

# 2024 Inside Australian Online Shopping

eCommerce Industry Report



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# About this report

Welcome to the 9th edition of the Inside Australian Online Shopping Report, an in-depth study into consumer buying behaviours 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.

Explore this report and other insights online



## Foreword

# Welcome to the 2024 Australia Post eCommerce Industry Report

**In 2023, we saw a period of moderation in retail activity as Australian consumers and retailers adapted to changed economic conditions.**

But, while spending may have slowed, more Australian households are shopping online than ever before, with 8 in 10 households making an online purchase in 2023. The increasing number of households shopping online confirms that behaviours established during the COVID-19 pandemic are here to stay.

Retailers and consumers both responded swiftly to interest rate rises, inflation and rising cost-of-living in 2023. Consumers persistently pursued discounts, focusing on major sales events such as Black Friday and Cyber Monday, which experienced significant growth in sales volumes (up 88% and 70% respectively) since 2019. Retailers were quick to capitalise, extending sales periods and increasing promotions to capture a larger cohort of shoppers holding out for sales events. All of this contributed to Australia Post achieving its biggest eCommerce Peak period yet delivering nearly 100 million parcels in November and December.

For our part, we responded to changing consumer expectations with the introduction of Australia Post Metro, our next-day delivery service operating in Melbourne, Sydney, Brisbane, and the Gold Coast. Uptake of this product has been pleasing and performance strong and we expect to expand this offering to other states and territories this year. Furthermore, we've underscored our commitment to the communities we operate in, investing \$343 million in our network in the last financial year and opening new sites like our Orange Community Hub—an example of more to come as we continue to implement our Post26 strategy for a modernised Australia Post.

This follows the Federal Government sharing its roadmap for reforming Australia Post in December, providing a platform for us to build a more sustainable business so we may continue to delight the millions of people we deliver for every day for another 200 years. A modernised Australia Post will benefit our customers in several ways, including faster parcel delivery, greater convenience in sending and receiving parcels and letters, and increased safety and security through ongoing investment in digital technology.



Though it's been a challenging year for many, the Australian eCommerce sector has proved its resilience, ensuring it is well positioned for opportunities that may arise in the future. It's our hope that the information contained within will help you to do just that while we focus on transforming our iconic business to continue to delight our customers and respond to their ever-evolving needs.

Be safe, be kind.

**Paul Graham**

Group Chief Executive Officer and Managing Director,  
Australia Post

## Executive Summary

# Online retail is here to stay

**Rising costs may have impacted shopping behaviour—but not necessarily in the way you think. Consumers are changing what, where and how they shop online, leading to a big shift in the Australian retail market.**

In 2023, the retail industry experienced a period of slower growth due to challenging economic conditions. But the convenience and ease of online shopping continued to attract consumers, with 9.5 million households making an online purchase in 2023.

Shoppers chose to make more frequent but smaller purchases leading to the emergence of the Strategic Shopper—a value driven consumer who is selective with what, where and how they spend their money. It's important for retailers to understand these traits when building a successful strategy, which is why we explore the shopping habits of today's generations in this year's report.

It was a tale of two cohorts in 2023. While Baby Boomers enjoyed financial freedom, spending nearly \$1 billion more than they did last year, the younger generations cut back on spending in light of financial pressures.

These pressures were felt by many, including retailers. To tackle rising supply chain costs, 43% of Australian retailers raised their free shipping thresholds in 2023<sup>1</sup> with some implementing return fees—a bold move to shift the cost of returns to the consumer.

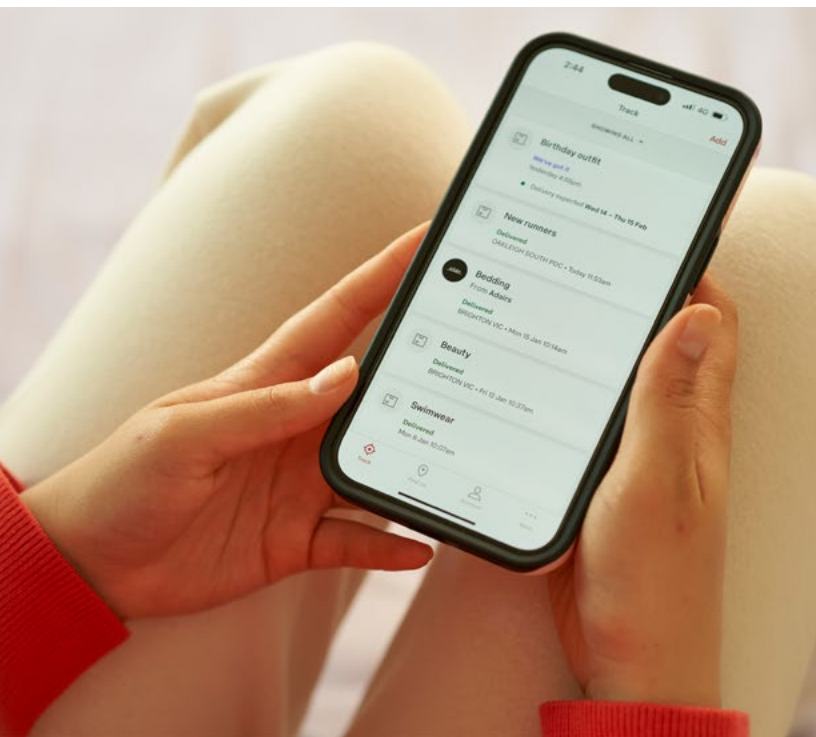
Final sale items gained traction too, with 82% of shoppers unaffected by a 'no returns' policy<sup>2</sup>. But with so many unreturned items comes the rise of 'recommerce', as more retailers launch preloved marketplaces to encourage the resale of secondhand or unwanted wares. Perfect timing, as consumers embrace sustainable and affordable alternatives to new merchandise.

On the topic of sustainability, retailers continued to take steps to minimise their environmental impact—and customers are noticing with 62% of shoppers willing to pay extra for products that align with their values<sup>2</sup>. But transparency is key, as we investigate in this report.

And then, there's the ever-evolving world of AI—revolutionising the way retailers collect, analyse and use customer data.

As the economy is expected to improve and more people are projected to shop online, retailers can anticipate relief by late 2024 and beyond. We hope this report helps to inspire your upcoming strategy.

“  
Sales events soared in popularity among all shoppers, with Black Friday's success, up 88% in purchases from 2019, showcasing an opportunity for businesses of all sizes.  
”





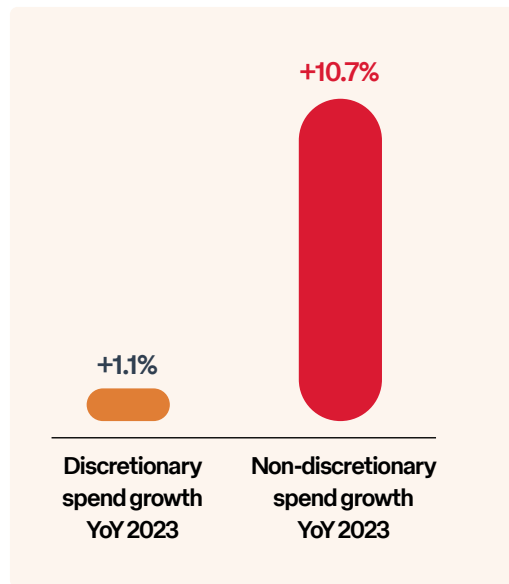
# State of Commerce

Dive into the shopping carts of Australian consumers as we uncover the surprising insights from online and in-store spending data in 2023.

# How did retail do in 2023?

Aussies spent **\$361b<sup>3</sup>** on retail goods in 2023, only 2%<sup>4</sup> more than in 2022.

Growth in retail spend decelerated in 2023, with year-on-year (YoY) growth dropping from an exceptional 9.3% to a modest 2.0%<sup>4</sup>, below the pre-COVID average.



This shift presented considerable challenges for both retailers and consumers. Consumers were strategic with their purchases and showed a hesitancy to spend, particularly on non-essential items. For the first time in five years, non-discretionary spend growth outpaced discretionary spend growth<sup>5</sup>.

Retailers did their best to adapt. Some adopted long-term initiatives to drive down costs and improve productivity, while others offered deeper discounting in the short term to manage inventory and boost foot traffic.

Looking ahead, interest rate adjustments, moderating inflation<sup>6</sup>, predicted income growth<sup>7</sup> and stage three tax cuts are expected to ease economic challenges and enhance consumer spending power by an estimated \$50 billion in FY 2025<sup>7</sup>. Coupled with population growth, these factors are anticipated to drive overall growth and provide some relief for retailers by the end of 2024.



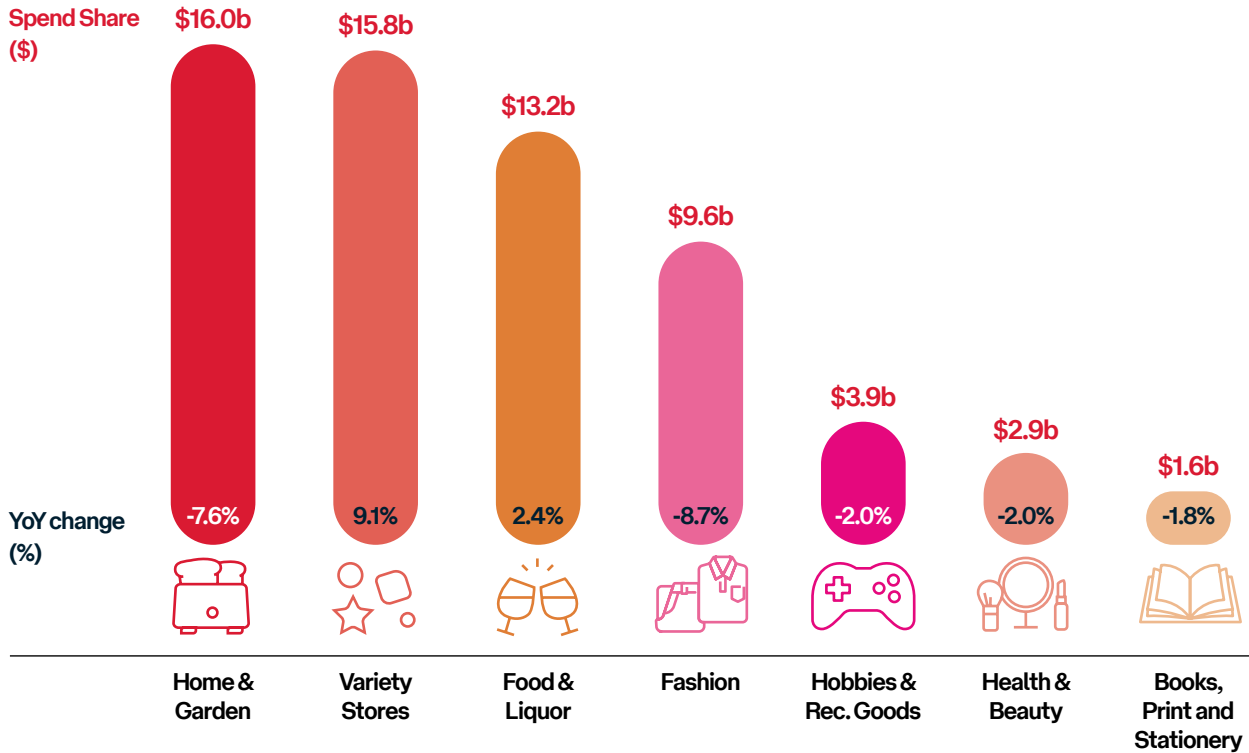
# What did we spend online?

In 2023, Australians spent **\$63.6b** online<sup>8</sup>

## Spending may be flat but we're shopping online more often

Consumers chose to make more frequent but smaller purchases, with an average basket size of \$98.10, down by 4.6% from last year<sup>8</sup>.

As people looked for better deals, Variety Stores, especially Online Marketplaces, saw a surge in online spending, up by 9.1%. The only other type of store to see growth in 2023 was Food & Liquor, mostly because more people were buying groceries online.

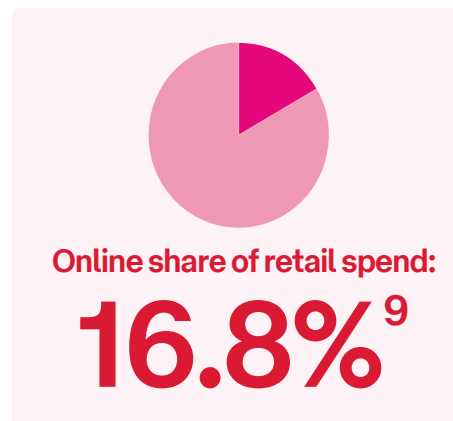




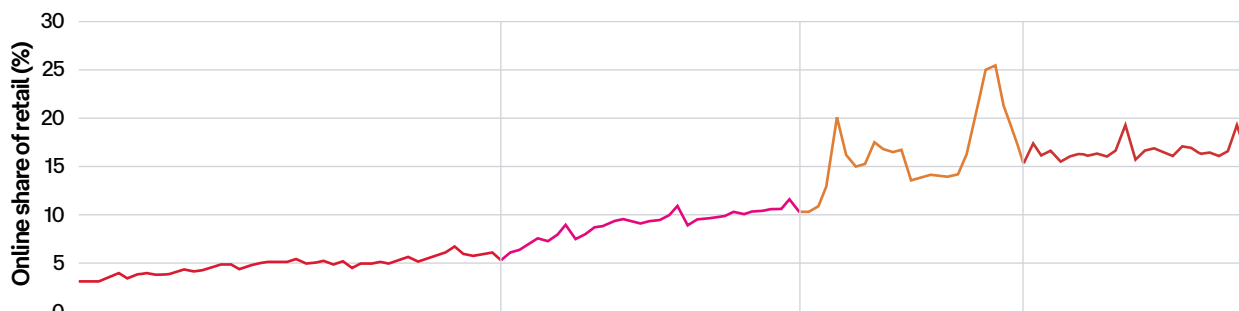
# The evolution of eCommerce in Australia

Even though growth in online shopping seems to have slowed after the COVID-19 pandemic, eCommerce continues to hold a significant portion of total retail spending.

Retailers have been focusing on creating smooth shopping experiences that blend online and in-store options to attract customers back to physical stores. However, it's clear that online shopping continues to be an essential part of the Australian retail landscape.



## Online share of retail spend

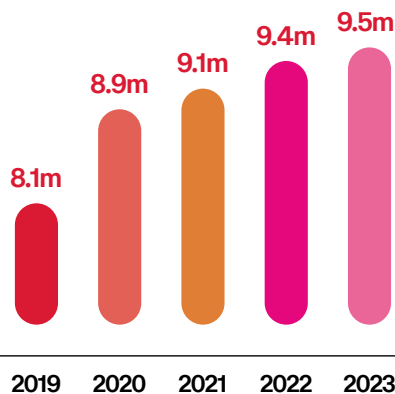


2013-2016	2017-2019	2020-2021	2022-today
<p><b>The gradual rise</b></p> <p>Consumers and retailers embraced digital retail channels for convenience. Shoppers increasingly favoured eCommerce platforms, marking a shift towards a digital-first approach in consumer shopping behaviour.</p>	<p><b>BNPL and Amazon come on the scene</b></p> <p>Buy now pay later (BNPL) payments grew in popularity in 2017. Afterpay reached 2.3 million customers by the middle of 2018<sup>10</sup>. By December 2017, Amazon entered the arena, driving even greater growth in online retailing.</p>	<p><b>The COVID-19 effect</b></p> <p>eCommerce underwent a major transformation driven by the COVID-19 pandemic, leading to a significant surge in online shopping. By September 2021, online spending reached its peak with 1 in 4 retail dollars being spent online, making eCommerce an integral aspect of daily life.</p>	<p><b>The new normal</b></p> <p>Online shopping has firmly established itself as the 'new normal' in Australian retail and an integral part of the retail fabric. eCommerce adoption is expected to continue rising steadily.</p>

# More households are shopping online than ever before

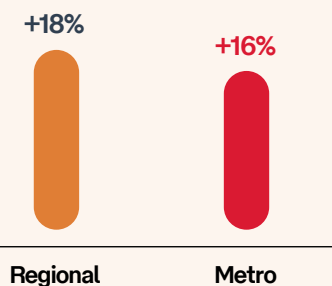
8 in 10 Australian households shopped online in 2023. That's 9.5 million households (+1.4% YoY) across the nation that received a parcel in 2023.

We've seen significant progress over the years. Compared to 2019, there are now an additional 1.5 million households choosing to do their retail shopping online. In 2023, on average there were 5.6 million households that made an online purchase each month.



## Regional areas outpacing metro growth

In the past few years, rural areas have seen more growth in households shopping online than metro areas. They've experienced a significant 18% increase since 2019, while metro areas have seen a 16% growth rate.



# Aussies are purchasing online more often

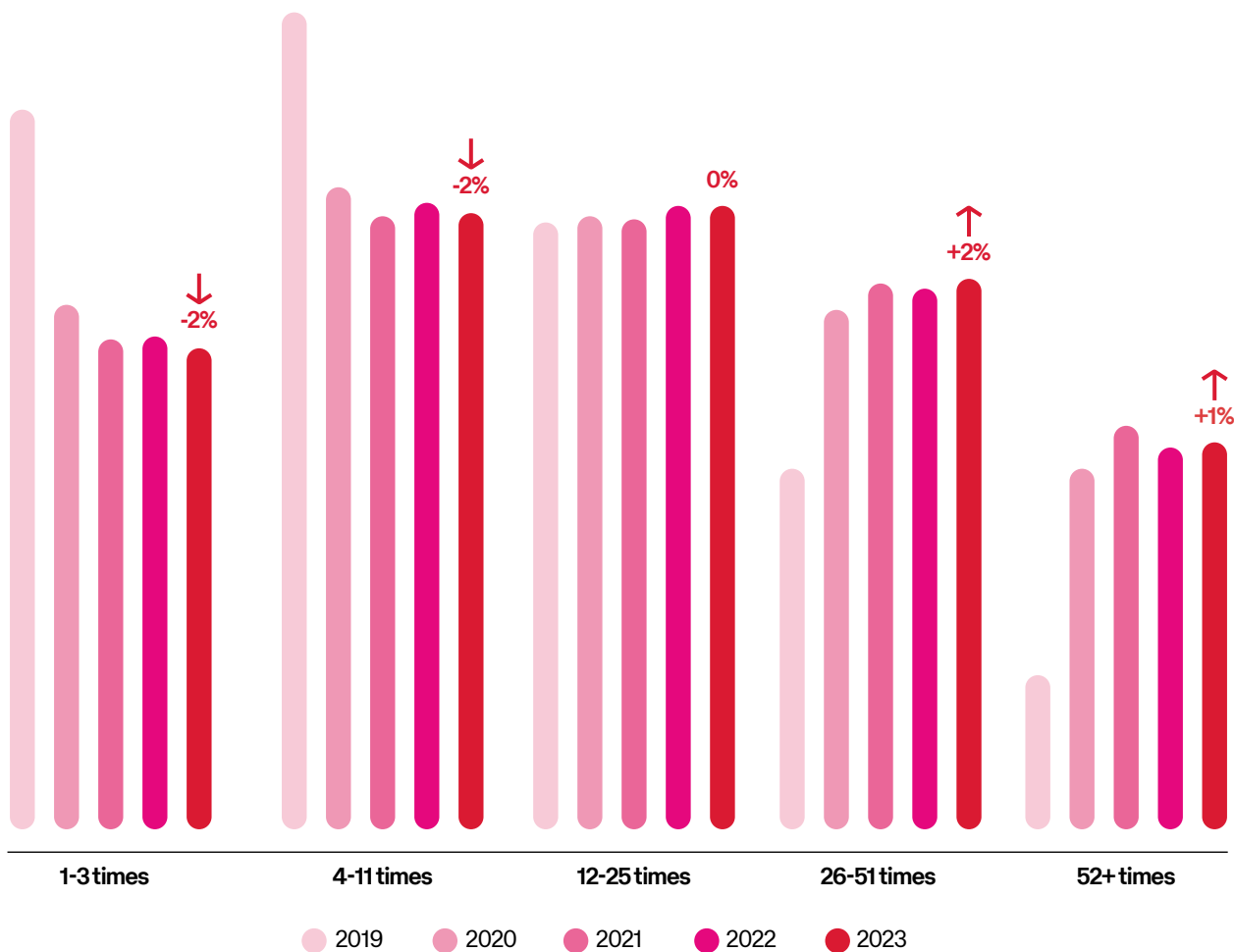
Approximately 1 in 7 Australian households made weekly online purchases, illustrating the growing reliance on eCommerce in everyday life.

Repeat purchasing intensified, as the number of purchases per household went up. Households that shopped 26-51 times a year increased by 2% while the group of most frequent shoppers, who made over 52 purchases annually, increased by 1%.

## Handy hint

Offer frequent shoppers personalised experiences to build loyalty, improve customer satisfaction and encourage repeat purchases.

### Frequency of online purchases per year





# Where are we seeing the greatest growth?

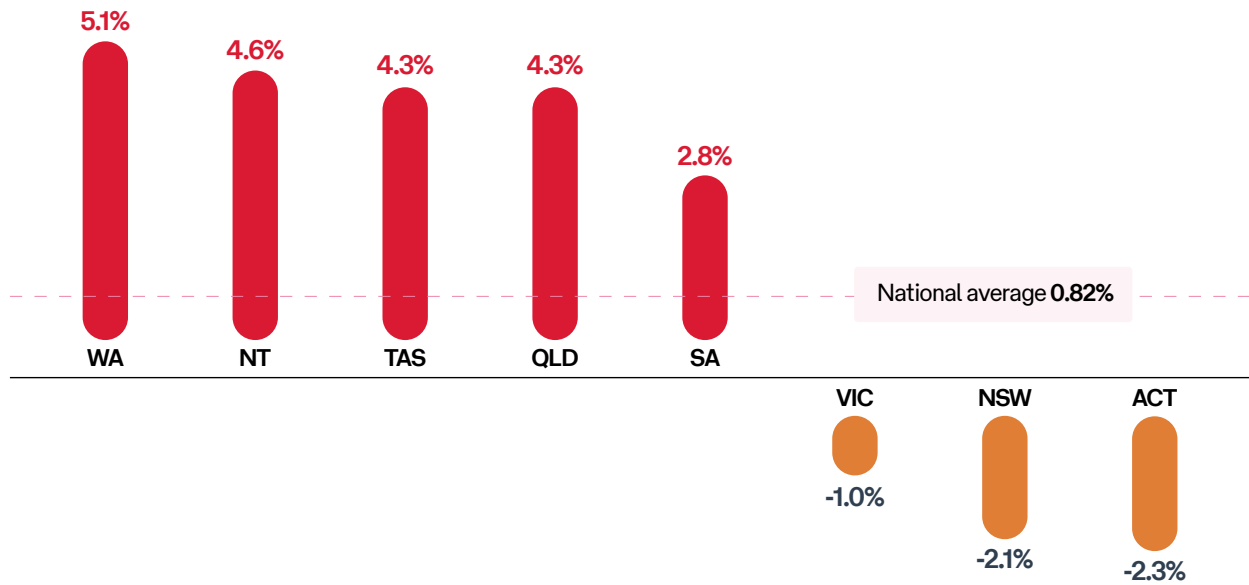
**Western Australia led the way in 2023 with the highest YoY growth in online purchases (5.1%).**

The Northern Territory, a state often underreported, came in second with an impressive 4.6% growth in online purchases.

Queensland and Tasmania also did well, each with 4.3% growth. South Australia joined in with a 2.8% increase, reinforcing the nationwide move towards online shopping.

However, in Victoria and New South Wales—which are big economic players—there was a downturn in the amount people bought online. Victoria’s online purchases decreased by 1.0% and New South Wales saw a 2.1% drop. These decreases seem to match a trend where online shopping is going back to normal after an unprecedented surge during the COVID-19 pandemic.

## State growth



## Top locations for online shopping

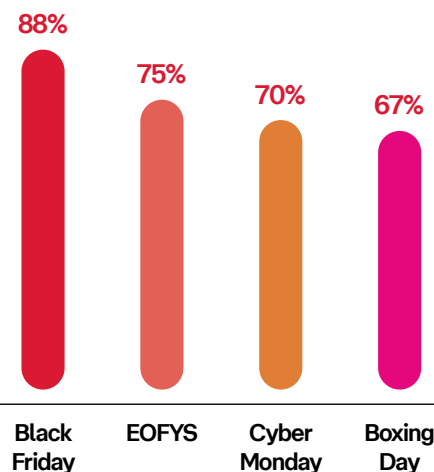
Top locations by volume			Top locations by volume per capita			Top growth suburbs by volume		
Point Cook	VIC	3030	Macleay Island	QLD	4184	Fraser Rise	VIC	3336
Toowoomba	QLD	4350	Mount Duneed	VIC	3217	Waterford West	QLD	4133
Hoppers Crossing	VIC	3029	Mooloolah Valley	QLD	4553	Woodford	QLD	4514

# How sales events are transforming the eCommerce landscape

Online sales events accelerated in popularity in 2023, becoming almost like traditions for Aussie shoppers.

The year's standout event, Black Friday, saw a huge 88% leap in number of online purchases compared to 2019, as shoppers turn to sales events for the best deals. Cyber Monday also did well, with a 70% volume increase over 2019. Boxing Day and End of Financial Year Sales (EOFYs) also saw significant growth, with 67% and 75% volume increases since 2019, respectively.

Growth in online purchases during sales events (2023 vs 2019)



Here are 3 tips for building your 2024 sales strategy:



### 1. Strategically time sales

Leverage data analytics to identify the most opportune times to run promotions, and then tailor the deals to specific audience segments to maximise relevance and engagement during sales events.



### 2. Offer early access

Create a sense of exclusivity and urgency by offering personalised invitations or exclusive discounts to loyal customers. This tactic can drive anticipation and encourage sign-ups to your email database.



### 3. Leverage influencers

Collaborate with social media influencers to maximise your impact during sales events. Tailor your collaborations to specific age groups, ensuring resonance with your target audience. For instance, partnering with younger influencers can significantly influence Gen Y and Gen Z shoppers.

# Across the Generations

This exclusive report uncovers the shopping habits by generation, including what they like to buy, how to reach them and which cohort spent the most online in 2023.



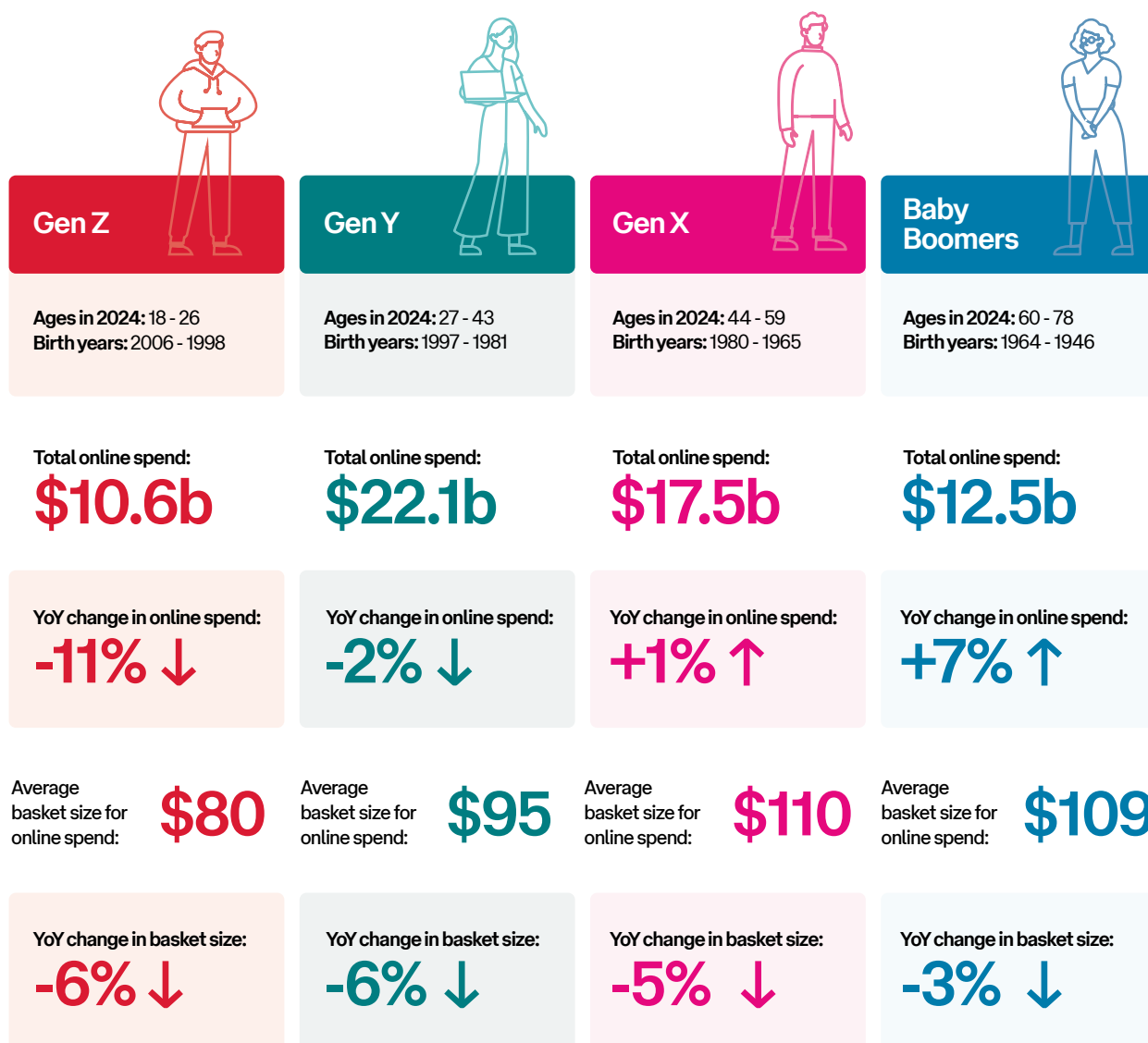


# Consumer spending by generation

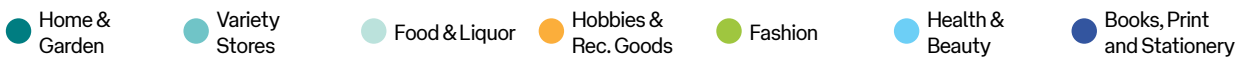
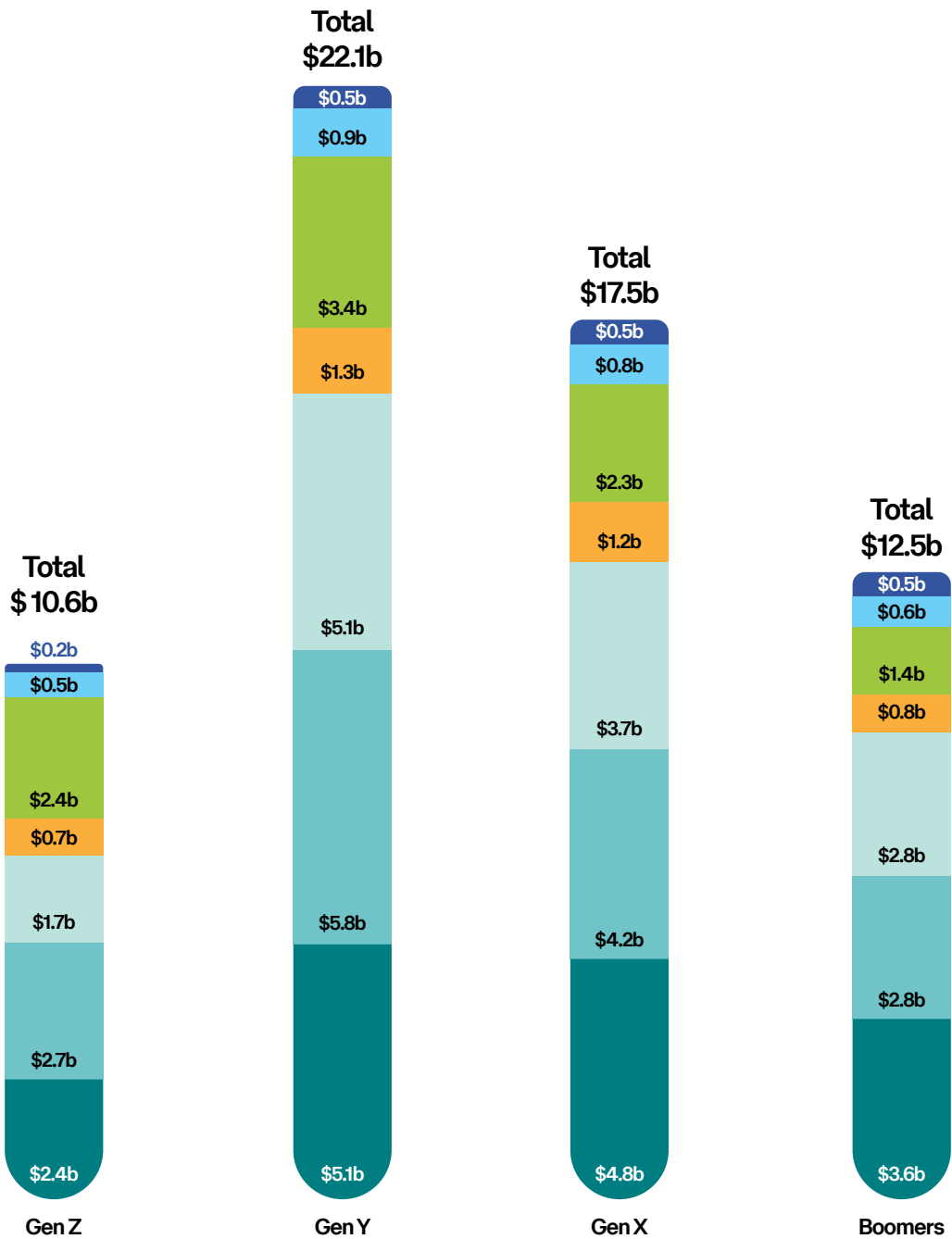
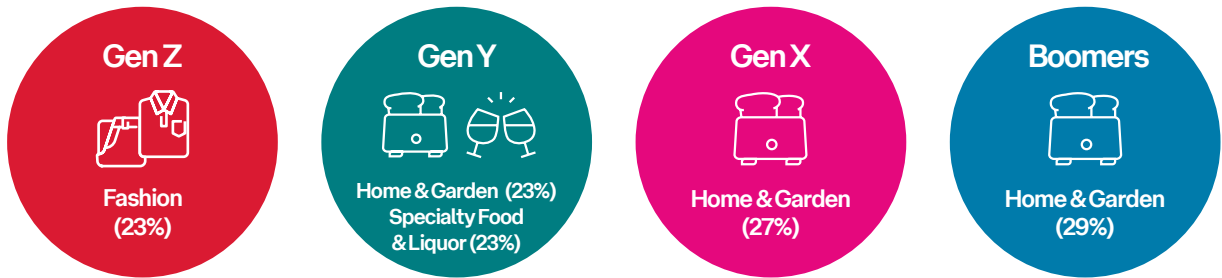
Online spending totalled \$63.6 billion in 2023<sup>8</sup>. But when we dig deeper, there are surprising insights to be found about the shopping habits of each generation.

In today’s economy, younger generations are cutting back in response to challenging financial conditions. With uncertain job markets and increasing debt, they’re choosing smaller, budget-friendly purchases like fast fashion and affordable lifestyle products.

Meanwhile, older generations, with stable finances and established careers, continue to spend generously—particularly on home and garden items. This highlights a clear generational gap in spending habits driven by economic conditions and priorities.



## Which categories do the generations prefer?







# How the generations shop

All value sustainability, younger shoppers (like Gen Z and Gen Y) switch for faster delivery and Boomers are warming up to online shopping.

## Gen Z (18-26)

### Handy hint



Tap into Gen Z's passion for the environment by clearly stating your **sustainability goals** on your website. Offering a **seamless returns policy** will attract them, too.



### Discovery

Loves shopping online, with **21% of their purchases** happening on the internet.<sup>8</sup>

### Buy

**93%** would rather shop from brands that align with their sustainable values.

### Delivery

**67%** are the masters of switching retailers for a faster shipping thrill!

**16%** value the convenience of adding **Parcel Locker locations** in the Australia Post App.<sup>2</sup>

### Returns

**51%** are riding the return wave, indicating a strong inclination for sending items back.

## Gen Y (27-43)

### Handy hint



For enthusiastic Gen Ys looking for a **quick parcel delivery**, consider offering Australia Post's Metro or Express Post delivery options at checkout for expedited shipping.



### Discovery

The online shopping champions, spending **23% of their retail budget online**—more than any other generation!<sup>8</sup>

### Buy

**82%** prefer shopping from brands that match their sustainable values.

### Delivery

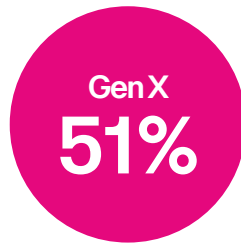
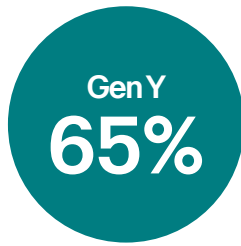
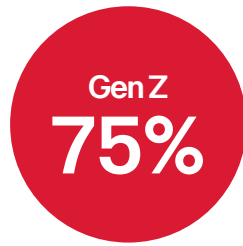
**57%** feel the need for speed and are ready to switch retailers for faster shipping.

**24%** love the ability to **rename their deliveries** in the Australia Post App (with so many parcels, no wonder!).<sup>2</sup>

### Returns

**44%** are embracing the return game, opting to send items back.

Who's willing to spend an extra \$20 on eco-friendly items?



## Gen X (44-59)

### Handy hint



Appeal to value-driven Gen Xs by offering **free shipping** promotions, particularly around a certain spend, and clearly communicate these incentives to encourage larger purchases.



### Discovery

Demonstrates an interest in online shopping, with a steady **online spending rate of 19%**.<sup>8</sup>

### Buy

**66%** care about shopping from brands that align with their sustainability values.

### Delivery

Just **31%** are up for the retailer-switching game in pursuit of faster delivery.

**34%** highly value the **push notifications and real-time updates** from the Australia Post App.<sup>2</sup>

### Returns

**34%** are returning items to retailers, with most tending to keep their purchases.

## Baby Boomers (60-78)

### Handy hint



Build trust by creating a fully accessible and **easy end-to-end experience** on your website. Including a note about **data security** at checkout gives Boomers added confidence to shop online, too.



### Discovery

Gradually embracing online shopping with **14% of their retail purchases** now made online.<sup>8</sup>

### Buy

**63%** will opt for brands that match their sustainability values.

### Delivery

A mere **17%** are ready to shake things up and switch retailers for a taste of faster delivery.

**63%** find the ability to **automatically track parcels** in the one spot the most important feature of the Australia Post App.<sup>2</sup>

### Returns

**21%** are returning items to retailers, with the majority sticking with their purchases.

# Trends in eCommerce

The eCommerce world continues to evolve, with more opportunities predicted for 2024. Here's what you should know to stay competitive in a challenging market.



# What if returns were a good thing for business?

Nearly 76% of online shoppers read the website's return policy before placing an order<sup>2</sup>, suggesting a seamless return policy is an important factor in their decision-making process.

That's why it was surprising when ASOS Australia quietly introduced an \$8.99 AUD return fee in mid-2023, following the likes of international brands such as Zara and Boohoo. We know about the high cost of returns to retailers—but while applying a return fee is one option, there are ways return policies can actually become a profitable part of your business.

## Easy returns: the secret to success

At a time when retailers are cracking down on returns, homewares retailer, Adairs, is striving to make returns easier with a 90-day returns policy for members of their Linen Lovers program—a perk introduced during the pandemic and continued due to its success. “It's about trying to be as flexible as we can and making the customer experience as nice as possible,” says Emma Porter, Senior CRM & Loyalty Manager at Adairs.

## Using loyalty to mitigate returns

With 78% of Australians agreeing loyalty programs enhance their experience with a brand<sup>1</sup>, retailers recognise the economic value of building loyalty into their strategy. “Making sure that we have happy, loyal Linen Lovers is a huge priority for us. We know that our Linen Lovers spend more on average, visit stores more on average, and shop online and in-store more as well,” says Emma.

Not only that, but common loyalty perks—like free and extended returns—help to build brand trust, resulting in happy customers and often, less returns in the long run.



“With satisfied customers comes a ream of other benefits—like less need for returns.”

Did you know?

# 78%

of Australians agree loyalty programs enhance their experience

Read more about the Adairs business story



## Communicating your policy

Providing a transparent and accessible returns policy also serves as a proactive measure to build brand trust. According to Emma, it's all about communication: “The key is having the conversation at the right time,” she says.

By addressing the returns policy at vital touchpoints in the customer journey, you empower shoppers to make informed decisions. Briefly outline your returns policy during the checkout process or send a post-purchase email with a friendly reminder. Presenting the policy through an infographic or step-by-step guide will also make it more user-friendly.

## Handy hint

Consider offering rewards for members who make fewer returns or use customer data to tailor return policies to individuals.

# Creating an omnichannel presence through pop-ups

60% of businesses found an omnichannel presence improved customer engagement<sup>1</sup>. However, traditional shopfronts aren't the only option.

While we may be seeing some retail giants implement return fees on postal and collection point returns, free in-store returns continue to be a vital tactic for boosting foot traffic. We know this omnichannel strategy works—in fact, 90% of online-only small to enterprise businesses are considering a physical presence in the next two years<sup>1</sup>. But as rental costs soar, what are some alternatives that require less long-term investment?

## The power of pop-ups

Pop-ups and markets are a popular way to maintain a physical presence without the high overhead costs associated with a traditional brick-and-mortar store. The benefits go beyond the bottom line too. From testing new markets to increasing brand awareness, these temporary outlets can be an important part of an effective growth strategy.

## From local markets to global marketplaces

Rikki Gilbey, Australia Post 2023 Local Business Hero and founder of WAW Handplanes, explains how his start at Manly Markets provided the perfect, low-risk opportunity to showcase his product in front of a live audience. After his first market stall, he immediately sold out.

“The markets are on the beachfront, so I knew that our potential customers would be there already. It's also a popular spot. I thought it would be a great place to test-run our products in front of our potential target audience and see what they thought,” says Rikki.

“It was my first real market research, putting the handplanes in front of strangers' faces. You don't get that immediate feedback online.”

Now, WAW Handplanes are stocked in over 50 surf shops across Australia, as well as stores in the US, France, Peru and Indonesia, and sold on Amazon AU and US.

“

To be honest, those markets (Manly) were the inspiration that fuelled the fire to start this business.

”



## Post Office pop-up helps small business grow

Since the launch of Pop Up @ Post at the reimagined Orange Post Office in NSW last October, we've already seen various small businesses in the local community benefit from the exposure. The rotating marketplace is being rolled out across the country and allows different brands to showcase their products in-store each season.

Read more about the WAW Handplanes story



## Handy hint

Create memorable moments at your market or pop-up—like a selfie wall, neon sign or freebies—to encourage shoppers to share on social media.

## 3 secrets to a successful pop-up shop

Thinking about a pop-up shop? Here are a few things to keep in mind:



### 1. Have a clear and specific goal

Define your objectives upfront, whether it's boosting brand awareness, liquidating excess inventory or testing a new market segment.



### 2. Choose the right location

Research foot traffic, demographics and competitor presence to identify a high-traffic area that aligns with your target audience and brand image.



### 3. Prioritise customer experience

Focus on creating a memorable and seamless experience for visitors through interactive displays and a personalised service. This will help to foster positive relationships and encourage repeat business.





# Final sale items and the recommerce revolution

Only 28% of businesses use ‘final sales’ in their strategy<sup>1</sup>, and yet this cost-saving tactic presents opportunities for both retailers and consumers alike.

Final sale items offer savvy shoppers a golden opportunity for bargains and help businesses clear inventory. Beyond that, the sense of urgency created by such sales can drive fast purchases and prompt customers to explore products they might not have considered otherwise. However, a ‘no returns’ policy poses a dual risk: inconvenience for consumers when the purchased item is unsuitable, and environmental harm when these items reach landfill.

## The rise of recommerce

We all know our collective demand for fast fashion strains the planet’s resources, so finding ways to responsibly recycle unwanted items is crucial for a more sustainable future. And brands are catching on, with recommerce (or reverse commerce) programs offering consumers a one-stop-shop to buy and sell secondhand items in the same place they purchase new.

## Promoting a circular economy

Women’s clothing brand, birdsnest, predicted this trend back in 2021 and in striving to deliver an exceptional customer service, introduced rehatched—a dedicated resale platform promising customers a lifetime returns guarantee and access to preloved styles alongside current-season offerings.

Birdsnest Founder Jane Cay explains:

“Rehatched is part of us taking responsibility for the clothing we bring into the world. Our goal is to make participating in a more circular fashion economy simple, fun and convenient for our community as that will naturally change shopping habits and extend the life cycle of our clothes.”

For brands looking to launch a resale program, it’s important to start with a meticulous strategy that considers technology, stock acquisition, ongoing resources, logistics and marketing. There will be challenges but plenty of business benefits too—like diversifying your revenue stream without relying on a global supply chain, and taking back revenue otherwise lost to third-party resale platforms. Not to mention, appealing to shoppers seeking sustainable brands.

Did you know?

**\$60b** ↑

Australia’s secondhand economy was valued at over \$60 billion AUD in 2022<sup>12</sup>.



“  
The more that brands can talk about and offer sustainable ways of purchasing, the more we invite opportunities for this way of thinking.

”

### Handy hint

Encourage loyalty by rewarding customers with vouchers or discount codes for trading in their pre-loved items.

Get started on a recommerce program





# Committed to sustainability? It's all about transparency

93% of Gen Zs prioritise sustainability and ethical practices when making purchasing decisions<sup>2</sup>—but it's important brands tread lightly when it comes to sustainability marketing.

Sustainability has emerged as more than just a buzzword in the retail space. From eco-friendly packaging to carbon-neutral shipping, businesses of all sizes are increasingly recognising the importance of demonstrating their commitment to sustainability (thanks largely to the eco-conscious Gen Z shopper).

## The dangers of greenwashing

However, as businesses rush to position themselves as 'sustainable', verifying their efforts remains a challenge. In a recent sweep, the Australian Competition & Consumer Commission (ACCC) found 57% of businesses reviewed were making potentially dangerous claims<sup>13</sup>—a practice known as 'greenwashing'. Whether found to be intentionally or unintentionally greenwashing, brands may risk losing consumer trust, damage to their reputation or even expensive litigation.

## Honesty is the best policy

For Australian fashion brand, ALÉMAIS, transparency is key in an industry that is notoriously opaque around sustainable practices. Kelly Elkin, Head of Environmental and Social Impact at ALÉMAIS explains how it's a constant work in progress to ensure each touchpoint is considered in the manufacturing process.



“

We are the first ones to say we're not perfect, but we are working on being able to understand where our fabrics come from.

”

“We have 100% transparency of our Tier 1 suppliers through a third-party social audit, where we review and rate them based on key areas like wages, safety and environmental impact,” says Kelly. “We're on that journey and doing our best to move towards more social enterprises that are less about profit, more about people.”

Being specific about sustainability claims also builds trust with consumers who want to make informed and responsible choices. Like ALÉMAIS, consider including the origins of your product on the packaging or showcase your suppliers on your website.

“You don't need to be doing everything all at once... if you're honest about your progress and can translate that to your customer, they will respect you,” says Kelly.

## Handy hint

Integrate QR codes on your packaging that lead customers to a webpage or video explaining your sustainability initiatives in more detail.



“  
Don't let perfect stop  
you from progressing  
”

Kelly Elkin

Head of Environmental and  
Social Impact, ALÉMAIS

Get tips on building your  
sustainability story



# AI made simple: Scaling up with machine learning

From empowering retailers to make data-driven decisions to elevating the customer experience, AI should be leveraged by businesses of all sizes.

It's no secret that AI is impacting the retail landscape in a big way and yet, only 1-in-3 businesses say they use AI to assist with business processes<sup>14</sup>. Understandably, the adoption of AI can be a daunting task, but Sarah Carney, National Technology Officer at Microsoft Australia and New Zealand explains the benefits are endless for both retailers and consumers.

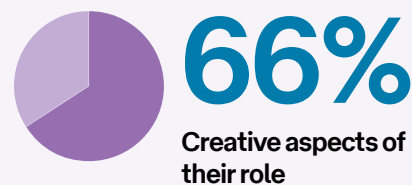
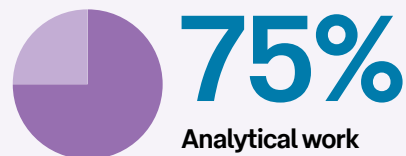
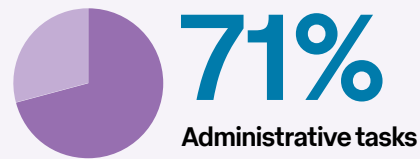
"AI can be used to automate mundane tasks, streamline order processing and validation and provide predictive analytics to identify growth markets and manage inventory," says Sarah.

“  
If we look at a specific area many small businesses spend considerable time on —social media and marketing—we can see the positive impact of generative AI immediately.  
”

From a consumer perspective, Sarah says, "In the coming years, we expect frontline retail staff to be able to personalise in-store experiences as effectively as online, using AI and data points, to tailor offers based on customer preferences and purchase locations."

## Did you know?

More than 2 in 3 Australian workers would be comfortable using AI for:





## Security risks and considerations

As with the adoption of any new technology, AI can present some risks. Attackers are using this technology to refine their phishing messages and develop enhanced malware, with Australia the equal 5th most targeted nation in the APAC region across June 2022-23<sup>14</sup>.

While this sounds worrying, there are simple steps retailers can take to protect their business and customers. “To safeguard their systems, retailers should firstly train their staff on predicting attacks and how to mitigate them.

Regular compliance checks are also a must, ensuring staff understand the procedure should a breach occur,” says Sarah.

“Finally, retailers of all sizes should seek the support of cyber security vendors to monitor their IT environment for threats.”

Get started with AI in 2024



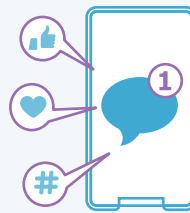
## Making AI work for you

There are ways to use AI without needing to be an expert. Here are two ideas to get you started:



### 1. Automate repetitive tasks

Identify repetitive processes —like sending order confirmation emails or replying to customer enquiries—and implement AI solutions to takeover.



### 2. Create social content

Embrace AI tools to analyse customer data and social media trends. Then, use a free generative AI tool to suggest topics, headlines and posts to take the guesswork out of content creation.





# Future of eCommerce

Retail industry expert, Paul Zahra, shares what's ahead for eCommerce - including the evolving trends that will redefine the way we shop and connect.

auspost.com



# The last word from Paul Zahra



“

Our retail sector is dynamic and ever evolving. The COVID-19 pandemic accelerated trends that were already occurring in the industry, and one of those was the growth in online shopping.

”

In the 22-2023 Financial Year, eCommerce comprised a significant portion of the overall retail spend in Australia, making up approximately \$64 billion in spending.

By 2030, we expect to see further significant growth in online retailing.

The convenience and efficiency of eCommerce has fundamentally changed shopping habits. Shopping online is easier than it ever has been, with many retailers now offering next-day delivery and simple returns processes.

“We expect the innovation to continue in the years ahead, with technologies like augmented reality and artificial intelligence playing a pivotal role in enhancing the online shopping experience.”

A recent ARA survey of small to medium sized businesses (SMBs) found that even smaller retailers are planning to invest in AI in 2024. Investment in AI was the top priority for SMBs across marketing, stock management, logistics and operations and reaching or engaging customers.

For retailers, this is a golden opportunity. The key is to leverage technology to enhance the customer experience.

AI and augmented reality are no longer the future; they are the now. Personalised shopping experiences, predictive analytics and chatbots will become standard in eCommerce.

Sustainability will also continue to be a significant trend. Consumers are increasingly conscious of their environmental impact. Businesses that adopt eco-friendly packaging, sustainable sourcing and carbon-neutral shipping will not only contribute positively to the planet but also to their brand loyalty and customer base.

The key takeaway is that retailers must continue to invest in an omnichannel experience. It's the holy grail of modern-day retail. Customers expect a seamless, integrated experience across all channels, from social media to mobile apps to physical stores.

Those that embrace new and emerging technology are the most likely to succeed.

**Paul Zahra**  
CEO, Australian Retailers Association



# Methodology

**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 2019-2023 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.

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.

Top locations are derived from number of parcels delivered per capita in the postcode.

Growth suburbs are derived from year-on-year growth in number of parcels.

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 where suburbs receiving less than 25000 parcels and a population fewer than 8000 people as per the 2021 census.

The category “Department & Variety Stores” is excluded from the “categories of interest” because it encompasses multiple interest categories.

eCommerce penetration calculation shifted from the previous CommBank IQ methodology to using ABS data in the current report.

Generational shopping behaviours are derived from the Australia Post Omnibus Survey, Nov 2023. The survey was conducted by an independent and external research agency, QOR, with a sample size of n=2,000 Consumers and n=600 Businesses and weighted to be representative of the respective populations.

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





# References

## Authors

### Gary Starr

EGM, Parcel, Post & eCommerce Services

### Aimee Dixon

GM, Enterprise, Brand & Retail Marketing

### Alexandra Oke

Content Manager

### Rose Yip

Head of Insights, Strategy & Planning

### Manan Younas

Analyst

### Phillip Ngo

Analyst

### Lauren Baker

Head of Customer Insights

### Janet Cheng

Research & Insights Manager

### Kevin Choo

Research & Insights Manager

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