



*cutting through complexity™*

# CBA CAN Business Breakfast

## The Future of the Customer and Business Relationships: How to Prepare for It

Bernard Salt

2014

# Disclaimer

These slides are not for commercial use or redistribution. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. KPMG have indicated within this presentation the sources of the information provided. KPMG has not sought to independently verify those sources unless otherwise noted within the presentation. No reliance should be placed on additional oral remarks provided during the presentation, unless these are confirmed in writing by KPMG. KPMG is under no obligation in any circumstance to update this presentation, in either oral or written form, for events occurring after the presentation has been issued in final form. The findings in this presentation have been formed on the above basis.


Forecasts are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Forecasts should not be regarded as a representation or warranty by or on behalf of KPMG or any other person that such forecasts will be met. Forecasts constitute judgment and are subject to change without notice, as are statements about market trends, which are based on current market conditions.


Neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this presentation. Any reliance placed is that party's sole responsibility. The presentation (and the accompanying slide pack) is provided solely for the benefit of the conference attendees and is not to be copied, quoted or referred to in whole or in part without KPMG's prior written consent. KPMG accepts no responsibility to anyone other than the conference attendees for the information contained in this presentation.

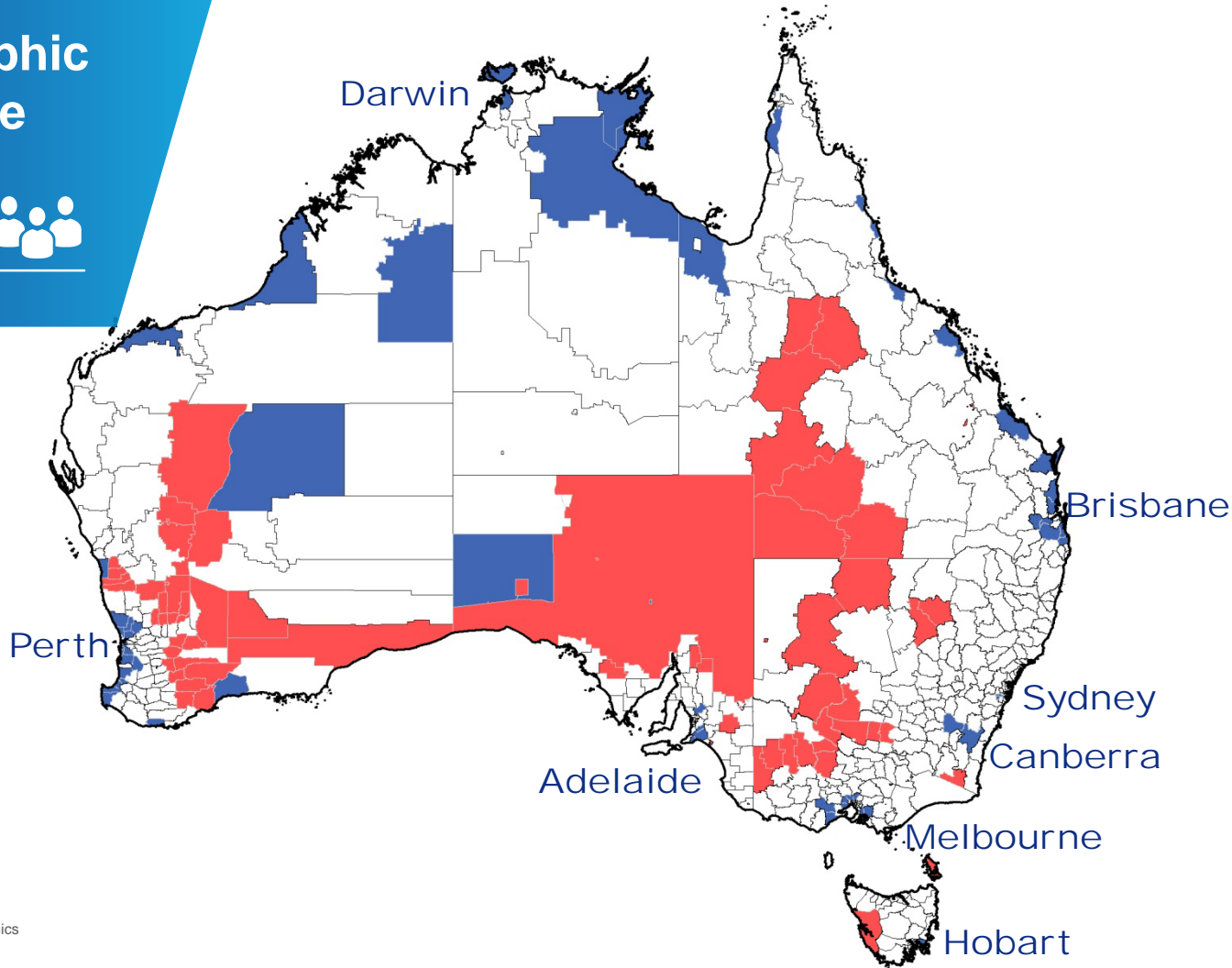
# Australia's demographic composition is on the move ... up and out!



Areas of high population growth (>2% pa) and loss (<-1% pa) between 1992 and 2013

 WINNERS

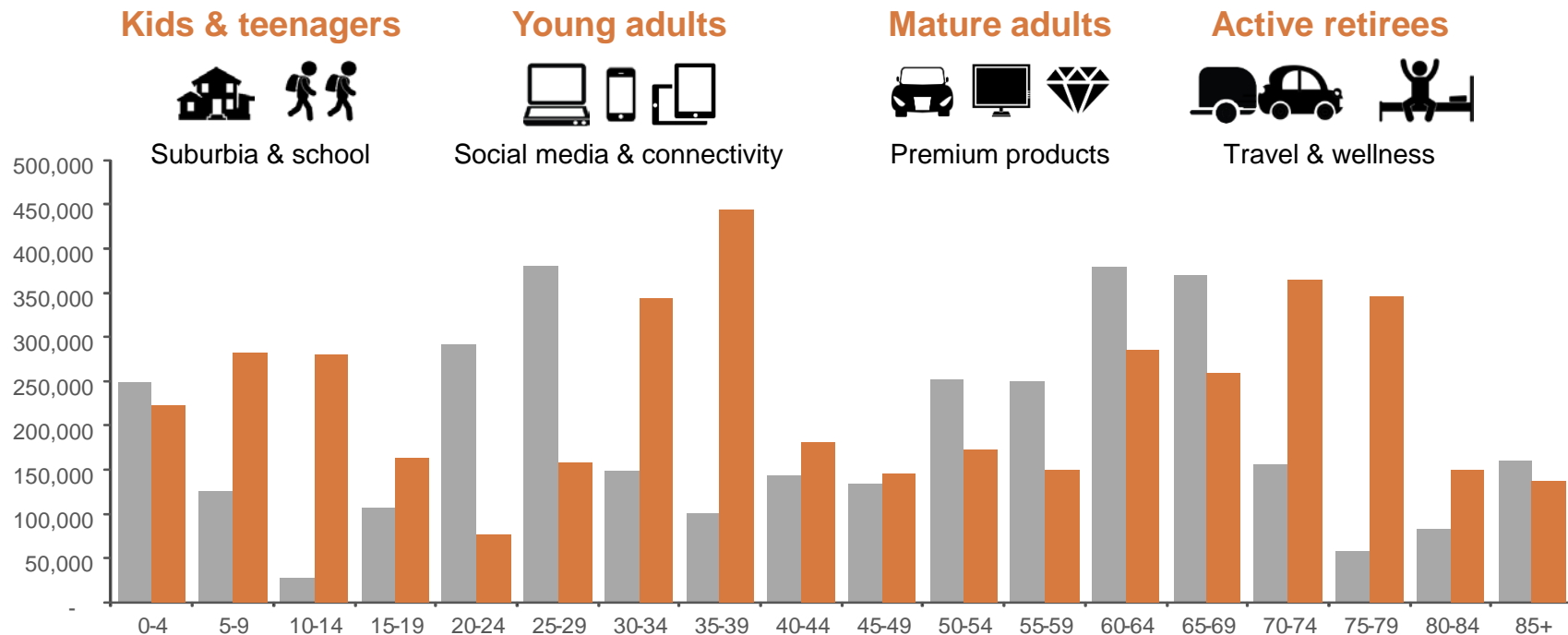
 LOSERS



# New business opportunities in the youth, the household formation and the retirement segments

■ 2003-2013: 3.4 million (19.7m to 23.1m)

■ 2013-2023: 4.2 million (23.1m to 27.3m)



**Net change in Australian population by 5-year age group over 10 years to 2013 and 10 years to 2023**

# New acronyms for our newest tribes



**PUMCINS ...**

**Professional Urban Middle Class In Nice Suburbs**

**...NETTELS**

**Not Enough Time To Enjoy Life**



**KIPPERS ...**

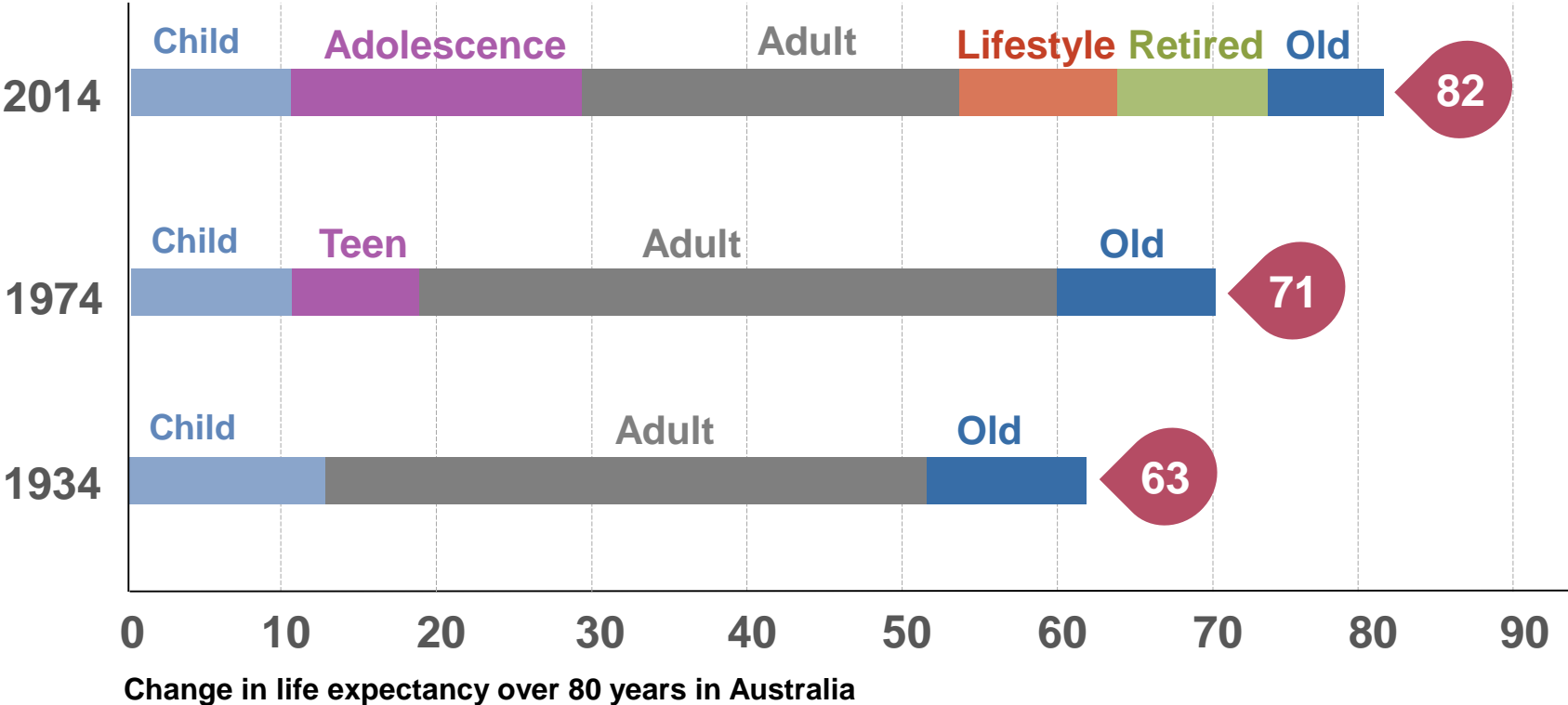
**Kids In Parents Pockets Eroding Retirement Savings**

**...LOMBARDS**

**Lots Of Money But A Real Dickhead**



# Australians are dividing the lifecycle into 'thirds'



# Managing and marketing to the generations ... from boomers to the Zeds

## BABY BOOMERS

- Born 1946 – 1964
- Today 50 – 68

Hierarchical  
Indulged their kids  
Depression era parents  
Sandwich generation

## GENERATION X

- Born 1965 – 1982
- Today 32 – 49

Forgotten generation  
Wrong place ... wrong time  
No workplace guilt  
Angsty about Ys

## GENERATION Y

- Born 1983 – 2000
- Today 14 – 31

Special ... bubble-wrap  
Chaotic connection  
Entrepreneurials  
Disappointed generation?

## GENERATION Z

- Born 2001 – 2019
- Today 0 – 13

Parents results-oriented  
Youth in straitened times  
Highly educated, global  
Pragmatists ... fixers

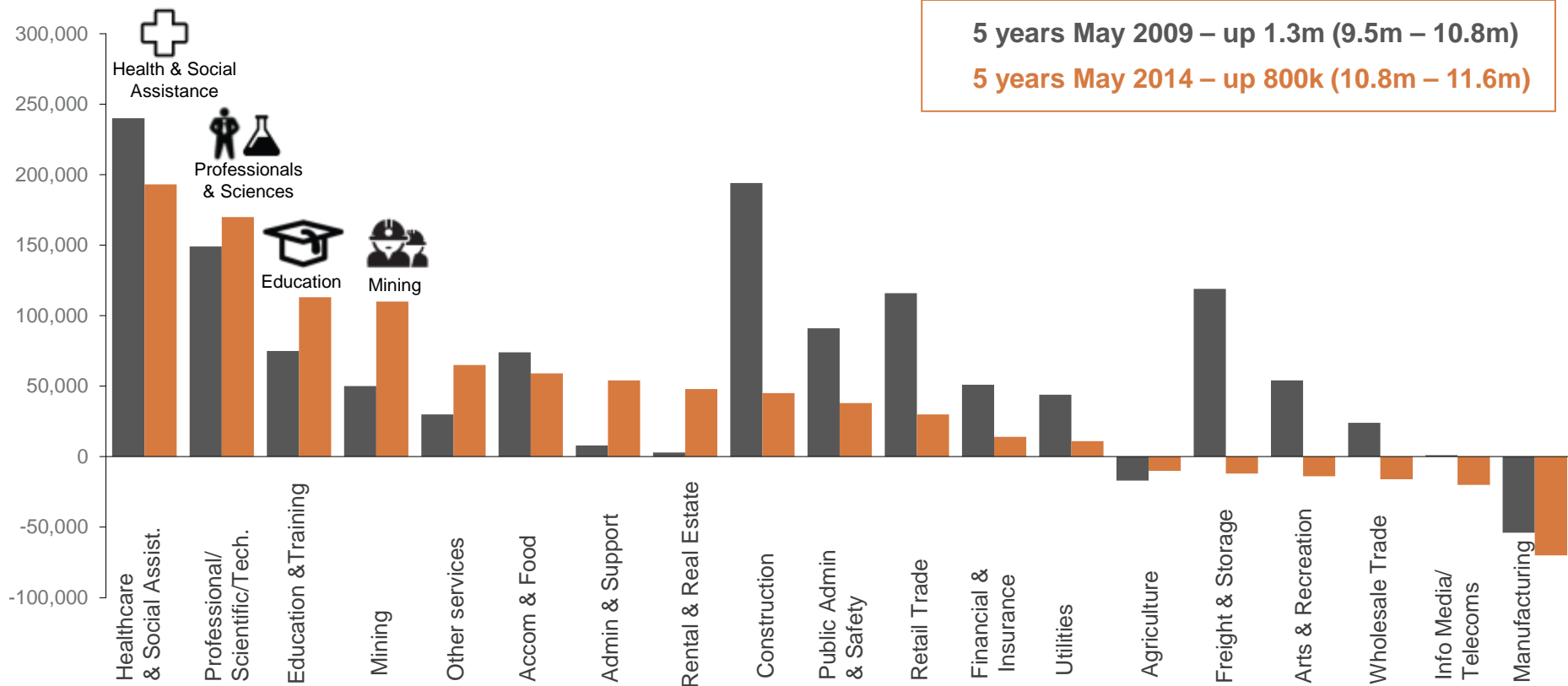
# Retail opportunity is mostly confined to convenience, to lifestyle and to technology drivers

Industry	2004-2014	2009-2014	2013-2014
Liquor	98.9%	22.9%	5.5%
Cafes, restaurants & catering	86.4%	51.4%	14.9%
Pharmaceutical, cosmetic & toiletries	76.2%	21.9%	3.3%
Supermarket & grocery stores	64.6%	22.8%	7.0%
Takeaway food	63.5%	20.5%	7.2%
Clothing	48.0%	11.9%	5.0%
Hardware, building & garden supplies	44.1%	38.1%	10.7%
Furniture, floor coverings, housewares, textiles	37.0%	14.8%	10.3%
Electrical & electronic goods	29.9%	-4.6%	0.6%
Recreational goods	27.6%	8.2%	8.1%
Department stores	15.0%	-4.4%	8.0%
Footwear & other personal accessories	10.1%	2.7%	0.4%
Newspapers & books	-16.1%	-14.5%	5.1%
<b>Total (incl other)</b>	<b>50.9%</b>	<b>18.1%</b>	<b>6.5%</b>

**Per cent change in retail sales in Australia for 13 categories over ten and five years and over 12 months to July 2014**



# There has been a shift in the Australian economy since the GFC



# Key business trends for businesses



Population growth at close to **record levels** ... opportunities in household formation and infrastructure



The consumer model is changing ... **new formats** evolving but underlying demand for retail goods and services will continue



Cultural shifts in Australia are resulting in an Anglo-Mediterranean-Asian fusion culture ... look to more **Asian influences** in the future especially China



Specific opportunities in **healthcare**, education, building & construction, retirement financial planning and succession planning services



Reasons to be **positive** about business ... low interest rates, low dollar, political stability, no natural disasters ... time to move on



**[www.bernardsalt.com.au](http://www.bernardsalt.com.au)**



**+61 3 9288 5047**



**[bsalt@kpmg.com.au](mailto:bsalt@kpmg.com.au)**



**@bernardsalt**



**Bernard Salt Demographer**



**[linkedin.com/in/bernardsalt](https://www.linkedin.com/in/bernardsalt)**



**@bernardsalt**