

Australia Retail Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> ****Industry:**** Retail (Retail)
> ****Source:**** <https://www.mordorintelligence.com/industry-reports/retail-industry-in-australia>
> ****Scraped Date:**** 2026-09-17

Executive Market Summary

Market Metric	Details
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Base Market Size	USD 312.95 billion
Projected Forecast (2031)	USD 312.95 billion
Growth Rate (CAGR)	6.67 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

![Major players in Australia Retail industry](images/chart_2.png)

![Australia Retail Market (2026 - 2031)](images/chart_3.png)

![Australia Retail Market: Market Share by Product Category](images/chart_4.png)

![Australia Retail Market: Market Share by Distribution Channel](images/chart_5.png)

![Australia Retail Market Concentration](images/chart_6.png)

![footer background image](images/chart_9.png)

![Mordor Intelligence on Facebook](images/chart_11.svg)

![Mordor Intelligence on Pinterest](images/chart_13.svg)

![Mordor Intelligence on Instagram](images/chart_14.svg)

![ESOMAR](images/chart_16.png)

![GPTW](images/chart_18.png)

Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2021 - 2031 |
Forecast Data Period | 2026 - 2031 |
Base Year Market Size (2025) | USD 293.38 Billion |
Market Size (2026) | USD 312.95 Billion |
Market Size (2031) | USD 432.28 Billion |
Growth Rate (2026 - 2031) | 6.67 % |
Market Concentration | High |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Australia Retail Market Analysis by Mordor IntelligenceThe Australia Retail Market size was valued at USD 293.38 billion in 2025 and is estimated to grow from USD 312.95 billion in 2026 to reach USD 432.28 billion by 2031, at a CAGR of 6.67 % during the forecast period (2026-2031).

Consumers sustain demand in essentials while adjusting baskets under cost-of-living pressure, which is lifting private label across value and premium tiers. Incumbents are reinforcing operational efficiency and speed as growth levers, with two-hour delivery windows, high next-day fulfilment rates, and broader Click and Collect coverage now table stakes. Large-format and logistics investments concentrate in Sydney and Perth corridors to support rapid fulfilment, while omnichannel integration links digital discovery with reliable last-mile options. Regulatory scrutiny on pricing conduct, supplier protections, and merger oversight is widening, which is shaping acquisition strategies and sharpening transparency in promotions and shelf pricing.

Key Report Takeaways

- * By product category, Food & Beverage led with 47.38% revenue share in the Australian retail market in 2025, while Personal & Household Care is projected to expand at an 11.24% CAGR to 2031.
- * By store size, Mid-Format stores held 51.76% share in the Australian retail market in 2025, while Large-Format stores are forecast to grow at a 12.36% CAGR through 2031.
- * By distribution channel, Supermarkets/Hypermarkets accounted for an 84.87% share in the Australian retail market in 2025, while Online channels are set to advance at a 13.26% CAGR through 2031.
- * By price segment, Mass/Value commanded a 53.33% share in the Australian retail market in 2025, while Luxury is on track to grow at a 10.29% CAGR through 2031.
- * By geography, New South Wales held a 35.33% share in the Australian retail market in 2025, while Western Australia is expected to record a 9.33% CAGR through 2031.

Key Market Trends

Australia Retail Market Trends and InsightsDrivers Impact Analysis*

Driver	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Cost-of-Living Pressure Accelerating Private Label Adoption	+1.2%	Global, strongest effects in NSW, Victoria, Queensland metro	Short term (≤ 2 years)
Mandatory Sustainability Reporting Pushing Circular Supply Chains	+0.8%	National, early gains in Sydney, Melbourne, Brisbane	Medium term (2-4 years)
Gen Z-led Social-Commerce Boom in Metro Cities	+1.1%	Sydney, Melbourne, Brisbane metro corridors	Short to medium term (≤ 3 years)
Rapid Roll-out of Dark-Store Quick-Commerce within 5 km Radii	+0.9%	Sydney, Melbourne, Brisbane inner urban zones	Short term (≤ 2 years)
Indigenous-Made Product Preference and Australian Made	+0.4%	National, higher uptake in regional and specialty retail	Long term (≥ 4 years)
AI-Driven Shelf-Replenishment and Dynamic Pricing Pilots	+1.3%	National, led by Coles, Woolworths, and Wesfarmers divisions	Medium term (2-4 years)

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

Grocery concentration remains the defining feature of Australian retail, with th

the two largest chains holding the majority of supermarket share and a third discount player adding discipline on price. The competition regulator's 2024–2025 inquiry outlined limited incentives for vigorous price competition within traditional grocery, which reinforced the importance of transparency on promotions and supplier dealings. Large banners emphasize private label expansion, everyday price programs, and value tiers to build trust while protecting margins. Supermarket leaders are also deploying AI in forecasting and replenishment to maintain on-shelf availability and to reduce substitutions, which sustains online satisfaction. These levers shape the playbook for the Australian retail market, where value, trust, and convenience remain the primary axes of competition.

Beyond supermarkets, Wesfarmers continues to strengthen home improvement, discount department stores, and office supplies through network optimization and supply chain upgrades. Bunnings invests in commercial trade capability and supply integration to broaden addressable markets, while Kmart Group enhances store automation and omnichannel services to lift throughput. Officeworks is scaling B2B and education solutions and planning an omnichannel supply chain facility to support next-day service and bulk orders. These strategic moves lean on data-driven planning and fulfilment orchestration to improve productivity and customer experience, which helps moderate wage and rent inflation impacts. Together, they illustrate how diversified retail groups are building moat-like capabilities that support growth in the Australian retail market.

E-commerce specialists and marketplaces continue to invest in fulfilment capacity near major urban centres to compress delivery times and expand marketplace assortment. Amazon's investments in Western Sydney will increase local capacity for fast delivery and broaden small business participation in marketplace programs. Australia Post data indicate shoppers' preference for reliable delivery and convenient pickup, which underpins adoption and retention for leading online platforms. With acquirers facing a mandatory notification regime from 2026, organic investment in logistics and technology is expected to remain the primary route to share gains in sensitive categories. As execution improves across store and online operations, the Australian retail market is likely to sustain a dual focus on value and speed as defining competitive factors.

Australia Retail Industry Leaders* Woolworths Group Ltd

* Coles Group Ltd

* Wesfarmers Ltd

* Aldi Stores (Australia) Pty Ltd

* Metcash Ltd (IGA Network)

* *Disclaimer: Major Players sorted in no particular order

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Scope Methodology P Space

For this methodology, the Australia retail market is measured as the value of goods sold to consumers through retail channels in Australia, covering store-based sales and online retailing across everyday and discretionary product purchases.

Scope exclusions: Services-led consumer spending such as cafes, restaurants, and takeaway food is excluded from this retail market sizing.

Segmentation Container

* Food & Beverage* Personal & Household Care

* Apparel

* Footwear & Accessories

- * Furniture
- * Toys & Hobbies
- * Electronics & Household Appliances
- * Other Products

- * By Store Size* Large-Format
- * Mid-Format
- * Small / Micro

- * By Distribution Channel* Supermarkets / Hypermarkets
- * Convenience Stores
- * Department Stores
- * Specialty Stores
- * Online
- * Other Channels

- * By Price Segment* Mass / Value
- * Premium
- * Luxury

- * By Region* New South Wales
- * Victoria
- * Queensland
- * Western Australia
- * South Australia
- * Others

Frequently Asked Questions

What is the Australia retail market growth outlook to 2031?

The Australia retail market is projected to reach USD 432.28 billion by 2031 at a 6.67% CAGR, supported by private label premiumization, omnichannel adoption, and logistics upgrades.

Which channels are growing fastest in the Australian retail landscape?

Online is the fastest-growing channel with a 13.26% CAGR through 2031, supported by two-hour windows, next-day fulfilment, and reliable delivery and pickup options.

How are leading grocers competing in the Australia retail environment?

Coles and Woolworths invest in private label, shelf price reductions on essentials, and AI-enabled inventory and replenishment to strengthen value and convenience for households.

What drives the premium segment in the Australian retail ecosystem?

Luxury is forecast to grow at a 10.29% CAGR to 2031, supported by premium beauty, wellness, and curated capsules that combine provenance, efficacy, and an elevated in-store experience.

Which state is expected to grow fastest in the Australian retail arena?

Western Australia is set to lead with a 9.33% CAGR through 2031 due to resource-linked incomes, robust balance sheets, and ongoing logistics and store investments in Perth.

What regulatory changes will impact consolidation in the Australian retail space?

A mandatory merger notification regime commencing in 2026 will require major supermarkets to notify acquisitions of supermarket businesses or land, increasing scrutiny on consolidation.