

KANTAR

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Kantar New Zealand Covid-19 Update

3 March 2022

We hope that you're staying safe and well.

Here's our latest round-up designed to help our clients stay better connected to your customers during Covid-19. At the end of February, as the Omicron variant began spreading rapidly throughout the country, we checked in again with 1,000 New Zealanders via an online survey

What is evident from Kantar's latest wave of research is that, while the pandemic continues to impact Kiwis' lives and consumer behaviour, inflation and a focus on the environment and sustainability are fast becoming driving forces when it comes to how we live. We saw similar findings in last week's [Covid-19 Barometer report, released in Australia.](#)

If you're interested in learning more about these latest findings, and what they mean for your business, please let me know or get in touch with your Kantar client lead.

Rising cases haven't heightened concerns about Covid-19 in the community

While the clear majority of New Zealanders are still concerned about Covid-19, our anxieties haven't risen, even with thousands of new cases each day. Indeed, it is almost the exact same situation to last month which indicates that many New Zealanders are now resigned to living with Covid-19 in the community.

Almost all Kiwis concerned about inflation

New Zealand brands should be acutely aware of the extent of Kiwis' concerns about inflation as they develop pricing strategies, with over 70% of Kiwis at least very concerned about inflation. The situation is exacerbated by nearly one-in-four saying that they have very little disposable income after they're paid.

Concern about living with Covid-19 in the community



Kiwis' main concern is rising prices

In the two years that Kantar New Zealand has undertaken this monitor, our biggest concern has either been our physical health or the impact of Covid-19 on the local economy. Understandably given the inflation rate in New Zealand hit 5.9% recently – reaching its highest level since June 1990 – it is another issue that's dominating Kiwis' lives: rising prices.

While sustainability and the environment had the most significant jump in the last month, which shows that many Kiwis are pining for a "sense of normality", our next overseas holiday and job security are far less of a concern this month.

What parts of your life are you thinking about most?

Concerns with inflation

Not at all concerned

2%

Slightly concerned

25%

Very concerned

42%

Extremely concerned

29%

Don't know

2%

Current financial situation

I'm struggling to make ends meet

8%

There is not much left over after I'm paid

24%

I'm managing to save a little

18%

I have savings but am still concerned about money

30%

I'm financially comfortable

19%

Don't know

1%

Kantar has recently released a report on how consumers will experience inflation and react to it, and thus what brands should do. If you would like a copy of the report, please get in touch.

Demand for luxury goods and out-of-home eating will be hit hardest as a result of rising prices

With prices rising, we wanted to better understand how consumers' spending will change in the next six months. The majority of Kiwis naturally said that they'll be reducing spend on larger luxury items – such as cars, boats and sporting equipment – with small luxuries, like

Nov 2021 Jan 2022 Feb 2022

Inflation/rising prices

59%

The physical health of myself and my family

44% 53% 50%

The impact of Covid-19 on the NZ economy

54% 48%

Financial planning for the future

29% 41% 45%

Rising interest rates

31%

Job security for myself and my family

28% 30% 26%

Sustainability and the environment

18% 18% 25%

My next overseas holiday

23% 27% 21%

With rising prices dominating our concerns and more Kiwis longing for more sustainability in their lives, we have dedicated the rest of this update to these topics.

Nearly half of Kiwis have stockpiled food for the pantry

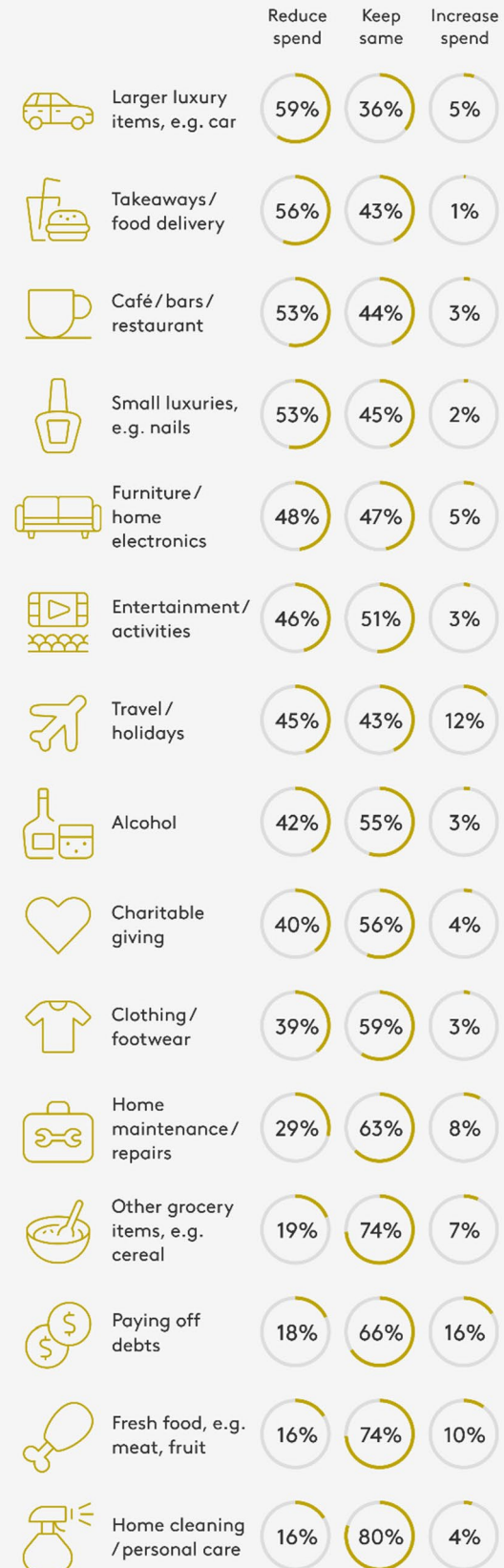
Many consumers continue to encounter empty supermarket shelves, with brown sugar notoriously difficult to get hold of, and one-in-five (21%) Kiwis have said they're stocking up on items each week, so they have things stored up. When pressed further, nearly half did admit to stocking up on food for the pantry at some stage recently.

Have you stocked up on any of the following?

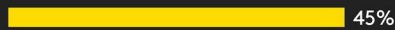
getting nails done, hair treatments, and designer items, also in the firing line.

Cafés, restaurants and bars are likely to continue to be hit hard – staff shortages as a result of Covid-19 are forcing many to close their doors – and Kiwis are also looking to save money by reducing spend on takeaways and food delivery.

Change in spending – next six months



Food for the pantry (cereal, biscuits, flour, sugar, etc.)



General household items



Personal care supplies (shampoo, toilet paper)



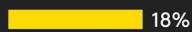
Meat



Pet food



Cleaning items



Beer / wine / spirits



Dairy products



Non-alcoholic drinks



Low cost, local brands are in high demand

A key theme throughout our monitor, which is nearing its two year anniversary, is Kiwis passion for local brands, so it's unsurprising that New Zealand owned and/or made brands are being actively sought by consumers. Highlighting these features – if authentic – along with being financially accessible, will continue to be of the upmost importance to brands who will be competing for Kiwis' shrinking disposable income in the coming months.

Brands Kiwis actively seek

Consumers drive sustainable transformation by buying local and rejecting packaging

As demonstrated above, brands that are eco-friendly / sustainable will also resonate with Kiwis and the findings from this wave have revealed that our concerns about the environment and sustainability have risen significantly over the past month. Kiwi consumers continue to play an important role in driving sustainable transformation, especially when it comes to buying local and purchasing items that use less packaging.

Kiwis sustainability actions

Buying locally produced products



Buying items that use less packaging



Avoiding products with plastic packaging



Buying free range / organic products



New Zealand-made



Low cost



New Zealand-owned



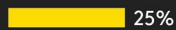
Eco-friendly/sustainable



Premium quality



Established



Family-owned



No brand



Recent start up



Increasing plant based food consumption



Reducing meat consumption



Buying certified sustainably sourced products



Our annual Better Futures Report which provides key insights into consumer perspectives on sustainability and the social and environmental issues that are important to Kiwis will be released March 10, keep an eye out for this for a deeper dive into consumers sustainability behaviours.

The above findings showcase just some of the key shifts in behaviours and sentiments of New Zealand consumers in response to Covid-19 – and other pressing concerns such as inflation – and the subsequent impact on New Zealand businesses. For more information on the resulting implications for your brand and customer experience strategies, please get in touch.



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