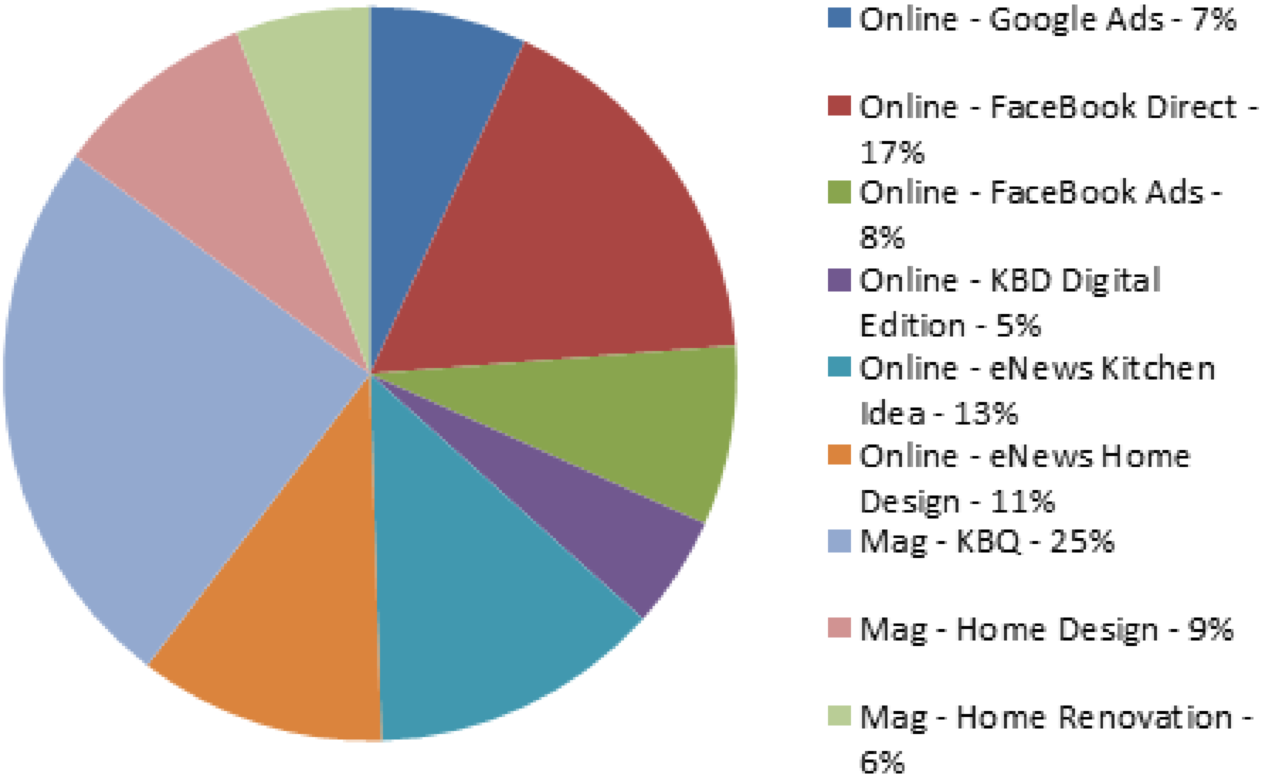
# Consumer Preferences in the Kitchen & Bathroom Market

A Study Commissioned by Kitchens & Bathrooms Quarterly Magazine and the Kitchen & Bathroom Designers Institute.
May 2015

# Contents

# Data Sources

| Source of Survey Respondents | |
|---|---|
| Online | Google Ads - 7% |
| Online | Google Ads - 7% |
| Online | FaceBook Direct - 17% |
| Online | FaceBook Ads - 8% |
| Online | KBD Digital Edition - 5% |
| Online | eNews Kitchen Idea - 13% |
| Online | eNews Home Design - 11% |
| Mag | KBQ - 25% |
| Mag | Home Design - 9% |
| Mag | Home Renovation - 6% |



# Methodology

This document contains the results from the largest survey of consumers in the kitchen and bathroom market for a decade.

Other studies in the Kitchen and Bathroom market address volumes – such as those by HIA Economics, but this survey set out to ask about consumer preferences. The study therefore started and ended with consumers. Initially consumers were consulted to establish questions and answers that were relatable, hence the use of broad colloquial terms such as "Traditional Country" when considering style. The question set was then submitted to the Kitchen & Bathroom Design Institute (KBDi) to test industry relevance.

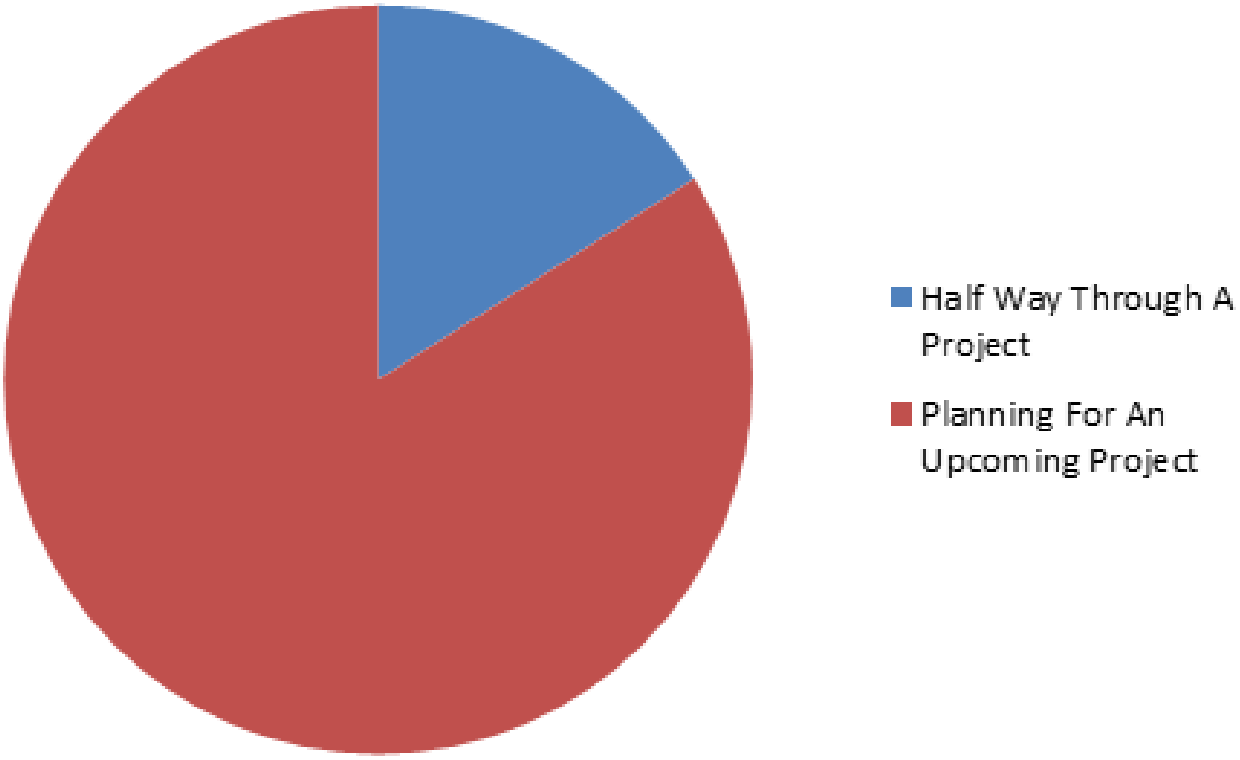
The target market for the survey was consumers with impending kitchen or bathroom projects. The media chosen was wide enough to eliminate any biases, but specific enough to ensure the desired target market was reached. Media used was: Kitchen Idea eNews, *Home Design & Interior eNews, Completehome.com.au, Kitchens & Bathrooms Quarterly Magazine, Home Design Magazine, Home Renovation Magazine*, the digital edition of *Kitchens & Bathrooms Quarterly*, a Google Adwords Campaign, and Face Book Sponsored Posts.

Consumers were prospected from print and online media to fill in the survey which was published online. Consumers were only able to fill in the survey once per IP address, and were offered the incentive of a chance of winning a *Kitchen Designer Bookazine*. The findings were collated by Universal Research Unit. 3,597 entries were received, of which 2,788 had impending kitchen or bathroom projects and were used in the study.

The key points are provided with commentary referencing the Kitchens & Bathrooms Project Survey of 10 years ago by Kitchens & Bathrooms Quarterly, and Australian Bureau of Statistics Data where comparisons to population were required, and IPSOS Enhanced Media Metrics Australia where magazines are mentioned.

This study shows the original data set. In addition to this there is a Power Point Presentation version with commentary which has been created for presentation to businesses people with an interest in this market.

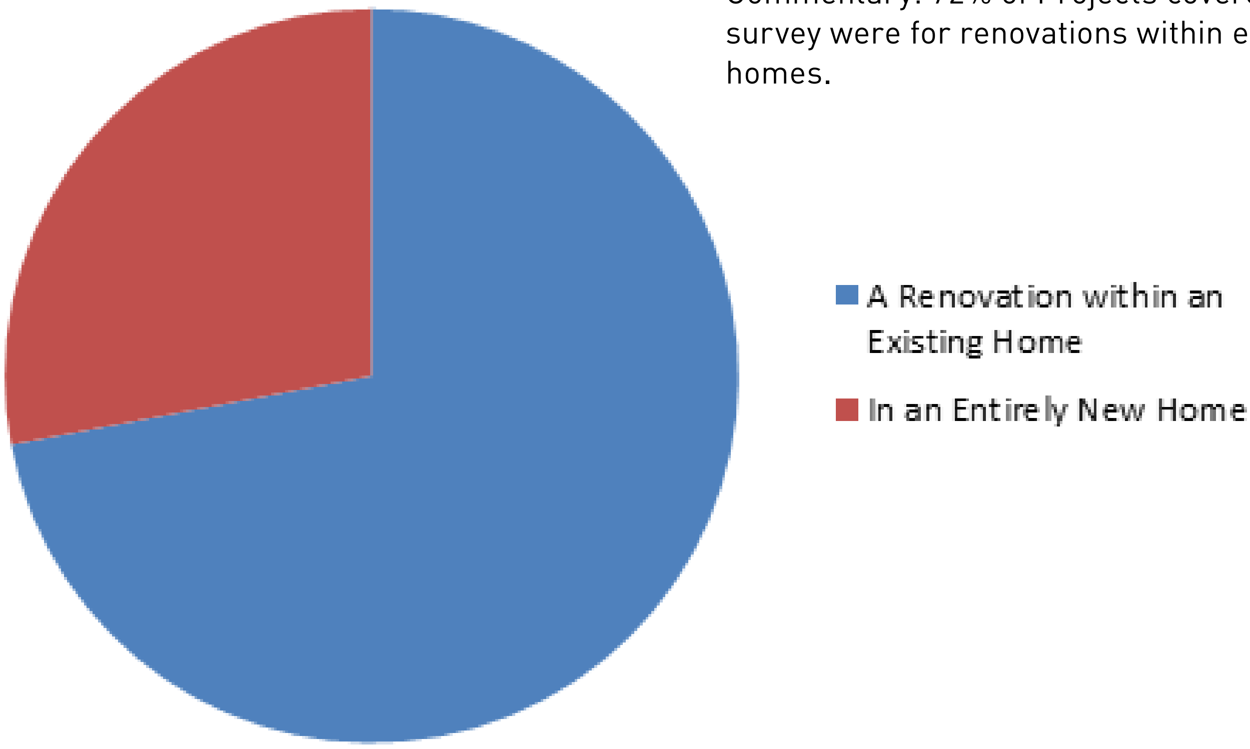
# Proximity to Project at Time of Survey




Commentary: 86% of respondents were planning an upcoming project, and 14% had already started.Note: An additional group that either did not have immediate projects, or had just completed them have been removed from the data to bring the focus to consumers with impending projects.

# Type of Project

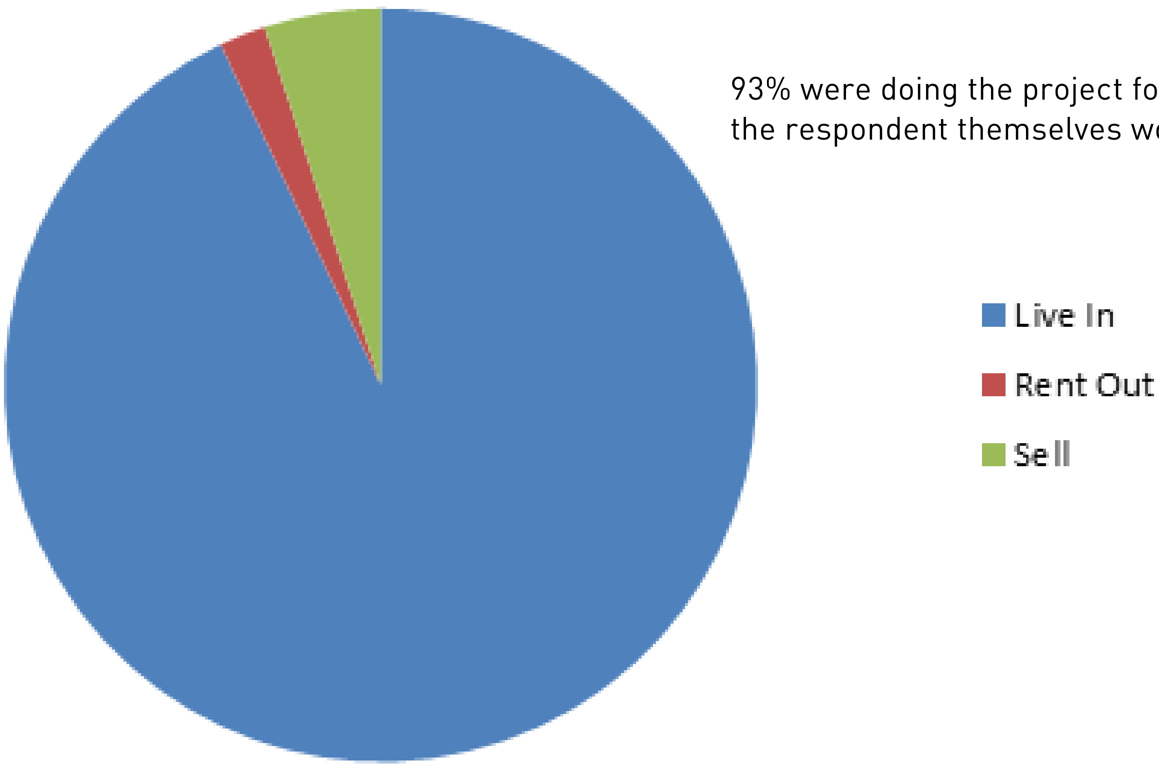
Commentary: 72% of Projects covered by this survey were for renovations within existing homes.




# Purpose of Project

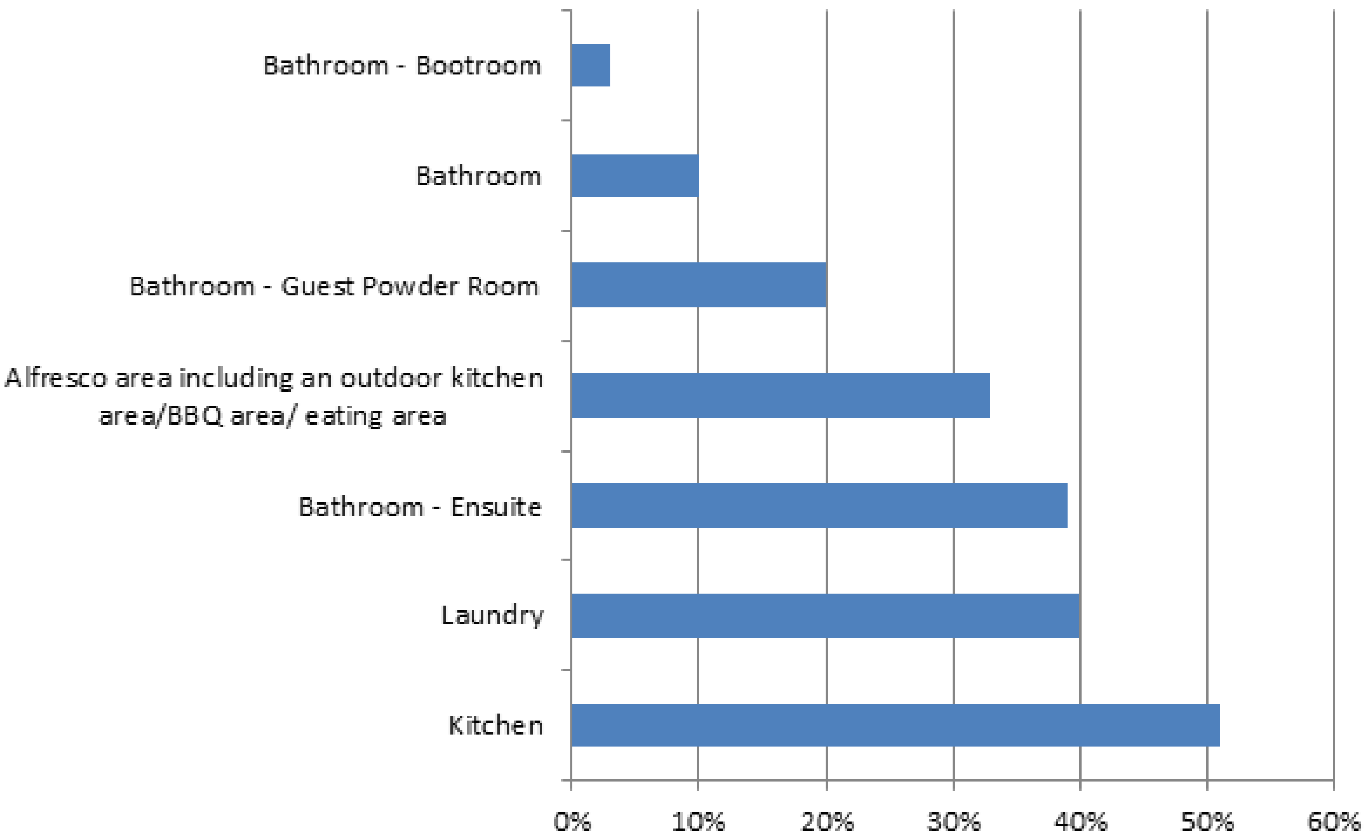
We asked "Is this project being built or renovated to...?".

93% were doing the project for a home that the respondent themselves would live in.



# If a New Home or Whole Home renovation what were the inclusions?

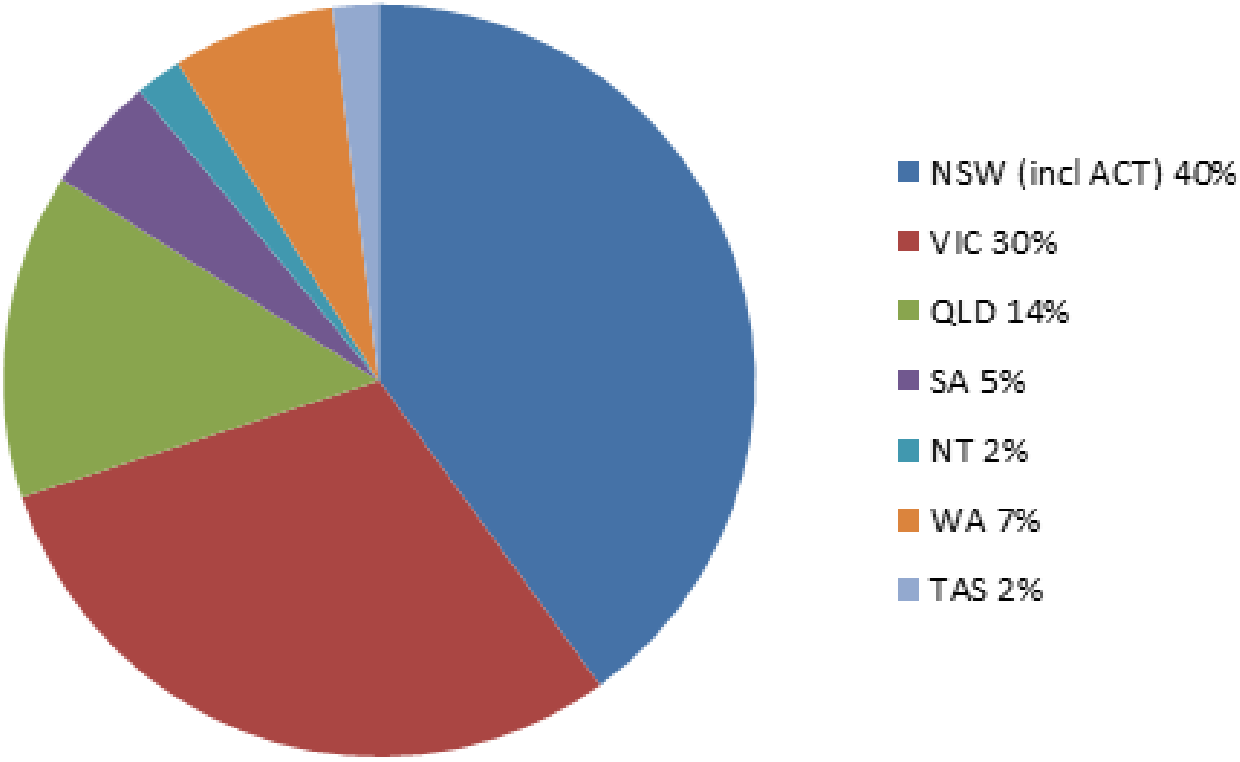
For the subset of the market working with an entirely new home, we asked what inclusions would form part of that home.




Commentary: Although a new Kitchen tops the list of desired inclusions (51%), it is clear that bathrooms proliferate when consumers have the chance to influence their own floorplan, with 39% opting for a en-suite, 20% opting for a guest powder room, 10% new Bathroom, and 3% Boot room Bathroom. At 40% Laundries are a significant interest area for consumers who can influence the floor-plan, and actually outnumber en-suites. The growth in Alfresco Rooms containing outdoor Kitchens/BBQ area is noteworthy at 33%.

# Inclusion of Alfresco rooms in New Homes

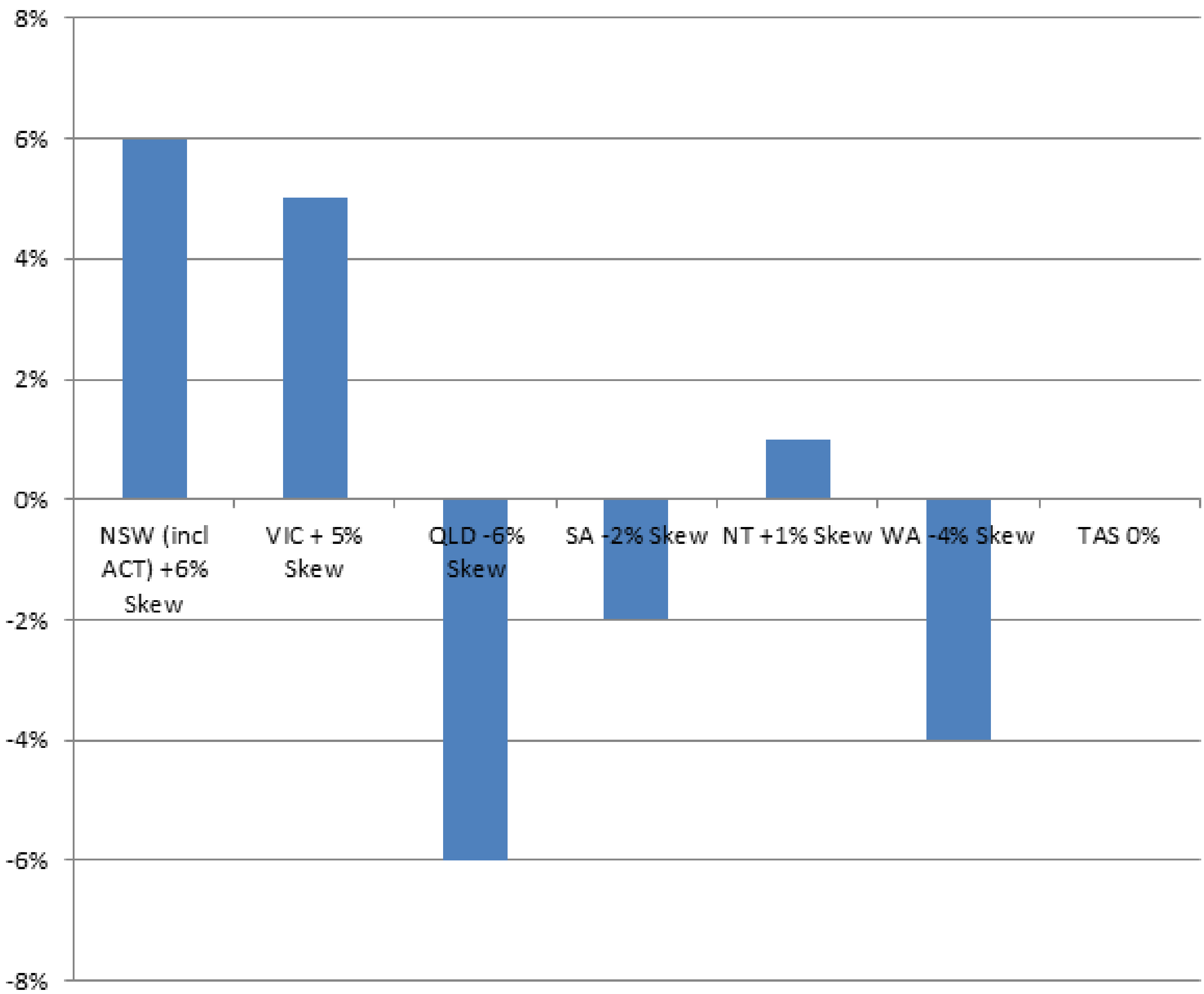
Alfresco Rooms were extremely popular for consumers with impending projects in this study so we took a state-by-state view to see if this was influenced by climate.




See over for how this skews compared to population.

# Inclusion of Alfresco rooms in State Skews

When compared to population, there was a genuine skew in favour of Alfresco Rooms containing Kitchens/BBQ's in NSW, VIC and the NT.

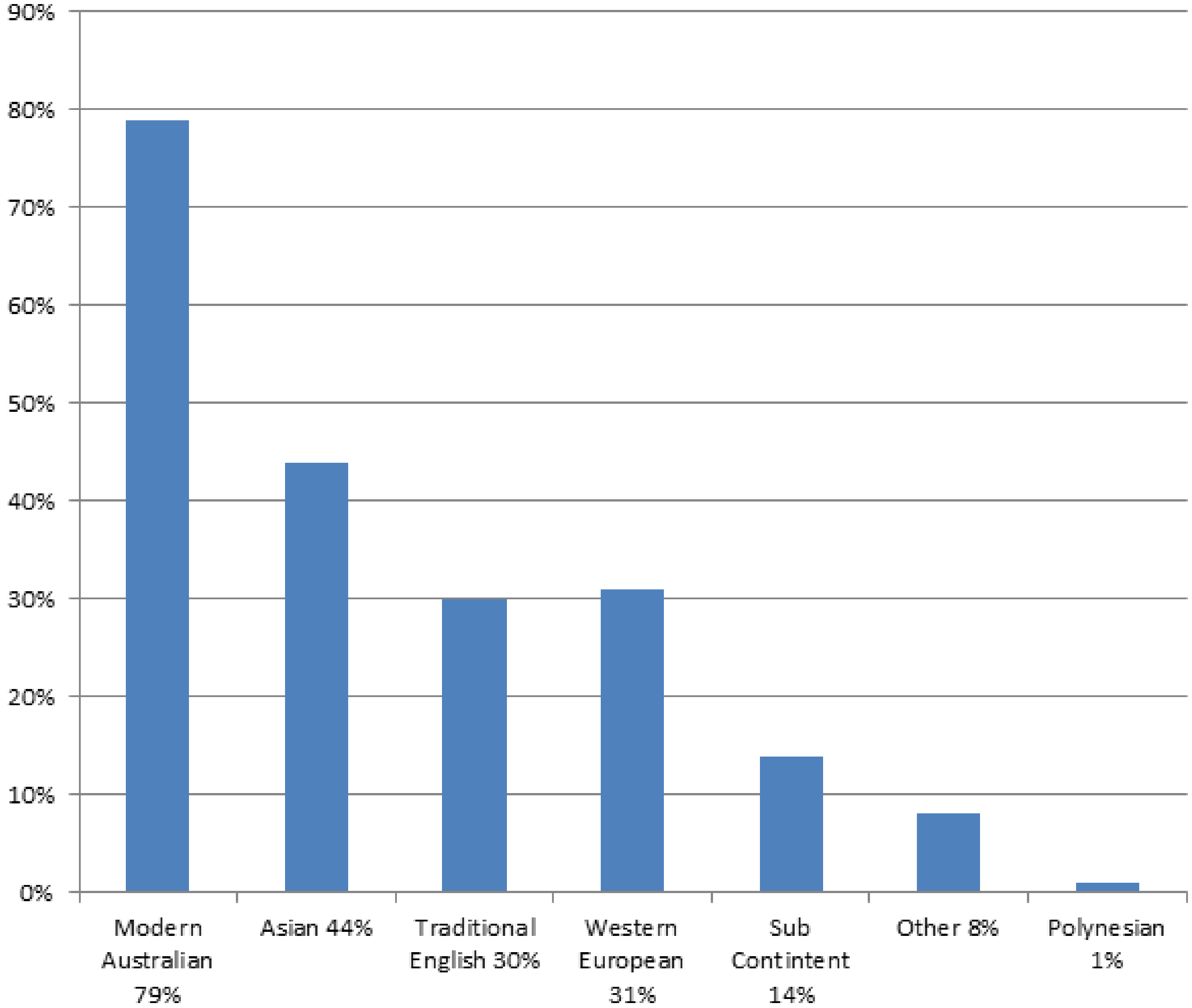



Commentary: This data could reflect a design trend i.e. the older housing stock of NSW and VIC justifies the expenditure on an Alfresco Room, and as a result more consumers are including them. The sunny state of QLD skews down for the inclusion of Alfresco Rooms, possibly because a full Alfresco Room is not needed in a region where housing already has outdoor intergration and a patio or deck will do. The structural elements of an Alfresco Room are often designed to trap heat while giving sunlight, so are desired by consumers in less favourable climates.

# For Projects Being Occupied by the Respondent:

*Cooking Styles*

Multiple answers were accepted in this question and show how diversity has impacted what happens on stove tops across the nation.  We asked "What cooking styles do you normally undertake?"

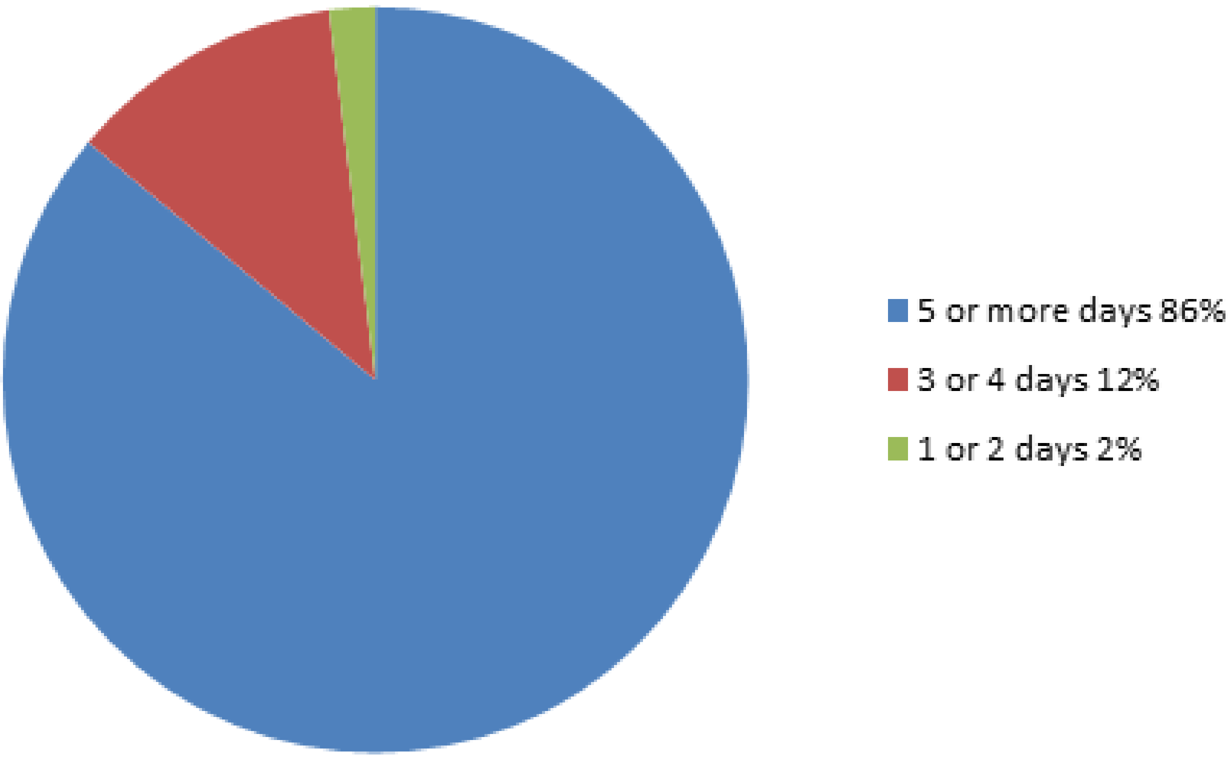



Commentary: The trend is away from Traditional English/Western European towards our own style "Modern Australian".  44% of respondents do Asian cooking at home.

# For Projects Being Occupied by the Respondent:

## *How Often Kitchen Is Used for Main Meal Cooking*

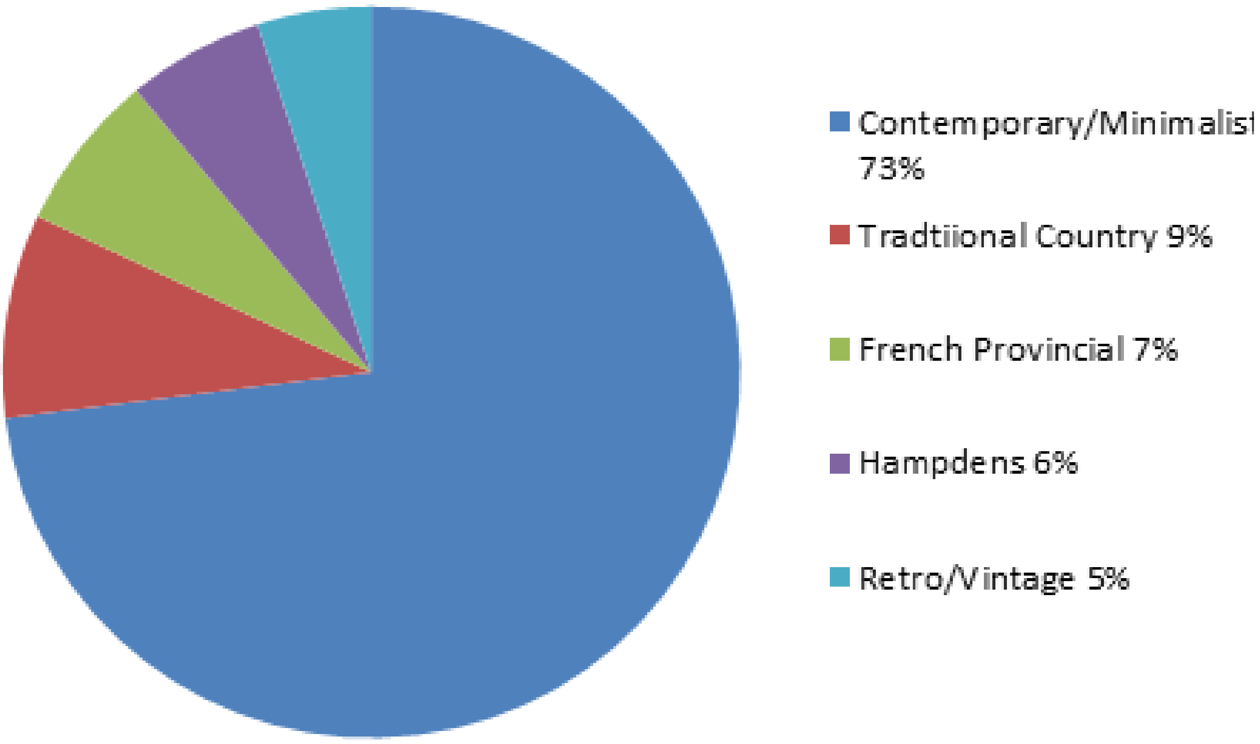
As eating-out is the mega trend of the decade, we wanted to find out how often the kitchen was used for Main Meal cooking.  We asked "How many days per week would your kitchen be used to prepare the Main Meal of the day".




Commentary: This is the graph that will make Jamie Oliver happy – Australian's are cooking at home often – or at least those who are investing in new kitchens are. The chances are if you are investing in a new kitchen, cooking is an interest if not an obsession, so this data may well skew favourably towards cooking compared to the rest of the population who are not investing in new kitchens.

# For Projects Being Occupied by the Respondent: Kitchen Themes.

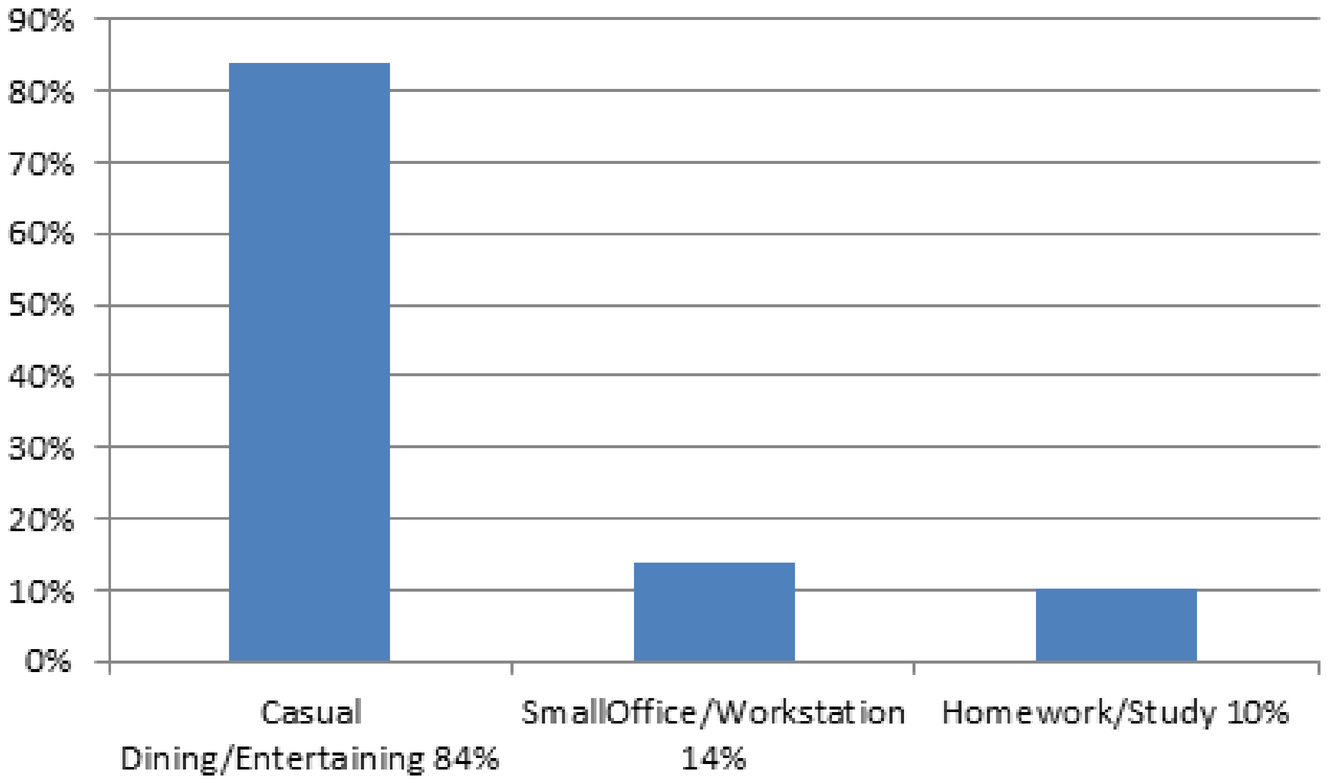
This is a question where consumer descriptors of style diverge from designer descriptors of style.  To get some indication of stylistic preferences we used broad groupings and found a strong swing in favour of Contemporary/Modern Minimalist.  "We asked Which Theme Best Describes Your Dream Kitchen?"




Commentary:  The mood of the market is definitely in favour of Contemporary/Modern Minimalist kitchens, although clearly that can mean a wide range of things from the hard-edged glass/aluminium look to features hidden behind soft timber finishes.  The other styles swing in and out of favour almost cyclically – a similar survey conducted by *Kitchens & Bathrooms Quarterly Magazine* 10 years ago almost split the market between "country" and "contemporary", but it would appear that the term country is out of favour rather than the old-style look, which is now referred to as "retro' or "vintage".  The swing in favour of contemporary/minimalist is still of use to marketers as it indicates a comfort point for consumers who, if they have to choose a description of their most desired style, will choose "Contemporary/Minimalist".

# For Projects Being Occupied by the Respondent: Additional Functions.

We wanted to test the idea that there is no such thing as a kitchen used for just cooking, so we asked “Which additional functions do you forsee for your kitchen” and allowed multiple answers.

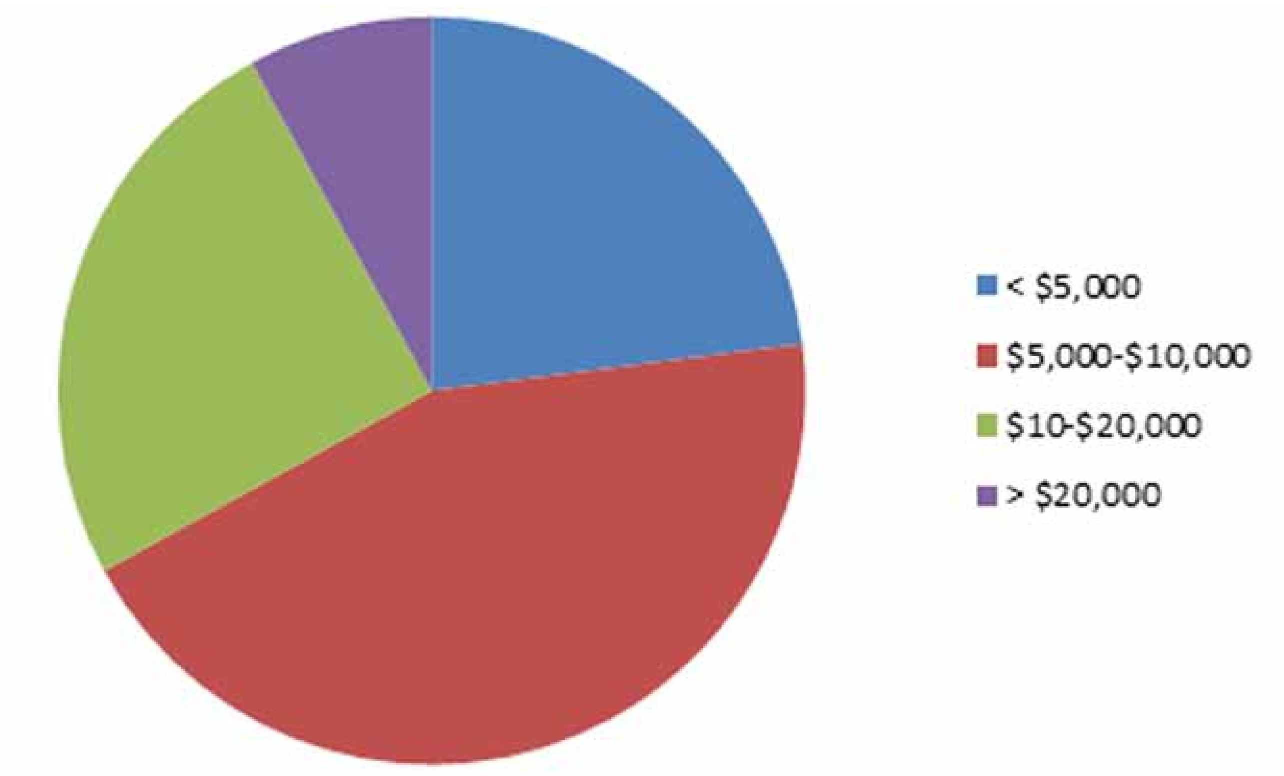



Kitchens are clearly the casual dining/entertaining space of the home, with a huge 84% of consumers planning this use for their own dream kitchen.  14% see the need for a small office/workstation and 10% see the need for homework/study to be integrated with kitchen functions.

# For All Projects:

*Expected Spend on Appliances*

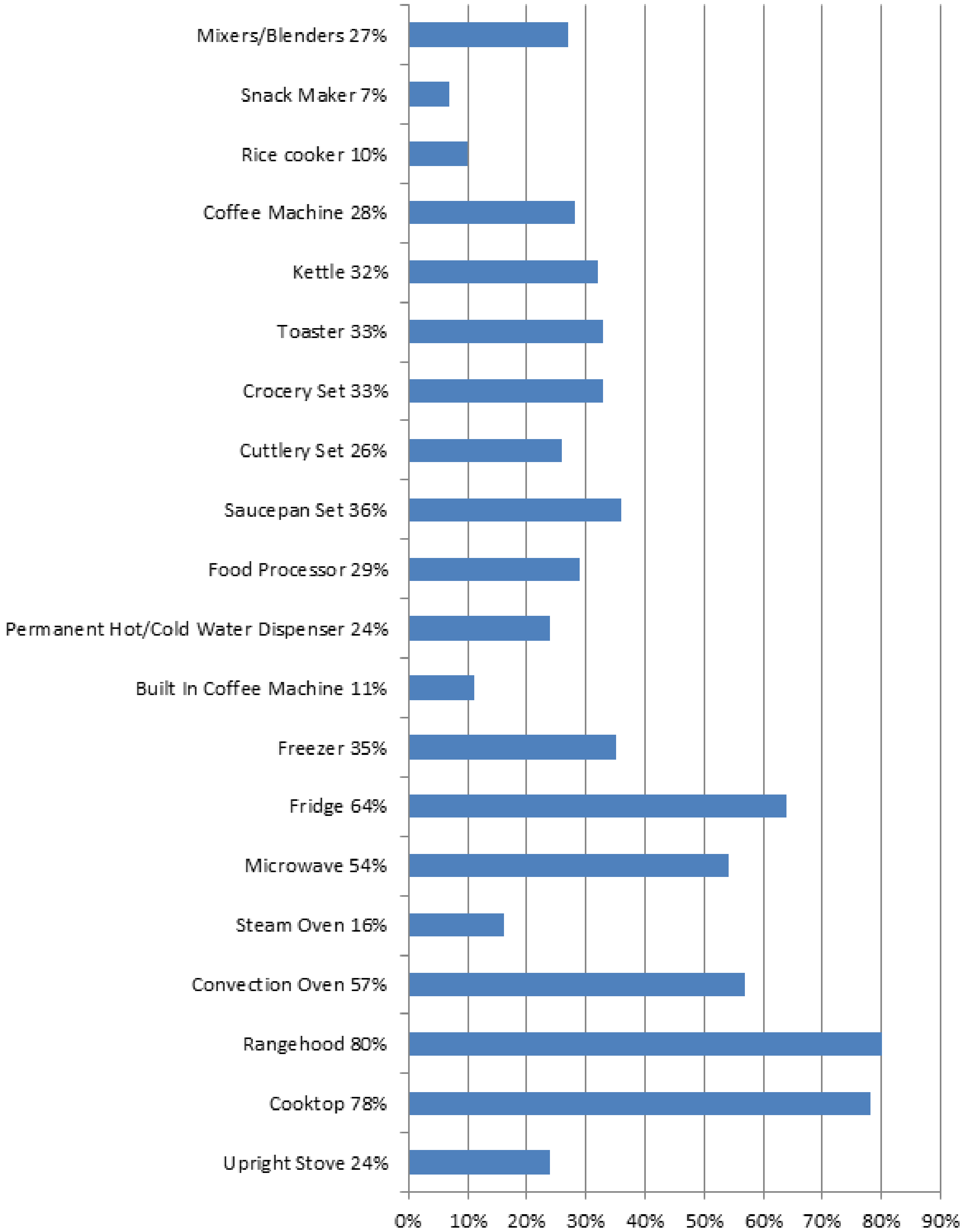
In recent years Appliance Manufacturers have been busily developing new ways to increase the spend on appliances. To find out if this was affecting consumer perceptions of what they needed to spend we asked "How much did you/estimate to spend on appliances?"




Commentary: The $5,000+, $10,000+, and $20,000+ categories are the categories that have shown growth since a similar survey was commissioned 10 years ago. To see 33% of consumers willing to spend over $10,000 on appliances is a significant change, and indicator that the investment of the Appliance Companies in new features that add cost has been worthwhile. Consumer expenditure expectations in this category are realistic, appear to show that high-end appliances are desired and valued.

# Which Appliances?

The number of appliances has grown in recent years, so we wanted to find out what new appliances consumers planned on buying in their new dream kitchen. We asked the live-in/kitchen project group "What appliances will you acquire for your new kitchen"



# Kitchen Overview

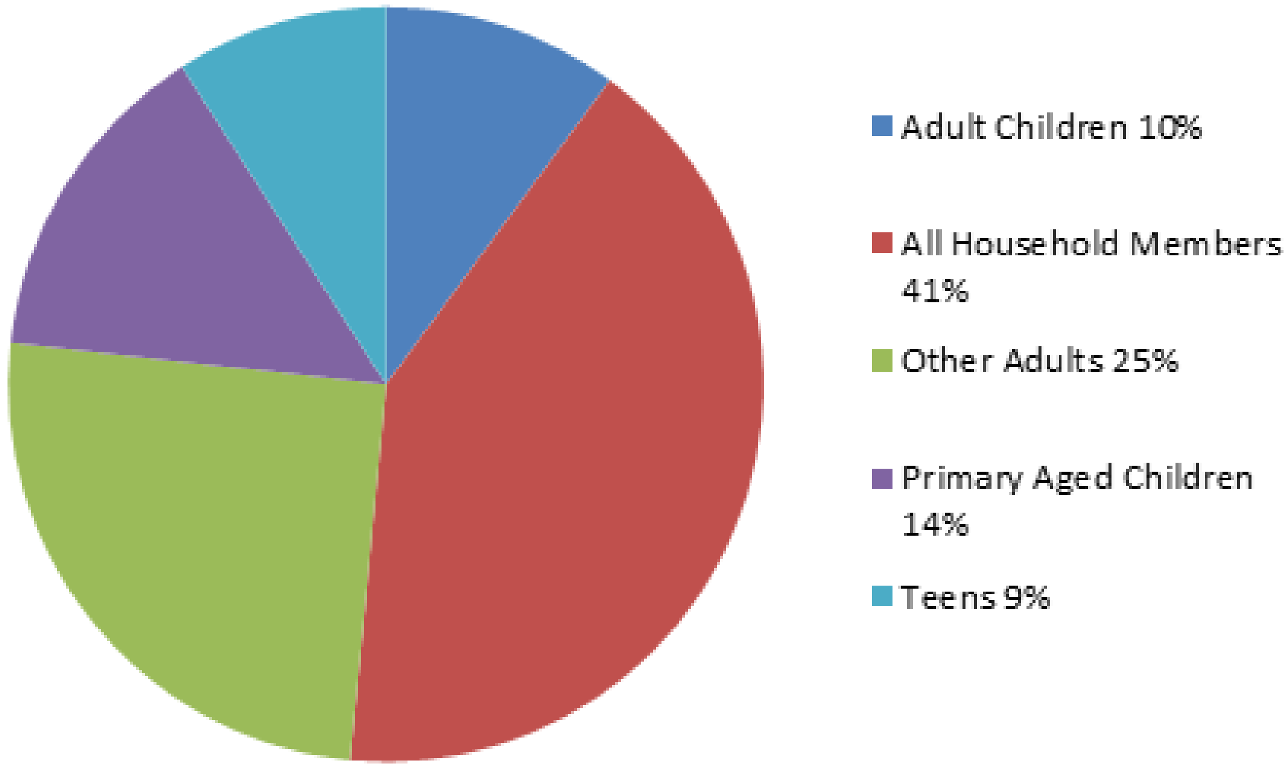
Commentary on Appliances: In the benchtop category, it is clear that the benchtop snack-maker type appliances are losing out in favour of the multi-function food processors and mixers/blenders. Coffee machines are still desirable, with 28% going for benchtop, and 11% going for built in.

Of note is the Permanent Hot/Cold water Dispenser category which barely rated a mention 10 years ago is desired by 24% of consumers today.
In the large appliance category – the cooktops (78%) are winning over the uprights (24%). Refrigerators (64%) are still the main category although freezers remain strong at 35%.  For ovens Convection is at 57%, Microwave at 54% and Steam at 16%.

New Saucepans and tableware are considered important to this market with all of these categories desired by upwards of 30% consumers in each case.

# Main Bathroom Usage

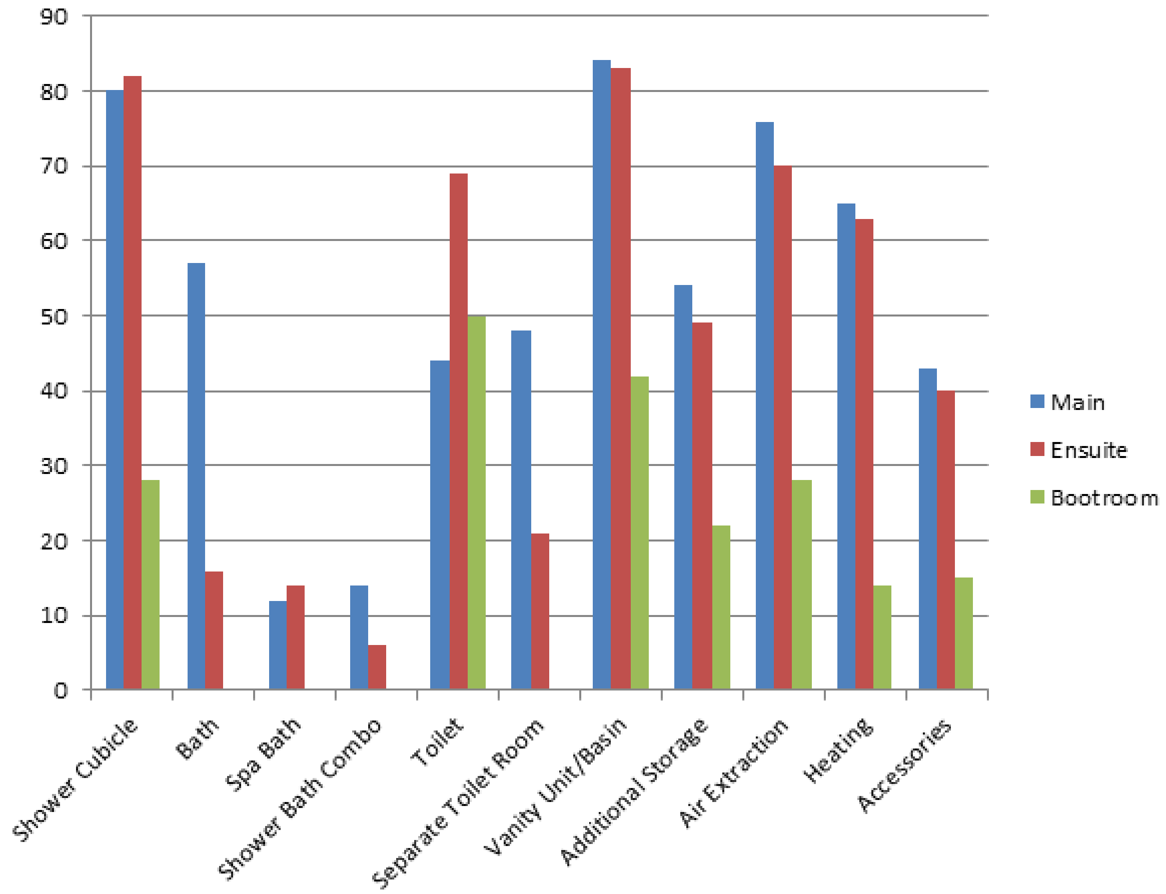
We asked "In the Main Bathroom who will be the main users?"




Commentary: The multi-use bathroom is still the reality for many Australian homes with 41% of consumers in this survey building projects that every family member will use. That said 33% of respondents were building bathrooms designed mostly for children to use – this has increased since earlier surveys.

# Bathroom Inclusions

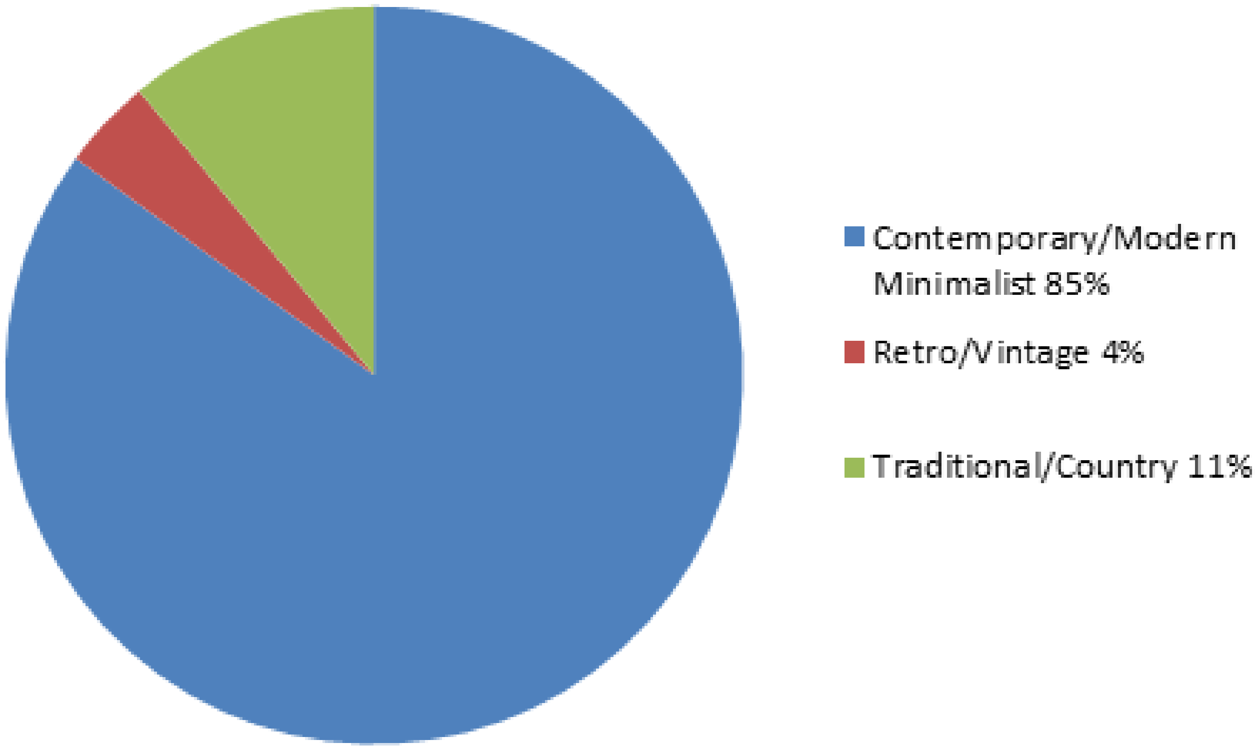
Bathrooms are increasing in number, and consumer's desire ever more inclusions. We wanted to find out what was essential in the different kinds of bathroom so asked for consumers to tell us what they wanted.




Commentary: The bath is highly-desirable with 57% of consumers wanting one in their Main bathroom and 16% wanting one in the en-suite. Spa/baths are holding at 12-14% - consistent with past surveys. The shower/bath combo is very limited with only 14% desiring it in the Main bathroom and 6% in the en-suite. Shower cublicles are everywhere – in the Main Bathroom (80%), en-suite (82%) and even Boot room Bathroom (28%). The separate toilet room is desired by many consumers with 48% seeing it as separate within the Main Bathroom and 21% as separate within the en-suite. Vanities are desired for every kind of bathroom – 42% even want a vanity in the Boot room. You can never have enough storage and it appears that consumers who are investing in bathrooms are doing so with the expectation of acquiring some – 54% expect more storage in the Main Bathroom, 49% expect more storage in the en-suite, and 22% expect more storage in the Boot room. Consumers have gone for heated spaces with 65% desiring Heating in the Main Bathroom and 63% desiring heading in the en-suite.

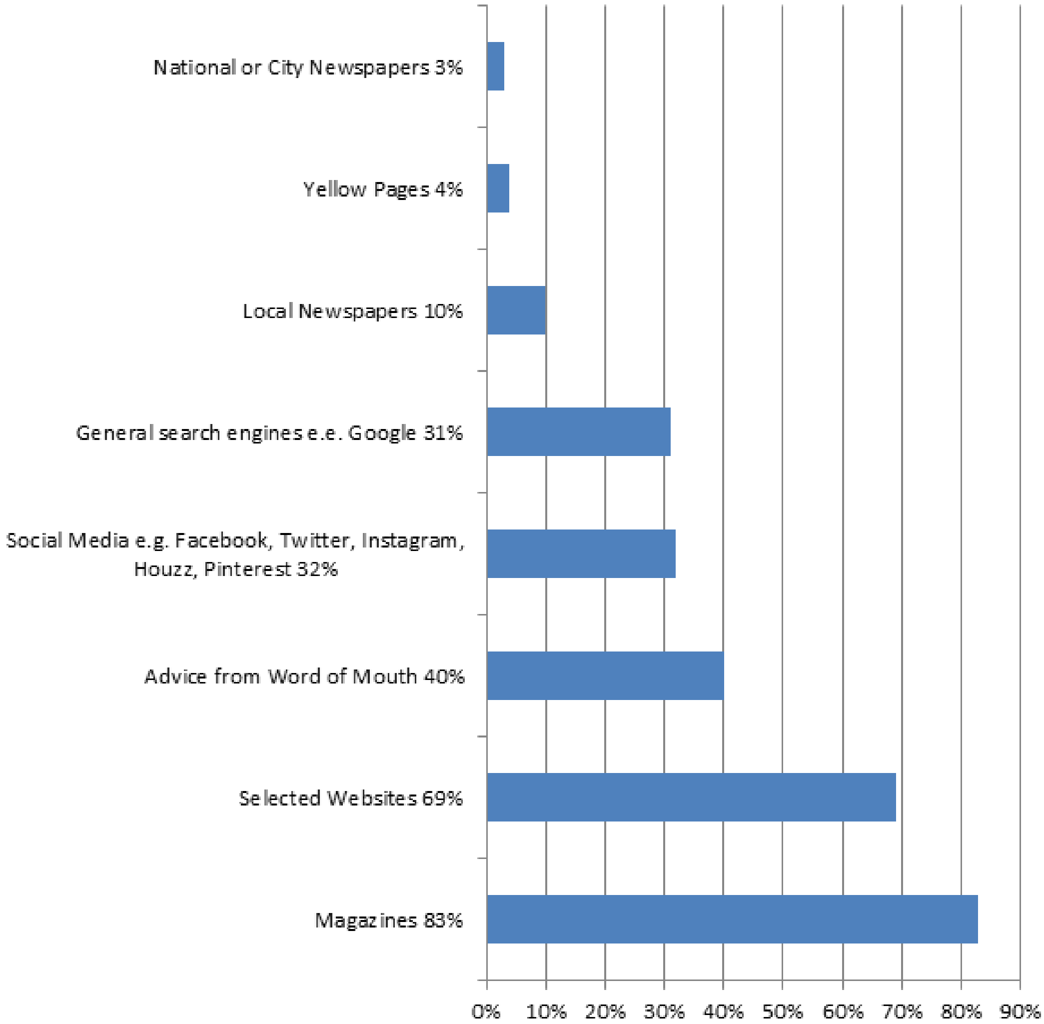
# Style of Bathroom

This is another question where consumer descriptors of style diverge from designer descriptors of style.  To get some indication of stylistic preferences we used broad groupings and found a strong swing in favour of Contemporary/Modern Minimalist. *"We asked Which Theme Best Describes Your Dream Bathroom?"*



# Media Used in Pre-Purchase Research

We asked: "Before selecting a designer, renovation specialist, or builder, did you use any of the following media for ideas/inspiration to help you picture what you wanted?"
This question served to get a sense of mediums used in the pre-purchase research process, as it is typical for consumers to use a number of media while gathering ideas.

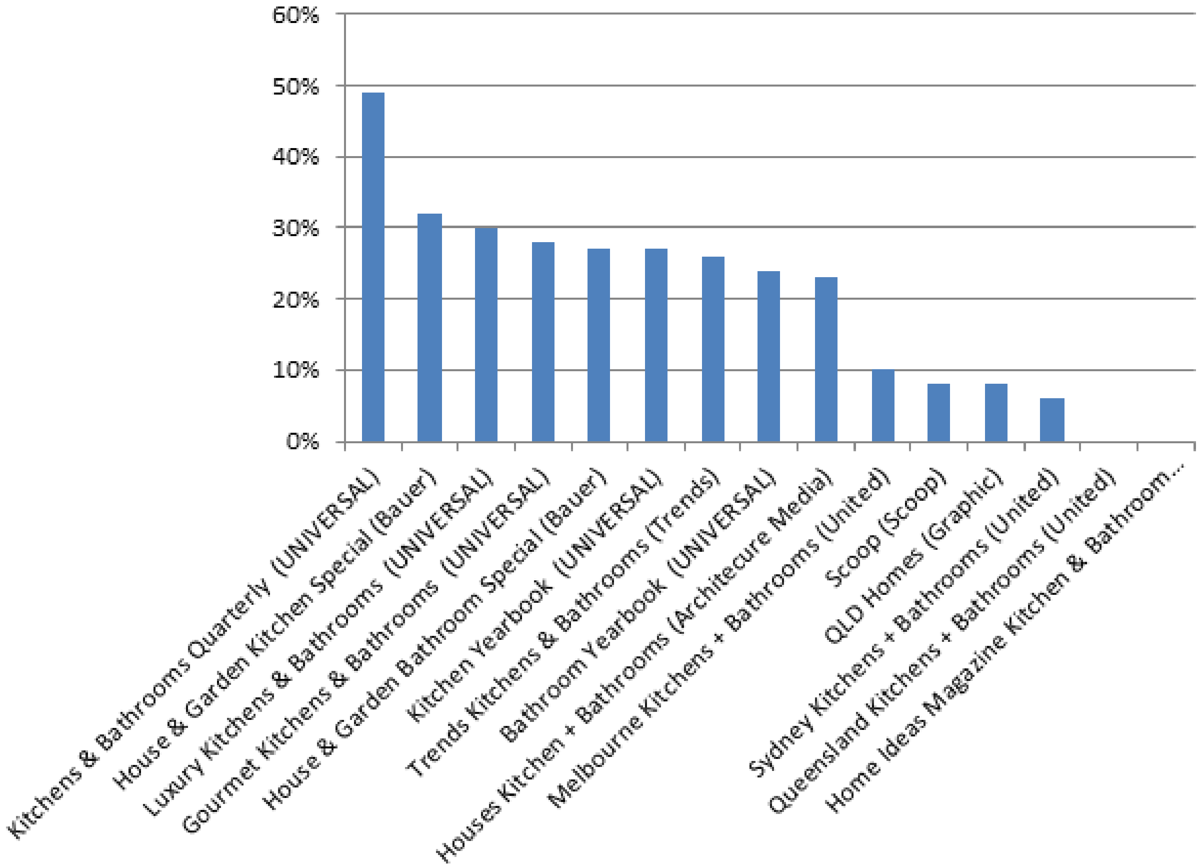



Despite the data skeewed by digital, magazines are still No 1 in this category with 83% using them in their pre-purchase research process. It is clear that consumers will often progress from a magazine to a particular designer or builder's website as part of this process – a look at the website builds trust and gives a further sense of what that business can do.

Advice from friends is still important and at 40% trumps even the various Social Media portals such has Instagram, Houzz or Pinterest at 32%. Search engines such as Google come in at 31% which is surprising considering their ubiquity, but possibly as a medium does not deliver the birds-eye overview desired by consumers when they are starting out, or way to assess quality of what they are looking at. Local papers are received quite strongly by this sector but did not rate highly among this group of consumers. Sadly for Senssis, Yellow Pages has all but disappeared as an influential medium.

# Magazines Used Pre Market research

We asked the 83% of consumers who used magazines, to identify brands. We asked "If you used Magazines, which Magazines did you use?"




Commentary: Numerous special editions were on sale at the time of the survey and are listed here to complete the picture. The average consumer using magazines purchased 3 magazines in their pre-purchase research (2.98).

*Kitchens & Bathrooms Quarterly* had the highest audience and was used by 49% of the people with projects during this period. The 4 other publications from this publisher on sale at this time, allowed this publisher to dominate the market with the average consumer using 2.58 publications from this publisher in this period. Of publishers in this space Universal is No 1 with 5 titles influencing consumer decisions during the time frame, followed by Bauer Media in No 2 spot, followed by Trends in the No 3 spot.

The state-based magazines generally underperform to population, possibly because consumers in a particular geographic location often want to get a good overview of the market before selecting a builder, so they buy the publication which offers the best package of information at the time.

# Magazines Readership Comparison

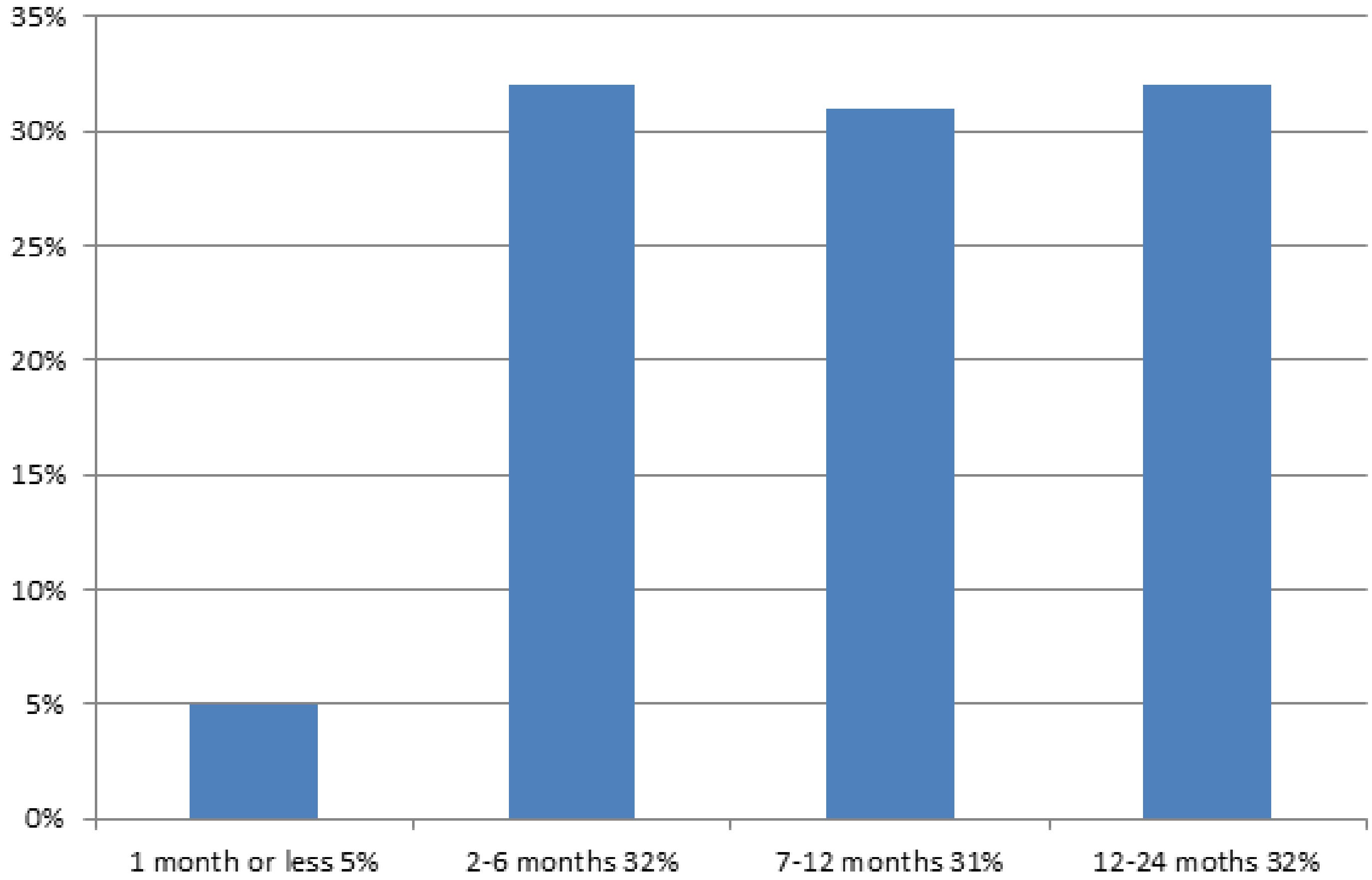
The below is provided as a comparison to the media data obtained by this survey. The IPSOS Enhanced Media Metrics Survey interviews consumers and asks what they are reading, and then produces monthly run-tables of magazine brands that have a significant enough audience to rank.

IPSOS Enhanced Media Metrics Australia is the new cross-platform audience insights survey used by Ad Agencies to buy media.  Emma's methodology involves surveying over 54,000 people a year, seven days a week using sophisticated survey techniques. IPSOS conducts national audience surveys and is the official measurement system in 41 countries.

| emma Feb15 | |
|---|---|
| [000] | Publication |
| 847 | House & Garden |
| 299 | Vogue Living |
| 261 | Australian Handyman |
| 253 | Kitchens & Bathrooms Quarterly (by Universal Magazines) |
| 208 | Grand Designs Australia (by Universal Magazines) |
| 205 | Real Living |
| 176 | Inside Out |
| 145 | Belle |
| 98 | Outdoor Rooms |
| 91 | Home Design |
| N/a | House & Garden Kitchen Special |
| N/a | Luxury Kitchens & Bathrooms (by Universal Magazines) |
| N/a | Gourmet Kitchens & Bathrooms (by Universal Magazines) |
| N/a | House & Garden Bathroom Special |
| N/a | Kitchen Yearbook (by Universal Magazines) |
| N/a | Trends Kitchens & Bathrooms |
| N/a | Bathroom Yearbook (by Universal Magazines) |
| N/a | Houses Kitchen + Bathrooms |
| N/a | Melbourne Kitchens + Bathrooms |
| N/a | Scoop |
| N/a | QLD Homes |
| N/a | Sydney Kitchens + Bathrooms |
| N/a | Queensland Kitchens + Bathrooms |
| N/a | Home Ideas Magazine Kitchen & Bathroom |

# Length of Pre-Purchase Research

We asked "How long was the research process before commencing design/build?"

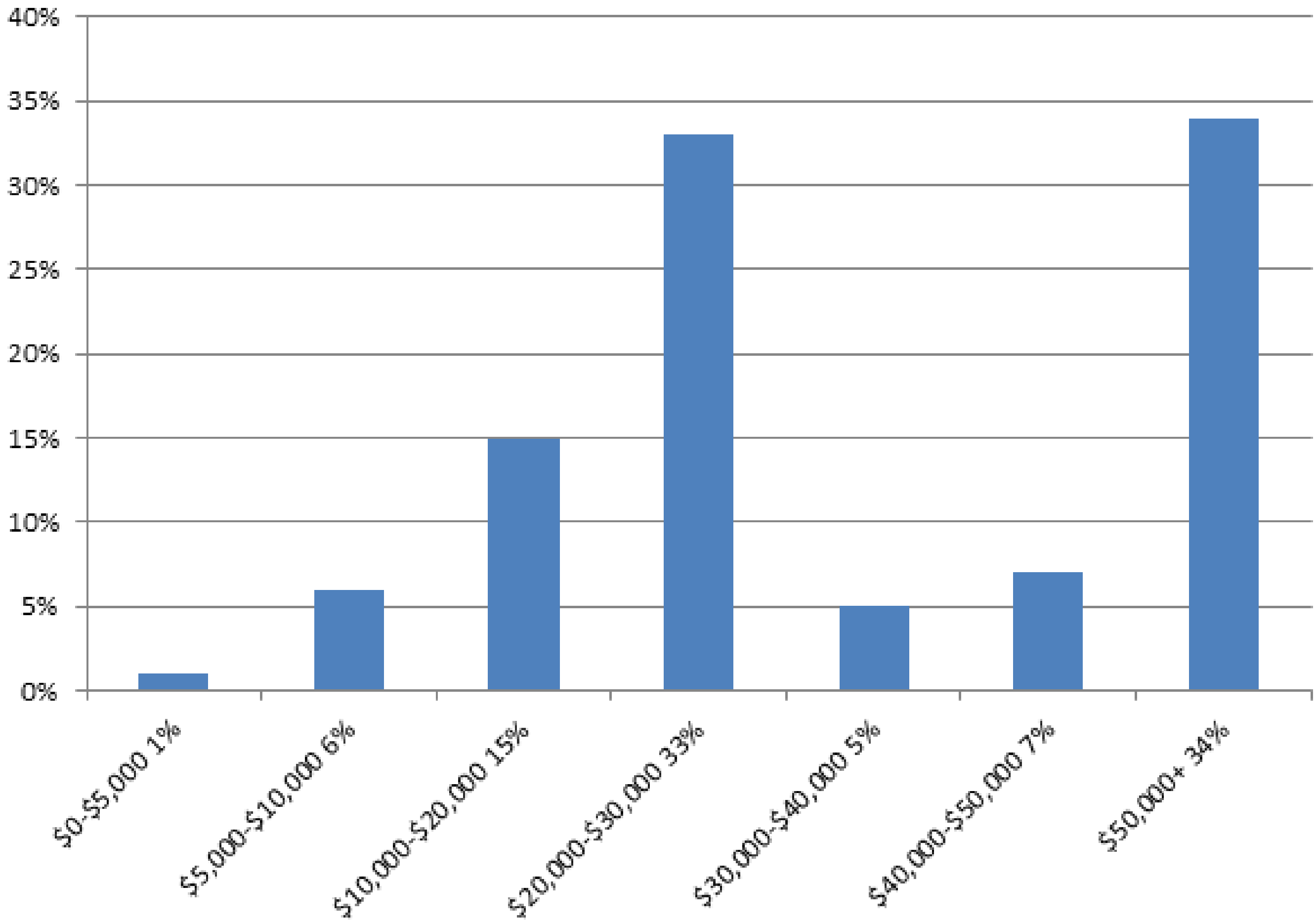



Commentary:  The amount of time consumers spend on research has lengthened since the last survey on this topic.  This is possibly because we are presenting to them an industry that is more complex than 10 years ago – the options for appliances have increased, and life gets in the way of making a decision about your project. Face to face interviews with consumers often show a supposing depth of awareness of options – and consumers often need this to feel sufficiently confident to jump in.

Consumers have become conditioned to research. They prefer not to put all their trust in the retailer, the architect or the builder. Consumers want to be empowered with their own decisions now.

# Total Spend

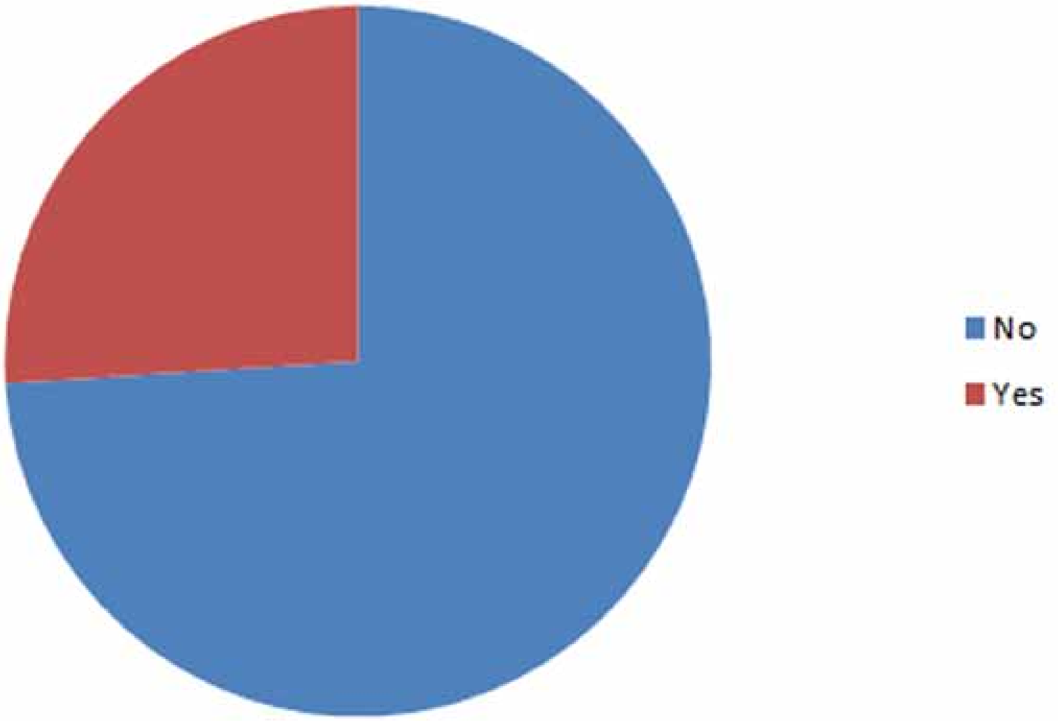
Consumer expectations of expenditure vary according to how deep they are in the pre-purchase research process. The purpose of this question was to not to find out what they spent but how much they expected to spend. We asked "What is the Estimated Spend on your Renovation?"




Commentary: This chart shows consumer expectations are not unrealistic. It also shows considerable growth in the $50,000+ category.

# Industry Questions: CKD or CBD?

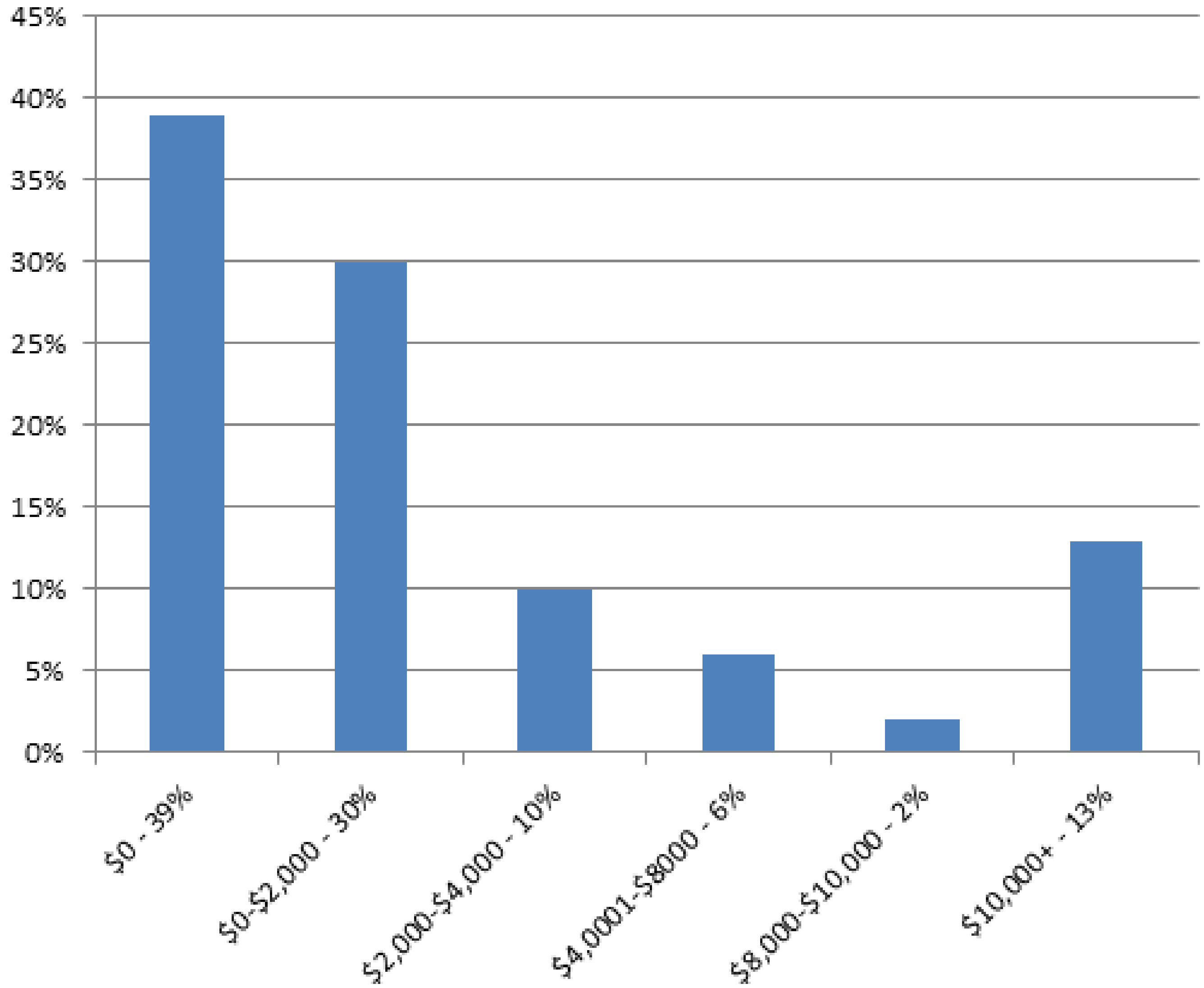
10 years ago few consumers knew what a CKD or CBD was. We asked "Did you engage a Certified or qualified Kitchen or Bathroom Designer?"




Of the 20% who answered, 26% of consumers answered that they had engaged a certified or qualified Kitchen & Bathroom Designer.

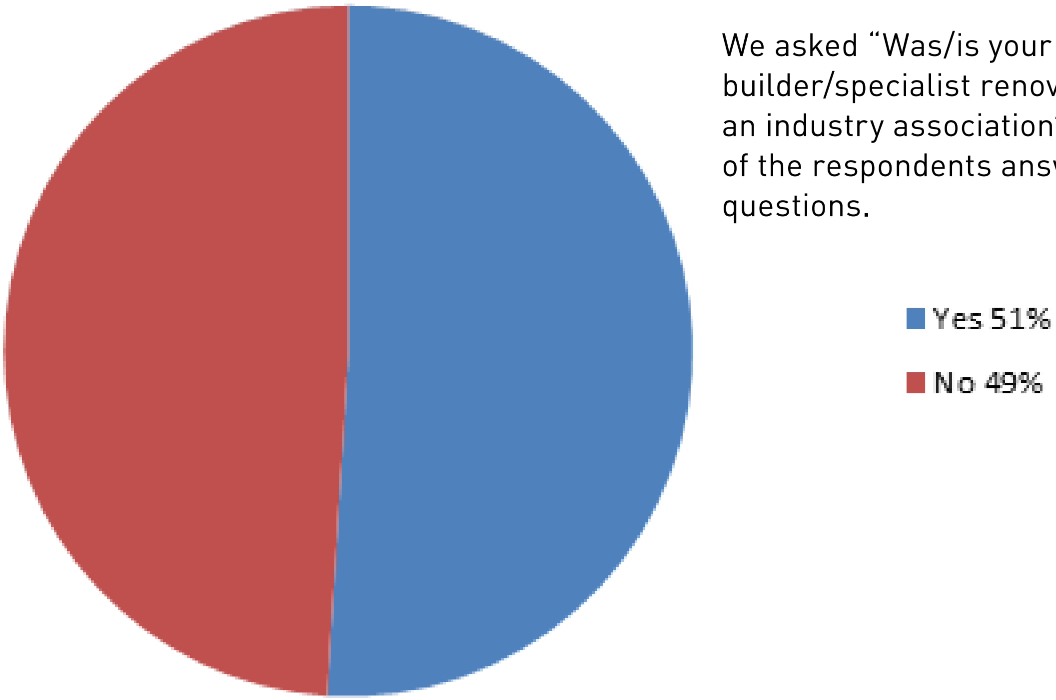
# Expenditure on Design

We asked consumers “How much was invested in design?”



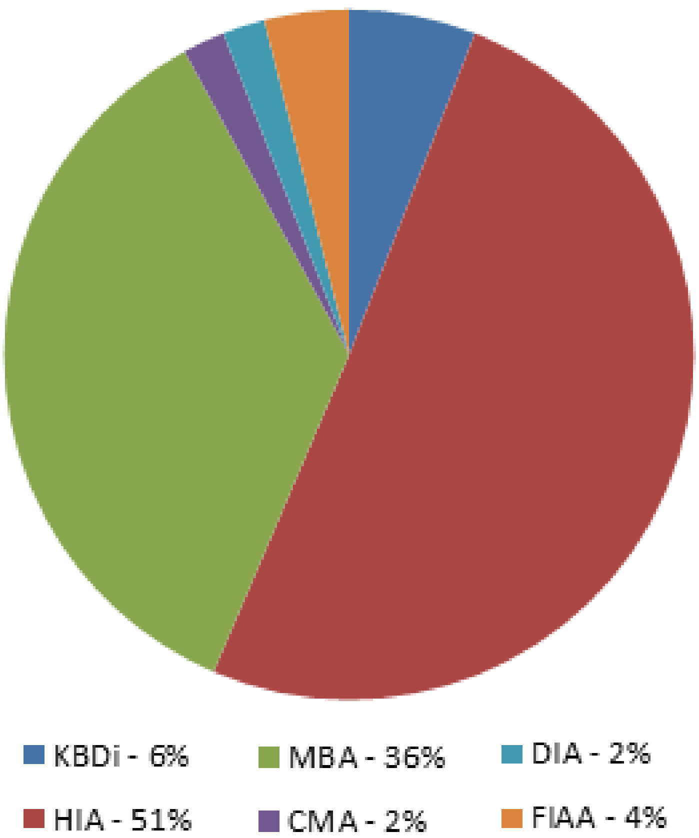

Commentary: Although 39% of consumers received design as part of the package, this chart shows a real swing towards consumer awareness of design charges. It also shows the same top end group identified on the previous “Total Expenditure” chart. This is a group of consumers who have the money to spend, and are quite comfortable with the idea of spending over $10,000 on design.

# Industry Association Membership



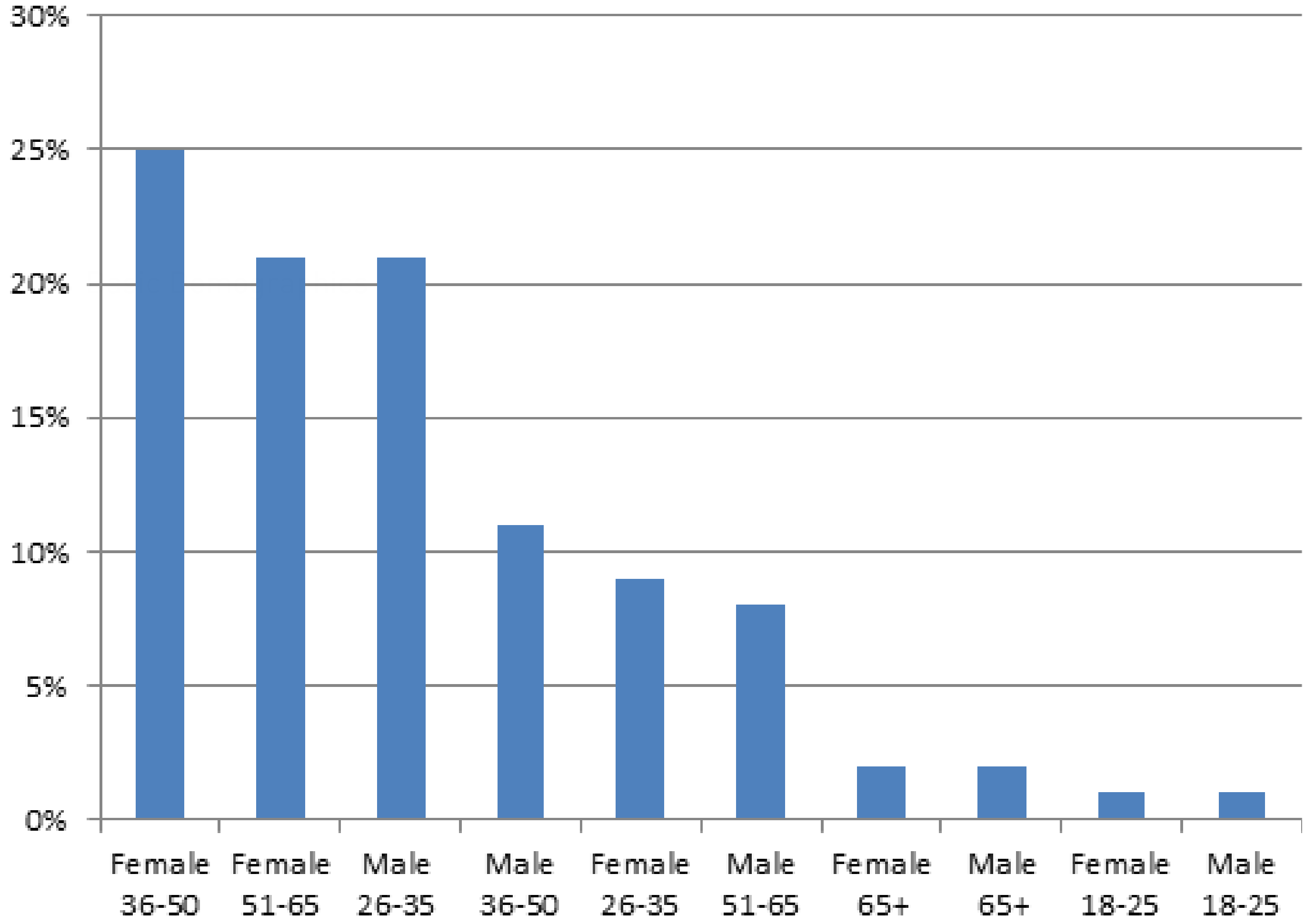

We asked “Was/is your designer and your builder/specialist renovator a member of an industry association?”. Again, only 20% of the respondents answered the industry questions.

Commentary: Consumers are not always aware of the Membership or otherwise of a Professional that they are dealing with and industry association. Awareness of this fact often comes down to the Business itself using the fact as a selling-point when dealing with the customer. A second question asked “If you answered yes to Q24, please tick which associations?”




Commentary: Again this comes down to recognisability of the brand. KBDi is a relative newcomer compared to the long histories of the other associations, and is a specialist kitchen & Bathroom Industry organisation and naturally less recognisable than HIA or MBA who are broader building and construction organisations.

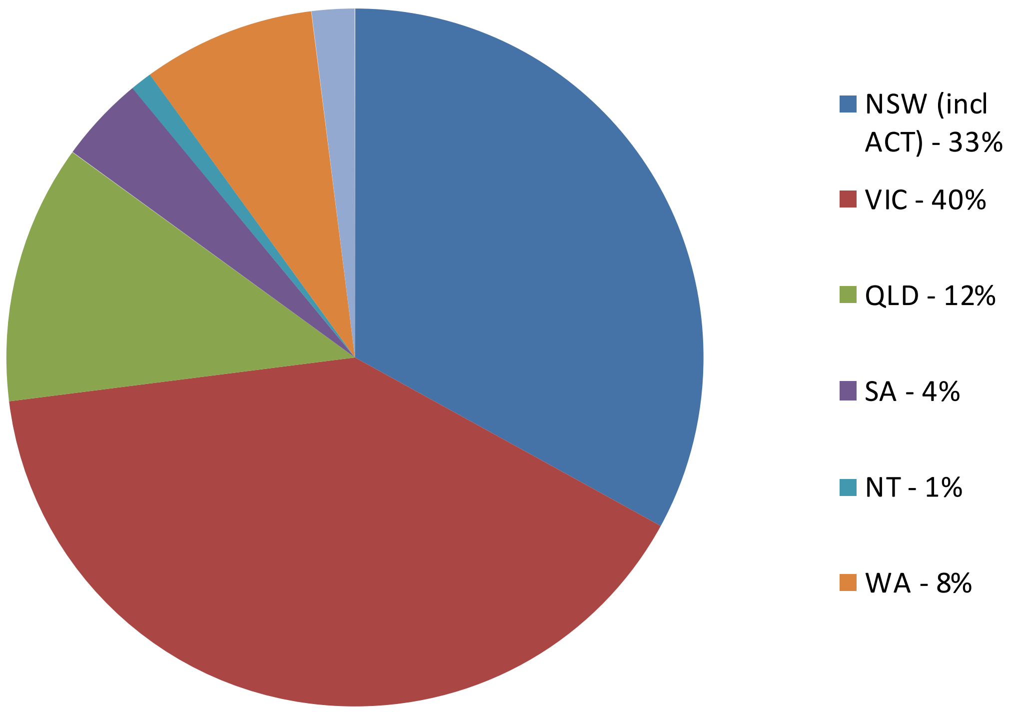
# Basic Demographics



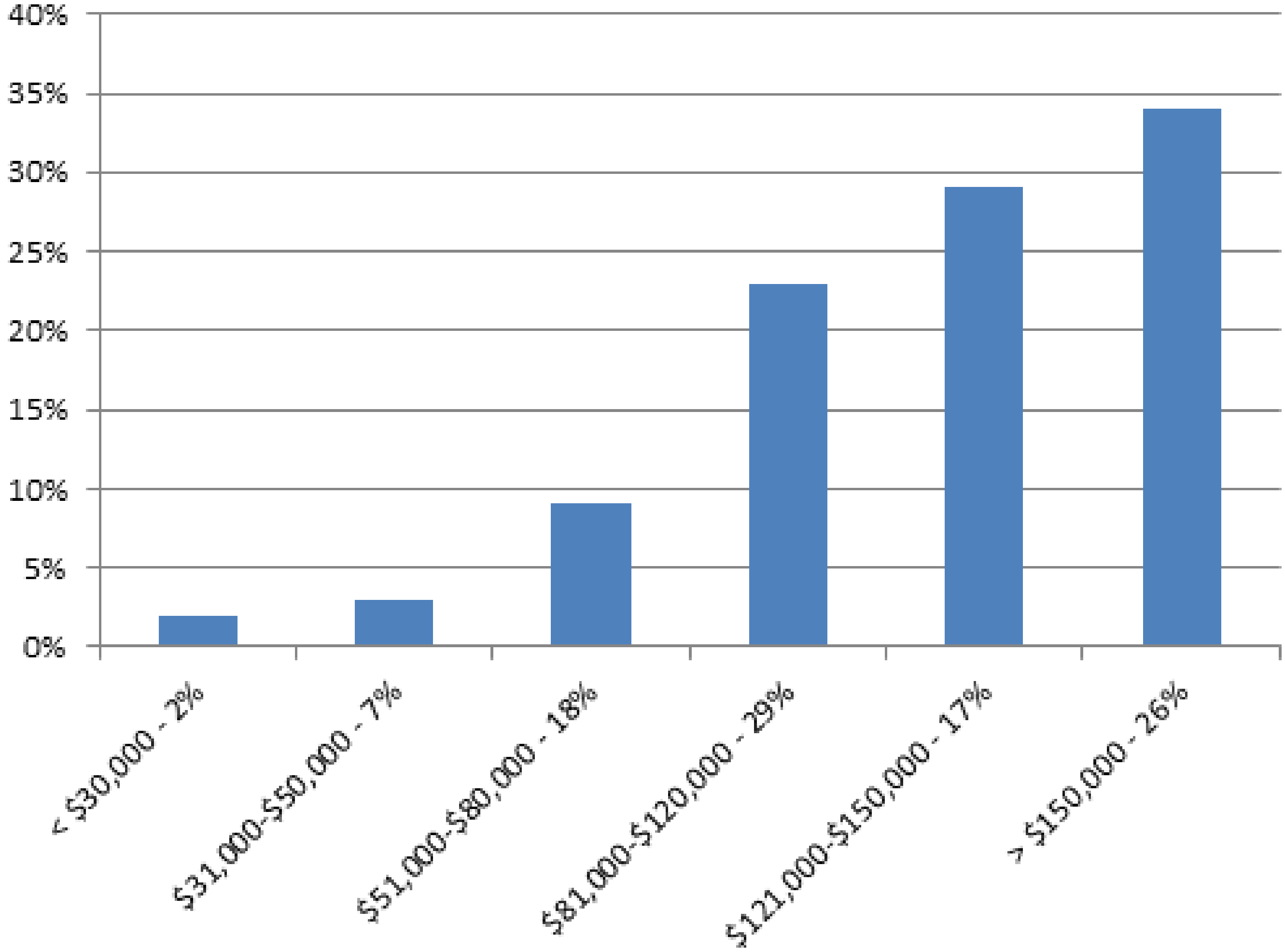

Commentary: For consumers planning kitchen or bathroom projects, the 36-65 age group is the dominant category. As the generations move on we are seeing a greater participation of males in the decision making process.

# State Demographics

The state demographics for this survey are below. If anything the data collected in this sample skewed slightly more towards VIC, and away from QLD, but there is a statistically significant portion of data for each state.



# Income Demographics




Commentary: Magazines typically reach readers with higher incomes, so this could explain why we are seeing a disproportionately high portion of consumers with higher incomes in this group.