

Delivery Matters

Understanding the needs of online shoppers in Australia in 2015



Australia Edition



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Online shopping |



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Delivery matters in Australia

Welcome to our first Delivery Matters – Australia report. We’ve been producing research like this in the UK for the past seven years, helping retailers like you understand consumers’ habits and preferences when they shop online. We’re now widening our scope, with five new international reports focusing on Australia, China, the USA, France and Germany. You can download copies of all our reports at royalmail.com/deliverymatters.

So does delivery matter in Australia?

Absolutely. The overall online shopping landscape is broadly similar to the UK, with familiar attitudes and priorities, which is un-surprising in a market whose culture and language are similar to ours. There’s lots of good news – online shopping is on the rise, with half of online shoppers shopping more than they used to; demand for UK goods is high, with books and clothing particularly popular. The value at which duties and taxes are charged is higher than most other countries, at currently about 1,000 Australian dollars. Therefore, it seems there are already significant opportunities for UK retailers, which can only grow as the market matures.

Plus as their summer is our winter, this market represents for UK fashion retailers a real opportunity to continue selling summerwear through our winter.

Getting started as an exporter can feel daunting, but at Royal Mail we’re here to help. We believe ‘international’ is just another post code and can help businesses like yours offer an excellent delivery service, building trust with your customers while keeping costs under control. This research is a great place to start. We hope it helps you understand the needs of online shoppers in Australia and gives you more confidence in accessing this growing market.

Nick Landon,
Managing Director of Royal Mail Parcels

Our research was independently conducted by Hall & Partners in April 2015. To help us explore similarities and differences, we sometimes compare results to UK research which was also carried out by Hall & Partners in April 2015.



Australia – the trends

Online shopping in Australia is on the up. 55% of online shoppers say they shop online more than before.

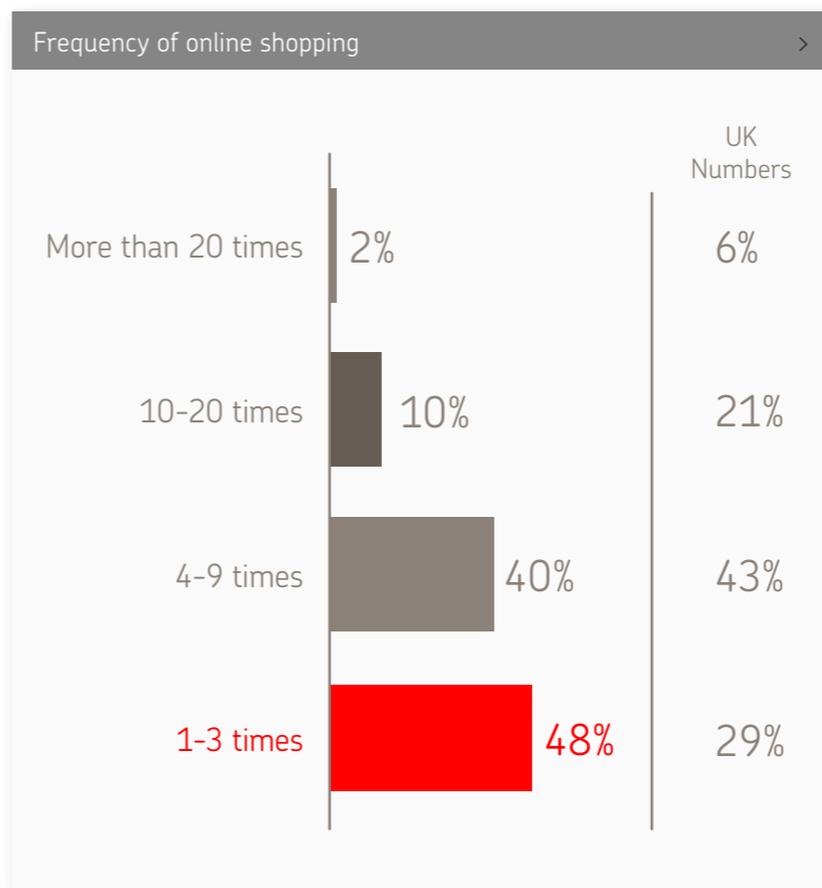


Q: Thinking about online shopping, would you say you shop more or less now than you used to?

However the overall frequency of online shopping is slightly lower than in the UK. Half of online shoppers made 1 – 3 purchases in the last three months.



Frequency

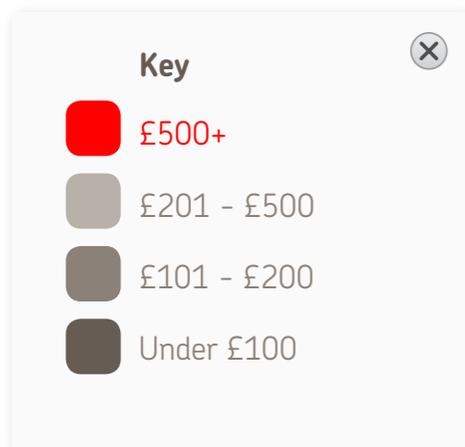


Online shopping in Australia is a slightly less frequent behaviour compared to the UK.

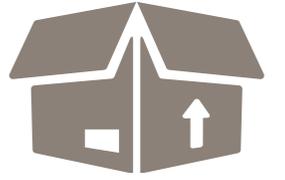
Online Spend



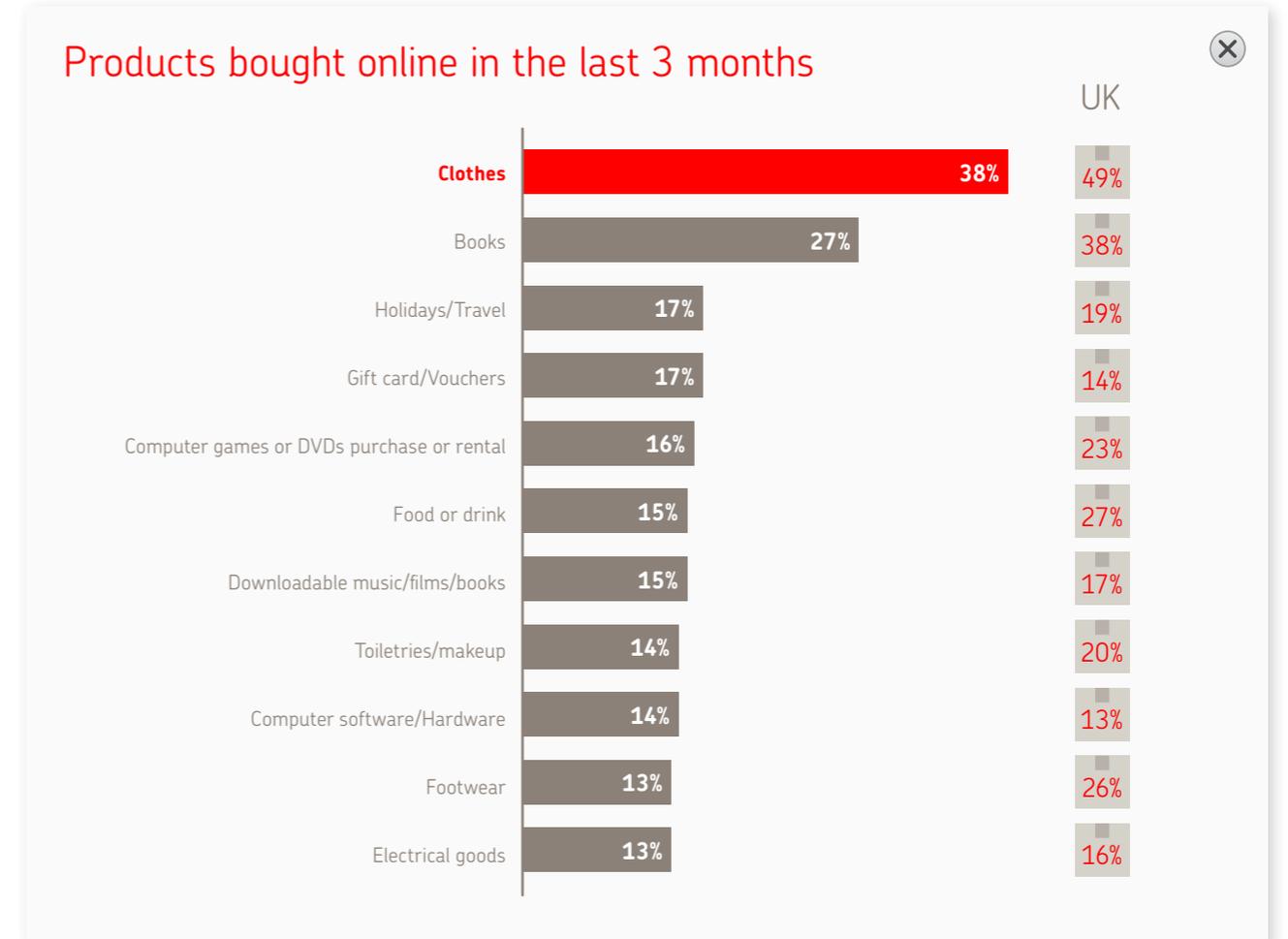
As would be associated with lower frequency, the level of spend is also lower than in the UK.



The typical online shopping list in Australia is reassuringly familiar – as in the UK, clothes and books top the list of purchases made.



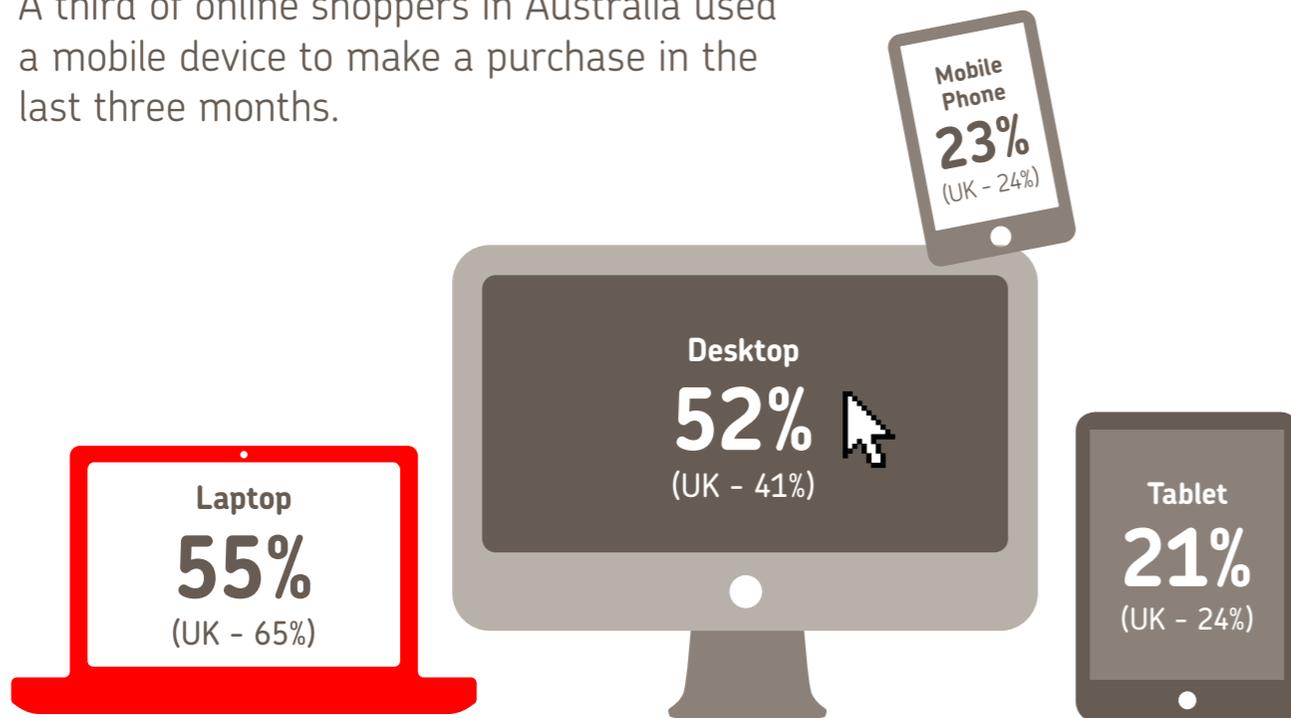
Products bought online in the last 3 months



Shop laptop

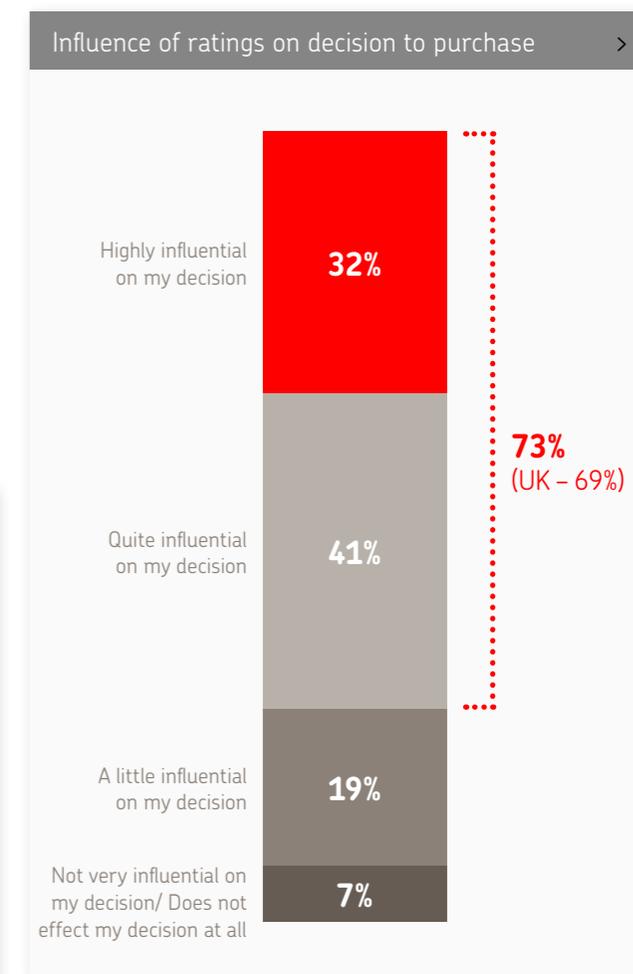
There are also similarities when it comes to channels. Desktops and laptops are the primary channels used for online shopping, but mobile devices are also popular. A third of online shoppers in Australia used a mobile device to make a purchase in the last three months.

Q: Which of the following electronic products have you used in the last three months to do your online shopping?



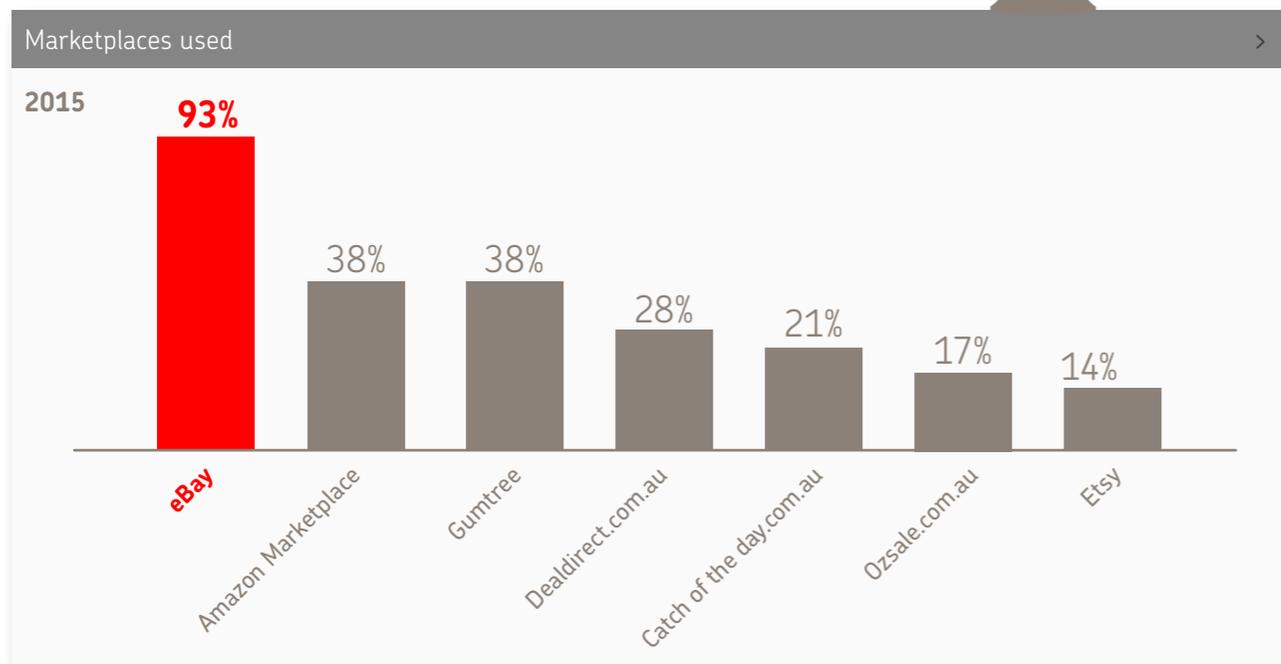
Online marketplaces

Marketplaces are influential: 77% of Australia's online shoppers use them. 73% of online shoppers who use marketplaces are influenced by ratings.

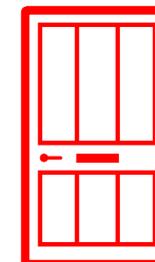


#1 eBay

Amazon doesn't have its own operational presence in Australia, which is reflected in the marketplace share. eBay is the most popular marketplace, followed by Amazon and Gumtree. Amazon holds a large share of the eBook market and offers international distribution which sometimes include free shipping offers to Australia.



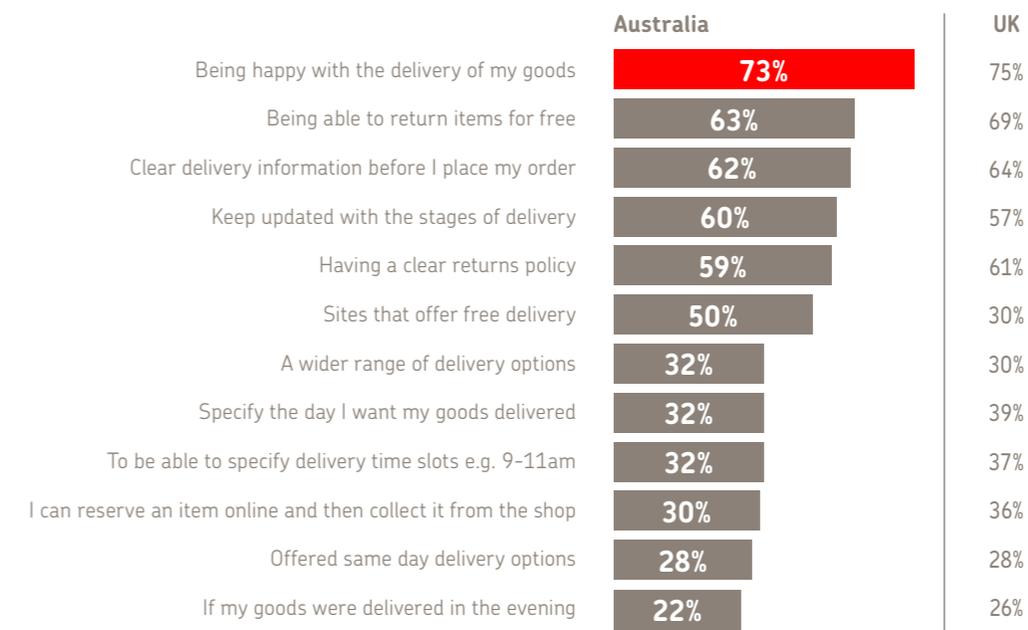
Delivering the goods



We asked online shoppers what they expected from retailers and the response was loud and clear – delivery matters.

Being happy with the overall delivery of their goods is the most important satisfaction factor for online shoppers in Australia, followed by free returns and clear delivery information.

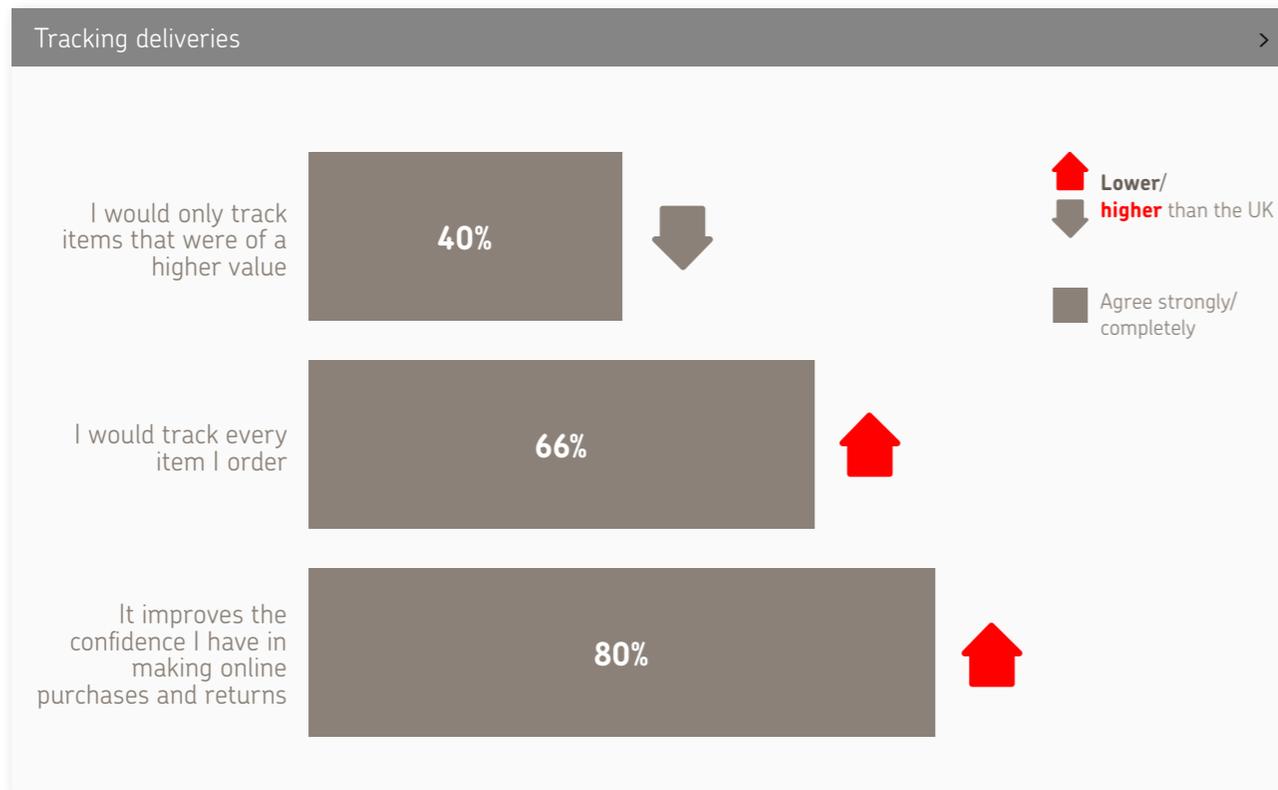
Online shopping attitudes:



Agree strongly/agree completely

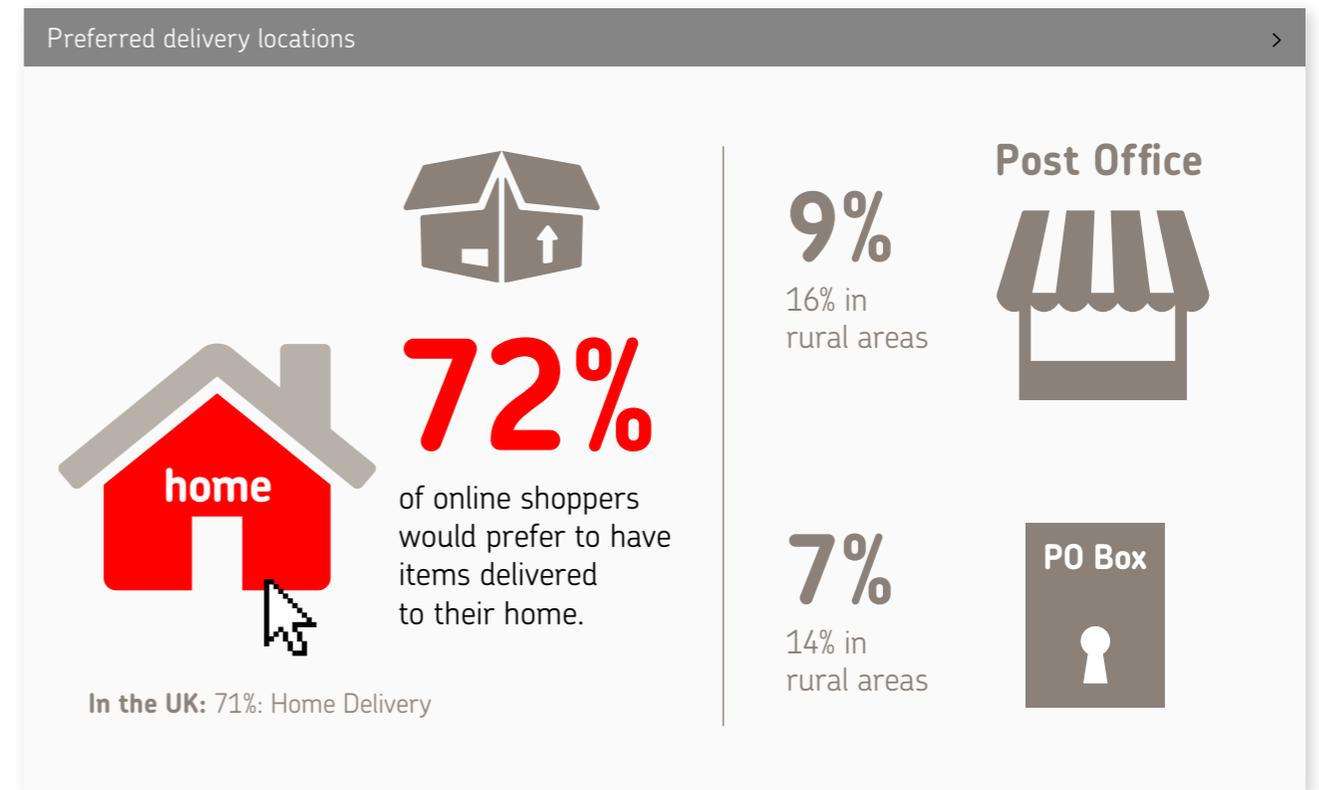
Tracking

Online shoppers in Australia love tracking. Two-thirds of them would track every item they ordered and 80% say tracking builds confidence when shopping online.



Preference for home delivery

72% of online shoppers in Australia say **home** is their preferred delivery option, but the post offices and PO boxes are also popular, especially in rural areas.



Cart abandonment

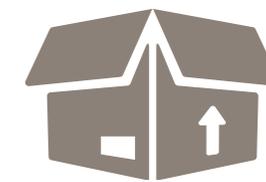


It transcends borders: 26% of online shoppers in Australia frequently abandon their shopping basket. That's against 21% in the UK.

The reasons for cart abandonment are familiar too: **delivery charges are the big issue.** Over half of online shoppers abandon their purchases because of delivery charges.

Reason for abandoning shopping basket	Australia	UK
I wasn't happy with the delivery charge	52%	44%
I was just browsing	43%	37%
I changed my mind when I saw how much I had spent	37%	27%
I found a better deal elsewhere	27%	31%
I got interrupted when placing my order	25%	26%
They didn't have any payment options that suited me	25%	12%
They didn't have what I wanted in stock	25%	29%
The website was experiencing technical problems	21%	28%
I didn't feel secure providing my credit card details	19%	10%
Going to take too long for the items to get delivered	18%	21%
I wasn't happy with the returns policy	12%	10%
I wasn't offered a delivery option with tracking	8%	4%
They were using a delivery company that I did not want to deliver my goods	5%	4%

Most shoppers don't expect free delivery



Unlike the UK, most online shoppers in Australia don't expect free delivery – at least, for now. Retailers are increasingly offering free delivery options and free delivery is regularly cited as the most successful factor in delivering great customer service*. It's likely this expectation will change.



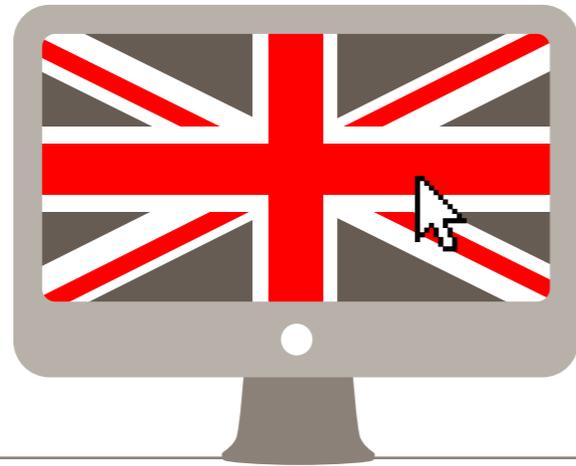
*Source: Channel Advisor 2014 Snapshot of Australian E-Commerce study



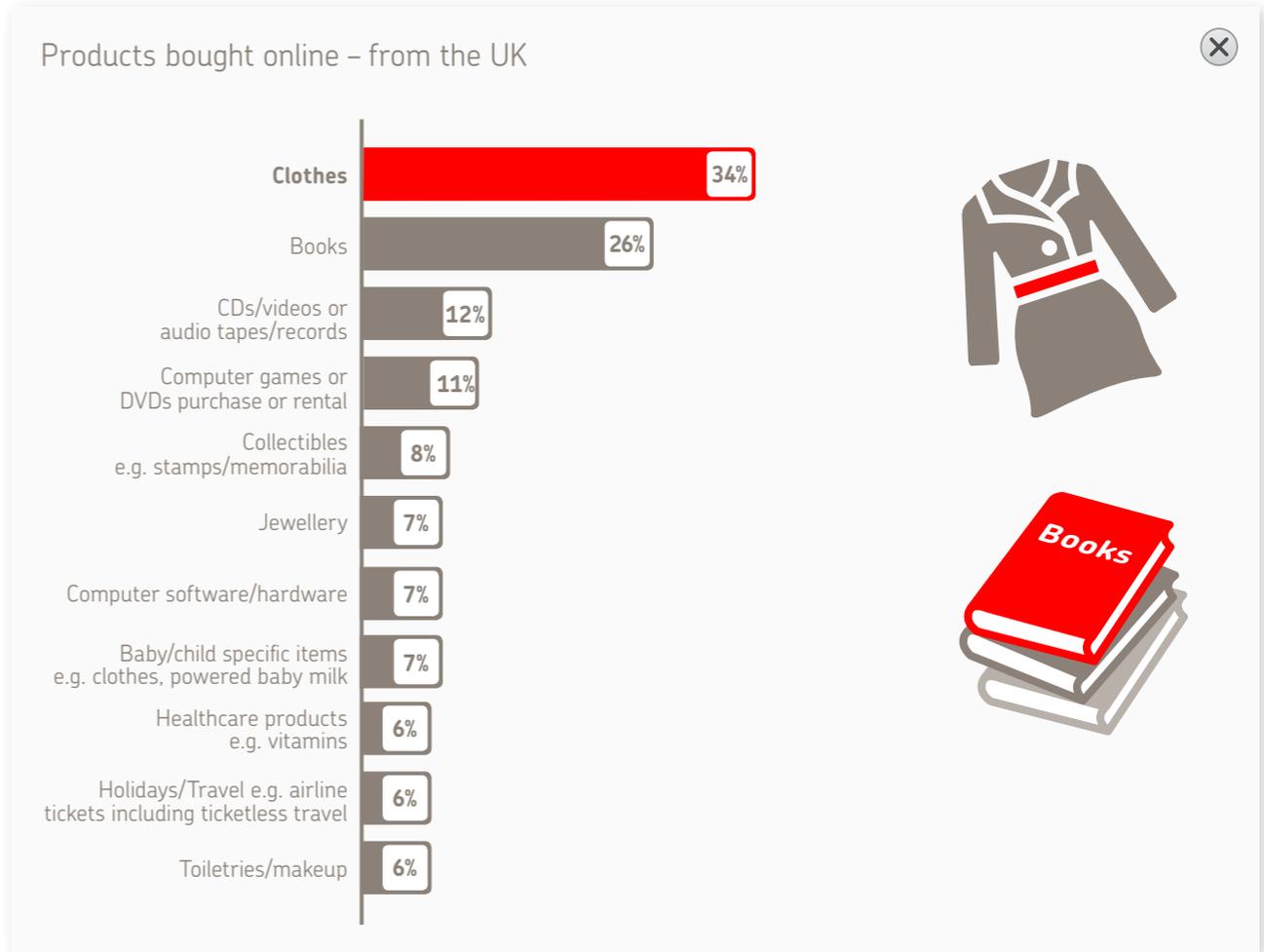
Australia ❤️ UK

There's a lot of love for the UK amongst online shoppers in Australia. Over a third have recently purchased items from a UK website. It seems quite natural for them to order specialist clothing or books from the UK which they know might not be available from their local shop.

1 in 3 online shoppers had purchased an item via a UK website in the last three months.

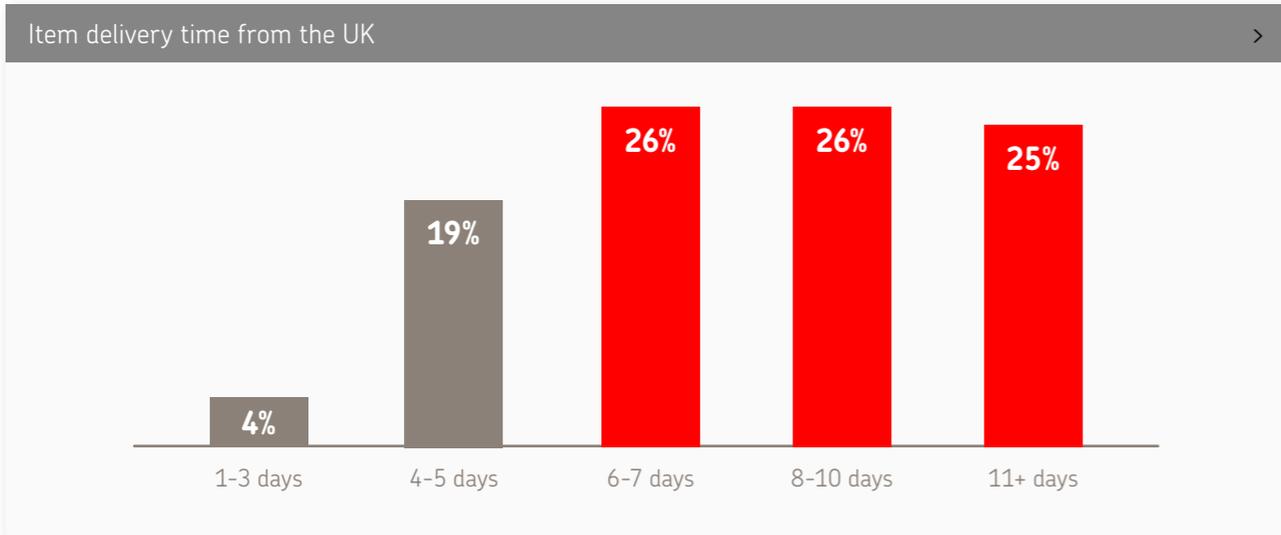
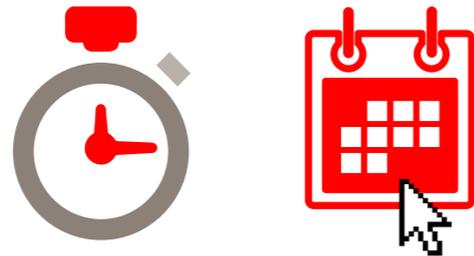


Clothes are the top item purchased from UK retailers



Shoppers expect deliveries from the UK to take more than a week

Online shoppers in Australia are prepared to wait a little bit longer for items ordered from the UK – **77% expect delivery to take at least around a week or more.**

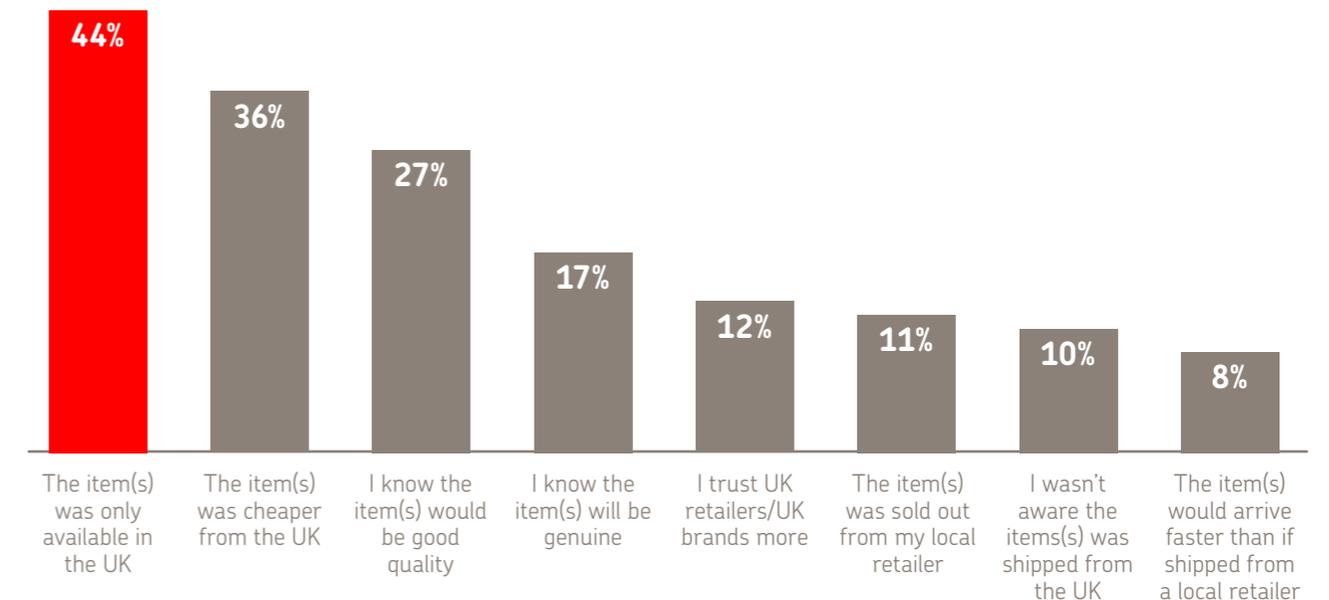


Availability and cost are the main reasons for buying from the UK

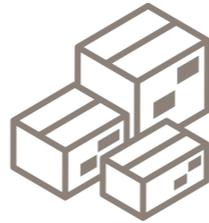
So why are Australia's online shoppers so keen on goods from the UK?

There are a number of reasons for flying the British flag. **Availability** is important – 44% say the items they bought were only available in the UK. **Cost** is also an important factor, and over a quarter say **quality** factored in their decision too, as well as knowing the item will be genuine.

Reasons to buy from the UK



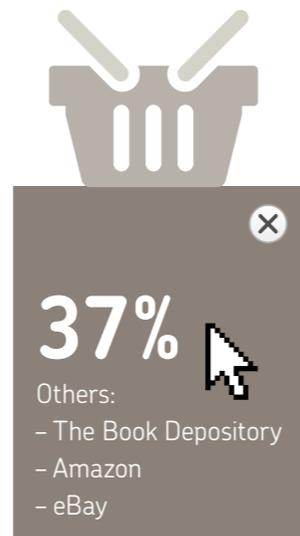
UK fashion retailers are the most popular



As clothing is such a popular purchase in Australia, it seems the interest for clothing and fashion from the UK is popular too.

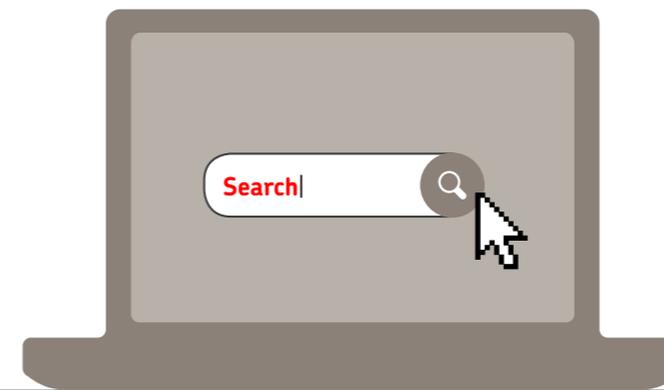
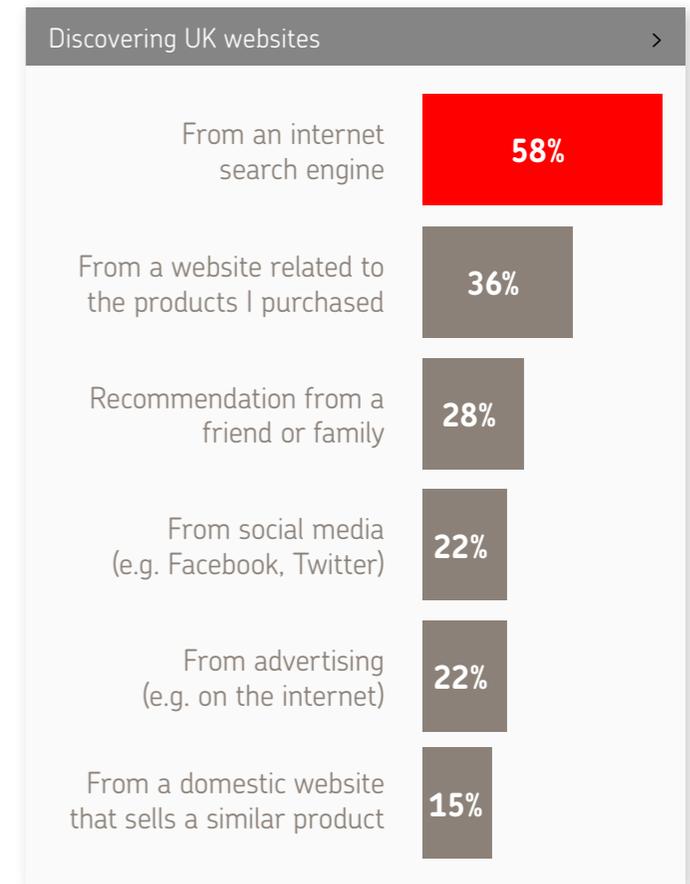


Q. Which of the following UK based websites do you typically purchase products from?



Search engines are the top way to look for UK items online

How do you find out about UK websites you can purchase your desired items from?



Barriers to purchasing from the UK

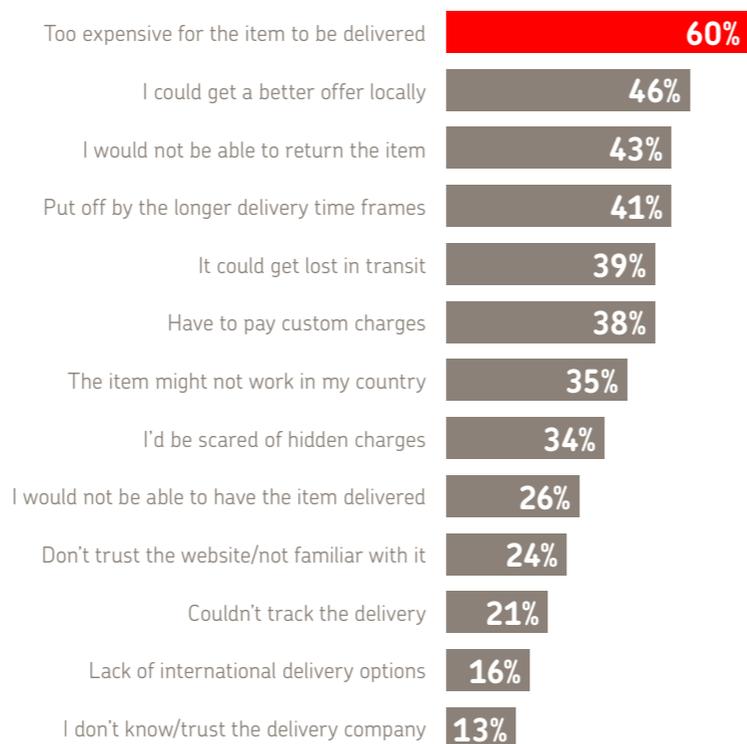
Some online shoppers do think purchasing from the UK is a risk. Their main concern is around international delivery costs.

Risks of purchasing from a UK website

45% →

do consider it to be a risk to purchase goods online from the UK

Barriers to purchasing from the UK:



Encouraging customers to shop more from the UK

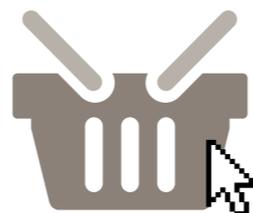
Reasons for shopping more from the UK



So it's clear offering free or cheaper international delivery and returns will help drive sales up. Online shoppers also said offering prices in local currency would help them purchase more.

Cart abandonment when buying from UK sites is lower

Online shoppers in Australia are less likely overall to abandon purchases from UK websites when they're shopping, however when they do abandon their cart, international delivery costs are the main factor behind their decision.



Reasons for cart abandonment from UK websites



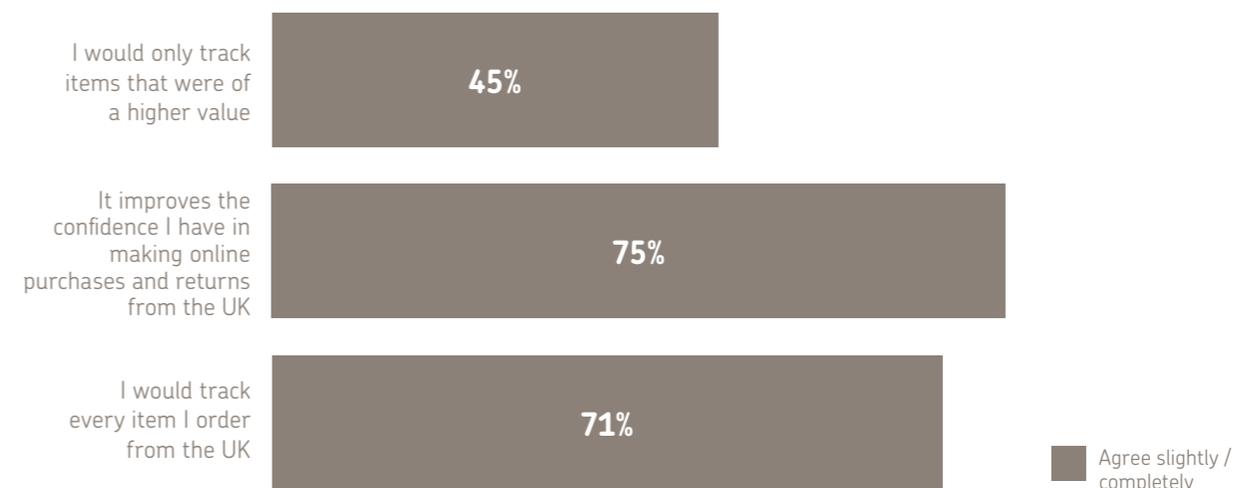
Tracking deliveries from the UK



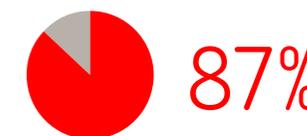
Tracking is already important to online shoppers in Australia: it's even more important when they order from the UK.

A whopping 75% of online shoppers said tracking would make them feel more confident about ordering from the UK. 71% would track every item they ordered from the UK if they could.

Tracking deliveries from the UK:



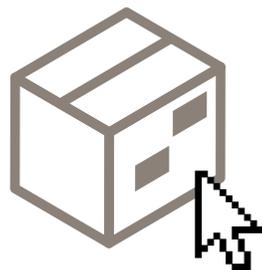
And talking of confidence, **Australia Post**, Royal Mail's delivery partner, is the most trusted national delivery provider in Australia among online shoppers. With 87% confidence with the nearest competitor being on only 57%.



We help you deliver to Australia

Thanks for reading – we hope you found it useful. If you want to find out more about how we can help with your deliveries to Australia, contact your Royal Mail account manager or call us on **08457 950 950**.*

To find out more about our research into the needs of online shoppers in the UK, USA, Australia, France and Germany, visit royalmail.com/deliverymatters.



*Calls may be recorded, monitored and used for training and compliance purposes.



About this research

1,500 online shoppers who had purchased items online in the last three months (other than groceries) completed a 15 – 20 minute online survey between 15 April and 29 April 2015.

Our products

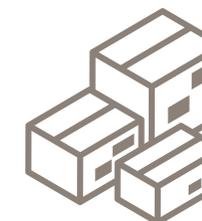
We have a range of tracked and signed options, delivering to over 220 countries and territories worldwide. We deliver to Europe in 3-5 days and the rest of world in 5-7 days. We offer up to £50 inclusive compensation with extra cover up to £250 available.



We offer a range of delivery services to Australia, including **International Tracked**, **International Signed** and **International Business Standard**. We work closely with **Australia Post**, making sure we have the expert, local knowledge we need to deliver in Australia.

Making it easy to access Australia

You can now send 1,000 or more Tracked items across UK, International and Returns services and by combining volumes you can benefit from a better price.



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