Yakov and Partners × Romir

The new Russian society: consumer pulse survey

June 2024

Consumer pulse survey profile

Yakov and Partners × Romir

In May **2024**, Yakov and Partners consultancy and Romir Research Holding conducted an extensive opinion poll based on Romir's proprietary Longitudinal System[1] to **investigate Russian consumer sentiments and changing habits in the context of the past turbulent 2023**

Based on the poll, we made an in-depth analysis **by generation, income, and geostrata**

~2 700

respondents across Russia with widely different sociodemographics:

- Region
- Age (and generation)
- Level of income
- Gender
- Education
- Type of employment
- Marital status
- Family members

9

sections with questions structured by **key consumer "lenses":**

- Well-being drivers
- Employment
- Family
- Small towns
- Loans and savings
- Changes in prices and spending
- Brand substitution
- Favorite brand
- Artificial intelligence

1. A social research tool based on continuous collection of behavioral data from a representative population sample which allows to build a model of society in its dynamic development taking into account all the relevant criteria and segmentation by socio-demographic characteristics, lifestyle, values, and other criteria

Section 1.
General consumer welfare

What has changed for Russian consumers?

In contrast to the 2022 results, when negative sentiments prevailed, more than half of Russian citizens perceive their current situation as stable

The number of negative responses stating that respondents' well-being had impaired decreased by a factor of 1.5 across all aspects. The number of positive responses indicating an improvement in well-being increased by a factor of 1.7

Zoomers[1] and medium-income individuals[2] seem to be the least affected by change. Senior and low-income respondents tend to take the most pessimistic view of their state of affairs

When do consumers expect a recovery to take place?

Most Russian citizens have adapted to the new reality

- 62% of consumers believe that getting back to their old life will take more than 5 years or will be impossible in the foreseeable future
- Back in 2022, 60% of the respondents expected to return to their old life within 5 years

The respondents have higher hopes for the future compared to the previous year

- Looking 6 months forwards, Russian citizens expect the welfare of both their families and employers to improve in the future, while the 2022 survey results showed expectations of decline
- Expectations regarding the nation's welfare increased the most relative to the previous year

How will consumers respond next?

Key sources of anxiety are concerns about long-term stability and preservation of savings, which stem from macroeconomic factors

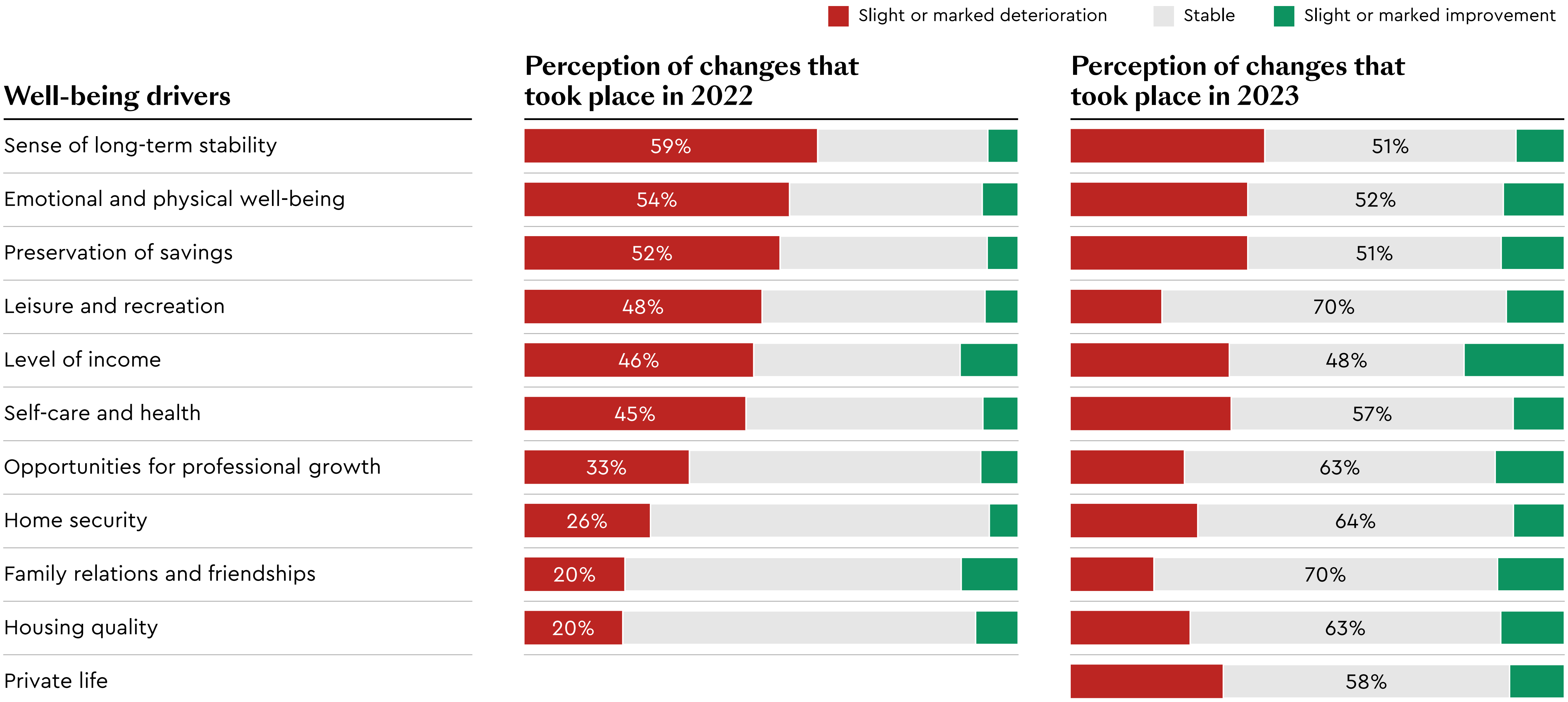
- Nowadays consumers tend to be less concerned about their income levels (–31 pp), but are more worried about preserving their savings (+11 pp) and long-term stability (+5 pp)
- Respondents' concerns across all aspects are caused by macroeconomic factors, such as price hikes, the special military operation, and overall economic situation

Consumers across all generations choose to cut back on big-ticket spending, including expensive goods and services (47% of the respondents), vacations and travel (26%), and apparel and entertainment (21%) as their coping strategies

1. Generation Z (Zoomers) – 0–19 y.o. (18–19 y.o. in the poll); Y – 20–37 y.o.; X – 38–58 y.o.; senior generation – 59–78 y.o. (up to 64 y.o. in the poll)
2. Low income – RUB 20,000 or less per family member; medium income – RUB 20,001–80,000; high income – RUB 80,001 or higher

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

In contrast to the previous year, when negative sentiments prevailed, more than half of Russian citizens perceive their current situation as stable



Question: "How did the following aspects of your life change over the last year?"
ON A SCALE OF 1 TO 5, where 1 stands for "Marked deterioration", 2 – "Slight deterioration", 3 – "Stable", 4 – "Slight improvement", 5 – "Marked improvement"

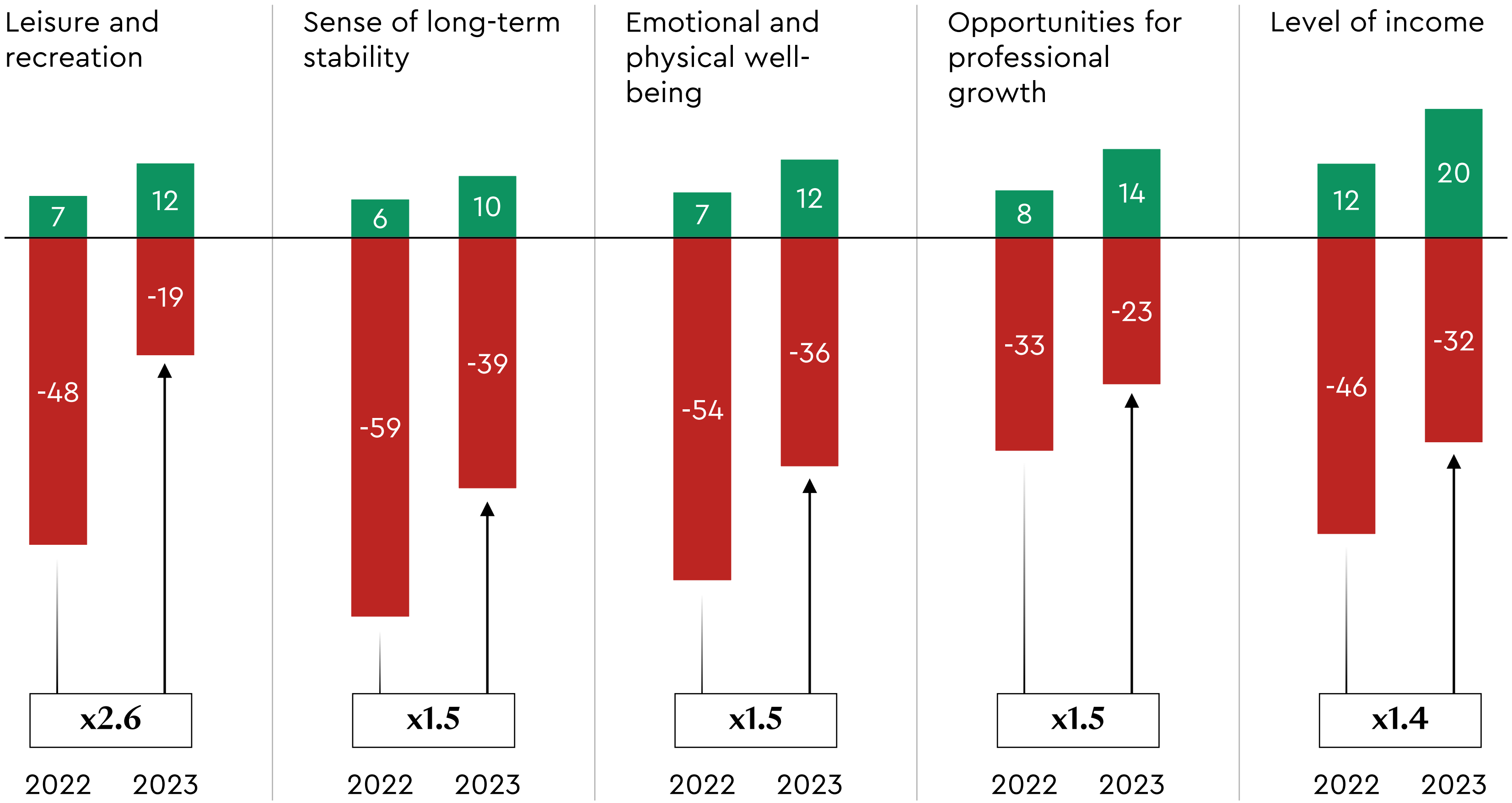
Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

The number of the respondents who believe that their situation impaired has decreased by a factor of 1.5

Share of the respondents who ticked off "Slight deterioration" and "Marked deterioration"

Share of the respondents who ticked off "Slight improvement" and "Marked improvement"

Well-being drivers (Top 5 in terms of improved perception in 2023)



Question: "How did the following aspects of your life change over the last year?"
EACH ASPECT WAS RATED ON A SCALE OF 1 TO 5, where 1 stands for "Marked deterioration", 2 – "Slight deterioration", 3 – "Stable", 4 – "Slight improvement", 5 – "Marked improvement"

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

The number of negative responses is still rather high as Russian citizens continue to worry about all drivers of their well-being

Yet the number of negative responses (including "Slight deterioration" and "Marked deterioration") decreased on average by a factor of **1.5** across all drivers

The number of positive responses (including "Slight improvement" and "Marked improvement") increased on average by a factor of 1.7

Zoomers tend to better adapt to change, while senior respondents felt the decreasing level of well-being most sorely

Perception of changes that took place over the last year

Well-being drivers	Generations[1]			
	Z	Y	X	Senior generation
Sense of long-term stability	**+3%**	–4%	–12%	–15%
Emotional and physical well-being	–20%	**–5%**	–15%	–23%
Preservation of savings	**–10%**	–20%	–25%	–26%
Leisure and recreation	**–10%**	–19%	–26%	–27%
Level of income	–5%	**–2%**	–4%	–4%
Self-care and health	–15%	**–10%**	–12%	–11%
Opportunities for professional growth	**–10%**	–13%	–17%	–18%
Home security	**–20%**	–23%	–33%	**–40%**
Family relations and friendships	**–15%**	**–15%**	–25%	**–34%**
Housing quality	**–3%**	–15%	–23%	–23%
Private life	–9%	–9%	**–8%**	–9%

1. Generation Z (Zoomers) – 0–19 y.o. (18–19 y.o. in the poll); Y – 20–37 y.o.; X – 38–58 y.o.; senior generation – 59–78 y.o. (up to 64 y.o. in the poll)

Question: "How did the following aspects of your life change over the last year?"

Perception of change was calculated as follows: we deducted the total of those who ticked off the "Marked deterioration" or "Slight deterioration" options from the total of those who ticked off "Marked improvement" or "Slight improvement".

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

1 Zoomers embraced the changes that took place last year with more optimism, which is evident across most drivers, especially the perception of long-term stability

2 In contrast, senior respondents took a dim view of the current state of affairs, primarily in terms of home security **(–40%)** and family relations and friendships **(–34%)**

While medium-income respondents embraced the changes with more optimism than others, low-income respondents felt the most pessimistic

Perception of changes that took place over the last year

Well-being drivers	Income level: Low	Medium	High
Sense of long-term stability	–12%	**–4%**	–14%
Emotional and physical well-being	–18%	**–2%**	–20%
Preservation of savings	–29%	**–15%**	–30%
Leisure and recreation	–31%	**–19%**	–23%
Level of income	–5%	**–2%**	–3%
Self-care and health	–14%	**–6%**	–16%
Opportunities for professional growth	–19%	**–13%**	–15%
Home security	–38%	**–24%**	–29%
Family relations and friendships	–29%	**–17%**	–24%
Housing quality	–24%	**–17%**	–21%
Private life	–4%	–5%	**–3%**

1. Low income – RUB 20,000 or less per family member; medium income – RUB 20,001–80,000; high income – RUB 80,001 or higher
Question: "How did the following aspects of your life change over the last year?"
Perception of change was calculated as follows: we deducted the total of those who ticked off the "Marked deterioration" or "Slight deterioration" options from the total of those who ticked off "Marked improvement" or "Slight improvement".

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

Medium-income respondents seem to have adapted to change faster. In contrast, the previous survey showed that high-income individuals felt the most optimistic

Just like in 2022, low-income individuals felt the decreasing quality of life most sorely

There seems to be no striking difference in well-being dynamics across different cities or regions

Perception of changes that took place over the last year

Well-being drivers	Geo: Moscow + St. Pete	Million-plus cities	Other regions
Sense of long-term stability	**–5%**	–12%	–9%
Emotional and physical well-being	–13%	–12%	**–11%**
Preservation of savings	**–17%**	–24%	–25%
Leisure and recreation	**–20%**	–26%	–23%
Level of income	**+2%**	–5%	–4%
Self-care and health	**–5%**	–14%	–12%
Opportunities for professional growth	**–15%**	–17%	**–15%**
Home security	**–26%**	–34%	–29%
Family relations and friendships	**–16%**	–23%	–23%
Housing quality	**–16%**	–24%	–19%
Private life	–6%	–8%	**–5%**

Question: "How did the following aspects of your life change over the last year?"
Perception of change was calculated as follows: we deducted the total of those who ticked off the "Marked deterioration" or "Slight deterioration" options from the total of those who ticked off "Marked improvement" or "Slight improvement".

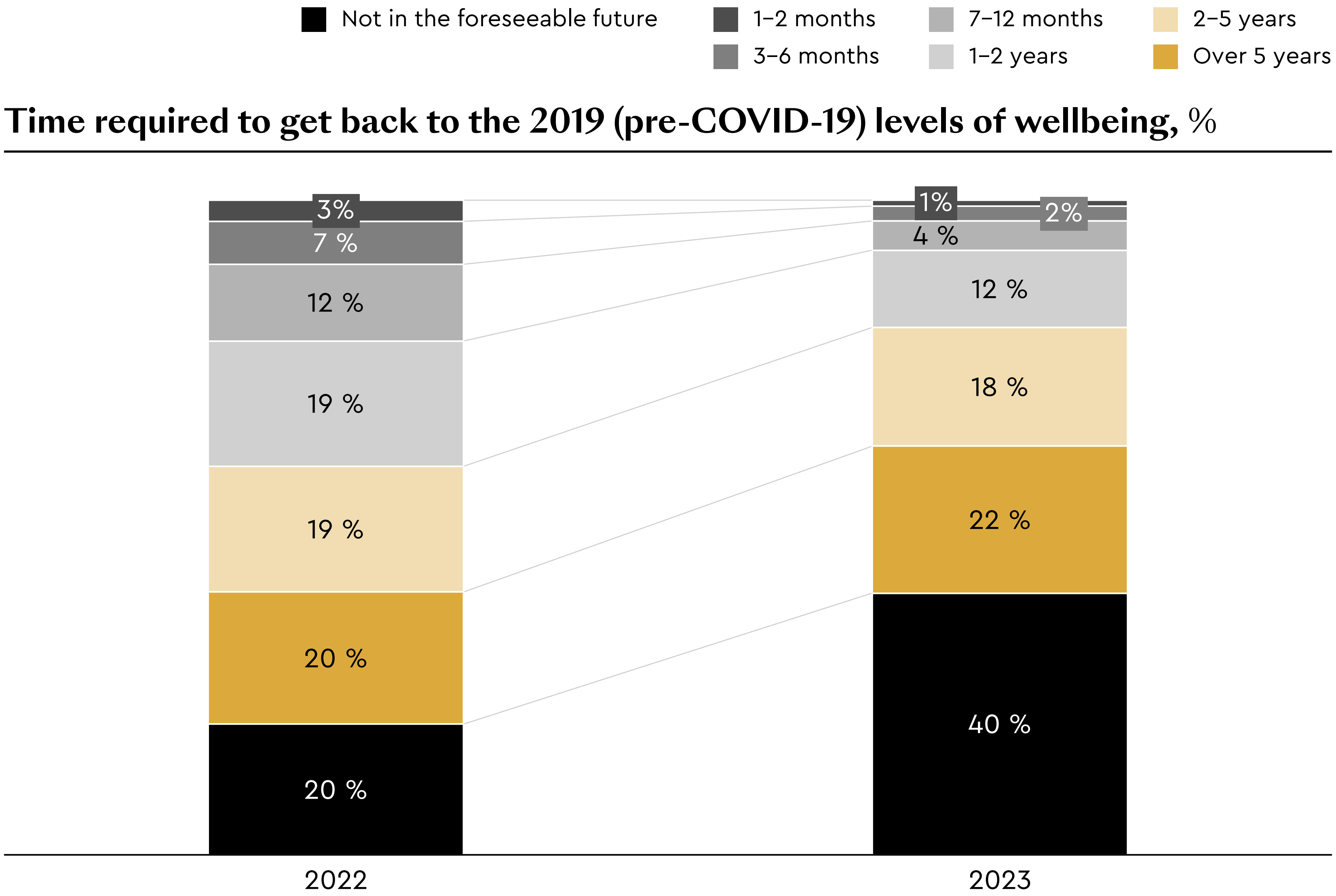
Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

1 Consumers in Moscow and St. Petersburg have a positive perception of changes in their income levels **(+2%)**

2 For most well-being drivers, however, perceptions don't vary too widely across different cities or regions

Most Russian citizens have mentally adapted to the new reality

Time required to get back to the 2019 (pre-COVID-19) levels of wellbeing, %



Question: "In your opinion, how long will it take to get back to the 2019 (pre-COVID-19) levels of wellbeing?"

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

The share of the respondents who said that getting back to their old life would be impossible doubled **from 20% to 40%**

In 2023, **62%** of the respondents were of the opinion that getting back to their old life would take more than 5 years or would be beyond the foreseeable future

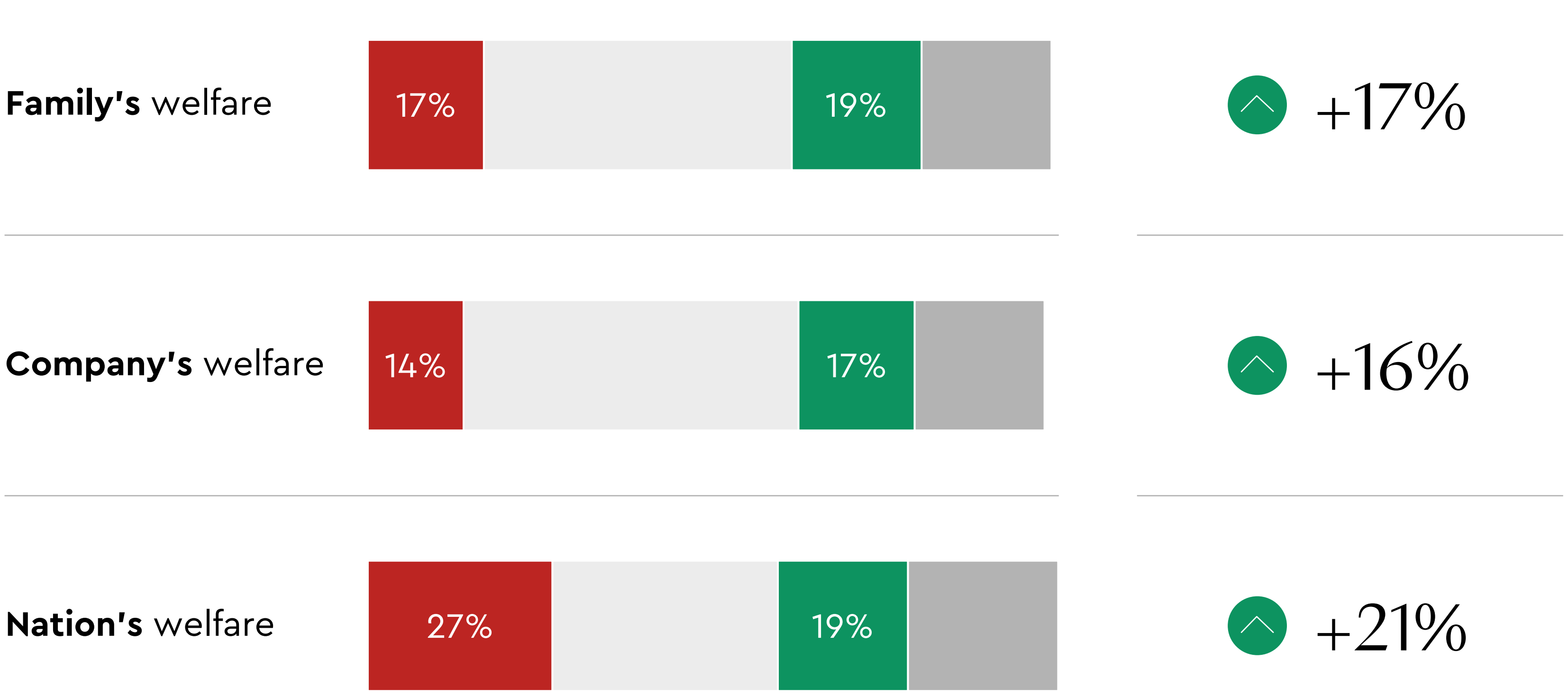
In 2022, the majority of the respondents expected to return to their old life within 5 years

The respondents seem to have higher hopes for the future compared to the previous year

Slight or marked deterioration | Slight or marked improvement | No answer

Expectation of change in the next 6 months in 2023, %

Gap in expectations[1] (2023 vs. 2022), %



Just like in 2022, most respondents believe that their families and employers will be less affected by the difficulties than the country in general

Russian citizens expect the welfare of both their families and employers to improve in the future

Expectations regarding the nation's welfare increased the most relative to the previous year

1. Perception of change was calculated as follows: we deducted the total of those who ticked off the "Marked deterioration" or "Slight deterioration" options from the total of those who ticked off "Marked improvement" or "Slight improvement"

Question: "In your opinion, in what way will your personal welfare and that of your family/employer/the entire country change in the coming 6 months?"

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

When looking to the future, Zoomers expect their well-being to increase, while senior respondents expect it to decline

Perception of changes expected in the next 6 months

Generations[1]

	Z	Y	X	Senior generation
Family's welfare	26%	10%	–2%	–13%
Company's welfare	29%	7%	2%	–3%
Nation's welfare	5%	–8%	–12%	–13%

Zoomers tend to take the most optimistic view of each aspect

Senior generation feels the most pessimistic about each aspect

1. Generation Z (Zoomers) – 0–19 y.o. (18–19 y.o. in the poll); Y – 20–37 y.o.; X – 38–58 y.o.; senior generation – 59–78 y.o. (up to 64 y.o. in the poll)

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Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

While high-income respondents look to the future with optimism, low-income individuals tend to take a dim view

Perception of changes expected in the next 6 months

Income level

	Low	Medium	High
Family's welfare	–15%	2%	19%
Company's welfare	–1%	2%	14%
Nation's welfare	–19%	–11%	1%

Russian citizens with a low income expect their well-being to worsen

High-income consumers tend to take an optimistic view of each aspect

1. Low income – RUB 20,000 or less per family member; medium income – RUB 20,001–80,000; high income – RUB 80,001 or higher

Question: "In your opinion, in what way will your personal welfare and that of your family/employer/the entire country change in the coming 6 months?"
Perception of change was calculated as follows: we deducted the total of those who ticked off the "Marked deterioration" or "Slight deterioration" options from the total of those who ticked off "Marked improvement" or "Slight improvement".

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

Compared to Moscow and St. Petersburg residents, other respondents tend to take a more optimistic view of the world

Perception of changes expected in the next 6 months

Geo

	Moscow + St. Pete	Million-plus cities	Other regions
Family's welfare	1%	1%	3%
Company's welfare	–1%	7%	3%
Nation's welfare	–11%	–9%	-11%

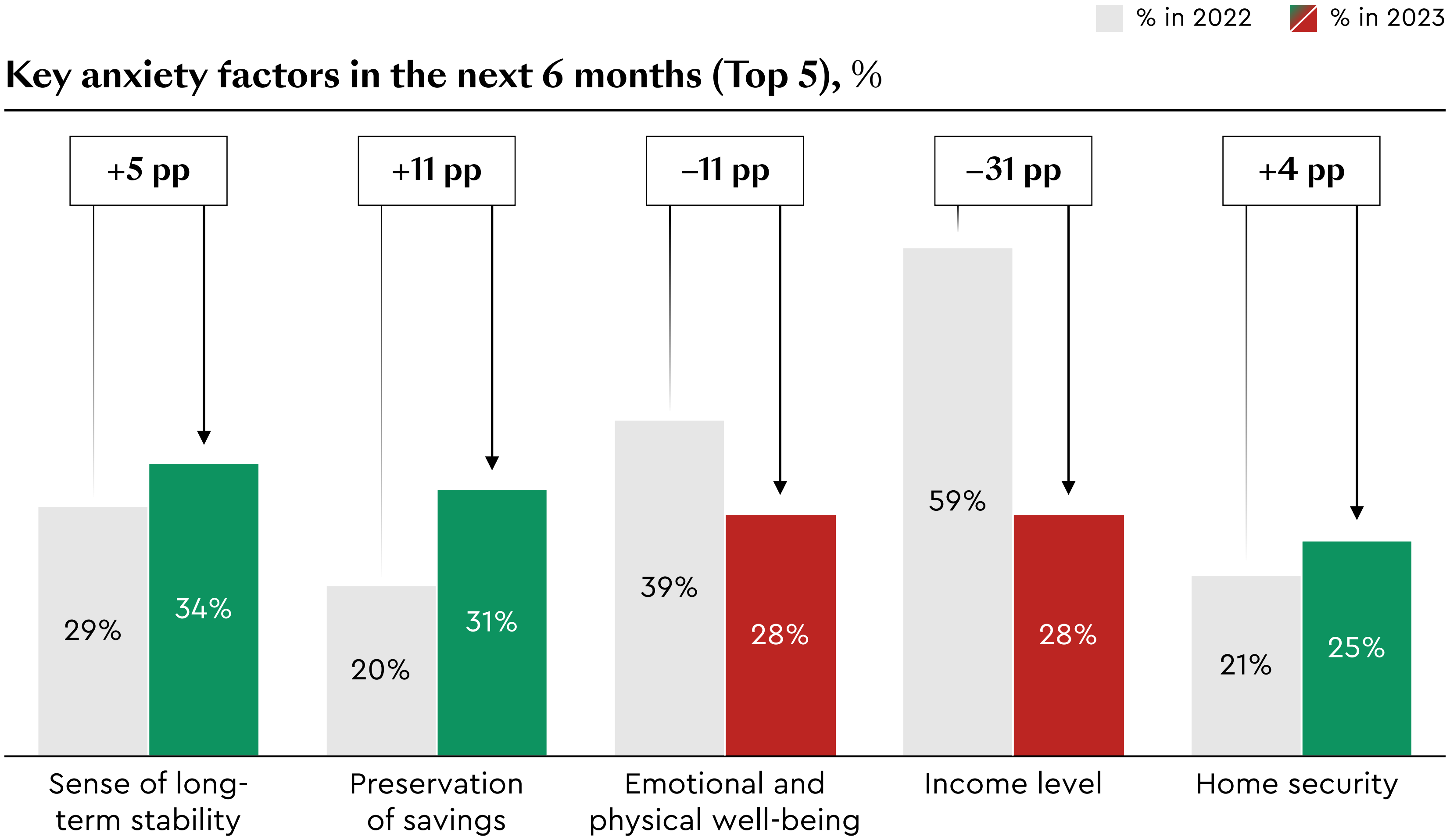
Moscow and St. Petersburg residents expressed the most negative expectations regarding the future

Question: "In your opinion, in what way will your personal welfare and that of your family/employer/the entire country change in the coming 6 months?" Perception of change was calculated as follows: we deducted the total of those who ticked off the "Marked deterioration" or "Slight deterioration" options from the total of those who ticked off "Marked improvement" or "Slight improvement".

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

Unlike the previous year, consumers are much less concerned about their incomes but tend to worry more about long-term stability and preserving their savings

Key anxiety factors in the next 6 months (Top 5), %



Nowadays Russian citizens tend to be less concerned about their income levels **(–31 pp)** and emotional and physical well-being **(–11 pp)**

At the same time consumers focus more on long-term stability **(+5 pp)** and preserving their savings **(+11 pp)**

Question: "Looking 6 months forward, which of these aspects of life cause you the most anxiety?"
EACH ASPECT WAS RATED ON A SCALE OF 1 TO 5, where 1 stands for "Marked deterioration", 2 – "Slight deterioration", 3 – "Stable", 4 – "Slight improvement", 5 – "Marked improvement"

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

Respondents' concerns mainly stem from macroeconomic factors, such as price hikes, the special military operation, and overall economic situation

Key aspects of anxiety in the next 6 months	Causes (Top 3)		
Sense of long-term stability	67% Price growth, inflation	32% Special military operation	29% Overall economic situation in the country
Preservation of savings	51% Price growth, inflation	29% Declining personal or family income	28% Overall economic situation in the country
Emotional and physical well-being	37% Price growth, inflation	29% Special military operation	22% Overall economic situation in the country
Level of income (including all sources of income)	57% Price growth, inflation	28% Declining personal or family income	23% Overall economic situation in the country
Home security	37% Special military operation	27% Level of security	24% Crime levels

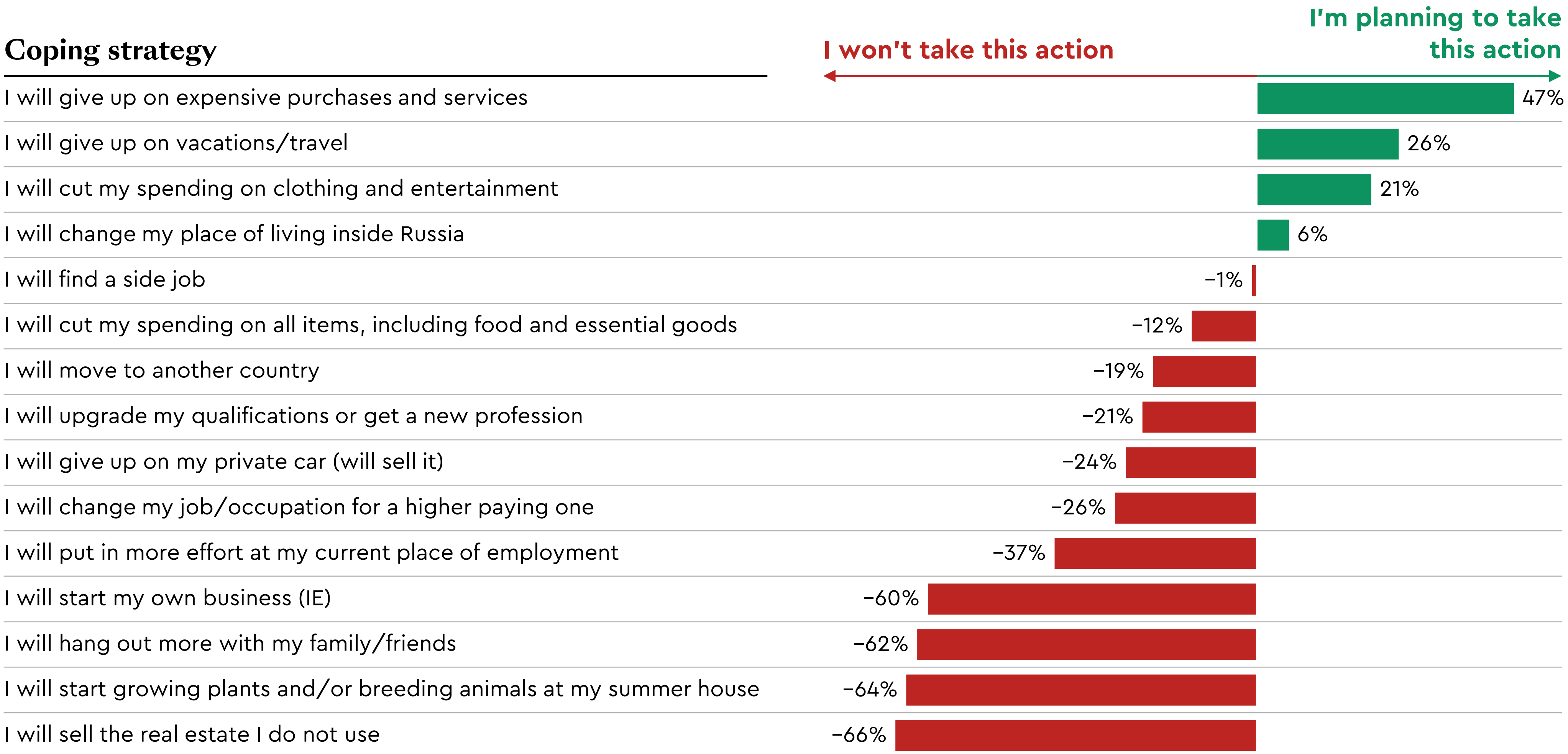
Question: "What are the causes of your anxiety in the selected aspect?"

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

Across all key aspects of life, anxiety is caused by macroeconomic problems rather than personal finance or employment

Unlike in Russia, consumers around the world tend to be more concerned about personal affairs, e.g. family finance, employment, etc. **(consumer confidence = 83%)**

Most respondents opted for cutting back on big-ticket spending, vacations/travel, clothing, and entertainment as their coping strategies



The three most popular strategies focus on **cost optimization**

Question: "How are you planning to overcome the difficulties? Assign points from 1 to 5 where 1 is "I will not take the action" and 5 is "I will do this in the first place"
Metric calculation: We deducted the total of the respondents who ticked off "1" or "2" ("I will (probably) not take this action") from those who ticked off "4" or "5" (I will (probably) take this action")

Source: Russian consumer pulse check, a joint survey by Yakov and Partners and Romir Holding, May 2024

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The new Russian society: consumer pulse survey

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