ecommerce report

The changing shape of the local ecommerce and retail marketing landscape

australia : wave 4
new zealand : wave 1
2024

iab. australia

Pureprofile

contents

introduction

We are proud to present Wave 4 of the Australian-commerce Report in collaboration with our long-standing partner, IAB Australia. This report provides valuable insights into online consumer behaviour in an unpredictable and challenging environment. This year, we're thrilled to expand our analysis to include New Zealand, giving us a deeper understanding of spending habits across the Tasman Sea.

Our report is set against a backdrop of a shifting economic climate. With many consumers feeling the pinch of inflation and interest rate hikes over the past year, there is a noticeable shift towards conservative spending. Convenience remains the key driver for purchasing items online, but people are being more cautious in their approach. Across Australia and New Zealand, consumers are spending more time researching a potential purchase or delaying it altogether. Current and future cost of living pressures have also seen them cut down on purchasing non-essential items.

In this quest for savings, consumers are prioritising the best possible deals and frequently switch retailers or brands to secure better prices. Rewards and loyalty programs have also gained traction, with our findings revealing that 9 out of 10 online shoppers are enrolled in at least one program to earn rewards or cashback.

While budgets are tighter, retailers still have a great opportunity to capture attention with the majority of consumers engaging with some form of retail marketing. Moreover, nearly all online shoppers are willing to exchange personal information with retailers in exchange for benefits, as long as there is transparency about how their data is being used.

We hope this report provides crucial insight to help businesses navigate the evolving landscape of online consumer behaviour. Together with the IAB, we remain committed to delivering comprehensive and actionable data to support strategic decisions in this dynamic market.

Martin Filz
CEO
Pureprofile

The IAB are proud to partner with Pureprofile to release the fourth wave of the Ecommerce Report assessing Australian consumer attitudes and behaviours and to include insights on the ecommerce market and shoppers in New Zealand for the first time.

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.

Online shopping is firmly established as an essential part of the retail landscape. Consumers continue to discover brands via a huge range of digital channels and ad formats available to advertisers. With increased cost of living pressures this year, shoppers have relied on online channels to provide the information and the tools to help them with more discerning decision making.

The increased importance of loyalty programs for shoppers and retailers is underpinned by trust, transparency and a clearly understood value exchange. Consumers are increasingly looking to loyalty and rewards programs for key benefits including lower prices.

As retailers ramp up retail media offerings, first party data and retailer content are key ingredients in the opportunity for partnering with retailers to reach shoppers at the point of purchase. It is critical that retail businesses carefully review communications to ensure they are providing clear information about their use of shoppers' personal information, as new privacy regulation in Australia is imminent.

The Australian e-commerce sector has experienced significant growth over recent years and it is clear that ecommerce will continue to present exciting opportunities for shoppers, retailers, media owners and advertisers.

Gai Le Roy
CEO
IAB Australia

executive summary

Online shopping is firmly established as **an essential part of the retail landscape** in Australia and New Zealand. The COVID pandemic changed consumer attitudes and behaviours helping online shopping become a mainstream retail avenue. Australian online shopping frequency has increased from 2021 and been maintained year on year.

New online stores are entering the market and expanding product ranges. There is a diverse range of products being purchased online with **clothing, fashion & shoes, groceries and meals & takeaways** being the most popular.

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. **Convenience remains the #1 reason for purchasing online** but stands out less as a driver in recent years. With cost of living pressures there is **a heightened consumer quest for lower prices and discounts.**

With cost of living pressures, online shoppers are embracing more considered spending behaviour, making careful changes to keep their budgets under control. Most online shoppers currently feel like they don't have as much to spend on less essential retail shopping.

Retailers need strategies to overcome consumer hesitancy and possible brand, product and retailer switching (particularly amongst 18-49s). Retailers and brands should **enhance their value proposition, loyalty programs**, delivering **convenience** as well as focus on **brand trust and customer experience and support.** Having information available and an **easy research process** will also enhance consumer confidence.

There are many ways that various segments of online shoppers discover products and brands. It is important for retailers and brands to show up in these various avenues to discovery as online shoppers are spending more time shopping around comparing features, prices, and reviews. **Search** remains key and **social media and influencers** are key for 18-39s. **Price comparison sites** and **shopping events** have increased in importance.

Content produced and distributed by retailers (in particular retailer websites and apps, social posts and emails) is also an important way online shoppers are discovering products and brands. The dominance of digital content touchpoints along with loyalty programs provide rich data for retail marketers.

Cost of living pressures have increased the usage of **shopper loyalty and rewards programs** with the number of online shoppers signed up to paid programs has also increased.

Trust and transparency are key for retailers collecting shopper data as online shoppers concerns about how retailers use their data have increased significantly over the last year. Retailers need to ensure they are using **clear communication around the data value exchange** and **transparency on how shopper data is used**, to make shoppers more comfortable to provide their data.

Most online shoppers do understand that their data is used for targeting advertising, marketing and personalising products shown to them. **Nearly all online shoppers are willing to share some type of personal data** with retail businesses in exchange for benefits from the retailer.

01. background

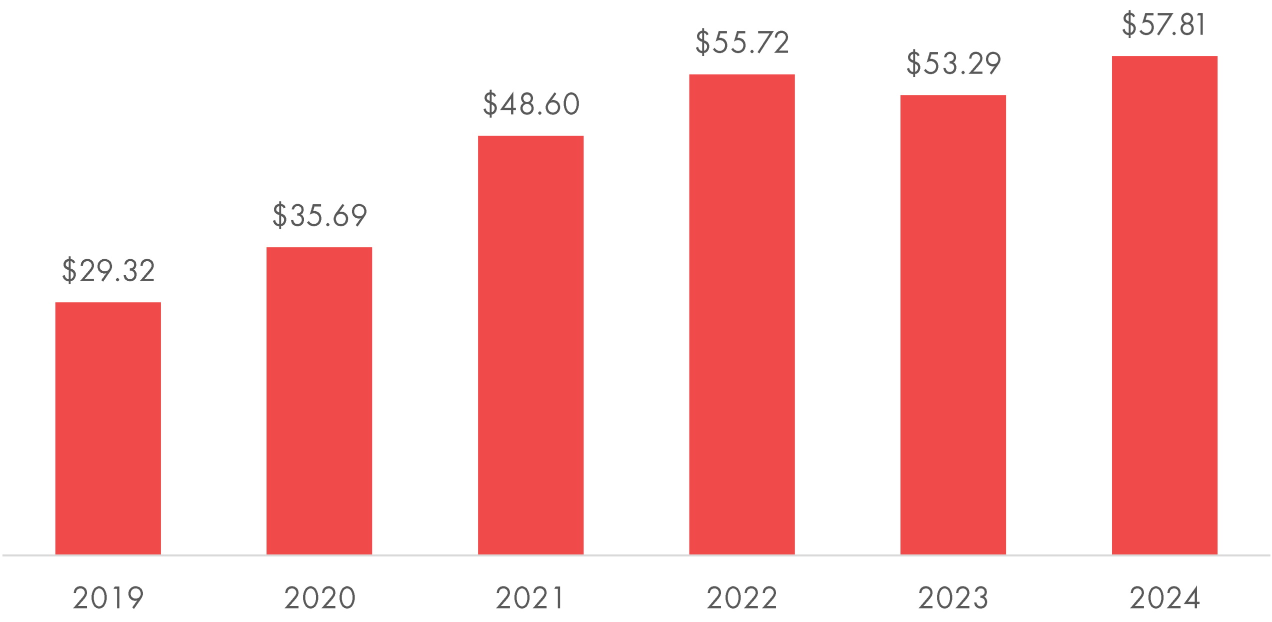
growth in online retail expenditure

NAB estimates that in the 12 months to June 2024, Australians spent

$57.81 billion

on online retail, **growing 8.3%** year on year. This is around 13.5% of the total retail trade estimate.

australian online retail sales
NAB Online Retail Sales Index Report

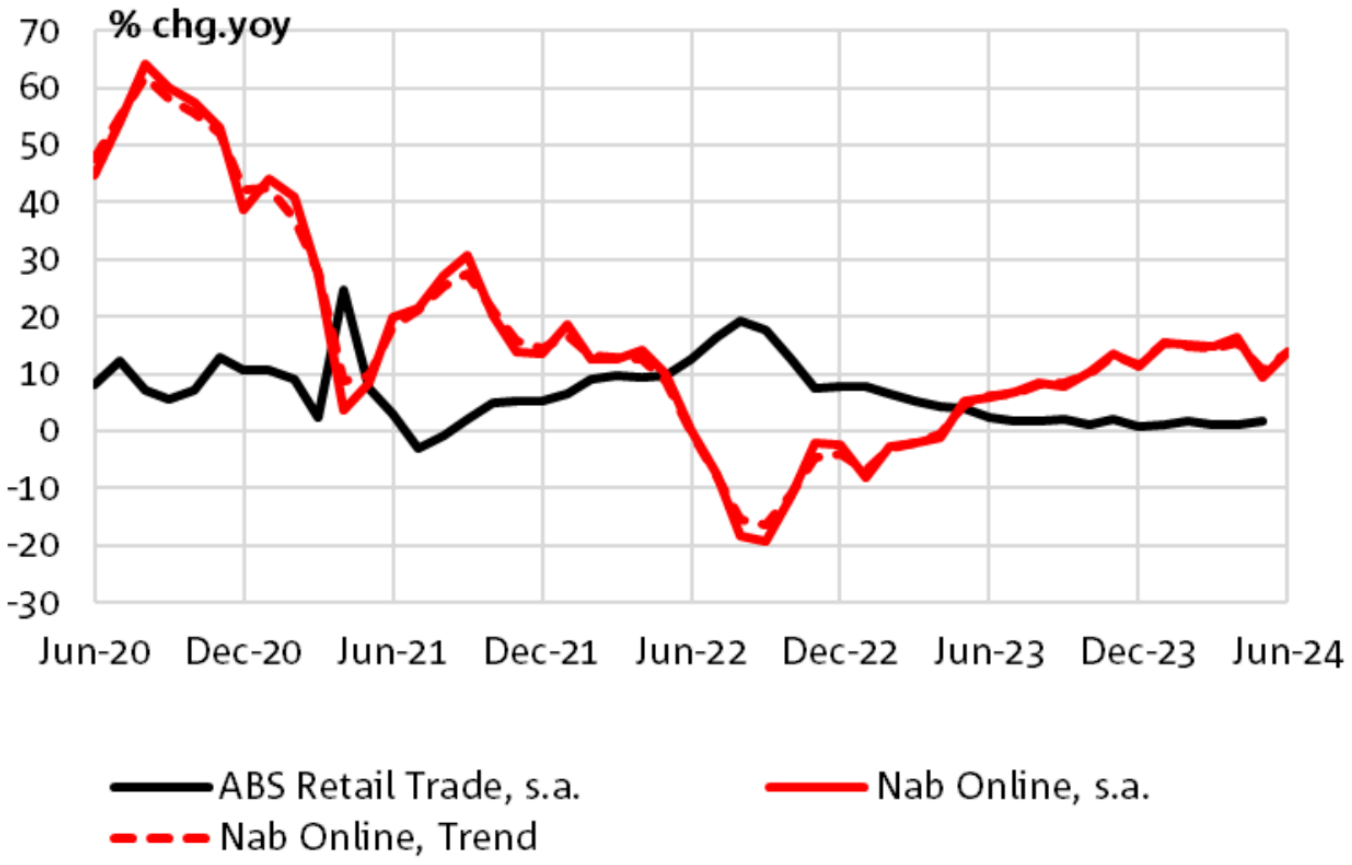


current economic conditions are impacting expenditure

For the month of June 2024 growth accelerated in year-on-year terms (14.0% y/y), with online retail recording continuous growth by this metric since May 2023.

“The average spend also increased, and beyond the rate of growth in volume of transactions. While the seasonal factors should account for larger baskets of goods purchased in the June EOFY sales period, there may also be an element of price inflation, evidenced by strong year on year growth.”

NAB Australian online retail sales and ABS retail sales



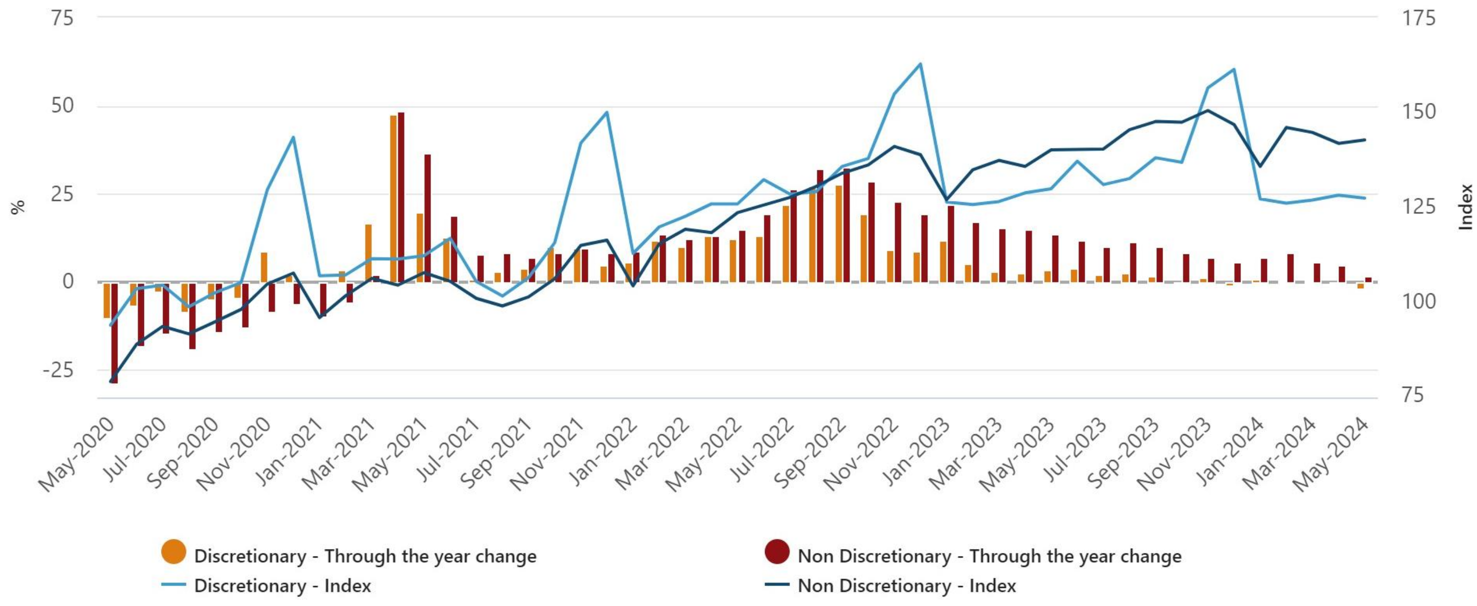
australian household discretionary spending has been falling

In the latest month of ABS data, May 2024 household spending increased 0.1% through the year on a current price, calendar adjusted basis.

Through the year, household spending increased for services (+2.3%) and decreased for goods (-2.5%).

Through the year, household spending increased for non-discretionary (+1.8%) and decreased for discretionary (-1.9%).

ABS household discretionary and non-discretionary spending current price, calendar adjusted



Index reference period January 2019 = 100.0

Source: Australian Bureau of Statistics, Monthly Household Spending Indicator May 2024

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

21.16 million

99% of online australians aged 14+ visited an online retail or commerce website or app on computer, smartphone, tablet in June 2024.

On average online retail visitors spent 6.6 hours on retail or commerce websites and apps in June 2024.

most popular online retail and commerce subcategories in June 2024

audience aged 14+

consumer electronics	18.4 million
voucher/rewards	17.7 million
grocery/supermarkets	16.5 million
dept, discount stores	15.4 million
fast food and delivery	14.6 million
fashion & beauty	14.3 million

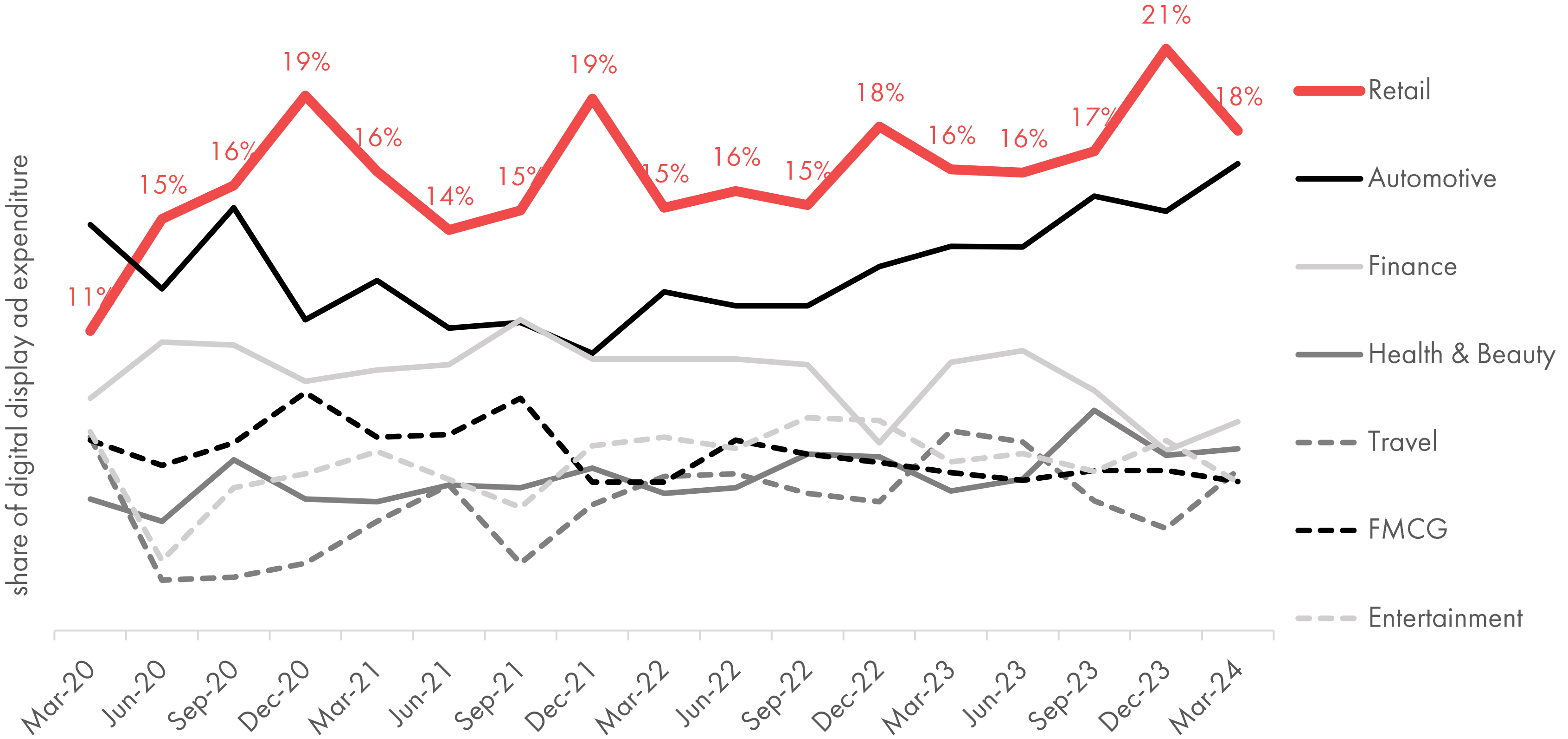
Source: Ipsos iris Online Audience Measurement Service June 2024, Age 14+, PC/laptop/smartphone/tablet, audience (000s), Retail and commerce category and selected sub-categories

retail is the #1online advertising expenditure category

18%

of digital display advertising expenditure is from retail advertisers.

australian online display advertiser expenditure, top categories
(share of online display ad expenditure)



Source: IAB Australia Online Advertising Expenditure Report, quarter ending March 2024, prepared by PWC.

methodology

australia

survey in field:

wave 1 - june 2021
wave 2 - june 2022
wave 3 - july 2023
wave 4 - july 2024

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

Previous year reports are available to download from the IAB Australia website.

new zealand

survey in field: july 2024

1,000

respondents:

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

Comparisons between New Zealand and Australia for wave 4 are made throughout this report.

02. online shopping behaviour

online shopping behaviour

AU NZ

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

Top products purchased online: (AU)

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

Top products purchased online: (NZ)

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

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)

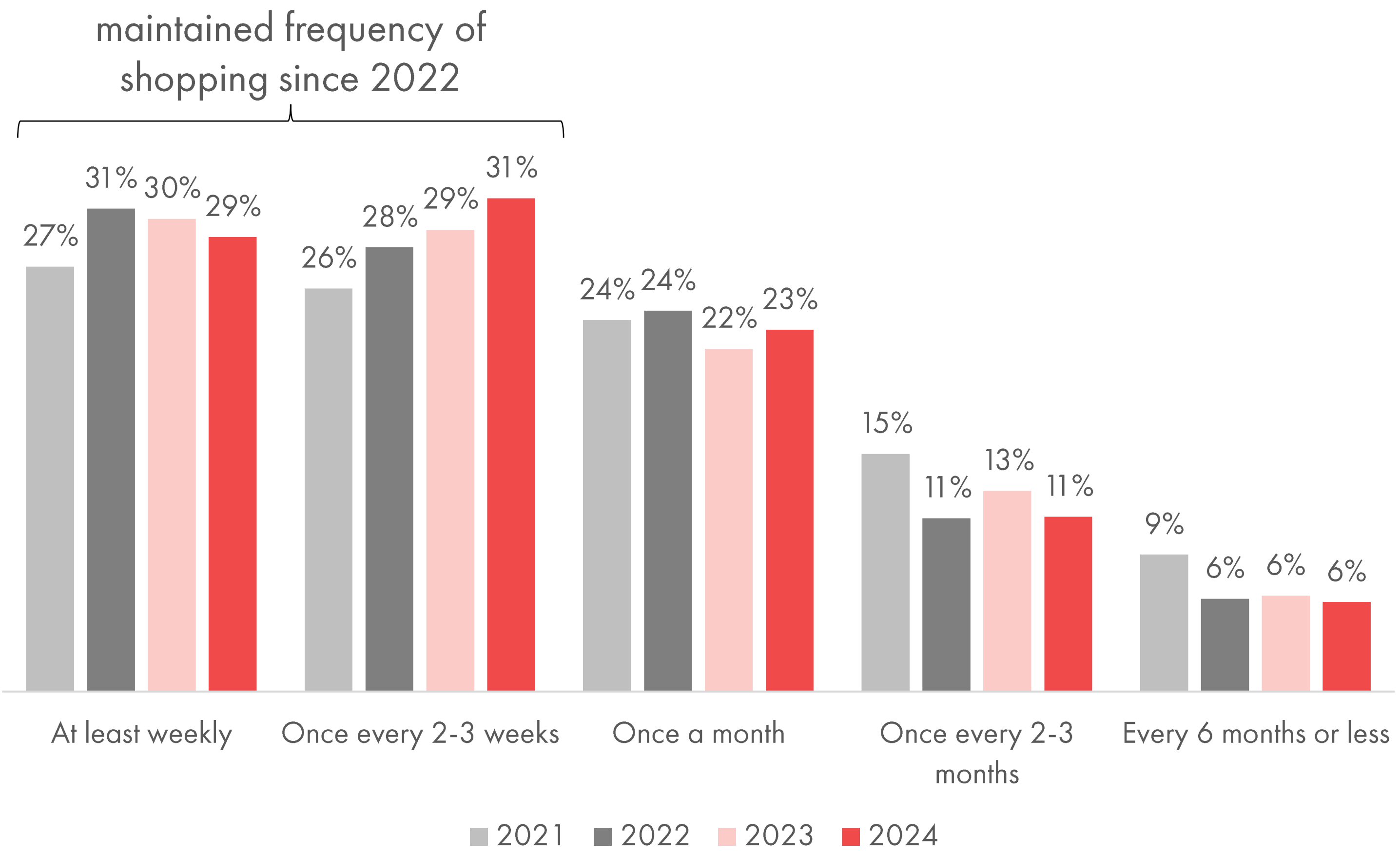
buying frequency of online shoppers

6 in 10

(60%) are shopping online every 2-3 weeks, maintaining frequency of shopping over the last two years (up from 53% in 2021).

83% of Australian online shoppers are shopping every month.

australian frequency of online shopping



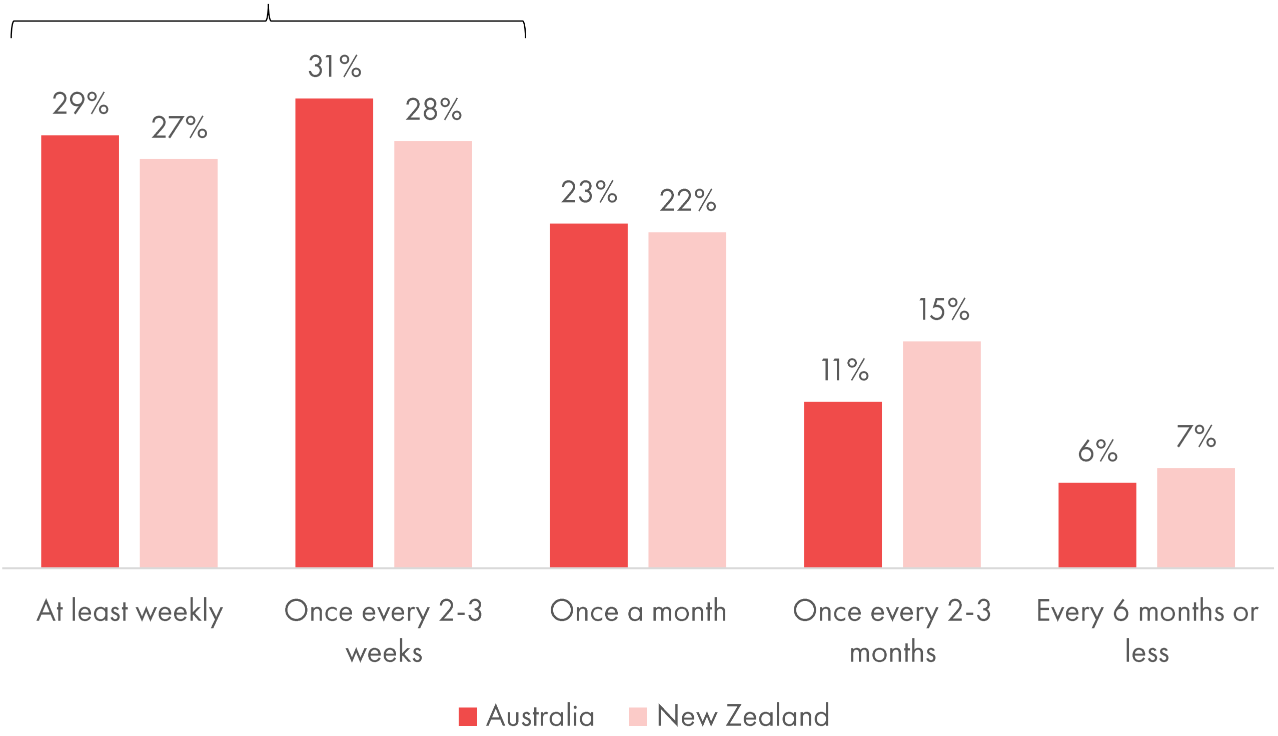
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - How often do you shop online?

buying frequency of online shoppers

60%
of Australian online shoppers are shopping every 2-3 weeks.

55%
of New Zealand online shoppers are shopping every 2-3 weeks. 77% of New Zealand online shoppers are shopping every month.

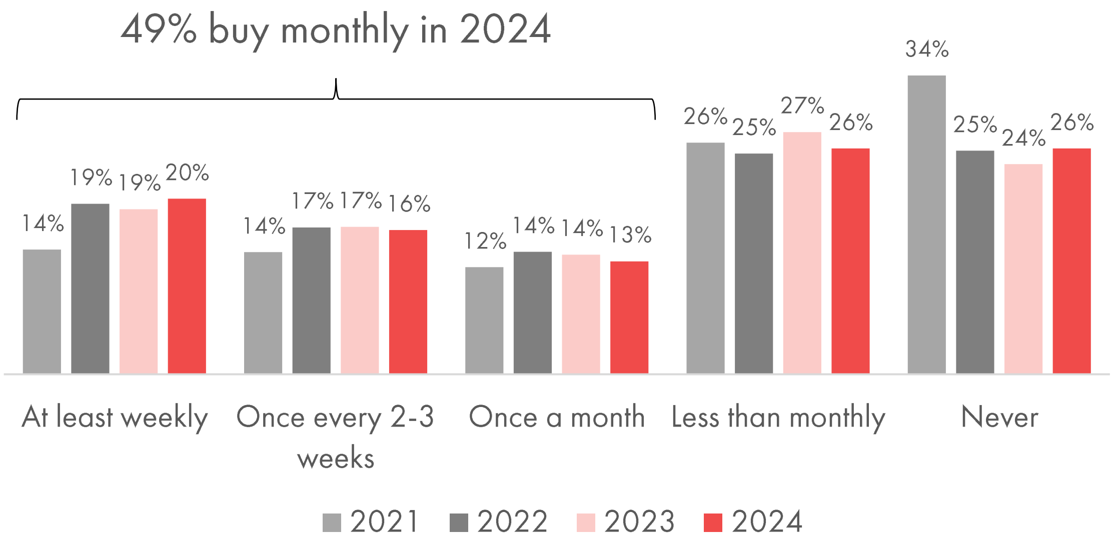
frequency of online shopping



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How often do you shop online?

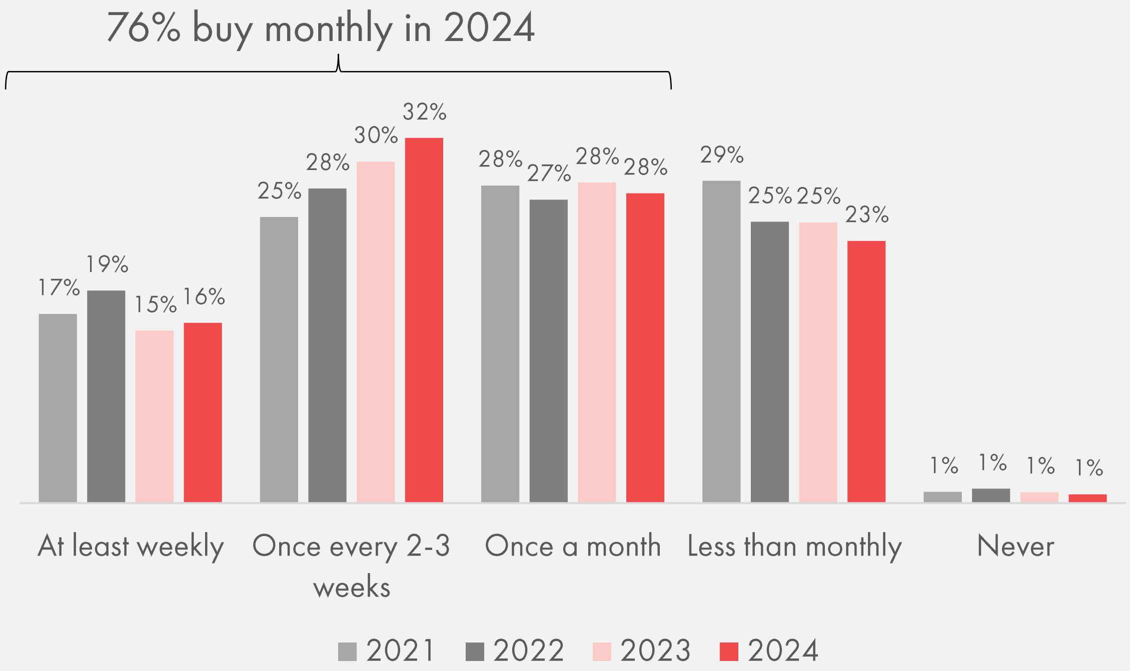
frequency of online shopping for groceries and other retail products has been maintained

australian frequency of buying groceries online



Online shopping for groceries at least once a month has remained stable at 49% of online shoppers since 2022 (up from 40% in 2021)

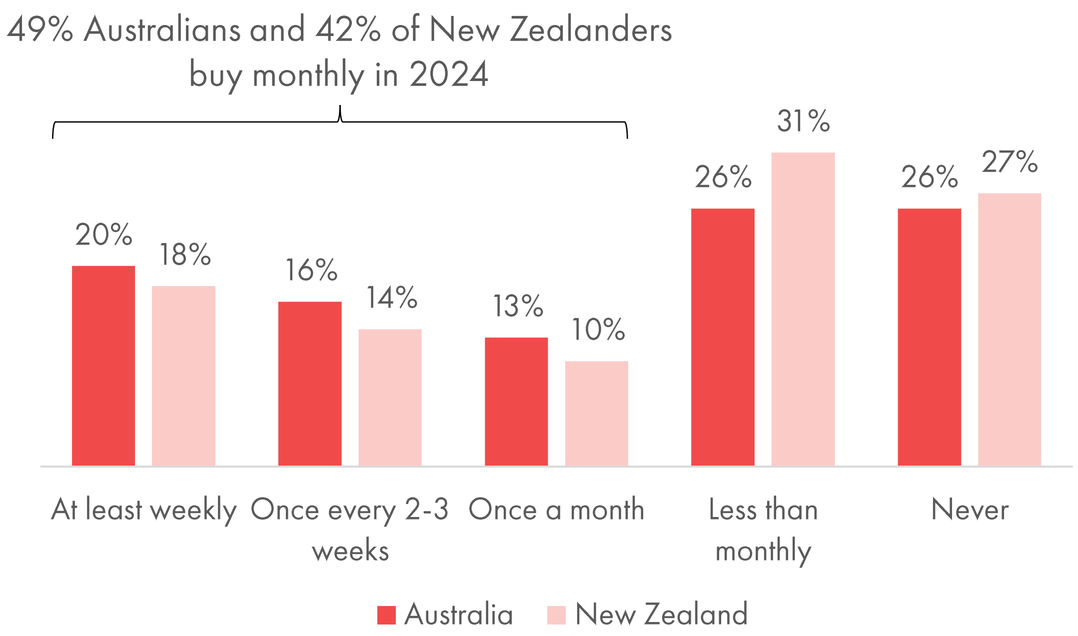
australian frequency of buying other retail products online



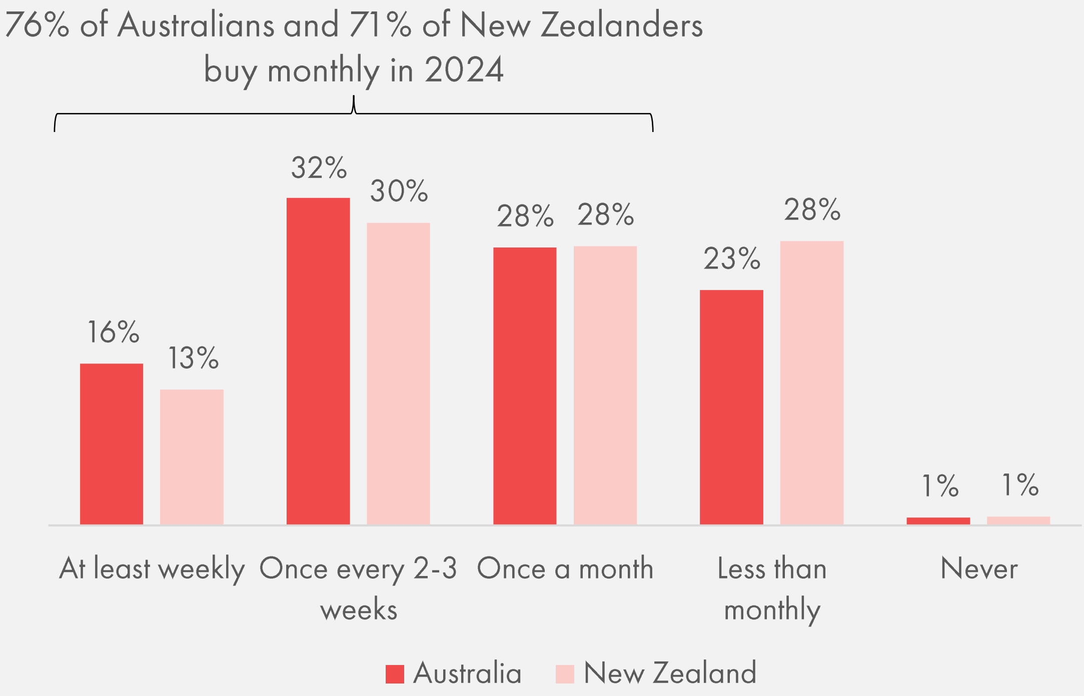
Online shopping for non-grocery retail products at least once a month has steadily increased to 76% (up from 73% last year and 70% in 2021).

buying frequency of online shoppers for groceries and other retail products

frequency of buying groceries online



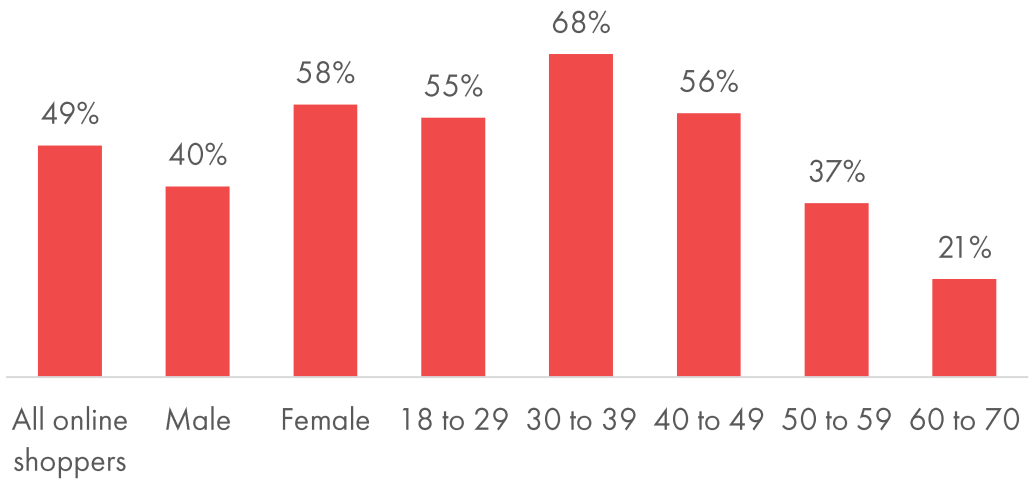
frequency of buying other (non-grocery) retail products online



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How often do you shop online for the following products? - Buy online retail (non- grocery), Buy groceries online

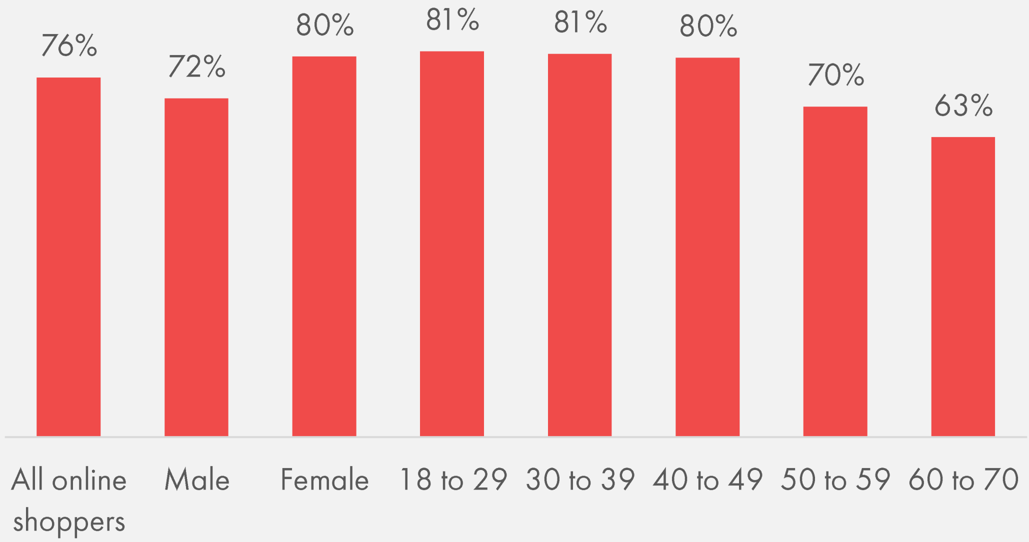
18-49's are the key demographic for regular online shopping in australia

buying groceries online monthly



59% of Australian online shoppers aged 18-49 buy groceries online each month

buying other (non-grocery) retail products online monthly

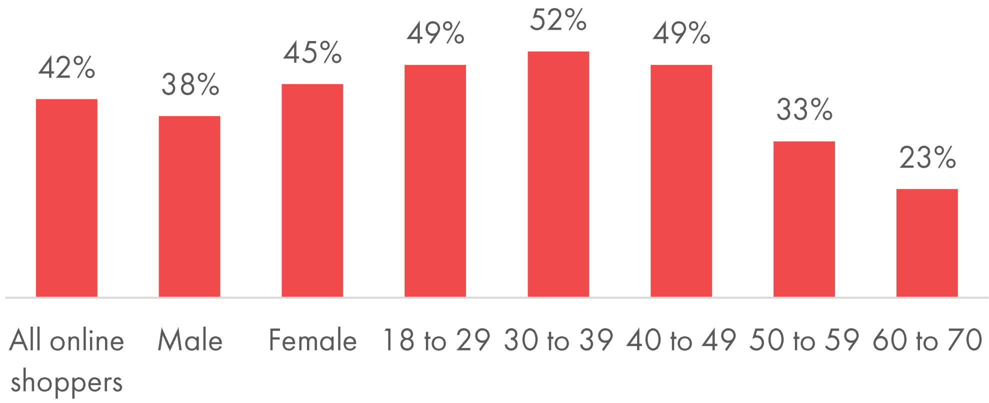


81% of Australian online shoppers aged 18-49 buy retail products (non-grocery) online each month.

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How often do you shop online for the following products? - Buy online retail (non- grocery), Buy groceries online

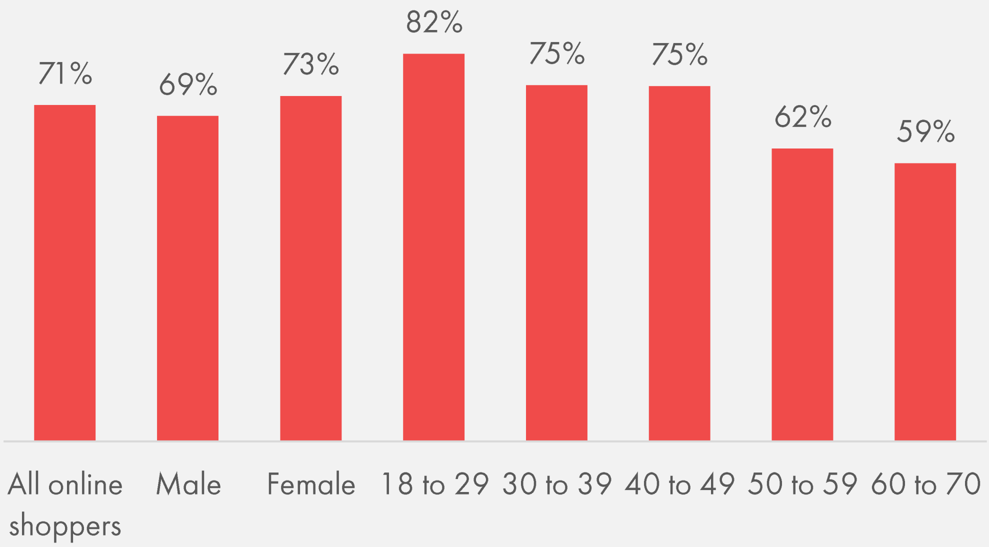
18-49's are the key demographic for regular online shopping in new zealand

buying groceries online monthly



50% of New Zealand online shoppers aged 18-49 buy groceries online each month.

buying other (non-grocery) retail products online monthly



77% of New Zealand online shoppers aged 18-49 buy retail products (non-grocery) online each month.

iab. australia Pureprofile

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How often do you shop online for the following products? - Buy online retail (non- grocery), Buy groceries online

products bought online over last year

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

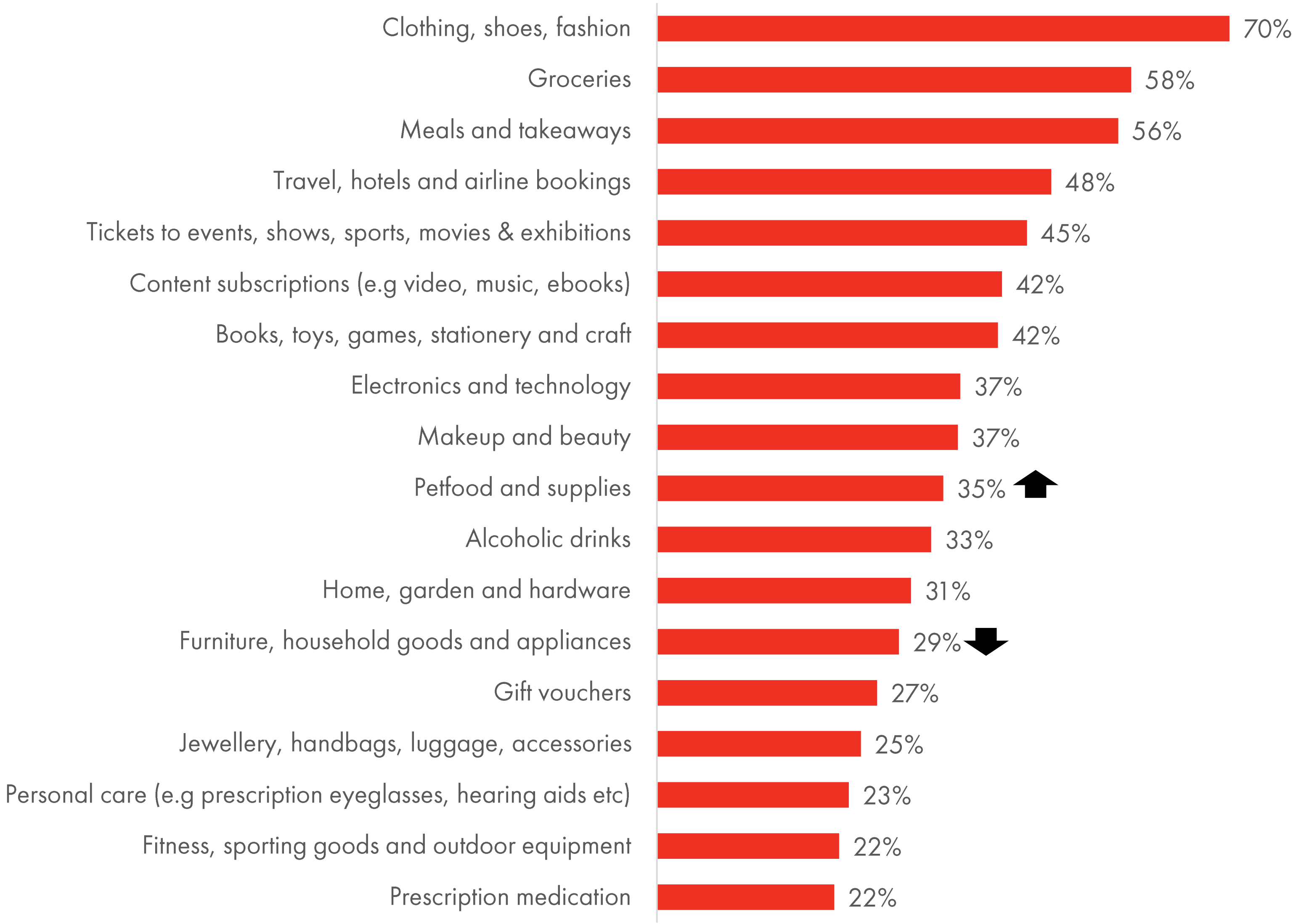
Purchasing petfood online has steadily increased to 35% of online shoppers, up 7% pts from last year (28% in 2023 and 26% in 2021).

Cost-of-living pressures have reduced online shopping for furniture, household goods and appliances to 29%, down -8% pts from last year (37% in 2023 and 33% in 2021).

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

Travel, hotels and airline bookings; Tickets to events, shows, sports, movies & exhibitions; Content subscriptions (e.g video, music, ebooks); Gift vouchers have been added to the survey for the first time in 2024. Prescription medication was added to the survey for the first time in 2023.

products bought online by australian online shoppers



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - Which products have you bought online in the past 12 months?

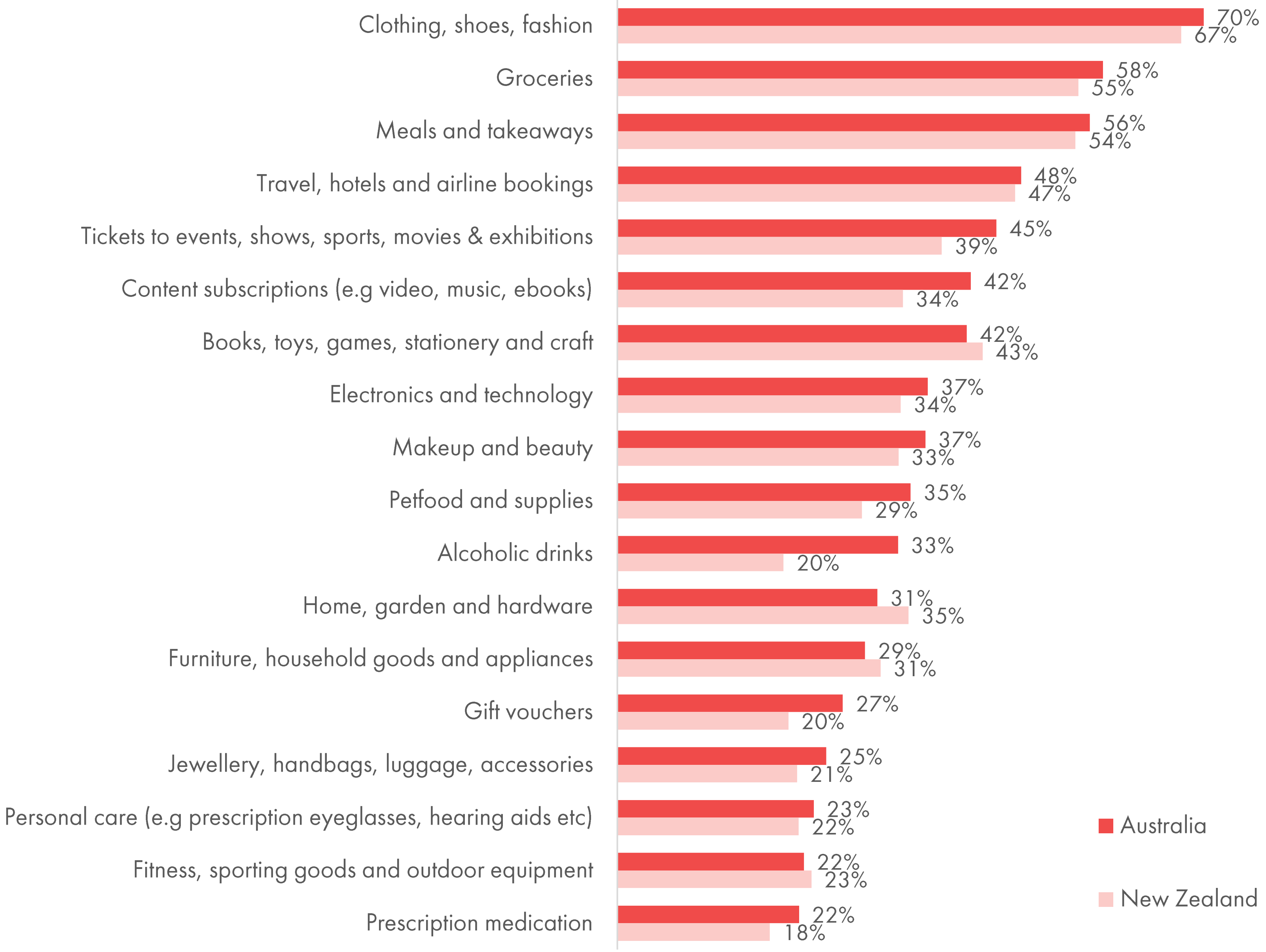
products bought online over last year

Clothing, shoes and fashion are the most popular online purchase in both Australia and New Zealand.

Ranking of purchased items is similar in both markets.

Australians are more likely than New Zealanders to have purchased alcohol and content subscriptions online in the last year.

New Zealanders are more likely than Australians to have purchased home, garden and hardware products online.



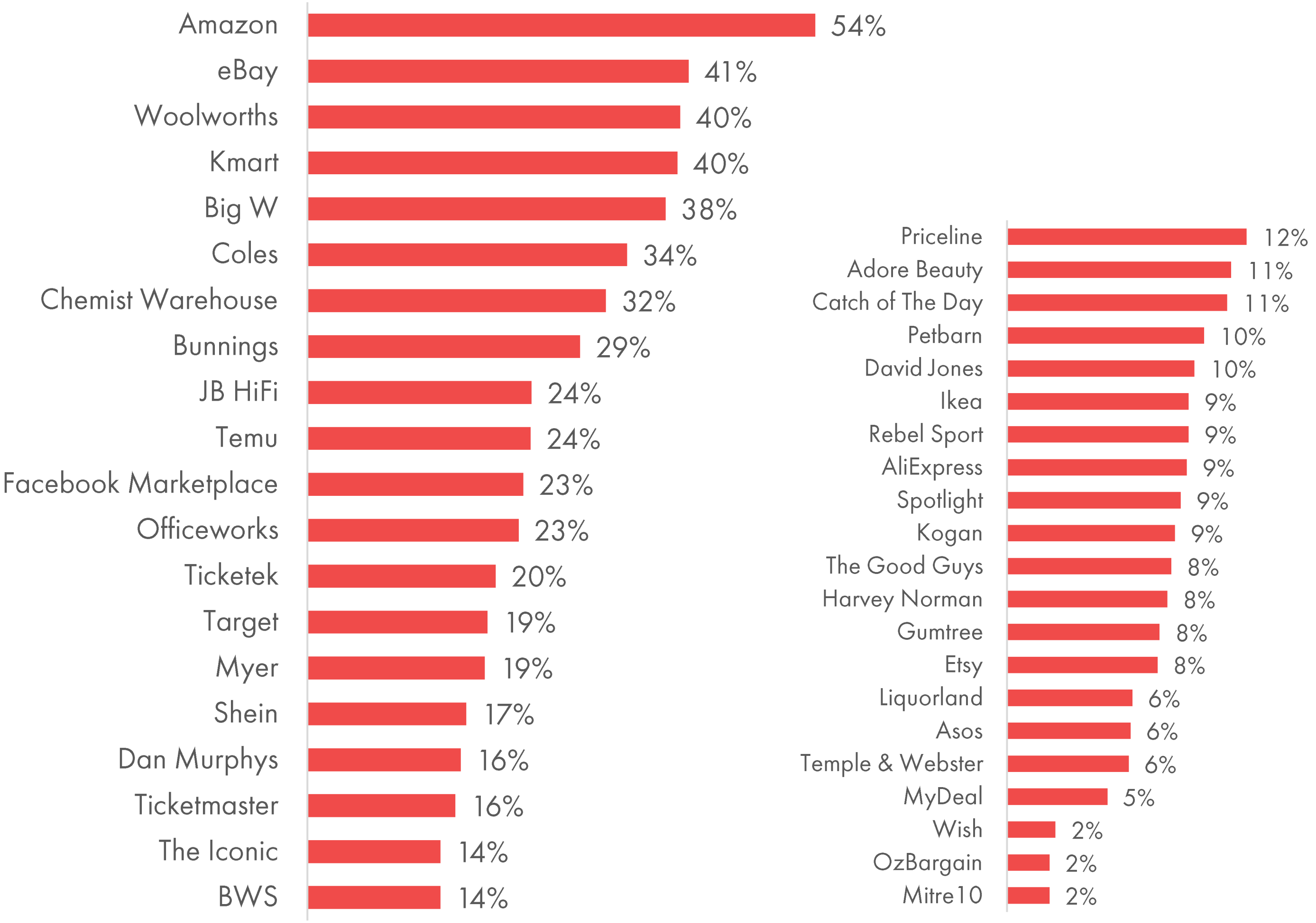
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Which products have you bought online in the past 12 months?

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

Amazon continues to be the most popular online retailer Australians have purchased from in the last 12 months, usage is up 12% pts on last year to 54%.

There has been modest growth in online purchasing from BigW, Bunnings, Adore Beauty and Aldi since last year.

online retailers and marketplaces australian's have purchased from in the last year



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - In the past 12 months, from which of the following retailers and marketplaces have you purchased online?

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

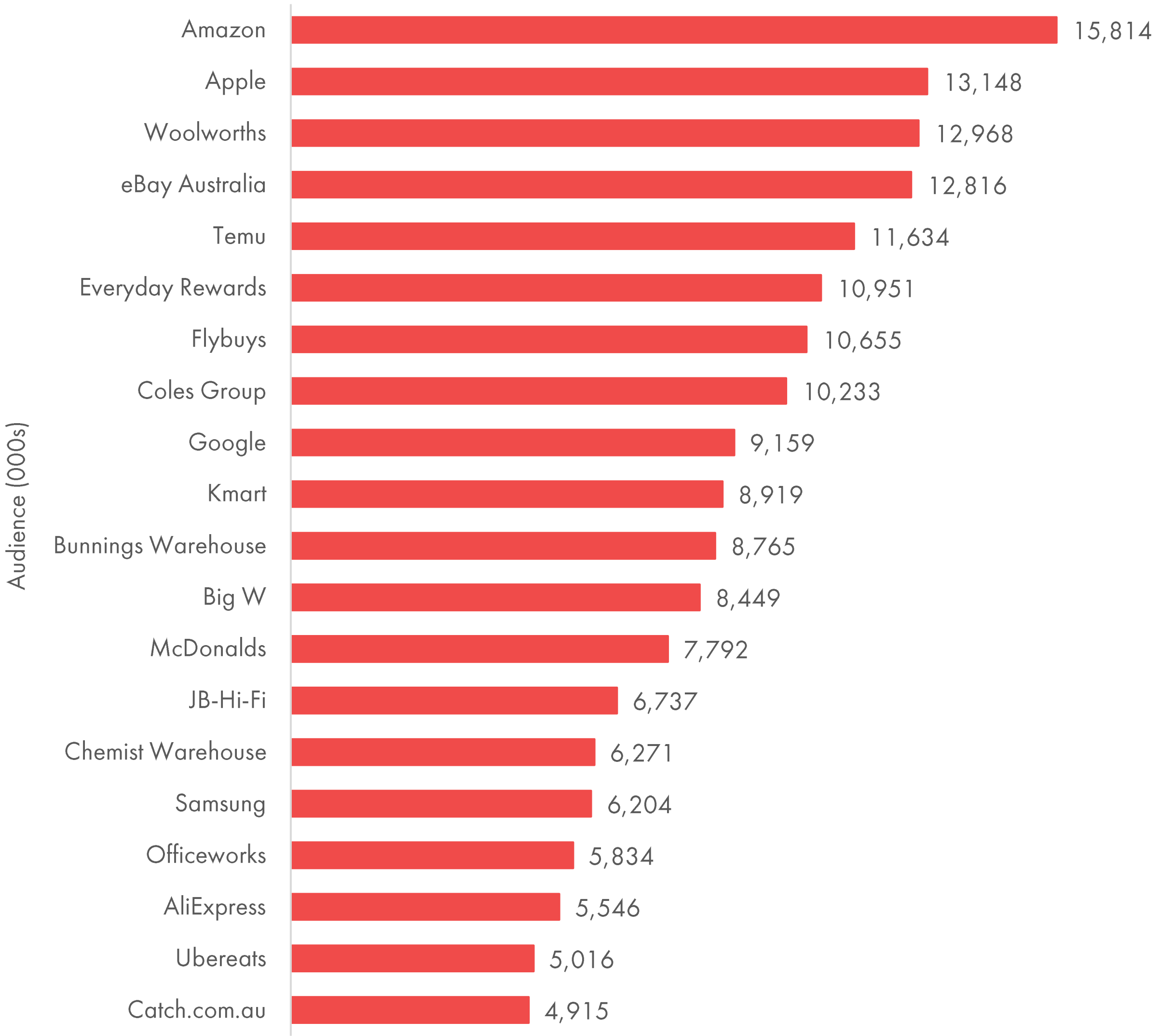
21.16 million

Australians aged 14+ used a retail or commerce website or app in June 2024.

Amazon has the largest website and app audience in the online retail and commerce category with over 15.8 million Australians in June 2024.

Audience includes Australian visitors browsing and purchasing from retail websites and apps (and app stores for Apple and Google).

retail and commerce category
australian audience (000s) visiting websites and apps in June 2024

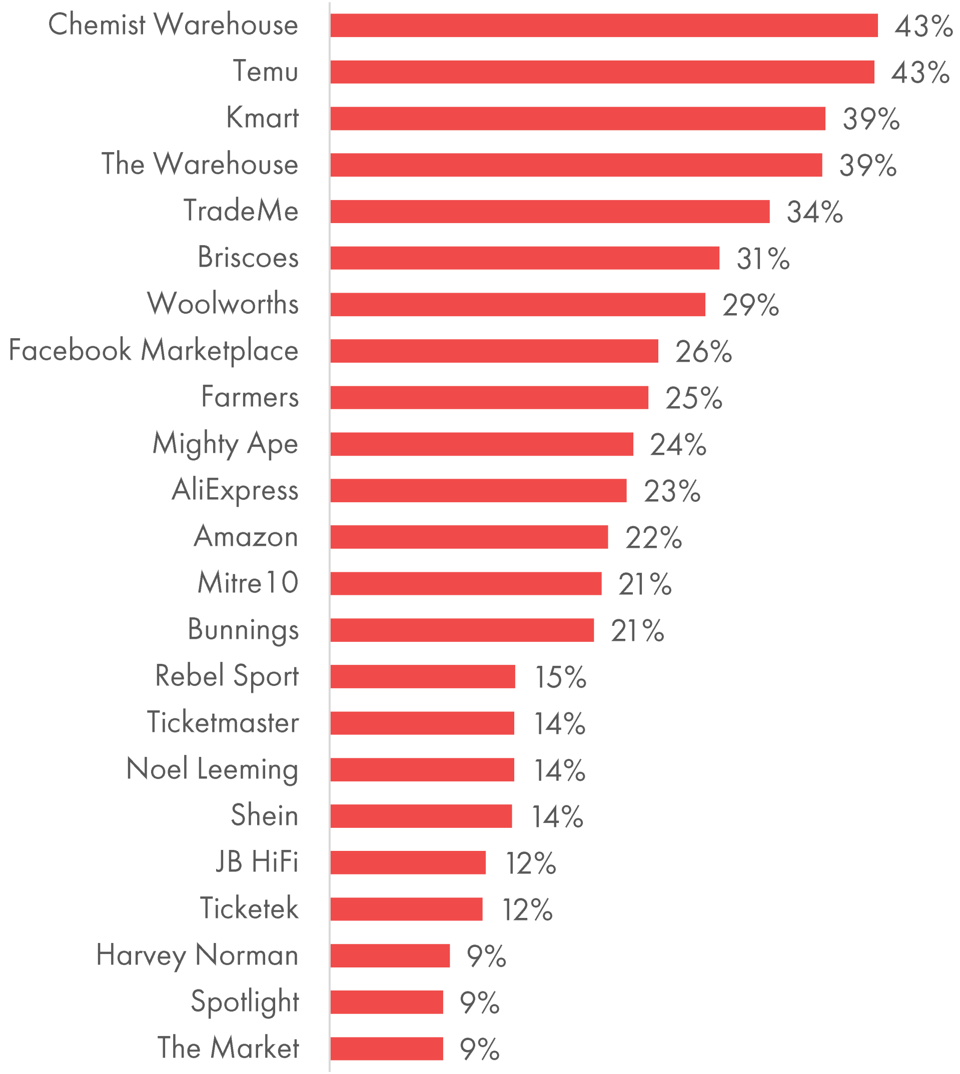


Source: Ipsos iris Online Audience Measurement June 2024, Age 14+, PC/laptop/smartphone/tablet, retail or commerce category top 20, audience 000s

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

The top retailers New Zealanders have purchased online from in the last year are a mix of local and global retail brands.

online retailers and marketplaces
new zealanders have purchased from in the last year



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - In the past 12 months, from which of the following retailers and marketplaces have you purchased online?

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

71%
australia

70%
new zealand

"potential for further interest rate rises means I'm more cautious about spending"

75%
australia

80%
new zealand

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

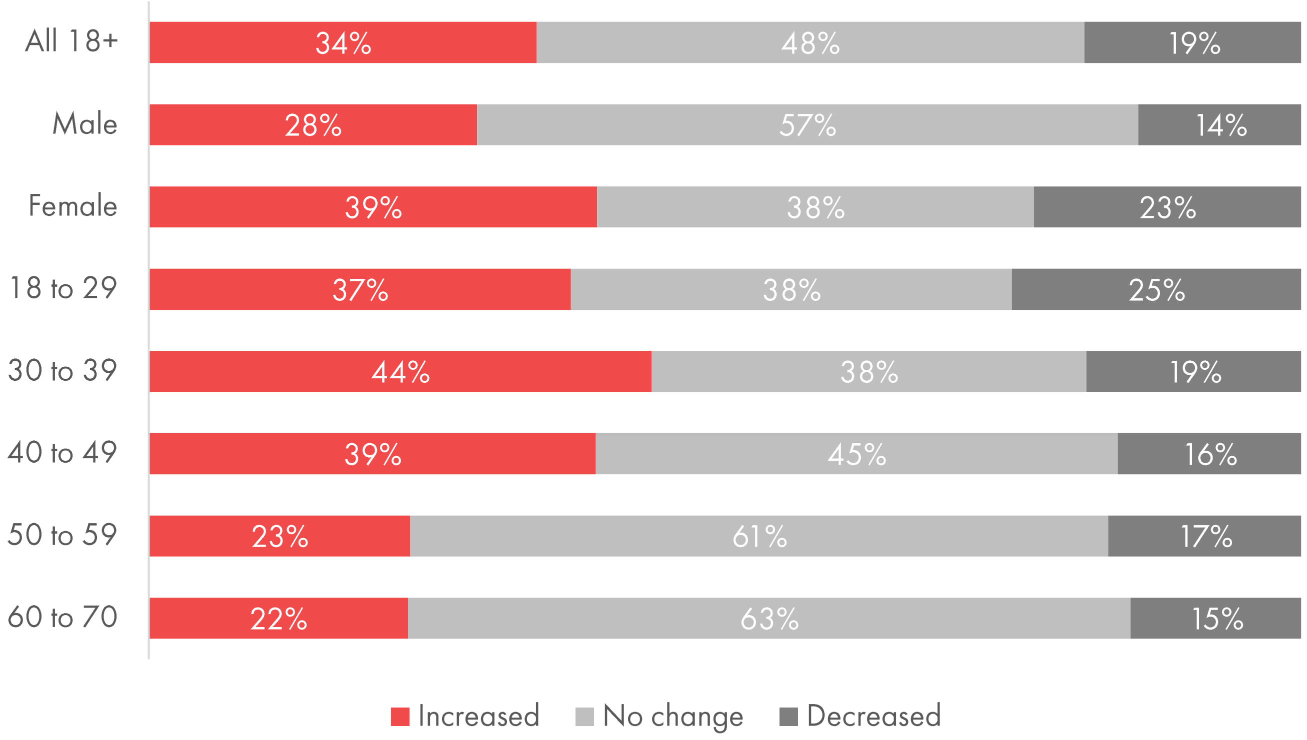
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Thinking about your shopping over the last 12 months, how much do you agree or disagree with the following?

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

In these times of cautious spending, 34% of Australian online shoppers have increased their usage of online shopping, while 19% have decreased their usage since the recent rises in costs of living.

44% of Australian online shoppers aged 30-39 have increased their usage of online shopping since the recent rises in costs of living (up from 40% in the year prior).

usage of online shopping amongst australian online shoppers since recent rises in costs of living



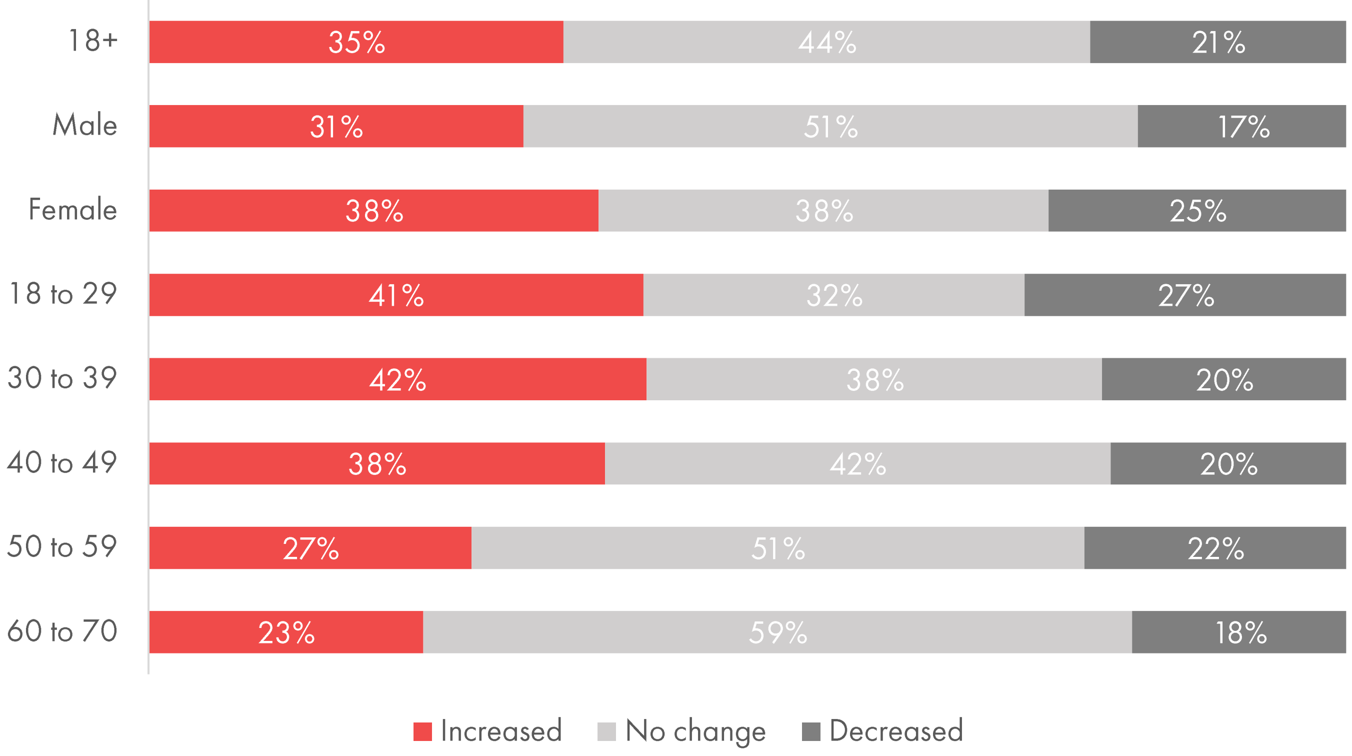
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

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

In these times of cautious spending, 35% of New Zealand online shoppers have increased their usage of online shopping, while 21% have decreased their usage since the recent rises in costs of living.

42% of New Zealand online shoppers aged 30-39 have increased their usage of online shopping since the recent rises in costs of living.

usage of online shopping by new zealand online shoppers since recent rises in costs of living



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

online shopping behaviour

Online shopping is firmly established, continuing to be an essential part of the retail landscape in Australia and New Zealand.

- The COVID pandemic changed consumer attitudes and behaviours helping online shopping become a mainstream retail avenue.
- Australian online shopping frequency increased from 2021 and has been maintained over 2022-2024. Online shopping frequency in NZ is slightly lower than in Australia.
- 18-49's remain a key demographic for regular online shopping.

New online stores are entering the market and expanding product ranges.

- Clothing, fashion & shoes, groceries and meals & takeaways are the top 3 products purchased online.
- Purchasing petfood online has continued its steadily increase amongst Australian online shoppers this year.
- Amazon continues to be the #1 retailer for online purchasing in Australia but has not gained the same foothold in New Zealand where Chemist Warehouse and Temu are the most popular for online retail purchasing. Temu has grown significantly in popularity since it started operations in Australia and New Zealand in March 2023.

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

- Online shopper caution with spending has been maintained at similar levels to last year in Australia.
- New Zealand online shoppers are slightly more likely than Australians to not have as much to spend on less essential retail shopping.
- Cost of living pressures have likely driven the reduction in online shopping for furniture, household goods and appliances in the Australian market from last year.
- The frequency of online shopping remains resistant to cost of living impacts in both markets with few online shoppers reducing frequency of online shopping since the recent rises in cost of living.

03. online shopping drivers

online shopping drivers

Convenience is the #1 reason for purchasing online

58%

of 18-49 online shoppers will pay more for convenience

Top drivers for purchasing online:

- Convenience
- Lower prices
- Discounts
- Free delivery
- Price comparison

Value is the #1 reason for purchasing brands online

46%

of online shoppers prefer to buy from sustainable brands

Top drivers for brand choice online:

- Value for money
- Convenience & availability
- Positive experience
- Consistent quality
- Quick delivery & returns
- Great reviews

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)

online purchasing drivers

Convenience remains the #1 reason for Australians purchasing online but has declined as a driver for buying online over 2023 and 2024.

With the growth in usage, number of online shopping retailers and marketplaces and improvements in retailer efficiency and experience, convenience does not stand out as much as a driver for online shopping as it used to.

Pricing and free delivery now also dominate the top key drivers for online shopping. With increasing cost of living pressures this year, lower prices has increased as a driver and the gap to the #1 driver of convenience has reduced.

drivers for buying online amongst australian online shoppers

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - Why do you buy online?

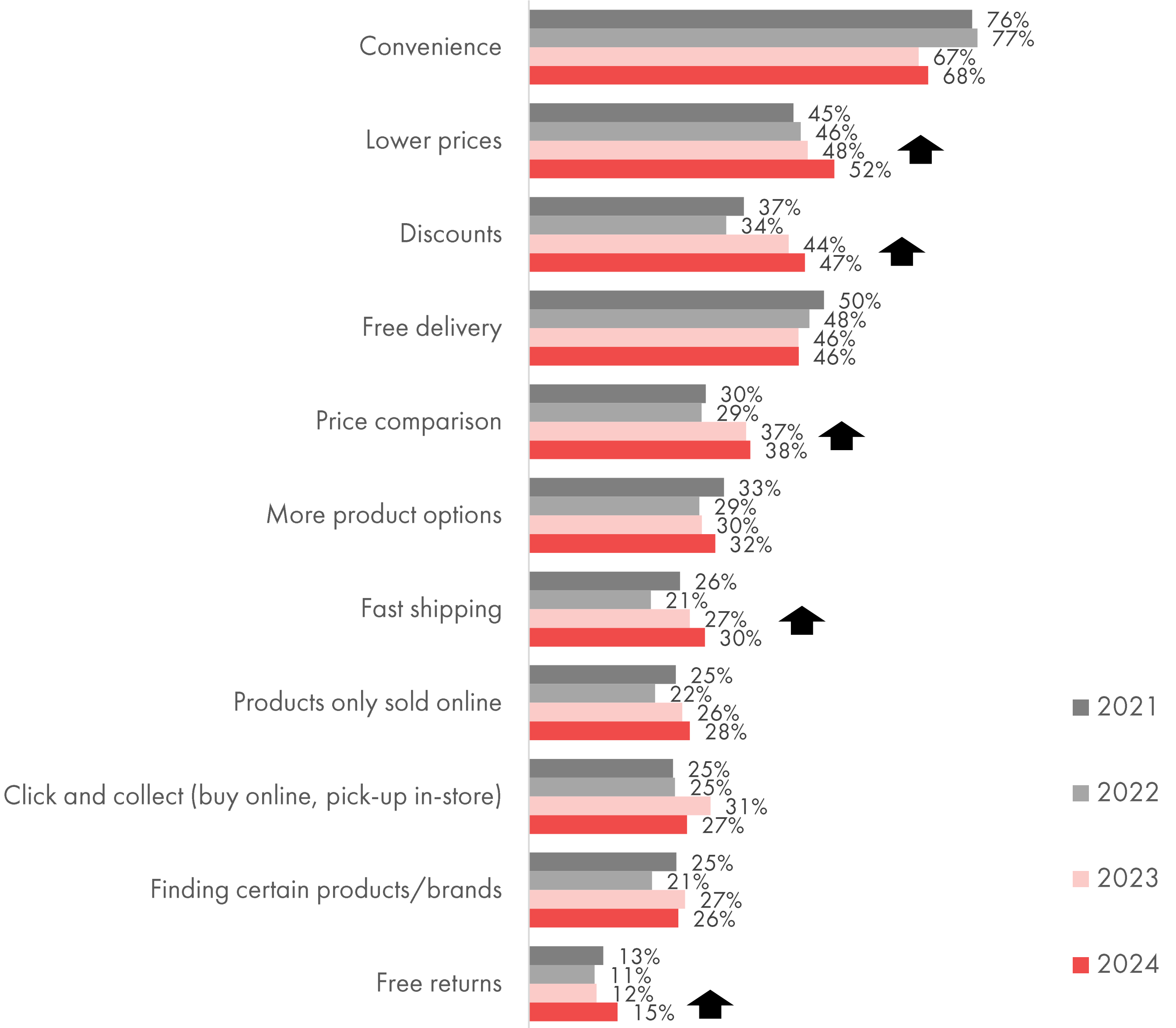
change in key online purchasing drivers

Convenience remains the #1 reason for purchasing online but has declined -8% pts since 2021.

Pricing has also dominated the top key drivers for online shopping over the last two years. Lower prices has increased 4% pts on last year and 7% pts since 2021.

Some areas of convenience such as enabling price comparison, fast shipping and free returns have increased in importance to online shoppers during this year when consumer are under greater financial pressures.

drivers for buying online amongst australian online shoppers



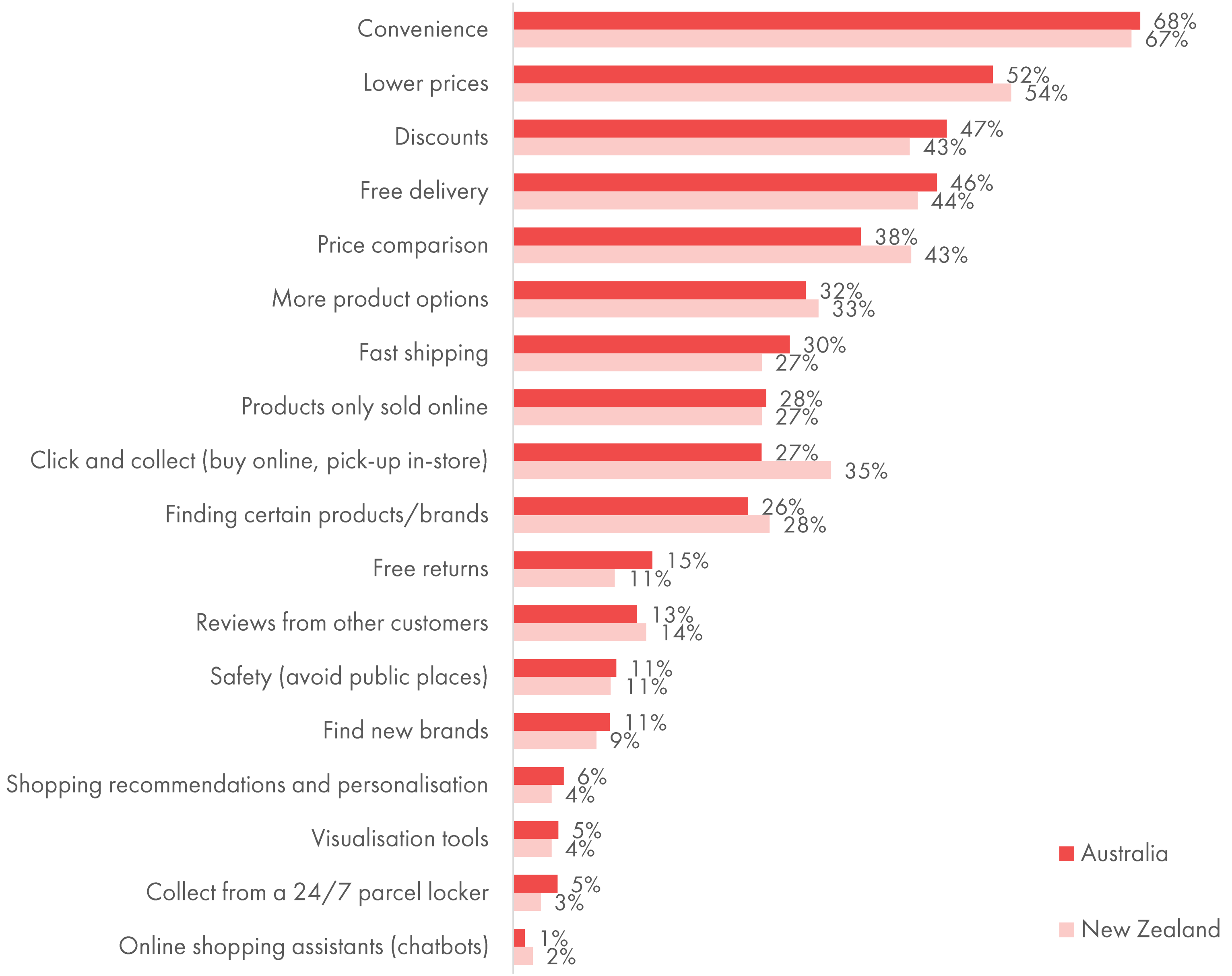
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - Why do you buy online?

online purchasing drivers

Convenience is the #1 reason for purchasing online in both Australia and New Zealand.

Pricing and free delivery also dominate the top key drivers for online shopping in both markets.

Click and collect and price comparison are more prominent drivers of purchasing online for New Zealanders than for Australians.



time poor 18-49s are prepared to pay more for convenience

58%
australia

57%
new zealand

18-49's agree
I am prepared to pay more for products that make my life easier

42% of Australians age 50+ and
34% of New Zealanders age 50+ agree

brand choice drivers

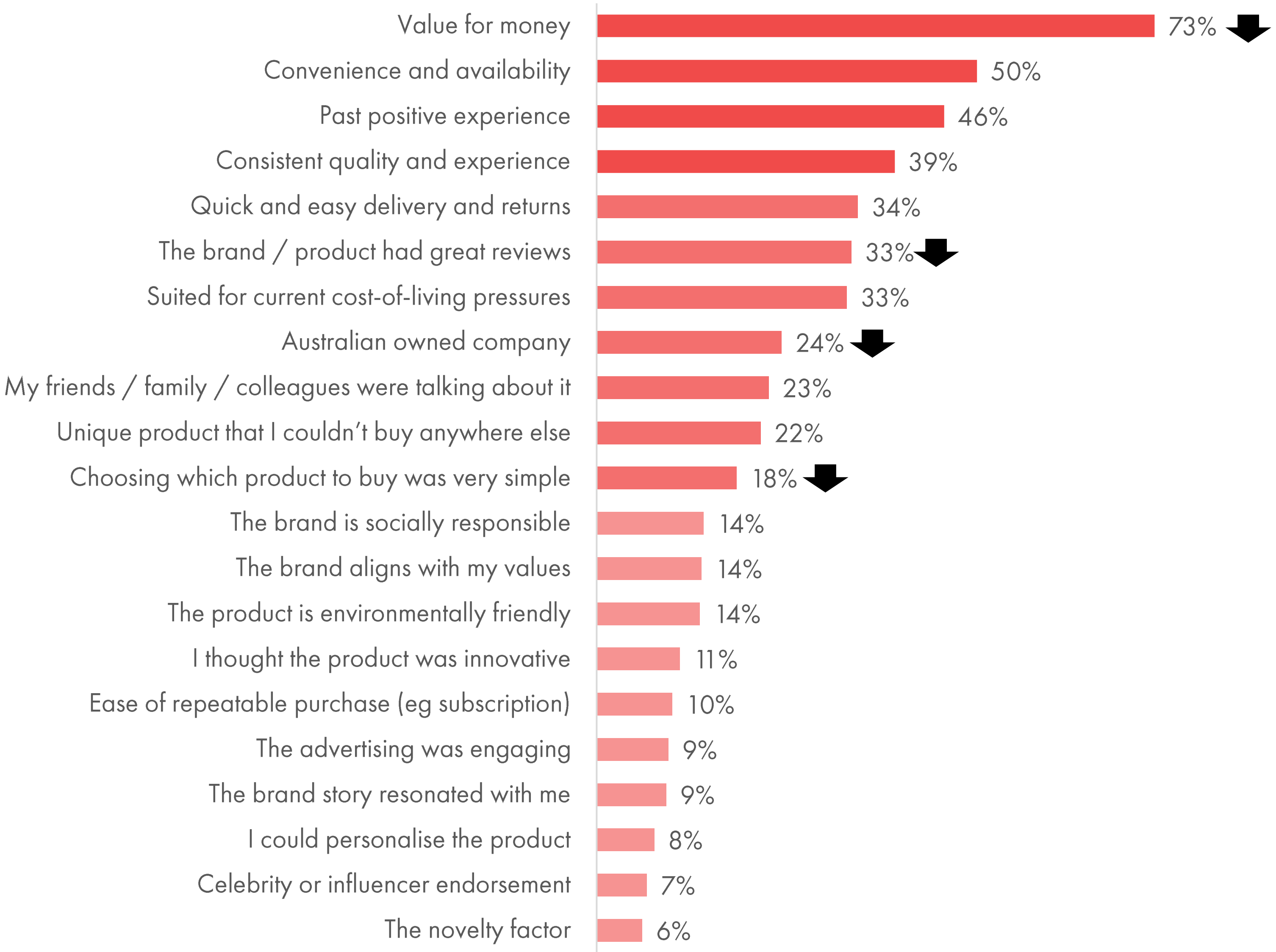
Value for money continues to be the key driver for buying brands online for Australian shoppers.

However, value for money has declined on previous years (down -4% pts on last year and down -11% pts on 2022) and must be delivered in combination with other brand drivers including convenience, positive experience and consistent quality (and competitive pricing).

While most brand drivers have declined slightly on last year, being an Australian owned company (-8% pts), purchase simplicity (-7% pts) and great reviews (-6% pts) have declined more significantly.

Brands must deliver great customer experience, adjust to suit current cost of living pressures, deliver on hygiene factors such as simplicity and ease and amplify communication of unique brand proof points.

drivers for buying brands online amongst australian online shoppers



brand choice drivers

Value for money is the key brand driver for brand choice in Australia and New Zealand.

The ranking of drivers is very similar for Australian and New Zealand online shoppers.

Value, convenience, customer experience and price are key drivers for online shopping choices and retailers should look for new ways to demonstrate these aspects.

Brands should amplify communication of brand proof points on brand values, innovation, product volume and range, uniqueness, reputation and social responsibility.

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Thinking about what attracts you to buy your favourite brands online, what do you find compelling?

purchasing ethical and sustainable brands is important to online shoppers

46% australia

39% new zealand

Purchasing from ethical brands is important to me
(% agree)

46% australia

42% new zealand

I prefer to buy from brands that I know are sustainable
(% agree)

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q- Thinking about when you shop either online or in person, how much do you agree or disagree with the following?

product delivery subscription services

24% of Australian and 20% of News Zealand online shoppers are currently subscribed to a product delivery service such as meals, cleaning products, toilet paper, wine etc.

The level of Australian subscriptions have not changed year on year.

Those currently subscribed are more likely aged 18-39 and are more frequent online shoppers.

subscription to a product delivery service

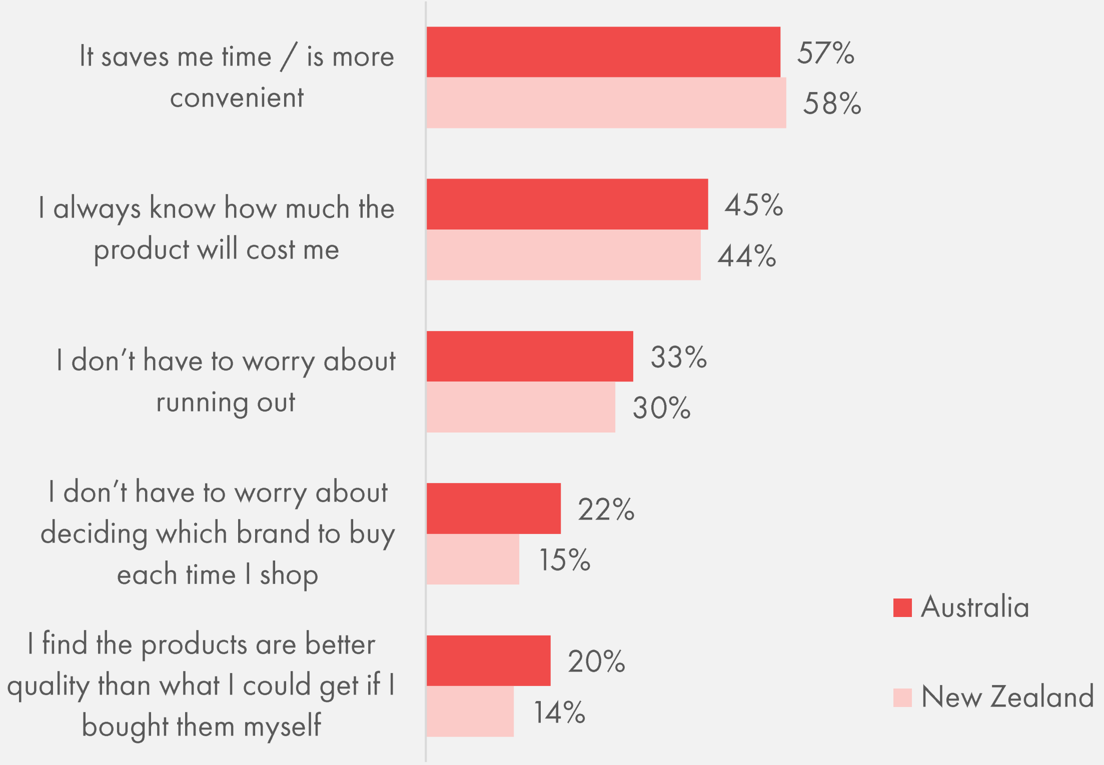
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Are you currently subscribed to any product delivery services (e.g. meals, cleaning products, toilet paper, wine etc)?

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.

In the Australian market with current economic conditions, convenience and not having to worry about running out have declined slightly as drivers since last year, while control over cost has been maintained and not having to decide a brand in the shop has slightly increased as drivers since last year.

what subscribers like about product delivery services



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - What do you 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.

- Consumers seeking convenience, value and competitive prices continue to drive demand for online products.
- Convenience remains the #1 reason for purchasing online but stands out less as a driver in recent years.
- With cost of living pressures there is a heightened consumer quest for lower prices and discounts but also convenience and ease (fast shipping, free and easy returns).
- Click-and-collect options are a greater attraction to provide convenience benefits for New Zealand shoppers than for Australian shoppers.
- Retailers should look for new ways to demonstrate value and convenience and amplify communication of brand proof points on brand values, innovation, product volume and range, uniqueness, reputation and social responsibility.

Top drivers for purchasing online:

- Convenience
- Lower prices
- Discounts
- Free delivery
- Price comparison

Top drivers for brand choice online:

- Value for money
- Convenience & availability
- Positive experience
- Consistent quality
- Quick delivery & returns
- Great reviews

04. cost of living impact

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'

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)

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

71% australia

70% new zealand

"potential for further interest rate rises means I'm more cautious about spending"

75% australia

80% new zealand

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

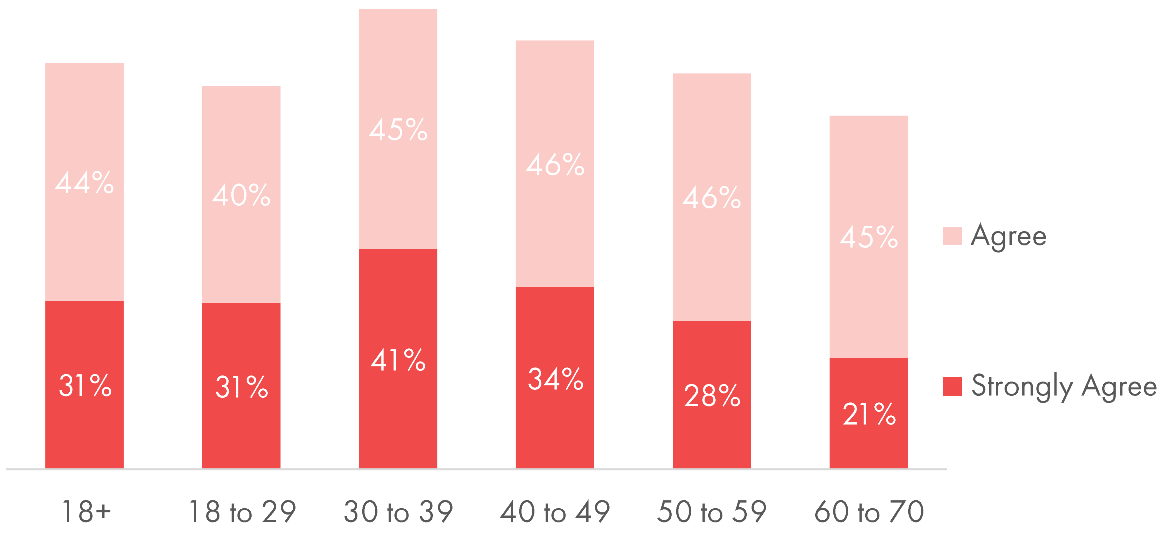
iab. australia Pureprofile

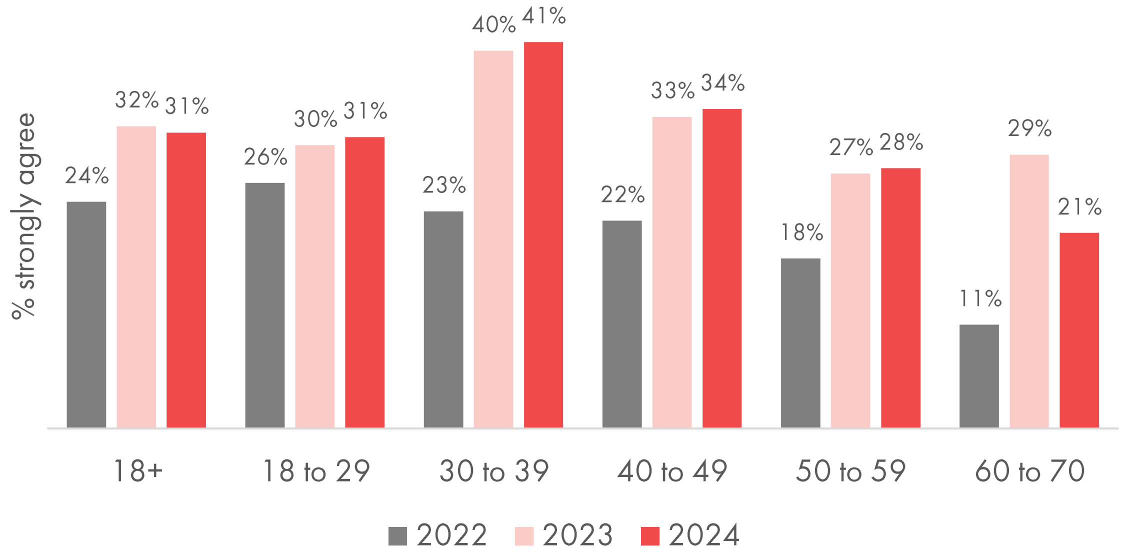
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Thinking about your shopping over the last 12 months, how much do you agree or disagree with the following?

75% of Australian online shoppers agree

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

This sentiment is most felt and has intensified amongst 30 to 49's.
86% of 30-39's agree (up from 80% last year) and 80% of 40-49's agree (up from 76% last year).





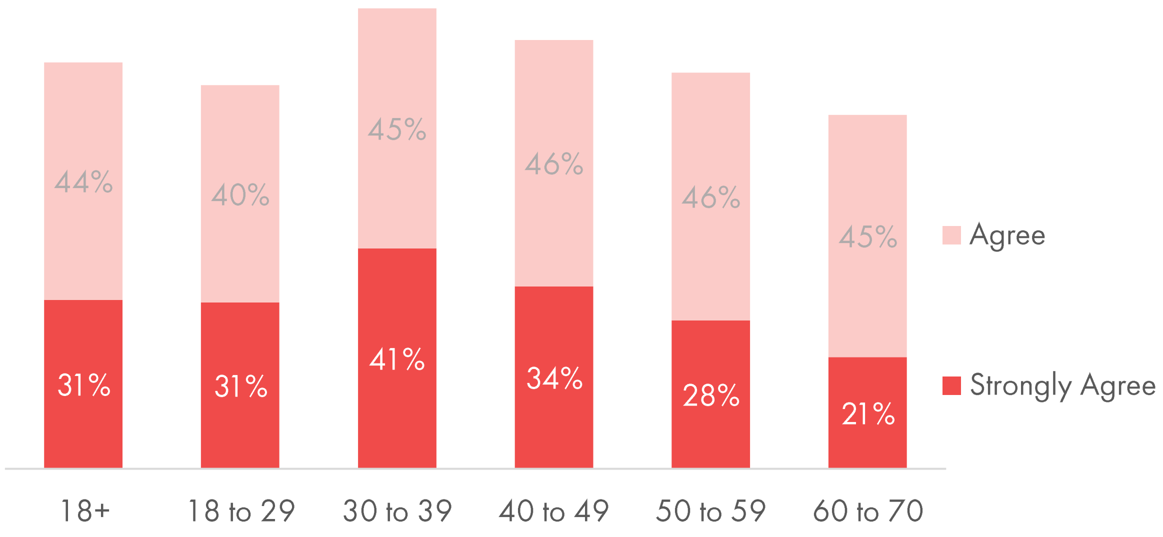
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave;
Q - Thinking about your shopping over the last 12 months, how much do you agree or disagree with the following?

most online shoppers agree

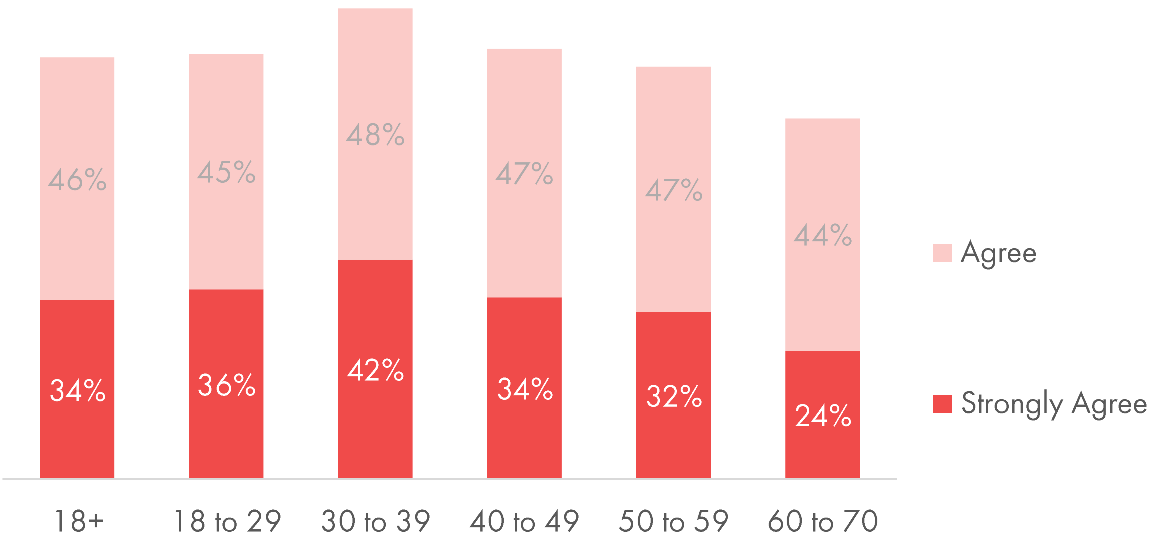
"cost of living pressures mean I don't have as much to spend on less essential retail shopping"

This sentiment is most felt amongst 30 to 39's (86% agree in Australia and 90% agree in New Zealand).
18-29's in New Zealand are more likely to agree with the sentiment than in Australia (71% in Australia agree, compared to 81% in NZ).

australian online shoppers



new zealand online shoppers



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Thinking about your shopping over the last 12 months, how much do you agree or disagree with the following?

cost-of-living impacts on australian shopping behaviour

Continued similar impact has been experienced since last year.

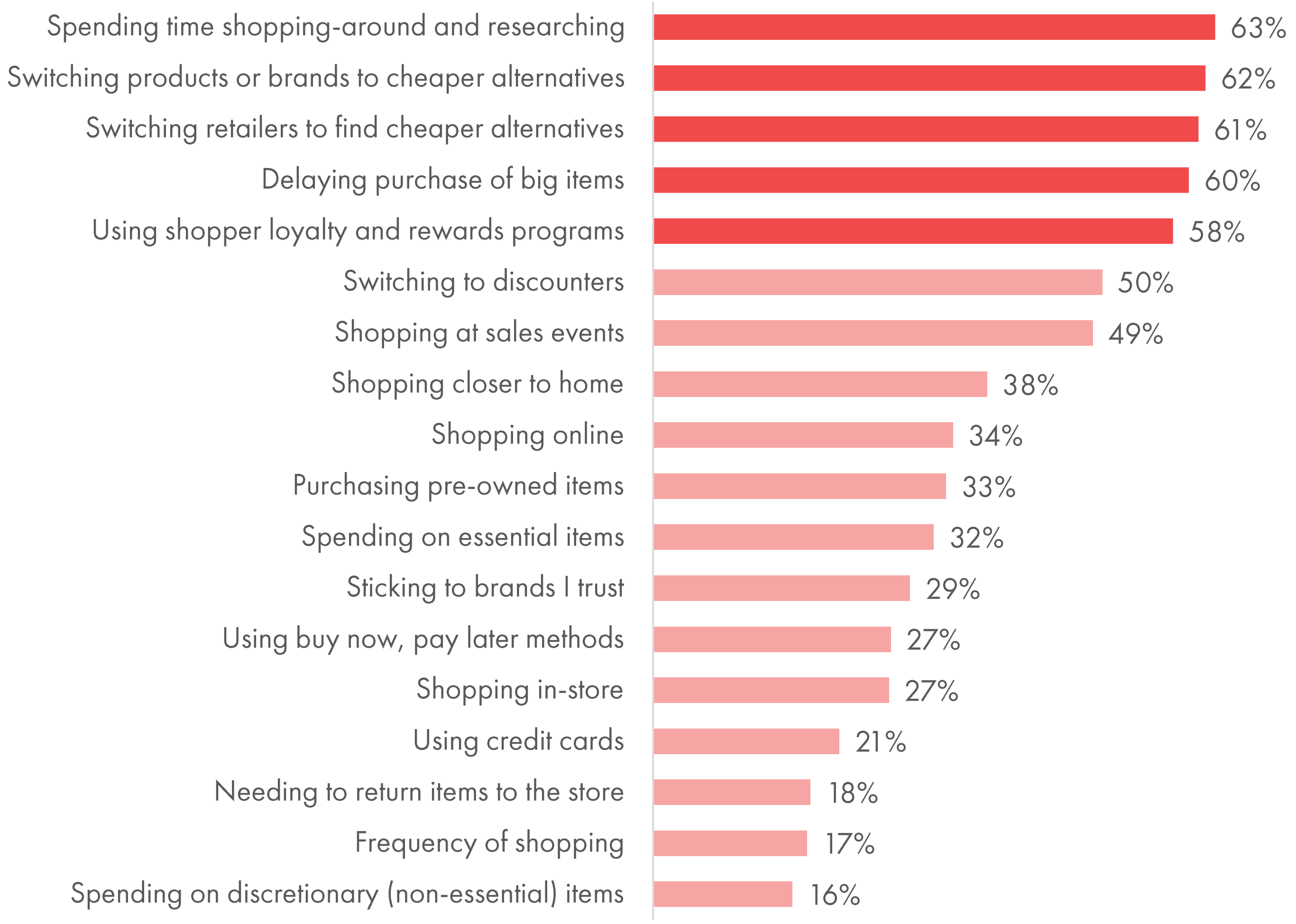
more

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

less

- spending on non-essentials
- frequency of shopping

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



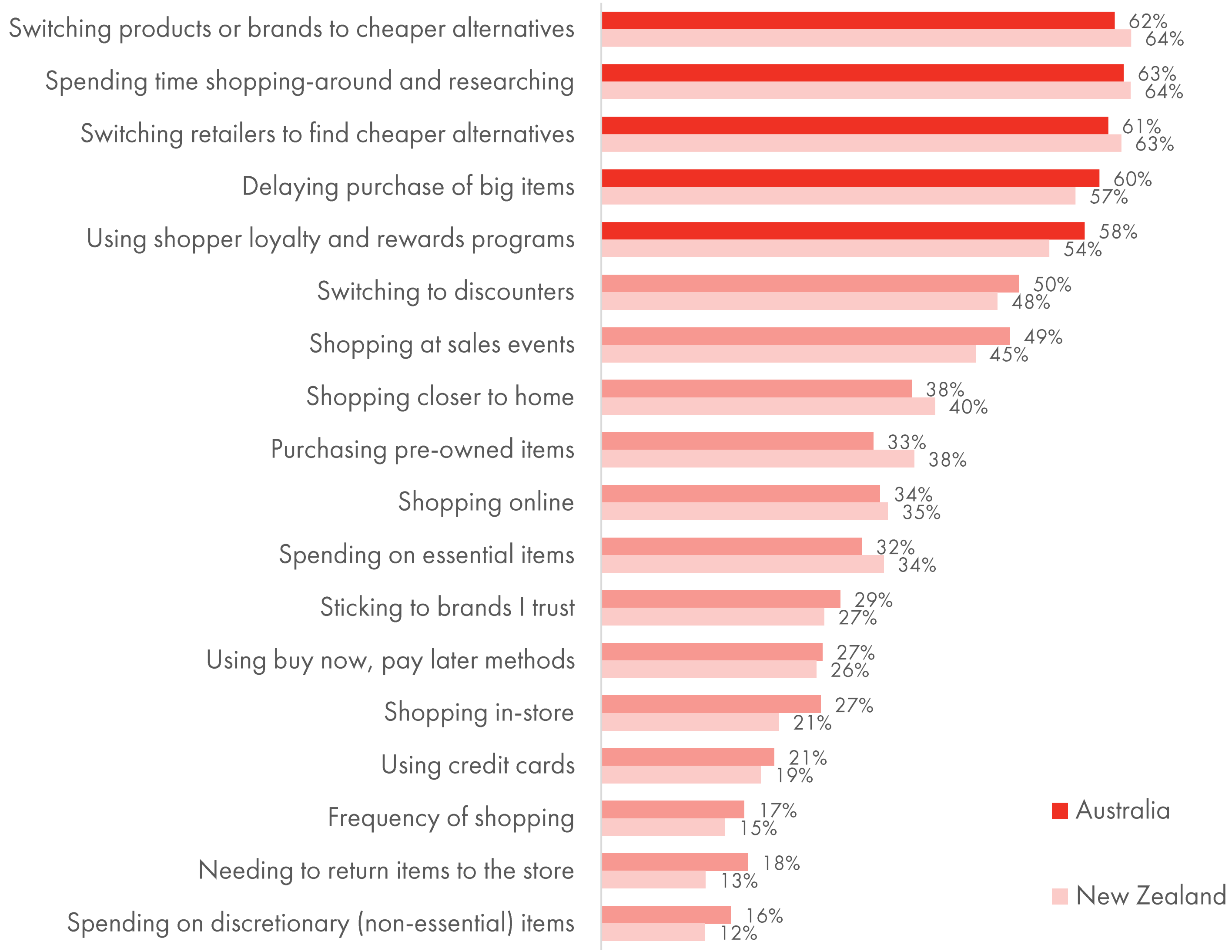
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

cost of living impacts on shopping behaviour

Australian and New Zealand shoppers have increased time spent researching along with brand, product and retailer switching, delaying purchases and usage of shopper loyalty/ rewards due to current rises in cost of living.

New Zealand shoppers are more likely than Australian shoppers to have increased their purchasing of pre-owned items and less likely to have increased their in-store shopping due to cost of living pressures.

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

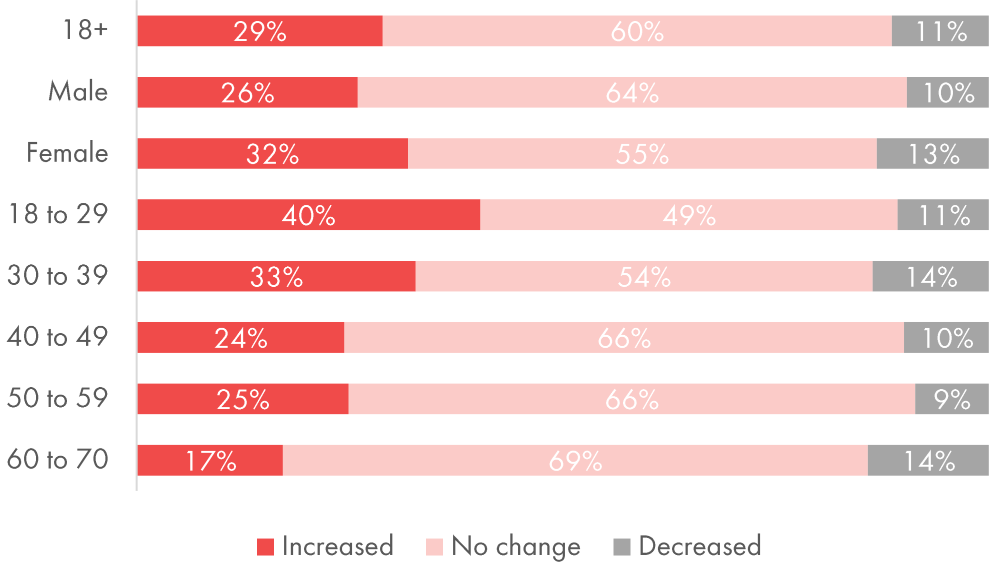


Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

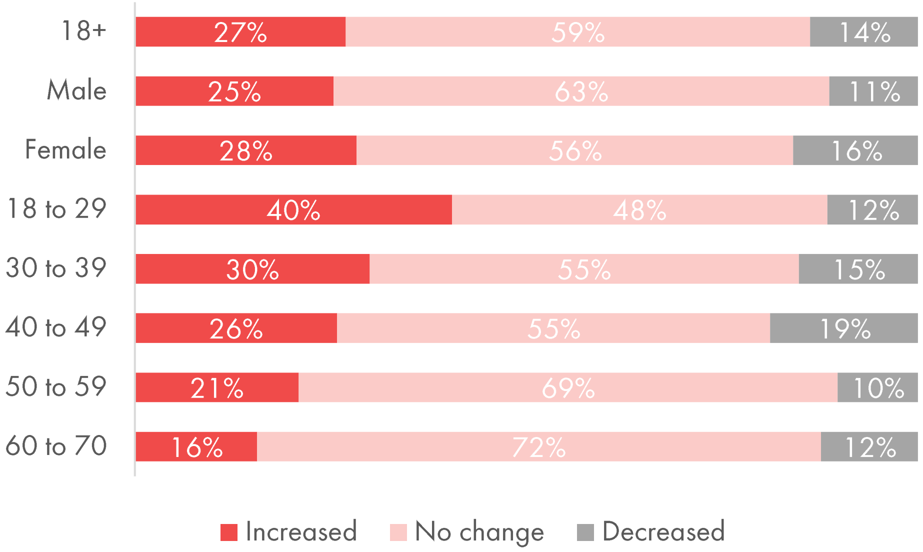
brand trust is essential in maintaining loyalty and preventing brand switching

changes in 'sticking to brands I trust' since recent rises in costs of living

australia



new zealand



Most Australian online shoppers have not changed or have increased purchase of brands they trust, with only 11% moving away from brands they trust.

Most New Zealand online shoppers have not changed or have increased purchase of brands they trust, with 14% moving away from brands they trust.

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living?

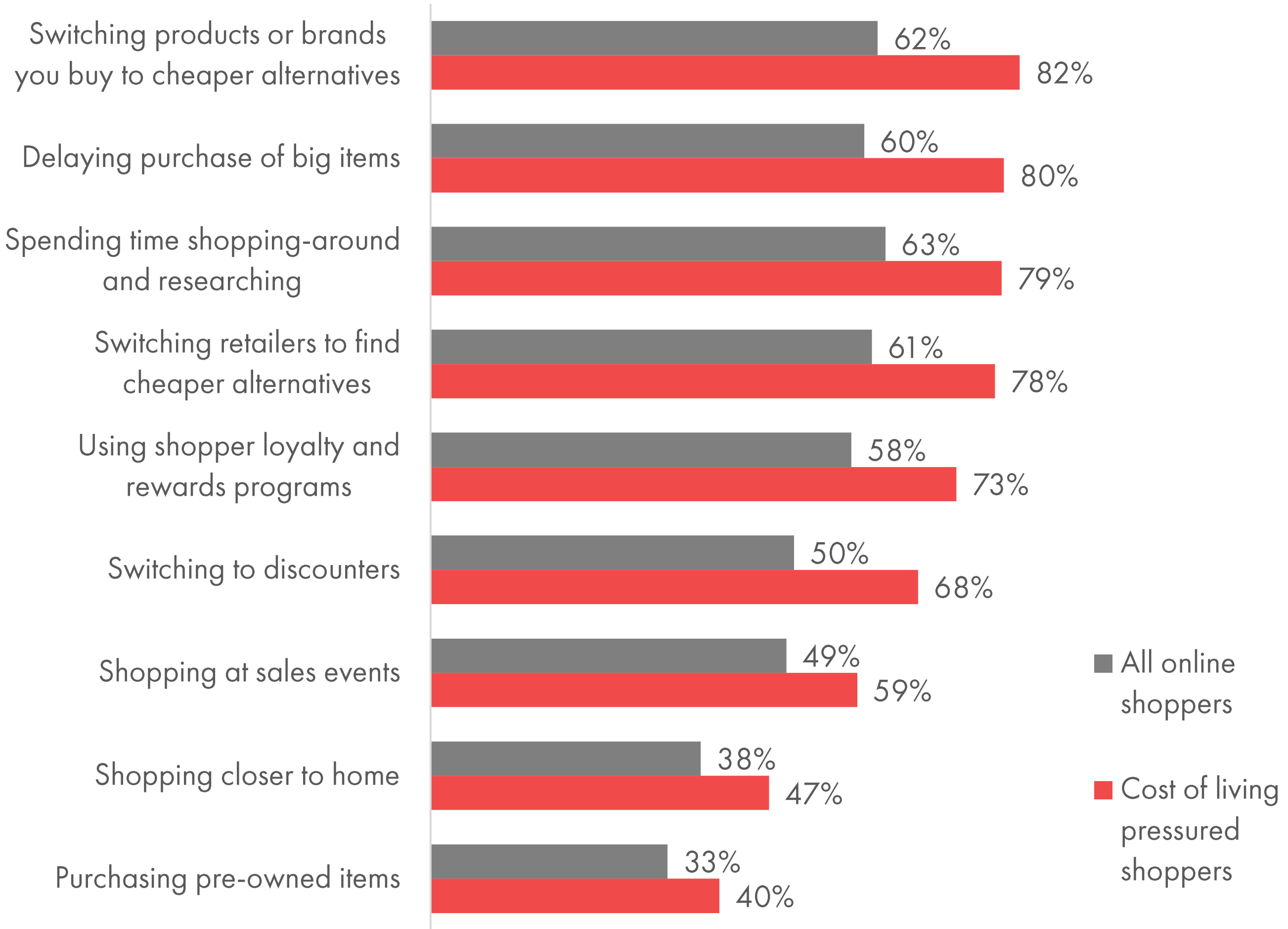
cost-of-living impacts on shopping behaviour

82% of the most cost of living pressured online shoppers have increased switching products or brands to cheaper alternatives.

Australian online shoppers who are most cost of living pressured are more likely to have increased a range of shopping behaviours including brand, produce and retailer switching.

Compared to all online shoppers, the group of online shoppers who strongly agree "cost of living pressures mean I don't have as much to spend on less essential retail shopping" (31% of Australian online shoppers), are more likely to have impacted shopping behaviour.

% increased shopping behaviour amongst australian online shoppers due to current rises in cost of living



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

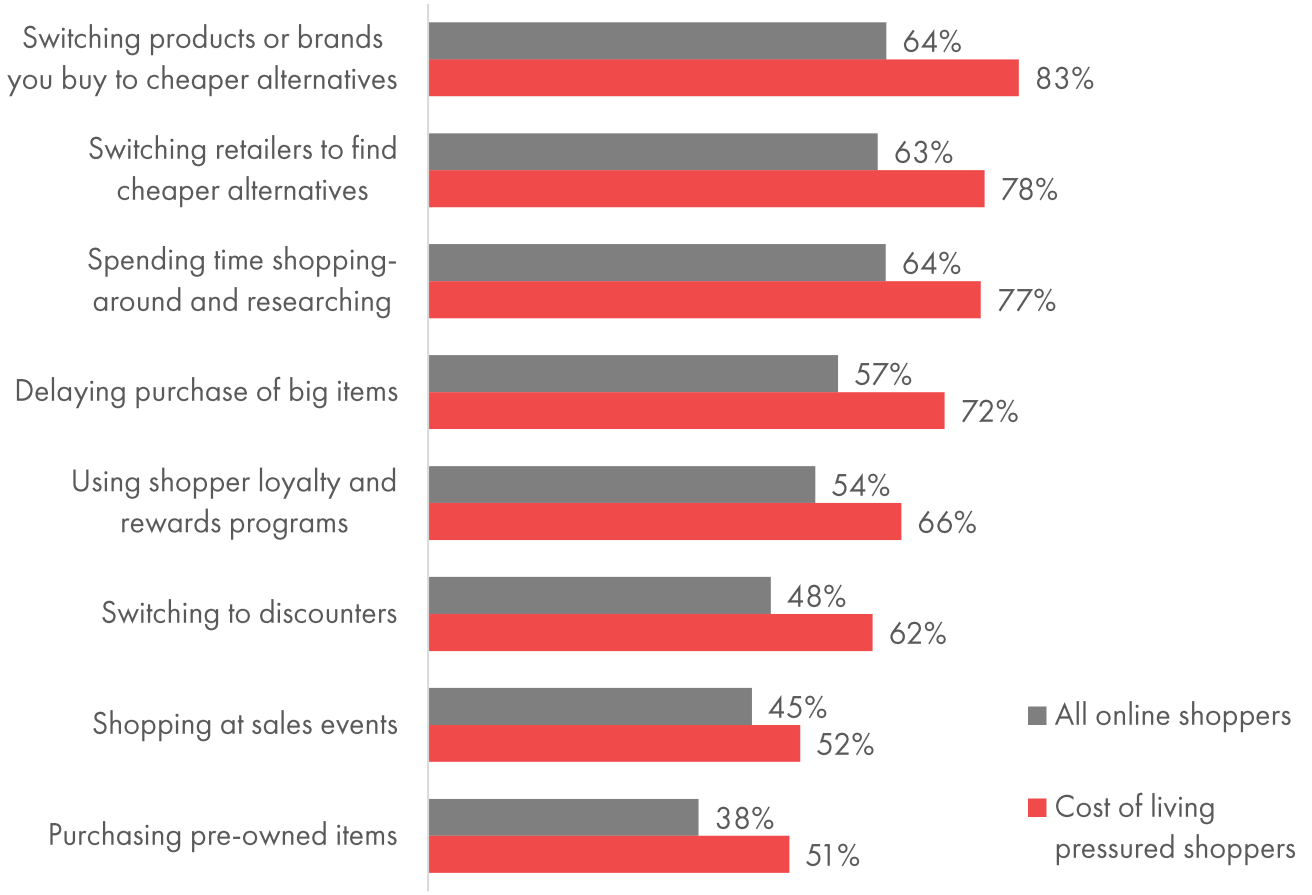
cost-of-living impacts on shopping behaviour

83% of the most cost of living pressured online shoppers have increased switching products or brands to cheaper alternatives.

New Zealand online shoppers who are cost of living pressured are more likely to have increased a range of shopping behaviours including brand, produce and retailer switching.

Compared to all online shoppers, the group of online shoppers who strongly agree "cost of living pressures mean I don't have as much to spend on less essential retail shopping" (34% of New Zealand online shoppers) are more likely to have impacted shopping behaviour.

% increased shopping behaviour amongst new zealand online shoppers due to current rises in cost of living

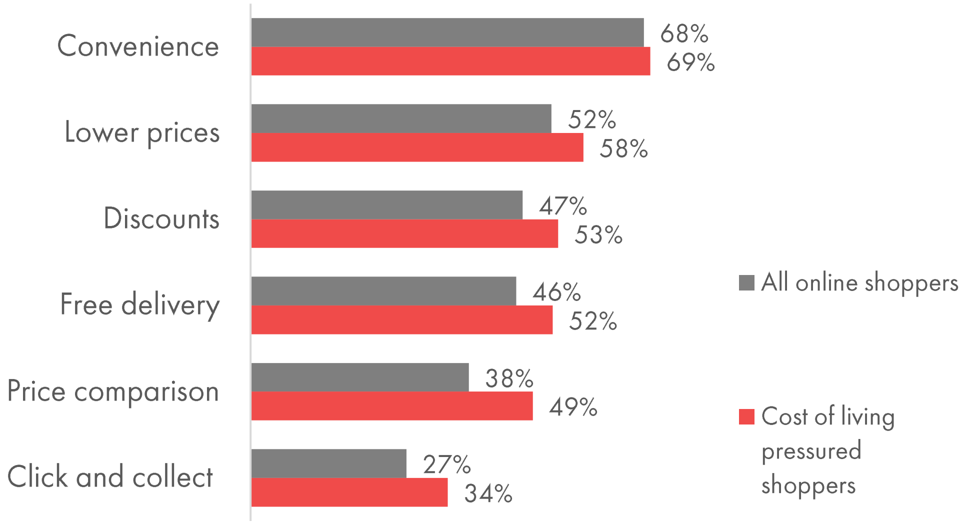


Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

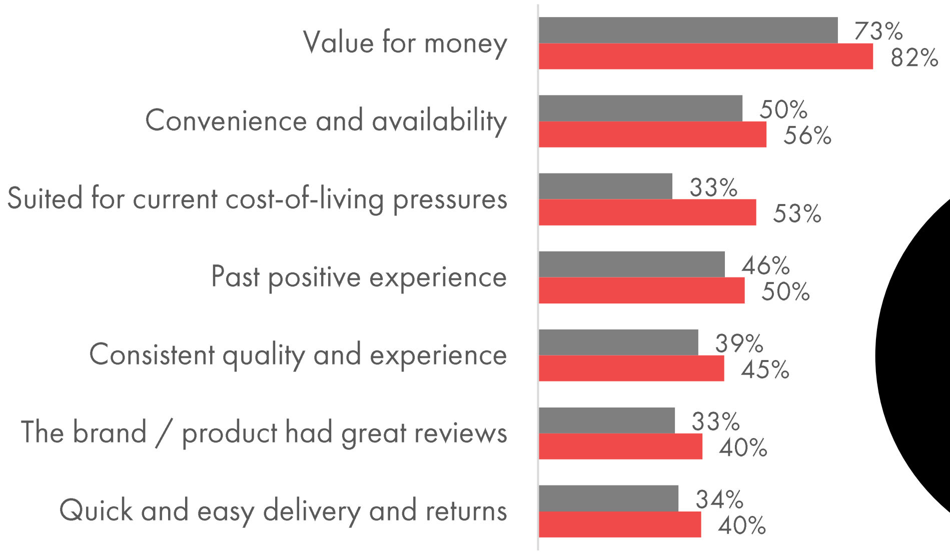
online purchase and brand choice drivers for australians most impacted by cost of living pressures

Outside of demonstrating value and using pricing levers, retailers can amplify convenience (particularly in the form of delivery, click and collect options), as well as consistent quality and customer experience, to drive online purchasing and brand choice amongst cost of living pressured shoppers (those 31% of online shoppers who strongly agree "cost of living pressures mean I don't have as much to spend on less essential retail shopping").

online purchasing drivers



brand choice drivers



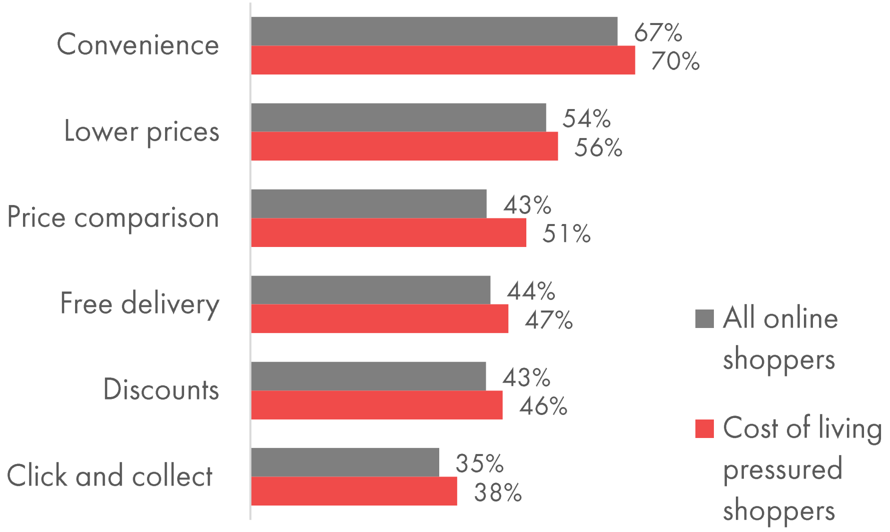
53%
of australian online shoppers will pay more for convenience

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave;)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

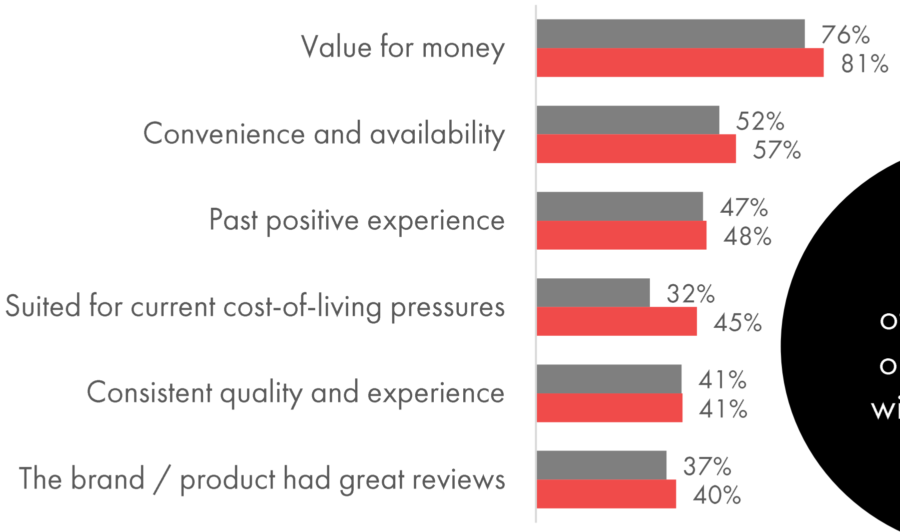
online purchase and brand choice drivers for new zealand shoppers most impacted by cost of living pressures

Outside of demonstrating value and using pricing levers, retailers can amplify convenience (particularly in the form of delivery, click and collect options), as well as consistent quality and customer experience to drive online purchasing and brand choice amongst cost-of-living pressured shoppers (those 34% of online shoppers who strongly agree "cost of living pressures mean I don't have as much to spend on less essential retail shopping").

online purchasing drivers



brand choice drivers



48%

of new zealand online shoppers will pay more for convenience

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

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

72% australia **72%** new zealand

If I'm buying a brand for the first time, I always research it before making the purchase

78% AU cost of living pressured shoppers & 80% NZ cost of living pressured shoppers

63% australia **64%** new zealand

Have increased spending time shopping-around and researching due to the current rises in costs-of-living

79% AU cost of living pressured shoppers & 77% NZ cost of living pressured shoppers

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q- Thinking about when you shop either online or in person, how much do you agree or disagree with the following?

cost of living impact

Online shoppers are embracing more considered spending behaviour, making careful changes to keep their budgets under control. Retailers need strategies to overcome consumer hesitancy and possible brand, product and retailer switching.

- Concerns over the cost of living remain elevated.
- Significant numbers of online shoppers are switching products and brands to cheaper alternatives due to cost of living pressures.
- Due to the current rises in cost of living, Australian and New Zealand shoppers have also increased time spent researching along with brand, retailer switching, delaying purchases and using shopper loyalty/ rewards programs.
- New Zealand shoppers are more likely than Australian shoppers to have increased their purchasing of pre-owned items due to cost of living pressures.

Generation gap in online shopping behaviour driven by economic conditions.

- Sentiments around cost of living pressures and caution with spending are most felt and have intensified amongst 30 to 49's.
- 18 to 49 are far more likely to have increased switching products and brands to buy cheaper alternatives than online shoppers aged 50+.

Retailers should enhance their value proposition and loyalty programs, as well as focus on brand trust and customer experience and support.

- Building and maintaining brand trust is exceptionally important as most online shoppers have not changed or have increased purchase of brands they trust.
- Online shoppers are spending more time shopping around, so having information readily available and an easy research process will increase shopper confidence.

05. discovering products and brands

discovering products and brands

Search remains key to discovering brands when shopping online

Top sources used by online shoppers for product inspiration:

- Search
- Friends & family
- Social media
- Retailers and online stores
- Online marketplaces
- Price comparison sites

Shoppable ads are emerging as a way to discover and purchase directly within the online ad

In Australia **62%** of 18-39's are aware of this type of advertising and **23%** have purchased this way

Social media is key to millennial and gen z online shoppers

59% Australia

47% New Zealand

18-39's agree social media is now an important part of how I find products I go on to buy

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)

sources of inspiration and discovery

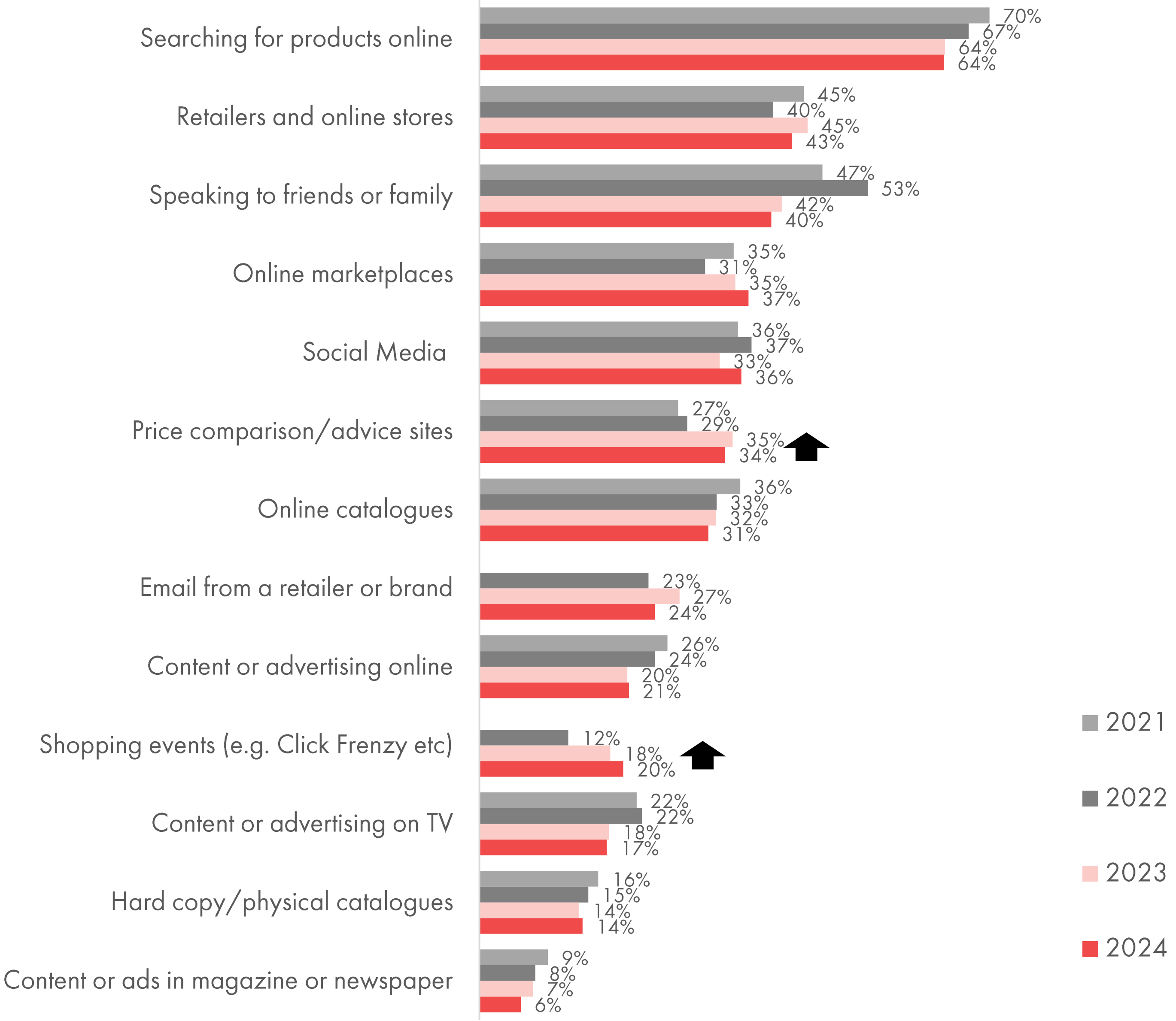
Search remains key to discovering brands when shopping online, particularly for over 50's (71%).

Social Media plays a greater role for 18-29's (58%) and 30-39's (46%).

Price comparison/advice sites have been more important over the last 2 years.

Shopping events such as Click Frenzy and Vogue online shopping night have increased as a source of inspiration.

sources used by australian shoppers for product inspiration and discovery



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - When buying something online, what sources do you use for product inspiration and discovering brands?

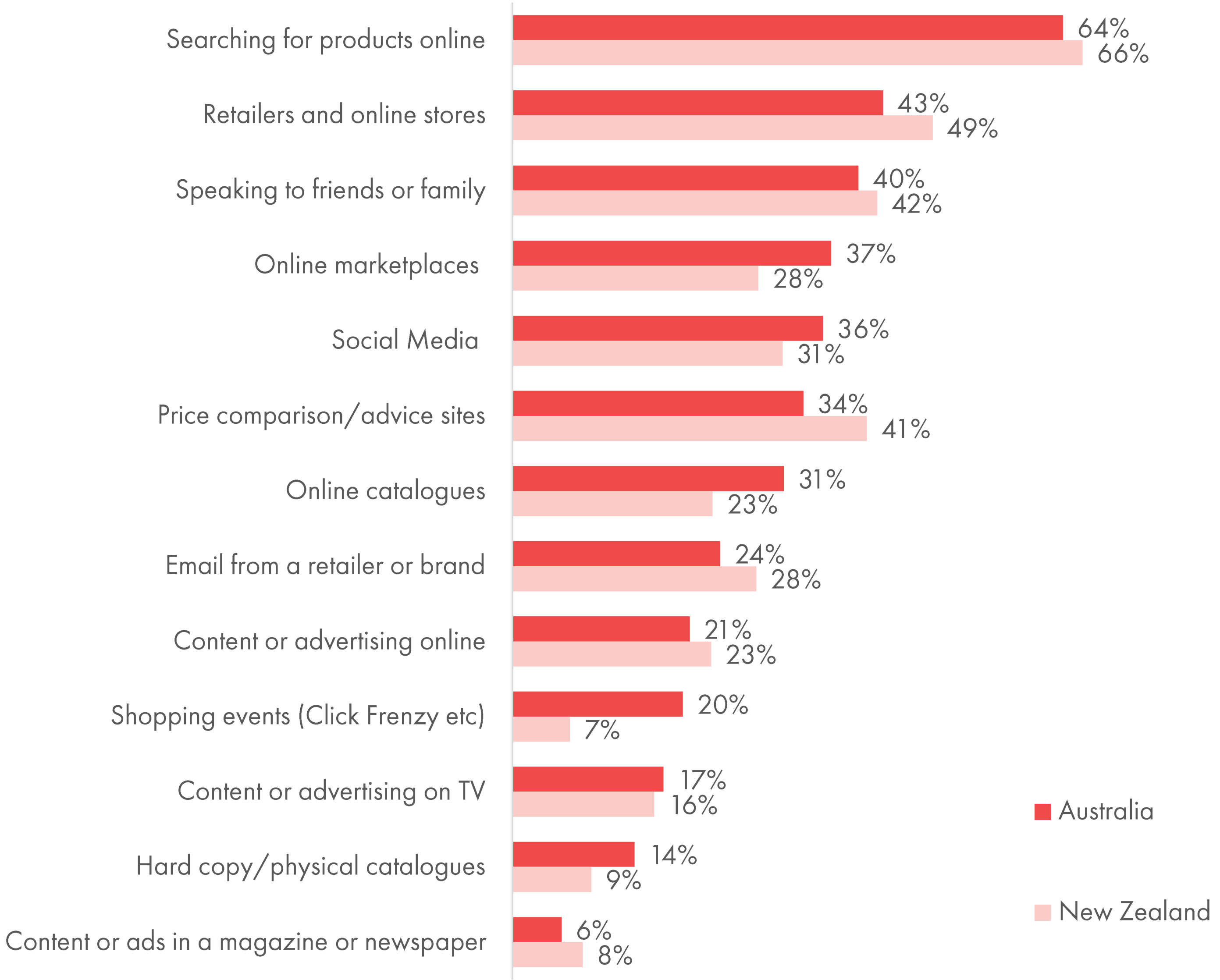
sources of inspiration and discovery

Search is key to discovering brands when shopping online, particularly for over 50's.

Social Media plays a greater role for 18-29's (58% AU and 52% NZ) and 30-39's (46% AU and 41% NZ).

For New Zealand online shoppers, retailers and online stores and price comparison & advice sites are greater sources of discovery than for Australian online shoppers.

For Australian online shoppers, shopping events, online catalogues and online marketplaces have a greater role in product discovery.



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - When buying something online, what sources do you use for product inspiration and discovering brands?

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

59%
australia

47%
new zealand

18-39's agree
social media is now an important part of how I find products I go on to buy

63% of Australians 18-29; 55% 30-39
54% of New Zealanders 18-29; 40% 30-39

52%
australia

39%
new zealand

18-39s agree
influencers on social media are a useful source to help me discover new products

56% of Australians 18-29; 48% 30-39
43% of New Zealanders 18-29; 34% 30-39

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Thinking about when you shop either online or in person, how much do you agree or disagree with the following? (Net agree) - amongst aged 18-39

millennial and gen z online shoppers get excited by new brands and will tell others about them

57% australia

52% new zealand

18-39's agree
I get excited about trying new brands

60% of Australians 18-29; 55% 30-39
55% of New Zealanders 18-29; 50% 30-39

68% australia

61% new zealand

18-39s agree
If there is a brand I love, I tend to tell everyone about it

70% of Australians 18-29; 65% 30-39
64% of New Zealanders 18-29; 57% 30-39

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Thinking about when you shop either online or in person, how much do you agree or disagree with the following? (Net agree) - amongst aged 18-39 and 40+

discovering products and brands

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

- It is important for retailers and brands to show up in these various avenues to discovery as online shoppers are spending more time shopping around comparing features, prices, and reviews.
- Search remains key to discovering brands when shopping online.
- Millennnials and Gen z are generally more excited by new brands and social media is a key way they come across new products and brands. Influencers and content creators play a significant role in shaping purchasing decisions.
- For Australian online shoppers, shopping events such as Click Frenzy and Vogue online shopping night have increased as a source of inspiration.
- For New Zealand online shoppers, retailers and online stores and price comparison & advice sites are greater sources of discovery than for Australian online shoppers.
- Continuing investment in advertising across multiple channels, particularly for brand building, is the proven key to long term business success and coming out of economic downturn strongly.

06. retail marketing

retail marketing

6 in 10 online shoppers have read or looked at content produced and distributed by retailers, including:

- Websites
- Mobile apps
- Emails
- Catalogues
- Social posts
- Online video

9 in 10 online shoppers are signed up to at least one shopper rewards program (92% in AU and 89% in NZ)

45% of Australian online shoppers and 43% of New Zealand online shoppers have 4 or more cards

58% of Australian online shoppers

54% of New Zealand online shoppers

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

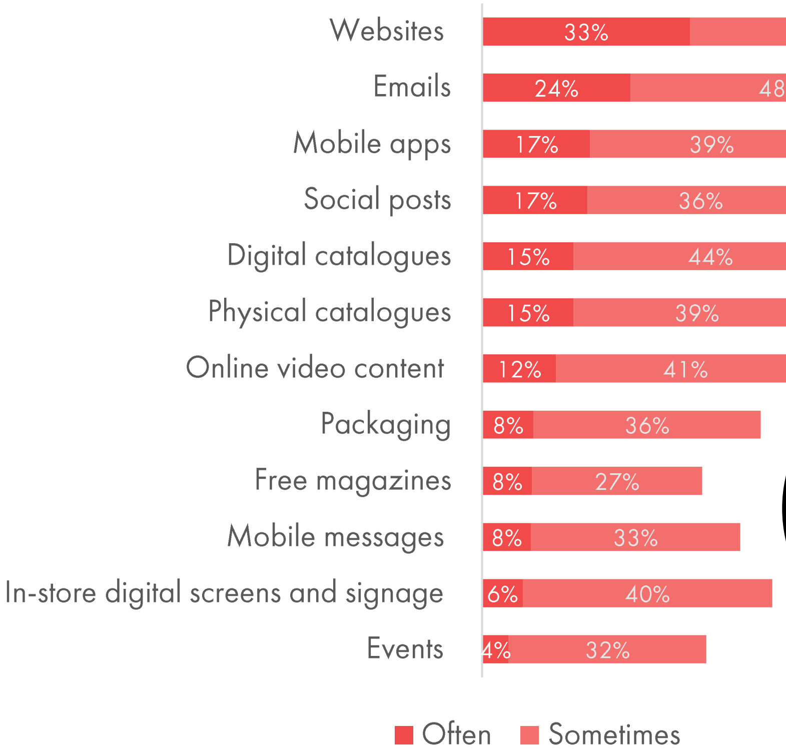
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)

retailer communications consumed

Around 6 in 10 online shoppers have read or looked at content produced and distributed by retailers.

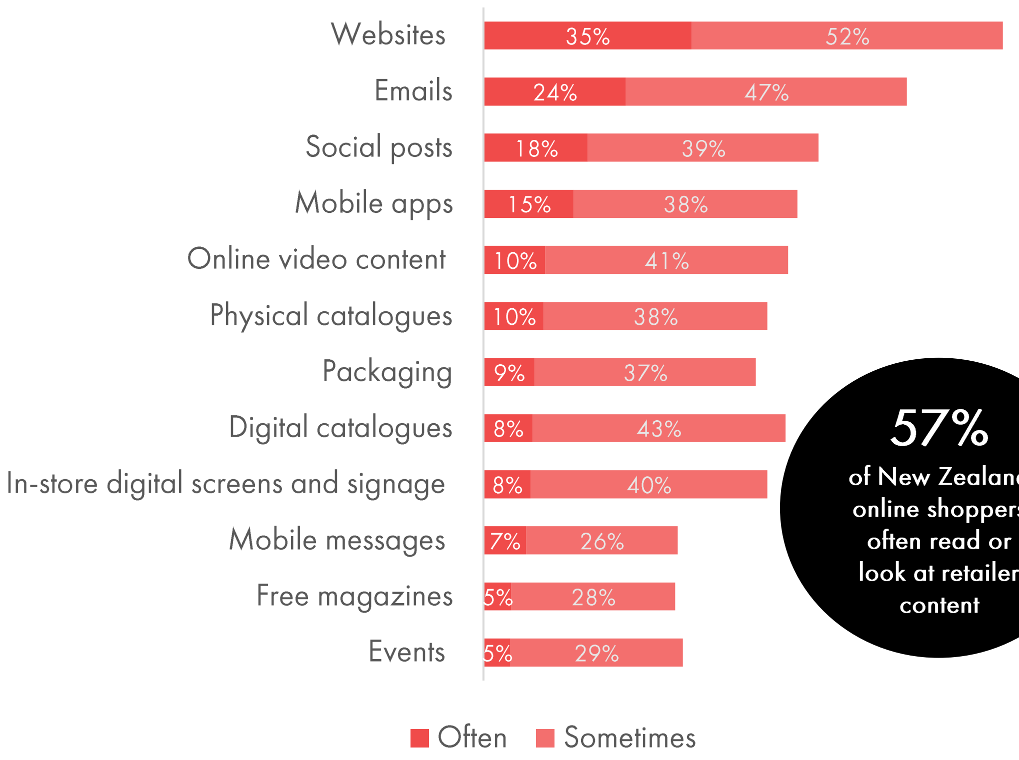
Retailer websites and apps, emails and social posts are the most consumed content from retailers. Australian online shoppers are more likely than New Zealand online shoppers to consume retailer content in mobile messages or digital catalogues, whereas New Zealand online shoppers are more likely to consume websites and social posts.

Australia



61% of Australian online shoppers often read or look at retailer content

New Zealand



57% of New Zealand online shoppers often read or look at retailer content

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How often do you read or look at content produced and distributed by retailers in the following ways? (Often/Sometimes)

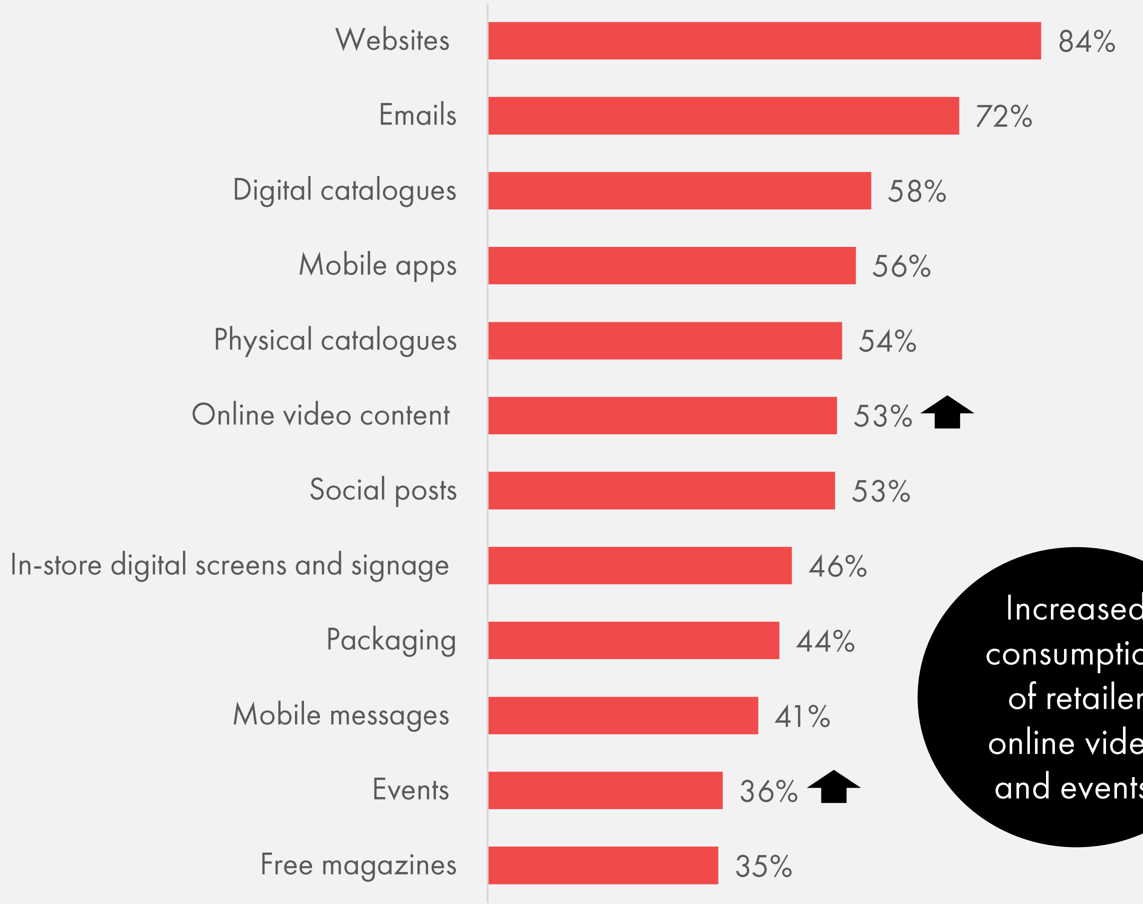
australian retailer communications consumed

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

Over the last 4 years there has been gradual increase in consumption (often/sometimes) of online video content (from 44% in 2022 to 53% in 2024) and events (from 28% in 2021 to 36% in 2024).

The usage of physical catalogues and free magazines have declined over the 4 years.

retailer content australian online shoppers often/sometimes read or look at



Increased consumption of retailer online video and events.

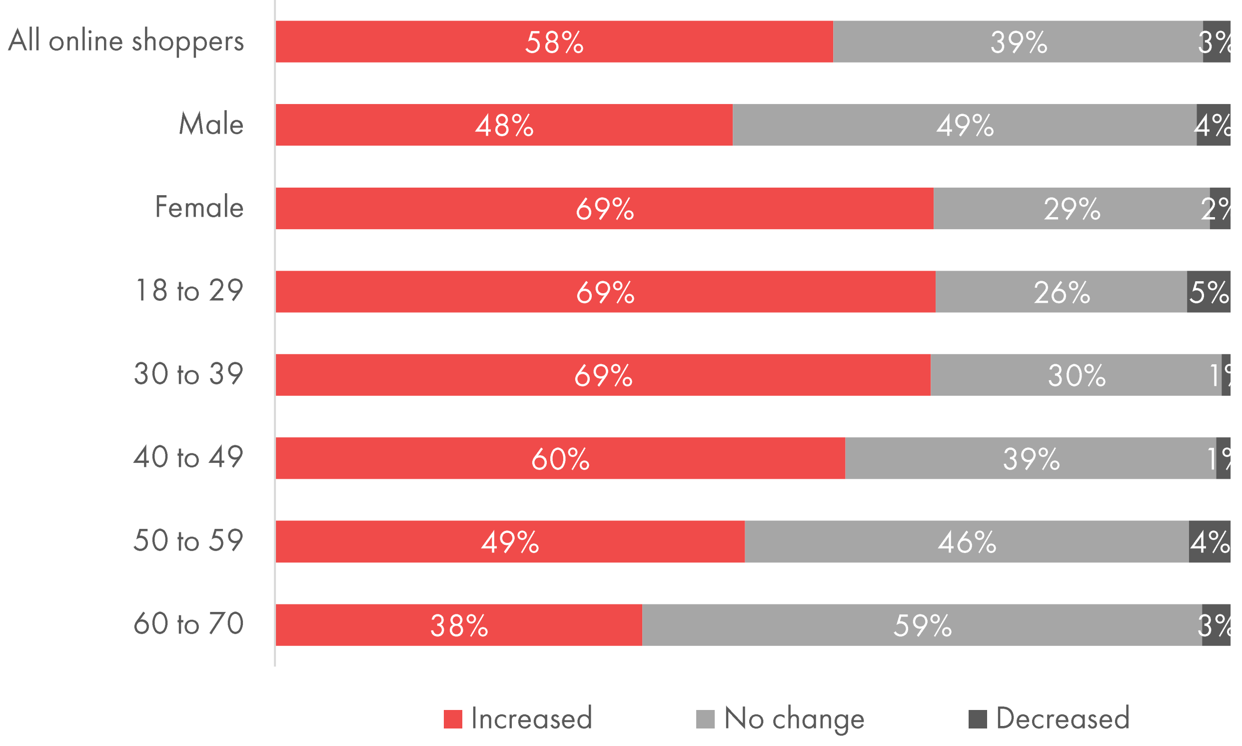
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - How often do you read or look at content produced and distributed by retailers in the following ways? (Often/Sometimes)

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

58% of Australian online shoppers have increased their usage of shopper loyalty and rewards programs since recent rise in costs of living.

7 in 10 (69%) Australian online shoppers aged 18-39 and female online shoppers have increased their usage of shopper loyalty and rewards programs.

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



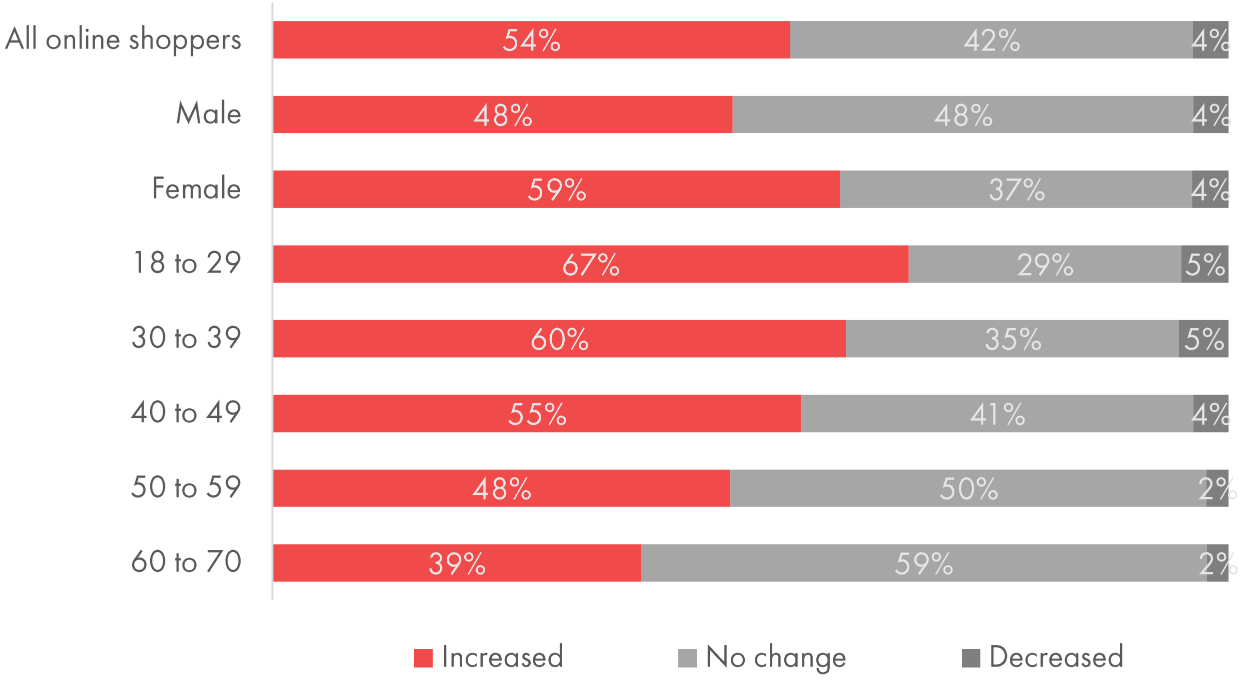
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

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

54% of New Zealand online shoppers have increased their usage of shopper loyalty and rewards programs since recent rise in costs of living.

67% of New Zealand online shoppers aged 18-29 and 59% of female online shoppers have increased their usage of shopper loyalty and rewards programs.

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



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How have the following areas of your shopping behaviour been impacted by the current rises in costs of living? (increased significantly or somewhat)

retail loyalty and rewards programs

9 in 10 online shoppers are signed up to at least one shopper rewards program (92% in AU and 89% in NZ).

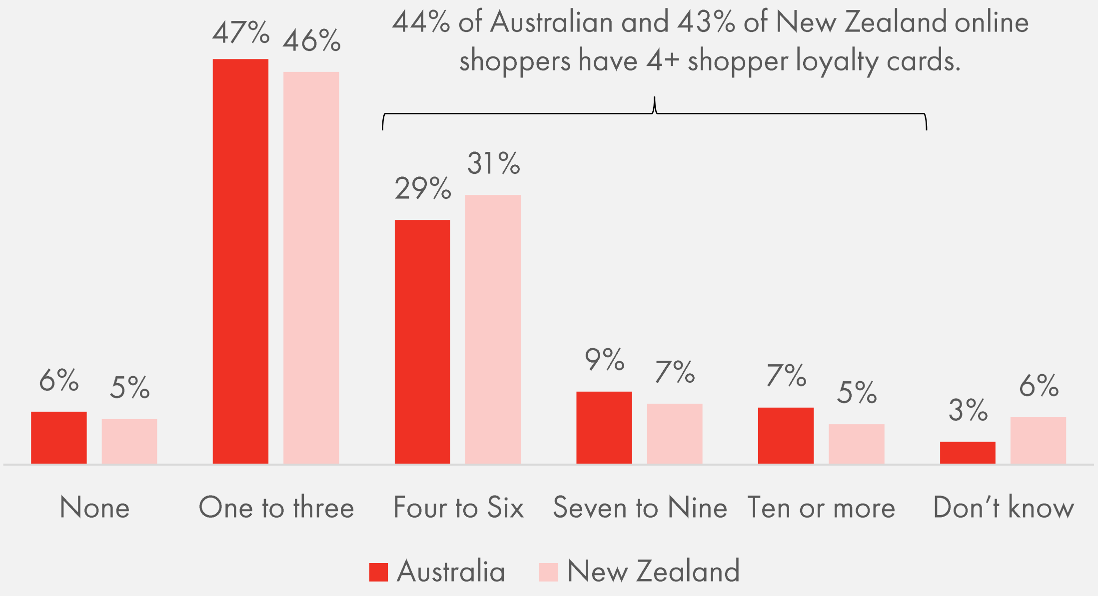
45% of Australian online shoppers and 43% of New Zealand online shoppers have 4 or more cards.

Heavy rewards program users (4 or more cards) are more likely:

- Female: 53% of Australian females and 51% in New Zealand females
- Age 40-49: 57% of Australian 40-49's and 45% of New Zealand 40-49s.
- Frequent online shoppers: 54% of Australians shopping online at least weekly and 52% in New Zealanders shopping online at least weekly.

58% of Australian online shoppers and 37% of New Zealand 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**.**

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



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How many retail loyalty programs or shopper rewards cards are you signed up to?

cashback website or app accounts

44% of Australian online shoppers and 29% of New Zealand online shoppers have set up a cashback website or app account.

With these cashback accounts shoppers receive money back when making purchases with a retailer via the cashback site or app for example Cashrewards, Shopback, Kickback, Super-Rewards etc.

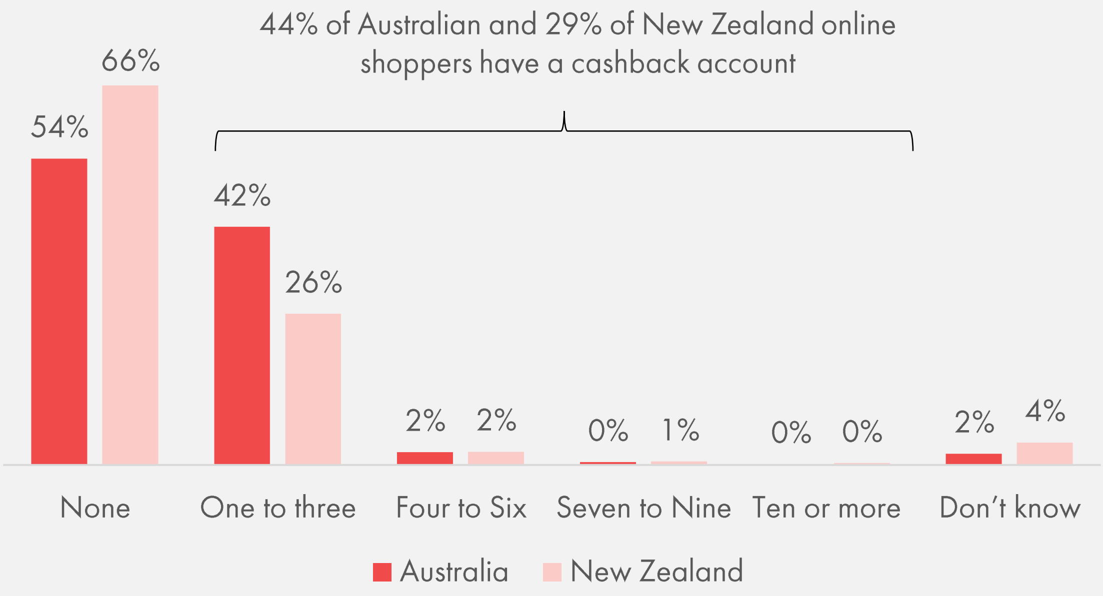
In Australia -

- Online shoppers with cashback accounts are more likely female (55%), aged 30-39 (59%) and frequent online shoppers (59% of those who shop online weekly)

In New Zealand –

- Online shoppers with cashback accounts are more likely aged 18-39 (40%) and frequent online shoppers (34% of those who shop online weekly).

number of cashback accounts set up



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How many 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?

popular retail loyalty, rewards and cashback online brands

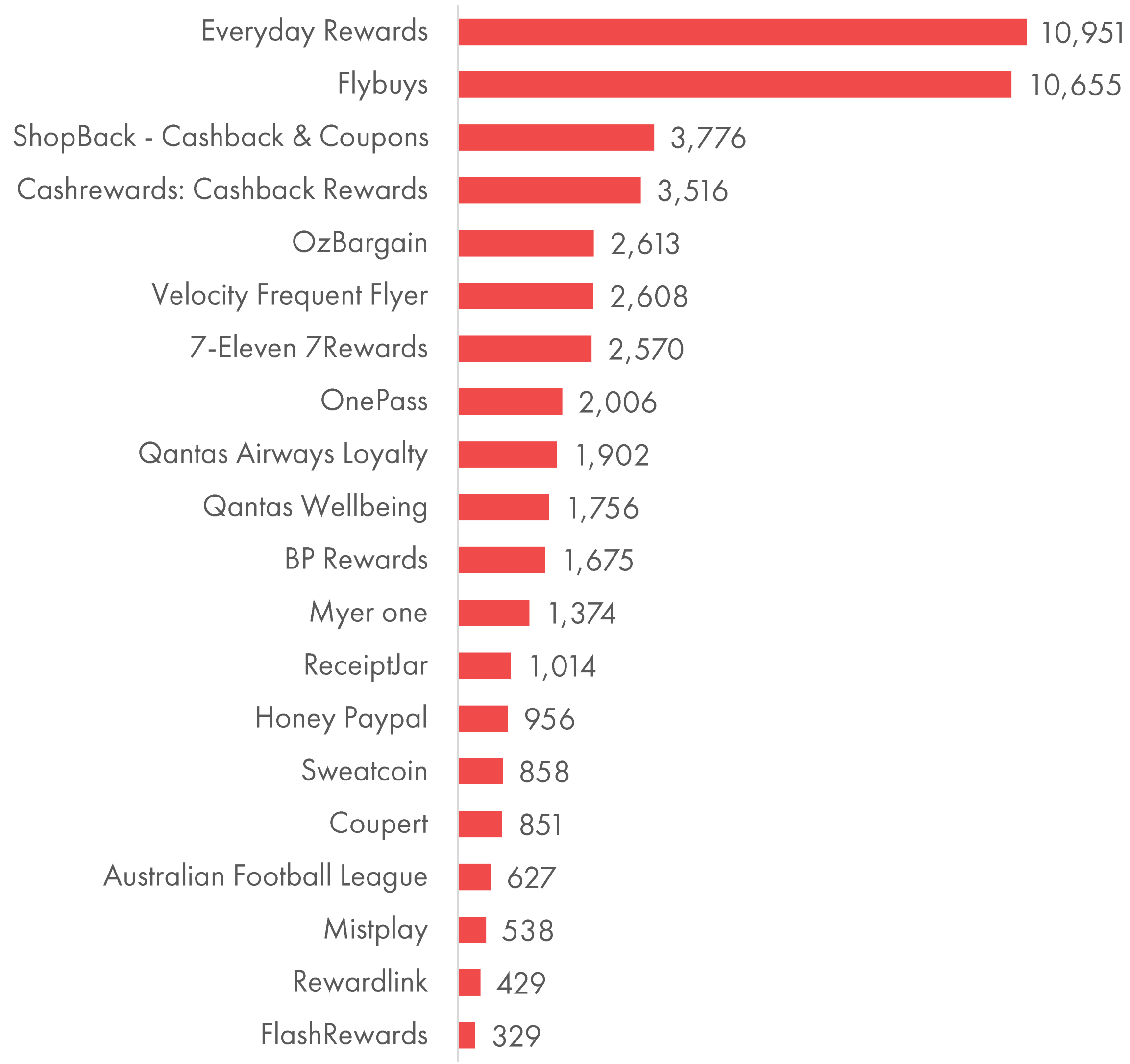
18.6 million

Australians aged 14+ visited a voucher, reward or loyalty points website or app in June 2024.

Australians visit a range of retail loyalty, rewards and cashback websites and apps with Woolworths Everyday Rewards (10.95 million) and Coles Flybuys (10.65 million) being most popular.

selected retail loyalty, rewards and cashback brands

audience (000s) aged 14+ in June 2024



Source: Ipsos iris Online Audience Measurement Service June 2024, Age 14+, PC/laptop/smartphone/tablet, Vouchers/Reward and Loyalty Retail subcategories and selected retail loyalty, rewards and cashback brand groups, audience (000s)

retail marketing

Retail media helps consumers discover products that match their interests and needs.

- Around 6 in 10 online shoppers have read or looked at content produced and distributed by retailers, most commonly retailer websites and apps, social posts and emails. Over the last 4 years there has been gradual increase in consumption of retailer online video content and retailer events.
- There is a dominance of digital touchpoints which also provide rich behavioural data for retail marketers.

Loyalty programs offer shoppers a variety of benefits designed to encourage continued shopping and provide the data for retailers to tailor promotions and recommendations.

- Cost of living pressures have increased the usage of shopper loyalty and rewards programs with the number of online shoppers signed up to paid programs also increasing.
- 9 in 10 online shoppers are signed up to at least one shopper rewards program with high proportions of online shoppers signed up to multiple cards.

07. retailer data exchange

retailer data exchange

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 providing their data.

3/4 of online shoppers think it is VERY IMPORTANT that retail businesses provide clear information about how they use shoppers' personal information

8 in 10 online shoppers do understand that their data is used for targeting advertising and marketing

Nearly all online shoppers are willing to share some type of personal data with retail businesses in exchange for benefits

Nearly 9 in 10 will share their email address

Benefits tied to personal financial compensation are valued the most for the exchange of personal data with retail businesses:

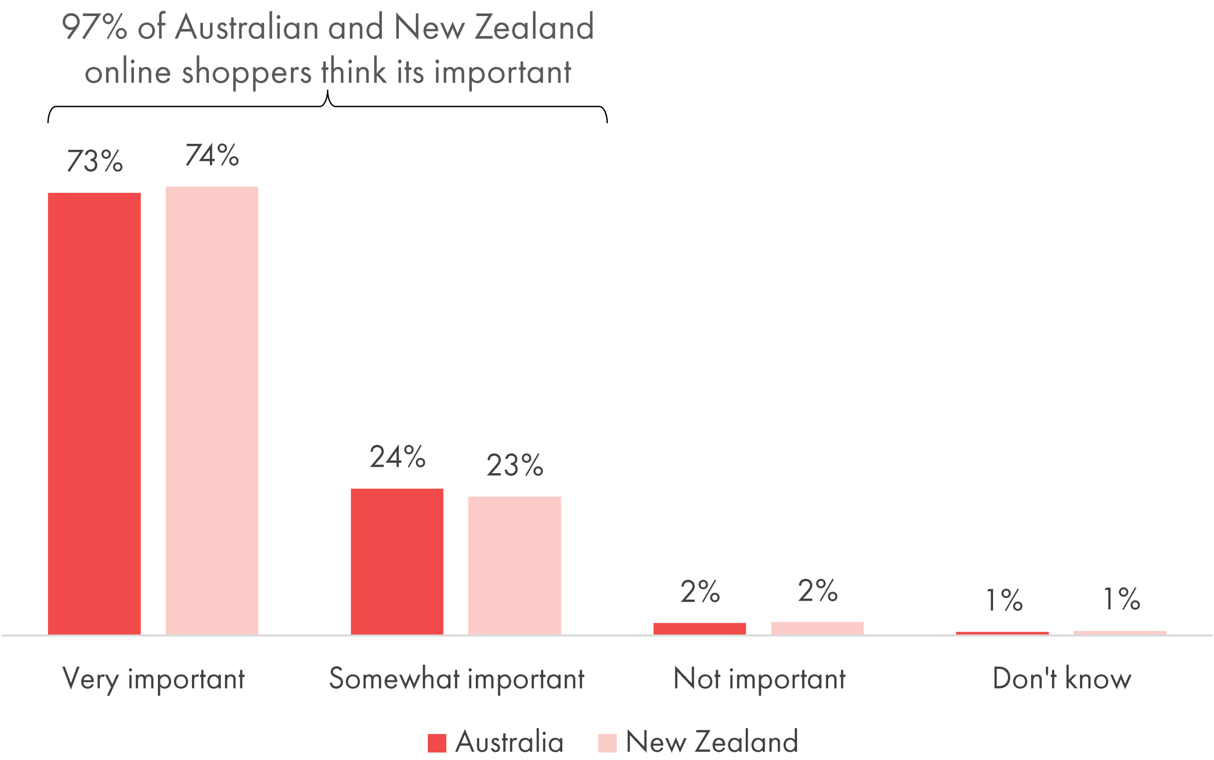
- Discounts
- Free Delivery
- Reward points

Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)

providing clear information on how retailers use shopper information is critical

It is critical that retail businesses provide clear information about how they use shoppers' personal information, nearly three-quarters of online shoppers think this is very important.

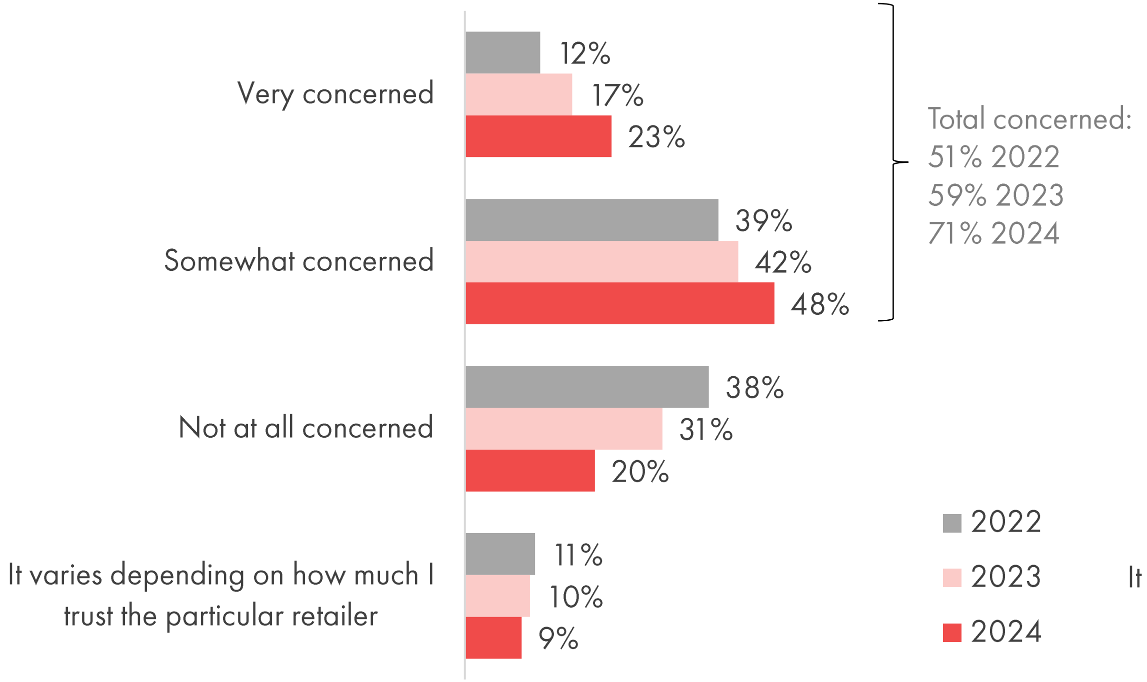
importance of retail businesses providing clear information about how they use shoppers' personal information



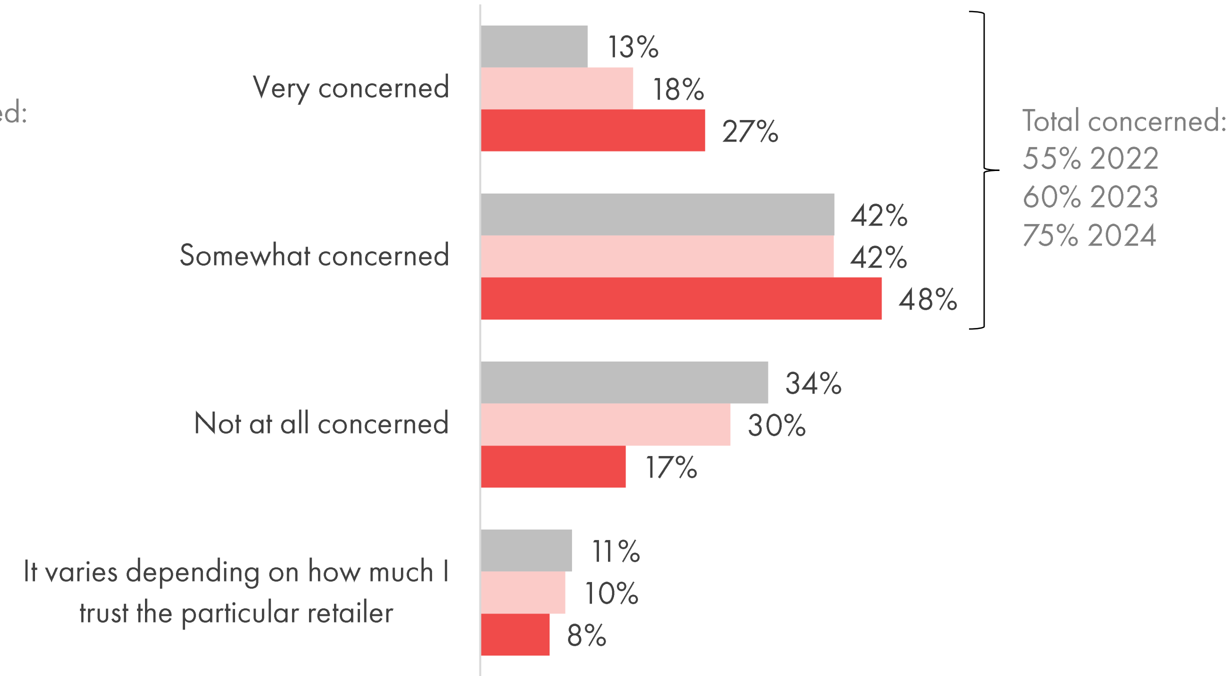
Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How important is it for you that retail businesses provide clear information about how they use your personal information?

concern with how retailers use australian shopper data has significantly increased over the last year

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



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

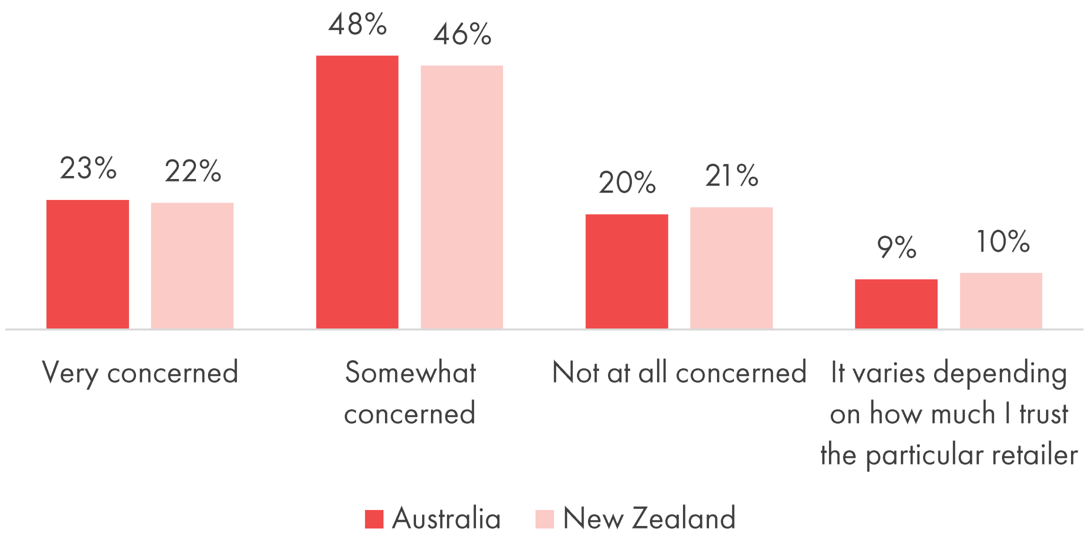


Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How concerned are you about how retailers use the data about you that you provide to them via the loyalty program/reward card or general transactions?

trust and transparency are key for retailers collecting shopper data

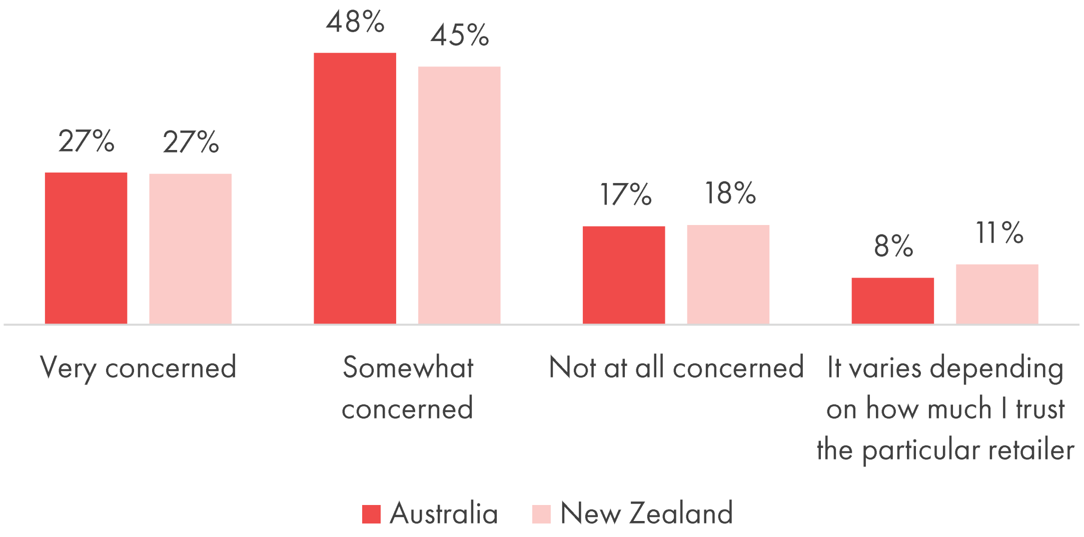
level of concern about how retailers use data provided via loyalty cards

71% of Australian and 68% of New Zealand online shoppers are concerned about how retailers use their data provided via loyalty programs/reward cards



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

75% of Australian and 72% of New Zealand online shoppers are concerned about how retailers use their data provided via transactions



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How concerned are you about how retailers use the data about you that you provide to them via the loyalty program/reward card or general transactions?

trust and transparency key for retailers collecting shopper data

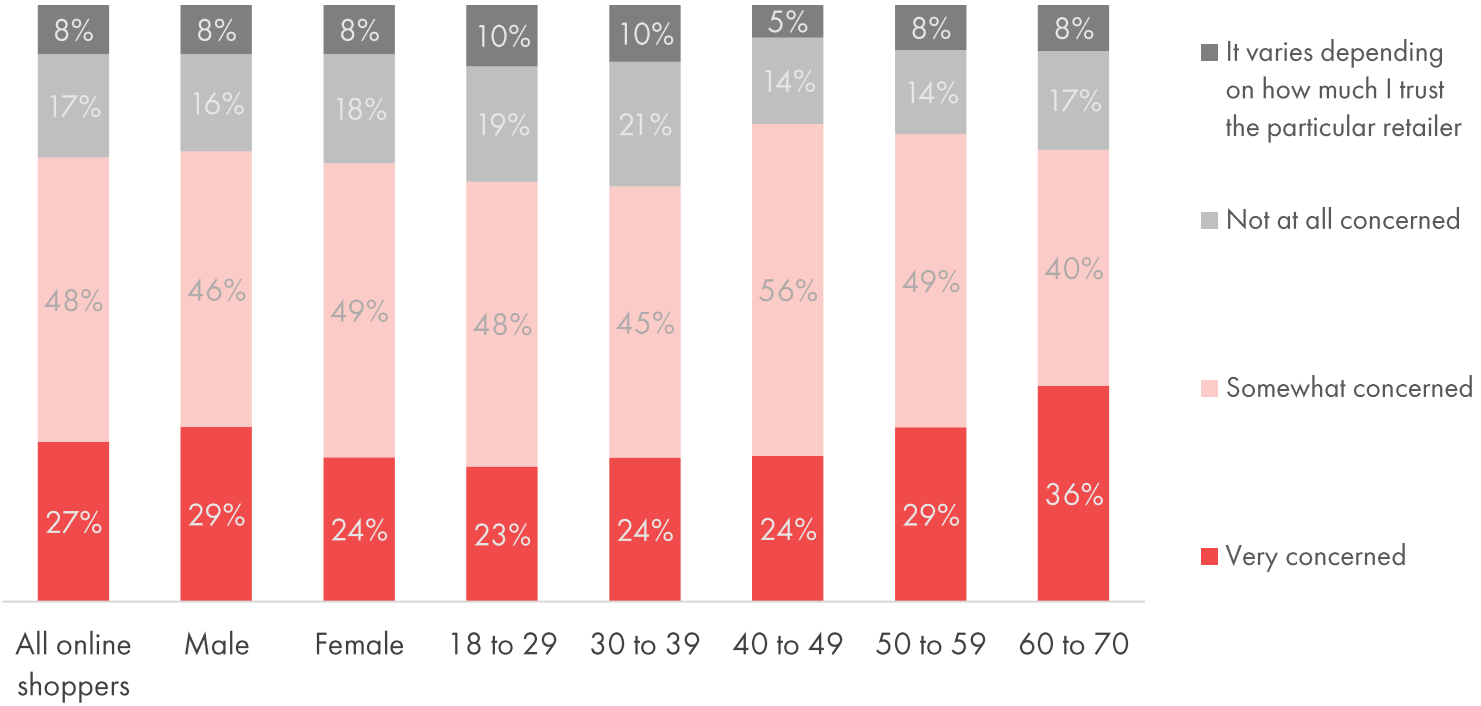
75% of Australian online shoppers are concerned about how retailers use the data they collect via transactions.

A further 8% say it depends on the trust they have with the particular retailer.

Those aged over 40 years are more concerned than those aged under 40 years.

80% of 40-49's are concerned about how retailers use their data.

australian online shoppers
level of concern about how retailers use shopper data via transactions



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How concerned are you about how retailers use the data about you that you provide to them via the loyalty program/reward card or general transactions?

trust and transparency key for retailers collecting shopper data

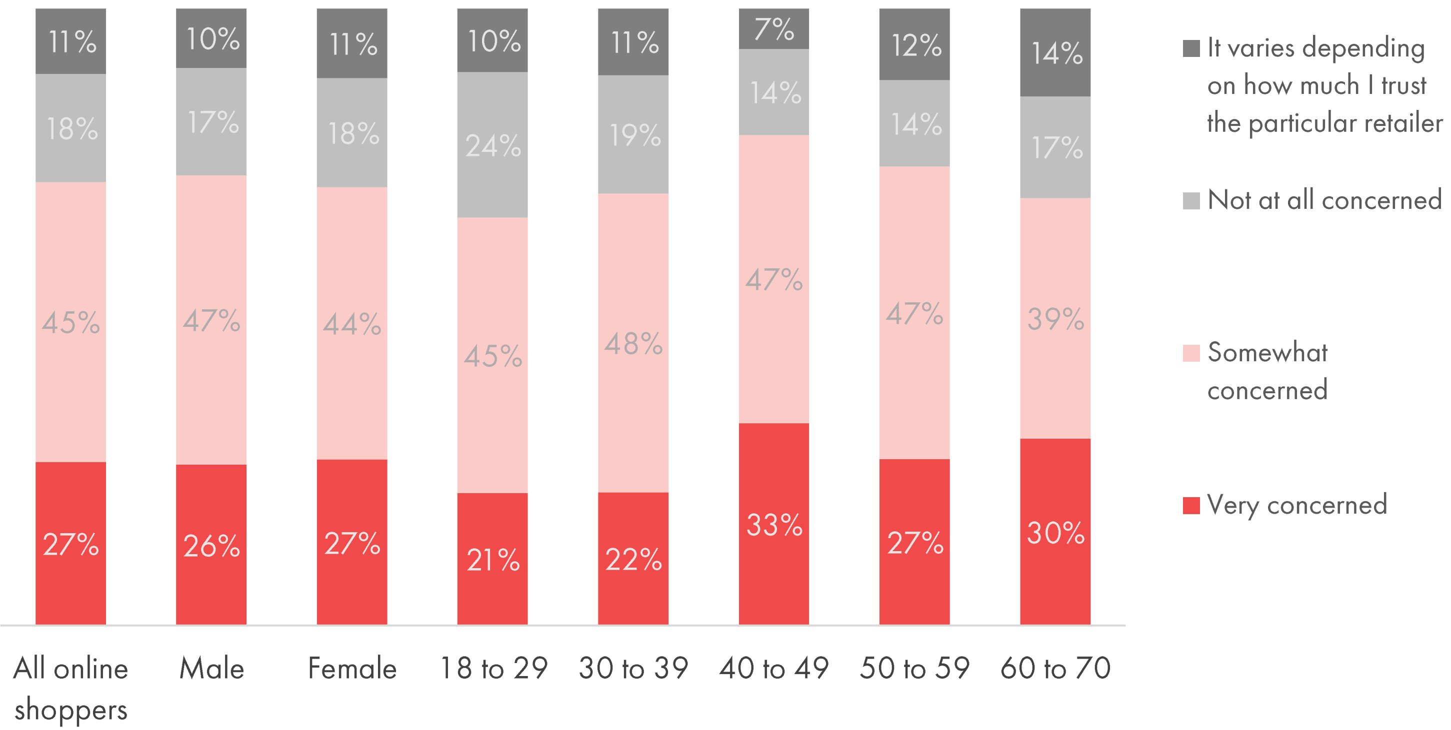
72% of New Zealand online shoppers are concerned about how retailers use the data they collect via transactions.

A further 11% say it depends on the trust they have with the particular retailer.

Those aged over 40 years are more concerned than those aged under 40 years.

80% of 40-49's are concerned about how retailers use their data.

new zealand online shoppers
level of concern about how retailers use shopper data via transactions



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - How concerned are you about how retailers use the data about you that you provide to them via the loyalty program/reward card or general transactions?

retailer data usage

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

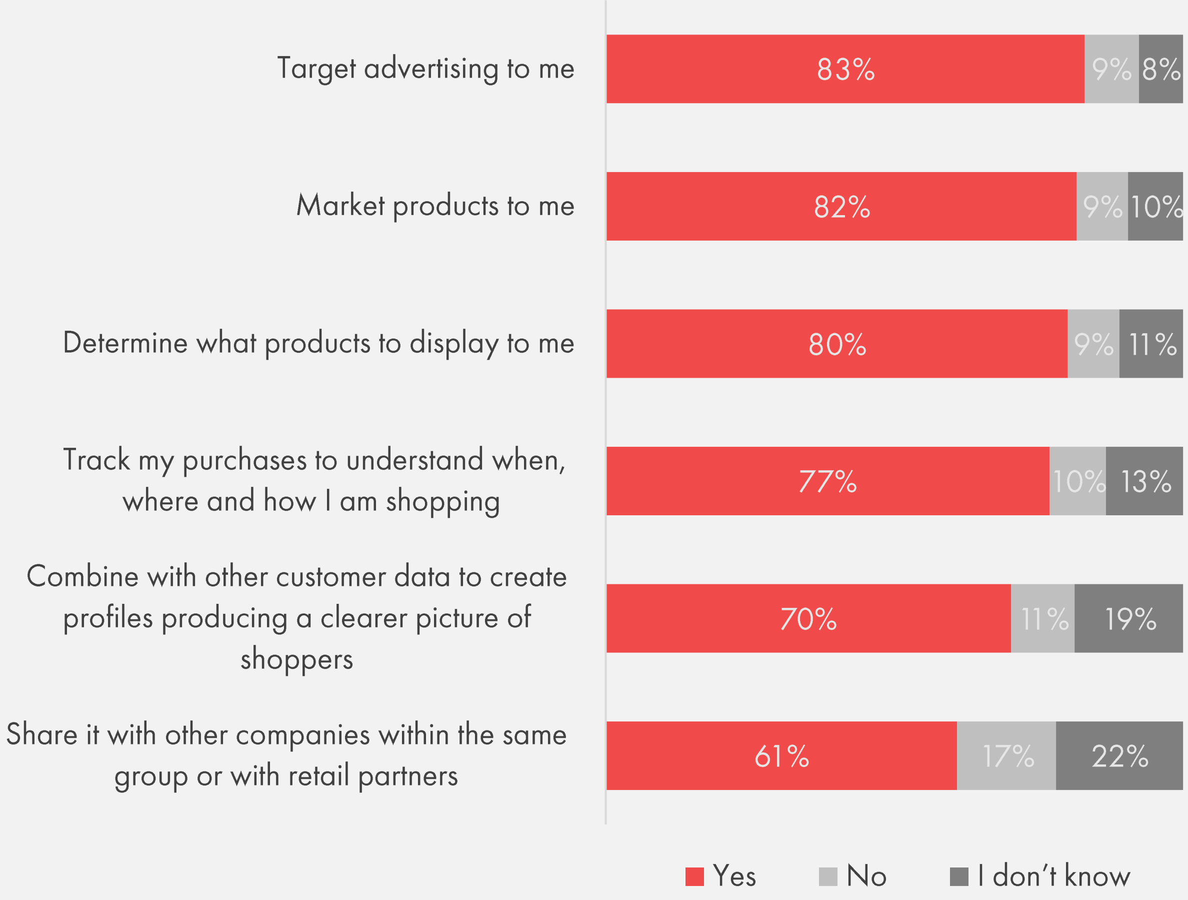
However, 22% of online shoppers don't know whether retailers share their data with other companies.

Understanding on these aspects has remained stable over the previous years of survey data.

Online shoppers do value personalisation (49% of weekly online grocery shoppers would pay more to personalise products to suit them) and most understand that retailers use their data to determine what products to display to them.

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 australian shoppers think retailers do with their data?



retailer data usage

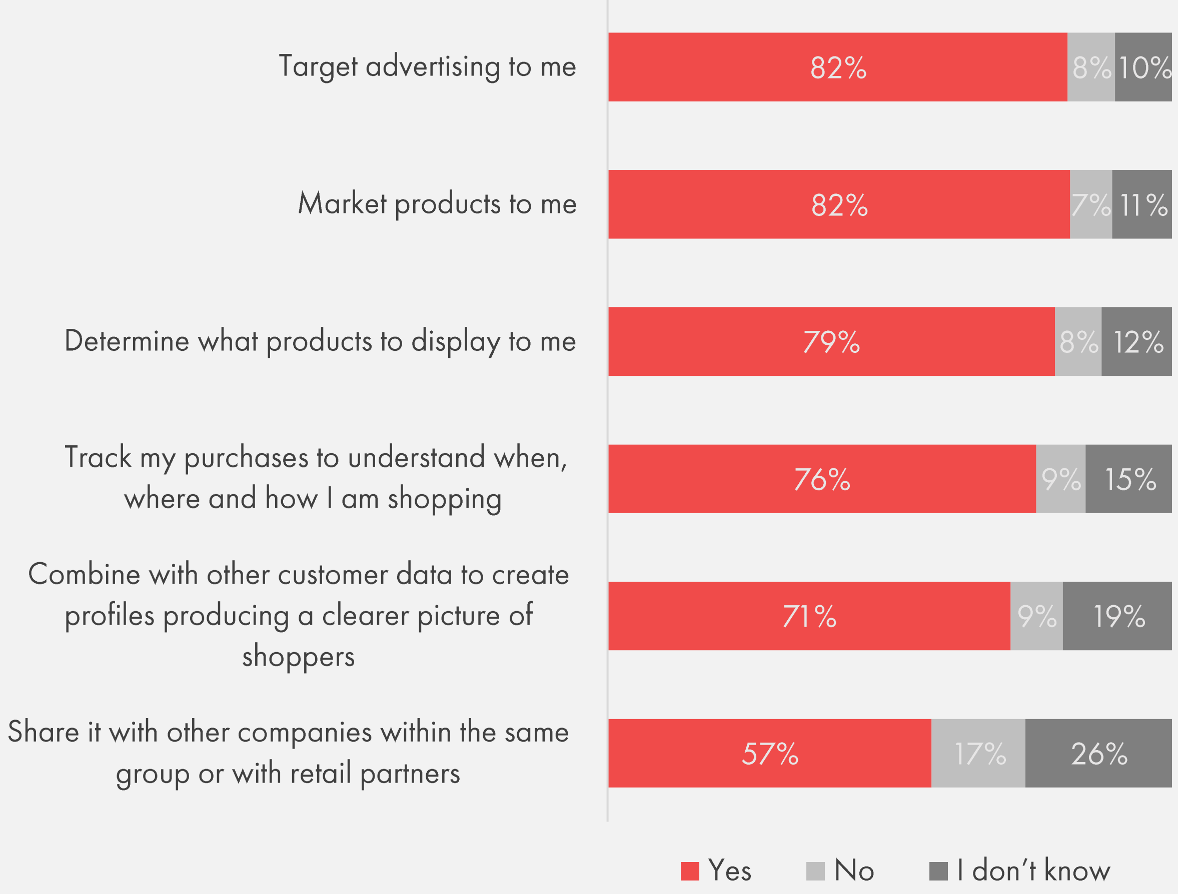
Most New Zealand online shoppers do understand that their data is used for targeting advertising and marketing.

However, 26% of online shoppers don't know whether retailers share their data with other companies.

Online shoppers do value personalisation (40% of those buying groceries online regularly would pay more to personalise products to suit them) and most understand that retailers use their data to determine what products to display to them.

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 new zealand shoppers think retailers do with their data?



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - What do you think the retailers do with the data you are providing them via loyalty cards, transactions or online behaviour?

retailer data value exchange

Nearly all online shoppers are willing to share some type of personal data with retailers in exchange for benefits such as discounts, free delivery or rewards points.

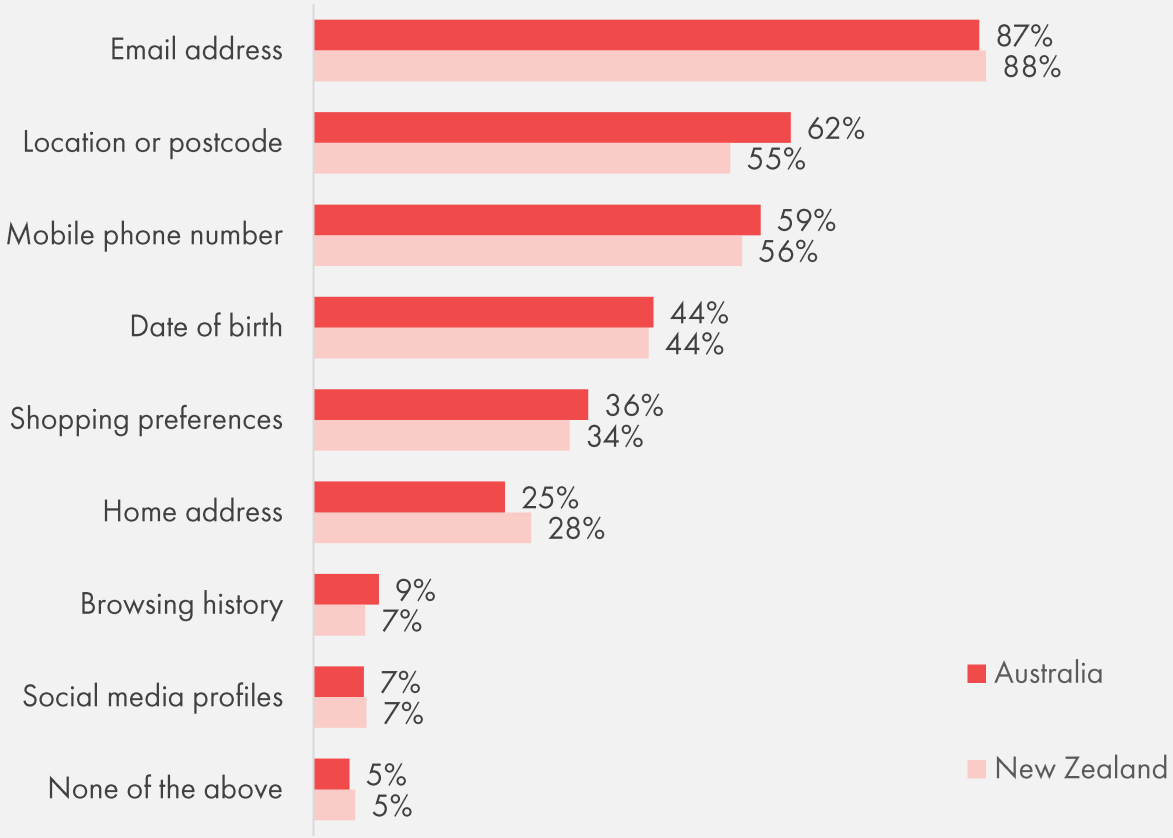
An email address is the data point online shoppers are far more willing to share with retailers.

The types of personal data shoppers are willing to share is similar across markets, except for sharing location. New Zealand shoppers are less likely than Australian shoppers to be willing to share their location data.

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.

This question was added to the Australian survey for the first time in wave 4, no trend data is available.

personal data shoppers are willing to share with retail businesses in exchange for benefits



Source; IAB Australia and Pureprofile Australia & New Zealand Ecommerce Report 2024 (Australia n=1,000 per wave; New Zealand n=1000)
Q - Which of the following types of personal data are you willing to share with retail businesses (online or in-store) in exchange for benefits (such as discounts, free delivery, rewards points etc)?

retailer data value exchange

Benefits tied to personal financial compensation are valued the most for the exchange of personal data with retail businesses.

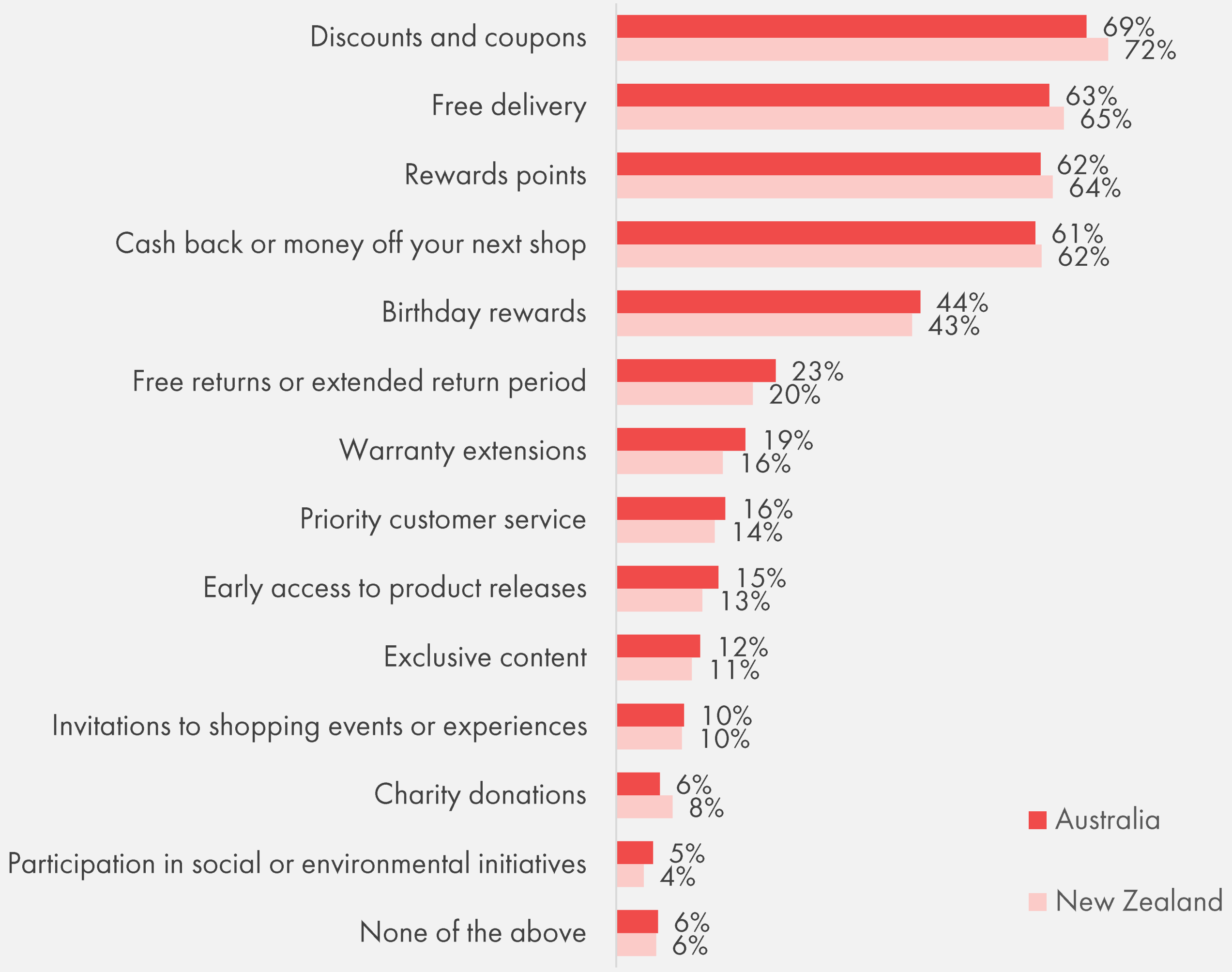
Online shoppers are more willing to share their data with retailers in return for discounts, coupons, free delivery, rewards points and cash back.

Australian shoppers are slightly more open to seeing value in some of the mid-tier benefits such as free returns or extended return period and warranty extensions.

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.

This question was added to the Australian survey for the first time in wave 4, no trend data is available.

benefits valued as compensation in exchange for the personal data shared with retail businesses



retailer data exchange

Trust and transparency are key for retailers collecting shopper data as online shoppers concerns about how retailers use their data have increased significantly over the last year.

- Most online shoppers are concerned about how retailers use their data. In Australia, where this has been measured for the previous two years, concern has increased significantly.
- Nearly all online shoppers think it is important for retail businesses to provide clear information about how they use shoppers' personal information.
- In particular information on how retailers share their data with other companies needs more transparency as a high proportion of online shoppers don't think or don't know whether retailers share their data with other companies.

Driving impactful customer experiences is dependent upon a value exchange between retailer and shopper.

- Most online shoppers do understand that their data is used for targeting advertising and marketing. Most also understand that retailers use data to determine what products to display to them. Personalisation is valued by shoppers (some segments of online shoppers would pay more for personalised products) and can lead to a better shopping experience.
- Nearly all online shoppers are willing to share some type of personal data with retail businesses in exchange for benefits (most are willing to share an email address).
- Benefits tied to personal financial compensation (discounts, coupons, free delivery, rewards points cashback) are valued the most for the exchange of personal data with retail businesses.
- 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.

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