



Slovenia

What have we learned from the crisis?

Negative experiences and fear of an uncertain future have left consumers in a pessimistic mood, and this is reflected in their purchasing behaviour. Results from GfK studies¹ show that consumers are trying to decrease their day to day spending in many different ways. But the crisis is not likely to affect short term spending alone: in the long term, the effects on general attitudes towards spending might be even more important.

The "Day-to-day saving in Europe" study shows that European consumers (9 countries were included in the study) are trying to save money by decreasing their daily expenditures in various ways. More than a third are trying to save by buying food and drink at lower prices, spending less on clothes and shoes, eating out less often, delaying larger purchases and visiting pubs, bars or cafes less often. Furthermore, consumers are not only trying to save on specific expenses but are looking to save in many different areas, mentioning, on average, 4 areas where they are currently trying to save money.

Buying food and drink as cheaply as possible	38.1
Spending less on clothes and shoes	37.7
Going out to eat less often	37.3
Postponing larger purchases	34.0
Visiting a pub, bar or café less often	33.5
Going out in the evenings less frequently	31.6
Taking cheaper holidays	29.3
Buying fewer newspapers and magazines	21.0
Changing telephone provider or telephoning less often	17.3
Heating/turning on the air conditioning less	17.0
Looking out for especially low offers on rail and flight tickets	17.0
Using the car less	16.1
Changing or cancelling insurance policies	12.4
None of the above	17.7
Number of areas mentioned	3.6

Total for 9 countries (includes Austria, France, Germany, Italy, the Netherlands, Poland, Russia, Spain and UK).
Source: Survey on "Day-to-day saving in Europe" (European Consumer Study), GfK Association, winter 2009

Whilst very important, short term changes in spending might be, at least to some extent, attributable to lower disposable incomes (or expectations of lower disposable incomes) and may change back to the former "glory days" levels once the crisis is over and disposable incomes (or expectations) return to normal. However, attitudes tend to be more longer-lasting in nature and harder to change, so that changes in general attitudes could affect consumers' buying behaviour even long after this crisis is over.

Data from Slovenia (the study "Segmentation of the financial services market"²) shows that attitudes are indeed more in favour of saving as opposed to consuming. In Slovenia, 59% of the population would rather save up than borrow money and 61% find it very important to have savings whilst less than a quarter of Slovenians would take out a loan to buy something they want rather than wait to save up enough money. Similar or even more saving-oriented attitudes abound throughout the CEE region.

¹ "Day-to-day saving in Europe"; European Consumer Study 2010, GfK Association.

² Based on data from the Financial Monitor 2009.

I hate to borrow – I would much rather save in advance	59
It is very important for me to have savings	61
If I want to buy something, I would rather take out a loan than wait to save up enough money	24

Data for Slovenia, source: Segmentation of the financial services market (Financial Monitor 2009), GfK Slovenia, 2009

Experiences derived from previous recessions show that consumers who have been hard-hit by a recession will not simply return to their previous levels of spending once the recession is over: negative experiences may well affect their consumption decisions for some time to come. In a global economy, where personal consumption is a key source of growth, one cannot help but wonder when, if ever, we will (again) start buying things we don't need with money we don't have? "Until then" companies will need to make an extra effort to understand their consumers, meet their needs better than their competitors and throw something extra into the bargain.

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