

Friday, 25 June 2021

COVID-19 pandemic provokes shift in key finance and shopping attitudes as Australians deal with changed circumstances

New research from Roy Morgan shows the COVID-19 pandemic has had a big impact on key financial and shopping attitudes with big increases in those willing to use credit to buy the things they want, who like being well insured, who go out of their way for a bargain and more.

In the 12 months to March 2021 a fast-rising 38.8% of Australians agree that *'Credit enables me to buy the things I want'* – an increase of 12.4% points from a year ago pre-COVID-19. This is the largest increase for any of the financial attitudes covered here and suggests the long-term decline in usage of credit is being reversed as alternative [payment systems such as Zip and Afterpay](#) enter the market.

The COVID-19 pandemic has also had a large impact on how Australians conduct their banking and over three-fifths (60.1%) now agree *'It would be ideal if I could conduct all my banking without ever having to go to a Branch'* – an increase of 9.8% points from a year ago pre-COVID-19.

The stay-at-home orders and potential risk of catching COVID-19 while out and about in the community has clearly diminished the attraction of waiting in long queues at the local branch when the ease of use of websites and apps to conduct banking transactions is easier than ever before.

There is also good news for insurers with over three-quarters of Australians, 75.5%, now agreeing that *'I like to be well insured'* – an increase of 6.2% points from a year ago pre-COVID-19.

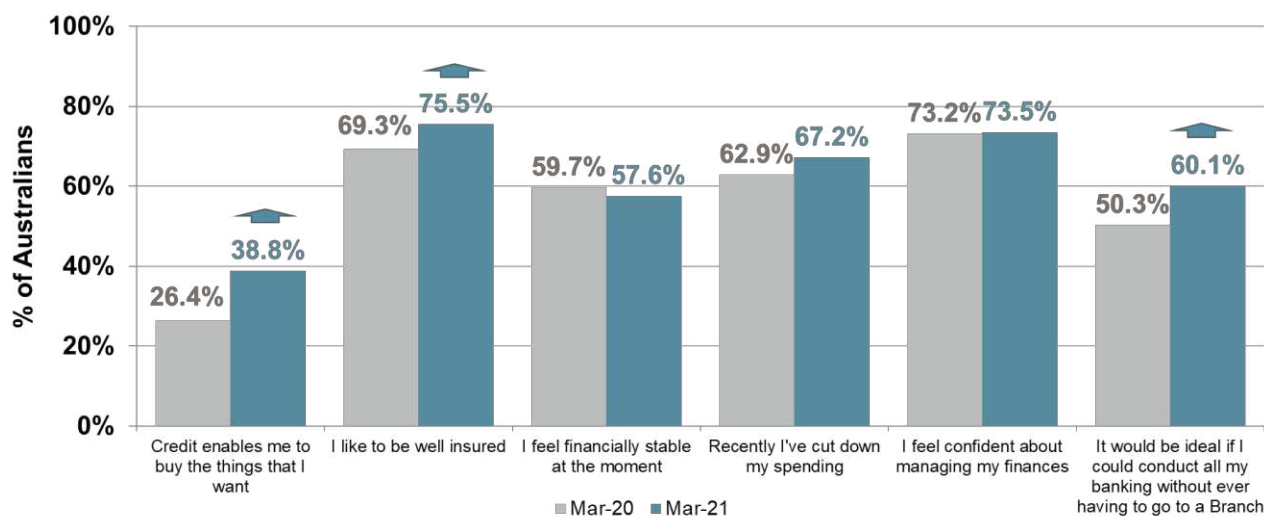
There are other attitudes on which COVID-19 has had a lesser impact.

Now 67.2% (up 4.3% points from a year ago) of Australians say that *'Recently I've cut down my spending'*, and slightly fewer, 57.6% (down 2.1% points) agree that *'I feel financially stable at the moment'* – both movements in a negative direction but not as great as one would have feared a year ago.

The financial impact of COVID-19 hasn't shaken people's self-belief about their own financial management with a virtually unchanged 73.5% of Australians saying *'I feel confident about managing my finances'*

The data comes from Roy Morgan Single Source, the nation's largest and longest-running program of research into consumer behaviour and attitudes, continuously conducted year-round.

Key financial attitudes: Pre COVID-19 (March 2020) vs. During COVID-19 (March 2021)



Source: Roy Morgan Single Source, April 2019 – March 2020, n=46,453; April 2020 – March 2021, n=42,159.

Base: Australians 18+.

FOR IMMEDIATE RELEASE

Compared to pre-COVID, Australians are more likely to search for a bargain and try out new brands.

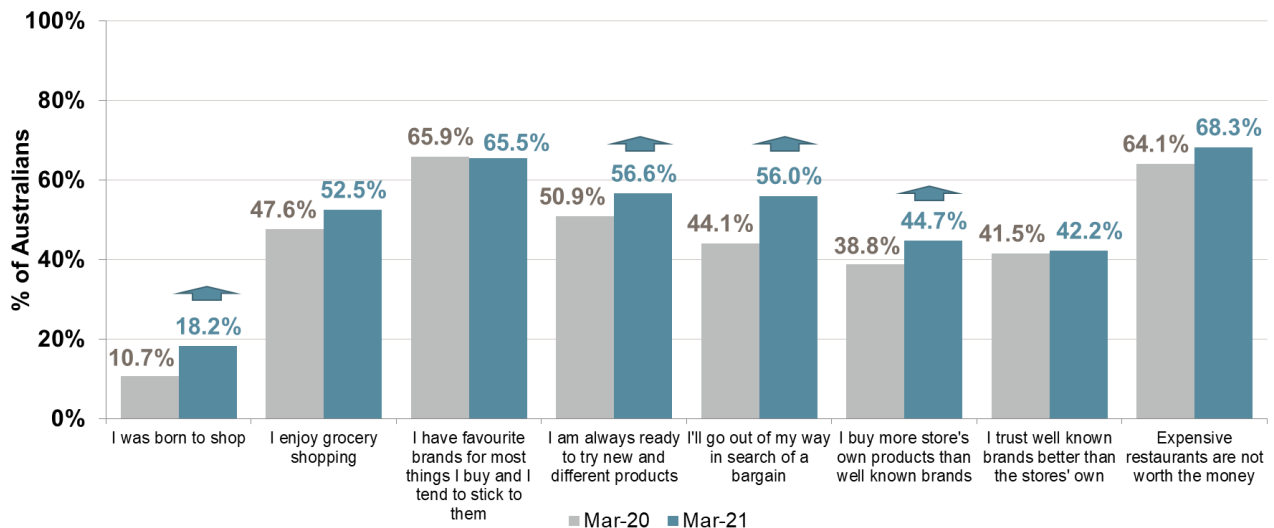
COVID-19 has clearly had an impact on Australians' attitudes towards how they shop, and none bigger than increasing the bargain-hunting instincts of many. Now a clear majority of 56% of Australians say 'I'll go out of my way in search of a bargain' – an increase of 11.9% points from a year ago pre-COVID-19.

From a low base there are now 18.2% who claim they were 'born to shop', an increase of 7.5% points on a year ago pre-COVID-19. The strong retail sales figures over the last year since the introduction of the \$89 billion JobKeeper wage subsidy, the increased JobSeeker rate and the \$36 billion superannuation withdrawal program have powered ABS retail sales figures to record highs since May 2019.

The latest [ABS Retail Sales figures for April 2021](#) showed retail sales at a record high of over \$31 billion – or more than \$1 billion per day.

Australians are also increasingly looking for new brands with 56.6%, up 5.7% points, saying 'I am always ready to try new and different products' although also being more cost-conscious than prior to the pandemic with nearly half, 44.7% (up 5.9% points) saying 'I buy more store's own products than well-known brands'.

Key shopping attitudes: Pre COVID-19 (March 2020) vs. During COVID-19 (March 2021)



Source: Roy Morgan Single Source, April 2019 – March 2020, n=46,453; April 2020 – March 2021, n=42,159.
Base: Australians 18+.

The COVID-19 pandemic has had a huge impact on our lives over the last year-and-a-half and some of the changes to the way we think and act are set to prove enduring – including the way we deal with financial decisions and how we shop says Roy Morgan CEO, Michele Levine:

"The COVID-19 pandemic provided a huge shock to the Australian economy and way of life in early 2020 and these effects continue to linger on with attitudes to many financial questions and shopping behaviours still changing.

"Now over three-quarters of Australians (75.5%) said they 'like to be well insured' – up significantly by 6.2% points compared to pre-pandemic. The way Australians conduct their banking has also been heavily impacted with 60.1% saying 'It would be ideal if I could conduct all my banking without ever having to go to a branch' – up nearly 10% points in only a year.

"The desire to conduct all financial affairs without heading into a branch has been a long-developing trend which COVID-19 has accelerated as banking by website and app becomes increasingly the norm.

"However, perhaps the most interesting trend over the past year has been the sharp increase in those Australians saying that 'Credit enables me to buy the things that I want' – now at 38.8% (up a large 12.4% points on pre-pandemic).

*“This is the largest increase for any financial attitude and suggests that new forms of ‘credit’ such as the ‘buy-now-pay-later’ services Zip and Afterpay are now driving a change in these attitudes alongside the financial challenges driven by the pandemic. The latest [Roy Morgan Digital Payments Report](#) shows **72.4% of Australians are aware of ‘buy-now-pay-later’ services** – almost double the figure of 36.9% in less than three years ago in late 2018.*

“The increasing uptake of new digital payment services that defer immediate payment plays into the changing attitudes of shoppers. Now over half of Australians (56%) say ‘I will go out of my way in search of a bargain’ – an increase of 11.9% points on pre-pandemic.

“Shoppers are also on the lookout for bargains generally with 56.6% (up 5.7% points) saying ‘I am always ready to try new and different products’ and 44.7% (up 5.9% points) saying ‘I buy more store’s own products than well-known brands’.

“Taken all together the changing attitudes of Australians is being driven not only by the forced restrictions of the COVID-19 pandemic with lockdowns and stay-at-home orders, but also the increasing availability of new technology that enables frictionless banking and shopping without having to even leave one’s house.

“COVID-19 has accelerated these trends, which were already evident pre-pandemic, and they present both great opportunities to find new channels to reach potential customers, as well as challenges to old ways of doing business.”

Michele Levine is available for interview. Phone (03) 9224 5309

To find out more about Roy Morgan Single Source data or to further explore Australian consumer behaviour call (03) 9224 5309 or email askroymorgan@roymorgan.com.

About Roy Morgan

Roy Morgan is the source of the most comprehensive data on Australians’ behaviour and attitudes, surveying 1,000 people in a continuous cycle that has been running for two decades. The company has more than 75 years’ experience collecting objective, independent information. To go deeper on this or any other subject, ask Roy Morgan.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

