

New Zealand Online Retail Sales



October and provisional November 2017 spending

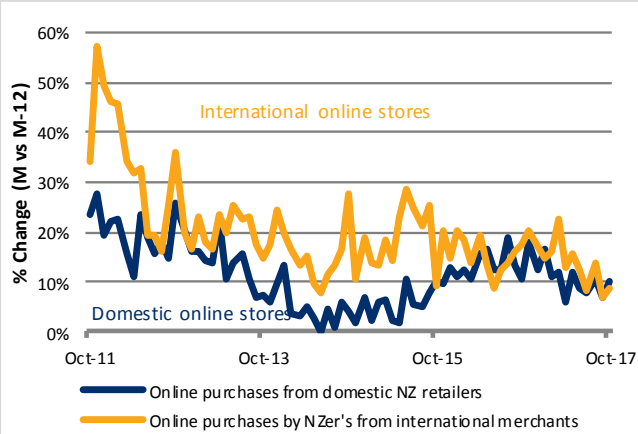
8 December 2017

- New Zealanders' **total** online retail spending in October was 9% higher than October last year. This growth is in line with the trend so far in the second half of 2017. It's down from the 15% growth rate observed over 2016, but well above the 1% year-on-year growth in spending at local bricks-and-mortar stores in October¹.
- Over half of October's growth compared to 2016 was from stores in the Food and Computer/Electronic sectors.
- Beginning with November 2017, we are releasing online spending figures earlier, on a provisional basis. We will monitor the stability of provisional figures versus actual figures and alter our approach if needed.
- The provisional November figures show total online spending up 12% compared to November last year, with purchases from overseas merchants particularly strong - up 14%. November is usually the peak month for purchasing goods from overseas, with many customers wanting to ensure delivery in time for Christmas. [Further commentary overleaf.]

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

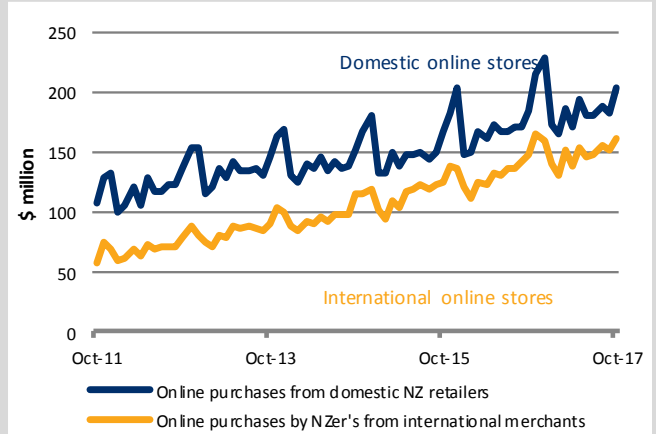
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

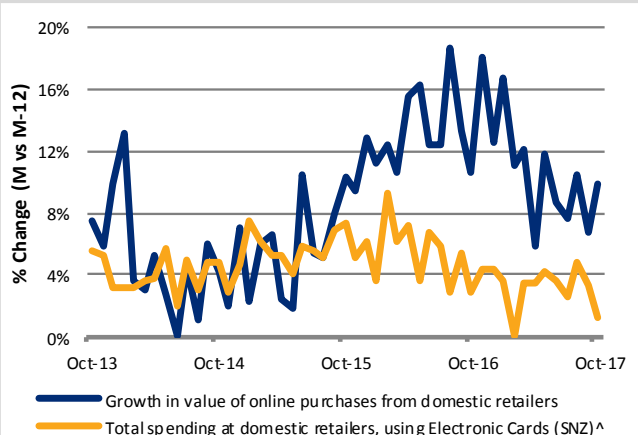
\$ million



Source: BNZ and Marketview

NZ Domestic Online vs SNZ Electronic Card Transactions[^]

Monthly spending compared to same month in prior year



Source: BNZ and Marketview

[^]"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

22%	Groceries & Liquor (incl health food and supplements)
4%	Furniture, Housewares and Hardware
14%	Electrical & Electronic goods (incl computers & appliances)
2%	Recreation, Toys, Games, Entertainment media, Books
3%	Clothing, Footwear and Accessories
-13%	Daily Sales (at specialist sites)
10%	Variety, Department and Other*
5%	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. Figures may not add to 100% due to rounding.

Growth Rates	'p' = provisional	Total Online Index			Domestic Online Purchases			International Online Purchases		
		Sep-17	Oct-17	Nov-17	Sep-17	Oct-17	Nov-17	Sep-17	Oct-17	Nov-17
Month ended >>>										
Monthly spending vs Same month prior year		7%	9%	12% p	7%	10%	11% p	7%	9%	14% p
3-monthly average vs Same period prior year		9%	9%	10% p	8%	9%	9% p	10%	10%	10% p

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.

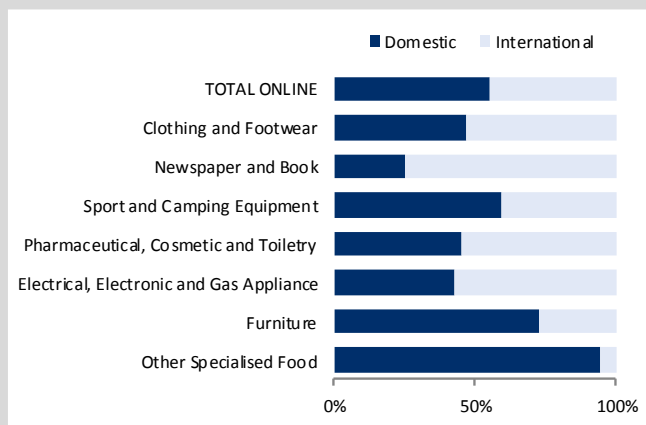
November 2017 online retail spending

** Provisional commentary**

- Total online spending in November was up 12% compared to November last year, with purchases from overseas merchants up 14% and purchases from domestic merchants up 11%.
- Looking just at the purchases from overseas sites:
 - Online spending on Computer and Electronic goods was up by more than 30% on November last year (a possible Christmas stocking spoiler, although a lot of new product releases may also be a factor). This may also be attributable to retail events such as Singles Day and Black Friday, which heavily feature discounts on electronics.
 - Spending at Entertainment Media sites was up 7% year-on-year (some spending in this category is probably picked up in the Computer category). Spending at Clothing sites was up 6%.
 - The New Zealand dollar was weaker than a year ago (e.g. 4% lower versus the USD and 5% lower versus the AUD). But while Kiwis might be paying more because imported online goods are more expensive, volumes appear strong.
 - As further context, the calculation of the growth rate for this November is comparing to a high base, with spending in November last year particularly strong (up 20% on November 2015).

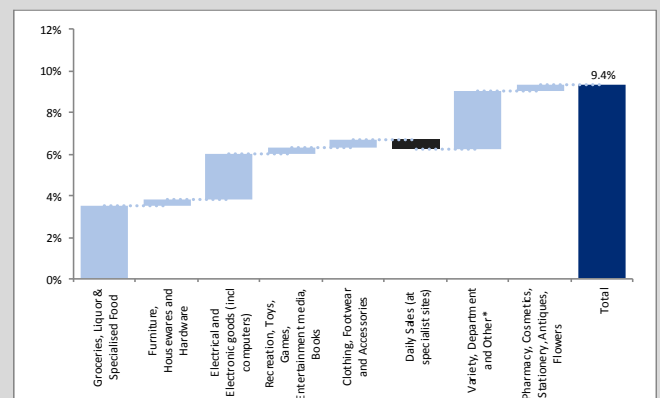
Supplementary charts: October 2017

Split of online spending between international and domestic sites
Selected categories, for the 12 months ended October 2017



Source: BNZ, Marketview

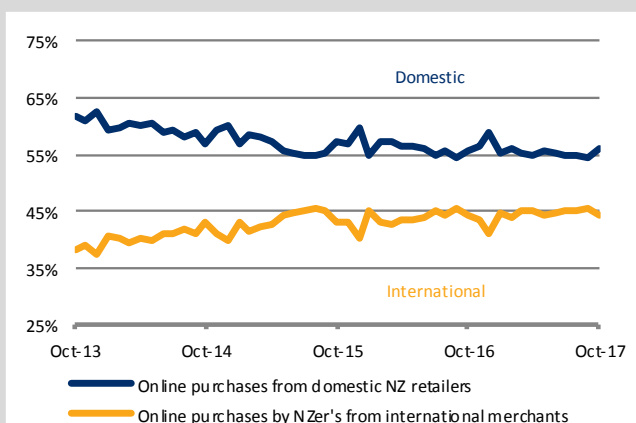
Contributions to the 9% growth in monthly sales between October 2016 and October 2017



Source: BNZ, Marketview

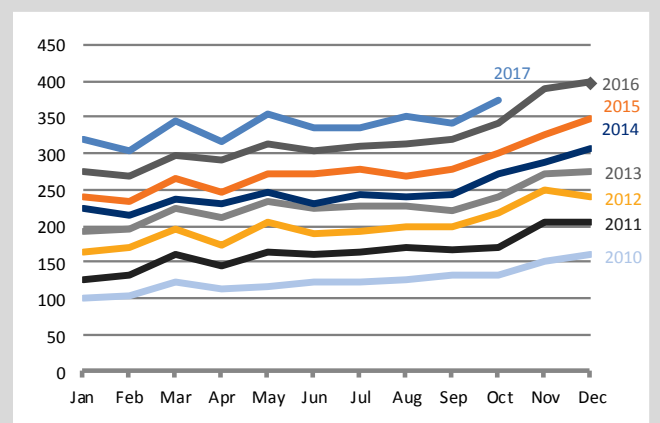
*"Other" includes unclassified stores and specialty stores that don't neatly fit into defined ANZSIC categories. Unclassified Trade Me spending (estimated retail component) is included with Department Store spending.

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

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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