Directional Insights

Spotlight Series 2012

Specialty Fresh Food Customers

Specialty Fresh Food Customers Spotlight Report 2012

The "who and how" of Australian shopper behaviour

The Directional Insights Specialty Fresh Food Customers Spotlight Report 2012 provides a valuable window into Specialty Fresh Food Customers at Australian shopping centres. The report aims to depict their current shopping behaviour, motivations and perceptions of a shopping centre.

Analysis of the detailed interviews of approximately **3,550 Specialty Fresh Food Customers** reveal the "who and how" of these shoppers in the Australian shopping centre context.

COMPARISONS TO NON-SPECIALTY FRESH FOOD CUSTOMERS CAN BE FOUND THROUGHOUT THIS REPORT.
THESE COMPARISONS ARE HIGHLIGHTED IN THE GREEN BOXES.

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Specialty Fresh Food Customers

The following report is based on a sample of Specialty Fresh Food Customers surveyed in 48 shopping centres across Australia.

DEFINITION

The sample includes approximately n=3,550 Specialty Fresh Food Customers who visited a specialty fresh food store in the subject centre (such as a green grocer, baker, butcher and so forth).

The results within this report reflect the shopping behaviour of the average customer from this sample, within an Australian Shopping Centre.

PLEASE NOTE that throughout the report:

- **Specialty Fresh Food Customers are referred to as SFF Customers**
- **Non-Specialty Fresh Food Customers are referred to as Non-SFF Customers.**

SPECIALTY FRESH FOOD CUSTOMERS: *Who is shopping*

INTRODUCTION

SFF Customers at Australian Centres make up 13% of customers. They are predominantly Female living as a couple either with or without children at home.

The majority of SFF Customers are in paid employment, either full-time or part-time and are predominantly in professional positions. Those not in paid employment are mainly retired/superannuated or undertaking home duties.

They are generally Australian born and have a household income of around **$80,300**.

GENDER

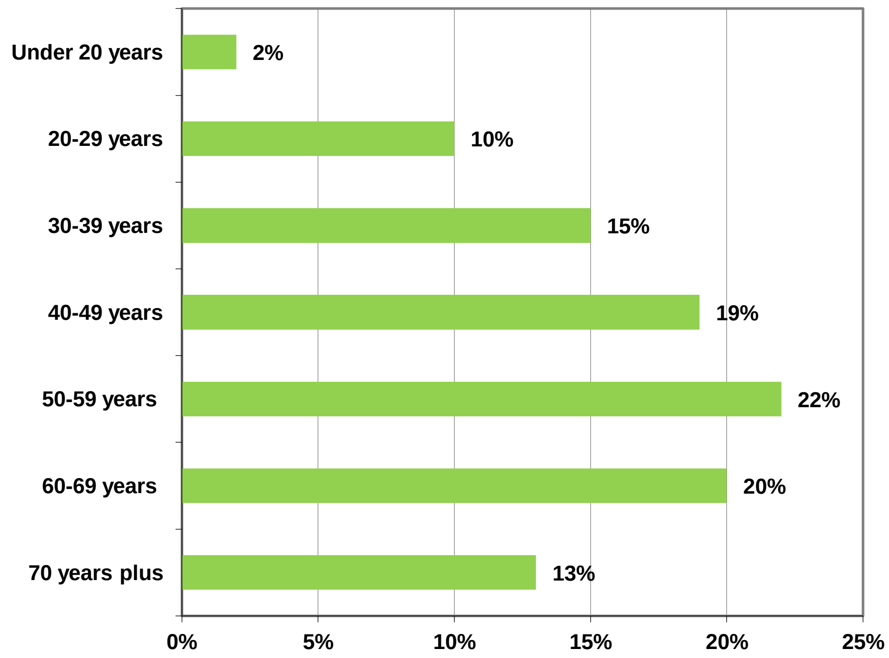
Overall, **75%** of SFF Customers at Australian Centres are **Female**. 25% of SFF Customers are Male.

AGE

The average age of SFF Customers at Australian Centres is **50 years**.

The highest proportion of SFF Customers at **22%** is those aged 50-59 years, followed by 60-69 years at 20%.

Looking at Non-SFF Customers, 72% of customers were Female and the average age of customers is 45 years old. Therefore, SFF Customers are slightly more likely to be Female and slightly older than their Non-SFF counterparts.



Note: Only customers of 15 years and over can be interviewed in Shopping Centres. As a result, the Australian Bureau of Statistics' average age statistic, which includes under 15 year olds, is not directly comparable to the average age calculation applied here.

● SPECIALTY FRESH FOOD CUSTOMERS: *Who is shopping*

- **HOUSEHOLD TYPE**

SFF Customers are represented by two main household structures.

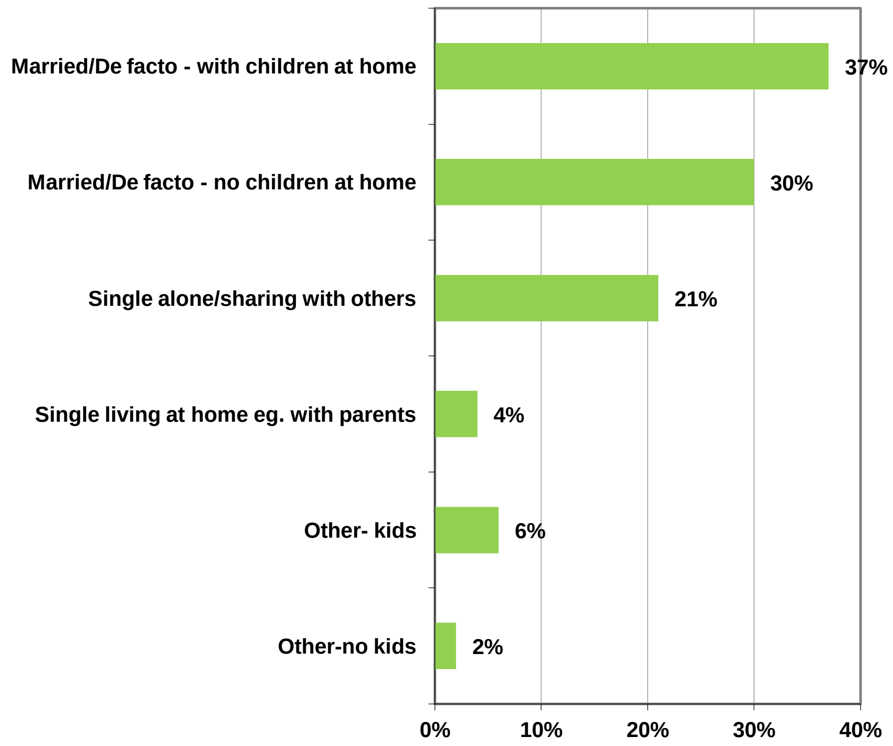
- **Married/De facto – kids 37%**
- **Married/De facto – no kids 30%**

Households with children represent **47%** of the total household structures, whilst **53%** of customers live in SINK/DINK households.

SINK = Single income no kids
DINK = Double income no kids, empty nesters

Looking at Non-SFF Customers, 29% of customers were Married/De facto with kids at home and 27% Married/De facto with no kids at home. Therefore, SFF Customers are more likely to be Married/De facto with kids at home.

Additionally, 12% of Non-SFF Customers were Single Living at Home, indicating SFF Customers are less likely to be from this household type.

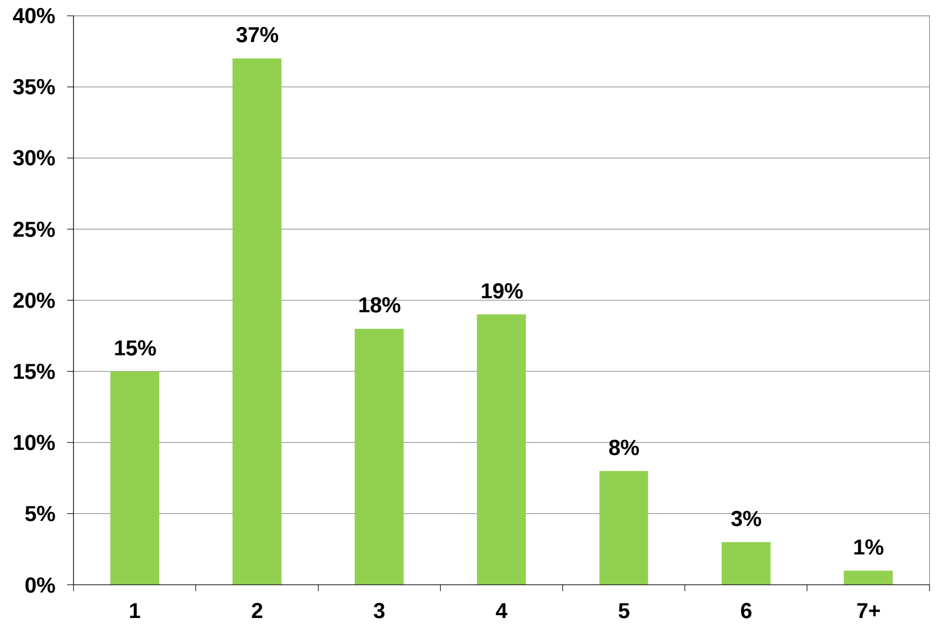


SPECIALTY FRESH FOOD CUSTOMERS: *Who is shopping*

HOUSEHOLD SIZE

37% of SFF Customers live in **two person households**, **19%** in **four person households**, **18%** in **three person households** and **15%** in **lone person households**.

The average household size for SFF Customers is 2.80 people.



COUNTRY OF BIRTH

With regard to country of birth, **68%** of SFF Customers visiting Australian Centres were born in Australia, while **11%** were born in the United Kingdom.

Looking at Non-SFF Customers, the average household size is 2.89 people and 70% of customers are born in Australia.

SPECIALTY FRESH FOOD CUSTOMERS: *Who is shopping*

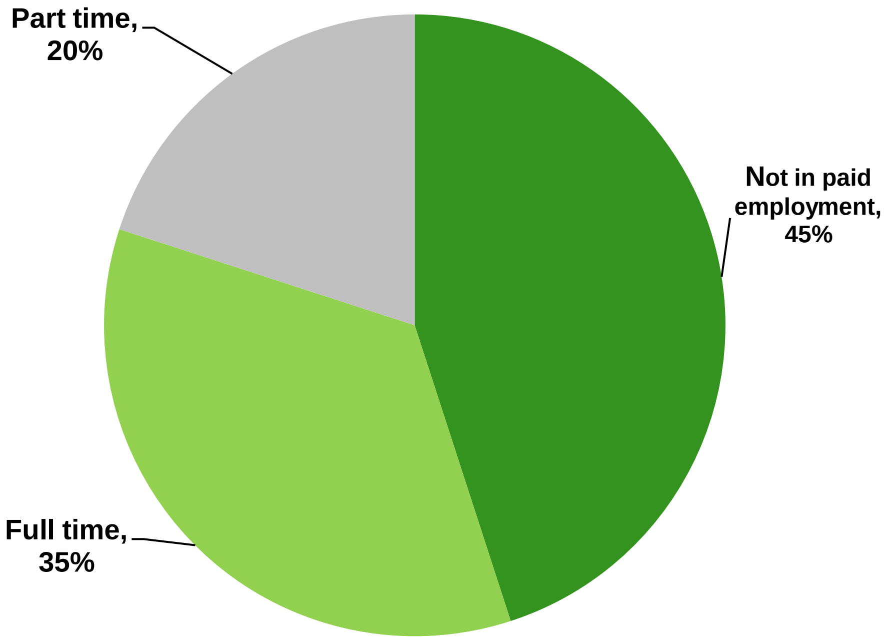
EMPLOYMENT STATUS AND OCCUPATION

45% of SFF Customers are currently not in paid employment whilst **35%** work full time and **20%** work part time.

Main 'occupation' categories for SFF Customers at Australian Centres include:

- Retired/Superannuated **23%**
- Professional **22%**
- Home Duties **17%**
- Clerical or Administrative Worker **10%**
- Manager **8%**

In total, 30% of SFF Customers are in either Professional or Managerial roles.



The figures are similar for Non-SFF Customers, with roughly the same proportion not in paid employment, working full-time and part-time.

The main 'occupation' among Non-SFF Customers is Retired/Superannuated at 20%, followed by Professional at 19%. Therefore, SFF Customers are slightly more likely to be Retired/Superannuated or in a Professional role.

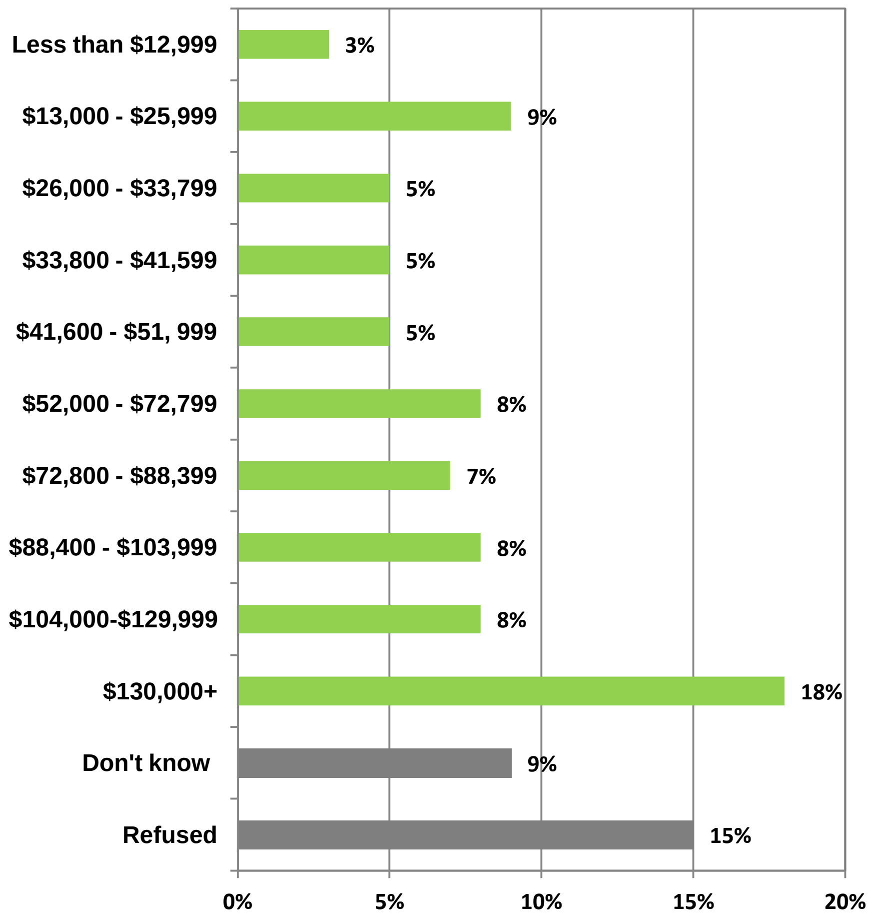
SPECIALTY FRESH FOOD CUSTOMERS: *Who is shopping*

HOUSEHOLD INCOME

The average household income for SFF Customers at Australian Centres is approximately **$80,300**.

The highest proportion of SFF Customers at **18%** have a household income of $130,000 and over. This is followed by those who have a household income of $13,000 - $25,999 at **9%**.

Looking at Non-SFF Customers, the average household income is approximately $74,600. Therefore, SFF Customers have a higher average income than their Non-SFF counterparts.

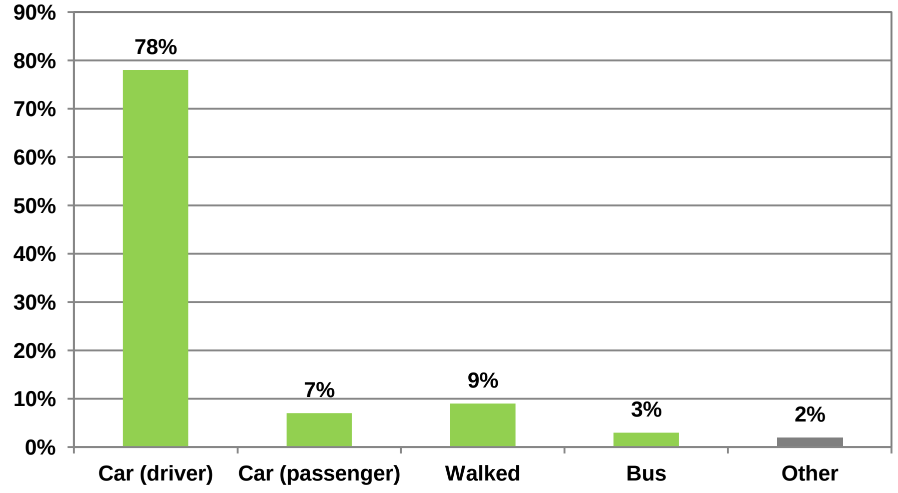


SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

TRAVEL TO THE CENTRE

The main mode of travel for SFF Customers is by car at **85%**, mainly as a driver. **9%** of SFF Customers walked to an Australian centre and **3%** of them travelled by bus.

Looking at Non-SFF Customers, 82% travelled to the centre in a car either as a driver or passenger. Therefore, SFF Customers are slightly more likely to travel by car.



SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

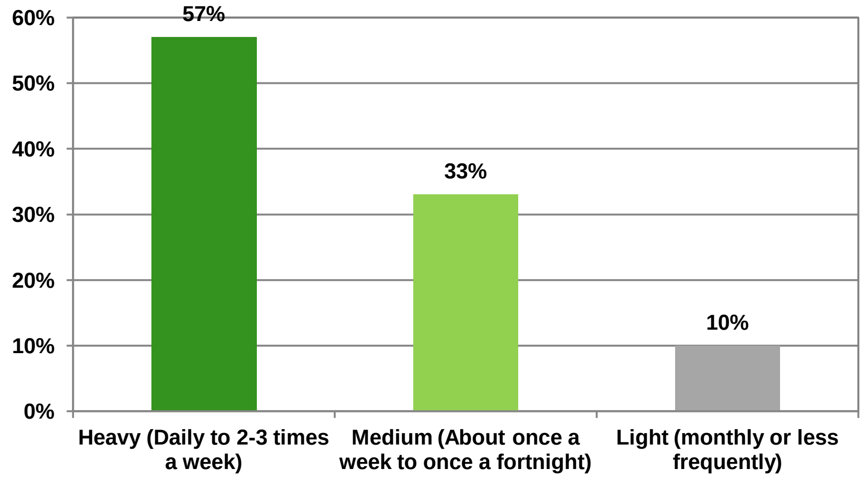
- **FREQUENCY OF VISIT**

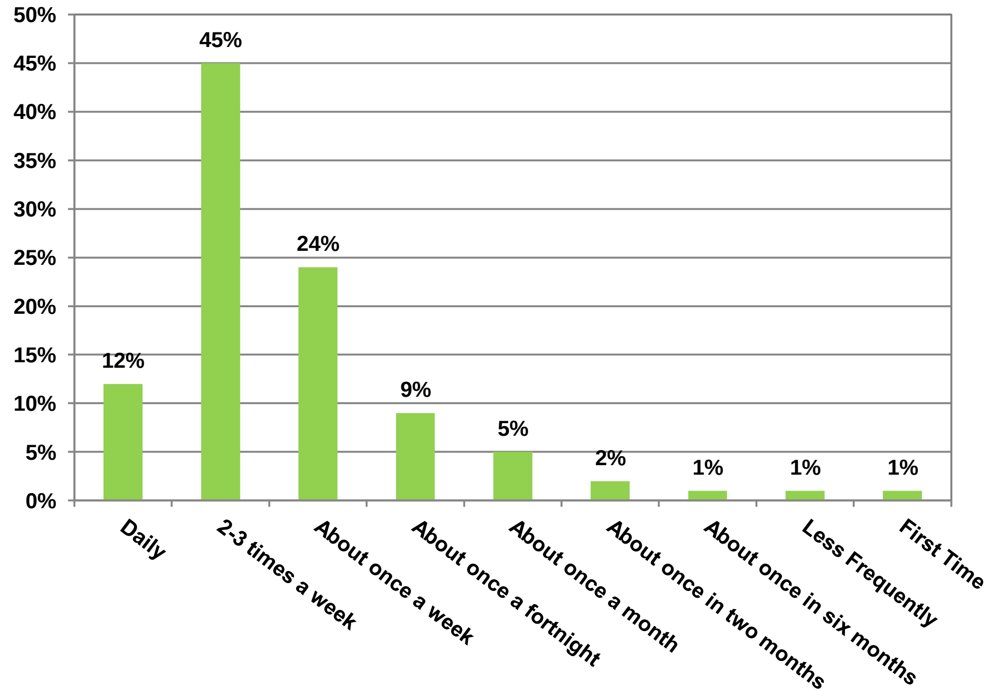
81% of SFF Customers visit the subject centre **weekly or more often**, with **12%** visiting on a daily basis.

- **CUSTOMER CLASSIFICATION AS HEAVY, MEDIUM AND LIGHT USERS**

57% of SFF Customers are heavy users of the subject centre, **33%** are medium users and **10%** are light users.

Among Non-SFF Customers, 49% are classified as heavy, 35% as medium and 15% as light users, indicating SFF Customers are more likely to be heavy users and slightly less likely to be light users.





SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

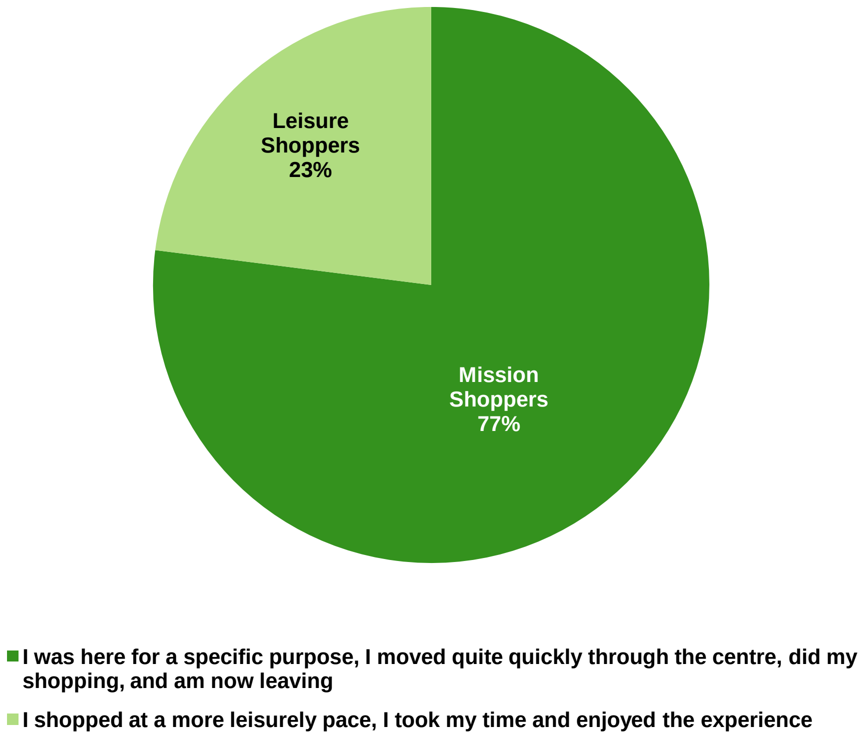
- **SHOPPING TRIP – MISSION versus LEISURE**

SFF Customers were asked to describe the type of shopping trip undertaken at the subject centre on the day of their visit.

- **Mission Shopping**: I was here for a specific purpose, I moved quite quickly through the centre, did my shopping and am now leaving.
- **Leisure Shopping**: I shopped at a more leisurely pace, I took my time and enjoyed the experience.

77% of SFF Customers described their shopping trip as purpose or mission driven. **23%** of SFF Customers described their shopping trip as leisure driven.

Looking at Non-SFF Customers, 71% described their shopping trip as purpose or mission driven and 29% described their shopping trip as leisure driven. This indicates that SFF Customers are more likely to be a Mission Shopper.



SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

- **MAIN REASON FOR VISITING**

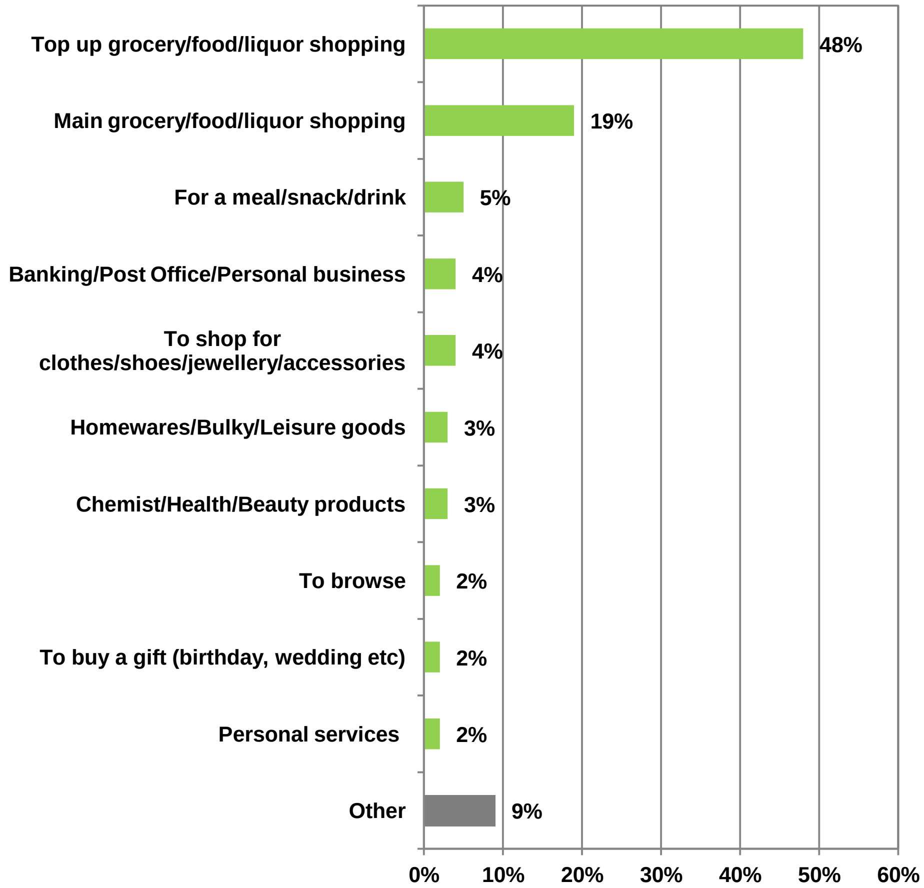
Visiting to shop for groceries is the main driver for SFF Customers visiting their subject centre. **48%** of SFF Customers indicated that their main reason for visiting the centre on the day they were interviewed was for **top up grocery/food/liquor shopping** and **19%** for **main grocery/food/liquor shopping**.

Overall, **67%** of SFF Customers stated that their main reason for visiting the centre was to shop for groceries.

This is followed by **5%** of SFF Customers visiting the centre for a **meal/snack/drink**. **4%** of customers' main reason for visiting was to shop for **clothes/shoes/jewellery/accessories** or visiting for **banking/post office/personal business** purposes.

Looking at Non-SFF Customers, the main reason for visiting was top up grocery/food/liquor shopping at 25%. This was followed by main grocery/food/liquor shopping and visiting to shop for clothes/shoes/jewellery/accessories both at 11%.

SFF Customers are therefore more likely to mainly visit for top up grocery/food/liquor shopping and main grocery/food/liquor shopping. To the contrary, they are less likely to visit mainly for fashion-wear.



SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

GOODS AND SERVICES PURCHASED

Consistent with the main reason for visiting the subject centre listed previously, SFF Customers indicated the main type of goods and services purchased were **food/liquor/groceries** at **93%**.

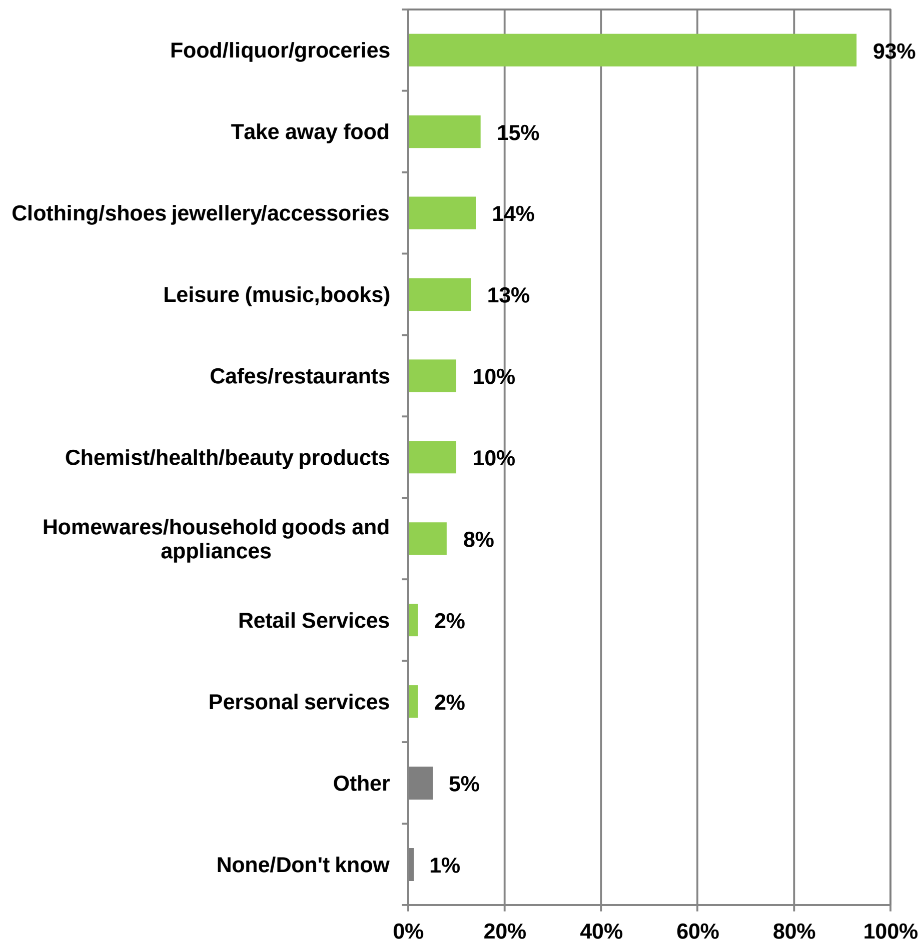
15% of SFF Customers purchased **take away food**, while **14%** purchased from a **clothes/shoes/jewellery/accessories** store.

This was closely followed by **13%** of SFF Customers who purchased **leisure goods** (music, books, etc.), **10%** purchased **chemist/health/beauty** products and another **10%** purchased from **cafes/restaurants.**

Only **1%** of SFF Customers either **did not purchase anything or did not recall**.

50% of Non-SFF Customers purchased food/liquor/groceries, followed by 23% who purchased clothes/shoes/jewellery/accessories. Therefore, SFF Customers were more likely to purchase food/liquor/groceries (as expected from their definition), but less likely to purchase fashion-wear.

Additionally, SFF Customers were slightly less likely to purchase leisure goods and homewares/household goods and appliances, with 16% and 12% of Non-SFF Customers purchasing these goods respectively.



SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

STORES VISITED

SFF Customers were asked about their other store visitation whilst at the subject centre.

These customers were most likely to have also visited a **supermarket**, as Woolworths was visited by the highest percentage of SFF Customers at 41%, followed by Coles at 40%. ALDI was also visited by 23% of SFF Customers.

Discount department stores and **department stores** were also visited by many SFF Customers. 26% visited Big W and 21% each visited Kmart and Target, whilst 24% visited Myer and 16% visited David Jones.

Note: The following table shows the other stores the SFF Customers visited. Percentages that relate to visitation to a branded store are taken from the base of only those centres with that store on offer.

Stores Visited (by >5% customers)	% SFF Customers
Woolworths	41%
Coles	40%
Big W	26%
Myer	24%
ALDI	23%
Kmart	21%
Target	21%
David Jones	16%
Clothing store	11%
Take away food/eatery	11%
Restaurant/café	10%
Chemist	10%
Newsagent	9%

SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

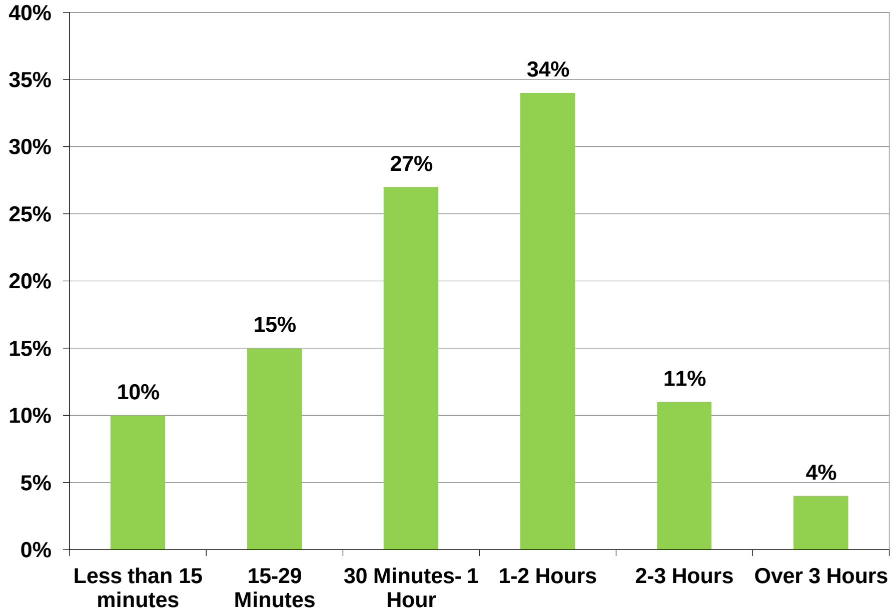
- **LENGTH OF STAY**

SFF Customers spend on average **59 minutes** per visit at an Australian Shopping Centre.

34% of SFF Customers stay between 1-2 hours, while **27%** of SFF Customers stay between 30 minutes – 1 hour.

This is followed by **15%** of SFF Customers that stay 15-29 minutes and **11%** that stay between 2–3 hours.

Similarly, Non-SFF Customers spend an average 61 minutes per visit.



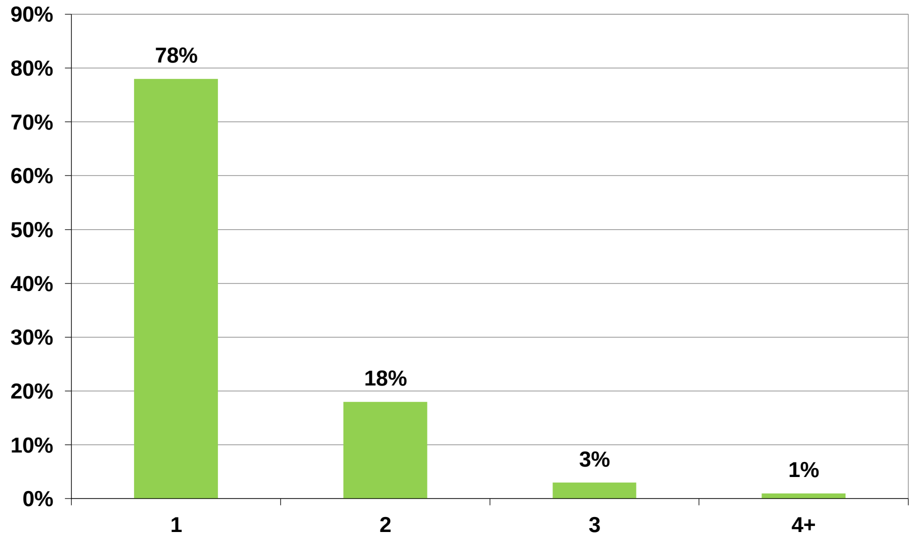
SPECIALTY FRESH FOOD CUSTOMERS: *How they shop*

GROUP SIZE

SFF Customers at the subject centre were observed to determine the number of people they shop with. **The average group** size for SFF Customers is **1.28 people**.

The majority of SFF Customers shopped alone at **78%**. This is followed by those shopping with one other person at **18%**.

Looking at Non-SFF Customers, the average group size was 1.33 people.



SPECIALTY FRESH FOOD CUSTOMERS: *How they spend*

COMMODITY GROUP EXPENDITURE

SFF Customers were asked to detail their expenditure while shopping at the subject centre. The expenditure was categorised into six groups:

- Food Retail
- Food Catering
- Apparel
- Homewares
- General/Leisure
- Services

Definitions of each commodity group are included in the back of this report.

Average spend for SFF Customers at Australian Centres is **$83** across all SFF customers and **$84** for those SFF customers purchasing only.*

The following table shows the total percentage of spend for each commodity group, the average spend for each commodity group across all SFF Customers and the average spend for each commodity group of those purchasing only.

Among Non-SFF Customers, the total average spend is $70 for all and $78 among only those purchasing, indicating that SFF Customers spend more at the centre on average.

As expected, SFF Customers spend a higher share on Food Retail than Non-SFF Customers (who spend 44%). However, SFF Customers spend a lower share on Apparel than their counterparts (who spend 25%) and spend less on Apparel and Homewares than their counterparts, who spend an average of $17 and $7 on these respectively.

Commodity Group	% Purchasing	% of Total Spend by SFF customers	Average Spend at Centre (All SFF Customers)	Average Spend at Centre (Purchasing SFF Customers Only)
Food Retail*	93%	70%	$58	$63
Food Catering	24%	3%	$2.22	$9.19
Apparel	14%	12%	$10	$67
Homewares	8%	5%	$4	$49
General/Leisure	23%	8%	$7	$31
Services	4%	2%	$2	$42

** Note: By definition, SFF Customers had to have visited a specialty fresh food store. Most, but not all, made a purchase.*

SPECIALTY FRESH FOOD CUSTOMERS: *How they spend*

FOOD RETAIL

93% of SFF Customers purchased Food Retail, with an average spend of **$58** across all SFF Customers and **$63** for those SFF customers purchasing only. The proportion of total spend attributable to Food Retail is **70%**.

Note: SFF Customers are defined by those who visited a specialty fresh food store, but not all purchased food.

FOOD CATERING

Food Catering was purchased by **24%** of SFF Customers and accounted for **3%** of total spend. The average spend across all SFF Customers is **$2.22** and **$9.19** for those purchasing only.

APPAREL

14% of SFF Customers purchased Apparel, with an average spend of **$10** across all SFF Customers and **$67** for only those SFF Customers who made a purchase. Apparel expenditure accounted for **12%** of total SFF Customers' spend.

HOMEWARES

8% of SFF Customers purchased Homewares, accounting for **5%** of total spend. The average spend across all SFF Customers is **$4**, while average spend for those SFF Customers who made a purchase is **$49**.

GENERAL/LEISURE

23% of SFF Customers purchased General/Leisure goods, accounting for **8%** of total spend. The average spend across all SFF Customers is **$7** and **$31** for only those SFF Customers who made a purchase.

SERVICES

Services were purchased by **4%** of SFF Customers and accounted for **2%** of total spend. The average spend across all SFF Customers is **$2** and for only those SFF Customers who made a purchase is **$42**.

SPECIALTY FRESH FOOD CUSTOMERS: *How they spend*

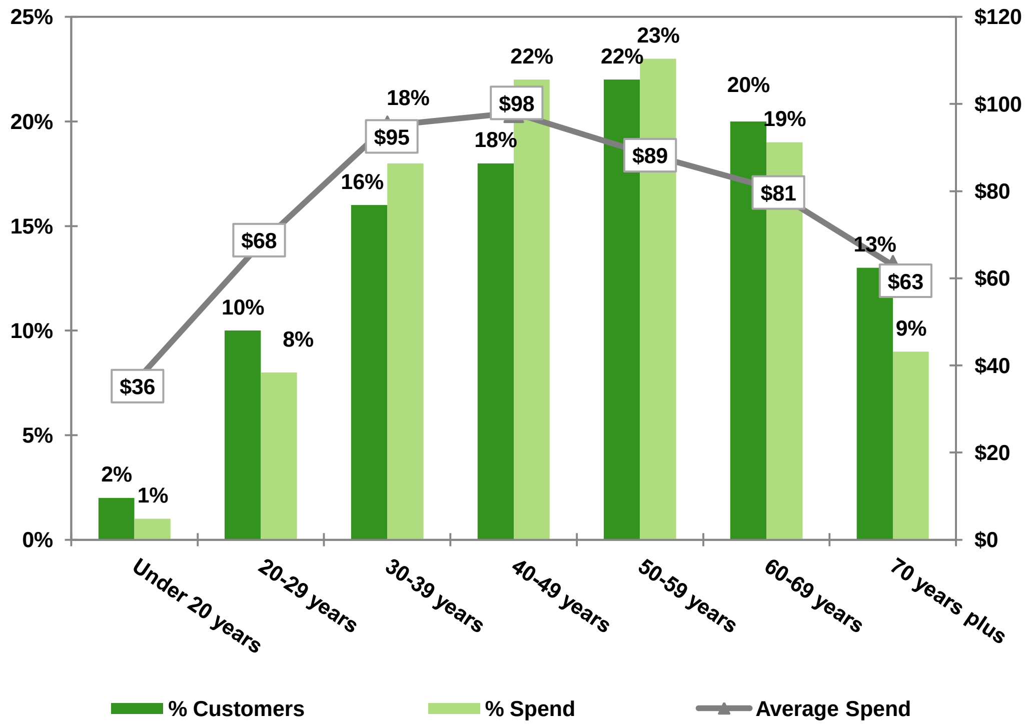
- **PROPORTION OF SFF CUSTOMERS' AND AVERAGE TOTAL CENTRE SPEND BY AGE**

50-59 year olds account for the highest proportion of SFF customers at **22%**, followed by **60-69** year olds at **20%** and **40-49** year olds at **18%**.

The **50-59** year old age group also has the highest proportion of total centre spend at **23%**, with an average spend of **$89**, followed by those aged **40-49** years who make up **22%** of total SFF customer spend with the highest average spend of **$98**.

Looking at Non-SFF Customers, 20-29 year old, 40-49 and 50-59 year old customers account for the highest proportion of customers each at 17%.

40-49 year old Non-SFF Customers have the highest proportion of spend at 21%, and the highest average spend of $89.



SPECIALTY FRESH FOOD CUSTOMERS: *How they spend*

SHOPPING PATTERNS

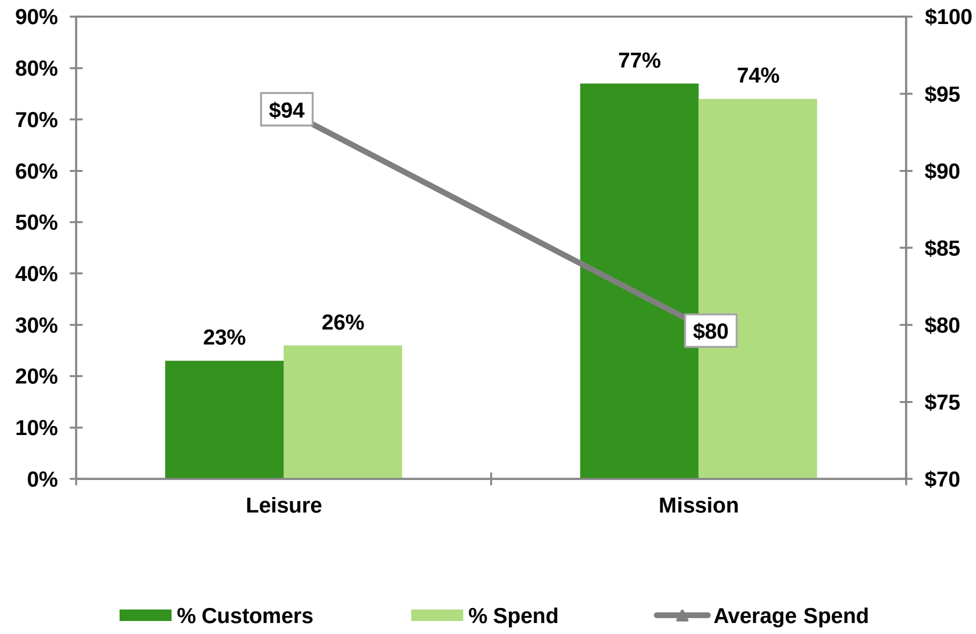
23% of SFF Customers describe their shopping trip as shopping at a leisurely pace, taking their time and enjoying the experience. Among SFF Customers, these Leisure Shoppers account for **26%** of expenditure and have an average overall spend of **$94**.

Conversely Mission Shoppers - customers who were at the centre for a specific purpose and moved quite quickly through the centre - account for **77%** of SFF Customers and **74%** of total spend, with an average overall spend of **$80**.

Leisure Shoppers are spending **$14** more on average than Mission Shoppers, in terms of the total amount spent at the centre.

Looking at Non-SFF Customers, Mission Shoppers account for 69% of spend and have an average overall spend of $68, while Leisure Shoppers account for 31% of spend and have an overall average spend of $76.

Therefore, the average spend of SFF Customers is higher than Non-SFF Customers for both Mission and Leisure Shoppers. The difference in spend of $14 between SFF Leisure and Mission Shoppers is considerably higher than the $8 differential between their non-SFF counterparts.

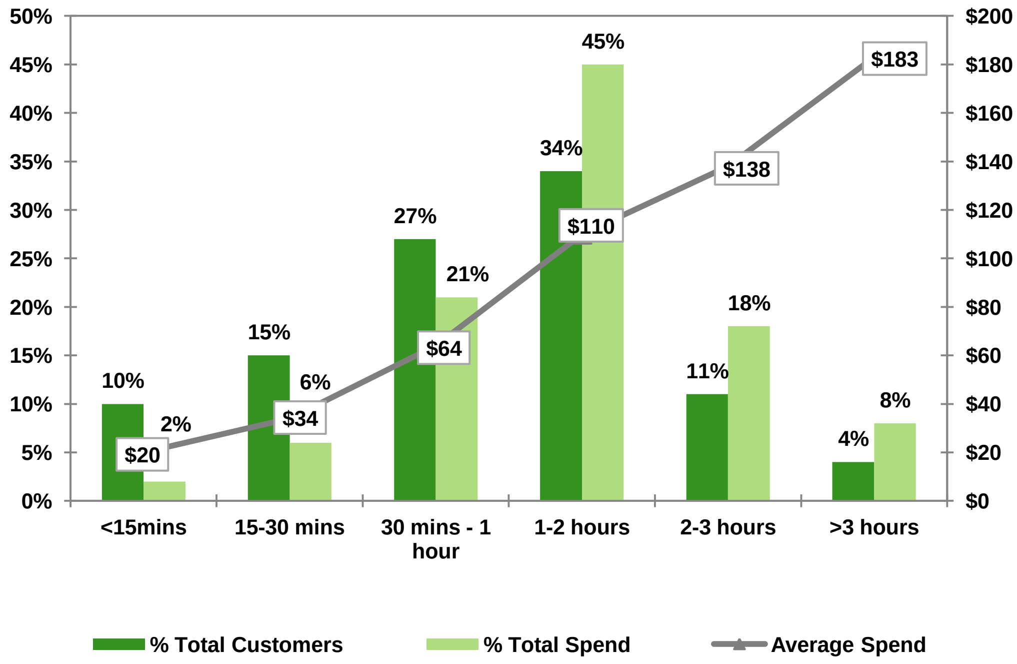


SPECIALTY FRESH FOOD CUSTOMERS: *How they spend*

TIME IN CENTRE

Expenditure is related to the amount of time spent in the centre. The longer the customer stays at a shopping centre, on average, the more they spend.

SFF Customers spending less than 15 minutes in the centre have an average spend of **$20** at the centre, compared to customers spending over three hours with an average spend of **$183**.



REGRESSION ANALYSIS

When regression analysis is used to analyse spend versus time for SFF Customers at Australian Centres, we find for every additional minute spent in the centre SFF Customers spend an additional **$0.94** on average.

One minute more means about $0.94 cents more on expenditure from these customers.

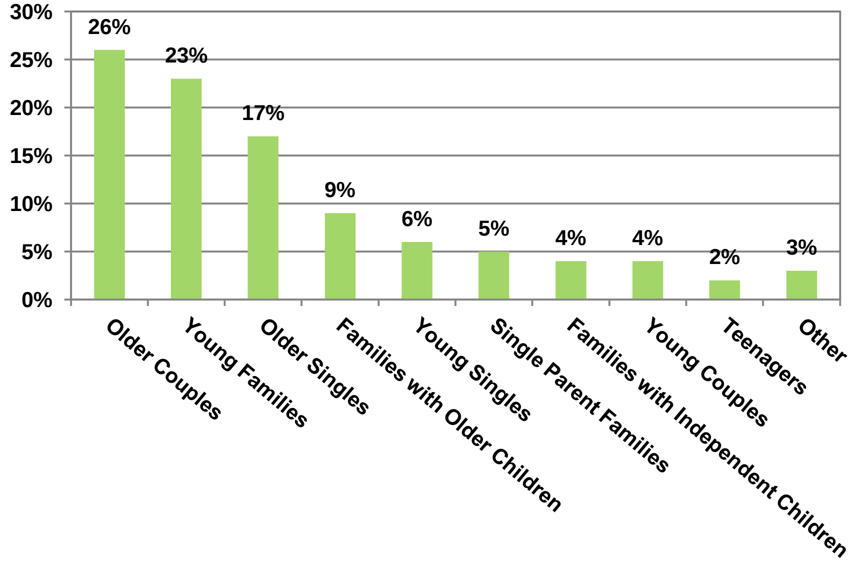
Looking at Non-SFF Customers, we see a lower average spend than SFF Customers throughout the different time bands. Furthermore, for Non-SFF Customers, one minute more results in only $0.74 cents more spend.

SPECIALTY FRESH FOOD CUSTOMERS: *Lifestage*

LIFESTAGE

SFF Customers at Australian Centres are represented by three main lifestages:

- **Older couples 26%**
- **Young families 23%**
- **Older singles 17%**



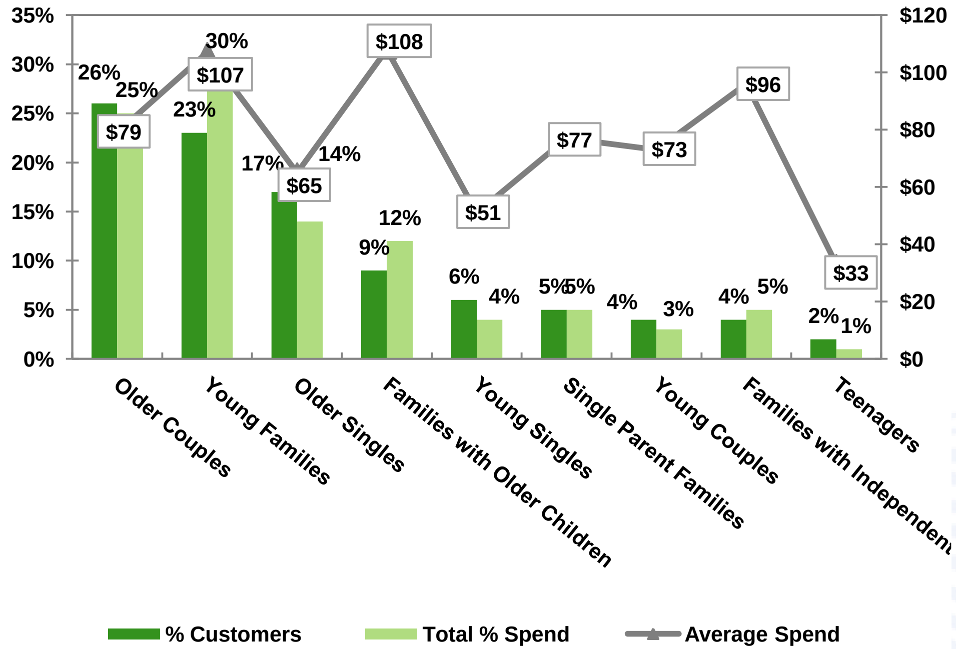
Among Non-Fresh food Customers, Older Couples constitute the highest proportion of customers at 22% and make up 23% of total spend with an average spend of $74. SFF Customers are slightly more likely than Non-SFF Customers to be part of an Older Couple or Young Family and less likely to be a Young Single or Teenager.

LIFESTAGE EXPENDITURE

Older couples constitute the highest proportion of SFF Customers at **26%** and make up **25%** of total spend in centre amongst SFF Customers with an average spend of **$79.**

Families with older children have the highest average of spend in centre of **$108** and make up 9% of customers and 12% of total spend.

Young Families have the highest proportion of spend in centre at **30%**, with the second highest average spend of $107.



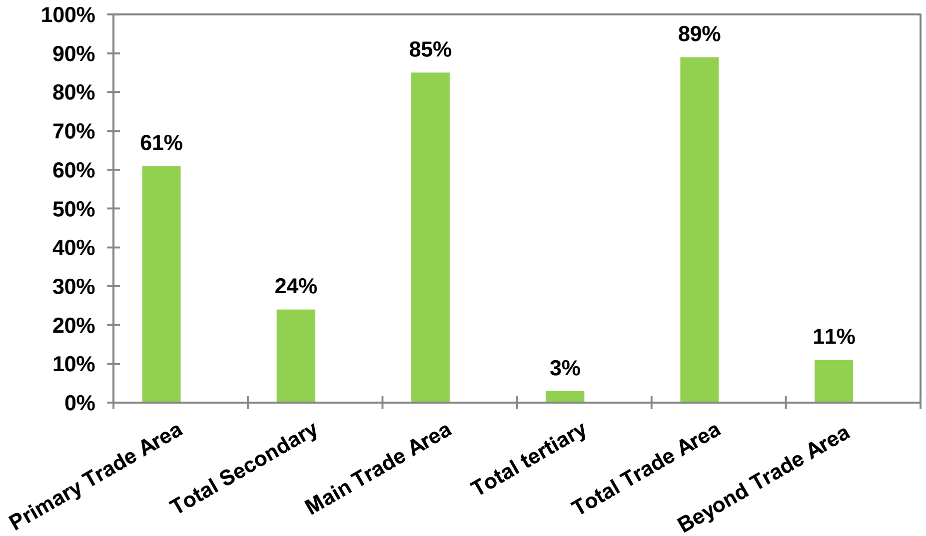
SPECIALTY FRESH FOOD CUSTOMERS: *Trade Areas*

- **AUSTRALIAN CENTRES : TRADE AREAS**

On average, 61% of SFF Customers of Australian Centres live in the Primary Trade Area.

24% reside in the **Total Secondary Trade Area** while **85%** live in the **Main Trade Area**.

89% of SFF Customers reside in the Total Trade Area. A further **11%** live Beyond the Trade Area.



Looking at Non-Fresh food Customers, the Primary Trade Area accounts for 53% of customers, whilst 25% are from the Total Secondary Trade Area and 15% from Beyond Trade Area.

This indicates that SFF Customers are more likely to come from the Primary Trade Area.

SPECIALTY FRESH FOOD CUSTOMERS: *What's important*

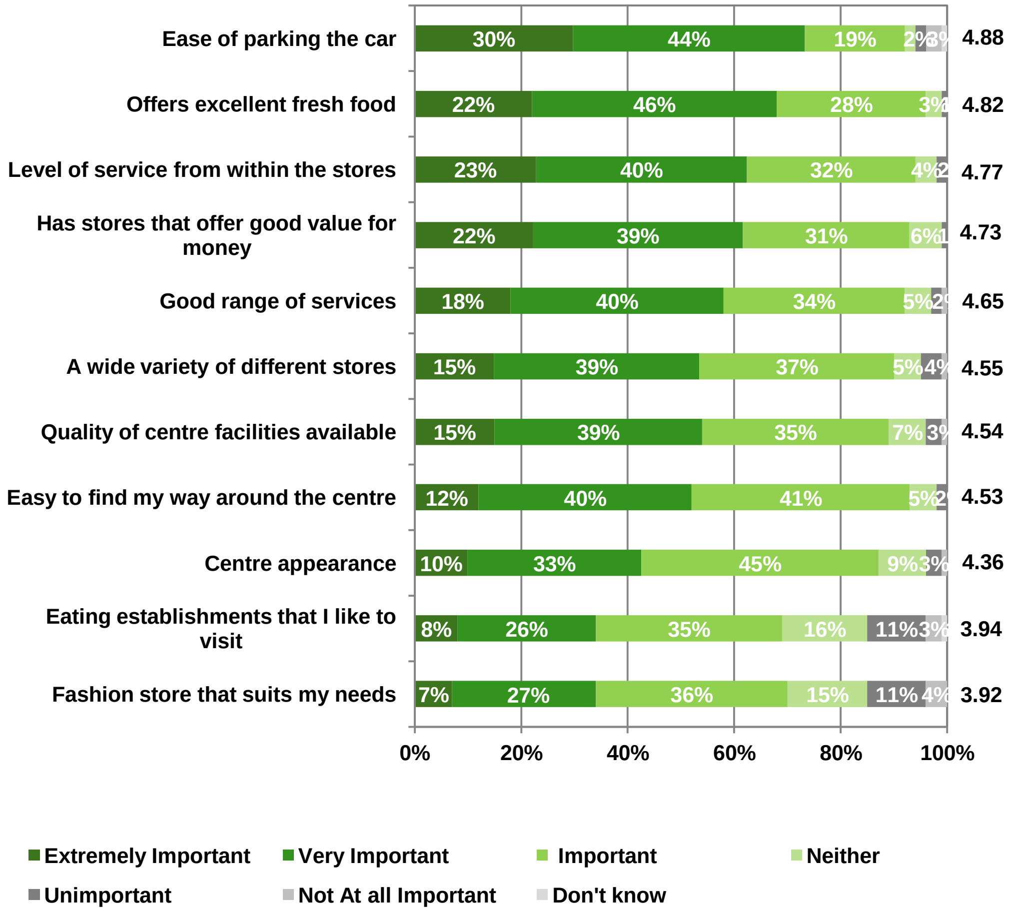
IMPORTANCE RATINGS

SFF Customers at Australian Centres were asked to rate different aspects of shopping centres on a scale of 1 to 6, based on how important each attribute is to them when they shop.

A mean score for each attribute was derived to find out which attributes are the most important. A score of better than 3 indicates a positive response to that particular attribute.

Ease of parking the car was rated as the most important attribute by SFF Customers, with a mean score of **4.88**. This was followed by offers excellent fresh food with a mean score of **4.82**.

Looking at Non-SFF Customers, 'level of service from within the stores' was rated most important by customers with a mean score of 4.80, followed by 'ease of parking' with a mean score of 4.79. 'Offers excellent fresh food' was given a mean rating of 4.64.



SIX POINT IMPORTANCE SCALE

Rating	Meaning
1	Not at all Important
2	Unimportant
3	Neither Important nor Unimportant
4	Important
5	Very Important
6	Extremely Important
n/a	Don't Know

SPECIALTY FRESH FOOD CUSTOMERS: *How centres perform*

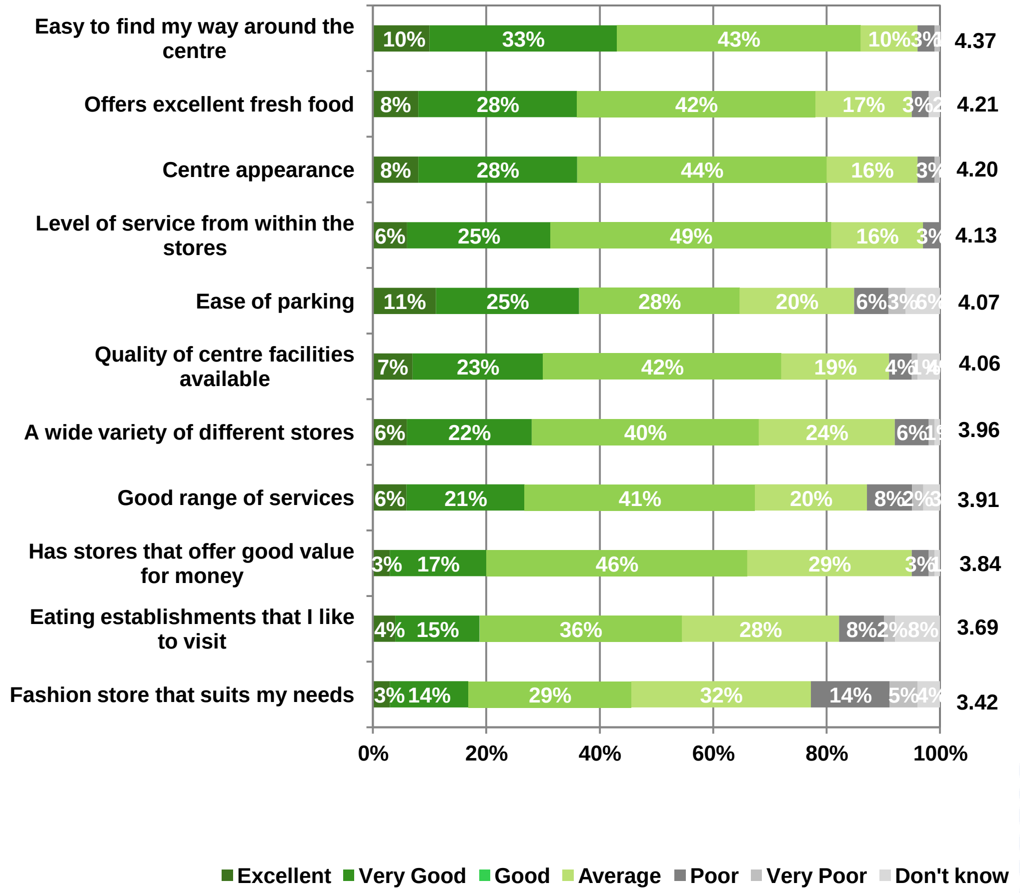
PERFORMANCE RATINGS

SFF Customers were then asked to rate the same attributes on a scale of 1 to 6 to indicate the level of performance attained by the subject centre for each attribute.

Again, a mean score for each attribute was derived to find out which attributes have the highest performance. A score of better than 3 indicates a positive response to that particular attribute.

SFF Customers rated easy to find way around centre as the highest performing attribute, with a mean score of **4.37**. This was followed by offers excellent fresh food with a mean score of **4.21**.

Looking at Non-SFF Customers, 'easy to find my way around the centre' was also the highest performing attribute with a mean score of 4.43, followed by 'centre appearance' at 4.25. 'Offer excellent fresh food' was given a mean rating of 4.09.

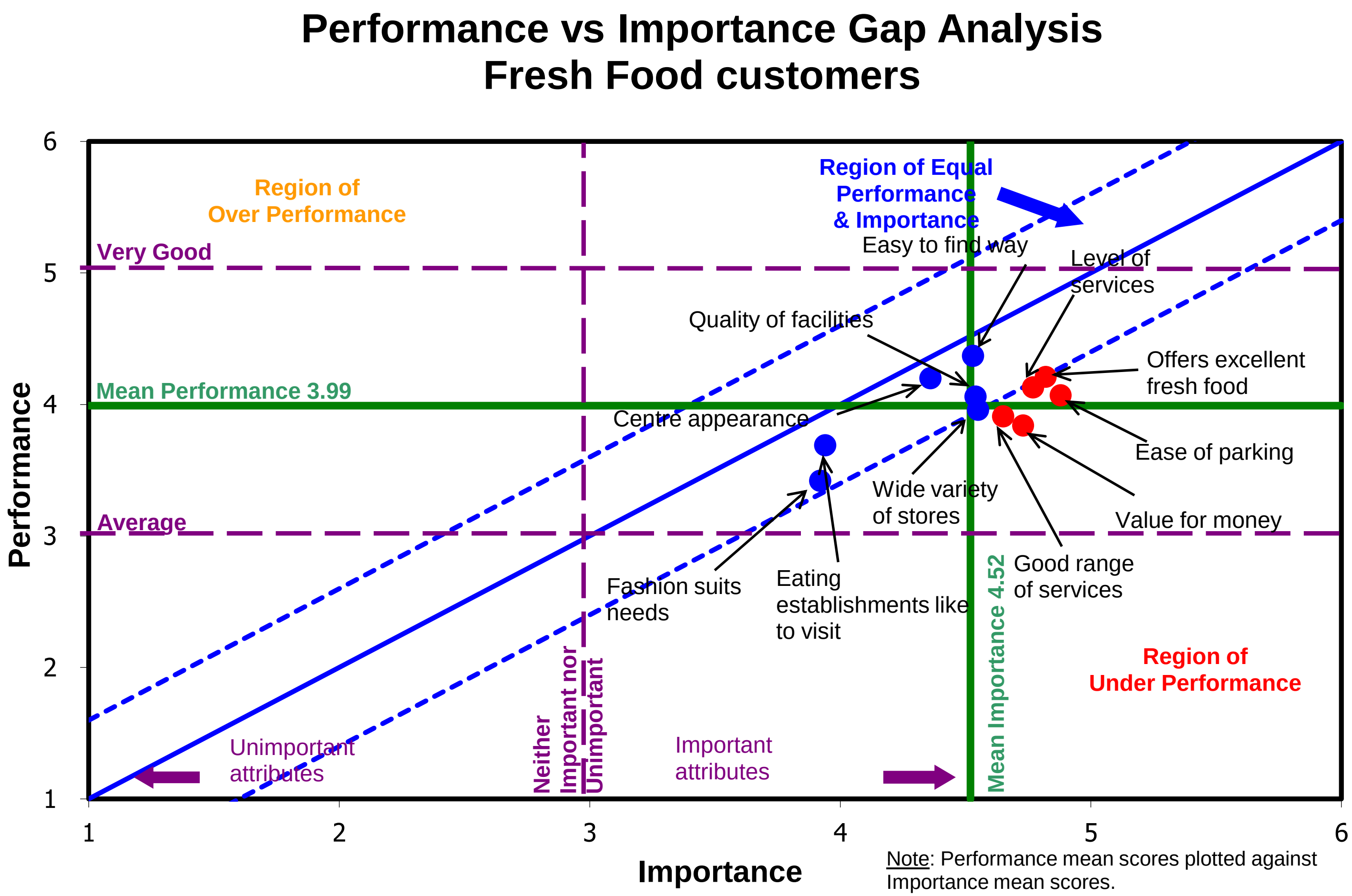


SIX POINT PERFORMANCE SCALE

Rating	Meaning
1	Very Poor
2	Poor
3	Average
4	Good
5	Very Good
6	Excellent

SPECIALTY FRESH FOOD CUSTOMERS: *Gap Analysis*

- EVALUATION OF PERFORMANCE AGAINST IMPORTANCE



Note: Performance mean scores plotted against Importance mean scores.

The attributes meeting SFF Customers' expectations were:

- Eating establishments that I like to visit
- Centre appearance
- Wide variety of different stores
- Easy to way around the centre
- Quality of centre facilities available
- Fashion stores that suit my needs

The attributes that fell outside the region of equal importance and performance (i.e. that underperformed) were:

- Good range of services
- Ease of parking the car
- Offers excellent fresh food
- Level of service from within the stores
- Has stores that offer good value for money

The intersection of the mean importance and performance for Australian Centres falls just inside the blue zone; hence, overall centres are meeting SFF Customers' expectations.

SPECIALTY FRESH FOOD CUSTOMERS: *How centres perform overall*

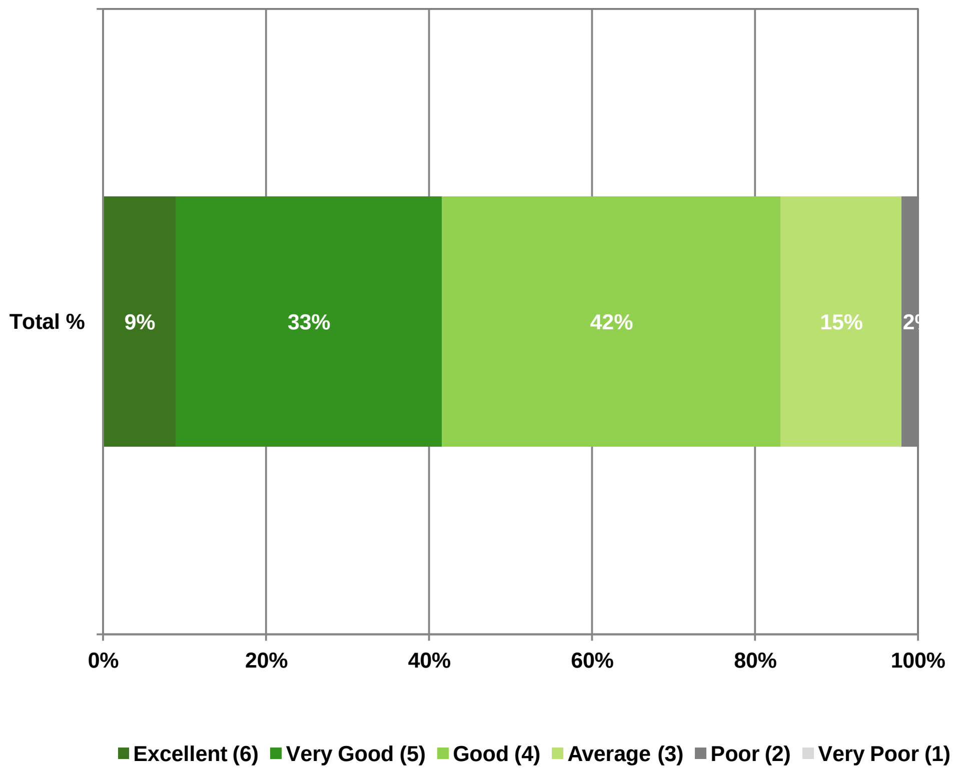
- **OVERALL PERFORMANCE**

Overall, SFF Customers gave the subject centre a score of **4.31** on a six point scale, indicating that an average Australian centre is considered to be **Good to Very Good** by these customers.

9% of SFF Customers rated the subject centre as Excellent and **33%** rated it as Very Good.

Only **2%** of SFF Customers rated the subject centre as Poor.

Non-SFF Customers also rated the performance of their subject centre overall with a mean score of 4.31.



- **SIX POINT OVERALL PERFORMANCE SCALE**

Rating	Meaning
1	Very Poor
2	Poor
3	Average
4	Good
5	Very Good
6	Excellent
n/a	Don't Know

SPECIALTY FRESH FOOD CUSTOMERS: *Shopping centre loyalty*

- **CUSTOMERS USE OF CENTRES FOR FOOD SHOPPING**

SFF Customers were asked to name the centre where their main food and grocery shopping is undertaken.

58% of SFF Customers use the subject centre for their regular food shopping. 42% of SFF Customers use another centre for their regular food shopping.

48% of Non-SFF Customers stated the centre they were interviewed in was their centre for regular food shopping. As expected, this figure was higher for SFF Customers, although they clearly use a variety of other stores to food shop as well.

- **CUSTOMERS USE OF CENTRES FOR CLOTHES, HOMEWARES AND GIFT SHOPPING**

Customers were asked to identify which centres they use most often for clothing, homewares and gift shopping; that is non-food shopping.

38% of SFF Customers indicated that they use the subject centre for their regular non-food shopping. 62% of SFF Customers use another centre for their regular non-food shopping.

Looking at Non-SFF Customers, 45% stated the centre they were interviewed in was their centre for regular non-food shopping. Therefore, SFF Customers are less likely to use the subject centre for regular non-food shopping than their counterparts, indicating they were likely attracted to the centre by the fresh food offering.

- **ONLINE SHOPPING**

13% of SFF Customers at Australian Centres have shopped online in the past six months, while 87% have not.

Looking at Non-SFF Customers, 12% of customers had shopped online in the past six months.

SPECIALTY FRESH FOOD CUSTOMERS: *Centre vs. competition*

PERFORMANCE RATINGS COMPARED TO COMPETITION

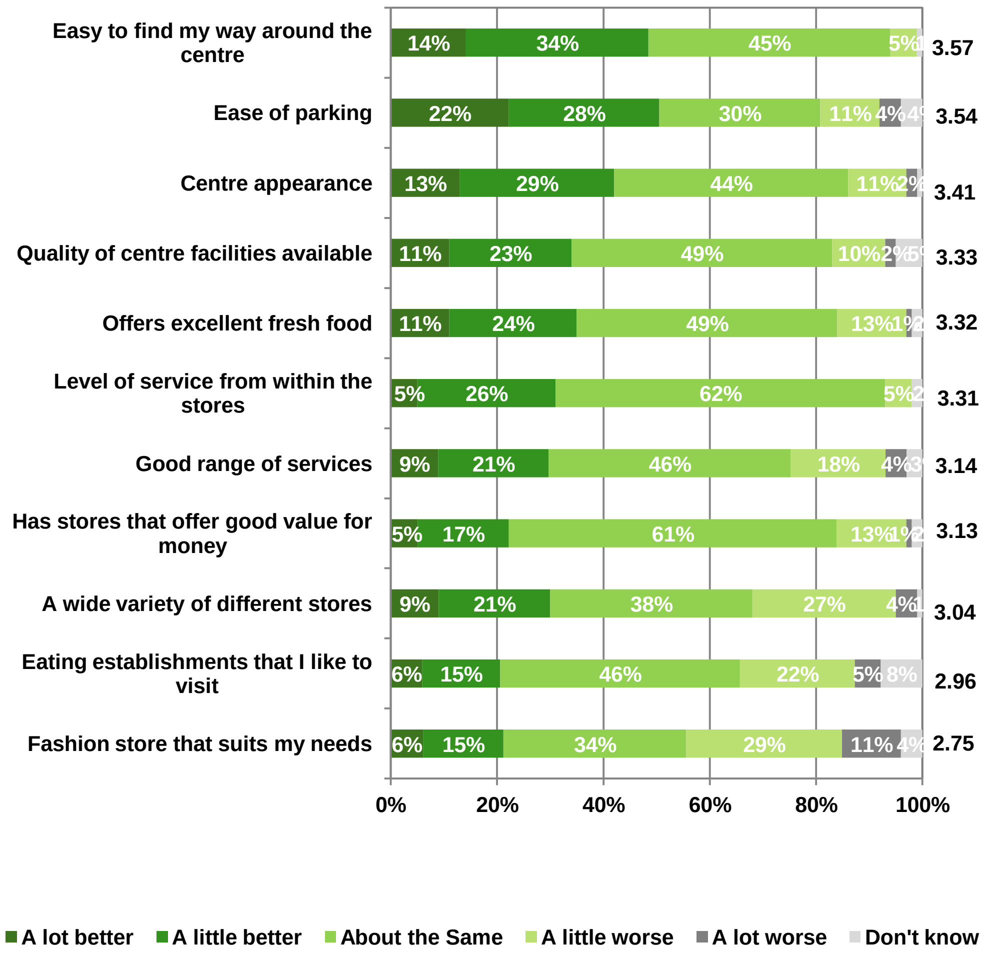
SFF Customers were asked to rate the attributes of the subject centre in comparison to other centres where they shop. A 5 point scale was used. A mean score for each attribute was derived to find out which attributes have the highest performance. A score of better than 3 indicates the attribute is outperforming the competition generally.

Easy to find way around centre was the highest rated attribute compared to the competition at **3.57**. This was followed by ease of parking the car at **3.54**. Fashion stores that suits my needs was the lowest rated attribute compared to the competition at **2.75**.

For Non-SFF Customers, 'easy to find my way around the centre' was also the highest rated attribute with a mean score of 3.56, followed by 'ease of parking' at 3.47. 'Offers excellent fresh food' received a mean rating of 3.22.

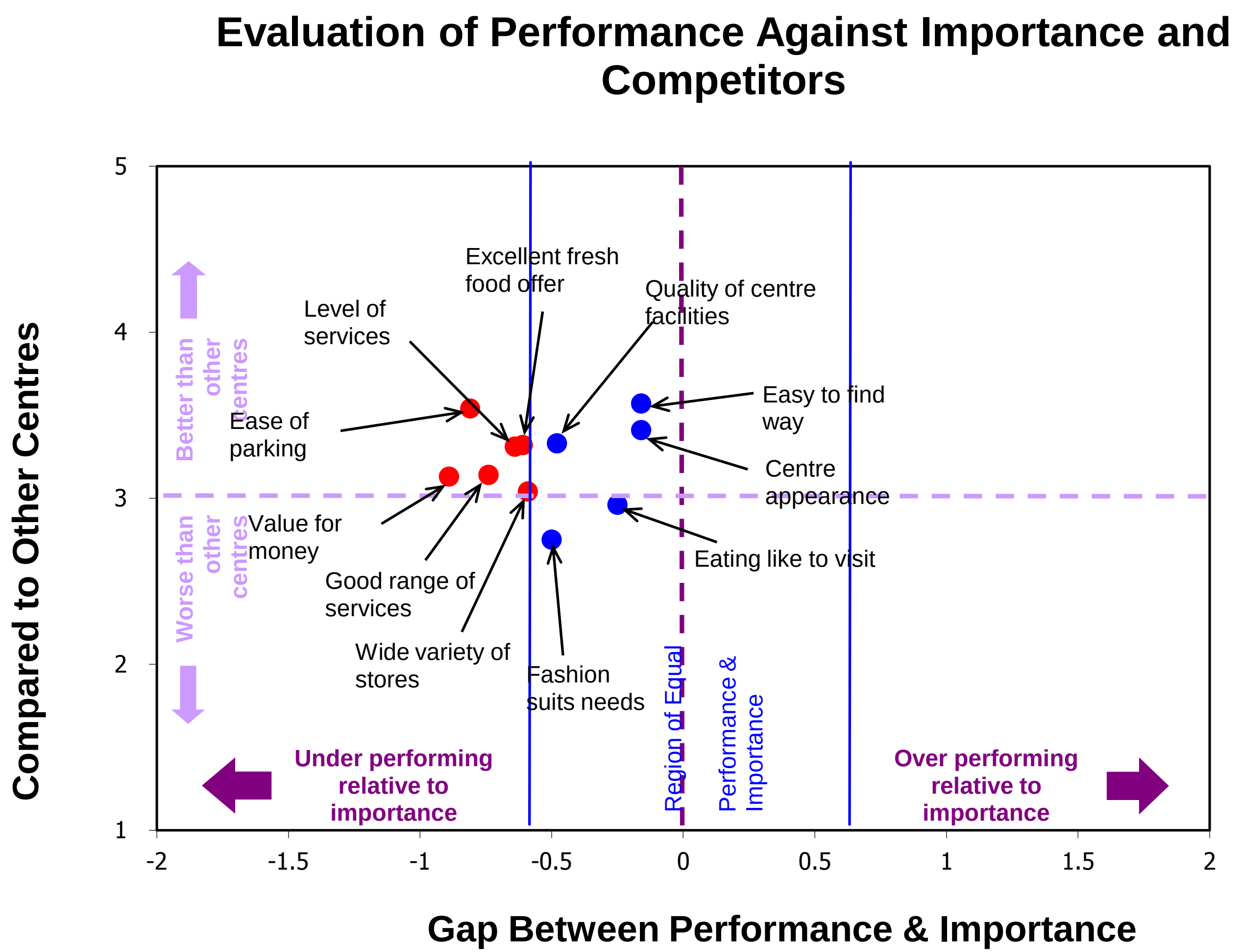
FIVE POINT SCALE

Rating	Meaning
1	A lot worse
2	A little worse
3	About the same
4	A little better
5	A lot better
n/a	Don't Know



SPECIALTY FRESH FOOD CUSTOMERS: *Competition Gap Analysis*

- **GAP BETWEEN PERFORMANCE AND IMPORTANCE COMPARED TO THE COMPETITION**



The attributes SFF Customers' see their subject centre as meeting expectations in *and* outperforming other centres were:

- Quality of centre facilities available
- Easy to find way around the centre
- Centre appearance

Attributes that outperform the competition but do not meet current SFF Customers' expectations include:

- Wide variety of different stores
- Offers excellent fresh food
- Good range of services
- Ease of parking the car
- Level of service from within the stores
- Has stores that offer good value for money

The attributes fashion stores that suit my needs and eating establishments I like to visit meet current SFF Customers' expectations but underperform compared to the competition.

Note: See Definition of Terms for Competition Gap Analysis Methodology

SPECIALTY FRESH FOOD CUSTOMERS: *Overall performance vs. competition*

OVERALL RATING COMPARED TO THE COMPETITION

SFF Customers were also asked to rate the subject centre overall in comparison to other centres where they shop. A 5 point scale was used.

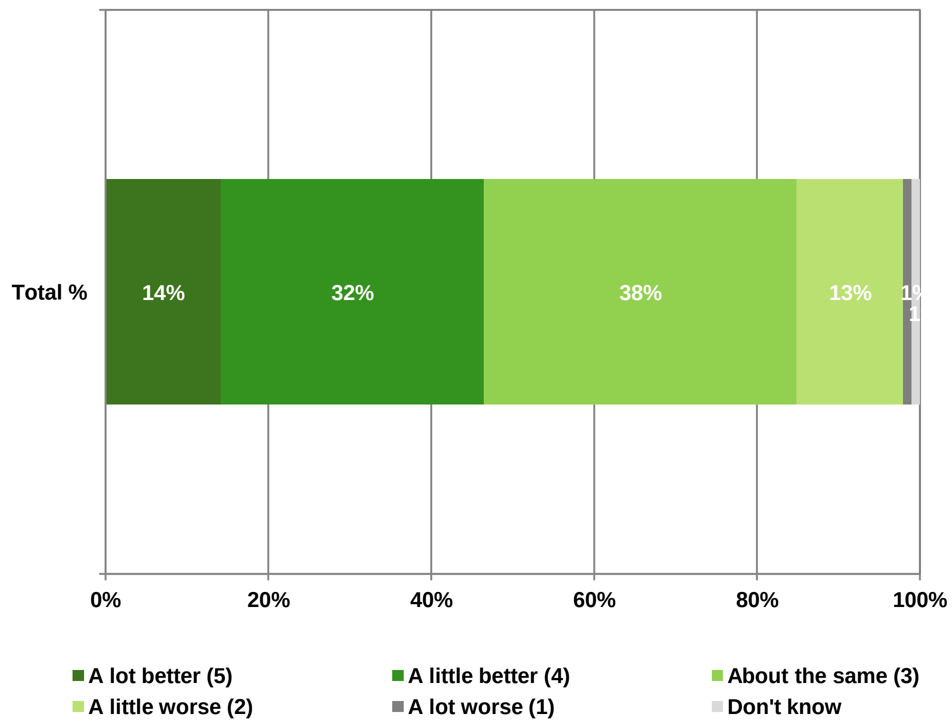
Overall, Australian centres achieved a mean score of **3.45**, indicating that SFF Customers consider the subject centre as **about the same to a little better** than the competition.

14% of SFF Customers believed their subject centre was a lot better than the competition, while **32%** thought their centre was a little better. A further **38%** of SFF Customers stated that they were about the same. The remainder thought they were a little or a lot worse.

Non-SFF Customers rated the overall performance of the subject centre compared to the competition similarly, at 3.42.

FIVE POINT SCALE

Rating	Meaning
1	A lot worse
2	A little worse
3	About the same
4	A little better
5	A lot better
n/a	Don't Know



SPECIALTY FRESH FOOD CUSTOMERS: *How they hear about what's going on*

- ## MARKETING AWARENESS

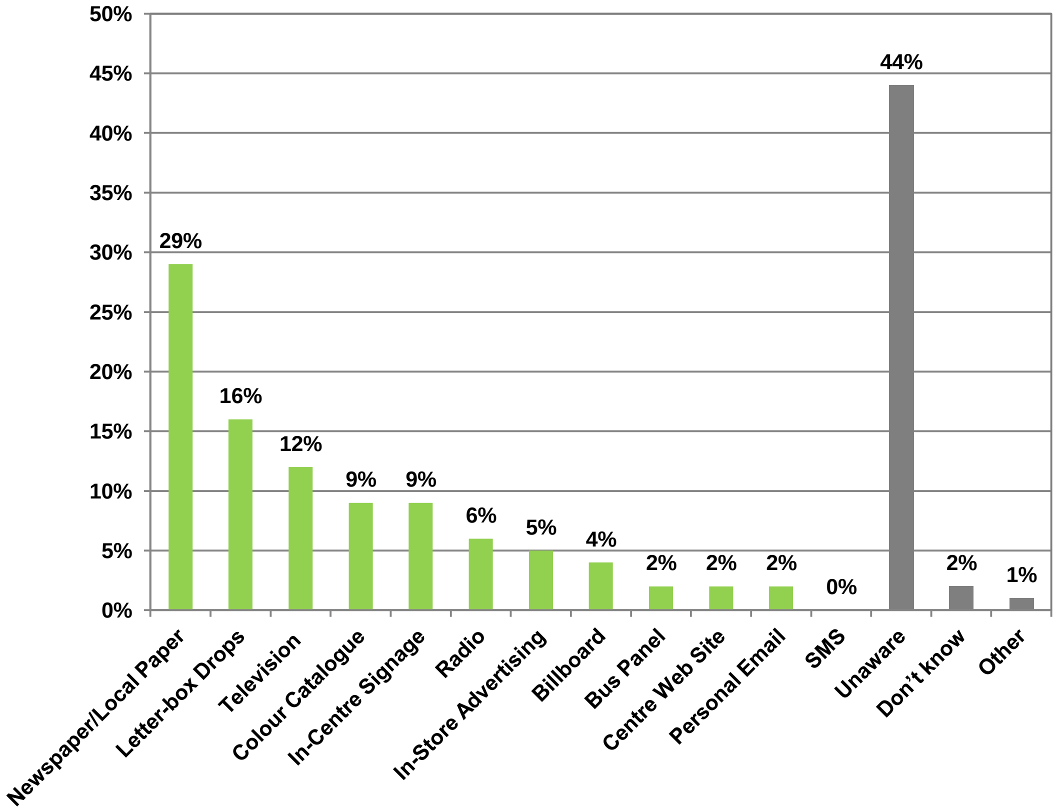
SFF Customers were asked to nominate in which media they had seen the subject centre mentioned. It is important to note that customers do not clearly discriminate retailer advertising with centre advertising. For this reason media in which shopping centre marketing has not been active will be mentioned by customers due to centre retailer activity in this media.

Overall, newspaper/local paper marketing received the highest awareness by SFF Customers at **29%**. This was followed by letter-box drops at **16%** and television marketing at **12%**.

44% of SFF Customers were not aware of marketing at the Australian Centre they were interviewed in.

While awareness of different marketing channels was similar overall, SFF Customers were slightly more aware of newspaper/local paper and in-centre signage, with Non-SFF Customers' awareness of these mediums at 24% and 6% respectively.

To the contrary, SFF Customers were less aware of television marketing, with 17% of Non-SFF Customers mentioning they were aware of marketing via this medium.



SPECIALTY FRESH FOOD CUSTOMERS: *How they prefer to hear about what's going on*

- **MARKETING PREFERENCE**

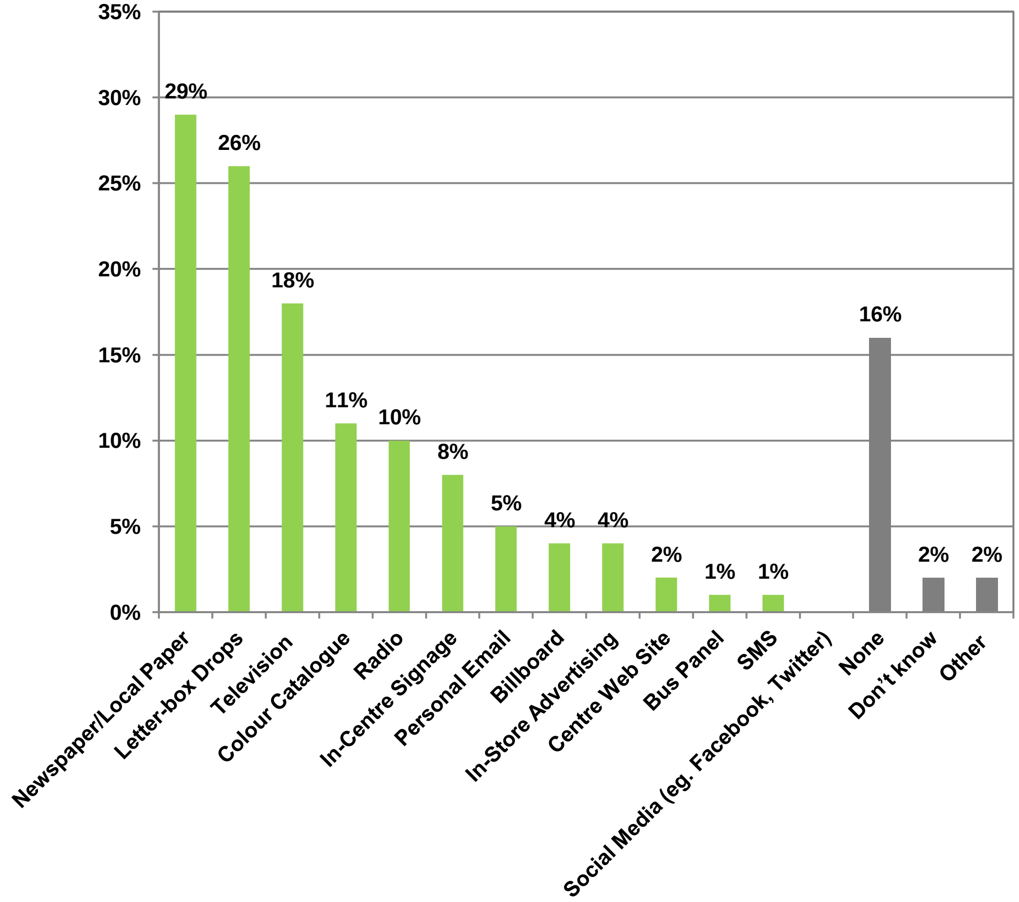
SFF Customers were asked about their preferences for informing them about events and specials at the subject centre.

Newspaper/local paper was the most preferred form of advertising at **29%**. This was followed by letter-box drops at **26%**, television at **18%** and colour catalogue at **11%**.

16% of SFF Customers either had no preference or preferred not to receive any advertising.

Looking at Non-SFF Customers, 14% either had no preference or preferred not to receive any advertising. SFF Customers had a slightly higher preference for newspaper/local paper marketing and in-centre signage than Non-SFF Customers, as preference for these channels among their counterparts was 24% and 5%.

Contrarily, SFF Customers had a slightly lower preference for television marketing, compared to the 22% of Non-SFF Customers who preferred this medium.



SPECIALTY FRESH FOOD CUSTOMERS: *Definition of terms*

- **AVERAGE AGE**

Average age of customers interviewed. Note: only customers of 15 years and over can be interviewed in shopping centres. As a result the Australian Bureau of Statistics' average age statistic is not directly comparable to the average age calculation applied here.

- **SINK/DINK**

SINK = Single income no kids
DINK = Double income no kids, empty nester households.

- **MISSION SHOPPING**

Customers who were at the centre for a specific purpose, moved quite quickly through the centre, did their shopping, and are now leaving.

- **LEISURE SHOPPING**

Customers who shop at a more leisurely pace, take their time and enjoy the experience.

- **EXIT SURVEY**

Customers are interviewed about their shopping patterns and experiences when they have completed their shopping and are leaving the centre.

- **INTERCEPT SURVEY**

Customers are interviewed about their shopping patterns and experiences while still in the centre and may continue their shopping after the interview. They may be at the beginning, in the middle or at the end of their shopping trip.

- **OUTLIERS**

The expenditure data has been adjusted for outliers.

- **GAP ANALYSIS**

The gap analysis illustrates the gap in customer ratings between importance and performance for that centre. The X axis rates the importance of different attributes on a six point scale. A score of 3 indicates the attribute to customers is neither important nor unimportant, indicated by the magenta dotted line perpendicular to the X axis.

Any attribute plotted left of this line is considered an unimportant attribute and any attribute plotted right of this line is considered as an important attribute. The mean importance line for all attributes rated by customers is indicated by the green line perpendicular to the X axis.

The Y axis rates the performance of the centre on the same attributes on a similar 6 point scale. A score of 3 represents average performance indicated by the magenta dotted line perpendicular to the Y axis. The mean performance line for all attributes rated by customers is indicated by the green line perpendicular to the Y axis.

The blue diagonal line on the chart illustrates the region of equal importance and performance. Attributes which are blue are generally meeting customers' expectations. Attributes which fall outside this region, which are red, are not meeting current customers' expectations.

If the intersection of the green mean importance line and mean performance line intersect in the blue region then the centre is meeting current customers' expectations.

- **COMPETITION GAP ANALYSIS**

In the competition gap analysis, the X axis plots the gap between customer importance and performance rating on each attribute. The magenta line perpendicular from the X axis on 0, indicates equal performance and importance.

Any attribute plotted left of this line indicates under performance relative to importance, whilst any attribute plotted right of 0 indicates the region of over performance relative to importance. Red attributes indicate underperformance compared to customer expectations. The Y axis rates the attributes compared to other centres assessed for the same attributes on a performance scale of 1 to 5.

3 on the Y axis indicates the attributes perform about the same as the subject centre as at other centres. Attributes above this line indicate they outperform the competition and attributes below this line underperform the competition.

SPECIALTY FRESH FOOD CUSTOMERS: *Commodity Groups*

- **FOOD RETAIL**

Includes all food, groceries, tobacco and liquor purchases.

- **FOOD CATERING**

Includes all take-away and meal purchases including at cafes and restaurants.

- **APPAREL**

Includes all clothing, footwear, jewellery and accessories purchases.

- **HOMEWARES**

Includes all household, TV/sound, small electrical and manchester purchases.

- **GENERAL/FRESH FOOD**

Includes all books, music, sports, toys, chemist, and newsagency purchases.

- **SERVICES**

Includes all hair, optician, film processing, dry cleaning, video hire and repair purchases.

- **AUSTRALIAN RETAIL**

Includes all retail commodity purchases listed above.

DIRECTIONAL INSIGHTS: *Profile*

Directional Insights is a full service Market Research Company specialising in Retail, Shopping Centre and Property Research.

We have extensive experience in managing customer survey studies, telephone surveys, on-line surveys, focus groups, in-depth interviews and executive interviews.

With over **90,000+** customers interviewed, the team has experience in researching **over 100 shopping centres**, retail, residential, entertainment, and leisure facilities in Australia and New Zealand, ranging from Super Australians to Neighbourhood Centres, to recreational precincts and even pubs.

At Directional Insights, we believe our role is to guide and advise throughout a project to ensure the research delivers great opportunities into commercial realities.

Our clients are spread across Australia and include some of the top property groups and shopping centre owners and managers.

- **COMPLETE RESEARCH DESIGN AND MANAGEMENT**

  - Consumer Research
  - Portfolio Research Management & Development
  - Research Needs Identification
  - Research Planning, Implementation & Project Management

- **RESEARCH METHODOLOGIES**

  - Customer Exit and Intercept Surveys
  - Telephone Surveys
  - Focus Groups
  - On-line Surveys
  - Executive Interviews (including Business to Business)
  - Voxpop Video Research
  - Segmentation Studies

- **KEEPING YOU IN TOUCH WITH eDIRECTIONS**

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