



Retail and Consumer Insights

Update | February 2026 to July 2026



Introduction

PwC's Retail and Consumer Insights provides the latest trends in consumer behaviour both in New Zealand and globally. We analyse data 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 February 2026 to July 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	GDP (QoQ)	GDP (YoY)
99.3 Continued recovery from Q2 FY26 lows	2.50% Curbing medium-term inflation	+0.2% Quarterly growth, June 2026	+1.7% Year to June 2026

Retail trend highlights

Retail card spend +3.4% Year-on-year, as at July 2026	Discretionary spend shows signs of improvement, with Durables ~+4.0% Hospitality ~+4.4% Year-on-year, as at July 2026
Higher spend, limited transaction growth. ~+2% Average spend per transaction, Feb-Jul 2026 vs 2025	Retail performance remains mixed, as part of higher spend reflects higher prices, with CPI at 4.1% Year-on-year in June 2026.

Deal highlights

Active portfolio reshaping

Deal activity reflected continued portfolio reshaping and investment across the retail and consumer sector, spanning acquisitions, divestments, recapitalisations and property transactions.

Activity was particularly evident across food and grocery, with transactions involving T&G Fresh, Mainland Poultry, Abe's Bagels and Farro Fresh, alongside KMD's balance sheet recapitalisation.

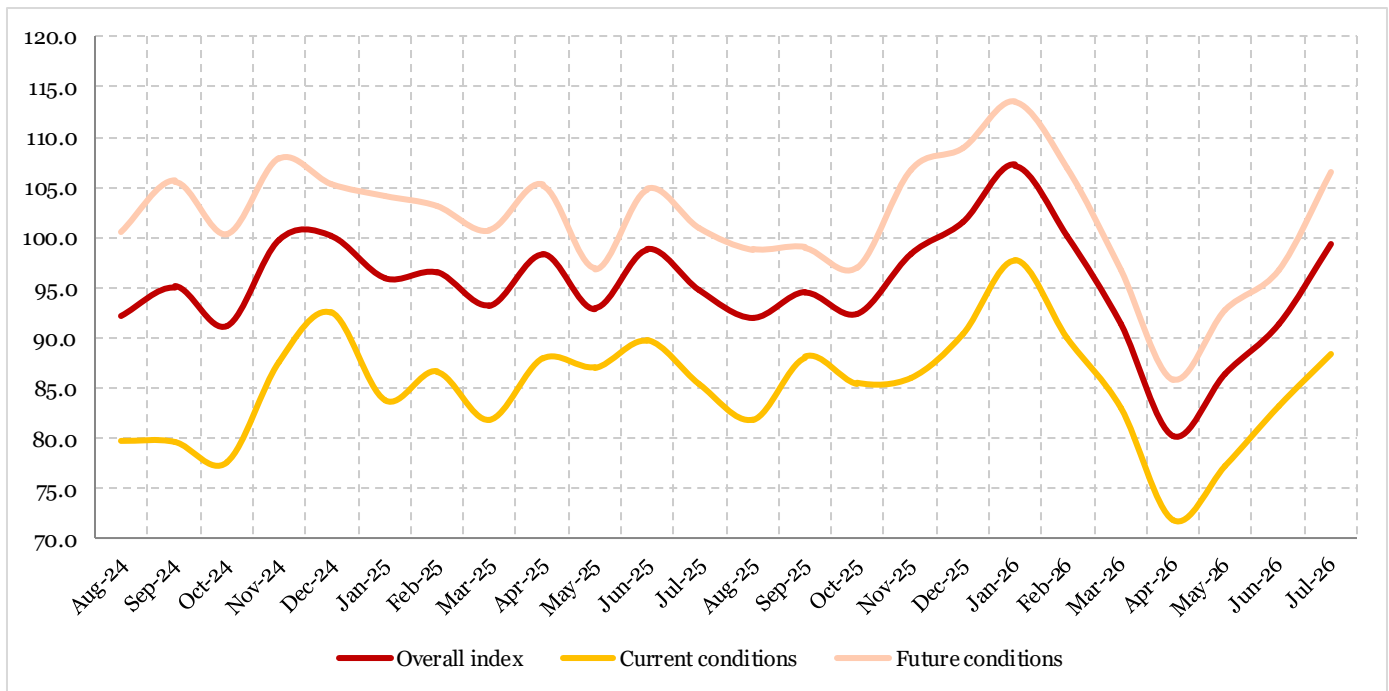
Consumer confidence

99.3

July 2026

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

August 2024 – July 2026



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

Consumer confidence experienced significant volatility between February and July 2026, falling sharply following the onset of the Middle East conflict, before largely recovering by July 2026.

However, consumers' willingness to make major household purchases remained subdued. This is consistent with the relatively modest growth in core retail transaction activity and suggests that the improvement in headline confidence has yet to translate fully into stronger retail activity.

CPI

4.1%

June 2026

Food inflation

2.5%

June 2026

OCR

2.50%

July 2026

The improvement in consumer sentiment toward the end of July 2026 was supported by easing geopolitical uncertainty, and a recovery in confidence from its April 2026 low. However, the recovery remains measured.

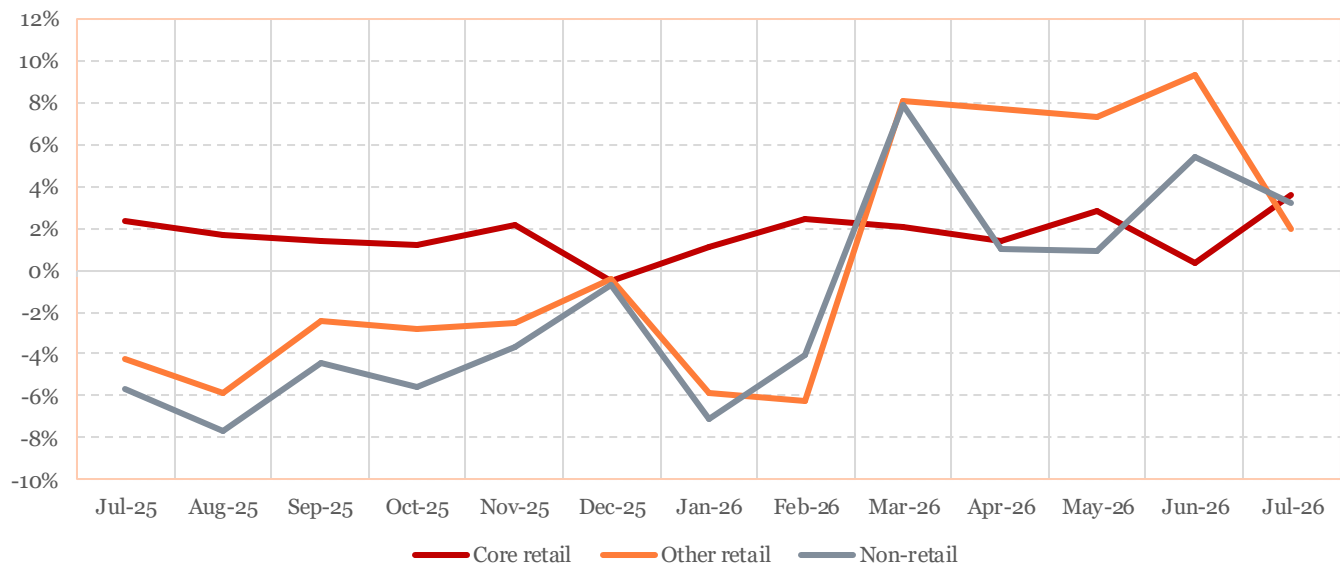
Headline CPI increased to **4.1% year-on-year in June 2026**, above the Reserve Bank's 1–3% target range, higher fuel prices were a significant driver.

Against this backdrop, the Reserve Bank increased the Official Cash Rate to 2.50% in July 2026 in response to elevated inflationary pressures. While household conditions have improved from earlier in the year, elevated headline inflation and higher borrowing costs mean the improvement in consumer sentiment may take time to translate into stronger retail activity.

Is recovering confidence translating into spending?

Year-on-year electronic card spend growth

Rolling year-on-year growth between July 2024 to July 2026



Year-on-year electronic card spend growth

For July 2024, July 2025 and July 2026

Category	Jul-25 vs Jul-24	Jul-26 vs Jul-25	Change in growth rate
Core retail			
Consumables	~4.5%	~3.5%	↓ ~1.0ppt
Durables	~(0.8%)	~4.1%	↑ ~4.9ppt
Hospitality	~1.7%	~4.2%	↑ ~2.5ppt
Apparel	~0.4%	~2.3%	↑ ~1.9ppt
Other retail			
Fuel	~(7.1%)	~4.0%	↑ ~11ppt
Vehicles	~3.0%	~(3.0%)	↓ ~6ppt
Services	~5.5%	~(1.0%)	↓ ~6.5ppt
Other non-retail	~(7.5%)	~4.0%	↑ ~11.5ppt

From the table above, we note there are tentative signs of improvement in discretionary spending.

By July 2026, spending across durables, hospitality and apparel was higher year-on-year, an improvement from the comparatively small growth seen a year earlier. This excludes other non-retail growth.

While encouraging, the improvement is relatively recent and has yet to establish a sustained trend.

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) data.

For the February to July 2026 period, electronic card transaction volumes followed a fairly established seasonal pattern – easing in April, recovering slightly in May, dipping in June, and rebounding in July. Structurally, the composition of spend appears stable: core retail⁽¹⁾ remains c.90% of retail⁽¹⁾, and retail c.72% of all-industry transactions.

OCR

2.50%

July 2026

GDP

+0.2%

QoQ, June 2026 quarter

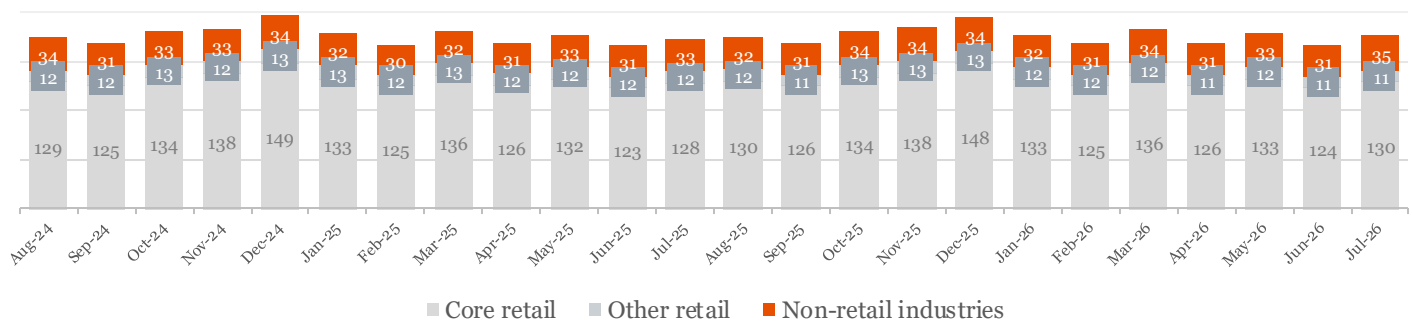
GDP (YoY)

+1.7%

Year to June 2026

Monthly number of electronic card transactions

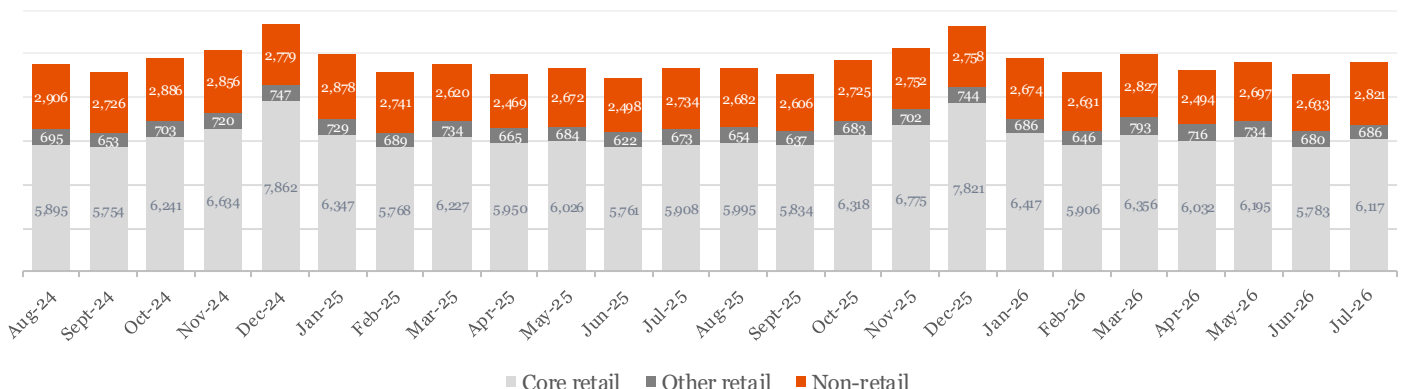
August 2024 – July 2026, in millions



Within February to July 2026, transaction activity remained broadly stable with total transaction volumes only marginally above the comparable 2025 period. Beneath the headline, however, the composition of activity continued to shift: core retail transaction volumes were broadly flat year-on-year, while non-retail activity strengthened, particularly toward the end of the period, and other retail volumes softened slightly.

Monthly value of electronic card transactions

August 2024 – July 2026, in \$ millions



Growth in card spending has continued to outpace growth in transaction volumes. Across February to July 2026, total transaction volumes were only marginally higher than the comparable 2025 period, while average spend per transaction increased by around 2%.

Within **core** and **other retail**, transaction activity was broadly flat while average transaction values increased, suggesting nominal spending growth has been driven more by the value of purchases than increased transaction frequency. In contrast, growth in **non-retail** spending was accompanied by higher transaction volumes, with average transaction values broadly unchanged.

What's driving the divergence?

What we're seeing	How we're seeing it	What it means
Higher prices are contributing to nominal spend growth	<u>Annual CPI inflation reached 4.1% in June 2026.</u> Fuel was a significant contributor, with petrol prices 27.5% higher YoY; <u>Stats NZ estimates CPI would have been 2.9% without changes in petrol and diesel prices.</u>	Higher prices can lift dollar spend without an equivalent increase in transaction activity, particularly relevant to Other Retail, which includes fuel.
Other NZ payments data shows the same spend/transaction divergence	<u>Retail NZ reported spending +1.2% YoY in May, while transaction numbers fell 1.1%, with growth largely attributed to higher average transaction values.</u>	Spend growth is seemingly being driven more by transaction value than transaction frequency.
Underlying household demand remains relatively subdued	<u>RBNZ described household consumption as subdued, with higher fuel costs reducing real disposable income and purchasing power.</u> Separate retail-volume data also showed weakness during Q2.	Higher nominal card spend should not automatically be interpreted as equivalent growth in underlying consumer demand.

Taken together, the evidence suggests that higher prices have contributed to growth in nominal card spending, while underlying transaction activity has remained comparatively subdued. This is consistent with our electronic card transactions analysis, where spending growth has outpaced transaction growth and average transaction values have increased.

What this means for retailers



Watch whether confidence converts into activity

Consumer confidence has recovered significantly from its April 2026 low, but the improvement has yet to translate into similarly strong transaction growth. Sustained growth in retail transactions and discretionary purchases would provide a clearer signal that the consumer recovery is broadening.



Value remains important

With household demand still relatively subdued and cost pressures persisting, consumers are likely to remain attentive to value. Pricing, promotions and a clear value proposition remain important levers for retailers.



Look beyond topline growth

Higher card spend has not been matched by equivalent growth in transaction activity. With underlying demand remaining subdued, delivering value to consumers while managing costs and improving operating efficiency should remain focus areas.

News

Key developments shaping New Zealand's retail landscape between February and July 2026

JB Hi-Fi NZ delivers FY26 growth, with sales up 26%

For the year ended 30 June 2026, JB Hi-Fi NZ reported NZ total sales up 26.0% to NZ\$499.5m, with comparable sales up 15.3%. JB Hi-Fi cited mobile phones, computers, audio, small appliances and games hardware as growth segments. Online sales grew 36.7% to NZ\$86.2m, representing 17.3% of total sales.

Mocka opens first physical store in NZ (July 2026)

Online furniture retailer Mocka opened its first standalone store in Christchurch. The CEO cited one of the key drivers as customer demand for "touching and feeling" the product.

My Food Bag commences strategic review amid improving performance (April 2026)

For the year ended 31 March 2026, My Food Bag reported revenue of NZ\$170.2m (+5.0%) and NPAT of NZ\$6.7m (+5.3%), with growth accelerating in H2. In April, the company commenced a review of its ownership, capital structure and strategic options after noting that improving performance had not been reflected in its share price; an update is expected in November.

The Warehouse Group sales remained broadly stable in H1 FY26

For the 26 weeks ended 1 February 2026, The Warehouse Group reported NZ\$1.61b of sales, up 0.3% year on year, with like-for-like same-store sales up 0.5%. The Warehouse generated NZ\$949.5m (+0.5%), Warehouse Stationery NZ\$116.1m (+5.7%), while Noel Leeming declined 1.2% to NZ\$542.2m. Gross margin stayed broadly flat, whilst NPAT rose from \$11.8m (FY25 H1) to \$15.7m (FY26 H1).

Three-year minimum gift card expiry comes into force (Mar 2026)

From March 2026, most gift cards and vouchers are required to remain valid for at least three years, with expiry information clearly displayed, meaning that retailers may need to carry gift-card liabilities on their balance sheets for longer.

Bunnings expands delivery, loyalty and automotive range (2026)

Bunnings has broadened its NZ proposition through several initiatives, including introducing its first retail and business customer loyalty programmes and adding 300 automotive products to take the category to around 1,000 SKUs. Bunnings also commenced a staged Uber Eats rollout across ANZ, beginning in Australia, with more than 30,000 products expected to become available across the regions. Together, these initiatives point to a greater focus on customer retention, share of wallet and convenience.

News

Key developments shaping New Zealand's retail landscape between February and July 2026 (continued)

Harvey Norman NZ FY26 performance improves despite softer H2 demand

For the year ended 30 June 2026, Harvey Norman NZ sales increased 5.6% to NZ\$1.104b, supported by lower interest rates and easing inflationary pressures. Growth was stronger in the first half (+8.1%) before moderating to 2.9% in the second half, as higher fuel costs, cost-of-living pressures and softer consumer demand weighed on trading. Continued demand for Next Gen-AI and AI-enabled technology, supported growth across Home, Lifestyle and Technology.

Foodstuffs extends facial recognition use beyond initial trial (Jun 2026)

Foodstuffs South Island expanded facial recognition technology (FRT) to a fourth Christchurch supermarket following a three-month trial that recorded over 500 confirmed matches with people of interest. The rollout reflects growing retailer adoption of FRT to address repeat offending and improve staff and customer safety, while maintaining privacy safeguards.

Woolworths NZ FY26 sales grew 2.5%

For the 52 weeks ended 28 June 2026, Woolworths New Zealand Food sales increased 2.5% to NZ\$8.49b, while EBIT increased 8.8% to NZ\$163m. The firm cited a H2 as being more challenging. eCommerce sales increased 10.8% to NZ\$1.37b, lifting penetration to 16.1%.

Hallenstein Glasson reports H1 growth, with New Zealand sales increased

For the six months ended 1 February 2026, Hallenstein Glasson Holdings reported Group sales of NZ\$275.2m, up 14.6% year on year, with Glassons New Zealand sales of NZ\$61.9m (+8.2%).

Mastercard pilots first agentic transaction in NZ (Feb 2026)

Mastercard completed NZ's first agentic AI transactions, using human-in-the-loop agents to purchase cinema tickets and accommodation. The trial represents an early step towards AI agents becoming a new interface between consumers, merchants and payment providers.

Lincraft exits physical retail and moves online-only (Jun 2026)

Lincraft announced it would close its remaining physical stores across ANZ (with six stores in NZ) and transition to an online-only model. The retailer cited challenging retail conditions, changing consumer behaviour, rising operating costs and growing pressure from low-cost international online competitors.

KMD initiates business review to unlock shareholder value (May 2026)

KMD Brands has initiated a comprehensive business review focused on the Group's capital structure, portfolio configuration and other opportunities to accelerate shareholder value.

Deals

Key transactions impacting New Zealand's retail landscape between February 2026 and July 2026

July 2026

T&G agrees sale of T&G Fresh

T&G Global agreed to divest its T&G Fresh businesses, with J&P Turner to acquire the New Zealand fresh produce operation and Bidfood acquiring the Fijian and Pacific Islands export businesses.

→ [Read article](#)

May 2026

PEP Gateway and Navis Capital acquire Mainland Poultry

The transaction was completed through a new continuation vehicle, providing fresh capital to support the company's next phase of growth. Mainland Poultry is New Zealand's largest egg supplier, accounting for ~40% of domestic egg consumption, with operations spanning production through to retail distribution.

→ [Read article](#)

May 2026

George Weston Foods acquires Abe's Bagels

George Weston Foods acquired New Zealand-founded Abe's Bagels, adding the fast-growing bakery brand to a portfolio that includes Tip Top, Don and Yumi's. Abe's had grown to more than NZ\$50m of revenue.

→ [Read article](#)

April 2026

Woolworths sells a NZ property portfolio

Woolworths sold a c.NZ\$121m portfolio of five New Zealand supermarket properties to Australian fund manager Fawkner Property, marking Fawkner's first direct investment in New Zealand.

→ [Read article](#)

April 2026

KMD completes recapitalisation

KMD successfully completed its \$65.3 million equity raise, with net proceeds used to reduce debt and strengthen the balance sheet. Together with its refinanced debt facilities, the recapitalisation provides greater financial flexibility to support execution of KMD's broader strategic priorities.

→ [Read article](#)

February 2026

Fruit Guys NZ sold to Farro Fresh

Farro Fresh acquired Fruit Guys NZ, expanding the premium grocer into B2B fruit-box and wholesale fresh produce channels. The acquisition comes alongside continued investment in Farro's physical retail footprint, with its eighth Auckland store set to open in Newmarket in late 2026.

→ [Read article](#)

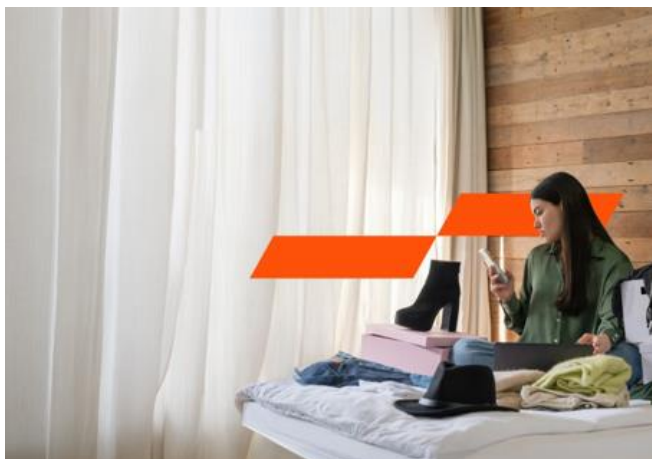
Half-year Insights

Thought Leadership



Voice of the Consumer 2026 The rise of everyday health

PwC's Voice of the Consumer 2026 research, a survey of 21,808 consumers across 27 countries, shows how quickly these actions are becoming part of everyday life. Consumers told us they are buying for, tracking, and adjusting their health behaviours regularly.



The AI-powered consumer – How shopping behaviour is changing in New Zealand

AI is rapidly becoming part of the modern shopping journey. Our latest research explores how consumers are using AI throughout the shopping journey and what the findings mean for retail and consumer businesses.



The rise of digital labour - Is your finance function ready?

Finance leaders should stop thinking about AI as simply another technology investment. As AI creates a new economic model built around digital labour, the finance function will need new capabilities to measure, govern, forecast and optimise this emerging resource.



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