

australian ecommerce

The changing shape of the local ecommerce
and retail marketing landscape

wave 3 | 2023

Pureprofile 

iab.
australia



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introduction

The retail industry has been on an interesting journey over the past few years. The pandemic pressurised a sector that was already undergoing immense change and many brands & businesses made a quick, successful transition to flourishing online sales and quick deliveries. The consumers of 2023 are very different to those we saw in the midst of the pandemic. Finances are a serious concern while supply chains remain strained and costs soar. But despite this, online retail is holding stable.

Pureprofile has partnered with the IAB on the Australian Ecommerce Report, for the third consecutive year, to track continued shifts in consumer behaviour. Encouragingly, over 20 million Australians used a retail app or website in June this year and are maintaining the same frequency of purchase as a year ago, even if they're more cautious. Local retailers, such as major supermarket chains, are also holding their own against global rivals. Retailers have some work to do to address current consumers who are facing a very different set of challenges. Pandemic behavioural shifts have become sustained habits. Added value, personalisation and relevance are now the expectation. Shoppers are spending more time researching products and prices. They want increasing convenience and faster delivery. At the same time, increasing data privacy and security regulations are forcing retailers to find new ways to understand and engage with consumers through omni-channel presence and interactions.

We hope that the following insights will help retailers navigate this new era and find ways to win customer loyalty and grow sustainably in this unique economic atmosphere. It has once again been a privilege to work with IAB Australia on this meaningful report.



Martin Filz
CEO
Pureprofile



Gai Le Roy
CEO
IAB Australia

The IAB are proud to partner with Pureprofile to release the third wave of the Australian Ecommerce Report based on research examining consumer attitudes, behaviours and influences driving ecommerce in Australia.

The IAB Australia brings together around 180 members to help build sustainable and diverse investment in digital advertising. Our role includes understanding the digital landscape and highlighting its opportunities to the broader market.

Australians have been enjoying omni-channel shopping experiences and maintaining their online retail habits formed over previous years during COVID. However, with the current economic downturn, shoppers are feeling the financial pressures from interest rate rises and increasing costs of living. Retailers face a new set of challenges in bringing confidence to shoppers who are price sensitive and seeking value for money in their brand choices. PWC predicts significant new revenue will enter the Australian market to build a \$2bn retail media segment in the coming 5 years. The report outlines the increased consumer usage of shopper loyalty and rewards programs and the importance for retailers of providing a clearly articulated value exchange and transparency in how they use shopper data. It's also exciting to see born online brands with strong brand purpose, empathetic mission-based marketing continuing to contribute to a resilient direct brand landscape.

Consumer are discovering brands via a huge range of digital channels and ad formats available to advertisers. Continuing investment in advertising, particularly brand building, throughout economic uncertainty is the proven key to long term business success and coming out of the downturn strongly.

executive summary

After significant growth in peak pandemic years, Australian consumer online retail spend has stabilised. Online shoppers have maintained their frequency of shopping online over the last year and the new behaviours and shifts in the way we shop that occurred during the pandemic years have turned into sustained habits.

Continued steady growth in online retail is expected, however retailers need strategies to overcome consumer hesitancy as interest rate increases, inflation and rising costs-of-living are weighing on consumer spending and provide a new test for retailers. These cost-of-living pressures have led to increased brand, product and retailer switching, shoppers spending less and delaying purchases.

Retailers must look to win over online shoppers with added value and relevant shopping experiences that are suited to the current economic climate and deliver truly life enhancing convenience. Online shoppers have increased the time they spend shopping around and researching since the recent rises in costs of living. Having information readily available and an easy research process will increase shopper confidence.

Search remains key to discovering brands when shopping online but should be combined with other channels to maximise brand and sales outcomes. Retailers' own assets are important communications channels and shoppable advertising is becoming more important for communication and purchasing.

Building customer loyalty is more important than ever. Due to current rises in costs of living, the usage of shopper loyalty/rewards have increased, and consumers are using a variety of programs including cashback sites and apps and subscribing to paid loyalty programs.

These programs provide retailers with rich behavioural data for marketing but in exchange there must be clear benefits to consumers of exclusive discounts, rewards, personalised offers that enhance their shopping experience while saving money. Trust and transparency are also key for retailers collecting shopper data as online shoppers have some concerns about how retailers use their data.

Retailers and brands transforming to new ways of marketing and distribution are encouraged to review the strategies of direct brands. The current economic and social climate has highlighted a shift to rewarding the strengths of direct brand businesses. A nimble business model, strong brand purpose, empathetic mission-based marketing, combined with classic marketing expertise in all areas (promotion, price, product and distribution) are contributing to a resilient direct brand landscape.

background

online shopping behaviour

online shopping drivers

cost of living impact

discovering products and brands

retail marketing

direct to consumer

01. background

after significant growth in peak pandemic years, Australian consumer online retail spend contracted - 5% year on year in 2023.

\$53.29 billion

Australians' expenditure on online retail in the 12 months ending June 2023, according to NAB.

This represents around 12.7% of the total retail trade estimate.

NAB online retail sales, 12 months ending June (\$ billion and year on year change)

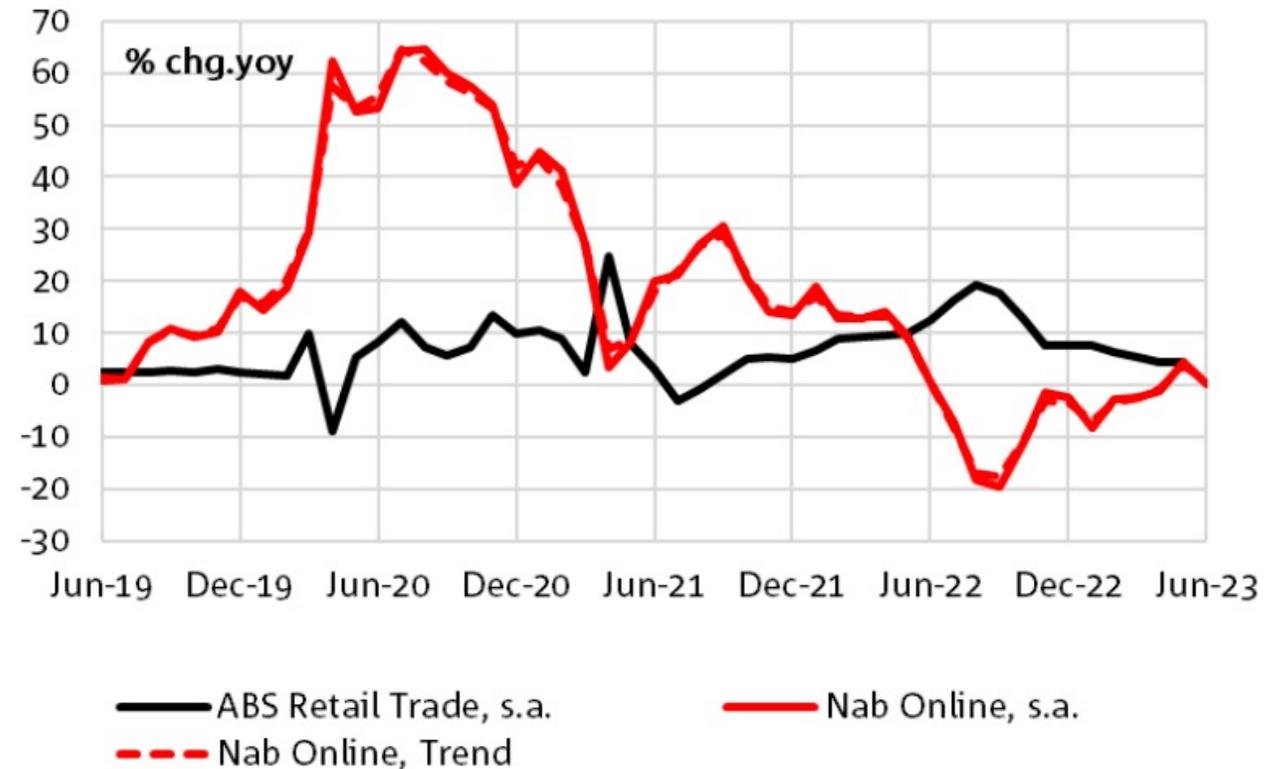


current economic conditions are also impacting discretionary expenditure

Australians spent **\$53.29 billion** on online retail in the 12 months to June 2023, down -5% year on year according to NAB.

Contractions in growth have been recorded each month over the past year until May (up 4.4% y/y), with growth virtually flat in June (0.1% y/y).

NAB online retail sales and ABS retail sales

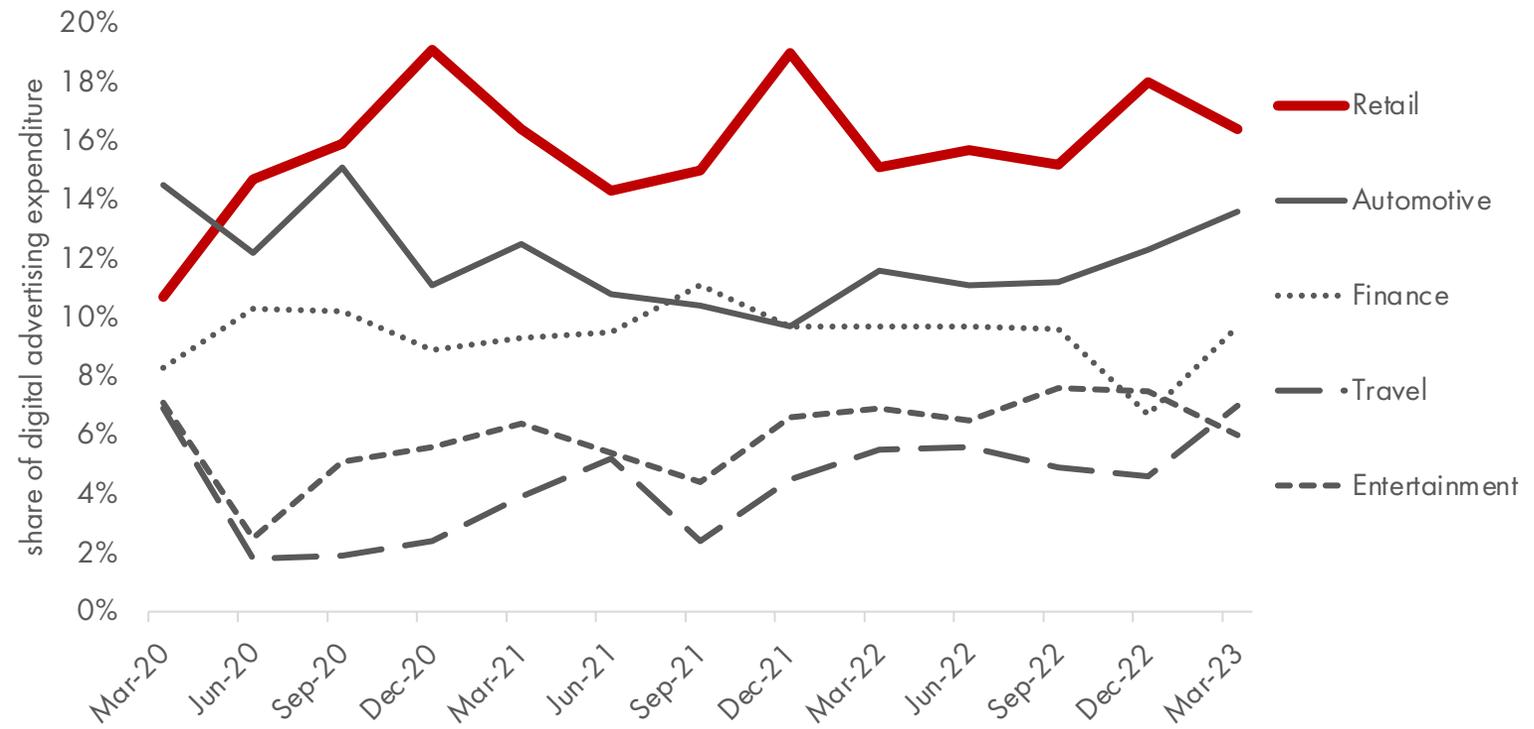


retail is still the #1 online advertising expenditure category

16%

retail category share of online display ad expenditure in CY22.

top 3 online display advertiser expenditure categories (share of online display ad expenditure)



nearly all online australians visit a retail website or app in a month

20.6 million

australians aged 14+ used a retail website or app in July 2023, spending on average 351 minutes each over the month.

most popular online retail categories in July 2023 audience aged 14+



consumer electronics
17.4 million



voucher/rewards
16.4 million



grocery/supermarkets
15.2 million



dept, discount stores
14.5 million



fast food and delivery
14.0 million



fashion & beauty
13.6 million

methodology

**survey
in field:** wave 1 - june 2021
wave 2 - june 2022
wave 3 - july 2023



1,000

survey
respondents
each wave

respondents:

nationally representative sample of australians aged 18 to 70
who have shopped online at least once in the last 12 months

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02. online shopping behaviour

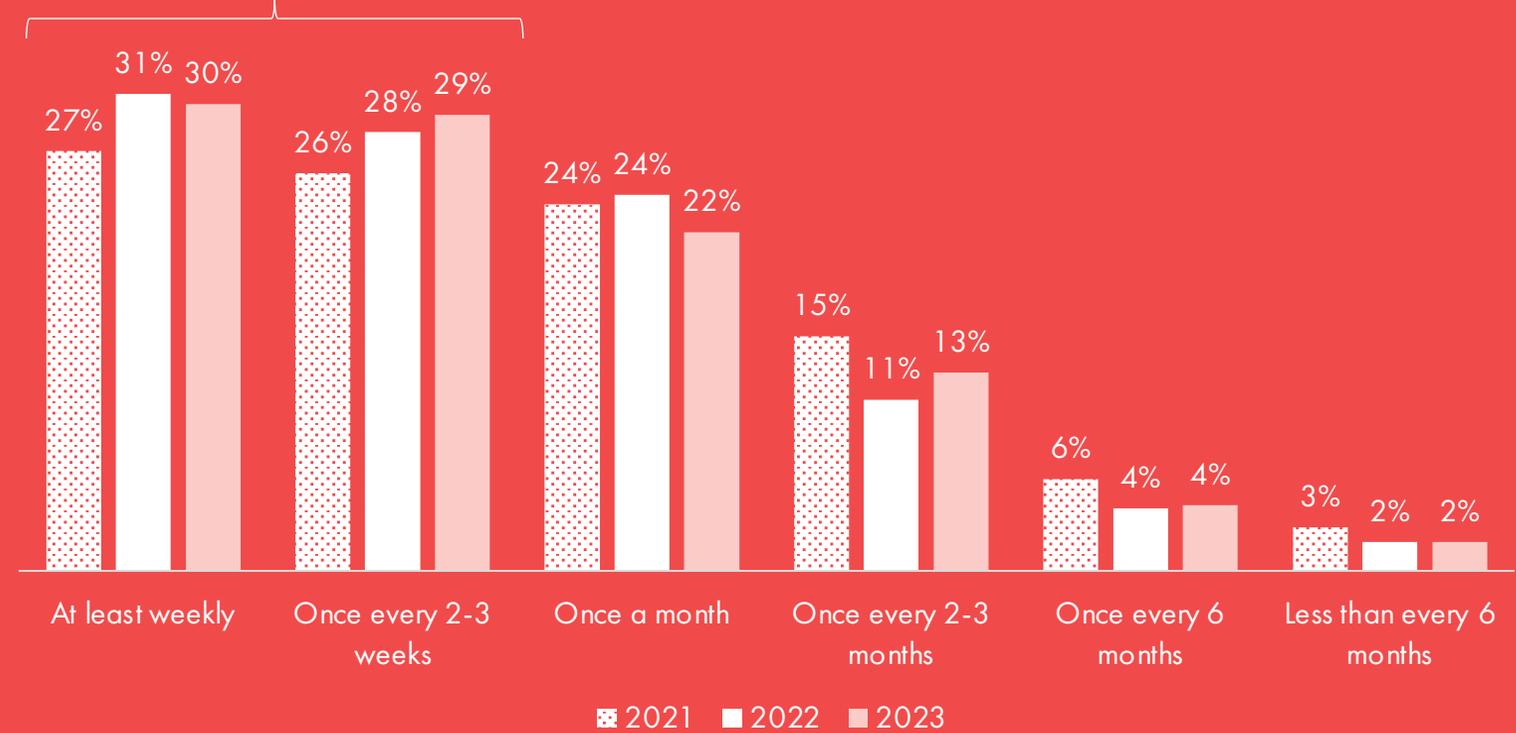
buying frequency of online shoppers

6 in 10

(59%) are shopping online every 2-3 weeks, maintaining frequency of shopping over the last year.

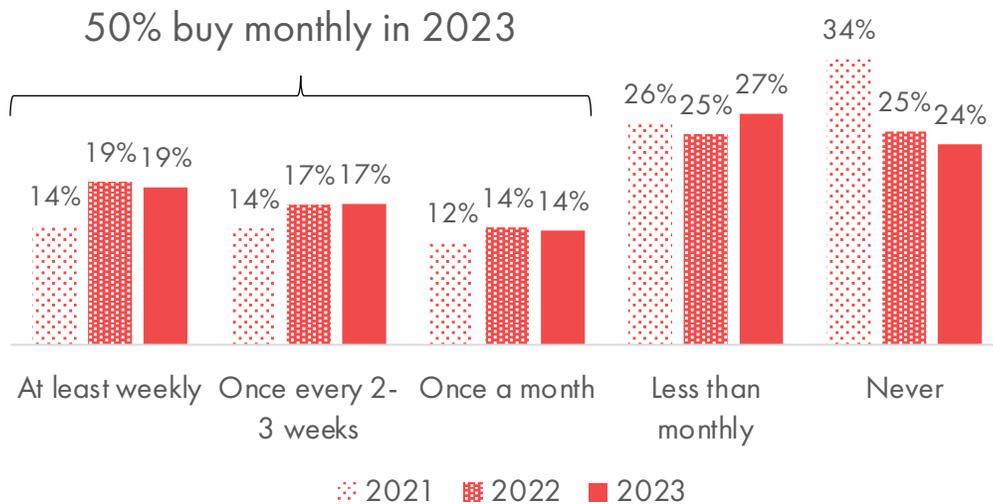
frequency of online shopping

maintained frequency of online shopping over the last year



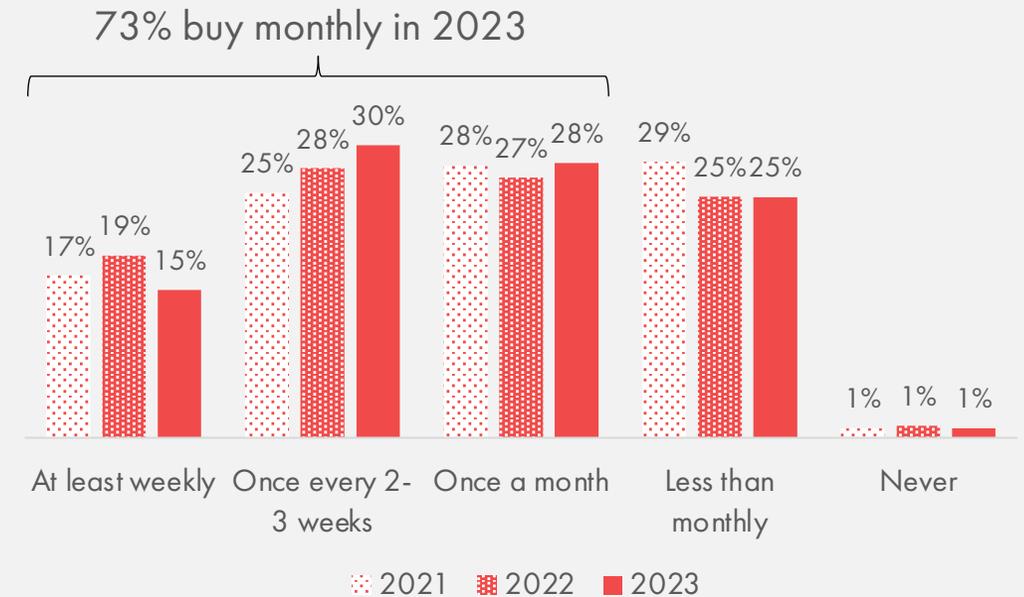
frequency of online shopping for groceries and other retail products has been maintained

frequency of buying groceries online



50% of online shoppers buy groceries online at least once a month, this remains the same as in 2022.

frequency of buying other (non-grocery) retail products online



73% of online shoppers buy non-grocery retail products online at least once a month, this remains unchanged since 2022.

there is increased caution in spending
due to current and potential future cost
of living pressures



70%

up 5% pts on last year

“potential for further interest rate rises
means I’m more cautious about
spending”



74%

up 8% pts on last year

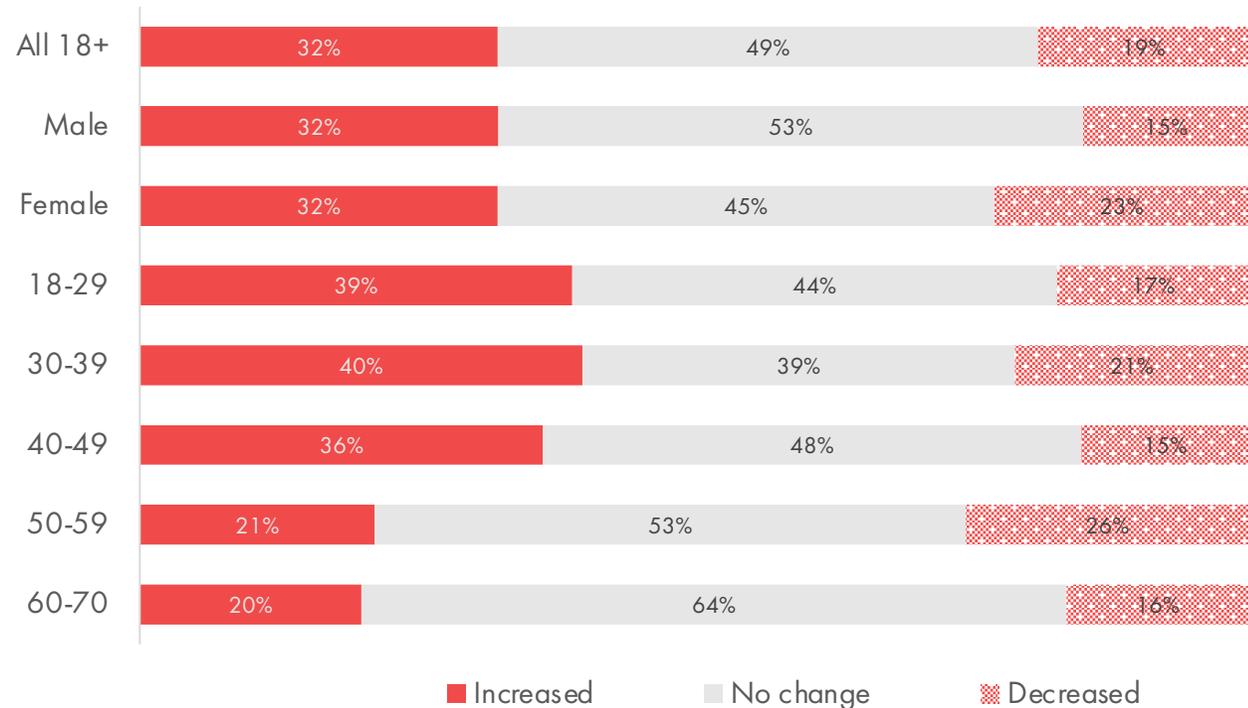
“cost of living pressures mean I don’t
have as much to spend on less essential
retail shopping”

a third of online shoppers have increased online shopping since recent rises in costs of living

In these times of cautious spending, 32% have increased their usage of online shopping, while 19% have decreased their usage due to recent rises in costs of living.

4 in 10 online shoppers aged 18-39 have increased their usage of online shopping since the recent rises in costs of living.

usage of online shopping since recent rises in costs of living

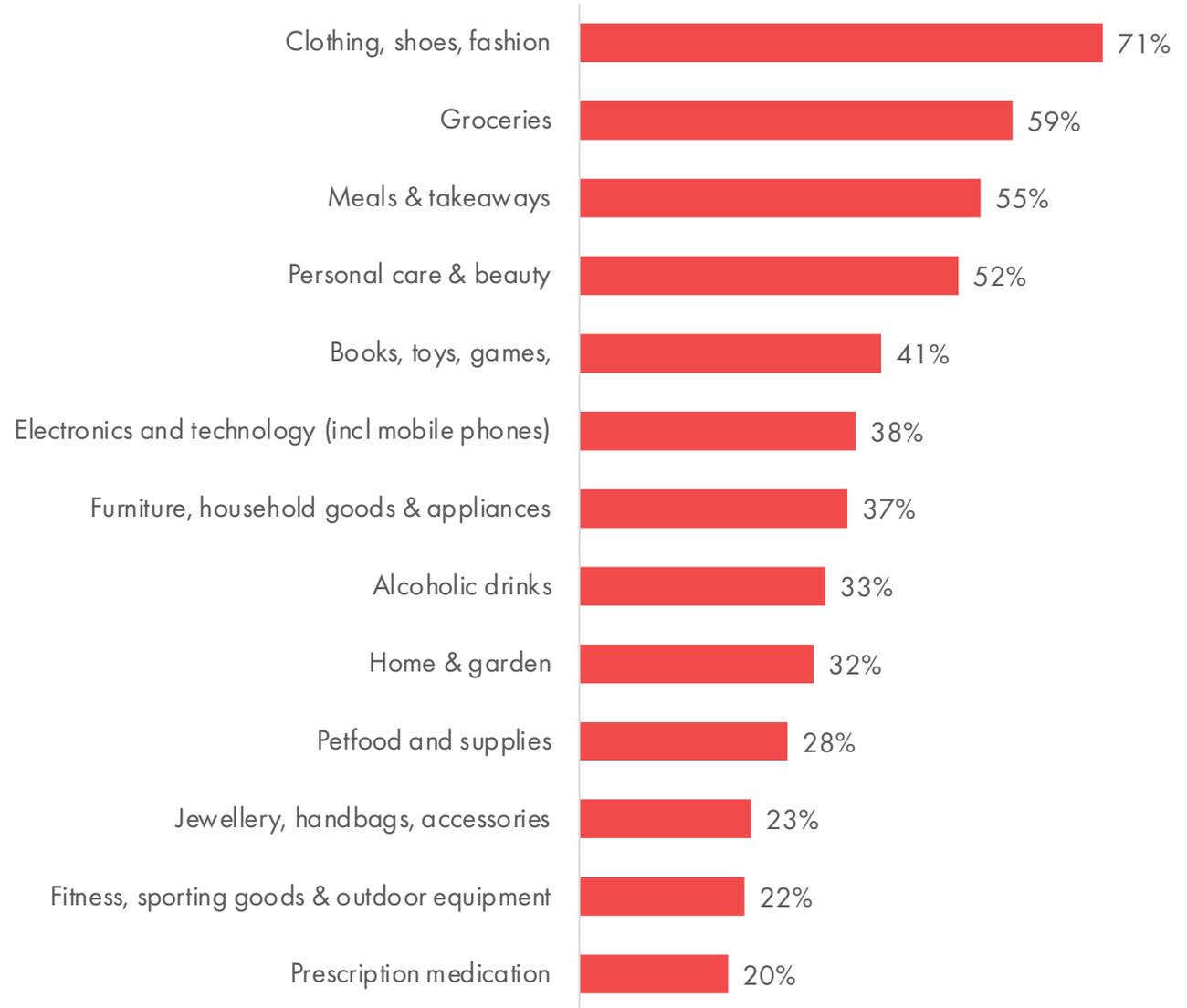


products bought online over last year

Clothing, shoes and fashion remain the most popular online purchase over the past 12 months.

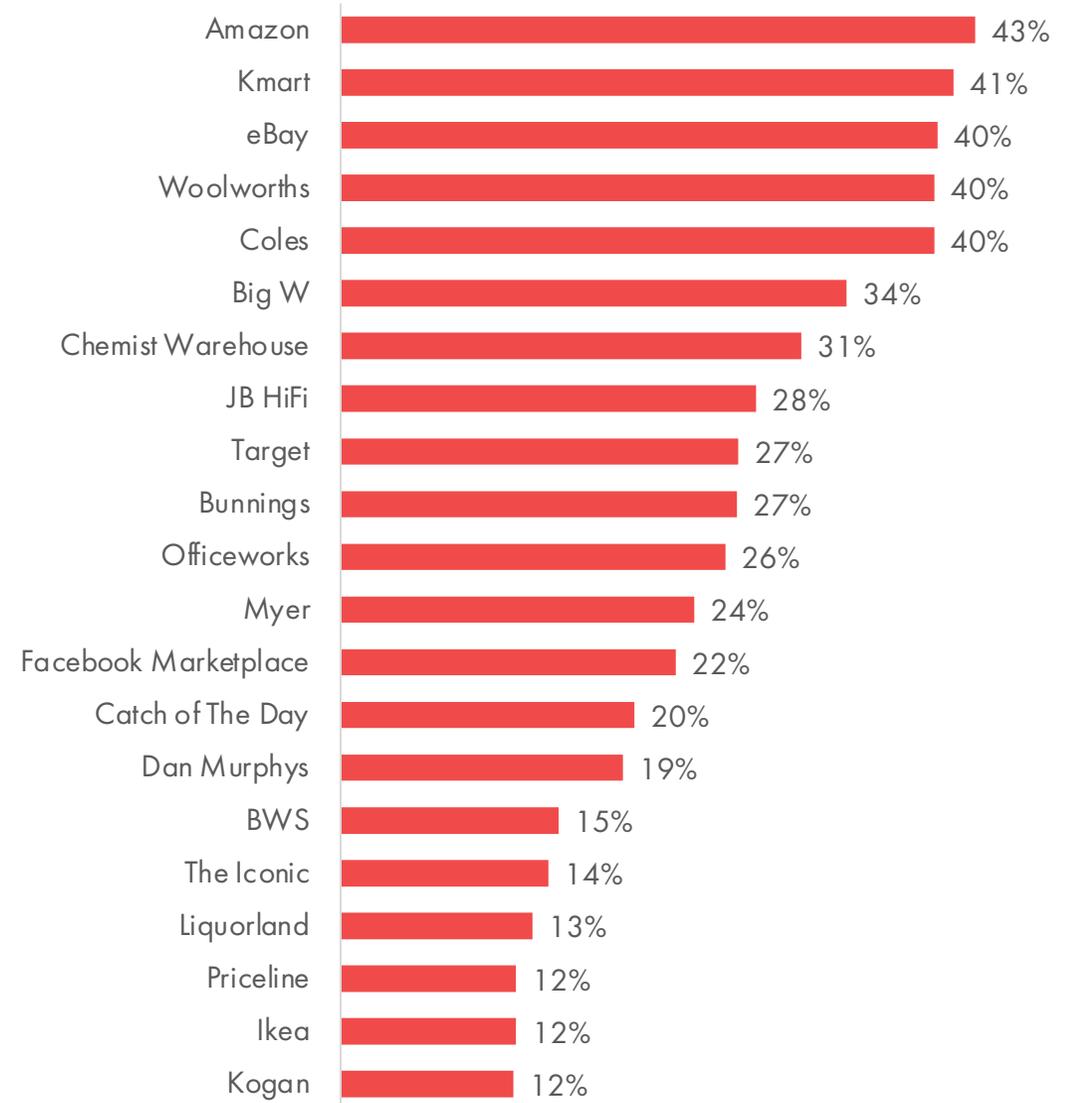
Prescription medication was added to the survey for the first time in 2023 with 20% of online shoppers buying medications online.

There is minimal change in other products being purchased since last year.



most popular online retailers and marketplaces purchased from over the last year

Amazon continues to be the most popular online retailer purchased from in the last 12 months.

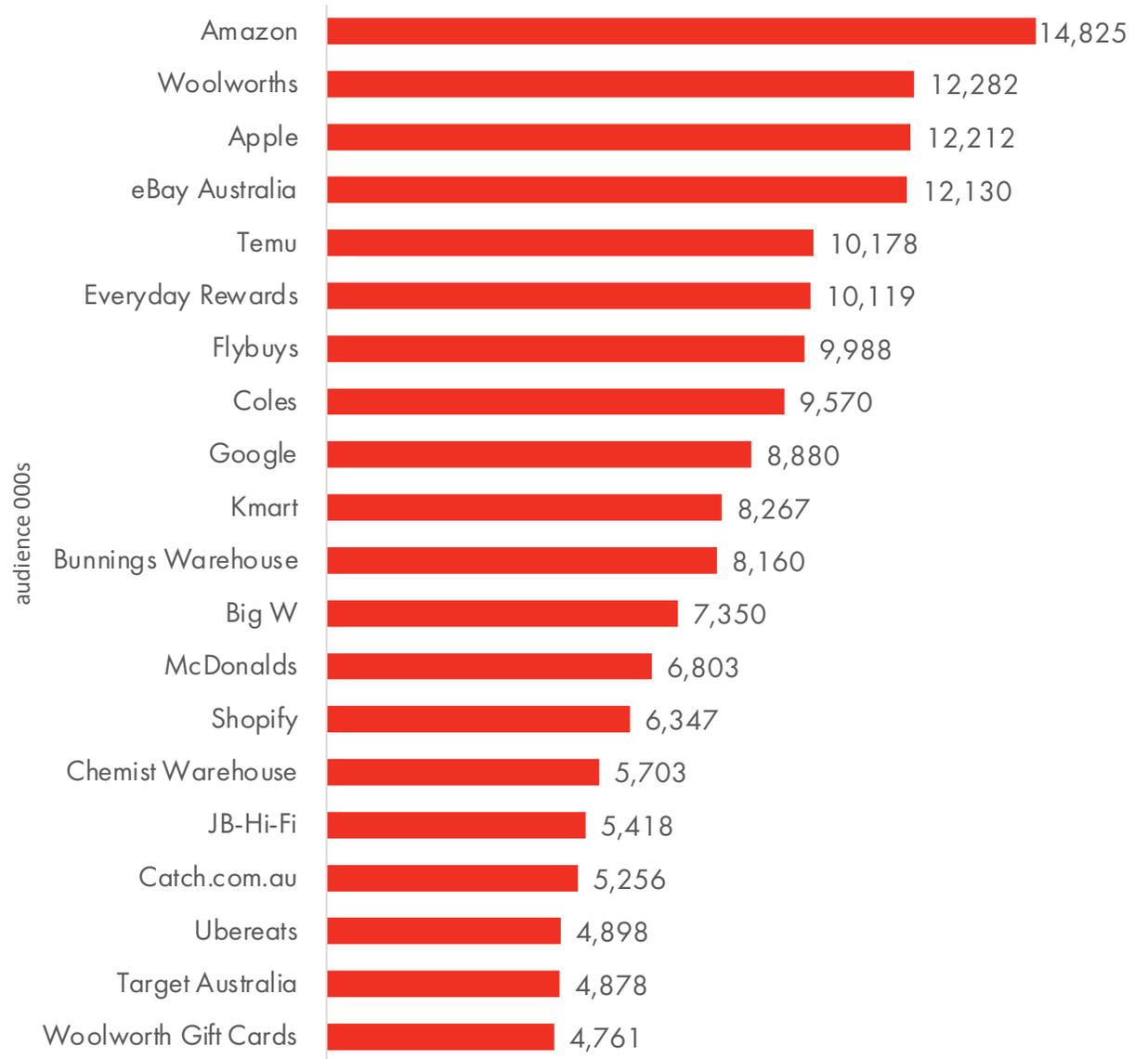


retail category top 20 online brands, monthly audience aged 14+

20.6 million

Australians aged 14+ used a retail website or app in July 2023.

Amazon is the most visited online retail brand in June with an audience of 14.8 million Australians aged 14+.



online shopping behaviour

After significant growth in peak pandemic years, Australian consumer online retail spend has stabilised.

- Online shoppers have maintained their frequency of shopping online over the last year and the new behaviours and shifts in the way we shop that occurred during the pandemic years have turned into sustained habits.
- Online channels are critical for discovery and researching products, brands and retailers as nearly all online Australians regularly visit a retail website or app.
- Positive omnichannel experiences are also critical as consumers clearly intertwine online and offline retail interactions.

Continued steady growth in online retail is expected, however retailers need strategies to overcome consumer hesitancy as cost-of living pressures continue.

- Most online shoppers have less to spend on non-essentials and are cautious about their spending. Interest rate increases, inflation and rising costs-of-living are weighing on consumer spending and provide a new test for retailers.

background

online shopping behaviour

online shopping drivers

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retail marketing

direct to consumer

03. online shopping drivers

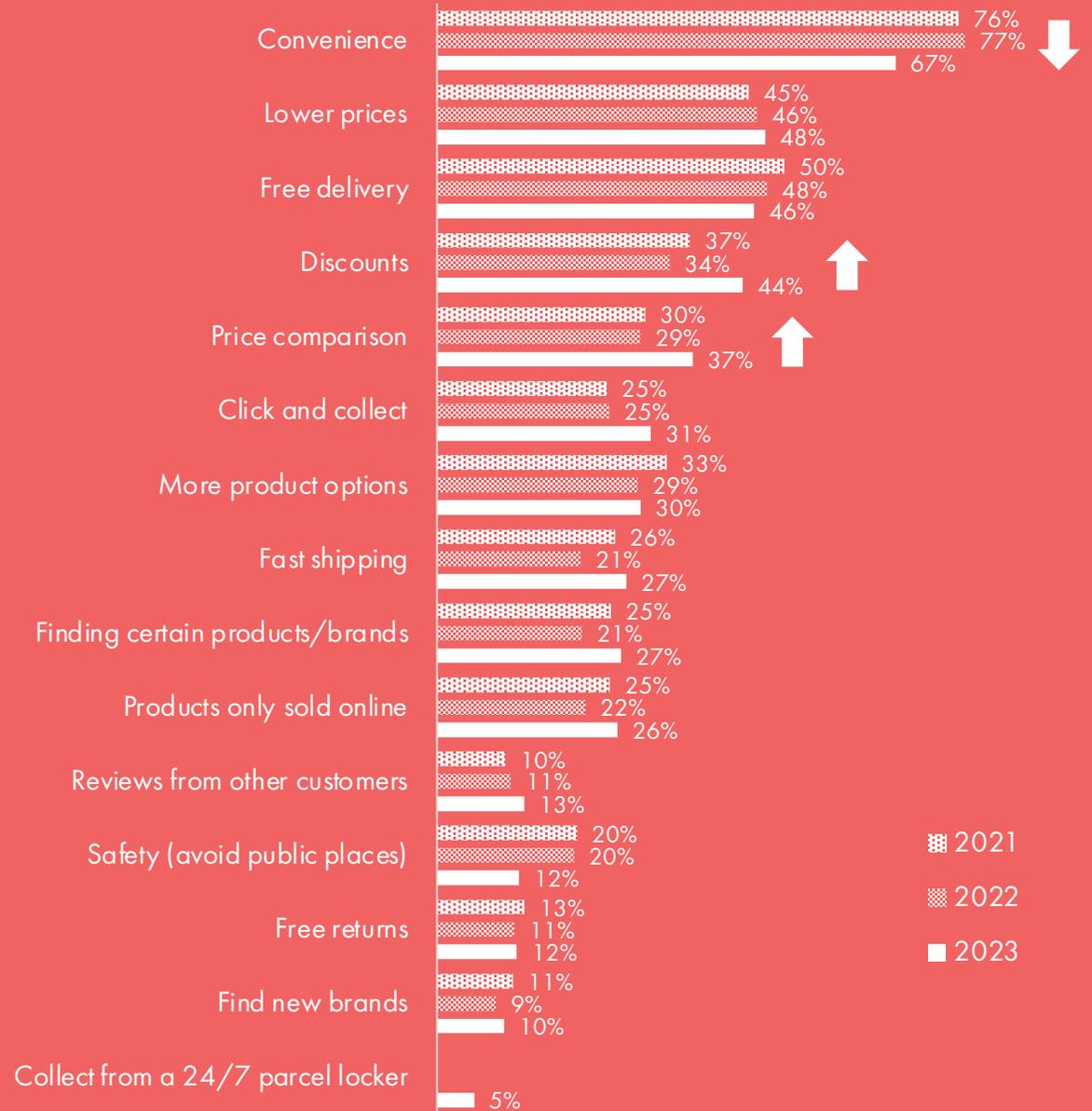
online purchasing drivers

Convenience remains the #1 reason for purchasing online but has declined as a driver for buying online in 2023 (down -10% pts on last year).

In the current climate shoppers are looking online for discounts (+10% pts) and to do price comparisons (+8% pts), both significantly increasing as reasons for buying online this year.

Shoppers are also being more discerning in other ways:

- Some ways of delivering convenience have increased this year, such as fast shipping (+6% pts) and click and collect (+6% pts).
- Access to certain products and brands (+6% pts) and those only sold online (+4%) have also increased this year.



shoppers will still pay more for convenience

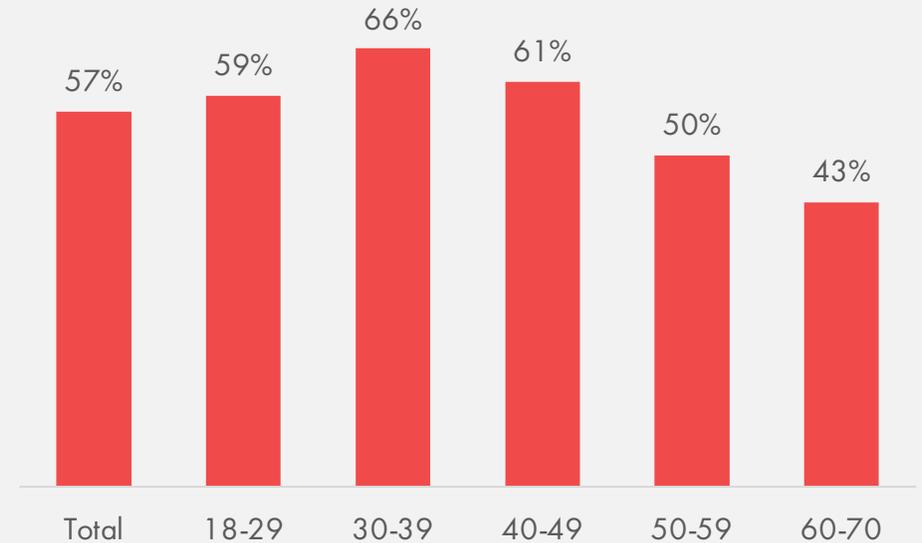
66% of 30-39's (those most impacted by cost-of-living pressures) are still prepared to pay more for convenience.



57%

agree "I am prepared to pay more for products that make my life easier",
increased 7% pts on last year

I am prepared to pay more for products that make my life easier
% agree by age

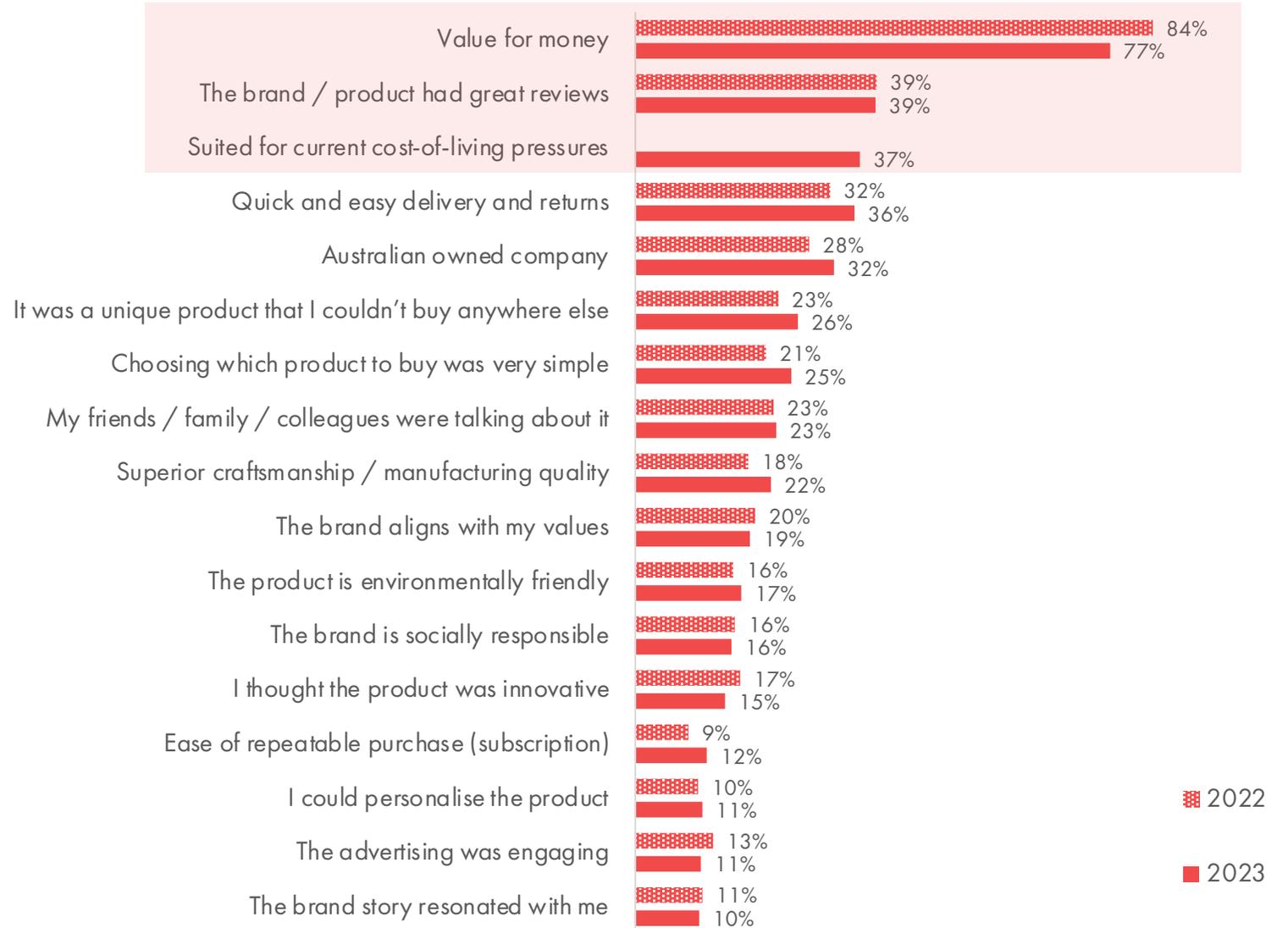


brand choice drivers

Shoppers are less attracted to their favorite brands by value for money this year (-7% pts to 77%), however 'suited for current cost-of-living pressures' was added to the survey this year (with 37% attracted to brands who can deliver).

Brands must:

- deliver great customer experience to generate positive reviews
- adjust to suit current cost-of-living pressures
- deliver on hygiene factors such as simplicity and ease
- amplify communication of unique brand proof points including superior manufacturing, environmental and social responsibility, innovation and Australian owned.



purchasing ethical and sustainable brands is still as important to online shoppers this year



45%

Purchasing from **ethical** brands is important to me
(46% in 2022)

48%
age 18 to 29



47%

I prefer to buy from brands that I know are **sustainable**
(47% in 2022)

50%
age 18 to 39



58%

I prefer buying from brands that are **Australian** owned
(64% in 2022)

69%
age 60 to 70

product delivery subscription services

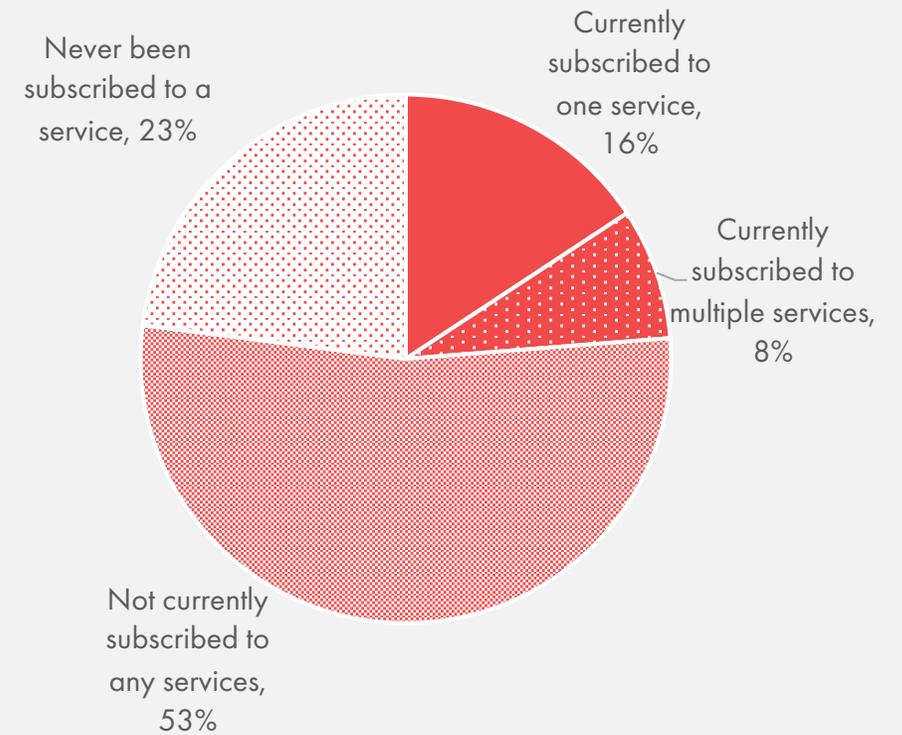
24% of online shoppers are currently subscribed to a product delivery service such as meals, cleaning products, toilet paper, wine etc.

Over half (53%) of online shoppers have been subscribed in the past but are not currently subscribed to a product delivery service.

Those currently subscribed are more likely:

- aged 18-39 (31% subscribe)
- weekly online shoppers (36%)
- weekly online grocery shoppers (43%)

subscription to a product delivery service



benefits of product delivery subscription services

Amongst online shoppers currently subscribed to a product delivery service (eg. meals, cleaning products, toilet paper, wine etc), **convenience is still the major driver**.

However, in the current economic climate convenience has declined (-11% pts) as an attraction to product delivery subscriptions, while **having control over costs has increased** as an attraction (+9% pts).

For those not currently subscribed, the primary reasons are that shoppers don't want to be locked into a recurring purchase (51%), too expensive (49%) and they prefer to have a choice of brand each time they buy (36%).

what do subscribers like about product delivery services



online shopping drivers

Retailers must look to win over online shoppers with added value and relevant shopping experiences that are suited to the current economic climate and deliver truly life enhancing convenience.

- In the current economic climate, consumers feel less attracted to their favourite brands by value for money. They are looking online for lower prices, discounts and the ability to do price comparisons.
- Providing ways for shoppers to feel in control over costs has increased as an attraction and benefit of product delivery subscription services.

Convenience remains the #1 reason for purchasing online but has declined as a driver.

- While most online shoppers will pay more for convenience (even those most impacted by cost-of-living pressures), retailers must genuinely deliver products, services and experiences that make shoppers lives easier.

Retailers should amplify communication of their authentic ethical and sustainable credentials, as these are compelling reasons for brand choice particularly amongst younger generations.

- Significant proportions of online shoppers prefer ethical and sustainable brands. Retailers embedding sustainability practices throughout the business should incorporate these into brand communications and make it easy for shoppers to choose sustainable products or services.

background

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retail marketing

direct to consumer

04. cost of living impact

there is increased caution in spending
due to current and potential future cost
of living pressures



70%

up 5% pts on last year

“potential for further interest rate rises
means I’m more cautious about
spending”



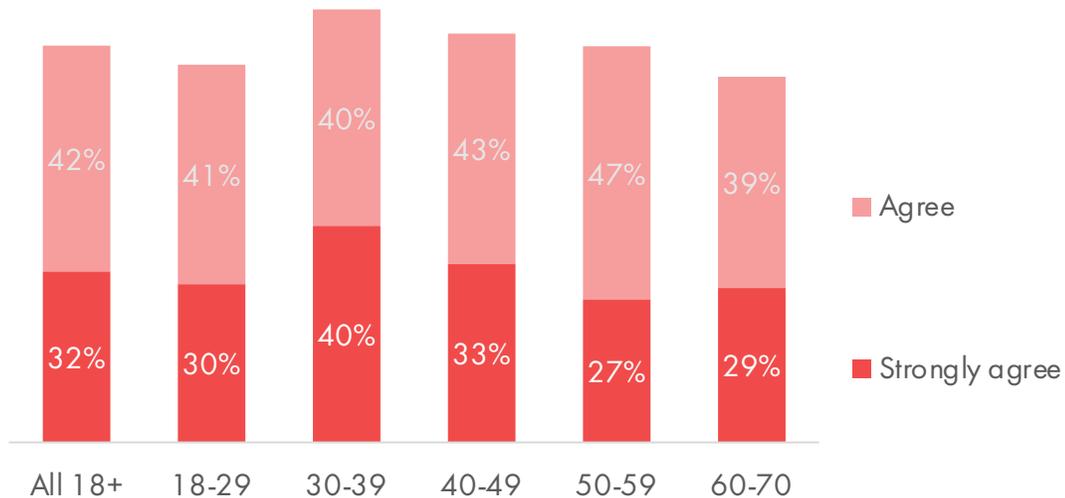
74%

up 8% pts on last year

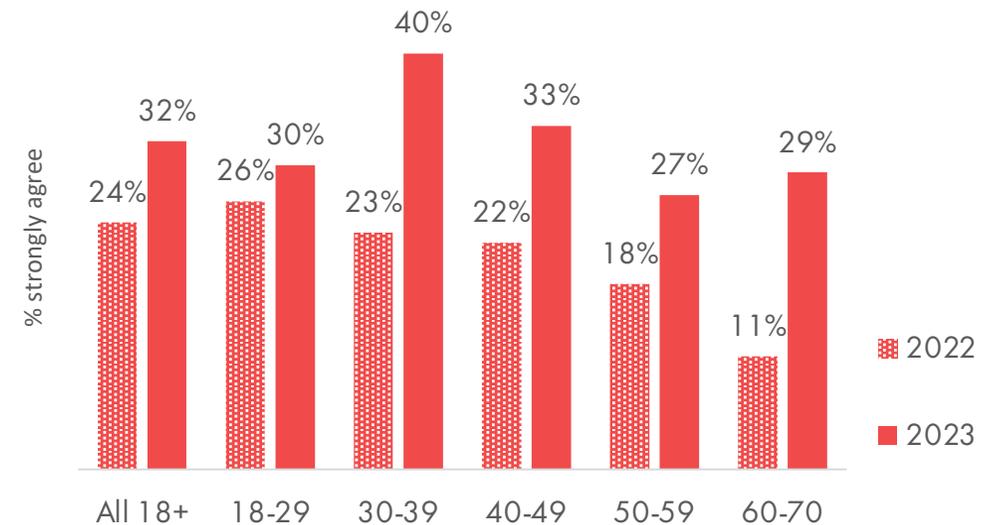
“cost of living pressures mean I don’t
have as much to spend on less essential
retail shopping”

a third of online shoppers strongly agree “cost of living pressures mean I don’t have as much to spend on less essential retail shopping”

This is felt most strongly by those aged 30-39, where 40% strongly agree.



The sentiment has increased significantly amongst those aged 30-39 (up 17% pts) and 60-70 (up 18% pts).



cost-of-living impacts on shopping behaviour

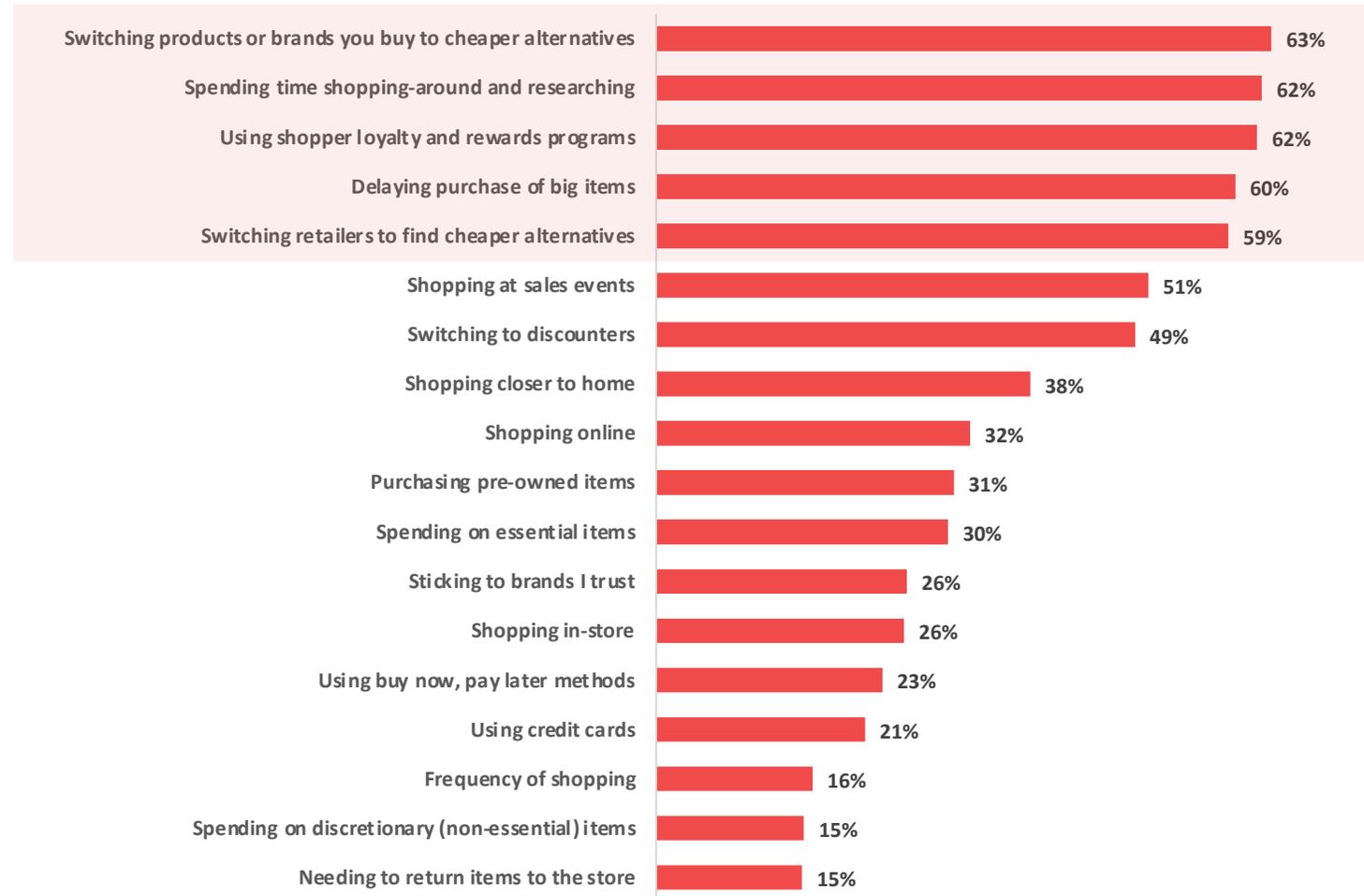
more

- brand, product and retailer switching
- time spent researching
- usage of shopper loyalty/ rewards
- delaying purchases

less

- spending on non-essentials
- frequency of shopping

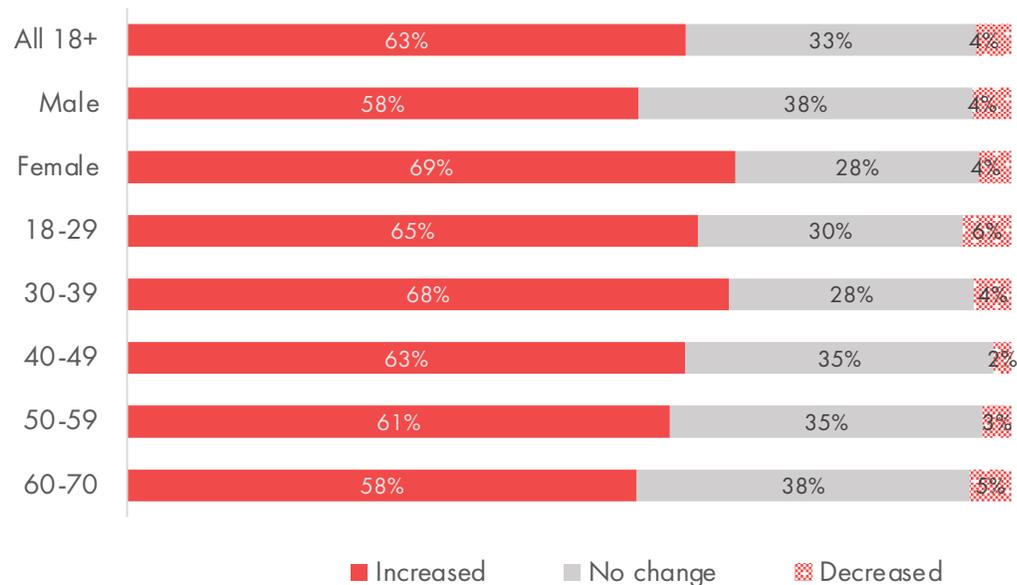
% increased shopping behaviour due to current rises in cost of living



cost of living pressures are driving brand switching, for 17% this means moving away from brands they trust

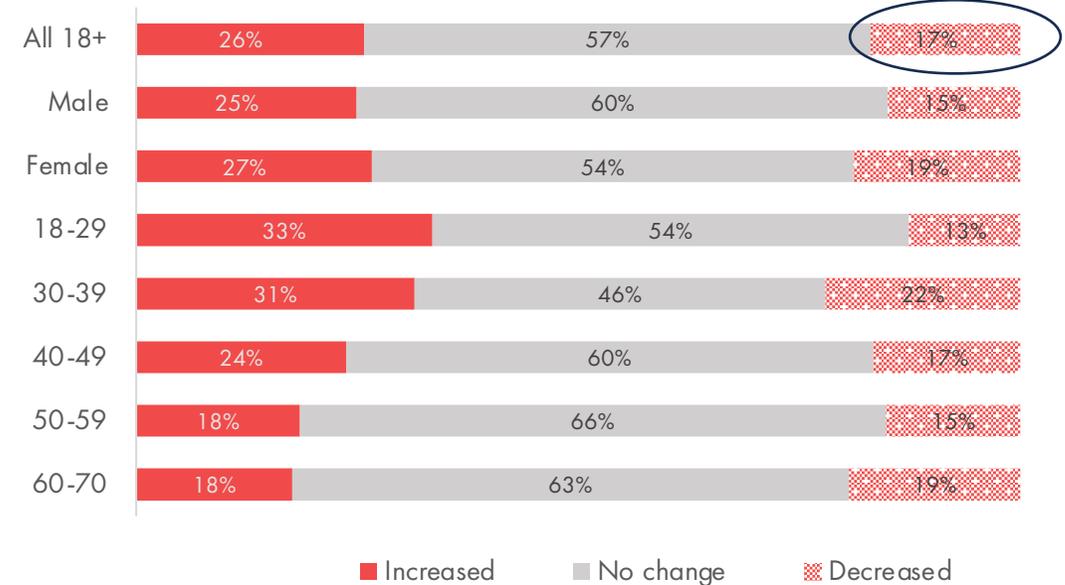
changes in shopping behaviour since recent rises in costs of living

Switching products or brands you buy to cheaper alternatives



7 in 10 (69%) females have increased switching products and brands to buy cheaper alternatives.

Sticking to brands I trust



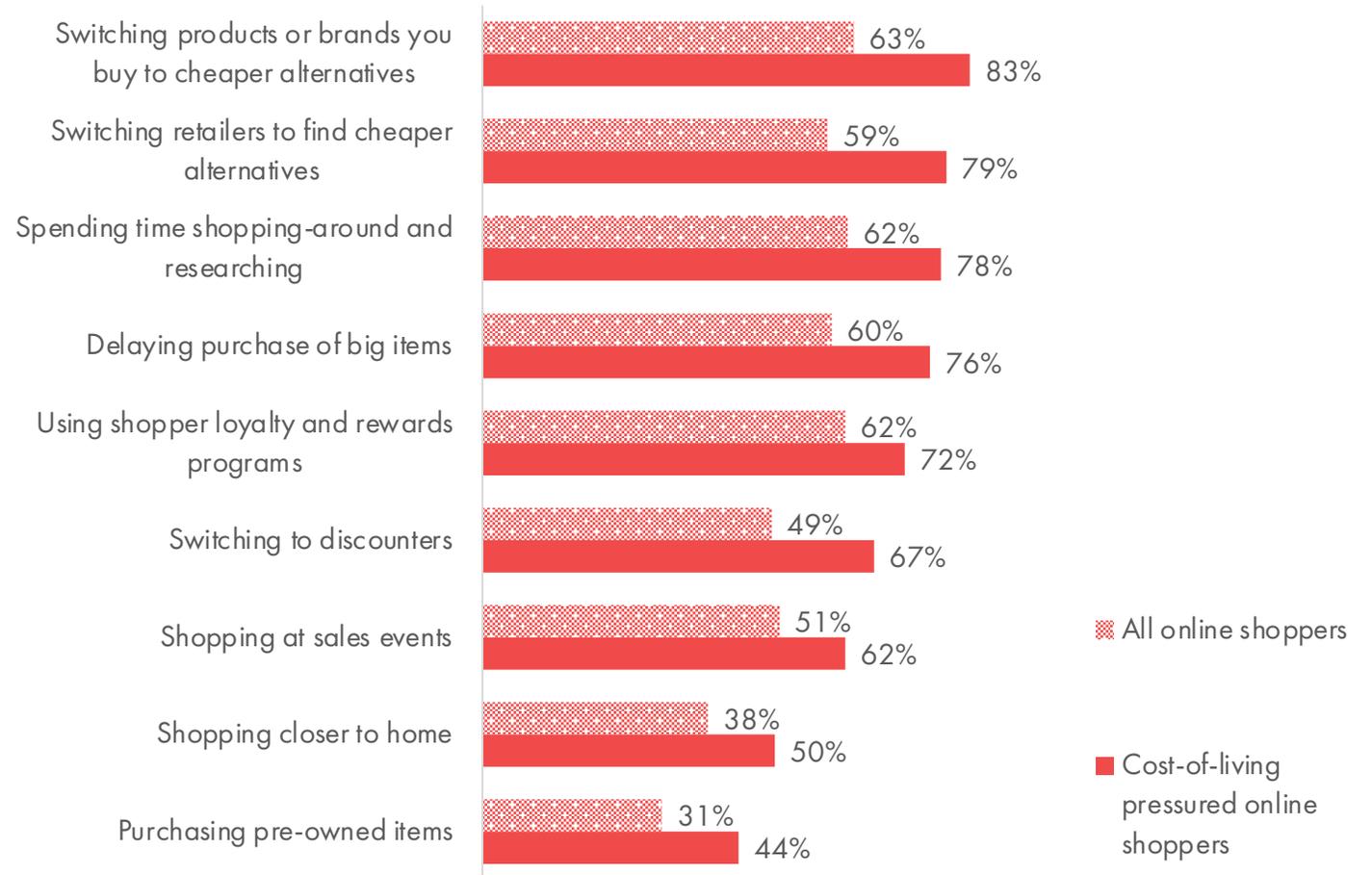
A third (33%) of 18-29's are increasingly sticking to brands they trust.

cost-of-living impacts on shopping behaviour

A third of online shoppers strongly agree “cost of living pressures mean I don’t have as much to spend on less essential retail shopping.”

These shoppers are even more likely to have increased switching products, brands and retailers along with increasing a range of other behaviours.

% increased shopping behaviour due to current rises in cost of living

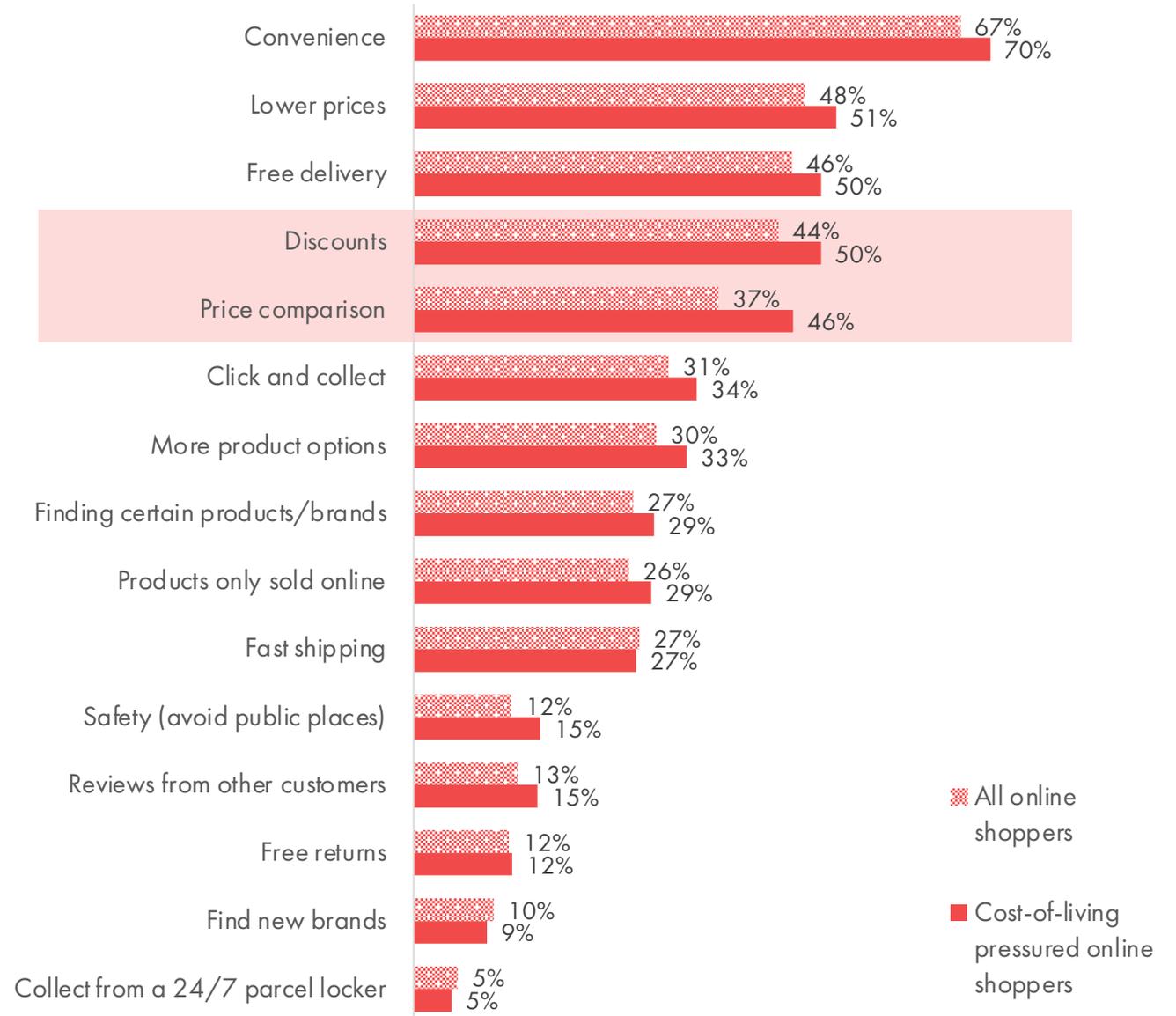


online purchase drivers for those most impacted by cost-of-living pressures

A third of online shoppers strongly agree “cost of living pressures mean I don’t have as much to spend on less essential retail shopping.”

In terms of online purchase drivers, these shoppers are more likely buying online for price comparisons and discounts.

They are also more likely to be looking for brands that provide value for money (82% compared to 77% of overall shoppers) and brands suited to cost-of-living pressures (51% compared to 37% of overall shoppers)



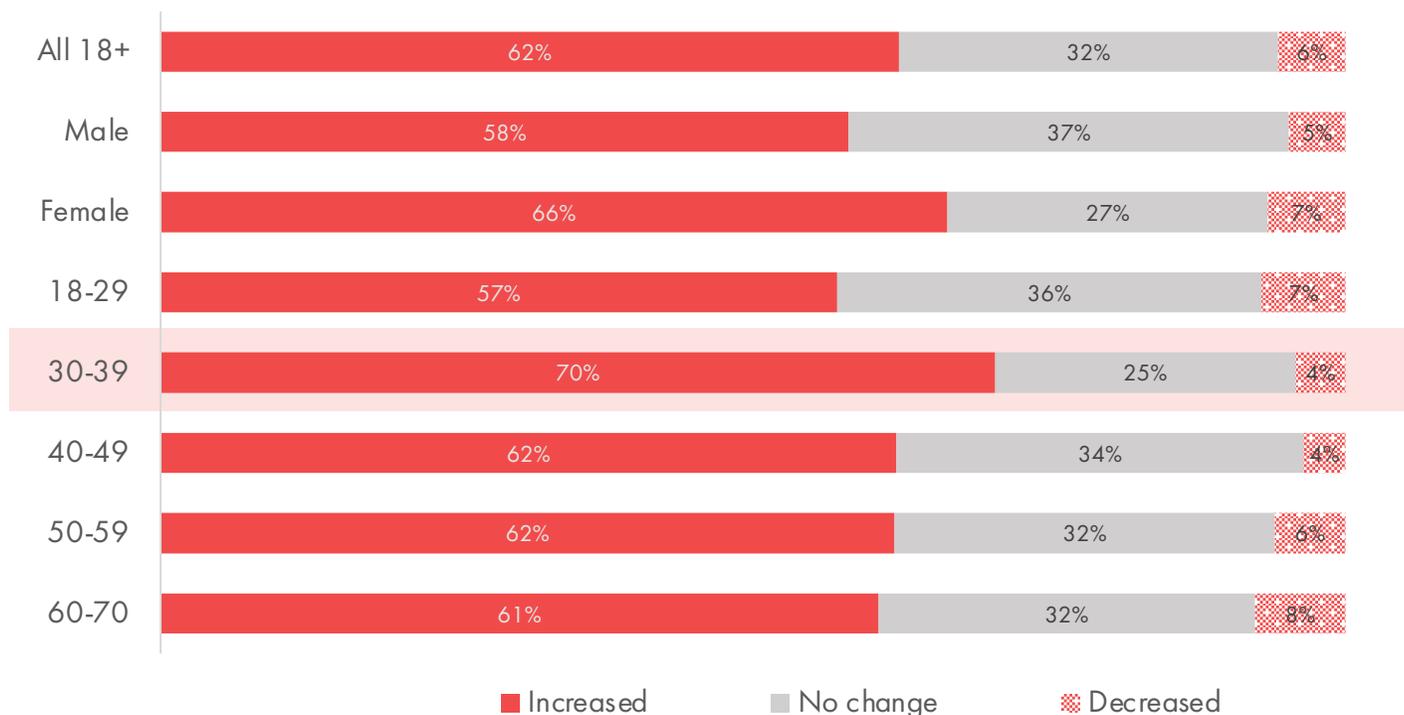
online purchase drivers for those most impacted by cost-of-living pressures

6 in 10

online shoppers (62%) have increased the time they spend shopping around and researching since the recent rises in costs of living.

Having information readily available and an easy research process will increase shopper confidence.

time spent shopping around and researching since recent rises in costs of living

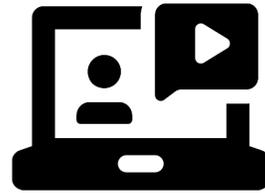


convenience, research and good customer experience increase confidence



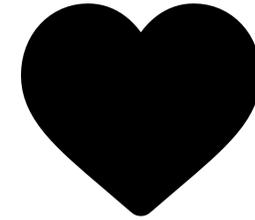
57%

I am prepared to pay more for products that **make my life easier**
(50% in 2022)



71%

If I'm buying a brand for the first time, I **always research** it before making the purchase
(67% in 2022)



58%

If there is a brand I love, I tend to **tell everyone about it**
(56% in 2022)

cost of living impact

As cost-of living pressures continue retailers need strategies to overcome consumer hesitancy and possible brand, product and retailer switching.

- Most online shoppers have less to spend on non-essentials and cautious about their spending. Interest rate increases, inflation and rising costs-of-living are weighing on consumer spending and provide a new test for retailers.
- These cost-of-living pressures have led to increased brand, product and retailer switching, spending less and delaying purchases. Trust, loyalty and good customer experience can increase confidence in shoppers.

Building customer loyalty will be more important than ever

- Due to current rises in costs of living, the usage of shopper loyalty/rewards have increased.

Retailers must look to win over online shoppers with added value, relevant shopping experiences that are suited to the current economic climate and deliver truly life enhancing convenience

- While most online shoppers will pay more for convenience (even those most impacted by cost-of-living pressures), retailers must deliver products, services and experiences that genuinely make shoppers lives easier.
- Online shoppers have increased the time they spend shopping around and researching since the recent rises in costs of living. Having information readily available and an easy research process will increase shopper confidence.

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retail marketing

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05. discovering products and brands

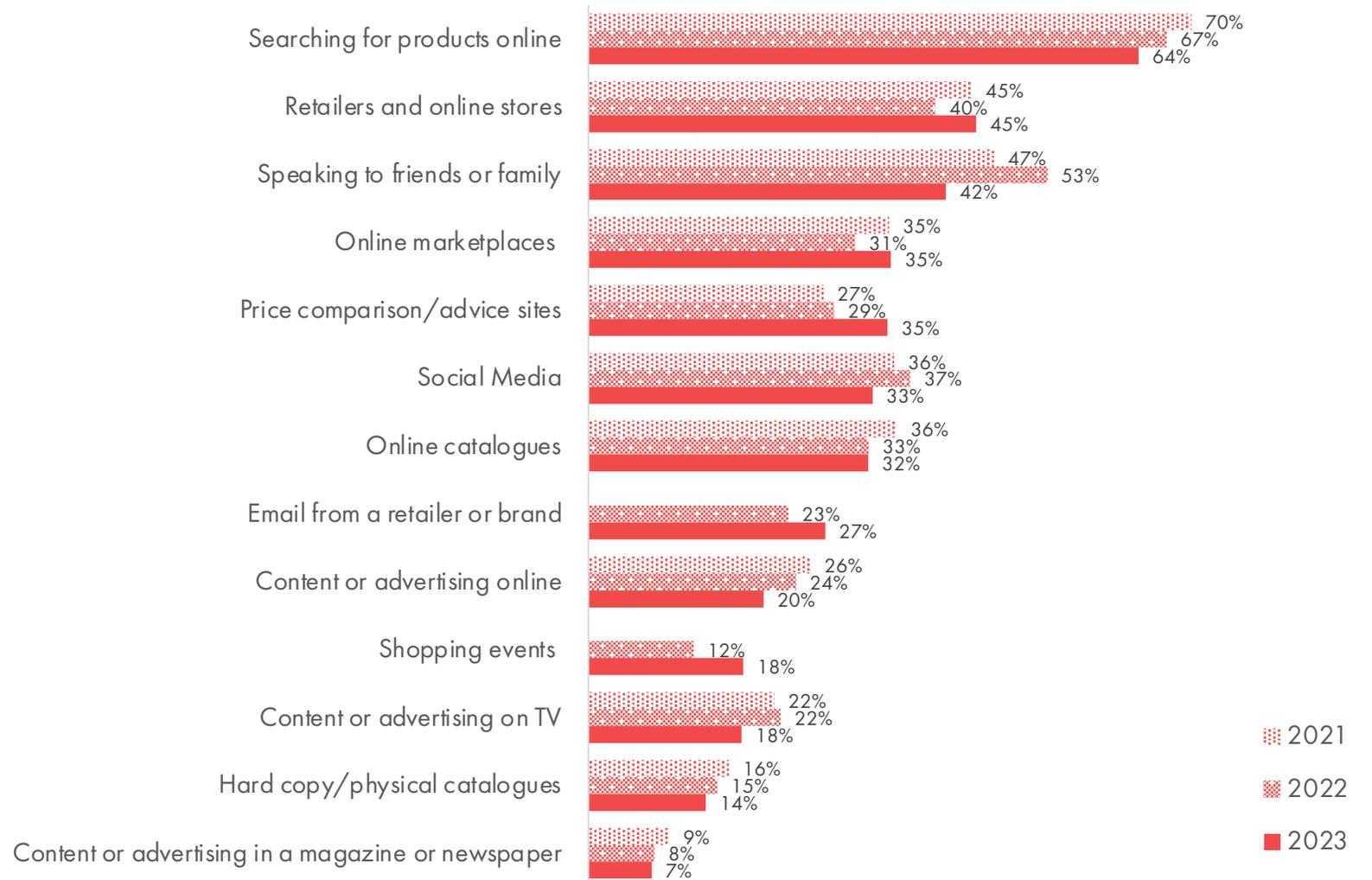
sources of inspiration and discovery

Search remains key to discovering brands when shopping online.

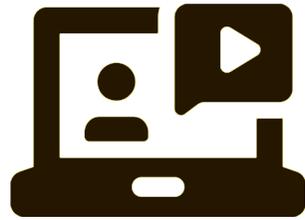
Some age differences in inspiration sources:

- 18-29's (55%) and 30-39's (44%) more likely to use social media
- 40-49's (41%) more likely to use price comparison sites
- 50-59's (68%) more likely to use search
- 60-69's (34%) more likely to use email from retailer or brand

sources used for product inspiration and discovering brands



social media and influencers key to millennial and gen z online shoppers

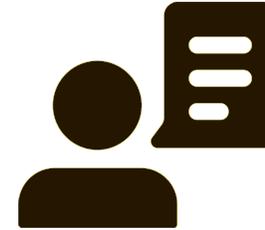


52%

of 18-39's agree

social media is now an important part of
how I find products I go on to buy

25% of age 40+ agree



41%

of 18-39s agree

influencers on social media are a useful
source to help me discover new
products

27% of age 40+ agree

online shoppable advertising

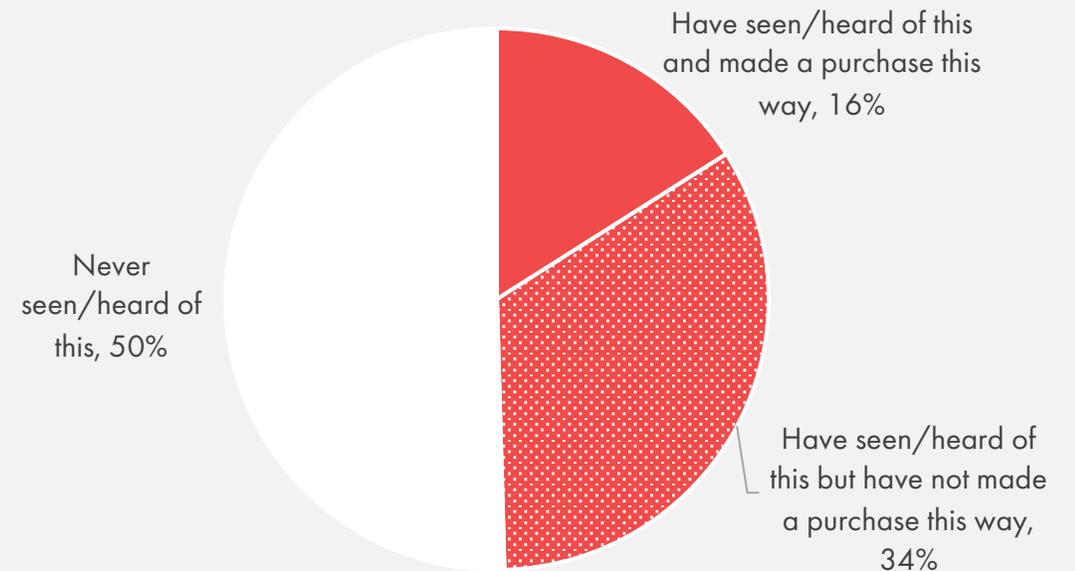
Half (50%) of online shoppers are aware of shoppable advertising where you can make online retail purchases directly from the online advertisement you are viewing, often without leaving the website, app or platform you were browsing.

- Awareness is up slightly from 48% last year to 50%
- 60% of 18-39's are aware of this type of advertising
- 59% of frequent online shoppers (at least weekly) are aware of this type of advertising
- 55% of females are aware compared to 44% of males.

16% of online shoppers have made an online purchase this way.

- 26% of 18-29's have made an online purchase this way

awareness of online shoppable advertising



discovering products and brands

There are many ways that various segments of online shoppers discover products and brands.

- Search remains key to discovering brands when shopping online but should be combined with other channels to maximise brand and sales outcomes.
- Retailers own stores and communications are also key to shoppers discovering products and brands.
- Half of online shoppers are aware of shoppable advertising, and a significant proportion have purchased this way.

- Marketers need to ensure they are investing sufficiently in brand building (finding the right balance between brand building and sales activation), as brand building is the main driver of long-term business growth.
- It's not an either-or decision when it comes to media choices, as the highest ROI comes from having a combined multi-channel approach. It is the combination of media that drives greater ROI and not a specific media on its own.

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06. retail marketing

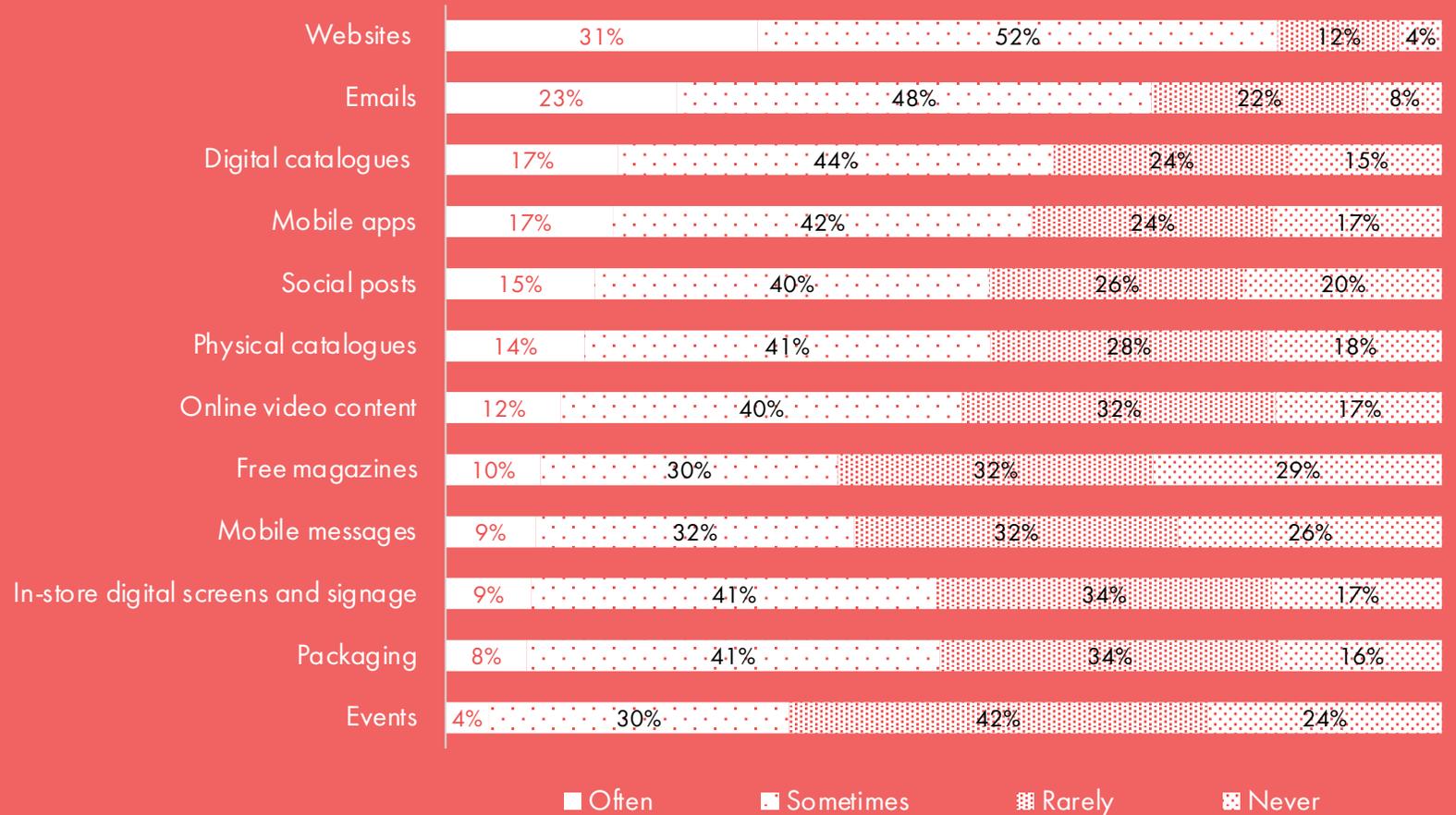
retailer communications consumed

60% of online shoppers often read content produced by retailers.

There is a dominance of digital touchpoints which also provide rich behavioural data for retail marketers.

Consumption increases on last year (often/sometimes): packaging (+10% pts), online video (+8% pts), mobile apps (+7% pts) and events (+6% pts).

frequency read content produced and distributed by retailers



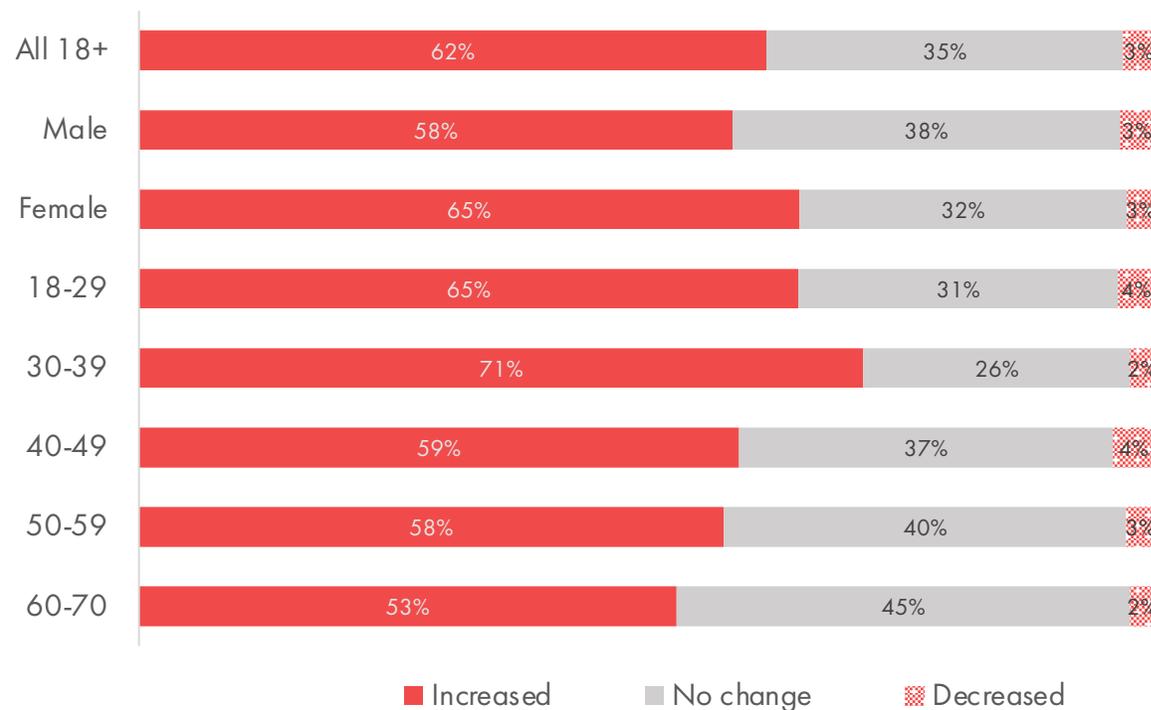
cost-of-living pressures driving increased usage of shopper loyalty and rewards programs

62%

of online shoppers have increased their usage of shopper loyalty and rewards programs since recent rise in costs of living.

7 in 10 of online shoppers aged 30-39 (the age group most impacted by cost-of-living pressures) have increased their usage.

usage of shopper loyalty and rewards programs since recent rises in costs of living



retail loyalty and rewards programs

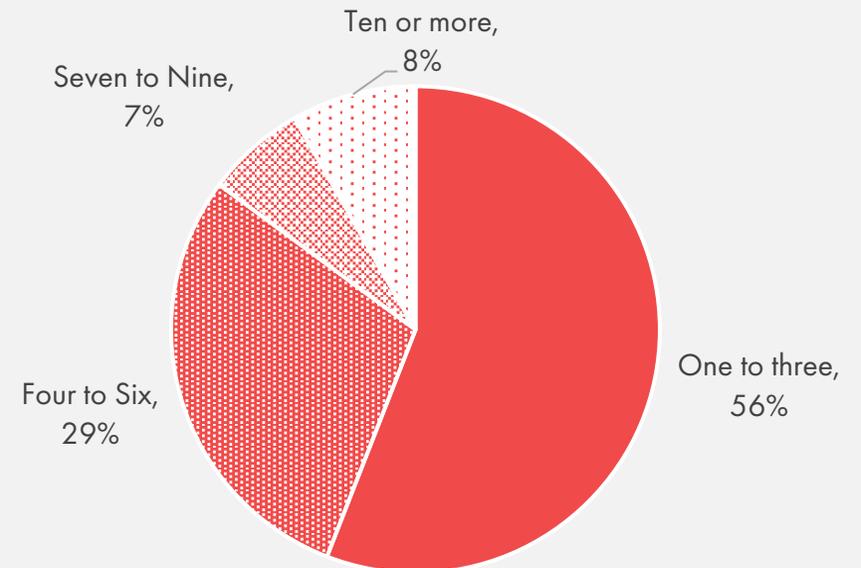
9 in 10 online shoppers remain signed up to at least 1 shopper rewards program.

44% of those signed up to a rewards programs have 4 or more cards.

Some profile differences amongst heavy rewards program users (4 or more cards):

- More likely to be female (55% of females compared to 33% of males)
- More likely aged 30-39 (52%) and 40-49 (46%)
- More likely frequent online shoppers (48% of those shopping online at least weekly)

number of retail loyalty programs or shopper rewards cards signed up to



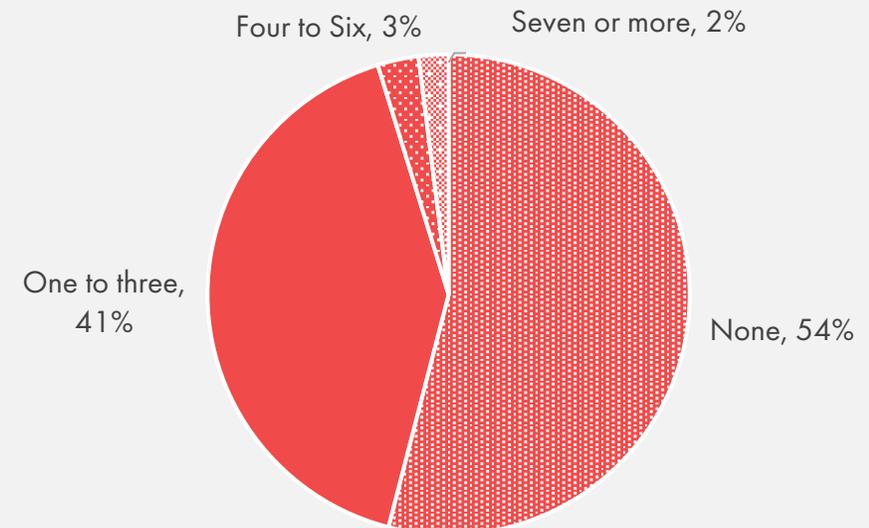
cashback website or app accounts

Nearly half (46%) of online shoppers have set up a cashback website or app accounts do you have set up where you receive money back when making purchases with a retailer via the cashback site or app for example Cashrewards, Shopback, Kickback, Super-Rewards etc.

Online shoppers with cashback accounts are more likely:

- Female (48% of females compared to 42% of males)
- Aged 30-39 (66%) and 18-29's (50%).
- More frequent online shoppers (56% of those shopping online at least weekly).

number of paid for retail loyalty programs subscribed to



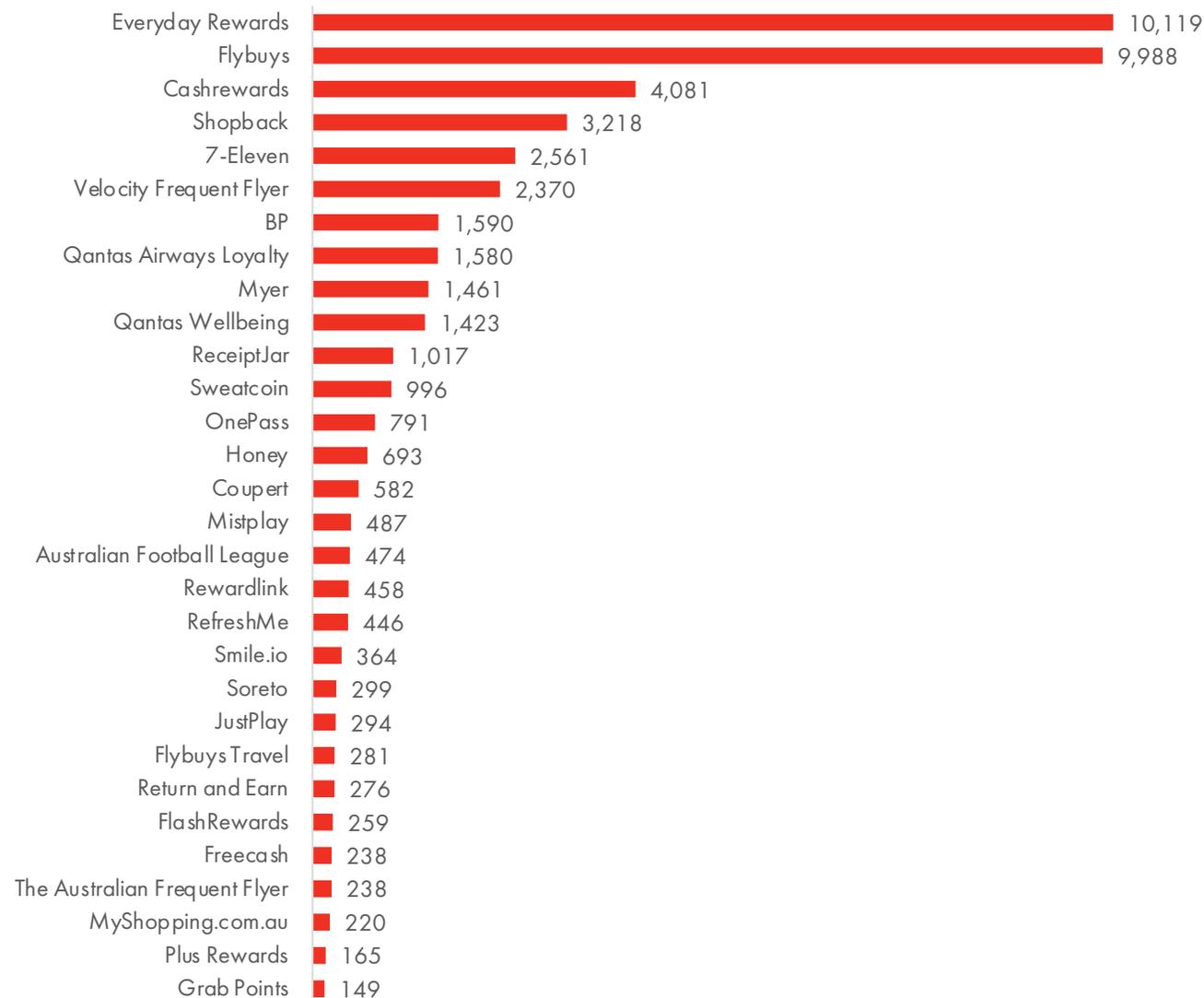
popular retail loyalty, rewards and cashback brands

17.6 million Australians visited a retail voucher, rewards or loyalty program website or app in July 2023.

Total Time spent on retail voucher, rewards or loyalty program websites and apps has increased 41% over January to July 2023.

retail loyalty, rewards and cashback brands

audience (000s) aged 14+ in July 2023



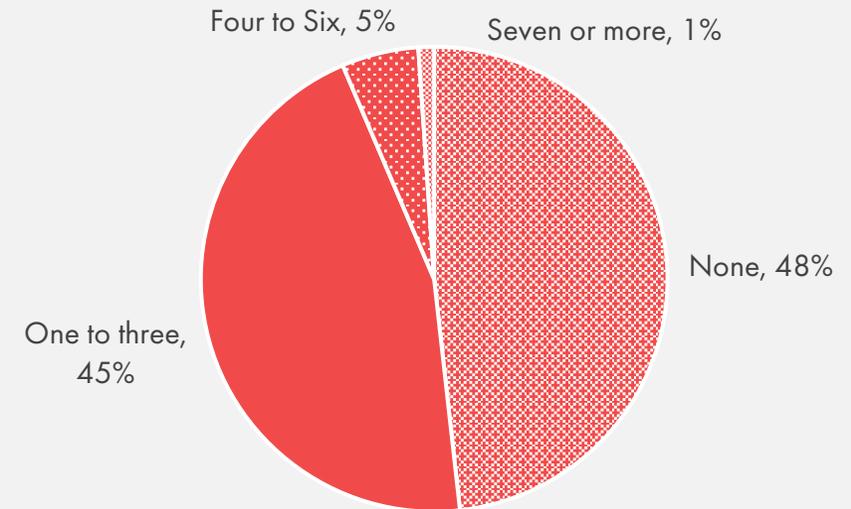
subscription retail loyalty programs

Half (52%) of online shoppers are subscribed to a retail loyalty program where they pay a fee to join, for example Amazon Prime, eBay Plus, Wesfarmers OnePass, Woolworths Delivery Unlimited, Costco Membership etc

Online shoppers with a subscription rewards program are more likely:

- Male (54% of males compared to 50% of females)
- Aged 40-49 (60%) and 18-39's (55%).
- Frequent online grocery shoppers (68% of those who shop groceries online weekly) and frequent online shoppers for other retail products (67% of those who shop for other products weekly).

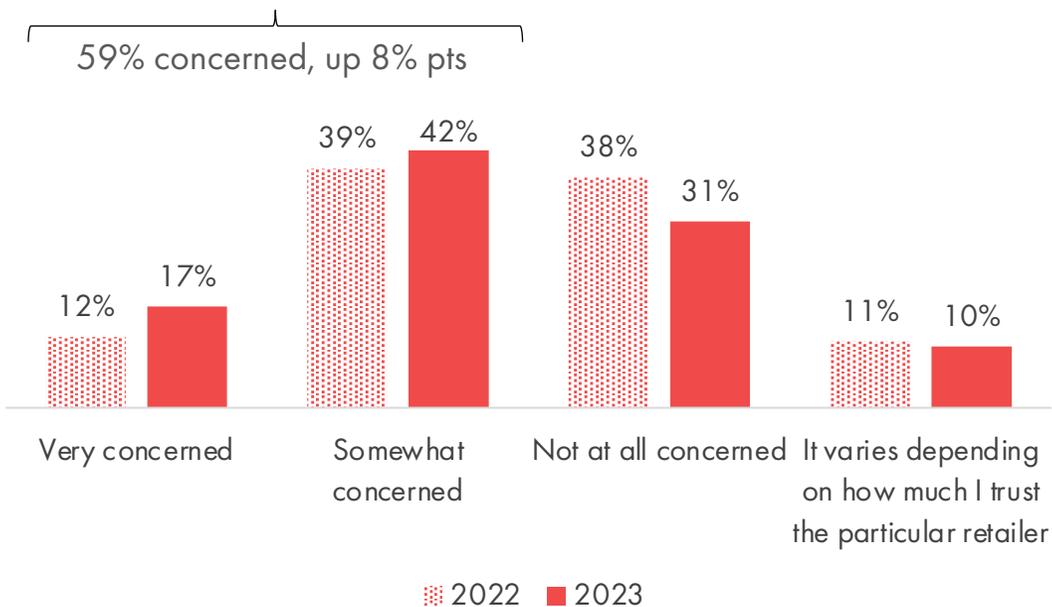
number of paid for retail loyalty programs subscribed to



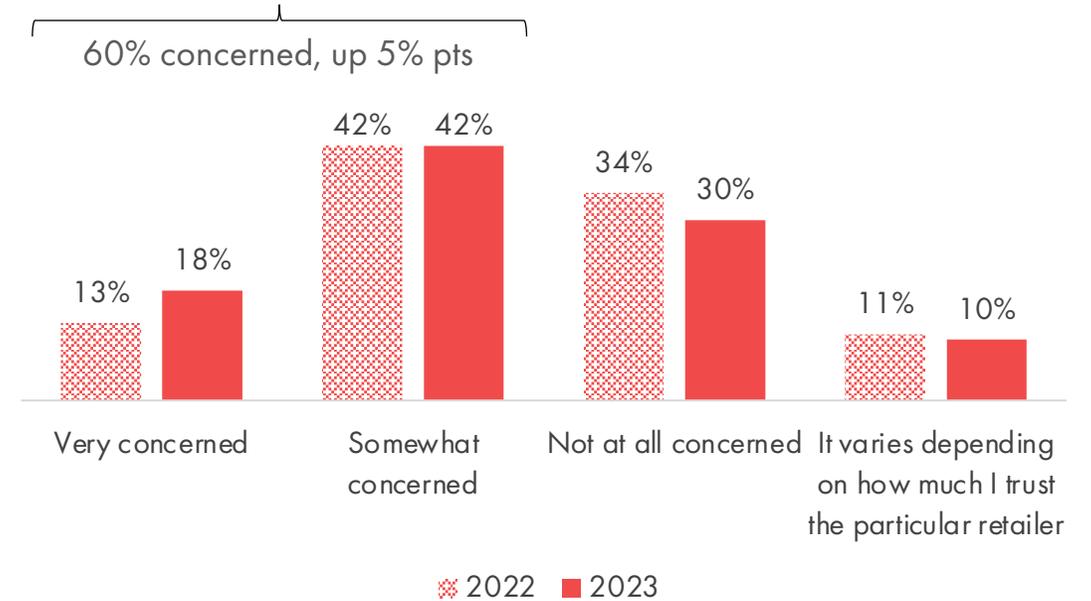
trust and transparency key for retailers collecting shopper data

Concern with how retailers use shopper data has increased over the last year. 6 in 10 online shoppers have some level of concern over how data, collected via loyalty cards and transactions, is used by retailers. A further 10% say concern varies depending on how much they trust the retailer.

level of concern about how retailers use data provided via loyalty cards



level of concern about how retailers use data provided via any transaction

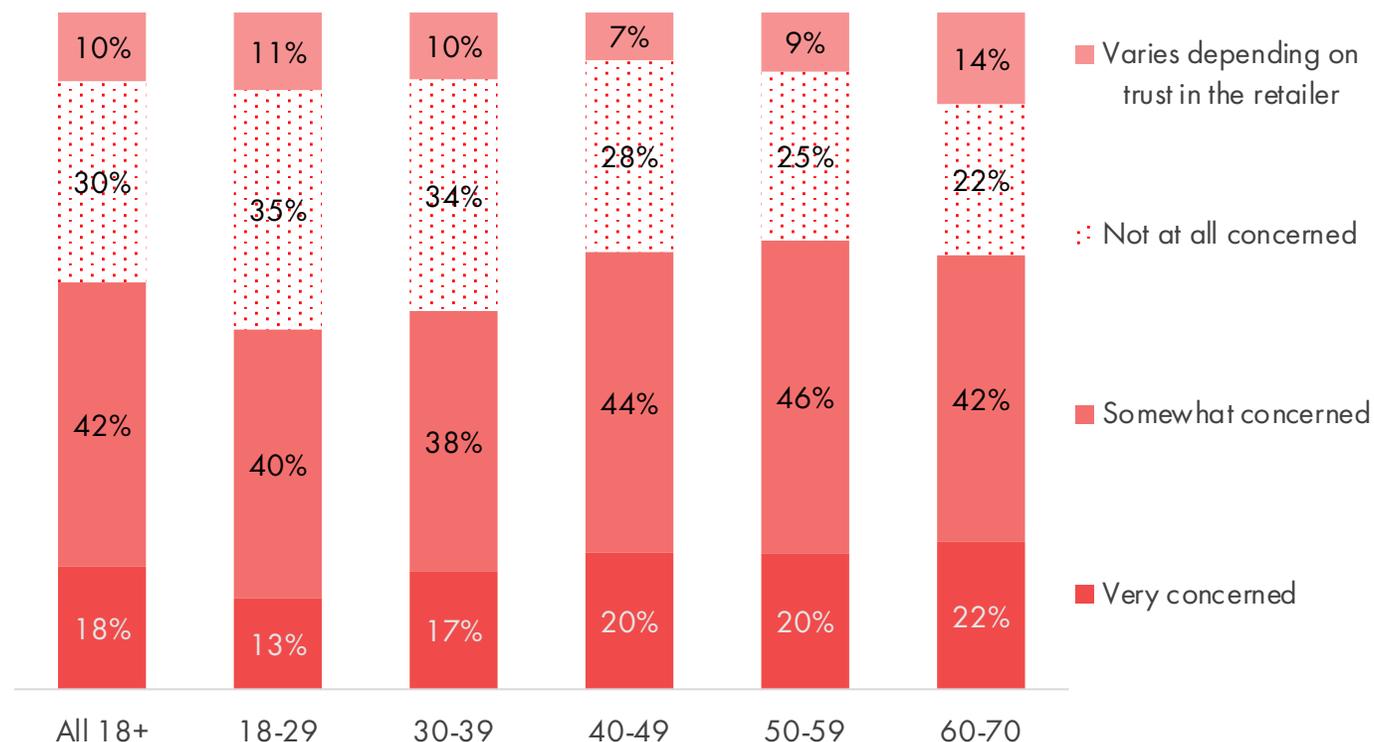


trust and transparency key for retailers collecting shopper data

6 in 10 online shoppers are concerned about how retailers use the data they collected via transactions, a further 10% say it depends on the trust they have with the particular retailer.

Two-thirds (66%) of 40-70 year olds are concerned compared to 55% of under 40's.

level of concern about how retailers use shopper data via transactions



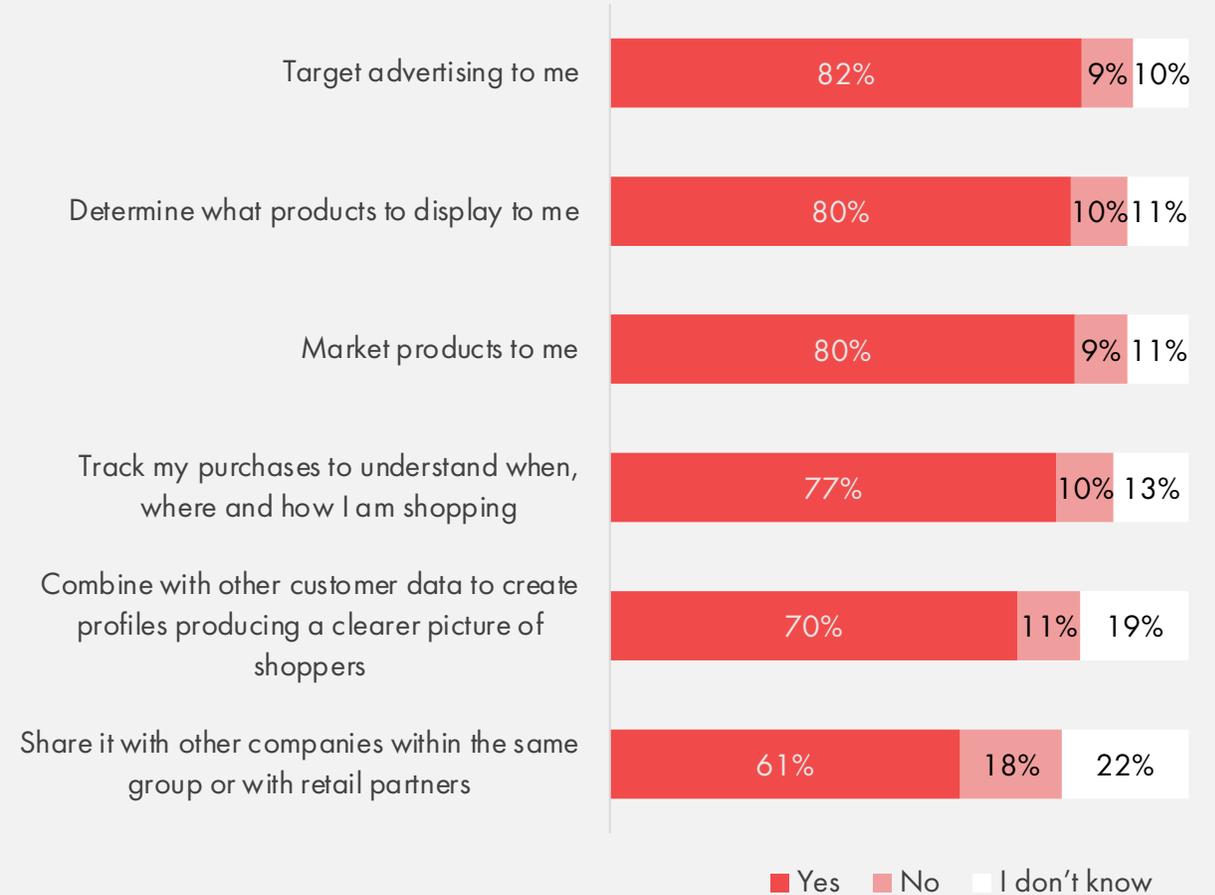
retailer data usage

Most online shoppers do understand that their data is used for targeting advertising and marketing.

However, 22% of online shoppers don't know whether retailers share their data with other companies.

Retailers need to ensure they are using clear communication around the data value exchange and transparency on how their data is used, to make shoppers more comfortable to provide their data.

what do shoppers think retailers do with their data?



retail marketing

Retailers own stores and communications are key to shoppers discover of products and brands.

- Most online shoppers often read content produced by retailers.
- There is a dominance of digital touchpoints which also provide rich behavioural data for retail marketers.

Cost-of-living pressures are driving increased usage of shopper loyalty and rewards programs that offer a way to win over online shoppers seeking extra value.

- The programs provide retailers with rich behavioural data for marketing but in exchange there must be clear benefits to consumers of exclusive discounts, rewards, personalised offers that enhance their shopping experience while saving money.
- There is a growing number of programs consumers are using to increase value in their online shopping experiences including cashback website or app accounts and also paid for subscription rewards programs.

Trust and transparency are key for retailers collecting shopper data as online shoppers have some concerns about how retailers use their data.

- Clear communication and transparency in how retailers use the data collected can make shoppers more comfortable to provide their data.
- Retailers need to provide clear communication around the data value exchange. 4 in 10 online shoppers would pay extra for personalisation, so there are benefits on both sides to consumers understanding of the value exchange.

background

online shopping behaviour

online shopping drivers

cost of living impact

discovering products and brands

retail marketing

direct to consumer

07. direct to consumer

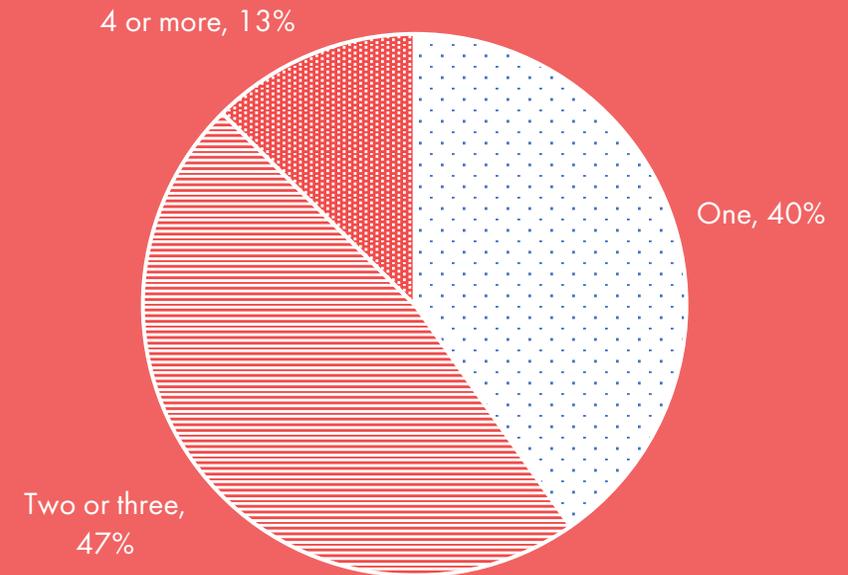
direct brand shopping

49%

of online shoppers have purchased a direct brand. Direct brand shopping has been maintained at levels similar to the previous two years.

Direct-to consumer brands sell goods entirely or primarily through their owned and operated digital channels. Born and bred online they have nimble business models, strong brand purpose and mission-based marketing.

number of different direct brands purchased
(amongst those who have purchased a direct brand in the last 12 months)



direct brand shoppers are not just millennials, but they are younger and more frequent online shoppers

women



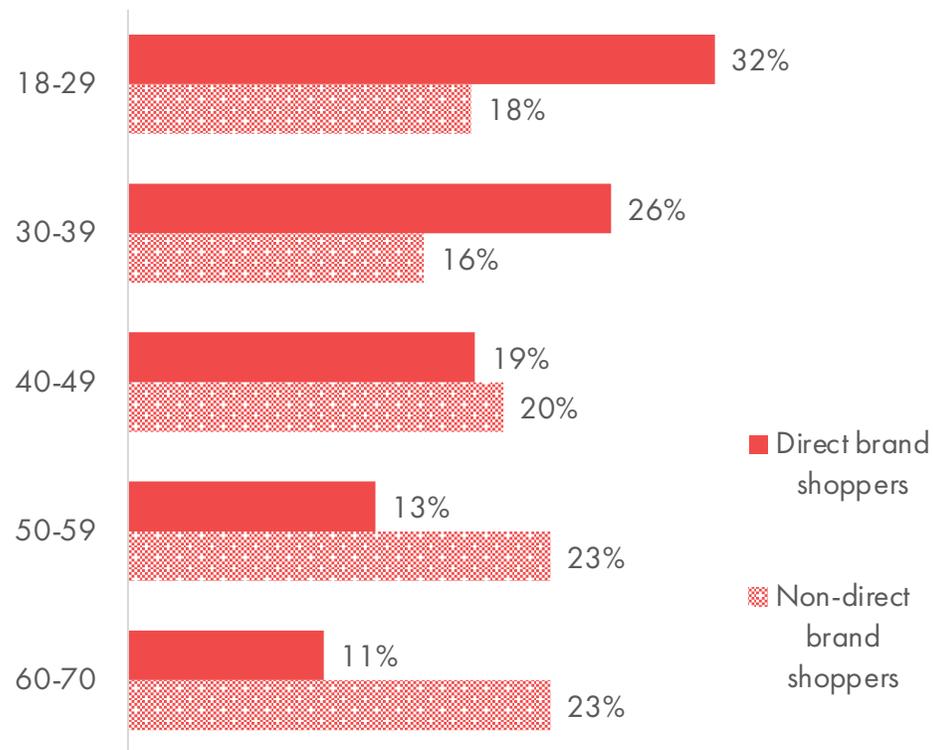
55%

men

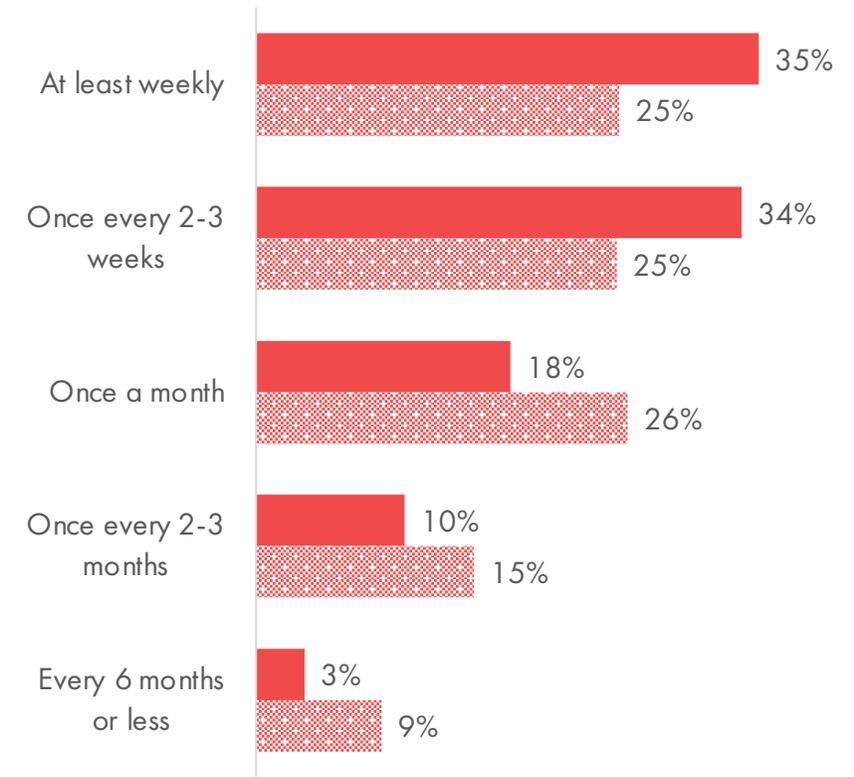


45%

age profile



frequency of online shopping



ethical and sustainable propositions resonate more strongly with direct brand shoppers



53%

Purchasing from **ethical** brands is important to me

38%
non-direct brand shoppers



53%

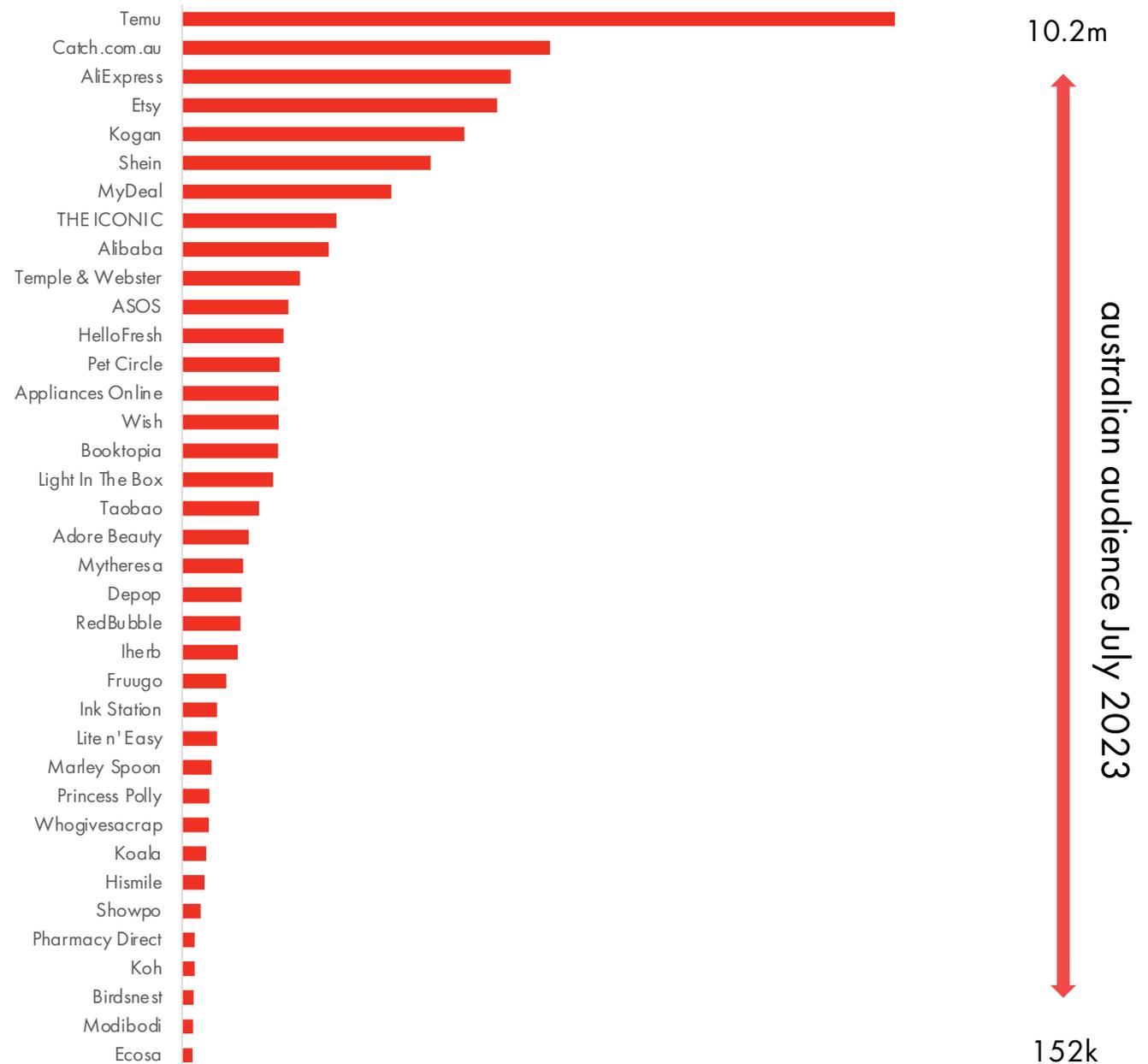
I prefer to buy from brands that I know are **sustainable**

40%
non-direct brand shoppers

some of the direct brands australians are familiar with

There is a large range of examples of direct-to consumer brands that sell goods entirely or primarily through their owned and operated digital channels.

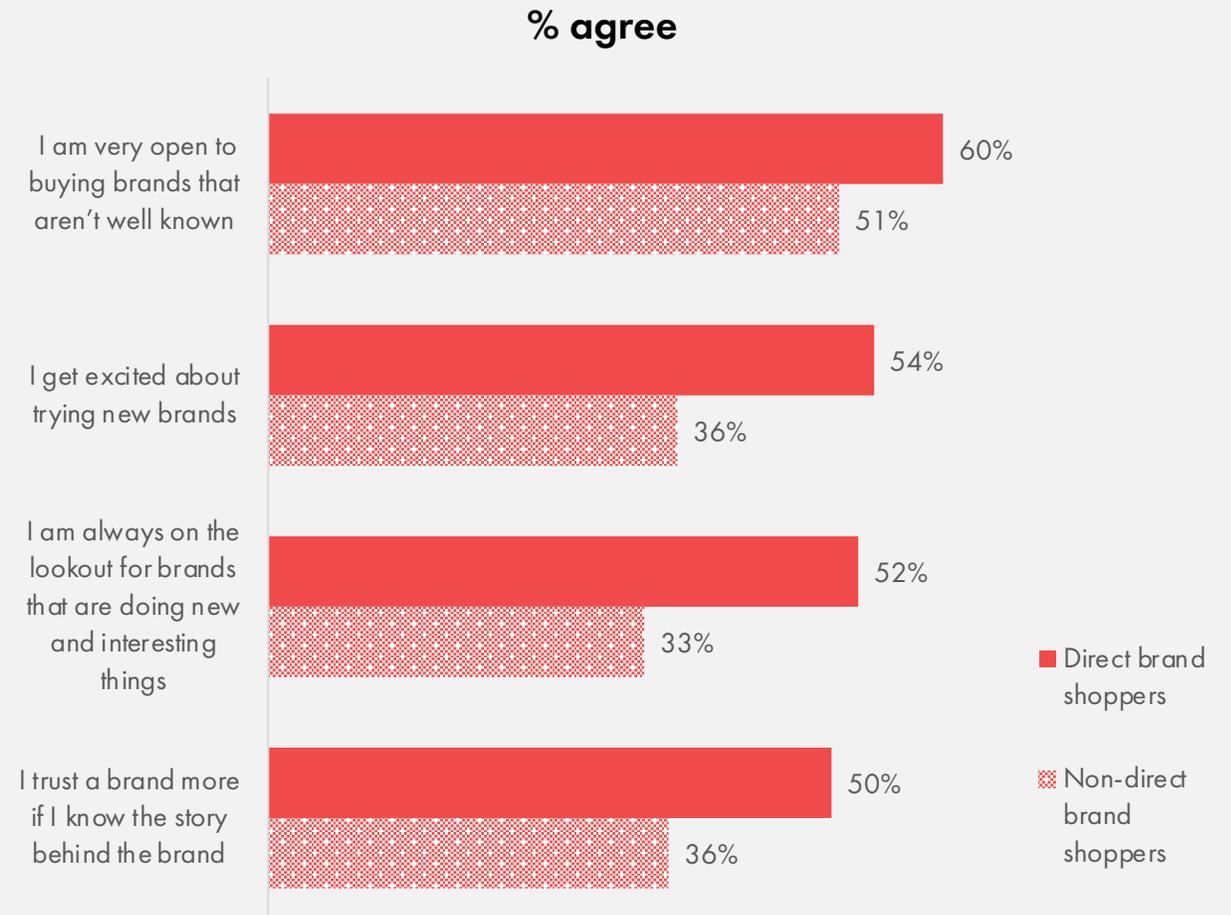
Temu, a discount online marketplace launched in Australia in April 2023, with an audience of 5.5 million that has grown to 10.2million in July 2023, becoming the 5th largest retail brand online overall in terms of monthly audience size.



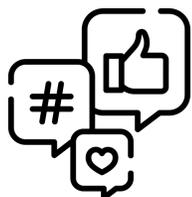
direct brand shoppers are more adventurous, excited by new brands and look out for brands doing new things

60%

of direct brand shoppers are open to buying brands that aren't well known.



direct brand shoppers are discovering products on social media and they are brand advocates themselves



47%

Social media is now an important part of how I find products I go on to buy

28%

non-direct brand shoppers

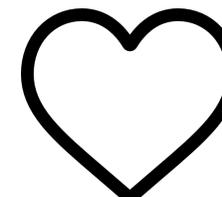


36%

Influencers on social media are a useful source to help me discover new products

21%

non-direct brand shoppers



67%

If there is a brand I love, I tend to tell everyone about it

50%

non-direct brand shoppers

direct brand shopping experience continues to reward



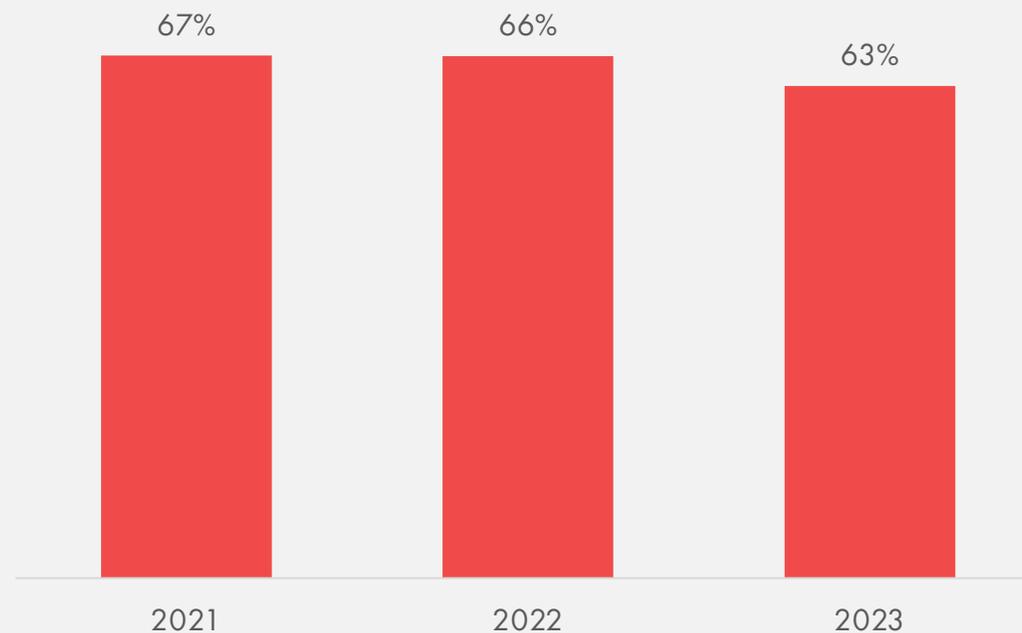
71%

my online shopping
experience has been
rewarding for me

55%

non-direct brand shoppers

'my online shopping experience has been rewarding for me'
% agree amongst all online shoppers



direct to consumer

Retailers and brands transforming to new ways of marketing and distribution are encouraged to review the strategies of direct brands

- The current economic and social climate has highlighted a shift to rewarding the strengths of direct brand businesses. A nimble business model, strong brand purpose, empathetic mission-based marketing, combined with classic marketing expertise in all areas (promotion, price, product and distribution) are contributing to a resilient direct brand landscape.
- Online shoppers with direct brands in their repertoire, are more likely to be attracted to their favourite brands by a range of hygiene factors and brand proof points such as social responsibility, innovation, personalisation and alignment with brand values and value for money is a less important attraction.
- Overall, the online shopping experience of shoppers with direct brands in their repertoire is significantly more rewarding than for non-direct brand shoppers.
- The convergence of commerce, data and content, with direct brands and e-tailers creating their own content has also been identified as having the potential to disrupt traditional media companies.

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