The Future Consumer Index

Australia

December 2020

Building a better working world

Consumer evolution

Introduction

In this sixth wave of the Future Consumer Index, we present our latest research into the ways Australians are living through the crisis and the how their behaviour is likely to change in coming years. While no-one can predict the future, an understanding of how their deep-set values and behaviours are evolving, casts much needed light on the road ahead.

Given the recent changes in Australia with the easing of lockdowns and the likely impact on consumers, we decided to run an interim Australia and New Zealand (only) round of research. The next full global wave will be in early 2021.

In this report, we uncover all of the core aspects of the lives of consumers, and benchmark change against previous waves. We also explore in detail some new topics – Christmas and festive spend intent, leisure and holiday travel, and consumer trust.

If you would like to explore the research in more detail and discuss how we can help you navigate all the uncertainty of the future, please reach out to your EY contacts or one of the Future Consumer team.

Global insight in local context

Future Consumer Now

FutureConsumer.Now (FCN) was launched in 2018 to help clients imagine and plan for the future. It uses a future-back approach and the FCN thinking has been critical in helping make sense of what has unfolded in 2020. It's a powerful and highly effective framework.

Future Consumer Index

With the emergence of the COVID-19 pandemic, we launched a global research study to build on FCN with insight direct from consumers. The program runs each month and involves…

- Extensive research across 20 countries
- 56,000+ online surveys to date
- An overlay of qualitative research and economic analysis

Country coverage

EY EY Sweeney

Consumer sentiment overview

AUSTRALIAN CONSUMERS

My future

11% strongly agree that they are confident about the future (-2%)

In control

14% strongly agree that they feel in control of their life (-1%)

Coping

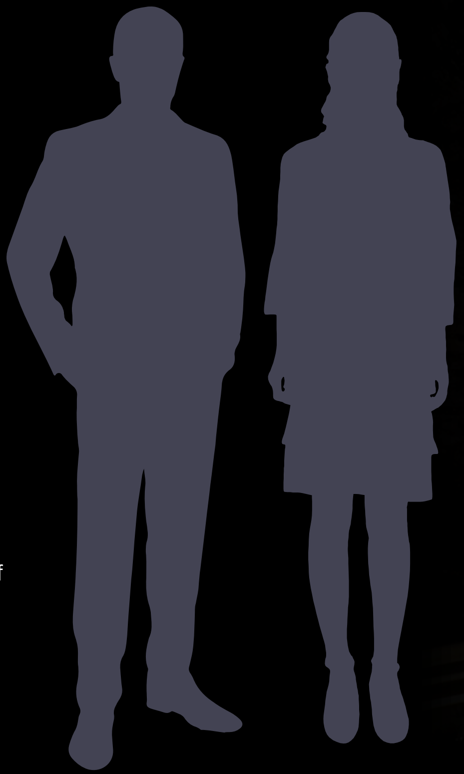
19% strongly agree that they are coping well with the impacts of the COVID-19 outbreak (+2%)

Health

27% extremely concerned about the health of their family and **25%** extremely concerned about their own health (-7% and -6%)

Contracting COVID-19

42% are worried about catching COVID-19 (-10%)



My finances

42% are concerned about the impact of COVID-19 on their finances (-3%)

My job

44% of those employed prior to COVID-19 are concerned about the impact of COVID-19 on their job (-6%)

The economy

7% strongly agree that the economy will recover in the next 12 months (-3%)

Freedom and potential

22% very concerned about their freedom to enjoy life and 18% very concerned about their ability to fulfil their potential (-7% and -5%)

Note: the data in the brackets represents the change from October to November. It is green as it is a 'positive change'. Some of the statements are worded around level of concern and worry so a decrease is the number is a positive result.

The economic reality

The hard economic reality

Employment: Employment rose by an impressive 178,800 in October. The participation rate rose to 65.8 per cent, and in fact unemployment is now only 220,000 below levels prior to the COVID-19 pandemic, meaning 3/4 of the jobs lost at the peak of the pandemic have now returned.

Monthly hours worked rose by 21 million in October, and in October were 3.4 per cent below October 2019

Unemployment & participation: The unemployment rate rose to 7.0 per cent in October, with close to 1 million Australians unemployed. The unemployment rate is expected to continue to rise, with the RBA forecasting a peak of at the end of the year.

Consumer sentiment: The ANZ-Roy Morgan consumer confidence index has risen to an index of 107.5, meaning consumers are feeling relatively optimistic at the end of November. This result is the highest level since before the pandemic hit.

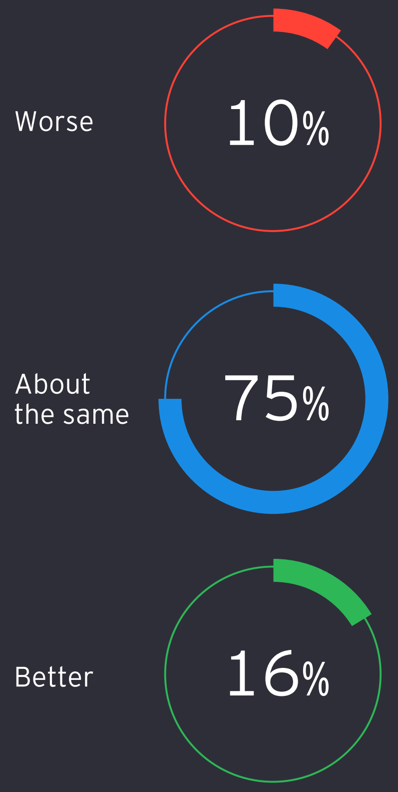
Retail sales: Retail turnover rose 1.6 per cent in October. The rise was driven largely by Victoria, which saw a 5.2 per cent increase in the month, as restrictions eased. Cafes, restaurants and takeaway food led the rise in these figures as consumers where able to enjoy hospitality service outside of their homes after three months in lockdown. Encouragingly, retail turnover in NSW rose 1.6 per cent after falls in August and September 2020. Retail trade continues to hold up well above a year ago, excluding Victoria, sales are 11.9 per cent higher than October 2019.

House prices: Dwelling prices across Australia rose in November in every capital city. Nationally dwelling prices are 3 per cent higher than a year ago, and are 1.2 per cent below their all time peak. In NSW there is a growing divergence between house prices, which have risen for 3 consecutive months and unit prices, which have now fallen for 7 consecutive months. This divergence is not consistent in other capital cities with many seeing unit prices rising in the month of November

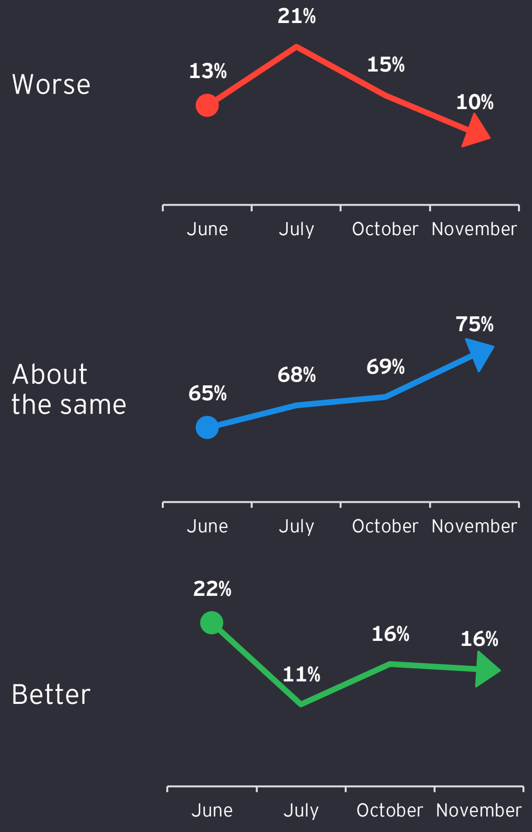
Consumer outlook:
Now, next and beyond

Emotional Impact of Covid-19

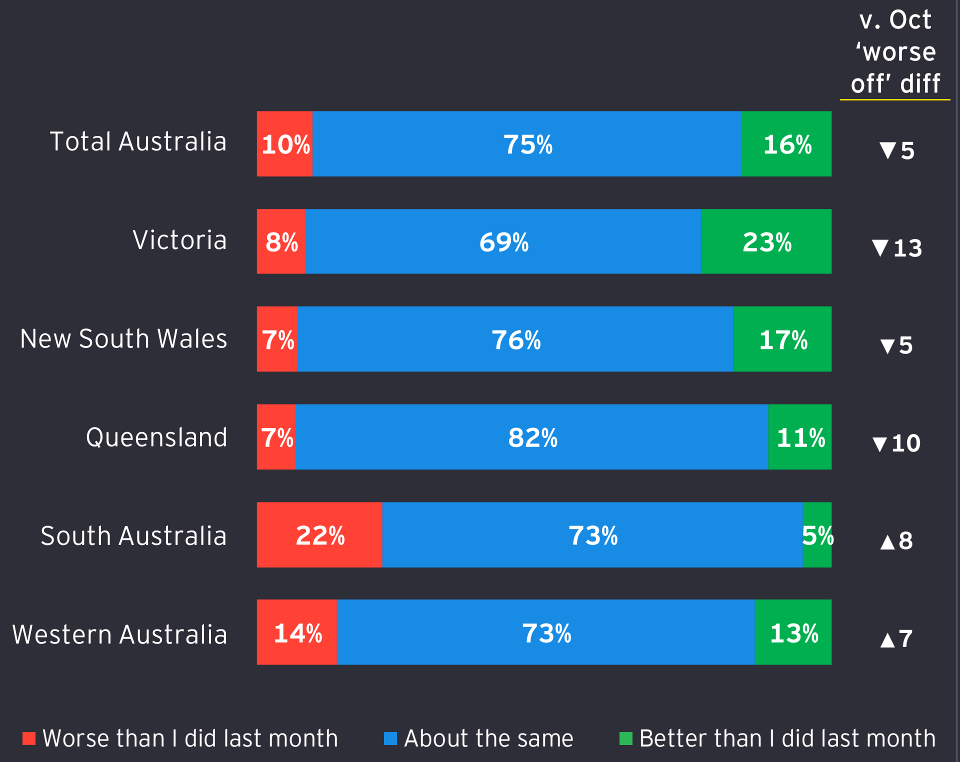
Feelings compared to last month: national



Feelings compared to last month



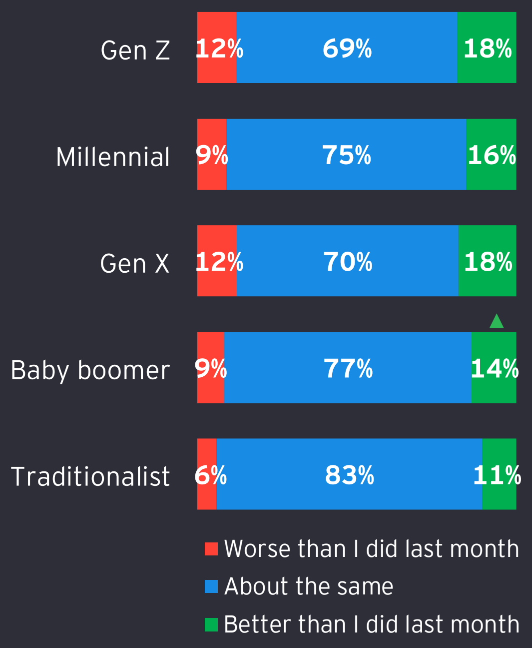
Feelings compared to last month: state



Base: Total Sample (November) - Australia (1,013)
Q. Thinking about your outlook compared to last month, do you feel...?

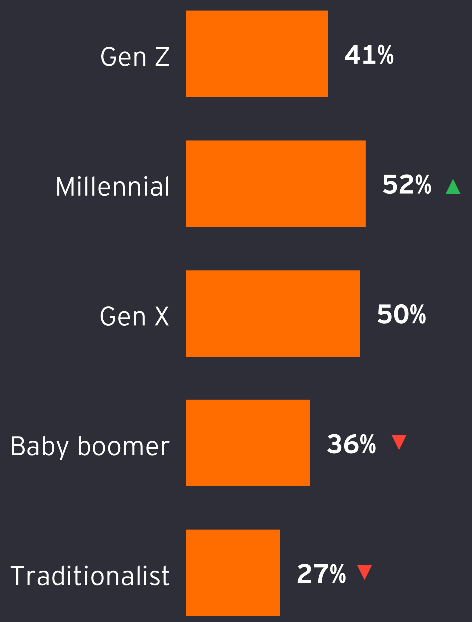
Emotional Impact: Generational view

Feelings compared to last month



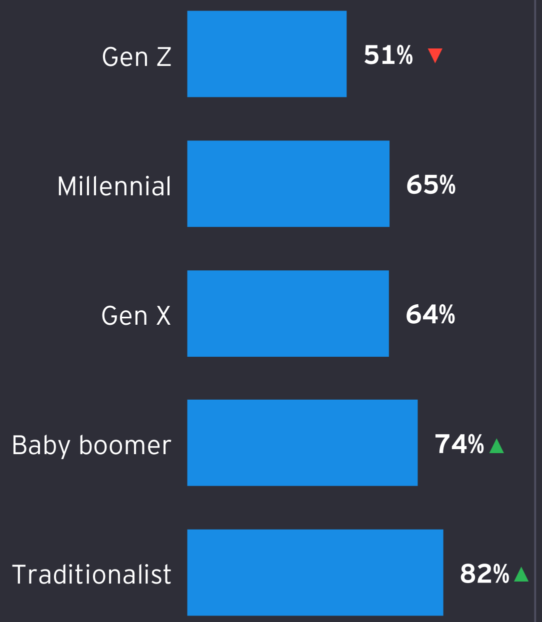
Base: Total Sample (November) - Australia (1,013)
Q. Thinking about your outlook compared to last month, do you feel…?

% The way I live my life has changed significantly



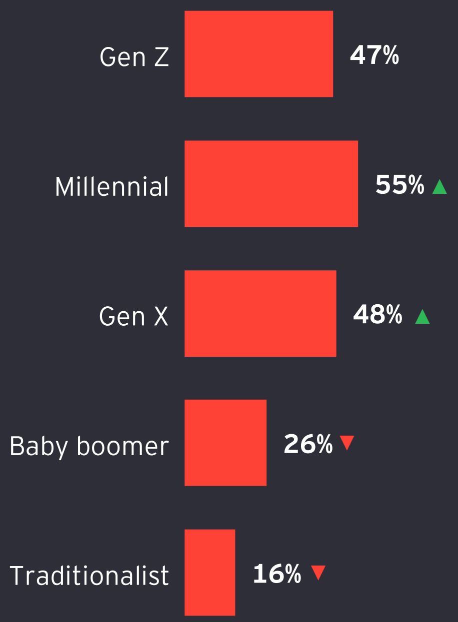
Base: Total Sample (November) - Australia (1,013)
Q. To what extent do you agree with the following statements?

% Coping well



Base: Total Sample (November) - Australia (1,013)
Q. Thinking about your outlook compared to last month, do you feel…?

% Concerned with finances



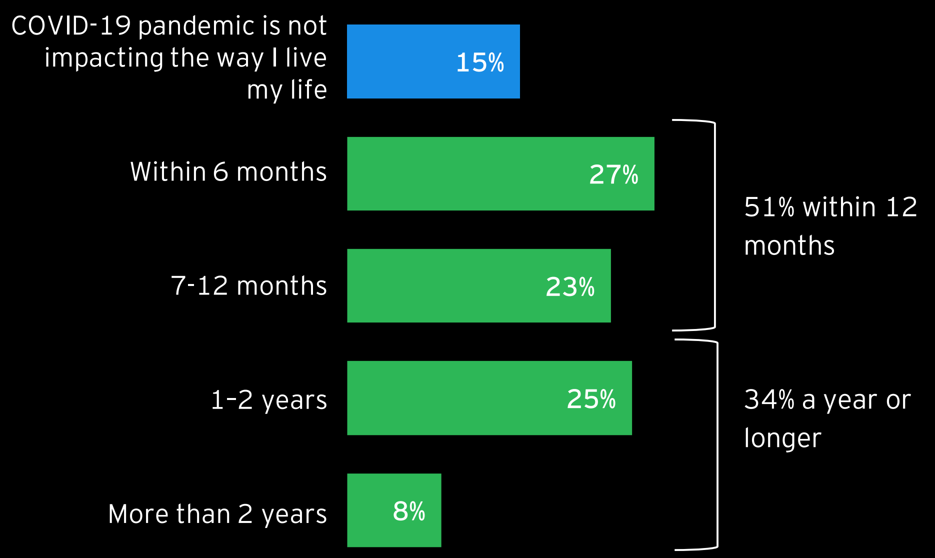
Base: Total Sample (November) - Australia (1,013)
Q. How concerned are you about the impact of the COVID-19 pandemic in the following areas?

▲▼ Significantly higher / lower than other generations

EY

The fear factor

Expected length of time it will take to no longer live with the fear of COVID-19

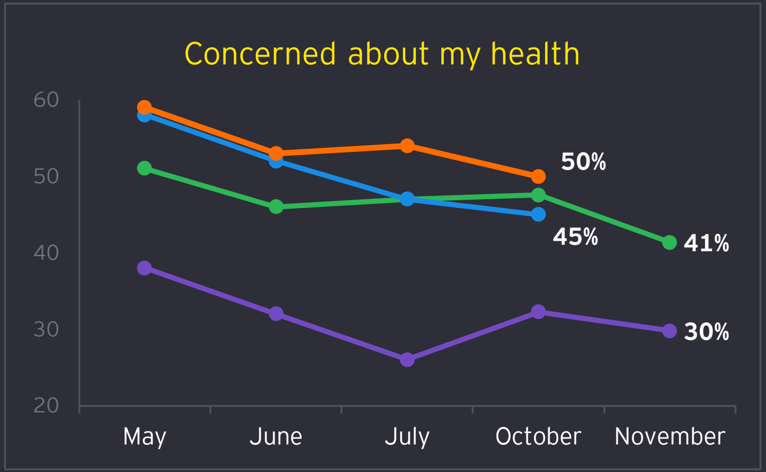


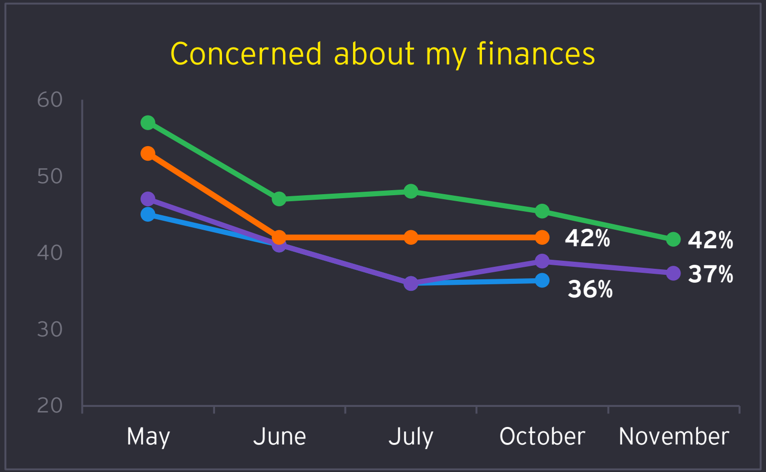
Excludes don't know

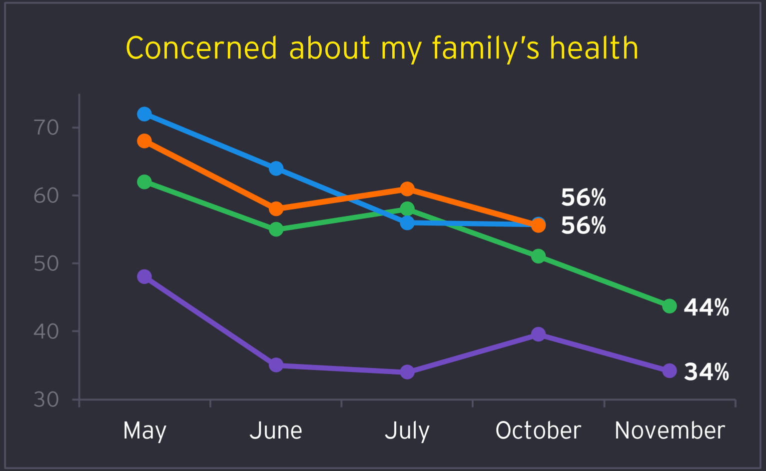
Base: Total Sample excluding don't know (November) - Australia (904)

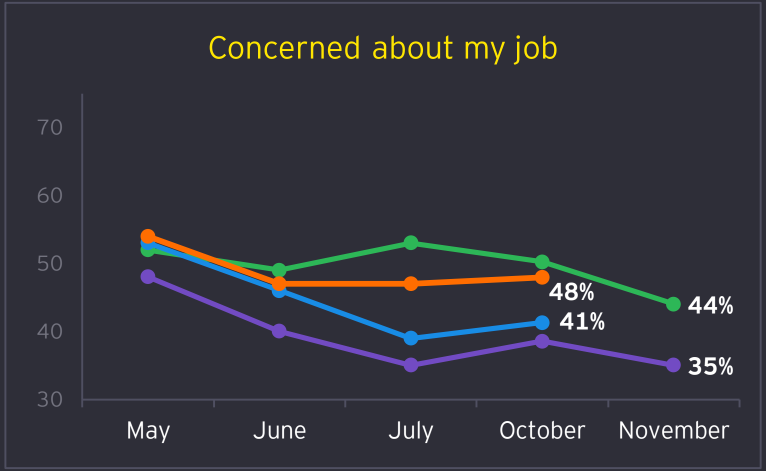
Q. How long, from now, do you think it will take for the fear of COVID-19 to stop impacting the way you live your life?

Country comparison: Health and finance







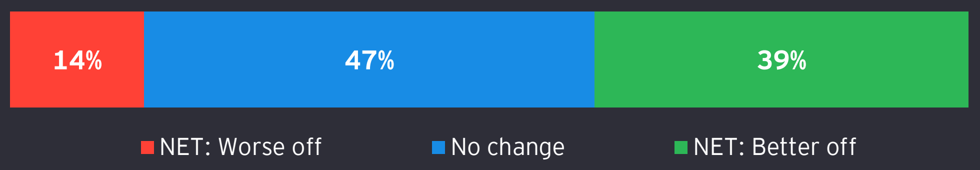


AU
US
UK
NZ

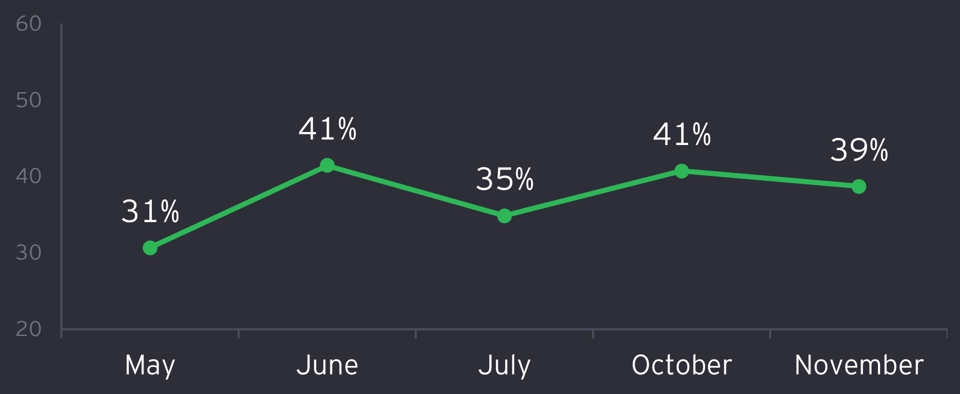
Q. How concerned are you about the impact of the COVID-19 pandemic in the following areas?
Note: This November wave only covered AU/NZ. Next Global wave in early 2021

Financial Situation in the Future

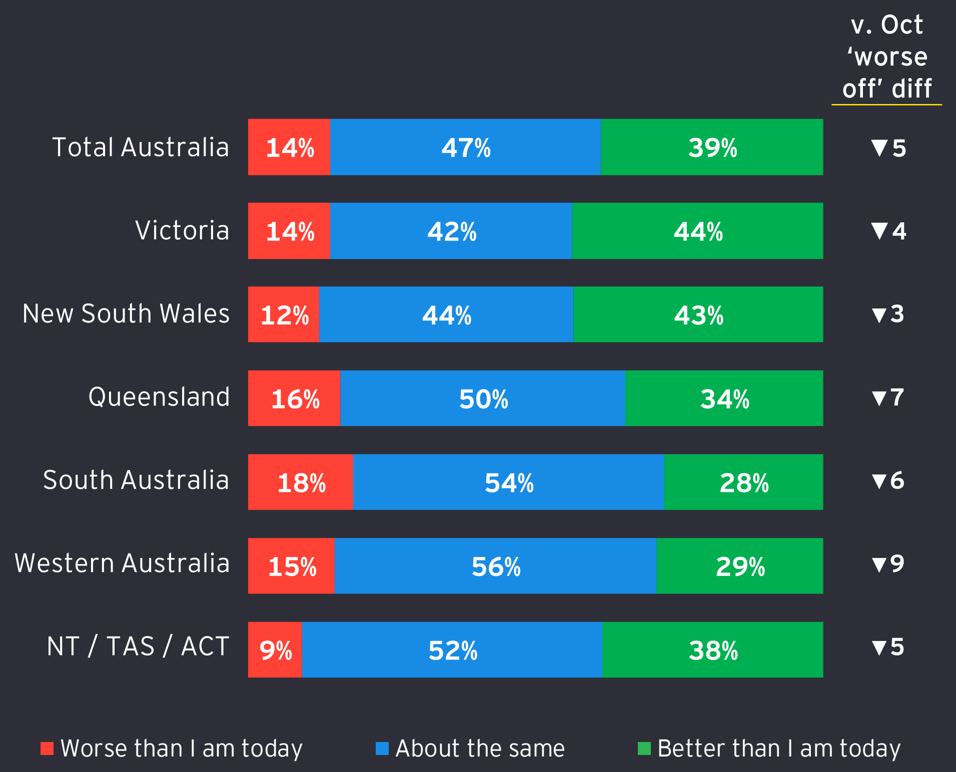
Financial situation in 12 months time



'Better off in 12 months'



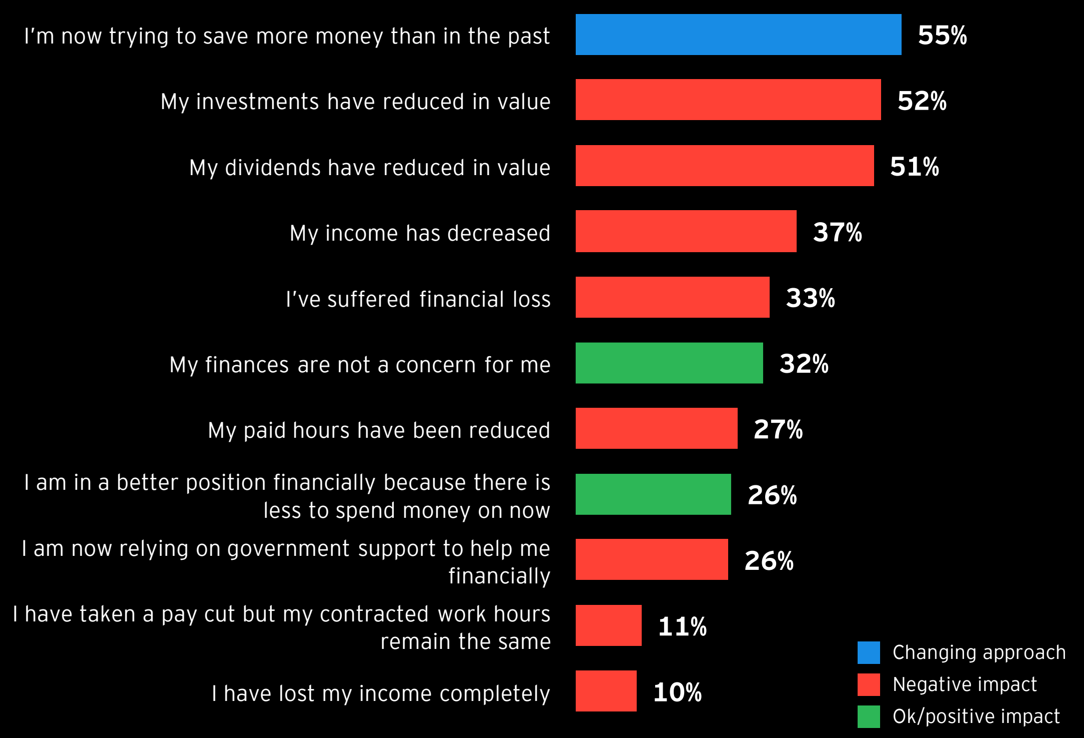
Financial Situation in 12 months time by state



Base: Total Sample (November) - Australia (1,013)
Q. How do you expect your financial situation 12 months from now will compare to today?

Expectations for next year

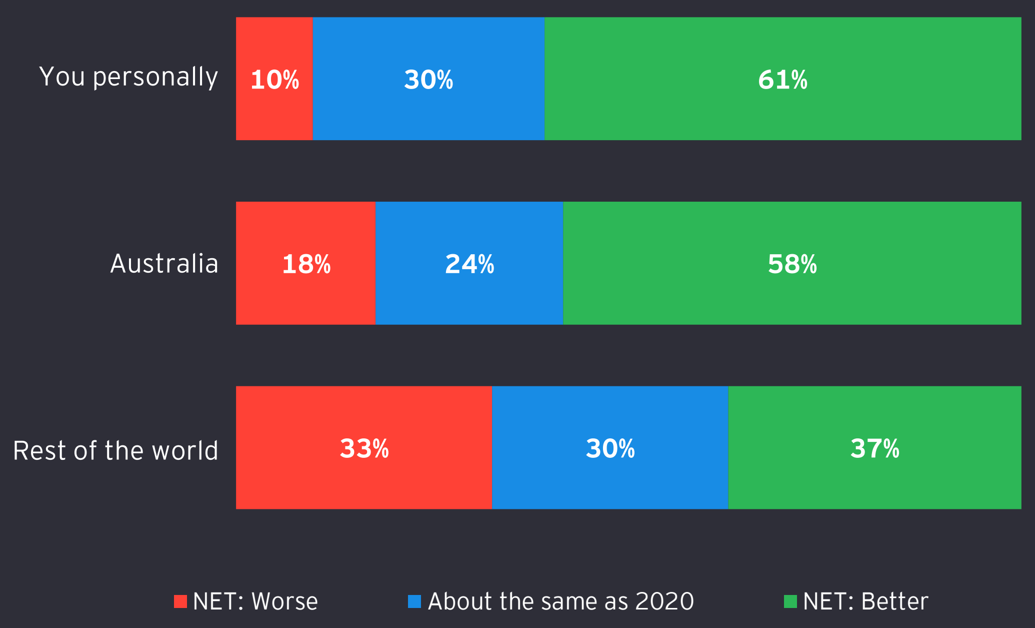
Financial impact (% Yes excluding N/A)



Base: Total Sample (November) - Australia (1,013)
Q. Thinking about the financial impact of COVID-19 on you personally, which of the following statements describe your situation?

Expectations for Next Year

Expectations for 2021 compared to 2020

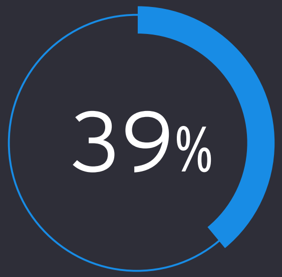


Base: Total Sample (November) - Australia (1,013)
Q. In general, how do you expect 2021 will compare to 2020

Personal finances: The scale of the hit

The scale of the hit

DIRECTLY HIT

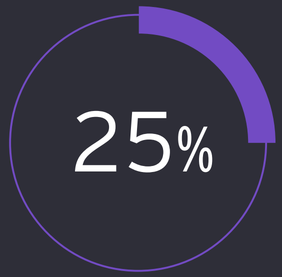


Characteristics

Have either…

- Lost their job
- Completely lost their income
- Have had work hours or pay reduced
- Are relying on government support as a result of COVID

INDIRECTLY HIT

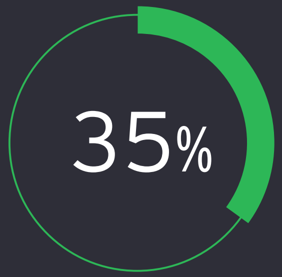


Characteristics

Have either…

- Had the value of investments reduced
- Lost income through dividends
- Suffered other income or financial loss (not work related)

NOT YET HIT



Characteristics

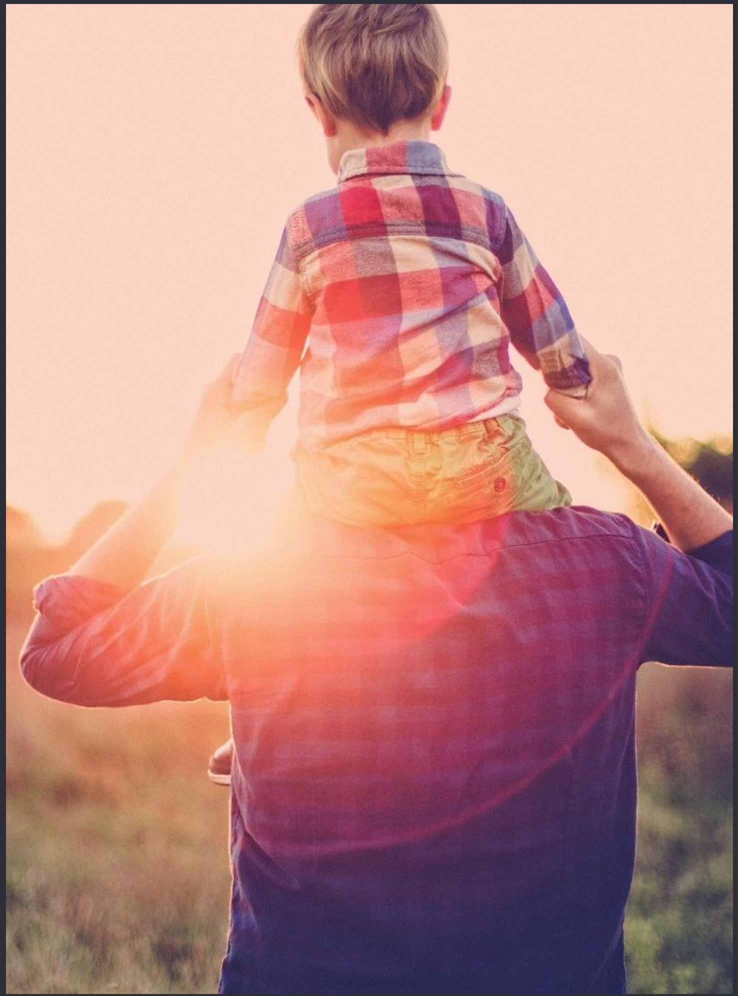
- Have not lost income or suffered financially as a result of COVID

Impact on generations

Generations	I am coping well with the impact of the COVID-19 pandemic (% agree)	Financial impact: DIRECTLY HIT (Lost income / job completely, reduced hours/pay or relying on government support)	Financial impact: INDIRECTLY HIT (Investment value reduced, dividends reduced or other income reduction/financial loss)	Financial impact: NOT YET HIT (Have not lost job, income or suffered financially)
Gen Z	51%	41%	8%	52%
Millennials	65%	41%	14%	45%
Gen X	64%	41%	19%	40%
Baby Boomers	74%	25%	41%	34%
Traditionalists	82%	37%	32%	31%

Base: Total Sample (November) - Australia (1,013)
Q. To what extent do you agree with the following statements?

●● denotes a significantly higher or lower result when compared to other generations



Impacts of JobSeeker and JobKeeper winding down on current recipients

Deep concern

61% I am worried about how I'm going to pay the bills

51% I might have to borrow money to get by

45% I am worried about losing my job

Changing behaviours

NOW

54% I am having to save more now to prepare for the winding down of JobKeeper and JobSeeker

NEXT

66% I will have to cut back on non-essential items (e.g. fashion, entertainment etc.)

60% I will have to cut back on essential items (e.g. food, health related expense etc.)

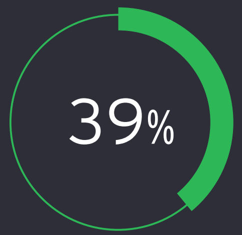
Maintaining optimism

41% I think I'll be ok

Base: Accessing JobKeeper / JobSeeker (187) - November data
Q As you may be aware, JobSeeker and JobKeeper payments are winding down over the next few months. To what extent do you agree or disagree with the following statements about the impact of JobSeeker and JobKeeper winding down...?

Mortgage rate reduction – impact on spend

Mortgage holders



Of Australians interviewed have a mortgage

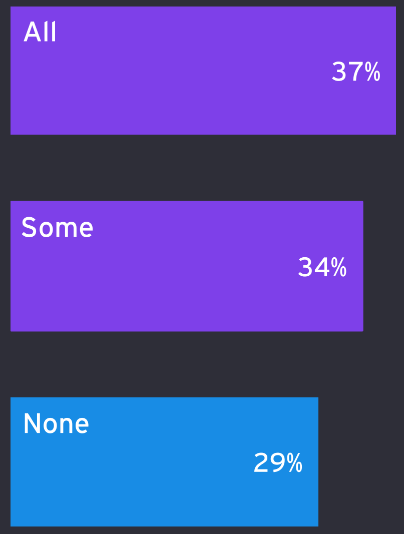
Intention around the reduced interest rate

Re-invest…

I would re-invest all savings to pay more off my mortgage

I would re-invest some of the savings to pay more off my mortgage

I wouldn't re-invest the savings in my mortgage



71%

Would re-invest some or all of their savings into their mortgage

Spend or save

Of the 29% of who wouldn't re-invest in their mortgage…

43% Would save it all

52% Would save some, and spend some

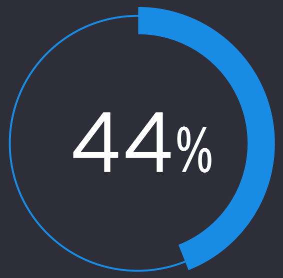
5% Would spend it all

Base: Total sample – Australia (1,013) | Have any mortgage (383) | Would divert savings away from mortgage (115) - November data
Q. Do you currently own a property with a mortgage?
Q. The Reserve Bank of Australia (RBA) has announced a reduction in interest rates which should result in lower mortgage repayments. Which of the following would you do with lower mortgage repayments?
Q. What would you do with the money saved through the lowering of interest rates which doesn't get reinvested into your mortgage?

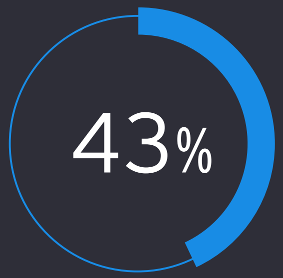
Living life: Impact and legacy of the COVID-19 pandemic

Key highlights: Impact on lifestyle

Impact on lifestyle



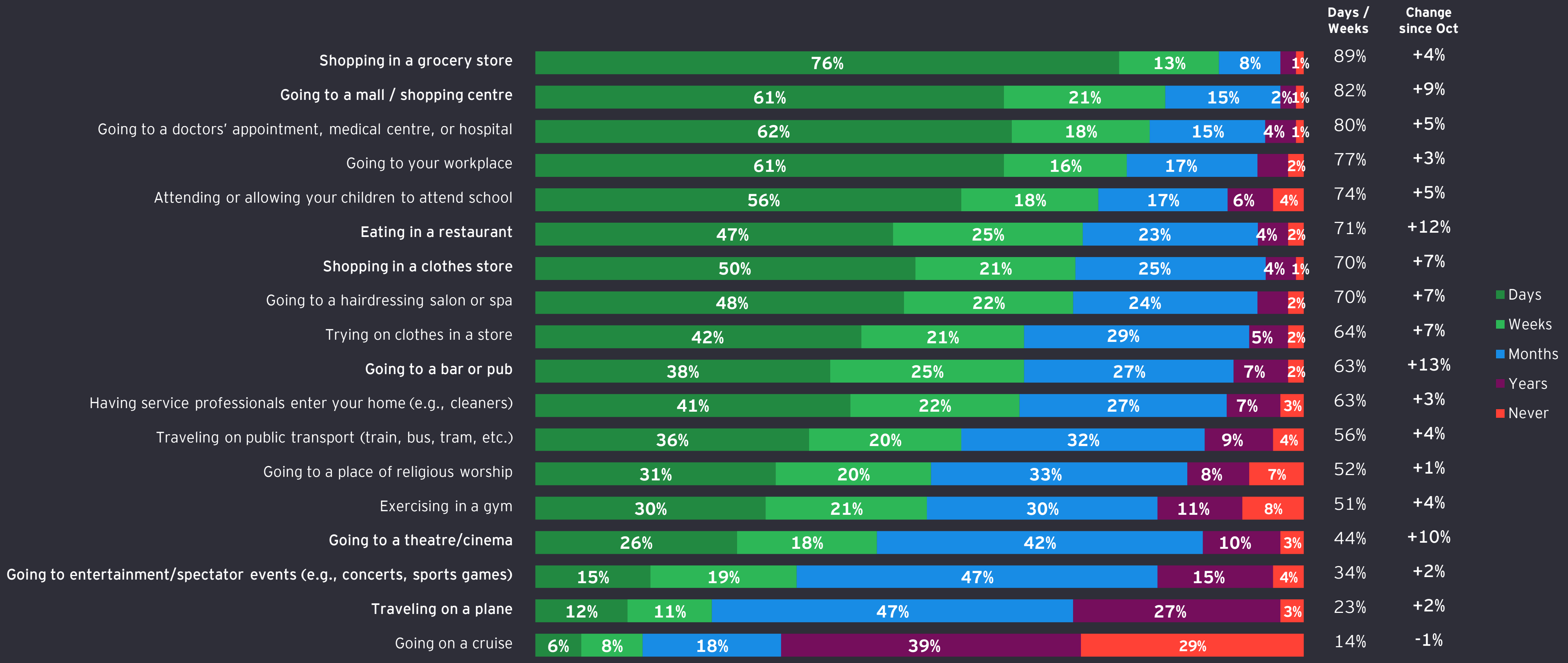
Agree/strongly agree that the way they live has significantly changed since before the pandemic



Agree/strongly agree that their life will significantly change in the long-term as a result of the pandemic

EY

Time to feel comfortable again post the COVID-19 pandemic

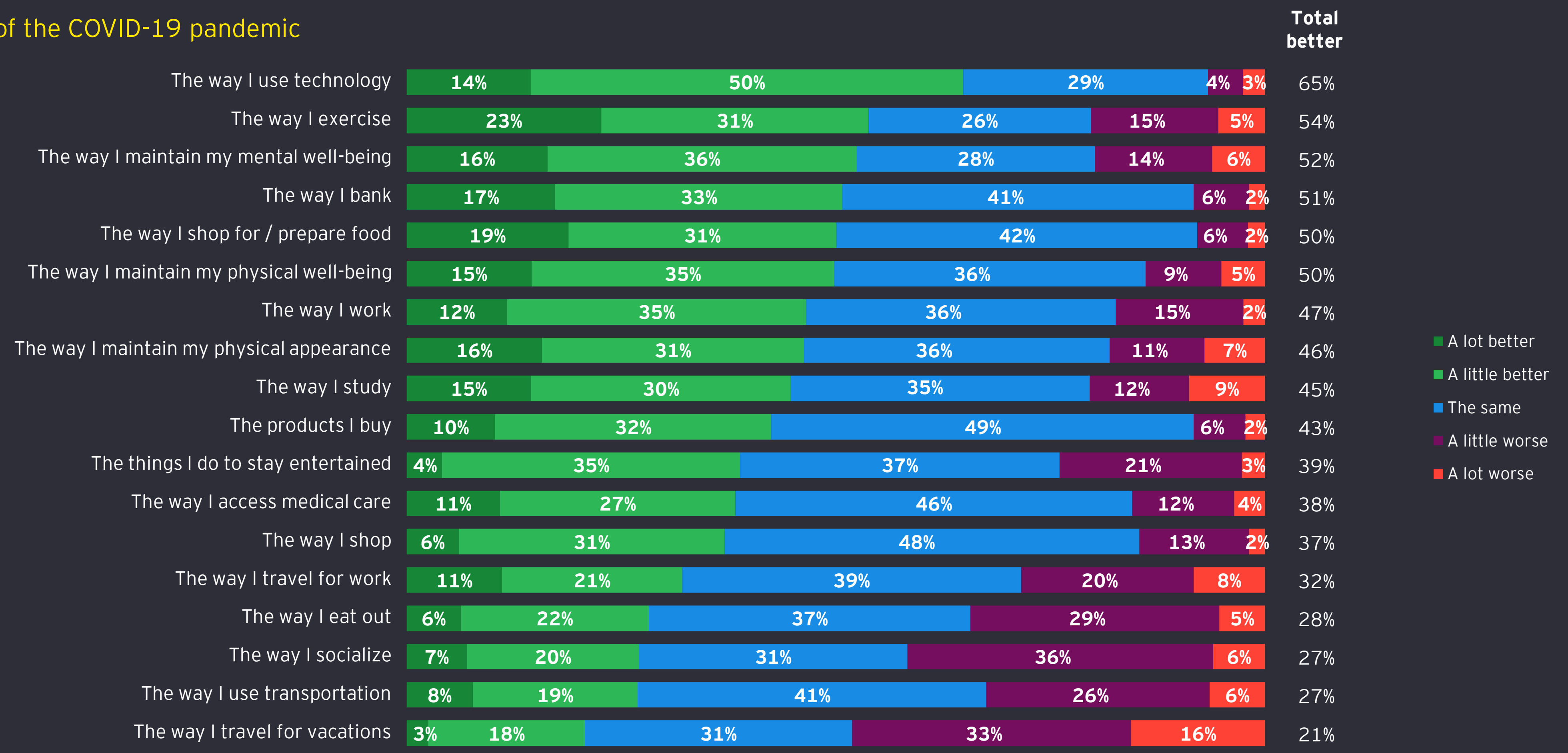


Base: Total Australia – Excludes 'N/A' variable base size (n=458 to n=996) November data

Q. How long will it be until you feel comfortable returning to the following activities once the COVID-19 outbreak is over?

Changes for better or worse

Longer-term impact of the COVID-19 pandemic



Base: Total Australia – Variable base size (n=69 to n=340) November data

Q. Thinking about the aspects of your life that you indicated will change over the longer term as a result of the COVID-19 pandemic, to what extent do you think the changes will make your experiences better or worse?

Priorities

and values

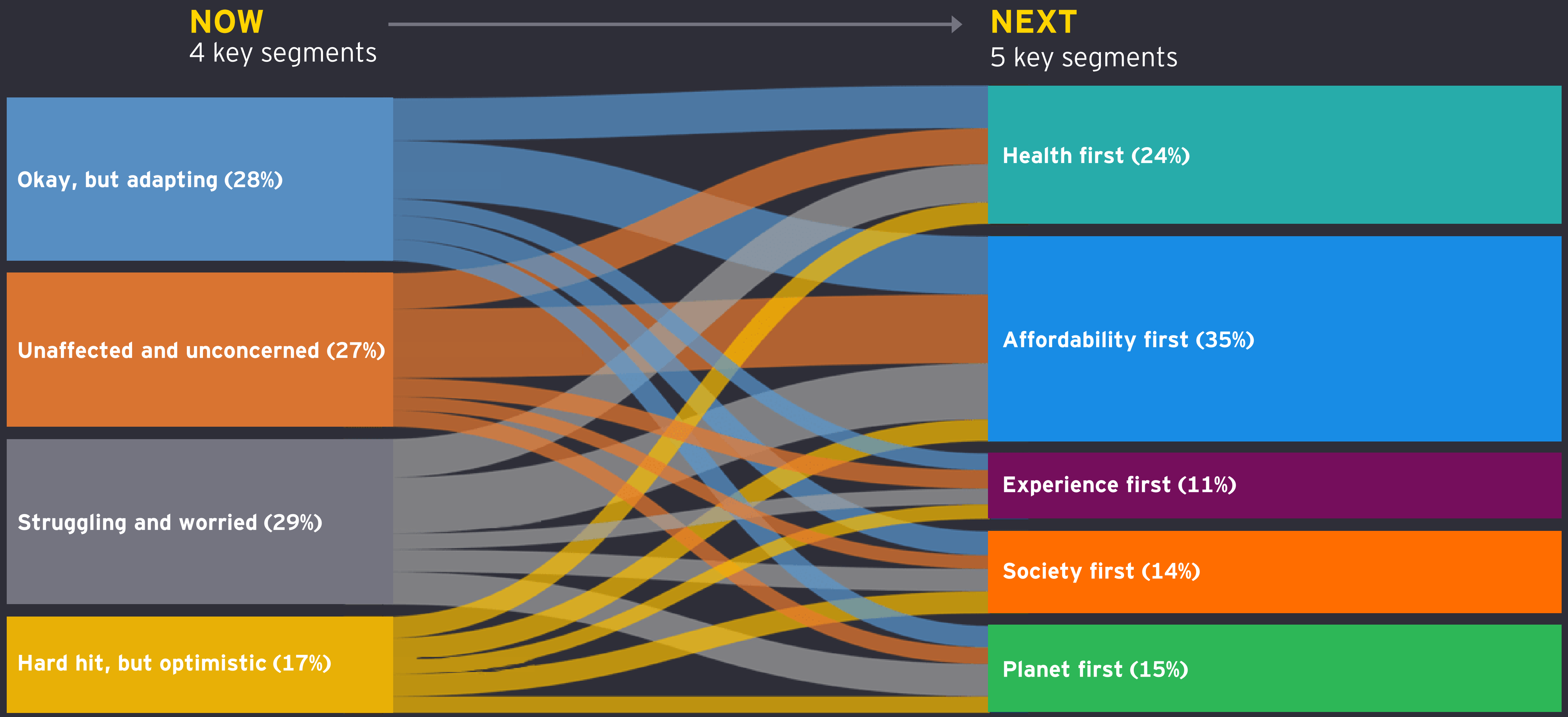
Evolving and prioritising values

47% My values and the way I look at life have changed

57% I'm thinking a lot about the future and what's important to me

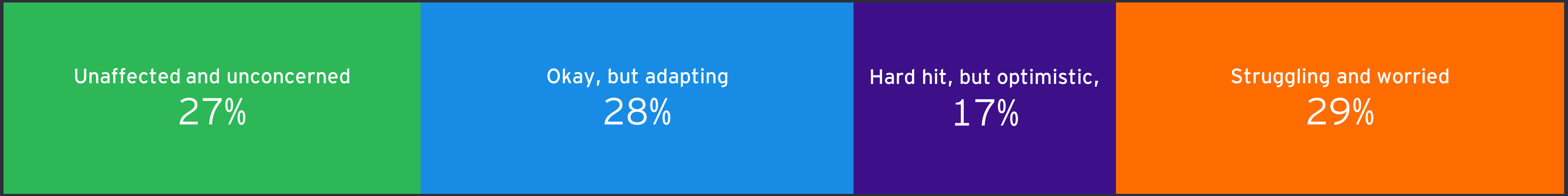
51% I will re-appraise how I spend my time on the things I value most

Four segments evolving into five



Note: October data

The impact on consumers



Unaffected and unconcerned

Minimal financial impact and the COVID-19 pandemic not impacting the way they live. Less likely to be changing behaviour

Okay, but adapting

Coping well and feeling in control. May have experienced financial loss, but not too concerned. Downshifting spend and saving more

Hard hit, but optimistic

Suffered financial loss, most concerned, but making significant changes. Expect a faster recovery and positive about the longer term

Struggling and worried

Highly concerned about health and financials) and changing behaviour. Least likely to feel they are coping and in control

Note: October data

		Unaffected and unconcerned	Ok, but adapting	Hard hit, but optimistic	Struggling and worried
Segment proportion		27%	28%	17%	29%
Sentiment	In control of life	61%	65%▲	71%▲	34%▼
	Coping well	77%	74%	74%	51%▼
	The way I live life has changed significantly	16%▼	60%	91%	62%
	I am prepared to change behaviour for benefit of society	54%▼	77%▲	88%▲	70%
	I am always on the look-out for new brands and trends	12%▼	31%	76%▲	29%
Finances	Financially impacted by the pandemic	49%▼	71%	90%▲	83%▲
	Concerned about finances	11%▼	24%▼	99%▲	67%▲
Health	Concerned over health of family	18%▼	34%▼	99%▲	71%▲
	Worried about catching COVID-19	23%▼	52%	87%▲	60%▲
Outlook	Economy will recover in 12 months	22%▼	36%	77%▲	28%▼
	The way I live life will return to normal in next 12 months	35%	35%	75%▲	33%
Future spend	Plan to save more	33%▼	67%▲	83%▲	65%
	Plan to be more aware and cautious about my spending	30%▼	75%▲	91%▲	75%▲
	Plan to spend more on experiences	16%▼	38%	74%▲	41%
	Plan to spend more over the December / January festive season	5%▼	7%▼	12%▲	45%▲

Note: October data

The future consumer: Beyond the COVID-19 pandemic segmentation

Affordability first

Consumers who will focus on living within their means

Health first

Those looking after their health, and the health of their families

Planet first

Consumers who will make environmental concerns central to their lives

Society first

Those who will prioritize their social concerns

Experience first

Consumers who will focus on living in the moment

Note: October data

Life redefined

Living and working differently

Living differently

35%

One in three Australians expect that they will be living differently in the longer-term

- Live closer to family/friends than work
- Moving to a bigger space as they will be spending more time at home
- Plan to live in lower density area
- Moving to a smaller space to save money

Working differently

57%

Six in ten of those employed prior to the COVID-19 pandemic expect that the way they work will change in the future

Most commonly in the form of...

- Expectation to work more flexibly
- Expectation to work from home more often
- Travel less for work

Changing location

Moving to another area

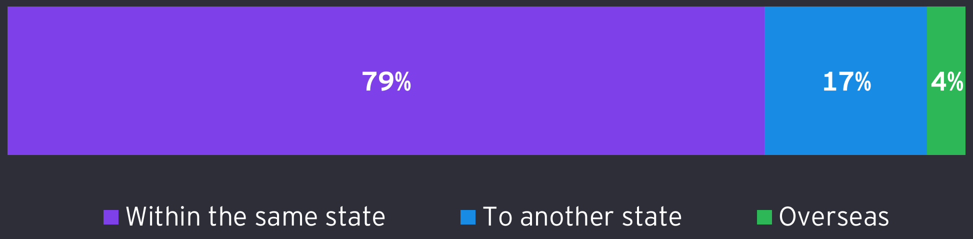
1 in 5

Australians intend to change where they live as a result of the pandemic, or have already done so

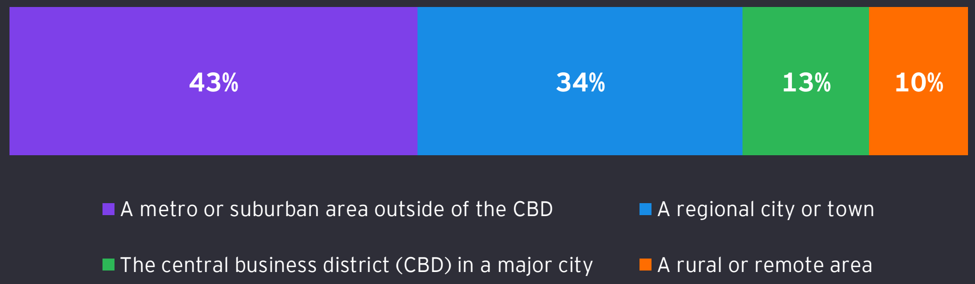
	Total	Gen Z (18 to 23)	Millennials (24 to 39)	Gen X (40 to 55)	Baby Boomer (56-74)	Traditionalist (75+)
Have already moved	4%	5%	7%	2%▼	3%	4%
Definitely will move	8%	10%▲	7%	3%▼	0%	8%
Probably will move	12%	17%▲	7%	3%▼	3%	12%

Base: Total Sample (November) - Australia (1,013)
Q. How likely is it that you will change where you live as a result of the pandemic? [I already have, I definitely will, I probably will, I might or might not, I probably won't, I definitely won't]

Destination intend to / have moved to



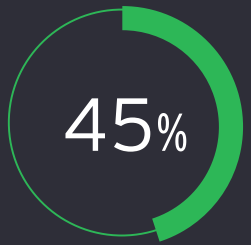
Type of area desired to move to / have moved to



Base: Plan to move or have moved – Australia (325) November data
Q. Where [have you moved to] [do you plan to move to move to] as a result of the pandemic?
Q. Which of the following best describes the type of area you plan to move to, or have already moved to as a result of the pandemic?

Working from home

Ability to work from home



Of employed Australians are currently working from home

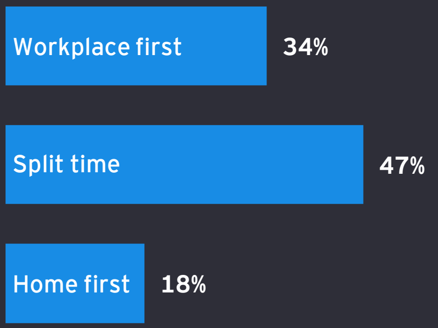
- My home environment allows me to work effectively (75%)
- I have the right equipment in place to continue to WFH in the longer term (70%)
- I'm as productive WFH as I was when I was physically at work (65%)

Long term work preferences (excl N/A)

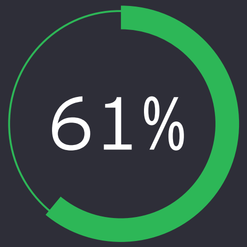
Most people be located in the workplace the majority of the time and only work from home/remotely when they have a specific need to do so

People work a certain number of days at the workplace each week (e.g. 3 days a week) and work the remainder of the week from home/remotely

People work from home/remotely as a default and use the workplace on a need-by-need basis (e.g. meetings, classroom learning, teaming and social events, etc.)

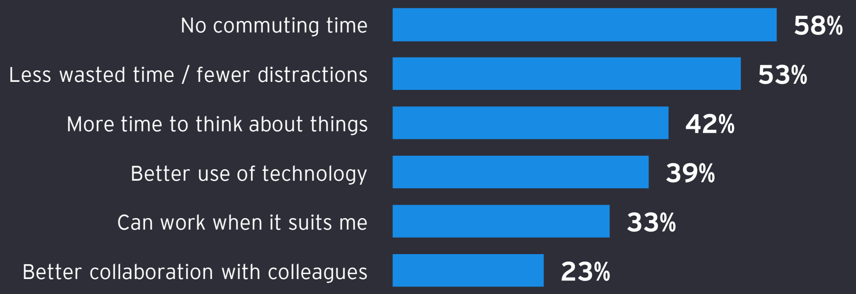


Enhanced productivity



Of Australians working from home feel they are more productive doing so

Top reasons for enhanced productivity



Data security

70% Of those who are employed and able to work from home access work systems on personal tech devices

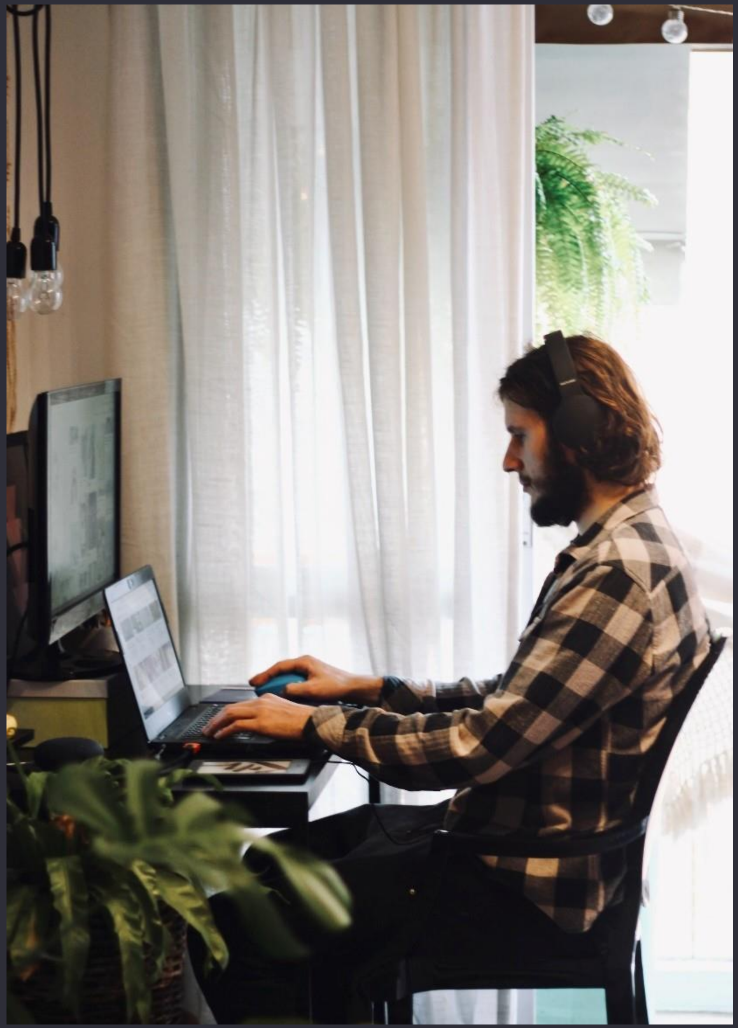
Base: Variable base size (n=179 to n=509) November data
Q. Multiple questions

Preferences for flexible working

Preferences for working from home

Workplace first	Split time	Home first
34%	47%	18%
Most people be located in the workplace the majority of the time and only work from home/remotely when they have a specific need to do so	People work a certain number of days at the workplace each week (e.g. 3 days a week) and work the remainder of the week from home/remotely	People work from home/remotely as a default and use the workplace one a need-by-need basis (e.g. meetings, learning, teaming and social event, etc.)

	Workplace first	Split time	Home first
Urban	37%	49%	14%
Suburban	33%	47%	20%
Rural	38%	41%	21%



Long term changes in uses of transportation

21%

Of Australians will change the way they use transportation

of which

	WILL DO LESS OFTEN	NO CHANGE	WILL DO MORE OFTEN
Drive my car/motorcycle for commuting to and from work	15%	49%	36%
Drive my car/motorcycle for getting to places other than work	16%	49%	35%
Walk/run for getting to places other work	16%	57%	27%
Walk/run for commuting to and from work	17%	58%	25%
Ride my bike for commuting to and from work	18%	56%	26%
Ride my bike for getting to places other than work	20%	56%	24%
Use car share services for commuting to and from work	46%	44%	11%
Use ride share services for commuting to and from work	48%	43%	8%
Use ride share services for getting to places other than work	49%	43%	9%
Use car share services for getting to places other work	52%	39%	9%
Use taxi services for commuting to and from work	50%	44%	6%
Use taxi services for getting to places other than work	51%	44%	5%
Use public transport for commuting to and from work	67%	25%	7%
Use public transport for reasons other than commuting to and from work	69%	25%	6%

NET Positive change (more often)

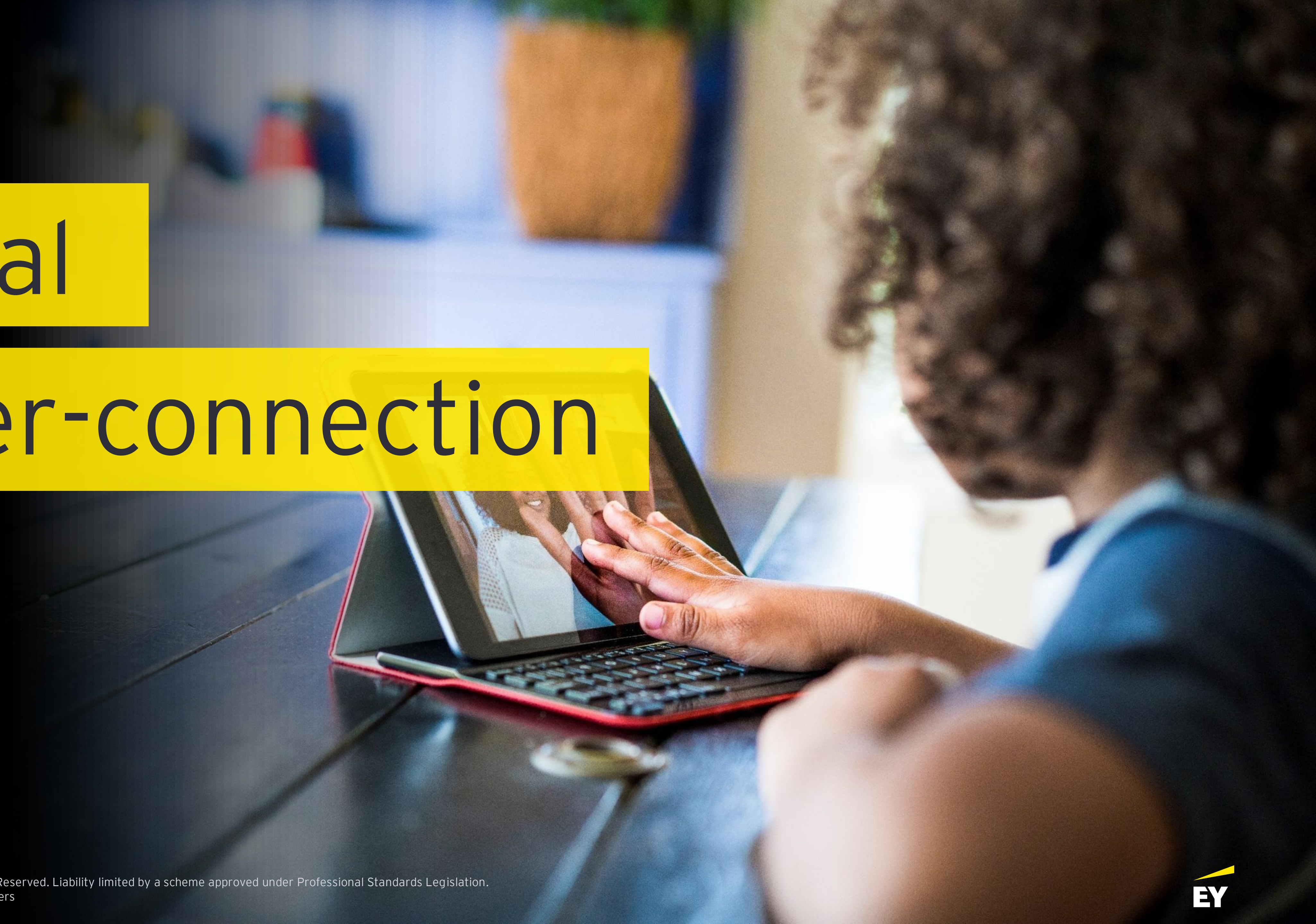
NET Negative change (less often)

Base: Variable base size (n=67 to n=172) November data

Q. You indicated that the way you use transportation will change over the longer term as a result of the COVID-19 pandemic. In which of the following ways do you expect your transportation use will change?

EY

Digital Hyper-connection



Digital hyper-connection

Daily life

Two in five...

Say the way they use tech in daily life has changed

26% plan to interact more with government departments and services online

17% expect to use voice-activated home devices on smartphone assistants (Alexa or Siri) more to help make purchase decisions

Shopping

83% are currently shopping online

of which

53% expect to shop more online in the longer term

For...

67% Clothing and fashion

65% Technology

53% Homewares

51% Cosmetics / personal items

43% Groceries

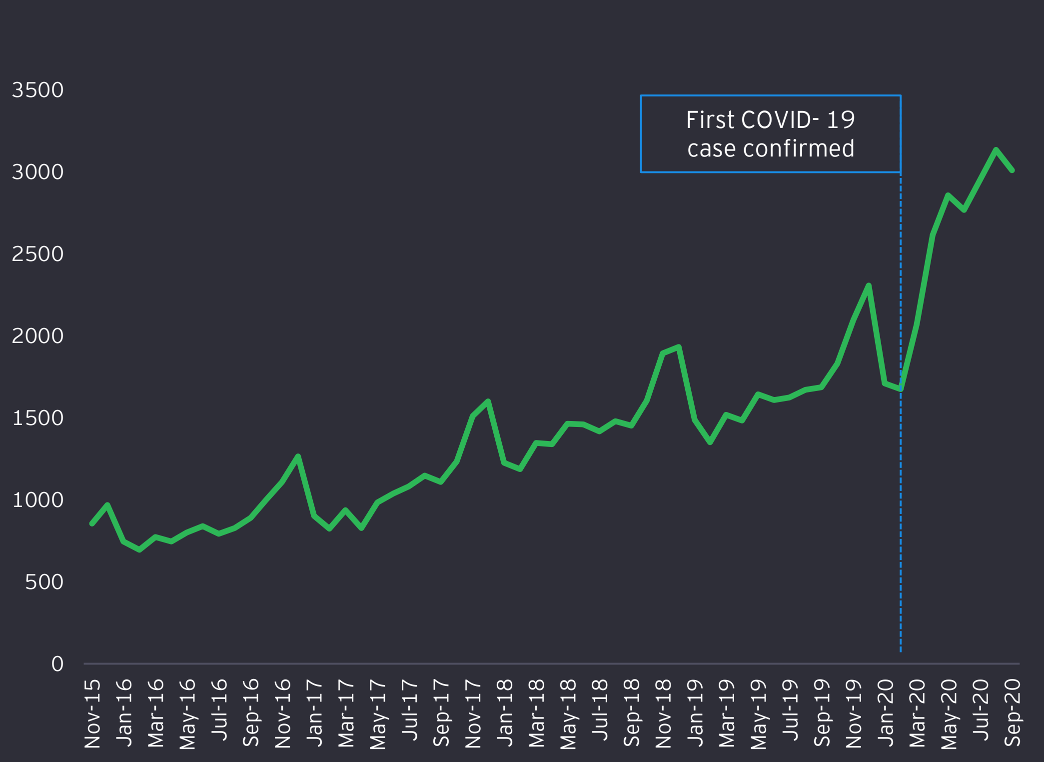
Continued growth in online behaviour...

24% expect to do more online grocery shopping

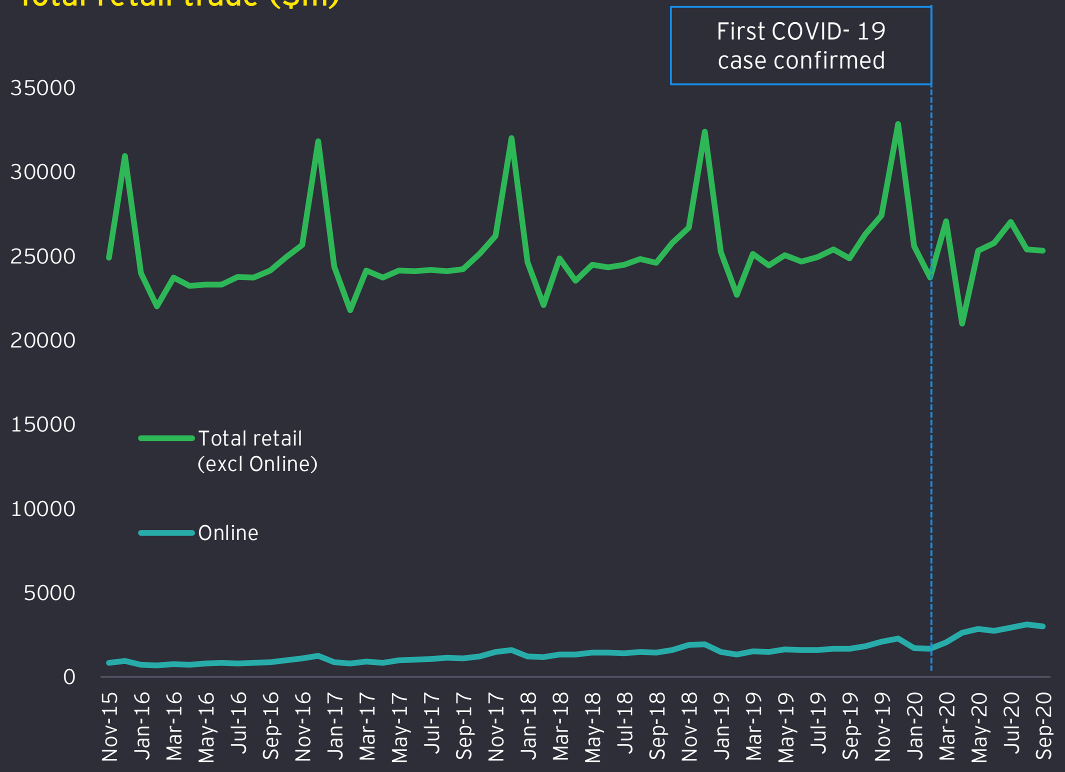
29% expect to shop online more for products previously bought in store

28% say they will do more online shopping for durables

Rapid online evolution of retail



Source: https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release



Source: https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release

Online grocery shopping

Evolution and acceleration

22% say the way they will shop will change in the long term

83% of Australians are currently shopping online

of which

53% expect to shop online **more** in the longer term

3/10 expect to shop online for products previously bought in store

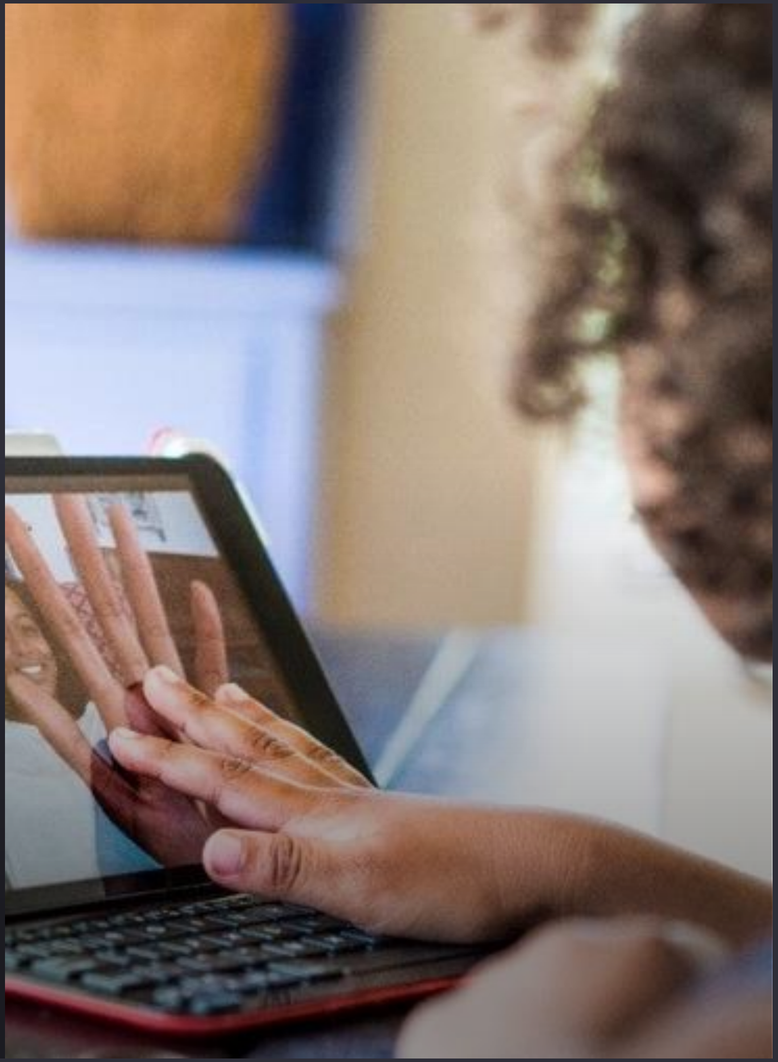
Online Grocery: more focus, less discretion

43% of Australians are currently shopping for groceries online

of which

46% Often use the 'repeat purchase' option

52% Try fewer new products than they would in-store



Shopping behaviour

Shopping: More purpose, less discretion

More planning, bigger basket and fewer trips

47% — I am planning ahead and doing bigger grocery shopping rather than shopping more frequently

23% — I will be more inclined to plan meals for the week to cook at home rather than shopping more frequently

Local route / on the ground trade

37% — I am using smaller stores to ‘top-up’ outside of my main grocery shops

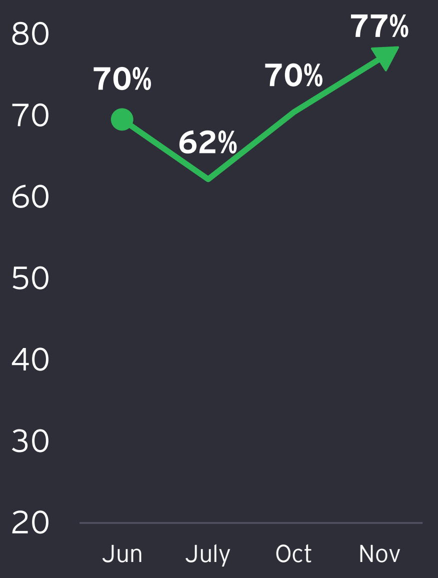
Home brand renaissance

14% — I am buying more store brand products

Key shopping behaviour

Would be comfortable shopping in a grocery store

% comfortable / extremely comfortable

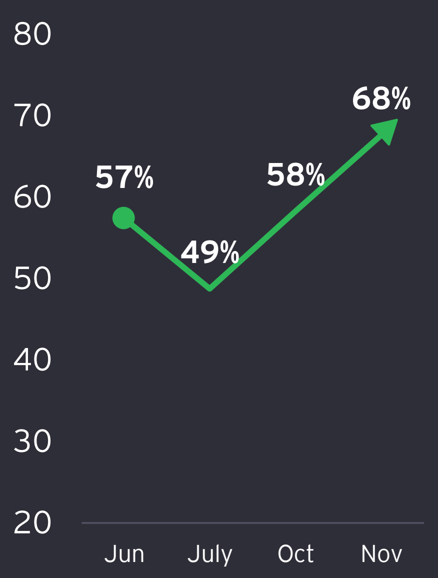


Base: Typically shop at grocery store - (n=1,018) November DATA

Q. Assuming the following activities were permissible, to what extent would you feel comfortable pursuing these?

Would be comfortable going to a mall / shopping centre

% comfortable / extremely comfortable

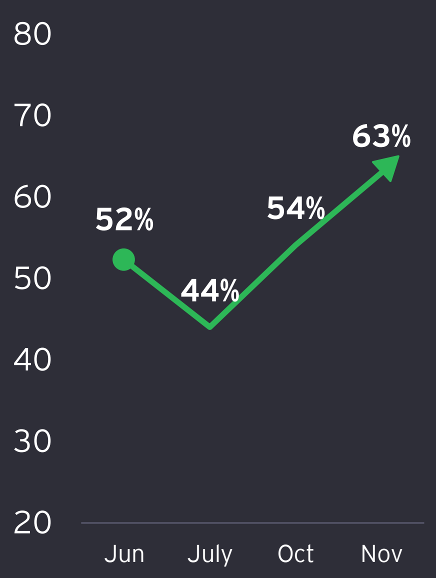


Base: Typically shop at shopping centre - (n=1,010) November DATA

Q. Assuming the following activities were permissible, to what extent would you feel comfortable pursuing these?

Would be comfortable eating in a restaurant

% comfortable / extremely comfortable

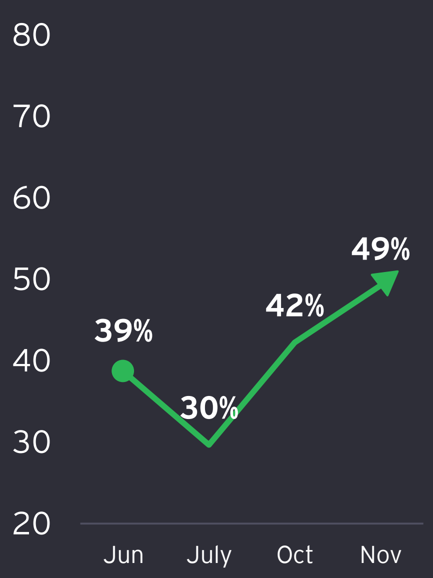


Base: Typically eat at restaurants - (n=990) November DATA

Q. Assuming the following activities were permissible, to what extent would you feel comfortable pursuing these?

Would be comfortable going to a bar or pub

% comfortable / extremely comfortable



Base: Typically go to bars or pubs - (n=893) November DATA

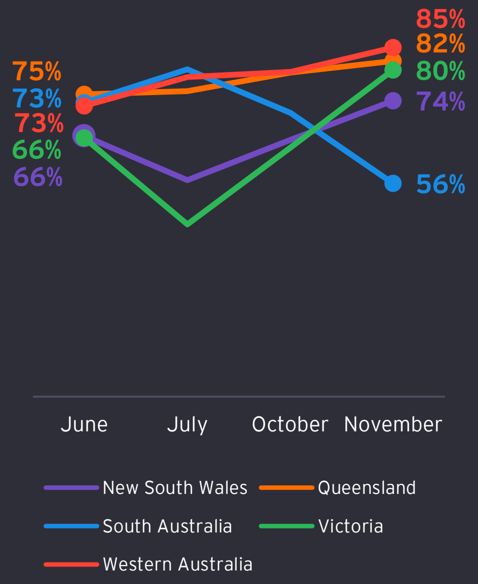
Q. Assuming the following activities were permissible, to what extent would you feel comfortable pursuing these?

*Note - low sample size. Indicative only.

Shopping Behaviour by State

Would be comfortable shopping in a grocery store

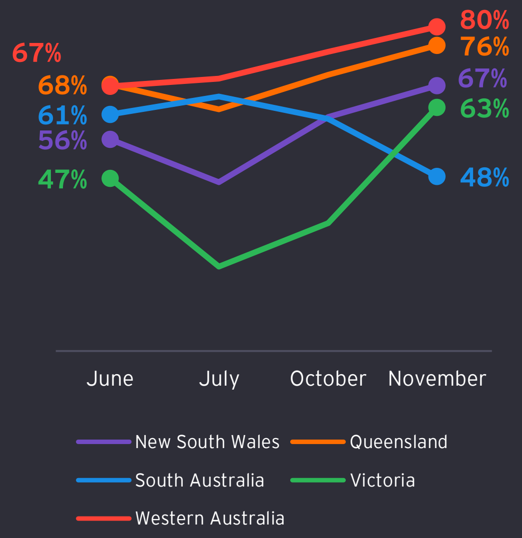
% comfortable / extremely comfortable



Base: Typically shop at grocery store – base size varies by state November DATA

Would be comfortable going to a mall / shopping centre

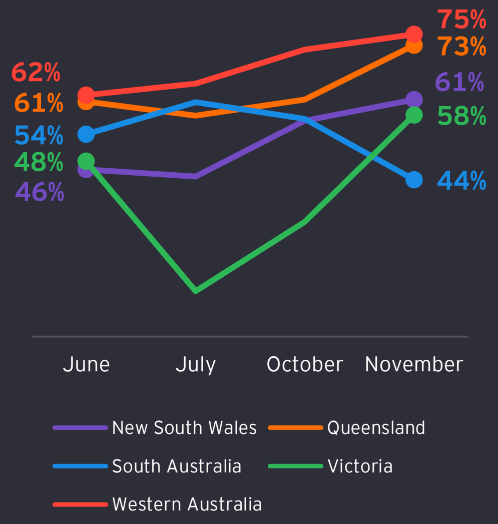
% comfortable / extremely comfortable



Base: Typically shop at shopping centre – base size varies by state November DATA

Would be comfortable eating in a restaurant

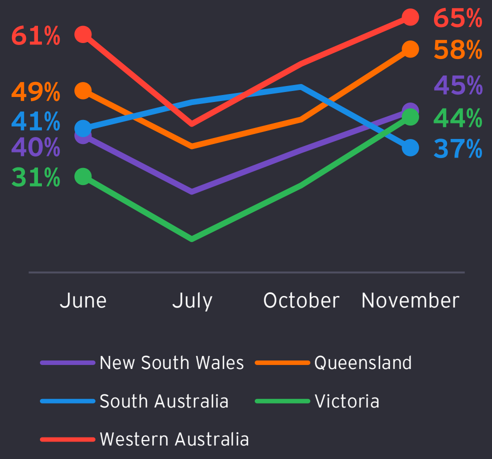
% comfortable / extremely comfortable



Base: Typically eat at restaurants – base size varies by state November DATA

Would be comfortable going to a bar or pub

% comfortable / extremely comfortable

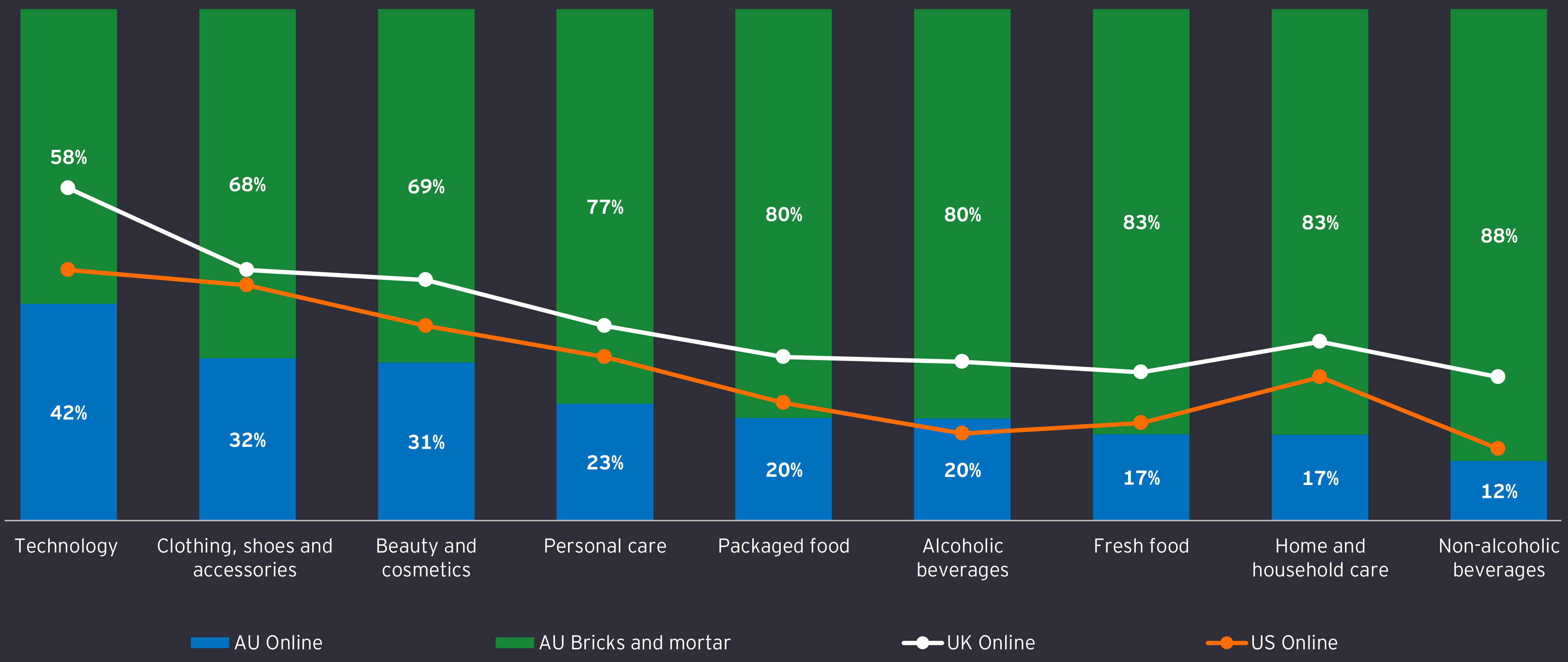


Base: Typically go to bars or pubs – base size varies by state November DATA

Q. Assuming the following activities were permissible, to what extent would you feel comfortable pursuing these?

*Note – low sample size. Indicative only.

Primary shopping channel in the future - AU vs UK and US



Base: Variable base size (n=307 to n=874) October data

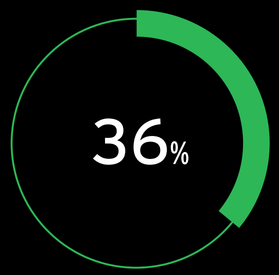
Q. For each of these categories, where do you think you will primarily make purchases in the future

*Note - low sample size. Indicative only.

Spend intent

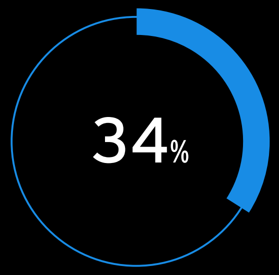
Spending behaviour

Reduction in shopping frequency - overall



I am shopping less frequently overall

Reduction in non-essential spend



I am spending less on non-essential items (e.g. fashion / cosmetic items / homewares)

Spend intent

Analysis of the spend intentions of Australian consumers in the near and longer term illustrates the way consumers are pulling in different directions and the significant variance by category.

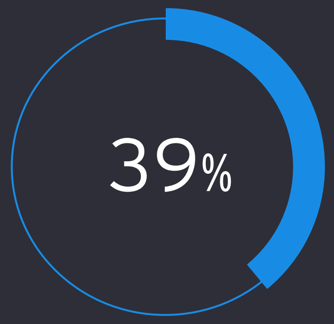
	PRE-COVID TO CURRENT			LONGER TERM		
	Spend less	Spend more	NET Change	Spend less	Spend more	NET Change
Consumables						
Fresh food	6%	26%	+20%	5%	20%	+15%
Tobacco	23%	27%	+4%	22%	21%	-1%
Pet supplies	12%	15%	+3%	9%	15%	+6%
Beauty and cosmetics	30%	11%	-19%	18%	12%	-6%
Alcoholic beverages	21%	21%	0%	19%	14%	-5%
Frozen food	12%	19%	+6%	11%	13%	+2%
Canned and dried food	10%	17%	+7%	11%	11%	0%
Non-alcoholic beverages	14%	13%	0%	10%	11%	+1%
Prepared meals						
Meal kit delivery services	26%	32%	+6%	27%	21%	-6%
Take-out/delivery	31%	25%	-5%	23%	17%	-6%
Prepared meals from a store	25%	20%	-6%	22%	15%	-7%
Home						
Grocery delivery services	16%	35%	+20%	20%	22%	+1%
Home improvement products and services	21%	24%	+3%	16%	19%	+2%
Household products and home hygiene	8%	25%	+18%	9%	16%	+7%
Personal care items	14%	13%	-1%	9%	12%	+3%
At-home non-electronic activities	18%	24%	+6%	18%	14%	-4%

	PRE-COVID TO CURRENT			LONGER TERM		
	Spend less	Spend more	NET Change	Spend less	Spend more	NET Change
Digital						
Electronic gaming	24%	25%	0%	24%	18%	-6%
Subscription video streaming services	13%	26%	+13%	15%	14%	-2%
Other digital subscription services	16%	19%	+3%	17%	16%	-2%
Consumer electronics	28%	14%	-14%	20%	14%	-6%
Activities/services						
Gym memberships and fitness classes	41%	17%	-25%	24%	22%	-3%
Out-of-home recreational activities	63%	8%	-55%	23%	30%	+7%
Vacations / holidays	69%	10%	-59%	27%	36%	+9%
Personal care services	36%	9%	-27%	15%	18%	+3%
Gifts for others and donations	31%	13%	-18%	17%	15%	-2%
Retail						
Sporting and fitness equipment	30%	20%	-11%	23%	17%	-6%
Subscription services for physical goods	25%	19%	-6%	22%	15%	-7%
Clothing and footwear	34%	11%	-24%	16%	16%	0%
Other big-ticket items	37%	14%	-22%	25%	15%	-10%
Luxury items and other indulgences	48%	12%	-37%	28%	17%	-12%

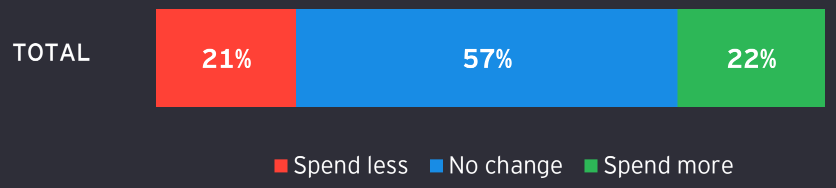
Shopping events: Improving outlook

EY

Black Friday / Cyber Monday



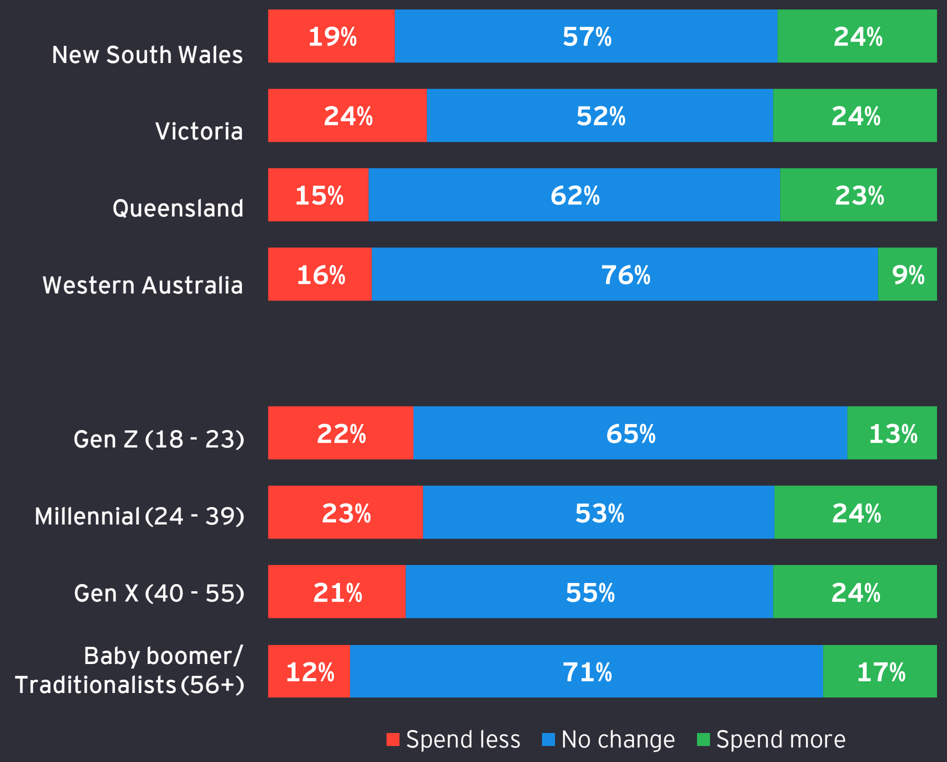
of Australians suggest that they would take part in the next major shopping event (e.g. Black Friday/Cyber Monday)



Base: Total sample – Australia (1,013)

Q. The next time there is a big shopping or sales event in your country (e.g. Black Friday, Cyber Monday), do you think you will take part?

State and Age/Generation



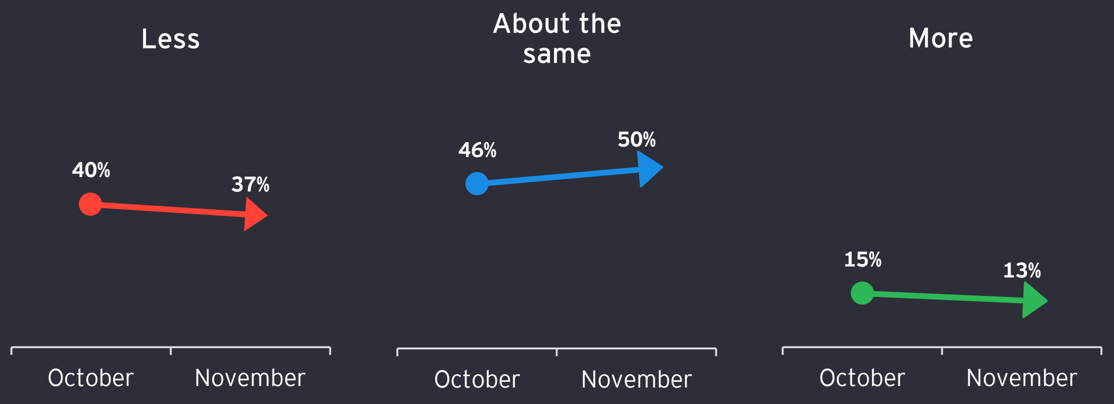
Base: Australians intending to part in the next big shopping or sales event (n=376)

Note: Data not shown for SA, NT, ACT, TAS due to insufficient sample (n<30).

Q. Do you plan to spend more, less, or about the same, than in previous years at the next big shopping or sales event?.

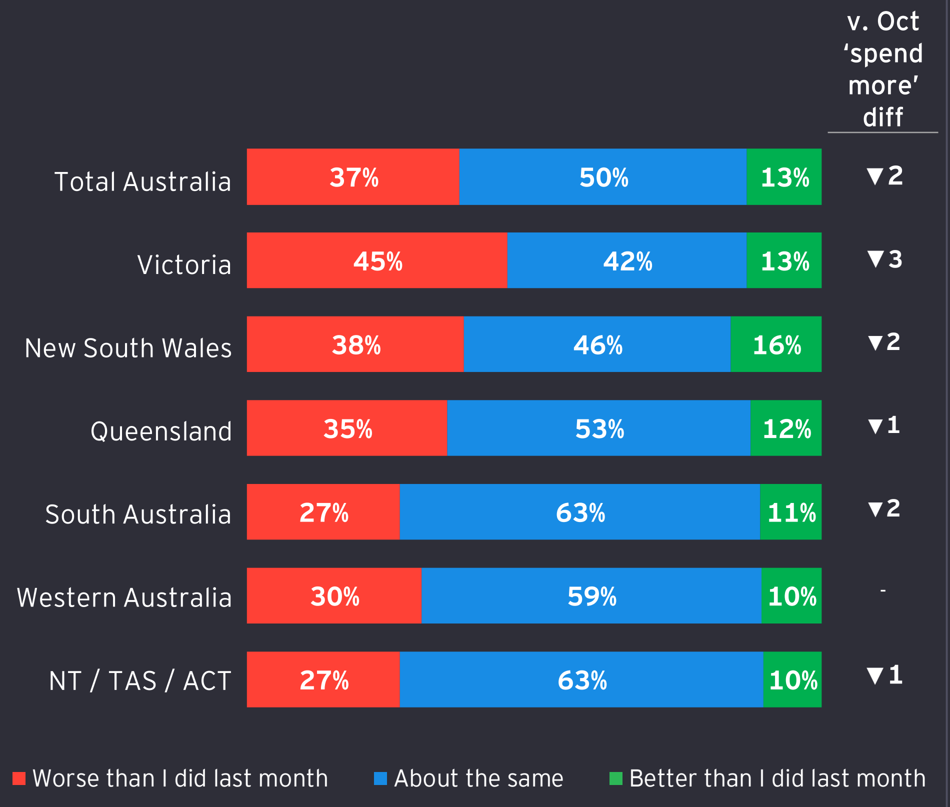
Festive/holiday season

December holiday spend compared to 2019



Base: Total sample – Australia (992); Note: Excludes 'Not applicable'.
Q. Compared to last year, do you think you will spend more, less or about the same amount of money in the upcoming December / January festive and holiday season?

December holiday spend compared to 2019: State



Base: Total sample – Australia (992); Note: Excludes 'Not applicable'.
Q. Compared to last year, do you think you will spend more, less or about the same amount of money in the upcoming December / January festive and holiday season?

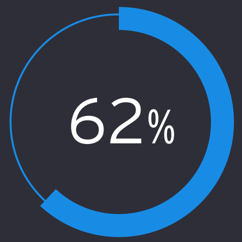
EY

Travel:

On the road again

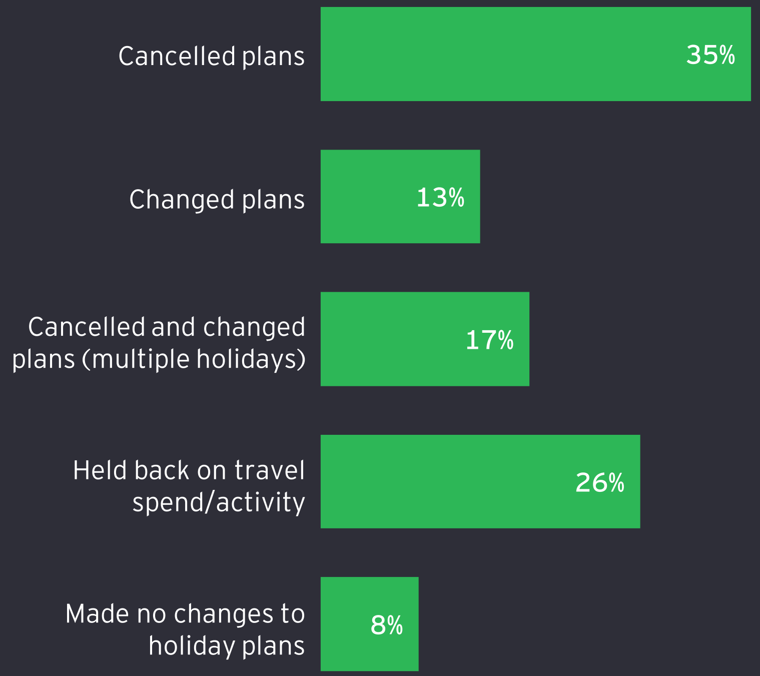
Impact of the COVID-19 pandemic on travel / holiday activity

Holiday plans



of Australians had plans to take a holiday prior to the COVID-19 pandemic

of which



Reasons for cancelling plans

58% Due to travel restrictions

16% Due to financial restraints / uncertainty

Reasons for changing plans

22% A planned overseas holiday to Australian holiday

17% The location of Australian holiday due to travel restrictions

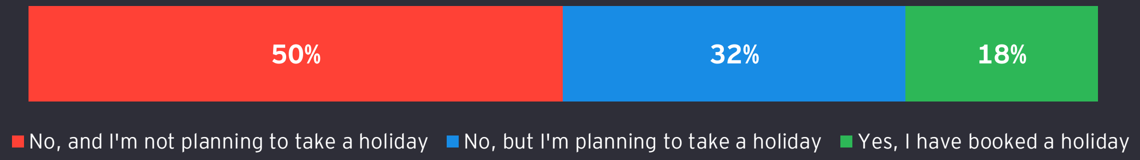
10% To a different type of holiday

9% The location of Australian holiday due to health concerns

Base: Had plans to take a holiday prior to the pandemic (628) November data
Q Which of the following changes have you made to your holiday plans as a direct result of the COVID-19 pandemic?

Holiday planning - next 6 months

Have holiday plans in next 6 months



Top 3 reasons for not planning a holiday in next 6 months

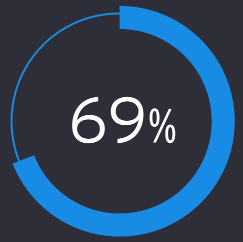
33%
Waiting for restrictions to ease further

32%
Waiting for health concerns to ease or for a vaccine

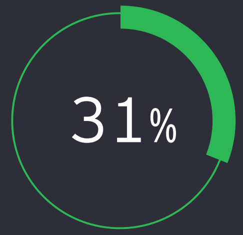
30%
Saving money

Deferred or new spend for booked holidays

Of the 18% who have booked a holiday...



Deferred spend:
Replacing a cancelled holiday, or taking a holiday previously booked which had to be changed due to the COVID-19 pandemic

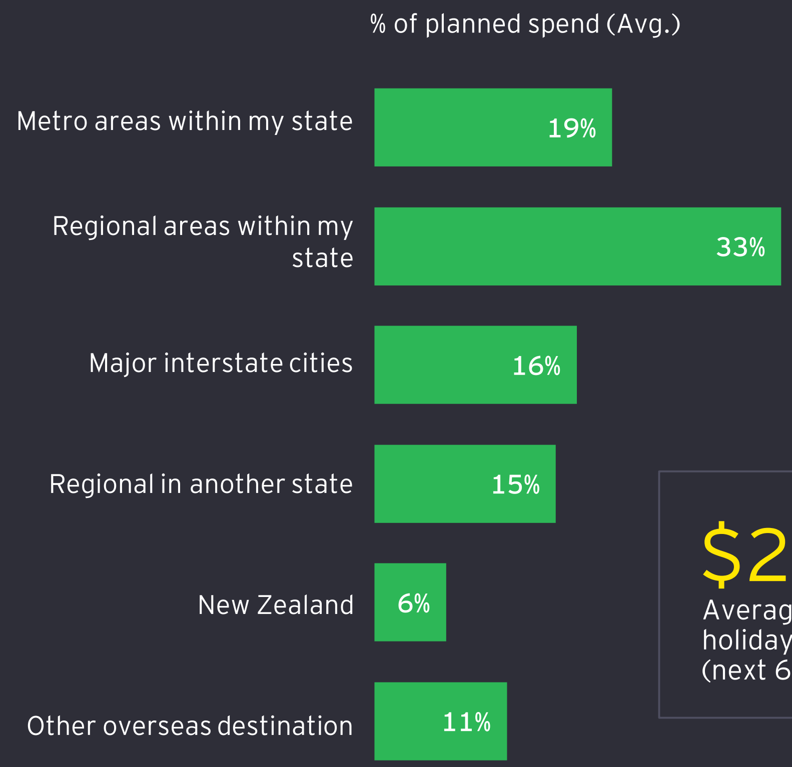


New spend:
Booking a holiday which was not been impacted by the COVID-19 pandemic

Base: Variable base size (n=182 to n=1013) November data
Q. Multiple questions

Planned holiday spend

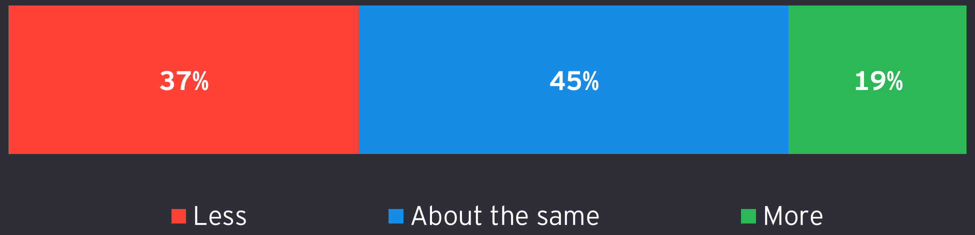
Planned spend by destination (next 6 months)



$2,709
Average total planned holiday spend (next 6 months)

Base: Planning a holiday in the next 6 months – Australia (502) November data
Q. Thinking about what you are likely to spend on your holiday(s) over the next six months, roughly what percentage do you expect will go to each of the following types of destinations?
Q. Approximately, how much do you think you will spend in total on holidays in the next 6 months?

Planned spend (next 6 months) compared to usual holiday spend



Base: Planning a holiday in the next 6 months – Australia (502) November data
Q. Do you expect this to be more, less or about the same as your usual holiday spend?

Comfort with in-bound travellers

Comfort with people entering your state or territory with no quarantine or vaccination (% Comfortable)

		New South Wales	Victoria	Queensland	Western Australia	South Australia	TAS / ACT / NT
37%	From another state or territory	42%	41%	36%	21%▼	24%	49%
38%	From New Zealand	40%	41%	40%	22%▼	25%	54%
14%	From another country, not New Zealand	13%	16%	16%	9%	6%	19%

Base: Total sample – Australia (1,013) November data
Q. Assuming some travel restrictions are removed in the next three months, how comfortable do you feel about people from other states or territories and/or New Zealand entering your state or territory without being quarantined on arrival and assuming a vaccine was yet to be made available?

EY

Health:

Changing habits

Health: Changing habits

57% Will make healthier choices in the products they purchase

54% State that 'healthy / good for me' is a more important purchase criteria now than before the pandemic

Mental health

- A major and growing issue for younger Australians
  - Depression, anxiety, stress

Ongoing Covid-19 concerns

- 42% worried about catching COVID-19
- 48% worried about the impact of COVID-19 on their health

Brand: What matters most

EY

Key highlights: brand

Economic nationalism: local and parochial

47% will shop more at local, small businesses

20% changing brands to support the local economy / local businesses

14% buying more store brand products

Corporate brand: transparency, integrity and responsibility

73% The behaviour of a company is as important as what it sells

64% Brands have a responsibility to make a positive change in the world

53% More likely to purchase from a company that is transparent in all it does

Ethical and sustainable: prove it!

42% I will pay more attention to the social impact of what I purchase

44% I pay more attention to environmental issues

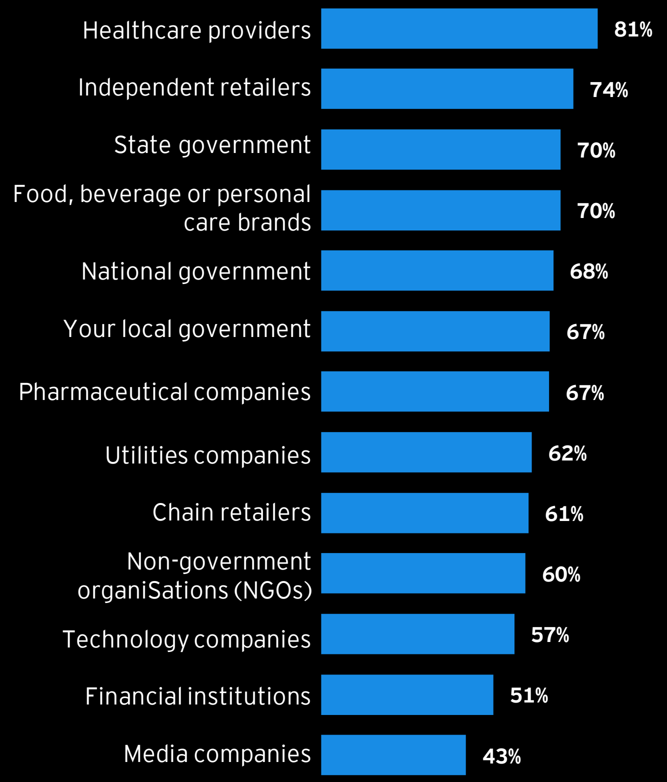
17% are willing to pay a premium for ethically sourced products

17% are willing to pay a premium for more sustainable goods and services

Consumer trust

Consumer trust

Trust in organisations/institutions (complete / moderate trust)



Base: Total Sample (October Data) - Australia (1,026)

Main aspects that have undermined/damaged trust levels

1. Failed to do what they say they will

- 69% National government
- 43% State or regional government
- 39% Food, beverage or personal care brands

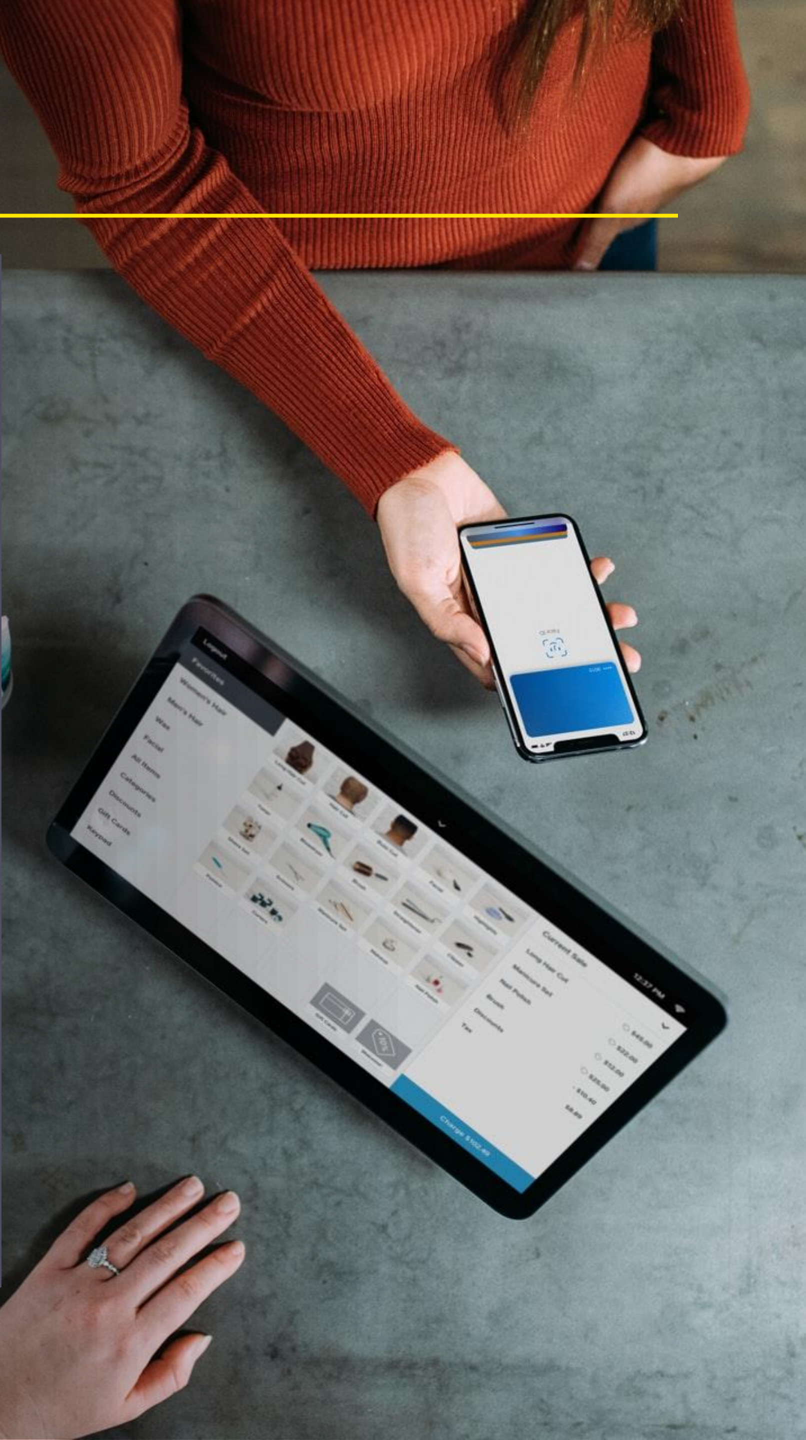
2. Service provided is inconsistent

- 42% Independent retailers
- 41% Food, beverage or personal care brands
- 37% National government

3. Thought that management paid themselves too much

- 48% Financial institutions
- 48% State or regional government
- 43% National government

Base: Variable base - trust has diminished (October Data)



Impact of losing trust

Actions taken when trust is diminished

51%	Stopped purchasing their products / services altogether
39%	Told friends or family not to use the brand / organisation
29%	Purchased fewer products and / or services with them than previously
15%	Stopped sharing personal information or data with them
13%	Posted a negative comment on social media

Base: Total sample excl N/A – Australia (891) November data
Q. Where an organization has done something that makes you trust them less than you once did, have you done any of the following?

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EY | Building a better working world

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