



NAB Online Retail Sales Index

Monthly update – March 2015

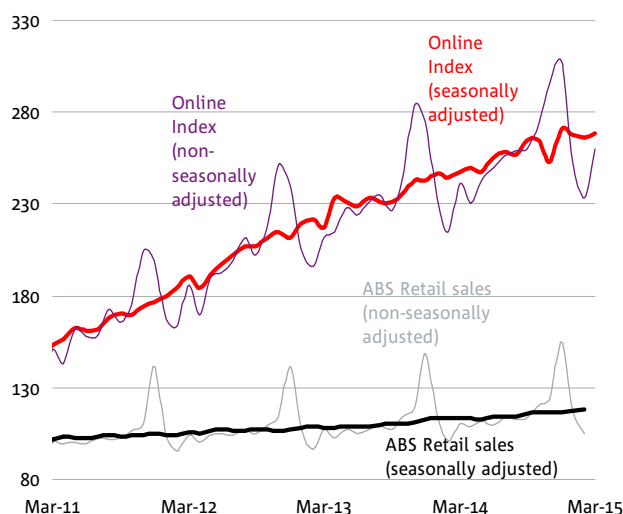
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Online sales rise 0.8 per cent in March 2015

- The latest nab online retail sales index shows sales experienced growth of 0.8% in March, seasonally adjusted. At 0.3%, the trend estimate for Online retail sales slowed relative to February, but remained positive. We estimate that online sales are now 8.0% higher compared to a year ago.
- ABS data showed growth of comparable traditional retailers (ex. Cafes and Restaurants) in February to be 0.9% (mom, s.a.) higher than January, and 4.3% higher than a year ago.
- Based on online sales growth of 0.8% in March, it is likely that traditional retail sales will record lower monthly and yearly growth rates in March.
- In dollar terms, we estimate Australians spent \$16.8 billion on online retail in the 12 months to March 2015. This level is equivalent to 6.9% of spending at traditional bricks & mortar retailers as measured by the ABS (excluding cafés, restaurants and takeaway food, to create a like-for-like comparison) in the 12 months to February 2015.
- All categories except Daily Deals recorded growth in March, with growth in Personal and Recreational goods accelerating. Electronic Games and Toys, experienced a significant decline in growth (8.2% yoy March vs 21.6% yoy February) though this segment is a relatively small share of spend and its growth rate is typically more volatile than other categories. For other categories, though slowing in year on year terms, Media and Homeware have maintained double digit growth, followed by high single growth estimates for Grocery and Liquor, and Department stores. Online fashion is much more subdued with a low single digit estimate for March.

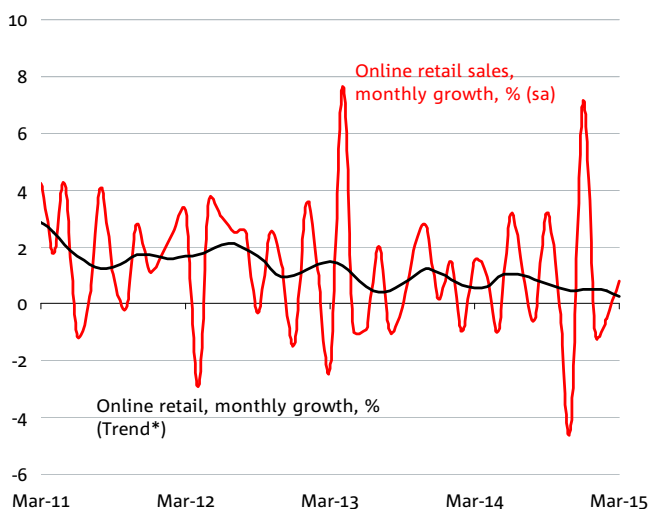
The online index rises in March

Index - Online Retail vs. ABS Retail Sales (Jan 2010 =100)



Seasonally adjusted growth up in March, trend slower

Growth in Online Retail (% mom)



Online retail statistics

	Year-on-year growth (% nsa)		
	Jan-15	Feb-15	Mar-15
Online index	9.0	8.8	8.0
ABS Retail	3.7	4.3	N/A

	Month-on-month growth (%)		
	Jan-15	Feb-15	Mar-15
Online (s.a)	-1.2	-0.5	0.8
Online Trend*	0.5	0.5	0.3

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*Data is seasonally adjusted (sa) where specified, with a leap year adjustment made for February 2012. Trend data is generated using the Henderson 13 term moving averages where specified. Non-seasonally adjusted (nsa) online sales data is produced by Quantum. Traditional retail sales data is sourced from the Australian Bureau of Statistics (ABS) and excludes cafés, restaurants and takeaway food.

Note: In this month's update we have moved to publishing the seasonally adjusted month on month change exclusive of a three month moving average. We have now incorporated the Henderson 13 term trend to replace the three month moving average. This makes the numbers more directly comparable to other publicly available series such as traditional retail sales seasonally adjusted and trend series.

The seasonal adjustment technique is used as a way of identifying changes beyond the repeated calendar events (such as Christmas trading, or the subsequent slowdown in January). These seasonal and trend patterns are re-estimated each time the series is analysed, i.e. monthly.

The Henderson 13 term trend estimate applied to the series is used as a way to understand what is happening to the series through time. This smoothes the results by avoiding over emphasis of a single month's result on a series which may be subject to 'noise' or high volatility. The trend we have applied to the series is a symmetrically weighted trend technique, with the exception of the final six months where a different set of weights are applied as per the Henderson technique. For this reason, revisions in the trend series typically affect the most recent months as more recent 'new' data changes their position in the time series.

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