KEPLER ANALYTICS

Retail Radar

Mother's Day Retail Trade Patterns

Key Insights

A comparison of retail trade for the two week period of Mother's Day
April 25 2022 to May 8 2022, aligned to the same two week period including Mother's Day from prior years.

Sales

Mother's Day sales were very strong compared to 2019.

23%
vs 2019
(Australia)

54%
vs 2019
(New Zealand)

Traffic

While there are overall significant declines in both Inside and Outside Traffic, many retailers are experiencing sales growth due to increases in ATV and sales conversion (more purposeful traffic).

Shopper Behaviour

Shopper behaviour shifted dramatically to a heavily weekend centric visitation pattern, with implications for the retailers capacity to convert on those days (referring the staff and stock availability).

Brand

Driving traffic into stores is both an online advertising and branding function as is the location and window displays.

Trends

The decline in Inside Traffic is now much greater than the decline in Outside Traffic. That is due to shopper visits being in the centres in order to visit specific stores (brands). We reiterate that brand relevance remains especially relevant to your success. Location-Location-Location is not as much the retail cry as it was!

Sales were strong, with highly purposeful traffic slowly returning to retail spaces.

Sales

Sales in Australia and New Zealand were very strong, vs 2019.

Strong in store activity, lead by Sales Conversion and ATV continued to drive strong sales performance. Though it is clear retailers face continued and lingering reductions in Outside Traffic (-24%)and Inside Traffic (-35%) for the period.

The residual traffic is now far more valuable to retailers, with the standout result being that Australian retailers, despite best efforts, are transacting less than 2019 (-2%). New Zealand counterparts saw growth in Transactions (+7%).

The ANZAC Day holiday started the campaign slower than in prior years

ANZAC Day

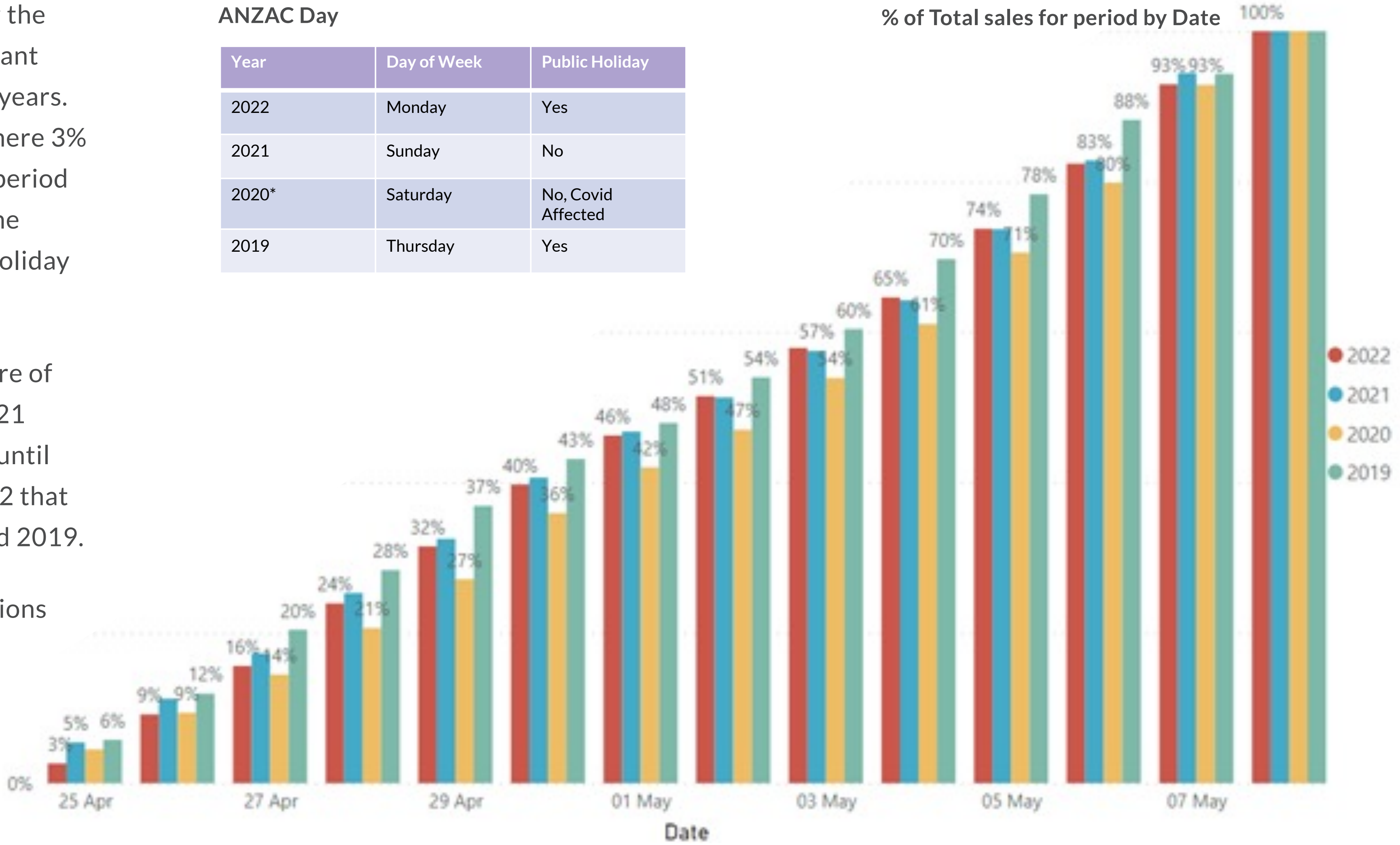
Reduced trading hours for the pblic holiday had a significant impact on Sales $ vs prior years. April 25th contributed a mere 3% of sales in 2022, vs 6% of period sales in 2019 – the last time Australian's had a public holiday for Anzac Day.

However, by 2nd May, share of trade had caught up to 2021 proportions, but it wasn't until Mother's Day itself in 2022 that the share of trade matched 2019.

Shoppers left the transactions later in 2022.

ANZAC Day

Year	Day of Week	Public Holiday
2022	Monday	Yes
2021	Sunday	No
2020*	Saturday	No, Covid Affected
2019	Thursday	Yes



Shoppers prefer weekends to transact

The strongest growth in Sales $ was recorded on weekends, particularly in Australia.

New Zealand was more consistently strong across the entire period.

The Australian result has implications for transactive capacity of retailers during key periods, should this "weekend peak" behaviour continue.

Outside Traffic peaked strongly on weekends

The Outside Traffic patterns continue to show strong declines vs pre-Covid levels, however there are signs of significant improvement.

Whilst overall traffic for the period was down, weekends showed traffic levels above 2019.

Should these trends continue, the peaks of transactional capacity will become key to the savvy retailer.

Outside Traffic 2022 v 2019

Date	Australia - Total	New Zealand - Total	Total
25/04/2022	-65.46%	-37.62%	**-64.37%**
26/04/2022	-19.30%	-0.42%	**-18.57%**
27/04/2022	-42.50%	-23.07%	**-41.78%**
28/04/2022	-20.16%	-13.01%	**-19.87%**
29/04/2022	-32.58%	-13.91%	**-31.90%**
30/04/2022	0.27%	-6.28%	**-0.01%**
1/05/2022	3.14%	0.20%	**3.02%**
2/05/2022	-34.66%	-9.74%	**-33.77%**
3/05/2022	-24.16%	-9.47%	**-23.62%**
4/05/2022	-45.14%	-32.65%	**-44.70%**
5/05/2022	-19.70%	-22.39%	**-19.80%**
6/05/2022	-33.52%	-28.26%	**-33.33%**
7/05/2022	30.54%	5.99%	**29.45%**
8/05/2022	-5.22%	3.54%	**-4.91%**
Total	**-24.08%**	**-14.70%**	**-23.72%**

Outlet centres remain challenged, CBD's and strips are rebounding strongly

Store locations have not performed evenly.

Outlet centres remain significantly weaker than other location types. Whilst sales growth is healthy at 8% up on 2019, compared to most other location types at above 20% growth, this is significantly lower.

Transaction volumes remain the key highlight, with the move to online trade perhaps being the key driver of reduced outlet trade.

There may also be an opportunity for sales growth in strip locations with the strongest ATV growth and the lowest decline in Inside Traffic, but Sales Conversion is performing poorly in these locations. Addressing capacity or stock issues here may yield significantly better results.

2022 vs 2019 – Location Profile table. Outlets vs Metro vs CBD

Measures	CBD	Homemaker Centres	Metro Centres	Metro Super Centres	Outlet Centres	Regional Centres	Strips	**Total**
Sales Total	28.38%	16.13%	26.23%	23.09%	8.40%	27.19%	23.07%	**24.25%**
Sales Conversion	49.68%	34.26%	45.42%	43.46%	63.75%	47.17%	25.65%	**47.77%**
Inside	-33.06%	-28.36%	-32.91%	-33.09%	-47.50%	-32.21%	-26.05%	**-34.32%**
Outside	-10.06%	-10.79%	-25.00%	-19.03%	-38.94%	-27.37%	2.15%	**-23.24%**
Transactions	0.20%	-3.82%	-2.43%	-4.01%	-14.04%	-0.23%	-7.08%	**-2.94%**
Average Transaction Value	28.12%	20.74%	29.38%	28.23%	26.11%	27.48%	32.45%	**28.02%**
Sales $ Per Outside	42.75%	30.18%	68.30%	52.01%	77.54%	75.12%	20.48%	**61.86%**
Total								

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General Merchandise, Stationery & Health Beauty and Wellness performed best

RETAIL RADAR

Women's Clothing showed the highest Sales $ growth vs 2019, driven largely by ATV increases.

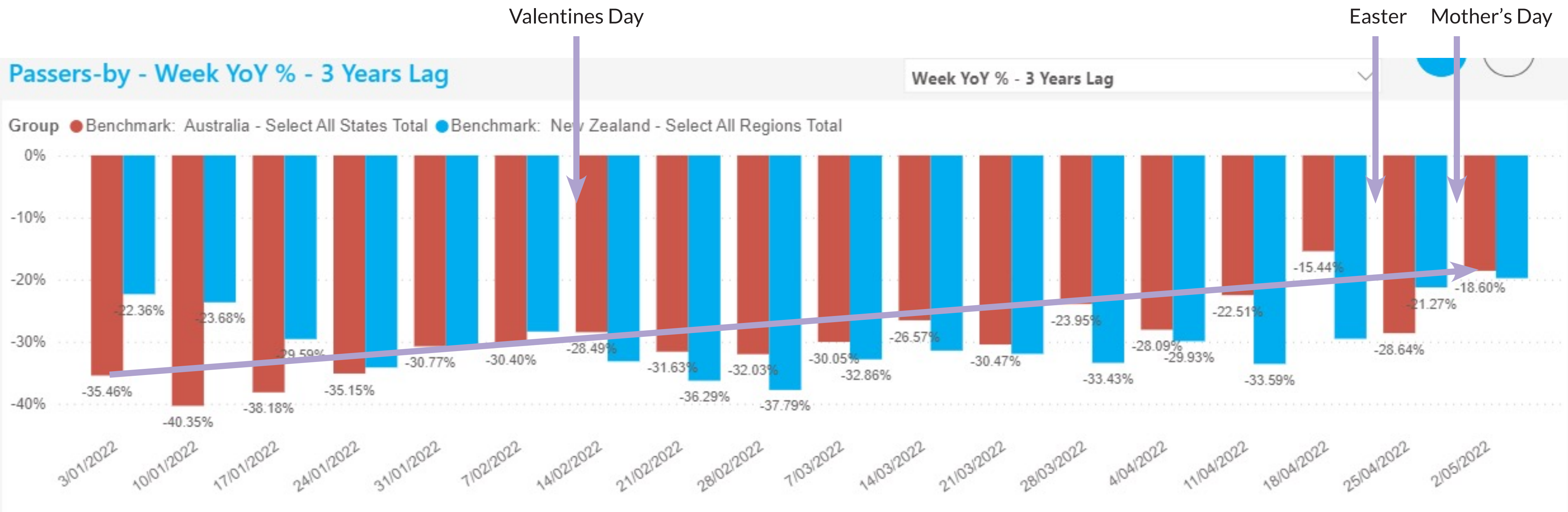
General Merchandise and Electronics was able to show the lowest decline in Inside Traffic by a considerable margin vs most other categories, but was unable to grow Sales Conversion to the same rate.

2022 vs 2019 – Key metrics by retail category

Measures	Clothing - All	Clothing - Unisex	Clothing - Women's	Footwear	General Merchandise and Electronics	Health, Beauty and Wellness	Houseware	Watch and Jewellery
Sales Total	20.20%	12.25%	33.21%	16.37%	32.86%	30.47%	22.22%	31.83%
Sales Conversion	63.80%	72.52%	44.54%	40.10%	15.35%	31.82%	58.75%	47.53%
Inside	-42.60%	-47.54%	-28.74%	-24.86%	-16.30%	-24.15%	-32.67%	-27.74%
Outside	-24.04%	-27.98%	-24.54%	-29.58%	-19.46%	-21.76%	-23.74%	-38.42%
Transactions	-5.98%	-9.50%	3.00%	5.27%	-3.45%	-0.01%	6.88%	6.61%
Average Transaction Value	27.85%	24.04%	29.33%	10.54%	37.62%	30.49%	14.35%	23.66%
Sales $ Per Outside	58.25%	55.86%	76.54%	65.24%	64.96%	66.76%	60.27%	114.08%
Total								

Traffic is returning to centres, inspired by campaigns and events

Despite ongoing weakness in Outside Traffic vs pre-Covid levels, the trend since the start of 2022 is definitely improving. Events and retail campaigns seem to have strong impacts on Outside Traffic volumes.



Summary

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Outside Traffic is returning to shopping precincts, but not to stores. Branding and efforts to pre-dispose Outside Traffic to enter a store should be a key strategic focus for retailers.

With ongoing shopping precinct traffic improvements trending towards an eventual return to pre-pandemic numbers, retailers need to be aware of changing patterns and cycles particularly over weekends, if they are to maximise Sales Conversion.

Outlet locations remain as the lowest performers. CBD and Strip locations offer significant upside to retailers.

Thank You

If you would like further information on anything that was discussed, get in touch.

info@kepleranalytics.com

+61 1800 300 892 (AUS)
+1 855 735 3307 (USA)