



# Retail and Consumer Insights

Update | June 2025 to January 2026



# Introduction

PwC's Retail and Consumer Quarterly Insights provides the latest trends in consumer behaviour both in New Zealand and globally. We analyse data from the PwC Retail and Consumer Dashboard (focusing on electronic spending by industry in New Zealand) to equip you with valuable insight. Our commentary also covers our observations on changes in the ANZ-Roy Morgan Consumer Confidence Index, Stats NZ, and other relevant local and global sources.

**This publication provides retrospective analysis of key highlights, trends and news from July 2025 to January 2026, acknowledging subsequent information and events including ongoing geopolitical tensions will affect the analysis provided throughout.**

## R&C sector financial highlights at a glance

Consumer confidence	OCR	House price expectations	Unemployment
<b>107.2</b> Highest since August 2021	<b>2.25%</b> Lower rate backdrop	<b>3.7%</b> Expected growth per annum over the next two years	<b>5.4%</b> December 2025 quarter

Favourable monetary conditions, including the reduction of the Official Cash Rate (OCR) to 2.25%, alongside a rebound in quarterly GDP, are gradually supporting confidence, which in turn may lift consumer activity; however, elevated cost-of-living pressures and a soft labour market continue to temper discretionary momentum.

## Retail trend highlights

<b>Electronic card transaction value YOY</b>  <b>-1.5%</b>  12 months to January 2026 vs 12 months to January 2025	<b>Top retail spend growth</b> Consumables (2.53%), Services (2.42%)  <b>Top retail spend decline</b> Vehicles excl. fuel (-3.29%), Apparel (-2.9%)
<b>Scale and value delivers revenue growth...</b>  Kmart: ▲ 2.3% JB HiFi: ▲ 32.6% Costco: ▲ 6.5%  FY25/6 year-on-year revenue growth	<b>...while declining discretionary spend in the middle market has a negative impact.</b>  EB Games (closure), Smiths City (liquidation), and Kitchen Things (receivership) highlight the sustained pressure across discretionary segments.

## Deal highlights

Structural reshaping continues across the sector, with transactions such as Fonterra's consumer business sale, the Restaurant Brands takeover and AS Colour's private equity investment, alongside IKEA's market entry, reflecting continued portfolio realignment, and evolving competitive dynamics.

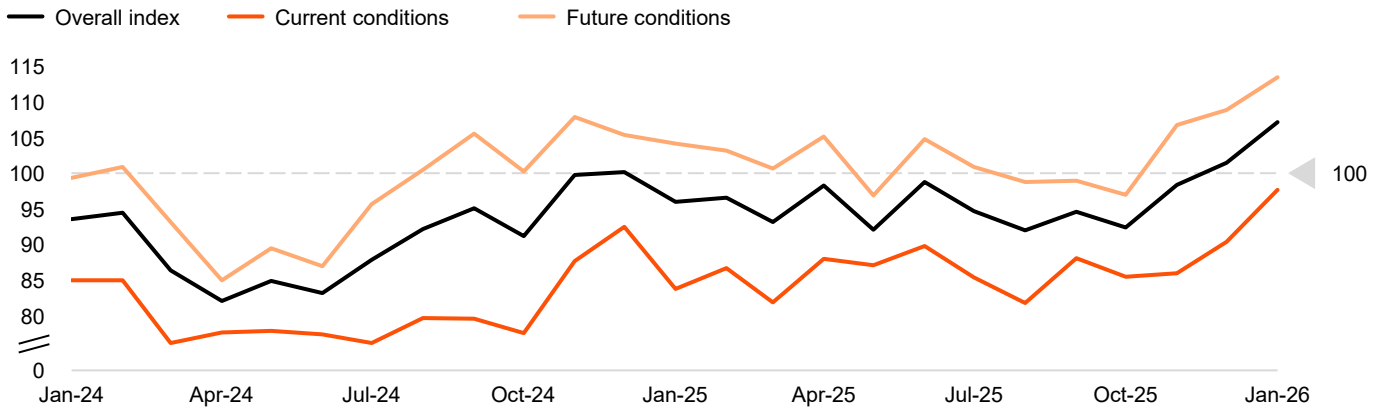
# Consumer confidence

## 107.2

January 2026

### ANZ Roy Morgan Consumer Confidence Rating (100 plus the unweighted average of the net balances of Q-1-5)

January 2024 – January 2026



Please note that a value over 100 denotes optimism, while below that indicates pessimism.

Overall, confidence has returned to levels last seen in August 2021 but remains below pre-pandemic levels.

Elevated cost of living pressures and softer labour market conditions are likely to keep the pace of consumer recovery steady through 2026.

#### CPI

3.1%

December 2025

#### Food inflation

4.3%

December 2025

#### OCR

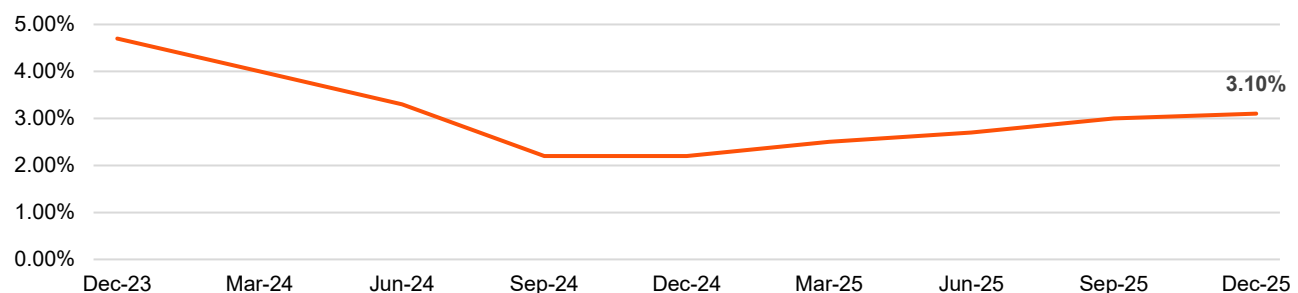
2.25%

November 2025

Easing monetary conditions are supporting sentiment following the Reserve Bank's November 2025 reduction of the Official Cash Rate to 2.25%, which is gradually lowering debt servicing costs and improving household cash flow. However, the recovery remains measured. While headline CPI was 3.1% year-on-year in December 2025, inflation trended higher through 2025 with inflation expectations remaining elevated at 4.6%. Statistics New Zealand CPI data for the December 2025 quarter shows persistent price pressures in essential categories including food at 4.3%.

#### RBNZ Inflation data

December 2023 – December 2025

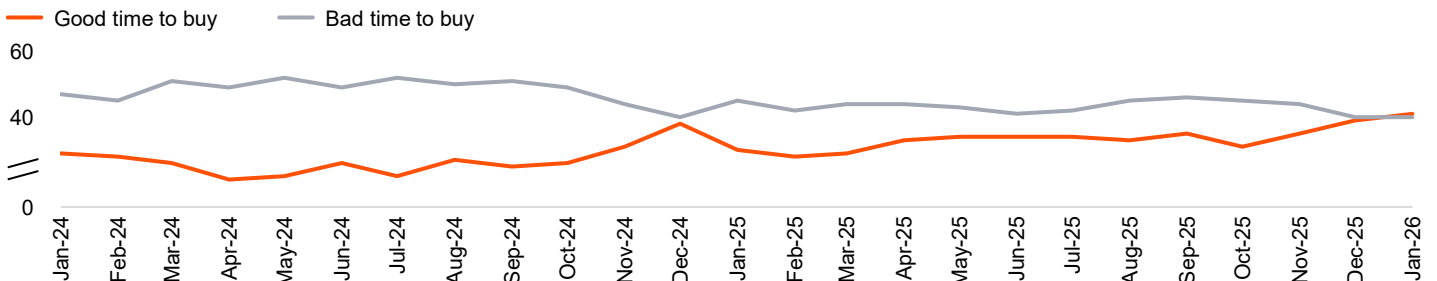


## Major household items

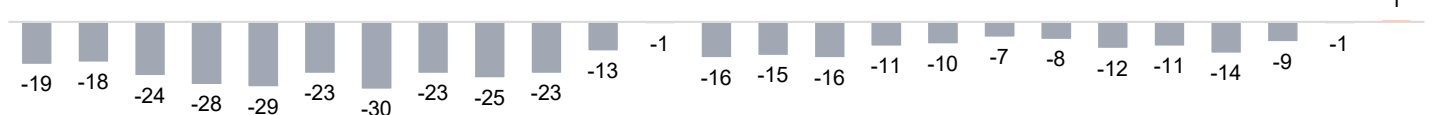
Sentiment towards purchasing major household items has strengthened progressively over recent months. After remaining deeply negative through much of 2024, the net balance improved steadily in late 2025, moving close to neutral before turning positive at +1 in January 2026, the strongest reading since late 2021. The recent trajectory points to a gradual improvement in discretionary appetite rather than a one-month rebound.

### Generally, do you think now is a good time or a bad time, for people to buy a major household item?<sup>(1)</sup>

January 2024 – January 2026, % of respondents



### Net balance



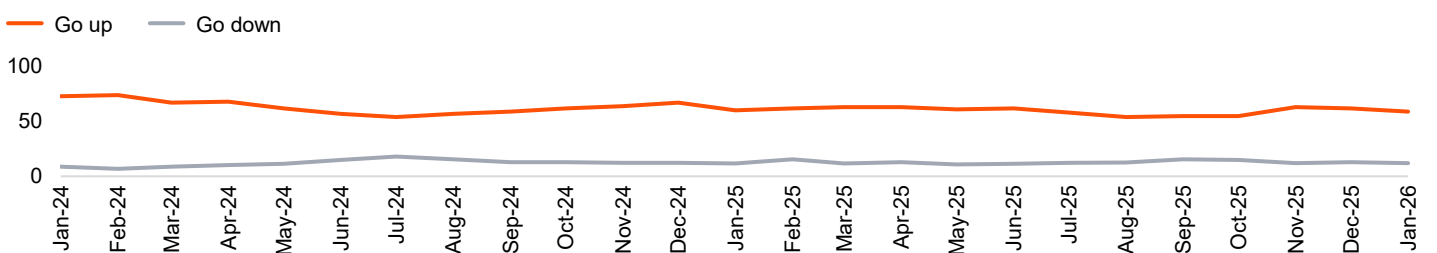
## House prices

Consumers' house price expectations strengthened toward the end of 2025 and have remained broadly stable into early 2026, with the January 2026 ANZ–Roy Morgan release showing households anticipating price growth of 3.7% per year over the next two years, consolidating the improvement seen in late 2025. ANZ attributes firmer housing sentiment in part to easing monetary conditions, noting that borrowers rolling off short-term fixed mortgages are progressively moving onto lower rates following the Reserve Bank's November 2025 reduction of the Official Cash Rate to 2.25%.

While house price expectations have strengthened, real housing activity suggests a more modest recovery, with QV reporting nationwide values rose 0.9% over the three months to January 2026 and REINZ highlighting mixed conditions across regions, indicating expectations are improving faster than realised market momentum.

### Specifically thinking about the price of houses, during the next 2 years, do you think that the price of houses in general will go up, go down, or stay where they are now? If up, what is the expected percentage per year?<sup>(1)</sup>

January 2024 – January 2026, % of respondents



### Expected % increase



# Spend trends

The Stats NZ electronic card transactions data offers valuable insights into New Zealand's consumer spending habits across debit, credit, and charge card transactions. Our Retail and Consumer Dashboard analyses these spending patterns, comparing year-on-year (YoY) and quarter-on-quarter (QoQ) data.

For the December 2025 quarter, electronic card transaction volumes were at similar absolute levels to 2024, with a clear seasonal lift into December followed by a post-holiday easing to the exact same extent as in 2024. Structurally, the composition of spend appears stable: core retail<sup>(1)</sup> remains c.92% of retail<sup>(1)</sup>, and retail c.82% of all-industry transactions.

## OCR

**2.25%**

November 2025

## GDP

**+0.2%**

QoQ, December 2025 quarter

## GDP (YoY)

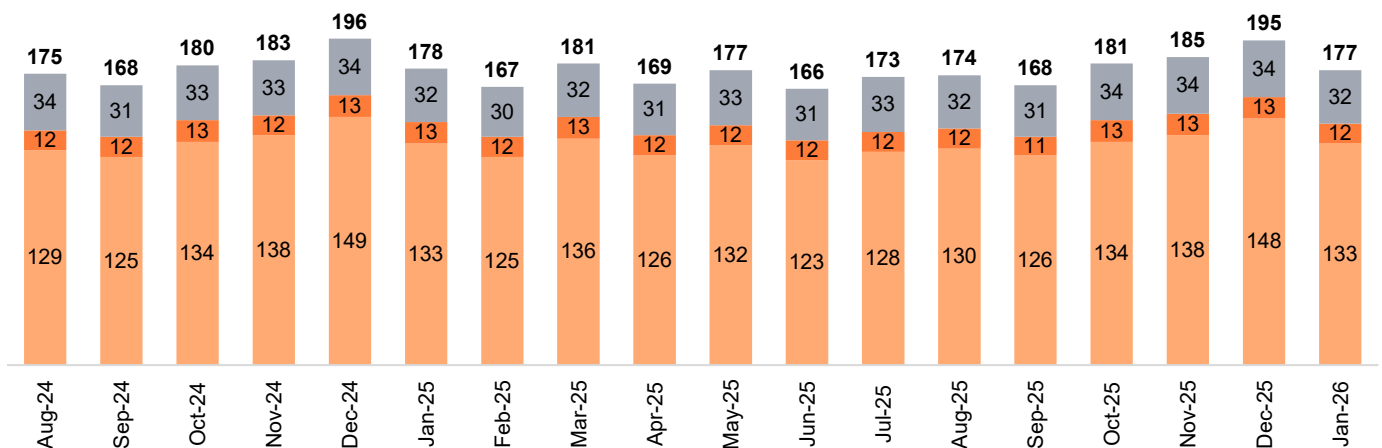
**+1.3%**

Year to December 2025

## Monthly number of electronic card transactions

August 2024 – January 2026, # millions

● Core retail industries ● Other retail industries ● non-retail industries

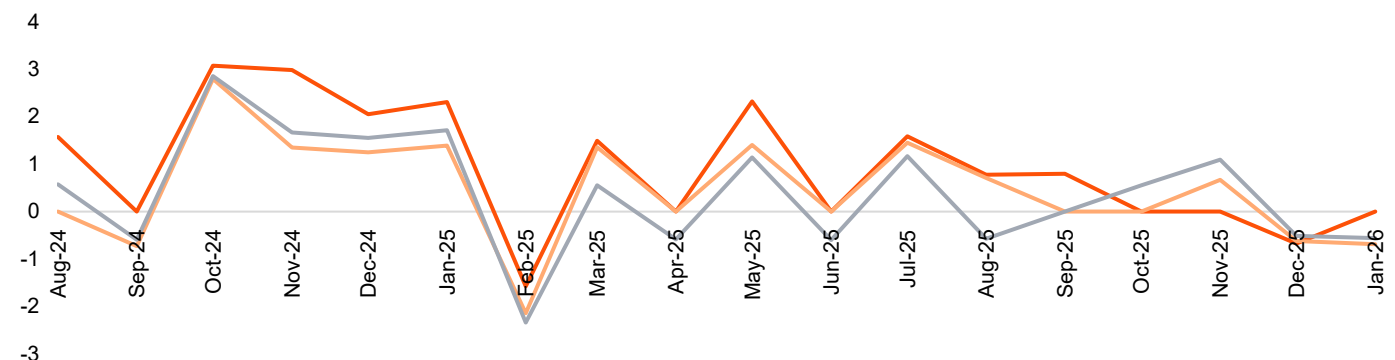


Across November–December, transaction volumes were broadly consistent YoY, with November tracking close to 2024 levels and a slightly softer December peak in 2025, suggesting a marginally lower Christmas-period uplift than the prior year.

## % change in YoY monthly volume of electronic card transactions

August 2024 – January 2026, %

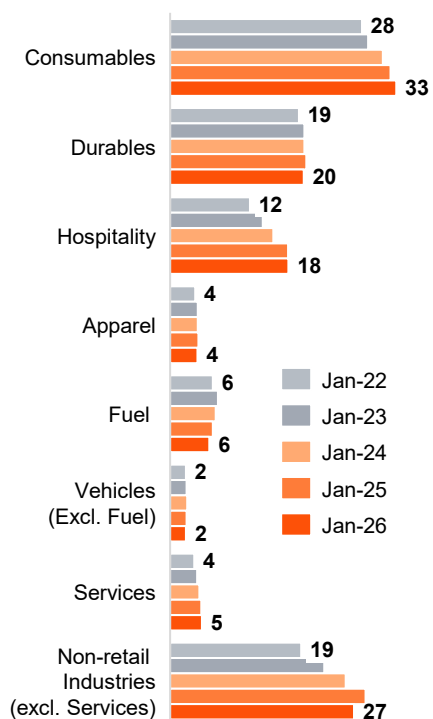
— Core Retail Industries — All Retail Industries — All Industries



Note(s): (1) Core retail industries includes Consumables, Durables, Hospitality and Apparel. Retail includes all core retail industries as well as Fuel and Vehicle

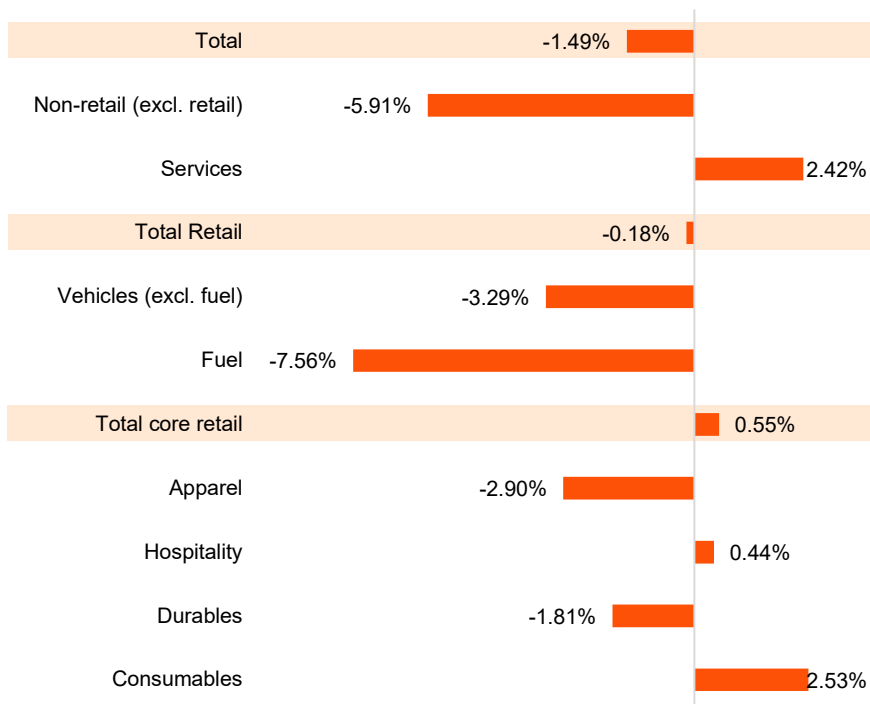
## LTM annual total value electronic card spend

(LTM) January 2022 – January 2026, NZ\$bn



## Electronic card transactions value by industry – 12-month LTM YOY change

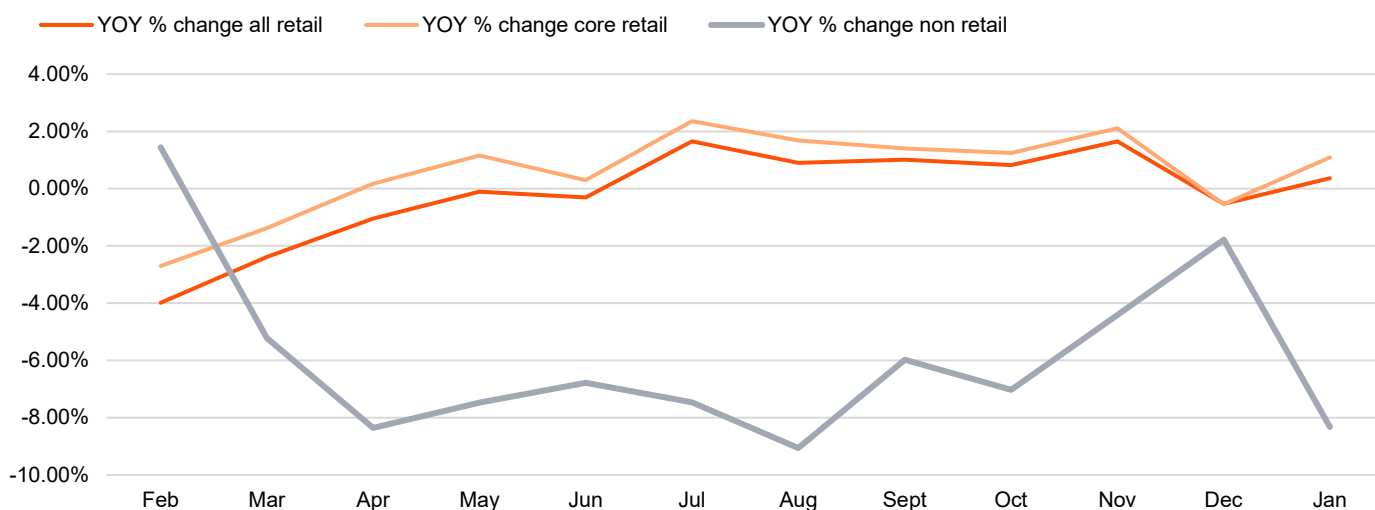
January 2025 – January 2026, (%)



Growth in the value of spend in core retail categories including hospitality and consumables has plateaued in 2025 after steady increases in the post pandemic period. Whilst smaller in total dollar value, substantial percentage reductions in fuel and vehicle categories has left total retail card spend flat year on year. More significant reductions in non-retail industry card spend leaves total spend down 1.5% to the comparative 12-month period.

## % change in YoY monthly value of electronic card transactions

February 2025 – January 2026, %



Note(s): (1) Core retail industries includes Consumables, Durables, Hospitality and Apparel. Retail includes all core retail industries as well as Fuel and Vehicle.

LTM: Last twelve months.

# News

## Key developments shaping New Zealand's retail landscape between July 2025 and January 2026

### DFS to exit Oceania and close NZ operations (Jul 2025)

Duty Free Shoppers (DFS), owned by LVMH, announced it would shut its New Zealand and Australian stores by the end of September 2025 following a review of its global store network, citing challenging economic conditions and a broader strategy to optimise and streamline global operations.

### Government supermarket competition reforms (Aug 2025)

The Government announced an "express lane" package to fast-track new supermarket entry and expansion, including urgent legislative and policy changes to remove consenting barriers. MBIE noted new supermarket consents can take ~18 months on average, and the new fast track approach could save around six months for eligible projects.

### Kitchen Things receivership and store closures (Aug 2025)

The premium appliance retailer entered receivership, with reporting noting 12 stores were affected during the process.

### Hospitality closures and liquidations remained elevated

RNZ reported hospitality business closures were up almost 20%, with around 2,500 closures in the year to August, including award-winning Napier restaurant Pacifica, and Wellington brewery Fortune Favours.

### The Warehouse Group FY25 performance

For the year ended 3 Aug 2025, group sales were up 1.6% to \$3.1b driven by Noel Leeming (3.3%) and The Warehouse (1.4%) with Warehouse Stationary still struggling (-2.5%); gross margin was down 140 bps to 32.2%.

### Smiths City entered voluntary administration (Sep 2025)

The appliances and furniture retailer went into voluntary administration after 107 years of trading, operating nine stores plus online.

### The Body Shop brand re entry via new franchisee (Nov 2025)

Following the April liquidation and store closures, the brand had a new franchise owner and a store reopening in Richmond (Nelson) in November 2025.

# News

## Key developments shaping New Zealand's retail landscape between July 2025 and January 2026

### Savor Group HY26 performance

For the half year (Apr-25 to Sep-25), the hospitality group reported revenue of NZ\$24.0m (down 6% on the prior period), operating earnings of NZ\$1.9m (down 3%), and a net loss after tax of NZ\$1.1m (unchanged from the prior period), citing continued pressure from inflation, rising operating costs and cautious discretionary spending.

### IKEA market entry and first physical store (Dec 2025)

IKEA opened its first NZ store at Sylvia Park, a 34,000 m<sup>2</sup> site with 7,500 items plus online and 29 pick up points, but initial demand exceeded fulfilment capacity, prompting temporary service disruptions including paused click and collect and customer support shutdowns.

### JB Hi-Fi strong H1 result

For the six months ended 31 Dec 2025, JB Hi-Fi reported NZ total sales up 20.0% to NZ\$202.5m, with comparable sales up 6.9%.

### EB Games to exit New Zealand (Jan 2026)

EB Games confirmed it will close its NZ store operation on 31 January 2026, shutting 38 stores, with its distribution centre closing 28 February 2026.

### Kmart NZ surpassed NZ\$1b annual revenue

For the 12 months ended 30 June 2025, Kmart NZ reported total revenue of NZ\$1.022b (up 2.3% from NZ\$999.5m in FY24) and net profit of NZ\$102.1m (down 3.7% from NZ\$106.0m), with the profit decline attributed to higher cost of goods sold and increasing occupancy costs.

### Costco NZ posts first profit since opening

Costco New Zealand recorded its first profit since opening in 2022, reporting net profit of \$9.62m for the 52 weeks to 31 August 2025, compared with a \$0.93m loss in FY24, on total revenue of \$385.08m (up 6.5% from \$361.52m); with losses peaking at \$20.5m in FY23.

# Deals

## Key transactions impacting New Zealand's retail landscape between July 2025 and January 2026

### August 2025

#### Fonterra Consumer business sold to Lactalis

Fonterra agreed to sell its Consumer business (including consumer brands sold through supermarkets) to Lactalis for ~NZ\$3.845bn.

→ [Read article](#)

#### Restaurant Brands takeover

The Spanish majority shareholder, Finaccess Restauración (holding about 75%) launched a NZ\$5.05 per share bid valuing Restaurant Brands at NZ\$630m, with ACC's ~5% stake helping push acceptances above 90%, enabling compulsory acquisition and delisting.

→ [Read article](#)

### November 2025

#### Faradays Auckland CBD investment

An investor group led by Edward von Dadelszen is backing an approximately NZ\$30m redevelopment of 131 Queen Street (former Milne & Choyce) into a three level, 3,000 sqm department store and hospitality destination, targeting mid 2026, under a 12-year lease and expected to employ around 75 staff.

→ [Read article](#)

#### Costco secures land for second NZ store

Kiwi Property reached a conditional agreement to sell Costco 6.4 hectares at its Drury development, paving the way for Costco's second New Zealand store.

→ [Read article](#)

### December 2025

#### NPD and Gull announce merger plan

Two discount, self-serve fuel providers, NPD and Gull, announced plans to merge their national operations while retaining separate brands, creating a combined network of around 240 sites and pooling supply chains and systems, subject to Commerce Commission approval.

→ [Read article](#)

#### AS Colour brings in private equity partner

Apparel retailer AS Colour secured investment from Australian private equity firm Quadrant and disclosed around NZ\$500m in annual sales, with 27 retail sites globally.

→ [Read article](#)

# Events and insights

## Highlights from our industry engagement and the insights shaping retail

### 11 - 13 January 2026

#### NRF 2026: Retail's Big Show

The big idea that emerged from this year's National Retail Federation (NRF) Big Show: Agentic commerce is already here – and in 2026, AI agents will reshape how brands connect, transact, and build relationships.

Peter Chambers, PwC New Zealand's Chief Markets Officer, and Mini Prasad, PwC New Zealand advisory partner, attended the conference and participated in a wide range of keynote sessions, retailer case studies and closed-door discussions, bringing first-hand observations from the conference, combined with PwC's global consumer markets expertise and ongoing work with retail clients across New Zealand and internationally.

→ Read more

### 24 February 2026

#### PwC's 29th Global CEO Survey: Optimism and opportunity in the age of AI

New Zealand CEOs are optimistic about economic conditions and revenue growth, but many are concerned their companies are not transforming fast enough to keep pace with advances in technology and AI.

→ Read more

## Thought Leadership

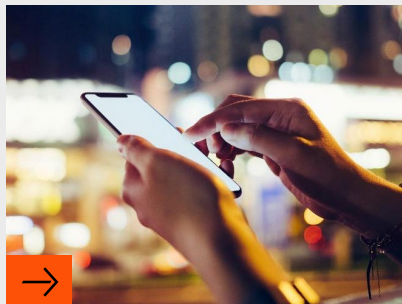
### How will Open Electricity impact retailers and consumers?

Consumer & Product Data Act 2025



### The rise of agentic commerce

This could revolutionise buying behaviour – sooner than you think



### Retail's invisible focus group

Testing strategy before it hits the shelf



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