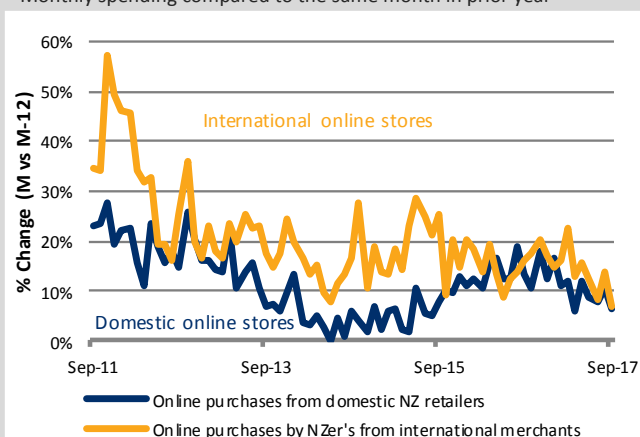


- New Zealanders' **total** online retail spending in September was 7% higher than September last year.
- While this is double the growth rate for spending at local bricks-and-mortar stores¹, it's down from the pace earlier in the year, where we saw annual growth in online spending typically between 10% and 15%. Growth in September last year was at 15%.
- Most of the growth (over 80%) was again from Food, Clothing and Computer & Electronics stores.
- Purchases from **local** and **offshore** online retailers grew neck-and-neck, with both sources up 7% on September 2016.
- 46% of online spending in September was at offshore sellers, which is a similar position to September last year.
- Annual online spending across the retail categories we cover is now running at just over \$4 billion (excl GST).

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

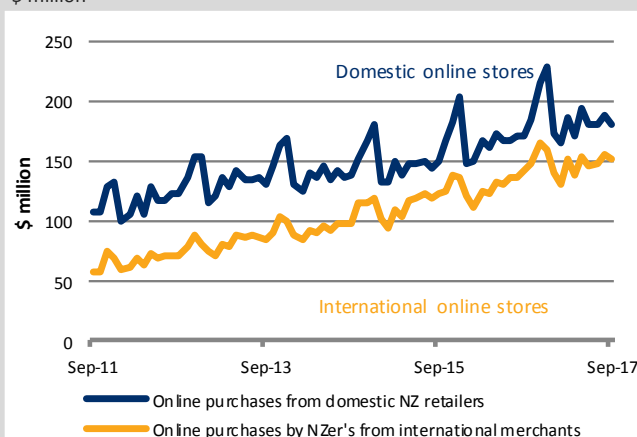
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

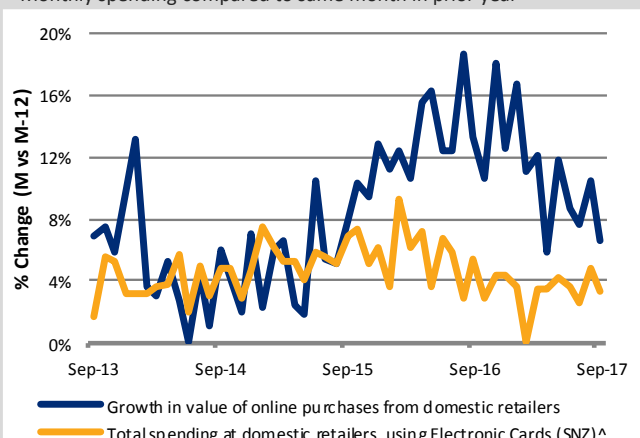
\$ million



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

18%	Groceries & Liquor (incl health food and supplements)
0%	Furniture, Housewares and Hardware
11%	Electrical & Electronic goods (incl computers & appliances)
3%	Recreation, Toys, Games, Entertainment media, Books
8%	Clothing, Footwear and Accessories
-17%	Daily Sales (at specialist sites)
7%	Variety, Department and Other*
-9%	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	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Jul-17	Aug-17	Sep-17	Jul-17	Aug-17	Sep-17	Jul-17	Aug-17	Sep-17
Month ended >>>									
Monthly spending vs Same month prior year	8%	12%	7%	8%	10%	7%	8%	14%	7%
3-monthly average vs Same period prior year	11%	10%	9%	9%	9%	8%	12%	12%	10%

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/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.

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