

Media Release

Major implications for retail sector

Tuesday 31 March 2020

Spending through Paymark dropped a huge 72% below year-ago levels on Thursday 26 March, not surprisingly, being the first day of the Level 4 restrictions. Retail spending then remained down by similar levels for rest of the week ending Sunday.

In contrast spending on Monday and Tuesday had been around 50% above the same time a year ago. The stock-up was especially noticeable amongst Liquor outlets, Hardware and Homeware shops and Recreational goods stores, hinting at activities planned for the coming days and weeks.

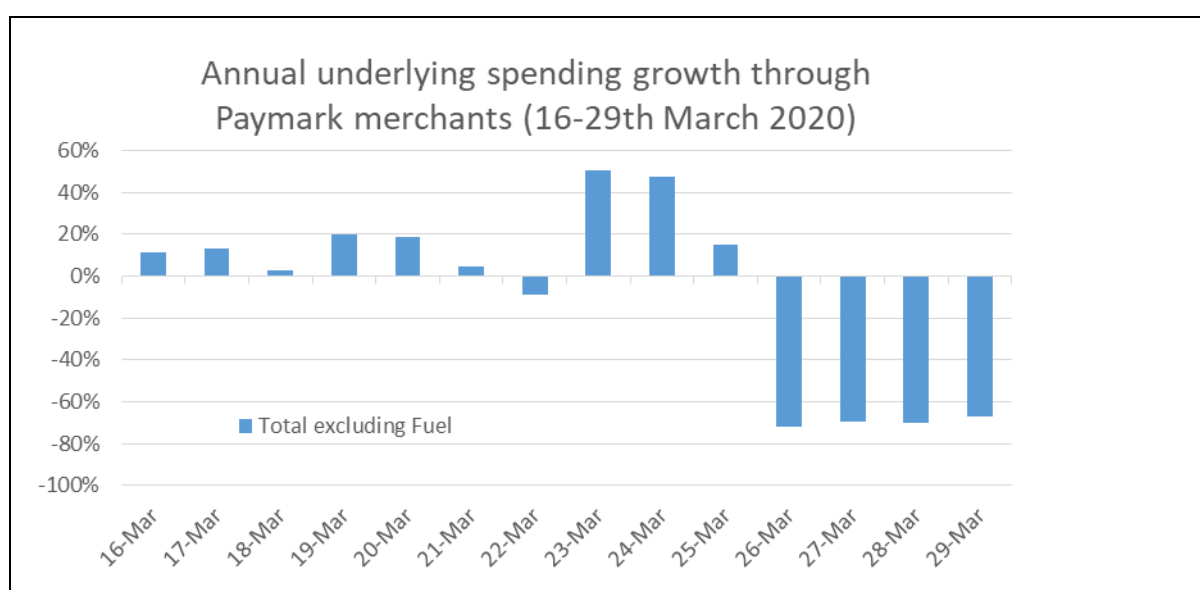


Figure 1: All Cards NZ annual underlying growth through Paymark by day in late March 2020 for non-fuel merchants

Come Thursday, merchants broadly fit into four groups for the rest of the week. There were a few merchants with payments still exceeding year-ago levels, such as Electricity companies and Consumer Finance suppliers. There was a slightly larger group with still significant volumes of spending but now at levels below last year. This group includes supermarkets, fruit and vege shops, pharmacies, gas suppliers, telecommunication services, security firms, churches and charities. But by far the largest group comprised those merchants who are barely transacting any payments now.

There is a fourth group that fared even worse. There were the likes of travel companies, entertainment firms and parking services whose payments were negative in the first four days of Level 4 restrictions – that is, they were having to pay money back to their customers.

Taking the ups and downs of the whole week, non-fuel spending through Paymark totalled \$907 million. This was 33% below the previous week and, on an underlying basis, 27% below levels of a year ago.

Spending over the week was up on last year amongst Supermarkets and Pharmacies but down sharply in total for Accommodation providers and cafes, bars and restaurants.

The pre-lockdown spending splurge was not enough to offset the loss of sales later in the week for most merchants. Across the non-food retailers, excluding Pharmacies, spending was 28% below

year-ago levels for the week.

Annual underlying spending growth by week	Weeks ending Sunday				
	01-Mar	08-Mar	15-Mar	22-Mar	29-Mar
Food and liquor shops	11.9%	10.3%	14.3%	51.8%	31.3%
Non-food retail stores except Pharmacies	-0.4%	0.1%	2.2%	-2.3%	-28.4%
Pharmacies	16.1%	32.5%	36.1%	81.0%	25.6%
Accommodation	-3.6%	-5.6%	-7.5%	-36.8%	-78.4%
Takeaway food providers	4.3%	4.5%	4.4%	-8.1%	-61.1%
Restaurants, cafes and bars	-0.2%	-0.3%	0.6%	-26.8%	-87.2%
Motor vehicle and non-retail	1.3%	-2.8%	-3.3%	-13.5%	-57.7%
Total excluding Fuel	4.2%	3.1%	4.8%	9.3%	-26.2%
Total including Fuel	4.3%	3.1%	4.5%	7.5%	-27.3%

Figure 2: All Cards annual underlying growth through Paymark in recent weeks for merchant groups

In total, the spending decline for the week was largest in Otago (-39.8%), followed by the two major centres Auckland/Northland (-32.4%) and Wellington (-29.6%).

PAYMARK All Cards Data for 7 days ending 29 March 2020				
Region	Volume	Underlying*	Value	Underlying*
	transactions millions	Annual % change	transactions \$millions	Annual % change
Auckland/Northland	5.49	-49.6%	\$339.0	-32.4%
Waikato	1.18	-45.1%	\$70.9	-22.6%
BOP	1.04	-44.6%	\$62.3	-26.3%
Gisborne	0.18	-33.2%	\$10.0	-5.4%
Taranaki	0.32	-44.5%	\$19.3	-20.2%
Hawke's Bay	0.49	-39.4%	\$29.8	-16.4%
Wanganui	0.19	-38.6%	\$11.4	-11.2%
Palmerston North	0.54	-41.3%	\$36.1	-16.0%
Wairarapa	0.17	-36.9%	\$11.2	-2.9%
Wellington	1.36	-53.4%	\$82.7	-29.6%
Nelson	0.27	-45.5%	\$19.0	-19.6%

Marlborough	0.18	-45.7%	\$12.0	-25.7%
West Coast	0.10	-38.3%	\$6.4	-11.1%
Canterbury	1.56	-48.4%	\$102.7	-25.1%
South Canterbury	0.23	-39.8%	\$15.8	-15.9%
Otago	0.67	-56.6%	\$42.5	-39.8%
Southland	0.33	-46.3%	\$22.4	-25.2%
New Zealand	14.43	-48.0%	\$907.2	-27.3%

* Underlying spending excludes large clients moving to or from Paymark

Figure 3: Paymark All Cards transaction data by region (23-29 March 2020 versus 25-31 March 2019)

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For more than 30 years we have served hundreds of thousands of New Zealand merchants through our secure and reliable infrastructure



Paymark connects to over 100,000 EFTPOS machines across the country.



Paymark completed its 20 billionth transaction in May 2019. We process around 60 transactions every second of the day.