

New Zealanders' online purchases at offshore stores are up strongly in November. Loosening the purse strings for Christmas....

The November 2013 BNZ Online Retail Sales index shows online spending by New Zealanders at offshore stores was up approximately 20% on November last year.

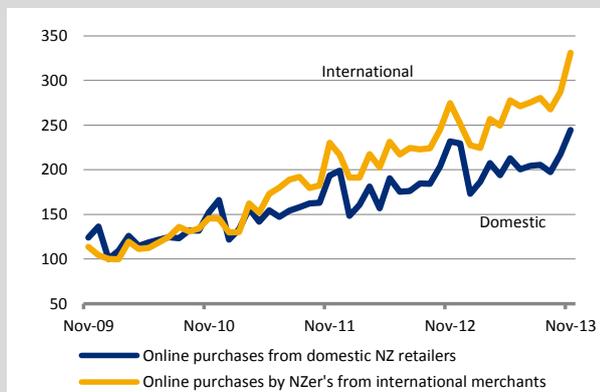
- November is the seasonal peak for online spending at offshore merchants, as consumers want to ensure any gifts purchased arrive in plenty of time for Christmas.
- Offshore online purchases were particularly strong for books and entertainment media (which includes music downloads).

The growth rate for online spending at domestic stores nudged down again. It is now running only slightly higher than the growth rate for 'bricks and mortar' stores.

- Online spending at domestic stores in November was up 5.5% on last year's level. In comparison, the most recent figures for retail sales published by Statistics New Zealand (September quarter) were up 3.3% on last year's level (across the categories we monitor).
- The gap between the growth rates for online purchases at local merchants and offshore merchants widened again. It's now showing a differential of 15% (right hand chart).

Online Index by retailer location*

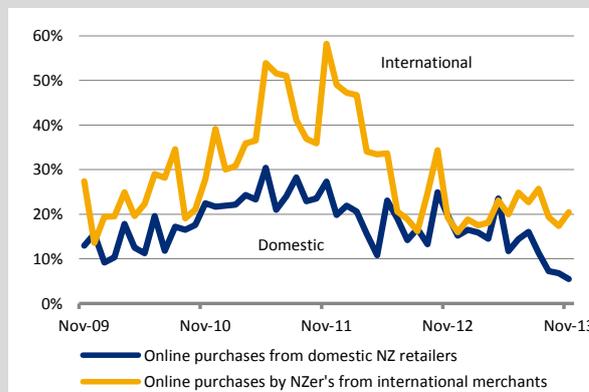
January 2010 = 100



Source: BNZ, Marketview

Growth in online sales by retailer location

(Monthly spending compared to same month in prior year)



Source: BNZ, Marketview

The table below shows growth rates on a monthly and 3-monthly basis (comparing to the equivalent period in prior year). Monthly growth rates can be volatile, so it's best not to read too much into a single month's result.

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Sep-13	Oct-13	Nov-13	Sep-13	Oct-13	Nov-13	Sep-13	Oct-13	Nov-13
Monthly spending vs same month prior year	12%	11%	11%	7%	7%	6%	19%	17%	20%
3-monthly average vs same period prior year	16%	13%	11%	11%	8%	6%	23%	21%	19%

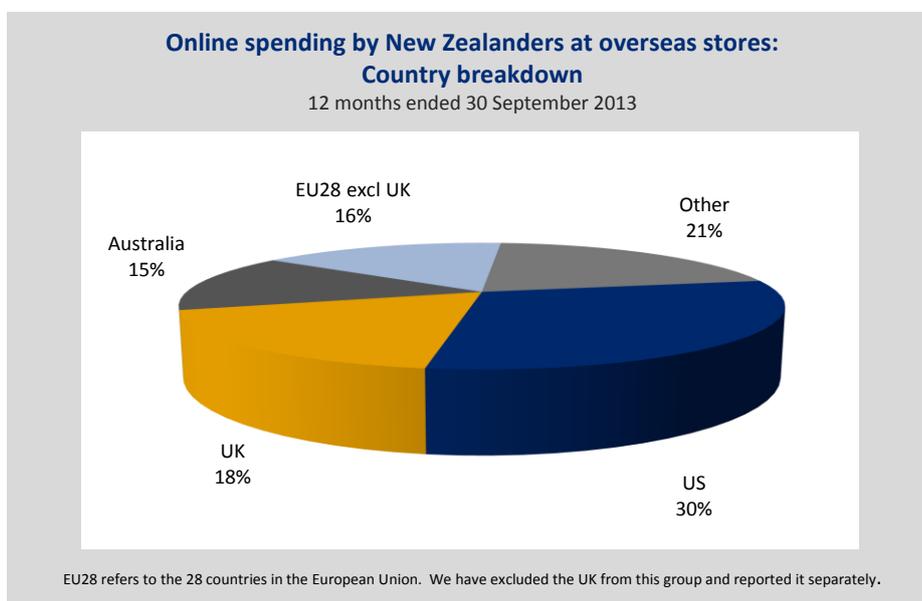
Note: We have made some small refinements to historical data classifications. Growth rates for September and October have changed slightly (about 2%) compared to those last reported.

*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.

Focus Topic: The main overseas countries New Zealanders buy goods online from

- The chart below shows the composition of online spending by New Zealanders at international stores, by country.
- The US, UK and Australia together account for over 60% of retail spending by kiwi's at offshore sites.
- Asian trading partners such as China, Hong Kong and Singapore feature strongly in the "Other" category.



Explanatory notes:

- In our analysis we have paid special attention to Singapore spending figures. Partly because the PayPal facilities of many countries are handled through Singapore.
- We count spending in the country where the purchase takes place (with the exception of any Singapore-specific adjustments). For example, a purchase at Amazon.co.uk would count as UK spending (if that online store has its account in the UK), even though its ultimate parent company, Amazon.com, is headquartered in America. This distinction is important for users of the data to be aware of.

Next Month

- Report is scheduled for publication on 15th January 2014.
- Early release of provisional December figures. Final figures for November.

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