

A man in a red shirt is standing in an office, looking out a large window. He is holding a tablet computer. The window shows a view of a city with a bridge. The scene is framed by a large blue circle.

## The Choosi Choices Report June 2020

**choosi**<sup>®</sup>

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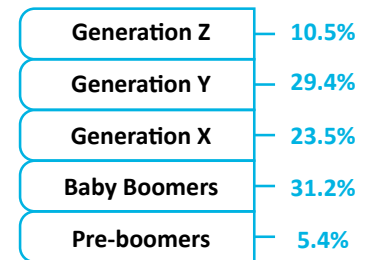


# About the report

The *Choosi Choices Report* follows on from the first iteration in 2016 (The Choosi Decision Drivers Report) and forms part of the Choosi Research Series. In its latest instalment, this in-depth study explores the decision-making behaviour of Australians through a financial and emotional lens, whilst also looking at the impact the COVID-19 pandemic has had on the way people make choices. The report is compiled based on research commissioned by Choosi and conducted by CoreData between 26 March and 9 April 2020. The research was conducted via a quantitative online survey, gathering 5,073 responses from Australians aged 18 and above.

The sample is representative of the general population of Australians in terms of age, gender, wealth and state/territory.

## Age Generation



## Gender



### Important things to note about the charts

Footnotes directly underneath the charts in this report primarily differentiate the types of questions asked. For instance, 'Multiple answers allowed' appears when the question called for more than one answer from the respondent.

## ■ Key findings



# Key findings

## The amount of choice can have unexpected impacts

- Having too much choice is directly making Australians' lives more stressed (50.6%), more difficult (41.4%) and is having a negative impact on their happiness (27.7%).
- Only 1 in 10 would 'strongly agree' that having more choice has made their life better (13.4%).

## When the freedom of choice becomes a plethora of choice, the majority of Australians suffer from information overload

- 7 in 10 (71.8%) suffer from information overload with all the options they have available when making decisions.
- A similar proportion (66.8%) feel that there's too much pressure to make 'perfect' decisions these days. Consequently, many (56.3%) often worry that they'll make the wrong decision.

## The drivers of difficult decisions paradoxically include both a lack of knowledge and information overload

- To overcome the barrier of lack of knowledge, many Australians will research before buying. Close to two-thirds (65.0%) research their decisions more now compared to 5 years ago.
- However, over half (53.3%) say making decisions has become harder due to the amount of information available.
- The complexity of decision-making is further exacerbated by the increasing uncertainty that the future may hold, with 78.4% agreeing so.

## Big financial decisions can cause stress and anxiety, but so can the smaller ones

- More than half (51.3%) recognise that the biggest stress and anxiety comes from big financial decisions, followed by emotional decisions (35.2%), and relationship decisions (28.1%).
- Despite knowing that they need to make smaller financial decisions, many Australians tend to avoid these. These include how much to save regularly (39.0%), how to pay off debt (35.4%), and whether their superannuation is invested in the right way (30.8%).

## Relationship and career decisions are the most difficult for many

- More women (26.9%) than men (15.4%) reveal that walking away from a toxic person/relationship was the hardest decision they've ever had to make.
- Generation X tend to be the generation to face those more challenging relationship breakdown decisions.
- Generation Y are the most likely to struggle with decisions at work and big financial decisions, while Generation Z find that choosing a career has been their hardest decision thus far.

## Despite all the struggles, women seem to be a lot more confident that they are better decision-makers

- Close to 2 in 5 women (38.4%) think they're the better decision-makers.
- For men, the proportion who say men or women make the best decisions is roughly equal.

# Key findings

## People are more likely to analyse their options when making big decisions, but tend to go with their intuition for smaller decisions

- 3 in 10 (30.7%) analyse their options more for big decisions compared to 12.3% for smaller decisions, while going with one's intuition is commonly used for both big (23.8%) and small decisions (31.9%), albeit to a lesser extent for the former type of decision.

## Younger generations are (perhaps unsurprisingly) more influenced by digital platforms and social media

- The large majority of Generation Z (77.0%) are increasingly reliant on digital platforms and algorithms to help guide their decisions compared to 43.8% of Baby Boomers. Social influencers also play an important part in 54.8% of Generation Z respondents' decision-making process.
- Despite the increasing influence of media, family is still a vital part in decision-making, either big or small.

## Ethical purchasing choices are well perceived, but price is still a key decision driver

- 82.4% feel that ethical and moral considerations are becoming an important part of their decision-making criteria. However, about half of this amount (39.5%) would choose the ethical option as long as the price is the same, and a similar proportion would be willing to pay a premium.
- This isn't necessarily surprising given 69.0% think of themselves as selective ethical shoppers.
- A large proportion (87.2%) agree brands need to be doing more to educate consumers on how they can make more ethical purchasing decisions.

## COVID-19 has had a great impact on people's lives, affecting everything from day-to-day decisions to life priorities

- COVID-19 has shifted people's decision-making, with a focus now on prioritising health and family over career. It has also greatly impacted day-to-day decisions such as grocery purchases, whether to save or spend, and eating healthy/exercising etc.
- Finding reliable information to support decision-making seems to be a problem, as the majority (69.1%) feel that 'fake news' and conflicting information in the media/online is making it harder for them to decide how to respond to the outbreak.
- Ultimately, most Australians say they trust medical and scientific experts for COVID-19 advice.

## Overall, the Australian government's response is well perceived by Australians, especially Baby Boomers

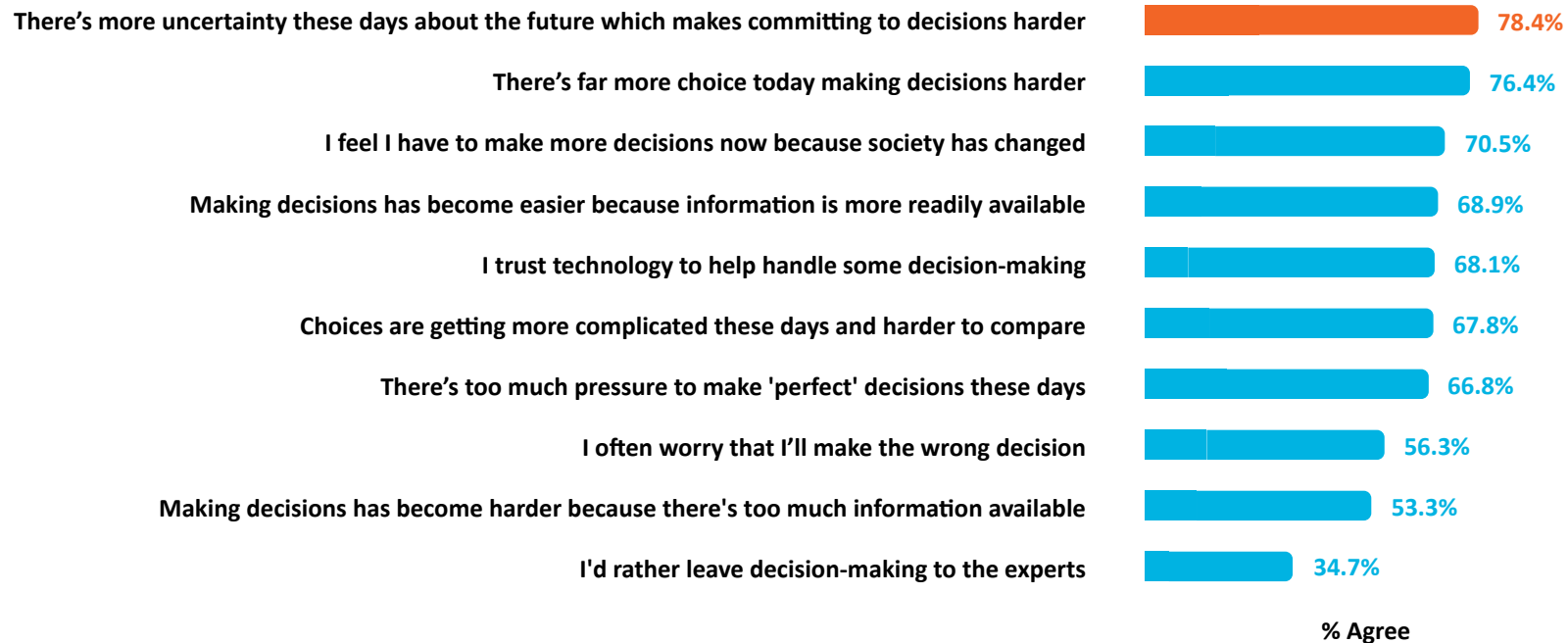
- Many think the Australian government is making good decisions in managing the outbreak (57.5%). Baby Boomers (66.3%) are the most likely to approve of the government response with Generation Z (41.9%) noted as the least.
- Baby Boomers are also more likely to say that the government has acted quickly enough, and are less concerned about the quality of the leadership than Generation Z.

## ■ The paradox of choice



# Decision-making becomes easier and harder at the same time

## Do you agree with the following statements?

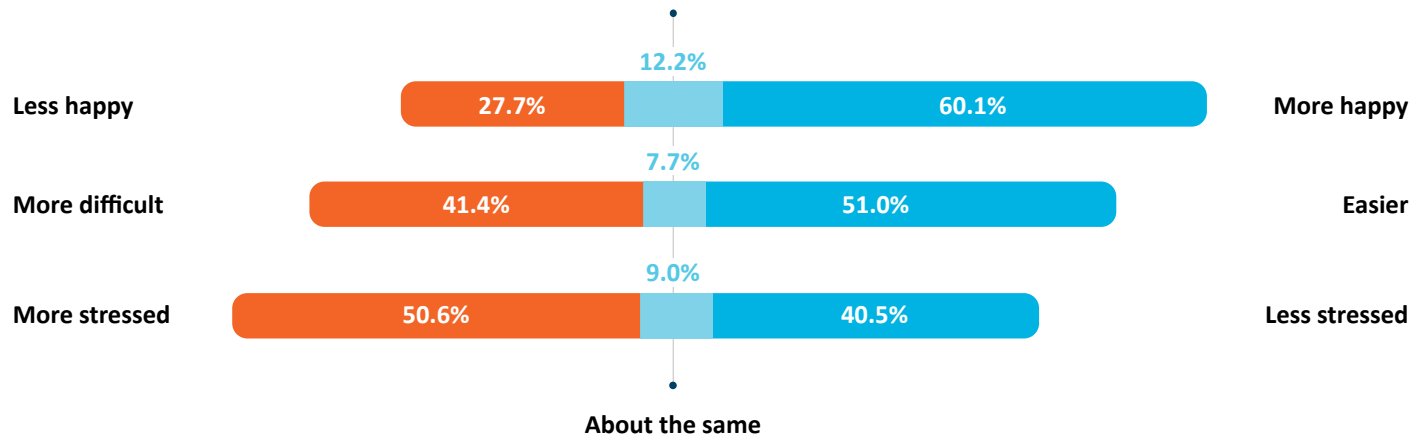


In theory, decision-making has become easier due to information accessibility and the support of technology. However, in reality, it has actually become harder for Australians to make decisions. Many people feel overwhelmed by the amount of information available and pressured to make the 'perfect' decision.



# When the freedom of choice becomes the plethora of choice

Thinking about choices we have today when purchasing, does this make our lives...



Although the ever-increasing freedom of choice has had a generally positive impact on the happiness of many people, the effects of 'analysis paralysis' and the higher stress levels that now accompanies decision-making are certainly not negligible.

# Drivers of difficult decisions

## What contributes to making decisions harder for you?



Multiple answers allowed  
Top 7 answers only

Difficulty in decision-making arises mainly from conflicting information and a lack of knowledge or experience.

Uncertainty around the future is also a major factor in making decisions harder – something likely exacerbated by recent events.

Paradoxically, people can look for information to support their decisions (because of their lack of knowledge), but the more they search, the higher the chance of finding conflicting information and suffering from 'analysis paralysis'.

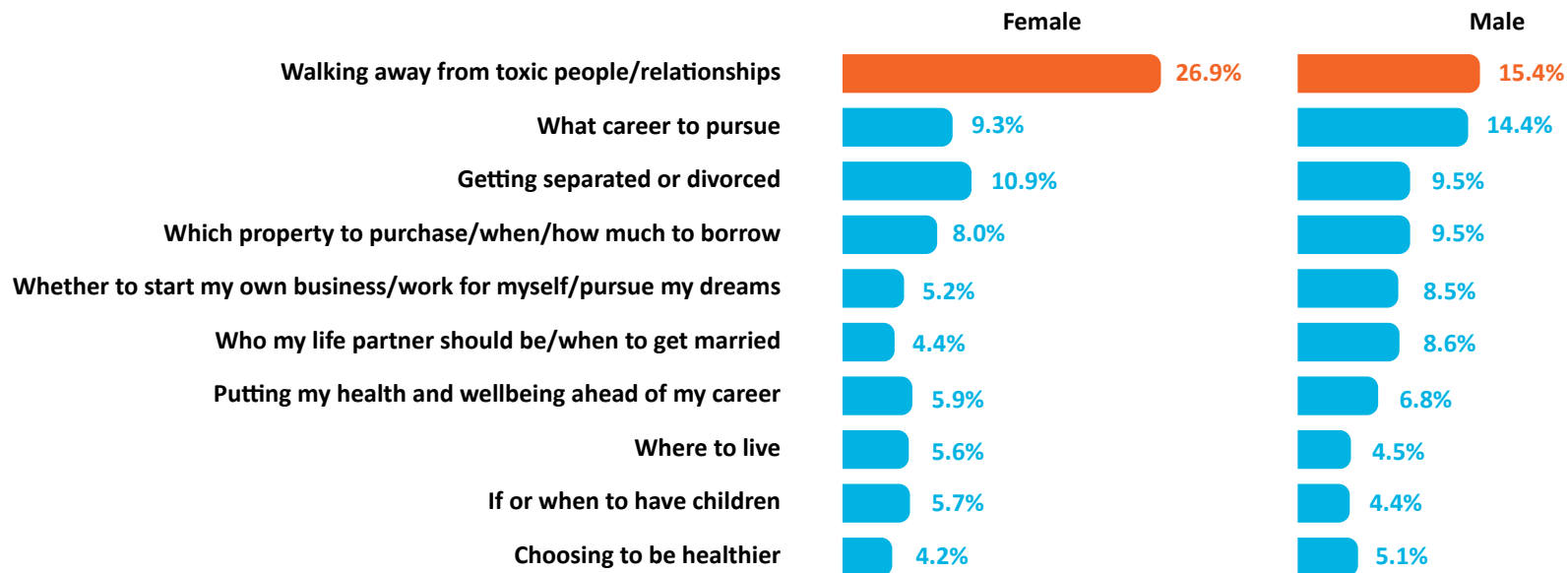


**The hardest  
decisions in life**



# Relationship decisions

Which of these is the hardest decision you've ever had to make in your life?



Top 10 answers only

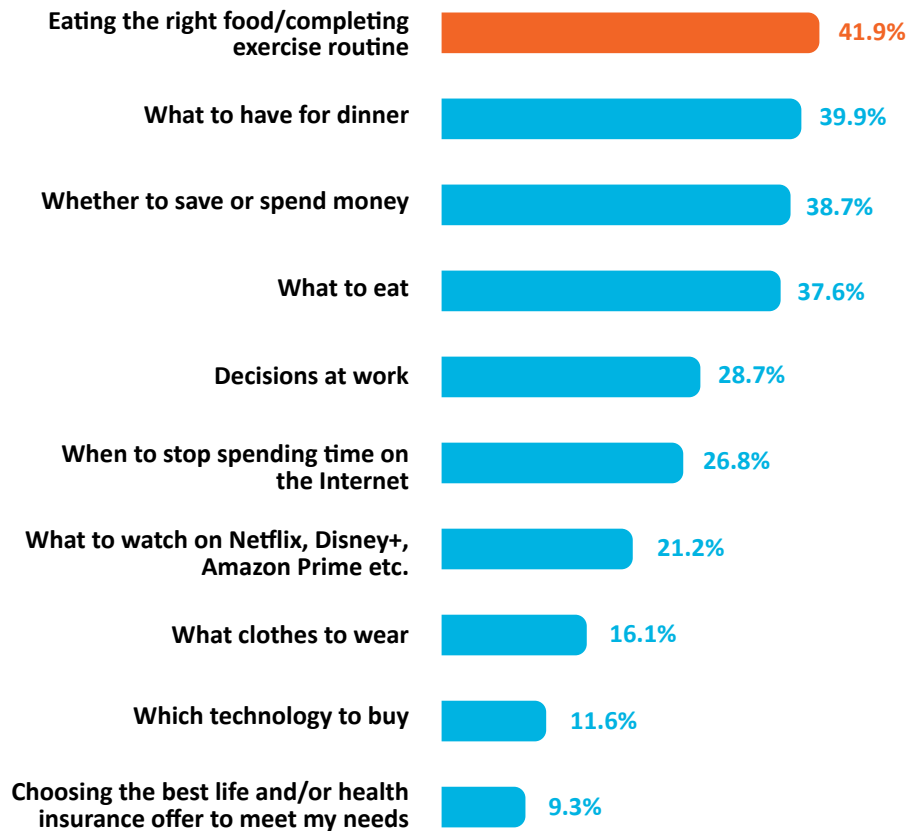
The inertia of keeping the status quo is strong. This makes any decision to change life trajectory very difficult. At the forefront of this difficulty is the decision to walk away from a toxic person/relationship which is viewed as the most difficult decision people say they've had to make.

But, as said by psychotherapist and relationship expert Esther Perel, "The quality of our relationships determine the quality of our lives."

Walking away from toxic people or relationships may be the hardest move, but it may also be the most worthwhile decision in an individual's life.

# The struggles of trivial decisions

## What decisions do you struggle with most in your day-to-day life?



Multiple answers allowed  
Top 10 answers only

Despite knowing the benefits of having a healthy lifestyle and the importance of saving for the future, many people still struggle with deciding to eat the right food or complete an exercise routine and whether they should save or spend money.

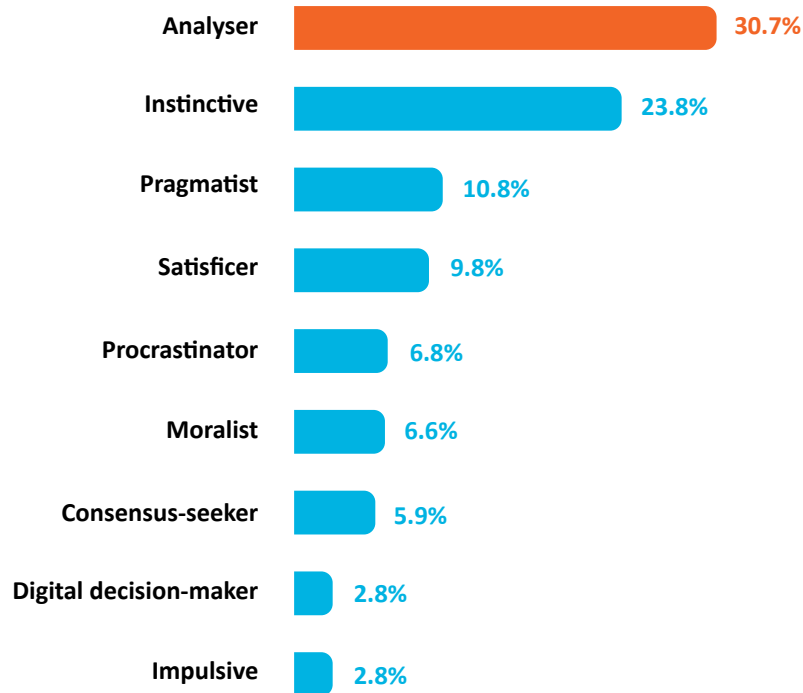


## Types of decision-makers

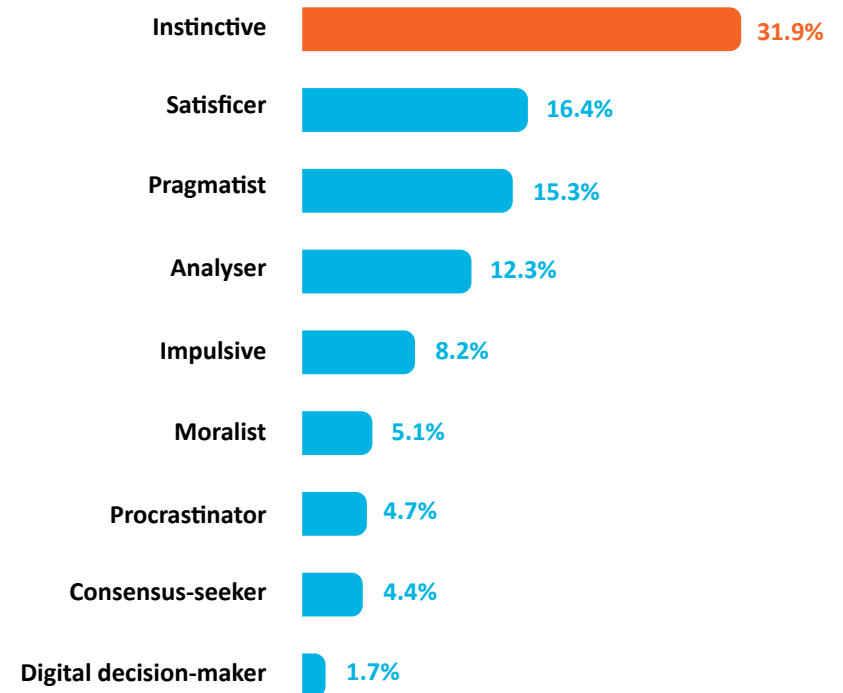


# Decision-making with head or with heart?

If you had to choose, what do you think best describes the type of decision-maker you are for the big stuff in life?



If you had to choose, what do you think best describes the type of decision-maker you are when it comes to the small everyday decisions?



When facing big decisions, people are much more likely to describe themselves as an 'Analyser', followed by an 'Instinctive' style. Whereas the 'Instinctive' dominates the smaller everyday decisions.

## **Influences on decisions**





# Consumer purchase behaviours are affected by social media

Do you feel that social influencers are having a greater impact on other people's decision-making these days?

34.1% 54.5% 11.4%

Do you feel that social influencers are having a greater impact on your decision-making these days?

5.5% 28.8% 65.8%

To a great extent To some extent No, not really

To what extent do you think consumer decisions in general are typically influenced by social media, influencers, and reviews?

53.7% 41.5% 4.9%

Do you think you're typically influenced by social media, influencers, and reviews in your purchase decisions?

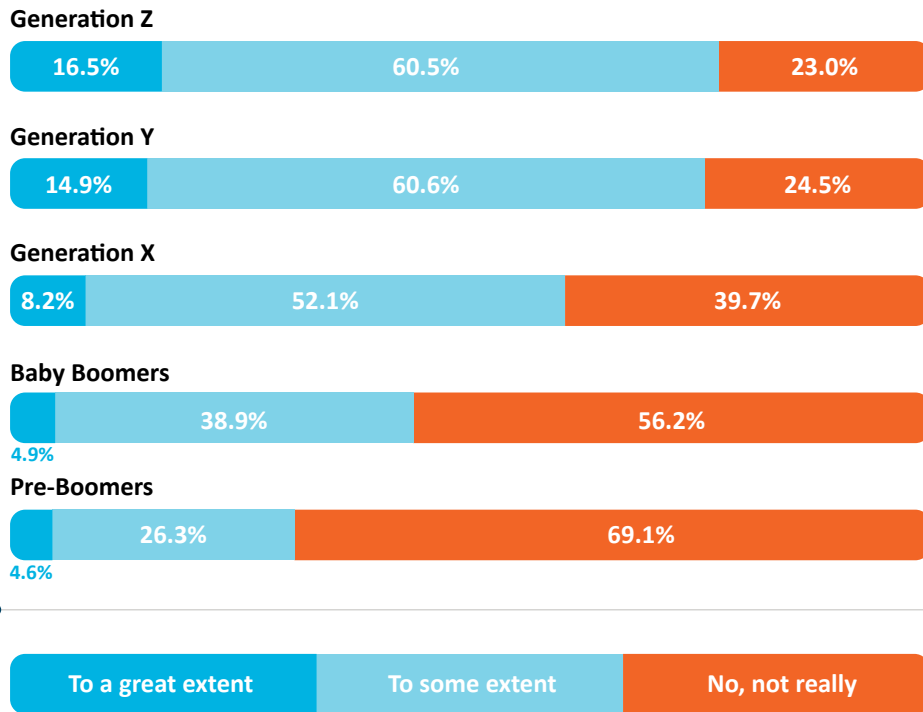
12.5% 49.8% 37.7%

To a great extent To some extent Not at all

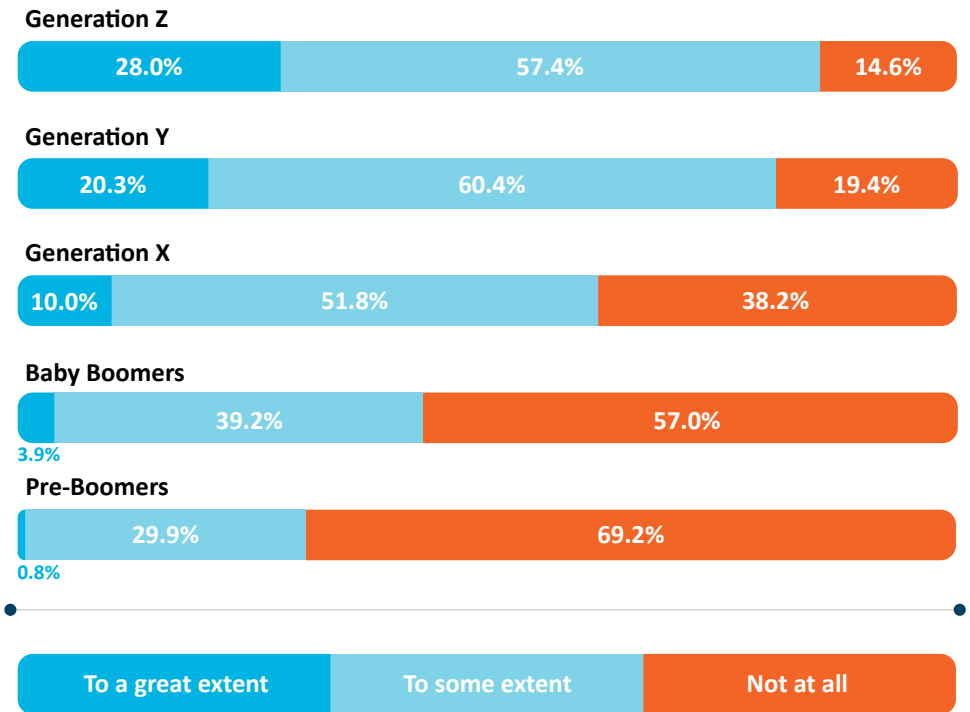
When it comes to the impact of social media influencers, the majority say there's little impact on their own decision-making. However, this differs greatly when looking at the impact of these influencers on the decision-making behavior of others. A similar trend can be seen when assessing the impact of social media, influencers, and reviews.

# Younger generations more influenced by social media and digital platforms

Do you feel that digital platforms and algorithms that help guide or suggest choices are becoming more important in influencing your decision-making these days?



Do you think you're typically influenced by social media, influencers, and reviews in your purchase decisions?



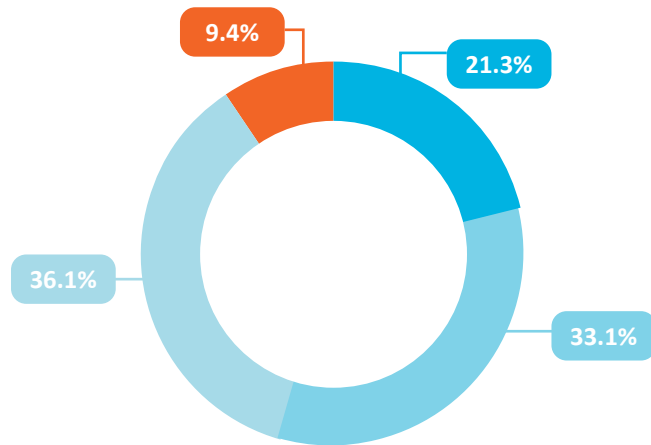
The large majority of Generation Z (77.0%) are increasingly reliant on platforms and algorithms to help guide their decisions compared to 43.8% of Baby Boomers. Social influencers also play an important part in 54.8% of Generation Z's decision-making process, compared to 23.9% of Baby Boomers.

## **Ethical purchasing choices**



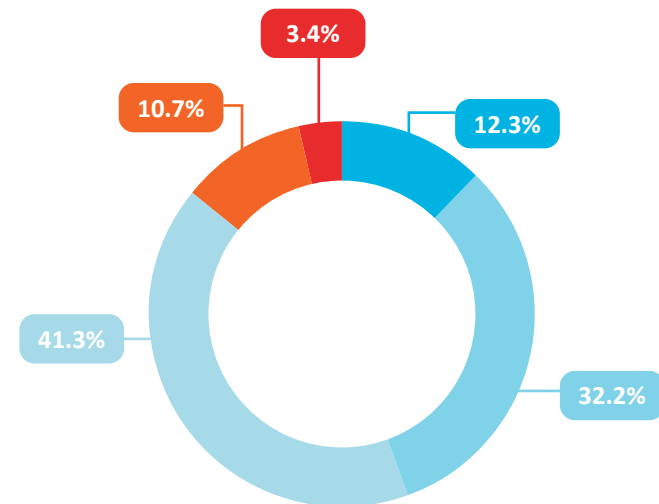
# The importance of ethical options

How important is having ethical choices available to you as a consumer?



- Extremely important
- Very important
- Somewhat important
- Not really important

If there's an option available, do you usually consider choosing the more ethical option?

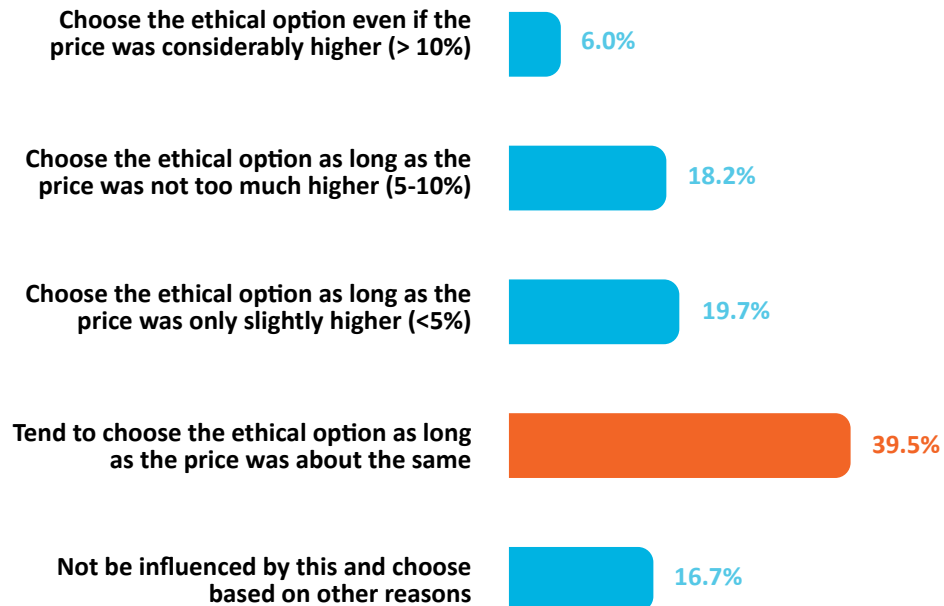


- Always
- Often
- Sometimes
- Rarely
- Never

Nearly all respondents say having ethical alternative choices available to them as consumers is important (90.6%). Most also say they'd consider choosing the more ethical option available (85.9%), with 44.5% saying they'd either 'always' or 'often' choose this.

# Price still a key decision driver for consumers

Generally speaking, if you could choose between two products of equal value, except one was more ethical, would you most likely...



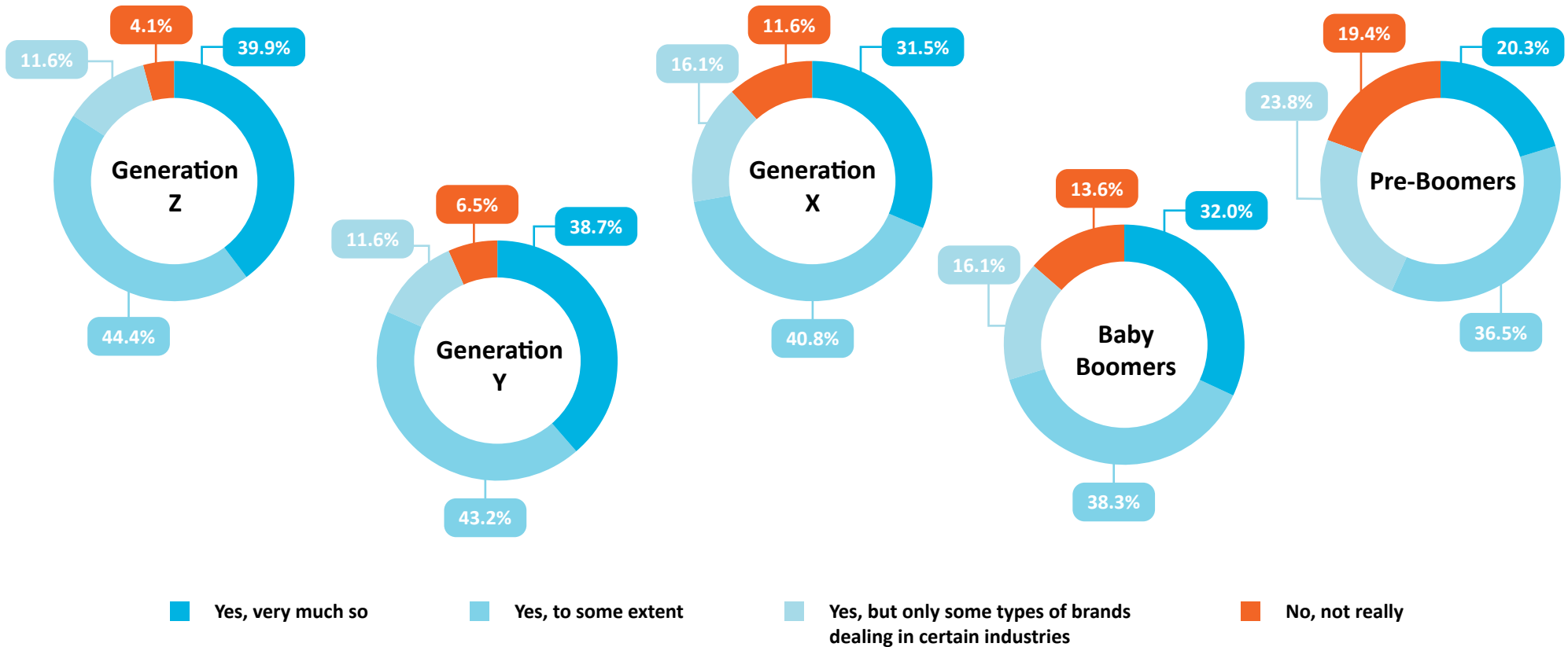
16.7% stated they would not take ethical factors into consideration at all when making a purchasing decision. Almost 2 in 5 (39.5%) would only choose an ethical option if there was no price premium.

With that said, the remaining proportion of Australians would choose the ethical option, even if it meant they needed to pay a premium price.



# Businesses beyond the purpose of profit

Do you think brands should have a purpose beyond just making profit?



A majority of Australians agree that brands should serve a purpose beyond just profit. Generation Z respondents are the most likely to hold this view, especially when compared against Baby Boomers (84.3% and 70.4% respectively).

# Ethical alternatives

## Do you agree with the following statements?



Having so much choice has made consumers more selective and has had an impact on brand loyalty.

The problem may also lie in the lack of effective communication between brands and consumers. The majority of consumers are suspicious about the authenticity of the ethical claims made by brands and agree that brands should educate them more about how to make more ethical purchase decisions.

## Decision-making during COVID-19





# COVID-19 prompts people to re-evaluate life priorities

## How much impact has COVID-19 had on your 'bigger' life decisions?

### Putting my health and wellbeing ahead of my career



### Choosing to be healthier



### Putting time with my family ahead of my career



### Whether to start my own business/work for myself/pursue my dreams



### What career to pursue



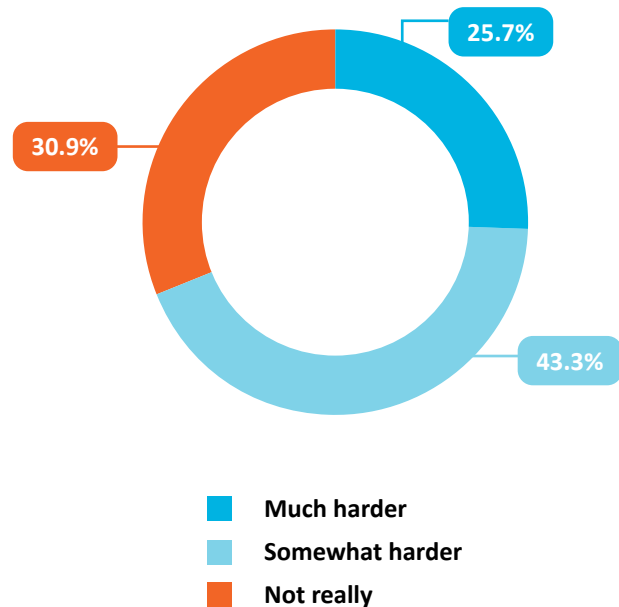
It's always been challenging for Australians to find the balance between health, family relationships, and their career. A majority of respondents seem to have realised the importance of health and are now reassessing their life priorities due to the COVID-19 pandemic.



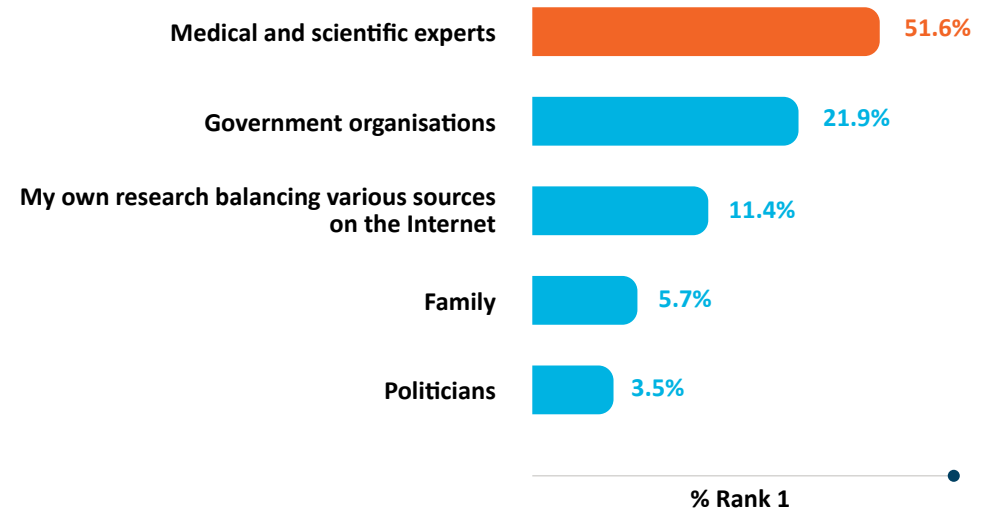
Top 5 answers only

# Medical professionals and scientific experts most trusted for COVID-19 information

Do you feel that 'fake news' and conflicting information in the media and online is making it harder for you to make decisions about how you respond to the COVID-19 outbreak?

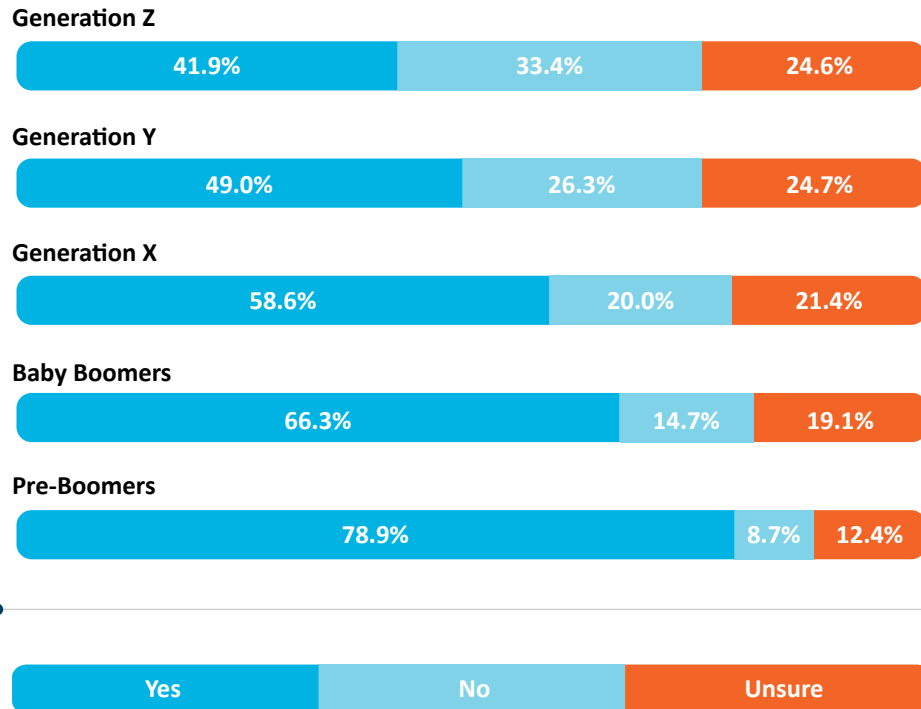


Who do you most trust for advice on COVID-19? Please rank your top 5 where 1 is the most trusted. You may rank less than 5 if you prefer.



# Government response generally approved by Australians

Do you think the Australian government is making good decisions in managing the COVID-19 outbreak?



Nearly 6 in 10 (57.5%) approve of the Australian government's handling of the COVID-19 outbreak. Baby Boomers are most likely to feel positive about the government response compared to other generations.



# More research from Choosi coming soon...

## About Choosi

Choosi provides information to help customers compare, choose and apply for a range of insurance products online and over the phone. Choosi's free comparison service lets you compare the benefits and prices of a range of popular insurance products, so you can confidently choose cover that suits your needs, your budget and lifestyle.

Any advice or information provided in this document is general only, and doesn't take into account your personal objectives, financial situation or needs.

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