

BNZ Online Retail Sales Report

Monthly Update: May 2015 online retail sales



25 June 2015

Spending at overseas sites picks up the pace in May

- Total online retail spending in May was up 11% compared to May 2014 levels. A solid result for the month as spending jumped back up following the seasonal dip in April.
- Online purchases at domestic merchants in May were up 3% on the spending levels a year earlier, which is broadly similar to the growth in spending at physical stores (approx. 4%, based on electronic card transactions)[^].
- Spending at international sites in May was up an impressive 23% on the level we saw in May last year. This is particularly strong, although it partly reflects last year's figure being slightly lower than the trend at the time. The softening New Zealand dollar is making overseas goods more expensive, but underlying purchase volumes continue to grow.

Entertainment Media, Specialised Food, and Pharmacy and Cosmetic categories post strong rises

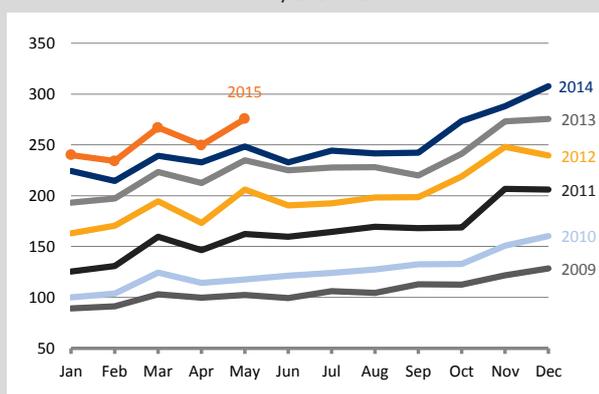
Growth in total online spending (vs same month last year)	
19%	Groceries & Liquor (incl health food and supplements)
-14%	Furniture, Housewares and Hardware
13%	Electrical & Electronic goods (incl computers & appliances)
18%	Recreation, Toys, Games, Entertainment media, Books
12%	Clothing, Footwear and Accessories
-4%	Daily Sales (at specialist sites)
12%	Variety, Department and Other*
17%	Pharmacy, Cosmetics, Stationery, Antiques, Flowers

- The increase in the Groceries category since May last year was mainly driven by the "Other Specialised Food" component (which includes supplements).
- The Furniture, Housewares and Hardware category is smaller than most of the others, and given monthly volatility in consumer spending we wouldn't read too much into the year-on-year spending drop this month.
- Clothing purchases from offshore sites were up by more than 30% on the level in May 2014. Clothing purchases from local merchants also grew, but more slowly (up 7%).

* Note: "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.

Total Online Retail Sales Index

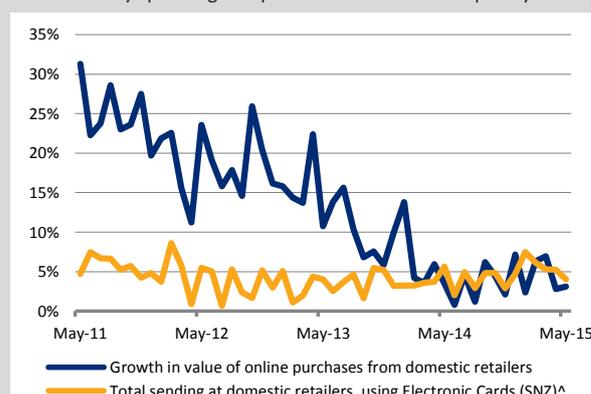
January 2010 = 100



Source: BNZ, Marketview

Domestic Retailers: Online sales vs Total sales using cards

Monthly spending compared to same month in prior year



Source: BNZ and Marketview (online data); Statistics New Zealand (Electronic Cards data).

[^]Using Statistics NZ data for the value of electronic card transactions (ECT) for "core retail" industries excluding hospitality. These transactions mostly relate to physical stores, but do include an element of domestic online spending. The series is a reasonable comparator with our index of domestic online spending in many respects, but isn't a perfect match.

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Mar-15	Apr-15	May-15	Mar-15	Apr-15	May-15	Mar-15	Apr-15	May-15
Month ended >>>									
Monthly spending vs Same month prior year	11%	7%	11%	7%	3%	3%	18%	14%	23%
3-monthly average vs Same period prior year	9%	9%	10%	5%	5%	4%	15%	15%	19%

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/onlinetailindex 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.

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