

## Australia's Shopping Intent Report

*One year in and things are not so grim. Australians are starting to spend again, however, has the economic climate changed our shopping behaviour?*

February 2010



*Innovative Research Specialists*



## TABLE OF CONTENTS

|   |    |
|---|----|
| 1. Introduction .....   | 1  |
| 2. The Results – An Overview .....  | 4  |
| 3. Changes by Food and Out of Home Entertainment .....                          | 10 |
| 4. Changes by In-Home Entertainment .....                                       | 12 |
| 5. Changes by General Items.....  | 13 |
| 6. Changes on Holidays, Apparel and Beauty/Personal Services Spend.....         | 15 |
| 7. Changes in Technology, Household Items and Home Entertainment Spending ..... | 17 |
| 8. 2010 Areas of Spend .....  | 18 |
| 9. Spend Management via Budgets .....   | 24 |
| 10. Report Disclaimer.....  | 26 |



## 1. Introduction

**AMP Capital Shopping Centres** has 39 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.

This report, "**Australia's Shopping Intent Report Update**" follows on from the July 2009 "**RRP**" which followed the February 2009 report, "**Victory of the Bargain**". This report not only examines how the current economic climate is changing the way we spend, but compares and tracks changes in consumer behaviour to this time last year.

The main source for this report was a nationwide on-line survey of n=2,101 Australians. The sample had quotas set by gender, age and location by state in order to be representative of the Australian population.

The original "**Victory of the Bargain**" 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. This report re-visits the market in order to gauge if the economic policies and climate have changed consumer behaviour.

In order to gain a further understanding of recent changes to expenditure, we also asked Australians what they thought Australian's would be spending more on in 2010. We also asked if setting weekly or monthly budgets have made a re-emergence in Australian households.

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## 2. The Results – An Overview

Australians 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 compared to this time last year? Eighteen spending categories were listed including:

- Take home food and groceries
- 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 etc
- General items like optical, shoe repair, clothing alternations, dry cleaning
- Lotto, Lottery tickets etc.
- Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games
- Home entertaining e.g. friends for dinner, lunch or coffee

Across the spend categories, Australians are still spending less on all of the categories tested, with the exception of take home food. However, when these results are compared to the February 2009 results, the proportion of Australians spending less has decreased across all of the categories. The biggest change has occurred in the eating out in cafes and restaurants category, where 57% of Australians were spending less in February 2009 compared to 46% in July 2009 and 38% currently.

This was followed by clothing, shoes and accessories and technology purchases, where the proportion of customers spending less on these groups has decreased by around 18% points compared to February last year.

A small proportion are still spending more, with 26% of Australians interviewed spending more on take home food (i.e. groceries, fresh food) compared to this time last year. This is the only spend category where a higher proportion are spending more as compared to those spending less, with only 18% of Australians spending less on this category. This is a similar result to the July 2009 update.

The main eight retail categories that people are spending less, in order, are:

- Buying take away food
- Eating out in cafes and restaurants
- Big ticket items like furniture and large electrical goods
- Going out to the theatre, movies or bar
- Home entertainment like DVDs, video hire, video games, CDs, traditional board games
- Clothing shoes and accessories
- Gifts
- General items like books, newsagency etc

Whilst around a third of people are still spending less in these eight categories, we are seeing some people having more confidence in the marketplace and starting to show spending momentum in the other direction, in particular for areas such as apparel, gifts, eating out in cafes or restaurants, take away food and going out to theatres, movies and bars. This indicates that the market is starting to show signs of an emerging retail recovery. Though messages are still mixed, and to an extent, at the mercy of changing circumstances locally and internationally.

Changes in the spend profile between genders is more noticeable for Females, which has been evident across both of the previous reports. A higher proportion of Females are spending less than Males across a majority of the spend categories, with the exception of overseas holidays, where the results are similar for both Males and Females.

When asked what they believe the rest of Australia will be purchasing in 2010, Australian's see the main spending areas as:

- Take home food and groceries
- Local Australian holidays
- Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players
- Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games
- Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae
- Lotto, Lottery tickets etc.

In terms of planning for the worse but preparing for the best, we asked Australian's if they use a budget or plan to in the future. 49% of Australians currently use a budget to manage spending levels, with 1 in 10 Australians instigating a budget since the GFC hit and a further 14% of Australians are planning to use one. Overall, 74% of Australians have a budget on their mind.

## Changes by Spend Category

| Spend Category  | Spending Less | Spending the same as usual | Spending More | Don't spend on this category |
|---|---------------|----------------------------|---------------|------------------------------|
| Buying take away food   | 40%           | 45%                        | 9%            | 7%                           |
| Eating out in cafes and restaurants   | 38%           | 45%                        | 10%           | 7%                           |
| Big ticket items like Furniture and Large Electrical e.g. lounges, fridges  | 36%           | 41%                        | 9%            | 14%                          |
| Going out to theatres, movies and bars  | 34%           | 45%                        | 9%            | 12%                          |
| Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games   | 33%           | 47%                        | 9%            | 11%                          |
| Clothing shoes and accessories  | 33%           | 56%                        | 9%            | 2%                           |
| Gifts   | 32%           | 56%                        | 9%            | 3%                           |
| General items like books, newsagency etc  | 32%           | 55%                        | 7%            | 6%                           |
| Household goods like TVs, Small Electrical, Kitchenware, Homewares  | 31%           | 50%                        | 11%           | 8%                           |
| Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players | 30%           | 47%                        | 13%           | 11%                          |
| Hairdressers, beautician, nail bar, massage   | 30%           | 49%                        | 6%            | 15%                          |
| Purchases like beauty products, make up, perfume, general chemist products  | 29%           | 52%                        | 8%            | 11%                          |
| Home entertaining e.g. friends for dinner, lunch or coffee  | 28%           | 53%                        | 10%           | 9%                           |
| General items like optical, shoe repair, clothing alterations, dry cleaning   | 27%           | 54%                        | 6%            | 13%                          |
| Local Australian Holidays   | 27%           | 49%                        | 11%           | 13%                          |
| Lotto, Lottery Tickets etc  | 26%           | 43%                        | 7%            | 24%                          |
| Overseas Holidays   | 25%           | 29%                        | 11%           | 36%                          |
| Take home food and groceries  | 18%           | 55%                        | 26%           | 1%                           |

## Spend Category Changes – February 2009 to February 2010 Comparison

|   | Spending Less |          | Spending the Same as Usual |          | Spending More |          | Don't spend on this category |          |
|---|---------------|----------|----------------------------|----------|---------------|----------|------------------------------|----------|
|   | Feb 2009      | Feb 2010 | Feb 2009                   | Feb 2010 | Feb 2009      | Feb-2010 | Feb 2009                     | Feb 2010 |
| Buying take away food   | 54%           | 40%      | 35%                        | 45%      | 3%            | 9%       | 8%                           | 7%       |
| Eating out in cafes and restaurants   | 57%           | 38%      | 32%                        | 45%      | 3%            | 10%      | 8%                           | 7%       |
| Big ticket items like Furniture and Large Electrical e.g. lounges, fridges  | 53%           | 36%      | 31%                        | 41%      | 4%            | 9%       | 12%                          | 14%      |
| Going out to theatres, movies and bars  | 45%           | 34%      | 34%                        | 45%      | 3%            | 9%       | 17%                          | 12%      |
| Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games   | n/a           | 33%      | n/a                        | 47%      | n/a           | 9%       | n/a                          | 11%      |
| Clothing shoes and accessories  | 50%           | 33%      | 45%                        | 56%      | 2%            | 9%       | 3%                           | 2%       |
| Gifts   | 42%           | 32%      | 53%                        | 56%      | 3%            | 9%       | 3%                           | 3%       |
| General items like books, newsagency etc  | 43%           | 32%      | 50%                        | 55%      | 2%            | 7%       | 5%                           | 6%       |
| Household goods like TVs, Small Electrical, Kitchenware, Homewares  | 45%           | 31%      | 43%                        | 50%      | 4%            | 11%      | 9%                           | 8%       |
| Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players | 48%           | 30%      | 36%                        | 47%      | 5%            | 13%      | 10%                          | 11%      |
| Hairdressers, beautician, nail bar, massage   | 40%           | 30%      | 44%                        | 49%      | 1%            | 6%       | 15%                          | 15%      |
| Purchases like beauty products, make up, perfume, general chemist products  | 41%           | 29%      | 45%                        | 52%      | 2%            | 8%       | 12%                          | 11%      |
| Home entertaining e.g. friends for dinner, lunch or coffee  | n/a           | 28%      | n/a                        | 53%      | n/a           | 10%      | n/a                          | 9%       |
| General items like optical, shoe repair, clothing alterations, dry cleaning   | 36%           | 27%      | 53%                        | 54%      | 2%            | 6%       | 10%                          | 13%      |
| Local Australian Holidays   | 37%           | 27%      | 42%                        | 49%      | 6%            | 11%      | 15%                          | 13%      |
| Lotto, Lottery Tickets etc  | 32%           | 26%      | 42%                        | 43%      | 3%            | 7%       | 22%                          | 24%      |
| Overseas Holidays   | 32%           | 25%      | 25%                        | 29%      | 4%            | 11%      | 38%                          | 36%      |
| Take home food and groceries  | 22%           | 18%      | 67%                        | 55%      | 10%           | 26%      | 0%                           | 1%       |

n/a = Not asked in February 2009

### Changes by Spend Category by Sydney, Brisbane and Melbourne

When comparing the results across Australia's three major cities, Sydney, Melbourne and Brisbane, Sydney and Melbourne's results are fairly similar. However, when Brisbane is analysed we find they are pulling back on spending more compared to Sydney and Melbourne.

The specific categories they are being most cautious in include:

- Home entertainment
- Going out to theatres, movies and bars
- Gifts
- Eating out in cafes and restaurants
- Big ticket items like furniture and large electrical goods
- Buying take away food

This indicates Brisbanites are still holding back on the luxuries of life compared to their Melbourne and Sydney equivalents.

### Changes by Spend Category by Sydney, Brisbane and Melbourne

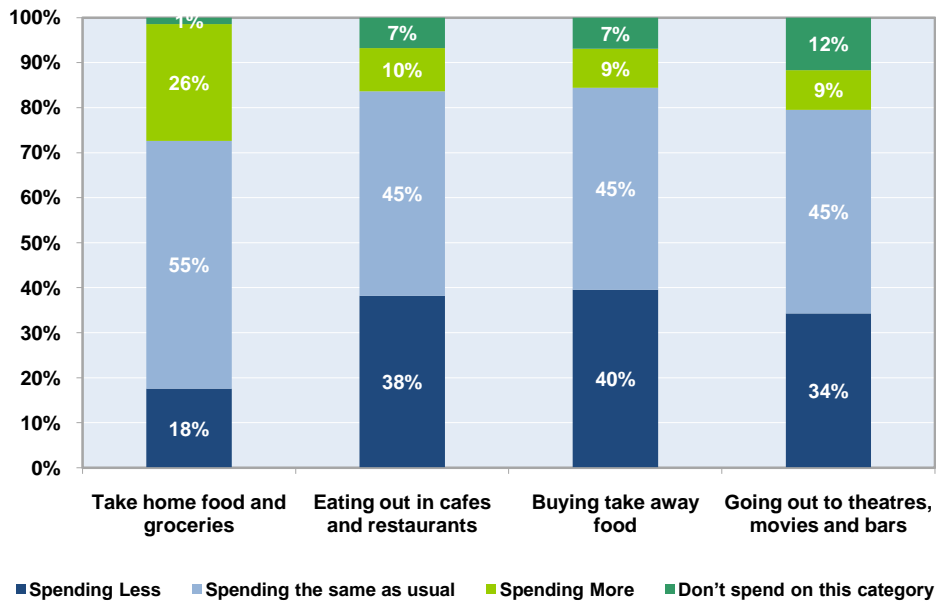
|   | Sydney Metro Region |                            |               | Brisbane Metro Region |                            |               | Melbourne Metro Region |                            |               |
|---|---------------------|----------------------------|---------------|-----------------------|----------------------------|---------------|------------------------|----------------------------|---------------|
|   | Spending Less       | Spending the same as usual | Spending More | Spending Less         | Spending the same as usual | Spending More | Spending Less          | Spending the same as usual | Spending More |
| Buying take away food   | 36%                 | 47%                        | 12%           | 40%                   | 47%                        | 9%            | 36%                    | 48%                        | 11%           |
| Eating out in cafes and restaurants   | 36%                 | 46%                        | 14%           | 41%                   | 44%                        | 9%            | 33%                    | 49%                        | 13%           |
| Big ticket items like Furniture and Large Electrical e.g. lounges, fridges          | 32%                 | 44%                        | 9%            | 39%                   | 42%                        | 9%            | 35%                    | 39%                        | 11%           |
| Going out to theatres, movies and bars  | 29%                 | 50%                        | 11%           | 37%                   | 46%                        | 9%            | 31%                    | 53%                        | 9%            |
| Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games | 29%                 | 51%                        | 9%            | 36%                   | 46%                        | 7%            | 30%                    | 51%                        | 11%           |
| Clothing shoes and accessories  | 28%                 | 61%                        | 9%            | 33%                   | 58%                        | 7%            | 33%                    | 55%                        | 12%           |
| Gifts   | 27%                 | 61%                        | 9%            | 34%                   | 56%                        | 7%            | 28%                    | 62%                        | 7%            |
| General items like books, newsagency, etc   | 28%                 | 62%                        | 7%            | 30%                   | 59%                        | 4%            | 29%                    | 57%                        | 8%            |
| Household goods like TVs, Small Electrical, Kitchenware, Homewares                  | 28%                 | 53%                        | 11%           | 34%                   | 50%                        | 11%           | 33%                    | 48%                        | 13%           |
| Technology purchases like mobile phones, computers, gaming consoles                 | 29%                 | 45%                        | 14%           | 33%                   | 47%                        | 12%           | 29%                    | 46%                        | 16%           |
| Hairdressers, beautician, nail bar, massage   | 27%                 | 53%                        | 7%            | 30%                   | 50%                        | 5%            | 29%                    | 49%                        | 8%            |
| Purchases like beauty products, make up, perfume, general chemist products          | 26%                 | 58%                        | 8%            | 31%                   | 50%                        | 6%            | 28%                    | 52%                        | 8%            |

**Changes by Spend Category by Sydney, Brisbane and Melbourne [continued]**

|  | Sydney Metro Region |                            |               | Brisbane Metro Region |                            |               | Melbourne Metro Region |                            |               |
|--|---------------------|----------------------------|---------------|-----------------------|----------------------------|---------------|------------------------|----------------------------|---------------|
|  | Spending Less       | Spending the same as usual | Spending More | Spending Less         | Spending the same as usual | Spending More | Spending Less          | Spending the same as usual | Spending More |
| General items like optical, shoe repair, clothing alterations, dry cleaning, | 24%                 | 57%                        | 8%            | 26%                   | 57%                        | 5%            | 26%                    | 58%                        | 5%            |
| Local Australian Holidays  | 24%                 | 53%                        | 12%           | 27%                   | 50%                        | 10%           | 26%                    | 48%                        | 10%           |
| Lotto, Lottery Tickets etc   | 24%                 | 42%                        | 9%            | 26%                   | 45%                        | 6%            | 22%                    | 44%                        | 7%            |
| Overseas Holidays  | 25%                 | 33%                        | 15%           | 28%                   | 27%                        | 11%           | 26%                    | 31%                        | 11%           |
| Take home food and groceries   | 15%                 | 57%                        | 26%           | 19%                   | 53%                        | 28%           | 18%                    | 58%                        | 24%           |



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



#### Take Home Food and Groceries

The most commonly purchased spend categories is take home food and groceries. Currently, 55% of Australians interviewed are still spending about the same as usual (compared to this time last year). 18% are spending less; with a higher proportion of Females still reducing their food spend as compared to this time last year. 27% of Females were spending less in this group in February 2009 compared to 21% currently. Overall, when this is compared to the February 2009 results, we see a shift to spending more on take home food and groceries as the proportion of Australians spending more on this category has increased from 10% to 26% currently.

When analysed by age, a higher proportion of 45-54 year olds are still spending less at 23%, a decrease from 26% in February, but 24% are spending more. A further 22% of Australians aged 55-64 years are spending less on take home food and groceries but again 29% are spending more. Overall, all age groups are still spending more on take home food and groceries compared to those who are spending less.

#### Eating out in Cafes and Restaurants

Currently, 38% of Australians interviewed are spending less on eating out in cafes and restaurants, a decrease from 57% in February 2009. 49% are still spending about the same, also up from 32%. There was a higher proportion of Females reducing their spend as compared to Males at 42% and 34% respectively, both of which have decreased from the February 2009 results from 60% and 55% respectively.

Across all age groups there are more Australians spending less than those spending more. A higher proportion of 55-64 year olds are spending less on eating out in cafes and restaurants at 44%. 7% are spending more. This is a change from February 2009 where the highest proportion spending less on this category were 45-54 year olds at 64%, compared to 40% currently.

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

45% of respondents interviewed are still spending about the same as usual on take away food. However, 40% are spending less, a lower proportion compared to the February 2009 results where 54% were spending less. A higher proportion of Females are reducing their take away food spend at 46%, compared to 32% of Males, both of which have decreased from February 2009.

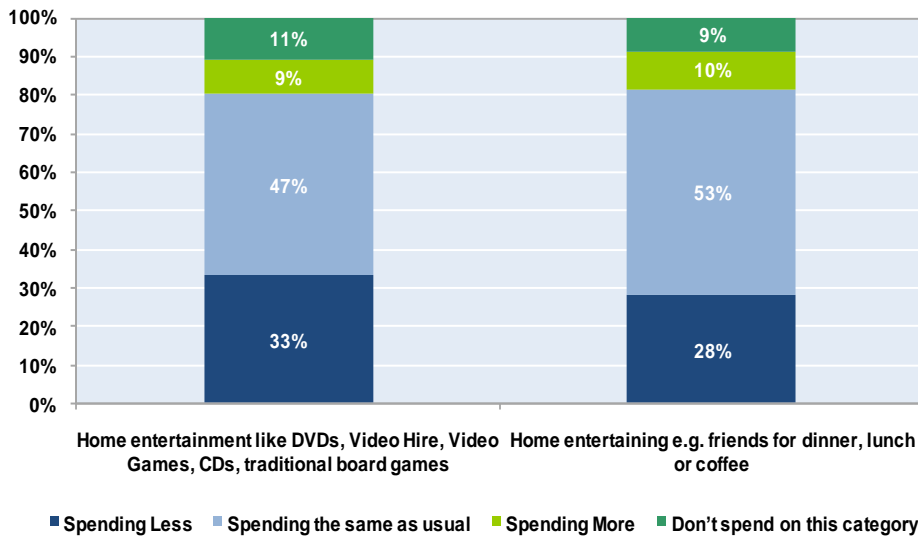
When analysed by age, a higher proportion are spending less across all of the age brackets as compared to spending more. 45% of 45-54 year olds are spending less on take away food, with only 8% spending more. This is followed by Australians aged 55-64 at 43% spending less and only 3% spending more. In February 2009, 60% of 45-54 year olds were spending less on this category, compared to 45% in 2010.

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

45% of Australians interviewed are still spending about the same as usual on going out to theatres, movies and bars, up from 34% in February 2009. However, 34% are spending less in this purchase category when compared to this time last year, a decrease from 45% in February 2009. A higher proportion of Females are reducing their spend on going out at 38%, compared to 30% of Males, both of which have decreased from last year's results.

A higher proportion of 18-24 year olds and 55-64 year olds are spending less on going out at 36% each. 22% of respondents aged over 65 years are not spending on this category, lower than the February 2009 result of 32%. Overall by age group there are more Australians cutting back their spending than increasing on this category. However, whilst 36% of 18-24 year olds are reducing their spend on this category, 15% are increasing their spend, the only double digit increase by age groups, reflective of July 2009.

## 4. Changes by In Home Entertainment



### **Home Entertainment Like DVDs, Video Hire, Video Games, CDs, Traditional Board Games**

47% of Australians interviewed are still spending about the same as usual on home entertainment like DVDs, video hire, CDs and traditional board games. However, 33% are spending less. A comparison cannot be made to the February data as this category was not tested, however 36% were spending less in July 2009. There is some difference between the genders in terms of reducing their spend on home entertainment at 38% for Females and 28% for Males, somewhat reflective of the July 2009 results.

In July 2009, a higher proportion of 35-44, 45-54 and 55-64 year olds were spending less on in home entertainment. This is still the case, but with the addition of the 25-34 year olds, all with around 34% to 36% reducing their spend on this category.

53% of Australians interviewed aged 18-24 years are spending the same as usual on this category compared to this time last year, reflective of the July 2009 result of 55%. A quarter of Australians aged over 65 years are not spending on this category. Overall across age groups, Australians are more likely to be spending less than more on this category, and after the age of 55 years an increasing number of Australians do not spend on this category.

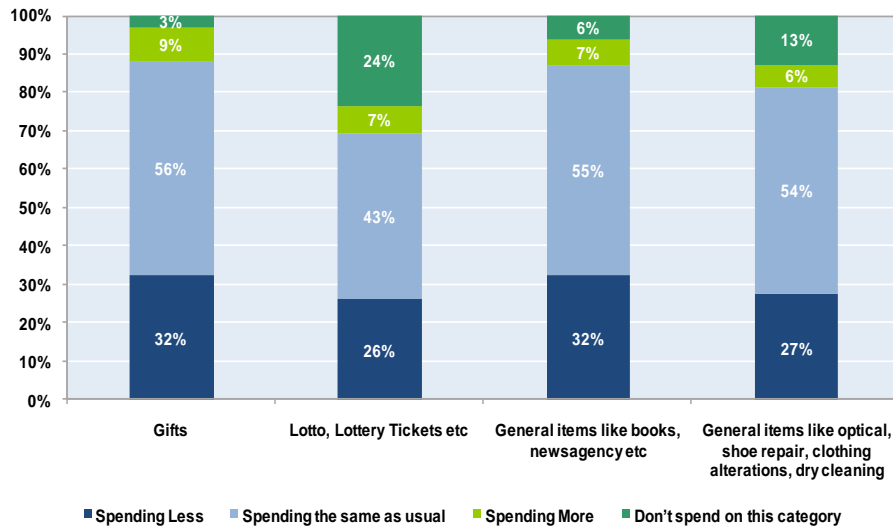
### **Home Entertaining e.g. Friends for Dinner, Lunch or Coffee**

Currently, 28% of Australians interviewed are spending less on home entertaining e.g. friends for dinner, lunch or coffee. However, the majority are still spending about the same, at 53%. A comparison cannot be made to the February data as this category was not tested. However, these results are reflective of the July 2009 data.

There was a higher proportion of Females reducing their spend as compared to Males at 33% and 23% respectively (35% and 24% respectively in July 2009).

A higher proportion of 45-54 year olds and 55-64 year olds are spending less on home entertaining at 31% each, followed by 29% of 35-44 year olds and 29% of Australian's aged over 65 years. A higher proportion of 18-24 year olds and over 65 year olds do not spend on this category, at 12% each.

## 5. Changes by General Items



### Gifts

56% of Australians interviewed are still spending about the same as usual on gift purchases, 3% points higher than the February 2009 results. 9% are spending more compared to only 3% in February 2009. However, 32% stated they were spending less, a decrease from 42% spending less in February 2009. A higher proportion of Females are reducing their spend on gift purchases at 36%, compared to 28% of Males, a decrease from 44% of Females and 39% of Males in February 2009.

In terms of reducing spend on gifts, a higher proportion of 35-44, 44-54 and 55-64 year olds are spending less on gift purchases at 34%, each. This is a decrease when compared to February 2009, indicating an improvement in this area.

14% of Australians interviewed aged 18-24 years are spending more on gift purchases, up from 8% in February 2009. However, 32% are spending less, still a decrease from the 38% spending less in February 2009.

### Lotto, Lottery Tickets etc

Currently, 26% of Australians interviewed are spending less on lotto and lottery tickets, a decrease from 32% in February 2009, but reflective of the July 2009 results. However, 43% are still spending about the same, reflective of February 2009. A further 7% spending more on lotto and lottery tickets, an increase from 3% in February 2009.

There was a higher proportion of Females reducing lotto and lottery ticket spend as compared to Males at 30% and 22% respectively, both of which have decreased from the February 2009 results but are reflective of the July 2009 results.

A higher proportion of 45-54 year olds are spending less on lotto and lottery tickets at 32%, a 5% point decrease from February 2009. However, 5% are spending more. 30% of 35-44 year olds are also spending less with 9% spending more. 40% of 18-24 year olds do not spend on this category.

### ***General Items like Books, Newsagency etc.***

55% of respondents interviewed are still spending about the same as usual on general items like books, newsagency etc. However, 32% are spending less, a fall from 42% spending less in February 2009. A higher proportion of Females are reducing their general item spend at 40%, compared to 25% of Males. The proportion of Males spending less on this category has decreased from 37% in February 2009. The majority of Australian Males stated they are spending about the same as usual at 62%, reflective of the July 2009 results.

When analysed by age, a higher proportion of 45-54 year olds are spending less on general items like books, newsagency etc. at 38%. This is a decrease from the February 2009 results where this age group again had the highest proportion spending less at 49%.

9% of residents aged 55-64 years do not spend on this purchase category, reflective of the July 2009 results.

Overall across the age groups there are more Australians reducing their spend on general items like books, newsagency etc. than those increasing their spend. However, the percentages of those reducing their spend have decreased overall when compared to the February 2009 results.

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

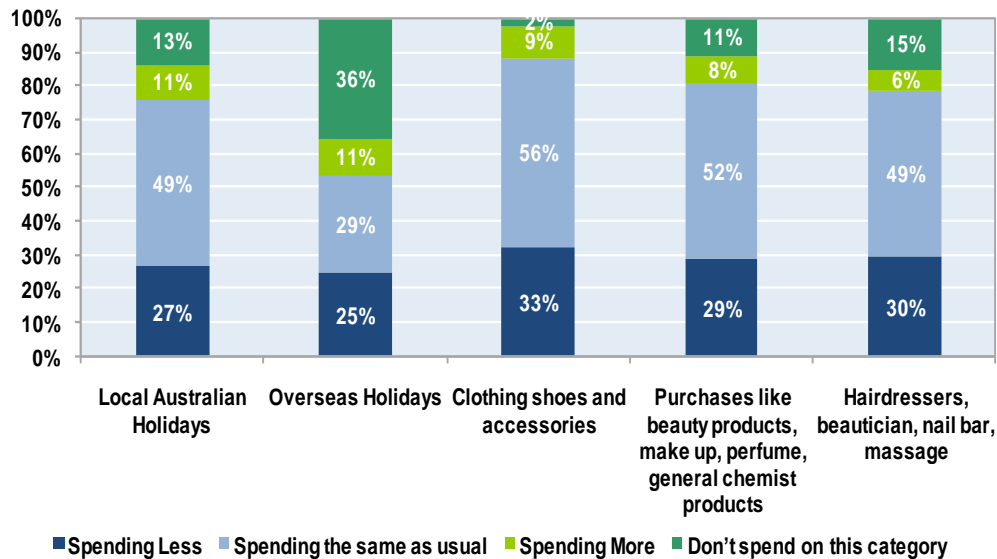
Currently, 27% of Australians interviewed are spending less on general items like optical, shoe repair, clothing alterations, dry cleaning, which has decreased from 36% in February 2009. However, the majority are still spending about the same at 54%, reflective of the February 2009 result of 53%.

There was a higher proportion of Females reducing their spend as compared to Males at 31% and 24% respectively. The proportion of Females and Males reducing their spend on this category have decreased from the February 2009 results of 41% for Females and 30% for Males.

30% of 45-54 year olds are spending less on general items like optical, shoe repair, clothing alterations, dry cleaning, along with 30% of over 65 year olds, down from 37% for 45-54 year olds and 39% of over 65 year olds in February 2009.

Overall across the age groups there are more Australians reducing their spend on this category than those increasing their spend, a trend which is reflective of the previous results, but overall not as severe as the previous results.

## 6. Changes on Holidays, Apparel and Beauty/Personal Services Spend



### Local Australian Holidays

49% of Australians interviewed are still spending about the same as usual on local Australian Holidays, an increase from the February 2009 result of 42%. 27% stated they were spending less, a 10% point decrease from the February 2009 report. However, 11% are spending more, almost double the proportion from February 2009.

A higher proportion of Females are reducing their spend on local Australian holidays at 30%, compared to 23% of Males, both of which have decreased from 39% and 35% respectively in February 2009.

A higher proportion of 35-44 year olds are spending less on local Australian holidays at 33%. Conversely, 14% of Australians interviewed aged 18-24 years and 12% of the over 65 years age groups are spending more on local Australian holidays. However, both of these age groups are cutting back at 23% and 26% respectively. 16% of residents aged over 65 years do not spend on local Australian holidays. Again, across the age groups more Australians have reduced their spend on local Australian holidays compared to those who have increased their spend, reflective of the previous results. However, the percentage cutting back is lower compared to the previous results from 2009.

### Overseas Holidays

25% of Australians interviewed are spending less on overseas holidays, a 7% point decrease from the February 2009 report. However, 29% are still spending about the same with a further 11% spending more on overseas holidays, up from 25% and 4% respectively in February 2009. Overall, 36% of Australians interviewed do not spend on this category, reflective of the previous reports. There was a similar proportion of Males reducing spend on overseas holidays as compared to Females at 24% and 25% respectively.

All of the age groups are spending less on overseas holidays, reflecting the average. 13% of Australians interviewed aged 18-24 years are spending more on this category, up from 7% in February 2009, but a decrease from 18% in the July 2009 report.

### ***Clothing, Shoes and Accessories***

56% of respondents interviewed are still spending about the same as usual on apparel items such as clothing, shoes and accessories, an increase from 45% in February 2009. However, 33% are spending less, a decrease from 50% last year. A higher proportion of Females are reducing their apparel spend at 39%, compared to 26% of Males, both of which are lower than the February 2009 results at 56% and 45% respectively.

When analysed by age, a higher proportion are spending less across all of the age brackets. 35% of 45-54 and 55-64 year olds are spending less on clothing, shoes and accessories. However, 16% of 18-24 year olds interviewed stated they are currently spending more on clothing, shoes and accessories with 29% spending less compared to 7% spending more and 47% spending less in February 2009.

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

Just over half of Australians interviewed are still spending about the same as usual on purchases like beauty products, make up, perfume, general chemist products. However, 29% of respondents are spending less, a decrease from 41% spending less in February 2009. A higher proportion of Females are reducing their spend on purchases like beauty products, make up, perfume, general chemist products at 35%, compared to 23% of Males, both lower than the February 2009 results. 18% of Males don't spend on these items.

A higher proportion of 55-64 year olds are spending less on this category at 32%, followed by 45-54 year olds and over 65 years at 30% each. Across all age groups more Australians are spending less in this category compared to those who are spending more, reflective of the previous reports.

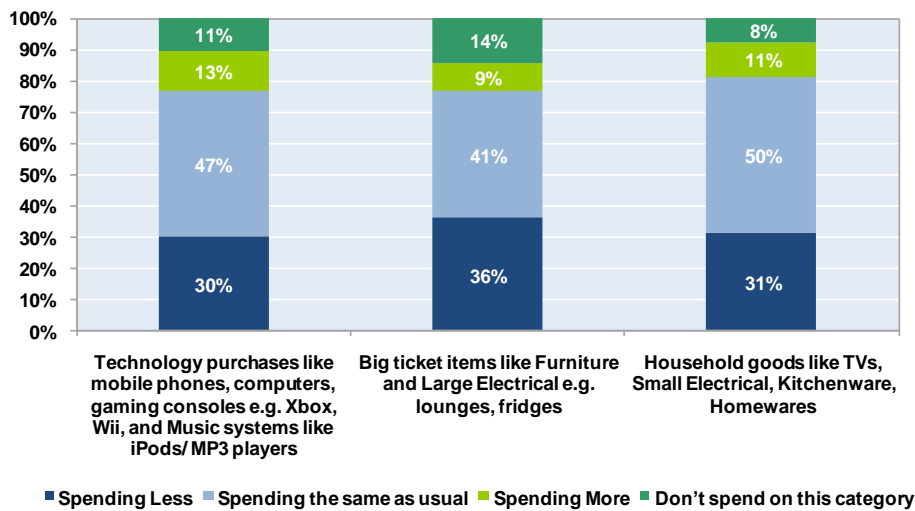
### ***Hairdressers, Beautician, Nail Bar, Massage***

Currently, 30% of Australians interviewed are spending less on hairdressers, beautician, nail bar and massage, down 10% from 40% in February 2009. However, 49% are still spending about the same with a further 6% spending more on hairdressers, beautician, nail bar and massage. Overall, 15% of Australians interviewed do not spend on this category, which has remained consistent compared to the February and July 2009 reports. There was a higher proportion of Females reducing spend on hairdressers, beautician, nail bar and massage as compared to Males at 36% and 23% respectively, both of which have decreased from 46% and 34% respectively in February 2009.

A higher proportion of 35-44 year olds are spending less on purchases like hairdressers, beautician, nail bar and massage at 33%, down from 47% in February 2009. This is followed by 18-24 and 45-54 year olds at 32% and 31% respectively. 9% of Australians interviewed aged 25-34 years are spending more on this category but 45% are spending the same as this time last year, reflective of July 2009.



## 7. Changes in Technology, Household Items and Home Entertainment Spending



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

47% of Australians interviewed are still spending about the same as usual on technology purchases, a rise from 36% in February 2009. 30% of Australians are reducing their spend on technology, a decrease from 48% spending less in February 2009. A slightly higher proportion of Females are reducing their spend on technology purchases at 32%, compared to 28% of Males, both of which has decreased.

A higher proportion of 55-64 year olds are spending less on technology purchases at 34%, with 11% of 55-64 year olds spending more. 17% of respondents aged 25-34 years are spending more on this category, an increase from last year, but 28% are still spending less.

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

36% of Australians interviewed are spending less on big ticket items like furniture and large electrical e.g. lounges, fridges, down from 53% spending less in February. However, 41% are still spending about the same with a further 9% spending more on big ticket items. There was a slightly higher proportion of Females reducing spend on big ticket items as compared to Males at 38% and 34% respectively, down from 55% and 51% respectively in February 2009.

A higher proportion of 55-64 year olds are spending less on big ticket items at 43%, down from 53% in February 2009. Respondents aged 35-44 years are spending more on this category at 11%, but 39% are spending less, down from 58% in February 2009. 13% of 18-24 year olds are spending more on this category, up from 6% in February 2009.

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

50% of respondents interviewed are still spending about the same as usual on household goods like TVs, small electrical, kitchenware and homewares, up 7% points from the February 2009 results. However, 31% are spending less, down from 45% in February 2009, and 11% are spending more. A higher proportion of Females are reducing their spend on household goods like TVs, small electrical, kitchenware and homewares at 36%, compared to 27% of Males, both lower than the February 2009 result of 49% and 40% respectively. When analysed by age, a higher proportion of 35-44 year olds and 55-64 year olds are spending less on household goods like TVs, small electrical, kitchenware and homewares at 35% each. 17% of respondents aged 18-24 years do not spend on this purchase category, an increase from 12%.



## 8. 2010 Areas of Spend

Australians were also asked what they thought would be the biggest spend categories for 2010. 21 different categories were listed, being:-

- Take home food and groceries
- Eating out in cafes and restaurants
- Buying take away food
- Going out to theatres, movies and bars
- Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae
- Mid range fashion e.g. Sussan, Portmans, Just Jeans
- Better end fashion e.g. Cue, Country Road, Nine West
- High end fashion e.g. Polo Ralph Lauren, Saba, Lisa Ho
- Luxury Items e.g. Louis Vuitton, Chanel, Tiffany
- Big ticket items like Furniture and Large Electrical e.g. lounges, fridges
- 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 e.g. Xbox, Wii, and Music systems like iPods/ MP3 players
- General items like books, newsagency, etc
- General items like optical, shoe repair, clothing alterations, dry cleaning,
- Lotto, Lottery Tickets etc
- Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games
- Home entertaining e.g. friends for dinner, lunch or coffee

| Spend Category  | % of Increased Spend |
|---|----------------------|
| Take home food and groceries  | 56%                  |
| Local Australian Holidays   | 44%                  |
| Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players | 43%                  |
| Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games   | 41%                  |
| Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae   | 38%                  |
| Lotto, Lottery Tickets etc  | 37%                  |
| Buying take away food   | 33%                  |
| Home entertaining e.g. friends for dinner, lunch or coffee  | 32%                  |
| Household goods like TVs, Small Electrical, Kitchenware, Homewares  | 31%                  |
| Eating out in cafes and restaurants   | 25%                  |
| Mid range fashion e.g. Sussan, Portmans, Just Jeans   | 23%                  |
| Going out to theatres, movies and bars  | 20%                  |
| Overseas Holidays   | 20%                  |
| Purchases like beauty products, make up, perfume, general chemist products  | 18%                  |
| General items like books, newsagency, etc   | 17%                  |
| General items like optical, shoe repair, clothing alterations, dry cleaning,  | 16%                  |
| Big ticket items like Furniture and Large Electrical e.g. lounges, fridges  | 15%                  |
| Hairdressers, beautician, nail bar, massage   | 15%                  |
| Better end fashion e.g. Cue, Country Road, Nine West  | 10%                  |
| High end fashion e.g. Polo Ralph Lauren, Saba, Lisa Ho  | 7%                   |
| Luxury Items e.g. Louis Vuitton, Chanel, Tiffany  | 7%                   |

## Spend Categories by Sydney, Brisbane, Melbourne

|   | Sydney Metro Region | Brisbane Metro Region | Melbourne Metro Region |
|---|---------------------|-----------------------|------------------------|
| Take home food and groceries  | 50%                 | 57%                   | 53%                    |
| Local Australian Holidays   | 43%                 | 42%                   | 40%                    |
| Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players | 41%                 | 47%                   | 43%                    |
| Lotto, Lottery Tickets etc  | 37%                 | 37%                   | 32%                    |
| Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae   | 36%                 | 36%                   | 32%                    |
| Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games   | 36%                 | 43%                   | 37%                    |
| Household goods like TVs, Small Electrical, Kitchenware, Homewares  | 31%                 | 31%                   | 28%                    |
| Buying take away food   | 31%                 | 32%                   | 36%                    |
| Home entertaining e.g. friends for dinner, lunch or coffee  | 29%                 | 32%                   | 32%                    |
| Overseas Holidays   | 27%                 | 17%                   | 22%                    |
| Eating out in cafes and restaurants   | 25%                 | 24%                   | 29%                    |
| Going out to theatres, movies and bars  | 24%                 | 19%                   | 25%                    |
| Mid range fashion e.g. Sussan, Portmans, Just Jeans   | 21%                 | 23%                   | 23%                    |
| Big ticket items like Furniture and Large Electrical e.g. lounges, fridges  | 16%                 | 16%                   | 15%                    |
| General items like optical, shoe repair, clothing alterations, dry cleaning,  | 15%                 | 15%                   | 15%                    |
| Purchases like beauty products, make up, perfume, general chemist products  | 13%                 | 17%                   | 19%                    |
| Hairdressers, beautician, nail bar, massage   | 13%                 | 16%                   | 16%                    |
| General items like books, newsagency, etc   | 13%                 | 16%                   | 15%                    |
| Better end fashion e.g. Cue, Country Road, Nine West  | 13%                 | 10%                   | 10%                    |
| High end fashion e.g. Polo Ralph Lauren, Saba, Lisa Ho  | 10%                 | 7%                    | 9%                     |
| Luxury Items e.g. Louis Vuitton, Chanel, Tiffany  | 7%                  | 7%                    | 7%                     |

Respondents believe that Australians will spend big on take home food and groceries and local Australian holidays with these coming in as the top three categories, scoring 46% and 45% respectively. Better end fashion at 10%, high end fashion and luxury items, both at 7% came in the bottom three.

### ***Take home food and groceries***

Females are more inclined to believe that Australians will be spending on take home food and groceries, with 60% of Females selecting this category compared to 52% of Males. When considered by age, the highest proportion of respondents who believe that we will be spending on this category fall into the over 65 years age bracket, at 70%. 18-24 year olds are the least inclined to believe that we will be spending more on this category with only 43% selecting it.

### ***Local Australian Holidays***

This category was selected by 46% of Females and 42% of Males. There is some variation across the age brackets in this category. 18-24 year olds and 25-34 year olds are less likely to believe we will be spending more on local Australian holidays with 32% and 35% respectively selecting this category as a contender. 55-64 and over 65 year olds however, are more likely to believe that this will be a big spend category with 51% and 58% selecting it.

### ***Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players***

This category was selected evenly by Males and Females, both at 43%. The over 65 age bracket are most inclined to believe Australians will be spending more on technology purchases at 56% and 35-44 year olds are the least inclined to believe we will be spending on this category at 37%.

### ***Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games***

41% selected home entertainment overall, with 44% of Females and 38% of Males nominating this category. Generally speaking the older age brackets believe we will be spending on this category while the younger age brackets do not rate it as high. 51% of 55-64 year olds and 53% of those aged over 65 years believe we will be spending on this category, with only 32% of 18-24 year old and 39% of 25-34 year olds nominating it as a big spend area.

### ***Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae***

Females are more inclined than Males to believe that Australians will be spending on inexpensive everyday fashion at 42% compared to 33%. Again in this category, respondents in the older age brackets are more inclined to believe Australians will be spending on this category. 29% of 18-24 year olds nominated this category compared to 33% of 35-44 year olds, 45% of 55-64 year olds and 57% of those in the over 65 years category.

### ***Lotto, Lottery Tickets etc***

Overall, this category was selected by 37% of respondents. Males are slightly more inclined to believe Australians will be spending more on lotto and lottery tickets at 39% compared to 36% of Females. There is also some variation between the age brackets, 20% of 18-24 year olds nominated this as a big spend category compared to 54% of over 65 year olds.

### ***Buying take away food***

A fairly even amount of Males and Females selected this category. Selection of this category was also fairly even across the age brackets with 27% of 25-34 year olds nominating take away food as a big spend area and 31% of both 35-44 and 45-54 year olds.

### ***Home entertaining e.g. friends for dinner, lunch or coffee***

Overall 32% believe Australians will spend on this category in 2010. More Females than Males nominated it at 36% compared to 29%. Results were fairly evenly distributed across the age brackets with 29% of 25-34 year olds selecting this category and 33% of both 35-44 and 45-54 year olds believing we will be spending on home entertaining in 2010.

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

In this category, more Males than Females believe that Australians will be spending more at 34% compared to 28%. In the older age groups a higher proportion nominated this category as an area where Australians will be spending money. 17% of 18-24 year olds and 26% of 25-34 year olds compared to 39% of 55-64 year olds and 42% of those aged over 65 years nominated this category.

### ***Eating out in cafes and restaurants***

25% of Australians believe we will be spending more money eating out. Males and Females selected this category evenly, both at 25%. There are some slight variations across the age brackets, 25% of 18-24 year olds, 22% of 35-44 year olds and 28% of 55-64 year olds selected this category.

### ***Mid range fashion e.g. Sussan, Portmans, Just Jeans***

More Females than Men believe we will be spending on mid range fashion at 25% compared to 20%. Again in this category there are slight variations across the age brackets. 17% of 18-24 year olds, 21% of 35-44 year olds and 26% of 55-64 year olds selected this category.

### ***Going out to theatres, movies and bars***

20% of respondents selected this category overall. Males and Females believe quite equally that Australians will be spending more on going out in 2010 with 21% of Males and 20% of Females selecting this category. When considered by age, 19% of 18-24 year olds compared to 23% of 55-64 year olds selected going out as a big spend area.

### ***Overseas Holidays***

More Males than Females believe Australians will be travelling overseas this year at 23% compared to 18%. Only 16% of 45-54 year olds believe we will be spending more on this category compared to 22% of 25-34 year olds and 27% of 55-64 year olds.

### ***Purchases like beauty products, make up, perfume, general chemist products***

Overall 18% believe that Australians will be spending on this category. Unsurprisingly more Females than Males selected this category at 19% compared to 16%. 15% of 18-24 year olds selected this category compared to 23% of 55-64 year olds and 24% of over 65 year olds.

### ***General items like books, newsagency, etc***

17% of respondents selected general items like books and newsagency as an area where Australians will be spending more in 2010. The distribution of results between genders is fairly even as well as the distribution between age groups. 15% of 18-24, 35-44 and 45-54 year olds selected this category, responses increase with age generally.

### ***General items like optical, shoe repair, clothing alterations, dry cleaning***

16% of total respondents selected this category with 14% of Males and 18% of females believing we are going to spend in this area. Older age brackets are more inclined to think Australians will be spending in this area with 10% of 18-24 year olds and 11% of 25-34 year olds selecting this category compared to 25% of 55-64 year olds and 24% of over 65 year olds.

### ***Big ticket items like Furniture and Large Electrical e.g. lounges, fridges***

Overall 15% of respondents selected this category. Males and Females selected big ticket items fairly evenly. 9% of 18-24 year olds compared to 22% of 55-64 year olds believe Australians will be spending more on big ticket items.

### ***Hairdressers, beautician, nail bar, massage***

More women than men believe that Australians will be spending more on this category in 2010 at 18% compared to 13%. Only 9% of 18-24 year olds compared to 18% of 55-64 year olds believe this will be a big spend area.

### ***Better end fashion e.g. Cue, Country Road, Nine West***

Overall 10% believe Australians will be spending on better end fashion this year. The split between genders is even as is the distribution between age groups. 10% of both 18-24 year olds and 55-64 year olds selected this category along with 8% of 35-44 year olds.

### ***High end fashion e.g. Polo Ralph Lauren, Saba, Lisa Ho***

7% of all respondents selected high end fashion. Slightly more Males than Females believe Australians will be spending here at 8% compared to 6%. When considered by age, the lowest proportion to state that high end fashion will be a spend area were those aged 18-24 years at 5%. Conversely, the highest proportion were 55-64 and over 65 year olds at 10% each.

### ***Luxury Items e.g. Louis Vuitton, Chanel, Tiffany***

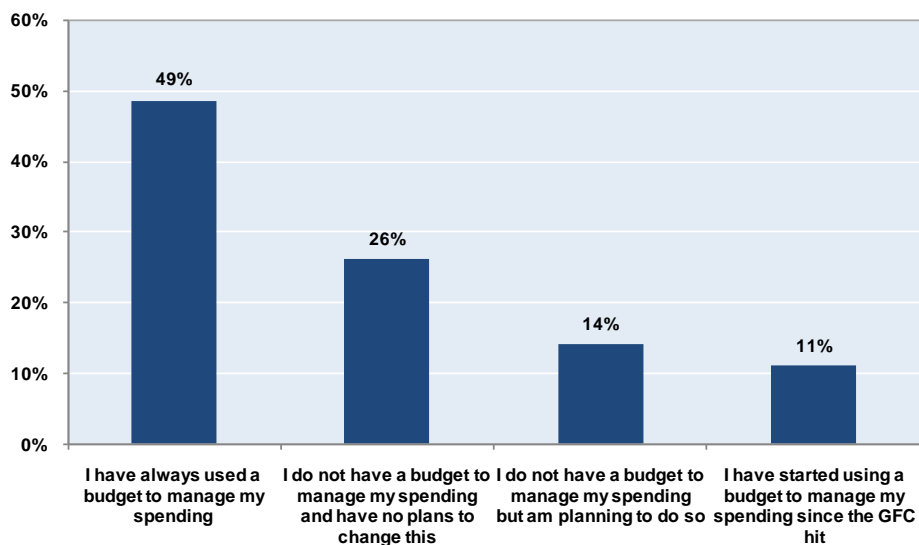
Overall, 7% of all respondents believe Australians will be spending on luxury items. Generally as we get older we are more inclined to believe that Australians are spending on luxury items with 4% of 18-24 year olds compared to 10% of those aged over 65 years nominated this category.



## 9. Spend Management via Budgets

Australians were asked about how they managed their spending in the changing economic climate. Have they always used a weekly or monthly budget? Or have they just started using one recently? Respondents were asked which statement best describes them out of the following:

- I have always used a weekly/monthly budget to manage my spending
- I have started using a weekly/monthly budget to manage my spending since the GFC hit
- I do not have a weekly / monthly budget to manage my spending but am planning to do so
- I do not have a weekly / monthly budget to manage my spending and have no plans to change this



Overall, 60% of Australian's have a budget with 49% of Australians stating they have always used a budget to manage spending and 11% stating they have started using a budget to manage spending since the GFC hit. 26% of Australian's do not use a budget and have no intentions of budgeting and a further 14% do not currently use a budget but do plan to start.

More Females than Males have always had a weekly/monthly budget at 52% compared to 45%. Males are more likely be non budgeters with no plans to change at 30% compared to Females at 22%.

When considered by age, those in the 55-64 years age bracket are most likely to be long term budgeters, with 54% of this group stating they have always used a budget to manage their spending. 25-34 year olds are most likely to have altered their ways since the GFC hit with 14% of this group saying they had begun using a budget to manage their spending.

18-24 year olds have the highest proportion of Australians planning to begin using a budget at 22% while 45-54 and 55-64 year olds have the highest proportion unwilling to budget both at 29%.

### **Budget Use by Sydney, Brisbane, Melbourne**

|  | <b>Sydney Metro Region</b> | <b>Brisbane Metro Region</b> | <b>Melbourne Metro Region</b> |
|--|----------------------------|------------------------------|-------------------------------|
| I have always used a weekly/monthly budget to manage my spending                               | 45%                        | 52%                          | 46%                           |
| I have started using a weekly/monthly budget to manage my spending since the GFC hit           | 14%                        | 9%                           | 12%                           |
| I do not have a weekly / monthly budget to manage my spending but am planning to do so         | 13%                        | 15%                          | 14%                           |
| I do not have a weekly / monthly budget to manage my spending and have no plans to change this | 28%                        | 24%                          | 28%                           |



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