

New Zealand Online Retail Sales

February-April 2019

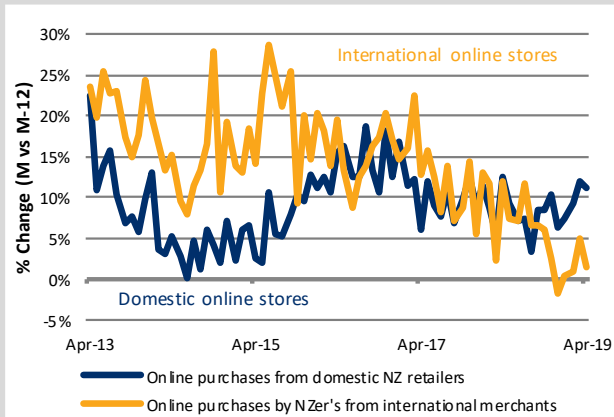
27 May 2019



- New Zealand's **total online retail** spending over the 3 months to 30 April was **7% higher** than in the same period a year ago.
- We are continuing to see softer growth rates for purchases from **offshore sites**, which over the last 3 months were only 2% higher than in the same period a year earlier.
 - One influence is the NZ dollar, which is tracking around 7% lower versus the USD than it was a year ago, making offshore purchases more expensive for Kiwis. This will reduce spending if a fall in purchase volumes more than offsets the effect of paying higher prices.
 - Another influence is the ongoing maturing of the online channel. In recent years we have seen online growth rates ease from double-digit levels and slowly trend down. Online growth rates still exceed those of physical stores, but the gap is reducing.
 - In some categories though, purchases from offshore sites are continuing to grow very strongly - such as Computers & Entertainment Media.
- **Local online sites** are continuing a recent strong run, with spending over the 3 months to 30 April **up 11%** on the same period a year ago. Continued strong growth in the Food, Clothing, Electronic and Department store categories is the driving force. Growth in online spending on Food is particularly strong and is emerging as a key reason for stronger growth rates at domestic sites versus international.
- Annual online spending across the retail categories we cover* is running close to **\$4.6 billion** (excl GST).

Growth in NZ online sales by retailer location

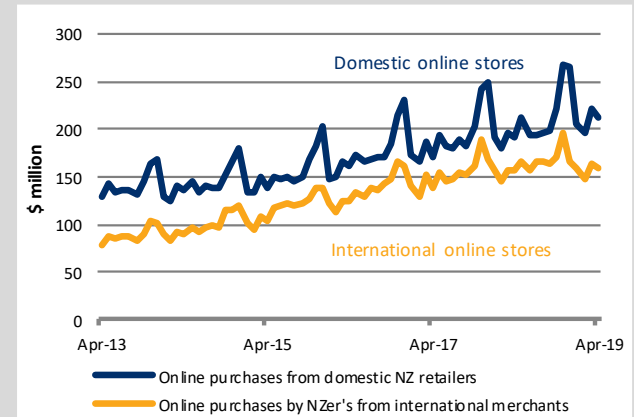
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

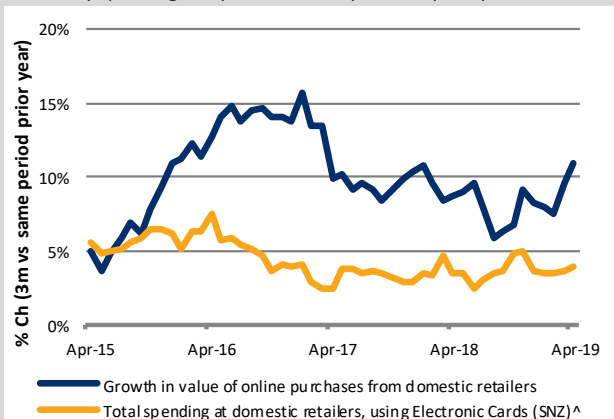
\$ million



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

April 2019 vs April 2018

22%	Groceries & Liquor (incl health food and supplements)
7%	Furniture, Housewares and Hardware
12%	Electrical & Electronic goods (incl computers & appliances)
3%	Recreation, Toys, Games, Entertainment media, Books
5%	Clothing, Footwear and Accessories
-1%	Variety, Department and Other*
3%	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.

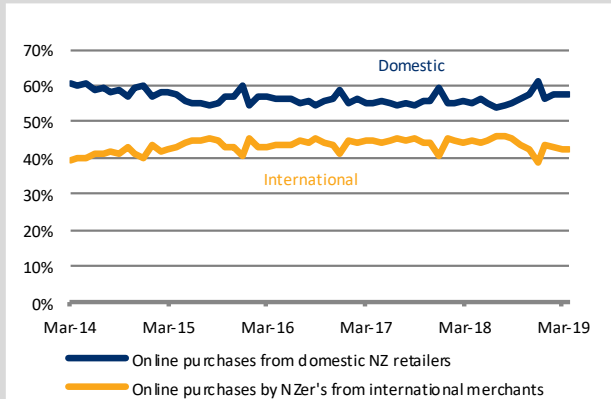
Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Feb-19	Mar-19	Apr-19	Feb-19	Mar-19	Apr-19	Feb-19	Mar-19	Apr-19
Month ended >>>									
Monthly spending vs Same month prior year	6%	9%	7%	9%	12%	11%	1%	5%	2%
3-monthly average vs Same period prior year	4%	6%	7%	7%	10%	11%	0%	2%	2%

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.

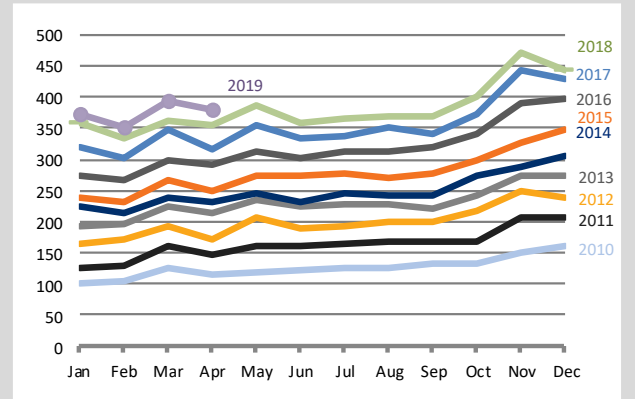
Supplementary charts: April 2019

Monthly share of NZ Online Retail Sales, by retailer location



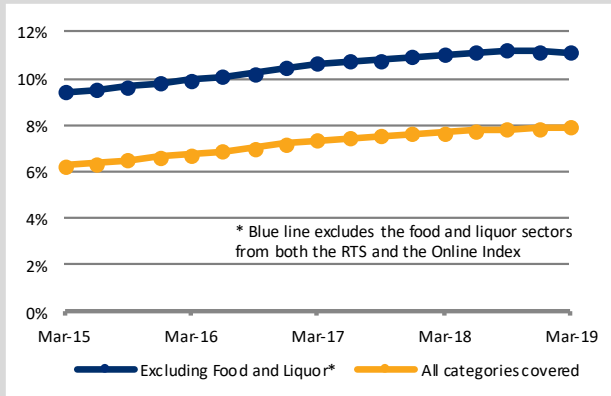
Source: BNZ, Marketview

Index of Total NZ Online Retail Sales January 2010 = 100



Source: BNZ, Marketview

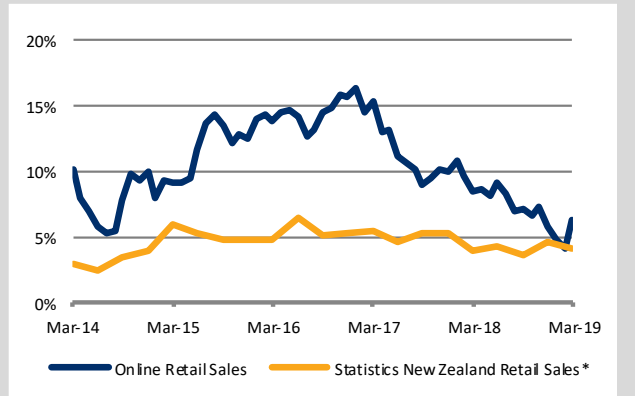
Annual Online spending as a % of Statistics NZ Retail Sales Selected categories, rolling 12-month periods



Data sources: BNZ, Marketview, Statistics New Zealand

Includes like-for-like categories from our series and SNZ's Retail Sales.
Key exclusions: vehicles and parts, fuel, accommodation, cafes, takeaways

Growth Rates: Online Sales vs Statistics NZ Retail Sales Quarterly spending versus same quarter in prior year



Data sources: BNZ, Marketview, Statistics New Zealand

Includes like-for-like categories from our series and SNZ's Retail Sales.
Key exclusions: vehicles and parts, fuel, accommodation, cafes, takeaways

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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