

New Zealand Online Retail Sales



March 2018

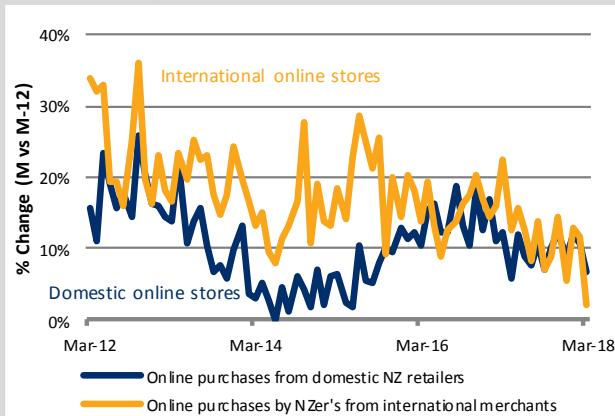
30 April 2018

- March was an unusually slow month for growth in NZ online shopping, mainly due to weak growth in purchases from offshore sites. **Total** online spending in March was only up **5%** on March last year. It may partly be a timing “blip”. April will provide further insight.
- Spending at **domestic** sites was up **7%** compared to the prior year, in line with the growth in spending at local bricks-and-mortar stores¹.
- Online spending at **international** merchants was up a mere **2%** compared to March last year. The international growth rate has been trending down, but this is the lowest we’ve seen. It is difficult to pinpoint a single driver. Observations and potential influences include:
 - March last year was a particularly strong month for purchases from international sites, so we are comparing to a high base. Sales at international sites in March 2017 were up 22% on March 2016, at a time when the prevailing annual growth rate had been running at around 15%.
 - Growth in spending at physical stores was particularly strong this March, which may have substituted some online spending.
 - Growth patterns across categories were mixed. Sales of computers and electronic goods were very strong in March 2017, but showed moderate annual growth in March 2018. Likewise for Clothing, with purchases at international sites in March 2018 only up 1% on last March.
 - Annual exchange rate movements were a mixed bag (up vs the USD and AUD, but down vs GBP and EUR), but may have influenced spending
 - Easter timing has varied. The 2 main Easter holidays were in March in 2016, in April in 2017, and split across March and April in 2018.

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

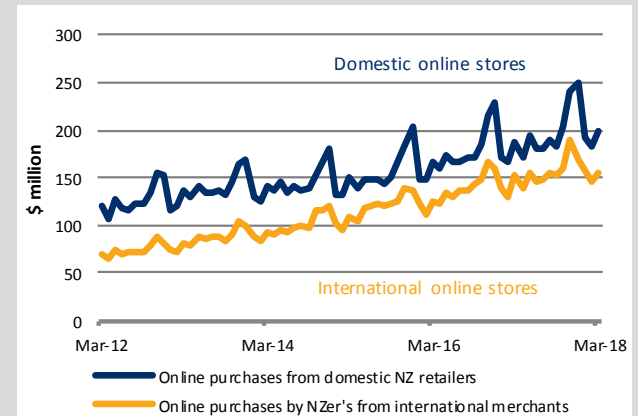
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

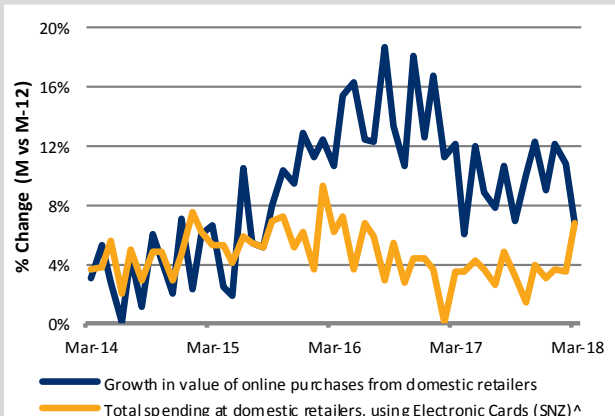
\$ million



Source: BNZ and Marketview

NZ Domestic Online vs SNZ Electronic Card Transactions¹

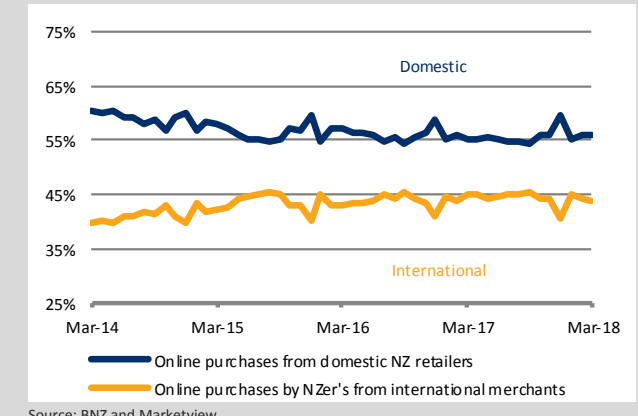
Monthly spending compared to same month in prior year



Source: BNZ, Marketview, Statistics NZ.

¹“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.

Share of online sales by retail location



Source: BNZ and Marketview

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Jan-18	Feb-18	Mar-18	Jan-18	Feb-18	Mar-18	Jan-18	Feb-18	Mar-18
Month ended >>>									
Monthly spending vs Same month prior year	13%	11%	5%	12%	11%	7%	13%	12%	2%
3-monthly average vs Same period prior year	11%	10%	9%	11%	10%	10%	11%	10%	9%

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.

Reports can be downloaded here:

www.bnz.co.nz/onlinetailindex 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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