

Reach shoppers with section specific targeting

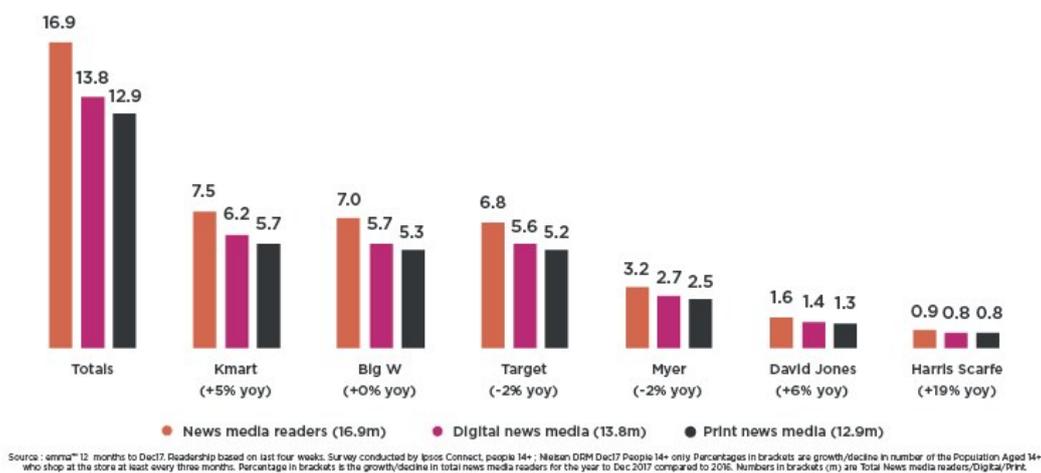
While newspapers are a traditional advertising medium, this does not limit what they can achieve, demonstrating remarkable leveraging power both in-store and online.

News media readers present two key characteristics for department store advertisers: the need to spend and the desire for quality.

The number of news media readers purchasing in-store has grown significantly year-on-year. Harris Scarfe enjoyed the largest growth at 19 per cent, followed by David Jones at 6 per cent and Kmart at 5 per cent. Myer and Target saw minimal loss at 2 per cent while Big W remained steady.

Reach in scale : With 16.9m news media readers, advertisers can reach 7.5m Kmart customers

T3 News media readers buying at stores at least every 3 months



Weekend newspapers, particularly the Saturday edition, are more likely to attract potential department store shoppers than weekday papers.

Seventy-five per cent of news media readers believe quality is more important than price with 62 per cent willing to pay more if the quality is high (in relation to

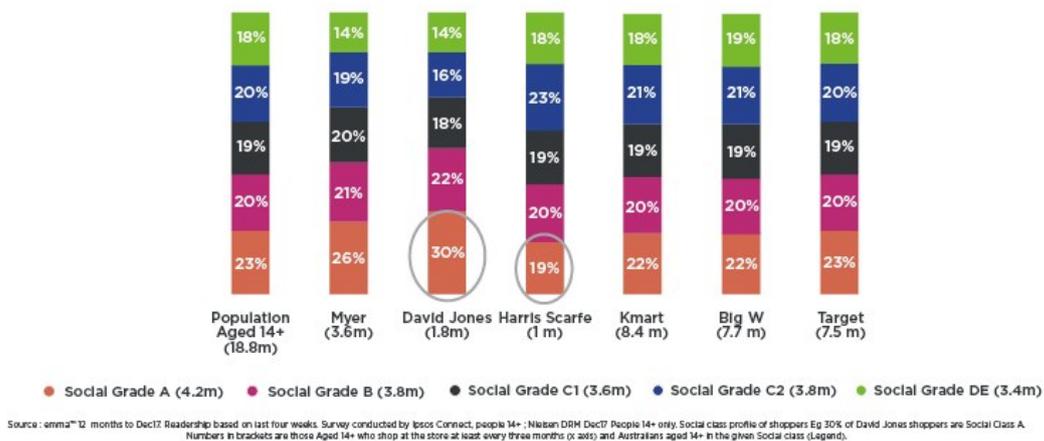
furniture). These findings were especially resonant with shoppers at upmarket department stores David Jones and Myer, each scoring higher than the average. Mass market stores Target, Big W, Harris Scarfe and Kmart were within several points of the average for both questions.

The willingness to pay more for quality by those shopping at upmarket stores correlates to socio-economic status.

David Jones has the most significant share of AB shoppers. Thirty per cent of the store’s patronage in the last three months were social grade A shoppers, while 22 per cent were social grade B. Myer has the second highest instance, with 26 per cent of shoppers social grade A and a further 21 per cent social grade B.

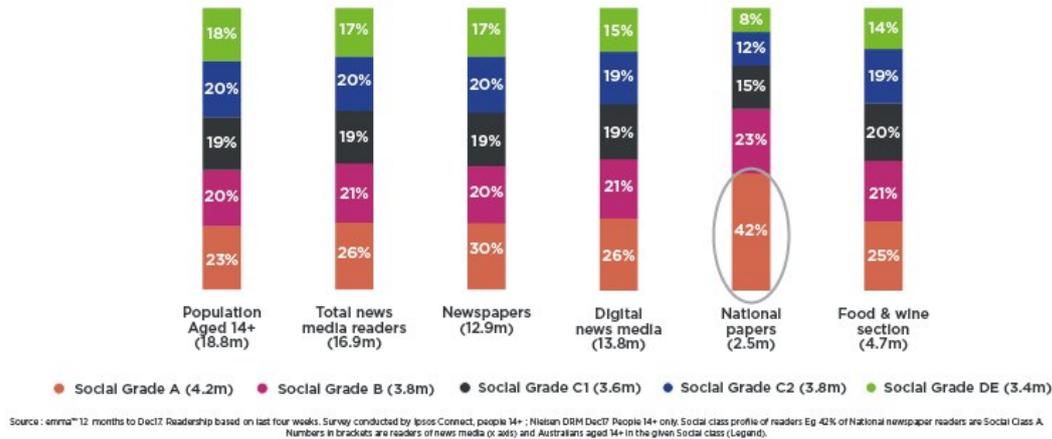
Mass market department stores sit on, or near, the average of 43 per cent of AB shoppers.

David Jones customers skew towards Social Class A while Harris Scarfe skew away
Customer profile : Shop at the store at least every 3 months



The best way to reach this demographic is through newspapers, with 50 per cent of readership identifying as part of the AB demographic. The instances are even higher in national papers, with 42 per cent of readers social grade A and 23 per cent social grade B, totalling 65 per cent.

National papers skew towards Social Class A News media reader profiles by news media channel



Online vs in-store: what should be the focus?

Online and in-store shoppers are quite set in their ways, preferring one method of shopping over the other. However, there are some shoppers who will indulge in both.

Online shoppers are more likely to also shop in-store, especially if shopping at a mass market retailer or Myer. Harris Scarfe and David Jones have the least amount of shopper crossover, with only 39 per cent and 44 per cent of shoppers respectively shopping in-store.

Myer's in-store shoppers are significantly more likely to also shop online (20 per cent), followed by followed by David Jones shoppers (11 per cent) and Target (10 per cent).

Leverage in-store shoppers as the majority of online buyers (News media readers)

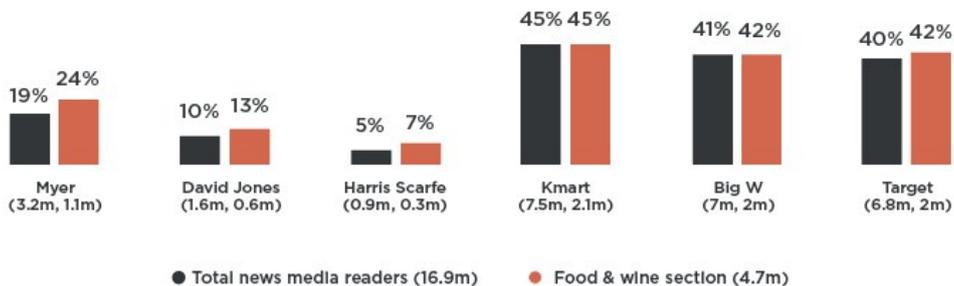


Source : emma™ 12 months to Dec17. Readership based on last four weeks. Survey conducted by Ipsos Connect, people 14+ ; Nielsen DRM Dec17 People 14+ only. In-store shoppers are news media readers who shop at the store at least every three months. Percentage bought online is from that store's website in the last 12 months.

Harris Scarfe has the highest efficiencies with ads in newspaper sections (specifically food and wine), followed by Myer and David Jones.

With a higher incidence in the target market... Myer, David Jones and Harris Scarfe see most efficiencies with ads in newspaper sections

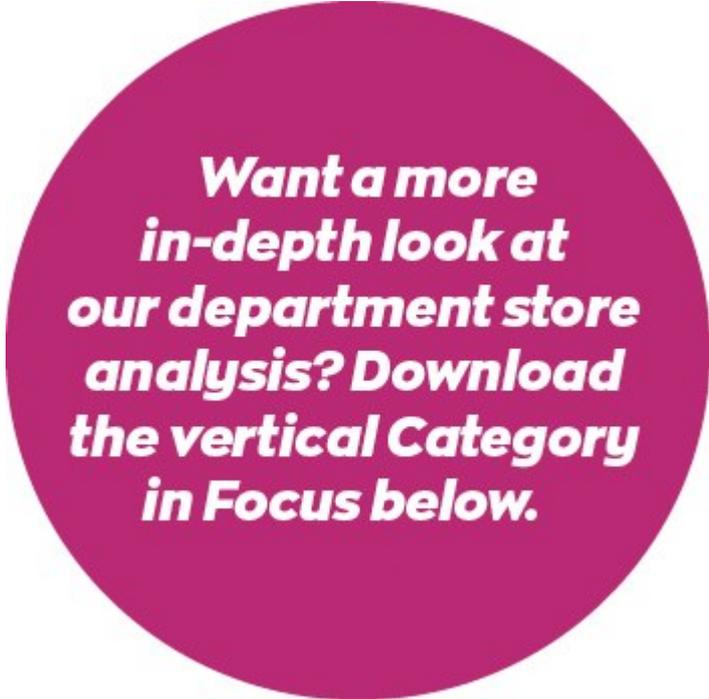
T3 Percentage of readers who buy from the store at least every 3 months



Source : emma™ 12 months to Dec17. Readership based on last four weeks. Survey conducted by Ipsos Connect, people 14+ ; Nielsen DRM Dec17 People 14+ only. Numbers in brackets are readers of news media/Food & wine section who shop at the store at least every three months. In the legend, the numbers are Total readers.

News media readers who are in-store shoppers are shown to be big spenders on women’s clothing, watches, jewellery & accessories and holidays, homewares & furnishings.

David Jones in-store shoppers index highest for watches, jewellery & accessories (+57 per cent), followed by Myer (+53 per cent). Mass market department stores index at around 46 per cent for these products.



***Want a more
in-depth look at
our department store
analysis? Download
the vertical Category
in Focus below.***

Women's footwear & clothing is most popular with in-store Kmart shoppers at 36 per cent, followed by Target and Myer shoppers, both at 35 per cent. Perhaps surprisingly, David Jones was the least popular for these products, indexing at only 18 per cent.

Shoppers looking to spend on holidays & airfares are 63 per cent more likely to make purchases at Harris Scarfe, followed by Myer, David Jones and Target, each at 52 per cent.

Harris Scarfe also proved most popular with homewares and furnishing shoppers, indexing highest at 34 per cent. David Jones followed at 33 per cent, with mass market stores Kmart and Target, each indexing at 29 per cent.

David Jones achieves some of the highest efficiencies when targeting in specific newspaper sections. The most effective section for targeting is technology (+95 per cent), followed by education (+86 per cent), insights and commentary (+71 per cent) and business and finance (+49 per cent).

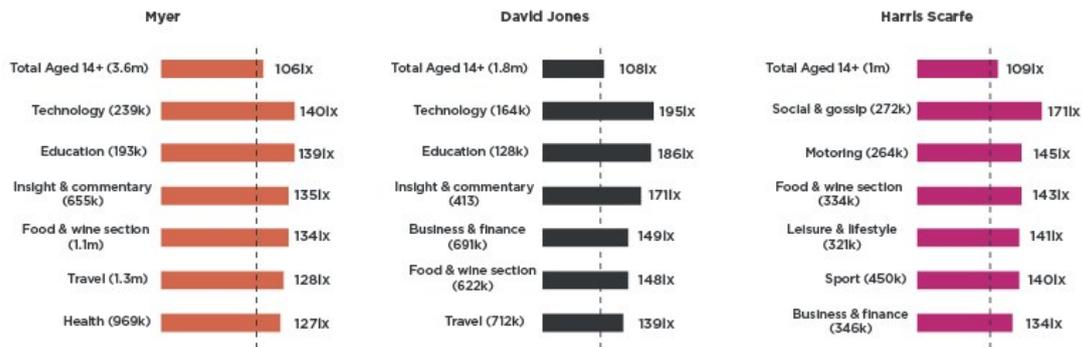
Competing up market department store Myer showed similar efficiencies, with technology king at 40 per cent higher reach, followed by education (39 per cent) and insights and commentary (+35 per cent). The key difference is the effectiveness of the food and wine section which indexed at 34 per cent.

Mass market newcomer Harris Scarfe proves highly effective in the social and gossip section, indexing at 71 per cent. Other efficient sections include motoring

(+45 per cent), food and wine (+43 per cent) and leisure and lifestyle (+41 per cent).

Fewer stores means less mass market Myer, David Jones and Harris Scarfe see most efficiencies with ads in newspaper sections

Readers of newspaper sections : Reach to in-store customers : Indexed v Non-readers of news media

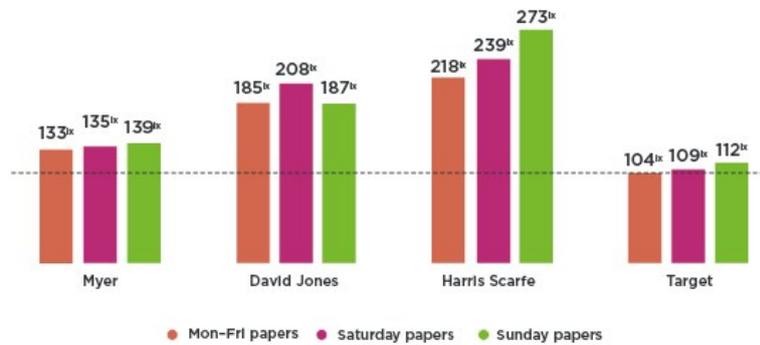


Source : arma™ 12 months to Dec17. Readership based on last four weeks. Survey conducted by Ipsos Connect, people 14+ - Nielsen DBM Dec17 People 14+ only. All metrics represent News media readers percentage who shop at the given department store at least once every 3 months indexed v Non-readers = 100k. Eg For those who read the Technology section of a newspaper, they are 40% more likely to be Myer shoppers than Non-readers will be (140ix). Y axis labels in brackets = Number of section readers who shop in-store at the given department store chain at least every 3 months.

Looking specifically at David Jones, Myer and Harris Scarfe, readers of weekend papers show a higher likelihood of being online shoppers. Sunday papers demonstrated the highest results for Harris Scarfe (+173 per cent) and Myer (+39 per cent). David Jones had the best result from Saturday newspapers, with readers 108 per cent more likely to shop online.

Saturday (& Sunday) newspaper readers are much more likely to be online customers for 4 of the department stores

**Newspaper readers likelihood to be online customers
Indexed v Non readers = 100ix**



Source: emma™ 12 months to Dec17 Readership based on last four weeks. Survey conducted by Ipsos Connect, people 14+ - Nielsen DDM Dec17 People 14+ only. News media readers who have bought at the online store in the last 12 months - Indexed against Non-readers of news media = 100ix. Related to National & Metro titles only. Kmart and Big W not shown because they are no more likely to be online customers if they read Mon-Fri, Saturday or Sunday newspapers.

The three stores can best utilise newspaper sections to hit online readers. The food and wine section demonstrate the highest efficiency, indexing almost twice as effective. Social and gossip (+89 per cent), health (+76 per cent) and property (+74 per cent) sections are also popular.

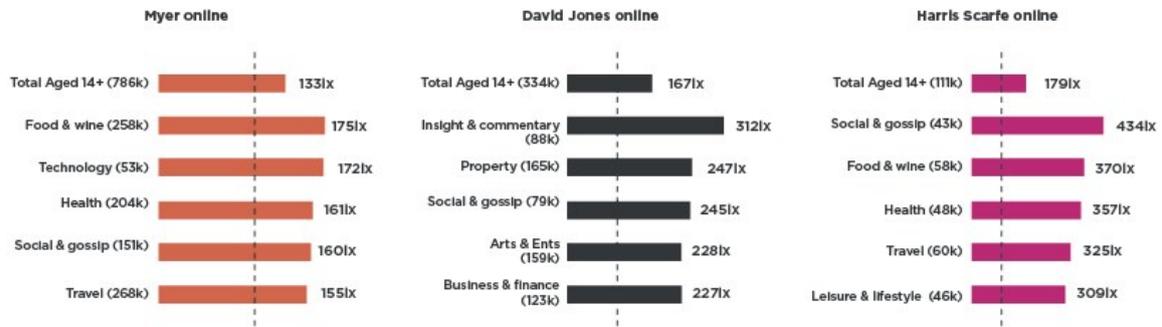
Harris Scarfe showed the most impressive examples of section targeting for online shoppers. The social and gossip section was the standout, proving 334 per cent more efficient at reaching online shoppers. Food and wine was shown to be 270 per cent efficient, with health (+257 per cent) and travel (+225 per cent).

The insight and commentary section was most effective at reaching online shoppers for David Jones at 212 per cent, followed by property (+147 per cent) and social and gossip (+145 per cent).

The food and wine section came out on top for Myer, proving 75 per cent more efficient for capturing online shoppers. The technology section came in second at 72 per cent, followed by health (+61 per cent) and social and gossip (+60 per cent).

Providing context, newspaper sections connect advertisers with online store customers too

Readers of newspaper sections : Reach to online store customers : Indexed v Non-readers of news media



Source : emma™ 12 months to Dec'17. Readership based on last four weeks. Survey conducted by Ipsos Connect, people 14+ - Nielsen DGM Dec'17 People 14+ only. Percentage of the newspapers' section readers who bought from D.Js, Myer or Harris Scarfe online in the last 12 months Indexed v Non readers of news media = 100 ix. Eg For those who read the Food & Wine section of a newspaper, they are 75% more likely to have bought at Myer online than Non-readers will be(175ix). Y axis labels in brackets (x00k) = Number of section readers who bought from the given online store the last 12 months.

ARE YOU BEING SERVED?

NEWS MEDIA WORKS for Department store advertisers



10.7m SHOP AT DEPARTMENT STORES (60%)¹
2.2m SHOP AT A DEPARTMENT STORE ONLINE (91%)²



NEWS MEDIA DELIVERS ONLINE AND IN-STORE CUSTOMERS IN SCALE

ONLINE BUYERS³



1 in 3
DEPARTMENT STORE SHOPPERS FIND CATALOGUES USEFUL IN PURCHASE DECISIONS (FURNITURE/HOMEWARES/WHITE GOODS)⁴

SOCIAL GRADE A 42%
OF NATIONAL NEWSPAPER READERS
23% OF POPULATION AGED 16+

43%
OF NEWS MEDIA READERS SHOPPED ONLINE IN THE LAST 7 DAYS

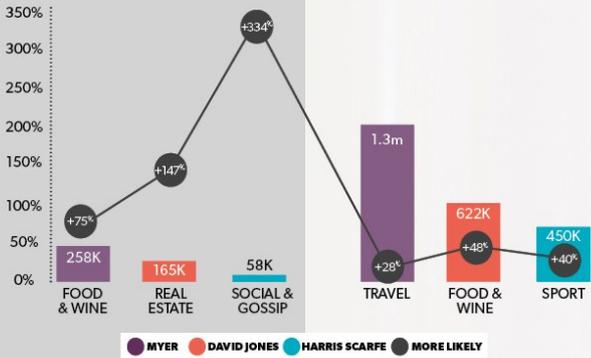
IN-STORE BUYERS⁴



ENGAGE BUYERS WITH ADS IN NEWSPAPER SECTIONS PROVIDING CONTEXT AND MEDIA SPEND EFFICIENCIES

ONLINE BUYERS⁵

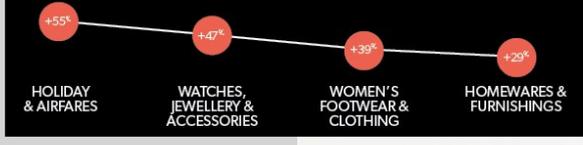
IN-STORE BUYERS⁴



21% OF DEPARTMENT STORES' IN-STORE CUSTOMERS HAVE ALSO BOUGHT FROM AT LEAST ONE OF THE STORES ONLINE⁶

78% OF DEPARTMENT STORES' ONLINE SHOPPERS ALSO PURCHASE FROM AT LEAST ONE OF THE STORES INSTORE⁷

READERS ARE MORE LIKELY TO BE BIG SPENDERS⁸



Source: 1. Source: emma™ 12 months to Dec17. Benchmark based on last four weeks. Survey conducted by Ipsos Connect, people 16+. 2. Nielsen DDM Dec17 People 16+ only. Department stores are Kmart, Target, Big W, David Jones, Myer, Old World Bookery. 3. Data based on last 12 months. 4. Bought at an online department store in the last 12 months. 5. Percentage of news media readers who are in 75th-95th of spenders in the category. 6. Based on 'more likely' to use media of news media - 2009. 7. Kmart, Target and Big W are open seven days a week - they should advertise on the main news pages to best engage readers, although sections may provide efficiency when they are aligned with the product being advertised. 8. Paid and Free readers. 9. Newspaper readers include an 'more likely' to use media of news media - 2016. 10. Bought at one or more department stores at least every 2 months AND bought at one of the department stores online in the last 12 months. 11. 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