



eCommerce Market Update

What's trending this Christmas?

Christmas 2017 is going to be the biggest ever for online retailers. This update looks into the trends during the festive season and an exclusive view from HobbyKing.



Online shopping is growing 6x faster than traditional retail...

Traditional Retailer

2.2%

Growth



Online Shopping

13.8%

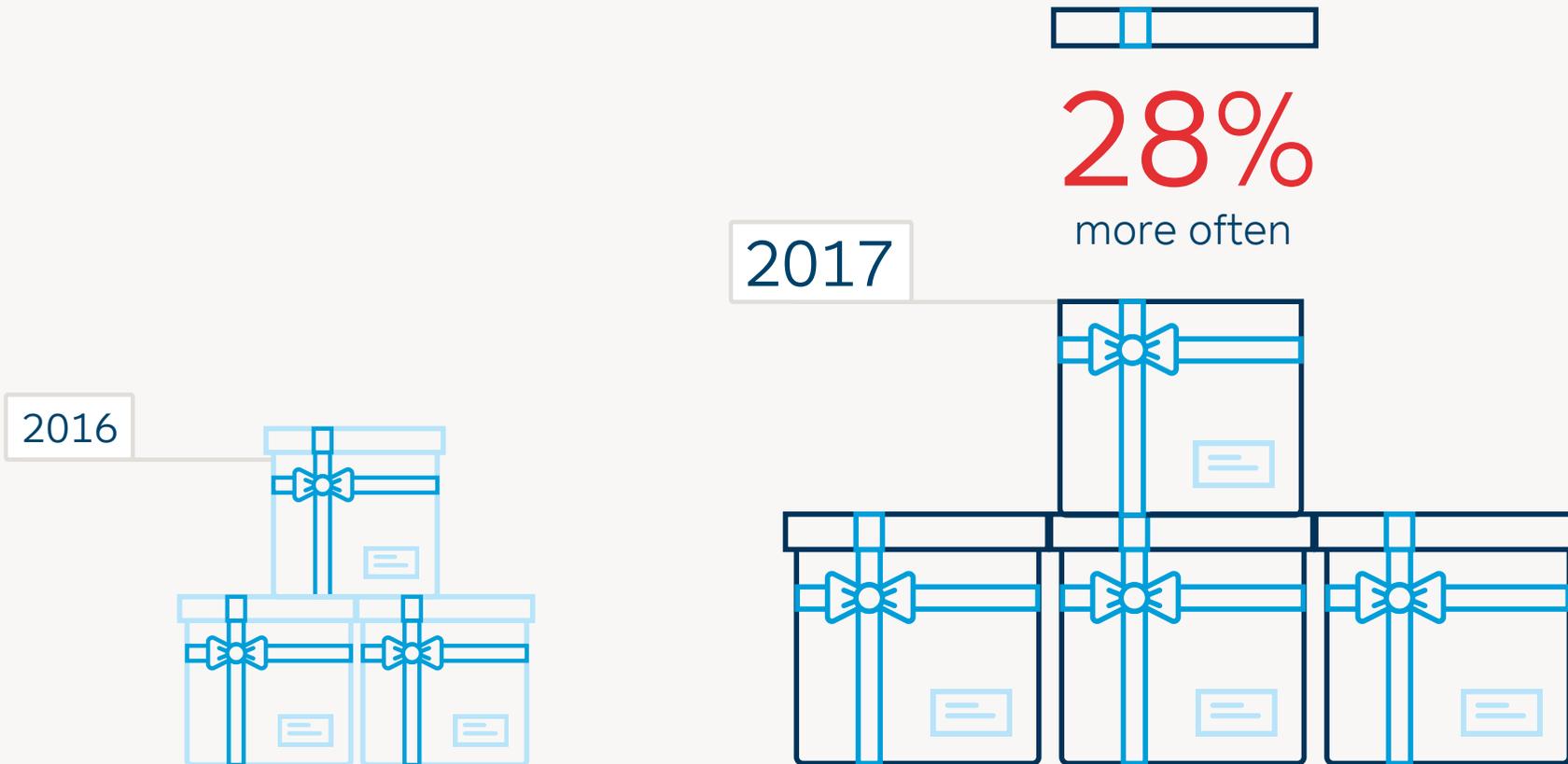
Growth



Sales from traditional retailers have slowed as more people shop online.



Online shoppers are purchasing more frequently

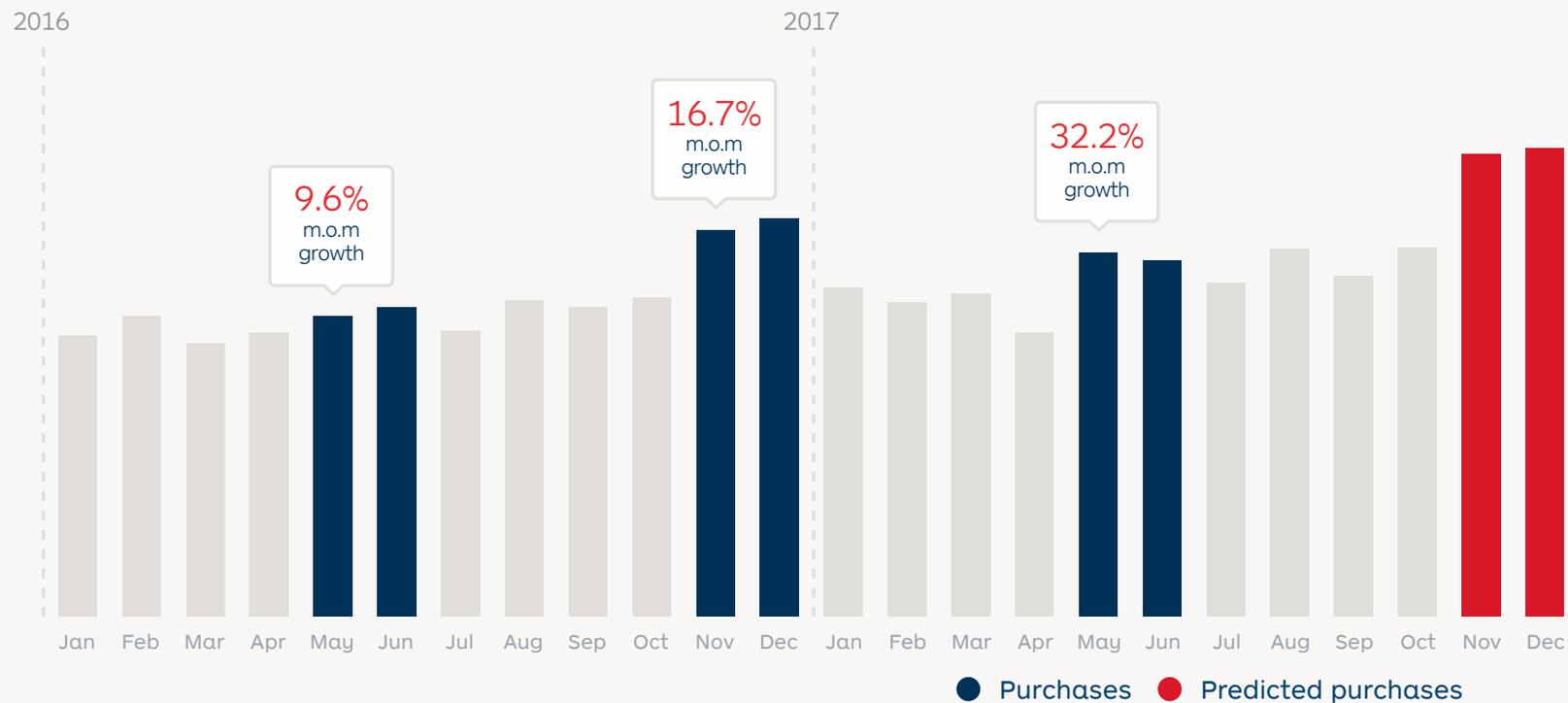


2017 has shown sustained underlying growth

There is more pronounced seasonality, with peaks in November-December and May-June fuelled by the increased popularity of online shopping events. In the month before the events, we see a behavioural change consistent with consumers holding off waiting for a bargain.

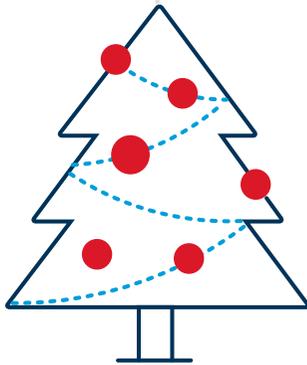
Extrapolating these trends forward, November is projected to accelerate and continue to peak in the lead up to Christmas.

eCommerce Purchase Behaviour

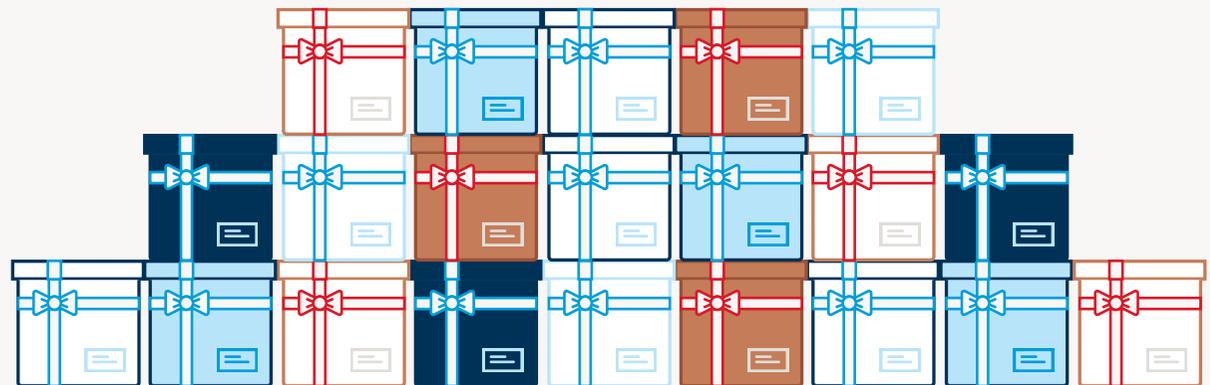
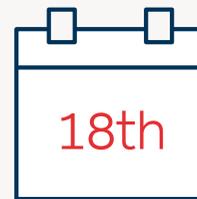


We predict Christmas to grow by...

Over
16%



We expect to make over
10 million deliveries
in the week before Christmas





What's popular during Christmas

Based on last year's growth figures as shown below, we predict that these categories will spike in growth again this year.

Games & Toys

17%
Growth



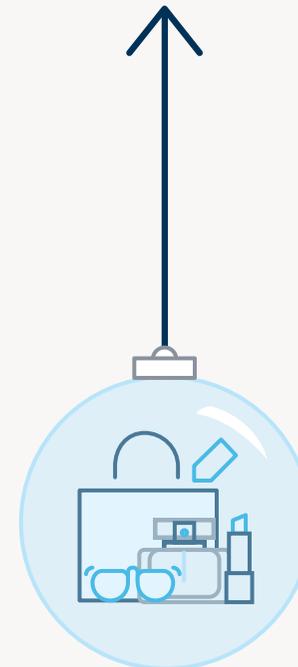
Sporting

12%
Growth



Fashion
Accessories &

27%
Growth



A look inside



We spoke to the world's no. 1 online hobby store to find out what trends they're seeing online and their expectations for the Christmas online shopping period.



Evolving customer base

As more people are shopping online, HobbyKing has noticed a shift in their audience from a younger, early adopter demographic to an older one. With this came greater expectations of the website experience and delivery service.



Changing customer behaviours

HobbyKing's category growth has been fuelled by changing customer behaviour. Customers are now doing more research before committing to a purchase.

HobbyKing has used this research phase, not only to educate the customer, but to build trust with them – which is vital to their first purchase and brand loyalty.



What are people buying this Christmas?

Drones were a key seller in 2015 and 2016. However, this year HobbyKing believes that there will be a shift towards more traditional remote control cars and planes, as these items are better at capturing the customer's imagination.



What are you expecting this Christmas and beyond?

Would you like to optimise your efforts in the new year? Contact us for an in-depth analysis of your market opportunities and find out how to make the most of your eCommerce business.



Contact us at acquire@auspost.com.au

For more insights into the state of the eCommerce industry, visit startrack.com.au/eCommerce to download the 2017 Inside Australian Online Shopping report.

Disclaimer

This information has been prepared by Australia Post using a subset of deliveries in the 12 months to September 2017, compared to the same period the previous year, unless otherwise stated. Percentage growth and share are based on transactions, with the exception of traditional retail growth sourced from ABS Retail Turnover excluding cafes & food retailing. Demographic trends are sourced from the Australia Post consumer survey 2017. While every effort has been made to ensure the accuracy at the time of publication, Australia Post takes no responsibility for any errors or omissions herein. Australia Post does not accept any liability for any loss or damage incurred by any use of or reliance on any information contained here.