



# Industry Trend Report

Retail 2014

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The Retail Industry Report at the end of Q2 2014 shows that the strong growth achieved through 2013 and into early 2014 has flattened off at a high level.

### Welcome to the American Express Retail Industry report for Quarter 2, 2014.

On a seasonally adjusted basis, Retail has grown to an impressive \$22,990 billion, driven by nine successive months of sales growth through to April 2014<sup>1</sup>.

Growth flattened post-Budget as consumer confidence dropped. In July, confidence ticked up again by 1.9%, from 93.2% in June to 94.9 in July<sup>2</sup>.

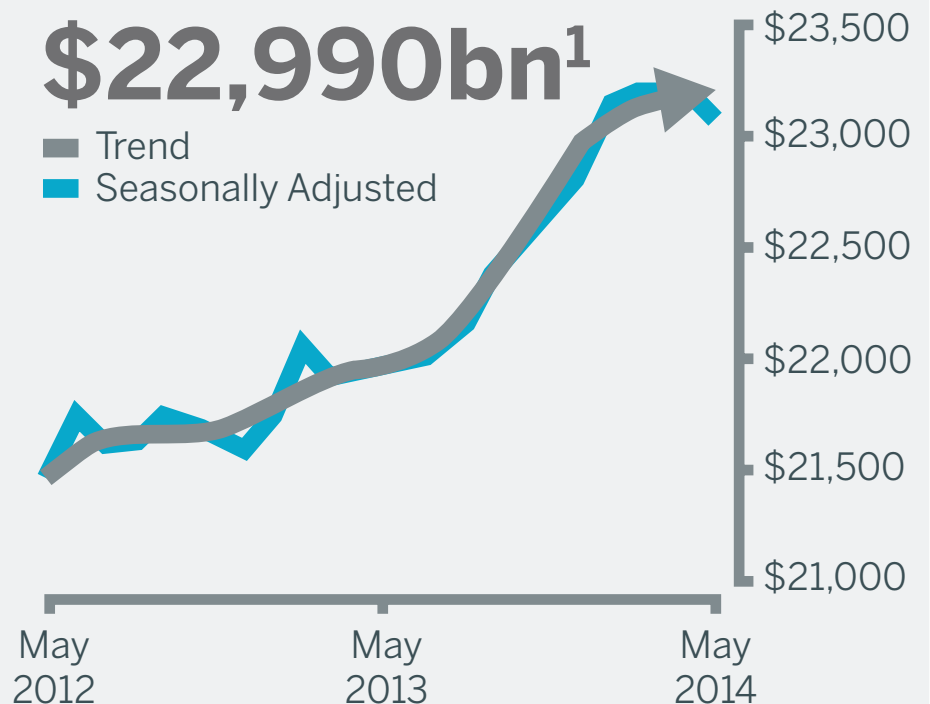
At American Express we process millions of transactions daily, and we have unique insights into Merchants across many industries. We hope you find this snapshot useful.

### How Big is Retail?

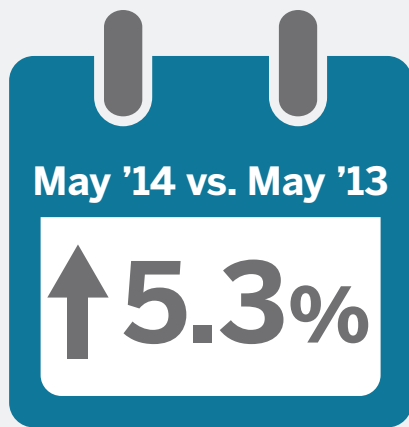
Seasonally adjusted

**\$22,990bn<sup>1</sup>**

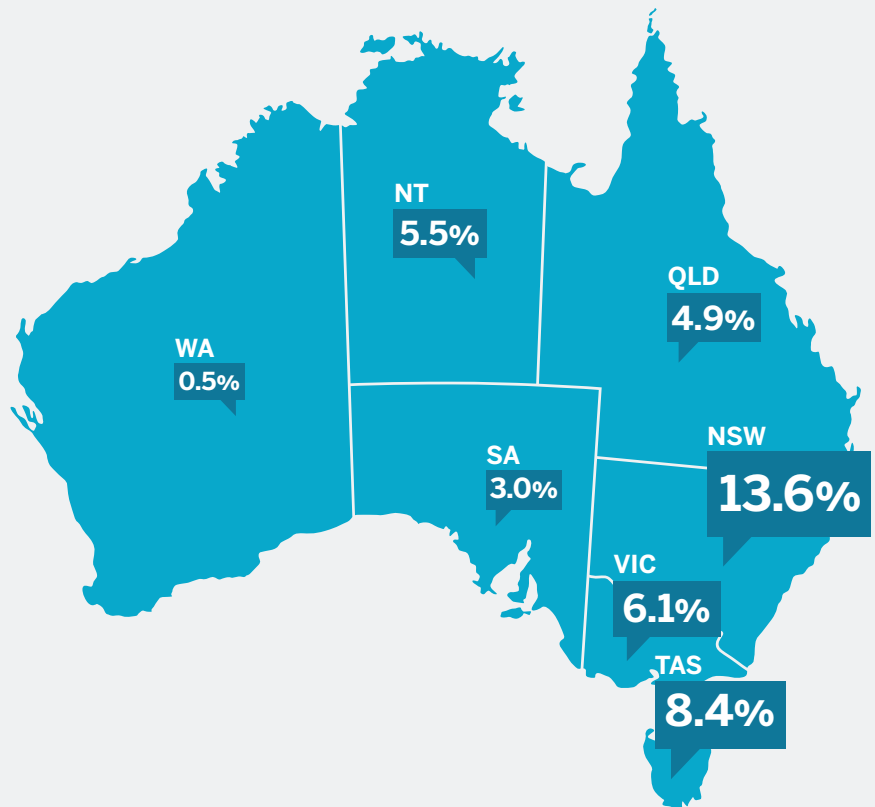
■ Trend  
■ Seasonally Adjusted



## Year-on-Year Growth<sup>3</sup>



## State by State Growth<sup>4</sup>



## Positive Factors

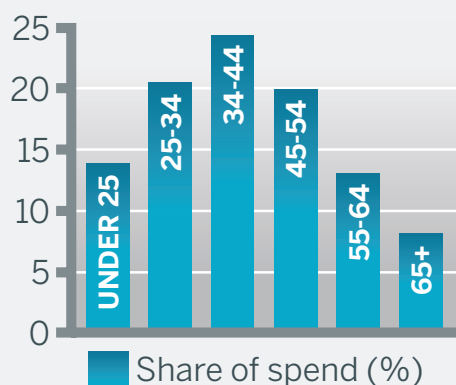
- Retail increased 9 months in succession, to April 2014
- Slight uptick in consumer confidence
- Domestic online share increases
- International retailers eyeing Australia
- Seasonally adjusted trend approaching \$23 billion

## Sector by Sector Growth<sup>5</sup>

- 11.4%** Cafés, restaurant and takeaway food services
- 7.0%** Clothing, and personal accessory retailing
- 5.4%** Household goods retailing
- 5.3%** Food retailing
- 2.8%** Other retailing
- 2.3%** Department stores

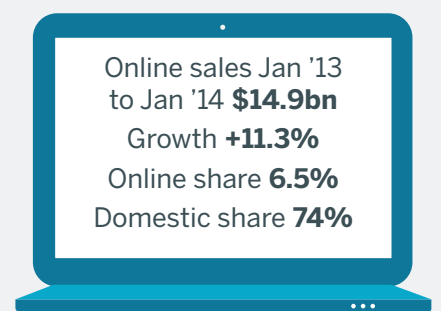


## Share of Spending by Age Group<sup>6</sup>



**Stable** online spend pattern  
Controlled by **25-54** age group  
Overall leaders = age **35-44**  
Lagging group = over **65's**

## Online Retailing Clicks into Gear<sup>6</sup>



## Where's the Growth?<sup>7</sup>

Total online spend in past year = **\$15.3 billion**  
 Equivalent of **6.6%** of spend at traditional businesses  
**Positive growth**

- Groceries and liquor
- Electronic games and toys

**Negative growth**

- Daily deals
- Personal and recreational goods

## Consumers Embrace Mobile<sup>8</sup>

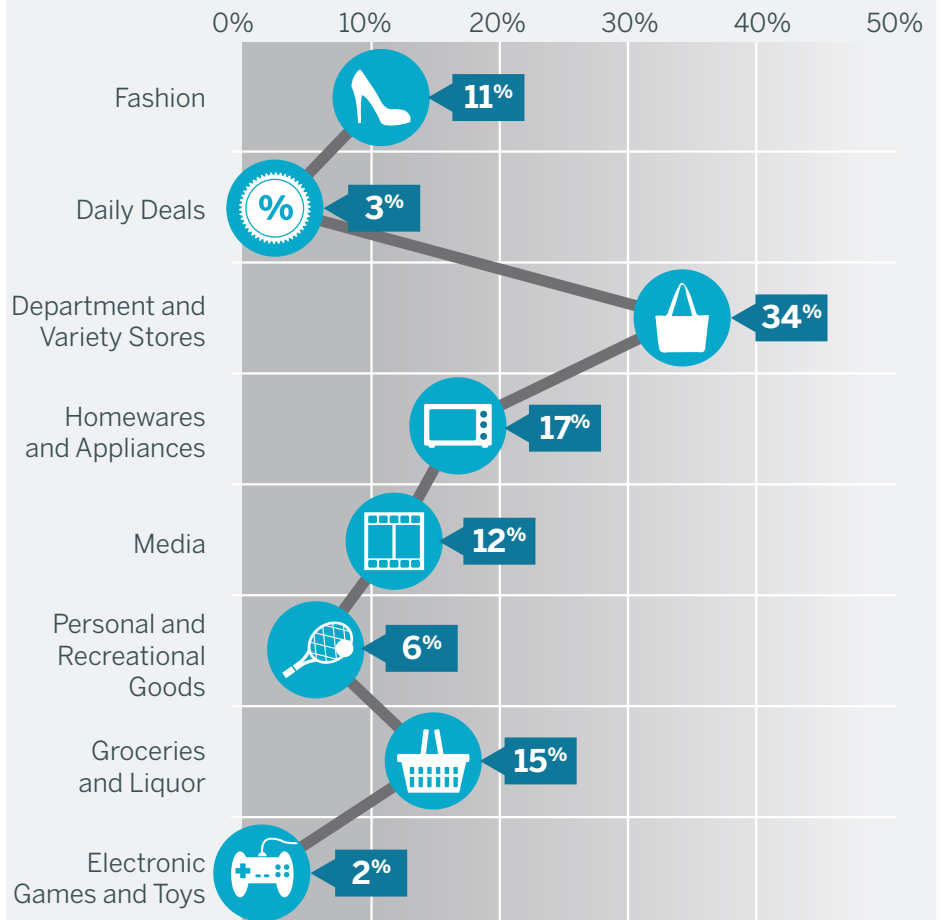
Total online purchases

Mobile  
**\$4.9bn**

Other online  
**\$10bn**

## Online Share of Spend<sup>7</sup>

Share of total online spend by sector



## High Value, High Spending, Connected Card Members<sup>8</sup>

Card Member Profiles	American Express	Other Cards
Average in-store purchases	\$2,584	\$2,000
Retail purchases in past 3 months	4.9 times	4 times
Willing to pay more for higher quality	57% agree	42% agree
Average number of electronic devices	7.8	7
Use social media / purchase online	56%	44%

## American Express Card Members

Used Card for business purchases in past 12 months; **27%**

Use their Card for retail purchases because of rewards and benefits; **84%**

More loyal to an Accepting Merchant; **63% agree**

American Express Card is payment method of choice for retail purchases; **48% agree**

Like to see whether American Express is accepted on register or counter; **61%**

### Sources

1. ABS, Retail Trade Australia, May 2014
2. Westpac Melbourne Institute Index of Consumer Sentiment.
3. ABS, Retail Trade Australia, May 2014
4. Australian Bureau of Statistics, 2012 - 2013
5. Australian Retailers Association, Media Release – ABS April 2014 retail trade figures released TODAY (0.2 percent increase) – Slow sales leave retailers wondering when winter will finally arrive, April 2014
6. NAB Online Retail Sales Index – In-depth Report January 2014
7. NAB Online Retail Sales Index Monthly Update – May 2014
8. American Express-commissioned internet panel survey in September 2013 based on purchases made in the previous 3 months