



shopper

The urge to splurge

The rise of *'Revenge Spending'* post lockdown

September 2021

Australian's purchasing habits are shifting...
COVID-19 is reshaping the emotional needs of
Australian consumers and, subsequently, their
purchasing behaviour.

“Consumers are ready to relish in human experiences they’ve missed”.

Esther Raphael, CMO of Intersection (June 2021)



What is Revenge Spending?

Coined in China in mid-2020, it refers to a situation where shopping-deprived consumers embark on spending sprees after quarantines and social distancing.

With Melbournians now having spent 200+ days in lockdown, it's easy to understand why people want to make up for lost time – which is where the 'YOLO' mentality comes into play.

It's a frenzy of spending that occurs after a traumatic occurrence, as people want to restore control and a sense of normalcy.

Nearly half (47%) of shoppers are planning on making a big purchase, once restrictions ease.





The light at the end of the COVID tunnel

Economists and retailers locally are gearing up for a similar trend to play out in Australia, off the back of extended lockdowns in our two biggest markets and an aggressive vaccination rollout program.

En route to a goal of 80% double doses, prior to Christmas.

Key factors likely to influence post-pandemic spending

Australian households have squirrelled away more than **\$140bn during the COVID pandemic**, ready to unleash in an economy-boosting wave of consumption when life returns to normal*.

- Stable consumer confidence, with **26%** of Australian's saying their families are **better off financially than this time last year**.
- Consumer confidence is predicted to **rise**, in line with increasing vaccination rates and the prospect of easing restrictions in NSW/VIC come October.
- Low levels of consumer debt and higher levels of household spending are likely to fuel **miscellaneous spending**.





35% of Australian's say now is a 'good time to buy' major household items

Once restrictions ease, nearly a third of shoppers will **splurge on big ticket items** (household or personal), spending between **\$500-\$2K+**.

Over half of shoppers (54%) are planning to finance big purchases using savings, via **cash or debit cards**.

2 in 3 consumers feel **satisfied** after making a big purchase (65%).

77% of Australian's still consider the **act of shopping as going into a physical store** – with older Australian's are 3x more likely to have this view when compared to younger generations.

59% of shoppers prefer buying big ticket items in-store vs. 19% online.

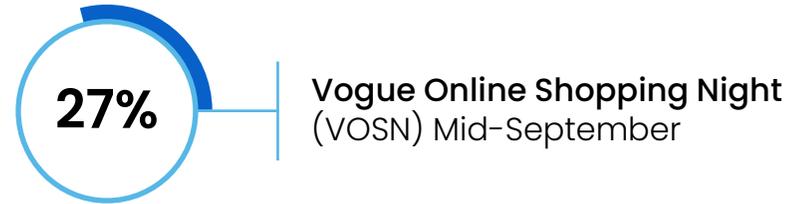
An overwhelming majority of shoppers look for bargains

“Regardless of income or generation, everyone wants a bargain, whether it’s for everyday necessities or big-ticket splurges. Even those who can afford to shop elsewhere love finding a ‘steal,’ and it’s a habit that’s here to stay.”

Mark Matthews, National Retail Federation (US) 2018

Shopper is projected to reach **7.1m (61%)** Australians who go out of their way in search of a bargain. Of these, almost **1 in 5** have used price comparison websites in the last 4 weeks.

We asked our customers what key sales events they are likely to participate in, this year.



“Changes in life satisfaction are associated with changes in consumption, not changes in income.

Despite the recent trend toward minimalism, it seems that buying stuff makes us happy”.

Gordon Brown, Social Psychological and Personality Science (Sage Journals, April 2019)

Dining out, holidays and major life purchases are all top of the list when it comes to what Australian's are looking forward to most.



40% dining/entertainment experiences



19% will book a holiday (domestic/international).



11% intend on making a major life purchase (car/home).

The opportunity to win is growing by the day.

Consumers are ready to rebound, with cash and the desire make up for lost time; [this provides a unique moment for brands to lean in and respond with products and services that will deliver on these once in a generation customer wants and needs.](#)

Large retailers and CBD locations have experienced steep declines in customers in-store. Local shopping centres increased in popularity, as people began to live life closer to home.

These trends have continued throughout 2021.

Consistent Audiences



Shopper centres have experienced **consistently strong footfall**, particularly with key household decision makers.

Increased Dwell Time



Shoppers are choosing to spend **more time in their local shopping centre** – 25% longer than normal.

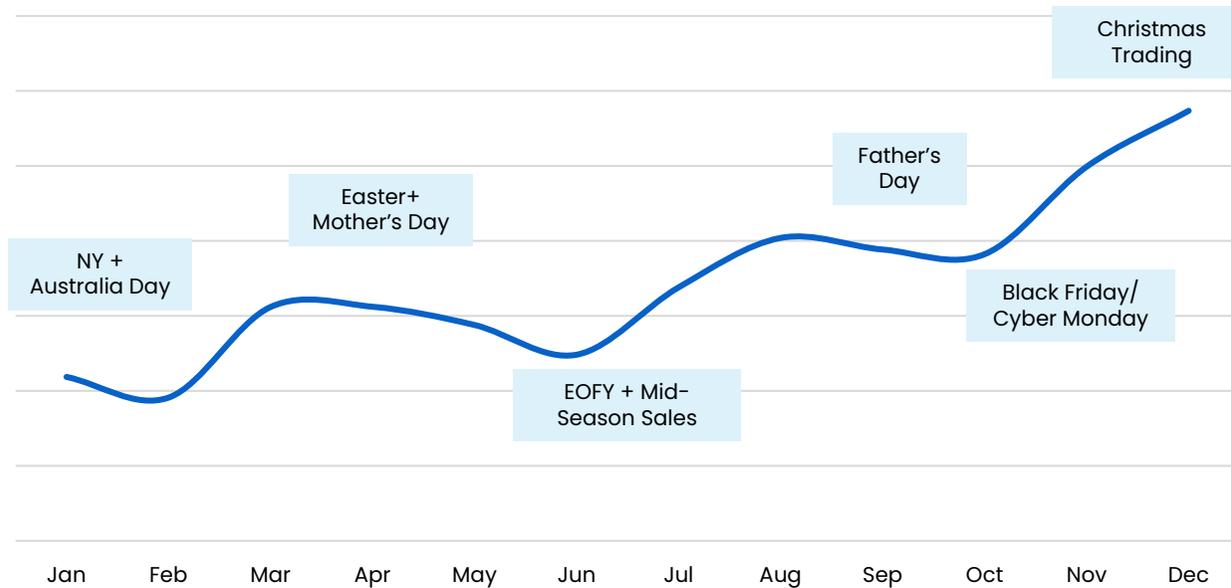
Increased frequency



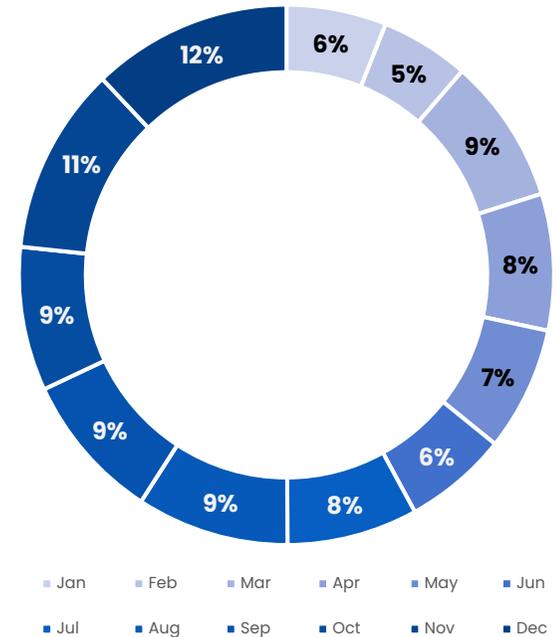
75% of shoppers are **visiting more often** or have maintained their visitation frequency.

Visitation in-store increases, leading into the Christmas period.

Total centre visitation by month



Typical monthly visitation as a proportion of annual visitation



Source: Shopper Metrix visitation data, aggregate of all Metrix enabled centres; National shopping centres including local and medium size centres.

Why Shopper?

Physical stores are proving necessary for retailers, to drive high conversion rates and increase average purchase values.

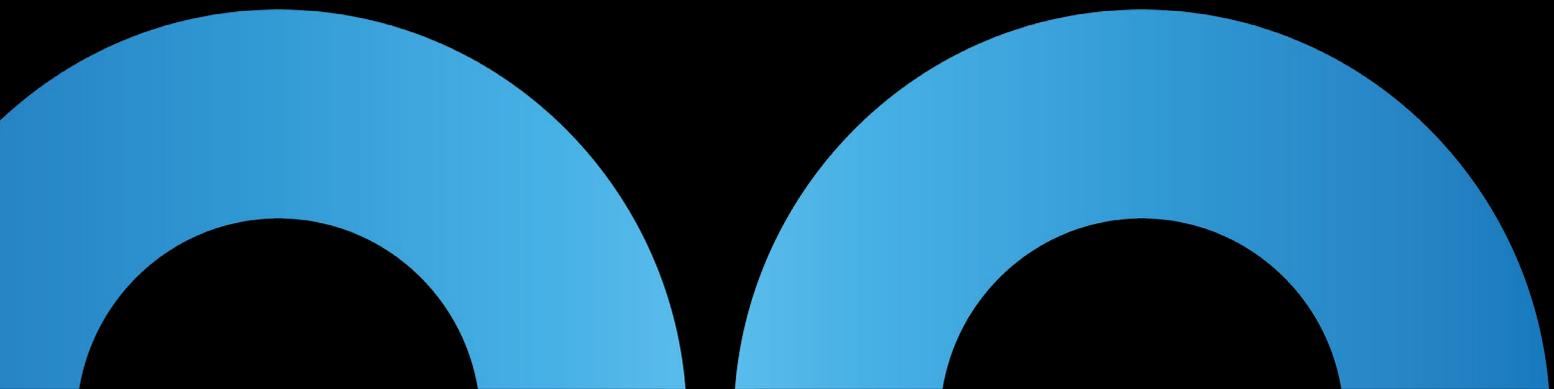
- 36% of Australian's are spending 80% or more of their discretionary income within 5km of their home.
- 54% are buying more from local businesses.

Retail DOOH puts brands front and centre of key decision makers.

We can *prepare, prime and convert buyers* in our centres, at a time when no one else can capture household 'CEO's' and key decision makers in the retail environment.



Thank you.



shopper
closer to customers