



Consumers put retailers on new alert

SHOPPERS are higher on confidence, and they're intent to spend more than six months ago, but retailers could win even more of today's confident customers, according to key findings from the Recommend Retail Practice (RRP) report, released by AMP Capital Shopping Centres.

The report, conducted by Directional Insights, finds consumers are shopping with a new mindset.

It reveals what they won't give up during economic hardship and shows their purchases must satisfy at least one of three criteria: safe, savvy or sensible.

With 46 per cent of shoppers intending to spend less across 17 everyday retail categories than in February this year, Australian retailers are being urged to be alert to this changing consumer behaviour. The report finds a number of items Australians will not go

without include one in two not giving up wardrobe items such as a good fitting pair of jeans and eight in 10 won't give up quality fruit and vegetables.

Helen Bakewell, managing director of Directional Insights, said consumers' intent to spend is up slightly from February. However, she said they remain cautious and are spending much more time researching the item, shopping around for best value or service and being selective with where they spend their money.

"We are seeing from consumers, particularly the female shopper, a new set of terms under which they are now prepared to exchange their cash for a commodity," she said.

The Recommended Retail Practice report also found:

- Holiday spending should improve for both international and local destinations: 55 per cent of people said they

would spend the same or more on a holiday within Australia, 30 per cent would spend less which was down from 37 per cent in February;

- Forty-six per cent of people plan to spend less on eating out in the coming months, which is down from 57 per cent in February;

- Thirty-three per cent intend to spend less on hairdressers, beauticians, nail bars and massage, while 48 per cent intend to spend the same;

- Forty-one per cent intend to spend less on household goods like TVs, small electrical, kitchenware and homewares while 44 per cent spend the same as usual;

- Fifty-one per cent intend to spend the same or more than this time last year on technology, e.g. mobile phones, computers, gaming and portable music devices such as ipods, mp3s.



Nearly half the people surveyed said they are now less likely to eat out, leaving empty restaurant tables; but more than half said they would spend the same or even more on home entertainment such as game players.