

## Table of Contents

|   |           |
|---|-----------|
| <b>Executive Summary</b> .....  | <b>4</b>  |
| <b>What is the experience economy?</b> .....  | <b>5</b>  |
| <i>Figure 1: UK consumer spending composition, £bn, 2017</i> .....  | 5         |
| <b>Has the UK really reached 'peak stuff' as experiences take off?</b> .....  | <b>6</b>  |
| <i>Figure 2: Growth in UK consumer spending by category, 2012-17, % and £bn</i> .....   | 6         |
| <i>Figure 3: Increase in spending on 'stuff' online versus physical stores, inflation adjusted, % y-o-y, 2012-17</i> .....                  | 6         |
| <b>What's the experience economy made up of?</b> .....  | <b>7</b>  |
| <i>Figure 4: Composition of experience economy, £bn, 2017</i> .....   | 7         |
| <b>Who is spending on experiences?</b> .....  | <b>8</b>  |
| <i>Figure 5: Experience spending by age of household, £bn, 2017</i> .....   | 8         |
| <i>Figure 6: Experience spending by age, adjusted for adults living with parents, £bn, 2017</i> ....  | 8         |
| <b>Who is driving growth in experiences?</b> .....  | <b>9</b>  |
| <i>Figure 7: Increase in spending on experiences by household age, £bn per year, 2012-17</i> ...9   |           |
| <i>Figure 8: Increase in spending on experiences by household age, adjusted for adults living with parents, £bn per year, 2012-17</i> ..... | 9         |
| <b>Travel, eating and drinking propel experience growth</b> .....   | <b>10</b> |
| <i>Figure 9: Increase in spending in experience categories, £bn per year, 2012-17</i> .....   | 10        |
| <b>Under-30s focused on independent travel</b> .....  | <b>11</b> |
| <i>Figure 10: Change in spend per year by under-30s by experience category, £m, 2012-17</i> 11  |           |
| <b>30-49s balance growth between restaurants and travel</b> .....   | <b>12</b> |
| <i>Figure 11: Change in spend per year by 30-49s by experience category, £m, 2012-17</i> .....  | 12        |
| <b>50-64s splash out on wide range of experiences</b> .....   | <b>13</b> |
| <i>Figure 12: Change in spend per year by 50-64s by experience category, £m, 2012-17</i> .....  | 13        |
| <b>65+ households spend on package holidays and restaurants</b> .....   | <b>14</b> |
| <i>Figure 13: Change in spend per year by 65+s by experience category, £m, 2012-17</i> .....  | 14        |
| <b>Zoom in on spending growth: restaurants &amp; hotels</b> .....   | <b>15</b> |
| <i>Figure 14: Change in spending on restaurants &amp; hotels by income quintile age group, £bn per year, 2012-17</i> .....                  | 15        |
| <i>Figure 15: Change in spending on restaurants &amp; hotels by income quintile age group, %, 2012-17</i> .....                             | 15        |
| <b>Zoom in on spending growth: recreation &amp; culture</b> .....   | <b>16</b> |
| <i>Figure 16: Change in spending on recreation &amp; culture by income quintile age group, £bn per year, 2012-17</i> .....                  | 16        |
| <i>Figure 17: Change in spending on recreation &amp; culture by income quintile age group, %, 2012-17</i> .....                             | 16        |
| <b>Key retailers' strategies for the experience economy</b> .....   | <b>17</b> |
| <b>Debenhams</b> .....  | <b>17</b> |
| <b>John Lewis</b> .....   | <b>18</b> |
| <b>Next</b> .....   | <b>19</b> |
| <b>Tesco</b> .....  | <b>20</b> |
| <b>Experiences to grow faster than rest of spending</b> .....   | <b>21</b> |
| <i>Figure 18: Growth in UK consumer spending by category, 2017-21, % and £bn</i> .....  | 21        |
| <b>Who will drive experience spending rises?</b> .....  | <b>22</b> |
| <i>Figure 19: Forecast growth in UK consumer spending on experiences by age group, £bn, 2017-21</i> .....                                   | 22        |
| <b>The experience economy: retail growth opportunities by age and income</b> ....   | <b>23</b> |

## 2018 UK Consumer Opportunities: The Experience Economy

|   |           |
|---|-----------|
| <i>Figure 20: Forecast top 12 growth opportunities in recreation &amp; culture and restaurants &amp; hotels by income quintile age group, £bn per year, 2017-21</i> | 23        |
| <b>Travel and hospitality will dominate rise of experiences</b>   | <b>24</b> |
| <i>Figure 21: Forecast change in UK households' spend on experiences, by category, £bn per year, 2017-21</i>  | 24        |
| <b>Outlook and recommendations</b>  | <b>25</b> |
| <b>UK's 'Late Boomers' come of age</b>  | <b>25</b> |
| <i>Figure 22: Births per year in US vs UK, 000s, 1950-75</i>  | 25        |
| <i>Figure 23: Forecast change in UK population by age group, %, 2017-21</i>   | 25        |
| <i>Figure 24: Forecast net household income by age group, %, 2017-21</i>  | 26        |
| <b>Recommendations for exploiting the experience economy</b>  | <b>27</b> |
| <b>Where do these figures come from?</b>  | <b>28</b> |
| <i>Figure 25: Sources of data in this report</i>  | 28        |
| <b>Appendix 1: Definitions</b>  | <b>29</b> |
| <b>Appendix 2: Methodology</b>  | <b>31</b> |
| <b>Appendix 3: Experience spending by age group</b>   | <b>32</b> |
| <i>Figure 26: Detailed breakdown of experiences spend by age group, 2012, 2017 and 2021, £m and % change</i>  | 32        |