

New Zealand Online Retail Sales



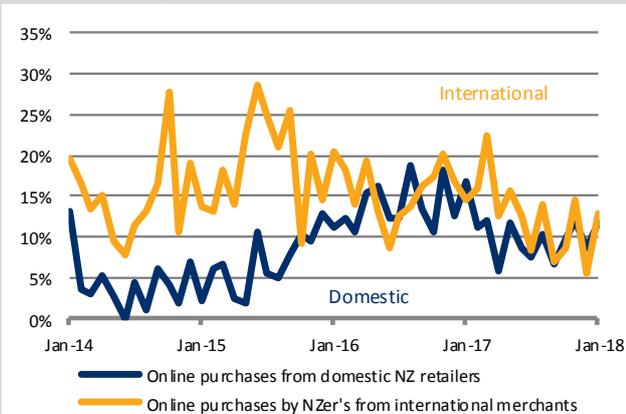
January 2018 and December 2017

23 February 2018

- Final figures for **December** showed growth rates 1.5% higher than our provisional estimates. But even with this boost, overall online spending in December was only up 7% on the prior December, well below prevailing growth levels.
- However, **January** showed a recovery back to double-digit growth rates, with spending at international merchants up 13% year-on-year and spending at domestic retailers up 12%, making total sales for the month 12% higher than last year.
- The bounce-back in January is supportive of our earlier theory, that last year consumers brought forward some of their international spending from December into November.
- Online sales at local Food-related merchants in January were again strong, driving approximately 40% of the year-on-year growth in online sales at domestic retailers.
- Sales of Computers and Electronic goods were responsible for nearly half of the year-on-year growth in spending at international sites in January. Clothing sales were up 6% year-on-year at international sites, but grew by more than twice that rate at domestic sites.

Growth in NZ online sales by retailer location

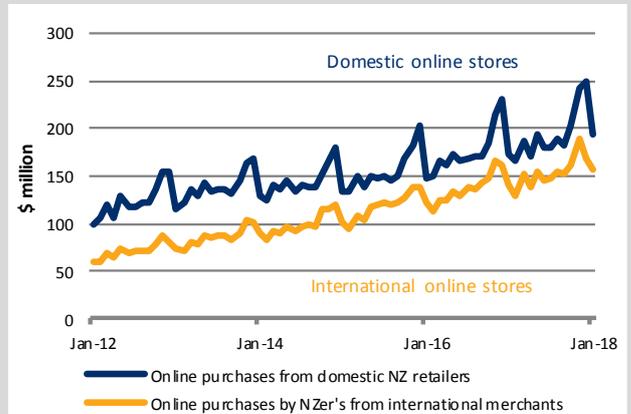
Monthly spending compared to the same month in prior year



Source: BNZ and Marketview.

Monthly Online Retail spending by New Zealanders

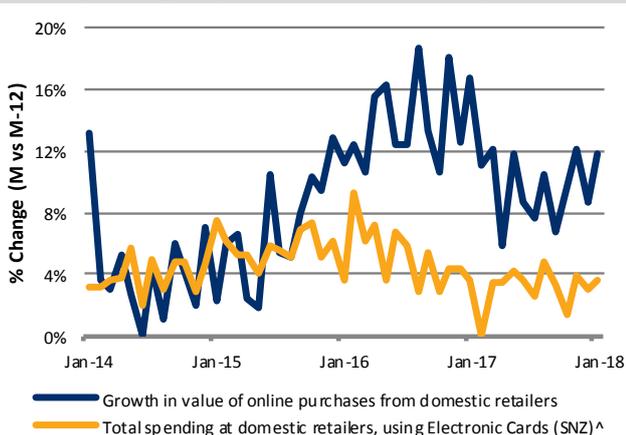
\$ million



Source: BNZ and Marketview

NZ Domestic Online vs SNZ Electronic Card Transactions[^]

Monthly spending compared to same month in prior year



Source: BNZ, Marketview, Statistics NZ. (December SNZ ECT figures have not been released yet.)

[^]“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

January 2018 vs January 2017

21%	Groceries & Liquor (incl health food and supplements)
26%	Furniture, Housewares and Hardware
26%	Electrical & Electronic goods (incl computers & appliances)
8%	Recreation, Toys, Games, Entertainment media, Books
7%	Clothing, Footwear and Accessories
-10%	Daily Sales (at specialist sites)
8%	Variety, Department and Other*
-5%	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		
	Nov-17	Dec-17	Jan-18	Nov-17	Dec-17	Jan-18	Nov-17	Dec-17	Jan-18
Month ended >>>									
Monthly spending vs Same month prior year	13%	7%	12%	12%	9%	12%	14%	6%	13%
3-monthly average vs Same period prior year	10%	10%	11%	10%	10%	11%	10%	10%	11%

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.

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

**Madeleine Boles de Boer**

Communications and Content Coordinator

+64 4 472 1991

BNZ 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.