

Consumers notch belts tighter in May but still find the time and money to thank Mum

AUCKLAND, 2 June 2023 – Annual consumer spending growth was up slightly in May, but still made for a challenging trading environment for retailers, with the spending crunch especially evident amongst non-food merchants.

Consumer spending in May 2023 through all Core Retail merchants (excluding Hospitality) in Worldline NZ’s payments network reached \$2.979B, which is up just 3.7% on May 2022, and up 16.6% on the same month in 2019.

Worldline NZ’s Chief Sales Officer, Bruce Proffit, says the May numbers show the ongoing influence of inflation made it an especially tough month for retailers selling non-food goods.

“Spending through Food and Liquor stores in May was up 8.3% on the same month last year, which is well below the latest annual rate of food price inflation (12.5% April-April). Meanwhile, spending through the remaining non-food Core Retail stores was down 3.2%,” says Proffit.

“This was especially evident in the major centres, with the combined total spend through food and non-food retailers (excluding Hospitality) up a mere 1.0% on last year in Wellington, 3.0% in Auckland / Northland and 3.3% in Canterbury – all below the national average.”

Proffit says it was not surprising that one of the few positive influences on consumer spending during the month was Mother’s Day.

“Nothing is stopping Kiwis showing their mums that they love them, judging by the higher spending on or around Mother’s Day through relevant retailers.”

Proffit says spending on Mother’s Day (14 May) was strong at Restaurants and Cafés, with the nationwide spend through these merchants in Worldline’s payments network reaching \$22.4m, up 42% on the previous Sunday (7 May) and up 7% on Mother’s Day last year (8 May 2022).

“There were also higher sales at Florists on the four days (Thursday to Sunday) ending on Mother’s Day than the same four days a week earlier (+169%), although flowers were not as popular as last year (-19%). Add in extra spending in Book stores (on the day before), Jewellery, and in other Gift Stores and the extra spending for mum was almost \$9.0m, which is up 5% on last year.”

Merchant group	Days	Current	Week before	Change	% change	Last year	Change	% change
Restaurants & cafes	Sun	22,401	15,791	6,610	42%	20,934	1,468	7%
Florists	Thu-Sun	2,448	909	1,539	169%	3,007	-559	-19%
Bookshops, Video, Music	Sat	1,692	1,173	520	44%	1,590	103	6%
Watch & Jewellery	Sun	970	788	182	23%	809	160	20%
Gift Stores	Sun	879	737	141	19%	817	61	8%
SUB-TOTAL		28,390	19,398	8,991	46%	27,157	1,233	5%

Figure 1: All Cards NZ underlying* spending (\$000) through selected Worldline merchants on or about Mother’s Day, compared with same days a week earlier and last year (* Underlying excludes large clients moving to or from Worldline)

Proffit says amidst the overall tough retail month, there were still some positive signs evident in the monthly figures of several regions.

“Consumer spending through Core Retail merchants is running higher than last year in the storm-hit regions of Gisborne (up 6.3%) and Hawke’s Bay (up 6.4%),” he says.

“The Hospitality spend in these regions is also showing positive signs, with Hawke’s Bay up by 3.5% on last year, while spending through Hospitality merchants in Worldline’s network was only down 2.1% in Gisborne.

“Meanwhile, the fastest annual growth in Hospitality spending was in Otago, up 11.9% on the same month last year.”

Nationwide, spending in May 2023 through Hospitality merchants in Worldline NZ’s payments network totaled \$0.925B, up 4.2% on May 2022 and up just 6.3% on the same month in 2019.

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for May 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	1,099	3.0%	12.8%
Waikato	235	4.6%	23.5%
BOP	198	2.5%	18.5%
Gisborne	27	6.3%	15.6%
Taranaki	69	3.6%	28.8%
Hawke's Bay	108	6.4%	26.0%
Whanganui	39	8.0%	31.8%
Palmerston North	92	6.8%	25.4%
Wairarapa	37	3.2%	27.3%
Wellington	283	1.0%	11.3%
Nelson	58	3.4%	14.8%
Marlborough	35	6.2%	19.9%
West Coast	20	7.5%	25.4%
Canterbury	357	3.3%	20.3%
South Canterbury	51	8.2%	23.1%
Otago	157	8.3%	17.0%
Southland	71	7.1%	21.0%
New Zealand	2,979	3.7%	16.6%

Figure 2: All Cards NZ underlying* spending through Worldline in May 2023 for Core Retail (excluding Hospitality) merchants

(* Underlying excludes large clients moving to or from Worldline)

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Note to editors:

These figures reflect general market trends and should not be taken as a proxy for Worldline’s market share or company earnings. The figures primarily reflect transactions undertaken within stores but also include some ecommerce transactions. The figures exclude transactions through Worldline undertaken by merchants outside the Core Retail sector (as defined by Statistics NZ).

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