

MODULE TWO

CONSUMER TRENDS

Keeping a consumer focus means you can be aware of changes in their needs and expectations and what is required to attract them into your business and increase your sales and profit.

Collectively, if we can lift the profile of the Brisbane region through providing exceptional experiences, we will increase consumer demand and spend. With Brisbane hosting the 2032 Olympic and Paralympic Games, now is the time to get ready to maximise the opportunities that brings and provide the best possible service experience.



CONSUMER SENTIMENT

Consumers across all industries are expecting higher quality experiences and service. This reflects a changing consumer economy from a focus on consuming products to our current purpose-driven economy. People today are looking to achieve a greater sense of purpose in their lives, which has been magnified by COVID-19.

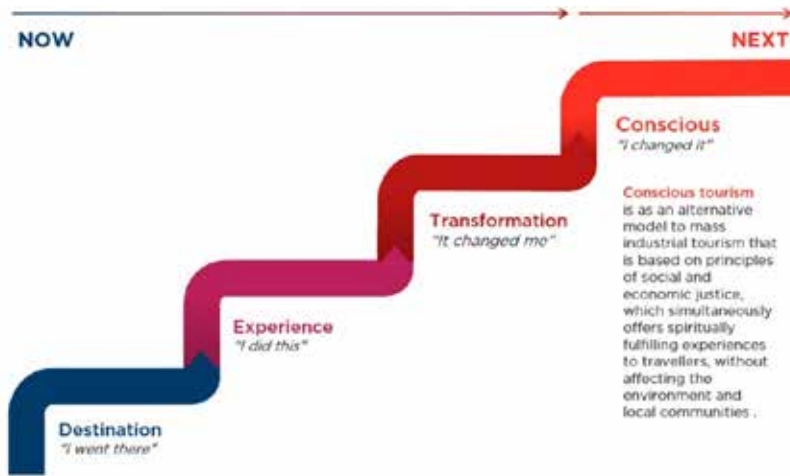
Sentiment research shows today's consumers are looking for:

- Memorable experiences that emotionally connect them with special places, people and cultures or gives them a sense of personal achievement.
- Exceptional experiences from when they start dreaming about their trip or holiday through to when they book, experience and return home.
- Transformational experiences that enrich, awaken and transform them, and eventually the world.
- Meaning and personal growth from cultural immersion and experiential learning.
- Purpose-led brands that align with their own personal beliefs and values.

64% of Australians are looking for purposeful travel where there are opportunities to give back to the destination.

69% of Australians are seeking transformative experiences that bring self-discovery and growth.





"YOU MAY ALREADY BE RUNNING A PURPOSE-DRIVEN OPERATION BUT JUST NOT LETTING PEOPLE BEYOND YOUR BUSINESS KNOW."

Some examples of purpose-driven behaviours include:

- Donating a percentage of sales or profits to environmental or humanitarian causes.
- Collaborating with local charities on initiatives such as donating unsold items or repurposing used items.
- Procuring goods / services from the local community.
- Hiring talent from the local community.
- Recycling initiatives to minimise environmental impact and / or achieve carbon neutrality.

"PEOPLE DON'T BUY WHAT YOU DO, THEY BUY WHY YOU DO IT."

If you are offering customers what they are seeking AND also enable them to contribute to something with a larger mission, you are likely to create loyalty, advocacy and positive word of mouth. Make sure you are sharing what you are doing to make the world a better place in your communications with your customers.

Trends arising as a result of COVID-19

Border closures and lockdowns as a result of COVID-19, have impacted traveller behaviour and booking decisions. Trends to be aware of include:

- **Short booking lead times:** Recent research shows lead times remain short, with bookings being made as close as two weeks before travel and more travellers are booking accommodation and experiences directly with operators than pre-COVID.
- **Full refunds:** Consumers across industries (hotels, air, cruise, car rentals, holiday rentals) value the ability to get a full refund if their plans change over and above any other considerations.
- **Need to rebuild trust:** Building trust early and quickly with consumers is necessary to convert their interest into a booking.

When booking trips in the next year, more than half of travellers (53%) want to trust that the provider will deliver on their promises. Providing clear policies and guidance if customers find they have to amend or cancel bookings due to COVID-19 are needed, alongside the promise of full refunds.⁷

³ Consumer Insights Research, Tourism Australia 2021

⁴ Simon Senek, Start With Why

FIND OUT MORE

Access a [COVID-19 Toolkit](#), with advice on how the industry should handle cancellations and manage the flexibility of their policies.

Visit Business Australia's website to access information on [managing refunds and cancellations](#).

Online reviews

Businesses today have less control of their marketing messages as their customers are marketing them via reviews, positive or negative. What customers are saying about you online has a significant impact on your business performance as their reviews are driving customer decision making and conversion. This online word of mouth is one of the most powerful marketing tools for businesses and it's free!

90% of consumers read online reviews before making a purchase.⁸

93% of consumers say online reviews impact their purchase decision.⁹

92% of consumers trust recommendations over all other forms of advertising.¹⁰

Nearly 79% (8 out of 10) of TripAdvisor users are more likely to book a hotel with a higher bubble rating when choosing between two otherwise identical properties, and over half (52%) agree that they would never book a hotel with no reviews.¹¹

Consumers want to hear about the experience you offer from people like them. The online reviews for your business can be what pushes a potential customer from consideration to purchase. Consumers are also digging deep into reviews to find out as much as possible about your customer experience.

82% of consumers say a review's content has convinced them to purchase.¹²

5 Multiple sources: Tourism and Events Queensland, IHG Hotels and Resorts

6 Expedia Group, Traveler Value Index, 2020

7 Choice, <https://www.choice.com.au/consumer-advocacy/policy-submissions/2021/july/report-on-fairer-consumer-protections-for-australian-travellers>, 2021

8 Multiple sources: Qualtrics, Nielson, Capterra

9 Podium, 2017 State of Online Reviews <http://learn.podium.com/rs/841-BRM-380/images/2017-SOOR-Infographic.jpg>

10 Tourism and Events Queensland, Best of Queensland

11 TripAdvisor, July 2019; <https://ir.tripadvisor.com/news-releases/news-release-details/online-reviews-remain-trusted-source-information-when-booking>

12 Podium, 2017 State of Online Reviews