

Changing consumer habits are a silver lining from the pandemic

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One silver lining to come from the pandemic may be how much more mindful we are about money, a new University of Otago report reveals.

The latest New Zealand Consumer Lifestyles Report surveyed 1640 people in late 2020 with the aim of providing insights into the lifestyles, [consumption patterns](#) and choices, and behavioral trends of New Zealanders.

It is the seventh major survey of its type to come out of Otago's Consumer Research Group in the Department of Marketing, with this version including a new focus on COVID-19, sustainable consumption behavior, and happiness and well-being.

Many long-standing consumer habits—more money spent on services, greater digital adoption and more time and money spent out of the home—have been interrupted, accelerated or reversed due to the pandemic. This data, collected six months out of the first nationwide [lockdown](#), may indicate which of those changes will stick.

Lead author Associate Professor Leah Watkin was most surprised about how 57 percent of respondents had become more mindful of their spending since Lockdown 2020.

The results also show 43 percent reduced their consumer spending, 52 percent started to shop locally, and 42 percent shopped online more.

"They are more committed to shopping locally and have also engaged in brand switching behaviors, such as trying new brands (33 percent), less expensive brands (38 percent) and less luxury brands (41 percent)," she says.

The only category to increase was groceries, which aligns with 54 percent of people reporting they have increased their home cooking.

"Overall, people have reduced their discretionary consumer spending on restaurants, outside entertainment and travel, which has gone into savings

and also into more 'at home' spending on food and entertainment."

Not so surprising, was the number of respondents who had re-assessed methods of accessing things like health advice, such as telemedicine (16 percent), meal kits (16 percent), and home fitness (23 percent).

"It is likely this most recent lockdown will have seen consumers re-evaluate their consumer spending again, and given the possibility of on-going lockdowns, it is more likely that new or changed behaviors will become new habits," Associate Professor Watkins says.

Decreased consumer spending has led to changes in debt and savings behavior with 26 percent of consumers saying they have reduced debt, 35 percent increased saving, and 24 percent increased investing.

Associate Professor Watkins is optimistic for the continued recovery of consumer spending, albeit influenced by new habits adopted during the pandemic.

"In terms of economic recovery, we saw [consumer spending](#) return quickly post 2020 lockdown and it is likely we will see the same this time as [consumers](#) regain access to consumption goods that have been limited and use the savings they have accumulated."

More information: Challenge, Constraint and Commitment to Change: A New Zealand Consumer Lifestyles Study.

www.otago.ac.nz/marketing/otago832662.pdf

Provided by University of Otago

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