

time

well

spent

A market report exploring the
future of the experience economy

dojo[®]



Foreword



Unique, personal, genuine and authentic

As consumers demand more from business owners, these are the new drivers powering the dramatic shift from commoditised goods and services to engaging experiences on the high street.

But what does this mean on a tangible level? And how can face-to-face businesses put this theory into practice without breaking the bank?

This report explores how businesses with physical premises – primarily hospitality and retail – have a unique opportunity to build meaningful relationships with consumers by offering more. More focus on customer service. More personalisation. More meaningful interactions.

We'll cut through the noise with real-world examples and demonstrate that even small, incremental changes can be the difference between a repeat customer and a forgettable experience. And we'll discuss the role technology has to play in securing the future of the high street.

With more and more of us seeking out memorable experiences regularly while being willing to spend more on them, it pays to go the extra mile. The days of same-old-same-old are over. Commerce on the high street is no longer about time saved, but time well spent.

Jon Knott
Head of Customer Insight

Methodology

Last year, we asked Dojo customers and consumers their thoughts on the experience economy. And we combined that with aggregated transaction data from Dojo customers.

Here's how our methodology breaks down:

Dojo transactions data

Aggregated data of Dojo customers and their transactions over time between July 2019 and November 2021.

Dojo customer surveys

416 customers surveyed from a selected sample of experience economy businesses.

Dojo customer focus groups

40-minute in-depth interviews with nine Dojo customers, from a subset of those involved in the above survey.

Consumer surveys by 4Media

Surveys of 2,137 national representative respondents.

Consumer focus groups

Six separate groups of different ages containing 25 people in total, each lasting 90 minutes.

Kantar Worldpanel Plus

Panel of over 100,000 households who record all of their receipts through an app. Includes shopper and trip numbers for different industries.

Who we spoke to

Post Family



Retired – not economically active



Empty Nesters – 35+ years old and no children living at home

Family



Older Family – with youngest child 10-17 years old



Young Family – with youngest child under 10 years old

Pre Family



Sharers – 18-34 years old and living in shared accommodation with other adults



Couples – 18-34 and living with a partner and no children



Fledglings – 18+ and living with parents



Independents – 18+ and living alone

And when we spoke to them

- Businesses – 5-10 December 2021
- Consumers – 10-15 December 2021

Contents

01. THE EXPERIENCE ECONOMY	5	04. TECH'S PART TO PLAY	23
Interactions that drive business and delight customers		Creating memorable experiences at every consumer touchpoint	
1.1 To coin a phrase		4.1 Tech is a friend to business	
1.2 Impacting every sector		4.2 Harnessing social media	
1.3 Less convenience, more care		4.3 Driving loyalty through personalisation	
02. THE COVID EFFECT	11	05. WINNING IN THE EXPERIENCE ECONOMY	29
Experiences are everything in this new age of commerce		Make your business stand out from the competition	
2.1 Tackling the challenge head on		5.1 Key takeaways	
2.2 Shifting consumer priorities		5.2 Rules for retail	
03. ENHANCING THE EXPERIENCE	14	5.3 Hospitality matters	
Small, strategic changes can mean big business benefits		06. IN CONCLUSION	33
3.1 The gap between what's offered and what's wanted		The experience economy is here and now	
3.2 Moving beyond the masses			
3.3 Understanding your customers			

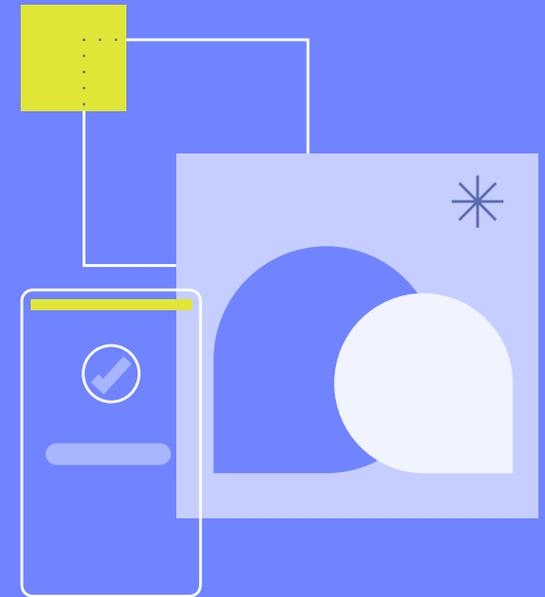


Experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level.

Welcome to the Experience Economy by B. Joseph Pine II and James H. Gilmore.
From the Magazine (July–August 1998)

01. The experience economy

Interactions that drive business
and delight customers





**1 in 3 of us seek out
memorable experiences
most of the time. And we're
prepared to pay 28% extra
when we find it.**

Dojo survey of 2,137 national representative consumers

To coin a phrase

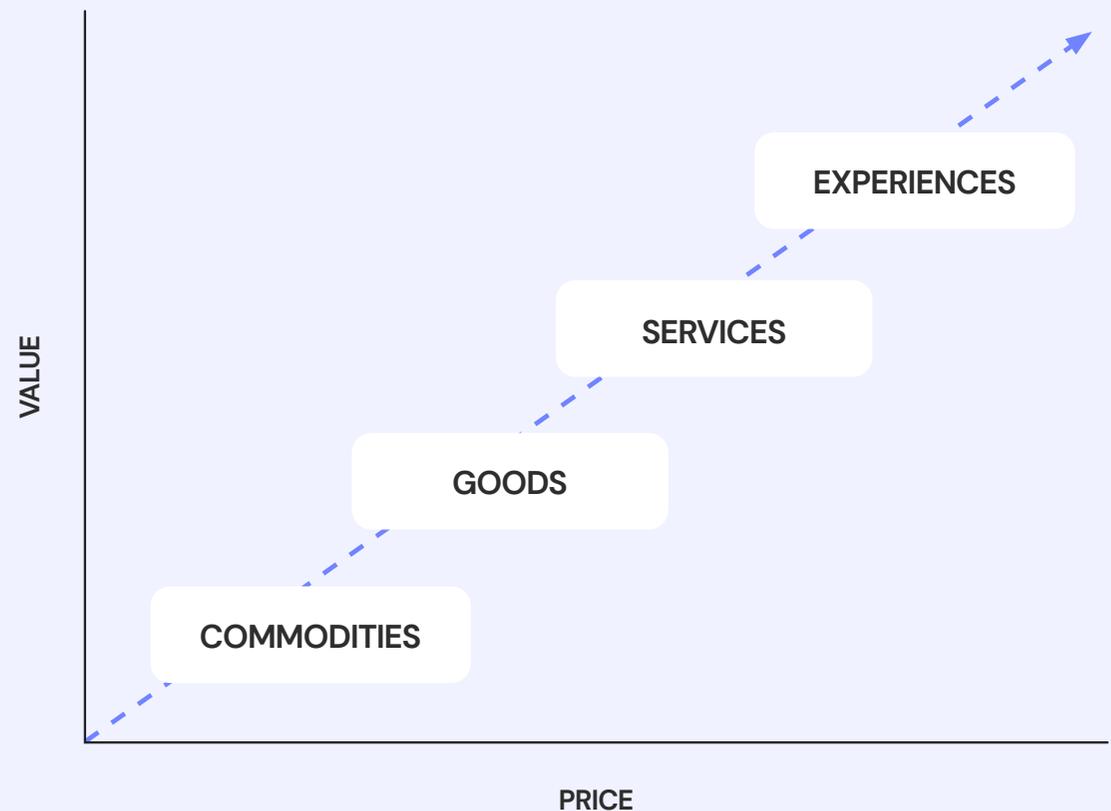
The term “experience economy” was first used in a 1998 article by B. Joseph Pine II and James H. Gilmore. It refers to the increase of people preferring to spend their money on experiences rather than commodities.

Jump to 2022 and the point Pine and Gilmore made couldn't be more relevant. Today's consumers are digital natives. Our first port of call when making a purchase or looking for a review is online, and it's made us tough customers in many ways. With expectations higher than ever, we want personalisation, speed and delight – and not necessarily in that order.

Ultimately, we're social beings who crave interaction and we want businesses to relate to us in new and exciting ways. Consumers are looking for more from the businesses we patronise and we're prepared to pay for the privilege.

We want to feel like they're listening. That it's a two-way conversation where the consumer is valued and rewarded with a memorable experience. And the business owner is rewarded with a loyal customer.

That is the experience economy.



Impacting every sector

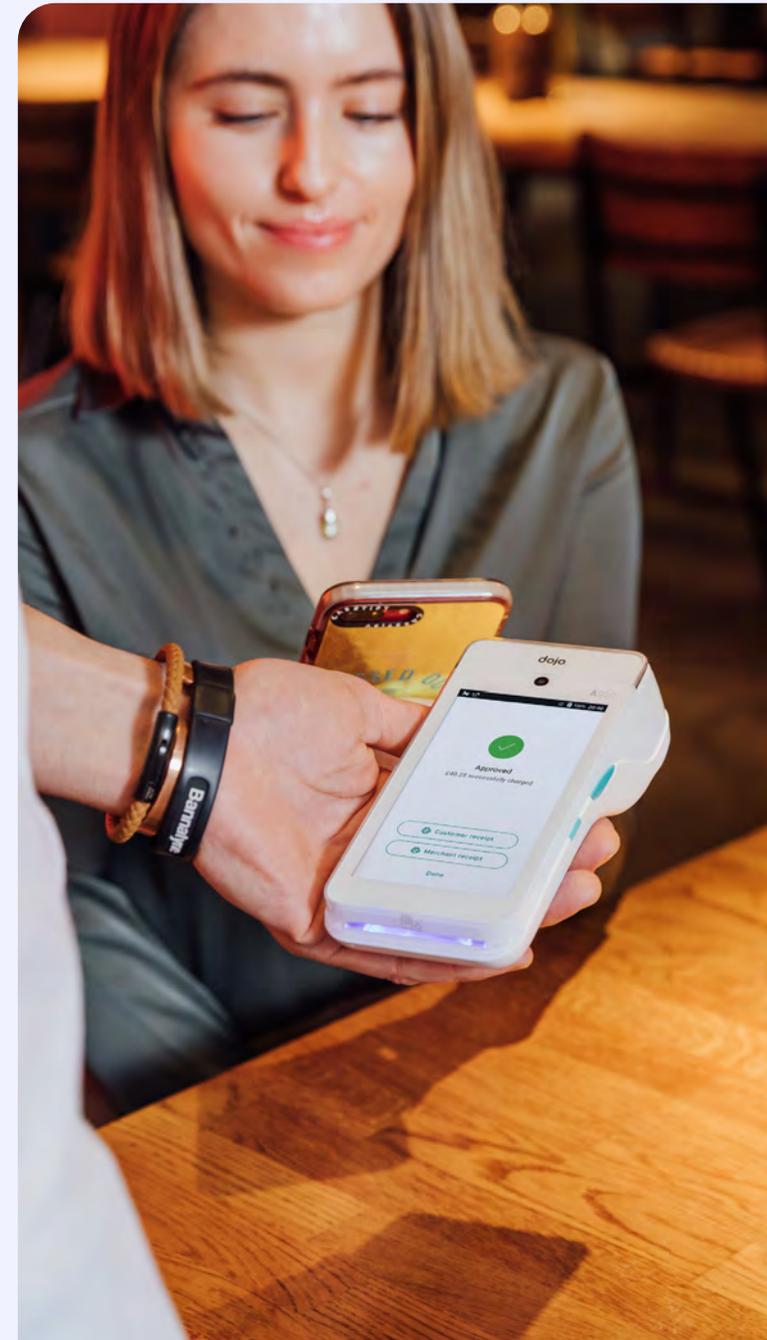
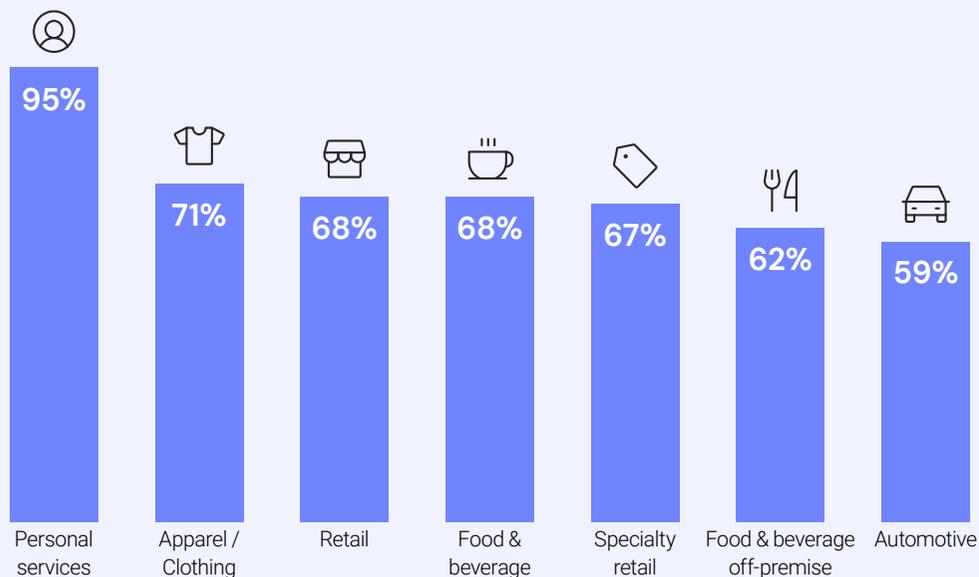
Today's economic landscape is ruthlessly competitive. Business owners are vying for the time, attention and money of consumers. Generic, impersonal advertising is a turnoff. Talking at your customers rather than to them is a no-no. The only way to entice them is to create engaging and inspiring experiences that push the right buttons and keep consumers coming back.

And it's not a sector-specific phenomenon – the shift touches every retail and hospitality business. We

spoke to 400 businesses with physical premises and gave them a definition of the experience economy. We found that 68% of retail and, coincidentally, 68% of hospitality businesses already see themselves in this space.

That's great to hear, but it demonstrates how heated the competition now is. If the majority of businesses feel that they're offering an experience already, how can one differentiate itself from another?

Percentage of businesses who believe they are part of the experience economy



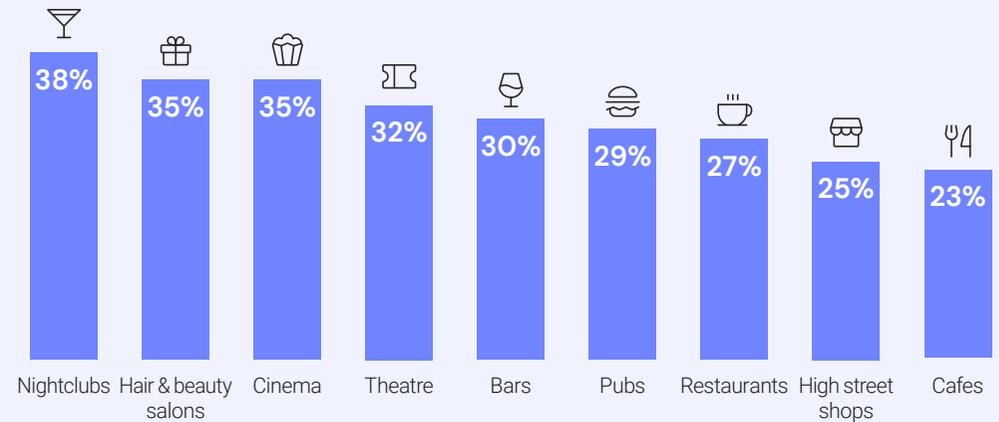
Consumers are more likely to have memorable experiences in places that put the experience at the core of what they offer, such as nightclubs and hair salons. They're social venues where customers spend time and are happy to do so. A big part of the visit is walking out having had an experience to remember.

The challenge the experience economy presents is translating that satisfying feeling to other types of businesses.

// The whole experience needs to stay with them. You want them to think I enjoyed that and will go back there.

Miller's Tale

Percentage of regular visitors who have memorable experiences most of the time by business type



// It's something that's not just transactional. Not just buying a meal but getting in there, having a chat, nice atmosphere, the chef comes out and talks to you.

 Consumer, Family, Leeds

Less convenience, more care

The convenience economy is sewn up. The rise of frictionless players like Amazon in retail and Deliveroo in food & beverage has provided consumers with an effortless solution. Speed has become the most valuable commodity when making these kinds of purchases with little need for experience. Fast, cheap and easy are the driving forces.

Where the experience economy differs is the 'time well spent' mentality. It's about consumers having a valuable, distinctive experience where they feel appreciated, listened to and understood. They're prepared to spend their time and money provided they get something in return.

The businesses that thrive will be the ones that acknowledge the experience goes beyond the transaction. Engaging customers in the physical space and the digital space is the only way to build a brand relationship and ultimately re-engage.

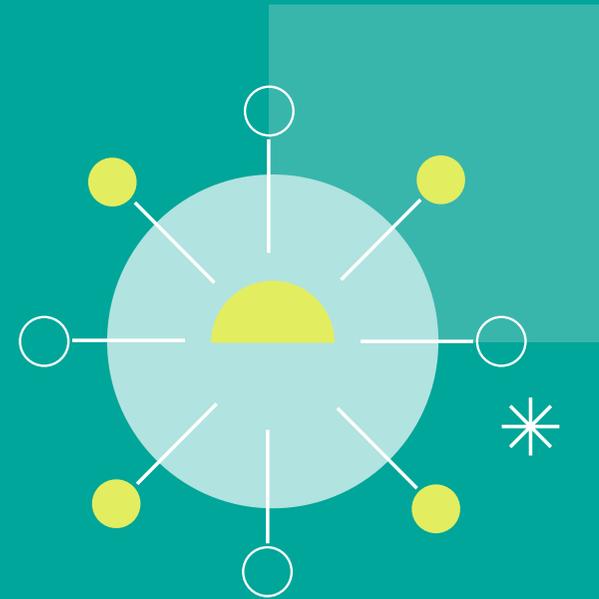


// **I know the internet is here to stay, and people shop online, but it's important for our mental health to go out and talk to people. I hear so many stories from customers when they come in, and it's really nice – it makes my day!**

Stitch Witch

02. The Covid effect

Experiences are everything in this new age of commerce



Tackling the challenge head on

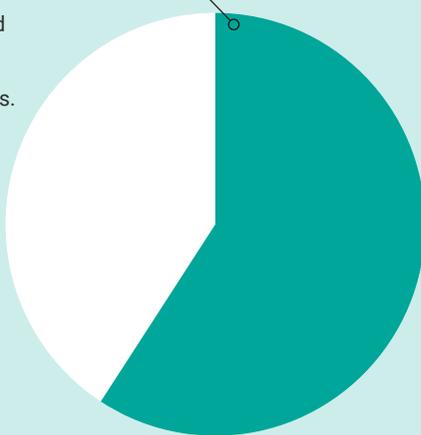
Covid has presented an incredible challenge for businesses, large and small. Pivoting from offering one thing to another has taken survival instinct. Reacting and adapting to often-changing rules and regulations has taken real tenacity.

Consumers have described missing simple things, like the excitement of being in a full cinema or queueing up at a bar and having a chat with the bartender. It's those emotional and physical connections that we have all longed for and are now seeking out more than ever.

So it's down to businesses to up their game and elevate these shared experiences that we all have a newfound appreciation for.

58%

of consumers say that Covid has made them realise how much they value experiences.



“ I really missed the restaurant chatter. That sensation of being surrounded by people having a good time.



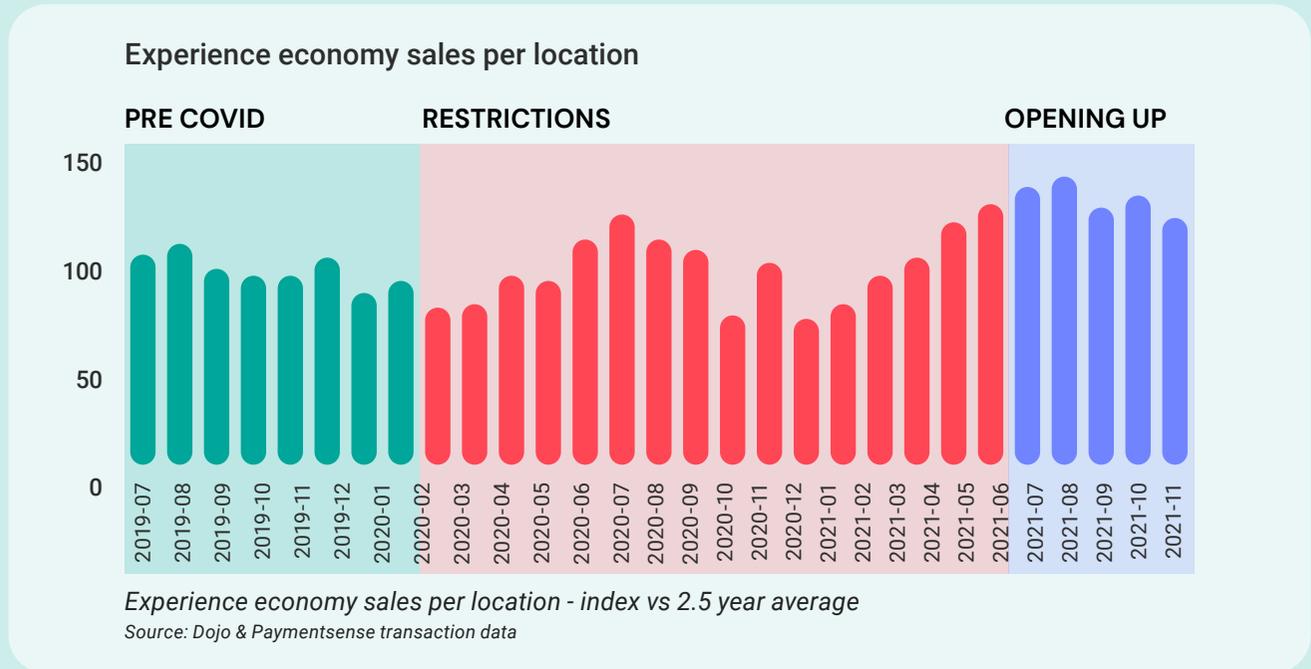
Consumer, Pre Family,
Manchester

Shifting consumer priorities

With demand for experiences now higher than it was pre-Covid, we can see that there has been a distinct shift in consumer priorities. This reflects a greater appreciation for in-person experiences and a willingness to spend more money on them.

Covid has created new opportunities within the experience economy because it's changed the way we spend our money and where we spend it, with rural areas seeing a major benefit.

Dojo data also shows an increased spend on experiences post vs pre-Covid, particularly on tourist attractions, bowling alleys and theatres. But for brick-and-mortar businesses to truly ride this wave, they must recognise the need to offer something that the convenience economy can't – a great experience and a sense of occasion.

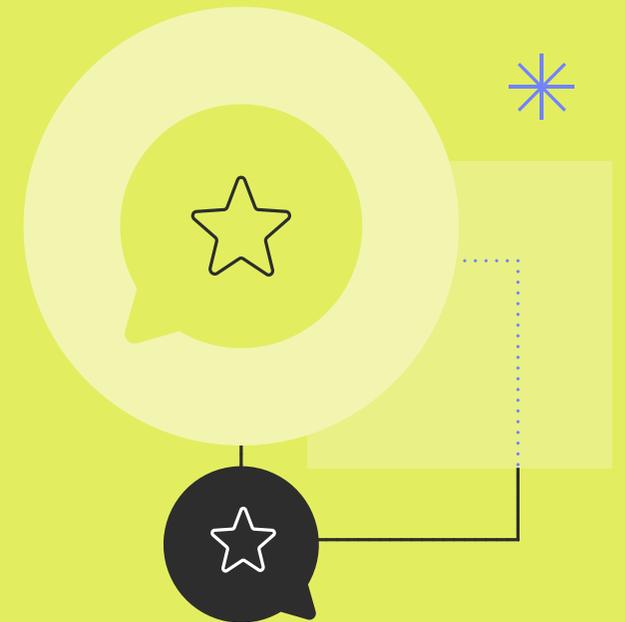


“ The days of opening a bar and expecting people to show up are long gone. With better deals in the supermarket, people opt to stay home. We have to do more to get people to visit.

Fishtown Pub Company

03. Enhancing the experience

Small, strategic changes can mean big business benefits



The gap between what's offered and what's wanted

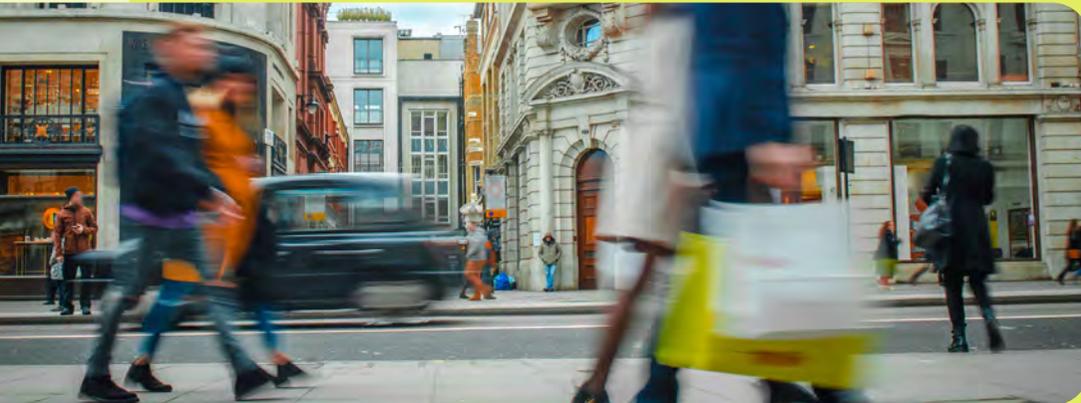
Meeting the needs and expectations of your customer base is no easy task. The key thing to remember is that they're individuals driven by emotion. So business owners who consider their offering 'good enough' may find that their customers disagree.

When speaking to businesses, we found that 89% felt that they were going above and beyond for their customers. But just 48% of consumers felt the same, with only 46% of them relishing a trip to their local high

street. Now that's a big disconnect. And, ultimately, it's consumers who spend the money, so businesses must take note.

Clearly, there's plenty of room for improvement. When asked, 60% of consumers felt that too many places look and feel the same in the UK. There's nothing distinct or memorable about them. And this attitude applies to shoppers who span life stages.

89% of businesses say they go above and beyond for their customers. But only 48% of customers agree.



“ Local high streets in England are all the same. Birmingham, Derby, Manchester – they all look the same to the point where the same shops are next to the same shops. It's crazy.



Consumer, Pre Family, Birmingham



Miller's Tale

Clothing and knitwear shop in Yorkshire and Scotland

“ When someone walks through the door, I want them to think ‘Oh isn’t this lovely!’ I want to activate senses. I use a nice fragrance, interesting music and think about my use of colour. I deliberately try to use a layout that differentiates me from a typical high street shop.

Moving beyond the masses

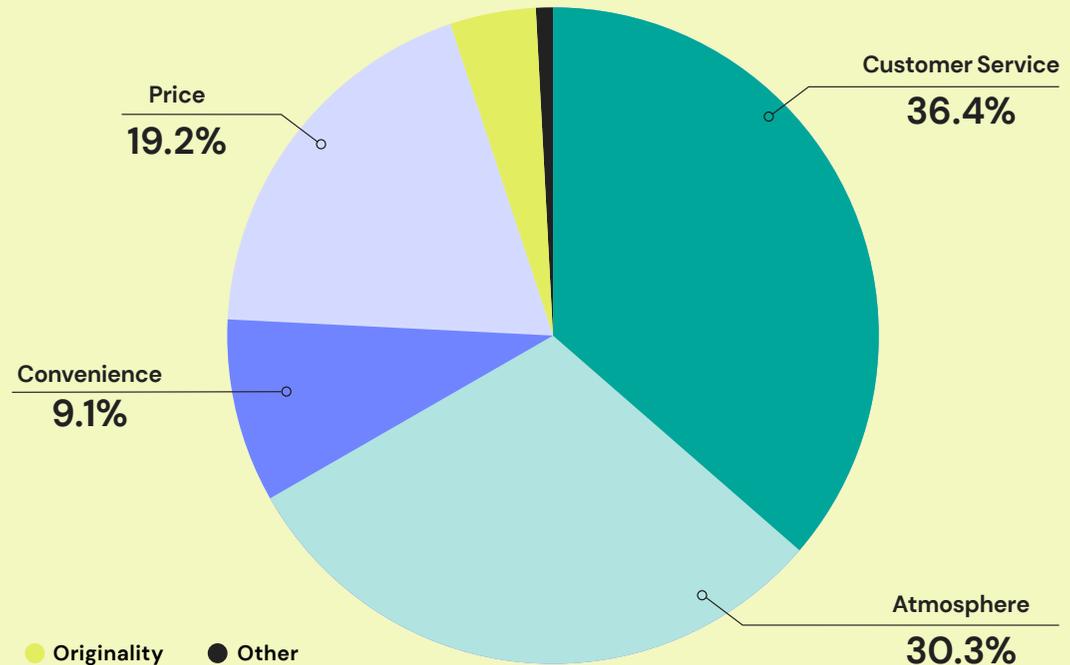
Making a business customer-focused is just as relevant to a one-man band as it is to a big multi-national – perhaps even more so. Because to be customer-focused, you must think about, understand and interact with your customers on an individual level. And when you’re serving a smaller community and have total control over your business, that’s arguably a little easier to tackle.

Make your business about the individual

Bear with us now as we introduce another theory – ‘mass customisation’. Sounds like a bit of a paradox, but in today’s economic climate, it’s essential to serve customers uniquely and personally – because customer service is ranked as the number one element to having a memorable experience.

Offering a genuine, personal service while treating each customer as an individual and listening to their needs ultimately brings a better understanding of what you’re offering *and what you’re not*.

Where consumers place value when defining a memorable experience



“ Customer-centricity should be about delivering value for customers that will eventually create value for the company.

Robert G. Thompson



Stitch Witch

Haberdashery shop, Market Rasen

“ It’s about making customers feel welcome, but not hounding them. I run daily workshops called Stitch Craft. People come in and have a cup of coffee and tell me their stories. It’s not just about sales. It’s about creating community.



Understanding your customers

There's a perception amongst business owners that creating memorable experiences means extra expense. The reality is that it's often the little things a business does that make the biggest impact.

A smile when you walk through the door, taking the time to talk through the menu, a free beer taster, a blackboard you can use to make suggestions, a chance to play your own music, a play area for the kids. These things add up, and they don't take much money. If any at all.

“ I know people are spending money putting on events, and it's not paying back for them. We want to bring people back, but we don't want to give too much away.

Fishertown Pub Company

Beer Under the Clock

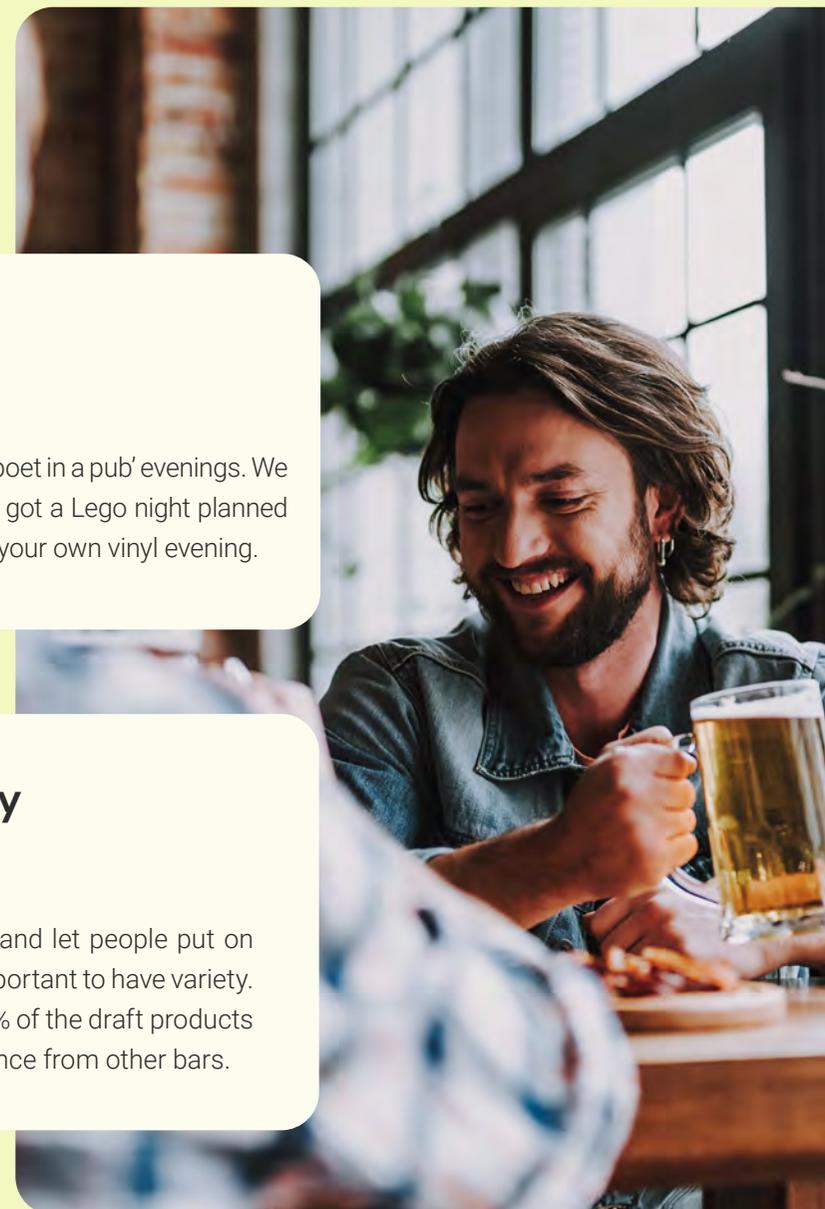
Pub in Retford, Nottinghamshire

We've got a renowned local poet, so we do 'poet in a pub' evenings. We like to do things that are a bit different. I've got a Lego night planned soon. After Christmas, we're doing a bring your own vinyl evening.

Fishertown Pub Company

Pub in Nairn, Scotland

We've got interesting background music and let people put on their own. From a beer perspective, it's important to have variety. In the last few months, we've changed 80% of the draft products we sell to give ourselves a point of difference from other bars.





Vicky

Great Greek Cuisine, Eastbourne

Great Greek Cuisine: an award-winning Greek restaurant putting creativity first

Vicky knows that all it takes to create a memorable experience is a little creativity.

Authenticity is the name of the game, and she prides herself on creating an environment that feels like you've been invited to a typical Greek family dinner.

“ We want to make you imagine you're in Greece with the sun, the sea, the gorgeous food, the friendly people, the euphoric feeling you get when you are on holiday away from trouble and routine.

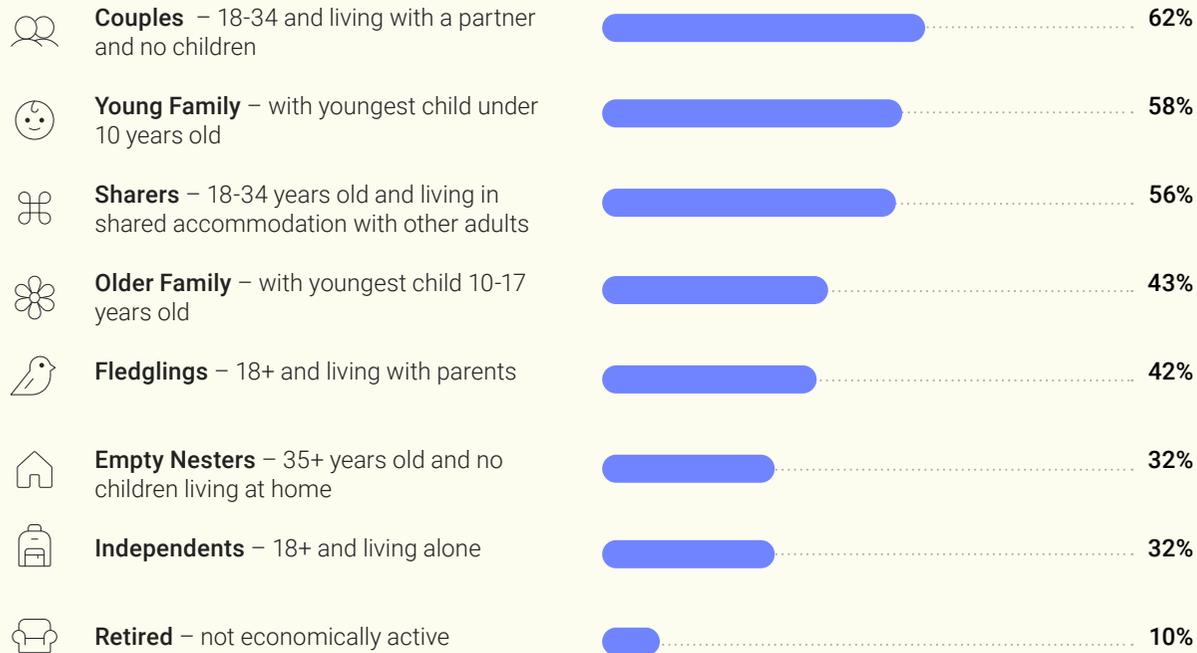
Because a great experience isn't necessarily something tangible, it can be a feeling or a memory – the creation of an atmosphere that takes someone away from the norm.



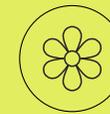
Lifestage plays a key role in understanding consumers

Different consumers have different expectations. Couples and families are shown to be those most likely to seek out new experiences, with empty nesters more content to stick with what they know.

Percentage of consumers seeking out new experiences



“ I like my food, so each time I'll try something different. I like the excitement of finding new places.



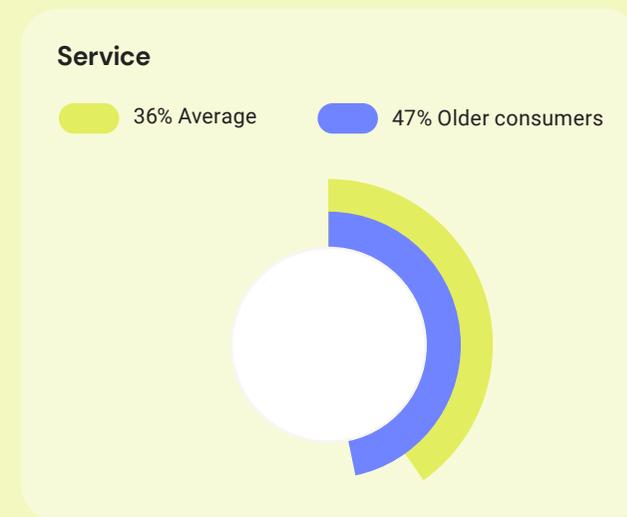
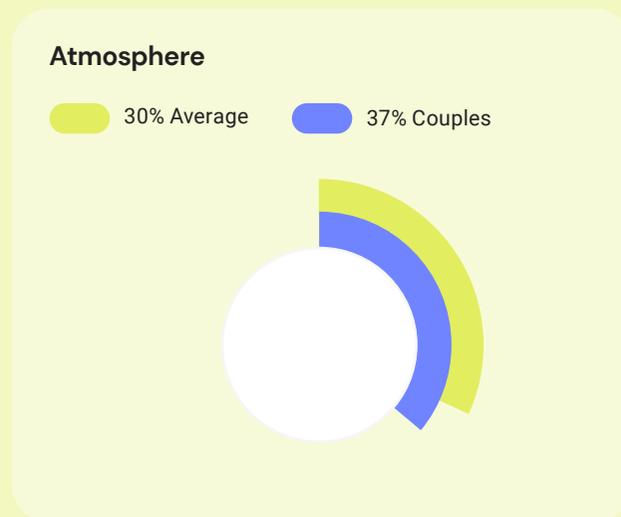
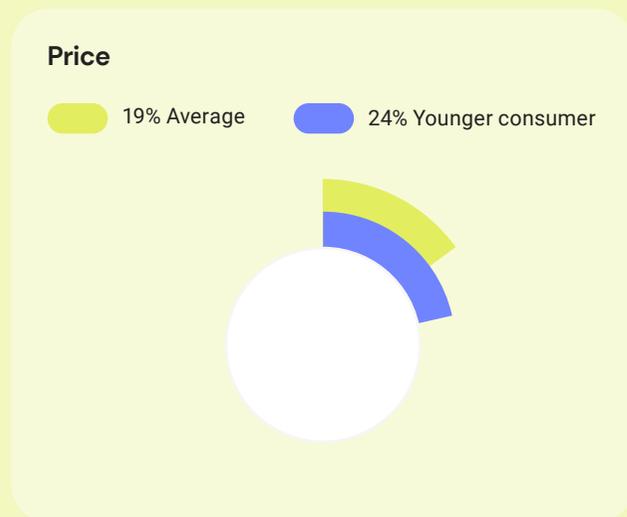
Consumer, Family, London

“ We go to the same Indian restaurant every month. You feel a part of it and know who will be there. There are no surprises.



Consumer, Empty Nester, Glasgow

Percentage of consumers prioritising each element



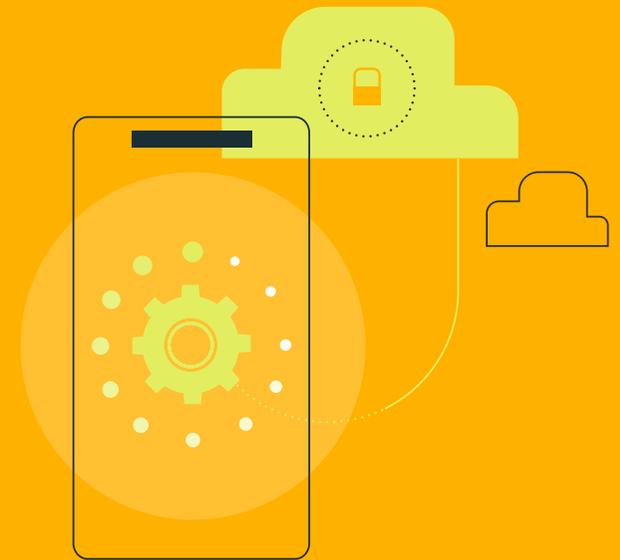
Price matters most to younger groups, whereas atmosphere rates most highly to couples, and customer service to older groups.

Beyond this, there are also personal preferences to take into account. The more businesses understand these, the more they're able to broaden their appeal.



04. Tech's part to play

Creating memorable experiences at every consumer touchpoint





Tech is a friend to business

Technology is defining the age we live in. But for many business owners, identifying how to truly make the most of it can prove challenging. When asked, 64% of businesses said that technology enhances the experience for customers.

“ The most valuable bit of tech we’ve embraced is contactless payment. We didn’t take cards for a long time. Since we started, we’ve noticed a real benefit.

Monnow Bridge Fish and Chip Shop

The payment process clearly plays a role in creating a seamless experience. Things like integrated payments and contactless go a long way to building a positive, efficient interaction. But with digital touchpoints

increasingly defining the way businesses interact with their customers, creating more exciting experiences online and on smartphones is an opportunity not to be missed.

It’s about growing long-term engagement by taking an increasingly personal approach creating interactions between the transactions. Because although technology’s significance is acknowledged, there’s a common misconception that it hinders rather than helps relationship building. Businesses can find it hard to imagine using technology to get closer to their customers.

“ I know technology could help with the experience economy, but I don’t know how. I don’t know whether things will work until I see them.

Soul2Sole Dancewear

A recent study by Vodafone and Allwyn found that around half of Millennials and Gen Z want to see increased digital technology over lower prices in high street shops. The report found that 50% of under 34-year-olds would like to see digital improvements at their local corner shop, whereas only 31% said they'd prefer to see lower prices.

And it's the same story with restaurant queue management systems. Popular restaurants are increasingly embracing tech to make turning tables ultra-efficient.

With popular queue management systems like WalkUp, business owners are seeing the benefits of leaving analogue behind.

“ WalkUp is fantastic. It's made life very easy in the restaurant, and it swallows up the high volumes we get without breaking a sweat.

Sugo Pasta

No more hand-written lists and messy organisation. It makes the experience for business owners easier to manage, and customers don't have to wait out in the cold.

Great Greek Cuisine: an award-winning Greek restaurant embracing the power of tech

Vicky runs Great Greek Cuisine and understands that technology is pivotal to delivering a quality service and memorable experiences. From the minute the guest enters the restaurant everything is on point, but if there is an issue with payment at the end of the service, it can undo everything. That small thing can ruin the whole experience.

But it's the possibilities beyond payments that get her really excited.

“ The more technology helps us understand our customers, the easier it is going to be to create that smooth experience and make them feel at home.

Understanding customer preferences and expectations are vital. And a booking system that not only makes a reservation but highlights whether a customer



Vicky

Great Greek Cuisine,
Eastbourne

has visited before, and what they ordered, could be a real gamechanger.

“ Personalised service is where we should be heading. We've resolved the basic needs. How do we up our game? How do we make it better?



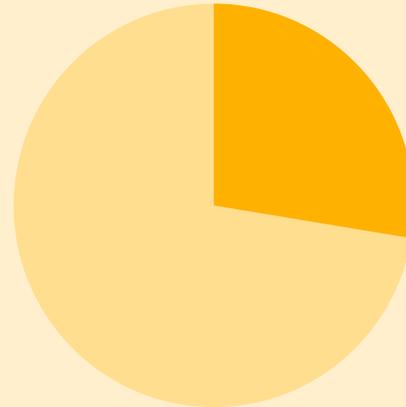
Harnessing social media

Social media and review sites are huge drivers of new markets for the experience economy. And experience economy businesses understand this, with 48% of them saying they've increased their social media activity over the past year.

These tools can become key to relationship building, creating a two-way conversation with customers when used well.

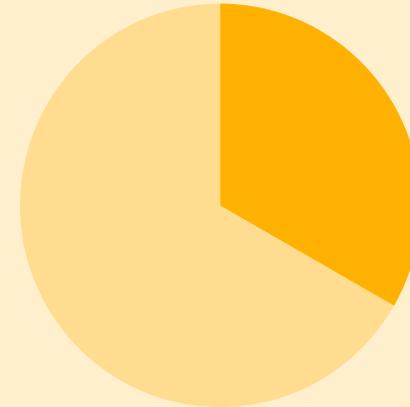
26%

of consumers use social media to find new places to go.



36%

of consumers use review websites to find new places to go.



“ I like it when businesses communicate everything they are doing on social media but in a fun way. You can see it’s just a normal person behind the channel.



Consumer,
Pre Family, Cardiff

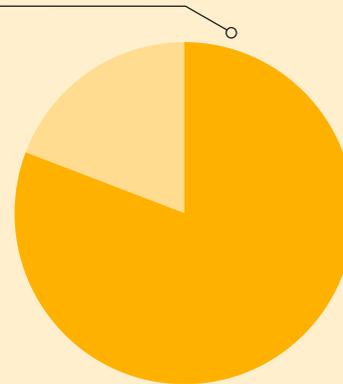
Driving loyalty through personalisation

Talking to your customers on a personal level is the key to building loyalty. Offering them something they want or need intrinsically drives it. But many business owners fear that things like loyalty schemes will cost more than they're worth and are missing opportunities to better understand their customers' purchasing behaviours and preferences.



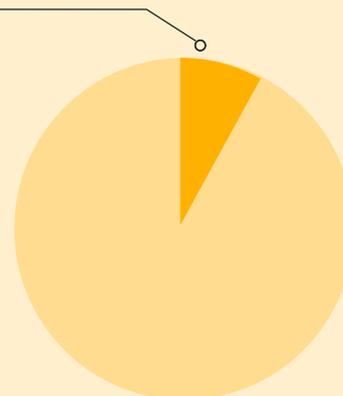
78%

of consumers say that recognising and rewarding custom makes them more likely to return to a business.



10%

of experience economy businesses currently offer a loyalty scheme.



App-based loyalty programmes

Loyalty programmes offer an incredible opportunity to encourage repeat custom. Even a simple app-based loyalty scheme can be a big win for small businesses when managed effectively. The key is giving your customers something that suits their needs, such as targeted offers and reward schemes.

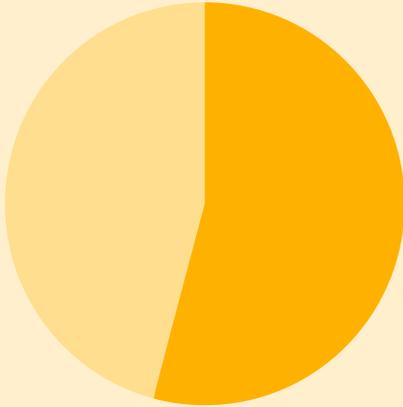
Understanding who your customer is and what they care about is the best way to drive value. Because, ultimately, loyal customers are more effective at growing a business than any marketing. This is why listening to customers and soliciting feedback is so valuable when testing the waters and creating truly memorable experiences.

Consumers often appreciate the chance to share their thoughts, and by making this connection, business owners can hone their offering to suit by engaging their customer base in conversation.

But customer feedback offers more than just a space to vent. While 74% of consumers will take to social media to air their grievances, 72% will go online to praise a business that goes the extra mile.

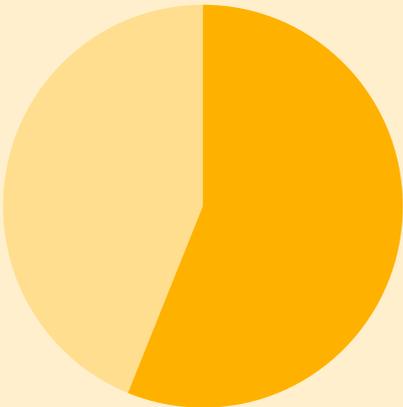
56%

of consumers say that getting their feedback and then acting on it would be a strong incentive to return to a business.



58%

of businesses say they use social media to listen to customer feedback.



“ The businesses that stand out are the ones that reply to reviews and show that they care. The human side is noticed.



Consumer, Empty Nester, Stratford



05. Winning in the experience economy

Make your business stand out from the competition



Key takeaways

The experience economy is here to stay, so it's down to business owners to adapt their offering to meet demand. Joyful experiences and memorable moments are the key differentiators.

But to truly capitalise on the return to the high street post-Covid, it will take more than personalised service. Technology has an ever-increasing role to play as business owners and consumers place a higher value on their precious time. The right technology can help create, complement and enrich interactions, streamlining the face-to-face experience – building a connection beyond the transaction.

“ A company intentionally uses services as the stage and goods as props to engage individual customers in a way that creates a memorable event.

The Harvard Business Review



Rules for retail

For retail businesses, a seamless, enjoyable experience is essential – from entering the door to making a purchase.

But what does this look like?



Offer something uniquely you

Excellent customer service is a given, but think beyond that. The sights, smells, sounds and sensations customers experience as they walk through your doors are all drivers. Give your customers a reason to return by refreshing your stock or putting on events and offering discounts. Think about how you display your products in a way that will attract the widest variety of customers.



Build relationships

Make customers a part of your business by engaging with them. Share your passion and expertise, and always reward repeat custom. Loyalty and customer referral programmes can be valuable tools to keep track of repeat customers and their preferences.



Create a seamless payment journey

Think about your payment journey and how easy it is for your customers – and include a comprehensive mix of payment methods. Consider offering payment links that can be shared via email or social channels, as well as e-commerce options, as part of an omnichannel approach.

What's next?

In 2022, businesses need to be making the most out of their consumer relationships at every opportunity, connecting the dots of their offering – from face-to-face interactions to brand loyalty. Making the most of transaction information by integrating your systems and connecting disparate data will be critical in this new world.

The opportunity to draw insights from transaction data to inform business decisions, like wholesale orders and staffing, will ensure you have the information and time to provide the best experience possible.



Hospitality matters

Running a restaurant or bar can be a juggling act. But by making sure your space is welcoming, with a smooth ordering and payment process, you can go a long way to creating a memorable experience.

How can you put this into action?



Maximising capacity without compromising on experience

Don't miss out on potential customers – knowing how to seat every single one of your walk-ins is invaluable. Ditch the hand-written table booking lists and choose a restaurant queue management system that makes bookings easier to manage.



Ordering options

Give customers the option to order and pay how they like. Think about online menus, order and pay QR codes and apps.

Putting the power in customers' hands not only gives them control but also frees up your staff to offer a service that goes above and beyond.



Innovating the restaurant experience

From the hospitality you provide to the food your customers see on the plate, let the experience and ambience you create do the heavy lifting when it comes to creating a buzz.

What's next?

Beyond 2022, your customers won't just search by cuisine but experience, so you need to define your offer. They don't just want food. They want a whole package. So establishing what differentiates your business is vital. Investing in these elements now will pay off down the line.



The experience economy is here and now

There's a lot of hope for the high street yet. The experience economy offers face-to-face businesses the opportunity to take the fight to online convenience. And as we've discussed, it doesn't have to break the bank. Small, thoughtful changes mixed with a solid dose of creativity are all it takes to get customers through your doors.

Couple that with a strong understanding of the possibilities of technology and small businesses have all they need to fulfil the promise of unique, personal experiences that go above and beyond just providing goods and services. By interweaving in-person, tech and digital, business owners can create a seamless connection that stays with customers long after a transaction.

It's all about creating meaningful, memorable interactions.

It's all about time well spent.

dojo[®]