

# Australia Post eCommerce Report 2025

Next-gen insights for  
eCommerce success



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Explore the  
eCommerce  
Report online





# Executive Summary

**2024 broke new eCommerce records, with 9.8 million households spending more than \$69 billion online.**

While it was a challenging year for many businesses, growth was led by three key factors:

[Explore customer spending insights](#)

**93%**

93% of Australians were concerned about the rising cost of living. This sent people online in a search for value, so online spend grew more than in-store.

**39%**

Online Marketplaces alone drove 39% of online spend growth in 2024, attracting \$16 billion online spend.

**17.6%**

Older generations drove spend growth: Baby Boomers' online spend was up 17.6% and Builders up 22.9% YoY.

**85% of shoppers across all generations say a reliable delivery experience will be the most important factor in trusting online retailers in the next 5 years.**

[Explore delivery experience insights](#)

**56%**

56% of Gen Zs and 45% of Millennials would switch retailers to access out-of-home collection points.

**56%**

56% of shoppers rate free delivery as their top delivery preference.

**65%**

For 65% of shoppers, friction-free returns contribute to a great online shopping experience.

**Three-quarters of Gen Zs and Millennials intend to shop online more in the coming years.**

The future of eCommerce is about meeting the needs of future shoppers, who say they want personalised experiences, sustainable recommerce options and fast delivery.

[Explore your shoppers' expectations](#)

**61%**

61% of Gen Zs, 62% of Millennials and 56% of Gen Xs want online retailers to provide more personalised sale offers in the future.

**65%**

65% of Gen Zs and Millennials intend to buy more second-hand goods in the next 5 years.

Gen Zs, Millennials and Gen Xs consider fast delivery as the ideal feature of future delivery experience.

# About the Generations

## Gen Alpha

2011-2024

Generation Alpha represents a fresh start, being the first generation fully born in the 21st century. Shaped by a highly digital and globalised world, they have grown up alongside milestones like the launch of Instagram and the iPad. Influenced by COVID-19 and unprecedented connectivity, Generation Alpha is developing in a uniquely modern era, distinct from previous generations, reflecting a new societal and technological landscape.

## Gen Z

1998-2010

Generation Z is shaped by the challenges of the COVID-19 era, developing resilience, adaptability and a focus on lifelong learning. Valuing education and upskilling, they reject the notion of job-for-life stability and prioritise hard work to achieve their goals. While emphasising values and fulfilment over income, they remain financially conservative, saving diligently for home ownership—a key aspiration and concern for this generation.

## Millennials

1981-1997

Sometimes referred to as Generation Y, Millennials are often associated with lifestyle trends like travel and specialty coffee. However, rising house prices and stagnant wages have significantly impacted their ability to enter the housing market. Shaped by major events like 9/11 during their formative years, this generation developed a unique global outlook. Now in their 30s and 40s, many are transitioning into parenthood and family life.

## Gen X

1965-1980

Generation X is known for their anti-establishment mindset and independence. Often entering property ownership early, they benefited from economic prosperity before COVID-19, embracing small business and entrepreneurship. Despite earlier challenges, Generation X has established strong economic footing, with their net worth accelerating since the 1990s.

## Baby Boomers

1946-1964

The Baby Boomers emerged during a post-war population and economic boom. This influential generation has shaped society through activism, pushing for equality, feminism and cultural change, earning the title of the original social justice warriors. They spearheaded significant social and economic transformations and remain impactful today. Their wealth continues to support both the economy and younger generations.

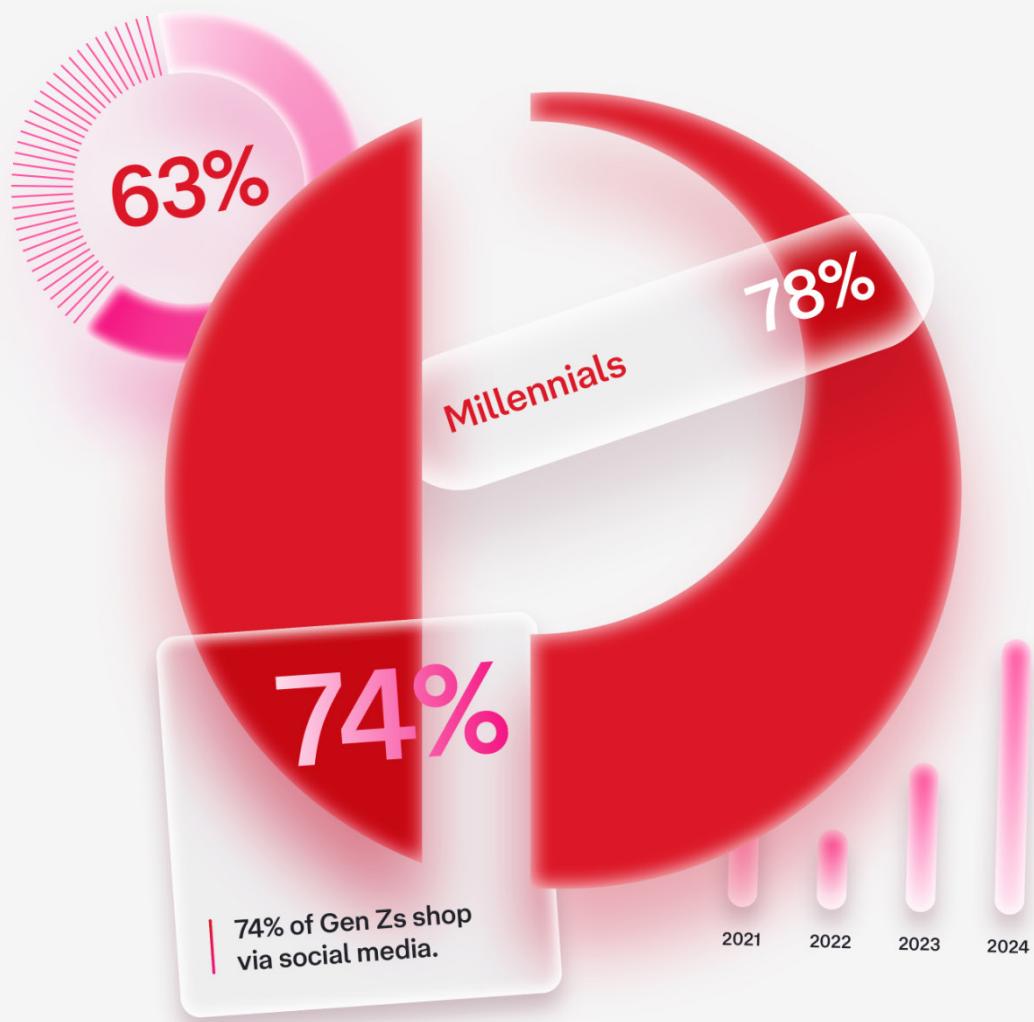
## Builders

1925-1945

The Builders generation is named for their role in shaping much of today's society, from suburbs to institutions. Having lived through the Great Depression and World War II, they embody resilience and adaptability. They uphold core societal values and appreciate the challenges faced by younger generations in a rapidly changing world.

Generational descriptions are based on McCrindle Research definitions.

# Know your shoppers

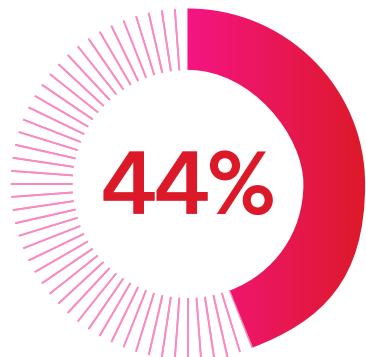


## More shoppers, more often in 2024 - and they plan to shop online more in the next 5 years

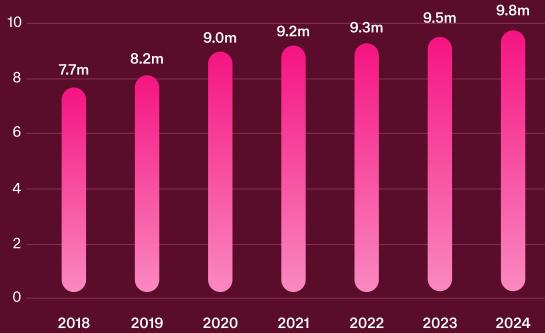
In 2024, 9.8 million households shopped online (up 2.3% YoY) – a new record. This was partly influenced by population growth, while cost-of-living pressures also sent more shoppers online in a quest to find value.

Millennials were the most frequent online shoppers in 2024, with 44% buying weekly.

Gen Zs shopped multiple times a month, while Gen Xs, Baby Boomers, and Builders shopped monthly.<sup>1</sup>



### Record number of households shopping online

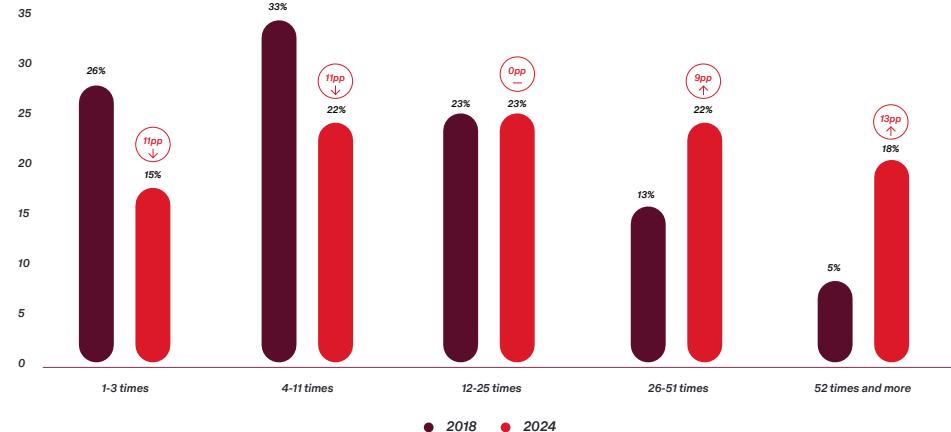


Gen Zs, Millennials, and Gen Xs plan to shop online more over the next 5 years<sup>2</sup>



### Frequency of online purchases (2018 vs 2024)

1 in 5 households shopped online weekly in 2024, up from just 5% in 2018. This suggests that households are now significantly more active online than they used to be, and they are shifting their spending from in-store to online.



Your next step:

## Build personalised experiences to attract future shoppers.

Personalised experiences are top of the list for the younger generations, including Gen Z and the upcoming Gen Alpha. Generative AI is the future of personalisation, so we asked Microsoft for tech tips.

### Beginners: Start behind the scenes.

“Start with using AI for tasks behind the scenes, like content generation and campaign ideation, and see how it can make a difference to your productivity,” says Irving Lee, APAC Retail Industry Lead at Microsoft. “The biggest concern for retailers is ensuring what they put out there isn’t going to misrepresent their brand – but today there are techniques to ground the AI so it only leverages the knowledge and data you give it.”

### Intermediate: Take it to your customers.

“Think about your future customer experience: what would that look like and where do you want to apply it?” Irving says. “Then start testing the AI in places where you have greater control, like customer service and personalised promotions before deploying more advanced capabilities like an AI shopping assistant.”

### Advanced: Imagine the possibilities.

“This is where you reimagine the next generation eCommerce experience,” says Irving. “In the US, EMEA and Asia, AI tools are enabling conversational commerce as shoppers adapt from keyword searches to personalised questions. In China, chat interactions during social commerce are now curated by an AI agent, sometimes using AI avatars as social commerce sellers.”



“Our customers told us they wanted more value beyond product and price, so we’re on a journey to reposition the ‘e’ in eCommerce from ‘electronic commerce’ to ‘experiential commerce’.

We aim to evolve from a site that was mostly transactional to one that leverages what makes us unique – data for personalisation and gamification, brand stories and coffee expertise to educate and elevate your coffee experience.”

YC Eu

Head of eBusiness, Nespresso Oceania

## “Personalisation is transforming the online shopping experience.

Mark McCrindle  
Social Researcher

The expectation of personalisation will be especially pronounced in Gen Alpha, who have grown up in households of smart devices, apps delivering food, and personalisation. For Alphas, algorithms and personalisation are an integrated and expected part of the consumer experience. Retailers that meet these expectations will drive stronger engagement and lasting loyalty.”

## Regional areas outpaced metro, highlighting opportunities for targeted marketing

Regional areas drove online shopping growth in 2024, with Toowoomba and Mackay among the top three locations alongside Point Cook.

Regional growth has continued for a decade, as online shopping provides access to goods nationwide.

YoY growth in number of households shopping online

Regional

+2.9%

Metro

+2.0%

### Top locations for online shopping

#### Top locations by volume

Postcode	Name	State
4350	TOOWOOMBA	QLD
4740	MACKAY	QLD
3030	POINT COOK	VIC

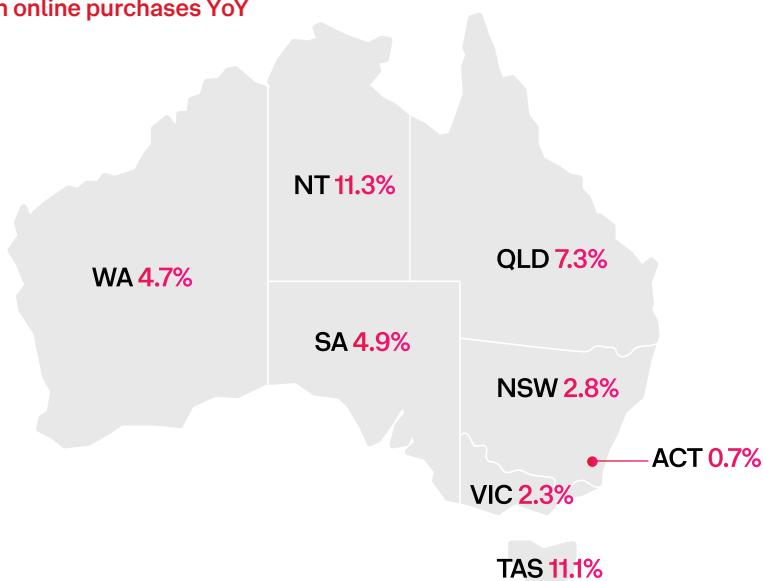
#### Top locations by volume per capita

Postcode	Name	State
2000	SYDNEY	NSW
2015	ALEXANDRIA	NSW
4184	MACLEAY ISLAND	QLD

#### Top growth suburbs by volume

Postcode	Name	State
3336	FRASER RISE	VIC
4680	GLADSTONE	QLD
4184	MACLEAY ISLAND	QLD

### Growth in online purchases YoY



**“We saw divergent spend by state and region.**

Perth, Adelaide, Brisbane and regional areas around the country raised spending. Meanwhile, in Sydney, Melbourne and Canberra, higher household debt, higher home prices and a greater sensitivity around higher interest rates really reined in spending.”

**Belinda Allen**  
Senior Economist,  
Commonwealth Bank

Your next step:

## A targeted approach to marketing and fulfilment

Use our insights to identify top online shopping regions, and analyse your own data to spot high-performing and growth areas. Then you can tailor your strategy.

### Targeted marketing

Increase paid digital ads and social media campaigns in the regions of interest to your business.

### Localised promotions

Tailor special offers to the preferences of each region, with a focus on high-activity areas. That could include free shipping for certain states or metro areas.

### Shipping success

With customer spending strong in regional areas, make sure you work with a delivery partner that has a presence in locations right around Australia.

### Omnichannel fulfilment

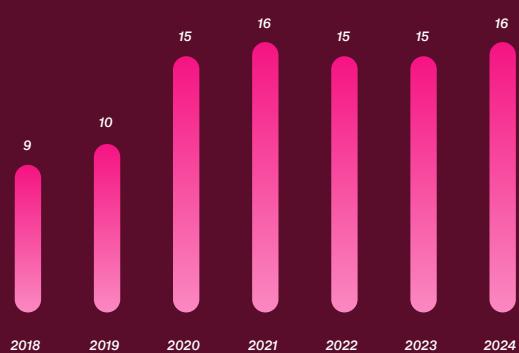
A strategic omnichannel approach can speed up delivery. That was the experience of Michael Hill Jewellers (see above).

## 62% of shoppers switched brands to save money – making loyalty a priority for retailers

In 2024, Australians shopped online with more retailers than usual, averaging 16 different stores per shopper.

Switching brands to cut costs was most common with younger shoppers: 76% of Gen Zs, 67% of Millennials and 61% of Gen Xs compared with half of Baby Boomers and Builders.<sup>1</sup>

Average number of online retailers shopped per year



**“Through the course of 2024, consumers were seeking the cheapest price, so they were shopping around a lot more than they were maybe a few years ago.**

But there were very large differences between the age cohorts. Younger age groups adopted more savvy spending: they looked at online marketplaces and discount department stores, and shopped around for discounts. But people over 60 weren’t as exposed to the cost-of-living pressures, so they were generally raising spending across the board.”

**Belinda Allen**

Senior Economist, Commonwealth Bank

“We’re focused on nurturing existing customers – creating personal relationships, suggesting relevant products to them and incentivising people to stay with us – instead of pouring every ounce of energy into finding new customers.”

**Troy Benjamin**

Co-Founder, Blak Brews

Your next step:

## Create meaningful rewards to boost customer loyalty

65% of shoppers say when they're loyal to a retailer, they're more likely to shop with them regularly. So, what do shoppers want you to do to earn their loyalty?<sup>2</sup>

1.

### Build trust

- All generations agree that product quality builds trust and loyalty
- Gen Zs and Millennials trust brands that regularly connect with them on social media, fostering a sense of community
- Gen Zs are more likely than other generations to trust brands whose values align with theirs
- Baby Boomers and Builders value honesty and transparency

2.

### Offer meaningful rewards

Shoppers across the generations define 'meaningful rewards' as having tangible and financial benefits. Their top preferences for loyalty programs in the next 5 years are:<sup>3</sup>

The loyalty program offers that are least interesting to shoppers include invitations to exclusive events or experiences.



want a loyalty program to offer free shipping



want discounts or cashback on future purchases



want free gifts or samples

**“To stand out, we don’t take shortcuts – we make our branding very consistent and transparent. Reviews are important for that transparency.**

It's very easy as an eCommerce business to control what reviews look like on your website, but a platform like Google Reviews is totally out of your control – so we had Google Reviews up from day one.”

**Jess Redman**  
Founder, Natures Farmer Sea

# All online sale events grew in 2024 – and shoppers plan to hit sales even more in 2025

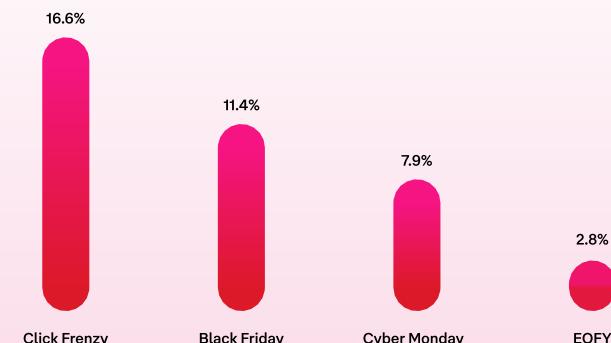
The growth of Black Friday/Cyber Monday, End of Financial Year and Click Frenzy in 2024 highlights that shoppers have clear favourites when it comes to sale events.

## What shoppers want in a sale event

Gen Zs, Millennials and Gen Xs want bigger discounts, with their ideal being 20% to 30%.<sup>2</sup>

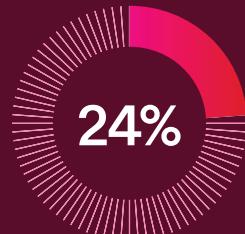
Baby Boomers and Builders want free shipping without a spending threshold.<sup>2</sup>

## Growth in online purchases during sale events (YoY)



“The people who purchase in the sale period have the biggest spend throughout their customer lifetime. So we build up our email list before each sale event, and then work hard to keep people engaged through the sale.”

Maurice Sacco  
Co-Founder, CMC Gold



There are 24% more households active during sale events compared with the rest of the year.

Go to Customer Spending Insights for more about how shoppers spend in the sales

More people plan to shop sale events in 2025, with Gen Z leading the way<sup>1</sup>



- 76% Gen Z
- 67% Millennials
- 47% Gen X
- 24% Baby Boomers



- 82% Gen Z
- 78% Millennials
- 60% Gen X
- 35% Baby Boomers

Your next step:

## Your future customers want more personalised sale offers

61% of Gen Zs, 62% of Millennials and 56% of Gen Xs want online retailers to provide more personalised sale offers in the future.<sup>3</sup>

“Personalised shopping could enhance customer experience by providing tailored recommendations, or custom pricing and offers,” says Social Researcher Mark McCrindle. “By offering a more personalised experience for shoppers, retailers could boost customer loyalty and increase conversion rates.”

Dig into your existing data to find which sale offers worked well with which customers over the last year. This can help you identify what they already like, and think creatively about new ways to make them happy over the coming years.

**“Our strategy is about growth, so post-event we look at the learnings and plan for the next peak event.**

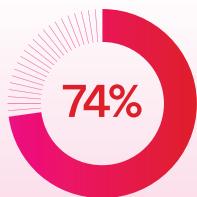
One thing that became clear during the last event is that we must communicate those plans to our delivery partner. Plenty of early communication with our forecasted volumes means when we hand over parcels for last-mile delivery, there’s enough capacity within Australia Post to deliver our customer service experience.”

**Praneel Sharma**  
Head of Supply Chain ANZ, Pandora



## 74% of Gen Zs and Millennials shop via social media – almost half do this every week

74% of Gen Zs and Millennials shop and browse products via social media, mainly on Instagram, Facebook and TikTok.<sup>2</sup>



Nearly half of Gen Zs and Millennials who shop and browse products on social media do so weekly. 80% do this at least once a month, mainly for fashion.<sup>2</sup>

80%

The top 4 things Gen Zs and Millennials like about shopping on social media<sup>2</sup>



Discovery



Convenience



Brand story



Influencers

Australia's social commerce reached \$4.9 billion in 2024 and is expected to grow to \$8 billion by 2029. Globally, social commerce makes up nearly 20% of all eCommerce.<sup>6</sup>



Gen Zs and Millennials plan to shop more on social media in the next 5 years<sup>2</sup>

Gen Z	65%
Millennials	52%
Gen X	26%
Baby Boomers	8%
Builders	8%

**“Navigating how to speak to my audience through social media was a big challenge for me.**

Competition is rising and most of the other businesses in this space are run by Gen Zs who know their way around social media, especially TikTok. I've thrown myself into it now and found it's very consumer-centric. You can gain insights on what your customer likes rather than just blindly forcing your products onto them. I started studying what my customers want and how I could fix that, shifting my mindset from my product to solving a problem.”

**Trina Mejares**  
Founder, Sunday Nails

Your next step:

## Tap into the next big social media trends

Social media trends appear and expand quickly, so while no one knows what the next big thing is, there are some ways to get your business ready to tap into it. After all, it's the perfect way to attract Gen Zs, Millennials and the Gen Alpha shoppers getting ready to add to cart.

1.

### Experiment with different platforms and content types

To attract a young audience, you need to create the content styles they like in the places they gather. The best way to approach social media trends is via experimentation: try different styles on various platforms, and then measure what works and what doesn't.

2.

### Watch and listen

Absorb yourself in the platforms, trends and content that your target audience is following, to help your thinking align with current trends.

3.

### Collaborate with influencers

Working with the people who bring the trends to life is a great way to stay ahead of the social media curve. Open a dialogue with the influencers you're keen to work with, to create content that's authentic to both your brand and the content creator while being on-trend.

4.

### Stay true to your brand

No trend is worth sacrificing the essence of your brand for, so make sure you only follow the trends that are a good fit with your products and messaging.

## “TikTok Shop is leading a transformation in how customers learn about and shop for merchandise.

This is a channel that actually favours local brands, because you're telling and selling a story; the key is to tap into people's curiosity and desire to be part of trends that are interesting. Australia is still a little behind on this, but we expect it to grow in 2025.”

**Jordan Berke**  
Founder & CEO, TOMORROW

# Shoppers preferred saving money over buying sustainably in 2024, boosting the next trend: recommerce

Sustainability became less of a focus in 2024: only 7% of shoppers prioritised it over saving money. This rose slightly to 10% among Gen Zs and Millennials.<sup>1</sup>

## Where Australian shoppers buy second-hand goods<sup>4</sup>

### Gen Z

Facebook Marketplace  
Depop

### Millennials

Facebook Marketplace  
Amazon Renewed

### Gen X

eBay

### Baby Boomers and Builders

Facebook Marketplace  
eBay

## Recommerce: the US\$248 billion global trend

Recommerce, short for 'reverse commerce', is when second-hand goods are sold. It's a C2C (consumer-to-consumer) and B2C (business-to-consumer) trend led by Gen Zs and Millennials and enabled by major platforms like eBay and Facebook, as well as Vinted in the US, Europe and UK. In the US, shoppers spend almost half their clothing budget on second-hand fashion. As an industry, recommerce is worth US\$248 billion globally in 2024, and is expected to rise to US\$351 billion by 2027.<sup>7</sup>



More than two-thirds of shoppers thought sustainable new goods were too expensive in 2024. As a result, buying second-hand items grew in popularity, with one-third purchasing pre-loved goods to save money and be sustainable, while a quarter bought used items just to save money.<sup>4</sup>

## Gen Zs and Millennials plan to buy more second-hand goods in the next 5 years<sup>2</sup>

Gen Z	65%
Millennials	64%
Gen X	44%
Baby Boomers	28%
Builders	23%

Your next step:

## Ride the growing wave of recommerce popularity

35% of Australian eCommerce businesses say recommerce will play a role in their strategy in the near future.<sup>5</sup> Why? To improve sustainability, create another revenue stream and respond to customer demand.

Your business can leverage the rise of second-hand shopping by launching a B2C recommerce model for certified pre-owned products. This approach appeals to cost-conscious and sustainability-minded shoppers, particularly Gen Zs and Millennials.

Offering second-hand items can attract new customers, with the potential for them to buy new products later.



### Amazon Renewed

Businesses who are registered sellers with Amazon can access the marketplace's platform for pre-owned and refurbished goods.

### IKEA Buyback and As-is

The furniture and homewares giant buys pre-loved goods in exchange for a store credit, then puts them into their As-is market to be found by new owners.

### lululemon

By calling their recommerce model 'Like New' and marketing it as a sale point for 'gently used gear', the activewear business reinforces their focus on quality.

### Decjuba

In 2024, Decjuba launched a partnership with resale platform Authenticated - customers log in to their account and choose the item they want to resell. Once sold, the platform creates a shipping label to keep the process easy.



# Customer spending insights





## A return to growth: Australians spent a record \$69 billion online in 2024

After three flat years of online spending, 2024 has seen considerable growth. Australians spent \$69 billion online – a new record, and a 12% YoY jump.<sup>8</sup>

While 2024 was a challenging year for many businesses, eCommerce growth was led by four key factors:

1. Cost-of-living pressures sent people online in a search for value, so online spend grew faster than in-store.
2. Online spending now makes up between 17.7%<sup>9</sup> - 22.3%<sup>22</sup> of all retail spend.
3. Online Marketplaces alone drove 39% of online spend growth.<sup>8</sup>
4. Older generations are driving online spend growth. Spend for Baby Boomers grew 17.6% and Builders 22.9% YoY.<sup>8</sup>

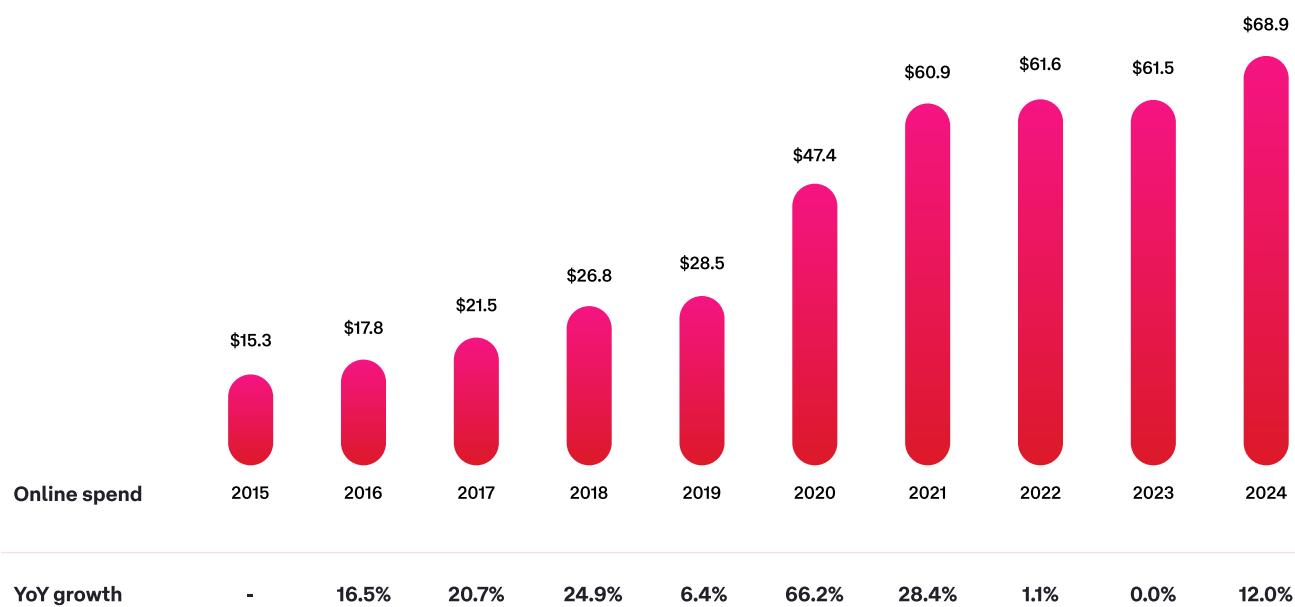
# \$69b

Online spend in 2024<sup>8</sup>

# 12%

Growth in online spend (YoY)<sup>8</sup>

### How online spending stacks up over the years<sup>23</sup>



## Millennials led eCommerce in 2024, spending nearly \$25 billion

Millennials led eCommerce spending in 2024, making up 36% of total online spend.<sup>8</sup> As digital natives who grew up with eCommerce, they're highly familiar and comfortable with online shopping.

**23%**  
Baby Boomers and Builders are newer to online shopping. They're becoming more comfortable with it, with their 2024 online spending 23% higher than 2023.<sup>8</sup>

### Gen Z<sup>8</sup>

**\$11.9b**  
Online spend  
2024

**5.5%**  
Growth in online  
spend (YoY)

**17.3%**  
Share of online  
spend

### Millennials<sup>8</sup>

**\$24.9b**  
Online spend  
2024

**10.6%**  
Growth in online  
spend (YoY)

**36.1%**  
Share of online  
spend

### Gen X<sup>8</sup>

**\$19.2b**  
Online spend  
2024

**14.0%**  
Growth in online  
spend (YoY)

**27.9%**  
Share of online  
spend

### Baby Boomers<sup>8</sup>

**\$10.1b**  
Online spend  
2024

**17.6%**  
Growth in online  
spend (YoY)

**14.7%**  
Share of online  
spend

### Builders<sup>8</sup>

**\$2.7b**  
Online spend  
2024

**22.9%**  
Growth in online  
spend (YoY)

**4.0%**  
Share of online  
spend

### Your next step:

## Prepare for a new generation of online shoppers (who are going to spend big)

The next generation to hit the shopping scene is Gen Alpha. As teenagers and children, they're currently directly influencing \$8.5 trillion of worldwide spending;<sup>10</sup> only 14% of parents say their Gen Alpha children aren't already browsing online for goods.<sup>1</sup>

By 2029, they'll be spending \$8.6 trillion globally.<sup>10</sup> Almost three-quarters of parents think their children will shop more online than in-store in the future.<sup>3</sup>

Businesses predict a shift in priorities to gain a larger portion of customer spend in the coming years. Micro and small businesses say they'll be sharpening their marketing, social media channels and overall customer experiences, while larger businesses identify loyalty programs and AI opportunities as the keys to higher sales.<sup>11</sup>

**"Gen Alpha are more than the next generation of consumers.**

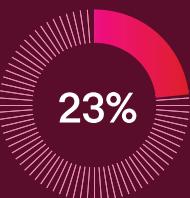
They are digital natives redefining retail and shaping the future of eCommerce – paying attention to the values and preferences of Gen Alpha will be vital for retailers looking to connect with consumers."

**Mark McCrindle**  
Social Researcher

**Beyond the dollars, almost 8 in 10 parents of Gen Alphas say their children influence them to make more environmentally aware purchasing decisions.<sup>3</sup>**

# Online Marketplaces led eCommerce growth in 2024. How did your category stack up?

Online Marketplaces drove \$16 billion online spend in 2024, or 23% of all online spend.<sup>8</sup> This is the highest of any category — and this share continues to grow each year.



For every \$4 spent online, \$1 is spent at Online Marketplaces.<sup>8</sup>

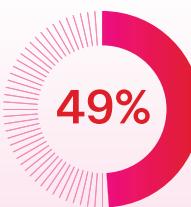
One-third of shoppers across all generations say they have their best online shopping experiences on marketplaces.<sup>1</sup> The top 3 things they value about marketplaces are:<sup>2</sup>



Low prices

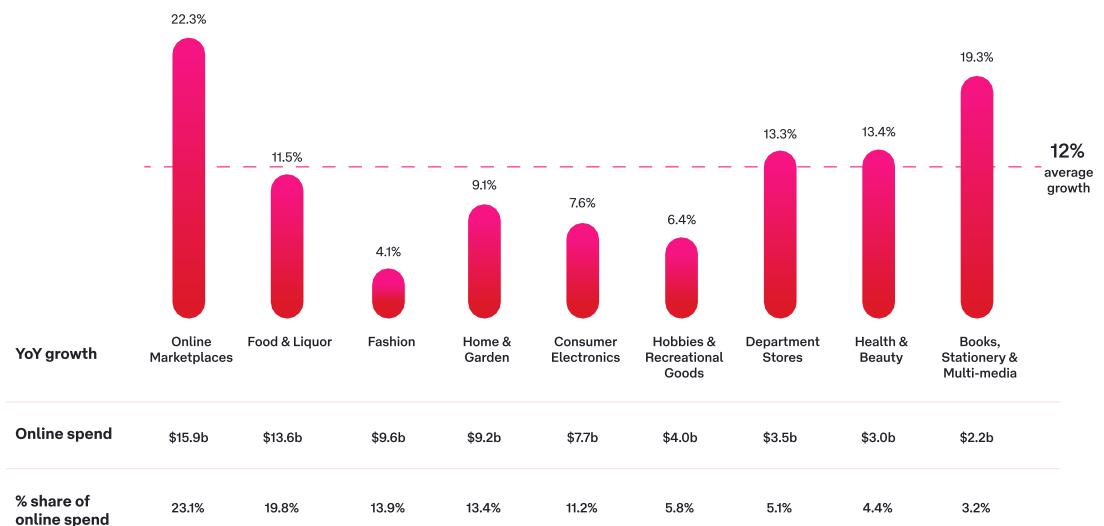


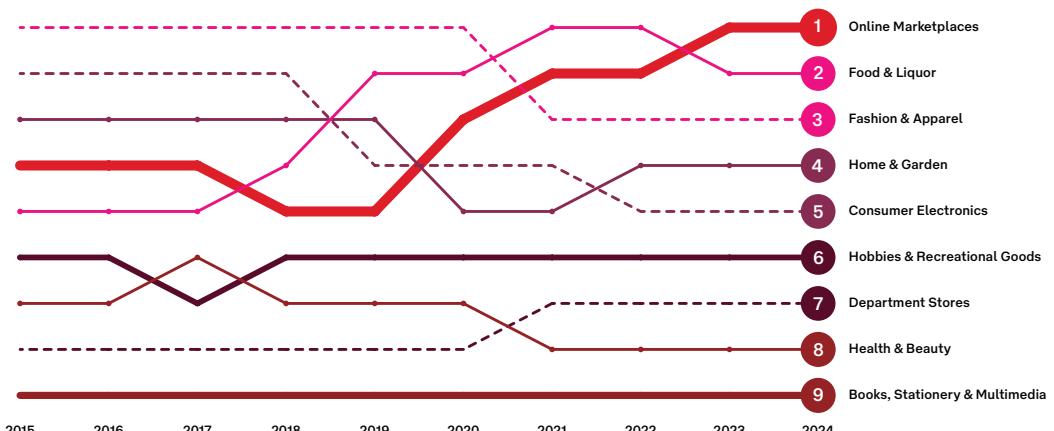
Variety of products and brands



Free shipping

How each category stacked up in 2024<sup>8</sup>



A decade of shifts in the top spot for online spend<sup>23</sup>

## How things change

Back in 2017, the major marketplaces in the Australian eCommerce landscape were eBay, Etsy, Redbubble and Catch. And they were booming: the sector grew by 75% that year. Now, the major players include Amazon and Temu.<sup>12</sup>

Gen Zs and Millennials plan to shop more from marketplaces in the next 5 years<sup>2</sup>

Gen Z	71%
Millennials	63%
Gen X	42%
Baby Boomers	24%
Builders	22%

## Your next step:

## Differentiate from marketplaces

“Marketplaces are now the preferred retail format for consumers worldwide: they have the greatest breadth of range, user experiences that are friction-free, personalised and increasingly fun, and they’re currently focused on speed to match customer expectations,” says Jordan Berke, CEO of TOMORROW.

Jordan shares these tips:

“It’s more important than ever to be clear on what your differentiation is to consumers, including having exclusive products that only you can offer.”

“Have a clearly defined target consumer, and show up for that consumer in a way that is unique and difficult to replicate.”

“Bring your customers into a physical environment for a unique, memorable experience.”

“Create loyalty-based relationships with consumers, rewarding them for shopping with you.”

“Don’t compromise on convenience: you’ve got to be just as fast and just as easy as your peers.”

## Basket sizes were down 2.1% in 2024, while Gen Zs and Millennials will spend more if they're happy on your site

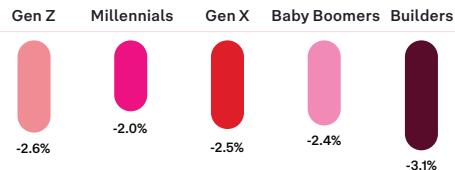
The average value of each 2024 online transaction was \$95 – that's 2.1% lower than in 2023 and the lowest in the last 10 years.<sup>8</sup>

Increased spending with Online Marketplaces (a category with one of the lowest basket sizes) drove the overall average basket size down.

### Starshipit share their tips to increase basket sizes

1. Implement free shipping thresholds.
2. Create product bundles or 'frequently bought together' deals with discounts.
3. Upsell and cross-sell by showing complementary items.
4. Offer high-volume discounts.
5. Implement reward and loyalty programs to build points or earn discounts.

### Basket size by generation in 2024 and YOY change<sup>8</sup>



### How things change

The average basket size for each generation peaked during the pandemic. Gen Zs, Millennials and Gen Xs had lower basket sizes in 2024 than in 2019, while those of Baby Boomers and Builders have increased.

### Your next step:

## Set up to make your future customers click 'buy now'

All generations agree that affordability and free shipping are the top reasons to shop online.<sup>1</sup> While these are likely to remain popular, there are some other ways to set up for your future customers.

**Ensure your shipping is as fast as possible.**

"The next big wave is going to be speed; we expect that Australian consumers will see delivery times from leading platforms and omnichannel retailers reduce significantly over the next one to two years," says Jordan Berke, Founder & CEO of TOMORROW.

**Find ways to make the front-end experience more personalised.**

Jordan says, "We will see omnichannel retailers get more sophisticated in how they connect their stores to the online channel for a more convenient and seamless digital experience."

**Lock in your customers with loyalty and paid subscriptions.**

"I think more of the leading retailers in Australia will start to use innovative paid subscription models that make it more rewarding to keep shopping across their physical and digital channels," says Jordan.

## Essential spending grew 4.6% and discretionary spending grew 3.3% in 2024

93% of Australians were concerned about the rising cost of living in 2024. Gen Zs, Millennials and Gen Xs felt more worried than Baby Boomers and Builders.<sup>1</sup>

Essentials spend growth (YoY)<sup>21</sup>

+4.6%

Discretionary spend growth (YoY)<sup>21</sup>

+3.3%

**“Consumers had to prioritise spending on essential items – things like health, education, rent and insurance – because those categories had price rises.**

They also made very deliberate choices about what brings them joy, and were willing to do without in some categories to get those preferred experiences. They are now feeling a little bit more optimistic about the economic outlook. They genuinely believe that interest rate hikes are behind us and interest rate cuts will be in the future. Interest rate relief is expected in 2025, which will help boost consumer spending. But because households drew into their savings during cost-of-living pressures, households might be a little cautious about lifting spending until they rebuild their saving buffers. It might be later in 2025 before spending looks more normal.”

**Belinda Allen**

Senior Economist, Commonwealth Bank

**“In the first half of 2024, we were getting two orders a day. Then we were part of Gordon Ramsay's Food Stars, so suddenly we were one of the busiest websites in Australia.**

Now we've got integrations, our store is talking to Australia Post, we had to make sure the UX was clear and automate the right emails to send out to customers. Australia Post was incredible at helping us deal with the calamity – the team at the Business Hub really supported us during the times it felt like we were almost falling over ourselves. They were answering questions we didn't even think to ask. Now we'd love to get to the point where everything is streamlined – we're getting the hang of it.”

**Troy Benjamin**

Co-Founder, Blak Brews



## PayPal is the most preferred online payment method – except for Gen Z, who prefer digital wallets

Millennials, Gen Xs, Baby Boomers and Builders had a clear preference in 2024 for paying via PayPal, followed by credit card. However, Gen Zs' most common payment preference was digital wallets.<sup>2</sup>

Interestingly, more than 4 in 10 Gen Zs and Millennials expect to use buy now pay later options more in the next 5 years.<sup>3</sup>

What do shoppers do if their preferred payment method isn't offered?<sup>2</sup>

Simply pay another way

Gen Z	80%
Millennials	80%
Gen X	65%
Baby Boomers	55%
Builders	55%

Abandon cart and shop elsewhere

Gen Z	20%
Millennials	20%
Gen X	35%
Baby Boomers	45%
Builders	45%

Your next step:

### Remove friction points from the shopping experience

To reduce the rates of abandoned carts and increase completed purchases, removing friction points is key. All generations agree on the top 3 friction points while shopping online:<sup>2</sup>

1.

Unexpected costs arising at checkout

Be clear throughout the purchasing process, in order to set expectations early.

2.

Delivery timeframe being longer than they'd like

Offer options including standard and Express delivery, and be sure to fulfil the order as soon as possible.

3.

Preferred payment option not available

Offer a variety of popular payment options, including PayPal, digital wallets, credit card and buy now pay later.

## Black Friday: a new record with \$2.2 billion spent online in 2024

In 2024's pressured cost-of-living environment, shoppers turned to major sale events – with the Black Friday/Cyber Monday event the most popular.

Australians spent \$2.2 billion online during the 2024 Black Friday sales, up 10% YoY – and a new record. This compares with \$2.9 billion spent in-store during the Black Friday event, up 5% YoY.<sup>14</sup>

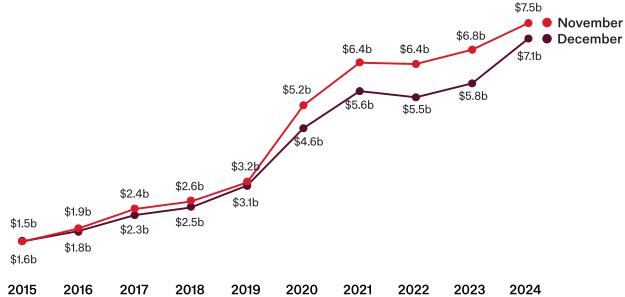
The gap between November and December spending has grown since 2019 as consumers shift their spending earlier to take advantage of Black Friday/Cyber Monday sales.

In 2023, over \$900 million more was spent online in November compared to December.<sup>8</sup> However, the trend was

reversed slightly in 2024, due to Cyber Monday occurring in December.

Every generation says Black Friday is their favourite sale event because it's perfectly timed for Christmas shopping and offers the best deals of the year. Gen Xs particularly love it, with 53% of them shopping the event in 2024, compared with an average of 40% across the other generations.<sup>1</sup>

### Online spend in November and December across the years<sup>23</sup>



## How things change

Black Friday tiptoed into Australia in the early 2010s, slowly gathering momentum throughout the decade. By 2018, it was embraced by businesses and shoppers – then the pandemic hit and Black Friday sales broke online shopping records.

Now, it's the biggest sale event on the calendar and has transformed the way Australians do their Christmas shopping, shifting the end of year peak from December to November.

### Your next step:

## Innovate to expand your Black Friday success

Now is the time to get very clear on the role of sale events in your brand strategy, with these tips for innovation.

1. "Lean in to real-time eventing. Instead of the standard calendar holiday events that we've seen for years, try to innovate by creating reasons for consumers to pay attention, visit and engage," says Jordan Berke, Founder & CEO of TOMORROW. "Find topics that are relevant to your consumers in that moment and turn it into promotional excitement by tying your product, pricing and content into something that's trending in the moment."
2. Three-quarters of businesses are concerned that frequent sale events are training shoppers to only buy goods that are on sale.<sup>5</sup> Jordan says, "We have to embrace the reality that customers love the sport of a sale – but it's not right for every business. Retailers and brands that hope not to participate in as many promotions really need to double down on other attributes that matter, such as product uniqueness, differentiation, story and experience."



# Delivery experience elevation



## Delivery experience is important to 78% of online shoppers

Nearly 8 in 10 shoppers say delivery experience affects their online shopping satisfaction. Millennials value it most, with 9 in 10 saying it matters to them.<sup>1</sup>

85% of shoppers across all generations say a reliable delivery experience will be the most important factor in trusting online retailers in the next 5 years.<sup>3</sup>



Australia Post CEO and Managing Director, Paul Graham, shares how our investments in infrastructure and services support your delivery experience success.

Click to view



Hi everyone and welcome.

“You can do everything else right, but if you don’t have a good delivery experience, none of it matters. It’s extremely important that the delivery is top notch.”

Tom Walenkamp  
Co-Founder and CEO, Good Pair Days

# 56% of shoppers rate free shipping as their top delivery preference

In 2024, with a focus on saving money, 56% of Australians (across all generations and locations) ranked free shipping as the top delivery experience priority.<sup>1</sup>

For 93% of businesses that offer free shipping after reaching a spending threshold, the package is sent at standard speed.<sup>5</sup>

Shoppers' top delivery preferences are led by free and fast delivery<sup>1</sup>

1. Free shipping
2. Fast delivery
3. Free and easy returns
4. Secure tracking notifications using a trustworthy app
5. Delivery to a Parcel Locker or other out-of-home collection point

How do businesses react to shoppers' love of free shipping?<sup>15</sup>

35%

always offer free shipping

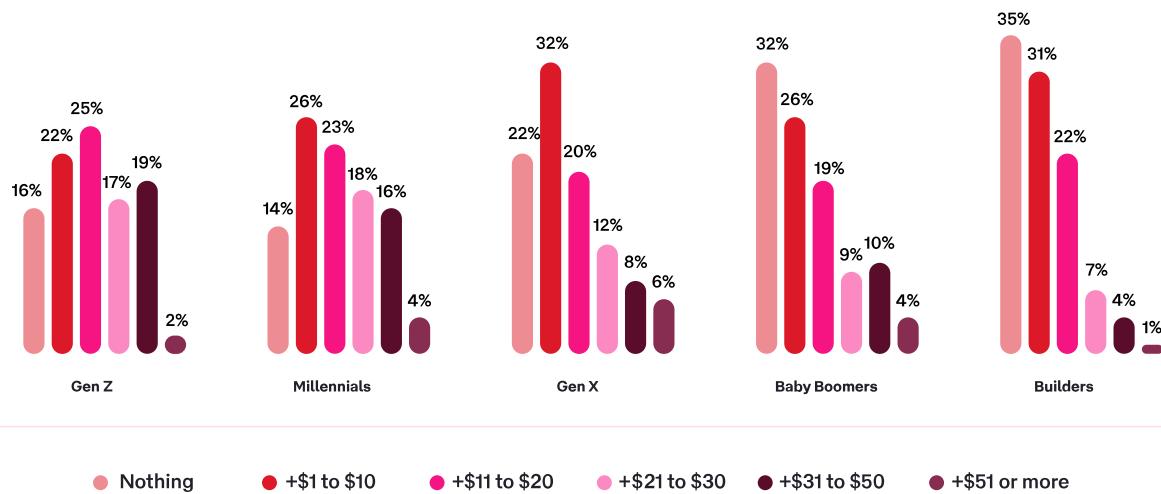
30%

provide free shipping when a spending threshold is met

\$51-\$100

most common threshold set

## How much more will shoppers spend to reach a free shipping threshold?<sup>2</sup>



## The overseas trend in free shipping

46%

46% of shoppers worldwide say free shipping is the number one factor motivating them to make a repeat purchase with a retailer.<sup>12</sup>

Your next step:

## Use free shipping as an incentive

Shoppers value free shipping - here's how to use that to benefit your strategy.

### Grow your customer base

Provide free shipping to first-time shoppers.

### Build a loyalty program

Encourage customers to subscribe to access free shipping.

### Grow your email list

Provide free shipping to subscribers.

### Boost sales

Create a free shipping promotion when particular products are purchased.

### Enhance sale events

Offer free shipping as a promotion during sale events.

### Increase basket size

Create a free shipping threshold.



# Gen Zs, Millennials and Gen Xs consider fast delivery ideal for future delivery experience

Most online shoppers expect parcel delivery within 2 to 5 days. Millennials and Gen Xs have the highest expectation, with one-in-two wanting delivery within 3 days.<sup>4</sup>

However, this expectation depends on two major factors<sup>2</sup>:

## 1.

### The occasion being shopped for

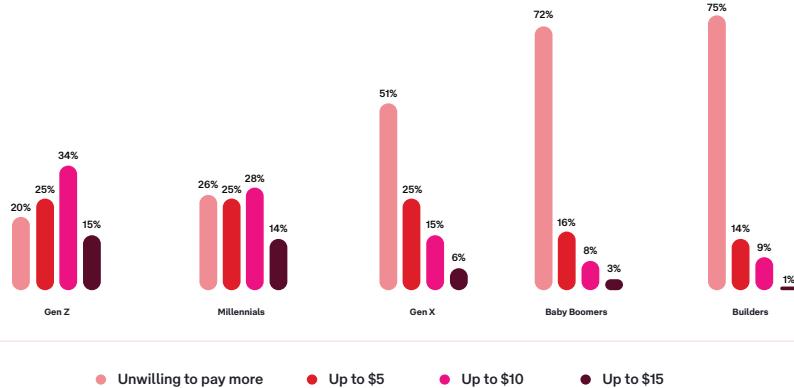
Those who make a purchase for a time-sensitive need or special occasion want faster delivery.

## 2.

### The category

Shoppers want fastest delivery when buying from the Health & Wellness, Liquor, Consumer Electronics and Fashion categories.

### Who is willing to pay more for next day delivery?<sup>2</sup>



**“Offering next day delivery is crucial for Mwave as it meets the growing demand.**

Customers receiving pre-ordered items soon after the release day significantly boost satisfaction and trust. As we expand, our speed delivery services will become even more critical.”

#### Jaya Enoch

Head of Customer Operations & Logistics, Mwave

Your next step:

## Set up for customers' fast delivery expectations

1 in 4 Gen Z, Millennial and Gen X shoppers see fast delivery as the ideal feature of future delivery experience.<sup>4</sup>

Explore our next day delivery options, including Metro and Express.

Invest in local fulfilment centres in high-demand regions, so delivery times are reduced.

Use 24/7 Parcel Lockers to increase first-time delivery rates for your customers' convenience.

Use data analytics to optimise inventory.



**“Supply chain was very challenging in 2024, especially leading up to Christmas and peak.**

We seemed to have gone to COVID-type freight delays and costs. Many products come from Europe in containers via sea, which would usually take about 55 days – however, through 2024 we had to allow 90 days, and it could get pushed out even more. Notwithstanding, we have to be optimistic in a challenging market, so we've pivoted and invested in technology that provides better forecasting to minimise supply chain delays.”

**George Poutakidis**  
CEO, Addicted To Audio

## 56% of Gen Zs and 45% of Millennials would switch retailers to access out-of-home collection points

Out-of-home collection points are important to younger shoppers, who value the convenience of picking up parcels while out doing other jobs, like going to the supermarket, grabbing a coffee, doing some shopping and going to the gym.<sup>1</sup>

How the generations use out-of-home collection points

Gen Z  
Millennials

**56%**  
**45%**

would switch retailers to access out-of-home collection points.<sup>1</sup>

Gen Z  
Millennials



Of out-of-home collection users, almost 1 in 3 Gen Zs always have their parcels delivered to a collection point, while 6 in 10 Millennials choose a collection point when they know they won't be home.<sup>4</sup>

The other generations are most likely to utilise our Post Office network when choosing an out-of-home parcel collection point, but many prefer home delivery: half of Gen Xs and three-quarters of Baby Boomers and Builders didn't utilise out-of-home collection points at all in 2024.<sup>4</sup>

In 2024, more than 1 in 5 Gen Zs and Millennials used out-of-home collection points more than they did in 2023.<sup>2</sup>

1 in 4 say they'll use out-of-home collection points more often in 2025.<sup>2</sup>

### Out-of-home delivery is a fast-growing global trend

Of Australian businesses who offer out-of-home delivery options, 8 in 10 have only started offering this in the last 5 years<sup>2</sup> - and it's good timing because it's a major global trend.<sup>16</sup>

Parcel Lockers are expanding around the world, because they meet the needs of shoppers, and achieve higher first-attempt success. They've proven to be key to a great delivery experience.<sup>16</sup>

“Parcel Lockers are our highest rated delivery service from an NPS perspective, because it guarantees first time delivery. Delivery is our customers' last engagement with us until they shop again, so if we provide a great experience then it leaves a very good taste in their mouth.”

**Guy Nappa**  
COO, Oz Hair and Beauty

### Top 4 things shoppers like about out-of-home collection points<sup>1</sup>

**1.**

Knowing their parcels are kept secure.

**2.**

Parcels are easy to pick up at a time that suits the shopper.

**3.**

A great option when home doesn't have a safe place to leave a parcel.

**4.**

Collection points are conveniently placed near home, work, school or university.

Your next step:

## Make out-of-home delivery options easy for shoppers

Make it simple for your customers to select 24/7 Parcel Locker delivery by installing the Australia Post Collection Point widget, API or Shopify app into your checkout. This makes it a seamless experience to easily find a Parcel Locker at a convenient location and pick up their parcels at any time.

Parcel Lockers are ideal for parcels up to 16kg and no larger than 35 x 44 x 61cm.

“Our customers value choice and control over their delivery experience, and the Collection Point widget gives them that flexibility.

By making the checkout process more seamless and offering more than one delivery option, we have reduced our cart abandonment rate significantly, helping customers to feel more confident about completing the purchase.

Many customers have shared that Parcel Lockers significantly reduce the stress of missed deliveries and carding. Since delivery is our only physical touchpoint with customers, offering a seamless experience every time is essential to delivering positive experiences.”

Rostin Javadi  
COO, THE ICONIC

## 45% of shoppers actively track parcels – they want tracking to be simple and convenient

45% of shoppers actively track their parcels, with more than two-thirds heading to the delivery provider for this information.<sup>17</sup> They like to track parcels to confirm delivery date, and to make a plan for collection.

When it comes to tracking, shoppers want ease and convenience. The top 3 AusPost app features they like are:<sup>4</sup>

1. Being able to request parcels to be left in a safe place.
2. Easily tracking all their parcels in one place without checking emails.
3. Having proof of delivery.

3.1 mil

In 2024, the AusPost app reached nearly 3.1 million monthly active users on average, a jump from 2.6 million in 2023.

82%

of shoppers across all generations say accurate delivery tracking and updates will be important to them in the next 5 years.<sup>3</sup>

“Consumers have indicated that they value speed, convenience and accuracy, and will reward retailers who provide reliable delivery with loyalty.”

Mark McCrindle  
Social Researcher

Your next step:

## Promote the AusPost app to your customers for a better delivery experience

The AusPost app lets your customers choose when, where and how their parcels are delivered. It improves NPS, increases customer satisfaction and reduces customer enquiries. Help your customers reap the benefits of the AusPost app by promoting it throughout the purchase journey.

Consider providing a link to the app:

On the confirmation screen at checkout.

When you send the delivery confirmation or tracking email.

Through a dedicated email campaign.

On your website's FAQ or shipping page.

## For 65% of shoppers, friction-free returns contribute to a great online shopping experience

65% of online shoppers say friction-free returns contribute to their happiness with the online shopping experience.<sup>1</sup> This raises to 72% for Gen Zs and Millennials. After free and fast delivery, shoppers rate free returns as the most important part of the delivery experience.<sup>1</sup>

According to Refundid, the current trend is an increase in returns costs, with businesses charging up to 30% more on return shipping costs than the previous year.

### What are businesses' returns policies?



Offer free returns.



Offer paid returns.



Don't offer returns at all, some saying it's not relevant to the goods they sell<sup>5</sup>.

### What shoppers want after a return

9 in 10 shoppers prefer a refund when returning an item.<sup>2</sup> 42% of businesses offer this service.<sup>5</sup>

Just 10% find receiving a store credit a better experience,<sup>2</sup> while 33% of businesses do this.<sup>5</sup>

Your next step:

## Increase returns efficiency

Refundid share their top three tips to make your returns process run smoothly:

1.

Include as much order information on the return label as possible. It's important to give your warehouse team all the information they need on the label itself, so they can efficiently process and track returns. Include the order number, the number of items that should be in the package and the resolution requirements.

2.

Be a trailblazer when it comes to returns policy optimisation. Try new things that your competitors aren't doing to stand out to customers, such as giving loyal customers extra time to return, or providing first-time customers with an extra 10% on their store credit.

3.

Try not to implement too many systems. Keep it simple for your team – the more you can consolidate the easier it is to manage as you scale.

**40% of Australian eCommerce businesses plan to start sending overseas, most in the next 2 to 5 years**

As cost-of-living pressures set in and caused a shift in spending in 2024, businesses' plans turned to new markets.

Of businesses who don't send internationally, 63% say they've been held back due to a lack of knowledge about international markets - they'd ideally like to sell to the US, New Zealand and UK as their top three preferred markets.<sup>18</sup>

### Top 3 countries buying from Australian retailers

The countries purchasing the most from Australia are: New Zealand, US and UK.<sup>19</sup>

Setting expectations is key: 71% of international shoppers buying from Australia say that clear information about delivery charges pre-purchase is very important.<sup>20</sup>

40% of Australian eCommerce businesses currently sell internationally, and this figure jumps to more than 50% for large enterprises.<sup>18</sup>



40% of business plan to expand internationally in response to market demand, most in the next 2 to 5 years.<sup>5</sup>

40%

Your next step:

## How to expand to international markets

When Paperlust first decided to sell internationally, they hit a snag (AKA the pandemic): their event-focused stationery wasn't in demand during lockdowns. Afterwards they gained momentum, and now the US accounts for up to 40% of their sales. Founders James and Alex Boston share four tips for expanding overseas.



1.

“Have website pages for each market. Tailor content to the local market on those pages, including spelling and local currency pricing.”

2.

“Monitor sales trends in each market, and make sure you’re presenting the top selling products for that market at the top of your page.”

3.

“Be clear that you’re an Australian company. The added cost of shipping to the US means all US-based customers must spend over a certain dollar value to qualify for free shipping. By making it clear we’re based in Australia, we set the right expectations, which results in our US customers converting at the same rate as our Australian customers.”

4.

“Call out express shipping and the reputable partners like Australia Post that you use to send into the export market, so customers can be confident when shopping with you. We have these callouts on our landing, product, and checkout pages. We’re also quick to update the website with messages on cut-off Christmas dates for our US customer base.”

# Methodology

## About this report

The Australia Post eCommerce Report is an in-depth study into Australians' buying behaviours and eCommerce trends. The previous versions of the report were titled 'Inside Australian Online Shopping: eCommerce Industry Report'.

To provide insights into the current and future state of commerce, this report uses information from a range of sources, including delivery data from Australia Post Group.

From interviews to statistics, we aim to provide retailers with relevant shopping insights so they can find their ideal retail strategy.

The main sections of this report are based on the analysis of 2018-2024 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 by volume per capita are derived using Australia Post Group parcel volume data and population data from the ABS Census. Top growth suburbs by volume are derived using Australia Post Group parcel volume data, calculated using a compound annual growth rate between 2022-2024. Only postcodes within the top 80th percentile by parcel volumes are included in the analysis of top postcodes.

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.

Spending data between 2015-2024 is derived from NAB Physical Goods Index (2015-2018), CommBank iQ Physical Goods Index (2018) and CommBank iQ Generation x Category report (2019-2024).

Generational shopping behaviours are derived from the Australia Post Omnibus Surveys, July 2024, September 2024 and November 2024. The survey was conducted by an independent and external research agency, Dynata, with a sample size of n=2000 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.

Commentaries provided independently by Belinda Allen, a senior economist in Commonwealth Bank of Australia, based on published reports.

# Authors and Disclaimer

**This report was proudly produced by our dedicated team.**

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# References

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Australia Post also provides a range of data solution services. If you have any questions or would like to know more, please contact your Australia Post Account Manager or email [einsights@auspost.com.au](mailto:einsights@auspost.com.au).

We're making it easier for you to connect with your customers and find new ones both here and overseas. Through our suite of eCommerce driven logistics, supply chain and parcel delivery solutions, we can help you provide seamless online shopping experiences, from checkout to delivery.

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



Fast delivery, local support,  
easy online sending tools  
and nationwide coverage  
– that's why we're the  
trusted delivery partner for  
Aussie businesses.