

Social Listening:



ENODO Consumer Sentiment Index (ECSI)

September 2022

KEY FINDING

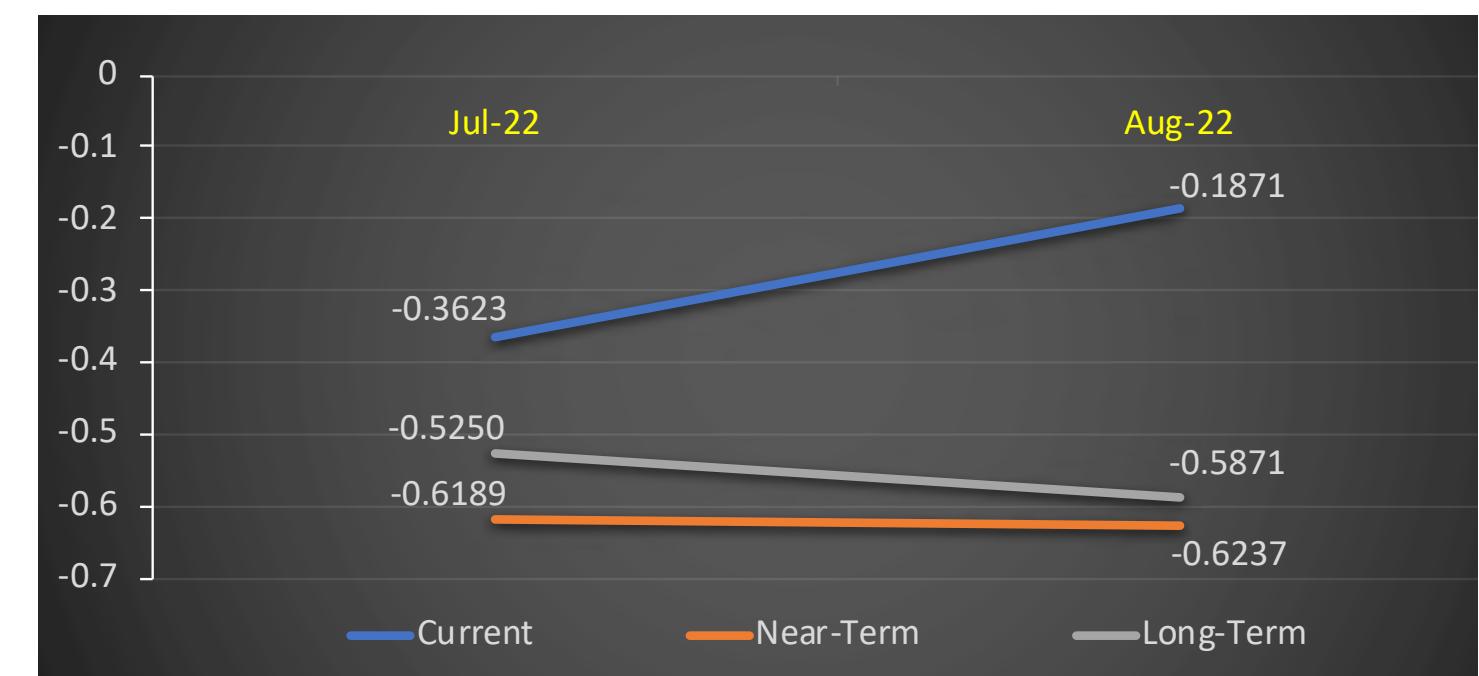
The ENODO Consumer Sentiment Index (ECSI) revealed an increase in consumer sentiment for August after several months of steady decline. Lower gas prices, positive market movements, and favorable employment reports increased positive perceptions of consumers' current financial situation. However, Chairman Powell's comments on a potential interest rate hike shook the stock market, reignited inflation concerns, and increased discussions about a possible recession, which negatively impacted consumers' near and long-term views of the economy and offset overall consumer sentiment.



"Inflation remains a top concern for American consumers, though falling gas prices and attenuating price increases on other goods have helped to guide their economic outlooks."

In August, consumers expressed a sense of optimism about their current financial situation for the first time. However, their near and long-term outlook remained pessimistic due to possible interest rates hikes, continued inflation concerns, and a possible recession. An analysis of consumer sentiment by category revealed a stark contrast between consumers' views of their current financial situation and their near and long-term outlook on the economy. It also demonstrated how their current financial situation had greater influence on sentiment than their near and long-term outlook.

- Current financial situation
 - ▷ ECSI score increased 48% from -0.3623 to -0.1871
- Near-term outlook
 - ▷ ECSI score decreased 0.77% from -0.6189 to -0.6237
- Long-term outlook
 - ▷ ECSI score decreased 11.8% from -0.5250 to -0.5871



CONSUMER ANALYSIS

The combined ECSI score for August measured -0.4659, which represents a -0.0361 increase in consumer sentiment from July. The change in consumer sentiment was attributed to a 5% increase in positive sentiment and a 24% increase in the volume of discussions.



“When was the last time you didn’t do something or buy something because of inflation? For many, inflation is changing their outlook on money and spending choices.”

Category	Positive Sentiment	Negative Sentiment	Neutral Sentiment	Volume of Discussions	ENODO Index
How consumers view their current financial situation	25%	44%	31%	746,197	-0.1871
How consumers view the economy in the near-term (3-6 months)	19%	55%	26%	417,867	-0.6237
How consumers view the economy over the long-term (6-18 months)	13%	63%	24%	324,756	-0.5871
Combined Index Score					-0.4659



“I seriously don’t understand why people listen to know-nothing CEOs about the economy and not, you know, actual economists.”

TOPIC MODEL

Discussions about gas prices, credit card debt, the cost of living, interest rates, and Chairman Powell's recent speech were found throughout each category and had a direct impact on consumer sentiment in August. Analysts applied a topic model to identify the most discussed topics and reveal the most influential topics on consumer sentiment.

- Spending had the greatest influence in August
 - ▷ Discussions centered around gas prices, cutting back on spending, and interest payments on credit card debt
- Inflation and Recession had the greatest influence on negative sentiment and continue to be re-occurring topics within each category
 - ▷ Discussions included rising prices on everyday commodities (e.g., groceries) and retail goods, particularly among urban households
- Employment emerged as a discussion topic in August
 - ▷ Discussions revolved around employment opportunities to obtain high-paying jobs to offset rising costs and expenses

Category	Topic 1	Topic 2	Topic 3	Other
How consumers view their financial situation	Spending [43%]	Gas Price [28%]	Cost of Living [14%]	15%
How consumers view the economy in the near-term (3-6 months)	Employment [48%]	Inflation [24%]	Recession [19%]	9%
How consumers view the economy over the long-term (6-18 months)	Inflation [42%]	Recession Fears [26%]	Small Businesses [19%]	13%

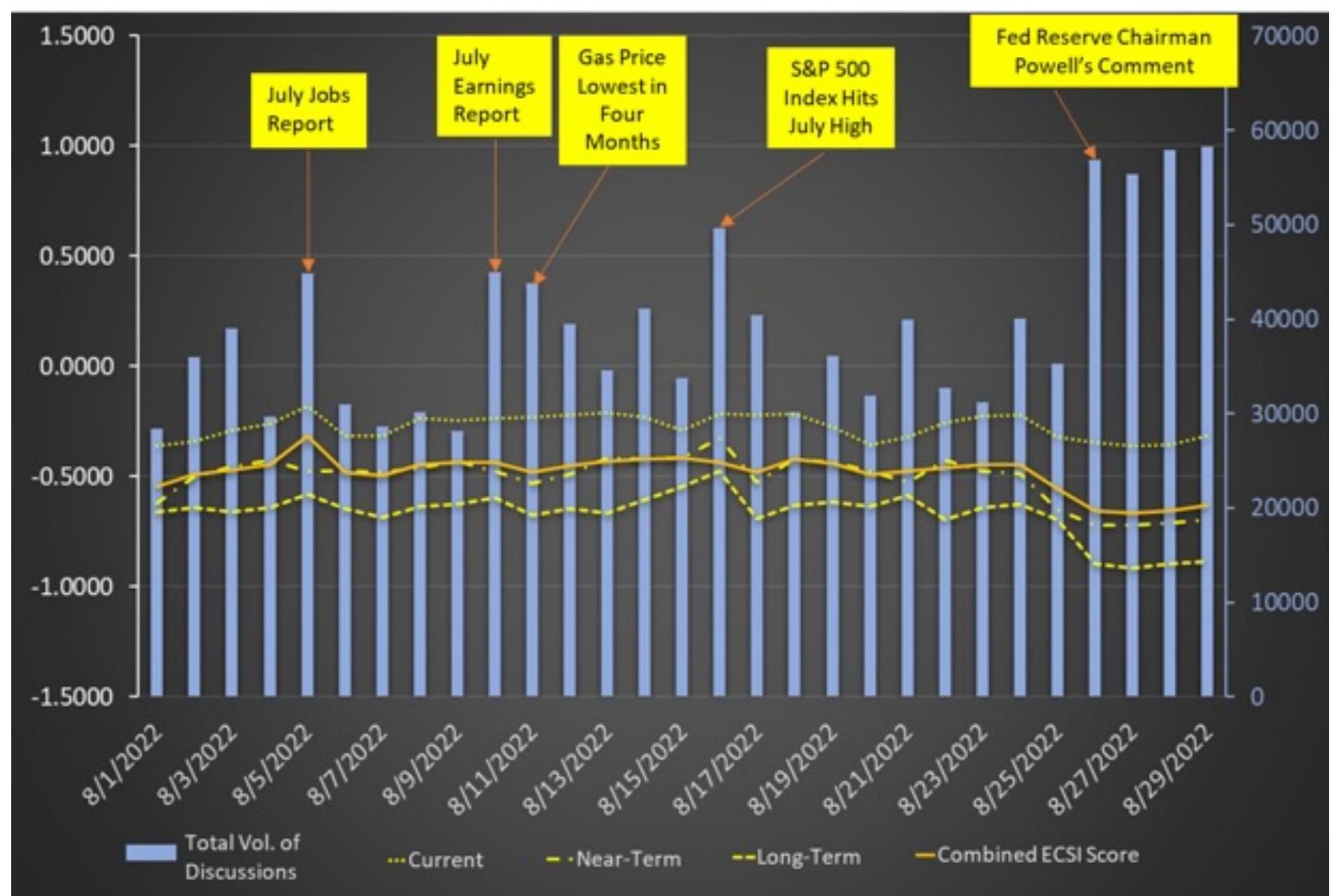
“Small businesses will not be able to pay workers with scarce amount of money. Instead of just working around the demand, try fixing the supply then you will see up trend.”



VOLUME OF DISCUSSIONS

Analysts measured the volume of discussions for key events near real-time to demonstrate how they influence consumer sentiment within each category and the Combined ECSI score for August.

- Topics related to the economy (e.g., S&P 500 index, Chairman Powell's comment) gathered the highest volume of discussions
 - ▷ Chairman Powell's announcement changed consumer sentiment by 16%
- Discussions linked to consumers' current financial situation received on average 18% more discussions than near and long-term topics
 - ▷ Gas prices were the most discussed topic



"Why the middle class cannot trust the Stock Market. The market was set to have a profit taking day and Blame it on the interest rate hike. But when the Fed did not raise interest rates, it did not stop the Stock Market from having a wind fall profit taking day."

ENODO's research team created the ECSI as an independent research tool to gain a deeper understanding of consumer sentiment. Analysts built a customized platform, applied advanced data analytics, social listening tools, and machine learning to accurately measure consumer sentiment of their current financial situation, how they view the economy in the near-term, and how they view the economy over the long-term. Sentiment was combined with the volume of discussions to produce an index score ranging from -1 (negative view) to +1 (positive view) for each category. Individual category scores were averaged to create the Combined Index Score that was tracked and measured daily. In addition to the quantitative analysis, analysts provided qualitative analysis based on topics of discussion and key events to deliver insights into consumers' attitudes about the economy that can be used to forecast future sentiment and behavior.

DATA COLLECTION

ENODO's technical platform collected data on topics related to the economy from over 22 social media platforms, RSS feeds, blogs, news commentary, consumer reports, economic analysis, and other information sources from August 1 to August 29, 2022. Analysts obtained approximately 1.48 million data points including 733,186 Tweets, 217,527 Facebook posts, 136,218 Reddit posts, 84,189 news sites, 83,189 Blogs, 73,291 Instagram posts, 42,364 YouTube comments, 38,289 LinkedIn posts, 27,365 TikTok comments, 26,328 Snapchat comments, and 23,372 RSS feeds specific to the attitudes, beliefs, and expectation of the U.S. economy to create the ECSI and produce this report.





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