



“We Have All Caught Frugal Fever!”



May 2009

D I R E C T I O N A L I N S I G H T S

TABLE OF CONTENTS

1. Introduction	1
2. The Results – An Overview	3
3. Changes to Visitation by Store Type.....	7
4. Changes to Spend Levels	10
5. Changes to Shopping Behaviour	13
6. Changes to Frequency.....	16
7. Changes to Behaviour At Home	18
8. Report Disclaimer	20



1. Introduction

Directional Insights is Australia's leading consumer research consultancy with a reputation for innovation, knowledge and excellence. We specialise in the design and delivery of cutting-edge research for shopping centres, retailers and other property facilities, including residential, leisure and recreational complexes across Australia and New Zealand.

With over 15 years experience in the consumer research and property industries, we are in the enviable position of having worked on some highly significant projects. Our client base is both varied and impressive.

By exploring and analysing the latest shifts in consumer behaviours, attitudes and values **Directional Insights** is relentlessly inventive in identifying emerging market opportunities and tailoring solutions to optimise clients' competitive advantage.

Our report, "**We Have All Caught Frugal Fever**" examines how the current economic climate is changing the way we shop and our current behaviours. We also look at these changes by gender and age bracket.

The main source for this report was a nationwide on-line survey of n=1,000 Australians. The sample had quotas set by gender, age and location by state in order to be representative of the Australian population.

This survey was undertaken the weekend prior to the budget announcements by the Australian Government.

In these changing times, knowing what customers are thinking and doing at your local centre or in your portfolio is more critical than ever, so your retail plan and marketing campaigns can maximise their value.

Customers are changing their shopping patterns, how are they changing at your centre? **Directional Insights** can help you find out with Customer Surveys, Focus Groups, In-depth Interviews and Vox Pop.

We believe that whilst good research will give you direction, great research will keep you ahead of the game. For a discussion about your research needs or more information about our services, please contact:

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2. *The Results – An Overview*

Australians were asked how they are changing their shopping habits to cope with the current economic climate.

Have consumer's behaviours increased, decreased or remained unchanged? 22 shopping behaviours were listed including:

- The amount of entertaining I do at home
- Shopping for only what I need
- Spending time enjoying myself shopping, browsing and spending
- Buying to a set budget and not exceeding it
- Buying things that I like when I see them
- Splurging on small items for myself
- The amount I eat out when I shop
- The amount I shop in department stores like David Jones and Myer
- The amount I shop in discount department stores like Big W, Kmart, Target
- The amount I shop in two dollar shops and discount stores
- The amount I shop in specialty shops
- How often I shop
- How long I spend shopping
- My use of a shopping list when shopping
- The level of customer service in shops
- The number of shopping centres I visit
- The amount I spend on groceries
- The amount I spend on clothing, shoes and accessories
- The amount of time I spend watching television
- The amount I go to the cinemas
- The amount I go out to cafes and restaurants
- The amount of homebrands I buy in the supermarket



Changes by Behaviour Categories

Behaviour Category

Decreasing

Buying things that I like when I see them

Splurging on small items for myself

The amount I spend on clothing, shoes and accessories

The amount I go out to cafes and restaurants

The amount I eat out when I shop

The amount I shop in specialty shops

The amount I shop in department stores like David Jones and Myer

The amount I go to the cinemas

Spending time enjoying myself shopping, browsing and spending

How often I shop

The level of customer service in shops

How long I spend shopping

The number of shopping centres I visit

Unchanged

The amount I spend on groceries

The amount of entertaining I do at home

The amount I shop in discount department stores like Big W, Kmart, Target

Increasing

The amount of time I spend watching television

Buying to a set budget and not exceeding it

Shopping for only what I need

The amount I shop in two dollar shops and discount stores

My use of a shopping list when shopping

The amount of homebrands I buy in the supermarket

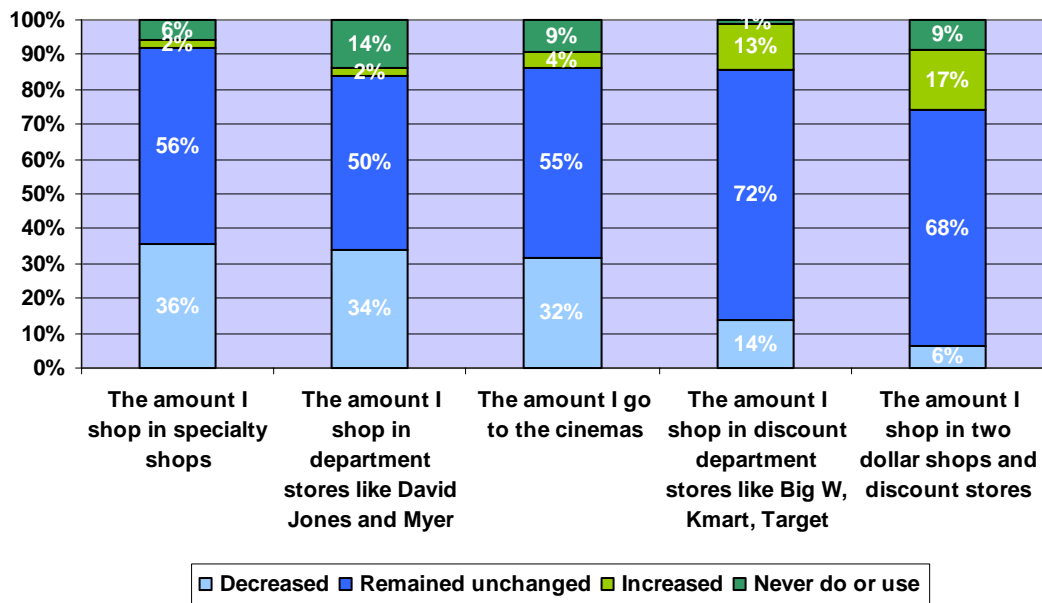


Overall Changes by Behaviour Categories

Behaviour Category	Decreased	Remained Unchanged	Increased	Never Do or Use
Buying things that I like when I see them	49%	46%	2%	3%
Splurging on small items for myself	42%	52%	4%	2%
The amount I spend on clothing, shoes and accessories	41%	54%	4%	1%
The amount I go out to cafes and restaurants	41%	51%	3%	5%
The amount I eat out when I shop	38%	53%	4%	6%
The amount I shop in specialty shops	36%	56%	2%	6%
The amount I shop in department stores like David Jones and Myer	34%	50%	2%	14%
The amount I go to the cinemas	32%	55%	4%	9%
Spending time enjoying myself shopping, browsing and spending	31%	61%	5%	3%
How often I shop	30%	66%	4%	0%
The level of customer service in shops	29%	66%	4%	1%
How long I spend shopping	27%	66%	6%	1%
The number of shopping centres I visit	25%	70%	4%	1%
The amount I spend on groceries	23%	59%	17%	1%
The amount of entertaining I do at home	15%	65%	13%	6%
The amount I shop in discount department stores like Big W, Kmart, Target	14%	72%	13%	1%
The amount of time I spend watching television	8%	71%	21%	1%
Buying to a set budget and not exceeding it	7%	65%	23%	5%
Shopping for only what I need	6%	64%	29%	1%
The amount I shop in two dollar shops and discount stores	6%	68%	17%	9%
My use of a shopping list when shopping	6%	67%	20%	7%
The amount of homebrands I buy in the supermarket	6%	61%	29%	4%



3. Changes to Visitation by Store Type



The Amount I Shop in Specialty Shops

In terms of decreased visitation to stores within shopping centre one of the most impacted store types are specialty stores. Currently, 56% of Australians interviewed have not changed their level of visitation to specialty stores. However, 36% of Australians interviewed have decreased their level of purchases from a specialty store, with only 2% increasing their use.

A higher proportion of Females are reducing their shopping in specialty shops as compared to Males (40% and 27% respectively).

When analysed by age, a higher proportion of 55-64 year olds are spending less time in a specialty store at 45%, while overall 23% of 18-24 year olds are spending less time shopping in specialty stores.

The Amount I Shop in Department Stores like David Jones and Myer

50% of Australians interviewed are still spending about the same amount of time as usual shopping in Department Stores. However, 34% are spending less time, and 14% stated they never shop in a Department Store. A slightly higher proportion of Females are reducing their time spent in Department Stores at 34%, compared to 29% of Males.

When analysed by age, a higher proportion of 55-64 year olds and 35-44 year olds are shopping less in Department Stores at 40% and 38% respectively. However, some are not shopping in this store type at all with 19% of 55-64 year olds and 16% of Australians aged 65 year and over not shopping in Department Stores.



The Amount I Go to the Cinemas

Currently, 32% of Australians interviewed are spending less time visiting the cinemas. However, 55% are still visiting the cinemas about the same. There was a higher proportion of Females reducing their time spent at cinemas as compared to Males at 35% and 19% respectively.

A higher proportion of 35-44 year olds have decreased their use of the cinema at 33%, while 10% of 18-24 year olds have increased their use of the cinema compared to 31% decreasing their visitation.

The Amount I Shop in Discount Department Stores like Big W, Kmart, Target

72% of respondents interviewed are still spending about the same amount of time as usual in Discount Department Stores. 14% of customers interviewed stated they have decreased their use of the Discount Department Store, while a further 13% have increased their use. A slightly higher proportion of Females are reducing their visitation to Discount Department Stores at 17%, compared to 11% of Males, whereas 12% of Females have increased their use of Discount Department Stores along with 14% of Males, indicating an overall net increase of Males' use of Discount Department Stores.

When analysed by age, a higher proportion of 55-64 year olds have decreased their visitation to Discount Department Stores at 16%. Conversely, 7% of 35-44 year olds are spending more time shopping in Discount Department Stores.

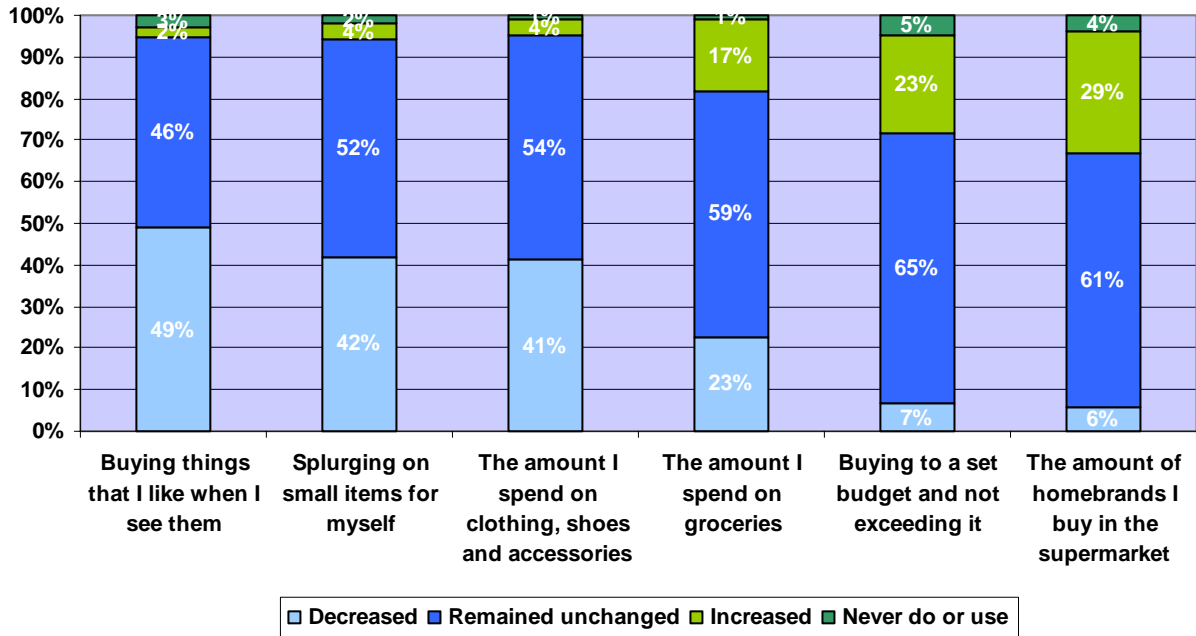
The Amount I Shop in Two Dollar Shops and Discount Stores

Not surprisingly, this category had the lowest level of decreased visitation. 68% of Australians interviewed are still shopping in discount stores about the same as usual. However, a higher proportion have increased their visitation at 17% as compared to decreased visitation at only 6%. A similar proportion of Females are increasing their time spent shopping in discount stores at 12%, compared to 10% of Males.

Across all of the age brackets, increase use of discount stores is higher than those decreasing their use of the discount store. Age groups with the highest incremental use of discount stores include 25-34 year olds and over 65 year olds at 14% each.



4. Changes to Spend Levels



Buying Things That I Like When I See Them

49% of Australians interviewed have decreased their level of spontaneous purchases, while a further 46% have remained unchanged. A higher proportion of Females are decreasing their spontaneous purchases at 53%, compared to 40% of Males.

A higher proportion of 55-64 year olds are spending less on spontaneous purchases at 59%, followed by 35-44 year olds at 56%. 6% of Australians interviewed aged 18-24 years have increased their level of spontaneous purchases, compared to 38% who have decreased their level of spontaneous purchases.

Splurging on Small Items For Myself

Currently, 42% of Australians interviewed are spending less on small indulgences such as splurging on small items. However, 52% are still spending about the same with a further 4% spending more on small indulgences. There was a higher proportion of Females reducing spend on small indulgences as compared to Males at 45% and 30% respectively.

A higher proportion of 55-64 year olds have decreased their spend on this category at 46%, with 44% of 35-44 year olds also spending less.



The Amount I Spend On Clothing, Shoes and Accessories

41% of respondents interviewed have decreased the amount they spend on clothing, shoes and accessories. However, 54% stated their spend on apparel has remained unchanged. A higher proportion of Females are reducing their apparel spend at 44%, compared to 31% of Males.

When analysed by age, a higher proportion of 35-44 year olds are spending less on clothing, shoes and accessories at 46%. This is followed by 45-54 year olds at 42%. 10% of respondents aged 18-24 years have increased their spend on this purchase category, with 36% reducing their spend.

The Amount I Spend on Groceries

Currently, 23% of Australians interviewed are spending less on groceries, but 17% are spending more. However, the majority are still spending about the same at 59%. There was a higher proportion of Females reducing their spend on groceries as compared to Males at 10% and 1% respectively.

When analysed by age 35-44 year olds have the highest decrease in groceries spending at 15%. However, 9% of Australians interviewed aged over 65 years have increased the amount they spend on groceries, with only 16% reducing spend.

Buying To a Set Budget and Not Exceeding It

Currently, 23% of Australians interviewed have increased their level of spending to a set budget and are not exceeding this budget. 65% are still spending about the same buying to a set budget. There was a fairly similar proportion of Females increasing their use of a set budget and not exceeding it as compared to Males at 17% and 16% respectively.

A higher proportion of 25-44 year olds have increased their level of buying to a set budget at 22%.

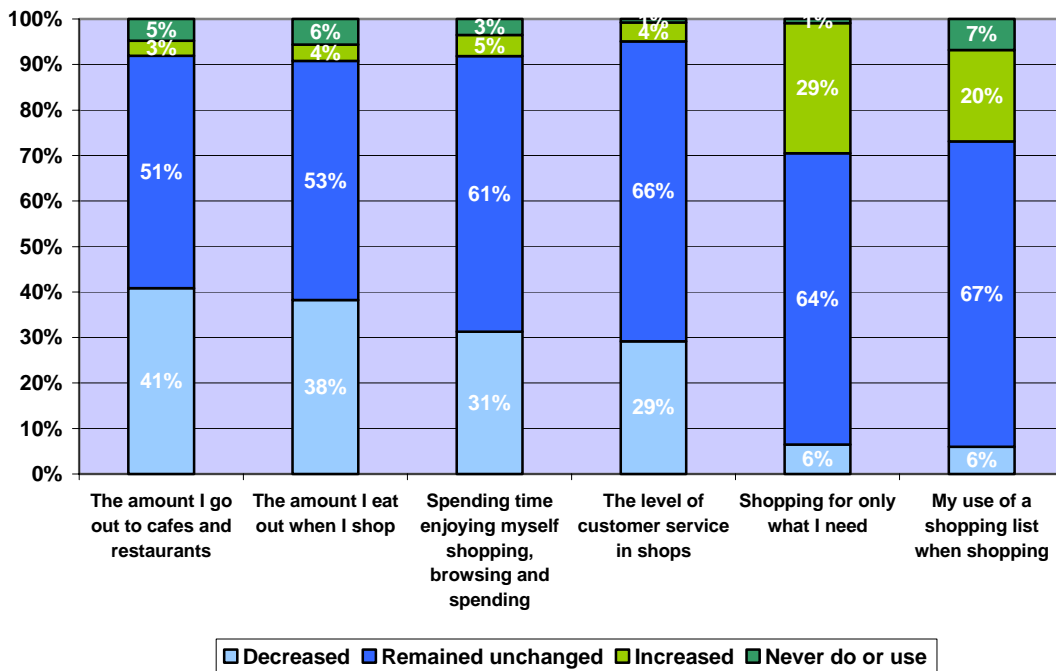
The Amount of Homebrands I Buy in the Supermarket

29% of respondents interviewed have increased the amount of homebrand items they purchase when grocery shopping. However, 61% stated their spend on homebrand items has remained unchanged. A higher proportion of Females are increasing the amount of homebrand items purchased at 28%, compared to 19% of Males.

When analysed by age, a higher proportion of Australians aged 35-44 year are spending more on homebranded items at 32%.



5. Changes to Shopping Behaviour



The Amount I Go Out To Cafes and Restaurants

41% of Australians interviewed have decreased their use of cafes and restaurants. However, 51% stated they were spending about the same amount of time eating out. A higher proportion of Females are decreasing their visitation to cafes and restaurants at 43%, compared to 32% of Males.

A higher proportion of 55-64 year olds are decreasing their visitation to cafes and restaurants at 48%. Conversely, 6% of Australians interviewed aged 18-24 years have increased their use of cafes and restaurants, compared to 33% of 18-24 year olds who are cutting back.

The Amount I Eat Out When I Shop

Currently, 38% of Australians interviewed are cutting back on eating out when shopping. However, 53% are still spending about the same with a further 4% increasing their frequency of eating out when shopping. There was a higher proportion of Females cutting back on eating out when shopping as compared to Males at 42% and 28% respectively.

The highest decrease by age group was for Australians aged 55-64 years and 35-44 years at 43% and 41% respectively.



Spending Time Enjoying Myself Shopping, Browsing and Spending

61% of respondents interviewed are still spending about the same as usual on leisure shopping. However, 31% are spending less. A higher proportion of Females are reducing their leisure shop at 31%, compared to 22% of Males.

When analysed by age, 34% of 35-44 year olds have decreased their frequency of leisure shopping.

The Level of Customer Service In Shops

66% of Australians interviewed believe that the level of customer service within shops has remained unchanged. However, 29% of respondents believe customer service levels have decreased, reflective across the genders, with both Females and Males stating that customer service within stores has decreased at 25% each.

A higher proportion of Australians aged over 65 years stated that customer service levels have decreased at 36%.

Shopping For Only What I Need

Currently, 64% of Australians interviewed are spending about the same amount of time shopping for only what they need. However, 29% have increased their levels of shopping for only what is needed. There was a higher proportion of Females increasing in this category as compared to Males at 25% and 20% respectively.

A higher proportion of 25-44 year olds are increasing their mission shopping at 27%.

My Use Of A Shopping List When Shopping

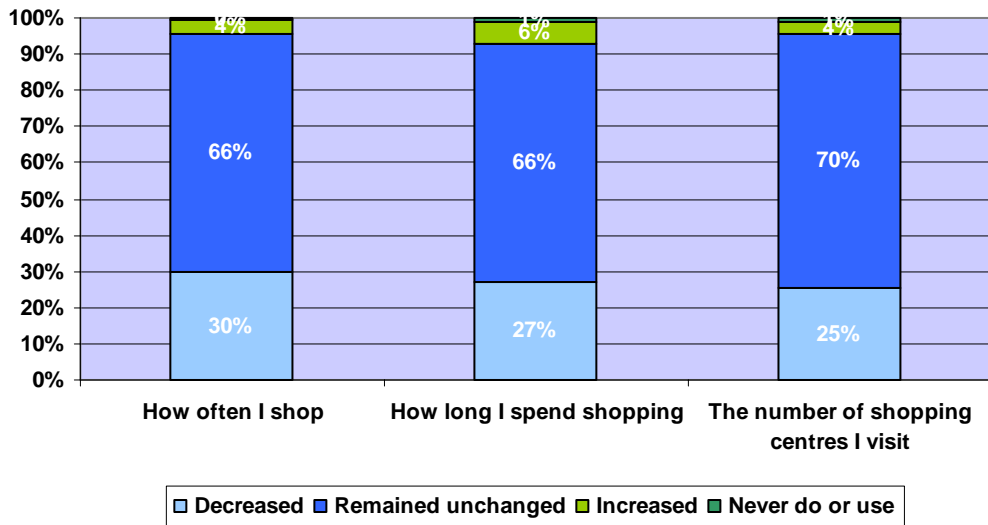
67% of Australians interviewed stated that shopping with a shopping list has remained unchanged. However, 20% of respondents stated they had increased their use of a shopping list. A slightly higher proportion of Females are using a shopping list more at 16%, compared to 13% of Males.

A higher proportion of 55-64 year olds have increased their use of a shopping list when shopping at 19%, followed by 25-34 year olds at 17%.





6. Changes to Frequency



How Often I Shop

30% of Australians interviewed stated they have decreased their frequency of going to the shops. However, a higher proportion of Australians have remained unchanged at 66%. A slightly higher proportion of Females are reducing their frequency of visitation at 31%, compared to 21% of Males.

A higher proportion of 35-44 year olds have decreased their frequency of visiting the shops at 32%, followed by 45-54 year olds at 30% and 55-64 year olds at 29%.

How Long I Spend Shopping

Currently, 27% of Australians interviewed have decreased the amount of time spent shopping. However, 66% are still spending about the same amount of time shopping as usual. There was a slightly higher proportion of Females reducing their amount of time spend in shopping areas at 23%, compared to 19% of Males.

A higher proportion of 35-44 year olds have decreased their time spent shopping at 27%, followed by 25-34 year olds and over 45 year olds at about 20-22%.

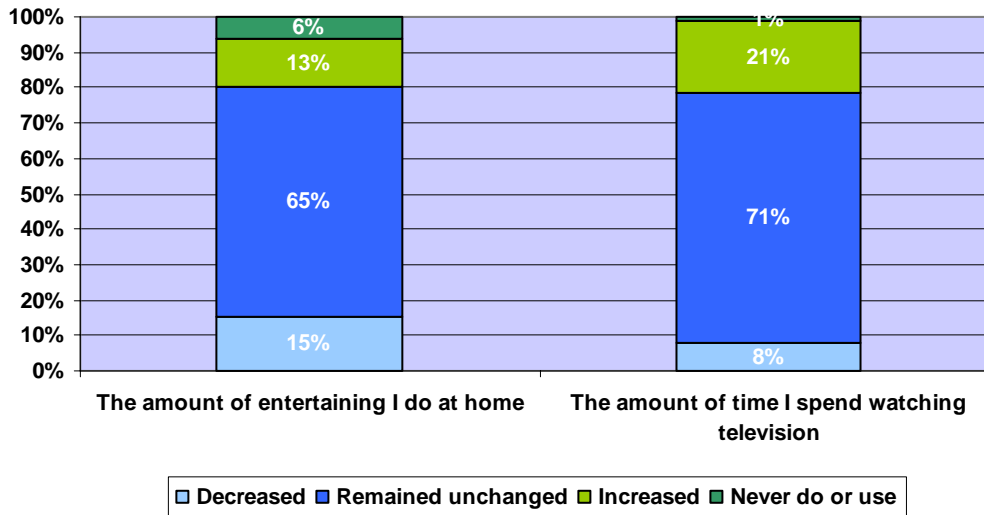
The Number of Shopping Centres I Visit

25% of respondents interviewed stated they had decreased the number of shopping centres they visit. However, 70% stated that their number of shopping centres visited has remained unchanged. A higher proportion of Females are reducing their number of centres visited at 25%, compared to 18% of Males.

When analysed by age, a higher proportion of 35-44 year olds and 55-64 year olds are reducing their total number of shopping centres visited at 27% each. However, 9% of 18-24 year olds interviewed stated they are currently increasing the total number of centres visited, compared to 23% who are visiting less centres.



7. Changes to Behaviour at Home



The Amount of Entertaining I Do At Home

15% of Australians interviewed stated they have decreased the amount of entertaining they do at home and conversely, 13% stated they had increased their level of home entertaining. However, a higher proportion of Australians have remained unchanged at 65%. A slightly higher proportion of Males are increasing their frequency of home entertaining at 1%, compared to 5% of Females reducing their home entertaining.

A higher proportion of 18-24 year olds and 25-34 year olds have increased their frequency of home entertaining at 6% and 8% respectively, followed by 35-44 year olds at 1%. Conversely, 13% of respondents aged over 65 years have decreased their frequency of home entertaining along with 10% of 55-64 year olds and 7% of 45-54 year olds.

The Amount of Time I Spend Watching Television

Currently, 21% of Australians interviewed have increased the amount of time spent watching television since the GFC commenced. However, 71% are still spending about the same amount of time watching television as usual. There was a fairly similar proportion of Females increasing their amount of time spent watching television at 14%, compared to 12% of Males.

A higher proportion of 25-44 year olds have increased their time spent watching television at 16-17%. Across all of the age groups, the majority of Australians stated that their amount of time watching television has remained unchanged.





8. Report Disclaimer

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