

New Zealand Online Retail Sales



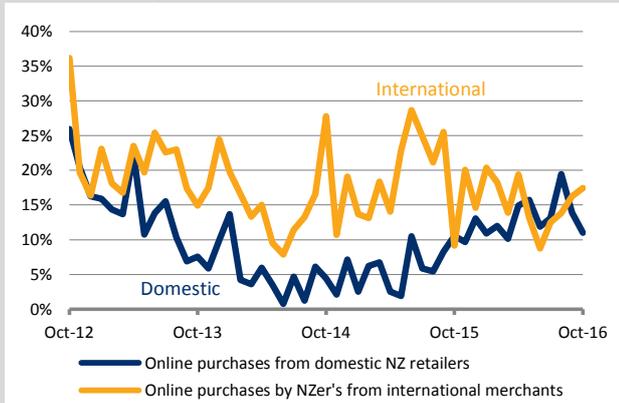
Monthly Update for October 2016

7 December 2016

- **Total online retail spending was up 14% compared to October last year**, continuing the strong trend of recent months.
- Online retail sales at **local** sites were up 11% on last October.
- Online retail sales at **offshore** sites were very strong - up 17% on last October.
- Purchases from Clothing, Food and Computer stores were responsible for more than half of the growth in online retail spending this month, when compared to October 2015.
- For the 12 months to 31 October 2016, online retail sales across the categories we monitor* were estimated to be \$3.6 billion (excl GST). This represents 7.2% of total retail sales for the same period, as reported in Statistics New Zealand's RTS (comparing like-for-like categories). Excluding the grocery and liquor sectors from both the RTS and our Index, we estimate online spending is equivalent to around 10.5% of retail sales.
- October 1 was the first day of the 'Netflix tax', which added GST to digital online services from international providers. However, our reported figures exclude GST, which means they exclude the estimated impact on prices from the 'Netflix tax'. Only a few weeks out from its implementation, it's too early to clearly identify any effects on underlying purchase behaviour. Prima-facie, there appears to be no obvious volume impact so far, for the digital goods which fall into the retail categories we track. (N.B. TV subscriptions are not included as "Retail" under the ANZSIC system, and are not in our series).
- We are planning to release our November report on 22 December, in time for some early Christmas shopping results.

Growth in NZ online sales by retailer location

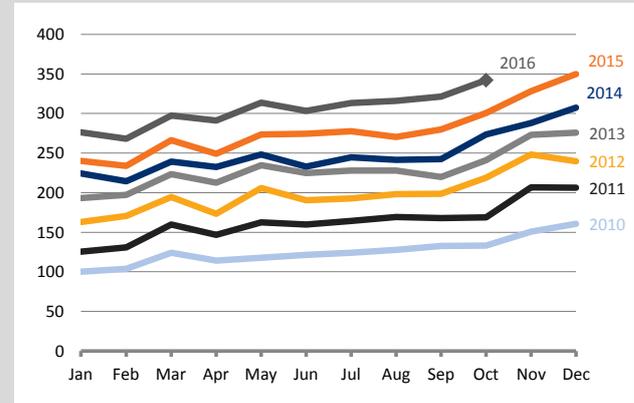
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Index of Total NZ Online Retail Sales

January 2010 = 100



Source: BNZ and Marketview

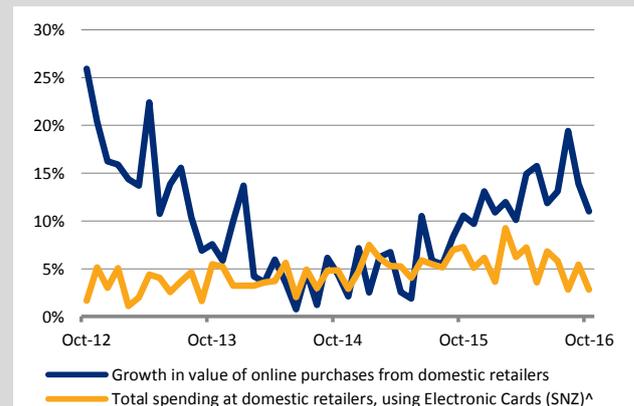
Monthly share of NZ Online Retail Sales, by retailer location



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		
	Aug-16	Sep-16	Oct-16	Aug-16	Sep-16	Oct-16	Aug-16	Sep-16	Oct-16
Month ended >>>									
Monthly spending vs Same month prior year	17%	15%	14%	19%	14%	11%	14%	16%	17%
3-monthly average vs Same period prior year	13%	15%	15%	15%	15%	15%	12%	14%	16%

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 \$49 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 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.

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