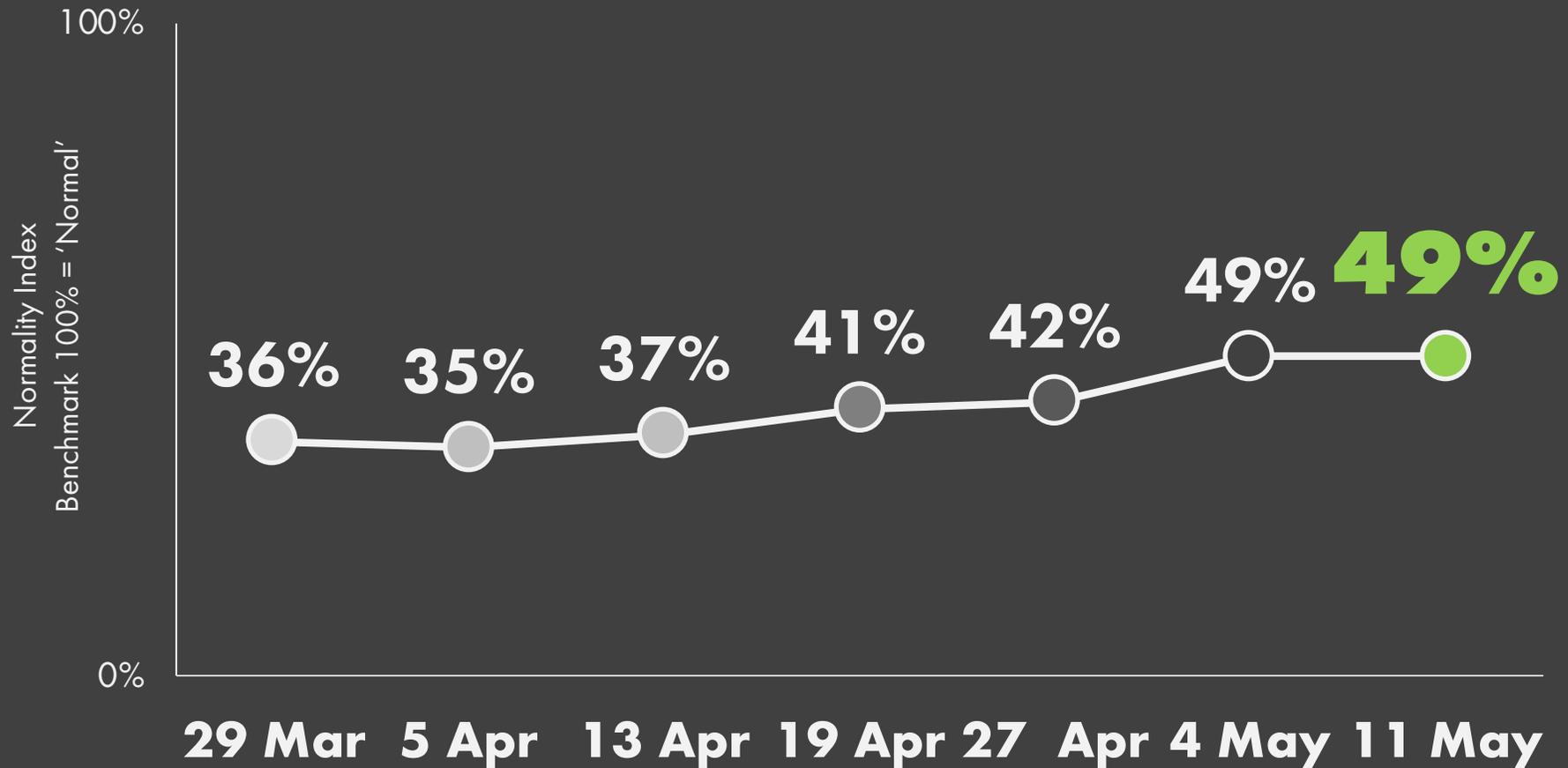


The Australian Normality Index

As restrictions ease across the country, our sense of normality remains suspiciously stable



From Lives, to Livelihoods:

This week's observations

FROM LIVES TO LIVELIHOODS: Our priorities have shifted.

The magnitude of change we have adjusted to in a short 7 weeks is extraordinary. And whilst we have proven resilient as we navigated the initial health crisis, we certainly felt the loss of liberty and connection with family and friends. And we ranked these as our most important drivers of normality.

However...this week, with the health crisis in hand, and restrictions easing, Australians have shifted their priorities and have elevated their 'feeling of confidence in the economy' to the No 1 driver of their normality. And with this heightened attention, there has been a reduction in our already low sense of confidence.

Confidence in the economy is such an important driver and our confidence in the economy is so low, that despite improvements on the other drivers the Normality Index remains anchored at 49%.

Emotions repairing. But we still need an antidote for Anxiety

As Australians' attention turns to the economy, is it a surprise that anxiety is the emotion which has least improved over the past 7 weeks?

Business might take some comfort from all other consumption-related emotions having returned to almost pre-Covid19 levels, however there is a job yet to be done to provide the antidote to anxiety we are feeling.

Forethought could not help but reflect on what brands in different categories could do to alleviate consumer's anxiety to help catalyse consumption behaviour e.g.:

- Is it too early for supermarkets to remove "way-finding" guidance and hand sanitiser on entry? Are they valuable cues of a safe environment?
- Have the insurers been nimble enough in adjusting premiums on reduced risk?
- Have brands confirmed the value and utility of their offer for economically anxious shoppers?

Hypothesis: Our Values and Behaviours are changing.

Forethought's hypothesis is that Australians behaviours and values are changing as we are forced to live differently and to trial new products and services to support that new way of living. Some of those changes will stick and some will slip away.

The challenge for business leaders is to identify what change is transient and what will become the new normal, so that organisational strategy can reorient.

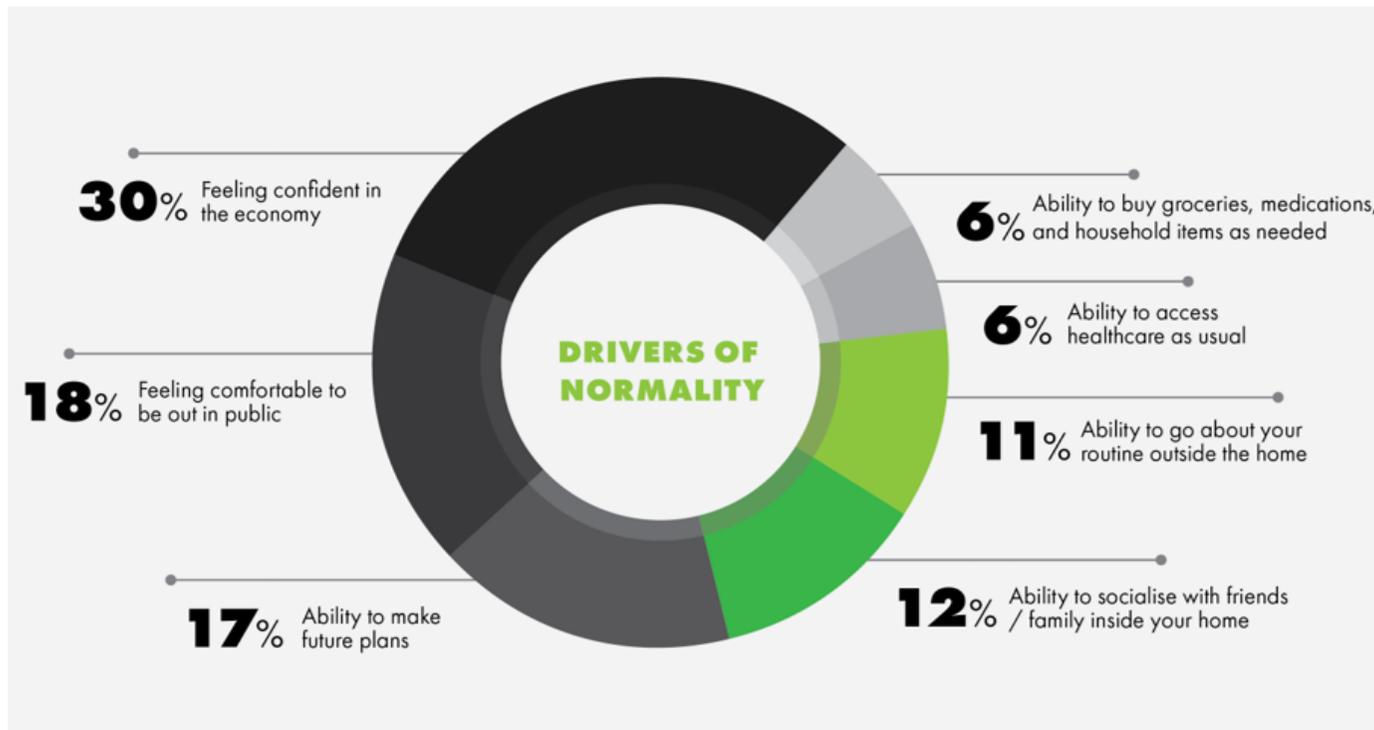
At a very simple level, we tested this by remodelling the Normality Index and saw some significant changes in the model, presented in this week's report.

At a nuanced level, we are using Anthropological techniques in a rapid ethnographic context to triangulate data and infer the changes starting to inform people's lives...and business decisions. We will share more next week.

From lives to livelihoods: having navigated the Covid-19 health crisis, and restrictions easing, our focus shifted to the economic crisis. 'Confidence in the economy' has risen to the most important driver of our normality (up from 18% last week)...

When will we feel normal again?

Drivers of Normality

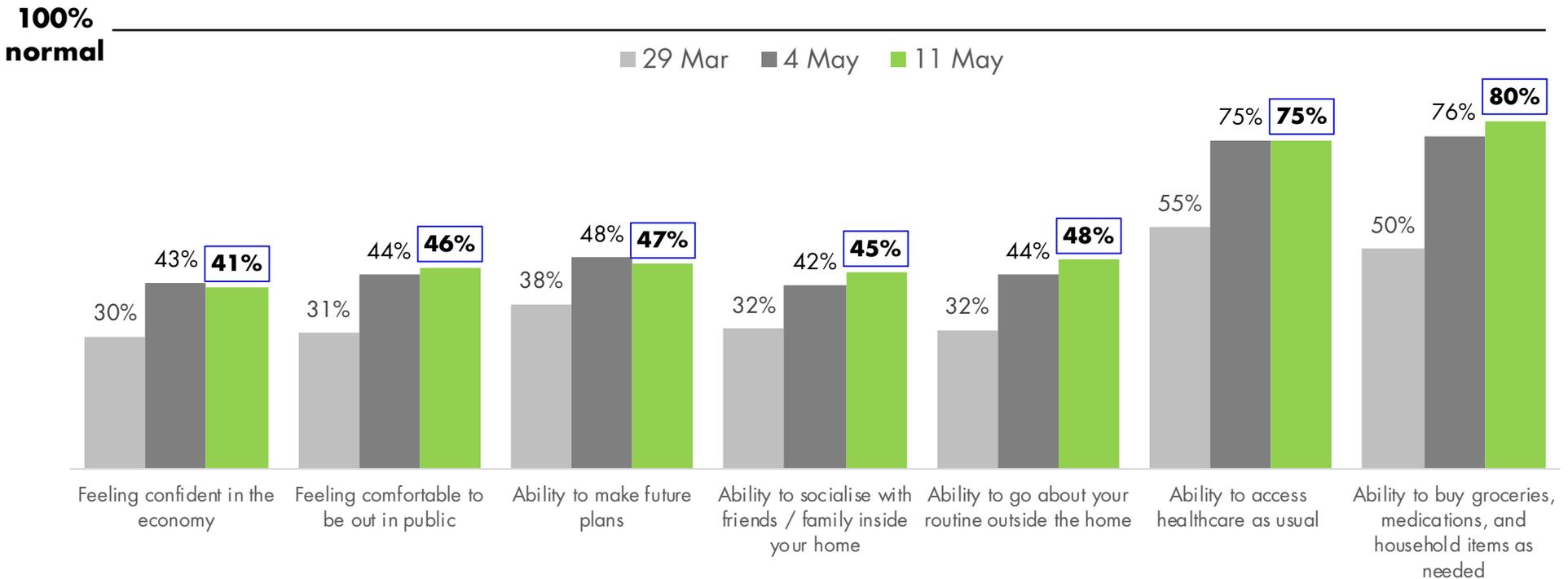


Given the magnitude of change Australians have experienced over the last two months, Forethought remodelled the drivers of Normality this week, to see if our priorities has changed. They have.

As the Covid-19 curve flattens, our priorities have shifted from how our lifestyle and mobility was impacted as we navigated the threats to our health, to our sense of confidence in the economy. And as the next page shows, we have been and remain concerned.

...And we are concerned. Our confidence in the economy has remained low over the past 7 weeks. Now, as its importance to our normality increased, our confidence took a backward step.

Thinking about life at present (including wider society), how normal do you feel the following aspects are?

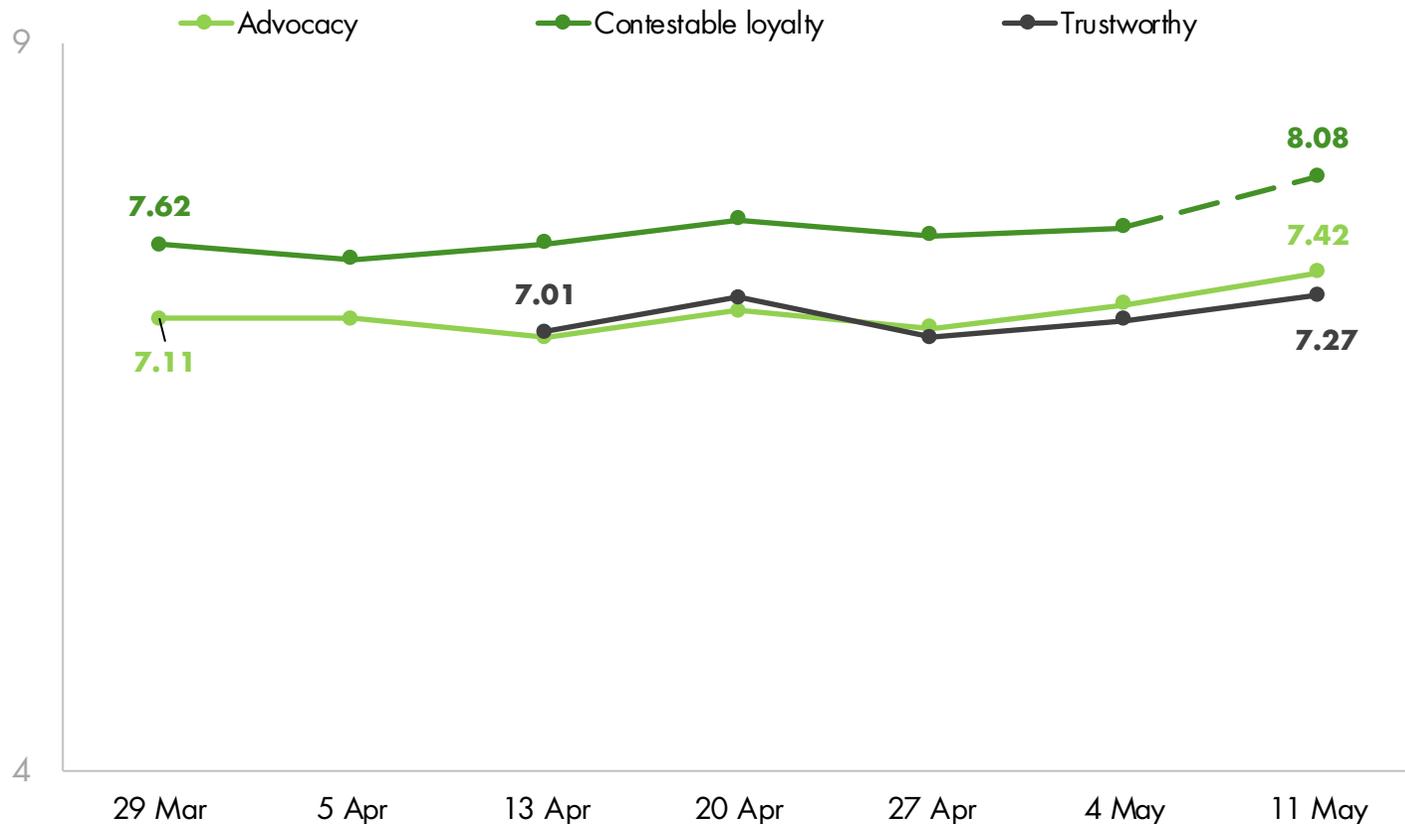


Note: Significance testing was conducted between Week 6 and Week 7 at the 5% level of significance. No significant differences were found. Significance testing was also conducted between Week 1 and other weeks at the 5% level of significance. A blue box indicates the Week 7 result was significantly higher than the Week 1 result.

Winning: Supermarkets have banked points for their conduct during the crisis. What could other categories learn from this?

Supermarket performance

Week 1 to Week 7



Note: Significance testing was conducted between weeks at the 5% level of significance. A broken line indicates a significant difference.

OUR SUPERMARKETS ARE GETTING THE OFFER AND THE MESSAGE RIGHT

Our ability to buy groceries has been one of the drivers of normality. This week the driver itself has diminished in importance, signalling that we are comfortable that the initial supply chain shocks have been managed. And the actual weekly score on this driver has improved 60% in 7 weeks.

Supermarkets are now enjoying an all time high in loyalty (8.08). They have implemented communications and instore cues that hit on the indicators of returning to normal. These cues signal that going to the supermarket is safe and easy.

How can your brand leverage the indicators of normality?

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