



Inside Australian Online Shopping eCommerce update

Released: September 2021

eCommerce in August sets a high bar for the rest of 2021.

August was a massive month for eCommerce in Australia. Purchases were 24% higher than August 2020 and on par with Christmas 2020.¹ The ever-increasing demand for online shopping pushed yearly growth to 23.4% in the 12 months to 31 August 2021.

State overview.

Every state saw positive year-on-year (YOY) growth in August except for Victoria. NSW was the fastest growing state for the month, growing 78.2% YOY and accounting for 41% of all online purchases. Considering NSW has 32% of Australia's population, the state is making 1.3 times more purchases compared with the rest of the country. The ACT was the next fastest growing state or territory with growth of 52.2% YOY.

Victoria continues to see YOY decline and was down 10.9% on August 2020. The state was in full lockdown in August 2020, indicating a decrease in online purchasing despite the same retail restrictions in place.

¹31 days to 19th December 2020, inclusive

23.4% YOY

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

New South Wales had

41%

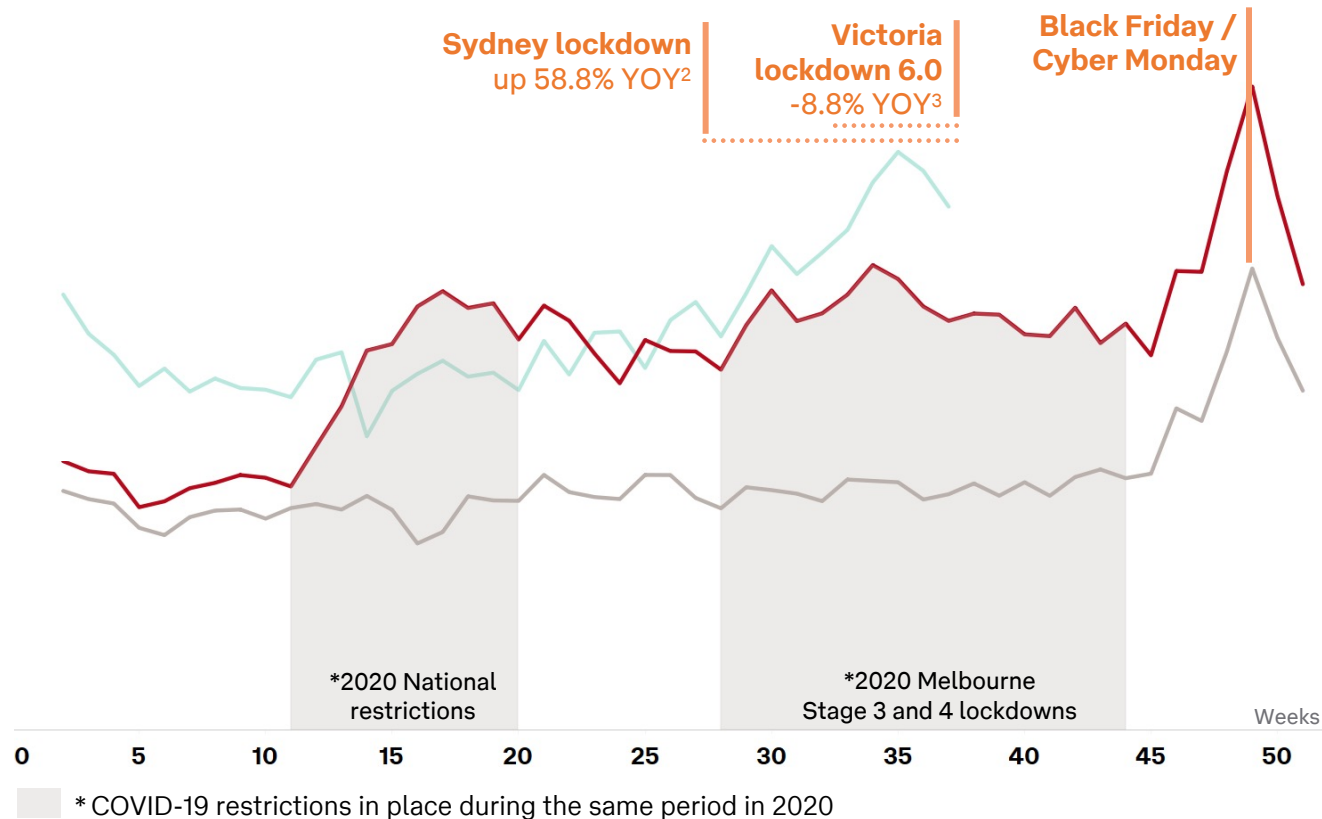
share of online purchases in August 2021.

NSW & ACT

online purchases grew over 78% and 52% YOY respectively.

Increased online shopping set to continue into the next quarter.

Online shopping purchase volume: 2021 vs 2020.



Sydney lockdown.

Shoppers in NSW have continued to buy online in record numbers, with the 11 weeks to 11 September seeing 58.8% YOY growth. Two in five online purchases were destined to NSW.²

² Reference period: 27 June to 11 September 2021 inclusive

Victoria lockdown 6.0.

Online shopping in Victoria has been trending below that of 2020, with the past six weeks declining by 8.8% YOY.³ More recently, in the fortnight to 11 September, purchase numbers have recovered - up 6.2% YOY.

³ Reference period: 5 August to 11 September 2021 inclusive

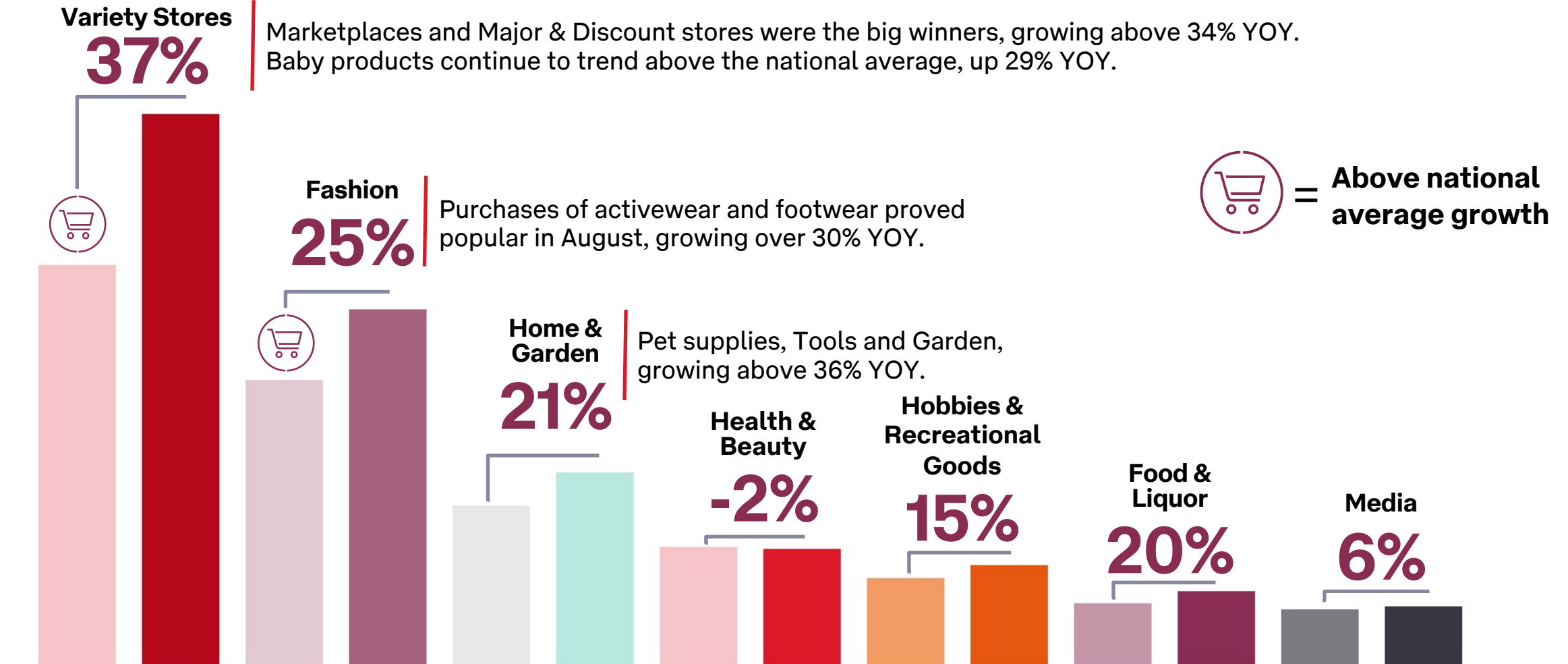
The lead up to Christmas.

With record numbers of people shopping online, Power Retail has reported that Australians will spend \$16.9bn in the December quarter.⁴ Assuming the trend continues, retailers can expect huge eCommerce volumes in the last quarter of 2021.

⁴ Australia Post and Power Retail Insights, August 2021

Australians are purchasing more across most categories.

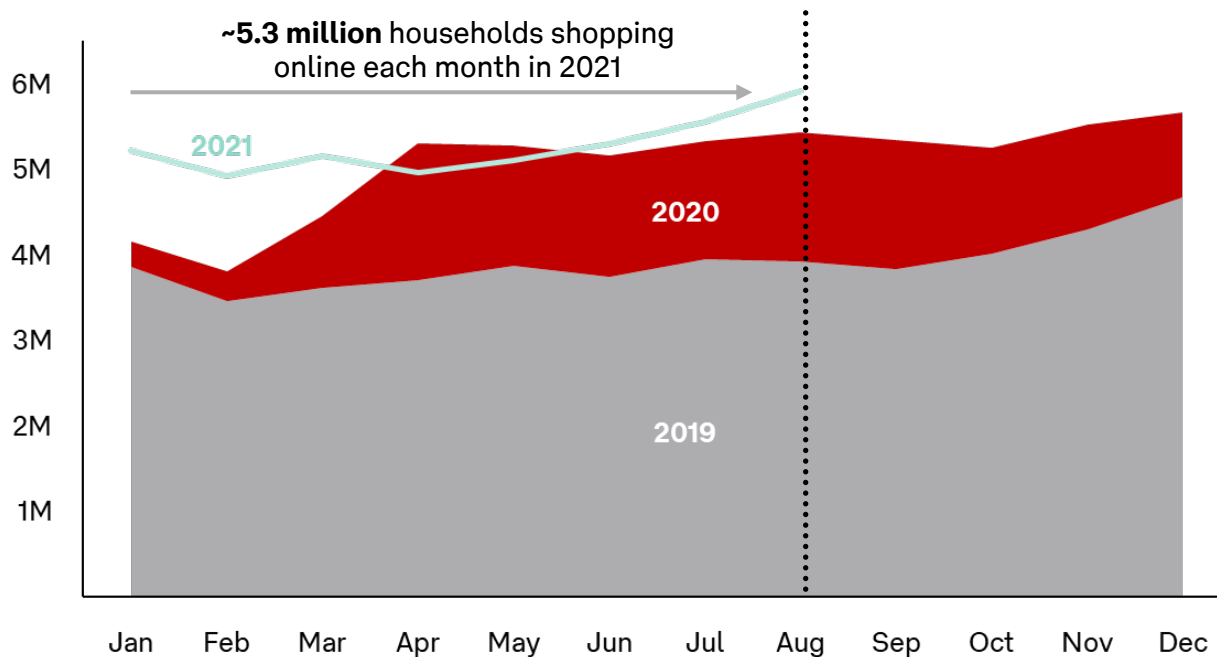
YOY growth by specialty retailers August 2021 vs 2020.



A record number of households shopped online in August.

The number of households shopping online in August surpassed 5.9 million for the first time ever, 1.5% higher than the Christmas rush in 2020.⁵ This has bumped the monthly average to 5.3 million households shopping every single month in 2021.

The yearly total now stands at 9.2 million unique Aussie households who've shopped online up to 31 August 2021.



⁵31 days to 19th December 2020, inclusive

9.2 million

households shopped online in the 12 months to 31 August 2021, up 4.3% YOY.

5.9 million

households shopped online in August 2021, a 6.5% increase from July.



Store closures aren't the only reason for unplanned purchases.

Online shoppers are unsurprisingly making more unplanned purchases than 12 months ago. In a recent survey:

- Over 37% of respondents said they're making either slightly more, or many more unplanned purchases, and
- only 9% of respondents are purchasing less.⁶

The main factor driving this shift are shoppers in New South Wales and Victoria. Over 40% of respondents from NSW have increased their unplanned purchases, with 39% of Victorian respondents saying the same.⁶

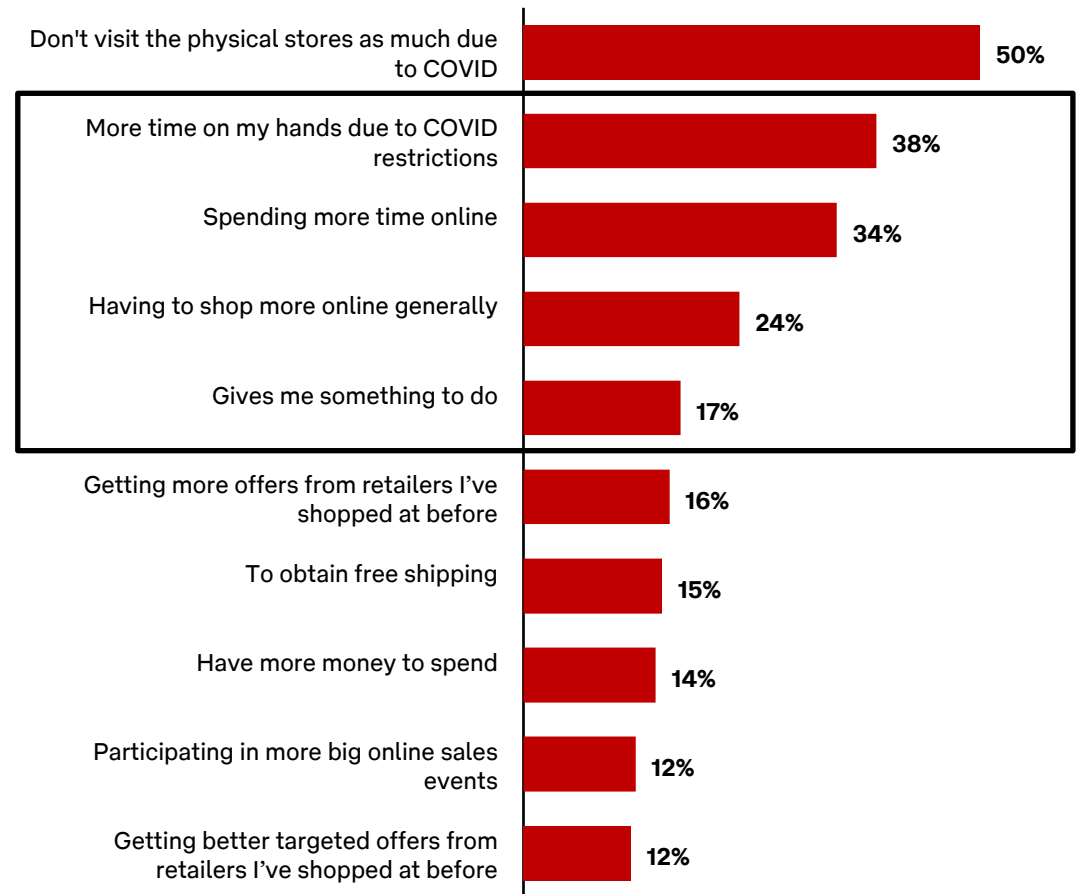
As expected, 'not being able to visit physical stores' is the main reason for unplanned purchasing, with **the next most popular reasons being 'more time on my hands' and 'spending more time online during lockdowns'**.⁷

Savvy retailers are aware of this with 16% of shoppers indicating they've been getting more offers from retailers they've previously shopped with, and 12% saying the offers are more targeted to their interests.⁷

⁶Source: Australia Post Consumer Survey, n = 1972 parcel receivers Unplanned Purchase Results, August 2021

⁷Reason for unplanned purchase, n = 724 respondents who increased number of unplanned purchases in last 12 months, August 2021

Reasons for unplanned purchase⁷



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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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