

Research shows Australians are embracing the digital economy

The latest ACMA research into consumer use of e-commerce technologies reveals Australians are embracing the digital economy, with widespread participation in many aspects of e-commerce, including banking, purchasing goods and services and paying bills online.

The research is published in the ACMA's recently released *Consumer engagement in e-commerce* report, which shows that 88 per cent of household internet users have performed one or more e-commerce activity in the last six months.

This is the first time the ACMA has explored the nature of Australian participation and engagement with e-commerce in any depth. The internet has empowered many consumers economically by making it easier to locate goods and services and compare costs. The number of Australians engaging in e-commerce is a vital indicator of the health of the digital economy.

Nearly two-thirds (62 per cent) of survey respondents undertook at least four different types of e-commerce activity in the last six months, while 69 per cent indicated they have purchased at least one good or service online in the last six months.

The most popular items purchased by Australian consumers included travel goods and services (56 per cent), event, concert or movie tickets (43 per cent) and household goods including furniture, electrical appliances and computer equipment (37 per cent).

The research found that e-commerce activity is influenced by age, gender, household income, level of education and employment. In general, those consumers with higher levels of education, income and in some form of employment are more likely to engage in e-commerce.

Other key highlights include:

- > Broadly, the incidence of e-commerce activity is shown to decrease with increasing age, while the types of goods or services purchased online differ across age groups. Respondents aged 25 to 34 years had the highest incidence of purchasing online at 82 per cent. This figure decreases in a linear fashion to 38 per cent for people aged 65 years and above. Those aged 18 to 24 years cited event, concert or movie tickets as the most popular purchase, while respondents in all other age groups reported travel goods and services.
- > There was a general trend demonstrating e-commerce increases with increasing household income. For example, consumers with a high household income (more than \$150,000 per annum) had a higher incidence of purchasing online at 88 per cent, compared to those with a low household income (under \$25,000 per annum) at 48 per cent. Those with a high household income were more likely than those earning under \$25,000 to purchase travel goods and services online (74 per cent compared to 32 per cent).

- > Compared to retired and unemployed respondents, employed respondents (full-time, part-time or casual) recorded higher incidences of online purchasing at 78 per cent, 73 per cent and 71 per cent respectively.

In terms of take-up and frequency of activities, respondents living in metropolitan and non-metropolitan areas recorded little difference in participation with e-commerce. However, there was some difference recorded in the types of goods and services purchased online. Males were slightly more likely than females to have made purchases online (74 per cent compared to 65 per cent) and were more likely to purchase household goods, including furniture, electrical appliances or computer equipment. Females, meanwhile, were more likely to purchase health and beauty products.

The amount Australians are spending online varies widely. The majority of consumers (54 per cent) spent less than \$1,000, with 43 per cent of consumers spending in excess of \$1,000 (including 11 per cent spending in excess of \$5,000), in the six months before the survey.

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- > Respondents with higher levels of education were more likely to engage in e-commerce than those with a lower level of education. As the level of education increased, so too did the proportion of respondents who indicated they had made a purchase online—83 per cent of respondents with a postgraduate qualification had made a purchase online compared to only 50 per cent of respondents with some secondary school education.

Seventy-four per cent of respondents who made online purchases cited convenience as the most common reason for purchasing online. The next most common driver was lower cost (38 per cent). One of the main reasons cited for not participating in e-commerce was a lack of trust in the internet (25 per cent), followed by a preference for shopping the 'old fashioned way' (19 per cent) and a lack of want or need (17 per cent).

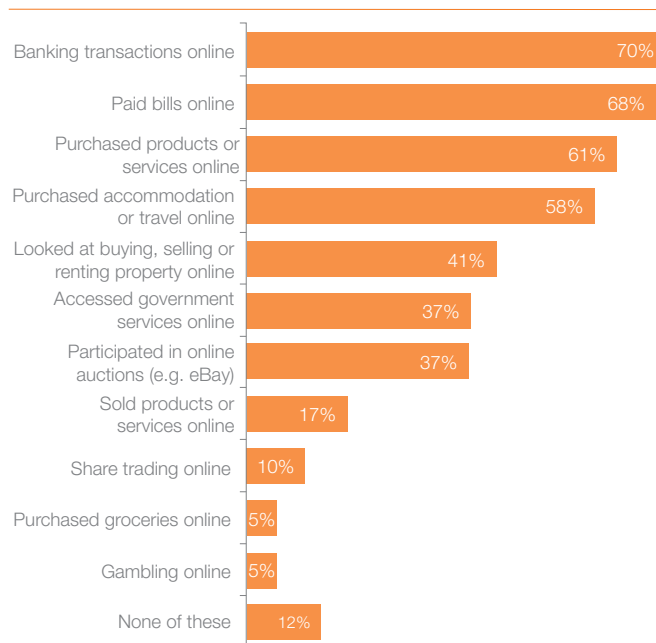
The use of the internet for e-commerce presents some consumers with a perceived risk compared with the traditional retail environment. Two of the main ways in which consumers attempt to minimise risk when purchasing goods and services online are: buying from reputable or known sites (94 per cent) and using security software (93 per cent).

Despite the option to make purchases from non-Australian sites, a greater proportion of online shoppers (68 per cent) reported they most often use Australian websites to make their purchase. Of those respondents who shop most often from Australian websites, 24 per cent of consumers cited 'support local industry' and a further 23 per cent said 'I don't trust overseas websites'.

The ACMA's Communications Analysis Section compiled this report based largely on the annual ACMA consumer survey. This report is one of a strategic research series aimed at understanding developments in and changing uses of the communications and media sector. This research assists the ACMA to identify transition paths for the regulation that the ACMA administers as well as informing the development of regulation of existing and new platforms and services in a converging communications environment. ☎

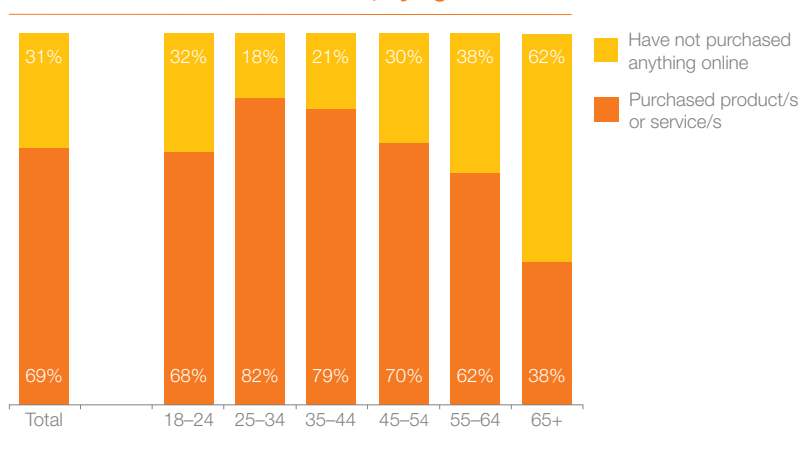
For more information and to download the report, visit the ACMA's website at www.acma.gov.au (go to About ACMA: News & media centre > Media releases > ACMA media release 149/2010 – 16 November).

Figure 1 Adoption of e-commerce by household internet users in the last six months



Source: ACMA commissioned research.
n=1,336. Multiple responses allowed.

Figure 2 Purchased at least one good or service in the last six months, by age



Source: ACMA commissioned research.
n=1,332. Excludes 'Don't know'.