



REBELS

with a **REAL** cause

How the changing face of Australia is changing the future of retail.

By Kantar Head of Sensory Dr Denise Hamblin.

Society is changing. We've been living a life of 'conformity' since 9/11 and the GFC rocked our core. Our values underpinned by safety and security were challenged and supercharged in 2020 by the fear and risk unleashed by Covid-19. But as the second year of the pandemic draws to a close, the intensification of conformity driven by lockdowns is giving way to a great societal value reset and a renewed focus on a different future: 'rebellion'.

The loss of control and threat to what we value in health, self-reliance, privacy and mobility has made us more mindful of what's important in life, and of upmost importance are honesty, authenticity, fairness and family.

Rebellion values can be seen in all Australians

Although spearheaded by younger generations, rebellion values are in us all. They're led by those courageous enough to challenge the status quo, change everything and find a better way. Our 2021 Kantar Millennium Monitor of social values reveals the desire for individual empowerment and simplification of life shining in the eyes of those who have already transitioned.

Whether it's older entrepreneurs refusing retirement, middle-aged parents prioritising mental health or teens normalising virtual existences, our future will be startlingly different. And refreshingly confronting. It will

be led by those who value taking individual responsibility for issues and opportunities. Post-pandemic, this will be played out in the desire for individuality, fairness, sustainability, mindfulness and simplifying life.

As we disconnect from digital, mental health matters more

We've spent so much time connected to technology, exacerbated by lockdowns, that we now overwhelmingly desire to disconnect and be in the moment much more. During 2021, our Covid-19 Barometer revealed that we were exercising from home less, working longer and becoming much less concerned about our personal grooming as lockdown and Zoom fatigue set in.

But as we open up again, Australians are less interested in digital shopping and artificial intelligence experiences now that we can connect in real life again – much more so than what we’re seeing globally. Our focus on the mind and nurturing products and services will make sensorial experiences integral to innovation and converting Aussies shoppers from trial – especially in functional foods and the ‘healthification’ of convenience.

Aussies want to find their financial freedom – it’s key to our self-esteem

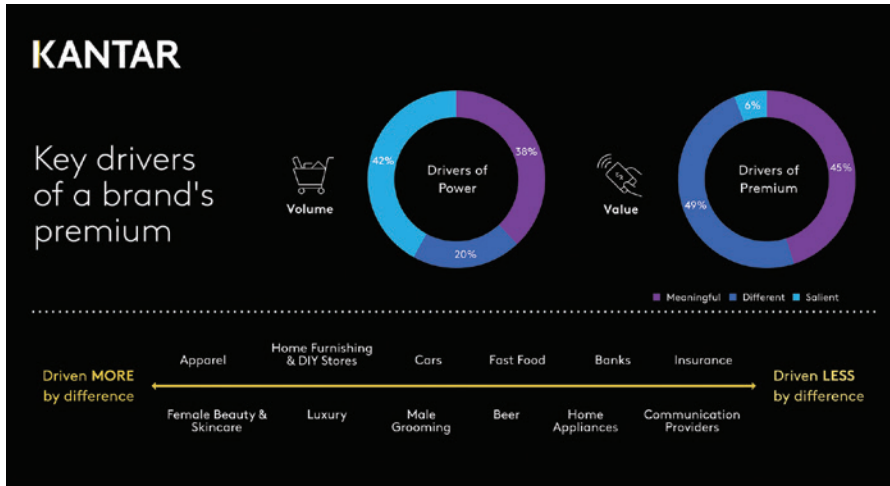
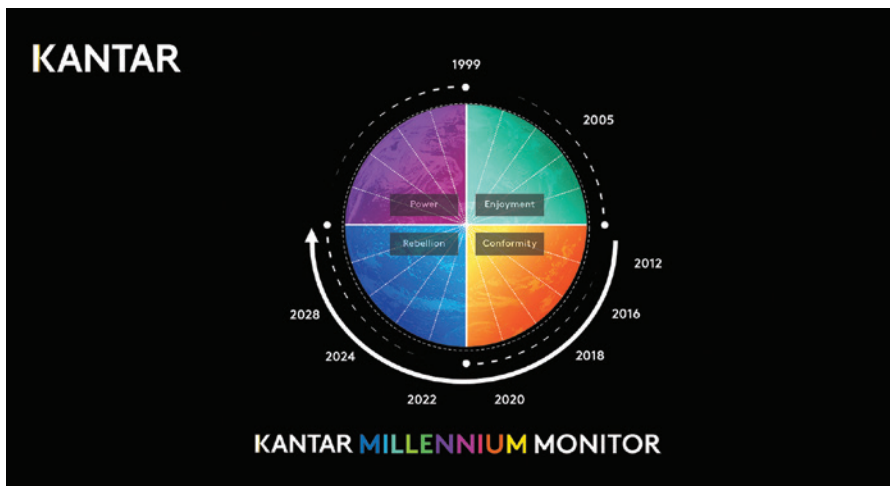
Against the backdrop of Covid-19 and the changes to our health, retirement and finance systems, achieving financial autonomy has never been harder for Australians. Kantar’s Finding Financial Freedom study found that two in five Aussies worry about running out of money when they retire, and four in five don’t believe that financial services brands are actively working to help educate them on financial matters.

Addressing financial literacy and autonomy, irrespective of gender, is now a commercial imperative and one that all brands can embrace. Why? Because financial independence is the dominant contributor to self-esteem. The impact of the pandemic has increased our need to make informed life choices to be financially independent, especially where the opportunity to grow wealth for the future is challenged in a low-interest environment.

Sustainability back on the agenda – brands must take charge

Despite Australia’s global reputation as a laggard when it comes to climate change, our citizens have firmly put sustainability back on the agenda. Kantar’s Covid-19 Barometer shows that we increasingly expect brands to play an active role in making the world a better place, while BrandZ global data reveals corporate responsibility – social and environmental – is a genuine contributor to brand strength. And in 2020, for those surveyed, it was the single largest influence on a brand’s reputation (49 per cent). Our 2021 Global Monitor finds that 69 per cent of surveyed Australians believe that living environmentally can improve health while 46 per cent will pay more for environmentally friendly products.

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Consumers are looking for retail that...

- ...recognise them as **individuals**
- ...recognise their **needs & preferences**
- ...provide **tailored** ranges
- ...provide **experiences**
- ...provide **value for money**
- ...make their lives **easier**
- ...help them look after the **environment**
- ...provide **empowering** choices
- ...showcase that **less is best**

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The desire for sustainable products is growing and apparent in younger generations. However, although a moderate proportion of Aussies look to buy products with reduced packaging (53 per cent of respondents), an even lower proportion are interested in buying ethically produced goods (39 per cent).

Local is still definitely lovely, but we're more influenced now by value

Following the bushfires and the #buyfromthebush and #localislovely campaigns, we're still preferring to buy from smaller companies rather than global brands and are skeptical about packaging and advertising claims. There's also a distinct preference for Australian made, with Millennium Monitor data finding 56 per cent of those surveyed want to know where our products come from, and are interested in buying locally grown or produced goods.

But while 2020 saw us bake bread and bring the restaurant experience home as the need for health and indulgence collided, 2021 lockdowns did discriminate. NSW, Victoria and the ACT entered extended lockdowns but reopened borders while Western Australia, South Australia, Tasmania and Queensland experienced parochial freedoms from open economies but closed borders. As vaccination rates soar, this will be an interesting space to watch in 2022.

Don't forget the true value of price – the forgotten 'P' of marketing

While brand is king, as we throw away our pandemic purses with a vibrant return to value-based spending, Aussies are paying more for high premium brands. As my colleague Ryan France, Kantar's Head of Brand Strategy, says, "so many brands find themselves trapped in a downward price spiral".

"Discounts don't just impact the margins made on current sales," he said. "They habituate existing buyers to expect lower prices in future and they're signals that potential buyers interpret both positively and negatively.

"All potential buyers will welcome a lower price. Indeed, for some buyers who don't care much about the category or don't believe there's much

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Brands

72%

appreciate it when brands make it clear what they stand for and stay true to their values

53%

prefer to buy from smaller companies whenever possible

49%

believe brands have an important role to play in the social conversation

Source: Kantar Millennium Monitor

"Being meaningfully different is the key to building a powerful, valuable brand."

difference between the brands, price is the only real variable of importance. However, price is also a signal of quality that people intuitively 'validate' against the available cues and their own experience.

"The risk is that if people perceive a brand discounting more than they might expect, they may infer that there's something wrong with it, perhaps that it's of poor quality or not as popular as it used to be. That sort of damage is very hard to undo."

Winning brands will lead change and listen to the new Aussie rebels

The total value of the Kantar BrandZ Top 100 Most Valuable Global Brands grew by 42 per cent in 2021 to reach record-setting new heights of more than US\$7 trillion. Their accelerated growth reflects an impressive rebound from the economic toll of the global pandemic.

BrandZ's brand equity research also shows how being meaningfully different is the key to building a powerful, valuable brand. As we lived through extended 2021 lockdowns, 62 per cent of surveyed Australians told Kantar's August Covid-19 Barometer that they were buying the same brands as in the previous month, while one in three tried different brands that they'll continue to buy after the pandemic.

We can learn from the past to plan for the future – we've been here before

By delving into the Millennium Monitor's narratives of time, we can learn from the last transition from conformity to rebellion – just as we did in the '60s, albeit now just a little more high-tech,

a little more multicultural and in an environment that's just a little more precarious. Our renewed focus on a more simplified future and finding better ways to live will lead the charge, and brands and retailers that can nurture this inherent need will ride high on this new and exciting wave of rebellion.

About Dr Denise Hamblin



Dr Denise Hamblin is Head of Sensory for Kantar. A passion for insights, stalking supermarket aisles, and all things food and wine saw Denise trade in neuroscience

for consumer science. Today she leads the sensory research practice at Kantar, tuning into the evolving preferences of Australians to help brands design better products for consumer satisfaction, repeat purchase and loyalty.

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About Kantar

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