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RETAILERS LOOK FORWARD TO POSITIVE CHRISTMAS - BUT PRICES MAY START RISING

Retail NZ's Retail Radar report shows that online shopping continues to grow at a far greater rate than other shopping categories, but retailers across the board are looking forward to a positive Christmas as the shopping pace increases in the lead-up to 25 December.

“Retailers reported steady, but mixed results in the last quarter, with 18 per cent exceeding sales targets, 42 per cent meeting them, and 40 per cent not hitting targets,” Retail NZ General Manager Public Affairs Greg Harford said today. “Retailers are more optimistic about next quarter’s results, with 85 per cent expecting to meet or exceed their sales targets. Christmas shopping and Boxing Day sales will be key drivers of this optimism, as consumers gear up for a bumper shopping season.

“The New Zealand dollar has fallen substantially against the US dollar over the course of the year. Retailers have generally been holding prices, but 42 per cent are now expecting prices to start increasing in the next quarter. It’s a good time to buy, as the movement in the dollar means prices will be starting to creep up over the next 3-6 months.

“New Zealand retailers continue to face strong competition from global e-commerce websites that are advantaged by not having to charge GST on purchases made by New Zealanders. The value of domestic online shopping has increased by 7.4 per cent over the last quarter, but purchases on foreign websites are excluded from the statistics.”

The quarterly Retail Radar report (attached) can be found at <http://www.retail.kiwi/advisory/retail-radar>.

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