

MEDIA RELEASE

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HOPE FOR XMAS RETAIL FOLLOWING POOR WINTER SALES PERIOD

Retailers are hoping that the arrival of summer and the Christmas season will see an upswing of consumer spending after 57 per cent of retailers failed to hit their sales targets in the September quarter, according to a new survey by Retail NZ.

“The latest Retail Radar report shows that 57 per cent of retailers failed to hit their sales targets for the period ended 30 September, which coincided with an almost non-existent growth of 0.1 per cent according to the Retail Trade Survey released by Statistics NZ last week,” Greg Harford, Retail NZ’s General Manager for Public Affairs said today. “This is the third quarter in a row when a significant number of retailers failed to hit their targets, but there is more optimism for the current quarter, with 75 per cent of retailers expecting to meet or exceed their sales targets through to the end of the year.

“All the data suggests that consumer spending has been increasingly constrained during the first nine months of the year. Economic uncertainty associated with the General Election, a stall in house price growth in Auckland, and increased pressure on household budgets from the likes of insurances and rates are all taking their toll on the ability and willingness of consumers to spend. The retail sector is additionally pressured by competition from foreign websites, which continue to have a price advantage of at least 15 per cent because the Government has not moved to close the de minimis tax loophole.

“On the positive front, as the weather improves around the country and the festive season approaches, three-quarters of retailers are expecting to hit their sales targets for the rest of the calendar year, although this is down from 92 per cent at the same time last year, reflecting the negative retail trading environment during 2017.”

The Retail Radar report is available at: <http://bit.ly/2k6DjOn>

For further information, please contact:

Greg Harford
General Manager, Public Affairs
Retail NZ
027 243 2842
greg.harford@retail.kiwi