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Target on target for a new era in womens' fashion

With its hot new Dannii Minogue petites range and a much talked-about collaboration with luxe Italian fashion house Missoni due to launch in October, Target is currently in the midst of a major brand refresh. And the latest findings from Roy Morgan Research show that the store has timed its reinvention very well indeed...

Over the last five years, the way in which Australian shoppers perceive department stores has gradually shifted – and generally not for the better. Discount and mainstream department stores alike have been impacted by these changing attitudes.

For example, in the 12 months to June 2010, 54% of Australians 14+ agreed that 'I'd consider shopping at Target', but this declined to 50% in the 12 months to June 2014. Similarly, the proportion of people who'd consider shopping at Kmart, Big W, Myer and David Jones also declined over this period.

Changing image of department stores: 2010 vs 2014

Attitude statement	Big W		Kmart		Target		Myer		David Jones	
	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014
'I'd consider shopping at...'	57%	55%	55%	52%	54%	50%	40%	35%	30%	28%
'Has good quality products'	36%	29%	29%	23%	36%	31%	43%	38%	43%	39%
'Has products that are good value for money'	48%	44%	40%	38%	38%	34%	13%	11%	9%	8%
'Has a good range of brands'	31%	26%	27%	20%	25%	20%	30%	27%	25%	22%

Source: Roy Morgan Single Source (Australia), July 2009-June 2010 (n=18,967) and July 2013-June 2014 (n=15,541). **Base:** Australians 14+

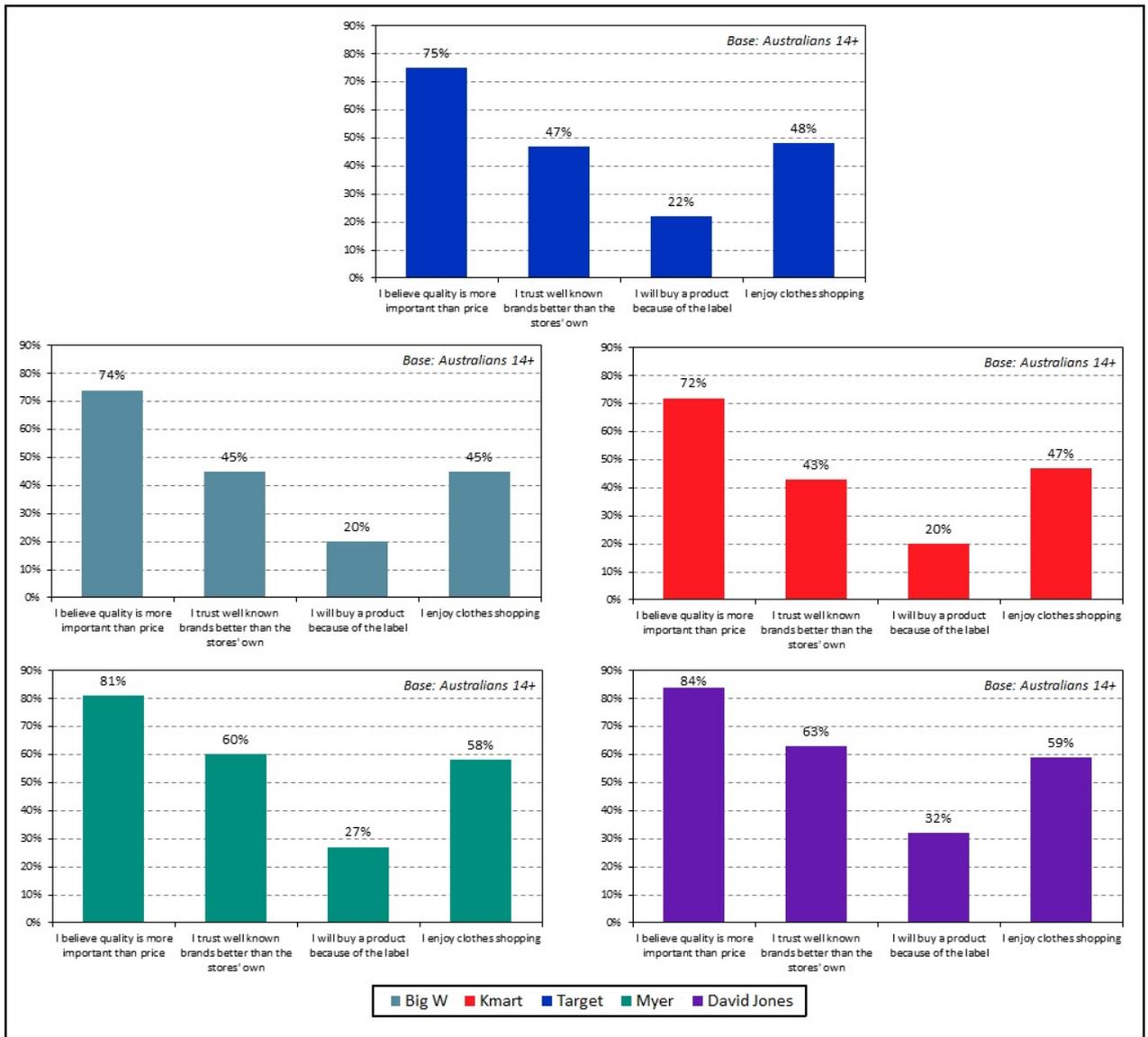
Positive perceptions of these stores stocking quality products and a good range of brands, and offering good value for money also went down, as the chart above reveals.

Will Target hit the bull's eye?

As a department store, Target sits between the bargain-focused discount end and the upmarket end of the spectrum. And its customers' attitudes reflect this: 47% of people who shopped at Target in the last four weeks agree with the statement, 'I trust well-known brands better than the stores' own' — a higher proportion than Big W's or Kmart's customers (45% and 43% respectively) but much lower than those who shopped at Myer (60%) or David Jones (63%).

This middling position is also evident in the proportion of Target shoppers who agree that 'I will buy a product because of the label' and 'I enjoy clothes shopping'.

How department store shoppers' attitudes compare



Source: Roy Morgan Single Source (Australia), July 2013-June 2014, n=15,541

Warren Reid, Group Account Director, Roy Morgan Research, says:

“The retail landscape has changed dramatically, especially in the last few years. Australian fashion retailers in particular have been hit hard and some have not survived the onslaught of online and overseas retailers setting up shop in Australia.

“Fashion trends in the last decade have been heavily influenced by global rather than local trends. The ease with which consumers can buy the latest season’s fashion from overseas before they hit Australian shores, and likely at lower prices than they’d sell for here in Australia, is just one of the many issues retailers have faced over the last few years.

“The likes of fashion powerhouse Zara have also brought the latest season’s fashion right to our doorstep, so staying competitive is becoming increasingly difficult for Aussie fashion retailers. With an influx of other European fashion houses such as H&M opening up, and Myer’s rollout of their own fashion labels, it will be a tough few years for retailers — but an exciting time for customers.

“If the introduction of fashion label Missoni to Target Australia hits the mark like the day one sell-out of the Stella McCartney range a few years ago, then this could be a massive step in raising the level of customer perception for Target in the fashion stakes.

“These results reveal that there is still a lot of work to be done to turn around customer perception; the challenge for Target (and other department stores selling women’s fashion) is whether its exclusive ranges can lift customer perceptions of range and quality, prompting them to fall back in love with the Target brand.”

For comments or more information about Roy Morgan Research’s retail data please contact:

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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 New Zealand, 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.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

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