

sparks & honey

# uncertainty

Strategies for Navigating  
an Era of Uncertainty

# Everything Is Uncertain. Now What?

In a brief period of hope last year in May, in between coronavirus variants and before war erupted, *The Economist* declared that “global uncertainty is on the wane,” leaning on its Global Uncertainty Index. At the same time, confidence in the economy was starting to build. A year later, the pandemic is still leaving its mark on summer plans, and the grief that comes with a million lives lost in the U.S. alone is palpable. Economic turbulence abounds with inflation skyrocketing at 8.6%, along with record gas prices, and supply chain issues that are leaving babies hungry, all while Russia’s war in Ukraine continues to rage and rock the global ecosystem.

How do you steer a business in this environment? Understanding the cultural context of such massive changes is the first step in planning for uncertainty. To that end, we’ve examined some of the key cultural drivers of uncertainty today and the strategies that can illuminate a path forward. It’s how we as people, leaders, communities, and private and public organizations react to it that can make the difference.

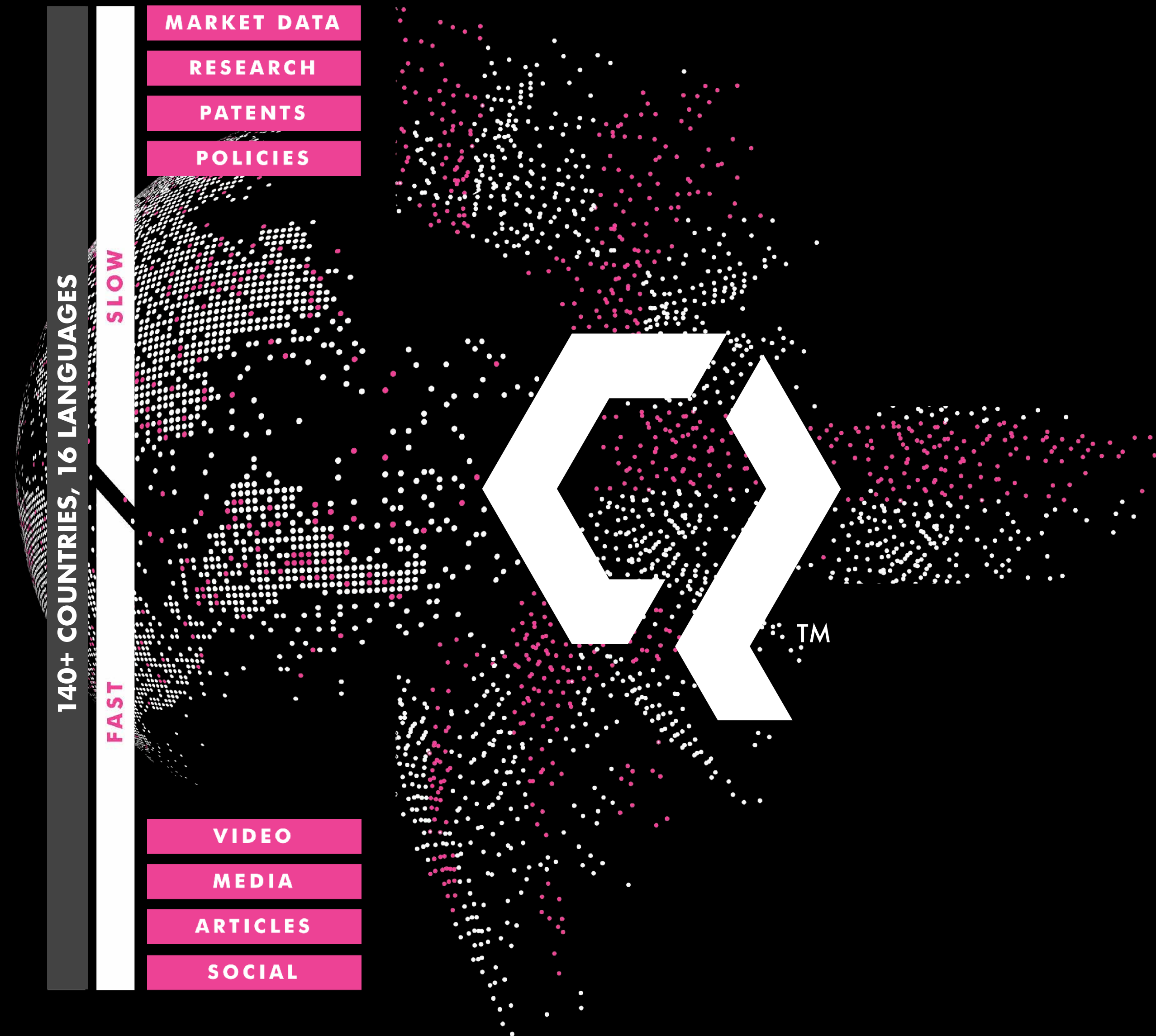
Let’s take a look.

## Our Methodology

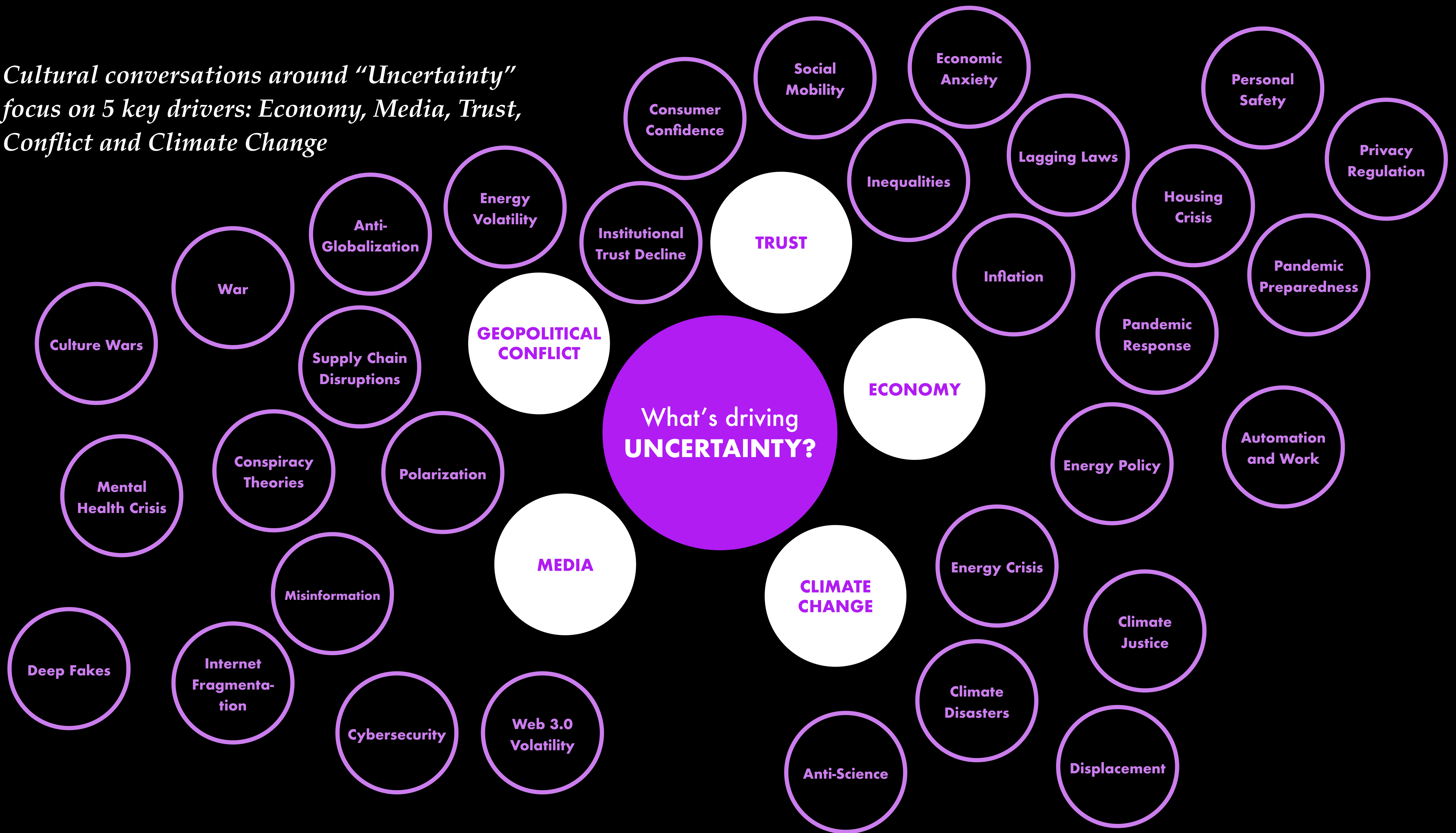
At sparks & honey, we make sense of culture with human data and big data. This combination allows us to identify patterns in culture that would otherwise be missed with just one dataset.

As a framework for this report, we leveraged our human expertise together with cultural data from our AI-powered intelligence platform Q™ to understand the landscape of uncertainty and fuel our recommendations.

Q™ collects millions of signals from over 140 countries in over 16 languages — 24 hours a day, 7 days a week. Q™ then creates structure from those signals, using AI to organize and contextualize millions of articles, media, patents, startups and other signals of cultural change.



*Cultural conversations around “Uncertainty”  
focus on 5 key drivers: Economy, Media, Trust,  
Conflict and Climate Change*





# THE ECONOMY

## Consumers Facing First-Time Inflation and Sticker Shock

The U.S. is headed toward an “economic hurricane” due to inflation, according to Jamie Dimon of JP Morgan Chase. Some experts have since touted his warning as alarmist, but stress abounds in all matters of the economy. In a May survey, the Federal Reserve Bank of New York suggested that uncertainty around “future inflation outcomes” increased to new highs. Meanwhile, the World Bank warned that the global economy could suffer from a 1970s-era of “stagflation” with weak growth and rising prices persisting. Consumers need only show up to their local shops to feel the tangible effects of inflation - and supply chain issues - on their spending habits and bottom line. It’s also the first time Gen Z are experiencing the wrath of severe economic turmoil in their barely grownup years. Many Americans are adjusting their spending habits and behaviors due to inflation. Everyone is more aware of price and value, amid the looming pressures of inflation and the more heated discussions about a potential recession.

More than  
**8 in 10**

“Hate” this economy - the most pessimistic view from Americans in 50 years.

Source: Fortune

**Consumer prices climbed**

**8.6%**

Year-over-year as of May 2022 — the fastest increase in 40 years.

Source: The New York Times

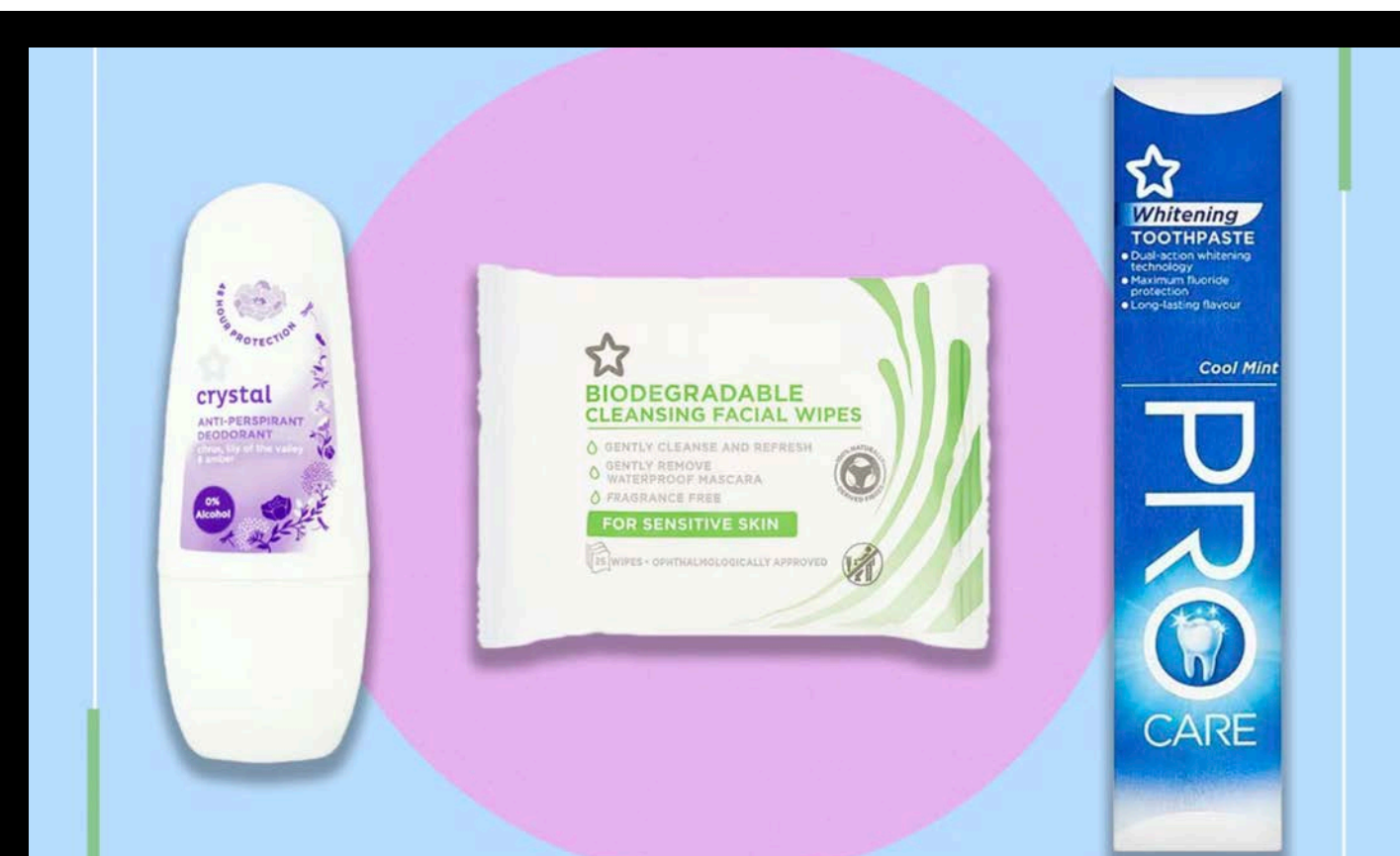




### **GOLDMAN SACHS: U.S. ECONOMY WILL SLOW BUT DODGE A RECESSION**

Goldman Sachs economists expect the Federal Reserve to bring the U.S. economy to a grinding halt in order to cool inflation, but believe central bank policymakers may be able to successfully pull off their aggressive rate hike plan without dragging the country into a recession.

Source: Fox Business



### **SUPERDRUG'S NEW "SHOP SMART" INITIATIVE COMBATS POVERTY**

British retailer Superdrug's new "shop smart" initiative is in collaboration with anti-poverty campaigner and activist Jack Monroe to help customers deal with the growing cost of living. The retailer found that 80 percent of its customers needed to switch to cheaper brands, so Superdrug then added a further 30 products to its price-freeze promise of everyday items.

Source: The Independent UK



### **CONSUMERS' EXPECTATIONS FOR INFLATION, SPENDING AT RECORD HIGH**

Consumer expectations for inflation and spending both hit record levels in May, the New York Federal Reserve detailed. Prices also rose at their fastest pace since late 1981 in May. At the same time, median household expectations for spending increases over the next year soared to 9%, up a full percentage point from the previous month.

Source: CNBC



# Communicate directly to an evolving consumer mindset

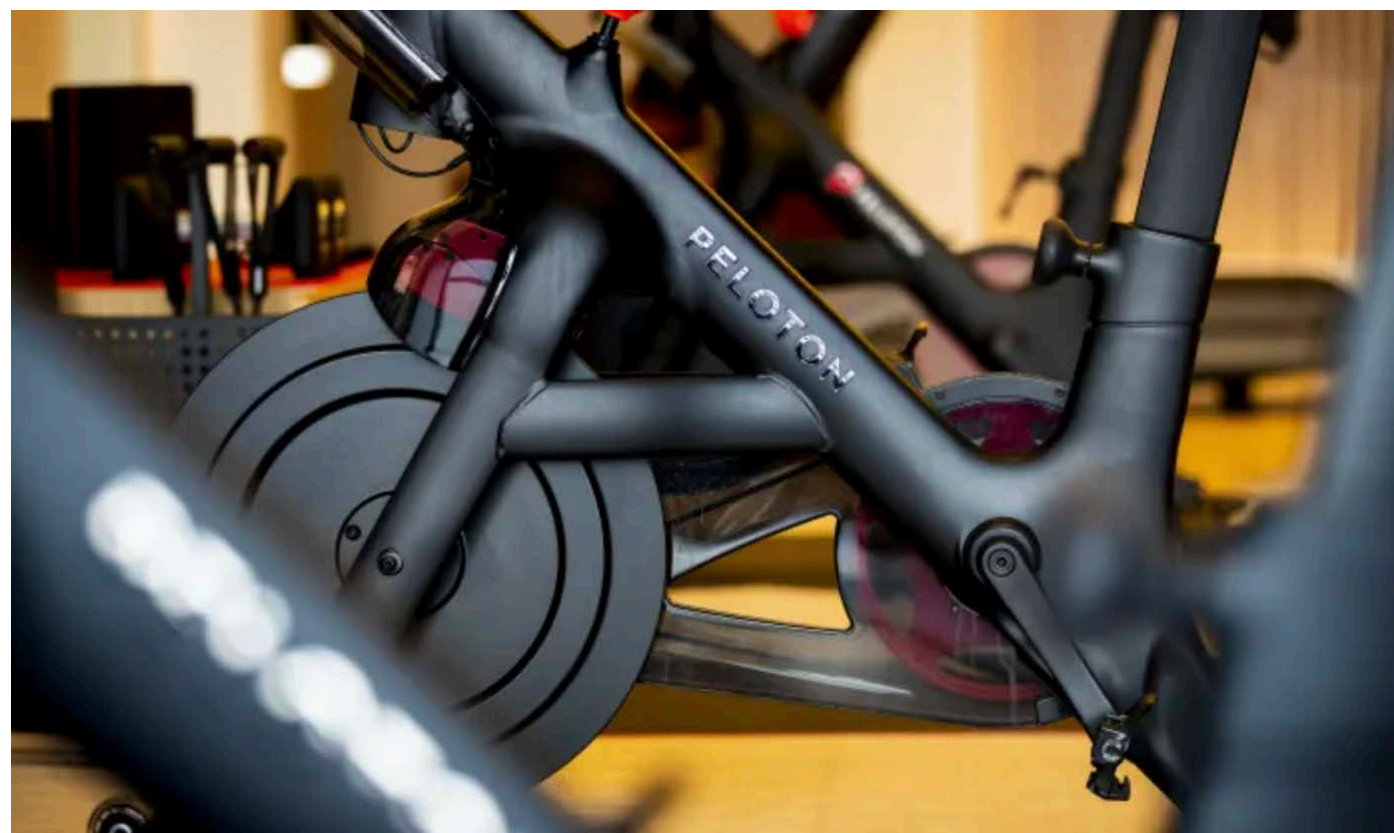
In the midst of economic turbulence and the potential for a recession looming, leaders will need to address their communications and messaging to reflect the evolving business climate and mindset of consumers.



## TARGET OFFERS STEEP DISCOUNTS TO CUSTOMERS IN RESPONSE TO INFLATION

Target CEO Brian Cornell cited inflation and "historic highs with inventory levels" as he announced plans to aggressively markdown inventory amid "an environment many of us haven't seen before." Target Deal Days in mid-July will offer shoppers steep sales in every category, including food and beverage, electronics, beauty, home, apparel and toys.

Source: [Yahoo Finance](#)



## PELOTON TESTS NEW PRICING MODEL

Under its new CEO Barry McCarthy, Peloton is trialing a new pricing model in which customers pay a single fee for both their exercise equipment and access to on-demand fitness classes. The pricing will be available in select markets initially, ranging between \$60 to \$100 in monthly fees.

Source: [CNBC](#)

# Maintain value, even amid price hikes

Even as inflation raises prices, the value equation has to remain intact for consumers. In that regard, inflation goes hand in hand with the internal and external values of a company, which will need to be elevated in its products and services.



# MEDIA

## Uncertainty Fueled by Vast Misinformation, Polarization Spread

The media ecosystem is driving false narratives, manipulating reality and increasing polarization — and making it harder to improve consumer confidence and unity. The plague of information pollution is a heightened and escalating threat, according to the World Economic Forum, and experts agree that the vast spread of misinformation is “out of control.” From Australia to Bangladesh, governments around the world have set up task forces and campaigns to counter misinformation spread. Similarly, regulators and consumers are taking a harder stance on technology platforms, which are seen as enabling the spread of misinformation and fake news. Polarization can lead to fear and a self-fulfilling prophecy of recession, according to Nobel Laureate economist Robert Shiller, as investors, companies and consumers grow increasingly concerned about a downturn. The Brookings Institute, in turn, warns that a real concern is an extraordinarily polarized American society, which has gradually worsened for decades before the emergence of Facebook, Twitter and YouTube.

**Economic pessimism abounds**

**1 in 3**

Americans named political polarization as a top issue facing the U.S.

Source: [\*FiveThirtyEight\*](#)

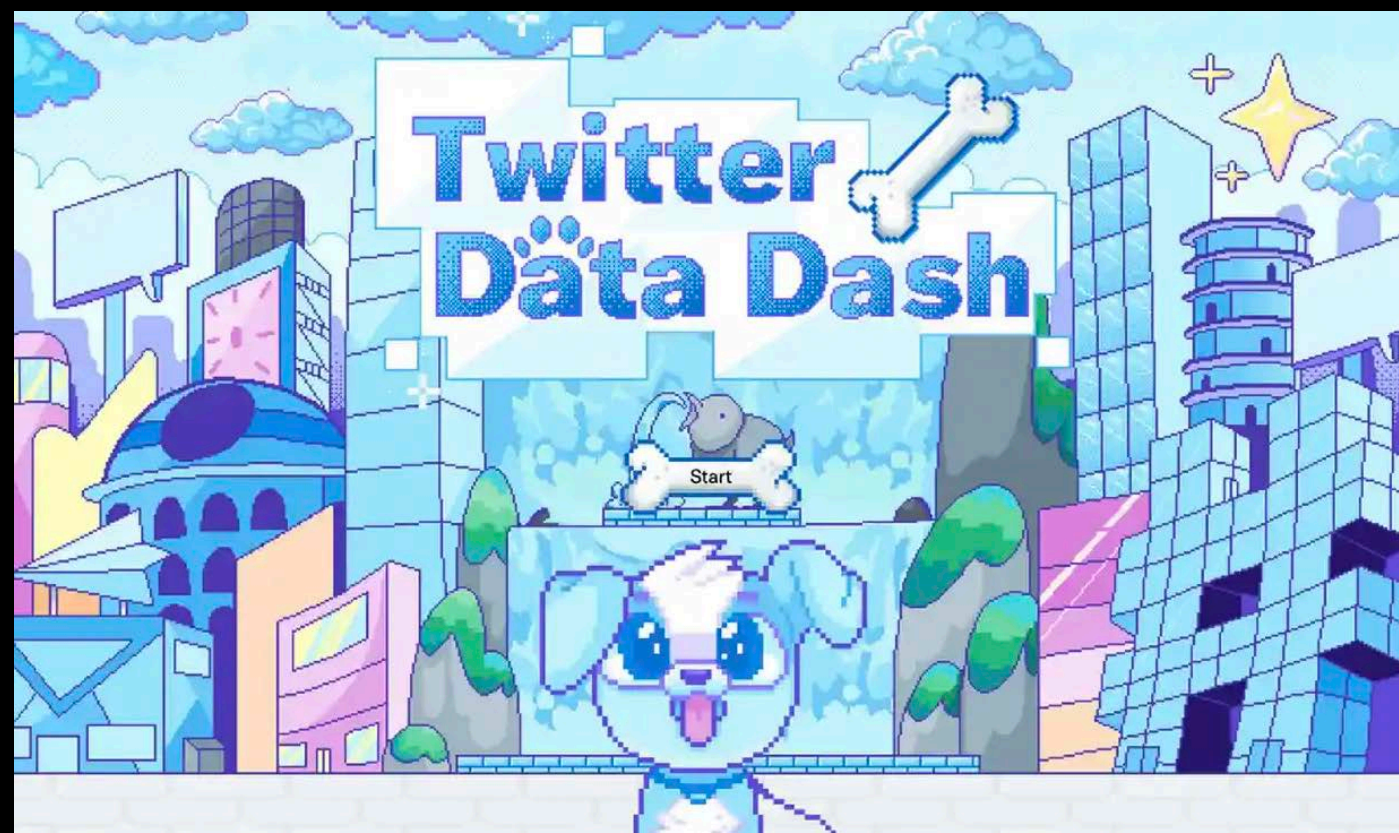
**Democracy is under threat globally**

**38%**

Of the global population is living in Not Free countries — the highest proportion since 1997.

Source: [\*Freedom in the World Report 2022\*](#)





## TWITTER TURNS ITS PRIVACY POLICY INTO AN OLD-SCHOOL VIDEO GAME

Twitter has turned to gamification to help inform its users of privacy regulations, amid rising data concerns. The platform unveiled Twitter Data Dash, which plays like a vintage side-scrolling platformer that's been draped with a healthy dose of disinformation anxiety.

Source: [The Guardian](#)



## INFLUENCERS ARE POSTING POTENTIALLY DANGEROUS BABY FORMULA RECIPES

In response to the baby formula shortage, people have started making their own baby formula, causing concern among medical professionals and regulatory agencies. The Food and Drug Administration and the American Academy of Pediatrics warn against the risks of a lack of balanced nutrition and harm to babies. Meanwhile, TikTok influencers are posting homemade baby formula remedies, gaining views in the 10,000s.

Source: [Rolling Stone](#)



## FAKE NEWS THREATENS JOURNALISM, FROM BRAZIL TO THE U.S.

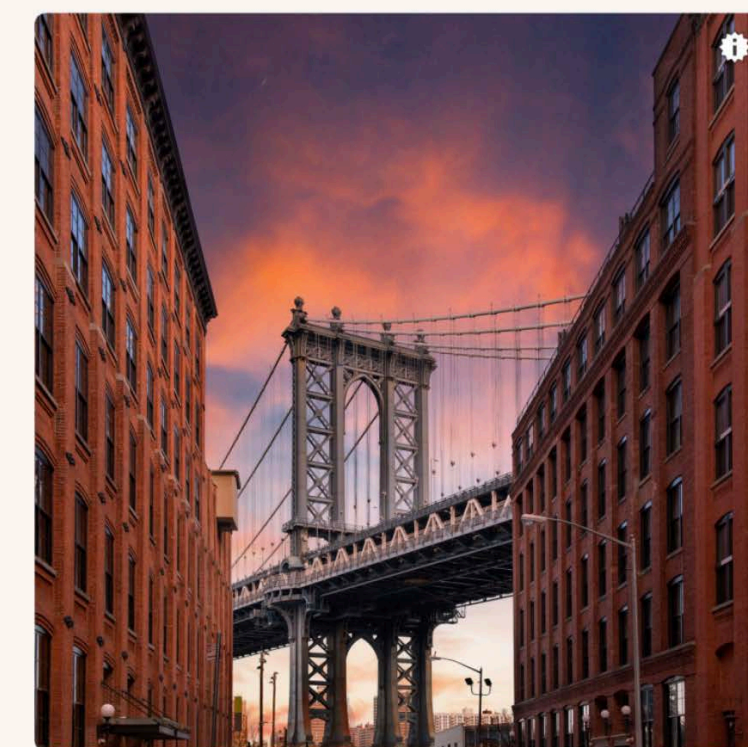
A new [HBO](#) Original documentary, *Endangered*, puts a harrowing spotlight on the challenges facing news outlets and journalists in the era of "fake news" and misinformation. The film looks at a year in the life of four journalists, who, until recently, could take press freedoms for granted. How bad is it out there? And can the "fake news" genie unleashed by Trump be put back in the bottle?

Source: [The Guardian](#)



# Make misinformation visible

In the face of rampant misinformation, fake news and manipulated reality, consider calling out misinformation that affects your business as part of a dynamic corporate strategy. Organizations can step in to proactively debunk skewed media messages.



## ADOBE'S OPEN SOURCE TOOLKIT COUNTERS VISUAL MISINFORMATION

Adobe's Content Authenticity Initiative (CAI) has released a [three-part open source toolkit](#) to quickly get the technology out quickly. The CAI's core goal is to counter visual misinformation online. But a digital chain of custody could also benefit content creators who have their work stolen or put up for sale, a phenomenon that's plagued visual artists for years and now is causing [headaches in NFT markets](#).

Source: [Tech Crunch](#)



## YOUTUBE CEO: PLATFORM PREPARING FOR ABORTION MISINFORMATION

YouTube CEO Susan Wojcicki is dedicated to countering misinformation. “We see that there is real risk,” she said. The brand is considering how it would address content moderation, advertising concerns and misinformation related to abortion, giving the example of a user posting a video saying that abortion was illegal in a state where it is actually allowed. It is a complicated, politically fraught situation to be in.

Source: *Hollywood Reporter*

# Become a voice of reassurance

Taking a firm stance on social and policy issues — and voicing them — is a way to create reassurance amid uncertainty, especially among heightened issues that put the rights of individuals at stake.



# NEW SOURCES OF TRUST

## Uncertainty Is Creating New Zones of Influence

As Americans lose faith in institutions, confront social isolation due to the pandemic, and dwell in their echo chambers, people are becoming less and less exposed to different points of view in their daily lives. This creates doubts around the foundations people used to rely on, from technology to healthcare and governments. The uncertainty stemming from the climate of economic turbulence and anxiety means new sources of trust are emerging. Over two years into the pandemic, the need for safety and security has made healthcare companies and brands coveted sources of trust, for example.

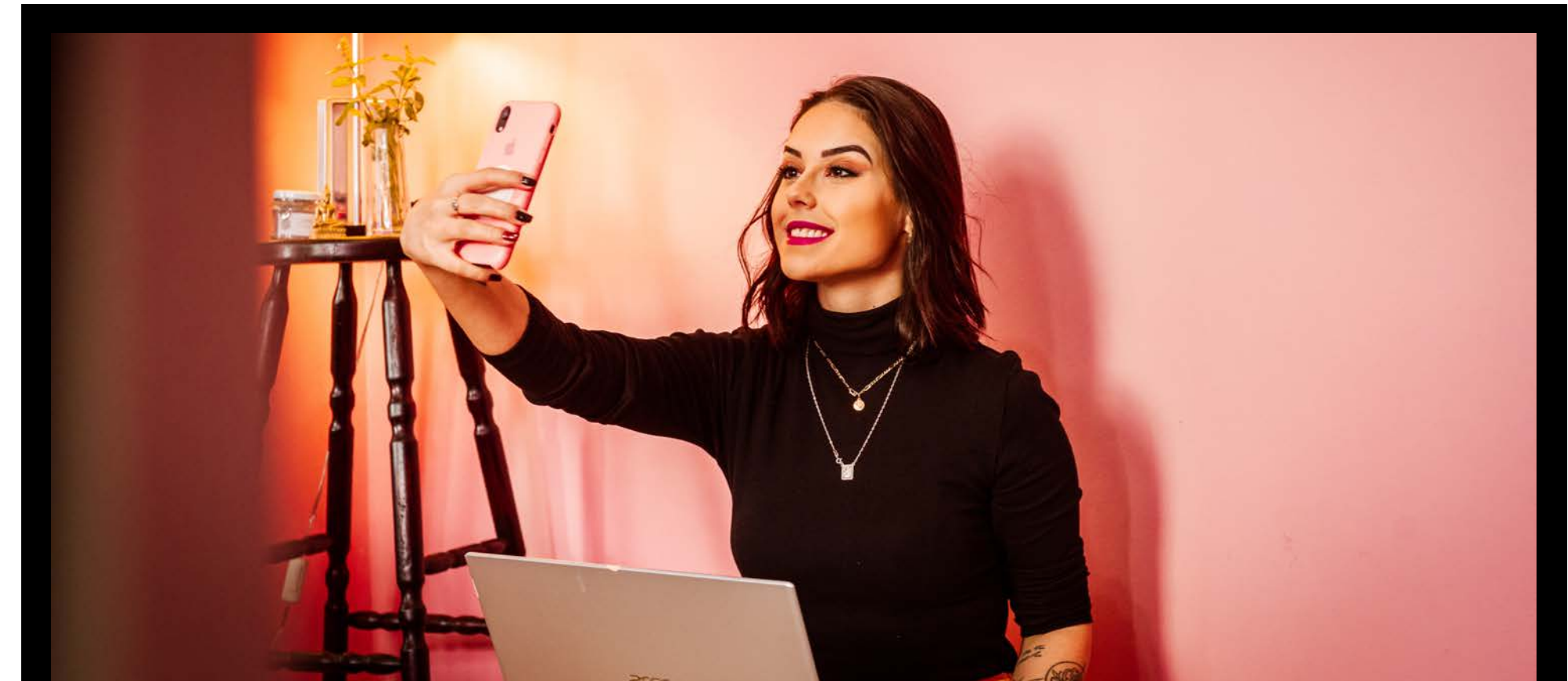
Organizations and brands have a responsibility and place to create stability and a sense of comfort when everything is uncertain. People are inclined to trust individuals they know or have direct contact with, a NBC News Poll revealed. Developing relationships with communities and individuals heightens the stakes for social impact through trusted voices, sources and organizations.



### HEALTH COMPANIES DOMINATE THE LIST OF MOST TRUSTED BRANDS

Health and safety are still top concerns for consumers, over two years into the Covid-19 pandemic. The pandemic has changed the relationship we have with cleaning and hygiene, which is evident in the brands adults in the U.S. trust the most: Band-Aid, Lysol and Clorox, according to a study by Morning Consult.

Source: *Adweek*



### GEN Z AND MILLENNIALS TRUST YOUTUBERS MORE THAN ANYONE ELSE

Both Gen Z and Millennials are most likely to say they trust YouTubers, with this group outranking Instagrammers, TikTokers, and Snapchatters as well as public figures like police, news anchors, and politicians. Young consumers—especially Gen Z—grew up on YouTube, and these creators have become more than faces on a screen to them.

Source: *Celebrities and Influencers Report*, YPulse, 2021



# Highlight your organization's trust muscle

Public perception and trust can make or break your business. Examine where your organization has strengths when it comes to trust, and build the organizational muscle where trust can still be elevated.



## LUCID MOTORS LAUNCHED "TECH TALKS" TO BOLSTER TRANSPARENCY INTO THEIR BUSINESS

Automaker Lucid Motors is giving a glimpse behind its production processes with a new YouTube series explaining its innovative, and, in some cases, industry-leading technologies. The 10-episode series, Tech Talks, launched on YouTube to provide insights and transparency into their business models.

Source: [Electrek.co](https://www.electrek.co)



## C-SUITE JOB OF THE FUTURE: CHIEF PURPOSE OFFICER

To appease employees, customers and shareholders alike, companies are investing in grappling with huge social problems like systemic racism, income inequality and climate change. More companies are dedicating entire departments to tackle societal issues and even hiring a purpose-focused executive — chief purpose officer — to lead the efforts. Now every political, social and environmental challenge is becoming a corporate concern as well.

Source: [Axios](#)

# Become a force of stability and comfort

Elevate the public voice of your brand or organization to provide a vision of stability and comfort in a world that is anything but stable now. The voice of a leader can resonate far beyond the walls of an organization.



# GEOPOLITICAL CONFLICT

## Companies Need New Capabilities To Navigate Geopolitics

The Russia - Ukraine war is now threatening not just human life, but global food supplies, energy stability, and more. In the longer term, armed conflicts also have severe environmental costs. Secretary of Treasury Janet Yellen highlighted that war brings uncertainty to the global economy. Disruptions to global energy supplies are leading to growing gas prices and energy crises that are felt not just at the gas pump, but will hit Europe the hardest and trickle around the globe. The conflict has led both governments and large companies to embrace friend-shoring, referring to a company shifting its supply chain to tie production and trading channels to friendly nations — and away from authoritarian regimes. It is also putting organizations into the unique position of having to quickly gauge global issues that extend far beyond the traditional concerns of businesses. “Every CEO of a global business today has to make sure they have a real plan for geopolitical disruption,” Robert Gibbs, former President Obama’s first White House press secretary, told Axios.

More than  
**6.8 Million**

People have been driven  
out of Ukraine to date.

Source: UNHCR estimate, AP News

**War is affecting  
commodity prices —  
the price of crude oil  
has risen**

**57%**

To date to above \$122  
per barrel for the first  
time since 2008.

Source: U.S. News and World Report





## THE GLOBAL FOOD SYSTEM IS BEING BATTERED BY CONFLICT

Nearly 250 million people could plunge into famine unless governments act together. Russia and Ukraine supply 28% of globally traded wheat, 29% of the barley, 15% of the maize and 75% of the sunflower oil. The war is disrupting these supplies.

Source: *The Economist*



## U.S.-RUSSIA CONFLICT HEATS UP — IN CYBERSPACE

As the war in Ukraine rages, a long-standing battle between Russia and the United States over cyberspace is also heating up, with a top Russian diplomat warning of “catastrophic” consequences if the United States or its allies “provoke” Russia with a cyberattack.

Source: *The Washington Post*



## CONFLICT IN UKRAINE TRIGGERS FEAR OF NUCLEAR WARFARE

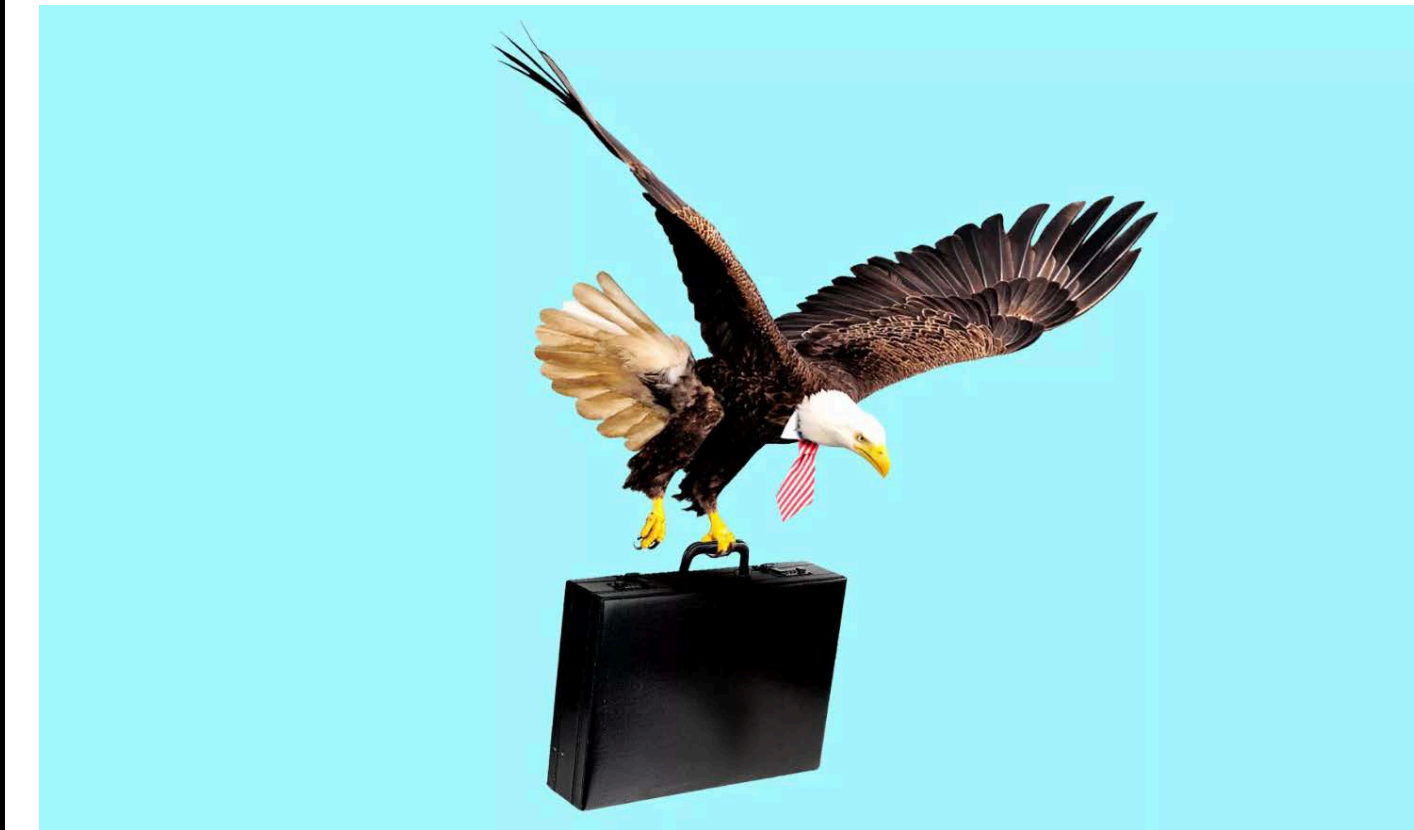
A recent CBS News poll found that 70% of adults are worried Russia's invasion of Ukraine could lead to fighting with nuclear weapons. George Washington University professor Sharon Squassoni has been warning about the risk of nuclear conflict for years, "The lessons of the Cold War seem to have been forgotten." Russia and the U.S. each have more than 1,500 weapons deployed and ready to fire.

Source: *CBS News*



# Do you have a geopolitical advisor?

Chances are, probably not. Create new organizational structures to elevate your strategic understanding of geopolitical issues and their effects on your business.



## CEOs SEEK THEIR OWN STATE DEPARTMENTS

Russia's invasion of Ukraine is prompting CEOs to build their own mini-State Departments as they navigate the uncertainties of a war and world increasingly unbound by norms and institutions. Mastering foreign policy is not in the wheelhouse of executives, who traditionally focus on successful products and services and turning profits — not mastering foreign policy. With little margin for error, many are turning to D.C. experts with heightened urgency.

Source: [Axios](#)



## BURGER KING AND MCDONALD'S ADJUST MENUS TO ACCOUNT FOR THE SUPPLY CHAIN SHORTAGE

The supply chain shortage has meant a scant supply of potatoes, leading Burger King and McDonald's to take steps to counter the french fry shortage. Earlier this year, McDonald's took large fries off the menu in certain countries. But Burger King is offering new substitutes, such as creating an "almost-potato set" in Japan, with a side of ramen in place of fries.

Source: *The Street*

# Define your expertise to help solve immediate crises

How can your company or brand pivot to counter geopolitical issues? From potential food supply shortages to supply chain hiccups, define how you can elevate your expertise to create immediate solutions to the effects of global crises.



# Identify vulnerabilities in your cybersecurity

Reassuring stakeholders, from investors to consumers, that your cybersecurity plans are up-to-date will only become more significant as global cybersecurity and privacy risks increase.



## MICROSOFT DOUBLES DOWN ON CYBERSECURITY THROUGH ACQUISITION

Microsoft announced that it is acquiring cyberthreat analysis and research company Miburo in a blog post. The cybersecurity company specializes in detecting and responding to foreign information operations. Microsoft plans to use Miburo's cybersecurity tech to partner with other companies in the public and private sectors to find ways to stop foreign adversaries from threatening public and private sector customers.

Source: [PYMNTS.com](https://pymnts.com)

# A CLIMATE CHANGED

## It's Time for New Climate Narratives

Climate change is no longer a far-flung issue when it's tangible every day, such as with dangerously excessive heat. Organizations are only starting to wake up to the need to integrate climate narratives into business strategies. Climate-related events are already affecting more than one in four organizations globally. Some industries are rallying over climate issues, with public sector, consumer, and life sciences and healthcare industries expressing the most concern over climate change: Over 80% of executives in these fields say they are apprehensive about the future. While countries around the world take steps to combat climate change, issues of greenwashing plague data provided from organizations in the U.S. due to a lack of regulation on reporting. Barron's reported on an anonymous survey of executives at companies with over 500 employees, revealing that 68% of U.S.-based executives admitted their companies were guilty of greenwashing. There is an urgent need for accountability from business leaders, as lives and ecosystems are at catastrophic risk if industries fail to quickly reduce emissions of planet-heating gases. Climate narratives for business are beginning to be baked, but they only stand to heat up in the near future.

65%

Of consumers expect CEOs to make more progress on societal issues, including reducing carbon emissions, tackling air pollution, and making business supply chains more sustainable.

Source: CMO Today, Deloitte

1 in 4

Organizations worldwide are already affected by climate-related events.

Source: The Climate Check Report 2021, Deloitte Global





### AS LIVING COSTS SURGE, CLIMATE CHANGE TAKES A BACKSEAT IN GLOBAL ELECTIONS

From heat to drought, climate change effects are becoming more frequent and intense - but efforts to slash emissions and adapt to global warming are both lagging, the U.N.'s Intergovernmental Panel on Climate Change warned recently. But, as countries from the Philippines to Lebanon and Brazil gear up for elections, climate change has not featured as a major issue. Instead, the focus has been on jobs and livelihood, as economic conditions have worsened in the pandemic.

Source: [News.Trust.org](https://www.newstrust.org)



### FOR YOUNG PEOPLE, TWO DEFINING EVENTS: COVID-19 AND CLIMATE CHANGE

An unforeseen pairing of catastrophes will inform how Generation Z navigates the world as adults, and the kind of future they create. Climate and COVID-19 is an unfathomable pairing of disasters. One will surely intersect with the other in ways not yet clear. This much is: For huge numbers of young people, the virus will become a defining moment in their formative years and the economic hardship unleashed will almost certainly shape their worldview.

Source: [National Geographic](https://www.nationalgeographic.com)



# Highlight climate-based risk in strategies

Understanding climate-related risks is a starting point to mitigating risk in your portfolio. Integrating climate considerations into business strategies will only grow in demand as the tangible effects of climate change escalate. Climate strategies are long-term investments designed to safeguard employees, communities, your business, and the preservation of the planet.

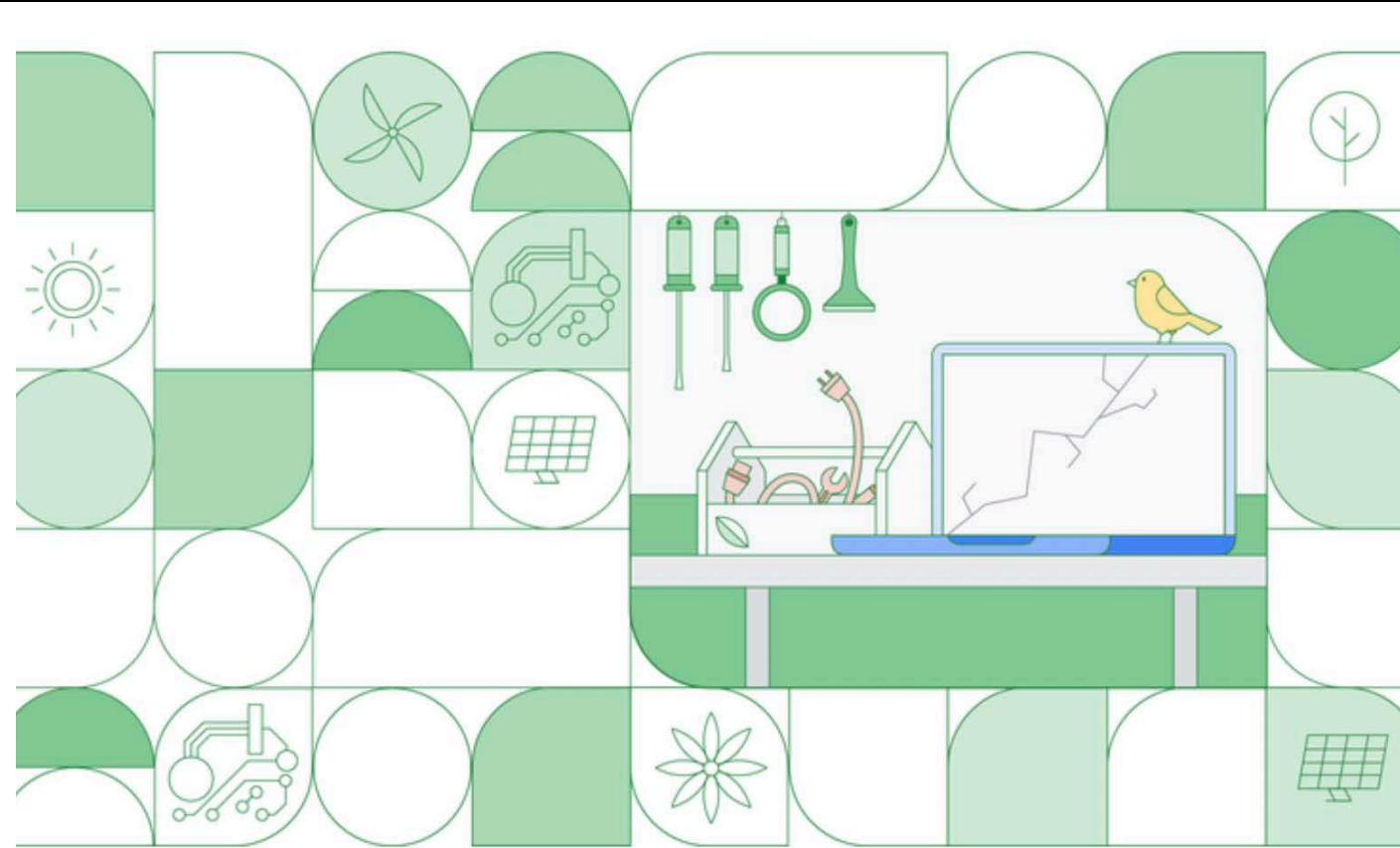


## INVESTORS DESERVE TO KNOW THE CLIMATE RISKS THEIR ASSETS TAKE

Investment managers' understanding of climate-related risks is essential to mitigating risk across portfolios to secure strong returns. Yet under the current regulatory framework, investors are largely in the dark about those perils. Fortunately, the Securities and Exchange Commission is considering a strong proposal for mandatory climate-risk disclosures by publicly traded companies.

Source: [\*The New York Times\*](#)





## GOOGLE AMPLIFIES REPAIR PROGRAM FOR ENVIRONMENTAL BENEFITS

Google's Chromebook repair program has partnered with companies like Acer and Lenovo to spotlight more Chromebooks that schools can repair. On its new site, schools can identify which Chromebooks have commonly repaired components, like they keyboard or palmist. Chrome OS devices consume up to 46% less energy than comparable environmentally-designed devices.

Source: [Google's The Keyword blog](#)

# Embrace 'right to repair' initiatives

Build new climate narratives with programs that repair products or services. Such initiatives have a net positive impact on everything from reducing your carbon footprint to creating sustainable supply chains.

# Rethink your climate narratives

Climate narratives, or how we frame and discuss climate change, have vast implications on how consumers, policy makers, businesses, influencers and more take on climate action — or inaction. Ultimately, climate narratives fuel discourse around everything from the energy crisis to inflation.



## BUSINESSES SHAPE HOW WE TALK ABOUT CLIMATE CHANGE

Businesses shape how we talk about climate change, and sometimes this can stop us from paying attention to their actions. Criticisms have been leveled at terms like “carbon footprints,” which was first coined in a 2005 TV advert from BP. The advert appears to show members of the public being stopped in the street and asked what is “their carbon footprint”. Most look a bit perplexed.

Source: [BBC](#)



## There's Opportunity in Uncertainty

The cultural context of uncertainty is dynamic and ever-evolving. It's driven by massive shifts that touch on the economy, the media, the trust we place in others, geopolitical conflicts at our doorstep, and the many effects of climate change. Constantly in flux, new cultural drivers of uncertainty will surface and blend in with the others.

No matter what changes in the world, business leaders can still innovate and produce in ways that are true to their brand and values — and create meaningful changes for people, communities and their industries.

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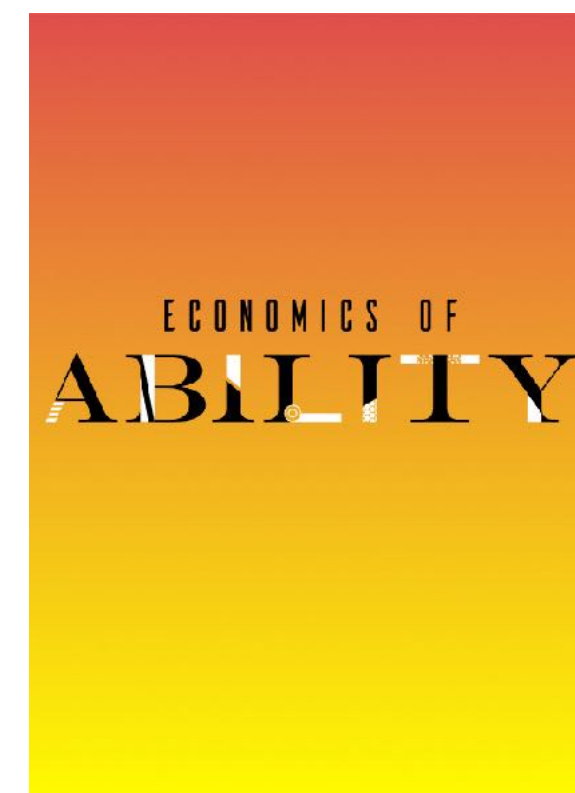
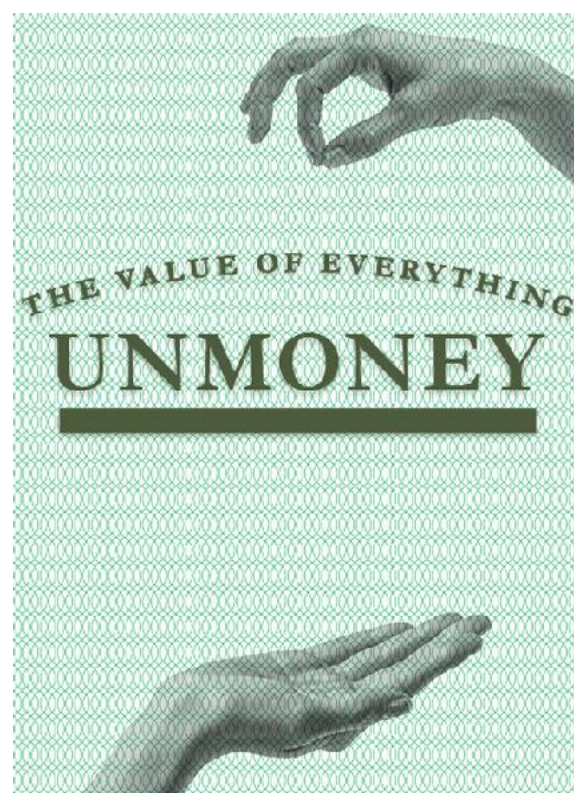
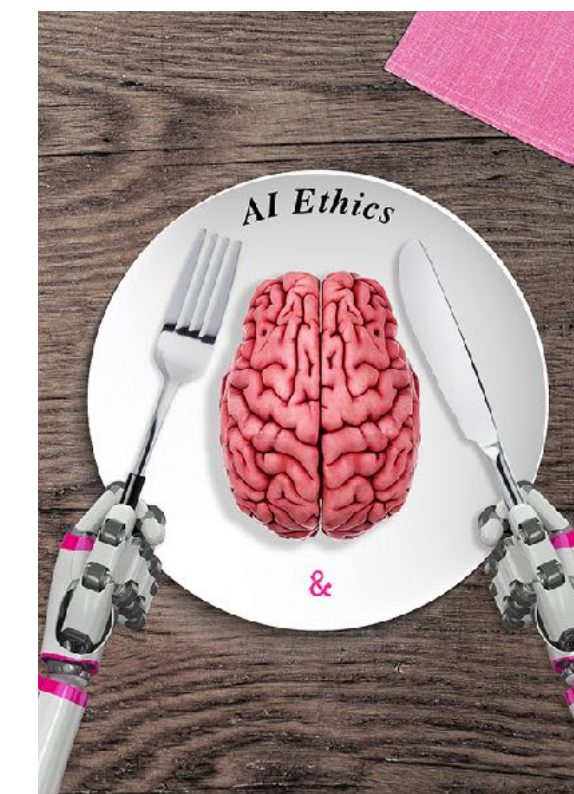
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