

# 2023 Inside Australian Online Shopping



## About this report



# Welcome to the 8th edition of the Inside Australian Online Shopping Report. An in-depth study into consumer buying behaviour and trends.

To provide insights into the current and future state of commerce, this report uses information from a range of sources including delivery data from the Australia Post Group.

Contents

# What’s in-store

|          |   |
|----------|---|
| Contents | 3 |
|----------|---|

State of Commerce

Future of eCommerce

Winning in eCommerce

Specialty Retailer Insights



## Foreword

# Welcome to the 2023 Australia Post eCommerce Industry report

**In 2022, we saw a period of stabilisation in eCommerce activity after a number of years of significant growth. Without lockdowns and restrictions, Australians returned to physical stores in strong numbers, however, it's clear that the fundamental shifts in the way we live, work and shop that occurred during the pandemic are here to stay.**

Throughout the year, 9.4 million households in Australia made an online purchase, representing 82% of all households. On average, 5.6 million households shopped online every month. We saw strength in outer rural and remote Australia, with online purchases in these areas increasing by 6.4% and 5.7% year-on-year respectively.

While we've largely been able to put a trying few years behind us, new challenges are emerging and informing the spending habits of Australians. The triple-threat of interest rate increases, inflation and rising cost-of-living will continue to weigh on consumer spending and provide a new test for retailers.

For our part, just as we've done throughout our 213-year history, Australia Post will support our customers and local businesses as best we can during these new challenges. Our Post26 strategy sets us up for long-term success as a modern eCommerce, digital, retail and mail business that delivers on what customers and communities increasingly expect of us.

In the last financial year, we've invested a further \$427 million in new parcel facilities, fleet and technology, as well as opening eight new facilities nationally – over half of which are located in regional Australia. This brings the total amount invested by Australia Post over the last three years to more than \$1 billion.

Importantly, we're continuing to invest in our communities. We're doing this through ongoing support for our three key community partners: Beyond Blue, the Australian Red Cross and the Indigenous Literacy Foundation. We're doing it through our reimagined Post Offices, which will help us meet changing customer expectations and become hubs for the local communities they serve. Our first Community Hub@Post site will open in Orange, NSW later this year, with dedicated retail space to showcase local products, as well as features such as parcel lockers. And finally, we're doing it through Bank@Post, which provides financial services to communities right across the country. In many regional and rural communities, Australia Post is the only provider of these financial services.

We've also reaffirmed our commitment to sustainability, becoming the first Commonwealth Government Business Enterprise to target Net Zero emissions. This ambition is captured in our 2025 Sustainability Roadmap which outlines how we'll create positive social, environmental and economic outcomes, including a commitment to a fully sustainable packaging range by 2025.

Though there is uncertainty in the outlook, I'm confident the future is bright for our Australian eCommerce sector. In challenging times, ingenuity and resilience come to the fore, and new opportunities arise. Just as Australia Post is responding to challenges in front of us by modernising our historic business, I know other Australian businesses will do the same. I sincerely hope the insights in this report are useful to your thinking, and you can rest assured, the Australia Post team is with you on this journey.

Be safe, be kind.



**Paul Graham**  
Group Chief Executive Officer and Managing Director,  
Australia Post



## Executive Summary

# Find your winning strategy

**For the most part, 2022 saw Australians behaving like the days of old. Face-to-face activities resumed and bricks and mortar stores eagerly welcomed shoppers back.**

With savings in the bank following a few years of restrictions, we were ready to spend – and spend we did. In fact, Australians notched a record \$353 billion in retail spending in 2022, up 9.2% year-on-year (YoY), much of it supported by price inflation and customers returning to stores.

2022 saw online penetration soften for the first time. The growth trend in online penetration has been fairly steady prior to COVID-19, and spiked during restrictions. The easing in online penetration shows the return to normal trend growth. And although online volumes were weaker, household participation grew as consumers became more comfortable buying online.

More households shopped online than ever before and took advantage of the huge range of sales events on offer. It was Australia's Super Shoppers who made the most of the sales. Representing just 16% of all households shopping online, these avid shoppers, who bought online weekly, account for half of all online purchases. This small but mighty group is one that retailers will benefit from winning over.

What was a strong year for retail, has quickly changed in 2023. Cost-of-living pressures are making an impact and lowering consumer sentiment. The result creates short-term headwinds for retailers as shoppers are more cautious about their spending.

### What this means for retailers in 2023

As growth levels out, building customer loyalty will be more important than ever. It's not just about rewarding spend – retailers will need to look more broadly to recognise and nurture the full breadth of the customer relationship. Brands that consider every interaction and invest time into building a community are seeing dividends in the overall customer experience.

**With cost of living a factor in 2023, retailers must look to maintain strong relationships with customers and win them over with added value and relevant shopping experiences.**

### The time to innovate is now

As consumers' lifestyles and expectations change, so too must retailers. Younger generations are influencing upwards, championing the sustainability prerogative onto company agendas. For retailers, the challenge is navigating sustainability as it applies to their product or service and embedding sustainability practices throughout the business.

Although the worst of COVID-19 related supply chain issues have receded, the past few years have taught us the importance of building a resilient supply chain. An effective supply chain is one that is not only cost efficient, but also reliable. To better prepare for future supply chain impacts, retailers must shift their mindset to find a balance between the two.

Regardless of the short-term challenges, the long-term outlook for retailers is promising. Retail trade is anticipated to return to pre-COVID growth rates by 2024, and similarly online penetration to a historical trajectory. **The encouraging news for retailers is that by 2033, we expect around 1 in every 3 dollars to be spent online.**

**To stay updated with all the latest insights, head to [auspost.com.au/einsights](https://auspost.com.au/einsights)**



State of  
Commerce

# State of Commerce

# Paul Zahra reflects on the year

**In 2022, retail emerged from three challenging years of the COVID-19 pandemic, with overall sales remaining robust.**

Figures released by the Australian Bureau of Statistics marked 16 consecutive months of YoY growth in retail trade, up 7.5% in December 2022 from the year prior. The Australian Retailers Association has worked closely with our research and strategic partners to truly measure what matters over the past twelve months. We're grateful for the deep and constant work by Australia Post to keep our community across important insights within eCommerce and supply chain. Last year we were able to distinctly measure seasonal performance for the first time including identifying record consumer spending for Black Friday, Christmas and Boxing Day.



## Aussies out to spend in 2022

A phenomenon we refer to as 'freedom spending' drove these results, where people rewarded themselves after an intense and challenging period. The desire to get out and indulge the senses remained a constant throughout the year.

The appetite for spending was at an all-time high in 2022, facilitated by robust household savings levels, wage growth and high levels of employment. While this was beneficial for retail, these strong headline results masked the uneven impact of post-pandemic recovery across the sector, particularly for small businesses in at-risk categories and regions.

It's important to recognise that up to two-thirds of this recent growth in retail spending has been driven by price increases from inflation. Despite the end of lockdowns and restrictions, the effects of the pandemic linger, and with sustainability challenges demanding a sharper focus, retail has settled into a permanent state of disruption. The rising cost of doing business continues to impact margins, with supply chain disruptions and staff shortages also remaining top of mind for retailers.

**The need to remain resilient in the face of economic headwinds and external pressures has never been greater.**

The retail categories that prospered in 2022 were mainly those that suffered in the years prior. Dining, beauty and in-store shopping bounced back with strength – capitalising on increased demand due to pandemic disturbances.

Department stores and fashion retailers also posted strong results. The success shared by department stores defied predictions by many commentators, demonstrating that retail continues to evolve – redefining itself and thriving in the face of adversity.

## The shape of what's to come

It's a known fact that crises drive innovation and the pandemic accelerated trends that were already occurring in the industry. Developments such as Click & Collect, direct-to-boot delivery and contactless shopping have proven mainstays as we navigate a new normal.

Economic headwinds such as interest rate increases, inflation and rising cost-of-living are set to prompt a slowdown in consumer spending. Tumultuous economic conditions aren't uncharted waters for retailers – and again, resilience and innovation will be key. While retail will likely experience the impact of the economic slowdown, we remain confident retailers will weather the storm to emerge in a strong position.

We commend this report and its vital insights as important reading for all in our community.

Paul Zahra  
CEO, Australian Retailers Association

## State of Commerce

# Aussies spent a record \$353 billion on retail goods in 2022, 9.2% more than in 2021.<sup>1</sup>

Being the first year without COVID lockdowns, shoppers were cashed up and ready to spend on everything they'd missed out on during the previous two years.

When shoppers finally returned to face-to-face activities, online retail was more subdued than overall retail. \$63.8 billion<sup>2</sup> was spent on online goods, surpassing last year's spend by 1.7%<sup>3</sup> and taking online share of total retail spend to 18.1%.<sup>4</sup>

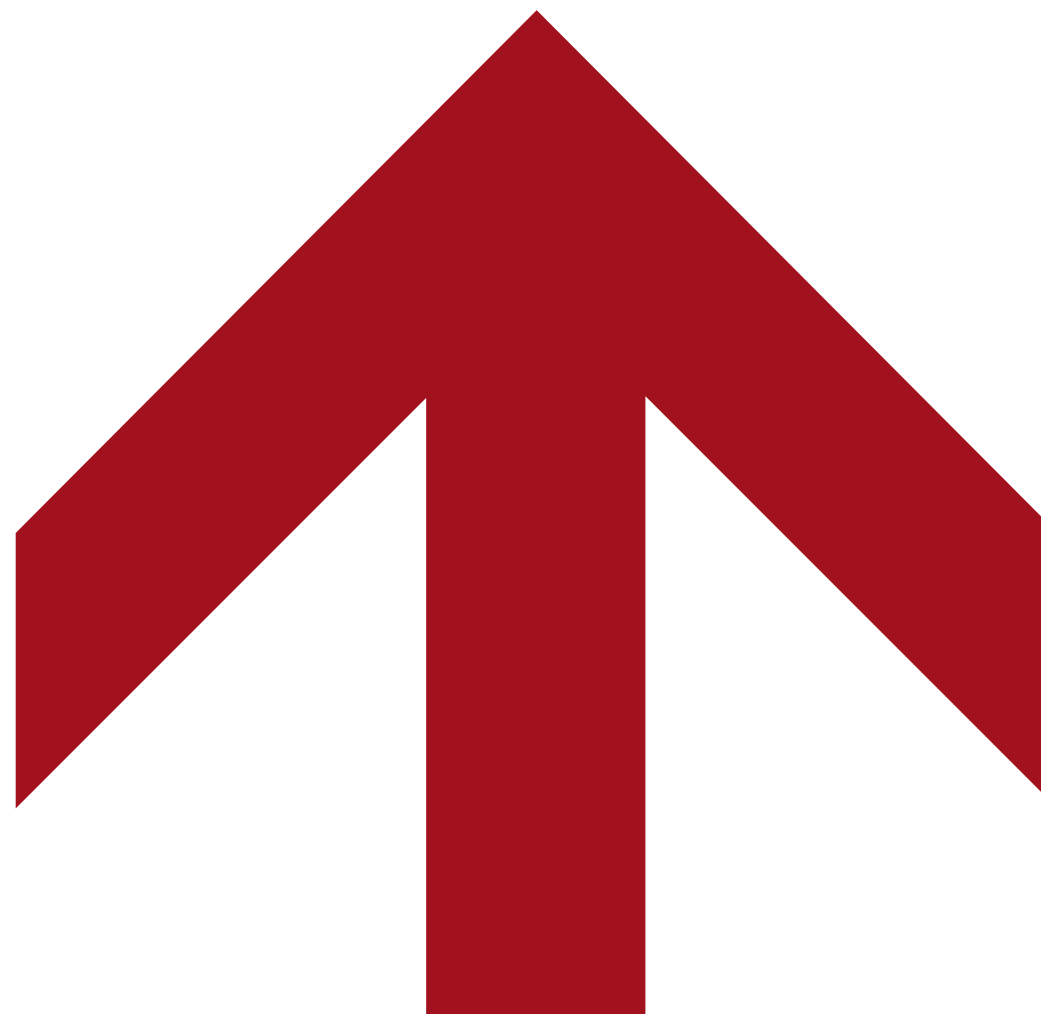
After a year of strong growth, the outlook for retail is evolving quickly. High inflation has driven up prices and shoppers have responded by dipping into savings made during lockdowns.

Price inflation is expected to taper off in 2023, which would result in a slowdown in retail sales. We anticipate consumers will be selective with their spending as interest rate rises take effect.

Innovation, resilience and finding new ways to connect with customers will help to drive continued growth. Discover tactics to become an eCommerce leader in section three of this report: **Winning in eCommerce**.

Growth in retail spend:

# 9.2%<sub>YoY</sub>



<sup>2,3,4</sup> source: CommBank iQ



Online share  
of retail spend:<sup>4</sup>  
**18.1%**

**\$63.8bn**  
Online goods spend<sup>2</sup>

**↑ 1.7%**  
Growth of online goods spend YoY<sup>3</sup>

<sup>2,3</sup>source: CommBank iQ

## State of Commerce

# Bricks & Clicks outpacing most

**Retailers with physical stores  
and an online presence enjoyed  
the most success in recent years.**

Amongst the different retailer types, Bricks & Clicks retailers continued to dominate in share of online spend compared to Marketplaces, Big Brands, Digital Natives and Smaller Businesses.

These Bricks & Clicks retailers saw a collective 7 percentage point increase in share of online spend compared to 2019<sup>5</sup>, seemingly at the expense of Digital Native retailers, who declined 7 percentage points.

Since 2020, Bricks & Clicks retailers have invested in developing their digital experience and integrating their online and offline channels. With shoppers now back in physical stores, businesses that maintained both are being rewarded.

The convenience of having a single point of purchase remains attractive to shoppers. This led Marketplaces to grow 4 percentage points in share of online spend since 2019.<sup>5</sup>

## ↑ 7pp

**Bricks & Clicks retailers saw a  
collective 7 percentage point  
increase in share of online  
spend compared to 2019.**

<sup>5</sup>source: CommBank iQ



**82%**  
of Australian  
households  
made an online  
purchase in 2022.

This represents 9.4m households  
(up 1.6% YoY).



# A year without lockdowns, how did eCommerce do?

More households are buying online, especially during sales events.

With a record 9.4 million households shopping online during 2022, one thing is clear – Australians’ love of eCommerce hasn’t waned. The most popular month was November, with a record 6 million households making an online purchase.

Even during non-sales months, household participation remained strong in 2022 with an average of 5.6 million households purchasing online each month.

## Purchase frequency stabilising

The re-opening of stores led online purchase frequency to stabilise. After double-digit growth in 2021, the number of online purchases softened, down 2.6% YoY.

Stepping back, we see purchase frequency has improved compared to 2020. It’s a positive trend for online retailers, who saw nearly 60% of households make a purchase 12 or more times in 2022 – up 3 percentage points compared to 2020.

Looking ahead, we expect online purchase frequency to grow at a more normal rate.

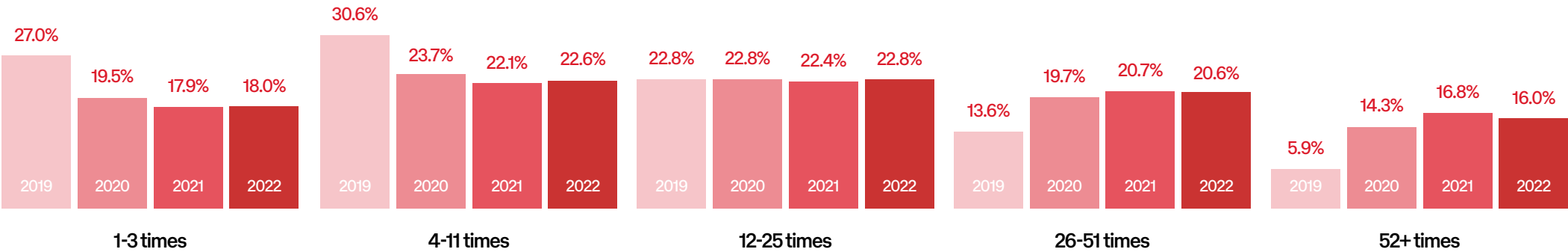
60%

of Australian households made a purchase 12 or more times in 2022.

5.6m

households on average made an online purchase each month.

Frequency of online purchases



State of Commerce

# Where are we seeing the greatest growth?

## Regional areas outpacing metro growth.

Although nationally purchases fell, regional Australia showed strength in online shopping and reported YoY growth. eCommerce was particularly popular for residents in outer rural and remote Australia.

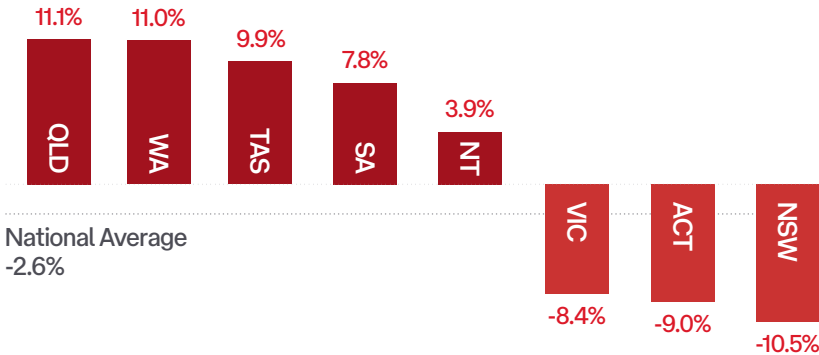
**↑ 6.4%**  
growth in outer rural Australia.

**↑ 5.7%**  
growth in remote Australia.

### State growth

Queensland led the way in 2022 with the highest YoY growth in number of online purchases. It was closely followed by Western Australia, another state that experienced strong population growth.<sup>6</sup> Their welcoming climates and populations eager to spend time outdoors likely contributed to growth in these states – given the popular categories for online shopping included athleisure, pet products, tools & garden and auto parts.

Naturally, the states and territories impacted most by lockdowns in 2021 showed negative YoY growth as shopping options were no longer limited to online only.



## Top locations for online shopping

| Top locations by volume |     |      |
|-------------------------|-----|------|
| Point Cook              | VIC | 3030 |
| Hoppers Crossing        | VIC | 3029 |
| Cranbourne              | VIC | 3977 |

| Top locations by volume per capita |     |      |
|------------------------------------|-----|------|
| Bondi Beach                        | NSW | 2026 |
| North Sydney                       | NSW | 2060 |
| Paddington                         | NSW | 2021 |

| Top growth suburbs by volume |     |      |
|------------------------------|-----|------|
| Mooloolah Valley             | QLD | 4553 |
| Park Ridge                   | QLD | 4125 |
| Jimboomba                    | QLD | 4280 |



# Meet your online shoppers

From Sometime Shoppers to Super Shoppers, get to know who’s buying from you, where they live and how they like to shop

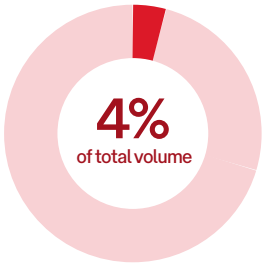


## Sometime Shopper

Australia’s largest cohort of shoppers accounts for the smallest volume of online purchases. They’re mostly male, aged 55–74+, of lower income and tend to reside in regional Australia and many are retirees.

- Prefers in-store shopping, but when they do buy online, they buy more consumer electronics, homewares & appliances, tools & garden, books, health & wellness products than other shoppers.
- Looks for the best prices when shopping online.
- Values free delivery highly.
- Uninterested in sales events and paid subscriptions.

2.8m Australian households  
1-4 active shopping months  
3 average retailers purchased from, annually



### Where are they?

|           |     |      |
|-----------|-----|------|
| Lakemba   | NSW | 2195 |
| Woodridge | QLD | 4114 |
| Carlton   | VIC | 3053 |

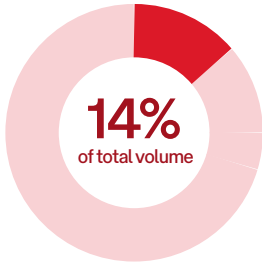
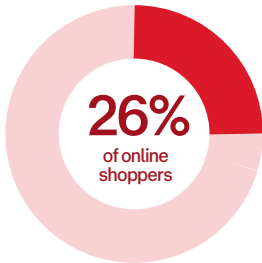


## Selective Shopper

This group of shoppers has a slight over representation of males, aged 45–74 and typically of moderate income. They live in both metro and regional Australia.

- Prefers in-store shopping but tend to shop online for auto parts and wine & liquor products more than other shoppers.
- Shops online to find the best prices and also to access products they couldn’t otherwise get.
- Values free delivery highly.
- Less attracted to sales events and paid subscriptions.

2.4m Australian households  
5-8 active shopping months  
9 average retailers purchased from, annually

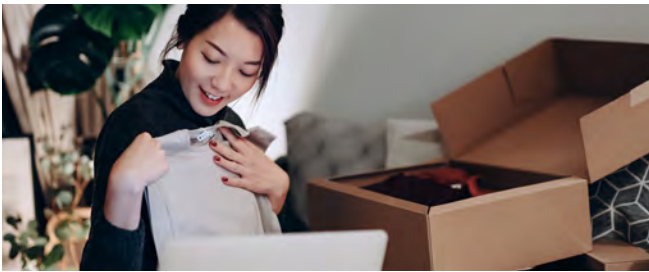


### Where are they?

|               |     |      |
|---------------|-----|------|
| Melbourne     | VIC | 3004 |
| St Kilda Road |     |      |
| Marsden       | QLD | 4132 |
| Newington     | NSW | 2127 |



# Meet your online shoppers

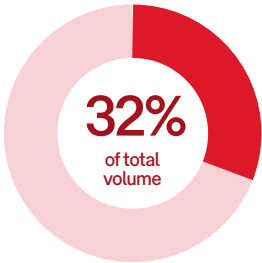


## Savvy Shopper

The Savvy Shopper, the second-largest cohort by size, skews slightly more female. They are typically aged 25–54, with families, busy lives and moderately high incomes. They live in metro and regional Australia.

- Likes to shop online for athleisure, footwear, sporting & recreational goods and pet products more than other shoppers.
- Buys online for convenience and the ability to shop for anything they want, whenever they want.
- Values deals and discounts and they respond well to sales events like Black Friday, Boxing Day and Amazon Prime Day.
- Will opt in for a paid subscription especially if it offers free delivery.

2.7m Australian households  
9-12 active shopping months  
18 average retailers purchased from, annually



### Where are they?

|                |     |      |
|----------------|-----|------|
| Secret Harbour | WA  | 6173 |
| Ferny Hills    | QLD | 4055 |
| Wakerley       | QLD | 4154 |

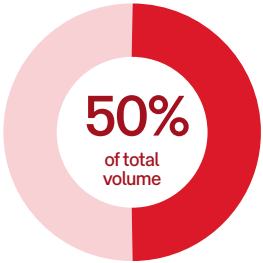


## Super Shopper

Responsible for half of total online shopping volumes, this small cohort isn't to be underestimated. Made up of mainly females between 18–44, people in this group tend to have families and earn a particularly high income. They typically reside in metro areas.

- Enjoys buying fashion, beauty products and baby products more than other shoppers.
- Buys online to save time and for the convenience of shopping when it suits them.
- Considers fast delivery to their home a must. In fact, it's even more important than free delivery.
- Is more sustainability minded than other shoppers.
- Sales events are very popular as are paid subscriptions – especially if they offer free and fast delivery.

1.5m Australian households  
10-12 active shopping months  
40 average retailers purchased from, annually



### Where are they?

|                |     |      |
|----------------|-----|------|
| Menai          | NSW | 2234 |
| Frenchs Forest | NSW | 2086 |
| Samford Valley | QLD | 4520 |

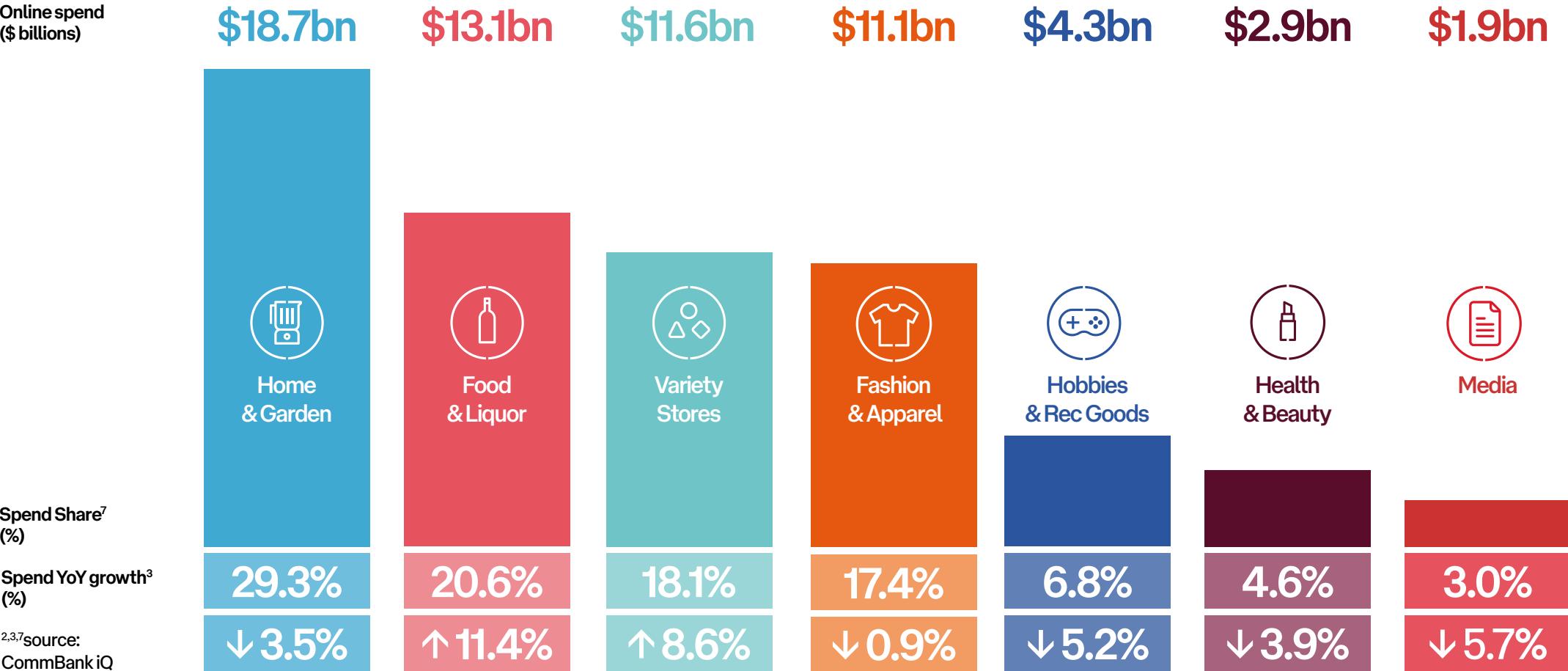


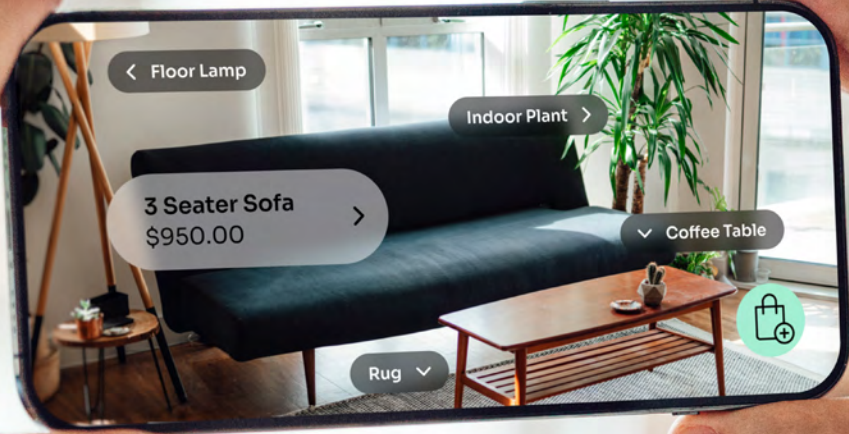
# Specialty retailer overview

The strength of Food & Liquor and Variety Stores in 2022 is clear. While other categories declined, they defied the trend – showing YoY growth and being main contributors to the overall growth in spend.

Food & Liquor grew the most: the impressive 11.4% increase driven by online grocery shopping and the increasing adoption of meal kits. Variety Stores growth was driven by department stores.

Total online spend:<sup>2</sup>  
\$63.8bn ↑ 1.7%





# Future of eCommerce



# Where will eCommerce be in 10 years?

Although retailers face some challenges in 2023, the long-term outlook is a positive one.

Retail trade finished at a record high in December 2022,<sup>8</sup> masked by inflation, and the expectation for the next 10 years is that retail will return to its historical growth trend of around 3% each year.



Over 1 million more households are shopping online compared to 2019.

Over 1 million more households are shopping online compared to 2019 and this trend is likely to continue. 2022 saw online penetration soften for the first time. The growth trend in online penetration was fairly steady prior to COVID-19 but spiked during restrictions. The easing in online penetration shows a return to normal trend growth. By 2033, we predict around 1 in 3 dollars will be spent online.

<sup>8</sup>Retail Trade Australia (original) excluding cafes, restaurants & takeaway food services, ABS, Jan 2023





# Lifestyle changes = last mile changes

**A progressive return to their pre-pandemic behaviour sees consumers back in the office, resuming face-to-face activities and spending more time out and about.**

Consumers are busier, more mobile and receiving more products that have higher value than ever before.

The next 10 years will also likely see substantial demand for apartments, as consumers tackle housing affordability in light of cost of living pressures.

As consumer lifestyles and behaviours change, there will be a greater need for 24/7 solutions when they're not at home.

## Future of eCommerce

# Parcel lockers service a growing international market

**Globally, major international players are adapting by scaling their out-of-home delivery networks, enabling them to provide a secure and convenient collection experience.**

Amazon and DHL for example are aggressively scaling their parcel locker networks and giving customers greater delivery options. DHL is also focusing on the sustainability benefits of parcel lockers – delivering to one collection point instead of many.

Out-of-home deliveries in Australia are catching up to our global peers as we see consumers increasingly demand parcel lockers as a solution.

As availability and digital experiences of out-of-home delivery options improve, customers will follow and take greater control of their deliveries.

**Internationally, demand for parcel lockers is expected to almost double over the next 5 years.<sup>9</sup>**



## Handy hint

Shoppers want greater control of their orders – including delivery options. Adding collection points at checkout, such as 24/7 parcel lockers, enables them to pick up deliveries whenever it suits.



## Future of eCommerce

# Community Hub@Post

**The acceleration of eCommerce has changed the way consumers shop.**

Contactless, Click & Collect, Direct to Boot and in-store returns aren't new ideas, but they've certainly gained popularity. Retailers have responded by transforming their store networks into decentralised fulfilment centres while maintaining a regular shop front.

**Post Offices are also being reimagined to provide digitally led in-store experiences, better self-service options and an optimised returns process with onsite change rooms.**

Launching at the Orange Post Office in NSW this July, the Community Hub@Post initiative sees this reimagination come to life. Post Offices will have a distinct focus on supporting businesses, particularly local small businesses by offering dedicated products and services and a new platform to sell their own product direct to consumers.

The Community Hubs are designed to meet the ever-evolving needs of modern eCommerce, tailored for the needs of the local community they're in.



# Winning in eCommerce

In a sophisticated eCommerce market, creating ways to stand out and connect with your customers are the keys to success.



Winning in eCommerce

# Making change through sustainability

A focus on sustainable options is one of the biggest changes to the retail landscape in recent years, with the majority of shoppers opting for more sustainable delivery – even if it means waiting longer for a parcel.

Generation Alpha is partly to thank for this. This hyper-connected younger cohort and consumer of the future, has been exposed to a much richer environmental dialogue than their parents ever were. As a result, Gen Alpha is influencing upwards, increasing awareness and pushing retailers to think and act in more sustainable ways.

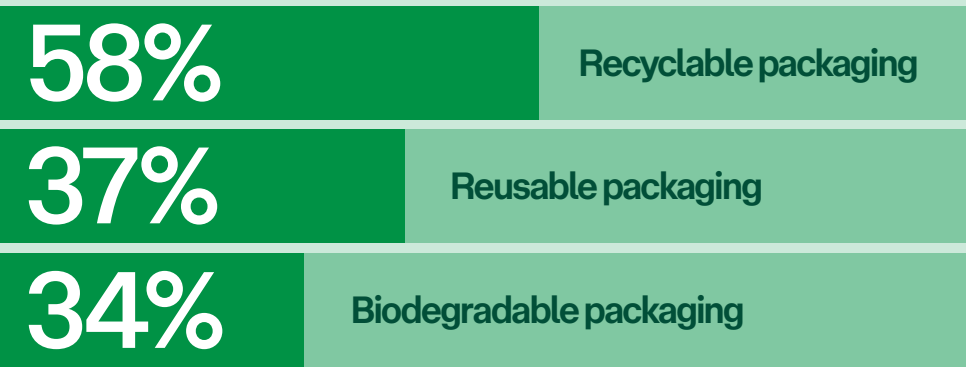


56% of online shoppers will choose to receive packages later to reduce environmental impact.<sup>10</sup>

## Categories shoppers are most likely to buy sustainable options<sup>10</sup>



## Biggest sustainability consideration when shopping online<sup>10</sup>





Winning in eCommerce

# How The Daily Routine is tackling waste

The Daily Routine is an eco-minded retailer making a range of home essentials with a low-waste ethos.



Founded in Melbourne by Natalie Herscu and Ruby Rodan, the pair see their brand as part of the movement across generations to “adopt new behaviours and actions that contribute to a greener future.”

This sustainability mindset was what led to their ‘a-ha’ moment in 2021. If, they wondered, a pod can be popped into a dishwasher and efficiently wash everything inside – couldn’t the same be done with hand soap?

The result is The Daily Routine: customisable kits of hand soap pods, refillable bottles and natural essential oils. Their innovation even led to the retailer being named a finalist in the 2023 Banksia Foundation Awards for Sustainable Leadership in the eCommerce & reCommerce Industry category.

How does it work?

‘Buy once – refill forever’ is their mantra. The pods contain 10g of concentrated liquid hand wash. When added to a pump bottle filled with hot water, the water-soluble cover dissolves and voila – their low-waste hand soap is ready to use.

“We don’t ship water”

Says Natalie: “the majority of personal care products are made up of about 80% water – a resource that comes out of your taps at home. By shipping our product in its concentrated form, it’s much smaller, lighter, requires less packaging and therefore can have a lower environmental footprint during transit.”



THE DAILY ROUTINE

Natalie’s tips for brands looking to adopt a more sustainable approach

Conduct a sustainability audit

Before you can make any sustainable changes, you need to know where your business stands. An audit can help you identify areas where you can reduce waste, use resources more efficiently, and lower your environmental impact.

Set some goals

Once you know where you stand, set realistic sustainability goals. For example, you could aim to reduce your energy consumption by 20% within the next year.

Start with one

It can be overwhelming to think about all the sustainable practices you may need to implement. Consider what change will have the most significant impact on your business and start with that. For example, you could switch to LED lighting or offer customers the option to receive digital receipts instead of paper ones.

Communicate with customers

Let them know about your sustainability practices and the steps you’re taking to reduce your environmental impact. This can help build brand loyalty and attract new customers who are looking for sustainable options.

Collaborate with suppliers

This will allow you to ensure sustainable practices are used throughout the supply chain. Consider partnering with suppliers who share your commitment to sustainability and work together to reduce waste, use resources more efficiently, and lower your environmental impact.

Winning in eCommerce

# Strategic partnerships: when two brands are better than one

Don't compete, collaborate. Use strategic partnerships as a way to reach new markets, broaden your product offering, strengthen your supply chain or fill a knowledge gap for your business.



## 42%

of businesses have a current strategic partnership with another business.<sup>11</sup>



# Building a resilient supply chain

The “ability of an organisation to absorb, adapt and recover from any disruptive event in their end-to-end supply chain” is how Professor Yalçın Akçay defines supply chain resilience.



As Professor of Operations Management at Melbourne Business School, Director at the Centre for Business Analytics and co-author of ‘Building resilient Australian supply chains’, Professor Akçay is an authority on the subject.

He says that for the 15 years leading up to the pandemic, demand was steady and supply chains were running smoothly. This naturally led companies to focus on the cost efficiency (running the supply chain at minimum possible cost) – keeping them as lean as possible, but ignoring the second element of effective supply chain management: reliability.

### The bullwhip effect

Even a minor change in consumer demand can result in large oscillations in impact as you go upstream in the supply chain, known as the bullwhip effect. When demand increased due to lockdowns over recent years, many organisations with no contingency in place were left scrambling, as they had little visibility into their supply chain network.

### A change of mindset

While no retailer has a crystal ball, it’s possible to pressure test your supply chain to find your weaknesses. Australia’s climate is prone to environmental disruptions like flooding and bushfires. Given our isolated location, we’re also heavily reliant on imports coming through our sea ports. This puts retailers in a position where they could face a higher risk of supply chain disruptions.

Professor Akçay suggests a back-to-basics approach that factors in both dimensions of supply chain management.

“Unfortunately, that means there are trade-offs. If you want a more reliable supply network, you might have to incur additional costs, arrange multiple suppliers and keep extra stock in your system.”

The strategy makes sense, but Professor Akçay is concerned things will revert to the way they were after September 11, when supply chain resilience frameworks were first introduced.

“Business went back to the same old practices. But that’s something they should unlearn. Decision makers have to accept the shift in mindset, so they’re better prepared for events like this in future.”

### How can businesses prepare?

“With high inflation and reduced purchasing power, retailers can expect continued volatility in demand”, says Professor Akçay. To avoid the greatest impact of changing consumer demand, he recommends a focus on information sharing across the supply chain and following the principles for building a resilient supply chain.

## Professor Yalçın Akçay’s top tips for building supply chain resilience

### Learn (and unlearn) from the last two years

The blueprint for supply chain resilience hasn’t changed since 2001, but we tend to forget hard lessons once business gets back to normal. That has to change for business to be more resilient in the future.

### Shift your supply chain mindset

Remember that ‘effective’ supply chain management involves striking the right balance between cost efficiency and reliability.

### Understand your supplier network

Businesses need visibility to map their entire supplier network, from tier one through to raw material suppliers. Incentivising suppliers to share information helps build a more cooperative working relationship.

### Learn to accurately assess business risks

Identify suppliers that pose the greatest risks. Typically, the degree of risk is associated with total spend and the assumption is that major suppliers are the better choice for profitability – which isn’t always the case.

### Adopt a multi-sourcing strategy

Multi-sourcing spreads your supply chain risk across a range of suppliers from different geographies. This makes full visibility of the supply network even more important.

### Invest in new technology and analytics

A digital twin of your supply chain can simulate your organisation’s physical operations, creating end-to-end visibility. Real-time data along with advanced analytics capabilities allow businesses to adapt and respond to disruption quickly.

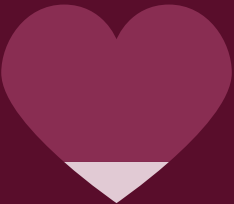


# The role of loyalty in eCommerce

Cultivating a loyal audience is as much about the experience as it is your products. With apps and eCommerce complementing retail stores, consumers expect brands to deliver seamless experiences across all channels.

An integrated brand experience is just the first step to building loyalty. It's a fragile relationship, one that brands need to nurture by rewarding spend and understanding the full extent of how a customer chooses to engage with them.

Discover how MECCA has redefined the customer loyalty model with its Beauty Loop program on page 29.



80%

of SME businesses with loyalty programs

said their loyalty program customers spent more than regular customers.<sup>12</sup>



Photography by Nick Dale

# MECCA Beauty Loop: rewards and relevance

MECCA’s Beauty Loop program saw growth of more than 20% last year, and it’s showing no signs of slowing down.



Lauren Shepherd, General Manager – Customer Data, Personalisation and Loyalty at MECCA attributes a lot of that to strong customer retention programs. “As The Beauty Loop program grows, we’ll continue to reenergise it with customer rewards that are very generous – and also relevant to customers and how they interact with MECCA.”

### What makes MECCA’s Beauty Loop successful?

At 10 years old, Beauty Loop is evolving. But it still remains focused on products. “We’re very much a value-add model as opposed to value-off. Making sure that we’re always giving customers more”, says Lauren.

“We’ve worked hard to offer strong rewards that are aligned to what customers want. We’ve taken on feedback, we’ve looked at transaction history. We also aim to provide a moment of discovery for customers – with an exclusive brand or product they might never have tried before”, she says.

MECCA’s highly engaged online community also provides a direct line of feedback on the program – one that can’t be captured through sales reporting alone. “We get really active feedback on how members are feeling about the brands we offer, the products we launch and our Beauty Loop program – which is fantastic.”

### The future of loyalty

The program’s success means a large audience to manage, but MECCA is harnessing tech and data to unify the CX. It’s been a total game changer. “We’re able to build out connected journeys or activate audiences through all of our owned channels like social, SMS, email, as well as the website and app.”

For Lauren, ‘nirvana’ is an omnichannel experience that engages both online and in-store. “Loyalty is more than just the Beauty Loop program. It’s our service model, how you’re greeted, how we personalise your online experience. It’s all the different touchpoints that we over-excel on that really create the loyalty that so many people have to MECCA.”

MECCA

53%

of online shoppers would like a personalised shopping experience.<sup>13</sup>

### Lauren’s tips for building brand loyalty

#### Own the entire experience

Everything you build for a customer to interact with – every touchpoint, product, moment – needs to provide a genuinely great experience. If one part falls over, the whole experience suffers.

#### It’s all about the customer

Think holistically about how the customer engages with your brand. Recognise and reward customers for maintaining a relationship with you.

#### Data quality matters

Clean, tight and consolidated data is a must. Holding it in one platform makes it easier to launch relevant activations that build brand loyalty.



Winning in eCommerce

# Omnichannel fulfilment

## Get to customers faster with a local mindset

When a customer needs to make a purchase there are really two options – go to a physical retail outlet or shop online. Both scenarios have their benefits for the consumer, but for the business – they’ll need to be able to fulfil both.

**Accent**  
Group

**29%**  
of shoppers expect deliveries to come faster than in 2019.<sup>13</sup>

“One benefit (of the omnichannel fulfilment model) is that we can distribute from our NDC or from all stores”, says Martin Hourigan, Group General Manager – Operations & IT at Accent Group, “which means we have stock for customers in-store but also for those that prefer to shop online. This enables our full inventory to be available 24/7 for our customers any way they want to shop with us.”

Ultimately, it results in greater stock availability, faster fulfilment and a better customer experience – all vital for building and maintaining customer loyalty.

### How Accent Group makes omnichannel fulfilment work

#### Open the network

A network of 750+ stores and two warehouses increases the amount of inventory available for eCommerce, leading to a better customer experience. Accent Group has an average fulfilment split of 60% from stores and 40% from warehouses.

#### Keep improving the process

Constantly review and adjust the process to optimise for efficiency. In-built rules can determine the fulfilment location, remembering the ‘best’ option is not always the closest one. Having a single view of inventory is necessary for this strategy.

#### Protect the in-store experience

When orders are picked and packed in-store, make sure it doesn’t interfere with the physical retail experience – ever.



Winning in eCommerce

# Global markets, international expansion

Opening your business up to a new market is an exciting prospect, and the numbers show Australian retailers could be taking a bigger piece of the pie. With any type of expansion, you'll need planning and preparation, particularly when venturing into unknown territories.

# 6%

of international customers  
bought from Australia in 2022.

This is compared to 20% from  
the UK and 26% from the US.<sup>14</sup>



Winning in  
eCommerce

Winning in eCommerce

# Lessons from an international conqueror

For fashion retailer Showpo, research proved invaluable when they decided to expand to the United States.

**Showpo.**

Studying the market and looking at local competitors meant they could successfully operate in the new region and still maintain a competitive edge.

Read Showpo’s tips for international expansion and get their hot take on what’s next for the eCommerce industry.



## Talking international eCommerce with David Ibanez, Head of DC & Operations and Patricia Theodorou, Customer Experience Manager

**Where is your biggest market outside of Australia?**

The United States is where Showpo has experienced the largest growth. New Zealand too, which makes sense being so close to home. We do see a lot of international customers shopping with us regularly.

**Top tips for going international?**

Do your research and study the market. In particular, the local price point of similar products. Then look at your operational expenses and whether you can sustain being competitive in that market.

**How has shopper behaviour, in particular cross-border shopping, changed in recent years?**

The pandemic pushed people online more than ever. From our experience, it meant customers had an opportunity to seek out and experiment with new retailers. Some of which weren’t in their home country.

**How to best communicate with customers spread across the globe?**

This needs to be considered and prioritised. What platforms will give you the best reach? What time of day will you communicate with them? And importantly, get a clear understanding of when their orders are likely to come in so you can create a fulfilment strategy that delivers a great customer experience.

**Emerging eCommerce trends?**

All customers are interested in sustainability. It’s at the forefront of their minds. They also want to know more about diversity and inclusion across the industry.

For the industry, it’s all about capturing relevant data for better personalisation and offering more parcel collection points. With online volumes high and people returning to work, there’s a need for safe and convenient locations for goods to be delivered.



Winning in eCommerce

# Value-adds and unique models: How PetCulture's offering wins customers

Australians love their pets. In fact, with two out of three households being home to a pet, we have the highest pet ownership in the world. Driven by an increase in ownership through the pandemic, the pet products category saw the largest online growth in 2022 YoY – surpassing all others.

From backyard to bed, the humanisation of pets is a trend with real traction, and our pets are receiving the same level of attention and care you'd provide a human – including better food, health care and wellness products.

The Woolworths Group and PetSure saw this opportunity, and in 2021 PetCulture was born.

Recognising the need for pet owners to regularly replenish items such as food, PetCulture offered a new take on the subscription model; an Auto-Delivery service that includes a range of value adds to encourage customer loyalty.

# 21.6%

growth in pet product purchases in 2022.



Winning in eCommerce

# Leading the pack in the pet segment

Simon Smith, Leader of the Pack, PetCulture



## What are the benefits of the Auto-Delivery model?

This model allows us to better plan our inventory. Knowing when a product needs to be shipped allows us to accurately stock items and deliver on time. This builds trust with our customers which leads to stronger relationships. We're also in regular contact with customers and able to keep them informed of any complementary products that might be relevant to their pet.

## Emerging trends in the pet segment and eCommerce?

Pets are becoming humanised and receiving similar levels of care as humans. For eCommerce, there's an increase in mobile purchasing which has led to demand for simple and more transparent subscription services. Customers are also expecting personalised experiences that provide flexibility, choice and added value outside of dollar savings.

## Simon's tips for building an effective eCommerce subscription model

### Make it flexible

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

### Make it easy to use

Sounds simple – but it's so important. We've built a great site that's really easy to use. We also put a big focus on how well it performs on mobile devices too.

### Stand out by adding value

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



# Specialty Retailer Insights

See who's shopping your segment,  
where to find them and what else  
they bought in 2022.



Variety Stores

# The power of choice

Popularity of Variety Stores continued throughout 2022, with online spend seeing strong growth.

With foot traffic returning to stores in 2022, the main winners were retailers with both an online and retail presence. Bricks & Clicks businesses, such as **Major & Discount Stores** were able to capture eCommerce sales around the clock and from customers who prefer the more tactile in-store environment.

Driven by efforts to deliver better online shopping during COVID-19, these retailers refined their omnichannel experience to deliver a more seamless, and ultimately, a more tailored experience. Those that did this well were more likely to delight and win customers.

Strong volumes seen in November fuelled by Black Friday/Cyber Monday sales

August saw the highest volume in a single month, driven by closure of physical retail in NSW and VIC

## Variety Stores online spend<sup>2</sup>

Online purchase volume  
2018-2022

**\$11.6bn**    **↑ 8.6%**    compared to last year<sup>3</sup> 

Share of spend<sup>15</sup>

**42%**  
Major & Discount Stores

**58%**  
Online Marketplaces

<sup>2,3,15</sup>source: CommBank iQ

2018

2019

2020

2021

2022



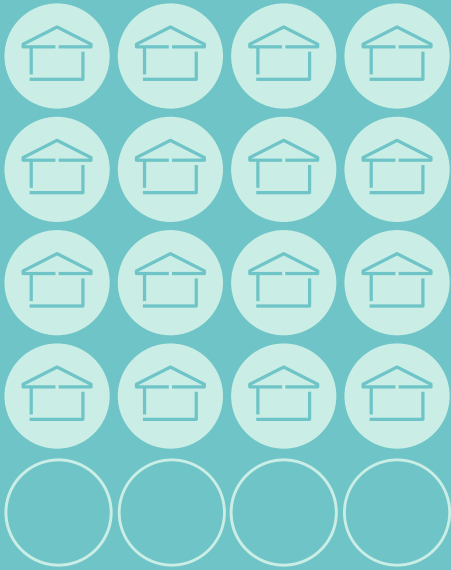
Variety Stores

Variety Stores

7.5m

households purchased from Variety Stores in 2022

That’s almost 79% of households that shopped online in Australia



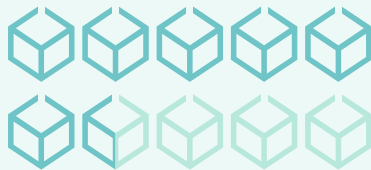
Top locations

Wallan, VIC 3756 and Jimboomba, QLD 4280



Wallan and Jimboomba are Australia’s biggest purchasers of goods from Variety Store retailers. Although in different states, both are regional and some distance away from their respective CBDs. Without a major retailer in town, it’s no surprise that residents in these postcodes shop online. They enjoy the broad amount of choice on offer – which often leads to them buying many things, across different categories during a single shop.

Who are your top shoppers?



The top  
**24%**  
of Variety Store shoppers drove

**65%**  
of the category purchases.

They bought from Variety stores 12 or more times in 2022.

What else did they buy?



**51%**  
of all baby product purchases were bought by those top Variety store shoppers.

Fashion & Apparel

# Dressing up shouldn't cost the earth

Returning to work, attending events or getting back into leisure activities, it's no surprise that fashion was 'in' for 2022.

By purchase volume, Women's Fashion topped the category, becoming one of the strongest growing sub-categories in 2022, as shoppers played catch up on the last two years. This category was also one of the most responsive categories to sales events; no surprises here, given the popularity of fashion items amongst Super Shoppers who buy from sales events the most.

While volumes are high, sustainability has also become an important consideration as shoppers are exposed to the conversation across multiple channels, from social media to mainstream news. Behind the promotions, shoppers are concerned about sustainability when shopping online. This saw events like Green Friday gain momentum in 2022 – taking on Black Friday while promoting more mindful and sustainable online shopping. The category has been quick to respond, with retailers highlighting their sustainable practices to customers, or even switching materials, suppliers or partners. This is definitely a space to watch.

November was a record-breaking month for Fashion, with Athleisure and Footwear being most popular

Strong demand for Fashion during the lockdown months in VIC and NSW

Online purchase volume  
2018-2022

Total Fashion & Apparel spend<sup>1</sup>

**\$34.7bn**  
32% came from  
online sales<sup>4</sup>

Spend compared to last year

**↑ 25%** Total YoY growth  
**↓ 0.9%** Online YoY growth<sup>3</sup>

2018

<sup>3</sup>source: CommBank iQ

2019

2020

2021

2022



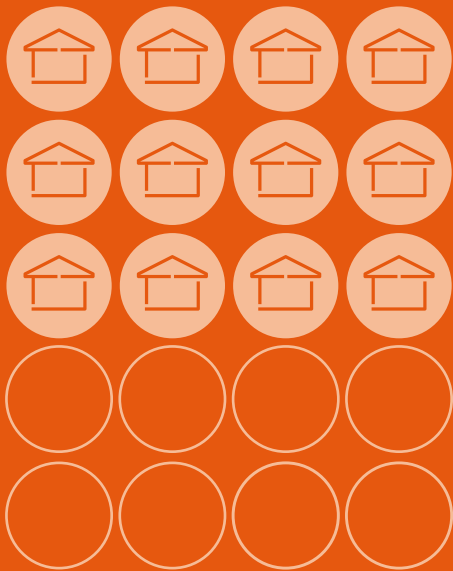
Fashion & Apparel

Fashion & Apparel

6.2m

households purchased from Fashion & Apparel online in 2022

That’s more than 66% of households that shopped online in Australia



Top locations

Rose Bay, NSW 2029 and Bondi Beach, NSW 2026



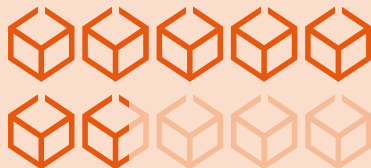
With a beautiful harbourside location and one of the most iconic beaches in the country, residents of Rose Bay and Bondi Beach are also Australia’s biggest lovers of fashion.

Residents here are typically busy professionals with high disposable incomes and prefer the convenience of online shopping. Retailers that offer fast and simple returns are more likely to attract shoppers in these postcodes to buy even more than they normally would.

Who are your top shoppers?



The top  
**25%**  
of Fashion & Apparel shoppers drove



**68%**  
of the category purchases.

They bought from Fashion retailers 12 or more times in 2022.



Handy hint

With items often purchased for a specific event or date, fashion buyers value speed of delivery far more than other category shoppers. Don’t offer express or next day shipping? You risk not keeping up with the fast-moving fashion lover.

What else did they buy?

**51%**  
of all Beauty product purchases were made by those top Fashion shoppers.



Fashion & Apparel

Home & Garden

# 100% home grown

Home & Garden has experienced healthy growth over the last few years, yet the category has remained somewhat resistant to the influence of sale events. While we still see spikes, Home & Garden sales tend to be more stable through the year than other categories.

A strong adoption of memberships, loyalty and subscription models across the category is likely to have contributed to this consistency.

By offering exclusive member pricing or auto-replenishment discounts, retailers gain greater control of offers across the year, rather than being dictated by industry-wide sales events like Black Friday.

Pet Products were in a league of their own in 2022. Fuelled by strong pet ownership uptake during the pandemic, no other category could keep up. The sub-category saw >21% year on year growth in number of purchases, peaking in August 2022.

Pet Products and Tools & Garden saw strong demand in November



Pet products, Tools & Garden and Baby products were popular during the lockdown months

Online purchase volume  
2018-2022

Total Home & Garden spend<sup>1</sup>

\$72.3bn

26% came from  
online sales<sup>4</sup>

Spend compared to last year

↑ 7.4% Total YoY growth

↓ 3.5% Online YoY growth<sup>3</sup>

<sup>3</sup>source: CommBank iQ

2018

2019

2020

2021

2022



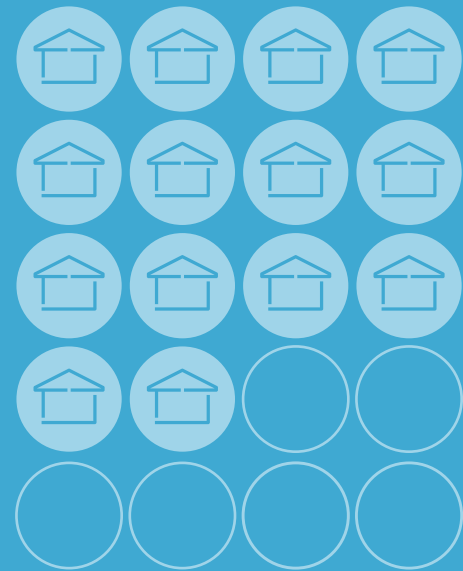
Home & Garden

Home & Garden

6.6m

households purchased from Home & Garden online in 2022

That's almost 70% of households that shopped online in Australia



Top locations

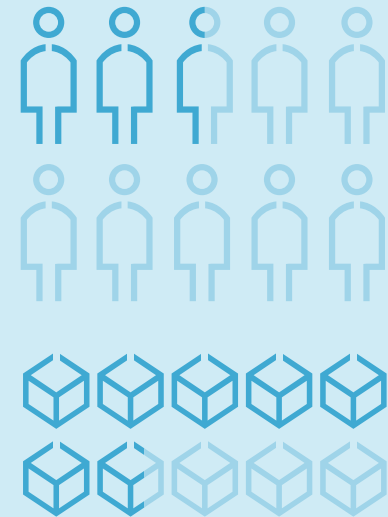
Samford Valley, QLD 4520 and Mount Duneed, VIC 3217



Samford Valley is about 40 minutes to Brisbane CBD. Home to plenty of families and a peaceful lifestyle, the larger properties make it a popular spot for hobby farmers and pet owners. As a result, Samford Valley residents played a large part in Home & Garden purchases and had the highest per capita purchases for pet products in 2022.

Mount Duneed is a growth area with plenty of new dwellings and residents. Sitting to the south of Geelong, it's a relatively affordable spot that's popular among young families looking to renovate and landscape their property. These shoppers get busy and make Home & Garden purchases more often than other shoppers.

Who are your top shoppers?



The top  
**26%**  
of Home & Garden shoppers drove

**63%**  
of the category purchases.

They bought from Home & Garden retailers 6 or more times in 2022.



Did you know?

Pet products was the largest growing category in 2022 growing at over 21% year-on-year. Read how Pet Culture leveraged an auto delivery model and other value-adds to build loyalty in this fast-growing segment on page 34.

What else did they buy?

**46%**  
of all Games, Toys & Hobbies purchases were bought by those top Home & Garden shoppers.



Home & Garden

Health & Beauty

# Loyalty looks good on you

Health & Beauty saw strong YoY growth in retail sales and it's not just from the latest miracle ingredient or trending bronzer. A focus on personal wellness has seen hair and skin products, nutritional supplements and other self-care products become more popular.

Like Fashion, Health & Beauty shoppers are among the most responsive to sales events, mainly driven by purchases from the most active shoppers.

Marketing in this category isn't one size fits all, with businesses employing a range of approaches to drive sales. Sales events aside, peer reviews can be powerful, while robust storytelling strategies across platforms like TikTok, Instagram and YouTube bring together commerce and content to keep customers engaged and connected. Loyalty programs have also proven to be an effective tool for personalisation and customer retention.

November was the second highest recorded volume

Highest recorded volume driven by demand during COVID restrictions in August

## Total Health & Beauty spend<sup>1</sup>

\$24.1bn

12% came from online sales<sup>4</sup>

## Spend compared to last year

↑ 13% Total YoY growth

↓ 3.9% Online YoY growth<sup>3</sup>

Online purchase volume  
2018-2022

<sup>3</sup>source: CommBank iQ

2018

2019

2020

2021

2022



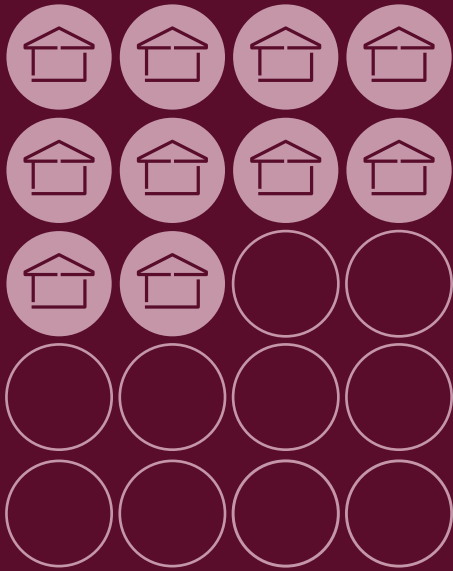
Health & Beauty

Health & Beauty

4.8m

households purchased from Health & Beauty online in 2022

That's more than 51% of households that shopped online in Australia



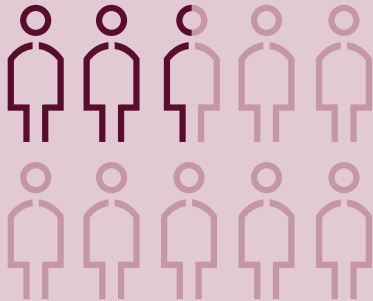
Top locations

Bulimba, QLD 4171 and Brunswick East, VIC 3057

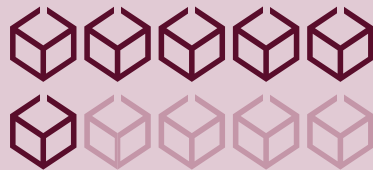


Bulimba and Brunswick East: both affluent locations in their respective states and home to the country's biggest online shoppers for Health & Beauty. Although close to retail outlets, many of their residents are busy, high-income professionals who prefer to save time on visiting physical outlets. They enjoy the convenience of online shopping and having the freedom to buy what they want, when they want.

Who are your top shoppers?



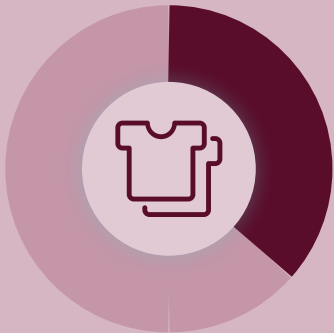
The top  
**22%**  
of Health & Beauty shoppers drove



**58%**  
of the category purchases.

They bought from Health & Beauty 6 or more times in 2022.

What else did they buy?



**33%**  
of all Athleisure purchases were made by those top Health & Beauty shoppers.



Health & Beauty

Hobbies & Recreational Goods

# Slow and steady wins the race

A relatively small category, and made up of Auto Parts, Games, Toys & Hobbies and Sporting & Outdoor Goods, Hobbies & Recreational Goods (Hobbies & Rec) overall experienced a weaker year online than other categories.

However motoring enthusiasts, no longer limited on movement and travel, helped propel volumes in the Auto Parts segment, which enjoyed one of the largest YoY sub-category jumps in 2022.

Continually engaging customers to keep them in the loop with new products and the latest innovations, while offering long-term value over one-off promotions, appears to be a successful approach among this segment.

Unlike Fashion, this is not a category we see shoppers buying from frequently. A small group of enthusiasts drives a strong proportion of all purchases – making them a valuable and desirable group for retailers to reach. Tapping into this cohort using membership or loyalty models will add value for shoppers and help to build a community of loyal and repeat customers.

Auto Parts were in strong demand during November sales events

Sporting & Outdoor goods were popular during Black Friday/Cyber Monday sales

Total Hobbies & Recreational Goods online spend<sup>2</sup>

Online purchase volume  
2018-2022

**\$4.3bn**    ↓ 5.2%    compared to last year<sup>3</sup> ⓘ

Share of spend<sup>16</sup>

**50%**  
Games, Toys & Hobbies

**50%**  
Recreational goods

<sup>2,3,16</sup>source: CommBank iQ

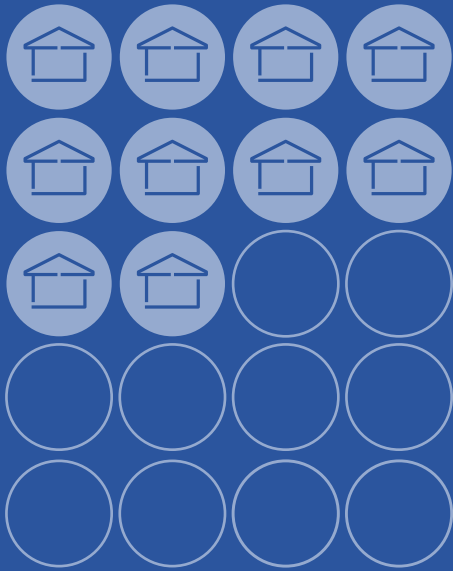


Hobbies & Recreational Goods

4.3m

households purchased from Hobbies & Rec online in 2022

That’s more than 46% of households that shopped online in Australia



Top locations

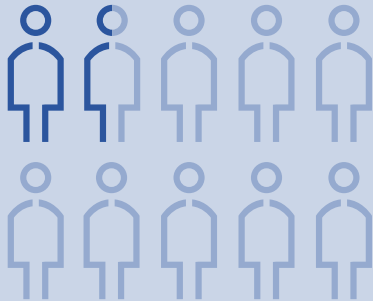
Picton, NSW 2571 and Muswellbrook, NSW 2333



Picton has a lot of high-income families, who live on generous properties and enjoy outdoor activities. On the other hand, Muswellbrook has fewer families with children and an overrepresentation of males working in the coal mining industry. Differences aside, both postcodes make many Hobbies & Recreational purchases in the form of sporting goods and electronic or tabletop games.

And it’s easy to see why. Between wealthy young families and those with plenty of time, not to mention an abundance of outdoor space, these regions are tailor-made for getting outdoors. To make the most of these two types of shoppers, retailers should offer long term incentives that not only attract new customers but promote repeat purchases.

Who are your top shoppers?



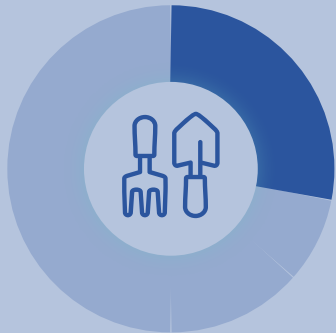
The top 15%

Hobbies & Rec shoppers drove

46% of the category purchases.

They bought from Hobbies & Rec retailers 6 or more times in 2022.

What else did they buy?



Over 25% of all Tools & Garden purchases were made by those top Hobbies & Rec shoppers.

Specialty Food & Liquor

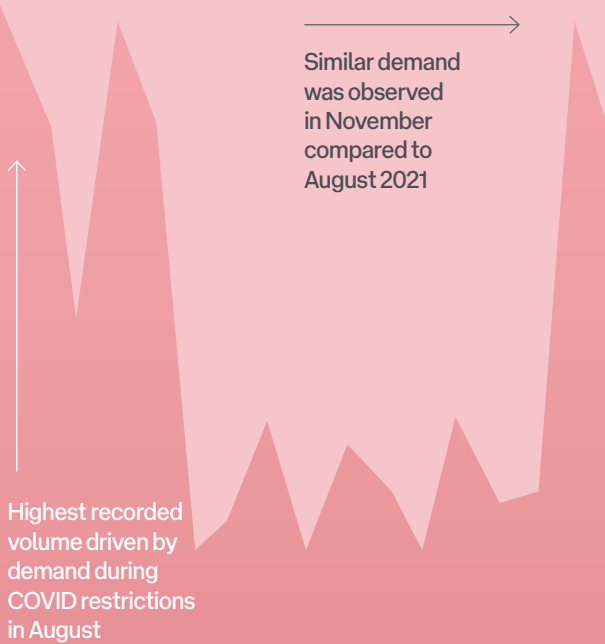
# Pick up supplies in just a click

It's no surprise that this category saw strong growth during the COVID-19 pandemic. From a silky shiraz to an espresso, if we couldn't get it at our favourite bar or café, the next best thing was to buy online.

Savvy operators who were able to switch their bricks and mortar businesses into online stores made the most of the surge demand. This wasn't just the highly recognised retailers either. We saw many boutique products and brands coming into the mainstream.

Businesses like craft breweries, distilleries and purveyors of coffee adopted eCommerce platforms and began selling online more than ever before. Ready-to-drink mixes enjoyed the highest growth over the past two years, while at the same time, non-alcoholic beverages also became much more popular and available online.<sup>17</sup>

Today, the result is a more competitive market that provides consumers with a larger choice of niche products. And although growth has stabilised to a more normal level, it's still moving upwards at a predictable rate, supported by a small group of connoisseurs or traditional gifting or entertaining seasons such as Christmas.



Online purchase volume  
2018-2022

Total Specialty Food & Liquor spend<sup>1</sup>

**\$160bn<sup>^</sup>**  
**8% came from online sales<sup>4</sup>**

<sup>^</sup> includes grocery retailing

Spend compared to last year

**↑ 5%** Total YoY growth  
**↑ 11%** Online YoY growth<sup>3</sup>

2018

<sup>3</sup>source: CommBank iQ

2019

2020

2021

2022

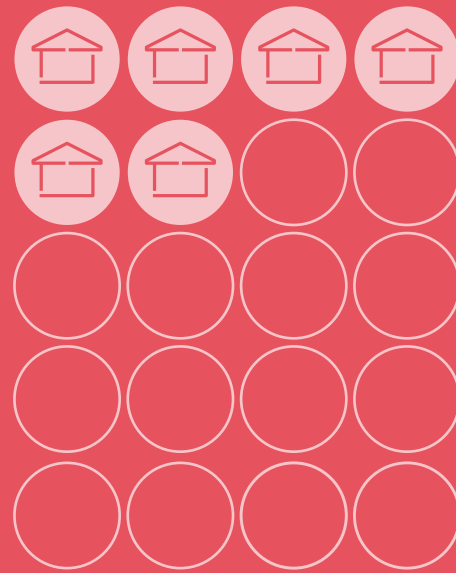


Specialty Food & Liquor

2.7m

households purchased  
from Specialty Food &  
Liquor online in 2022

That's almost 29% of  
households that shopped  
online in Australia



Top locations

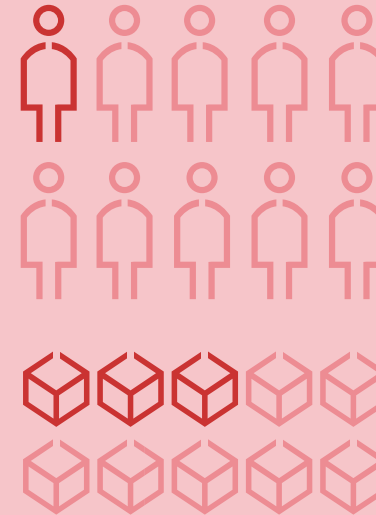
Mosman, NSW 2088 and Balmain, NSW 2041



Two affluent harbourside locations in NSW and two of Australia's biggest online buyers of food and liquor. Residents here are mature, well-educated and high-income earning professionals. They enjoy good food and a glass of wine during their down time, soaking up the harbourside views.

With a taste for the finer things in life, these connoisseurs' kitchens are often kitted out with the latest gadgets like bar and wine fridges, coffee machines and even charcuterie fridges. All of which need to be filled with drinks, coffee beans and exotic meats and cheeses. With busy lives and plenty of beautiful scenery to enjoy, shoppers in these areas are more likely to stock up on food and liquor through bulk online purchases.

Who are your top shoppers?



The top  
6%

of Specialty Food  
& Liquor shoppers drove

33%

of the category purchases.

They bought from Specialty Food &  
Liquor retailers 12 or more times in 2022.



Did you know?

Unsurprisingly wine and liquor shoppers tend to buy more tea and coffee than your average shopper. They however tend not to buy from online marketplaces often, preferring to do their online shopping directly from retailers.

What else did they buy?

52%

of Homewares &  
Appliances purchases  
were also made by the  
2.7m Specialty Food  
& Liquor shoppers.



## Methodology

# Dialling in the data

**From interviews to statistics, we aim to provide retailers with the relevant shopping insights so they can find their ideal retail strategy.**

The main sections of this report are based on the analysis of 2018-2022 parcel data recorded by the Australia Post Group, unless otherwise stated. Commentary in this report relating to online shopping is based on an extrapolation of this data.

The retail types as referenced in the 'State of Commerce' section are segmented into five groups based on business models and sizes: Bricks & Clicks, Marketplaces, Digital Natives (excluding marketplaces), Big Brands and Smaller Businesses.

All household counts are limited to residential households and exclude households that received an excessive number of parcels per year to remove outliers from the distribution.

For ease of reference, postcodes are substituted with suburb names where appropriate. In instances where more than one suburb shares a postcode, only one suburb is referenced.

Top locations for online shopping exclude postcodes with a population fewer than 8000 people as per the 2021 census.

Top locations listed in the 'State of Commerce' section under:

- 'Parcel volume' are derived from the number of parcels.
- 'Parcel volume per capita' are derived from the number of parcels divided by postcode population.
- 'Growth suburbs' are derived from year-on-year growth in number of parcels.
- 'Meet your online shoppers' determined by highest concentration of shopper group.

Top locations listed in the 'Specialty Retailer Insights' section are derived from the number of category-specific parcels delivered per capita in that postcode.

Specialty retailers are segmented into product categories: including Variety Stores, Fashion & Apparel, Home & Garden, Health & Beauty, Hobbies & Recreational Goods, Specialty Food & Liquor and Media.

Data quality improvements over time may lead to variances from previous reports.

References & Authors

References

<sup>1</sup> Retail Trade Australia (seasonally adjusted) excluding cafes, restaurants & takeaway food services, ABS, Jan 2023

<sup>2</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods spend in CY22<sup>#</sup>

<sup>3</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods, year on year % growth in spend CY21 to CY22<sup>#</sup>

<sup>4</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods spend in CY22<sup>#</sup> and ABS Retail Trade (seasonally adjusted) excluding cafés, restaurants and takeaway food services, Jan 2023

<sup>5</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods % growth in spend CY19 to CY22<sup>#</sup>

<sup>6</sup> State and Territory Population, ABS, June 2022. Population data is for year ending June 2022

<sup>7</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods % of category spend in CY22<sup>#</sup>

<sup>8</sup> Retail Trade Australia (original), excluding cafes, restaurants & takeaway food services, ABS, Jan 2023

<sup>9</sup> Fortune Business Insights, Global Smart Parcel Locker Market Size 2020-2029, September 2022

<sup>10</sup> Australia Post Consumer Segmentation Research Sep-Oct22 (Wave 5)

<sup>11</sup> Australia Post Omnibus SMB survey, Nov 2022

<sup>12</sup> Australia Post Omnibus SMB Survey, June 2022

<sup>13</sup> Australia Post Omnibus Consumer Survey, Nov 2022

<sup>14</sup> IPC Cross-Border eCommerce Shopper Survey 2022

<sup>15</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods % of Variety Stores spend in CY22<sup>#</sup>

<sup>16</sup> CommBank iQ. Consumer spend is based on banking transaction data (debit/credit cards, BPAY, direct debit) and estimation for buy now pay later payments. Online physical goods % of Hobbies & Recreational Goods spend in CY22<sup>#</sup>

<sup>17</sup> Liquor Market Moves 2022: Market, Occasion and Consumer Shopping Perspectives, IRI Australia and Growth Scope, June 2022.

<sup>#</sup>This report contains analysis by CommBank iQ, a joint venture between the Commonwealth Bank of Australia ABN 48 123 123 124 (Commonwealth Bank) and Quantum Group Pty Ltd (Quantum), which is the subject of intellectual property (including copyright) and confidentiality rights of one or multiple owners, including the Commonwealth Bank, Quantum and where applicable, its thirdparty data owners (Data Providers), together IP Owners.

The information contained in this report may have been prepared using raw data owned by one or more of the Data Providers. The Data Providers have not been involved in the analysis of the raw data, the preparation of the report, or the information contained in the report. The IP Owners do not make any representation (express or implied) or give any guarantee or warranty in relation to the accuracy, completeness or appropriateness of the raw data, or the analysis contained in this report. The IP Owners will not be held liable for any use or disclosure of any information contained in, or derived from this report. To the extent permitted by law, the IP Owners take no responsibility for and have no liability for the preparation, contents, accuracy or completeness of this report, or the analysis on which it is based.

Authors

**Gary Starr**  
EGM Parcel, Post & eCommerce Services

**Rose Yip**  
Head of eCommerce Data Analytics

**Lauren Thompson**  
Content Manager

**Andy Ran Mei**  
Analyst

**Phillip Ngo**  
Analyst

**Customer Insights & Marketing Strategy**

## About Australia Post

Australia Post provides a range of data solution services. If you have any questions or would like to know more, please contact your Australia Post Account Manager.

We're making it easier for you to connect with your customers, and find new ones both here and overseas. Through our suite of eCommerce driven logistics, supply chain and parcel delivery solutions, we can help you to provide seamless online shopping experiences, from checkout to delivery.

This report is provided for general information purposes only and does not contain any advice for your specific business needs.

The views in this report are the views of the authors only, and while every effort has been made to ensure the accuracy of the data and insights Australia Post cannot make any warranties regarding the information contained in this report.



Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as a team. We recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.



### Handy Hint

For more insights, head to  
[auspost.com.au/einsights](https://auspost.com.au/einsights)