



Wednesday, 26 August 2020

## Biggest declines in Consumer Confidence experienced by 'Real Conservatism' & 'Visible Achievement'

New research into the weekly ANZ-Roy Morgan Consumer Confidence Index by [Values Segment](#)\* shows the two biggest declines since the beginning of the COVID-19 pandemic have been for older people generally regarded as part of the establishment in '[Real Conservatism](#)' down 22.1pts, and the successful and confident people in '[Visible Achievement](#)' down 21pts.

### Who are the 'Real Conservatives' and 'Visible Achievement'

**Real Conservatives** hold very conservative social, moral and ethical values and generally feel things are not as good as they used to be – and it's easy to see how the unprecedented nature of the COVID-19 pandemic and the associated restrictions and shutdowns would provide a huge shock.

A key part of their conservative nature is a strong belief in the merits of savings which drives their accumulation of assets. The COVID-19 pandemic has led to wild swings in Australian equity markets, particularly during the onset of the pandemic in March and April, and these moves have clearly proved worrying for this group of Australians.

People identified as **Visible Achievement** are visible success stories and have 'made it' in whatever field they're involved in with confidence in their own abilities and position. The fact their success is based on navigating an existing system to climb their way to the top offers insight into why the unique impact of the COVID-19 pandemic has provided a big hit to their confidence.

There has been a great degree of uncertainty in recent months about not only the immediate future, but also the long-term impact of the COVID-19 pandemic on the way we live, work and enjoy the fruits of our spoils. This uncertainty challenges existing systems and is a potential threat to those who've built their success in the world we have been living in – the **Visible Achievers**.

People in this segment take like to be in full control of their lives and take a direct interest in the economic and political environment around them – all of these bedrock structures in their lives have been thrown into chaos in recent months so it's no surprise they have endured amongst the largest declines in confidence over the last few months.

Other big declines were felt by young people into image and style in '[Young Optimism](#)', down 19.5pts, and the community-minded and education oriented '[Socially Aware](#)', down 18.2pts.

See below for further details on what defines people identified with these **Values Segments**.

### Australians identified as Basic Needs and Traditional Family Life have the smallest negative impact on Consumer Confidence from the influence of the COVID-19 pandemic

In contrast to these large declines the smallest drops in Consumer Confidence were experienced by older people within '[Basic Needs](#)', down only 6.1pts, and the older core of middle Australia with values centred on significant events in their personal and family lives '[Traditional Family Life](#)', down 7.5pts.

People who's values align with **Basic Needs** are often in their 'twilight years', retired, pensioners and people on social security. Although some would consider these folks to have given up on their lives, this segment is generally happy and content with what they have.

It's true that the health impact of COVID-19 on people in this segment is larger than for other, younger cohorts, however the financial impact is minimal as they don't have the financial assets, or budding careers, that are threatened by the pandemic.

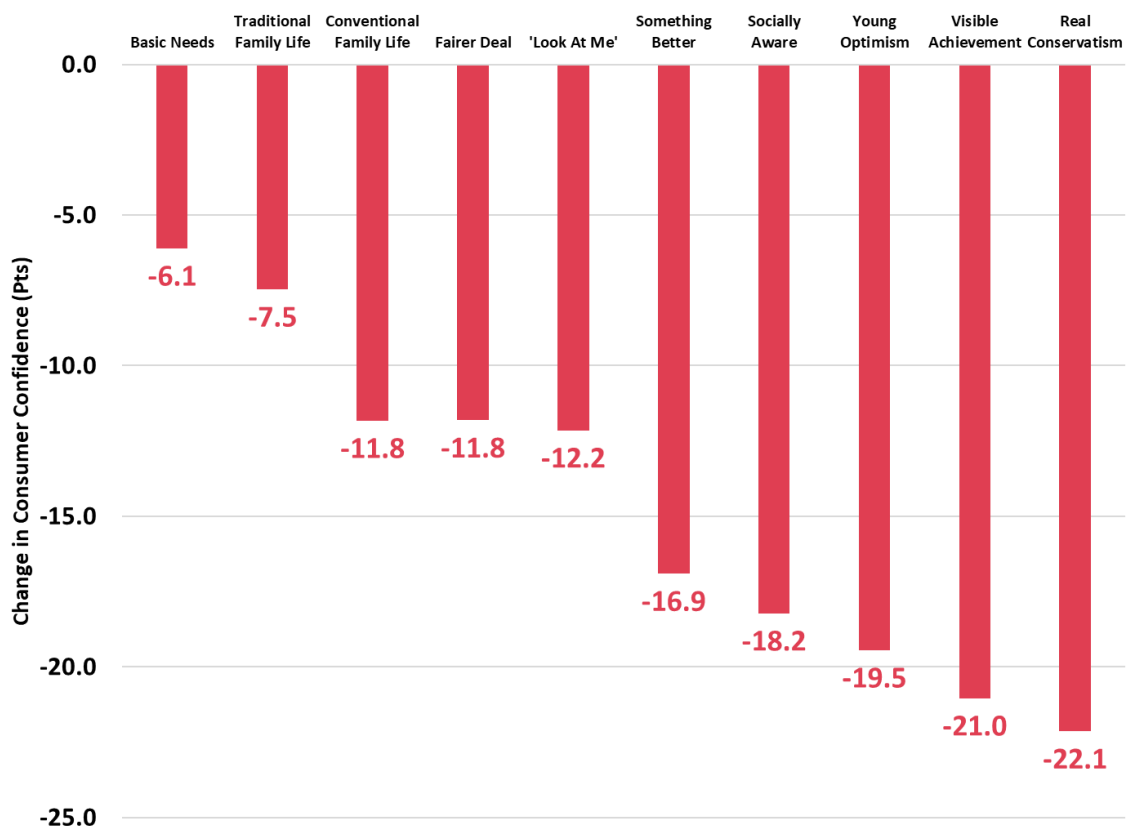
Australians who are part of the **Basic Needs** segment derive pleasure from their strong connections to their local communities and involvement in endeavours such as Neighbourhood Watch and Safety House and strong church attendance. The strongest impact of COVID-19 on these people will be its rupture of community connections during periods of lockdown as now being experienced in Victoria.

Those identified as being a part of the **Traditional Family Life** segment are the older core of middle Australia along with their younger counterparts in **Conventional Family Life** with values centred around the significant events in their personal and family lives.

These people are motivated by values of security, reliability and providing better opportunities for their families and children. Often considered 'empty nesters' these days with their children grown and moved out the **Traditional Family Life** have enjoyed the fruits of a prosperous economy over the last few decades and more protected from the economic and financial concerns generated by COVID-19.

The biggest impact on members of this segment during the past few months will have been the severing of familial ties during lockdown periods which have stopped large family gatherings, babysitting the grandkids and weekend BBQs.

### Change in Consumer Confidence by Values Segments\* – July 2020 vs. February 2020



**Source:** Roy Morgan Single Source, February 2020, n= 4,075, July 2020, n=3,994. **Base:** Australians aged 14+.  
 \*Devised by Michele Levine of Roy Morgan Research and Colin Benjamin of The Horizons Network 1997.

Looking at the broader performance of Consumer Confidence during the month of July focused on here showed the index dropping every week during July as a second wave of COVID19 hit Australia concentrated in the State of Victoria.

The Victorian Government announced Melbourne would go into a new lockdown on Thursday July 9 and wearing a face covering such as a mask became mandatory outside the home in the Victorian capital on July 23.

These measures and the sharp rise in infections in Victoria during July contributed to Consumer Confidence during the month being lower in Melbourne than in other capital cities around Australia.

**Michele Levine, CEO Roy Morgan, says the movements in Consumer Confidence over the past few months demonstrate how the pandemic has had varying impacts on different segments of the community encapsulated by the Values Segments\*:**

*“A look at the impact of the COVID-19 pandemic on Consumer Confidence shows certain parts of the community have proved more resilient to the impact of the virus than others.*

*“The two Values Segments\* most heavily impacted by the pandemic who have suffered the largest declines in Consumer Confidence – **Real Conservatism** and **Visible Achievement** are both down by more than 20pts between February and July. These trends echo those seen by Roy Morgan with the same Values Segments\* when the Australian share-market plunged in October 1987.*

*“People identified within **Real Conservatism** are generally regarded as part of ‘the establishment’ and hold very conservative social, moral and ethical values and are willing to pay more for products which guarantee consistent value and quality. **Visible Achievement** are successful and confident people who retain traditional values about home, work and society and who place a great emphasis on providing their families with a high quality environment.*

*“The shock of COVID-19 on these two segments is not surprising given the large plunges on Australian share-markets during the onset of the pandemic and the great uncertainty generated by how Australian life will look in the years ahead.*

*“Which elements of the old structure will survive the pandemic and which will be changed forever? Is the home-office set to be the new workstation for urban professionals and is the city office on the way out in an era of social distancing?*

*“These questions and the role of work and play in society and how they impact on financial and economic security as well as career prospects going forward will be playing deeply on the minds of **Real Conservatives** and **Visible Achievement** in the years ahead.”*

## **About Values Segments**

How well do you understand your target market?

Any research company can conduct demographic analysis and tell you who's doing what. Many can provide psychographic analysis and examine why those people behaved like they did. Some even offer market segmentation, grouping individuals into categories.

But only Roy Morgan can provide all of the above AND answer the all-important questions:

- What would change a consumer's 'no' decision into a yes or vice versa?
- What factors influence and predict their behaviour?
- What would happen if the marketing approach to one of these factors was changed?

## **Values Segments\*: an invaluable marketing resource**

What gives Roy Morgan the edge? Values Segments\* — an innovative system of market segmentation that goes beyond demographics and psychographics to explore the values, mindsets and attitudes that motivate consumer behaviour.

Because they're derived from [Roy Morgan Single Source](#), Values Segments\* can be used to drill down even further, profiling people's leisure activities, preferred brands and the media they consume.

## **What can Values Segments\* do for you?**

Contact Roy Morgan now ([askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com)) to learn more about this remarkable product!

\*Devised by Michele Levine of Roy Morgan Research and Colin Benjamin of The Horizons Network 1997.

**Learn more about Values Segments:** <https://www.roymorgan.com/products/values-segments/about-values-segments>

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## Real Conservatism

Real Conservatism refers to a pattern of responses most often provided by people who are cautious about new things and ideas. Generally part of 'the establishment', a central concern in this Segment is the maintenance of a disciplined, predictable and safe society. They hold very conservative social, moral and ethical values and generally feel that things are not as good as they used to be. They are willing to pay more for products which guarantee consistent value and quality and are particularly attracted to older, well established brands.

Part of their conservative nature is a strong belief in the merits of savings, which drives them to accumulate assets. This will usually be property, antiques, art and gold - things that will hold their value. However, while they generally are asset rich, they are cash poor. Growing up in the 'old school' they very much believe it's important to belong to the right crowd and doing 'the right thing'.



## Visible Achievement

Visible Achievement refers to a pattern of responses most often offered by respondents who are visible success stories. They have 'made it' in whatever field they are involved in and are confident in their own abilities and position.

Despite being successful they retain traditional values about home, work and society. The family is very important to this Segment and they place great emphasis on providing their families with a high quality environment. So there is no need to flaunt that success. While they can afford to buy the best of everything, they look for quality and value for money, not necessarily something that is expensive.



This Segment tends to be associated with people who feel in full control of their lives and take a direct interest in their economic and political environment when these impinge on their options at work and their family at home. For them it is more often 'who you know'.



## Young Optimism

Young Optimism refers to a pattern of responses most often associated with optimism and seeking to improve their prospects in life to gain a respected place in society. Also more likely to be found among young people, the Young Optimism Segment are into image and style (not fads and fashion).

Young people with this pattern are conscious of the image they project and want to make the right one. Long term thinkers, they are busy planning careers, attending university and thinking about the future. The mindset tends to be associated with people who want to experience all life has to offer: travel, a career, friends, and family.

Young Optimism wants to try everything - bungy jumping, skydiving, white water rafting, skiing, travel to Africa. They work hard and play hard, because they have the energy to do it. Being innovative and interested in technology, they can be young technocrats, surfing the Internet, developing an international perspective on the world and dreaming of going to work in New York, London or Beijing for a few years to further their career prospects.



## Socially Aware

Socially Aware refers to a pattern of responses mostly offered by people who are community minded and socially active. Being 'information vacuum cleaners', this Segment is always searching for something new and different and new things to learn.

They believe strongly in the concept of 'learning a living' rather than earning a living, always seeking new opportunities for training, education and knowledge. They tend to seek detailed information about their options and consider the consequences of each choice carefully before making a decision.

With a strong sense of social responsibility and a propensity for convincing others of their opinions, they often become involved in pressure groups. Common occupations are public servants, politicians and researchers.

This Segment can be idealistic, believing they can change the world or save the world, if they can only get enough people to agree with them.



## Basic Needs

Basic Needs refers to a pattern of responses offered by respondents who are focused on 'getting by' on a day to day basis. They are often in their 'twilight years', retired, pensioners and people on social security. To many, it appears as if they have given up on life, however this Segment is generally happy and content with what they have. They are not looking for more and enjoy watching the world go by while still feeling a part of it as it does. They have that sense of wisdom and happiness which comes with grey hair.

This segment has a strong sense of community which often leads to involvement with programs such as Safety House and Neighbourhood Watch, driven partly by their desire for order and security in their environment. In the Australian context, they promote a strong Christian ethic as basic values and are more likely to be regular church attendees.

The Basic Needs Segment has critical concerns about living in a more connected world, staying in touch with their families through email and mobile phones.



## Traditional Family Life

Traditional Family Life, along with its younger counterpart, Conventional Family Life, represents the core of 'middle Australia', with values centred around the significant events in their personal and family lives. The traditional Family Life and Conventional Family Life Segments are motivated by similar values in terms of security, reliability and providing better opportunities for their family.

However the Traditional Family Life are now, within Australia, generally empty-nesters or extended families. With their children grown their focus is on re-building their relationship with one another and finding time to do things they never could while their children were growing up. But with such a strong focus on the family, they spend a great deal of time and energy getting the family to visit them, babysitting, weekend BBQs and buying lollies for the grandkids, which their parents won't let them have.



Not liking change, old and familiar environments are important in the Traditional Family Life Segment.

## Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. The following table gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. The figures are approximate and for general guidance only, and assume a simple random sample. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
<b>1,000</b>	±3.2	±2.7	±1.9	±1.4
<b>2,000</b>	±2.2	±1.9	±1.3	±1.0