



Inside Australian Online Shopping eCommerce update

Released: August 2021

eCommerce continues to grow in July.

Online shopping has maintained its momentum with purchases up 26.9% year-on-year (YOY) for the 12 months to 31 July 2021. When we look at growth for the month of July alone, we saw an increase of 7.4% compared to the same month last year.

Driving this strong growth were 5.6 million households who made a purchase online throughout the month. In the last 12 months, December was the only month that saw more households shopping online.

State overview

Online shopping in New South Wales, Western Australia and the Northern Territory all grew over 10% YOY. NSW was the fastest growing state in the country with growth of 36.5% YOY in the month of July.

In comparison, Victoria saw a decline of 15.8% YOY. This result was influenced by the high growth figures seen during the state's second lockdown in 2020. Despite this decrease, when compared to July 2019, growth is still up more than 78% YOY.

26.9% YOY

online shopping growth in Australia
for the 12 months to 31 July 2021

5.6 million

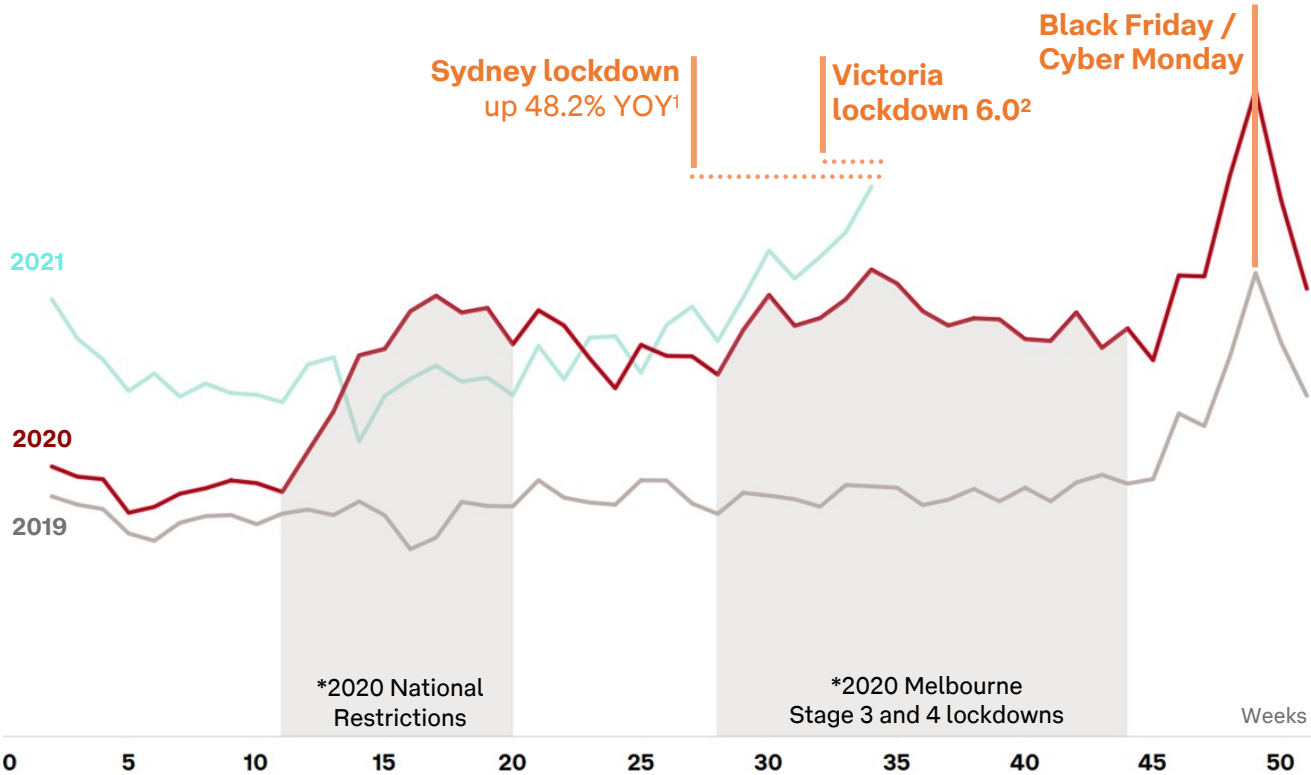
households purchased online in July
2021, up 4.9% from June 2021

NSW

online purchases grew 36.5% YOY in
July 2021 driven by COVID-19
restrictions

Online purchase acceleration is being driven by lockdowns.

Online shopping purchase volume: 2021 vs 2020



Biggest week to date

The seven days to 21 August was the largest eCommerce week in 2021 to date. NSW shoppers accounted for 41.7% of all purchases during that week, purchasing 1.7 times more than the same week in 2020.

Sydney lockdown

The ongoing stay at home orders in a number of local government areas in NSW, pushed national online purchases up 12.6% YOY from 27 June to 21 August. During this eight-week period, online shopping in NSW grew 48.2% YOY.

¹Reference period: 27 June to 14 August 2021 inclusive

Victoria lockdown 6.0

As Victoria’s lockdown was extended, online shopping grew 14.5% week-on-week in the seven days to 21 August.²

²Reference period: 15 August to 21 August 2021 inclusive to previous 7 days in 2021

* COVID-19 restrictions in place during the same period in 2020

Online's share of total retail remains strong.

Online share of retail has remained stable at 16.3% in FY21.^{4,5} With restrictions in place for the majority of the population in July and August, we anticipate this figure will increase.

Overall, retail has seen turbulent growth due to the impacts of the global pandemic and state restrictions. Despite these challenges, retail turnover for the 2020-21 financial year (where cafes and restaurants are excluded) grew by 9.5% YOY, up from 4.9% in FY20.⁵

Online share of total retail spend

16.3%

Up from 11.3% in 2019^{4,5}

Online goods spend

\$52.1Bn

Up 30.8% YOY⁴



⁴Online Physical Goods Index (produced by Quantum), June 2021

⁵ABS Retail Trade s.a. excluding cafés, restaurants and takeaway food services, June 2021

Young shoppers are interested in buying sustainably.

In 2021, one-in-four online shoppers chose to purchase from one brand over another because of a brand's ethics and sustainability practices. Those aged 18-24 are 3.5 times more likely to have made this decision than those aged 60+.⁶

Among those shopping sustainably, over 50% said they had most recently done this when a brand's product was perceived to be more environmentally friendly or ethically sourced. Interestingly, 55% of respondents listed sustainable packaging as an important factor in their decision making.⁷

When asked if respondents would pay extra for sustainable packaging, those aged 18-24 were more receptive. Overall, three-in-five respondents said they'd be happy to pay extra depending on the cost. The average amount respondents were happy to pay was \$1.51.⁶

It's clear sustainability is becoming an increasingly important factor in purchasing decisions, and is something retailers should be thinking carefully about.

⁶Source: Australia Post Consumer Survey, n = 2,041 parcel receivers Sustainability Results, July 2021

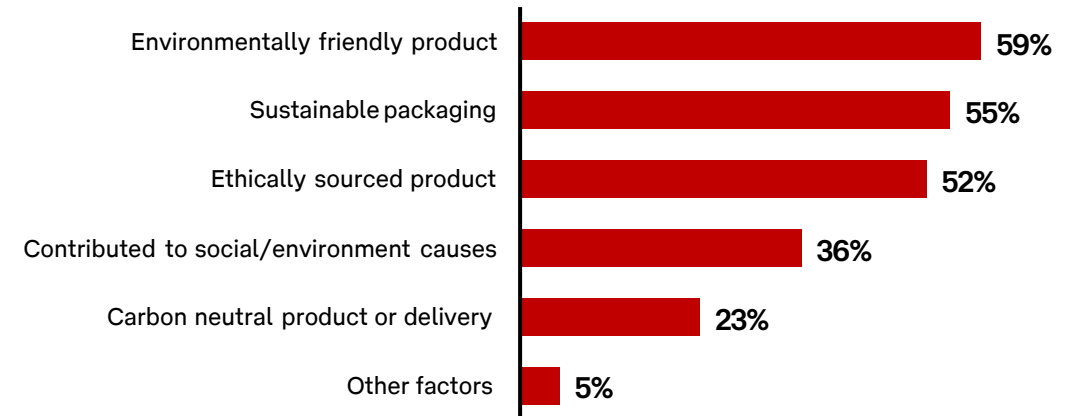
⁷Reason for buying sustainably, n = 512 respondents who made a sustainably related purchasing decision in 2021

1 in 4

Up from 1 in 5 in March 2021

online shoppers selected a brand due to ethics and sustainability practices⁶

Reasons for buying sustainably⁷



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This update has been prepared using 2019, 2020 and 2021 deliveries data recorded by the Australia Post Group, unless otherwise stated. Commentary in this update relating to online shopping is based on an extrapolation of this data. Year on year growth numbers are based on actual or extrapolated transaction volumes. Shoppers are measured as residential households that received an eCommerce parcel.

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