

Strong growth in purchases from offshore retailers continues

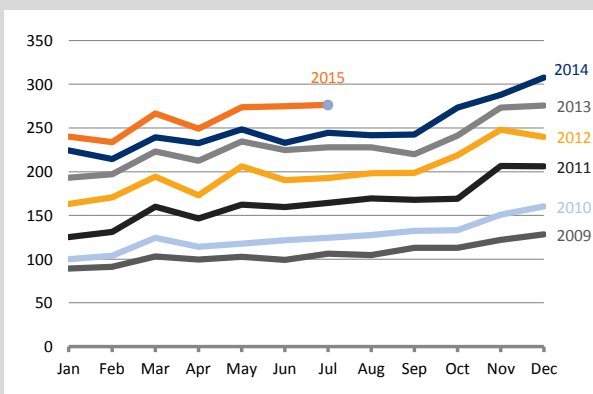
- Total online retail spending in July was up 13% compared to July 2014 levels.
- Spending at international sites is continuing to run at levels much higher than a year ago, with spending up 25% on July last year. Like last month, part of this increase reflects higher prices due to falls in the New Zealand dollar. The NZD was down 24% against the US dollar and 16% against the UK pound, compared to July 2014.
- Growth in online spending at local merchants dropped back into single digits in July, with sales up 5% on the levels a year earlier. This is very similar to the growth in spending at physical stores, which was also around 5%, based on Statistics New Zealand figures for electronic card transactions (for “core retail” industries excluding hospitality).
- Online spending in several categories was more than 20% higher than their spending in July last year, including: Clothing, Computer equipment, Other specialised food (which includes supplements), Books, Entertainment media and Pharmaceuticals/Cosmetics.

Change of date for quarterly in-depth report

- We have shifted the timing of our next quarterly in-depth report, moving it out a month.
- Now that the online retail report has been running for nearly two years, we are running a review - to see if any refinements can be made to the methodology and to confirm existing merchant classifications. The next report will be in the usual quarterly format and will incorporate any changes we decide to adopt.

Total Online Retail Sales Index

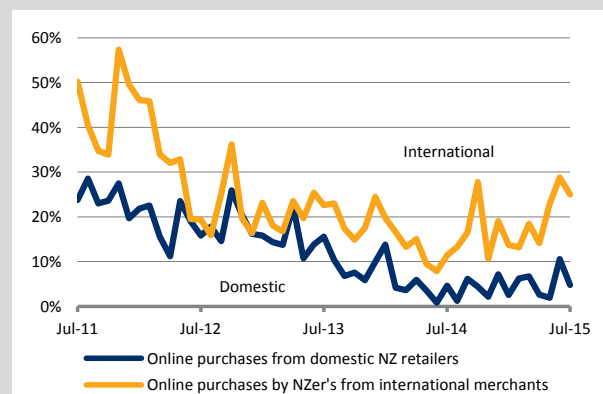
January 2010 = 100



Source: BNZ and Marketview

Growth in online sales by retailer location

Monthly spending compared to same month in prior year



Source: BNZ and Marketview

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases			
	Month ended >>>	May-15	Jun-15	Jul-15	May-15	Jun-15	Jul-15	May-15	Jun-15	Jul-15
Monthly spending vs Same month prior year		10%	18%	13%	2%	11%	5%	23%	29%	25%
3-monthly average vs Same period prior year		10%	12%	14%	4%	5%	6%	19%	22%	26%

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.

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