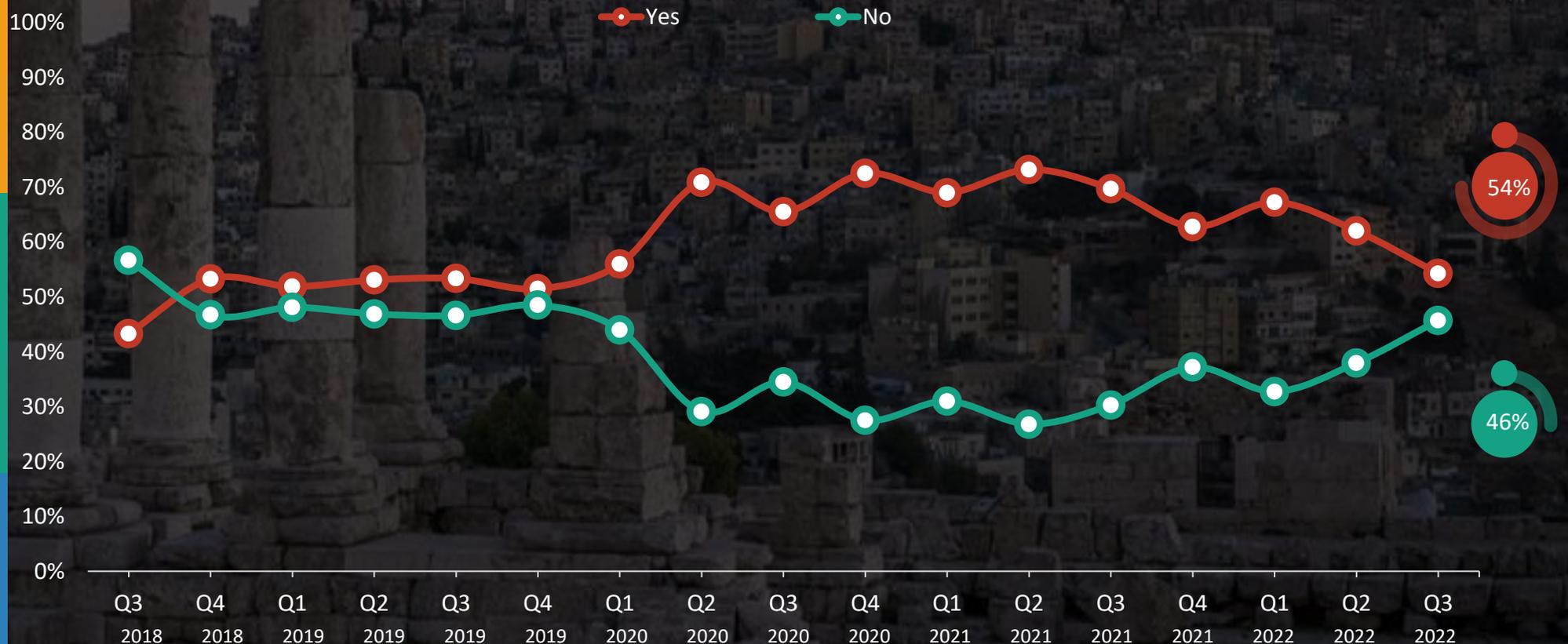
Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?

Compared to More  
Confident Results of  
Q2,2022



# Job Losses in the Past Six Months

Q. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?

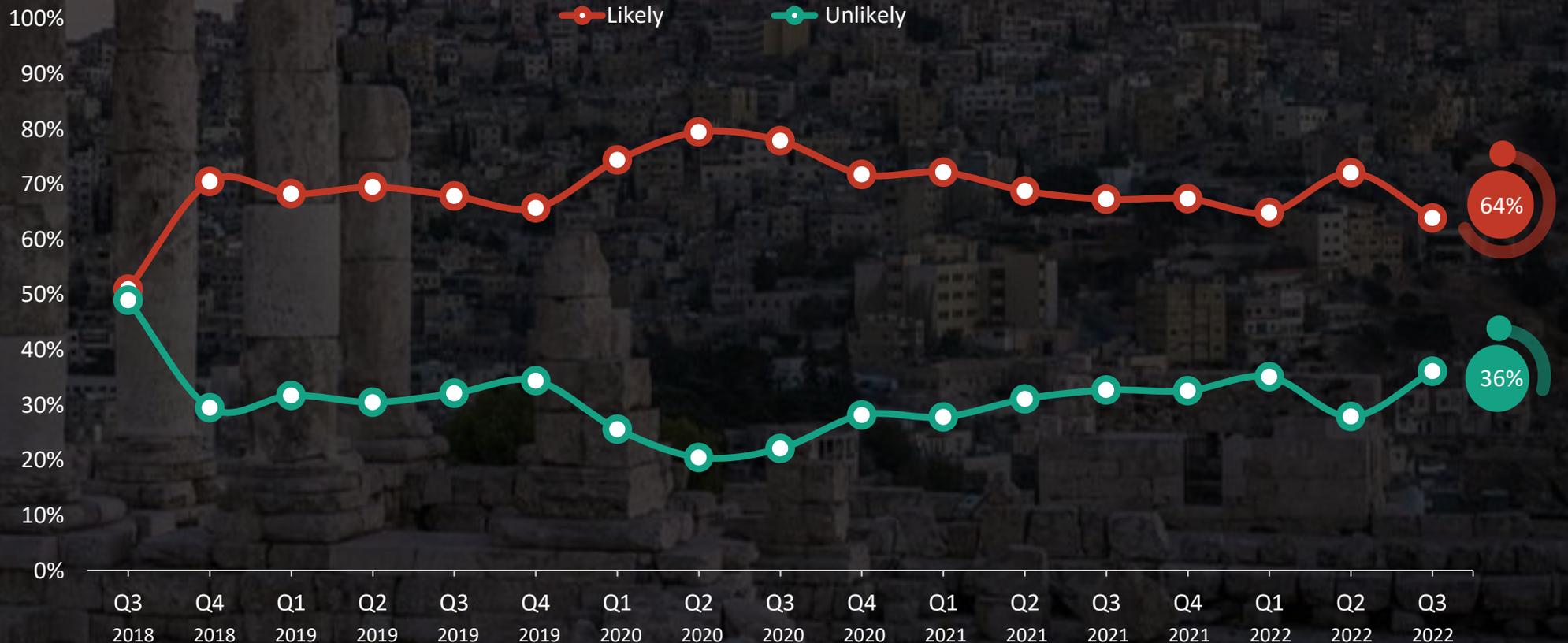


54%

46%

# Job Losses in the Next Six Months

Q. Looking ahead at the *next* six months, how likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

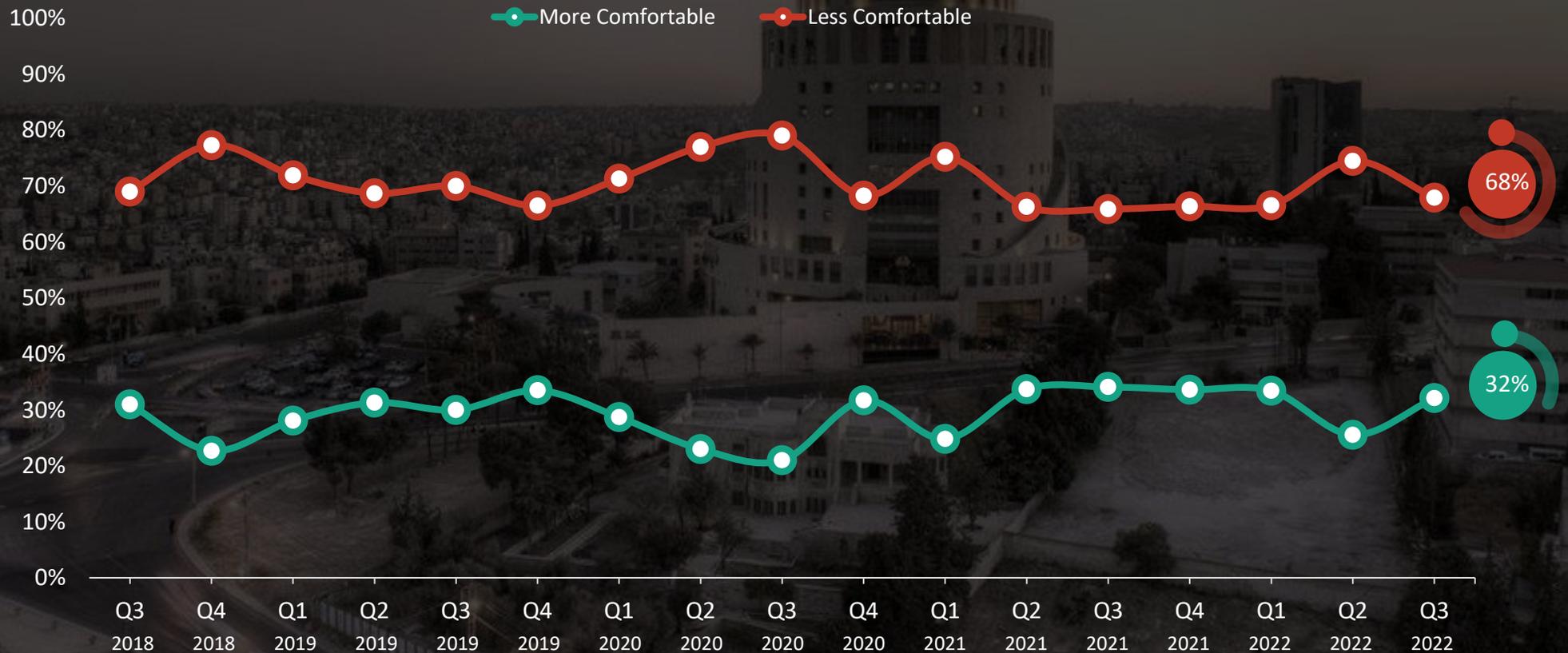


# Investment Climate



# Ability to Invest in The Future

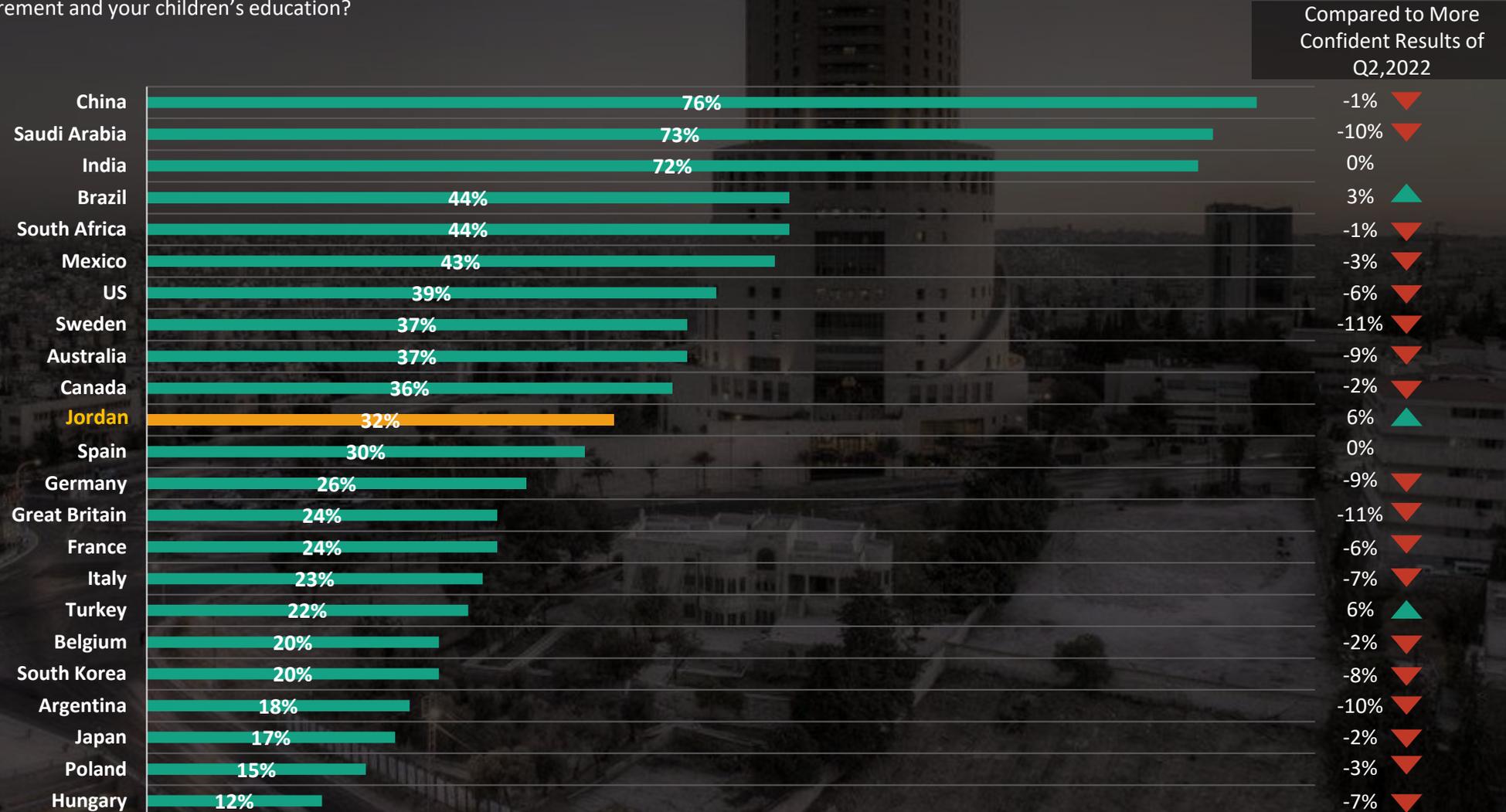
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



# Ability to Invest in The Future

## Global Comparison

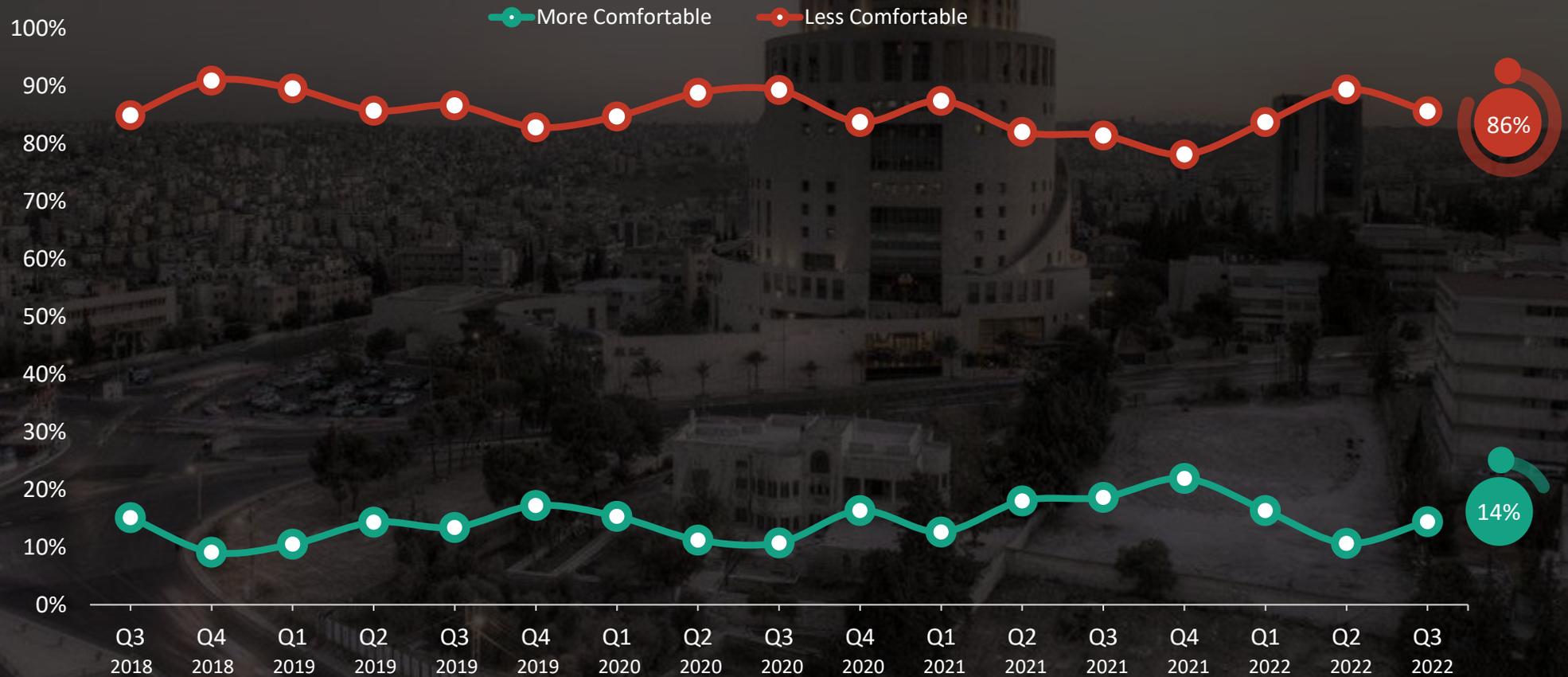
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



Compared to More Confident Results of Q2, 2022

# Ability to Make a Major Purchase

Q. Compared to 6 months ago, are you now more or less comfortable making a purchase, like a home or car?

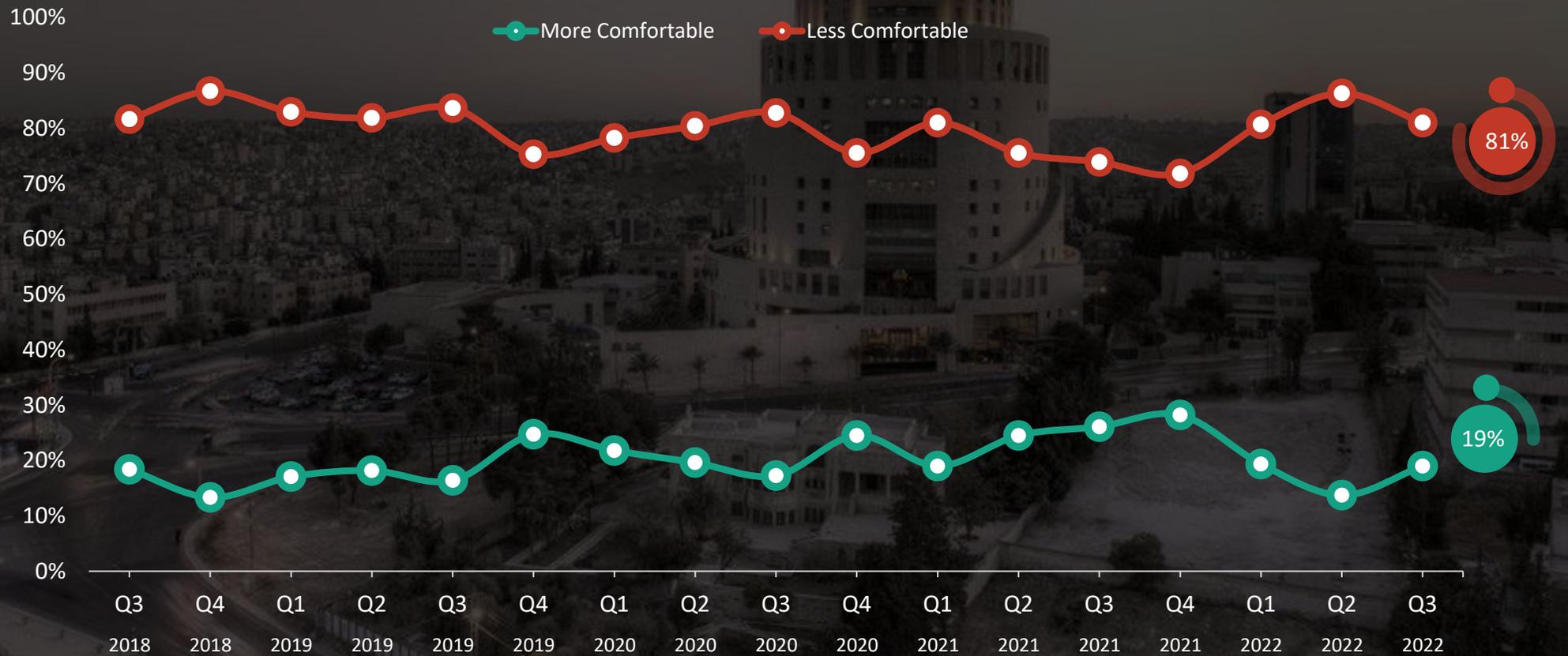


86%

14%

# Buying Household Durables

Q. Compared to 6 months ago, are you now more or less comfortable making other household durables?



81%

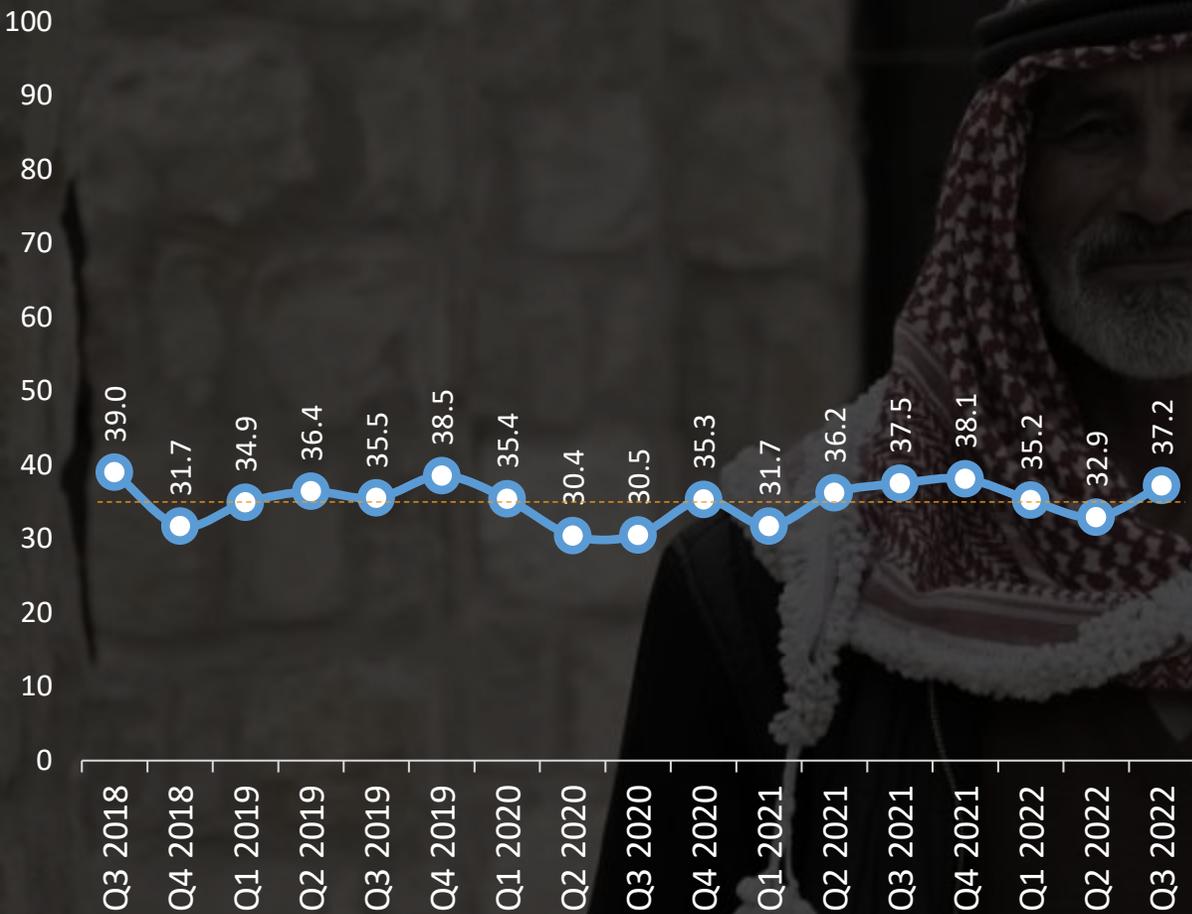
19%

# JCSI Deep Dive

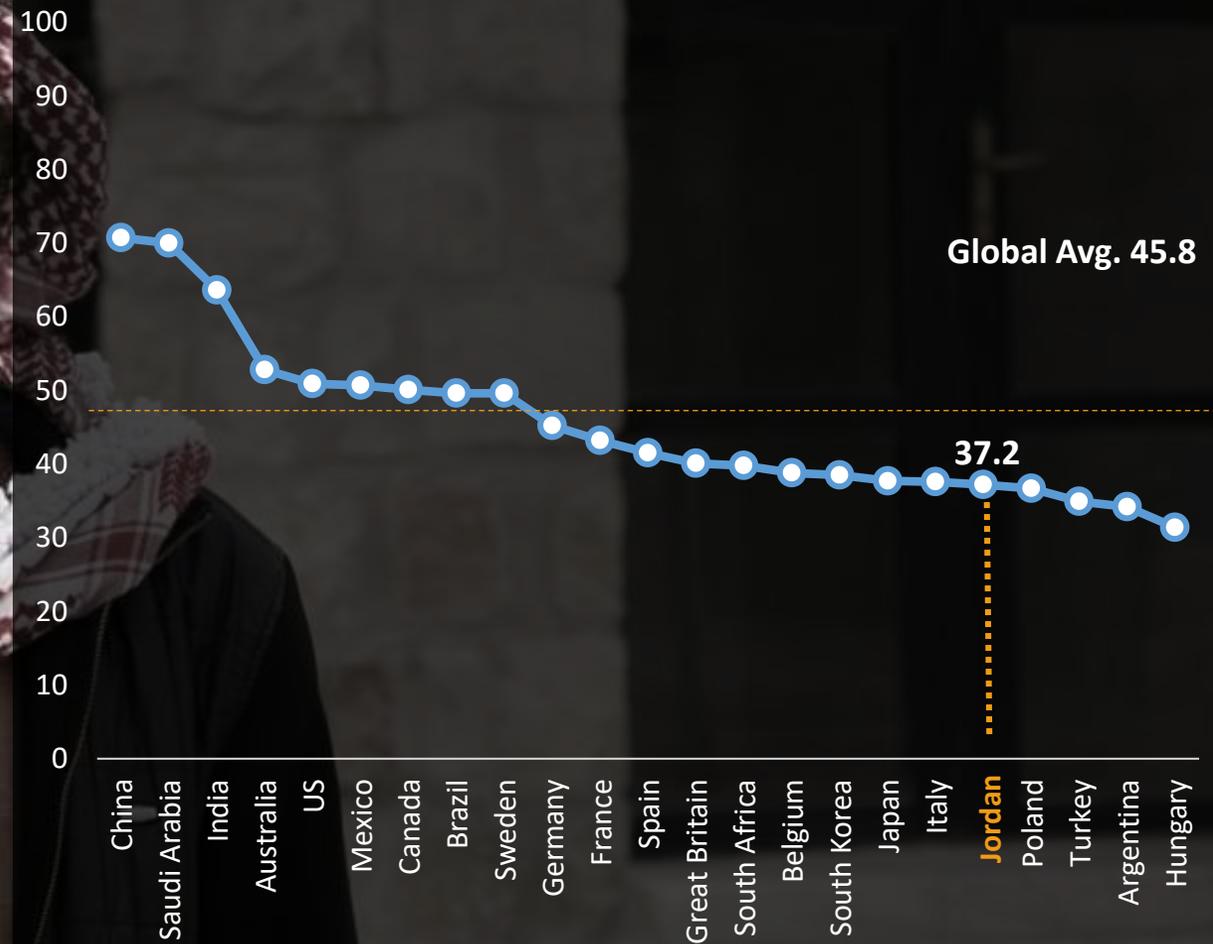


# Overall JCSI

## JCSI- Trending



## JCSI- Global Comparison

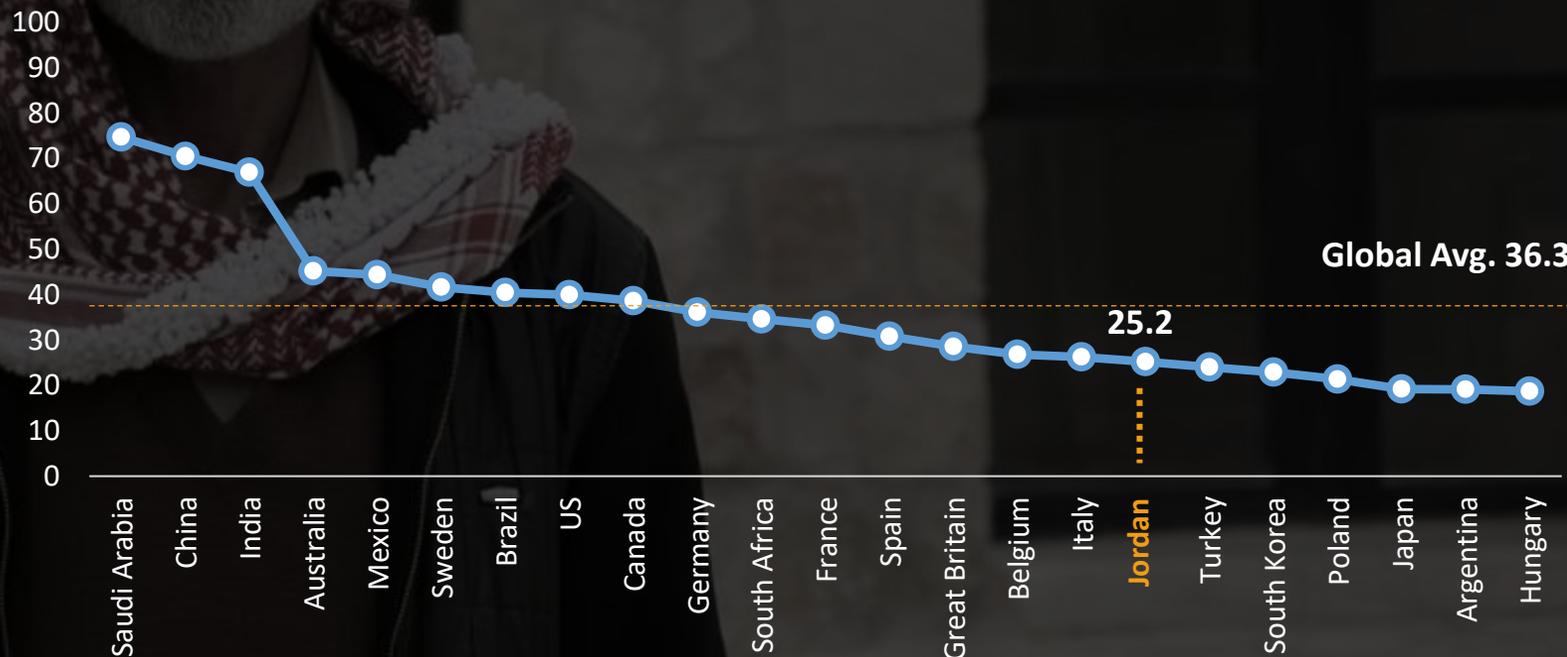




# JCSI Personal Financial Conditions

This quarter's index on personal financial conditions has seen a 3.4 increase, Jordan is currently holding the 17<sup>th</sup> position worldwide.

1. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
2. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
3. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
4. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
5. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
6. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

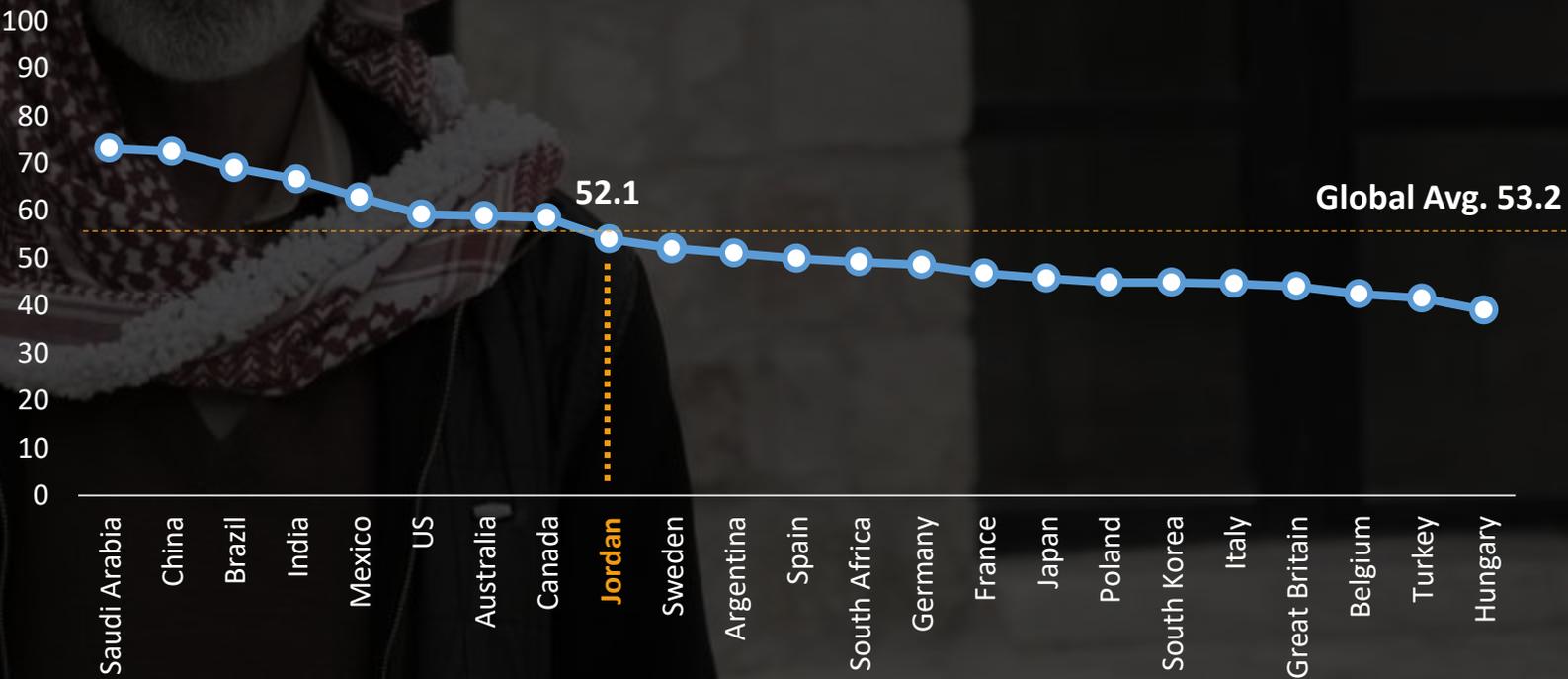
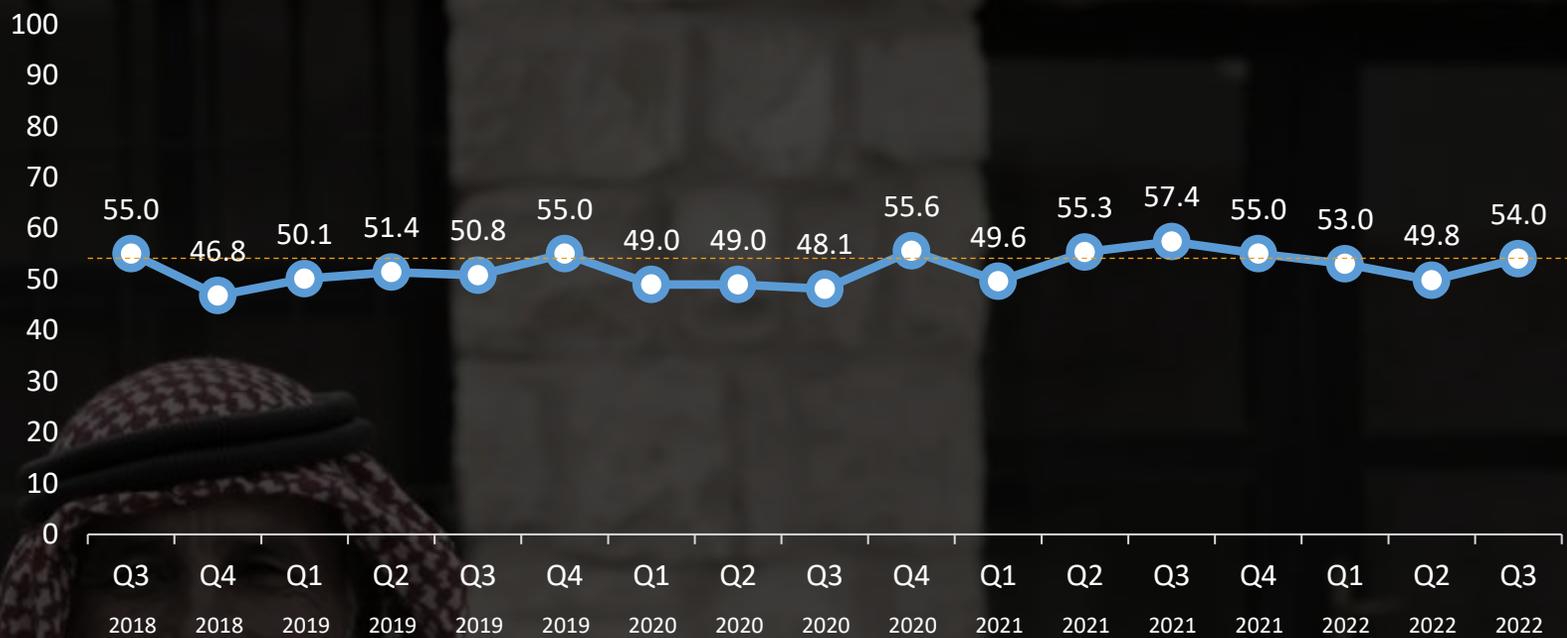




# JCSI Economic Expectations

Jordanians' economic expectation index saw a 4.2 point increase. This increase is reflecting a positive outlook on the future Economy.

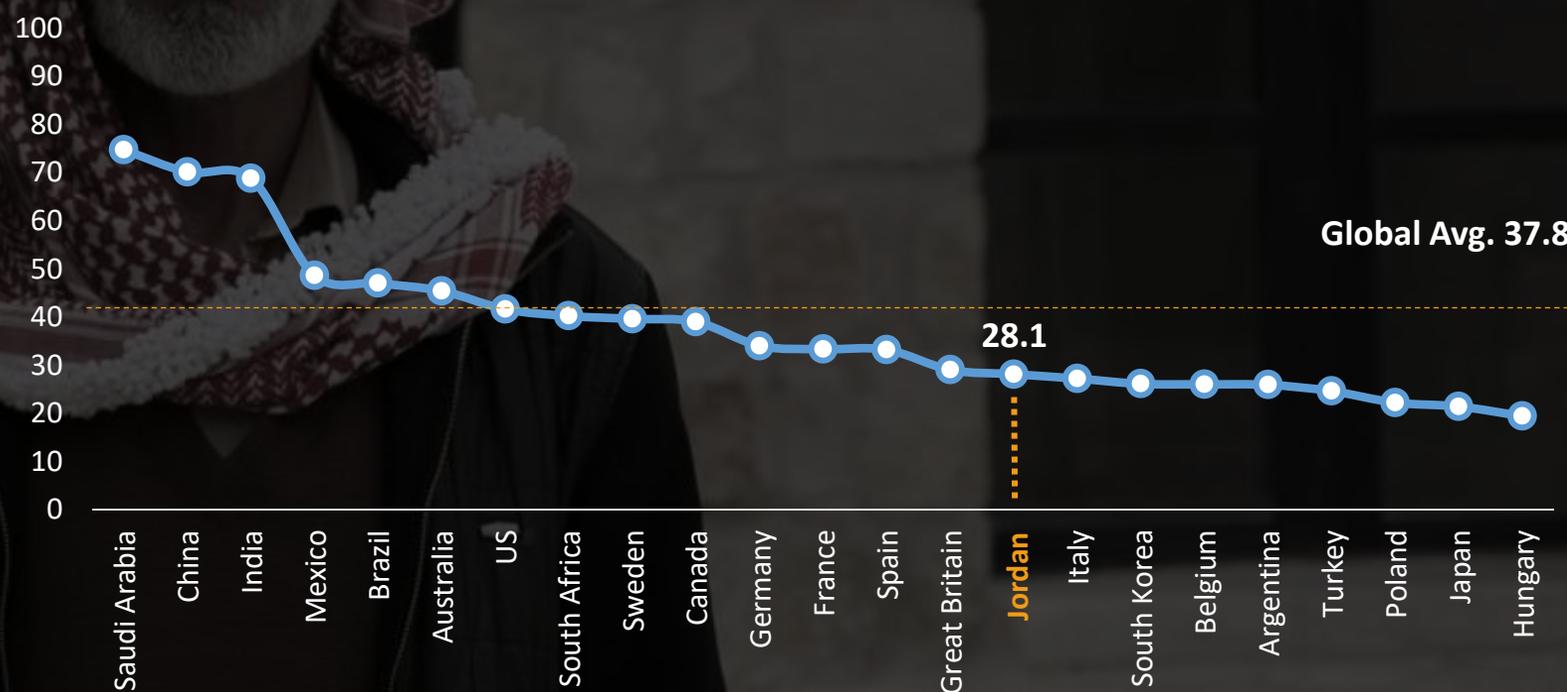
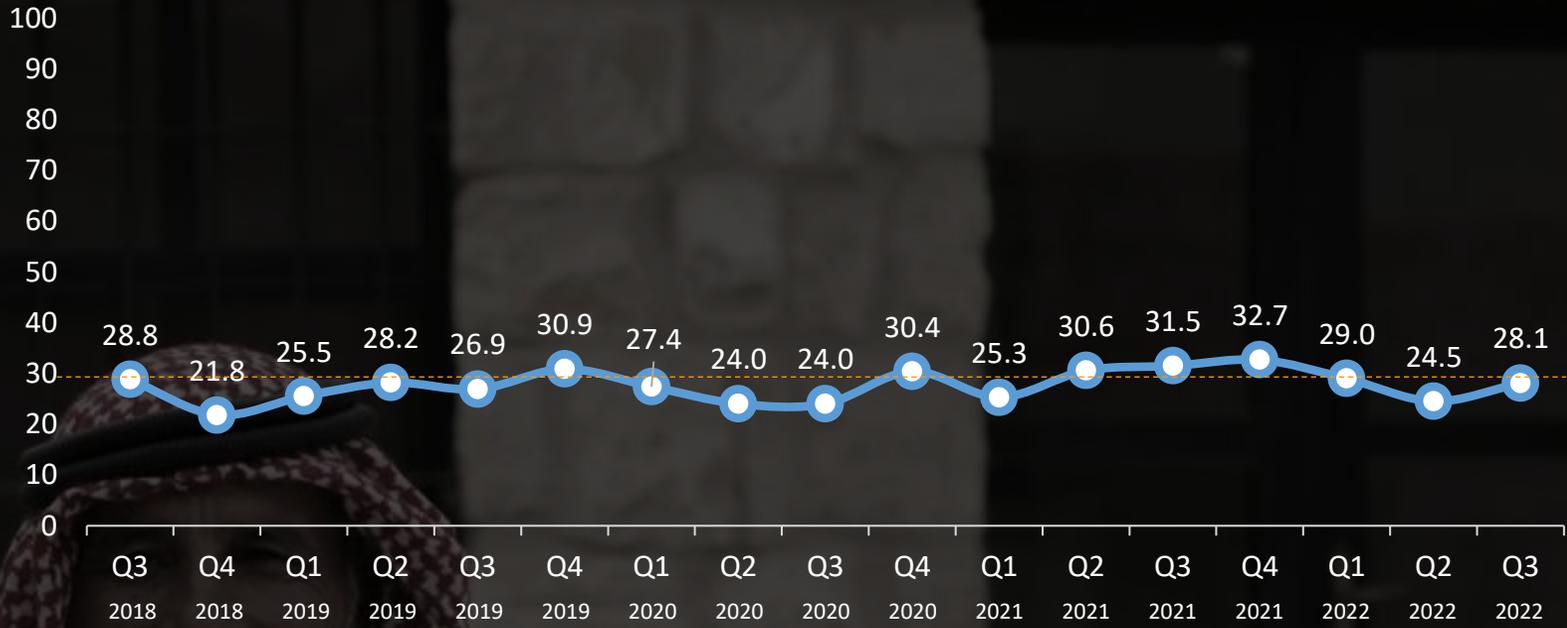
1. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
2. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?



# JCSI Investment Climate

Jordanians' confidence in the investment climate has increased by 3.6 points compared to the previous quarter, placing it in the 15<sup>th</sup> rank globally.

1. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
2. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
3. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
4. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
5. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

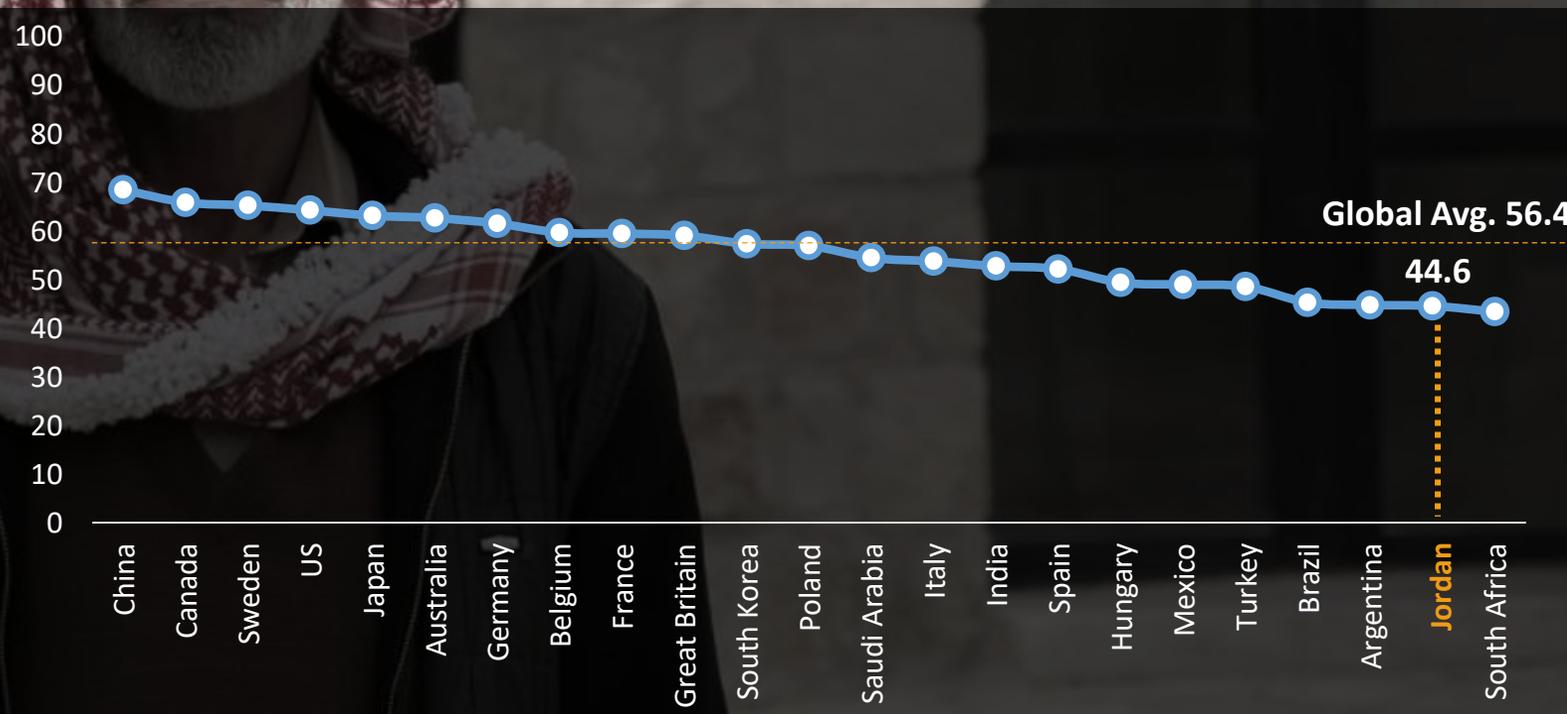
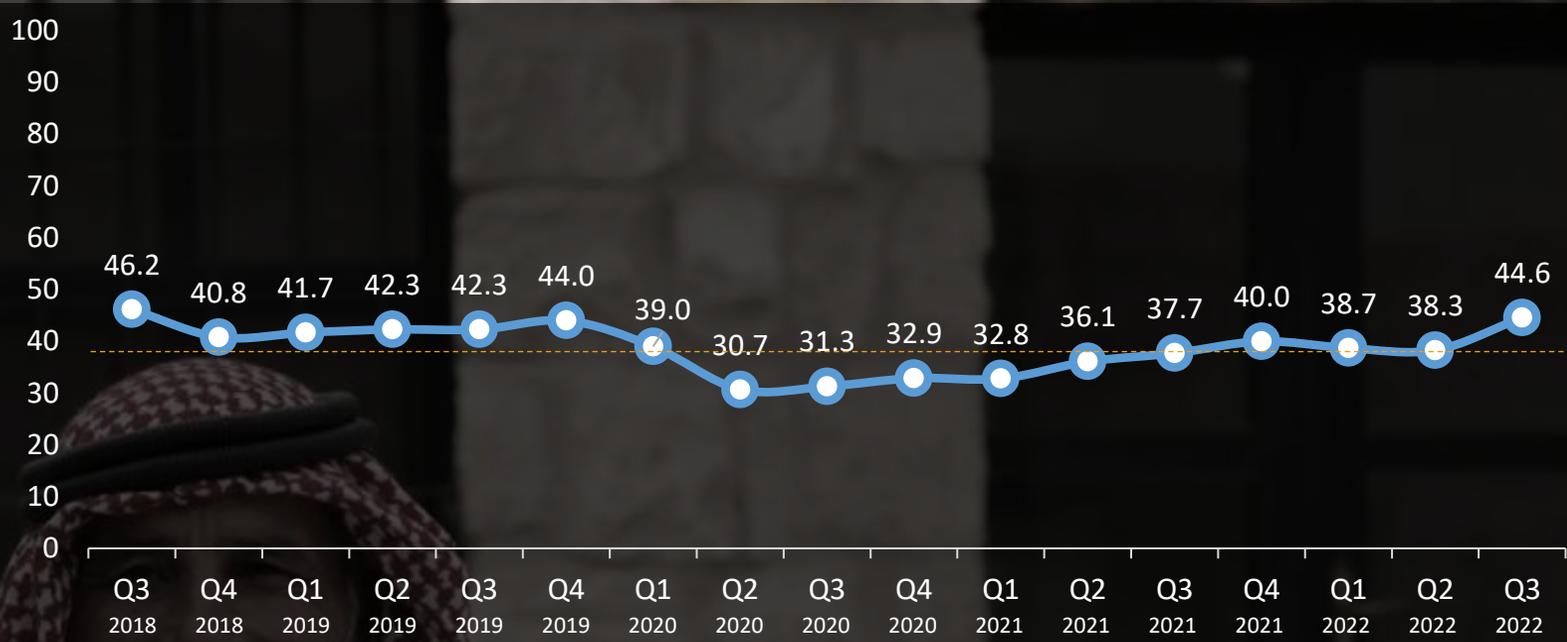




# JCSI Employment Confidence

Although the employment index saw a 6.3 point increase for this quarter, Jordan's rank has remained in the same position since the last quarter, in the 22<sup>nd</sup> position globally.

1. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?
2. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
3. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?



# JCSI Methodology





## JCSI Methodology

**Methodology – Computer Assisted Telephone Interviews (CATI)**

**Sample Size – 1000 Respondents**

**Age – 18 years old and above**

**Sample Criteria – Nationally Representative Sample of Jordanians**

The JCSI Index is calculated by utilizing data from the survey results. Responses are divided into aggregated Top Box (Reward) numbers and Bottom Box (Penalty) numbers. Using Shapely Value Analysis, values were generated for the penalty and reward for each question. The magnitude of each question is the difference between the reward and penalty. An Importance factor, which the ultimate weight of the particular question in the index, is the magnitude of each question divided by the total magnitude of all questions. A Top Box Weight for each question is calculated by dividing the Reward by the magnitude of each question. Similarly, the Bottom Weight for each question is calculated by dividing the Penalty for each question by magnitude of the same. The Index Value for each question is calculated by using the formula:  $\text{Importance} \times (\text{Top Box Wt} * \text{Top Box \%}) - (\text{Bottom Box Wt} * \text{Bottom box \%})$ .



## GAME CHANGERS

At Ipsos we are passionately curious about people, markets, brands and society. We make our changing world easier and faster to navigate and inspire clients to make smarter decisions. We deliver with security, simplicity, speed and substance.

### We are Game Changers

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