



# Crossing the Ditch Selling products in New Zealand



*New Zealand Post*

If you're an Australian online retailer, this report will show you why selling in New Zealand makes perfect business sense. With useful insights on the New Zealand online market, this report shows how selling to our Kiwi cousins is simply an opportunity not to be missed.

Australia Post and New Zealand Post work closely together to deliver exceptional services for our customers. As a business of Australia Post, StarTrack is able to offer customers access to this lucrative market just over the Ditch.



# Comparing our online markets

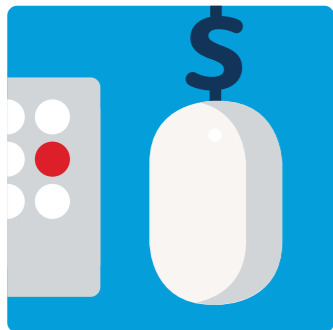
There's no doubting Australia and New Zealand have our differences, but our online markets are remarkably similar. We tend to buy the same things from the same kinds of stores, and we spend around the same amount each year.

## Did you know?

At around AU\$2.73 billion per year, the New Zealand eCommerce market is equivalent to the WA, NT and Tasmanian markets put together!<sup>1</sup>

### eCommerce market<sup>2</sup>

Australia



\$17.5 billion

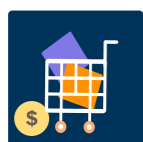
New Zealand



\$2.73 billion

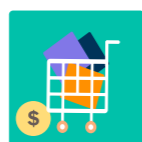
### Average spend by shopper per annum<sup>3</sup>

Australia



\$2,400

New Zealand



\$2,300

## Our favourite online retailers<sup>4</sup>

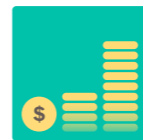
Australia



1. Woolworths



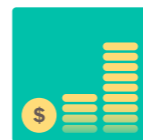
3. Officeworks



5. Catch of the day



7. Dick Smith



9. OzSale



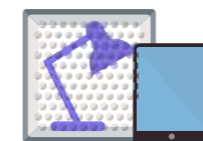
2. Coles



4. Kogan



6. JB Hi-Fi



8. Harvey Norman

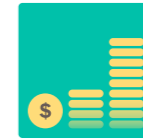


10. Myer

New Zealand



1. The Warehouse



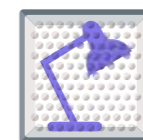
3. Fishpond



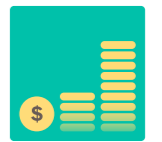
5. Countdown



7. Mighty Ape



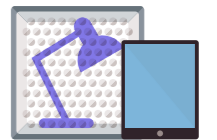
9. Briscoes



2. GrabOne



4. PBTech



6. Harvey Norman



8. Ezibuy



10. JB Hi-Fi

# Comparing our online markets

Both markets have followed a similar path, growing rapidly in the past decade. Year-on-year growth in Australia is currently at 9.6%<sup>5</sup> and around 9.2%<sup>6</sup> in New Zealand. Online retail is growing faster than traditional retail in both countries.

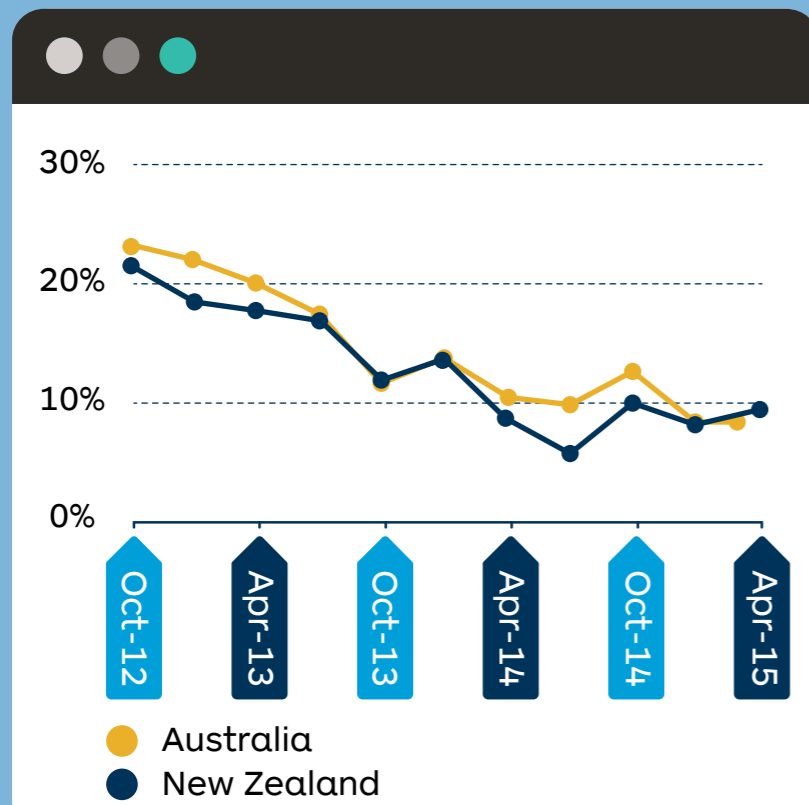


**Over 17 million**  
Australians shop online

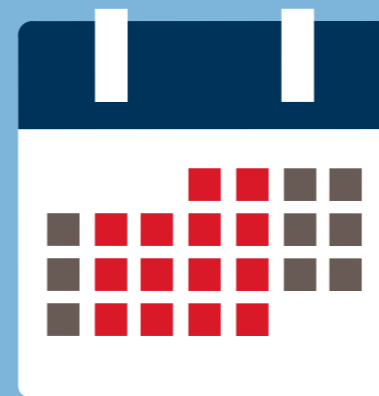
**Nearly 2 million**  
Kiwis shop online

## Pace of eCommerce growth

Our eCommerce markets have grown at almost identical rates over recent years.<sup>1</sup>



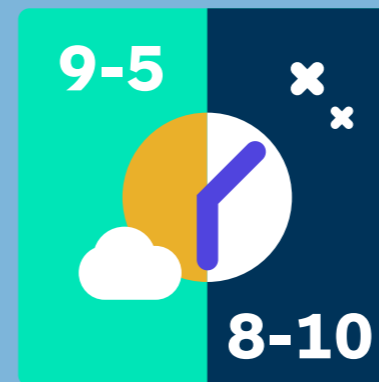
## Did you know?<sup>7</sup>



In both Australia and New Zealand online shopping occurs most frequently from Monday to Thursday.



The favourite day for online shopping in New Zealand is Tuesday, while Wednesday is the favourite day in Australia.



Australians prefer to shop during work hours (9-5pm) and later in the evenings (8-10pm).



Kiwis spend more at domestic sites during the week and more on international sites on weekends.

# Comparing our online markets

Because we shop at similar online stores, Australian and New Zealand consumers are buying similar things online. Most sectors are growing in both countries, with the exception of daily deals, which are falling in both.

## Percentage of online spend by category

### Australia<sup>8</sup>

Department and variety stores	33%
Homewares and appliances	17%
Groceries and liquor	15%
Books, movies and music	12%
Fashion	11%
Personal and recreational goods	5%
Daily deals	3%
Toys and electronic games	3%

### New Zealand<sup>6</sup>

26%	Department and variety stores
15%	Groceries and liquor and specialised food
14%	Electrical and electronic including computers
14%	Recreation, books and entertainment media
12%	Fashion and accessories
9%	Furniture, homewares and hardware
6%	Pharmacy, stationery, antiques and flowers
5%	Daily sales



\*due to rounding, figures may not add up to 100%.

## Did you know?



The most common online purchases in New Zealand are electronic items, clothing and footwear, personal accessories, books and magazines.<sup>9</sup>

## Preferred online shopping devices<sup>9</sup>



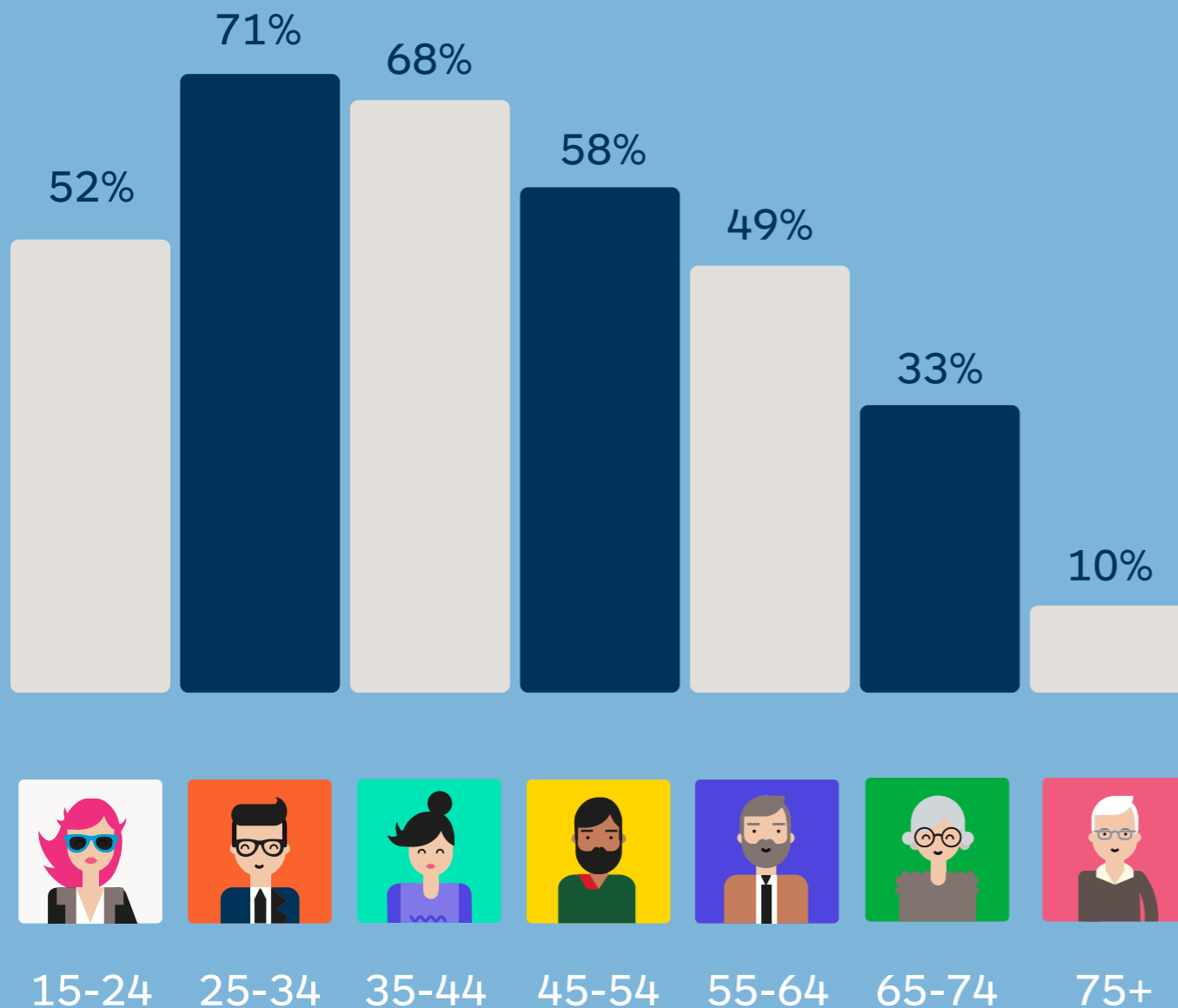
Key: **Australia** **New Zealand**

\*due to rounding, figures may not add up to 100%.

# New Zealand consumers

Let's look at New Zealand consumers more closely. Most Kiwis keep a close eye on household finances and will conduct research before making a purchase online. This usually involves reviewing discussion forums, price comparison and product review websites.

## Online purchasing by age group<sup>10</sup>



## Who's buying?



Younger consumers are clearly likely to be online shoppers.

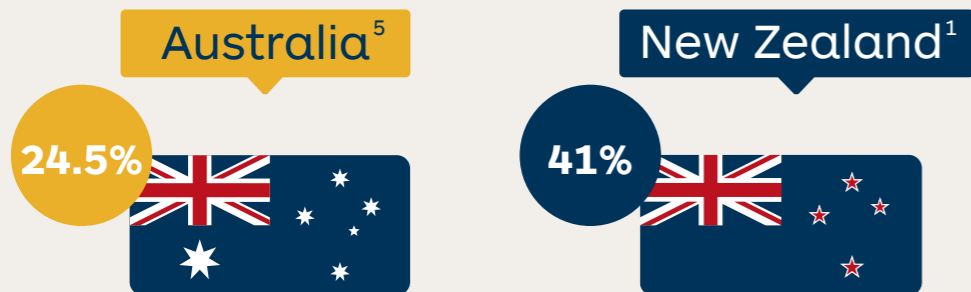


Consumers **over 65 years** old are a **growing category**. As older people become more tech-savvy, they are buying more online, especially from overseas retailers.

# New Zealand consumers

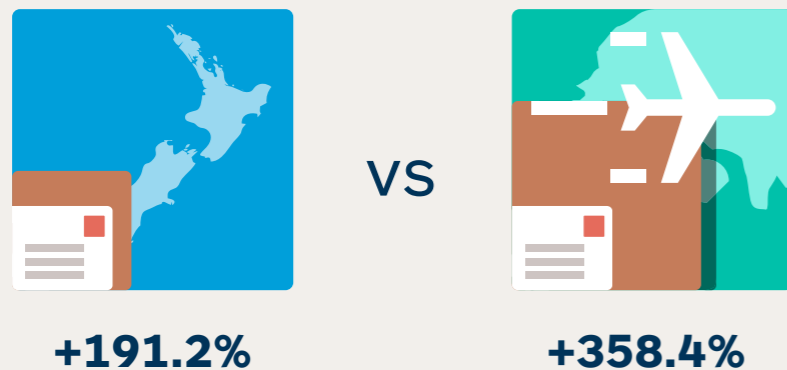
Nearly half of online purchases made by Kiwis are from overseas, and Australian retailers are perfectly positioned to sell to these consumers. Around 20% of Kiwis who shop online do so primarily because the range available is greater than that in their local area.<sup>11</sup>

## International online retailers' market share



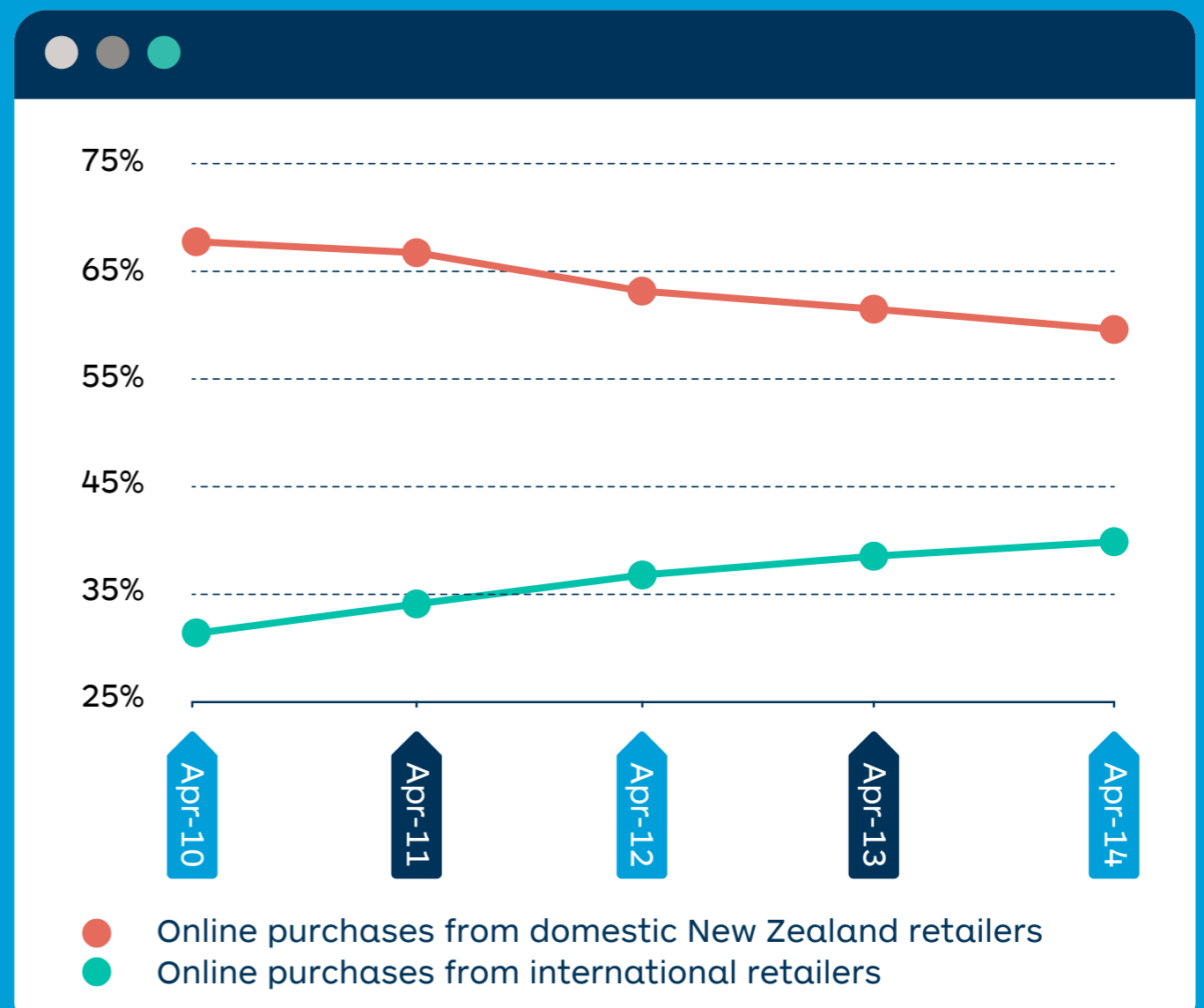
Kiwis spend proportionally more than Australians at international online retailers.

## Domestic vs international



From 2009 to 2014, international online retail grew far more than domestic online retail in New Zealand.<sup>12</sup>

## More Kiwis are shopping overseas

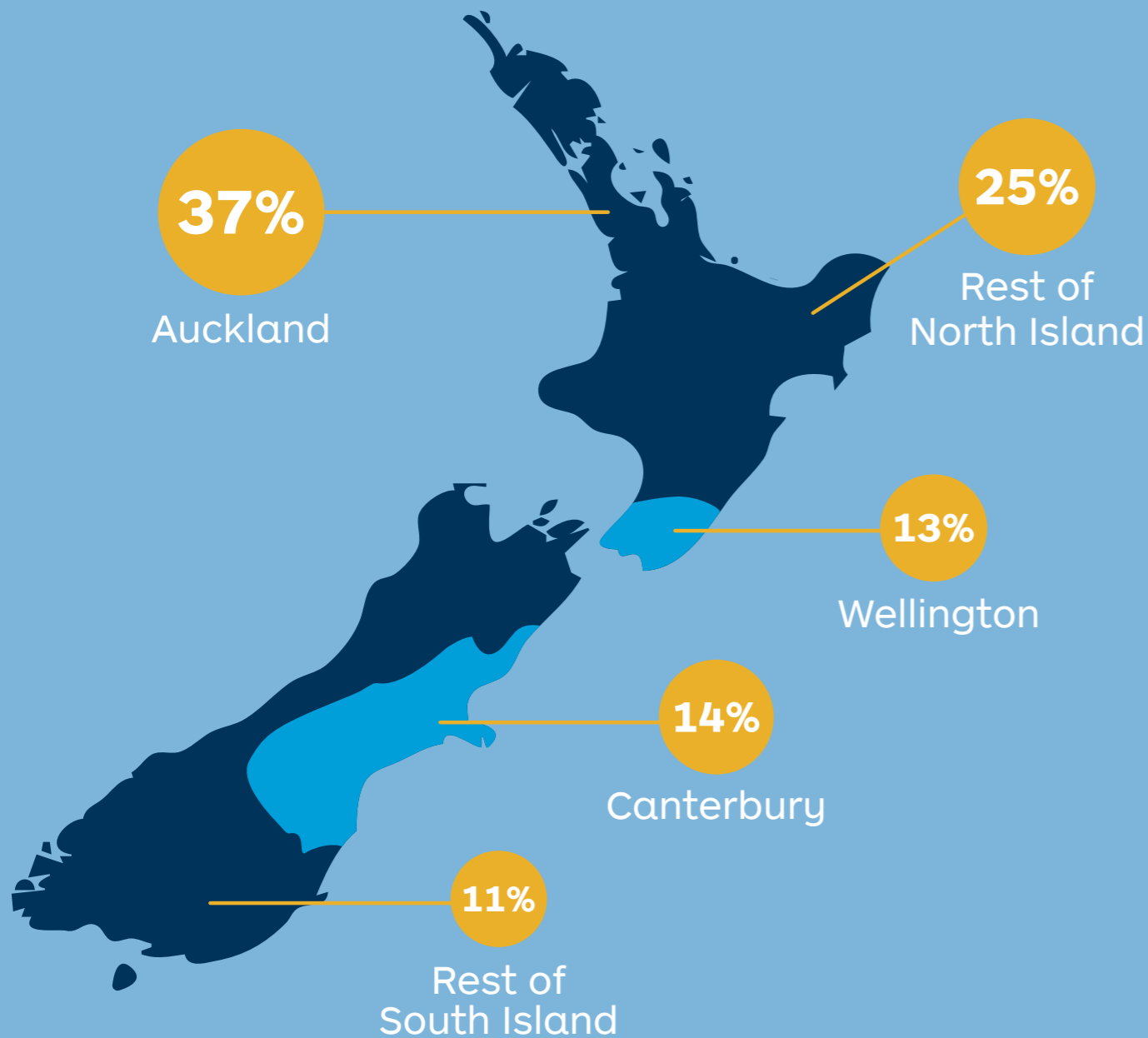


Despite the softening exchange rate, Kiwis clearly have an appetite for overseas goods.<sup>13</sup>

# Marketing to New Zealand

When deciding how to market to New Zealand customers, you may consider targeting a specific website or geographical area. At around 75%, the North Island accounts for the most spending, with Auckland spending the most of any city.<sup>13</sup>

## Share of spending by area<sup>13</sup>



## Where are the eyeballs?<sup>14</sup>

These are the top 10 visited sites in New Zealand



## Before you begin



Do your research



Develop your strategy



Confirm your logistics

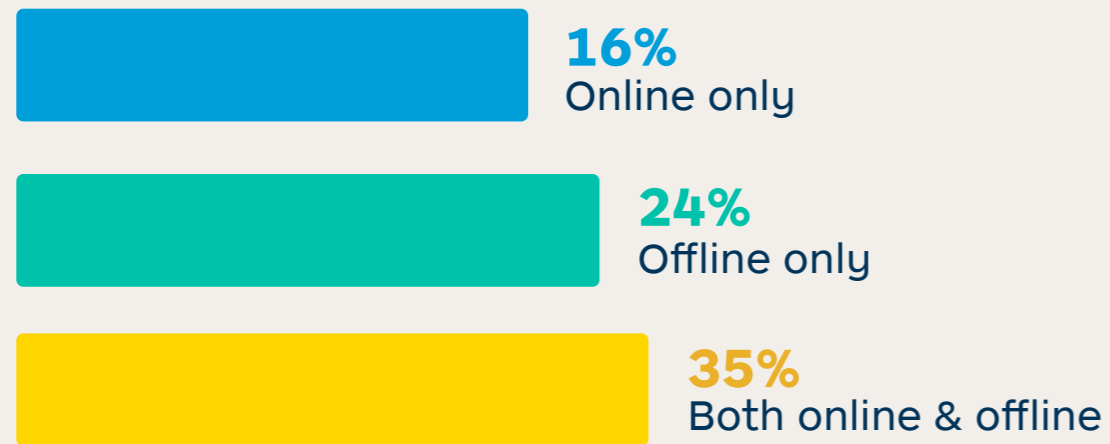


# Marketing to New Zealand

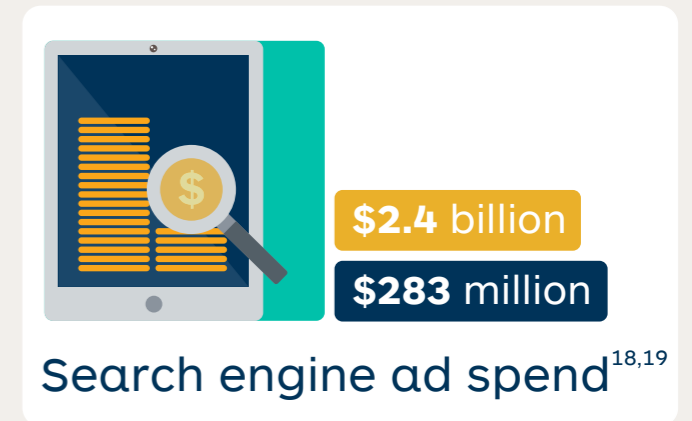
Kiwis research products online before buying, which drives conversion to both online and offline sales. Computers are still the most popular research tool, however smartphones and tablets are growing in use. Retailers can prepare for the future by optimising their site for a variety of screens and devices.

## Product research<sup>15</sup>

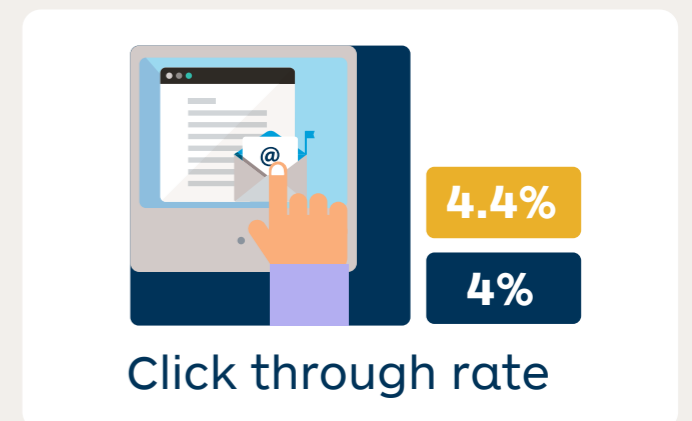
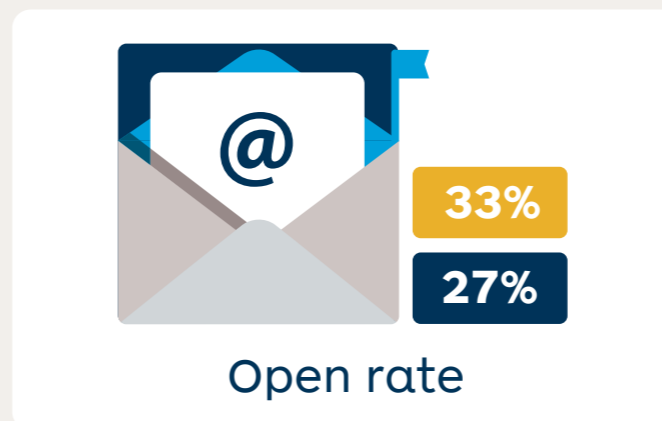
Kiwis rely on both online and offline sources before buying products.



## Australia vs New Zealand



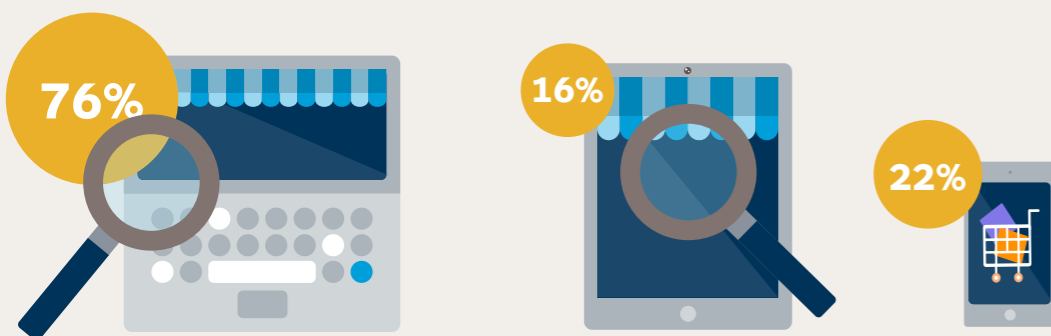
## Online retail email benchmarks<sup>20,21</sup>



Key: Australia New Zealand

## Multi-screen researchers

Computers are still the most popular device.<sup>15</sup>



Figures do not add up to 100%, as consumers use more than one device when researching.

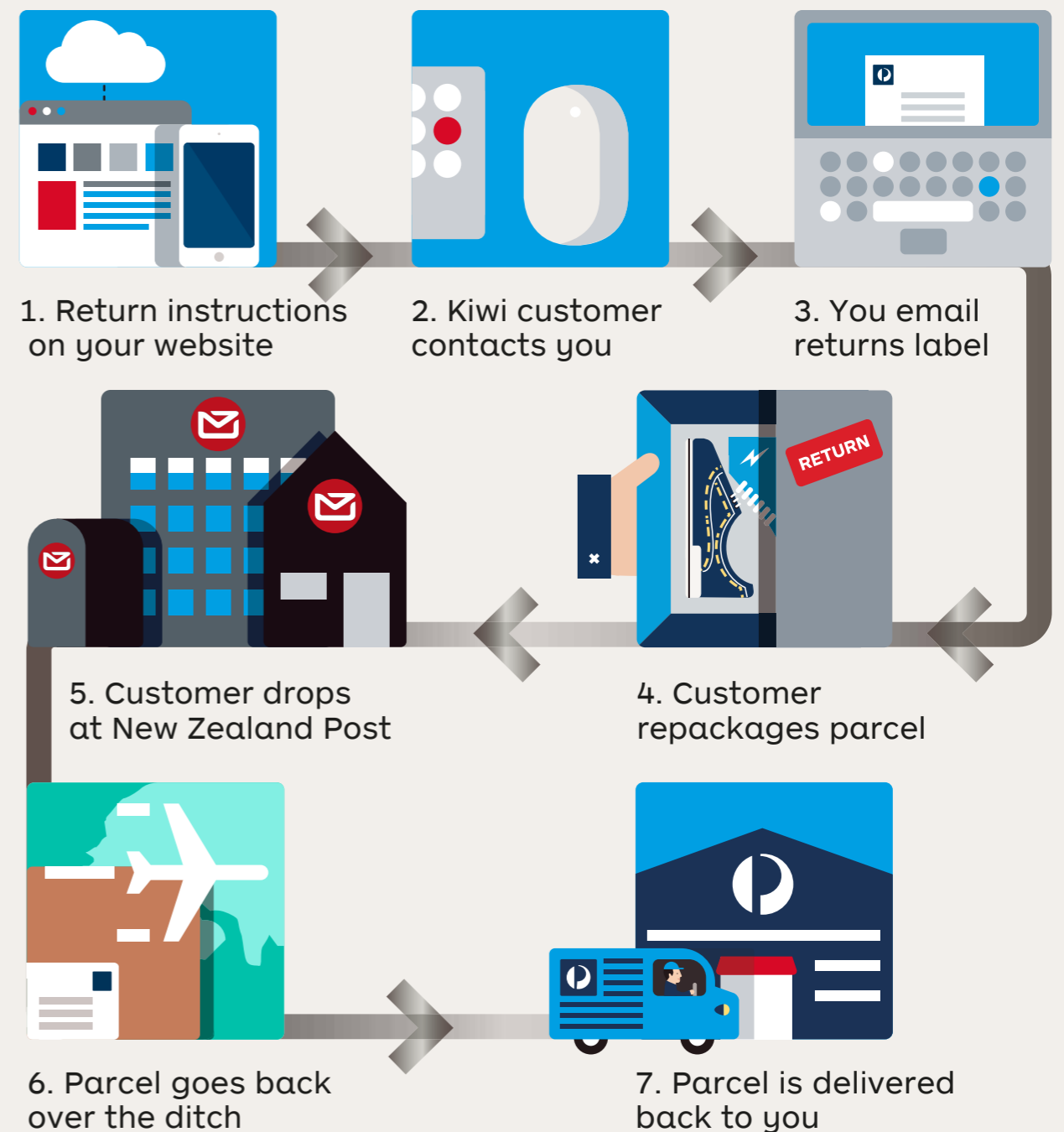
# Getting there

Thanks to our partnership with New Zealand Post, you can send your consignments to New Zealand with the same ease and control as your domestic freight. The StarTrack and Australia Post network takes care of your parcel on this side of the Tasman, and New Zealand Post takes care of the last mile delivery.

## Your parcel's journey



## Returns made easy



# Want to sell into New Zealand?

Thanks to the relationship between Australia Post and New Zealand Post, StarTrack can help you to:



1. Acquire customers in New Zealand through market insights and customer data.



2. Reach Kiwi consumers through direct marketing and fulfilment capabilities.



3. Deliver and return to New Zealand through our international parcel delivery solutions.

Call StarTrack today  
on 13 2345



A business of Australia Post

# References

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