

New Alvarez & Marsal Spring 2023 Consumer Sentiment Report Highlights Impacts of Inflation, Recession Expectations, Newfound Optimism



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- **Category spend up from fall 2022 for basic needs, experiences, gifts & indulgences**
- **Half of consumers are taking a vacation this spring/summer, up 14% from last year**
- **Consumers believe inflation has yet to peak and majority are preparing for a potential recession**

Global professional services firm **Alvarez & Marsal's Consumer and Retail Group** (A&M CRG) today released its newest consumer report, ***Consumer Sentiment Survey Spring 2023***, which looks at the impacts of inflation and resultant changes in consumer spending over the last year, as well as spending expectations for the coming six-month period.

This is the fourth installment of its bi-annual Consumer Sentiment Report, based on a survey of 1,500+ consumers matching the U.S. adult population according to gender, age, ethnicity, region and income. The report covers various changing behaviors in response to personal finances and the state of the economy, including consumers' shopping priorities by category, concerns over rising prices, vacation plans, and other factors that will affect purchase decisions this spring/summer, and more.

"Our objective was to understand how the financial headlines American consumers have been hearing is affecting them in terms of their optimism or lack thereof, their buying patterns and expectations, and their preferred shopping channels," noted **Jonathan Sharp**, Managing Director at **Alvarez & Marsal's Consumer and Retail Group**, and lead author of the study. "What we found is that the 'recession is coming' drumbeat has got through to US consumers and they expect a slowdown in the coming months. That's all theoretical for now and the reality is that the US consumer is still punching – spending plans are up, inflation-fatigue is being overcome and optimism is back in fashion."

The study found that:

- Consumer expectations on things getting better, saving more, having more money, and plans to spend the same or more on basic needs were all up from fall 2022

- Among shopping priorities by category, all non-essential categories were up this season compared to fall 2022

- Vacation spend is up year over year – half of respondents are taking a vacation this spring/summer, and 31% of those taking a vacation plan to travel internationally (+12% y-o-y)

- 65% of consumers believe that prices will continue to rise, and two thirds believe the U.S. will be in a recession within the next year

“Retailers should capitalize on this optimistic mindset by balancing consumer preferences, managing inventory, and driving traffic in-stores & online” added **Jonathan Sharp**. “But smart retailers will remain agile should consumer mindsets revert.”

To download a pdf of ***Consumer Sentiment Survey Spring 2023***, please visit:

<https://alvarezandmarsal-crg.com/insight/consumer-sentiment-survey-spring-23/>

The Alvarez and Marsal Consumer and Retail Group (CRG) is a management consulting firm that tackles the most complex challenges and advances its clients, people, and communities toward their maximum potential. CRG combines the best of A&M’s broader firm’s bias toward action and practicality with deep consumer and retail industry experience. CRG partners with businesses across a wide range of categories including Food & Beverage, Beauty & Personal Care, Grocery, Mass Merchandise, and Apparel & Footwear to drive significant performance improvement.

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