



# Inside Australian Online Shopping

A preview of the 2019 eCommerce industry report

February 2019

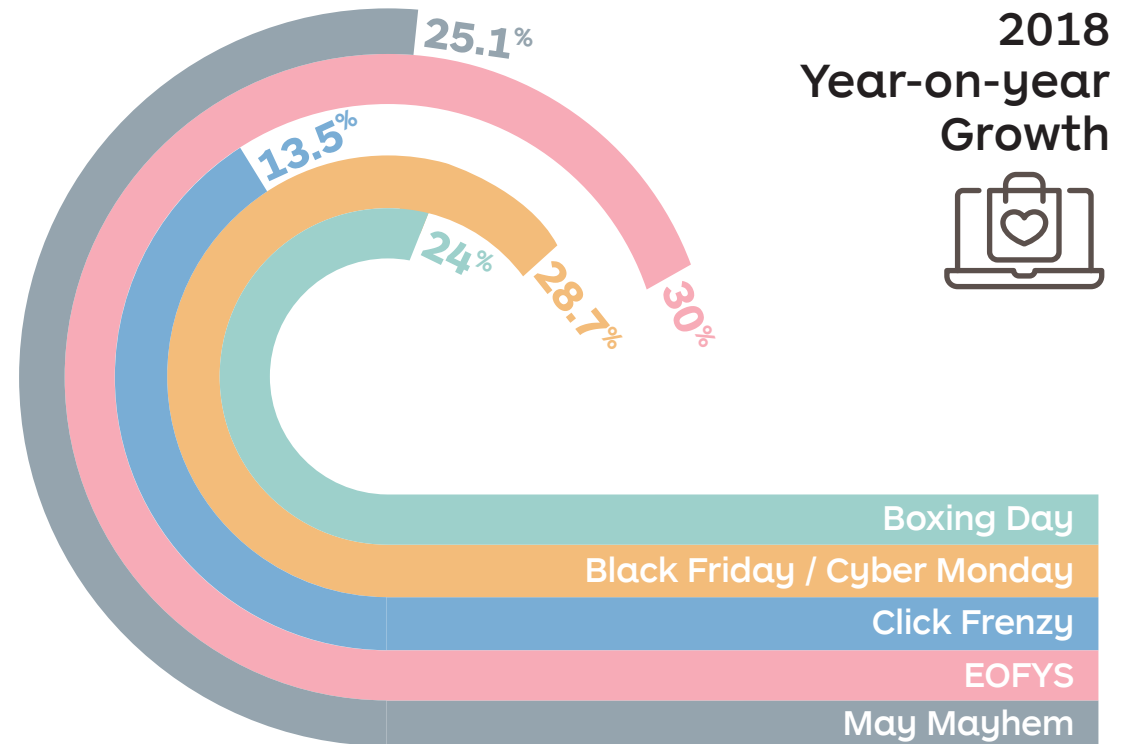


The Black Friday /  
Cyber Monday effect

# Australians love a sale

Sales have long been a retail tactic to win Australian shoppers, but consumers no longer need to wait for seasons to end or for Boxing Day, to grab a bargain. With Black Friday / Cyber Monday now the biggest online shopping week of the year, it's clear that shoppers have adjusted their habits in search of the best deals.

End of financial year sales (EOFYS) experienced the highest online growth at 30% year on year (YOY). However, Black Friday / Cyber Monday week recorded the biggest number of purchases, with strong growth of over 28% YOY.



# The Black Friday / Cyber Monday effect

2018 was the year Australians fully embraced America's Black Friday tradition, and is now the biggest week for eCommerce purchases in Australia.

**This year, Black Friday / Cyber Monday purchases eclipsed the first week of December, which has traditionally been the Christmas peak for online sales.**

This makes Black Friday / Cyber Monday impossible to ignore as customers are now shopping earlier for Christmas.

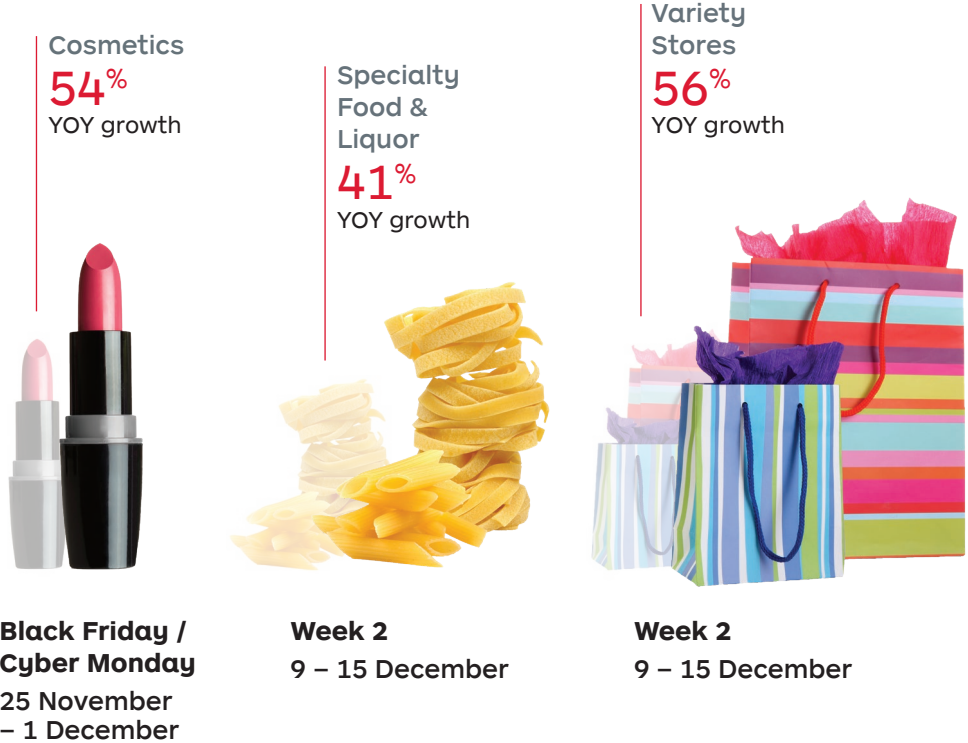
Retailers will need to adapt their sales strategies to ensure they get their share of the Christmas spend. Interestingly some sellers are commencing sales earlier, resulting in an extended sales period compared to previous years.



# Pre-Christmas top performing categories

Overall, beauty and cosmetics were the clear winners during the Black Friday / Cyber Monday sales, up 54% YOY.

In the second week of December - as shoppers prepared for Christmas festivities, Specialty Food & Liquor grew by 41% YOY. During the same period, Variety Store purchases - which include fashion and homewares, grew by 56% YOY.



## What does this mean for Boxing Day sales?

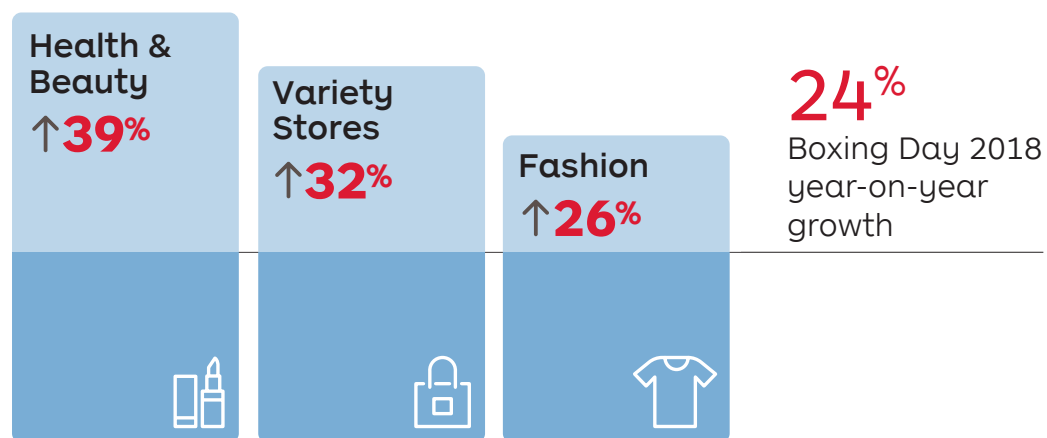
Boxing Day sales have traditionally drawn bargain hunters to their local shopping centres. However in 2018, foot traffic declined by over 20%.<sup>1</sup>

On the other hand, online purchases during this period grew steadily, up 24% YOY.

According to a survey by Paypal, 70% of Australians found online shopping less stressful than in store; and 25% planned to shop for Boxing Day sales from the comfort of their home. Millennials were particularly keen, with half planning to do their Boxing Day shopping online.<sup>2</sup>

What does this shift mean for retailers?

**To maximise sales and meet the pre-Christmas delivery cut off, last year, a number of retailers kicked off their Boxing Day sales earlier. This shift also reflects Australia's growing trend towards online and mobile shopping.**



# The rise of online shopping

Online shopping reached 9% share of traditional retail spend in FY18.<sup>3</sup>

The number of purchases grew by 20.2% last calendar year, up from 19.2% in 2017.

## Is casual the new fashion trend?

Activewear was the leading purchase, up an impressive 37.5% YOY.

Cosmetic purchases came in a close second at 36.4%. Overall the Health & Beauty category recorded the strongest YOY growth of 29.4%.

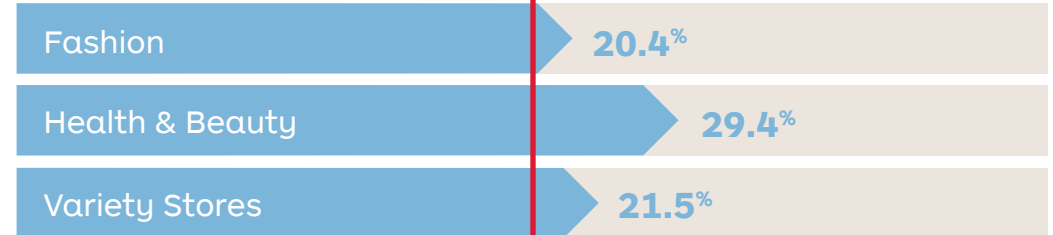
Variety Store purchases grew by 21.5%, with Department Stores and Marketplaces the staple of this sector.

2018  
Year-on-year  
Growth



↑ **20.2%**  
average online  
purchases  
in 2018

## Biggest Category YOY Growth



## Biggest Sub-category YOY Growth





## Insights to help take your business further

**Our 2019 Inside Australian Online Shopping report will be released soon. The report will explore changes in the retail calendar and the influence of sales events in Australia.**

In the meantime, please contact your Australia Post Account Manager (if you have one) for data-led insights to help grow your business, or contact us at [insights@auspost.com.au](mailto:insights@auspost.com.au)

To access past reports, go to [auspost.com.au/insights](https://auspost.com.au/insights)



This report has been prepared using 2017 and 2018 deliveries 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. Year-on-year growth numbers are based on actual or extrapolated transaction volumes.

References to Black Friday / Cyber Monday are based on the data recorded for the week of 25/11/18 to 1/12/18 compared to the equivalent period in 2017.

References to Boxing Day is based on data recorded from 25/12/18 to 7/1/19 compared to the equivalent period in 2017.

This report is provided for general information purposes only and is not intended to be specific advice for your business needs.

<sup>1</sup>Citi Research using ShopperTrak data for week ending 30/12/18

<sup>2</sup>PayPal Australia, 2018

<sup>3</sup>FY18 Market Update: <http://auspost.com.au/einsights>, 2018