

MEDIA RELEASE

It's beginning to cost a lot for Christmas: New research reveals Australians will buy fewer gifts to balance cost of living

- 58% of Australians are buying fewer gifts to keep their budgets in check
- 37% of Australians will spend less on Christmas this year, compared to 28% last year
- 29% will combat cost of living by buying cheaper alternatives for Christmas dishes
- More Australians are looking to buy gifts before December (72% this year) as many fear prices will increase closer to the date

SYDNEY, 19 October 2022: New research conducted by global data and insights company, [Pureprofile Limited](#) (ASX: PPL), has shown that cost of living hikes will see Australians buying fewer gifts this Christmas as families work within narrower budgets when compared to previous years.

Based on a nationally representative sample of 1080 panel members, Pureprofile's 2022 [Christmas Report](#) features insights spanning a four-year period and highlights changes in behaviour from 2019 through to 2022.

The report revealed that Australians are regaining their pre-pandemic festive spirit, with 57% feeling emotionally positive about the season; a slow catch up to 65% from 2019. Yet, spending habits are yet to catch up with pre-COVID levels with Australians reporting that they are unable to spend lavishly on gifts. In fact, 3 in 5 mention they will spend less on gifts this year compared to the previous year.

Tightening the festive purse strings

Due to inflation and the rising cost of living, Australians are adapting to the new economic climate by prioritising who and what is most important to them. Buying fewer gifts is the top measure people are adopting (58%) as a way to stay on budget, with nearly 1 in 4 (24%) choosing to only buy gifts for their children this Christmas.

This year, the average Christmas budget sits at \$425 for gifts (\$5 less than last year's \$430) while the average food budget has decreased from \$310 in 2021 to \$302 this year, with 37% claiming they will spend less on food this year, compared to 28% who said the same in 2021. Almost a third also said they will look for cheaper food alternatives when preparing their holiday meals.

Pureprofile's CEO, Martin Filz, said: "Despite the current economic climate, Christmas is still an important holiday to Australian's, and we can see that many are resiliently holding on to what's most important to them, as they did during the pandemic.

“The rising cost of living has led to a true narrowing of priorities with many planning to only spend on necessary items, such as gifts for children. It will be a testing time for retailers who need to think of creative ways to cater to these smaller budgets and rearranged priorities. Value for money and unique selling propositions will need to take centre stage as more Australians look to snag a worthy deal during the gift-giving process.”

As it was with last year, more and more Australians are choosing to do their Christmas shopping early, with 72% saying they will shop before December, up from 69% last year and 65% in 2019. This is likely due to people’s expectations of goods becoming even more expensive as Christmas draws nearer.

Wish-listing and gifting

While many are tightening their gift-giving belts, the number of people wanting to receive gifts this year is climbing to pre-COVID levels (10%), with only 13% saying they don’t want to receive presents at this time. Previously in 2020 and 2021, this sat at about 18% as more Australians were cautious about enjoying themselves.

The rising cost of living has not changed gift preferences either with Australians picking gift cards (47%, up from 44% in 2019), money (40%) and clothes (32%) as their top choices this year. These top choices have remained consistent throughout the past four years.

Gift cards are also the top choice when gifting, with almost 1 in 2 (47%) Australians planning to buy them for others, followed by food, confectionery & drinks and clothes (32%). However, clothes are slowly losing popularity, along with books and toys. Only 18% said they would be buying books this year, down from 27% in 2019, while toys have slipped from 29% in 2019 to 23% this year.

Consumer behaviour continues to align with society’s progression to a cashless ecosystem, consistent with the previous year. Only 41% say they will use cash, compared to 51% in 2019.

Additional areas covered in the research include Australian beliefs on religion and spirituality, online and in-store spending preferences and travel behaviour.

See the full Christmas Report 2022 [here](#).

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About Pureprofile (ASX: PPL)

Pureprofile’s vision is to deliver more value from the world’s information.

We are a global data, insights and media organisation providing online research and digital advertising services for agencies, marketers, researchers and publishers.

Our research division delivers rich insights into real human behaviour and provides the "Why" behind the "What" through ResTech and SaaS solutions. Our digital advertising division taps into these rich insights on behalf of advertisers and publishers and executes impactful, targeted digital marketing strategies.

We build in-depth profiles of consumers via our proprietary and partner panels and give businesses the ability to understand, target, and ultimately engage with their audiences.

The Company, founded in 2000 and based in Surry Hills, Australia, now operates in North America, Europe and APAC and has delivered solutions for over 700 clients.

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