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NZ eCommerce Review

An in-depth analysis of the state of online shopping in New Zealand

Chris Wong

GM Business Marketing | NZ Post



Kia Ora



NZ Post has been tracking NZ online shopping trends over the last 5 years



eCommerce Spotlight – regular market updates



ANALYSIS: Q1 2022

Kiwis spent more than \$2.2 billion on online shopping in Q1 2022. What drove their shopping behaviours?



Q4 2021

We review what effect lockdowns and big sales days like Black Friday and Boxing day sales had on online spending this quarter.



November sales special edition

A look at the latest online shopping numbers, trends, and insights for November 2021.



Lockdown special edition

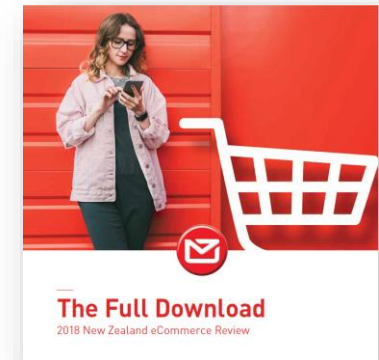
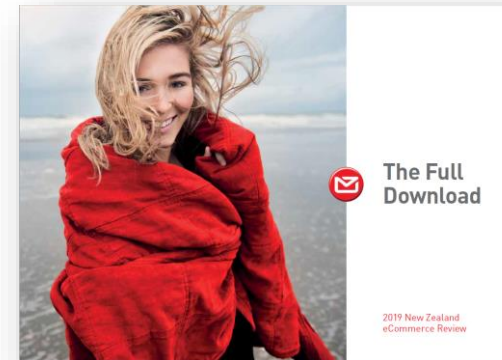
This special update looks at the online shopping numbers, trends and insights during this period of unprecedented growth.



Q3 2021

Explore Kiwis spending behaviours and find out what regions, sectors and age group dominated online shopping for Q3 2021.

The Full Download – annual eCommerce Review





2019 A pre-COVID snapshot

Online shopping spend - 2019





Snapshot of eCommerce in New Zealand in 2019 – pre COVID

\$4.7^b

spent online in 2019

9.8%

of all retail spend were
online

13%

growth in online spend

21%

growth of transactions on
Black Friday

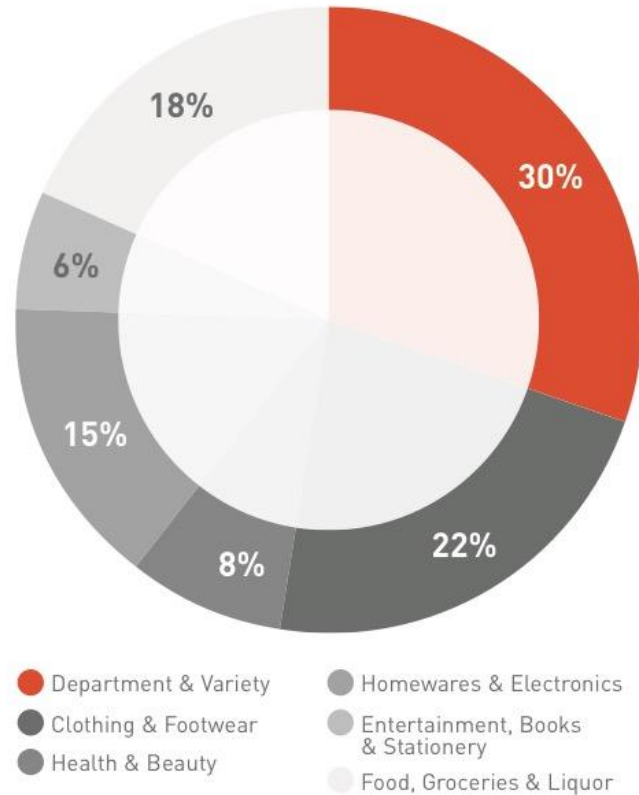
105%

growth in spend using
BNPL

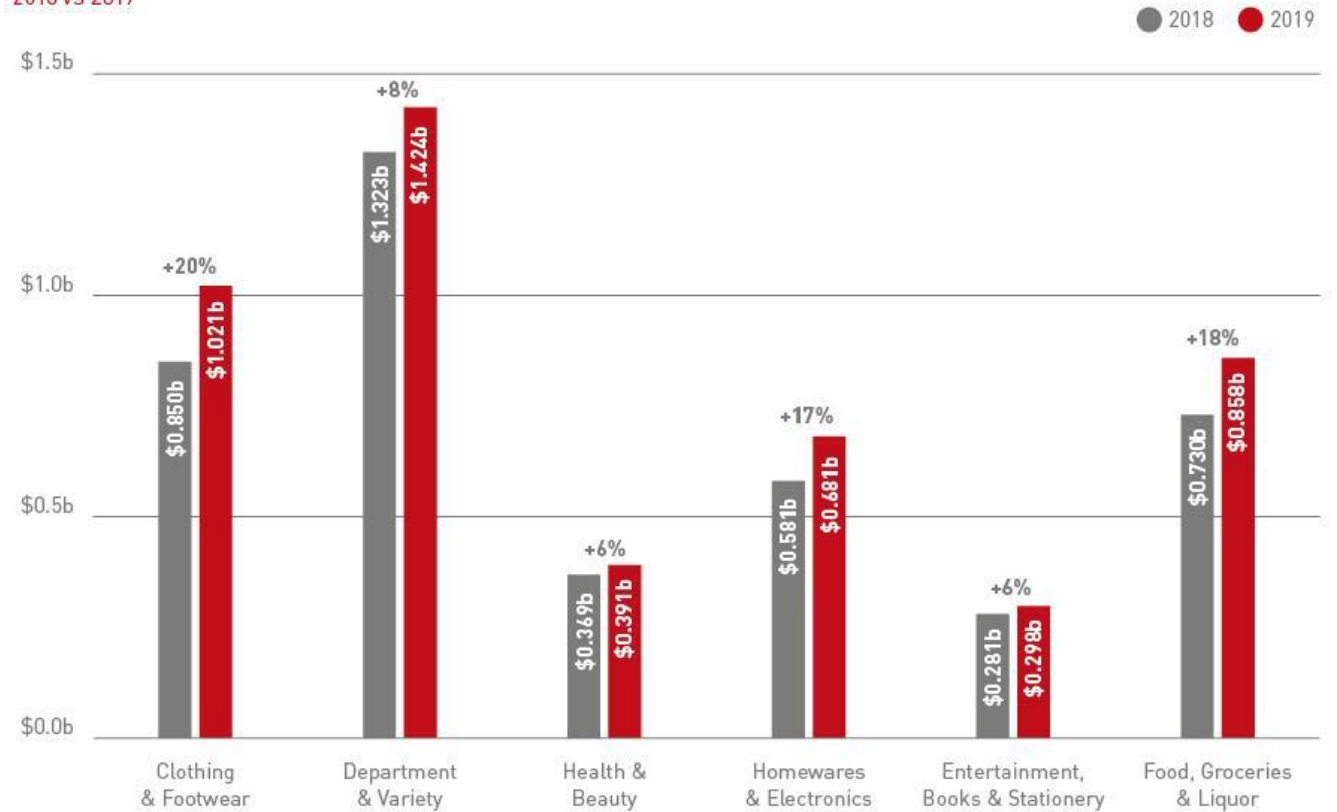


What were we buying?

Share of total online spend by sector
2019



Total spend online by sector
2018 vs 2019



Where did we buy from?

1/3

of all online spend in
Auckland

76%

of all online spend from
the North Island

19%

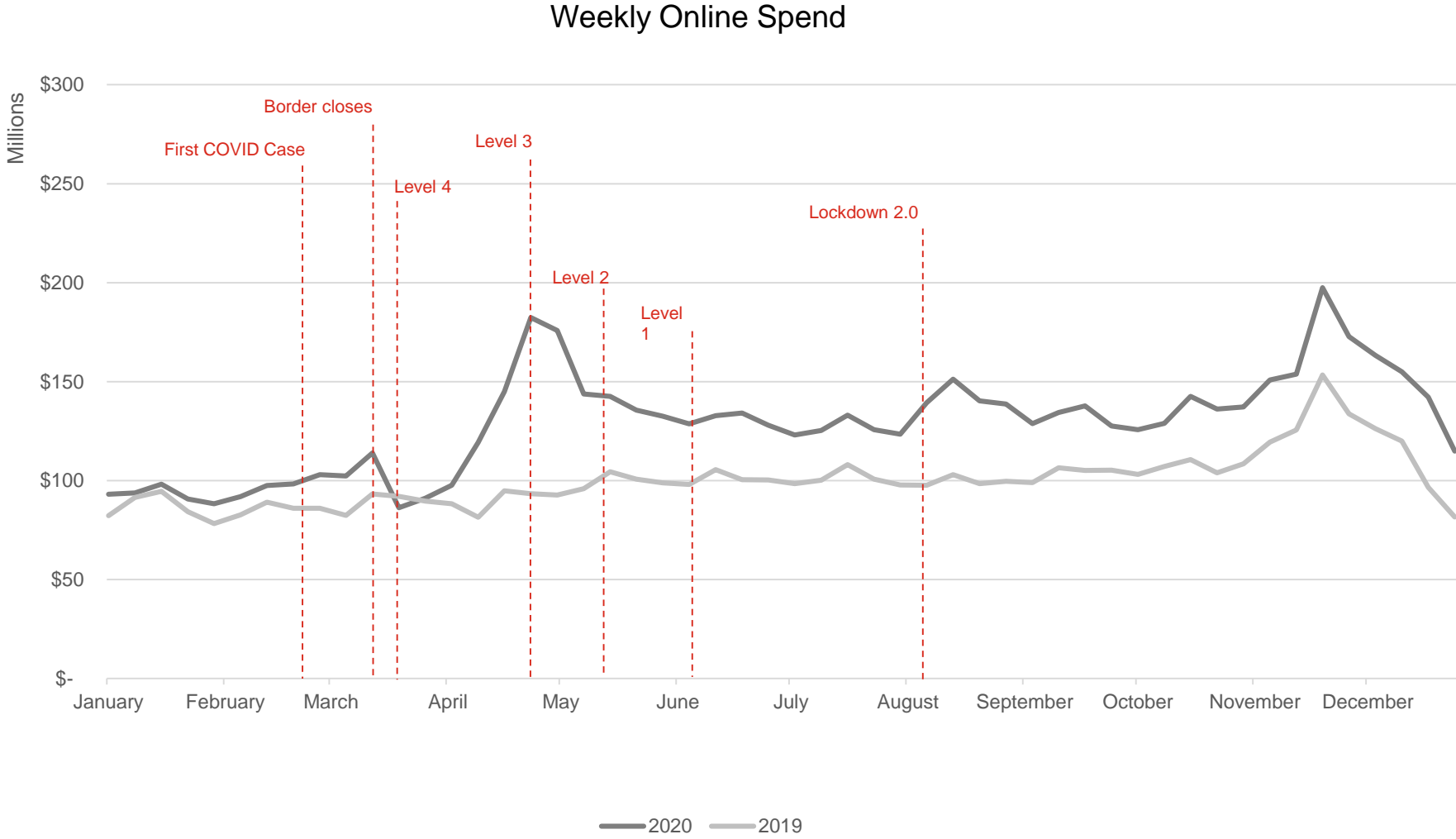
growth of online spend in the
South Island





2020
The changing landscape
of online shopping

Online shopping spend – 2019-2020





COVID-19 monumentally changed the landscape of online shopping in 2020

\$5.8b

total online spend of the year

25%

growth on 2019

11%

online penetration

Drivers of Growth: More Shoppers



2.13m

Online shoppers

52%

Of adult population
online shopping

306k

New online shoppers





Drivers of growth: More, More, More



\$2,523 ↑16%

Spend per shopper

23 ↑9%

Online transactions per shopper

\$109 ↑7%

Average transaction size

Drivers of Growth: Super Shoppers



10%
of shoppers make up

42%
of all **online spend**

Super shopper

82.4

Annual online
transactions per shopper

\$8,946

Annual online
spend per shopper

vs

Average online shopper

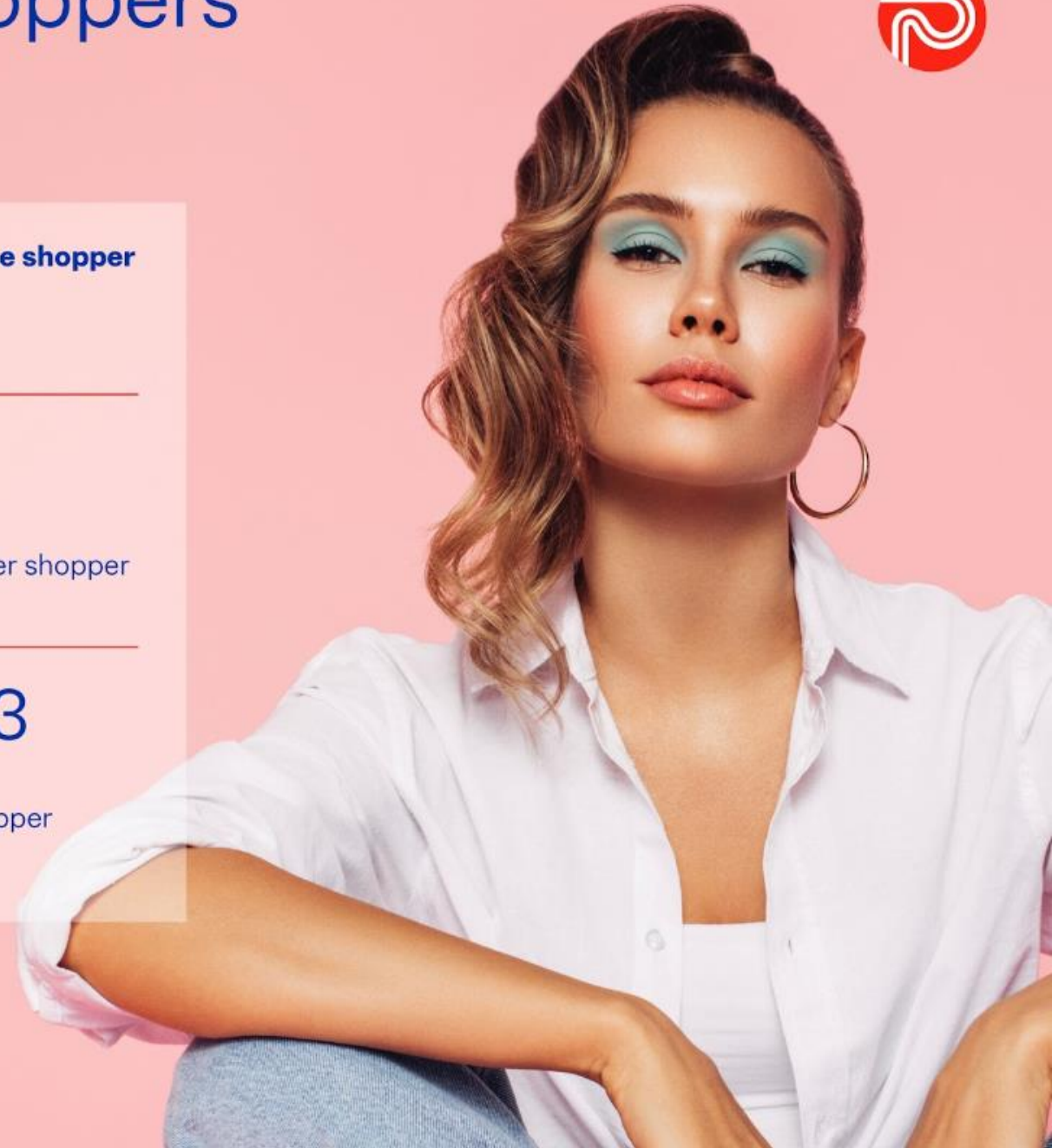
23

Annual online
transactions per shopper

vs

\$2,523

Annual online
spend per shopper





Drivers of Growth: Auckland



38%

of total online spend

\$2.2b

Spend online

\$120

Avg. basket size

18.3m

Online transactions

Drivers of Growth: The Regions



Taranaki

46%

Online spending growth

Northland

38%

Online spending growth

Gisborne

34%

Online spending growth

Hawkes Bay

30%

Online spending growth



Drivers of Growth: 60+ Age Group

30%

more spend from 60+ shoppers

12%

more online shoppers aged 60+

Drivers of Growth: Buying local



71%

Online spend with Kiwi retailers



Drivers of Growth: Sector Growth



+49%

Homeware, appliance & electronics



+47%

Food, groceries and liquor



+23%

Department and variety



+20%

Clothing and footwear



-2%

Health and beauty



+13%

Entertainment, books and stationery

* Domestic & International combined



Driver of Growth: Homeware, Appliances and Electronics

Annual spend per shopper

 **882**

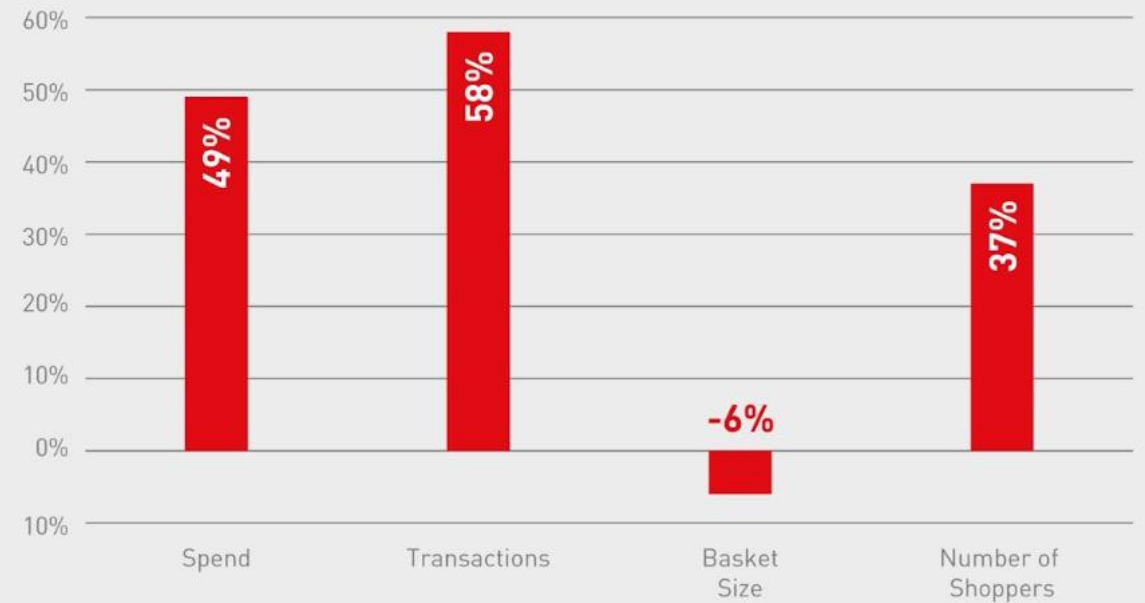
Transactions per shopper

 **3.3**

Average basket size

 **\$264**

Total sector online growth metrics
% 2019 to 2020





Driver of Growth: Food, Groceries and Liquor

Annual spend per shopper

 **1,209**

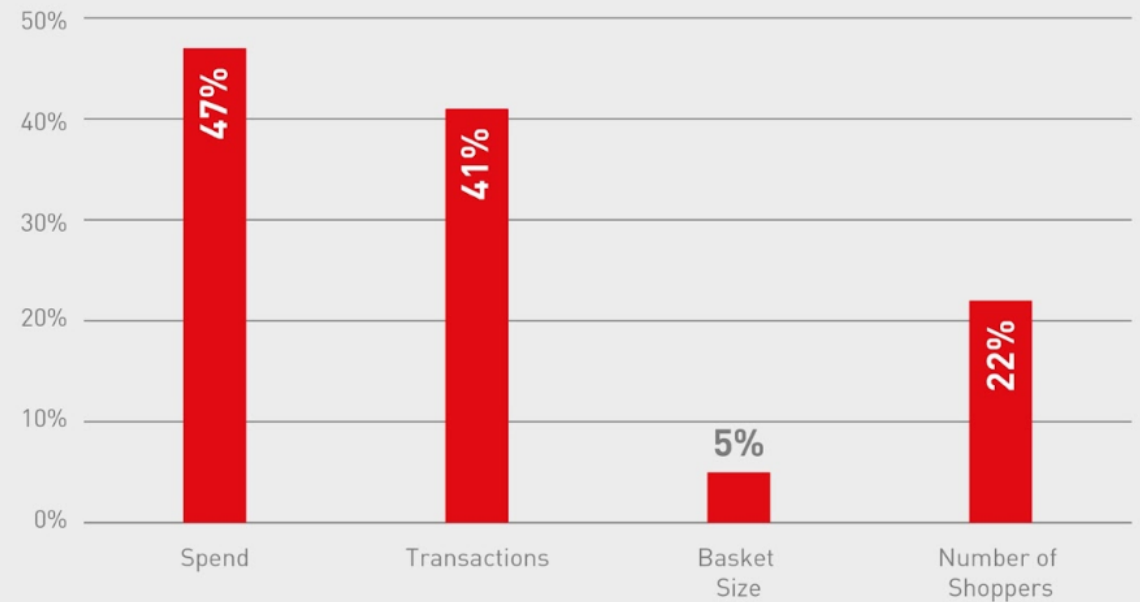
Transactions per shopper

 **8.4**

Average basket size

 **\$144**

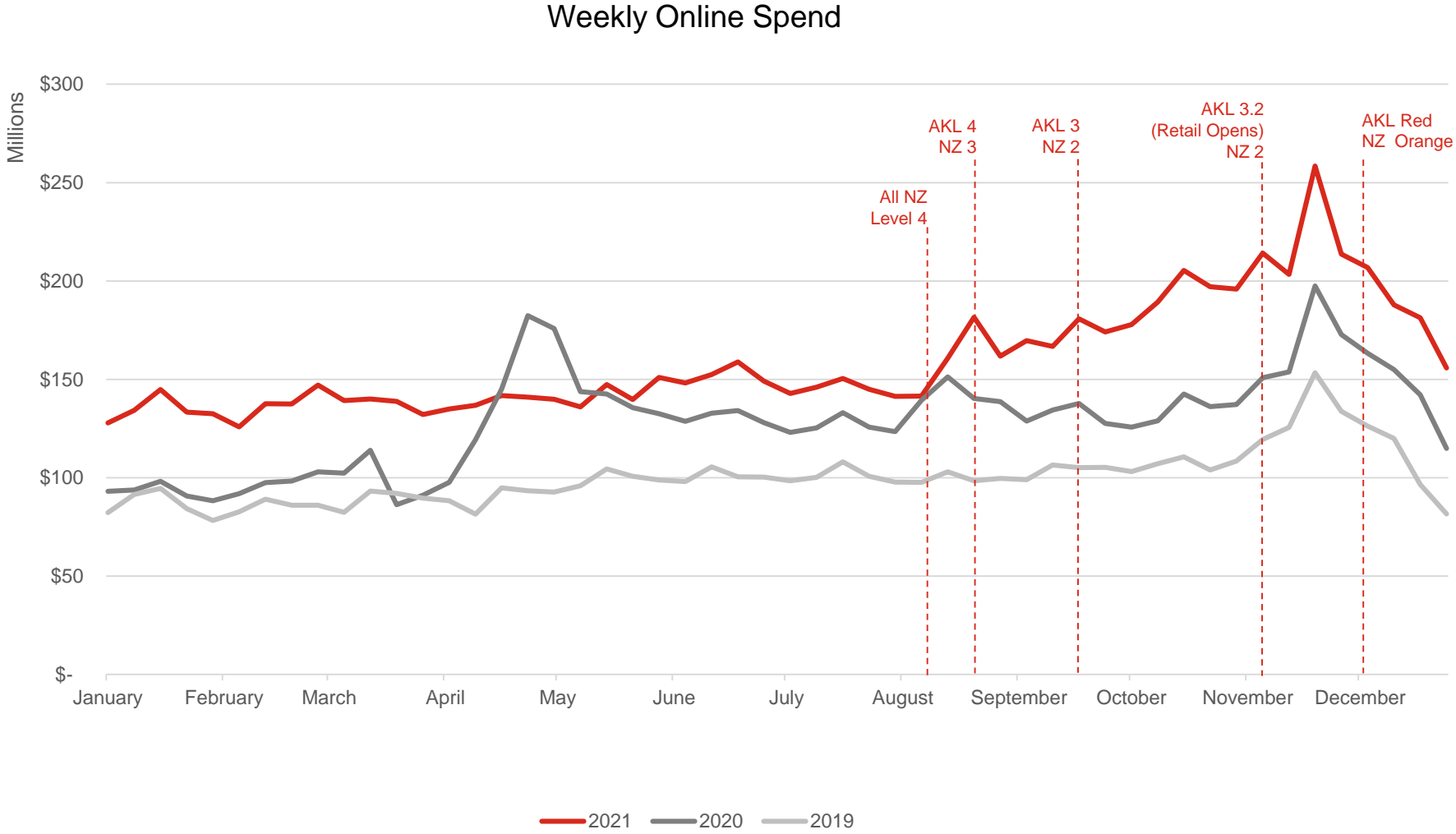
Total sector online growth metrics
% 2019 to 2020





2021 A seismic shift online

Online shopping spend – 2019-2021



The Delta variant and further lockdowns lifted online shopping to new highs in 2021



\$7.7^b

online spend



21%

up on 2020

vs. 1% growth of instore retail

The longest period of lockdown restrictions saw huge pressure placed on online



2/3

of the \$2b retail growth came from online

75%

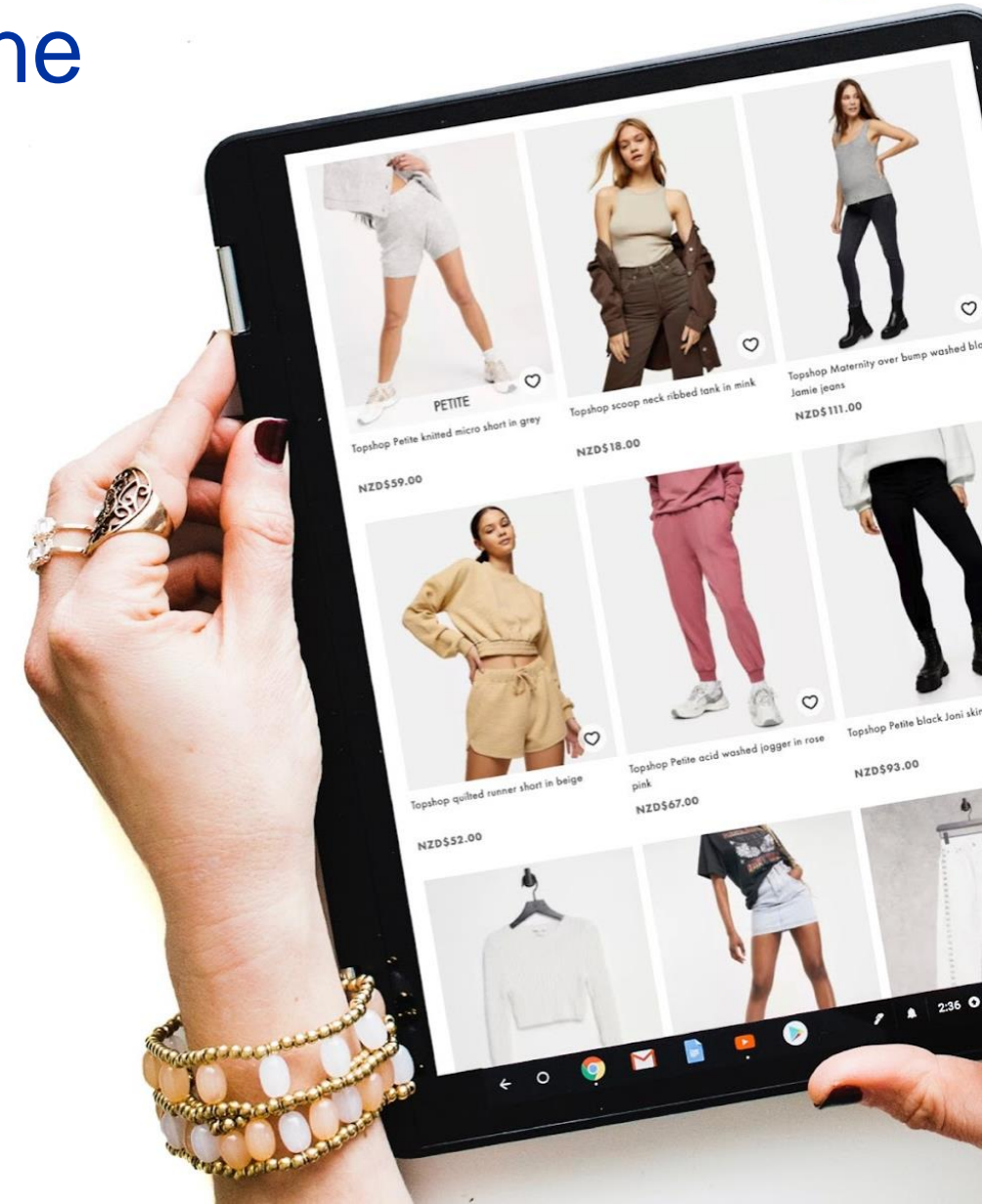
online spend with kiwi retailers

13%

Online penetration

40%

of all online spend came from Auckland



\$30.8m

Singles' Day Up 30%

\$39.8m

Black Friday Up 17%

\$39.5m

Cyber Monday Up 19%

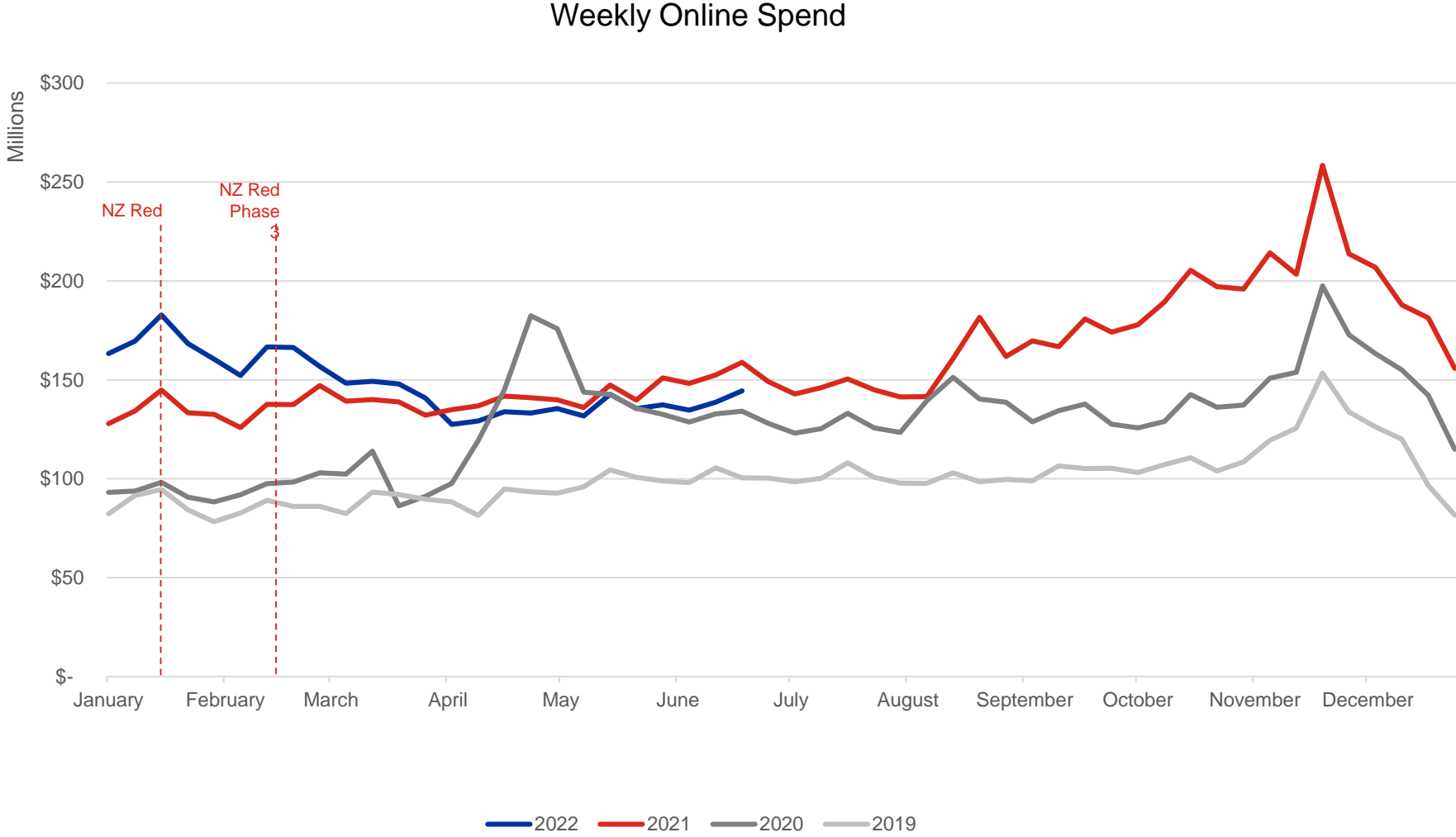
**BLACK
FRIDAY
#SALE**





2022 A more challenging environment

Online shopping spend – 2019-2022



2022 started with news of the new Omicron variant



\$3.6b

2022 online spend YTD

11%

Up compared to 2021

31%

Q1 spend growth
\$2.2b quarterly spend

-4%

Q2 spend decline
\$1.6b quarterly spend



A woman with blonde hair, wearing a green t-shirt, is smiling as she packs a cardboard box with brown paper. She is in a well-lit room, possibly a warehouse or a store, with shelves of pillows and other items in the background. A dark grey semi-transparent box is overlaid on the left side of the image, containing white text.

2022 eCommerce Market Sentiments

Retailer and shopper priorities for 2022



Shopper priorities in 2022

What is important to shoppers when choosing a particular online store over another, when similar products are offered:

Visibility of delivery **92%**

Easy returns **88%**

Visibility of order **77%**

Discounts or rewards for bulk /repeat purchase **79%**

Product reviews, comments, testimonials **77%**

A variety of delivery/collection options **77%**

Sustainable business practices **67%**

Live chat **54%**

Local company **24%**

Website experience **18%**

Price cost **23%**



Retailer priorities in 2022

Improving customer experience **30%**

Cost efficiency and saving money **29%**

Offering more product range **27%**

Growing sales from existing customers **25%**

Finding new customers / increase market share **25%**

Maintaining and growing profitability **21%**

Improving website / technology **19%**

Improved supply chain efficiency **18%**

Improved sustainability practices **16%**

Providing more delivery options **15%**

Being more innovative **12%**

Improving returns policy **9%**



For the latest eCommerce insights and trends

nzpostbusinessiq.co.nz





Thank you