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Data Analytics Pilot Study

Insights and Implications

Using Data to inform future directions

- Understanding patronage within the precinct can help the community, government and businesses individually and collectively

- The data collected maps visitor patronage and trends
  - by visitor segment, service needs, movement patterns, high usage times, spend type & amount, precinct locations, etc

- Data analysis allows us to identify patterns and opportunities
  - precinct strengths, gaps, comparative advantages, etc

- Data will inform and support UTS BID Program Evaluation

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Understanding Western Harbour patronage

Key questions

- Who are our customers?
- What do they do within the precinct?
- What are their preferences?
- How does the customer mix and spend change over time?

The pilot

- Conducted a precinct-wide data analytics pilot in late 2021
- Drew on data covering October 2018 to October 2021

Pilot data sources

Merchant data

- Card acquirer data
- Merchant information

Travel data

- Flight bookings
  Private API
- Traffic & transport
  Public API

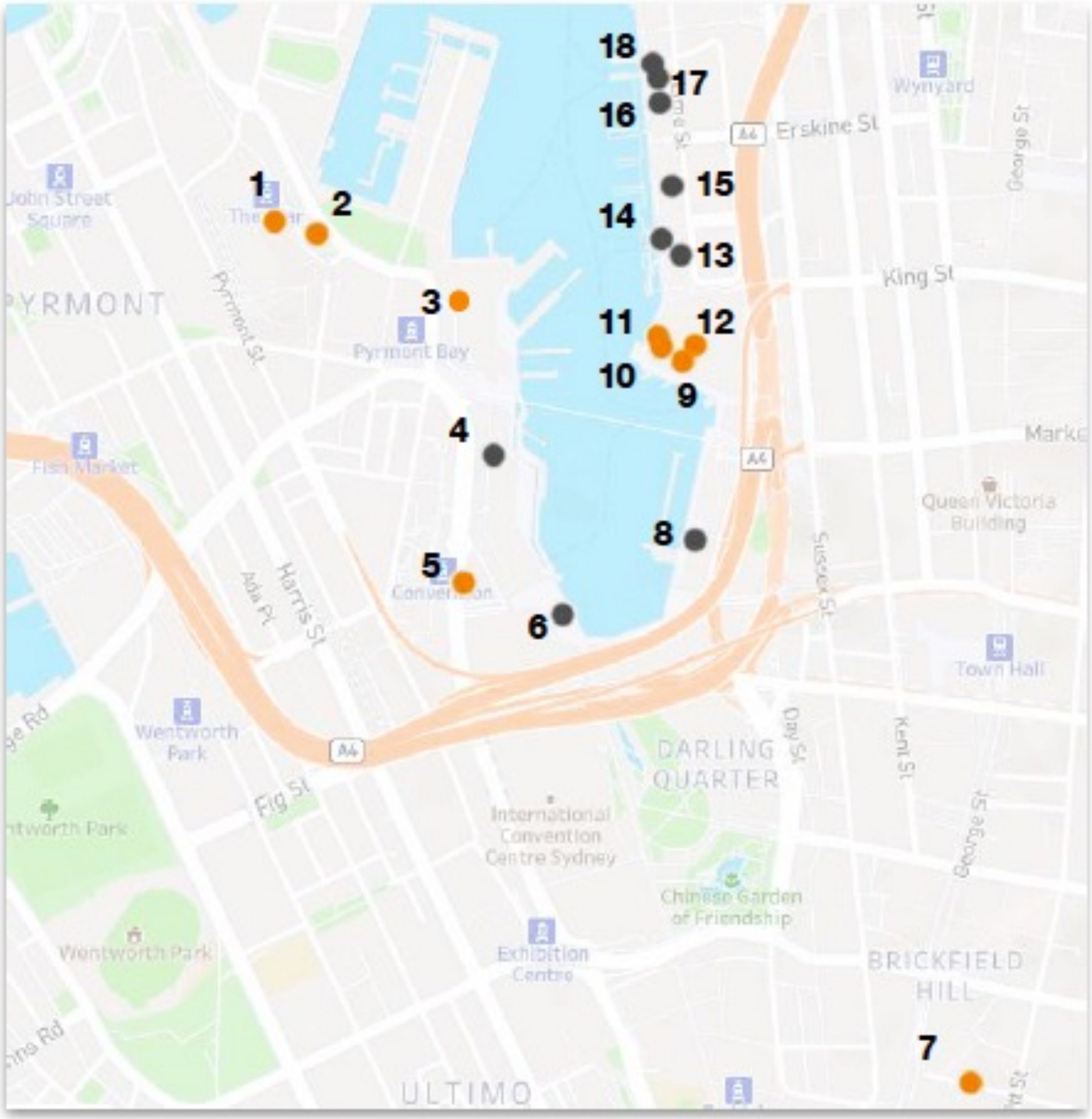
Enrichment data

- Events
  BIDco calendar
- Daily weather
  Public API

Pilot data richness

- 18 operators
- 82 outlets
- 3.75 m transactions
- 1.2m unique customers

Merchants taking part in the insights pilot



Merchant Category

● Restaurants & Bars

● Entertainment & Leisure

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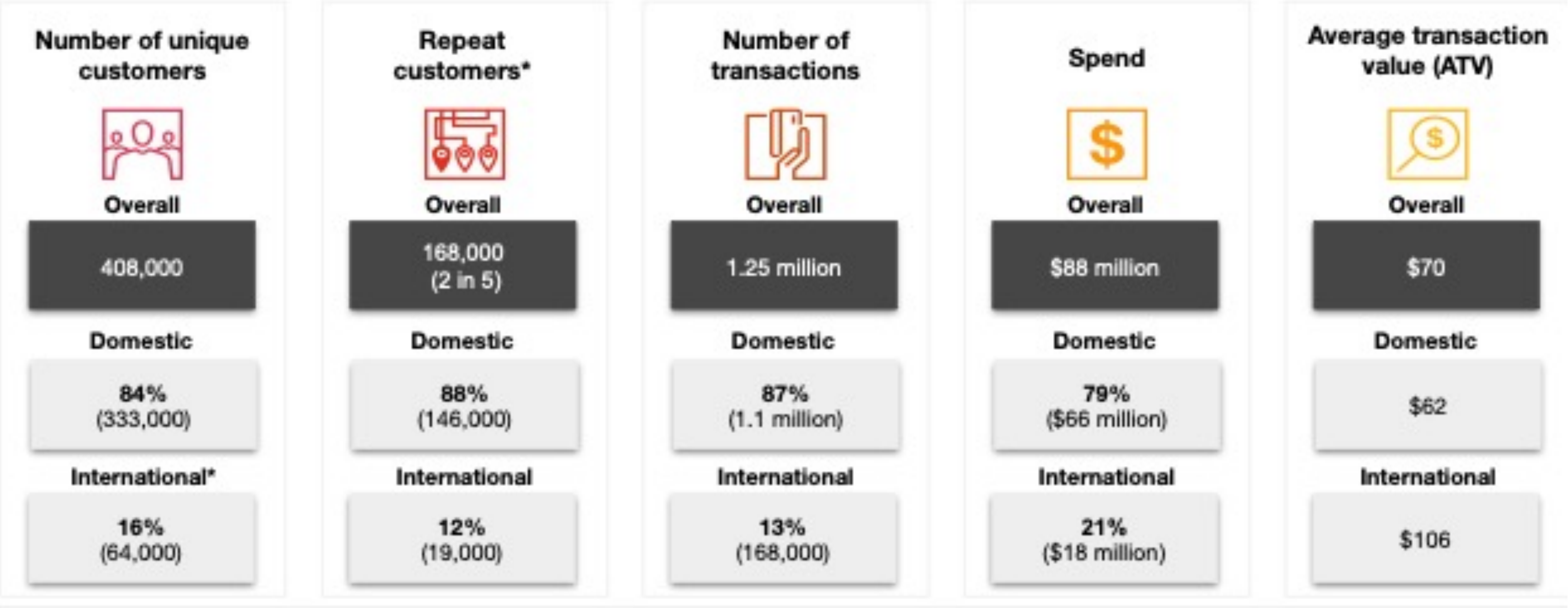
Understanding Waterfront visitation and spend patterns

Visitors to the precinct:

- **88% domestic, 12% international**
- Less than **25% made repeat visits** during pilot period
- **Average spend $72.70** per transaction
  - domestic $66.51
  - international $105.50
- **46% spent $10 - $50** per transaction
- 1.3% accounted for 41% total spend
- **80% do not spend** any money in the precinct

Waterfront visitation and spend ‘pre-Covid’

Examined 6 months of high data coverage 14 participating merchants



	Number of unique customers	Repeat customers*	Number of transactions	Spend	Average transaction value (ATV)
Overall	408,000	168,000 (2 in 5)	1.25 million	$88 million	$70
Domestic	84% (333,000)	88% (146,000)	87% (1.1 million)	79% ($66 million)	$62
International	International*: 16% (64,000)	12% (19,000)	13% (168,000)	21% ($18 million)	$106

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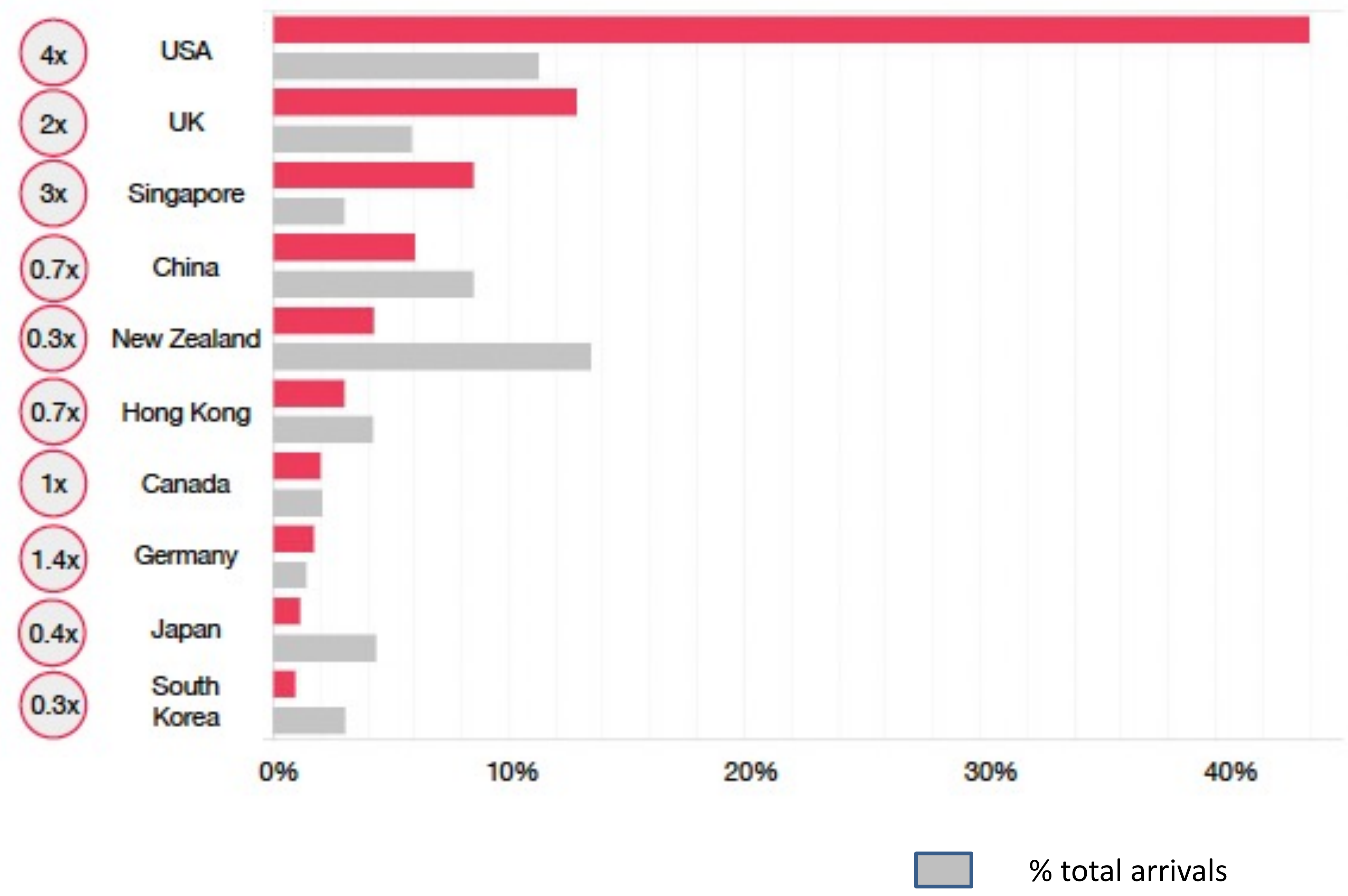
International visitors (Sep 19 – Mar 20)

Sydney
- 50% flight passenger arrivals to Sydney were international visitors
- 204 countries of origin
- Proportion of spend by country of origin varied
  - USA – approx. 11% of visitors; 41% of total spend
  - NZ – 13.5% of visitors; 4.3% of total spend

Western Harbour
- 146 countries of origin
- Spending patterns
  - USA – 33% of international visitors; 41% of spend
  - Overall international average $106
  - South Korean average $541

- Only 10% international arrivals to Sydney spend money in the New Sydney Waterfront



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Types of international visitor spend

High spend countries

Where did they spend?

USA

ATV	$75
Spend per customer	$647
Number of trips	6.8

55% of USA spend was in **Food & Beverage** sub-categories.

United Kingdom

ATV	$132
Spend per customer	$292
Number of trips	1.6

UK spend was concentrated in **Hotels (71%)** and **Bars (14%)**.

Singapore

ATV	$191
Spend per customer	$697
Number of trips	2.7

80% of spend was in **Hotel** sub-categories

China

ATV	$237
Spend per customer	$490
Number of trips	1.8

More likely to spend in **Fine Dining** and **Events**, though majority of spend was in **Hotels (58%)**

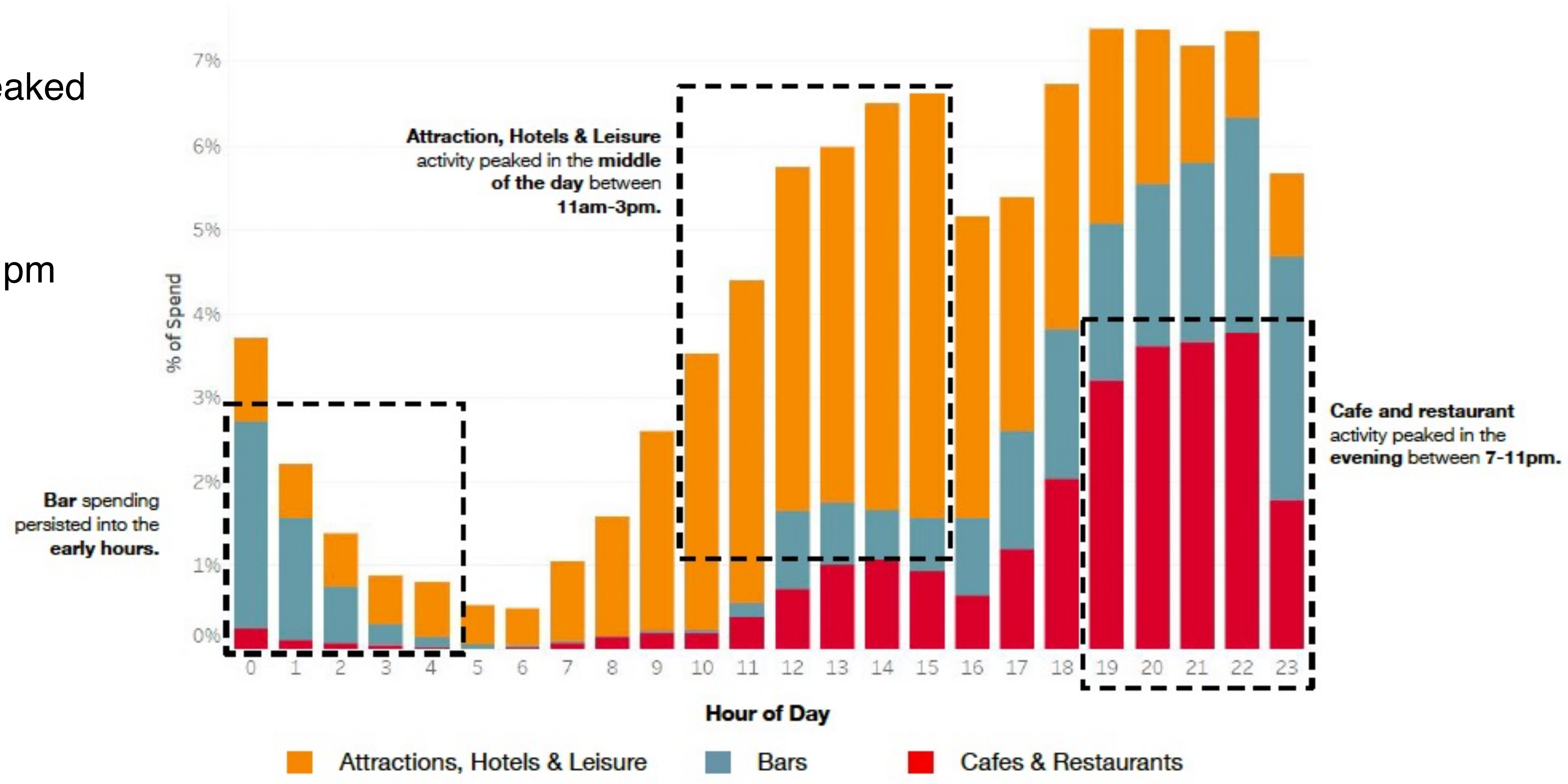
Based on data from September 2019 to March 2020

Overall international ATV: $106; Spend per customer: $401; Number of trips: 3.2

When do visitors spend within a day

- Attractions, hotels and leisure activity dominated during the day and peaked as a proportion of spend 11am - 3pm
- Café and restaurant activity peaked 7pm - 11pm
- Bar spending was highest proportion of spending after 11pm
- The highest total spend was 7pm - 10pm

Spend by type and time of day



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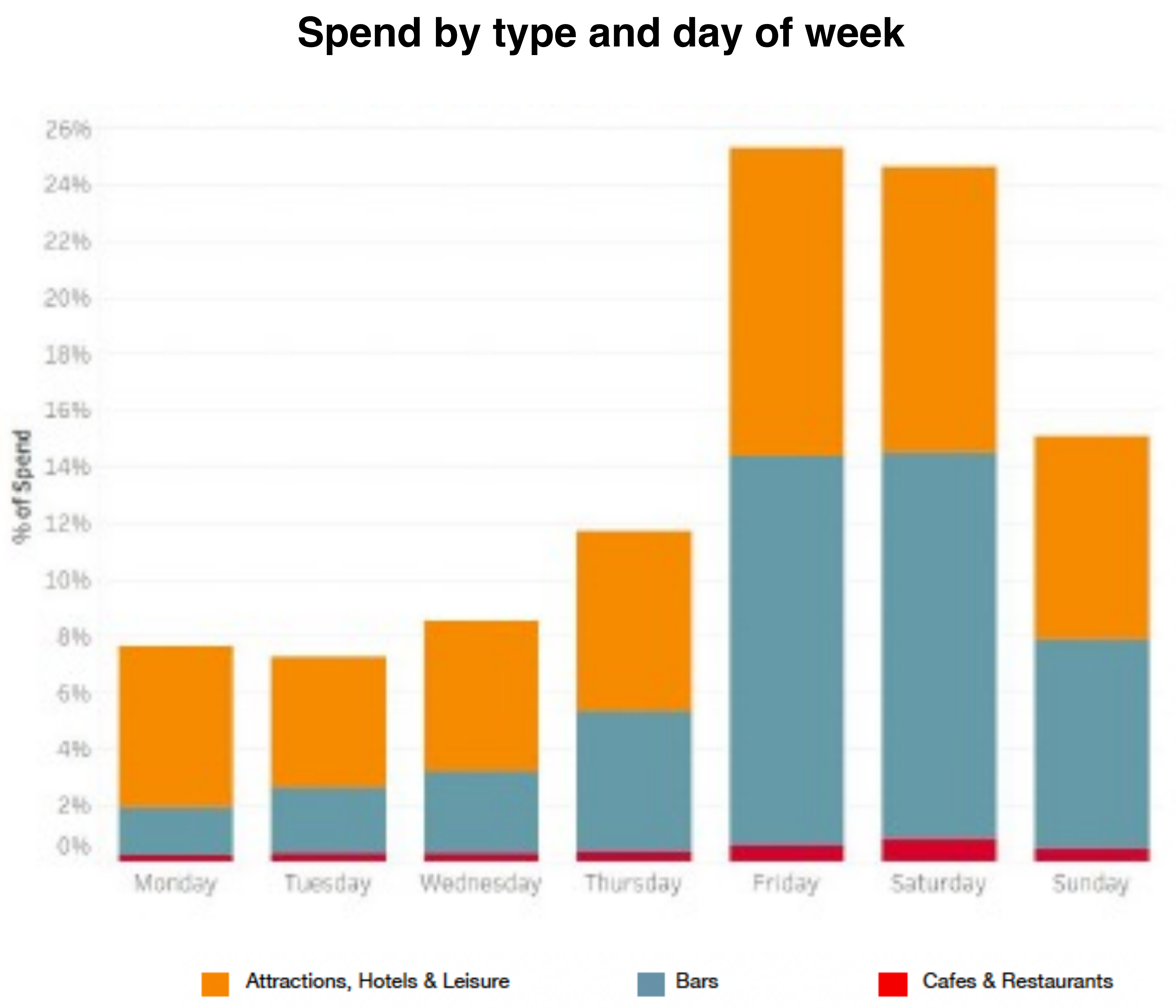
When do visitors spend within a week

- Fridays and Saturdays are the peak for spending activity
- Activities, hotels and leisure was the largest spending category from Monday to Thursday
- Spending at bars increased significantly on weekends



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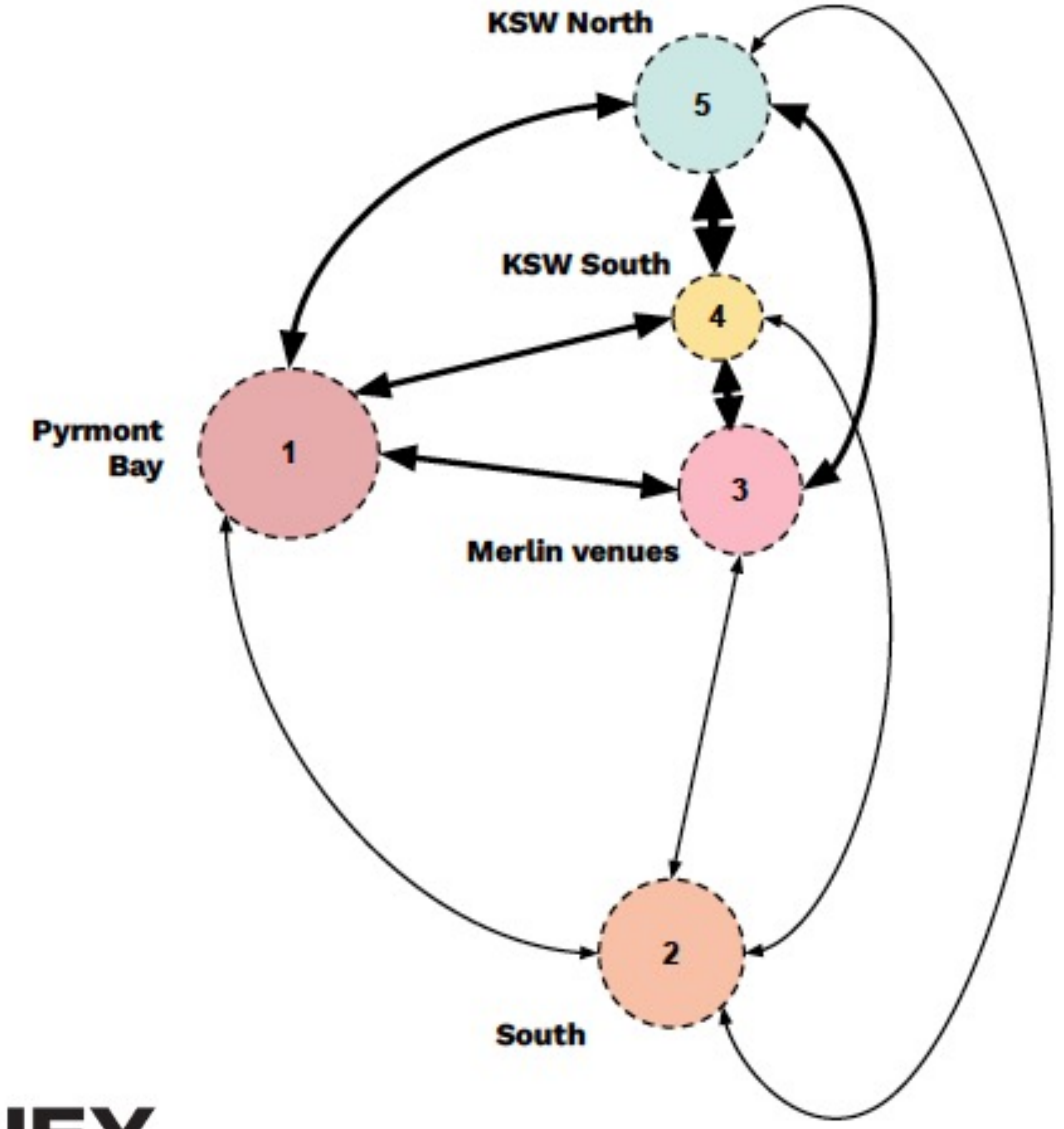
Where do visitors spend

- Western Harbour precinct appears to generate high levels of single outlet visits
- The Star was the venue most likely to attract multiple visitations



56%
of all customers have spent in **zone 5**

28%
of all customers who spent at **zone 5** also spent at **zone 4**

Although **zone 1** is the most important in terms of repeating visitation and transactions, only
11%
of all customers who spend at zone 1 end up spending at any other zones

1. Pyrmont Bay
Harbour Bar and Kitchen
Lyric Theatre
The Star

2. South
Blackbird Cafe
Capitol Theatre
Planar Restaurant
Sofitel Darling Harbour

3. Merlin venues
Merlin Aquarium
Merlin Madame Tussauds
Merlin Ticket Office
Merlin Zoo

4. King Street Wharf South
Casa Restaurante Italiano
Cargo Bar
Jordons Seafood

5. King Street Wharf North
Beer Deluxe
Bungalow 8
Meat district co

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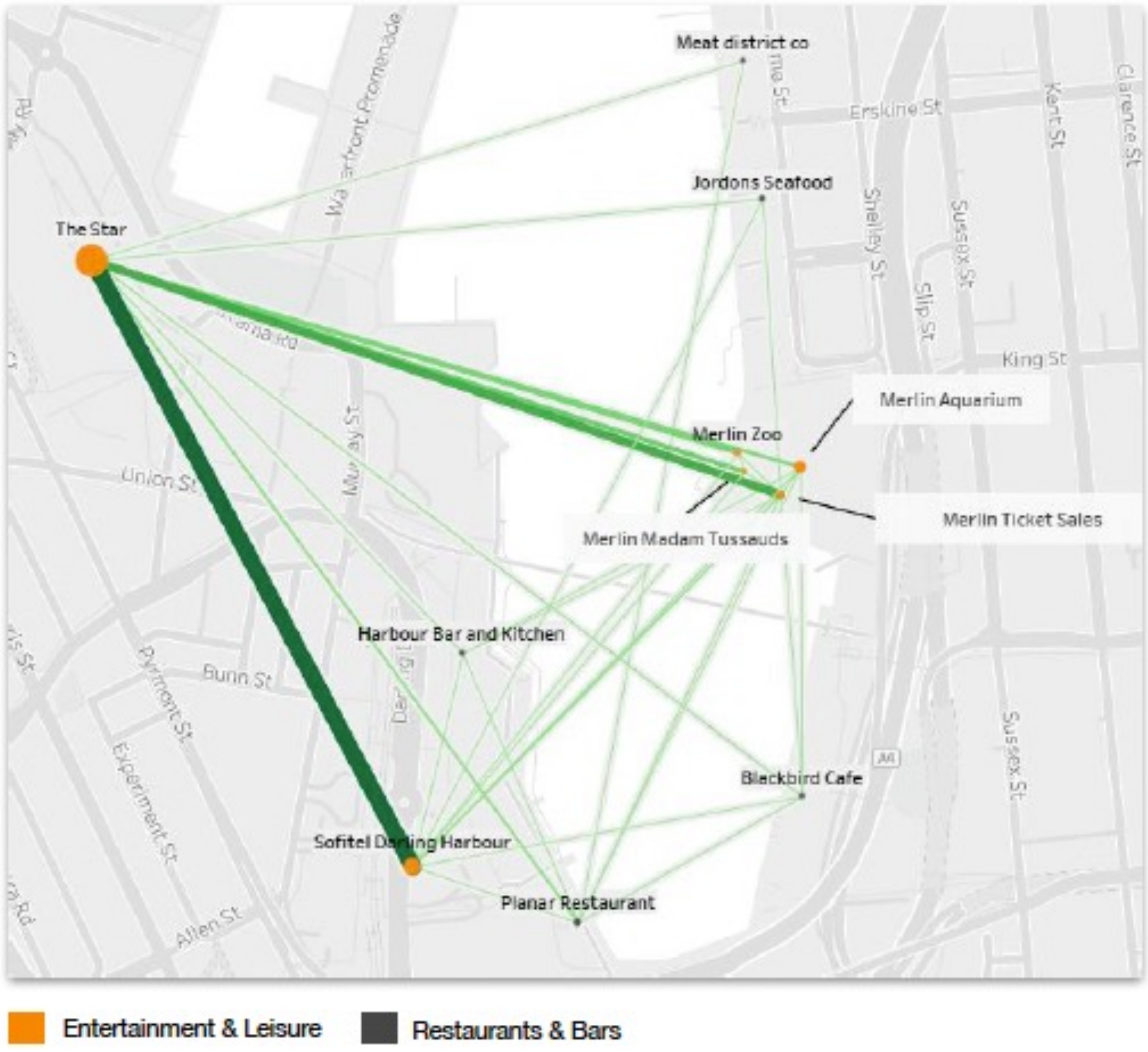
There are anchor venues within the precinct

- The Star and Sofitel are key anchor venues
- Some customers appear to visit clusters of venues over multiple visits
- However, multi-venue visitation on a single trip is relatively rare



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What can we learn about visitor types?

- Using anonymised data we can create **customer segments** to better understand preferences, spending habits, visitation patterns, etc.

- 5 customer segments were identified:

Fun Seekers

Foodies

One-time Locals

Prolific Spenders

World Travellers

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Sample segment – what do we know?

The Fun Seekers

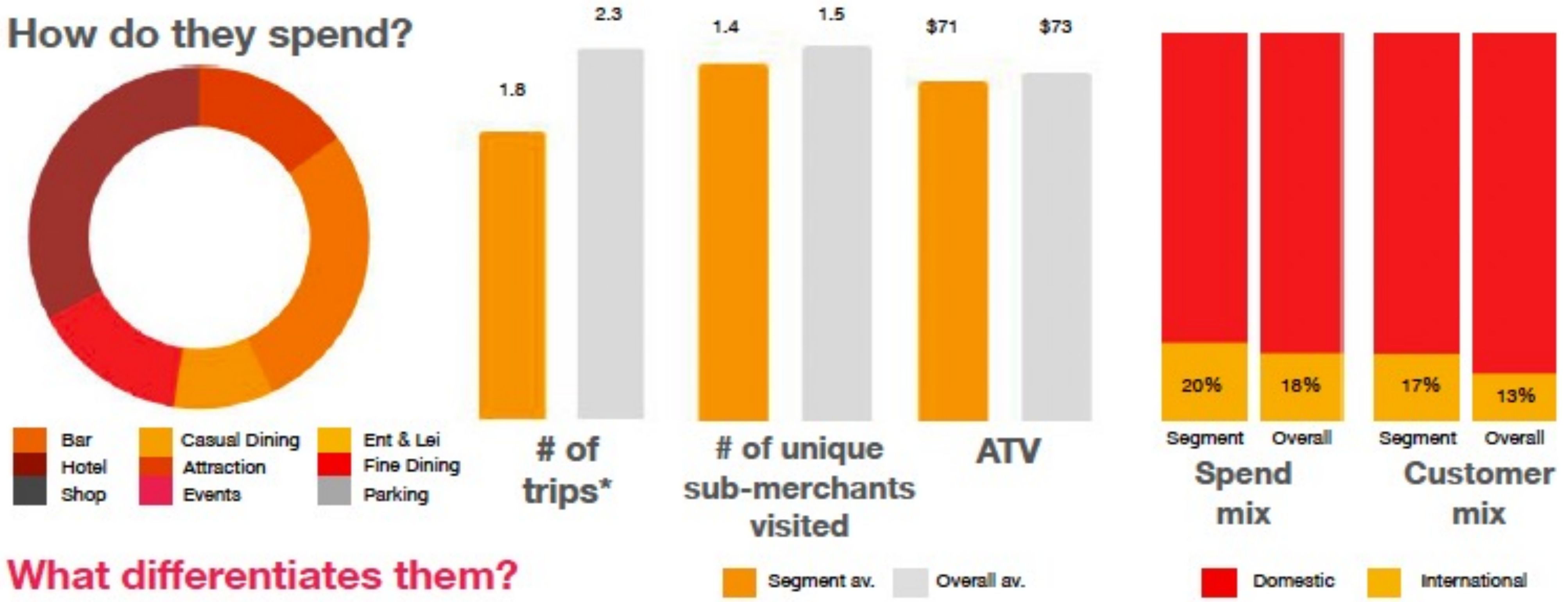
Customers who enjoy the Attractions and Entertainment & Leisure on offer in the precinct

55%
of all customers

42%
of all spend

**time period being referenced is September 2018 - August 2021.*

How do they spend?



What differentiates them?

$1 in every $4 was spent at **Bars**

1.8x more likely to have spent on an **Attraction**

2.6x more likely to have spent in **Entertainment & Leisure**

1.4x more likely to have spent on the **east** side of the harbour

46% of spend was on a **Friday** (21%) or **Saturday** (25%)

27% of all customers made repeat trips to the district

Where do they come from?

There were customers from **139** different countries within this segment

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SO WHAT?

What is the pilot analysis suggesting about the current/recent state of the precinct?

1. Around **80%** of precinct visitors are **'non-commercial'**

2. More than **90% of international arrivals** in Sydney did **not spend money in the Precinct**

3. **Less than 25%** of transacting visitors to the precinct **returned** to spend money on a second occasion across the three year sample period

4. **Multi-venue visitation on a single trip is rare**. Most visitors to the precinct appear to come for just one purpose, and leave the precinct after their singular purpose is accomplished

5. Relative **customer value, and consumption preferences vary widely across international tourist** source markets

6. **50%** of spend in the sample is in **Restaurants, Cafes and Bars**. The **Waterfront** may be a **$1bn F&B Precinct**, making it potentially the largest in the country

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IN RESPONSE:

The "Big Questions" arising for the new Sydney Waterfront

- What will the Precinct be famous for once the remaining $10bn of development is completed?
- Who will the New Sydney Waterfront be for?
- How can we reconcile the needs/desires of conflicting customer groups?
- What role might a new Precinct brand play? How will the sub-Precincts support this?
- What would segmentation/targeting suggest in terms of the mix of product and experiences to be offered across the Precinct? More of the same, or something new?
- Should different parts of the Precinct target different customers? Or will the whole Precinct be aimed at the same audience?
- How many restaurants and bars would be too many? How would we know?
- How could it best support the 24 hour economy? The circular economy? The visitor economy? The cultural economy?

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How will the Data Analytics & Insights Platform help inform this thinking – and New Sydney Waterfront Members?

- Monthly reporting provides de-identified performance data by category and sub-precinct to inform corporate and marketing strategy and plans
- Monthly forward view provides year-on-year international tourism traffic forecasts
- Insights to inform vision, purpose, identity and enabling programs “white paper” for the "New Sydney Waterfront" precinct
- Proprietorial data empowers the BID collective to influence the future shape and functionality of the Precinct (only source of collective, fact based thought-leadership)
- Platform enables scenario modelling to forecast performance of different tenancy configurations and customer content options in the context of the wider Precinct commercial eco-system
- Australia-first analytics and insights reporting capability is distinctive value add for landlords, commercial real estate businesses and operators

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Data analytics & insights

- A model that can continue to evolve
- A key tool supporting evidence-based planning and decision making

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WALSH BAY – BARANGAROO – KING STREET WHARF
COCKLE BAY WHARF – DARLING HARBOUR – PYRMONT
JONES BAY – BLACKWATTLE BAY – ROZELLE BAY