Consumer Preferences for Main Street Shopping.

Research Report | October 2023

Shopology.

Table of Contents.

Executive Summary.

The aim of the research was to consider main streets from the user perspective. The research was conducted in June and July 2023 and involved an online consumer survey of 655 Australian shoppers representative of the Australian population in terms of gender, age and location.

We wanted to collect empirical data to determine which elements (or characteristics) of main streets are most important for shoppers, and which shops and services they want on their 'ideal' main street.

We also tested our sample for 'hedonic' and 'utilitarian' shopper types.

Top 5 Stores & Services

1. Pharmacy
2. Restaurant/Cafe
3. Supermarket
4. Coffee Shop
5. Specialty Food

Top 5 Elements

1. Cleanliness
2. Safety + Security
3. Parking
4. Walkability
5. Services + Amenities*
5. Retail Mix*

*tied position.

Executive Summary.

While the main street elements and the types of shops and services were fairly uniform across respondent groups, there were stark differences in responses for elements of main streets between hedonic and utilitarian shoppers (as you can see below).

Making shopping areas the best they can be is challenging work. Depending on their demographic background and shopper type, people want different things from main streets. Our data provides key insights for local governments, which have a primary policy responsibility for main streets, as well developers, investors and individual store and service owners, to help better plan and improve the retail and service mix and shopper experience for everyone.

Hedonic.

Top 5 Elements

Events + Activities
Marketing + Promotion
Public Art
History + Culture
Aesthetics

Top 5 Stores & Services

Pharmacy
Restaurant/Cafe
Supermarket
Clothing + Footwear
Coffee Shop

Utilitarian.

Top 5 Elements

Wayfinding, Signage + Information
Cleanliness
Safety + Security
Walkability
Graffiti + Vandalism

Top 5 Stores & Services

Pharmacy
Supermarket
Specialty Food
Restaurant/Cafe
Post Office

Introduction.

Welcome to the summary report of our latest research into shopper preferences for main street shopping.

Local government, planners, place makers, economic development managers, trade associations and retailers work hard to design, improve and revitalise main streets to make them attractive places for users, encourage footfall and increase economic activity in local areas.

Despite the efforts that go into planning, maintaining and marketing local shopping areas, the people who use these places are often not consulted about what they actually want and need on their main street.

Our research is the only-known academically-based, empirical Australian study to ask shoppers about the key elements, as well as the types of stores and services, they consider contribute to the ideal main street.

I hope you find this report interesting, and helpful. Please don't hesitate to get in touch if you would like further information, or to discuss working together. We can tailor this research for individual local government areas, trader associations, and planners and developers.

Louise

Dr Louise Grimmer
Director, Shopology
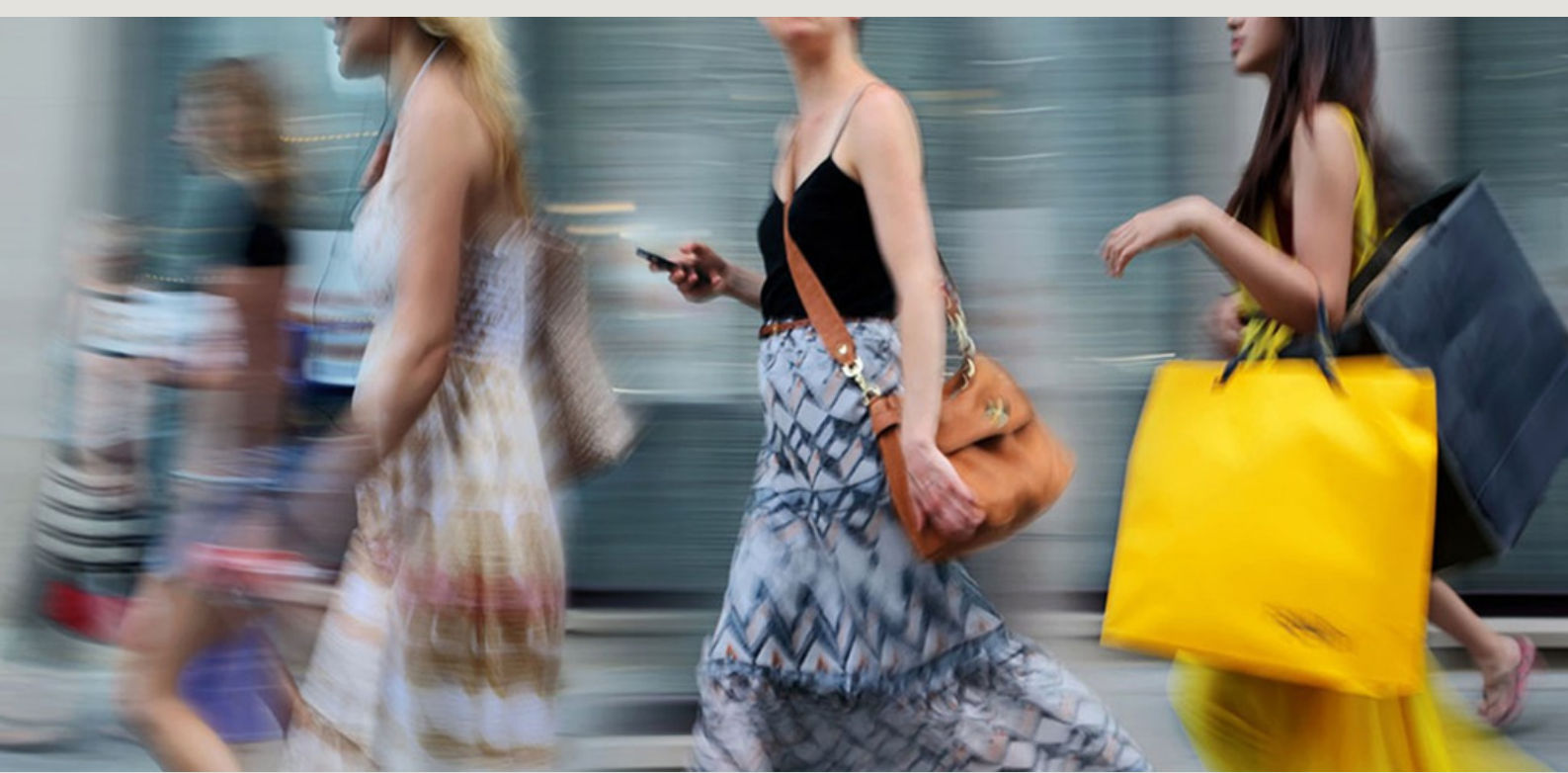
The Function and Importance of Main Streets.

There is increasing understanding that retailing will not continue to be the main or sole reason for town and city visitation. Whilst remaining important, retail will more often complement services, attractions and 'experiences' as the major factors in enticing people to visit town centres. Local councils, chambers of commerce and marketing organisations are therefore tasked with the 'juggling' act of marketing shopping precincts as being attractive for shoppers, as well as showcasing these areas as offering a range of other services and attractions to appeal to other types of visitors.

In this regard, evaluating the recent changes that have taken place in retailing in cities and towns requires an understanding of the evolving function of retail within a city.

A city offering the 'full spectrum' of retail experiences and services should result in a well-functioning retail 'system', and this includes both private and public factors. A private exchange function facilitates the efficient economic exchange of goods and services, and a public good function contributes to a number of different priorities including the sustainability of retail precincts, creating a unique sense of place, ensuring equity in accessibility to goods and services, supporting environmentally friendly and healthy lifestyles, and, fostering social cohesion and community.

Methodology.

With the changing function of retailing, we sought to find out what consumers consider important in their ideal local shopping street.

We asked which shops and services they want, and which elements of local shopping places are important to them. Curiously, these questions are not usually posed to place-users, yet the answers are essential if we are to design new, and improve existing, towns, suburbs and regional centres if we want more people to work, shop and play.

Using a leading online consumer panel provider, we surveyed 655 shoppers from around Australia. Our sample is representative of the Australian population in terms of gender, age, and location (urban versus regional; state/territory).

In addition to questions about shops and services, and elements of main streets, we also tested respondent's levels of hedonic and utilitarian shopper orientation.

To minimise response bias, the order of questions was randomised for each respondent.

Elements of the Ideal Main Street.

Respondents were given a list of 21 different elements (characteristics) of main streets, and asked to rank each one using a 7-point Likert scale (1=not at all important to 7=extremely important).

Each element was presented with an explanatory sentence. For example:

Graffiti and Vandalism: Efforts are taken to reduce and/or remove graffiti or other forms of vandalism in the shopping area.

How important is the reduction/removal of graffiti and vandalism in your ideal shopping area?
Not at all important 1   2   3   4   5   6   7 Extremely important

and

Cleanliness: The shopping area is clean and well-maintained. There are adequate rubbish bins and/or recycling bins available. The area is regularly cleaned of litter and debris.

How important is cleanliness in your ideal shopping area?
Not at all important 1   2   3   4   5   6   7 Extremely important

The list of the 21 Elements is included in the Appendix.

The following page shows the Top 10 elements as rated by respondents. Please note, none of the elements received a rating below '4' and when the data is later presented through the lens of 'hedonic' versus 'utilitarian' shopper types, the answers are very different.

We also have also included results for the Top 10 Elements by age cohorts (youngest cohort and combined oldest cohort), as well as for location (metropolitan versus regional).

Top 10 Elements.

1. Cleanliness
2. Safety + Security
3. Parking
4. Walkability
5. Services + Amenities*
5. Retail Mix*
7. Lack of Graffiti + Vandalism
8. Wayfinding, Signage + Information
9. Lighting
10. Accessibility

*tied position

Top 10 Elements by Age Cohort.

18-25 Years

1. Cleanliness
2. Safety + Security
3. Parking
4. Retail Mix
5. Walkability
6. Accessibility
7. Services + Amenities
8. Wayfinding, Signage + Information
9. Night-time Economy
10. Sustainability

66+ Years

1. Cleanliness
2. Parking
3. Safety + Security
4. Graffiti + Vandalism
5. Walkability
6. Services + Amenities
7. Retail Mix
8. Small + Independent Businesses
9. Wayfinding, Signage + Information
10. Lighting

Top 10 Elements by Location.

Metropolitan/City

1. Cleanliness
2. Safety + Security
3. Parking
4. Walkability
5. Retail Mix
6. Services + Amenities
7. Graffiti + Vandalism
8. Lighting
9. Wayfinding, Signage + Information
10. Seating + Tables

Rural/Regional

1. Cleanliness
2. Parking
3. Safety + Security
4. Walkability
5. Services + Amenities
6. Graffiti + Vandalism
7. Retail Mix
8. Accessibility
9. Wayfinding, Signage + Information
10. Seating + Tables

Stores & Services for the Ideal Main Street.

Respondents were given a list of 45 different shops and services and asked to rank them in order of importance from 1 to 45, with 1 being the most important.

The list of the 45 shops and services is included in the Appendix.

The next page shows the Top 10 Shops and Services as ranked by respondents.

Overwhelmingly, a Pharmacy was considered to be the most important store/service for an ideal main street. Across gender, age cohorts and location, pharmacies were consistently number one.

Similarly, four types of store and services - the Post Office, the Bank, the Department Store and the Newsagent - appeared in the Top 10 most important Stores and Services, regardless of the demographics of the sample. Intriguingly, these four stores/services are disappearing from main streets around Australia, and internationally.

Top 10 Stores & Services.

1. Pharmacy
2. Restaurant/Cafe
3. Supermarket
4. Coffee Shop
5. Specialty Food Store
6. Clothing + Footwear
7. Post Office
8. Bank
9. Department Store
10. Newsagent

Top 10 Stores & Services by Age Cohort.

18-25 Years

1. Coffee Shop
2. Restaurant/Cafe
3. Pharmacy
4. Supermarket
5. Clothing + Footwear
6. Bank
7. Lifestyle/Gift Store
8. Fast Food/Takeaway
9. Specialty Food
10. Post Office

66+ Years

1. Pharmacy
2. Post Office
3. Supermarket
4. Specialty Food Store
5. Coffee Shop
6. Newsagent
7. Restaurant/Cafe
8. Bank
9. Hairdresser/Barber
10. Clothing + Footwear

Top 10 Stores & Services by Location.

Metropolitan/City

1. Pharmacy
2. Restaurant/Cafe
3. Supermarket
4. Coffee Shop
5. Specialty Food Store
6. Clothing + Footwear
7. Post Office
8. Bank
9. Fast Food/Takeaway
10. Hairdresser/Barber

Rural/Regional

1. Pharmacy
2. Restaurant/Cafe
3. Supermarket
4. Clothing + Footwear
5. Coffee Shop
6. Post Office
7. Specialty Food Store
8. Bank
9. Fast Food/Takeaway
10. Newsagent

Hedonic & Utilitarian Shopper Types.

We were also interested to find out if the responses changed depending on whether or not shoppers were 'hedonic' or 'utlilitarian'. Hedonic shoppers are those for whom shopping is a pleasurable activity, so much so that they often report a strong physiological reaction and a sense of euphoria when engaged in shopping. On the other hand, utilitarian shoppers view shopping as a task or chore, simply a 'means to an end' in terms of purchasing required products. There is no necessary joy derived from the associated retail activity.

Hedonic and Utilitarian shopper types were assessed using a well-established and highly-cited scale developed by Babin, Darden & Griffin, 1994.

Hedonic shoppers are more often women, and men tend to be more utilitarian We also tend to become more utilitarian as we get older.

Despite similarities in shops and services, when we compared hedonic and utilitarian shoppers' responses for the most important elements of local shopping areas, there were stark differences between what the two shopper types rate as important.

Elements.

For hedonic shoppers, the complete visitor experience, including the surroundings and atmosphere, are important elements of an ideal shopping area and their top 10 elements reflected this. A combination of tangible elements including Public Art, Aesthetics, Greenery, and Lighting complement the more ephemeral such as Events and Activities, Night-time Economy, Sustainability, and, History and Culture.

On the other hand, utilitarian shoppers rated elements which contribute to the ease of undertaking a task-oriented shopping trip. Wayfinding, Signage and Information, Walkability, Services and Amenities, and the Retail Mix. Lighting and Seating and Tables are the only two elements that both groups agreed should be in the Top 10.

Top 10 Elements Hedonic.

1. Events + Activities
2. Marketing + Promotion
3. Public Art
4. History + Culture
5. Aesthetics
6. Night-time Economy
7. Sustainability
8. Seating +Tables
9. Lighting
10. Greenery

Top 10 Elements Utilitarian.

1. Wayfinding, Signage + Information
2. Cleanliness
3. Safety + Security
4. Walkability
5. Lack of Graffiti + Vandalism
6. Retail Mix
7. Services + Amenities
8. 90% or More Storefronts Occupied
9. Lighting
10. Seating + Tables

Hedonic and Utilitarian Shopper Types.

Stores & Services.

For the most important shop or service, hedonic and utilitarian shoppers both rated a pharmacy as number one. And they ranked similar stores and services in their top 10.

While hedonic shoppers included Lifestyle/Gift Store and Department Store in their top 10, utilitarian shoppers did not. Instead they rated the Post Office and the Newsagent as important. This makes sense.

While lifestyle stores, gift shops and department stores offer the hedonic shopper the chance to browse and enjoy quality surroundings and service, the post office and newsagent give the utilitarian shopper the opportunity to complete tasks quickly and easily - no browsing required.

Top 10 Stores & Services: Hedonic.

1. Pharmacy*
1. Restaurant/Cafe*
3. Supermarket*
3. Clothing + Footwear*
5. Coffee Shop
6. Bank
7. Specialty Food*
7. Fast Food/Takeaway*
9. Lifestyle/Gift Store*
9. Department Store*

*tied position

Top 10 Stores & Services
Utilitarian.

1. Pharmacy
2. Supermarket
3. Specialty Food
4. Restaurant/Cafe
5. Post Office
6. Coffee Shop
7. Clothing + Footwear
8. Bank
9. Fast Food/Takeaway
10. Newsagent

Key Takeaways.

Making shopping areas the best they can be is challenging work. Depending on their demographic background and shopper type, people want different things from main streets.

The data from this study provides key insights for local governments, which have a primary policy responsibility for main streets, as well developers, investors and individual store owners to help them better plan and improve the retail and service mix for everyone, as well as ensuring main streets offer the various elements identified in this research.

Top 5 Stores & Services

1. Pharmacy
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Top 5 Elements

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Hedonic.
Top 5 Elements

Events + Activities
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Public Art
History + Culture
Aesthetics

Utilitarian.
Top 5 Elements

Wayfinding, Signage + Information
Cleanliness
Safety + Security
Walkability
Graffiti + Vandalism

Appendix.

21
Elements.

Accessibility

Aesthetics

Cleanliness

Events + Activities

Graffiti + Vandalism

Greenery

History + Culture

Lighting

Small + Independent Businesses

Marketing + Promotion

Night-time Economy

Parking

Public Art

Retail Mix

Safety + Security

Seating + Tables

Services + Amenities

Store Occupancy

Sustainability

Walkability

Wayfinding, Signage + Information

45 Stores & Services.

Antique/Secondhand

Baby Shop

Bank

Beauty Salon

Bookmakers

Book Shop

Bottle Shop

Charity Shop

Cinema

Clothing/Shoe Stores

Coffee Shop

Computer Store

Cosmetics, Skincare, Perfume

Department Store

Dry Cleaner

Electrical/Electronic Goods

Fast Food Restaurant/Takeaway

Florist

Furniture Store

Gallery

Hardware and Gardening

Hairdresser/Barber

Health Food

Homewares/Kitchen

Jewellery

Laundrette

Lifestyle/Gift Store

Mobile Phone Store

Movies/Music/Gaming

Newsagent

Optometrist

Outdoor and Camping

Petrol Station

Pharmacy

Post Office

Pub

Real Estate Agent

Restaurant/Cafe

Specialty Food

Sporting Goods

Supermarket

Tattoo Parlour

Toy and Hobby Shops

Travel Agent

Other (please list)

Shopology.

Hello. At Shopology we love working with retail places, spaces and people, in Australia and internationally.

We excel in creating retail experiences with impact, providing our clients with valuable data, insights and recommendations to optimise potential, improve performance and enhance the customer experience.

At the same time, we think retail should be fun, exciting and enjoyable for everyone, so we inject a healthy dose of creativity and imagination into everything we do.

We provide individually-tailored research services and robust data and impartial expert advice including:

- Store + place audits
- Retail mix advisory
- Consumer shopping behaviour
- Organisational strategy
- People + culture
- Pilot projects
- Visitation strategies

- Marketing + branding
- Collaborative marketing strategies
- Stakeholder engagement + partnerships
- Media + publicity
- Strategic communication
- Observational studies
- Economic development

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Our Chief Shopologist is Dr Louise Grimmer.
Louise is a leading Australian retail researcher, advisor, commentator and columnist. She is also a Fulbright Scholar, Senior Fellow of the Institute of Place Management in the UK, a member of Mainstreet Australia and the International Place Branding Association.

Shopology.

www.shopology.com.au
+61 (0)419 991 009
louise@shopology.com.au