

# Australia Post eCommerce Report

Quarterly Update

April – June 2025



# How is eCommerce tracking?

## Online spending up 15% YoY in the April-June quarter

The financial year concluded strongly with online spending for the quarter growing by 15% year-on-year and 7.3% on the previous quarter.

A mix of growing sentiment and end of financial year (EOFY) deals drove the growth. Consumers were more willing to spend, especially with inflation easing and impending rate cuts.

Basket sizes continued to fall as consumers opted for smaller more frequent purchase, often shifting their spend to online marketplaces or department stores. Although Millennials continue to lead online spending, there was a noticeable increase in spend from Gen Z, likely reflecting improved economic optimism.

# 7.9m

Households shopped online in the quarter

↑ 1.4% YoY

# \$19.2b

Online spend

+15% YoY

+7.3% QoQ

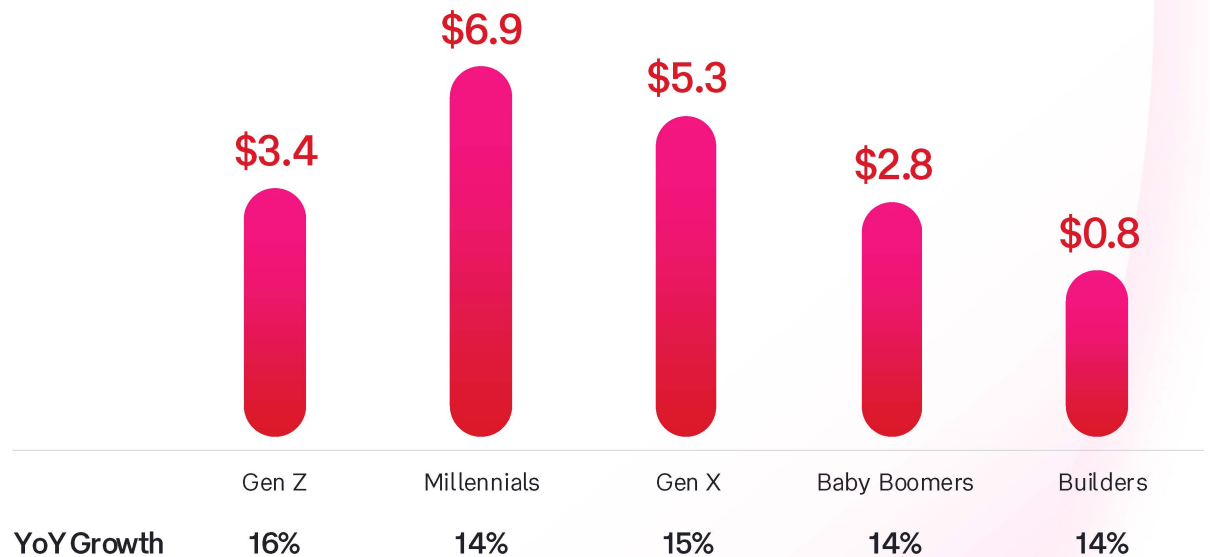
# \$96

Average basket size

-1.6% YoY

### Online spend by Generation

April – June quarter (\$b)

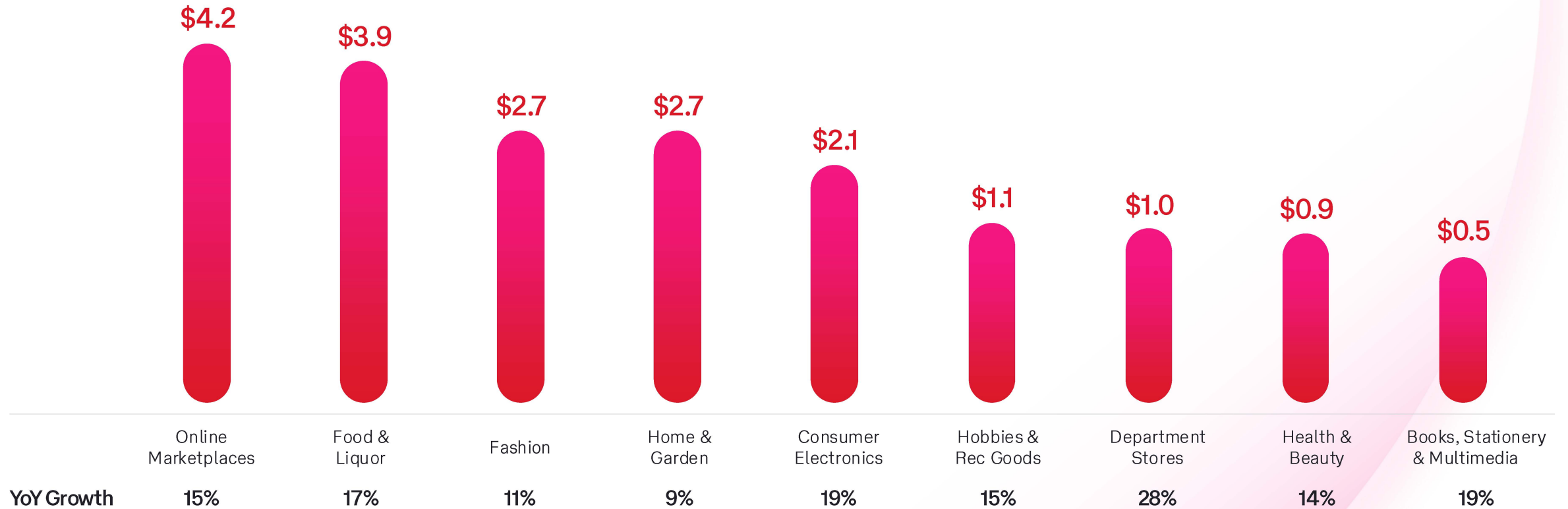


# How did the categories perform?

## Online marketplaces continues to drive online spending

### Online spend by category

April – June quarter (\$b)



# Looking outward

## How Aussie brands are breaking into global markets

With cost-of-living pressures reshaping consumer behaviour in 2025, more Aussie businesses are looking beyond local borders to stay competitive and diversify market impacts on demand.

Australian businesses are eyeing international growth, with 40% planning to expand globally within the next 2 to 5 years in response to growing market demand.

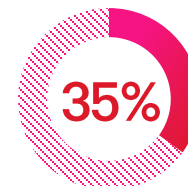
Today, 40% already sell overseas (mostly larger enterprises) but smaller players are increasingly joining in through their own websites (54%) and social media (52%).

### Go the distance with the International Sending Playbook

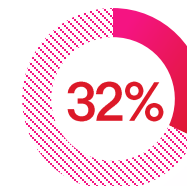
Packed with exclusive insights and tips from Aussie businesses, this playbook will help you build a successful cross-border strategy.

[Download now](#)

How businesses decide what international markets to sell to



Customer demand



Market research



Cost and delivery times

3 key steps businesses take in preparing to send internationally

Understanding regulations 43%

Deciding whether to sell from own website or another platform 40%

Deciding on pricing strategy 38%

Top 3 key benefits of selling internationally

Increased revenue/profits 39%

Ability to expand the business 35%

Ability to reach more customers 22%

46%

of businesses work with delivery providers

to ensure compliance in shipping regulations and customs requirements

# Key markets driving international demand

Most international senders sell to New Zealand (74%), the US (72%), Canada (69%) and the UK (67%), but more indicate that the UK and US are their top markets.

The US remains volatile due to unpredictable tariff policies, which creates uncertainty for businesses.

For online fashion retailers, China, Europe, and the broader Asia Pacific regions present opportunities for international expansion.

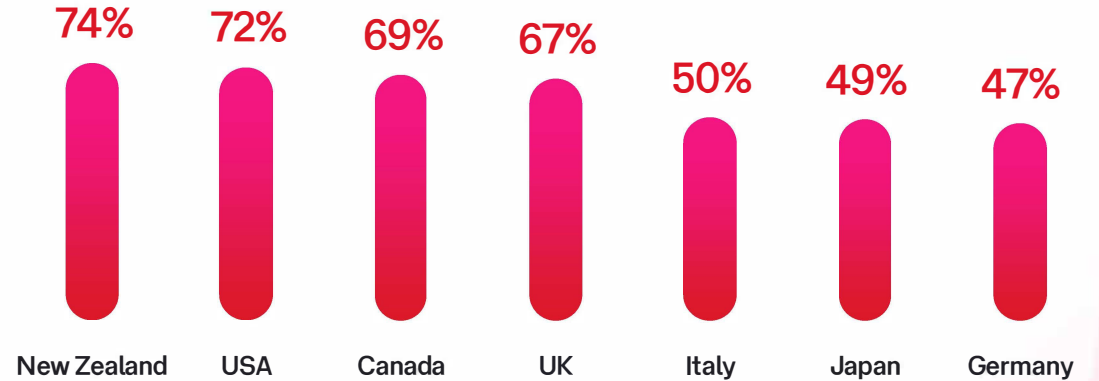
China's online fashion market is worth AU\$417 billion, making it the world's largest. Europe is expected to hit AU\$300 billion in 2025, with further growth to AU\$419 billion by 2029.

Meanwhile, the broader Australia and Oceania online fashion market is forecast to reach AU\$15 billion in 2025, growing steadily at over 9% per year.

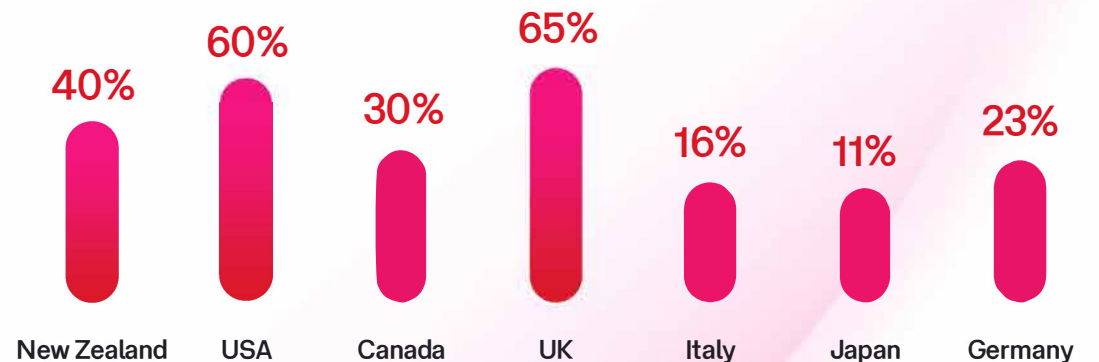
**Note:** Fieldwork occurred late March, amid escalating tariffs for Chinese imports, and the resulting trade difficulties. Results may change depending on negotiations between US and China.



Which of the following countries does your business sell to?



And which would you consider to be your business' top international markets?



# Barriers to global growth

Shipping costs remain the biggest hurdle for Australian businesses going global. 48% say it's the top barrier, followed by long delivery times (25%).

Shipping costs matter - 1 in 2 shoppers will abandon cart if shipping is too expensive. Only 29% of businesses offer multiple international delivery speeds. However, offering different speed options and price points can help businesses attract a broader range of customers.

## Shipping strategies vary

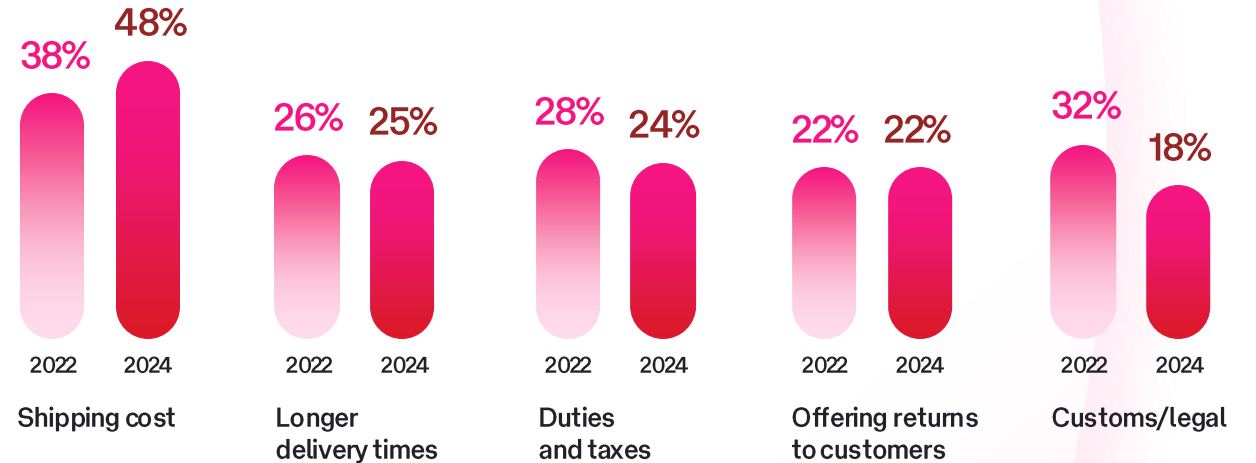
42% of businesses base international shipping rates on either the destination or the parcel's weight.

While 37% offer flat-rate shipping, just 23% offer free shipping with a minimum spend – more commonly among businesses using international marketplaces.

Your shipping offer is a conversion strategy. With marketplaces normalising free or flat-rate shipping, traditional eCommerce brands risk falling behind if their shipping rates aren't appealing enough.

**Australia Post has international sending options that balance cost, speed and local support to keep international shoppers buying.**

## What businesses consider the biggest barriers to international shipping



## The impact of shipping cost on pricing strategy

**42%**

of businesses say shipping cost has some impact on pricing strategy



- 54% No impact
- 27% Increased price of item/ incorporate shipping cost
- 5% Shipping cost passed on to customers
- 4% Lower price of item to compensate shipping charges
- 4% Depends based on country
- 3% Free shipping attracts customers

# How Morrison launched a global expansion strategy

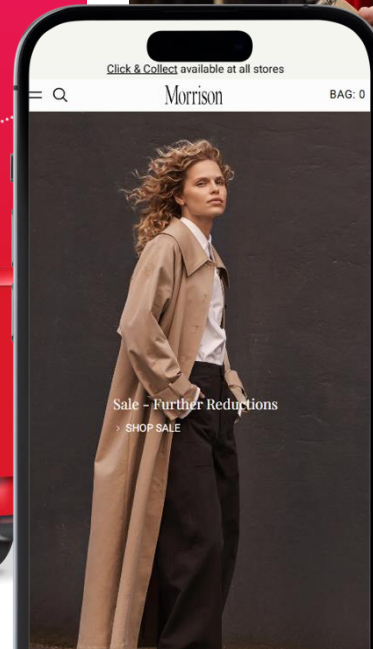
## The challenge

Australian fashion retailer, Morrison, was in a unique place in its business journey.

The WA-based label had a loyal customer base, popular products and had successfully transitioned from a bricks-and-mortar store into a flourishing omnichannel business. However international selling was still out of reach.

They wanted to ensure the user experience was just as seamless as it was for Aussie customers, but barriers including parcel speed, cost and getting the right tech had to be overcome.

[www.morrisonshop.com](http://www.morrisonshop.com)



## The solution

After researching international shipping carriers, Morrison chose to partner with Australia Post.

“Australia Post delivers within five to 10 business days, which suits our customers. And it’s definitely more cost effective than other carriers. In a competitive market like this, protecting margins is important.”

Anthony Minchin, Digital & Operations Manager

And while international sending is still in its infancy for Morrison, they landed on a flat pricing strategy, to remove any friction for the customer.

“When the checkout spits out ten different options, that’s a blocker for shoppers – and we know that through UX audits showing cart abandonment rates. So, we want to remove any barriers and just present them with one just one or two easy to navigate options.”

Transparency is also vital, so they use an integration to ensure prices are displayed in the customer’s local currency, plus declare all shipping costs, duties and taxes up front.

## The result

Their domestic market continues to thrive and now Morrison is scaling up to prioritise global growth over the next 1-2 years.

“There’s a huge opportunity for Australian designers to sell internationally – it’s becoming more affordable from a tech perspective and countries are really liking what’s coming out of Australia,” Anthony said.

For Morrison, the key to higher cart conversion rates and more happy customers has been offering reliable and great value international shipping rates with Australia Post as its partner.



Our international sending solutions can help take your business to the world.

[Find out more](#)



To access eCommerce industry reports and updates, visit

[auspost.com.au/einsights](https://auspost.com.au/einsights)

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

This update has been prepared using 2024-2025 deliveries data recorded by the Australia Post Group, unless otherwise stated. Commentary in this update relating to online shopping is based on an extrapolation of this data. Year-on-year growth numbers are based on actual or extrapolated transaction volumes. Shoppers or households are measured as residential or mix use addresses that received an eCommerce parcel. Clients are encouraged to consult directly with their Australia Post Account Manager for the most current and tailored advice.

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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.

## Get ready to unlock international growth

International expansion can unlock larger and more lucrative markets for Australian businesses.

In this playbook, leading Aussie brands share essential tips to help bring your business to the world stage.

[Download the playbook](#)