Australia's Shopping Intent Report

Shopping intent has remained fairly steady for Australian consumers when examining their own wallet.

However, there is expectation when discussing how others spend their money that overseas travel will increase by Australians generally, with commodity groups such as local Australian holidays and eating out and entertaining being impacted. In the fashion arena, better end fashion is now the lowest category Australians think spending growth will come from.

Whilst internet shopping continues to grow, the significant trend is the increasing cautiousness of Australian consumers in spending their money.

July 2011

DIRECTIONAL INSIGHTS

keeping you in touch

DIRECTIONAL INSIGHTS

Table of Contents

AMP Capital Shopping Centres has thirty-six 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"*** is the sixth in the AMP Capital Shopping Centres Shopping Intent series produced bi-annually in February and July. 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=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 report examines the sentiment Australians have concerning personal spending levels across categories and how they think the rest of Australia will be spending in these categories.

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, online surveys, focus groups, in-depth interviews and executive interviews with a focus on knowledge, not just raw data. We present our findings in an actionable framework, remaining strategy oriented at all times.

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

Helen Bakewell

Managing Director
Directional Insights Pty. Ltd.
Ph. (02) 9418 6644
helen@directional.com.au or
www.direrctional.com.au

For more information about ***AMP Capital Shopping Centres*** contact:

Scott Gillespie
Communications Manager, AMP Capital Shopping Centres
Ph. (02) 9257 1478
scott.gillespie@ampcapital.com

Australians were asked how they are changing their spending habits. 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 eg friends for dinner, lunch or coffee

There has been a great deal of consistency across the tested spend categories, with either steady results or showing a slight trend towards spending less. Spending on grocery shopping continues to steadily increase, while areas of spend people say they are spending less on include big ticket items and technology purchases, perhaps buoyed by negotiating better prices.

While spending more only increased in a small number of categories, most of the time any shifts – positive or negative – in shopping behaviour were quite small, usually only moving a few percentage points either way. Overall, Australian shoppers are remaining cautious.

Take home food and groceries continues to rise steadily but this may be more a reflection of increased prices rather than increased consumption, with an increase in the proportion of Australians spending more in this category, coupled with a decrease in the proportion of Australians spending less.

When comparing to previous results of the AMP Capital Shopping Centres Shopping Intent Report, it is important to compare against research conducted at a similar time of the year.

Changes by Spend Category

	Spending less	Spending the same as usual	Spending more	Don't spend on this category
Big ticket items like Furniture and Large Electricals e.g. lounges, fridges	43%	34%	8%	15%
Buying take away food	41%	42%	9%	7%
Eating out in cafes and restaurants	40%	41%	12%	7%
Going out to theatres, movies and bars	38%	40%	9%	12%
Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games	38%	43%	7%	13%
Clothing shoes and accessories	38%	52%	8%	2%
Household goods like TVs, Small Electrical, Kitchenware, Homewares	38%	46%	9%	7%
Technology purchases like mobiles phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/MP3 players	37%	44%	10%	9%
Gifts	34%	56%	7%	3%
Purchases like beauty products, make up, perfume, general chemist products	34%	47%	7%	13%
Local Australian Holidays	33%	44%	8%	15%
General items like books, newsagency, etc	32%	55%	6%	7%
Hairdressers, beautician, nail bar, massage	31%	47%	6%	16%
General items like optical, shoe repair, clothing alterations, dry cleaning	29%	51%	5%	14%
Home entertaining eg friends for dinner, lunch or coffee	29%	53%	9%	9%
Overseas Holidays	28%	27%	11%	33%
Lotto, Lottery Tickets etc	28%	41%	7%	24%
Take home food and groceries	18%	49%	32%	1%

Spend Category Changes – July 2009/2010/2011 Comparison

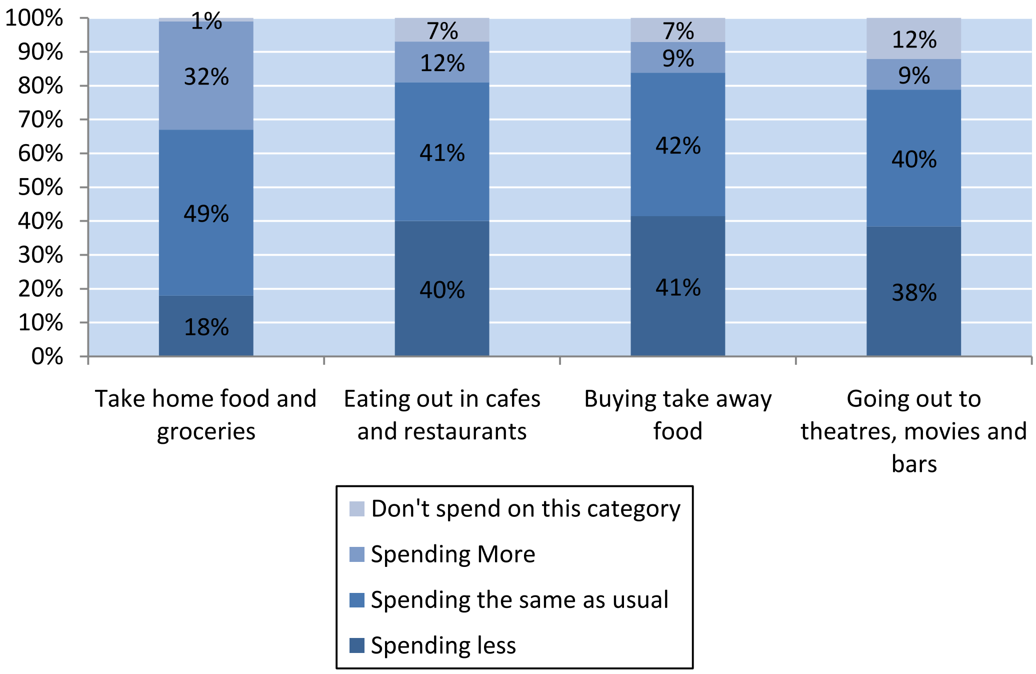
	Spending less			Spending the same as usual			Spending more			Don't spend on this category		
	July 09	July 10	July 11	July 09	July 10	July 11	July 09	July 10	July 11	July 09	July 10	July 11
Big ticket items like Furniture and Large Electrical e.g. lounges, fridges	45%	38%	**43%**	34%	43%	**34%**	6%	7%	**8%**	14%	12%	**15%**
Buying take away food	46%	42%	**41%**	41%	43%	**42%**	7%	10%	**9%**	6%	5%	**7%**
Eating out in cafes and restaurants	46%	42%	**40%**	41%	40%	**41%**	6%	12%	**12%**	8%	6%	**7%**
Going out to theatres, movies and bars	39%	40%	**38%**	42%	41%	**40%**	6%	8%	**9%**	13%	11%	**12%**
Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games	36%	37%	**38%**	43%	47%	**43%**	8%	6%	**7%**	13%	10%	**13%**
Clothing shoes and accessories	43%	40%	**38%**	49%	50%	**52%**	6%	8%	**8%**	2%	2%	**2%**
Household goods like TVs, Small Electrical, Kitchenware, Homewares	41%	38%	**38%**	44%	48%	**46%**	7%	10%	**9%**	8%	5%	**7%**
Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players	38%	34%	**37%**	42%	47%	**44%**	9%	11%	**10%**	11%	8%	**9%**
Gifts	37%	34%	**34%**	54%	56%	**56%**	6%	7%	**7%**	3%	3%	**3%**

Spend Category Changes – July 2009/2010/2011 Comparison

	Spending less			Spending the same as usual			Spending more			Don't spend on this category		
	July 09	July 10	July 11	July 09	July 10	July 11	July 09	July 10	July 11	July 09	July 10	July 11
Purchases like beauty products, make up, perfume, general chemist products	34%	32%	**34%**	50%	51%	**47%**	4%	6%	**7%**	11%	11%	**13%**
Local Australian Holidays	30%	33%	**33%**	44%	47%	**44%**	11%	9%	**8%**	15%	10%	**15%**
General items like books, newsagency etc	36%	37%	**32%**	52%	51%	**55%**	5%	6%	**6%**	7%	5%	**7%**
Hairdressers, beautician, nail bar, massage	33%	32%	**31%**	48%	49%	**47%**	4%	5%	**6%**	15%	14%	**16%**
General items like optical, shoe repair, clothing alterations, dry cleaning	33%	29%	**29%**	51%	55%	**51%**	4%	4%	**5%**	13%	12%	**14%**
Home entertaining e.g. friends for dinner, lunch or coffee	30%	30%	**29%**	54%	54%	**53%**	9%	9%	**9%**	8%	7%	**9%**
Overseas Holidays	31%	28%	**28%**	24%	32%	**27%**	10%	10%	**11%**	36%	30%	**33%**
Lotto, Lottery Tickets etc	27%	29%	**28%**	45%	42%	**41%**	9%	6%	**7%**	20%	24%	**24%**
Take home food and groceries	16%	21%	**18%**	57%	50%	**49%**	26%	28%	**32%**	1%	1%	**1%**

Changes by Spend Category

Spend Category	Change from 2010 to 2011
Take home food and groceries	INCREASED
Eating out in cafes and restaurants	STABLE
Buying take away food	STABLE
Going out to theatres, movies and bars	STABLE
Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games	STABLE
Home entertaining eg friends for dinner, lunch or coffee	STABLE
Gifts	STABLE
Lotto, Lottery Tickets etc	STABLE
General items like books, newsagency, etc	STABLE
General items like optical, shoe repair, clothing alterations, dry cleaning	STABLE
Local Australian Holidays	STABLE
Overseas Holidays	STABLE
Clothing shoes and accessories	STABLE
Purchases like beauty products, make up, perfume, general chemist products	STABLE
Hairdressers, beautician, nail bar, massage	STABLE
Technology purchases like mobiles phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/MP3 players	STABLE
Big ticket items like Furniture and Large Electricals e.g. lounges, fridges	REDUCED
Household goods like TVs, Small Electrical, Kitchenware, Homewares	STABLE



Take Home Food and Groceries - INCREASED

As always Take Home Food and Groceries is one of the most important spend categories in the retail sector, as shown by only 1% of respondents not spending in this category at all. Take home food and groceries is the only spend category with a larger proportion of Australians believing they are spending more, than believe they are spending less. The percentage of Australians who believe they are spending more has increased from this time last year, going from 28% in July 2010, up to 32% in July 2011. This has contributed to a decline in Australians who believe they are spending less, from 21% this time last year to 18% currently. Female Australians are more likely than Males to believe they are spending less at 20% to 16% of Males, and more likely to believe they are spending more, at 33% to 30% of Males. The majority of Males believe they are spending the same as usual at 53%, compared to 46% of Females.

Eating out in Cafes and Restaurants - STABLE

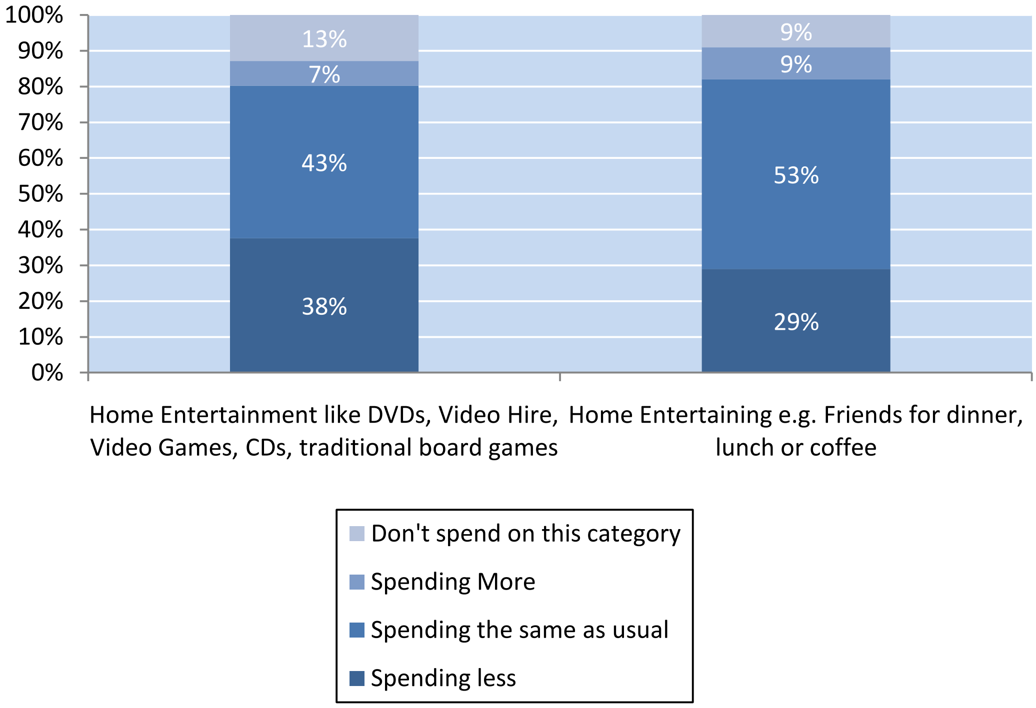
After the improved result from July 2009 to July 2010, there was no sign of continual improvement leading into 2011. This category remained steady in all areas since the results in July 2010. Females were more cautious consumers than Males, with 42% spending less in this category compared to 39% of Males, and 8% of Females not spending on this category at all, compared to 5% of Males. However Males were no more likely to be spending more on this category, instead more likely to be spending the same at 44% compared to 37% for Females.

Buying Take Away Food - STABLE

Buying Take Away Food has remained stable from the results in July 2010, which in turn was an improvement from the results from July 2009. Females are more cautious spenders in this category, with 45% spending less and 10% not spending on this category at all, compared to 38% of Males spending less and only 5% not spending at all. The difference is primarily made up in those spending the same as usual, making up 47% of Males and 37% of Females.

Going Out to Theatres, Movies and Bars - STABLE

This category has remained mostly stable since July 2009, all the way to the current results, with no significant change in the proportion of Australians spending more or less. Between Males and Females, the proportions spending less on this category and more on this category were the same as the average results. However while 9% of Males did not spend on this category at all, 15% of Females did not, with this difference being made up in those spending the same as usual, where 38% of Females were spending the same compared to 43% of Males.

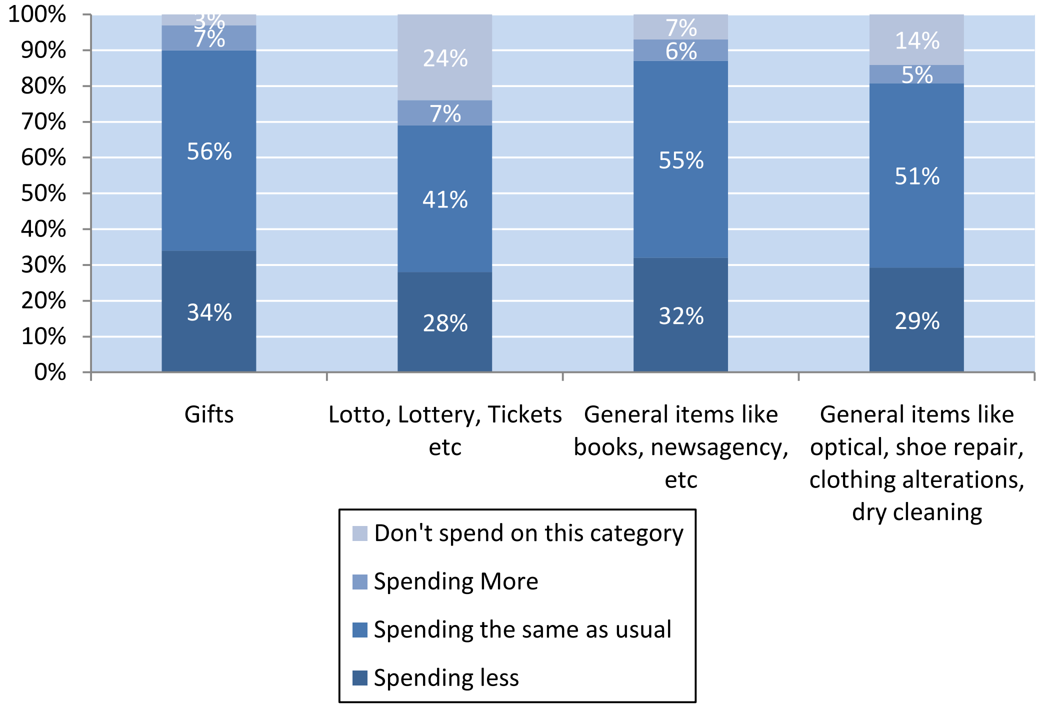


Home Entertainment Like DVDs, Video Hire, Video Games, CDs, Traditional Board Games- STABLE

While there has been a decrease in Australians spending the same as usual in this category, from 47% in 2010 down to 43% in 2011, this shift has gone towards not spending on this category at all, increasing from 10% to 13%. This has brought the results in line with findings from 2009. The proportion of Males and Females spending less or spending more on this category is in line with the average result of 38% and 7% respectively. However, Males are more likely to be spending the same as usual at 47% to 39% of Females, while Females are more likely to not spend on this category at all, at 16% to 10%.

Home Entertaining e.g. Friends for Dinner, Lunch or Coffee – STABLE

This spend category has remained steady since 2009, with only minor changes in the intervening years. Females were slightly more likely to be spending less on this category at 30% to 27% for Males, and more likely to be not spending on this category at all, at 13% to 6% of Males. This difference has not significantly impacted on the proportion spending more, as the result for both Males and Females in this area is of insignificant difference to the average. The difference comes in 56% of Males spending the same as usual, compared to 49% of Females.



Gifts - STABLE

There is no difference in results for Gifts between July 2010 and July 2011. For Females and Males, the proportion of Australians spending more or not spending at all on this category is in line with the average result of 7% and 3% respectively. However Females are more likely to be spending less than Males at 37% to 31%, while Males are more likely to be spending the same as usual at 58% to 53% for Females.

Lotto, Lottery Tickets etc - STABLE

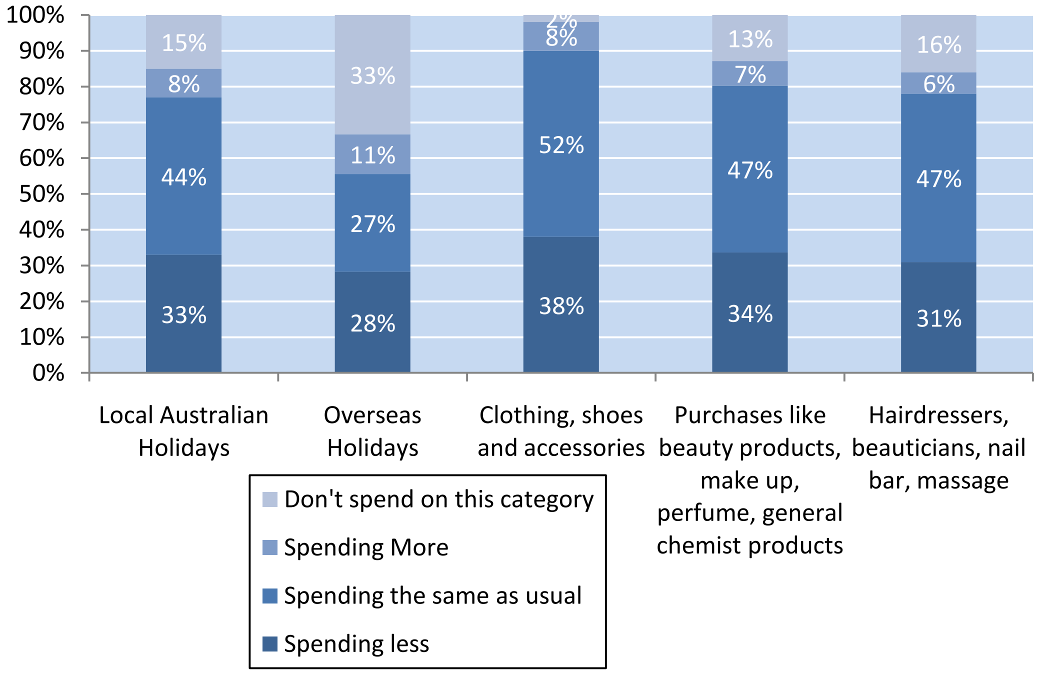
This category had a similar result in July 2011 that occurred in July 2010, with no significant differences. Between Males and Females, Males were more likely to be spending the same as usual at 46% to 35% for Females, whereas Females were more likely to be either spending less than usual at 31% to 24% for Males, or not spending at all on the category, at 26% to 22% for Females.

General Items like Books, Newsagency etc. - STABLE

Spend in this category is starting to stabilise, with a smaller proportion saying they are spending less in this category that in the previous year, from 37% in July 2010 down to 32% currently. This shift is primarily into spending the same as usual, increasing from its previous result of 51% up to 55%. Spending more and not spending at all on this category is stable, with no significant changes. Similarly between the genders the result for spending more and not spending on this category is in line with the averages. However Females are more likely to be spending less on this category at 35%, compared to 29% of Males.

General Items like Optical, Shoe Repair, Clothing Alterations, Dry Cleaning - STABLE

The results for this category is mostly similar to the results of the previous year, with the exception of spending the same as usual which has decreased from 55% in 2010, down to 51% in the current results. There is no significant shift towards any of the other alternatives. Between Males and Females, the results for spending less and spending more are both in line with the average results. However Males are more likely to spend the same as usual at 55% to 48% of Females, and Females are more likely not to be spending on this category at all, at 16% to 12% for Males.



Local Australian Holidays - STABLE

While the proportion of Australians spending less or spending more on Local Australian Holidays remains stable, there is a slight drop in those spending the same from 47% to 44%. Unfortunately this shift has resulted in a higher proportion of Australians not spending in this category at all, increasing from 10% in July 2010 up to 15% in July 2011. There are some differences between how Males compared to Females have been spending in this category. Most notable is that 19% of Females have been not spending in this category at all, compared to only 10% of Males. Males are more likely to be spending more at 10% compared to 6% of Females, and more likely to be spending the same as usual at 48% compared to 41% of Females. Females are also more likely to be spending less at 34% compared to 31% of Males.

Overseas Holidays - STABLE

There has been a decrease in the number of Australians spending the same as usual in this category, from 32% in July 2010, down to 27% in July 2011. Unfortunately this shift has not moved to either spending less than usual or spending more than usual, which both remain steady, but has instead increased the proportion of Australians not spending at all from 30% in 2010, up to 33%. However despite this decline, it is worth noting the results are still more positive than the results from July 2009. Females are less likely to be spending on this category at all, at 39% not spending compared to only 27% of Males not spending on this category. Females were also less likely to be spending more at 8% to 14%, and less likely to be spending the same as usual at 25% to 30%.

Clothing, Shoes and Accessories - STABLE

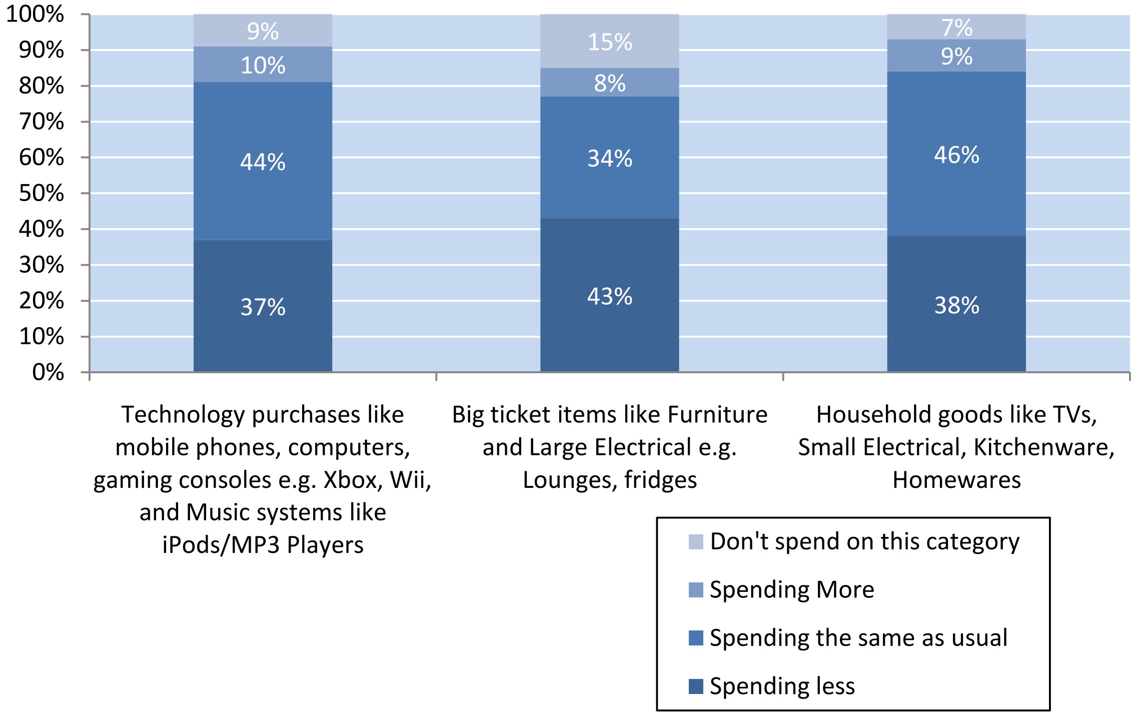
This category of spend is stabilising slightly more, with a small shift of spending less, from 40% in July 2010 down to 38% in July 2011, towards spending the same as usual, increasing slightly from 50% to 52%, while the other results remain similar. Males are more likely than average to not be changing their spending habits in this category, with 56% spending the same as usual, compared to only 47% of Females. Females were more likely to be either spending less than usual at 41%, compared to 34% of Males, and more likely to be spending more than usual at 10% compared to 7% for Males.

Purchases like Beauty Products, Make Up, Perfume, General Chemist Products - STABLE

There has been a decrease in Australians spending the same as usual on this category, down from 51% in July 2010 to 47% in the current results. Unfortunately this shifted slightly towards both spending less, increasing from 32% in 2010 to 34% and not spending on this category, increasing from 11% to 13%. It is difficult to make comparisons between Males and Females, as 20% of Males do not purchase from this category compared to 7% of Females, and as a result Females are more likely than Males to be spending less, spending the same as usual and spending more. 8% of Females are spending more on this category and 50% are spending the same as usual, while 35% are spending less.

Hairdressers, Beautician, Nail Bar, Massage - STABLE

This category remained stable between July 2010 and July 2011, with no significant changes. 21% of Males do not spend on this category at all, compared to only 12% of Females not spending on it. Males were also more likely than Females to be spending the same, at 50% of Males to 44% of Females. Conversely, Females were more likely to be spending less at 36% to 25% of Males, and more likely to be spending more at 8% compared to 4% of Males.



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

The proportion of Australians spending more and not spending on this category at all remains steady from July 2010, although there is a slight shift in Australians spending the same as usual, decreasing from 47% in July 2010 down to 44%, towards spending less on this category, increasing from 34% up to 37%, perhaps due to a better negotiation of price in store or online. Females are more likely to be spending less and not spending on this category at all compared to Males, with 39% of Females spending less compared to 35% of Males, and 12% of Females not spending at all compared to 5% of Males. Conversely, Males are more likely to be spending more or spending the same as usual, with 13% spending more compared to 8% of Females, and 47% spending the same as usual compared to 41% of Females.

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

In this category there has been a shift away from spending the same as usual, down from 43% to 34%, and towards spending less, increasing from 38% to 43%. Spending more and not spending on this category remain steady from the July 2010 results. 19% of Females don't spend on this category compared to only 10% of Males. This shift mostly leads into spending the same as usual, with 30% of Females and 39% of Males.

Household Goods like TVs, Small Electrical, Kitchenware, Homewares - STABLE

The result for July 2011 in this spend category is very similar to the July 2010 results, with no significant changes. The proportion of Males and Females either spending less or spending more on this category is in line with the average results. However Females are more likely to be not spending at all on this category at 10% compared to 5% of Males, and less likely to be spending the same as usual at 43% compared to 49% of Males.

Respondents were also asked which categories they thought Australians generally will be spending more on in 2011. The categories include:-

- 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

Between July 2010 and February 2011 most areas of expected spend either remained stable or fell slightly, with very few areas of spend improving. The results of July 2011 mostly continue this trend, with a number of areas of spend either continuing to decrease or remaining steady.

Overseas holidays is the main area of spend improvements since July 2010. Since July 2010, commodity groups being most impacted by negative consumer sentiment include local Australian holidays and eating out and entertaining being impacted. Spend has also reduced in technology purchases and household purchases but this may well be as a result of better price negotiation. This shows a continued decline in optimism of the retail market in Australia.

The key commodity groups that received the highest number of Australians believing spend would increase include:

- Take home food and groceries
- Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae
- Lotto, Lottery Tickets etc
- Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players

Take home food and groceries once again received the highest result, with 56% of respondents believing there would be an increased spend on this area. While this result is steady from the February 2011 results, this in turn was a decrease from the results of July 2010. In February 2011, we knew from Qualitative research that Australians were expecting to spend more on groceries due to significant weather events.

The bottom three results remained consistent since the last two shopping intent reports, with the only variation being their positioning. Better end fashion continues to fall slightly, now at 6%, nearly half the result of 10% from February 2010.

Spend Category	% Increased spend Jul 2011	% Increased spend Feb 2011	% Increased spend Jul 2010	% Increased spend Feb 2010
Take home food and groceries	56%	57%	61%	56%
Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae	36%	36%	38%	38%
Lotto, Lottery Tickets etc	32%	31%	34%	37%
Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music	31%	38%	37%	43%
Local Australian Holidays	30%	37%	44%	44%
Home entertaining e.g. friends for dinner, lunch or coffee	29%	28%	33%	32%
Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games	28%	33%	34%	41%
Overseas Holidays	27%	24%	18%	20%
Buying take away food	26%	30%	33%	33%
Household goods like TVs, Small Electrical, Kitchenware, Homewares	20%	24%	25%	31%
Eating out in cafes and restaurants	18%	23%	26%	25%
Mid range fashion e.g. Sussan, Portmans, Just Jeans	17%	17%	21%	23%
Going out to theatres, movies and bars	15%	16%	19%	20%
General items like optical, shoe repair, clothing alterations, dry cleaning	13%	16%	13%	16%
Big ticket items like Furniture and Large Electrical e.g. lounges, fridges	12%	16%	15%	15%
Purchases like beauty products, make up, perfume, general chemist products	12%	14%	14%	18%
General items like books, newsagency, etc	12%	14%	14%	17%
Hairdressers, beautician, nail bar, massage	11%	14%	14%	15%
High end fashion e.g. Polo Ralph Lauren, Saba, Lisa Ho	7%	7%	6%	7%
Luxury Items e.g. Louis Vuitton, Chanel, Tiffany	7%	8%	5%	7%
Better end fashion e.g. Cue, Country Road, Nine West	6%	7%	8%	10%

Take home food and groceries

This category remains steady from the results of February 2011, which in turn was a decrease from July 2010. Between Males and Females, Females were more likely to think there would be an increase in this area of spend at 61% compared to 51% of Males.

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

Despite its improved position within the areas of spend, the result is steady from the February 2011 report. This area of spend has been holding steady since February 2010, without significant changes. Females were more likely to think spend would increase than Males at 41% compared to 31%.

Lotto, Lottery Tickets etc.

Although in previous results this area of spend has been steadily decreasing, the current results show this stabilising at 32%, in line with the result of 31% from February 2011. This is one of the only areas of spend where Males were more likely to believe spend would increase, at 37% compared to 28% for Females.

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

This area of spend has decreased sharply from February 2011, down from 38% to 31%. This decrease has lowered its position in the top five results from third to fifth. This decline is not due to any specific fall in gender, as in February 2011 expected improvement in Technology purchases was even between Males and Females, as it is in the current results.

Local Australian Holidays

Expectations of an increase in this area of spend decreased between February 2011 and July 2011, where previously 37% of Australians believed spend would increase for Local Australian Holidays, now only 30% do. This is a continued decrease from July 2010, where 44% of Australians believed spend would increase in this area. Males and Females were equally likely to believe spend would increase in this area.

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

The overall result for this category has remained steady, with 29% of Australians believing spend would increase in this area. This shows that this area of spend is stabilising after its decrease in February 2011. Females were more likely than Males to believe spend would increase in this area, at 34% compared to 24% of Males.

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

This category decreased from the February 2011 results, down from 33% to 28%. This decrease comes after the expected increased spend in this area remained constant between July 2010 and February 2011. Comparing the months directly, expected improvement in this area of spend decreased between February 2010 and February 2011, and between July 2010 and July 2011. There were a higher proportion of Female Australians expecting spend to increase in this area than Males, at 30% to 26%.

Overseas Holidays

Overseas Holidays continued its steady increase from the results of July 2010 and February 2011, reaching 27%, likely due to the strong growth of the Australian dollar. This is one of the few categories where Males had a higher proportion believing Australians would be spending more on this category, at 30% to 25%.

Buying take away food

As was the case between July 2010 and February 2011, between February 2011 and July 2011, there has been a decrease in expectation of increased spend in this category, from 30% down to 26%. Females are more likely to believe this category will increase at 29%, compared to only 23% of Males.

Household goods like TVs, Small Electrical, Kitchenware, Homewares

This category has declined since July 2010, down to 20% from its previous result of 24%. Between Males and Females, there is only a 3% difference leaning towards Females, meaning both genders have a very small difference from the average result.

Eating out in cafes and restaurants

This category has slipped from 26% in July 2010 down to 23% in February 2011, a trend continued into the current result with only 18% of Australians believing spend will increase in this category. Females are slightly more likely to think spend will increase in this category at 19% compared to 16% of Males.

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

This category is remaining steady at 17%, compared to the result of February 2011, although this is a decline since July and February of 2010. Between the genders, Females were more likely to believe spend would improve in this area, at 20% compared to 14% of Males.

Going out to theatres, movies and bars

After the decrease between July 2010 and February 2011 from 19% to 16%, in July 2011 this category stabilised at 15%. Females were more likely to believe spend would increase at 18%, compared to only 12% of Males.

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

This category is repeating the pattern of the previous year. In both 2010 and 2011, expectations of this category were higher in February at 16% and lower in July at 13%. In keeping with the results of February 2011, Females are more likely than Males to believe spend would increase, at 15% of Females and 10% of Males.

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

Despite remaining consistent for the three AMP Capital Shopping Centres' Shopping Intent Reports between February 2010 and February 2011, Big ticket items has dropped in these most recent results to 12%, rather than the 16-15% it was in previous reports. Females were more likely to believe spend would increase at 14%, rather than the 10% result from Males.

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

The decrease between February 2011 and July 2011 is not a significant result. Females are twice as likely to believe spend would increase in this area at 16%, compared to only 8% of Males.

General items like books, newsagency, etc

The decrease between February 2011 and July 2011 is not a significant result. Females were more likely to believe that spend would improve in this category with a result of 15%, compared to only 9% of Males.

Hairdressers, beautician, nail bar, massage

Despite remaining steady between February 2010 and February 2011, this category has decreased slightly down to 11% in the most recent results. Females are twice as likely to expect spend to increase in this category at 14% compared to only 7% of Males.

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

This category remains consistent with the results from the previous reports, at 7% of total Australians believing it will increase. Unlike the results from February 2011, this time there is reasonable differentiation between the genders with 9% of Females expecting this category of spend to increase compared to 5% of Males.

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

The proportion of Australians believing Luxury items will increase remains steady at a low 7%, in line with the results of the February 2011 AMP Capital Shopping Centres Shopping Intent Report, which in turn had been an increase from the July 2010 report. Females had a higher proportion state they expected spend to increase in this category at a 9% compared to 5% of Males.

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

The lowest result was for Better end fashion at only 6% of Australians believing spend would increase in this area, which is in line with the results from the previous reports in February 2011 and July 2010, but indicates a slow but gradual decline in this category. Females are more likely to believe spend will increase in this category, but even for them it is only 9%, whereas among Males only 4% believe spend will increase in this area.

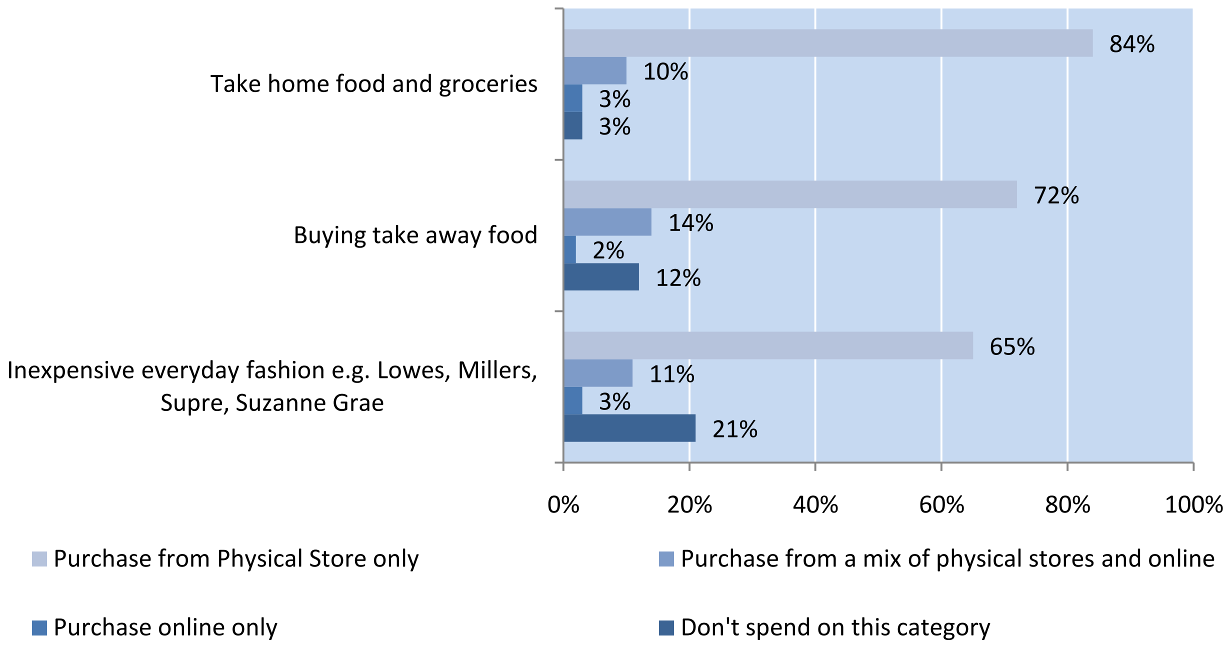
Online shopping is currently one of the hottest topics for retail in Australia. Many major brick and mortar retail outlets are offering online shopping, as well as the growth of smaller specialty stores that are able to provide their unique product to a much wider audience. With this in mind, we asked Australians where they will purchase: either from a physical store only, online only, from a mix of physical and online stores, or if they don't spend at all on the category. The categories included are:

- Take home food and groceries
- Buying take away food
- 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 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
- 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, toys, music, etc
- Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games

It is of note that every single category has either remained stable or <u>decreased in the proportion of Australians purchasing in physical stores only</u>.

This slack has not necessarily been picked up by Online retailing. Australians purchasing online only is either remaining steady or only slightly improving in most categories, as is the case for Australians purchasing from a mix of online and physical stores in most categories, with the exception of Overseas Holidays, which decreased in this area. The decline in purchasing in physical stores has instead resulted in nearly every category recording at least a slight increase in Australians who do not spend on the category at all now.

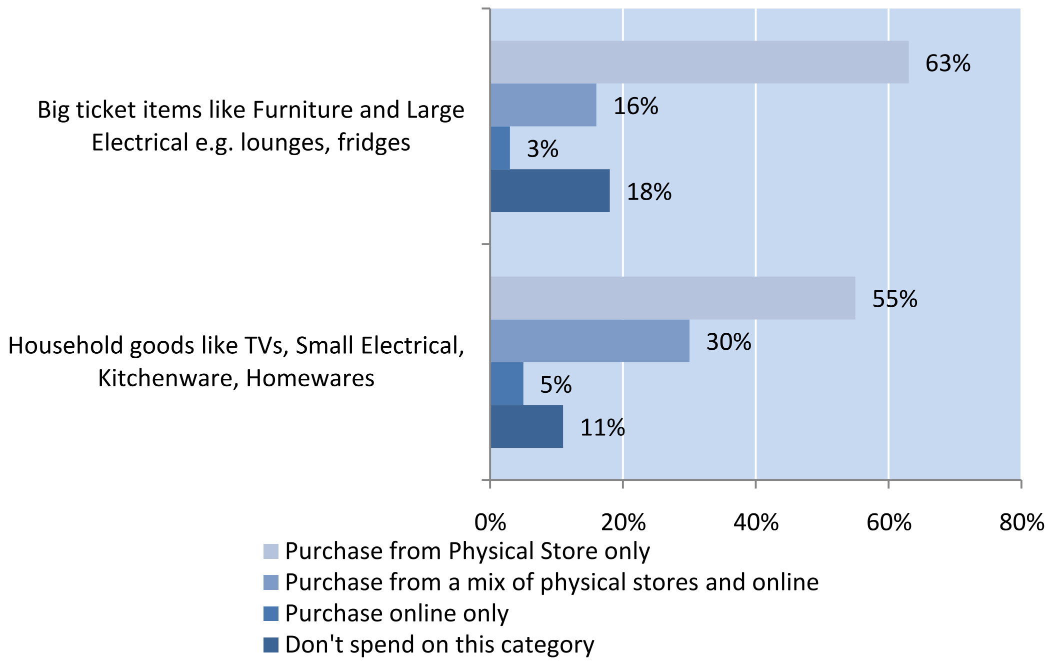
Spend Category	Purchase from physical store only		Purchase from a mix of physical stores and online		Purchase online only		Don't spend on this category	
	July 2011	Feb 2011	July 2011	Feb 2011	July 2011	Feb 2011	July 2011	Feb 2011
Take home food and groceries	84%	86%	10%	10%	3%	2%	3%	2%
Buying take away food	72%	78%	14%	12%	2%	2%	12%	9%
Big ticket items like Furniture and Large Electrical e.g. lounges, fridges	63%	67%	16%	16%	3%	3%	18%	14%
Inexpensive everyday fashion e.g. Lowes, Millers, Supre, Suzanne Grae	65%	66%	11%	12%	3%	3%	21%	19%
Household goods like TVs, Small Electrical, Kitchenware, Homewares	55%	59%	30%	29%	5%	5%	11%	7%
Mid range fashion e.g. Sussan, Portmans, Just Jeans	54%	58%	13%	13%	4%	3%	29%	26%
Purchases like beauty products, make up, perfume, general chemist products	48%	57%	28%	26%	6%	4%	19%	13%
Technology purchases like mobile phones, computers, gaming consoles e.g. Xbox, Wii, and Music systems like iPods/ MP3 players	38%	39%	38%	38%	8%	9%	16%	14%
Home entertainment like DVDs, Video Hire, Video Games, CDs, traditional board games	31%	37%	40%	40%	10%	8%	19%	15%
General items like books, toys, music, etc	31%	36%	48%	45%	11%	10%	10%	9%
Better end fashion e.g. Cue, Country Road, Nine West	30%	39%	10%	12%	4%	3%	56%	45%
High end fashion e.g. Polo Ralph Lauren, Saba, Lisa Ho	19%	27%	8%	9%	5%	4%	68%	60%
Local Australian Holidays	18%	24%	28%	29%	33%	30%	21%	17%
Luxury Items e.g. Louis Vuitton, Chanel, Tiffany	15%	24%	7%	10%	4%	4%	74%	62%
Overseas Holidays	14%	17%	21%	26%	25%	23%	41%	35%



Take home food and groceries was the spend category most commonly purchased in physical stores only, the same as February 2011.

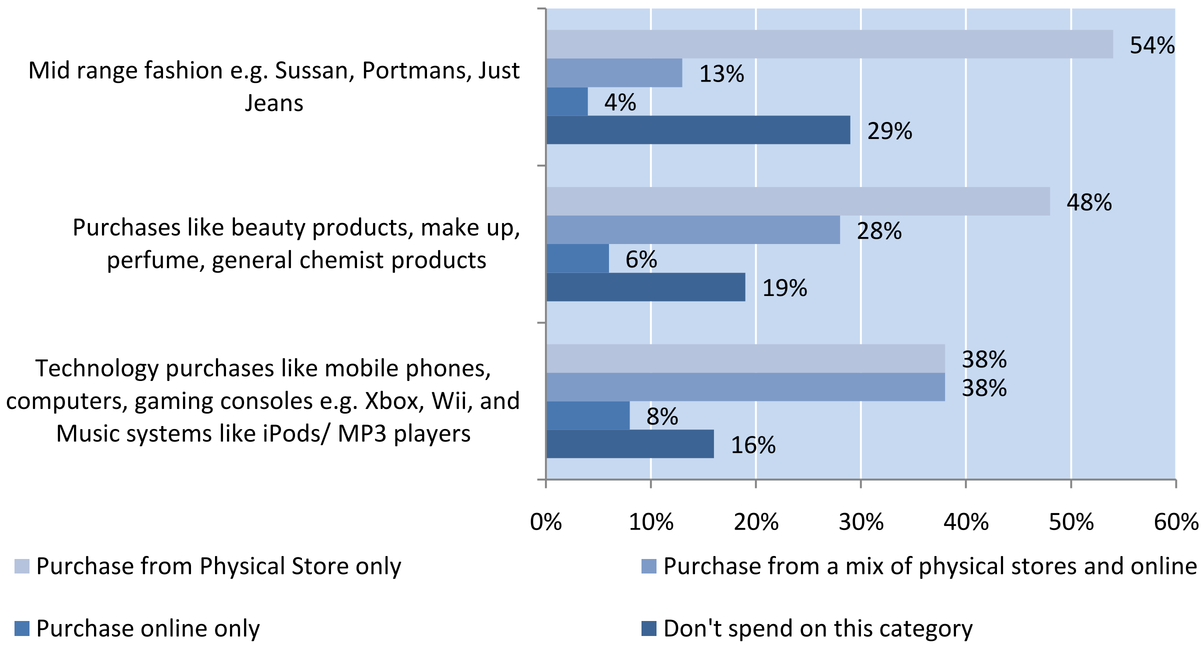
Take away food was the second most purchased from physical stores only at 72%. This is a decrease from the February result, where 78% would purchase Take away food from physical stores only. Some of this change is accounted for by a growth in the proportion of Australians who state they do not purchase from this category from 9% up to 12%. Females are more likely to not purchase from this category at all, with a result of 15% compared to 8% of Males.

There were no significant differences in the results for **Inexpensive everyday fashion** between the February 2011 report and the July 2011 report. Females were more likely than Males to only purchase from a physical store at 72% compared to 59% of Males, however this difference can not be attributed to online purchases with no significant difference between Males and Females either for purchasing online only or from a mixture of online and physical stores. Instead the difference comes form the higher portion of Males not purchasing from this category at all, at 27% compared to 15% of Females.



Big ticket items had a decrease in the number of Australians purchasing in physical stores only, from 67% of respondents in February down to 63% in July. However this decline cannot be attributed to online sales, as the only growing result is those who do not spend on this category, up from 14% to 18%. The proportion of Australians purchasing online only or from a mix of online and physical stores remains steady at 3% and 16% respectively. Between Males and Females there is no significant difference in purchasing from a physical store only or purchasing online only, however Males are more likely to purchase from a mixture of physical stores and online at 19% compared to 13% of Females, while Females are more likely to not spend on this category at all at 22%, compared to 15% of Males.

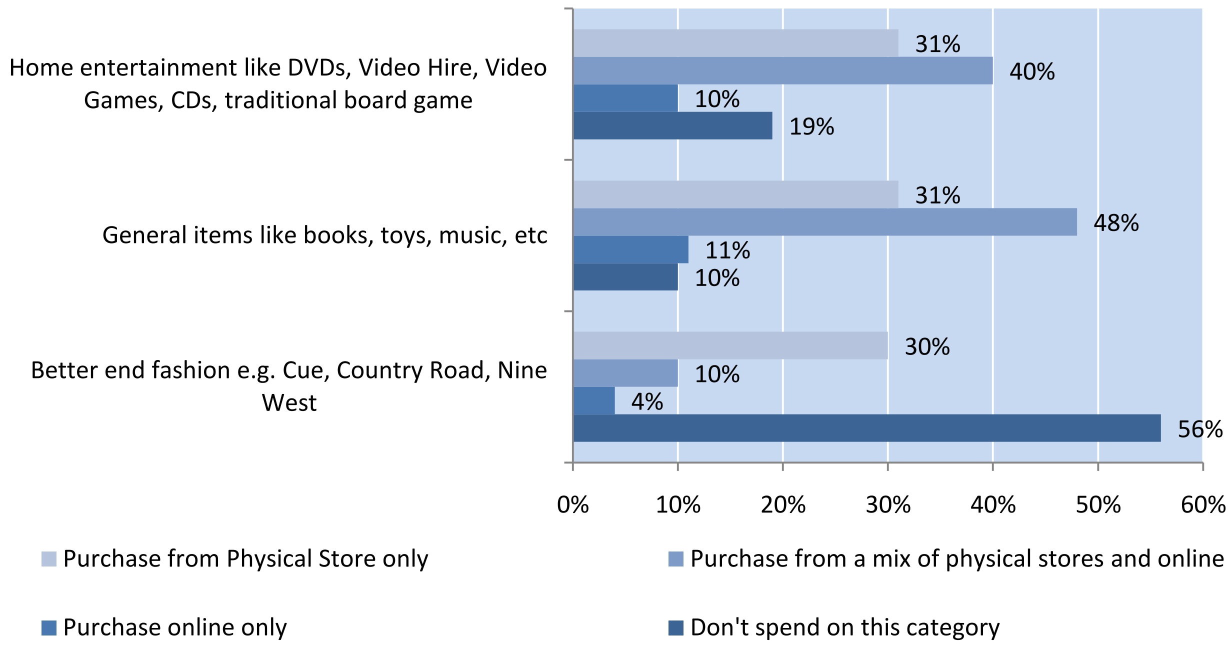
Household goods had a decline in those purchasing from physical stores only, from 59% in previous results down to 55% currently. This change has not resulted in an increase in the results for purchasing from a mixture of online and physical stores, or online only, instead increasing the proportion of Australians not shopping in this category at all, up to 11% from the previous result of 7%. 61% of Females only purchased from physical stores in this category, compared to only 47% of Males, with this difference mostly being made up in 37% of Males purchasing from a mixture of online and physical stores compared to 23% of Females.



Mid range fashion Between the results in February 2011 and the current results there has been a decline in Australians purchasing from physical stores, from 58% down to 54% of Australians. This change can be mostly attributed to Australians being less inclined to purchase from this category at all, at 29% compared to the previous result of 26%, and no significant change in those purchasing from a mixture of online and physical stores or from online stores only. The only difference between Males and Females is that Females were more likely to purchase from a physical store than Males at 59% to 48%, but this difference is accounted for in Males being less likely to purchase from this category at all, at 35% compared to only 24% of Females.

There has been a decline in the proportion of Australians who make **Purchases like beauty products, make up, perfume and general chemist products** in physical stores only, from 57% in February down to 48% in July 2011. While there has been a slight increase in both buying from a mixture of online and physical stores (from 26% up to 28%) and in purchasing online only (4% up to 6%), the largest growth has been in those not purchasing in this category from 13% in February up to 19% in July 2011.

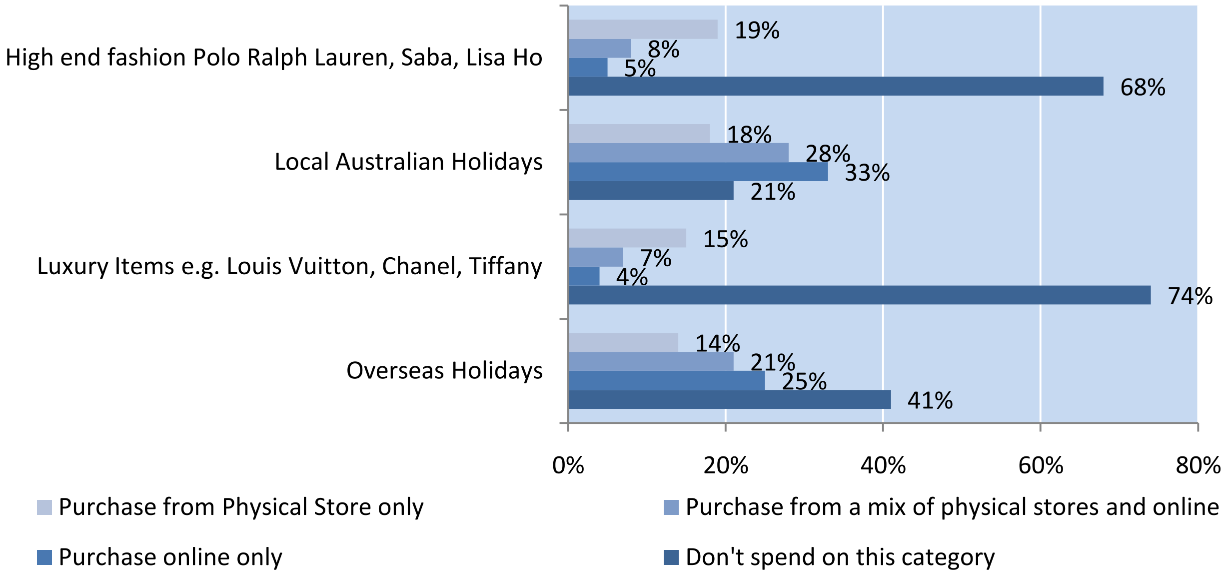
Technology purchases such as mobile phones, computers and gaming consoles remained stable between February and July 2011, with mostly insignificant changes with the exception of those not spending on this category increasing slightly from 14% in February 2011 up to 16% in July. While Females were twice as likely as Males to not spend on this category at 22% to 9%, the point of interest is that 50% of Males purchase from a mixture of online and physical stores, and 10% purchase from online stores only. This means 60% of Males are willing to purchase technology purchases from online sources.



Home Entertainment like DVDs, Video Hire, Video Games, CDs and Traditional board games is the first category where Australians are more likely to be purchasing from a mixture of online and physical stores, than purchasing from physical stores only. There has been a decrease in Australians purchasing in physical stores only, from 37% down to 31%. While this contributes to a slight increase in Australians purchasing online only from 8% up to 10%, most of this change has resulted in an increase in Australians not purchasing on this category at all, growing from 15% in February 2011 up to 19% in July 2011. Males are more likely to be open to spending online in this category, with 43% purchasing from a mixture of online and physical stores and 12% purchasing from online stores only, compared to the result for Females of 37% and 8% respectively.

General items like books, toys, and music had a decrease in the proportion of Australians only purchasing in physical stores from 36% in the previous report down to 31% in the current report. This change occurred with a growth in the proportion purchasing from a mixture of online and physical stores, improving from 45% to 48%. Between Males and Females the only real difference is that Males are slightly more likely to purchase online only at 12% to 9% of Females, while Females are slightly more likely to purchase from physical stores only at 32% to 30%.

A total of 56% of Australians did not spend on **Better end fashion** at all, an increase from 45% in the previous results. This increase came from a slight decline in Australians purchasing from a mixture of online and physical stores, from 12% in February down to 10% in July, and a more significant decline in Australians purchasing from a physical store only, from 39% down to 30%. Males were slightly more likely to purchase this category with 55% not spending while 58% of Females stated they did not spend on this category. Interestingly, Males were slightly more likely to purchase from a physical store only, at 31% to 28% of Females.



High end fashion followed the trend of having a decrease in the proportion of Australians purchasing from physical stores only, from 27% in February down to 19% in July. This shifted the proportion of Australians not buying at all upwards, from 60% in the previous results up to 68% in the current results. Females were more likely to not purchase from this category at all, at 72% compared to 63% of Males, while comparable results for purchasing online only or at a mixture of physical stores or online meant the difference is mostly found in purchasing from a physical store only. 24% of Males purchase in a physical store only, compared to only 15% of Females.

In February **Local Australian Holidays** was the purchase category Australians were most likely to purchase online only at 30%, which has improved in the current results, up to 33%. However this growth is in proportion with the number of Australians saying they aren't spending on this category at all, increasing from 17% to 21%. This comes at the cost of Australians purchasing in a physical store only, which decreased from 24% down to 18%.

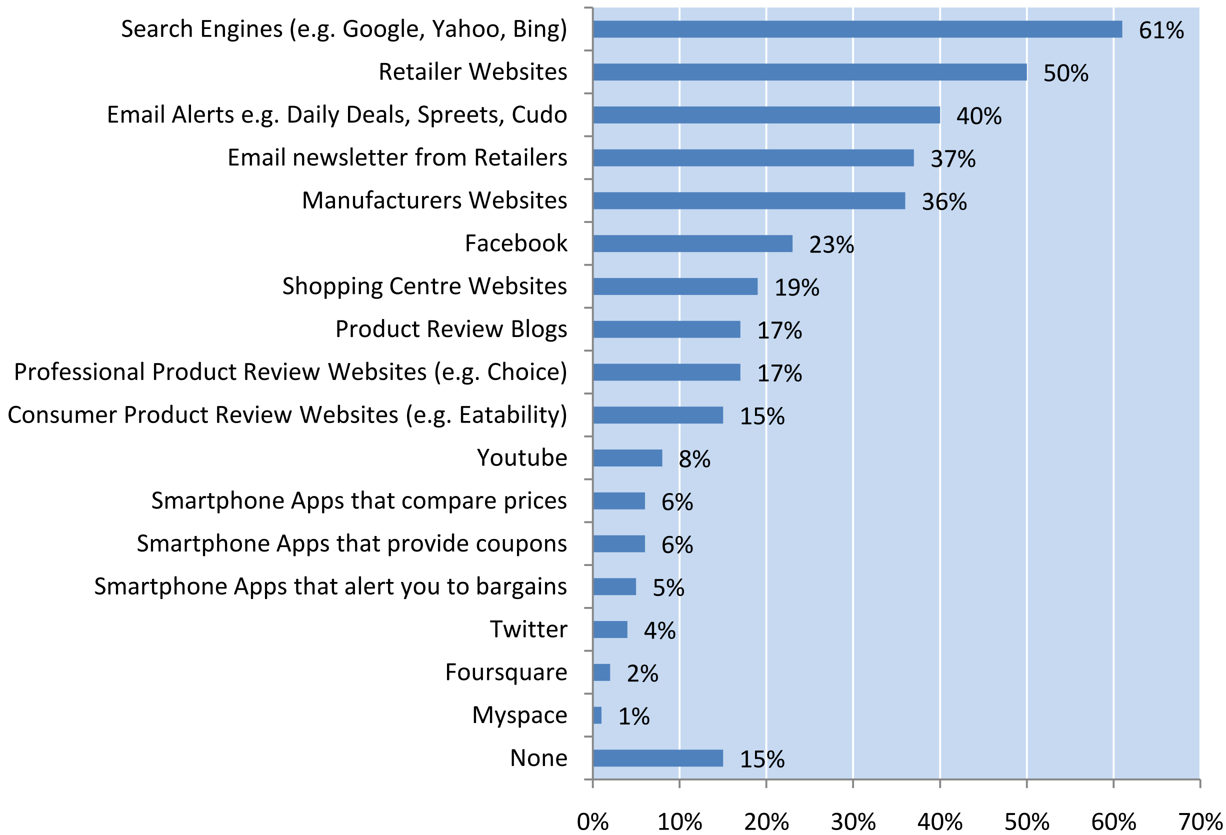
Purchase of Luxury Items has had a sharp decline in Australians purchasing from physical stores only from 24% in February 2011, down to 15% in July 2011, and in Australians purchasing from a mixture of online and physical stores, down from 10% to 7%. Although purchasing online only remains stable at 4%, this means the shift has travelled firmly into not spending on this category at all, increasing from 62% in the previous report up to 74% currently. Between Males and Females, Males are slightly more likely to purchase from a physical store at 17% to 14% of Females, while Females are slightly more likely to not purchase in this category, at 76% to 72% of Males.

Overseas holidays had a decline in both Australians purchasing from a physical store only, from 17% in February down to 14% in July, and in purchasing from a mixture of online and physical stores, from 26% in February down to 21% in July. There was a slight growth in those purchasing from online stores only from 23% up to 25%, but the largest growth was in not spending on this category, up from 35% in February to 41% in the current results. While there was a slightly larger number of Females purchasing from this category in physical stores only at 15% to 13% of Males, the main differences was in purchasing online only and not spending on this category. Compared to only 18% of Females purchasing from this category at online sources only, 31% of Males only bought from online sources. And conversely, 47% of Females did not purchase in this category while a lower but still substantial 34% of Males did not purchase.

Australians were asked what forms of digital media they use to find out about or talk about shopping:

- Facebook
- Twitter
- Foursquare
- Myspace
- Retailer Websites
- Manufacturers Websites
- Shopping Centre Websites
- Professional Product Review Websites e.g. Choice
- Consumer Product Review Websites e.g. Eatability
- Product Review Blogs
- Search Engines e.g. Google, Yahoo, Bing
- Smartphone Apps that alert you to bargains
- Smartphone Apps that provide coupons
- Smartphone Apps that compare prices
- Email Alerts e.g. Daily Deals, Spreets, Cudo
- YouTube
- Email Newsletter from retailers

The most commonly used form of digital media to discuss or find out about shopping was Search Engines, at 61%. This is followed by Retailer Websites at 50%, after which is Email Alerts at 40%. This was closely followed by Email Newsletters from Retailers and Manufacturers Websites at 37% and 36% respectively. Despite Facebook's penetration into the market, only 23% of customers use it to find out about or discuss shopping.



Only 15% of participants indicate that they do not use any of the above to find out about or talk about shopping. This is fairly steady between the genders at 14% of Males and 16% of Females. In fact, this is surprisingly steady amongst all the age groups, with the highest being 16% among Australians aged 45 years and over, and the lowest being 14% from Australians aged 44 years and under. Overall, Australians use an average of 3.64 different forms of digital media to find out about or discuss shopping. [Note: These results relate to Australians with internet connection only.]

Search Engines are more likely to be used by Male Australians than Female Australians to find out about or discuss shopping, at 65% over the total result of 61%. Although this is higher than the result for Female participants, with a result of 57% for Females it is still the most commonly used form of digital media to discuss or find out about shopping.

Retailer Websites are used by 50% of Australians to talk or find out about shopping, with a result consistent between both Females and Males.

Email Alerts are used by 40% of Australians to find out about shopping with a higher proportion of Female customers using this form of digital media at 44% compared to 37% of Males.

Email Newsletters from retailers are used by 37% of Australians, with Females being more likely to make use of these at 41% compared to 33% from Males.

Manufacturers websites are used by 36% of Australians to learn about or discuss shopping. This is far more likely amongst Male shoppers, with 42% of Males stating they make use of this resource, compared to 31% of Females.

Despite being one of the best known forms of social media, **Facebook is only the sixth highest result on this list, with 23% of Australians using it to find out about or discuss shopping.** Females are more likely to use Facebook for this purpose, with 29% of Females indicating they use Facebook to learn about or discuss shopping, compared to only 17% of Males.

Age Impact

For Australians aged between 18 and 24 years of age there is a fairly strong degree of variation from the average. They are more likely than average to use Facebook, Twitter, Shopping Centre Websites, Consumer Product Review websites, Smartphone Apps that provide Coupons, Smartphone Apps that compare prices, and Youtube for finding out about or talking about shopping. The forms of digital media they are less likely than average to use include Retailer Websites, Manufacturer Websites, Professional Product Review Websites, Search Engines, Email Alerts and Email Newsletters from retailers. There is a common trend, as most of the forms of digital media they are most likely to use deal with opinions from other customers, such as Facebook and Consumer Product Review Websites. **Australians aged between 18 and 24 years of age use an average of 3.75 different forms of digital media to find out about or discuss shopping.**

25 to 34 year olds in Australia are heavily involved with digital media in shopping, with only two forms of digital media less likely than average to be used for finding out about or talking about shopping, these being Manufacturers Websites and Search Engines. In contrast, they have a higher than average result for a large number of forms of digital media, including Facebook, Twitter, Retailer Websites, Consumer Product Review Websites, Product Review Blogs, Smartphone Apps that alert you to bargains, Smartphone Apps that provide Coupons, Email Alerts and Youtube. **Australians aged between 25 and 34 years of age use an average of 4.06 different forms of digital media to find out about or discuss shopping.**

It is Australians aged 35 to 44 years that start to show average results in being involved with digital media, with most results being on par with the average. The forms of digital media that received results slightly higher than their average were Search Engines, Smartphone Apps that provide coupons and Smartphone Apps that compare prices. Only one form of digital media had a result lower than average, being Email Newsletters from retailers. **Australians aged between 35 and 44 years of age use an average of 3.62 different forms of digital media to find out about or discuss shopping.**

45 to 54 year olds as an age group have an equal number of forms of digital media rated below average as rated above average. Forms that receive above average use are Retailer Websites, Professional Product Review Websites, Product Review Blogs, Search Engines and Email Newsletters from retailers. Forms of digital media that are used less often than average by this age group include Facebook, Smartphone Apps that alert you to bargains, provide coupons or compare prices, and Youtube. **Australians aged between 45 and 54 years of age use an average of 3.63 different forms of digital media to find out about or discuss shopping.**

55 to 64 year olds are more likely than average to use only three different forms of digital media, being Manufacturers Websites, Email Alerts and Email Newsletters from retailers. In comparison they are less likely to use Facebook, Twitter, Product Review Blogs, Smartphone Apps that alert you to bargains, and Smartphone Apps that provide coupons. This is the first age group where the number of forms of digital media they are less likely to use is higher than the number of forms of media they are more likely to use. **Australians aged between 55 and 64 years of age use an average of 3.62 different forms of digital media to find out about or discuss shopping.**

Australians 65 years and over are only slightly more likely than average to use two different forms of digital media, those being Email Newsletter from retailers and Manufacturers websites. They are less likely than average to use Facebook, Twitter, Retailer Websites, Shopping Centre Websites, Consumer Product Review Websites, Product Review Blogs, Smartphone Apps that alert you to bargains, Smartphone Apps that provide coupons and Smartphone Apps that compare prices. **Australians aged 65 years and older use an average of 3.11 different forms of digital media to find out about or discuss shopping.**

This report is a generic report only whose sole purpose is to provide a generic industry summary of a general nature. As such this report may not be appropriate to your industry or set of circumstances and should not be relied upon for any purpose other than as providing general industry information.

This report is prepared and issued for the sole use of the addressee and may not be distributed to or relied upon by any other party. Although due care has been taken in the provision of the information given in this report, this report is not intended as investment advice or other advice and must not be relied upon as such. You should make you own inquiries and take independent advice tailored to your specific circumstances prior to making any investment decision.

To the fullest extent permitted by law, any conditions, warranties or liabilities implied by law into these conditions are hereby excluded.

CONTACT US

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

Helen Bakewell, Managing Director

Tel: (02) 9418 6644 **Fax:** (02) 9418 7763

Email: info@directional.com.au

Directional Insights

PO Box 528

Artarmon NSW 1570