



Sydney Morning Herald Monday 9/03/2009

Page: 7
Section: General News
Region: Sydney, AU
Circulation: 211370
Type: Capital City Daily
Size: 225.69 sq.cms.



slice

slicemedia.com.au

press clip

Greed is a spent force, say researchers

Julian Lee

Marketing Reporter

IF THERE were any lingering doubts that Gordon Gekko and all that he stood for was dead, the latest consumer research confirms it.

Two studies tapping into the pulse of Australian consumers indicate that the unbridled spending of yesteryear is unlikely to return, even when the economy revives.

And despite the Federal Government's best efforts to revive consumption of TVs, fridges and consumables, its stimulus package appears to have failed, with consumer confidence remaining brittle and money ending up in savings.

Just under half the people who took part in a survey in late January by the Government's researcher, Colmar Brunton, said they had received one of the three handouts and, of those, only 13 per cent believed it would make a "significant difference" in helping the economy or their

situation.

Releasing its report the same day, Ipsos Mackay, which gauges consumer sentiment through focus groups, said consumers were reporting they thought the package "misguided".

Colmar Brunton found that among the 1007 people it surveyed the stimulus package had failed to encourage Australians to spend.

Colmar Brunton's managing director, Peter Harris, said: "They used it to reduce their debt or put it against their mortgage. People have started saving for a rainy day."

Forty-one per cent said they had put off buying expensive items.

Data aside, both researchers said companies must face up to the fact that the mindset of their customers was undergoing "profound change".

"The Australian consumer that we knew over the last decade is going to be a completely different animal in the next six months," Mr Harris told a gath-

ering of marketing professionals last week.

The director of research at Ipsos Mackay, Rebecca Huntley, said people were drawing parallels between their own unchecked spending on credit cards and the large debts the corporate world had run up.

"They are developing a more sober attitude towards debt," Dr Huntley said.

"I wouldn't say that it was a repudiation of capitalism but a recognition that the market is not going to look after them."

One participant in the sessions – held in January in Sydney, Melbourne, Brisbane, Townsville, Dubbo and Ballarat – told Ipsos researchers: "Greed does not work; greed is not good."

Pressure on household budgets was forcing people to get by without some items. Over time those changes would become habitual, Dr Huntley said. "Once you have done without that second car or a new pair of shoes every second week then it is hard to go back if you have lived like that for a while."

SHIFT TO THRIFT

Nearly 80 per cent of households have already cut back expenditure



58%

have stopped eating out at restaurants



53%

are buying fewer luxury goods



39%

have put off plans for overseas holidays



38%

have put off plans for domestic holidays