



## Weekly Brief

November 21, 2023

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# Is Consumer-Led Growth a Thing of the Past?



If you have read the many stories and polls that I have over the past months, you would think consumers are in a gloomy mood, especially in mature markets. Inflation, war, and geopolitical uncertainty dominate their thinking about global and national affairs.

Consumer spending, however, has less to do with economic and geopolitical concerns than household income and personal circumstance. Consumers are more influenced by what is happening close to home than in the broader world.

BCG's Center for Customer Insight recently developed an [extensive understanding of global trends](#) by surveying 21,000 consumers in 21 countries about 35 product categories. We wanted to understand their resilience: their ability to maintain or increase spending over the next six months without compromising on savings. This

measure is more forward-looking than analyses of current spending.

Only 17% of consumer resilience is driven by macro concerns, such as recession, unemployment, inflation, and geopolitical worries. The remaining 83% is driven by micro factors, such as change in personal household incomes or anxiety over personal finance.

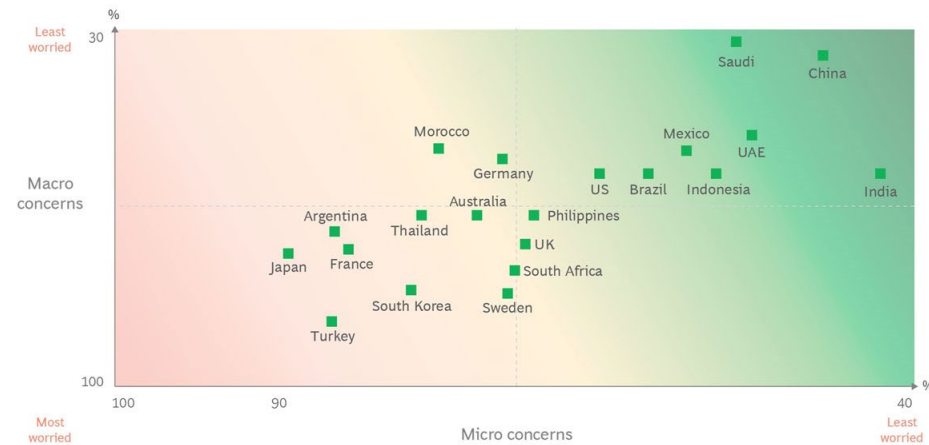
Despite many challenges in the world, there are plenty of growth opportunities. Companies just need to know where to look to find resilient consumers. The research provides some answers:

- The spending outlook is relatively positive among working adults 18 to 34 years old and for affluent and higher-income consumers, even if they are not super affluent or do not have high net worth.
- Consumers anticipate spending more on nonnegotiable categories such as baby food, fresh food, and packaged food and less on big-ticket items such as kitchen appliances and large electronics.
- Consumers also anticipate spending more on experiential categories, such as air travel and vacations, as well as on luxury goods and insurance products.
- Climate has started to enter the mainstream narrative as consumers at all income levels in China, Germany, and the US brought it up spontaneously, indicating interest in buying sustainable products.

Variations across the 21 countries are wide. For example, less than

50% of consumers in China, India, and the Middle East are worried about their personal finances and income, compared with more than 80% in France, Japan, and Turkey.

Consumer sentiment in Australia, Brazil, the Philippines, South Africa, the UK, and the US rests roughly in the middle.



An old lesson remains relevant for companies. It's less about the cards you are dealt than how you play your hand. Growth should still be on your agenda. It is out there if you know where to look.

Until next time,

*Philosoph*

**Christoph Schweizer**  
Chief Executive Officer

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## Further Reading



### [Is Consumer-Led Growth a Thing of the Past?](#)

It is not. You just need to know where to look for it—where to find resilient consumers who are confident about spending and saving.

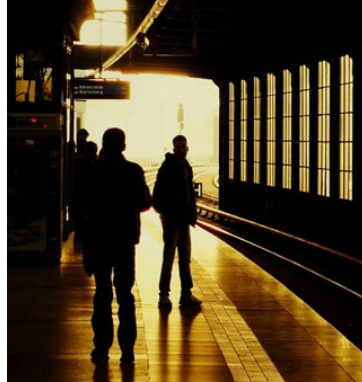
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