



Retail rebounds as double digit increase in spending recorded across previously closed sectors – AIB Spend Trend

- Spending on clothing (+50%), homewares (+30%) and health & beauty (+14%) including hairdressers all up in May.
- In-store spending on clothing was up 1,443% on April, however it was down 17% online, with e-commerce spending down 3% overall in May as consumers hit the stores rather than shopping online.
- Offaly consumers recorded a 100% increase in hotel spend in May, meanwhile those in Kerry recorded a 33% increase.

Consumer spending rose in sectors that were previously closed as a result of the Covid-19 restrictions according to the latest AIB Spend Trend report. Spending in clothing stores (+50%), homeware stores (+30%) and health & beauty stores (+14%) including hairdressers all saw double digit increases in May as restrictions started to lift. Meanwhile, e-commerce spending was down 3% as consumers chose to spend in-store rather than online.

The government's May guidance on the proposed easing of hospitality and travel restrictions also resulted in big increases in spending on airlines (+132%), hotels (+67%) and restaurants (+10%), as consumers had more clarity and booked ahead of the lifting of restrictions. Spending in stores that remained open throughout the pandemic such as electronics (-4%), hardware (-2%) and groceries (-2%) decreased as consumers shopped elsewhere.

In Store Spend

While e-commerce was down, physical card payments were up, with digital wallet payments up 18%, contactless up 9% and chip and pin up 12%, indicating that more consumers were out and about spending.

In-store spending on clothing was up 1,443% on April, however it was down 17% online. Similarly, in-store spending in electronic stores was up 7%, however down 9% online. Sales in in-store health and beauty stores was up 20%, however down 3% online and in-store spending in homeware stores was up 107%, however down 16% online

Overall, consumer spending during the month of May was up 6% on April, however transaction levels are still down on pre-pandemic levels.

The AIB Spend Trend features one of the most comprehensive and accurate data sets on consumer spending in Ireland. Data was compiled from AIB Debit and Credit card spending from over seven million transactions between the 1st and 31st May 2021. To account for the difference in the number of days in each month the AIB Spend Trend looks at average daily spend instead of total monthly spend, providing an accurate reflection of consumer spending habits.

Regional Spend

Carlow consumers recorded the biggest increase in spending on clothes, up 67% on April, meanwhile those from Longford recorded the biggest increase in spending on homewares. Those from Longford also recorded the biggest increase in restaurant spending, up 18%.

Offaly consumers recorded a 100% increase in hotel spend in May, the largest increase of any county. Those from Kerry only recorded a 33% increase in hotel spending, the lowest increase of any county.

Demographics

Dublin recorded the highest increase in spending during May, up 7% on April, followed closely by Kildare, Cork, Cavan, Sligo and Galway – all recording a 6% increase in spending. Carlow and Donegal recorded the lowest increase in spending, up 2% on April.

Those under the age of 25 (+9%) recorded the biggest increase in spending followed by those over the age of 65 (6%).

Rachel Naughton, Head of SME Banking at AIB said ‘After months of restrictions resulting in businesses being closed it’s encouraging to see these impacted sectors record double digit increases in spending, releasing some of the pent up demand which has been evident through the pandemic. It’s also interesting to see the switch away from e-commerce during May, which is down 3%, as many businesses reopened and consumers choosing to spend their money in store rather than online. Over the coming months we will need to support these industries where possible to ensure the months of lost trading can be recouped and they can start to return to pre-pandemic trading levels.’

ENDS

Further Information

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Notes to Editor

County	Increase/Decrease
Carlow	1.9%
Cavan	5.8%
Clare	4.2%
Cork	5.9%
Donegal	2.0%
Dublin	7.4%
Galway	5.5%
Kerry	5.4%
Kildare	6.3%
Kilkenny	3.7%
Laois	4.8%
Leitrim	3.5%
Limerick	5.1%
Longford	2.9%
Louth	4.1%
Mayo	4.2%
Meath	5.2%
Monaghan	3.0%

Offaly	3.8%
Roscommon	4.0%
Sligo	5.6%
Tipperary	4.1%
Waterford	3.6%
Westmeath	5.1%
Wexford	3.6%
Wicklow	4.3%