

CONSUMER SENTIMENT TRACKER

C*NSUMER SENTIMENT TRACKER

DECEMBER 2025 & FEBRUARY 2026

Tgarage



A **NATIONWIDE** QUANTITATIVE SURVEY

We spoke to a nationally
representative sample of

761

Australians in December 2025

...and

763

Australians in February 2026
following the RBA rate increase
announcement

802

June 2023

803

June 2024

736

November 2024

774

June 2025



WHAT WE COVERED

Consumer sentiment update

A focus on financial resilience

How has AI usage and sentiment changed?



KICKING OFF WITH A PULSE CHECK ON TODAY'S CONSUMER MOOD

Consumer sentiment has edged up, despite recent announcements. There is positive momentum, but it remains measured rather than exuberant.

Whilst recent rate rise announcements have focused attentions once again on personal finances, we're seeing Australians coping and adapting to it as 'part of life'.

Prior to the interest increase, consumer concerns are shifting. **Cost-of-living** pressures, while present, were **no longer the sole or dominant issue**. People are increasingly **focused on social cohesion, personal safety**, and a sense of **global uncertainty and conflict**.

IN THE WAKE OF RECENT EVENTS HERE AT HOME AND OVERSEAS, AUSTRALIANS ARE **THINKING BEYOND THE STRAIN OF COST OF LIVING**

If you had a magic wand and power to change things in the world around you, what would you change...?

Top 3 themes ranked by salience:



How it's expressed
Short, absolute statements ("Stop all wars", "World peace")
Moral language ("no one should die", "innocent lives")
Frustration with leaders and power structures



How it's expressed
Repetition words like *kind, respect, empathy, tolerance*
Often framed as mindset or values change

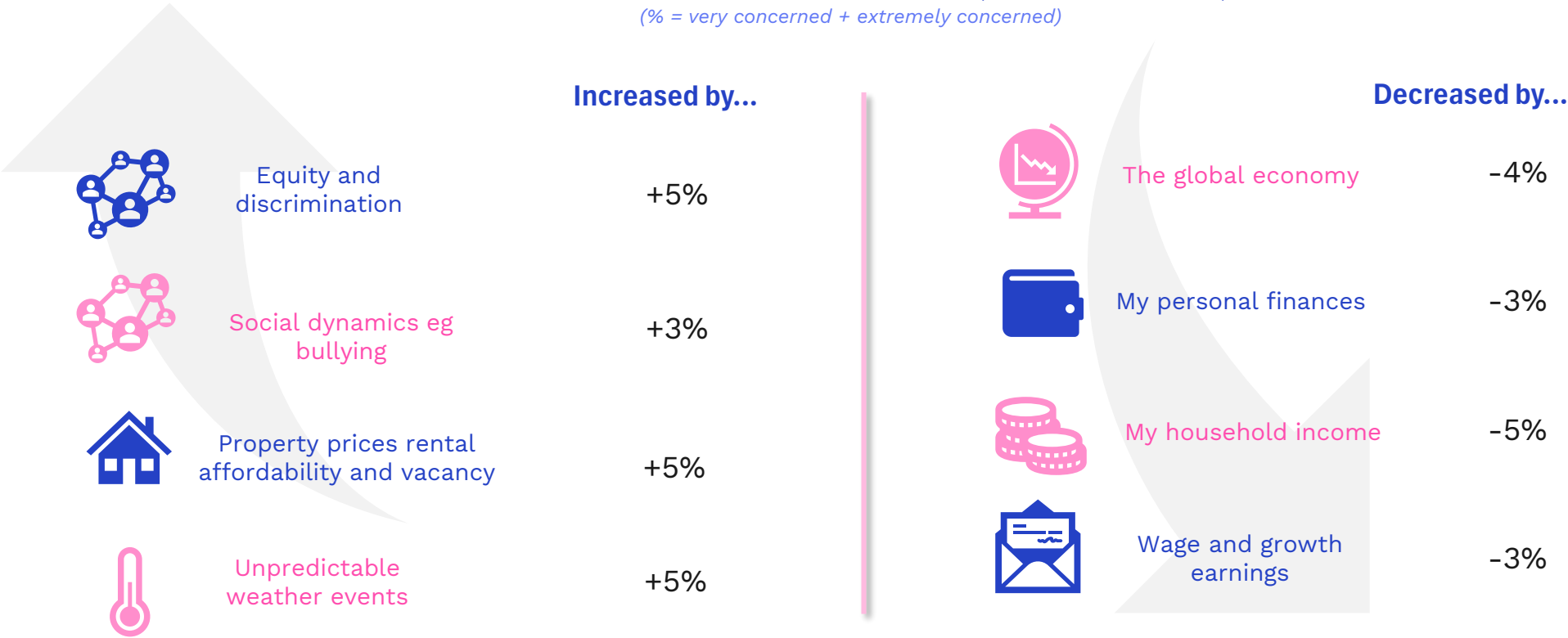


How it's expressed
Very personal and practical
Repeated references to groceries, housing, bills, inflation

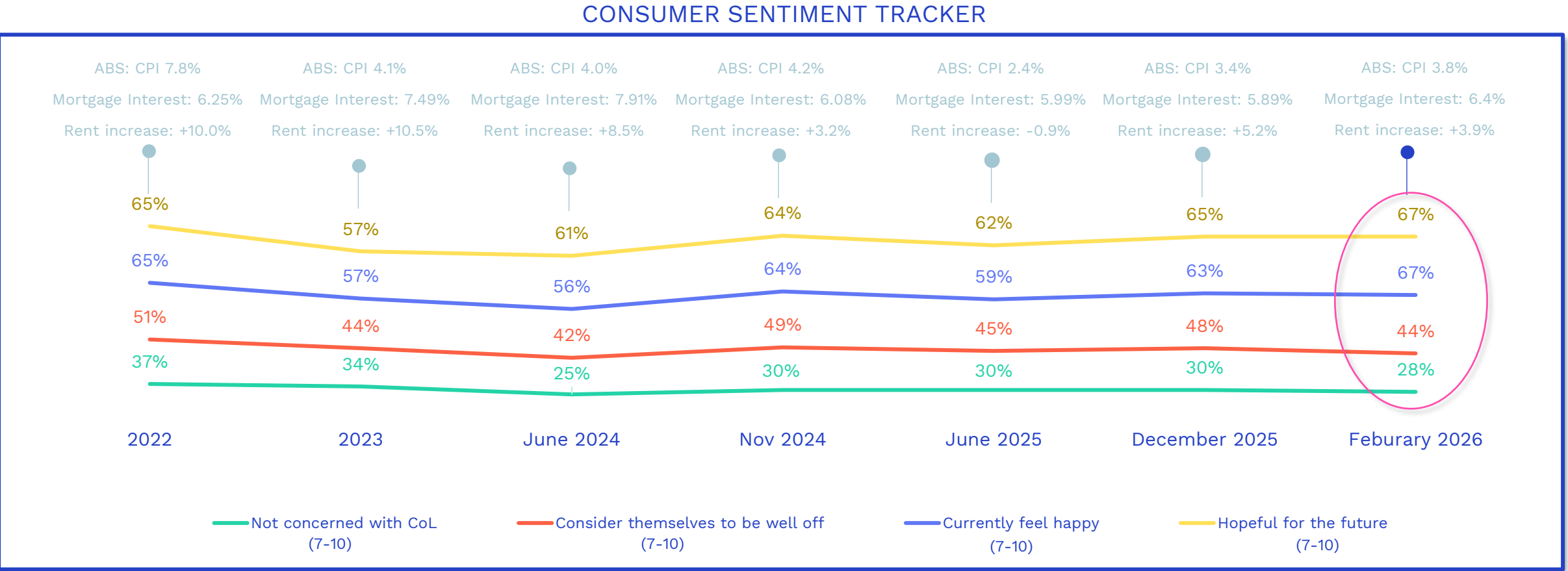
Australians' "magic wand" wishes center on peace, kindness, and financial relief, highlighting a tension between frustration with the current state of the world and a persistent belief in human decency.

AT THE END OF 2025, WE SAW MORE **CONCERN AROUND SOCIAL ISSUES**, SUCH AS EQUITY AND DISCRIMINATION

TOP CHANGES OVER THE YEAR (June to Dec '25)
(% = very concerned + extremely concerned)

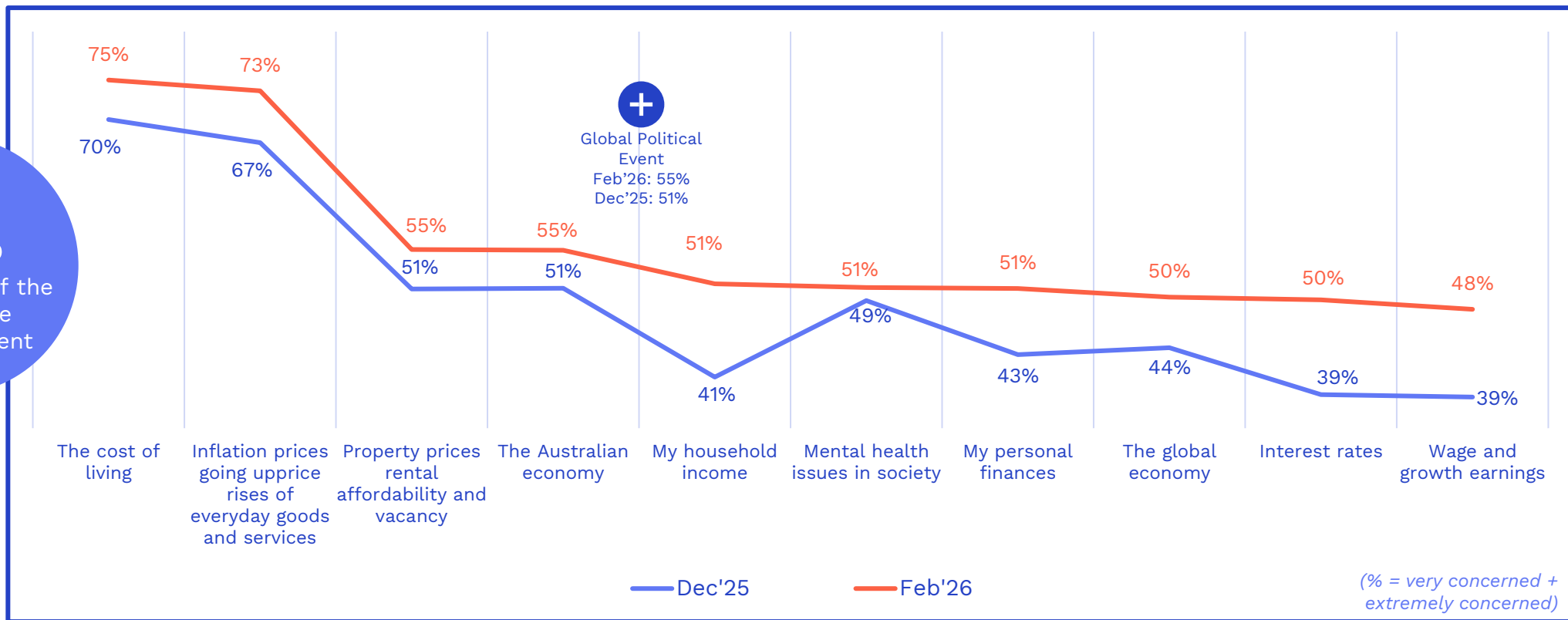


BUT DESPITE RECENT EVENTS AND FEELING LESS WELL OFF, AUSTRALIANS ARE ACTUALLY FEELING **PRETTY CONTENT** AND **HOPEFUL FOR THE FUTURE**



BUT IN THE **IMMEDIATE AFTERMATH OF A RATE RISE** TOP CONCERNS CENTER AROUND THE FINANCIAL IMPACT ON CONSUMERS

TOP 10 CONCERNS OVER TIME



THE BIG 4: WHAT'S DRIVING CONSUMER SENTIMENT



In the light of recent local and global issues, people describe sadness, anger, disbelief and fear



People are budgeting, cutting back, being unable to afford “usual” expenses, and feeling squeezed by prices that don’t come down

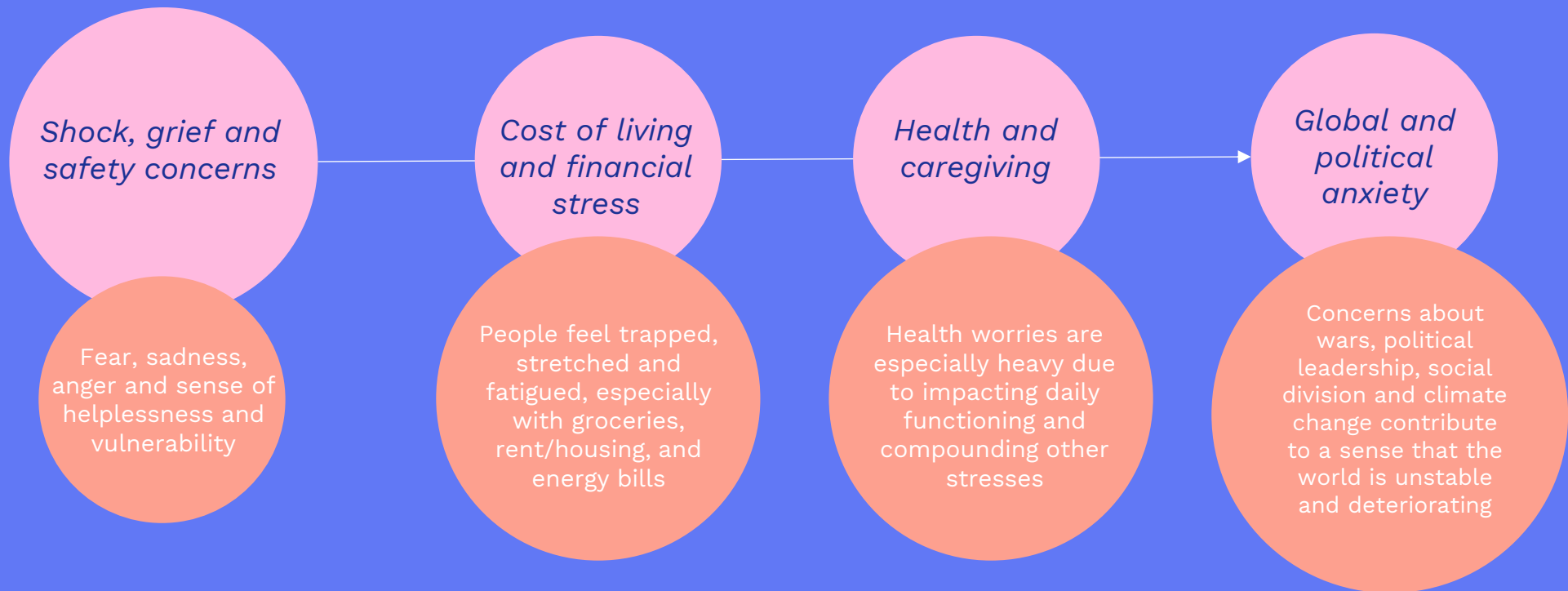


People are preoccupied with personal health and caring for others



Global conflict, political leadership and trust in government, and fears about social division

HELPLESSNESS, FINANCIAL STRESS & UNWELLNESS PULL US DOWN



Cost of living **remains salient and emotionally charged**, but there is evidence of some normalization coming from **coping and adapting** to it as a part of normal life.

“Cost of living is too high now so we're struggling a bit financially but we're resilient and we'll try our best to overcome any challenges”

“Cost of living is an ongoing issue but there are plenty of opportunities out there.”

SOURCES OF POSITIVITY

Safety, connectedness and healthiness drive hope

- **Close family bonds**
- **Supportive relationships**
- **Health and active lifestyles**
- **Personal resilience and optimism**
- **A sense of safety and stability**

Even in responses acknowledging broader uncertainty (cost of living, global conflict), people often anchor their hope in relationships and wellbeing as protective factors.

WHERE TO FROM HERE: WHAT MARKETERS SHOULD DO TOMORROW

1. Support through predictability and connection

Help consumers feel stable, connected and predictable

2. Continuity not reinvention

Signal continuity and care. Emphasise familiarity and show how you can fit into peoples sense of routine and community

3. Support the community and individuals

Demonstrate safety and social ease. Demonstrate how you help people and society function better

A FOCUS ON FINANCIAL RESILIENCE AND AUSTRALIANS IN VULNERABLE CIRCUMSTANCES



Among people experiencing a recent financial shock, contacting providers is a **high-emotion, high-stakes moment**.

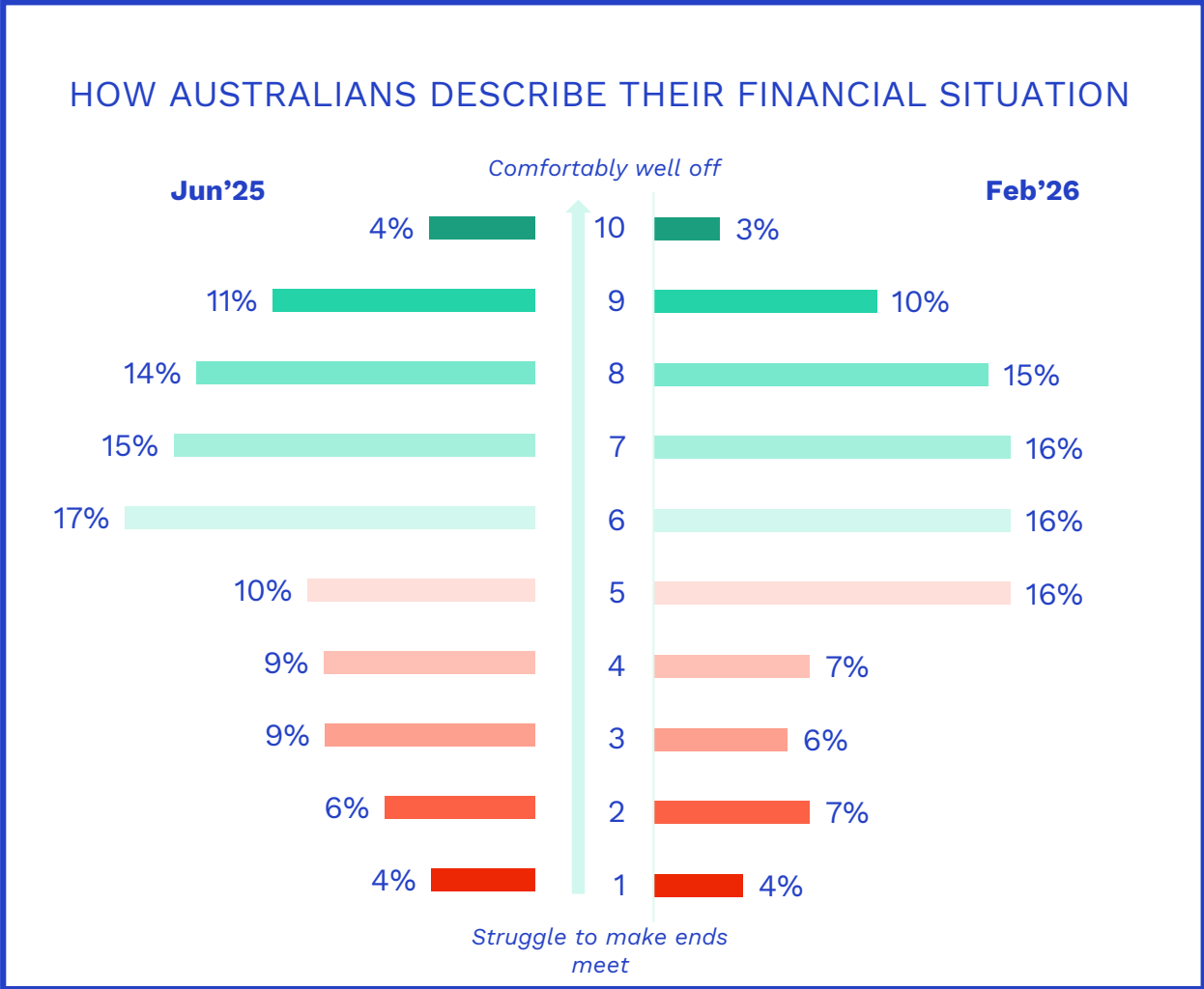
Experiences are mixed but lean negative, driven by difficulty reaching the right team, inconsistent information, and limited short-term relief options.

Where **providers offer clear, practical pathways** (payment plans, extensions) and **human empathy**, customers feel supported and regain a sense of control.

Where **processes feel automated, rigid, or dismissive**, customers become cynical and disengage — with switching intention rising.

FINANCIAL FREEDOM COMES FROM FIRSTLY BEING ABLE TO MAKE ENDS MEET!

WE’VE SEEN SOME POSITIVE SHIFTS, BUT
IT IS STILL TOUGH OUT THERE FOR MANY
AUSTRALIANS...



WHAT AUSTRALIANS WANT IS TO FEEL **SECURE AND CONTROL**

‘Hopefulness’ often equals control + financial buffer

Hope is strongest when people can point to either a financial buffer or a plan they control.

When financial pressure is immediate and options feel limited, optimism collapses into survival mode.

When we asked people how happy they felt about the next 12 months...

Many tied their sense of hope to:

- *Financial Security (resources) – Do I have enough/stable income and reserves to enjoy life and weather any shocks*
- *Sense of control (agency) – Do I feel I can influence the next 12 months?*

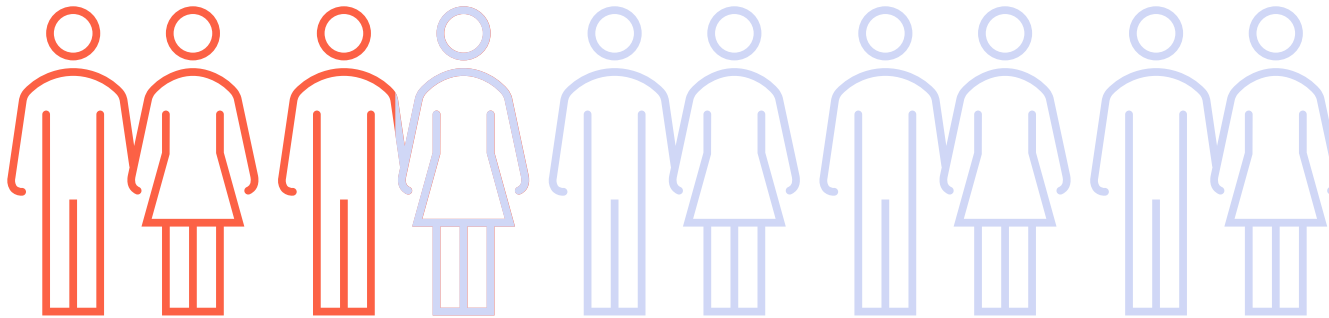
FINANCIAL RESILIENCE IS THE ABILITY TO BOUNCE BACK FROM A FINANCIAL SHOCK

▼
33%

(37% Jun'25)

OF AUSTRALIANS HAVE **LOW FINANCIAL RESILIENCE**

(LESS THAN 3 MONTHS OF ESSENTIAL SPEND FOR HOUSING COSTS, BILLS AND FOOD SAVED)



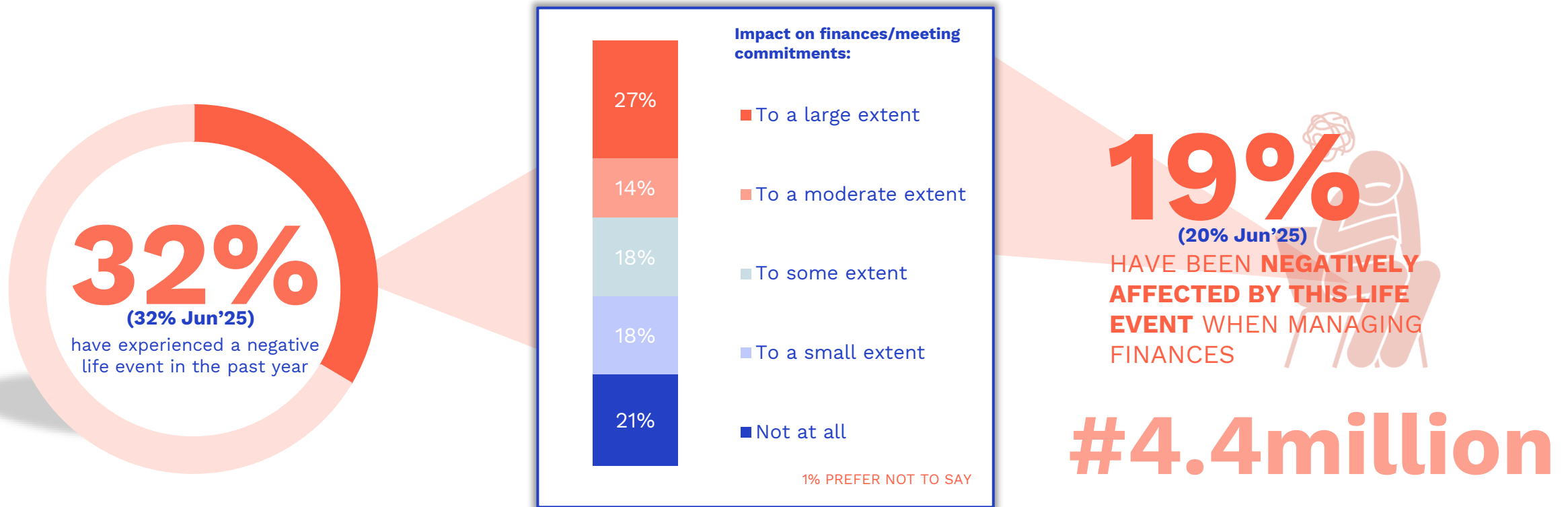
#8million

Approximately 8 million Australians* have less than 3 months of essential spend for housing costs, bills and food saved.

Poor resilience is a risk factor for declining wellbeing, especially in volatile economic or personal circumstances

LIFE IS UNEXPECTED!

EVEN IF SOMEONE FEELS FINANCIALLY COMFORTABLE TODAY, WITHOUT RESILIENCE THEY MAY BE VULNERABLE TO SUDDEN INCOME LOSS OR OTHER CRISES



FINANCIAL RESILIENCE IS LINKED TO **BETTER OUTCOMES** FOR PEOPLE



HAPPINESS/
CONTENTMENT
WITH LIFE NOW
AND IN THE FUTURE



*35% are not happy now
(1-5 on scale)*



COMFORT WITH
THEIR FINANCIAL
SITUATION



*63% are not comfortable with their
financial situation*



DEALING WITH
WHAT LIFE
THROWS AT YOU



*33% financially impacted by a
negative life event in the last year*

WOMEN IN SOCIETY ARE MORE LIKELY TO BE EXPERIENCING LOW FINANCIAL RESILIENCE

Women are significantly more concerned about the impact of the increased cost of living.

BUT are not anymore lacking in financial confidence based on our data.

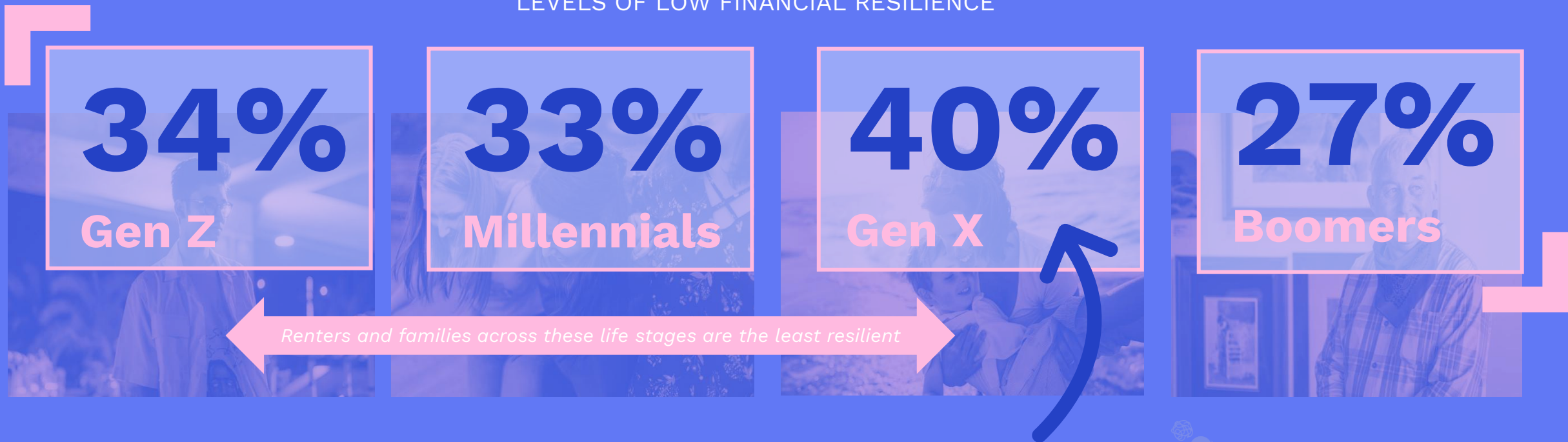


38% of women
have low financial
resilience (27% Men)

THE GENERATIONAL DIVIDE?

A LACK OF FINANCIAL RESILIENCE IS AN ISSUE ACROSS ALL LIFE STAGES, BUT GEN X HAVE LESS IN RESERVE TO DEAL WITH WHAT LIFE THROWS AT THEM.

LEVELS OF LOW FINANCIAL RESILIENCE



IDENTIFYING GROUPS OF PEOPLE MOST AT RISK OF VULNERABLE CIRCUMSTANCES

Renters are a high-risk group

	TOTAL	GEN Z	MILLENNIALS	GEN X	BOOMERS	MEN	WOMEN	RENTER
LOW FINANCIAL RESILIENCE	33%	34%	33% ●	40%	27%	27% ●	38%	53% ●
NEGATIVE LIFE EVENT	19%	13%	19%	25% ●	17%	17%	21%	29% ●

	TOTAL	Household Income					Metro	Rural
		<\$50K	\$50K-\$100K	\$100K-\$150K	\$150K-\$200K	\$200K+		
LOW FINANCIAL RESILIENCE	33%	38%	30%	31%	26%	16%	29%	35%
NEGATIVE LIFE EVENT	19%	20%	19%	15%	15%	16%	16%	22%

IDENTIFYING GROUPS OF PEOPLE MOST AT RISK OF VULNERABLE CIRCUMSTANCES

	TOTAL	Families	SINK/DINK	Empty Nester
LOW FINANCIAL RESILIENCE	33%	37%	34%	21% ●
NEGATIVE LIFE EVENT	19%	21%	18%	18%

WHAT DOES THIS MEAN FOR BRANDS?



Among people experiencing a recent financial shock, contacting providers is a **high-emotion, high-stakes moment**.

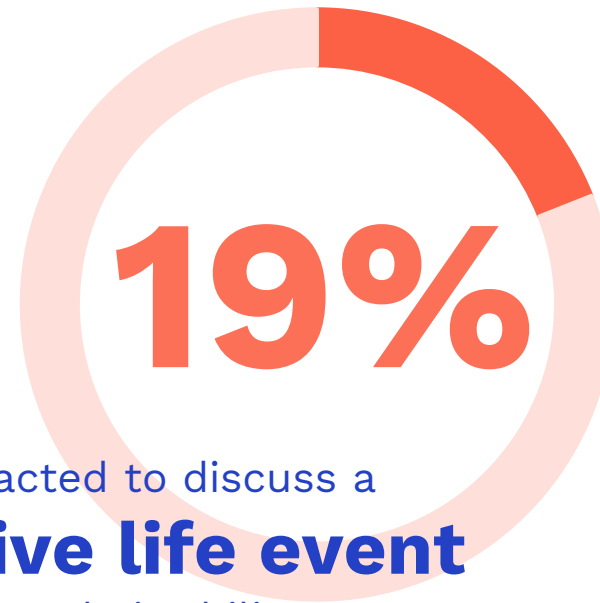
Experiences are mixed but lean negative, driven by difficulty reaching the right team, inconsistent information, and limited short-term relief options.

Where **providers offer clear, practical pathways** (payment plans, extensions) and **human empathy**, customers feel supported and regain a sense of control.

Where **processes feel automated, rigid, or dismissive**, customers become cynical and disengage — with switching intention rising.

THERE IS A RELUCTANCE TO DISCLOSE VULNERABILITY TO THEIR PROVIDERS

% OF AUSTRALIANS CONTACTED ANY OF THEIR FINANCIAL PROVIDERS OR ENERGY PROVIDERS TO DISCUSS RECENT NEGATIVE CIRCUMSTANCE



Have contacted to discuss a
negative life event
that impacts their ability to
manage their finances



A MIX OF EMOTIONAL AND PRACTICAL FACTORS IS PREVENTING PEOPLE FROM REACHING OUT

THE MOST COMMON BARRIERS ARE A PERCEIVED LACK OF NEED AND A STRONG SENSE OF SELF-RELIANCE.

#1

LACK OF PERCEIVED NEED

"It hasn't gotten that bad yet."

"I have enough money / savings for now."

#2

SELF RELIANCE & PRIDE

"I should handle this myself."

"I am responsible for sorting out my own mess."

"I will get by on my own."

#3

EMBARASSMENT & SHAME

"I don't want to be seen as a burden."

"People wouldn't understand."

#4

LOW TRUST

"They wouldn't help anyway."

"Nothing they can do."

"From previous experience, I knew they wouldn't help."

#5

PERCEIVED INELIGIBILITY

"Don't meet the criteria."

"They don't consider expenses."

"Not sure I qualify."

#6

UNSURE IF IT HELPS

"Didn't know about them."

"Not sure how they can help."

"Didn't think they would help me."

PROVIDER EXPERIENCES NEED TO DELIVER MORE CONSISTENTLY WHEN THEIR VULNERABLE CUSTOMERS REACH OUT FOR HELP

EXPERIENCES ARE MIXED...

BIGGEST PAIN POINT

ACCESSIBILITY

- “Very hard to get to the Financial help department”
- Multiple layers of AI before a person
- Being “busy” / not contacting because it’s too hard



Barriers to reaching support amplify stress and make people consider switching providers

TRUST KILLER

INCONSISTENCY

- “one person says... the next says the opposite”
- “no options to pause payments”
- vague “understanding” but no practical help



Consistency matters as much as compassion — mixed messages undermine trust and confidence

CONTROL RESTORER

PRACTICAL SUPPORT WORKS

- “We’re on a payment plan”
- “Extensions or payment plans”
- “Pretty understanding with late payments”



The best experiences combine empathy with clear, actionable options

EMOTIONAL DIFFERENTIATOR

EMPATHY & DIGNITY

- “Understanding”
- “Supportive, confidential, accepting”
- “Exceeded my expectations”
- vs “not understanding or empathetic... extremely disappointing”



In hardship, “tone” becomes product

HOW HAS AI USAGE & SENTIMENT CHANGED?



Around **half of Australians now use AI** for **personal tasks**, with recent growth increasingly driven by work related use.

Use of AI in shopping is shifting from experimentation to practical support, especially in product search and comparison.

At the same time, almost **half** of Australians remain **extremely concerned** about the use of AI.

AI is most **established in tech and travel** planning and purchasing.

Use of AI for **home and furnishings** categories is **emerging** and shows strong potential to grow over time.

AI UPTAKE HAS RISEN SINCE JUNE '25, DRIVEN MOST BY MILLENNIALS AND BABY BOOMERS

59%
have used AI tools

like ChatGPT Google Gemini Microsoft Copilot or other similar tools



Which is a +6% vs.
June 25

	Dec 25	June 25
GEN Z	78%	76%
MILLENNIALS	76% ●	69%
GEN X	54%	51%
BABY BOOMERS	36% ●	26%

AND THIS INCREASE IS LARGELY DRIVEN BY WORK/PROFESSIONAL RELATED TASKS

59%

have used AI tools

like ChatGPT Google Gemini Microsoft Copilot or other similar tools

50% (+3% vs. June 25)

Use it for Personal Tasks

32% (+7% vs. June 25)

Use it for Work Tasks



32%

OF AUSTRALIANS
ARE USING AI AT
LEAST A FEW TIMES
A WEEK



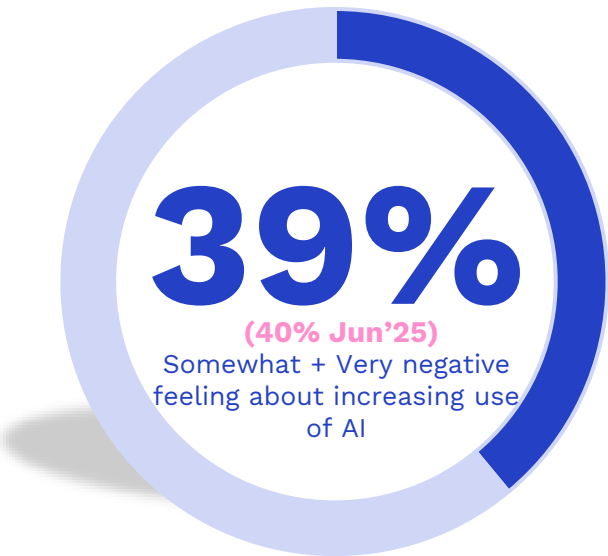
Up 7% in the last 6 months



A14. How frequently do you use AI tools like ChatGPT, Gemini, etc.?[Base: Use AI tools
December 25 n=765, June 25 n= 783



AI ADOPTION IS ACCELERATING, YET ANXIETY IS STILL WIDESPREAD



Generations:

Gen Z	27%
Millennials	25%
Gen X	38%
Baby Boomers	59%

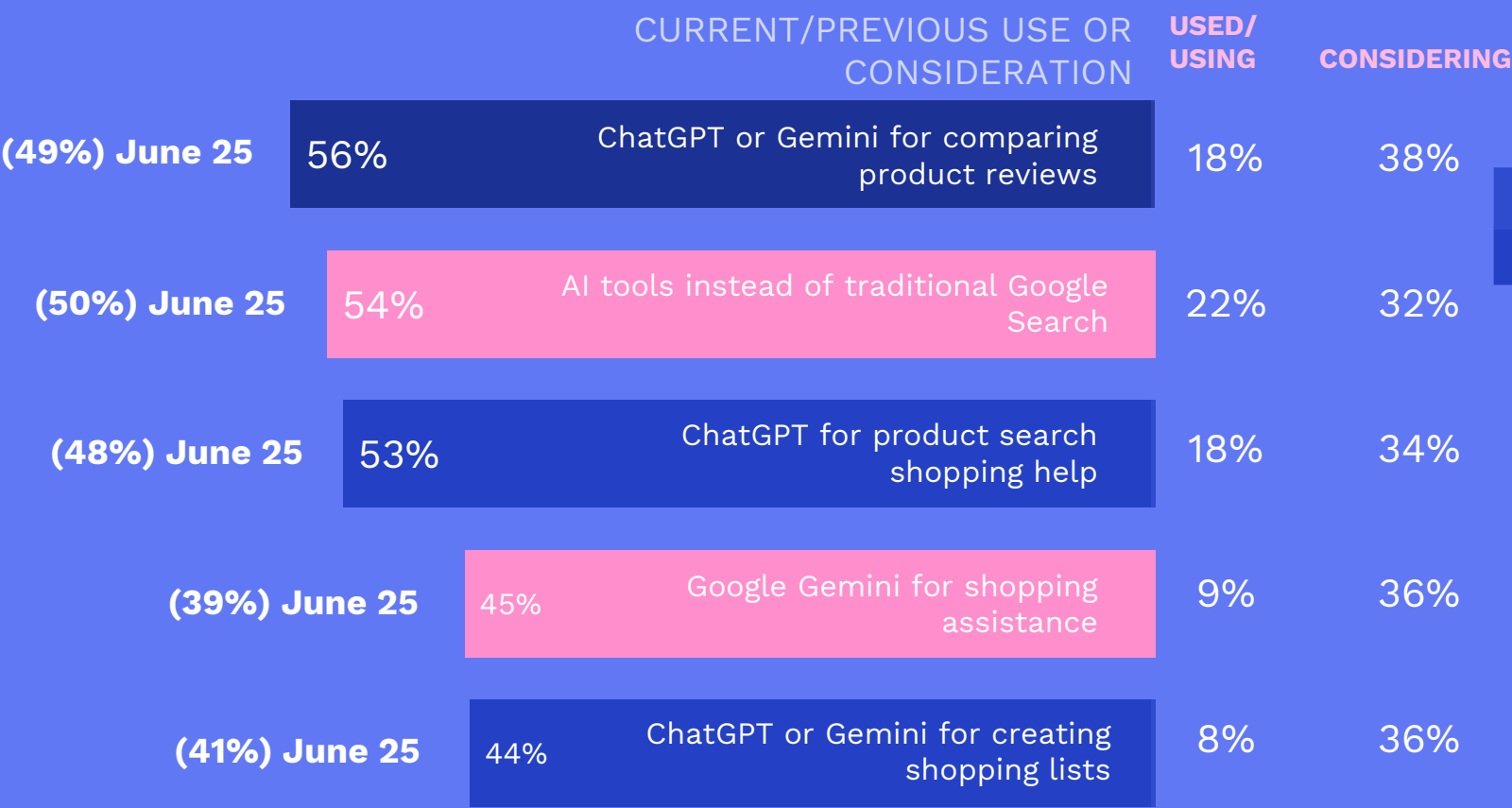
41%

ARE EXTREMELY OR
VERY CONCERNED
ABOUT AI

16%

ARE EXTREMELY OR
VERY WORRIED ABOUT
AI PUTTING THEIR JOB
AT RISK

AI KEEPS TRANSFORMING THE SHOPPER JOURNEY



Males are more likely use or consider AI compared to females

AI USE IN SHOPPER JOURNEYS SET TO GROW ACROSS A RANGE OF CATEGORIES

59%

would use AI for shopping assistance (vs. 55% June 25)

Gen Z	73%
Millennials	76%
Gen X	54%
Baby Boomers	41%

AI-CONSIDERED SHOPPING CATEGORIES

Have used AI before

35%

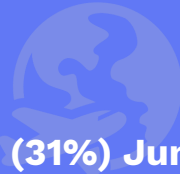


(29%) June 25

ELECTRONICS & TECH GADGETS

20%

34%



(31%) June 25

TRAVEL OR EXPERIENCES

17%

27%

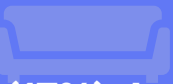


(27%) June 25

GROCERIES & MEAL PLANNING

13%

24%



(17%) June 25

HOME AND FURNITURE

9%

AI IS CONSIDERED MOST USEFUL FOR PRICE COMPARISONS, REVIEWS & TECH PRODUCT SPECS

Consumers perceive its greatest benefit as simplifying decision-making. The most common use cases occur when information is complex, or requires significant time to process



CLOSE TO FOUR IN FIVE PAST AND FUTURE TRAVELLERS HAVE USED AI FOR TRAVEL/EXPERIENCE QUERIES.

USED AI TOOLS FOR SHOPPING

17%

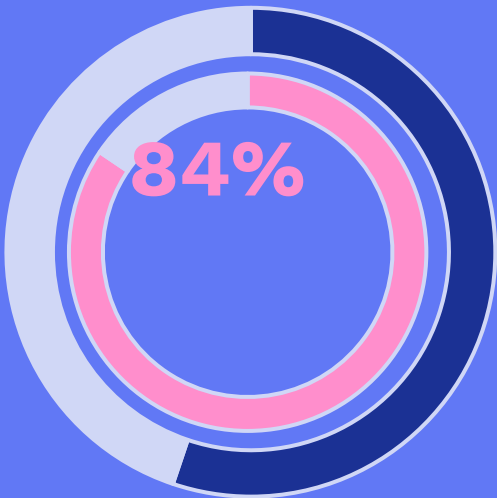
Travel or experiences



USING AI TOOLS ACROSS GENERATIONS

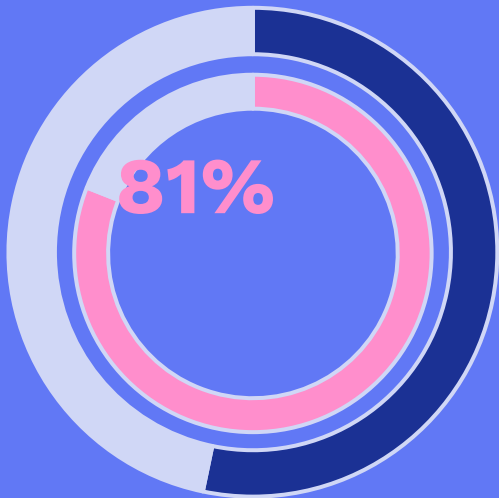
Gen Z	25%
Millennials	25%
Gen X	15%
Baby Boomers	8%

FLOWN IN THE P12M



55%

PLAN ON FLYING IN N12M



53%

■ Have flown/plan on flying in the next 12 months

■ Have flown/plan on flying in the next 12 months & used AI for travel/experience

AI IS PLAYING ROLE IN THE ELEMENTS MOST TO CONSUMERS WHEN BOOKING FLIGHTS

WHY AND HOW USED AI TOOLS

#1

ITINERARY BUILDING & PLANNING
“creating itineraries... possible schedules based on layovers/times.”
“plan my honeymoon... itinerary but also provided sightseeing suggestions.”

#2

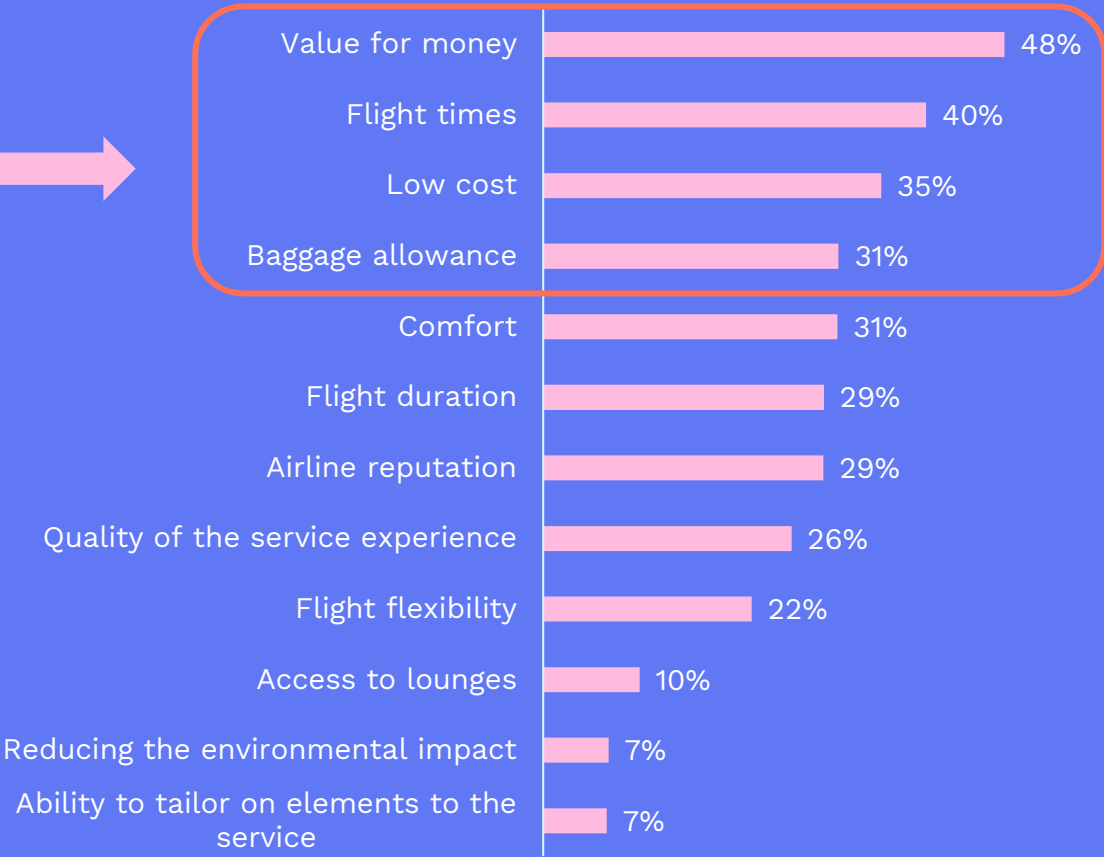
DEAL HUNTING & BUDGETING
“Helped me find cheaper flights and accommodation.”
“I use these tools to compare the prices... gave me a good overview... to budget my spending.”

#3

FLIGHT/HOTEL COMPARISON
“pricing and where airlines fly.”
“fast way to compare flights and hotel deals... without looking up so many sites.”



FACTORS IMPORTANT WHEN BOOKING AIR TRAVEL



AI ACTS AS A PERSONALISED ADVISOR FOR SKIN NEEDS, INGREDIENTS AND SAFE CHOICES

USED AI TOOLS FOR SHOPPING

10%

Beauty & skincare



USING AI TOOLS ACROSS GENERATIONS

Gen Z	19%
Millennials	15%
Gen X	9%
Baby Boomers	2%

HOW AND WHY USED AI TOOLS

#1

CUSTOMISED RECOMMENDATION

“Suggestion of product according to my skin problems and routine....”

“Suggestion of product according to my skin problems and routine....”

#2

INGREDIENT UNDERSTANDING

“to explain ingredients and their benefits/uses.”

“...understand different products and the specific ingredients....”

#3

PRODUCT COMPARISON

“It gave me good comparisons with pros and cons.”

“It was able to differentiate the quality”

AI IS A “PERSONAL SHOPPING ASSISTANT” FOR STYLE, FIT AND FINDING THE BEST OPTION FAST

HOW AND WHY USED AI TOOLS

USED AI TOOLS FOR SHOPPING

10%

Clothing & fashion



USING AI TOOLS ACROSS GENERATIONS

Gen Z	21%
Millennials	13%
Gen X	10%
Baby Boomers	3%

#1

SEARCH & PRODUCT DISCOVERY

“I used it for searching something specific and it was helpful.”

“To find where things were that I wanted and it was very helpful.”

#2

STYLE ADVICE & TRENDS

“To suggest clothes match and recommend style.”

“I used AI for outfit suggestions and style advice it was quick, helpful, and inspiring.”

#3

PRICE & DEAL HUNTING

“To find the cheapest price.”

“I just used it to find out the price history of an item....”

AI SUPPORTS BIG-TICKET DECISIONS THROUGH PLANNING, COMPARISON AND DESIGN HELP

HOW AND WHY USED AI TOOLS

USED AI TOOLS FOR SHOPPING



USING AI TOOLS ACROSS GENERATIONS

Gen Z	18%
Millennials	12%
Gen X	8%
Baby Boomers	2%

#1

SEARCH & DISCOVERY

“helped display local options and prices with convenience.”

“To look for outdoor furniture suggestions.”

#2

COMPARISON & DECISION SUPPORT

“It helped me make decisions quickly about what to buy.”

“...dimensions, pros cons, etc in a nice table.”

#3

CONVENIENCE & SPEED

“Easy to understand. Quick. Effective.”

“I use them because I get instant feedback instead of having to hunt for information... time saving.”

WHERE TO FROM HERE: FROM CONSUMER PSYCHOLOGY TO MARKETING PRACTICE

Consumer behaviour shift

#1: AI is Becoming a new decision-making layer. Shoppers are moving from **searching** to **asking**.

#2: Consumers expect **convenience** and “**shortcuts**” in evaluation. Shopping becomes more automated and efficiency-driven.

#3: Consumers are **curious but cautious**. They will selectively engage in low-risk AI use (price checks, reviews) before deeper reliance. However, this might evolve through time.



Consequences

If consumers bypass Google, retailer sites, or even store browsing, the classic funnel might be disrupted.

Loyalty may shift toward whichever platform or assistant gives the easiest and efficient answer.

Consumer confidence will be fragile — brands must avoid appearing overly intrusive or overly automated.



Marketing response

Ensure AI-readable content is consistent across retailer and brand platforms

Communication around AI should avoid overly technical language, focusing instead on everyday utility.

The cross-generational rise suggests AI is becoming mainstream, not niche — meaning expectations of AI support in shopping will grow.

WHERE TO FROM HERE: WHAT MARKETERS SHOULD DO TOMORROW

1. Win in the consideration moments that matter

Compete harder on value transparency, not just awareness.

2. Optimise for AI-mediated discovery

Invest in review quality and credibility, as AI pulls heavily from these sources.

3. With anxiety still high, reassurance will be critical

Emphasise safety, authenticity, and transparency in supporting consumers.

SHAPING FUTURES TOGETHER

Tgarage

RESEARCH +
STRATEGY
CONSULTANCY

MELBOURNE

Level 1, 299 Clarendon Street
South Melbourne, VIC 3205

P +61 400 859 629
E info@tgarage.com.au

SYDNEY

Level 2, 97 Rose Street
Chippendale, NSW 2008

P +61 400 859 629
E info@tgarage.com.au