

**Economy:** The economy is expansionary with a per annum growth in GDP of 3.2%. Average incomes have increased above the trend line for inflation. Unemployment is low at 4.1% and steady.

**Social:** The customers in the target area are concerned about environmental issues. They actively participate in recycling programs including the use of re-usable shopping bags. Research shows that the target area are not active church attendees, choosing to use their weekends in renovations and home maintenance.

**Technological:** Fast internet speeds are available for the target market. The shift in turning tradesmen equipment into Do-It-Yourself continues to gain ground.

**Political:** Governments are pushing for more medium density living in town-houses and units to cope with the growing population. The government is giving incentives for home wares that do reduce resource use or help minimize waste.

### Competitive Factors

There are no chains offering lighting fixtures in the target market.

**Direct Competition-** There are 12 competitors in the target area which are each independently owned. They offer similar assortments as Houzit, although many offering laundry and kitchen equipment which is not in Houzit's offer. One national chain that does offer very similar products to Houzit (including lighting fixtures) does not have a store in Brisbane, choosing the north and south coast instead.

**Porter's 5 Forces-** The competitive environment does not represent a significant squeeze on Houzit's profits, however the power of suppliers is an area that has significant play in Houzit's target market.

**Indirect Competition-** Electricians will represent a potential competitor in the 'lighting fixtures' category. Often they have the opportunity to sell 'lighting fittings' to customers and so undercut retailers.

### Conclusion

The market research supports the view that the 'lighting fixtures' would be a feasible category addition to Houzit's assortment, given the positive customer response, the growth in the market and the lack of organised competition.

### Sources

Home-ware Trade association – Industry data  
Australian Bureau of Statistics – Greater Brisbane area  
IBIS market report 2009/10 Home-wares  
Home-ware Magazines and Publications International  
Newspaper – The Courier Mail