

# Online Shoppers in NZ

Dec 2011



prepared by **iab**.nz

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# Overview – NZ Market



- Online shopping to increase to NZ\$2.68 billion in 2011 – an increase of 12% from 2010
- Over one third (34%) of total online sales in 2011 will go to offshore online retailers
- Smartphones and tablet devices are key drivers of growth in online retail sales over last 12 months
- Social media is an integral part of online shopping with 34% of shoppers following an online shopping site on Facebook

Source: PwC | Frost & Sullivan: Digital Media Research 2011 Australian and New Zealand Online Shopping Market Insights

# Overview - Australia



- Expect online shopping expenditure in 2011 in Australia to reach \$13.6 billion - a growth of 13% from the \$12 billion expenditure in 2010
- This equates to 5.5% of total retail sales and per capita expenditure of \$600, and reflects an 11.9% increase from \$536 in 2010
- It is estimated that \$6.0 billion will be spent by Australians on overseas websites this year
- This equates to 44% of the total online purchases for 2011, an increase of 25% from 2010

Source: PwC | Frost & Sullivan: Digital Media Research 2011 Australian and New Zealand Online Shopping Market Insights

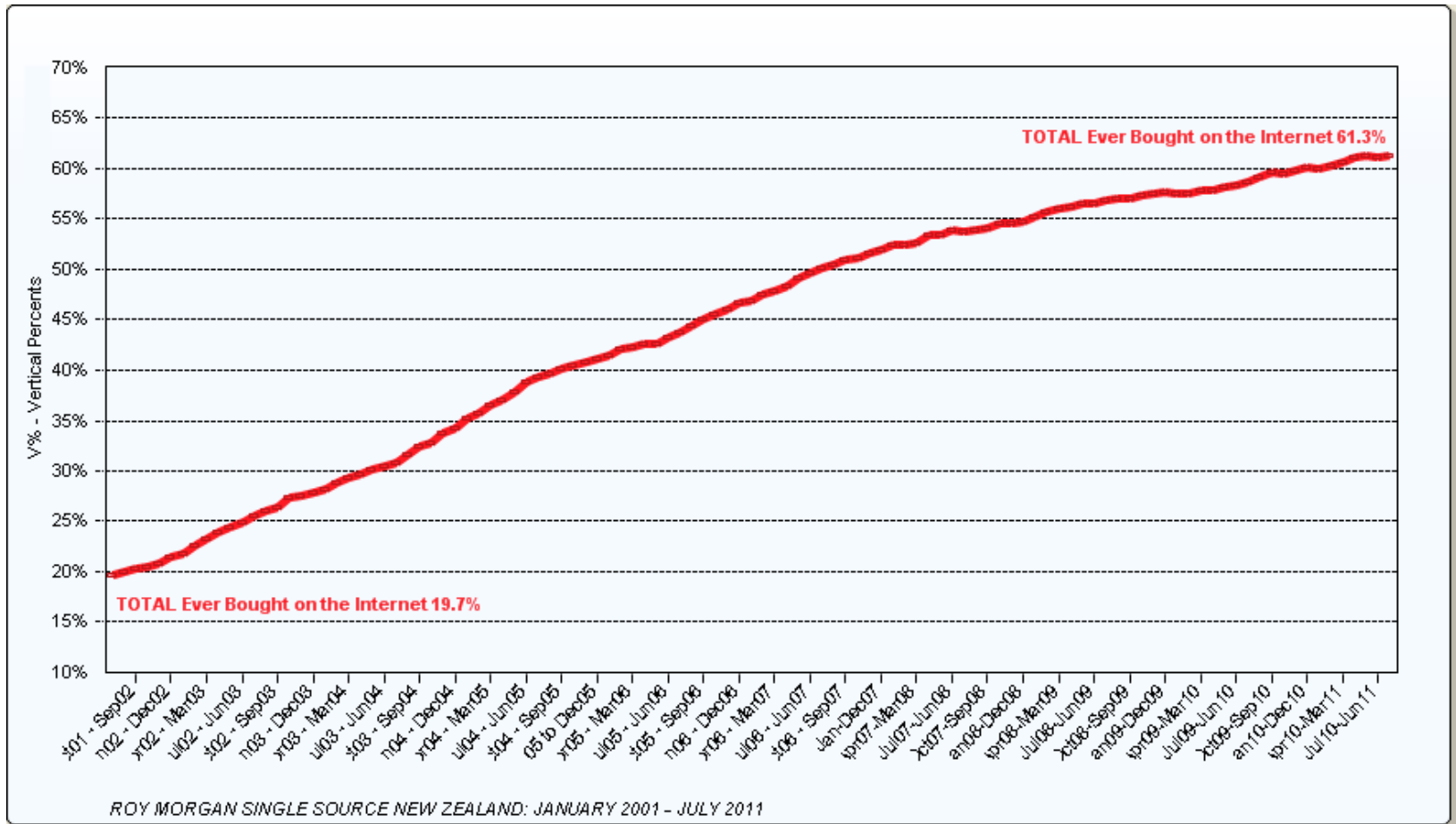
# Growth Drivers



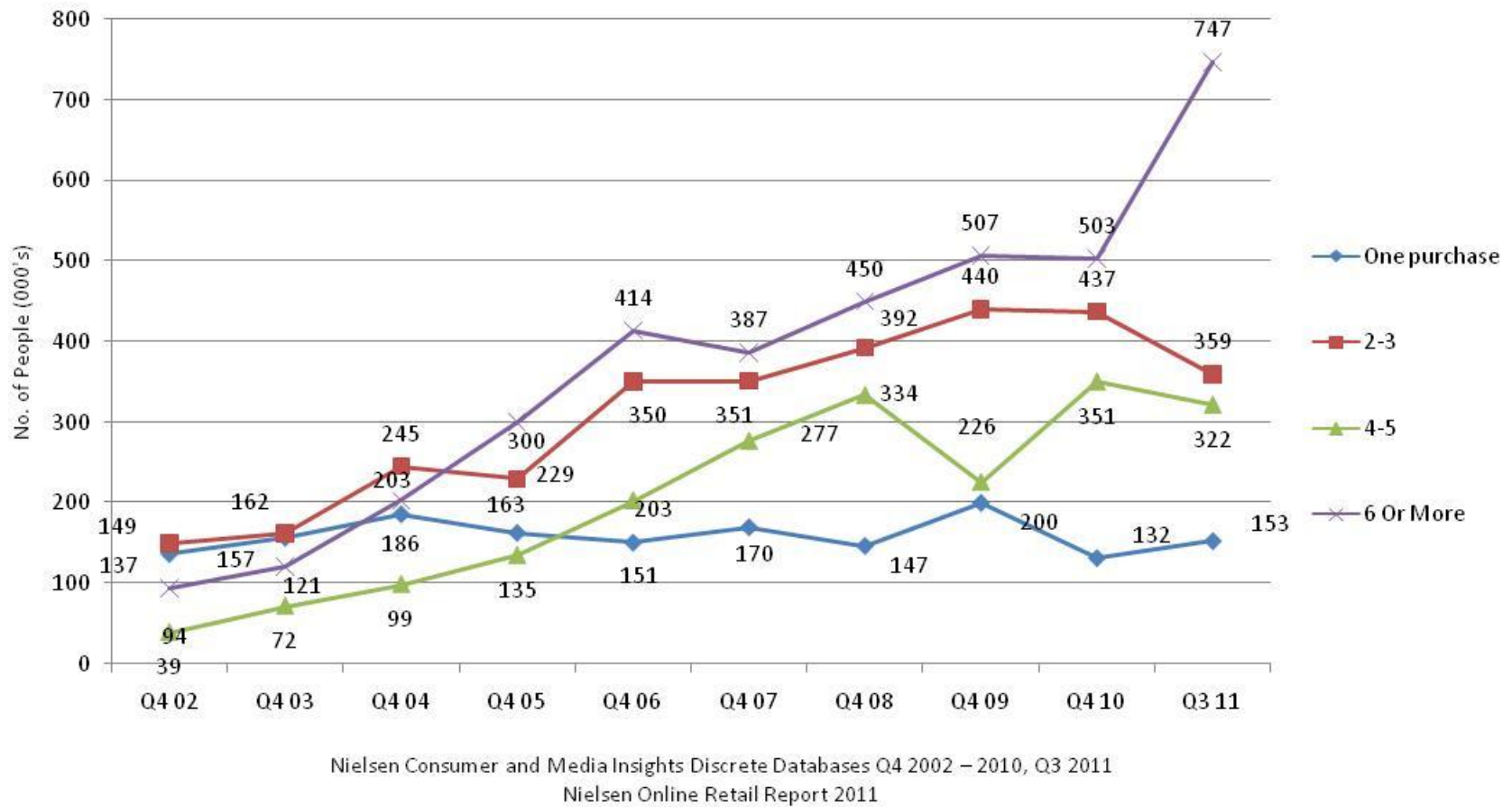
- Convenience & increased awareness of the benefits of buying online – 24/7
- Exchange Rates/Competitive pricing
- Explosion of Daily Deal sites
- Wider range of Product choice
- Uptake of Mobile devices i.e Smartphones, Tablets
- Impact of Social Media – word of mouth, researching

# NZ: Ever Purchased Online

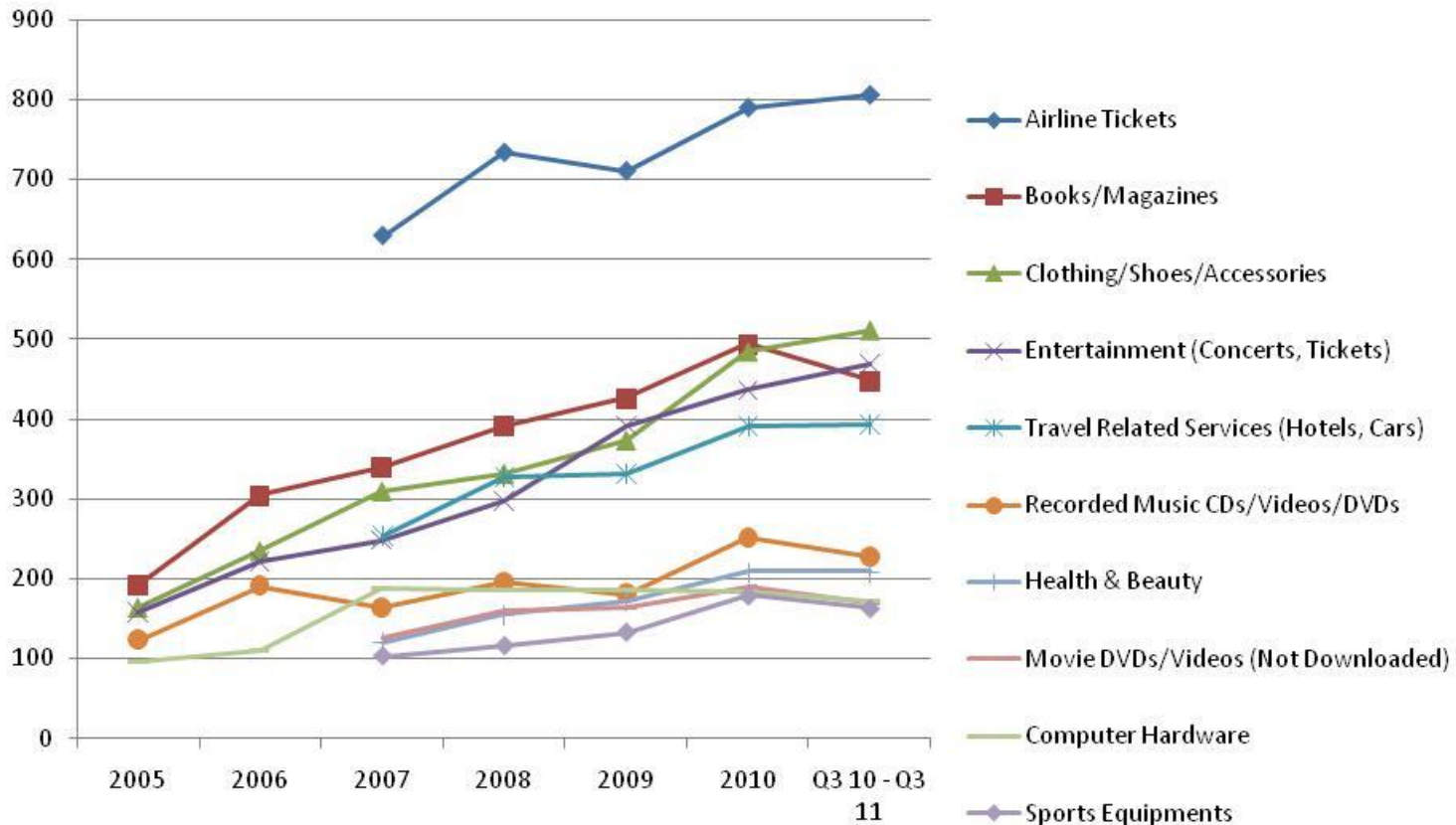
61.3% of all Kiwi's 14+ have purchased something online



# NZ: Online Shoppers are Purchasing More Frequently



# NZ: Online shopping trend by Top 10 categories



Source: Nielsen Consumer and Media Insights Q1-Q4 2005-2010, Q3-Q3 2011  
Nielsen Online Retail Report 2011



# NZ: Geographic Breakdown - Visitors to the Shopping and Classifieds Category

## Region of visitors to **Shopping and Classifieds**

12 Rolling Weeks ending 10 December 2011, compared with "Region of the [Online Population](#)"





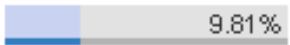





Report Details ▾

10 20 100 ◀ ▶

Chart ▾

Add To Dashboard ▾

Export ▾

<input type="checkbox"/>	Region (5 returned)	Visits Share Shopping and Classifieds	Representation ▾
<input type="checkbox"/> 1	South Island	 17.21%	 113
<input type="checkbox"/> 2	North Island	 36.60%	 106
<input type="checkbox"/> 3	Christchurch	 9.81%	 105
<input type="checkbox"/> 4	Wellington	 9.51%	 95
<input type="checkbox"/> 5	Auckland	 26.86%	 87

Source: Experian Hitwise

# NZ vs Global

- Online retail sales as a percentage of revenue for the US and UK are significantly higher than in Australia and NZ. This can be largely attributed to the significant maturity of these markets

## Online retail sales as a percentage of revenue

US	UK	AU	NZ
7.5%	9%	5.5%	5.1%

Source: PwC | Frost & Sullivan: Digital Media Research 2011 Australian and New Zealand Online Shopping Market Insights

# Local vs International Website Visits - Shopping and Classifieds Category

## Key Statistics for the industry **Shopping and Classifieds**

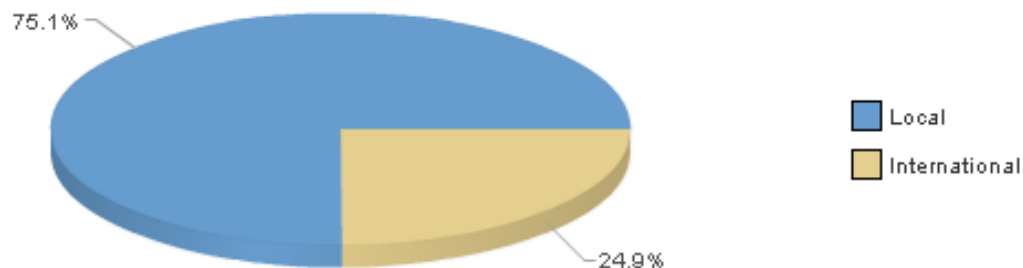
Local vs International

**75.10%** Local

Average Visit Time Change

**00** seconds

Local vs International

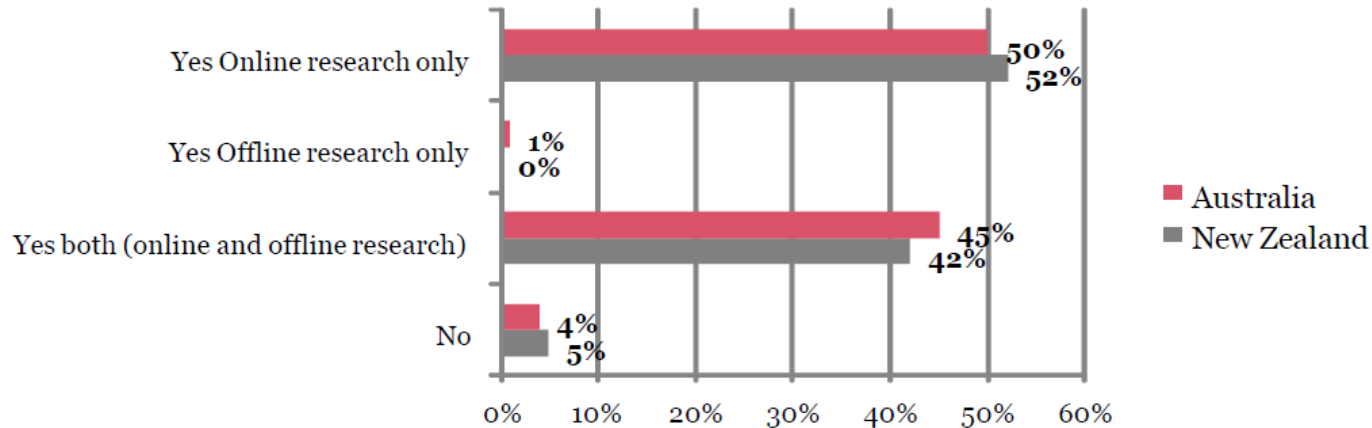


Breakdown of traffic received by local and international sites in **Shopping and Classifieds** for the **week ending 10/12/2011**.

Source: Experian Hitwise

# Kiwi's Love to Do Their Homework Online Before they Buy

Do you typically research the items you are interested in before you make an online purchasing decision?



52% of Kiwi's research online before they buy compared to 50% of Australians

Source: PwC | Frost & Sullivan: Digital Media Research 2011 Australian and New Zealand Online Shopping Market Insights

# Upstream Websites Visited before Shopping & Classified Industry

## Upstream Websites visited before Shopping and Classifieds

Week ending 10 December 2011

Report Details ▾

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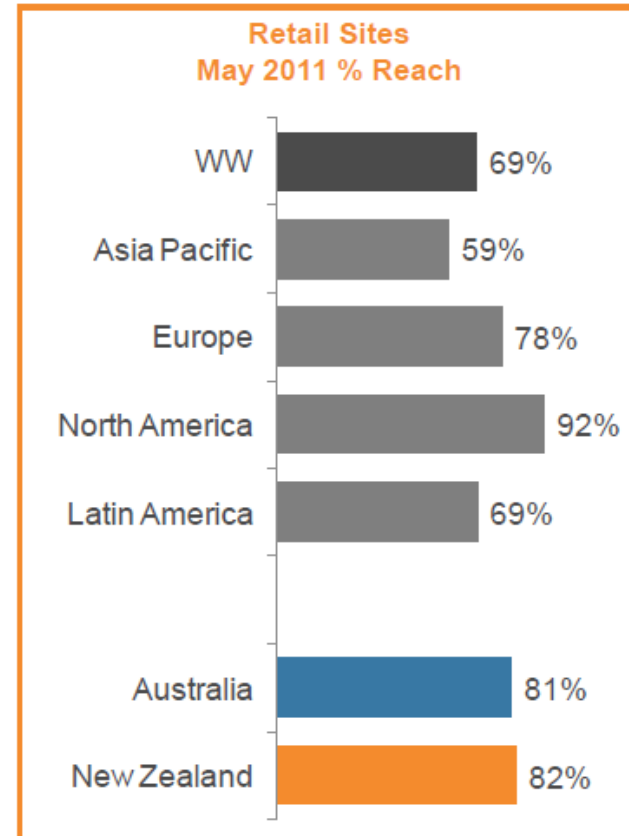
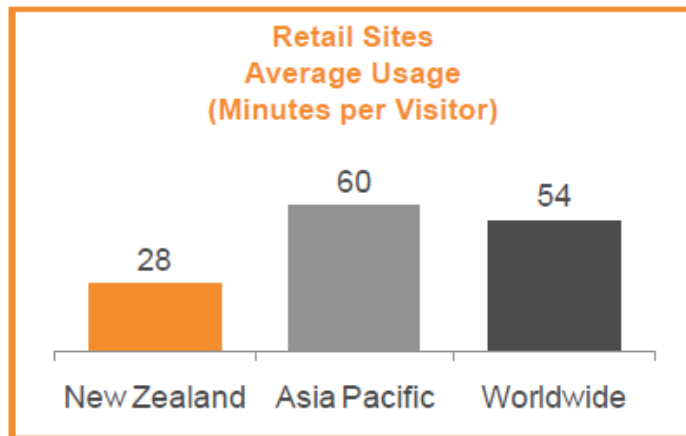
Custom ▾ Chart ▾ Add To Dashboard ▾ Export ▾

<input type="checkbox"/>	Websites (271 filtered results)	Clicks ⓘ ▾
<input type="checkbox"/>	1 Google New Zealand	23.65%
<input type="checkbox"/>	2 Google	1.45%
<input type="checkbox"/>	3 Bing	0.35%
<input type="checkbox"/>	4 Yahoo!Xtra Search New Zealand	0.23%
<input type="checkbox"/>	5 Google Australia	0.14%
<input type="checkbox"/>	6 Google UK	0.12%
<input type="checkbox"/> ▼	7 Baidu	0.072%
<input type="checkbox"/>	8 Yahoo!7 Search	0.068%
<input type="checkbox"/> ▼	9 Yahoo! Search	0.067%
<input type="checkbox"/> ▲	10 Google Hong Kong	0.063%

Source: Experian Hitwise

# Retail Sites: High Reach, Low Duration

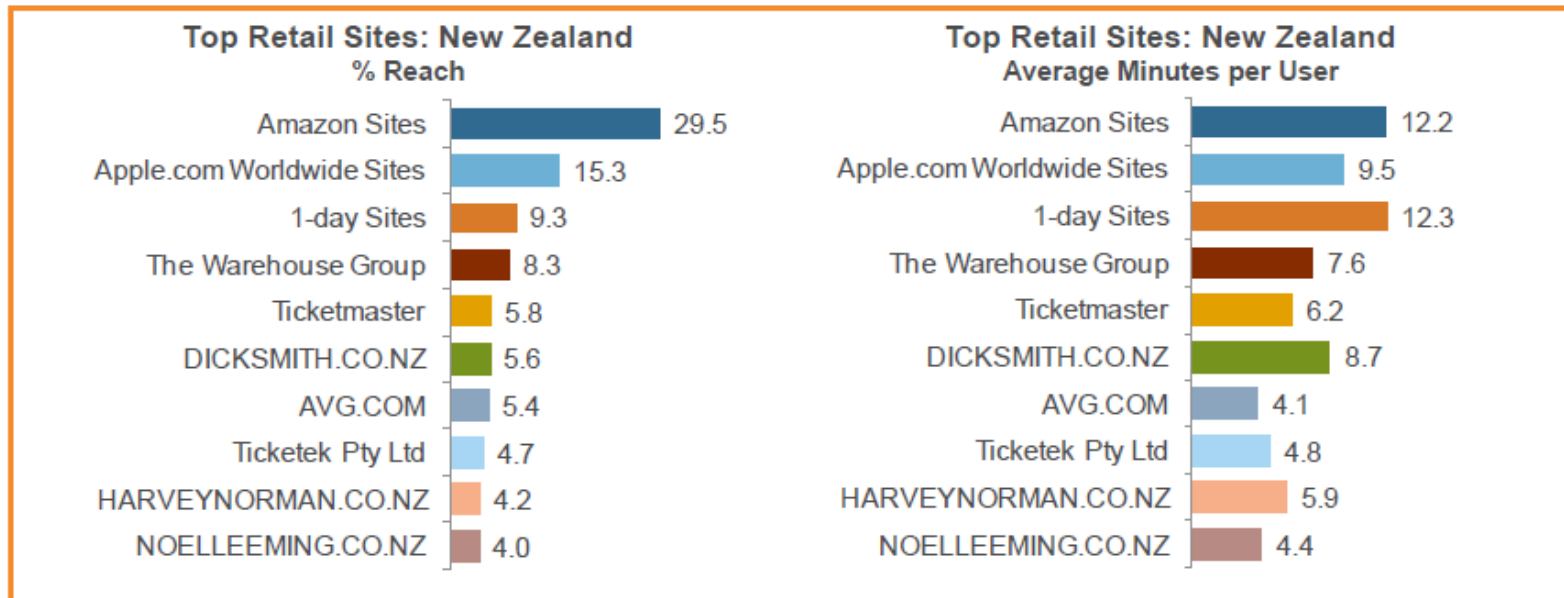
- Plenty of room for growth in the online retail market in New Zealand
- Visitation rates are healthy
- 82 percent of the web audience visited a retail site, but only 28 minutes avg. spent on the category, well below the regional and global usage rates



Source: comScore Media Metrix, May 2011, Internet Audience 15+ accessing Internet from Home or Work

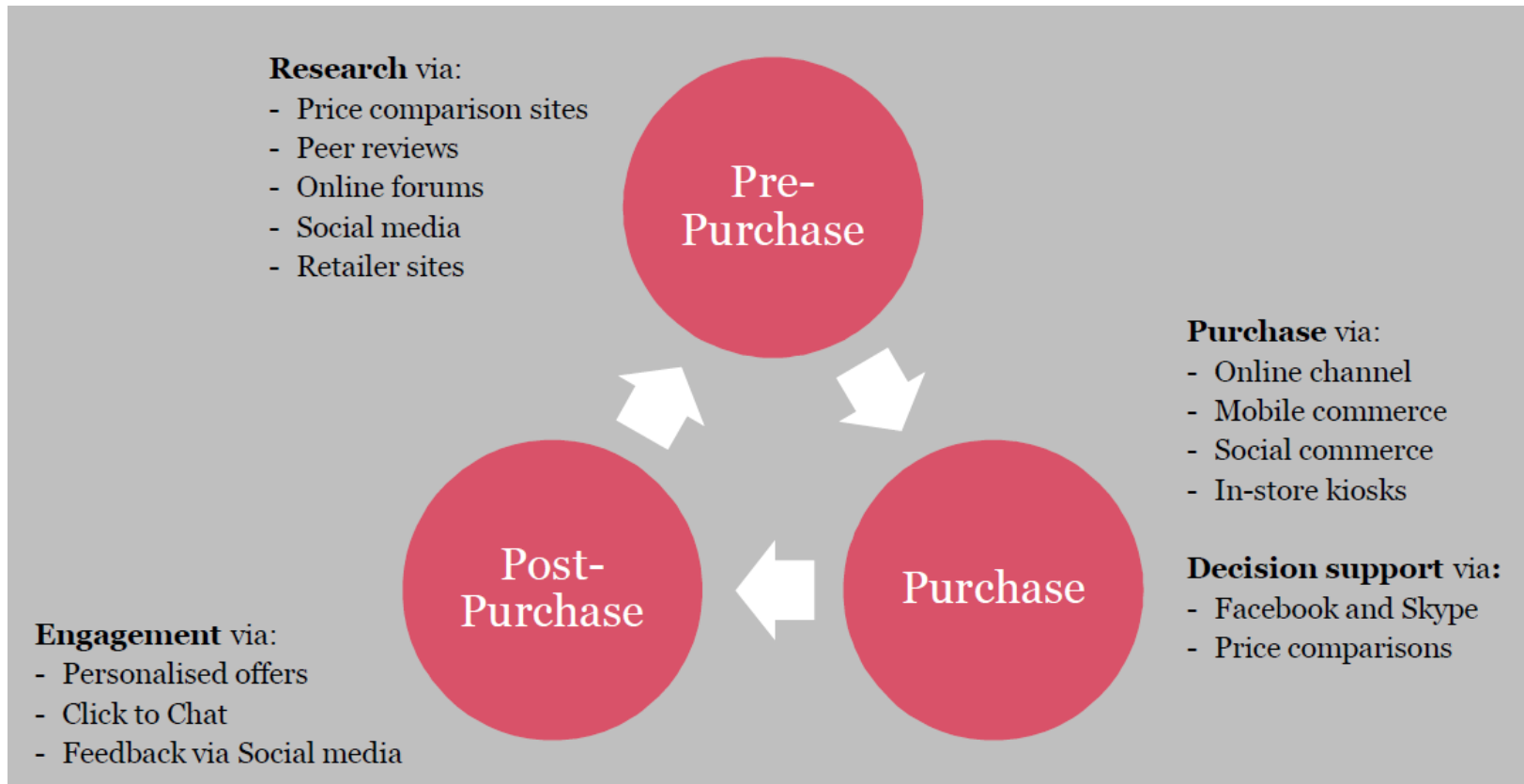
# Top Sites: Retail

- Amazon tops the list of most-visited Retail sites in New Zealand, reaching 29.5 percent of the online population



Source: comScore Media Metrix, May 2011, Internet Audience 15+ accessing Internet from Home or Work

# Customer Purchase Lifecycle – The impact of digital channels



Source: PwC | Frost & Sullivan: Digital Media Research 2011 Australian and New Zealand Online Shopping Market Insights



# About IAB NZ

**Vision:** Foster world-leading standards & creativity by developing, innovating, educating and growing the interactive advertising industry in New Zealand.

**Mission:** **Support** IAB members to fulfil our vision

**Strategy Statement:** Grow our industry by providing sound **governance**, a member Code of Practice, and **marketing** the value and effectiveness of online advertising

## **Marketing Objective:**

To grow the share of online advertising to 19% by the end of 2013 by promoting the value and effectiveness of the medium

## **Marketing Activities:**

- ✓ IAB/PwC Ad Spend Report
- ✓ Case Studies
- ✓ Events / Networking
- ✓ Creative Awards
- ✓ Mobile

## **Governance Objectives:**

1. To create an IAB self-regulated Code of Practice that demonstrates a commitment by the IAB and its Members to follow the ethical standards and best practices, evidenced by the Code, at all times
2. To continue to increase direct value to members

## **Governance Activities:**

- ✓ Code of Practice
- ✓ Standards & Guidelines
- ✓ Value Propositions
- ✓ Measurement (subject to additional funding)