

Online Retail in Australia 2007-2013

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Executive Summary

- Online retail in Australia is enjoying a strong second wave of growth as Australian consumers integrate online shopping into their everyday shopping experience. Over the period 2007 to 2013 there has been a consistent pattern of large increases in the number of online purchases made by Australian consumers accompanied by smaller increases in the value of purchases as online retail shifts from being a special undertaking to being a part of everyday shopping.
- After appearing to plateau between 2009 and 2011, online shopping by Australian consumers grew strongly between 2011 and 2013. Mean value of monthly purchases by Australians grew by 5.8% from 2011 to 2013 and the number of purchases grew by 46.2%.
- Australian retailers are maintaining their share of this growth as Australian consumers maintain their strong preference for shopping with domestically based websites.
- The proportion of Australians who shop online is at the same level as New Zealand, Sweden and the United Kingdom and greater than the United States and Switzerland.
- Australians are frequent online shoppers. Three in ten Australians shop online weekly or more often compared to two in ten New Zealanders and one in ten Swiss.
- The combination of increased activity by internet users and the growth in the online population has seen considerable growth in the proportion of Australians making commercial transactions online. Those who made travel bookings online grew from 49% in 2007 to 73% in 2013, paying bills grew from 43% to 72% and purchasing event tickets from 36% to 65%.
- While not quite a turning point, 2013 does appear to mark a shift in consumers' attitudes to paying for digital content. Following little change from 2007 to 2009 there was a sizeable increase in Australian consumers' willingness to pay for digital content from 2011 to 2013.

1. Introduction

This report presents findings from four surveys of the Australian component of the World Internet Project (WIP). This is a project of the ARC Centre of Excellence for Creative Industries and Innovation located at the Institute for Social Research, Swinburne University of Technology.

WIP is a collaborative survey-based project looking at the social, political and economic impact of the Internet and other new technologies.

Founded by the UCLA Center for the Digital Future in the United States in 1999 (now based at the USC Annenberg Center), the WIP now has over 30 partners in countries and regions all over the world (see Appendix 3: The World Internet Project – International Contacts for a list of partner countries).

Surveys of 1000 Australians aged eighteen years or over were conducted in 2007, 2009, 2011 and 2013. The sample was a stratified random sample with three quota requirements – age (5 groups) x gender x location (capital city / balance), resulting in 20 quota groups. This year's survey was undertaken between 4th October and 23rd November 2013. For more information please contact Scott Ewing on (03 92145564) or by email sewing@swin.edu.au.

2. Initial analysis

This section presents the initial analysis of online retail data from the four surveys to examine the pattern of growth in key activities. In these tables two measures are used. Firstly the proportion of internet users in each year engaging in purchasing online and looking for product information online. This shows how popular these activities are amongst those people able to engage in them due to their involvement in the online world. It also helps us to estimate patterns of online consumption when (or if) online connectivity approaches a hundred per cent.

In addition, those engaged in the various activities are presented as a proportion of the entire population (users and non-users) to provide a better indication of the growth of online retail over the period. Tracking the growth in the proportion of users does not fully reflect the growth overall when the proportion of users in the population is itself growing strongly. Our estimates of the proportion of the Australian public that were online in 2007 were 73%, which grew to 81% in 2009, to 87% in 2011 and in 2013 it was 91%.

To demonstrate the implications of this, if the proportion of those internet users who shopped online remained constant over this period, there would still have been growth of 25% in the total number of those shopping online due to the growth in the number of Australians who were online. In the following analysis it is important to keep in the mind these two sources of growth in online retail.

Table 1 presents the results for the question on how often respondents were looking for product information online. This shows that by 2007 the vast majority of internet users (83%) were using the internet to look for product information and 43% were doing so at least weekly. The proportion looking online grew between 2007 and 2009 (88% overall and 55% weekly) and grew at a lesser rate between 2009 and 2011, the proportion of those participating did not change while those looking weekly grew by 7% to 59%. There was stronger growth again between 2011 and 2013. Those searching on a daily basis grew 7 percentage points to 28%.

When we examine the data as a proportion of the population we see the impact of growth in internet users on the overall pattern. While in 2007 only 17% of users never looked for product information online, this translated into 40% of the total population. In 2009 when only 12% of users never looked for production information online, the figure for the whole population was 29%. Although the proportion of internet users who

never looked for product information did not change appreciably between 2009 and 2011, the proportion of the population who never looked had fallen to 23%. By 2013 only 16% of the population did not use the internet to look for product information.

Table 1: How often do you look for product information online, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	17	12	11	7	40	29	23	16
Less than monthly	16	11	11	7	12	9	10	7
Monthly	24	21	19	17	17	17	16	15
Weekly	31	39	38	41	23	31	33	37
Daily	12	16	21	28	9	13	18	25

Looking now at actually buying online, Table 2 presents data that shows a similar pattern to that for looking for product information in Table 1. In 2007, online purchasing was barely a majority activity amongst internet users with 57% purchasing online. By 2009 this had increased to almost three-quarters (74%) while in 2011 78% purchased online. In 2013 85% of internet users bought online. The proportion of internet users purchasing at least weekly was 10% in 2007, 19% in 2009, exactly a quarter in 2011 (25%) and 30% in 2011.

Looking now at the proportion of the total population, in 2007 most Australians did not shop online (59%). This fell to four in ten in 2009 (41%), to a third in 2011 (32%) and 23% in 2013. In 2007, 8% of Australians were shopping online at least weekly. This proportion more than doubled to 15% in 2009 and increased by a further 43% in 2011 to reach 22% of the total population. By 2013 over a quarter of the population were shopping online weekly (27%).

For this indicator there was extraordinary growth from 2007 to 2009 and then very strong growth 2009 to 2011 and again in 2011 to 2013. Unlike

‘looking online’ growth between 2009 and 2011 was related both to changes in behaviour of the online population and the growth of that population.

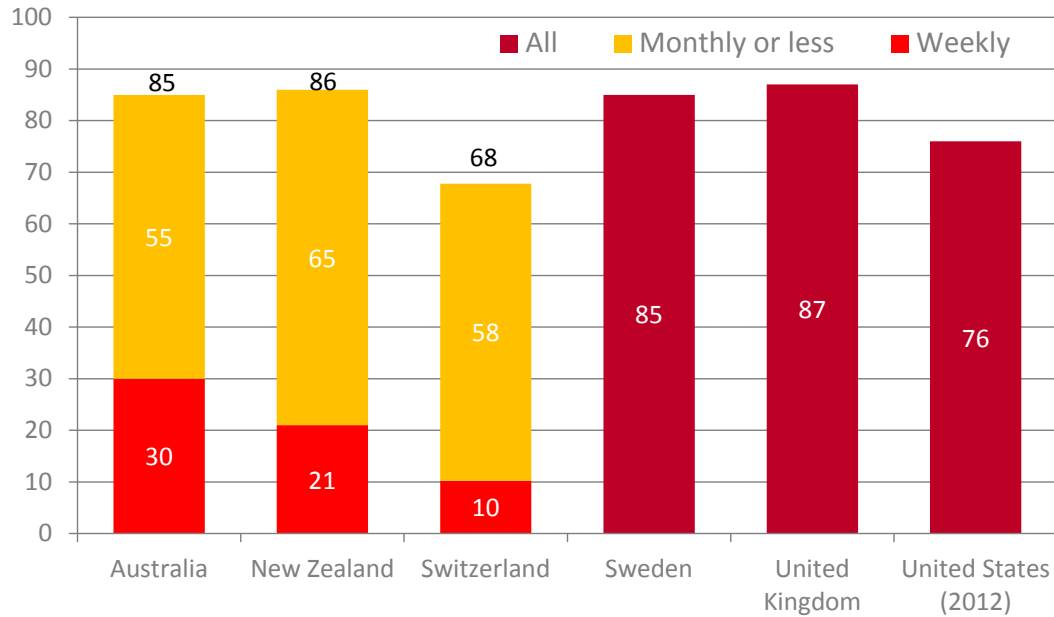
Table 2: How often do you purchase products online, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	43	27	22	15	59	41	32	23
Less than monthly	20	21	20	19	14	17	18	18
Monthly	27	33	33	36	20	27	29	33
Weekly	9	17	23	25	7	14	20	23
Daily	1	2	2	5	1	1	2	4

Source: CCI World Internet Project data

The proportion of internet users who shop online in Australia is very similar to comparable countries (Figure 1). Australia, New Zealand, Sweden and the UK have almost identical rates of online shopping at 85%, 86%, 85% and 87% respectively. Just over three quarters of online Americans purchase over the internet while 68% of Swiss internet users shop online. A high proportion of Australians shop regularly online. Three in ten online Australians buy things online weekly compared to 21% of those in New Zealand and 10% of the Swiss online population.

Figure 1 Purchase online, selected countries, 2013*



Source: CCI World Internet Project data

* US data is 2012

Making travel reservations is a popular online activity (Table 3). Already in 2007 two thirds of internet users were making travel bookings online. There was strong growth in use between 2007 and 2009, with more than three quarter of users booking online in 2009. There was however a slight drop in online booking between 2009 and 2011 although the increase in the online community saw this effect slightly reversed for the population as a whole. This reverse turned around between 2011 and 2013 with four out of five of online users making travel bookings.

In relation to the whole population, just under a half were making travel bookings in 2007. By 2013 this had increased to almost three-quarters (73%).

Table 3: How often do you make travel bookings online, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	33	24	27	20	51	39	36	27
Less than monthly	49	44	44	52	35	36	38	47
Monthly	16	26	24	24	12	21	21	22
Weekly	2	4	4	4	1	4	3	4
Daily	1	1	1	1	1	1	1	1

Source: CCI World Internet Project data

In 2007 around six in ten internet users paid bills online (Table 4). By 2009 this had grown to seven in ten (71%) and by 2011 it was almost three quarters of users (74%). By 2013, four out of five internet users were paying bills online (79%). As would be expected frequency of paying bills online has not changed markedly over the three periods.

Looking across the population as a whole, a clear majority of Australians were not paying bills online in 2007 (57%), by 2013 this had fallen to less than a third (28%).

Table 4: How often do you pay bills online, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	41	29	26	21	57	43	36	28
Less than monthly	5	5	5	5	4	4	5	5
Monthly	19	26	25	33	14	21	22	30
Weekly	30	36	37	37	22	29	32	33
Daily	5	5	6	5	3	4	6	5

Source: CCI World Internet Project data

Using the internet to purchase stock and bonds is still very much a minority activity, growing slowly but steadily over the period of analysis. As with a number of our other indicators there was a slight (statistically insignificant) decrease in the proportion of those online investing through

the internet between 2009 and 2011. In 2013 20% of internet users were purchasing stocks and shares online, which equated to 18% of the overall population.

Table 5: How often do you invest in stocks and bonds online, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	86	81	81	81	90	85	84	82
Less than monthly	5	8	9	11	4	6	8	10
Monthly	5	5	6	5	4	4	5	5
Weekly	2	3	2	2	2	3	2	2
Daily	2	3	2	2	1	2	2	1

Source: CCI World Internet Project data

Event tickets are one of those items that are excluded by the ABS from retail trade measures but are included in a number of the estimates of online retail made by private forecasters. As Table 6 indicates it is a popular activity that grew strongly between 2007 and 2009 and only grew (slightly) in 2011 due to greater online participation. The period 2011 to 2013 however, saw another burst of growth.

In 2007 just under a half of internet users were purchasing event tickets online, which grew to 63% in 2009, falling slightly two years later to 62% and rising again in 2013 to 71%. Across the population as a whole, by 2013 65% of adult Australians were buying event tickets online, with 23% doing so at least monthly.

Table 6: How often do you purchase event tickets online, 2007, 2009, 2011 and 2013?

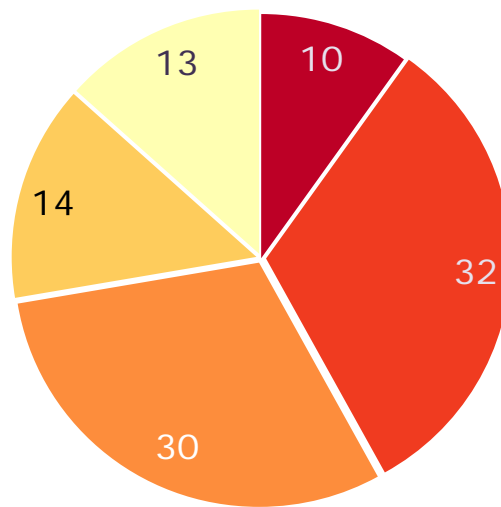
	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	51	37	38	29	64	49	47	35
Less than monthly	34	38	38	45	25	31	33	41
Monthly	14	23	22	23	10	19	19	21
Weekly	1	3	2	2	1	2	2	2

Source: CCI World Internet Project data

In 2013 for the first time we asked respondents how often they used the internet to compare prices. One in ten internet users compared prices online daily while a further third did so weekly (32%). Little over one in ten (13%) never compared prices online.

Figure 2 How often do you compare prices online, 2013

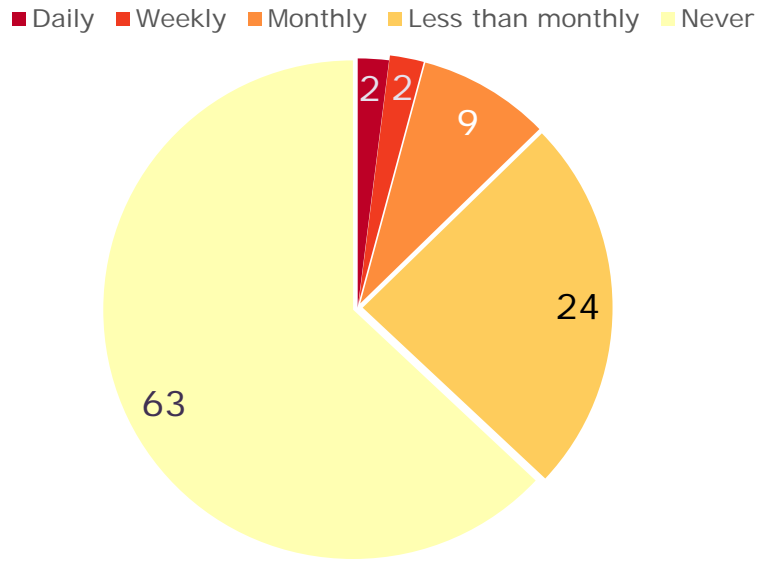
■ Daily ■ Weekly ■ Monthly ■ Less than monthly ■ Never



Source: CCI World Internet Project data

Almost two thirds of internet users never use the internet to sell things (Figure 3). Understandably, most of those who do sell online do so relatively infrequently. Almost a quarter of internet users sell things online less than monthly, one in ten do so monthly and a small proportion do so more frequently.

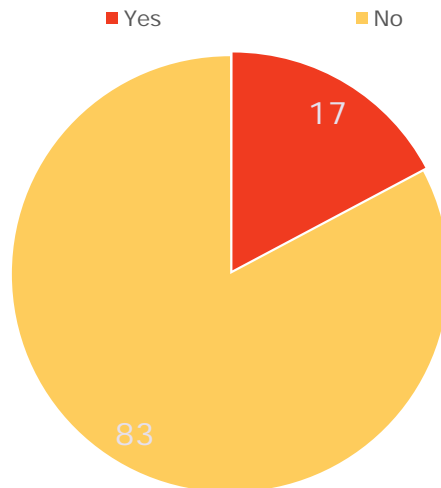
Figure 3 How often do sell online, 2013



Source: CCI World Internet Project data

A sizeable minority of internet users (17%) report purchasing something online that was misrepresented (Figure 4).

Figure 4 In the past year have you bought something online that was misrepresented, 2013



Source: CCI World Internet Project data

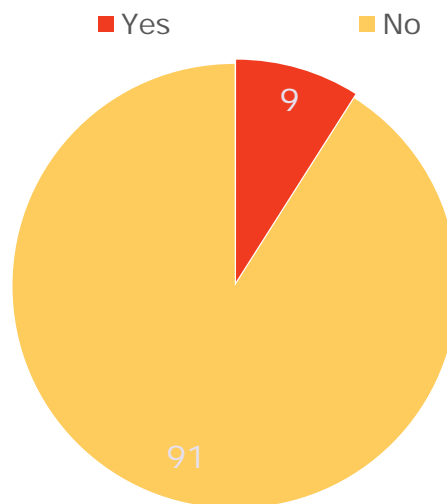
Nine percent of internet users reported having had credit card details stolen in the past year (Figure 5). This seems to be a very high number. The Australian Payments Clearing Association (APCA) estimated that in

calendar year 2012 that there were 969,876 instances of card-not-present fraud involving Australian issued credit cards. If each of these instances affected a different consumer then 5.5% of Australians aged 18 or over would have been victims. This is not the case as the APCA notes

The number of fraud transactions does not represent the number of cards or consumers affected. Typically, multiple fraud transactions are made on a single card. (<http://www.apca.com.au/payment-statistics/fraud-statistics/2012-calendar-year?SchemeCredit,DebitandChargeCardFraud>)

The high level of incidence recorded in our survey may be partly due to consumers' recalling fraud that actually happened more than a year ago.

Figure 5 In the past year have you had your credit card details stolen, 2013



Source: CCI World Internet Project data

One of the most interesting aspects of online retail is the interaction between online and offline shopping. Traditional retailers have become very wary of being treated as a free fitting service for online retailers. Table 7 sets out how often respondents looked online for product information but when it came time to buy they purchased from a traditional 'bricks and mortar' store. In 2007, around two thirds of our sample of users had done this with a quarter doing so 'often'. This changed slightly over the subsequent three periods but this pattern remained fairly stable. When

we add in non-users, there is growth- in 2007 over half the population did not look online and buy offline, whereas by 2013 almost seven in ten did (69%).

Table 7: How often do you look online and buy at store, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	34	27	30	24	52	41	39	31
Sometimes	40	43	44	51	29	35	38	46
Often	26	30	26	25	19	24	23	23

Source: CCI World Internet Project data

Table 8 presents data on the reverse, and more talked about situation, of people looking in-store and then purchasing online. Surprisingly this is much less popular; in 2007 three quarters of users never did this and by 2011 still a majority of users reported that they did not engage in this behaviour (52%). In 2013 this had fallen to 45%. There is however a strikingly different pattern in this indicator from all previous with substantial growth amongst internet users between 2009 and 2011 (41% to 48%). By 2013 exactly a half of the population are looking in traditional shops before purchasing online while nearly one in ten (9%) report doing so often. Assuming that the propensity to engage in this behaviour is not distributed evenly across the population, this issue will be much more important in specific consumer sub-markets.

Table 8: How often do you look in store and buy online, 2007, 2009, 2011 and 2013?

	Proportion of internet users				Proportion of population			
	2007	2009	2011	2013	2007	2009	2011	2013
Never	75	59	52	45	82	67	58	50
Sometimes	20	33	38	45	14	27	33	41
Often	5	8	11	10	4	6	9	9

Source: CCI World Internet Project data

Conclusion

This initial analysis of online shopping behaviour has found that across most of the activities there was strong growth between 2007 and 2009 amongst internet users that translated into even larger growth across the whole population due to the increase in the internet population between the two periods. With the notable exception of looking in store and buying online and to a lesser extent purchasing online itself, there was little change amongst internet users propensity to engage in online commerce between 2009 and 2011, although the still significant growth in the proportion of the population that is online meant that there was growth in the population as a whole. The period between 2011 and 2013 again witnessed strong growth in activity. In the next section we will analyse a series of new questions on peoples' attitudes to online shopping.

3. Attitudes to online shopping

Starting in 2011 we asked a number of questions about respondents' attitudes to online shopping to deepen our understanding of motivators of, and inhibitors to, online retail.

Almost a quarter of online purchasers in 2011 and 2013 disagreed that it is difficult to return or exchange goods purchased online (Table 9). Still users were much more likely to agree with this statement in both periods (55% in 2011 and 50% in 2013) than disagree indicating that this is a concern for actual and potential online consumers.

Table 9: It's difficult to return or exchange goods ordered on the internet, online purchasers, 2011 and 2013

	2011	2013
Strongly disagree	4	4
Disagree	20	20
Neither agree nor disagree	22	26
Agree	41	35
Strongly agree	14	15

Source: CCI World Internet Project data

When it comes to assessing product quality online a clear majority of online purchasers agree that it is difficult (72% in 2011 and 71% in 2013). This is a striking result and has clear implications for the types of goods that people will be prepared to purchase online and the importance that consumers will attach to reputable brands online and the importance of trusting the online retailer.

Table 10: It's difficult to assess product quality on the internet, 2011 and 2013

	2011	2013
Strongly disagree	1	2
Disagree	10	12
Neither agree nor disagree	16	15
Agree	54	49
Strongly agree	18	23

Source: CCI World Internet Project data

Consumers in 2011 and 2013 overwhelmingly agreed that they bought online due to price. In 2013 more than seven in ten agreed that this was the case.

Table 11: I buy things online because they are cheaper, 2011 and 2013

	2011	2013
Strongly disagree	2	3
Disagree	9	11
Neither agree nor disagree	19	15
Agree	46	45
Strongly agree	24	27

Source: CCI World Internet Project data

The pattern of response for 'I buy things online because I can't find them in stores' was almost exactly the same as for price. Again there was little difference between the results for 2011 and 2013.

Table 12: I buy things online because I can't find them in stores, 2011 and 2013

	2011	2013
Strongly disagree	3	3
Disagree	12	10
Neither agree nor disagree	16	16
Agree	49	50
Strongly agree	20	21

Source: CCI World Internet Project data

Australian consumers express a great preference for shopping with Australian websites and this preference has strengthened slightly between 2011 and 2013. In 2013 36% strongly agreed with the statement compared to 26% in 2011. Nearly eight in ten preferred to shop with Australian websites in 2013 (78%).

Table 13: I would prefer to shop with Australian websites, 2011 and 2013

	2011	2013
Strongly disagree	2	2
Disagree	10	9
Neither agree nor disagree	14	11
Agree	48	43
Strongly agree	26	36

Source: CCI World Internet Project data

Table 14 indicates that a large proportion of Australians' online shopping is conducted with Australian sites. In 2013 nearly four in ten online shoppers say that it is 'most of it' with a further 9% saying 'all of it'. Only 3% report that none of their online shopping is recorded with Australian sites. There was very little change between 2011 and 2013

Table 14: What proportion of your online shopping is with Australian sites? 2011 and 2013

	2011	2013
None of it	5	3
Some of it	25	24
About half	19	25
Most of it	42	39
All of it	9	9

Source: CCI World Internet Project data

Conclusion

While Australian shoppers have for the most part embraced online retail, they have not done so unreservedly. Overall, price and the variety of goods available are equal drivers of online retail for Australian consumers. Consumers recognise that there are limits to their ability to assess quality of products offered for sale and to a lesser extent that returning goods that are faulty or not fit for purpose can pose more difficulties online. They exhibit a strong preference for dealing with websites based in Australia.

4. Comparing mean value of purchases and numbers of purchases

In our survey we asked respondents to estimate how much they spent on average each month on online purchases. While asking survey respondents to make such estimates based on their memory is not perfect, it does provide a rough basis to understand activity.

Overall for our shoppers, the mean monthly expenditure in 2013 was \$218 that translates to \$2,616 annually (this figure includes ‘non-retail’ elements such as event and travel bookings). After a very small increase in monthly expenditure between 2009 and 2011 there was an increase of 5.8% from 2011 to 2013. The number of purchases made has increased strongly in each period with the largest increase recorded between 2011 and 2013 (46.2%).

Table 15: Mean monthly online expenditure, 2007, 2009, 2011 and 2013

	2007	2009	2011	2013
Value of purchases (\$)	179	205	206	218
% change		14.5	0.5	5.8
Number of purchases	1.5	2.1	2.6	3.8
% change		40.0	23.8	46.2

Source: CCI World Internet Project data

When we examine mean monthly expenditure by gender (Table 16) we see an unexpected pattern. Expenditure by males and females was almost identical in 2007 but in the next two periods a gap has been created. In 2009 men spent on average \$219 per month compared to just \$187 by women, a difference of 17%. This gap grew further in 2011. Expenditure by males grew to \$242 while mean expenditure by women actually fell to \$165, a difference between the two of 46%. Between 2011 and 2013 the gap narrowed with men's mean expenditure falling and women's increasing but men's expenditure was still 12.3% more than women's in 2013.

Table 16: Mean monthly online expenditure by gender, 2007, 2009, 2011 and 2013

	2007	2009	2011	2013
Male	180	219	242	229
Female	179	187	165	204

Source: CCI World Internet Project data

Looking at mean number of purchases by gender (Table 17) there is still a gap but it narrowed considerably in 2013. Starting out at similar points in 2007, men's and women's purchasing patterns changed dramatically over the period. Men's average purchases almost doubled between 2007 and 2011 while women's increased by 41%. By 2011 men were purchasing 3.0 times per month on average compared to 2.2 times for women. Women's purchasing increased strongly between 2011 and 2013 to 3.6 times per month compared to men with 3.9 purchases on average.

Table 17: Mean number of purchases online by gender, 2007, 2009, 2011 and 2013

	2007	2009	2011	2013
Male	1.6	2.4	3.0	3.9
Female	1.5	1.9	2.2	3.6
Total	1.5	2.1	2.6	3.8

Source: CCI World Internet Project data

Over the period of analysis, monthly expenditure by age group has jumped around (Table 18). Between 2011 and 2013, those aged 18-24 experienced around a \$50 decrease in expenditure (\$182 to \$133). Those aged 35-49 experienced a 'blip' in 2009. Their mean expenditure rose from \$202 per month in 2007 to \$226 in 2009 and then fell back to \$199 in 2011. On the other hand, the next older age group, 50 to 64 year olds experienced strong growth in the first three periods but fell in 2013.

In 2013 those aged 35-49 had clearly the highest expenditure per month while those aged 18-24 had the lowest with only \$133 per month.

Table 18: Mean monthly online expenditure by age, 2007, 2009, 2011 and 2013

	2007	2009	2011	2013
18-24	193	193	182	133
25-34	169	207	209	233
35-49	202	226	199	270
50-64	157	195	258	199
65+	105	131	135	199

Source: CCI World Internet Project data

Mean monthly purchases (Table 19) show a more consistent pattern of increase across the period of analysis. While the value of purchases made by 18-24 olds remained steady in the first three years and declined sharply in 2013, the mean number of purchases made rose steadily. The only age group to record a decrease in activity was 35-49 whose purchases fell slightly between 2009 and 2011 (2.6 down to 2.5).

Table 19: Mean monthly purchases by age, 2007, 2009, 2011 and 2013

	2007	2009	2011	2013
18-24	1.2	2.0	3.2	3.7
25-34	1.7	2.5	3.6	4.7
35-49	2.0	2.6	2.5	3.8
50-64	1.4	1.6	2.3	3.1
65+	.4	.9	1.2	2.6
Total	1.5	2.1	2.6	3.8

Source: CCI World Internet Project data

Unsurprisingly, higher incomes are associated with higher online purchases per month. Interestingly, expenditure for both of the lower income groups dropped between 2009 and 2011. Whereas the lowest income group experienced an increase between 2011 and 2013, those on incomes between \$30,000 and less than \$60,000 had another decrease and recorded lower expenditure than the lowest income group. For the two higher income groups, expenditure grew steadily over the two periods. For those in households with income above \$100,000, expenditure grew from \$236 in 2007, to \$253 in 2009, \$265 in 2011 and plateaued in 2013 with \$268.

Table 20: Mean monthly online expenditure by income, 2007, 2009, 2011 and 2013

Income groups	2007	2009	2011	2013
Less than \$30,000	85	147	124	141
\$30,000 to less than \$60,000	126	172	150	131
\$60,000 to less than \$100,000	150	188	202	211
\$100,000 and more	236	253	265	268

Source: CCI World Internet Project data

Conclusion

Online shopping increased between 2011 and 2013 by just under six percent. The pattern of people making lower valued purchases online more often continued as online shopping becomes further integrated into

people’s everyday shopping experience. The gender gap that we identified in 2011 in terms of online shopping narrowed in 2013 but is still there.

5. Paying for digital content

In 2013 there has been a slight increase in consumers’ preparedness to pay for online news. The proportion of consumers who would not consider paying for news online fell from seven in ten to six in ten. Just over one in ten (11%) would be prepared to pay \$1.50 or more for a digital version of a newspaper.

Table 21: How much would you be prepared to pay for a digital version of a newspaper that cost \$1.50 in hard copy? 2009, 2011 and 2013

	2009	2011	2013
\$1.50	7	8	11
\$1.00	6	6	9
50c	8	9	10
Less than .50c	8	7	9
Wouldn’t consider it	71	70	61

Source: CCI World Internet Project data

As with digital news, Australians in 2013 are slightly more enthusiastic about paying for digital versions of music or video content. Just under a half of consumers in 2013 said that they would not consider paying for a digital copy in lieu of a DVD or CD, down from six in ten in 2011.

Table 22: How much would you be prepared to pay for a digital version of a DVD or CD that cost \$40 in hard copy? 2007, 2009, 2011 and 2013

	2007	2009	2011	2013
\$10 or less	11	11	9	11
\$20 or less	19	17	18	22
\$30 or less	9	8	8	11
More than \$30	5	4	7	7
Wouldn't consider it	56	60	59	49

Source: CCI World Internet Project data

Conclusion

While not quite a turning point, 2013 does appear to mark a shift in consumers' attitudes to paying for digital content. Following little change from 2007 to 2009 there was a sizeable increase in Australian consumers' willingness to pay for digital content from 2011 to 2013.

6. Concluding Remarks

The data and more particularly the analysis presented here is preliminary work that we will be developing over the next months. The main report for our 2013 survey will be released in 2014. This and other analysis from our study can be found at <http://www.cci.edu.au/projects/digital-futures> .

Appendix 1: Background to the World Internet Project

The first report produced by what has become the World Internet Project was the work of a group of researchers based at the University of California at Los Angeles. The UCLA study team set out their guiding objective as follows:

Our goal is to explore how the Internet influences social, political, cultural, and economic behavior and ideas, as measured by the attitudes, values, and perceptions of both Internet users and non-users.

They went on to outline how they thought their work could contribute:

We hope our findings about the Internet will have broad implications for government policymaking, corporate planning, and social and cultural study. To begin this project now is critical if we hope to fully understand the Internet as it evolves. Had this type of research been conducted on the evolution of television as it emerged in the late 1940s, the information would have provided policy makers, the media, and ultimately historians with invaluable insights about how broadcasting has changed the world.

The first report produced by the US partners was concerned with a number of emerging questions around the social, economic, political and cultural dynamics of the Internet. Who was online, who was not, what were users doing online? How was the Net changing patterns of media consumption, consumer behaviour, and communication patterns? What social and psychological effects were apparent?

From its beginnings, the main research activity of the project has been a sample survey of internet users and non-users. The survey is administered in different ways by the different partners. Most partners undertake the survey by telephone with a significant minority opting for face to face interviews. Samples are collected on various bases, with some partners choosing cluster samples and some engaging in stratification to make sure that their sample reflects the population on key variables. Sample sizes range from 900 respondents to 4,000. In addition the minimum age of respondents varies from 12 up to 18 years.

Given the range of countries involved in the collaboration there are significant differences in the stage of internet development. There are large differences in internet penetration and the prevailing forms of access. For example in many countries public access points are becoming increasingly less important while in developing countries public access points are still the main means for people to access the internet.

A related issue is that of broadband take-up. This is becoming the key issue in many countries in which the internet is a 'mature' technology, but there is no consensus regarding what constitutes broadband and this definitional problem is exacerbated when looking across countries. Similarly the evolution of the internet has varied between countries in terms of technologies adopted.

Public policy framing of internet development also varies between the partner countries. Regulating the perceived negative effects of the internet is given more emphasis in some jurisdictions while others are more interested in the economic benefits of the net.

Just as importantly for a project such as this, there is great variation in the amount and type of research conducted on internet use and its impact in the various partner countries. In the US for example, the *Pew Internet and American Life* project, commenced in 1999, is a major ongoing survey-based project examining the internet and its impact on households and communities. In Australia, however, research on the social impact of the internet has been piecemeal at best. While there are many surveys that have been conducted on internet use and non-use in various countries, the World Internet Project is the only attempt to undertake coordinated survey work across countries. The combination of longitudinal data and international comparison makes this project extremely useful for identifying and tracking trends.

In the United States there has been a lot of survey research concentrating on the diffusion of new technologies. The Department of Commerce's *Falling Through the Net* project, begun in 1995 and then rebadged as *A Nation Online*, is the best example of this type of research. It began in response to concerns about the digital divide more generally and is now focused on the issue of broadband diffusion. The research includes some limited consideration of uses of the internet by individuals and households but does not investigate 'social impact' in any detailed way. In this research the positive effect of the internet is assumed.

The Pew Internet and American Life Project is a more ambitious and larger project that aims to 'explore the impact of the Internet on families, communities, work and home, daily life, education, health care, and civic and political life.' This project is a series of thematically linked investigations of the impact of the internet. Recent reports have included a study of bloggers and online banking. In contrast to the US World Internet Project this approach enables more detailed investigation of particular issues and uses but doesn't provide as clear an overview. The focused nature of these surveys doesn't facilitate the investigation of the relationship between various online (and off-line) activities and uses.

All partners in the WIP have their own funding source although the US partner in particular has played a key role in advising new partners and meeting with prospective funders. Another challenge to the development of the project has been in developing a consistent approach for partners with greatly varying funding arrangements both in terms of quantum and funding mix. This year will see the first international report published out of the project that will include data on a dozen countries.

Appendix 2: About CCI

The ARC Centre of Excellence for Creative Industries and Innovation (CCI) was established in 2005 to focus research and development on the contribution that the creative industries and their contributing disciplines can make to a more dynamic and inclusive innovation system.

Funded by the Australian Research Council from 2005-13, CCI is acknowledged as a global leader in this emerging field. It is a broadly-based, cross-disciplinary, internationally focused Centre embracing both fundamental theoretical and highly applied research in media, cultural and communication studies, law, education, economics and business and information technology, addressing key problems and opportunities arising for Australia, the Asian region, and for the wider world, from innovation in both the creative economy and the broader service economy. It addresses the nature of the field as rapidly-moving and internationally-focused, with extensive research links and international nodes established or planned in Britain, Singapore and China. The Centre plays a significant role in theoretical and strategic debates with academic, policy, and industry interlocutors, as well as working extensively on new empirical and technical methodologies, including, for example, the creation of new statistical approaches to measuring the creative economy, new software solutions for creative enterprise, and ethnographic action research.

The Centre gratefully acknowledges the support of the Australian Research Council in providing core funding to establish the Centre, 2005-13. We acknowledge Queensland University of Technology, as the administering institution, for its substantial support for the Centre. The core collaborating partners are Swinburne University of Technology, Australasian CRC for Interaction Design, Australian Film Television and Radio School, Edith Cowan University, University of Wollongong, Royal Melbourne Institute of Technology and University of New South Wales.

Appendix 3: The World Internet Project – International Contacts

Australia

ARC Centre of Excellence for Creative Industries and Innovation (CCi)
Institute for Social Research, Swinburne University of Technology
www.cci.edu.au/projects/digital-futures

Austria

The Commission for Comparative Media and Communication Studies
www.oeaw.ac.at/cmc

Brazil

Instituto Brasileiro de Economia e Tecnologia

Canada

Canada Internet Project (CIP)/Recherche Internet Canada (RIC)
www.cipiconline.ca

Cape Verde

Inove Research
www.research.inove.cv/

Chile

Pontificia Universidad Catolica de Chile: Schools of Communications
(head), Sociology, and Engineering /
Santiago Chamber of Commerce (CCS).
www.wipchile.cl

China

China Internet Network Information Center
www1.cnnic.cn/

Colombia

Centro de Investigación de las Telecomunicaciones (CINTEL)
www.cintel.org.co

Croatia

Innovation Institute
mfuduric@innovation-institute.eu

Cyprus

Cyprus University of Technology
Department of Communication and Internet Studies
www.cut.ac.cy

Czech Republic

Faculty of Social Studies, Masaryk University Brno
www.fss.muni.cz/ivdmr

Ecuador

Universidad de los Hemisferios
www.uhemisferios.edu.ec

France

Center for Political Research at Sciences-Po
www.cevipof.msh-paris.fr

Georgia

Iliia State University
www.iliauni.edu.ge

Germany

Deutsches Digital Institut
www.deutsches-digital-institut.de

Hungary

ITHAKA -- Information Society and Network Research Center
www.ithaka.hu

India

School of Journalism and New Media Studies, IGNOU
www.ignou.ac.in

Iran

University of Alzahra
www.Alzahra.ac.ir

Israel

The Research Center for Internet Psychology (CIP)
Sammy Ofer School of Communications, The Interdisciplinary Center
www.idc.ac.il/communications/cip/en

Italy

SDA Bocconi, Bocconi University
www.sdabocconi.it/home/it/

Japan

Toyo University
www.soc.toyo.ac.jp/~mikami/wip/en/index.html

Macao

University of Macau, ERS E-Research (Lab)
Macao Internet Project (MIP)
www.macaointernetproject.net

Mexico

Tecnológico de Monterrey, Proyecto Internet
www.wip.mx

New Zealand

Institute of Culture, Discourse and Communication, AUT University of
Technology
www.wipnz.aut.ac.nz

Poland

Gazeta.pl Research and Analyses Unit
<http://badania.gazeta.pl>

Portugal

Lisbon Internet and Networks International Research Programme (LINI)
<http://www.lini-research.org>

Qatar

Northwestern University in Qatar
rwood@northwestern.edu

Russia

Sholokhov Moscow State University for the Humanities
dmitrieva.oksana@gmail.com

Singapore

Singapore Internet Research Centre (SiRC)
Nanyang Technological University
www.ntu.edu.sg/sci/sirc

South Africa

South African Network Society Survey
Media Observatory, Wits Journalism
indra@delanerolle.net

South Korea

Yonsei University
www.yonsei.ac.kr

Spain

Internet Interdisciplinary Institute (IN3)
Open University of Catalonia (UOC)
www.uoc.edu/in3/pic/eng/communication.html

Sweden

World Internet Institute (WII)
www.wii.se

Switzerland

Media Change & Innovation Division - Institute of Mass Communication
and Media Research, University of Zurich
www.mediachange.ch/

Taiwan

Taiwan e-Governance Research Center
Department of Public Administration, National Chengchi University
www.teg.org.tw
<http://pa.nccu.edu.tw/>

United Arab Emirates

American University of Sharjah, Department of Mass Communication
www.aus.edu

United Kingdom

Oxford Internet Institute
www.oii.ox.ac.uk/microsites/oxis

United States

Center for the Digital Future
USC Annenberg School for Communication & Journalism
www.digitalcenter.org

Uruguay

Universidad Catolica del Uruguay
matias.dodel@ucu.edu.uy