

US brands popular as Australians embrace ecommerce

A surge in e-commerce in the year 2020 shows a resilient local Australian market with opportunities for USA brands

SCOTTSDALE, ARIZONA, UNITED STATES, September 15, 2021 /EINPresswire.com/ -- A surge in e-commerce in the year 2020 shows a resilient local Australian market with opportunities for growth, as a consistent appetite for US brands remains high among Australian shoppers driven by quality, novelty, and value.



Traditionally Aussies were restricted to buying American brands in big cities like Melbourne.

Despite [the impact of COVID-19](#), abundant opportunities still exist in the Australian market for US brands looking to move away from a stagnating domestic market and competitive retail conditions. As a popular expansion destination for many global chains, Australia enjoys a stable economy and its wealth per adult consistently remains one of the highest in the world.

“

American brands should be investing in the Australian market while online retail remains a critical channel because of COVID-19 restrictions and invest in local agencies to support their outreach.”

Carla Horvath

Many US-based brands are already entrenched in Australia, among them is beauty giant Sephora, clothing, and footwear retailers The North Face, Calvin Klein, Nike, Nine West, and fast food outlets KFC and McDonalds.

“Australians are sophisticated shoppers, they are open to new brands and products from overseas. In fact, they seek out new trends and will find the best brands globally and embrace them,” says Carla Horvath, Director of [HM&M Public Relations](#).

Aussies are primarily buying American brands in cosmopolitan cities like Sydney, Melbourne, and Brisbane but with the arrival of Amazon and with it Amazon Prime International and other global

freight options, shipping times have whittled down drastically, with shipping costs a fraction of what it once was.

This allows complete market access to the entire population which currently sits at 25 million on a scale that was not possible until the past few years.

Consumer shopping in Australia

One great advantage in expanding to Australia is that many of the language and cultural differences involved in overseas expansion is either non-existent or very small. Australians benefit from a robust liberal western democracy with well-run institutions and amenities favorable to business.

“The many American brands that thrive in Australia establish a degree of iconic “Aussie-ness” without resorting to gimmicks or stereotypes in their marketing approach. Australians love to explore the world and are always looking forward to their next vacation, but with COVID restrictions they are buying products that remind them of the places they miss abroad,” says Ms Horvath.

Accounting for the Australian identity is crucial to brand success but the degree of “Australian-ness” is becoming more fluid and open to interpretation as local consumers embrace global offerings based on factors like value and novelty.

As many Australians already partake in many of America’s cultural exports which include music, television, movies, and sports like NBA and NFL, buying American brands would be a logical extension of this uptake.

Size of the Australian market

According to Credit Suisse’s 2021 Global Wealth report Australians placed 4th highest in the world in average wealth per adult, with the average Aussie worth USD\$ 483,760. Despite the lag



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Iconic US imagery is a segue for brands entering the Australian market.

in consumer spending due to COVID-19, online shopping driven by consumers that have maintained their household income continues to grow.

McKinsey's research flags a strong shift towards price sensitivity and more emphasis on value across all segments, with more consumers inclined to buy products on promotion. More than 40% said they intend to look for cheaper products going forward, with 20% already shopping in discounted channels.

However, the tightening of purse strings doesn't necessarily translate to a reduction in spending; online purchases have taken off during COVID-19 with much of the population living and working at home causing an e-commerce surge worth \$50.46 billion in 2020.

As Australia's population is projected to reach 27 million by 2025, with overseas-born Australians and migrants making up a huge part of that, Australians will become increasingly more internationally-oriented in terms of consumer tastes opening up new markets.

Popularity of US brands in Australia

A study of international shopping done by location data company Loquate by GBG found that 36% of Australians' online retail purchases were primarily from stores in the US and UK, ranking Australia third for international deliveries from both of those countries.

Though local retail conditions are generally quite competitive, opportunities for ecommerce are rife as "Australian businesses struggle to compete against the buying power, range and quick turnaround provided by the foreign brands," says retail analyst Kim Do of market research firm IBISWorld.

Value-hungry Australians are already taking advantage of international sales events at an increasing scale; Inside Retail reports that Australia-based orders rose by 140% during US Labor Day in 2020.

According to freight forwarding company MyUS, toys and menswear are the two most popular categories of purchase by Australians followed by womenswear, beauty and skincare, baby clothing, vehicle parts, and books.

Retail spending forecast and e-commerce predictions

Deloitte Access Economics partner, and Retail Forecasts principal author, David Rumbens, said: "Australian retailers are set to record a bumper year in 2020-21. Spending options have been limited, and with many households having cash to burn, consumers flocked to retail. This has supported what is likely to be the strongest gain in retail spending in a decade.

"But the next shift in consumer spending is also underway. With international borders still

closed, and city-wide lockdowns still happening, overall, retailers can expect sales to remain well above pre-COVID levels, despite a slowdown in spending growth over 2021-22."

How to tap into the Australian market

[Social media and influencer marketing](#) play an increasingly big role in reaching Aussie consumers who are more responsive to niche targeting as they move away from traditional media sources. This is an advantage for brands that are after an effective and low-cost marketing strategy to reach audiences without the associated costs of traditional advertising.

Rather than taking a global approach, partnering with the right Australian influencers and a local public relations agency who are inherently authentic to a brand's offering and mission is a critical component.

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