

MEDIA RELEASE

UNCERTAINTY OF FUTURE AND INFLUX OF CHOICE MAKING DECISIONS HARDER FOR AUSTRALIANS

Australians caught in 'analysis paralysis' with overload of conflicting information sources around the current pandemic

SYDNEY, August 2020 – New research shows that significant events in the first half of 2020, mainly COVID-19, are impacting the decisions of Australians, with close to four in five (78.4%) agreeing that uncertainty about the future makes committing to decisions harder — and it's impacting their happiness.

The variety of choice available has also had an impact, with four in five (80.2%) Australians now less loyal to certain brands and sources of information as they're hesitant in accepting 'correct' from 'incorrect'.

The Choosi Choices Report, which follows on from the first iteration in 2016, *The Choosi Decision Drivers Report*, explores the decision-making behaviour of more than 5,000 Australians through a financial and emotional lens. It also looks at the impact the COVID-19 pandemic has had on the way people make choices.

People are making more decisions than ever, with over seven in 10 (70.5%) saying that societal changes have led to this. And, more choice hasn't necessarily translated into an easier decision-making process, as more than three-quarters (76.4%) feel that this overload in options has actually made it more difficult to make decisions in general. Additionally, more than two-thirds (67.8%) agree that choices are becoming more challenging to compare.

In theory, decision-making has become easier due to information accessibility and the support of technology. Compared to five years ago, close to two-thirds (65.0%) are researching their decisions more now.

However, the reality is that this paradox of choice is directly making the lives of over two in five Australians (41.1%) more difficult. Over half (50.6%) feel more overwhelmed and stressed by the amount of information available, and more than a quarter (27.7%) think the amount of choice they have is impacting their happiness.

Furthermore, over seven in 10 (71.8%) suffer from information overload due to having too many options at their disposal — with Australians falling into the 'analysis paralysis' trap. Around two-thirds (66.8%) feel there's too much pressure to make the 'perfect' decision these days. In turn, over half (56.3%) worry they'll make the wrong decision.

Dr. Adrian Camilleri, senior lecturer of marketing at the University of Technology Sydney, agrees that there are benefits to having several options these days, but acknowledges that 'analysis paralysis' is a real issue, and with the current pandemic, feelings of making the wrong decisions may be heightened:

“Thanks to so many online retailers, influencers, online reviews, independent comparison websites, consumers have access to more information and options, which often means they can find the option that exactly meets their needs.”

“In theory, access to more information is a good thing for consumers because it means they can better evaluate options and reduce uncertainty before purchasing. However, the extensive number of options and information available comes with an often-unacknowledged cost: time.”

“In a busy world where free time is scarce, a consumer unable to spend the hours necessary to evaluate every option in light of all the information will often become paralysed with their choice,” he added.

“Moreover, consumers feel anxiety over making a bad choice since, given all the extensive options and information available, a bad choice seems to indicate a bad decision-maker. During a pandemic – where the rate of online shopping has increased, partly due to consumer’s pursuit of “retail therapy” – these anxieties may actually be intensifying.”

When it comes to the current state of play with the health crisis, finding reliable information to support decision-making is a problem for close to seven in 10 (69.1%) Australians. ‘Fake news’ and conflicting information in the media and online has made it even more challenging for people to make decisions about how to respond to the outbreak.

Close to one-third (30.0%) have ‘no concerns’ around the quality of leadership in the face of this crisis. In fact, close to three in five (57.5%) think the Australian government is making good decisions in managing the outbreak. Baby Boomers* (66.3%) are the most likely to approve of the government response with Generation Z** (41.9%) approving of it the least. Meanwhile, 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.

When looking at trusted sources of information regarding the outbreak, more than 1 in 2 (51.6%) feel doctors and experts are the most trustworthy source for COVID-19 advice, while media, politicians and friends are the least:

1. Medical and scientific experts (51.6%)
2. Government organisations (21.9%)
3. My own research balancing various sources on the internet (11.4%)
4. Family (5.7%)
5. Politicians (3.5%)

Of the 5,000 respondents, just over half see COVID-19 as having at least some impact on their career (55.5%), self-owned business decision (56.4%) and healthy lifestyle (78.7%).

COVID-19 also greatly impacts the day-to-day decisions of Australians, such as grocery purchases (81.6%), number of online purchases (66.3%), whether to save or spend (74.4%), and eating healthy/exercising (73.5%).

Overall, the pandemic has had an influence on big life decisions, with most respondents realising the importance of health — prompting them to reassess their life priorities. More than three-quarters (76.2%) state COVID-19 has had an impact on putting their health ahead of their

career. In addition, just over seven in 10 (72.1%) claim it has made them want to prioritise putting family first.

-ENDS-

Further findings from the research:

Financial and career decisions:

- 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 them. 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%).
- Generation Y*** are the most likely to struggle with big financial decisions, while Generation Z** find that choosing a career has been their hardest decision thus far.
- Generation X** are more settled in life and stress much less about career decisions (24.9%), but still find great anxiety in making big financial decisions (53.5%).
- For Baby Boomers*, career decisions are of virtually no concern (9.1%), and health (24.1%) takes precedence, behind only big financial decisions (44.6%) and emotional decisions (34.1%).
- Generation Z respondents are the most likely to get stressed or anxious over most types of decisions compared to Baby Boomers, particularly in career decisions (50.7% and 9.1% respectively) and relationship decisions (48.5% and 19.9% respectively).

Relationships:

- 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 cohort to face more challenging relationship breakdown decisions.

Technology influences:

- Almost all respondents think consumer decisions in general are typically influenced by social media, influencers and reviews (95.1%) at least to some extent. This decreases when asked if their own purchase decisions are typically influenced by the same set of factors (62.3%).
- Younger generations (perhaps unsurprisingly) are more influenced by digital platforms and social media:
 - The large majority of Generation Z (77.0%) are increasingly relying 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 this influence, family is still a vital part of the decision-making process.
- The large majority of respondents say they'd prefer to have the content they consume to be curated by a human rather than an AI recommendation engine (79.2%) and are concerned about social media bubbles impacting their choices and decisions (75.5%).
- Many respondents aren't happy to just 'trust the machine' to help them make choices about who to date (79.1%), where to eat (64.3%), and what they listen to or watch (63.3%).

Ethical influences:

- The large majority (82.4%) of respondents feel that ethical and moral considerations are becoming more important criteria in their decision-making these days. Generation Z respondents are the most likely to echo this sentiment compared to Baby Boomers (90.2% and 76.0% respectively).
- A quarter (25.3%) say it has become more important to a great extent. Generation Z respondents are the most likely to echo this sentiment compared to Baby Boomers (34.6% and 20.2%).

Notes to editors:

*Baby boomer age demographic refers to 54 to 73-year-olds

**Generation X age demographic refers to 40 to 53-year-olds

***Generation Y (Millennials) age demographic refers to 25-39-year-olds

**Generation Z age demographic refers to 18 to 24-year-olds



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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 to suit your needs, your budget and lifestyle.

About the Choosi Choices Report 2020

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.