Bournemouth Coastal Bid

Retail Research Report 2014

Southbourne

FSP RETAIL BUSINESS CONSULTANTS

Executive Summary

Southbourne

- The smallest of the catchments, Southbourne has a resident population of 162k with a penetration of 11%, generating a shopping population of 17k (19k incl. 'pull-in')
- Proportions of *Pre-Family* households are 13% above UK average
- Household income is 2% above UK average, highest in the *Inner* segment where it is 4% above average
- Total shopper Non-Grocery spend in Southbourne is £84m; £77m from resident shoppers and £7m from tourists
- Southbourne attracts the smallest proportion of visitors, accounting for only 12% of respondents (Peak), vs. 9% during Off Peak
- Like Westbourne, *Affluent Achievers* are above UK average throughout the catchment, particularly high in the *Inner* segment. Southbourne successfully converts these residents into shoppers, making up 33% of the shopper profile
- The shopper profile remained similar between Peak and Off Peak, but there are higher proportions of younger ACORN *Groups* in Peak, in contrast to Westbourne
- Visitors increased to a similar extent as Westbourne, visit frequencies also declined
- Non-Food spend increased considerably during Peak, in a similar vein to Westbourne, whilst F&B spend remained consistent. However, F&B spend did increase notably amongst Visitors
- *NPS* improved from +25 to +40 between Off Peak and Peak

Executive Summary – all locations

- Home locations
  - Peak/Off Peak remained similar across all three locations, with 80% or more respondents originating from within their Principal catchments. The catchments generated in April are still valid throughout the Peak period
  - The majority of Tourists across all locations tend to be more affluent than those living within the respective Principal catchments
- Shopper profiles
  - Remained largely similar between Off Peak/Peak, although there were some subtle changes in Westbourne and Southbourne
- Respondent Categories & Visit Frequency
  - The proportion of Visitors increased during Peak in all three destinations, increases in Overnight Visitors are especially notable. This caused drops in average visit frequency
- Non-Food Spend
  - Increased during Peak in Westbourne and Southbourne, fell in Boscombe
- F&B Spend
  - Increased during Peak in Boscombe and Southbourne, fell in Westbourne
- *NPS*
  - Increased dramatically in Peak in all locations, especially amongst Visitors

Key Terms

- **Residents** – Respondents who identified themselves as ‘Local Residents’ in Question 2
- **Visitors** – Those who identified themselves as either Day, Overnight (Staying Nearby) or Overnight (Staying Outside area) Visitors in Question 2
- **Tourists** – Respondents living outside the Principal catchment area (the combined Inner/Outer segments), irrespective of their response for Question 2 (resulting in a small proportion of those defining themselves Local Residents being re-classified as Tourists – identified in each location). This was established using postcode data and mapping software

Southbourne Phase 1 – Off Peak

Catchment Area

Source: FSP/CES

Catchment Area

The map shows Southbourne's Principal (90%) catchment area, derived from 754 postcodes collected over a full trading week. The *Inner* segment represents the home location of 75% of Southbourne's shoppers and the *Outer* segment a further 15%. The last 10% has been disregarded a shopper penetration rates beyond the Principal Catchment are usually very low.

- The *Inner* segment has a resident population of 41k
- The *Outer* segment has a resident population of 121k
- The total resident population for the Principal catchment area is 162k

The resident population is expected to increase by a slower rate than the UK, by 4% to 2023 (UK+7%).

Source: FSP/NSLSP

Shopping Population

The shopping population represents the proportion of the resident population using Southbourne as a shopping destination. The total shopper population also includes a 10% ‘pull in’ figure which relates to those who use Southbourne but live outside the Principal catchment area. The shopping populations are:

- *Inner* segment 14.5k – 35% penetration
- *Outer* segment 3k – 2% penetration

The Principal catchment produces 17.5k shoppers (19k incl. ‘pull-in’). Penetration is 11%.

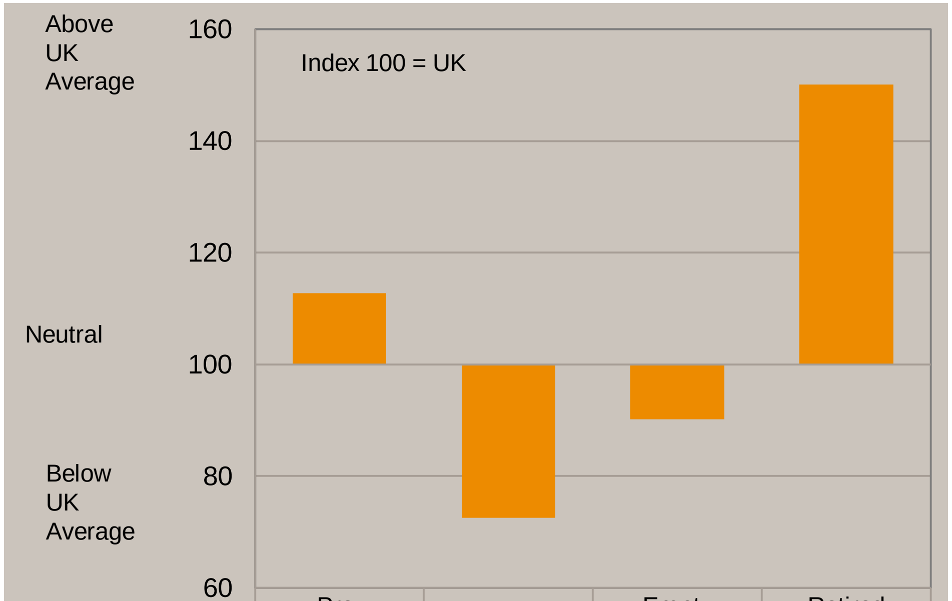
NB. Figures have been rounded.

The NSLSP Principal (90%) catchment has a resident population of 64k and a penetration of 1% generating a shopping population of 1k. This is lower than the bespoke catchment because the NSLSP asks respondents the location of their MAIN Non-food shopping destination. Future catchments for Southbourne can be updated by re-weighting according to changes in the NSLSP catchment.

Source: FSP/CES

Catchment Demographics – Resident Lifestage

- *Retired Senior* households are 50% above UK average and represent 28% of total resident population
- *Pre-Family* are above UK average by 13%, increasing to 16% above average in the *Outer* segment
- *Family* and *Empty Nester* households are both below UK average, by 28% and 10% respectively

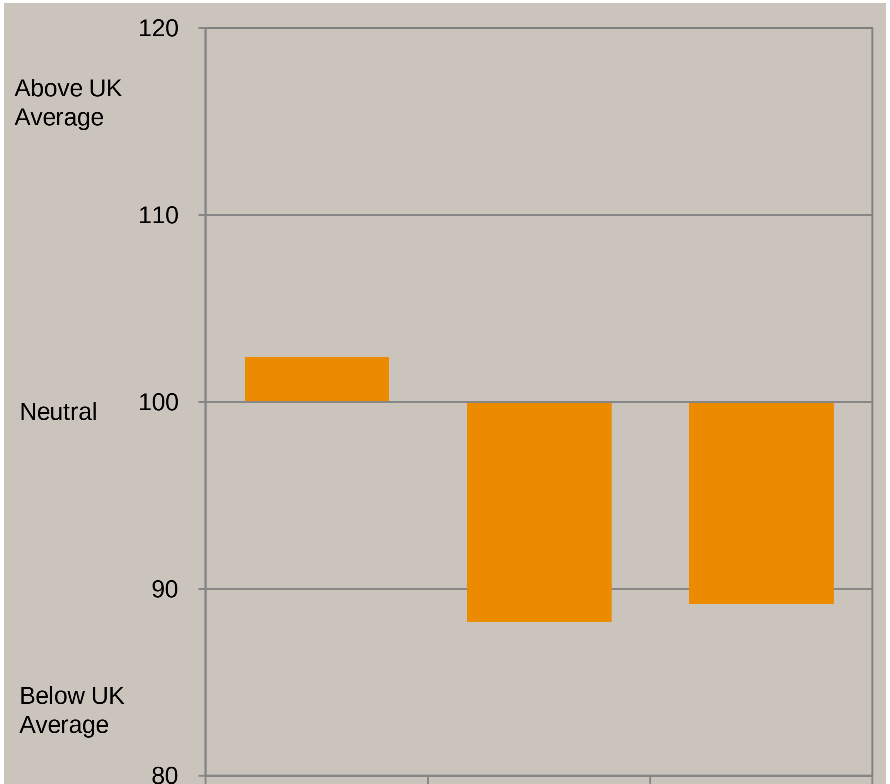


	Pre-Family	Family	Empty Nesters	Retired Seniors
Inner	102	76	91	153
Outer	116	71	90	149
Total	113	72	90	150
Southbourne %	21	23	29	28
UK %	18	31	32	19

Source: FSP/CES

Household Income and Retail Expenditure

- Household income is 2% above UK, highest in the *Inner* segment where it is 4% above average
- Non-Grocery spending is 12% below UK average and Food spend is 11% below average
- Like income, spend is highest in the *Inner* segment

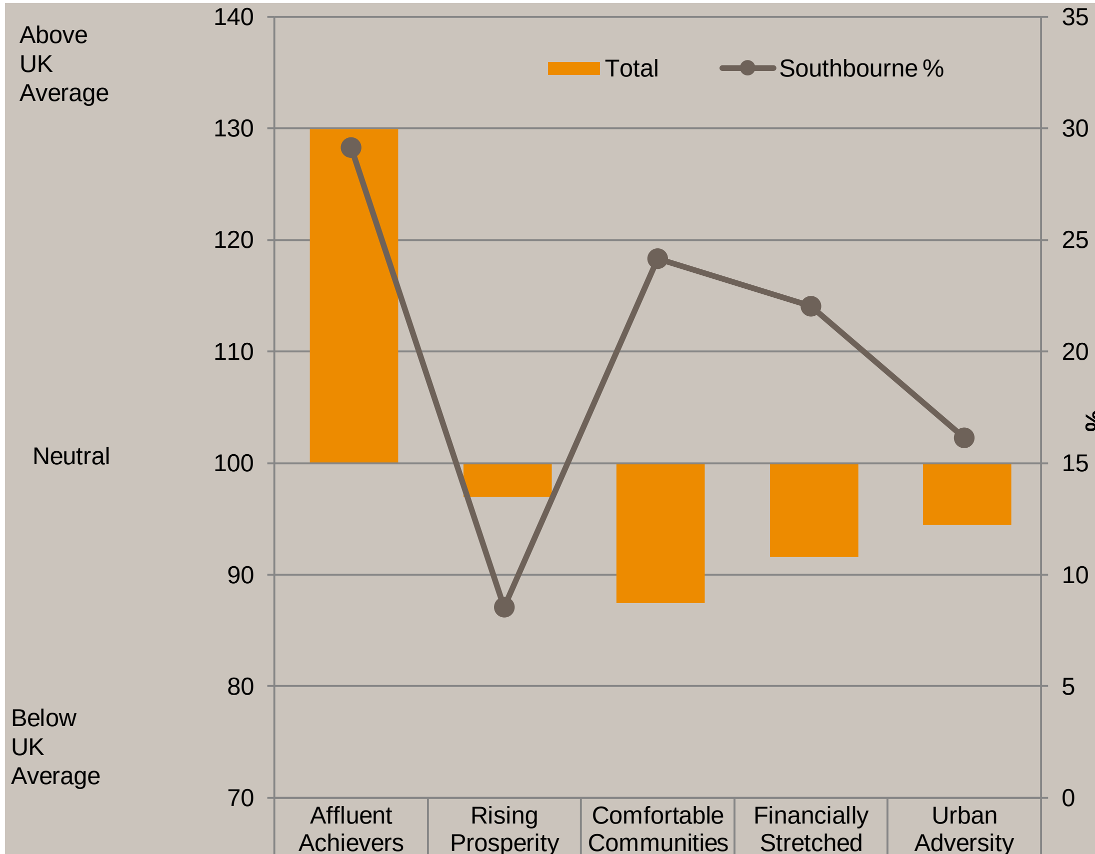


	Household Income	Non-Grocery Spend	Food Spend
Inner	104	90	90
Outer	102	88	89
Total	102	88	89
Southbourne	£35,867	£8,298	£4,389
UK	£35,013	£9,405	£4,895

Source: FSP/CES

Catchment Demographics – ACORN Profile

- *Affluent Achievers* account for the largest proportion of residents - 30% above UK average. Proportions are highest in the *Inner* segment at 41% above average. Within this *Category* over 50% are *Mature Money* who tend to have an older age profile
- All other *Categories* have a below average proportions compared to UK
- Within the *Inner* segment *Urban Adversity* are 27% above UK average

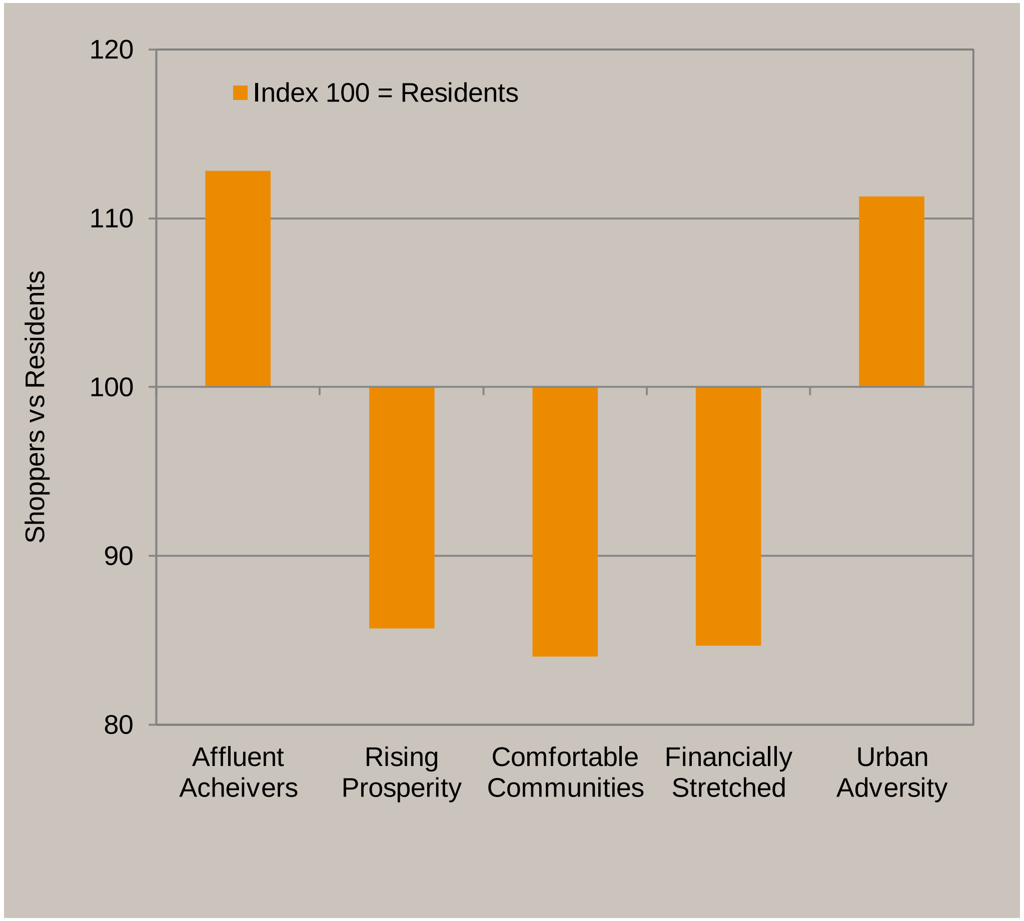


	Affluent Achievers	Rising Prosperity	Comfortable Communities	Financially Stretched	Urban Adversity
Inner	141	93	75	74	127
Outer	126	98	92	98	83
Total	130	97	87	92	94
UK %	22	9	28	24	17
Southbourne %	29	9	24	22	16

Source: FSP/CACI

ACORN Group Profile – Residents vs. Shoppers

- Southbourne successfully converts the most affluent residents, *Affluent Achievers,* into shoppers
- *Urban Adversity* account for higher proportions of shoppers than residents, reflecting the high proportions of such residents within the *Inner* segment

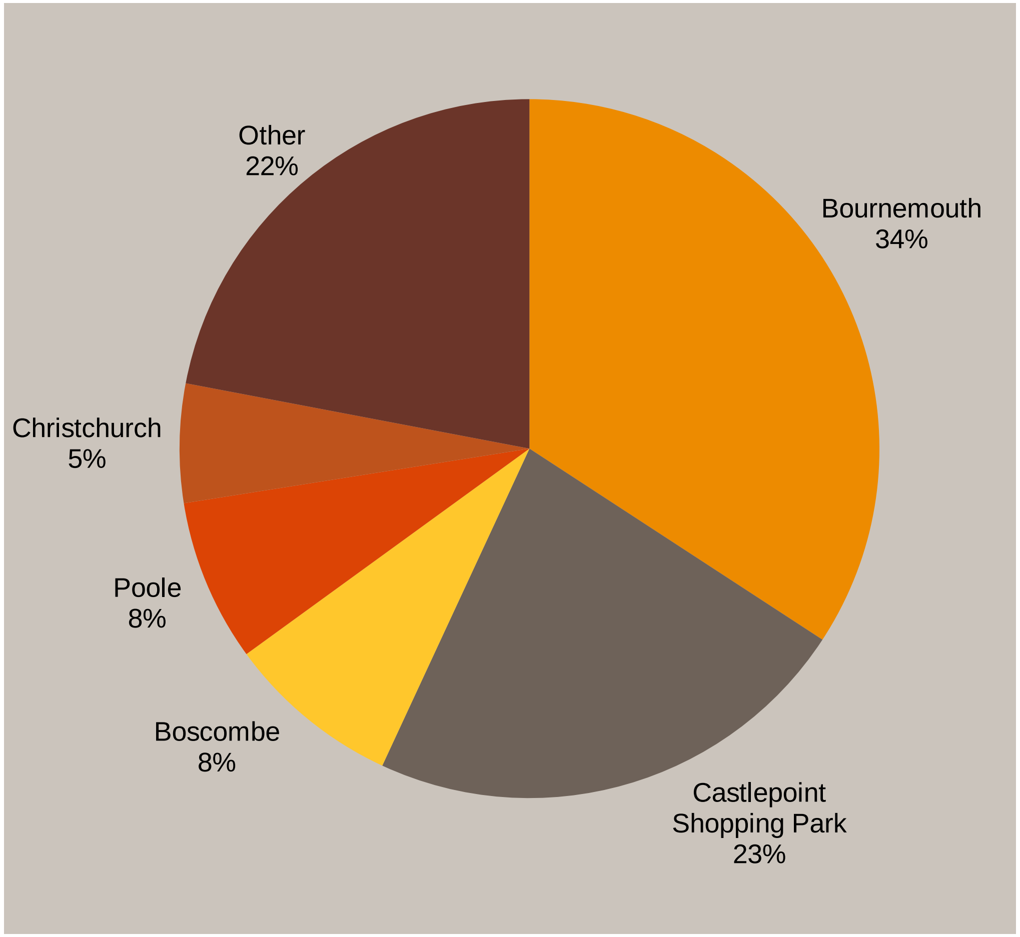


Source: FSP/CACI

Catchment Leakage

Penetration of the Southbourne Principal catchment is 11%. Leakage is made up of the remaining 89% of catchment residents who do not use Southbourne as a regular main Non-Grocery shopping destination.

- Bournemouth is the main competitor to Southbourne, accounting for 34% of leakage
- Castlepoint Shopping Park makes up 23% of leakage whilst Boscombe and Poole each account for 8%
- Christchurch accounts for a further 5% of leakage
- Locations accounting for less than 3% of leakage are included in 'Other'

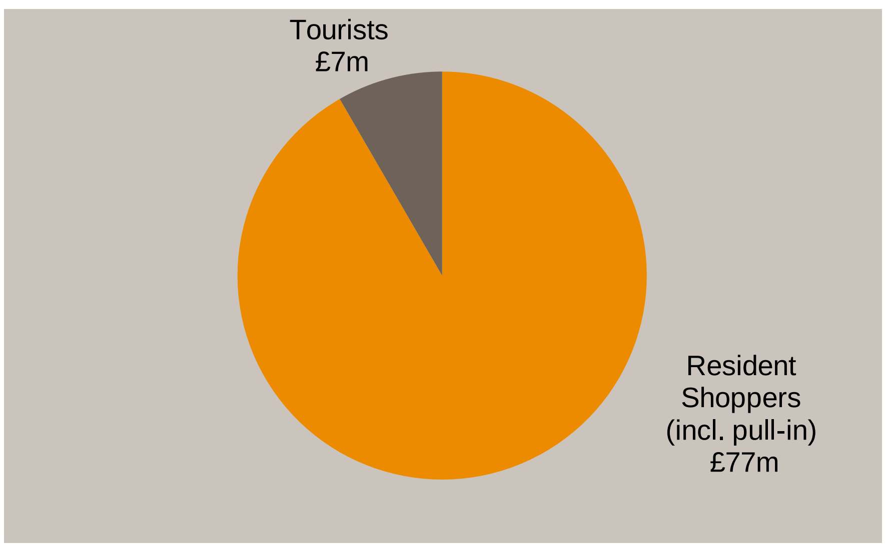


Source: FSP/CES

Available Spend

Available spend is the total disposable spending power of shoppers using Southbourne. It is not the same as retail sales as some expenditure is inevitably committed to other locations and to the internet etc.

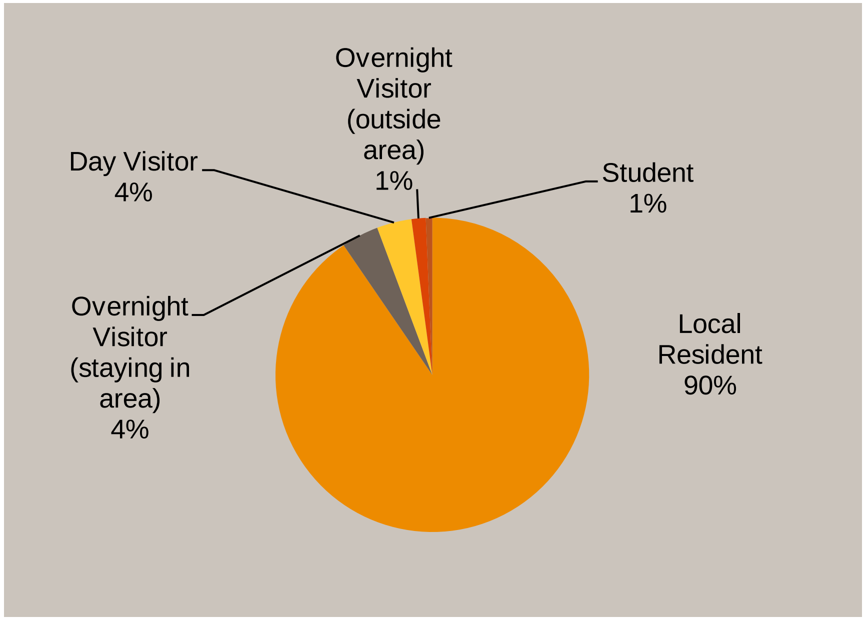
- Total Non-Grocery spend in Southbourne is £84m; £77m from resident shoppers and £7m from tourists
- Household Goods and Clothing & Footwear make up the largest amount of resident shopper spend at £19m and £18m respectively
- Of tourist spend, F&B makes up the largest proportion at £4m, followed by Clothing & Footwear at £2m

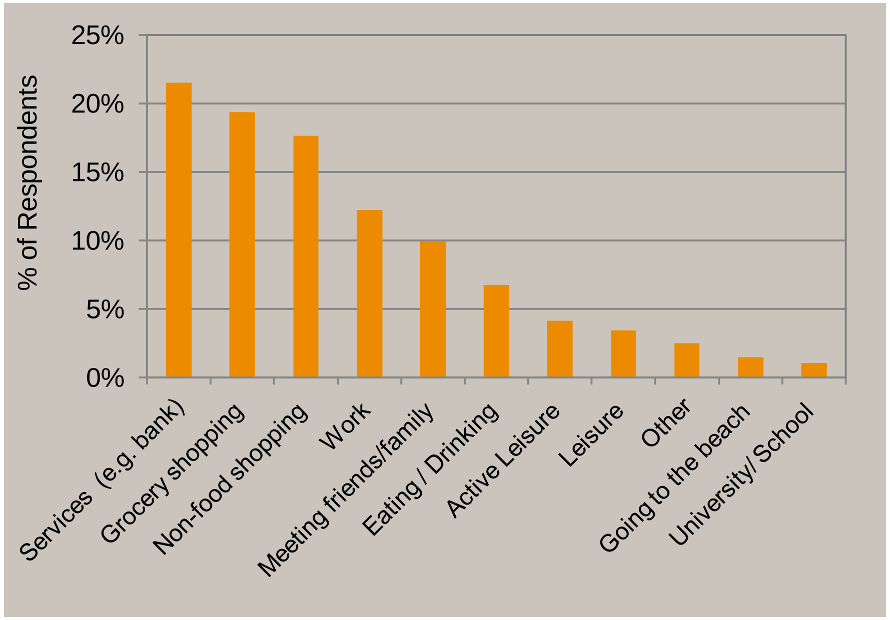


Source: FSP/CES

Survey Results – Visitor Type & Reason

- Local residents make up 90% of respondents, the highest among all locations. Day and overnight visitors staying in the area each make up 4% whilst students and overnight visitors staying outside the area each make up 1%
- At 21%, the main reason for visiting Southbourne was for services (e.g. bank, travel agent), followed by shopping – Grocery shopping (19%) and Non-Food (18%)
- Excluding residents, the main visit reason for all other respondents was meeting friends/ family. Eating & Drinking was highest among overnight visitors (10% for those staying in the area and 18% for those staying outside)

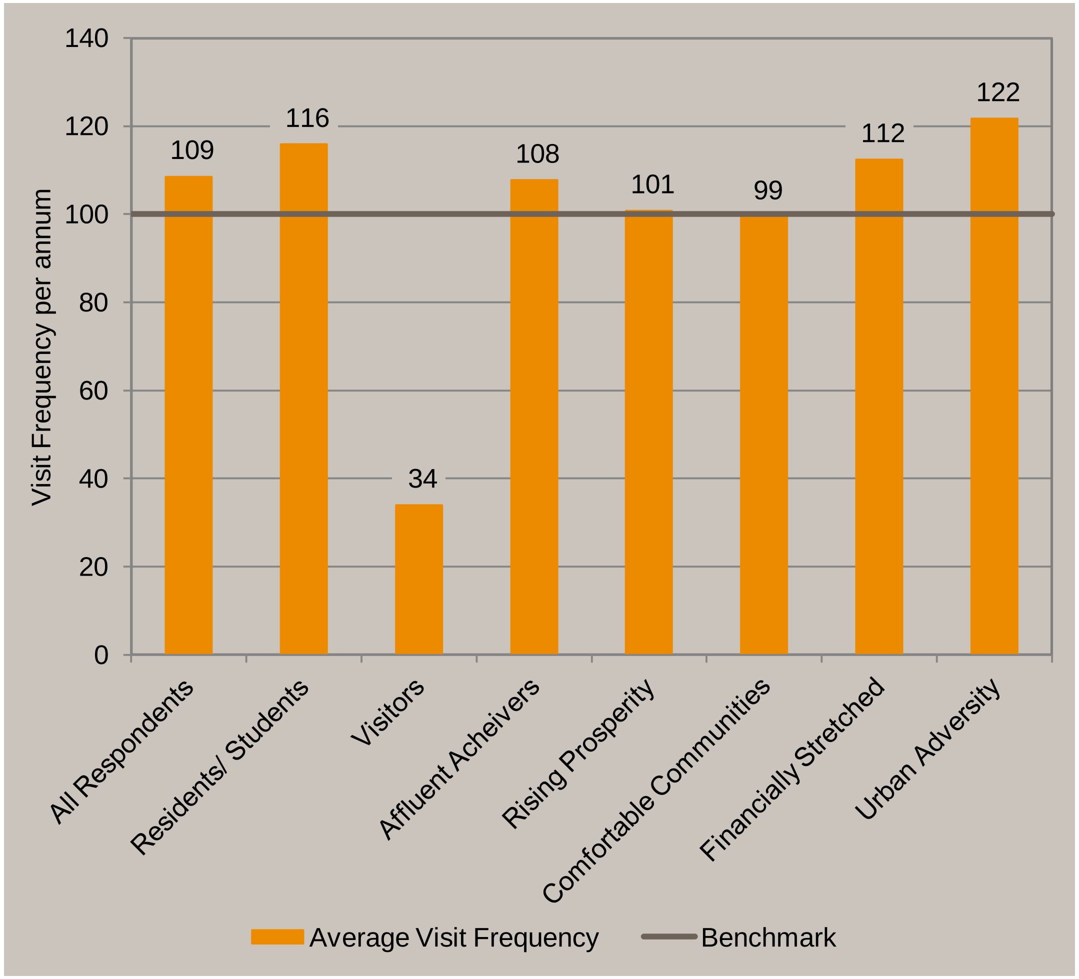




Source: FSP

Survey Results – Visit Frequency

- Average visit frequency to Southbourne is 109 times per annum – more than twice a week. This is above the benchmark of 100 times per annum
- Residents/students visit 116 times per annum whilst visitor frequency is 34 times per annum
- *Urban Adversity* visit most often at 122 times per annum and *Comfortable Communities* visit least often at 99 times

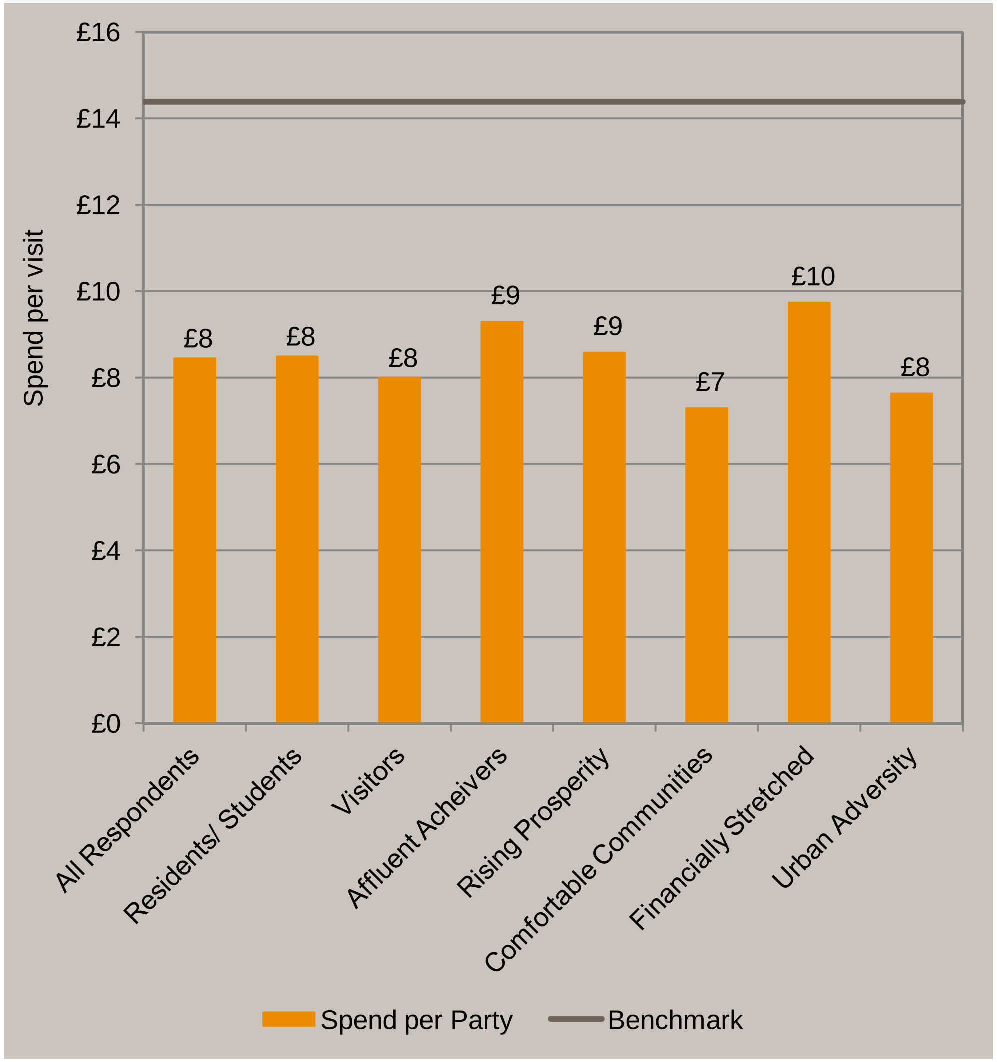


NB. Due to a low sample size visitors have been combined into one group.

Source: FSP

Survey Results – Non-Food Spend

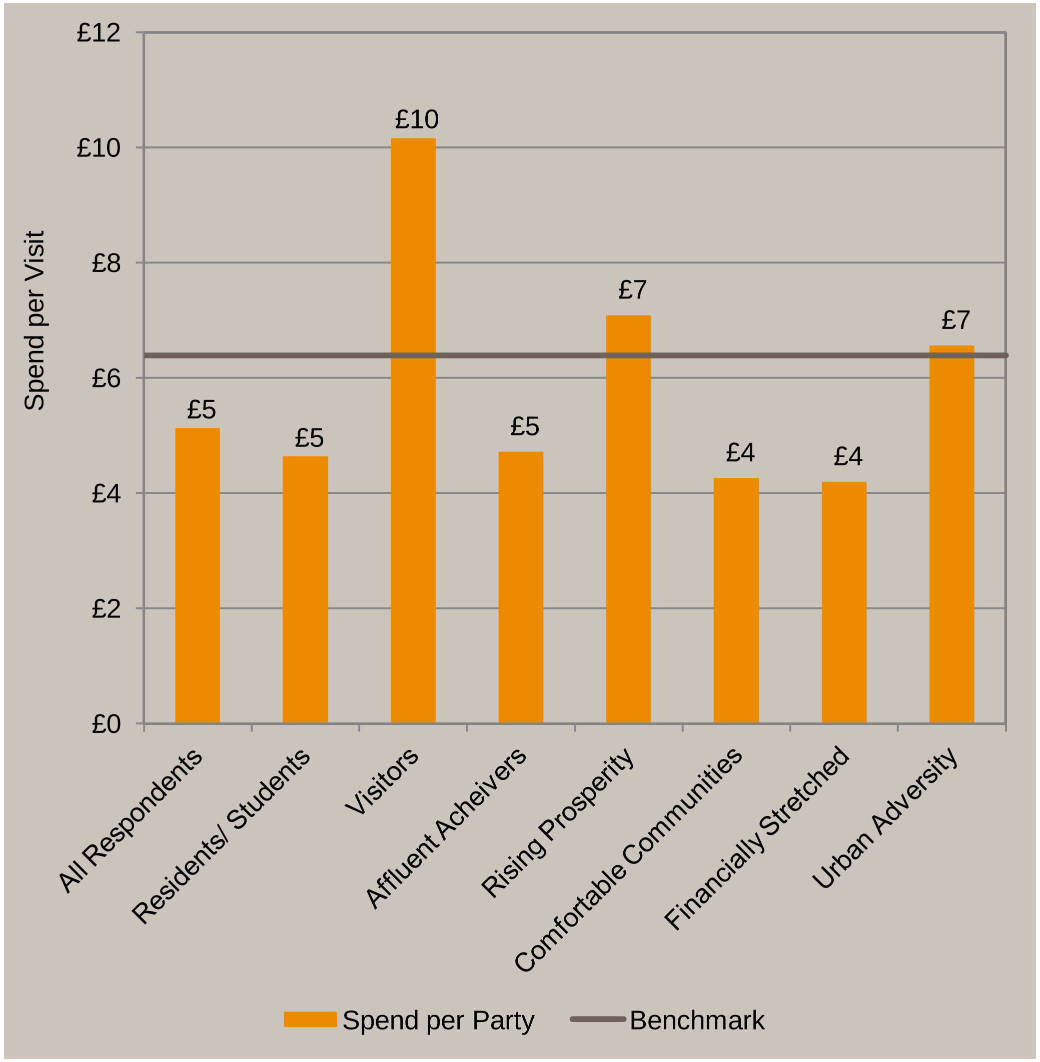
- Including spenders and non-spenders in the survey the average Non-Food spend per visit to Southbourne is £8 per party, among both residents/students and visitors – well below the benchmark of £14
- *Financially Stretched* spend the most at £10 per visit whilst *Comfortable Communities* spend the least at £7
- Among spenders only (ie excluding non-spenders), Non-Food spend is £17
- NB. the figures in the chart have been rounded



Source: FSP

Survey Results – F&B Spend

- Including spenders and non-spenders in the survey the average F&B spend per visit to Southbourne is £5 per party – below the benchmark of £6
- This increases to £10 for visitors compared to £5 for residents/students
- *Rising Prosperity* and *Urban Prosperity* spend the most at £7 each
- Among spenders only (ie excluding non-spenders), F&B spend is £11



Source: FSP

Net Promoter Score

The *Net Promoter Score (NPS)* is a measure of customer loyalty and satisfaction. Respondents are asked how likely they are to recommend "x" to a friend on a scale of 0 to 10. By asking if you would "recommend to a friend", people have been found to give a more accurate response to their real feelings and confidence about an area.

The *Net Promoter Score* is the percentage of *Promoters* (scoring 9 or 10) minus the percentage of *Detractors* (scoring 0-6). Those scoring 7 or 8 are classed as *Passive* and are excluded from the calculation.

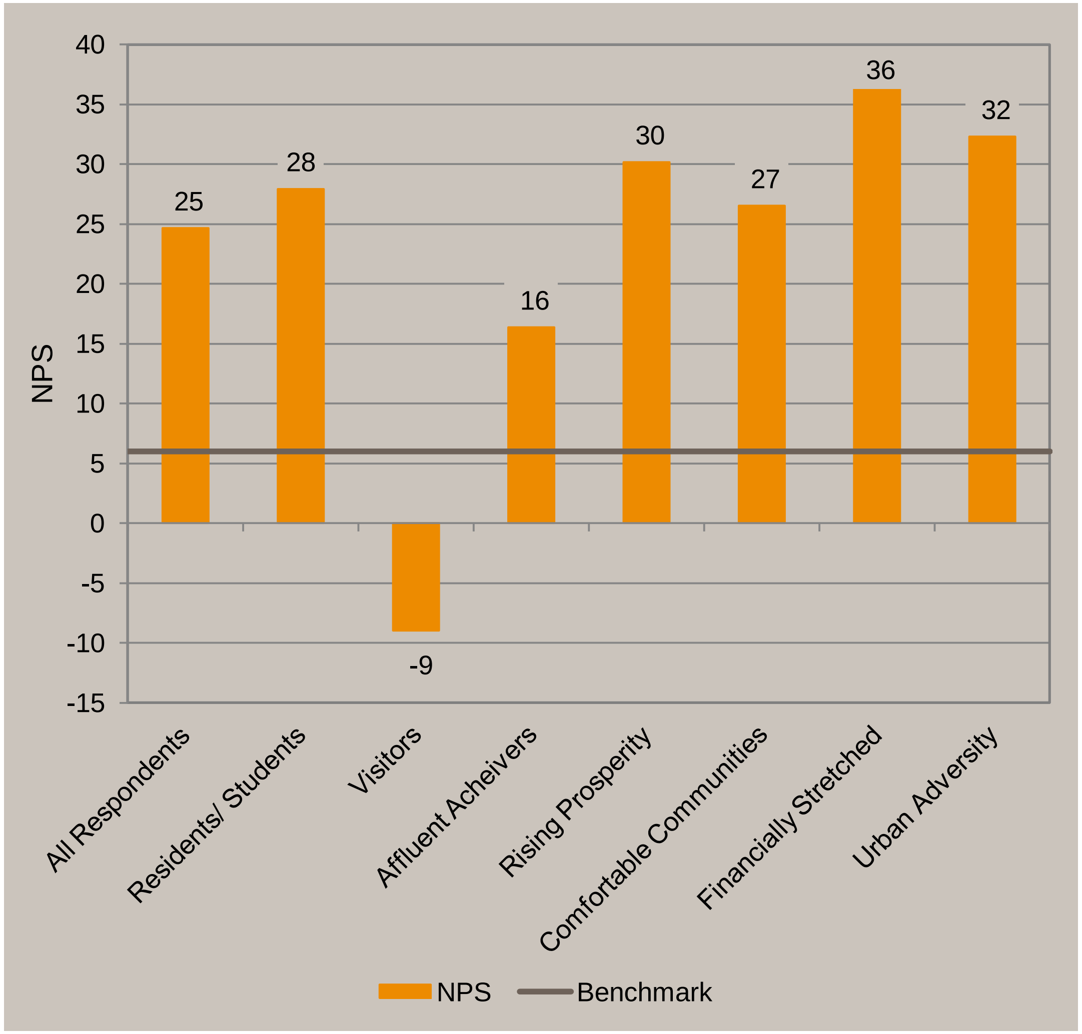
And here are two examples

Score	Percentage of respondents	
	Example 1	Example 2
9 or 10	30%	40%
7 or 8	10%	30%
0 to 6	60%	30%
NPS =	(30% - 60%)	(40% - 30%)
	ie a score of -30	ie a score of +10

Source: FSP

Survey Results – Net Promoter Score

- The average *NPS* is +25, well above the benchmark of +6
- Residents/students give a higher score of +28 whilst visitors give a negative score of -9. Reasons for this may merit further exploration
- *Financially Stretched* give the highest *NPS* of +36, whilst *Affluent Achievers* give the lowest score of +16



Source: FSP

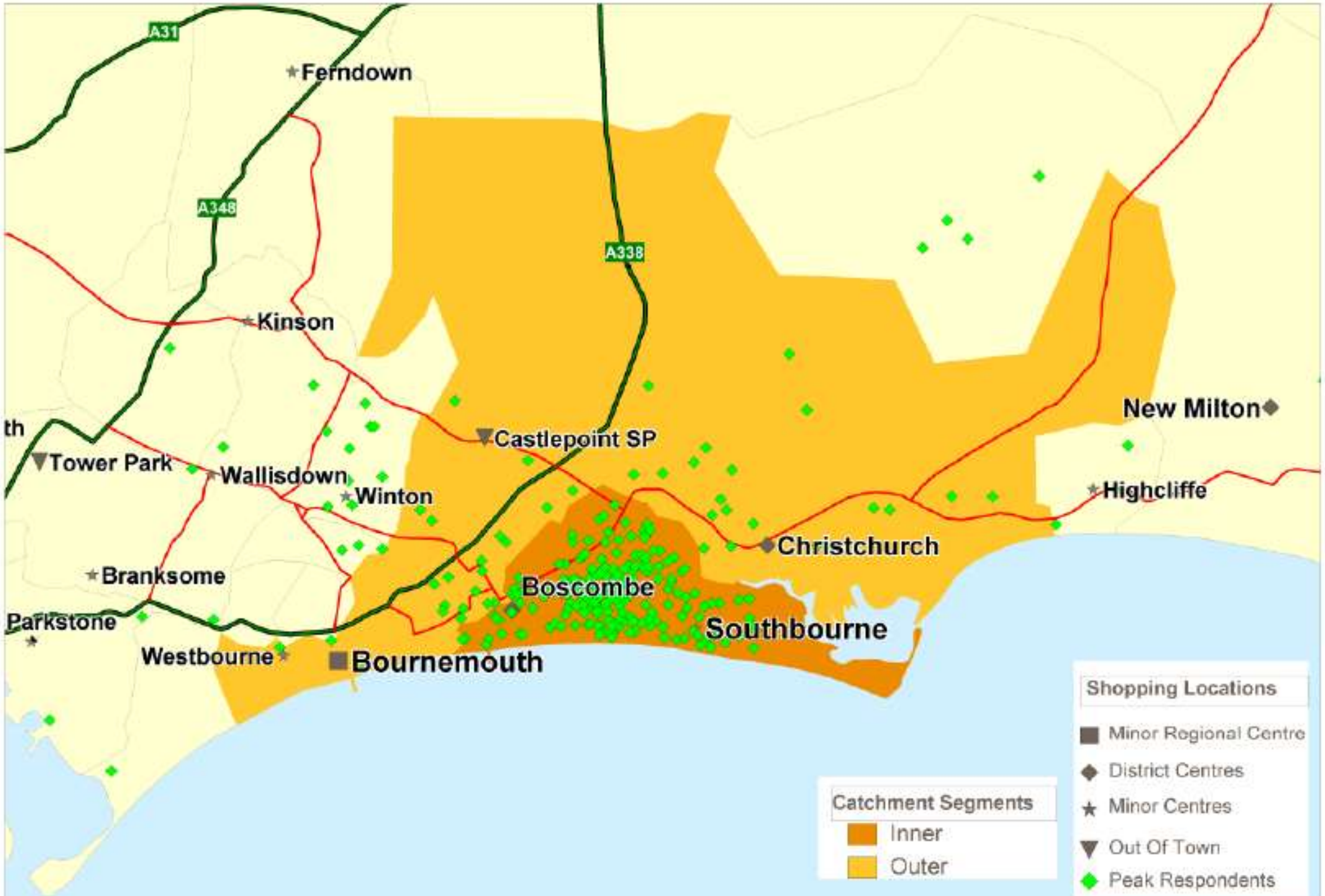
Pedestrian Flow

The map shows the weekly pedestrian count indexed against the value of the busiest point (i.e. Index 100 = highest count). The busiest point was on Southbourne Grove near Tesco Express.

Source: FSP/PMRS

Southbourne Phase 2 – Peak

Catchment Area



Source: FSP/CES

Visitor Origins

- As with Boscombe and Westbourne, most (80%) of Southbourne survey respondents live within the Principal catchment created in April
- Visitors have the longest average drive times – Day Visitors = 54 minutes, Overnight staying nearby – 2 hours 23 minutes, and Overnight staying outside the area – 3 hours 10 minutes
- Respondents classifying themselves as Residents have the shortest drive times of all three locations, at just 2 minutes, highlighting that Soutbourne has a strong local draw but struggles to attract regular shoppers from further afield
- The majority of Overnight Visitors travelled from the South East, West Midlands and London, whilst Day Visitors all come from either the South East or South West
- All Day Visitors either travel from the South East or South West. Overnight Visitors are most likely to live in the South East, (32%), with 16% from the West Midlands, 13% from London and a further 10% from East of England
- In terms of ACORN, Tourists are slightly more affluent than the average Peak profile, with much lower proportions of *Modest Means* and *Young Hardship*, than the overall Peak profile

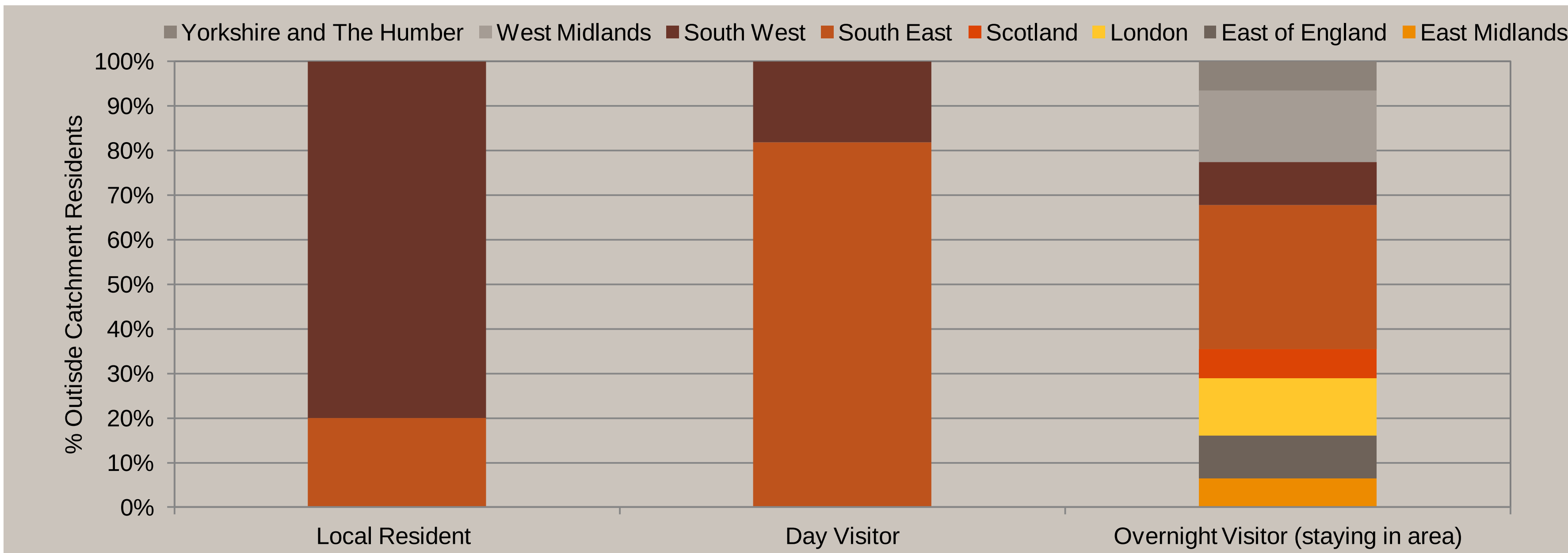
See Appendix 6 for a zoomed out map of the UK, overlaid with Southbourne's Peak respondents

Source: FSP/NSLSP

Tourism

The chart below shows the regions in which Tourists (i.e. those living outside the Principal catchment) live. Results are based on the Peak survey and show by respondents self classifications given in question 2 of the intercept survey. Note students and Overnight (staying outside area) are not shown, due to very low sample sizes

- Tourists, i.e. those living outside the Principal catchment, account for 20% of Southbourne's respondents. Of these, 40% are Overnight Visitors (94% of whom stay nearby), 13% identified themselves as Day Visitors, with the remaining 48% (i.e. 10% of total respondents) stating they are Local Residents although they live outside the defined catchment for Southbourne

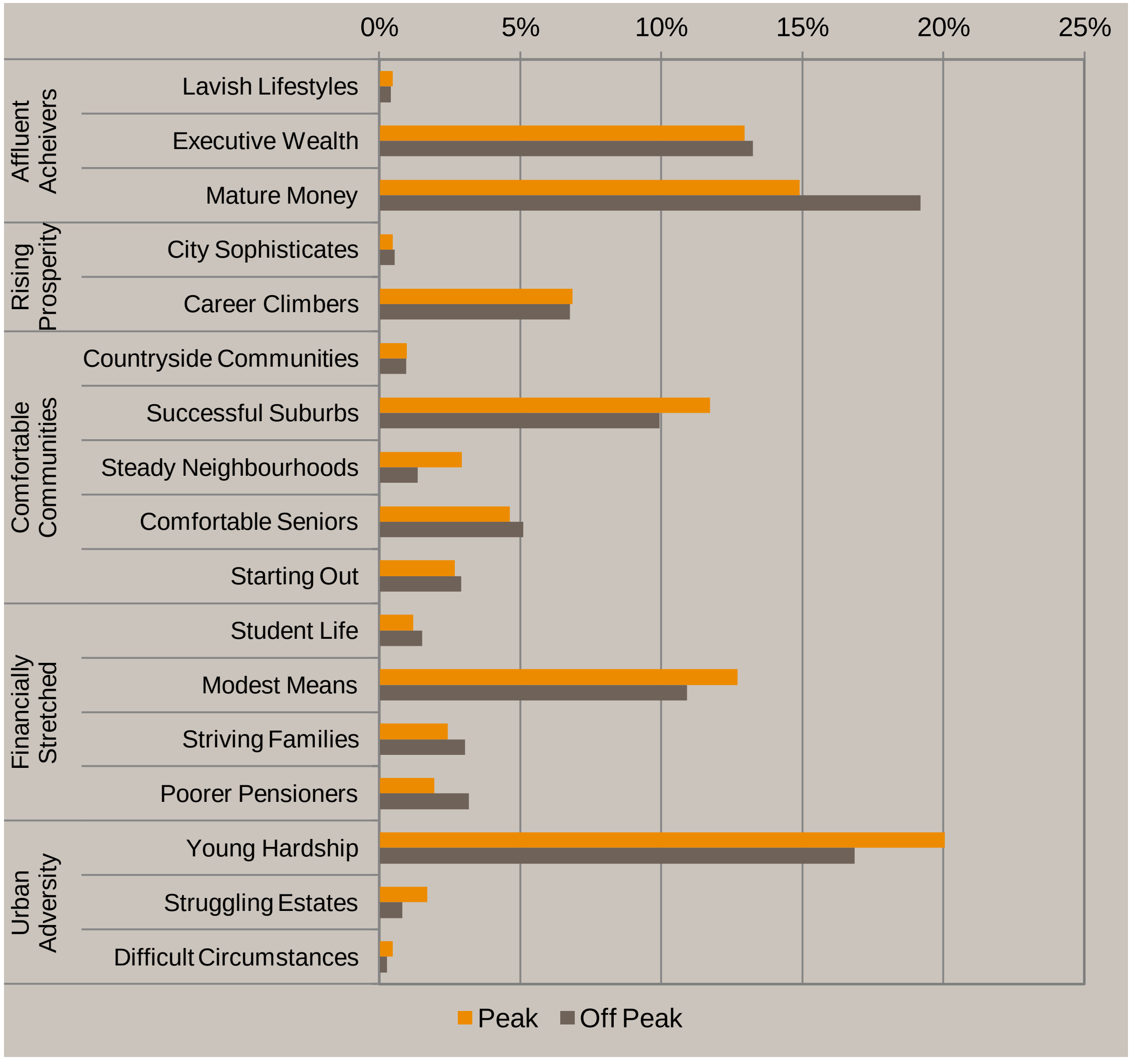


Source: FSP

ACORN Profiles

The chart shows the shopper profiles during Peak, vs. Off Peak

- The two profiles remained largely similar, (correlation = 0.97), but there are subtle differences
- In contrast to Westbourne, proportions of older ACORN *Groups*, *Mature Money* and *Comfortable Seniors* drops during Peak, whilst younger *Groups*, *Young Hardship*, *Modest Means* and *Successful Suburbs* all increase
- 59% are *Comfortable Communities*, *Rising Prosperity* or *Affluent Achievers*, in line with UK average

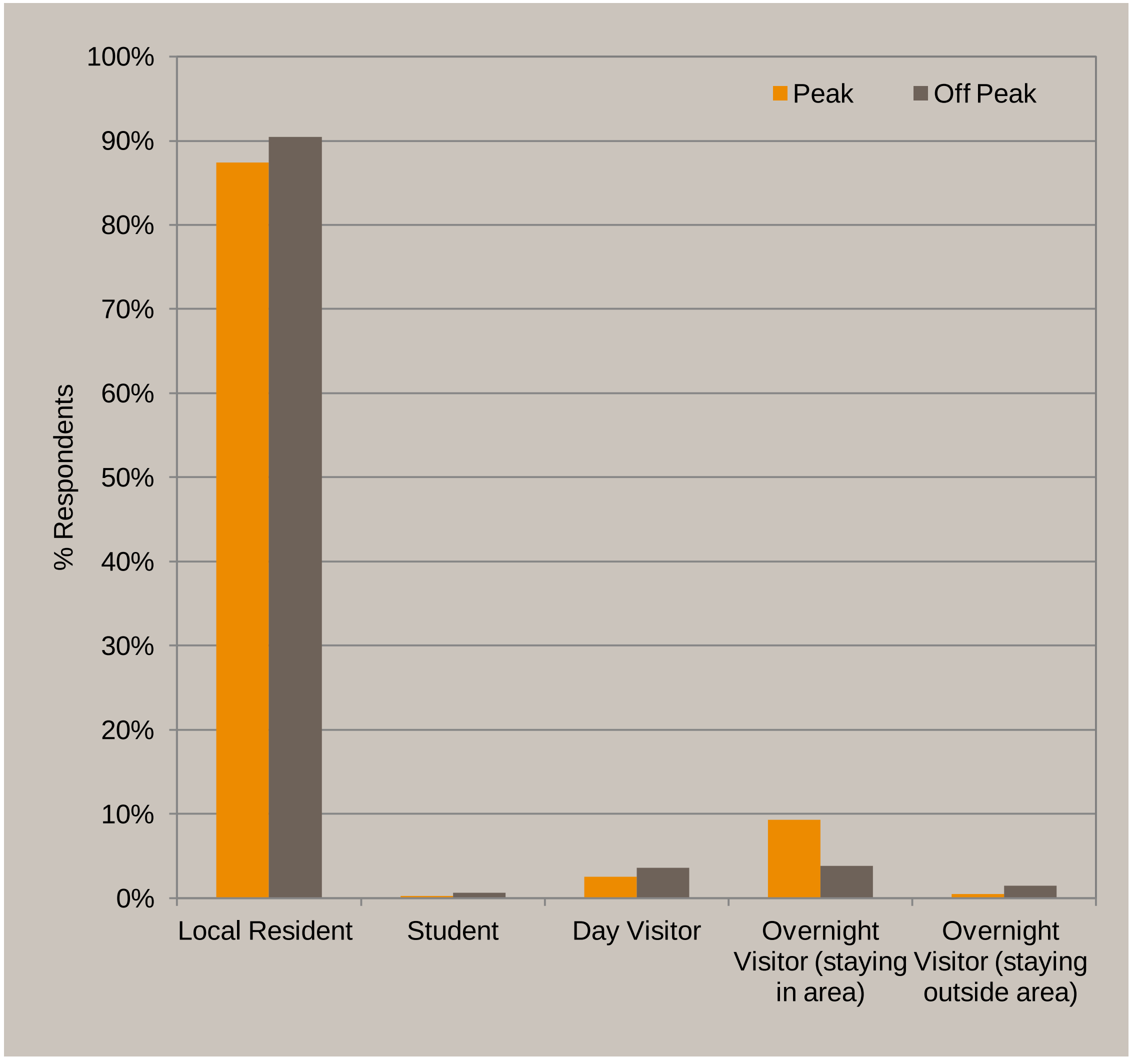


Source: FSP

Respondent Origins

The chart shows respondents' self classifications during Peak and Off Peak

- Proportions of Overnight Visitors increased during Peak, from 4% to 9%. However, Residents remain by far the largest group
- As with Westbourne, the proportion of Day Visitors actually fell during Peak (4% vs. 3%)
- Students and Overnight Visitors (outside area) are not represented in the Peak profile

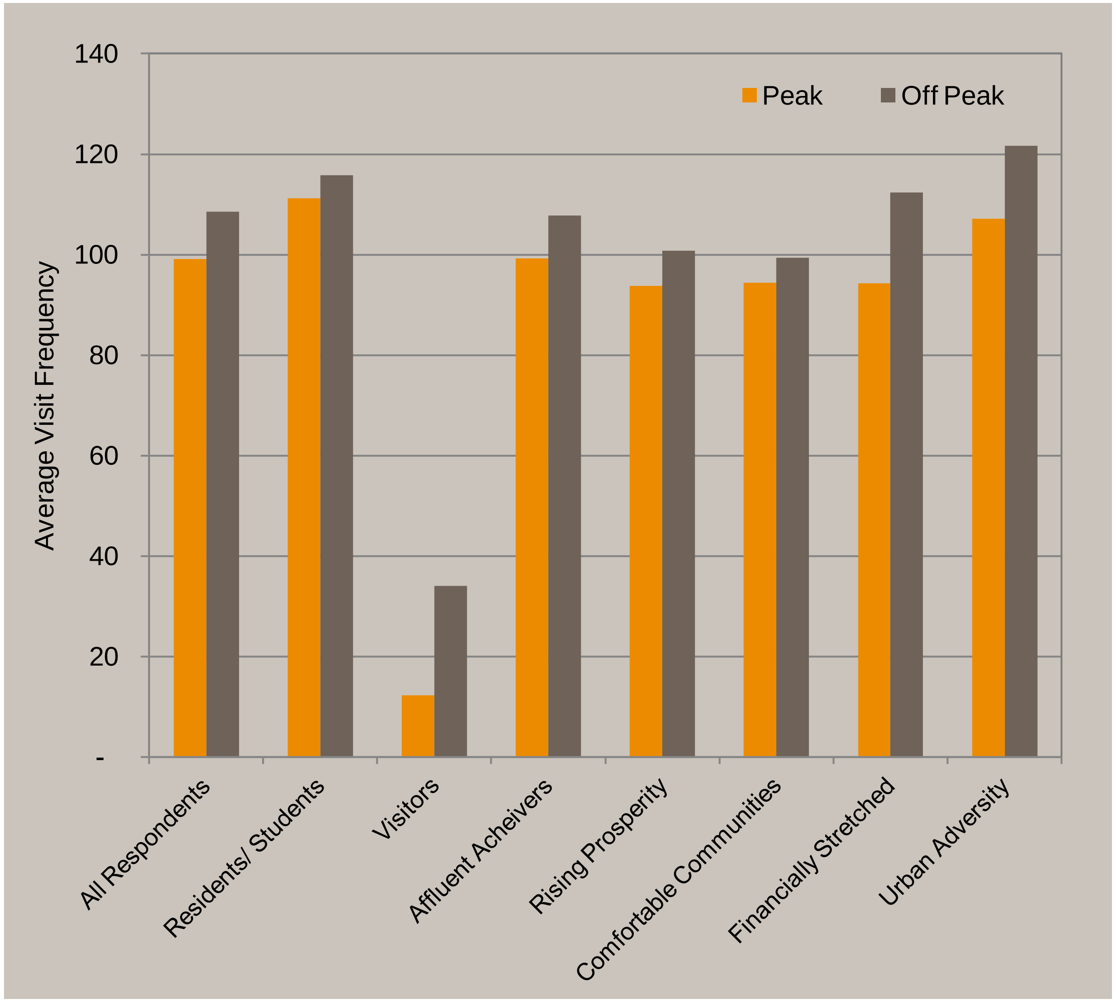


Source: FSP

Survey Results – Visit Frequency

The chart shows average visit frequency per annum for Peak and Off Peak,

- As with the other locations, visit frequency fell during Peak. Peak average visit frequency = 99 times p.a. vs.109
- Visitors showed the largest decline, from 34 to 12, again this is likely to be a result of the increase in Overnight Visitors

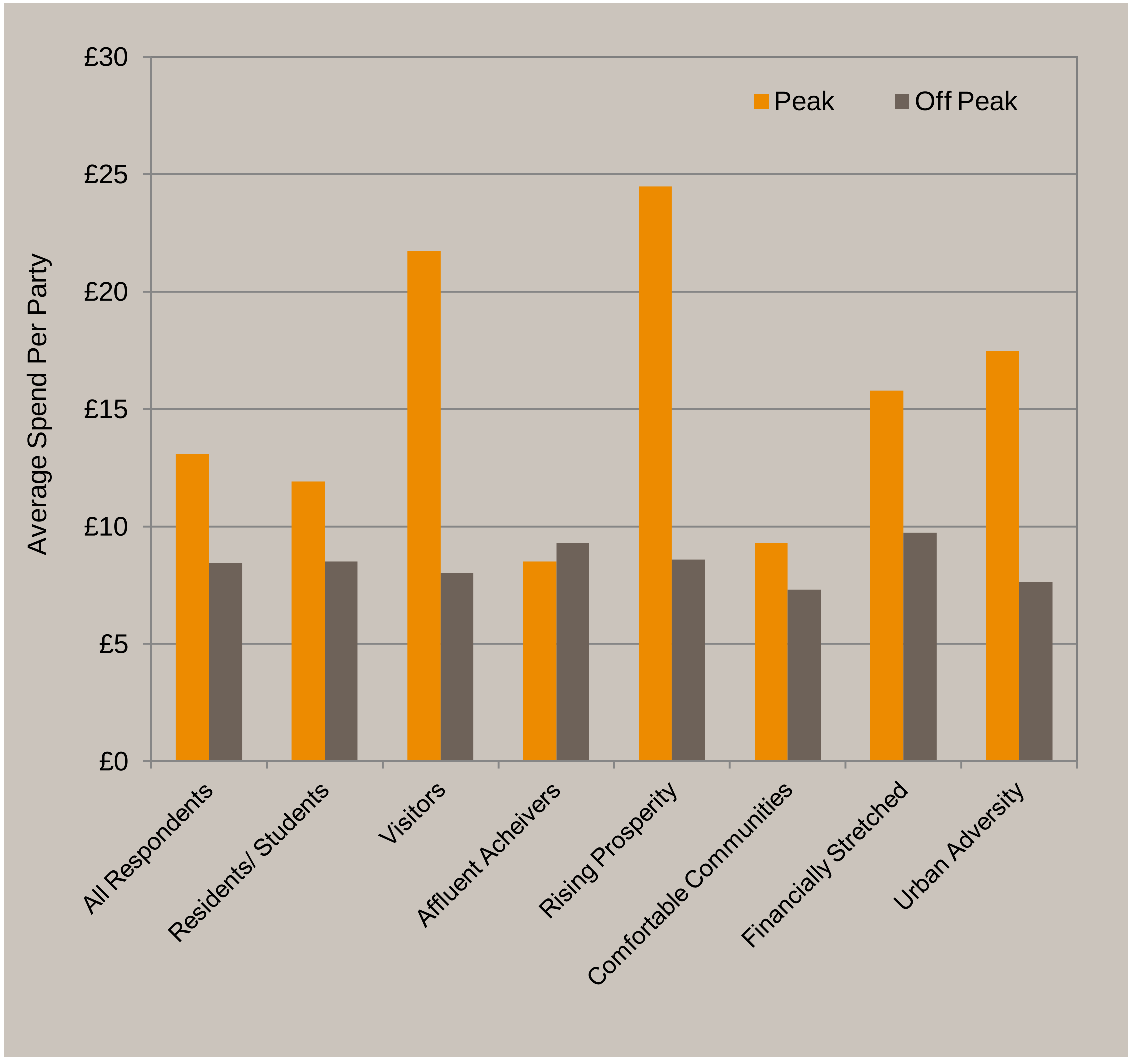


Source: FSP

Survey Results – Non-Food Spend

The chart shows average spend on Non-Food goods during Peak and Off Peak

- Non-Food spend increased during Peak, in a similar vein to Westbourne
- *Rising Prosperity* show the largest increase (£16, 85%), but they account for just 7% of respondents
- Visitors have the next largest increase (£14, 72%)
- Spend has increased across all *Categories*, with the exception of *Affluent Achievers*

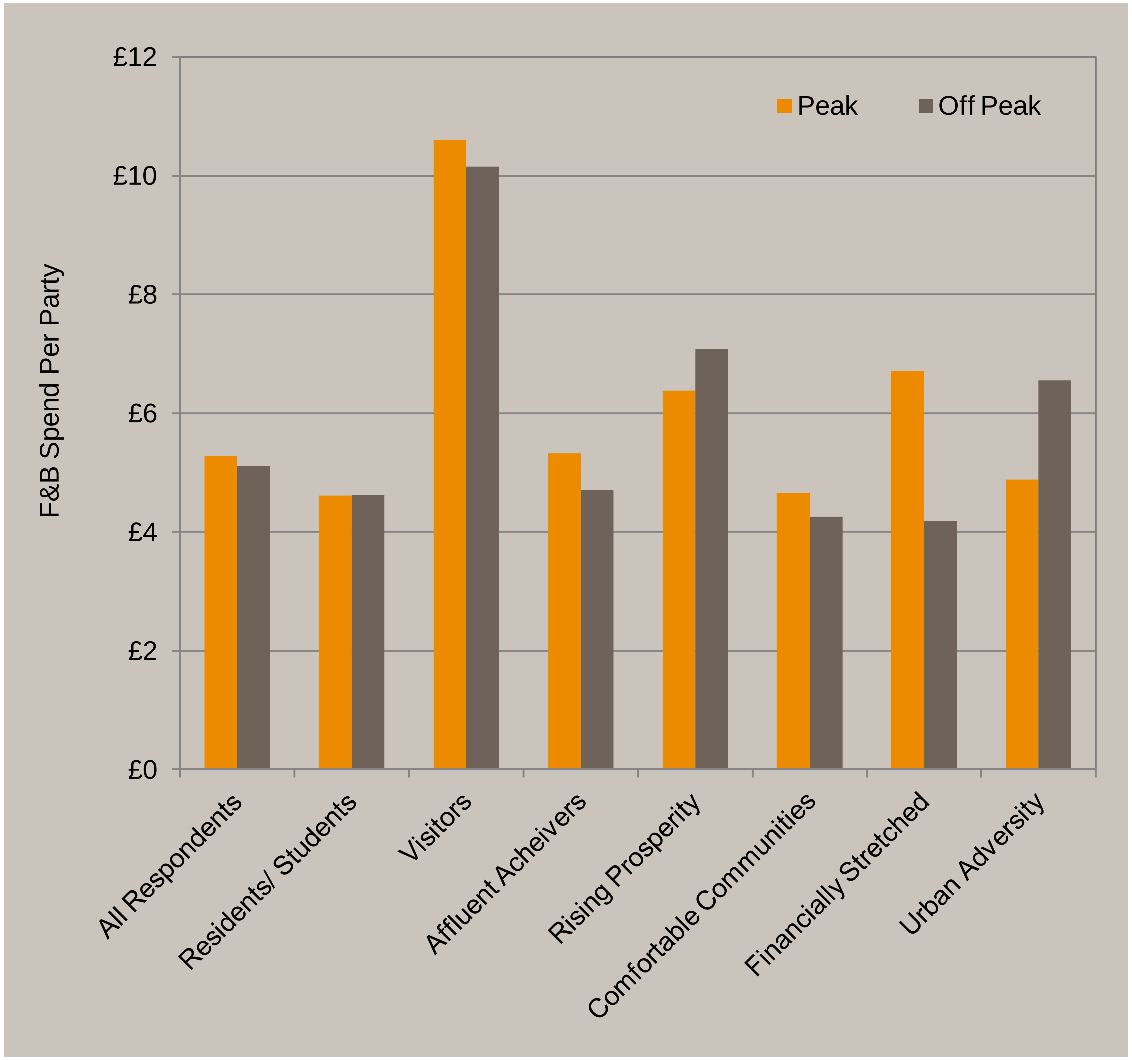


Source: FSP

Survey Results – F&B Spend

The chart shows F&B spend during Peak and Off peak

- Overall, F&B spend remained consistent (£5.30 Peak, £5.10 Off Peak)
- F&B spend increased slightly amongst Visitors, from £10.10 to £10.50
- Spend also increased amongst the *Affluent Achievers*, *Comfortable Communities* and *Financially Stretched* ACORN *Categories*

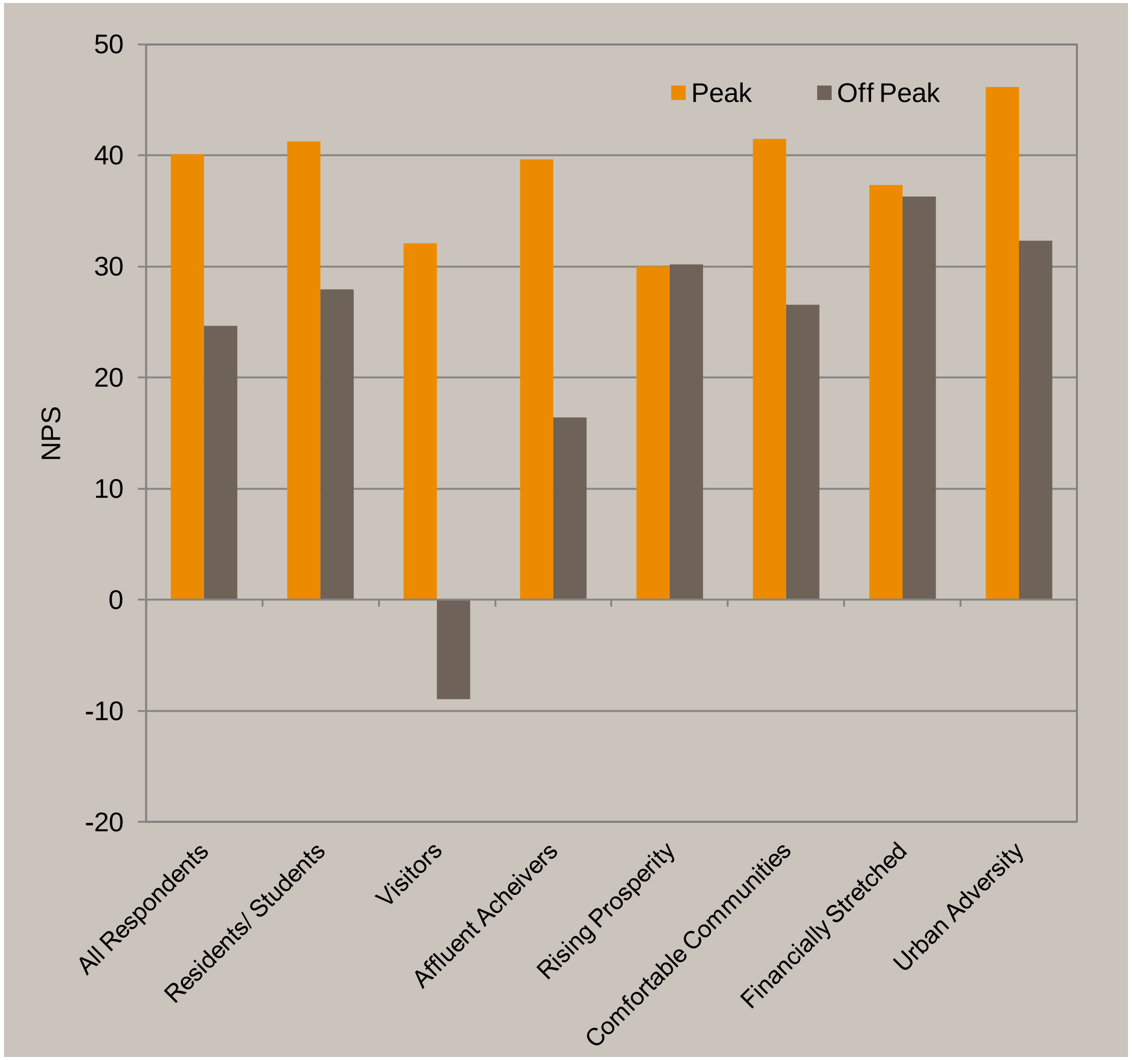


Source: FSP

Survey Results – Net Promoter Score

The chart shows *Net Promoter Score* (*NPS*) during Peak and Off Peak

- *NPS* increased during Peak, as with Boscombe and Westbourne
- Visitors have shown the most notable increase, from -9 to +32
- Scores for *Affluent Achievers* and *Comfortable Communities* have also increased considerably, by +23 and +15 respectively
- *Urban Adversity* give the highest *NPS* at +46



Source: FSP

Summary

- During Peak there are higher proportions of younger ACORN *Groups,* including *Young Hardship, Modest Means* and *Successful Suburbs,* although the profiles did remain largely similar (correlation 0.97)
- As with Boscombe and Westbourne, visit frequencies fell during Peak, this is largely to do with the increase in Overnight Visitors
- Non-Food spend increases considerably in Peak, +54% on average. Visitors had one of the highest fluctuations at +72%
- F&B spend remained similar overall, but did increase amongst Visitors, *Affluent Achievers*, *Comfortable Communities* and *Financially Stretched*
- *NPS* improved from +25 to +40, with Visitors showing particularly large gains

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