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Quarterly Update

JULY – SEPTEMBER 2024

Inside Australian Online Shopping



How is eCommerce tracking?

Affordable fashion drives growth in online purchases for the quarter

The new financial year is well underway with the volume of online purchases growing 2% YoY for the quarter. Much of this growth is driven by Fashion & Apparel (up 16.7% YoY) and Health & Beauty (up 5.1% YoY).

As sales events continue to drive eCommerce growth, businesses need to be well-prepared for the upcoming peak season. In this quarterly report, we share valuable tips for a smooth peak experience and ways to keep your customers delighted and engaged.

For small businesses, we also dive into how you can use loyalty programs as a powerful tool to strengthen competitiveness and customer retention.



An average of 5.8m households

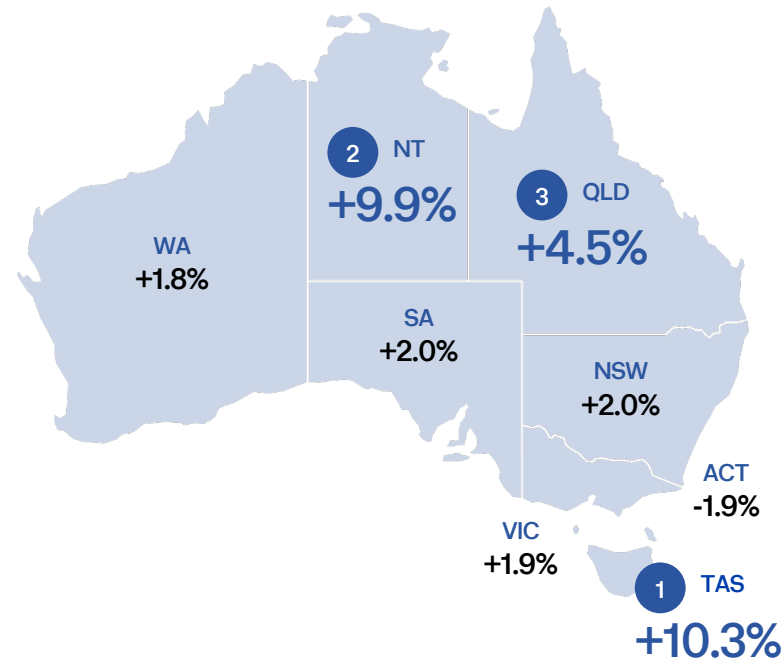
shopped online each month during the quarter (+2.6% YoY).



190k more households

shopped during AfterPay Day this year compared to last year.¹

How the states performed YoY:



Most popular categories:

+16.7% YoY
Fashion & Apparel

+5.1% YoY
Health & Beauty

+1.6% YoY
Specialty Food & Liquor

Online purchases grew by:

+2.0%
YoY

+2.0%
QoQ

+2.5%
in the last 12 months
leading up to Sept 2024

Delivering for business

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1. AfterPay Day 2024 period: 12th August 2024 – 25th August 2024,
AfterPay Day 2023 period: 14th August 2023 – 27th August 2023

What volumes can your business expect this peak season?

With Black Friday and Cyber Monday fast approaching, it's important to know what volumes to plan for. Take a look at how online sales surged during peak² compared to non-peak³ retail periods in 2023 to get an indication of what to expect this year.



2. Peak period is defined as the week of 27th November 2023. These days are averaged to calculate a daily parcel volume

3. Non-peak periods are defined as all weeks in 2023 excluding major sales events and public holidays. These days are averaged to calculate a daily parcel volume

Your ultimate Peak Playbooks for sales success

As you move through peak season, how can you use these insights to boost sales, keep customers happy and simplify your operations? We've created two playbooks—for small and big businesses—packed with tips to help make your peak season a success.

Here's a quick snapshot of the 2024 Peak Playbooks:

01

Smart prep for smooth processing

Use sturdy, correctly sized packaging to protect items and speed up processing. Avoid glossy surfaces, loose straps and overloading parcels.

Use matte white labels with clear, black ink. Place labels on the flattest surface and avoid covering them with tape or straps.

02

Streamline your deliveries

Separate parcels by speed (Express vs. Parcel Post) and size to ensure they reach the right facility and avoid delays.

Submit manifests only when your parcels are ready for pickup to set accurate delivery expectations.

03

Offer hassle-free returns

Make returns easy with options like Print at Post and consider extending your return policy during peak season. Plus, process refunds quickly to keep customers happy.

04

Provide a positive delivery experience

Encourage customers to use the AusPost app for tracking to reduce enquiries and improve satisfaction.

Offer secure and convenient delivery options with Parcel Lockers to enhance the customer experience.

[Download Peak Playbooks](#)

Head to our Peak Preparation page to download the right playbook for you and explore interactive videos to help you have a bumper peak season.

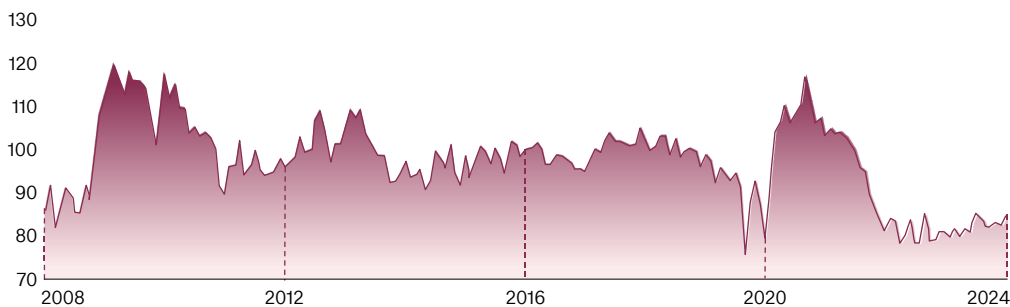
Retailers must adapt to shifting shopping habits to remain competitive

Rising inflation and interest rates mean people are cutting back on discretionary spending. But here’s the twist—online shopping for deals and discounts is growing. In August, we saw an additional 190,000 households shop during AfterPay Day sales compared to last year.

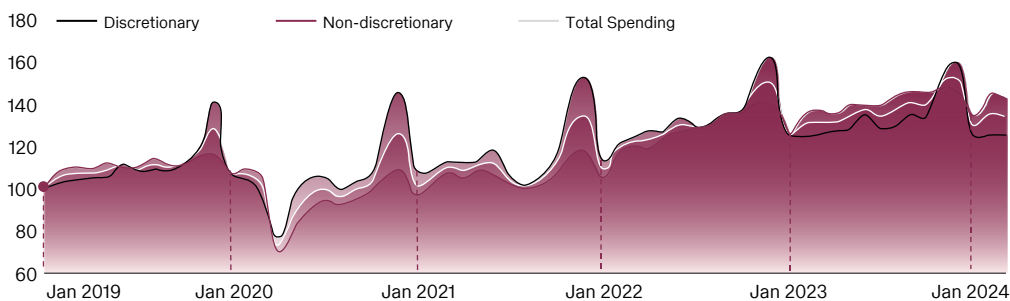
Instead of splurging, consumers are making smaller, more frequent purchases and flocking to online marketplaces for the best prices. In fact, online marketplaces now make up more than 1 in 3 online purchases, growing each year⁴.

As we gear up for the peak retail season, businesses face the challenge of balancing consumer demand for savings with their own cost pressures. However, it’s also a significant opportunity to connect with customers, boost sales and foster loyalty that extends beyond the busy period.

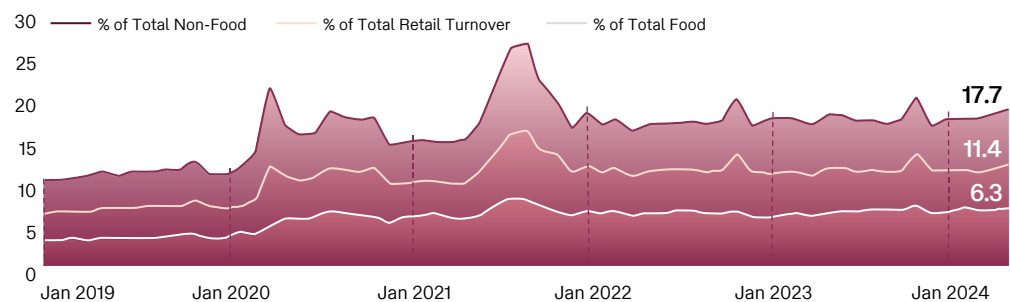
Consumer sentiment index⁵



Monthly household spending index by type⁶



Online sales as % of total sales by type⁷



4. CommBank iQ, July 2024

5. Westpac Economics, Melbourne Institute

6. ABS Monthly Household Spending Indicator, March 2024

7. ABS Retail Trade, May 2024

Loyalty programs offer small businesses a powerful tool to stand out

In today's competitive market, loyalty programs are more than just perks—they're a powerful strategy to drive repeat business and outshine bigger marketplaces. With nearly 90% of Australian consumers (18+) enrolled in at least one loyalty program as of 2024⁸, your customers are already primed for loyalty.

In fact, 47% of consumers choose one retailer over another due to a loyalty program⁹, and nearly half of all online purchases come from loyal customers¹⁰.

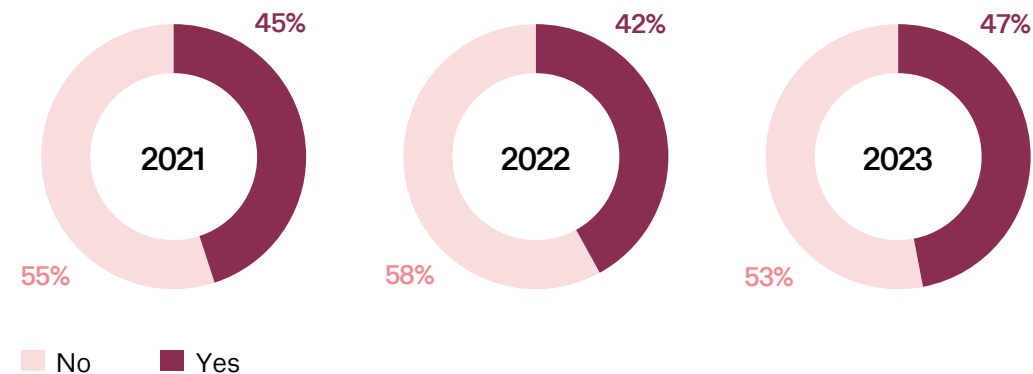
By introducing your own program, you're not just offering discounts—you're fostering lasting relationships that keep customers coming back.

Did you know?

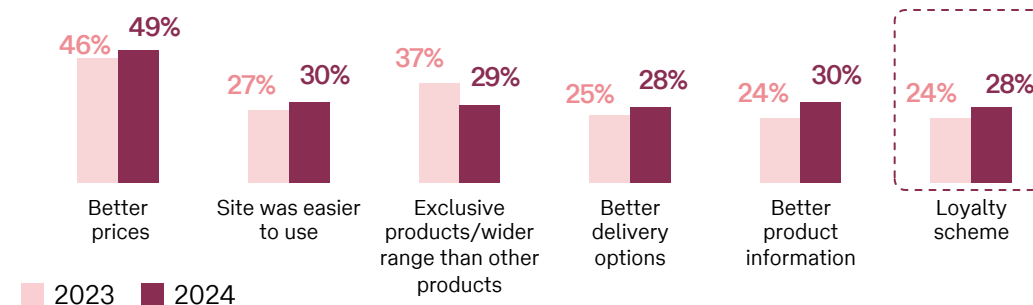


1 in 2 shoppers look to loyalty programs, in store sales and paying with reward points to save money amidst rising living costs.¹²

Has a loyalty program offering caused you to choose one retailer over another?⁹



Why have you chosen to buy from selected brands' websites instead of others?¹¹



8. Statista, 'Share of consumers enrolled in at least one loyalty program Australia 2016-2024'

9. Power Retail: Retail Trajectory Report #72 Nov 2023

10. Australia Post eCommerce Survey FY24

11. Pattern 2024 Marketplace Consumer Trends Report Feb 2024

12. Australia Post Omnibus Survey July 2024

How Roogenic's loyalty program turned 'sometimes' shoppers into devoted fans



Roogenic, a proudly Australian brand, has nurtured a loyal community through its Roowards and The Leaf Society programs by focusing on building meaningful customer connections from the start.



Known for its premium, naturopath-designed tea and powder blends, Roogenic has cultivated a deeply loyal community by prioritising customer engagement and care.

By adopting an inclusive approach to loyalty and retention, the brand has grown its customer base to 300,000 strong, with a focus on meaningful relationships to drive long-term success.

Driven by community feedback

Two key programs—Roowards and The Leaf Society—are at the heart of Roogenic's success. Roowards, the brand's loyalty program, rewards customers with points for every purchase, helping shift the perception of Roogenic from a luxury brand to an everyday essential. Jordan Bruno, Roogenic Marketing Director explains, “Loyalty is a key focus for us and that means encouraging regular, daily consumption of our tea.”

Roowards offers three tiers: Brewer, Healer, and Alchemist, each with its own perks such as vouchers, free gifts, and early access to promotions. With 20,000 active users, Roowards has successfully turned many one-time buyers into repeat customers. What sets Roogenic apart is its commitment to community-driven feedback, regularly surveying customers and engaging with its VIP Facebook group to fine-tune the experience.

Tailoring the experience

Building on Roowards’ success, Roogenic introduced The Leaf Society in 2024, a premium membership program offering a more tailored experience. Members receive a unique loose-leaf tea blend each month, with the first being complimentary as a “thank you”. The program now boasts 450 members, growing by 10% monthly.

Roogenic's customer care team plays a pivotal role in this loyalty-building journey by responding to 98% of emails and ensuring every interaction is personal and thoughtful. With this community-first approach, Roogenic has set the gold standard for customer loyalty and has fostered meaningful relationships that keep customers coming back.



Have you got a game plan for attracting and keeping customers?
[Check out our top strategies here](#)

Kickstart your loyalty program: Your go-to checklist



Not sure where to begin in designing a successful loyalty program? Imogen Mason, Roogenic Community Manager shares her expert checklist.



Did you know?



Paid subscriptions are on the rise in the US with 52% of shoppers joining loyalty programs that provide consistent rewards and exclusivity⁸.

This presents an opportunity for Aussie retailers to evolve their loyalty programs to offer unique experiences and personalised rewards beyond simple discounts.

○ Deep dive into customer research

"Our quarterly surveys, created with Typeform and sent via Klaviyo, provide insights that have shaped Roowards and The Leaf Society. To encourage completion, we offer a 10% discount or \$5 voucher. Understanding customers' views helps us craft offerings that resonate. Just remember, it's important to segment customers by purchase frequency, preferences or engagement to tailor research. For instance, we ask loyal customers about upcoming products, while one-time buyers are asked why they haven't returned. Acting on feedback is crucial, whether by improving offerings or addressing repurchase barriers."

○ Identify market gaps

"We analysed our competitors and found there wasn't anything in the market close to what we had in mind, especially with The Leaf Society. Coupling this with customer feedback, we knew we had a unique opportunity to create something truly exclusive."

○ Reward generously

"The Roowards tiered reward system features popular products and valuable perks. The feedback has been fantastic, and we've refined the program based on customer suggestions, like introducing bigger value vouchers for customers with substantial points to redeem. With The Leaf Society, we elevated the experience by offering monthly bonuses like bush food pairings and unique recipes with their tea blends to make them feel like VIPs."

○ Use promotion strategies

"We've placed a clear yet unobtrusive 'Rewards' button on our website, which provides all relevant information on Roowards and includes a direct call-to-action to join. For The Leaf Society, we started with targeted email campaigns highlighting the program's benefits. Then we moved to monthly emails showcasing new blends and membership perks, and subscription ads aimed at existing customers."

○ Prioritise platform integration

"We chose tools that seamlessly integrate with our existing eCommerce setup, so the customer experience is consistent and user-friendly. Loyalty programs must feel as familiar as the rest of the shopping process on your website."

○ Track for success

"For The Leaf Society, conversion rates on product pages are our primary success metric, currently sitting at a healthy 6-7%. We also closely monitor customer retention, as it's a key indicator of the program's overall effectiveness."

To access eCommerce industry reports and updates, visit:
auspost.com.au/einsights

If you have any questions or would like to know more,
please contact your Australia Post Account Manager.

This update has been prepared using 2023-2024 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. Overall eCommerce growth includes Other and 3PL categories, which are not reported in the category overview. Shoppers or households are measured as residential or mix use addresses that received an eCommerce parcel.



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



Steer through the 2024 peak season with Australia Post

Leverage our latest eCommerce insights to grow your business during peak season. Plus, use our essential peak resources for a smoother experience this year.

[Get peak resources](#)