# MANAWATU REGION QUARTERLY REPORT

For Period Ending January 2017

**Central Economic Development Agency**

**Date**

March 2017

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JANUARY 2017 QUARTER



***SMALL PRINT***

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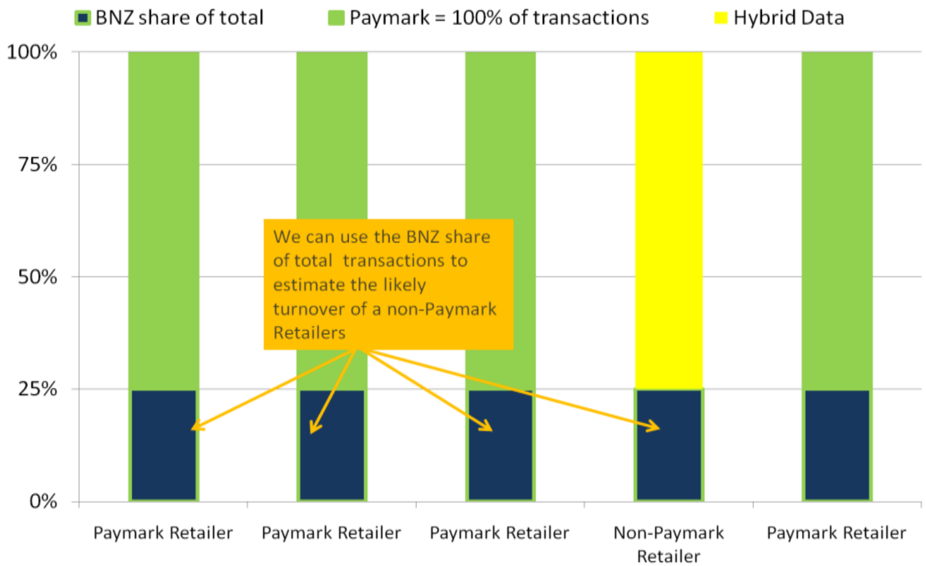
# DATA SOURCE

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 JANUARY 2017 QUARTER

marketview

## QUARTERLY ACTIVITY

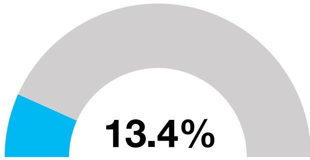
Changes over same time last year

| SPENDING | TRANSACTIONS |
|---|---|
| $336,152,732 | 7,598,265 |
| ▲ 4.0% | ▲ 4.1% |

Spending in your area grew by 4.0% over the same time last year. Transactions in your area grew by 4.1%. NZ spending grew by 4.8%, and transactions by 5.8%

## MARKET SHARE

Your Share vs Key Competitors




vs. last year

▼ -0.2%

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 | 70.1% | $235.68 mn | 2.2% ▲ |
| REST OF HORIZONS | 13.6% | $45.60 mn | 6.3% ▲ |
| REST OF NZ CARDHOLDERS | 15.3% | $51.37 mn | 10.3% ▲ |
| INTERNATIONAL CARDHOLDERS | 1.0% | $3.51 mn | 15.0% ▲ |

## FASTEST GROWING STORETYPES

*Based on Spending*

**IN YOUR REGION**

**Bars/Cafes/Restaurants**

vs. last year ▲ 11.7%

**IN COMPETITOR LOCATIONS**

**Bars/Cafes/Restaurants**

vs. last year ▲ 12.6%

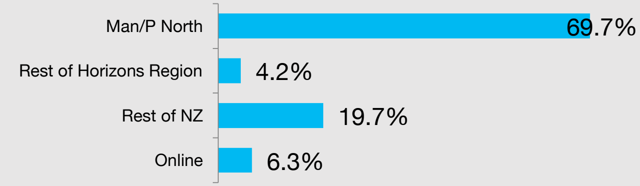
Bars/Cafes/Restaurants in your area had the largest growth amongst storetypes, up 11.7%.

Bars/Cafes/Restaurants had the largest growth in Key Competitor locations, up 12.6%.

## LOYALTY AND OUTFLOW

Destination of Locals' Spending

Manawatu / Palmerston North residents conducted 69.7% of their retail spending in Man/P North and 4.2% in the Rest of Horizons Region. They spent 6.3% 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** **BROADWAY**

**INTERNATIONAL CARDHOLDERS** **BROADWAY**


** Map insert in

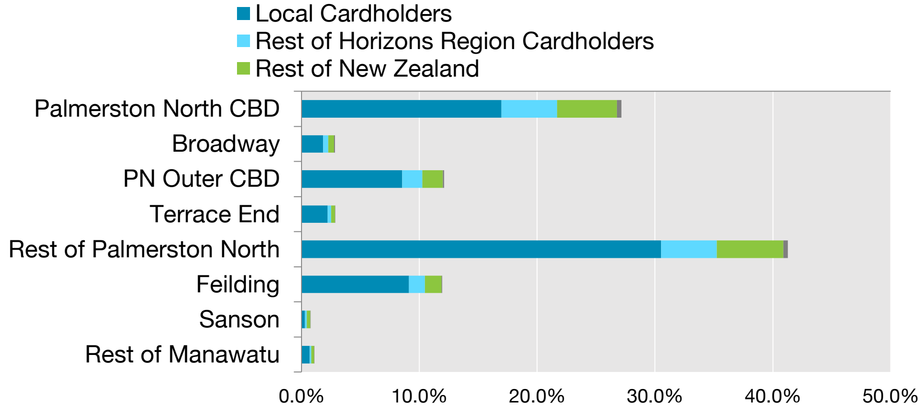
## CHANGE IN SPENDING

Change in spending over same period last year

| RANK | LOCATION | VALUE OF SPENDING | CHANGE IN SPENDING |
|---|---|---|---|
| 1 | Rest of Palmerston North | $138,714,908 | 4.7% |
| 2 | Palmerston North CBD | $91,243,276 | 3.0% |
| 3 | PN Outer CBD | $40,652,423 | 0.8% |
| 4 | Feilding | $40,156,755 | 4.1% |
| 5 | Terrace End | $9,597,132 | 7.2% |
| 6 | Broadway | $9,521,193 | 12.6% |
| 7 | Rest of Manawatu | $3,714,342 | 9.0% |
| 8 | Sanson | $2,552,704 | 9.3% |
| | **TOTAL** | **$336,152,732** | **4.0%** |

## 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

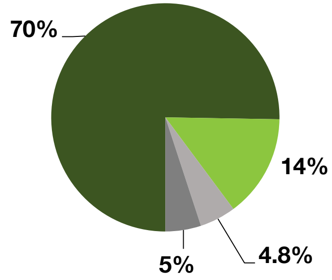
Change in spending over same period last year

| CARDHOLDER AREA | VALUE SPENT | CHANGE ON SAME QUARTER LAST YEAR |
|---|---|---|
| MANAWATU / PALMERSTON NORTH | $235.68 mn | ▲ 2.2% |
| REST OF REGION | $45.60 mn | ▲ 6.3% |
| REST OF NZ CARDHOLDERS | $16.05 mn | ▲ 2.0% |
| WELLINGTON REGION | $15.80 mn | ▲ 20.3% |
| AUCKLAND REGION | $10.38 mn | ▲ 17.3% |
| HAWKE'S BAY REGION | $5.16 mn | ▲ 12.5% |
| WAIKATO REGION | $3.99 mn | ▼ -6.5% |
| INTERNATIONAL | $3.51 mn | ▲ 15.0% |

International cardholder spending within New Zealand is up 9.4% over the same period last year, and transactions are up 25.0%. Regions are chosen based on top spenders in Manawatu/Palmerston North for the quarter.

## DISTRIBUTION OF CARDHOLDERS

Including international cardholders




## FASTEST GROWING CONSUMER GROUP

Based on spending change from the same period last year

▲ WELLINGTON REGION

# WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?

How much are we leaking to other areas?

marketview

## OVERVIEW OF INFLOW AND OUTFLOW TO/FROM MANAWATU / PALMERSTON NORTH

**LOCAL INFLOW**

The total amount spent in your region

\+ **$235.68 mn**

**VISITOR INFLOW**

The total amount of spending by cardholders living outside your region

\- **$100.48 mn**

**NET INFLOW TO YOUR AREA**

Total inflow minus total outflow

= **$336.15 mn**

**NET GAIN FOR YOUR AREA**

Net gain in spending for your region

= **-$1.86 mn**

## THE BREAKDOWN

Non-locals include international cardholders

**LOCALS SPENDING LOCALLY**

**$235.68 mn**

**LOCALS SPENDING ELSEWHERE**

**$102.34 mn**

This figure includes $80.96mn spent in other areas, and $21.38mn spent online"

## ORIGIN OF INFLOW BY CARDHOLDER LOCATION

*Breakdown of spending in your council*

**What's coming into your region**

**What's spent outside your region**

| CARDHOLDER LOCATION | YOUR REGION | ELSEWHERE IN NZ |
|---|---|---|
| Manawatu / Palmerston North | $235.68 mn | $80.96 mn |
| Rest of Region | $45.60 mn | $293.28 mn |
| Rest of NZ Cardholders | $16.05 mn | $5,641.49 mn |
| Wellington Region | $15.80 mn | $1,639.56 mn |
| Auckland Region | $10.38 mn | $5,349.85 mn |
| Hawke's Bay Region | $5.16 mn | $504.19 mn |
| Waikato Region | $3.99 mn | $1,288.40 mn |
| International | $3.51 mn | $657.32 mn |
| **TOTAL** | $336.15 mn | $15,455.05 mn |

# HOW ARE OUR RETAILERS PERFORMING?

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

## RETAIL CATEGORY CHANGE IN SPENDING AND PERFORMANCE

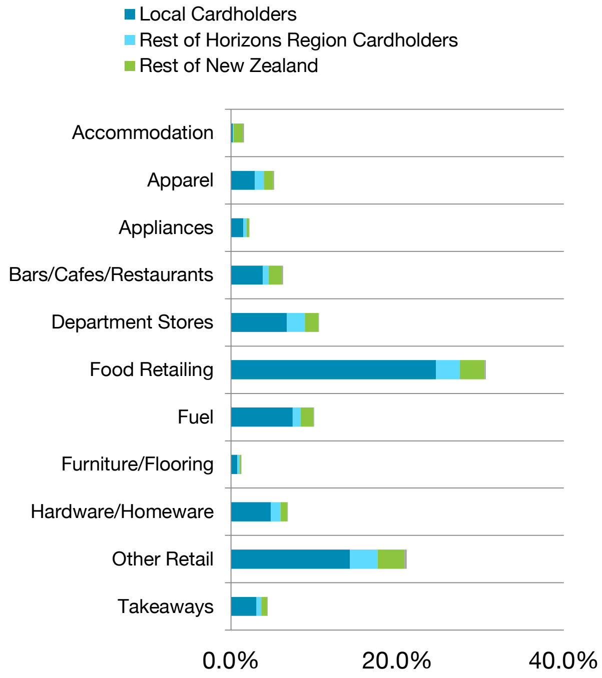
Spending change over same period last year

| RETAIL CATEGORY | $$ SPEND | YOUR RESULT | YOU VS. COMPETITOR GROUP | |
|---|---|---|---|---|
| | | | RANK | CHANGE ON LAST YEAR |
| ACCOMMODATION | $5.25 mn | ▲ 7.1% | 4 | 1 |
| APPAREL | $17.41 mn | ▲ 1.0% | 5 | -3 |
| APPLIANCES | $7.44 mn | ▼ -11.5% | 5 | -1 |
| BARS/CAFES/RESTAURANTS | $21.06 mn | ▲ 11.7% | 3 | 1 |
| DEPARTMENT STORES | $35.55 mn | ▲ 4.7% | 1 | 3 |
| FOOD RETAILING | $103.03 mn | ▲ 2.8% | 4 | 0 |
| FUEL | $33.59 mn | ▲ 2.9% | 4 | 0 |
| FURNITURE/FLOORING | $4.08 mn | ▼ -8.4% | 4 | -1 |
| HARDWARE/HOMEWARE | $23.00 mn | ▲ 5.6% | 4 | -1 |
| OTHER RETAIL | $70.97 mn | ▲ 5.6% | 2 | 2 |
| TAKEAWAYS | $14.76 mn | ▲ 9.1% | 5 | -1 |

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

| For ALL Cardholders | For INTERNATIONAL Cardholders |
|---|---|
| BARS/CAFES/RESTAURANTS | APPLIANCES |

# DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?

Have we got gaps? Where should be target development?

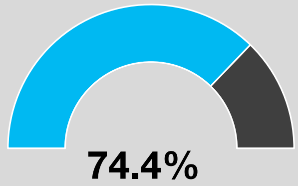
## PROPORTION OF LOCAL CARDHOLDER'S SPENDING THAT GOES TO LOCAL MERCHANTS

High percentages presume that local cardholders are happy with local options

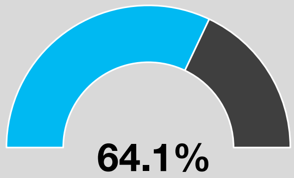
| RETAIL CATEGORY | PROPORTION OF SPENDING DONE LOCALLY: Manawatu / P North | PROPORTION OF SPENDING DONE LOCALLY: New Zealand Avg |
|---|---|---|
| ACCOMMODATION | 8.6% | 16.8% |
| APPAREL | 65.8% | 53.3% |
| APPLIANCES | 78.4% | 62.8% |
| BARS/CAFES/RESTAURAN | 57.6% | 52.4% |
| DEPARTMENT STORES | 81.1% | 63.3% |
| FOOD RETAILING | 82.3% | 74.8% |
| FUEL | 67.2% | 63.6% |
| FURNITURE/FLOORING | 81.1% | 57.7% |
| HARDWARE/HOMEWARE | 87.7% | 65.0% |
| OTHER RETAIL | 76.3% | 62.2% |
| TAKEAWAYS | 70.6% | 61.7% |

0.0% 50.0% 100.0%

## OVERALL LOYALTY




Local cardholders spent 74.4% at local merchants this quarter (exc Online).




New Zealanders spent 64.1% with their local merchants this quarter.

## MOST LOYAL CATEGORY

**SPENDING**

HARDWARE/HOMEWARE

**TRANSACTIONS**

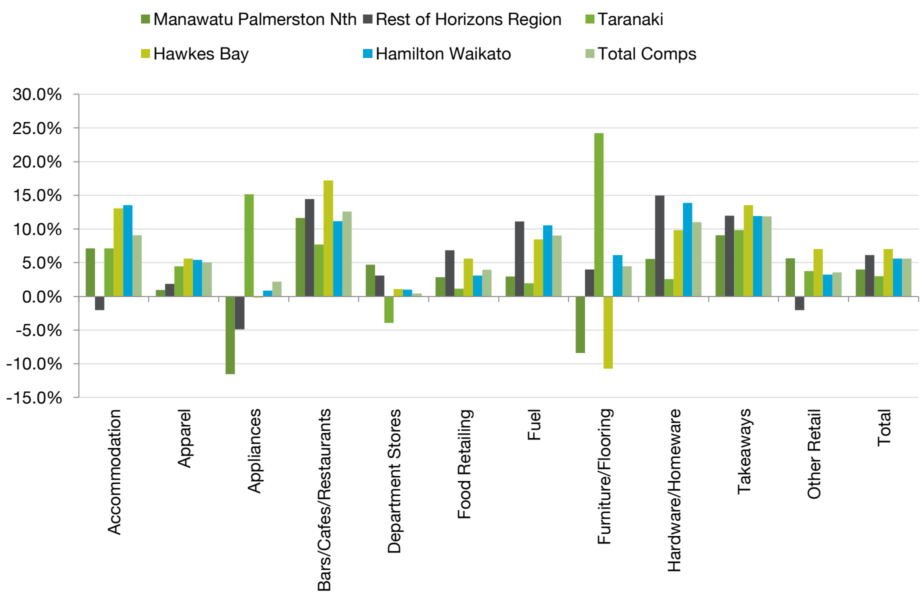
HARDWARE/HOMEWARE

# HOW DO WE COMPARE TO COMPETITORS?

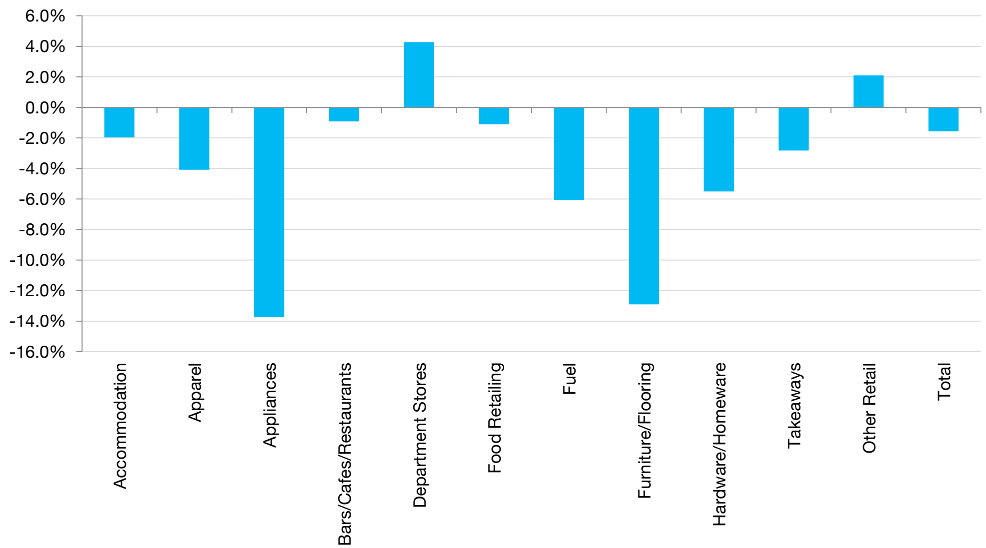
Is your local offering sufficient? How to you compare against competitors?

## CHANGE IN SPENDING BY RETAIL CATEGORY

*Over Same Period last year*




## MANAWATU / PALMERSTON NORTH CHANGE COMPARED TO PEER GROUP AVERAGE




## BEST COMPARED TO AVERAGE PEER

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

**DEPARTMENT STORES**

## WORST COMPARED TO AVERAGE PEER

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

**APPLIANCES**

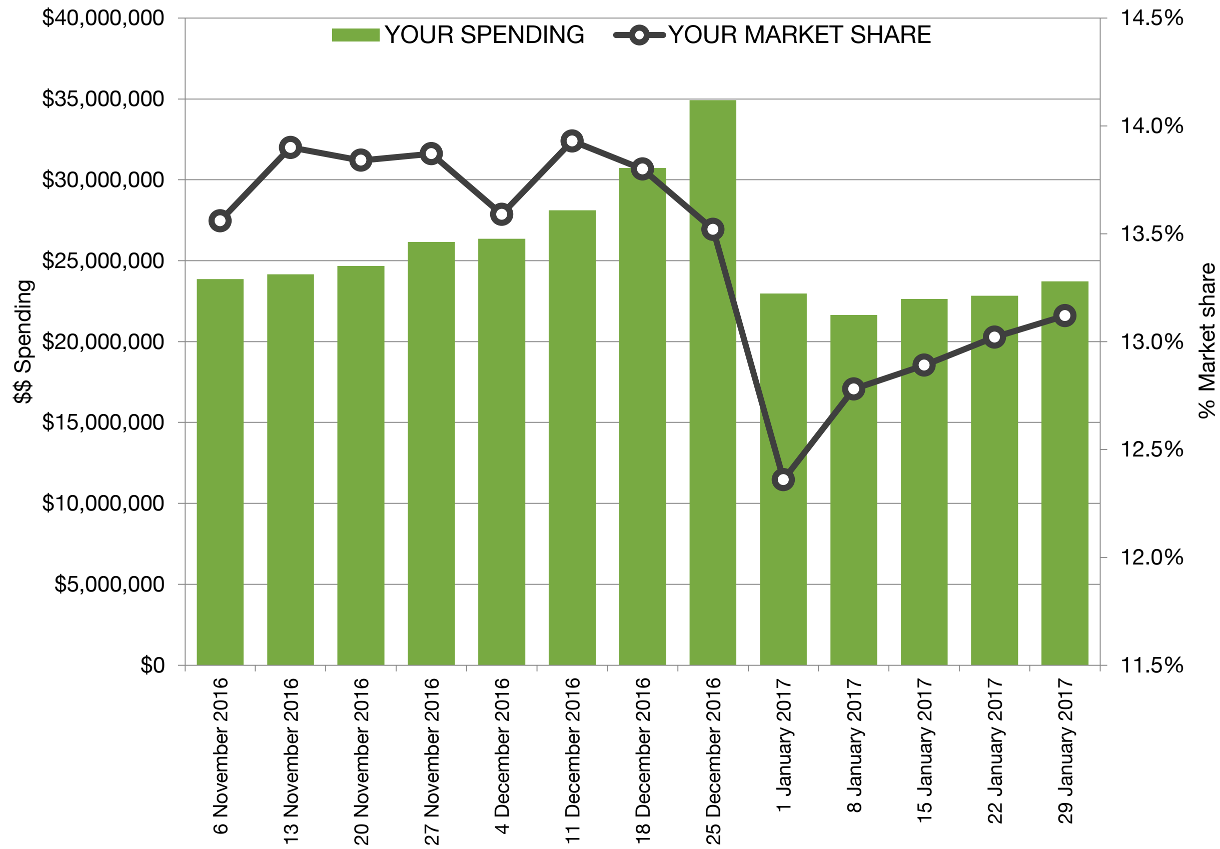
The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

# 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

**25 December 2016**

**YOUR HIGHEST WEEKLY MARKET SHARE**

Week ending

**11 December 2016**

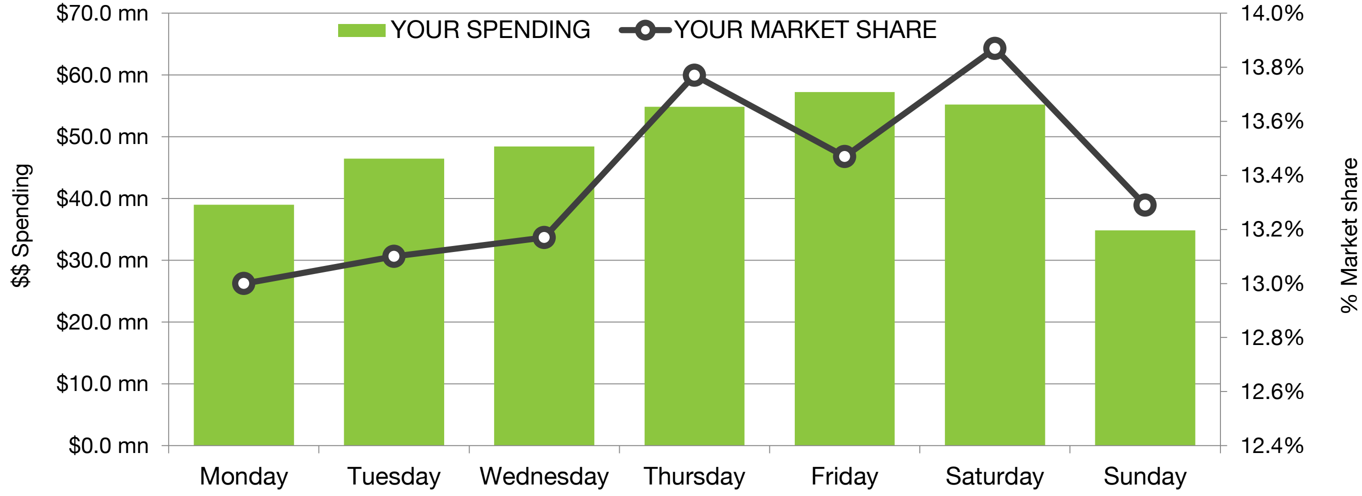
Total market is based on spending at yourself and competitors. The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

# 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




## 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 | 0.1% | 0.2% | 0.2% | 0.2% | 0.3% | 0.6% | 1.3% | **0.4%** |
| 4am - 8am | 2.3% | 2.8% | 2.8% | 2.9% | 2.4% | 1.5% | 1.2% | **2.3%** |
| 8am - Midday | 27.1% | 26.5% | 25.5% | 25.4% | 25.7% | 30.9% | 26.3% | **26.8%** |
| Midday - 4pm | 39.8% | 38.0% | 37.4% | 36.9% | 38.0% | 40.2% | 43.3% | **38.8%** |
| 4pm - 8pm | 25.2% | 26.6% | 27.8% | 28.0% | 26.8% | 20.9% | 23.5% | **25.6%** |
| 8pm - Midnight | 5.5% | 5.9% | 6.2% | 6.6% | 6.8% | 5.8% | 4.5% | **6.0%** |
| Avg. for Day | **12.0%** | **14.2%** | **14.7%** | **15.9%** | **17.0%** | **15.9%** | **10.4%** | **100.0%** |

## YOUR BEST PERFORMERS

**DAY OF THE WEEK WITH MOST SPENDING**

**Friday**

**DAY OF THE WEEK WITH HIGHEST MARKET SHARE**

**Saturday**

**TIME PERIOD WITH HIGHEST PROPORTION OF SPENDING**

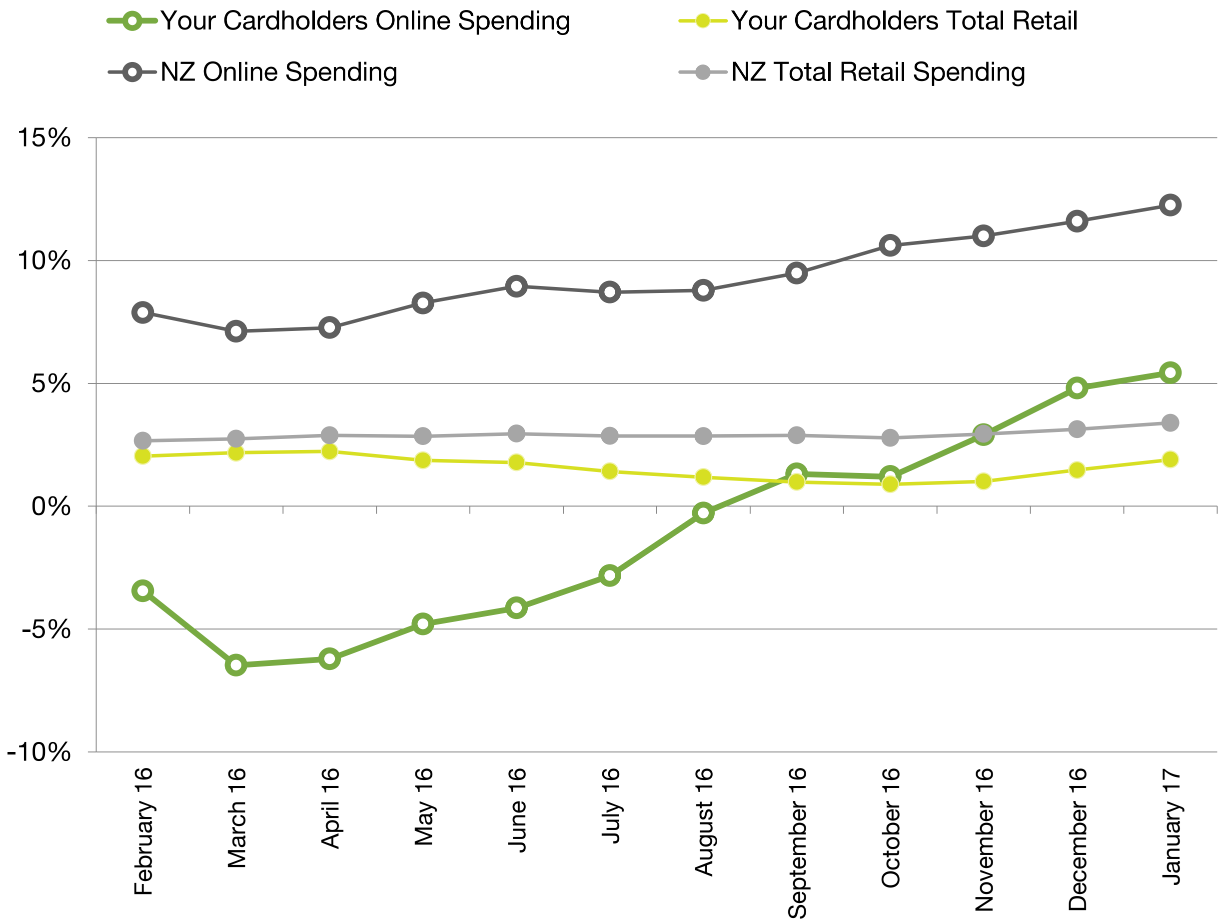
**Midday - 4pm**

# 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 |
|---|---|
| ▲ 14.1% | ▲ 14.5% |

### SHARE OF TOTAL RETAIL SPENDING

| Your Locals | NZ Average |
|---|---|
| 6.3% | 9.6% |

### % SPENT ON OVERSEAS WEBSITES (this quarter)

| Your Locals | NZ Average |
|---|---|
| 46.0% | 44.4% |

### 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 Apliances |
| **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 indicitive and the boundaries may vary, due to street/meshblock split.  Broadway is inline with council definitions.