

*Australia's*  
**SHOPPING INTENT REPORT**



*“Victory of the Bargain”*

**FEBRUARY 2009**

**AMP capital**  
SHOPPING CENTRES



[www.directional.com.au](http://www.directional.com.au)

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## 1. Introduction

**Directional Insights** is a research consultancy specialising in the design and delivery of innovative research for retail shopping centres and other property facilities, including residential, leisure and recreational complexes across Australia and New Zealand.

We have the knowledge, experience and resources to holistically design, manage and deliver your research needs. We have extensive experience in managing customer survey studies, telephone surveys, focus groups, in-depth interviews and executive interviews.

**AMP Capital Shopping Centres** has 41 shopping centres across Australia and New Zealand, AMP Capital Shopping Centres is Australia's second largest regional shopping centre owner, developer, manager and designer.

The largest AMP Capital Shopping Centres, in size and annual turnover, per state are Warringah Mall (New South Wales), Pacific Fair (Queensland), Knox Shopping Centre (Victoria) and Garden City Booragoon (West Australia).

Balancing the needs of its retailers with those of the community, each of AMP Capital Shopping Centres contributes to the community by supporting local schools, charities and organisations.

Our report, "**Victory of the Bargain**" examines how the current economic climate is changing the way we spend. We also look at these changes by gender and age bracket.

The main source for this report was a nation wide 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 announcement of the significant stimulus package by the Australian Government, and also before the interest rate cut was announced by the Reserve Bank and passed on by the major banks. We plan to retest the market when the economic policy changes start to flow into the economy in the coming months.

In order to gain a further understanding of recent changes to expenditure, **Directional Insights** also undertook shopper interviewing in shopping centres. Quotes from these shopper interviews will also be referred to (Note: quotes will appear in "*blue italic*") like this shopper "*The economic climate has altered the way I shop, probably looking for a few more savings*"

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. For a discussion about your research needs or more information about our services, please contact:

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## 2. The Results – An Overview

Australian's were asked how they are changing their spending habits to cope with the current economic climate.

Are they spending more, less or about the same as usual? Seventeen spending categories were listed including:

- Take home food and groceries
- Alcohol
- Eating out in cafes and restaurants
- Buying take away food
- Going out to theatres, movies and bars
- Clothing, shoes and accessories
- Big ticket items like furniture and large electrical goods
- Local Australian holidays
- Overseas holidays
- Household goods like TVs, small electrical, kitchenware, homewares
- Hairdressers, beautician, nail bar, massage
- Purchases like beauty products, make up, perfume, general chemist products
- Technology purchases like mobile phones, computers, gaming consoles etc
- Gifts
- General items like books, newsagency, DVDs, music etc
- General items like optical, shoe repair, clothing alternations, dry cleaning, video hire
- Lotto, Lottery tickets etc

Across the spend categories, Australian's are spending less on all of the categories tested. However, a small proportion are still spending more, with 10% of Australians interviewed spending more on take home food (i.e. groceries, fresh food). Conversely, 22% of Australians are spending less on this category.

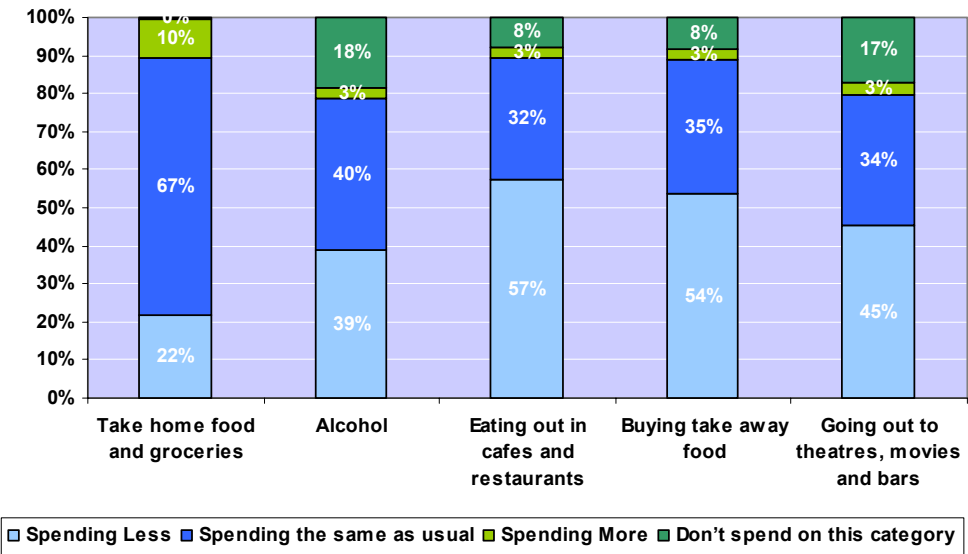
Changes to the spend profile between genders is more noticeable for Females. A higher proportion of Females are spending less than Males across all of the spend categories, with the exception of overseas holidays, where Males are spending less than Females.

As Females account for 70% of shoppers in shopping centres and even more of the spend, understanding their needs is more important than ever.

## Changes by Spend Category

Spend Category	Spending Less	Spending the same as usual	Spending More	Don't spend on this category
Eating out in cafes and restaurants	57%	32%	3%	8%
Buying take away food	54%	35%	3%	8%
Big ticket items like furniture and large electrical e.g. lounges, fridges	53%	31%	4%	12%
Clothing shoes and accessories	50%	45%	2%	3%
Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and music systems like iPods/ MP3 players	48%	36%	5%	10%
Going out to theatres, movies and bars	45%	34%	3%	17%
Household goods like TVs, small electrical, Kitchenware, Homewares	45%	43%	4%	9%
General items like books, newsagency, DVDs, music etc	43%	50%	2%	5%
Gifts	42%	53%	3%	3%
Purchases like beauty products, make up, perfume, general chemist products	41%	45%	2%	12%
Hairdressers, beautician, nail bar, massage	40%	44%	1%	15%
Alcohol	39%	40%	3%	18%
Local Australian holidays	37%	42%	6%	15%
General items like optical, shoe repair, clothing alterations, dry cleaning, video hire	36%	53%	2%	10%
Overseas holidays	32%	25%	4%	38%
Lotto, lottery tickets etc	32%	42%	3%	22%
Take home food and groceries	22%	67%	10%	0%

### 3. Changes by Food and Out of Home Entertainment



#### Take Home Food and Groceries

One of the most commonly purchased spend categories is take home food and groceries. Further to this, as would be expected, this category has had the smallest level of impact to date. Currently, 67% of Australians interviewed are still spending about the same as usual. However, 22% are spending less; with a higher proportion of Females reducing their food spend as compared to Males (27% and 17% respectively).

When analysed by age, a higher proportion of 45-54 year olds are spending less at 26%, while 16% of 25-34 year olds are spending less.

Interviews with shoppers show their different approaches to dealing with the current conditions some shoppers remain unmoved with comments like, *“You have to eat so you have to buy”* but there is some more conscious thought involved for others, *“I still get the staple things, but I’m being a little bit more careful with chocolate and things like that”*, *“The specials make me stock up more”*, *“I think you will always now look at value for money in the supermarket”* and others, *“Where I would normally stock up on things, I am not stocking up as much now. Just buy them when I need them”*.

#### Alcohol

40% of Australians interviewed are still spending about the same as usual on alcohol products. However, almost the same proportion is spending less at 39%. A higher proportion of Females are reducing their alcohol spend at 43%, compared to 35% of Males.

When analysed by age, a higher proportion of 18-24 year olds and 25-34 year olds are spending less on alcohol at 43% and 42% respectively. However, some are not spending on this category with both 18-24 year olds and 25-34 year olds not spending at 12% each.

### ***Eating out in Cafes and Restaurants***

Currently, 57% of Australians interviewed are spending less on eating out in cafes and restaurants. However, 32% are still spending about the same. There was a slightly higher proportion of Females reducing their spend as compared to Males at 60% and 55% respectively.

A higher proportion of 45-54 year olds are spending less on eating out in cafes and restaurants at 64%, while 62% of 35-44 year olds are spending less.

### ***Buying Take Away Food***

35% of respondents interviewed are still spending about the same as usual on take away food. However, 54% are spending less. A slightly higher proportion of Females are reducing their take away food spend at 57%, compared to 50% of Males.

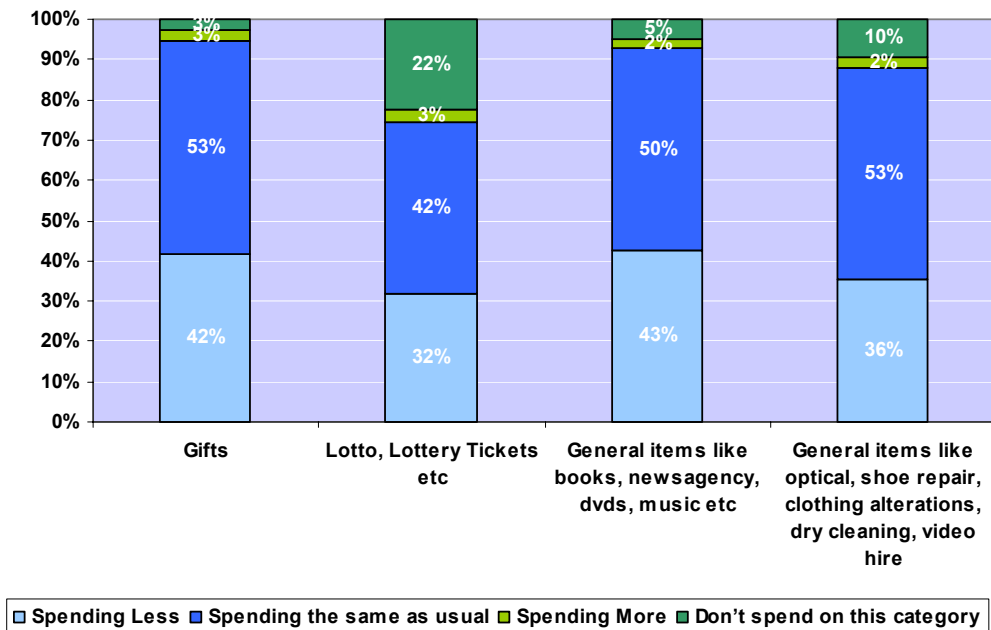
When analysed by age, a higher proportion are spending less across all of the age brackets. 60% of 45-54 year olds are spending less on take away food. 24% of residents aged over 65 years do not spend on this purchase category at all.

### ***Going Out to Theatres, Movies and Bars***

34% of Australians interviewed are still spending about the same as usual on going out to theatres, movies and bars. However, a higher proportion is spending less at 45%. A similar proportion of Females are reducing their spend on going out at 47%, compared to 44% of Males.

A higher proportion of 35-44 year olds are spending less on going out at 54%, followed by 18-24 year olds, 25-34 year olds and 45-54 year olds at 46% each. 32% of respondents aged over 65 years are not spending on this category, followed by 55-64 year olds at 27%.

## 4. Changes by General Items



### Gifts

53% of Australians interviewed are still spending about the same as usual on gift purchases. However, 42% stated they were spending less. A higher proportion of Females are reducing their spend on gift purchases at 44%, compared to 39% of Males.

A higher proportion of 35-44 year olds are spending less on gift purchases at 47%, followed by 45-54 year olds and over 65 years at 44% each. 8% of Australians interviewed aged 18-24 years are spending more on gift purchases but 38% are spending less.

### Lotto, Lottery Tickets etc

Currently, 32% of Australians interviewed are spending less on lotto and lottery tickets. However, 42% are still spending about the same with a further 3% are spending more on lotto and lottery tickets. There was a higher proportion of Females reducing lotto and lottery ticket spend as compared to Males at 36% and 29% respectively.

A higher proportion of 45-54 year olds are spending less on lotto and lottery tickets at 37%, with 36% of 25-34 year olds also spending less.

### General Items like Books, Newsagency, DVDs, Music etc.

50% of respondents interviewed are still spending about the same as usual on general items like books, newsagency, DVDs, music etc. However, 42% are spending less. A slightly higher proportion of proportion of Females are reducing their general item spend at 49%, compared to 37% of Males.

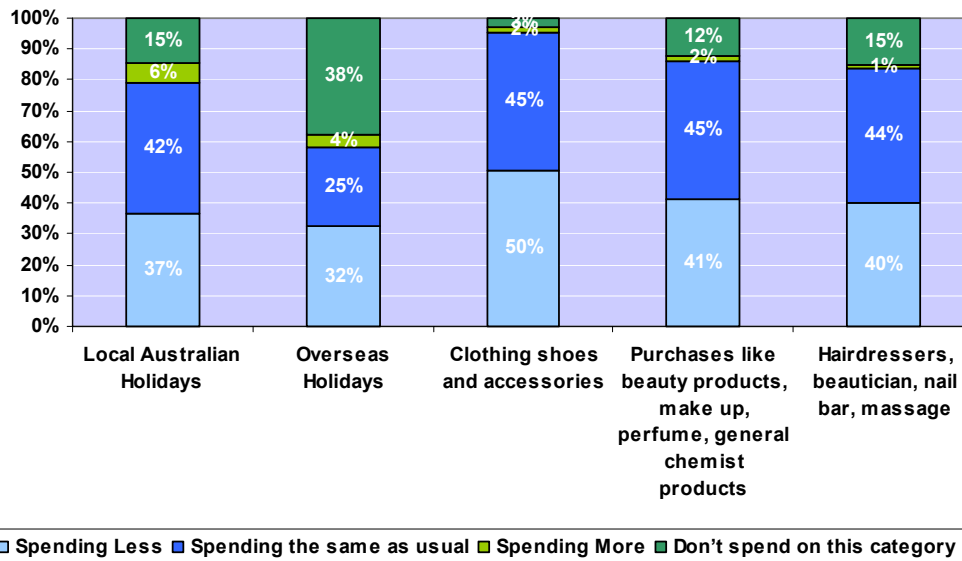
When analysed by age, a higher proportion of 45-54 year olds are spending less on general items like books, newsagency, DVDs, music etc. at 49%. This is followed by 35-44 year olds at 47%. 8% of residents aged over 65 years do not spend on this purchase category.

***General Items like Optical, Shoe Repair, Clothing Alterations, Dry Cleaning, Video Hire***

Currently, 36% of Australians interviewed are spending less on general items like optical, shoe repair, clothing alterations, dry cleaning, video hire. However, the majority are still spending about the same at 53%. There was a higher proportion of Females reducing their spend as compared to Males at 41% and 30% respectively.

39% of over 65 year olds are spending less on general items like optical, shoe repair, clothing alterations, dry cleaning, video hire, along with 38% of 35-44 year olds and 37% of 45-54 year olds.

## 5. Changes by Holidays, Apparel and Beauty/Personal Services



### Local Australian Holidays

42% of Australians interviewed are still spending about the same as usual on local Australian Holidays. However, 37% stated they were spending less. A slightly higher proportion of Females are reducing their spend on local Australian holidays at 39%, compared to 35% of Males.

A higher proportion of 45-54 year olds are spending less on local Australian holidays at 41%. Conversely, 13% of Australians interviewed aged 18-24 years are spending more on local Australian holidays, compared to 38% of 18-24 year olds who are cutting back.

### Overseas Holidays

Currently, 32% of Australians interviewed are spending less on overseas holidays. However, 25% are still spending about the same with a further 4% spending more on overseas holidays. Overall, 38% of Australians interviewed do not spend on this category. There was a higher proportion of Males reducing spend on overseas holidays as compared to Females at 35% and 30% respectively.

All of the age groups are spending less on overseas holidays, reflecting the average. However, 7% of Australians interviewed aged 18-24 years and 25-34 years are spending more on this category, with approximately 30% for each age group cutting back.

### Clothing, Shoes and Accessories

45% of respondents interviewed are still spending about the same as usual on apparel items such as clothing, shoes and accessories. However, 50% are spending less. A higher proportion of Females are reducing their apparel spend at 56%, compared to 45% of Males.

When analysed by age, a higher proportion are spending less across all of the age brackets. 54% of 35-44 year olds and over 65 years are spending less on clothing, shoes and accessories. However, 7% of 18-24 year olds interviewed stated they are currently spending more on clothing, shoes and accessories with 47% spending less.

### ***Purchases like Beauty Products, Make Up, Perfume, General Chemist Products***

45% of Australians interviewed are still spending about the same as usual on purchases like beauty products, make up, perfume, general chemist products. However, 41% of respondents are spending less. A higher proportion of Females are reducing their spend on purchases like beauty products, make up, perfume, general chemist products at 49%, compared to 34% of Males.

17% of Males don't spend on these items compared to 12% of Females.

A higher proportion of 35-44 year olds are spending less on purchases like beauty products, make up, perfume, general chemist products at 46%, followed by 45-54 year olds at 43%.

### ***Hairdressers, Beautician, Nail Bar, Massage***

Currently, 40% of Australians interviewed are spending less on hairdressers, beautician, nail bar and massage. However, 44% are still spending about the same with a further 1% spending more on hairdressers, beautician, nail bar and massage. Overall, 15% of Australians interviewed do not spend on this category. There was a higher proportion of Females reducing spend on hairdressers, beautician, nail bar and massage as compared to Males at 46% and 34% respectively. 19% of Males don't spend on these items compared to 11% of Females.

A higher proportion of 35-44 year olds are spending less on purchases like hairdressers, beautician, nail bar and massage at 47%, followed by 25-34 year olds at 43%. 3% of Australians interviewed aged 18-24 years are spending more on this category but 40% are spending less.

### ***Shopper Comments***

Other shopper comments about changed spending habits include:

*"At the end of the day you've got to make the money go round, and it's just not going. It's just very tight"*

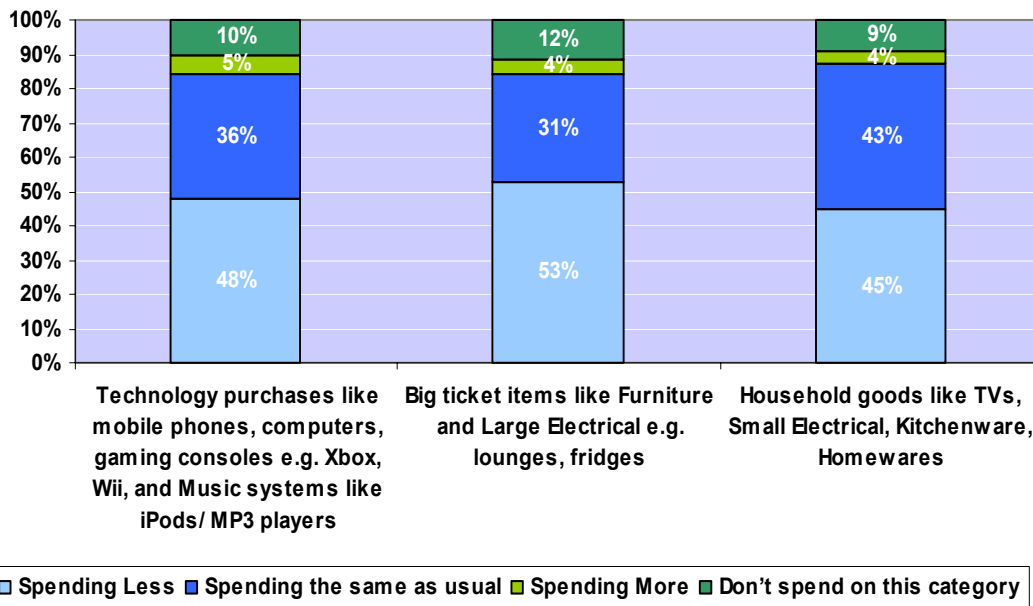
*"Instead of going to the shops three times a week, we might do it once to save on petrol"*

*"With having the luxuries, we don't get to have that anymore"*

*"I shop as bargain as possible"*

*"If something that I usually buy is on sale, I get more of it"*

## 6. Changes by Technology, Household Items and Home Entertainment



### *Technology Purchases like Mobile Phones, Computers, Gaming Consoles e.g. Xbox, Wii, and Music Systems like iPods/MP3 Players*

36% of Australians interviewed are still spending about the same as usual on technology purchases. However, a higher proportion of Australians are reducing their spend on technology, with 48% spending less. A higher proportion of Females are reducing their spend on technology purchases at 53%, compared to 42% of Males.

A higher proportion of 45-54 year olds are spending less on technology purchases at 52%, followed by 55-64 year olds and over 65 years at 50% each. 11% of respondents aged 18-24 years are spending more on this category but 43% are spending less.

### *Big Ticket Items like Furniture and Large Electrical e.g. Lounges, Fridges*

Currently, 53% of Australians interviewed are spending less on big ticket items like furniture and large electrical e.g. lounges, fridges. However, 31% are still spending about the same with a further 4% spending more on big ticket items. Overall, 12% of Australians interviewed do not spend on this category. There was a slightly higher proportion of Females reducing spend on big ticket items as compared to Males at 55% and 51% respectively.

A higher proportion of 35-44 year olds are spending less on big ticket items at 58%, followed by 45-54 year olds at 55%. Respondents aged 18-24 years and 25-34 years are spending more on this category at 6% each, but 53% and 45% are spending less respectively.

### ***Household Goods like TVs, Small Electrical, Kitchenware, Homewares***

43% of respondents interviewed are still spending about the same as usual on household goods like TVs, small electrical, kitchenware and homewares. However, 45% are spending less. A higher proportion of Females are reducing their spend on household goods like TVs, small electrical, kitchenware and homewares at 49%, compared to 40% of Males.

When analysed by age, a higher proportion of 45-54 year olds and over 65 years are spending less on household goods like TVs, small electrical, kitchenware and homewares at 47% each. This is followed by 35-44 year olds at 45%. 12% of respondents aged 18-24 years do not spend on this purchase category. However, 6% of 18-24 year olds interviewed stated they are currently spending more on household goods like TVs, small electrical, kitchenware and homewares, compared to 42% who are spending less.



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  - the payment of the cost of having those services re-supplied,
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