

Customer Profile for Regional Shopping Centres

**Consumer habits and statistics?
Think you're well informed on this subject?
Think you know most of it?**

If you answered 'yes', you could well be surprised by the following article. It's a detailed study of certain shopping habits in our centres compiled by someone who's been doing it for a long time and who's got the business down to an art form!

It's got significant implications for development, for marketing, leasing, in fact it contains information for everyone concerned with the development and / or management of major shopping centres and makes compulsive reading.



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When looking at the giants of the marketplace, the regional and super regional shopping centres are physically the largest and most economically significant group of shopping centres in the total shopping centre category.

There are around 65 regional centres in Australia (including the super regionals), each including department stores, discount department stores, supermarkets, mini majors and more than 200 speciality shops.

Shopping centres have now been part of the Australian landscape for over 40 years with Chadstone opening in 1960 and Warringah Mall in 1963. In the 1970s Dame Edna Everidge received national TV coverage when she opened a new major Victorian shopping centre and said; "It's more than just shopping, it's a way of life," and given our frequency of visit to shopping centres, it certainly is our way of life.

As an industry, we are all well informed about the turnover of different retailer types and commodity groups and where the retail growth is occurring or declining.

Over the past ten years the trends have crystallised including the increasing dominance of speciality

stores, reduced impact of department stores, growth of discount department stores and supermarkets, emergence of the single themed mini major, transference of spend from take away to casual dining, slowing in fashion, increasing homewares sales and mobile phone kiosks popping up everywhere!

But what about consumer habits, how are consumers using our centres? A national benchmarking study by Directional Insights has identified the customer profiles for regional shopping centres, as well as subregional and neighbourhood centres. The study is based on interviews with over 28,000 customers nation wide and covers customer demographics, shopping and expenditure patterns, competition and marketing. This article focuses on the profile of a regional and

super regional shopping centre customer. The study reveals that the average customer spends 85 minutes in a regional shopping centre and spends \$74 on goods and services per visit. This means on average, regional shopping centre customers are spending nearly 90 cents every minute of their shopping visit.

The longer a customer spends at a shopping centre the more they spend, and over the last decade we have seen the time spent in regional centres by customers increase.

On average, customers spend significantly longer at regional centres than they do at subregional or neighbourhood centres. The average time spent in a subregional centre is between 60-64 minutes and around 40 minutes for a neighbourhood centre.

However, customers do not visit regional shopping centres as frequently as they do subregional or

neighbourhood centres. On average 65% of customers visit regional centres weekly or more often compared to 76% for subregionals and 82% for neighbourhood centres.

Nearly two-thirds of regional shopping centre customers are categorised as mission shoppers, while the remainder are categorised as leisure shoppers.

Leisure shoppers tend to take their time to look around and enjoy the experience. Mission shoppers are visiting for a specific reason and tend to get in and out of the centre once the task is complete. As a result leisure shoppers tend to spend more than mission shoppers at a regional centre. Due to the extended centre offer, there are more leisure shoppers at a regional centre than at a subregional or neighbourhood centre.

In terms of regional shopping centres' customer demographic profile, the average age of a regional shopping centre customer is 43 years (based on interviews with customers aged 15 or more). This is a younger average age than for subregional at 45 years or neighbourhood centres, which tend to attract a more mature customer with an average age of 49–50 years.

The split between customers living in households with or without children is fairly evenly split. Households with families account for 52% of customers, while Sink/Dinks (single and double income, no children, respectively) account for the other 48% of customers.

Not surprisingly, customers living in households with children spend more per shopping visit at regional centres than households without children.

Just over half of all regional customers are in paid employment, just over a third in full-time employment and the remainder are in part-time employment. The main customer occupations are professional / managerial positions, home duties and retired / superannuated, respectively.

The vast majority of customers travel to the centre by car, either as the driver or as a passenger. The proportion of customers travelling to a regional / super regional shopping centre by car is similar for subregional and neighbourhood centres.

The mode of transport to a shopping centre is important, because customers who travel by car spend more than those who travel by other means. This is partly due to the ease of transporting goods purchased by car rather than by bus, walking, etc and also related to customers generally spending more, the further they have travelled to a centre.

Nearly three quarters of regional

Average age of regional/ super regional customers

Under 20 years	9%
20–29 years	20%
30–39 years	17%
40–49 years	18%
50–59 years	17%
60–69 years	11%
70 years plus	8%

(15 years and over interviewed)

Top 3 occupations of regional/super regional customers

Professional/Managerial	21%
Home Duties	15%
Retired/Superannuated	15%

Employment breakdown

Working full time	36%
Working part time	19%
Not in paid employment	45%

Behavioural characteristics of regional/super regional customers

84%	Drive to the centre
65%	Visit weekly or more often
63%	Are mission shoppers
37%	Are leisure shoppers
22%	Grocery shopping is their main reason for visiting the centre
17%	Shop for apparel (clothing, shoes and accessories)
39%	Buy take home food
37%	Buy apparel
17%	Buy take-away food

- Average spend is \$74 in a regional centre
- Customers spend 85 minutes in the centre
- Females spend more than males while shopping on average.

shopping centre customers use that centre for their main non-food shopping, while just under a third of customers would use the centre for food shopping.

In contrast, a far higher proportion of customers at subregional and in particular neighbourhood centres, use that centre for their main food shopping.

In addition, fashion and non-food shopping is lower at subregional and neighbourhood centres than regional centres, reflecting the varying offers of the different categories of shopping centre. The lower proportion of customers using regional shopping centres for their main food shopping, is largely the reason for the lower frequency of visit to regional centres.

Customers shop for food more frequently than any other retail goods, typically weekly or more often. Therefore, shopping centres that are mainly visited by customers for food shopping, that is supermarket based or neighbourhood shopping centres, have the highest frequency of visit.

Fashion and non food shopping is typically conducted on a less frequent basis and therefore centres that are mainly used by customers for this type of shopping, that is regional shopping centres, tend to have a lower frequency of visitation by customers.

The most important factors for customers at a regional shopping centre are parking, value for money and ease of finding their way around.

Customers rate regional shopping centre performance highest for a wide variety of stores, quality of centre facilities, ease of finding their way around the centre and fresh food.

The ability to evaluate the performance of an individual shopping centre against the national average for its particular category, enables centre management to identify areas for improvement and determine the customer priorities. Once customer behaviours are known compared to the average, strategies can be put in place to, for example, encourage length of stay, or higher leisure mode etc.

Within this article, a subset of regional / super regional shopping centre benchmarks have been referred to as examples to demonstrate the benefit of benchmarking individual customer usage patterns and centre performance. The study, which includes over 1,000 benchmarks, facilitates centre performance comparisons and thereby assists centre management decision making. **SCN**