

Black Friday retail spending down on last year

AUCKLAND, 28 November 2022 – Black Friday sales made for another busy week this year amongst Kiwi retailers, but spending was down on last year, offering a cautionary note ahead of the expected busier Christmas shopping period to come.

Consumer spending through Core Retail in-store merchants in Worldline NZ’s payments network (excluding Hospitality and Food/Liquor merchants) was \$67m on 25 November, Black Friday, which was 6.9% below spending on the same Black Friday day in 2021.

Spending over the seven days ending Saturday 26 November, which includes the busy shopping days before and after Black Friday itself, was \$350m and was down 9.5% on last year. Relative to the pre-Covid levels of Black Friday 2019, spending was up a mere 1.5%.

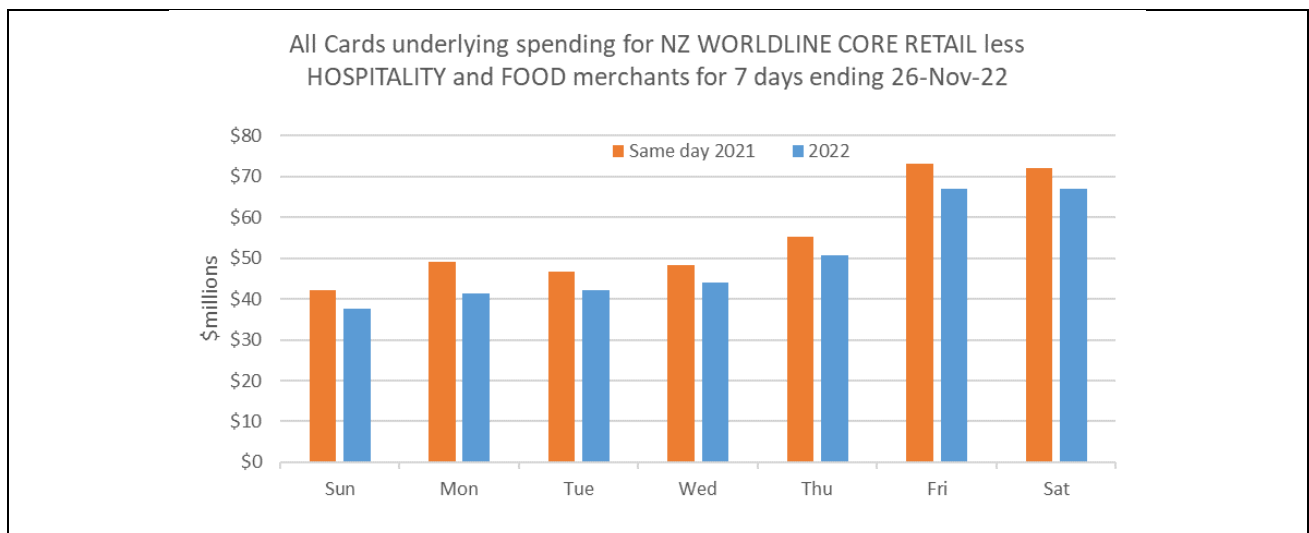


Figure 1: All Cards NZ annual underlying* spending growth through Worldline for core retail excluding Hospitality and Food/Liquor merchants (* Underlying excludes large clients moving to or from Worldline)

In terms of retail sectors, the data shows a mix of spending gains and declines amongst merchants, but the declines outweighed the gains during last week, especially amongst merchants selling big-ticket purchases for the home.

A broad grouping of Furniture, Floor Coverings, Houseware, Textile goods and Hardware merchants recorded an annual spending decline of 20% over the seven days. Notably, this group experienced strong spending following the shift to a less constrained retail environment in early November 2021.

In contrast, another broad grouping of Clothing, Footwear and Personal Accessory retailers saw spending go up by 5% this year over the Black Friday week.

What this could mean for the ongoing Christmas spending season ahead is not clear from the spending data of the last week, but it would be reasonable to infer, given rising consumer prices, falling house prices, rising interest rates and generally low consumer confidence, that fewer merchants will be setting Christmas spending records this year.

In previous years, the pattern of spending through Worldline’s payments network typically shows a few very busy days immediately preceding Christmas Day and another, lesser surge on Boxing Day.

Black Friday spending in recent years has been below the immediate pre-Christmas surge but above that of Boxing Day when measured against the wide range of merchants within the Core Retail group, even after excluding food, liquor, and hospitality merchants.

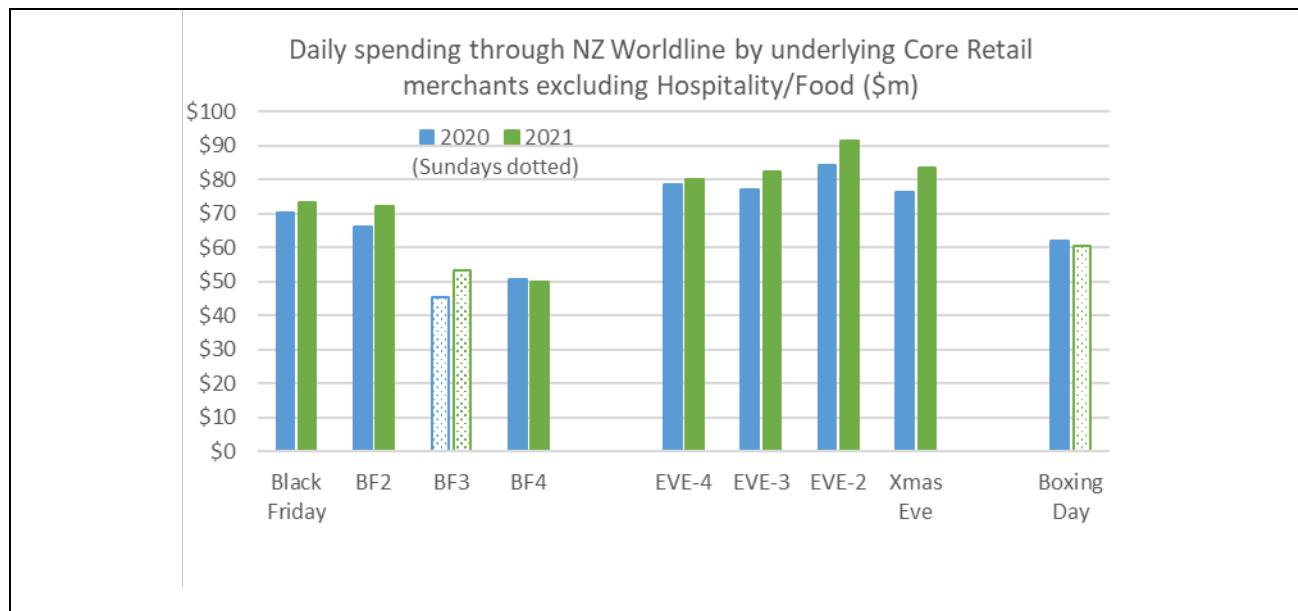


Figure 2: All Cards NZ underlying* spending through Worldline for core retail excluding hospitality and food/liquor merchants in the days after Black Friday (BF) and before Christmas 2020 and 2021 (* Underlying excludes large clients moving to or from Worldline)

Returning to Black Friday 2022 figures, the annual spending decline in the week ending 26 November was largest in Auckland/Northland (-12% versus 2021 and -3% versus 2019), consistent with the house-related spending effect. In contrast, spending (at a much lower level) was up in Southland (+6% versus 2021 and +5% versus 2019), where house-related spending was not as strong last year.

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY/FOOD merchants for 7 days ending 26-Nov-2022			
Region	Value transactions \$millions	Underlying* Annual % change on 2021	Underlying* % change on 2019
Auckland/Northland	145.1	-12%	-3%
Waikato	24.8	-9%	11%
BOP	23.9	-10%	5%
Gisborne	1.9	-7%	2%
Taranaki	7.2	-6%	21%
Hawke's Bay	9.2	-1%	9%
Whanganui	3.1	-9%	5%
Palmerston North	9.6	-7%	10%
Wairarapa	2.7	-11%	9%
Wellington	37.4	-10%	-3%
Nelson	6.0	-6%	3%
Marlborough	3.5	-5%	0%
West Coast	1.6	0%	5%
Canterbury	46.8	-9%	8%

South Canterbury	4.2	0%	6%
Otago	15.5	0%	-2%
Southland	7.4	6%	5%
New Zealand	350.1	-9.5%	1.5%

Figure 3: Recent All Cards NZ underlying* spending growth through Worldline for regional core retail excluding hospitality and food/liquor merchants, versus the same periods in previous years (* 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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