Consumer Profiles and Behavior in Australian Shopping Centers

New Benchmarks for Assessing Mall Shopping Patterns

*MATTHEW BAILEY**

Abstract: *Australian shopping-center consumers tend to be purpose/mission-driven. Food/liquor/groceries purchases drive sales in centers of all sizes, although the diversity and strength of regional centers' tenant mixes results in more varied spending patterns, more time in center and more leisure shopping than in other center types.*

Since at least the early 20th century, women have been viewed as the principal shoppers in Australian households. Despite the many social and economic changes in the intervening years, the typical shopping-center customer is a female living with a partner, either with or without children at home. (See Table 2-1.) This was just one of the results of extensive customer-exit surveys in Australian centers[1] that elicited data on shopping-center patronage, expenditure and other demographic patterns. (Please see Box 2-1 for an explanation of the study's methodology.)

Figure 2-1
Profile of the Typical Australian Shopping-Center Customer (2011 Study)

Age	46 years
Gender	Female
Household Income	A$75,000
Occupation	Pensioner/ Professional/ Home Duties
Average Spending Per Center Visit (All Customers)	A$69
By Neighborhood Center	A$60
By Sub-Regional Center	A$69
By Regional Center	A$86
Average Trip Duration (minutes)	59
By Neighborhood Center	43
By Sub-Regional Center	60
By Regional Center	80
Average Frequency of Visits (weekly /less than once a week)	74.1%/ 25.9%
By Neighborhood Center	84.4%/ 15.6%
By Sub-Regional Center	74.6%/ 25.4%
By Regional Center	65.4%/ 34.6%

Source: Directional Insights

Australian shopping-center customers are in the workforce less than the national average. The dominant occupational/role groups were retirees/pensioners, professionals and those carrying out home duties. Average household income throughout the study period (2010-2012) was approximately A$75,000, with the average age of customers 46 years (although those under the age of 15 are not included in this calculation). Customers overwhelmingly traveled to shopping centers by car, with a high proportion engaged in shopping with specific purchases in mind. The strong food-and-grocery underpinning of Australian shopping centers was the main reason consumers visited.

Demographics

Females accounted for 72.3% of shopping-center customers. The highest proportion of customers consisted of those between 50 and 59 years of age (18.0%), with an approximate average age of 46 years.[2] Chart 2-1 indicates a relatively even distribution of shoppers across most age brackets, with the exception of smaller percentages of younger (15-20 years) and older (70 years and over) customers. The two dominant household living arrangements were "married/de facto with children at home" (30.4%), and "married/de facto no children at home" (27.0%). The average household size was 2.9 people, with the largest percentage of respondents living in two-person households (34.8%). Just under 50% of interviewees lived in households of three or more people.

Direct comparison with data from the most recent Australian Census (2011) is difficult for a number of these categories, as exit surveys recorded lifestage household

* Principal Consultant, Directional Insights

[1] Similar surveys have been conducted in the United States and Canada, with the most recent results published as articles by Jean Lambert and John Connolly, "After the Recession: Surprising New Patterns of U.S. Mall Shoppers," and John Connolly, "Canadian Mall Shoppers More Purposeful," both from *Retail Property Insights*, Vol. 18 (No. 2) 2011.

[2] Calculated from the midpoints of age brackets, and not including customers under 15 years of age.

Box 2-1

Methodology

Data for the current Australian report were combined from customer-exit surveys of 48 neighborhood, sub-regional and regional shopping centers in four states: New South Wales, Queensland, Victoria and Western Australia. The Property Council of Australia (PCA) defines neighborhood centers as local shopping centers comprising a supermarket and up to around 35 specialty shops, typically located in residential areas, catering to basic daily retail needs. The total gross lettable area of retail (GLAR) for neighborhood centers is usually less than 10,000 square meters (sq m). Sub-regional centers, with a GLAR of between 10,000 and 30,000 sq m, typically incorporate at least one full-line discount department store (DDS), a major supermarket and around 40 or more specialty shops. Regional centers, with GLAR typically ranging from 30,000 and 50,000 sq m, incorporate one full-line department store (although a large center with two DDSs can qualify), a full-line DDS, one or more supermarkets and around 100 or more specialty shops. Regionals provide a wide variety of retail, service and entertainment facilities. However, this is not as exhaustive as those in major regional or super-regional centers, which may contain more than one full-line department store.

The centers in which the 27,000 surveys were conducted were almost exclusively enclosed, climate-controlled malls entered from a surrounding parking lot that formed part of the property. However, this study does not include data from Australia's largest superregional center types. Shoppers had completed their visits just before being interviewed, thereby minimizing memory-based bias. (The impact of such bias is examined in Kanto T. Rintamäki, Antti Kanto, Hannu Kuusela and M. T. Spence, "Decomposing the Value of Department Store Shopping Into Utilitarian, Hedonic and Social Dimensions: Evidence from Finland," *International Journal of Retail and Distribution Management*, Volume 34, No. 1, 2006, pp. 6-24.)The surveys, which targeted a representative sample of shoppers over the age of 14, lasted 12 to 15 minutes, ranging in sample size from 400 to 800 customers, depending on center size. Members of the field team conducting the surveys were experienced and trained according to guidelines by Interviewer Quality Control Australia, a quality-assurance program designed to ensure reliable results in data-collection procedures. Moreover, all processes complied with ISO 20252, the Australian standard for market, opinion and social research.

The surveys, conducted between 2010 and 2012, collected demographic and income data as well as information about the customer's shopping trip. This included the reasons for visiting the center, mode of travel, frequency of visits, expenditure by product categories, time spent in the center, as well as whether the shopping trip was mission-oriented (i.e., shopping with a specific purpose, moving fairly quickly through the center) or leisure-oriented (leisurely paced, enjoying the shopping experience). The surveys took place from 2010 through 2012, each conducted with unique customers who were not interviewed for this study on any other occasion.

profiles more relevant to shopping patterns than the demographic categories used in the Census.[3] Nor can age data be compared with the Census, because the current report grouped respondents in five-year age brackets and excluded anyone under 15.

But the percentage of females interviewed was clearly much higher than their share of the population (50.6%), supporting the commonly held view, as noted above, that women are responsible for the majority of shopping purchases. Average household size among respondents also exceeded the Census average of 2.6, indicating that larger household and family structures translate into increased shopping activity. Where the Census recorded 24.3% of all households as composed of one person, only 15.5% of exit-survey interviewees lived in this household structure.

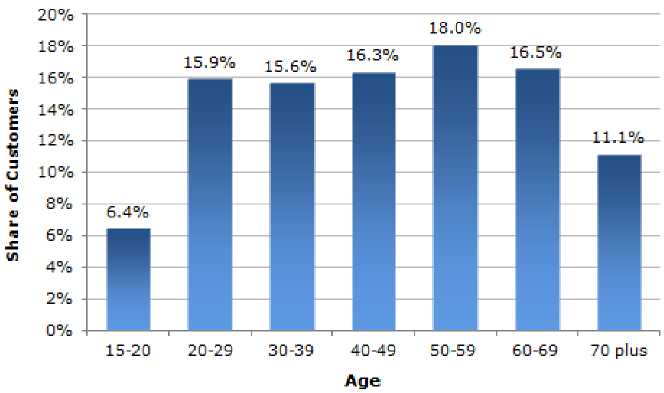
Differences also existed between employment status recorded in the exit surveys and similar data in Labour Force Surveys (LFS), Australia's official monthly measure of employment and unemployment. Taking a midpoint in our data collection time frame (2010-2012), LFS figures show that in August 2011, 43.2% of Australians aged 15 years and over were employed full time, with another 18.4% part time.[4] Among exit-survey interviewees, 35.0% and 18.9% were in full-time and part-time employment, respectively. While LFS figures show that 35.0% of the Australian population aged 15 years and over were not in the paid workforce, 46.0% of interviewees self-identified as belonging in this category. The lower rate of shopping-center patrons in full-time employment than the national average is unsurprising, given that the surveys were conducted across the full seven-day week.

Greater differentiation occurs when survey results about employment by occupation are compared to 2011 Census and Labour Force figures. In terms of occupation and roles among paid employees, as Table 2-1 demonstrates, the percentage of interviewees engaged in

[3] Australian Bureau of Statistics (ABS), *Census of Population and Housing*.

[4] Australian Bureau of Statistics, *Labour Force, August 2011*, p. 8.

Chart 2-1
Australian Shopping Centers: Share of Respondents by Age



Source: Directional Insights

Table 2-1
Occupations of Australian Shopping-Center Customers

Occupation	2011 Census	Share of Shopping-Center Customers by Occupation
Clerical or Administrative Worker	14.7%	16.2%
Community or Personal Services Worker	9.7	10.8
Laborer	9.4	3.7
Machinery Operator or Driver	6.6	3.0
Manager	12.9	13.5
Professional	21.3	35.7
Sales Worker	9.4	8.4
Technician or Trade Worker	14.2	8.7

Sources: Australian Bureau of Statistics; Directional Insights

male-dominated occupations such as trades, laboring and machinery operations were well below the Census figures, while professionals were over-represented compared with the Census figures.[5] Overall representation of clerical, community and sales occupations were statistically similar between Labour Force figures and the exit-survey data. And while these occupations can be largely described as female-dominated, this was even more the case among interviewees. To give one example, over 90% of interviewees recording their occupation as clerical were female, compared with the August 2011 Labour Force figure of 76%.[6]

In addition to those in the paid workforce, 20.7% of interviewees self-identified as being retired or pensioned. This was slightly higher than figures compiled using LFS and Australian Bureau of Statistics population data, which suggests that around 18.8% of the Australian population are retired (after removing those under 15 for comparability with this dataset).[7] Retirees make up an important yet relatively low-spending demographic, with shoppers in this group more likely to engage in leisure shopping and to make purchases in cafes. A further 14.8% of respondents self-identified as being primarily engaged in home duties.[8] The average household income among interviewees was A$75,034, derived by averaging midpoints in a 10-bracket income scale, which again makes comparable analysis difficult.

Shopping Patterns

While planning legislation has required many large suburban shopping centers in Australia to be built on public transport hubs, the car remains the main form of transport utilized for shopping trips to all center types. On the day of interview, 72.3% of customers drove to the shopping center, with an additional 8.6% arriving as car passengers. This results in customers placing a high importance on accessible and plentiful parking, and a propensity to be heavily critical of parking facilities if they are found to be wanting. Fewer than 10% of customers walked to the center, and even less caught public transport.

The way people travel to a center is obviously influenced by a range of factors and is therefore variable. One example is the availability of public transport; another is the type of center visited. Customers of small neighborhood centers, for example, were far more likely to walk (18.8%) than those shopping in regional centers (7.9%). The percentage of customers walking to neighborhood centers has also risen in the past two years, suggesting that faced with an increasingly globalized retail market, customers may be looking for a

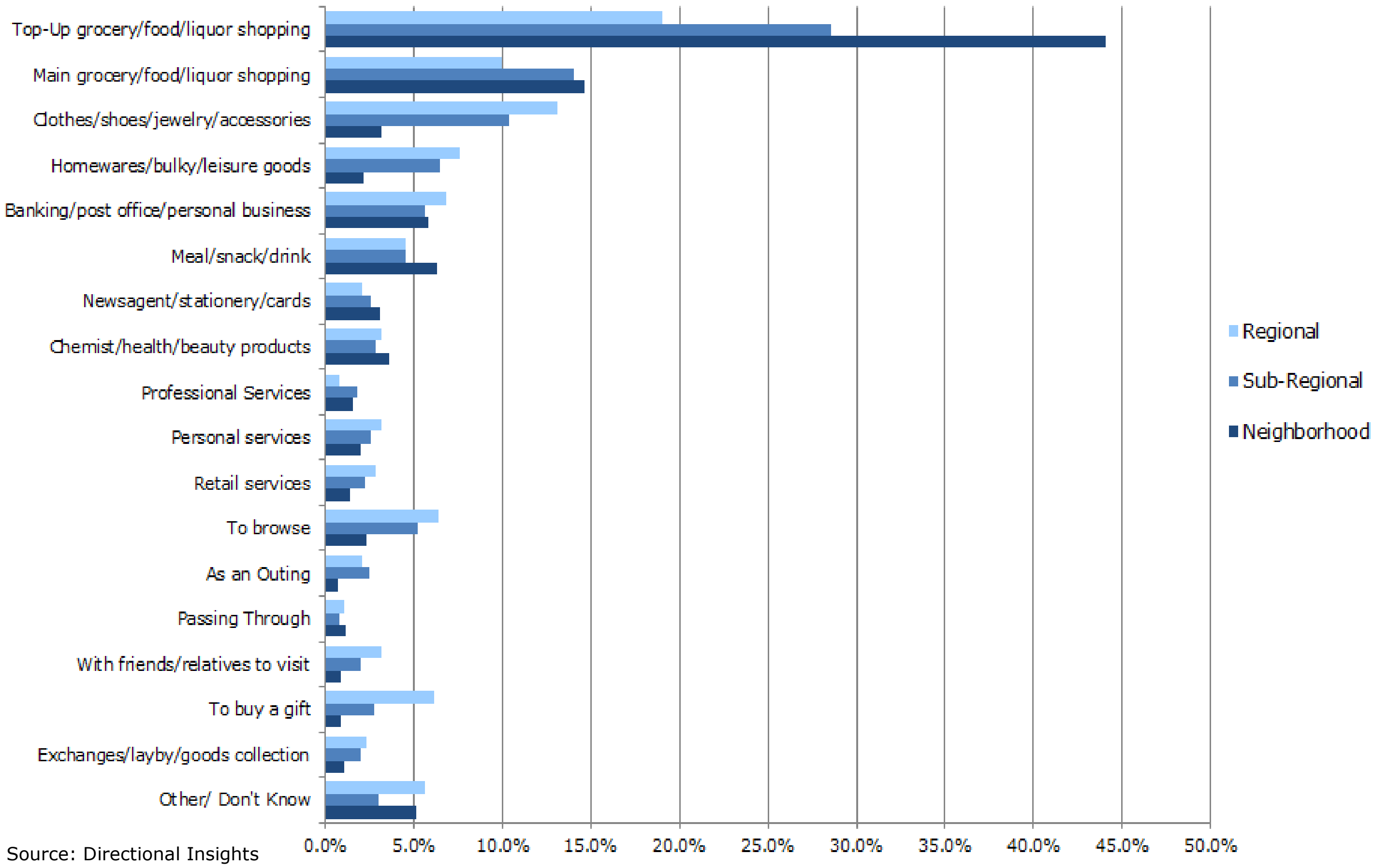
5 Australian Bureau of Statistics, *Census of Population and Housing*.

6 Australian Bureau of Statistics, *Labour Force*, Quarterly, February 2013, Table 07: "Employed Persons by Occupation and Sex."

7 Australian Bureau of Statistics, *Retirement and Retirement Intentions*, Australia, July 2010 to June 2011; *Australian Demographic Statistics*, June Quarter 2011.

8 While one might assume that this primarily refers to a stay-at-home parenting role, the category is general enough to include other types of relationship/household roles outside of paid employment that make it difficult to compare to any official figures on employment status.

Chart 2-2
Australian Shopping Centers: Main Reason for Visiting



Source: Directional Insights

more localized, community experience when engaged in everyday shopping activities.

In terms of frequency, customer visitation exhibits a "bell curve," peaking with 41.1% of customers shopping two or three times a week. It begins with just over 10% of customers shopping daily, and tails off with 10.8% visiting once a fortnight and 6.5% approximately once a month. Frequency of visitation, as expected, tends to decrease with the size of a center. This is largely driven by degrees of convenience and the types of shopping trip undertaken in the different center types.

Customers were asked to describe the type of shopping trip they were undertaking on the day of the interview as either mission- or leisure-oriented.[9] In surveys conducted for this report, 72% of customers described their shopping trip as purpose- or mission-driven, and 28% as leisure-oriented. The exception to this ratio occurred in regional centers where the size and diversity of offerings saw 33% of shoppers engage in leisure shopping activities. One of the chief differences between these results and those of academic studies, which have tended to record a dominance of recreational shopping, is that the exit surveys record actual shopping-trip behavior, not the psychological profile or motivations of shoppers which tend to get ascribed as fixed personality traits. The interviewed shoppers may shop in a mission pattern one day and on another trip may leisurely browse for discretionary items.

Another difference between the results of the exit surveys and international research into recreational and utilitarian shopping derives from the distinctive tenant mix of Australian centers: local neighborhood centers through to super-regionals all have strong retail food offers through supermarkets and specialty fresh-food outlets, with the larger centers grouping these in precincts. This tends to attract a more mission-oriented consumer,

[9] International academic research on utilitarian and hedonistic shopping behavior has tended to see the latter, or recreational shopping, as a predominant feature of consumer activity in malls. See, for example, Danny N. Bellenger and Pradeep K. Korgaonkar, "Profiling the Recreational Shopper," *Journal of Retailing*, Vol. 56 (Fall) 1980, pp. 77-92, and Abhik Roy, "Correlates of Mall Visit Frequency," *Journal of Retailing*, Vol. 70 (Summer) 1994, pp. 139-162.

Table 2-2
Australian Shopping Centers: Commodity Group Expenditures

Commodity Group	Share of Customers Purchasing	Share of Total Spending	Average Spending (All Customers)	Average Spending (Customers Purchasing Only)
Neighborhood Shopping Centers				
Total Retail	**91.5%**	**100.0%**	**A$59.92**	**A$65.52**
Apparel	7.8	7.9	4.71	60.03
Bulky Goods	0.6	0.1	0.09	13.86
Food Catering	21.1	3.0	1.82	8.64
Food Retail	73.1	73.5	44.02	60.21
General/Leisure	21.9	8.4	5.03	22.94
Homewares	6.0	2.8	1.68	27.96
Retail Services	5.2	4.3	2.57	49.75
Sub-Regional Shopping Centers				
Total Retail	**91.5%**	**100.0%**	**A$69.27**	**A$75.70**
Apparel	21.8	19.3	13.38	61.23
Bulky Goods	1.1	0.8	0.53	49.22
Food Catering	26.1	3.9	2.69	10.31
Food Retail	58.1	52.2	36.17	62.27
General/Leisure	23.1	10.9	7.55	32.72
Homewares	11.9	9.5	6.57	55.26
Retail Services	5.5	3.4	2.37	42.74
Regional Shopping Centers				
Total Retail	**90.8%**	**100.0%**	**A$86.23**	**A$94.96**
Apparel	29.7	33.0	28.46	95.94
Bulky Goods	0.9	0.1	0.08	9.23
Food Catering	34.8	4.7	4.04	11.62
Food Retail	46.9	33.8	29.16	62.20
General/Leisure	28.2	13.2	11.42	40.44
Homewares	13.6	10.5	9.02	66.27
Retail Services	7.3	4.7	4.05	55.48

Source: Directional Insights

although leisure shoppers do also purchase in the food retail category.

While neighborhood centers rely more heavily on their food offering, grocery shopping contributes considerably to the turnover of even the largest Australian shopping centers. This is made clear in Chart 2-2, which indicates the main drivers for customer visitation. The data are derived from a single-response question in which interviewees were asked to indicate their main reason for visiting the center on the day of the interview. Overall, top-up and full-scale-grocery food-and-liquor shopping collectively accounted for 40% of responses. And while the convenience and efficiency of neighborhood centers drew far more people doing top-up grocery shopping, food retail still brought many customers to regional centers.

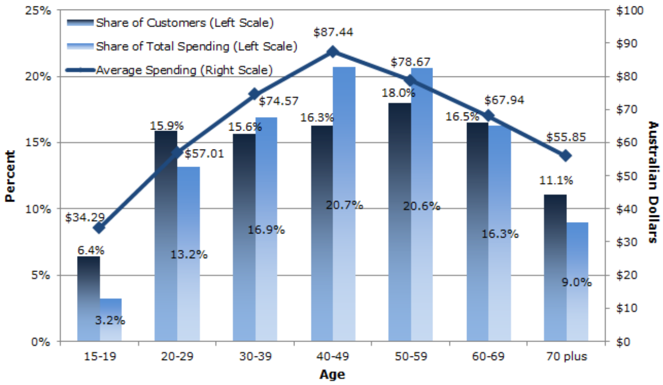
Expenditure Patterns

Overall, 91% of surveyed customers made a purchase while in centers—a figure relatively consistent across center types. Customers indicated that the main type of goods and services they purchased were fresh food, liquor, and groceries (56%) and clothing, shoes, jewelry and accessories (22%). As Table 2-2 indicates, food retailing dominated neighborhood centers with expenditures more diverse at the regional level—as expected due to their offering and positioning.

The "general and leisure" category—which includes drugstore and news-stand purchases, as well as books, music, sport and toy products—has experienced significant structural change as a result of online competition in recent years, but overall still drew purchases from 24% of customers for 12% of total in-center spending. As Table 2-2 indicates, the percentage of customers purchasing, percentage of total spending, and amount spent in this category, all increased from neighborhood, to sub-regional to regional centers.

Take-out food outlets, cafes and restaurants attracted purchases from 27% of customers, but because of the low

Chart 2-3
Australian Shopping Centers: Share of Customer Spending and Average Spending by Age



Source: Directional Insights

average spending in this category accounted for just 4% of total expenditure.

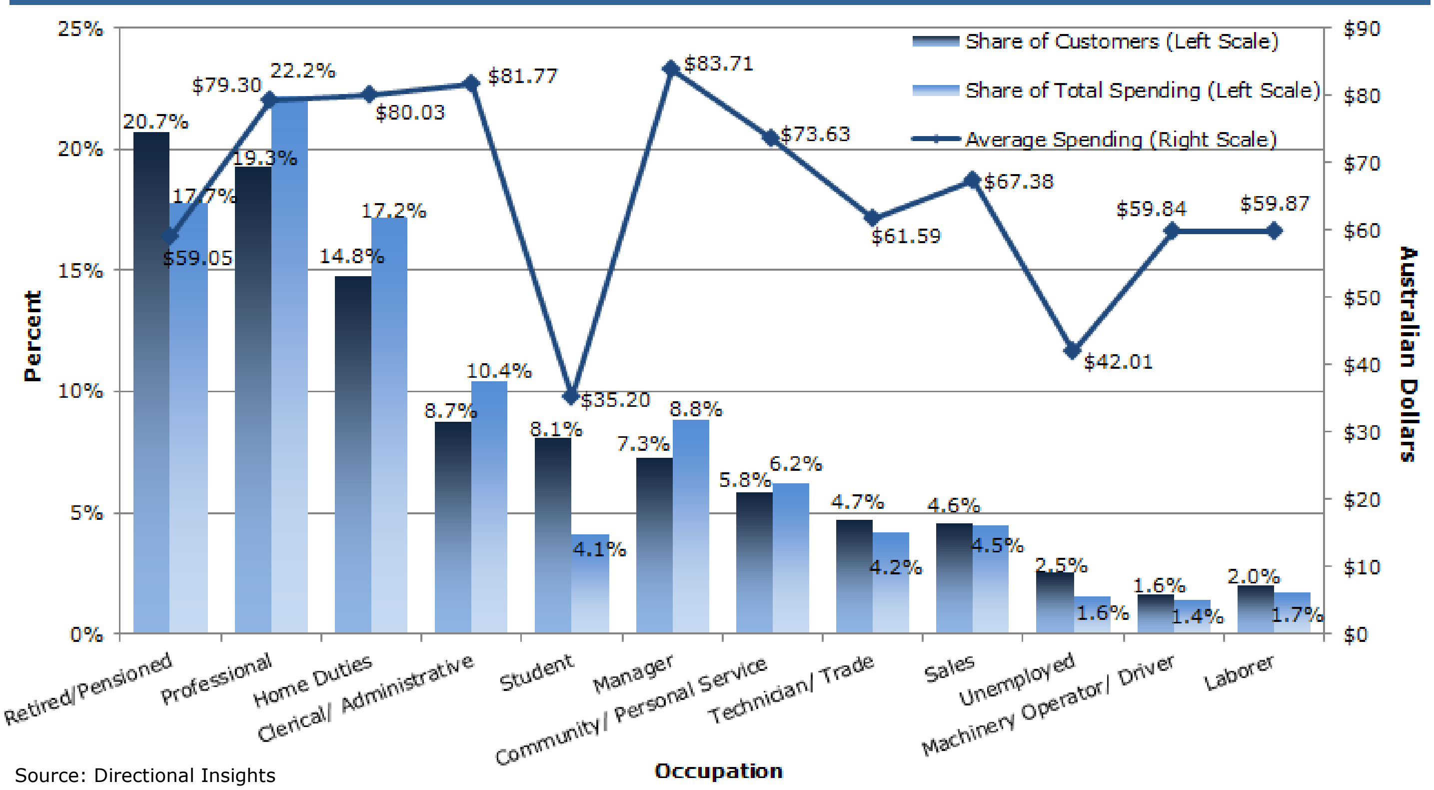
There are distinct differences in purchasing behavior by gender: females accounted for 79.3% of center expenditures. While females spent on average considerably more (A$76) than males (A$51)—measuring all customers, not just those who made a purchase—they also demonstrated a higher propensity to spend (92.3% vs. 86.7%). While these are overall figures, the pattern and ratios are relatively consistent across center types.

Centers, then, need to make sure they adequately meet the needs of female shoppers. This includes such fundamentals as providing clean, sanitary toilets and change rooms, as well as catering to higher-level experiential needs such as "me-time" shopping. There should also be more investment to encourage male visitation, from tenant mix through to the efficiency of the shopping experience.

Indicating the value of recreational shopping, the average spending of those who were leisure-oriented (A$75) exceeded that of mission shoppers (A$66). This can be largely explained by their shopping patterns: leisure shoppers visit a wider variety of stores, spend more time in centers, are less focused on food retailing, are more likely to visit cafes or take-away eateries, and are more likely to shop with companions.[10]

As Charts 2-3 and 2-4 show, age and occupation were also important determinants of expenditure. Shoppers in

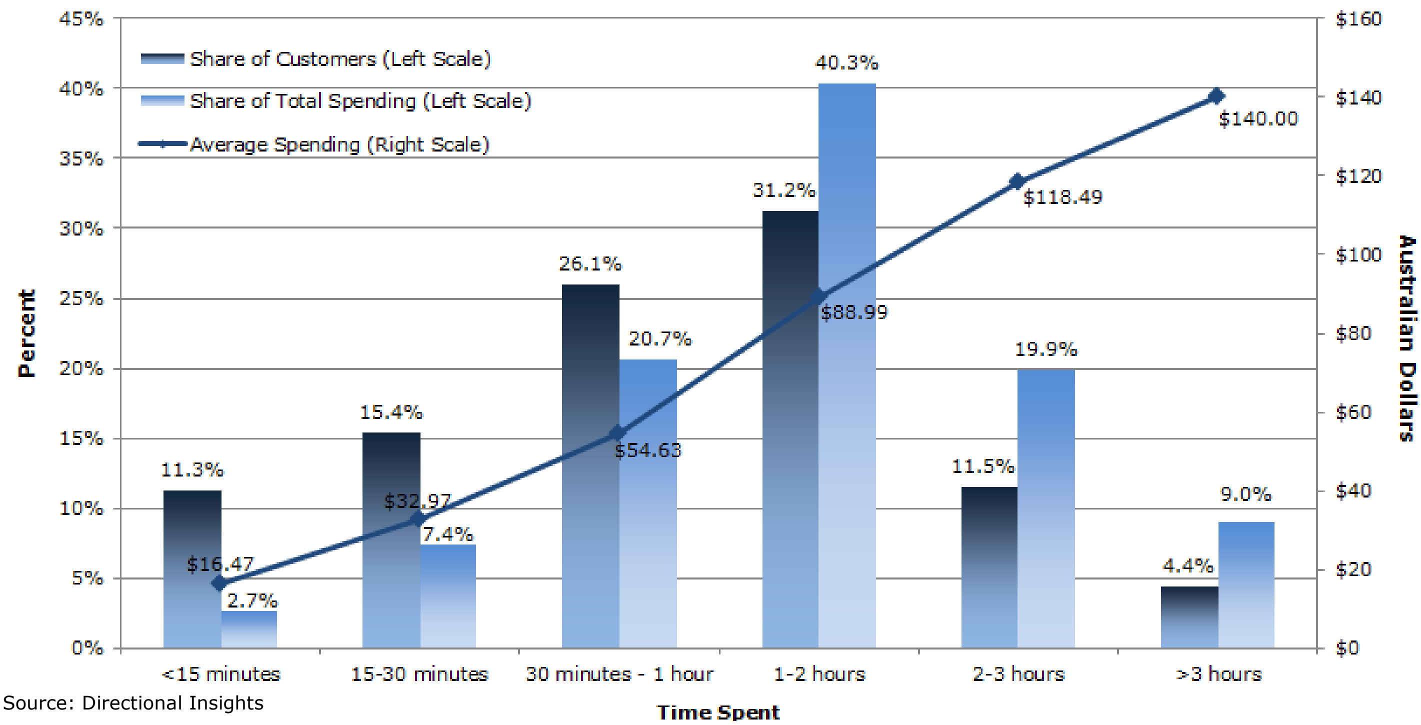
Chart 2-4
Australian Shopping Centers: Share of Customer Spending and Average Spending by Occupation



Source: Directional Insights

[10] Academic research has suggested that consumers shopping with companions visit more areas of stores and make more purchases than those shopping alone. See, for instance, R. Sommer, M. Wynes, and G. Brinkley, "Social Facilitation Effects in Shopping Behavior," *Environment and Behavior*, Vol. 24 (No. 3), 1992, pp. 285–297, and A.G. Woodside and J.T. Sims, "Retail Sales Transactions and Customer 'Purchase Pal' Effects on Buying Behavior," *Journal of Retailing*, Vol. 52 (No. 3), 1976, pp. 57–64.

Chart 2-5
Australian Shopping Centers: Expenditures by Dwell Time in Center



Source: Directional Insights

their forties, for instance, on average spent around A$8 more than the next closest age cohort, largely because of the greater likelihood of consumers in this age bracket being in established family and career life-stages. The broader peak between 30 to 60 years of age can be attributed to the same factors.

Not surprisingly, customers employed in higher-income occupations, such as professionals and managers, had higher average spending, as did those engaged in home duties who were more likely to be shopping for households or other individuals. Consumers employed in clerical and administrative roles also had high average spending. While these customers spent more on all categories except bulky goods than the Australian shopping center average, they showed particularly strong spending on apparel, with those making a purchase averaging A$80.53 per shopping trip compared with the overall average spend on apparel of A$68.92. They also had a much stronger propensity to spend on apparel than the average. Their higher spending is at least partly explained by the fact that over 90% of shopping center customers employed in this category were female. They were also more likely to be in family lifestages with children at home, suggesting that the purchases were not for them alone but for these children and possibly male spouses as well.

Shopping Time

Shoppers spent an average of 59 minutes in centers.[11] This survey ranged from an average of 43 minutes in neighborhood centers to 80 minutes in regional centers. Where the majority of customers at the former had completed their shopping trip within an hour, 27% of shoppers at the latter shopped for two hours or more. This survey ranged from an average of 43 minutes in neighborhood centers to 80 minutes in regional centers. Where the majority of customers at the former had completed their shopping trip within an hour, 27% of shoppers at the latter shopped for two hours or more.

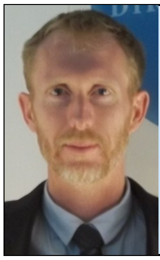
Linear regression analysis shows that for every additional minute spent in the center, customers spent, on average across all center types, an additional A$0.76. Chart 2-5 indicates customer expenditure by time in center. Spending per minute is highest in neighborhood centers (A$0.79) because of the dominance of supermarkets in the tenancy mix and the more targeted mission-focused shopping trip that this encourages. Spending per minute drops to A$0.73 in sub-regional centers. In previous studies regional centers, too,

[11] Calculated from midpoints of surveyed shopping-time brackets.

garnered around A$0.73 per minute but strong investment and marketing programs over the past two years, as well as the strength of regionals in the mining-boom state of Western Australia, has resulted in strong per-minute expenditure of A$0.79 in this study.

Conclusion

Customer-exit surveys, along with market and center assessments, provide valuable information for redevelopment and leasing strategies, as well as marketing and promotional activities in shopping centers.[12] Yet comparatively little had been published on patterns of shopping-center usage in Australia. These results, then, offer the opportunity to fill in a significant piece of the shopping-center puzzle.



Dr. Matthew Bailey is Principal Consultant at Directional Insights, a Sydney, Australia-based company. He also researches retailing and consumer behavior at Macquarie University, Sydney. For eight years he has been researching Australian shopping-center development, focusing on structural change in the retail industry and the changing experiences of consumers within retail environments. He wrote his doctoral thesis on shopping-center development in Sydney, and has a forthcoming book on the city's postwar retail history. He has presented his research at national and international conferences, and published in academic journals and edited collections. He can be contacted at: matthew@directional.com.au.

[12] International Council of Shopping Centers, *Market Research for Shopping Centers*, International Council of Shopping Centers, New York, 2005.