

## NEWS RELEASE

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# Aussies' online spending tops \$11 billion

- **5.9 million Australians now shopping online, up 13 percent over the past 12 months**
- **Average shopper spending up 19 percent to \$1,900 per annum**
- **Airline tickets still the number one online purchase**

**Sydney, 18 September 2006:** Annual online spending reached a record high with total online spending in Australia totalling \$11.35 billion in the 12 months to June 2006, or around \$1,900 annually per shopper, a report by market research company ACNielsen has revealed.

ACNielsen's Online Consumer Report, released today, compiled the views of approximately 23,000 regular Internet users on their online purchasing behaviours and attitudes, spend and preferred online retailers and payment methods.

The report found that the number of consumers shopping on the Internet had jumped by 13 percent in the past 12 months to 5.9 million and, of these shoppers, over half (51%) had made repeat purchases.

Of those who reported making an online purchase in the past 12 months, airline tickets, accommodation and concert/event tickets were the most popular items. More than half of the consumers surveyed (53%) had purchased airline tickets online, with a quarter of them purchasing more than twice in the last 12 months. A further 47 percent had paid for accommodation and 38 percent purchased concert/event tickets.

“The number of consumers making repeat purchases online is critical to the growth of the industry,” stresses Glenn Wealands, Director, Finance, ACNielsen Australia. “The increase in the number of repeat purchases is a good indication that shoppers are enjoying a positive shopping experience and, moving forward, this repeat purchasing behaviour will determine the levels of service online retailers offer and will drive the relationship strategies they use.”

In terms of retailer share of trade, eBay maintained its position at the head of the online retail market with 57 percent of online shoppers having made a purchase on eBay, up 11 points from one year ago. Qantas and Virgin Blue maintained the largest online travel shopping audience while Ticketek was the number one seller of concert/event tickets (refer to chart 1).

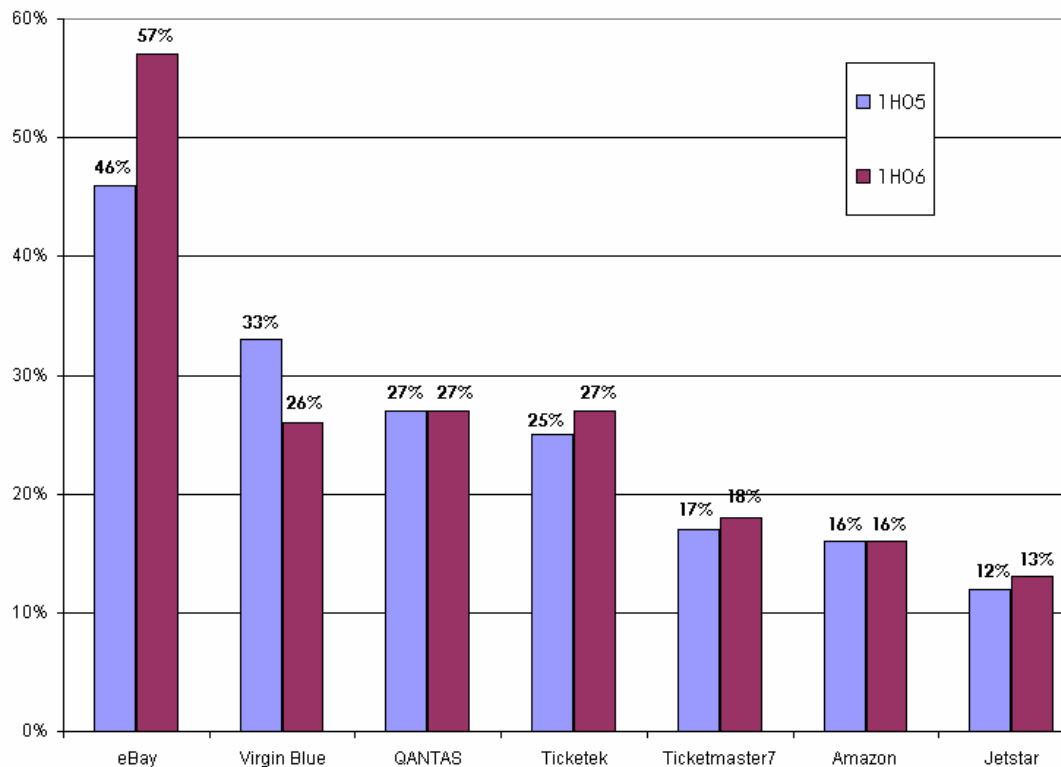
Online shoppers cited price, convenience and selection as the main motivators for shopping online, although this varied by retailer. Customers of auction sites such as eBay and Grays Online were motivated mostly by price factors, while customers of retailer sites including Woolworths and Coles Online were more likely to be driven by convenience.

Visa (54%), MasterCard (26%) and American Express (8%) were the three most preferred payment methods for consumers, however, the actual usage of payment options based on which payment method the consumer used on their most recent online purchase, 38 percent said they have used Visa, 18 percent MasterCard and six percent for American Express.

“There appears to be some disparity between consumers’ cited preferences for credit cards and their actual usage,” noted Wealands. “It’s unclear at this stage what’s driving this gap, but it will certainly be an area the credit card companies will want to explore further.”

The report findings also indicated that negativity towards online shopping was quickly declining with only six percent of respondents hesitant to shop online – down 18 percentage points from two years ago. The most common barriers to online shopping were distrust in releasing credit card details and a preference to physically examine items being purchased.

**Chart 1: Proportion of online shoppers by retailer**



**About ACNielsen**

ACNielsen, a VNU business, is the world’s leading marketing information company. Offering services in more than 100 countries, the company provides measurement and analysis of marketplace dynamics and consumer attitudes and behaviour. Clients rely on ACNielsen’s market research, proprietary products, analytical tools and professional service to understand competitive performance, to uncover new opportunities and to raise the profitability of their marketing and sales campaigns.

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