

QUARTERLY ELECTRONIC CARD RETAIL SPENDING

INCLUDING TOURISM
RELATED SECTORS //
DECEMBER 2022 QUARTER

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY

 **MANAWATU**
DISTRICT COUNCIL

PALMY
PARADE
PALMERSTON
NORTH
CITY

TE MAURI O
MANAWATŪ


REPORT



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 Manawātū 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 9.

This Retail Report captures data from Manawātū region, which consists of Palmerston North City and Manawātū District.

OVERVIEW



While there was positive quarter on quarter (3.5%) and year on year growth (7.5%), these were lower than the New Zealand average (11.4% for Dec quarter, and 10.3% for year ending Dec 2022).

This was expected due to increased electronic card retail spending from October to December 2022 compared to the year before, where the northern part of North Island (e.g., Upper Northland, Auckland, Raglan, Te Kauwhata, Huntly, Ngāruawāhia, Hamilton City and surrounding areas) experienced higher levels of Covid-19 restrictions¹ while other parts of New Zealand were in Alert Level 2. In other words, the rest of New Zealand was catching up (see graph on “Electronic Card Retail Spending Annual Change (%)” on page 4).

There is positive annual growth in the spending in Manawatū from residents and visitors, as well as growth in resident spending outside the region (see section on Retail flow).

This growth is reflected in all the retail categories (see section on Retail sectors on Page 5). Note that the annual inflation rate for the December 2022 quarter was 7.2%.

DECEMBER 2022 QUARTER

For the quarter ending Dec 2022, total electronic card spending in the region was \$482 million (3.5% increase from Dec 2021 quarter). The breakdown is as follows:

- >> **Palmerston North City: \$406 million**
(3.2% increase)
- >> **Manawatū District: \$76 million**
(4.6% increase)

Retail spending in New Zealand was \$20,505 million, an increase of 11.4% the same period.

ELECTRONIC CARD RETAIL SPENDING

\$482M

in the region December 2022 Quarter



3.5%

increase from December 2021 Quarter

¹ before the nation switched over to the traffic light system in 2 December 2021

YEAR ENDING DECEMBER 2022

Annual electronic card retail spending in the region was \$1,719 million an increase of 7.5% compared to the same period last year. The positive annual growth in spending was seen across the whole region, as shown below:

- >> **Palmerston North City: \$1,440 million**
(7.1% increase)
- >> **Manawatū District: \$278 million**
(7.5% increase)

ANNUAL ELECTRONIC CARD RETAIL SPENDING

\$1,719M

in the region

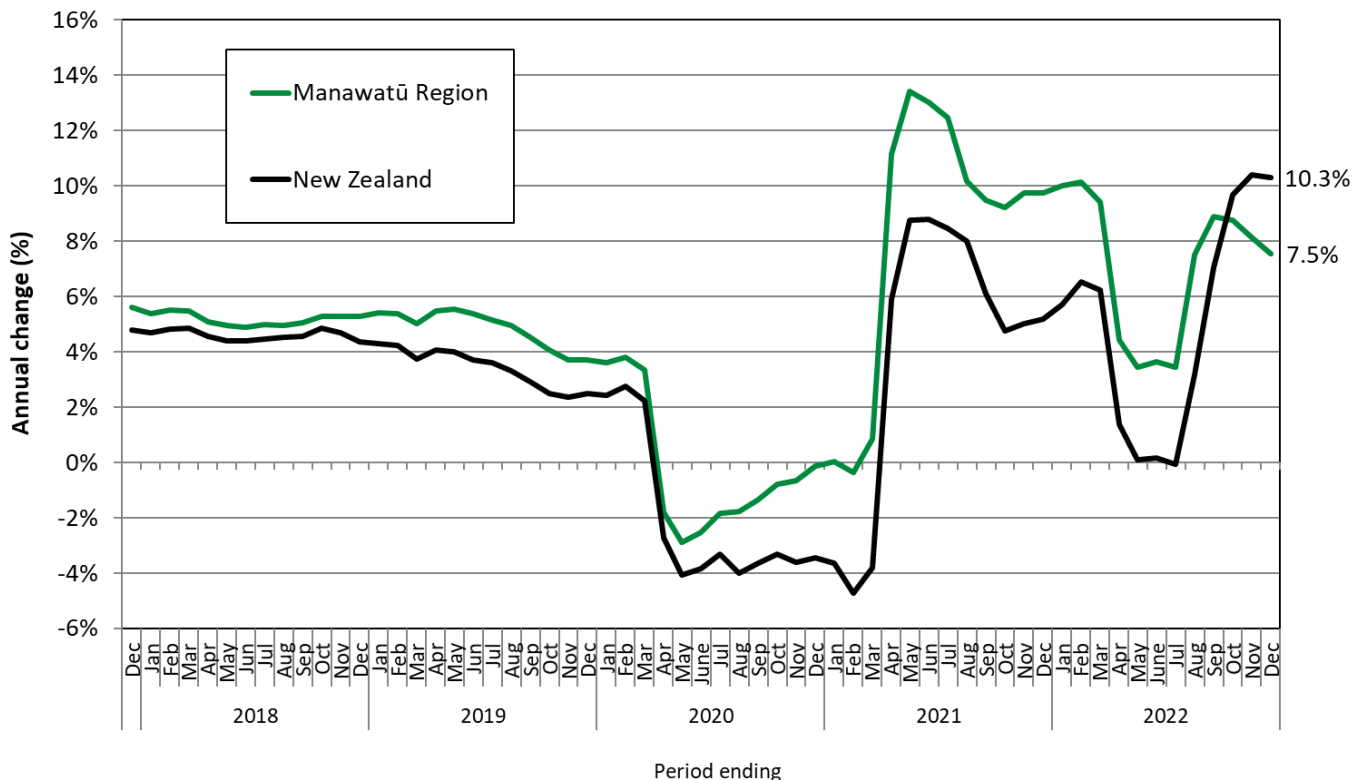


7.5%

increase compared to the
same period last year

The chart below shows the percentage of annual (i.e., rolling 12 months) change compared to the same period the year before. The national average began to increase higher than the region starting from October 2022, reflective of the rest of Aotearoa catching up following extended lockdowns in 2021.

ELECTRONIC CARD RETAIL SPENDING ANNUAL CHANGE (%)



CUSTOMER ORIGIN

Cardholder origin	DECEMBER 2022 QUARTER		YEAR ENDING DECEMBER 2022		
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	% share of spending
Locals	364	1.6	1,312	7.1	76.3%
Horowhenua district	20	0.1	72	9.1	4.2%
Tararua district	17	7.3	58	10.6	3.4%
Rangitikei district	16	5.7	56	10.2	3.2%
Wellington region	15	-1.8	54	3.4	3.2%
Auckland region	8	30.8	29	11.6	1.7%
Whanganui district	7	-3.3	25	5.4	1.5%
Ruapehu district	1	-5.2	5	-3.5	0.3%
Rest of New Zealand	25	5.6	88	2.2	5.1%
International	8	216.1	20	82.0	1.1%
Total	482	3.5	1,719	7.5	100.0
Total New Zealand	20,505	11.4	72,615	10.3	

For the year ending December 2022, 76.3% of retail spending in the Manawatū was from locals, while visitors accounted for 23.7% of total spending. The top five spenders were from the districts of Horowhenua, Tararua and Rangitikei, and Wellington and Auckland regions. Together, these contributed to 16% of total annual spending for the year ending December 2022.

Spending from international visitors grew the most. I.e., 216% increase compared to Dec 2021 quarter, and 82% increase compared to year ending Dec 21. This is mainly due to the opening of New Zealand's borders in 2022. However, they only represented about 1% of annual spending during this period.

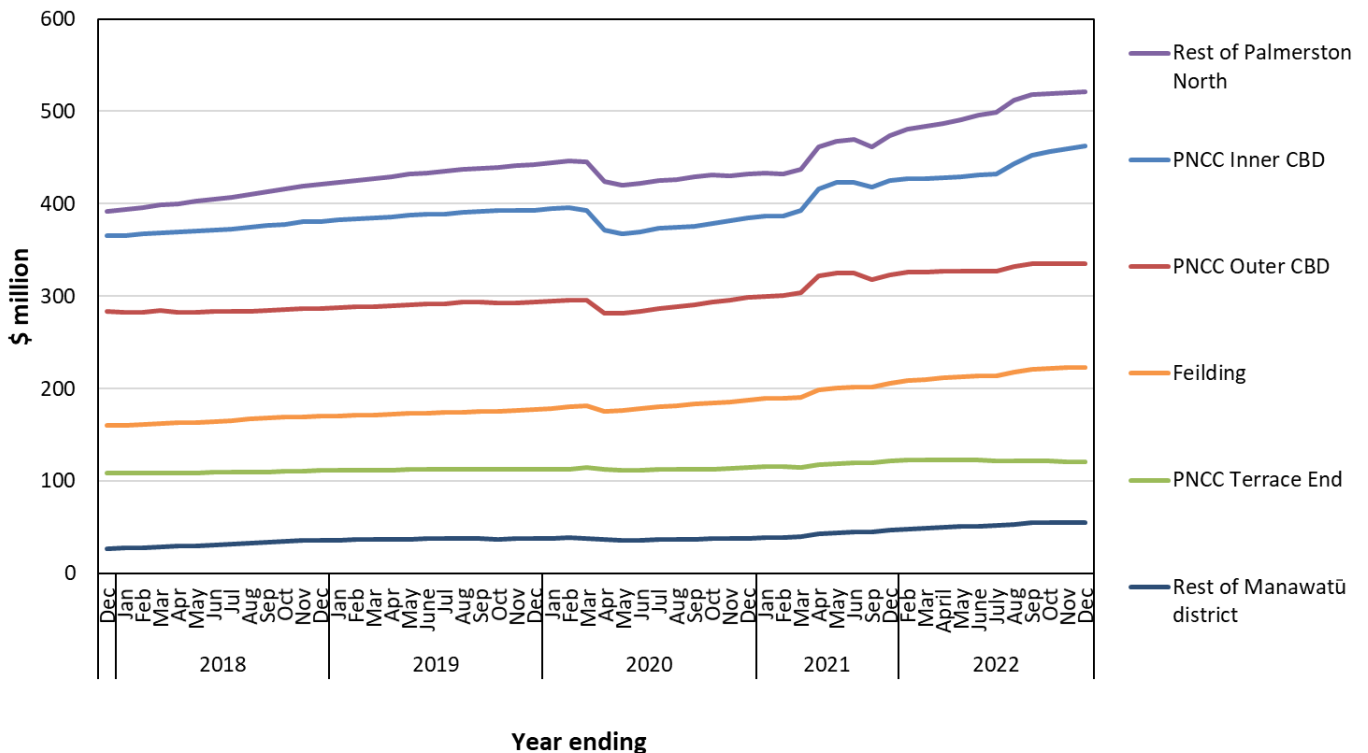
RETAIL PRECINCTS

DECEMBER 2022 QUARTER

YEAR ENDING DECEMBER 2022

Merchant Location	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	Precinct share (%)
Palmerston North Inner CBD	138	7.8%	462	8.8%	26.9%
Palmerston North Outer CBD	96	0.2%	335	3.6%	19.5%
PNCC Terrace End	33	-3.6%	121	-0.7%	7.0%
Rest of Palmerston North	140	2.8%	522	10.0%	30.3%
Palmerston North	406	3.2%	1,440	7.1%	83.8%
Feilding	62	5.0%	223	8.4%	13.0%
Rest of Manawatū District	14	2.9%	55	16.3%	3.2%
Manawatū district	76	4.6%	278	9.9%	16.2%
Total Manawatū region	482	3.5%	1,719	7.5%	100.0%
Total New Zealand	20,505	11.4%	72,615	10.3	

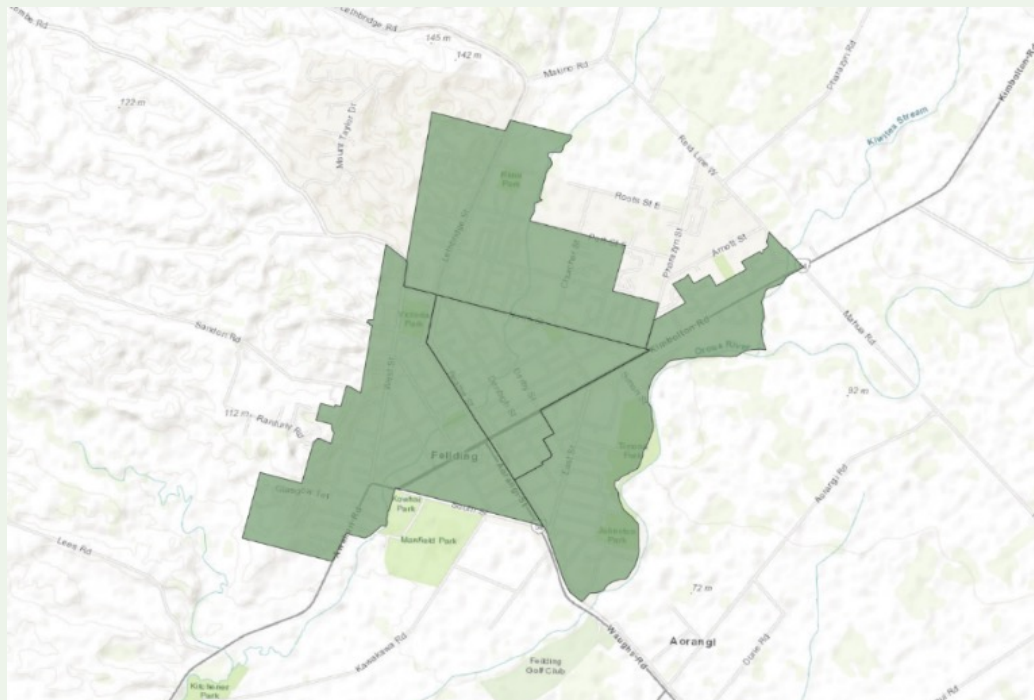
MANAWATŪ REGION: RETAIL PRECINCTS ANNUAL ELECTRONIC CARD SPENDING (\$ MILLION)



PALMERSTON NORTH RETAIL PRECINCTS



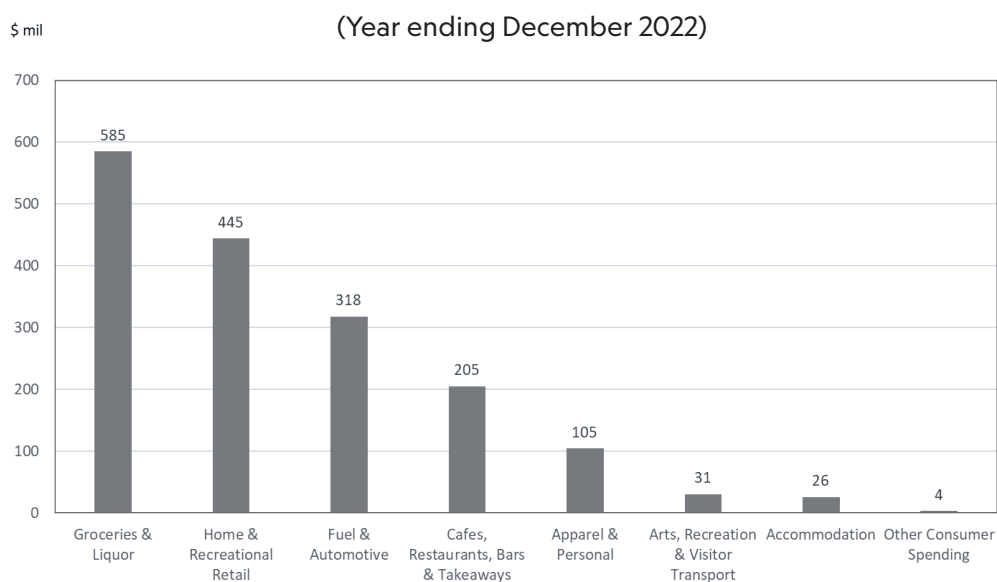
MANAWATŪ DISTRICT RETAIL PRECINCTS



RETAIL SECTORS

Cardholder origin	MANAWATŪ REGION YEAR ENDING DECEMBER 2022		NEW ZEALAND YEAR ENDING DECEMBER 2022		
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	Manawatū region share of New Zealand
Accommodation	26	9.4%	1,581	20.3%	1.7%
Apparel & personal	105	0.8%	4,304	12.8%	2.4%
Arts, recreation & visitor transport	31	30.3%	1,985	43.0%	1.6%
Cafes, restaurants, bars & takeaways	205	6.5%	9,774	10.2%	2.1%
Fuel & automotive	318	24.4%	12,785	25.0%	2.5%
Groceries & liquor	585	5.2%	24,955	3.2%	2.3%
Home & recreational retail	445	1.5%	16,892	7.5%	2.6%
Other consumer spending	4	5.7%	338	-0.1%	1.2%
Total	1,719	7.5%	72,615	10.3%	2.4%

MANAWATŪ REGION: ELECTRONIC CARD SPENDING BY RETAIL SECTOR



The top three categories were:

- >> **groceries and liquor: \$585 m**
up 5.2% from previous year's period
- >> **home and recreational retail: \$445 m**
up 1.5% from previous year's period, followed by
- >> **fuel and automotive: \$318 m**
up 24.4% from previous year's period

Together these made up 78% of electronic card retail spending – noting the significant spike in fuel and automotive year on year, reflective of Russia's war on Ukraine seeing oil and gas prices soar to record highs.

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

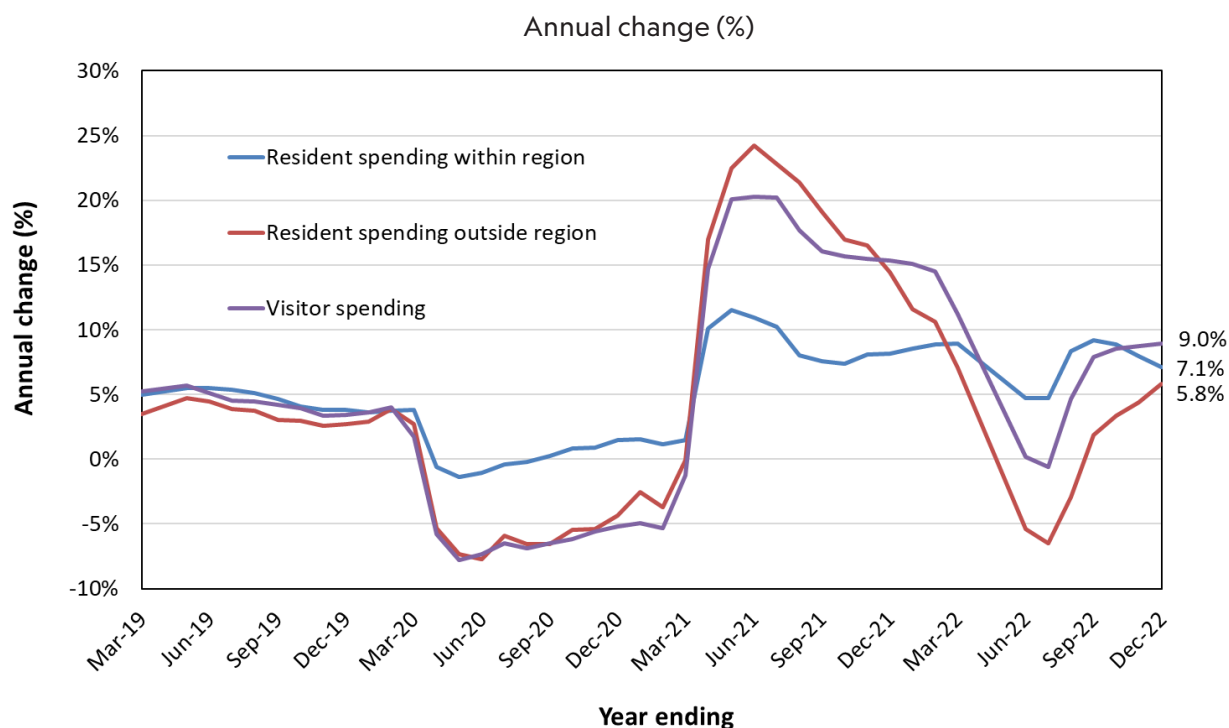
- >> Car retailing
- >> Motorcycle retailing
- >> Trailer & other motor vehicle retailing
- >> Retail commission-based buying & selling

RETAIL FLOW

Cardholder origin	DECEMBER 2022 QUARTER		YEAR ENDING DECEMBER 2022	
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)
Resident spending locally [a]	364	1.6%	1,312	7.1%
Visitor spending [b]	118	9.5%	407	9.0%
Total spending at Manawatū region merchants	482	3.5%	1,719	7.5%
Resident spending outside region [c]	77	11.2%	273	5.8%
Total resident spending [d] = [a]+[c]	441	3.2%	1,585	6.9%
Net gain in spending for region [b]-[c]	41	6.4%	134	16.0%
Manawatū region loyalty rate [a]/[d]*	82.6%		82.8%	

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

MANAWATŪ REGION: RETAIL FLOWS FROM ELECTRONIC CARD RETAIL SPENDING



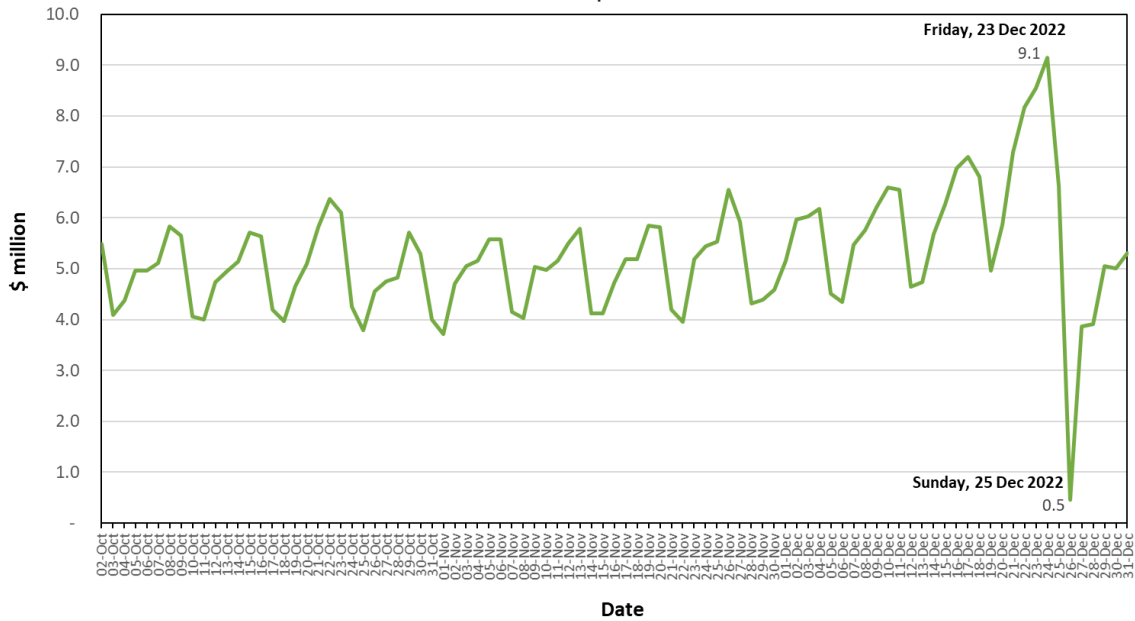
There is an overall increase in annual spending from residents within the region, from visitors, as well as resident spending outside the region.

DAILY & WEEKLY SPENDING

The busiest day of the week for the region is usually on a Friday or a Saturday. This quarter, the highest spending was on Friday 23 December and the lowest was on Christmas Day on Sunday.

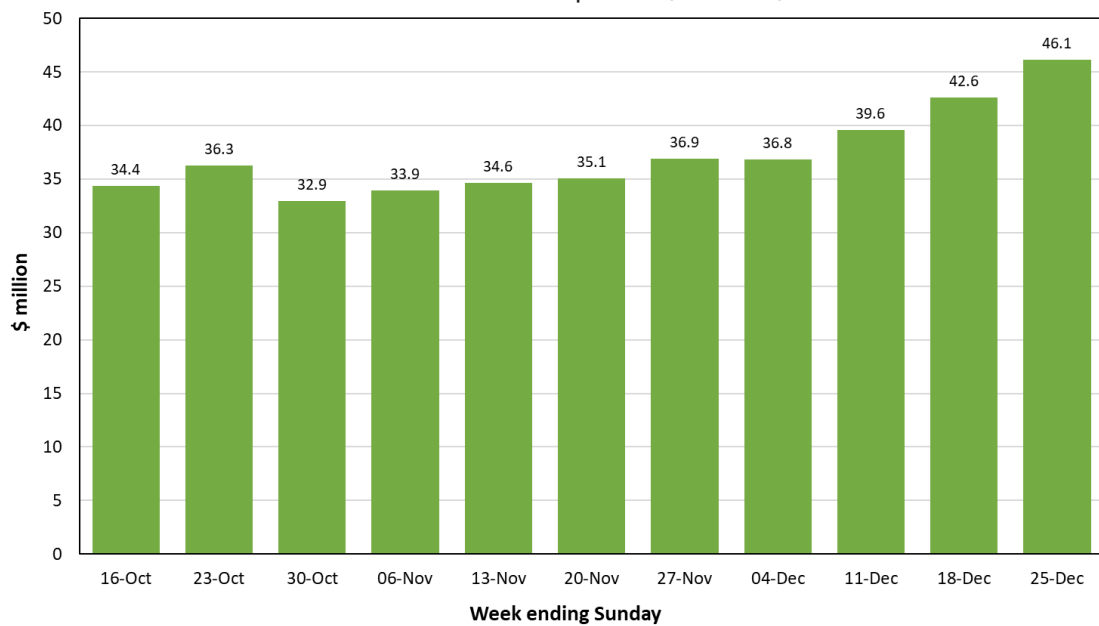
MANAWATŪ REGION: DAILY ELECTRONIC CARD RETAIL SPENDING

December 2022 quarter (\$ million)



MANAWATŪ REGION: WEEKLY ELECTRONIC CARD RETAIL SPENDING

December 2022 quarter (\$ million)





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