

## Hey big (online) spender...Aussies' online shopping baskets hit a record \$63.8 billion

22-03-2023

Australia Post today released its 2023 Inside Australian Online Shopping Report providing exclusive insight into what made Aussies hit 'add to cart' in the past year.[1]

According to the data, 9.4 million Australian households[2] shopped online in 2022, spending \$63.8 billion on online goods[3], meaning online shopping now makes up over 18 per cent of all retail sales.

This year, Aussies spent the most on home and garden (\$18.7 billion), a category which traditionally has more expensive items like furniture and electronic goods. However, the overall growth was driven by increased spend on food and liquor stores (\$13.1 billion with YoY growth of 11.4 per cent growth), as well as variety stores (\$11.6 billion with YoY growth of 8.6 per cent).

Across the country, Queenslanders got more comfy shopping online with the strongest YoY growth in number of online purchases than any other state (11.1 per cent), followed closely by West Australians (11.0 per cent YoY growth). Aussies in remote and regional Australia continued to embrace the online shopping trend, while, unsurprisingly, New South Wales, Victoria and the ACT came out of lockdown ready to spend big in store.

Australia Post Executive General Manager Parcel, Post and eCommerce services Gary Starr said that while eCommerce had moderated with the opening of stores, the shift in the way we work, live and shop is here to stay.

"Aussies' love affair with online shopping has

not waned, even with restrictions removed. One million more households are now shopping online compared to 2019, and 5.6 million households made an online purchase every month during the past year.

"Australians are shopping online more often, with 37 per cent shopping fortnightly compared to 20 per cent pre-COVID. The growth trend in online was steady prior to COVID-19 but spiked during restrictions, now it's showing a return to normal trend growth. By 2033, we expect around one in three dollars will be spent online," Mr Starr said.

While today's online shoppers are comfortable sharing their dollars across retailers, it's clear that cost-of-living pressures continue to take effect and overall consumers are more cautious in their spending, creating short-term headwinds for retailers in 2023.

MST Marquee Lead Analyst, Craig Woolford said the online environment makes it easy to cross shop and compare to find the best price which can reduce customer loyalty.

"What good online retailers are doing is trying to entice their customers to stay with their platform. That could be via a subscription or other forms of rewards and points to create loyalty, consistency and in return repeat purchases," Mr. Woolford said.

Australia Post is committed to supporting its customers and local businesses and has

invested further in new parcel facilities, fleet, and technology. Its focus on reimagining Post Offices will soon see some act as hubs for local

communities, with features such as parcel lockers and a dedicated retail space for local businesses to showcase their products.

Consumer needs are changing, and the nature of Australia Post's service needs to change with it.

### **Winning in eCommerce case study: PetCulture**

Australian pet ownership reached a record high during the pandemic and Australians now have the highest pet ownership in the world[4]. With two out of three Aussie households with a pet, it is no surprise that pet products was the largest growing online category in 2022.

With how often pet owners need to replenish their pet's food and treats, this is an industry that benefits from subscription-based models. Woolworths and Petsure saw this opportunity and created PetCulture. Their subscription approach is a unique customer offering aimed at attracting and retaining customers.

Simon Smith, Leader of the Pack at Pet Culture offers the following tips for building an effective eCommerce subscription model:

#### **Make it flexible:**

Give shoppers confidence they aren't locked in. PetCulture's auto-delivery model allows customers to cancel or change their auto-delivery at any point. It can take a while to understand how often households are going to need pet food or treats, so allowing people to easily adjust the frequency is important.

#### **Make it easy to use:**

PetCulture has built a great site that's easy to use, putting a big a focus on how well it performs on mobile devices too.

#### **Stand out by adding value:**

Give customers extra value to stand out from competitors. In PetCulture's case it's a 10 per cent discount on recurring orders, bonus Aussie Hazard Cover for pets, access to free 24/7 vet advice and 2x Everyday Rewards points.

Source: [Australia Post](#)