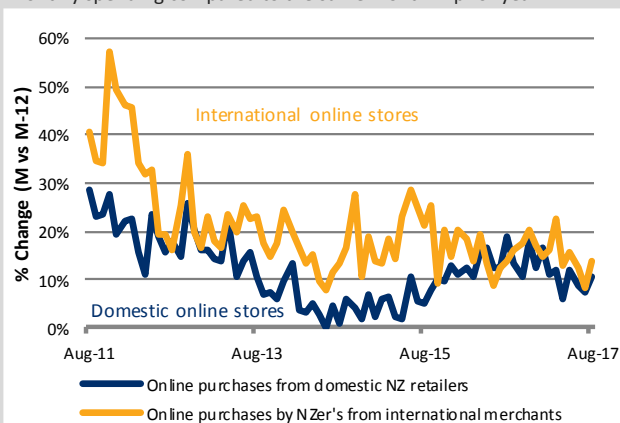


- August saw year-on-year growth in New Zealanders' **total** online retail shopping lift to 12%, a nice upturn following softer-than-usual growth in July.
- Purchases from **offshore** online retailers were up 14% on August 2016. Computers and Electronics drove nearly half of the increase.
- Spending at **local** online retailers was up 10% on August last year. Food, Clothing and Electronics were responsible for 80% of this increase. Purchases of Entertainment Media were also strong, 26% higher than in last August.
- Spending at local bricks-and-mortar stores was 4.8% higher than August 2016¹ - a strong result, but again outshone by the online growth rate.
- New Zealand's online spending is growing at a similar rate to that of Australia. The NAB Online Retail Sales Index shows year-on-year growth in Australian online sales was 10.3% in August and 8.5% in July.

¹Using Statistics NZ figures for electronic transactions in core retail industries excluding hospitality, as a proxy for physical stores.

Growth in NZ online sales by retailer location

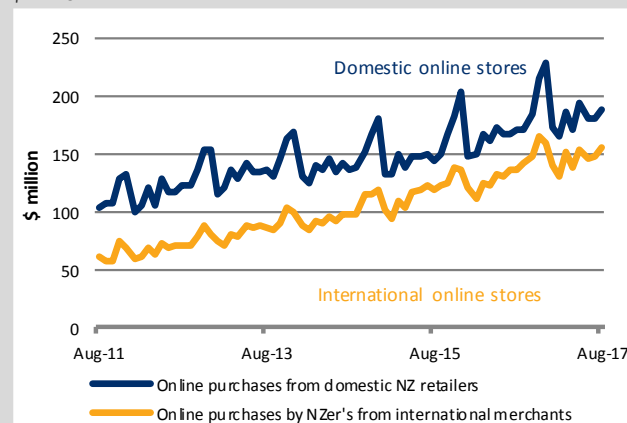
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

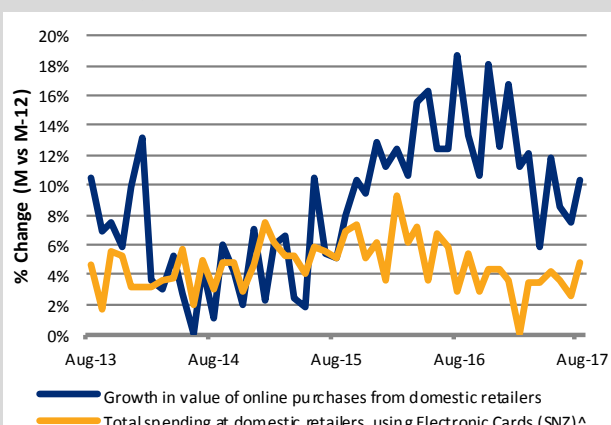
\$ million



Source: BNZ and Marketview

NZ Domestic Online vs SNZ Electronic Card Transactions[^]

Monthly spending compared to same month in prior year



Source: BNZ and Marketview

[^]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 in total online spending by broad category group

Monthly spending compared to the same month in prior year

24%	Groceries & Liquor (incl health food and supplements)
11%	Furniture, Housewares and Hardware
23%	Electrical & Electronic goods (incl computers & appliances)
5%	Recreation, Toys, Games, Entertainment media, Books
9%	Clothing, Footwear and Accessories
-14%	Daily Sales (at specialist sites)
10%	Variety, Department and Other*
-4%	Pharmacy, Cosmetics, Stationery, Antiques, Flowers

Source: BNZ and Marketview

*Note: "Other" includes unclassified stores and specialty stores that don't neatly fit into defined ANZSIC categories. Unclassified Trade Me spending (the estimated "retail" component) is included with Department Store spending. Figures may not add to 100% due to rounding.

Growth Rates	Total Online Index			Domestic Online Purchases			International Online Purchases		
	Jun-17	Jul-17	Aug-17	Jun-17	Jul-17	Aug-17	Jun-17	Jul-17	Aug-17
Month ended >>>									
Monthly spending vs Same month prior year	10%	8%	12%	9%	8%	10%	13%	8%	14%
3-monthly average vs Same period prior year	11%	11%	10%	9%	9%	9%	14%	12%	12%

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/onlinetailindex and www.marketview.co.nz/free-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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