

Summer holiday hospitality spending down on last year, despite fewer weather disruptions

AUCKLAND, 2 February 2024 – While the New Year started with a modest overall rise in consumer spending at Core Retail merchants, spending in the Hospitality sector over the busy summer holiday period in January ran below year-ago levels.

Data released by Worldline NZ today shows consumer spending through Core Retail merchants (excluding Hospitality) in its payments network was \$3.07B in January 2024, up +3.9% on January 2023. Meanwhile, consumer spending through Hospitality merchants in Worldline’s network reached \$1.02B in January 2024, which is down -1.4% on January 2023.

The Hospitality sector includes cafes and restaurants, bars and clubs, fast food outlets, and accommodation such as hotels and motels. Worldline NZ’s Chief Sales Officer, Bruce Proffit, says this may not have been the summer many of these merchants were hoping for, especially given the growing number of visitors to the country.

“While the spending through Core Retail stores is better than the +0.4% annual growth rate reported for December 2023, it remains a very modest increase when considered alongside the trading disruptions that occurred in January 2023 and ongoing higher consumer prices,” he says.

“Spending through Hospitality merchants is typically high from November through to March, with the peak in December. December 2023 was the peak so far, but Hospitality spending through our network was down 0.1% on year-ago levels in December and now is down again in January.”

Proffit says the lower January 2024 Hospitality spending occurred despite the disruption to trading activity that was caused by extreme weather events in late January 2023 – and that both summer months are down despite [more visitors coming to New Zealand](#) over this time.

“Some regions – Wellington, Marlborough and Otago – are even experiencing spending that is below the pre-Covid levels of January 2019, while spending growth in the South Island merchants remains lower than in the North Island,” says Proffit.

Spending at Hospitality merchants through Worldline NZ’s network was 9.3% above January 2019 in the North Island but up only 3.8% in the South Island.

WORLDLINE All Cards underlying* spending for HOSPITALITY merchants for January 2024

Region	Value transactions \$millions	Underlying* Annual % change on 2023	Underlying* Annual % change on 2019
Auckland/Northland	368	1.3%	8.8%
Waikato	76	0.3%	12.0%
BOP	96	-3.5%	11.0%
Gisborne	9	-4.1%	8.0%
Taranaki	25	-4.8%	34.5%
Hawke's Bay	32	1.7%	19.7%
Whanganui	12	2.5%	26.4%

Palmerston North	24	-0.9%	30.7%
Wairarapa	9	4.5%	25.3%
Wellington	75	-10.3%	-9.7%
Nelson	28	-0.4%	19.3%
Marlborough	20	-11.1%	-3.2%
West Coast	13	7.4%	21.1%
Canterbury	105	-2.6%	6.9%
South Canterbury	14	-5.2%	9.8%
Otago	81	-0.9%	-8.0%
Southland	35	-2.8%	11.8%
New Zealand	1,025	-1.4%	7.7%

Figure 1: All Cards NZ underlying* spending through Worldline in January 2024 hospitality merchants (* Underlying excludes large clients moving to or from Worldline)

A quick look at Hospitality throughout 2023 shows total spending through Worldline NZ's network for these merchants was \$11.7B over the 12 months, up +7.5% on 2022 and +7.3% on 2019. The annual growth rate was high in early 2023, due to the Covid-affected baseline, and ended negatively in December.

The regional growth for Core Retail merchants (excluding Hospitality) in January 2024 was highest in Whanganui (+8.0%) and Waikato (+7.3%) and lowest in Southland (-5.3%).

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for January 2024			
	Value	Underlying*	Underlying*
Region	transactions \$millions	Annual % change on 2022	Annual % change on 2019
Auckland/Northland	1,109	3.5%	14.8%
Waikato	269	7.3%	26.3%
BOP	222	3.9%	18.0%
Gisborne	28	4.0%	9.2%
Taranaki	76	6.3%	35.5%
Hawke's Bay	114	4.2%	27.3%
Whanganui	42	8.0%	41.7%
Palmerston North	93	-1.2%	29.0%
Wairarapa	41	5.0%	32.5%
Wellington	263	3.7%	18.8%
Nelson	71	4.7%	17.0%
Marlborough	44	5.5%	21.4%
West Coast	26	4.7%	34.2%
Canterbury	366	4.1%	26.7%
South Canterbury	54	4.1%	27.3%
Otago	188	4.7%	22.8%
Southland	71	-5.3%	14.4%
New Zealand	3,075	3.9%	20.4%

Figure 2: All Cards NZ underlying* spending through Worldline in January 2024 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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