

QUARTERLY ELECTRONIC CARD RETAIL SPENDING

INCLUDING TOURISM
RELATED SECTORS //
JUNE 2024 QUARTER



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MANAWATŪ REGION QUARTERLY ELECTRONIC CARD RETAIL SPENDING

This report presents analysis of **electronic card retail spending** (i.e., total value of electronic card transactions made in person) in the Manawatū region. The data is obtained from Marketview and is based on information from Worldline (formerly known as Paymark) the largest electronic card payment network in New Zealand. Analysis covers eight retail sectors consisting of:

- >> accommodation
- >> apparel & personal
- >> arts, recreation & visitor transport
- >> cafes, restaurants, bars & takeaways
- >> fuel & automotive
- >> groceries & liquor
- >> home & recreational retail
- >> other consumer spending

See retail sector classification on page 11.

This Retail Report captures data from the Manawatū region, which consists of Palmerston North city and Manawatū district.

Manawatū comprises the two councils of Palmerston North City and Manawatū District



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OVERVIEW

Retail card spending in the region declined by 0.3% in the June quarter 2024 compared with the previous June quarter. This is marginally lower than the New Zealand average quarterly growth of 0.3% over the same period.

Annual electronic card retail spending increased by 0.7% over the year to June 2024, which is below the national growth rate of 2%. This compares with an annual inflation rate of 3.3% over the same period, indicating a real decline in the value of retail spending over the year. Annual retail spending was primarily supported by an increase in spending on groceries and liquor which rose 6%, fuel and automation which increased by 3%; and cafes, restaurants, bars and takeaways which increased by 2%.

Retail sectors on page 8.



ELECTRONIC CARD RETAIL SPENDING

\$436M

in the region June quarter 2024



0.3%

Decrease in the region compared to the June quarter 2023



0.3%

Increase nationally over the same period.

JUNE 2024 QUARTER

Electronic Card Retail Spending was \$436 million in the region for the June 2024 Quarter. Retail spending in New Zealand was \$18,606 million in the same quarter, a 0.3% decline from the June 2023 quarter. 0.3% increase in spend nationally on the same quarter the year prior.

The breakdown is as follows:

>> **Palmerston North city: \$366 million**
(0.3% decrease)

>> **Manawatū district: \$70 million**
(0.2% decrease)

YEAR ENDING JUNE 2024

Annual electronic card retail spending in the region was \$1,792 million, an increase of 0.7% compared to the year ended June 2023. National retail spending increased by 2% in the same period to reach a total of \$78,376 million. These increases were below the 3.3% rate of annual inflation, indicating negative real growth in retail spending in the region and across the New Zealand economy over the year.

The breakdown of annual spending for the region is as follows:

>> **Palmerston North city: \$1,501 million**
(0.6% increase)

>> **Manawatū district: \$290 million**
(1.4% increase)

ANNUAL ELECTRONIC CARD RETAIL SPENDING

\$1,792M

in the region



0.7%

Increase in the region compared to the year ending June 2023.

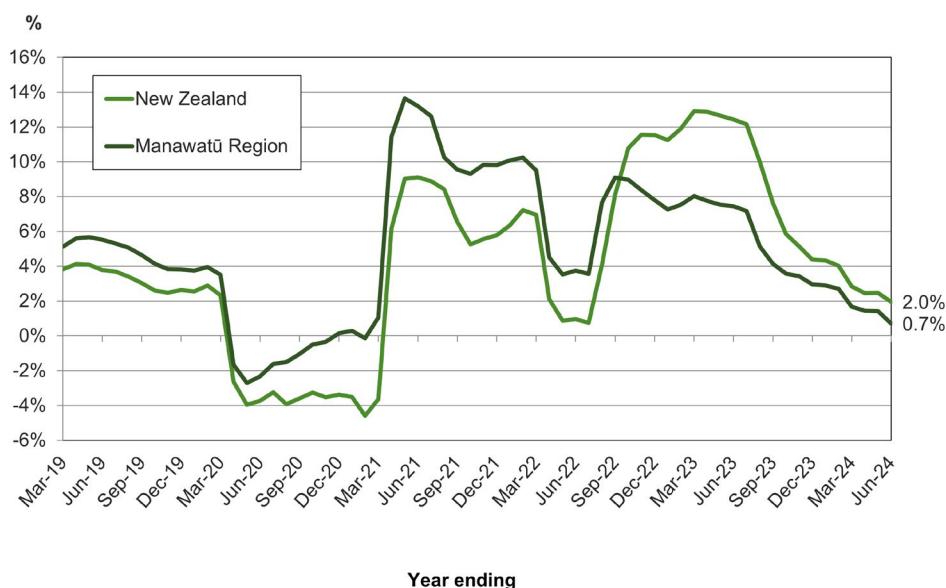


2%

Increase nationally in the same period.

The following chart shows the annual percentage change (i.e., rolling 12 months) in spending compared with the year before. Prior to October 2023, our region's retail spending experienced strong growth relative to national spending. This stronger performance was predominantly due to the structure of the regional economy, and less exposure to the impacts of border closures and reduced international tourism from pandemic restrictions in comparison to other parts of the country. As international tourism has resumed, the average New Zealand growth rate has caught up and is now exceeding the rate of growth in the region. Additionally, challenging economic conditions has put downward pressure on spending growth with annual spending growth for both New Zealand and the region declining since April 2023. This general slowing of economic activity across the country has narrowed the gap between the region's annual growth rate and the national annual growth rate. However, falling inflation and a gradual easing of interest rates is expected to stimulate retail spending in 2025.

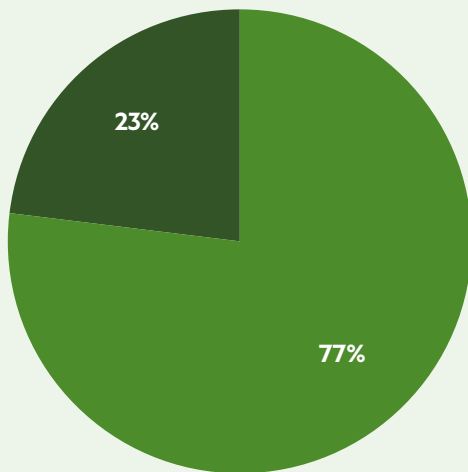
ELECTRONIC CARD RETAIL SPENDING ANNUAL CHANGE (%)



CUSTOMER ORIGIN

Cardholder origin	JUNE QUARTER 2024		YEAR ENDING JUNE 2024		
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	% share of spending
Local	334.2	0.7	1,370.3	1.2	76.5
Horowhenua district	18.2	3.2	72.8	-0.8	4.1
Tararua district	15.3	0.9	61.9	1.2	3.5
Rangitikei district	13.9	-1.5	56	-3.4	3.1
Wellington region	12.8	-3.3	53.8	-2.4	3
Auckland region	6.5	-7.7	28.2	-2.9	1.6
Whanganui district	5.9	-13.7	25.6	-3.6	1.4
Ruapehu district	1.3	-3.2	5	-0.6	0.3
Rest of New Zealand	21.4	-5.5	89.7	-3.3	5
International	6.5	9.6	28.6	15.6	1.6
Total	435.9	-0.3	1,791.8	0.7	100.0
Total New Zealand	18,606	0.3	78,376	2	

AT A GLANCE //



>> 77% of total spending in the region was from locals

>> 23% of total spending in the region was from visitors

For the year ending June 2024, 77% of retail spending in the Manawātū region was from locals, totalling \$1,370 million. This spending from locals is an increase of 1.2% compared to the previous year. The visitor share (i.e. consisting of domestic and international visitors) of Manawātū region's spending was 23% of total spending. Although spending by international visitors for the year ending June 2024 increased by 16%, international spending accounts for just \$29 million of total spending which represents about 2% of total spending in the region.

The top five spenders in our region contributed 15% of total annual spending for the year ending June 2024 year, and were made from:

- >> Horowhenua district
- >> Tararua district
- >> Rangitikei district
- >> Wellington region
- >> Auckland region

RETAIL PRECINCTS

The breakdown of annual spending for the region by Palmerston North city and the Manawatū district over this period, is as follows:

>> **Palmerston North city:** \$1,501 million, an increase of 0.6%

Among the four precincts, the highest annual growth rate was seen in the Terrace End precinct, increasing 3.4%, followed by the inner CBD precinct at 2%. The former is higher than the annual inflation rate of 3.3% in June 2024, and higher than the national average growth rate of 2%.

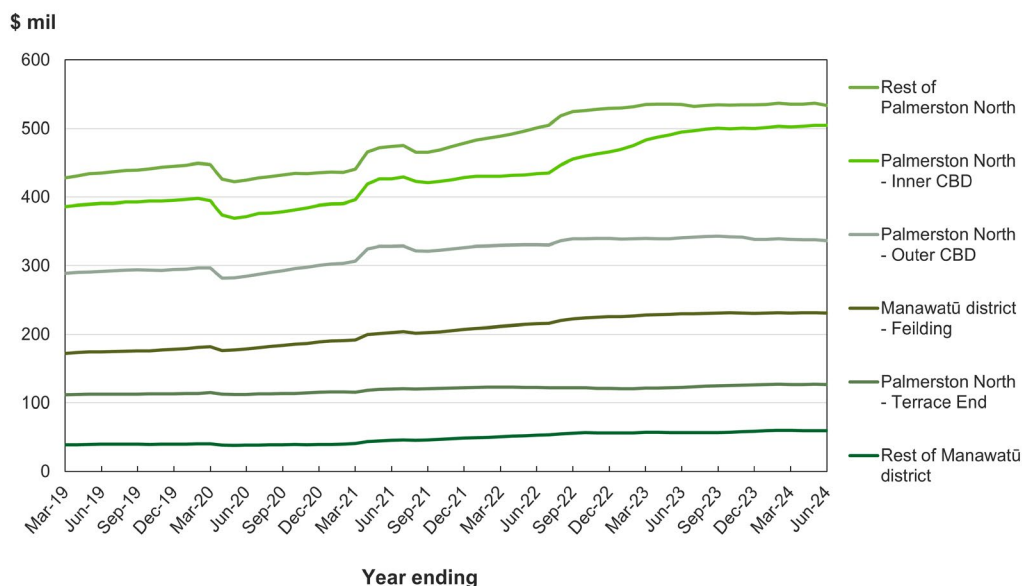
>> **Manawatū district:** \$290 million, and increase of 1.4%

Retail spending in the rest of Manawatū District (ie. excluding Feilding) had the highest growth over the year, increasing by 4.8%, which was higher than annual inflation rate of 3.3% and the national annual growth rate of 2%. Annual electronic card spending grew by 0.6% in Feilding.

Merchant Location	JUNE QUARTER 2024		YEAR ENDING JUNE 2024		
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	Precinct share (%)
Palmerston North Inner CBD	124	1.7	505	2	28.2
Palmerston North Outer CBD	82	-1.7	336	-1.1	18.8
Palmerston North Terrace End	31	0.2	127	3.4	7.1
Rest of Palmerston North	129	-1.5	533	-0.3	29.8
Palmerston North	366	-0.3	1,501	0.6	83.8
Feilding	56	0.2	231	0.6	12.9
Rest of Manawatū district	14	-1.8	59	4.8	3.3
Manawatū district	70	-0.2	290	1.4	16.2
Total Manawatū region	436	-0.3	1,792	0.7	100.0
Total New Zealand	18,606	0.3	78,376	2	

The graph below shows the trend in annual spending in the region by retail precincts.

MANAWATŪ REGION: RETAIL PRECINCTS ANNUAL ELECTRONIC CARD SPENDING (\$ MILLION)



RETAIL SECTORS

MANAWATŪ REGION YEAR ENDING JUNE 2024

NEW ZEALAND YEAR ENDING JUNE 2024

Retail Sectors	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	Manawatū region share of New Zealand
Accommodation	29	-2.5	1,815	-4.9	1.6
Apparel & personal	110	-0.1	4,514	-2.2	2.4
Arts, recreation & visitor transport	32	-3.8	2,265	-3.7	1.4
Cafes, restaurants, bars & takeaways	235	2.0	11,613	2.5	2
Fuel & automotive	330	3.1	13,252	3.8	2.5
Groceries & liquor	644	6.2	28,209	7.1	2.3
Home & recreational retail	407	-8.6	16,332	-5.1	2.5
Other consumer spending	5	17.1	377	4.7	1.3
Total	1,792	0.7	78,376	2	2.3

The region's annual growth rate of 0.7% was supported mainly by increased spending in the following categories:

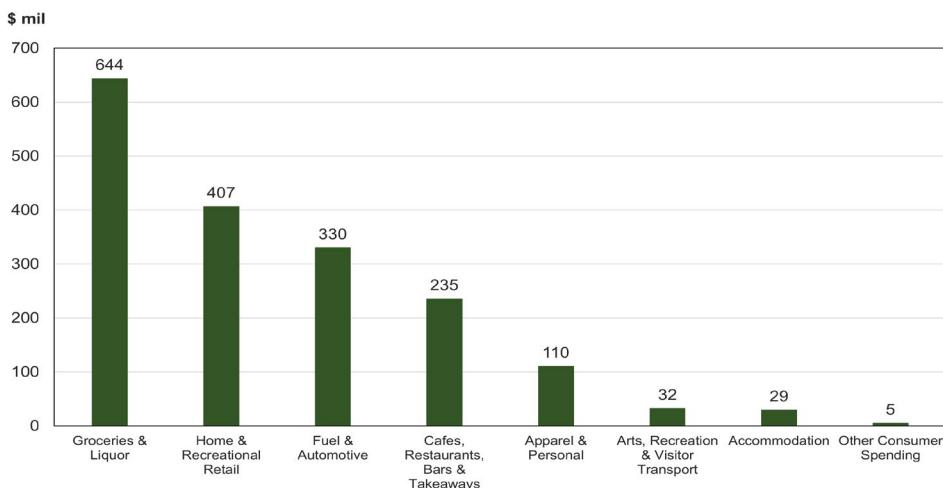
- >> groceries and liquor up 6.2% (\$37 million increase),
- >> fuel and automotive up 3.1% (\$10 million increase),
- >> cafes, restaurants, bars and takeaways up 2% (\$5 million increase),
- >> other consumer spending up 17.1% (\$1 million increase),

In the region, spending on home and recreational goods declined by 8.6% over the year, with arts, recreation and visitor transport down 3.8% compared with the year ending June 2023, and accommodation down 2.5%. This is consistent with the contraction of spending as household and business budgets come under pressure due to sharply higher borrowing and living costs.

At the national level, spending on 'home and recreational retail' fell by 5%, followed by spending on 'accommodation' which was down 5%, 'arts, recreation and visitor transport' which was down 4% and spending on 'apparel and personal spending' which fell by 2%.

MANAWATŪ REGION: ELECTRONIC CARD SPENDING BY RETAIL SECTOR

Year ending June 2024 (\$ mil)



In terms of the share of annual spending for year ending June 2024, the top three categories were:

- >> groceries and liquor \$644m
- >> home and recreational retail \$407m
- >> fuel and automotive \$330m

Together these three categories usually add up to about 77% of total electronic card retail spending.

RETAIL FLOW

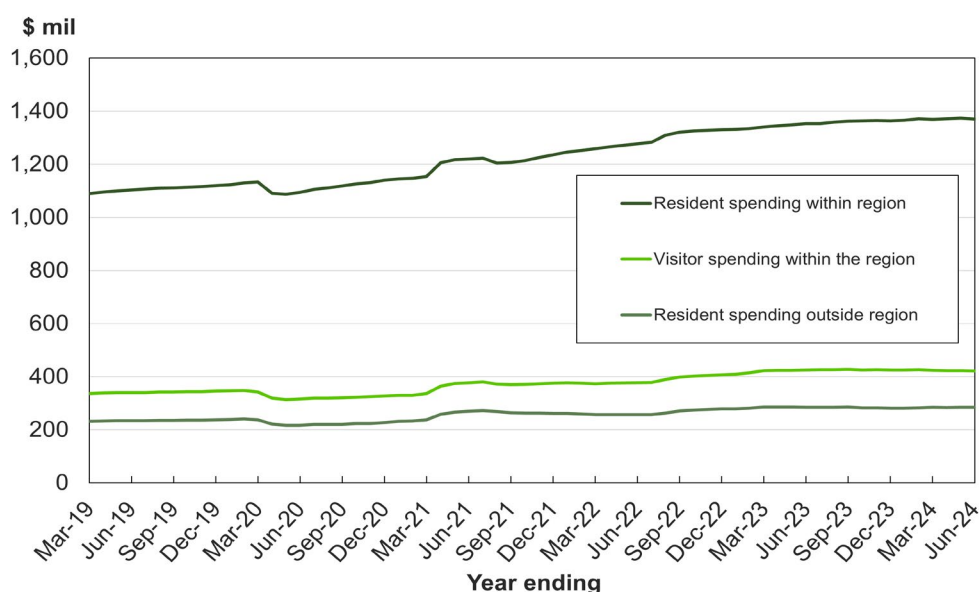
For the year ending June 2024, total annual residents spending in region was \$1,370 million, increasing 1.2% compared to year ending June 2023. Annual visitor spending was \$422 million, down 1% compared to the same period the previous year. The net gain in spending for the region in the year to June 2024 was \$137 million, a 2.3% decline compared to the previous year. Our region's loyalty rate, i.e., the percentage of Manawatū region's resident spending at Manawatū retailers, was 82.8%, the same as its five-year average but just below the June 2024 quarter rate of 83.7%.

Retail Flow	JUNE QUARTER 2024		YEAR ENDING JUNE 2024	
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)
Resident spending locally [a]	334	0.2	1,370	1.2
Visitor spending [b]	102	-2	422	-0.1
Total spending at Manawatū region merchants [c]	436	-0.3	1,792	0.7
Resident spending outside region [d]	65	-0.7	284	-0.3
Total resident spending [e] = [a]+[d]	399	0.1	1,655	1
Net gain in spending for region [b]-[d]	37	-4.3	137	-2.3
Manawatū region loyalty rate *	83.7%		82.8%	

*Percentage of Manawatū region resident spending at Manawatū retailers (i.e., [a]/[e])

MANAWATŪ REGION: RETAIL FLOWS FROM ELECTRONIC CARD RETAIL SPENDING

(\$mil)



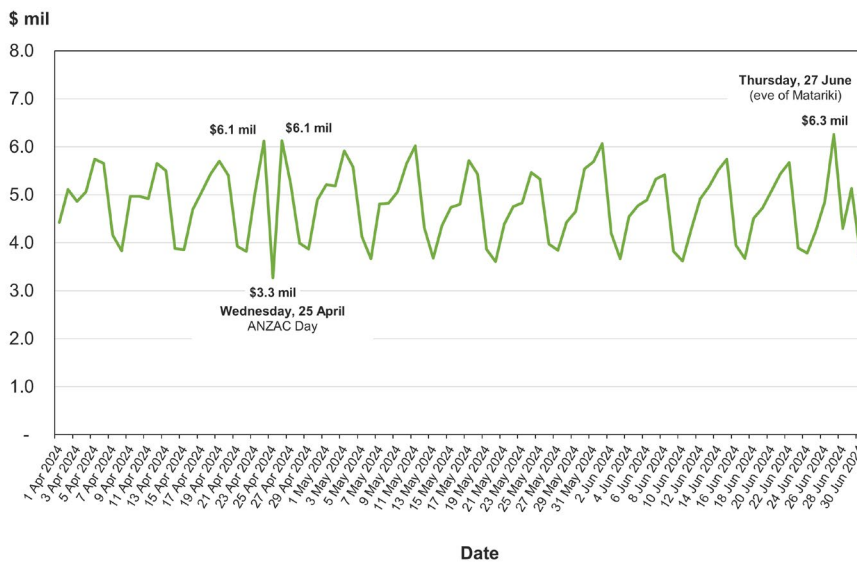
DAILY & WEEKLY SPENDING

The busiest day of the week for spending in the region is typically on a Friday or Saturday. This quarter, the highest spending was \$6.3 million on Thursday 27 June, the eve of Matariki. The lowest spending occurred on Wednesday 25 April 2024, which was Anzac Day, which saw a spend of \$3.3 million.

The average weekly spending for the June 2024 quarter was \$33.5 million with the highest weekly spend of \$35 million for the week ending 7 April 2024, and lowest weekly spend of \$32.3 million for the week ending 30 June.

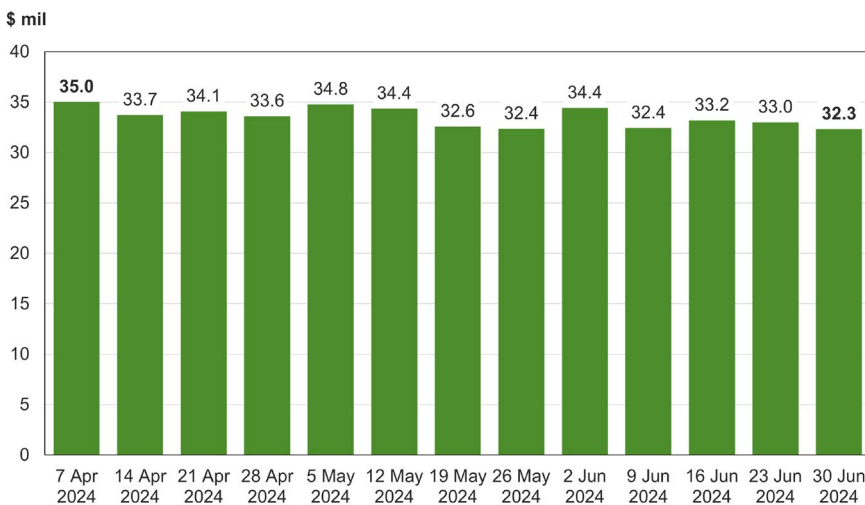
MANAWATŪ REGION: DAILY ELECTRONIC CARD RETAIL SPENDING

June Quarter 2024 (\$ million)



MANAWATŪ REGION: WEEKLY ELECTRONIC CARD RETAIL SPENDING

June Quarter 2024 (\$ million)



RETAIL SECTOR CLASSIFICATION

Accommodation

- >> Accommodation

Apparel & personal

- >> Clothing retailing
- >> Footwear retailing
- >> Watch & jewellery retailing
- >> Other personal accessory retailing
- >> Hairdressing & beauty services

Arts, recreation & visitor transport

- >> Interurban & rural bus transport
- >> Urban bus transport (including tramway)
- >> Taxi & other road transport
- >> Rail passenger transport
- >> Water passenger transport
- >> Air & space transport
- >> Scenic & sightseeing transport
- >> Passenger car rental & hiring
- >> Other motor vehicle & transport equipment rental & hire
- >> Travel agency & tour arrangement services
- >> Museum operation
- >> Zoological & botanical gardens operation
- >> Nature reserves & conservation parks operation
- >> Performing arts operation
- >> Creative artists, musicians, writers & performers
- >> Performing arts venue operation
- >> Health & fitness centres & gymnasias operation
- >> Sport & physical recreation clubs & sports professionals
- >> Sports & physical recreation venues, grounds & facilities
- >> Sport & physical recreation admin & track operation
- >> Horse & dog racing administration & track operation
- >> Other horse & dog racing activities
- >> Amusement parks & centres operation
- >> Amusement & other recreation activities n.e.c
- >> Casino operation
- >> Lottery operation
- >> Other gambling activities

Cafes, restaurants, bars & takeaways

- >> Cafes & restaurants
- >> Takeaway food services
- >> Catering services
- >> Pubs, taverns & bars
- >> Clubs (hospitality)

Fuel & automotive

- >> Motor vehicle parts retailing
- >> Tyre retailing
- >> Fuel retailing
- >> Other automotive repair & maintenance

Groceries & liquor

- >> Supermarket & grocery stores
- >> Fresh meat, fish & poultry retailing
- >> Fruit & vegetable retailing
- >> Liquor retailing
- >> Other specialised food retailing

Home & recreational retail

- >> Sport & camping equipment
- >> Entertainment media retailing
- >> Toy & game retailing
- >> Newspaper & book retailing
- >> Marine equipment retailing
- >> Department stores
- >> Pharmaceutical, cosmetic & toiletry goods
- >> Stationery goods retailing
- >> Antique & used goods retailing
- >> Flower retailing
- >> Other store-based retailing n.e.c.
- >> Furniture retailing
- >> Floor coverings retailing
- >> Houseware retailing
- >> Manchester & other textile goods retailing
- >> Electrical, electronic & gas appliance retailing
- >> Computer & computer peripheral retailing
- >> Other electrical & electronic goods retailing
- >> Hardware & building supplies retailing
- >> Garden supplies retailing

Other consumer spending

- >> Car retailing
- >> Motorcycle retailing
- >> Trailer & other motor vehicle retailing
- >> Retail commission-based buying & selling



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