International Post Corporation

Pandemic fuels Australian online shopping boom

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Australians shopped up a storm online last year, with growth in eCommerce up more than 57 per cent from the previous year as the COVID-19 pandemic pushed the industry into overdrive and triggered years of growth in a compressed 12-month period.

Australia Post's 2021 Inside Australian Online Shopping report, released today, provides a detailed look at the key insights and trends that emerged during 2020.

With many bricks and mortar outlets closing due to COVID-19 restrictions, and Australians spending more time at home, the shift to online shopping created a significant change for Australian eCommerce.

Australia Post General Manager Parcel and Express Services, Ben Franzi, said in 2020 online became an essential shopping channel.

"Australians spent an incredible $50.5 billion online last year, and eCommerce accounted for 16.3 per cent of total retail spend1.

"Almost nine million households across the country bought something online as people shopped for the things they needed, avoiding large shopping centres and other busy retail settings.

"More than 1.3 million of these households were first-time shoppers with 93 per cent of their initial purchases made between March and December," Mr Franzi continued.

Increased comfort and confidence buying online meant buying habits shifted significantly as the year progressed. New online shoppers became regular shoppers by year's end, while the more seasoned online shoppers ramped up the frequency of purchases.

"We found that of the 240,000 households who made an online purchase for the first time in April, half were regular shoppers by the end of the year after shopping online in at least three of the months between May and December," said Mr Franzi.

"When it comes to seasoned shoppers, the average household increased its online shopping frequency by at least 10 purchases over the year and the range of categories and retailers they purchased from also expanded significantly.

"Shoppers are more engaged and comfortable buying online than ever before and this trend has continued into 2021. We're seeing around five million households continue to buy on a monthly basis which is

1.1 million more than the average in 2019," Mr Franzi concluded.

Across the country in 2020, every State and Territory recorded double digit growth. Victoria, which spent more time in lockdown than the rest of the country, led the way with year-on-year (YOY) purchase growth of 82 per cent, followed by New South Wales with 50.5 per cent.

Leading categories were Food and Liquor and Home & Garden products, each up 77 per cent and 70 per cent YOY respectively, as people spent more days at home and invested their time on domestic projects.

Point Cook in Melbourne's West was the top online shopping location nationally for the sixth year running. The biggest mover in the top 10 was Doreen in Melbourne's outer North, climbing 13 places in 12 months to take the number five spot.

The 2020 Inside Australian Online Shopping Report is available for download at auspost.com.au/einsights.

Online Physical Goods Index (produced by Quantium), and ABS Retail Trade s.a. excluding cafés, restaurants and takeaway food services, Feb 2021.

Source: Australia Post

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