

## 2023 was another record year for spending, but consumers were more careful with purchases

**AUCKLAND, 10 January 2024 – As consumer spending in December ended 2023 on a weaker note, figures released by Worldline NZ today show that while 2023 set a record for consumer spending, average transaction value was down, suggesting shoppers were more careful with purchasing decisions.**

Consumer spending through Core Retail merchants in Worldline NZ’s payments network (excluding Hospitality) set a new high for the full 12 months of 2023, reaching \$36.84B, which is up +3.8% on 2022 and up +18.3% on 2019. However, the average transaction size in 2023 was \$51.10, down -1.5% from 2022.

Worldline NZ’s Chief Sales Officer, Bruce Proffit says that despite the record spending volume, cost-of-living challenges undoubtedly made 2023 a tough year both for consumers and retailers.

“Consumers may have made more transactions through retailers in Worldline NZ’s payments network in 2023 than in the previous year – as is the usual pattern – but the average transaction value declined, in spite of general consumer price inflation,” says Proffit.

Proffit says the lower average transaction value was against a trend of generally rising consumer prices, suggesting consumers were being more selective, possibly bypassing higher value products or replacing them with cheaper alternatives.

“That said, they were also spending more often, so the net effect was another year of record spending,” says Proffit.

“There was also a tendency towards more spending at Food & Liquor stores (up +8.0% for 2023) but less in other retail sectors, such as Clothing & Footwear (-0.1%) and across a range of Hardware, Garden & Furniture stores (-6.2%).”

<b>WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for 2023</b>			
Measure	NZ Total	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
<b>Value of spending (\$millions)</b>	<b>\$36,843</b>	<b>+3.8%</b>	<b>+18.3%</b>
<b>Number of transactions (millions)</b>	<b>721.5</b>	<b>+5.4%</b>	<b>+9.2%</b>
<b>Average transaction value (\$)</b>	<b>\$51.10</b>	<b>-1.5%</b>	<b>+8.3%</b>

Figure 1: All Cards NZ annual underlying\* spending growth through Worldline in 2023 for Core Retail (excluding Hospitality) merchants (\* Underlying excludes large clients moving to or from Worldline)

Looking at December 2023 on its own, consumer spending through Core Retail merchants (excluding Hospitality) in Worldline NZ’s payments network reached \$3.84B for the month, up just +0.4% on December 2022, and up 16.2% on 2019.

Proffit says that while Christmas spending exceeded 2022 levels, this low growth amounted to a slow end to the year.

“We previously reported a rising spend – seasonally and annually – ahead of Christmas Day, but the annual growth rate was weak in December overall, especially in the last week of the month which saw spending fall below year-ago levels, including on Boxing Day,” says Proffit.

“To some extent, pre- and post-Christmas spending may have suffered on account of consumers doing this shopping in November’s Black Friday sales. However, the bigger picture is that spending growth was simply modest over the latter months of 2023, with annual growth over the last four months slowing from earlier in the year to average only 1.9%.”

In the regions, the annual growth rate in December 2023 was highest in Otago (+5.5%) and Whanganui (+5.5%) and lowest in Southland (-4.9%). Spending growth was below year-ago levels in Auckland/Northland (-1.0%).

<b>WORLDLINE All Cards underlying* spending for CORE RETAIL less HOSPITALITY merchants for December 2023</b>			
Region	Value transactions \$millions	Underlying* Annual % change on 2022	Underlying* Annual % change on 2019
Auckland/Northland	1,431	-1.0%	12.0%
Waikato	330	0.5%	22.0%
BOP	269	-1.5%	14.5%
Gisborne	36	-1.0%	7.4%
Taranaki	90	-3.3%	24.3%
Hawke’s Bay	142	2.0%	22.9%
Whanganui	50	5.5%	31.2%
Palmerston North	117	0.1%	21.3%
Wairarapa	49	1.4%	23.0%
Wellington	324	0.9%	12.2%
Nelson	83	2.8%	13.9%
Marlborough	52	3.3%	17.3%
West Coast	28	1.9%	26.0%
Canterbury	463	2.4%	22.0%
South Canterbury	66	0.7%	20.9%
Otago	221	5.5%	18.8%
Southland	88	-4.9%	11.6%
<b>New Zealand</b>	<b>3,841</b>	<b>0.4%</b>	<b>16.2%</b>

Figure 2: All Cards NZ underlying\* spending through Worldline in December 2023 for core retail excluding hospitality merchants around (\* Underlying excludes large clients moving to or from Worldline)

While 2023 may have ended on a quieter note, consumer spending in the Core Retail sectors (excluding Hospitality) through Worldline NZ’s payments network was \$674m in the first seven days of 2024, up 4.5% on 1-7 January 2023 and up 25.4% on the same week in 2019.

“While it is promising for retailers to see that consumer spending has picked up slightly in the first week of 2024, this is too short a time period to make definitive inferences on how trends will continue in the coming months,” he says.

- ENDS -

### **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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