

Pre-Christmas spending build up begins, but patterns are mixed across retail sectors

AUCKLAND, 8 December 2023 – Consumer spending patterns were mixed in the first full week of December, with pre-Christmas shopping up for Food & Liquor, but down across most other retail sectors.

Consumer spending processed through all Core Retail merchants (excluding Hospitality) in Worldline NZ’s payments network during the first seven days of December reached \$785m, which is up 1.4% on the first seven days of December 2022 and up 13.9% on 2019.

Worldline NZ’s Chief Sales Officer, Bruce Proffit, says the December build-up to Christmas has begun similarly to last year, although the experience at the sector level differs.

“The pattern of recent months continues with spending at Food & Liquor stores up and spending elsewhere generally running below 2022 levels,” says Proffit.

He notes that spending in the first seven days of December was up 6.7% amongst Food & Liquor merchants, but down 6.5% across the remaining Core Retail merchants (excluding Hospitality).

Proffit says a closer look at the retail sectors shows annual spending growth so far in December ranged from a positive pattern for Bookshops (+1.7%), Toy/Gaming stores (+2.4%) and Chemists (+8.2%) to negative patterns for Clothing/Footwear stores (-9.2%) and a large grouping of Hardware & Furniture merchants (-6.9%).

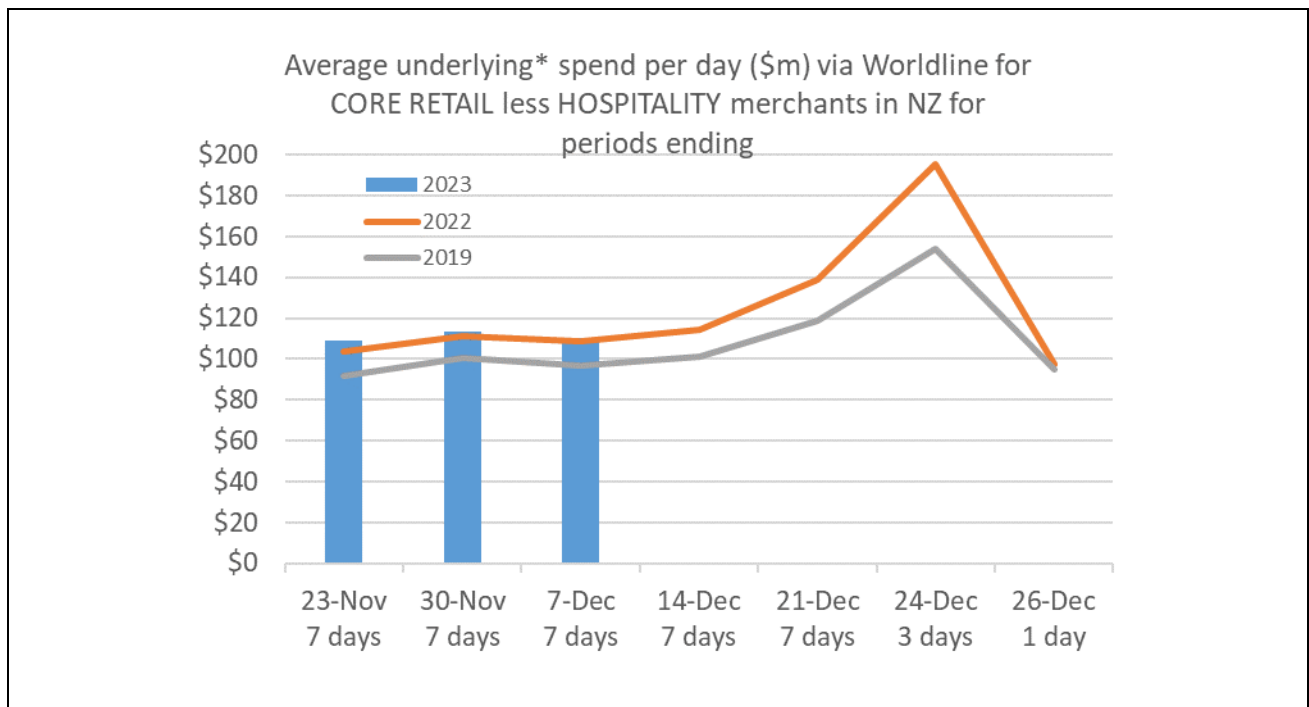


Figure 1: All Cards NZ average daily underlying* spending through Worldline for core retail excluding Hospitality in the leadup to Christmas Day (* Underlying excludes large clients moving to or from Worldline)

In considering how consumer spending may unfold for merchants in the coming weeks, Proffit says although these early figures reflect the longer-term trend of softer spending growth seen in 2023, retailers should still be in for some busy weeks ahead.

“The typical seasonal pattern will see spending tick up a little in the next seven days and again the week after, before a final frenzy over the last three days before Christmas Day,” he says.

“Christmas Eve this year falls on a Sunday so the peak day is likely to be Friday or Saturday – either way, both will no doubt be busy.”

From a regional perspective, spending in the first seven days of December was up strongest in Whanganui (+9.5%) and Otago (+7.4%). Spending was lower than last year in Auckland/Northland (-0.1%) Hawke’s Bay (-1.2%), Gisborne (-1.3%), Southland (-2.0%), Taranaki (-2.8%) and Bay of Plenty (-2.9%).

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY and FOOD/LIQUOR merchants for 1-7th Dec 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	293.2	-0.1%	7.6%
Waikato	65.6	0.8%	22.3%
BOP	53.9	-2.9%	15.2%
Gisborne	7.0	-1.3%	6.6%
Taranaki	18.3	-2.8%	23.5%
Hawke's Bay	29.0	-1.2%	19.8%
Whanganui	11.1	9.5%	40.4%
Palmerston North	24.9	2.7%	22.9%
Wairarapa	10.0	1.9%	22.9%
Wellington	70.7	3.9%	15.7%
Nelson	16.1	1.9%	14.7%
Marlborough	10.2	1.8%	16.2%
West Coast	5.6	2.8%	32.0%
Canterbury	95.3	3.2%	17.2%
South Canterbury	13.4	1.0%	13.8%
Otago	43.1	7.4%	14.8%
Southland	17.9	-2.0%	11.1%
New Zealand	785.6	1.4%	13.9%

Figure 2: Recent All Cards NZ underlying* spending growth through Worldline for regional core retail excluding hospitality merchants, versus the same dates in previous years (* Underlying excludes large clients moving to or from Worldline)

Looking back to November, the monthly spending total through Worldline’s payments network at Core Retail merchants (excluding Hospitality) was \$3.212B, which is up 3.4% on November 2022. The annual growth rate was below that averaged in the first nine months of 2023 (+4.6%).

“Black Friday spending certainly provided the usual boost for retailers at the end of the month, but the overall trends for November continued to reflect the generally weaker growth we’ve seen over the preceding months,” says Proffit.

The fastest monthly growth rate was in Whanganui (8.1%) and West Coast (8.0%) while spending declined in Southland (-2.4%) and Gisborne (-1.9%). Spending nationally was up amongst Food & Liquor merchants (+8.0%) but lower amongst the remaining Core Retail merchants (excluding Hospitality) (-3.1%).

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for November 2023			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	1,214	3.6%	10.1%
Waikato	264	5.2%	21.4%
BOP	216	0.9%	12.2%
Gisborne	28	-1.9%	4.1%
Taranaki	75	5.7%	29.8%
Hawke's Bay	118	3.1%	20.9%
Whanganui	42	8.1%	29.0%
Palmerston North	97	1.6%	19.2%
Wairarapa	40	0.7%	19.1%
Wellington	286	2.9%	11.8%
Nelson	66	4.5%	13.7%
Marlborough	41	5.8%	16.4%
West Coast	24	8.0%	24.6%
Canterbury	397	3.3%	21.0%
South Canterbury	55	3.6%	20.1%
Otago	175	5.8%	14.7%
Southland	73	-2.4%	10.3%
New Zealand	3,212	3.4%	14.5%

Figure 3: All Cards NZ underlying* spending through Worldline in November 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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