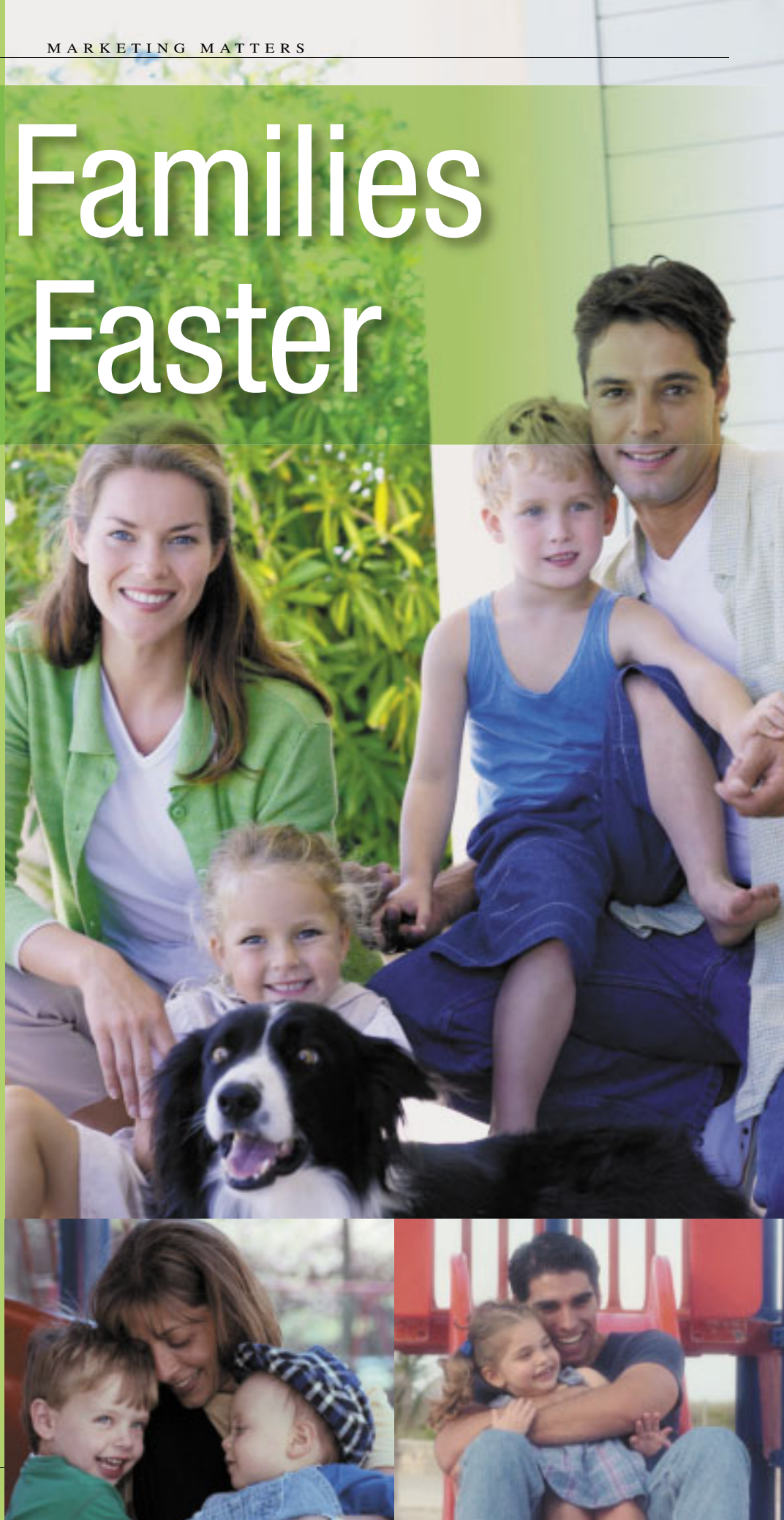


# Young Families Spend Faster

*Young families spend more money and they spend it faster than the average customer. Gaining an understanding of how they shop is of key importance for shopping centre management and retailers.*



**by Carol Lewer and Helen Bakewell**

A national benchmarking study conducted by Directional Insights identifies young families as accounting for 18 per cent of all customers and 23 per cent of total spend at sub-regional shopping centres.

By comparing young families with the average customer who visits a shopping centre, Directional Insights has been able to identify their different shopping behaviour and customer value. Young families are defined as customers living as a couple, either married or de-facto, with children under the age of 12 years old.

Young families spend on average \$78 each trip to a shopping centre, which is \$17 more than the average customer, or 28 per cent more expenditure against Directional Insights' sub-regional shopping centre benchmarks. As customers' living in young families frequency of visit to sub-regional shopping centres is on a par with the average customer, this means that their incremental spend per visit is reflective of their higher spend in total.

Most of this incremental expenditure is in the form of food retail (that is, food shopping at a supermarket or speciality food retail store), where they spend on average \$9 more. They also spend on average \$18 on apparel — \$4 more than the average customer. However, their spend on food catering, (such as takeaways, cafés or restaurants) is on par with an average customer.

Typically, expenditure is highly correlated with length of stay at a shopping centre: the longer the time a customer spends in a shopping centre the more they spend — but young families spend their money faster! An average young family spends 65 minutes in a sub-regional shopping centre, compared to total customers who spend 61 minutes. This means that on average the total customers are spending \$1 per minute, that is \$61 in 61 minutes, but young families are spending \$78 in 65 minutes, which is \$1.20 for every minute they spend at a shopping centre. Young families are spending their money 20 per cent faster than the average customer!

It may not be surprising that customers who live in young families spend more money at shopping centres as there tends to be more people in the household, that is at least three people: two adults and one child. Three people will have greater requirements than a couple with no children or a single person. But why are they spending their money faster?

The factors that drive faster expenditure by customers with young families is likely to be multifaceted and require an understanding of their customer demographics and shopping patterns. Predominantly, customers at sub-regional shopping centres are women — that is 71 per cent of customers are female as compared to 29 per cent are men as sourced from Directional Insights Sub-regional Shopping Centre Benchmarks. However, if the customer is also living in a young family they are even more likely to be female, with 81 per cent of young family customers being female.

Around half of all customers visiting sub-regional shopping centres do not work, which is slightly more than the proportion of customers who live in young families, with only 45 per cent not in the work force. In the case of young families, though, 41 per cent of customers are conducting home duties, as compared to only 22 per cent of total customers. Not surprisingly, there are very few customers living in young families who are retired or superannuated as compared to 17 per cent of all customers.

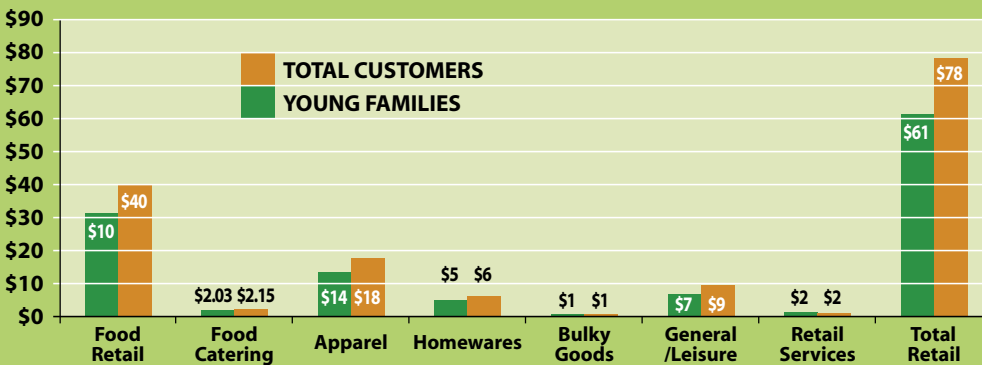
Those young family customers who are in paid employment are more likely to be working part-time (27 per cent of customers compared to 19 per cent of total customers), with a similar proportion of customers working full-time for total customers and young family customers.

Customers who are living in young families are most likely to be working in professional or managerial roles at 19 per cent of customers, or sales or personal services positions at 10 per cent of customers.

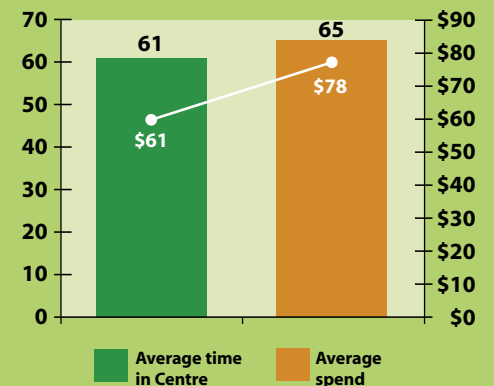
But if such a large proportion of young family customers are conducting home duties, and not working out of the home, why are they spending their money faster? One reason may relate to who these customers are shopping with. Typically the number in a shopping group is 1.4 people, but in the case of customers living in young families it is 1.8 people: there are more people in a shopping group if the customer lives in a young family.

Over a third of these customers are shopping with children under the age of 10 and around

**Expenditure by commodity group**

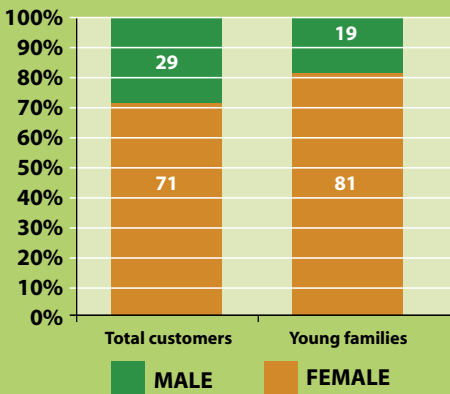


**Average time in centre**

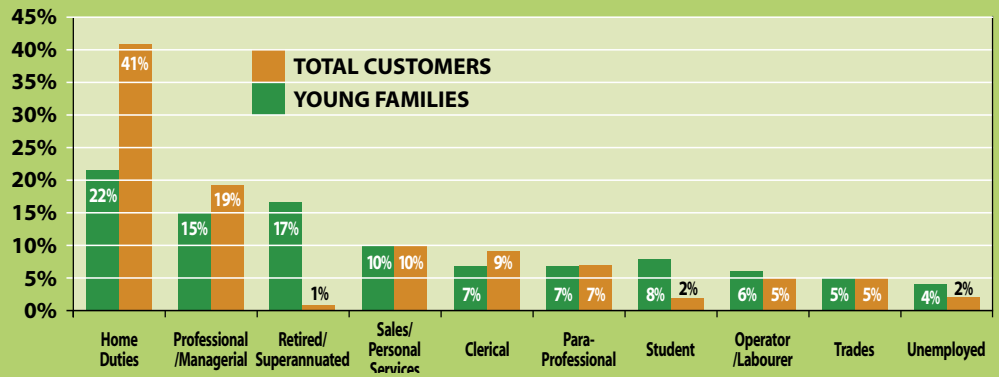


Source: Directional Insights Sub-Regional Shopping Centre Benchmarks

## Gender



## Employment status



a quarter are shopping with children under the age of four years old. For those of us who have been shopping with young children, it is not something you want to prolong and often involves buying for everyone in the shopping group!

For the average customer only 9 per cent are shopping with children under the age of 10 years old and only 6 per cent of customers are shopping with under four-year-olds. Shopping with young children may make customers shop faster and for more people, and therefore spend more money and at a faster rate.

Another factor driving higher expenditure and possibly faster expenditure is average household income. Clearly, household income is a determinant of expenditure. Typically, the higher a customer’s household income the more money he or she spends. The average shopping centre customer has a household income of \$52,300, as compared to a young family, which has an average household income of \$65,800. If this result is surprising you need to consider that by definition a young family tends to have two adults who are of working age, whereas the total customers’ figure will include young people in single person households and retirees who both typically have lower average household incomes. In the case of young families, as they have a higher average household income, they have a greater capacity to spend.

As young families have a higher average household income, a higher average spend at shopping centres, and spend money faster, they are clearly worth targeting. The key driver of visitation to shopping centres is location

and, to a lesser extent, the actual shopping centre offer. Customers living in young families will visit their local centre for convenience and then travel further a field if necessary, for an extended offer. The shopping centres’ offer and marketing should target the demographic profile of the geographical area the shopping centre is located in. In the case of a shopping centre with many young families living nearby, there is clearly a segment worth understanding and targeting.

So how can shopping centres be more appealing to customers with young families? By conducting focus groups at various shopping centres around Australia with parents of children less than 12 years, we were able to identify their needs and wants.

Mothers of young children tend to have more functional requirements of shopping centres than fathers, who are more focussed on the leisure aspects of shopping centres. Mothers want discount department stores, Target, Big W, Kmart, and Best and Less for good value, competitively priced young children’s clothing. However, once the children are teenagers, parents tend to take their children, or allow them to go alone, to large fashion destinations, for example regional shopping centres, rather than sub-regional shopping centres.

Young children can restrict the access parents have to various precincts and stores within a shopping centre, either by not having pram-friendly access, nothing of interest for the child or a lack of adequate facilities.

Young mothers want centres to be designed with prams and young children in mind. This

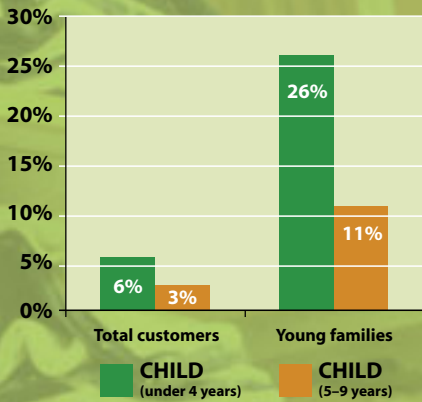
may sound obvious but many shopping centres and stores have areas without easy pram access or steeply sloped areas, which are hazardous for prams and trolleys.

There also needs to be something to attract children throughout a centre so that parents can use it as a lure to visit, otherwise: “My kids start whining. Do we have to go here?” Young mothers complain that often shopping centres have nothing to engage or entertain young children and so they prefer to shop on their own as they get more done faster. Young mothers suggested that children’s play areas at shopping centres could be used by mothers’ groups in the local area: this would help build customer loyalty and be “somewhere you can have some fun for your child”, or “just to relax and have a nice coffee with some friends.” Children’s play areas are perceived as enjoyable for the children and can act as a reward for the children.

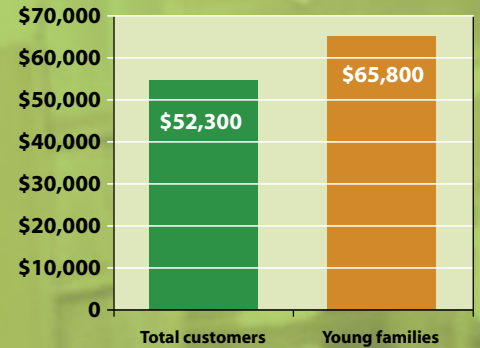
This particularly relates to child relief areas, such as small play and climbing frames where children can play for 10 minutes and parents can have a coffee or just catch their breath. These types of areas are also used as bribes by parents for prolonged shopping ventures. “If you let mummy do x, y and z, we can go to the play area, then mummy just needs to finish a, b and c.” Without child relief in a centre often only x, y and z gets done and the centre misses out on the a, b and c expenditure. Given the faster rate of spend and the higher average income, these are shoppers you want to stay longer in the centre.

It is also worth noting that it is not just parents with young families who acknowledge the

## Others in group



## Average household income



Source: Directional Insights Sub-Regional Shopping Centre Benchmarks

need for child relief in centres. In many groups we have undertaken with young singles and empty nesters (all without children), they also recognise the need and prefer centres to have areas where children can “let off steam” instead of in the store they are visiting.

To assist parents with young children, “parents with prams” parking spots near the shops and particularly the supermarkets are required. In addition, parking with shading is often requested: “You don’t want to put a little baby in a hot car while you are putting the groceries into it.” Parents want ample clean toilets so they do not have to walk long distances with a young child: “When a child says he has to go to the toilet he means now... not in five minutes”. Ample toilets around the centre with clear signage are needed.

Some parents also have an expectation that children’s toilets will be provided. Those customers with babies also want plenty of parents’ rooms. Young fathers also want to be able to use parents’ rooms too. One young mother mentioned a shopping centre that had a parent’s room with “microwaves, couches, a lovely environment” and this was now her benchmark against which she judged all other shopping centres. Some young mothers chose their shopping centre destination based on the quality of toilet and parents’ room facilities.

Fathers of young children often see shopping centres as a leisure activity, a place to take their children for weekend entertainment and treats. They enjoy allowing their children to go on the fun rides at the centre or taking them to McDonald’s as a favourite children’s restaurant.

They have a strong desire for entertainment that is family-friendly, with suggestions of children’s entertainment, a kids’ corner or free play area, and cinemas and dining areas.

Some parents of young children want child-minding services to giving the parents some additional relief while shopping: “so you could do your shopping in peace. You could get your hair done.” However, there are concerns about the level of care at such places, therefore there they need assurance of service quality, activities for kids, the child-to-carer ratio, and some system of contacting the parents if there is a problem, for example a beeper or a loud speaker system.

Shopping centre customers with young children account for nearly a quarter of all spend, spending more than the average customers and spending it faster. If your shopping centre is located within an area with a high proportion of young families they are a customer segment well worth targeting, but they have quite specific requirements: they want family friendly-centres which encourage them and assist them to stay longer, and in turn this will encourage them to spend more. By making the children happy to visit a shopping centre the parents are likely to visit more often, stay longer and spend more. As shopping centres introduce new innovative family friendly facilities they quickly become the benchmark against which all other centres are judged. Clean parents rooms with couches and microwaves, small toilets for children, a wide range of children’s entertainment, child minding and a children’s play area are just some of the wants, fast becoming needs, of customers with families. “Parents with prams” parking is already

considered mandatory. Although this customer segment is particularly demanding, it could well be worth targeting for your centre.

The statistics used for this article have been sourced from Directional Insights Sub-regional Shopping Centre Benchmarks, which are based on the results of shopping centre exit surveys conducted by Directional Insights with over 23,000 customers in more than 20 sub-regional shopping centres nationally. The qualitative responses have been sourced from focus groups conducted by Directional Insights. ■

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*Further guidance on research needs can be gained from reading the articles in the resources section of www.directional.com.au.*

