

Retail RADAR

The REPORT

Quarter ended 30 June 2015

We're pleased to bring you the first quarterly Retail NZ Retail Radar report. These reports provide commentary on the results of the Statistics NZ Retail Trade Survey, and the sentiment of retailers based on a Retail NZ survey. We welcome all feedback – if you have any comments or questions please email retail.radar@retail.kiwi

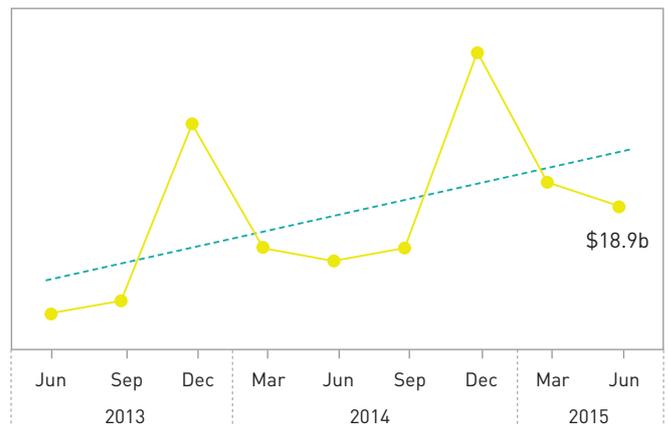
HEADLINE RESULTS

Retail trade has slowed in the second quarter of the year, following strong growth in the first quarter.

- Retail Trade Survey results show actual sales of \$18.9 billion, up 4.1 per cent of the same quarter last year.
- When adjusted for seasonal effects, growth was slower at just 0.1 per cent.

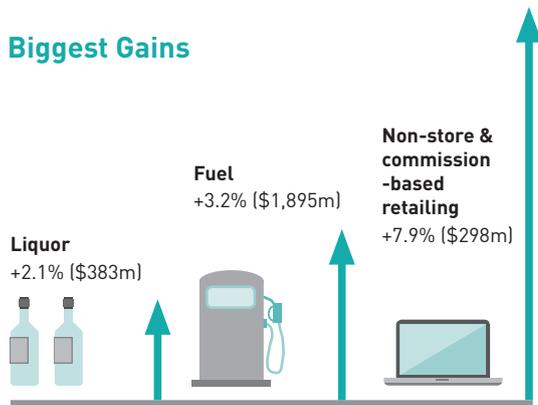
Retailers are reporting that business has been steady, but not stellar through until the end of June with most just hitting or exceeding targets. Outlook for the next three months is slightly better, with two thirds of retailers saying they expect to meet targets.

Actual retail sales

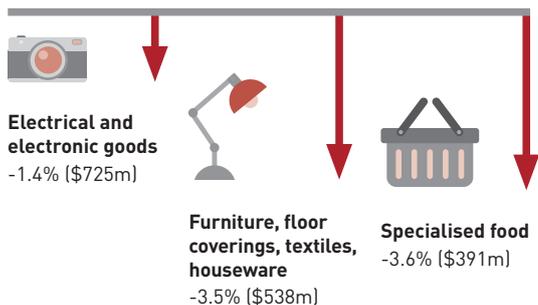


MERCHANDISE*

Biggest Gains

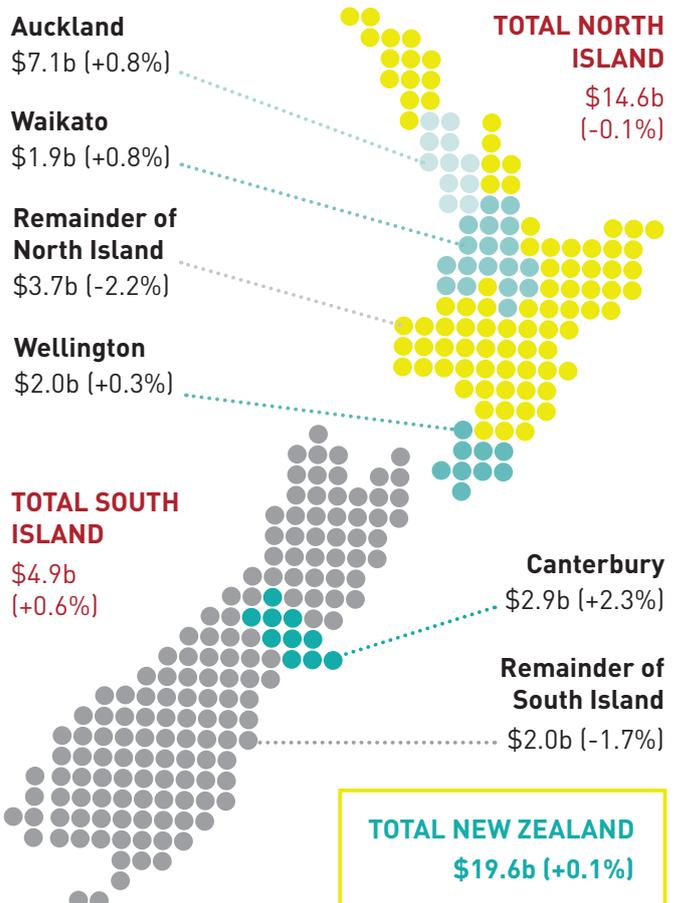


Biggest Falls



* Seasonally adjusted values (% change on previous quarter)
For full results refer to the *Statistics NZ Retail Trade Survey*

REGIONS*



RETAIL BUSINESS SENTIMENT

Looking back over the past three months:

Most retailers recorded a downturn in sales over the last quarter, some blaming the cold weather keeping shoppers at home, while others noted that the lower than expected dairy prices and general negative reports about the economy impacted business. The exchange rate was also cited by many retailers to be impacting their ability to meet targets. Fierce competition from foreign online retailers is considered to having the largest impact for some, particularly in the recreational goods and clothing/footwear categories. A combination of these things saw fewer shoppers on the main streets throughout the country.

On the positive side, the school holidays and Mother's Day, as well as the FIFA Under 20 World Cup event increased sales for some retailers.

What's coming up over the next three months:

Over the next three months most retailers expect to hit, but not exceed sales targets.

Economic uncertainty is a major cause of concern for retailers, again many citing falling dairy prices and the exchange rate to be the biggest influencer on business in the upcoming quarter. Many are putting their faith in good old fashioned customer service to lift results, and are investing in staff training and marketing to bring customers in store. The warmer weather as we move into spring is also expected to have a positive effect.

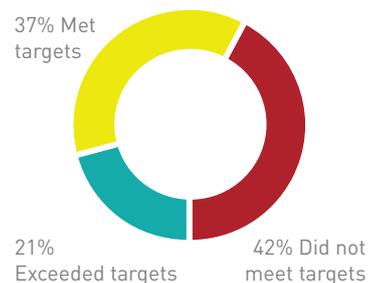
Some retailers are already looking ahead to Christmas and preparing for organised shoppers that like to beat the crowds and buy presents early. Retailers are also optimistic about upcoming Father's Day, local events like the World of Wearable Arts in Wellington, and increasing tourist numbers.

Employment intentions:

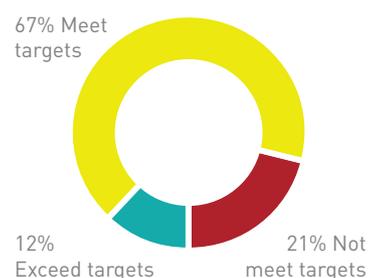
Employment intentions over the next three months are relatively steady, with most retailers expecting to retain the same number of staff as the previous three months.

RETAIL SECTOR PERFORMANCE

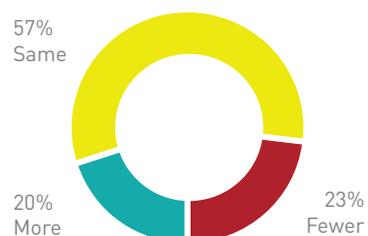
Past three months



Next three months

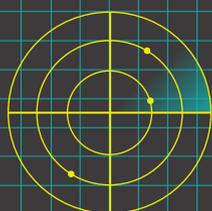
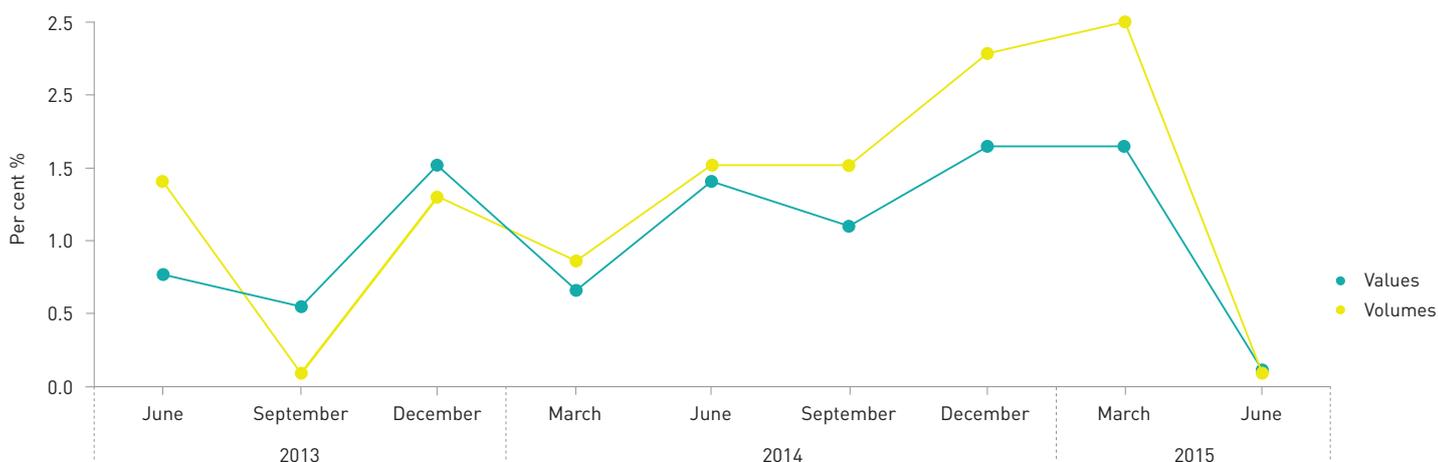


Employment intentions



PERCENTAGE CHANGES IN SALES - SEASONALLY ADJUSTED

Values and volumes in comparison to the same quarter last year



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Any questions? Email us at retail.radar@retail.kiwi

Produced quarterly by Retail NZ