

media:release

## AUSTRALIAN WOMEN NOT YET READY TO LEAD RETAIL RECOVERY

- *Early signs of an emerging retail recovery; yet shoppers remain “super careful, fragile and realistic”*
  - *1 in 10 now have a budget as a direct result of the GFC*
  - *Gen Y spending more bullish than older generations*
  - *Men leading a return charge to the fashion front*
  - *Brisbane shoppers feeling the pinch the most*
    - *Spending on ‘staycations’ set to rise*

**Sydney 13 April 2010** – To misquote Mary Poppins, Australian female shoppers remain super careful, fragile and realistic according to the latest AMP Capital Shopping Centres *Shopping Intent Survey*, the largest shopping behaviour study undertaken in Australia over the past 12 months.

The study, which looks at 16 major retail categories, reveals shoppers’ intentions to spend is building momentum. However, with Australian women intending to spend less in all 16 categories, it is clear their confidence needs to be restored before many retailers start to see the desired recovery.

Stuart Langeveldt, head of marketing and communications at AMP Capital Shopping Centres (AMPCSC), said: “Many Australian women carry the prime responsibility of running the household and caring for their families. As a result, they are often more sensitive to signals coming from Governments, businesses and their communities, and right now they are picking up mixed messages.

“With a Federal election imminent and interest rates expected to rise further, Australian women are hedging their bets on possible scenarios, in order to protect their families.

“Historically, women have always led retail recoveries and although many intend to spend less in several categories, there are clear signs of improvement from 12 months ago.

“Women are still in the market for sales, and are setting budgets for their spending. They are planning for the worst but hoping for the best,” he said.

Every six months for the past year, through research firm Directional Insights, AMPCSC has measured shoppers’ buying behaviour according to their level of intent to spend across 18 major retail categories, ranging from everyday purchases to big ticket items. The survey ranks shoppers’ intentions as being to spend “less”, “the same” or “more” in each category.

More than 2,000 Australian shoppers, including concentrated samples in Melbourne, Brisbane and Sydney, took part in the AMPCSC *Shopping Intent Survey* at the end of February 2010.

### **Summary of key findings – Australian shoppers are optimistic but controlled, and are watching the pennies**

Retail categories hardest hit by the GFC in February 2009 that are now starting to show positive signs of recovery are:

- **Eating out in cafes and restaurants:** Has seen the biggest shift in spending behaviour over the past year. Those spending the same or more rose to 55% compared with 35% for the same period last year.
- **Clothing shoes and accessories:** Fell out of fashion in early 2009 when 50% of shoppers said they would spend less. Today, however, 65% of shoppers are spending either the same (56%) or more (9%) and only 33% are spending less.
- **Going out to theatres, movies and bars:** Nearly 55% of Australians intend to spend more (9%) or the same (45%) on entertainment, compared to 37% in February 2009, representing a 17% point improvement.
- **Buying take away food:** 40% of Australians are spending less on take away food compared to 54% last year, and around 54% are spending the same or more compared with 38% in February 2009.

Despite a high proportion of women remaining reluctant to loosen their purse strings just yet, early signs of an emerging retail recovery are evident in the increased number of people aged 35 and older, typically with higher disposable incomes, who are spending more.

Younger generations are showing the most confidence, with those aged 18 to 24 representing the largest group of shoppers spending more today than in February 2009.

Commenting on the behavioural findings, Managing Director of Directional Insights, Helen Bakewell, said: "Shoppers have loosened up their spending somewhat in those areas which allow them a break from some of the day-to-day stresses of the past 18 months.

"The past 12 months shows a gradual trend back to more considered spending. Retailers have reason to be optimistic but they will need to be patient, as many shoppers are still cautious about what lies around the corner," she said.

On a city-based comparison, shoppers' confidence in Brisbane is more fragile than in Sydney and Melbourne. In every category tested in the survey, Brisbane shoppers represented the highest proportion of people intending to spend less. Brisbane shoppers also represented the lowest proportion of consumers intending to spend more in all but take-home foods and groceries.

### **The Outlook**

The AMPCSC *Shopping Intent Survey* also looked at categories Australians think other shoppers will be spending most on in 2010. In addition to take home food and groceries, 44% of Australians believed 'staycations', or local holidays, are set to take off, particularly among older people. More than 50% of respondents aged 55 or more saw staycations as the big mover, compared to only 32% of 18 to 24 year olds.

Spending on technology items – including iPods, Xbox's and mobile phones through to inexpensive fashion and lottery tickets – were also identified as categories respondents thought Australians would be splashing out for this year.

People in Melbourne expect to be dining out more this year, in Sydney they'll be boarding a plane heading overseas for a holiday, and in Brisbane people expect to be entertaining at home more over the next 12 months.

Mr Langeveldt from AMPCSC said: "These findings reveal interesting insights on Australians' perceived optimism toward the market, and the retail categories in which we can expect to see recovery gather pace in the year ahead.

"In the meantime, retailers will need to continue to find innovative ways to appeal to cost conscious buyers," he concluded.

### **74% of Australians counting on a budget**

The survey showed a significant shift in the mindset of Australian shoppers in their willingness to embrace budgeting. Almost 50% of Australians said they now used a budget to manage their spending levels, with one in ten implementing a budget since the GFC hit and a further 14% planning to use one.

Mr Langeveldt said: "Budgets are here to stay as a result of the GFC and I believe it's a positive outcome. Australians are managing and planning their spending in a more considered way."

**-ENDS-**

**For further information, please contact:**

Scott Gillespie  
National Marketing Communications & Sponsorship Manager  
AMP Capital Shopping Centres  
02 9257 1478 or 0417 233 670

Hugo Shanahan or Sarah Craig  
Sefiani Communications Group  
02 8920 0700 or 0410 253 126