Retail in New Zealand

March 2024

Table of Contents

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Inflationary pressures drive retail value growth through supermarkets, as cost-of-living pressures hit consumers

Countdown to rebrand as Woolworths

Foodstuffs (North Island) and Foodstuffs (South Island) merger aims to improve efficiencies

PROSPECTS AND OPPORTUNITIES

Slowing inflation but financial pressures on consumer budgets remain

Stronger focus on private label for consumers and retailers

Sustainable options to cater to eco-conscious consumers

CHANNEL DATA

Table 65 - Supermarkets: Value Sales, Outlets and Selling Space 2018-2023

Table 66 - Supermarkets: Value Sales, Outlets and Selling Space: % Growth 2018-2023

Table 67 - Supermarkets GBO Company Shares: % Value 2019-2023

Table 68 - Supermarkets GBN Brand Shares: % Value 2020-2023

Table 69 - Supermarkets LBN Brand Shares: Outlets 2020-2023

Table 70 - Supermarkets Forecasts: Value Sales, Outlets and Selling Space 2023-2028

Table 71 - Supermarkets Forecasts: Value Sales, Outlets and Selling Space: % Growth 2023-2028

Small Local Grocers in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Inflationary pressures drive retail value sales growth as the high cost-of-living hits consumers

Retail crime significantly impacts alcoholic drinks retailers

Healthy lifestyle trend continues to benefit small local grocers

PROSPECTS AND OPPORTUNITIES

Retail value sales growth is expected to slow as inflation rates ease

Demise of Supie illustrates the challenges ahead for small local grocers

Growing presence of Asian online grocers to capture consumer demand

CHANNEL DATA

Table 72 - Small Local Grocers: Value Sales, Outlets and Selling Space 2018-2023

Table 73 - Small Local Grocers: Value Sales, Outlets and Selling Space: % Growth 2018-2023

Table 74 - Small Local Grocers GBO Company Shares: % Value 2019-2023

Table 75 - Small Local Grocers GBN Brand Shares: % Value 2020-2023

Table 76 - Small Local Grocers LBN Brand Shares: Outlets 2020-2023

Table 77 - Small Local Grocers Forecasts: Value Sales, Outlets and Selling Space 2023-2028

Table 78 - Small Local Grocers Forecasts: Value Sales, Outlets and Selling Space: % Growth 2023-2028

General Merchandise Stores in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Pandemic hangover and cost-of-living pressures soften growth

Variety stores remains a small category

Department stores traffic sees relatively slow return to normality

PROSPECTS AND OPPORTUNITIES

Slow economy to adversely impact discretionary spending levels

Increased consumer price-sensitivity to create competition from pure play online retailers

Move towards specialisation presents challenges for general merchandise stores

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Apparel and Footwear Specialists in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Strong start to 2023 before cost-of-living pressures bite in second half of the year
Seasalt ventures into New Zealand to open its first international store
Nike pulls back on New Zealand distribution

PROSPECTS AND OPPORTUNITIES

Economic slowdown to adversely impact discretionary spending levels
Opportunities for growth in the circular economy
E-commerce to grow, but store-based retailing to dominate

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Appliances and Electronics Specialists in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

COVID-19 pandemic hangover and cost-of-living pressures hinder purchases
JB Hi-Fi NZ embarks on growth strategy
Sustainability regains importance

PROSPECTS AND OPPORTUNITIES

Economic slowdown to impact discretionary spending levels
Opportunities to gain competitive edges through a variety of actions
Players can attract shoppers interested in sustainability

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Home Products Specialists in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Economic pressures and COVID-19 hangover dampen demand
Bunnings Warehouse sees streamlining
The government announces plans to improve building supplies competition

PROSPECTS AND OPPORTUNITIES

Slow economic recovery to limit discretionary spending levels
Stronger competitive landscape with the arrival of Ikea
Omnichannel approach to remain important as home improvement stores recover

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Health and Beauty Specialists in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Health and beauty consumers shop around in a tough economic climate
Focus on health and immunity drives consumers through the doors of pharmacies
Competition intensifies in pharmacies as Chemist Warehouse continues aggressive expansion

PROSPECTS AND OPPORTUNITIES

Slow economic recovery to dampen discretionary spending levels
Experiential retail offers recovery opportunities
E-commerce to continue to gain traction and cannibalise sales

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Vending in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Vending remains sluggish
Vending struggles to remain relevant as health and wellness preferences grow

PROSPECTS AND OPPORTUNITIES

Vending is set to continue to be adversely affected by economic pressures and limited consumption occasions
Smart vending machines to stay competitive

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Direct Selling in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

Direct selling’s performance is dampened as cost-of-living pressures bite and shopping behaviours change
Online shopping cannibalises direct selling

PROSPECTS AND OPPORTUNITIES

Discretionary spending levels to remain under pressure
Direct sellers need to engage digitally to remain relevant

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Retail E-Commerce in New Zealand

KEY DATA FINDINGS

2023 DEVELOPMENTS

High inflation boosts retail current value growth in e-commerce
Nike exits online shopping in New Zealand
Local consumers show a strong preference for local online retailers

PROSPECTS AND OPPORTUNITIES

CHANNEL DATA