
Moments
that
Matter
home retail
THE
growth
DISTILLERY

The convergence of macro economic and tech forces are redefining the home retail shopper dynamic

82% are concerned about affording the items they need at home, prompted by cost of living and inflationary impacts.

Buying new is not first preference, 2 in 3 would rather repair than replace ... unsurprising with home retail items regularly ticketed into the $1000s.

And while 4 in 5 say technology improves their life...

Almost **half are overwhelmed by the pace of tech change** for home retail items.

Within this context, shoppers are seeking **greater assurances** when they enter the home retail environment

Retail remains supreme

72% of shoppers prefer to go in store (try before you buy sentiment).

2 in 3 specifically prefer shopping via the big brand retailers.

Brand has a more dynamic role

Only **1 in 4 say the brand is unimportant** to their decision process, 61% have 3 or fewer brands on their shortlist.

However what 'brand' means is shifting … retailer-supported private label and dupes are gaining traction, and **1 in 3 name a private label brand on their consideration list**.

'Bricks & Clicks' is here to stay

Online accounts for HALF of research, and **1 in 10 purchases**, as shoppers seek to understand all they can separately and prior to any 'sales' pitch.

While online is fragmenting options, the **duality of screen and store shopping is now the norm**.

In 2024, Australians are using their homes **more and differently**

hh growth

The number of households in Australia is expected to rise by 1.7% in 2023-24, **driving demand** for new homes, homeware, furniture and appliances.

multi-gen

335K household in Australia are multi-generational (and 61% have pets), and so **accommodating more individuals** with more diverse needs.

wfh

2 in 5 employed people **regularly work from home**, meaning their spaces and items are now multi-functional - the dining table is often not where we eat.

staying in

Aussies are increasingly **spending their time at home vs going out** - e.g. entertainment, cooking, dining.

It’s a high-demand category which touches all Australians at some point

1.6m

Home Retail intenders **right now**

*(*Roy Morgan: based on recent purchases in the last 3 months)*

$19.6

Annual revenue recorded in 2022 (AUD)

*(*Statista & ABS: Annual revenue of the furniture, floor coverings, houseware and textile goods retail industry in Australia from 2013 to 2022)*

Moments that Matter
home retail

The good news is…

Consumers are **highly invested** in their homes, and with the home retail category

9in10

take pride in how their home looks and presents.

half

describe their home aesthetic as ‘**homely**’ (and not modern, hamptons, etc!).

3in4

are **actively engaged** with home & lifestyle channels

And so Home Retail is all about getting the **perfect fit**

#2 most important consideration

purchasing items which **suit the space and aesthetic of their home** is a dominant driver across all home categories, 81% agreeing it's 'very important' (only just behind price, at 90%).

The role and importance of 'fit' is multi-faceted and individual to each home, defined by one of, or a combination of:

physical fit

the dimensions, proportions, weight (and also costs) which are resolute factors.

utility fit

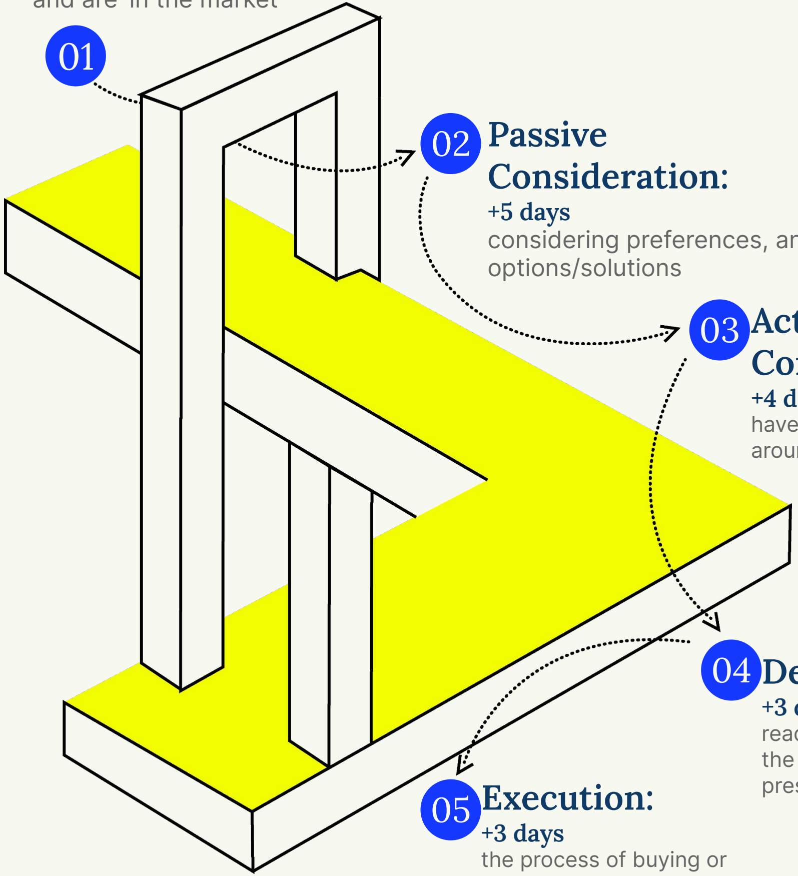
performance and capabilities aligned to how people live and use it.

lifestyle fit

feels and looks like it belongs as part of the holistic home.

Marketers have only **2 or 3 weekends** to win the hearts and minds of home retail buyers

Awareness:
6 days
a realised need or desire, and are 'in the market'



01

02 **Passive Consideration:**
+5 days
considering preferences, and options/solutions

03 **Active Consideration:**
+4 days
have criteria and looking around prepared to buy

04 **Decision:**
+3 days
ready to purchase when the right opportunity presents

05 **Execution:**
+3 days
the process of buying or preparing to transact

The buying process seems simple... But it's deceptive, risky as shoppers **tend to rush**

Going off instinct

They default to what & who they know

- **HALF (48%) shortcut to own past experience** as they move through journey (1 in 4 additionally refer to family/friends).
- **60% shortlist 3 or fewer brands** ... and 1 in 5 (19%) have *just one* specific brand/ manufacturer in mind.

Tempted to rush

High speed expectations at each step

- 15 day total average duration, which means **2 (at most 3) weekends**
- Taking just **9 days on average** to research and evaluate all the options.
- Shoppers also don't want, and many can't afford, to delay - **82% waited less than a week** for stock.

Mistakes happen

... for an unlucky few shoppers

- **20% spent more** than they budgeted.
- **6% were not satisfied** with the whole experience.
- **1 in 6 (15%)** said they would have done things differently along the way.

When the need to buy arises, at least HALF of home retail consumers admit they could use some guidance

48%

report feeling overwhelmed by the rapid pace of change and tech in the home sector.

>half

on average are not confident navigating a major home retail purchase on their own.

2in5

on average say they are knowledgeable about the category they are purchasing.

Helping buyers navigate and get them to their perfect fit, relies on understanding their key needs at key moments.

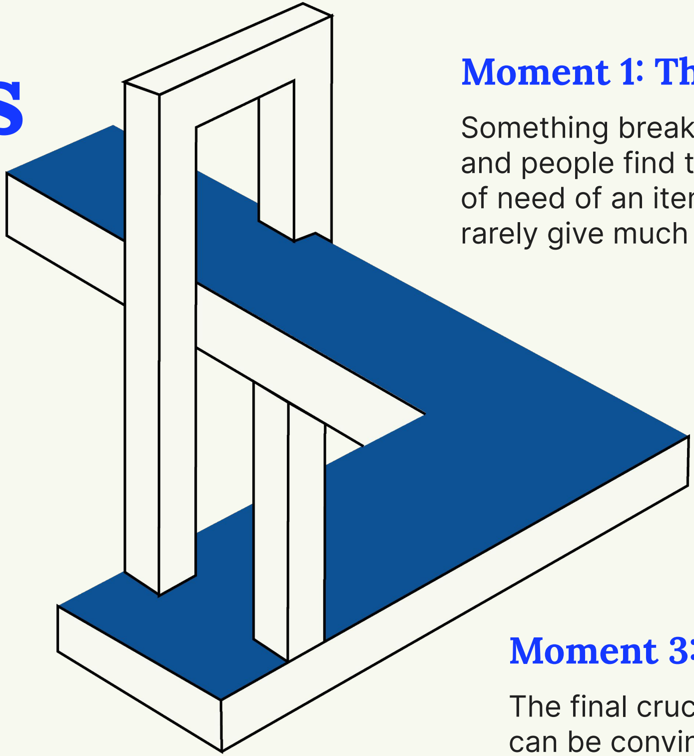
Cue the moments that matter.

Key points in the journey when consumers are most emotional and least comfortable.

By understanding what buyers *need*, and the *triggers* or *blockers* that influence their ability to move through each stage …

… we can influence the *signals* they to better direct consumers through the process, avoiding mistakes and driving positive outcomes.

The three **Moments That Matter** in Home Retail



Moment 1: The Catalyst

Something breaks or changes at home, and people find themselves in a situation of need of an item/s from a category they rarely give much attention to.

Moment 2: The Considerations

Shoppers are exposed to an oversupply of new, unfamiliar and confusing information, where they can become easily flustered and distracted from their true perfect fit.

Moment 3: The Closing

The final crucial moment where buyers can be convinced, converted and up-sold on what, when and where they buy, impacting satisfaction and future engagement.

Moment
01
Catalyst

Why it matters:

People suddenly find themselves in a situation where they need to act and engage quickly - in a category they rarely give much attention to. This means many enter the category on the back foot - annoyed, overwhelmed and underprepared, as a result are seeking defaults or shortcuts.

The opportunity:

Confidence is key. Brands need to establish themselves before the trigger even happens for the consumer they don't want to let a ‘stranger’ into their home. Be a familiar resource which is readily discoverable and also tonally sensitive at the point of reaction to help overcome consumer stresses.

77%

are needs driven, shopping for item(s) they don't functionally have now. Shoppers describe this as the least easy of the stages to mentally manage.

Moment
02
Consideration

Why it matters:

This is when shoppers are flustered, faced with having to balance desire vs reality. An oversupply of new, unknown and confusing alternatives on top of their existing knowledge/ expectations sees them become ‘pop-up experts’ and can distract from focussing on their actual perfect fit.

The opportunity:

Shoppers need trusted guidance to keep them on track. Guide them to the information and tools they need to understand the market and effectively benchmark options, and give them confidence to override anxiety.

2in5

call this passive/active consideration phase the most crucial point of their home retail journey.

Moment 03

Closing

Why it matters:

Consumers are about to invest and commit to something being in their castle for a long period. It has to be the perfect fit for their house and household. While cathartic, some may be tempted to rush or diverge In the final moment, especially if a high-pressure sales environment.

The opportunity:

Help them turn decision into transaction, guide them on how, when and where to buy. This is the final opportunity to convince, switch, and up-sell. Then focus on building that relationship as they navigate the post-purchase landscape of add ons and aftercare.

75%

say it was very easy to get through this stage.

Now we know the moments, how do we make them **matter more?**

Although there are dominant sector dynamics and universal journey moments, the shopper expectations and retail experiences vary …

We will focus on four distinct categories of home retail shopping

01 Small Appliances

Including: toasters, kettles, coffee machines, air-fryers, blenders, microwaves

Most accessible category.

Perceived simplicity leads to the least engaged.

Quickest overall timeline

Key moments are driven by efficiency and box-ticking.

02 Major Appliances

Including: fridges, ovens, dishwashers, washing machines, dryers

Most reactive shoppers.

New features, emergent brands and higher prices can stall progress and create stress.

Physical fit a major factor in the decision process.

03 Furniture & Beds

Including: lounge, dining, bedrooms, home office, storage

Despite size of transaction, shoppers more playful.

Comfort and design reign supreme, and buyers are more subjective in pursuit of their perfect fit.

04 Outdoor Cooking

Including: barbecues, grills, smokers

A more personal, and indulgent purchase, status matters.

Their focus is on both learning the intricacies of functions available, but also how to get the most out of those features.

The Moments that Matter in

Small Appliances

Take action and target the
Small Appliances intender
intent connect

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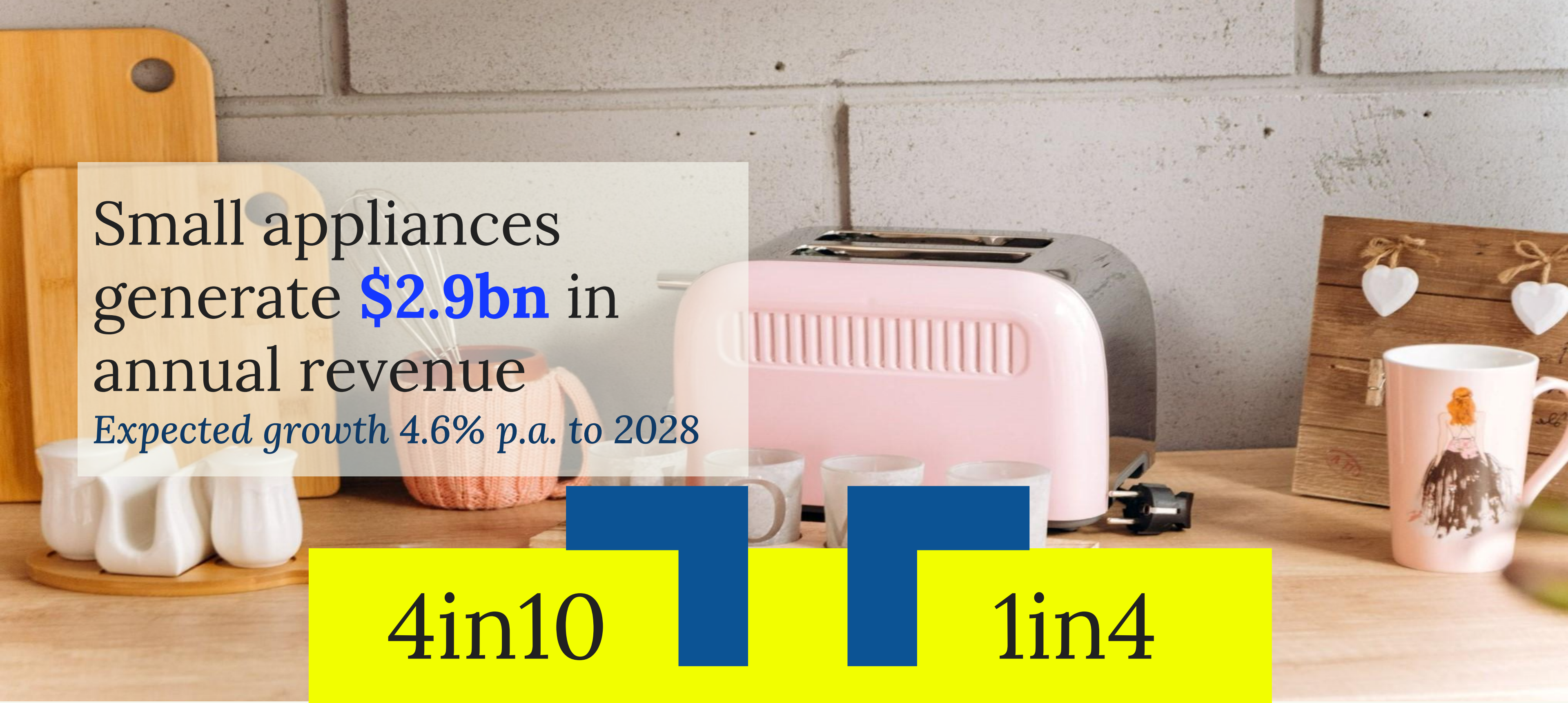


Small appliances generate **$2.9bn** in annual revenue

Expected growth 4.6% p.a. to 2028

4in10

Australians have purchased small appliances in the last 12 months

1in4

Intend to purchase in the next 12 months

Setting the scene:
Buyers are the **least engaged and involved** compared to other home retail purchases

Confident, but apathetic

Seen as a smaller and simpler purchase to navigate, shoppers tend to be less emotional and spend the shortest time in market.

There is still some excitement - new tech and playful design variations do entice shoppers for some items.

Budget conscious

While typically more affordable items, shoppers are still mindful of spend.

They actively evaluate what they need it to do against new and attractive (more expensive) features, and many buy multiple items.

'Brands' matter more

Shoppers have a shortlist and tend to turn to the first names that come to mind

But it's not just brands, retailers and generic or dupe-brands also play a role *(driven by Kmart/Anko, Kogan, etc).*

There are some nuances within Small Appliances

Shoppers have different expectations… but the journey remains the same

Shoppers seeking a core functionality for their benchtops

80% are replacing something broken.

They are least likely to need the latest option (24%) or to be influenced by technology (19%).

However, HALF do say appearance matters and 2 in 5 are looking for matching items.

Shoppers are responding to trends, but it primarily has to perform core functionality

58% are buying because they don't have one already.

Many are influenced by deals/promo events (58%) - given inexperience and expense (60% spent $100+).

Highly engaged buyers who know what they want and are enticed by possibilities

Almost HALF (45%) want these items, as they don't have them at home currently.

Much more discerning shoppers, half seek a specific brand, 2 in 5 want the top latest features, and 1 in 4 say a luxury/prestige item is important.

How the Moments that Matter impact in **Small Appliances**

A high confidence category, shoppers feel the **least need for input, research and reflection** across their journey

Moment 1: The Catalyst

Reacting based on making their lives better, the journey begins differently based on type:

80% of Everyday Essentials buyers are shopping for a replacement

While more than HALF of Lifestyle & New-Convenience buyers are making a first time purchase.

Moment 2: Considerations

All small appliance buyers enter a rapid comparison phase, where they face several (often similar) options and seek to determine what items or combinations of items fit them best.

- **Average <1 week spent researching, the fastest of all categories.**

Moment 3: The Closing

Highly transactional, they seek to get their item(s) home and in use as quickly as possible.

- **91% had no delay, or only days to wait for their item to be available.**

How to win?

Standout in a sea of sameness, keep it simple, be top of mind, and value over discounts

Build confidence by making it easy

Make it easy for them to shop, they don't have to be excited but we do want them to have an enjoyable and satisfactory experience that sees them become advocates and repeat buyers.

Create value for the budget conscious

Lean into the value equation for shoppers, via multi-buy deals on matching-sets which give them the best of both worlds (form and function).

‘Brands’ matter more

With an increasing sea of sameness across retail channels, consider new ways to make your brand distinct and memorable - and worth paying a brand premium for vs the discounted dupes.

The Moments that Matter in Major Appliances

Take action and target the
Major Appliances intender on
intent connect

Moments that Matter
home retail

Major appliances (white goods) valued at **$5.8bn** revenue pa

Expected growth of 4.4% p.a. to 2028

1in4

Australians have purchased whitegoods in the last 12 months

1in5

Say they intend to purchase in the next 12 months

Setting the scene:
The **perfect literal fit** is the key consideration more than any other category

Emotions run especially high

Considered a true home necessity, being in-need of suitable new (replacement) appliances causes consumers notable frustration, adding both emotional and financial stress to households.

A smaller set of bigger names

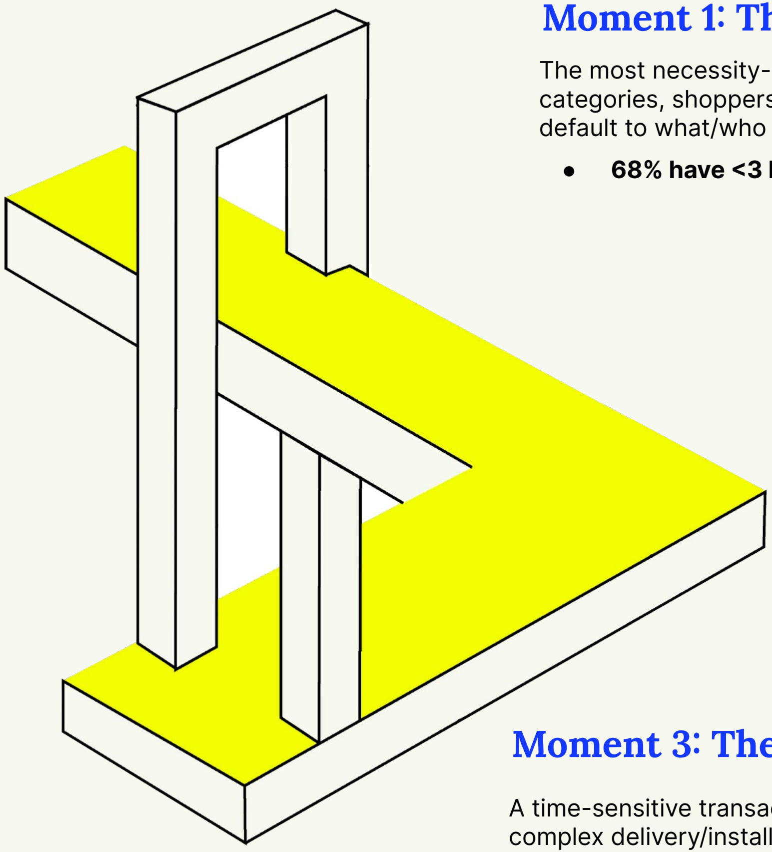
Brands *and* retailers are more important to large appliances buyers than in other home retail, providing cues around quality and reliability. They most often default to who and where they know.

The details really matter

Shoppers are more interested in specs than any other category - it's a tension between wanting the most functional appliances against the necessities of physical installation, budget and timeline.

How the Moments that Matter impact in Major Appliances

Consumers seek greater **functional reassurance** from each moment, albeit in different way



Moment 1: The Catalyst

The most necessity- driven and stressful of all home retail categories, shoppers are in a reactionary state where they default to what/who they know.

- **68% have <3 brands on a shortlist.**

Moment 2: Considerations

In-depth and detail-oriented research journey as shoppers seek more assurance on quality and reliability from multiple official and subjective sources.

- **Multiple questions are answered a tighter set of sources.**

Moment 3: The Closing

A time-sensitive transaction with potentially complex delivery/install requirements.

- **Maximum time willing to wait is 3 weeks (though the sooner the better).**

How to Win?

Be there and make the **process feel manageable** to earn ‘trusted adviser’ status

Help counter the emotion

Marketers must be sensitive to this mindset, overwhelming shoppers with irrelevant and inaccessible options will just aggravate the situation more. Having testimonials and reviews can help them feel supported and calm.

Earn your right on shoppers’ shortlist

Shoppers don't have a lot of knowledge about modern appliances and will need education and demonstration ... but it must be from a **brand and/or retailer** they can trust.

The details really matter

Make sure their most important product details are easy to find, filter, and compare. Transparency and clarity will help make their search more efficient, as well as drive affinity to your brand as a true trusted adviser.

The Moments that Matter in Furniture & Beds

Take action and target the
Furniture intender on
intent connect

Moments that Matter *home retail*

Furniture & beds generate **$11.9bn** in annual revenue

1in4

Australians have purchased furniture/beds in the last 12 months

1in4

Are intending to purchase in the next 12 months alone

Setting the scene: The one category where **form can be more important** than function

Form meets Function

Furniture buyers prioritise comfort and aesthetic over most other factors - many are shopping with a home redesign/reno project in mind, and are regularly consuming home/lifestyle content.

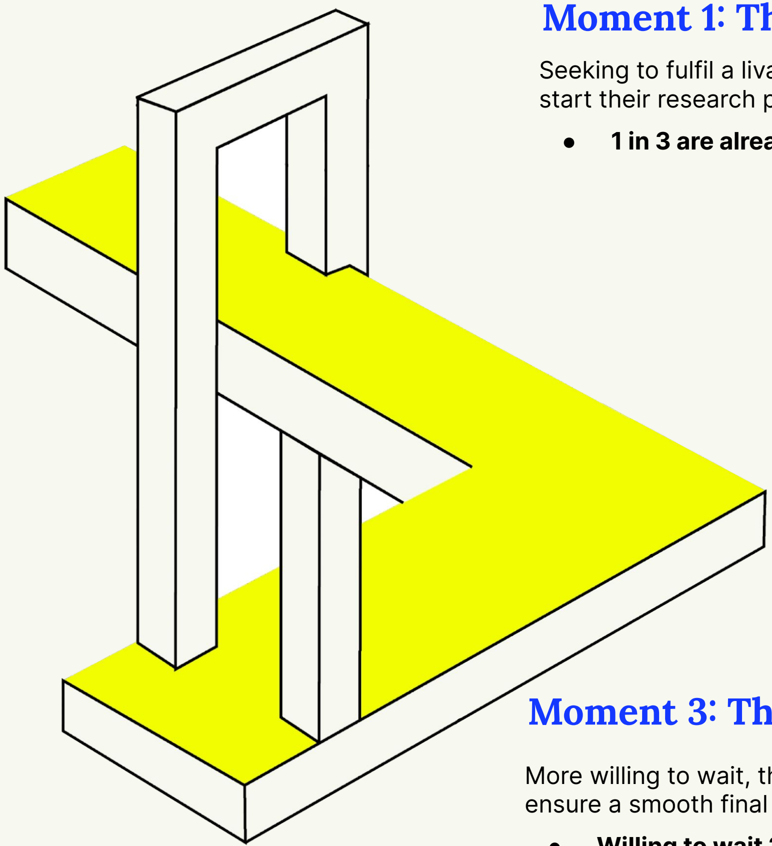
Willing to take the time

Shoppers tend to be more planned and less reactive in this category. They take more time to decide and are willing to wait - acknowledging furniture pieces are often custom tailored to preferences.

Brand takes a back seat

Buyers are least interested in, or even aware of, brand names in this category. Driven by lifestyle fit, they're most open to anything and from anywhere as long as it works for them.

The most **subjective category regarding the 'perfect fit'**, shoppers are most actively exploring all avenues



Moment 1: The Catalyst

Seeking to fulfil a livability need, shoppers are quick to start their research process.

- **1 in 3 are already in store at this moment.**

Moment 2: Considerations

Personal comfort and style considerations dominate the search - as a result shoppers are most exploratory of the market trying to find their exact right item/combination.

- **48% are open to any/all brands and retailers.**
- **3 in 4 consider the 'store brand'.**

Moment 3: The Closing

More willing to wait, this audience want to ensure a smooth final process.

- **Willing to wait 20 days on average**
- **1 in 10 changed their timelines.**

How to Win?

Support shoppers to seek furniture items that **are best suited to them**

Play to form and let them 'feel' it

Help them visualise and immerse, through virtual room planners, textile swatches, display items all inviting them to try. Don't underestimate the value of sets or packages so shoppers can align an aesthetic across their room or home.

Patience is a virtue

Give them the time and space to evaluate options in-store and back at home, and reassure them it's all worth it. Keep them up to date with stock and availability, and aim to delight their time frames as much as possible.

Features are in focus, comfort and design

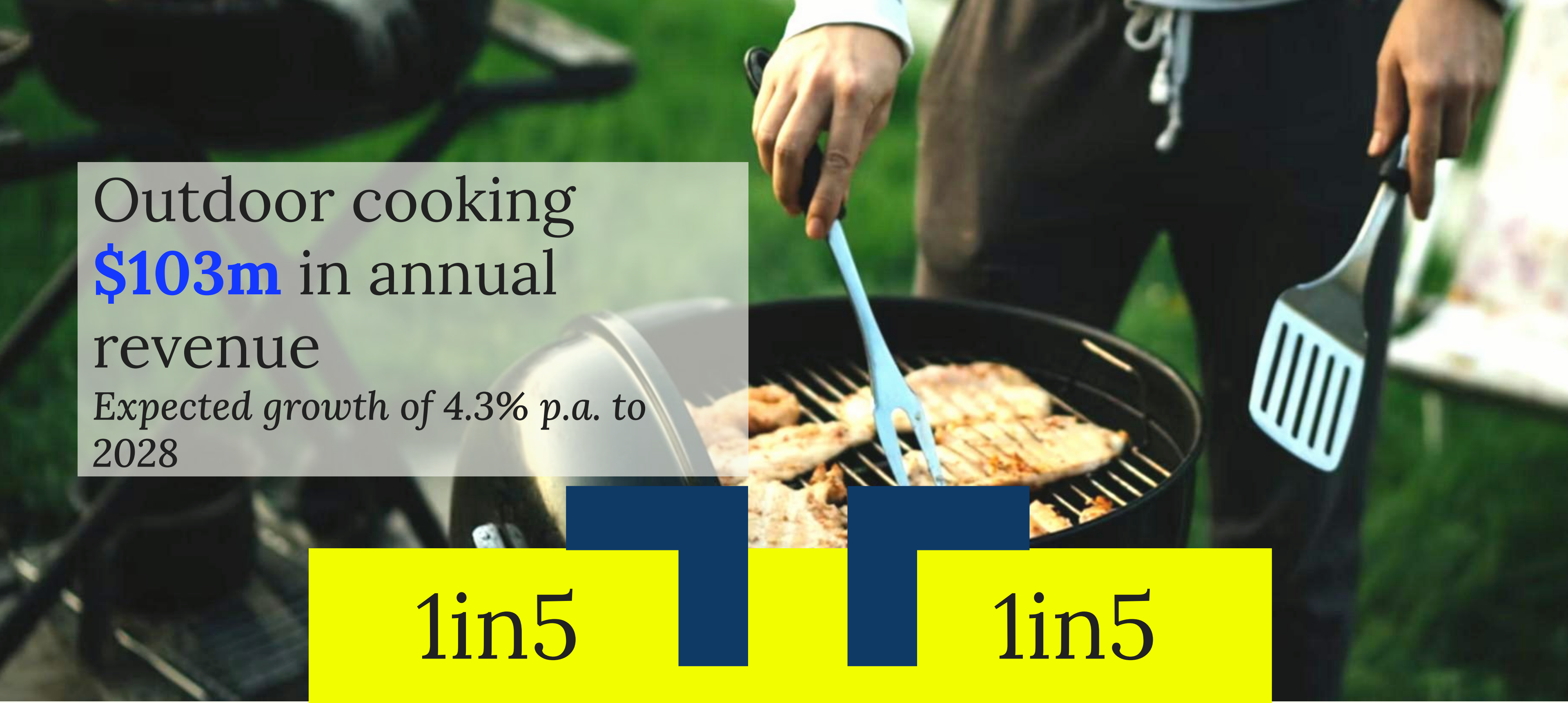
In the absence of brands, ensure to focus on unique product details - highlight features which talk to exceptional comfort, possible design customisations and durability.

The Moments that Matter in

Outdoor Cooking

Take action and target the
Outdoor Cooking intender on
intent connect

Moments that Matter *home retail*



Outdoor cooking **$103m** in annual revenue

Expected growth of 4.3% p.a. to 2028

1in5

Australians have purchased in the last 12 months

1in5

Intend to purchase within the next 12 months

Moments that Matter
home retail

Setting the scene:
A **personal purchase** where status is on the line

Intrinsic purchasing

Much more likely to be purchasing for personal reasons - a reward or for significant events/occasions. Emotional connections therefore become key throughout the purchase journey.

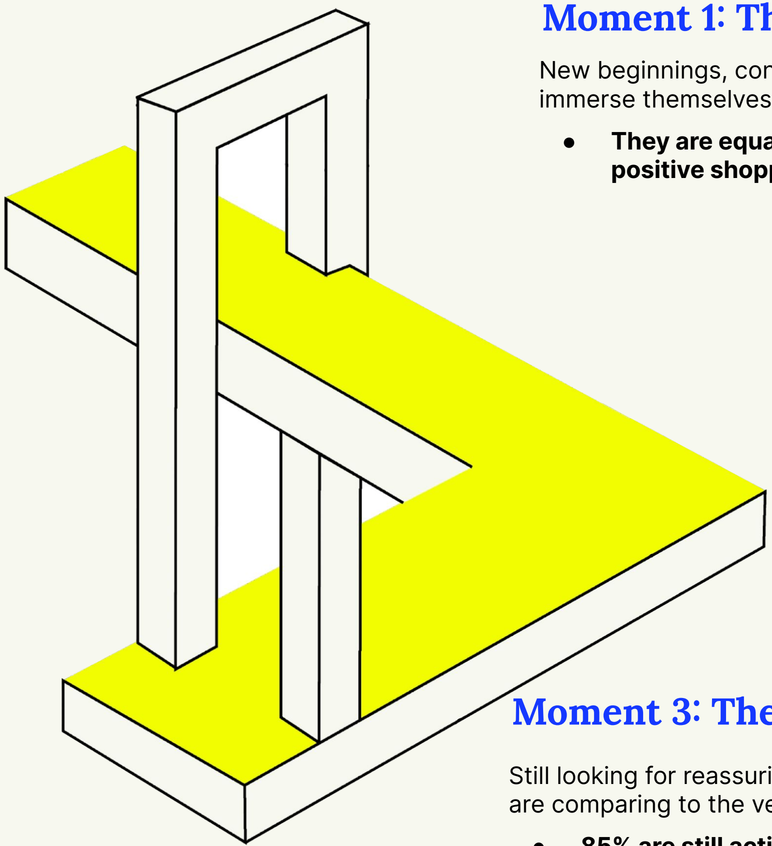
Get under the hood

Shoppers care about the intricate details, and want the latest and greatest in features. They are most excited and eager to learn how it all works, and how its better/more than other options.

Sense of identity

More than any other category, BBQ shoppers associate feelings of pride in their purchase, and often prioritise recommendations from expert/peers and lean to famous brands.

Outdoor Cooking shoppers are the **most engaged & interested,** actively learning the category at each stage



Moment 1: The Catalyst

New beginnings, consumers are excited and eager to immerse themselves at this stage of the journey.

- **They are equally Excited and Anxious (the most positive shoppers of all home retail categories).**

Moment 2: Considerations

An educational and enjoyable process, these shoppers are most highly engaged and seek information from as many inputs as possible.

- **Shoppers referencing 10+ sources.**

Moment 3: The Closing

Still looking for reassuring guidance, consumers are comparing to the very end.

- **85% are still actively researching 3+ sources even at the final stage.**

How to Win?

Elevate the journey, offering a distinctly more immersive and exclusive buyer experience

Build the excitement

Help shoppers maintain that positive momentum, speaking to benefits and outcomes through the journey. Consider what accessories and bonuses can further dial-up the excitement and get them come back as they expand their BBQing repertoires.

Show it in action

Demonstrations and live events can elevate engagement whilst allowing shoppers to learn without overwhelming them in product details. Focus on the features and add-ons that make you meaningfully different and/or better.

Brand matters

A name matters a lot to customers here. Being on the shortlist means being visible and memorable. They will gravitate to a trusted brand they see being used by expert advocates.

Wrap Up

Making moments that matter, **matter even more...**

Key takeaways for marketers

1. **Be 'Always-on' to be top of mind right from the start -** Shoppers will default to familiar and trusted as they battle the stress of finding themselves (unexpectedly) in the market.

2. **Make finding the 'perfect fit', easy -** The perfect fit is about much more than features, home is important, buyers seek reassurance it's a right choice for the entire household.

3. **Always reassure & be empathetic -** Remove frictions and frustrations by making sure the most important features in each home retail category are easily discoverable and comparable.

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