



Digital distinction

Attracting and retaining a new breed of customer

CommBank Consumer Insights - Executive Summary
September 2023

Digital distinction

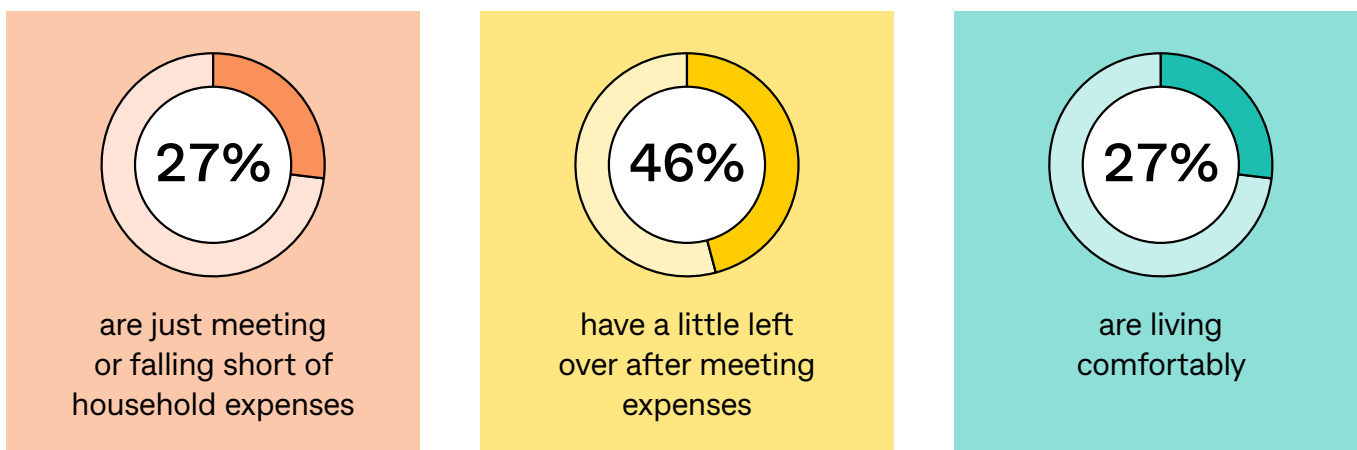
How to find, keep and satisfy a value-driven customer

The CommBank Consumer Insights 2023 report shows that cost of living pressures are influencing consumer spending, saving, and shopping behaviours. For retailers and hospitality providers, insights into how your customers' preferences are changing will be vital to attracting and retaining a new breed of consumer.

The value-driven consumer

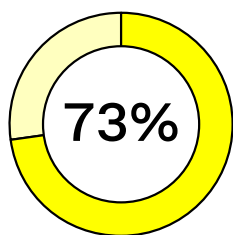
A mixed picture of household finances

With everything from borrowing costs and rents to energy bills increasing, cost of living pressures are impacting many Australian households. This is pronounced for the more than one in four Australians doing it tough—those with not enough, or just enough, to meet everyday expenses.

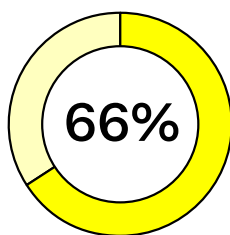


Consumers change-up spending, saving and shopping habits

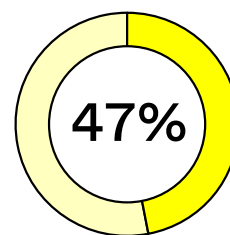
While some Australians are under more financial strain than others, spending and behavioural changes are more universal. The average Australian is redirecting almost \$450 per month and nine in 10 exhibit deal-seeking behaviours and are making new lifestyle choices that impact spending. This includes:



are using promotional codes, cashback offers, and rewards



are spending more time researching before buying



are only shopping for known and trusted brands

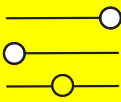
Enhancing the customer experience

The emergence of a more value-oriented consumer means heightened demands on each step of the customer journey. These preferences directly affect strategies to attract and retain customers, with digital experiences providing an opportunity to make a significant difference.

First impressions matter

Consumers are diligently considering where to shop and visit. In this active evaluation stage, consumers are researching across multiple channels, with online most likely to be the first destination of choice.

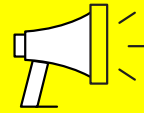
They value technology that makes information relevant and easily accessible, rating the following among the most useful:



filters to refine searches based on needs and budget



virtual kiosks and on-premises devices



targeted advertising based on previous behaviour

What's non-negotiable when purchasing

Having a positive in-store or in-venue experience and welcoming and informed staff are among the top three must-haves. The other imperative is offering cyber security and controls to protect personal data, top-rated among retail consumers.

Aspects of the digital experience commonly deemed essential or important include:



wide range of payment options for faster checkout



online booking and ordering functionality



payments technology to tip, get digital receipts or split bills

No personalisation without data protection

Eight in 10 consumers expect businesses to use technology to improve processes and personalisation. However, amid heightened concerns about cyber security, many are unwilling to share the data that powers these enhancements. Prevailing viewpoints include:



expecting more transparency about how data is used and shared



seeking the ability to view, update and delete personal data



uncertainty about which websites are trustworthy



Did you know?

When faced with potentially untrustworthy websites, consumers will turn first to reviews or third-party payment providers that provide legitimacy and consumer protection against potential scams or fraud.

Motivating consumers

The vast majority of consumers are seeking deals, but not every incentive is equally appealing. For retail and hospitality consumers, the top-rated is free delivery and use of amenities like parking, respectively. Other top incentives include:



discount coupons and promotional codes



rewards points or loyalty programs



complementary items when purchasing or booking

Building and maintaining loyalty

Consumers report a range of issues with their experience, from lack of stock availability to a poor digital experience, each having a varied impact. For retail and hospitality consumers, the top issues that are most likely to make them walk away from a business include:



customer service and support



digital experience



pricing and payments

About the report

The CommBank Consumer Insights report 2023 is based on the attitudes, behaviours, and expectations of 5,279 consumers of goods and services across the retail, hospitality, and personal care sectors.



Read the full report [here](#) to understand the implications of new consumer behaviours and to learn about preferences across retail and hospitality categories. This includes a deeper examination of:

- The search-related technology that can ensure you are discoverable and relevant.
- Purchasing essentials through to opportunities for businesses to differentiate the experience.
- The incentives that resonate most with consumers in different categories.
- Payment usage and priorities across consumer demographics.
- The aspects of the experience that are deal breakers for consumer loyalty across categories.

For more information on how we can help your business, contact your Relationship Manager or visit:



commbank.com.au/retailers



commbank.com.au/hospitality

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.

Things you should know:

The report has been published for general information purposes only. As this information has been prepared without considering your objectives, financial situation or needs, you should, before acting on this information, consider its appropriateness to your circumstances, if necessary, seek professional advice. The Bank believes that the information in the report is correct and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its compilation, but no representation or warranty, either expressed or implied, is made or provided as to accuracy, reliability or completeness of any statement made in the report. Any projections and forecasts are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Different assumptions and estimates could result in materially different results. All analysis and views of future market conditions are solely those of the Commonwealth Bank.

Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian Credit Licence 234945