

Discover your *edge*

Monday, 12 December 2016

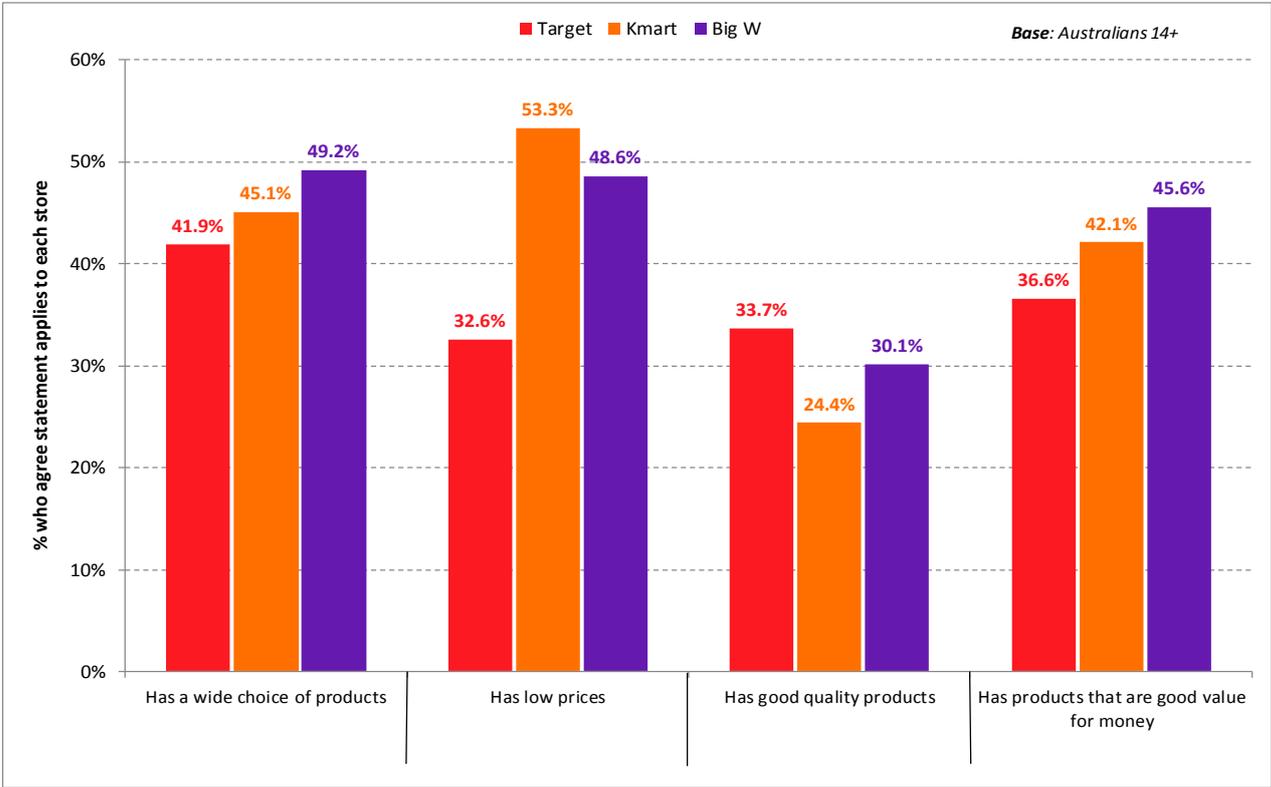
# Image conscious: how Australians view different department stores

Whether they're at the higher end of the spectrum like Myer and David Jones, or more budget-focused like Kmart, Target and BigW, Australia's department stores share a common goal: as many customers as possible. To achieve this, they need to ensure they're projecting the right image for their target market: that they have good quality products, for example, or low prices, or a good range of brands. So how *do* Australians perceive our biggest department stores? Having measured the image of these stores for many years, Roy Morgan Research reveals the latest public perceptions.

### The big three

When it comes to customer volume, bragging rights go to discount department store giants, Kmart, Target and Big W. In an average four-week period, 22.6% of the population (or 3.6 million people) buy non-food merchandise\*\* at Kmart, just ahead of 19.5% (3.1 million) at Target. Despite Big W's well-publicised decline, 18.9% of Australians (3 million people) still shop there per four weeks. Clearly, these retailers are projecting an appealing image to attract so many customers.

### Image of store: Target, Kmart and Big W compared



Source: Roy Morgan Single Source (Australia), July 2015-June 2016, n=14,314

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One common denominator shared by the three stores is the perception that each ‘has a wide choice of products’. Almost 42% of Australians think Target fits this description, 45.1% feel the same way about Kmart and 49.2% think Big W has a wide choice of products.

Big W and Kmart are also associated with having ‘low prices’ and ‘products that are good value for money’, while Target has the edge over the other two for having ‘good quality products’.

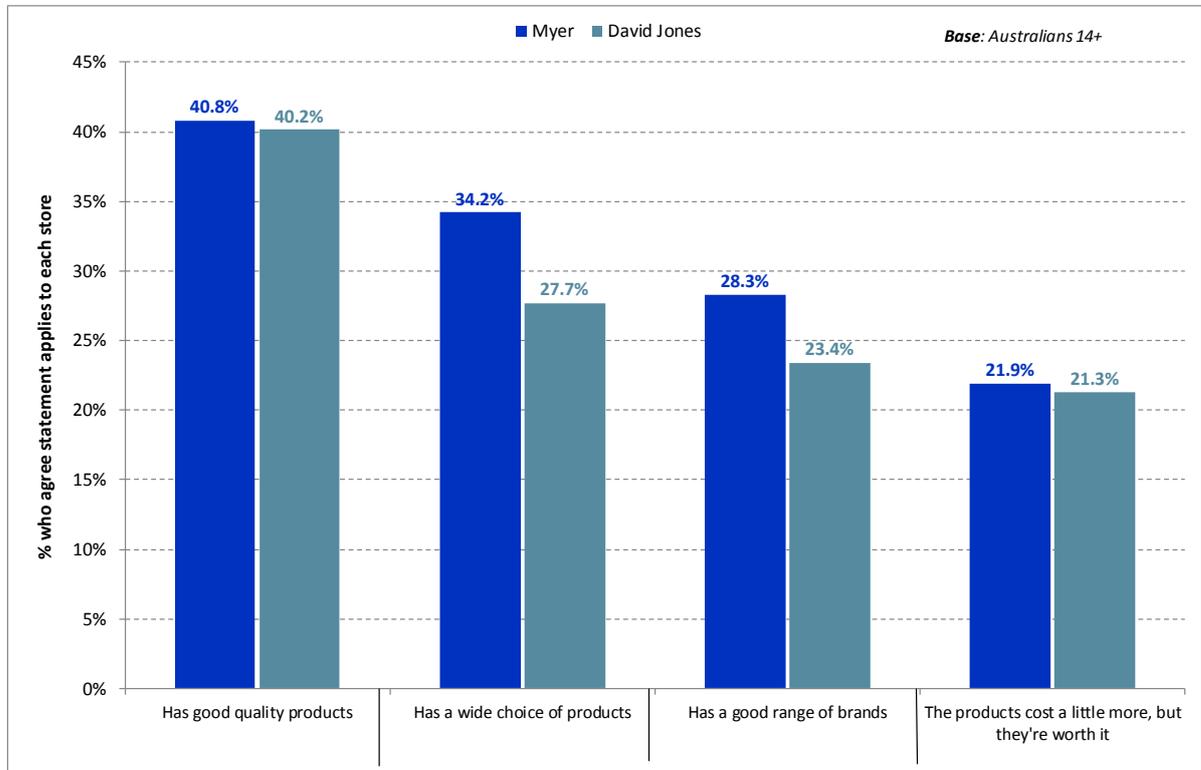
It’s worth noting here that, in the 12 months to June 2016 (the period from which the data in this finding is taken) Target was leading the pack in the Discount Department Store category of Roy Morgan’s Customer Satisfaction Awards – and still is. Retail customer satisfaction is a complex formula, influenced by multiple factors beyond being seen to have low prices.

*Myer and David Jones*

Compared with the discount players, higher-end retailers Myer and David Jones see fewer shoppers through their doors, with 10.0% of Australians (or 1.6 million people) making a purchase at Myer and 4.7% (760,000) buying something at DJs in an average four weeks. The most commonly held perception of these stores is less about low prices and more about quality, which evidently impacts on customer volume.

Just over four in every 10 Australians believe that both stores have ‘good quality products’, while 34.2% of the population perceives Myer as having ‘a wide choice of products’ (compared with 27.7% who see David Jones in the same way). The proportion who think either store has ‘low prices’, on the other hand, is negligible.

**Image of store: David Jones and Myer compared**



**Source:** Roy Morgan Single Source (Australia), July 2015-June 2016, n=14,314

Nearly 22% of Australians feel that Myer's 'products cost a little more, but they're worth it', a smidgeon more than the 21.3% who think this statement applies to DJs; but Myer is more commonly associated with having 'a good range of brands' than the latter (28.3% vs 23.4%).

*\*\* Note from paragraph 2: Roy Morgan collects purchasing information from an extensive range of consumer non-food categories in stores. While the list of monitored categories is large, general grocery categories such as food, confectionery and drinks are not covered. Similarly, in-store services, gift card purchase and other non-merchandise activities are not covered.*

**Norman Morris, Industry Communications Director, Roy Morgan Research, says:**

*"With Australians set to spend more than \$48.1 billion in retail stores in the lead-up to Christmas this year (as forecast by Roy Morgan Research and the Australian Retailers' Association), department stores stand to benefit from this festive-season shopping frenzy. In fact, we're expecting a pre-Christmas spend of over \$3 billion at department stores alone.*

*"Widely perceived as having low prices and products that are good value for money, Kmart and BigW are probably on the Christmas shopping itineraries of Aussie consumers keen not to break the bank this festive season. Although Big W has lost ground to Kmart in recent years, consumers still see it as a budget-friendly, one-stop shopping experience, which is ideal for those keen to knock off their Christmas-gift list in one hit. Meanwhile, people looking for high-quality, brand-name gifts no matter what the cost will more likely head to Myer or DJs.*

*"It's interesting to see how public perception of these stores has evolved over the last few years. For one thing, the proportion of Aussies who'd consider shopping at each retailer has increased, with some age groups showing particularly striking changes in this respect. Whereas 43.7% of 18-24 year-olds said they'd consider shopping at Target back in 2014, that figure has shot up since then to 52.5%; this age group has also shown a growing interest in shopping at David Jones (40.1%, up from 33.2%). Meanwhile, Kmart's appeal for teenagers 14-17 has risen from 44.7% saying they'd consider shopping there to 49.3%.*

*"These figures are just the tip of the iceberg. Roy Morgan's in-depth retail data measures 15 'image of store' statements for each department store, which can be analysed over time, by consumer demographics, shopping attitudes and so much more. This allows retailers to ascertain whether their marketing strategies are aligned with, conflicting with, or even changing public perception of them."*

**For comments or more information about Roy Morgan Research's retail data, please contact:**

**Roy Morgan Research -- Enquiries**

Office: +61 (3) 9224 5309

[askroymorgan.@roymorgan.com](mailto:askroymorgan.@roymorgan.com)

## Related research findings

View our range of [Department Store customer profiles](#), including [customer satisfaction reports](#).

Compiled with data from Roy Morgan's Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

## About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

## Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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