Online shopping firmly established as part of retail landscape but awash with value seeking online shoppers

Retailers need to optimise mental and physical availability to succeed in fragmented market

Tuesday 13 August 2024: Online shopping has firmly established its place in the ANZ retail landscape, with 83% of Australian online shoppers and 77% of NZ online shoppers shopping online every month. The data, which comes from the Australian and New Zealand Ecommerce Report 2024 was released today by IAB Australia and Pureprofile, also found that value seeking is top of mind, with an increase in the number of shoppers prioritising lower prices and discounts and 62% switching products and brands to find cheaper alternatives.

According to the report, consumers are using an increasing range of price and product discovery options to find the best value and range of offerings. While search engines remain the most used method, 38% are using price comparison sites and services, and 20% using major shopping events to look for discounts as well as for product discovery. 58% of shoppers aged 18-29 note that influencers and social media impact their research and shopping habits.

Convenience remains the number one reason for purchasing online (68%), with time poor 18-49s prepared to pay more for convenience. However, shopper loyalty and rewards programs were identified as being increasingly important with 92% of online shoppers enrolled in at least one such program and 95% of online shoppers willing to share some data with retailers in return for benefits such as discounts, coupons, free delivery, rewards points and cash back.

More than 80% of online shoppers understand that their data is used for targeting advertising, marketing and personalisation, however, 71% of online shoppers are increasingly concerned with how retailers use their shopper data (up from 59% in 2023).

Gai Le Roy, CEO of IAB Australia commented, “The increased importance of loyalty programs for shoppers and retailers is underpinned by trust, transparency and a clearly understood value exchange. It is critical that retail businesses ensure they are providing clear information about their use of shopper’s personal information, particularly with new privacy regulations in Australia imminent.”

Martin Filz, CEO of Pureprofile commented, “In a quest for savings, consumers are prioritising the best deals and frequently switching brands to secure better price. While budgets are tighter, retailers still have a great opportunity to capture attention with most consumers still engaging with some form of retailer marketing.”

Key learnings for retailers

- Clothing, fashion & shoes (70%), groceries (58%), and meals & takeaway (56%) were the top three products purchased online.
- Retailers are also a key source of product discovery. 61% of online shoppers have read or looked at content produced and distributed by retailers (such as websites and apps, emails

and social posts). It is important for retailers and brands to show up in these various avenues for inspiration and discovery. Continuing investment in advertising across multiple channels, particularly for brand building, is the proven key to long term business success and coming out of an economic downturn strongly.

- Search is particularly key for product discovery for over 50's online shoppers (71%) while social media plays a greater role for 18-29's (58%) and 30-39's (46%).
- Price comparison, fast shipping and free returns were all identified as increasing in importance to online shoppers this year.
- Purchasing from ethical brands is important according to 46% of Australian and 39% of New Zealand online shoppers
- The Report notes that retailers need to use discounting strategically as part of a broader marketing strategy that also offers added value and relevant shopping experiences that are suited to the current economic climate, and which offer truly life enhancing convenience.

The Australian and New Zealand Ecommerce Report 2024 is based on research conducted with 1,000 Australian and 1,000 New Zealand online shoppers during July 2024. It examines the consumer attitudes, behaviours and influences driving ecommerce. This is the fourth annual Ecommerce Report for the Australian market and the first year a survey amongst New Zealand online shoppers has been conducted.

/Ends

Images follow:

cost of living impact on online shopping

75% Australia | **80%** New zealand

"cost of living pressures mean I don't have as much to spend on less essential retail shopping"

Cost of living impacts on shopping behaviour:

More	Less
Time spent researching	Spending on non-essentials
Brand, product and retailer switching	Frequency of shopping
Delaying purchases	
Usage of shopper loyalty/rewards	

Readily available information and easy research process will increase shopper confidence

78% Australia | **80%** New zealand

Cost of living pressured shoppers agree 'If I'm buying a brand for the first time, I always research it before making the purchase'

online shopping behaviour

83%

of Australian online shoppers are shopping every month

49% for groceries

76% for other retail products

77%

of New Zealand online shoppers are shopping every month

42% for groceries

71% for other retail products

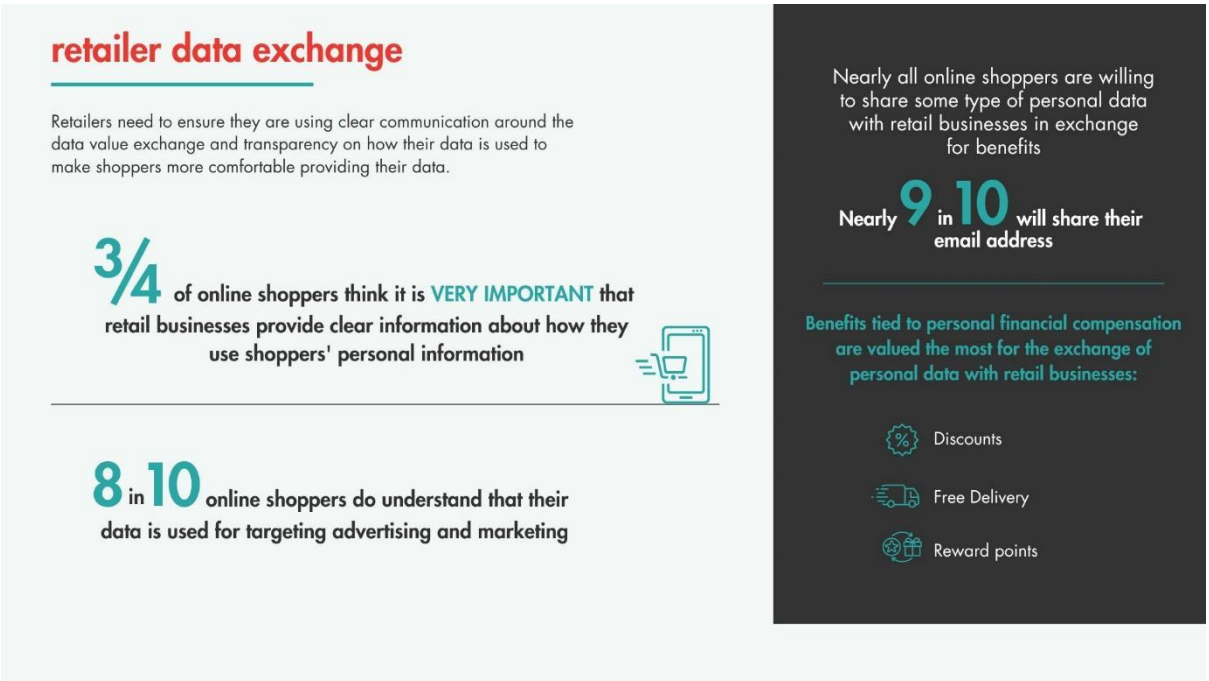
AU NZ

Top products purchased online:

- Clothing, shoes & fashion
- Groceries
- Meals & takeaway
- Travel
- Tickets

Top products purchased online:

- Clothing, shoes & fashion
- Groceries
- Meals & takeaway
- Travel
- Books, toys & stationery



About the Interactive Advertising Bureau

As an independent industry association with more than 170 members in Australia and nearly 9,000 globally spanning media owners, publishers, technology companies, agencies, and advertisers, IAB works to align industry stakeholders to develop solutions for the issues faced by the market and develop standards that are integral to the operation of digital advertising.

As one of 47 IAB offices globally, the role of the IAB is to support sustainable and diverse investment in digital advertising across all platforms in Australia as well as demonstrating to marketers and agencies the many ways digital advertising can deliver on business objectives.

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About Pureprofile

Pureprofile's vision is to deliver more value from the world's information.

We are a global data and insights organisation providing industry-leading online research solutions to agencies, marketers, researchers and brands & businesses.

Our research delivers rich insights into real human behaviour and provides the “Why” behind the “What” through our unique ResTech and SaaS solutions. We build in-depth profiles of consumers via our proprietary and partner panels and give businesses the ability to understand, target, and ultimately engage with their audiences.

The Company, founded in 2000 and based in Surry Hills, Australia, now operates in North America, Europe and APAC and has delivered solutions for over 800 clients.

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