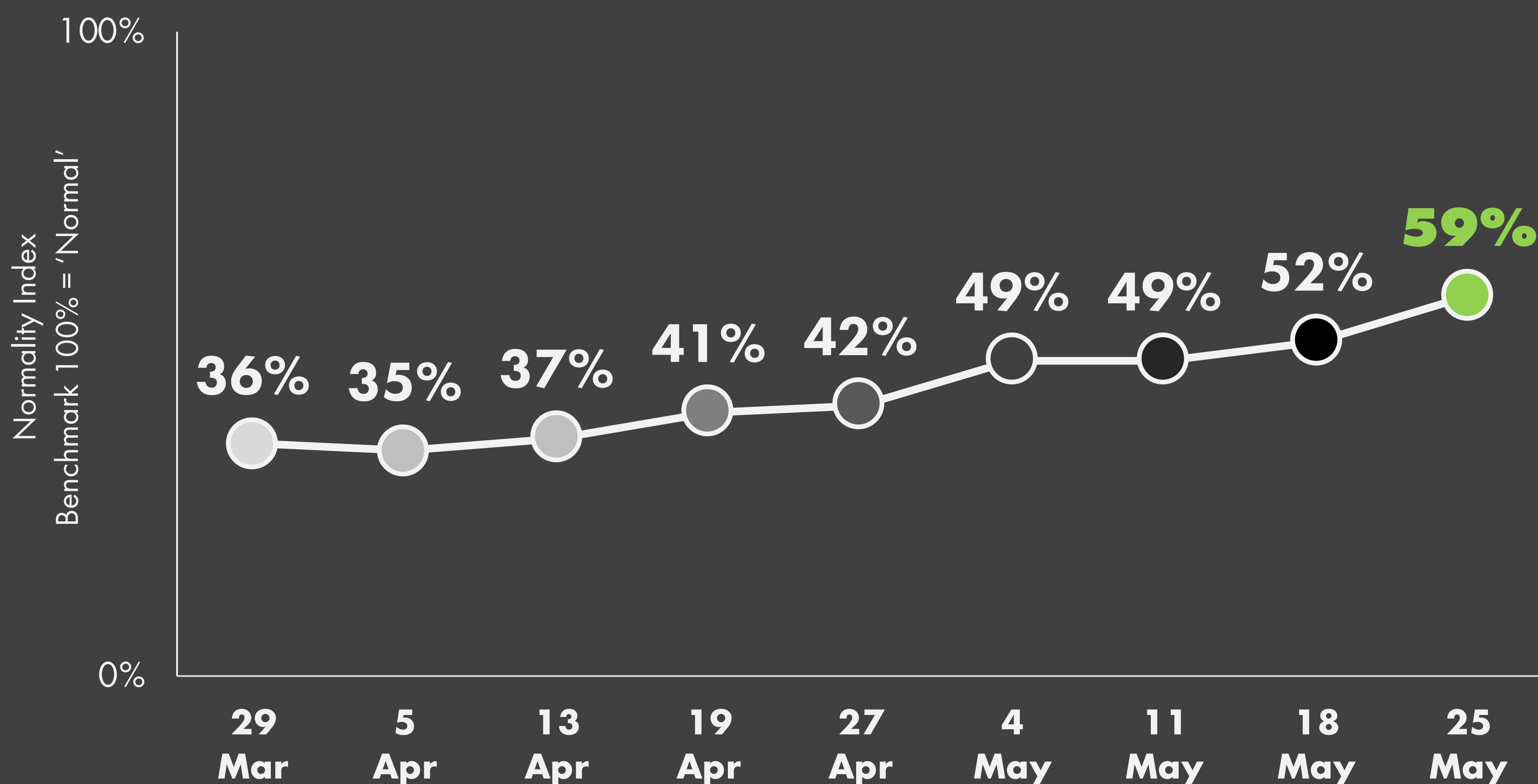
The Australian Normality Index

Australians' sense of normality reached 59% this week



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This week's thought

Are we in the eye of the storm?

So, Australians are feeling more and more normal. We have hit a high water mark of 59% normality. Up from a low of 35% in Week 2. But are we in the eye of the storm?

Over the last nine weeks, government intervention has protected Australians from the worst potential impact of the dual crisis.

Early and tight lockdown restrictions have seen Australia outperforming many other nations on suppressing the outbreak of COVID-19. Additionally, initiatives such as JobKeeper and JobSeeker have provided much needed economic support to Australian business and residents.

However, with the easing of restrictions taking place and the end of JobKeeper set for end of October 2020, is there another shock in the system?

Interestingly, the emotional profile of Australians has nearly returned to that of a pre-COVID-19 era…except Anxiety which remains heightened. Anxiety inhibits decision making, so in a consumption context we would expect to see it shifting our behavior and values. And we are.

To provide context for the Normality Index we are conducting anthropological qualitative observations to understand how consumers behaviours and values are changing. Last week, for example, we reported that 18 to 34 year olds, hardest hit by reduction in work and income are querying how they spend their money and with what brands. They are anxious and taking action.

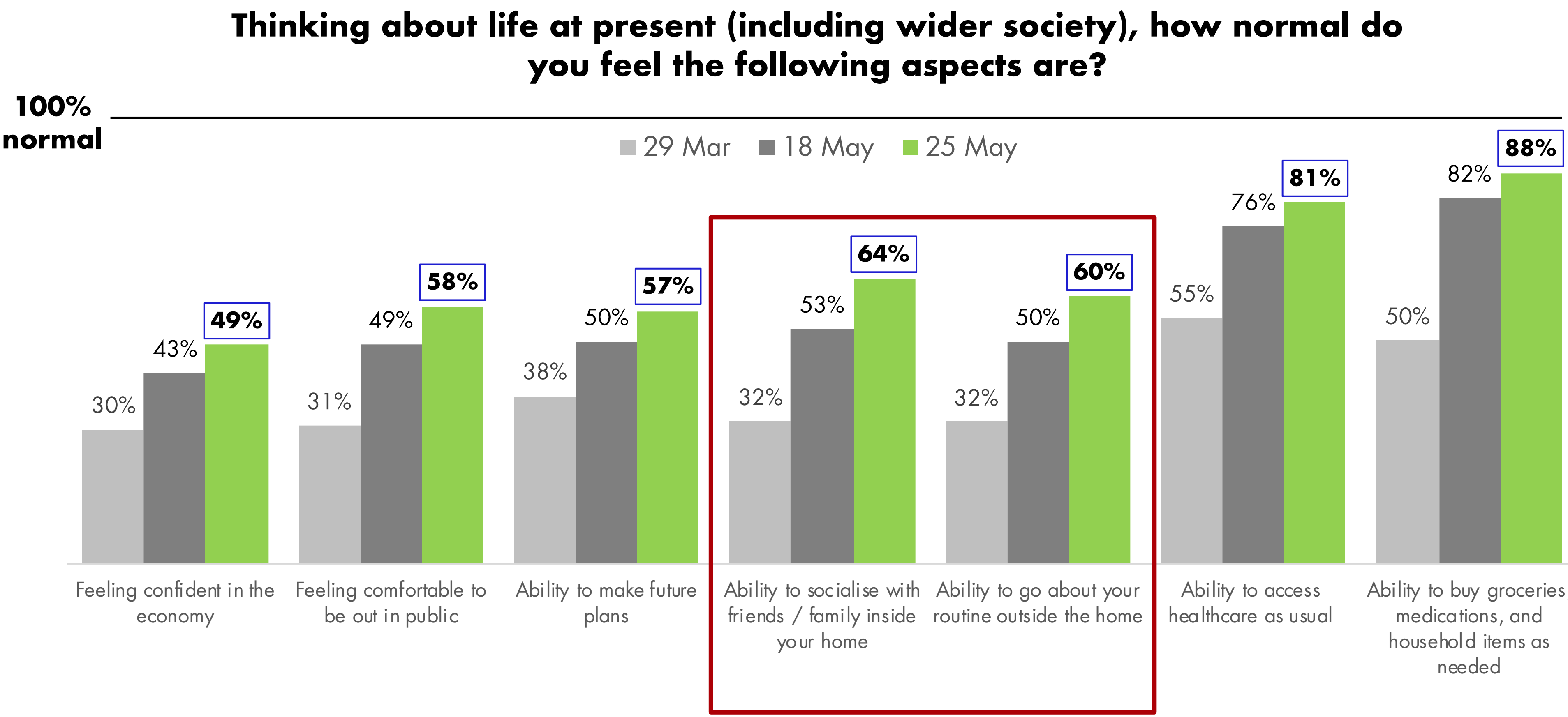
But one small silver lining we note this week is for the travel sector, whilst intention to travel domestically remains low, it has improved by 57% since Week 1.

Considerations for brands?

The economic and health future is uncertain, but Forethought's work is confirming that consumers' behaviours and values are being reshaped. We are seeing a phase of reevaluation from consumers as they are being forced to trial new services and products to meet the needs of their altered lifestyle. This is changing the competitive landscape. Brands should stop and check the pulse of what is driving demand in their category, and how they are positioned in that competitive set. It might be time to reframe and reposition your offer, messaging and experience.

A greater sense of normality across the board…

The largest improvements related to our ability to socialise and go outside the home which coincide with the easing of restrictions over the last weeks.



Note: Significance testing was conducted between Week 1 and Week 9 at the 5% level of significance. A blue box indicates the Week 9 result was significantly higher than the Week 1 result.

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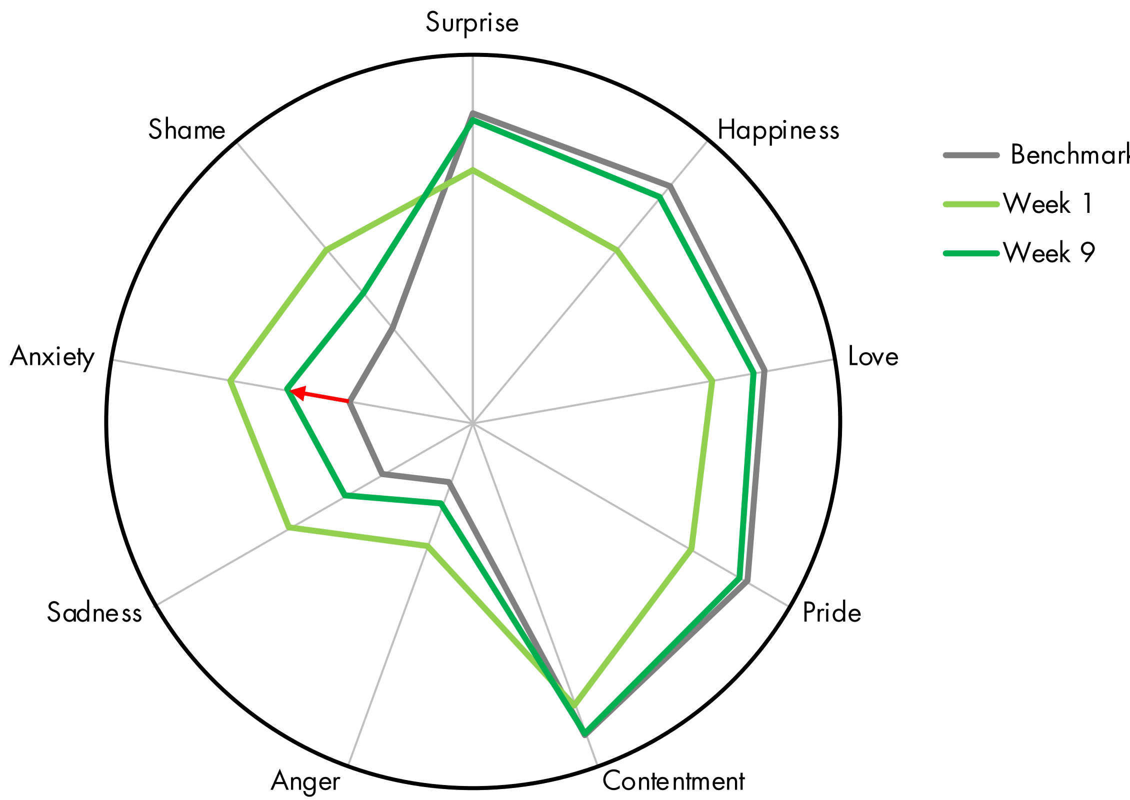
...and a stabilising emotional state

Forethought has tracked the emotional profile of Australians (reflected by the Benchmark line) for the past five years and it has been extremely stable. However, the onset of COVID-19 dramatically altered our emotions state, with the persistently positive Aussie spirit depleted.

Now after nine weeks of COVID-19 emotions tracking, the positive profile of Australians almost mirrors a pre-COVID-19 time, yet the negative profile continues to lag. In particular, Anxiety remains significantly below the Benchmark.

Will this be the new profile of Australians? Has COVID-19 forever left us jaded?

Anxiety inhibits decision making. What challenge does this leave for brands when this emotion is so heightened?

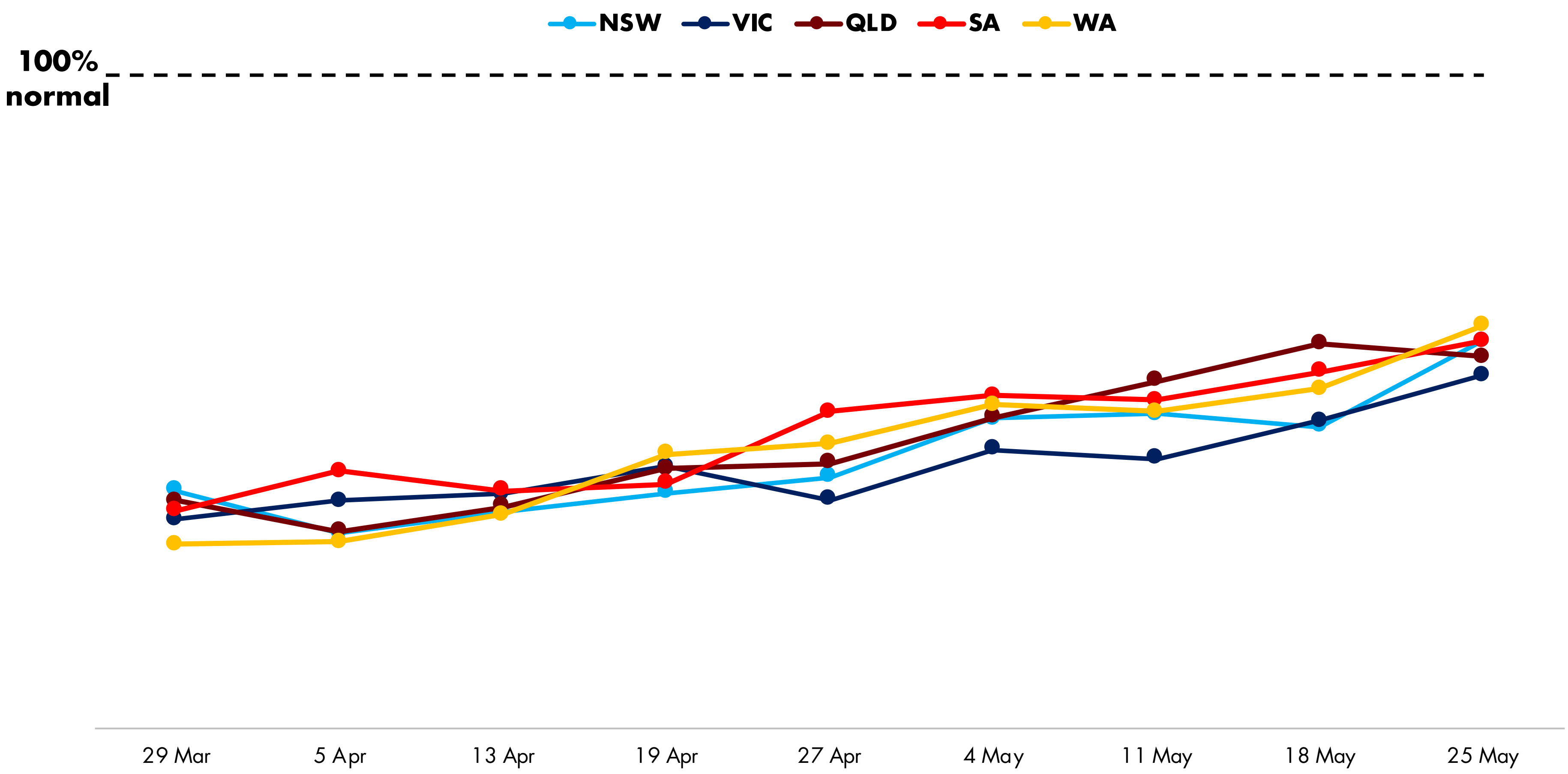


Note: Significance testing was conducted between Benchmark and Week 9 at the 5% level of significance. Red indicates the Week 9 result was significantly lower than the Benchmark result. Significant differences are only shown for effect sizes of great than 0.2.

Further considerations for brands....

A segmented approach

Coming from behind, West Australians are now feeling the most normal of the states…



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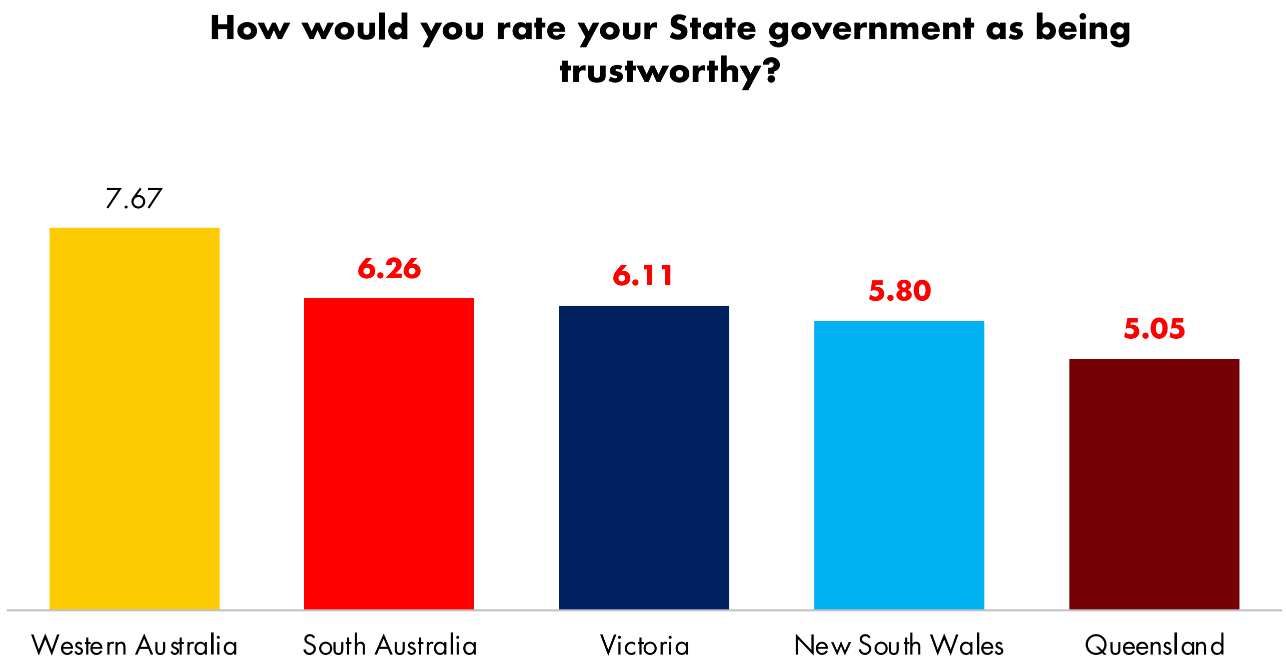
...and Western Australian's are most satisfied with their state government



The strict hold the WA government is taking on border control seems to be well respected amongst the community and has enabled an improved sense of Normality, as West Australians can go about their lives, within the state.

So what does this mean for brands?

As noted in prior weeks, a one size fits all approach may not currently be best. For national brands, consideration should be given to where the current opportunities exist:

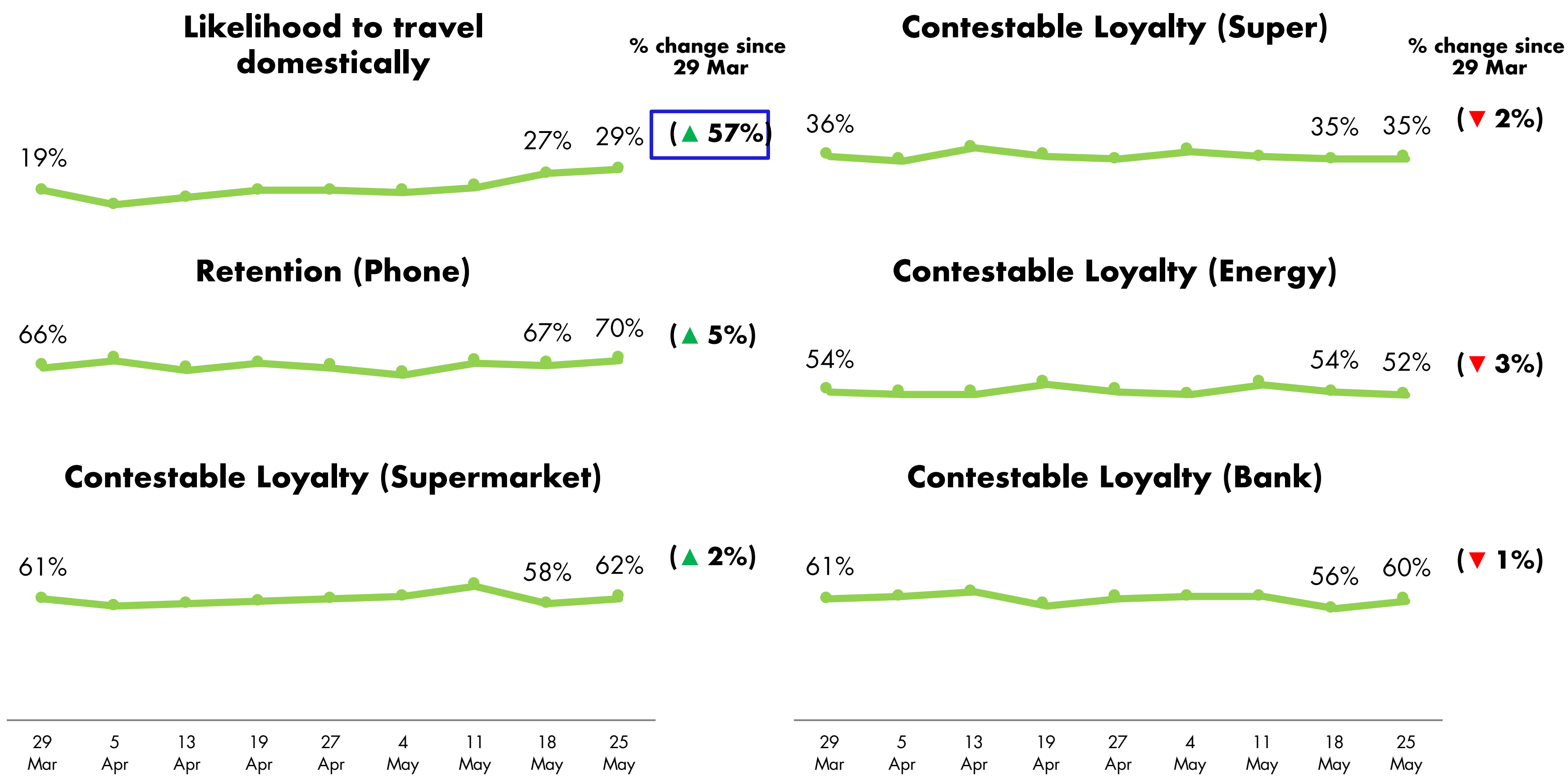
- Should we change our media plan?
- Do we need a different tone for communications?

Note: Significance testing was conducted between Western Australia and other state sat the 5% level of significance. Red indicates the other state result was significantly lower than the Western Australia result.

Green shoots for travel

Bulldozed by COVID-19, a promising intent for the travel industry emerged

Travel has seen the most significant shifts in business outcomes since the COVIC-19 restrictions. A promising intent to travel again emerged, likely driven by an easing emotional state and comfort of Australians' to leave their homes.



Note: Significance testing was conducted 29 Mar and 25 May at the 5% level of significance. A blue box indicates the 25 May result was significantly higher than the 29 Mar result. Results in brackets denote percentage change between 29 Mar and 25 May.

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