Quarterly eCommerce Update

FY26 Q4 | July 2026

How online spend is shifting and where to focus now to win Peak 2026

Australia Post

Aussies are still spending but watching every dollar

Shoppers continued to spend online in Q4 despite the market showing signs of slowing.

Online retail continued to outperform in Q4, with Australians spending $21.9 billion online, up 14% YoY and representing a quarter of all retail spend (25%).[1]

But growth came with a twist. As shoppers became more cautious, Q4 average basket sizes fell to a record low of $90[1], reflecting a stronger focus on value, deals and delaying big-ticket purchases.

With growth expected to moderate in the second half of 2026, retailers that clearly communicate value and remove friction from the buying journey will be best placed to convert.

Q4
$21.9b[1]
Online spend
+14% YoY | +6% QoQ

Q4
$90[1]
Average basket size
-5% YoY

Q4
25%[1]
Online share of retail spending
+1.6ppt YoY

Q4
9.3m
Households shopping online
+2.9% YoY

Turn convenience into conversion
Offer alternative collection points at checkout for added flexibility.

What this means for you

Retarget customers who browse but don’t buy with a time-limited offer highlighting price, fast delivery and easy returns. When they return, make checkout seamless so they can purchase while intent is high.

1. *CommBank iQ*

Market sentiment

Cost pressure is changing the rules

Cost-of-living pressures and economic uncertainty continued to weigh on consumer and business confidence last quarter.

Reduce checkout hesitation

Learn how a frictionless delivery experience can drive conversions.

Consumer outlook

Cost-of-living dominates consumer concern[1]

63% Cost-of-living

33% Global conflict

28% Affordable housing

Consumers are actively pulling back[1]

- **34%** are cutting back on spending
- **46%** are switching to retailers offering better value during peak periods
- **32%** are more price conscious

What would make a customer choose you over a competitor?

Business outlook

Economic pressure is the biggest concern[1]

57% Customers may buy less often

51% Rising operating costs

44% Economic uncertainty

Businesses are both absorbing and passing on rising costs[1]

- **46%** have increased prices
- **39%** have tightened budgets
- **33%** have raised delivery costs

Have you reviewed your pricing strategy ahead of peak?

What this means for you

Rather than buying on impulse, customers are taking the time to compare options, assess value and shop around. For retailers, this means:

- Make value and savings easy to find
- Build trust with clear returns and delivery
- Simplify checkout with transparent costs and delivery information

1. Australia Post Omnibus Survey May26

Top categories

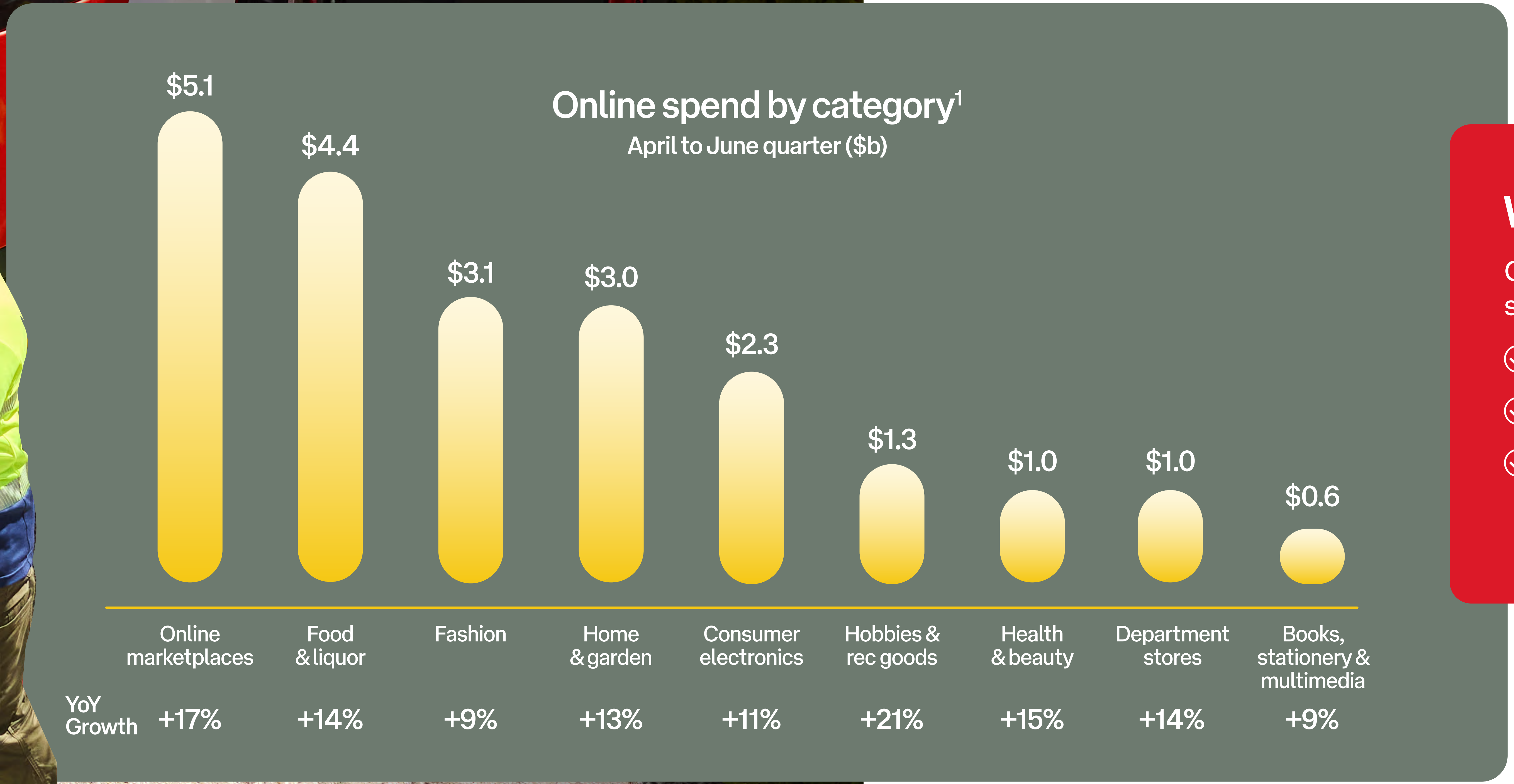
Why little luxuries are winning big

Aussies are cutting back on big buys, not small treats. The 'Lipstick Effect' shows why affordable indulgences still thrive in uncertain times.

This 'small treat' mindset is fuelling strong growth in marketplaces, up 17% YoY and accounting for 42% of all online transactions.[1]

Meanwhile, higher-spend categories like electronics and fashion are seeing slower growth, as households delay big purchases and focus on essentials.

The result? Demand is splitting, with everyday indulgences holding up better than big-ticket discretionary items.



What this means for you

Competing with marketplaces on price and scale can be an uphill battle. Instead:

- Lead with trust, not just discounts
- Own a clear niche or category
- Use marketplaces to acquire customers, then retain them with great service and delivery

Ready to scale your business?
Explore strategies to support growth without compromising the customer experience.

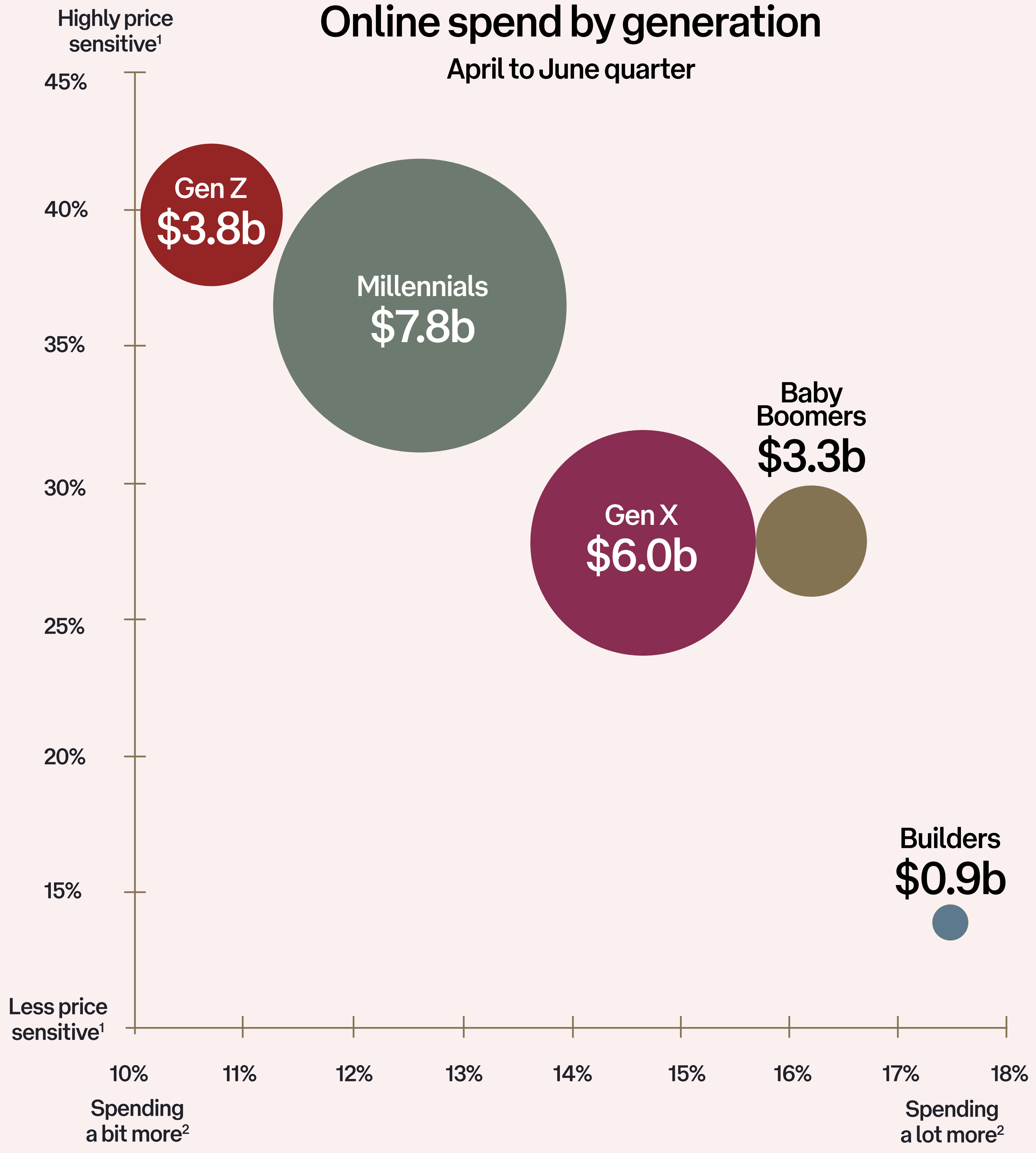
1. *CommBank iQ*

Spend shifts by generation. Are you keeping up?

From Gen Z to Baby Boomers, each generation is taking a different approach to spending.

Online spend by generation

April to June quarter



Gen Z

Spend profile	Low spend growth, highly price sensitive
Behaviour	Compare constantly, shop around and hold out for sales
Win with	Clear value, urgency, social proof and flexible delivery options

Millennials

Spend profile	Low spend growth, highly price sensitive
Behaviour	Compare options, wait for deals and need a strong reason to buy
Win with	Frictionless experiences, value and compelling offers

Gen X

Spend profile	High spend growth, moderately price sensitive
Behaviour	Prioritise convenience and reliability over the lowest price
Win with	Clear product information and dependable service

Baby Boomers

Spend profile	Very high spend growth, moderately price sensitive
Behaviour	Value trust, familiarity and confidence more than discounts
Win with	Trust signals, clear information and reliable delivery

Builders

Spend profile	Very high spend growth, less price sensitive
Behaviour	Value simplicity and reliability over price
Win with	Simple checkout journey and no-fuss service

What this means for you

Don't market to 'everyone'.
Tailor how you show value by audience:

- Lead with price and urgency for younger shoppers
- Win on experience and ease for mid-market audiences
- Build trust and reliability for older segments

If your message doesn't match shopper preferences, it won't convert.

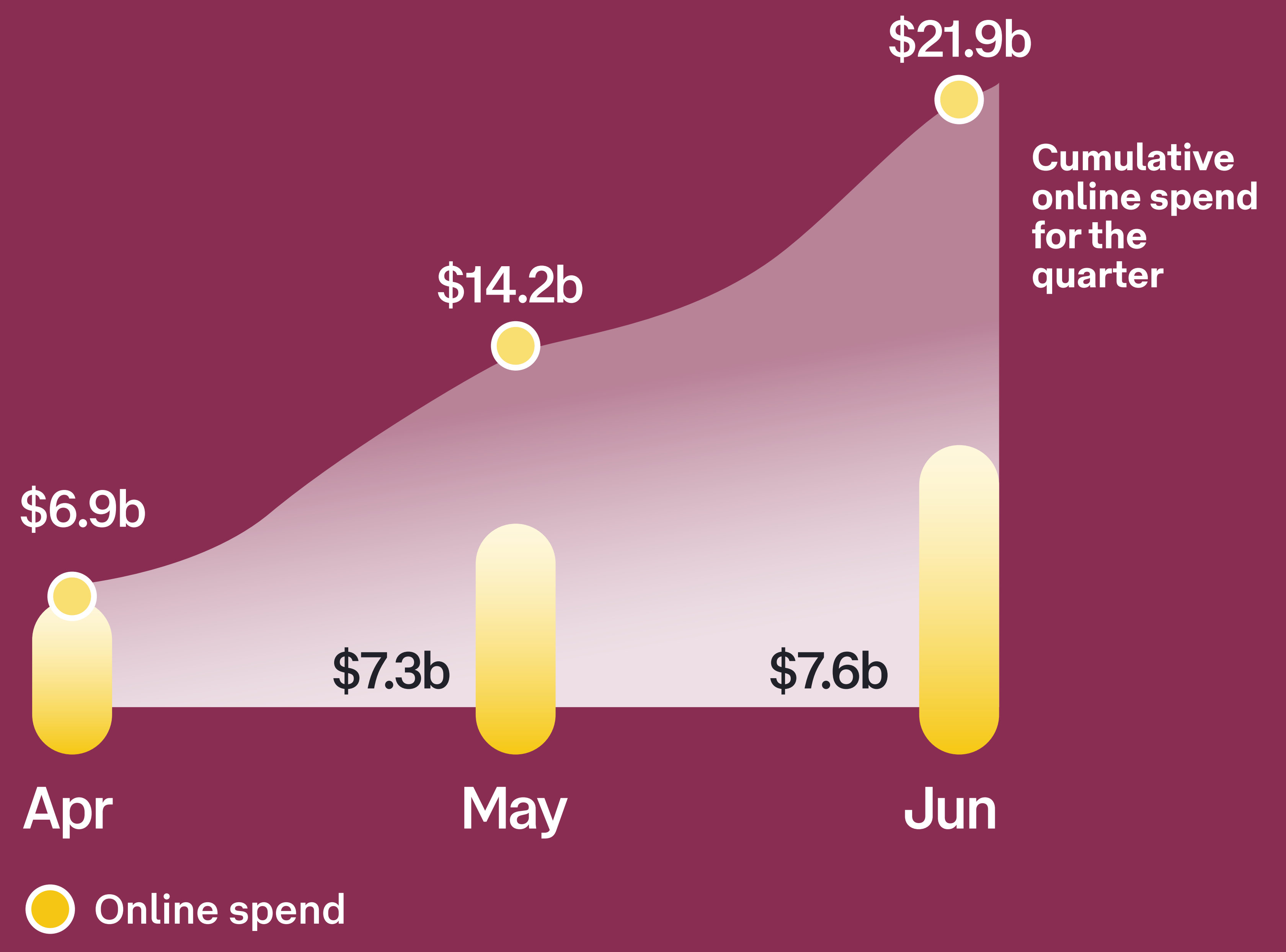
1. Australia Post Omnibus Survey May26; 2. CommBank iQ (Q4 FY26 YoY spending growth)

Shopper moments

Why sale events matter more than ever

EOFY leads the quarter, driving the biggest jump in online spend as shoppers wait for value moments.

Online spend by month[1]



What sale events do shoppers look forward to?[2]

44%	Black Friday/Cyber Monday
36%	Boxing Day
33%	EOFY
27%	Christmas

Ready for a bumper second half to the year?
Download our eCommerce Sale Event Calendar to plan ahead.

What this means for you

Sale events are no longer just about discounts. They're key moments where customers switch brands and try something new. To win, you need to make the experience simple, fast and compelling.

- Make your value clear beyond price with delivery, returns and perks
- Turn sale shoppers into loyal, repeat customers
- Reduce friction with fast, flexible and reliable delivery

1. CommBank iQ; 2. Australia Post Omnibus Survey May26

Peak 2026

The battle for peak has already started

With 1 in 4 businesses expecting an even busier peak than last year,[1] it remains retail's most important trading period – but customer behaviours are changing.

1 The research window is starting earlier

Shoppers are building wish lists weeks before peak begins, while 40% of businesses are planning for sale periods before November.[1]

Pro tip: Start planning and promoting early to secure a place on customers' shortlists before sales go live.

2 Basket strategies shift around key sale events

Shoppers are concentrating discretionary spend around key sales moments, often resulting in larger baskets per transaction and a higher willingness to spend.

Pro tip: Drive higher order values with free shipping thresholds that encourage shoppers to add a little more to their cart.

3 Loyalty is up for grabs during peak

Peak amplifies switching behaviour, with data showing consumers are open to new brands if the value is right.

Pro tip: Lead with compelling offers and clear value propositions to stand out from the competition.

4 Delivery expectations peak with demand

Expectations for faster delivery is higher during peak.[1] Slow delivery promises can cost more than one sale – they cost repeat business.

Pro tip: Make fast delivery a competitive advantage. With 61% of consumers more likely to shop sale events when fast delivery is available,[1] consider next-day or same-day delivery options.

What this means for you

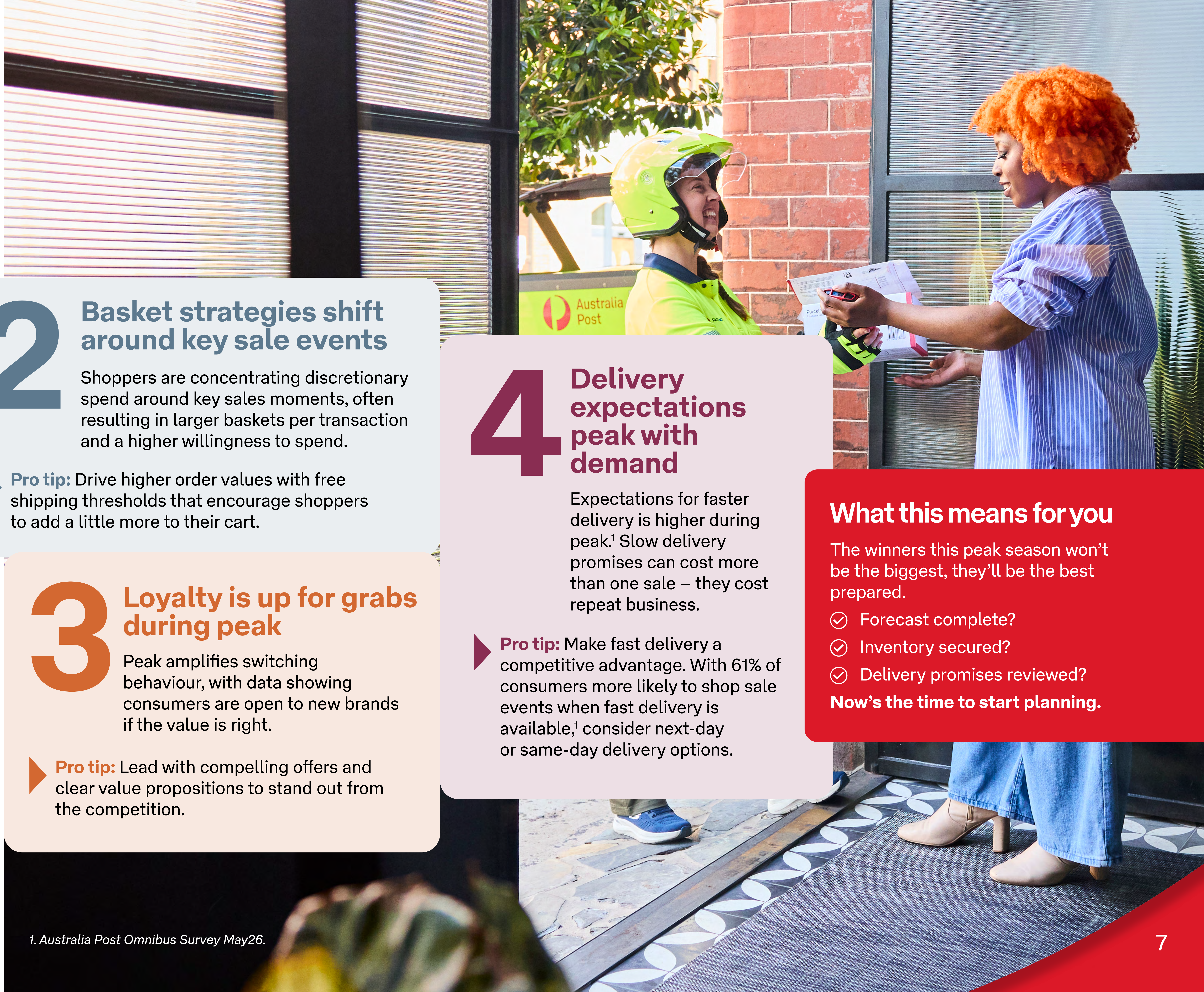
The winners this peak season won't be the biggest, they'll be the best prepared.

- Forecast complete?
- Inventory secured?
- Delivery promises reviewed?

Now's the time to start planning.

Get peak-fit today

Let us help you plan smarter and stay competitive during the busiest time of year.



1. *Australia Post Omnibus Survey May26.*

Case study

How CMC Gold stayed steady while everything else slowed

By doubling down on loyalty, sharpening value and expanding smarter, CMC Gold turned caution into opportunity and kept customers coming back.

When shoppers hit pause

With rising costs and cautious consumer spending reshaping the market over the last quarter, family-owned baby brand CMC Gold faced growing pressure on margins and day-to-day decisions. “We’re involved in every part of the business, so when costs rise everywhere at once, you really feel it,” said Chloe Sacco, Founder at CMC Gold.

Like many Australian SMBs, Chloe saw customers taking longer to purchase and waiting for stronger value. This reflects broader market behaviour, with recent data revealing 70% of Australian shoppers now wait for sale events before buying[1].

1. *Australia Post Omnibus Survey May26*

The retention play

Chloe shifted focus from growth to retention, doubling down on existing customers and driving repeat engagement. She prioritised five areas:

1. Value-led offers: Introduced bundles, value packs and new variations to boost perceived value. “We regularly launch new colours, bundles and products to keep shopping fun and personal, not transactional.”

2. Paid social strategy: Moved from broad targeting to creative-led performance, testing hooks and scaling what resonated. “The creative itself is the new targeting in Meta, so we focus on what keeps people watching.”

3. Lifecycle marketing: Nurtured both existing and first-time customers through targeted email flows. “Our automations are tailored to where customers are in their parenting journey, recommending products based on their baby's age and likely next purchase.”

4. Fulfilment operations: Improved stock forecasting, reviewed packaging and streamlined dispatch processes so the business could respond faster when demand changed.

5. Diversified sales channels: Expanded into wholesale and marketplaces like Big W and Amazon to reach new customers and reduce reliance on one channel. “Marketplaces help us reach new audiences, build credibility and grow awareness beyond paid social.”

Results to last

Together, these initiatives helped CMC Gold increase returning customer rates by 14% YoY, while maintaining steady sales through slower eCommerce periods.

The experience also reinforced an important lesson for peak: success starts well before demand ramps up.

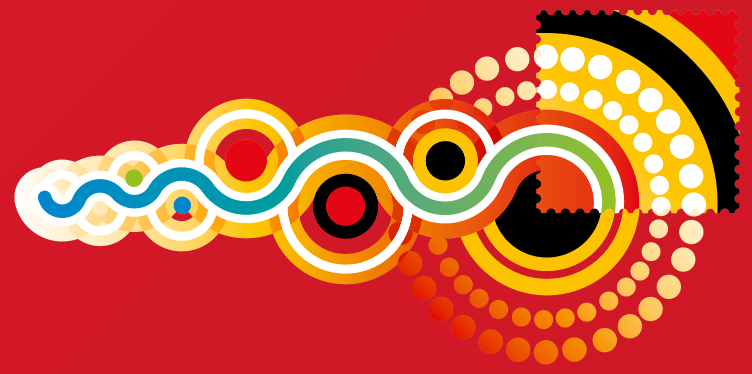
“Start preparing earlier than you think you need to. Having stock ready, systems organised and fulfilment processes sorted makes a massive difference.”

Unlock the value of every customer

Discover how much each customer is worth over time using this simple formula and uncover insights to drive sustainable growth.

To access eCommerce industry reports and updates, visit auspost.com.au/einsights

If you have any questions or would like to know more, please contact your Australia Post Account Manager.



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

Australia Post