Yakov
& Partners

Ромир

Russian Consumer Pulse Wave 1: The New Normal – 2022

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Consumer Pulse survey profile

Yakov & Partners Ромир

In December 2022, Yakov & Partners have carried out an extensive opinion poll in a partnership with Romir to **investigate Russian consumer sentiments and changing habits in the context of the past turbulent 2022.**

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

~1,500

respondents across Russia with widely different sociodemographics:

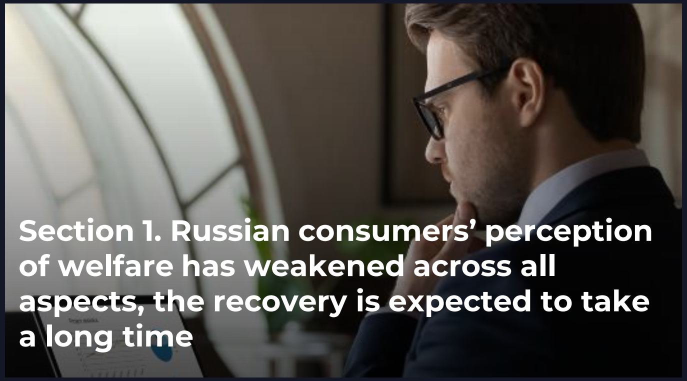
- Region
- Age (and generation)
- Level of income
- Gender
- Education
- Type of employment
- Marital status
- Family members

7+

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

- Welfare drivers
- Sentiment and current attitude
- Consumer habits
- Shopping channels
- Spend by category
- Brand attitudes
- Saving strategies

Summary



Section 1. Russian consumers' perception of welfare has weakened across all aspects, the recovery is expected to take a long time

The Russian consumers report deterioration across all welfare drivers in 2022, especially regarding long-term stability (53% of the respondents), opportunities for savings (46%), and health (46%)

The return to the old life will take at least 1 year (78% of the respondents) with 59% expecting the recovery to take a long time (more than 3–5 years)

In the foreseeable future (6 months), the key consumer concerns are related to the level of income (59% of the respondents), emotional state (39%), and bodily health (38%)

To overcome the difficulties, the consumers intend to cut back on major expenditures (including travel, clothing, and entertainment) and rely on support from the family and friends as their key strategy

Section 2. Consumers keep rationalizing their wallets and expect food, medication, and utilities spend to grow in the near future

Over the last year, most of our respondents have optimized their expenditures: spending has decreased in non-essential goods and services but increased in life-sustaining categories

The highest cut in spending concerned luxury goods (9% of the respondents), international travel (9%), entertainment (8%), and dining out (6%). According to our poll, the trend towards cutting back on those expenditures will intensify in the next 6 months

In addition to that, the consumers plan to start saving on real estate purchases (6%), education (5%), beauty services (5%), and insurance (3%)

Our respondents believe the next 6 months will see highest growth in the spend on utility bills (41%), dining in (22%), and medications (22%)

Section 3. In key food categories, the consumers are reluctant to sacrifice quality, so they are seeking good alternatives

The consumers note they are now looking more at the price as a driver when choosing their foods (41%). Our respondents are reluctant to switch to lower quality, however. 28% of the people polled find it important to consume healthy foods

Over the last year, the respondents have increased their spend on key food categories and cut their spend on delicacies and ready-to-eats

60% of the people polled have switched to other brands, 52% buy store brands

The consumers prefer shopping mostly offline (47%). Apart from convenience, 51% of the respondents find it important to see promos and special offers when choosing their retailer

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023

Section 1. General Consumer Welfare

What has changed for Russian consumers in 2022?

A similar situation with a negative trend in welfare is observed across all geostrata with frequent instances of heavier deterioration in Moscow

Despite notable deterioration of all of the Top 10 welfare perception drivers (including the income, health, professional development, security, leisure and recreation, self-care, and housing quality), some of the consumers turned out to be resistant to the change

The change has least affected Generation Z (Zoomers)[1] and high-income individuals[2]

Generation X and low-income respondents[2], on the contrary, have felt the deteriorating conditions most sorely

When do the consumers expect a recovery to take place?

22% of our respondents believe their old life will come back in less than 12 months

19% – 1–2 years

19% – 3–5 years

For the remaining 40% – 5+ years or beyond foreseeable future

Interestingly, people are more confident in their family and their company than in the entire country

Zoomers and high-income shoppers actually expect some improvement in the welfare of their families while Baby Boomers believe their situation will deteriorate worse than for the entire country

How will the consumers respond next?

To overcome the difficulties, all generations mostly cut back on major expenditures, including for costly goods and services (60% of the respondents), vacation / travel and tours (42%), clothing and entertainment (40%)

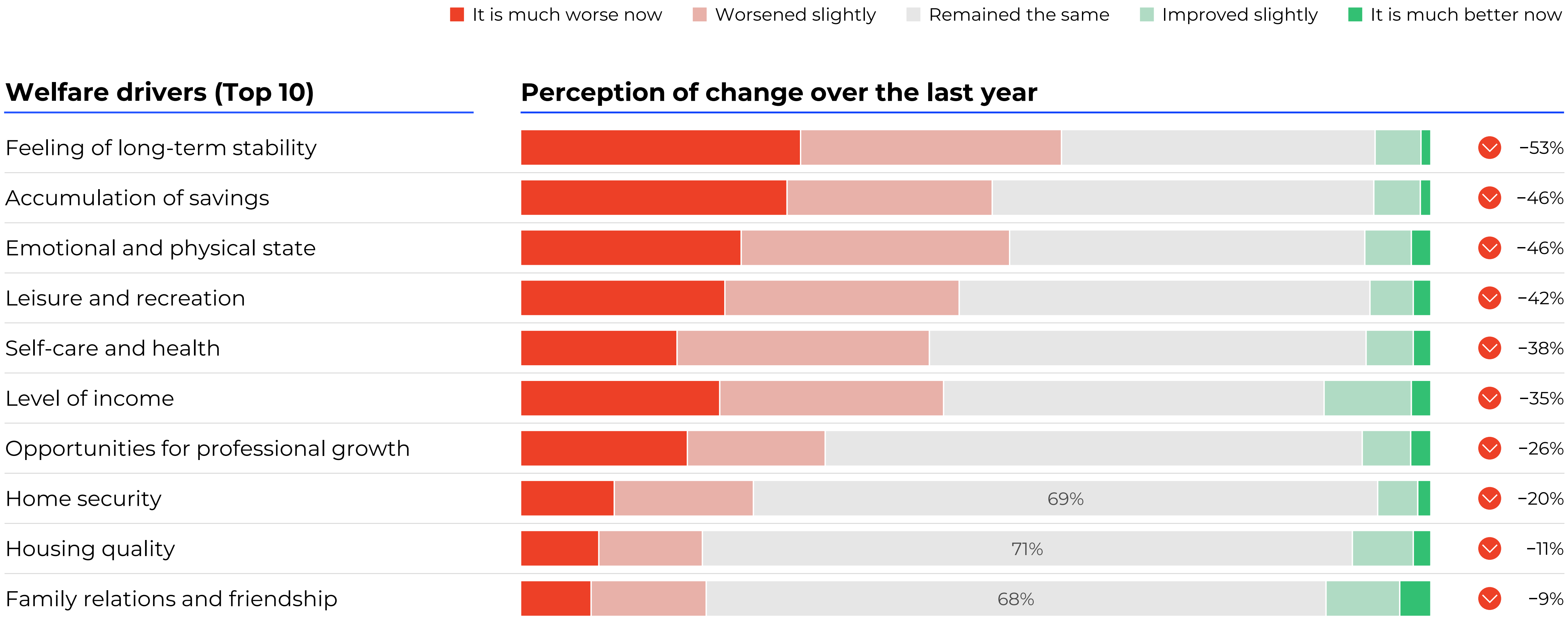
Generation X also considers searching for a side job as a welfare improvement strategy (10%)

Most of the respondents do not consider relocating to a different region or country or selling some real estate they do not use

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023

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.; Baby Boomers – 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

Feeling of welfare has weakened across all drivers, especially regarding long-term stability, opportunities for savings, and health



Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How did the following aspects of your life change over the last year?"
The perception of change over the last year was calculated as follows: we deducted the total of those who said "It is much worse now" or "Worsened slightly" from the total of those who said "It is much better now" or "Improved slightly"

Zoomers and high-income consumers turned out to be more resistant to change. Generation X and low-income individuals felt the decreasing welfare most sorely

Perception of change over the last year

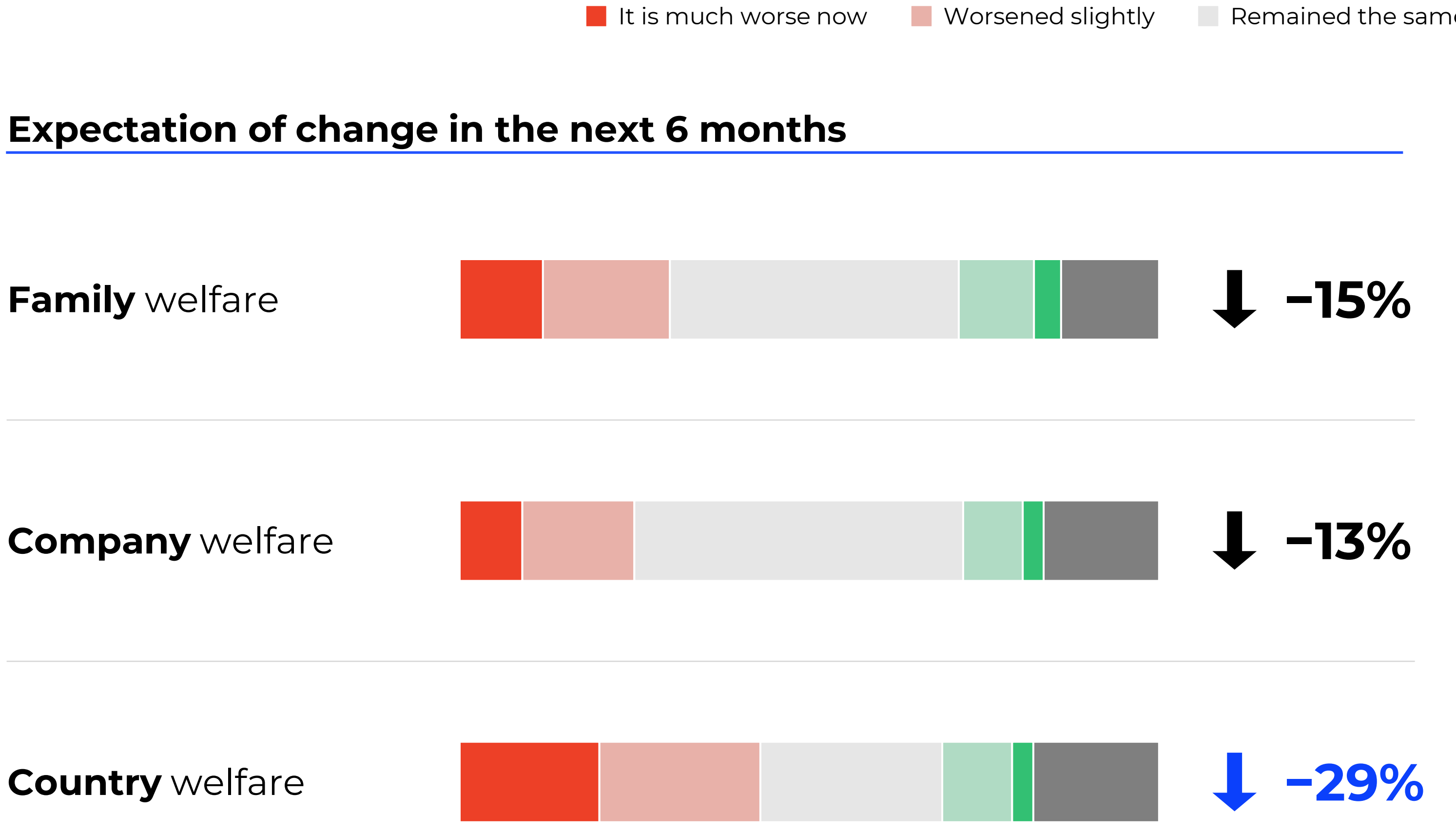
XX – highest value XX – lowest value in the category

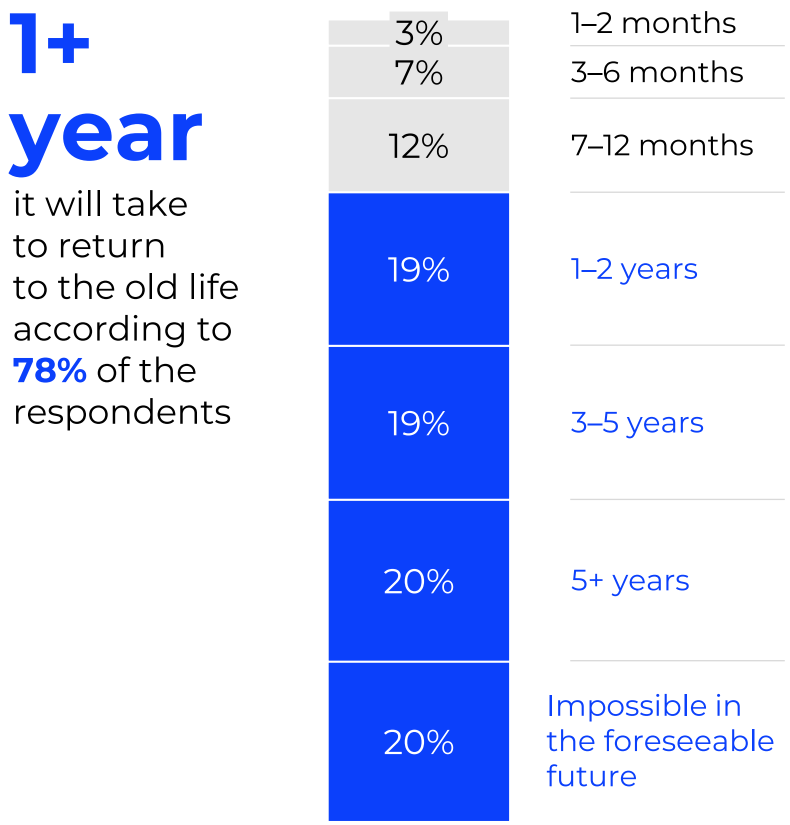
Welfare drivers	Generations[1]				Level of income[2]			Geo		
	Z	Y	X	Baby Boomers	Low	Medium	High	Moscow + St Pete	Million-plus cities	Other regions
Feeling of long-term stability	–33%	–47%	–59%	–56%	–62%	–52%	–49%	–54%	–51%	–54%
Accumulation of savings	–40%	–40%	–51%	–42%	–56%	–44%	–23%	–46%	–43%	–47%
Emotional and physical state	–24%	–43%	–51%	–45%	–53%	–46%	–43%	–45%	–47%	–47%
Leisure and recreation	–26%	–37%	–46%	–40%	–53%	–39%	–38%	–45%	–37%	–42%
Self-care and health	–12%	–31%	–43%	–44%	–47%	–35%	–31%	–36%	–37%	–39%
Level of income	–36%	–28%	–40%	–38%	–50%	–32%	–6%	–34%	–33%	–36%
Opportunities for professional growth	–10%	–22%	–30%	–24%	–35%	–24%	–10%	–29%	–26%	–25%
Home security	–7%	–21%	–19%	–21%	–30%	–16%	–17%	–23%	–19%	–19%
Housing quality	–7%	–9%	–11%	–17%	–17%	–8%	–5%	–14%	–11%	–9%
Family relations and friendship	–5%	–9%	–10%	–7%	–13%	–7%	–6%	–10%	–14%	–6%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How did the following aspects of your life change over the last year?"
The perception of change over the last year was calculated as follows: we deducted the total of those who said "It is much worse now" or "Worsened slightly" from the total of those who said "It is much better now" or "Improved slightly"

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.; Baby Boomers – 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

Most respondents believe their return to the old life will take more than a year but their family and company will be less affected by the difficulties than the entire country





Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How do you think will your own welfare and the same of your family, company and the entire country change in the next 6 months? How much time will it take to return to the normal, pre-crisis situation?"
Perception of change calculation: we deducted the respondents who said "It will worsen notably" or "It will worsen slightly" from those who said "It will improve notably" or "It will improve slightly"

Zoomers and high-income shoppers expect some improvement to their family welfare; Baby Boomers believe their situation will deteriorate worse than for the entire country

Perception of change in the next 6 months

XX – highest value XX – lowest value in the category

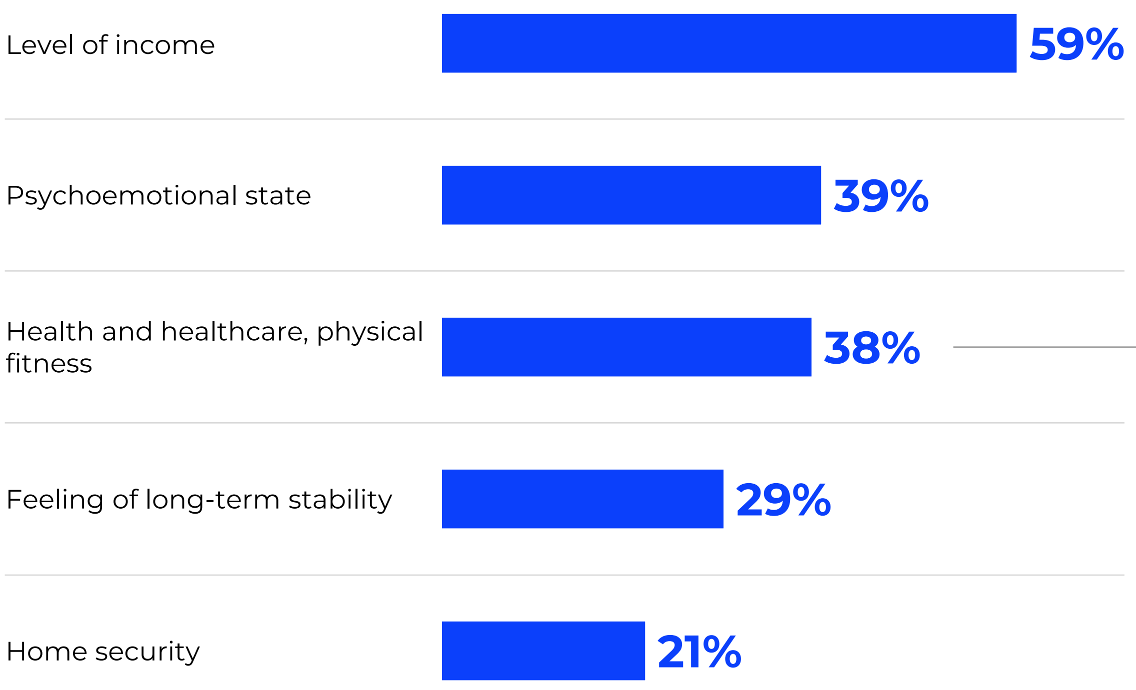
	Generations[2]				Level of income[3]			Geo		
	Z	Y	X	Baby Boomers	Low	Medium	High	Moscow + St Pete	Million-plus cities	Other regions
Family welfare	+2%	–6%	–21%	–27%	–22%	–15%	+4%	–12%	–15%	–17%
Company welfare	—[1]	–4%	–19%	–21%	–23%	–11%	–4%	–16%	–10%	–14%
Country welfare	–19%	–27%	–34%	–20%	–32%	–30%	–26%	–27%	–26%	–31%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How do you think will your own welfare and the same of your family, company and the entire country change in the next 6 months?"
Perception of change calculation: the respondents who said "It will improve notably" or "It will improve slightly" less those who said "It will worsen notably" or "It will worsen slightly"

1. The sample is not representative enough
2. Generation Z (Zoomers) – 0–19 y.o. (18–19 y.o. in the poll); Y – 20–37 y.o.; X – 38–58 y.o.; Baby Boomers – 59–78 y.o. (up to 64 y.o. in the poll)
3. Low income – RUB 20,000 or less per family member; medium income – RUB 20,001–80,000; high income – RUB 80,001 or higher

Anxiety about the future primarily concerns economic aspects as well as the emotional state and bodily health

Key aspects of anxiety in the next 6 months

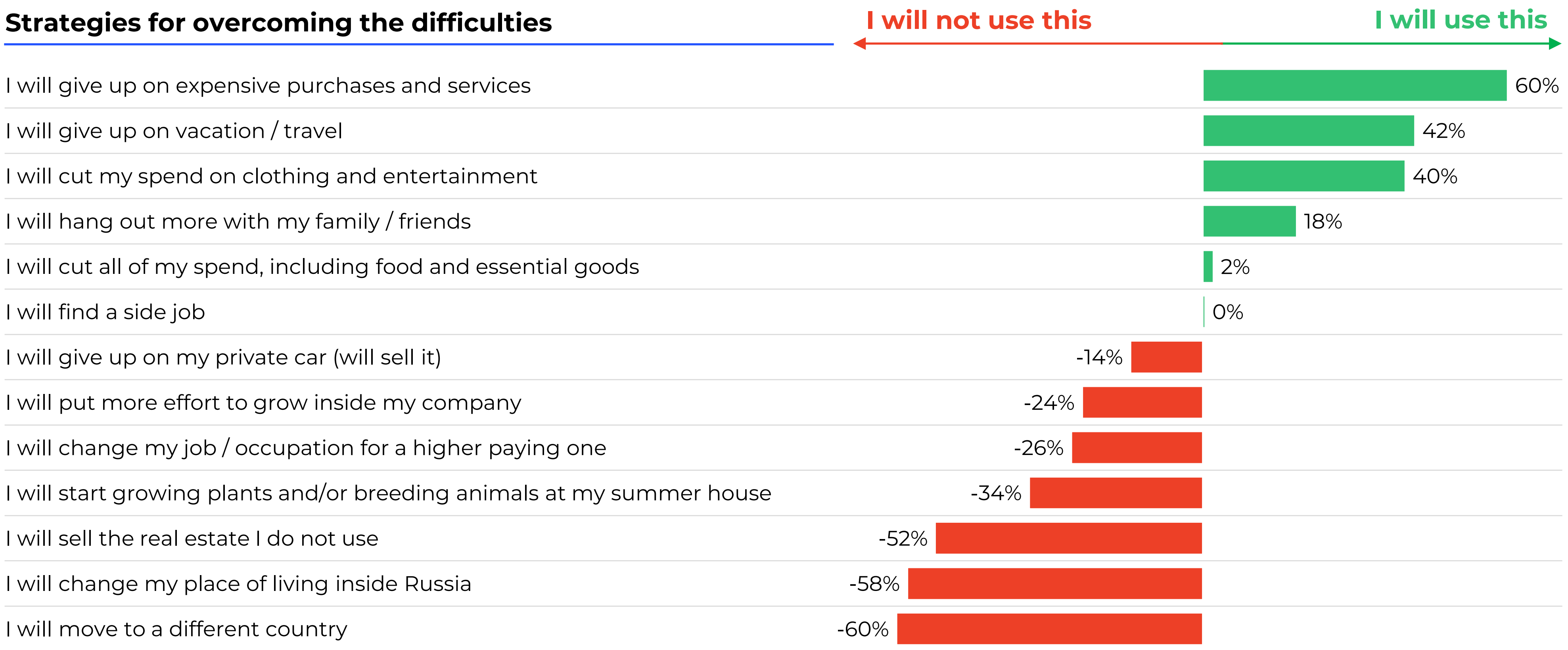


Causes (Top 3)

67% Price growth, inflation	49% General economic situation in the country	41% Declining income in my family
51% Special military operation	48% Price growth, inflation	42% General economic situation in the country
50% Level and affordability of medical services	43% Price growth, inflation	25% Epidemiological situation
57% Price growth, inflation	53% Special military operation	50% General economic situation in the country
56% Special military operation	41% Level of security (my own / my family)	30% General economic situation in the country

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "Which ones of these aspects of life make you most anxious in the next 6 months (up to three options)? What are the causes of your anxiety in the selected aspect?"
The indicators reflect the shares of the respondents who chose the respective answer options

Key strategy for overcoming the difficulties among the respondents is cutting back on major expenditures and getting support from the family



3 key strategies are focused on **spend optimization**

Generation X also considers searching for a side job (10%)

Most people **are not going to relocate** to a different country or region

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How do you plan 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 respondents who answered "1" or "2" ("I will (probably) not use this") from those who answered "4" or "5" (I will (probably) use this")

Section 2. Consumer Spending

What was the change in consumption of goods and services in 2022?

Over the last year, the respondents have cut their spend on luxury goods (9%), international travel (9%) and domestic travel (4%), entertainment (8%), dining out (6%), electronics (3%), and appliances (2%)

On the other hand, the people we polled have increased their spend on utility bills (55%), medications (38%), dining in (35%), telecommunication and Internet (28%), home care products (28%), and medical services (22%)

What do the consumers plan to save on in the next 6 months?

In the next 6 months, we expect an intensifying trend towards cutting the spend on entertainment (19%), dining out (16%), international travel (15%), and domestic travel (14%)

Generation Z[1] plans to cut their spend on most categories, especially international travel (24%) and housewares (21%)

Generation X is more than anybody else prepared to give up on entertainment (24%)

Baby Boomers are less than anybody else disposed to cut their spend on travel inside Russia (7%)

Low-income respondents[2] plan to cut their spend on entertainment (26%), electronics (25%) and appliances (23%), and dining out (22%) more often than anybody else

What are the categories of goods where the spend is expected to grow?

Our respondents expect increasing expenditures for life-sustaining goods and services but to a lesser extent than one year ago: utility bills (41%), medications (22%), dining in (22%), telecommunication and Internet (17%), home care products (12%), and medical services (11%)

Generation X and Baby Boomers more than anybody else anticipate growing expenditures for transport (14% and 10%, respectively), housewares (10% and 9%) and pet supplies (14% and 12%), medications (30% and 40%) and medical services (14% and 27%), and dining in (29% and 32%)

Generation X people also expect growing expenditures for clothing (7%) and footwear (11%)

Regional respondents expect growing expenditures for medications (27%) and dining in (25%) more often than metropolitan residents

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023

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.; Baby Boomers – 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

In the next 6 months, they expect a decrease in the spend on non-essential goods and services and notable growth in the expenditures for dining in, medications, and utility bills

XX% Increasing expenditures · XX% Decreasing expenditures · XX% Same level of expenditures · ↑ Stronger trend · ↓ Weaker trend · → Changing trend

Categories	Spend: 2022	Spend: Next 6 mos.	Trend
Dining in	**+35%**	**+22%**	↓
Dining out	−6%	−16%	↑
Tobacco products and smoking goods	+8%	0%	→
Clothing	+15%	+3%	↓
Footwear	+19%	+5%	↓
Luxury goods	−9%	−14%	↑
Children's goods	+8%	−1%	→
Pet supplies	+20%	+8%	↓
Cosmetics, perfume, and personal care	+13%	+1%	→
Medications	**+38%**	**+22%**	↓
Housewares	+16%	+5%	↓
Home care products	**+28%**	**+12%**	↓
Real estate	+2%	−6%	→

Categories	Spend: 2022	Spend: Next 6 mos.	Trend
Home appliances	−2%	−12%	↑
Electronics	−3%	−15%	↑
Medical services	**+22%**	**+11%**	↓
Beauty services	+4%	−5%	→
Leisure and entertainment	−8%	−19%	↑
Education	+4%	−5%	→
Insurance	+7%	−3%	→
Telecom and Internet	**+28%**	**+17%**	↓
Utilities	**+55%**	**+41%**	↓
Transport	+23%	+8%	↓
Private cars	+14%	+5%	↓
Domestic travel	−4%	−14%	↑
International travel	−9%	−15%	↑

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How did your spend on goods and services from the following categories change this year vs. previous one? How do you think your spend will change in the next 6 months?"
Spend change calculation: we deducted the shares of those who said "I now / will spend less" or "I stopped / will stop buying" from the share of those who said "I now / will spend more"

Senior generation more often than anybody else anticipates growing expenditures for transport, housewares and pet supplies, medications and medical services, and dining in; Generation X adds clothing and footwear to the list

XX <−20% XX −20−1% XX 0−20% XX >20%

Categories	Generations[1]				Level of income[2]			Geo		
	Z	Y	X	Baby Boomers	Low	Medium	High	Moscow + St Pete	Million-plus cities	Other regions
Dining in	2%	11%	29%	32%	22%	23%	19%	16%	19%	25%
Dining out	−17%	−16%	−18%	−14%	−22%	−16%	−16%	−13%	−16%	−18%
Tobacco products and smoking goods	−10%	−6%	5%	0%	−3%	2%	−8%	−1%	−3%	2%
Clothing	−7%	0%	7%	0%	0%	4%	6%	−9%	4%	7%
Footwear	−2%	1%	11%	0%	6%	5%	8%	−2%	4%	8%
Luxury goods	−10%	−13%	−15%	−11%	−16%	−13%	−19%	−12%	−14%	−14%
Children’s goods	−10%	1%	−2%	−1%	−5%	0%	0%	−3%	1%	−1%
Pet supplies	2%	−1%	14%	12%	3%	12%	1%	3%	10%	9%
Cosmetics, perfume, and personal care	−12%	−4%	5%	6%	−7%	4%	6%	−1%	−1%	4%
Medications	5%	8%	30%	40%	22%	24%	16%	16%	17%	27%
Housewares	−21%	1%	10%	9%	−1%	8%	4%	−1%	6%	7%
Home care products	−10%	3%	19%	18%	5%	15%	17%	9%	8%	15%
Real estate	−7%	−8%	−5%	0%	−12%	−3%	−3%	−5%	−6%	−6%
Home appliances	−19%	−13%	−11%	−13%	−23%	−10%	−10%	−11%	−15%	−11%
Electronics	−19%	−13%	−16%	−15%	−25%	−12%	−6%	−12%	−20%	−14%
Medical services	−7%	3%	14%	27%	6%	13%	9%	4%	9%	13%
Beauty services	−19%	−9%	−3%	1%	−12%	−3%	−5%	−11%	−8%	−2%
Leisure and entertainment	−19%	−15%	−24%	−15%	−26%	−19%	−3%	−18%	−19%	−20%
Education	2%	−6%	−3%	−11%	−5%	−4%	−10%	−9%	−4%	−4%
Insurance	−17%	−2%	−3%	−1%	−8%	0%	−4%	−4%	−1%	−3%
Telecommunication and Internet	2%	7%	22%	33%	17%	18%	16%	15%	18%	17%
Utilities	17%	27%	50%	58%	42%	43%	31%	34%	42%	43%
Transport	7%	1%	14%	10%	3%	10%	16%	9%	7%	8%
Private cars	−5%	1%	7%	10%	−1%	8%	1%	3%	6%	5%
Domestic travel	−19%	−17%	−13%	−7%	−23%	−10%	−4%	−15%	−17%	−12%
International travel	−24%	−13%	−17%	−15%	−18%	−15%	−17%	−16%	−20%	−13%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "What change in your spend do you expect in the next 6 months?"
Spend change is calculated as a delta between the percent of those who said "I now / will spend more", "I now / will spend less" and "I stopped / will stop buying"

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.; Baby Boomers – 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

Section 3.
Foods Category Review

What do the consumers want? (Product)

All generations stick to a strategy of reducing their food basket while keeping its quality. Most of the respondents actually identify a healthy product based on the information on the content of "natural" ingredients

Over the last year, the people we polled have increased their spend on dairy products (39% of the respondents), fresh fruit and vegetables (36%), groceries (34%), poultry (34%), eggs (33%) and meat products (33%), and reduced their expenditures for delicacies and ready-to-eats (7%)

More than a half of our respondents have switched to other brands, including 39% due to growing prices, 33% because their habitual brands withdrew from the market, and 21% for testing domestic produce

52% of our respondents buy store brands due to the price but the category still has a high potential to grow

Where do they buy? (Channels)

Most of the people we polled (47%) prefer shopping primarily offline, 25% shop offline and online in equal shares while 21% use the offline channel only

The key barrier to going online is an important role of physical experience (56%) but a more attractive price offer may induce the consumer to go shopping via Internet (55%)

It is worthwhile for conventional retailers to pay attention to the shopping experience in their own online channels: according to our poll, it is inferior to digital players (CSI[1] –2.7% vs –0.1%)

How do they buy? (Customer experience)

A key driver for choosing a retailer is shopping convenience: neighborhood stores lead in the frequency of purchases (62% of the respondents visit such stores 2–3 times a weak or more frequently)

A half of the people we polled (51%) now see a growing role of promos. The consumers note that, apart from discounts and a wide range of goods, it is important to have large-scale advertising of promos and extended promo periods

40% of our respondents now attach more importance to loyalty systems with the highest value given to direct benefits, such as discounts, bonuses, or cashback

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
1. CSI – Customer Satisfaction Index

Consumers are now more thrifty but reluctant to switch to lower quality

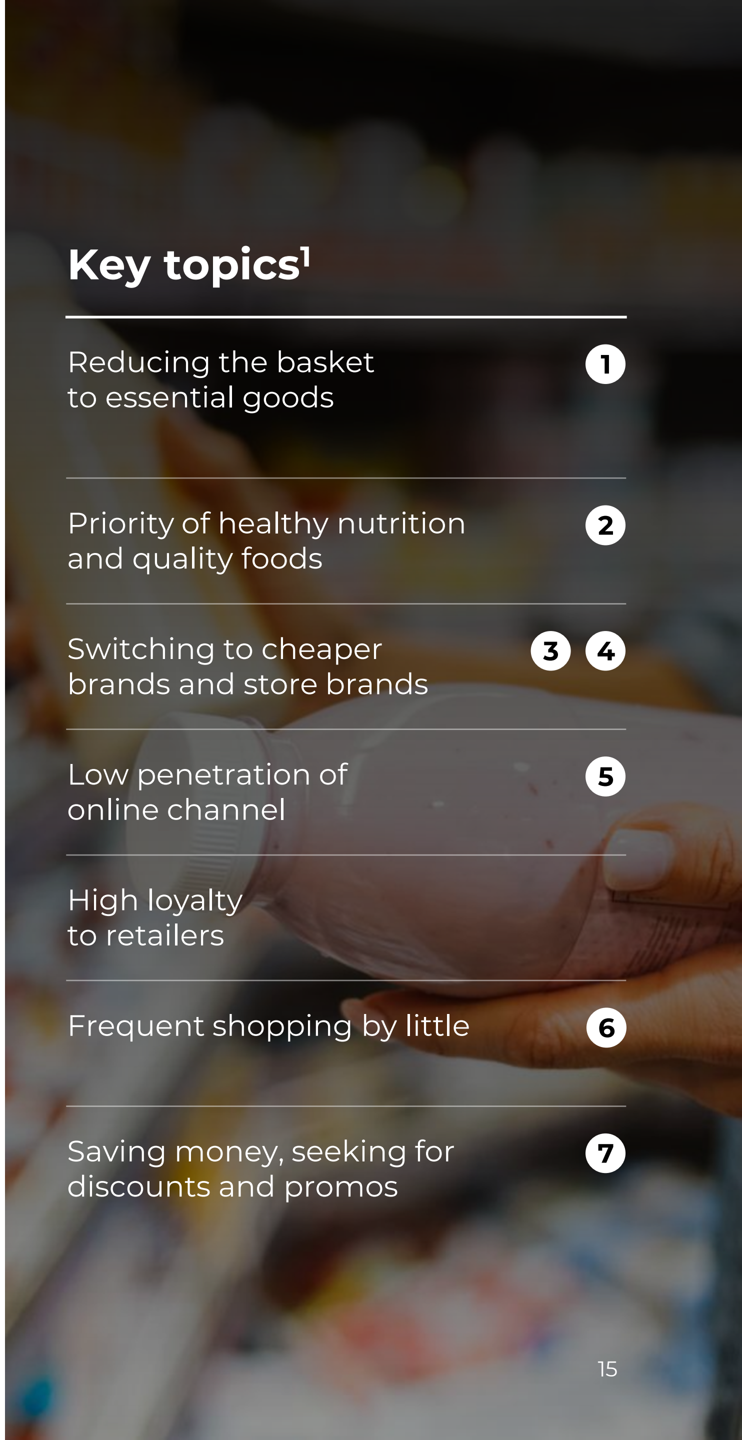
	Shopper behavior characteristics	Degree of matching
What?	It is important for me to eat **healthy food**	28%
	I reduced my consumer basket over the last year keeping **only essential goods and services**	13%
	I buy **store-branded goods** if they are available in the category	7%
	I did not change the set of categories in my consumer basket over the last year but **I now buy a significant part of my goods / services from cheaper brands**	7%
	I most often buy goods of the same brand and hardly ever switch to a different brand even if the price is more attractive	-1%
	When choosing goods, the attractive price is more important to me than the quality	-7%
	I would prefer buying goods of a cleaner-and-greener brand even if the goods are more expensive than similar ordinary goods	-11%
	It is important for me to try novelty products	-20%
	I often buy ready-to-eats or prepared food	-34%
Where?	I most often **go shopping to the same store chain**	39%
	I prefer buying goods online	-16%
How?	It is **important for me to cut my costs**	41%
	I buy my goods **often and by little**	19%
	I spend a lot of time **seeking good offers, promos, discounts, etc.**	18%
	I buy my goods less frequently but in bigger lots	-15%
	After I see an ad for new goods on TV, on the Internet or in social media, I often buy the goods or change my original choice to the goods	-35%
	I will buy a product at a higher price if the store has a better atmosphere and more comfortable conditions for the shoppers	-35%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023

Question: "How accurate are these statements about your behavior as a shopper (for any categories of goods and services)? For each statement, mark a number from 1 ("This does not match my shopping behavior at all") to 5 ("One may characterize my shopping behavior this way in virtually any situation")"

The degree of matching the shopping behavior was calculated as follows: we deducted the total of those who said "1" or "2" from the total of those who said "5" or "4"

1. Detailed below



Key topics[1]

- Reducing the basket to essential goods — 1
- Priority of healthy nutrition and quality foods — 2
- Switching to cheaper brands and store brands — 3, 4
- Low penetration of online channel — 5
- High loyalty to retailers
- Frequent shopping by little — 6
- Saving money, seeking for discounts and promos — 7

For Baby Boomers and high-income audience, healthy nutrition is most important. Zoomers are less careful about environmental aspects, less disposed to remain loyal to one brand, and they less frequently choose store brands

XX <–20% XX –20–1% XX 0–20% XX >20%

Shopper behavior characteristics		Generations[1]				Level of income[2]			Geo		
		Z	Y	X	Baby Boomers	Low	Medium	High	Moscow + St Pete	Million-plus cities	Other regions
What?	It is important for me to eat healthy food	12%	24%	30%	36%	22%	30%	39%	28%	28%	27%
	I reduced my consumer basket over the last year keeping only essential goods and services	10%	8%	15%	17%	26%	9%	–1%	6%	14%	14%
	I buy store-branded goods if they are available in the category	–14%	7%	10%	1%	12%	4%	12%	14%	7%	4%
	I did not change the set of categories in my consumer basket over the last year but I now buy a significant part of my goods / services from cheaper brands	10%	1%	10%	14%	8%	8%	–3%	6%	10%	6%
	I most often buy goods of the same brand and hardly ever switch to a different brand even if the price is more attractive	–17%	2%	–5%	4%	1%	–2%	–16%	–4%	2%	–2%
	When choosing goods, the attractive price is more important to me than the quality	–5%	–5%	–6%	–15%	–2%	–7%	–16%	–10%	–5%	–6%
	I would prefer buying goods of a cleaner-and-greener brand even if the goods are more expensive than similar ordinary goods	–29%	–7%	–15%	–6%	–15%	–10%	–10%	–15%	–13%	–8%
	It is important for me to try novelty products	–26%	–13%	–23%	–29%	–29%	–15%	–27%	–22%	–13%	–22%
	I often buy ready-to-eats or prepared food	–12%	–24%	–40%	–49%	–39%	–35%	–30%	–27%	–29%	–39%
Where?	I most often go shopping to the same store chain	29%	32%	42%	53%	40%	41%	25%	37%	42%	39%
	I prefer buying goods online	–5%	–7%	–20%	–31%	–23%	–13%	–27%	–12%	–9%	–20%
How?	It is important for me to cut my costs	24%	38%	44%	41%	48%	40%	32%	43%	39%	41%
	I buy my goods often and by little	17%	16%	21%	25%	17%	21%	13%	19%	16%	21%
	I spend a lot of time seeking good offers, promos, discounts, etc.	10%	19%	20%	7%	27%	16%	14%	22%	13%	18%
	I buy my goods less frequently but in bigger lots	–16%	–13%	–16%	–22%	–14%	–17%	–10%	–13%	–13%	–18%
	After I see an ad for new goods on TV, on the Internet or in social media, I often buy the goods or change my original choice to the goods	–38%	–26%	–39%	–44%	–41%	–34%	–31%	–40%	–27%	–36%
	I will buy a product at a higher price if the store has a better atmosphere and more comfortable conditions for the shoppers	–14%	–31%	–39%	–40%	–46%	–33%	–31%	–34%	–33%	–37%

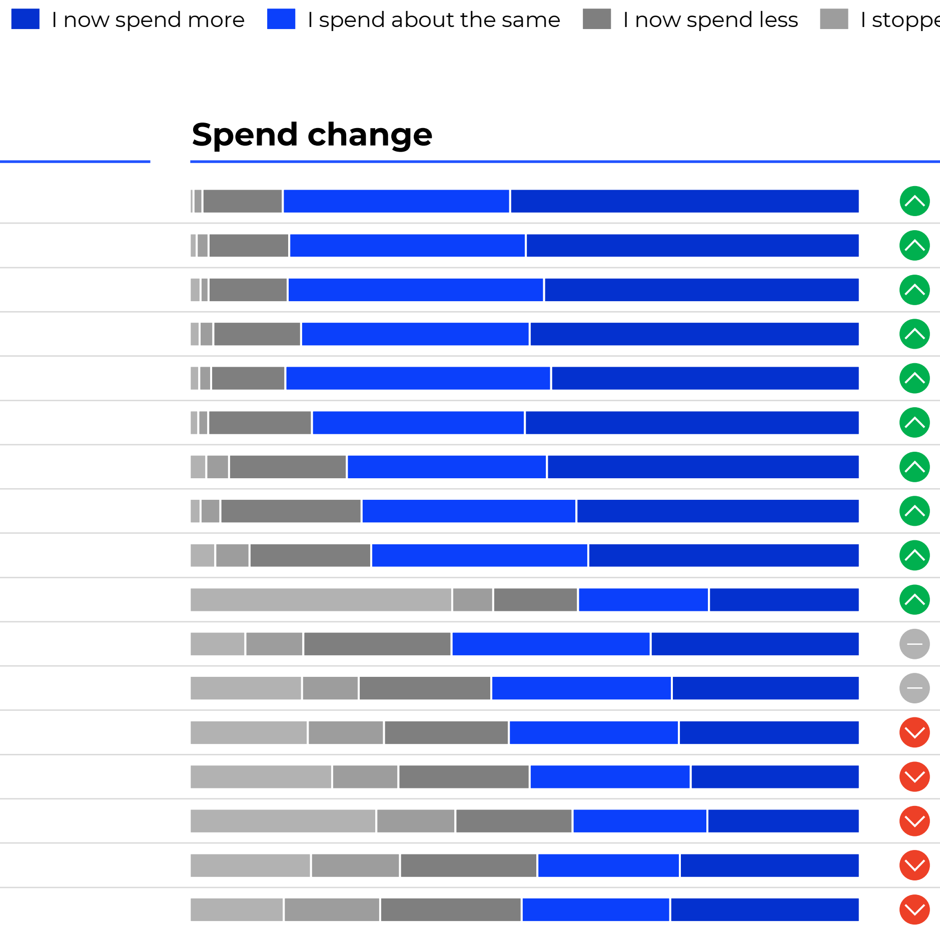
Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023

Question: "How accurate are these statements about your behavior as a shopper (for any categories of goods and services)? For each statement, mark a number from 1 ("This does not match my shopping behavior at all") to 5 ("One may characterize my shopping behavior this way in virtually any situation")"

Calculation of the degree of matching the shopping behavior: we deducted the total of those who said "1" or "2" from the total of those who said "5" or "4"

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.; Baby Boomers – 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

1 Shoppers have increased their spend on key food categories and reduced their expenditures for delicacies and ready-to-eats



Food categories	Spend change
Dairy products (including cheese, yogurt, butter, etc.)	**39%**
Fresh fruit and vegetables	**36%**
Groceries	**34%**
Poultry	**34%**
Eggs	**33%**
Fresh meat, sausages, and meat products	**33%**
Fish and seafood	26%
Confectionery	18%
Frozen foods, preserves	17%
Baby food	4%
Soft drinks	0%
Low-alcohol drinks (e.g. beer, cider)	0%
Snacks	–3%
Strong drinks	–4%
Food from restaurants or cafes	–7%
Ready-to-eat meals from a store or prepared food	–7%
Delicacies	–7%

Most resistant to crisis (basic basket)

Foods they **save on in the first place**

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How did your spend on the following food categories change this year vs. previous year?"
Spend change was calculated as follows: we deducted the share of those who said "I now spend less" or "I stopped buying" from the share of those who said "I now spend more"

2

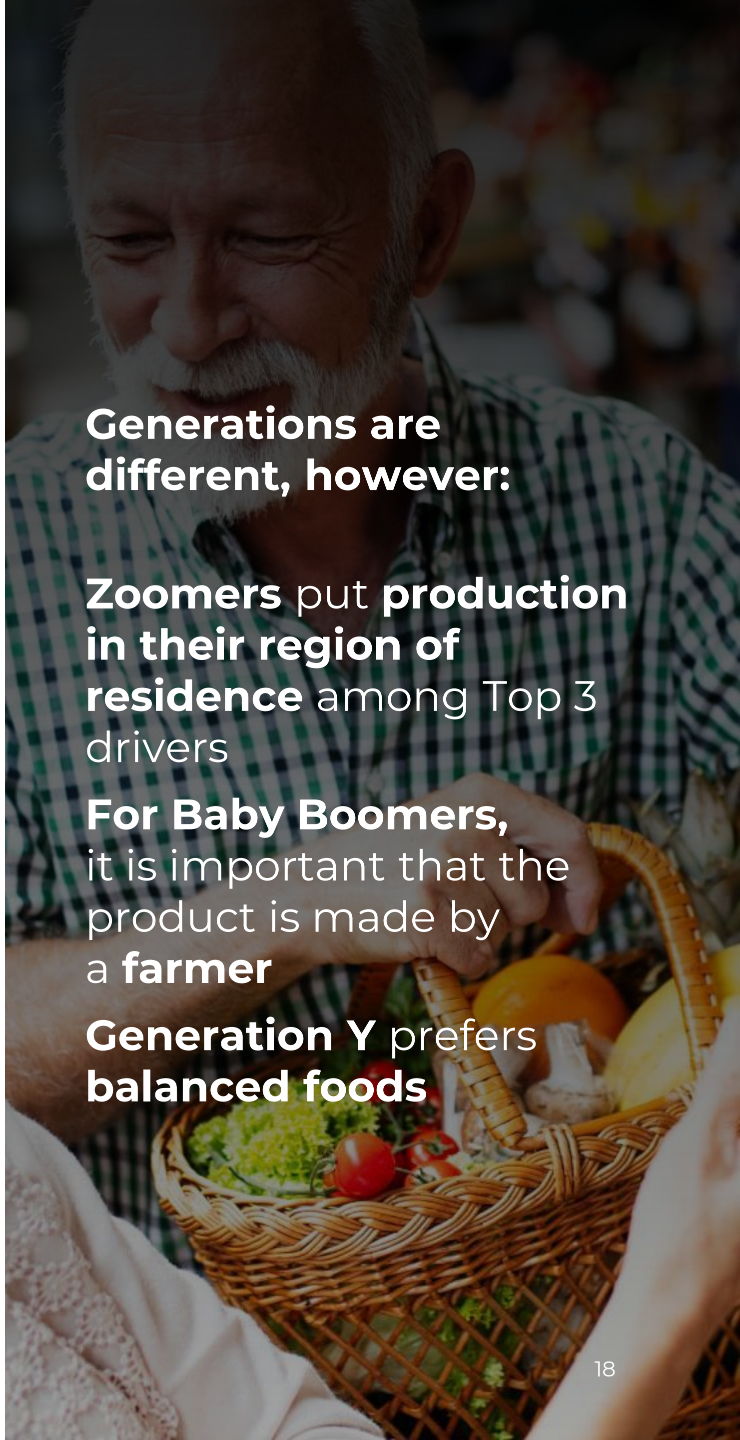
Most respondents identify a healthy product based on the information on the content of ingredients and statements by the producers

	Key characteristics of healthy products	Importance
Product "naturalness"	High content of **natural fruit, vegetables, meat, etc.**	51%
	Product is made from **natural ingredients / is "100% natural"**	41%
	Product is **made to a GOST**	36%
	Product **without GMOs**	28%
	Product has **no harmful food additives (e.g., E220, etc.)**	23%
	Product is **produced / packaged in an environment friendly manner**	6%
Production region	Product is a **farmer's product**	21%
	Product is **made in Russia**	19%
	Product is **local / regional**	17%
Improved ingredients	**Balanced** product (proteins, fats, carbohydrates)	24%
	Product has **low sugar**	10%
	Product has a high content of healthy **microelements,** etc.	10%
	Product has **low fat**	6%
	Product is **low in calories**	3%
	Product has **high protein**	1%
Dietary properties	Product is **halal**	1%
	Product is **gluten-free**	1%
	Product is **vegan**	1%
	Product is **vegetarian**	1%
	Product is **lactose-free**	1%
	Product is an **alternative to cow milk**	<1%
	Product is an **alternative to animal meat**	<1%
	Product is **kosher**	<1%

Natural ingredients – sign of a healthy product for a half of our respondents

To a GOST, without GMOs, without "E"s, farmer's, balanced – key standards inspiring confidence among Russian consumers

Most of the respondents **do not associate a healthy product with a special diet**



Generations are different, however:

Zoomers put **production in their region of residence** among Top 3 drivers

For Baby Boomers, it is important that the product is made by a **farmer**

Generation Y prefers **balanced foods**

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "You said it was important for you to eat healthy food. Choose Top 3 characteristics of healthy foods"
The degree of importance was calculated as a share of those who chose the answer option

3 About 60% of the consumers have switched to other brands due to growing prices, withdrawal of habitual goods, or experiments with domestic brands

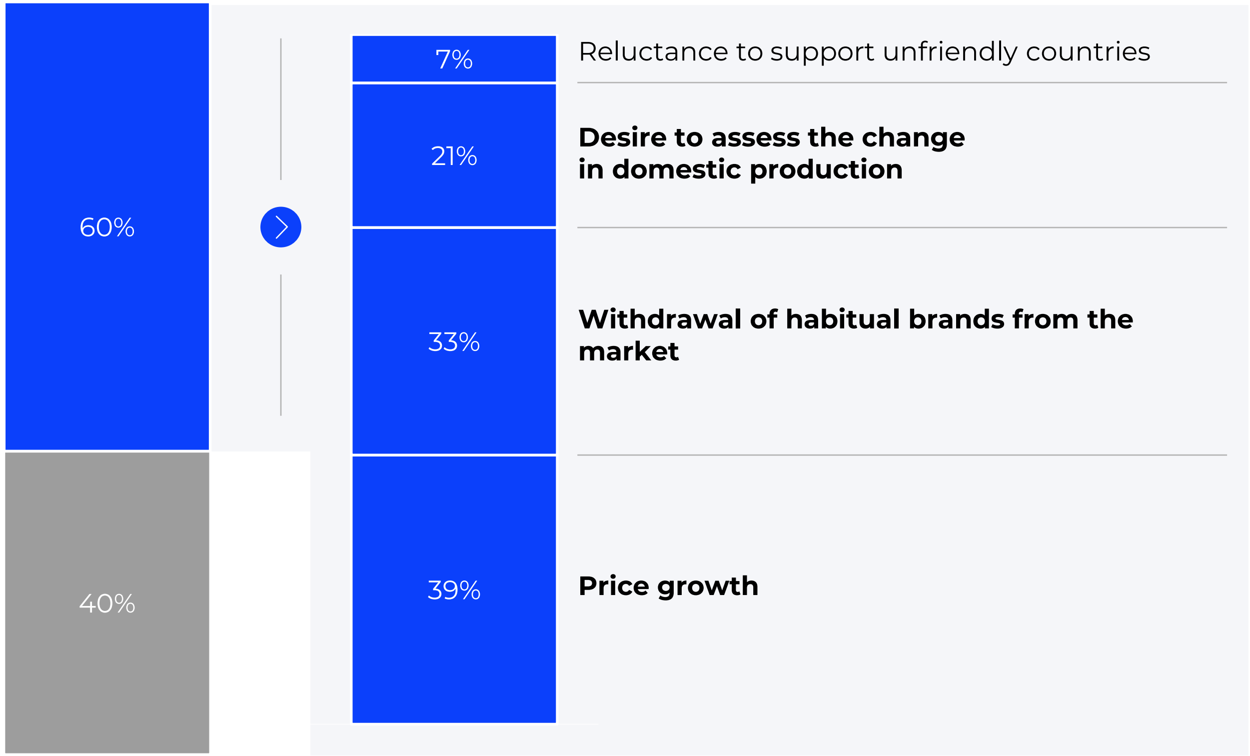
Basket brand set change over the last year

Changed

The set of brands has changed most for high-income consumers. Zoomers managed to keep their habitual basket set better than anyone else

Remained the same

Causes of switching to new brands

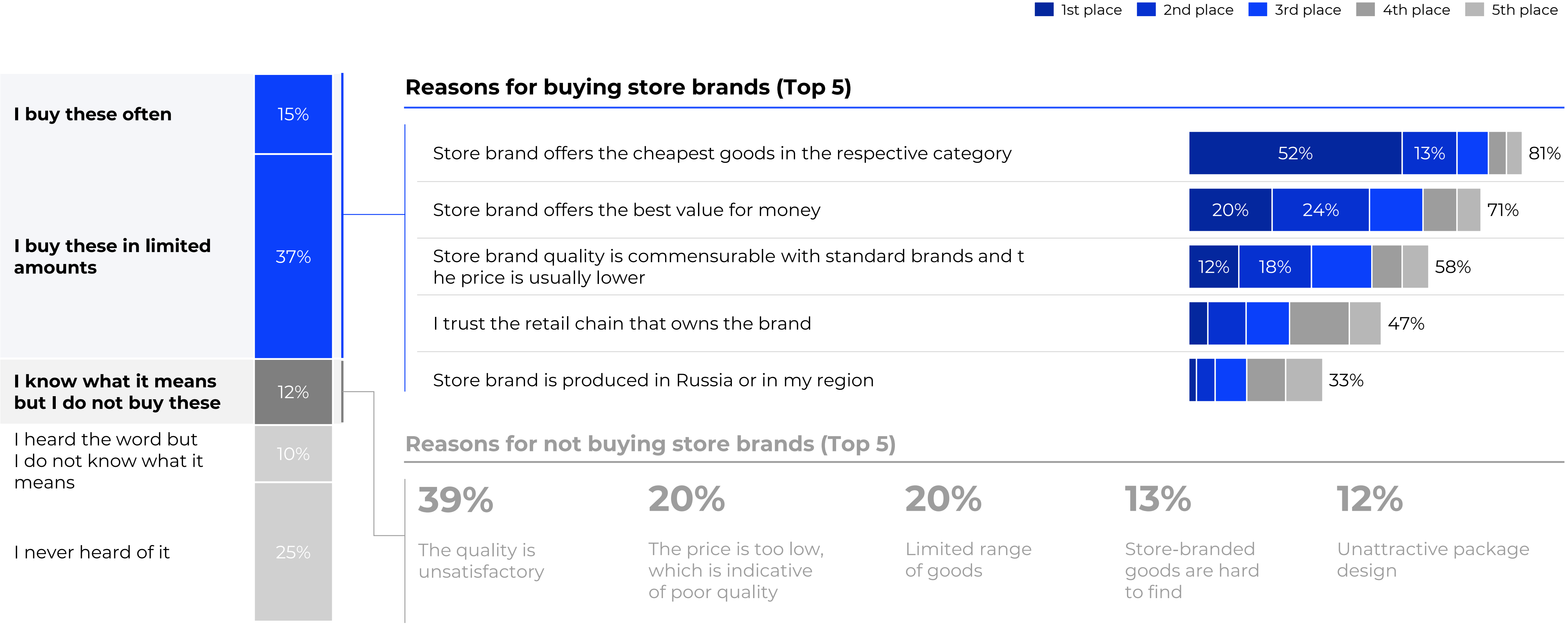


Baby Boomers switch to domestic brands more willingly than anyone else

More than a half are displeased with the brands that replaced their habitual ones

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How drastic was the change to your consumer basket over the last year in terms of the brands you buy?"
The degree of change was calculated as a share of those who chose the answer option

4 In fact, more than a half of our respondents have switched to store brands due to the price, and the category still has a significant potential to keep growing



Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "Do you know what a store brand is? Why do you buy store brands? Rank your reasons by importance. Why do you not buy store-branded goods?"
The weight of each driver was calculated as a total of the priorities from the 1st to the 5th place

5 Most respondents still prefer shopping offline

Channels	Share of shoppers
Primarily offline	47%
Only offline	21%
Primarily online	6%
Only online	1%
In approximately equal shares	25%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "Where do you normally buy your goods?"
The share of shoppers was calculated as a share of the respondents who chose one answer option or another

5

Physical experience is important to shoppers but they may go online triggered by a more attractive price offer

Top 10 barriers to shopping online

I need to see all the goods with my own eyes	**56%**
Cost of delivery is too high for me	21%
Minimal order price in online stores is too high for me	20%
Many foods (e.g., fruit and vegetables) are not fresh and good enough	20%
I miss discounts and promos in online stores	16%
Goods descriptions are not detailed enough	16%
Goods are too expensive	13%
Online shopping experience is not personalized enough for me	12%
Delivery time is not suitable (too long or it is impossible to choose a certain time)	11%
It is impossible to order goods and receive the delivery on the same day	11%

Triggers for shopping online

Lower price for goods, including promos and discounts	**55%**
Lower cost of delivery	**36%**
Lower minimal order price	**33%**
Faster delivery: within 2–3 hours after ordering	20%
Nothing	20%
More accurate delivery intervals and a clear process of acceptance (e.g., courier warns one hour before they arrive)	13%
Faster urgent delivery: 10–30 minutes after ordering	12%
Wider delivery time (e.g., at night)	7%
Possibility of having goods delivered when I am out (e.g., leaving at the door)	5%
Other	3%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "Why do you not buy goods online? What may motivate you to start buying online / buy online more frequently?"
The indicator was calculated as a share of the respondents who chose the answer option

5

Consumers are less satisfied with food shopping in the online channel of conventional retailers than that of digital players

XX – lowest value of the indicator

Player type	Willingness to recommend the store to friends and acquaintances (NPS)	Satisfaction with shopping in the store (CSI)
Offline channel of conventional food retailers[1]	5.5%	6.8%
Online service of conventional food retailers[1]	1.3%	–2.7%
Food delivery services	6.0%	–0.1%
Non-food marketplaces	34.2%	31.2%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "What is the probability of your recommending the store to your friends and acquaintances? How satisfied are you with your most recent purchase of goods with the store?"
1. Same list of stores for online and offline channels
Metric calculation: share of the respondents who gave 9 or 10 points to the store less the share of the respondents who gave 1 to 6 points

6 In offline, neighborhood stores are most accessible to shoppers and less prone to declining traffic in the near future

1–10% 11–20% 21–30% >30%

	Offline										Online			
	Neighbor-hood store	Super=market	Discounter	Hyper-market	Healthy food store	Farmer store	Market-place	Non-chain store	Stand	Shopping mall store	Online order with self-pickup	Online order with exact delivery time	Online order without exact deli-very time	Online order with 30-minute delivery
Almost every day	30%	26%	7%	10%	6%	5%	5%	8%	6%	4%	4%	4%	4%	4%
Every 2–3 days	32%	28%	13%	16%	9%	9%	10%	14%	12%	8%	9%	8%	8%	8%
Once a week	18%	22%	17%	26%	13%	14%	17%	19%	15%	11%	16%	13%	12%	9%
2–3 times a month	9%	11%	18%	18%	12%	12%	15%	14%	13%	12%	18%	14%	12%	10%
Once a month	4%	5%	12%	11%	10%	10%	13%	12%	9%	12%	14%	10%	9%	8%
Less than once a month	3%	6%	16%	15%	17%	19%	21%	16%	16%	23%	18%	17%	15%	12%
Never	3%	2%	16%	5%	35%	30%	18%	17%	29%	30%	22%	34%	41%	49%
Frequency change in the next 6 months	**–4%**	–8%	**–4%**	–11%	–10%	–11%	–9%	–12%	–11%	–12%	–10%	–12%	–10%	–9%

Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "Why do you not buy goods online? What may motivate you to start buying online / buy online more frequently?"
The indicator was calculated as a share of the respondents who chose the answer option

7

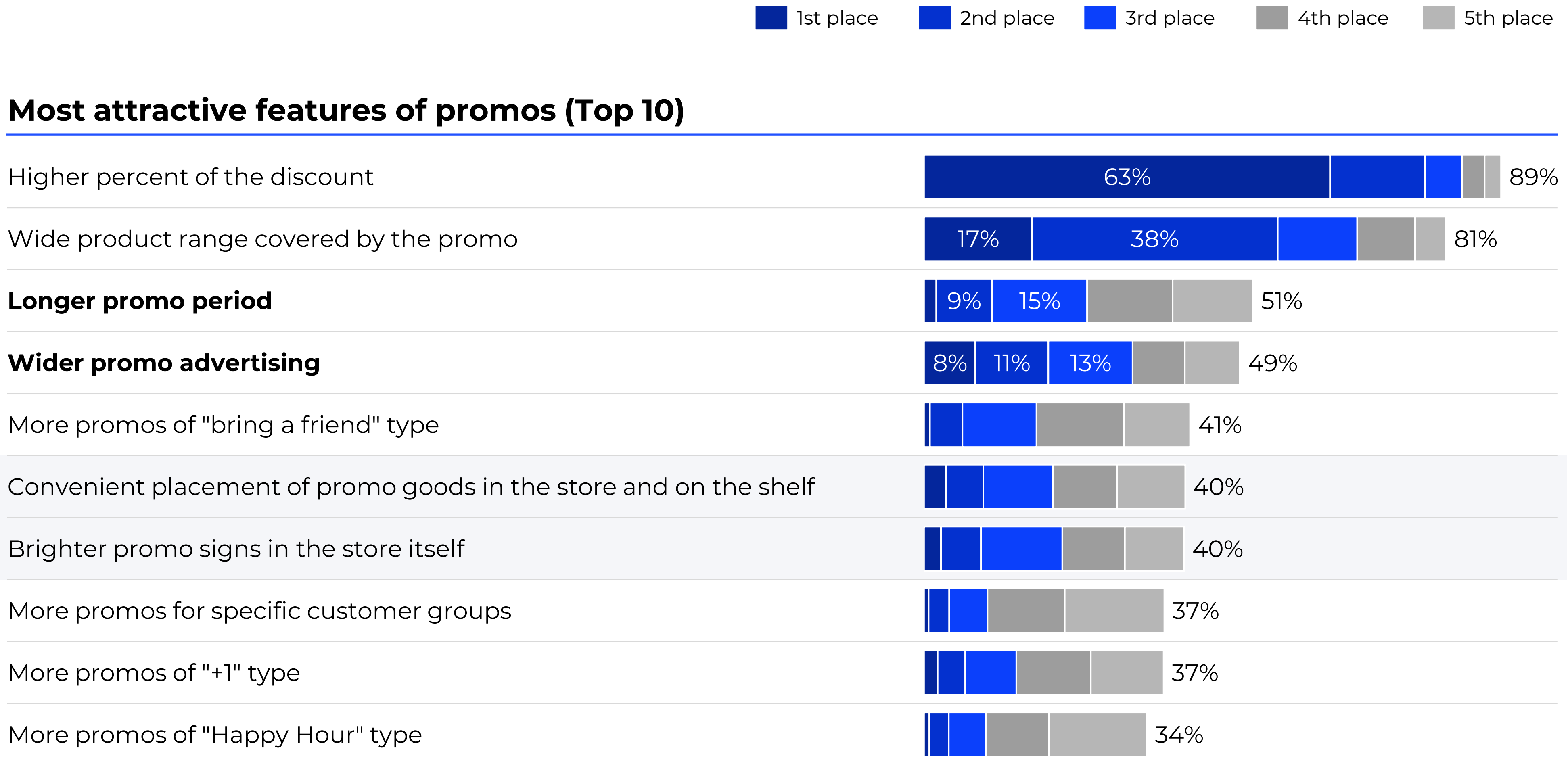
Half of the respondents see a growing role of promos; in addition to the size of discounts and the product range covered with promos, the consumers find it important to have quality advertising and extension of promos

51%

of the respondents noted that promos and special offers now play a more important role for choosing a store

In the last place among Zoomers

Most attractive features of promos (Top 10)



Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How did the importance of promos and special offers change for you in choosing a store over the last year? What will make promos and special offers more attractive for you?"
The weight of each driver was calculated as a total of the priorities from the 1st to the 5th place

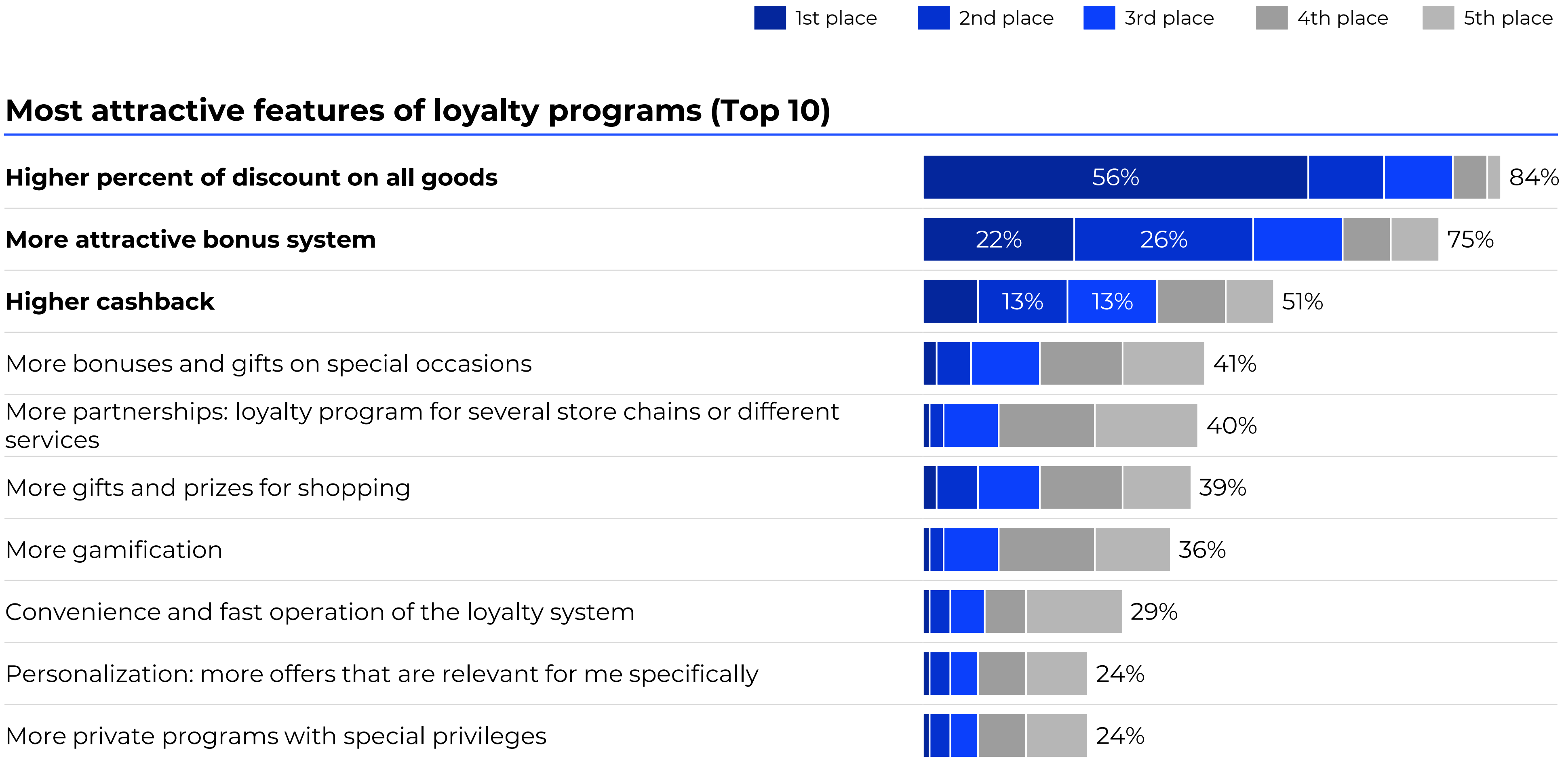
7

Consumers now attach more value to loyalty programs; they mostly appreciate direct benefits, such as discounts, bonuses, or cashback

40%

of the respondents said loyalty systems began playing a more important role for choosing the store over the last year

Most attractive features of loyalty programs (Top 10)



Source: Russian Consumer Pulse Wave 1 – a joint survey by Yakov & Partners and Romir Holding, January 2023
Question: "How did the importance of the loyalty system change for you in choosing a store over the last year? What more would you like to see from a loyalty system? Rank your answers"
The weight of each driver was calculated as a total of the priorities from the 1st to the 5th place

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Russian Consumer Pulse Wave 1: The New Normal – 2022

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