

Why Not Spend?

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Of the people who delayed a major purchase, changed a life decision or spent less, the Synovate survey showed that 39% did this because they didn't have enough money (fair enough!), but there were some other intriguing reasons too.

Fourteen percent across the 16 markets surveyed said they could afford it but thought it wise to wait, 11% were waiting for a bargain and another 11% thought it just seemed wrong to spend a lot at the moment.

So it seems some could spend but are simply choosing not to...

It is quite telling to look at the reasons for spending delays across markets.

Not enough money - Serbia (66%), India (62%), Russia (54%)

Waiting for prices to come down, bargain hunting - France (21%)

Could afford it, but think it's wise to wait - Denmark (28%), Spain (23%)

Saving or investing money instead - Malaysia (22%)

It just seems wrong to spend a lot at the moment - Hong Kong (22%), Taiwan (21%)

It's a luxury item / expense that I don't really need - Hong Kong (23%), Taiwan (20%)

Managing director of Synovate in India, Mick Gordon, says that people don't buy what they cannot afford in India. "Even considering India's booming middle class and the relative health of the economy, big ticket purchases are never taken lightly here. It's a real saving culture... if you don't have the money, you simply don't buy it. Indians also save for the just-in-case... very rarely would Indians dip into their savings for anything but necessary spending."

Alain Denis, Synovate France's director of development, puts France's predilection for bargain hunting down to known major promotional periods.

"People know to wait for certain times of the year in order to get better prices. This behaviour is not constrained to periods of recession, but it is certainly amplified at the moment."

Hong Kong's reasons for postponing major spending are in line with the cultural temperament of the city.

Brendan Shair, managing director of Synovate in Hong Kong tells us:

"The majority of consumers in Hong Kong are still spending as usual, but some are emotionally impacted by the financial crisis. They are experiencing social pressure to be less flashy.

"We have participants in focus groups telling us that they have requested that their luxury purchase not be placed into the branded shop bag, but instead put it into a regular plastic bag. This is so they will not appear to be spending frivolously in a time when the economy and people around are down and gloomy."

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