

New Zealand Online Retail Sales



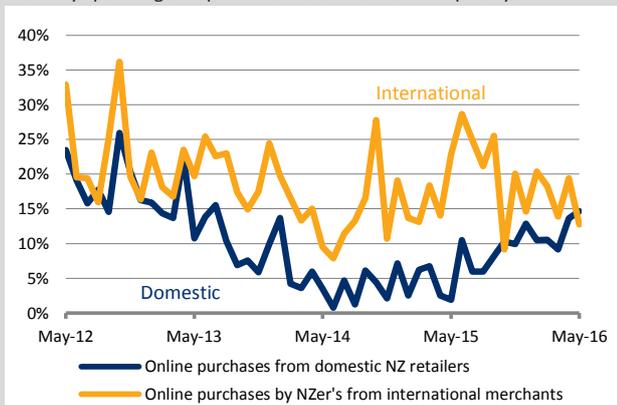
Monthly Update: May 2016 online retail sales

29 June 2016

- Online retail sales at **local sites** followed a strong April with a similarly positive result in May - up 15% on May last year. This is well above the 3.6% growth in sales at physical stores (based on Statistics NZ figures for electronic card transactions for core retail excluding hospitality).
 - Comparing May 2016 to May last year, Food, Clothing and Department stores contributed more than half of the increase in online sales at local merchants.
- Online purchases by Kiwi's from **offshore sites** also turned in double digit-growth (up 13% on last May), albeit not quite as strong as in recent months.
 - Comparing May 2016 to May last year, Computer products, Electrical goods, Clothing and Entertainment Media were responsible for three-quarters of the increase in online sales at offshore sites.
- **Total** online sales were up 14% on last May, continuing the prevailing trend.
- Looking ahead to June's figures, it will be interesting to see if murmurings of people making more online purchases from UK retailers, in the wake of Brexit's impact on the pound, will translate into reality.

Growth in NZ online sales by retailer location

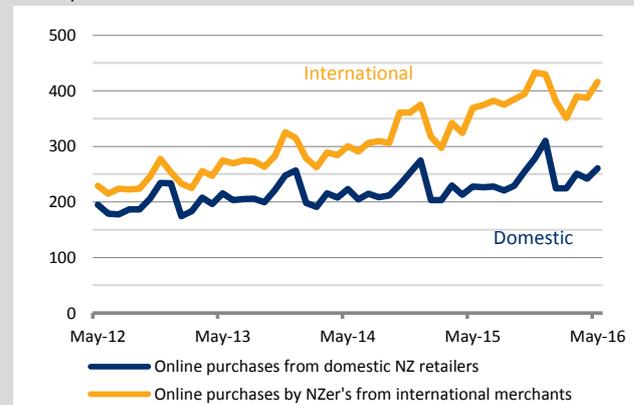
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Index of NZ Online Retail Sales, by retailer location

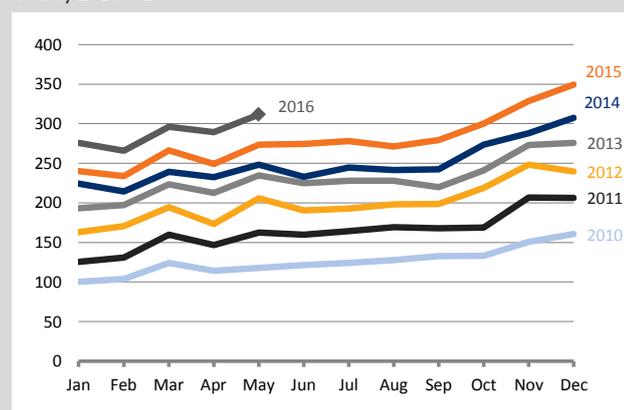
January 2010 = 100



Source: BNZ and Marketview

Index of Total NZ Online Retail Sales

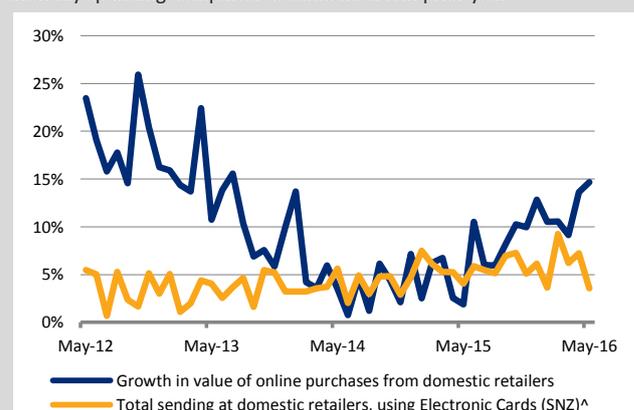
January 2010 = 100



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.

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Mar-16	Apr-16	May-16	Mar-16	Apr-16	May-16	Mar-16	Apr-16	May-16
Month ended >>>									
Monthly spending vs Same month prior year	11%	16%	14%	9%	14%	15%	14%	19%	13%
3-monthly average vs Same period prior year	13%	14%	14%	10%	11%	12%	17%	17%	15%

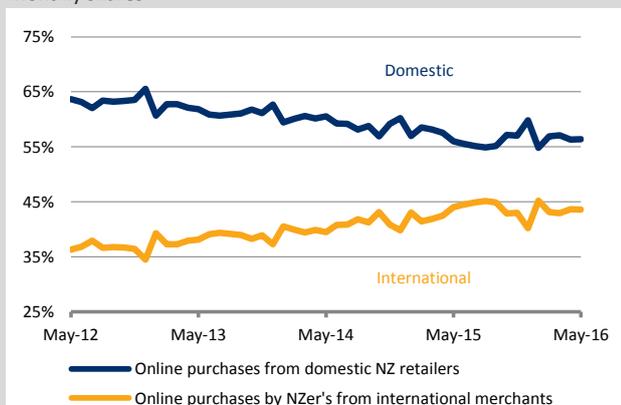
Data notes: Online sales data is produced by Marketview. Traditional retail sales data is from Statistics New Zealand quarterly releases. For both data sets, the figures we use correspond to Statistics New Zealand's ANZSIC Division G (Retail Trade) excluding fuel, motor vehicles and parts, and marine. 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.

Supplemental Charts

Share of online sales by retail merchant location

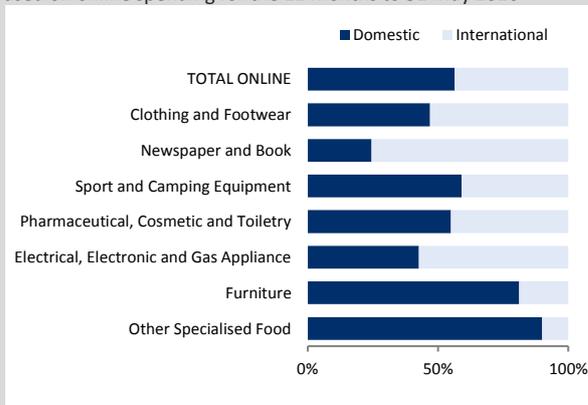
Monthly shares



Source: BNZ and Marketview.

Domestic vs International split: Selected Categories

Based on online spending for the 12 months to 31 May 2016



* Source: BNZ/Marketview

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 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.

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



Disclaimer

The information in this document (Information) is provided for general information purposes only. The Information does not constitute, in any jurisdiction, any advice, recommendation, opinion, guidance, offer, inducement or solicitation with respect to the purchase or sale or any financial product or the engaging (or refraining to engage) in any transaction. The Information is governed by, and is to be construed in accordance with, the laws of New Zealand and any dispute or claim arising from, or in connection with, the Information is subject to the non-exclusive jurisdiction of the courts of New Zealand. To the extent that any Information could constitute financial advice, it does not take into account any person’s particular financial situation or goals. Any statements as to past performance do not represent future performance. The Information may contain forward-looking statements that may be based on certain assumptions. Actual events may differ from those assumed. All forward-looking statements included are based on information available on the date hereof and no Relevant Person assumes any duty to update any forward-looking statement. Accordingly, there can be no assurance that any forward-looking statements will materialise or will not be materially worse than those presented. The Information may include estimates and projections and involves elements of subjective judgement and analysis.

None of BNZ or any of its directors, officers, employees, agents, advisers or contractors (each a Relevant Person) provides any legal, tax, accounting, financial or other advice in respect of the Information. Anyone proposing to rely on or use the Information should obtain independent and specific advice, including (without limitation) legal, tax, accounting and financial advice, from appropriate professionals or experts, and should independently investigate and verify, and reach their own conclusions in respect of, the Information. No Relevant Person gives any representation or warranty, express or implied, that any of the Information is accurate, reliable, complete, current or reasonable, and no Relevant Person undertakes to update the Information. To the maximum extent permissible by law, each Relevant Person disclaims all liability and responsibility for any loss, damage, cost or liability whatsoever suffered or incurred by any person directly or indirectly resulting from the content of or any omission from the Information (including by reasons of fault, negligence, negligent misstatement or otherwise). Where the Information is provided by a specific author in this document, that Information is the personal view of the author and does not necessarily reflect the views of BNZ.

National Australia Bank Limited is not a registered bank in New Zealand.