

New Zealand Online Retail Sales

July 2018

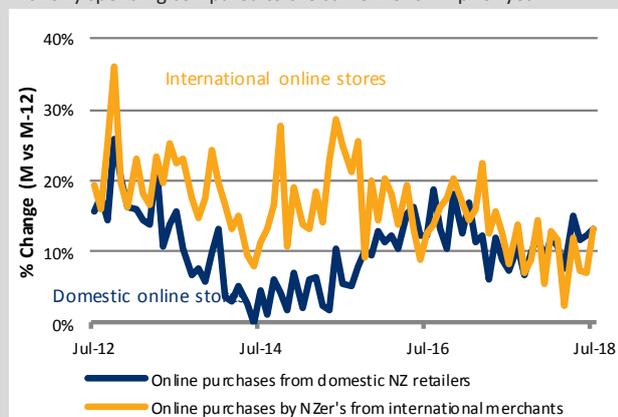
31 August 2018

- New Zealand's online retail spending in July was 13% higher than in July last year.
- Annual online spending across the retail categories we cover* is now approximately \$4.4 billion (excl GST). This is equivalent to **7.8% of total retail sales** reported in Statistics NZ's Retail Trade Series (RTS), comparing like-for-like categories. **Excluding the food and liquor** sectors from both the RTS and our Index, online spending is equivalent to **11.2%** of retail sales.
- Spending at local online sites was up **13%** compared to July last year, well ahead of the 2% growth rate for spending at traditional stores¹. Two categories stand out, and continue to drive a large share of the year-on-year increase in online spending at domestic merchants: Food/Grocery and Electronic/Electrical.
- Online spending at **international** merchants was also up **13%** compared to July last year. Compared to a year ago the NZD is down 8% vs the USD, down 9% vs GBP and down 3% vs AUD. So, prima facie it appears that the 13% sales growth partly reflects NZ'ers paying higher prices; but underlying volumes are still growing. Purchases from overseas computer stores were up 22% on last July; Entertainment Media sales were up 18%; and Clothing up 12%.

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

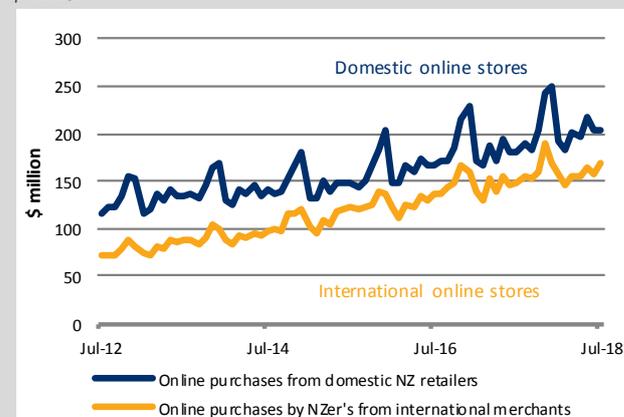
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

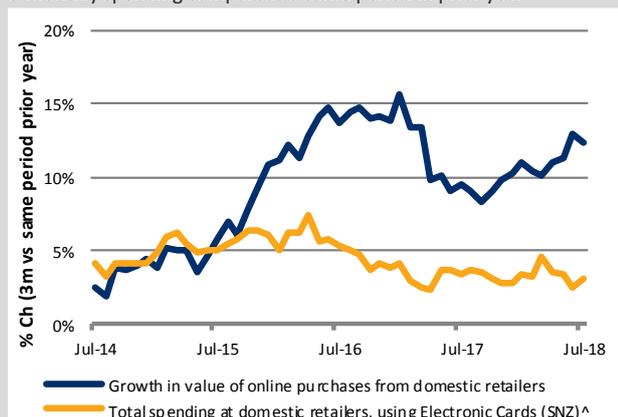
\$ million



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

July 2018 vs July 2017

| | |
|------------|---|
| 16% | Groceries & Liquor (incl health food and supplements) |
| 8% | Furniture, Housewares and Hardware |
| 17% | Electrical & Electronic goods (incl computers & appliances) |
| 17% | Recreation, Toys, Games, Entertainment media, Books |
| 10% | Clothing, Footwear and Accessories |
| 15% | Variety, Department and Other* |
| 0% | 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.

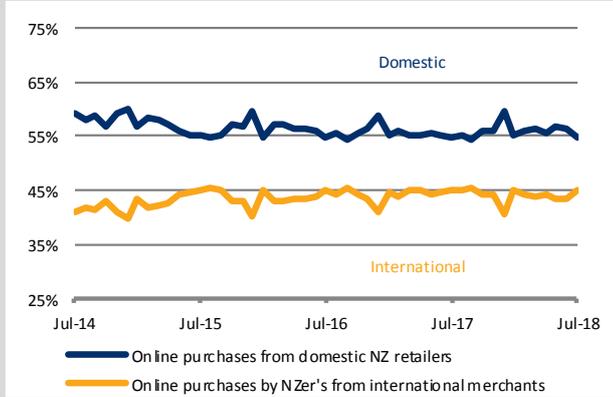
| Growth Rates | Total Online Index | | | Domestic Online Purchases | | | International Online Purchases | | |
|---|--------------------|--------|--------|---------------------------|--------|--------|--------------------------------|--------|--------|
| | May-18 | Jun-18 | Jul-18 | May-18 | Jun-18 |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

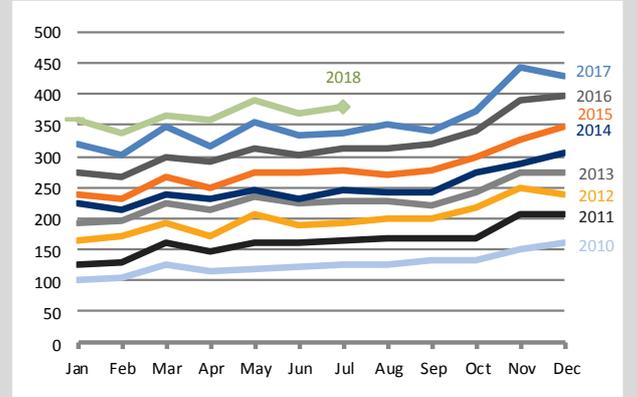
Supplementary charts: July 2018

Monthly share of NZ Online Retail Sales, by retailer location



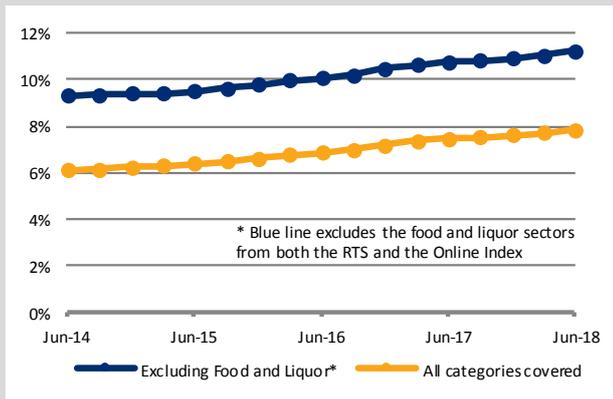
Source: BNZ, Marketview

Index of Total NZ Online Retail Sales January 2010 = 100



Source: BNZ, Marketview

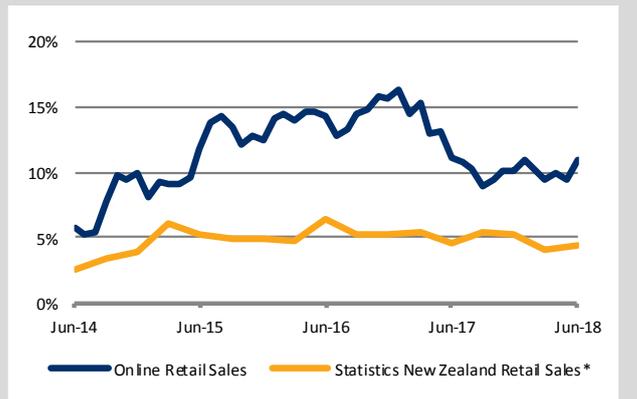
Annual Online spending as a % of Statistics NZ Retail Sales



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/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.

For more information, contact:

Gary Baker

Director, Institutional Research, BNZ

+64 9 924 9353

+64 21 436 763



Stephen Bridle

Managing Director, Marketview

+64 4 472 1991

+64 274 740 141



Madeleine Boles de Boer

Communications and Content Coordinator

+64 4 472 1991

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