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### **Inflation hits Irish wallets as spend increases despite a fall in transactions**

- **Spend in June rose 4% despite the number of transactions falling by nearly 500,000**
- **Average transaction in pubs and off-licences rose by 47 cents**
- **Hotel sector rebounds with 11% increase in spend**

Consumer spending during the month of June rose 4% despite consumers making nearly 500,000 fewer transactions, indicating that inflation is influencing Irish purchasing decisions.

This trend was most noticeable in the food sectors, with the average transaction rising by 47 cents in pubs and off-licences, 45 cents in restaurants and 16 cents in grocery stores. All of these food sectors saw an increase in spend and a fall in number of transactions in June.

Hotels saw the largest month-to-month growth with spend increasing by 11%, and the average transaction in the sector rose from €85.87 to €90.16.

The data was compiled from over one million card transactions by Irish consumers during June 2022 and has been anonymised and aggregated. All comparisons are based on June versus May data unless otherwise stated. AIB provides one of the most comprehensive and accurate data sets on consumer spending in Ireland. Based on this data, AIB can reveal that:

- Overall, spending was up 4% in June compared to the previous month as consumers spent almost €87 million a day throughout the month of June.
- Digital Wallet payments were up 10% as consumers spent over €12 million a day using the technology, or one in every seven euro spent during the month.
- The 24<sup>th</sup> June, the day after pay day for most people, was the busiest day of the month for consumer spending.
- Airline travel and homewares spend remained flat at +0.18% and +0.06%, respectively, while clothing (+3%), electronics (+4%) hardware (+1%) and health & beauty (+3%) were all up.

Speaking about the Spend Trend, AIB Head of SME Banking, John Brennan, said: “During June, Consumers made fewer transactions, but those transactions were, on average, for larger amounts. This is an indicator that inflation is starting to impact Irish purchases and consumer behaviour. The food industry is particularly affected when it comes to changes in their supply chain costs, such as the price of petrol, fertiliser and feed for livestock.

“Overall consumer spending was up 4% in June, with digital wallet payments up 10%, showing how increasingly popular the cashless payment method is becoming with the public. They are now spending over €12 million euro a day by tapping their phones and watches. This is equivalent to nearly one in every seven euro during the month being spent via a digital wallet.”

### **ENDS**

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Notes to the Editor:

- Analysis includes approx. 1.1 billion AIB Credit and Debit Card transactions.
- Limited to completed personal customer instigated debit transactions.
- Retailer location details are derived from free text fields on a best efforts basis (populated for approx. 99% of spend). It is populated where there were more than five merchants operating within a specific sector over the previous year.
- Sector details are populated by the retailer and may not always represent the category the merchant is operating within.
- Data from specific card readers, credit cards and transaction types cannot always be captured accurately. These transactions (<1% of spend) are omitted from this report.