

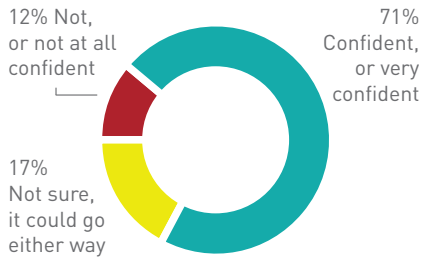
## Optimism is the big mover in Retail Radar survey

While the retail environment continues to provide challenges, retailers are feeling confident as they head into 2024. The change in Government is a significant factor in this improved confidence as the economic environment is unchanged and the key issues facing retail remain the same, although there has been some slight improvement.

### Retailer confidence

Retail NZ's quarterly Retail Radar survey of members indicates significant turnaround in confidence from retailers. In alignment with the latest NZIER Quarterly Survey of Business Opinion, 71% of Retail Radar respondents advised that they are confident or very confident that their business will survive the next 12 months, with only 12% either not confident or not at all confident that they will survive. This is a marked improvement on the September quarter where 57% of retailers were confident of their business sustainability.

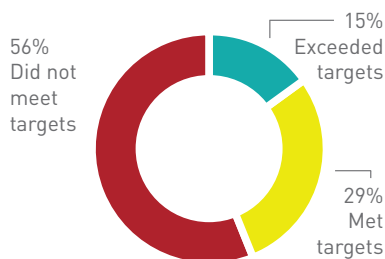
**How confident are you that your retail business will survive the next 12 months?**



While we have not yet seen any changes in the economic outlook, business owners are optimistic that the change in Government will result in a change of fortunes for them in 2024.

In contrast to retailers' confidence, 56% of retailers advised us that they did not achieve their sales targets in the December quarter, which is slightly better than the September quarter, where 61% of retailers did not meet their sales targets. In September 56% of retailers advised that they were confident they would achieve their sales targets in December, versus the 44% of retailers who actually achieved their December targets.

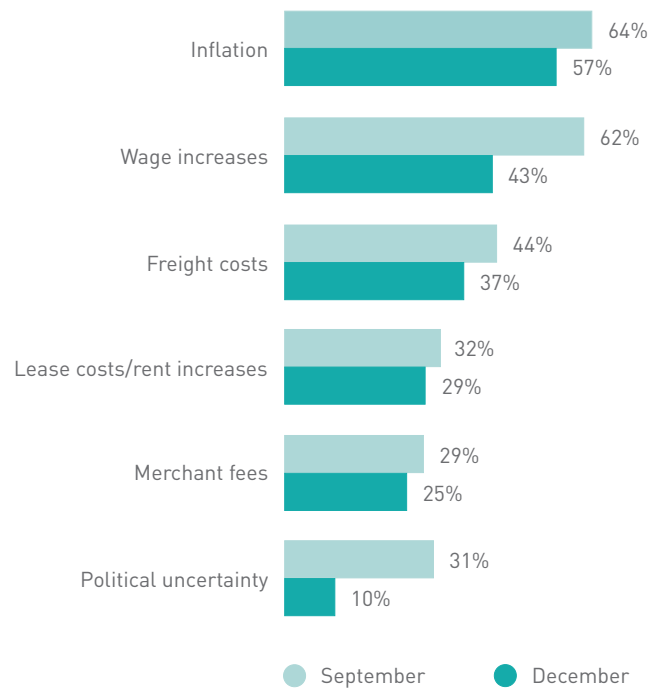
**Looking back over the past three months, how did your business track against your targets?**



### Issues impacting retailers

Inflation remains the most significant issue (57%) followed by wage increases (43%) and freight costs (37%) for retailers, which were also the top three issues in the September quarter. Following the election, political uncertainty now sits outside the top ten issues for retailers. Interest rate increases are now the sixth most important issue at 26%.

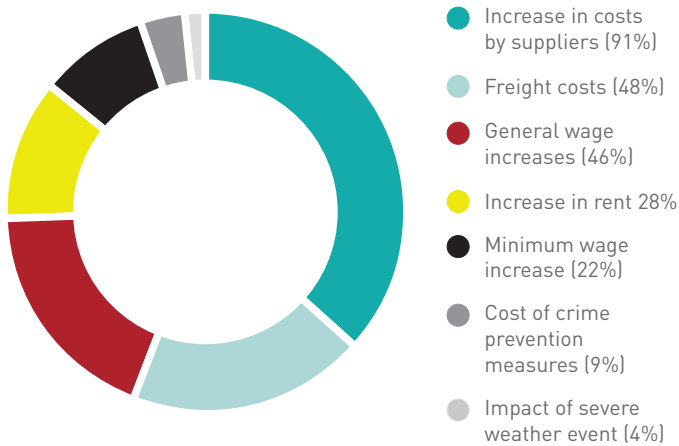
#### Top issues impacting retailers (quarter on quarter)



## Cost increases impact prices

Inflationary factors continue to impact the retail space with 41% of retailers advising that prices rose in the December quarter with key drivers being increases in costs by suppliers, freight costs and general wage increases. We will be keeping a close eye on the economic factors alongside any legislative changes that will either relieve or add further pressure to the fate of retailers.

### Key drivers for price increases



**Methodological notes:** \*This Retail Radar report presents the results of a survey of Retail NZ members.

**Got questions?** Email us at: [retail.radar@retail.kiwi](mailto:retail.radar@retail.kiwi)



## Businesses keep up with the heat

As the temperature has risen across the country, so has customer satisfaction, with the overall Net Promoter Score jumping 5% from the previous quarter, landing at 84.54 for October to December 2023.

### Saturday and Sunday shine

An interesting observation from this quarter's data is that weekends, which typically report lower NPS, experienced a noteworthy improvement leading up to the holiday period. Both Saturday and Sunday saw greater increases in NPS compared to weekdays, suggesting that businesses successfully brought the holiday cheer to customers' in-store experiences.

### Retailers in the fast lane

Nearly 20% of customers consistently mention speed and efficiency as a pivotal aspect of their overall experience. It's evident that customers are not only recognising but also applauding the efforts made by businesses to meet their expectations, even during the bustling holiday season.

### Continuing the trend in 2024

So, what can businesses do in 2024 to continue this upward trend? It's all about consistency and reliability. Strengthening customer relationships through clear communication, friendly customer service and delivering on promises will all contribute to enhanced customer satisfaction in the long term.



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