



MARKETVIEW
Precision Market Intelligence

QUARTERLY REPORT

For Period Ending September 2015

Prepared for: Nelson City Council



CONTENTS

September 2015 Quarter



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Precision Market Intelligence

PREPARED FOR:



DATA SOURCE	3
RETAIL OVERVIEW	4
WHERE ARE THE RETAIL HOTSPOTS?	5
WHO IS SPENDING AT OUR RETAILERS?	6
WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?	7
HOW ARE OUR RETAILERS COMPARING TO OTHER AREAS?	8
DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?	9
HOW HAS RETAIL ACTIVITY VARIED BY WEEK?	10
WHEN ARE OUR RETAILERS BUSIEST?	11
HOW MUCH ARE LOCALS SPENDING ON THE INTERNET?	12

SMALL PRINT

Privacy

No personal or household data is shown or can be derived, thereby maintaining the privacy of end customers.

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DATA SOURCE

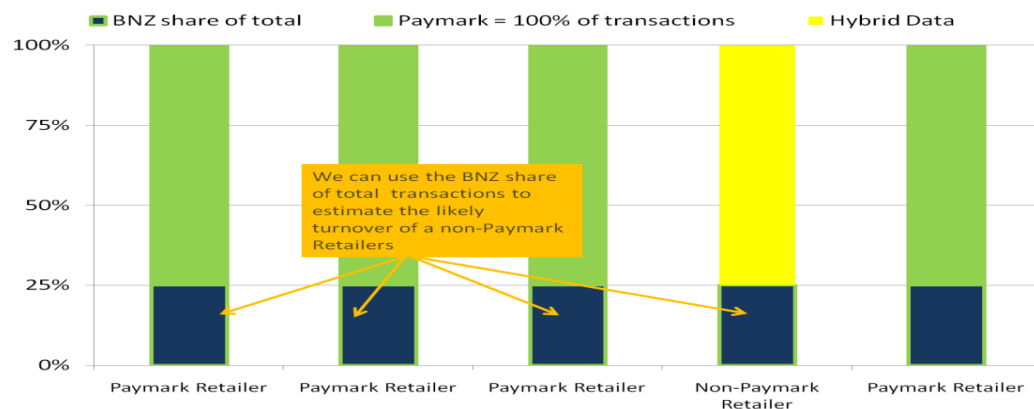
The data included in this report represents the total value of electronic card retail transactions. For a frame of reference, Statistics NZ report just under 70% of total retail is paid with an electronic card (ECT publication and Retail Trade Survey). The rest is comprised of cash, hire-purchase and 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 September 2015 Quarter



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QUARTERLY ACTIVITY

Changes over same time last year

SPENDING

\$149,423,306



4.3%

TRANSACTIONS

3,208,006



4.3%

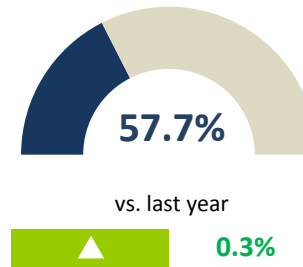
Spending in your area grew by 4.3% over the same time last year. Transactions in your area grew by 4.3%. NZ spending grew by 3.2%, and transactions by 4.6%

CARDHOLDER ORIGIN

	CARDHOLDER CONTRIBUTION	VALUE SPENT IN YOUR COUNCIL	CHANGE (VS. SAME QUARTER LAST YEAR)
LOCALS	57.8%	\$86.41 mn	2.7%
TASMAN	23.6%	\$35.29 mn	4.4%
REST OF NZ CARDHOLDERS	17.0%	\$25.44 mn	9.3%
INTERNATIONAL CARDHOLDERS	1.5%	\$2.28 mn	16.0%

MARKET SHARE

Your Share vs Key Competitors



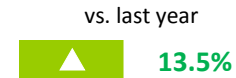
Market share is your share of spending in the market (yourself and key competitors).

Your key competitors are based on areas you have chosen, in this case Tasman territorial authorities

FASTEST GROWING STORETYPES

IN YOUR AREA

Specialised Food / Liquor



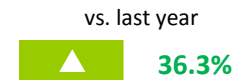
vs. last year

13.5%

Specialised Food / Liquor in your area had the largest growth amongst storetypes, up 13.5%.

IN COMPETITOR LOCATIONS

Furniture/Flooring



vs. last year

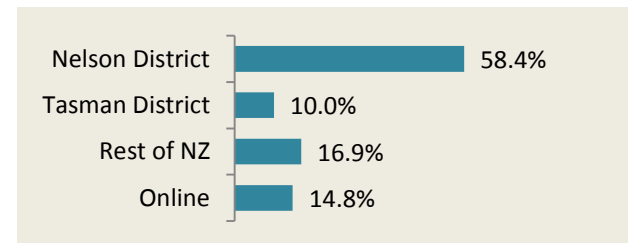
36.3%

Furniture/Flooring had the largest growth in Key Competitor locations, up 36.3%.

LOYALTY AND OUTFLOW

Destination of Locals' Spending

Nelson residents conducted 58.4% of their retail spending in Nelson District and 10.0% in the Tasman District. They spent 14.8% online.





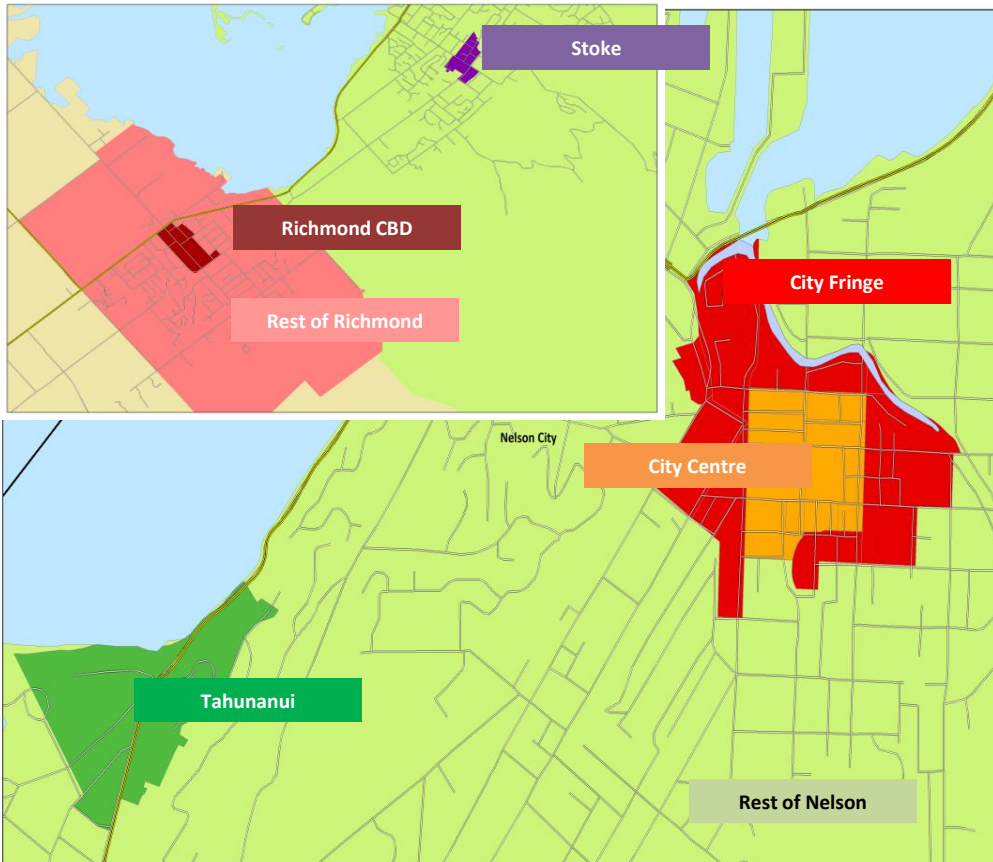
WHERE ARE THE RETAIL HOTSPOTS?

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 **STOKE** INTERNATIONAL CARDHOLDERS **RICHMOND CBD**



CHANGE IN SPENDING

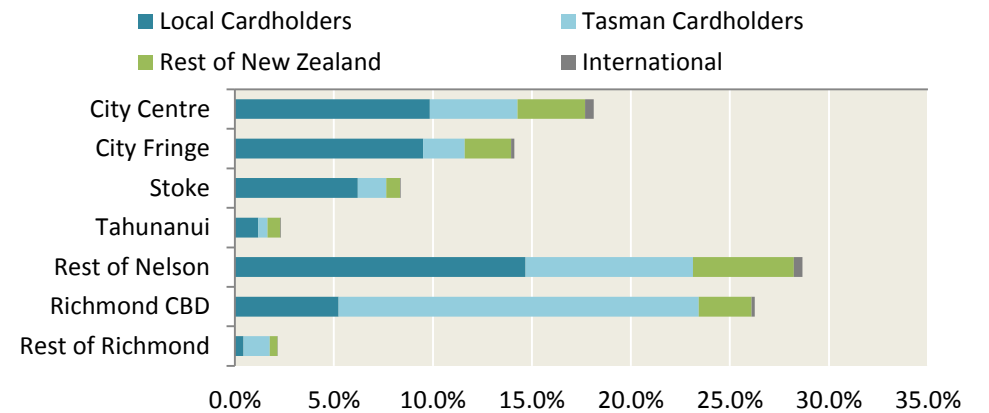
Change in spending over same period last year

RANK	LOCATION	VALUE OF SPENDING	CHANGE IN SPENDING
1	City Centre	\$37,812,383	-3.2%
2	City Fringe	\$29,448,443	5.4%
3	Stoke	\$17,473,427	10.3%
4	Tahunanui	\$4,883,179	-1.1%
5	Rest of Nelson	\$59,805,874	7.9%
6	Richmond CBD	\$54,771,086	5.0%
7	Rest of Richmond	\$4,513,960	-9.3%
	** TOTAL	\$149,423,306	4.3%

** Total includes Nelson City only

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

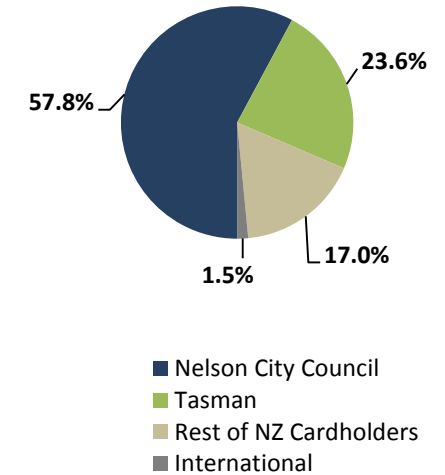
Change in spending over same period last year



CARDHOLDER AREA	VALUE SPENT	CHANGE ON SAME QUARTER LAST YEAR	
NELSON	\$86.41 mn		2.7%
TASMAN	\$35.29 mn		4.4%
CHRISTCHURCH	\$4.70 mn		12.4%
WELLINGTON	\$1.78 mn		-7.9%
MARLBOROUGH	\$3.81 mn		-3.0%
REST OF NZ CARDHOLDERS	\$15.15 mn		14.6%
INTERNATIONAL	\$2.28 mn		16.0%

DISTRIBUTION OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CONSUMER GROUP

Based on spending change from the same period last year



International cardholder spending within New Zealand was up 10.8% over the same period last year, and transaction volumes were up 19.6%



WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?

How much are we leaking to other areas?



OVERVIEW OF INFLOW AND OUTFLOW TO/FROM NELSON CITY



TOTAL INFLOW

The total amount spent in your council area from Non-Locals

+ \$63.01 mn

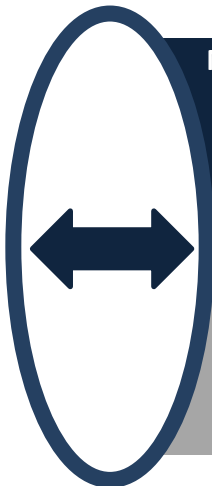


TOTAL OUTFLOW

The total amount local cardholders spent outside your local area

- \$61.66 mn

This figure includes \$39.81mn spent in other areas, and \$21.85mn spent online"



NET INFLOW TO YOUR AREA

Total inflow minus total outflow

= \$1.36 mn

MARKET PENETRATION

The amount of possible spending that was spent at local retailers

= 50.54%

THE BREAKDOWN

Non-locals include international cardholders

LOCALS SPENDING LOCALLY

\$86.41 mn

NON-LOCALS SPENDING IN YOUR AREA

\$63.01 mn

ORIGIN OF INFLOW BY CARDHOLDER LOCATION

Breakdown of spending in your council

What's coming into your council

What's spent outside your council

CARDHOLDER LOCATION	YOUR COUNCIL	ELSEWHERE IN NZ
Nelson	\$86.41 mn	\$39.81 mn
Tasman	\$35.29 mn	\$105.92 mn
Christchurch	\$4.70 mn	\$1,065.71 mn
Wellington	\$1.78 mn	\$607.99 mn
Marlborough	\$3.81 mn	\$112.43 mn
Rest of NZ Cardholders	\$15.15 mn	\$10,073.16 mn
International	\$2.28 mn	\$320.03 mn
TOTAL	\$149.42 mn	\$12,325.07 mn



HOW ARE OUR RETAILERS COMPARING TO OTHER AREAS?

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

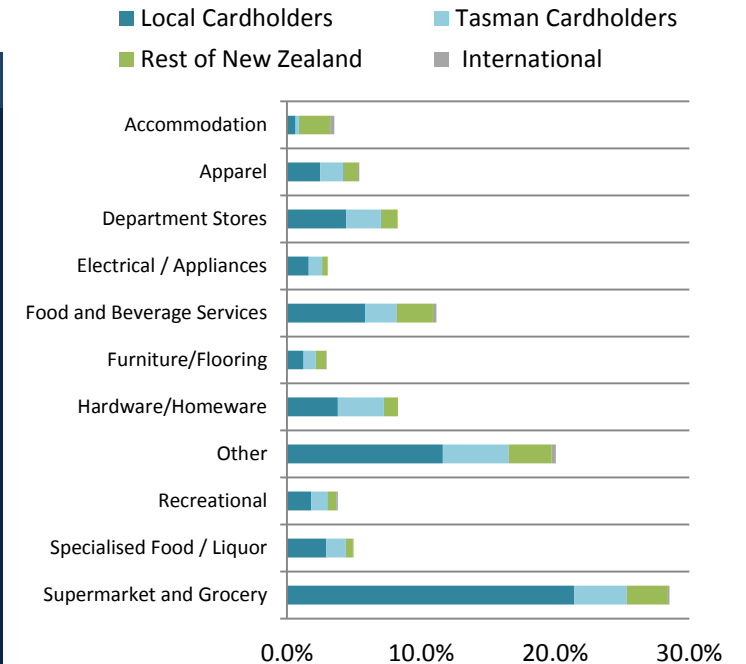
RETAIL CATEGORY CHANGE IN SPENDING AND PERFORMANCE

Spending change over same period last year

RETAIL CATEGORY	YOUR RESULT		TASMAN RESULT		RANK YOU VS. COMPETITOR GROUP
	▲	%	▲	%	CHANGE ON SAME QUARTER LAST YEAR
ACCOMMODATION	▲	11.6%	▲	0.2%	1
APPAREL	▼	-6.4%	▼	-5.6%	-1
DEPARTMENT STORES	▲	6.9%	▲	25.9%	0
ELECTRICAL / APPLIANCES	▼	-4.1%	▼	-27.0%	1
FOOD AND BEVERAGE SERVICES	▲	3.0%	▲	6.1%	0
FURNITURE/FLOORING	▲	6.3%	▲	36.3%	-1
HARDWARE/HOMEWARE	▲	3.3%	▲	2.6%	1
OTHER	▲	0.7%	▼	-6.6%	1
RECREATIONAL	▼	-10.6%	▲	11.8%	-1
SPECIALISED FOOD / LIQUOR	▲	13.5%	▲	8.0%	1
SUPERMARKET AND GROCERY	▲	10.5%	▲	5.2%	1

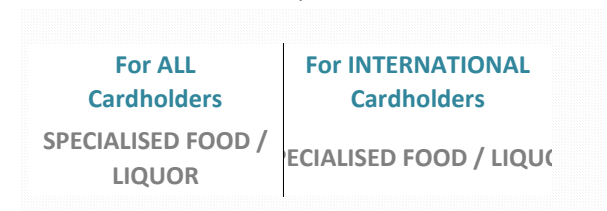
ORIGIN OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CATEGORIES

Domestic/ International split





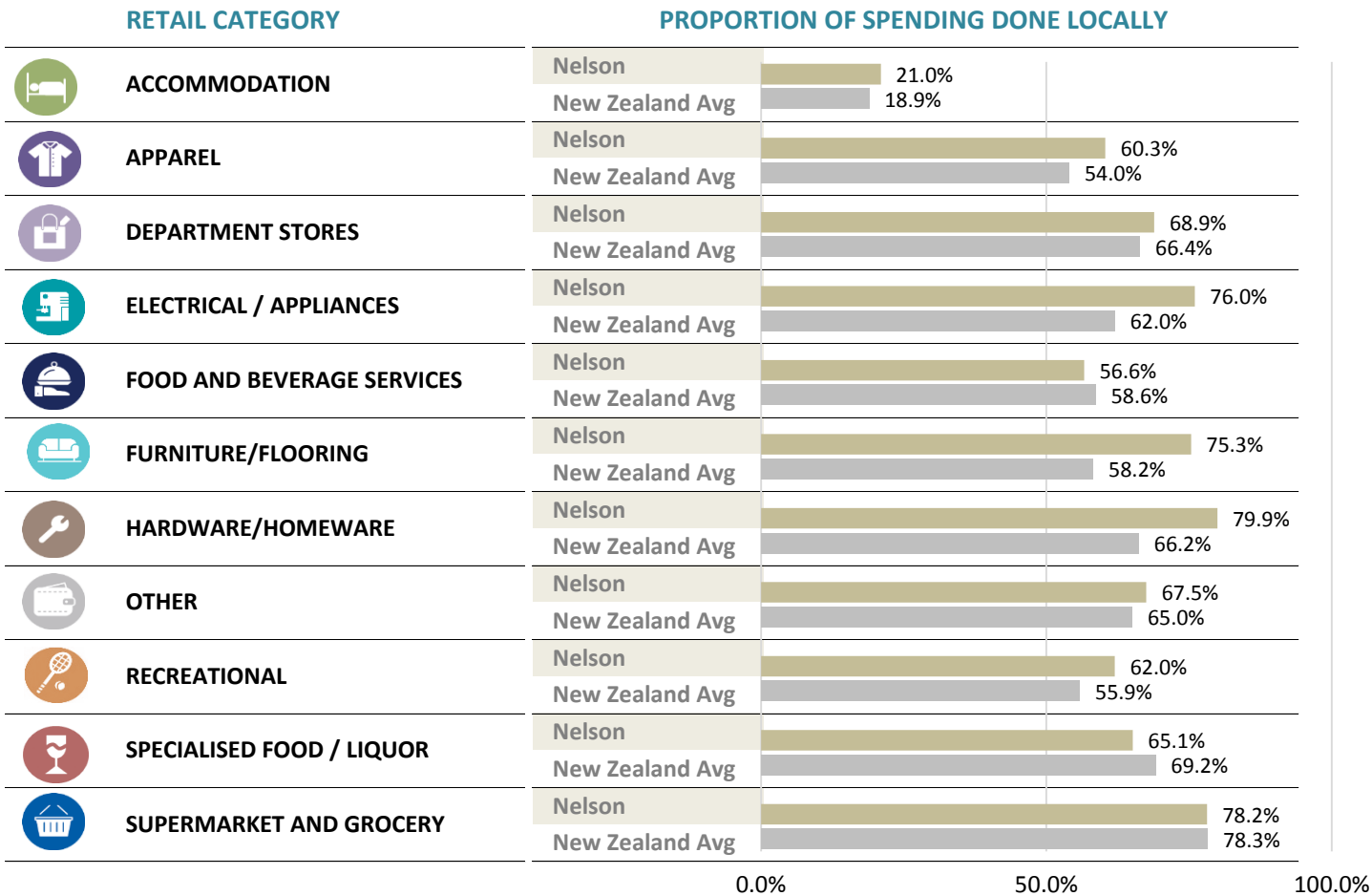
DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?

Have we got gaps? Where should be target development?

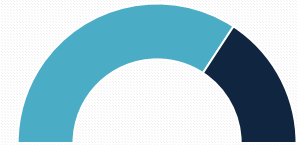


PROPORTION OF LOCAL CARDHOLDER'S SPENDING THAT GOES TO LOCAL MERCHANTS

High percentages presume that local cardholders are happy with local options



OVERALL LOYALTY



68.5%

Local cardholders spent 68.5% at local merchants this quarter.



66.5%

New Zealanders spent 66.5% with their local merchants this quarter.

MOST LOYAL CATEGORY

SPENDING

HARDWARE/HOMEWARE

TRANSACTIONS

HARDWARE/HOMEWARE



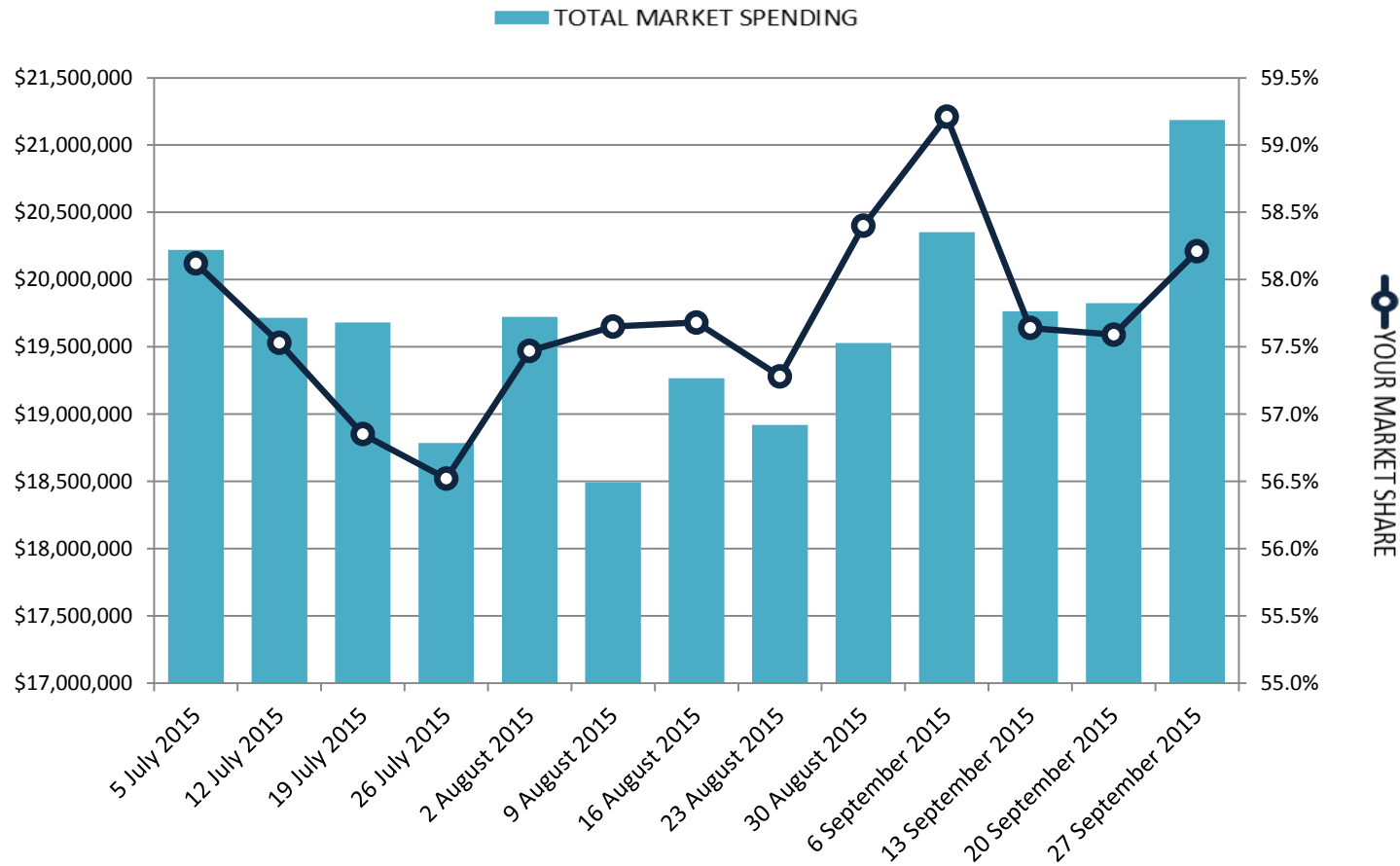
HOW HAS RETAIL ACTIVITY VARIED BY WEEK?

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



TOTAL MARKET SPENDING AND PROPORTION DONE IN YOUR COUNCIL

By Week



BEST PERFORMERS



YOUR HIGHEST TOTAL WEEKLY SPEND

Week of

27 September 2015



YOUR HIGHEST WEEKLY MARKET SHARE

Week of

6 September 2015



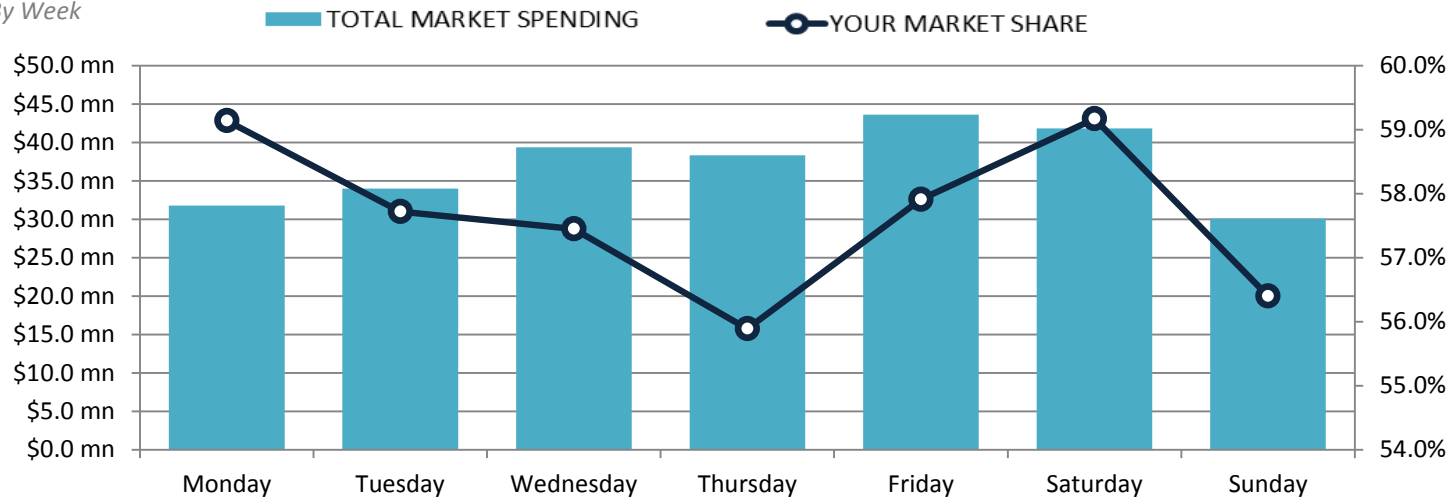
WHEN ARE OUR RETAILERS BUSIEST?

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



TOTAL MARKET SPENDING AND PROPORTION DONE IN YOUR COUNCIL

By Week



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

DISTRIBUTION OF SPENDING AT MERCHANTS IN YOUR COUNCIL AREA - 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%	0.1%	0.2%	0.3%	0.2%	0.6%	2.3%	0.5%
4am - 8am	1.5%	1.9%	2.2%	2.1%	2.0%	0.6%	0.6%	1.6%
8am - Midday	28.5%	26.5%	26.6%	26.0%	28.9%	29.4%	23.9%	27.3%
Midday - 4pm	40.5%	41.8%	38.9%	39.8%	40.0%	45.6%	45.9%	41.7%
4pm - 8pm	24.4%	25.3%	25.6%	28.0%	24.6%	18.2%	22.3%	24.0%
8pm - Midnight	5.0%	4.3%	6.5%	3.8%	4.4%	5.6%	5.0%	4.9%
Avg. for Day	12.7%	13.1%	15.3%	14.3%	16.9%	16.2%	11.4%	100.0%



HOW MUCH ARE LOCALS SPENDING ON THE INTERNET?

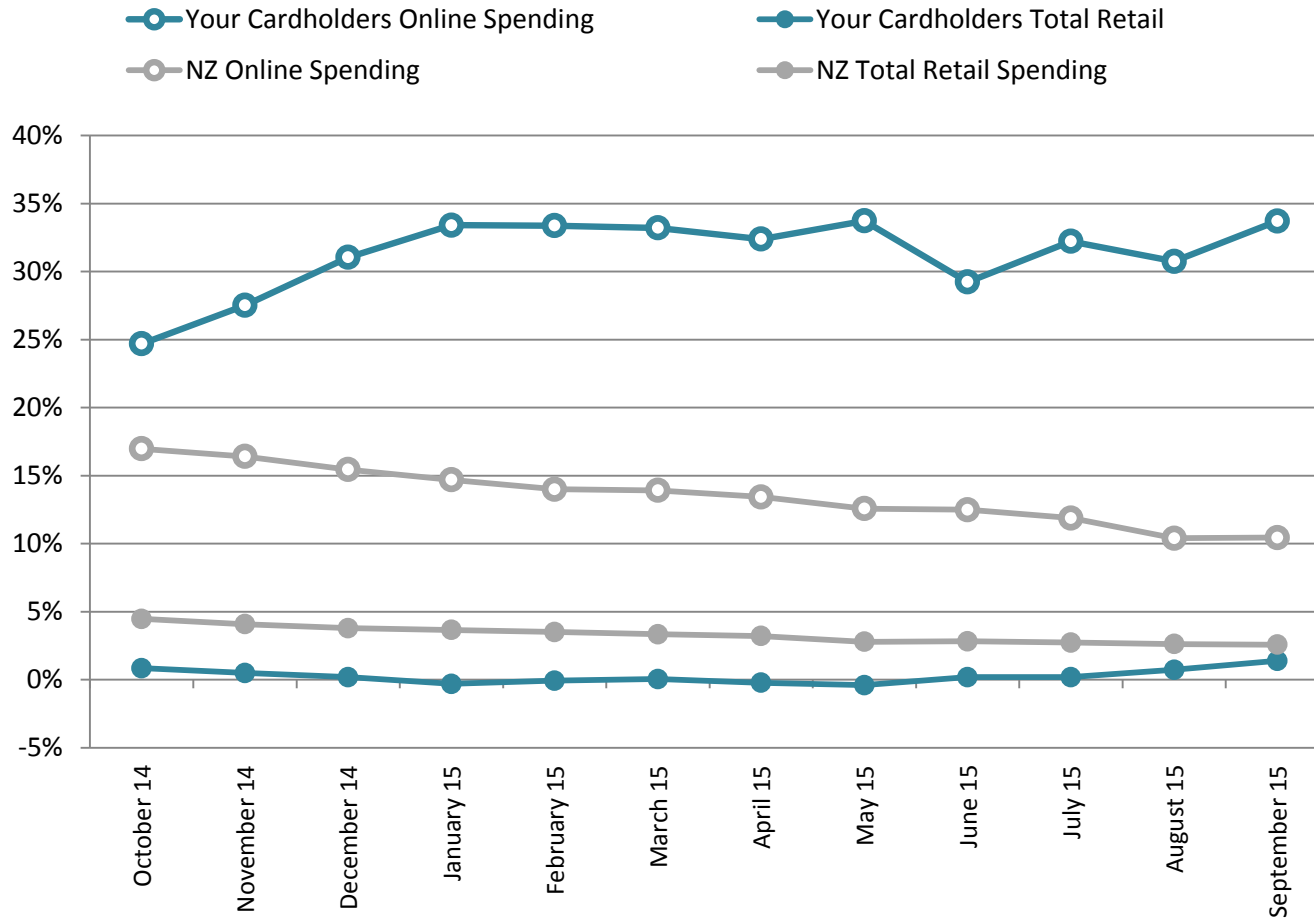
Are your local offering sufficient? What does this mean for property prices?



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CHANGE IN ONLINE SPENDING VS TOTAL NZ TRENDS

Rolling 12 months change in spending



THE BREAKDOWN

GROWTH IN ONLINE SPENDING (this quarter)

Your Locals

Total NZ



SHARE OF TOTAL RETAIL SPENDING

Your Locals

Total NZ



% SPENT ON OVERSEAS WEBSITES (this quarter)

Your Locals

Total NZ



FASTEST GROWING ONLINE CATEGORY (for local cardholders)

Hardware/Homeware