

WEEKLY CONSUMER SPENDING SERIES

Week ending
20 May 2018



CHANGE IN SPENDING

Note: Calculations exclude spending on fuel

LAST 7 DAYS VS. SAME WEEK LAST YEAR
SPENDING
+0.81%
TRANSACTIONS
+3.38%

LAST 30 DAYS VS. SAME PERIOD LAST YEAR
SPENDING
+1.23%
TRANSACTIONS
+2.97%

LAST 52 WEEKS VS. SAME WEEKS YEAR PRIOR
SPENDING
+2.79%
TRANSACTIONS
+4.46%

THIS WEEK AT A GLANCE

Busy May 2017 sets up slower result a year later

Another modest week of consumer spending, as growth reached just 0.81% above the same week last year. Spending growth has seen relatively low results in recent weeks, likely due to last year's strong results. In the equivalent week last year, spending growth was up 4.09% over the previous 30 days, compared to this year's 1.23% average growth, suggesting we are going off a strong base.

This week, we saw growth in 10 of 18 categories, with fuel back on top, as some areas saw prices reach 230cpl.

Going up

 Fuel	+13.1%
 Liquor	+11.2%
 Takeaways	+8.8%



- Kiwis now frequent, lower value shoppers**
- While we regularly discuss which storetypes and areas are experiencing strong spending growth, we don't often touch on transaction growth, and what it means for retailers.
- Strong transaction growth can suggest either more consumers are visiting an area or storetype, or the same consumers are purchasing more frequently (or both). But while transaction growth indicates more customers, it doesn't necessarily equal more money. Quite often, we will see a spike in transaction growth for a group of stores (often discretionary) during long weekends or holidays, but much slower spending growth for the same retailers. This is a result of sales and discounting, attracting a wider customer base, but allowing each customer to spend less than usual.
- We have seen transaction growth outstrip spending for over a year now, with much of the growth concentrated in the top performing categories. The top two categories for transaction growth in the past 52 weeks are the same as the top two for spending (excluding fuel); liquor (transactions up 7.79%), and takeaways (+7.31%). However looking further down the ranks, and the disparity becomes clearer. Hardware and homeware stores have seen transaction growth outstrip spending by more than 50%, while supermarkets are seeing transaction growth that is 15% higher than spending. Consumers are clearly hitting the shops more frequently than they used to. The challenge for retailers now lies in getting these now regular shoppers to buy more, or higher value products.

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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