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.”

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| **Difference in WORLDLINE All Cards underlying\* spending around Mother's Day 2024** | | |
| **Difference to average Sat or Sun before and after ($000)** | | |
| **Selected merchant groups** | **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, Proffit 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%).

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| **WORLDLINE All Cards underlying\* spending for CORE RETAIL less HOSPITALITY merchants for May 2024** | | | |
|  | Value | Underlying\* | Underlying\* |
| Region | transactions $millions | Annual % change on 2023 | 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).

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