

Week by week, blow by blow: How the past month of consumer spending played out

Granular transaction data from more than 1.8 million Australians in March reveals some of the most fluctuating trading weeks in recorded history

Sydney, Monday 27th April 2020: From today, Australian retailers have fresh insight into the week by week, blow by blow breakdown of consumer spending since the COVID-19 outbreak in Australia, with the timely release of the **Zip Weekly Spending Index** by [Zip](#) Co, parent company of [Pocketbook](#).

The Zip Weekly Spending Index is based on anonymised transaction data from a sample of more than 1.5 million Zip customers and 300,000 Pocketbook users. Unlike other retail reports, the index provides a granular look at week-by-week changes in spending across different categories, providing fresh insights into consumer behaviour during the COVID-19 crisis.

Peter Gray, Co-founder and CCO of Zip said:

“This report shows just how dynamic and unpredictable spending habits are right now, and we expect to see further fluctuations over the coming weeks and months, when the effect of job losses and unemployment start to show.

“Our data also reveals just how reactive consumers are to government announcements during lockdown with their spending. The next time a press conference is called, merchants need to be prepared. Ensure supply chains are ready, websites can handle traffic volumes and that key products are restocked.”

The key findings are outlined below. Data must be attributed to ‘Zip Weekly Spending Index’.

Zip Weekly Spending Index March 2020

Everyday essentials exploded, but the week-by-week picture is more dynamic

Week-by-week grocery spending in March provides insight into what merchants should expect in the months ahead.

Grocery purchases for the month of March were up 24% compared with 2019, however week-by-week data paints a much more dynamic picture, with spending patterns highly reactionary to each new lockdown measure announced by the government.

In the seven days after Prime Minister Scott Morrison held his first National Cabinet on Coronavirus (15 March), Australians spent 28.9% more on groceries than they had the week before – the biggest week for grocery purchases so far this year. And while spending was up, this was due to people spending more, rather than more people shopping. There was only a 0.6% increase in the number of Australians grocery shopping that week.

The week after (22 – 28 March) saw spending on groceries fall by 16.8%, but it was still the second highest grossing week for grocery sales in 2020 so far.

Week and key government announcements	WoW difference in spending (total \$ amount) (%)	WoW difference in number of transactions (%)	WoW difference in number of people spending (%)
8 - 14 March	Up 1.8%	Up 1.7%	Up 0.7%
15 - 21 March 15 March – First National Cabinet on Coronavirus 17 March – PM calls on people to stop hoarding food and supplies	Up 28.9%	Up 12.2%	Up 0.6%
22 - 28 March From 23 March – Further restrictions on non-essential indoor gatherings of fewer than 100 people. Pubs, gyms and restaurants closed	Down 16.8% (but apart from the week before, spending was still higher than any other point in 2020 so far)	Down 13.8%	Down 4.6%

Looking beyond groceries at the bigger picture, all states and territories saw an increase in spending the week before Australia entered lockdown (15 – 21 March), with the highest week-on-week increase in ACT (13.8%) followed by VIC (9%) and NSW (8.6%).

And while both men and women spent more that week than in the previous one, Zip data shows there was an increase in spending by men (8.1%) compared to women (5.9%).

Cash no longer king

For merchants accepting cash, including restaurants and cafes (most now doing take-away only), take note of the sharp decline in cash withdrawals. With the [Department of Health](#) advising against the handling of cash, consumers ditched the dollar and rapidly moved towards more hygienic payment methods like mobile payments and tap and go.

The number of withdrawals and people withdrawing cash fell sharply across the month.

ATM cash withdrawals			
Week	WoW difference in amount withdrawn (%)	WoW difference in number of transactions (%)	WoW difference in number of people withdrawing cash (%)
8 – 14 March	Up 0.7%	Down 2.1%	Down 1.9%
15 – 21 March	Up 7.1%	Down 9%	Down 8.5%
22 – 28 March	Down 19.8%	Down 29.7%	Down 25%

Key sector performance week on week

Winners

Week-by-week data reveals just how quickly consumer spending changed in March.

While Australia's pubs, clubs and bars were closed, sales of takeaway alcohol were up significantly (34.2%). In the first week of lockdown (22 – 28 March), the sample data shows spending at bottle shops surpassed that of 15 – 21 December 2019, one of the highest grossing weeks of the year.

And faced with the prospect of spending more time indoors, Aussies also turned to video games to help them pass the time. Since the first social distancing measures were announced on 15 March, spending with video games retailers rose 42% (15 – 21 March) and 56% (22 – 28 March) week-on-week.

Spending on consumer electronics was also up significantly in March.

Week	WoW difference in spending (%)		
	Video games	Bottle shops	Electronics
1 – 7 March	Up 3.4%	Up 3.3%	Up 3.7%
8 – 14 March	Up 6.2%	Up 3.1%	Down 4.6%
15 – 21 March	Up 42.2%	Up 33.9%	Up 21.2%
22 – 28 March	Up 56.1%	Up 34.2%	Up 26.4%

Losers

With Australians following government advice to restrict non-essential travel, week-on-week fuel spend fell by 19.5% between 22 March and 28 March, as fewer people headed to the pumps.

And while the decline in gym and fitness spending has been covered widely elsewhere, the Zip Weekly Spending Index reveals similar declines for clothing and fashion, dentists and personal care.

For example, while still considered to be an essential service by the Federal government, many Aussies put their dental check ups on hold, with dental services recording a 27% dip in spending during the week of lockdown (22 - 28 March).

Spending on personal care, including beauty, hair removal, tanning and nail salons, also dropped the week of lockdown (22 - 28 March), a 23.6% decline on the week before.

And Australians spent 16.9% less on clothing and fashion in the week leading to lockdown (15 – 21 March), decreasing by another 29.2% the week after.

Week	WoW difference in spending (%)		
	Fuel	Clothing and fashion	Dentists
1 – 7 March	Down 4.6%	Down 0.8%	Down 3.7%
8 – 14 March	Down 4.3%	Up 1.7%	Down 2.2%
15 – 21 March	Down 0.8%	Down 16.9%	Down 12.3%
22 – 28 March	Down 19.5%	Down 29.2%	Down 27%

Finally, with so many more Australians working from home, dog walkers and the adult entertainment industry also saw a decline in fortunes, with a 15.8% and 31.8% reduction in spending respectively between 15 – 21 March and 22 – 28 March.

The wild and wacky weeks of 15 – 28 March:

The overarching picture for consumer spending in March was dynamic and merchants heading into the winter months should anticipate more of the same.

Merchants selling pet supplies, trade services and sporting goods saw mixed fortunes across the month, with spending dramatically up one week and down the next.

Week	WoW difference in spending (%)			
	Pet supplies	Sporting goods retailers	Trade services	Meal delivery services
1 – 7 March	Up 8.7%	Down 5.8%	Up 11.5%	Up 2.9%

8 – 14 March	Down 4.2%	Up 2.8%	Up 10.4%	Up 4.4%
15 – 21 March	Up 51.4%	Down 7%	Up 38.4%	Up 22.7%
22 – 28 March	Down 11.2%	Up 18.4%	Down 37.3%	Down 29.3%

Tradies saw a short-lived boom in the middle of the month, followed by a sharp down after lockdown. While services like electricians, plumbers and plasterers remain on the list of essential services, they have to adhere to strict social distancing measures on the job.

And in the week that gyms and fitness clubs were closed (22 – 28 March), Australians stocked up on equipment to help them stay healthy at home. Sporting goods retailers saw spending increase, reversing a decline in sales from earlier in the month, but widely reported stock issues may have hindered these numbers reaching even higher.

[ENDS]

Notes for editors

About the report

The Zip Weekly Spending Index is based on anonymised transaction data from a sample of more than 1.5 million Zip customers and 300,000 Pocketbook users

Data from the more than 1.8 million Zip and Pocketbook accounts was analysed to identify trends in consumer spending throughout March. This also included transaction data from financial services accounts linked to the Pocketbook app.

Unlike other retail reports, the Zip Weekly Spending Index provides a granular look at week-by-week changes in spending across different categories, providing fresh insights into consumer behaviour during the COVID-19 crisis.

About Zip

ASX-listed Zip Co Limited (ASX: Z1P) or (“Zip”) is a leading player in the digital retail finance and payments industry. The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries. It operates under the Zip Pay, Zip Money, and Pocketbook brands. The Company is focused on offering transparent, responsible and fairly priced consumer products. Zip’s platform is entirely digital and leverages big data in its proprietary fraud and credit decisioning technology to deliver real-time consumer responses. Zip is managed by a team with over 50 years’ experience in retail finance and payments and is a licensed and regulated credit provider.

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