

Retail therapy: affordable fashion on the rise during cost-of living crunch

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Online shopping purchases remained steady but was spurred on by growing popularity of End of Financial Year sales. Affordable fashion is driving a 19.1% year-on-year jump in Fashion and Apparel, despite a national household spending slowdown 5.7 million households made an online purchase every month in FYQ4, up 3.8% compared to the same period of 2023.

Australians are turning to affordable retail therapy despite household spending slowing across the nation¹, according to Australia Post's latest quarterly Inside Australian Online Shopping Report.

Shopping for Fashion and Apparel has spiked in FYQ4 with the number of online purchases up 19.1% on last year. Overall, online purchases grew by 2% in the past year which was partially driven by the continued popularity of key sales events like the End of Financial Year, where spending grew by 4.4% compared to the same period last year (17 to 30 June).

Health and Beauty and Hobbies and Recreation has also increased by 6% and 1.3% respectively, however a reduction in basket size by 2.6% year-on-year² suggests that despite parcel volume growth, shoppers are opting for more frequent but less expensive purchases.

Across the country, Tasmania saw the strongest growth in online purchases year-on-year at 8.1% followed by the Northern Territory (6.7%) and Queensland (5%).

Australia Post Executive General Manager, Parcel, Post and eCommerce Services Gary Starr said online shopping continued to be a growing preference for Aussies who were looking to combat the cost-of-living crunch.

"While Aussies are looking to stay on-trend, they are also looking to stay on-budget, with affordable fashion driving sales. Household spending data shows that Australians are being careful with how they spend their money, and we're seeing online shopping help them manage costs and shop strategically for affordable items. As eCommerce volumes continue to rise, we know shoppers are taking advantage of sales, managing the size of their baskets, and using online shopping to help compare

costs.

“Retailers should note that while overall spending may be down, there are still plenty of opportunities to connect with their customers online – particularly during sales periods.” Mr Starr said.

Learn more about these trends and access data and insights about Aussies and what

they’re searching for by visiting the Australia Post Quarterly Online Shopping Report:
<https://auspost.com/einsights>.

1 Australia Post Annual Inside Australian Online Shopping Report 2024

2 Commbank IQ: ATS compared to last 12 months ending May 2024.

Source: [Australia Post](#)