

TRENDSPOTTING 2024

The Latest Australian
Consumer Trends To Watch

April 2024 Written by: Insights Exchange

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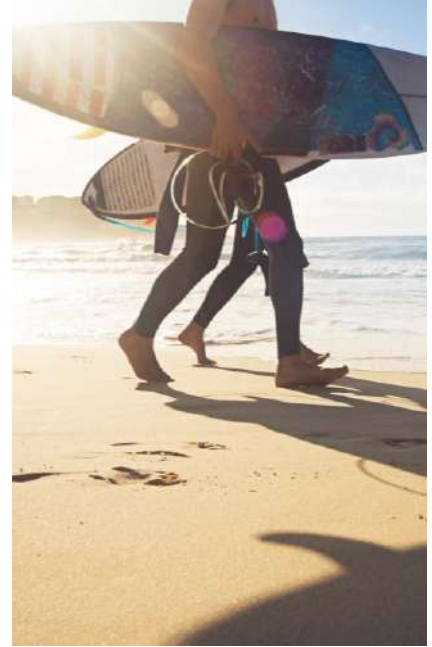
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INTRODUCTION

Polarising news feeds are producing a complex picture demographically this year, as we begin to see the effects of the ongoing cost-of-living crisis driving a wedge between different demographic groups in Australia. From housing for Gen Z and Millennials to sustainability, AI and inflation, the gaps between social groups appear to be widening.

My experience in market research and demography over the last twenty years has taught me that staying on top of demographic shifts is of vital importance to brands, and it is in these gaps that we begin to see opportunities for brands to play a cohesive role while building audience territory.

We know that consumers are looking to brands to embody their values, their needs, and to recognise their concerns in how brands speak to them. Engagement, product development, and brand strategy all rely on knowing what matters most to consumers.



Consider sustainability and the cost-of-living, price wins out over environmental commitments when times are tough, but consumers still highly rate sustainability, and will do so in the long-run, even when the cost-of-living has eased.

Inflation is a key area of demographic difference, with far more women than men concerned about inflation. Smart brand managers might draw a correlation between this and the fact that spending on groceries escalated 26% while spending on household items, clothing and big-ticket items has plummeted.

The state of work is also rapidly changing, with the gig economy seeing an influx of workers, particularly those seeking a second job. AI is also gaining ground as awareness grows and people start to learn to work with it, rather than outright fear the technology. This promises changes in technology purchasing, increased limits on discretionary spending, and long-term effects on hospitality and entertainment industries.

This report, *Trendspotting 2024*, offers you key insights on demographic and social changes that are shaping and reshaping the Australia you think you know. With better consumer insights and trend development, you're better armed to face the coming years and meet consumers where they're at, with the most relevant brands, products and marketing .





EXECUTIVE SUMMARY

Our Trendspotting Report, now in its third iteration, 2024, has charted shifting attitudes toward work, housing, and AI, with cost-of-living rising to top of mind for consumers. Along with economic and financial pressures, polarisation between people in different life stages as well as gendered differences act as a watch-out for brand strategists and marketers as demographic groups' experiences are increasingly specific and unique.

This report explores 6 Key Trends, *Frugal Sustainability* - consumers balancing cost-of-living with sustainable ideals; *The Mooch Generation* - 18-24 year olds increasingly unable to leave home due to cost-pressures; *Inflation and the Gender Gap* - women are more concerned about inflation; *AI: Devil or Deliverer* - increasing numbers of Australians are aware of AI as both threat and tool; *Paradigm Shift at Work* - side hustles and the gig economy are growing thanks to redundancies and cost-of-living crises; and *Generation Jones* - the overlooked 55-70 age group with the most discretionary spending.

We're seeing changes in consumer behaviour that affect marketing and brand strategies across the board, from the necessity of developing multi-channel and multi-audience campaigns to the rise of the micro-influencer. Balancing price against sustainability credentials is equally important for those consumers looking to do good on a budget.

When you're developing media buying, product development and marketing strategies that resonate and influence, having insights into demographic trends helps to elevate good work to great work - strategy, branding, and marketing that has positive ROI and hits the target. Consumers expect brands to understand them, and to exhibit this understanding in how they talk to and about their target audiences - customer focus is paramount for consumers who feel under-represented, invisible, and left behind, be it due to financial constraints, or age stigma. It's crucial that brands show they understand consumers' realities.

In previous reports we highlighted trends that indicated how much Australia has changed; in this report we begin to see how these trends have long-term implications and what the run-on effects of the cost-of-living crisis are when combined with inflation, increasing numbers of workers in the gig economy and housing instability for younger generations. If brands are sensitive to these long-term consequences and put a consumer-first face on, they'll be rewarded by loyalty and stability in otherwise turbulent times.

LATEST SOCIAL & DEMOGRAPHIC SHIFTS

01

Frugal Sustainability



02

Inflation and the Gender Gap



03

A Paradigm Shift at Work



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AI - Devil or Deliverer?



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The Mooch Generation



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Generation Jones



01 Frugal Sustainability



As consumers are increasingly impacted by the rising cost of living, the majority (51%) say that low prices are their number one priority in their shopping decision-making. A further chunk (31%) prioritises quality, leaving few naming great service (9%) or sustainability (8%) as being most important.



Perhaps more concerning is that around one in four Australians say that sustainability is not very / not at all important in the shopping choices they make.



That said, consumers are taking small steps to live more sustainably. Interestingly, it is those sustainable choices that also enable some degree of frugality that are the most widely adopted. Most are reducing single-use plastics by reusing shopping bags, food containers, straws and water bottles (58%). Reducing energy levels at home by reducing the thermostat, turning off lights and using energy-efficient appliances is also popular (56%). Some are also growing their own vegetables and herbs (31%), composting (33%) and eating less meat (30%).



We can also expect to see the second-hand clothing/furniture and household goods market continue to thrive, with many (31%) claiming to buy second-hand rather than send items to landfill. GlobalData estimated the apparel resale market size at \$193.7 billion in 2023 and says the market is expected to achieve a CAGR of more than 12% during 2023-2027*.



For many, there has traditionally been an assumption that reusing, recycling and refurbishing products may not be a profitable way of doing business. Yet many brands and businesses are seeing the benefits – from Lululemon’s “Like New” through to Ikea’s “Buy Back and Resell” and many athletic shoe and hiking gear companies using recycled content and materials, e.g. Cotopaxi’s ‘Del Dia’ range.



So, it remains critical to understand how consumer’s needs and perceptions continue to evolve and the best way to address these in the new frugal sustainable landscape.



*(<https://www.globaldata.com/store/report/apparel-resale-market-analysis/>)

Businesses must deliver on price, quality and service, whilst not forgetting sustainability

Consumers are taking small steps to live more sustainably. Interestingly, it is those sustainable choices that also enable some degree of frugality that are the most widely adopted.

Most important



51%

Low prices



31%

High Quality



9%

Great Service



8%

Sustainability

People are taking small, frugal steps to live more sustainably



Reduce single use plastics by regularly using reusable bags, containers, straws, bottles



58%

Reduce energy use by adjusting thermostat, turning off lights, energy efficient appliances



56%

Buy second-hand clothing, furniture, and/or other household goods *instead of new*



33%

Compost food scraps and waste



33%

Grow my own vegetables and herbs



31%

Sell second-hand clothing, furniture, other household goods *instead of sending to landfill*



31%

Eat less red meat and animal products



30%

Make eco-conscious choices around cleaning supplies, toiletries, makeup, daily use products



28%

Fly less and stay more local for holidays and trips when feasible



21%

Installed solar panels



21%

Educate friends and family on small changes they can make for sustainability



15%

Invest in companies with transparent ethical and sustainability standards



8%

Write to government and authority figures urging environmental policy change



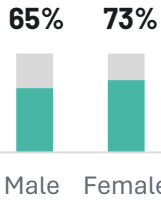
4%

None of the above

8%

02

Inflation & the gender gap



Few have been unscathed by the rising cost of living, but it's something that is weighing far more heavily on the minds of women. In Australia 73% of women vs 65% men rate this as a top concern.



Sadly, this makes complete sense. In Australia the national gender pay gap sits at 12 per cent.* Those with lower wages are known to be more impacted by rising costs, given they spend a greater percentage of their income on the basics.



Gendered expectations undoubtedly also play a role, with many women being responsible for a larger share of household shopping and administrative needs of children such as registrations for sport, school equipment, doctors appointments and other household needs.**This sees them typically more exposed to rising prices and often carrying the mental load of making ends meet day to day.



Despite equal pay for men and women for equal work being a legal requirement since 1969, half of Australians believe that the gender pay gap exists due to discrimination practices such as biased hiring and unequal promotion opportunities.



Promotion opportunities in particular came under fire with just over half saying men are more likely to be promoted when married with kids than women.



In response, Australians are calling for a fairer and more transparent society. Many want support from government, unions and lawmakers to make equality a reality.



Australians are prioritising their wellbeing and a clean house. Health and fitness memberships are experiencing the least impact, along with home cleaning services.



More broadly, as inflation continues to bite, groceries and healthcare are expected to take a bigger share of consumer spending. Out-of-home dining, big-ticket items and clothing/shoes/accessories are likely to be the key categories negatively impacted in Australia. Furthermore, hobbies and extracurriculars are expected to take a hit as well as spending on homewares and personal care items such as massages and nails.

This poses many interesting questions for businesses and brands, including:

- What can be done to lighten the load for our female customers?
- More broadly, how can we address affordability issues and create incentives to buy without devaluing our businesses and brands?
- How can brands and businesses fill the void and deliver personal, valuable experiences that drive long-term loyalty and customer value? For example, how will the out-of-home dining category respond as people look to do this more cost-effectively. What implications does this have for other categories as consumers look to "DIY" in some instances?



*(<https://www.wgea.gov.au/data-statistics/ABS-gender-pay-gap-data>)

** HILDA Statistical Report 2023

Half of Australians believe that the gender pay gap exists due to discrimination practices such as biased hiring and unequal promotion opportunities.

Promotion opportunities in particular came under fire with **more than half** agreeing men are more likely to be promoted when married with kids than women.



“Companies being more transparent about their hiring practices and remuneration and be held accountable where there are unfair practices and bias against either gender.”



“Same work, same pay. Exposing the companies that are not doing this. Government to pressure organisations and companies to act.”

INFLATION

Cost of Living

Rising cost of living is biggest challenge

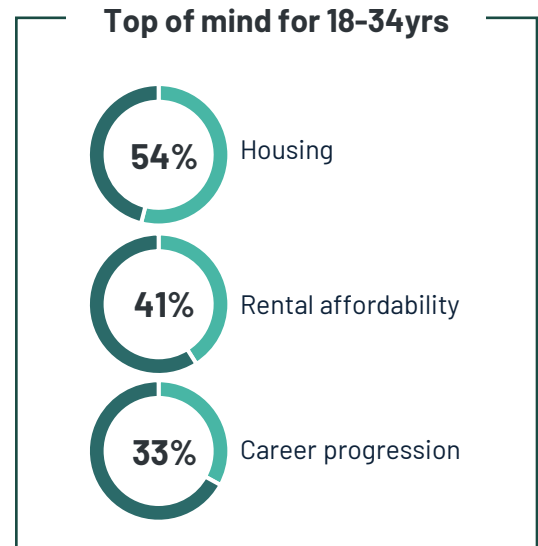
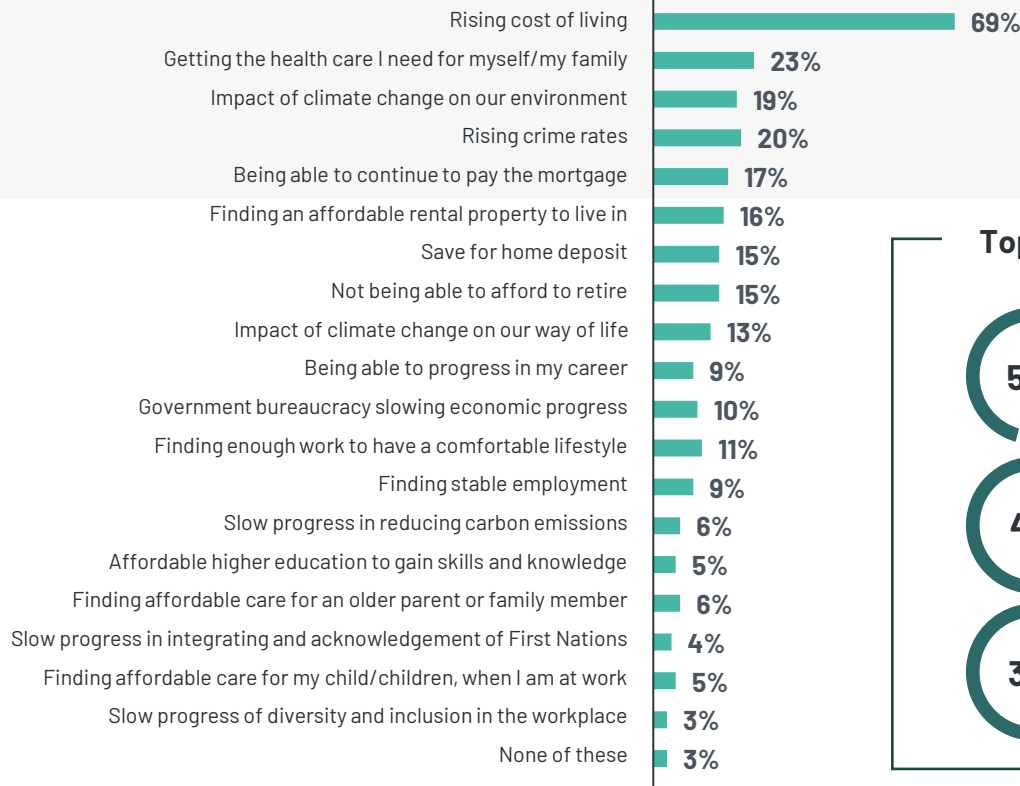
69%

7%

Inflation has hardly any / no impact

What is keeping Aussies up at night?

Beyond rising cost of living, climate change and affordable healthcare are top of mind for Aussies.



Q: In the next 3 years, what are your biggest challenges or concerns about living in Australia (beyond Covid)?
 Base: Total qualified sample N= 2081

INFLATION CHANGING SPENDING PATTERNS

Out-of-home dining, big-ticket items and clothing/shoes and homewares are likely to be the key categories negatively impacted in Australia, while 51% are spending more on groceries.



Groceries **51%**



Out of home dining **55%**



Big ticket items (e.g. TV) **47%**



Clothing/Shoes **49%**



Homewares **45%**

Q: Which of the following items are you spending more on/less on, in the last 6 months?
 Base: Total qualified sample N=2081

INFLATION

WEIGHING ON MORE WOMEN'S MINDS

♀
73%

Few have been unscathed by the rising cost of living, but it's something that is weighing far more heavily on the minds of women. In Australia 73% of women vs 65% men rate this as a top concern.

♂
65%



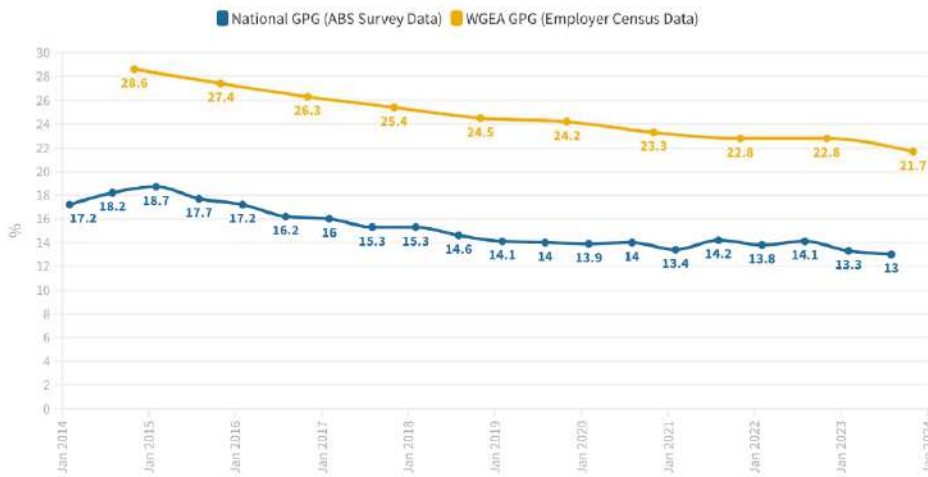
73% vs 65%

list inflation as a top concern

Q: In the next 3 years, what are your biggest challenges or concerns about living in Australia? Please select your Top 3 challenges/concerns Those that will impact you the most

Base: Total qualified sample N=2081

AUSTRALIA'S GENDER PAY GAP



Source: Workplace Gender Equality Agency

Note: Date plotted is the data release date. Note that each survey covers a different period of the year.

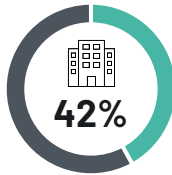


03

A Paradigm Shift at Work



Covid gave many of us a taste of what it was like to work more flexibly and spend less time on the commute. The increasing tug-of-war between employees' desire to Work from Home (WFH) and the CEO's desire to get everyone back into the office is well documented.



Currently, only 42% of Australian workers are in the office 100% of the time, demonstrating a clear shift towards more flexible working.



We also know that inflation is continuing to bite with the rising costs of living being the primary thing keeping us up at night. Tightening economic conditions impact both businesses who are looking at ways to reduce costs - including their permanent wage bill - and individuals who are looking to earn more money more easily, or just to get by. Hence, the rise of the hustle. Our study showed that 46% of Aussies say they are likely to acquire a secondary income in the next twelve months, and 23% of Aussies saying they will likely work for themselves in the next 12 months.



Increasingly businesses and brands need support the 'hustling consumer'; be that by simplifying their business needs in a B2B context or easing the complexities of home life in a time poor environment.



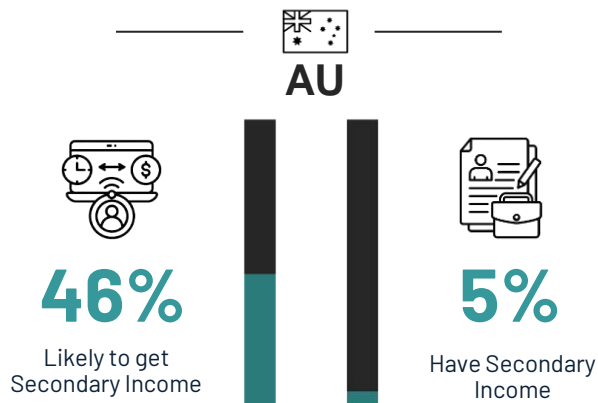
It is critical that businesses understand the whole picture of their customers lives and demands in order to support them to create loyalty.



GIG ECONOMY

Making ends meet

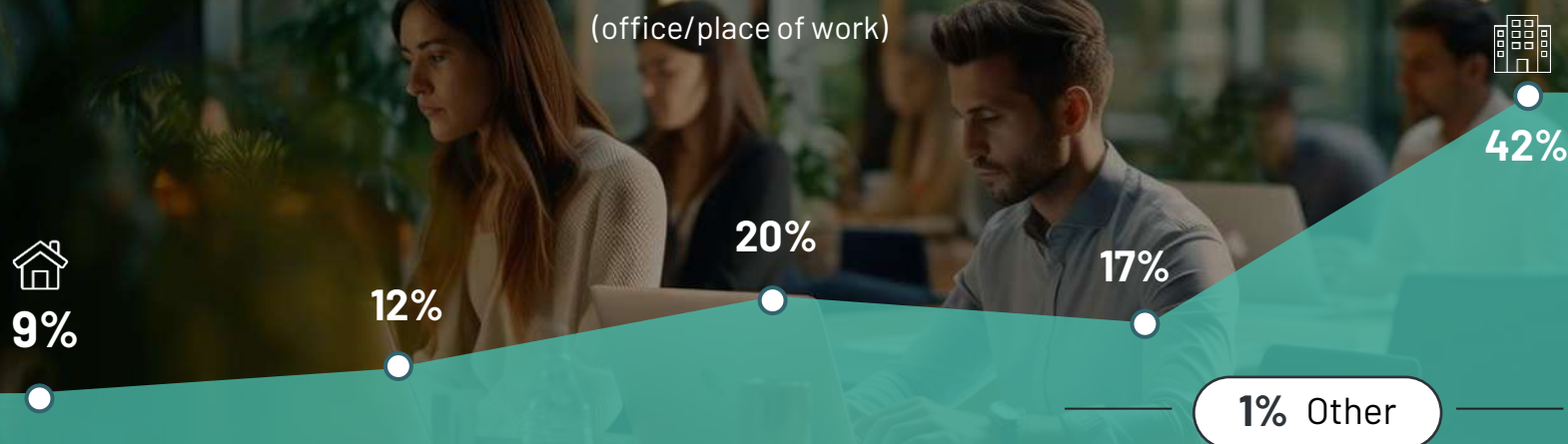
Covid gave many of us a taste of what it was like to work more flexibly and spend less time on the commute. The increasing tug-of-war between employees' desire to Work from Home (WFH) and the CEO's desire to get everyone back into the office is well documented.



Q: How likely are you to earn a secondary income in the next 12 months? i.e. separate from your main income, a side hustle
Base: Total qualified sample N=1544

Time spent working away from home

(office/place of work)



I work 100% from home

25% of the time
(1-2 days a week)

50% of the time
(2-3 days a week)

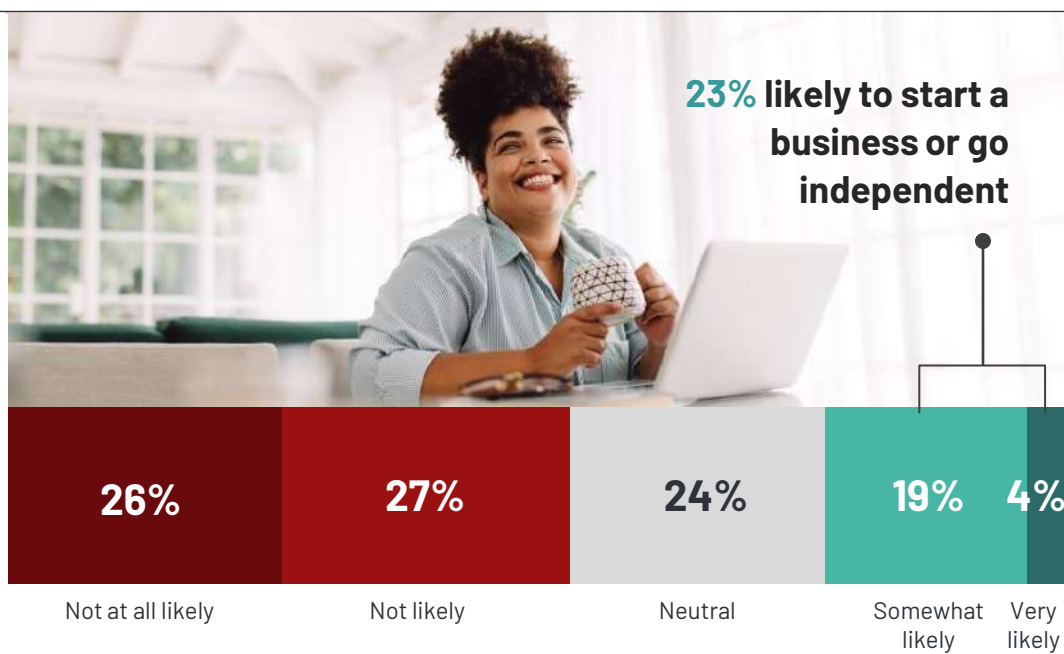
75% of the time
(4 days a week)

100% of the time

Q: How much time do you spend working away from home i.e. at the office/your place of work?
Base: n= 1543

One quarter are motivated to work for themselves in the next year.

Job insecurity and the rise of the portfolio career driving this trend.



Q: How likely are you to start a business/work for yourself in the next 12 months? i.e.. replace your current income or create an income
Base: n= 1471

04 AI Devil or Deliverer?

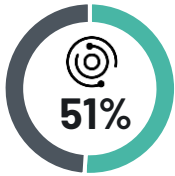
\$1,345.2 bn



AI will undoubtedly continue to change the world as we know it. Markets and Markets* predicts that the AI market will be valued at around \$1,345.2 billion by 2030.



Many industries will continue to be revolutionised by AI, and as generative AI tools such as Bard and ChatGPT become more mainstream, AI will increasingly become a part of everyday life.



As expected, most Australians are familiar with some form of AI and many claim (42%) to use it. Furthermore, a significant number (51%) say it will impact their livelihoods over the next 5 years.



A good understanding of how customers perceive AI and addressing any concerns will go a long way to helping us swing the balance from Devil to Deliverer.



The biggest hurdle for many brands is to ensure that Artificial Intelligence doesn't equal an Artificial Interaction. Many of us have experienced the frustrations of having a non-sensical "conversation" with a Chatbot, or the irritation of being constantly reminded about a product bought ages ago.



Brands that understand how to use AI effectively to deliver a better customer experience, without compromising personalisation and the humanity of the experience, will be the clear winners of the future.

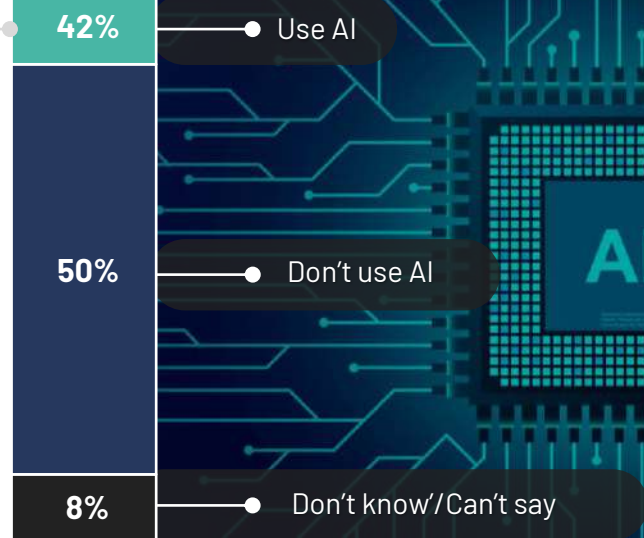


*(<https://www.marketsandmarkets.com/Market-Reports/artificial-intelligence-market-74851580.html>)

Only half of Australians have utilised AI technology

As expected, most Australians are familiar with some form of AI and many claim (42%) to use it. Furthermore, a significant number (51%) say it will impact their livelihoods over the next 5 years

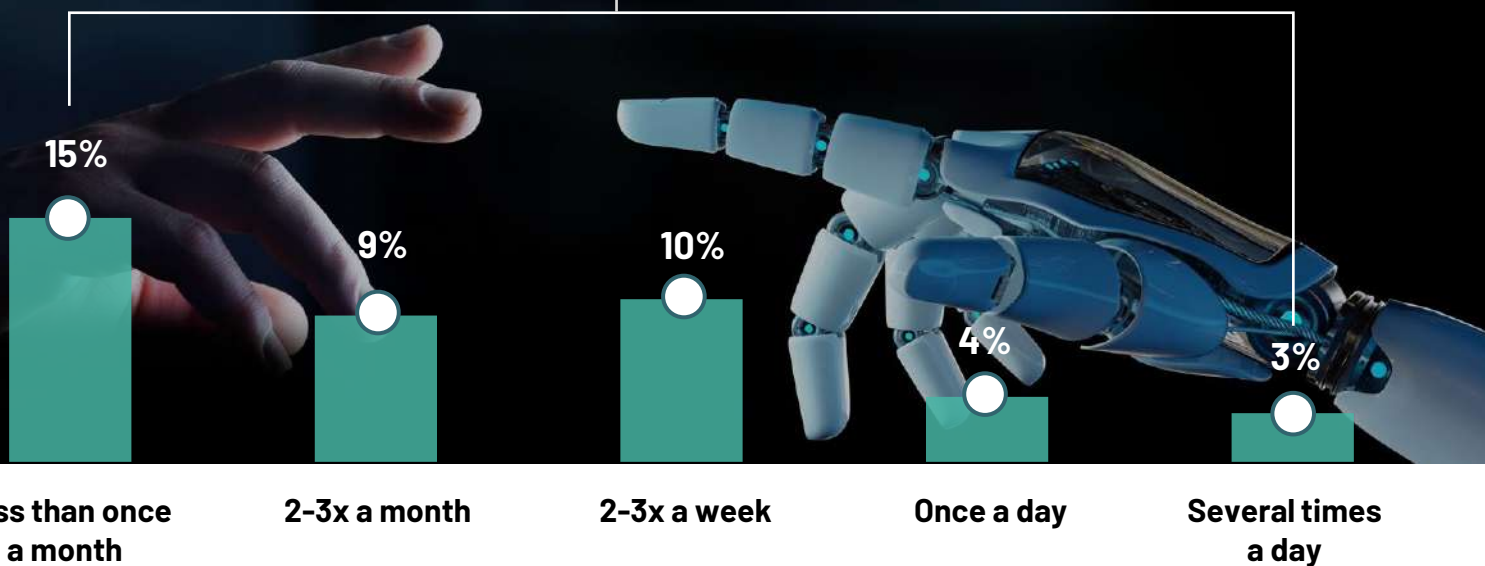
Q: How often do you use AI i.e. ChatGPT in a typical week?
 Base: Total qualified sample n=1868



As AI transitions from the Devil to the Deliverer, we expect to see not just usage increase but frequency as well

A good understanding of how customers perceive AI and addressing any concerns will go a long way to helping us swing the balance from Devil to Deliverer.

Frequency of usage

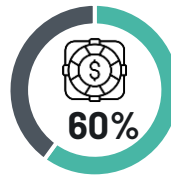


Q: How often do you use AI i.e. ChatGPT in a typical week?
 Base: Total qualified sample n=1868

05 The Mooch Generation



Australians aged 18-24 are the least likely age group to say that they are feeling the pinch. Still, 58% of this age group say this is a top challenge.



Perhaps this is unsurprising, given the generosity of the bank of mum and dad. Most Australian parents (60%) are still financially supporting their adult children.



Furthermore, a very common living situation we are seeing in 2024 is 18-24 year olds still living with their parents, with two in five still not flying the nest yet.



Whilst housing woes and the rising cost of living undoubtedly play a role in this scenario, interestingly around half of adult kids living at home do so, simply because they choose to. Some may say that the sins of the helicopter parent have well and truly landed!

Yet, there is some good news for burdened Aussie parents out there with 36% of 18-24's saying they are likely to buy a home in the next five years. However, the sceptics amongst us may be doubtful of this coming to fruition. When asked about their plans for any surplus funds, a home deposit is quite far down the list for most Aussies aged 18-24.



General living expenses **(39%)**



Travel **(46%),**



Clothes, shoes and accessories **(30%)**



A new car **(32%)**



all take precedence with only **29%** having a home deposit on their list.



For some brands and businesses, this continuing trend presents many new opportunities – from tapping into the discretionary spend of younger consumers to helping them (and their parents!) transition to “adulting”.

MOOCH GENERATION

Putting off adulting

39% of 18-24yr olds live with their parents

23% of 18-34yr olds live with their parents

HOUSING CRISIS

Housing Affordability

“The cost of living is out of control. It almost seems unattainable to be able to buy a house.”

Median multiple of house prices to income*



13.3

Sydney



10.7

Auckland



18.8

Hong Kong



12.0

Vancouver

*Demographia International Housing Affordability 2023. Ratio measures focus on the relationship between housing expenditure (prices or costs) and household income, either as a median or mean.

Likelihood of getting on the property ladder



39%

Extremely / Very Likely



AU

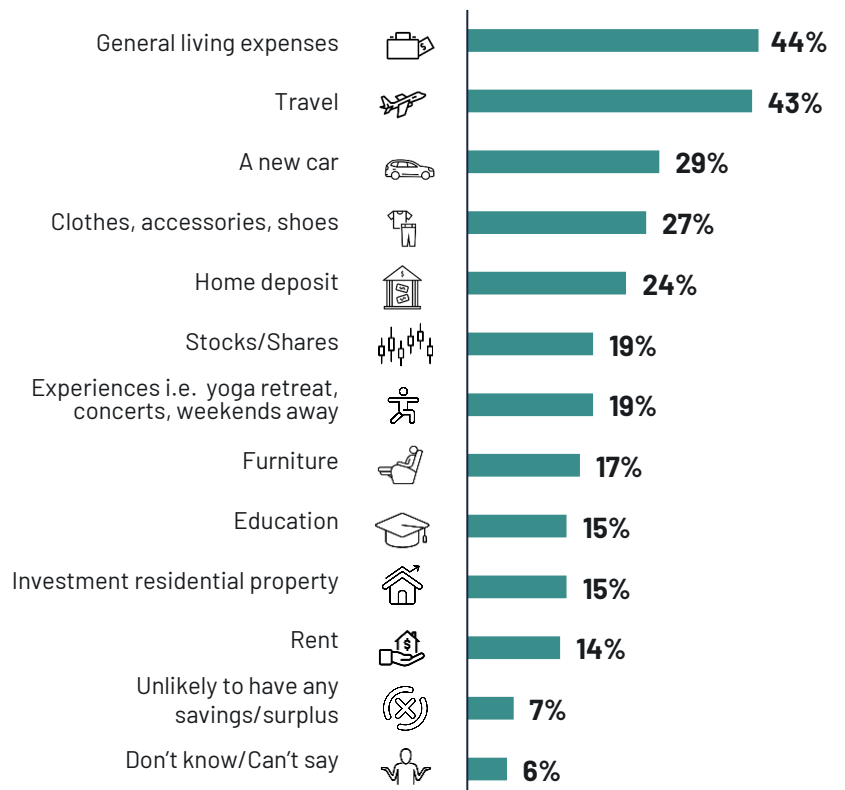


32%

Not very / Not at all

Q: How likely are you going to buy a home to live in, in the next 5 years?
Base: Total qualified sample N=510 Non home owners, 18-44yrs

What spend savings / surplus on?



Q: What do you plan to spend any savings/surplus income over the next 5 years?
Base: Total qualified sample N=1186 18-44yrs

06 Welcome generation Jones



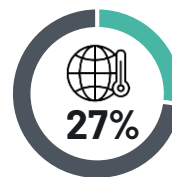
This 55-70 demographic is often overlooked in media targeting, with only just over a quarter saying that they feel their family/home situation is well represented in the media. A similarly small number say they can relate to current advertising that displays family scenarios/imagery.



So, what does this cohort really look like today? We have seen television shows that have put the spotlight on 'older women of the world' – those in the 40,50 and 60's with popular shows such as 'Sex and the City' coming back on our screens as 'And Just Like That', and picking up the story of Carrie, Miranda, and Charlotte with the women now in their 50s instead of their 30s. Miranda with her kidult son still living at home and mooching off 'bank of Mum and Dad', Charlotte with two dependent children a long way off from leaving home and 'Carrie - now newly single and living alone. Other shows such as 'Grace and Frankie' follows two aging women who form an unlikely friendship after their husbands reveal they are in love with each other and plan to get married.



Yes, Generation Jones has truly transformed over time. Our data shows that whilst most are married, 39% are enjoying a single life. One in five have children living at home and many are financially supporting their adult children. Just over half are still engaged in the workforce and half own their own homes and are mortgage free. They are more digitally savvy than their tech-addicted youngsters give them credit for. Most are familiar with Artificial intelligence, digital wallets and bitcoin.



Generation Jones is also most concerned with climate change - 27% raise it as a top concern (vs only 19% of those aged 18-24). 69% have got on board with reducing single use plastics (vs 45% of age 18-24's). Yet, admittedly price does still take precedence in the buying decision - most likely given they carry the financial burden for our Generation Mooch.



It's more critical than ever for marketers and business decision makers to get under the skin of this generation and understand their mindset, attitudes and behaviours so that we can talk to them in a relevant way, cater to their unique needs and tap into those digital wallets.

Generation Jones

who are they?



Relationship status



Married/De facto

61%

39%

Single



50% Own their home **WITHOUT** a mortgage



24% Have children living at home with them



53% Working full or part time

Generation Jones

What do they care about?



Generation Jones

Base: Total qualified sample N= 2078

Top Concern

27%



Impact of climate change on our environment

69%



Reduce single use plastics by regularly

Gen Z

Base: Total qualified sample N= 2081

19%

Top Concern

45%

CONCLUSION

How do these trends affect your brand?



Targeting Relevance: Are there shifts in consumer behaviours, preferences, and needs within specific segments of the population? Tailor your marketing strategy to ensure your messages are relevant and impactful.



Innovation: By understanding demographics, you can identify opportunities for new product development or modifications to existing products to better meet the needs and preferences of specific demographic groups.



Communication: Different brand messages for different audience segments. By aligning messaging with demographic trends, you can you can bespoke your communication to strongly resonate with your target audience




Market Expansion: Can changing cultural norms threaten your brand? Know what opportunities and challenges are relevant. By identifying demographic groups that are growing in size or purchasing power, you can prioritise resources and investments capitalise on new opportunities



Segmentation: Help identify distinct consumer segments with unique characteristics and preferences and therefore more precise targeting and customisation of marketing strategies to meet the diverse needs of different demographic groups.



Now is the time to leverage insights and plan for your future brand success.

 **Contact the team at Insights Exchange and let's chat about what opportunities there are for you.**

METHODOLOGY



The results are from a nationally representative 10-minute survey of n = 2,081 Australians in Dec 2023 & March 2024 thanks to our panel partner Pureprofile.

- 53/47 Male vs. Female
- Age from 18-70yrs
- Lifestages from single to Empty Nester
- Location - Inner and Outer urban, regional and rural households
- Mix of Working and industries
- Ethnicity and migrant status i.e. Australian born vs. non
- Home ownership/Type of dwelling
- Household income up to \$300k+
- Broad mix of ethnicity
- Spread of living
- All to be key/joint decision makers for household purchases