

Baby boomers lead change to austerity

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Nearly half Australia's consumers have changed the way they shop and live as a result of the recession -- and it tends to be the baby boomers making the biggest changes.

Frugal Fever, a report released by consumer research company Directional Insights, has found up to 49% of consumers have modified their shopping and lifestyle habits.

The report tracked shopping and lifestyle behaviour across 22 activities such as using shopping lists, watching TV, and entertaining at home.

Helen Bakewell, MD of Directional Insights, says the report shows that at this stage, households are focussed on being more frugal and watching the pennies. They are doing this by reducing how much they splurge on shopping, spend on discretionary items and eating out, while increasing their home entertainment like watching TV. Using a shopping list, setting a budget and increasing purchases of homebrands in supermarkets have also increased.

"Right now households are consolidating and looking to where they can make savings, whether or not they have been affected by the GFC. The only areas to remain largely unaffected is how much we spend on groceries, our love for discount department stores like Big W, Kmart and Target, and how much entertaining we do at home – we own the big TV we bought before the GFC impacted, so we might as well invite the friends over and watch it, as we don't want to spend the money going out.

"Now is the time for retailers to increase value and service in their offer. We are all mission shopping more, looking for what we need, buying it and then leaving the shops. Making that transaction as stress free and as value orientated as possible to customers is what retailers need to focus on."

The report notes that baby boomers are making the biggest changes in cutting back their department store visitation, buying things they like when they see them, splurging, eating out, and using a shopping list.

Generation X are making similar changes in cutting back on clothing, splurging, department store and cinema visitation, but spending more time at Discount Department Stores. Homebrands are popular with this market along with budget setting and shopping for only what they need with a shopping list.

A quarter of Generation Y have curbed their love of specialty shops with even more putting a stop to buying things they like when they see them.

Frugal Fever examines how the current economic climate is changing the way we shop and our current behaviours. The main source for this report was a nationwide on-line survey.

The sample had quotas set by gender, age and location by state in order to be representative of the Australian population. This survey was undertaken the weekend prior to the budget announcements by the Australian Government.