

QUARTERLY REPORT

K Road

March Quarter 2019

Date

May 2019

CONTENTS

Key Points from the Quarter	3
Quarterly Overview	4
Quarterly Performance Summary	5
Weekly Spending and Transaction Overview	6
Market Comparison	7
Leaderboard Ranking	8
Inflow/Outflow	9
Customer Contribution Overview	10
Customer Origin Overview	11
Storetype Overview	12
Long-term View	13
Spending Forecast	14
Boundary Definitions	15
Catchment	16
Inputs In Your Report	17
Appendix	
- Selection Criteria	18
- Terminology	19
- Storetype Classifications	20
- 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.

QUARTERLY HIGHLIGHTS

January 2019 to March 2019

K Road Results



Spending

\$40.3M

\$41.1M | ▼ -2.1%
LAST YEAR CHANGE

Transactions

1,180.1K

1,196.1K | ▼ -1.3%
LAST YEAR CHANGE

Average Transaction Value

\$34.15

\$34.40 | ▼ -0.7%
LAST YEAR CHANGE

Please see page 4 for more detail

Customer Origin



Top Spending Area

\$1.7M

Auckland Central West

Highest Spending Country

\$1,034.6K

Australia

Please see page 11 for more detail



Total Auckland Spending

\$5.3B

Storetype



Storetype with the Strongest Growth

17.5%

Cafes, Restaurants & Takeaways

Storetype with the Highest Spending

\$13.7M

Cafes, Restaurants & Takeaways

Please see page 12 for more detail

Total Online Spend by Auckland Cardholders

\$781.4M

Please see page 7 for more detail

QUARTERLY OVERVIEW

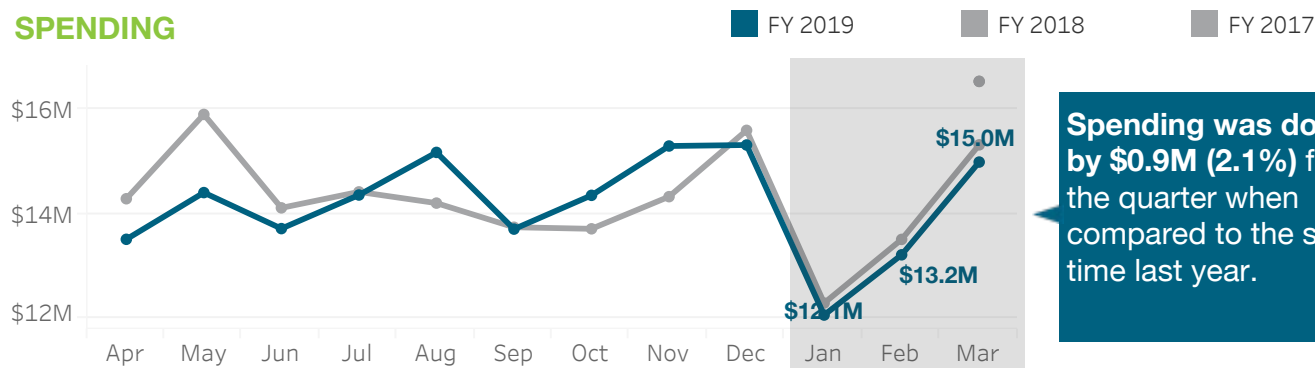
Change increases and decreases compared to the same quarter last year, are a good indicator of what is happening in the area. These changes could be for several reasons, and can offer good opportunities for customer attraction.

- 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?



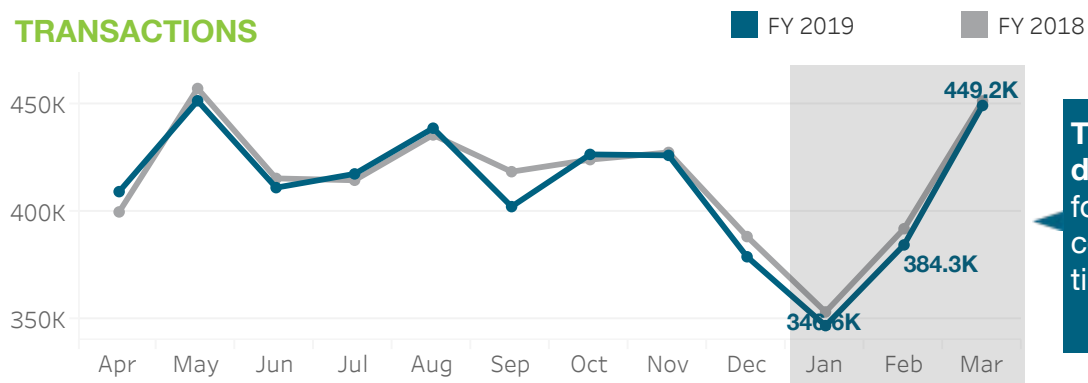
Auckland saw **1.7%** spending growth for the quarter.

SPENDING



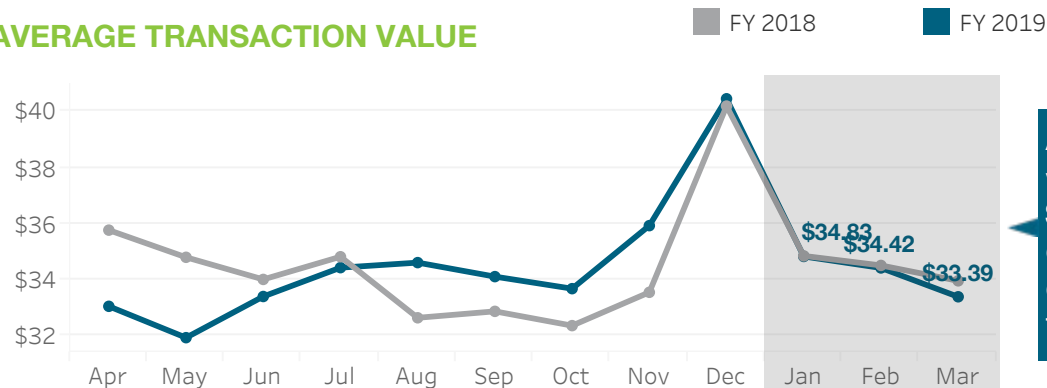
Spending was down by **\$0.9M (2.1%)** for the quarter when compared to the same time last year.

TRANSACTIONS



Transactions were down by **16.0K (1.3%)** for the quarter when compared to the same time last year.

AVERAGE TRANSACTION VALUE



Average transaction value was down by **\$0.25 (0.7%)** for the quarter when compared to the same time last year.

QUARTERLY PERFORMANCE SUMMARY



K Road

SPENDING

Customer Origin	This Year	Last Year	Change
Customers from New Zealand	\$35.6M	35.9M	▼ -1.0%
International	\$4.7M	5.2M	▼ -9.4%
Grand Total	\$40.3M	41.1M	▼ -2.1%

TRANSACTIONS

This Year	Last Year	Change
1,091,194	1,115,295	▼ -2.2%
88,913	80,843	▲ 10.0%
1,180,107	1,196,138	▼ -1.3%

Key Competitors

SPENDING

Retail Centre	This Year	Last Year	Change
CBD	\$411.1M	\$415.9M	▼ -1.1%
Grey Lynn	\$61.2M	\$59.2M	▲ 3.3%
Ponsonby	\$69.7M	\$72.3M	▼ -3.7%
Total Auckland	\$5.3B	\$5.2B	▲ 1.7%

TRANSACTIONS

This Year	Last Year	Change
10,553.4K	10,508.1K	▲ 0.4%
1,342.5K	1,313.1K	▲ 2.2%
1,509.9K	1,543.1K	▼ -2.2%
123.1M	120.3M	▲ 2.3%

WEEKLY SPEND AND TRANSACTION OVERVIEW

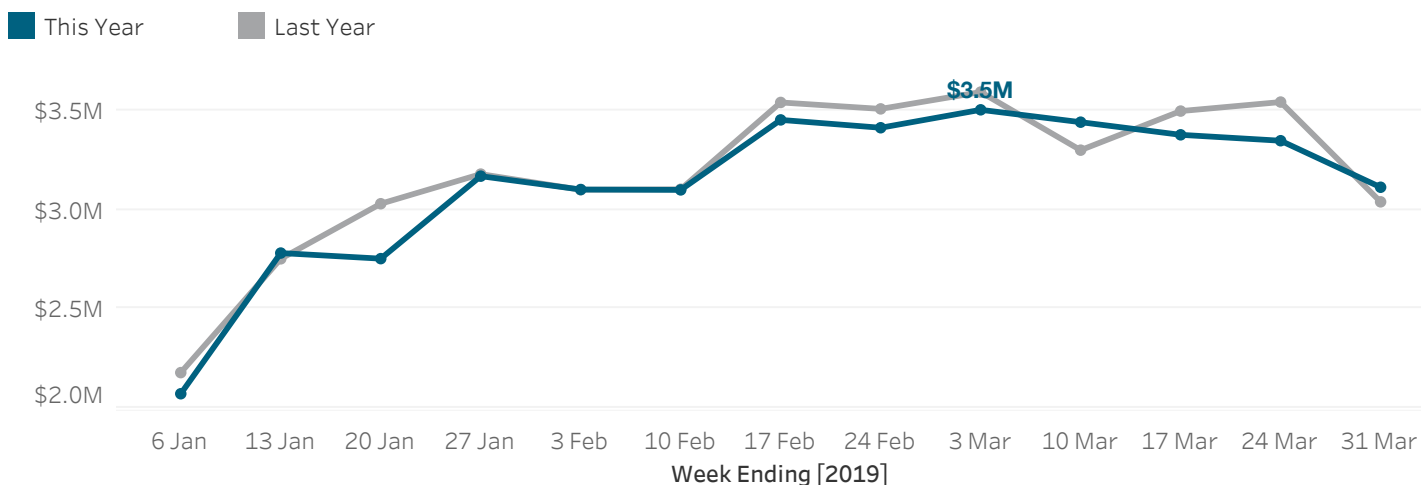
How have spending and transactions trended during the quarter?

SPENDING

Average weekly spend:
\$3.13M
\$3.18M LAST YEAR

Week with the highest spend:
3 Mar 2019

When you look at this chart, are the highest performing weeks the ones where you may have had an event or promotion happening in the area? Do you have any new merchants which could be attracting a higher dollar spend?

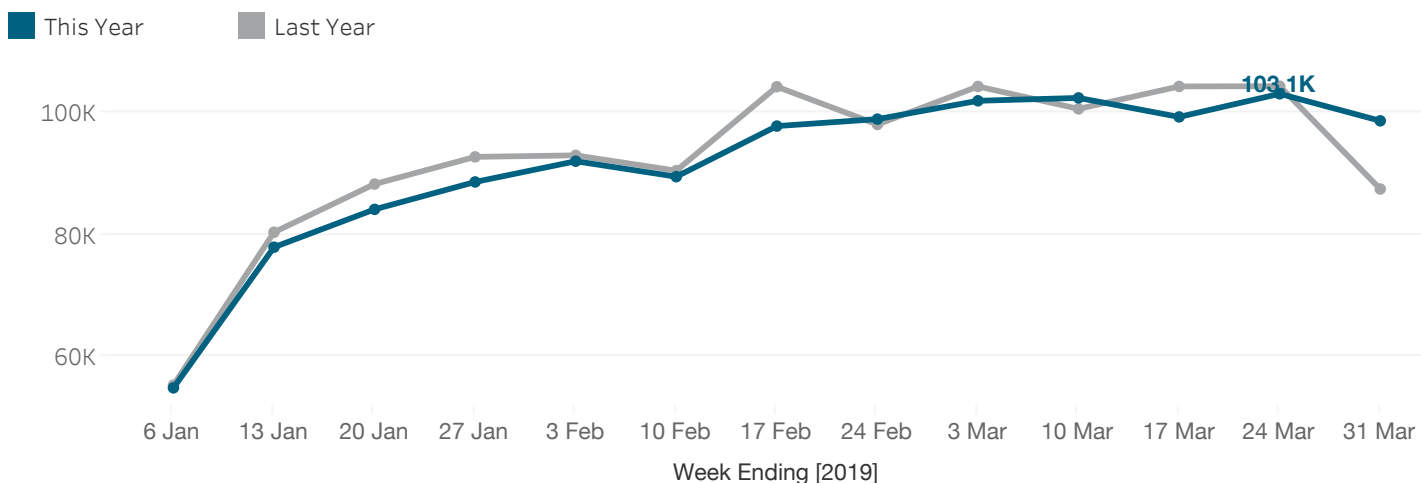


TRANSACTIONS

Average weekly transactions:
91.5K
92.6K LAST YEAR

Week with the highest transactions:
24 Mar 2019

When looking at this year versus last year, if your change in transactions is higher than your spending then you have had more foot traffic in the area. Could more people be making purchases because of promotions offered by your merchants?



MARKET COMPARISON

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

AUCKLAND REGION

The Auckland region saw a **1.7% increase in spending** for the quarter when compared to the same time last year. **Transactions increased by 2.3%**.

SPENDING

\$5.3B

\$5.2B | ▲ 1.7%
LAST YEAR CHANGE

TRANSACTIONS

123.1M

120.3M | ▲ 2.3%
LAST YEAR CHANGE

AVERAGE TRANSACTION VALUE

\$42.80

\$43.04 | ▼ -0.6%
LAST YEAR CHANGE

Comparatively, **K Road** saw a **2.1% decrease in spending**, and transactions **decreased by 1.3%**.

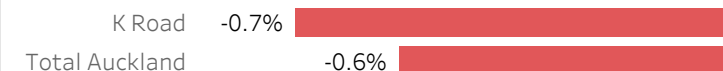
Change on Same Time Last Year



Change on Same Time Last Year

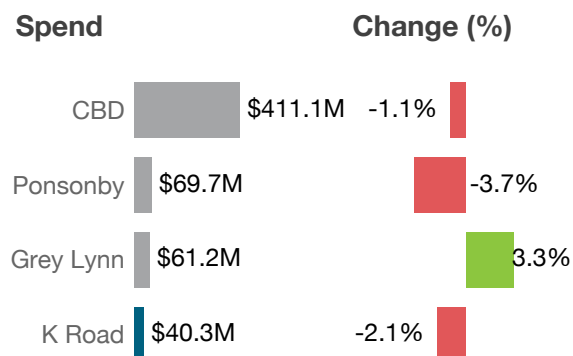


Change on Same Time Last Year

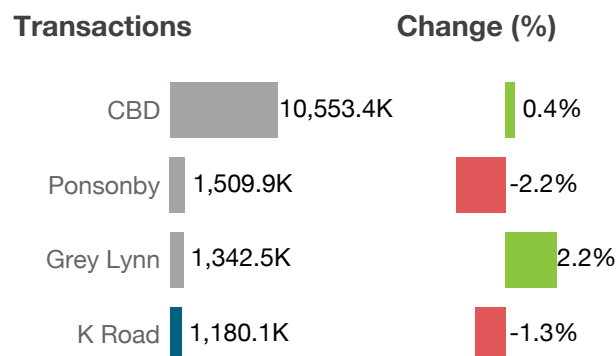


COMPETITOR COMPARISON

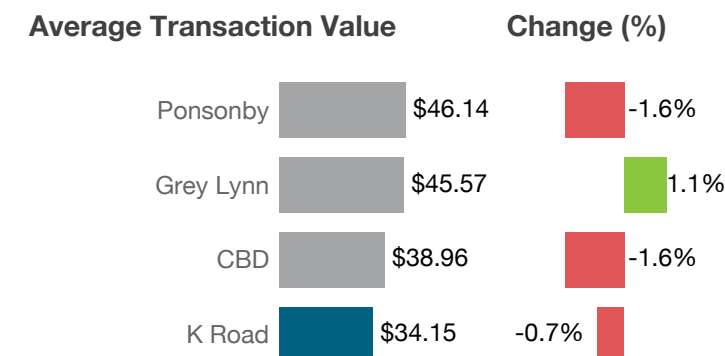
K Road's competitors saw an **average decrease of 0.5% in spending** on the same time last year.



K Road's competitors saw an **average increase of 0.2% in transactions** on the same time last year.



K Road's competitors saw an **average decrease of 0.7% in average transaction value** on the same time last year.



QUARTERLY LEADERBOARD

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

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.

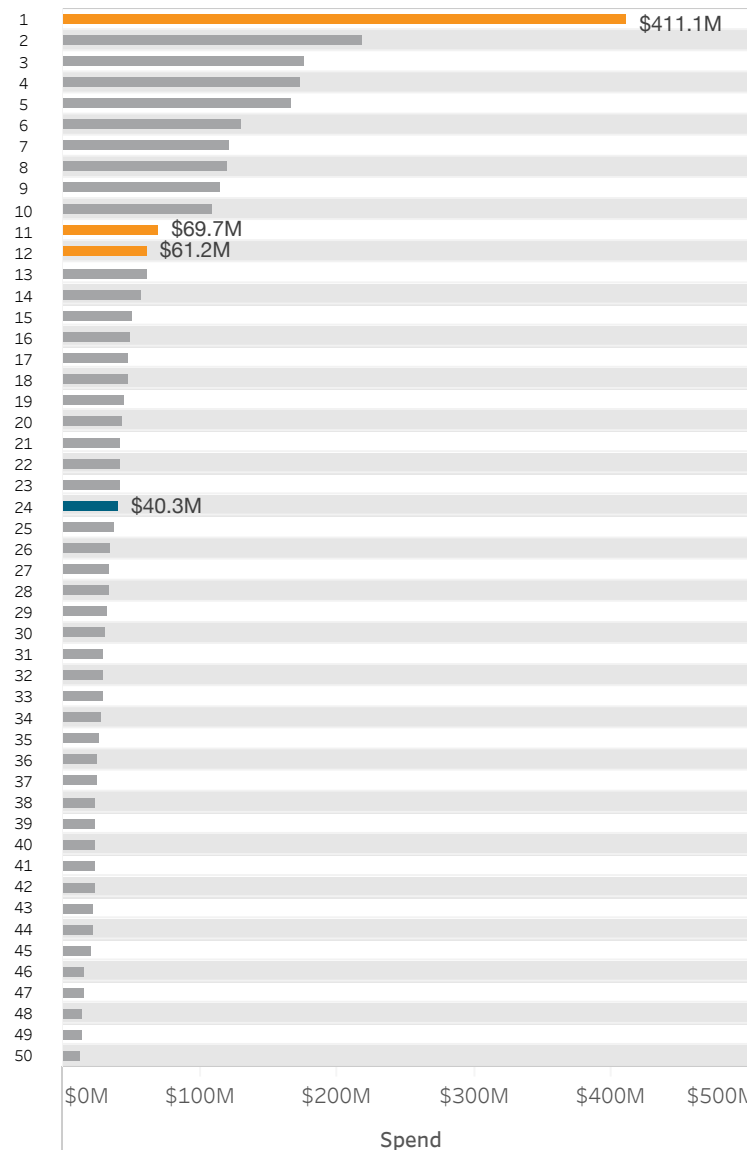
Please note: If **you** or one of your **competitors** is not in the top 50 retail centres chart that means **you** or your **competitor** sits outside of the top 50.

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

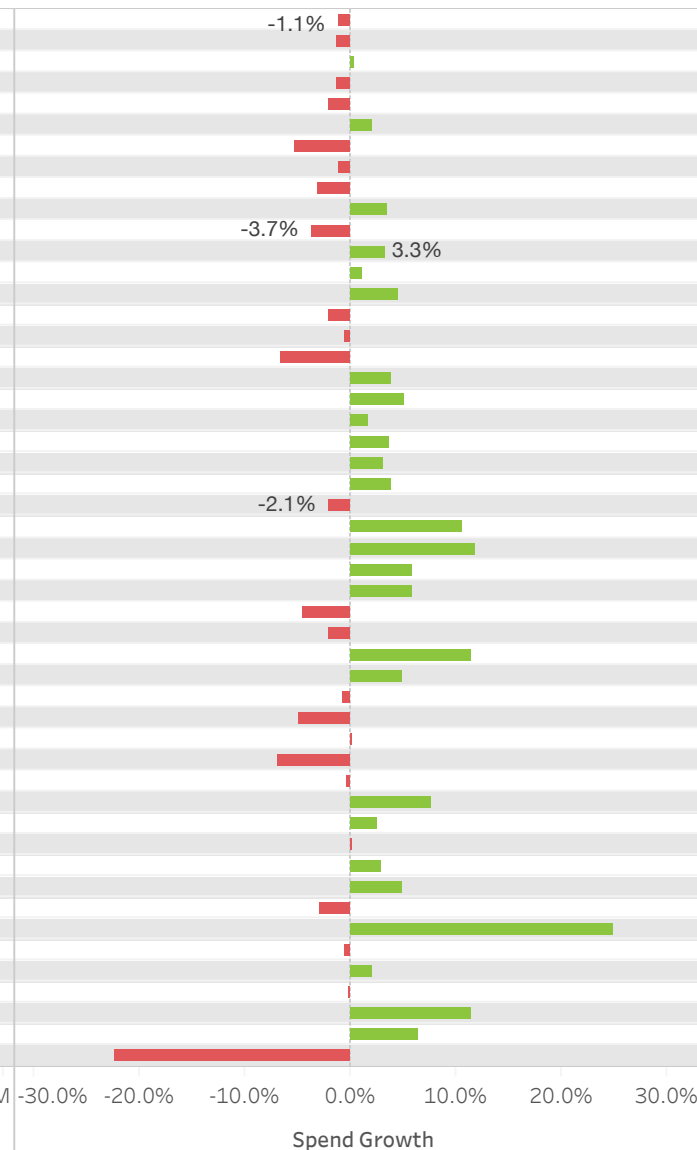
How do you compare to your competitors? Even if your competitors saw more spending during the quarter, did you manage to achieve greater spend growth?

Retail Centre	This Year	Change
Ponsonby	\$69.7M	-3.7%
K Road	\$40.3M	-2.1%
Grey Lynn	\$61.2M	3.3%
CBD	\$411.1M	-1.1%

RETAIL CENTRES RANKED BY SPEND



% CHANGE ON THE SAME TIME LAST YEAR



QUARTERLY INFLOW/OUTFLOW

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

Domestic Visitor Spending is up by 2.1% on the same time last year.

Have you been actively promoting your area to other parts of Auckland/New Zealand? What events could be drawing people in?

International Visitor Spending is down by 9.4% on the same time last year. The highest spending is coming from individuals visiting from Australia.

Do you have tourist type activities in your area? Or are you in close proximity to them? Is your retail offering attracting visitors?

Locals Spending Within the Rest of Auckland has decreased by 2.3% on the same time last year.

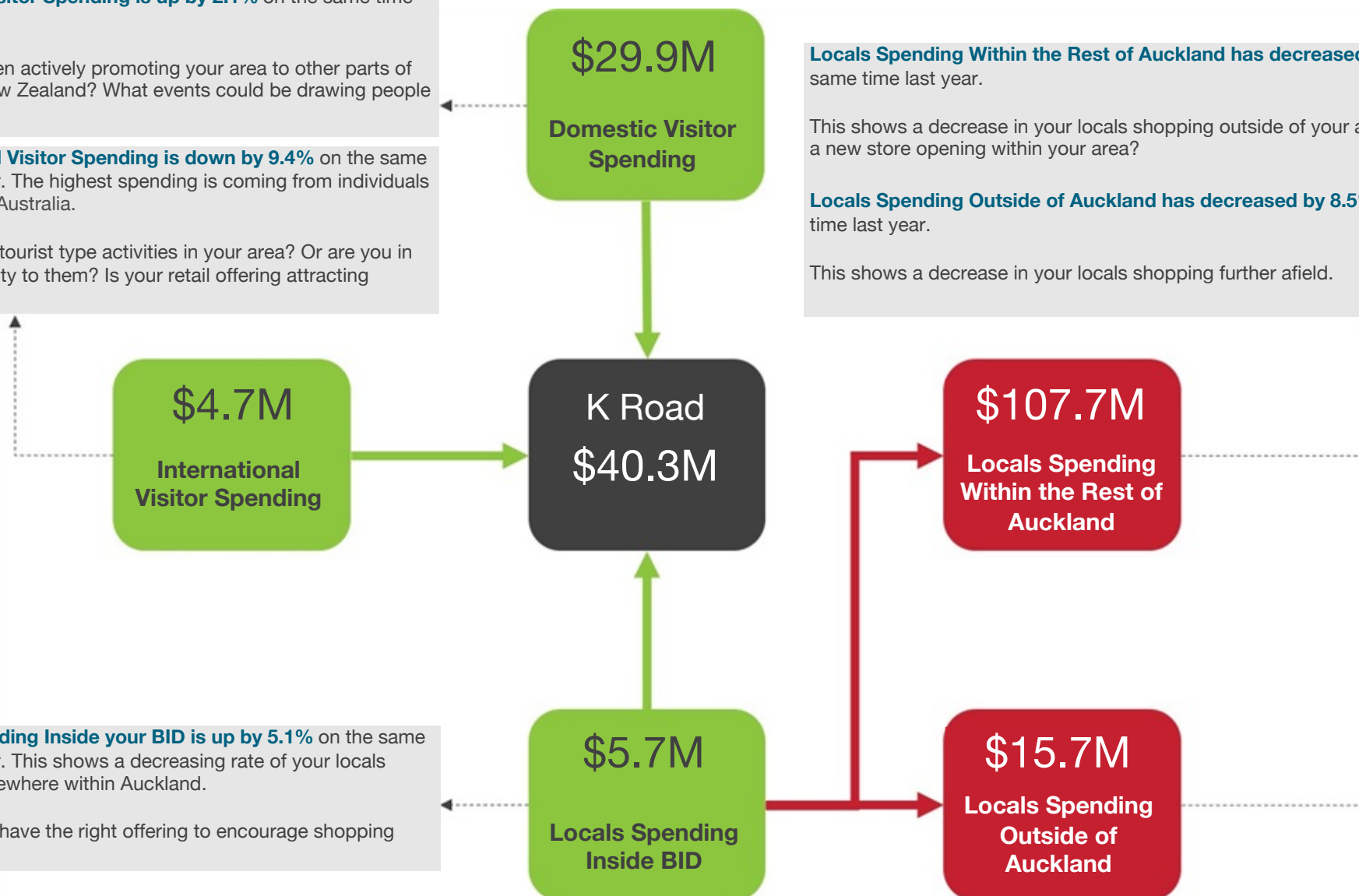
This shows a decrease in your locals shopping outside of your area. Is this due to a new store opening within your area?

Locals Spending Outside of Auckland has decreased by 8.5% on the same time last year.

This shows a decrease in your locals shopping further afield.

Locals Spending Inside your BID is up by 5.1% on the same time last year. This shows a decreasing rate of your locals shopping elsewhere within Auckland.

Do you have have the right offering to encourage shopping locally?



CUSTOMER CONTRIBUTION OVERVIEW

How are K Road's customers contributing to spending?

DISTRIBUTION FOR THE QUARTER

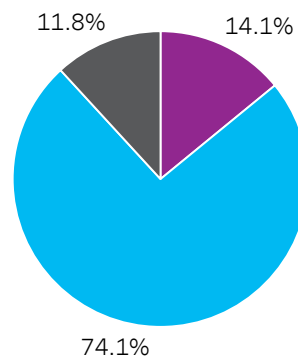
By breaking down the different customer types spending within your area for the quarter, we can see who is contributing the most to your overall spending figure.

The largest proportion of customers spending within K Road for the quarter were **Domestic Visitors (74.1%)**.

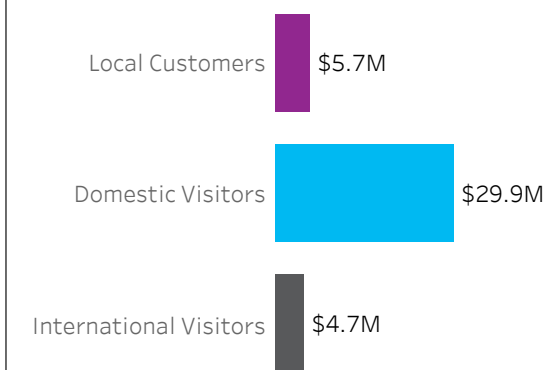
Visitors, both domestic and international, contributed a combined **\$34.6M (85.9%)** for the quarter.

Local Customers Domestic Visitors International Visitors

Proportion of Spending by Customer Type



Spending by Customer Type



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.

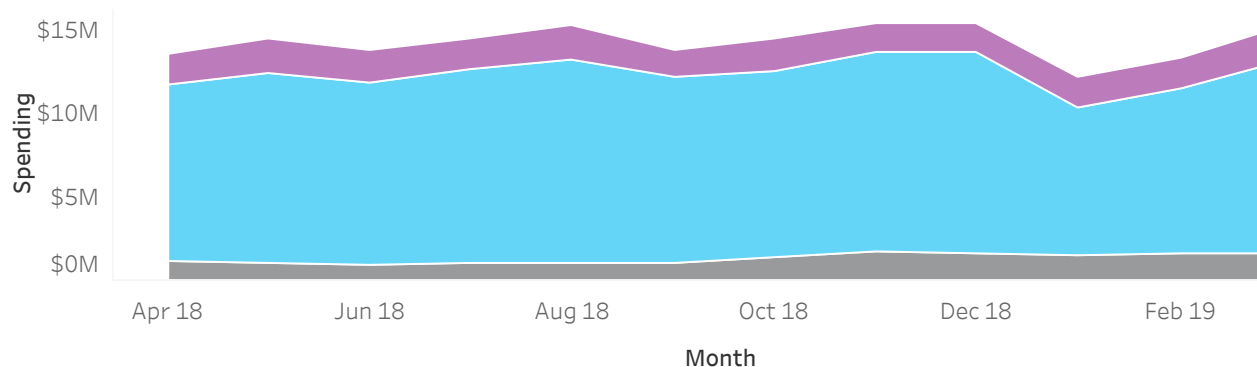
We can see peaks and troughs for when customers are spending, as well as when there is an increasing number of international visitors spending in your area.

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

December 2018 (\$15.3M)

Spending by Customer Type

Local Customers Domestic Visitors International Visitors

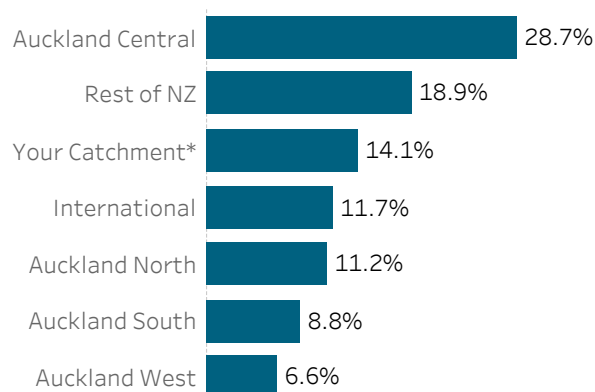


CUSTOMER ORIGIN OVERVIEW

Where do K Road's customers come from?

CUSTOMER ORIGIN

K Road's Distribution of Spending by Location



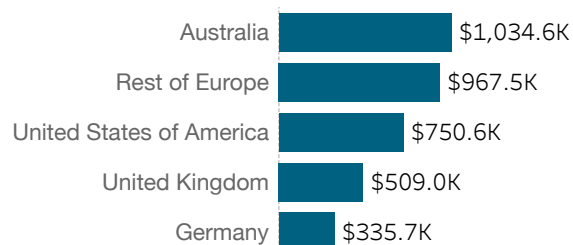
The customer origin with the highest change in spending compared to the same time last year is **Auckland West**

Customer Origin	This Year	Last Year	Spending Change
Auckland Central	\$11.6M	\$11.4M	2.0%
Rest of NZ	\$7.6M	\$9.4M	-19.0%
Your Catchment*	\$5.7M	\$5.4M	5.1%
International	\$4.7M	\$5.2M	-9.4%
Auckland North	\$4.5M	\$4.1M	9.7%
Auckland South	\$3.5M	\$3.4M	2.7%
Auckland West	\$2.7M	\$2.2M	19.9%
Grand Total	\$40.3M	\$41.1M	-2.1%

* Your Catchment is excluded from your TLA

INTERNATIONAL CUSTOMERS

Top Five Countries



Customers from the top five countries spending within **K Road** during the quarter made up **76.0% of total international spend.**

Total International Spending
\$4,731.5K
Same time last year
\$5,224.7K
▼ -9.4% Change

Country Grouping	Spending	% of Top Five Spend
Australia	\$1,034.6K	28.8%
United States of America	\$750.6K	20.9%
United Kingdom	\$509.0K	14.1%
Germany	\$335.7K	9.3%
Rest of Europe	\$967.5K	26.9%

STORETYPE OVERVIEW

What are K Road's leading storetypes?

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

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

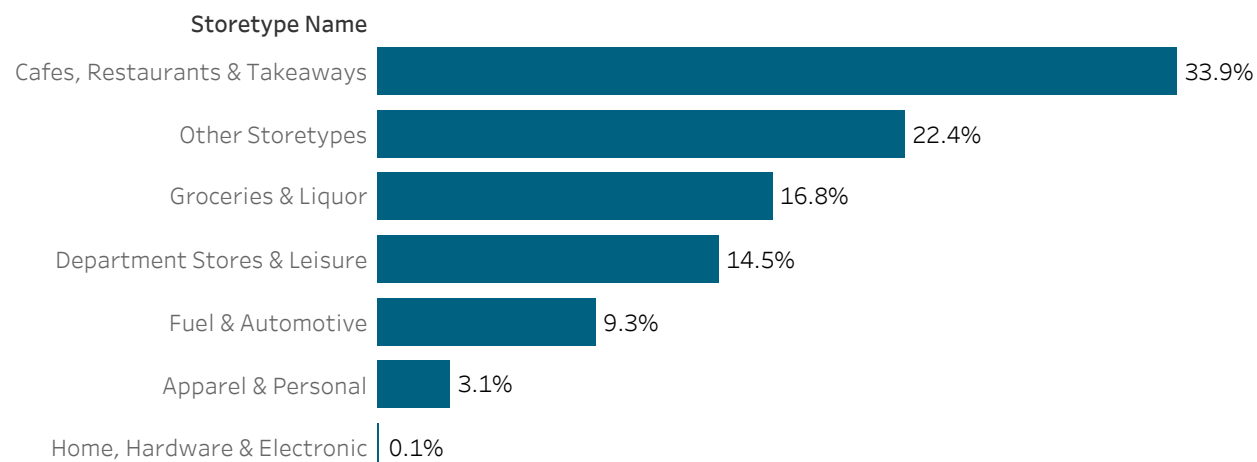
The storetype with the highest change in spending between now and the same time last year was:

- Cafes, Restaurants & Takeaways**

Storetype Spend

Storetype Name	This Year	Last Year	Change
Apparel & Personal	\$1.2M	\$1.3M	-1.0%
Cafes, Restaurants & Takeaways	\$13.7M	\$11.6M	17.5%
Department Stores & Leisure	\$5.8M	\$6.2M	-5.5%
Fuel & Automotive	\$3.7M	\$3.8M	-0.5%
Groceries & Liquor	\$6.8M	\$6.9M	-2.3%
Home, Hardware & Electronic	\$0.0M	\$0.1M	-70.3%
Other Storetypes	\$9.0M	\$11.3M	-20.1%

Storetype Distribution



Storetype in the Auckland region with the biggest change in spend: **Home, Hardware & Electronic (55.0%)**

LONG-TERM VIEW

How is spend trending for K Road?

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

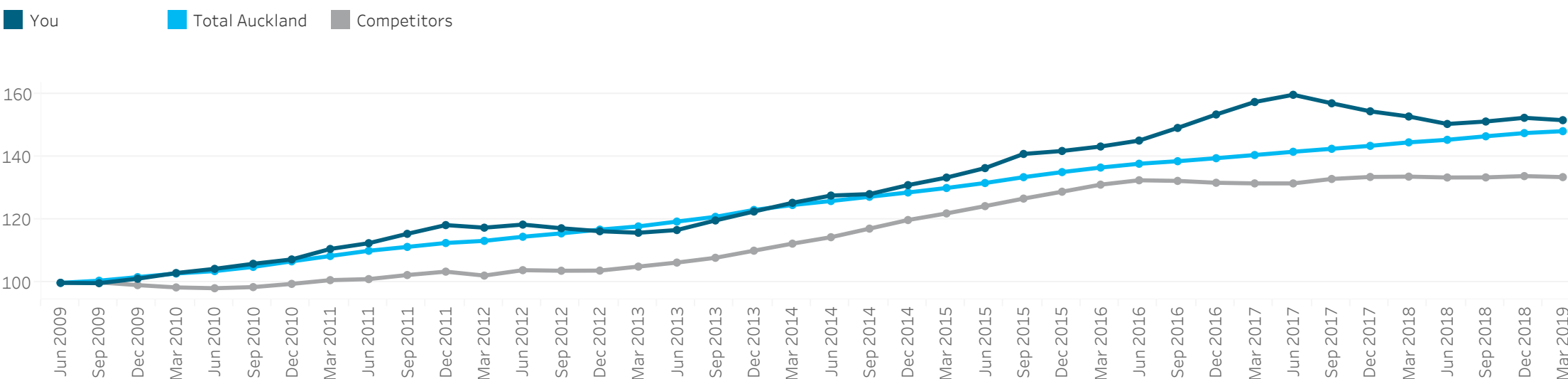
Whether the line is going up or down can depend on a range of factors. Do you show growth in the area? This could be through an improved retail offering, revitalization of the area, attraction of visitors, increased housing, national or international events, or simply that there is more money being spent.

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.



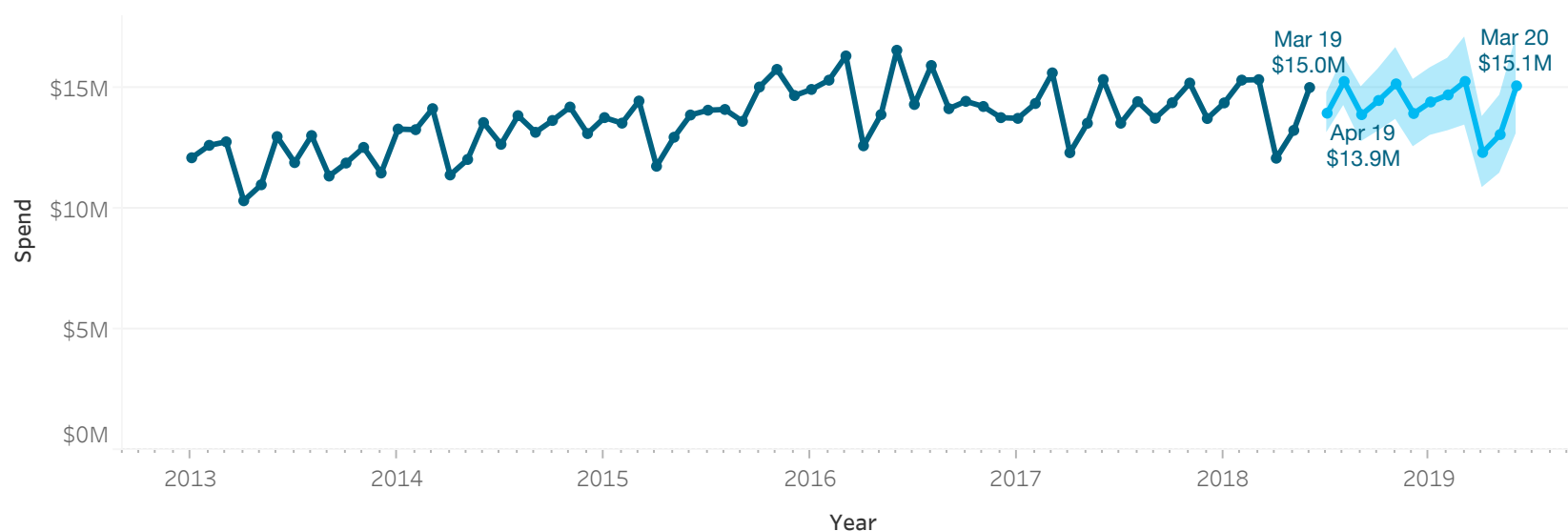
Moving Annual Total - Retail Spending by Quarter



SPENDING FORECAST

What does future spending look like for K Road?

K Road Spending Forecast



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

The forecast is the **light blue line** surrounded by a **blue border**.

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.



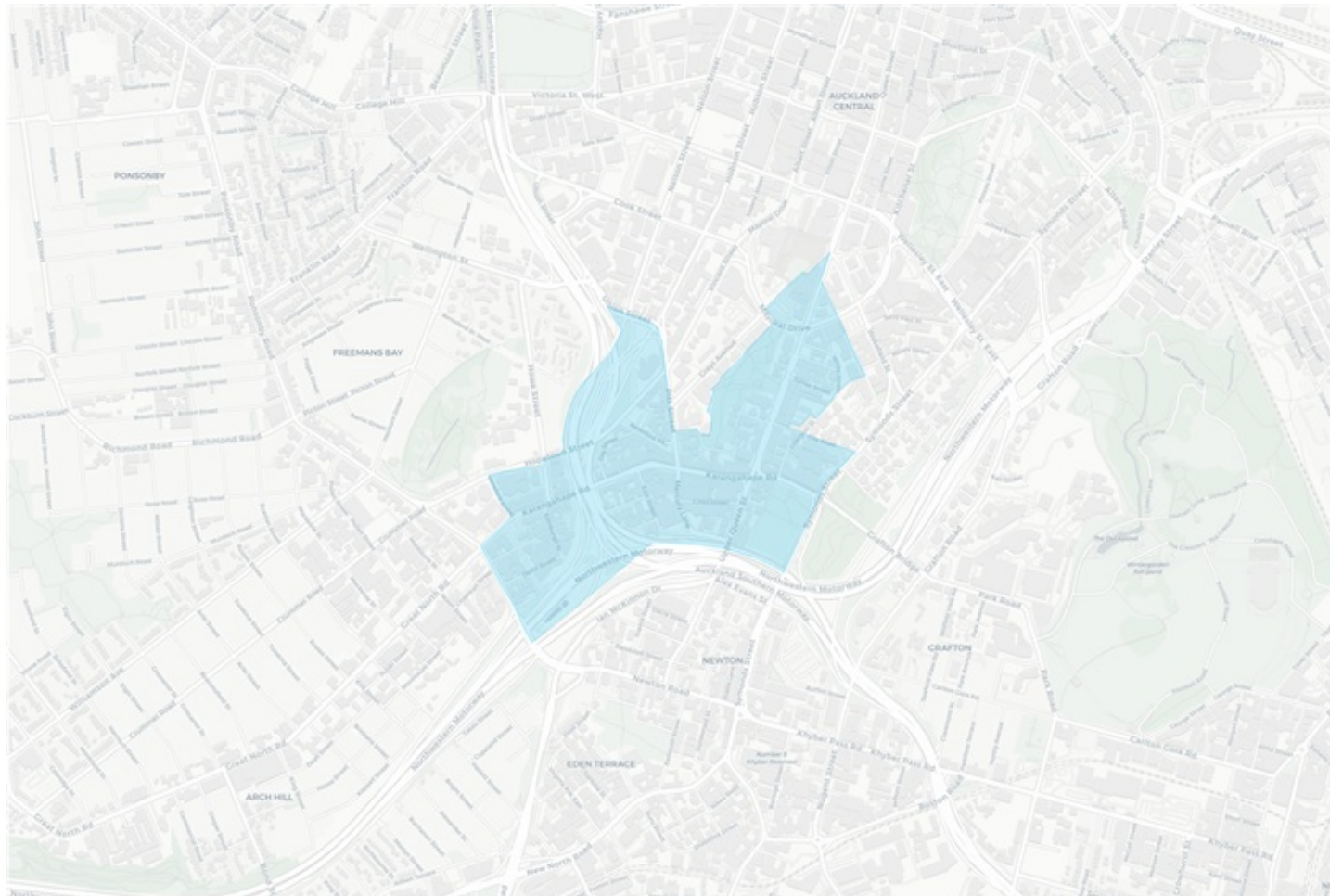
How does spending look for your area over the next year?

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



INPUTS TO YOUR REPORT

SELECTION CRITERIA

Your area:

K Road

Reporting period:

The three months between 1/01/2019 and 31/03/2019

Your designated competitors:

CBD

Grey Lynn

Ponsonby

TERMINOLOGY USED IN REPORT

Your Marketplace	Your area 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 jointly own by ASB, BNZ, the National Bank and Westpac. 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.