

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
+2.41%	+1.47%	+3.24%
TRANSACTIONS	TRANSACTIONS	TRANSACTIONS
+4.07%	+3.57%	+4.15%

THIS WEEK AT A GLANCE

Some spending recovery but discretionary still soft

Growth in consumer spending is slowly starting to creep up as December draws closer. Last week, spending was up 2.41% on 2016, while transactions were up 4.07%.

Much of last week's growth was driven by staples, home and food categories, while discretionary storetypes such as clothing and department stores saw softer results. November is a big month for online shopping in anticipation of Christmas, with multiple sales on during the month, so these results are not unexpected. We anticipate these numbers picking back up as we head into December.

Going up

 Hardware and homeware	+13.8%
 Fuel	+11.8%
 Takeaways	+9.5%



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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Highway closure shifts spending

This is our third of our Kaikoura earthquake series, as we work our way down the country analyzing the impact on consumer spending. This week, we explore the top of the South Island.

The closure of State Highway One between Kaikoura and Blenheim following the earthquake impacted many tourists and locals journeys, particularly between Christchurch and Picton. As roads were diverted to the middle of the island, some towns in the Tasman District and West Coast saw spending rise as commuters passed through the area.

Retailers in Murchison have benefited the most due to the road closure, averaging 63% growth over the last 11 months, compared to 6-10% in the year prior and elsewhere in the Tasman District. The scheduled mid-December reopening of the Kaikoura highway will end this boom for Murchison, with retailers anticipated to lose around one-third of current sales. It is a similar but smaller story for the Hurunui District, where retailers in Cheviot can expect strong growth approaching 10% in the coming months as travellers pass through the town again, while townships like Hurunui and Culverden anticipate to experience a small decline.

Although a majority of passing trade will likely return to the popular Kaikoura route between Christchurch and Picton, as we are heading into peak season this will likely soften the blow for townships who have benefited from the displaced spending over the past 12 months.

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