Directional Insights

Spotlight Series 2012

TARGET CUSTOMERS Spotlight Report 2012

The "who and how" of Australian shopper behaviour

The Directional Insights Target Customers Spotlight Report 2012 provides a valuable window into Target 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 3,200 **Target Customers** reveal the "who and how" of these shoppers in the Australian shopping centre context.

COMPARISONS TO KMART AND BIG W CAN BE FOUND THROUGHOUT THIS REPORT. THESE COMPARISONS ARE HIGHLIGHTED IN THE DARK BLUE (FOR KMART) AND LIGHT BLUE (FOR BIG W) BOXES.

CONTENTS

Target Customers

The following report is based on a sample of Target Customers surveyed in 23 shopping centres across Australia.

- **DEFINITION**

The sample includes approximately n=3,200 Target Customers who visited a Target store on the day of the interview.

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

TARGET CUSTOMERS: *Who is shopping*

INTRODUCTION

Target Customers make up 22% of all customers visiting an Australian shopping centre with a Target store. They are predominantly female living as a couple either with or without children at home.

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

Target Customers have a household income of around **$77,600**.

- Target Customers have a higher average household income than Kmart Customers who average $69,800.
- Target Customers also have a higher average household income than Big W Customers who average $72,200.

GENDER

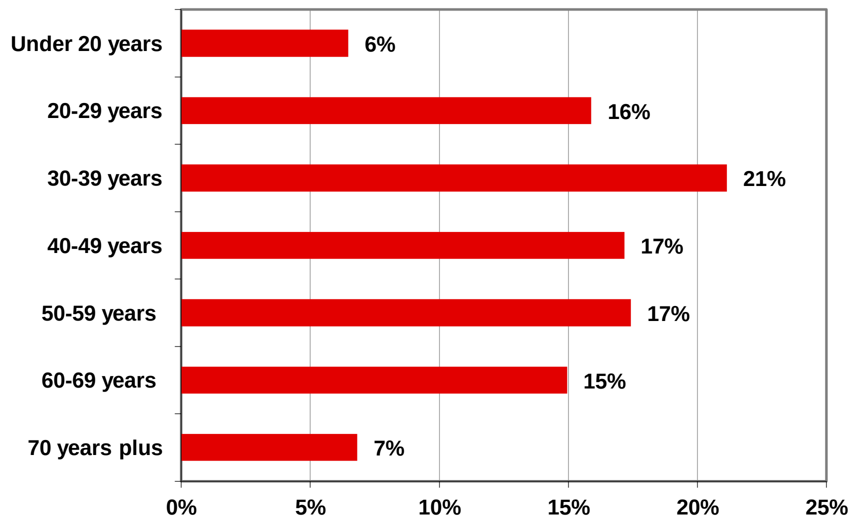
Overall, **84%** of Target Customers at Australian Centres are **female**. 16% of Target Customers are Male.

- Target Customers have a slightly higher proportion of females than Kmart Customers, for whom females constitute 79% of customers.
- Target Customers also have a higher proportion of females than Big W Customers, among whom there is 77% females.

AGE

The average age of Target Customers at Australian Centres is **44 years**. The highest proportion of Target Customers at **21%** is those aged **30-39 years**, followed by those aged 40-49 and 50-59 years at 17%.

- Kmart Customers have a similar average age, but the biggest age band is 20-29 year olds (19%).
- Big W Customers also have a similar average age, but the biggest age band is 40-49 year olds (19%).



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.

● TARGET CUSTOMERS: *Who is shopping*

- **HOUSEHOLD TYPE**

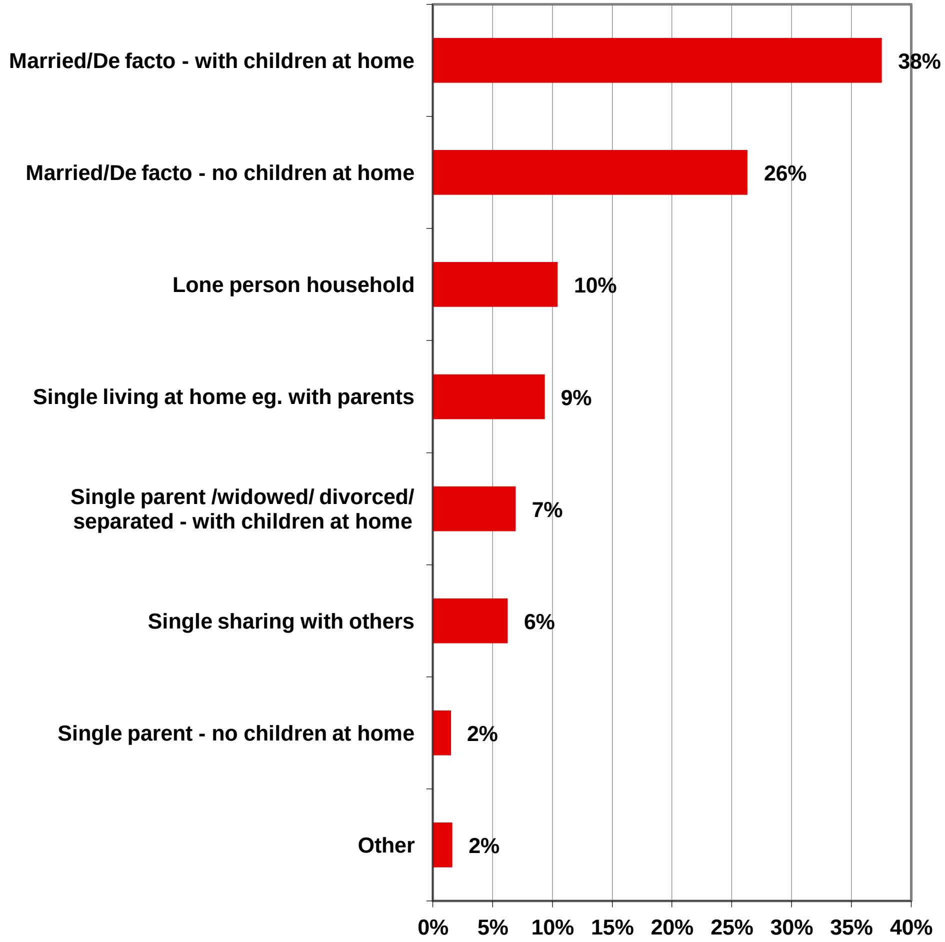
Target Customers are represented by two main household structures.

- **Married/De facto – kids 38%**
- **Married/De facto – no kids 26%**

Households with children represent **54%** of the total household structures, whilst **46%** of customers live in SINK/DINK households.

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

- Target Customers have a higher proportion of customers who come from a household with children than Kmart Customers at 47%.
- Target Customers also have a slightly higher proportion of customers from a household with children than Big W Customers at 51%.



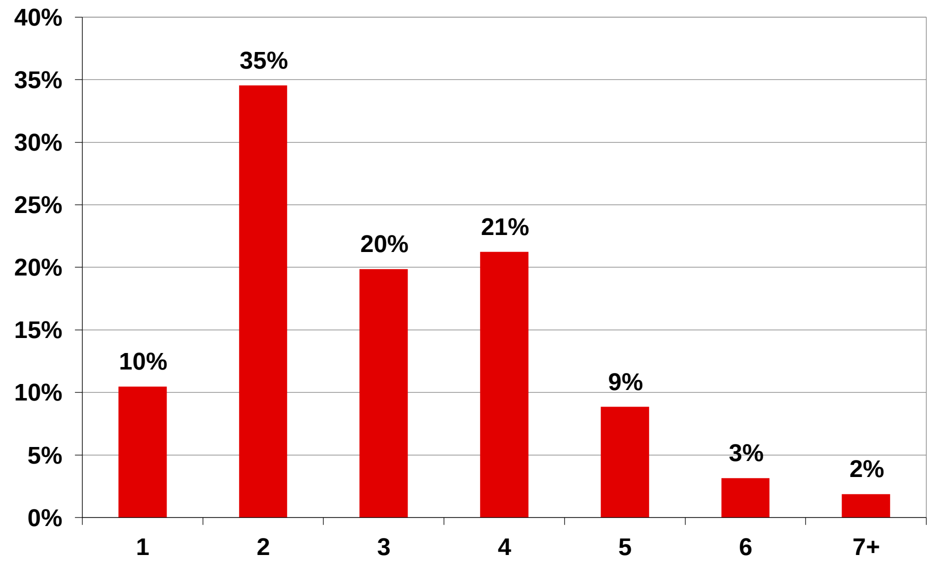
TARGET CUSTOMERS: *Who is shopping*

HOUSEHOLD SIZE

35% of Target Customers live in **two person households**, **21%** in **four person households**, **20%** in **three person households** and **10%** in **lone person households**.

The average household size for Target Customers is 3.02 people.

- Target Customers are slightly less likely than Kmart Customers to come from a lone household (10% vs. 14%).
- Target Customers are also slightly less likely than Big W Customers to come from a lone household (10% vs. 14%)
- Slightly more Target Customers than Big W Customers come from a household of 2 people (35% vs. 32%).



TARGET CUSTOMERS: *Who is shopping*

- **EMPLOYMENT STATUS AND OCCUPATION**

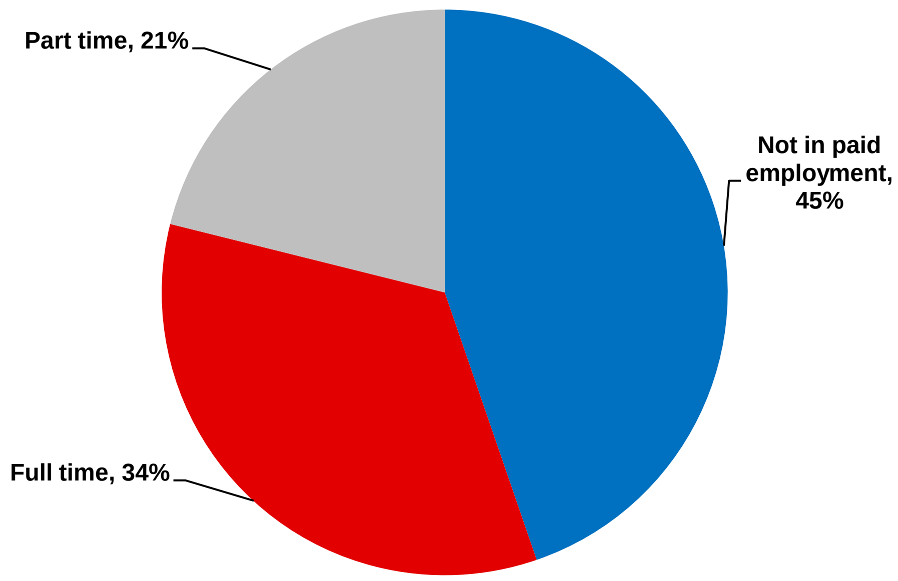
45% of Target Customers are currently not in paid employment whilst **34%** work full time and **21%** work part time.

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

- Professional **19%**
- Home Duties **19%**
- Retired/Superannuated **16%**
- Clerical or Administrative Worker **11%**
- Student **8%**
- Manager **7%**

In total, 26% of Target Customers are in either Professional or Managerial roles.

- Target Customers are employed both full and part time at a similar rate to Kmart Customers.
- However, for Kmart Customers, those who are Retired/Superannuated and performing Home Duties are the most common 'occupation' groups (at 18% each), followed by Professionals at 17%.
- Target Customers are employed both full and part time at a similar rate to Big W Customers.
- However, for Big W Customers, those who are Retired/Superannuated and performing Home Duties are the most common 'occupation' groups (also at 18% each), followed by Professionals (also at 17%).



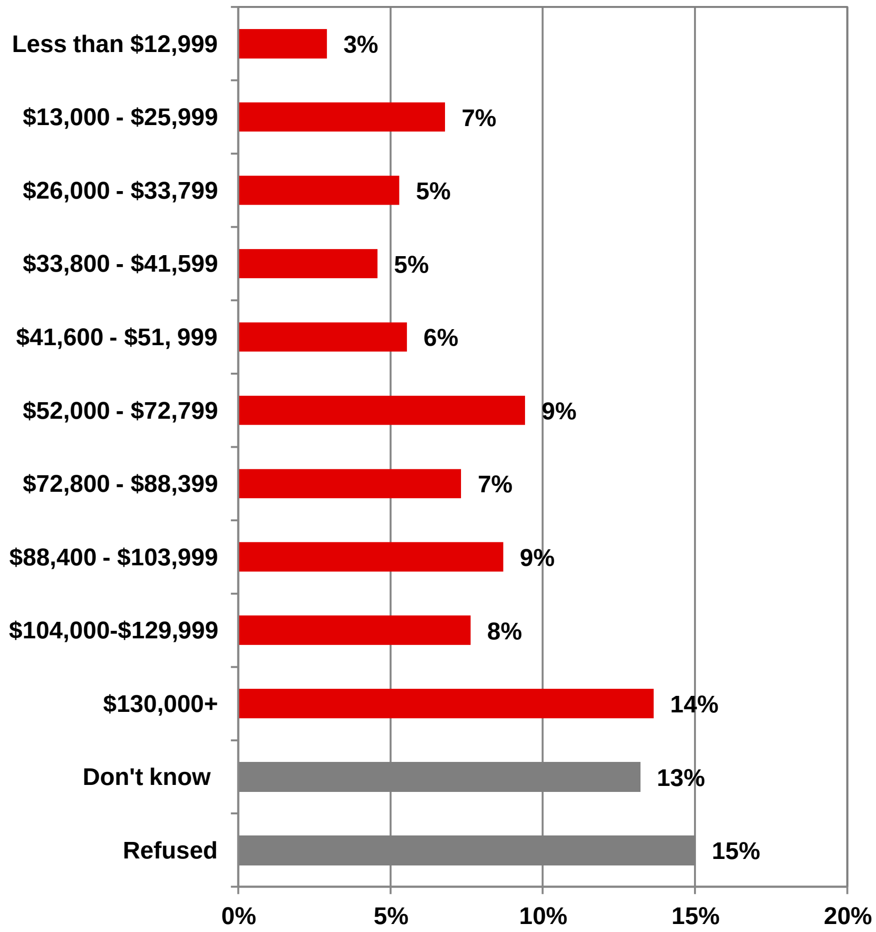
TARGET CUSTOMERS: *Who is shopping*

- **HOUSEHOLD INCOME**

The average household income for Target Customers at Australian Centres is approximately **$77,600**.

The highest proportion of Target Customers at **14%** have a household income of $130,000 and over. This is followed by those who have a household income of $52,000 - $72,999 and $88,400-$103,999, both at **9%**.

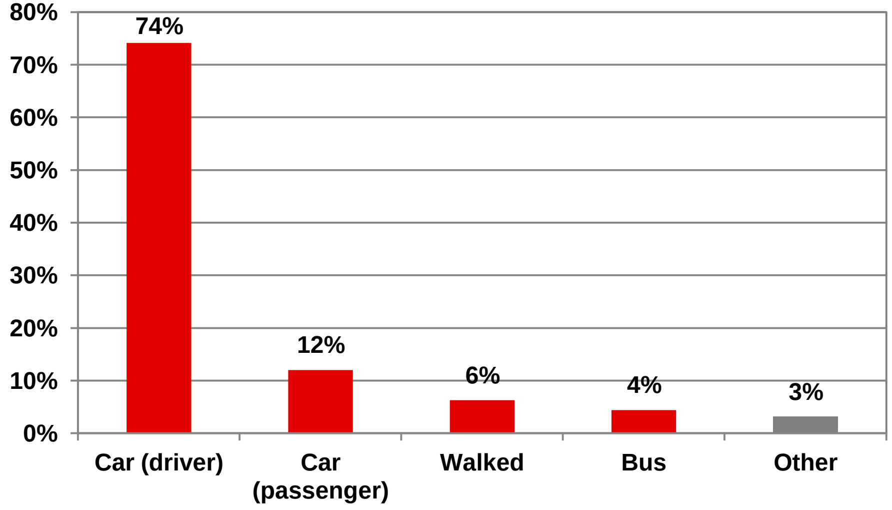
- Target Customers have a higher average household income than Kmart Customers who average $69,800.
- Target Customers are also slightly more likely than Kmart Customers to have a household income of $130,000+ (14% vs. 11%) and slightly less likely to have a household income of $13,000-$25,999 (7% vs. 10%).
- Target Customers also have a higher average household income than Big W Customers, who average $72,200.



TARGET CUSTOMERS: *How they shop*

- **TRAVEL TO THE CENTRE**

The main mode of travel for Target Customers is by car at **86%**, mainly as a driver. **6%** of Target Customers walked to an Australian centre and **4%** of them travelled by bus.



- Target Customers are slightly more likely than Kmart Customers to drive a car to their shopping centre (74% vs. 71%) and slightly less likely to catch the bus (4% vs. 7%).
- Target Customers are slightly less likely than Big W Customers to drive a car to their shopping centre (74% vs. 77%).

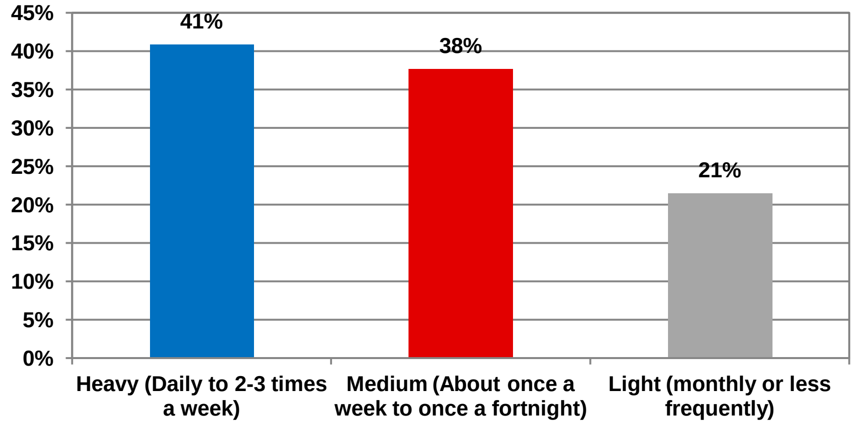
● TARGET CUSTOMERS: *How they shop*

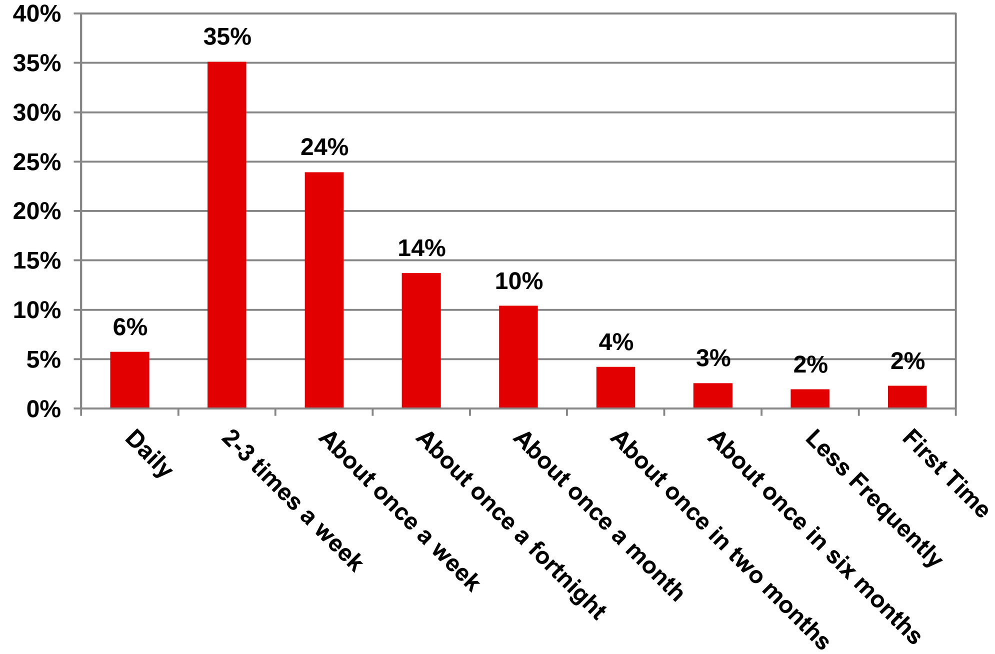
- **FREQUENCY OF VISIT**

65% of Target Customers visit the subject centre **weekly or more often**, with **6%** visiting on a daily basis.

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

41% of Target Customers are heavy users of the subject centre, **38%** are medium users and **21%** are light users.





- Target Customers visit their subject centre with a similar frequency to Kmart Customers.
- Target Customers also visit their subject centre with a similar frequency to Big W Customers, although they are slightly more likely to be Light Users (21% vs. 18%).

● TARGET CUSTOMERS: *How they shop*

- **SHOPPING TRIP – MISSION versus LEISURE**

Target 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.

59% of Target Customers described their shopping trip as purpose or mission driven. **41%** of Target Customers described their shopping trip as leisure driven.

- Target Customers and Kmart Customers represent a similar breakdown of Leisure versus Mission Shoppers.
- Target Customers and Big W Customers also represent a similar breakdown of Leisure versus Mission Shoppers.

TARGET CUSTOMERS: *How they shop*

MAIN REASON FOR VISITING

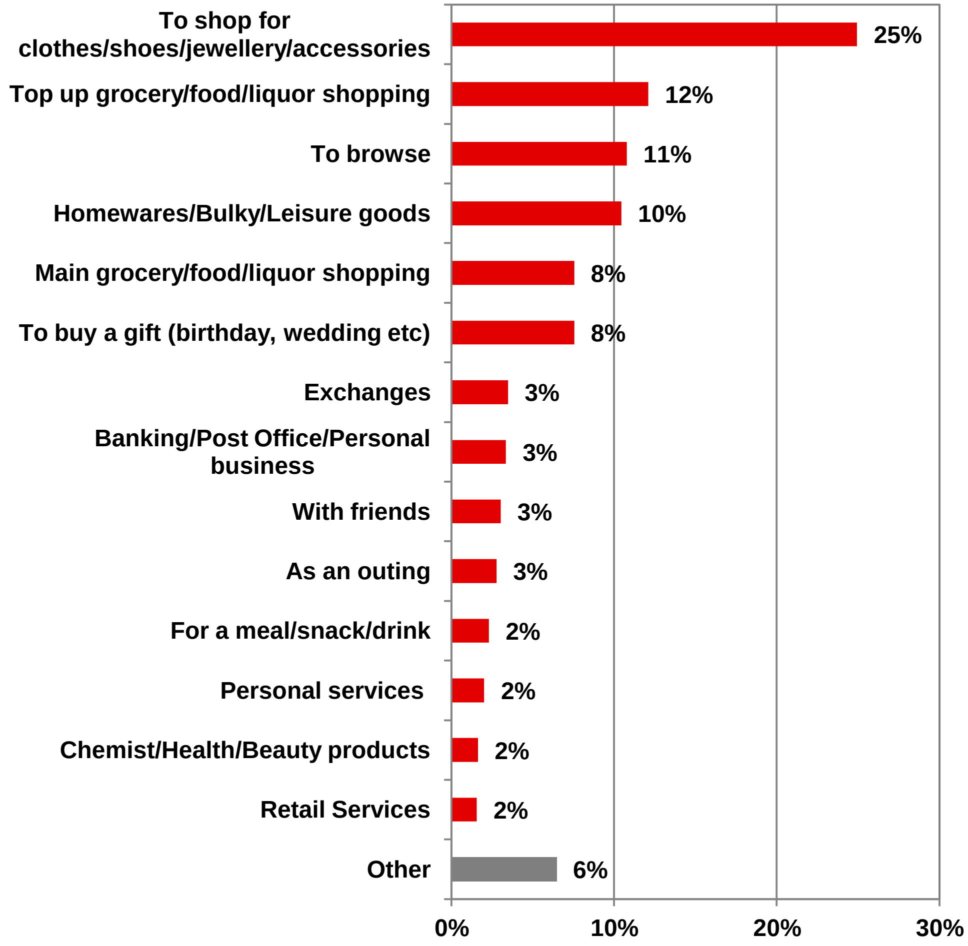
Visiting to shop for apparel is the main driver for Target Customers visiting their subject centre. **25%** of Target Customers indicated that their main reason for visiting the centre on the day they were interviewed was for **clothes/shoes/jewellery/accessories**.

This is followed by **12%** of Target Customers visiting the centre for **top up grocery/food/liquor shopping** and **11%** visiting **to browse.**

10% of customers' main reason for visiting was **for homewares/bulky/leisure goods**. Another **8%** of Target Customers were visiting the centre for **main grocery/food/liquor shopping** or **to buy a gift.**

Overall, **20%** of Target Customers stated that their main reason for visiting the centre was to shop for food and groceries.

- Target Customers are more likely than Kmart Customers to be primarily visiting to shop for fashion-wear (25% vs. 17%) and are slightly more likely to be at the centre to buy a gift (8% vs. 5%).
- Target Customers are slightly less likely than Kmart Customers to be visiting mainly for top-up food and groceries (12% vs. 15%) and for homewares/bulky/leisure goods (10% vs. 13%)
- Target Customers are more likely than Big W Customers to be mainly visiting to buy fashion-wear (25% vs. 15%) and slightly more likely to be there to browse (11% vs. 8%). They are less likely than Big W Customers to be mainly visiting to shop for top-up food and groceries (12% vs. 18%) and main food and groceries (8% vs. 12%)



● TARGET CUSTOMERS: *How they shop*

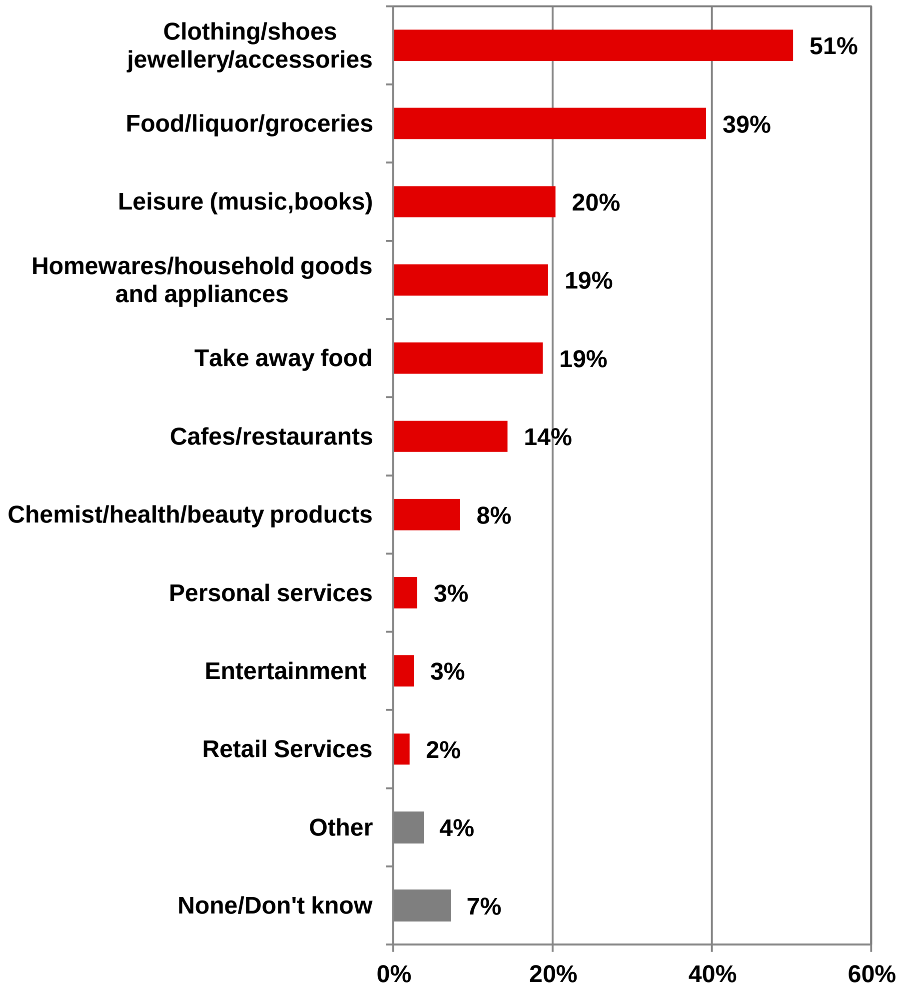
- **GOODS AND SERVICES PURCHASED**

Consistent with the main reason for visiting the subject centre listed previously, Target Customers indicated the main type of goods and services purchased were **clothes/shoes/jewellery/accessories** at **51%**.

39% of Target Customers purchased **food/liquor/groceries**, while **20%** purchased **leisure goods** (music, books, etc.).

This was closely followed by **19%** of Target Customers who purchased **homewares/household goods and appliances**, **19%** who purchased **take away food** and **14%** who purchased from **cafes/restaurants.**

- Target Customers are more likely than Kmart Customers to purchase fashion-wear (51% vs. 43%).
- Target Customers are slightly less likely than Kmart Customers to purchase food and groceries (39% vs. 43%), leisure goods (20% vs. 23%) and homewares/household goods/appliances (19% vs. 24%).
- Target Customers are also more likely than Big W Customers to purchase fashion-wear (51% vs. 37%).
- They are less likely than Big W Customers to purchase food and groceries (39% vs. 50%) and slightly less likely to purchase leisure goods (20% vs. 24%) and chemist/health/beauty products (8% vs. 11%).



TARGET CUSTOMERS: *How they shop*

STORES VISITED

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

These customers were most likely to have also visited other **discount department stores**, as Kmart was visited by the highest percentage of Target Customers at 46%, followed by Big W at 44%.

Many Target Customers visited Myer at 36% and another 28% of Target Customers visited a clothing store.

Target Customers also visited **supermarkets**, as Woolworths was visited by 28%, followed by Coles which was visited by 27%.

- A higher proportion of Target Customers visit Woolworths than Kmart Customers (28% vs. 22%), while a slightly higher proportion of Target Customers visit ALDI (15% vs. 12%).
- Meanwhile, a slightly higher proportion of Kmart Customers (at 30%) visit Coles.
- A higher proportion of Target Customers than Big W Customers visit Kmart, Myer, clothing stores and Coles. Respectively, 37%, 24%, 22% and 19% of Big W Customers visit these stores.
- Big W Customers are more likely than Target Customers to visit Woolworths (38%), and slightly more likely to visit a chemist (10%) and a newsagent (10%).

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

Stores Visited (by >5% customers)	% TARGET Customers
Kmart	46%
Big W	44%
Myer	36%
Clothing store	28%
Woolworths	28%
Coles	27%
Take away food/eatery	20%
ALDI	15%
Shoes/jewellery/accessories store	14%
Restaurant/Cafe	13%
Specialty fresh food	13%
Homewares store	8%
Leisure goods store	8%
Chemist	7%
Newsagent	7%

● TARGET CUSTOMERS: *How they shop*

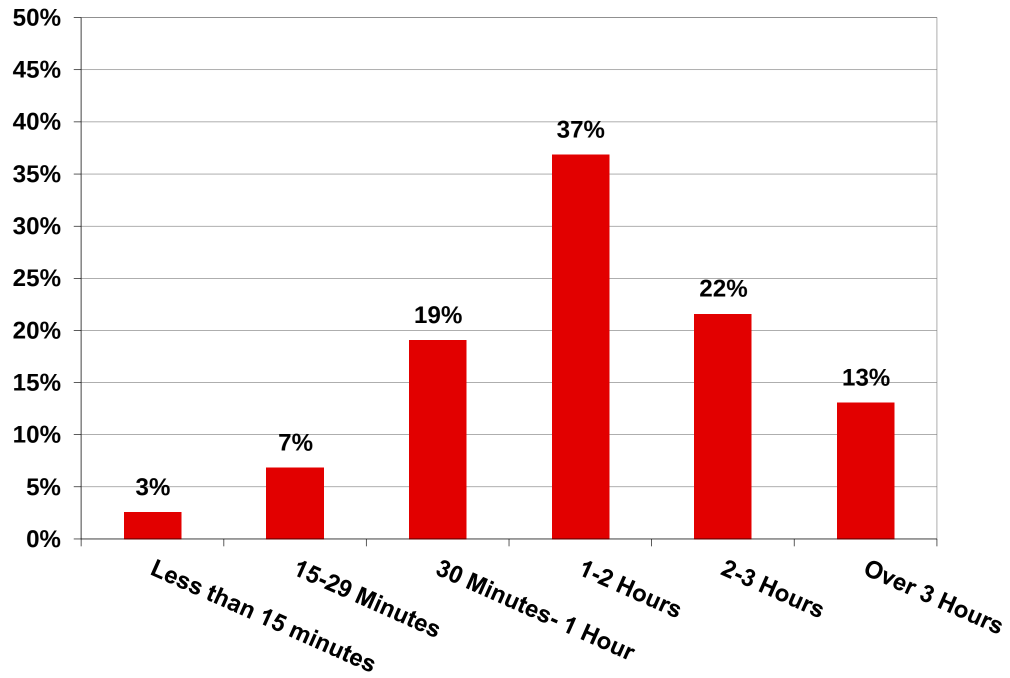
- **LENGTH OF STAY**

Target Customers spend on average **91 minutes** (1 hour and 31 minutes) per visit at an Australian Shopping Centre.

37% of Target Customers stay between 1-2 hours, while **22%** of Target Customers stay between 2–3 hours.

This is followed by **19%** of Target Customers who stay 30 minutes – 1 hour and **13%** who stay for over 3 hours.

- Target Customers spend a slightly longer time at the shopping centre than Kmart Customers who spend an average of 86 minutes per visit.
- Target Customers also spend longer at the centre than Big W Customers who spend an average of 84 minutes per visit.



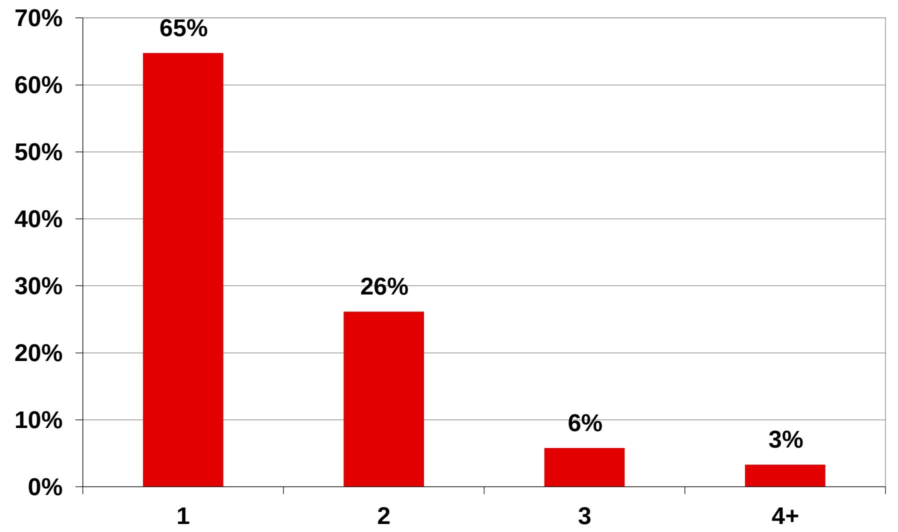
● TARGET CUSTOMERS: *How they shop*

- **GROUP SIZE**

Target Customers at the subject centre were observed to determine the number of people they shop with. **The average group** size for Target Customers is **1.48 people**.

The majority of Target Customers shopped alone at **65%**. This is followed by those shopping with one other person at **26%**.

- Target Customers and Kmart Customers shop with similar group sizes.
- Big W Customers are slightly more inclined to shop alone than Target Customers, as 68% of them shop alone.



TARGET CUSTOMERS: *How they spend*

- **COMMODITY GROUP EXPENDITURE**

Target 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 Target Customers at Australian Centres is **$93** across all customers and **$101** for those purchasing only.

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

- Target Customers spend more at the centre on average than Kmart Customers, who spend $83 across all customers and $89 for those purchasing only.
- Target Customers also spend slightly more on average than Big W Customers, who have an average spend of $90 across all customers, and $96 for only those who made a purchase.

Commodity Group	% Purchasing	% of Total Spend	Average Spend at Centre (All Target Customers)	Average Spend at Centre (Purchasing Target Customers Only)
Food Retail	39%	26%	$24	$61
Food Catering	32%	4%	$3.74	$11.70
Apparel	51%	41%	$38	$75
Homewares	19%	13%	$13	$65
General/Leisure	27%	13%	$12	$45
Services	5%	2%	$2	$46

- Slightly more Kmart Customers purchase **Food Retail** (43%) and have a slightly larger share of spend in this category (31%), although average spend is similar. Kmart Customers are also slightly more likely to purchase **Homewares** (24%) and **General/Leisure** goods (31%), although those who purchase spend less on average (at $46 for Homewares, $36 for General/Leisure goods).
- Target Customers are more likely than Kmart Customers to purchase **Apparel** and it makes up a higher share of their spend (43% of Kmart Customers purchase Apparel, for 33% of their spend). Kmart Customers also spend less on this category ($27 overall; $63 among those who purchase).
- Big W Customers are more likely than Target Customers to purchase **Food Retail** (50%), have a higher share of spend in this category (38%), and spend more on this category ($34 for all, $68 for those purchasing). Big W Customers are also slightly more likely to purchase **General/Leisure** goods (32%), although when purchasing, spend slightly less (at $41).
- Target Customers are more likely to purchase **Apparel** and it makes up a higher share of their spend (37% of Big W Customers purchase Apparel, for 28% of their spend) and they spend more on it than Big W Customers (at $25 overall; $67 among those who purchase).Target Customers who purchase **Homewares** and **Services** also spend more than Big W Customers (at $53 and $36 respectively).

TARGET CUSTOMERS: *How they spend*

- **FOOD RETAIL**

39% of Target Customers purchased Food Retail, with an average spend of **$24** across all Target Customers and **$61** for those purchasing only. The proportion of their total spend attributable to Food Retail is **26%**.

- **FOOD CATERING**

Food Catering was purchased by **32%** of Target Customers and accounted for **4%** of their total spend. The average spend across all Target Customers is **$3.74** and **$11.70** for those purchasing only.

- **APPAREL**

51% of Target Customers purchased Apparel, with an average spend of **$38** across all Target Customers and **$75** for those purchasing only. Apparel expenditure accounted for **38%** of their total Target Customers' spend.

- **HOMEWARES**

19% of Target Customers purchased Homewares, accounting for **13%** of their total spend. The average spend across all Target Customers is **$13**, while average spend for those purchasing only is **$65**.

- **GENERAL/LEISURE**

27% of Target Customers purchased General/Leisure goods, accounting for **13%** of their total spend. The average spend across all Target Customers is **$12** and **$45** for those purchasing only.

- **SERVICES**

Services were purchased by **5%** of Target Customers and accounted for **2%** of their total spend. The average spend for those purchasing only is **$46** and the average spend across all Target Customers is **$2**.

TARGET CUSTOMERS: *How they spend*

- **SPEND AT CENTRE BY GENDER**

For Target Customers of Australian Centres, Females account for **84%** of customers and **87%** of the spend.

Females' average expenditure is considerably higher at **$97**, compared to Males at **$73**.

Gender	% of Target Customers	% of Spend	Average Spend at Centre (All Target Customers)	Average Spend at Centre (Purchasing Target Customers Only)
Female	84%	87%	$97	$105
Male	16%	13%	$73	$84

- There is a slightly higher proportion of females among Target Customers than Kmart Customers (84% vs. 79%) and they make up a slightly higher share of spend (87% vs. 83%).
- Female Target Customers spend more on average than their Kmart counterparts across all customers ($97 vs. $87) and among those who made a purchase ($105 vs. $93).
- The opposite is true of the proportions of males and their share of spend, although male Target Customers also spend more on average than male Kmart Customers, across all ($73 vs. $65) and for those who purchased ($84 vs. $73).
- There is also a higher proportion of females among Target Customers than Big W Customers (84% vs. 77%) and they make up a higher share of spend (87% vs. 81%).
- Target and Big W Customers who are females spend a similar amount on average across all customers, but slightly more among those who made a purchase ($105 vs. $100).
- The opposite is true of the proportions of males and their share of spend, however Target Customers who are male and made a purchase also spent slightly more ($84 vs. $81).

TARGET CUSTOMERS: *How they spend*

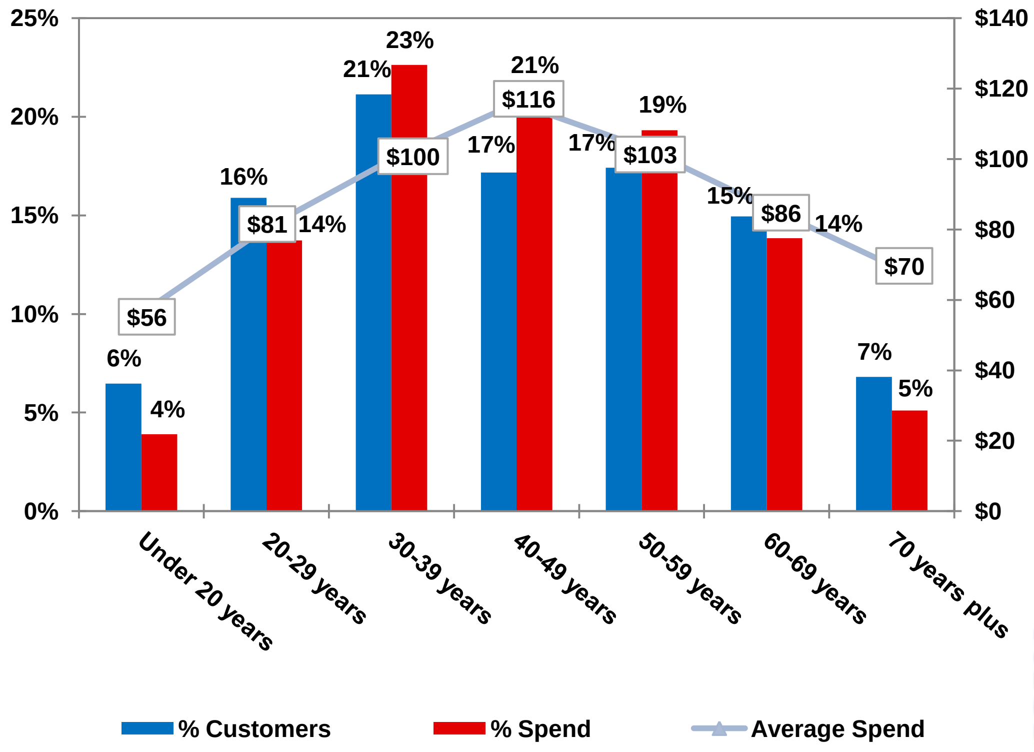
SPEND AT CENTRE BY AGE

30-39 year old Target Customers account for the highest proportion of customers at **21%**, followed by **40-49** and **50-59** year old customers at **17%** each.

The **30-39** year old age group also has the highest proportion of spend at **23%**, with an average spend of **$100**.

The **40-49** year old age group make up **21%** of total spend with the highest average spend of **$116**.

- Kmart Customers have a similar average age, but the biggest age band is 20-29 year olds (19%).
- While share of spend by age band is similar, Target has a slightly lower share of spend coming from the 20-29 year olds than Kmart Customers (14% vs. 17%).
- Target has a slightly higher share of spend coming from the 30-39 year age group than Kmart Customers (23% vs. 18%).
- Average spend for Target Customers is higher or slightly higher across all age groups compared to Kmart Customers.
- Big W Customers also have a similar average age, but the biggest age band is 40-49 year olds (19%).
- 30-39 year old Target Customers also make up a slightly higher share of spend than Big W Customers (23% vs. 19%).
- As far as average spend goes, the story is variable. Target Customers who are aged under 20 years, 40-49 years, or 50-59 years spend more on average than Big W Customers, while Target Customers who are aged 60-69 years and 70 plus years spend slightly less than Big W Customers of the same age.



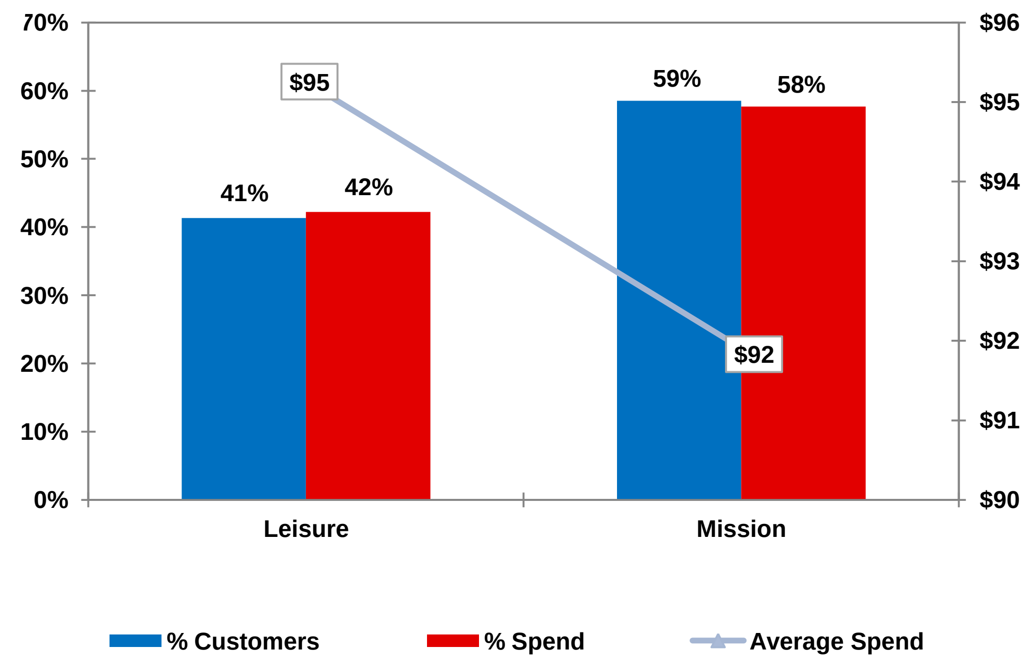
● TARGET CUSTOMERS: *How they spend*

- **SPEND AT CENTRE BY SHOPPING PATTERN**

41% of Target Customers describe their shopping trip as shopping at a leisurely pace, taking their time and enjoying the experience. Among Target Customers, these Leisure Shoppers account for **42%** of expenditure and have an average overall spend of **$95**.

Conversely Mission Shoppers - customers who were at the centre for a specific purpose and moved quite quickly through the centre - account for **59%** of Target Customers and **58%** of total spend, with an average overall spend of **$92**.

Leisure Shoppers and Mission Shoppers are spending a same average, in terms of the total amount spent at the centre.



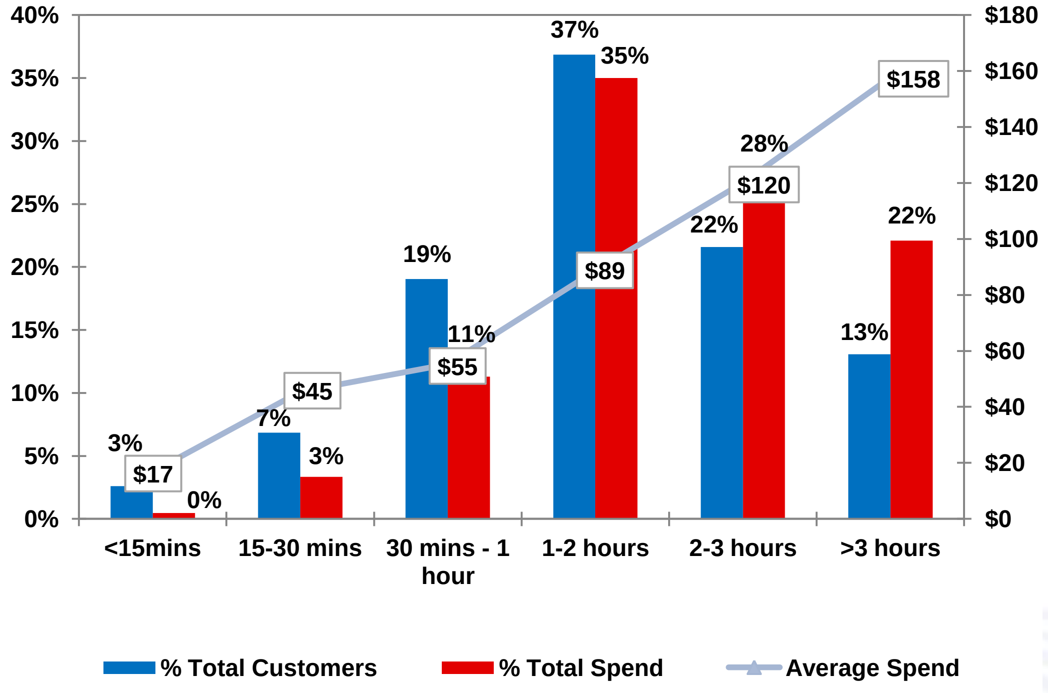
- Target Customers and Kmart Customers represent a similar breakdown of Leisure versus Mission Shoppers and share of spend is similar for each.
- However, Target Customers spend more on average than Kmart Customers who average $88 for Leisure Shoppers and $79 for Mission Shoppers.
- Target Customers and Big W Customers also represent a similar breakdown of Leisure versus Mission Shoppers.
- However, Target Customers who are Leisure Shoppers make up a slightly higher share of spend (42% vs. 39%) and spend more on average than Leisure Shoppers at Big W ($95 vs. $89).
- Average spend for Mission Shoppers at both DDSs was similar.

TARGET CUSTOMERS: *How they spend*

- **SPEND AT CENTRE BY 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. Target Customers spending less than 15 minutes in the centre have an average spend of **$17** at the centre, compared to customers spending over three hours with an average spend of **$158**. As expected, average expenditure increases as average time spent in the centre increases.

- Target Customers spend more or slightly more on average than Kmart Customers for all time bands except <15 minutes in the centre.
- Target Customers spend less than Big W Customers for visits to the centre of <15 mins and slightly less at 30 mins-1 hour.
- However, they spend slightly more when visiting for >3 hrs, hence this group makes up a higher share of spend than for Big W Customers (22% vs. 16%).



- **REGRESSION ANALYSIS**

When regression analysis is used to analyse spend versus time for Target Customers at Australian Centres, we find for every additional minute spent in the centre Target Customers spend an additional **$0.81** on average.

One minute more means about 81 cents more on expenditure from these customers.

- For Kmart Customers, one minute more equals 75c more spend.
- For Big W Customers, one minute more equates to 81c more spend.

TARGET CUSTOMERS: *Lifestage*

LIFESTAGE

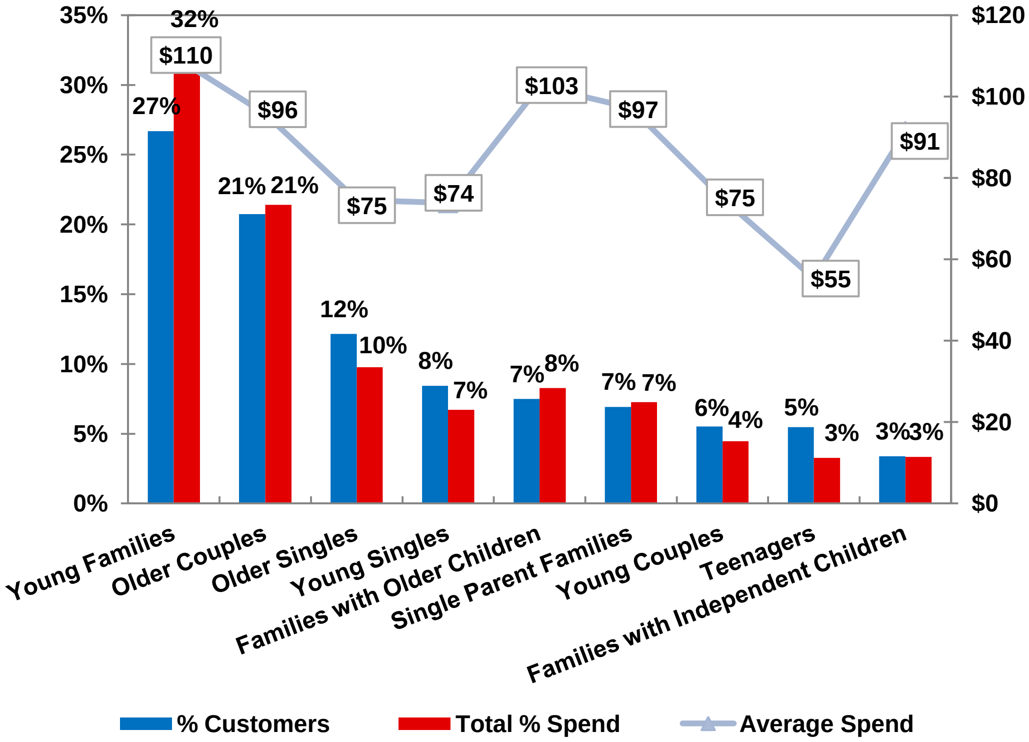
Target Customers at Australian Centres are represented by two main lifestages:

- **Young families 27%**
- **Older couples 21%**

- Although it is the dominant lifestage for both Target and Kmart Customers, Target Customers are slightly more likely to be in a Young Family (27% vs. 23%) and this lifestage constitutes a larger share of spend among Target Customers (32% vs. 26%).
- The reverse is true for Older Singles and Young Singles who are slightly more common among Kmart Customers (15% and 12% respectively).
- Across most lifestages, Target Customers spend more or slightly more on average, with the exception of Families with Older Children who spend a similar amount and Young Couples who spend less.
- Target Customers are slightly more likely to live in a Young Family than Big W Customers (27% vs. 23%) and this lifestage constitutes a slightly larger share of spend among Target Customers (32% vs. 28%), although it is also the dominant lifestage for Big W Customers.
- The reverse is true for Older Singles who are slightly more common among Big W Customers (16%) and make up a slightly larger share of spend there (14%).
- Target Customers who were in a Young Family, a Young Single, a Teenager, or from a Family with Independent Children spent more or slightly more than their Big W counterparts.
- Meanwhile, customers who were Older Singles spent slightly more on average if a Big W Customer.

SPEND AT CENTRE BY LIFESTAGE

Young Families account for the highest proportion of customers at **27%** and make up the highest proportion of spend at **32%**. This lifestage also has the highest average spend of **$110**.



● TARGET CUSTOMERS: *Trade Areas*

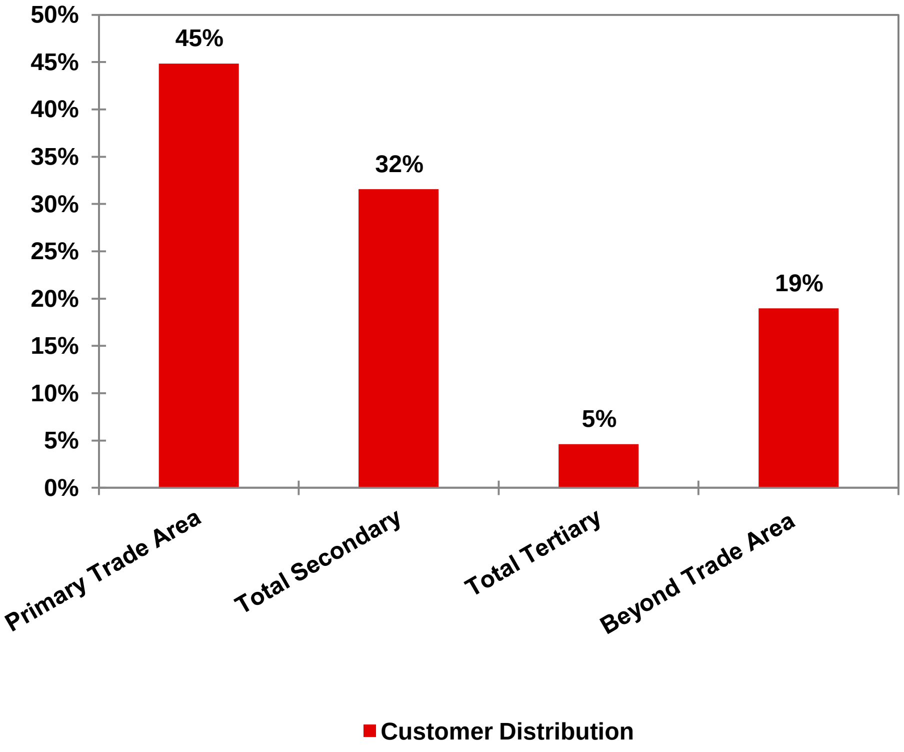
- **AUSTRALIAN CENTRE : TRADE AREAS**

45% of Target Customers live in the Primary Trade Area.

32% reside in the **Secondary Trade Area**.

A further **19%** live Beyond the Trade Area.

- The distribution of customers from each trade area is similar for Kmart Customers.
- Big W Customers are more likely than Target Customers to attract customers from the Primary Trade Area (45% vs. 52%).
- Target had a higher proportion than Big W coming from Beyond the Trade Area (19% vs. 13%) and a slightly higher proportion coming from the Secondary Trade Area (32% vs. 29%).

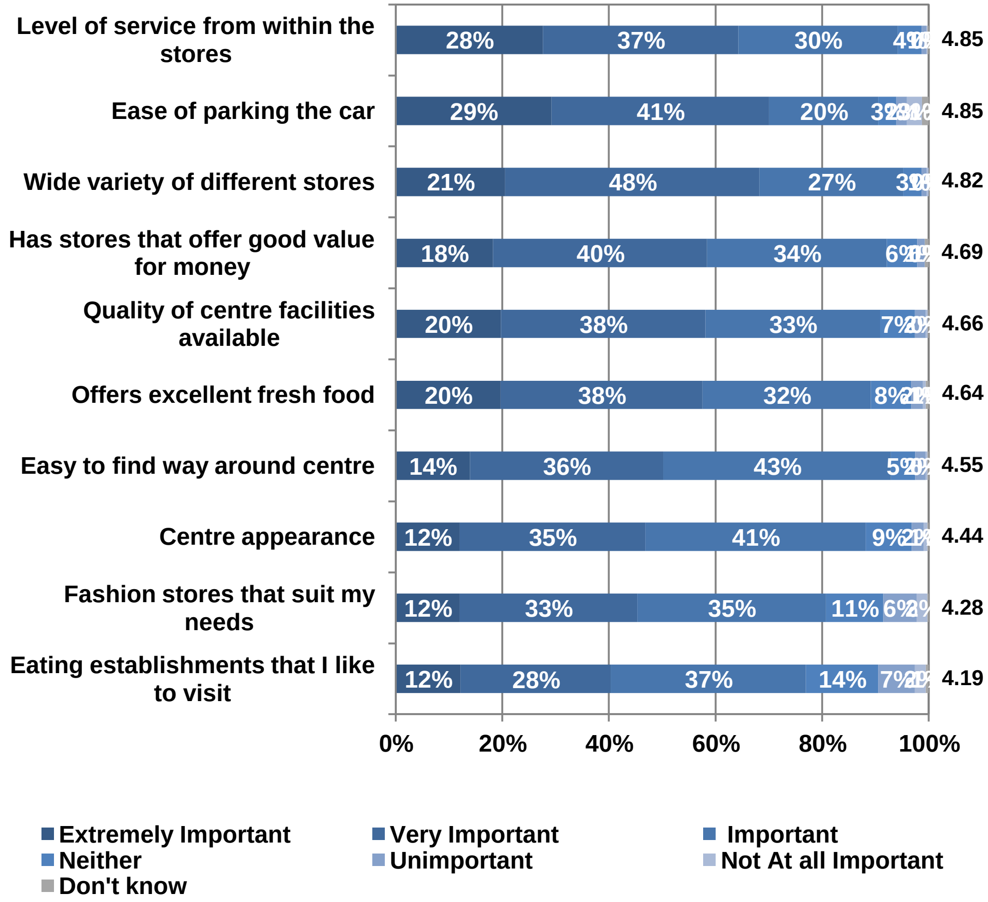


TARGET CUSTOMERS: *What's important*

IMPORTANCE RATINGS

Target Customers at Australian Centres were asked to rate different aspects of their subject centre 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. Level of service from within the stores and ease of parking the car were rated equally as the most important attributes by Target Customers, with a mean score of **4.85** each.

- Kmart Customers rated **ease of parking**, **fashion stores that suit my needs** and **eating establishments I like to visit** as less important than Target Customers.
- Big W Customers rated **level of service from within the stores**, **wide variety of stores**, **fashion stores that suit my needs** and **eating establishments I like to visit** as less important than Target Customers, while the opposite was the case for **stores that offer good value for money**.



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

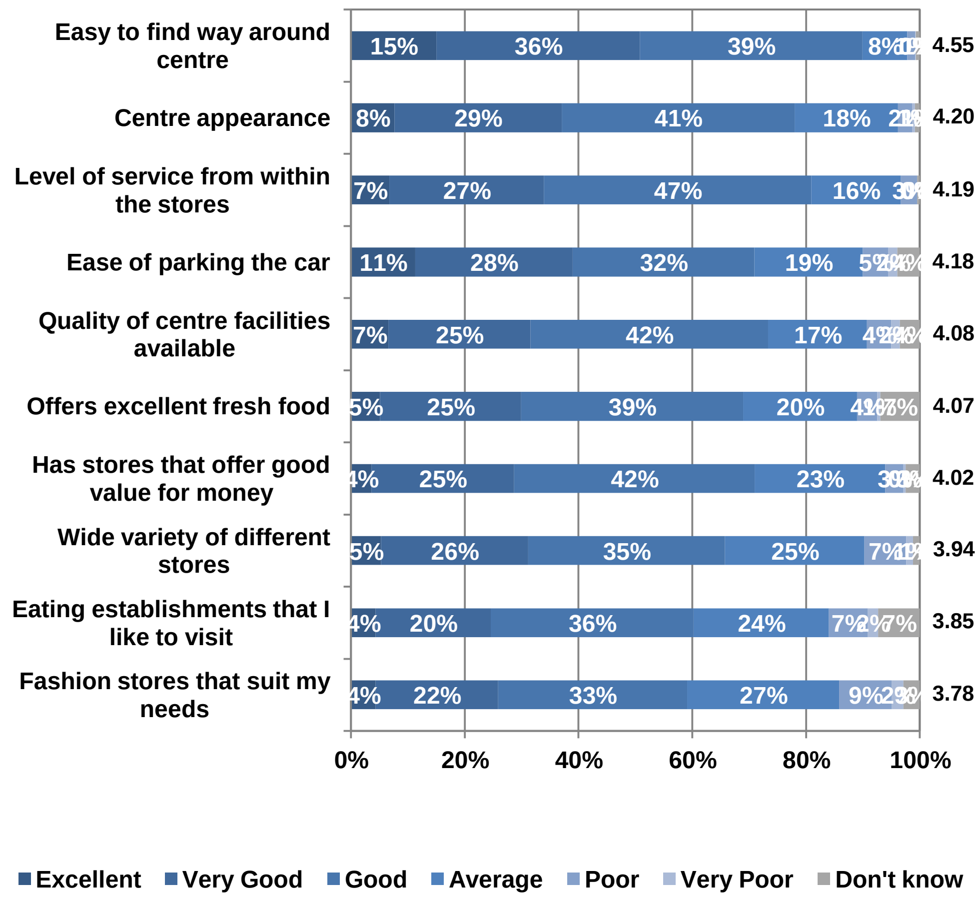
TARGET CUSTOMERS: *How centres perform*

PERFORMANCE RATINGS

Target 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.

Target Customers rated easy to find my way around the centre as the highest performing attribute, with a mean score of **4.55**. This was followed by centre appearance with a mean score of **4.20**.

- Target Customers rated **stores that offer good value** and **wide variety of stores** higher than Kmart Customers and rated **centre appearance** and **level of service from within the stores** lower.
- Target Customers rated **ease of parking, stores that offer good value** and **fashion stores that suit my needs** higher than Big W Customers.

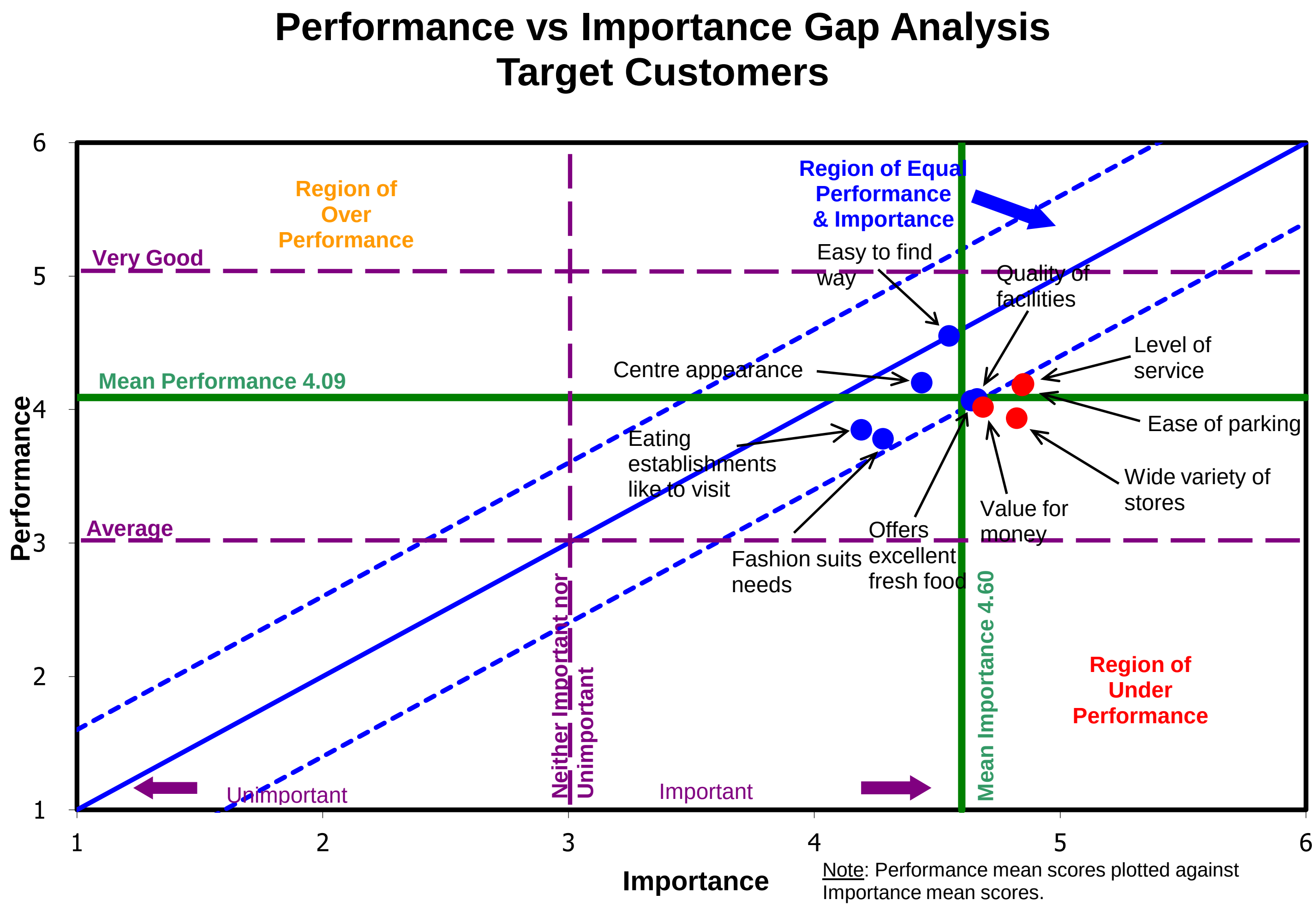


SIX POINT PERFORMANCE SCALE

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

TARGET CUSTOMERS: *Gap Analysis*

- **EVALUATION OF PERFORMANCE AGAINST IMPORTANCE**



The attributes meeting Target Customers' expectations were:

- Eating establishments I like to visit
- Centre appearance
- Easy to way around the centre
- Quality of centre facilities available
- Fashion stores that suit my needs
- Offers excellent fresh food

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

- Ease of parking the car
- Level of service from within the stores
- Has stores that offer good value for money
- Wide variety of different stores

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

Note: See Definition of Terms for Gap Analysis Methodology

TARGET CUSTOMERS: *How centres perform overall*

- **OVERALL PERFORMANCE**

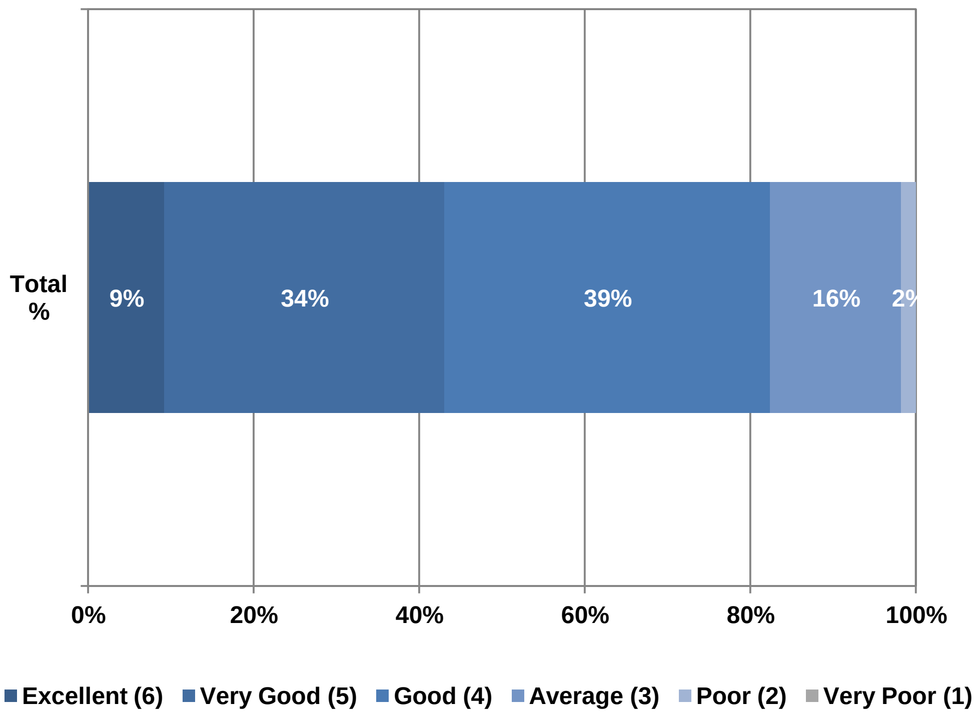
Overall, Target Customers gave the subject centre a score of **4.32** on a six point scale, indicating that an average Australian centre is considered to be **Good to Very Good**.

9% of Target Customers rated the subject centre as Excellent and **34%** rated it as Very Good.

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

- **SIX POINT OVERALL PERFORMANCE SCALE**

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



- Target Customers and Kmart Customers gave their subject centre similar ratings overall.
- Target Customers and Big W Customers also gave their subject centre similar ratings.

TARGET CUSTOMERS: *Shopping centre loyalty*

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

Target Customers were asked to name the centre where their main food and grocery shopping is undertaken. **33% of Target Customers use the subject centre for their regular food shopping.** 67% of Target Customers use another centre for their regular food shopping.

- Target Customers were more likely than Kmart Customers to use a centre other than the one interviewed in for their regular food shopping (67% vs. 60%).
- Target Customers were also more likely than Big W Customers to use a centre other than the subject centre for their regular food shopping (67% vs. 56%).

- **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. **48% of Target Customers indicated that they use the subject centre for their regular non-food shopping.** 52% of Target Customers use another centre for their regular non-food shopping.

- Target Customers were slightly more likely than Kmart Customers to use a centre other than the one interviewed in for their regular non-food shopping (52% vs. 48%).
- Target Customers were also more likely than Big W Customers to use a centre other than the subject centre for their regular non-food shopping (52% vs. 46%).

- **ONLINE SHOPPING**

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

- A similar proportion of Kmart Customers and Target Customers claimed they had shopped online in the past six months.
- The same proportion of Big W Customers as Target Customers claimed to have shopped online in the past six months.

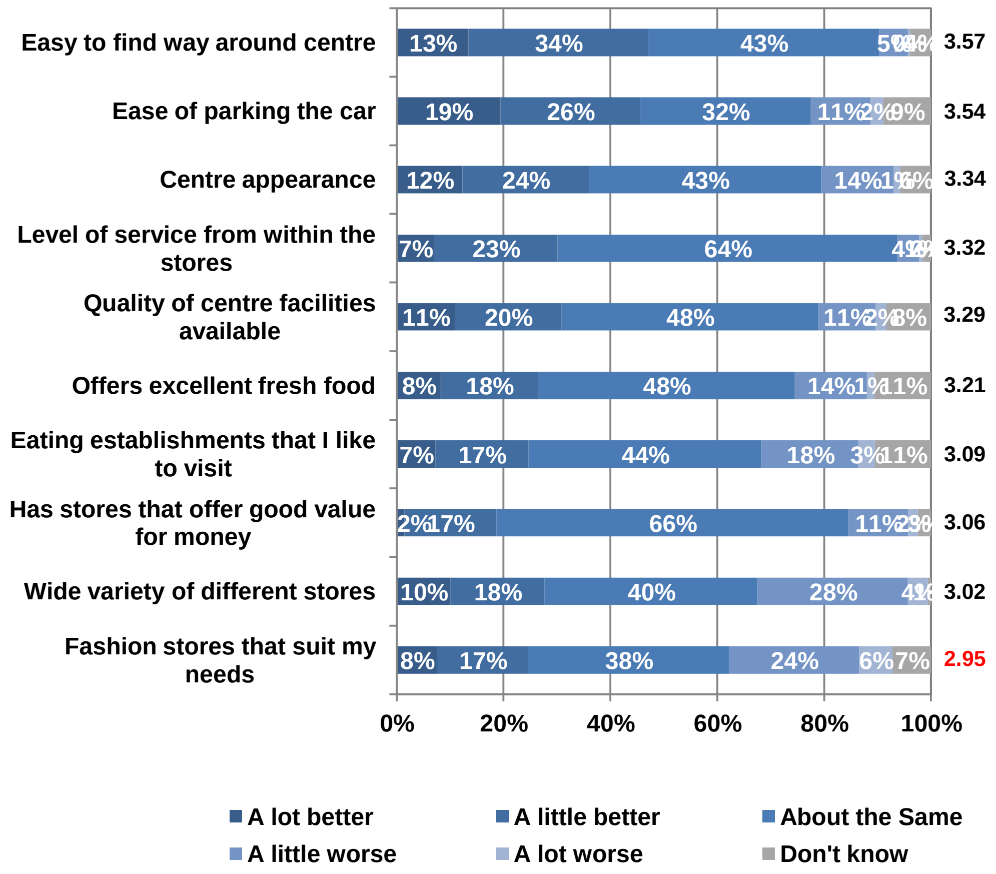
TARGET CUSTOMERS: *Centre vs. competition*

PERFORMANCE RATINGS COMPARED TO COMPETITION

Target 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 my way around the 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 suit my needs was the lowest rated attribute compared to the competition at **2.95**.

- Target Customers rated **centre appearance** and **fashion stores that suit my needs** lower on average than Kmart Customers.
- Target Customers rated **centre appearance** and **wide variety of different stores** lower on average than Big W Customers.

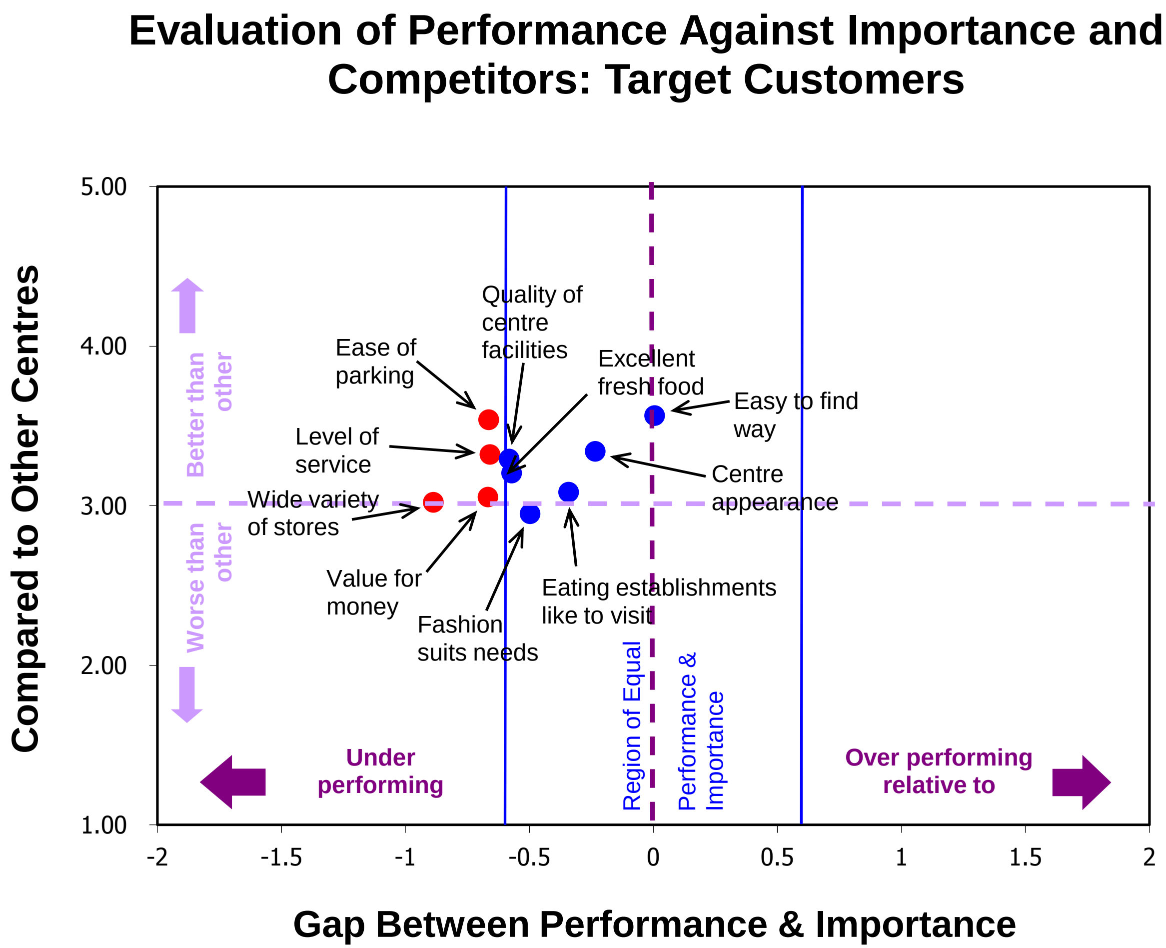


FIVE POINT SCALE

Rating	Meaning
1	A lot worse
2	A little worse
3	About the same
4	A little better
5	A lot better

● TARGET CUSTOMERS: *Competition Gap Analysis*

- GAP BETWEEN PERFORMANCE AND IMPORTANCE COMPARED TO THE COMPETITION



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

- Easy to find way around the centre
- Centre appearance
- Eating establishments I like to visit
- Excellent fresh food offers
- Quality of centre facilities available

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

- Ease of parking the car
- Level of service from within the stores

The attributes wide variety of different stores and has stores that offer good value for money underperform relative to their importance *and* are considered no better or worse than the competition.

The attribute fashion stores that suit my needs meets current Target Customers' expectations but underperforms compared to the competition.

Note: See Definition of Terms for Competition Gap Analysis Methodology

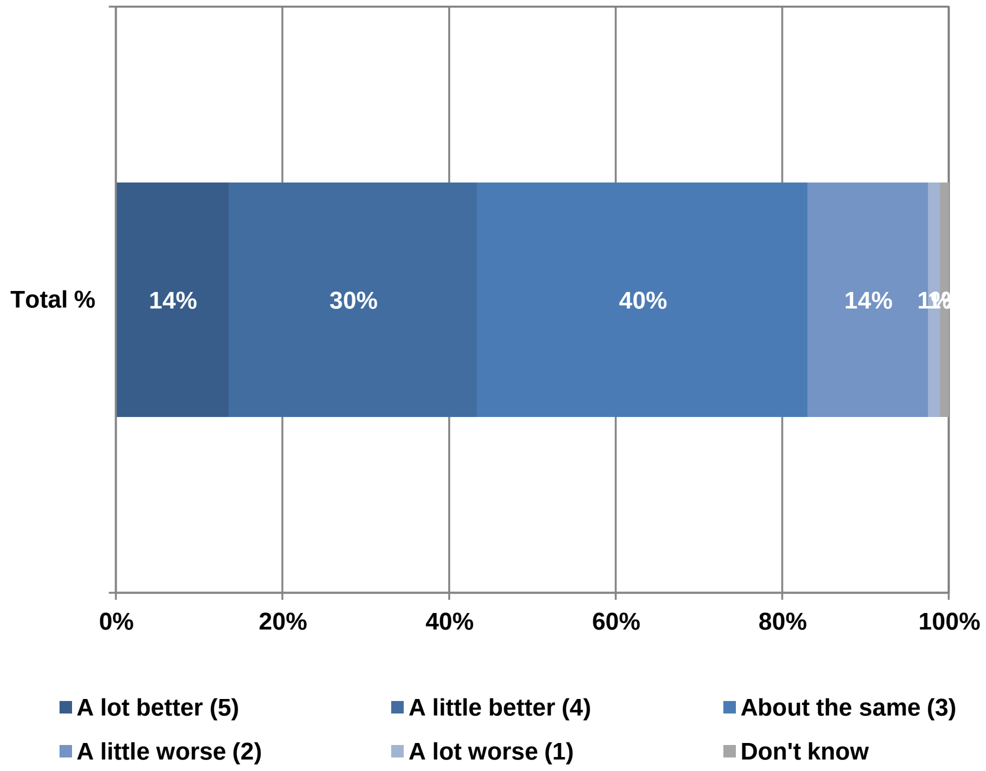
TARGET CUSTOMERS: *Overall centre performance vs. competition*

- **OVERALL RATING COMPARED TO THE COMPETITION**

Target 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 **3.25**, indicating that Target Customers consider the subject centre as **about the same to a little better** than the competition.

14% of Target Customers believed their subject centre was a lot better than the competition, while **30%** thought their centre was a little better. A further **40%** of Target Customers stated that they were about the same. The remainder thought they were a little or a lot worse.

- Target Customers rated their subject centre compared to the competition as slightly lower than Kmart Customers did on average (3.25 vs. 3.35) and were slightly more likely to rate it as 'about the same' (40% vs. 36%).
- Target Customers rated their subject centre compared to the competition as lower than Big W Customers (3.25 vs. 3.43).



- **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

● TARGET CUSTOMERS: *How they hear about what's going on*

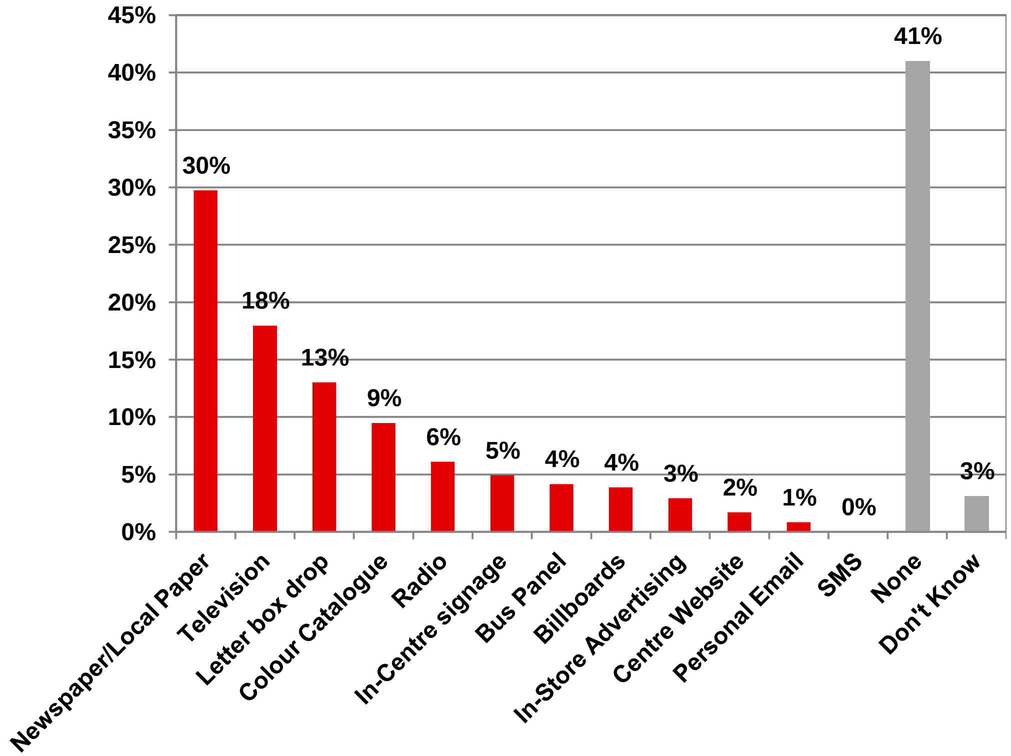
- **MARKETING AWARENESS**

Target 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 Target Customers at **30%**. This was followed by television marketing at **18%** and letter-box drops at **13%**.

41% of Target Customers were not aware of marketing at the Australian Centre they were interviewed in.

- Target Customers were slightly more likely than Kmart Customers to have seen marketing for their subject centre in a newspaper/local paper (30% vs. 27%).
- They were slightly less likely than Kmart Customers to have seen it in a letter box drop (13% vs. 18%) or a colour catalogue (9% vs. 12%).
- Target Customers were slightly more likely than Big W Customers to have seen marketing for their subject centre on television (18% vs. 14%).
- They were slightly less likely than Big W Customers to have seen it in a letter box drop (13% vs. 18%), colour catalogue (9% vs. 13%), radio (6% vs. 11%) and in-store advertising (3% vs. 7%).
- They were also slightly more likely to be unaware of *any* marketing for the centre than Big W Customers (41% vs. 38%).



TARGET CUSTOMERS: *How they prefer to hear about what's going on*

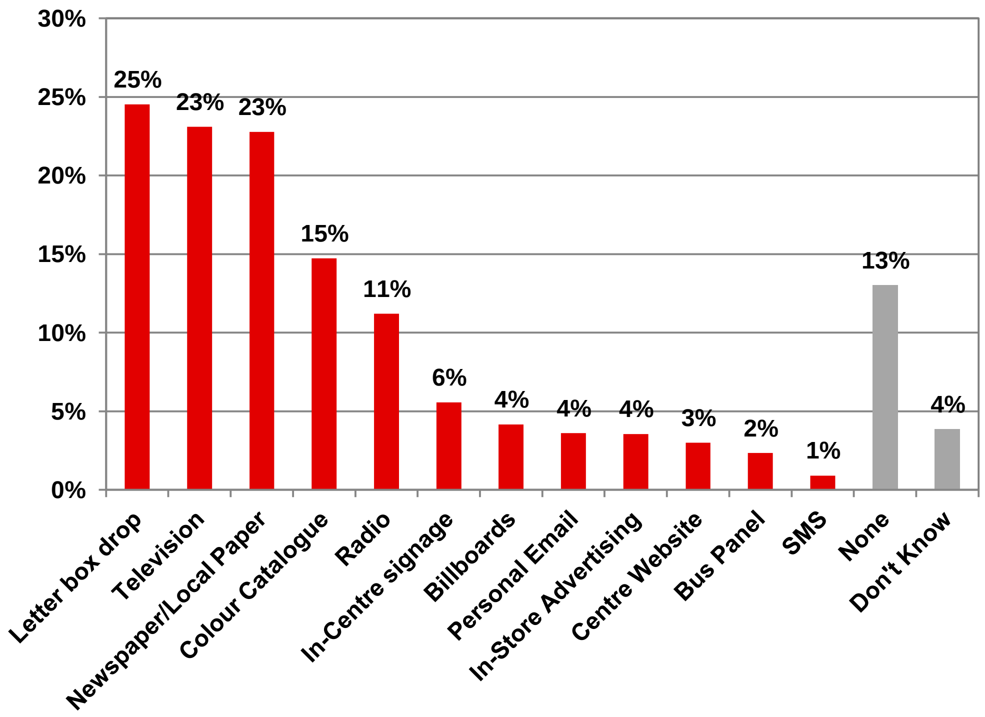
MARKETING PREFERENCE

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

Letter-box drop was the most preferred form of marketing at **25%**. This was closely followed by newspaper/local paper and television marketing at **23%** each.

13% of Target Customers either had no preference or preferred not to receive any marketing.

- Target Customers had similar marketing preferences to Kmart Customers.
- Target Customers were slightly more likely than Big W Customers to prefer marketing via in-centre signage (6% vs. 3%).
- Target Customers were slightly less likely to prefer marketing via the television (23% vs. 27%) and radio (11% vs. 14%) than Big W Customers.



TARGET 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.

TARGET 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/LEISURE**

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**

Directional Insights now operates a bi-monthly **eDirections** newsletter covering a range of topics. This research is an accumulation of our expert knowledge in these areas and is based on both our qualitative and quantitative research. Best of all it is FREE.

For more information go www.directional.com.au or join our mailing list – email info@directional.com.au with join mailing list in subject.

DIRECTIONAL INSIGHTS: *Report Disclaimer and Copyright*

Spotlight On

Target Customers

CONTACT US

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

Peter Kelly, Managing Director

Tel: 1300 138 651
Email: info@directional.com.au

Directional Insights
PO Box 1658
North Sydney NSW 2059

keeping you in touch

DIRECTIONAL INSIGHTS