

# **K ROAD**

## **ANNUAL REPORT**

for the 12 month period ending 30 June 2019

**Date**  
August 2019

Key Points from the Year	3
Annual Overview	4
Annual Performance Summary	5
Market Comparison	6
Leaderboard Ranking	7
Inflow/Outflow	8
Customer Origin Overview	9
Customer Contribution Overview	10
Customer Demographics	11
Storetype Overview	12
Long-term View	13
Spending Forecast	14
Boundary Definitions	15
Catchment	16
Customer Origin Map	17
<b>Appendix</b>	
- Criteria	18
- Terminology	18
- Storetype Classifications	19
- Frequently Asked Questions	21

## **SMALL PRINT**

### Privacy

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

### Copyright

This report is protected by the copyright and trademark laws. No part of this report can be reproduced or copied in any form or by any means without the permission of Marketview. Any reproduction is a breach of intellectual property rights and could subject you to civil and criminal penalties.

### Disclaimer

While every effort has been made in the production of this report, Paymark, the BNZ and Marketview Limited are not responsible for the results of any actions taken on the basis of the information in this report. Paymark, BNZ, and Marketview expressly disclaim any liability to any person for anything done or omitted to be done by any such person in reliance on the contents of this report and any losses suffered by any person whether direct or indirect, including loss of profits.

# K ROAD ANNUAL HIGHLIGHTS

Jul 2018 to Jun 2019

## K Road Results



### Spending

**\$169.5M**

\$168.9M | ▲ 0.4%  
LAST YEAR | CHANGE

### Transactions

**4.9M**

5.0M | ▼ 1.3%  
LAST YEAR | CHANGE

### Average Transaction Value

**\$34.50**

\$33.92 | ▲ 1.7%  
LAST YEAR | CHANGE

Please see page 4 for more detail

## Customer Origin



### Top Spending Area

**\$6.7M**

Auckland Central West

### Highest Spending Country

**\$3.9M**

Australia

Please see page 10 for more detail



### Total Auckland Spending

**\$21.9B**

## Storetype



### Storetype with the Strongest Growth

**9.4%**

Cafes, Restaurants & Takeaways

### Storetype with the Highest Spending

**\$56.5M**

Cafes, Restaurants & Takeaways

Please see page 11 for more detail

### Total Online Spend by Auckland Cardholders

**\$3.0B**

Please see page 6 for more detail

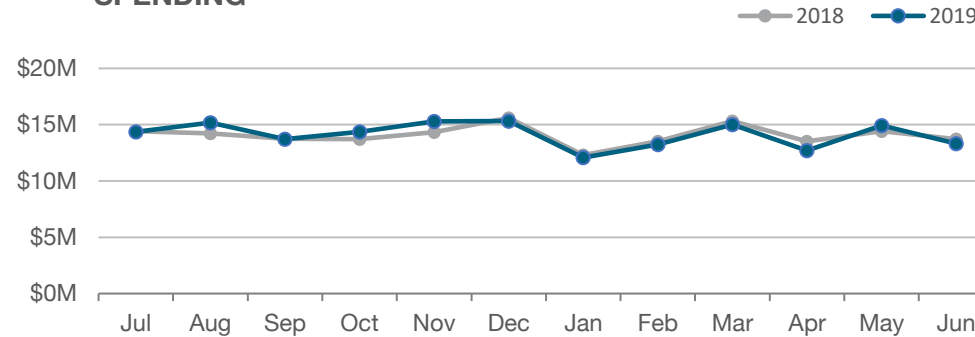
# ANNUAL OVERVIEW

Change increases and decreases compared to the previous 12 months, are a good indicator of what is happening in the area. These changes could be for several reasons, and can offer good opportunities for customer attraction.

- Have you had promotional activity in the area?
- Have you been hosting (or close to) domestic or international events?
- Have you increased/changed your merchant offering?
- Do you have new housing areas?
- Do you have more workers coming into the area?
- Has there been roadworks or parking changes in the area?

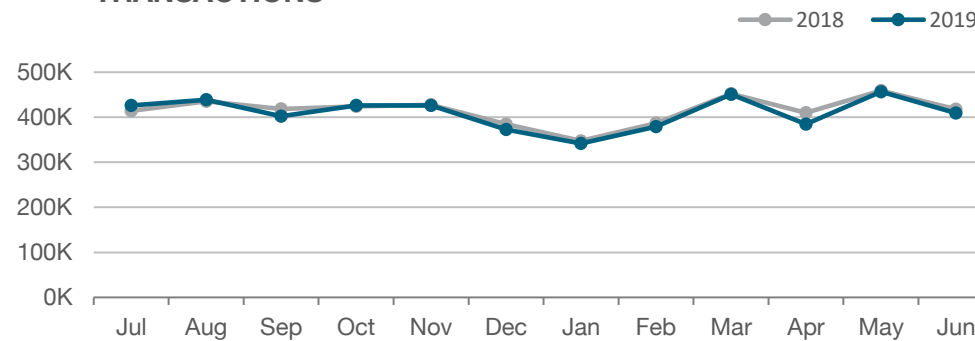


## SPENDING



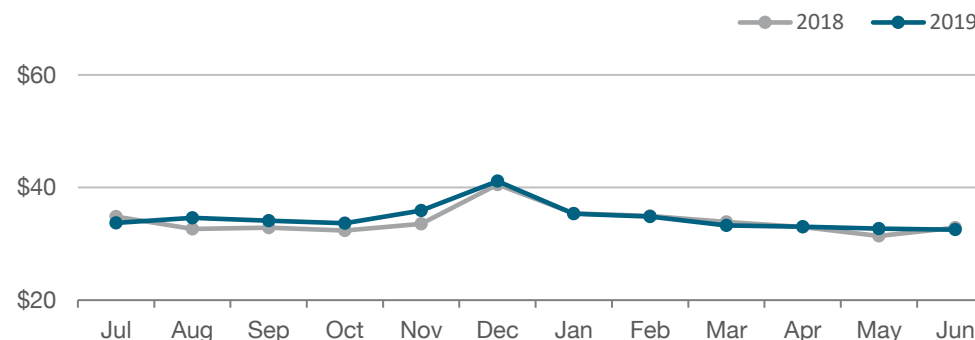
Spending was up by \$0.6M (0.4%) over the last 12 months compared to the previous year.

## TRANSACTIONS



Transactions were down by 64.3K (1.3%) over the last 12 months compared to the previous year.

## AVERAGE TRANSACTION VALUE



Average Transaction Value was up by \$0.58 (1.7%) over the last 12 months compared to the previous year.

# ANNUAL PERFORMANCE SUMMARY

## K Road

### SPENDING

Customer Origin	This Year	Last Year	Change
Customers from New Zealand	\$153.8M	\$152.8M	▲0.6%
International	\$15.7M	\$16.0M	▼2.1%
Grand Total	\$169.5M	\$168.9M	▲0.4%

### TRANSACTIONS

This Year	Last Year	Change
4.6M	4.7M	▼2.1%
269.4K	233.8K	▲15.2%
4.9M	5.0M	▼1.3%

## Key Competitors

### SPENDING

Retail Centre	This Year	Last Year	Change
CBD	\$1689.0M	\$1679.9M	▲0.5%
Grey Lynn	\$249.8M	\$246.3M	▲1.4%
Ponsonby	\$296.7M	\$303.2M	▼2.1%
Total Auckland	\$21.9B	\$21.4B	▲2.3%

### TRANSACTIONS

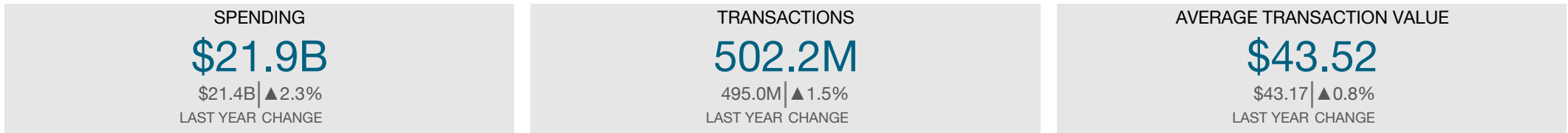
This Year	Last Year	Change
43.4M	43.8M	▼0.9%
5.4M	5.5M	▼0.6%
6.2M	6.3M	▼1.7%
502.2M	495.0M	▲1.5%

# MARKET COMPARISON

How does K Road compare to its competitors for the year?

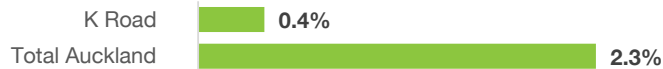
## AUCKLAND REGION

The Auckland region saw a 2.3% increase in spending for the year, compared to the previous 12 months. Transactions increased by 1.5%.



Comparatively, K Road saw a 0.4% increase in spending, and transactions decreased by 1.3%

### Change on Last Year



### Change on Last Year

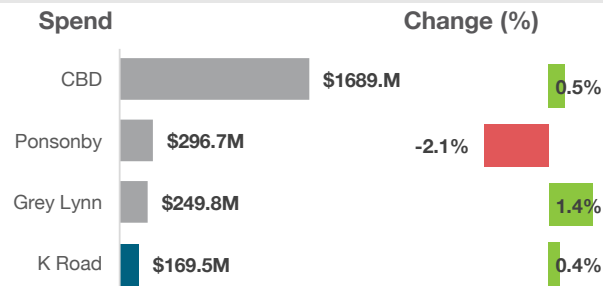


### Change on Last Year

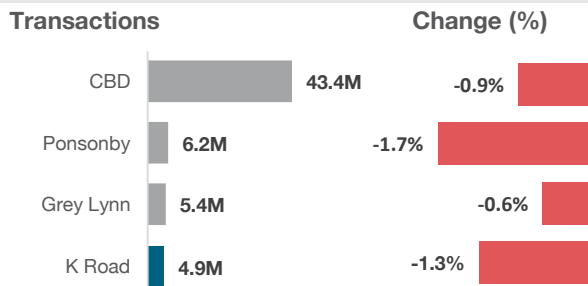


## COMPETITOR COMPARISON

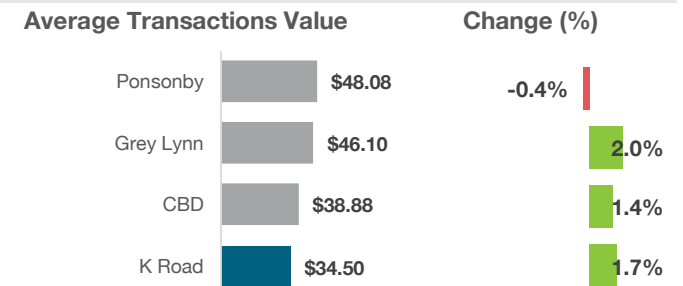
K Road's competitors saw an average decrease of 0.0% in spending on the previous 12 months.



K Road's competitors saw an average decrease of 1.1% in transactions on the previous 12 months.



K Road's competitors saw an average increase of 1.0% in average transaction value on the previous 12 months.



# ANNUAL LEADERBOARD

Where does K Road rank against its competitors (and other retail centres) for the year?

Retail Centre  
■ You ■ Competitor

The two charts to the right show the **top 50 retail centres** for the quarter.

- The first chart shows retail centres ranked by spending.
- The second chart shows the change in spending compared to the same time last year.

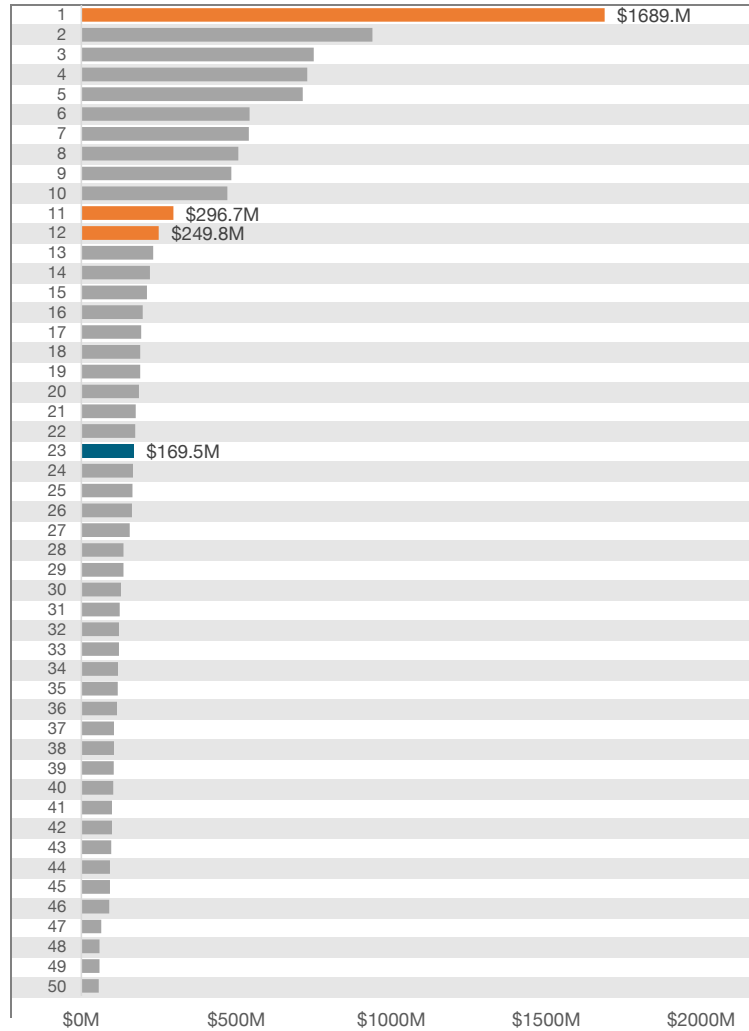
**Please note:** If **you** or one of your **competitors** is not in the top 50 retail centres chart that means **you** or your **competitor** sits outside of the top 50.

The table below summarises the results shown in the two charts to the left.

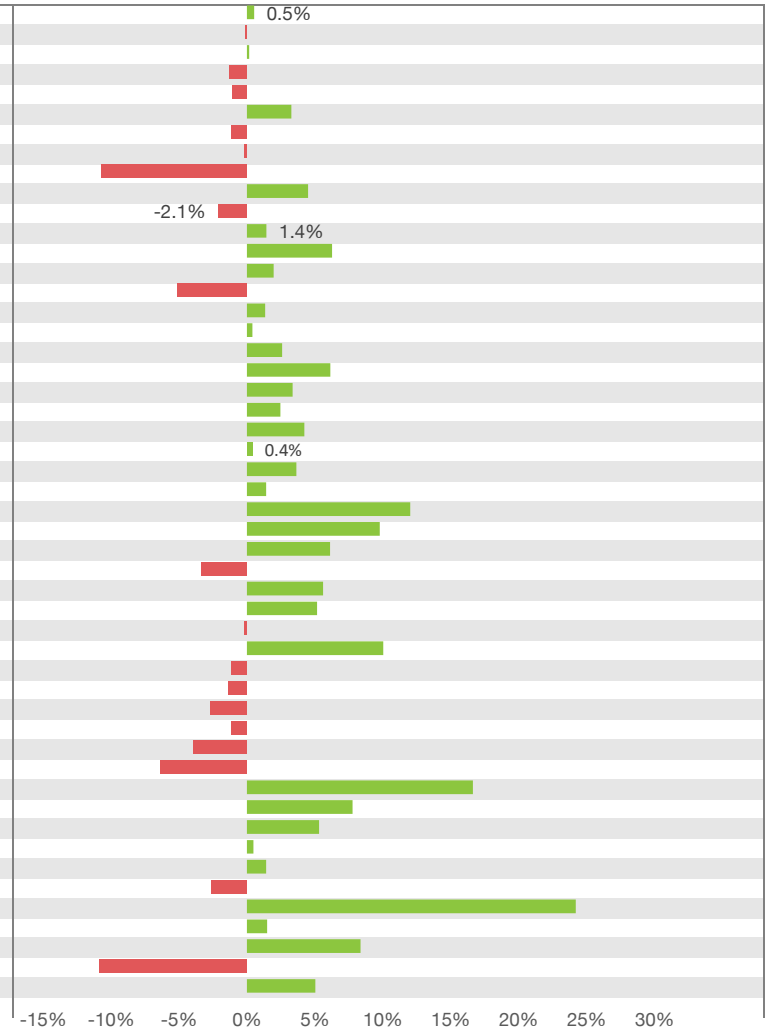
How do you compare to your competitors? Even if your competitors saw more spending during the quarter, did you manage to achieve greater spend growth?

Retail Centre	This Year	Change
K Road	\$169.5M	0.4%
Grey Lynn	\$249.8M	1.4%
Ponsonby	\$296.7M	-2.1%
CBD	\$1689.0M	0.5%

RETAIL CENTRES RANKED BY SPEND

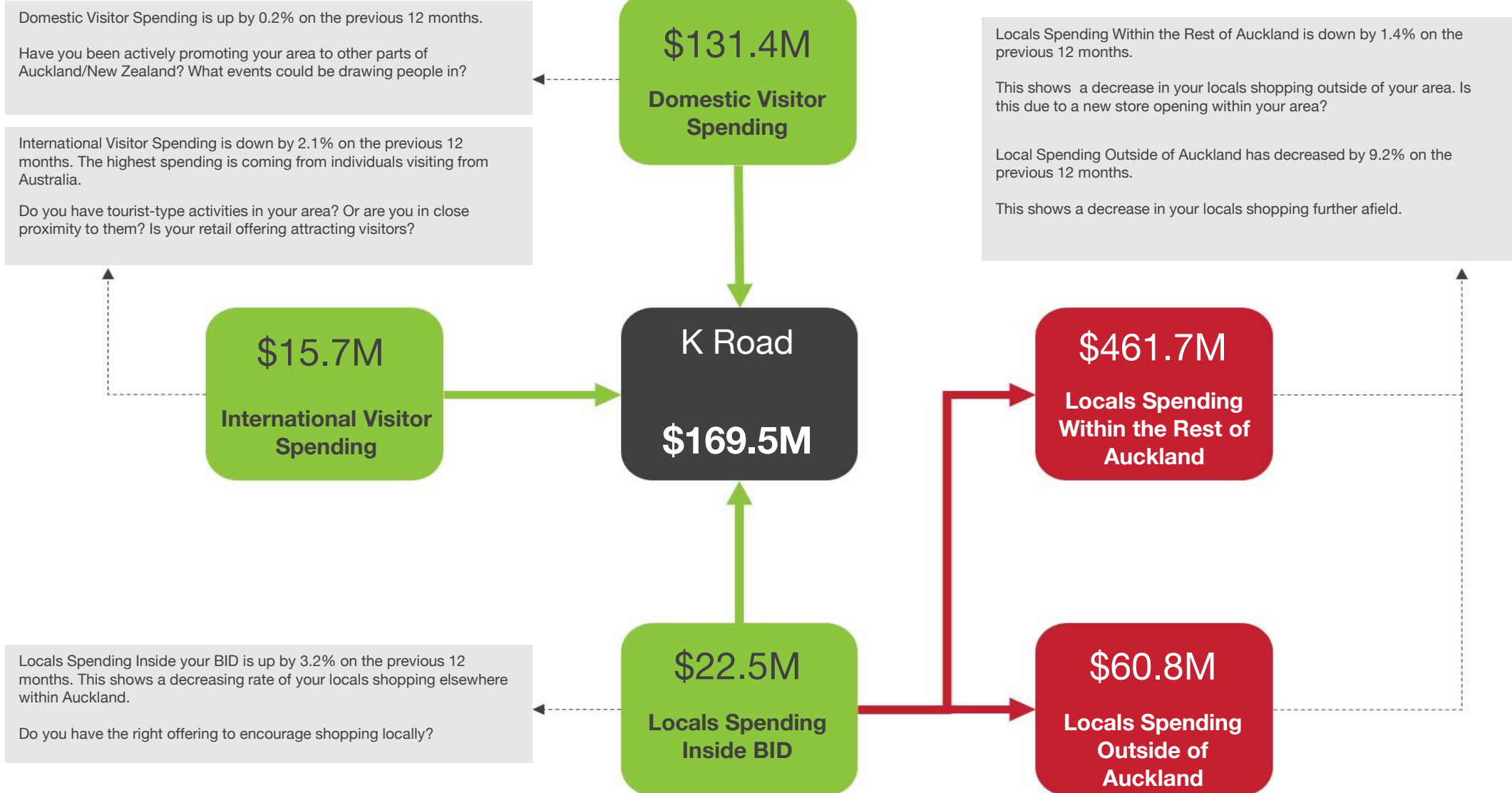


% CHANGE ON THE SAME TIME LAST YEAR



# ANNUAL INFLOW/OUTFLOW

What did K Road's inflow/outflow look like for the year?





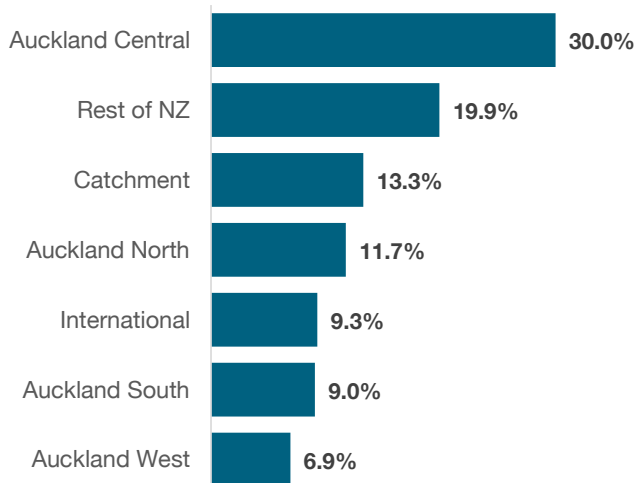
# CUSTOMER ORIGIN OVERVIEW

Where do K Road's customers come from?

## CUSTOMER ORIGIN

The customer origin with the highest change in spending compared to the previous year is Auckland West

K Road's Distribution of Spending by Location



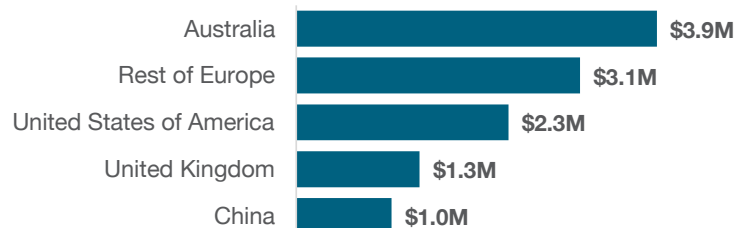
Customer Origin	This Year	Last Year	Change
Auckland Central	\$50.8M	\$48.9M	▲ 4.0%
Rest of NZ	\$33.7M	\$37.7M	▼ 10.7%
Catchment	\$22.5M	\$21.8M	▲ 3.2%
Auckland North	\$19.9M	\$18.7M	▲ 6.3%
International	\$15.7M	\$16.0M	▼ 2.1%
Auckland South	\$15.3M	\$15.0M	▲ 2.3%
Auckland West	\$11.7M	\$10.8M	▲ 8.0%
<b>TOTAL</b>	<b>\$169.5M</b>	<b>\$168.9M</b>	<b>▲ 0.4%</b>

\* Your Catchment is excluded from your TLA

## INTERNATIONAL CUSTOMERS

Total International Spending  
**\$15.7M**  
 Previous 12 months  
**\$16.0M**  
 ▼ 2.1% Change

Top Five Countries



Customers from the top five countries spending within K Road during the year made up 74.7% of total international spend.

Country Grouping	Spending	% of Top Five Spend
Australia	\$3.9M	33.6%
Rest of Europe	\$3.1M	26.4%
United States of America	\$2.3M	19.7%
United Kingdom	\$1.3M	11.5%
China	\$1.0M	8.9%

# CUSTOMER CONTRIBUTION OVERVIEW

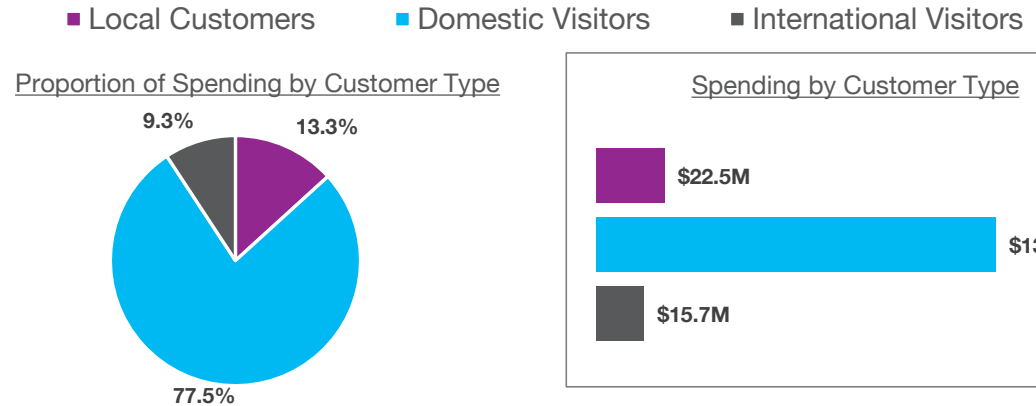
How are K Road's customers contributing to spending?

## DISTRIBUTION FOR THE YEAR

By breaking down the different customer types spending within your area for the year, we can see who is contributing the most to your overall spending figure.

The largest proportion of customers spending with K Road for the year were Domestic Visitors (77.5%).

Visitors, both domestic and international, contributed a combined \$147.0M (86.7%) over the year.



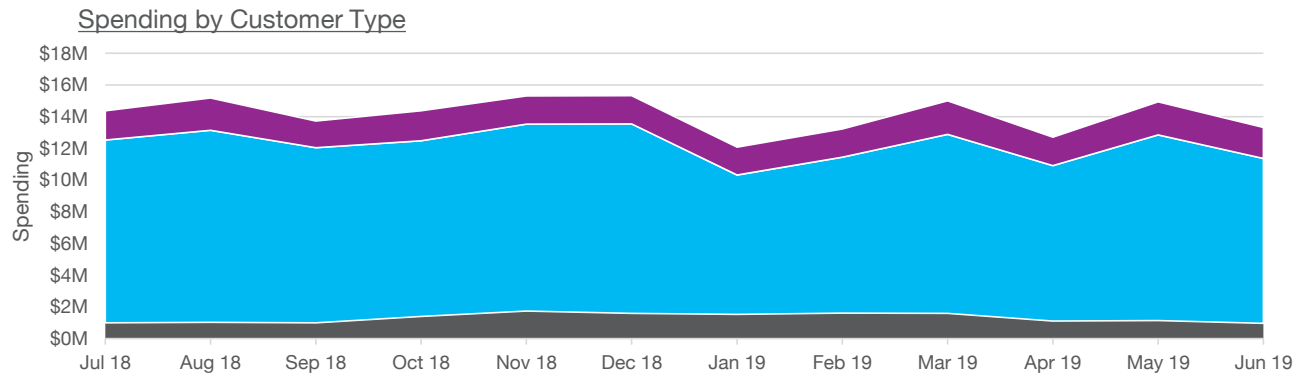
## SPENDING OVER THE LAST 12 MONTHS

When looking at spending over a specific period of time, a pattern can generally be seen in customers' behaviour.

We can see peaks and troughs for when customers are spending, as well as when there is an increasing number of international visitors spending in your area.

For example, K Road's highest month of spending within the last 12 months was:

December 2018 (\$15.3M)

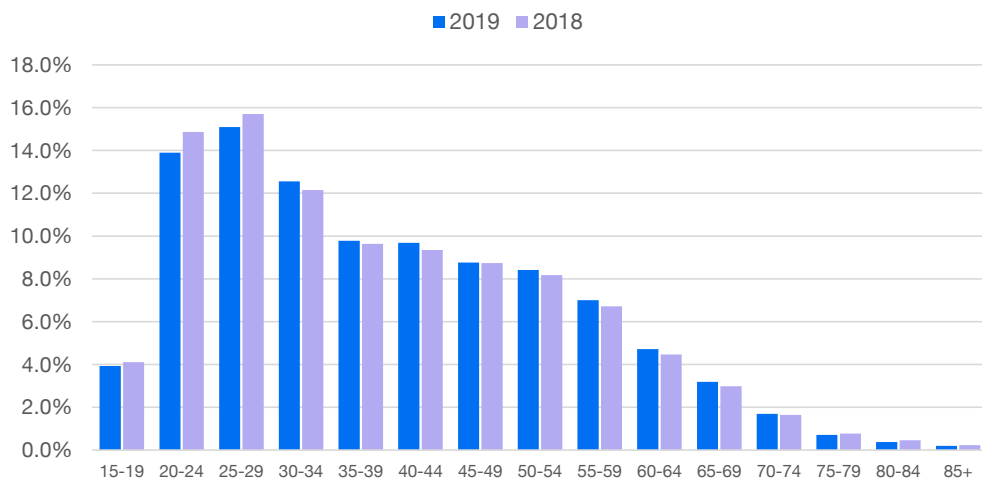


# CUSTOMER DEMOGRAPHICS

Who were K Road's customers?

## CUSTOMER AGE

Age profile of K Road's customers in the last 12 months

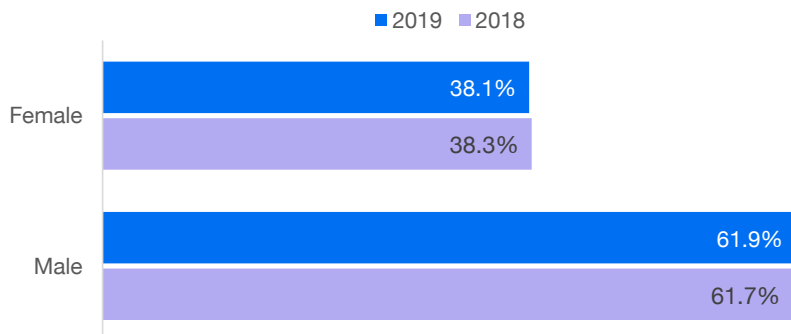


Change over last year

Age Bands	% of Spend	Change over last year	
		\$ Spent	Contribution
15-19	3.9%	▼3.7%	▼0.2%
20-24	13.9%	▼5.9%	▼1.0%
25-29	15.1%	▼3.3%	▼0.6%
30-34	12.6%	▲4.1%	▲0.4%
35-39	9.8%	▲2.3%	▲0.2%
40-44	9.7%	▲4.2%	▲0.3%
45-49	8.8%	▲1.0%	▲0.0%
50-54	8.4%	▲3.7%	▲0.2%
55-59	7.0%	▲4.8%	▲0.3%
60-64	4.7%	▲6.1%	▲0.2%
65-69	3.2%	▲7.5%	▲0.2%
70-74	1.7%	▲3.8%	▲0.1%
75-79	0.7%	▼8.2%	▼0.1%
80-84	0.4%	▼18.7%	▼0.1%
85+	0.2%	▼14.4%	▼0.0%

## CUSTOMER GENDER

K Road's customers gender profile



Change over last year

	% of Spend	Change	
		\$ Spent	Contribution
Female	38.1%	0.0%	▼0.2%
Male	61.9%	1.0%	▲0.2%
Total	100%	0.4%	

Average Transaction Value

	This Year	Last Year	Change
Female	\$32.70	\$31.16	▲5.0%
Male	\$33.38	\$32.91	▲1.4%

# STORETYPE OVERVIEW

## What are K Road's leading storetypes?

The following three storetypes saw the highest spending during the year:

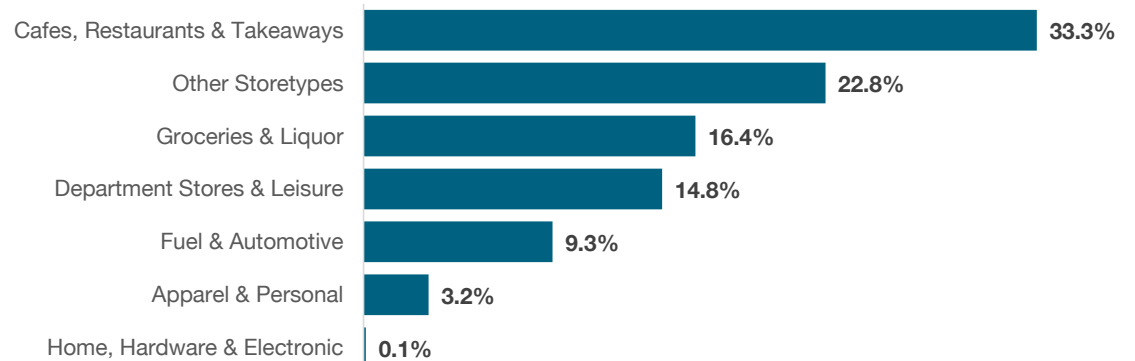
- Cafes, Restaurants & Takeaways
- Other Storetypes
- Groceries & Liquor

The storetype with the highest change in spend when compared to the previous 12 months was:

- Cafes, Restaurants & Takeaways

Storetype Name	This Year	Last Year	Change
Apparel & Personal	\$5.4M	\$5.7M	▼ 4.0%
Cafes, Restaurants & Takeaways	\$56.5M	\$51.6M	▲ 9.4%
Department Stores & Leisure	\$25.0M	\$25.7M	▼ 2.6%
Fuel & Automotive	\$15.8M	\$15.0M	▲ 5.6%
Groceries & Liquor	\$27.8M	\$29.0M	▼ 4.2%
Home, Hardware & Electronic	\$0.2M	\$0.4M	▼ 58.5%
Other Storetypes	\$38.7M	\$41.4M	▼ 6.5%

### Storetype Distribution



Storetype in the Auckland region with the highest change in spend:

**Fuel & Automotive (7.0%)**

# LONG-TERM VIEW

## How is spending trending for K Road?

How has your area performed over a long period of time?

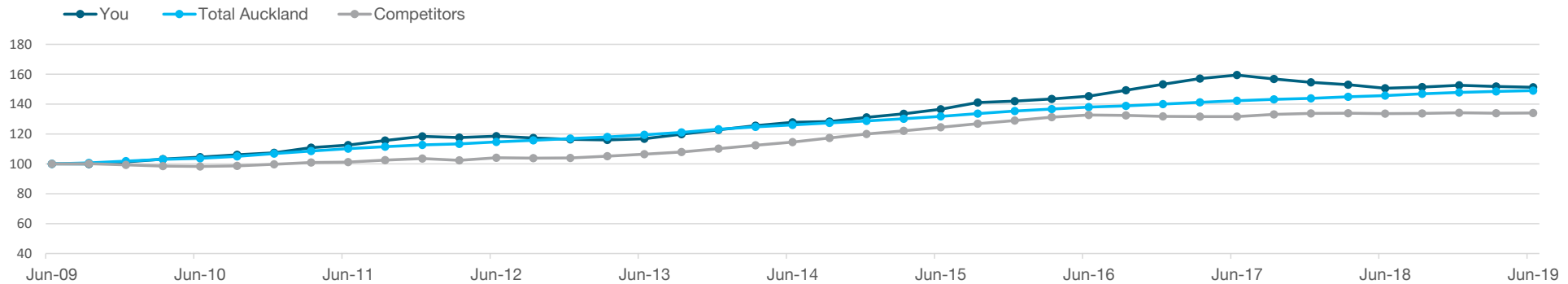
Whether the line is going up or down can depend on a range of factors. Do you show growth in the area? This could be through an improved retail offering, revitalization of the area, attraction of visitors, increased housing, national or international events, or simply that there is more money being spent.

If the line is declining or slowing there could be several things happening. Visitors may have decreased, stores may have closed, roadworks may have been happening long term, new competitive shopping centre's may have started up, or people might be simply tightening their belts.

The chart is based on indexed spending and looks quarterly at a 12 month period (Moving Annual Total) i.e. 12 months to the December quarter, then 12 months to the March quarter etc.



Moving Annual Total - Retail Spending by Year

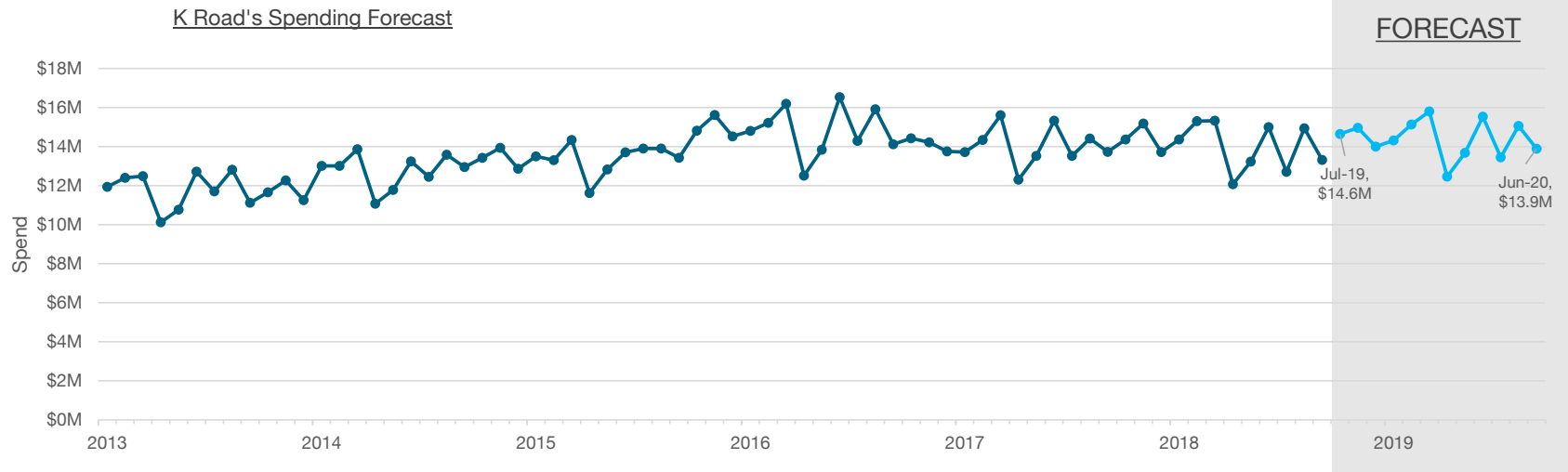


# SPENDING FORECAST

What does future spending look like for K Road?

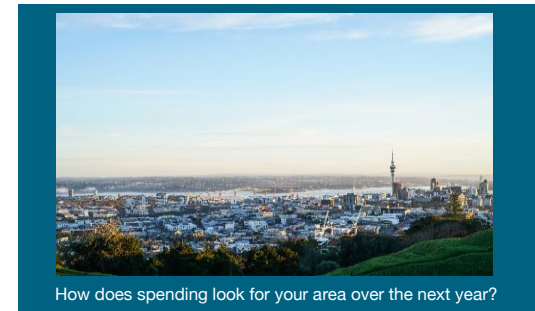
The following chart forecasts K Road's spending over the next 12 months.

**Please note:** This forecast is solely based on historical spending, and will not reflect the impact of any unexpected events that may occur over the next 12 months.



A few things to consider:

- If your spending is forecast to increase this indicates you have seen stable historical spending at your retailers, and may likely continue to do so.
- If your spending is forecast to decrease over the next 12 months, this indicates you have seen steadily reducing spending historically. This may be the result of ongoing events having an impact.
- If your spending is forecast to plateau (i.e. to stay at the same level over time), this indicates that you may see a period of neither decline or growth. This may be the result of strong growth in spending prior to the forecasted period.

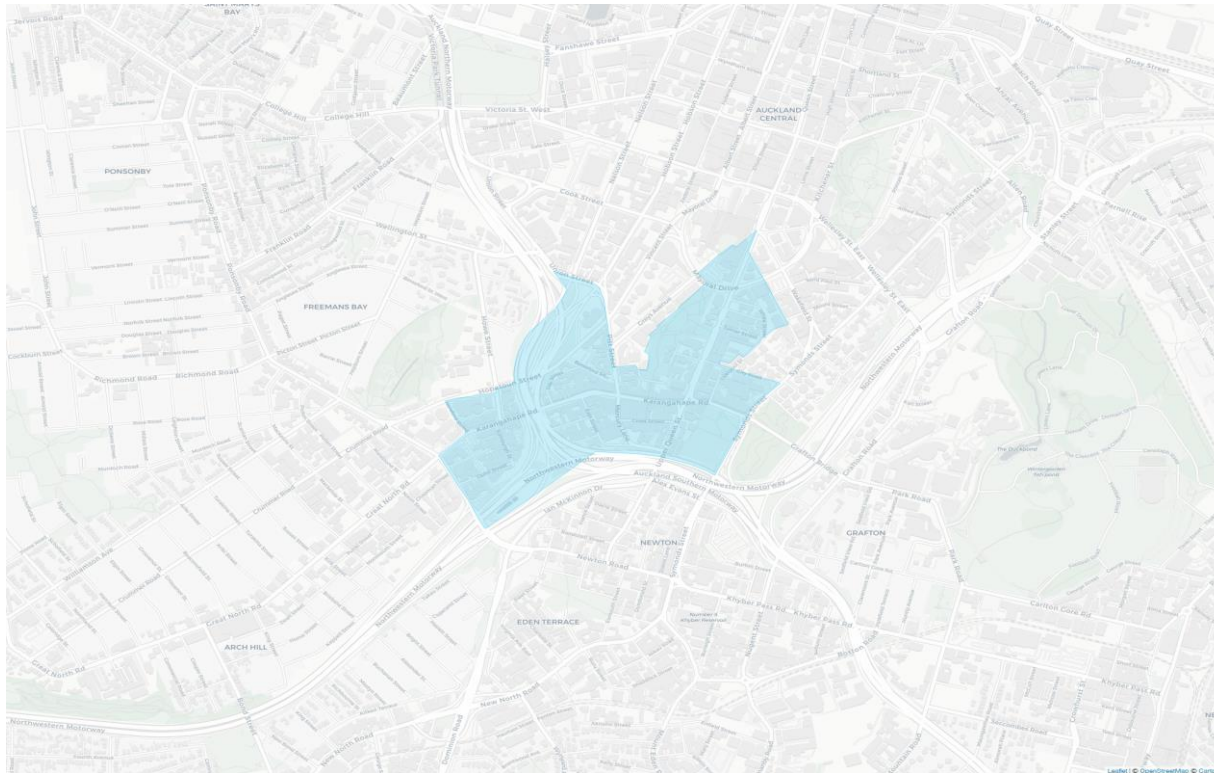


# BOUNDARY DEFINITIONS

## BOUNDARY EXPLANATION

The boundaries of your Improvement District, as defined by Council, are highlighted on the map.

## BOUNDARY MAP

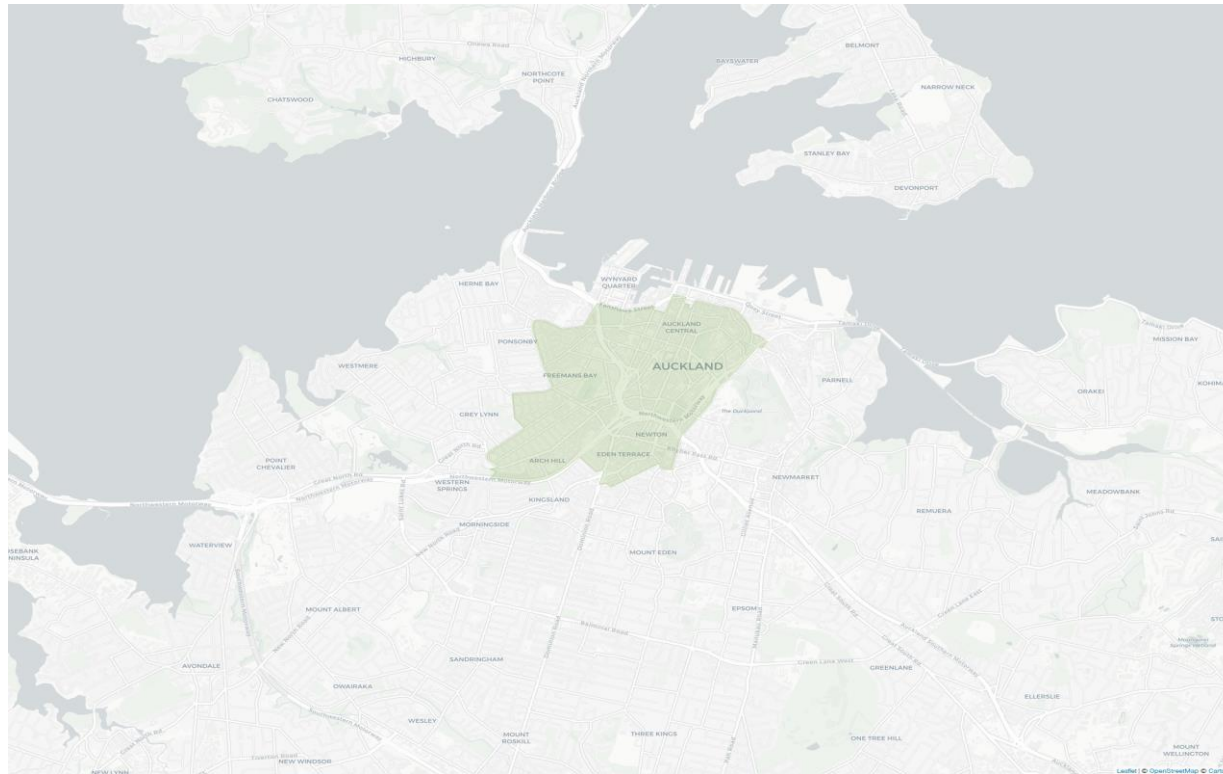


# CATCHMENT

## CATCHMENT EXPLANATION

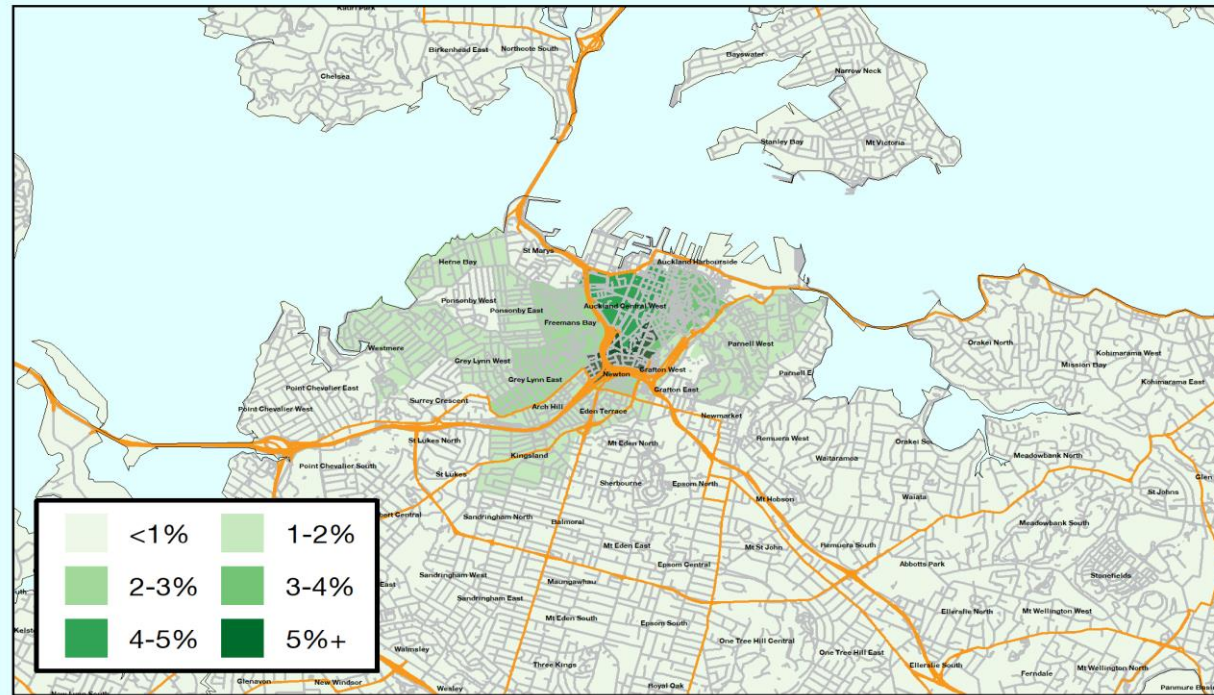
The catchment has been defined by the penetration and transactions from your customers over a 12 month period

## CATCHMENT MAP





# MAPPING THE ORIGIN OF K ROAD'S CUSTOMERS



This map shows how much spending is made by customers living in each of the area units surrounding your marketplace. The darker the green of the area unit, the more the area contributed to spending in your marketplace. The highest-spending area units (coloured the darkest green) contribute at least 5% of Auckland City residents' spending in your marketplace, while the lightest green contributes less than 1% of Auckland City residents' spending in your marketplace. Finally, the meshblocks in which your marketplace is contained are shown in grey.

# INPUTS TO YOUR REPORT

## SELECTION CRITERIA

Your area: K Road      Reporting period: The 12 months between 01 Jul 2018 and 30 Jun 2019

Your designated competitors:

**CBD**  
**Grey Lynn**  
**Ponsonby**

## TERMINOLOGY USED IN REPORT

Your Marketplace	You and your designated competitors
% of total spend	The percentage of total spending by customers that each segment in the marketplace made, i.e. International cardholders made 7.4% of the total spend in the specified timeframe.
Ranking	Ordered, from the highest category to the lowest
Change in total spend	The difference in percentage points when comparing one period to another (e.g. 14.4% this year compared to 15.1% in the previous year is a relative percentage change of -0.7 percentage points. (i.e. 14.4-15.1))
Change in share of spend	The difference in value when comparing one period to another (e.g. \$15,000 this year compared to \$13,500 in the previous year is an absolute percentage change of +11.1 percent (i.e. (15,000/13,500)-1))
Census Area Unit (CAU)	Area units are an aggregation of meshblocks, and in urban areas typically contain 3,000 - 5,000 people. Commonly known as suburbs or parts of suburbs.
Territorial Local Authority (TLA)	An aggregation of census area units to form a city or district. Each TLA has a council that administers public services. There are 13 cities and 56 districts in New Zealand.

# INPUTS TO YOUR REPORT

## STORETYPE CLASSIFICATIONS

STORETYPE NAME	ANZSIC06	ANZSIC CATEGORY
Apparel & Personal	4251	Clothing Retailing
	4252	Footwear Retailing
	9511	Hairdressing and Beauty Services
	4259	Other Personal Accessory Retailing
	4253	Watch and Jewellery Retailing
Cafes, Restaurants & Takeaways	4511	Cafes and Restaurants
	4513	Catering Services
	4530	Clubs (Hospitality)
	4520	Pubs, Taverns and Bars
	4512	Takeaway Food Services
Department Stores & Leisure	4273	Antique and Used Goods Retailing
	4260	Department Stores
	4242	Entertainment Media Retailing
	4274	Flower Retailing
	4245	Marine Equipment Retailing
	4244	Newspaper and Book Retailing
	4279	Other Store-Based Retailing n.e.c.
	4271	Pharmaceutical, Cosmetic and Toiletry Goods Retailing
	4241	Sport and Camping Equipment Retailing
	4272	Stationery Goods Retailing
4243	Toy and Game Retailing	
Fuel & Automotive	9412	Automotive Body, Paint and Interior Repair
	9411	Automotive Electrical Services
	4000	Fuel Retailing
	3921	Motor Vehicle Parts Retailing
	9419	Other Automotive Repair and Maintenance
3922	Tyre Retailing	
Groceries & Liquor	4121	Fresh Meat, Fish and Poultry Retailing
	4122	Fruit and Vegetable Retailing
	4123	Liquor Retailing
	4129	Other Specialised Food Retailing
	4110	Supermarket and Grocery Stores

# INPUTS TO YOUR REPORT

## STORETYPE CLASSIFICATIONS

STORETYPE NAME	ANZSIC06	ANZSIC CATEGORY
Home, Hardware & Electronic	4222	Computer and Computer Peripheral Retailing
	4221	Electrical, Electronic and Gas Appliance Retailing
	4212	Floor Coverings Retailing
	4211	Furniture Retailing
	4232	Garden Supplies Retailing
	4231	Hardware and Building Supplies Retailing
	4213	Houseware Retailing
	4214	Manchester and Other Textile Goods Retailing
	4229	Other Electrical and Electronic Goods Retailing
Other Storetypes	4400	Accommodation
	8591	Ambulance Services
	9139	Amusement and Other Recreational Activities n.e.c.
	9534	Brothel Keeping and Prostitution Services
	8534	Chiropractic and Osteopathic Services
	9491	Clothing and Footwear Repair
	8531	Dental Services
	9512	Diet and Weight Reduction Centre Operation
	9421	Domestic Appliance Repair and Maintenance
	9422	Electronic (except Domestic Appliance) and Precision Equipment Repair
	9520	Funeral, Crematorium and Cemetery Services
	8511	General Practice Medical Services
	9531	Laundry and Dry-Cleaning Services
	8532	Optometry and Optical Dispensing
	9429	Other Machinery and Equipment Repair and Maintenance
	9539	Other Personal Services n.e.c.
	9499	Other Repair and Maintenance n.e.c.
	8520	Pathology and Diagnostic Imaging Services
	9001	Performing Arts Operation
	9532	Photographic Film Processing
	8533	Physiotherapy Services
	5101	Postal Services
	8512	Specialist Medical Services
	7220	Travel Agency and Tour Arrangement Services
6632	Video and Other Electronic Media Rental and Hiring	

# INPUTS TO YOUR REPORT

## FREQUENTLY ASKED QUESTIONS

### **What is the source of the data used in the Auckland Council Regional Spending Database?**

The data is primarily sourced from electronic card transactions made via Paymark network at each of the Business Improvement Districts operating within the Auckland Council boundaries. To determine information on the origin and types of customers spending in each market we have used data from BNZ MarketView. Details on both data sources are provide below.

The spending values include GST, but exclude cash out with purchases. Withdrawals from ATMs are not included. Other payment types including cash, HP or automatic payments are also not included.

### **About Paymark**

Paymark operates New Zealand's largest electronic transaction processing network. The company is owned by Ingenico Group. Around 70% of New Zealand's eftpos terminals are connected to the Paymark Network. For merchants on the Paymark Network we receive 100% of their electronic card transactions. We use an extrapolation of BNZ cardholder spending for merchants that aren't on the Paymark Network.

### **BNZ Marketview**

BNZ MarketView is based on the eftpos and credit card spending of BNZ card holders in the New Zealand retail market. BNZ has around a 20% market share of the cards business in New Zealand, and typically accounts for approximately 14 - 15% of total spending by value. There are over 700,000 BNZ cardholders. BNZ de-personalises BNZ MarketView data by removing any potential identifiers i.e. names, addresses, account, or card numbers. These are replaced with a unique id, a meshblock number (based on the cardholders home address), and a demographic profile. The cardholder's age and gender are retained, but there is no way of identifying an individual cardholder.

BNZ cardholders they are largely demographically representative of the country and distributed in line with the national population. They also spend everywhere, which includes retailers not on the Paymark network. We are able to BNZ MarketView's share of spending at Paymark merchants to estimate the value of spending at non-Paymark merchants.

### **What card types are included?**

The data is drawn from all card spending using all card types. This includes all Eftpos cards, and all major American Express, Diners Club, MasterCard, Visa Cards. The data will also include electronic gift cards.

### **How have the Business Improvement District Boundaries been decided?**

BID boundaries have been determined by the Council's Business Area Planning team, in consultation with the Research, Investigations and Monitoring Unit.

# INPUTS TO YOUR REPORT

## FREQUENTLY ASKED QUESTIONS

### **How is domestic spending determined?**

Cards issued in New Zealand are identified in the database. Any transaction made in the Auckland Region, on a New Zealand issued eftpos or credit card, is assumed to be spending made by New Zealanders.

### **How is international spending determined?**

From the Paymark's Market Reporting data it is possible to distinguish between New Zealand cards and cards issued by overseas banks. Overseas cards have a country code. We report the value of spending by the country of origin of the card, and by association, the cardholder.

### **Does the data include GST?**

Yes. NB: From 1 October 2010, GST rose from 12.5% to 15%. This means there is a natural 2.2% increase in spending between periods using the old and new GST rates.