

AUSTRALIA

ONLINE IS THE NORM AS AUSTRALIANS EMBRACE THE DIGITAL LIFESTYLE

With nearly 90 percent of Australia's population already online, the country's Digital Consumer Index ranking is well ahead of the regional average. The market's already close to saturation point, so there's little headroom for user growth. Nonetheless, with 80.5 percent of internet users already regularly shopping online, spending an average USD 3,215 each year, there will be plenty of opportunities to increase digital commerce in Australia. Our estimates are that by 2022 approximately the same number of internet users will be spending considerably more than they do today.

69% of Australian digital buyers make cross-border purchases primarily from the U.S., China, and the UK⁴⁹

In common with other advanced digital economies, Australians are spending more and more time and money online. As well as 24 million active internet users by 2022, the country will have more mobile

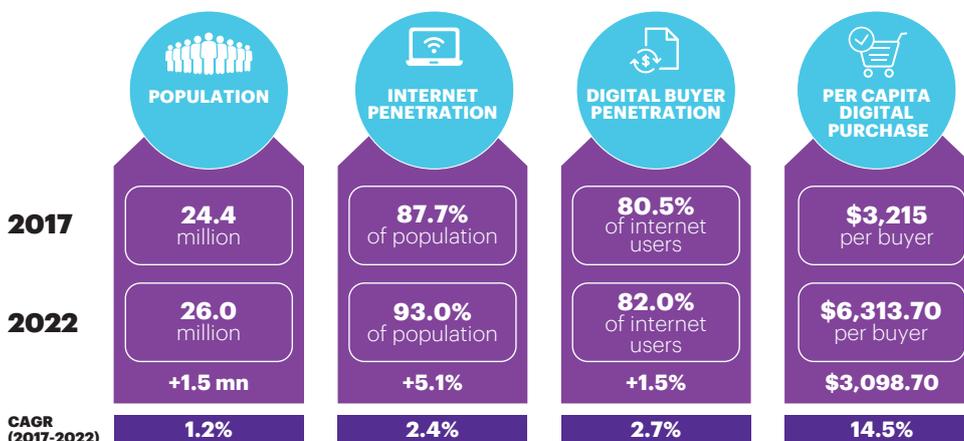
connections than people by 2022. Its strong logistics infrastructure is another attractive factor for digital commerce, as is the rising wealth and income of Australia's digitally-savvy millennials.

38% of online fashion purchases are spontaneous⁵⁰

Australian digital shoppers share some common characteristics. They look for convenience and value for money, and are happy to pay for services such as Amazon Prime and the access it gives them to special deals and prioritized delivery. One-third of them are also willing to spend more on premium goods, such as organic groceries. However, a significant minority (28 percent) are less happy about the lack of multichannel experiences offered by some retailers, expressing their dissatisfaction with disparities between online and physical ranges.

AUSTRALIA IS A DIGITAL LEADER WITH DIGITAL SCORE OF 53.7, DRIVEN BY INCREASING DIGITAL AWARENESS

Robust logistic network and rising wealth/income of millennials are key drivers for digital commerce growth



CURRENT DIGITAL CONSUMER INDEX

53.7

SCORE AS COMPARED TO APAC REGIONAL AVERAGE

↑ 16.5



TRENDS

Consumers moving towards premium, multi-channel experiences, not afraid to switch between brands

CONVENIENCE & VALUE FOR MONEY

45%

of Australian consumers are ready to pay for Amazon Prime subscription for special deals, discounts and delivery perks, if offered

PREMIUMIZATION

33%

of consumers are willing to spend more on premium & organic grocery products

MULTI-CHANNEL EXPERIENCE

28%

of Australians dislike if they cannot get the product they see online when at stores



DRIVERS

of digital commerce in AUSTRALIA

24 mn
INTERNET USERS
2022

35.7 mn
MOBILE
CONNECTIONS
2022

19th in LPI
STRONG LOGISTIC
SUPPORT
2016

\$113K p.a.
INCOME RICH
MILLENNIALS
2016



AUSTRALIAN CONSUMERS PREFER COMPLEMENTING THEIR SHOPPING JOURNEY WITH DIGITAL CHANNELS, WHILE MAKING PURCHASES OFFLINE

Australians digital-first mindset has enabled them to optimally utilize the digital channels

70%

Australians continue to shop same number of times or even more from stores vs 3 years ago

90%

Australians consider they are likely to find better deals in-store

56%

Australian internet users enrol for 2-5 loyalty programs

73%

South-Australian consumers prefer in-store shopping as it allows them to check quality, in addition to sales staff assistance

40%

of Australian digital buyers sources product related information from price comparison sites

50%

of Australians research for products online before buying them in a shop

48%

of Australian digital buyers are willing to pay premium for an express shipping (1-3 days)

59%

of Australian bank account holders that have used contactless debit/credit card for making a purchase