

# Getting ready for market disruption in Australia and New Zealand



In light of recent experiences and notable trends, we anticipate great shifts in the dynamics of the consumer goods industry world wide. Here we report on the impact in Australia and New Zealand.

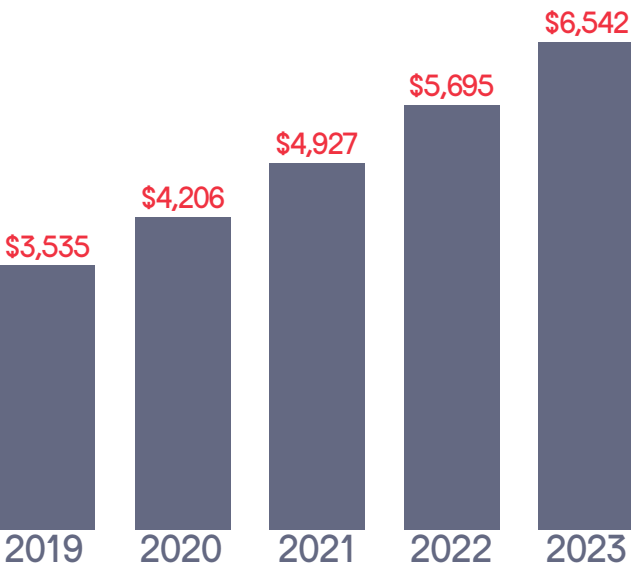
- 01  E-commerce has grown rapidly in the ANZ region
- 02  Increasing disruption from Amazon
- 03  The growth of discounters in ANZ
- 04  Implications for revenue management
- 05  Summary



# Accelerated growth in ecommerce worldwide

Retail Ecommerce sales  
worldwide, 2019-2023

Billions (USD)



Top 10 countries, ranked by retail  
ecommerce sales, 2018 & 2019

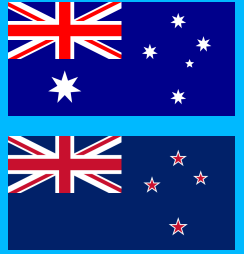
Billions and % change

	2018	2019	% Change
1. China*	\$1,520.10	\$1,934.78	27.3%
2. US	\$514.84	\$586.92	14.0%
3. UK	\$127.98	\$141.93	10.9%
4. Japan	\$110.96	\$115.40	4.0%
5. South Korea	\$87.60	\$103.48	18.1%
6. Germany	\$75.93	\$81.85	7.8%
7. France	\$62.27	\$69.43	11.5%
8. Canada	\$41.12	\$49.80	21.1%
9. India	\$34.91	\$46.05	31.9%
10. Russia	\$22.68	\$26.92	18.7%

\* Excludes Hong Kong

E-commerce has grown rapidly in the ANZ region

# Rapid growth of e-commerce in ANZ



> 1 million

New households shopped online  
between march and September



+100%

All categories in Victoria grew by more  
than 100% YoY in September

\$4 Billion

NZ has experienced double digit B2C e-commerce growth since 2015, leading to a market worth NZ\$4 billion

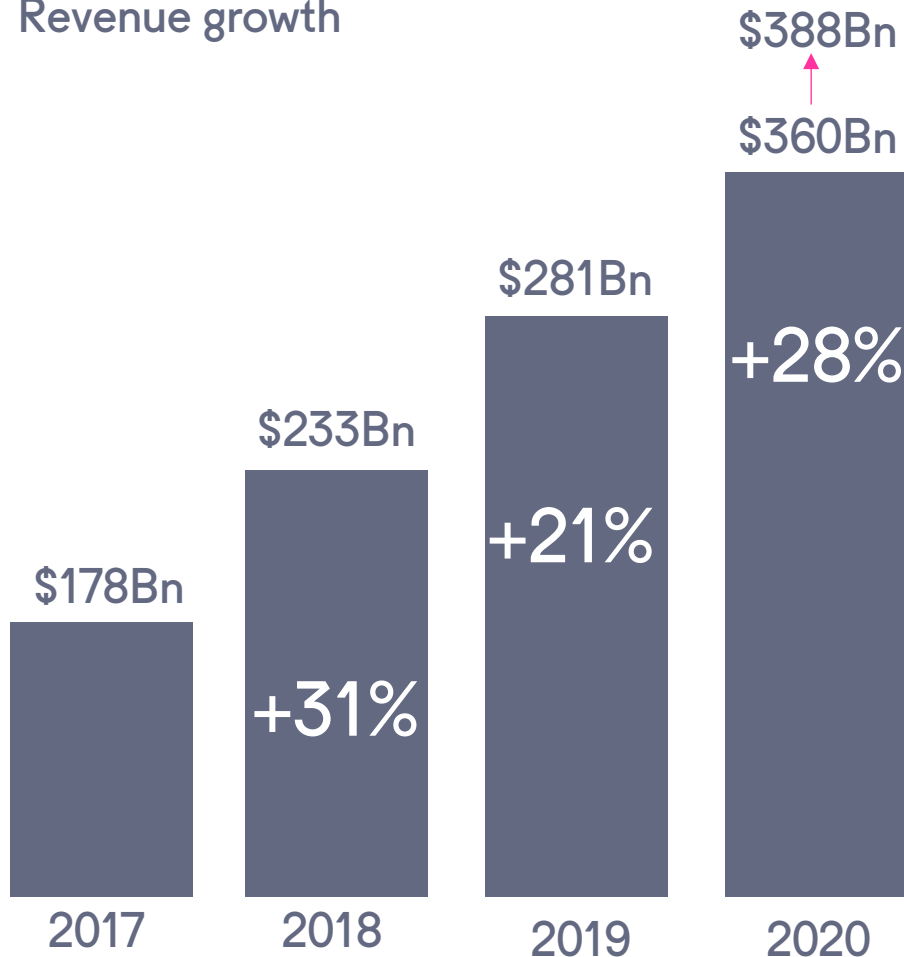




# Amazon worldwide has doubled in size in the last 3 years

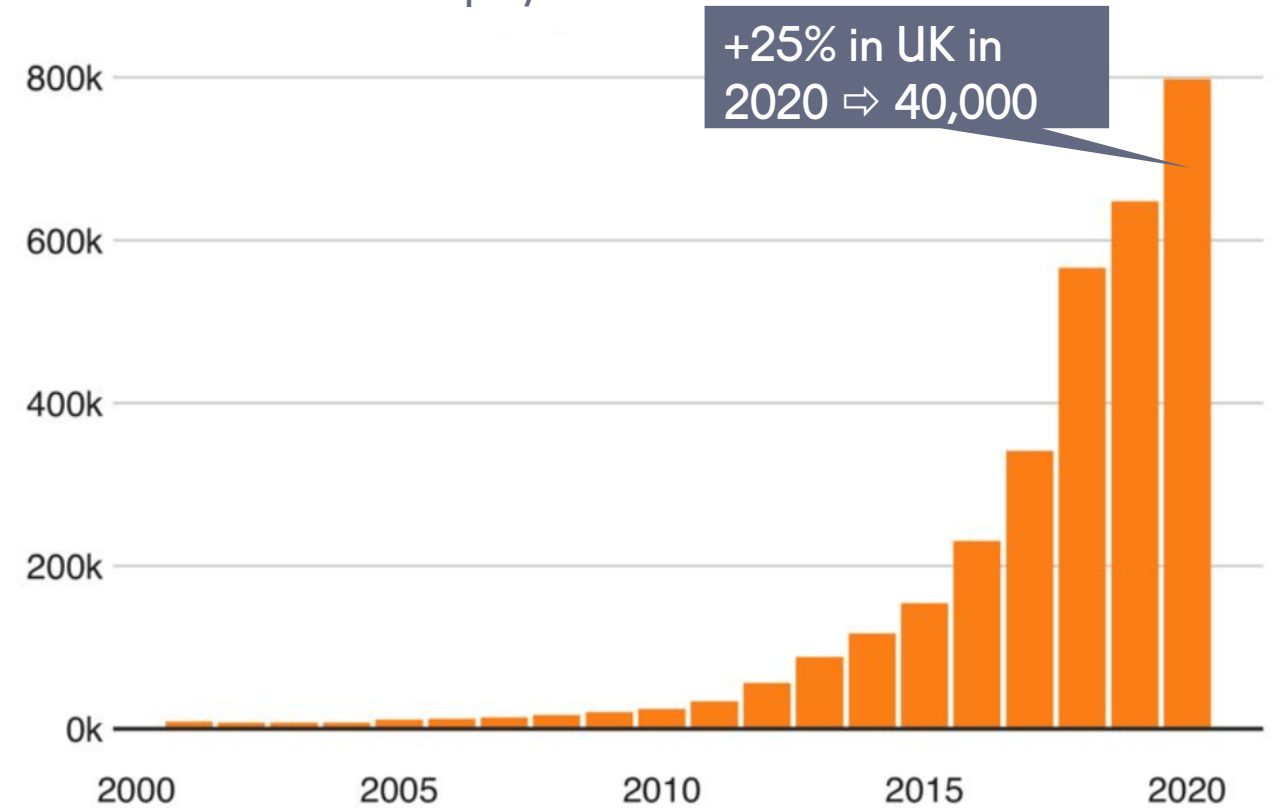
**amazon**

Revenue growth



## Amazon's employees worldwide

Total number of staff employed



Source: Amazon

BBC

# The Amazon effect

The "Amazon effect" refers to the impact created by the digital marketplace on the traditional brick and mortar retail model due to the change in shopping patterns, customer expectations, and a new competitive landscape.



Highly competitive e-commerce abilities

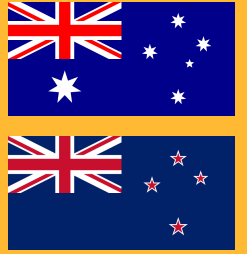


Branching into new markets increasing competition



Resultant fall in retail sales

# The Amazon effect in Australia



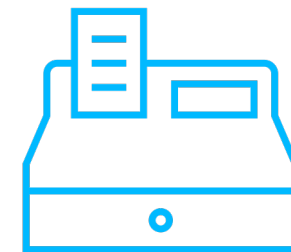
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Amazon fulfilment centres in  
Australia by 2021



55

An average of 55 new sellers joining  
Amazon in Australia each day

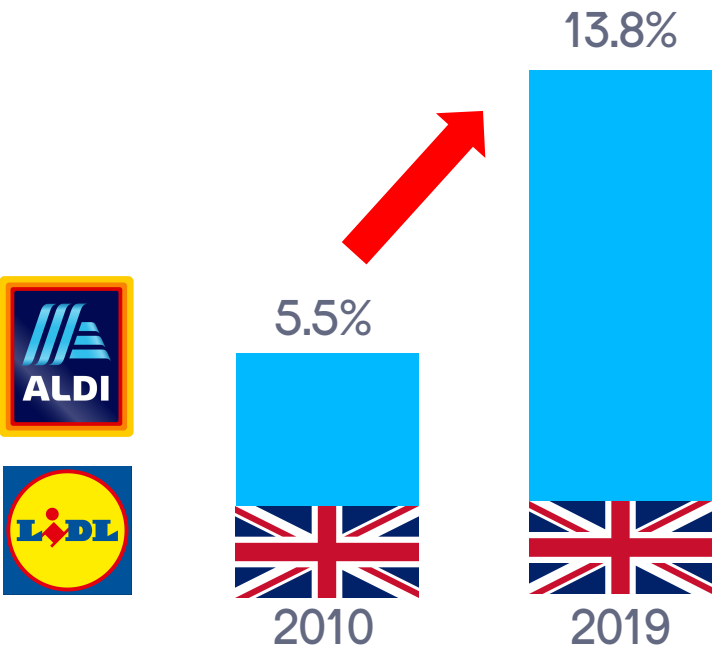


+92.4%

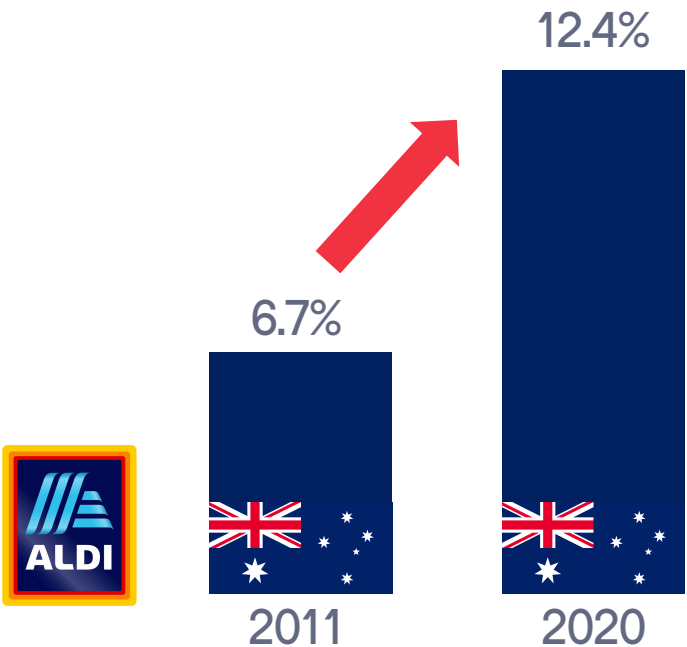
Increase in revenue from 2018-  
2019



# Discounters have seen rapid grocery share growth



TNS Worldpanel



Roy Morgan FF and Grocery rpt

If you

# LIKE

saving over

40%

on these products

Tesco

These household brands and fresh products\*

£23.40

Aldi

These exclusive brands and fresh products

£13.22

You might like Aldi.



Everyday Amazing.

# Expect continued erosion of the dominant duopolies' share of market



Large retail stores



New challengers & pressures



kogan.com  
300,000 daily visitors

amazon marketplace  
100M+ products

ebay.com.au  
11M visitors per month



+8% HH  
penetration

# Summary

Revenue managers can build for the future whilst keeping it defensible



Develop strategies for the insurgents / future winners



Understand value drivers in a digital context

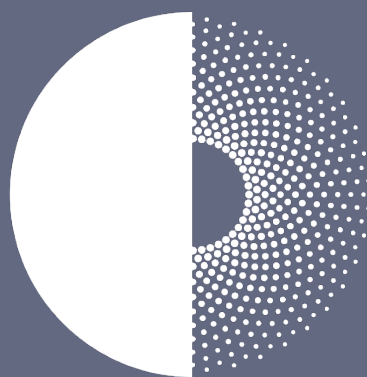


Pack / price channel differentiation



Build internal capability to harness new channels





acumen