



MANAWATU REGION QUARTERLY REPORT

For Period Ending April 2018

Central Economic Development Agency

Prepared for

Central Economic Development Agency

Date

May 2018

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APRIL 2018 QUARTER



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SMALL PRINT

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DATA SOURCE

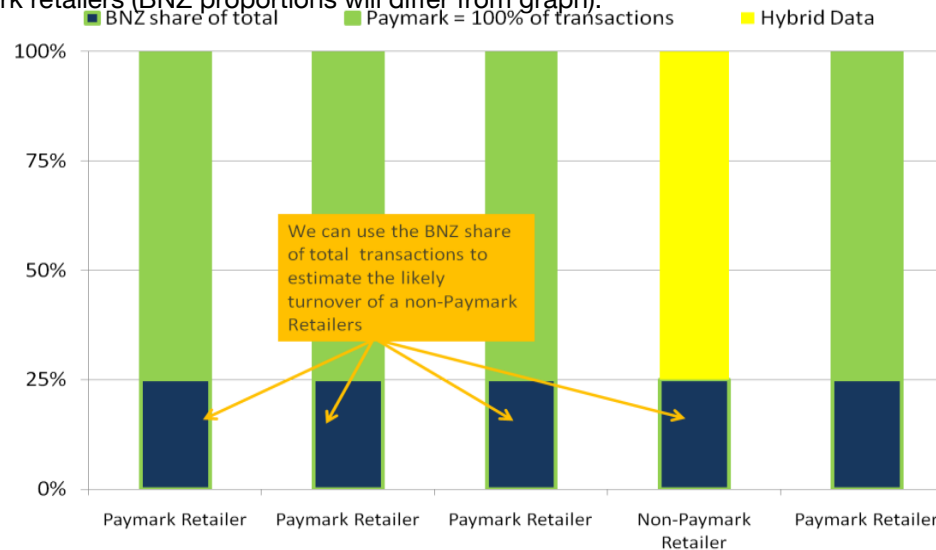


The data included in this report represents the total value of electronic card retail transactions. For a frame of reference, Statistics NZ report just under 70% of total retail is paid with an electronic card (ECT publication and Retail Trade Survey). The rest is comprised of cash, hire-purchase and any other less-frequent method of payment. The data (referred to as Hybrid Data on the graph below) combines our two primary data sets in order to capture the complete quantity of retail spending.

The first of these is the Bank of New Zealand cardholder base. This set is based on the eftpos, debit and credit card transactions made by BNZ cardholders. BNZ has around a 20% share of the cards market, so on average BNZ Marketview accounts for one in five retail transactions. (As at July 1 2015, there were over 650,000 active BNZ cardholders).

The second is the Paymark merchant database. New Zealand has two eftpos networks. The largest of these is run by Paymark, a joint venture owned by ASB, BNZ, (formerly) the National Bank and Westpac. Approximately 75% of New Zealand retailers use the Paymark network. This data set provides a complete view of all eftpos, debit and credit card transactions made at merchants on the Paymark network, both from New Zealanders and international visitors. (As at July 1 2015, there were over 40,000 active merchants on the Paymark network).

For retailers which are not on Paymark network, there is no transactional data available from on the Paymark database. To fill this data gap we weight the BNZ cardholder spending at non-Paymark merchants. The weightings would be based on BNZ's share of the Paymark transactions. The underlying assumption would be that the BNZ cardholders would make up a similar share of spending at Paymark and non-Paymark merchants. The graph below illustrates how our Hybrid Data is used to account for spend at non-Paymark retailers (BNZ proportions will differ from graph).



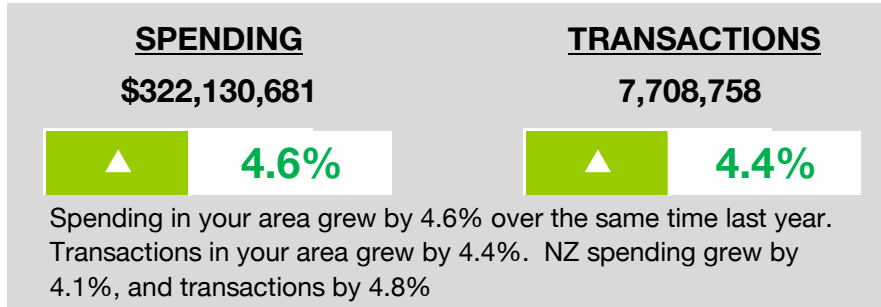
RETAIL OVERVIEW

FOR PERIOD ENDING APRIL 2018 QUARTER



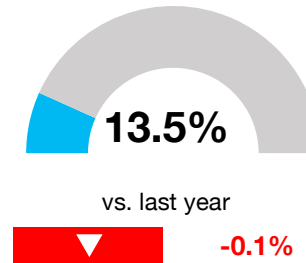
QUARTERLY ACTIVITY

Changes over same time last year



MARKET SHARE

Your Share vs Key Competitors



Market share is your share of spending in the market (yourself and key competitors).

Your key competitors are based on areas you have chosen, in this case Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato territorial authorities

CARDHOLDER ORIGIN

	CARDHOLDER CONTRIBUTION	VALUE SPENT IN YOUR REGION	CHANGE (VS. SAME QUARTER LAST YEAR)
LOCALS	70.7%	\$227.81 mn	▲ 6.4%
REST OF HORIZONS	12.3%	\$39.61 mn	▲ 1.1%
REST OF NZ CARDHOLDERS	15.9%	\$51.35 mn	▼ -0.1%
INTERNATIONAL CARDHOLDERS	1.0%	\$3.35 mn	▲ 6.1%

FASTEST GROWING STORETYPES

Based on Spending

IN YOUR REGION

Department Stores

vs. last year



IN COMPETITOR LOCATIONS

Takeaways

vs. last year



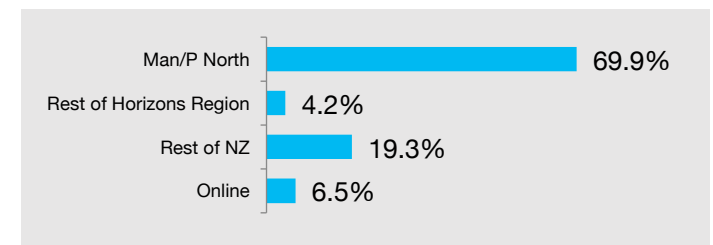
Department Stores in your area had the largest growth amongst storetypes, up 10.9%.

Takeaways had the largest growth in Key Competitor locations, up 11.1%.

LOYALTY AND OUTFLOW

Destination of Locals' Spending

Manawatu / Palmerston North residents conducted 69.9% of their retail spending in Man/P North and 4.2% in the Rest of Horizons Region. They spent 6.5% online.



WHERE ARE THE RETAIL HOTSPOTS?

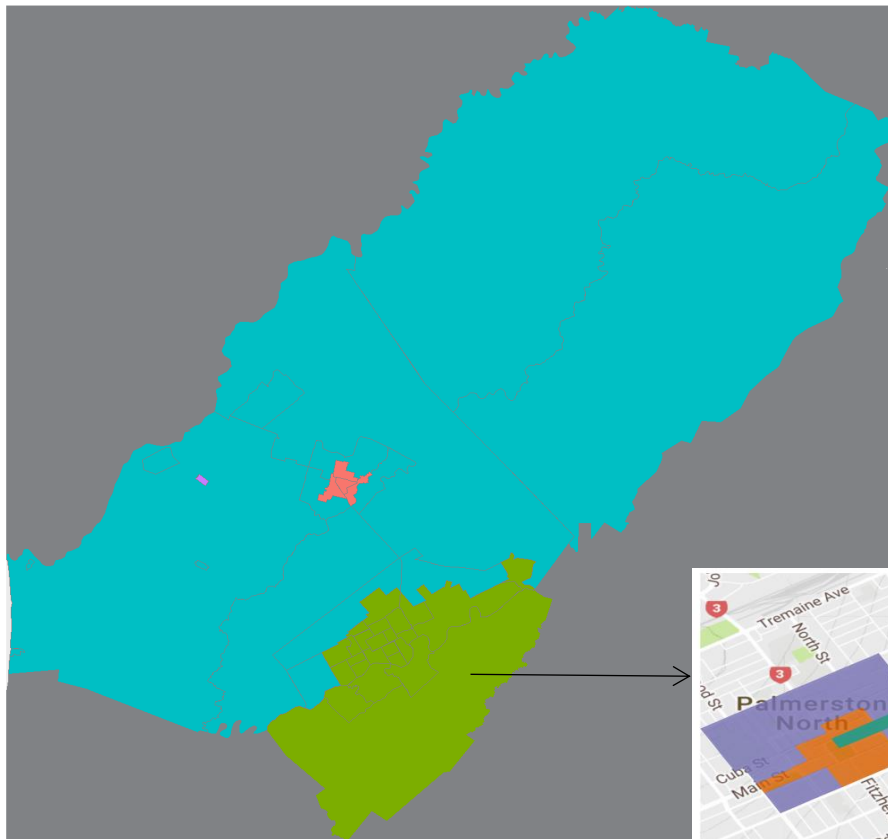


How does this affect planning? Is it happening where we want it to happen?

TOP PERFORMING LOCATIONS

Based on percentage change in spending from same period last year

FOR ALL CARDHOLDERS REST OF MANAWATU INTERNATIONAL CARDHOLDERS SANSON



** Map insert in Appendix

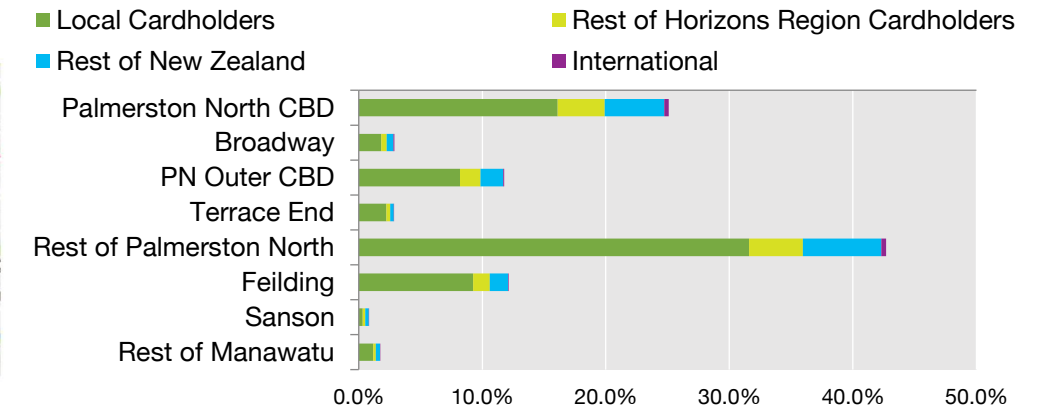
CHANGE IN SPENDING

Change in spending over same period last year

RANK	LOCATION	VALUE OF SPENDING	CHANGE IN SPENDING
1	Rest of Manawatu	\$5,635,724	35.6%
2	Sanson	\$2,633,255	10.8%
3	Feilding	\$39,075,734	6.0%
4	Rest of Palmerston North	\$137,492,459	5.2%
5	Palmerston North CBD	\$80,825,132	4.3%
6	Broadway	\$9,304,085	1.9%
7	PN Outer CBD	\$37,951,274	1.5%
8	Terrace End	\$9,213,017	-6.0%
TOTAL		\$322,130,681	4.6%

DISTRIBUTION OF SPENDING

Split by cardholder location



WHO IS SPENDING AT OUR RETAILERS?

Is this changing? How appealing are we to visitors/ tourists?



SPENDING BY CARDHOLDER LOCATION

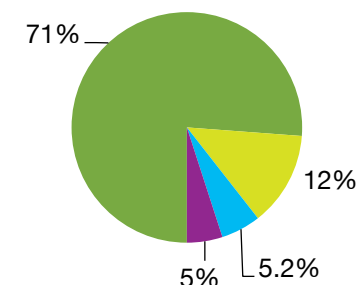
Change in spending over same period last year



CARDHOLDER AREA	VALUE SPENT	CHANGE ON SAME QUARTER LAST YEAR
MANAWATU / PALMERSTON NORTH	\$227.81 mn	6.4%
REST OF REGION	\$39.61 mn	1.1%
REST OF NZ CARDHOLDERS	\$16.68 mn	-6.5%
WELLINGTON REGION	\$14.92 mn	6.6%
AUCKLAND REGION	\$10.63 mn	7.9%
HAWKE'S BAY REGION	\$4.78 mn	-11.8%
WAIKATO REGION	\$4.34 mn	1.9%
INTERNATIONAL	\$3.35 mn	6.1%

DISTRIBUTION OF CARDHOLDERS

Including international cardholders



- Manawatu / Palmerston North
- Rest of Region
- Rest of NZ Cardholders
- Wellington Region

FASTEST GROWING CONSUMER GROUP

Based on spending change from the same period last year

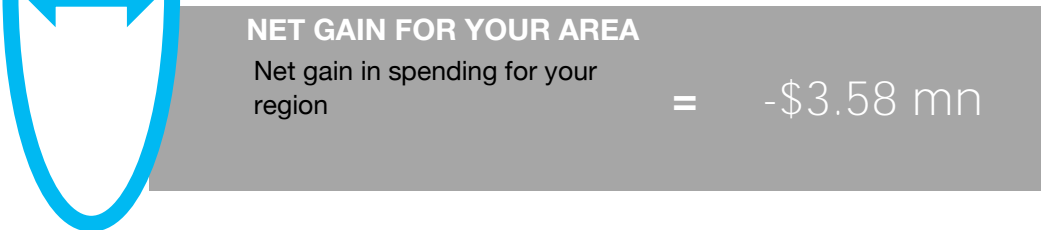
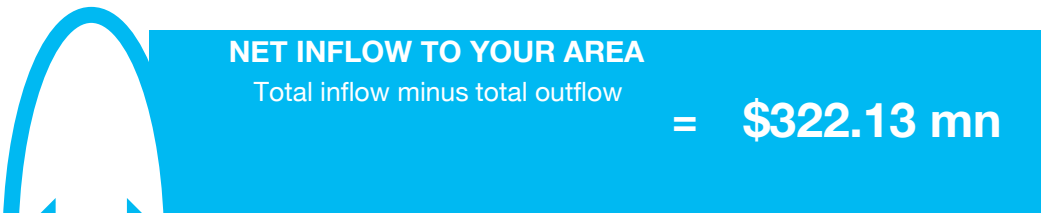
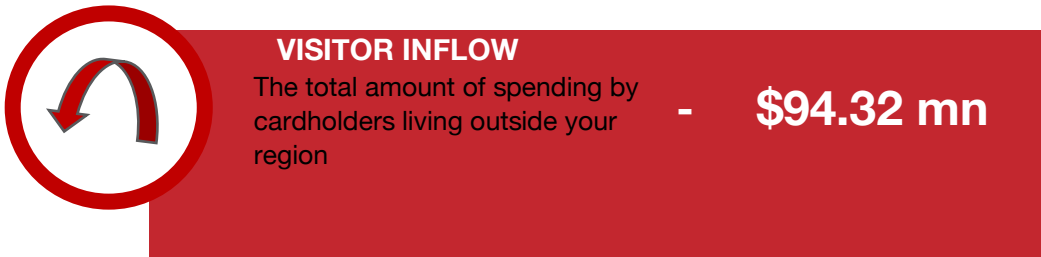
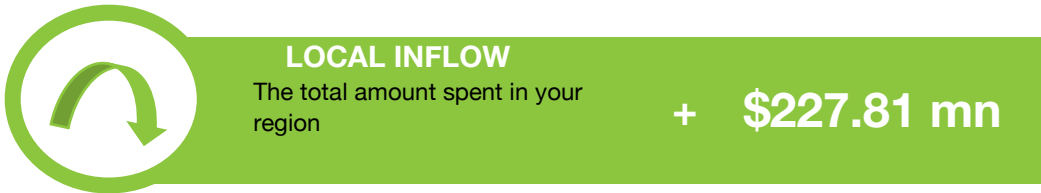
AUCKLAND REGION

International cardholder spending within New Zealand is up 11.4% over the same period last year, and transactions are up 20.3%. Regions are chosen based on top spenders in Manawatu/Palmerston North for the quarter.

WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?

How much are we leaking to other areas?

OVERVIEW OF INFLOW AND OUTFLOW TO/FROM MANAWATU / PALMERSTON THE BREAKDOWN



Non-locals include international cardholders

LOCALS SPENDING LOCALLY

\$227.81 mn

LOCALS SPENDING ELSEWHERE

\$97.90 mn

This figure includes \$76.59mn spent in other areas, and \$21.31mn spent online"

ORIGIN OF INFLOW BY CARDHOLDER LOCATION

Breakdown of spending in your council



CARDHOLDER LOCATION	YOUR REGION	ELSEWHERE IN NZ
Manawatu / Palmerston North	\$227.81 mn	\$76.59 mn
Rest of Region	\$39.61 mn	\$293.11 mn
Rest of NZ Cardholders	\$16.68 mn	\$5,248.41 mn
Wellington Region	\$14.92 mn	\$1,560.04 mn
Auckland Region	\$10.63 mn	\$4,984.50 mn
Hawke's Bay Region	\$4.78 mn	\$475.48 mn
Waikato Region	\$4.34 mn	\$1,221.62 mn
International	\$3.35 mn	\$698.23 mn
TOTAL	\$322.13 mn	\$14,557.97 mn

HOW ARE OUR RETAILERS PERFORMING?



Are we keeping pace? Are our retailers maximising the available opportunities?

RETAIL CATEGORY CHANGE IN SPENDING AND PERFORMANCE

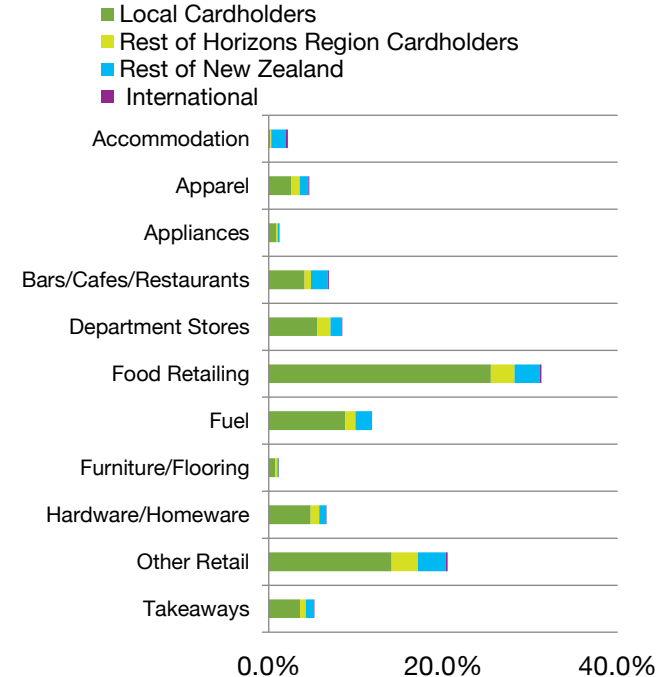
Spending change over same period last year

RETAIL CATEGORY	\$\$ SPEND	YOUR RESULT	YOU VS. COMPETITOR GROUP	
			RANK	CHANGE ON LAST
ACCOMMODATION	\$7.03 mn	▲ 1.9%	3	2
APPAREL	\$14.95 mn	▲ 3.2%	2	2
APPLIANCES	\$3.98 mn	▼ -30.2%	5	0
BARS/CAFES/RESTAURANTS	\$22.28 mn	▲ 6.9%	4	0
DEPARTMENT STORES	\$27.11 mn	▲ 10.9%	1	1
FOOD RETAILING	\$100.66 mn	▲ 0.2%	5	-2
FUEL	\$38.17 mn	▲ 10.4%	3	1
FURNITURE/FLOORING	\$3.67 mn	▼ -2.1%	2	3
HARDWARE/HOMEWARE	\$21.42 mn	▲ 10.6%	2	1
OTHER RETAIL	\$66.06 mn	▲ 6.2%	2	-1
TAKEAWAYS	\$16.80 mn	▲ 10.8%	3	2

The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

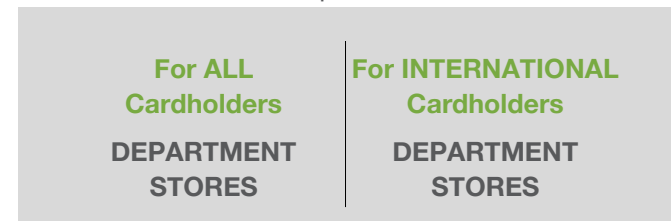
ORIGIN OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CATEGORIES

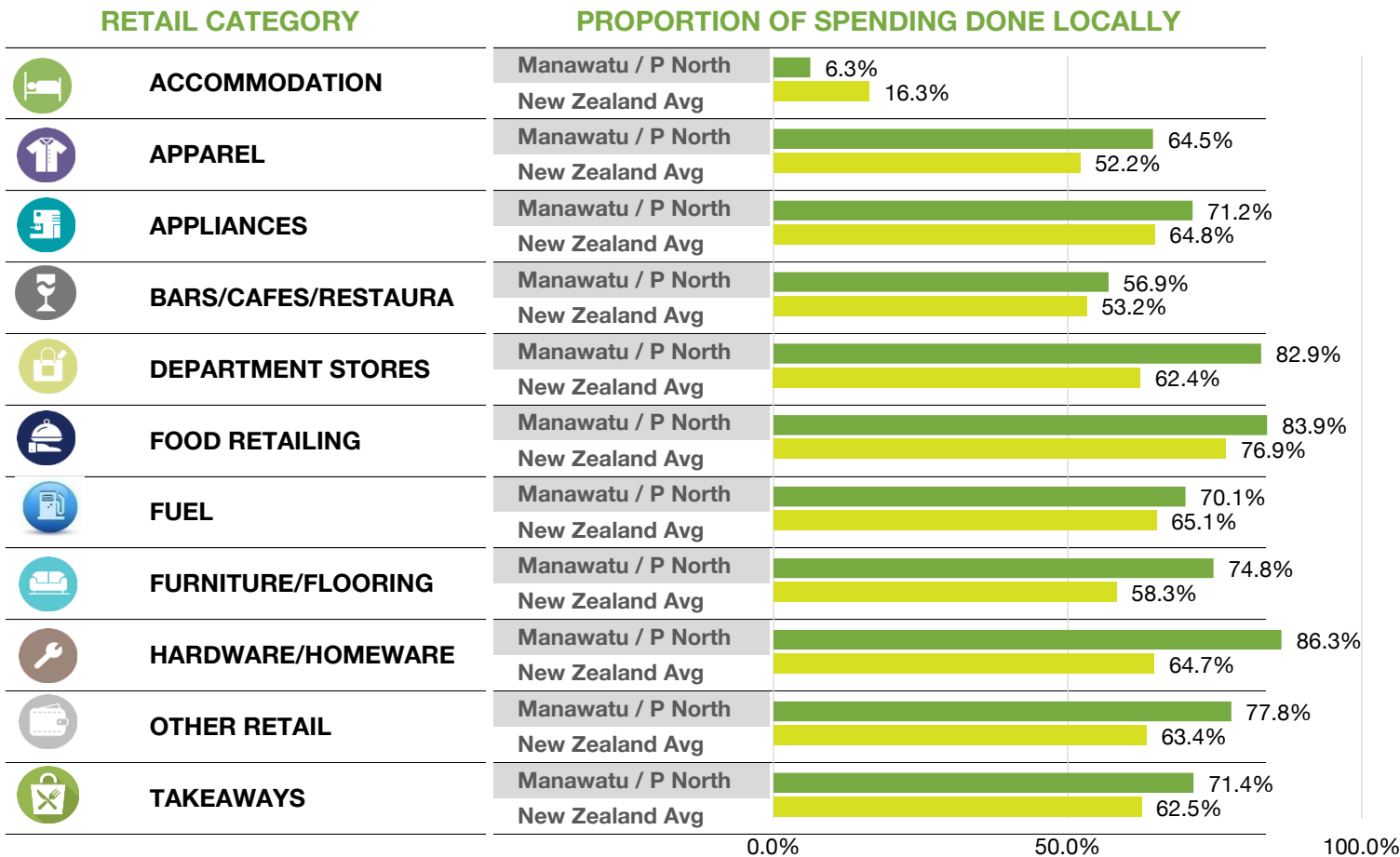
Domestic/ International split



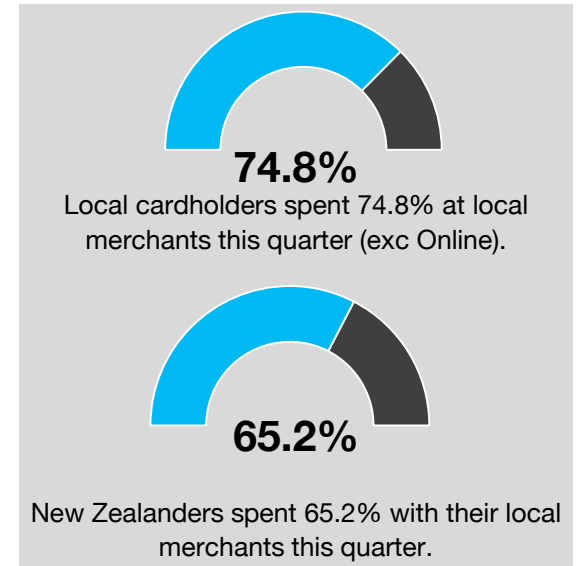
Have we got gaps? Where should be target development?

PROPORTION OF LOCAL CARDHOLDER'S SPENDING THAT GOES TO LOCAL MERCHANTS

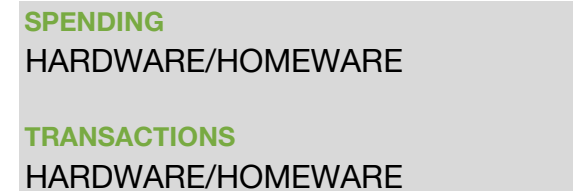
High percentages presume that local cardholders are happy with local options



OVERALL LOYALTY



MOST LOYAL CATEGORY



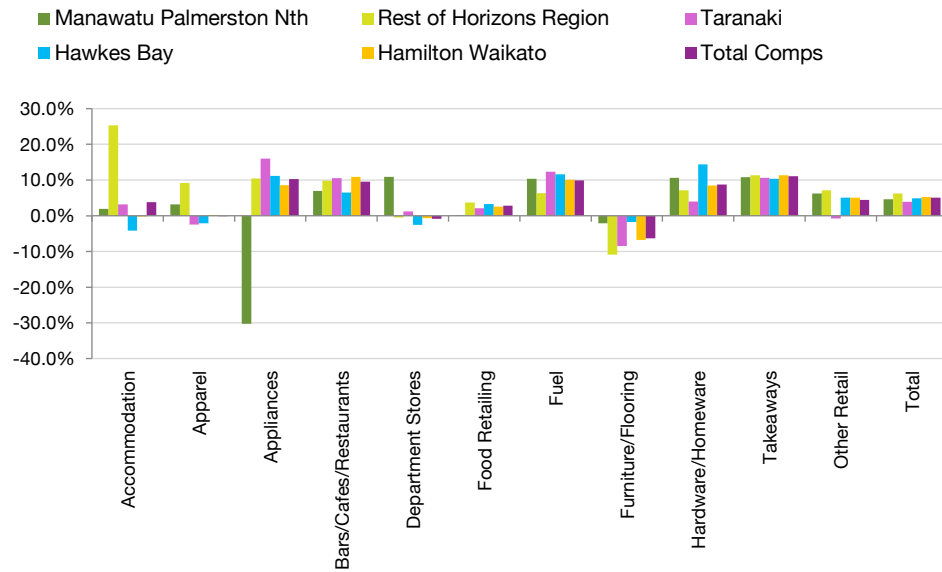
HOW DO WE COMPARE TO COMPETITORS?



Is your local offering sufficient? How to you compare against competitors?

CHANGE IN SPENDING BY RETAIL CATEGORY

Over Same Period last year

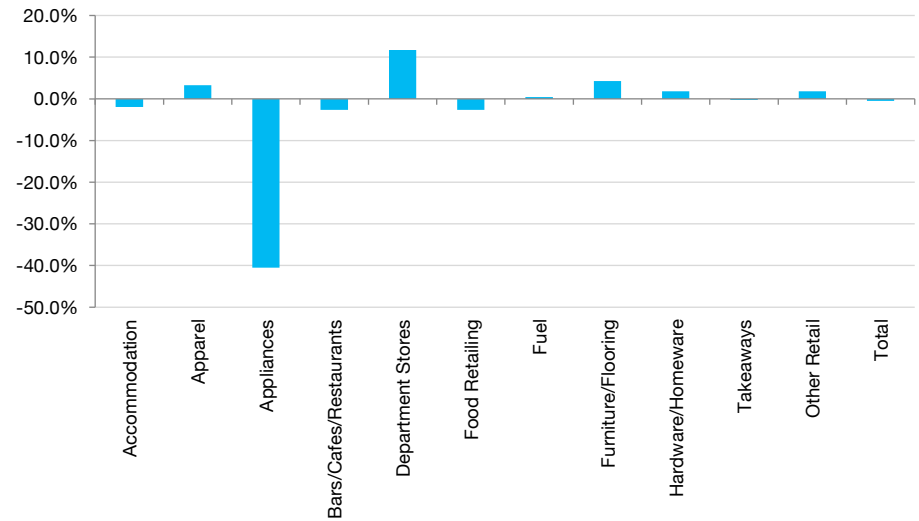


BEST COMPARED TO AVERAGE PEER

Based on change in spending this year over same time last year

DEPARTMENT STORES

MANAWATU / PALMERSTON NORTH CHANGE COMPARED TO PEER GROUP AVERAGE



WORST COMPARED TO AVERAGE PEER

Based on change in spending this year over same time last year

APPLIANCES

The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

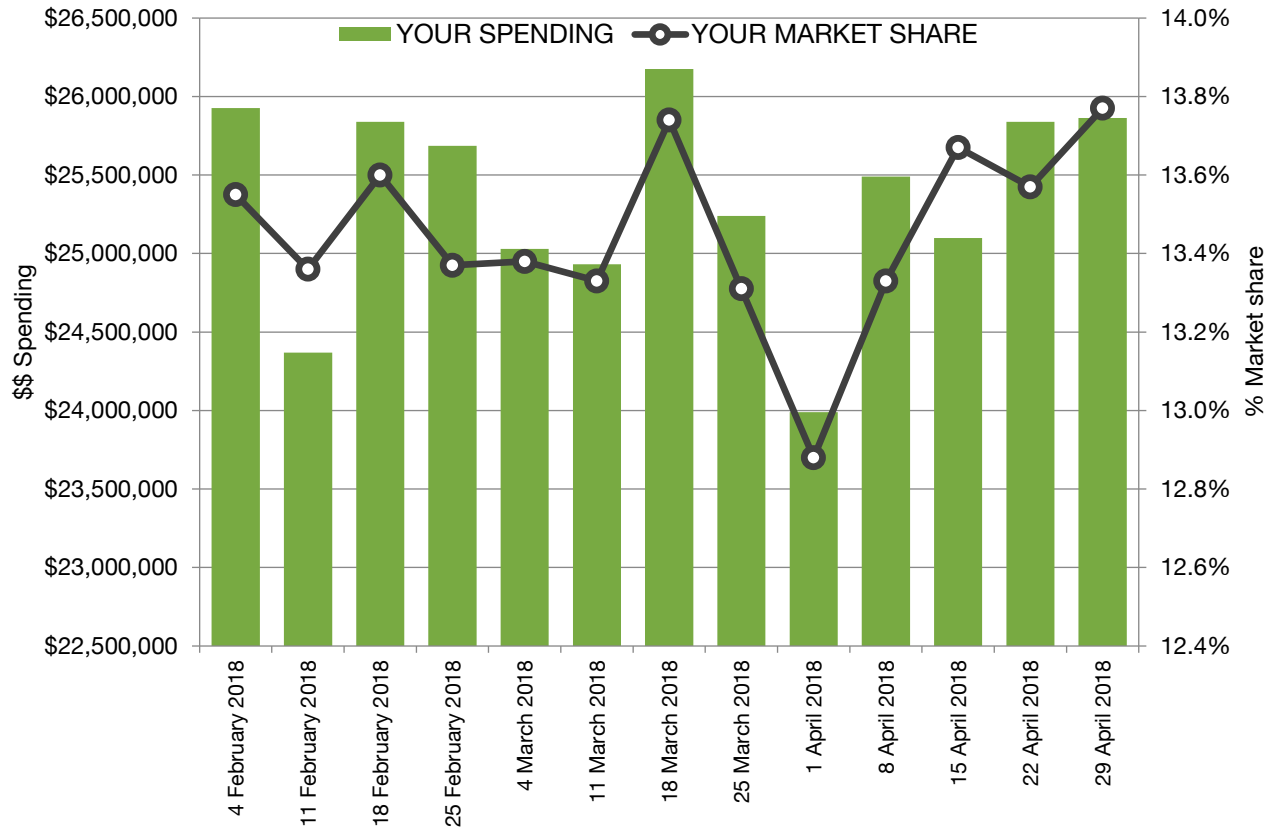
HOW HAS RETAIL ACTIVITY VARIED BY WEEK?



How does this affect planning? Has any event stimulated activity?

SPENDING DONE IN MANAWATU / PALMERSTON NORTH AND SHARE OF THE MARKET

By Week Ending:



BEST PERFORMERS

YOUR HIGHEST TOTAL WEEKLY SPEND
 Week ending
18 March 2018

YOUR HIGHEST WEEKLY MARKET SHARE
 Week ending
29 April 2018

Total market is based on spending at yourself and competitors. The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

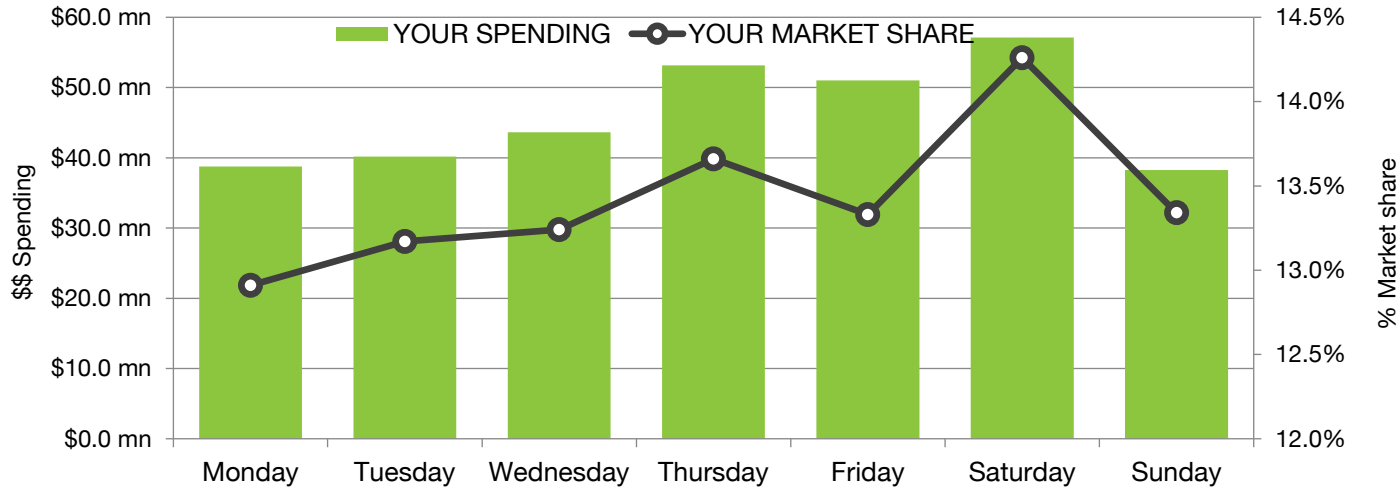
WHEN ARE OUR RETAILERS BUSIEST?



Are we managing council resources effectively to match these busy periods?

SPENDING DONE IN MANAWATU / PALMERSTON NORTH AND SHARE OF THE MARKET

By Week



YOUR BEST PERFORMERS

DAY OF THE WEEK WITH MOST SPENDING

Saturday

DAY OF THE WEEK WITH HIGHEST MARKET SHARE

Saturday

DISTRIBUTION OF SPENDING AT MERCHANTS IN YOUR REGION - BY TIME OF DAY

The darker the box, the higher the proportion of spending

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	Avg. for Period
Midnight - 4am	0.2%	0.2%	0.3%	0.3%	0.3%	0.7%	1.4%	0.5%
4am - 8am	3.0%	3.2%	3.4%	3.6%	3.1%	1.5%	1.3%	2.7%
8am - Midday	27.0%	26.2%	23.9%	25.4%	24.6%	30.2%	26.8%	26.3%
Midday - 4pm	37.9%	37.0%	36.3%	35.5%	36.4%	40.1%	42.6%	37.9%
4pm - 8pm	27.3%	28.3%	30.3%	29.4%	29.0%	21.7%	23.9%	27.1%
8pm - Midnight	4.6%	5.1%	5.8%	5.9%	6.6%	5.8%	4.0%	5.5%
Avg. for Day	12.6%	12.7%	13.8%	16.3%	16.0%	16.7%	12.0%	100.0%

TIME PERIOD WITH HIGHEST PROPORTION OF SPENDING

Midday - 4pm

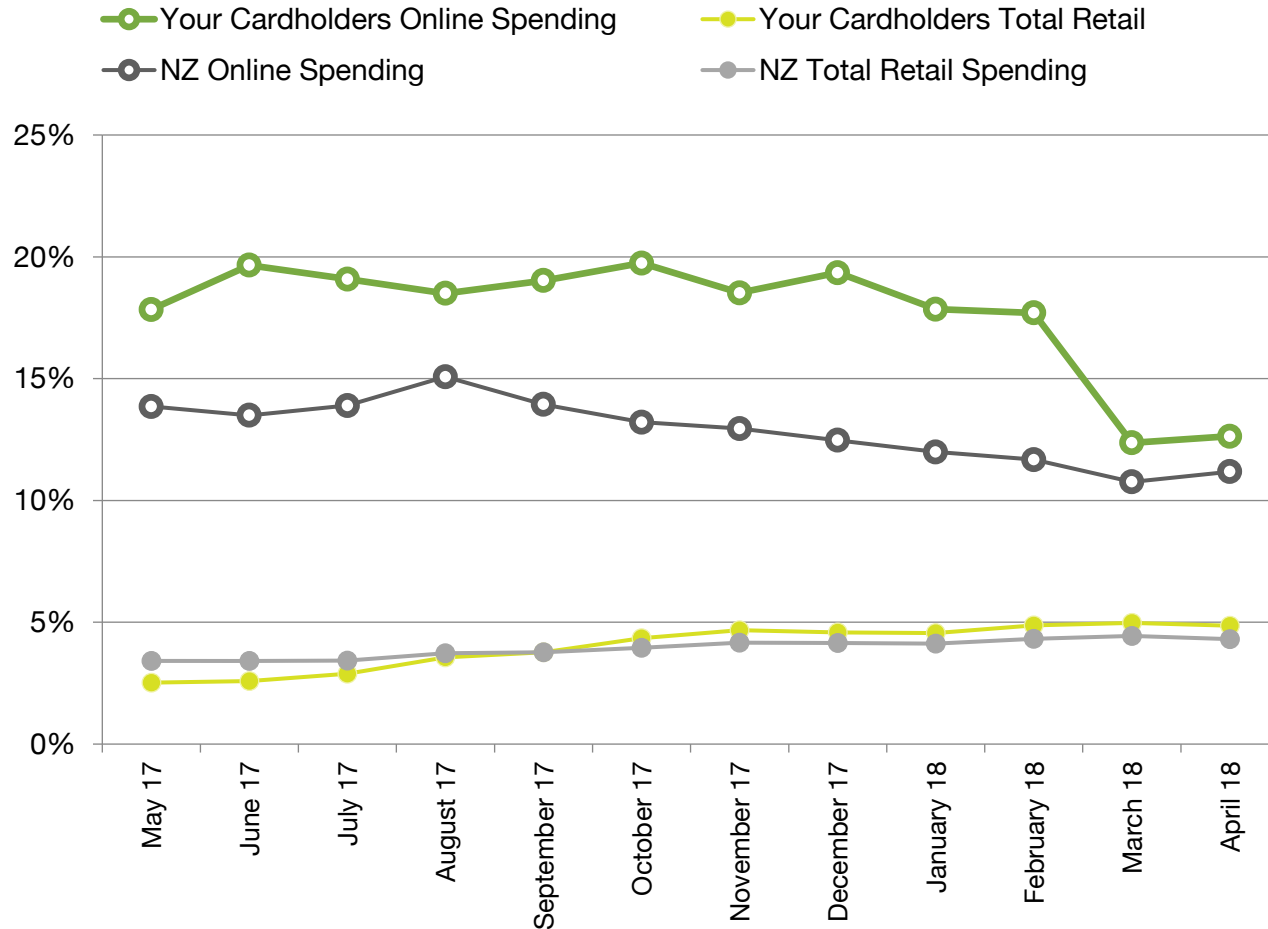
HOW MUCH ARE LOCALS SPENDING ONLINE?



Is your local offering sufficient? What does this mean for property prices?

CHANGE IN ONLINE SPENDING VS TOTAL NZ TRENDS

Rolling 12 months change in spending



GROWTH IN ONLINE SPENDING (this quarter)

Your Locals NZ Average



SHARE OF TOTAL RETAIL SPENDING

Your Locals NZ Average



% SPENT ON OVERSEAS WEBSITES (this quarter)

Your Locals NZ Average



FASTEST GROWING ONLINE CATEGORY (for local cardholders)

Fuel

Fuel may be the highest category as consumers pay fuel cards through credit card

APPENDIX



STORETYPE DEFINITIONS- BASED ON ANZSIC CATEGORIES

Accommodation:	Accommodation
Apparel:	Clothing Retail, Foodwear Retail
Appliances:	Domestic Appliances
Bars/Cafes/Restaurants:	Cafes and Restaurants, Pubs Taverns and Bars
Department Stores:	Department Stores
Food Retailing:	Bread and Cake Retailing, Fresh Meat, Fish and Poultry Retailing, Fruit and Vegetable Retailing, Specialised Food Retailing, Supermarket and Grocery Stores
Fuel:	Automotive Fuel Retailing
Furniture/Flooring:	Floor Covering Retailing, Furniture Retailing
Hardware/Homeware:	Domestic Hardware and Houseware Retailing, Building Supplies
Other Retail:	Antique and Used Goods, Automotive Electrical Services, Automotive Repair and Service, Clubs (Hospitality), Fabric and Other Soft Good Retailing, Flower Retailing, Funeral Directors, Crematoria, and Cemeteries, Garden Equipment Retailing, Gardening Services, Hairdressing and Beauty Salons, Household Equipment Repair, Laundries and Drycleaners, Liquor Retailing, Marine Equipment, Newspaper, Books and Stationery, Personal and Household Goods, Personal Services, Pharmaceutical, Cosmetic and Toiletry Retailing, Photographic Equipment, Photographic Film Processing, Photographic Studios, Recorded Music Retailing, Retailing nec, Smash Repairs, Sport and Camping Equipment, Toy and Game Retailing, Travel Agency, Tyre Retailing, Video Hire Outlets, Watch and Jewellery Retailing
Takeaways:	Takeaways

APPENDIX

Map Insert for Palmerston North breakdown. The map is indicative and the boundaries may vary, due to street/meshblock split. Broadway is inline with council definitions.

