

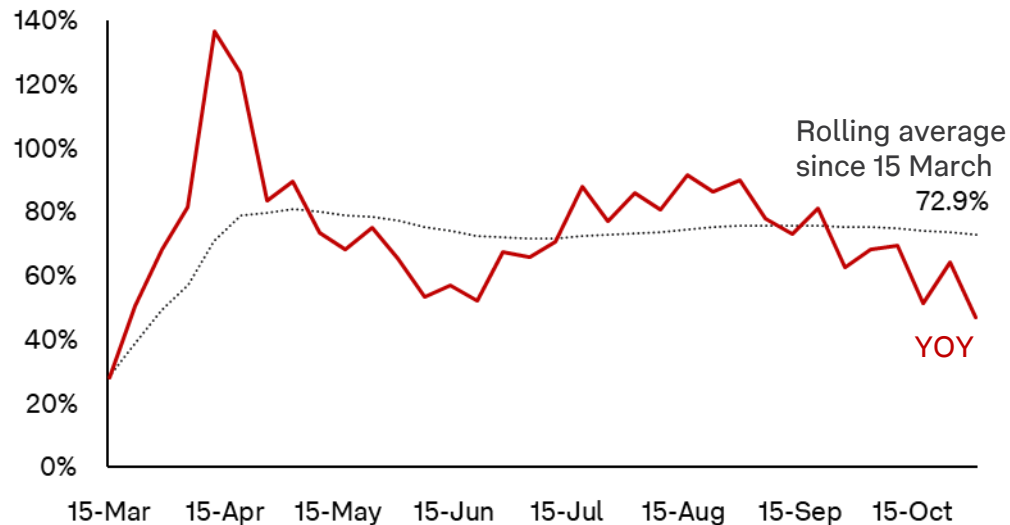


Inside Australian Online Shopping update

November 2020

Online purchases remain strong

Weekly online purchases,
YOY growth, 2020

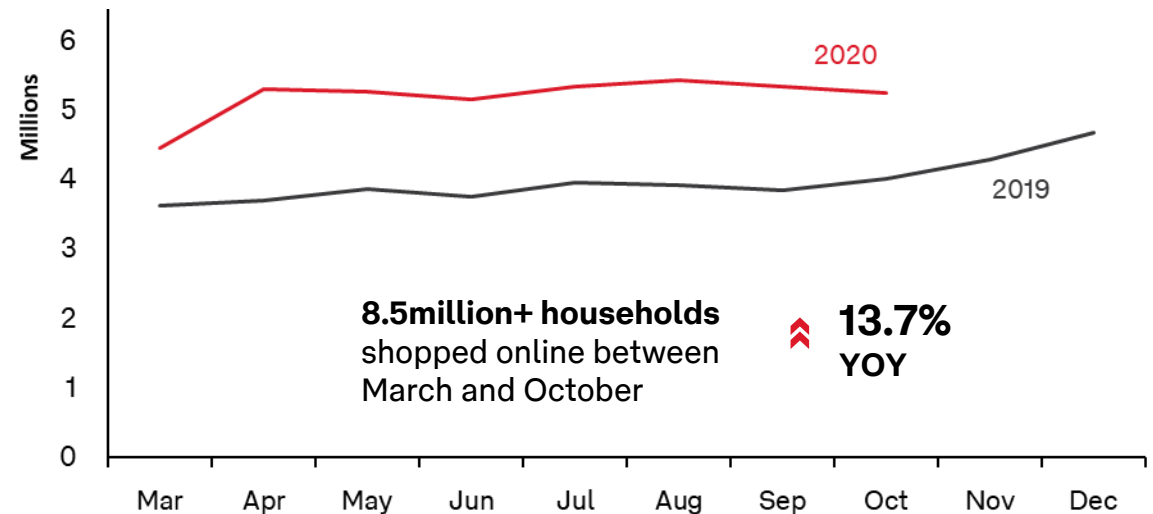


Eight months into the pandemic and online shopping purchase growth is tracking strongly at 72.9% year-on-year (YOY), however showing signs of normalisation.

While October saw weaker growth than September, down 2.9%, it was comparable to the 2019 pre-Christmas peak.¹

¹Pre-Christmas peak measured as the 31 days to 18 Dec 2019 inclusive.

Number of households
shopping online per month

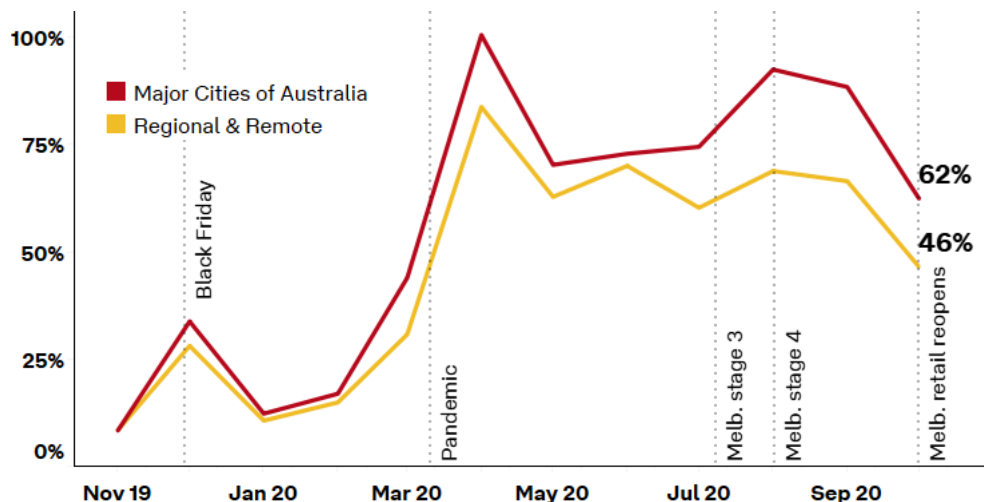


Between March and October, over 8.5 million households shopped online - an increase of 13.7% YOY.

Since July, Victoria has held the highest share of online shopping purchases. As physical stores opened, this slowed slightly in October, landing at 34%, down two percentage points month-on-month.

Regional locations experiencing strong growth

**Major Cities and Regional Australia
Monthly online purchases, YOY growth**



Online shopping isn't just booming in major cities it is growing strongly in regional locations as well.

In October, major cities saw online purchase growth of 62% YOY. This compares to 46% YOY in regional locations.

**New shoppers
Online purchases, YOY growth
March to October 2020**



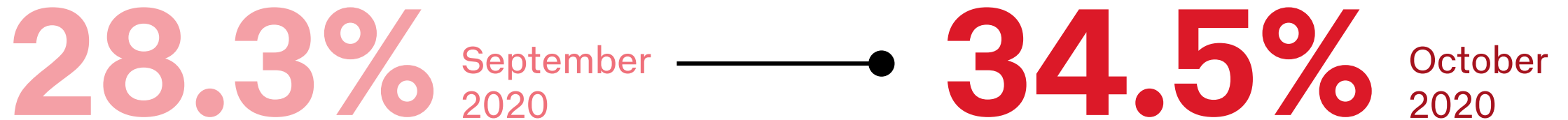
Between March and October over a million (1.08m) new households shopped online, an increase of 28.5% YOY. 30% of these households were from regional locations.

For this same time period, we've seen new online shoppers growing at a faster rate in regional areas at 34% YOY, compared to 26% YOY in major cities.

Stock shortages becoming more common

Attempted to purchase something online but was sold out or unavailable

Proportion of online shoppers



The proportion of online shoppers who were unable to complete a purchase online at least once in the last month increased significantly from 28% in September to 35% in October.

The proportion is much higher in Victoria - there is a 8.7 point difference – likely reflecting the state's higher amount of online purchases following months of restrictions which forced physical retail stores to close.

When shoppers encountered supply problems, 52% said they went without, 17% waited for the item to be back in stock, while 27% looked to substitute the item or purchase it from another retailer.

To minimise potential revenue losses associated with stock shortages, retailers should consider options such as making the item available for pre-order or providing an avenue for customers to be notified when the item is back in stock.

Source: Australia Post Consumer Survey, September (n=1,875) October 2020, (n=1,935).

Base: Shopped online at least once in the last 12 months.

October sales drive millions of web visits

Several sales events were held in October driving significant web traffic.

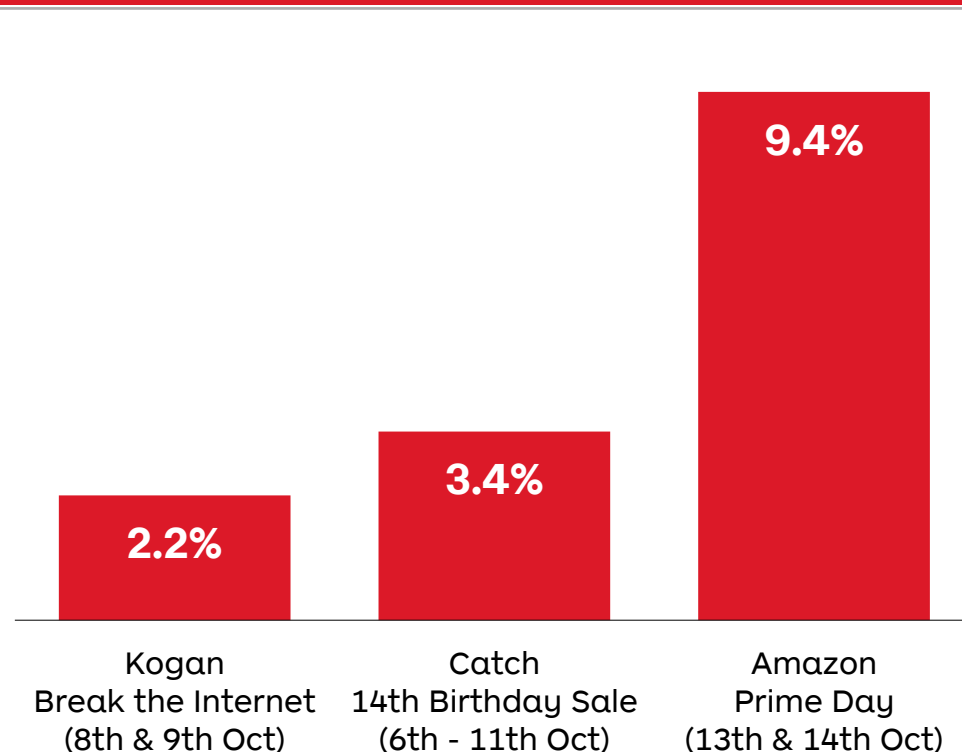
From 6 to 14 October 2020, the daily average visits to Catch.com.au, Kogan.com and Amazon.com.au was over 2 million. This peaked on 13 October, which saw 2.7 million visits. For the month, visits to these sites were up 11.9% when compared to the previous month.¹

Amazon Prime Day was the most popular event with one in ten online shoppers saying they participated.²

Overall, there was a strong interest among younger shoppers with 25% of people aged 18 to 29 taking part in the October sales events. Participation was driven largely by NSW and Victorian shoppers.²

Sales events continue to draw interest from shoppers, and with major events occurring in November (i.e. Black Friday/Cyber Monday) followed by Christmas we're expecting this year's peak to exceed 2019 by over 30%.

Participated in online shopping sales in October²



¹SimilarWeb, Website visits to Amazon.com.au, Catch.com.au and Kogan.com, 6-14 October 2020

²Australia Post Consumer Survey, October 2020, (n=1,935)

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This update has been prepared using 2019 and 2020 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. New shoppers or households is defined as residential delivery points that did not receive an online purchase in the previous 12 months.

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