

Helen Bakewell

From: scott.gillespie@ampcapital.com
 Sent: Tuesday, 24 February 2009 10:15 AM
 To: Helen Bakewell

Helen - good comment from Inside Retailing...

[Login: Register](#)

[Home](#) | [Store Operations](#) | [Retail Design](#) | [HR](#) | [Shopping Centres](#) | [Trends](#) | [eTailing](#) | [Marketing & Branding](#) | [Retail Services](#) | [Forums](#) | [Register](#) | [Search](#)

[Current Articles](#) | [Search](#) |

Monday, February 23, 2009



COMMENT: One in two 'will spend less' - but there's an up side
 6:56 PM :: 1 Comments :: ★★★★★ :: [Main Story](#)

By Robert Stockdill

The "big squeeze on retail spending is underway" reports AAP economics correspondent Colin Brinsden, warning "retailers beware".

But that's one way of looking at the results of a survey released Monday, the basis of a doomsday feature by Brinsden widely published on subscribing media outlets' websites.

Every retailer in Australia is already aware we're in a recession, albeit the government might have another name for it. So far from being the doomsday scenario Brinsden writes of, there is a stunningly obvious plus side to this study...

One in two consumers plan to spend about the same - or even more!

Brinsden writes that the survey finds women are leading the retreat.

"A survey by research company Directional Insights, conducted for AMP Capital Shopping Centres (AMPCSC), found that in 17 everyday categories such as eating out, clothing, gifts, household goods and holidays, consumers intend to spend less.

"The survey... showed that in nearly every one of those categories, women intend to spend less than men."

But catch this next paragraph: "Women take notice of what's happening in the shops and shopping centres around them, so they'll also be the first to notice and act on bargains and value," Directional Insights MD Helen Bakewell said.

That's right. What she's saying is that women will spend less because they know they can get a bargain, thanks to retailers working hard to offer value.

Bakewell continued: "Men on the other hand are much more mission focused in their shopping needs when buying for themselves and tend to stay on task."

According to AAP, the survey found that consumers intend to spend "57 per cent less eating out in cafes and restaurants, 54 per cent less buying take-away food, and 53 per cent less buying big ticket items such as furniture and electrical goods".

Buying on clothing and shoes is expected to fall 50 per cent, while purchases of technology goods like mobile phones and computers are expected to fall 48 per cent, wrote Brinsden. Actually we assume he meant 'spending', not 'buying'.

Groceries was the only category to score a double digit increase amongst those planning to spend more. (I've been quietly telling people to buy shares in Woolworths for months now)

As I've written before, since the economy started its southward lurch last year, people still need to eat. They still need to reward themselves and make themselves feel good. They still need to replace clothes, appliances and any other item that's falling apart or out of fashion. And they will. They'll just spend more wisely.

Retailers thus must recognise the principal that people still need to spend, look for ways to offer value to meet the market - and look for ways to make them trade up when they're on the shop floor,



[Email this Story](#)

[Email to a friend](#)
[Digg This](#)



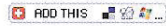
or buy accessories or complementary goods.

AMPCSC's head of marketing and communication Stuart Langeveldt wisely read more into the report's findings than most consumer media commentators. He said: "What we are seeing is consumers changing their behaviour as well as spending.

"Retailers and brands need to be aware that people still need to shop and therefore spend.

"The goal is to look for ways to increase your market share of the current spend available, be that through 'buy one, get one frees', coupling and value add-ons for customers."

Exactly. It's not the end of the world as we know it - and don't let headline-grabbing doom merchants populating mainstream media organisations convince you otherwise!



Building a new shop? Want to do a mystery shopping survey? Retail Support has got the most extensive list of retail service providers! Click [here](#) to see our new-look website.

Rating

1 2 3 4 5 Please rate how informative you found this article on a scale of 1 (not very informative) to 5 (highly informative).

Comments

By Dennis Price @ Tuesday, February 24, 2009 10:08 AM

Robert

1. And we have 94% employment rate, right?
2. Any business that is a well-run business should be able to survive a 10% decline. If not - it was already in trouble I think?

I see ATTITUDE as the biggest crippling factor. People are responding to this climate by postponing things (easy option) - when logic dictates that we should be doing things (the hard option).

Cheers

Name (required)

Email (required)

Website

Notify me of followup comments via e-mail