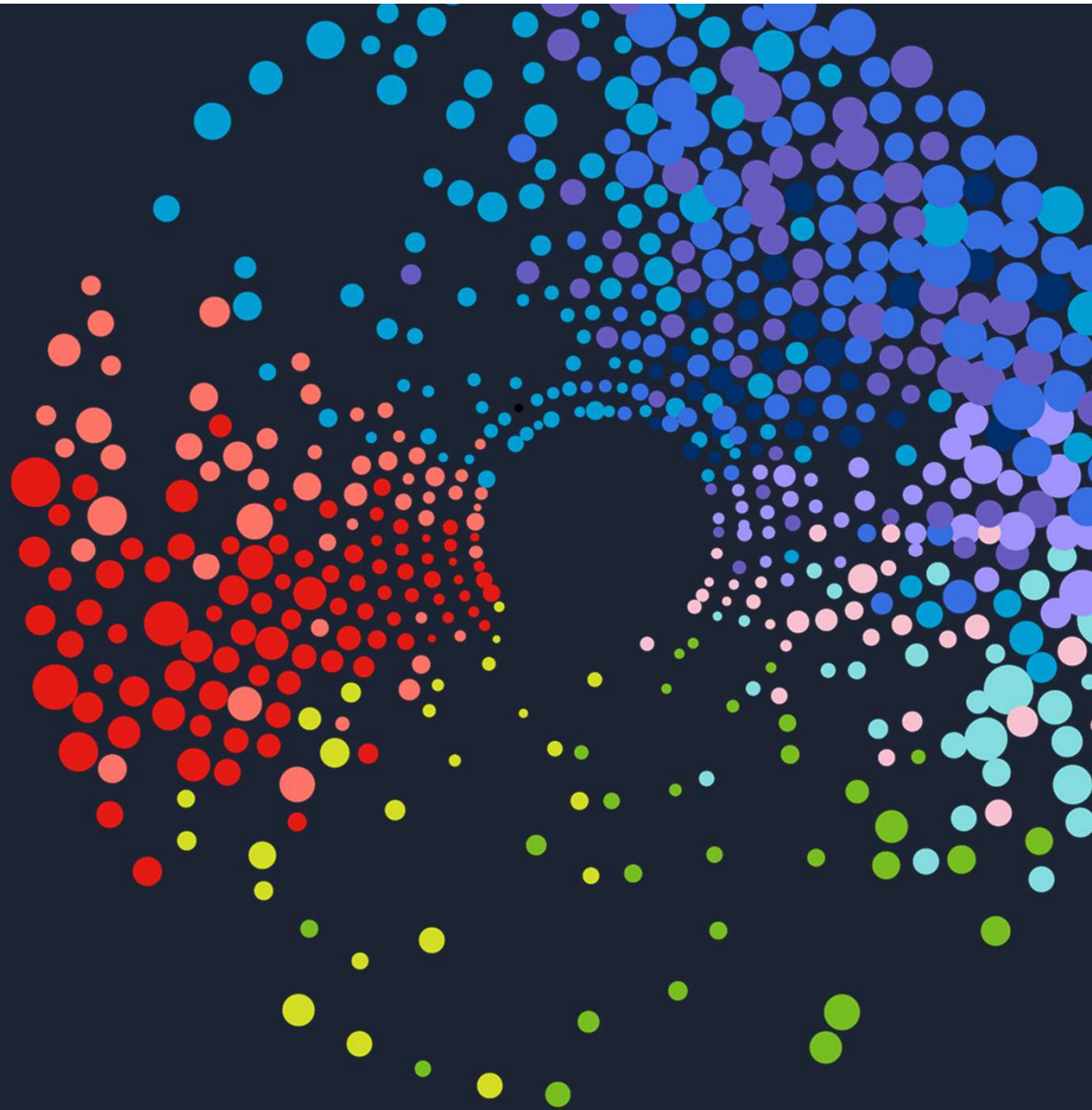


Westpac DataX

The power of Westpac's data in your hands

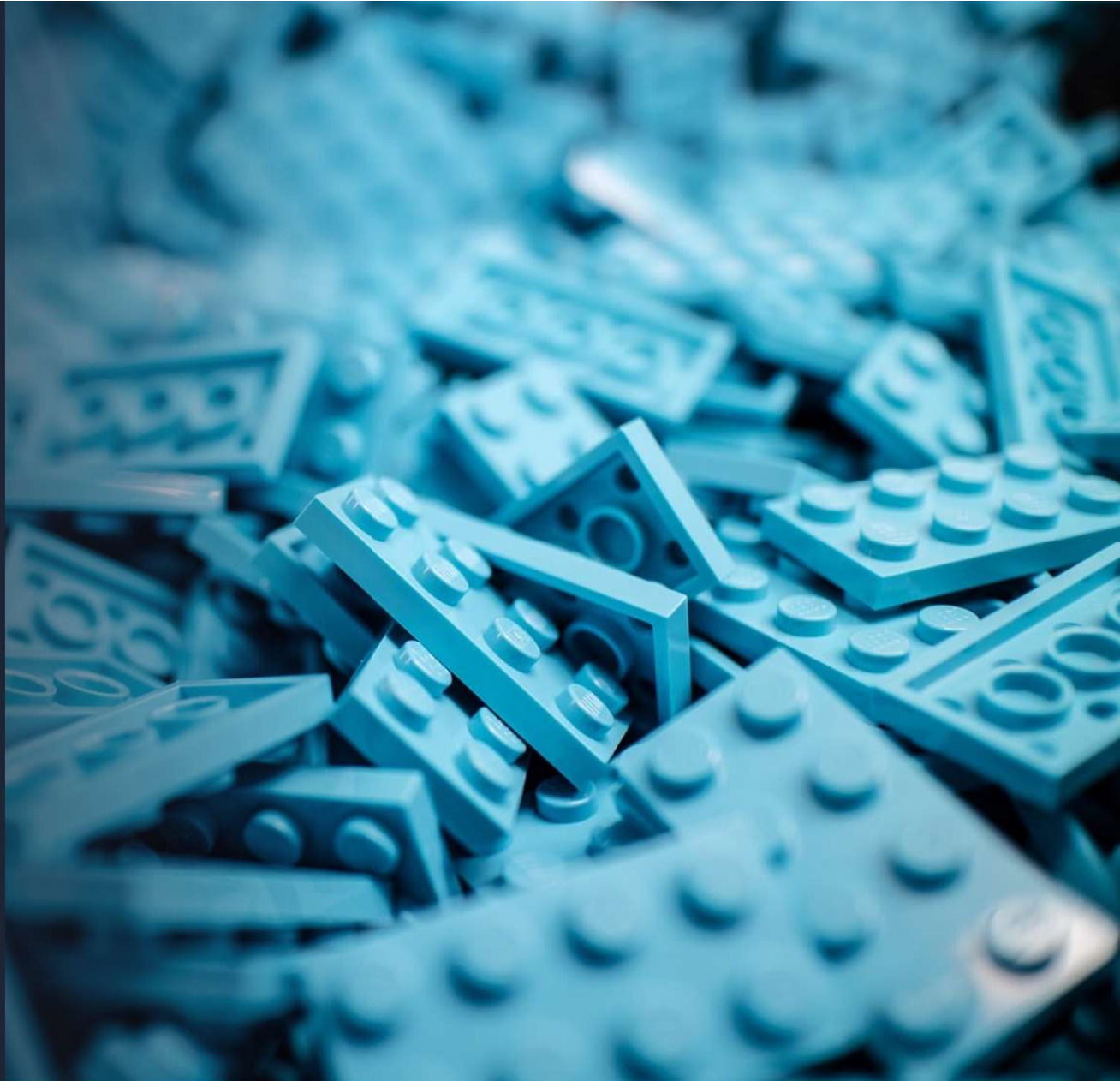


HOW RETAILERS ARE BANKING ON DATA

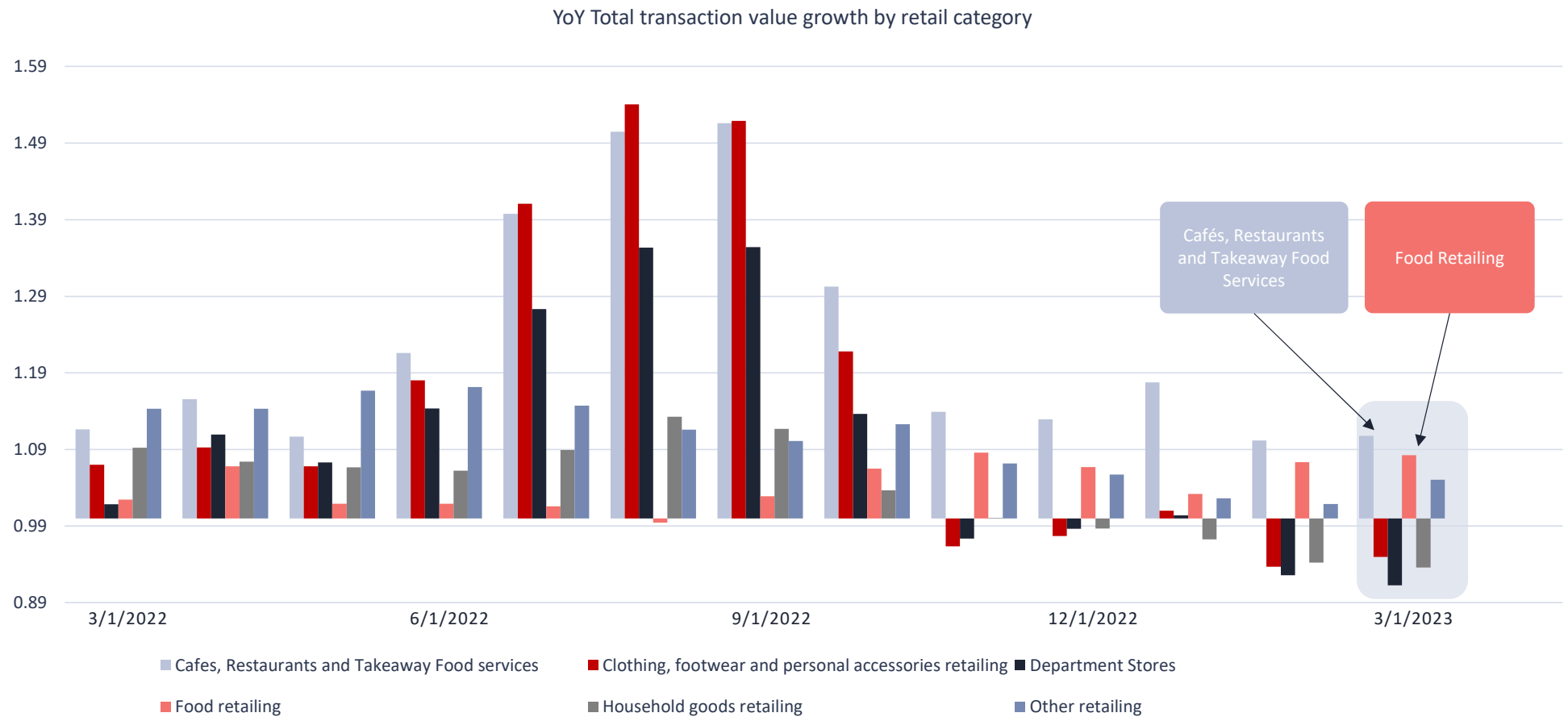
1.

Macro: the cost of living and inflation.

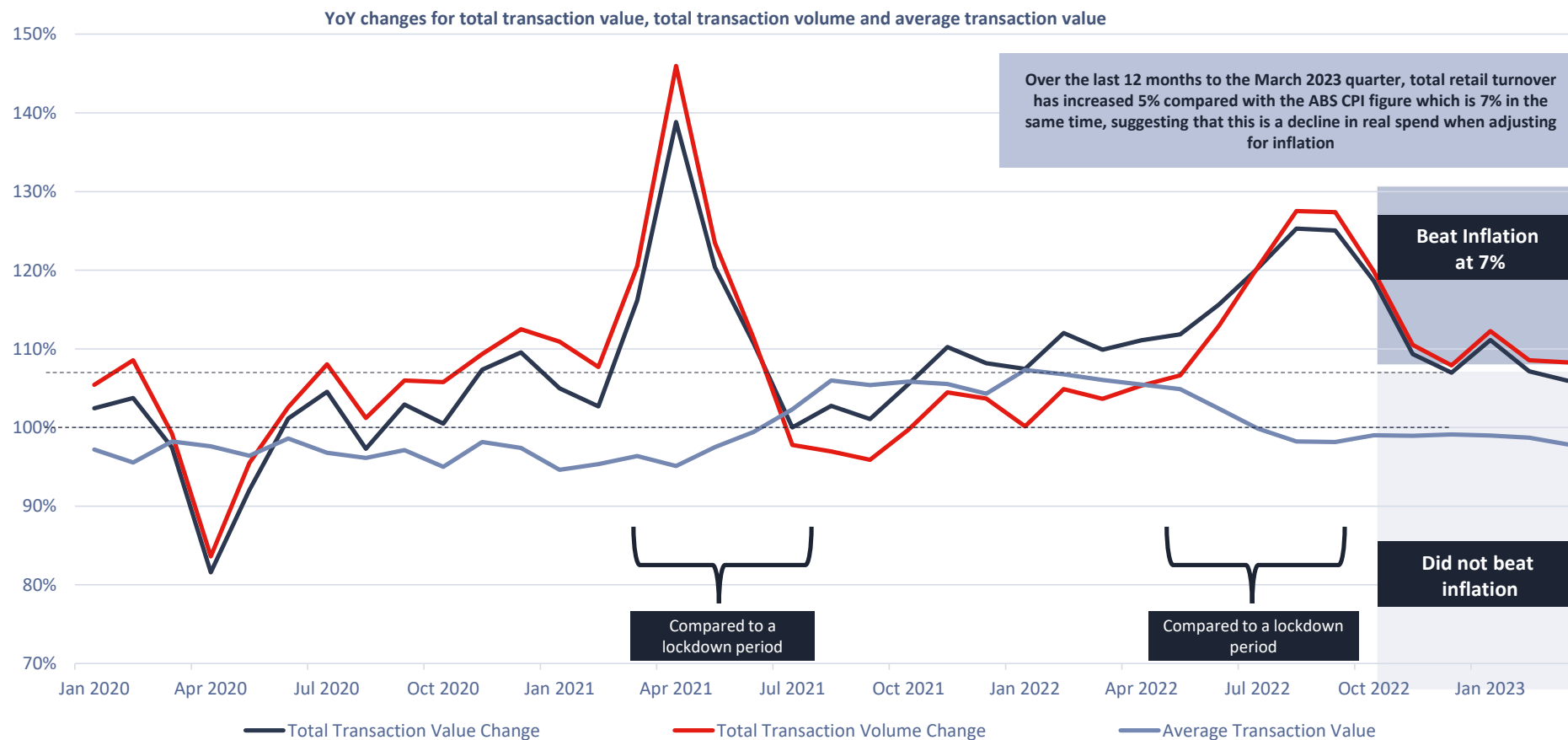
What does it mean for consumers' financial position and your business?



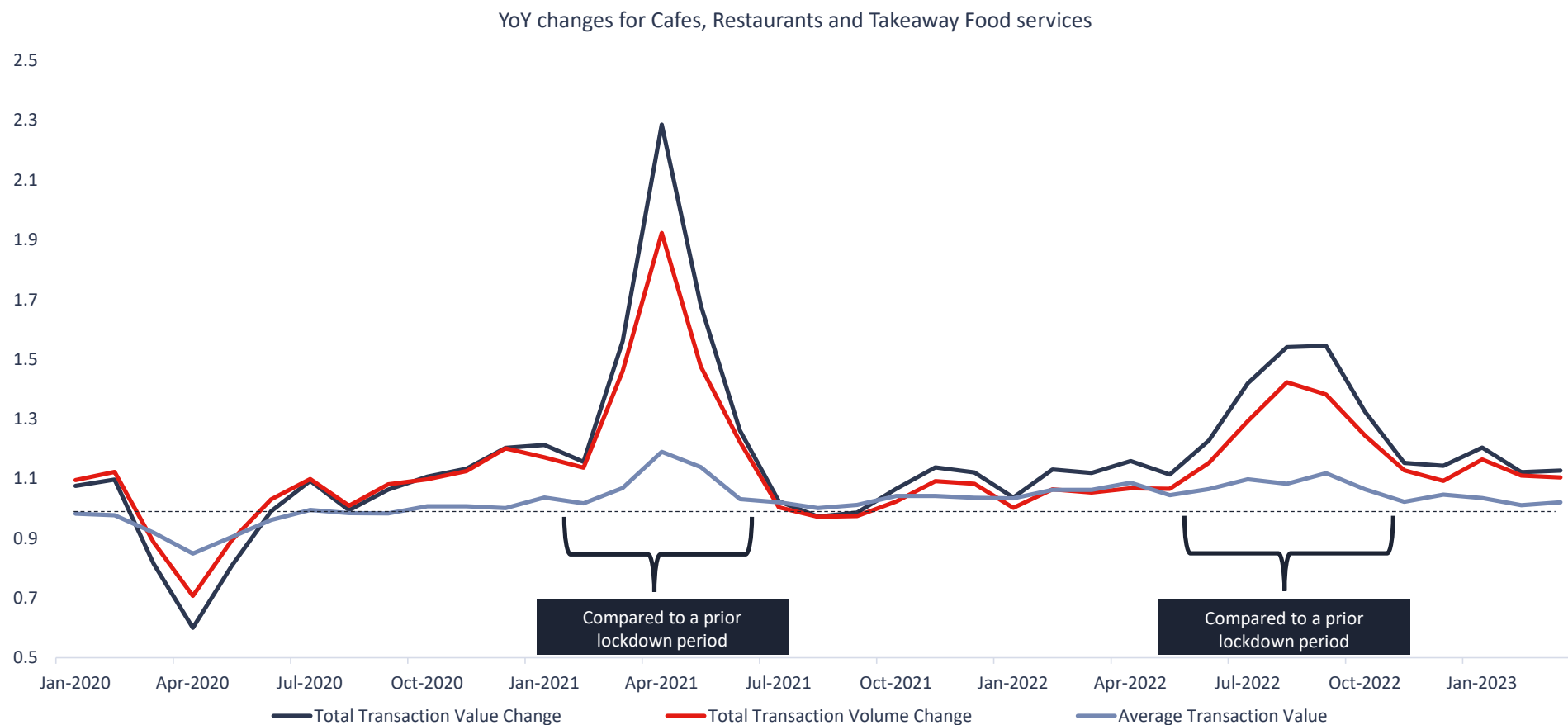
Only food related categories have shown positive year on year growth for the March quarter.



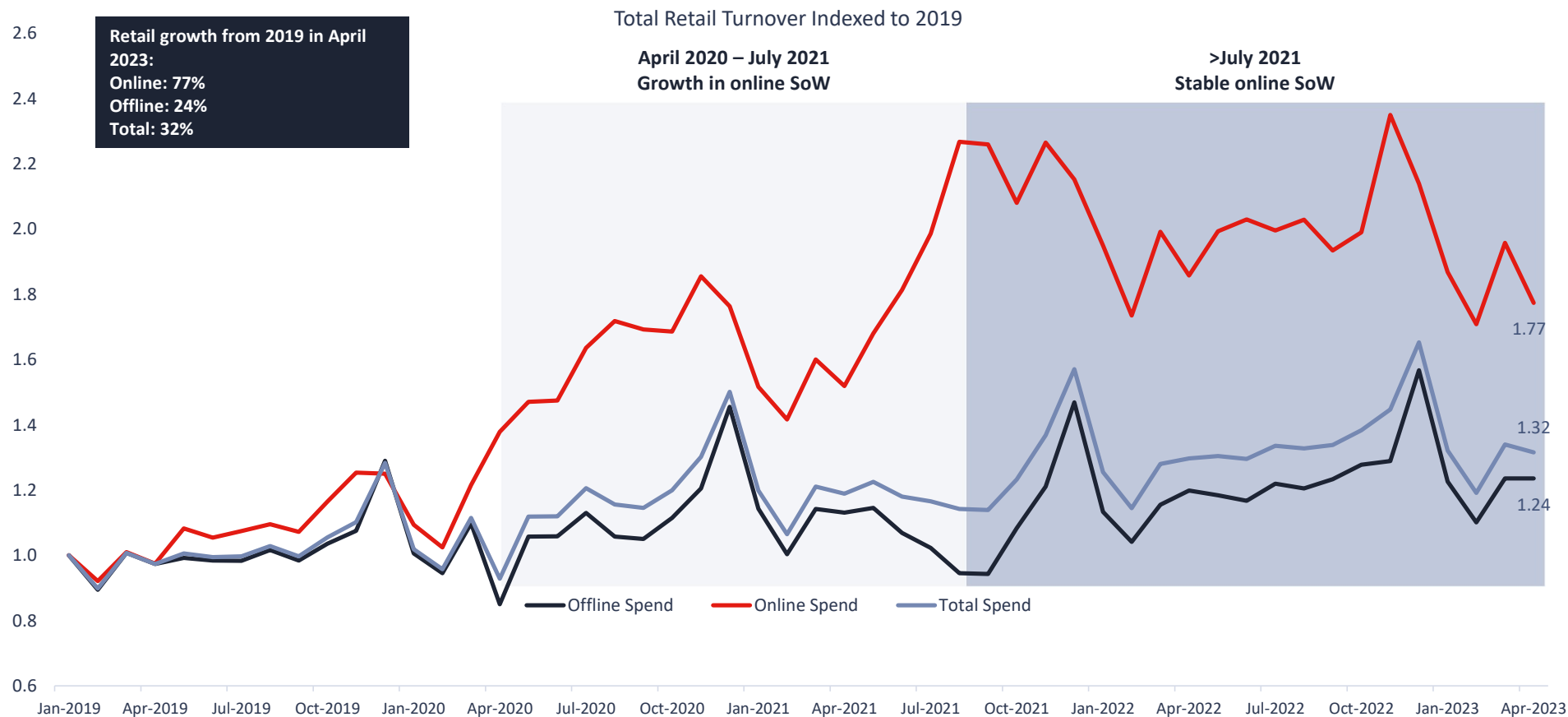
Amidst slowing saving / deposit growth, we see that Jan – Mar 23 YoY growth has not kept pace with inflation, with average transaction sizes actually having declined.



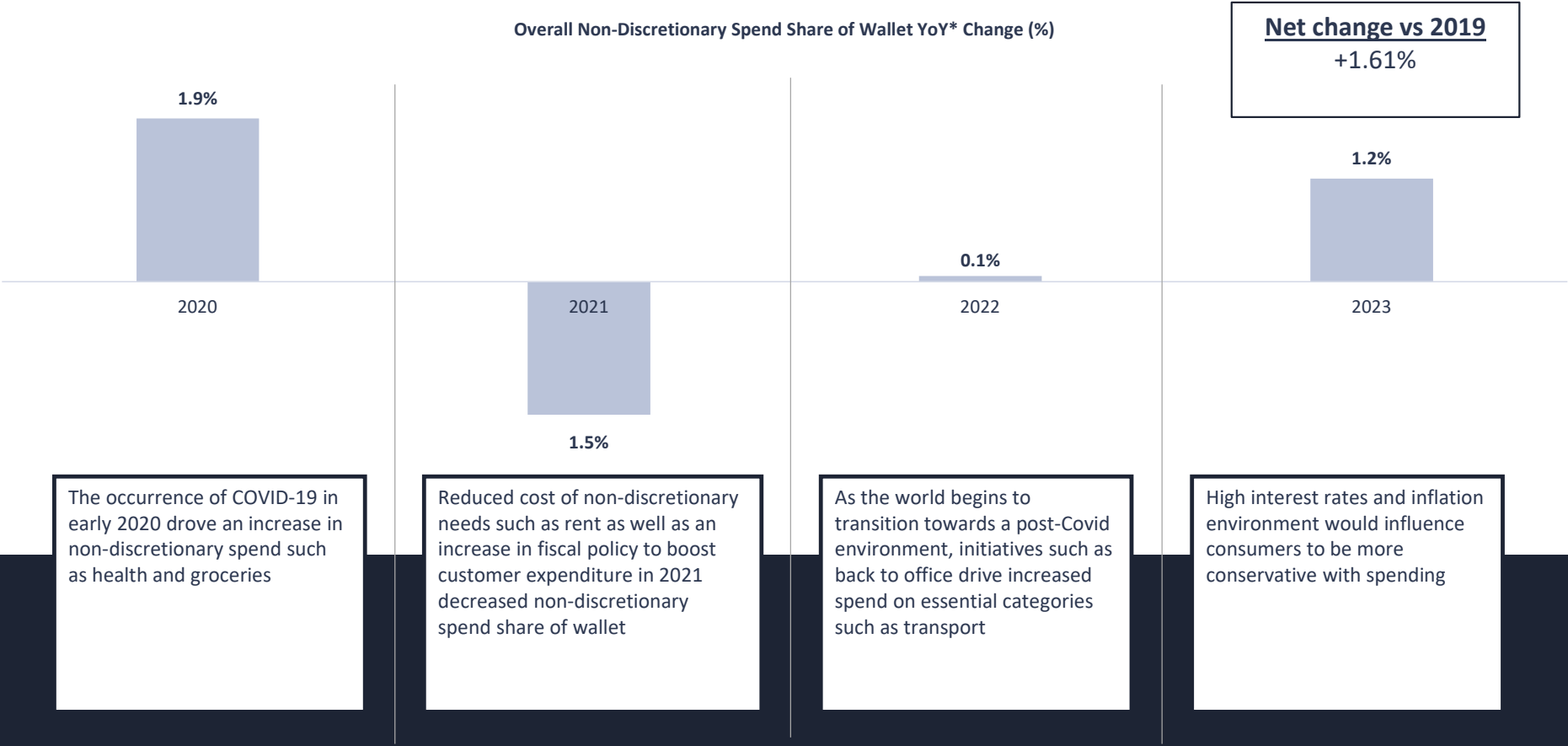
The average transaction value for Cafes, Restaurants and Takeaway Food Services has remained remarkably flat, despite high “cost of goods in the basket”, with the total spend increases driven primarily by transaction volumes.



Although online spend is up 77% on pre-Covid levels, the growth in online has stagnated since July 2021, and in-store still makes up the majority of retail transactions (~87.5%).



Non-discretionary share of wallet has increased 1.2% YoY for Mar quarter. While this is relatively minor shift to date, continued shifts to non-discretionary spend could have substantial impacts for retailers.



International visitor spending continues to recover in New South Wales and Victoria but still sits well below pre-pandemic levels.



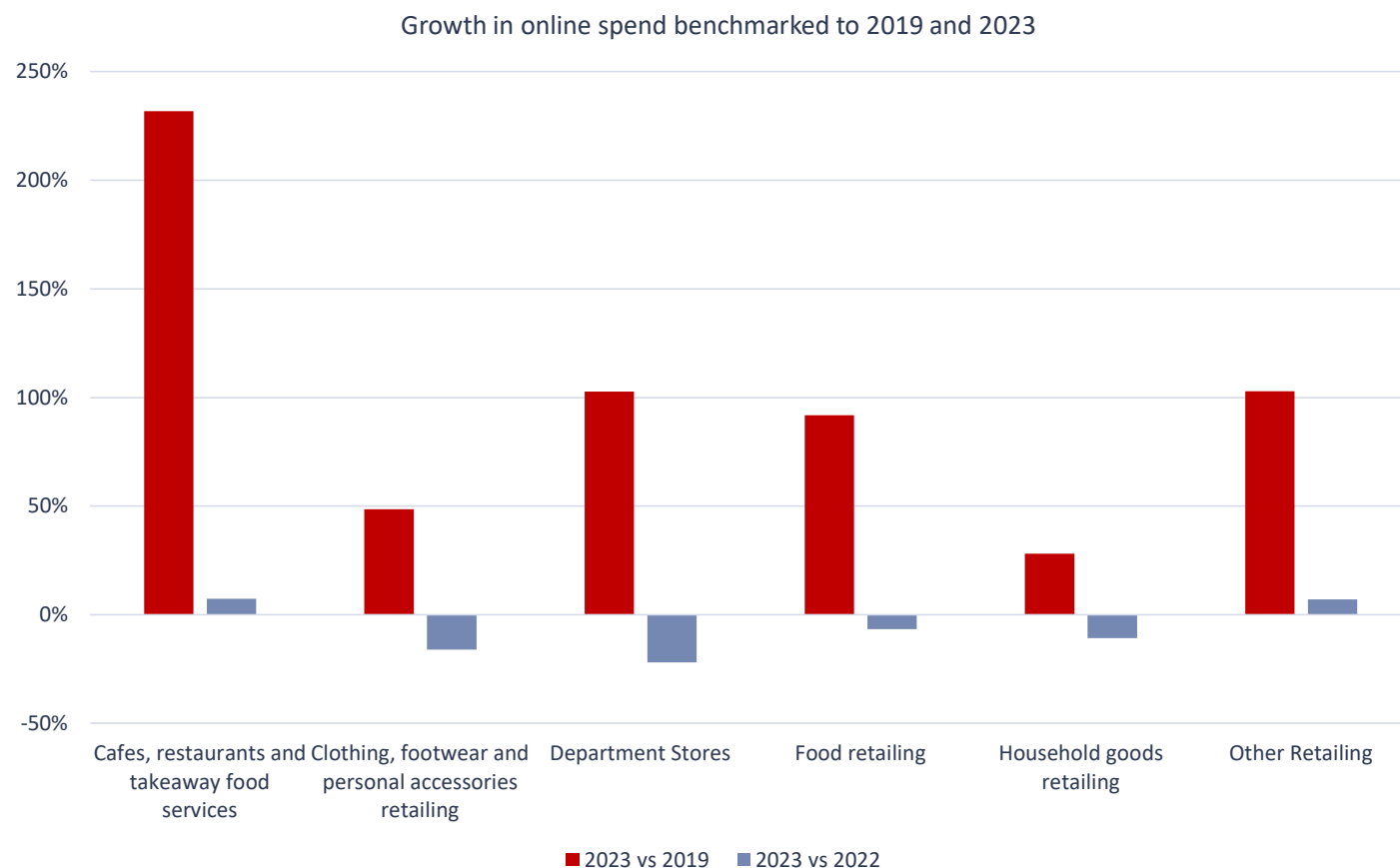
HOW RETAILERS ARE BANKING ON DATA

2.

A renaissance: the role of
eCommerce and physical store
networks



Despite historic online growth over the last four years (red), over the past 12 months (blue) we see that only Cafés, Restaurants and Takeaway Services have managed to grow.



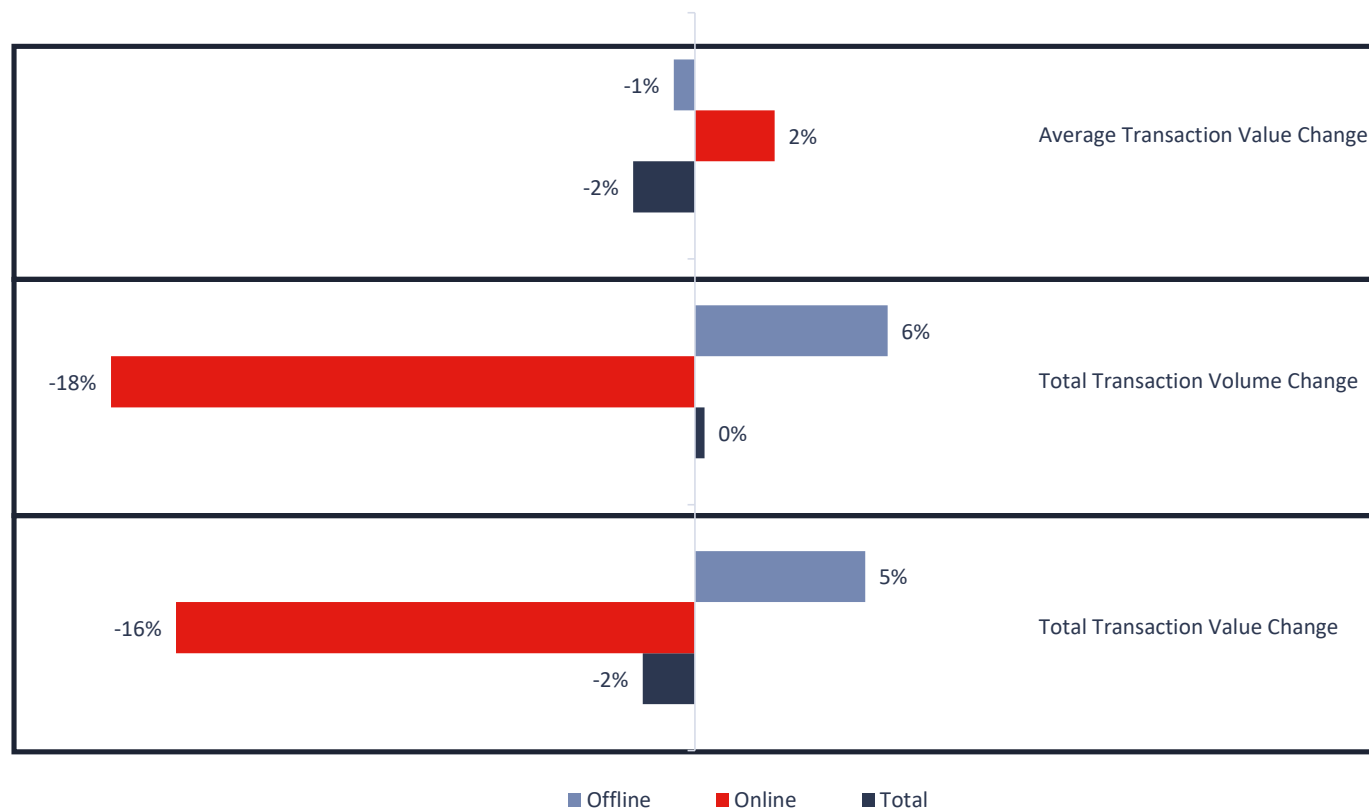
The Covid Impact:

The mandated lockdowns caused consumers to spend more time online than before:

- Although proportion of digital transactions increased to 12.57% in 2022, it has since declined to 12.29% suggesting that consumers are becoming more mindful of their online purchases in the current economic environment

The March-23 quarter shows a strong YoY shift back to in-store activity across Clothing, Footwear and Personal Accessory Retailing.

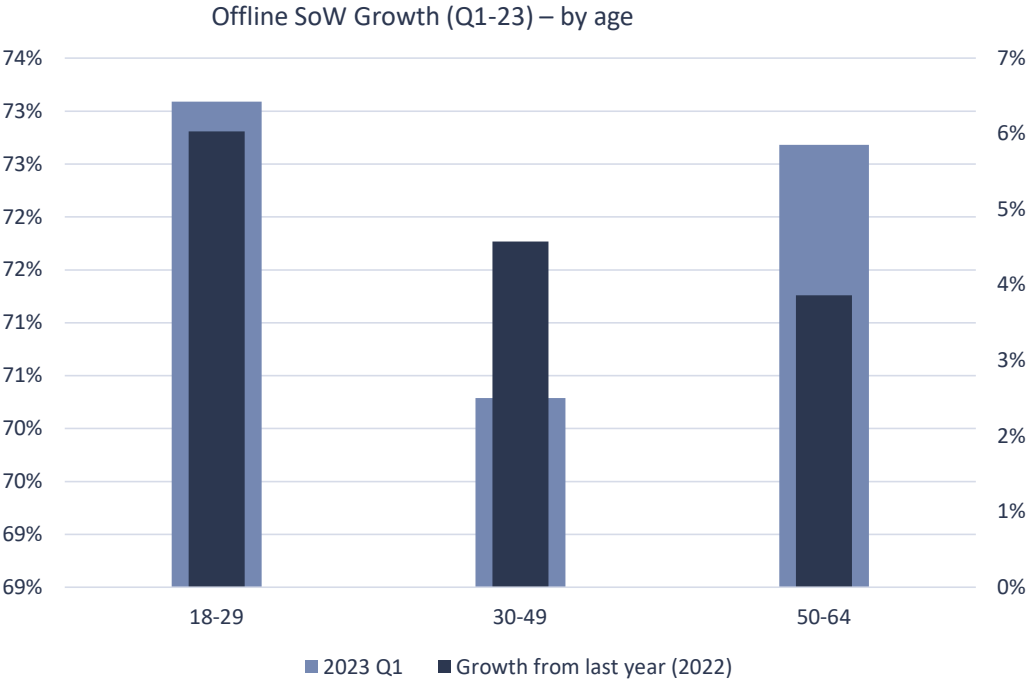
Spend change of clothing, footwear and personal accessory retailing benchmarked to 2022



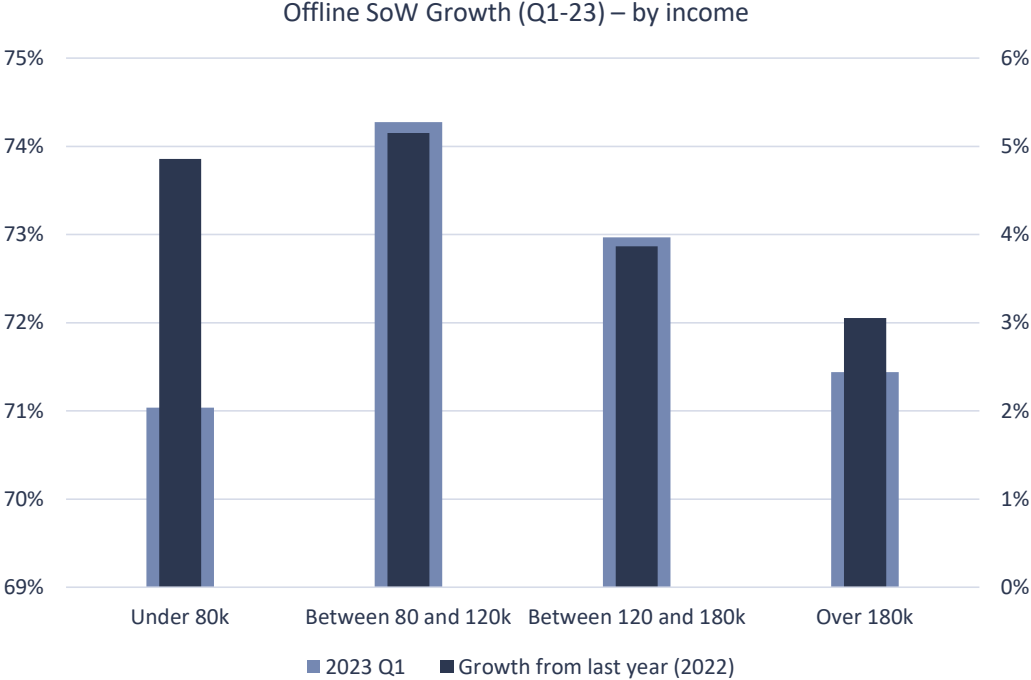
- High average transaction value categories such as clothing, footwear and personal accessory retailing are seeing reduced spend
- However, in person spend is still seeing growth, suggesting that there is residual pent up demand for this category

Youth and low / medium income bands show higher returns to in-store purchases across Clothing, Footwear and Personal Accessories for the March-23 quarter.

Ironically, youth have had the greater YoY increase in in-store SoW



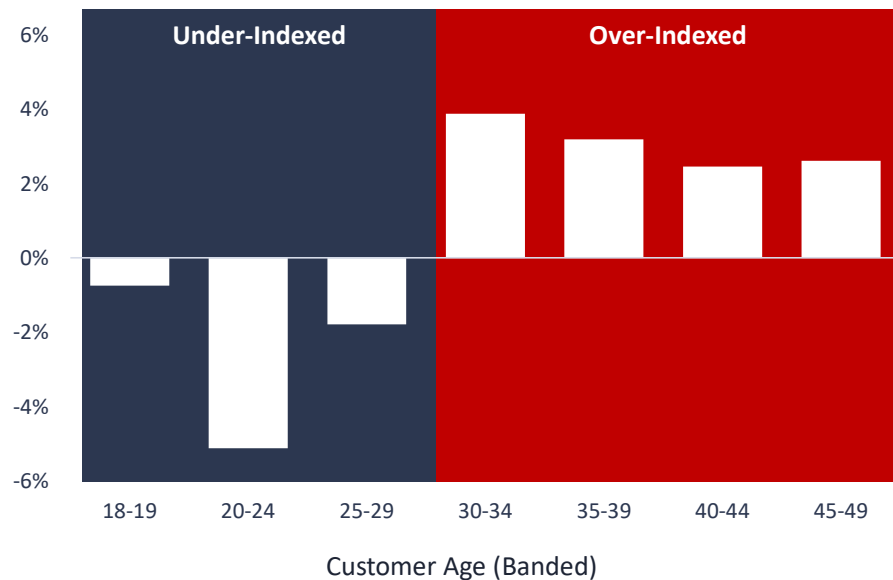
In-Store SoW growth has skewed towards lower income bands (<\$120K p.a.)



Using the Westpac data, we were able to explain why a store was underperforming despite being located near a residential catchment with the right demographic profile – visitors drove the transactions.

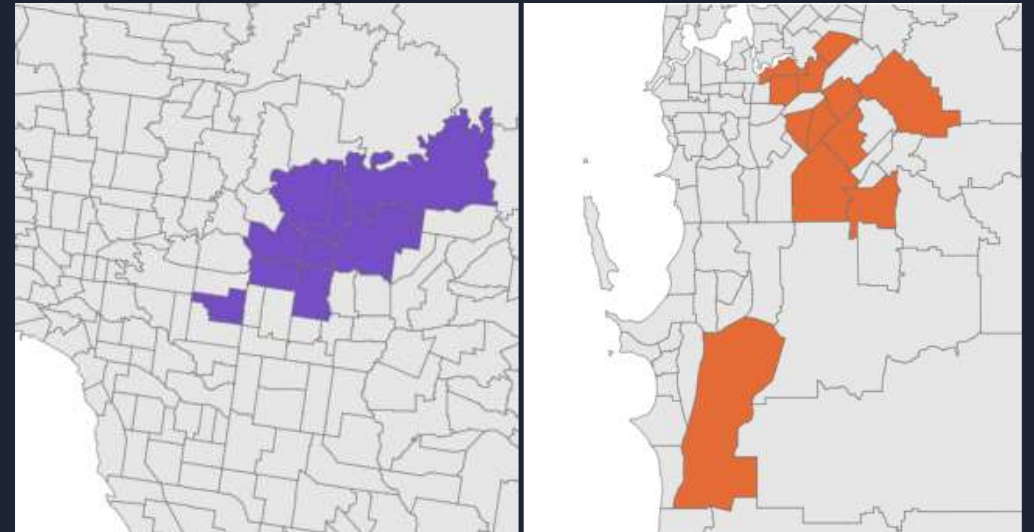
Customer Age Profile

The two locations skew towards an older demographic (relative to other selected stores)



*Insights are dependent on the time period and the benchmark stores selected.

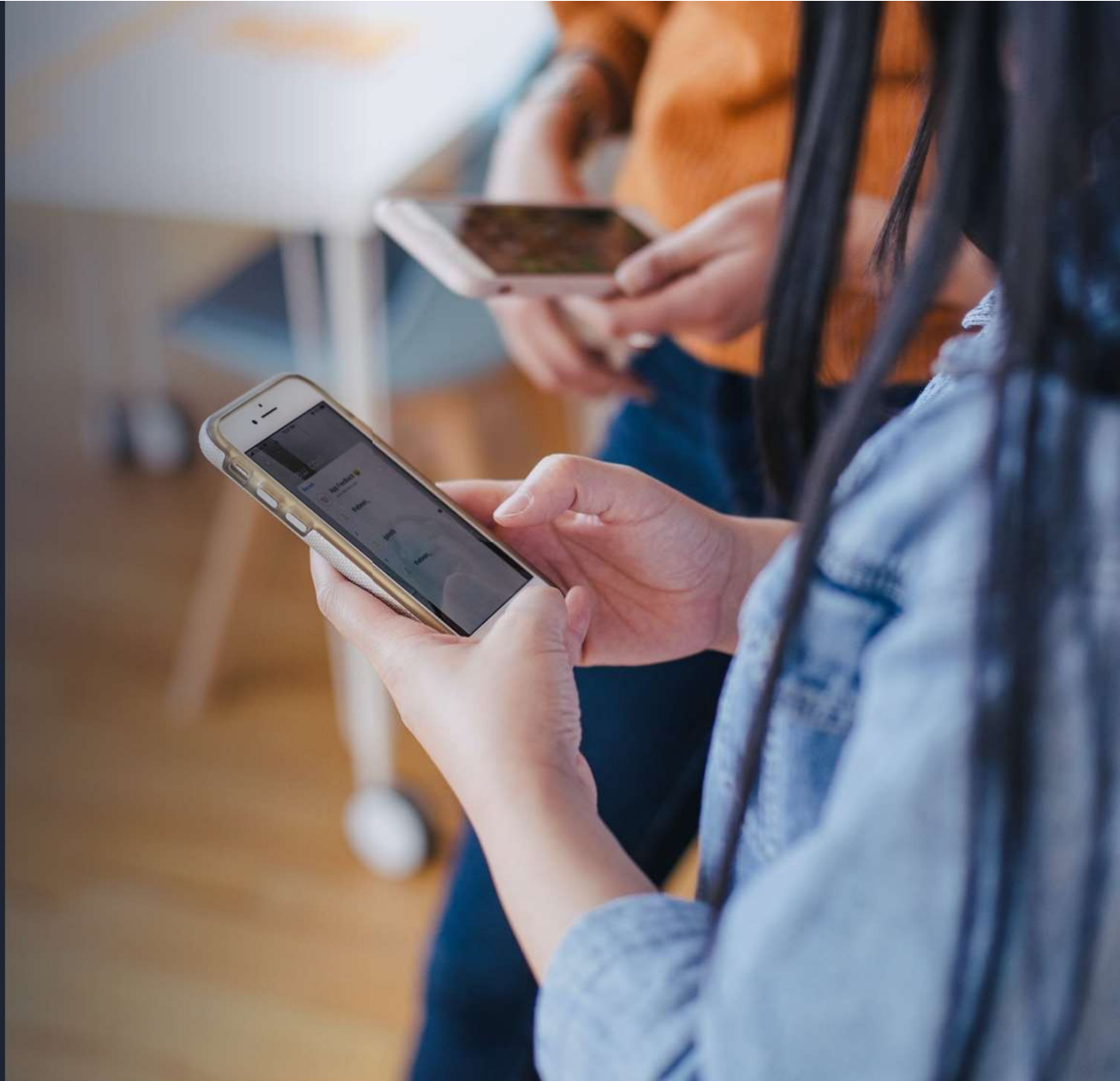
Store Catchment Area



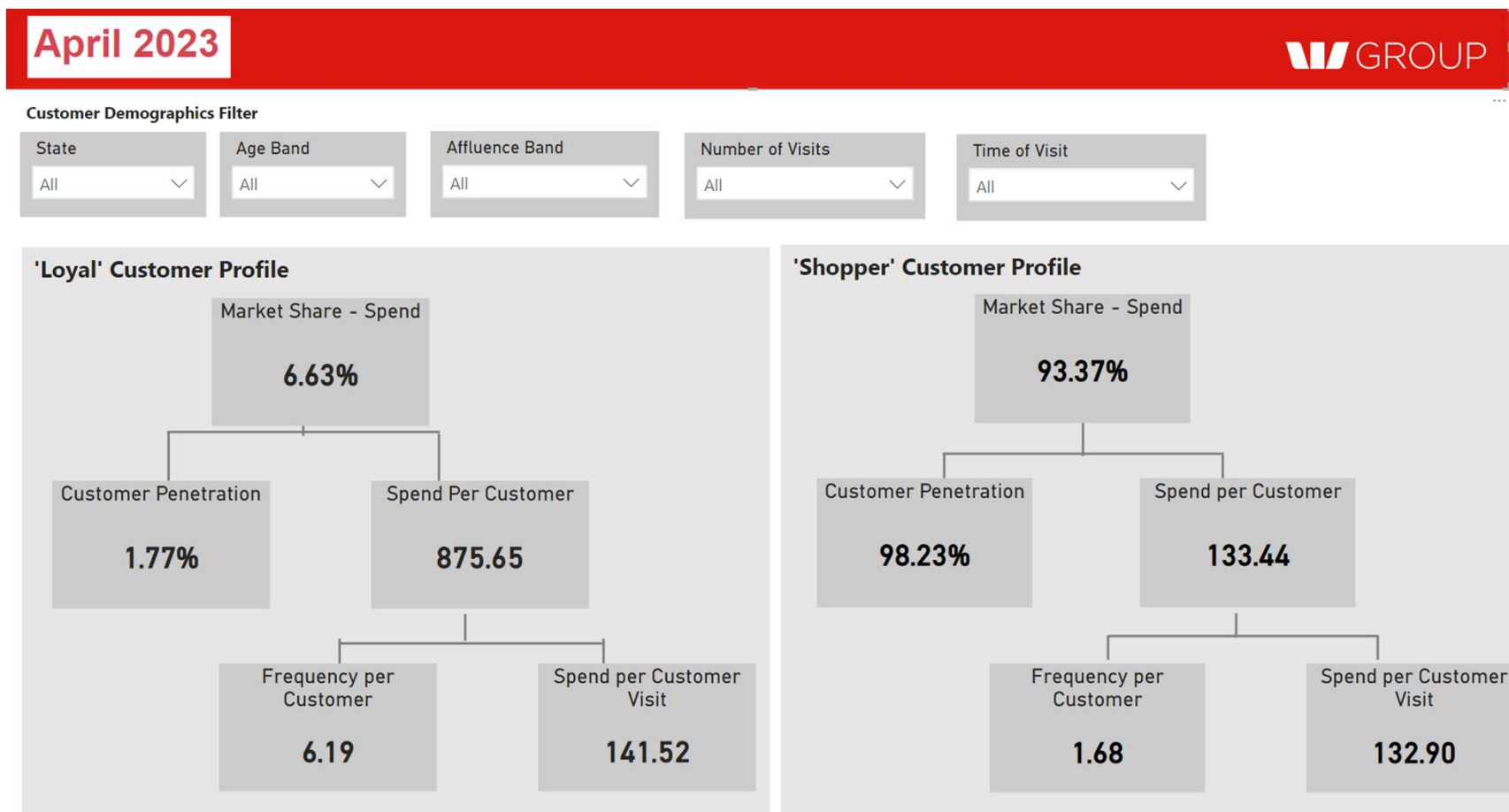
HOW RETAILERS ARE BANKING ON DATA

3.

Loyalty: how much head room is left
in the share of wallet?



The market share driver tree helped to show a business that despite low customer penetration, they excelled in retaining loyalty customers with high average transaction values and frequent visitation.



Thank you

