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# 5 things affecting Australians in 2021

**And what to do about it.**

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# Closing the book on a pivotal year

Sam Cousins
Head of Strategy & Planning
iProspect Australia

At the beginning of the year we wrote an actionable white paper about the bushfires and advertising; stating that a seismic shift post summer would change us as Australians forever.

That work fast became out-dated as we navigated everything else that happened in 2020.

No one needs to hear more: 'unprecedented times', or 'now more than ever' promises.

What we do need is to understand the accelerated trends that will affect consumers in 2021 and then the impact on their spending choices.

In this report we look at 5 trends affecting Australians and the impact on their behaviours, and what you as brands can do to change, evolve and respond.

In a nutshell:

1. Conscious Choice

We're relying less on habitual decisions and shortcuts and re-evaluating every decision, purchase and thing we do or spend our money on.

2. Homebody Economy

The shift to a homebased and hyper local life is here to stay. What does that mean for your brand?

3. Population Adaptation

The shift to the 'burbs and the increase in tree/sea changes coupled with zero migration has changed the shape of Australia's growth.

4. Localism Rules

Not only will we live and work closer to home but we will invest in small and buy local. We're shunning international influence and focusing on rebuilding right here at home.

5. Anxious Nation

2020 has created a perfect storm for a nation just holding on to what normal looks like. How can brands bring positivity into consumers lives authentically?

# Conscious choice

People may think that they always make a conscious choices, but that isn't the case. We as humans are essentially always looking for short cuts to streamline our daily lives. 45% of our decision making is habitual.

However, one of the biggest things Australians have had to do this year is evaluate decisions more than ever. This has meant putting more focus on less habitual decision making.

In many instances we have been placed in situations where the tension within us between doing what is right for us and our closest inner circle (individualism) and what is right by the community (collectivism) has been at odds. Sometimes we have had to make decisions either way, often to the detriment of the other.

This tension has forced us to re-evaluate what we buy, what we believe in, Is this a good choice for us, our family and the environment. Will this product keep me safe. Is it clean enough to come in my house, how many people touched this product before it got to me.

We've had to consider things we took for granted or never thought about before.

Google explore this in their recent research piece called the Messy Middle, and Mckinsey have also published work about the shock to decision making, highlighting how consumers are trying out new shopping behaviours.

**What does this mean?**

Brands can no longer just rely on a strong brand name or image, or on  the best price. Channels that allow you to talk proof points and the value equation should be in your mix. Never underestimate the power of free, or rewards or cashback in building the value equation.

Channels that make you feel connected to a brand through emotion or story telling are important to make you feel like your choice is the best one, that this is a brand that reflects your values. Transparency all the way through the supply chain needs to be available information.

# Homebody economy

In early 2020 we did some work around Hermit Culture, a trend where many Australians were choosing to stay home more to avoid the excess busy lifestyle. We observed at that time that cancelling plans had become the norm. Some coined it JOMO (Joy of missing out) evolving from FOMO (Fear of Missing out)

Fast forward past the pandemic and the homebody economy is here to stay and we've basically just spent a year of MO (*just* 'Missing Out).

COVID-19 accelerated a homebased life with almost 60% of Australians working from home at its peak. For some people this was their first experience of working from home, and now for many its become their preferred way to work.

This accelerated trend has reshaped the footprint of how we live our daily lives forever. It opens up possibilities for brands to have new and diverse usage, it will shape the design of our homes, it affects our hobbies and the media we consume. It also affects out sphere of closeness, with less commute or need to go into the CBD our footprint shrinks. But at the same time our ability to be more flexible with work means domestic travel shifts. We may find ourselves less restrained by weekends and more flexible when it comes to trips away.

More details on this trend can be found here in our Future of Home report.

**What does this mean?**

A homebased lifestyle has implications for how we reach consumers and in what mindset. If their OOH footprint changes to their locality that means the tone and messaging should too. If their reason for longer journeys is no longer to commute, then messaging and formats can be more lifestyle focussed. If social and video hours are up but all home based, are our ads fit for format, device and the context at that time? Not to mention all this activity should be location based with other data points to maximise efficiency.

In 2020 readership of newspapers has increased and general news consumption is up as consumers have enjoyed this as a ritual at home. There has been a resurgence of 'long form' consumption but also in format; especially amongst finance, government and other service brands. How might we exploit these changes for your brand?

# Population adaptation

With  shifting mindset of what home means and a more homebased work force, Australians are re-assessing where they live. The outer suburbs where there is less dense living are increasing in popularity (and were pre-pandemic with less commute), more space and being close to nature a key drawcard., But for many a bigger change is on the cards with major shifts to tree and sea changes.

**Geographical spread**

The government has recognised this shift offering grants of up to $9000 to people relocating for work. Encouraging migration to regional areas and decreasing unemployment numbers. Muval, an aggregated moving site has seen enquiries increase 52% to Australians moving interstate. Melbourne is expected to lose the most people, especially to Queensland. People in Perth and Adelaide appear the most content to stay put. Brisbane is expected to be the centre of interstate moves, with regional Victoria also high on the agenda for Melburnians. Moves to Newcastle from Sydney were up 140%.

**Migration stagnation**

As our borders remain closed net migration has decreased. People looking to move to Australia from other countries tend to favour metro areas and usually balance out the spread from Australians moving further out.  Ex pats moving home are expected to off set some of this, but it raises questions about the future of the CBD and its role in peoples lives.

As migration decreases with border closures, Australia is also at risk of lower population growth and an expedited aging population. We already have the 2nd fasted aging population in the world after Japan. Migration fuels this population growth in turn being a key driver for infrastructure planning. Roads, community services, transport, communal spaces and development all hinge on population growth.

Lower migration affects spending in many categories.  Research by Roy Morgan shows that those born overseas (or who speak a foreign language at home often) outspend other Australians. Especially in key export categories that are currently suffering such as travel and education.

**What this means?**

As the role of higher density areas change, the urban landscape will evolve around us. That means how we connect with people through physical and digital advertising will evolve too. Understand the role of 'where' and the context of 'what' will be equally as important.

As people move it is also an opportunity to purchase goods and services that they didn't need before. Identifying early through data triggers what people might need can help build rational proof points and bring your value equation to life.

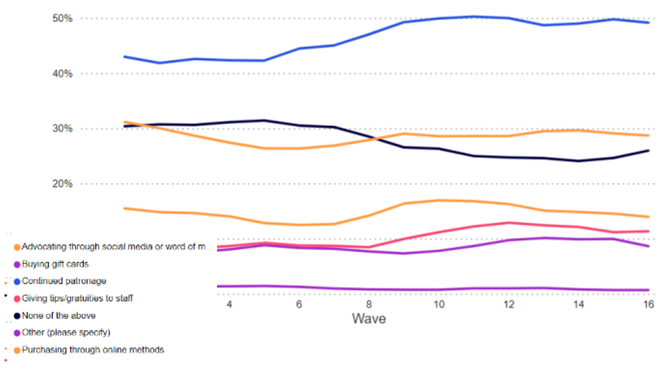
As the footprint spreads, regional areas grow, and our population ages. Broadening our targeting and redefining how we talk to different audience groups who will be broader with very different motivations will be key.

# Localism rules

### Supporting small

One thing that came from the Bushfire crisis in January 2020 was the hyper focus on local and local business. The census estimates that 96% of Australian business is small business, and the focus to keep this alive during both the Bushfires and COVID-19 has been driven by the people and the government.

In our weekly COVID tracker we ask how respondents how they 'support small and local business'. The chart below shows the answer to this question since March. As we emerge from lockdown continued patronage continues to grow.




The accelerated WFH trend also means stronger focus on our local footprint encouraging a hyper local mindset. This affects everything from what we eat, buy, and do.

### International avoidance

Now that we sit relatively COVID free with little opportunity to travel overseas, the focus remains internal. Australians have questioned our reliance on external parts of supply chain, and the threat of a trade war with China makes this more prevalent.

The election in the US, BLM and now the serious second and third wave of COVID-19 globally has become too much for some Australians. Many choose to live in a blissful ignorance preferring to deal with our own issues at home.

In May and June searches on google for Aussie or Australian made peaked. If we refer back to conscious decisions, leaning in to 'Aussie made' or locally made then becomes a new short cut in decision making for Australian consumers.

### Local solutions

The demand for local solutions and will rise as we shape infrastructure. Post COVID interest in walking and cycling has increased meaning safe spaces to do just that. Some of the urban perks that we enjoyed may be less relevant as we strive towards a more conscious and slower paced future.

We've already seen huge investment into local areas since the Melbourne lockdown ended. Spending in regional Victoria surged 22% on the first weekend after the 'Ring of steel' was lifted, with local cafes, restaurants and takeaways in those areas lifting 76%. We expect this kind of investment into the local footprint of Australians. Keeping their disposable income where it matters the most.

### What does this mean?

Brands that promote themselves as Australian or homegrown will build trust, and those that can't may want to rely more value or other strong brand cues that they may have.

Segmenting audiences by data that is granular to where they live will be key in targeting through all paid channels. Dynamic messaging curated for nuance by each area is important as people will become more parochial about where they live and a one fits all approach won't work.

# Anxious nation

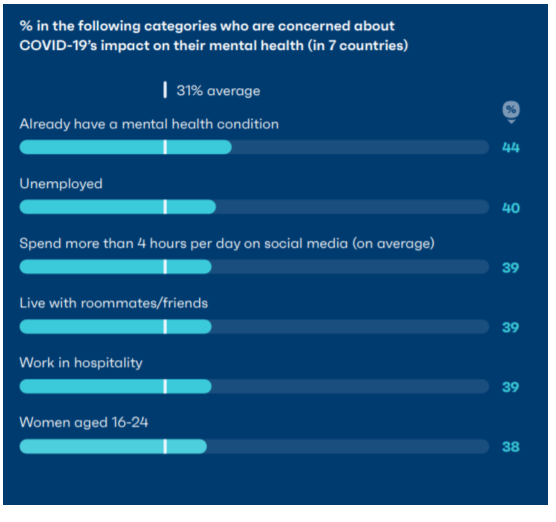
In 2021 the effects of 2020 will become clear on Australians mental and subsequently physical health. There is a health crisis on the horizon that far supersedes the pandemic.

There is evidence that major disasters and world events create an increase in crime and domestic violence in the short and medium term. This was also evident in some areas after the bushfires.

Once you add in solitude for many, extensive job losses and high unemployment and a bleak economic future, all the ingredients are there to set the scene for a concerning 2021. We may not have seen the full impact yet on Australians and consequently our health care system and communities.

### Most at risk groups

Research globally has show that Gen z and younger millennials are most at risk, and women over represent all mental illness cases based on the additional burden assumed in addition to working during a lockdown. GWI highlight these groups below as those most at risk.

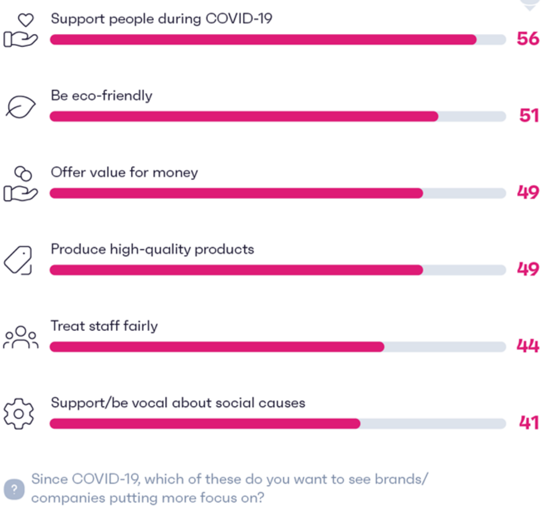



### Social media push & pull

With links between social media usage and news consumption fuelling anxiety, here in Australia we've seen some reduce consumption of both. For many social media has been a lifeline during lockdown but the push pull of perfection with real life often negates the benefit in the long term. Social media has been responsible for magnifying peoples panic and anxiety fuelling social contagion. The more we posted about 'toilet roll' the more it fuelled our anxiety. News outlets have a responsibility to not fuel further panic and brands can play a key role in using social channels in the right way.

### Kindness continues

In our 2020 consumer trends last year we talked about kindness. The Kindness sentiment continues and is a great way for brands to encourage positive sentiment when consumers are anxious. GWI recently asked how consumers would like brands to act kind in a post COVID World. Most people need support, but climate action is still top of mind along with value. These elements help brands build the right value equation for those conscious choices that we mention.




### What does this mean?

Brands have a role to play is behaving responsibly, using social media and owned channels in the right way, managing news without sensationalism.

If it is possible to help consumers de-stress or relax through events, activities or partnerships these should be a continuous investment in 2021. Humans crave nature, is there a way your brand can bring the outside in, especially within a homebody economy. Music and other streaming services or mental health and meditation brands are also excellent partners to work with in this space that benefit not only your customers but you employees too.

# Applicable action for 2021

### Short termism vs long termism

With so many trends affect consumers right now its easy to stay focused on the short term. Of the 5 trends discussed in this report Localism rules and Anxious nation are likely those that will evolve faster based on how the world will change in 2021.

But how brands act now will also have impact in 2022 and beyond. If budgets or effort can't be split out in the traditional 60/40 split as detailed in the Long and Short of it; then taking a simultaneous approach maximising your activity to do both could be an option. Ritson discusses this very thing here in his funnel juggling article for marketing week. As the value equation is more important than ever a combined approach of an emotional hook with rational based reinforcement might be appropriate.

### Take advantage of all the new customers

There were a lot of firsts in 2020, the first time some people shopped online across multiple categories, watched online videos and tried a whole raft of new products. Identifying those new customers and their year of firsts through data triggers gives you a great opportunity to engage with them and create loyalty. If their online journey is just beginning and they're acting different to other customers its time to adapt and take advantage of that.

Some categories such as auto or house buying as large and involved purchase have suffered more than many other categories where a shift in behaviour has been is easier. However the growth in online connections has instilled confidence in consumers and now is the time to take them on that journey to a more digital based purchase decision.

Are you a brand that can re-shape consumer journeys where behaviours are accelerating? Can you capitalise on this window of opportunity now before another brand does?

### Portable products

As our work and home life becomes more fluid and we make different use of our space at home but also in our locality, products that are portable and move with us through different physical locations or devices, or can travel with us may find a place in consumers lives. How can you diversify your range and adapt to this local at home lifestyle?

### Everyday interactions count

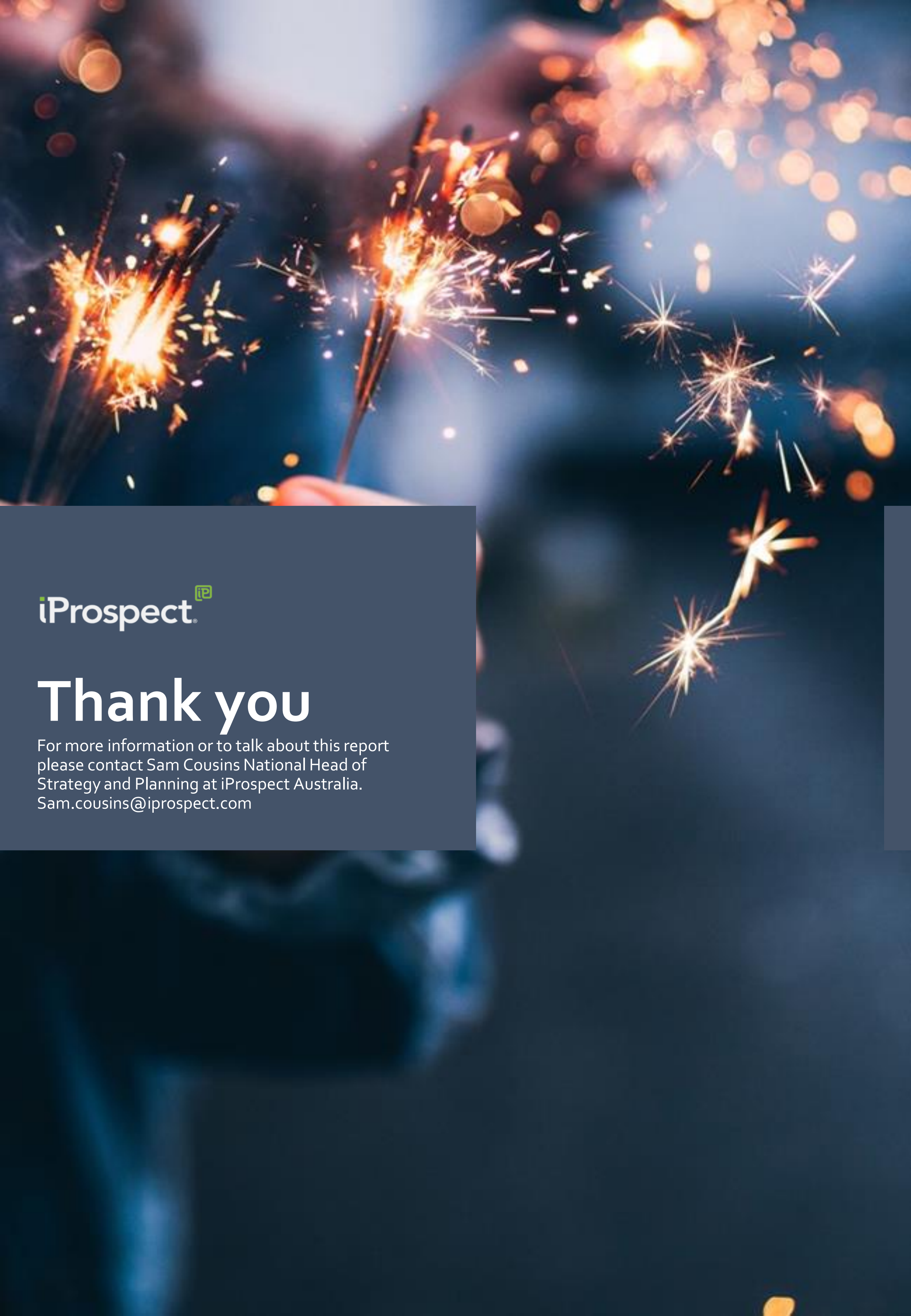
There were many bad examples of brands 'over communicating' in the early days of the pandemic. For some brands keeping quiet was the right thing to do. In light of a more localised and homebased consumer set, who are cautious and analysing many choices. Those smaller everyday moments where your brand can be useful, or be involved will be where conversion happens. This means agility and speed to respond in channels that allow you to do that. Owned and earned channels become just as important as paid. Identifying nuance related to these 5 trends through data triggers gives you an opportunity to engage.

### Use your platform

With many Australians doing it tough, brands have an opportunity to showcase the good and growth in society in 2021. Is there a way to promote or show people overcoming bleak situations? Can you employ or train those without jobs? Can you highlight the raft of new entrepreneurs building new businesses since losing their secure jobs? Can you partner with lots of small local businesses instead of bigger trade partners in your supply chain? This is a great way of creating new news and good news that creates momentum and ultimately adds to your value equation as a brand.

### Connect all the dots

It may sound simple but linking all of your data intelligence to better plan communications based on these 5 trends will provide better results. 2021 is an opportunity to capitalise on what we have learnt and prepare for a post pandemic life through to 2022. Those consumers that we can instil trust into now , will be loyal as the world evolves. Demonstrating true understanding and behaving responsibly keeps us connected to Australians.



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# Thank you

For more information or to talk about this report please contact Sam Cousins National Head of Strategy and Planning at iProspect Australia.

Sam.cousins@iprospect.com

# Resources used to create this report


Dentsu Intelligence Covid-19 hub

Dentsu intelligence COVID-19 tracker & dashboard

Think with Google covid-19-has-made-consumer-decision-making-even-more-complicated-heres-what-you-need-to-know

Mckinsey – A view on how global behaviour is changing in a Post Pandemic world.

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Google insights The Messy Middle

Global Web index Why Kindness is currency

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