

## Media Release



### Study finds 85% of connected Australians use internet to help them shop in-store

- Australian shoppers demanding new rules of engagement from retailers – anytime, anywhere and across multiple channels
- Australians want to keep the dream alive in-store and in-centre
- Bricks and mortar retailers have the opportunity to dominate ‘leisure’ shopping

AMP Capital Shopping Centres’ (AMPCSC) annual *Recommended Retail Practices Report 2011 (RRP): Consumer Connections* into Australia’s \$240 billion retail sector reveals that 85% of shoppers who are online are using some form of digital media to support their in-store shopping. That means around 5 million Australian households are online researching, ‘talking’ to friends, comparing, seeking advice or even leaving comments on websites about their shopping.

AMPCSC’s Head of Marketing and Communications, Stuart Langeveldt, explained that the structural shift in the Australian retail sector is not as simple as the “online versus in-store” dichotomy.

“Our findings clearly show shoppers expect a seamless integrated experience from their desktop to their smartphone to the store itself; it’s the new baseline service expected from retailers,” Mr Langeveldt said.

“Connected Australians expect digital access wherever, whenever and however they want. They don’t expect their shopping experience to be any different.”

The average Australian uses six forms of digital media to help them shop. They include a mix of:

- |                                 |                                 |
|---------------------------------|---------------------------------|
| ○ Internet search engines (61%) | ○ Retailers’ newsletters (37%)  |
| ○ Retailer websites (50%)       | ○ Manufacturers’ websites (36%) |
| ○ Email alerts (40%)            | ○ Facebook (23%)                |

“Let’s not forget that ‘in-store’ is still the main game accounting for more than 95% of all retail sales. The fact is customers still want to go in-centre and touch, feel, taste and be part of a wonderful retail experience,” he said.

“Certainly, while shoppers are increasingly connected, demanding and eager to be catered to by new technology, this has led to a concurrent and opposing trend, in that people crave human contact and sensory experiences. Consequently, the industry needs a two-pronged approach to meet these complex consumer needs.

“This presents an enormous opportunity for bricks-and-mortar retailers. As a result, we believe Australian retail is on the cusp of unprecedented change.

“Our research clearly shows Australian shoppers want to keep the dream alive in-store and in-centre. This means bricks-and-mortar retailers are in a dominant position to capture and lead the ‘leisure’ market by dialling up the sensory ‘touch and feel’ experience of in-store shopping. We call this the **REWIND** advantage. Simply put, shoppers are looking for outstanding customer service, sensory stimulation, social interaction and genuine sales,” said Mr Langeveldt.

“On the other hand, consumers want a digitally integrated, tailored shopping experience at their fingertips. They are looking for downloadable centre store guides, access to stock details and whether it’s in the right size and colour, exclusive deals, and notifications about happenings, specials and anything new. We’ve called this the **FAST FORWARD** advantage.

“Forward-thinking retailers such as Apple, Selfridges and Tesco are delighting shoppers and growing revenue across all their business areas by embracing technology to enhance the in-store experience.

“It’s a combination of both of these elements that will be the winning combination for Australian retailers,” he said.

## Australian shoppers view on Australian retailers

Helen Bakewell, Managing Director of Directional Insights – a leading retail research firm commissioned to undertake the research on behalf of AMPSC – said shoppers believe Australian retailers have been slow to embrace changing trends.

“They have also told us they get better price and wider choice from overseas retailer websites. However, they trust Australian retail brands and want them to do well. This is good news and a great place to manage necessary change and evolution,” Ms Bakewell said.

Currently, consumers are spending around \$9.4 billion on online retailing (which equates to approx. 3.6% of total retail spending), of which more than 50% is with local retailers. This figure is set to rise to \$22 billion by 2015, which when put into perspective will only represent an estimated 7% of the total retail spend in this country.

“Online shopping is no longer just about a shopping trolley icon,” said Helen. “Increasingly, it’s about pre-store research to understand the product, purchase and pricing options. It’s also about enhancing the in-store experience, negotiating with the competitor’s price on your phone and, finally after the purchase, it’s about the post-purchase blog, tag and review.

“As a starting point, Australian retailers need to re-assess their digital offers and consider if they really are up to scratch. Shoppers have told us they don’t want just an online catalogue. According to shoppers we spoke to, a few sites are doing it well such as, NET- A-PORTER, Brands Exclusive, Go Toddler, Jigsaw, Levis, Women’s Freebies and Pizza Hut. They provide rapid product information and pricing and they ensure buying is simple. They also provide interfacing across multiple social media channels to expand the experience,” said Ms Bakewell.

Despite consumers’ desire for digitally integrated service, many shoppers wanted a back-to-basics approach to retail.

“Indeed, many of our interviewees talked nostalgically about shopping centres as the place where family and friends experience life together, providing a tangible social hub of the community. They say it’s about being assisted to buy that first seasonal outfit, allowing children to be captivated by the magical world of Christmas, watching friends indulge in the social setting of the centre and together being intrigued and astonished by the long forgotten art of the ‘theatre of retail’,” Ms Bakewell said.

“The future of retail has become a whole lot more interesting,” she said.

## Leading retailers successfully executing an integrated multichannel approach

- US behemoth **Walmart** has often lead the way in consumer innovation and is currently debuting a system where customers can order items online from walmart.com and then pick them up four hours later at the nearest store.
- Online retailer **Banana Flame** offers a Webcam Social Shopper to help create the experience of trying on clothing in store. The tool can turn a webcam into a mirror and lets you “hold” clothing up in front of yourself to see if the style suits you, and match your existing wardrobe with potential new purchases. Shoppers can even share looks with their friends for instant feedback, incorporating a social element within the traditionally solitary activity of online shopping.
- **Tesco**, the successful British discount grocery chain, changed its name in South Korea to Home Plus and set to rapidly evolve in this unique market, catering for Koreans who are the second hardest working nation in the world and, subsequently, extremely time poor. The group provided virtual shops, blending into people’s everyday lives at locations such as subway stations. The virtual displays look exactly like the stores and items on offer. Using smartphones, customers can shop by scanning in the relevant barcodes and the products automatically land in their online carts. Goods are delivered to the door when the person gets home, providing more time for leisure and family. Not surprisingly, Home Plus online sales rose a staggering 130% and it’s now the number one online vendor and is coming a close second for in-store grocery shopping.

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**ABOUT AMP CAPITAL SHOPPING CENTRES**

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