

# AUSTRALIA – THE NEW MARKETPLACE FOR INTERNATIONAL BRANDS



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ECOMMERCE IN AUSTRALIA HAS EXPERIENCED ITS MOST SIGNIFICANT PERIOD OF GROWTH IN THE LAST 12 MONTHS, WHICH REPRESENTS AN UNPARALLELED OPPORTUNITY FOR INTERNATIONAL BRANDS TO ENTER THE MARKET.

The industry today can be summarised as the perfect culmination of technology and infrastructure maturity, accessibility, and market necessity.

Population: 25.7 Million

GDP: \$1.89 trillion (2019)

Total online spending: \$49.5 billion (2021 FY Est.)

## THE BOOMING AUSTRALIAN ECOMMERCE INDUSTRY

In 2020, Australia has witnessed its most significant influx of online shoppers in its history. A large shift in consumer behaviour and accessibility, not to mention necessity, has seen buyers extend beyond traditional retail to eCommerce. In the 8 weeks following the World Health Organisation's declaration of the COVID-19 pandemic, Australia's eCommerce market saw 80% growth when compared to the same time last year. Multiple sources are not only reporting a massive change in consumer behaviour but that the online marketplace for Australians has gone into overdrive.

Australians are loyal shoppers, and the recent change in consumer sentiment is projected to have long-term ramifications. A recent survey uncovered that, during the retail closure period in Australia, 65% of Aussies shopped online more than they normally do, and 56% will continue to do so after restrictions are lifted.

Australia Post, the main postal service in the market, reported data that showed a recent continued growth for online purchases of 8.9%. This is significant as it was compared to the 2019 pre-Christmas period – Australia's peak eCommerce period. Growth in online purchases was also 5.8% higher than was experienced in April this year. Based on current figures and estimates, the data points to a staggering 85.3% YOY growth.

The growth of the eCommerce industry does not stop there. The national average for Australia in 2019 was just over 17%. However, as of the beginning of the year up to the 30 April 2020, online purchases are sitting at 41% YOY. This wasn't just confined to the major city hubs, regional areas of the country also experienced an influx of online purchases, showing that the demand is country-wide.

97% of Australian online consumers shop on an average of 3.1 marketplaces every year. There are over 20 prevalent online marketplaces in Australia. With more than two out of every five online purchases taking place on one, it's no surprise that more and more marketplaces are being added to the fold.

Between 2018 and 2019 the online marketplace category grew an incredible 75% in Australia. However, with wallet share being spread across so multiple marketplaces, in addition to brand owned website, few brands have achieved true multichannel eCommerce at scale - as each marketplace has its own rules and requirements, not to mention the nuances and relationships required to achieve scale on multiple marketplaces.

#	Name	Region/Country	Product Category	AU & NZ Visits/month
1	<a href="#">eBay</a>	Global	General	75.5M
2	<a href="#">Amazon</a>	Global	General	75.5M
3	<a href="#">Trade Me</a>	New Zealand	General	20.5M
4	<a href="#">Catch.com.au</a>	Australia	General	10.1M
5	<a href="#">The Iconic</a>	Australia	Fashion	5.8M

Source: Similar web, September

## AUSTRALIANS LOVE MARKETPLACES

## AUSTRALIA'S LARGEST ONLINE RETAILER

eBay is the largest online marketplace in Australia & New Zealand, by a significant margin with Amazon cementing its second-place position in the market since its launch in Australia in 2017. Australia is the only market in the world that both eBay and Amazon operate, and eBay is on top.

Rank	Website	Category
1	Google.com.au	Internet And Telecom Search Engine
2	Facebook.com	Internet And Telecom Social Network
3	Google.com	Internet And Telecom Search Engine
4	Youtube.com	Arts And Entertainment TV and Video
5	Ebay.com.au	Shopping General Merchandise
6	Pornuhb.com	Adult
7	Live.com	Internet And Telecom Email
8	Wikipedia.org	Reference Dictionaries and Encyclopedias
9	Xvideos.com	Adult
10	News.com.au	News And Media

Higher than wikipedia!

More popular than news.com.au

Source: eBay Australia

On raw numbers, eBay Australia receives approximately 75 million monthly website visits. Of these shoppers, 14 million are unique visitors. As a country with a total population of almost 26 million people – over half of Australia visits eBay.com.au every month.

eBay has evolved into Australia's 'brand marketplace' and now has a large number of globally recognised brands with direct representation. This includes brands like Crocs, Harley-Davidson, Dyson, Apple, Microsoft and many, many more.

Thanks to eBay's foresight and investment into their mobile application, eBay has seen over half of their visits come from mobile users. This has helped shape a 'shop on the go' culture or impulse buys – taking advantage of the 'need to consume culture' prevalent across the world.

On average, orders placed on eBay.com.au are delivered in between 2 - 7 days. However, streamlined fulfilment operations can present a large performance opportunity for sellers and brands. By achieving high seller standards – which include fulfilment and delivery timeframes, postage and returns requirements, and customer service and feedback – your product listings can receive a 'plus' badge. The plus badge provides buyers with guaranteed delivery timeframes and in some cases free delivery and returns. Additionally, 'Plus' listed items typically receive a higher ranking than those that aren't which results in higher listing impression and subsequent sales as well being invited to participate in eBay Plus member exclusive promotions and events - a strategic move to compete with Amazon's Prime offering.

## SELLING ON EBAY.COM.AU:

- Car or truck parts, one purchased every 4 seconds
- Home decor items, one purchased every 12 seconds
- Tools, one purchased every 19 seconds
- Watches, one purchased every 22 seconds
- Wedding products, one purchased every 25 seconds
- Smartphones, one purchased every 1 minute

When compared to other markets, selling on eBay in Australia is considerably cheaper with the marketplaces commission and fees averaging between 6% and 12% of gross merchandise value (GMV).

If you're interested in learning more about the Australian eCommerce industry and/or how Enrich Trading Group can help, please [reach out to our team](#) today.

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