



Local Survey Reveals Impact of Govt's Proposed GST on Online Purchases

Media release 18th August 2015 by Chris Palmer, Marketing Director, [PriceMe](#)

The growth of online shopping by Kiwis has been a constant feature of the overall retail landscape for some years now, and it appears there are no signs of it slowing down. The recent survey of 725 shoppers that use comparison shopping site PriceMe provides some great news for retailers, indicating there's still significant growth opportunities in the online and mobile commerce space, and that the majority of NZ consumers want to support local retailers.

Comparison Shopping

There's been an increase in the number of shoppers using comparison shopping websites to research products and prices prior to purchase. Just over 58% of survey respondents confirmed they used a comparison shopping site within the last week, and 89% of those shoppers who clicked through to purchase a product that best suited their budget or need, did so with a NZ retailer.

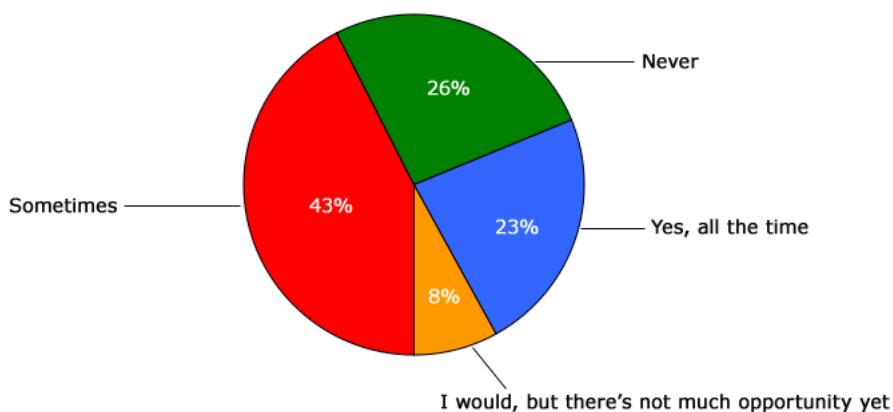
What are Some Shopping Decision Drivers ?

To understand what drives shoppers to choose a product from a particular retailer is one of the biggest ponderables every retailer is trying to solve. Our survey respondents help shed some light on this with 49% saying that **price** is the most important factor in their purchasing decision, followed by 22% of respondents saying that buying a **reputable brand** was the most important deciding factor, and 14% of shoppers said that buying from a **reputable retailer** was the most important factor during their buying decision.

Mobile Commerce

There appears to still be plenty of room for growth in the NZ mobile commerce space as only 43% of respondents say they use their mobile device to "sometimes" make purchases, with 23% saying they always use their mobiles for shopping. This leaves a significant 34% of shoppers who are still not using their mobiles to research and buy stuff.

Do you use your smartphone or tablet to make purchases online?



Source: PriceMe

Some of the reasons given by respondents who are not using mobile devices for shopping is their concern about online security (39%), 21% said they found check-out and the time it took to make a purchase from their phone or tablet off-putting, and 17% said they found that a lot of websites are not mobile-friendly.

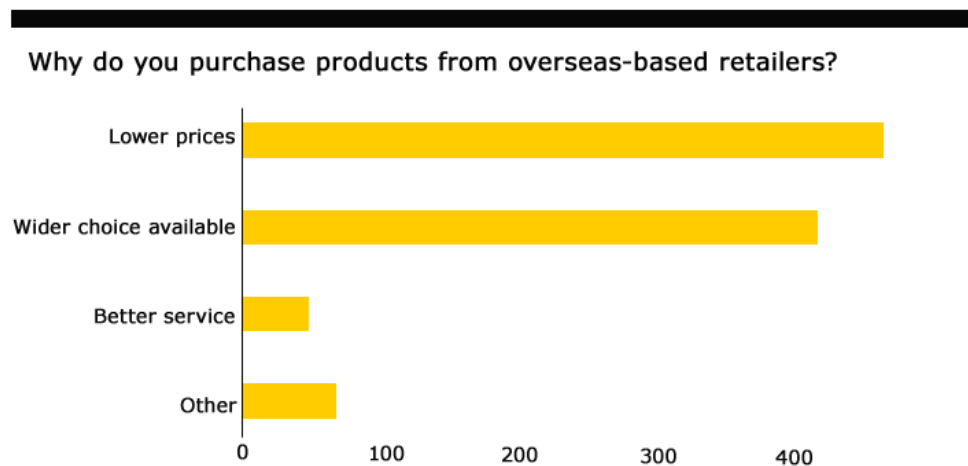
What Impact is Social Media having on Shopping Behaviour ?

Asked if they have been influenced about purchasing or not by something they've read on social media – 53% of respondents confirmed they have been, with only 30% saying they have posted a positive or negative comment about their shopping experiences to a social network site.

Shopping from Overseas vs NZ Retailers

Local retailers can take heart that 89% of those polled said that the majority of the online purchases they made were from NZ-based retailers. Only 18% of respondents shopped with overseas-based retailers on a regular weekly/monthly basis, with the majority (66%) saying they only purchased from overseas-based retailers a few times per year. 16% of respondents said they never buy from overseas-based retailers.

When asked the reason why they didn't buy from overseas-based retailers, 52% of respondents said they preferred to support local retailers, 38% were concerned about the lack of quality service/after-sales service, 35% were concerned about online payment security, 28% were concerned about long delivery times and 17% of respondents thought that overseas prices were similar to what they could buy the same item from a NZ retailer.



Source: PriceMe

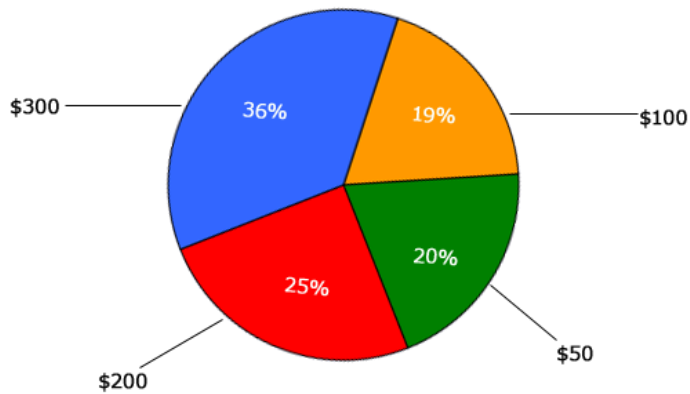
Of those shoppers that did buy from overseas-based retailers, 67% said they did so because they could buy products cheaper than from NZ-based retailers and 61% said they browsed overseas-based online stores because they offered a wider choice of products. A small number of respondents (7%) said they bought from overseas-based retailers because they provided better service than local retailers.

Shoppers Response to Govt adding gst on Products Under \$400 from Overseas Retailers

This is a very topical issue at present, with the Govt coming under pressure from retailers to change the law so that we all pay gst on everything we buy online, irrespective of where it's purchased from. 63% of shoppers who had purchased from overseas-based retailers said they would still have

purchased the product even with additional gst, and 30% of respondents said they would not have bought the product if gst were added to the price.

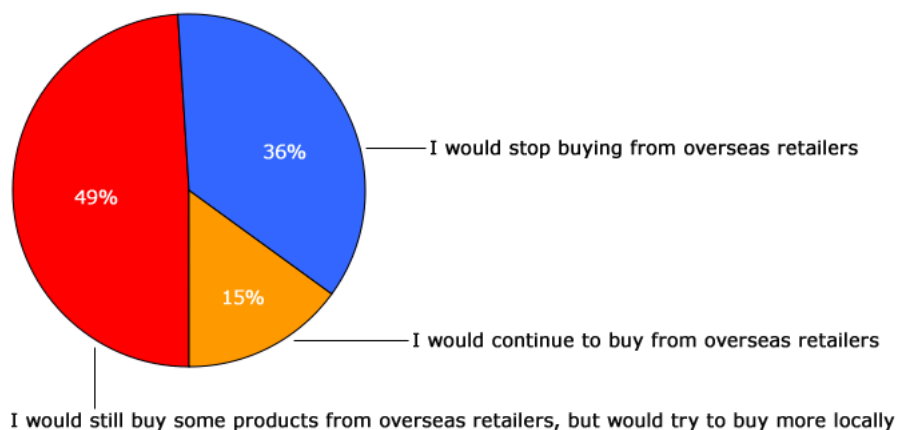
At what lower price threshold would you change your behaviour?



Source: PriceMe

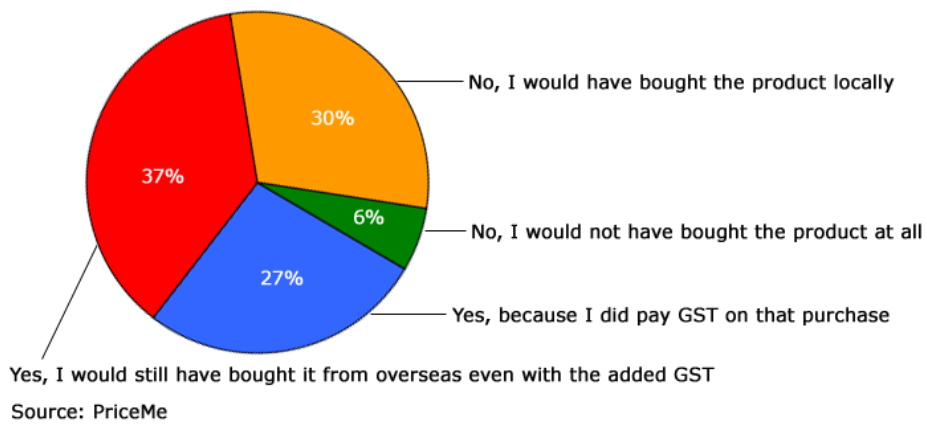
If the Govt. introduced gst for products under \$400 from overseas-based retailers, 15% of respondents said they would stop buying from overseas retailers, 36% said they would still continue to buy from overseas regardless and 49% said they would still buy some products from overseas, but would try to buy more locally.

The Govt. is considering adding GST to overseas-based online purchases under the current \$400 threshold. How would this affect your online shopping behaviour?



Source: PriceMe

If GST had been collected on that transaction, would you still have purchased from overseas?



About the 2015 PriceMe User Survey

The 2015 [PriceMe](#) User Survey is conducted in collaboration with Massey Business School, and provides a snapshot of current online shopping behaviour in New Zealand. The figures quoted in this report are collated from the 725 PriceMe-users that participated in the survey (57% male/43% female) from 24th June to 16th July 2015.

End