



Khandallah Business Improvement District

Merchant Retail Sales Report
for the 12 month period ending 30 June 2018

Prepared by: Wellington City Council

April 2019

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

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Retail sales overview

- Electronic card retail sales at merchants in the Khandallah BID area totalled \$30.5m in the year up to June 2018, up by 2.5% or \$0.75m over the same period a year ago
- Retail sales in the Khandallah BID area represent around 1.0% of total retail sales in Wellington City. This remained unchanged from a year earlier
- Wellington City residents contributed 90.6% of all spending in the Khandallah BID area, while 3.6% of spending originated from visitors from the rest of the region, 4.9% from the rest of New Zealand and around 0.9% from international visitors
- Residents from the surrounding areas of Rangoon Heights, Khandallah Park and Ngaio collectively contributed 36.9% of all retail sales spending
- Due to the low number of merchants, comprehensive retail sales reporting by spend category is not available. A large proportion of retail sales transactions have been classified as 'unidentifiable'
- Fridays and Sundays generally achieved the highest sales during the week. Collectively, weekday sales contributed 64% of all sales in the Khandallah BID area while weekend sales contributed 36%
- All data in this report is sourced from the WCC Retail Sales and Analysis Tool. Retail sales data excludes cash transactions. Cash transactions are estimated to be between 5% and 20% of total electronic card transactions.

Khandallah BID Area Retail Sales Summary



Annual retail sales summary

| Customer Origin | Share of 2018 Total | Annual Retail Sales | | Change | % Change |
|----------------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| | | Year to Jun-18 | Year to Jun-17 | | |
| Wellington City | 90.6% | \$27,595,589 | \$26,642,959 | \$952,630 | 3.6% |
| Rest of Wellington Region | 3.6% | \$1,101,295 | \$1,318,774 | -\$217,479 | -16.5% |
| Rest of New Zealand | 4.9% | \$1,495,551 | \$1,497,643 | -\$2,092 | -0.1% |
| International | 0.9% | \$280,419 | \$263,451 | \$16,968 | 6.4% |
| Total Khandallah BID area | 100.0% | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |

| Spend Category ⁽¹⁾ | Share of 2018 Total | Annual Retail Sales | | Change | % Change |
|--------------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| | | Year to Jun-18 | Year to Jun-17 | | |
| Discretionary ⁽²⁾ | 1.6% | \$487,176 | N/A | N/A | N/A |
| Fashion | 1.1% | \$335,560 | \$828,542 | -\$492,982 | -59.5% |
| Food and Liquor ⁽²⁾ | 6.9% | \$2,110,109 | N/A | N/A | N/A |
| Hospitality | 13.9% | \$4,238,747 | \$4,014,170 | \$224,577 | 5.6% |
| Unidentifiable ⁽³⁾ | 76.5% | \$23,301,262 | \$24,880,115 | -\$1,578,853 | -6.3% |
| Total | 100.0% | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |

| Customer Origin | Annual Retail Sales | | Change | % Change |
|---|---------------------|-----------------|---------------|----------|
| | Year to Jun-18 | Year to Jun-17 | | |
| Total Khandallah BID area | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |
| Total Wellington City | \$3,085,999,771 | \$2,977,828,883 | \$108,170,888 | 3.6% |
| Khandallah BID area retail sales as a percentage of total Wellington City retail sales | 1.0% | 1.0% | | |

Note

(1) See Appendix for spend category definitions. There are no accommodation category merchants located in the Khandallah BID area.

Automotive, durables and other category merchant retail sales have been removed due to confidentiality reasons.

(2) Merchant numbers do not meet privacy requirements, retail sales amounts have been removed to protect merchant privacy in all reporting periods (12 months to June 2017).

Retail sales amounts have been partially removed in one or more reporting periods (12 months to June 2018).

(3) Retail sales transactions not meeting privacy requirements have been classified as 'unidentifiable'.

Annual transaction value summary

| Customer Origin | Average Transaction Value | | Change | % Change |
|---------------------------|---------------------------|----------------|----------------|--------------|
| | Year to Jun-18 | Year to Jun-17 | | |
| Wellington City | \$38.30 | \$39.49 | -\$1.19 | -3.0% |
| Rest of Wellington Region | \$23.62 | \$25.35 | -\$1.73 | -6.8% |
| Rest of New Zealand | \$31.52 | \$31.96 | -\$0.44 | -1.4% |
| International | \$49.98 | \$51.83 | -\$1.85 | -3.6% |
| Total | \$37.16 | \$38.17 | -\$1.02 | -2.7% |

| Spend Category ⁽¹⁾ | Average Transaction Value | | Change | % Change |
|--------------------------------|---------------------------|----------------|----------------|--------------|
| | Year to Jun-18 | Year to Jun-17 | | |
| Discretionary ⁽²⁾ | \$25.33 | N/A | N/A | N/A |
| Fashion | \$68.37 | \$74.04 | -\$5.67 | -7.7% |
| Food and Liquor ⁽²⁾ | \$43.56 | N/A | N/A | N/A |
| Hospitality | \$22.59 | \$22.43 | \$0.16 | 0.7% |
| Unidentifiable ⁽³⁾ | \$41.62 | \$42.28 | -\$0.66 | -1.6% |
| Total | \$37.16 | \$38.17 | -\$1.02 | -2.7% |

Note

(1) See Appendix for spend category definitions. There are no accommodation category merchants located in the Khandallah BID area.

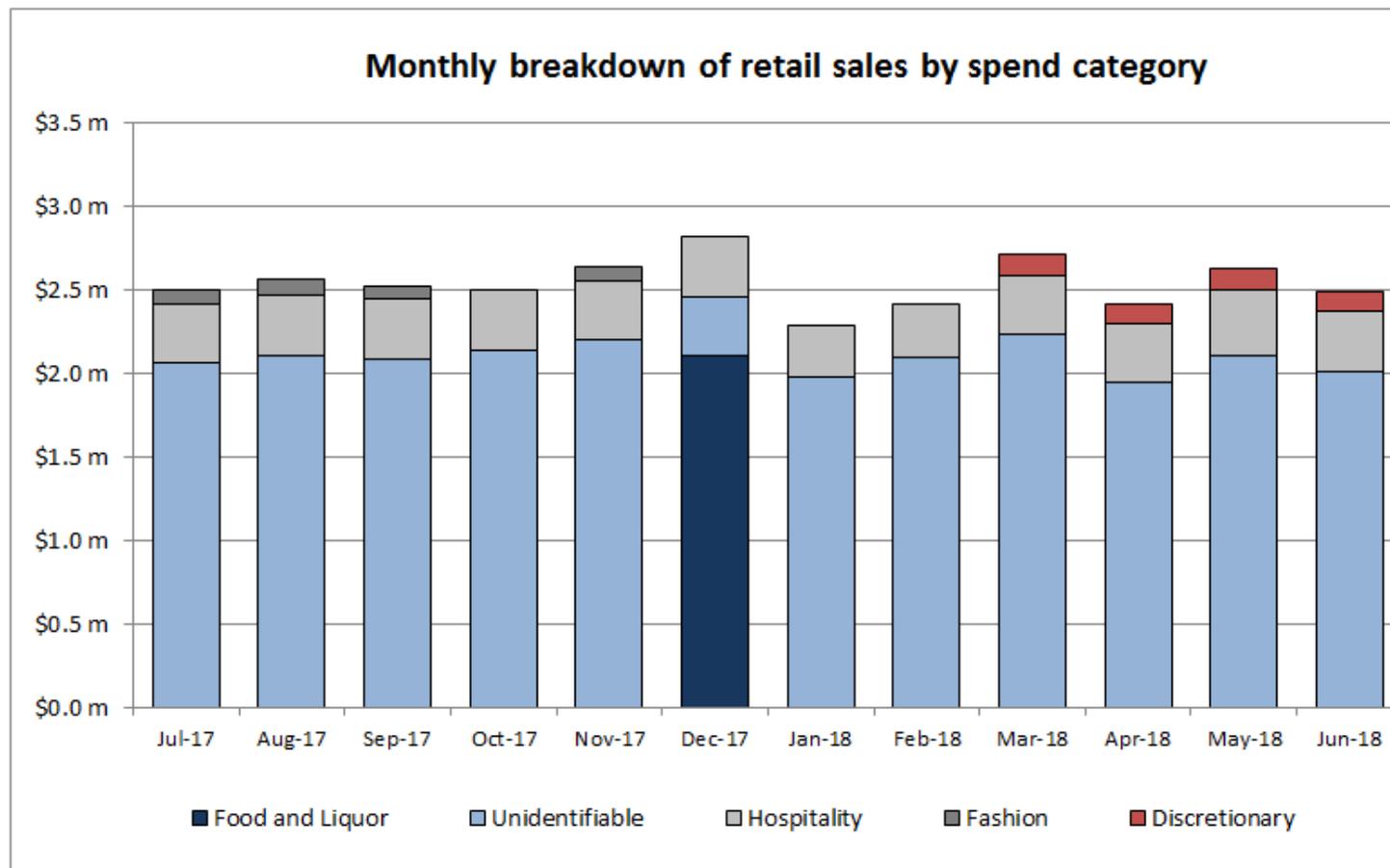
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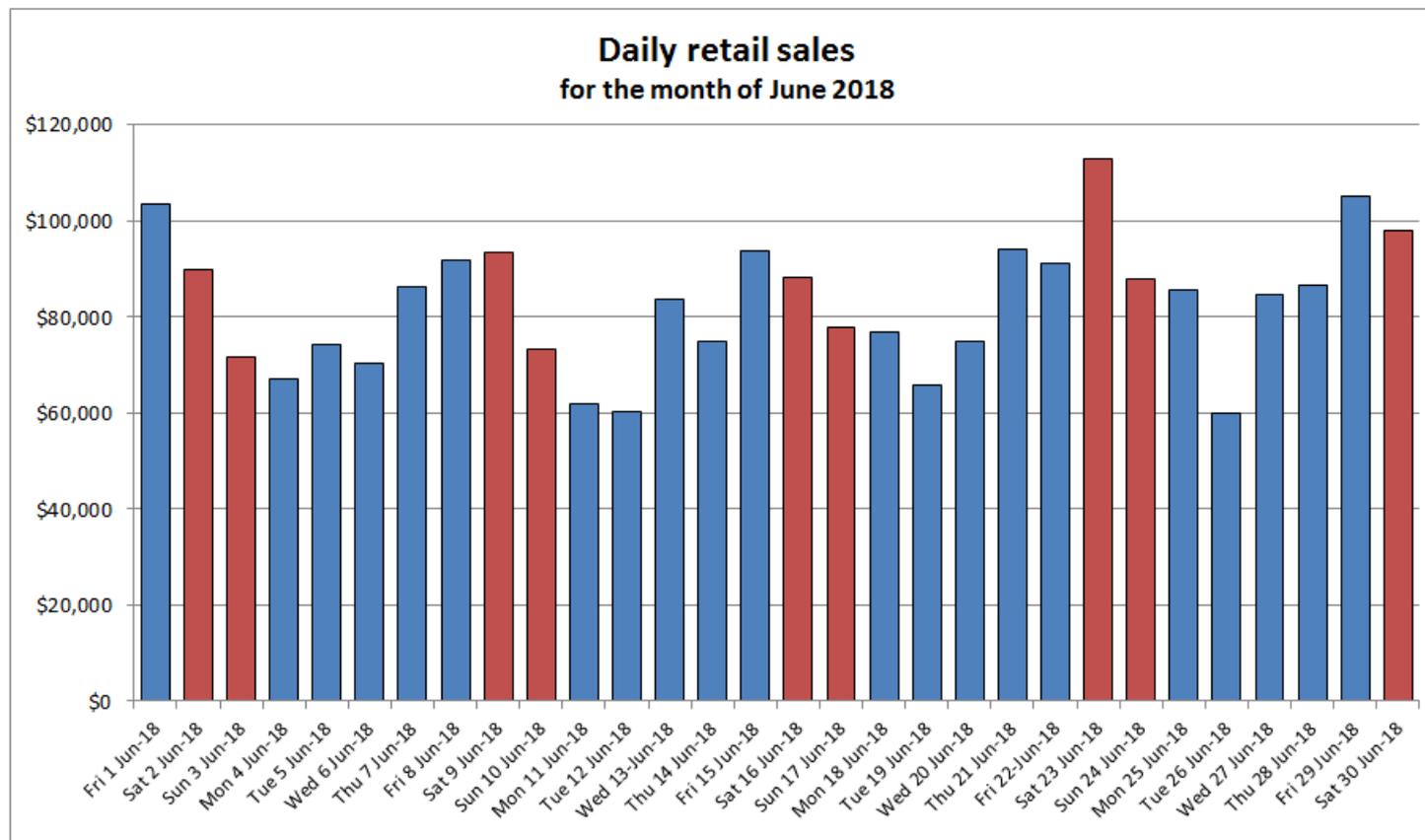
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Monthly retail sales by spend category



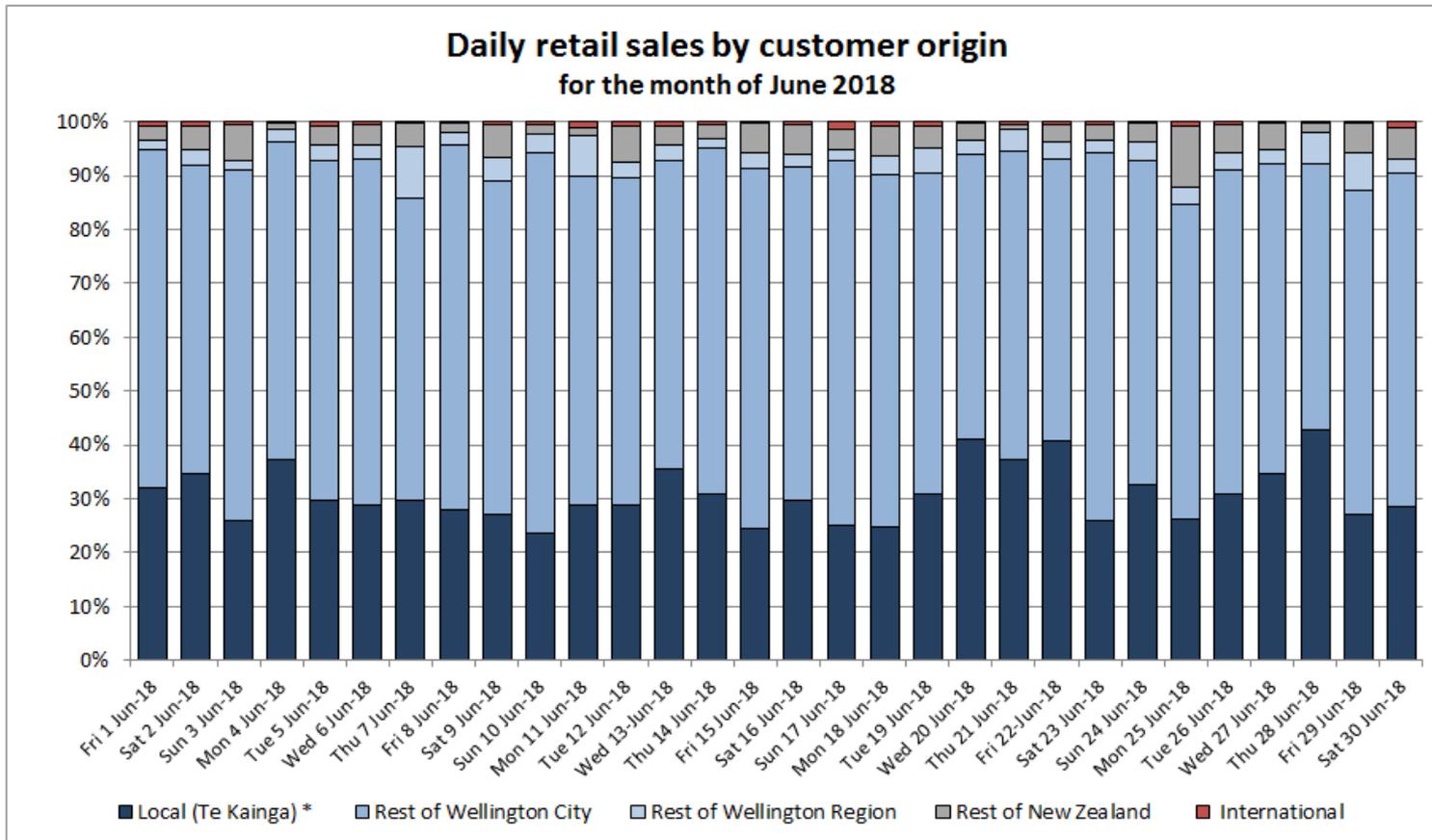
- Comprehensive retail sales reporting by spend category is not available due to the low number of merchants. A large proportion of retail sales transactions have been classified as 'unidentifiable'.

Daily retail sales



- Electronic card retail sales during the month of June 2018 fluctuated significantly on a day to day basis in the Khandallah BID area. Fridays and Sundays generally achieved the highest sales during the week. Collectively, weekday sales contributed 68% of all sales in the Khandallah BID area while weekend sales contributed 32%.
- Saturday sales contributed to 20% of the total week sales while the lowest level of sales during the week occurred on Tuesdays, at an average of 11% of total weekly spending.

Daily retail sales by customer origin



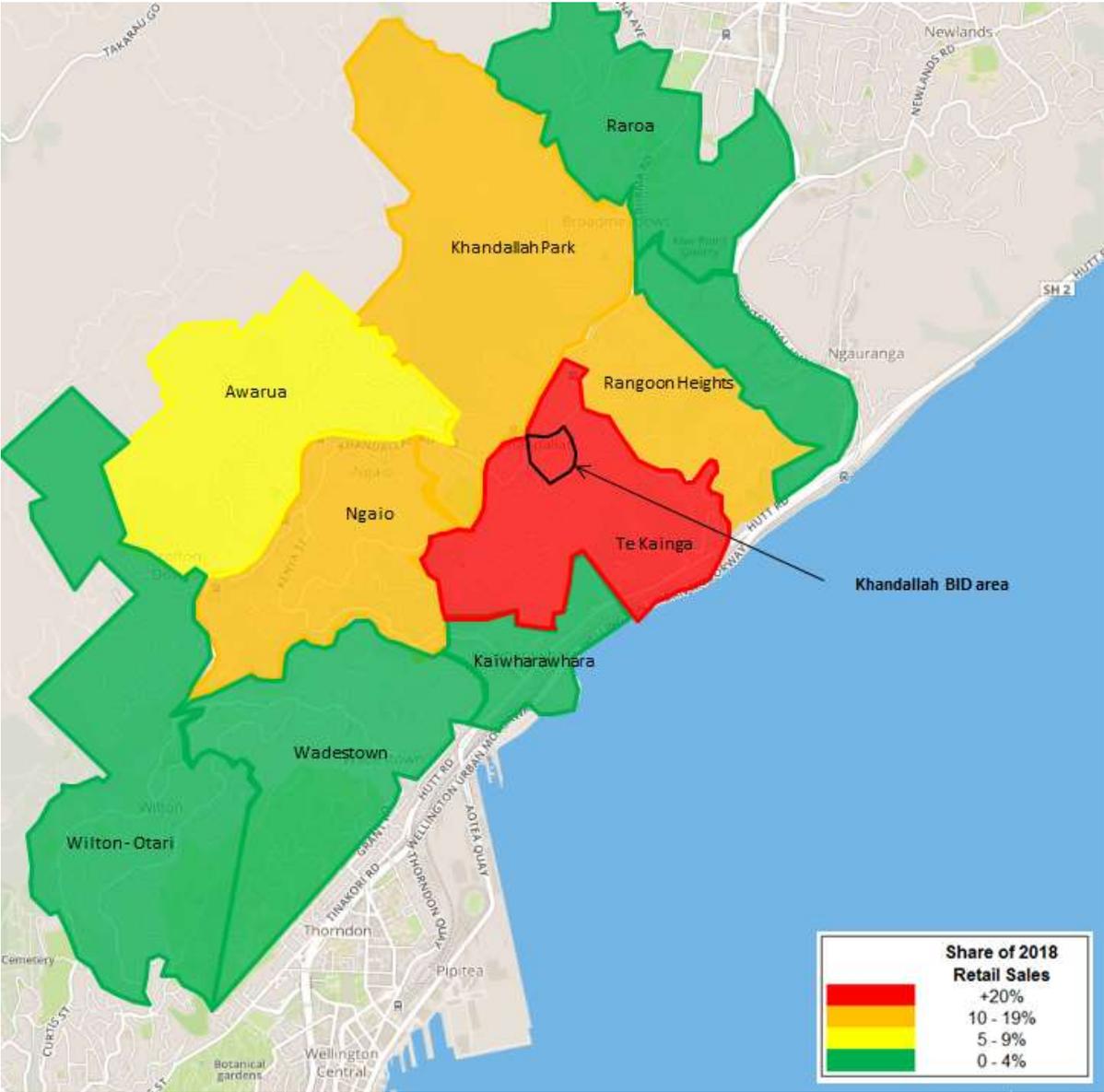
* Customer cardholder origin statistics are based on Stats NZ 2006 Census Area Unit (CAU) definitions

Annual retail sales by customer origin

| Customer Origin | Share of 2018 Total | Annual Retail Sales | | Change | % Change |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|---------------|
| | | Year to Jun-18 | Year to Jun-17 | | |
| Local residents | | | | | |
| Te Kainga | 29.1% | \$8,861,966 | \$8,377,467 | \$484,499 | 5.8% |
| Total | 29.1% | \$8,861,966 | \$8,377,467 | \$484,499 | 5.8% |
| Non-local residents | | | | | |
| Rest of Wellington City | | | | | |
| Rangoon Heights | 15.3% | \$4,651,252 | \$4,465,956 | \$185,296 | 4.1% |
| Khandallah Park | 11.5% | \$3,508,249 | \$3,305,147 | \$203,102 | 6.1% |
| Ngaio | 10.1% | \$3,090,543 | \$3,006,567 | \$83,976 | 2.8% |
| Awarua | 9.1% | \$2,764,706 | \$2,680,058 | \$84,648 | 3.2% |
| Raroa | 2.7% | \$818,003 | \$617,936 | \$200,067 | 32.4% |
| Wilton-Otari | 1.3% | \$409,954 | \$523,027 | -\$113,073 | -21.6% |
| Johnsonville North | 0.9% | \$262,513 | \$196,873 | \$65,640 | 33.3% |
| Churton | 0.7% | \$221,888 | \$197,923 | \$23,965 | 12.1% |
| Newlands North | 0.6% | \$174,881 | \$173,940 | \$941 | 0.5% |
| Oriental Bay | 0.6% | \$172,330 | \$71,075 | \$101,255 | 142.5% |
| Island Bay West | 0.6% | \$168,843 | \$261,913 | -\$93,070 | -35.5% |
| Johnsonville South | 0.5% | \$162,972 | \$135,696 | \$27,276 | 20.1% |
| Wadestown | 0.5% | \$158,923 | \$204,000 | -\$45,077 | -22.1% |
| Newlands South | 0.5% | \$151,634 | \$117,805 | \$33,829 | 28.7% |
| Karori East | 0.5% | \$146,919 | \$221,786 | -\$74,867 | -33.8% |
| Thorndon-Tinakori Road | 0.4% | \$127,519 | \$84,315 | \$43,204 | 51.2% |
| Rest of Wellington City | 5.7% | \$1,742,494 | \$2,001,475 | -\$258,981 | -12.9% |
| Total Rest of Wellington | 61.5% | \$18,733,623 | \$18,265,492 | \$468,131 | 2.6% |
| Rest of Wellington Region | 3.6% | \$1,101,295 | \$1,318,774 | -\$217,479 | -16.5% |
| Rest of New Zealand | 4.9% | \$1,495,551 | \$1,497,643 | -\$2,092 | -0.1% |
| International | 0.9% | \$280,419 | \$263,451 | \$16,968 | 6.4% |
| Total | 100.0% | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |

- Local residents contributed 29.1% of all spending in the year to June 2018 while 61.5% of spending originated from visitors from the rest of Wellington City.
- Residents from the surrounding areas of Rangoon Heights, Khandallah Park and Ngaio collectively contributed 36.9% of all spending in the year to June 2018.

Contribution to retail sales by customer origin



Khandallah BID Area Customer Demographics



Customer age band profile

| Age Band (yrs) | Share of 2018 Total | Annual Retail Sales | | Change | % Change |
|----------------|---------------------|---------------------|---------------------|------------------|-------------|
| | | Year to Jun-18 | Year to Jun-17 | | |
| < 18 | 0.5% | \$151,701 | \$150,908 | \$793 | 0.5% |
| 18 - 24 | 2.0% | \$624,236 | \$700,192 | -\$75,956 | -10.8% |
| 25 - 29 | 2.8% | \$867,404 | \$1,096,192 | -\$228,788 | -20.9% |
| 30 - 34 | 4.8% | \$1,451,816 | \$1,362,164 | \$89,452 | 6.6% |
| 35 - 39 | 8.7% | \$2,646,527 | \$2,546,796 | \$99,731 | 3.9% |
| 40 - 44 | 13.6% | \$4,146,352 | \$4,612,921 | -\$466,569 | -10.1% |
| 45 - 49 | 13.2% | \$4,011,035 | \$4,165,770 | -\$154,735 | -3.7% |
| 50 - 54 | 14.0% | \$4,277,915 | \$3,917,232 | \$360,683 | 9.2% |
| 55 - 59 | 11.3% | \$3,435,472 | \$3,166,810 | \$268,662 | 8.5% |
| 60 - 64 | 8.7% | \$2,661,511 | \$2,305,425 | \$356,086 | 15.4% |
| 65 - 74 | 12.0% | \$3,656,800 | \$3,451,037 | \$205,763 | 6.0% |
| 75+ | 7.4% | \$2,261,866 | \$1,983,929 | \$277,937 | 14.0% |
| Unknown | 0.9% | \$280,419 | \$263,451 | \$16,968 | 6.4% |
| Total | 100.0% | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |

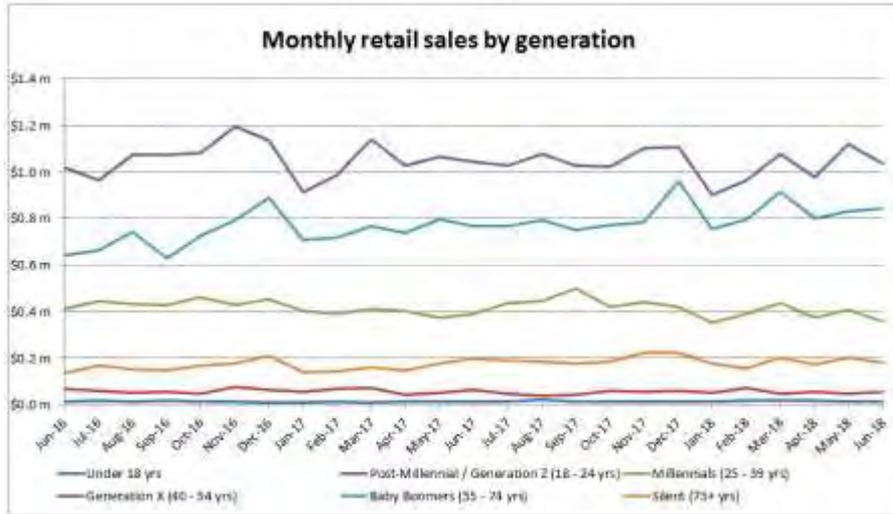
| Generational Name | Age Band (yrs) | Share of 2018 Total | Annual Retail Sales | | Change | % Change |
|--------------------------------|----------------|---------------------|---------------------|---------------------|------------------|-------------|
| | | | Year to Jun-18 | Year to Jun-17 | | |
| Under 18 | < 18 | 0.5% | \$151,701 | \$150,908 | \$793 | 0.5% |
| Post-Millennial / Generation Z | 18 - 24 | 2.0% | \$624,236 | \$700,192 | -\$75,956 | -10.8% |
| Millennials | 25 - 39 | 16.3% | \$4,966,547 | \$5,005,152 | -\$38,605 | -0.8% |
| Generation X | 40 - 54 | 40.8% | \$12,435,302 | \$12,695,923 | -\$260,621 | -2.1% |
| Baby Boomers | 55 - 74 | 32.0% | \$9,753,783 | \$8,923,272 | \$830,511 | 9.3% |
| Silent | 75+ | 7.4% | \$2,261,866 | \$1,983,929 | \$277,937 | 14.0% |
| Unknown | | 0.9% | \$280,419 | \$263,451 | \$16,968 | 6.4% |
| Total | | 100.0% | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |

| Age Band (yrs) | Annual Retail Sales Percentage Share ⁽¹⁾ | | % Change |
|----------------|---|-----------------|-------------|
| | Khandallah BID | Wellington City | |
| < 18 | 0.5% | 0.7% | -0.2% |
| 18 - 24 | 2.0% | 10.5% | -8.4% |
| 25 - 29 | 2.8% | 8.9% | -6.1% |
| 30 - 34 | 4.8% | 8.8% | -4.0% |
| 35 - 39 | 8.7% | 9.0% | -0.3% |
| 40 - 44 | 13.6% | 10.5% | 3.1% |
| 45 - 49 | 13.2% | 10.7% | 2.5% |
| 50 - 54 | 14.0% | 10.9% | 3.1% |
| 55 - 59 | 11.3% | 8.2% | 3.1% |
| 60 - 64 | 8.7% | 6.4% | 2.3% |
| 65 - 74 | 12.0% | 7.8% | 4.2% |
| 75+ | 7.4% | 3.5% | 4.0% |
| Unknown | 0.9% | 4.2% | -3.3% |
| Total | 100% | 100% | 0.0% |

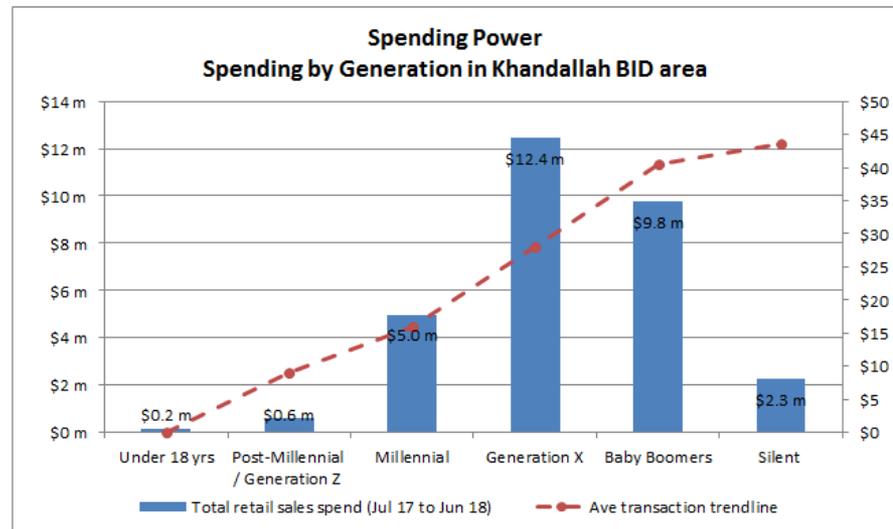
(1) Percentage share based on annual retail sales for the year to June 2018.

- The highest growth in spending was the over 75+ year age group which grew by 14.0% or \$0.28m in the year to June 2018 while Baby Boomers had the highest increase in dollar spend (\$0.84m) during the same period.
- Spending by Generation X decreased by 2.1% or \$0.26m in the year to June 2018 when compared to the previous year.

Customer age profile by generation



- Overall, spending was the highest for Generation X, accounting for 41% or \$12.4m of all spending in the year to June 2018.
- Gen X and Baby Boomers tended to peak in December each year while spending by Post-Millennials / Generation Z, Millennials and the Silent generation were relatively constant throughout the year.



- The average transaction spend tends to rise through the generations peaking with the Silent generation.
- Though the average transaction spend was the highest for the silent generation, Generation X contributed the most to overall spending.

Customer gender profile

| Gender | Share of 2018 Total | Annual Retail Sales | | Change | % Change |
|--------------|---------------------|---------------------|---------------------|------------------|-------------|
| | | Year to Jun-18 | Year to Jun-17 | | |
| Female | 50.8% | \$15,485,284 | \$15,398,183 | \$87,101 | 0.6% |
| Male | 48.3% | \$14,707,151 | \$14,061,193 | \$645,958 | 4.6% |
| Unknown | 0.9% | \$280,419 | \$263,451 | \$16,968 | 6.4% |
| Total | 100.0% | \$30,472,854 | \$29,722,827 | \$750,027 | 2.5% |

- Spending by males increased by 4.6% or \$0.65m in the year to June 2018 when compared to the previous year.

Appendices

Khandallah BID boundary area

The boundaries of the Khandallah BID area used in this report are highlighted in red on the map below.



Khandallah BID area 2013 meshblocks



Khandallah BID area merchant count

| Spend Category ⁽¹⁾ | Merchant Count | | Change | % Change |
|-------------------------------|----------------|-----------|----------|-------------|
| | Jun-18 | Jun-17 | | |
| Accommodation | 0 | 0 | 0 | 0.0% |
| Automotive | 1 | 1 | 0 | 0.0% |
| Discretionary | 4 | 3 | 1 | 33.3% |
| Durables | 1 | 1 | 0 | 0.0% |
| Fashion | 3 | 3 | 0 | 0.0% |
| Food and Liquor | 3 | 3 | 0 | 0.0% |
| Hospitality | 6 | 6 | 0 | 0.0% |
| Other | 0 | 0 | 0 | 0.0% |
| Total | 18 | 17 | 0 | 0.3% |

(1) Spending from retail sales categories with 3 or fewer active merchants have been zeroed for confidentiality reasons.

Merchants are geo-coded and given an industrial classification (ANZSIC code) by Marketview to identify spending by storetype and merchant location.

Map of Khandallah BID area, local census area unit and population count table



| Age Band (yrs) | Population 30 June 2018 | | | |
|-------------------------|-------------------------|---------------|-----------------|---------------|
| | Te Kainga CAU | | Wellington City | |
| | Count | Percentage | Count | Percentage |
| < 19 | 5,070 | 62.1% | 48,540 | 22.4% |
| 20 - 24 | 220 | 2.7% | 22,010 | 10.2% |
| 25 - 29 | 270 | 3.3% | 23,920 | 11.1% |
| 30 - 34 | 220 | 2.7% | 18,440 | 8.5% |
| 35 - 39 | 220 | 2.7% | 15,930 | 7.4% |
| 40 - 44 | 310 | 3.8% | 14,440 | 6.7% |
| 45 - 49 | 330 | 4.0% | 14,780 | 6.8% |
| 50 - 54 | 300 | 3.7% | 13,740 | 6.4% |
| 55 - 59 | 290 | 3.6% | 12,390 | 5.7% |
| 60 - 64 | 290 | 3.6% | 9,630 | 4.5% |
| 65 - 74 | 420 | 5.1% | 13,620 | 6.3% |
| 75+ | 220 | 2.7% | 8,890 | 4.1% |
| Total population | 8,160 | 100.0% | 216,330 | 100.0% |

* Cardholder origin statistics are based on 2006 census area unit boundaries

Source: Stats NZ population estimates

Spend category definitions

Accommodation

Accommodation

Automotive

Motor vehicle parts retailing

Tyre retailing

Fuel retailing

Automotive electrical services

Automotive body, paint and interior repair

Other automotive repair and maintenance

Discretionary

Sport and camping equipment retailing

Entertainment media retailing

Toy and game retailing

Newspaper and book retailing

Marine equipment retailing

Pharmaceutical, cosmetic and toiletry goods retailing

Stationery goods retailing

Antique and used goods retailing

Flower retailing

Other store based retailing n.e.c

Professional photographic services

Laundry and dry-cleaning services

Photographic film processing

Durables

Furniture retailing

Floor coverings retailing

Houseware retailing

Manchester and other textile goods retailing

Electrical, electronic and gas appliance retailing

Computer and computer peripheral retailing

Other electrical and electronic goods retailing

Hardware and building supplies retailing

Garden supplies retailing

Other goods and equipment rental and hiring n.e.c

Domestic appliance repair and maintenance

Clothing and footwear repair

Other repair and maintenance

Fashion

Clothing retailing

Footwear retailing

Watch and jewellery retailing

Other personal accessory retailing

Hairdressing and beauty services

Food and Liquor

Supermarket and grocery stores

Fresh meat, fish and poultry retailing

Fruit and vegetable retailing

Liquor retailing

Other specialised food retailing

Hospitality

Cafes and restaurants

Takeaway food services

Catering services

Pubs, taverns and bars

Clubs (hospitality)

Other

Department stores

Non-store retailing

Retail commission-based buying and / or selling

Travel agency and tour arrangement services

Electronic (except domestic appliance) and precision equipment repair

Other machinery and equipment repair and maintenance

Diet and weight reduction centre operation

Funeral, crematorium and cemetery services

Parking services

Brothel keeping and prostitution services

Other personal services n.e.c

Religious services

Business and professional association services

Labour association services

Other interest group services

Private households employing staff

Undifferentiated goods-producing activities of private households for own use

Undifferentiated service-producing activities of private households for own use

Data sources

What is the source of the data used in the WCC Retail Sales Analysis and Reporting Tool?

The data is primarily sourced from electronic card transactions made via the Paymark network from merchant terminals located in the Khandallah BID area. Information on the origin and type of customer spending is sourced from data held by BNZ Marketview.

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

Details on both data sources are provided below.

Paymark

Paymark operates New Zealand's largest electronic transaction processing network. The company is owned by French payments system provider Ingenico Group which has extensive operations in the payments industry across 170 countries.

Around 70% of New Zealand's eftpos terminals are connected to the Paymark network. All electronic card transactions are captured from merchants on the Paymark network.

Marketview (A Verisk Business)

Marketview is a data technology company that provides consumer spending information on New Zealand based merchants. They obtain eftpos, debit and credit card transactions data from BNZ card holders using the Paymark network in the New Zealand retail market.

BNZ transactional data is derived from the credit and debit card spending by BNZ (Bank of New Zealand) customers. The BNZ has approximately a 20% share of credit and debit cards, with their cardholders accounting for about 15 – 17% of all electronic transactions conducted by New Zealanders.

While a sample of total New Zealand electronic spending, Marketview have shown that BNZ cardholders are representative of the total spending of New Zealanders.

The BNZ strips any personal identifiers from the data set before sending the data to Marketview. This includes all names, addresses, card and account numbers. Cardholders are given a geographic code and a unique id which enables Marketview to complete our analysis.

For retailers not on the Paymark network, there is no transactional data available from the Paymark database. To fill this gap Marketview weight the BNZ cardholder spending at non-Paymark merchants. The weightings are based on BNZ's share of the Paymark transactions. The underlying assumption is that BNZ cardholders make up a similar share of spending at Paymark and non-Paymark merchants.