

The Voice of Australian Online Sellers



WORLDFIRST

Introduction

At World First, we support thousands of online sellers every year, not only by helping them achieve better exchange rates on their international marketplace sales, but also by enabling their growth.

In Q2, 2017 we conducted the Voice of Australian Online Sellers survey which was completed by people based in Australia, who are selling internationally online. We had a great response to this campaign, where one lucky respondent was drawn at random to win \$5,000 to help grow their eCommerce business.

We embarked on this project with two key objectives in mind.

Firstly, we wanted to understand our sellers at a deeper level. We already had a wealth of knowledge when it came to marketplaces like Amazon and the foreign exchange markets, but we wanted to better understand what drives eCommerce entrepreneurs – what their challenges are, how they are motivated and what mid/long-term goals they have when it comes to their online business.

Our second objective driving this project was to make the voice of Australians selling through international marketplaces be heard and share insights that would help them all succeed. The eCommerce market is dominated by other regions like Asia, North America, Europe and the U.K., and sometimes Australians can be a little forgotten, so we wanted to show our support to the industry and represent their views with marketplaces and governing bodies.

A big thank you to all of those who participated in the survey and we hope that you find this report useful in growing your online business.



Ray Ridgeway
Managing Director Australia
World First

Online Selling Trends

Marketplaces

Amazon rules the roost when it comes to international online selling, with almost everyone selling through the world's largest online marketplace. eBay and Shopify are the next most popular platforms, especially when it comes to those looking to expand outside of Amazon.

The most popular primary marketplaces or platforms fuelling respondent's eCommerce businesses were:

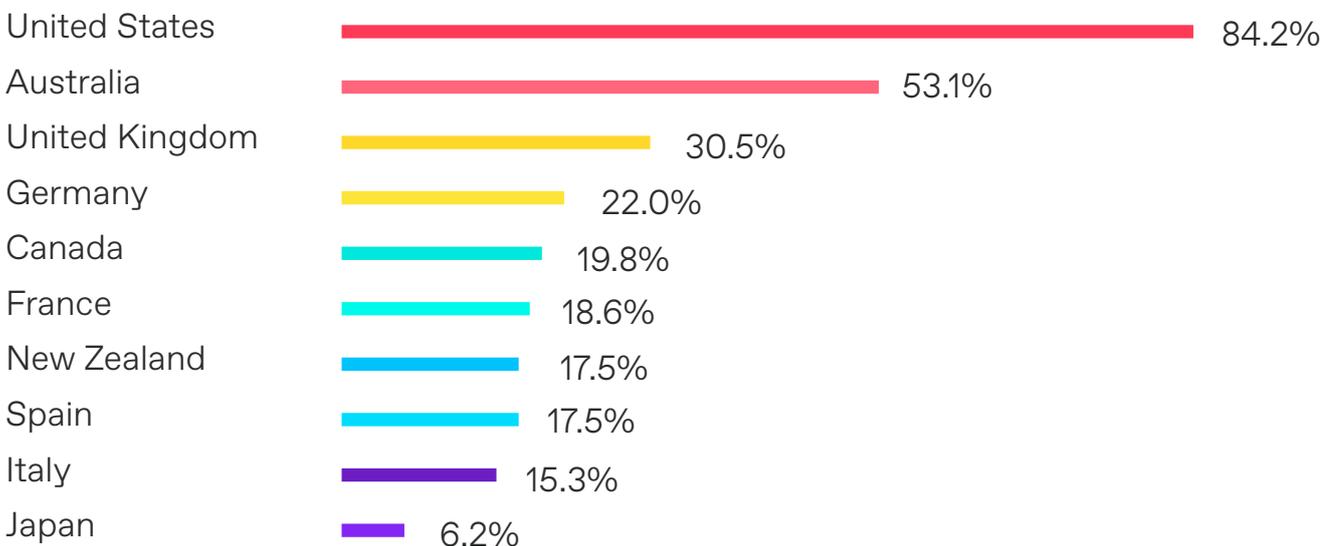
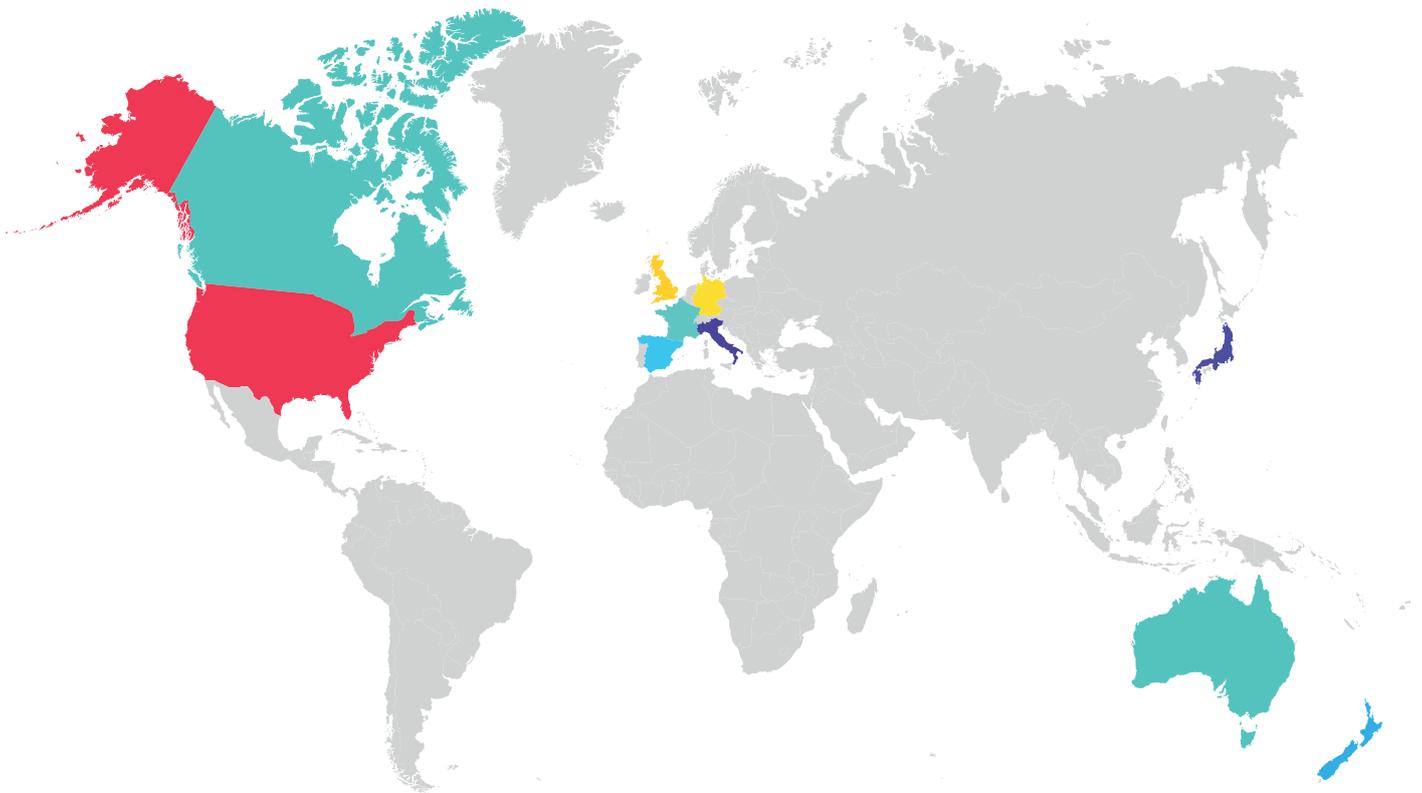
1. Amazon 60%
2. Shopify 15%
3. eBay 10%

60% of respondents are selling on more than one marketplace or platform, so the market share of the above brands is even higher than stated, in particular Amazon with as many as 25% considering this to be their secondary marketplace. Shopify positioned in second place is no surprise, given 'Fulfilment by Amazon' is available to Shopify members, making expansion much smoother. As for eBay, they are one of the pioneers of marketplace selling and are also a popular option for people selling in Australia.



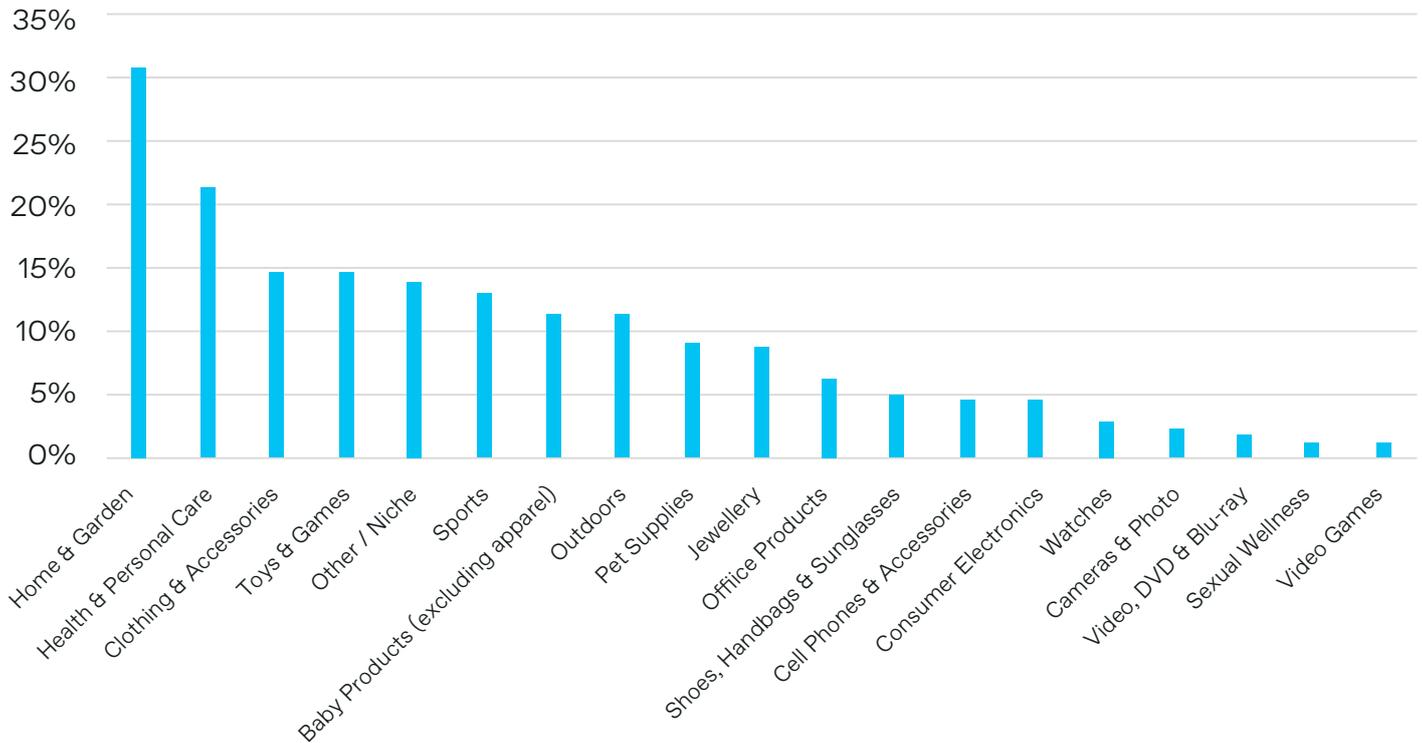
Countries

When Amazon's international representatives were asked about their then rumoured arrival in Australia, they quite cleverly redirected the question by saying, "Why sell to 24 million people, when you can sell to over 320 million customers?" (of course referring to the USA). This makes perfect sense, with 84% of marketplace sellers selling in the US, with the majority being on Amazon. Naturally, Australia was the second most popular option (53%) and the U.K. third (30.5%). The language barrier doesn't appear to be an issue for many, with Germany ranked the fourth most popular destination for sellers.



Categories

Almost 40% of sellers stick to one category, with the most popular being 'Home & Garden' and 'Health & Personal Care', which make up over 50% of sellers. The objective of many online sellers is to find a niche category and to own that space, so there's no surprise in seeing the 'Other/Niche' category taking up almost 15% of the market in fifth position, just behind 'Clothing & Accessories' and 'Toys & Games'.



Marketplace feedback

What do respondents like the most about their platforms?

Amazon

1. Shipping, fulfillment and warehousing (FBA).
2. Amazon's brand and reputation.
3. Speed of payments.

Shopify

1. Shopify's brand and reputation.
2. Speed of payments.
3. Compatibility with other platforms and marketplaces.
- 3.(=) Apps and plug-in options.

eBay

1. Speed of payments.
2. Shipping.
3. Initial setup.

Life as an Online Seller

Who are Australian Online Sellers?

Australians selling through international marketplaces are a diverse group of people. While there are slightly more males than females operating in this space, the 60/40 split isn't a significant one, given the smaller market size. It would appear that age is no barrier when it comes to online selling, with people of all generations giving it a go – 40% of respondents were over the age of 56, with 24% below the age of 25. It just goes to show that Aussie online sellers really do range from university students right through to retirees.

Top challenges

Marketing their site was the biggest challenge for people selling on Shopify, as the onus is very much on the seller to market through the likes of Facebook, Google and Instagram. Amazon sellers were more challenged by the task of finding new products and marketing through Amazon Sponsored Products, with a large percentage of customer acquisition taking place in the marketplace itself, rather than through external marketing tools. Cash flow was the most significant challenge for eBay sellers.

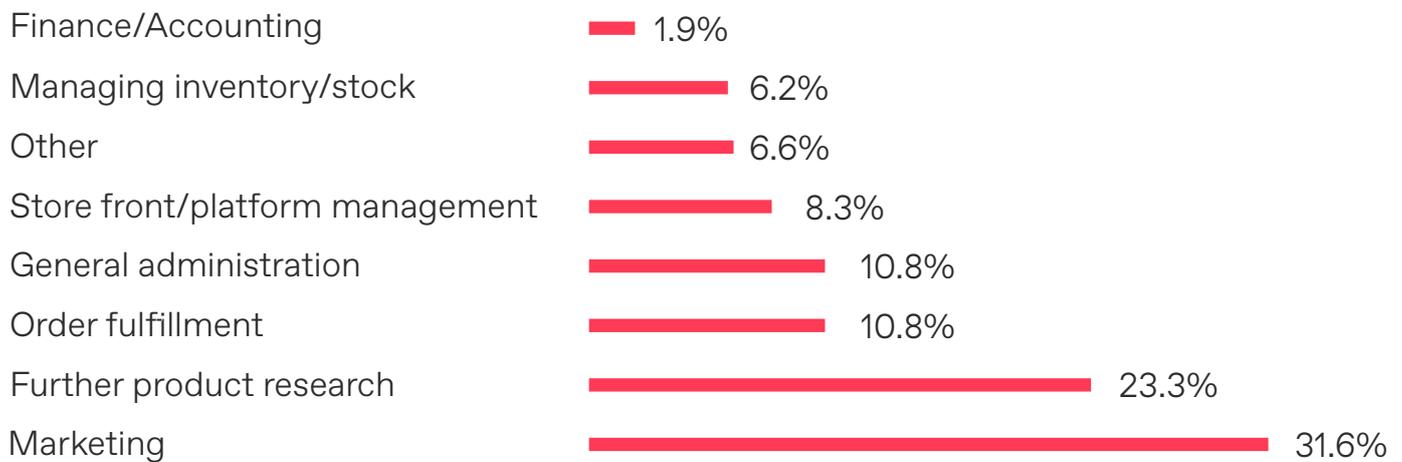
1. External Marketing (e.g. Facebook)
2. Finding new products
3. Marketplace Marketing (e.g. sponsored products)
4. Cash flow
5. Taxes and accounting
6. Understanding foreign rules & regulations
7. Expansion options
8. Balancing a day job with my eCommerce business
9. Time management
10. Copycats

Time management

You can have a unique product, at a great price, which is complimented by exceptional customer service; but your business is probably failing if you aren't succeeding in your marketing. Respondents commented on the time it takes to learn how to run their marketing, through the likes of sponsored products and Facebook, to optimising and managing their campaigns on a day-to-day basis as being the most time consuming tasks.

A key finding of this report is certainly the fact that online sellers are an entrepreneurial bunch, who are always looking to learn and expand. Further product research is an area all successful sellers dedicate time to, looking for the next big trend or an area of untapped potential.

Most time consuming aspects of running your business



Starting your online selling business

When it comes to starting your online business, the top challenges were naturally finding the right product and a reliable supplier, and then acquiring customers through marketing efforts.

Top challenges when starting your business



The Voice of Online Sellers

The views and opinions of online sellers are important ones that should be shared with other sellers, governing bodies and marketplaces themselves.

If you could communicate one message to the online/retail governing bodies and marketplaces what would it be?

The three key themes were:

- Reduce taxes and make online selling a more desirable industry to commit to.
- Apply stricter penalties to copy cats and scammers.
- Improved customer service from all marketplaces.

If you could give one piece of advice to someone looking to start selling internationally on a marketplace, what would it be?

The top trends in this response was:

1. Just get started!
2. Start with Amazon.
3. Be prepared to invest time, learn and work hard.
4. Join social media groups.
5. Find an eCommerce mentor.



How has World First used the survey findings?

Two of the key objectives of this project were to amplify the voice of Australian online sellers to industry leaders, and support the growth of international online sellers who are living in Australia.

We have used the findings in the following ways:

1. Communicated both positive and negative feedback directly to marketplaces.
2. Spoken with the Australian Tax Office around GST.
3. Developed this report to assist new to sellers and those looking to expand with some useful information.
4. Provided a lucky survey respondent with \$5,000 to help grow their online business.
5. The objective of most online sellers is to expand and grow. To help enable this growth, World First are running an eCommerce event in Melbourne on August 29, with the theme being 'Be everywhere'. This event will bring together marketplace industry leaders where we'll discuss expansion and growth. Please get in contact if you'd like more information.



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