

# NAB AUSTRALIAN CONSUMER ANXIETY SURVEY Q3'20

## INSIGHTS INTO CONSUMER ATTITUDES & BEHAVIOURS

### POST COVID-19



*NAB Behavioural & Industry Economics*

November 2020

Consumers are essential to Australia's ongoing economic recovery post COVID-19 with household expenditure making up around 60% of our economy. With COVID-19 restrictions easing across much of the country, consumer anxiety has continued to moderate and spending behaviours are shifting. With the impact of the virus continuing to play out in very different ways depending on location (both in terms of the spread of the virus and the government's response), consumer sentiment and behaviour is now varying widely by region - with VIC and NSW the only states where consumers are more anxious. Overall, household spending behaviours are becoming a little less conservative, but are softer than a year ago. As restrictions started to ease across much of Australia, spending on non-essentials improved slightly, particularly eating out, entertainment, travel and holidays. Consumers are also becoming a little more optimistic about the likelihood of making a major purchase over the next year, particularly in areas such as home renovations. On balance, however, consumers still expect to spend less on cars, investment properties, school fees and holidays.

No other event in our lives have changed consumer behaviours as suddenly and radically as COVID-19. This provides businesses with a unique opportunity to engage with their customers (both new and existing) in innovative ways and potentially help shape behaviours going forward. In this report, for the first time we asked consumers how their shopping and purchasing behaviours are changing during COVID-19. Many consumers have been supporting local business, buying online and shopping on new websites. At the same time, value perception and reliability is becoming increasingly important in framing purchasing decisions and consumers are doing more research before buying.

In Q3, the **NAB Consumer Anxiety Index** fell slightly (to 57.0 v 57.3 in Q2) and is now at similar levels to the same time last year. There are numerous consumer confidence measures published in Australia. NAB's measure is grounded in people's wealth perceptions rather than their view of the economy (which often lags) and is derived from 5 key concerns: job security; health; ability to fund retirement; cost of living; and government policy. Lower anxiety in Q3 was led by fewer concerns over the ability to fund retirement and cost of living pressures (which fell to a new survey low). On balance Australians believe their living costs have fallen over the past three months, particularly in areas such as entertainment, travel and holidays, eating out and transport - key areas of course impacted by the virus. Groceries top the list adding most to living costs, followed by utilities, medical expenses, telecommunications and rent. Although the cost of living is still the biggest driver of overall anxiety, it is only just ahead of government policy, where anxiety has risen as COVID-19 support measures (such as JobKeeper) begin to be wound back. Anxiety from job security has also lifted and is well above the survey average, while health was unchanged.

By state, anxiety is highest in VIC and NSW/ACT (58.4), followed by QLD (55.6), WA (55.0), SA/NT (53.6) and TAS (49.6). VIC has the highest anxiety around job security and government policy, and NSW/ACT for health, retirement funding and cost of living. Anxiety fell in all other states and was lowest in TAS, and for all index components, except government policy, which was lowest in WA. By gender, men (55.8) continue to report lower anxiety than women (58.2), with women remaining noticeably more anxious about cost of living and retirement funding.

NAB's measure of household spending behaviour pointed to a decline in the number of consumers (on balance) cutting back their spending relative to the previous quarter, but is still well down on the same time last year. Spending continues to be driven by essentials, although less so relative to the previous quarter. In Q3, on balance the number of consumers who increased spending on groceries and utilities fell sharply, spending on children was unchanged, while spending on health rose. Fewer people cut back spending on transport, but this remains well down on year-earlier levels. The biggest improvements in non-essential spending were in eating out, entertainment, travel and holidays and on charitable donations, however the number of people spending less remains well above year earlier levels in all categories.

#### **NAB CONSUMER ANXIETY INDEX (100 = extremely concerned)**

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Overall Index	57.3	57.7	60.1	57.3	57.0
- Job security	44.5	46.5	52.3	49.3	50.2
- Health	56.9	55.7	56.8	56.3	56.1
- Ability to fund retirement	58.5	58.5	60.8	60.1	56.8
- Cost of living	64.7	64.7	65.6	61.9	61.1
- Government policy	62.0	63.0	64.9	58.8	60.7

While consumers were a little more optimistic about spending on major items in the next 12 months, the overall number intending to spend less still outweighs those intending to spend more in all areas, except home renovations, private health insurance and residential property. In net terms, consumers intend to spend less on cars, investment properties, school fees and holidays. By state, noticeably more consumers in TAS and SA/NT indicated they would spend more on residential property, with SA also leading for home renovations. Consumers in QLD were the only group expecting to spend more on school fees, while those in VIC were most negative about spending on cars and NSW/ACT on holidays.

Value perception is increasingly important post COVID. Customer perceived value is grounded in the belief that a product or service meets their needs or expectations. There are many elements to value perception including price, time, and reputation. In terms of price, value pricing (i.e. whereby consumers believe they are getting a great deal as well as a quality product) is particularly important. In a post COVID world where many people have been managing work and family from home, time-saving and convenience has also been an issue for many consumers. But perhaps the biggest opportunity lies in reputation and reliability as many consumers have shifted the way they interact with businesses, particularly through digital platforms.

Consumers are typically not prone to making radical changes to their shopping or purchasing habits and can be highly resistant to anything that requires behaviour change, even if they may be better off as a result. COVID-19 has provides businesses with a unique opportunity for innovation. When consumers are surprised and pleased by a new experience, they are likely to repeat the behaviour. Recent NAB research on trust further highlights this opportunity, particularly for small business, where trust levels among Australians are the highest (along with our neighbours), and have grown post COVID-19.

For the first time in the survey, consumers were asked to think back about their household's shopping purchasing and other behaviours over the past 3 months and estimate the extent they had changed their behaviour in several key areas. Highlighting the importance of value pricing, the biggest behavioural change was being mindful of where they spent their money (+39%). Supporting local business (+35%) was the next most common change underlining the opportunity for small businesses post COVID-19.

Other key areas where consumer behaviours are changing most include: more buying online to avoid going into a store (+23%), switching to less expensive products to save money (+20%), doing more research before buying (+19%), buying items online they would normally buy in stores (+18%), and purchasing products based on availability (+17%). Not surprisingly, with hospitality and retail among some of the sectors worst hit by restricted trading hours, closures and social distancing, other key changes include dining less at restaurants (-53%) and fewer visits to major shopping centres (-43%).

Amid continued lockdown restrictions, a much larger number of consumers in VIC did more buying online, purchased more products based on availability, shopped on a new website, bought a product due to convenience, and tried a new brand or product. Noticeably fewer VIC consumers visited a major shopping centre or dined in a restaurant than in any other state.

The survey (conducted over the period September 15-29) is based on responses from over 2,000 Australians and weighted to be representative of the Australian adult population by state, gender, age and other key demographics.

## HOUSEHOLD SPENDING BEHAVIOURS (net balance - spending more/less)

	Q3 2019	Q4 2020	Q1 2020	Q2 2020	Q3 2020
Non-essential spending	-15	-16	-25	-30	-26
Essential spending	15	13	13	7	5
Financial spending	2	1	-1	-2	0
Overall Spending Behaviours	-3	-4	-9	-14	-12

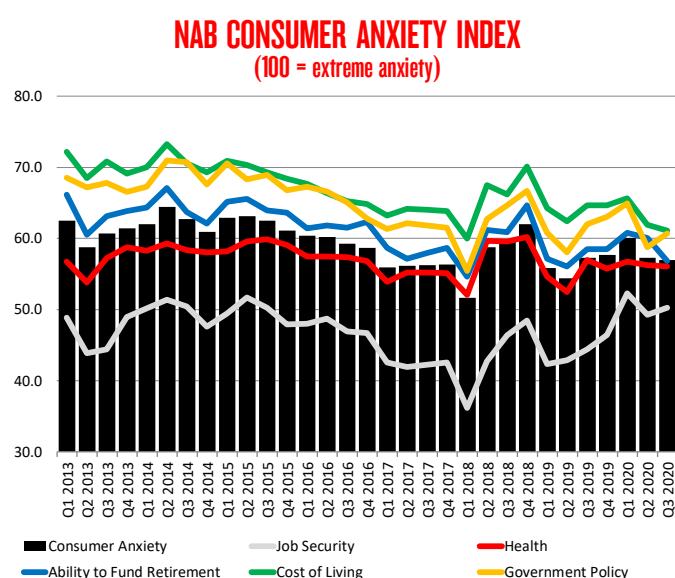
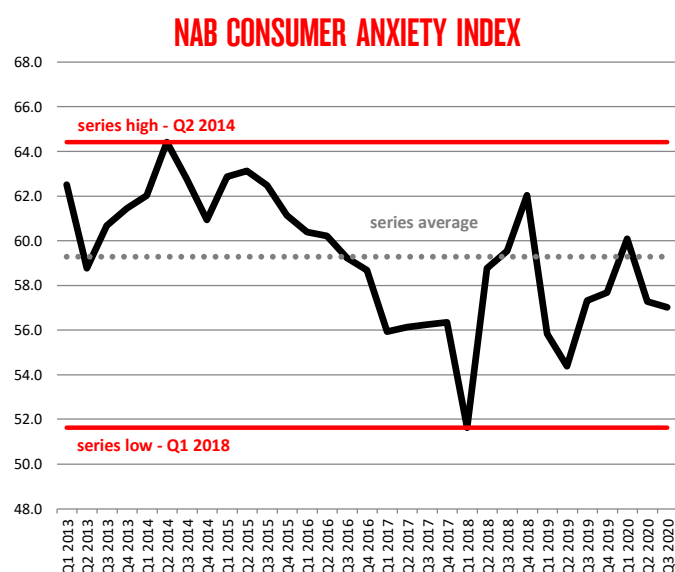
## HOUSEHOLD SPENDING BEHAVIOURS - SPENDING CATEGORY (net balance - spending more/less)

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Travel/holidays	-13	-10	-27	-46	-40
Eating out (coffee, take-away, restaurants, etc.)	-21	-22	-31	-41	-32
Entertainment (movies, sports, concerts, etc.)	-23	-24	-36	-48	-41
Groceries (food, alcohol etc.)	14	11	16	28	19
Home improvements and maintenance	-5	-7	-14	-5	-7
Major household items (appliances, furniture etc.)	-16	-17	-25	-22	-19
Utilities (electricity, gas, phone, etc.)	26	21	20	25	19
Personal goods (clothes, toiletries, sports, pets, etc.)	-12	-12	-17	-20	-18
Medical expenses (doctors, pharmacy, optical etc.)	14	12	14	5	8
Transport (car running costs and public transport)	19	20	13	-19	-14
Children (school fees, childcare, activities etc.)	2	2	3	-4	-4
Paying off debt	13	10	10	8	8
Use of credit	-11	-8	-10	-10	-10
Savings, investments and super contributions	4	2	-2	-3	1
Charitable donations	-16	-17	-23	-24	-19

## ADDED MOST TO COST OF LIVING PRESSURES (% of total responses)

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Travel/Holidays	11%	12%	10%	3%	4%
Eating out	12%	12%	13%	9%	12%
Entertainment	5%	5%	5%	3%	4%
Groceries	53%	56%	60%	71%	66%
Home improvements	10%	11%	9%	15%	14%
Major HH items	7%	7%	6%	9%	9%
Utilities	58%	54%	52%	52%	52%
Telecoms	14%	12%	12%	18%	18%
Personal goods	8%	8%	9%	14%	12%
Medical expenses	21%	20%	23%	18%	19%
Transport	32%	32%	27%	12%	14%
Children	8%	8%	8%	5%	5%
Mortgage	13%	13%	12%	14%	12%
Rent	16%	17%	19%	14%	15%
Other debt	5%	7%	6%	5%	7%

# NAB CONSUMER ANXIETY INDEX



With COVID-19 restrictions easing across much of the country, consumer anxiety moderated a little, despite a still weak economy and employment activity.

In Q3, the NAB Consumer Anxiety Index fell slightly to 57.0 points, from 57.3 points in the previous quarter, and at the same time last year.

Lower anxiety over the quarter was led by diminished worries over the ability to fund retirement (down 3.3 points to 56.8). Anxiety arising from cost of living also fell further (down 0.8 points to 61.1), hitting a new survey low for the second straight quarter.

Although cost of living is still the biggest driver of overall anxiety, it is now only just ahead of government policy, where anxiety rose 1.9 points to 60.7, as government COVID support measures (such as JobKeeper and supplements for welfare recipients) began to be wound back.

Anxiety being driven by job security also climbed in Q3 (up 0.9 points to 50.2) to be well above the survey average (46.7 points). This is not unexpected. Although latest official data shows Australia has regained around half the jobs lost since the COVID pandemic started, unemployment remains high and employment well down on pre-COVID levels.

Anxiety levels related to health (were basically unchanged (down 0.2 points to 56.1).

Anxiety levels vary across demographic groups. In Q3, anxiety was highest (not surprisingly) for Australian consumers who have lost their main source of income because of COVID (66.9 points), followed by people who live in an apartment they own (61.5 points), who earn less than \$35,000 p.a. (60.2 points), women aged 50-64 (60.8 points) and 30-49 (60.6 points), Australians with children (59.8 points), live in a household with 3 or more people (59.5), have a bachelor or post grad qualification (59.3 points) and labourers (59.0 points) - see chart on next page.

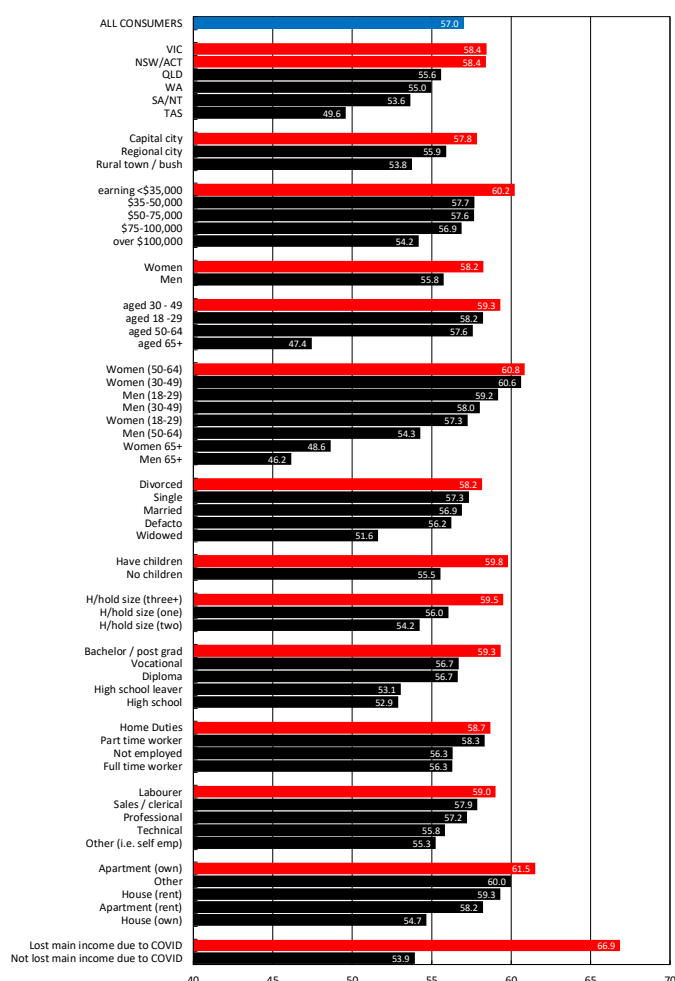
Among key demographic groups, anxiety was equal highest for consumers in VIC and NSW/ACT (58.4 points), which were also the only states to report higher anxiety in Q3. Not surprisingly, VIC reported the highest anxiety around job security (53.8 points) and government policy (63.3 points), and NSW/ACT for health (57.9 points), retirement funding (58.9 points) and cost of living (62.5 points). Anxiety was lowest in TAS (49.6 points), and for all index components, except government policy which was lowest in WA (56.3 points).

By gender, men (55.8 points) continue to report lower anxiety than women (58.2), with women remaining noticeably more anxious about cost of living (63.3 vs. 58.9 points) and retirement funding (58.4 vs. 55.2 points). They also worried more about their health and job security.

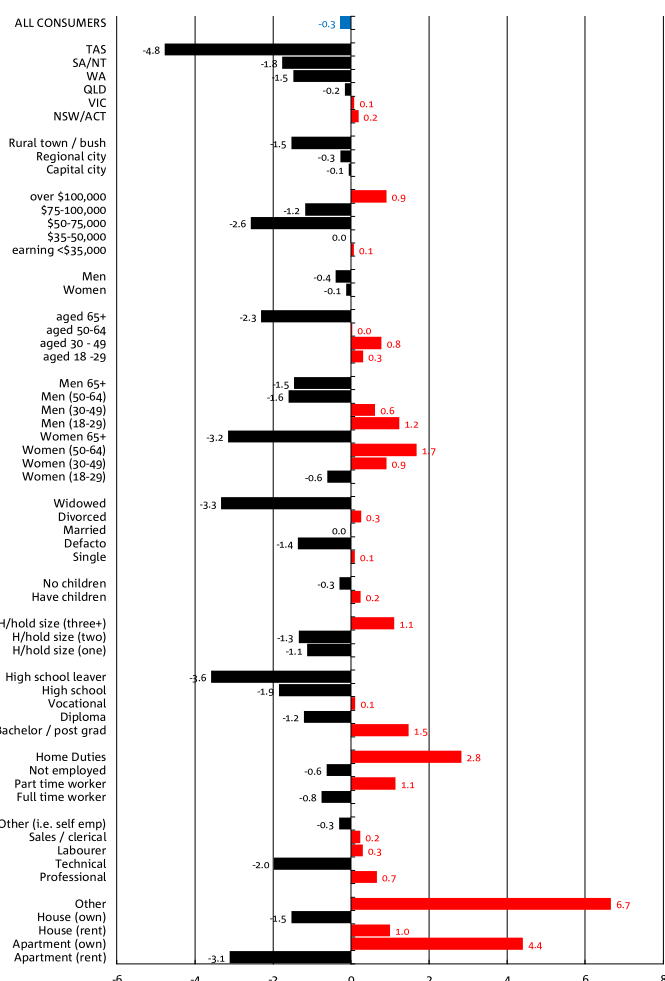
By age, anxiety was highest in the 30-49 group (59.3 points) and lowest by some margin in the over 65 group (47.4 points) - and for all measures except government policy. Younger Australians (18-29) however worried most about job security (56.4 points), particularly young men (57.0 points). Women aged between 30-64 were the most anxious, reflecting heightened concern around retirement funding and cost of living.

Among other findings, overall anxiety continues to be much lower for people earning over \$100,000 p.a. (and for all survey measures) and highest for low income earners, with this gap having also stretched from 5.0 points in the last quarter to 6.0 points in Q3.

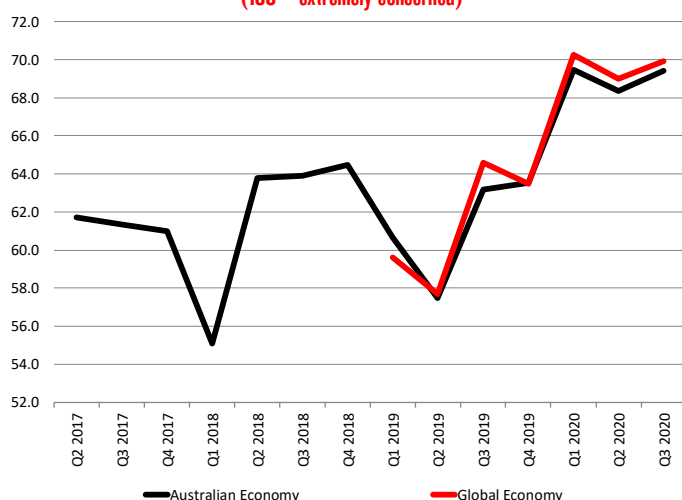
## NAB CONSUMER ANXIETY INDEX: ALL GROUPS



## NAB CONSUMER ANXIETY: ALL GROUPS (CHANGE)



## GENERAL LEVEL OF CONCERN OVER THE ECONOMY

LEVEL OF CONCERN ABOUT ECONOMIC SITUATION  
(100 = extremely concerned)

The general level of concern about the Australian economy rose to 69.4 points in Q3 (68.4 points in Q2), and to 69.9 points for the global economy (69.0 points in Q2). On the domestic front, consumers in VIC (70.7 points) are most anxious about the domestic economy.

Anxiety about the domestic economy will remain elevated in the near-term, following a larger than expected fall in Q2 GDP. Australia has had a massive recession, and the near-term outlook has been further complicated by virus issues in Victoria and scheduled reductions in Government support - albeit a highly stimulatory budget with personal tax cuts, accelerated infrastructure spending and attempts to move the focus from "support to survival". On the basis state lockdowns finish by end-2020, we now see the prospect of faster growth through 2021, but labour market outcomes have deteriorated in the near-term and will remain very challenging into the medium-term.

Due to the large falls in activity in the first half of 2020, the global economy is projected to contract by 4.0% in 2020 and then grow 6.3% in 2021. But for many countries, recovery is expected to be protracted, with spread of the virus a key risk, with some countries struggling to get it under control.

## LEVEL OF CONCERN ABOUT AUSTRALIAN ECONOMY

	NSW	VIC	QLD	WA	SA/NT	TAS
Q1 20	69.3	71.1	67.0	69.9	70.4	71.2
Q2 20	70.0	68.1	68.4	65.6	66.3	67.0
Q3 20	69.2	70.7	69.5	67.9	69.7	62.4



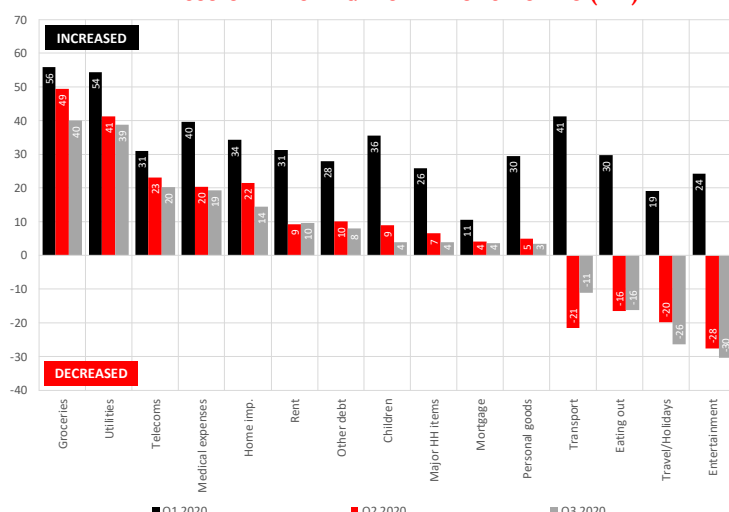
## COST OF LIVING PERCEPTIONS

Anxiety around cost of living fell further for Australian consumers during Q3. This was consistent with an improvement in their perceptions of how their living costs had also changed in the last 3 months. In net terms, (the difference between the number of people who indicated costs had increased against those who said they fell) was highest for groceries (+40) and utilities (+39). However, this was down from +49 and +41 respectively in Q2, and well below perceptions in Q1 amid panic buying and hoarding (particularly of grocery items).

Perceptions about rising costs in Q3 were also more apparent for telecommunications (+20), medical expenses (+19) and home improvements (+14). Again, however, the net number of consumers who said these costs had increased were lower than in Q2 and significantly lower than in Q1 (see chart below).

Measures to contain the spread of coronavirus (such as business shutdowns, limited trading, social distancing, travel restrictions and isolation measures) have clearly impacted cost of living pressures in some areas more than others. In Q3, the net number of consumers who said costs had fallen continued to significantly out-weigh the number who said they rose for entertainment (-30), travel and holidays (-26), eating out (-16) and transport (-11) - industries among the hardest hit by the virus. This is in stark contrast to perceptions at the onset of the pandemic, when the number of people who said these costs had risen significantly out-weighed those who said they had fallen.

EXTENT COSTS HAVE CHANGED OVER PAST 3 MONTHS (NET)



Australians were also asked to identify the top 3 things that added the most to their own cost of living over the past 3 months.

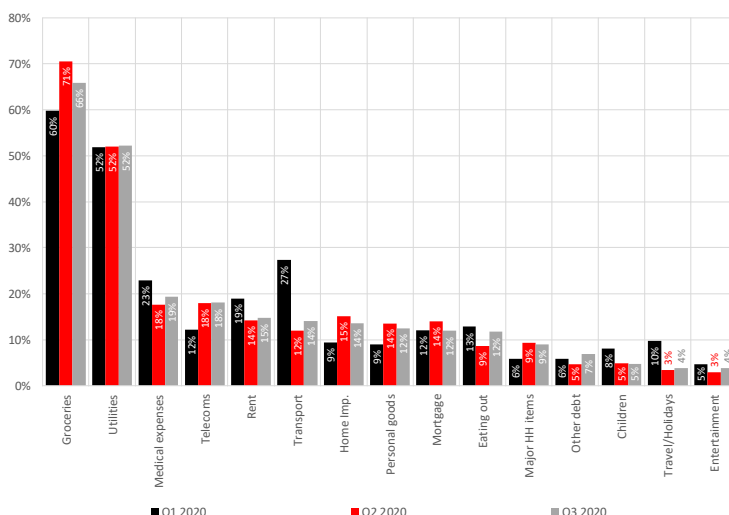
The bottom chart on the left clearly shows that not only were the cost of groceries perceived to have increased by most Australians in Q3, but it also added most to their cost of living pressures according to 66% of all Australians - although this was down from 71% in the previous quarter.

Utilities was the next biggest contributor to households' cost of living according to a net 51% of consumers (unchanged since Q1).

The next biggest contributors to our living costs were medical expenses (19%), telecommunications (18%) and rent (15%)

But not all consumers were impacted the same. The tables below highlight perceptions of how living costs have changed by state and what added most to their cost of living pressures.

ADDED MOST TO COST OF LIVING PRESSURE



When it came to cost changes, prices for groceries (+46) and children (+17) increased according to noticeably more people in QLD. WA led the way for home improvements (+24), other debt (+16) and major household items (+14). Costs increased according to most people in TAS for medical expenses (+38) and rents (+25). VIC led the way for utilities (+47) along with TAS (+48), but significantly more people in VIC also said costs had fallen for entertainment (-45), travel and holidays (-44), eating out (-38) and transport (-38).

When looking at what added most to cost of living pressures, some key differences included a noticeably higher number of consumers calling out utilities (58%) in VIC, mortgages (+16) in WA, eating out in NSW/ACT (16%), and medical expenses (30%), telecommunications (25%), rent (20%) and transport (22%) in TAS.

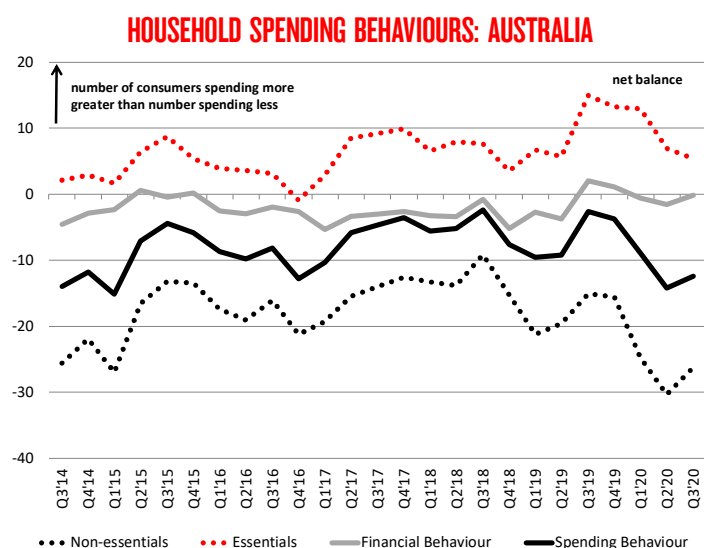
## EXTENT COSTS HAVE CHANGED OVER THE PAST 3 MONTHS (NET BALANCE): STATE

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Groceries	40	37	39	46	44	40	41
Utilities	39	40	47	29	30	40	48
Telecoms	20	21	25	17	17	18	15
Medical expenses	19	23	7	24	24	20	38
Home improvements	14	14	5	19	24	22	21
Rent	10	2	12	18	15	11	25
Other debt	8	7	8	8	16	4	12
Children	4	5	-9	17	12	15	-7
Major HH items	4	4	-5	8	14	10	6
Mortgage	4	4	4	-1	9	8	-42
Personal goods	3	4	-10	9	13	14	11
Transport	-11	-9	-38	7	6	-3	5
Eating out	-16	-17	-38	-1	-3	0	3
Travel/Holidays	-26	-28	-44	-12	-15	-16	13
Entertainment	-30	-33	-45	-19	-19	-20	-1

## FACTORS THAT ADDED MOST TO COST OF LIVING OVER THE LAST 3 MONTHS: STATE

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Groceries	66%	64%	65%	69%	67%	64%	67%
Utilities	52%	55%	58%	41%	50%	53%	53%
Medical expenses	19%	23%	13%	22%	22%	14%	30%
Telecoms	18%	22%	19%	16%	13%	10%	25%
Rent	15%	15%	16%	16%	12%	10%	20%
Transport	14%	14%	9%	18%	18%	15%	22%
Home improvements	14%	14%	12%	16%	14%	11%	17%
Personal goods	12%	13%	14%	13%	12%	8%	7%
Mortgage	12%	14%	10%	12%	16%	11%	2%
Eating out	12%	16%	10%	9%	10%	10%	6%
Major HH items	9%	11%	9%	7%	8%	9%	12%
Other debt	7%	7%	6%	8%	6%	7%	2%
Children	5%	7%	4%	4%	3%	5%	0%
Travel/Holidays	4%	4%	3%	5%	5%	2%	6%
Entertainment	4%	4%	5%	2%	4%	3%	2%

## HOUSEHOLD SPENDING BEHAVIOURS



Overall household spending behaviours in Q3 were a little less conservative. NAB's measure of household spending behaviour (which counts the number of consumers that spent more on a range of items against those that spent less on these items) pointed to a decline in the number of consumers (on balance) cutting back their spending relative to the previous quarter.

NAB's overall spending indicator rose slightly to -12 in Q3, after having fallen to a survey low -14 in Q2. However, the indicator was still well down on the same time last year (-3).

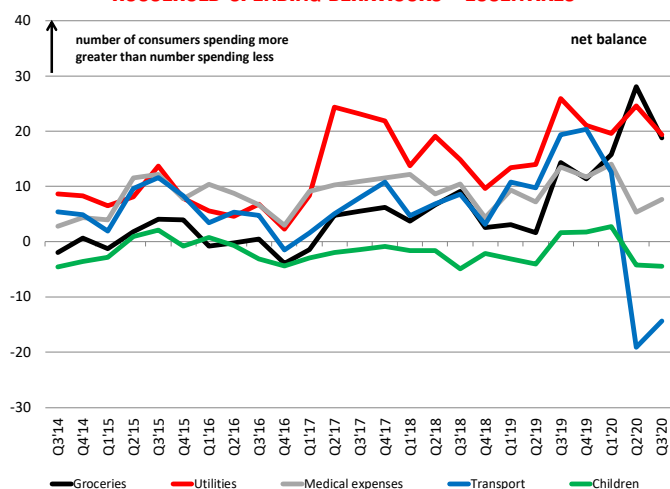
Spending continues being driven by essentials, although the number spending more fell relative to the previous quarter. The net number cutting back on non-essentials and financial spending however improved slightly.

The table below shows that overall consumer spending behaviours were less conservative in all states, except for VIC (unchanged) and TAS (more conservative).

## HOUSEHOLD SPENDING BEHAVIOURS: OVERALL (NET)

	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Australia</b>	<b>-3</b>	<b>-4</b>	<b>-9</b>	<b>-14</b>	<b>-12</b>
NSW/ACT	-2	-3	-6	-13	-11
VIC	-1	-1	-10	-14	-14
QLD	-6	-6	-12	-17	-14
WA	-6	-7	-8	-14	-13
SA/NT	-1	-7	-12	-19	-8
TAS	10	-5	-8	-8	-10

### HOUSEHOLD SPENDING BEHAVIOURS - ESSENTIALS



Overall, the net number of consumers spending more on essentials fell to +5 in Q3 (+7 in Q2) and +15 at the same time last year.

In Q3, the net number of consumers who increased spending on groceries fell sharply to +19 (+28 in Q2), and on utilities to +19 (+25 in Q2). Spending on children was unchanged (+4).

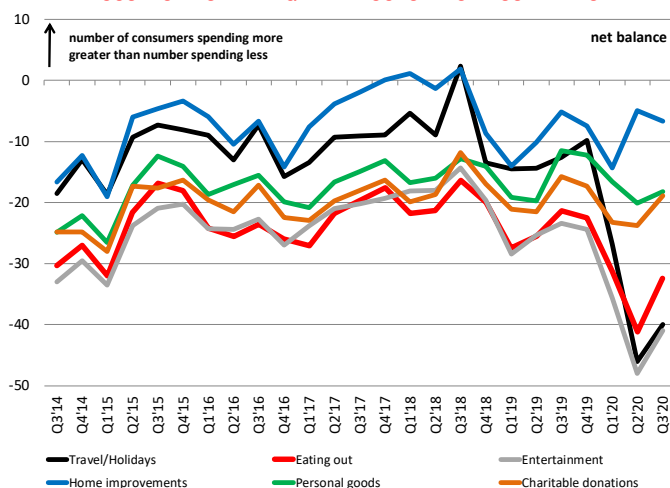
In contrast, the number of people spending more on medical increased a (+8 vs. +5 in Q2). Fewer also cut back spending on transport (-14 vs. -19 in Q2), but this remains well down on year-earlier levels (+19).

The table below shows that the number of consumers spending more on essential outweighed those spending less in all states, with the number doing so significantly lower in VIC (+1) and to a lesser extent WA (+2).

## HOUSEHOLD SPENDING BEHAVIOURS: ESSENTIALS (NET)

	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Australia</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>7</b>	<b>5</b>
NSW/ACT	16	14	14	8	7
VIC	16	15	13	8	1
QLD	11	11	11	6	7
WA	14	11	15	5	2
SA/NT	16	11	11	5	8
TAS	26	16	15	10	14

### HOUSEHOLD SPENDING BEHAVIOURS - NON ESSENTIALS



As restrictions began to be eased across parts of the country, consumer caution waned a little with the net number cutting back falling in all categories except home improvements (-7 vs -5 in Q2).

The biggest improvements were recorded in spending on eating out (-32 vs. -41), entertainment (-41 vs. -48), travel and holidays (-40 vs. -46) and on charitable donations (-19 vs. -24). However, the number of people spending less remains well above year earlier levels in all categories.

The table below shows the number of consumers cutting back on non-essential spending fell in all states, except TAS, with a particularly big fall in SA/NT to -20, from -37 in Q2.

See Appendix 2 for individual state spending charts.



## HOUSEHOLD SPENDING BEHAVIOURS: NON-ESSENTIALS (NET)

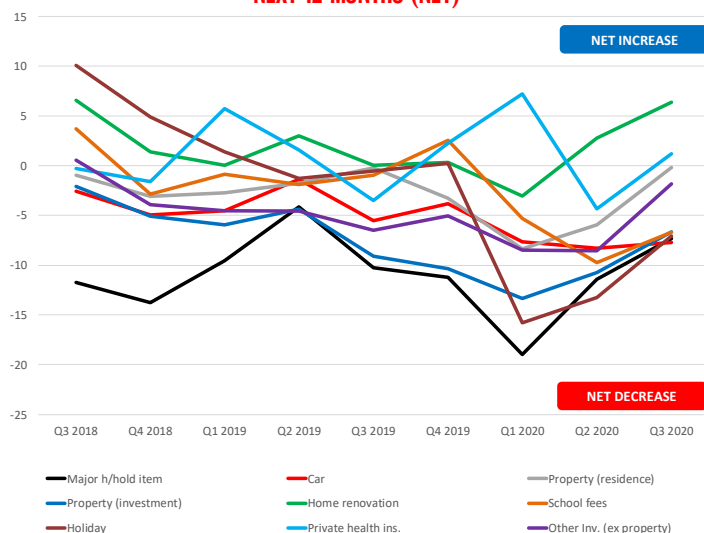
	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Australia</b>	<b>-15</b>	<b>-16</b>	<b>-25</b>	<b>-30</b>	<b>-26</b>
NSW/ACT	-14	-15	-21	-28	-26
VIC	-14	-12	-27	-30	-27
QLD	-19	-18	-28	-33	-29
WA	-21	-20	-26	-28	-24
SA/NT	-12	-20	-28	-37	-20
TAS	-3	-18	-23	-23	-27

Financial spending behaviour (paying off debt, using credit cards and savings, investments & superannuation) was also marginally less conservative. In Q3, the overall net number of consumers who increased financial spending was offset by the number cutting back (0), after more people in net terms cut back in Q2 (-2). Financial spending was much higher in VIC (+4) and higher than at the same time last year. In contrast, there was a significant flip in TAS and QLD over the past year, with more people now cutting back their financial spending.

## HOUSEHOLD SPENDING BEHAVIOURS: FINANCIAL (NET)

	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Australia</b>	<b>2</b>	<b>1</b>	<b>-1</b>	<b>-2</b>	<b>0</b>
NSW/ACT	3	2	1	-2	0
VIC	2	4	-1	0	4
QLD	2	2	-1	-3	-4
WA	-2	-2	-1	-2	-2
SA/NT	0	-5	-4	-2	-2
TAS	6	-5	-6	3	-8

### EXPECTATIONS IN REGARDS TO MAKING MAJOR PURCHASES IN NEXT 12 MONTHS (NET)



Consumers were also a little more optimistic about spending on major items in the next 12 months. That said, the overall number intending to spend less still outweighs those intending to spend more in all areas, except home renovations (+6), private health insurance (+1) and residential property (0).

In net terms, more consumers intend to spend less on cars (-8 unchanged from Q2), investment property (-7 vs. -11), school fees (-7 vs. -10 in Q2) and holidays (-7 vs. -14 in Q2).

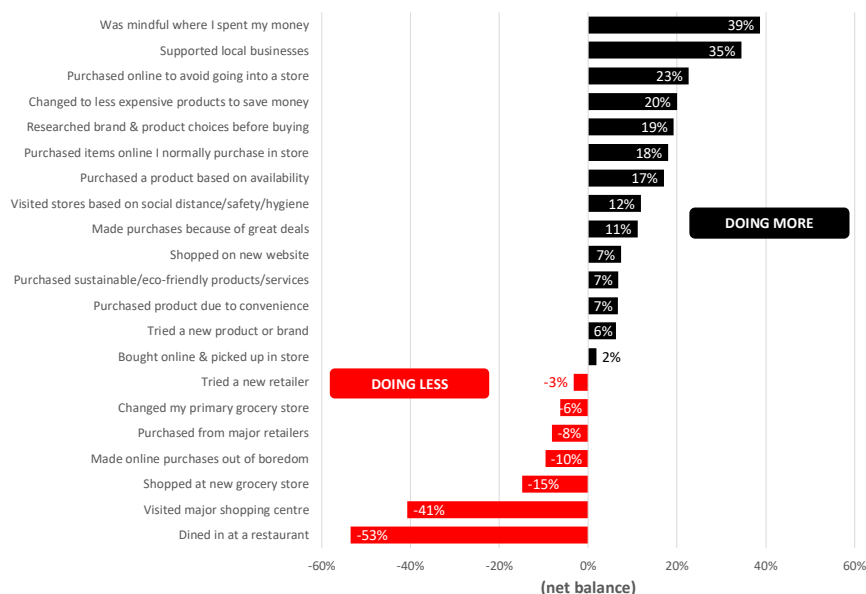
By state, noticeably more consumers in TAS (+14) and SA/NT (+12) indicated they would spend more on residential property, with SA (+17) also leading for home renovations (+17). Consumers in QLD were the only group expecting to spend more on school fees (+5), while those in VIC were most negative about spending on cars (-17) and NSW/ACT on holidays (-14).

## EXPECTATIONS FOR MAKING MAJOR PURCHASES IN THE NEXT 12 MONTHS (NET)

	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Major household item	-7	-9	-7	-11	0	1
Car	-9	<b>-17</b>	0	-1	1	-6
Property (residence)	-2	-3	1	0	<b>12</b>	<b>14</b>
Property (investment)	-6	-9	0	-13	-10	<b>6</b>
Home renovation	5	3	7	9	<b>17</b>	-3
School fees	-6	-14	<b>5</b>	-1	-8	-12
Holiday	<b>-14</b>	0	-8	-4	-4	-3
Private health insurance	3	-7	5	2	5	18
Other Investments (excl. property)	-3	0	-2	-1	-4	0

# HOUSEHOLD SHOPPING, SPENDING & OTHER BEHAVIOURS

## EXTENT YOUR HOUSEHOLD'S SHOPPING, PURCHASING & OTHER BEHAVIOURS HAVE CHANGED IN RELATION TO...



Australian consumers were asked to think back about their household's shopping purchasing and other behaviours over the past 3 months and estimate the extent they had changed their behaviour in several areas.

The results suggest economic uncertainty caused by COVID, along with social and business restrictions, have heavily influenced behaviours in many areas.

Not surprisingly, in terms of doing more consumer behaviour changed most around being mindful of where they spent their money (+39%) and supporting local business (+35%), where the number of people who said they were doing more significantly outweighed the number who said they were doing less.

Other key areas where consumers were doing more included buying online to avoid going into a store (+23%), switching to less expensive products to save money (+20%), doing more research before buying (+19%), buying items online they would normally buy in stores (+18%), and purchasing products based on availability (+17%).

With hospitality and retail among some of the sectors worst hit by restricted trading hours, closures and social distancing requirements because of COVID, it is also not surprising that in terms of doing less, consumer behaviours changed most about dining at restaurants (-53%) and visiting major shopping centres (-43%).

## EXTENT HOUSEHOLD SHOPPING, PURCHASING & OTHER BEHAVIOURS HAVE CHANGED

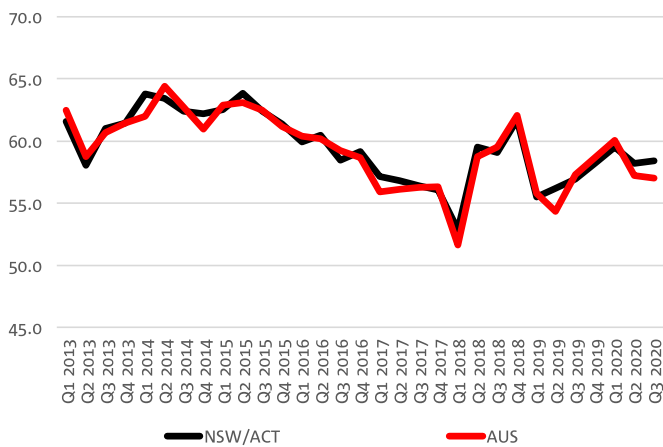
	AUST	NSW/ ACT	VIC	QLD	WA	SA/NT	TAS
Was mindful where I spent my money	39%	41%	38%	38%	31%	43%	45%
Supported local businesses	35%	32%	34%	39%	32%	38%	37%
Purchased online to avoid going into a store	23%	25%	38%	16%	4%	12%	-1%
Changed to less expensive products to save money	20%	22%	20%	21%	14%	23%	12%
Researched brand & product choices before buying	19%	19%	24%	20%	9%	18%	17%
Purchased items online I would normally purchase in store	18%	20%	33%	9%	1%	13%	-8%
Purchased a product based on availability	17%	16%	21%	17%	12%	14%	12%
Visited stores based on social distance/safety/hygiene	12%	11%	15%	13%	8%	10%	14%
Made purchases because of great deals	11%	12%	16%	9%	3%	7%	2%
Shopped on a new website	7%	7%	20%	6%	-13%	5%	-19%
Purchased sustainable/eco-friendly products/services	7%	10%	7%	3%	0%	10%	2%
Purchased a product due to convenience	7%	6%	12%	7%	0%	3%	-1%
Tried a new product or brand	6%	6%	11%	5%	0%	6%	2%
Bought online and picked up in store	2%	1%	14%	-6%	-8%	-1%	-6%
Tried a new retailer	-3%	-3%	1%	-5%	-6%	-6%	-25%
Changed my primary grocery store	-6%	-7%	-1%	-7%	-14%	-11%	-3%
Purchased from major retailers	-8%	-8%	-6%	-9%	-9%	-9%	-10%
Made online purchases out of boredom	-10%	-6%	3%	-21%	-28%	-10%	-21%
Shopped at a new grocery store	-15%	-17%	-10%	-18%	-14%	-9%	-27%
Visited a major shopping centre	-41%	-37%	-58%	-38%	-24%	-32%	-35%
Dined in at a restaurant	-53%	-50%	-67%	-52%	-42%	-43%	-47%

The table above shows behavioural change differed considerably by state. Amid continued lockdown restrictions, a much larger number of consumers in VIC did more buying online to avoid going to stores, buying products online they would normally buy in store, buy products based on availability, shopped on a new website, bought a product due to convenience, tried a new brand or product and bought online and picked up in store. Noticeably fewer VIC consumers also visited a major shopping centre or dined in a restaurant than in any other state.

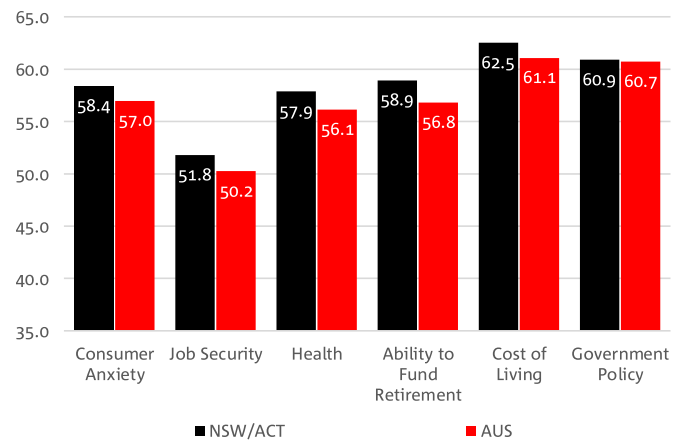
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# APPENDIX 1: CONSUMER ANXIETY - STATES

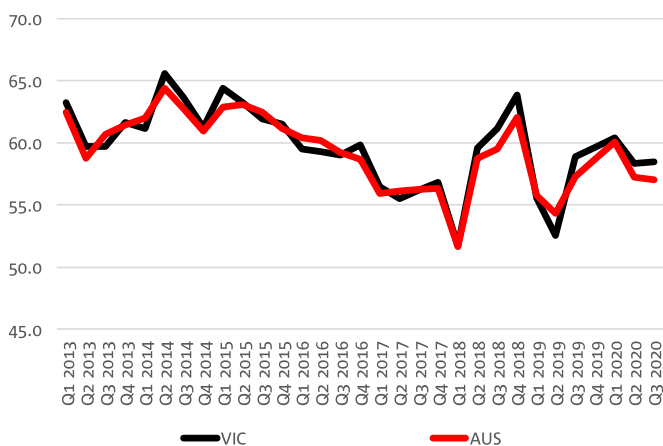
## CONSUMER ANXIETY: NSW/ACT



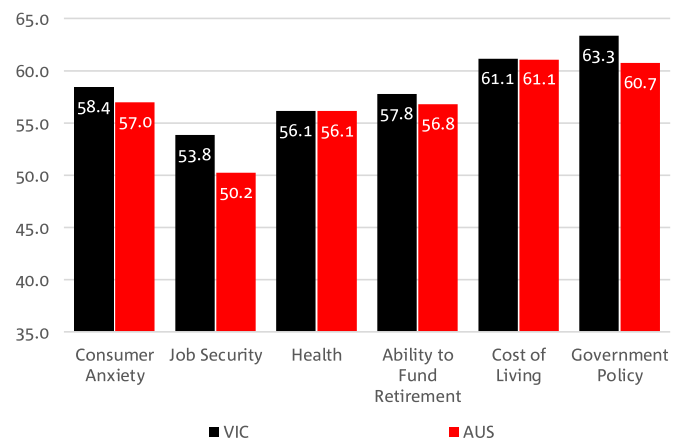
## CONSUMER ANXIETY: NSW/ACT (Q3 2020)



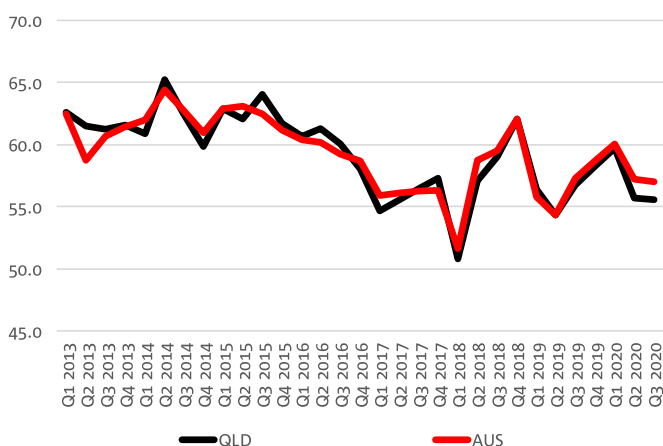
## CONSUMER ANXIETY: VIC



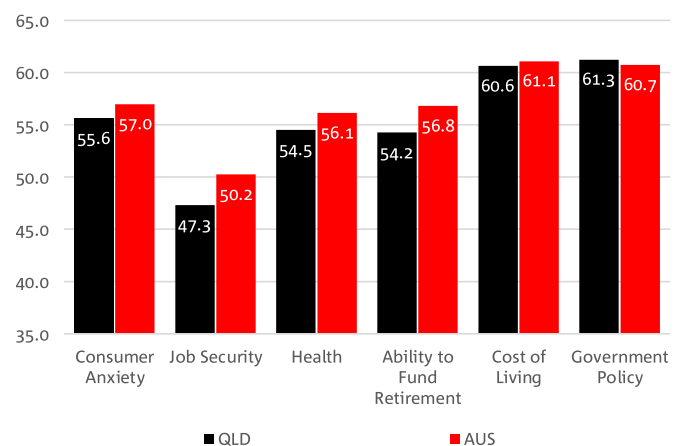
## CONSUMER ANXIETY: VIC (Q3 2020)

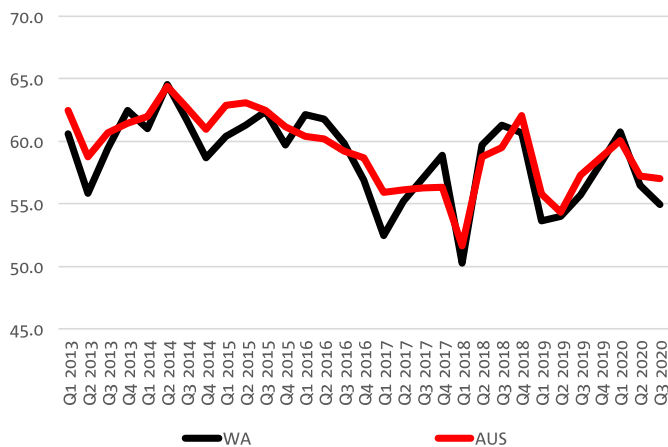
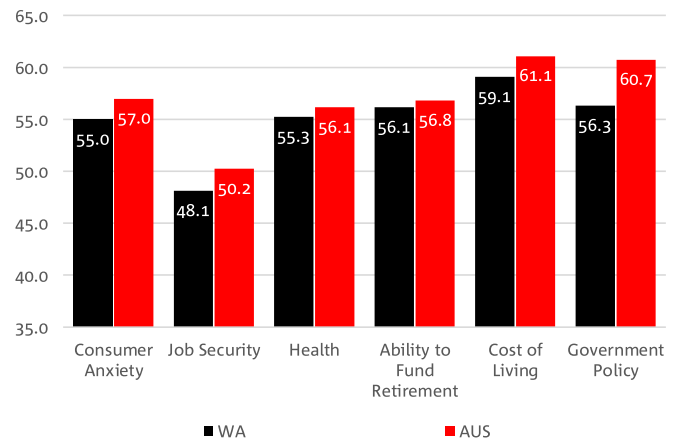
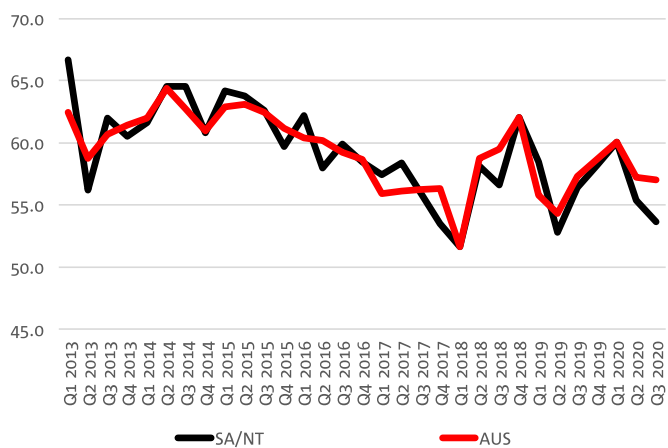
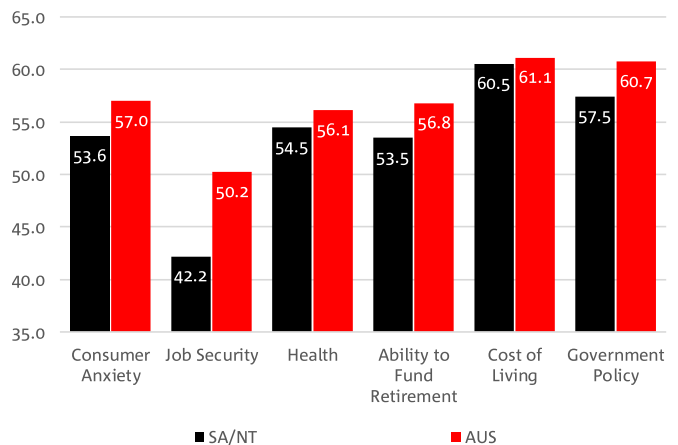
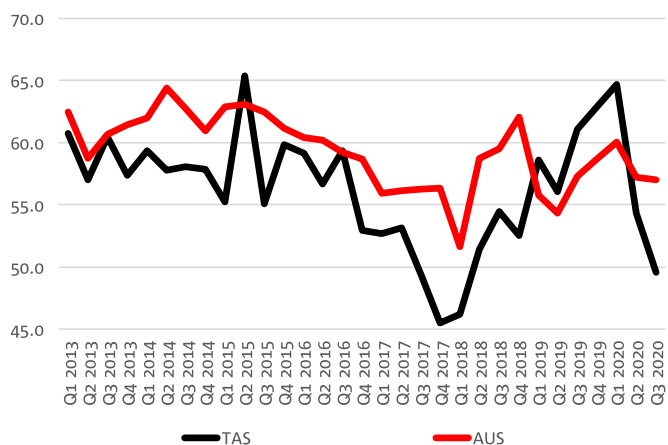
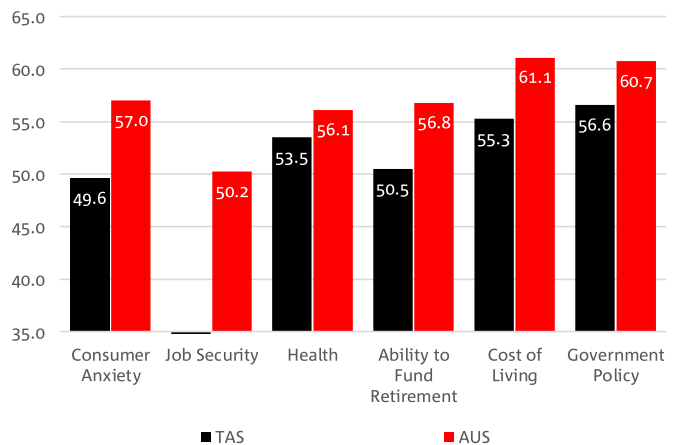


## CONSUMER ANXIETY: QLD



## CONSUMER ANXIETY: QLD (Q3 2020)

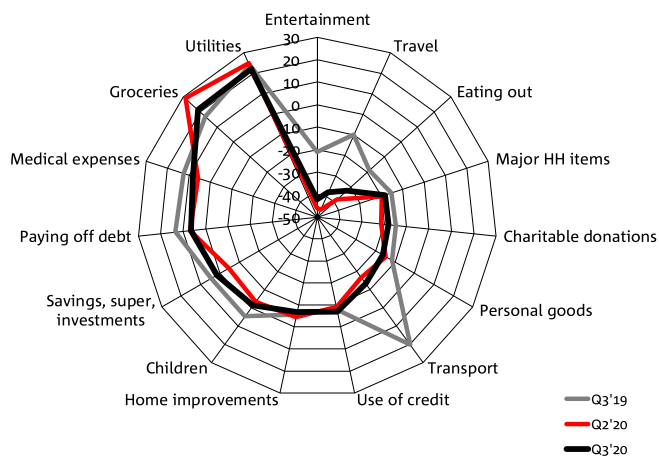


**CONSUMER ANXIETY: WA****CONSUMER ANXIETY: WA (Q3 2020)****CONSUMER ANXIETY: SA/NT****CONSUMER ANXIETY: SA/NT (Q3 2020)****CONSUMER ANXIETY: TAS****CONSUMER ANXIETY: TAS (Q3 2020)**

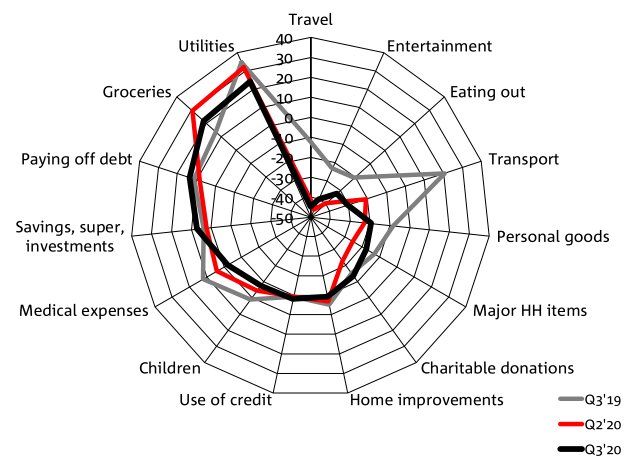


## APPENDIX 2: CHANGES IN SPENDING BEHAVIOUR - STATES

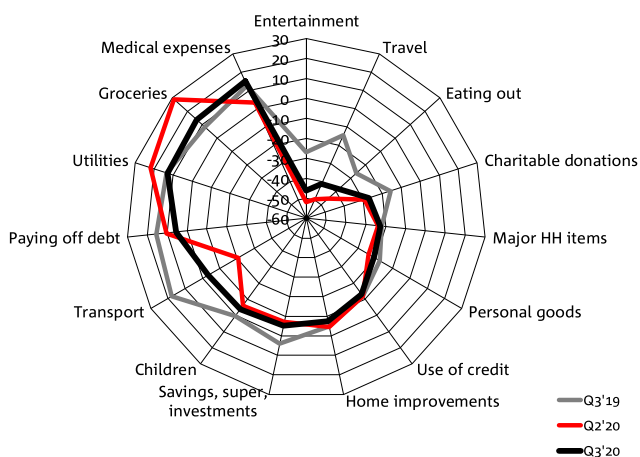
**NSW/ACT: CHANGES IN SPENDING BEHAVIOUR  
(net balance)**



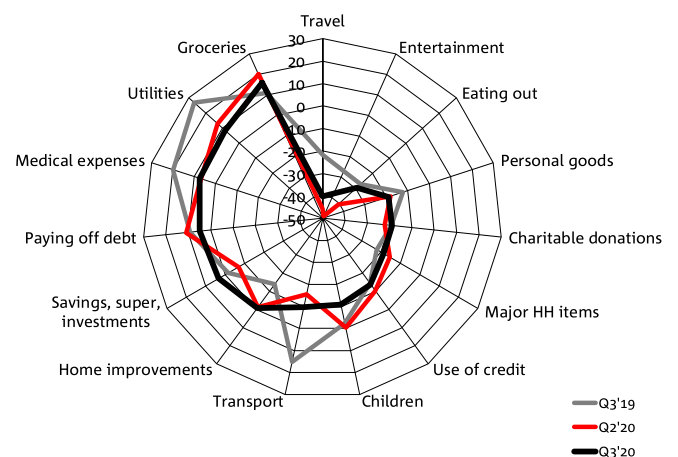
**VIC: CHANGES IN SPENDING BEHAVIOUR  
(net balance)**



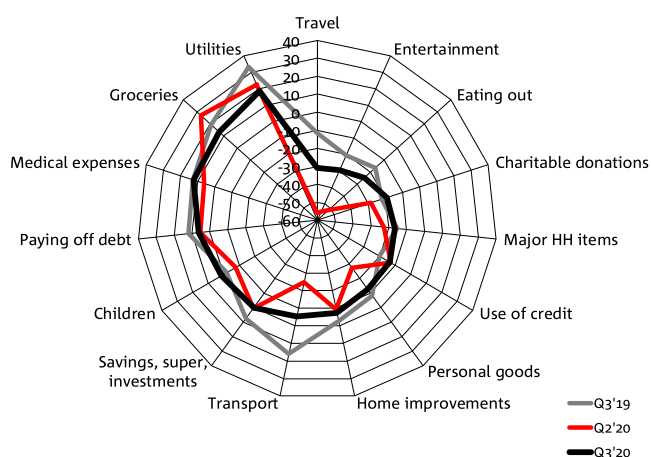
**QLD: CHANGES IN SPENDING BEHAVIOUR  
(net balance)**



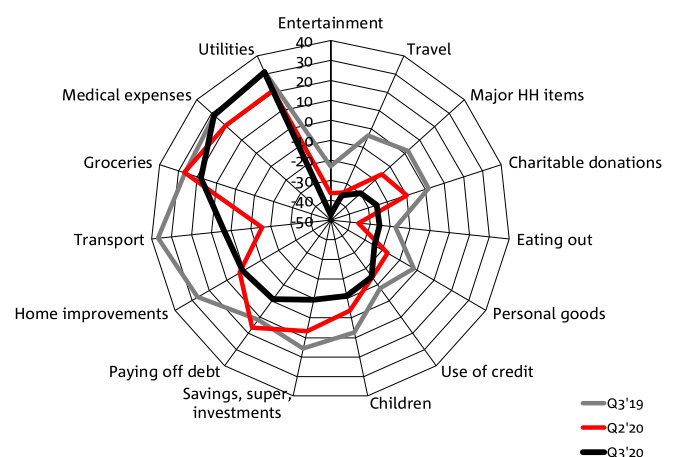
**WA: CHANGES IN SPENDING BEHAVIOUR  
(net balance)**



**SA/NT: CHANGES IN SPENDING BEHAVIOUR  
(net balance)**



**TAS: CHANGES IN SPENDING BEHAVIOUR  
(net balance)**



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