

Hospitality the key to retail growth

While retailers in the greater Auckland area have had a relatively slow start to the year, those within Auckland's Business Improvement Districts look to have started 2018 with a bang.

Marketview – which specialises in the analysis of consumer spending around New Zealand – has found that BID programmes seem to be benefitting the areas in which they operate, and the retailers within them.

The first quarter of 2018 saw spending within the combined BID areas increase by 4.4%*, beating total Auckland spending growth of 3.7%.

SOURCE: MARKETVIEW



Marketview is used by retailers, commercial landlords, local and central government bodies, regional tourism organisations, economic consultants and the media as a source of information on what consumers are doing with their money.

Michael Stechman, head of client solutions at Marketview, says the first quarter of 2018 saw spending within the combined BID areas increase by 4.4%*, beating total Auckland spending growth of 3.7%.

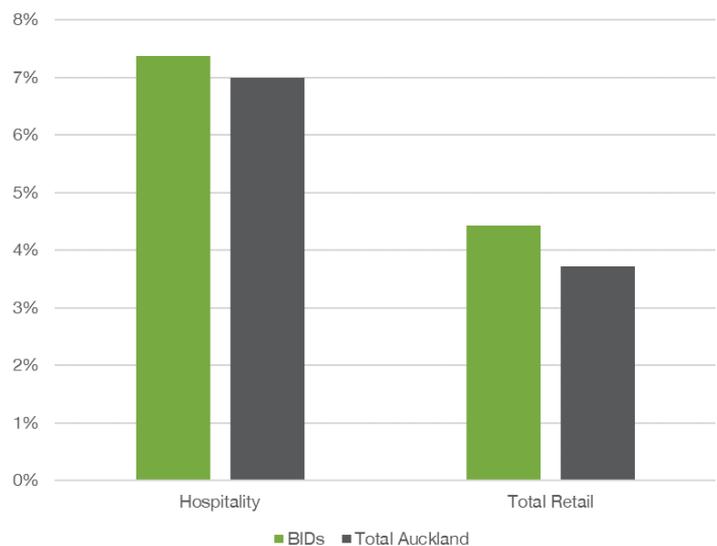
"In the same period, Marketview recorded a 4.0% increase in transactions within the BID areas – slightly behind spending, but suggesting consumers are making higher value purchases in the BID town centres than they have in the past," he says.

But what is driving this spending?

Figures from Marketview indicate that much of early 2018's spending growth can be attributed to experience-based purchases, such as hospitality.

Hospitality establishments within the BID areas experienced an average increase in spending of 7.4%, with some areas seeing spending on hospitality increase as much as 65%. Contributing to over 15% (and growing) of total spending at retailers within the BID programme, hospitality establishments are an integral part of the Auckland retail environment, and popular, high-quality bars, cafes and restaurants are becoming the key to a busy town centre.

BID SPENDING GROWTH EXCEEDING TOTAL AUCKLAND



Michael Stechman says the popularity of going out for dinner, drinks and buying takeaways is steadily increasing all around the country.

“Kiwis have growing preferences for both convenience and experience. This means we are seeing strong increases in spending on both hospitality and takeaways, as people are wanting to try new restaurants and bars, or buying takeaways instead of cooking at home.”

Stechman explains how this is a real opportunity for BIDs to take advantage of, monitoring the current offering in their area, and how it can be improved to attract more customers.

“We have seen the number of hospitality businesses within the BID areas increase 20% in the past year, and we only expect this number to rise with demand.”

WHAT'S NEXT? UNDERSTAND OPPORTUNITIES IN YOUR AREA

Marketview will be presenting its latest report offering in late June, with an open invitation to any BID managers and staff that wish to attend. If you have not received reporting from Marketview in the past, there will be an overview of the types of consumer spending information they can provide, as well as their recently redeveloped reporting suite. There will be presentations in both Northern and Southern locations, with more information on dates and venues to follow. If you are interested in attending a presentation, or have any questions, please email info@marketview.co.nz.

*Spending growth has been calculated excluding spending on fuel and automotive services, due to the volatility of fuel prices.