Facing the Future with Optimism fueled by Resilience and Adoptability to Change

PUBLIC SENTIMENT SURVEY
OCTOBER - DECEMBER 2023

PUBLISHED BY

aura insights
opening the gate to success

OUR RESEARCH.....

This public sentiment research report is the 2nd of its kind published by Aura Insights (Pvt) Ltd and is based on findings from its public sentiment survey conducted within Sri Lanka between mid September to mid December 2023.

The total sample consisted of 600 permanent residents of Sri Lanka and was representative of the general population by age, gender, region and socio-economic classification (SEC A, B, C, D and E).

The data collection was carried out in 3 phases: Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

This report attempts to explore new developments in the Sri Lankan society in terms of lifestyle, civic responsibility, consumption of products and services as well as their expectations for the future under the “new normal“.

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01. LIFESTYLE

1.1 Quality of Life Quarter on Quarter:

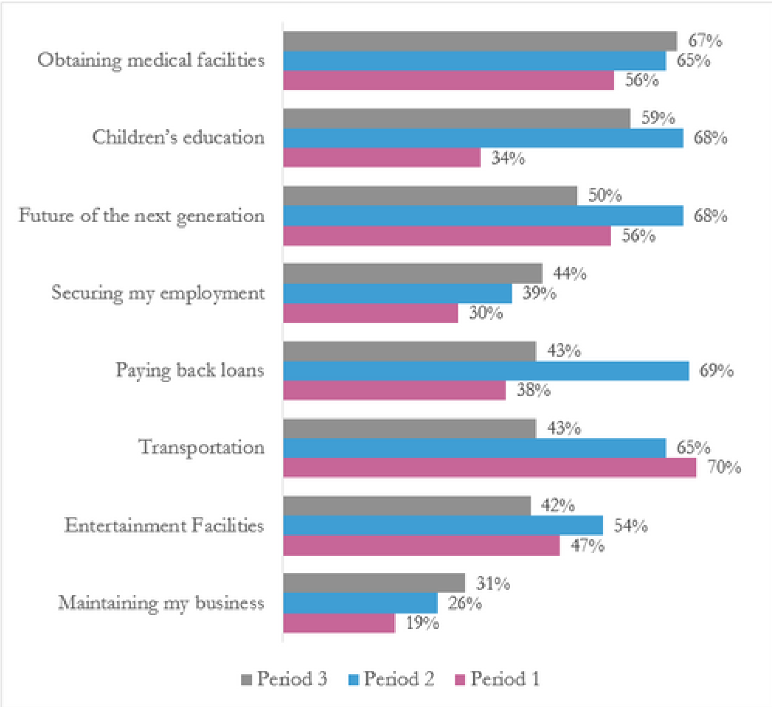
Upper social income class	Period 1	Period 2	Period 3	Expected Period 4
Worsened	47%	34%	39%	35%
Same as last quarter	44%	52%	47%	45%
Improved	8%	14%	14%	20%

Middle- and lower- social income class	Period 1	Period 2	Period 3	Expected Period 4
Worsened	56%	61%	43%	39%
Same as last quarter	40%	37%	47%	48%
Improved	4%	3%	10%	13%

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

The overall quality of lifestyle for the majority in both upper and lower income classes appears to have remained unchanged compared to the previous period. Notably, a slight improvement is observed among the middle-income class. This positive shift in lifestyle may be attributed to price reductions in certain essential categories, settling of transport related issues in the country and lowering of interest rates leading to better money circulation. Despite facing challenges, both upper and lower income segments express optimism about their prospects in the coming quarter.

1.2 Most pressing issues at present due to economic crisis



In period 3, the factors causing the most concern are obtaining medical facilities, education of children, and the future of the next generation.

It is noteworthy that concerns related to children's education and the future of the next generation have eased compared to the last period.

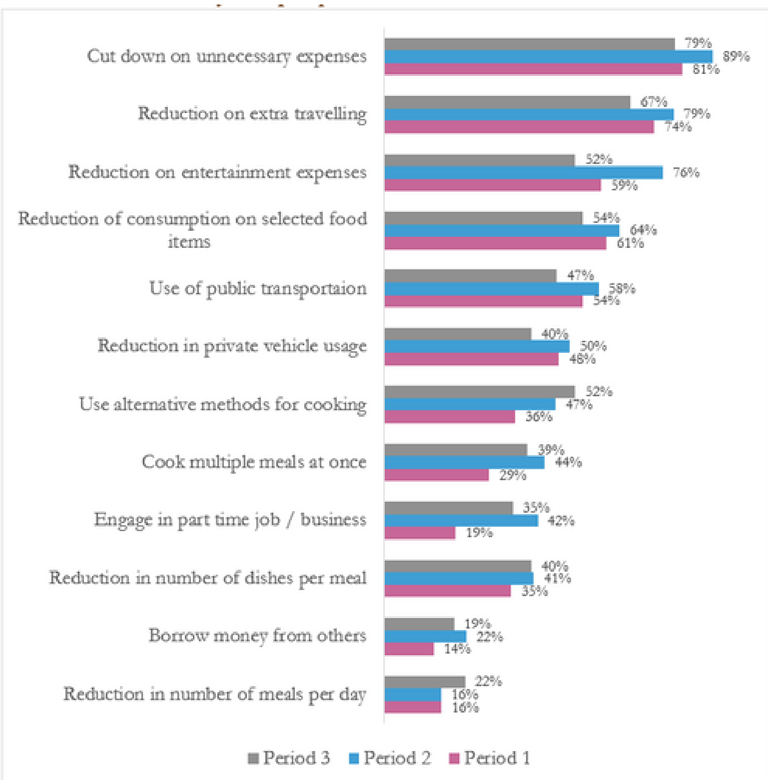
Nevertheless, overall apprehensions are on the rise, particularly concerning obtaining medical facilities, job security, and maintaining one's business. On a positive note, issues related to transportation, paying back loans, and entertainment facilities have notably decreased compared to the previous period.

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

1.3 Lifestyle changes adopted to cope with the impact of the economic crisis

Though controls on family expenses have eased slightly from the last period, most families still operate under a tight budget, actively reducing unnecessary expenses, minimizing nonessential travel, and cutting back on entertainment.

Significant changes in the consumption and preparation of food are noticeable. There is a reduced consumption of selected categories, and the practice of cooking multiple meals at once has eased, allowing for more variety in meals consumed. On the contrary, the use of alternative cooking methods has increased, aiming to balance the impact on the cost of meals. Additionally, there is a 6% growth in the reduction of the number of meals, indicating an adjustment in meal frequency.



Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

1.4 Likelihood of country returning back to normal from the current economic crisis

	Period 1	Period 2	Period 3
Within 2 years	24%	13%	11%
Within 5 years	22%	19%	28%
It will take more than 5 years	23%	23%	21%
No idea	**31%**	**46%**	40%

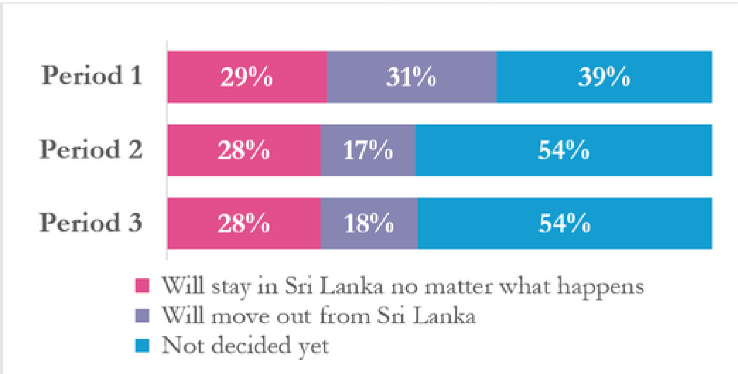
Hope for an early recovery within 2 years has further diminished, but there is some optimism about the country returning to normalcy within 5 years.

However, the majority still remains uncertain about when the economy will fully recover.

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

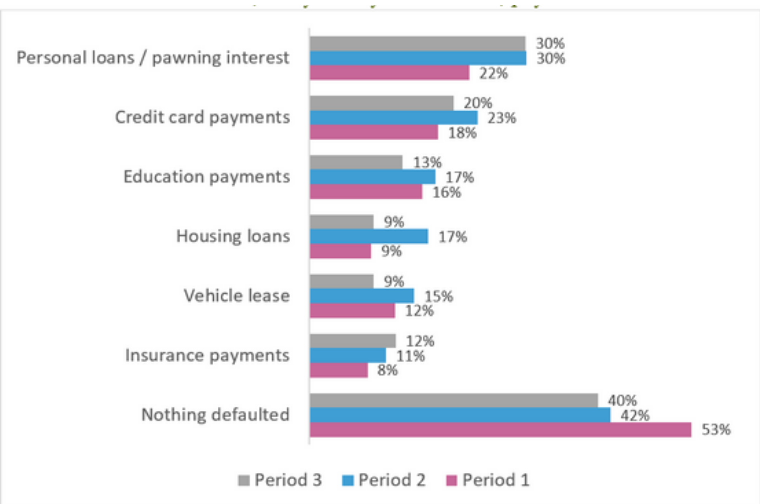
1.5 Immediate plans for self/family

No significant changes in immediate plans are noted from period 2 to period 3, with the majority continuing to adopt a "wait-and-see" approach.



Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

1.6 Defaulted/delay on any installments/payments



Base: Those who have taken such facilities

Delays in installment payments have decreased across most categories, except for personal loans, pawning, and insurance.

Notably, personal loans and pawning, along with credit card payments, persist as the services with the highest defaults/delays.

Conversely, housing loans and vehicle leases have recorded the least defaults/delays compared to the previous period.

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

1.7 Mode of transportation

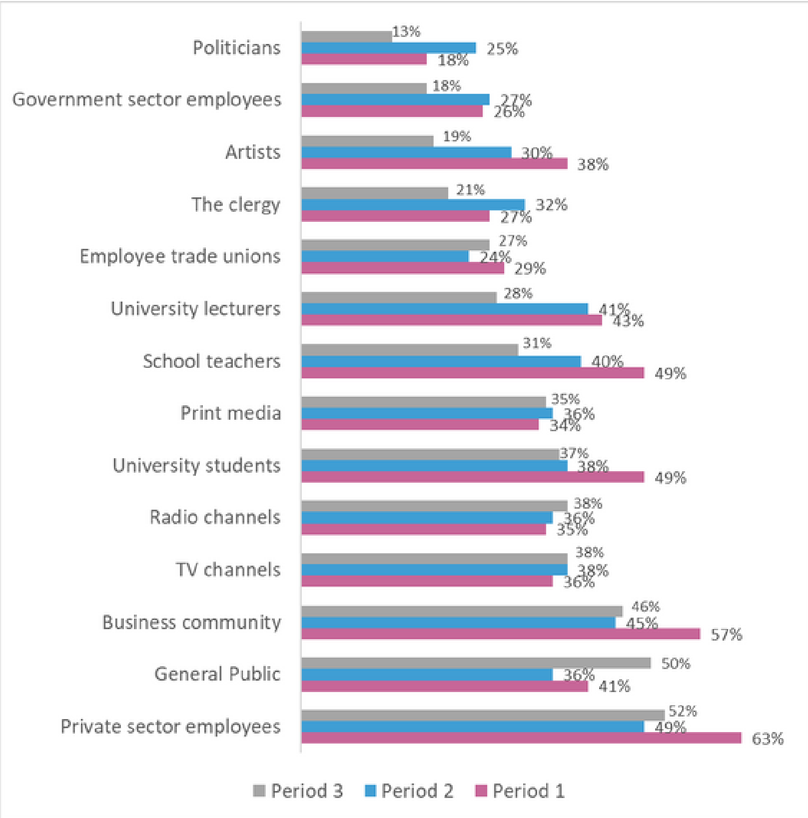
	Overall		
	Prior to Crisis	Period 2	Period 3
Public bus	38%	58%	46%
Motor Bike	38%	24%	30%
Train	16%	22%	20%
Walk	11%	26%	26%
Own vehicle (4 wheel)	39%	23%	23%
Taxi	23%	8%	11%
Bicycle	4%	12%	12%
Staff transport by office	6%	8%	8%
Own vehicle (3 wheel)	6%	2%	7%

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

Public transport usage has decreased, with an increase observed in the usage of motorbikes, taxis and own vehicles(three-wheel) as modes of transportation. This shift can be attributed to the reduction in fuel prices on multiple occasions. However, walking, the use of personal vehicles (four-wheel), and bicycles have remained at the same level as in period 2.

2. CIVIC RESPONSIBILITY

2.1 Contribution towards rebuilding the country



Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

A higher contribution towards the nation's rebuilding is attributed to private sector employees, the general public, and the business community, with perceived contributions increasing from the previous period.

Contributions from TV and radio channels and employee trade unions have also shown an increase each period.

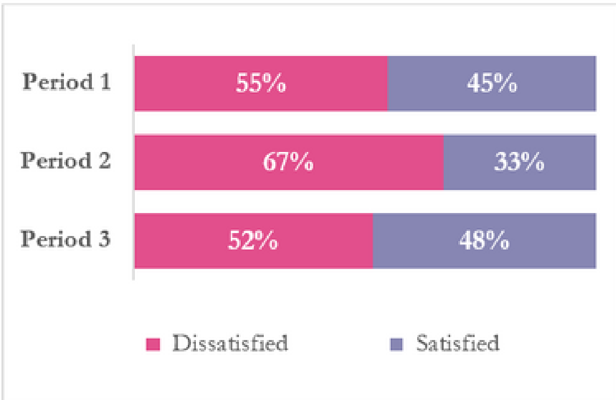
Conversely, significant drops are noted in the contributions from school teachers, university lecturers, clergy, artists, government sector employees, and politicians.

Overall, politicians, government sector employees, and artists are perceived to have made the least contribution.

2.2 Support extended to the country by Sri Lankans living abroad during this time of crisis

Dissatisfaction with the support extended to the country by the Sri Lankans living abroad has reduced compared to previous period.

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.



3. CONSUMPTION

3.1 Food and Beverages Consumption Pattern

Period 1 (Q3 2022) Vs Period 2 (Q1 2023) Vs Period 3 (Q3 2023) Expected Period (P4)

Food Items	Reduced				Consume as before				Increased			
	P1	P2	P3	P4	P1	P2	P3	P4	P1	P2	P3	P4
Biscuits	92%	80%	60%	60%	7%	18%	39%	39%	1%	2%	0%	1%
Soft drinks	85%	85%	74%	73%	14%	14%	26%	25%	2%	1%	1%	1%
Confectioneries (Chocolates, candy etc)	89%	87%	82%	75%	10%	12%	17%	24%	1%	1%	1%	1%
Processed meat (sausages, meat balls etc)	74%	86%	60%	61%	23%	12%	37%	37%	3%	2%	3%	2%
Meat / Fish / Egg	69%	63%	38%	36%	28%	35%	57%	59%	3%	2%	5%	6%
Full Cream Milk Powder	82%	78%	55%	47%	16%	19%	43%	48%	2%	3%	2%	4%
Fresh milk	67%	82%	55%	47%	22%	16%	33%	43%	10%	3%	12%	10%
Malted Food Drinks	77%	82%	76%	66%	19%	17%	22%	32%	4%	1%	2%	1%
Cheese / Butter	83%	88%	67%	57%	16%	12%	32%	41%	1%	1%	1%	2%
Margarine	80%	79%	54%	55%	17%	20%	45%	44%	3%	1%	1%	1%
Yoghurt	74%	76%	46%	41%	24%	21%	53%	56%	2%	2%	1%	3%
Ice Cream	80%	82%	66%	60%	17%	16%	33%	38%	2%	2%	1%	2%
Fast food (Pizza, Burgers etc)	86%	90%	72%	68%	12%	10%	26%	31%	2%	0%	2%	1%

New categories added in Track 2:

Category	Reduced		Consume as before		Increased	
	P3	P4	P3	P4	P3	P4
Soya meat	35%	42%	47%	51%	7%	18%
Liquid/ Powdered Coconut milk	67%	64%	30%	35%	2%	2%
Instant Noodles/instant Soup	70%	66%	28%	32%	2%	2%
Taste makers/ Soup cubes	84%	77%	15%	21%	1%	1%

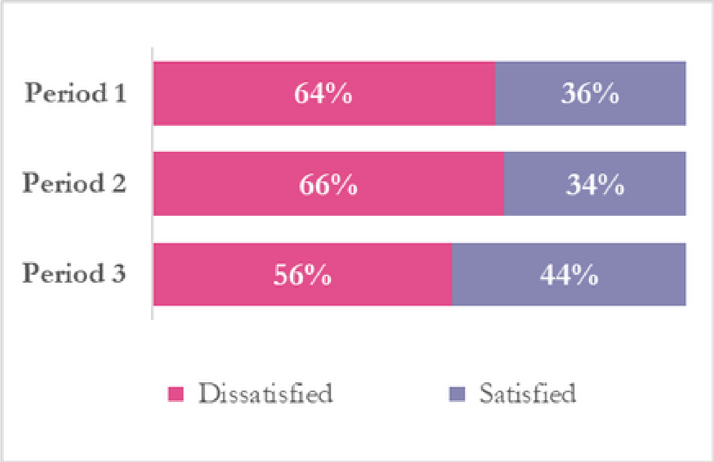
Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

A significant majority continues to reduce consumption across various categories, likely influenced by food inflation. Confectioneries, soft drinks, fast food, and malted food drinks remain the categories with the highest reductions in consumption. Additionally, taste makers/soup cubes and instant noodles/soups have also seen substantial drops in consumption.

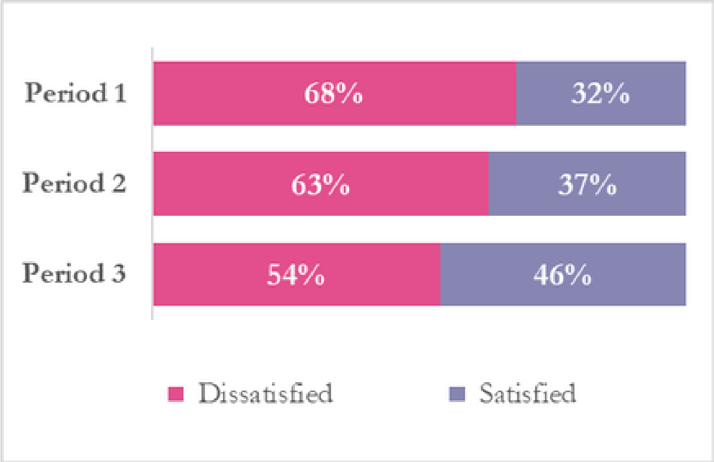
On a positive note, full cream milk powder consumption has slightly improved due to increased availability and price reductions. However, consumption of processed meats has declined, while soya meat consumption has increased.

3.2 Attitude towards Nutritional Status

Level of satisfaction on current nutritional status.



Level of satisfaction on children's nutritional status.



Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

While the majority is yet dissatisfied with the nutritional status, the situation shows an improvement from previous quarter.

3.3 Personal and Household-care Consumption Pattern

Period 1 (Q3 2022) Vs Period 2 (Q1 2023) Vs Period 3 (Q3 2023) Vs Period 4 (Q4 Expected)												
Personal and Household care	Reduced				No change				Increased			
	P1	P2	P3	P4	P1	P2	P3	P4	P1	P2	P3	P4
Dental care products (toothpaste, toothbrush, mouth wash etc)	29%	30%	14%	19%	70%	70%	84%	80%	2%	0%	2%	1%
Body cleaning products (bath soap, shampoo, conditioner, shaving cream etc)	51%	47%	33%	34%	48%	52%	66%	65%	1%	1%	1%	2%
Hair care products (shampoo, conditioner, hair oil etc)	57%	58%	37%	41%	42%	43%	62%	59%	1%	0%	1%	1%
Fragrances (perfumes, body spray, deodorant, after-shave cologne etc)	70%	76%	62%	56%	29%	23%	36%	43%	2%	0%	2%	1%
Cosmetics (lipstick, nail polish, eyeliners etc)	73%	77%	66%	61%	26%	23%	34%	38%	1%	0%	1%	1%
Creams and lotions	73%	74%	55%	54%	26%	25%	44%	45%	1%	0%	1%	1%
Detergent products (soap, liquid, powder)	50%	44%	29%	31%	48%	55%	71%	67%	2%	1%	1%	1%
Fabric conditioners	71%	76%	66%	58%	26%	22%	33%	41%	2%	2%	1%	1%
Household cleaning products	61%	63%	38%	42%	37%	36%	59%	56%	2%	1%	3%	1%

New categories added in Track 2:

Category	Reduced		Consume as before		Increased	
	P3	P4	P3	P4	P3	P4
Shaving products	45%	45%	55%	54%	1%	0%
Sanitary napkins	27%	35%	73%	64%	1%	1%
Baby/kids care products	51%	51%	47%	49%	1%	1%
Domestic pests (insects, mice etc)	50%	49%	48%	50%	2%	1%

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

The majority of consumers have either reduced or maintained their consumption levels from the previous period. Dental care remains the least affected category, with a vast majority maintaining the same level of consumption across all four periods.

Within Personal Care, cosmetic products, creams, lotions, and fragrance products are the most reduced categories.

Among the newly added categories, the majority anticipate maintaining their current consumption levels into the next quarter. However, a further reduction in consumption is expected in the sanitary napkin category. In other categories, respondents expect their current consumption levels to continue into the next quarter, with no significant increase anticipated.

3.4 Shopping Channels used

	Prior to crisis	Period 1	Period 2	Period 3
Supermarket	84%	61%	49%	50%
Retail shops	58%	55%	79%	69%
Wholesale shop	41%	43%	56%	52%
Order Via online	40%	15%	18%	27%
Call and get delivered	21%	6%	18%	25%
Pola (Market)	34%	42%	50%	51%
House to House mobile vendors	9%	4%	30%	27%
Not applicable	3%	2%	4%	4%

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

Usage of online ordering and call for delivery services have significantly increased each period while usage across other channels remain quite similar to the previous quarter.

Under the new normal, compared to the pre-crisis period, there has been a drastic decrease in supermarket visits. In contrast, visits to retail stores, wholesale markets, Pola (wet markets), and the use of mobile vendors have significantly increased.

4. SERVICES

4.1 Telecommunication Services Usage

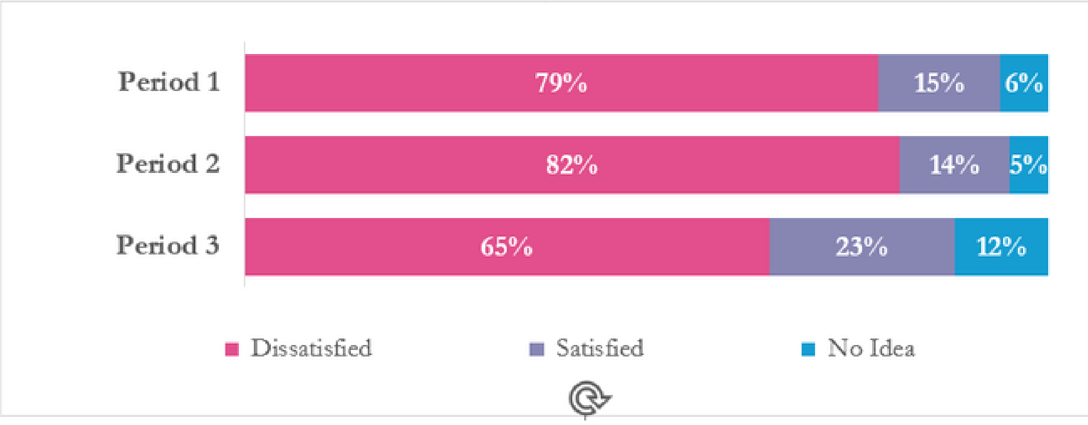
Future Consumption: Period 1 (Q3 2022) Vs Period 2 (Q1 2023) Vs Period 2 (Q3 2023)															
Telecommunication	Discontinued			Reduced			No change			Increased			Did not have		
	P1	P2	P3	P1	P2	P3	P1	P2	P3	P1	P2	P3	P1	P2	P3
Land phone / Fixed line	16%	19%	21%	31%	23%	20%	24%	28%	27%	2%	0%	4%	26%	29%	28%
Mobile phone	2%	1%	1%	44%	44%	26%	48%	52%	62%	6%	3%	11%	0%	0%	0%
Pay TV	17%	18%	14%	22%	25%	22%	35%	31%	42%	3%	3%	5%	24%	22%	17%
Internet / Broadband / Wi-Fi	11%	16%	13%	33%	31%	23%	42%	35%	39%	8%	4%	9%	6%	15%	17%

Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

Slight increase in the discontinuation of Land phones/Fixed lines can be observed while discontinuations in Pay TV and Internet have dropped. Majority of respondents have maintained or increased the usage of Mobile phones, Pay TV and Internet usage.

4.2 Education

Satisfaction with the current Education System in Sri Lanka



Period 1: October – December 2022, Period 2: February – April 2023 and Period 3: September(mid)- December(mid) 2023.

Attitude towards the future of children's education in Sri Lanka

	Upper social income class	Middle- and lower-social income class
Complete local A/L's and find employment	8%	29%
Complete local A/L's and enter a local University	22%	28%
Complete local O/L's and start a Foundation course at a private institute (fast-track)	9%	7%
Complete local A/L's or London A/L's and attend a private University in Sri Lanka	18%	5%
Complete local A/L's and attend a foreign University (abroad)	17%	10%
Complete London A/L and attend a foreign University (abroad)	7%	1%
Have already sent them abroad	8%	0%
Stop schooling and find employment	1%	4%
Have no children	10%	15%

While the majority remains dissatisfied with the current education system, there has been an increase in the proportion of those satisfied compared to the previous quarter.

Completing local A/Ls remains a priority, particularly among the middle- and lower-income segments compared to the upper-income segment. However, a significant proportion intends to have them employed after A/Ls rather than pursuing higher education.

In contrast, the upper-income class is considering multiple higher education options for their children. Only 22% are considering following a degree at a local university, while a total of 51% are exploring other options. Additionally, 32% of the upper-income class intend to or have already sent their children abroad for higher studies.

In general, the aspiration to send children to a local university is lower, and the desire for children to pursue higher education is significantly influenced by the financial situation of the family.

5. SUMMARY

This report serves as a follow-up to the Public Sentiment Survey report published by Aura Insights in mid-2023. Its objective is to delve into emerging developments within Sri Lankan society, focusing on lifestyle changes, civic responsibility, product and service consumption, and expectations for the future within the context of the "new normal."

While the economic crisis has had a deep impact on almost all aspects of life, we see signs of a slow recovery in progress fueled by resilience and adoptability to change which are now part of the Sri Lankan DNA.

While not fully recovered from the economic downturn, the majority's quality of life has remained stable compared to the previous quarter.

Hope for a swift recovery diminishes, but there is optimism about the country returning to normal within 5 years. However, uncertainty persists regarding the timeline, and definite plans for migration remain on hold.

While the financial disposition of the household determines the higher education prospects of their children, aspiration to send children to local universities has become a less attractive proposition.

A higher contribution towards the rebuilding of the nation is attributed to the private sector employees, general public, and the business community. While the least contribution overall is attributed to politicians.

Consumers are continuing to cut down consumption across most categories. However consumption of personal and household care products are being maintained at the previous level.

Shopping channel usage appears to be very much similar to that of the previous quarter except in the cases of online and calling for delivery which have continuously increased.

Mobile phone, Pay TV, and internet usage remain stable, while most individuals have either discontinued or reduced their use of fixed lines.

As of the conclusion of this survey at the end of 2023, indications of a gradual recovery are noted, with the general public maintaining optimism about the future. Nonetheless, in an effort to enhance revenue mobilization, several tax reforms were introduced from January 2024.

Coming up: *In our upcoming third wave of the Public Sentiment Survey, we intend to further examine the impact of the newly implemented taxation reforms on the lifestyle of the general public.*

About Aura Insights (Pvt) Ltd...

We are a leading Market Research company with a highly accomplished team with over **80 years of combined market research and corporate experience.**

With our cutting-edge analytical tools and the expertise of our team, we pride ourselves in **providing our clients with actionable and accurate market insight**s that help them remain ahead of their competition. Our diverse backgrounds working at the client’s as well as the supplier’s end, gives us the distinct advantage of being able to **provide clear strategic direction** to our clients that go beyond mere reporting of findings.

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