

Consumer behaviour in Australia changes, reveals 6 new personas

The Australian retail landscape looks very different to what it did just a few short years ago as consumer behaviours have changed. Moreover, the economic headwinds that have emerged in the wake of the pandemic have hit many of us, with consumers tightening their purse-strings to make ends meet. This has left retailers facing the dual challenges of a decrease in consumer spending amid an increase in costs. Shopify has released The Shopify Australian Retail Report, in partnership with YouGov. As a result of evolving purchasing habits among Aussie consumers, there are six new consumer personas that reflect what Australians are concerned about, where they're focusing their budgets and how they want to interact with brands and products in the current environment.

"We've seen an onslaught of successive macro-level events impact so much of our lives from the obvious prioritisation of health post-pandemic to the fact that millions of



Australian homeowners have faced not only their first but their 12th interest rate rise in the past year," says James Johnson, director of technology services & enterprise, APAC at Shopify.

"It would be remiss to expect consumer priorities and behaviours to remain unchanged from 2019 or before. But what we're seeing is that while, across the board, Australians share some common priorities and challenges, when you dive deeper into the data you find that there are clusters of customers where these diverge."

1 The Value Valuer-they define value as 'quality that lasts' and prioritises product quality over brand. Least likely to be influenced by a celebrity or social media, this is the largest group, representing 32 per cent of all consumers surveyed.

2 The Loyal Local-they also value quality over brand and price and are likely to switch brands to support local or more sustainable businesses. The most likely to switch to public transport to save

money, this is the second largest group, representing 24 per cent of Australians.

3 The Savings Seeker-they are the most stressed consumers overall and are the most price sensitive of all groupings. By far the most likely to switch to private label brands, this persona represents some 22 per cent of consumers.

4 The Mindful Moneybags-the wealthiest and most environmentally conscious cohort, these shoppers have not felt enough of an impact to change their shopping habits and make up 10 per cent of Australian consumers.

5 The Picky Purchaser-the second highest-earning shoppers, this cohort has the highest expectations when it comes to the shopping experience. They are the most brand loyal by a considerable margin and comprise eight per cent of Australians.

6 The Social Shopper-the most likely to shop online and the most influenced by influencers, this cohort is named after its members' penchant for digital interaction. They prioritise speed in the purchase experience but are the least demanding overall and make up just three per cent of consumers.

When it comes to brands and loyalty, the majority of Australians (53 per cent) want consistently low prices and promotions, with offering high quality goods (50 per cent) and loyalty points (48 per cent) rounding out the top three.

"More and more we're seeing customers prioritise quality and value for money over a bargain," says Zhoe Low, global general manager, July.

"As a brand that means starting with great products and great promises which you then follow through on. In the current environment you're fighting a lot harder to get that dollar and you can't get away with bad products. At July we offer a lifetime warranty on everything in our range so customers can shop with confidence, knowing they're getting something that will last the long-haul." ■ *Source: Australian Giftguide Online*

New IHA trend index highlights growth opportunities

To address the breadth and depth of concurrent trends influencing the housewares industry, the IHA has debuted the InSight Trend Index, an exclusive digital guide that explores both emerging and enduring home and housewares trends.

The index was developed in partnership with Springboard Futures and its founder, industry trend authority Tom Mirabile, who also serves as consumer and lifestyle trend analyst for the IHA and HomePage News.

The report launches with a look at creative archetypes in what it's calling The Great Entertainers portfolio, highlighting the artist, the contemporary, the naturalist, the postmodernist, the traditionalist and the great gifter. Future portfolios will include: Material Evidence, Responsible Choices, [RE]clamation Nation, All About Ease, [RE]innovation, Get It Together, Pantone Color Stories, Barely There, Raising the Bar, Something's Brewing, The Great Outdoors, Into the Woods, Memory Makers, Water Works, In the Groove, Golden Opportunities, Modern Romance, New Geometries and World of Wellness.

"The objective of these explorations is to provide both suppliers and retailers with actionable insight into those trends poised to inspire consumer spending and industry growth," said Peter Giannetti, editor-in-chief of HomePage News.



"True sea change events like the post-pandemic realignment are rare," Mirabile said. "Still, trends resulting from these often present unique opportunities for reinvention and growth. This is when the ability to interpret and respond to trends will determine which businesses will thrive, and which will merely survive."

The Springboard team explored influential trade shows in the U.S. and abroad seeking home and housewares trends driven by global influences such as design, consumer lifestyle and functional/material innovation.

The HomePage News InSight Trend Index will be rolled out on HomePageNews.com in a series of themed portfolios each week into Q3 2023. ■ Source: HFN digital

M&S reveals that UK family optimism is at its highest

M&S has published the results of its latest Family Matters Index – a quarterly tracker of the priorities, challenges and ambitions of UK families.

The latest index shows that 45% of the population feels optimistic about their family's prospects for the next three months, a marked improvement on September's level of 32%. It was also revealed that one in three consumers (32%) now feel more in control of their family's finances and are looking to make the most of the summer holidays.

When it comes to summer plans, 14% are hoping to redecorate their homes in some way and 16% plans to be more environmentally friendly.

When looking at the most important factors in deciding where to shop, value came out top, with 62%



of the vote. 10% said convenience was most important, while 5% put customer service at the utmost importance.

M&S said in the report: "The seventh iteration of the M&S Family Matters Index tells a tale of cautious optimism. Over the past three months, families have felt happier and stronger than in previous indexes, which in turn has helped generate a more positive outlook for the months ahead. ■ Source: Housewaresnews

Back-to-School spending is expected to rise \$4.5 billion

Back-to-school spending is on the rise. According to a survey released by the National Retail Federation and Prosper Insights & Analytics, back-to-school shopping is expected to increase by more than \$4.5 billion this year.

For 2023, consumers are expected to spend a record-high \$41.5 billion on back-to-school supplies – up from \$36.9 billion in 2022 and the previous high of \$37.1 billion in 2021. The survey also addressed back-to-college shopping, which is expected to hit \$94 billion, up nearly \$20 billion from last year's record. "Back-to-class shopping is one of the most important consumer shopping occasions of the year. Our research for 2023 shows American consumers are eager to jumpstart their back-to-school and college purchases early," NRF President and CEO Matthew Shay said. "Retailers have been preparing for months to ensure they are well stocked with essential items that families and students need for the school year."

Following the trend of the past couple of years, many consumers have already started their shopping. As of early July, 55 percent of consumers said they have already started preparing for school, a number similar to last year but up quite a bit from the 44 percent in 2019. While the majority may have started early, 85 percent say they still have at least half of their shopping left to do.

Inflation may be playing a role in the need for early shopping, as families with children in elementary through high

school say they plan to spend an average of \$890.07 on back-to-school items this year, about \$25 more than last year's record high. Meanwhile, college students and their families are expected to spend an average of \$1,366.95 per person, another record high. Since 2019, back-to-college spending has nearly doubled.

The increase in spending is mostly driven by the need for more electronics in school. According to the survey, 69 percent say they expect to buy electronics or other computer-related accessories this year – up from last year's 65 percent and the highest in survey history. The top electronics consumers plan to purchase are laptops (51 percent), tablets (36 percent) and calculators (29 percent). For all school shoppers, the top shopping options are online, department stores and discount stores.

"Even though consumers plan to spend more on school and college-related items this year, they are still looking to find the best value and deals," Prosper Executive Vice President of Strategy Phil Rist said. "Consumers are stretching their dollars by comparing prices, considering off-brand or store-brand items, and are more likely to shop at discount stores than last year." Since 2003, NRF has conducted a comprehensive survey on back-to-class shopping trends. This year's research included 7,843 consumers and was fielded June 30-July 6 with a margin of error of plus or minus 1.1 percentage points. ■

Source: Gifts and Decoratives