

NZ Post research shows Kiwis spent \$1.6 billion online this quarter, down 4 percent on the same period last year

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NZ Post's latest Spotlight report shows Kiwis spent \$1.6 billion online on physical goods in the second quarter of 2022 (Q2 2022), down 4 percent on the same quarter in 2021.

NZ Post General Manager of Business Marketing Chris Wong says we need to consider the decline in online spending in the context of the wider economic and retail environment.

"The 4 percent decline we are seeing in spending this quarter is likely the result of retail shoppers feeling the bite of our economic reality and it's reducing their ability and willingness to spend – both online and instore," Wong said. "But when we compare these trends to pre-pandemic data, we see that online shopping has grown at a phenomenal rate over the last 30 months or so, fuelled by new shopper habits established when

COVID restricted our ability to shop in stores. Comparing Q2 2022 to pre-pandemic days, we see online sales up 52 percent on Q2 2019," Wong said.

"Online spending has fared comparatively well to other channels, reinforcing that online shoppers are not making the switch back to instore, but they are tightening their

purse," Wong said.

"Kiwis are also continuing to make the positive choice to buy local. 75 percent of spending online in Q2 2022 was with NZ-based retailers, up from 71 percent a year ago," Wong said.

"Our latest eCommerce Spotlight report also shows shoppers moving away from non-essential spending. The largest online sector - Speciality Food, Groceries and Liquor held its ground online (0 percent spend decline on Q2 2021). Within the sector, however, we see two different stories. The grocery store/supermarket sub-sector saw a 14 percent rise in online shopping spend. Contrast this with liquor stores which saw a 10 percent decline in spend. Shoppers are clearly putting less liquor in their basket or substituting products with lower priced items," Wong said.

"Health & Beauty was the only online sector to show spend growth in the last quarter, up 4 percent on Q2 2021, driven by pharmacy and medical spend in a period of COVID and

flu sickness," Wong said.

"Discretionary spend sectors like Department, Variety & Misc. Retail (down 12 percent), and Recreation, Entertainment, Books & Stationery (down 10 percent) experienced the largest declines in online sector spend compared to Q2 2021," Wong said.

"Looking beyond the last year, Q2 2022's online transaction volumes were up 28 percent, with basket size up 19 percent, compared to pre-pandemic Q2 2019. There's no doubt, despite a short-term decline in growth, that online shopping is still in a strong position," Wong said.

Source: [NZ Post](#)