

# GutCheckonomics™: How Brands Make Emotional Connections In Economic Uncertainty

*July 2022*



Explore While You Wait

# Scan & Support



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Helping feed the 1.5MM New Yorkers  
experiencing food insecurity,  
including 1 in 4 children.



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'Kliks' with us during Quirk's NY**

The Abram & Ray Kaplan Foundation  
will triple the impact of your support  
so every Klik = \$15 impact

***EACH KLIK WILL RESCUE 34LBS OF FOOD!***

# Headlines Might Make Your Head Spin

Recession Fears Are Top Of Mind, But We Should Be More Worried About America's Weak Economic Growth

CNBC

[Inflation rose 9.1% in June, even more than expected, as consumer pressures intensify](#)



Gas price drop hits 30 straight days as oil prices continue collapse

**Shock inflation data may push Fed towards historic rate increase:**

HEALTH

The omicron subvariant dominating U.S. COVID-19 cases is more vaccine-resistant

Economy | Unemployment  
**Fewest Americans collecting unemployment benefits since 1970**

LOCAL NEWS  
**'Take advantage of the really good job market': Experts say graduates going into employment boom**

**Fliers Splurge on Most Expensive Seats as Travel Restarts**

Travelers willing to pay up after being grounded so long: IATA

Daily Mail

**Russia Ukraine news latest: Vinnystia strike leaves at least 20 dead**

Ukrinform

U.S. House of Representatives approves draft defense budget, which includes \$1B aid to Ukraine

**Global Warming: Why the problem is worse – and solutions simpler – than you thought**

Axios

Guns have become the top injury-related cause of death for US kids

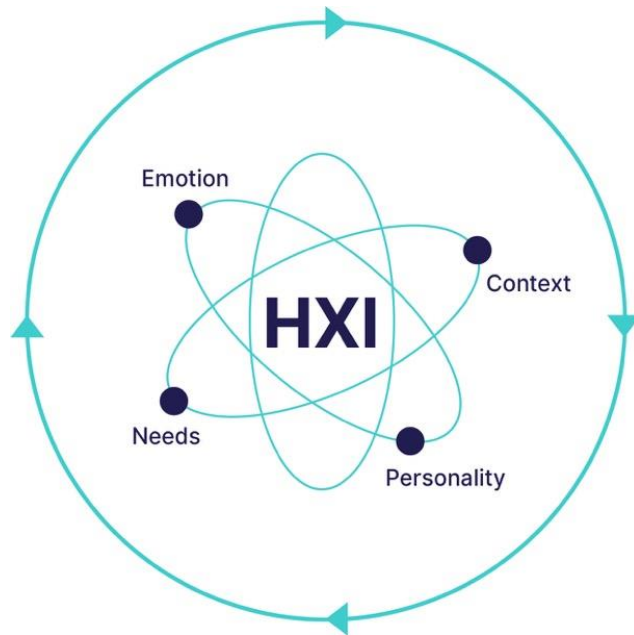
Supreme Court overturns Roe v. Wade, ending right to abortion upheld for decades



# Agile Human Experience Intelligence™

## Connecting Brand Experience to People

Core elements that drive affinity and people's behaviors





**Rob Wengel**

CEO

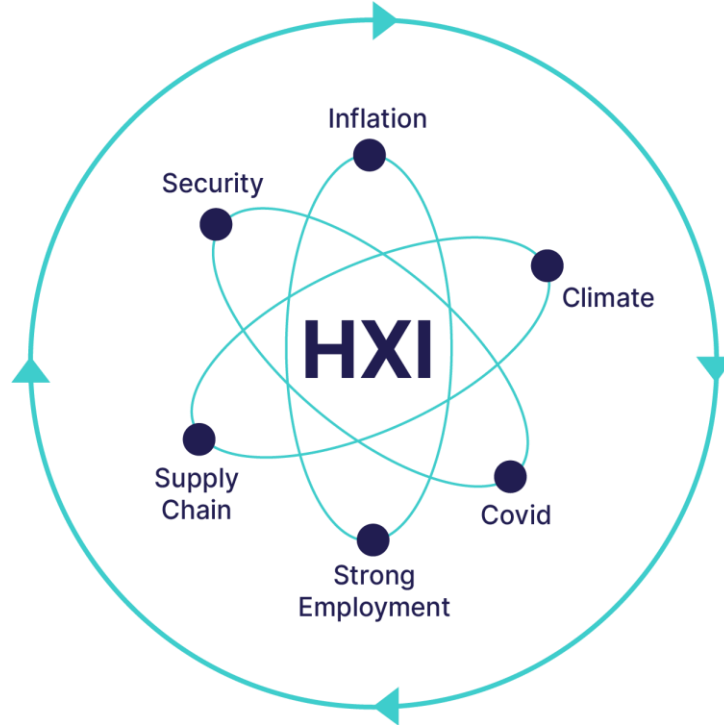


**Renee Smith**

Chief Research Officer



# The Human Experience is Complex With Many Inflection Points



← **Factors that Promote Progress** →

**Push**

People need closeness & to put challenges behind them.  
Feeling Employment Security

**Pull**

33% expect finances better in a year  
62% Feeling Positive for Summer  
Covid no longer a top issue

Live Our Best Life

**Inertia**

Foundational Security Needs  
38% finances worse than year ago  
34% fair or poor mental health

**Anxiety**

67% expect prices to keep rising  
74% some level of stress  
Fear--top emotion when people think about economy or war in Ukraine.

← **Factors that Inhibit Progress** →

# **GutCheckonomics**

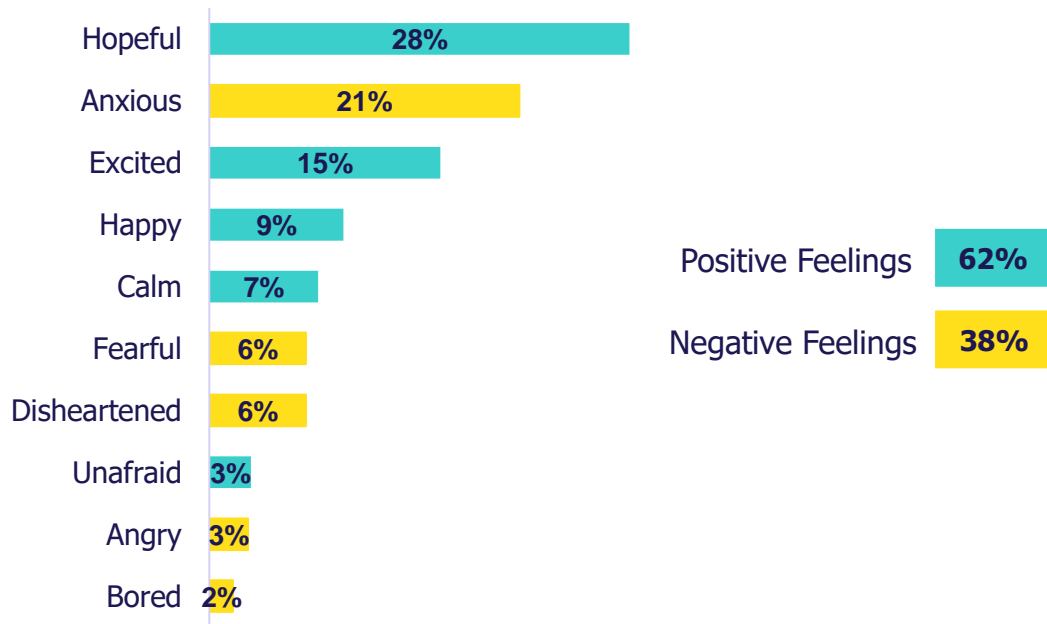
## **How are People Feeling?**





# People Generally Feel Positive Going Into The Summer

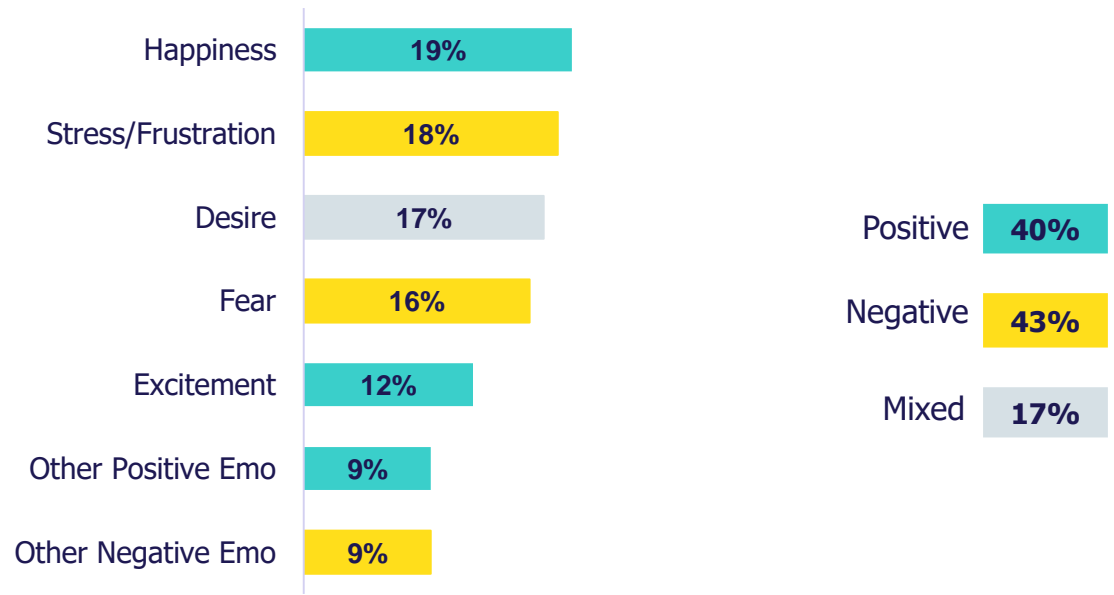
## Emotions & Feelings about the Summer (Self-Reported)



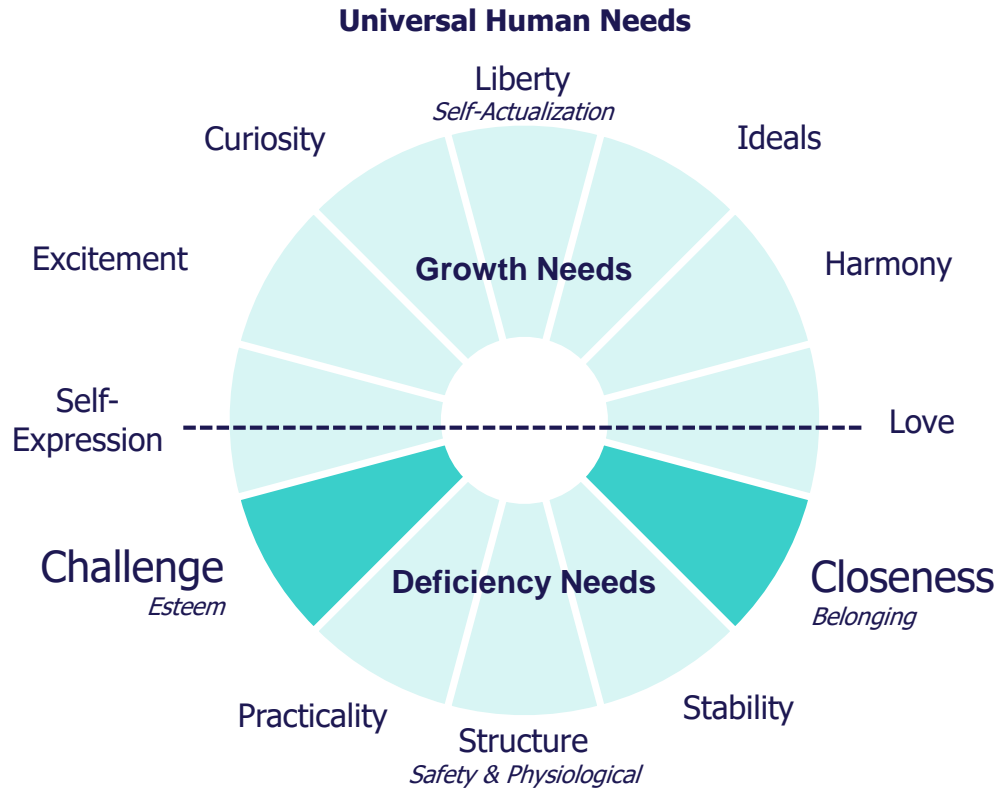


# Beneath the surface, overall positive outlook is fragile. Stress & fear loom larger than people are saying directly

## Emotions & Feelings about the Summer (Detected HNLN Emotion Analytics)



# Circumstances Lead People to Focus on Basics. Need for Closeness & Challenge Stand Out



# **GutCheckonomics**

## **Unpacking & Connecting These Feelings**

# Cost of Living & The Economy are Dominant Issues

## Most Important Issue



I'm worried about how high prices will rise too before we all go completely broke. It's getting out of hand.



The economy will stink, and I will lose money in the stock market, but I am bent on traveling.

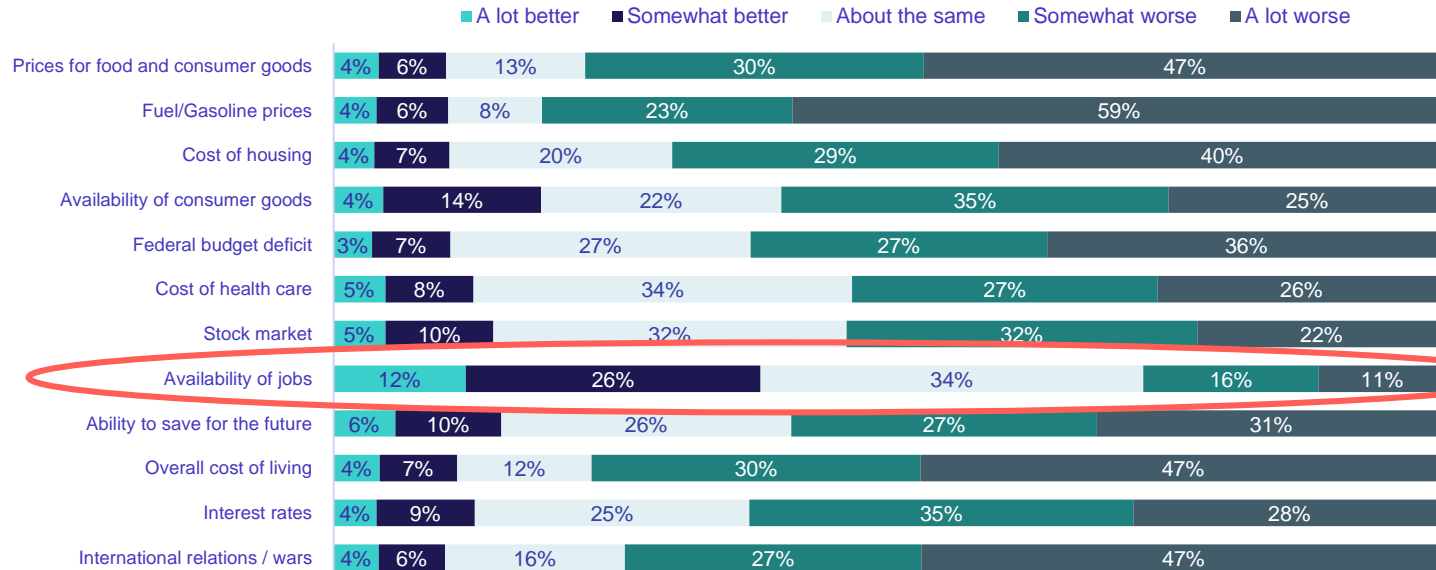


I feel like what lies ahead is scary. We have no idea on what the war in Ukraine is going to bring....



# People Are Feeling Worse Across the Board, Except on Jobs

## Specific Problems



# Divergent Views-Will Summer Be Good or Bad?



I'm excited for the summer, I have plans to go out more even though I am dreading increased prices for goods and services.



I am not very positive. I only have part-time hours.... Everything costs almost 50% more than it did last year, and I am finding it hard to make ends meet.



I feel my finances will get worse by the end of the summer, because stocks are going down and ... inflation is getting worse.



I'm very hopeful the things will turn around for the better, but I'm not expecting it -- kind of like praying for the best but expecting the worst.

# Gen Z & Millennials More Positive Outlook than Gen X & Boomers

## Gen Z

### Top Issues

1. Cost of living/inflation
2. **Environment**
3. Gas prices, **Gun control**, Economy--general

**51%** Expect to be better off in a year



## Millennials

### Top Issues

1. Cost of living/inflation
2. Economy--general
3. **Employment/jobs**, **Health/healthcare**

**44%** Expect to be better off in a year



## Gen X

### Top Issues

1. Cost of living/inflation
2. Economy--general
3. Gas prices, **Health/healthcare**

**26%** Expect to be better off in a year



## Boomers

### Top Issues

1. Cost of living/inflation
2. Economy--general
3. **Immigration**, **Gov't/leadership**

**18%** Expect to be better off in a year





# Economy Dominates at All Income Levels

Low HH Income

## Top Issues

1. Cost of living/inflation
2. Economy--general
3. **Gas prices, Health/healthcare**

**32%** Expect to be better off in a year

Med HH Income

## Top Issues

1. Cost of living/inflation
2. Economy--general
3. **Gas prices, Russia/Ukraine situation**

**32%** Expect to be better off in a year

High HH Income

## Top Issues

1. Economy--general
2. Cost of living/inflation
3. **Health/healthcare.  
Russia/Ukraine situation**

**36%** Expect to be better off in a year

HH with Kids

## Top Issues

1. Cost of living/inflation
2. Economy--general
3. **Gas prices, Health/healthcare**

**41%** Expect to be better off in a year

# **GutCheckonomics**

## **What are people likely to do?**

# Most People Think Prices Will Continue to Rise Through Summer

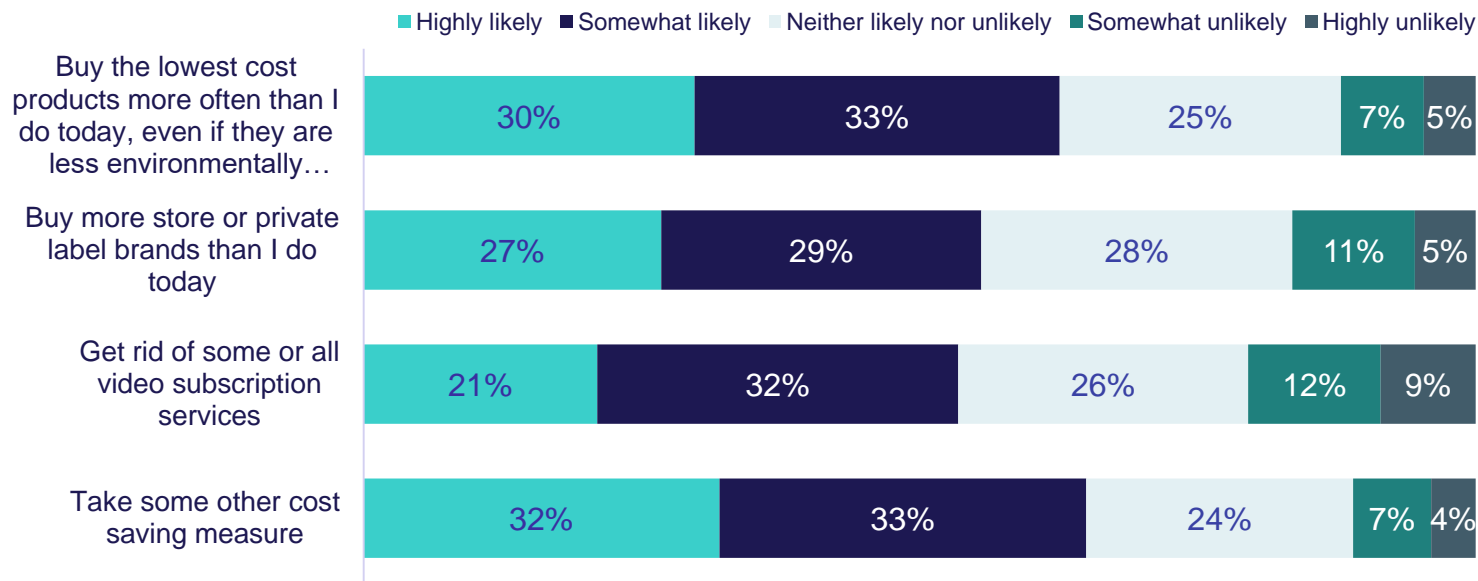
## Future Price Trend

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# People Are Likely to Take Cost Cutting Measures

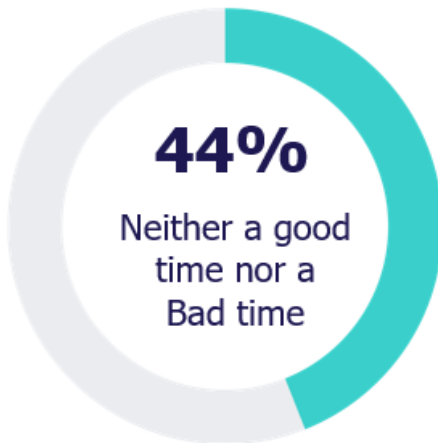
## Tradeoffs



# Nearly 40% Think It Is a Bad Time for Major Purchase

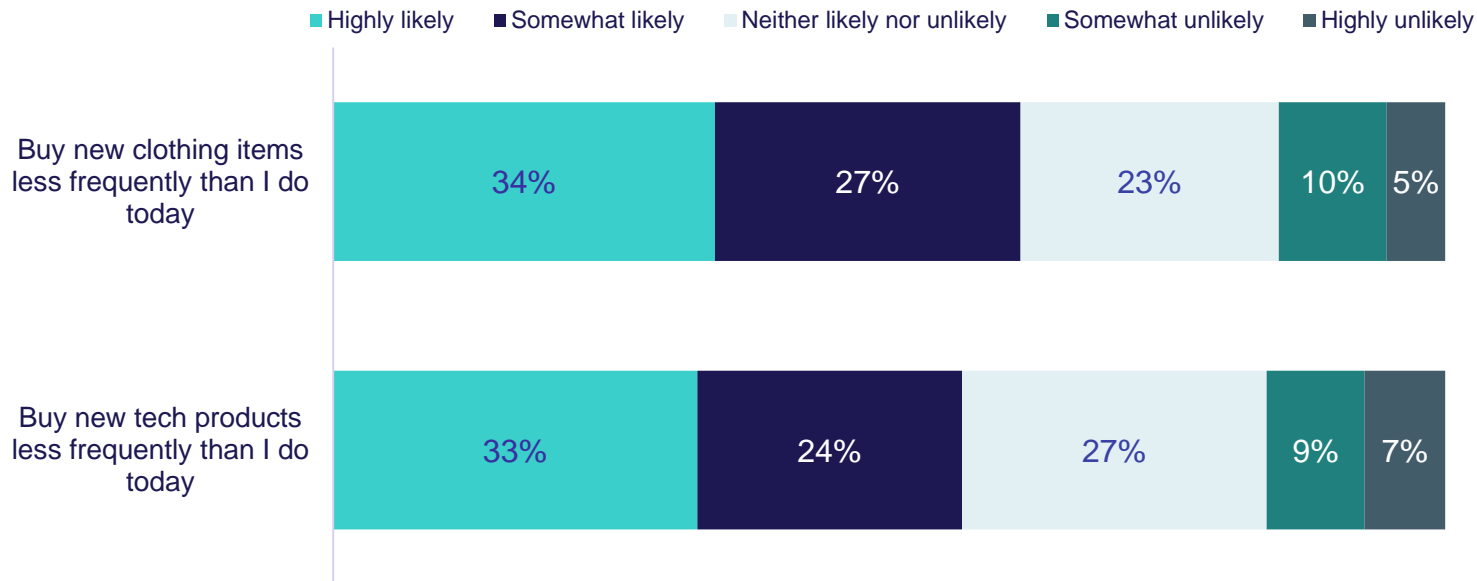
## Good or Bad Time to Make Major Purchases

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# Likely to Buy New Tech or Clothing Less Often

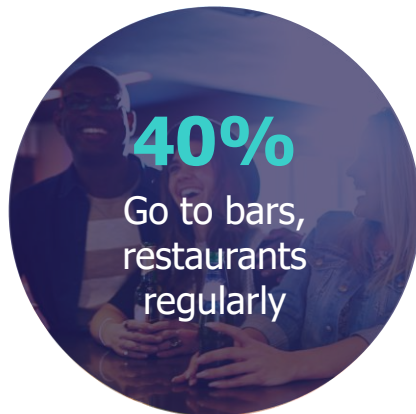
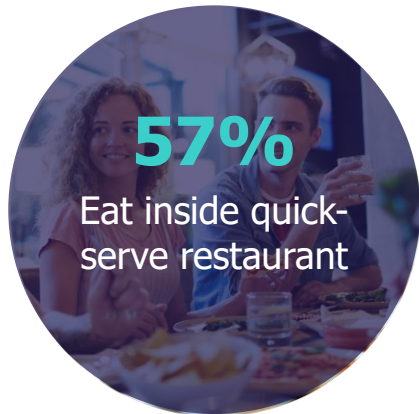
## Tradeoffs



# People Plan More Out-of-Home Experiences this Summer

## Experiences

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# Gen Z & Millennials Offset Prices by Generating More Income

Gen Z

## Top Actions if Prices Increase

1. **Look for new/add'l job or start side hustle**
2. Take other cost-cutting measures
3. Buy lowest cost items even if not eco-friendly

**63%** Would seek new/add'l job, side hustle  
**42%** Postpone medical care



Millennials

## Top Actions if Prices Increase

1. (Tie) **Look for new/add'l job or start side hustle**
1. (Tie) Buy new clothes less often than today
3. (Tie) Buy lowest cost items even if not eco-friendly
3. (Tie) Take other cost-cutting measures

**63%** Would seek new/add'l job, side hustle  
**51%** Postpone medical care



Gen X

## Top Actions if Prices Increase

1. (Tie) Buy lowest cost items even if not eco-friendly
1. (Tie) Take other cost-cutting measures
3. **Buy more private label brands than today**

**44%** Would seek new/add'l job, side hustle  
**46%** Postpone medical care



Boomers

## Top Actions if Prices Increase

1. **Buy more private label brands than today**
2. Buy new clothes less often than today
3. Buy lowest cost items even if not eco-friendly

**29%** Would seek new/add'l job, side hustle  
**31%** Postpone medical care





# All Income Groups to Tighten Spending

Low HH Income

## Top Actions if Prices Increase

1. Buy lowest cost items even if not eco-friendly
2. **Take other cost-cutting measures**
3. Buy new clothes less often than today

**55%** Would seek new/add'l job, side hustle

**45%** Postpone medical care

Med HH Income

## Top Actions if Prices Increase

1. **Take other cost-cutting measures**
2. Buy new clothes less often than today
3. Buy lowest cost items even if not eco-friendly

**51%** Would seek new/add'l job, side hustle

**47%** Postpone medical care

High HH Income

## Top Actions if Prices Increase

1. **Take other cost-cutting measures**
2. Buy new clothes less often than today
3. Buy lowest cost items even if not eco-friendly

**42%** Would seek new/add'l job, side hustle

**39%** Postpone medical care

HH with Kids

## Top Actions if Prices Increase

1. Buy lowest cost items even if not eco-friendly
2. **Take other cost-cutting measures**
3. Buy new clothes less often than today

**55%** Would seek new/add'l job, side hustle

**48%** Postpone medical care

# **GutCheckonomics**

## **What Should Brands Do?**

# What Do Gutsy Brands Do?

**Lead with Empathy**

**Pioneer New Paths**

**Stand Behind Bold New Ideas**

**Seize Opportunities Where Some See Tradeoffs**

**Questions?**

# Thank You

## To Learn More About

- Agile Human Experience Intelligence (HXI)
- People, The Economy, And Your Brand Opportunity
- Gutsiest Brands Podcast

## VISIT US

**Booth #506**

**GutCheckIt.com**

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