Ecommerce in Australia: 10 Key Insights

**Ecommerce Market Value & Growth Potential**

In 2013, estimated Australian Ecommerce sales were in the order of AU $4.9 billion. According to ACNielsen, this is expected to increase to AU $11.5 billion by 2017. Growth in ecommerce sales is driven by a combination of increasing internet access and a tech-savvy consumer base that is open to online shopping. According to A.T. Kearney's 2013 Global Retail eCommerce Index, Australia ranks 9th worldwide in terms of ecommerce market attractiveness. The country's highly efficient logistics infrastructure, alongside high internet penetration and smartphone usage, allows consumers to shop across a variety of channels, both online and offline.

**Social Media in Australia**

Social Media in Australia (2014)

- **57.4%** of the population are Facebook users
- **27.9%** are Twitter users
- **11.8%** are Tumblr users
- **11.7%** are Instagram users

**What Australians are buying online**

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries and liquor</td>
<td>AU $1.6 billion</td>
<td>AU $1.8 billion</td>
<td>12%</td>
</tr>
<tr>
<td>Media (books/movies/music)</td>
<td>AU $1.8 billion</td>
<td>AU $2.1 billion</td>
<td>16%</td>
</tr>
<tr>
<td>Personal and recreational goods</td>
<td>AU $2.1 billion</td>
<td>AU $2.6 billion</td>
<td>24%</td>
</tr>
<tr>
<td>Home wares</td>
<td>AU $2.6 billion</td>
<td>AU $3.1 billion</td>
<td>19%</td>
</tr>
<tr>
<td>Fashion</td>
<td>AU $3.1 billion</td>
<td>AU $3.7 billion</td>
<td>19%</td>
</tr>
<tr>
<td>Sports and leisure</td>
<td>AU $3.7 billion</td>
<td>AU $4.1 billion</td>
<td>11%</td>
</tr>
<tr>
<td>Electrical and electronic goods</td>
<td>AU $4.1 billion</td>
<td>AU $4.6 billion</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Challenges in delivery and fulfilment**

A 2013 PowerRetail survey revealed that only 20% of Australian ecommerce operators offered free shipping to their customers. During the holiday season, delivery companies such as Australia Post are under pressure to meet high volume demand. For logistics companies, this is a significant challenge. Many consumers are looking for delivery companies that can deliver great customer experience.

**Significant Showrooming Scene**

A 2014 Shoppertrak survey revealed that 50% of participants visited a physical store before making an online purchase. This indicates that showrooming is a widespread and significant audience size for online retailers.

**Social & SHOWROOMING**

- **50.3%** of people shopped online in 2013
- **32%** spent more time online than in-store
- **3%** spent more time in-store than online

**Key Online Retailers**

As of December 2014, the leading online retailers in Australia are eBay, Gelane.com.au, Appliances Online, David Jones, Myer, Harvey Norman, and The Warehouse. Several of these companies are also active in other countries, indicating a growing demand for online shopping.

**Challenges of delivery and fulfilment**

- **20%** of Australian ecommerce operators offered free shipping to their customers.
- **23%** of consumers are looking for delivery companies that can deliver great customer experience.