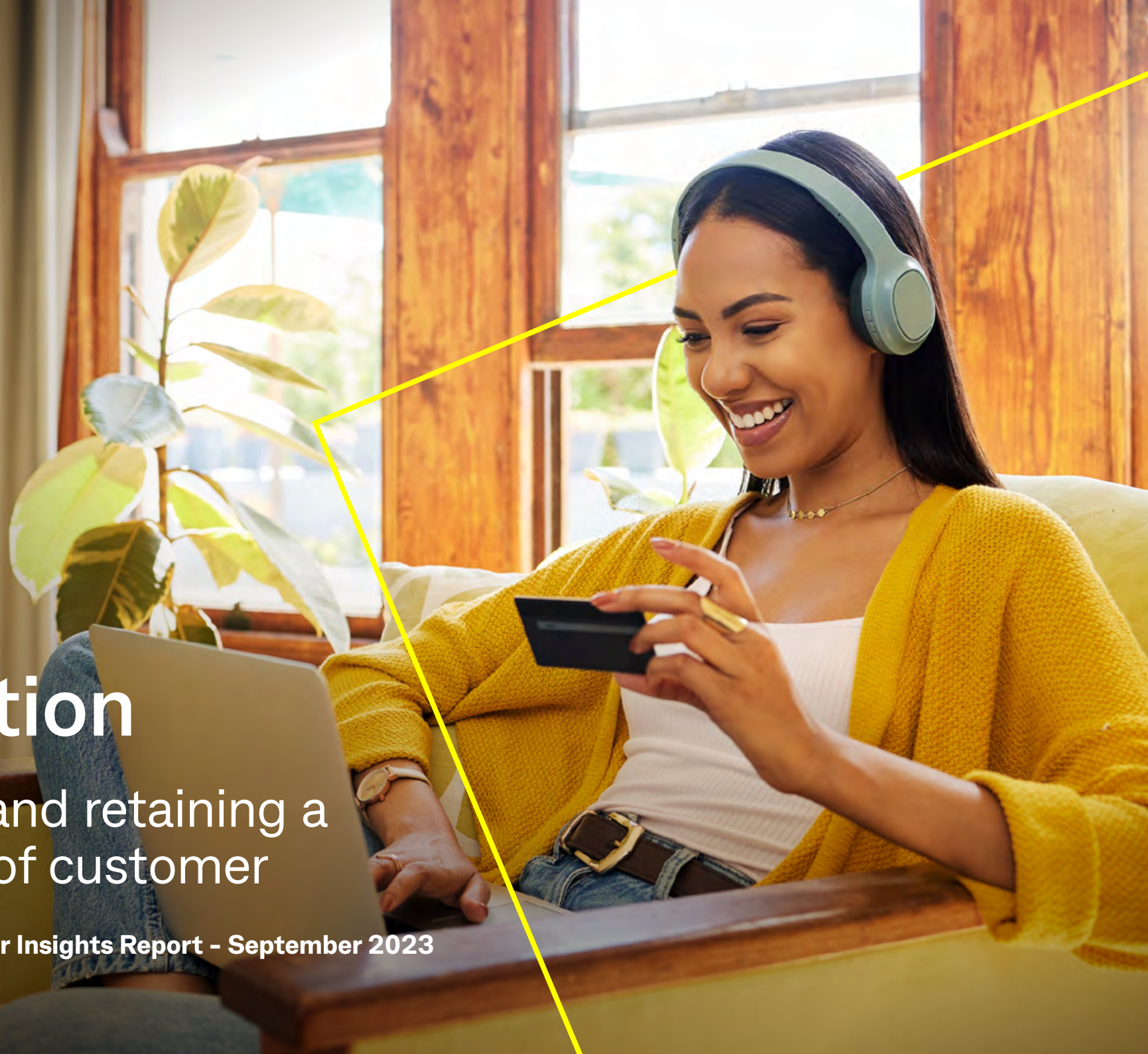




Digital distinction

Attracting and retaining a new breed of customer

CommBank Consumer Insights Report - September 2023



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Foreword: CommBank Retail sector team

Our latest Consumer Insights arrives as many Australian households experience the strain of rising living costs. Our credit card data and analysis of spending intentions align with this report's finding that many consumers are tightening their belts.

Conversations with retailers and personal services businesses across the country confirm that there is now more competition for consumers' dollars. They also confirm that consumers' expectations of their shopping experience are changing as they adjust their behaviours to the current landscape.

Amid the rise of a more value-driven consumer, we sought to explore how preferences were changing across the retail customer journey. To do that, we asked thousands of consumers across multiple categories about the aspects of shopping that they believe contribute to a positive experience.

We found that many retail consumers, irrespective of their financial situation, are seeking deals and offers in light of cost of living pressures. They are doing more research before they buy, often online. Most are also strong supporters of technology that can enhance and simplify their purchasing process that, when used responsibly, help personalise shopping interactions and make the checkout process more seamless.

To help retailers reflect new customer needs in the brand and product experiences they deliver, we have outlined practical opportunities brands can capture to uplift each step of their customer's journey. Ultimately, we hope this supports your strategies to attract and retain customers now and into the future.



David Martin

National Manager – Retail and eCommerce
Business Banking, CommBank

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future facing businesses?

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Foreword: CommBank Hospitality sector team

For Australian hospitality venues, the rising cost of living and its impact on consumer spending is closely watched. After all, as people become more cautious about how they spend and save, they are likely to continue placing non-discretionary purchases under the microscope.

Our Consumer Insights report shows that some Australians are indeed weighing up nights out, food purchases and holidays in the current climate. While this doesn't impact every operator equally, it shows that many of the perennial traits of well-received visits are even more critical.

Good customer service, the in-venue experience and quality food and beverage offerings are just a few. Consumers also suggest that well-established and emerging technologies can play a significant role, and most expect hospitality providers to use them.

This includes streamlining digital interactions with hospitality operators from booking to paying and personalising the experience based on needs. Responsibly capturing data, simplified booking and ordering processes through to payments flexibility can help to secure a customer and keep them coming back.

The report examines both the digital and in-person aspects that consumers value. It provides a pathway for operators across the accommodation, pubs and clubs, restaurant and fast food segments with insights into what will help meet new customer demands.

I hope you find the insights valuable as you consider how best to service the ever-changing needs of patrons, guests and communities.



Peter Kennedy

National Manager – Hospitality
Business Banking, CommBank

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future facing businesses?**

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About CommBank Consumer Insights

CommBank Consumer Insights is an exclusive, wide-ranging analysis of the Australian consumer. This edition focuses on understanding consumer attitudes, motivations and expectations of their experiences amid changes to the real and digital economy.

This edition is based on an online quantitative survey conducted by Fifth Quadrant on behalf of the Commonwealth Bank. The survey was conducted in May and June 2023 and was completed by 5,279 consumers of goods and services.

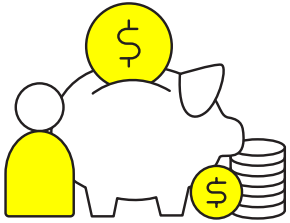
Each respondent answered questions relating to one category where they had spent money in recent months, including:

- Groceries and liquor (n=406), clothing & footwear (n=406), homewares and household appliances (n=408), consumer electronics and entertainment including books, games, music and media (n=404), recreational sporting and outdoor goods (n=407), motor vehicle parts and accessories (n=406), health and beauty products (n=406), hardware, DIY, building and garden supplies (n=407), personal care services including hairdressing, beauty and weight loss treatments (n=406), fast food and quick service restaurants (n=405), pubs and clubs (n=408), restaurants and cafes (n=407), and accommodation including hotels, motels and AirBnb (n=403).

The sample was selected to ensure the results are nationally representative. All statistics and references to consumers in this report are based on the responses to the survey unless otherwise stated.

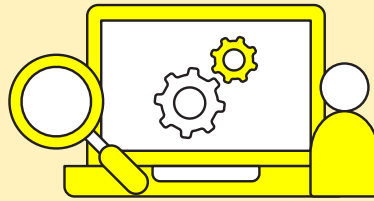
Key insights across the customer journey

The value-driven consumer



More discerning amid cost-of living pressures

- Are reallocating an average of **\$448.40** per month
- Seeking deals and making lifestyle adjustments



Valued search technology

Active evaluation

2 in 3

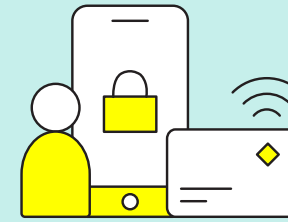
are doing more research and using 6+ channels. Search engines are first choice.

Retail

- Check in-store stock availability (**86%**)
- Filter search based on needs (**76%**)
- In-store kiosks and devices (**64%**)

Hospitality

- Filter search based on needs (**71%**)
- In-venue kiosk, devices, and apps (**52%**)
- Targeted advertising (**50%**)



Digital must-haves

Purchasing imperatives

84%+

want tech-enhanced experiences and responsible data usage.

Retail

- Enhanced cyber security and user controls (**91%**)
- Range of payment options for faster checkout (**84%**)
- Online experience (**82%**)

Hospitality

- Enhanced cyber security and user controls (**91%**)
- Range of payment options for faster checkout (**84%**)
- Payment tech to split bills, tip and get digital receipts (**77%**)



Valued incentives

Purchasing triggers

73%

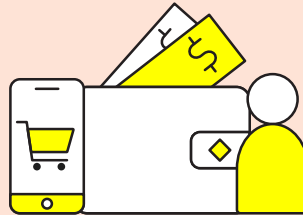
using discounts, cashback and rewards and many want to boost affordability.

Retail

- Free shipping (68%)
- Discount coupons and promotional codes (60%)

Hospitality

- Free access to amenities (68%)
- Complementary item when booking (62%)



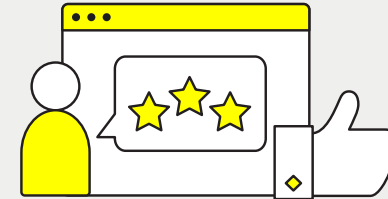
Payment preferences

Point of sale

Most value **wide range or payment options** to tip, split bills or get digital receipts.

Retail & Hospitality

- Use **4.8** payment methods on average
- Younger consumers using digital payment preferences options
- Amid authenticity concerns, will seek 3rd-party payment options with protection



Experience dealbreakers

Loyalty and advocacy

46%

only shop from brands they know and trust. If problems arise, many will avoid businesses.

Retail

- Stock-related issues (49%)
- Pricing or payment (28%)

Hospitality

- Customer service (57%)
- Pricing or payment (29%)

A woman with long brown hair, wearing a grey suit and multiple bracelets, is smiling and looking at her smartphone. She is holding a large orange shopping bag. To her left is a mannequin wearing a yellow dress. The background is a blurred outdoor setting, possibly a shopping mall or street. A large yellow diagonal shape is on the left side of the image.

A new type of consumer emerges

Amid macroeconomic changes, consumers are becoming more discerning, but each one is different and it pays to know how.



Consumers rethink how they spend, save and shop

With everything from borrowing costs and rents to energy bills increasing, cost of living pressures are impacting many Australian households.

While the Consumer Price Index has begun falling from its 30-year high reached in December 2022, it's still up 6% in the year to June 2023.¹

Higher inflation and other macro-economic pressures are, therefore, having an impact on consumer behaviour. The survey shows that over one in four (27%) Australians are doing it tough, including 22% who can just cover household expenses and 5% encountering a shortfall. A further 46% have a little left over after paying their bills, while only 27% say they live comfortably.

Despite this varied picture of household finances, there are broad-based changes in consumer behaviours. There is a pullback in spending across the economy, more noticeable in discretionary categories. For example, 36% of consumers say their spending on pubs and clubs has significantly decreased, and many more are having fewer nights out, compared to 12% who say the same about groceries and liquor.

Accommodation, fast food, restaurants and cafes and recreational goods also feature as the categories where consumers say they are spending far less. While still experiencing a net decline, motor vehicle parts, hardware, and DIY items are among those least likely to be impacted.

¹ Australian Bureau of Statistics. Consumer Price Index Australia. June Quarter 2023. abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release

The survey confirms that those who are spending less across hospitality and discretionary retail categories are most likely to be redirecting those funds towards everyday expenses.

In fact, consumers indicated that on average, they were reallocating approximately \$450 per month, largely towards essential goods and services or savings.

The way people shop is also changing, with more than nine in 10 Australians adopting deal-seeking behaviours and reviewing their spending choices. As we will explore shortly, many of these behavioural shifts are more common among consumers with limited financial resources with a skew towards younger Australians.

While every consumer is different, it's clear that the rising cost of living is reshaping consumer spending, saving, and shopping patterns across the population. When asked about the future, many consumers expect these new habits to be a permanent behavioural change, remaining in place after this phase of the macroeconomic cycle.

Consumers' shifting financial habits



Redirecting money towards essentials and savings

\$448.40

average funds per consumer per month



Changing lifestyle and spending choices

90%+

of consumers are seeking deals and re-evaluating purchasing choices



Most consumers cautious despite different priorities

Younger consumers are more likely to be experiencing financial pressure due to increased living costs. While almost one in three Generation Y Australians are doing it tough, just 20% have enough money to live comfortably. The inverse is true for the oldest generation, with 19% experiencing hard times and 40% living comfortably. As a result, the younger generations tend to redirect more money on average per month to cover increased costs in areas that reflect their life stage.

Comparing consumers hardest hit by costs of living to those living comfortably shows that both are redirecting similar amounts on average per month. People doing it tough are more likely to reallocate funds to essentials, while better-off Australians are prioritising savings.

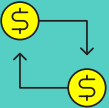


Despite having different goals and financial circumstances, the vast majority of consumers are changing their purchasing and lifestyle behaviours. The most common is the 73% who are using promotional codes, cashback offers and rewards to save money, and the 66% spending more time researching before buying.

Making lifestyle adjustments to reduce discretionary spending is also evident, including fewer nights out for 65%, less takeaway food and drinks for 62%, and almost half changing their holiday plans (46%). These behaviours are far more prevalent among consumers doing it tough.

Most consumers cautious despite different priorities

	Gen Z (16-24 yrs)	Gen Y (25-40 yrs)	Gen X (41-56 yrs)	Boomers (57-75 yrs)	Pre-Boomers (76+ yrs)
Proportion doing it tough	27%	32%	28%	21%	19%
Money reallocated p/m to cover higher costs of living	\$492	\$505	\$486	\$331	\$350
Most over-indexed targets of reallocated spend	Saving for something Entertainment Education costs	Rent or mortgage Debts or loans Childcare costs	Utility bills Rent or mortgage Debts or loans	Utility bills Saving as buffer Healthcare costs	Food and groceries Healthcare costs
Top three most over-indexed behavioural changes	<p>I am using promo codes, cashback offers and rewards whenever I can (80%)</p> <p>I am spending more time researching options before purchasing (72%)</p> <p>I am having fewer nights out (e.g. eating out at restaurants, going to the pub, cinema etc) (65%)</p>	<p>I am using promo codes, cashback offers and rewards whenever I can (81%)</p> <p>I am spending more time researching options before purchasing (75%)</p> <p>I am having fewer nights out (e.g. eating out at restaurants, going to the pub, cinema etc) (73%)</p>	<p>I am using promo codes, cashback offers and rewards whenever I can (76%)</p> <p>I am spending more time researching options before purchasing (70%)</p> <p>I am having fewer nights out (e.g. eating out at restaurants, going to the pub, cinema etc) (67%)</p>	<p>I am using promo codes, cashback offers and rewards whenever I can (64%)</p> <p>I am spending more time researching options before purchasing (58%)</p> <p>I am buying less takeaway food and drinks (57%)</p>	<p>I am using promo codes, cashback offers and rewards whenever I can (53%)</p> <p>I am buying less takeaway food and drinks (53%)</p> <p>I am having fewer nights out (e.g. eating out at restaurants, going to the pub, cinema etc) (52%)</p>

Most consumers cautious despite different priorities (cont.)

	 Money reallocated p/m to cover the higher cost of living	 Most over-indexed targets of reallocated spend	 Top three most over-indexed behavioural changes
Doing it tough (Just/not enough to meet household expenses)	\$471	Food and groceries Utility bills Fuel costs	Fewer nights out (82%) Using promo codes, cashback, rewards (80%) Buying less takeaway food and drinks (79%)
Enough money to live comfortably	\$425	Saving as buffer Saving for something Entertainment	Using promo codes, cashback, rewards (62%) Most consumers cautious despite different priorities (52%) Only shopping from trusted brands (46%)



Expert view

Jana Bowden

Professor of Marketing and Consumer Behaviour,
Macquarie University

Understanding the new cost-conscious consumer: it's a matter of mindset

There is no doubt that Aussies are doing it tough. Budget sensitivity is everywhere. The cost-of-living crisis, inflationary conditions, mortgage rate rises, and increasing fuel and energy prices mean that many consumers just can't catch a budget break.

We are now in an era of cost-conscious consumerism, and fear drives the new consumer psyche. Consumers are no longer thinking simply about what to buy. They are reassessing what, how, when, where and why to buy across all categories - from milk to motor vehicles.

Consumers are questioning their brand selections and asking: *Is it essential? Are there cheaper options? Should I buy now, delay my purchase, or not buy at all?*

This fundamental reset means a new 'buyer mission' is at play. Consumers are prioritising needs over wants. This translates into saving money, swapping brands, switching across retailers, trading down labels, buying private labels, tuning into deals, and often, cutting spend altogether.

Cash-conscious and clued-up consumers are also empowering themselves through research. They now spend a disproportionate amount of time researching potential purchases online before buying to ease their minds and ensure they're getting bang for their buck.

When the buyer mission changes fundamentally, retailers must adapt their offer.

Dealing with the permacrisis: Profiling, pricing, and pitching

The cost-of-living permacrisis is occupying consumers' thoughts. Responding to this requires retailers to be aware, sensitive and responsive to consumers' needs. This means getting the fundamentals right via competitive prices, budget options and nudge tactics to hook cost-conscious consumers. Consumers want to feel like they're getting a deal.

But pricing psychology also shapes consumers' minds more deeply. Discounts, percentage-off deals, bundles, coupons, codes, app offers, flash sales, freebies and intent-based offers change consumers' emotions.

These tactics make consumers feel positive about spending. They create excitement, enhance urgency, give consumers a sense of agency (and pride) in their deal-hunting and help achieve conversion. Psychological levers capture new buyers during their pre-purchase journey and bring them into the fold.

New consumer mindset, new value hooks

Price adjustments are core to targeting the new consumer but don't assure a loyal buyer. Understanding what drives their mentality is key.

Consumers are looking for value – not just financially but emotionally. No matter what category consumers buy from, they want to feel valued. That means understanding their mindset and delivering on experience. It means personalisation, not just routine offers.

It means connection, not just run-of-the-mill 'communication'. Engagement is the holy grail, and to achieve it, retailers must find new ways of shaping consumers' perceptions of 'value' alongside competitive pricing.

The consumer decision-making journey is certainly more complex. Consumers spend 6 hours and 40 minutes online daily², and 70% of this is via smartphones³. A huge 82% of the Australian population, or 9.4 million, are shopping online in 2023⁴. That means more online shopping, researching, reading and reviewing. This gives retailers the edge to engage with current and potential buyers at each stage of their online journey, from awareness to interest and consideration.

But it's not just online that matters for retail.

Research shows 80% of consumers have become strategic shoppers⁵, preferring to shop in omnichannel mode. Retailers must track consumers across brand channels to follow their inspiration, discovery and purchase journeys. Then, optimise messaging, personalise offers, and continuously communicate with new and return shoppers.

For most retailers, we see an obsession-like focus on customer-centricity online via minutiae-level customer data analysis. Yet, when leveraging those insights, the shopfloor becomes a proverbial black hole. Many retailers simply don't know the customer is there until they checkout.

This has to change. Omnichannel should be about adding value. Channel opportunity comes through gaining and leveraging customer intelligence to address and close gaps in a customer's journey.

2 [statista.com/statistics/1380282/daily-time-spent-online-global/](https://www.statista.com/statistics/1380282/daily-time-spent-online-global/)

3 [statista.com/topics/871/online-shopping/#topicOverview](https://www.statista.com/topics/871/online-shopping/#topicOverview)

4 auspost.com.au/content/dam/auspost_corp/media/documents/ecommerce-industry-report-2023.pdf

5 shopify.com/au/retail/omnichannel-trends

The future of retail is physical with a digital difference

Consumers are searching for engagement, entertainment and enriched retail experiences. In fact, three in five consumers want an immersive in-store experience. That means an interactive relationship and multiple touchpoints to connect with the brand across digital and physical store environments – an experience (r)evolution.

Melding online shopper journey information with in-store visitation data gives retailers 360-degree consumer visibility to anticipate shoppers' needs and delight them at each touchpoint rather than just meeting their basic expectations. Tech activation in-store further enhances the experience.

Other innovations like digital check-in points in-store can be used to add value. Greater tech integration into stores can help digitally savvy consumers search inventory, request assistance remotely and check deal information. Retailers can track and talk to consumers from when they log in online to walking through the doors and right to the point of sale – that's real continuous connection with consumers.

Meaningful personalisation and value can deliver breakthrough opportunities, and gaining consumers' trust in collecting their digital data is key to crossing the online to in-store consumer visibility chasm.

Despite the cash crunch, retailers must remember that the cost-of-living crisis isn't weighed in dollars alone. It's also about experience. Perceptions of value and an engaging purchase journey are box tickers for all consumers. Spending isn't just a practical activity; it's an enriching, immersive and emotional journey, too.

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The new breed of value-driven shoppers

Encouragingly, despite the current cost of living pressures, more than half of consumers feel optimistic about the next 12 months. This suggests they are looking beyond current economic conditions. However, even as cost of living pressures subside, many indicate that recently adopted behaviours will persist.

According to consumers, the common shopping habits most likely to continue are using promotional codes, cashback offers and rewards to unlock value and spending more time researching before buying. Turning to trusted brands is also expected to remain a priority for many consumers.

This suggests that while consumers have reviewed how they shop in the current economic climate, many will be more selective over a longer-term horizon. They are signalling that deal-seeking and more deliberate decisions about where they spend money will remain.

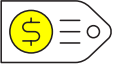




For retailers and hospitality providers, insights into who your customers are and how their preferences are changing are vital. Further, the emergence of a new, more value-oriented consumer directly affects strategies to attract, win and retain customers.

It brings the customer journey into sharper focus, with each step and interaction an opportunity to meet heightened consumer expectations. This is where enhancing the digital experience can play a significant role and help build trust as consumers decide who to shop with.

From being discoverable and making purchasing decisions easy and seamless to boosting loyalty, we will examine preferences and practical pathways to respond to evolving consumer demands.



Behaviours set to continue as cost of living eases

	Increased due to rising cost of living	Will continue once cost of living normalises
 Using promotional codes, cashback offers and rewards	73%	76%
 Spending more time researching before buying	66%	68%
 Only shopping for known and trusted brands	47%	63%
 Putting more into savings	39%	74%
 Spending on higher quality items that last longer	30%	67%



Click here to read about the Retail customer journey



Click here to read about the Hospitality customer journey



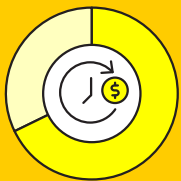
Enhancing the retail customer journey

Uplifting the customer experience by helping consumers discover, engage, checkout and repeat.



66%*

are spending more time researching options before purchasing



68%*

say they will continue doing so once cost of living pressures subside



76%*

of those doing it tough are spending more time researching options before purchasing

* Relates to all retail and hospitality segments

Creating the best first impression

With two in three consumers spending more time researching before purchasing, ensuring that brands, products, and services are easily discoverable and appealing across channels becomes more critical. While browsing products in-store remains the most used method (88%), search engines closely follow (81%) and are more people's first choice to find products and services.

On average, consumers now turn to more than six channels when researching, with most using digital options, including retailers' websites (79%), online reviews (59%), and marketplaces (59%). Alongside in-store browsing, these have all grown in the past year, particularly search engine usage and seeking information from retailers' websites.

The way consumers research also varies with age. For example, Generations Z and Y are more likely to use digital channels, particularly mobile apps and social media, seeking video content and sites offering cashback and rewards. This is where technology can help deliver a positive experience in the earlier stages of consumers' journey.

Saving time and money and bridging the digital and in-person aspects of shopping were common themes.

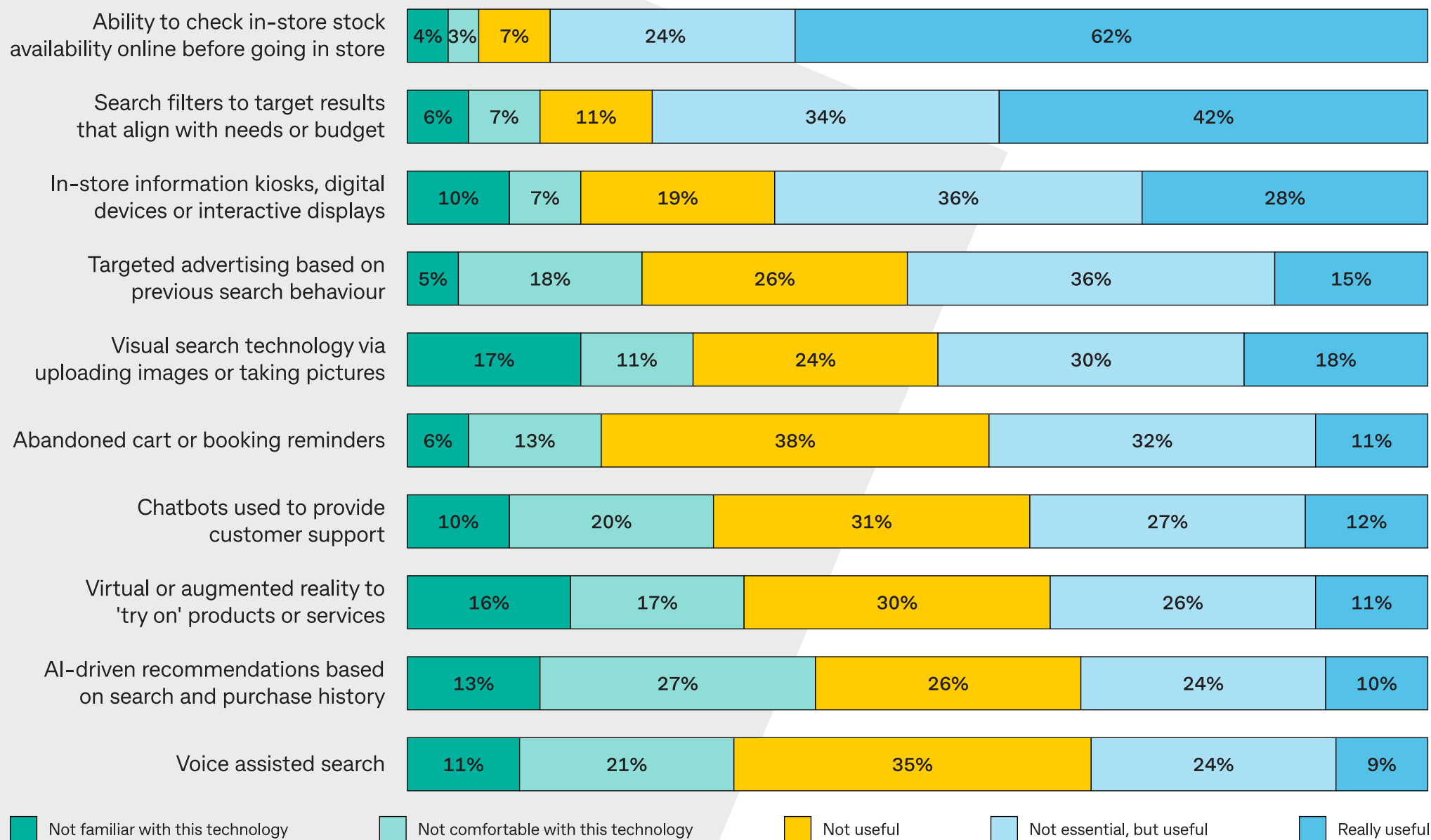
More than eight in 10 consumers value the ability to check product availability online before heading to a store. Most also say that filtering online searches by need or budget and having devices in-store to help locate products and check stock information is useful.

Most also agreed that targeted advertising drawn from online search behaviour is valuable, confirming again that convenience and relevance are important factors when researching.

Aligned with the way they research, younger generations were stronger supporters of a technology-aided process. This is particularly evident in emerging areas, such as using artificial intelligence to personalise recommendations; and areas where many consumers remain uncertain.

[Click here for a category view of which technologies are most valuable when consumers are researching.](#)

The technologies consumers find useful when researching products and brands



What consumers need when purchasing

While most consumers have made lifestyle and spending adjustments to accommodate rising living costs, they are also looking more closely at who they shop with. Having done their research and moving to a purchasing decision, there are imperatives that, in many cases, are non-negotiable.

When making a purchase, consumers rank the importance of enhanced cyber security and user controls that protect their personal data above all other aspects of the experience. Almost two-thirds say this is a must-have when purchasing, ahead of those prioritising knowledgeable and friendly staff (59%) and the in-store experience (49%).

A seamless digital journey is the next most valued part of purchasing. More than one in three say having a range of payment options that support a fast checkout process, flexible delivery options that align with personal preferences, and the overall online experience across devices, are purchasing prerequisites. Following earlier findings, these preferences are higher among the younger generations.

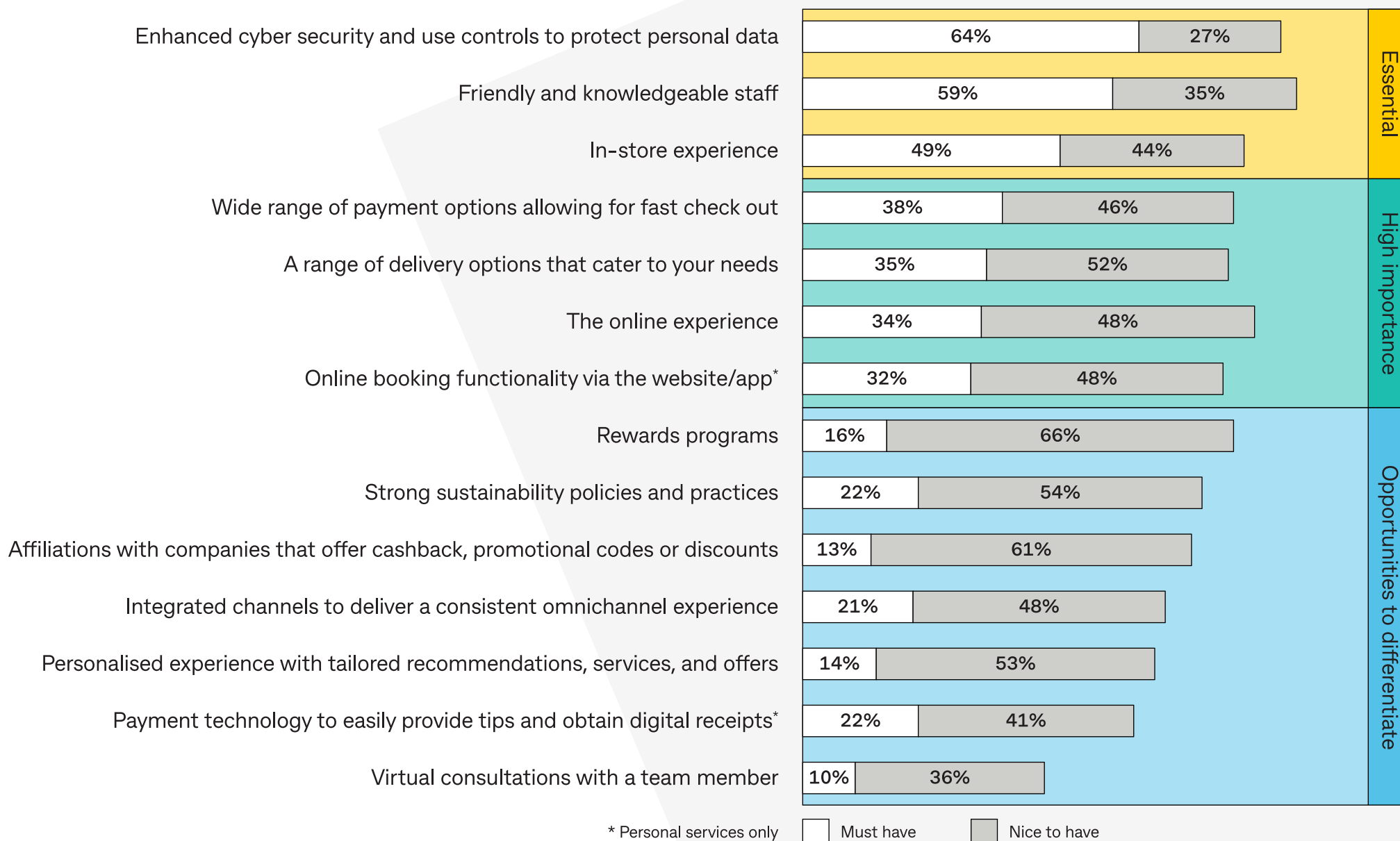
While these features of the experience are considered mandatory by many consumers, most also consider the benefits of other aspects. The majority of consumers say rewards programs, brands with connections to companies offering cashback, discounts and promotions, strong sustainability credentials and personalised recommendations are nice to have.

According to consumers, retailers must ensure the essentials are in place and embedded first. The focus can then shift towards incentives, sustainable practices, and personalised offers to create an opportunity to differentiate from competitors. Given younger consumers also view these factors as more important, more will likely view them as a must-have over time.

[Click here for a category view of what consumers think is most important when purchasing.](#)



Consumers' purchasing imperatives



Consumers want personalisation, but expect data protection

While personalised offers and recommendations can influence purchasing decisions, technologies that improve the process itself and personalise the broader customer experience are in strong demand. Across all categories, 85% of consumers agree that retailers should use technology to this end, which is as high as 92% among people shopping for recreational goods and motor vehicle parts and accessories.

Despite this broad support for technology-driven processes that drive convenience and personalisation, consumers expect businesses to be responsible when using the data it relies on. We have already seen that data protection and control is a must-have when purchasing, and this extends to various aspects of data governance.

The most widely shared view is among the 85% who agree that retailers must be transparent about their data usage and sharing policies. Just over eight in 10 also want the ability to view, update and delete their personal data from a brand's database. In addition, 64% say they refuse to purchase from retailers that insist on collecting unnecessary data, alongside reluctance among 71% who are less inclined to share data due to rising cyber incidents.

Respecting these data preferences is vital in an environment where cost of living constraints are prompting almost half of all consumers to shop only with brands they know and trust.



Boosting legitimacy in consumers' eyes

Two-thirds of consumers say it's hard to establish which websites are trustworthy. Those concerned about a site's authenticity are most likely to seek out customer reviews or use third-party payment options with in-built consumer protections to mitigate risk. With a wide range of payment options already a purchasing driver, having reputable payment partners can help legitimise the online presence. Looking for a valid security certificate is the third most common way consumers seek to check the authenticity of websites.

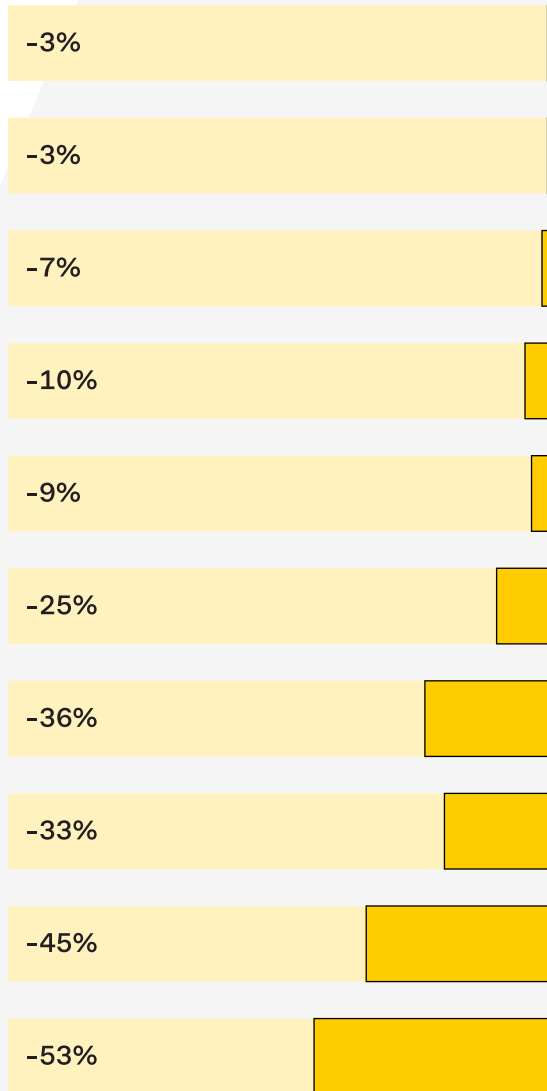


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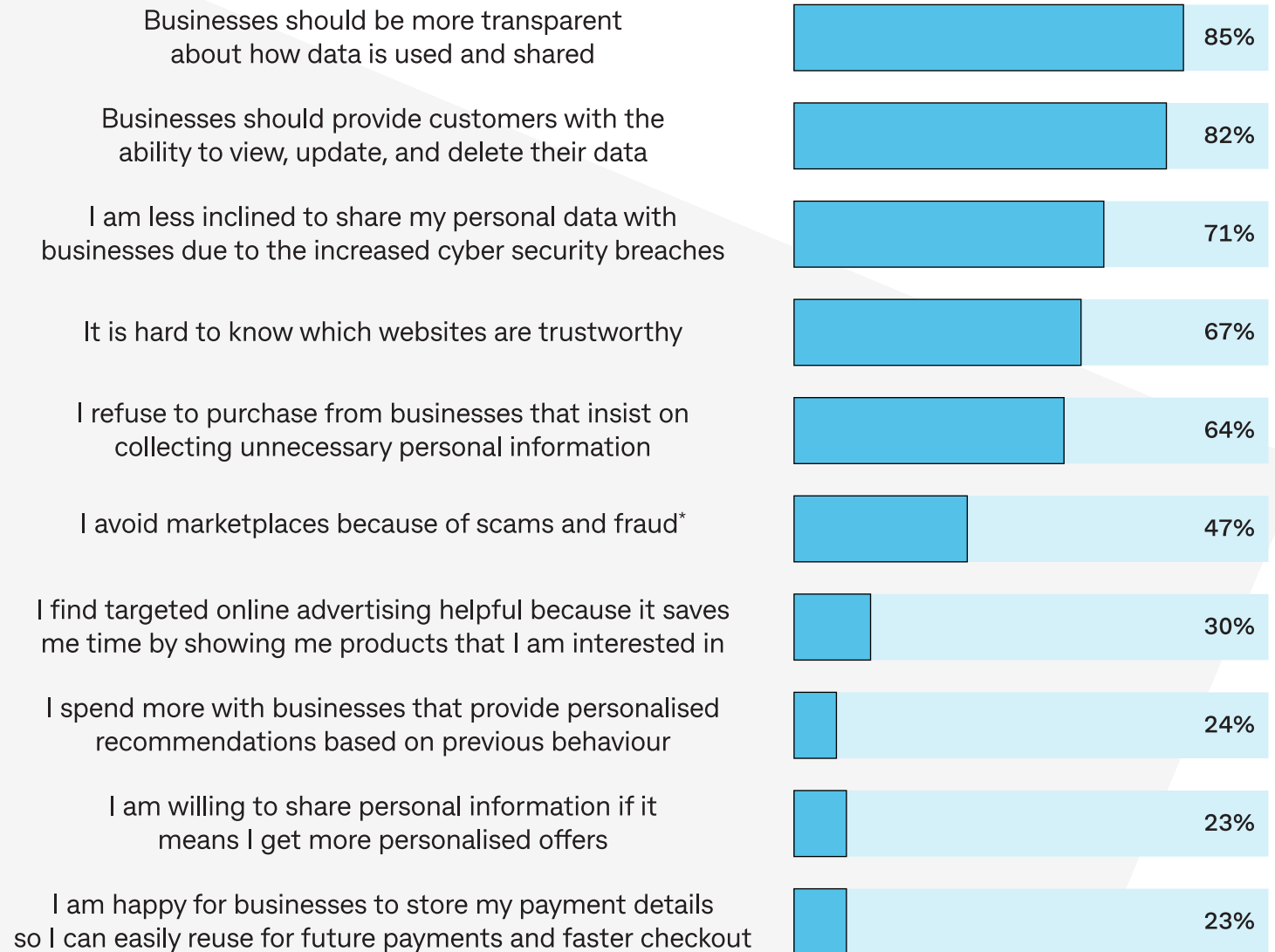
Disagree



Consumer attitudes towards data-driven personalisation



Agree



* Excludes personal services

On the lookout for added incentives

According to consumers, the use of promotions, cashback and rewards is the most widespread behavioural change in response to economic conditions. It also features prominently in the factors consumers think about when purchasing, and most are likely to continue looking for these programs into the future.

However, for businesses seeking to satisfy the increase in deal-seeking behaviours, it's worth remembering that not every incentive appeals equally. The most popular is free shipping which more than a third ranked as their top choice. That's followed by discount coupons and promotional codes, with offering reward points, and loyalty programs coming in third.

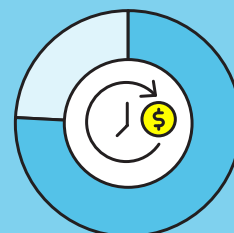
Older Australians tend to be more attracted to rewards and loyalty programs and claiming cashback offers than their younger counterparts. Overall, free gifts, invitations to special events and donations to charity were outranked by other incentives. However, they were more appealing to Generation Z consumers, again highlighting how important it is to understand the demographic that your brand engages with.

[Click here for a category view of what consumers say are the most appealing incentives.](#)



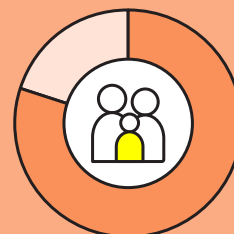
73%*

are using promotions, cashback and rewards programs due to the cost of living



76%*

say they will continue doing so once cost of living pressures subside

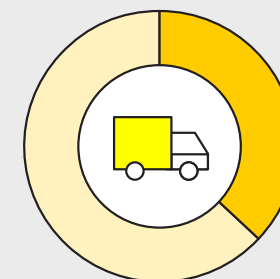
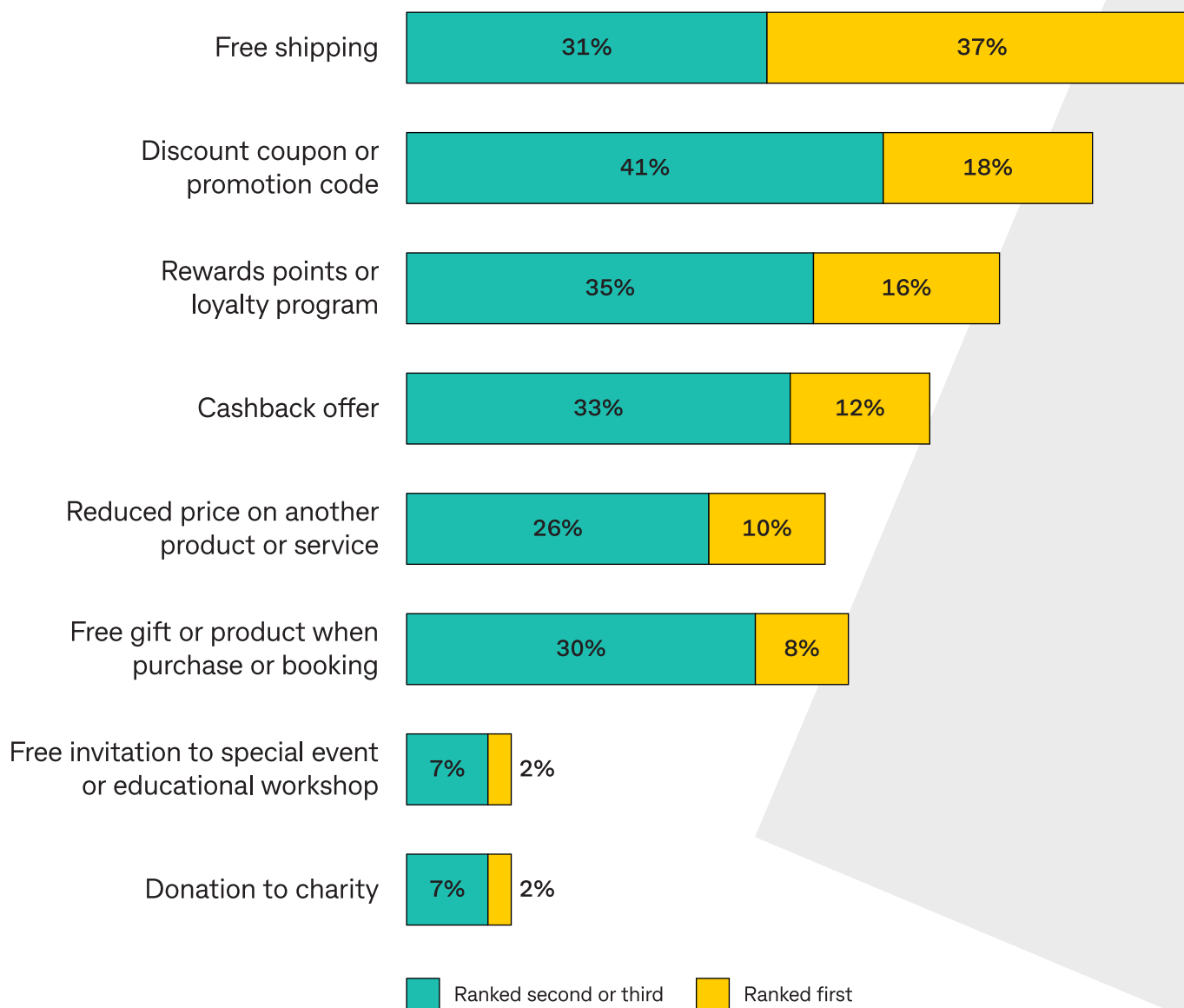


80%*

of those doing it tough are using promotions, cashback and rewards programs due to the cost of living

* Relates to all retail and hospitality segments

The incentives that consumers value



37%

ranked **free shipping** first



41%

ranked **discount coupons or promotion codes** second or third



84%

say a wide range of payment options allowing for fast checkout is essential or important



63%

say payment technology that enables digital receipts is essential or important

Making it easy at the checkout

With consumers often starting their research online and 85% agreeing retailers should use technology to enhance purchasing processes, it follows that a decision to purchase can be influenced at the checkout.

More than a third of consumers say a wide range of payment options allowing for a faster checkout experience is essential when shopping. A further 46% agreed that this optionality is a nice to have. That's even higher for Generation Z, who are the highest adopters of digital payment methods, and 42% of whom have increased their online shopping in response to cost of living pressures.

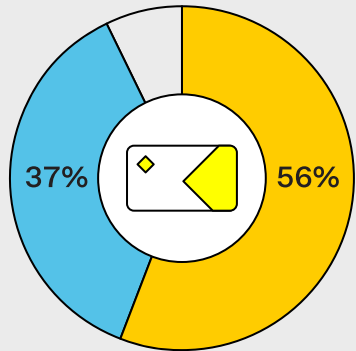
That trend is evident when considering the type and frequency of payment options consumers use. Overall, traditional physical cards remain the most popular, with 56% saying they use them often. However, digital disruption can be seen, with digital cards being the second most popular payment method (27%), followed by rewards and loyalty points (23%).

Younger generations are more comfortable using a range of digital options, outpacing the other generations in using mobile payments wallets such as PayPal and ApplePay and Buy Now Pay Later services.

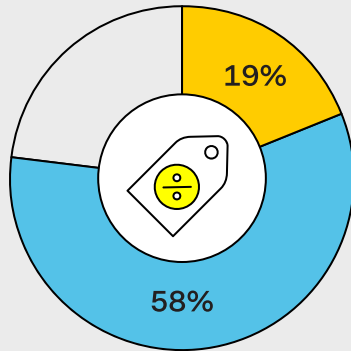
Offering consumers their preferred payment method is now table-stakes in the new eCommerce environment. With the emergence of new payment platforms enabling rapid and simple adoption of multiple digital payment options, the barriers to meeting consumer expectations at the checkout are increasingly lower.

[Click here for a category view of consumers' usage of payment options.](#)

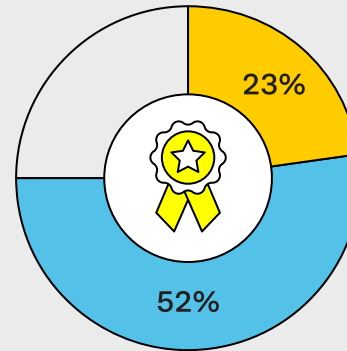
Use of payment options among consumers



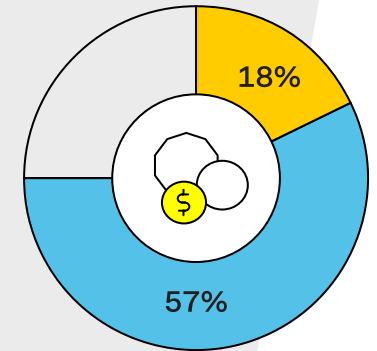
Physical credit/
debit cards



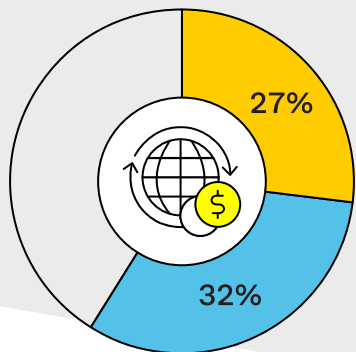
Promotion and
discount codes



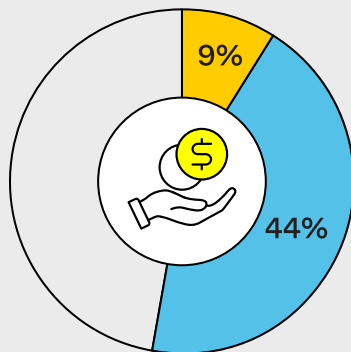
Rewards/
Loyalty Points



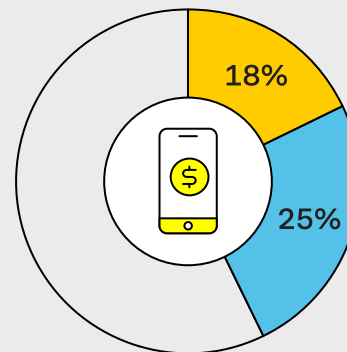
Cash



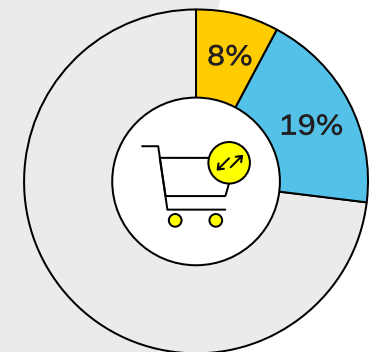
Digital credit/
debit cards



Cashback offers



Mobile payments



Buy Now
Pay Later

■ Sometimes
 ■ Often

Keep customers coming back

Among consumers, 65% advised they had experienced issues that negatively impacted their shopping experience in the past year. That included 49% who reported at least one issue relating to stock availability. The next most common is just over one in four encountering issues related to pricing and payment (28%) and customer service problems (26%).

58% of consumers indicated they may stop shopping with a business if these issues arose.

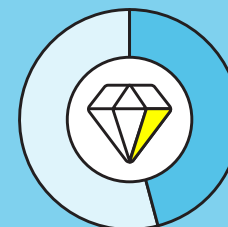
Members of the older generations are particularly inclined to avoid a retailer in the event of a poor experience, a view shared by 66% of Baby Boomers, while Generation Z are the least inclined at 44%.

Some issues also have a larger impact than others when it comes to retaining customers. For example, consumers are more likely to forgive a retailer if their preferred item is out of stock compared to facing challenges when returning a product.

Of all the issues that might make or break a customer's loyalty, a poor website or app experience and inaccurate product information online prompts the most negative response.

This suggests that consumers are not only now more discerning about who they shop with, but many will also only remain loyal if their experience consistently meets expectations. It means businesses that ignore even one aspect of the customer experience risk jeopardising sales now and in the future.

[Click here for a category view of the issues consumers have encountered.](#)



46%*

are only shopping from businesses they know and trust

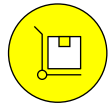


63%*

say they will continue doing so once cost of living pressures subside

* Relates to all retail and hospitality segments

Issues with retailers in the past 12 months



Stock



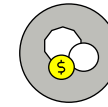
Customer service



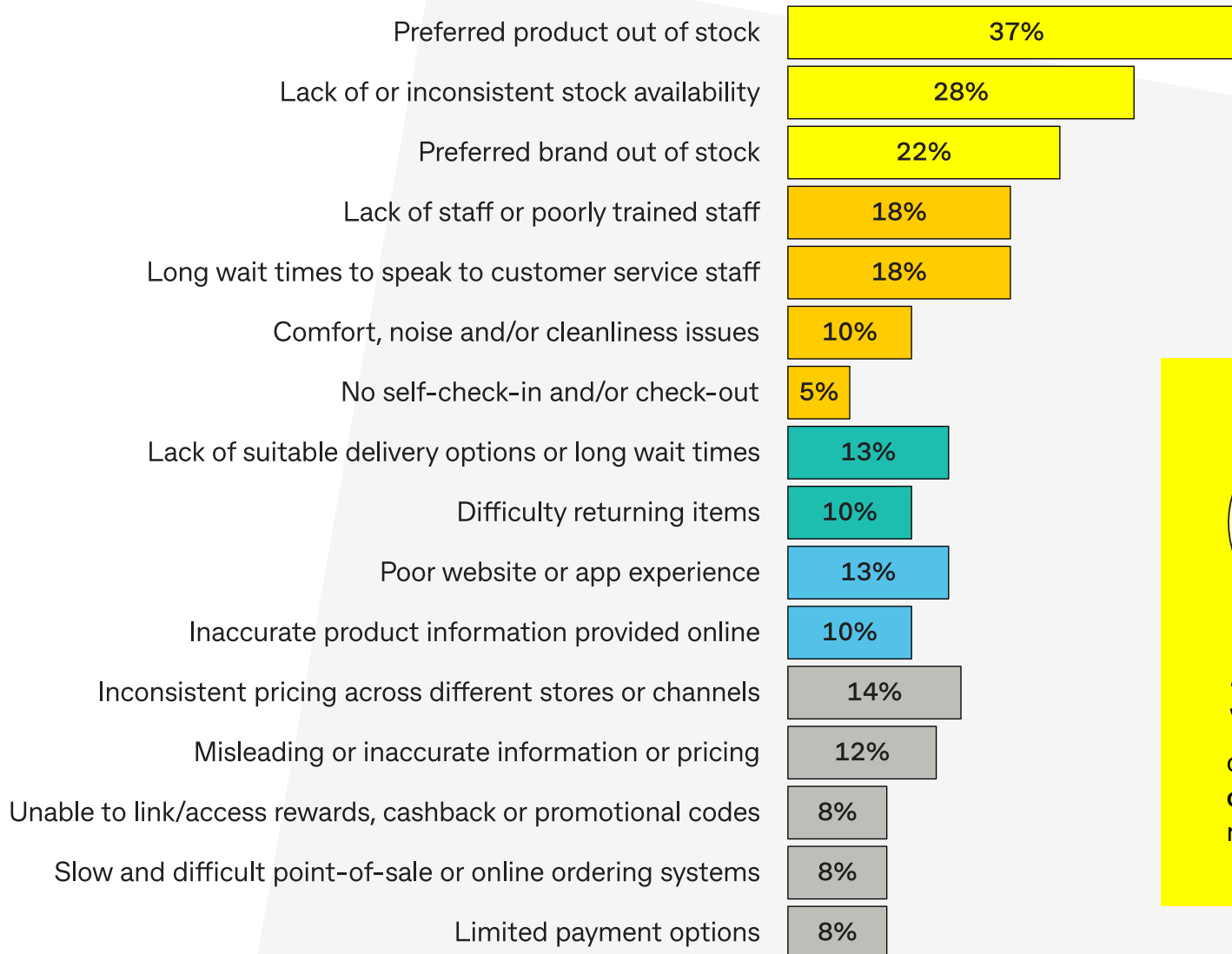
Deliveries








Digital experience



Pricing or payment



Proportion of those who experienced an issue who are highly unlikely to continue using that retailer

		Very likely to stop shopping with brand	Frequency of issues	Impact of issue
 Stock	Preferred product out of stock	8%	High	Low
	Lack of or inconsistent stock availability	9%	High	Low
	Preferred brand out of stock	8%	High	Low
 Customer service	Lack of staff or poorly trained staff	13%	Low	Mid
	Long wait times to speak to customer service staff	12%	Mid	Mid
	Comfort, noise and/or cleanliness issues	13%	Mid	Mid
	No self-check-in and/or check-out	10%	Low	Low
 Deliveries	Lack of suitable delivery options or long wait times	13%	Low	Mid
	Difficulty returning items	17%	Low	High
 Digital experience	Poor website or app experience	16%	Low	High
	Inaccurate product information provided online	17%	Low	High
 Pricing or payment	Inconsistent pricing across different stores or channels	13%	Low	Mid
	Misleading or inaccurate information or pricing	14%	Low	Mid
	Unable to link or access rewards,cashback or promotional codes	10%	Low	Low
	Slow and difficult point-of-saleor online ordering systems	14%	Low	Mid
	Limited payment options	11%	Low	Mid



Case study: QBD Books

As one of Australia's leading bricks and mortar retailers, QBD Books, is on the cusp of opening its 87th retail outlet. Forty head office staff and nine hundred passionate booksellers support its formidable national store network.

Head of Marketing at QBD Books, Margaret Milton, says they are one of the best in the business, providing loyal customers with a great experience, and supporting writers through its world-class book of the month program, among other initiatives.

QBD Books has been busy revitalising its digital presence to support increased online sales. That included rebuilding its online facilities to meet customers' expectations and exemplify great customer service.

In its effort to securely enhance the customer experience, QBD Books has adopted a new payments platform. This provided single-point access to switch on a broad array of payment methods like traditional cards, digital wallets, and Buy Now Pay Later options, and supported by fraud management services.

Removing friction across the customer journey

Once QBD books had turned its attention to streamlining the shopping experience, the checkout came into sharper focus. As Margaret explains, “We’re upgrading our eCommerce presence to make the customer experience as seamless and personalised as possible.”

According to QBD Books’ Webmaster, Scott Moss, this includes “Reducing the number of steps to purchase. We can see the industry is moving to have fewer pages and actions along the purchasing journey.”

“We had about five actions, which we’ve refined to three. We wanted to strike a balance between ease of buying and verifying intended purchases.” Margaret adds that simplifying the checkout process has led to an uplift in completed sales.

Gaining deeper customer insights

Margaret commented that it’s not uncommon for customers to use PayPal for one purchase, a credit card next and Afterpay for another. Through QBD Books’ new payments platform, the team “can go to the dashboard to see that information rather than logging into the three or four different payment providers.”

Gaining a single view of customer spending has also benefited QBD Books as the retailer seeks to better understand preferences and shopping behaviours.

Ben Murray, QBD Books Systems and Network Administrator says, “Having a single reporting source rather than multiple is better from an admin and a customer service point of view, simplifying the process end-to-end.”



Margaret says that “this supports broader efforts to consolidate customer data in pursuit of creating the ‘golden record’ or a single view”.

Always looking ahead, the QBD Books team are already considering how to further expand its customer base, noting that using additional digital payments features is on their roadmap. They are also thinking about how they can use payments technology to bring their online and in-store experience closer together.



qbd.com.au

A photograph of a smiling server in an orange shirt handing a brown paper bag to a customer in a white top in a bakery setting. The server is on the left, and the customer is on the right. They are both smiling and looking at each other. The background shows a bakery counter with various pastries and a bar area with bottles. A large yellow diagonal shape is on the left side of the image.

Enhancing the hospitality customer journey

Uplifting the customer experience by helping consumers discover, book, visit and repeat.

Creating the best first impression

Amid cost of living pressures, many consumers are reallocating funds towards everyday items and savings. That is far more prevalent for the approximately one in four doing it tough. Among all consumers 64% say they have decreased spending on pubs and clubs, 60% on fast food, 59% on restaurants and cafes and 56% on accommodation.

However, while many are having fewer nights out or delaying holiday plans, these are among the most likely behaviours to be abandoned once cost of living pressures ease.

With greater competition for scarcer consumer dollars and an uplift in consumers researching before they book, hospitality operators must ensure they deliver a positive experience from the very first interaction.

While recommendations from friends and family are the most common source of information when researching hospitality providers, most patrons and guests are more likely to begin online. Search engines are the preferred first choice for accommodation, followed by online marketplaces like Airbnb.

Provider websites are the next most popular, particularly for restaurants and, alongside search engines, have grown the most in usage over the past 12 months.

This indicates more consumers are turning to digital channels, making the experience in the consideration phase of a booking more critical.

Often faced with a range of options and researching across an average of more than six channels, prospective patrons and guests value technologies that help make their search easier and more tailored.

This includes 71% who say being able to filter searches based on needs and budgets is helpful, and having virtual kiosks and apps that allow for unassisted interactions is useful for 52%. Half of consumers also value targeted advertising based on previous behaviour.

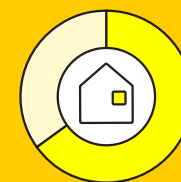
Many are also drawn to other modes of support and digital interactions in the earlier booking stages. Around one in three say prompts when bookings are abandoned, access to chatbots and immersive experiences like virtual reality tours are helpful.

[Click here for a category view of which technologies are most valuable when consumers are researching.](#)



66%*

are spending more time researching options before purchasing



65%*

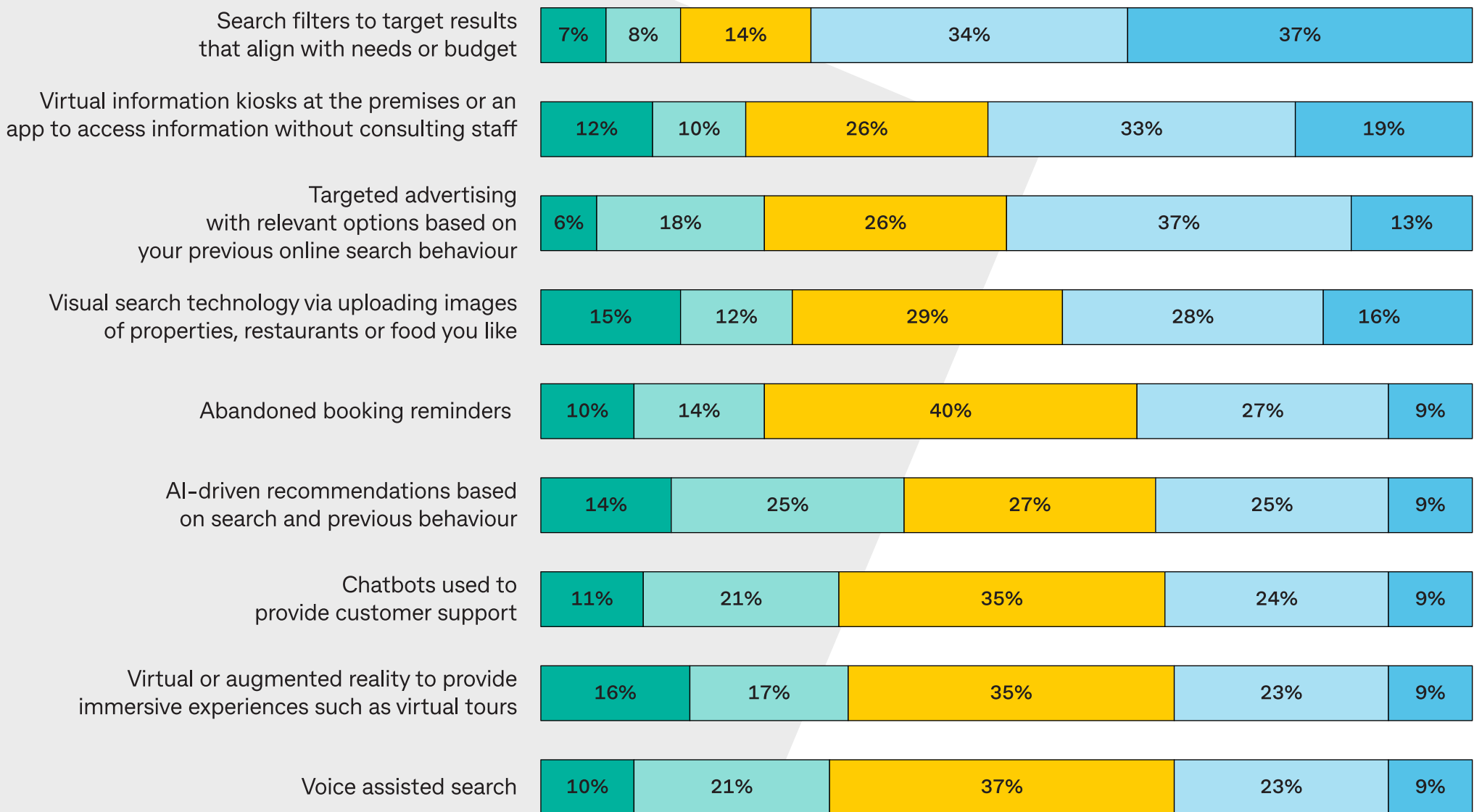
are having fewer nights out, and 62% are spending less on takeaway food and drinks



46%*

are changing, cancelling, or scaling back holiday plans

The technologies patrons find useful when researching venues



■ Not familiar with this technology
 ■ Not comfortable with this technology
 ■ Not useful
 ■ Not essential, but useful
 ■ Really useful



What patrons and guests need when purchasing

As more value-driven customers move from considering to completing a booking or order, there are aspects of the experience, offer and provider that are vital to converting a purchase. Above all, having well-informed and welcoming staff and a great in-venue experience or facilities are non-negotiable for most.

Prioritising strong cyber security and user control of data is also important for 91% of Australians, 56% of whom say it is a must-have when visiting or booking a hospitality provider. With consumers watching what they spend, most value budget menu items. Offering a wide range of payment options and the technology that can help patrons split bills, tip staff, and obtain digital receipts also feature among areas of the highest importance.

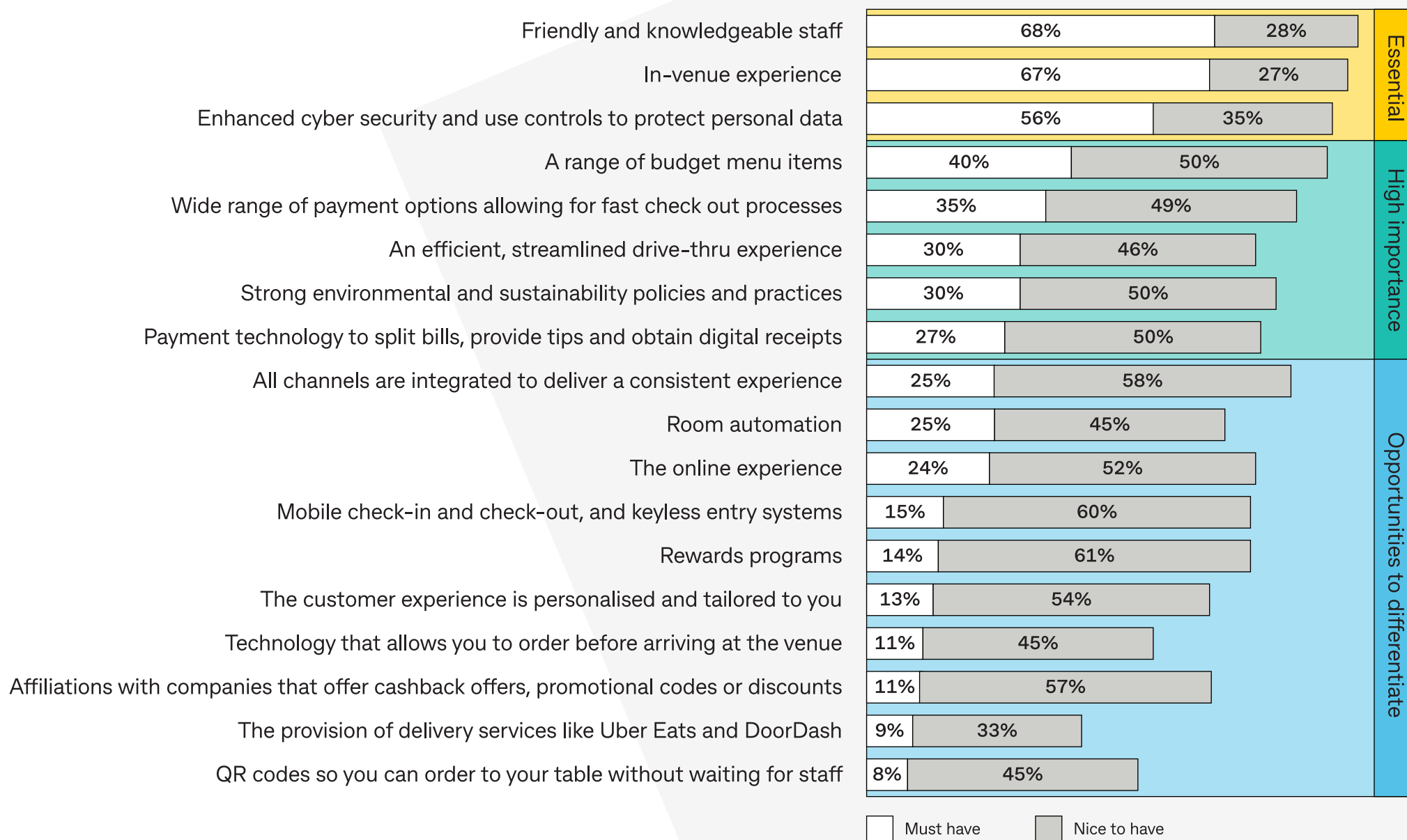
Beyond good service, venues and range, many of what consumers deem essential or nice to have relates to digital factors. Younger Australians also tend to over-index in the value they place on their digital experience.

For those booking accommodation, this includes the 70% who say room automation is essential or nice to have, and 75% say the same about mobile check-ins and keyless entry. Many of those visiting venues believe that being able to order before arriving, using QR codes to order at the table, and access via delivery services is nice to have. This shows customers seek flexibility in how they interact with websites, apps and venues, which can influence purchasing outcomes.

Meeting demand for these and other appealing factors provides an opportunity for hospitality businesses to stand apart from competitors. Given younger consumers also view them as more important, more will likely view them as a must-have over time.

[Click here for a category view of what consumers think is most important when purchasing.](#)

Patrons' and guests' purchasing imperatives



Consumers want personalisation, but expect data protection

Most consumers place importance on their digital experience, particularly to ensure finding, ordering, and booking providers is more convenient and relevant. Eight in 10 also agree hospitality operators should use technology to generally improve processes and personalise the experience. This is as high as 84% among those seeking accommodation.

Younger generations are the most likely to share this view, and for Generation Z, 94% believe pubs and clubs should adopt technology that enhances and tailors the digital experience. Even so, the vast majority of older generations feel the same, albeit to a lesser extent.

While there is strong support for technology-driven process improvements that drive convenience and personalisation, patrons and guests are clear about their preferences when it comes to the data that often powers it. In fact, many people are unwilling to share data in return for personalised offers alone, suggesting other factors drive data confidence.

The most widely shared view is among the 81% who agree that hospitality providers must be transparent about their data usage and sharing policies. Almost eight in 10 also want the ability to view, update and delete personal data. In addition to expecting data to be used responsibly, 72% are less inclined to share data due to rising cyber incidents.

Respecting data preferences is vital to delivering the personalised experiences most patrons expect while meeting heightened expectations amid cost of living pressures. This could include capturing consumers' favourite meals or dietary requirements during the booking process to add value to their experience.

With one in two Australians now are only engaging with businesses they know and trust, respecting data and using it to add value becomes even more important.



Boosting legitimacy in consumers' eyes

Almost two-thirds of consumers say it's hard to establish which websites are trustworthy. Those concerned about a site's authenticity are most likely to seek customer reviews (38%) or use third-party payment options with in-built consumer protections (35%). With a wide range of payment options already a purchasing driver, having reputable payment partners can help legitimise the online presence.



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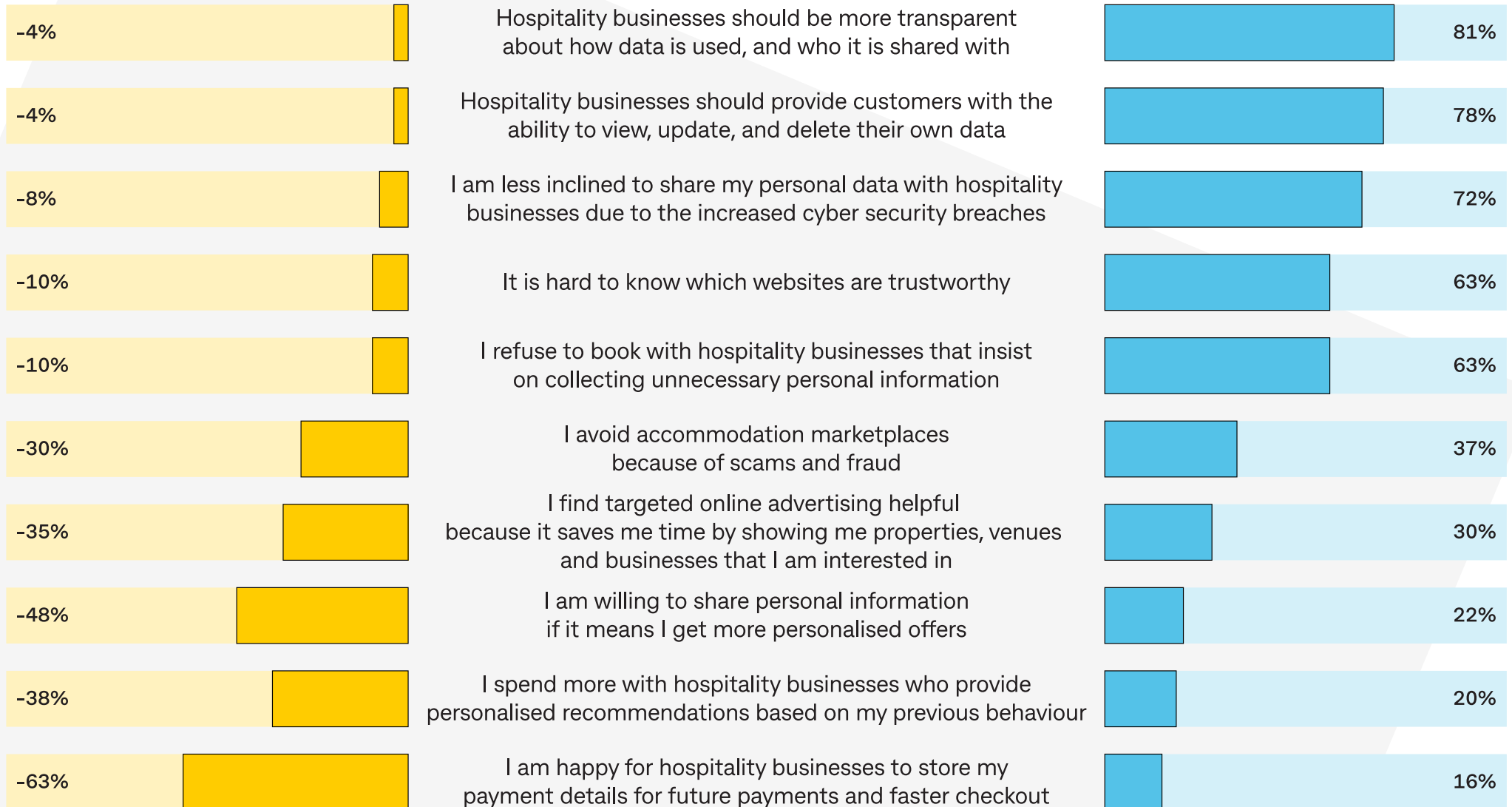


Disagree

Patrons and guests attitudes towards data-driven personalisation



Agree



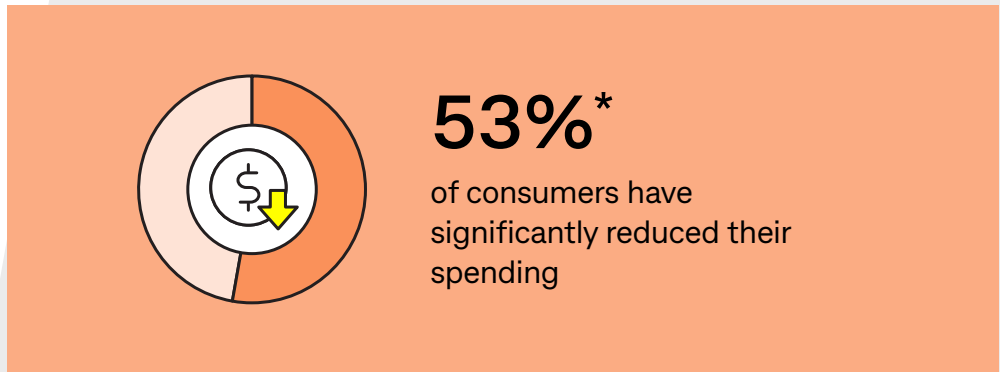
On the lookout for added incentives

According to consumers, the use of promotions, cashback and rewards is the most widespread behavioural change in response to economic conditions. Around two-thirds also say that access to rewards programs or affiliations with companies that provide incentives are important factors when making purchases.

However, for hospitality operators seeking to satisfy the increase in deal-seeking behaviours, it's worth remembering that not every incentive appeals equally.

While not applicable to all businesses across the hospitality sector, the most popular is free access to amenities, including parking or airport shuttles and business facilities for accommodation providers. That is followed by complimentary food and beverage items when booking, most appealing for younger generations, and having affordable set menu options, far more attractive to the oldest generations.

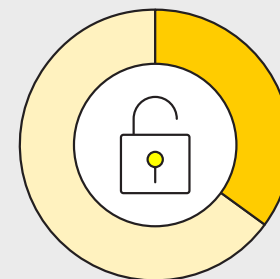
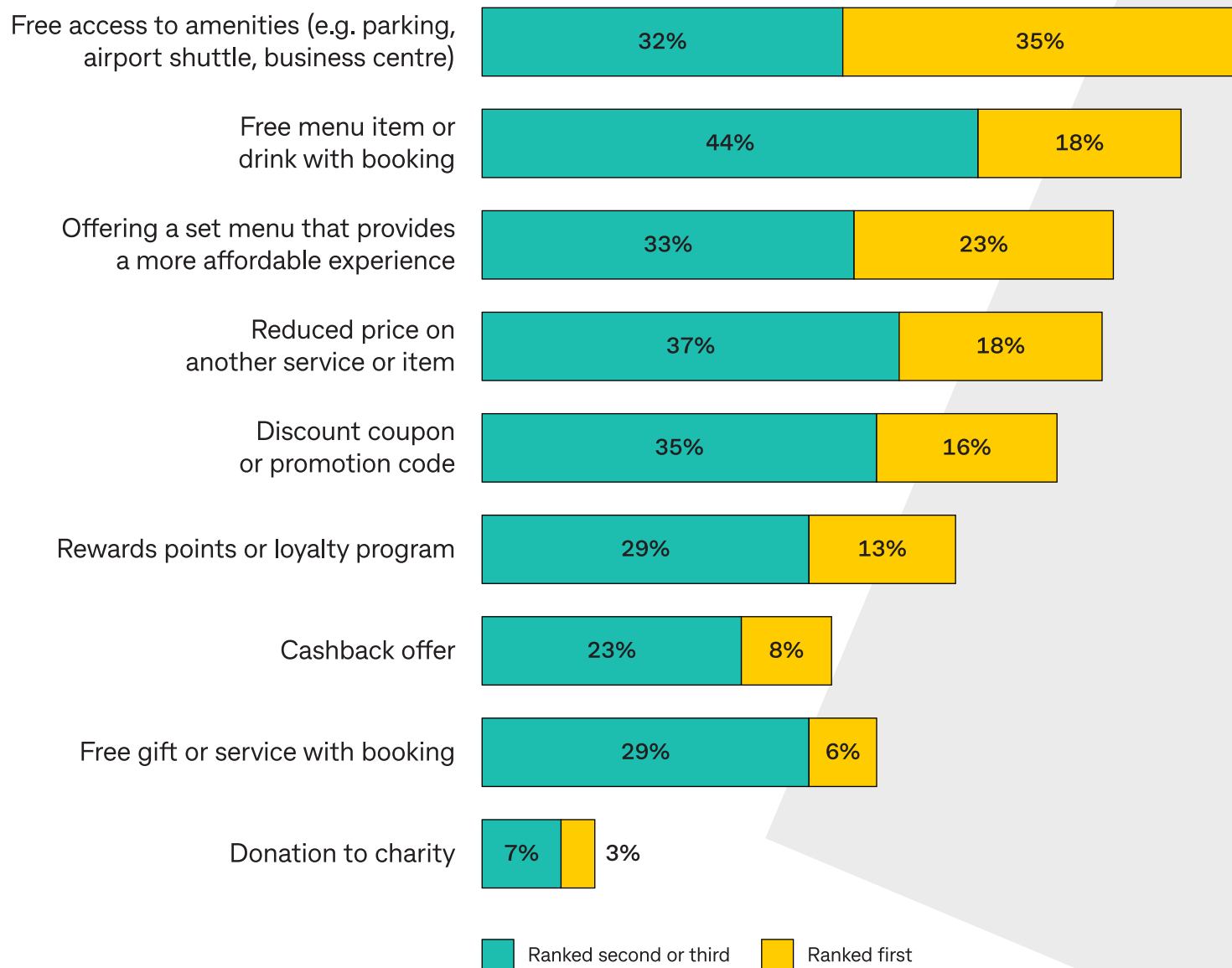
For pubs, clubs and restaurants, patrons favour getting a reduced price on another item when they purchase. Discount coupons appeal more to those frequenting fast food restaurants, while cashback offers are the favourite incentive for accommodation providers.



* Relates to all retail and hospitality segments

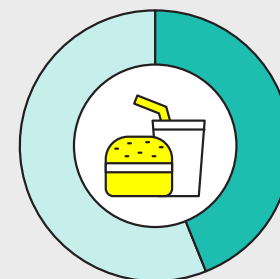
[Click here for a deeper category view of what hospitality consumers say are the most appealing incentives.](#)

The incentives that patrons and guests value



35%

ranked **free access to amenities** (e.g. parking, airport shuttle, business centre) first



44%

ranked **free menu item or drink with booking** second or third

Catering to preferences at the checkout

With consumers often starting their research online and 80% agreeing hospitality providers should use technology to enhance purchasing processes, it follows that booking and purchasing decisions can be influenced at the digital point of sale.

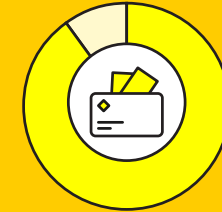
Over one in three Australians say a wide range of payment options allowing for a faster checkout is essential when purchasing. A further 49% agreed that it is nice to have.

While overall physical cards are the most commonly used payment option, younger consumers are far more inclined to use digital alternatives, rewards and cashback offers.

Usage of digital payments is also a trend across all customers, patrons, and guests. Only around one in five regularly use cash for restaurants, pubs and clubs and fast food purchases, and less for accommodation seekers.

Among hospitality patrons, more use digital cards than cash, and many use mobile apps.

With many Australians scrutinising their spending on hospitality, meeting demand for digital and non-monetary payment options is one way to help secure a sale.



84%

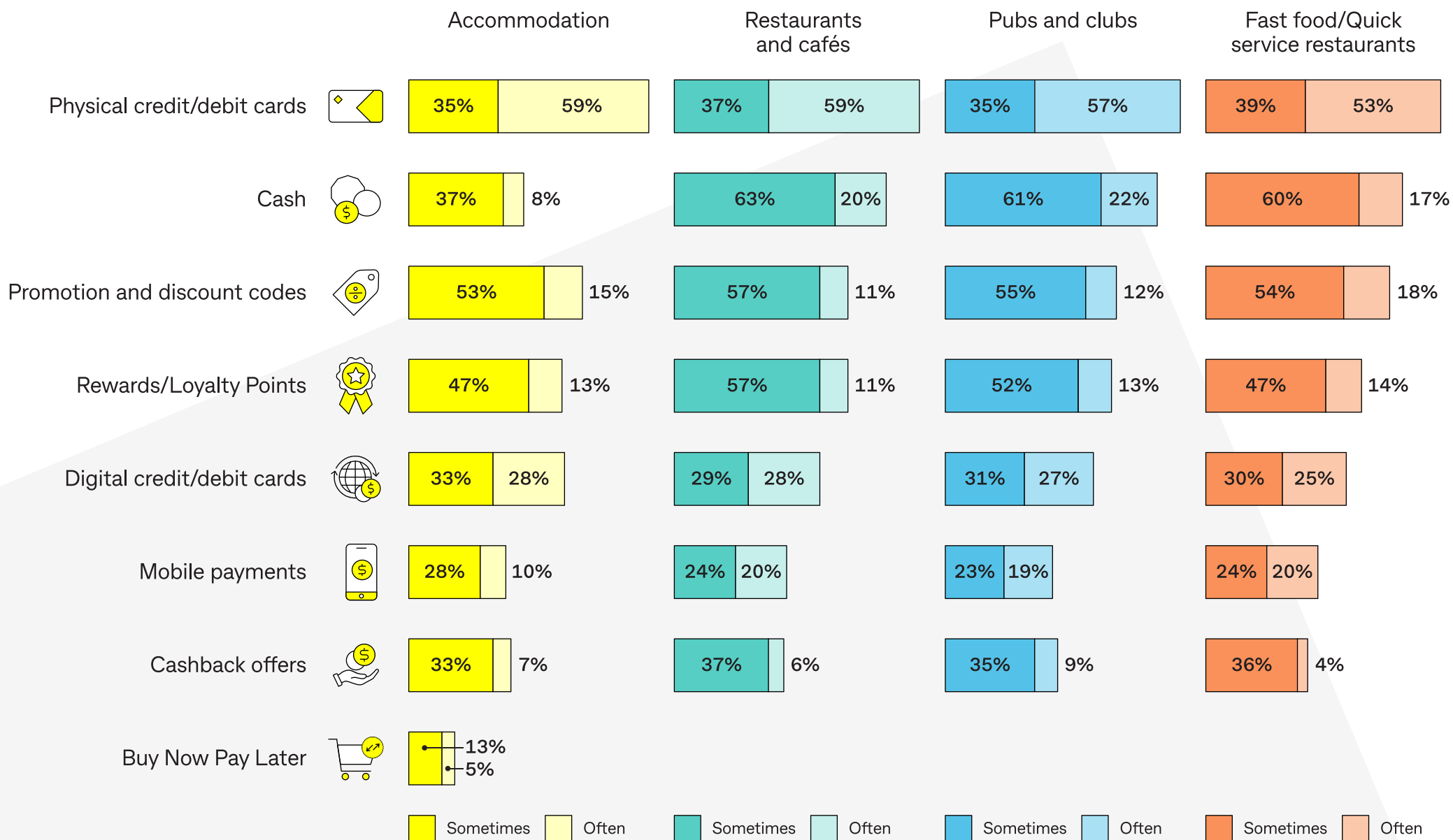
say a wide range of payment options allowing for fast checkout is essential or nice to have



77%

say payment technology that enables bill splitting, tipping, and digital receipts is essential or nice to have

Use of payment options among consumers



Case study: Sydney Zoo

How Sydney Zoo is delivering choice at the checkout

Even though the Sydney Zoo launched in Eastern Creek in Sydney's West just over three years ago, it's become one of the city's most popular attractions. Home to more than 4,000 animals and welcoming over one million guests each year, visitor numbers have grown significantly.

From the outset, Sydney Zoo has focused on leveraging technology and data to deliver a world-class visitor experience. Sydney Zoo Senior IT Manager, Ronan Alonzo says "this spans every aspect of the Zoo's operations and guest interactions, from growing engagement and service innovation to reducing costs and speed to market".

The impact of the economic climate coupled with guests' desire for variety have heightened expectations of the guest experience. Alonzo says "this has led to higher demand for booking, visiting and payment options that cater to a broader range of preferences and that simplicity is paramount".



Offering a choice of payment methods is a vital part of meeting guests' changing needs, according to Alonzo. "Earning the trust that attracts a visitor to Sydney Zoo over other destinations can be a challenge in itself. We must respect that decision by offering the payment flexibility and security they need when purchasing with us."

To "feed the hunger for variety and choice", Sydney Zoo adopted a platform that switches payment options on or off while helping the team adapt to ever-changing preferences.

Simplicity, security and flexibility

The Sydney Zoo team sought to enhance its existing payment technology and offer options for visitors. "Our goal is to use technology to enable Sydney Zoo to go to market quickly with more options for our guests, and take advantage of new innovations as they become available."

Sydney Zoo's IT team also see the security of online payments as crucial to a positive customer experience. "Any fraud activity can impact heavily on the guest experience, and we want to offer the highest payment security standards," Alonzo says.

From here, the Sydney Zoo team see offering Buy Now Pay Later options as a priority. Alonzo explains that with the right technology, introducing new payment options no longer leads to increased costs, slower launch times or dealing with multiple vendors.

"We would be keen to explore the future possibility of adding programs like earning and redeeming loyalty points that can be then used to purchase Sydney Zoo tickets," Alonzo added.



sydneyzoo.com

Keep customers coming back

When asked whether they had experienced issues with hospitality providers that negatively impacted their experience in the past year, 65% of consumers said they had. Poor customer service and issues with food quality or the premises are the most commonly encountered.

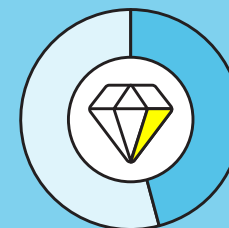
The issues consumers report also vary depending on which type of hospitality operator they visit. For example, almost a quarter of pub and club patrons say they have experienced issues splitting bills, paying tips and getting digital receipts. Meanwhile, people booking accommodation are more likely to experience inaccurate online information or insufficient technology.

Some issues also have a larger impact than others when it comes to retaining customers. For example, while consumers might forgive a provider if they have difficulty getting a reservation, they are less likely to if issues arise with food quality or experiencing slow and poorly functioning booking and payments platforms.

While some of these experience-detracting aspects of the customer journey are less apparent than others, each can significantly affect loyalty. In fact, just over one in four indicated they would likely stop booking, visiting, or ordering if these issues arose. That climbs to 37% among people buying from fast food and quick service restaurants.

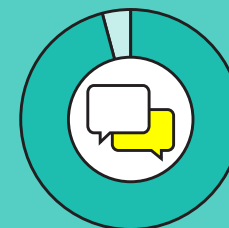
This suggests that Australians are not only now more discerning about which providers they engage with, but many will also only remain loyal if their experience consistently meets expectations. It means businesses that ignore even one aspect of the customer experience risk losing customers and recommendations, which 86% of people say is how they find hospitality providers in the first place.

[Click here for a hospitality category view of the issues consumers have encountered.](#)



46%*

are only shopping from businesses they know and trust



96%*

say informed and friendly customer service staff are essential or nice to have

* Relates to all retail and hospitality segments

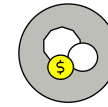
Issues with hospitality operators in the past 12 months



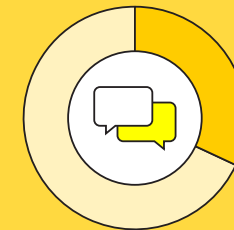
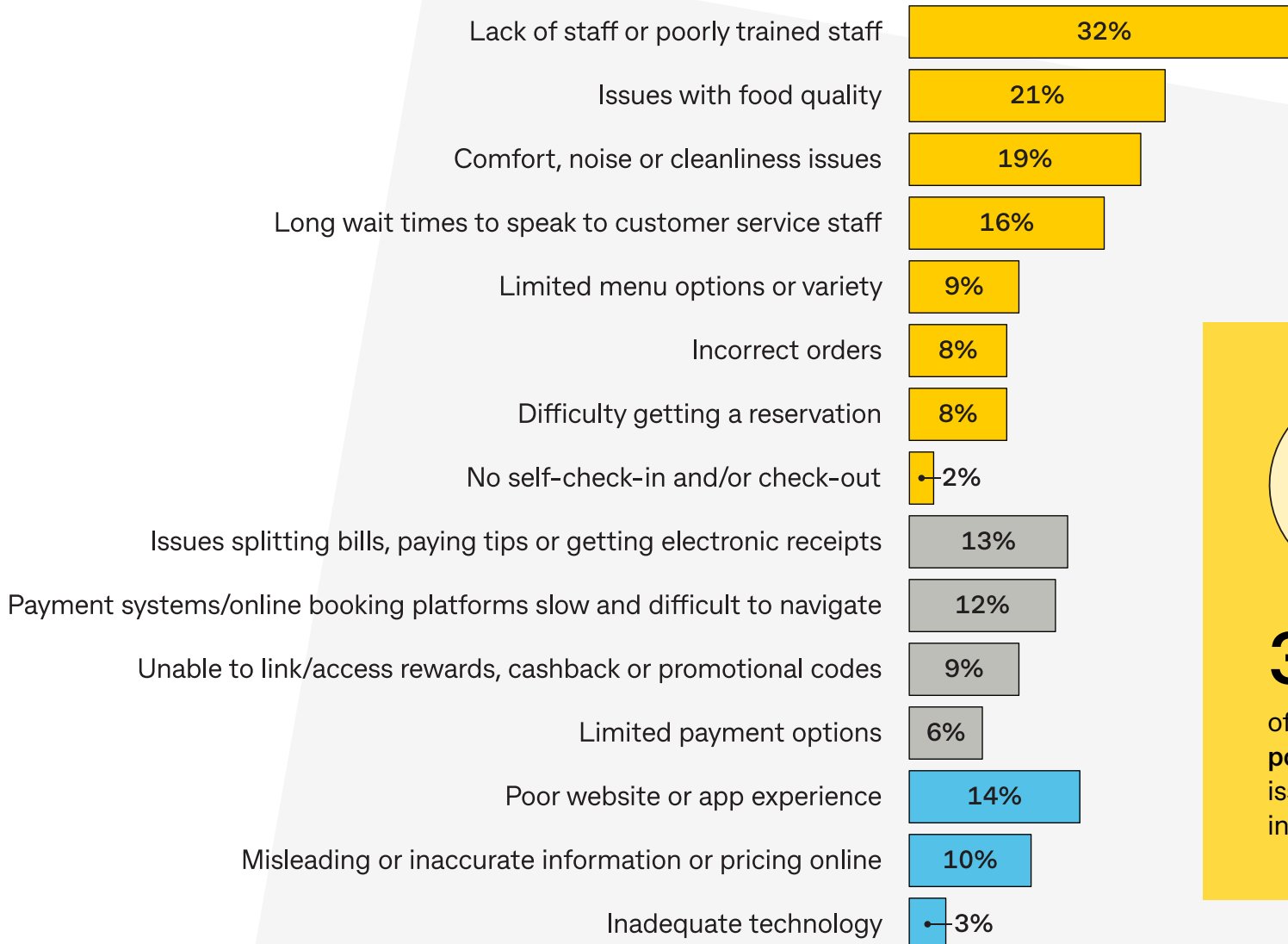
Customer service and support



Digital experience






Pricing or payment



32%

of people said **lack of staff or poorly trained staff** was an issue with hospitality operators in the past 12 months

Proportion of those who experienced this issue who are highly unlikely to continue using that hospitality operator

		Very likely to stop shopping with brand	Frequency of issues	Impact of issue
 Customer service	Lack of staff or poorly trained staff	19%	High	Mid
	Issues with food quality	20%	High	High
	Comfort, noise or cleanliness issues	22%	Mid	High
	Long wait times to speak to customer service staff	18%	Mid	Mid
	Limited menu options or variety	15%	Low	Mid
	Incorrect orders	15%	Low	Mid
	Difficulty getting a reservation	10%	Low	Low
	No self-check-in and/or check-out	14%	Low	Low
 Pricing or payment	Issues splitting bills, paying tips or getting electronic receipts	18%	Mid	Mid
	Payment systems/online booking platforms slow and difficult to navigate	15%	Mid	Mid
	Unable to link/access rewards, cashback or promotional codes	15%	Low	Mid
	Limited payment options	19%	Low	Mid
 Digital experience	Poor website or app experience	15%	Mid	Mid
	Misleading or inaccurate information or pricing provided online	23%	Low	High
	Inadequate technology	20%	Low	High



Case study: Bounce Inc

Since opening just over 11 years ago, appropriately named Bounce has been in expansion mode. Its 20 indoor venues across Australia and 15 overseas host a range of trampoline and action-adventure experiences.

Across its Australian venues, Bounce welcomed more than 2.5 million guests last year with plans to double its footprint and enter new markets in the coming years. To achieve it, Bounce is focused on delivering a customer experience that maximises the time visitors spend on its core proposition – inspiring movement, self-expression, and human connection.

Simon McNamara, co-founder and CEO of Bounce, says that, first and foremost, a high standard of customer service is vital to attract and retain customers. He's given the 1,200-strong Bounce team a mission to bring the love by engaging customers face-to-face, inspire progression by improving people's skills and grow the tribe to create a loyal following.

McNamara explains that while Bounce offers a physical experience, it strives to make the end-to-end customer journey as frictionless as possible. He sees technology as an enabler, streamlining visitors' interactions and enhancing customer interactions so guests can enjoy the facilities.

Getting people active, quickly and safely

When visitors arrive at a Bounce venue, the objective is to get them active as soon as possible. McNamara says that this begins with online bookings, where the process is designed to reduce the steps a customer must take.

"We have as few fields as possible during the booking flow and have a loyalty system so customers can create an account and log in to book

quickly,” McNamara says. “That means when people turn up, they’re handed a wristband and socks and go straight to the activities in a seamless way.”

When it comes to payment, the Bounce team is careful to cater for options at the checkout without offering so much choice it hinders the process. That’s led to Bounce introducing digital wallets alongside credit cards and is considering new payment methods that are both easy to use and in demand among customers.

During the booking and purchasing process, Bounce takes a deliberate approach to collecting only the customer data it needs to support a fast check-in. McNamara points out that only names, email addresses and contact numbers are required, whereas more sensitive personal data such as credit cards and even dates of birth are not held by Bounce.

According to McNamara, the business can harness other valuable data sources. He says customers are emailed a post-experience survey after visiting a venue.

“We are getting huge amounts of data back from our customers about what they like or could be done better. That’s a great feedback loop for improving our customer experience, and we rely on digital channels to do that,” McNamara says.

Augmenting staff and customer experiences

Given that customer service is all-important for Bounce, the team is also finding new ways technology can help. McNamara says they are deploying new contact centre software that will use AI to simplify interactions between staff and customers.

“When someone calls a venue, the software can identify specific keywords as the customer is talking and bring up accurate

information on the screen in real-time for contact centre staff,” says McNamara.

“This feature eliminates the need for manual look-up and presents information as you need it so customer enquiries can be addressed faster and by staff that may not already have that knowledge and experience.”

McNamara goes on to say that integrating technology with human interactions also extends to some aspects of guests’ physical experience. This includes being in the early stages of using an augmented reality based system.

“At our venues, we are physical-first but use technology more subtly. Our React feature creates an avatar projected onto a screen and mimics a person’s movements so they can see themselves jumping from mountain to mountain, for example.

McNamara sees the business, and its growth, as an expanding platform to positively impact the health, wellbeing, and enjoyment of its many customers. While that might mean getting kids to put down their digital devices, the way Bounce uses technology means it also supports them in the background to become more active.



Simon McNamara,
Co-Founder and Global CEO at BOUNCE Inc.

bounceinc.com.au

In summary: delivering superior customer experiences

The changes in consumer spending, saving, and shopping behaviours in response to rising costs of living have implications across the economy. It's encouraging people to be more discerning about how and where they spend and elevating expectations of their retail and hospitality experiences. This also has a bearing on each stage of the customer journey, from researching and choosing a business to reaching the point of sale and longer-term loyalty. This is where enhancing the digital experience can play a significant role, offering businesses an opportunity to better attract and retain a new breed of customer.





Consumer viewpoint

	Active evaluation	Purchasing imperatives	Purchasing triggers	Point of sale	Ongoing loyalty and advocacy
	<p>66%</p> <p>of consumers are spending more time researching before buying</p>	<p>62%</p> <p>say responsible and secure use of personal data is non-negotiable</p>	<p>73%</p> <p>are using promotions, cashback and rewards programs due to the cost of living</p>	<p>84%</p> <p>say a wide range of payment options allowing for fast checkout is essential or important</p>	<p>63%</p> <p>will avoid a retail or hospitality business if they have a poor experience</p>
	<p>Make offerings easily discoverable and help consumers refine their search based on needs</p>	<p>Be transparent with data usage and give customers control and confidence</p>	<p>Cater to the most popular incentives: free shipping for retailers and free access to amenities for hospitality providers</p>	<p>Meet varied preferences by offering digital card and mobile payments and promotional and discount codes</p>	<p>Ensure staff are trained and that a seamless, consistent website and app experience carries over in-store or in-venue</p>
	<p>Use in-store or in-venue kiosks and devices to cater for many who conduct their research in-person</p>	<p>Reduce concerns about scams and fraud by using reputable payments providers that offer protections</p>	<p>Offer younger consumers complimentary items and older ones rewards and cashback offers</p>	<p>Offer younger consumers more digital payment options, given their higher usage</p>	<p>Use digital options to improve customer support responsiveness and convenience</p>



Business-led action



Opportunity

Category viewpoints

These data points show consumers preferences across products and service categories to help match insights to your segment.



Retail categories dashboard

The technologies consumers find useful when researching

	Ability to check in-store stock availability online before going in store	Search filters to target results that align with needs or budget	In-store information kiosks, digital devices or interactive displays	Visual search technology via uploading images or taking pictures	Targeted advertising based on previous search behaviour
TOTAL	62%	43%	28%	19%	15%
Groceries and liquor	58%	36%	24%	14%	15%
Clothing and footwear	61%	42%	27%	18%	15%
Homewares and household appliances	65%	44%	31%	21%	13%
Consumer electronics	63%	45%	26%	17%	13%
Recreational goods	65%	44%	29%	25%	19%
Motor vehicle parts and accessories	61%	46%	29%	22%	14%
Health and beauty products	58%	42%	26%	16%	16%
Hardware, DIY, building and garden supplies	62%	42%	30%	21%	14%
Personal services	N/A	37%	N/A	13%	15%

Retail categories dashboard

The technologies consumers find useful when researching (cont.)

	Chatbots used to provide customer support	Virtual or augmented reality to 'try on' products or services	Abandoned cart or booking reminders	AI-driven recommendations based on search and purchase history	Voice assisted search	None
TOTAL	13%	11%	10%	10%	8%	24%
Groceries and liquor	10%	8%	8%	8%	7%	30%
Clothing and footwear	11%	8%	11%	10%	7%	25%
Homewares and household appliances	12%	11%	12%	9%	8%	22%
Consumer electronics	13%	10%	9%	8%	9%	23%
Recreational goods	16%	14%	12%	15%	11%	19%
Motor vehicle parts and accessories	13%	12%	10%	11%	9%	24%
Health and beauty products	14%	12%	10%	9%	7%	25%
Hardware, DIY, building and garden supplies	11%	12%	12%	8%	9%	26%
Personal services	12%	11%	13%	10%	8%	30%

Retail categories dashboard

Consumers' purchasing imperatives

	Essential			High importance			
	Enhanced cyber security and use controls to protect personal data	Friendly and knowledgeable staff	In-store experience	Wide range of payment options allowing for fast checkout	A range of delivery options that cater to your needs	The online experience	Online booking functionality via the website/app*
Groceries and liquor	92%	95%	92%	82%	78%	80%	N/A
Clothing and footwear	91%	94%	92%	85%	85%	83%	N/A
Homewares and household appliances	95%	95%	95%	86%	90%	84%	N/A
Consumer electronics	95%	95%	94%	86%	92%	87%	N/A
Recreational goods	91%	92%	91%	84%	90%	86%	N/A
Motor vehicle parts and accessories	90%	94%	92%	85%	88%	84%	N/A
Health and beauty products	91%	92%	92%	83%	83%	81%	N/A
Hardware, DIY, building and garden supplies	92%	97%	93%	82%	86%	81%	N/A
Personal services	88%	96%	93%	81%	N/A	75%	80%



* Personal services only

Retail categories dashboard

Consumers' purchasing imperatives (cont.)

	Opportunities to differentiate					
	Rewards programs	Strong sustainability policies and practices	Affiliations with companies that offer cashback, promotional codes or discounts	Integrated channels to deliver a consistent omnichannel experience	Personalised experience with tailored recommendations, services, and offers	Payment technology to easily provide tips and obtain digital receipts*
Groceries and liquor	86%	77%	76%	68%	60%	N/A
Clothing and footwear	85%	73%	77%	68%	69%	N/A
Homewares and household appliances	84%	77%	75%	67%	64%	N/A
Consumer electronics	84%	78%	78%	73%	67%	N/A
Recreational goods	84%	78%	75%	73%	72%	N/A
Motor vehicle parts and accessories	77%	77%	76%	72%	70%	N/A
Health and beauty products	78%	79%	73%	66%	65%	N/A
Hardware, DIY, building and garden supplies	82%	78%	74%	63%	65%	N/A
Personal services	77%	72%	65%	N/A	69%	63%



* Personal services only

Retail categories dashboard

The incentives that consumers value

	Free shipping	Discount coupon or promotion code	Rewards points or loyalty program	Cashback offer	Free gift or product when purchase or booking	Reduced price on another product or service	Free invitation to special event or educational workshop	Donation to charity
Groceries and liquor	47%	55%	72%	41%	43%	36%	N/A	7%
Clothing and footwear	70%	59%	50%	42%	35%	36%	N/A	7%
Homewares and household appliances	76%	57%	48%	47%	28%	36%	N/A	9%
Consumer electronics	79%	57%	46%	45%	27%	36%	N/A	10%
Recreational goods	75%	61%	44%	43%	35%	33%	N/A	8%
Motor vehicle parts and accessories	70%	60%	43%	47%	37%	34%	N/A	9%
Health and beauty products	66%	62%	45%	35%	34%	49%	N/A	8%
Hardware, DIY, building and garden supplies	59%	58%	54%	46%	40%	35%	N/A	8%
Personal services	N/A	67%	66%	53%	45%	47%	9%	13%

Retail categories dashboard

Use of payment options among consumers



**Physical credit/
debit cards**



**Promotion and
discount codes**



**Rewards/
Loyalty Points**



Cash

	Physical credit/ debit cards		Promotion and discount codes		Rewards/ Loyalty Points		Cash	
Groceries and liquor	33%	63%	58%	18%	48%	34%	59%	17%
Clothing and footwear	36%	58%	56%	23%	54%	25%	59%	15%
Homewares and household appliances	36%	58%	63%	21%	58%	25%	53%	19%
Consumer electronics	38%	57%	64%	23%	60%	24%	60%	18%
Recreational goods	42%	49%	61%	24%	58%	22%	56%	18%
Motor vehicle parts and accessories	43%	49%	57%	15%	47%	16%	54%	14%
Health and beauty products	38%	53%	61%	23%	55%	23%	57%	17%
Hardware, DIY, building and garden supplies	34%	59%	56%	16%	48%	24%	60%	19%
Personal services	34%	55%	46%	12%	40%	17%	51%	21%

Sometimes Often

Retail categories dashboard

Use of payment options among consumers (cont.)



**Digital credit/
debit cards**



**Cashback
offers**



**Mobile payments
(e.g. Apple Pay)**



**Buy Now
Pay Later**

	Digital credit/ debit cards		Cashback offers		Mobile payments (e.g. Apple Pay)		Buy Now Pay Later	
Groceries and liquor	30%	27%	39%	8%	20%	18%	14%	5%
Clothing and footwear	30%	30%	45%	11%	25%	21%	20%	10%
Homewares and household appliances	33%	27%	53%	11%	27%	17%	20%	8%
Consumer electronics	36%	26%	51%	11%	29%	19%	23%	11%
Recreational goods	37%	32%	49%	14%	32%	23%	21%	12%
Motor vehicle parts and accessories	37%	22%	44%	7%	24%	15%	20%	7%
Health and beauty products	32%	29%	42%	8%	23%	18%	19%	8%
Hardware, DIY, building and garden supplies	29%	21%	40%	8%	25%	13%	17%	8%
Personal services	27%	29%	32%	7%	22%	21%	17%	5%

Sometimes
 Often

Retail categories dashboard

Issues consumers have encountered in the past 12 months

	Stock			Customer service and support		Deliveries	
	Preferred product out of stock	Lack of or inconsistent stock availability	Preferred brand out of stock	Lack of staff or poorly trained staff	Long wait times to speak to customer service staff	Lack of suitable delivery options or long wait times	Difficulty returning items
TOTAL	37%	28%	22%	18%	18%	13%	10%
Groceries and liquor	51%	39%	37%	23%	18%	12%	11%
Clothing and footwear	39%	31%	22%	17%	17%	13%	13%
Homewares and household appliances	39%	30%	25%	18%	24%	16%	9%
Consumer electronics	39%	26%	20%	19%	24%	19%	16%
Recreational goods	29%	25%	18%	16%	14%	12%	11%
Motor vehicle parts and accessories	21%	17%	15%	15%	14%	8%	8%
Health and beauty products	40%	26%	24%	12%	11%	12%	7%
Hardware, DIY, building and garden supplies	35%	29%	17%	21%	17%	10%	6%
Personal services	N/A	N/A	N/A	17%	21%	N/A	N/A

■ Under indexing ■ Over indexing

Retail categories dashboard

Issues consumers have encountered in the past 12 months (cont.)

	Digital experience		Pricing or payment				None
	Poor website or app experience	Inaccurate product information provided online	Inconsistent pricing across different stores or channels	Unable to link or access rewards, cashback or promotional codes	Slow and difficult point-of-sale or online ordering systems	Limited payment options	
TOTAL	13%	10%	14%	8%	8%	8%	38%
Groceries and liquor	12%	9%	18%	9%	9%	7%	29%
Clothing and footwear	16%	13%	14%	11%	8%	8%	34%
Homewares and household appliances	17%	13%	16%	10%	10%	8%	35%
Consumer electronics	17%	14%	19%	13%	10%	11%	31%
Recreational goods	9%	8%	11%	6%	6%	9%	38%
Motor vehicle parts and accessories	11%	8%	11%	5%	5%	6%	49%
Health and beauty products	11%	7%	15%	10%	7%	6%	37%
Hardware, DIY, building and garden supplies	10%	8%	9%	4%	6%	5%	38%
Personal services	13%	N/A	N/A	5%	11%	10%	55%

■ Under indexing ■ Over indexing

Hospitality categories dashboard

The technologies patrons and guests find useful when researching

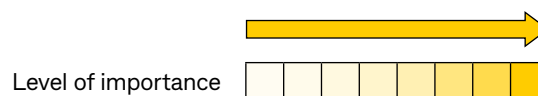
	Accommodation	Restaurants and cafés	Pubs and clubs	Fast food and quick service restaurant
Search filters to target results that align with needs or budget	51%	36%	32%	27%
Virtual information kiosks at the premises or an app to access information without consulting staff	12%	23%	24%	N/A
Targeted advertising with relevant options based on your previous online search behaviour	14%	13%	16%	10%
Visual search technology via uploading images of properties, restaurants or food you like	23%	14%	18%	11%
Abandoned booking reminders	10%	10%	12%	5%
AI-driven recommendations based on search and previous behaviour	11%	8%	10%	8%
Chatbots used to provide customer support	11%	7%	10%	7%
Virtual or augmented reality to provide immersive experiences such as virtual tours	14%	7%	9%	6%
Voice assisted search	8%	7%	12%	8%

 Top in row

Hospitality categories dashboard

Patrons and guests' purchasing imperatives

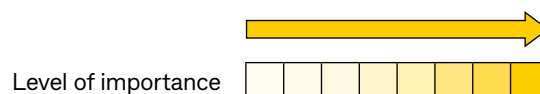
	Accommodation	Restaurants and cafés	Pubs and clubs	Fast food and quick service restaurant
Friendly and knowledgeable staff	98%	98%	95%	94%
In-venue experience	95%	95%	94%	93%
Enhanced cyber security and use controls to protect personal data	95%	90%	89%	90%
A range of budget menu items	N/A	90%	88%	90%
Wide range of payment options allowing for fast check out processes	85%	86%	79%	83%
An efficient, streamlined drive-thru experience	N/A	N/A	N/A	76%
Strong environmental and sustainability policies and practices	95%	75%	71%	78%
Payment technology to split bills, provide tips and obtain digital receipts	N/A	82%	78%	73%
All channels are integrated to deliver a consistent experience	83%	N/A	N/A	N/A



Hospitality categories dashboard

Patrons and guests' purchasing imperatives (cont.)

	Accommodation	Restaurants and cafés	Pubs and clubs	Fast food and quick service restaurant
Room automation	69%	N/A	N/A	N/A
The online experience	88%	74%	66%	76%
Mobile check-in and check-out and keyless entry systems	75%	N/A	N/A	N/A
Offers rewards program	76%	72%	73%	79%
The customer experience is personalised and tailored to you	78%	66%	63%	62%
Technology that allows you to order meal/drink before arriving at the venue	N/A	49%	48%	70%
Affiliations with companies that offer cashback offers, promotional codes or discounts	76%	67%	61%	67%
The provision of delivery services like Uber Eats and DoorDash	N/A	43%	38%	45%
QR codes so you can order to your table without waiting for staff	N/A	55%	52%	55%



Hospitality categories dashboard

The incentives that patrons and guests value/find appealing

	Accommodation	Restaurants and cafés	Pubs and clubs	Fast food and quick service restaurant
Free access to amenities (e.g. parking, airport shuttle, business centre)	67%	N/A	N/A	N/A
Free menu item or drink with booking	N/A	58%	61%	67%
Offering a set menu that provides a more affordable experience	N/A	57%	55%	N/A
Discount coupon or promotion code	54%	46%	44%	59%
Rewards points or loyalty program	47%	37%	38%	47%
Reduced price on another service or item	45%	64%	66%	44%
Cashback offer	45%	27%	25%	28%
Donation to charity	7%	10%	12%	11%

Hospitality categories dashboard

Issues consumers have encountered in the past 12 months

	Accommodation	Restaurants and cafés	Pubs and clubs	Fast food and quick service restaurant
Lack of staff or poorly trained staff	15%	40%	41%	33%
Issues with food quality	N/A	31%	25%	29%
Comfort, noise or cleanliness issues	13%	26%	20%	16%
Long wait times to speak to customer service staff	16%	16%	16%	17%
Limited menu options or variety	N/A	14%	14%	9%
Incorrect orders	N/A	N/A	N/A	33%
Difficulty getting a reservation	N/A	16%	14%	N/A
No self check-in or out	9%	N/A	N/A	N/A
Issues splitting bills, paying tips or getting electronic receipts	N/A	18%	23%	10%
Payment systems or online booking platforms slow and difficult to navigate	9%	13%	13%	13%

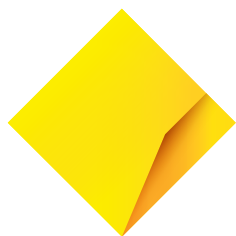
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Hospitality categories dashboard

Issues consumers have encountered in the past 12 months (cont.)

	Accommodation	Restaurants and cafés	Pubs and clubs	Fast food and quick service restaurant
Unable to link or access rewards, cashback or promotional codes	7%	9%	7%	12%
Limited payment options	6%	8%	6%	6%
Poor website or app experience	11%	16%	12%	16%
Inaccurate product information provided online	13%	10%	9%	7%
Inadequate technology	12%	N/A	N/A	N/A

■ Under indexing
 ■ Over indexing



Learn more about how we support consumer businesses

We have specialist teams, solutions and in-depth industry knowledge to support consumer-facing businesses in the retail and hospitality industries.



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