

New Zealand Online Retail Sales

August 2018

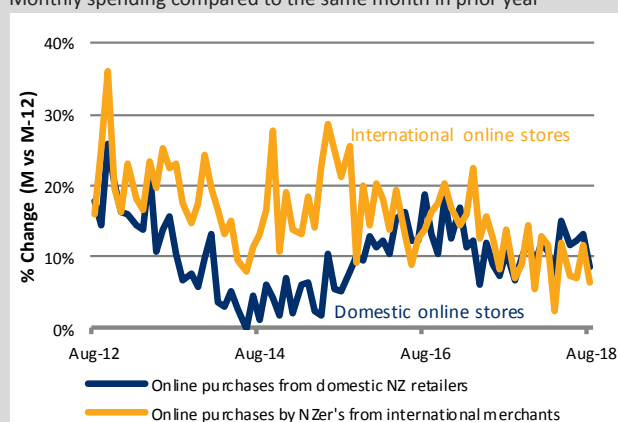
27 September 2018

- New Zealand's **total online retail** spending in August was **8% higher** than in August last year.
- Annual online spending across the retail categories we cover* continues to track at approximately \$4.4 billion (excl GST).
- Spending at **local online sites** was up **9%** compared to August last year. This is 4% ahead of the growth rate for spending at traditional stores¹. Food was again a strong category, with a solid showing from Grocery stores offsetting a softening in online sales in the "Other Specialised Food" category.
- Online spending at **international merchants** was up **7%** compared to August last year. The NZD continues to track softer than a year ago (e.g. down 9% vs the USD), making overseas goods more expensive for Kiwi's. This is not proving much of a deterrent in some areas though, with purchases from overseas Computer stores up 20% on last August and Entertainment Media sales up 40%. At the weaker end, purchases of Electrical goods, Books and Sporting gear from overseas sites were all softer than in August last year. The Clothing category managed to eek out a 2% rise on last year's level of purchases from offshore sites.

¹Using Statistics NZ figures for electronic transactions in core retail industries excluding hospitality, as a proxy for physical stores.

Growth in NZ online sales by retailer location

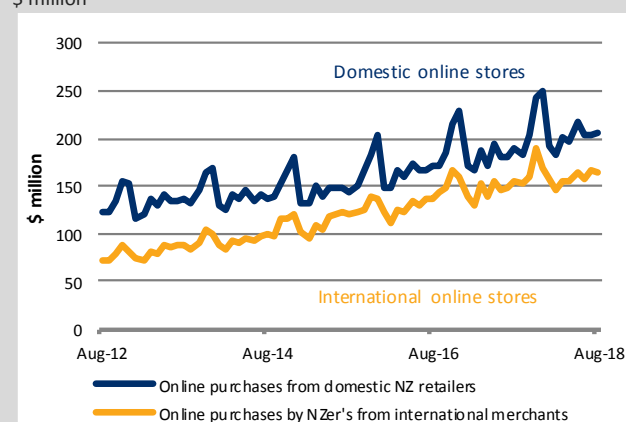
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

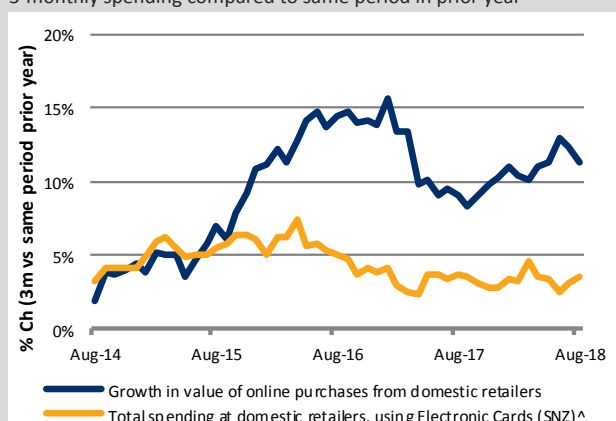
\$ million



Source: BNZ and Marketview

NZ Domestic Online vs SNZ Electronic Card Transactions[^]

3-monthly spending compared to same period in prior year



Source: BNZ, Marketview, Statistics NZ.

[^]"SNZ" refers to official figures released by Statistics New Zealand. The SNZ ECT data used in our calculations is for core retail excluding hospitality. Online data is from BNZ & Marketview.

Growth in total online spending by broad category group

Monthly spending compared to the same month in prior year

August 2018 vs August 2017

3%	Groceries & Liquor (incl health food and supplements)
11%	Furniture, Housewares and Hardware
11%	Electrical & Electronic goods (incl computers & appliances)
11%	Recreation, Toys, Games, Entertainment media, Books
6%	Clothing, Footwear and Accessories
11%	Variety, Department and Other*
2%	Pharmacy, Cosmetics, Stationery, Antiques, Flowers

Source: BNZ and Marketview

*Note: "Other" includes unclassified stores and specialty stores that don't neatly fit into defined ANZSIC categories. Unclassified Trade Me spending (the estimated "retail" component) is included with Department Store spending.

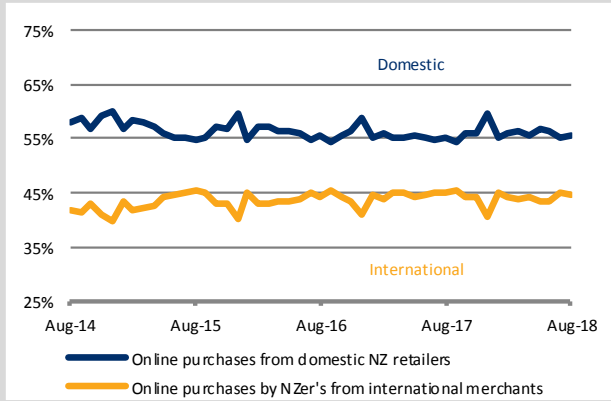
Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Jun-18	Jul-18	Aug-18	Jun-18	Jul-18	Aug-18	Jun-18	Jul-18	Aug-18
Month ended >>>									
Monthly spending vs Same month prior year	10%	13%	8%	12%	13%	9%	7%	12%	7%
3-monthly average vs Same period prior year	11%	11%	10%	13%	12%	11%	9%	9%	8%

Data notes: Online sales data is produced by Marketview. Traditional retail sales data is from Statistics New Zealand quarterly releases. For both data sets, the figures we use correspond to Statistics New Zealand's ANZSIC Division G (Retail Trade) excluding fuel, motor vehicles and parts, and marine. The annual value of official retail sales in the categories we monitor is approximately \$49 billion.

*Categories included in the BNZ Online Retail Index are: supermarket and grocery stores; specialised food and liquor; furniture, floor coverings, houseware and textile goods; electrical and electronic goods; hardware, building and garden supplies; recreational goods; clothing, footwear and personal accessories; department stores; pharmaceutical and other store-based retailing; non-store retailing; and retail commission-based buying and/or selling.

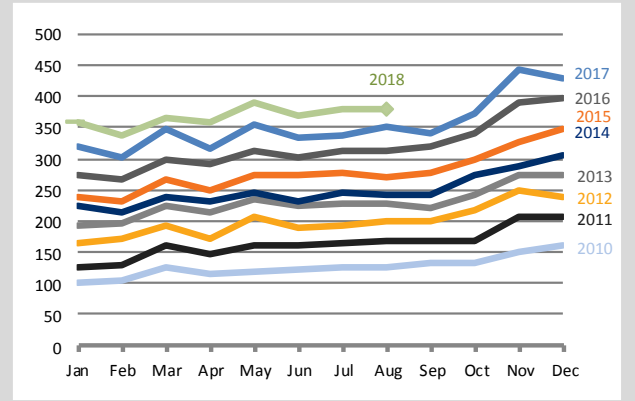
Supplementary charts: August 2018

Monthly share of NZ Online Retail Sales, by retailer location



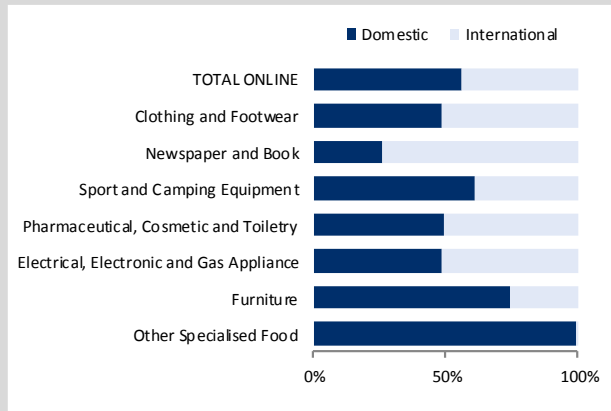
Source: BNZ, Marketview

Index of Total NZ Online Retail Sales January 2010 = 100



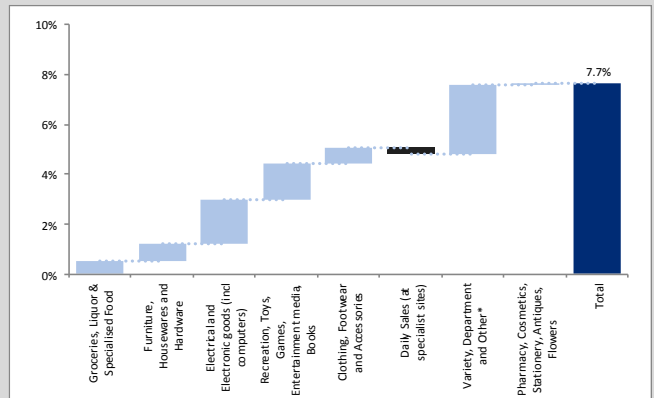
Source: BNZ, Marketview

Split of online spending between international and domestic sites Selected categories, for the 12 months ended August 2018



Data sources: BNZ, Marketview

Contributions to the 8% growth in monthly online retail sales between August 2017 and August 2018



Data sources: BNZ, Marketview

* "Other" includes unclassified stores and specialty stores that don't neatly fit into defined ANZSIC categories. Unclassified Trade Me spending (the estimated "retail" component) is included with Department Store spending.

Reports can be downloaded here:

www.bnz.co.nz/onlineretailindex and www.marketview.co.nz/free-reports/

For technical notes, please refer to one of our earlier “Quarterly update” reports.

For details on how our measure compares with other studies of online sales in New Zealand please refer to the “Quarterly update” report released in February 2014 and the report on May 2014 online sales released on 2 July 2014.

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