



Inside Australian Online Shopping update

September 2020

August 2020: A record breaker

August was a record month for eCommerce.

Online purchases were up 8.9% when compared to the 2019 pre-Christmas peak¹ and 5.8% higher than April 2020.

Nationally, online shopping growth for the month was 85.3% year-on-year (YOY).

In Victoria, online purchasing continued to accelerate as Stage 4 restrictions were introduced, with total purchase volume 21.2% higher than July.

Victoria had the highest share of online purchases at 37.7%, followed by New South Wales at 28.5%.

Not surprisingly, the top five online buying locations for the month were all postcodes in Victoria.

eCommerce growth

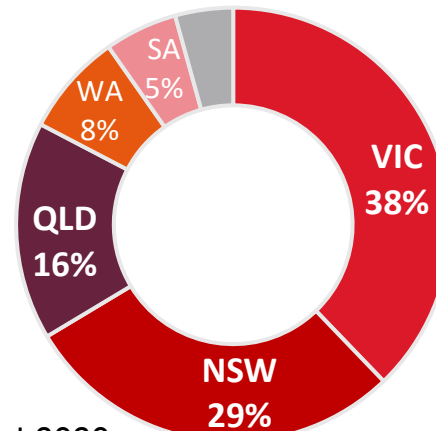


August online purchases, up 85.3% YOY

Online purchases in August were 8.9% higher than pre-Christmas peak

¹Pre-Christmas peak measured as the 31 days to 18 Dec 2019 inclusive.

State distribution of online purchases



August 2020

Top 5 online shopping destination by volume



- 1 Point Cook, VIC 3030
- 2 Cranbourne, VIC 3977
- 3 Hoppers Crossing, VIC 3029
- 4 Craigieburn, VIC 3064
- 5 Doreen, VIC 3754

August 2020

Online spend increases

April 2020 saw Australia's online goods spend almost double, with growth for the month up 95% YOY.¹ This is significant when, in the same month, total retail sales dropped by 2.5% YOY.²

In July, total retail sales were up 16% YOY, an increase of 3% when compared to June. Total online goods spend for the month landed at 66% growth YOY.

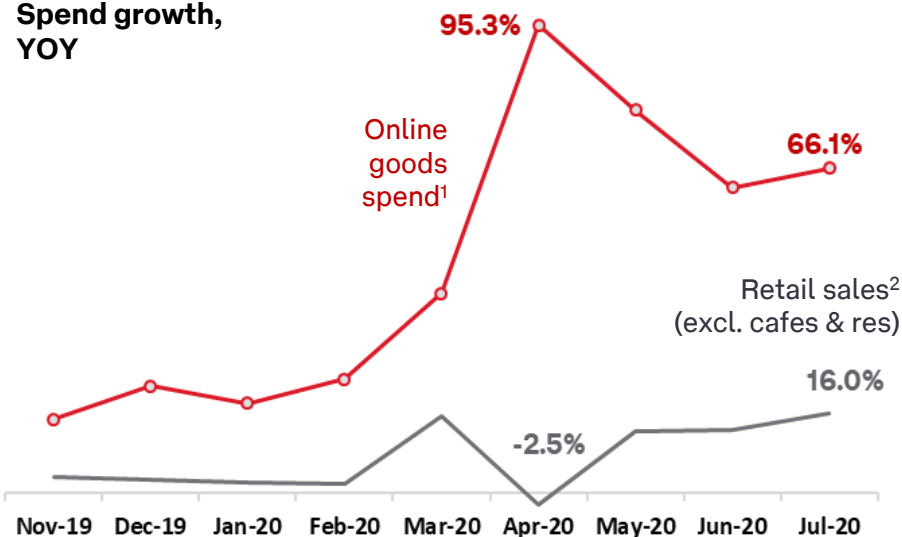
When online's share of total retail sales is considered, our research shows for the 12 months to 31 July 2020 the share is 14%. In comparison, the online share of total retail for 2019 calendar year was 11.3%.^{1,2}

Historically online's share of total retail has grown around one percentage point per annum, so a shift of 2.7 points in seven months is significant.

Online goods spend compared to retail sales



Spend growth, YOY



¹ Online Physical Goods Index (produced by Quantum), July 2020

² ABS retail turnover, seasonally adjusted excluding cafes & restaurants, July 2020

More households shopping online

Between March and August 2020, over 8.1 million households shopped online, an increase of 16% when compared to the same time last year.

Over this same period, more than 900,000 new households shopped online for the first time. That's 35.4% more than the same period in 2019.

What about the 200,000+ new shoppers in April?

April saw the highest influx of new shoppers at over 200 thousand households.

Over two-thirds (67%) of these households have continued to shop online in recent months. Interestingly, a quarter have become regular online shoppers, shopping twice or more per month on average.

March to August 2020

8.1m+
households
shopped online



↑ 16% YOY



900k+
new households
shopped online



↑ 35.4% YOY

Shopping somewhere new

Many online shoppers are trying new websites with one in five (22%) purchasing from a website for the first time in August 2020.¹

The most common reason for this was because the site had the particular product they were after, but other reasons included:²

- ✓ Prices were lower than other sites
- ✓ They are a trusted brand or are an Australian company
- ✓ They offered free returns or the shopper had purchased from their retail store previously.

54% of shoppers surveyed said they would buy from that website again. However, 46% were unsure or wouldn't shop again. This confirms just how important it is that a customer's first experience is a positive one.

Reason for purchasing from website for the first time²



Source: Australia Post Consumer Survey, August 2020:

¹Shopped online in the last month (n=1,792)

²Consumers who only started shopping at a site since COVID started (n=504)

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This update has been prepared using 2019 and 2020 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.

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