

Gen Z & Inflation

How does the inflation in France affect 18–24-year-olds?
What is the impact on brands?

Context

Inflation rates in France, and abroad, rose a lot in 2022 following tensions on transportation and material production; but it now seems to slow down. INSEE established at 4% the overall inflation rate in France in December 2023 compared to December 2022 whereas it reached more than 6% few months ago.

Known as one of the poorest portions of the national population, people aged between 18 and 24 years old – students particularly – struggle to make both ends meet. This document aims to assess budget cuts among this young audience and the impact on different business categories.

Datasets: 01-01-2023 and 31-12-2023

YouGov Profiles

YouGov BrandIndex



Key insights



Personal monthly disposable income of 18-24 shrinks more (-5%) than inflation rate (+4%).



Holiday and Dining spends are decreasing the most vs last year – more than inflation rates in these sectors.



Non-essential products/services are the ones the most losing in consideration from the 18-24.



18-24's **loyalty to brands** is at stake: Price is the crux to retain or recruit young people.

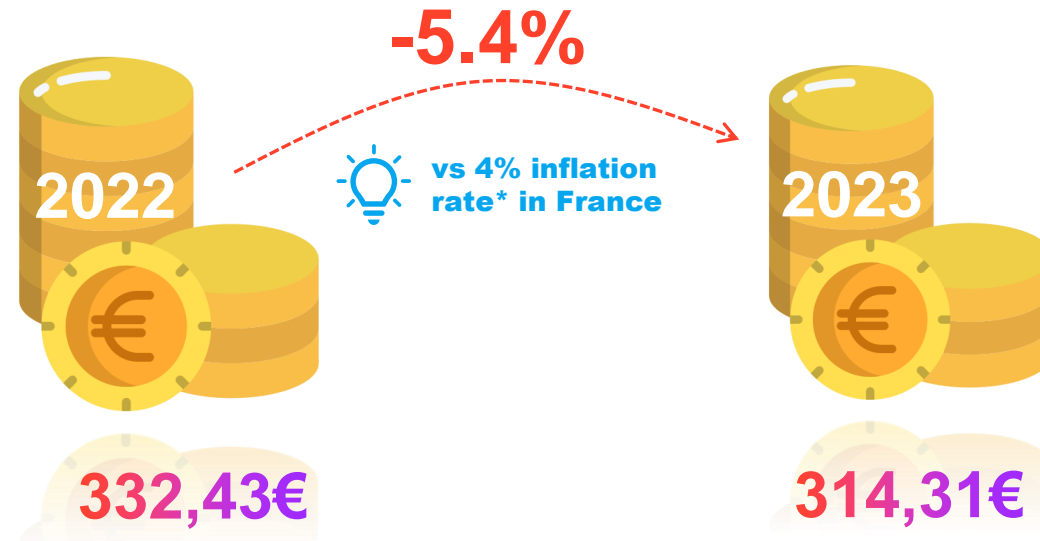


To save money, **second-hand products** are more and more adopted by the 18/-24.

After monthly fixed charges, 18-24 y/o have less money to spend compared to late 2022

Base: 18-24 y/o

Personal monthly disposable income



Profiles+ dataset of the 01-01-2023 and 31-12-2023
N 18-24 >2177

*Source INSEE, inflation rate between December 2023 and December 2022

Methodology: disposable income calculation are based on a question presenting revenue ranges (125€ to 250€, 250€ to 500€, etc.). The median revenue of each revenue range is used to calculate the average personal monthly income.

The young generation is financially more worried than last year and is even more looking for deals

Base: 18-24 y/o

“I am planning to save more money next year”

↑ 65% vs 59%

“I am more careful with my finances than I used to be”

↑ 63% vs 59%

“Whenever I shop I make sure I utilise all sales, coupons and deals”

↑ 57% vs 52%









“I’m worried I’ll never be able to save up for a treat day”

↑ 44% vs 36%



Dining and holiday spends suffer the most from budget shrinkage – especially considering the clear lower inflation rates. Shopping and telecommunications are not affected (*lower inflation rate*).

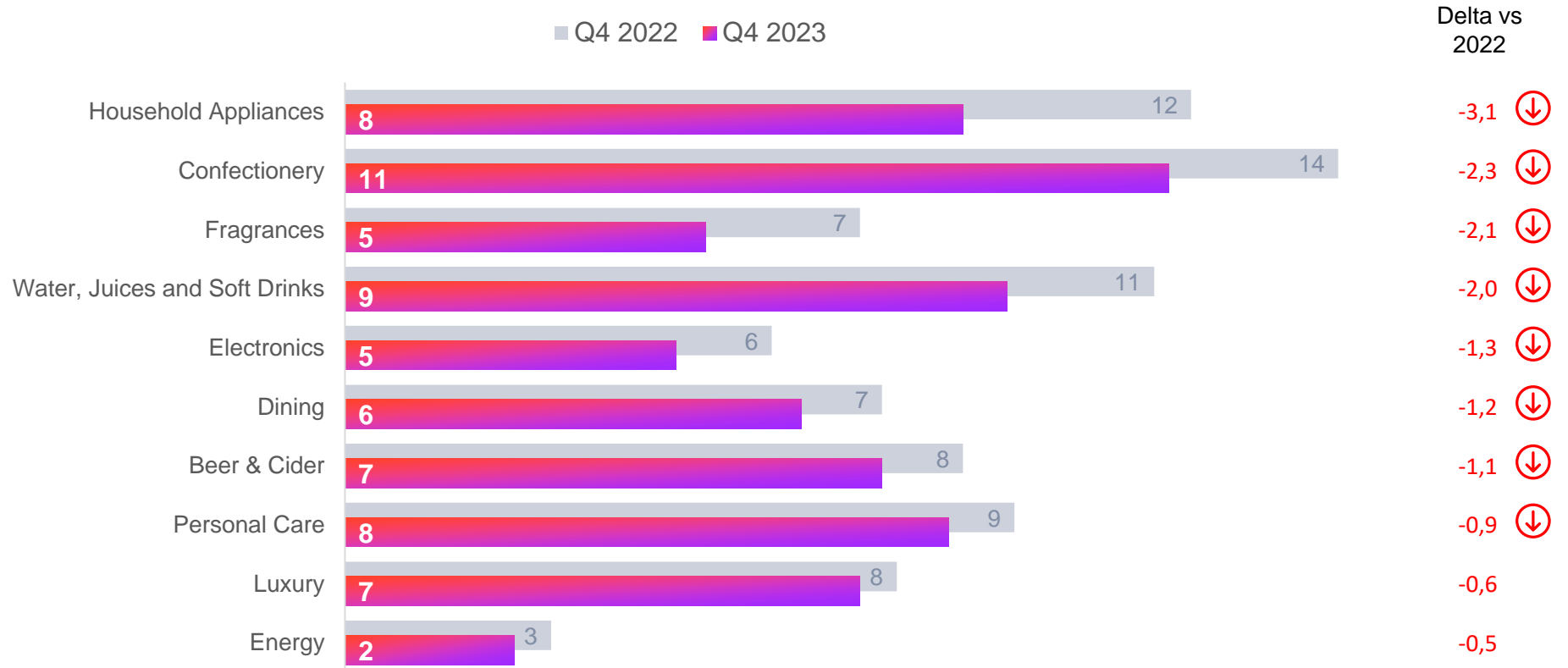
Base: 18-24 y/o

	2022		2023	
 Supermarket weekly spend	49,33€	-2%	48,33€	+8% inflation* in food products category
 Bar/restaurant monthly spend	13,63€	+3%	14,00€	+5% inflation* in restaurants, cafés and similar
 Fast-food monthly spend	30,84€	-12%	27,00€	+4% inflation* in fast-food and take-out services
 Take-out food monthly spend	30,72€	-20%	24,60€	
 Shopping monthly spend (clothes, accessories...)	46,58€	+7%	49,71€	+1% inflation* in clothes/shoes category
 Personal care quarterly spend	35,63€	-2%	35,05€	+4% inflation* in personal care, wellness and beauty care items category
 Mobile phone monthly spend	15,03€	=	15,07€	-8% inflation* in mobile phone services
 Most recent holiday total spend	481,17€	-14%	413,03€	+2% inflation* in accommodation services +2% inflation* in transport services

In terms of purchase consideration, the most impacted sectors deal mainly with non-essential categories in daily life

Base: 18-24 y/o

TOP10 – BrandIndex sectors losing the most in Consideration



Monthly average
N 18-24 > 90

↑ ↓ : significant increase/decrease vs previous year at 95% confidence interval

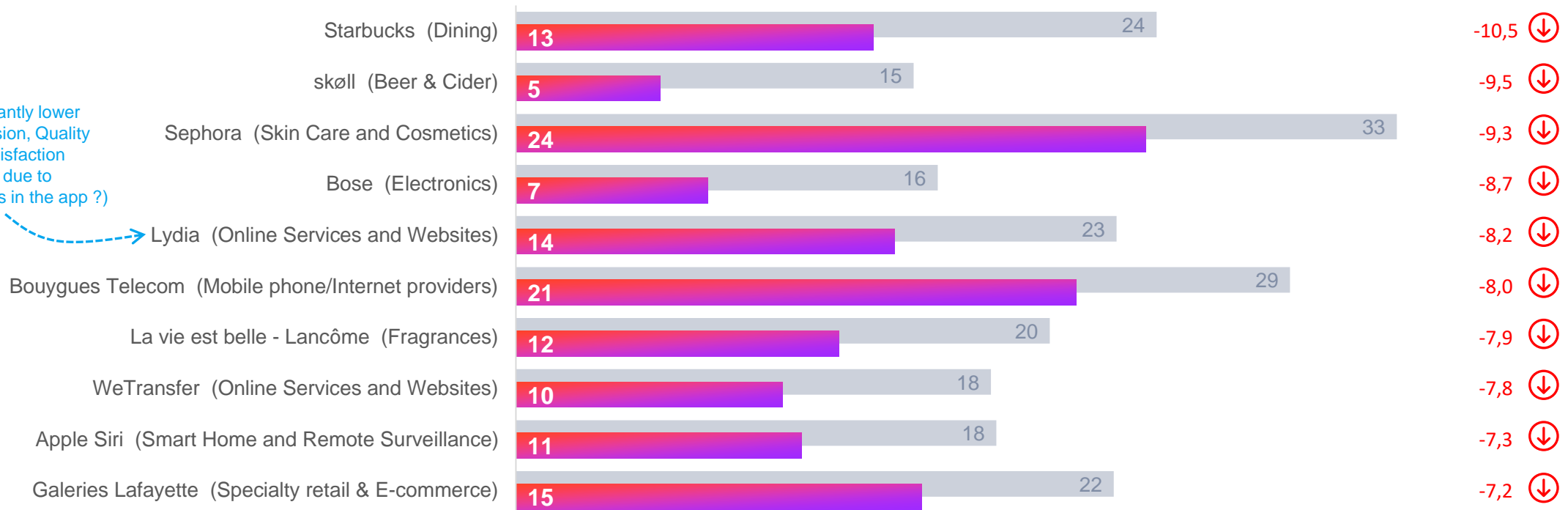
As a result, non-essential products and services brands are the most impacted in Consideration from 18-24

Base: 18-24 y/o

TOP10 – BrandIndex brands losing the most in Consideration

■ Q4 2022 ■ Q4 2023

Delta vs 2022



Significantly lower Impression, Quality and Satisfaction (maybe due to changes in the app ?)



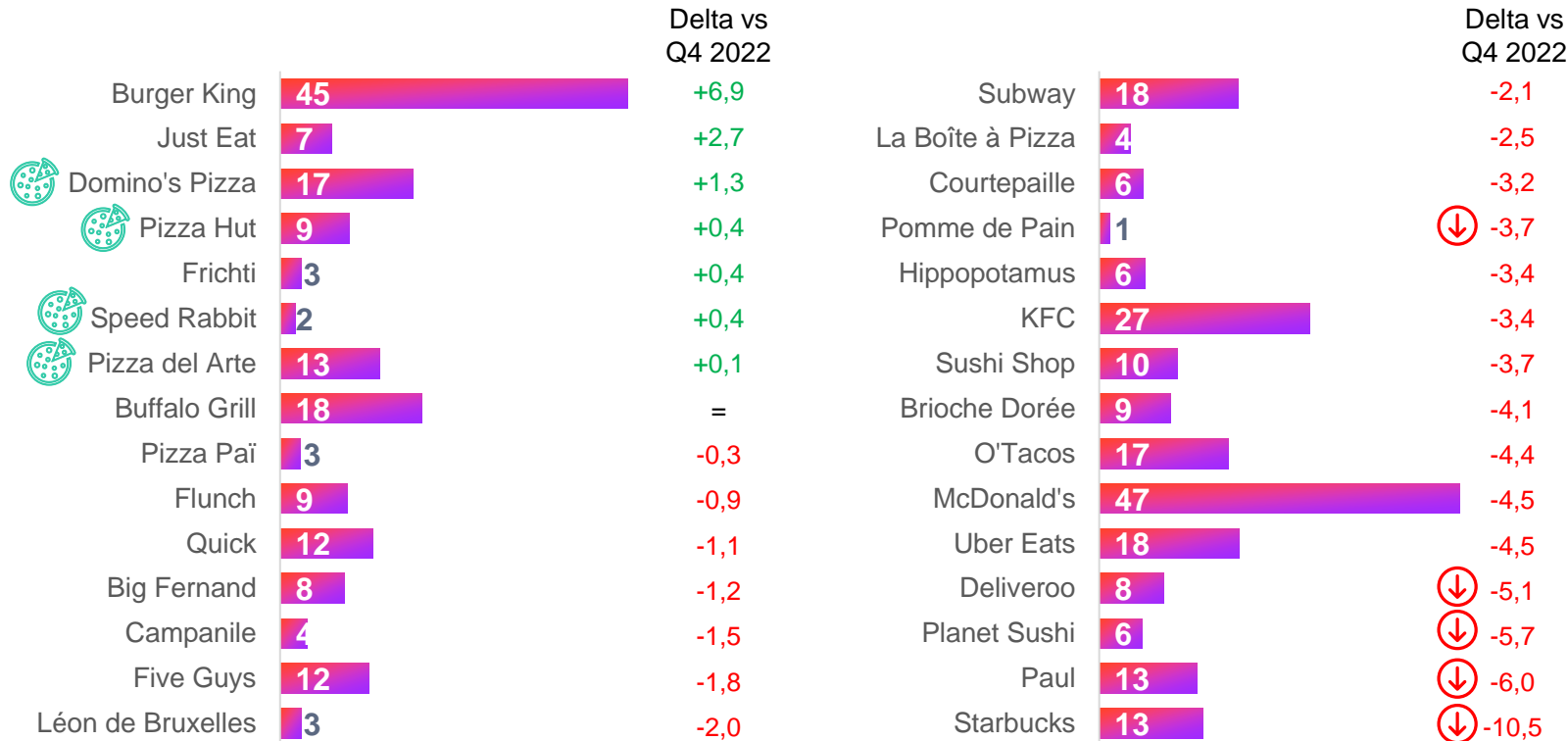
Monthly average
N 18-24 > 90

↑ ↓ : significant increase/decrease vs previous year at 95% confidence interval

Focusing on Dining, pizza brands resist better to the drops in Consideration whereas sushi brands record the biggest decrease

Dining Consideration Ranking

(ranked following the difference between Q4 2023 and Q4 2022)



Pizza brands: +1,3pts

Average of Domino's, La Boîte à Pizza, Pizza del Arte, Pizza Hut, Pizza Paï, Speed Rabbit



Burger brands: +0,2pt

Average of Big Fernand, Burger King, Five Guys, KFC, McDonald's, Quick



Aggregators: -0,9pt

Average of Deliveroo, Just Eat, Uber eats



Bakery brands: -2,7pts

Average of Brioche Dorée, Paul, Pome de Pain



Sushi brands: -3,9pts

Average of Planet Sushi, Sushi Shop

Request a demo

Focusing on Fashion, sportswear and shoes brands appear to be the most affected by budget cuts among 18-24

Base: 18-24 y/o

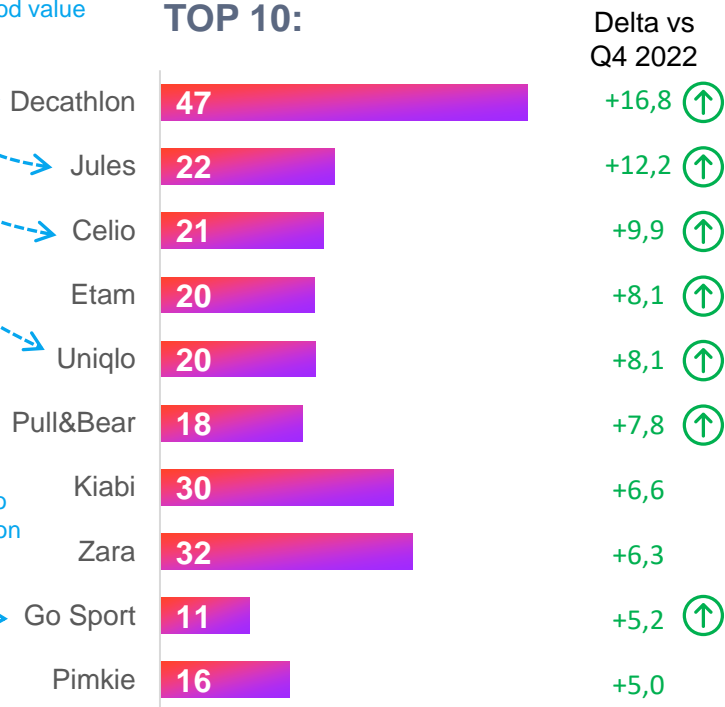
Fashion and Sportswear Consideration

(ranked following the difference between Q4 2023 and Q4 2022)

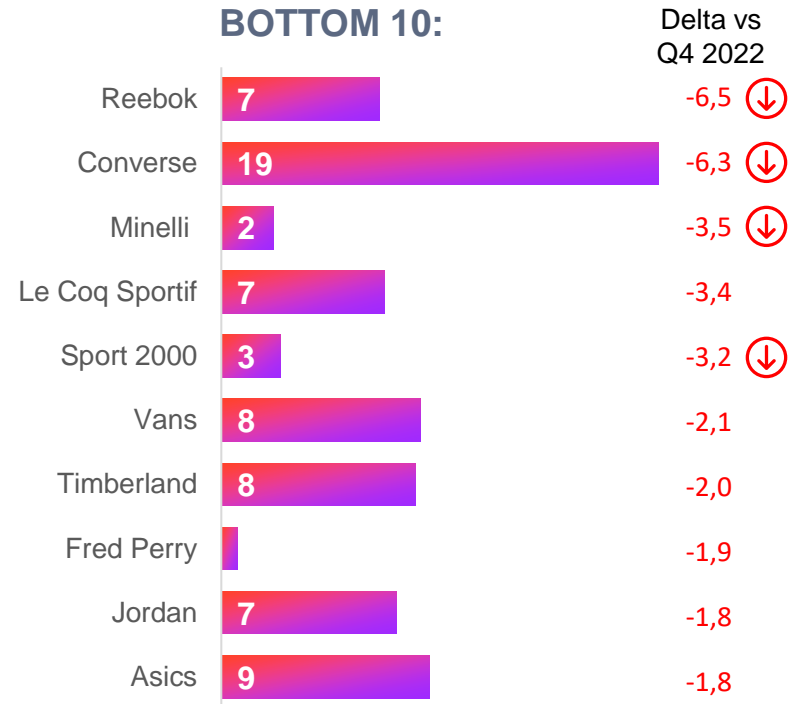
Significantly more mentions of good value

Important discounts due to judicial liquidation

TOP 10:



BOTTOM 10:



N 18-24 ~300

↑ ↓ : significant increase/decrease vs previous year at 95% confidence interval



Loyalty is more at stake among the young generation, open to switch at any moment. Deals in loyalty programs are key to retain or recruit them.

Base: 18-24 y/o

“I tend to stick to brands I like”

60% vs 63%

“I have a favourite brand but if another brands is on sale, I will buy that instead”

48% vs 45%

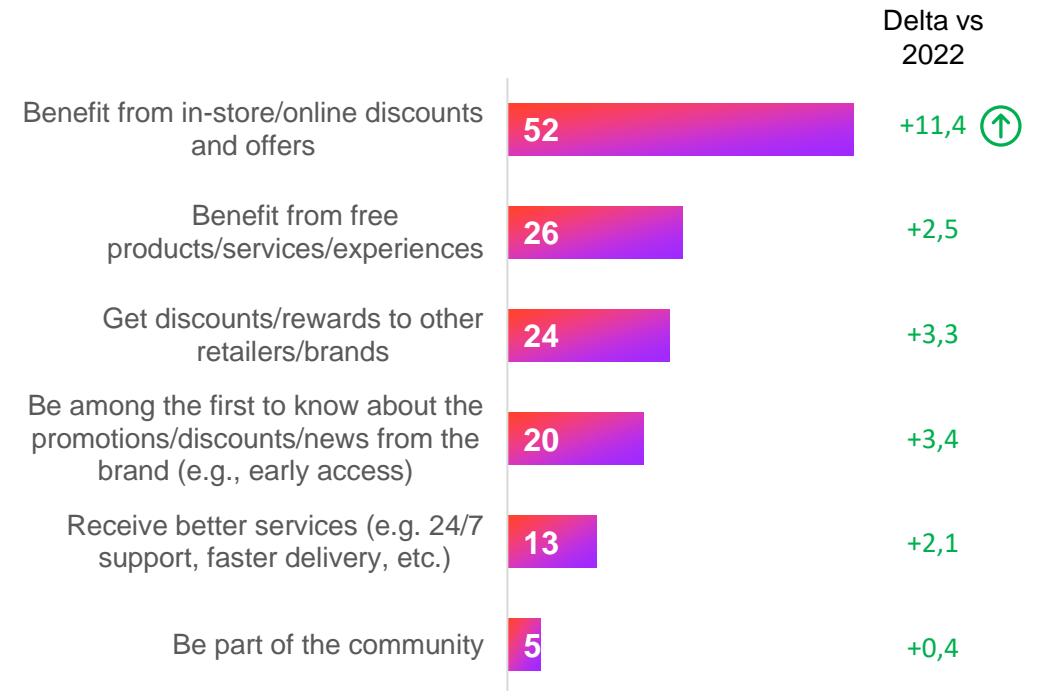
“I am more loyal to brands that I am a loyalty member of”

55% vs 56%

“I am likely to subscribe to loyalty programs in the next 12 months”

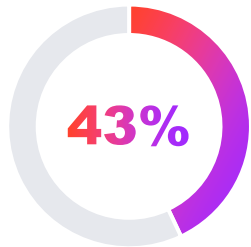
38% vs 34%

Reasons to subscribe to loyalty programs

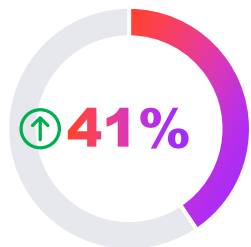


Cheaper, second-hand products are also an opportunity to attract 18-24 y/o: They buy it more than a year ago – significantly more via thrift shops and eBay vs late 2022.

Base: 18-24 y/o

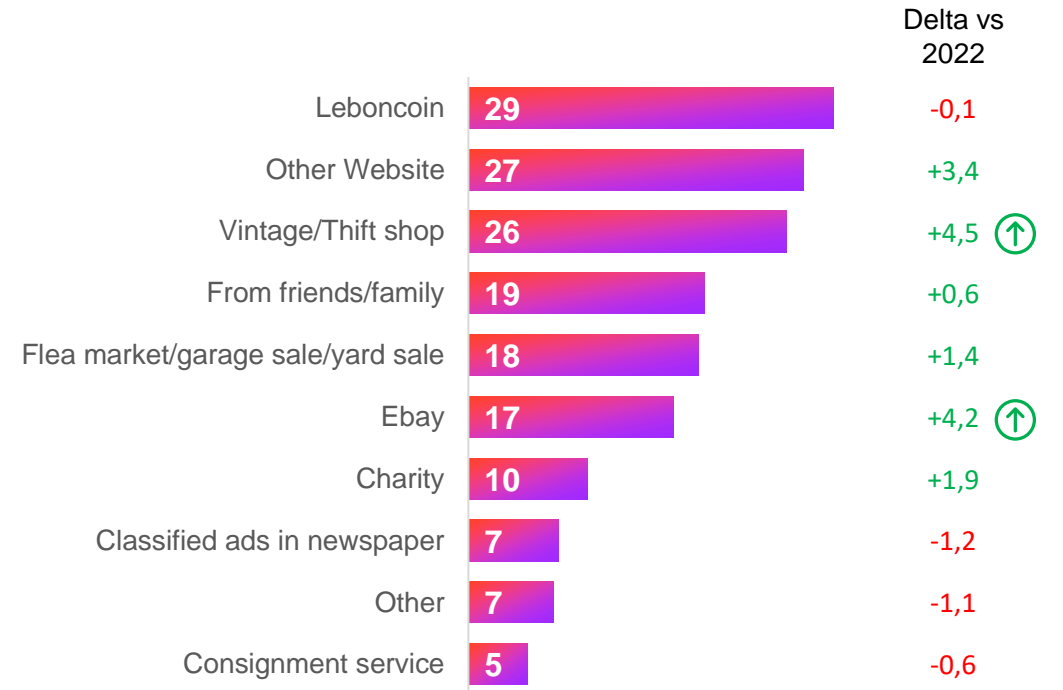


prefer to buy things second-hand rather than new
(vs 39%)



already buy second-hand products
(vs 34%)

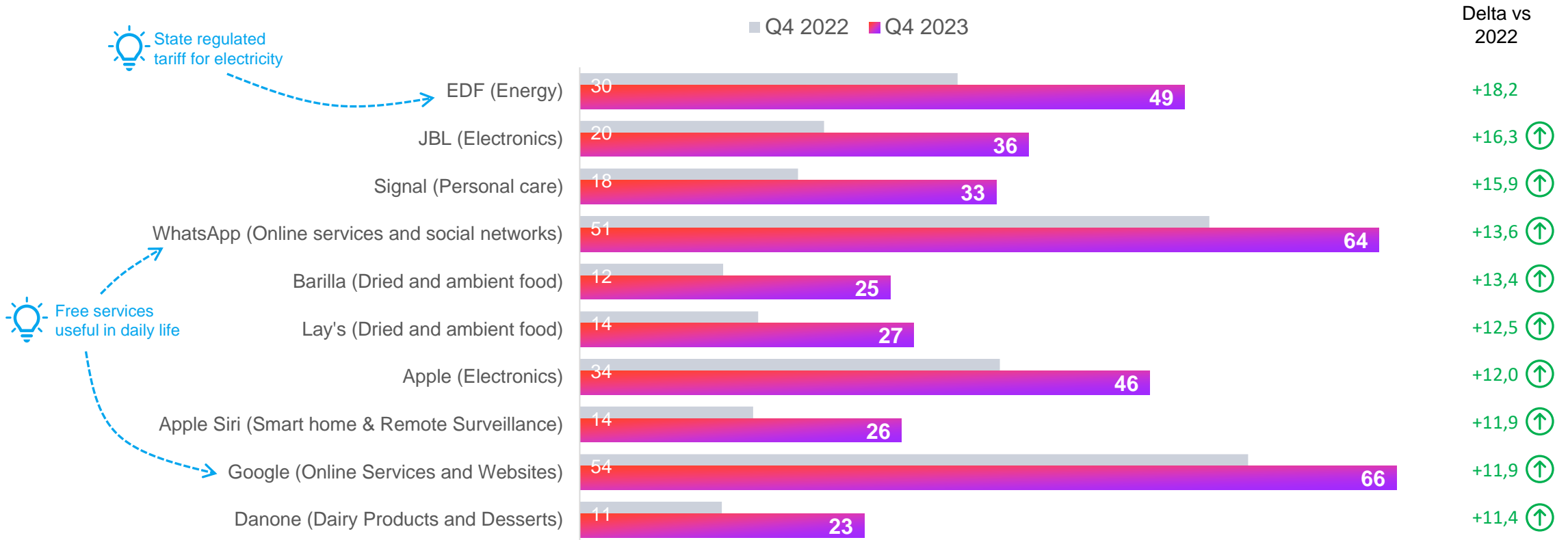
Second-hand stores purchased from



Brands succeeding to increase their penetration have an attractive price positioning (EDF, Signal, Barilla (pasta), Danone (yogurts)), or used in daily life (WhatsApp, Google) or even a strong brand identity (Apple).

Base: 18-24 y/o

TOP10 – BrandIndex brands rising the most in current/recent Customers



Monthly average
N 18-24 > 90

(↑) (↓) : significant increase/decrease vs previous year at 95% confidence interval

Thank you

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