

QUARTERLY ELECTRONIC CARD RETAIL SPENDING

INCLUDING TOURISM
RELATED SECTORS //
MARCH 2023 QUARTER

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY

 **MANAWATU**
DISTRICT COUNCIL

PALMY
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MANAWATŪ




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 11.

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

OVERVIEW



Retail card spending in the region increased by 6.4% in the March 2023 quarter compared with the previous March quarter. This is higher than the New Zealand average growth of 5.1% over the same period.

Stronger growth in the region has led to the slight narrowing of the gap between the regions year on year growth of 7.9%, compared to New Zealand's average of 10.6% for the year ending Mar 2023 - see graph on Electronic Card Retail Spending Annual Charge % on page 4. The annual inflation rate in March 2023 was 6.7%.

There is sustained positive annual growth in spending by residents within the region, visitors, as well as resident spending outside the region - see section on Retail Flow on page 9. These are reflected in all retail categories.

Annual growth was supported mainly by spending in categories that are related to tourism and travel, such as art, recreation and visitor transport; accommodation; fuel and automation; and cafes, restaurants, bars and takeaways - see table in the section on Retail Sectors on page 8

MARCH 2023 QUARTER

For the quarter ending March 2023 total electronic card spending in the region was \$424 million a 6.4% increase from the March 2022 quarter. The breakdown is as follows:

- >> **Palmerston North city: \$355 million**
(6.9% increase)
- >> **Manawatū district: \$69 million**
(4.4% increase)

Retail spending in New Zealand was \$17, 671 million, an increase of 5.1% on the same period the previous year.

ELECTRONIC CARD RETAIL SPENDING

\$424M

in the region March 2023 Quarter



6.4%

increase from March 2022 Quarter

YEAR ENDING MARCH 2023

Annual electronic card retail spending in the region was \$1,754 million, an increase of 7.9% compared to the same period last year. The breakdown of annual spending during this period is as follows:

- >> **Palmerston North city: \$1,471 million**
(7.8% increase)
- >> **Manawatū district: \$283 million**
(8.8% increase)

The annual growth rates are higher than the annual inflation rate of 6.7% as reported in March 2023, indicating positive growth. Retail spending in New Zealand was \$73,565 million with 10.6% increase on the previous year.

ANNUAL ELECTRONIC CARD RETAIL SPENDING

\$1,754M

in the region

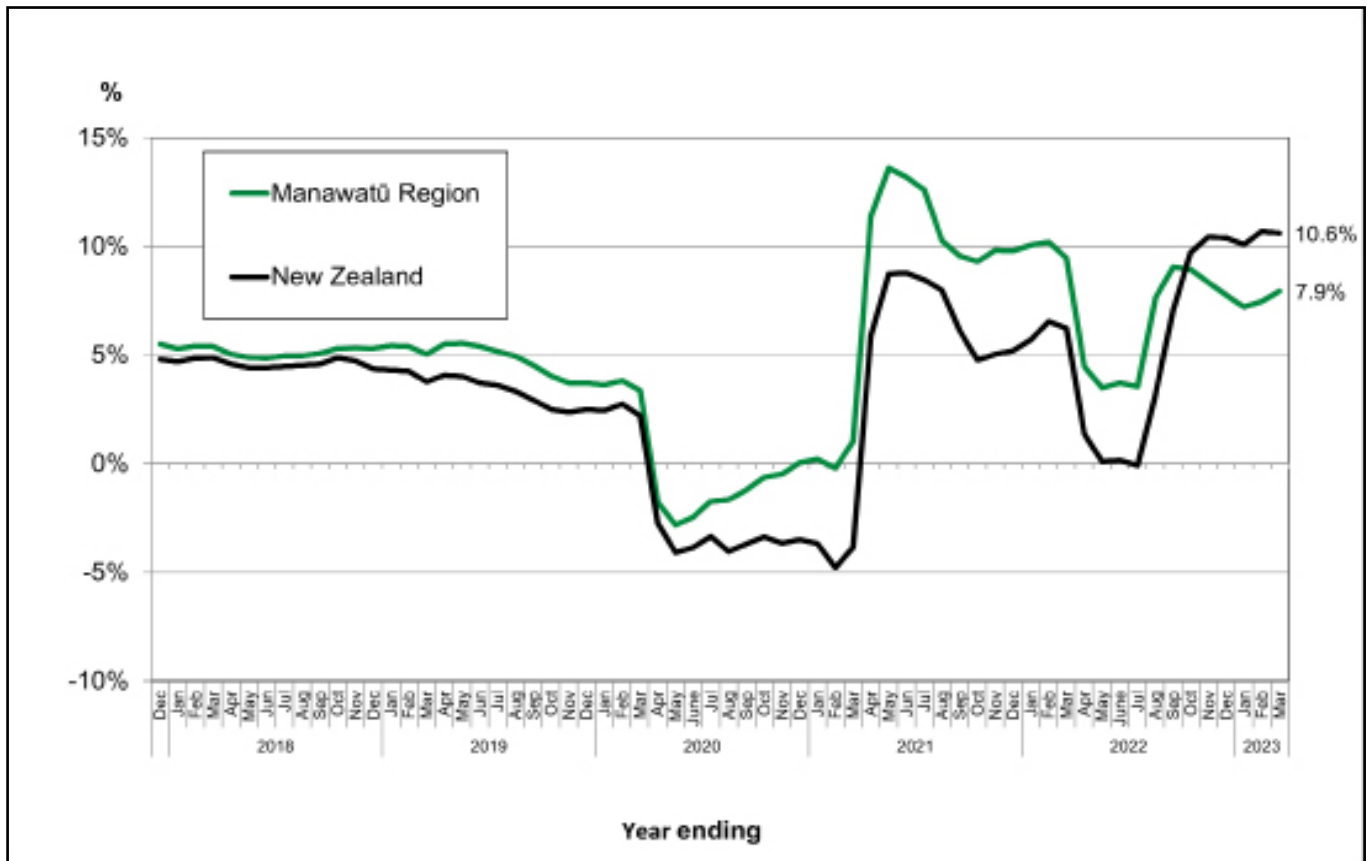


7.9%

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 as the year before. Although the New Zealand average began to increase higher than the region starting from October 2022, this gap has begun to narrow slightly this quarter.

ELECTRONIC CARD RETAIL SPENDING ANNUAL CHANGE (%)



CUSTOMER ORIGIN

Cardholder origin	MARCH 2023 QUARTER		YEAR ENDING MARCH 2023		
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	% share of spending
Local	320	3.3	1,331	6.3	75.9
Horowhenua district	15	30.0	72	12.9	5.3
Wellington region	14	8.9	55.5	6.1	4.1
Tararua district	13	5.3	55	5.7	3.2
Rangitikei district	13	6.5	57	11.1	3.2
Auckland region	7	4.4	29	10.6	1.7
Whanganui district	6	8.0	26	7.1	1.5
Ruapehu district	1	0.5	5	0.5	0.3
Rest of New Zealand	24	30.0	93	12.9	5.3
International	10	305.9	27	146.4	1.6
Total	424	6.4	1,754	7.9	100.0
Total New Zealand	17,671	5.1	73,565	10.6	

For the year ending March 2023, 75.9% of retail spending in Manawātū region was from locals, totalling \$1331 million, an increase of 6.3% compared to the year before. The visitor (i.e., non-local) share of Manawātū regional spending was 24.1% of total spending. International visitors recorded the highest quarterly and annual growth as New Zealand's borders gradually opened from April 2022 onwards.

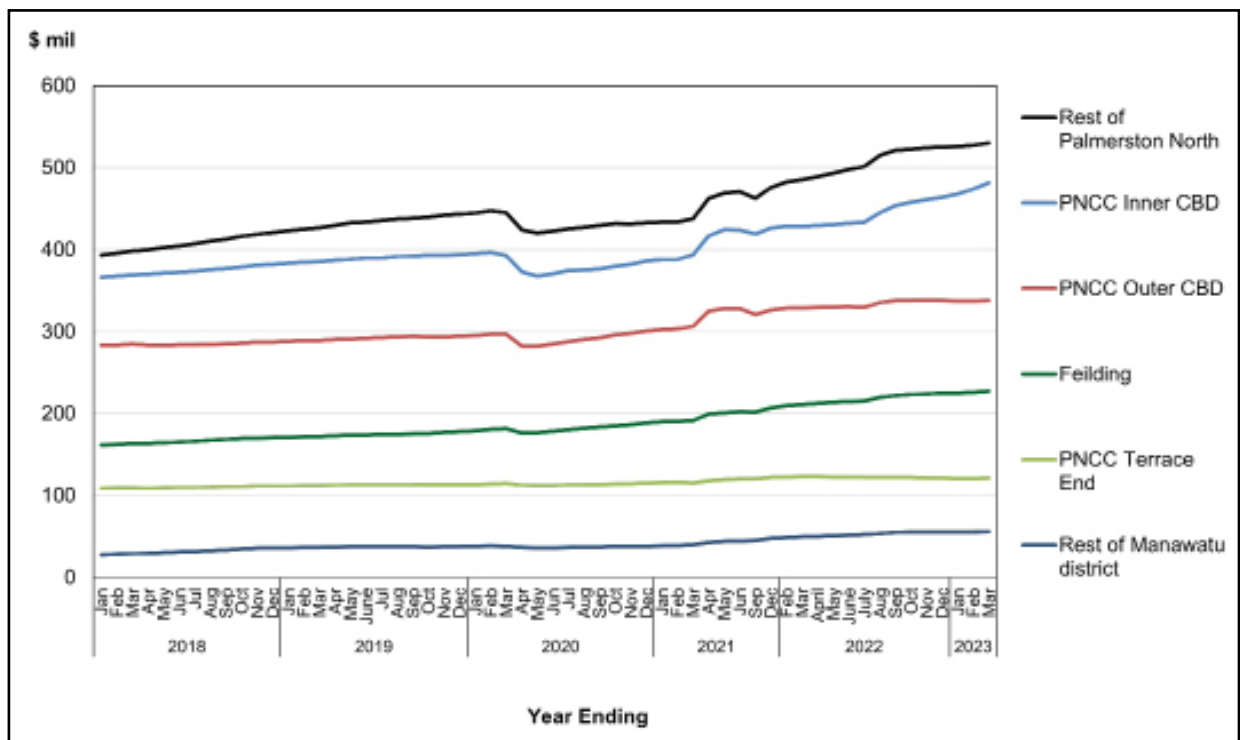
International visitors recorded the highest quarterly and annual growth as New Zealand's border gradually opened from April 2022 onwards despite high growth rates, international visitors represented only 1.6% of annual spending for the year ending March 2023.

The top five spenders in our region were from Horowhenua district (5.3%), Wellington region (4.1%), Tararua (3.2%) and Rangitikei (3.2%) and the Auckland region (1.7%). Together, these contributed of total annual spending for the year ending March 2023.

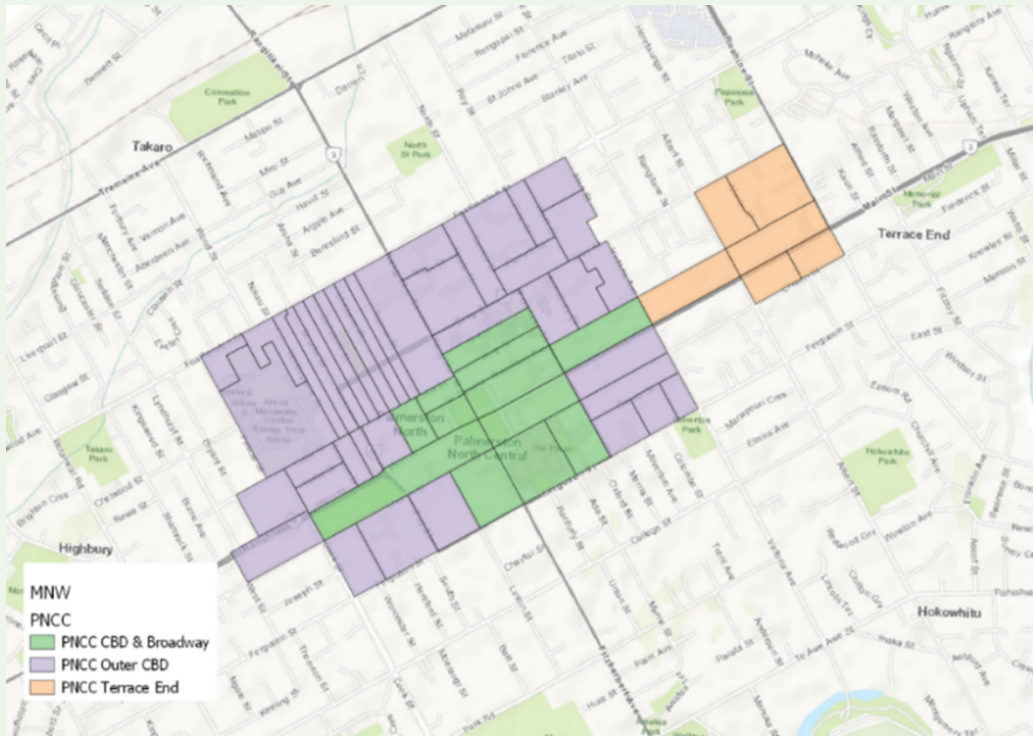
RETAIL PRECINCTS

Merchant Location	MARCH 2023 QUARTER		YEAR ENDING MARCH 2023		
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	Precinct share (%)
Palmerston North Inner CBD	117	17.8	482	12.5	27.5
Palmerston North Outer CBD	80	-0.2	338	2.8	19.3
PNCC Terrace End	30	0.8	121	-1.2	6.9
Rest of Palmerston North	128	4.1	530	9.2	30.2
Palmerston North	355	6.9	1,471	7.8	83.9
Feilding	55	4.4	227	7.8	13.0
Rest of Manawatū district	14	4.5	56	13.3	3.2
Manawatū district	69	4.	283	8.8	16.1
Total Manawatū region	424	6.4	1,754	7.9	100.0
Total New Zealand	17,671	5.1	73,565	10.6	

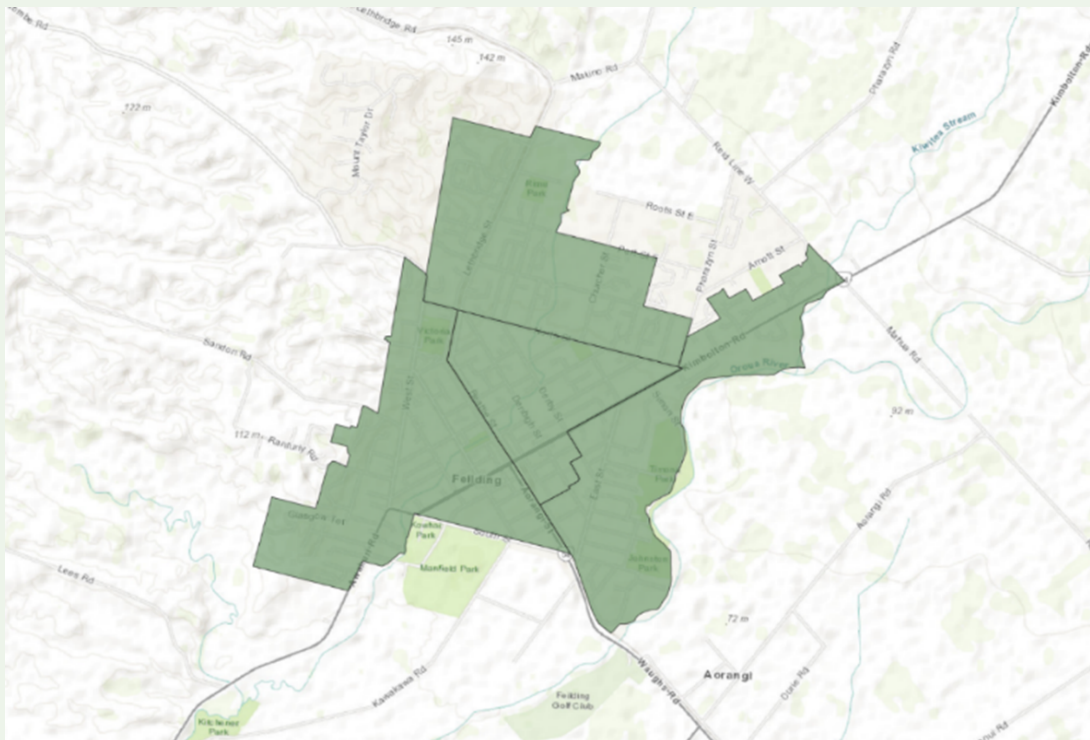
MANAWATŪ REGION: RETAIL PRECINCTS ANNUAL ELECTRONIC CARD SPENDING (\$ MILLION)



PALMERSTON NORTH RETAIL PRECINCTS



MANAWATŪ DISTRICT RETAIL PRECINCTS



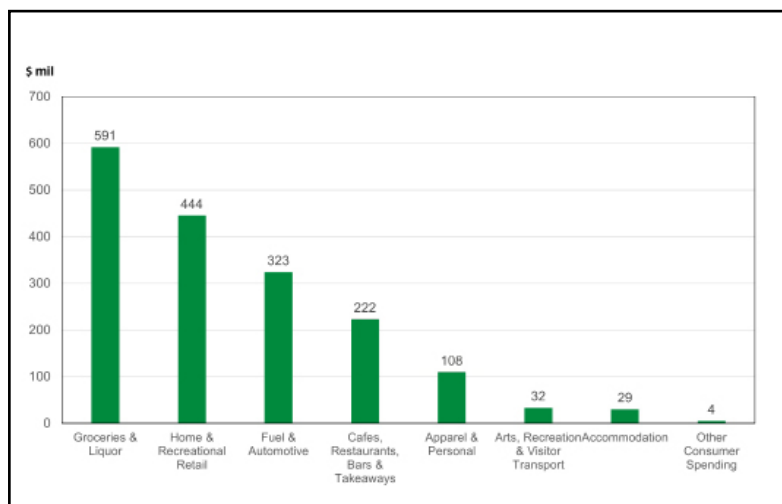
RETAIL SECTORS

Cardholder origin	MANAWATŪ REGION YEAR ENDING MARCH 2023		NEW ZEALAND YEAR ENDING MARCH 2023		Manawatū region share of New Zealand
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)	
Accommodation	26	30.8	1,790	44.8	1.6
Apparel & personal	108	6.5	4,358	16.7	2.5
Arts, recreation & visitor transport	32	35.8	2,170	58.8	1.5
Cafes, restaurants, bars & takeaways	222	14.9	10,199	18.2	2.2
Fuel & automotive	323	19.7	12,769	18.6	2.5
Groceries & liquor	591	3.7	25,223	2.6	2.3
Home & recreational retail	444	0.9	16,714	5.4	2.7
Other consumer spending	4	4.3	342	1.3	1.2
Total	1,754	7.9	73,565	10.6	2.4

Annual growth rate of 7.9% was supported mainly by spending in categories that are related to tourism and travel such as art, recreation and visitor transport (35.8%); accommodation (30.8%) fuel and automotive (19.7%); and cafes, restaurants, bars and takeaways (14.9%).

MANAWATŪ REGION: ELECTRONIC CARD SPENDING BY RETAIL SECTOR

(Year ending March 2023)



In terms of the share of annual spending for the year ending March 2023, the top three categories were:

- >> **groceries and liquor: \$591 million**
- >> **home and recreational retail: \$444 million**
- >> **fuel and automotive: \$323 million**

Together these made up of 77% of total electronic card retail spending. From the [IPSOS](#), in the Global Advisor survey March 2023, the majority of New Zealanders (86%) were concerned about the costs of goods and services increasing over the next six months. Nearly two-thirds (63%) are concerned about their ability to buy things they are used to, and half (52%) about their ability to pay bills.

*Please refer to the list of retail sector classifications on page 12

RETAIL FLOW

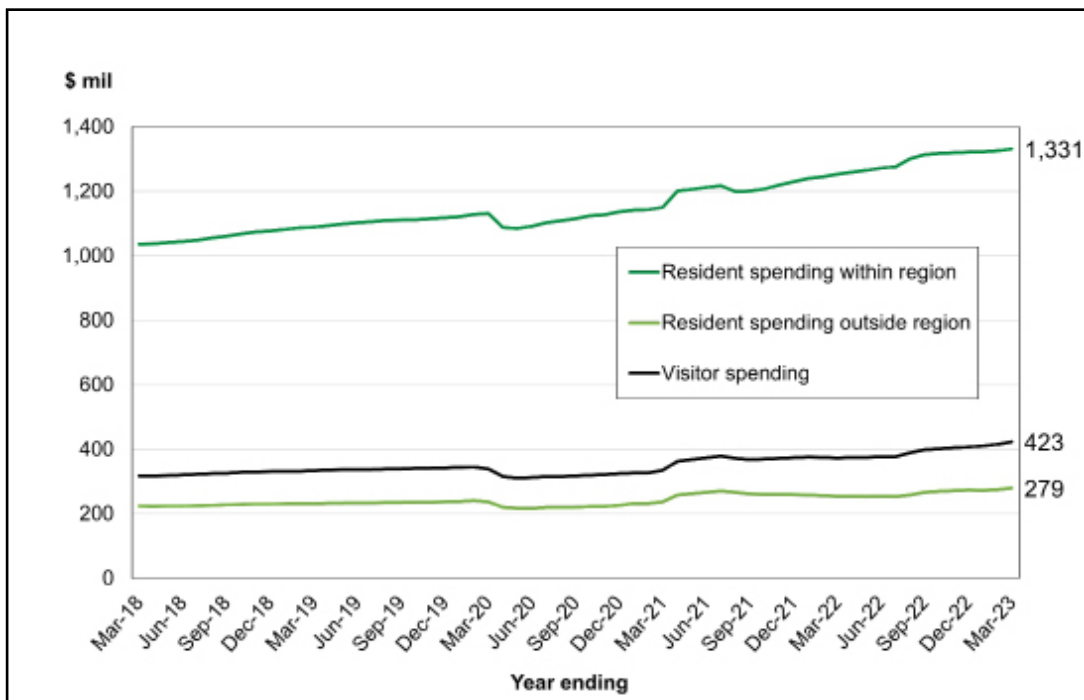
Cardholder origin	MARCH 2023 QUARTER		YEAR ENDING MARCH 2023	
	Spending (\$m)	Change from last year (%)	Spending (\$m)	Change from last year (%)
Resident spending locally [a]	320	3.3	1,331	6.3
Visitor spending [b]	104	17.3	423	13.5
Total spending at Manawatū region merchants	424	6.7	1,754	7.9
Resident spending outside region [c]	73	7.8	279	9.9
Total resident spending [d] = [a]+[c]	394	4.1	1,610	6.9
Net gain in spending for region [b]-[c]	31	50.6	144	21.2
Manawatū region loyalty rate [a]/[d]*	81.3%		82.7%	

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

[a] = Resident spending locally | [b] = Visitor spending | [c] = Resident spending outside region | [d] = Total resident spending

MANAWATŪ REGION: RETAIL FLOWS FROM ELECTRONIC CARD RETAIL SPENDING

Annual change (%)



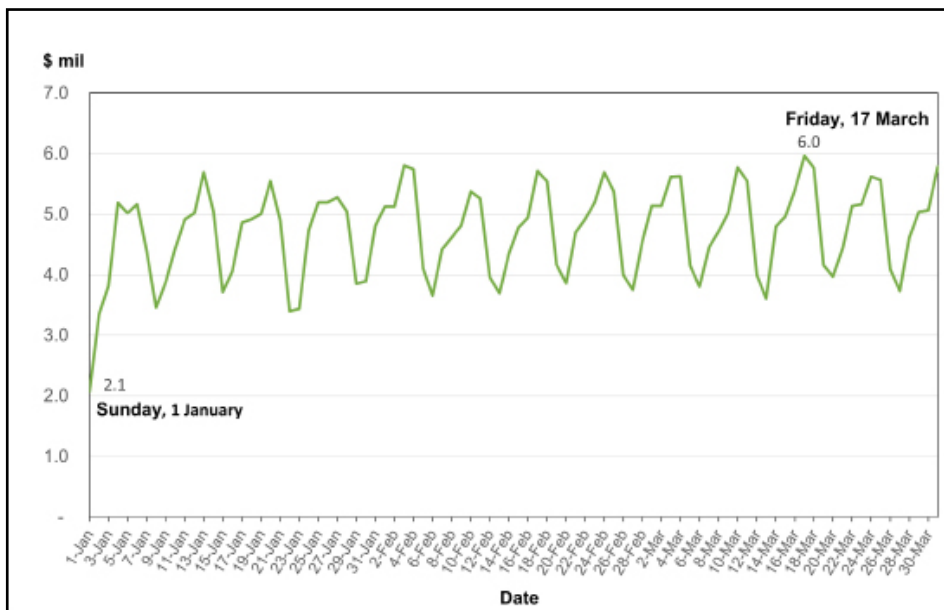
For year ending March 2023, residents spending within the region was \$1331 million, increasing 6.3% year on year and visitor spending was \$423 million, increasing 13.5%, while resident spending outside the region was \$279 million, increasing 9.9%. Our region's loyalty remains high at 82.7%, which is the five year annual average since March 2018.

DAILY AND WEEKLY SPENDING

The busiest day of the week for the region is usually on Friday or a Saturday. This quarter, the highest spending was on Friday 17 March which coincided with CD Field Days, held at Manfeild in Feilding and was also St Patrick's Day. The lowest spend was on New Year's Day which fell on a Sunday.

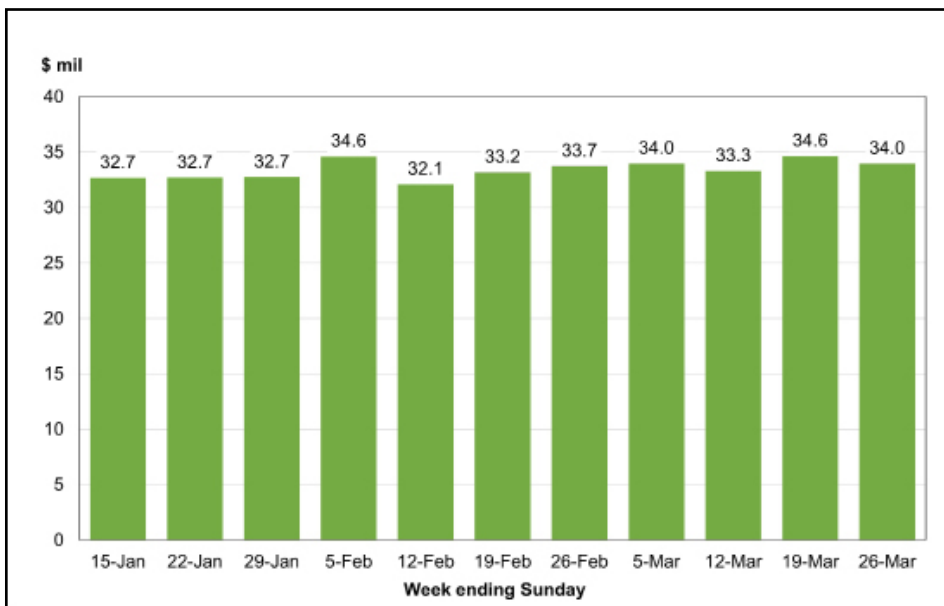
MANAWATŪ REGION: DAILY ELECTRONIC CARD RETAIL SPENDING

March 2023 quarter (\$ million)



MANAWATŪ REGION: WEEKLY ELECTRONIC CARD RETAIL SPENDING

March 2023 quarter (\$ 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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