



# CommBank Consumer Insights - Regional Report

Regional consumers across Australia are redirecting more money on average to cover day-to-day essentials like food and fuel as they tackle rising cost of living pressures. They're also putting technology at the forefront of their retail and hospitality experiences, particularly those that save time and money.

To help businesses across regional Australia respond to changing consumer preferences, we explore what consumers value most as they interact with businesses. It can help unearth strategies to attract and retain a new breed of customer.

## The impact of cost of living pressures

Overall, regional consumers are feeling the impact of cost of living pressures similarly to their metropolitan counterparts. Slightly more are doing it tough, including those with just enough or not enough to meet household expenses.



**Regional consumers**

**29%**

are doing it tough

**25%**

are putting money into savings



**Metropolitan consumers**

**26%**

are doing it tough

**32%**

are putting money into savings

## Adopting a budget-conscious mindset

Regional consumers are also adjusting how they shop and their choices when purchasing. That includes most seeking out deals and more affordable items and spending more time researching.

- 1** Using promo codes, cashback offers, and rewards (73%)
- 2** Spending more time researching before purchasing (66%)
- 3** Having fewer nights out (66%)
- 4** Buying less takeaway food and drinks (64%)
- 5** Buying cheaper, generic or store-branded products (61%)

## How are spending patterns changing?

The research shows that of all consumer-facing categories, regional consumers are most likely to have reduced spending on hospitality experiences. For example, 70% say they have spent less on accommodation over the past few months.

Regional consumers deriving savings from reduced spending are redirecting it towards everyday expenses, including groceries and fuel, above others. In fact, on average, regional consumers are redirecting \$471.04 per month, more than those in metropolitan areas.



### Regional consumers

**\$471.04**

Average amount per month reallocated from reduced spending



### Metropolitan consumers

**\$426.14**

Average amount per month reallocated from reduced spending

## How consumers are reallocating money they have saved

**48%**

to cover food and essential grocery costs

**43%**

to pay utility bills

**37%**

to cover fuel costs

**42%**

to cover food and essential grocery costs

**40%**

to pay utility bills

**42%**

to savings as a buffer or financial cushion



## Consumers embrace technology-led experiences

Convenience and price remain perennial drivers of consumer decision-making. Still, consumers are now doing more research, seeking deals and offers and most expect technology to help cater to their needs.

In fact, 82% of regional consumers believe retailers should use technology to improve the purchase process and personalise the customer experience. Evidence of this can be found at two important steps in the customer journey: the research and discovery stage and as consumers decide whether to purchase.

# Making your products and services easy to find



## Retail

With 66% of regional and metropolitan consumers spending more time researching their options before purchasing, it is important to ensure people can find what they need quickly. At a population-wide level, consumers are turning to more than six channels when researching.

For regional consumers, 88% research by browsing in-store, the most popular. However, they are more likely to start with online search than any other channel. The most widely used digital research sources include:

**78%**

use search engines

**76%**

use retailers' websites

**58%**

refer to online reviews to compare experience and performance

**58%**

use online marketplaces like Amazon and eBay

Regional consumers' preferences for technology begin at the researching phase. They value a wide range of technology-enabled features like checking stock levels online, personalised search options, and in-store information booths.



**85%**

ability to check in-store stock availability online before going in store



**73%**

search filters to target results aligned with needs or budget



**58%**

in-store information kiosks, digital devices, or interactive displays



**48%**

targeted advertising based on previous search behaviour



## Hospitality

Regional consumers are also digitally focused when it comes to researching hospitality experiences. Despite recommendations from family and friends topping the list, they turn to a wide range of digital channels to seek out and compare venues.

**78%**

use online accommodation marketplaces like AirBnB or Stayz.com

**75%**

use providers' websites

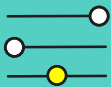
**77%**

use search engines

**57%**

refer to online reviews to compare experience and performance

Regional guests and visitors also say technology is valuable during their research. Most notably, they want search filters that provide results based on their needs and budgets, information kiosks and targeted advertising.



**64%**

search filters to target results aligned with needs or budget



**46%**

virtual information kiosks on-premises or app to get information without staff



**45%**

targeted advertising based on previous search behaviour



**40%**

visual search technology via uploading images of properties, restaurants, or food

# Purchasing must-haves

## Retail

When deciding to purchase, two in three regional shoppers believe that data security is non-negotiable, marginally higher than those in metropolitan areas. The next highest must-have when buying is friendly and informed staff.



**66%**

say enhanced cyber security and account access protocols is a must-have



**61%**

say friendly and knowledgeable staff are a must-have



**48%**

say a positive in-store experience is a must-have

## Hospitality

For hospitality guests, data security expectations are prominent. Even more consider welcoming staff and the in-venue experience essential when visiting or booking.



**66%**

Say knowledgeable and friendly staff are a must-have



**69%**

say a positive in-venue experience is a must-have



**55%**

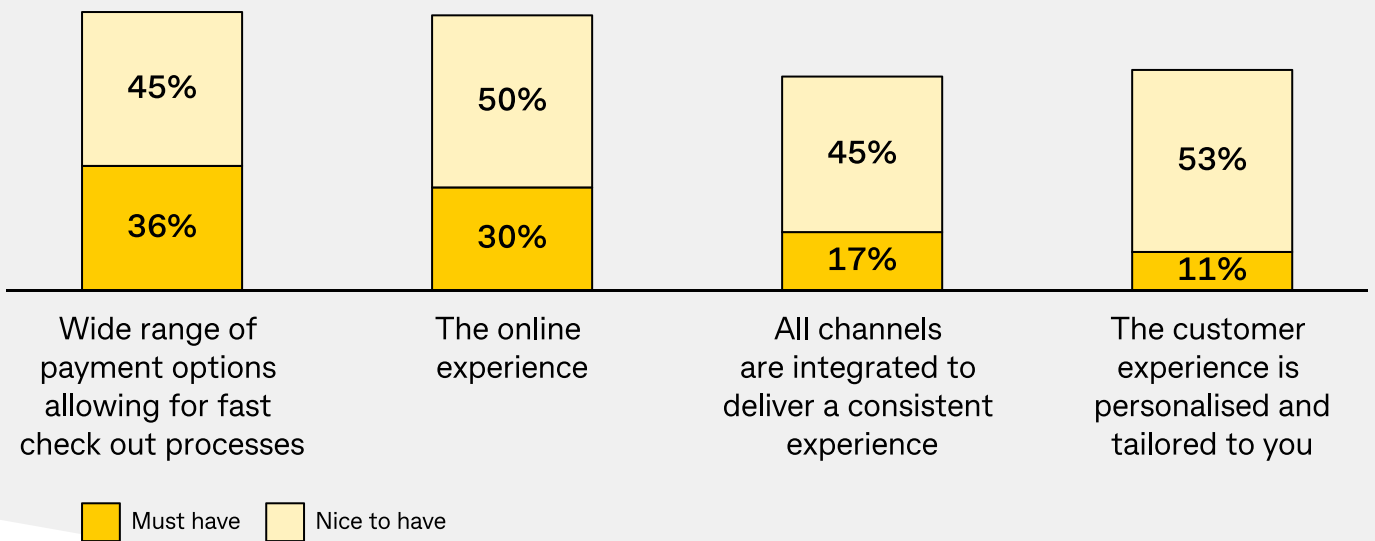
say enhanced cyber security and account access protocols are a must-have

# Digital opportunities to stand apart

Once the essentials are in place, including robust data security and customer services, there are many aspects of the experience that consumers consider nice to have. Digitally enabled interactions feature frequently and present an opportunity to differentiate from others and uplift the customer experience.

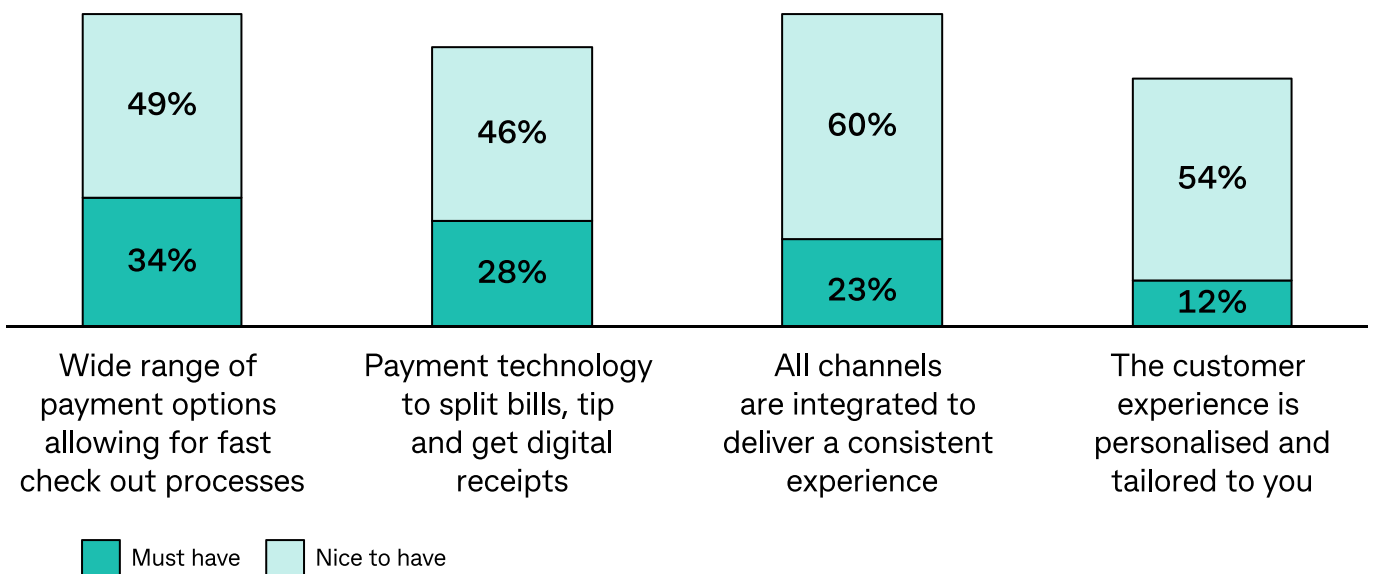
## Retail

For retail shoppers, payment options that speed up the checkout flow, omnichannel consistency and an experience tailored to the individual are considered nice to have among half of regional consumers. That’s in addition to the many who consider those features essential.



## Hospitality

Hospitality guests also value technology in providing flexibility at the point of sale and ensuring that the online experience is consistent with the physical one. This is particularly important in the payments experience, where around one in three consider these options essential to booking or ordering.



# In summary

Regional consumers across Australia are adapting their spending and lifestyle choices to accommodate rising living costs. They may be deal-seeking but are also broadly more discerning about where they shop, drawn to trusted brands and features of the experience that provide flexibility, convenience, and security.

In many cases, they either greatly value technologies that enhance these interactions or make purchasing decisions accordingly.



To learn more about how consumer preferences are changing and the aspects of the experience they value most at each step of the customer journey, read the [full report here](#).

To find out more about how our team of corporate agribusiness banking specialists can support your business, go to [commbank.com.au/agri](https://commbank.com.au/agri)

## About the Regional Consumer Insights

The Regional Consumer Insights is based on the attitudes, behaviours, and expectations of 1,477 consumers of goods and services across the retail, hospitality, and personal care sectors. This comprises only Australian consumers located in regional and rural areas.

## About CommBank Consumer Insights (Full report)

CommBank Consumer Insights full report 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.

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