



## MEDIA RELEASE

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### **Australians still love to shop with food now the fashion**

Australian shopper behaviour has changed significantly post-GFC, with increased interest in food shopping and frugal fever now an integral part of the retail terrain, from small neighbourhood to major retail centres, according to Directional Insights' *Consumer Shopping Benchmarks 2011*, which surveyed 26,000 shoppers across Australia and are released today.

Women, the primary shoppers in Australia, are shopping as frequently as they did in 2009. However they now more often identify themselves as mission shoppers – shopping for a reason – rather than leisure shoppers, who spend more time and money during a centre visit.

“Australians are now likely to shop and go rather than stay and play,” Helen Bakewell, Managing Director, Directional Insights said. “Today’s shopper is a value-seeker; spending the same or more on food while tightening the purse strings in speciality stores and in mid- to higher-end fashion stores.”

Food spending is one area which has bucked the trend towards frugality, with spending by Australians increasing across the board due to three reasons, according to Helen; increased food prices especially fruit and vegetables, a rise in ‘ethical’ eating including organic produce which carries a price premium, and the ‘Masterchef factor’.

“Masterchef and other reality cooking shows have increased spending on foods that many people would have only bought infrequently two years ago when we released our last Benchmarks,” Helen said. “Grocery chains invest in understanding their customers and have responded decisively to the new marketplace. Better shop layouts and other innovations have made it easier for customers to buy higher margin products after being enticed by lower priced staples, like milk. Customer understanding and clever retail responses is the way forward, and grocery chains are ahead of the pack,” she added.

And while food may be the new fashion, and fashion is the new frugal spend, non-food retailers who understand the post-GFC new retail paradigm are seeing customers and their dollars flowing into their stores.

“Zara and other affordable fashion stores are meeting customers’ need for quality fashion at the right price while offering an exciting shopping environment. More than ever, retailers need to know their customers intimately, and shopping centres need to understand why customers visit their centres,” Helen said.

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Shopping centres differ significantly, based on their location and their retail mix. The *Consumer Shopping Benchmarks 2011* reveal people behave differently in different centre types. In local “neighbourhood” centres people visit mainly for food and since 2009 spend per visit has increased. These centres must stay true to offering convenience and service, according to Helen.

Spending per customer visit has been stable at sub-regional centres, which feature a discount department store like a Kmart, Target or Big W. However, the Benchmarks reveal that when centre owners introduced a second discount department store, spending per customer visit increased.

Large regional centres with a David Jones or Myer department store and with a high proportion of non-food retailers have been hardest hit by the increase in mission shopping; with spend per shopper visit down five per cent since 2009. According to Helen and the findings in the *Consumer Shopping Benchmarks 2011*, customers will continue to visit and to spend at centres which meet their food, fashion and convenience needs the best.

“Although regional centres have felt the impact of Australian’s frugal fever the keenest, all retailers and centre managers have to face a different environment post-GFC, marked by cautious shoppers,” Helen says. “But it’s still a dynamic and profitable time for those retailers and shopping centres that offer real convenience or an exciting retail experience. Retailers most in touch with the new customer sentiment will not just survive, they can thrive.”

**END**

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