



Friday, 18 May 2018

## MEDIA RELEASE

### Which businesses are thriving in the 'Experience Economy'?

#### NAB Special Insight Report

Australians rate restaurants, movies and travel as the most positive experiences their money can buy, according to new research from NAB.

NAB asked over 2,000 Australian consumers about the experiences they've had over the past year and how they rated them, with the results clearly showing that businesses thrive when they focus on delivering outstanding customer experiences.

More than 70 per cent of Australians have seen a movie or gone on a local holiday, while around 90 per cent have visited a restaurant. Around 50 per cent have gone on an overseas holiday, or attended a sporting event, festival or live concert. Consumers rated their experience at restaurants, cinemas and holidays most positively out of all categories

NAB Head of Economics, Dean Pearson, said the report shows that people are spending less on buying things and more on doing things, with social media helping boost businesses that provide experiences over products.

"Businesses that are focussing on delivering a truly great customer experience are really reaping the rewards from this gradual change in what people spend their money on.

"Social media is supporting this shift towards experiences as more consumers share their lives on Facebook, Instagram, Twitter and Snapchat. Moreover, posting pictures of something we've bought is often deemed to be more distasteful and less exciting than posting pictures of something we're doing," he said.

Entertainment, food and leisure were among the first to benefit from this shift in the economy, while warehouse stores, traditional travel agents and sports chain stores were among the lowest rated experiences, according to consumers.

And in a critical sign that online retailing has yet to fully displace traditional bricks-and-mortar outlets, consumers indicated they rated their retail 'experiences' most positively at physical, rather than online retail stores, with discount department stores, major supermarket chains, discount chemists and discount supermarket chains all rating as the best retail experiences.

But, there are some 'shopping' formats that scored less favourably such as online sports stores, warehouse stores, online chemists, traditional travel agents and online department stores.

Among other key findings:

- Consumers said value for money; convenience; friendly and knowledgeable staff; lowest prices and variety were valued most highly from physical stores they visited;
- Online marketplaces such as Amazon and E-Bay were the highest rated online experiences;
- Factors such as entertainment, store layout, bespoke products and personalisation were not valued as highly, while very few indicated they would prefer to shop online or wanted an 'omni-channel' experience (i.e. an online as well as physical presence).

Read the full report at [business.nab.com.au](https://business.nab.com.au)

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