

The spending squeeze continued in May for retail merchants, but consumers still made time for mum

AUCKLAND, 7 June 2024 – Spending through Core Retail merchants in Worldline NZ’s payments network increased over May but the situation remains challenging overall for retailers with spending continuing to track below year-ago levels for most sectors.

Data released by Worldline NZ today shows consumer spending through Core Retail merchants (excluding Hospitality) in its payments network reached \$2.93B in May 2024, which is up just +0.8% on May 2023.

Worldline NZ’s Chief Sales Officer, Bruce Proffit, reports that the key driver of spending growth remains food, while other merchant sectors experienced lower sales in May.

“Spending at Food & Liquor stores was above year ago levels (+4.0%). However, spending at shops selling only Liquor declined (-2.1%), suggesting the key growth driver for consumer spending is the weekly groceries,” says Proffit.

“Strip out Food & Liquor merchants from the above total and the spending amongst the rest of the Core Retail merchants (excluding Hospitality) was -4.7% below May last year.”

Proffit notes that the only day during the month when spending in the non-food sectors was above year ago levels was Friday, 31st May (+1.1%), the day after the Budget.

“Whether this was coincidental or not, this growth bump did not last long as spending reverted to below year-ago levels over the long weekend.”

Proffit also notes that Mother’s Day proved to be a bright spot for the Hospitality sector in May.

“Spending on Sunday 12th May through Fast Food merchants was \$1.0m higher than on the Sundays before and after Mother’s Day and \$5.7m higher amongst the rest of the Food & Beverage Services sector. That’s on top of an extra \$1.0m spent on Saturday, 11th May, much of it at supermarket and grocery stores,” he says.

“Overall that weekend, we saw a lift in spending on clothes, flowers, specialty foods, jewelry, gifts, and time at the hair salon, plus some liquor – much of which was likely gifts for Kiwi mums’ special day.”

Difference in WORLDLINE All Cards underlying* spending around Mother's Day 2024		
Selected merchant groups	Difference to average Sat or Sun before and after (\$000)	
	Sat 11-May	Sun 12-May
Food and beverage services (excluding Takeaways)	845	5,718
Clothing	2,094	921
Fast foods	196	975
Florists	610	551
Specialised food retailing (excluding liquor)	488	541
Watch And Jewellery Retailing	427	173
Pharmacies	576	60
Gift Stores	331	107

Beauty And Hairdressing	375	88
Liquor retailing	-75	420
Recycling/ Refuse Stations	-1	-4
Recreational Sports/Clubs	-32	-135
Charities	-22	-153
Taxi/Transport	19	-231
Motor vehicle and parts retailing	-240	-156
Supermarket and grocery stores	4,593	-2,011

Figure 1: All Cards NZ underlying* difference in spending through Worldline between the weekend of Mother's Day 2024 and the average of the same Saturday or Sunday 7 days before and after for selected merchant groups (* Underlying excludes large clients moving to or from Worldline)

Looking beyond the goods sector, Proffitt notes consumer spending in the Hospitality sector was generally weak across the entire month.

"May tends to be a quieter time of year for the Hospitality sector anyway, but the total of \$0.52B in payments recorded through these merchants in Worldline NZ's network was -2.0% below May last year and slipped further behind comparable spending in May 2023 as the month progressed."

For the month in total, regional annual growth for Core Retail merchants (excluding Hospitality) was highest in West Coast (+5.6%) and Whanganui (+5.2%). Spending declined in Southland (-6.8%), Bay of Plenty (-2.3%), Gisborne (-2.1%) and Auckland/Northland (-0.2%).

WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for May 2024			
Region	Value transactions \$millions	Underlying* Annual % change on 2023	Underlying* Annual % change on 2019
Auckland/Northland	1,095	-0.2%	11.6%
Waikato	246	4.3%	28.1%
BOP	193	-2.3%	15.4%
Gisborne	26	-2.1%	11.1%
Taranaki	70	0.9%	28.4%
Hawke's Bay	111	2.2%	28.3%
Whanganui	41	5.2%	38.3%
Palmerston North	92	0.8%	25.2%
Wairarapa	38	1.5%	28.6%
Wellington	262	2.0%	13.1%
Nelson	59	2.3%	17.1%
Marlborough	37	4.2%	24.4%
West Coast	21	5.6%	32.1%
Canterbury	364	1.7%	22.0%
South Canterbury	51	0.8%	23.5%
Otago	161	2.7%	20.0%
Southland	66	-6.8%	12.4%
New Zealand	2,933	0.8%	17.4%

Figure 2: All Cards NZ underlying* spending through Worldline in May 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).

For more information, contact:

Brendan Boughen

T 027 839 6044

E brendan.boughen.external@worldline.com

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Worldline [Euronext: WLN] helps businesses of all shapes and sizes to accelerate their growth journey – quickly, simply, and securely. With advanced payments technology, local expertise and solutions customised for hundreds of markets and industries, Worldline powers the growth of over one million businesses around the world. Worldline generated a 4.6 billion euros revenue in 2023. <https://worldline.com>

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PRESS CONTACT

Hélène Carlander

T +33 7 72 25 96 04

E helene.carlander@worldline.com

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