



# **Featherston Street**

## **Electronic Card Retail Spending Analysis**

### **(August 2024 – January 2025)**

## **January 2025**

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# 1. Introduction

## Background

1. The objective of this report is to analyse electronic card retail spending and transaction numbers to understand the impact of 'Featherston Street Safety Improvements' on turnover and customer count.
2. Construction work for the 'Featherston Street Safety Improvements' project started in February 2024 and was completed in early July 2024.
3. Electronic card spending is used as proxy for turnover, and the number of transactions is used as a proxy for the number of customers.

## Study period

4. The analysis included in this report covers the six month period from August 2024 to January 2025. This analysis adds to the findings of the previous study which analysed electronic card retail spending and transaction numbers for the Featherston Street study area, comparing September 2024 with the September 2023. While providing information over an additional period of time, the results of this study cannot be directly compared to the results of the previous study due to differences in the study period and time frame.
5. Results for the study period August 2024 to January 2025 are compared with electronic card retail spending and transaction numbers from the same period the previous year (August 2023 to January 2024).

## Study area

6. The study area includes 15 retail merchants and are grouped into large businesses and smaller businesses (see table below) where data is available.

Locations	Merchants
Large businesses	Mitre 10 MEGA Palmerston North
	Palmerston North Woolworths
	McDonald's Rangitikei St
	Jaycar Electronics Palmerston North
	Palmerston North Eurocar
Small businesses	Trenton Minimart
	Tech Repair
	Office Products Depot
	Mag & Turbo
	The Sportsman Bar / Sporty Bar
	Ebony Coffee
	Jewlz Beauty
	Piano Services
	Beaver & Bear
	Dean McKerras School of Dance / Red Star Dance

## Data

7. Data was obtained from Marketview and is based on information from Worldline (formerly known as Paymark). Marketview is the largest electronic card payment network in New Zealand.
8. The analysis is based on nominal data, which means that it is not adjusted for inflation. This does not limit the conclusions drawn from the analysis, as the Featherston Street study area and comparator areas were all subject to the same rate of inflation rate. National consumer inflation sat at 2.2% over the year to December 2024.

## Methodology

9. The analysis has been carried out by comparing:
  - i. The share of spending in the study area
  - ii. The share of transactions in the study area
  - iii. The percentage change in total spending of the study area with Palmerston North, and its precincts (see Appendix 1) and New Zealand
  - iv. The percentage change in total transactions of the study area with Palmerston North, and its precincts and New Zealand
  - v. The percentage change in average spending per transactions of the study area with Palmerston North, and its precincts and New Zealand; and,
  - vi. Daily spending and transactions within the study area
10. Comparisons are predominantly based on the spending results for the total six-month period, with trends in daily spend and transaction data for the study area presented in paragraphs 28 to 31. Using the six-monthly data as the main analysis period, averages out monthly fluctuations and redistributed timing of spending.
11. Comparisons are made with Palmerston North and New Zealand to ensure broader economic factors that are currently impacting on consumer demand and business activity across the New Zealand economy are taken into account.
12. Comparisons are also made with Palmerston North's - i) Outer CBD retail precinct, because the study area is located primarily (except McDonald's and Jaycar Electronics) within this precinct, and ii) and Terrace End precinct, because it is considered a neighbourhood district with similar merchants such as New World, Woolworths and also small merchants.

## Limitations

13. The data does not tell us if customers use the car park, or the travel mode customers use to access shops within the study area.
14. The analysis is carried out using the aggregated data from the group of 15 merchants and its subgroups (large businesses and smaller businesses). Spending data of specific merchants is not available due to confidentiality restrictions, therefore this analysis is unable to report on variations in spending and customer activity for individual businesses within the Featherston Street study area.

## 2. Analysis

### Share of spending in study area

15. Spending in the study area represented 4.1% of total spending in Palmerston North. The market share is the same for both the periods analysed, indicating that spending in the study area as a percentage of total spending across the city, has been stable.

	August 2023-January 2024	August 2024-January 2025
Spending in study area/ Spending in Palmerston North	4.12%	4.13%

### Share of transactions in study area

16. Transactions in the study represented 4.5% of total transactions in Palmerston North. It remains unchanged across both periods analysed, indicating that the market share of transactions in the study area as a percentage of total transactions in the city, has been stable.

	August 2023-January 2024	August 2024-January 2025
Transactions in study area/ Transactions in Palmerston North	4.50%	4.50%

### Change in total spending

17. In the study area, electronic card spending fell -1.4%, with large businesses experiencing a smaller decline in spending of -1.3%. This compares with a decrease in spending in small businesses of -2.7%.

Study area	August 2023- January 2024 (\$)	August 2024- January 2025 (\$)	Percentage change
Large businesses	30,018,409	29,629,186	-1.3%
Small business	1,819,861	1,770,121	-2.7%
<b>Total study area</b>	<b>31,838,270</b>	<b>31,399,307</b>	<b>-1.4%</b>

18. During the analysis period, electronic card spending fell -1.3% across the country as spending continued to be dragged down by economic recession.

19. Reflecting this broader trend, retail spending in Palmerston North fell by -1.6% over the six-months to January 2025 compared with the same period the previous year. The following table shows the breakdown in results by retail precinct.

20. It is worth noting that the area included in the study area is primarily located within the “Outer CBD” retail precinct where retail spending fell -1.1% over the analysis period. “Terrace End” is also a useful comparison as it is a neighbourhood precinct with similar merchants as the study area such as Woolworths and a number of small merchants. Retail spending in “Terrace End” fell by -2.2% over the analysis period.

Precincts	August 2023-January 2024 (\$)	August 2024-January 2025 (\$)	Percentage change
CBD and Broadway	259,252,724	259,394,646	0.1%
Outer CBD	173,905,432	171,952,470	-1.1%
Terrace End	65,652,503	64,209,581	-2.2%
Rest of Palmerston North	274,295,250	265,128,247	-3.3%
<b>Palmerston North</b>	<b>773,105,909</b>	<b>760,684,945</b>	<b>-1.6%</b>
<b>New Zealand</b>	<b>40,631,447,402</b>	<b>40,112,199,108</b>	<b>-1.3%</b>

21. The -1.4% change in spending in the study area lies between the spending results from New Zealand (-1.3%) and Palmerston North (-1.6%).

#### Change in total transactions

22. In the study area, the number of electronic card transactions fell by -0.7%, with large businesses and small businesses declining at the same rate.

Study area	August 2023-January 2024	August 2024-January 2025	Percentage change
Large businesses	641,720	636,922	-0.7%
Small business	45,773	45,445	-0.7%
<b>Total study area</b>	<b>687,493</b>	<b>682,367</b>	<b>-0.7%</b>

23. The reduction in the number of transactions in the study area is the same as the change in the number of transactions in Palmerston North (-0.7%). The table below breaks down the change in total transaction by retail precinct in Palmerston North with results ranging between 0.7% to -1.5%.

Precincts	August 2023-January 2024	August 2024-January 2025	Percentage change
CBD and Broadway	4,450,255	4,417,061	-0.7%
Outer CBD	3,057,629	3,079,979	0.7%
Terrace End	1,260,696	1,255,052	-0.4%
Rest of Palmerston North	6,495,655	6,401,147	-1.5%
<b>Palmerston North</b>	<b>15,264,235</b>	<b>15,153,239</b>	<b>-0.7%</b>
<b>New Zealand</b>	<b>829,361,306</b>	<b>831,390,985</b>	<b>0.2%</b>

24. During the analysis period, electronic card retail transactions increased by 0.2% nationally, compared with a -0.7% fall in Palmerston North City. The increase in national retail transactions is likely attributed to an increase in transactions by international tourists, which would predominantly benefit international tourism hotspots such as Queenstown.

#### Change in spending/transactions

25. In the study area, the average spending per transaction fell from by -0.6% from \$46.31 to \$46.02. Small businesses in the study area were more greatly affected with the average value of transactions falling by -2.0% relative to a -0.6% decline in the average value of transactions in large businesses. See table below.

Study area	August 2023-January 2024 (\$)	August 2024-January 2025 (\$)	Percentage change
Large businesses	46.78	46.52	-0.6%
Small businesses	39.76	38.95	-2.0%
<b>Total study area</b>	<b>46.31</b>	<b>46.02</b>	<b>-0.6%</b>

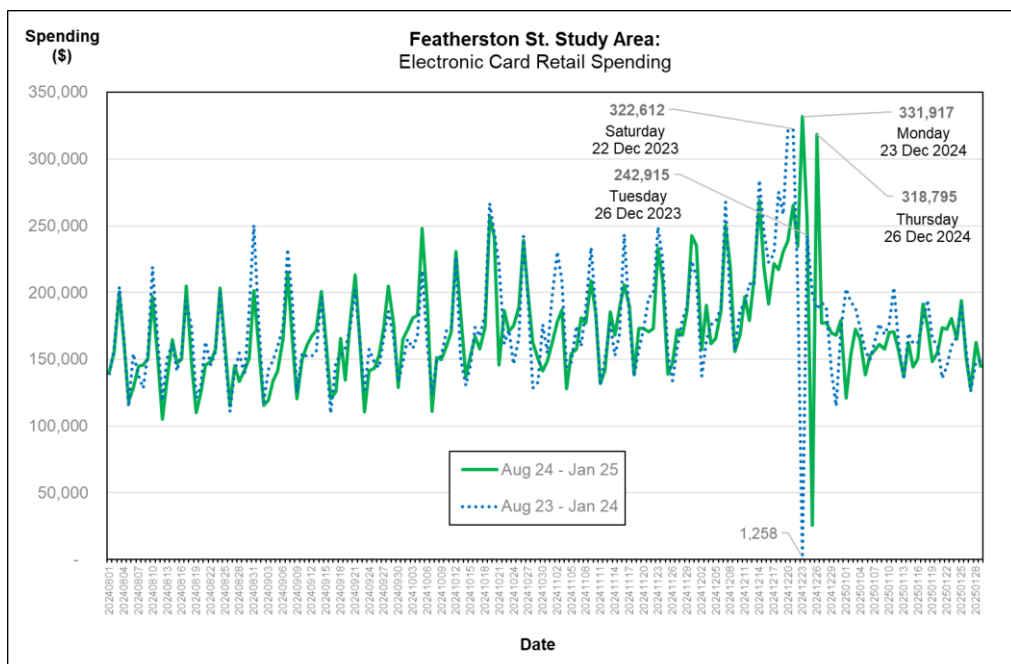
26. During the analysis period, the average spending per transaction fell by -1.5% nationally compared with a -0.9% fall in Palmerston North. The table below breaks down the change in total transactions by precinct, with results ranging between +0.8% in “CBD and Broadway” to -1.9% in the “Rest of Palmerston North”.

Precincts	August 2023-January 2024 (\$)	August 2024-January 2025 (\$)	Percentage change
CBD and Broadway	58.26	58.73	0.8%
Outer CBD	56.88	55.83	-1.8%
Terrace End	52.08	51.16	-1.8%
Rest of Palmerston North	42.23	41.42	-1.9%
<b>Palmerston North</b>	<b>50.65</b>	<b>50.20</b>	<b>-0.9%</b>
<b>New Zealand</b>	<b>48.99</b>	<b>48.20</b>	<b>-1.5%</b>

27. Average spend by transaction in the study area fell by less than comparator areas, down -0.6% compared with a decrease in value of -0.9% in Palmerston North and -1.5% across New Zealand.

Daily spending in the study area

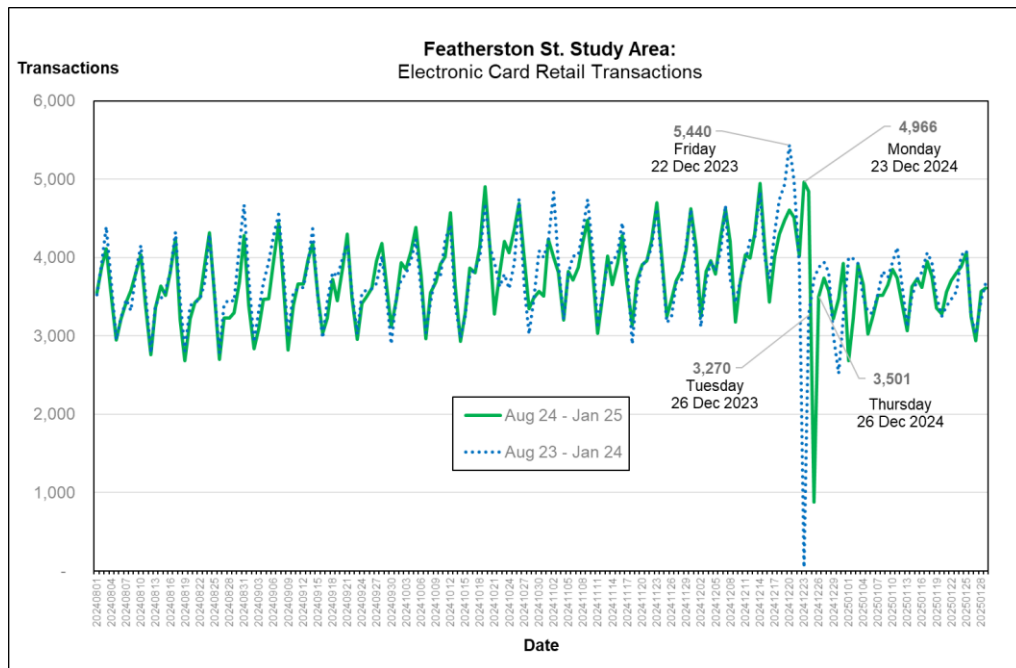
28. The following graph shows the trend in daily spending in the study area from 1 August 2024 to 29 January 2025 (green line graph). Days have been aligned with the same day of the week (starting on Thursday), with 3 August 2023 to 31 January 2024 (blue dashed line graph) to manage variations in spend influenced by weekdays (such as the trend toward higher spending on Saturdays).



29. Please note, there is misalignment between the spending peaks and troughs when comparing the two periods due to seasonal factors. This is due to the greater influence on spending of factors such as the timing of Christmas day, Boxing Day, New Years, and January holidays, relative to the day of the week at this time of the year.

Daily transactions of the study area

30. The following graph shows the trend in daily transactions in the study area from 1 August 2024 to 29 January 2025 (green line graph) aligned with the same day of the week (starting on Thursday), with 3 August 2023 to 31 January 2024 (blue dashed line graph).



31. Consistent with spending data, there is also misalignment between peaks and troughs in the volume of transactions over the Christmas and holiday period for the reason that these holidays fall on different days of the week.

### 3. Conclusions

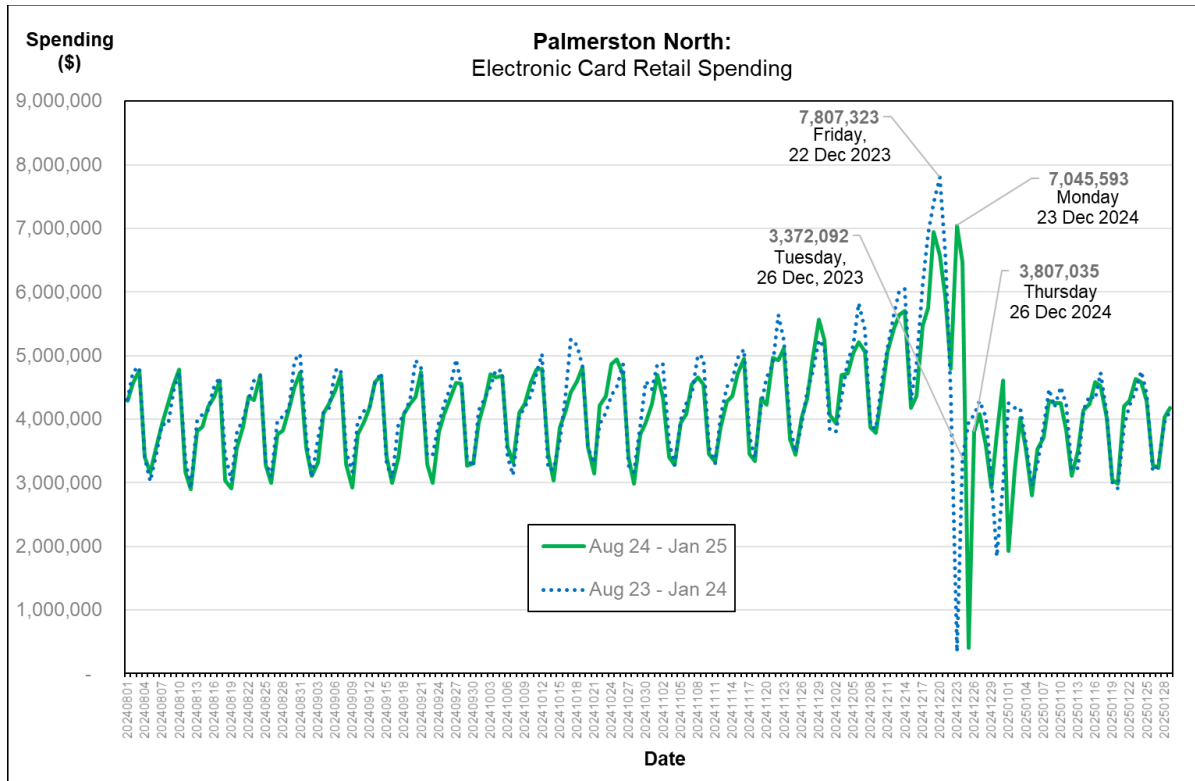
32. Based on comparing the spending and transaction results for the study area over the August 2024 to January 2025 period, with the August 2023 to January 2024 period the previous year:
- i. The share of spending and transactions in the Featherston Street study area was unchanged between the August 2023-January 2024 period and the study period August 2024-January 2025.
  - ii. The decrease in spending of -1.4% in the study area is consistent with declines observed in the wider economy, with spending in Palmerston North falling -1.6% and spending across New Zealand falling -1.3% over the period.
  - iii. The decrease in transactions of -0.7% in the study area is consistent with the decline observed in Palmerston North (-0.7%) but higher than the change in the number of transactions observed nationally (+0.2%). This result reflects the current economic challenges affecting the local retail sector, where benefits from the recovery in international tourism are less than some other parts of the country.
  - iv. Electronic card retail spending and transaction results for the Featherston Street study area shows that retail activity trends are consistent with wider observations of retail activity across Palmerston North City. Spending and transaction trends at the individual business level are not able to be determined from this study.

# Appendix 1: Precinct Map

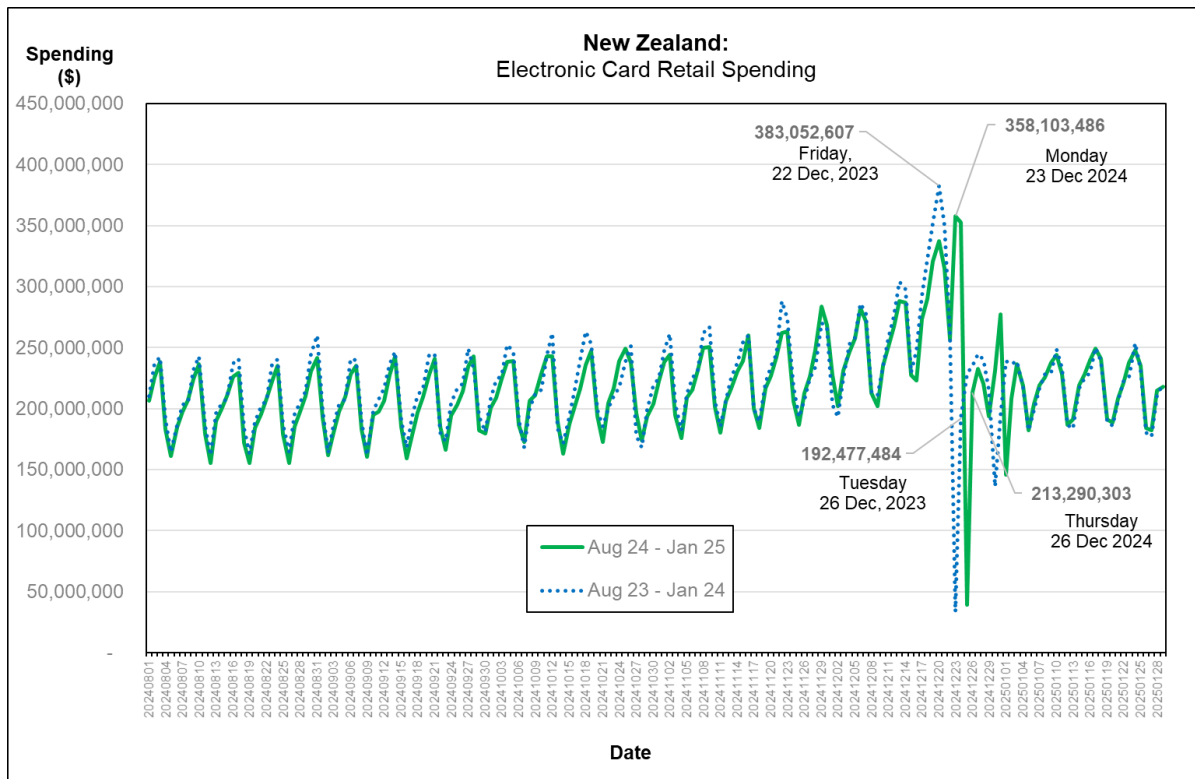


## Appendix 2: Trends in daily spending

### Palmerston North

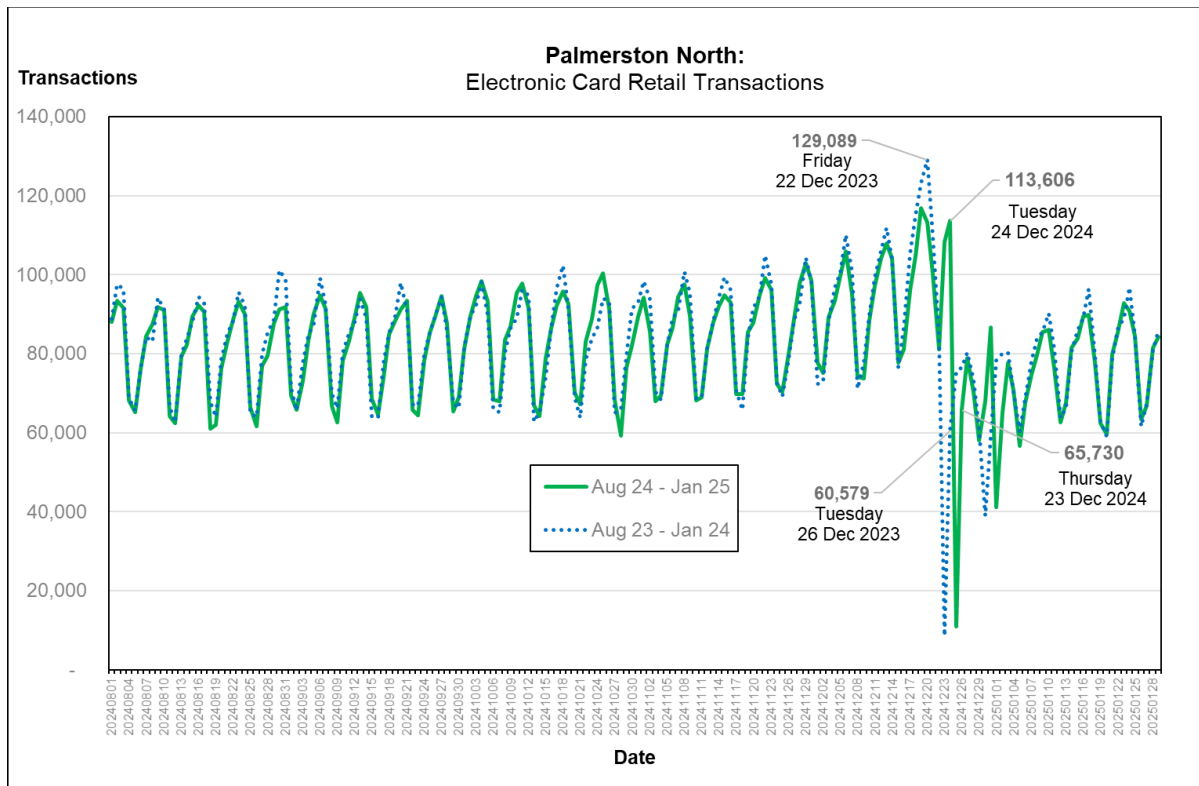


### New Zealand



## Appendix 3: Trends in daily transactions

### Palmerston North



### New Zealand

