

WEEKLY CONSUMER SPENDING SERIES

Week ending
22 October 2017



CHANGE IN SPENDING

Note: Calculations exclude spending on fuel

| LAST 7 DAYS VS. SAME WEEK LAST YEAR | LAST 30 DAYS VS. SAME PERIOD LAST YEAR | LAST 52 WEEKS VS. SAME WEEKS YEAR PRIOR |
|--|---|--|
| SPENDING | SPENDING | SPENDING |
| +1.21% | +2.41% | +3.31% |
| TRANSACTIONS | TRANSACTIONS | TRANSACTIONS |
| +2.99% | +4.00% | +4.17% |

THIS WEEK AT A GLANCE

Quiet start to Labour weekend as Kiwis stay indoors

Spending growth slowed down last week, after the school holidays finished with a bang. Spending was up 1.21%, while transactions were up almost 3%. This week's slower spending result may indicate the beginning of a step back for consumers as they prepare for the Christmas rush.

The top categories this week were some of the usual suspects, with the addition of sports and camping retailers. Interestingly, hardware and homeware stores were only up 1.4% last week, despite the tradition of gardening and DIY around the house on Labour weekend.

Going up

| | |
|------------------------------|--------------|
| Takeaways | +8.1% |
| Liquor | +6.8% |
| Sports and camping equipment | +5.8% |



Auckland growth benefiting regions

While retailers in many parts of the country face ongoing challenges, the news out of the upper North Island seems to be regularly positive. Tauranga shopping centre Bayfair recently announced a \$100m expansion, adding 50 new retail spaces and a large cinema over the next two years. Meanwhile we have seen strong population growth in Auckland driving similar results in Hamilton, as more people move to the region.

Spending figures show growth in both Hamilton and Tauranga exceeding national consumer spending growth. Over the last 4 weeks, Hamilton has experienced spending increase 5.9% compared to the same time last year, while spending in Tauranga has been up 5.7%. Compared to a national average of 2.7% for the same period, these areas look to be experiencing a period of strong retail activity.

Driving much of this growth is hardware and homeware, especially in Hamilton. These retailers in Hamilton have experienced growth in excess of 15% in the last 6 months, compared to national growth of 4.1%. Discretionary categories such as liquor, hospitality and takeaways have also had strong results in both Hamilton and Tauranga, suggesting residents in these areas are feeling positive about their current situation. As Auckland continues to experience strong population growth, these regional neighbours will be hoping to continue to benefit from the halo effect.

NB: The BNZ Marketview Consumer Spending Series provides a measure of national consumer spending trends in the core retail categories (excluding fuel). It is based on the monthly credit and debit card spending of BNZ customers. It includes GST, but excludes other forms of electronic transactions such as overseas cards, gift cards, corporate and fuel cards. Numbers reported are actual values and volumes i.e. not seasonally or inflation adjusted. Accordingly the series may differ from other electronic transaction data reports.

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