

Our Ref: 4274 2013 wmk Kaiapoi pre post earthquake spending analysis

Monday, 19 August 2013

Waimakariri District Council
Private Bag 1005
RANGIORA 7440

Attention: Rory Christie
CC: Heike Lulay

TRANSMITTAL: **EMAIL**
rory.christie@wmk.govt.nz

Dear Rory

KAIAPOI PRE AND POST EARTHQUAKE SPENDING ANALYSIS

This letter report provides an analysis of the changes in spending behaviour at Kaiapoi merchants over the past three years to provide an insight into the effects of the September 2010 Canterbury earthquake and subsequent aftershocks.

Spending data for the study has been provided by Marketview Limited. BNZ Marketview is a tool for understanding and measuring consumer spending behaviour. It is derived from BNZ's credit and debit card holders spending with retail merchants throughout the country.

BNZ customers provide an excellent cross section of the national population and, when aggregated, their spending provides a highly accurate indicator of overall consumer spending patterns. BNZ cardholders form approximately 20% of the market share in New Zealand.

MarketView spending data has been provided for the following seven analysis periods:

- ✓ March 2010 (pre-earthquake conditions)
- ✓ October 2010 (post 4 September 2010 earthquake)
- ✓ March 2011 (post 22 February 2011 earthquake)
- ✓ October 2011 (post 13 June 2011 earthquake)
- ✓ March 2012 (post 23 December 2011 earthquake)
- ✓ October 2012
- ✓ March 2013

The area units covered by Kaiapoi include;

- ✓ Pines / Kairaki
- ✓ Camside
- ✓ Kaiapoi north west (new) or part of Kaiapoi north (old name)
- ✓ Kaiapoi north east (new) or part of Kaiapoi north (old name)
- ✓ Kaiapoi east (new) or part of Kaiapoi north (old name)
- ✓ Kaiapoi west

- ✓ Kaiapoi south
- ✓ Courtney
- ✓ Mansfield
- ✓ Silverstream (new)

Spending data has been provided as both number of transactions and total value spend, and is disaggregated by territorial local authority and census area unit. Spend by generic store type has also been provided.

Analysis of MarketView Data

The Marketview spending data is presented and analysed in the following pages.

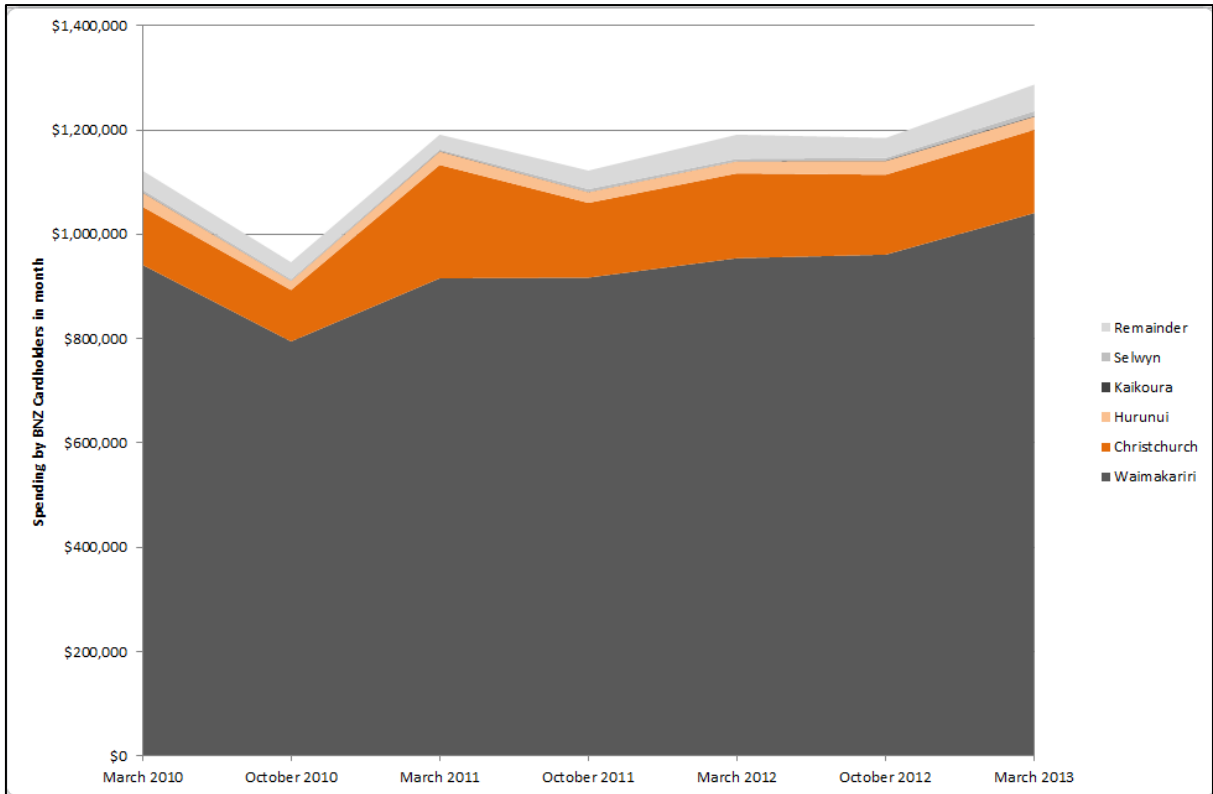


Figure 1: Value of spending in Kaiapoi by originating Territorial Local Authority

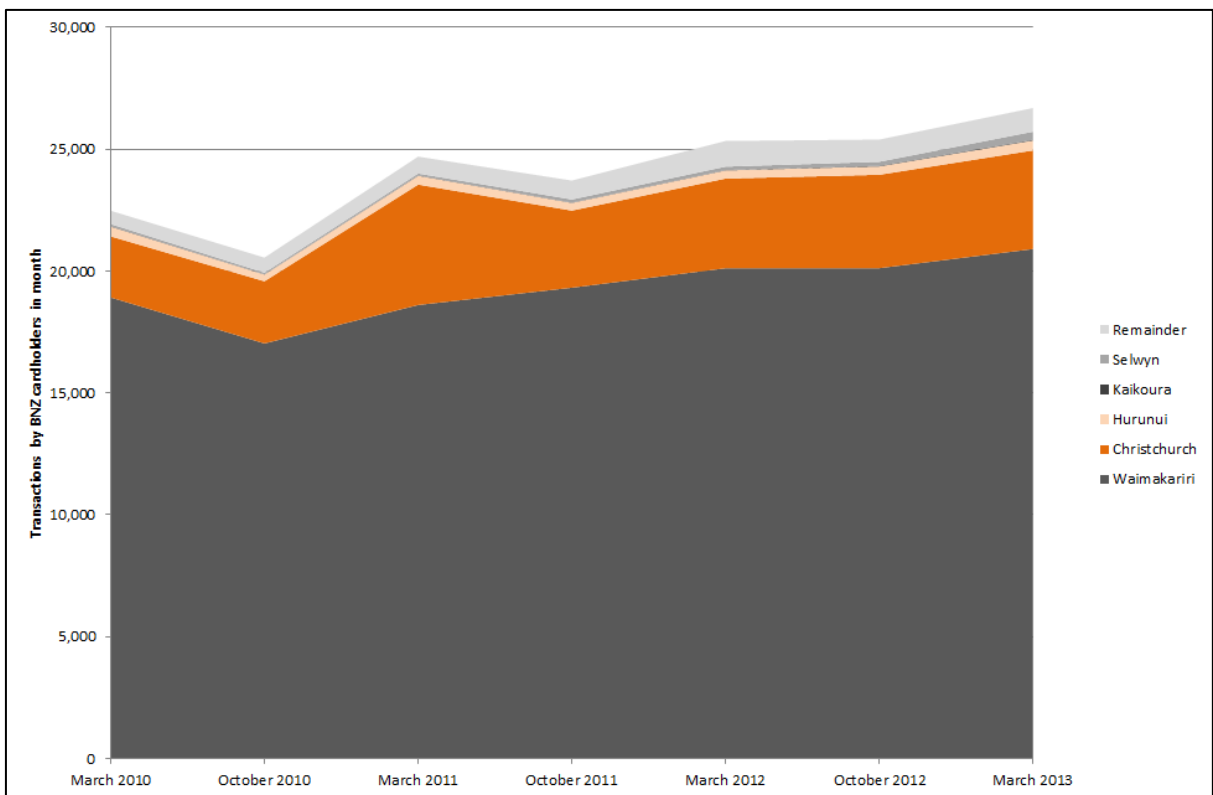


Figure 2: Number of transactions in Kaiapoi by originating Territorial Local Authority

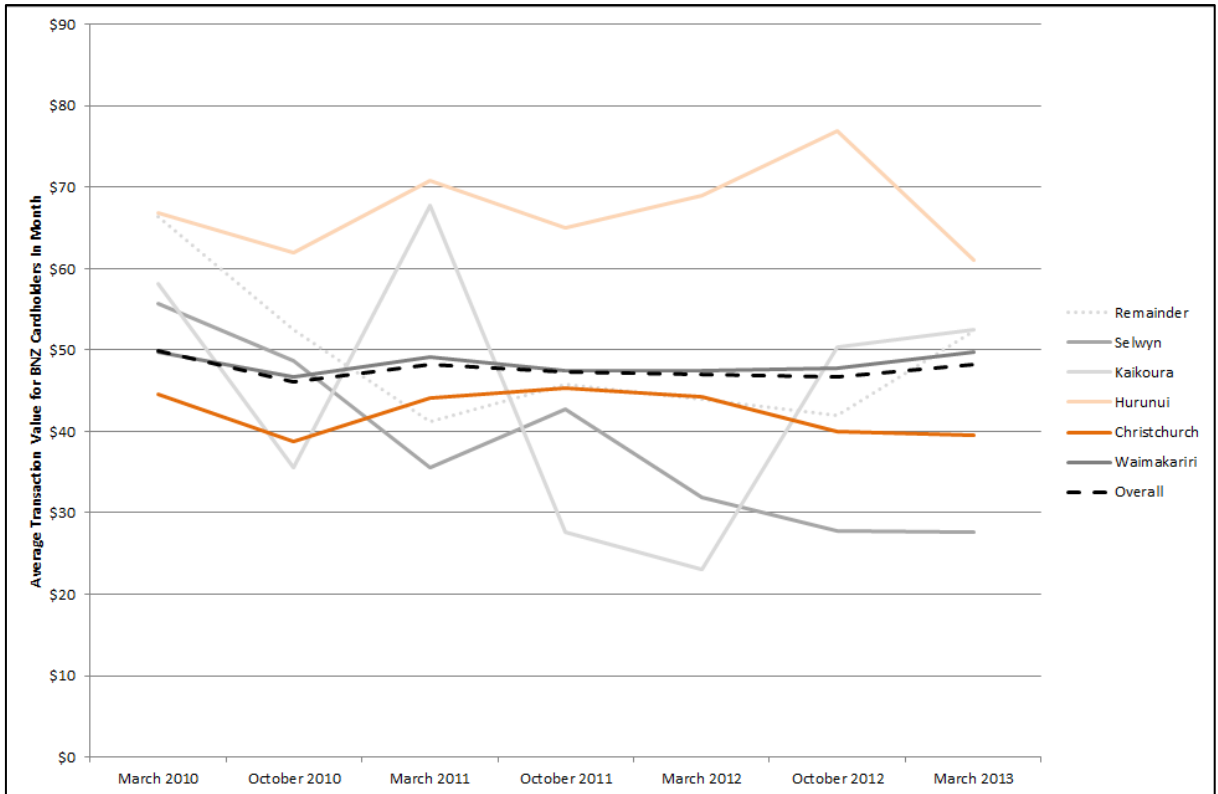


Figure 3: Average value of transactions in Kaiapoi by originating Territorial Local Authority

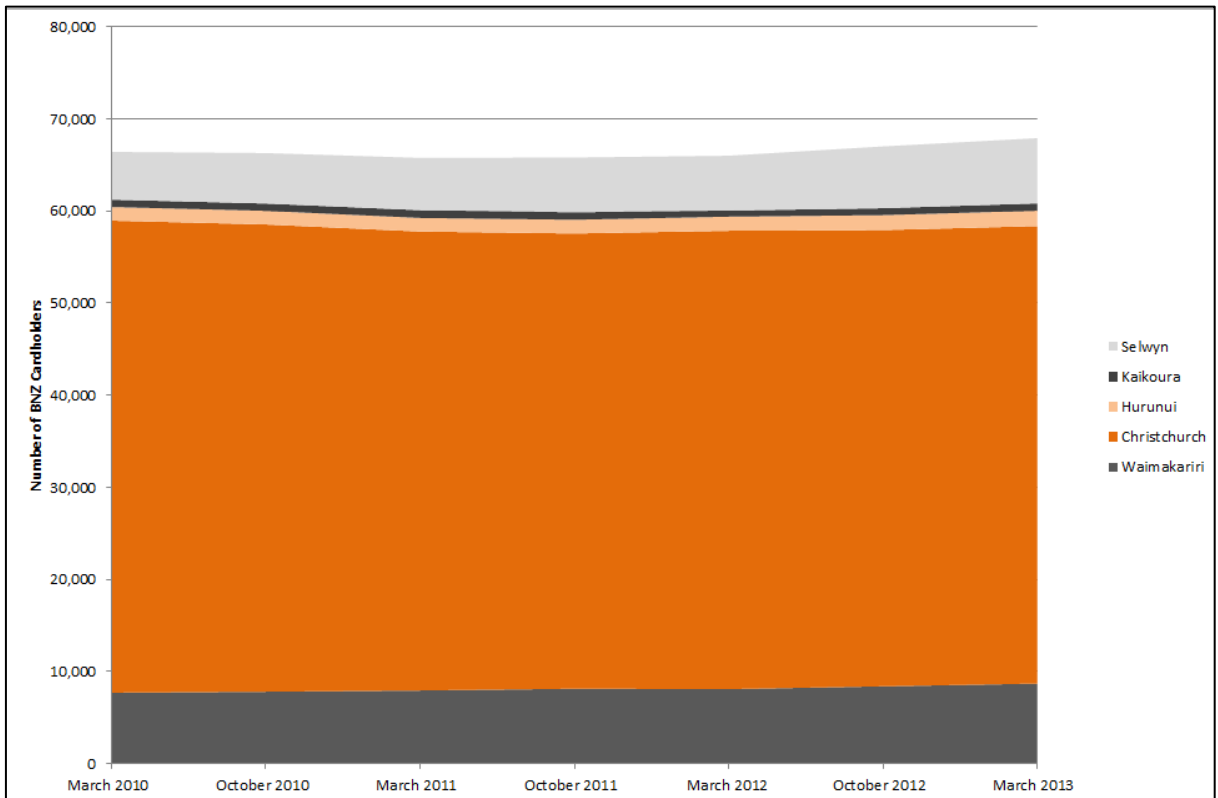


Figure 4: Number of BNZ Cardholders by Territorial Local Authority

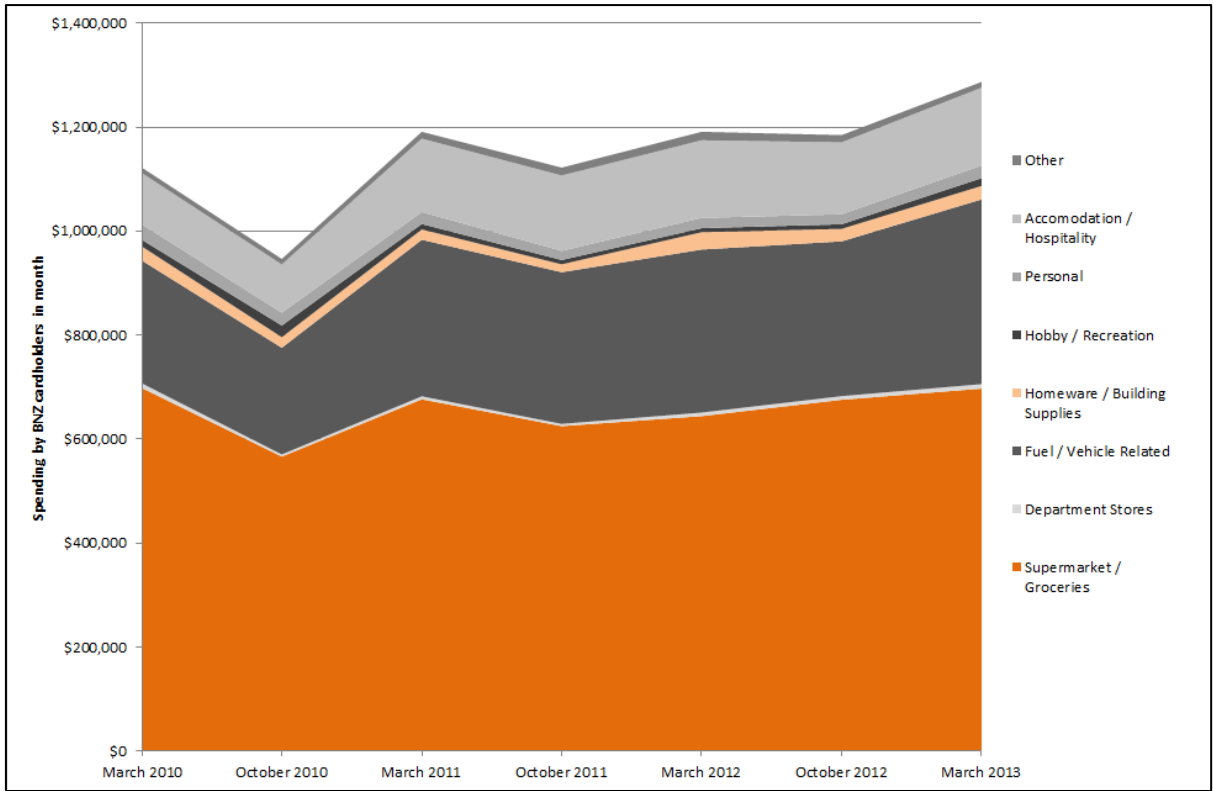


Figure 5: Value of Spending in Kaiapoi by Generic Store Type

Table 1: Value Spend, Number of Transactions in Kaiapoi, Percentage of Kaiapoi Spending, and Number of Cardholders

Territorial Local Authority	March 2010				October 2010				March 2011				October 2011			
	Spending	Trans.	%	No.	Spending	Trans.	%	No.	Spending	Trans.	%	No.	Spending	Trans.	%	No.
Waimakariri	\$941,634	18,920	83.9%	7,703	\$794,625	17,032	83.9%	7,819	\$915,736	18,611	76.9%	7,954	\$916,926	19,319	81.7%	8,139
Christchurch	\$111,578	2,503	9.9%	51,266	\$98,692	2,550	10.4%	50,736	\$217,390	4,936	18.3%	49,828	\$143,439	3,163	12.8%	49,431
Hurunui	\$26,966	403	2.4%	1,479	\$17,292	279	1.8%	1,474	\$25,698	363	2.2%	1,480	\$20,472	315	1.8%	1,493
Selwyn	\$4,795	86	0.4%	5,178	\$3,265	67	0.3%	5,472	\$2,774	78	0.2%	5,666	\$5,473	128	0.5%	5,942
Kaikoura	\$930	16	0.1%	800	\$320	9	0.0%	798	\$1,017	15	0.1%	847	\$332	12	0.0%	813
Remainder	\$36,464	549	3.2%		\$32,373	616	3.4%		\$28,493	691	2.4%		\$35,475	775	3.2%	
Total	\$1,122,366	22,477			\$946,568	20,553			\$1,191,108	24,694			\$1,122,118	23,712		

Territorial Local Authority	March 2012				October 2012				March 2013			
	Spending	Trans.	%	No.	Spending	Trans.	%	No.	Spending	Trans.	%	No.
Waimakariri	\$954,202	20,116	80.1%	8,098	\$961,026	20,120	81.1%	8,402	\$1,040,841	20,907	80.9%	8697
Christchurch	\$162,758	3,679	13.7%	49,770	\$153,266	3,832	12.9%	49,542	\$159,852	4,041	12.4%	49681
Hurunui	\$23,123	335	1.9%	1,527	\$26,297	342	2.2%	1,618	\$24,819	407	1.9%	1667
Selwyn	\$4,466	140	0.4%	5,953	\$4,608	166	0.4%	6,706	\$9,184	333	0.7%	7080
Kaikoura	\$322	14	0.0%	669	\$1,308	26	0.1%	758	\$1,575	30	0.1%	796
Remainder	\$46,352	1,054	3.9%		\$38,268	910	3.2%		\$50,888	972	4.0%	
Total	\$1,191,223	25,338			\$1,184,774	25,396			\$1,287,160	26,690		

Table 2: Statistics from March 2010 to March 2013, aggregated by Territorial Local Authority

Territorial Local Authority	Population (2006)	Average spend per transaction	Average spend per capita
Waimakariri	42,834	\$48.32	\$21.76
Christchurch	348,435	\$42.38	\$0.43
Hurunui	10,476	\$67.38	\$2.25
Selwyn	33,666	\$34.64	\$0.15
Kaikoura	3,621	\$47.58	\$0.23
Remainder	-	\$48.20	-
Total	-	\$47.64	-

Table 3: Value of Spending in Kaiapoi by Generic Store Type

Store Type	March 2010	October 2010	March 2011	October 2011	March 2012	October 2012	March 2013
Supermarket / Groceries	\$698,315	\$566,354	\$676,515	\$624,817	\$644,098	\$675,591	\$697,098
Department Stores	\$8,898	\$4,094	\$5,721	\$4,375	\$6,871	\$7,067	\$8,689
Fuel / Vehicle Related	\$236,336	\$205,202	\$301,298	\$291,858	\$313,685	\$297,684	\$355,314
Homeware / Building Supplies	\$27,189	\$20,221	\$19,853	\$15,037	\$33,405	\$24,013	\$25,917
Hobby / Recreation	\$12,778	\$22,572	\$10,314	\$8,364	\$7,729	\$8,853	\$15,003
Personal	\$29,784	\$24,702	\$23,199	\$17,591	\$19,606	\$19,414	\$24,299
Accommodation / Hospitality	\$98,424	\$92,735	\$141,067	\$144,933	\$149,505	\$138,173	\$149,753
Other	\$10,641	\$10,687	\$13,141	\$15,144	\$16,324	\$13,977	\$11,087
Total	\$1,122,366	\$946,568	\$1,191,108	\$1,122,118	\$1,191,223	\$1,184,774	\$1,287,160

Figure 1 shows that the spending in Kaiapoi merchants fell by 15% in October 2010 compared with the pre-earthquake spending in March 2010. This reduction in spending corresponds with the fact that a number of businesses were forced to close or relocate as a result of the 4 September 2010 earthquake. Table 1 supports the data in Figure 1 showing the pre-earthquake spending in March 2010 was \$1,122,366, which fell to a low of \$946,568 in October 2010 (post 4 September earthquake). However, since October 2010 the overall spending has been at or above pre-earthquake spending levels and has risen to \$1,287,160 as of March 2013, which is up 15% on the March 2010 total. The steady rise in spending at Kaiapoi merchants is likely to have been triggered by the rapid development of subdivisions in or around Kaiapoi.

The data represented in Figure 1 also shows that Waimakariri District residents make up the largest proportion of spending at Kaiapoi merchants out of all other districts as is the case in Rangiora. Table 1 shows that Waimakariri District residents comprise between 77 to 84% of the total spend at Kaiapoi merchants in each of the analysed periods. The proportion of spending from Christchurch increased from March and October 2010 levels of 9.9 and 10.4% respectively to 18.3% in March 2011 and then fell back down to between 13.7 - 12.4% for the subsequent periods. The significant rise in spending from Christchurch residents in March 2011 corresponds with the period after the 22 February earthquake.

The number of transactions as shown in Figure 2 correlates with the value of spending as shown in Figure 1. There was a fall in the number of transactions in October 2010 but the number of transactions since then has steadily increased and as of March 2013 the number of transactions was 19% greater than pre-earthquakes (March 2010).

Table 2 shows that Hurunui District residents have the greatest average transaction value of \$67.38 and also corresponds with Figure 3 which illustrates that for the periods analysed Hurunui District residents have always had the highest average transaction value. The average spend values for Waimakariri and Christchurch residents has remained largely consistent overall. The average spend for Kaikoura District residents is quite different to the other districts as it fell in October 2010, rose significantly in March 2011 then dropped significantly in October 2011 and March 2012 but has begun to increase since then.

Figure 4 shows that the number of BNZ cardholders within each of the Districts has remained consistent over the assessed period.

A breakdown of the spending by generic store type is shown in Figure 5 and detailed further in Table 3. The results show that the majority of spending in Kaiapoi is on supermarket or grocery purchases followed by fuel or other vehicle related purchases and then for accommodation or hospitality. The following conclusions can be made from the store type data:

- There was a significant drop in supermarket spending in October 2010 immediately after the September 2010 earthquake. However, supermarket spending has returned to pre-earthquake levels when comparing March 2010 with March 2013.
- The accommodation and hospitality spending has increased by 52% from \$98,424 in March 2010 to \$149,753 in March 2013.
- Department stores experienced a halving of spending from March 2010 to October 2010 and has since steadily increased back to pre-earthquake levels.

- There has been a significant increase of 50% in fuel and vehicle related trading spending when comparing March 2013 with March 2010, noting that spending was lowest in October 2010.
- There has been an overall decrease of almost 5% for the period analysed in spending on homeware and building supplies which include furniture, electrical, electronic, computer and garden items compared with pre-earthquake spending.
- Spending on personal goods is down 18% comparing March 2013 and March 2010.

If you have any questions regarding the results or analysis then please do not hesitate to contact us.

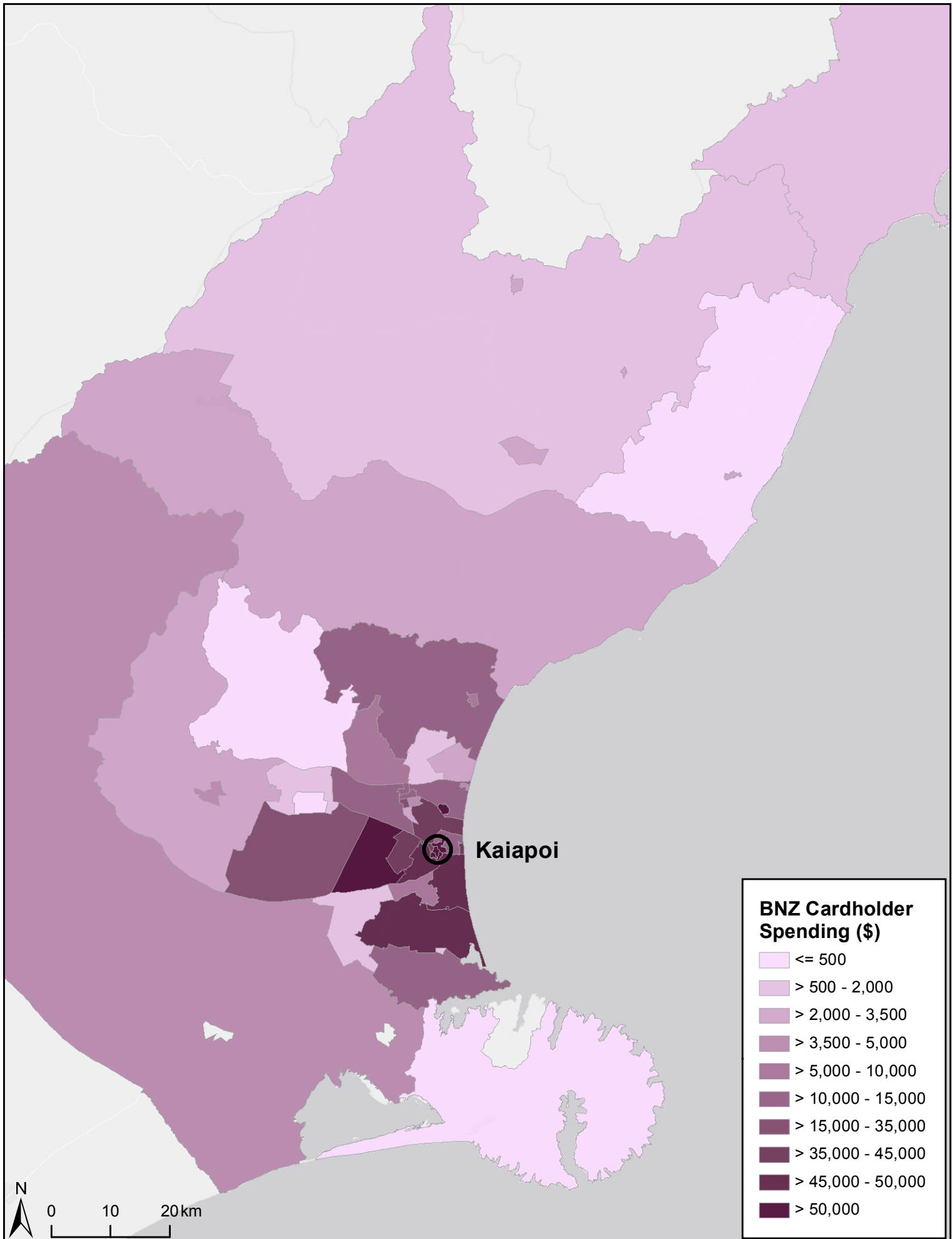
Regards,

Abley Transportation Consultants Limited

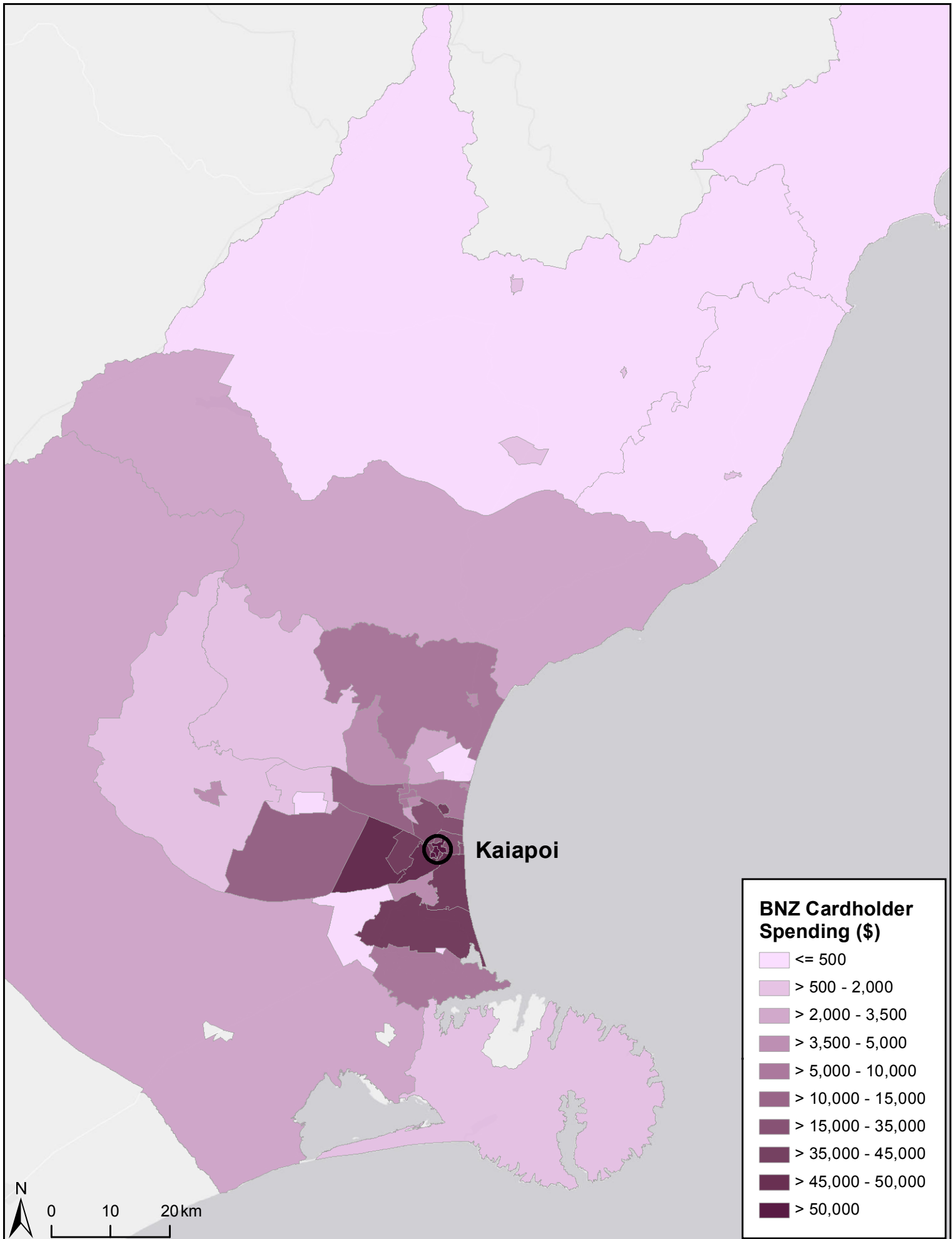


Ann-Marie Head
Principal Transportation Engineer

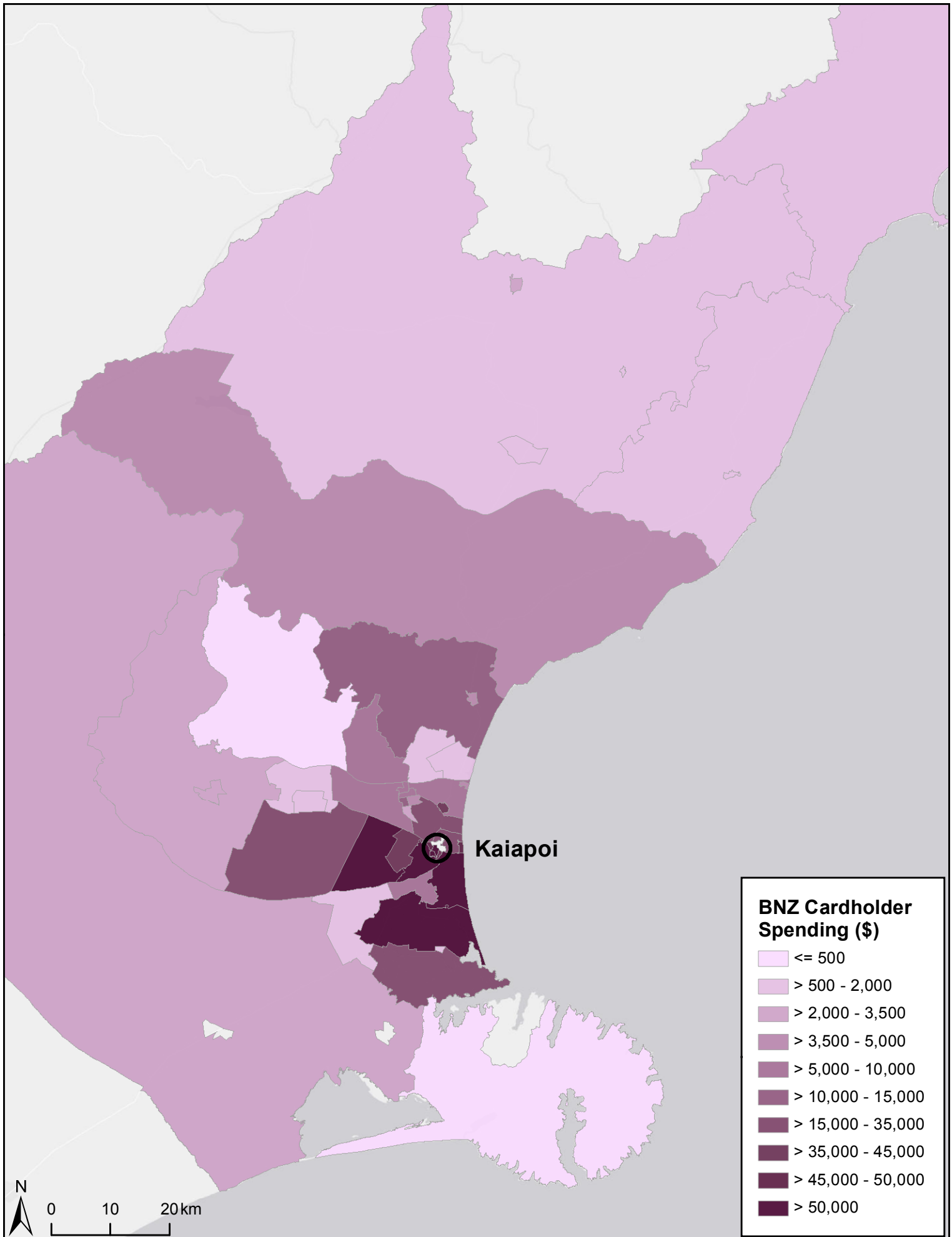
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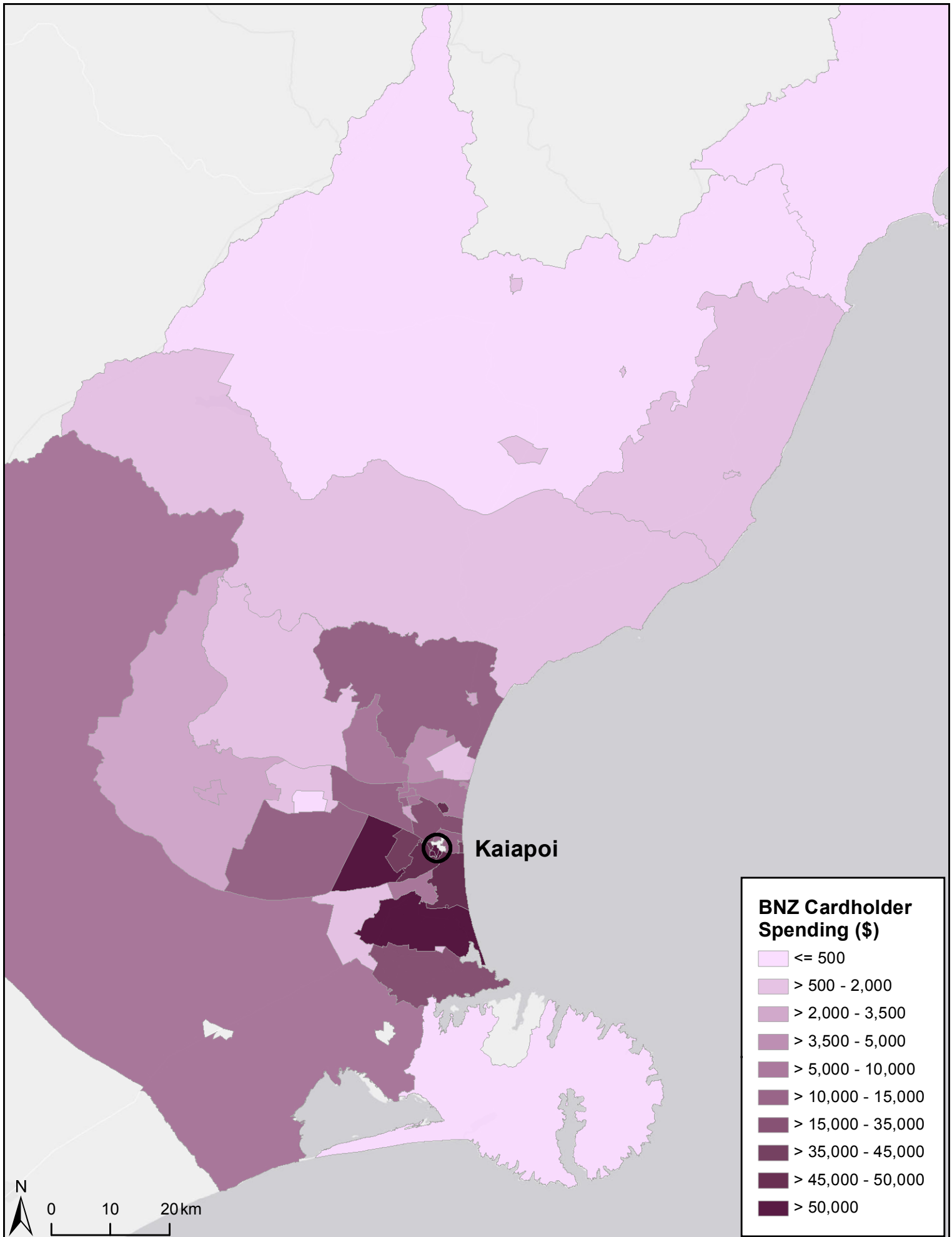


Pre and Post Earthquake Spending Analysis
Origins of Kaiapoi Spending
March 2010

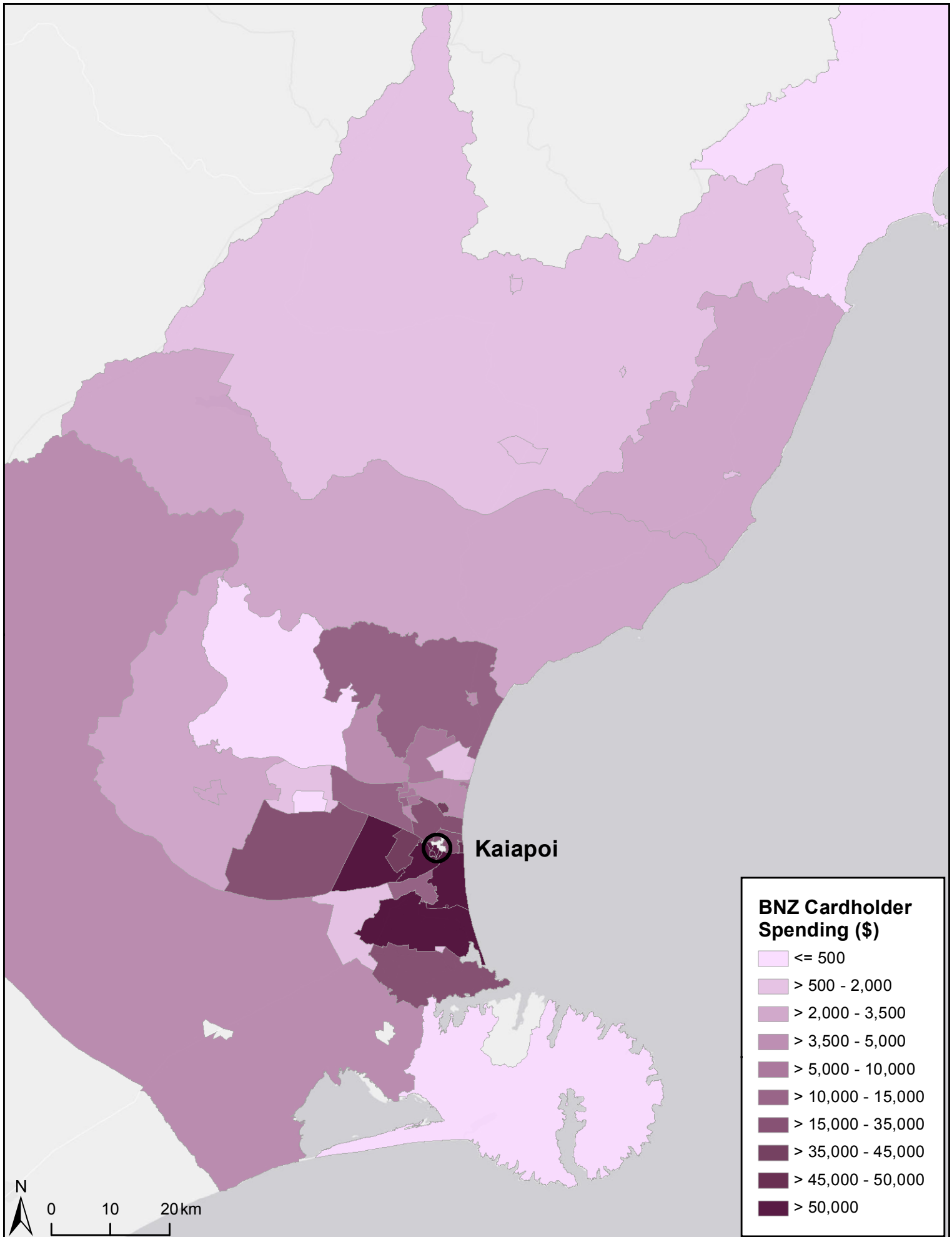


Pre and Post Earthquake Spending Analysis
Origins of Kaiapoi Spending
October 2010

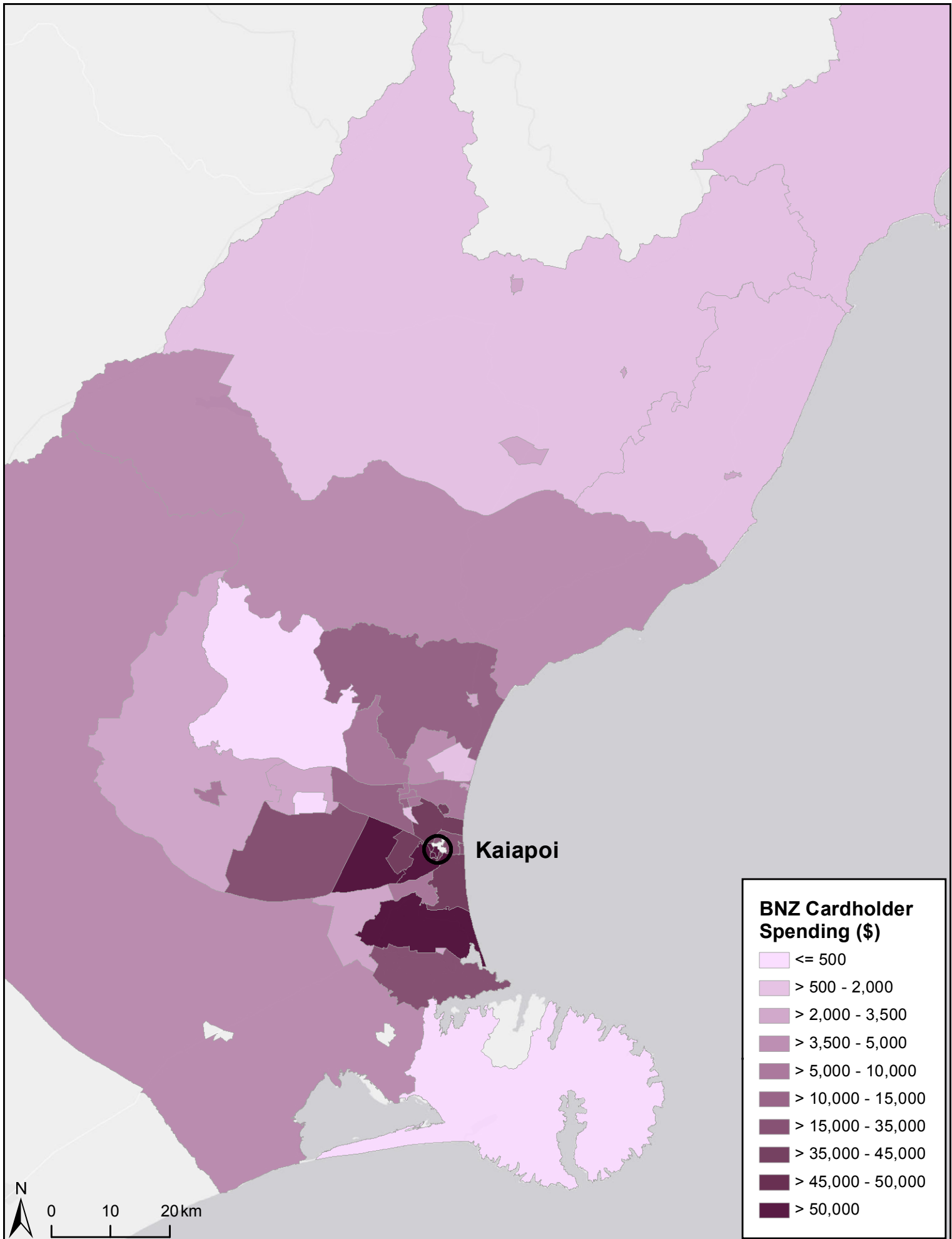




Pre and Post Earthquake Spending Analysis
Origins of Kaiapoi Spending
October 2011

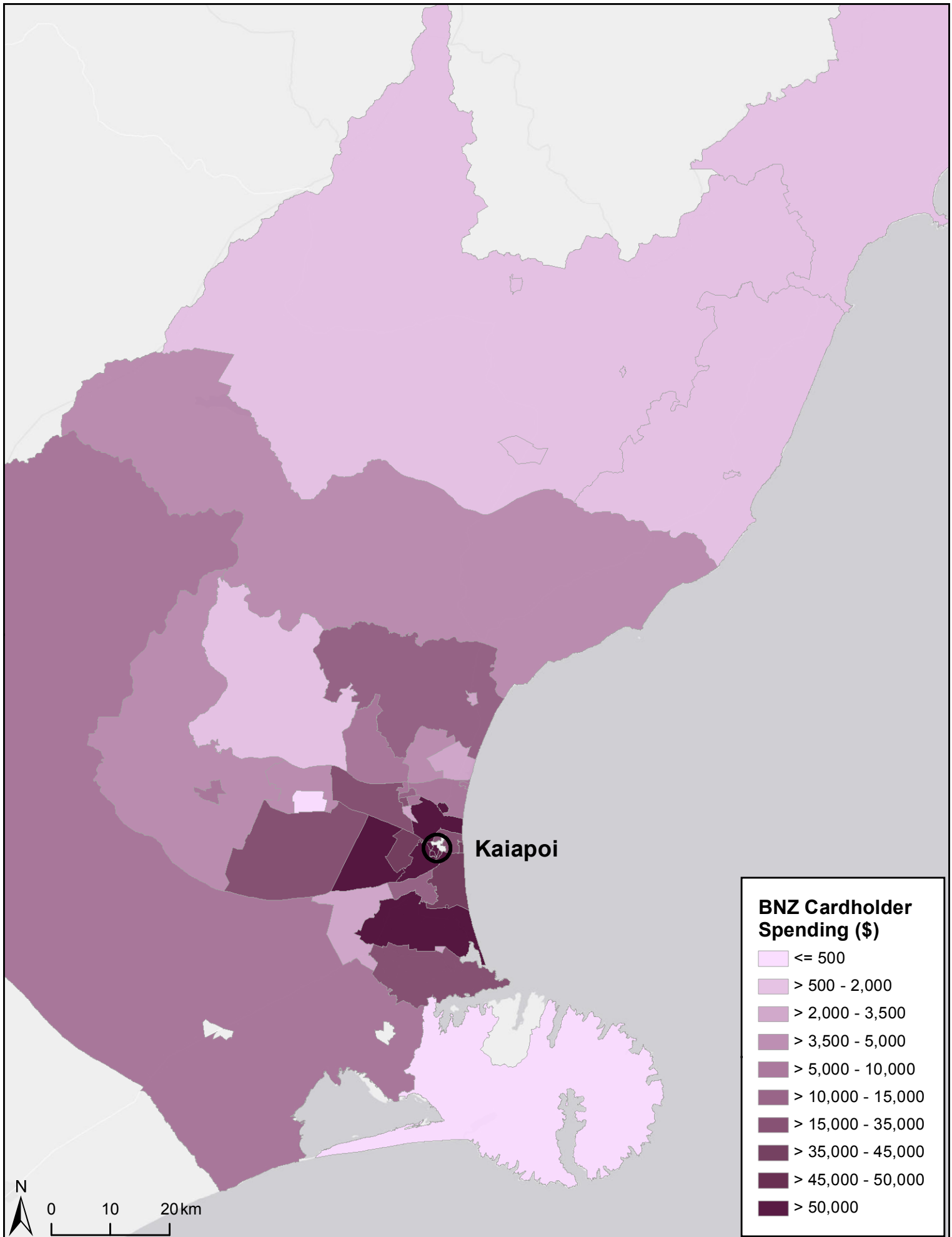


Pre and Post Earthquake Spending Analysis
Origins of Kaiapoi Spending
March 2012



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Pre and Post Earthquake Spending Analysis
Origins of Kaiapoi Spending
October 2012



Pre and Post Earthquake Spending Analysis
Origins of Kaiapoi Spending
March 2013