International Post Corporation

New research by NZ Post shows online shopping grew 105% in Alert Level 3

05-08-2020

New research by NZ Post into how the COVID-19 response has impacted the way Kiwis shop online, shows online shopping increased 105%* when the country moved into Alert Level 3, and may have changed the way Kiwis shop permanently.

Online spend peaked in late April, with New Zealanders spending over $200 million online as the country moved to Alert Level 3, and online retail reopened, according to NZ Post's new eCommerce Spotlight research, conducted with Datamine. In Alert Level 3 shoppers could also have their 'non-essential' items purchased during Lockdown, delivered. This resulted in NZ Post receiving over 3.5 million parcels in the first two weeks of Alert Level 3 – about 200 parcels per minute.

"While this surge dropped off as life started to return to normal and more 'bricks and mortar' shops began to open, online shopping remains about 30% up on this time last year, with early indications signalling that COVID-19 has forever changed the way Kiwis shop," says Chris Wong, General Manager of Business Marketing, NZ Post. "Buying your groceries and other everyday items online and having them delivered has become the new norm for many.

"Not being able to pop out to the shops meant that Kiwis looked online if there was something they needed, or wanted, to buy. Our research shows over 170,000 adult New Zealanders shopped online for the first time during the first six months of 2020. We saw people in the 60 plus age category take to online shopping, with a 62% increase in this group shopping online for just the month of May*.

"One of the trends Kiwi retailers will be most happy about has been the continuation to buy local, with domestic online sales making up 71% of all online shopping. This is a trend that we expect to see in the months ahead, particularly as the rest of the world continues to deal with the pandemic."

NZ Post is the largest delivery business for online shopping in New Zealand. "We've undertaken this research because NZ Post is committed to helping New Zealand businesses grow and strengthen their eCommerce presence," says Wong.

To meet the continued growth in online

shopping, and to help New Zealand businesses grow, NZ Post has recently announced a ten year $170 million investment programme on infrastructure. The programme has begun with construction of a new 'super depot' for parcels, in Grenada, Wellington, due to open in 2022. NZ Post plans to invest around $18 million in the latest global technology for the super depot, that will sort and scan parcels at a much faster rate.

Further insights from the Spotlight report show:

Total online spend across the whole of Level 3 was 83% up on spend in same period in 2019.
$107 average spend per transactions.
In May there were nearly 1.5m Kiwis shopping online, that's 28% more than in May 2019.

During Level 3, average weekly online spend on Speciality Food, Groceries & Liquor increased by more than 105% over a year ago, Homeware, Appliances & Electronics increased 135% and Clothing & Footwear increased by 62%.
The eCommerce Spotlight report and full findings can be found here thefulldownload.co.nz/covid-spotlight

The Full Download report into eCommerce trends from 2019 can be found here thefulldownload.co.nz/

Interviews with Chris Wong, General Manager of Business Marketing available on request. Please email to book.

*Compared to the same period in 2019.

Source: New Zealand Post

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