

New Zealand Online Retail Sales



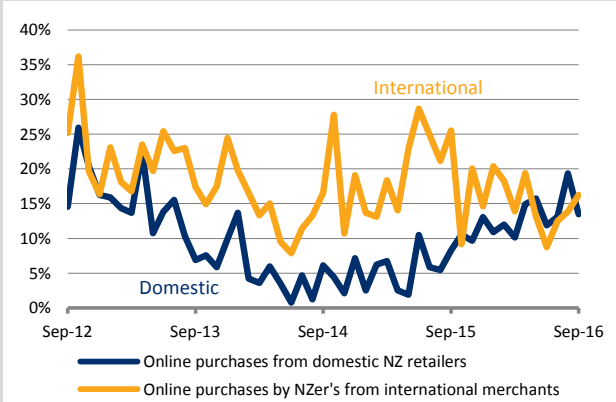
Monthly Update for September 2016

31 October 2016

- **Total online retail spending by Kiwis' was up 15% compared to September last year.**
- Online retail sales at **local sites were up 13% on last September.** Another healthy increase.
 - Food and Clothing stores led the way - responsible for more than 40% of the spending increase at local sites.
- Exchange rate movements are an important consideration when analysing trends in online purchases by Kiwis' from offshore sites. Compared to September last year, the NZD was 15% higher relative to the USD, 35% higher against the GB pound, 16% higher against the Euro and 7% up against the AUD. The higher NZD makes buying goods from overseas cheaper (which, initially, lowers the NZ dollar amount of online spending), but it also encourages people to buy more of them (which then increases the NZ dollar amount online spending). And Kiwis were certainly buying more, with spending at **offshore sites up 16% on September last year.**
 - Approximately a quarter of the growth in international spending compared to September 2015 came from Computer stores. Spending in this category was up more than 30%, possibly encouraged by the iPhone 7 release during the month.
 - Overseas Entertainment Media stores also performed strongly - up nearly 40% on September 2015. Next month it will be interesting to see if there is an impact from the 'Netflix tax' implemented on October 1, which adds GST to digital online services sold by international providers. Our figures exclude GST, but could show an impact if underlying volumes change.

Growth in NZ online sales by retailer location

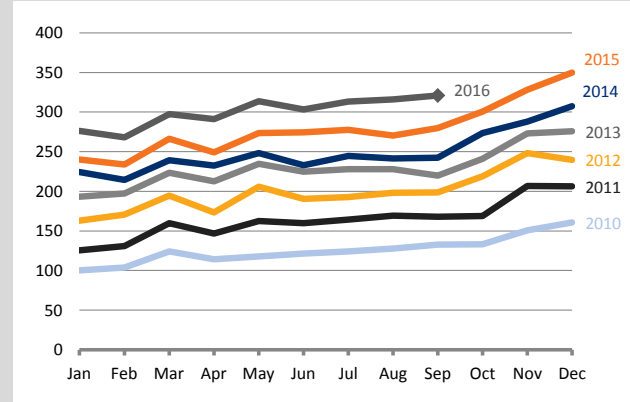
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

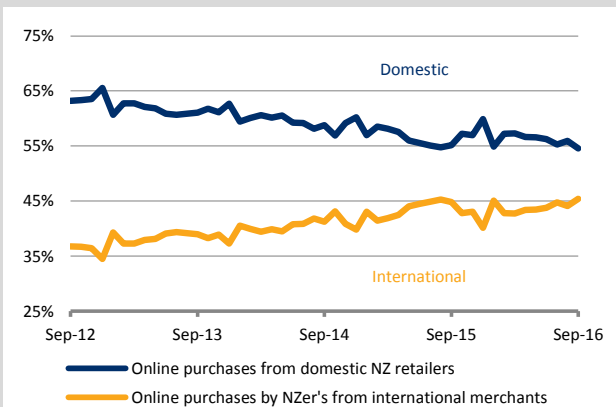
Index of Total NZ Online Retail Sales

January 2010 = 100



Source: BNZ and Marketview

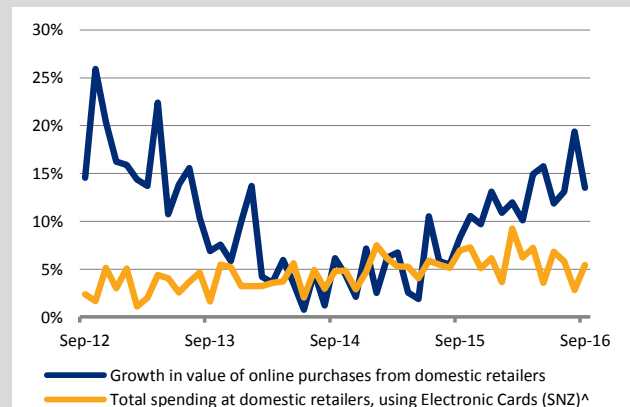
Monthly share of NZ Online Retail Sales, by retailer location



Source: BNZ and Marketview

NZ Domestic Online vs SNZ Electronic Card Transactions[^]

Monthly spending compared to same month in prior year



[^]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.

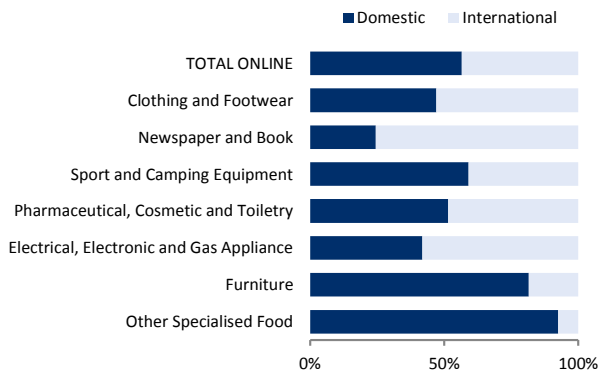
Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Jul-16	Aug-16	Sep-16	Jul-16	Aug-16	Sep-16	Jul-16	Aug-16	Sep-16
Month ended >>>									
Monthly spending vs Same month prior year	13%	17%	15%	13%	19%	13%	12%	14%	16%
3-monthly average vs Same period prior year	13%	13%	15%	14%	15%	15%	11%	12%	14%

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.

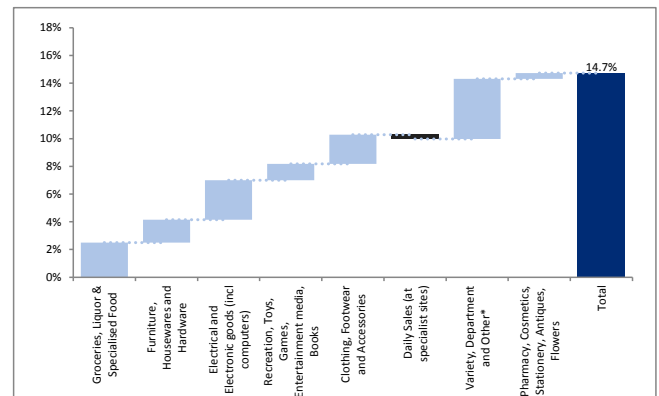
Supplementary charts and tables

The split of online purchases between international and domestic sites
Spending for the 12 months ended Sep 2016



Source: BNZ, Marketview

Contributions to the 15% growth in monthly sales between September 2015 and September 2016



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.

Reports can be downloaded here:

www.bnz.co.nz/onlinetailindex and www.marketview.co.nz/our-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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