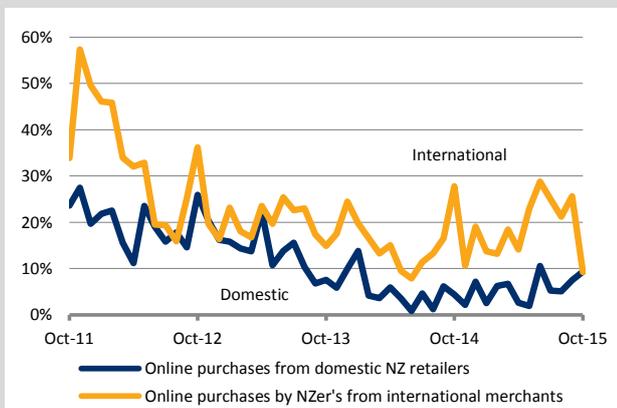


Growth rate eases back to single digits October - but this is at least partly due to timing

- Total online retail spending in October was up 9% compared to October last year. This is a slower growth rate than we had observed in preceding months. However, it seems likely that the softening in growth is at least partly due to the timing of purchases, as opposed to a slowdown in trend.
- If we combine the categories for Computers and Electronic goods, their sales in October were up approx. 5% on last year's level, whereas in September they were up around 40% on last year. It does appear that some spending this year was pulled forward from October into September. We note that NZ pre-orders for new iPhone models opened on 12th Sept in 2015 (sales started 25th) versus 19th Sept in 2014 (sales started 26th).
- Some of the other highlights in online spending in October (versus October last year) were: Clothing (up 17%); Newspapers and Books (up 21%); Entertainment Media (up 26%); and Pharmaceutical and Cosmetic goods (up 35%). Growth in online spending on Groceries and at Department Stores was also strong.
- Growth in purchases from overseas slowed down in October, and domestic merchants gained market share. It's too early to say whether this is a "blip", or if factors such as the lower NZD are starting to affect volumes.

Growth in NZ online sales by retailer location

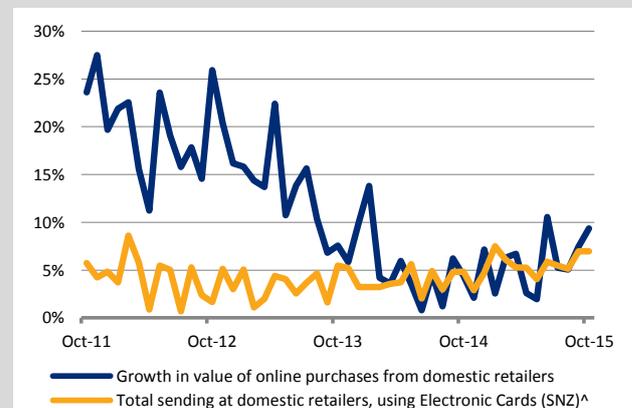
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

NZ Domestic Online vs SNZ Electronic Card Transactions[^]

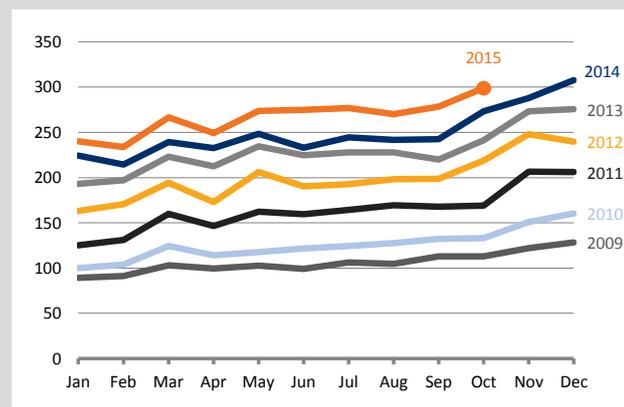
Monthly spending compared to same month in prior year



[^]"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.

Index of Total NZ Online Retail Sales

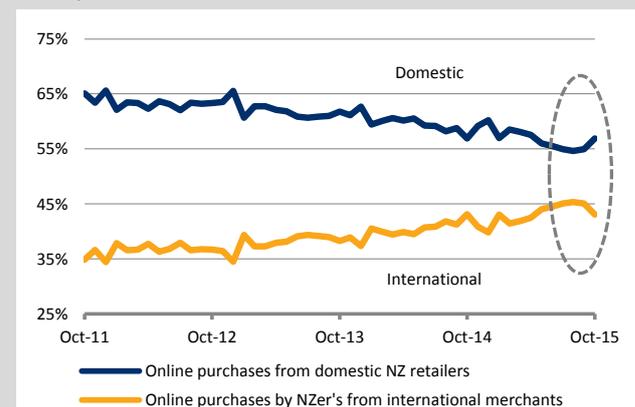
January 2010 = 100



Source: BNZ and Marketview

Share of NZ online sales by retailer location

Monthly share



Source: BNZ and Marketview

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Aug-15	Sep-15	Oct-15	Aug-15	Sep-15	Oct-15	Aug-15	Sep-15	Oct-15
Monthly spending vs Same month prior year	12%	15%	9%	5%	7%	9%	21%	26%	9%
3-monthly average vs Same period prior year	14%	13%	12%	7%	6%	7%	25%	24%	18%

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 \$44 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/our-reports/

For technical notes, please refer to one of our “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

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