The Digital Cart: Understanding Australian Online Shopping Trends

Contents

Survey methodology

Celigo conducted an independent survey in 2024, collecting 500 responses from Australian consumers about their online shopping habits.

Respondents answered 17 multiple-choice questions regarding shopping preferences, product expectations and sentiments around emerging technologies like artificial intelligence (AI).

The survey delved into how age and location influence purchasing decisions, shedding light on demographic variations in behaviour. It also examined the impact of economic factors, such as inflation, on consumer spending patterns. Additionally, the survey explored how major shopping holidays, like Boxing Day, shape consumer and retailer strategies in eCommerce. This report aims to provide actionable insights into current trends, offering retailers recommendations for navigating an evolving market.

Survey Respondent Data

Income Demographics

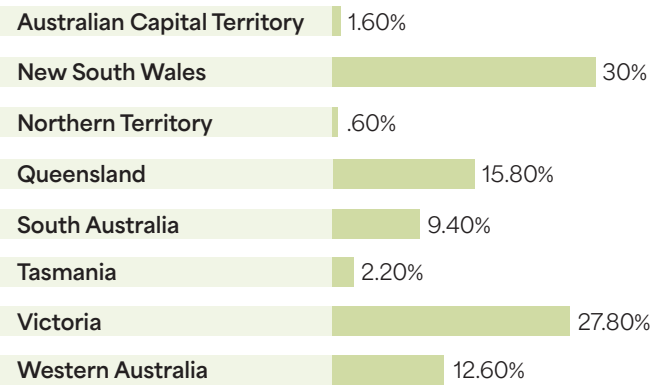|		
Less than A$15,000	22	4.40%
A$15,000 to A$19,999	15	3%
A$20,000 to A$24,999	23	4.60%
A$25,000 to A$29,999	27	5.40%
A$30,000 to A$34,999	22	4.40%
A$35,000 to A$39,999	22	4.40%
A$40,000 to A$44,999	16	3.20%
A$45,000 to A$49,999	12	2.40%
A$50,000 to A$59,999	33	6.60%
A$60,000 to A$74,999	38	7.60%
A$75,000 to A$84,999	32	6.40%
A$85,000 to A$99,999	43	8.60%
A$100,000 to A$119,999	58	11.60%
A$120,000 to A$124,999	11	2.20%
A$125,000 to A$149,999	26	5.20%
A$150,000 to A$174,999	24	4.80%
A$175,000 to A$179,999	7	1.40%
A$180,000 to A$199,999	13	2.60%
A$200,000 and above	35	7.00%
Prefer not to answer	21	4.20%

Age & Gender

18-24	8.20%
25-35	20.80%
36-45	25.60%
46-55	16.40%
56-99	29%
Male	42.40%
Female	57.60%

Regional Demographics

Australian Capital Territory	1.60%
New South Wales	30%
Northern Territory	.60%
Queensland	15.80%
South Australia	9.40%
Tasmania	2.20%
Victoria	27.80%
Western Australia	12.60%
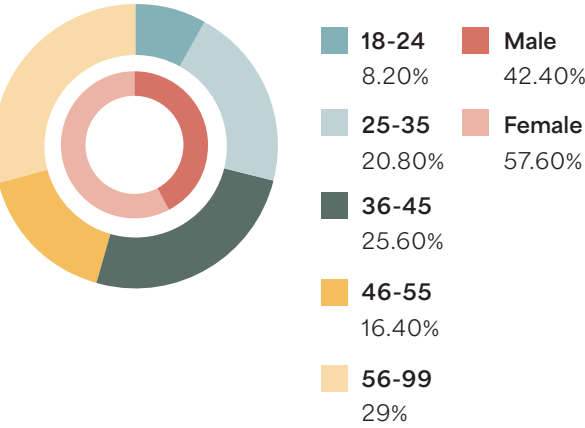
Employment Demographics

Employed full-time	194	38.80%
Employed part-time	91	18.20%
Self-employed full-time	15	3%
Self-employed part-time	79	15.80%
Temporarily unemployed	30	6%
Full-time homemaker	33	6.60%
Retired	71	14.20%
Student	17	3.40%
Disabled/permanently unemployed	21	4.20%
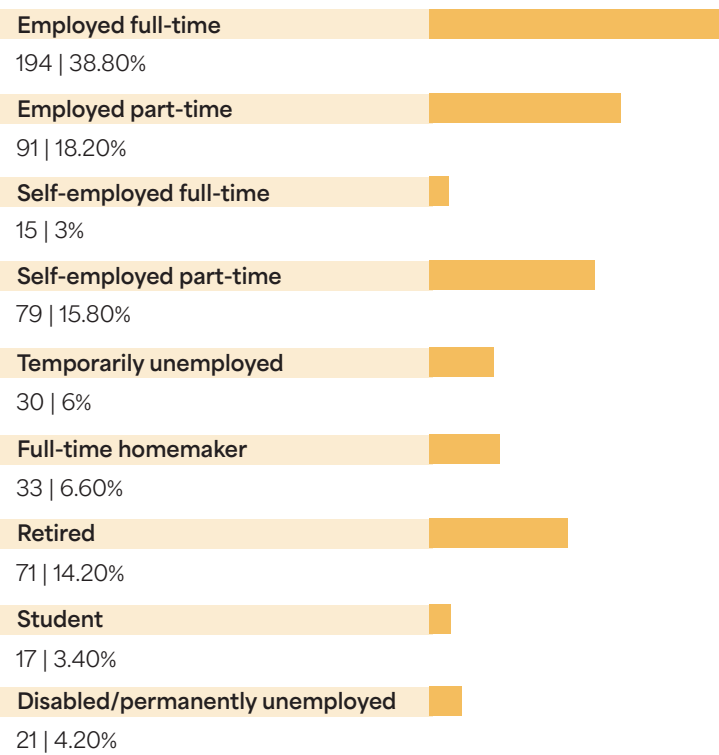
Key findings and implications

In Australian eCommerce, affordability, convenience, and trust shape consumer behaviour. Price sensitivity remains high —70.2% of shoppers prioritise free shipping, and 44.4% cite high costs as a barrier. To stay ahead, retailers need flexible pricing strategies, loyalty incentives, and consistent shopping experiences.

Holiday sales dominate retail trends, especially among younger consumers who drive Black Friday and Boxing Day engagement. Digital-first marketing strategies, including influencer partnerships and social commerce, such as TikTok or Instagram shopping, will be key to success.

AI presents both opportunities and challenges. Automation improves logistics, fraud prevention, and personalisation, but 73% of shoppers have security concerns. Transparency around AI usage is becoming the bedrock of consumer trust.

Customer experience remains a primary differentiator. Retailers that provide a stable returns process, responsive customer support, and authentic product reviews trigger long-term loyalty.

Online shopping preferences and expectations

Affordability & convenience drive online behaviours in Australia.

According to the survey, respondents across all age groups said that lower prices (68%) and free shipping (60.2%) are the most important factors when selecting an online retailer, followed by fast shipping (37.6%) and extensive product choices (36%). Consumers aged 56 and over favour brick-and-mortar stores, with 62% preferring in-person shopping—five times the rate of their younger counterparts.

Barriers to online shopping include high shipping costs, poor product quality and mismatched descriptions, all of which deter repeat purchases. These factors strongly influence consumer trust and purchase decisions.

Price sensitivity continues to influence online shopping habits, making competitive pricing and free shipping central to customer retention. eCommerce retailers should also optimise logistics for faster delivery and leverage customer reviews to enhance their credibility, particularly among younger consumers who seek peer reviews before purchasing.

What are the 3 most important qualities you seek in an online retailer/ eCommerce provider?

Lower prices — 68%

Extensive product choices — 36%

Access to specific products/services — 18.20%

Fast shipping — 37.60%

Free shipping — 60.20%

Low-cost shipping — 16.60%

Excellent customer service — 17%

Personalised shopping experience — 6.60%

Free and easy returns — 20.40%

Ability to pay online and pick-up in-store — 10.40%

Availability of high-quality online reviews — 9%

Generational behaviours

Research findings reveal a clear generational divide when it comes to shopping preferences. Among younger consumers, only 12.2% prefer shopping in brick-and-mortar retail stores. In contrast, 62% of consumers aged 56 and over prefer in-person shopping.

This trend also translates to product research: While 37% of all age groups browse in-store for products, only 14.6% of 18-24-year-olds use this method. Nearly two-thirds of Gen Z use social media to find products and almost half turn to TikTok. In comparison, only 27.2% of all respondents turn to social media for product research, and 12.2% use social media. This underscores a clear shift toward digital channels, particularly among younger shoppers.

Retailers should adopt an age-segmented strategy—leveraging digital marketing and social commerce for younger shoppers while maintaining strong in-store experiences and customer service for older customers.

37%
of all age groups browse in-store for products, only 14.6% of 18-24-year-olds use this method.

27.2%
of all respondents turn to social media for product research.

Consumer behaviour and AI adoption

Consumers perceive AI adoption in eCommerce with a blend of optimism and caution in Australia.

Research shows that while 63% of respondents agree AI will enhance shopping speed, 73% are concerned about the security risks it could introduce. Therein lies a key challenge for AI-driven platforms: building consumer trust while delivering efficiency.

eCommerce brands leverage AI in diverse ways, including chatbots for customer service, personalised product recommendations, and fraud detection systems. These applications aim to enhance user experience and bolster flawless operations. However, the research indicates that 63% of respondents are not more inclined to shop with retailers using AI, suggesting that security concerns outweigh the perceived benefits of streamlined shopping experiences.

For AI adoption to succeed, eCommerce retailers should place transparency in data security practices at the forefront of operations. Addressing consumers' concerns will support businesses in increasing consumer confidence and cultivating long-term loyalty.

73%
of respondents strongly or somewhat agreed that AI will lead to more security risks in the online shopping experience.

63%
of respondents strongly or somewhat agreed that AI will make online shopping faster.

63%
of respondents strongly or somewhat disagreed that they are more likely to shop with retailers that use AI in the online shopping experience.
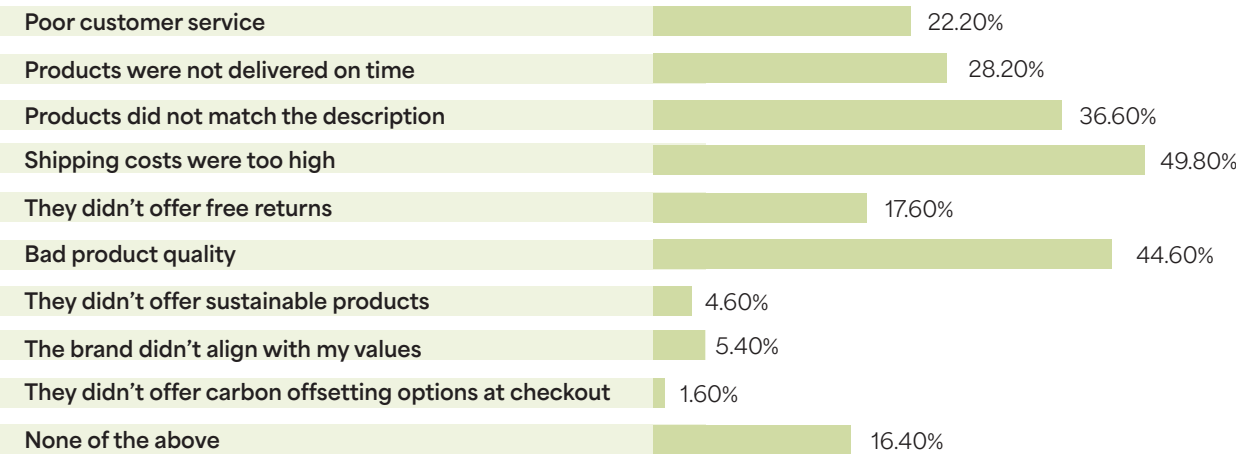
Impact of inflation on shopping habits

Inflation steers Australian consumer behaviour in contrasting directions.

While 52.8% of respondents report they shop less online to manage tighter budgets, 25.4% increase their online shopping to search for better deals. This underpins a shift in spending strategies. Among respondents, 21.8% remain unaffected by inflation, indicating that economic impact varies across consumer segments.

eCommerce retailers must adopt a multi-layered approach to accommodate consumers' diverse financial priorities, balancing affordability with profitability. Discount-conscious shoppers prioritise value, making competitive pricing and promotions essential for retention. Brands must also consider how to nurture those who reduce their spending, potentially through loyalty programs or personalised incentives.

Through leveraging data-driven pricing models and targeted discounts, retailers can proactively respond to both cautious spenders and deal-seekers, ensuring sustained engagement in a shifting economic landscape.

Based on your past experiences, which of the following made you stop purchasing from an online retailer?

Poor customer service	22.20%
Products were not delivered on time	28.20%
Products did not match the description	36.60%
Shipping costs were too high	49.80%
They didn't offer free returns	17.60%
Bad product quality	44.60%
They didn't offer sustainable products	4.60%
The brand didn't align with my values	5.40%
They didn't offer carbon offsetting options at checkout	1.60%
None of the above	16.40%

52.8%
of respondents said, 'Inflation/higher prices have caused me to shop less online now because I want to tighten my budget'.

25.5%
stated 'Inflation/higher prices have caused me to shop more online because I find better deals'.

21.8%
said inflation/higher prices didn't impact their online shopping habits.

Holiday and special occasion shopping

"Black Friday has traditionally been a retail powerhouse around the world, but Australian shoppers appear more focused on Christmas sales."

Seasonal shopping trends reveal a clear hierarchy: Christmas drives the most consumer activity, followed by Black Friday and Boxing Day. While these events present major opportunities for retailers, shifting consumer behaviours—particularly among younger shoppers—highlight the growing dominance of online channels.

Survey data shows that 56.2% of respondents planned to shop online for Christmas, 41.6% for Black Friday, and 41% for Boxing Day. Globally, 75% of Gen Z planned to shop in the 2024 Black Friday sales, and engagement consistently declined with older generations. A similar trend emerged in Boxing Day sales. Interestingly, only 12% of both Gen Z and millennials had no holiday shopping plans—and this number consistently increased with older generations.

Black Friday has traditionally been a retail powerhouse around the world, but Australian shoppers appear more focused on Christmas sales. With younger demographics rating their online holiday shopping more favourably compared with older demographics, retailers must prioritise uninterrupted digital experiences, competitive pricing, and fast delivery to meet expectations and capture seasonal demand.
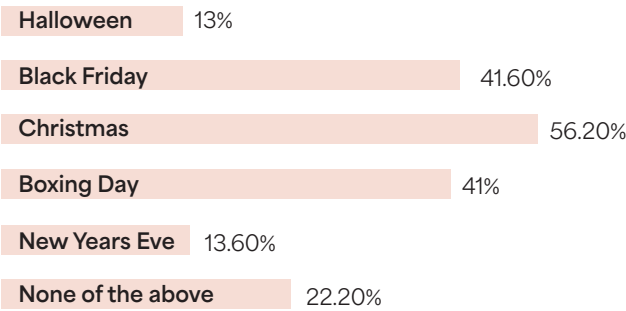
73.3%

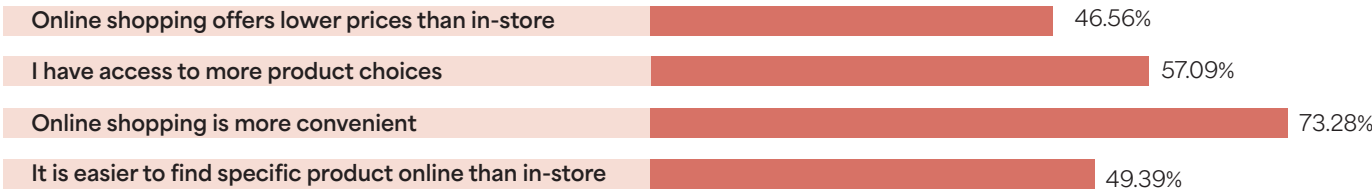stated that 'online shopping is more convenient'.

57.1%

identified that they 'have access to more product choices'.

Will you do any online shopping during these upcoming special occasions or events in 2024?

Event	Percentage
Halloween	13%
Black Friday	41.60%
Christmas	56.20%
Boxing Day	41%
New Years Eve	13.60%
None of the above	22.20%

If you plan to spend more money online shopping during the Holiday season this year, what are the reasons for that decision?

Reason	Percentage
Online shopping offers lower prices than in-store	46.56%
I have access to more product choices	57.09%
Online shopping is more convenient	73.28%
It is easier to find specific product online than in-store	49.39%

Returns and post-purchase experience

A seamless returns process fosters loyalty. Survey data shows that the majority of shoppers (65.6%) across all cohorts didn't return purchases. Those who did make returns expect efficiency—and their satisfaction can influence future buying decisions. Younger consumers, in particular, are more likely to embrace brands that make returns stress-free.

Among those who returned gifts, 44.8% rated the process as "Good" and 15.7% rated their experience as "Excellent". Only 6.4% reported frustrations with the returns process. Notably, younger shoppers were the most satisfied, with 30% rating their experience as "Excellent" and 40% as "Good".

These findings suggest that retailers should invest in clear policies, quick processing and digital-first solutions to enhance convenience and trust. With younger shoppers driving higher satisfaction levels, ensuring a frictionless return experience can be a competitive differentiator, encouraging repeat business.

65.6%

of shoppers across all cohorts didn't return purchases.

44.8%

of all respondents turn to social media for product research.

Social media's role in product research

Social media has redefined how younger Australians discover and research products.

TikTok plays a particularly influential role. Gen Z shows a clear preference for digital channels during the product research phase. Respondents aged 18-24 showed significantly higher engagement with social media (61%) and TikTok (48.8%) while researching products, although search engines like Google (68.3%) still remained in focus.
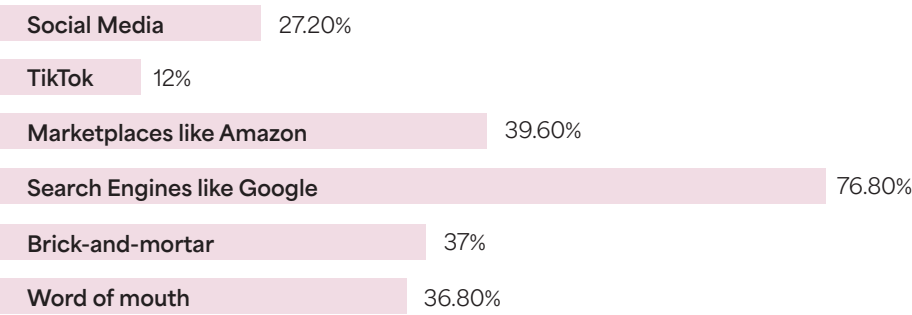
Across all age groups, social media platforms, including TikTok, had a lower general engagement, with only 27.2% and 12% researching via these channels respectively. These findings indicate a generational shift in product research behaviours.

Brands targeting Gen Z must prioritise social commerce strategies, integrating shopping experiences into TikTok and other social platforms. With TikTok's influence growing, short-form videos, influencer collaborations, and interactive content will be critical in

61%

of respondents aged 18-24 showed significantly higher engagement with social media.

Where do you research the products you buy?

Category	%
Social Media	27.20%
TikTok	12%
Marketplaces like Amazon	39.60%
Search Engines like Google	76.80%
Brick-and-mortar	37%
Word of mouth	36.80%

Reviews in online shopping

37%

The ability to physically see or experience a product before purchase remains significant across all demographics.

Product reviews heavily influence online purchasing decisions, with 56.6% of shoppers scouring retailer's website reviews and 40.8% turning to third-party review sites.

These reviews hold even more gravity for younger consumers: 68.3% prioritise them over factors like free shipping (65.9%) and fast delivery (63.4%), showing the influential power of social proof. The ability to physically see or experience a product before purchase remains significant across all demographics (37%) and in-store pickup continues to be the least-valued option.

Retailers who actively encourage and showcase authentic reviews can boost trust and conversion rates by integrating review incentives or featuring verified buyer feedback. While virtual/chat assistance sees low engagement overall, younger shoppers are 15% more likely to use this feature, indicating opportunities for brands targeting this demographic.

eCommerce businesses should prioritise user-generated reviews, optimise their review display strategies, and leverage digital support tools to better engage younger consumers and drive purchasing confidence.

Addressing eCommerce challenges in Australia

Australian online shoppers revealed several frustrations that impact their shopping decisions.

For 44.8% of consumers, high shipping costs were the biggest deterrent, while 49.8% said these costs were enough to stop them purchasing from an online retailer in the future. Interestingly, 70.2% of all respondents prioritise free shipping as the most important factor when shopping online.

High prices were the second biggest frustration, with 44.4% of respondents feeling the impact, followed by late delivery (31.8%). However, these factors are not weighted as heavily in consumers' decisions to stop purchasing from a retailer. Poor product quality (44.6%), and mismatched product descriptions (36.6%) are the top reasons online shoppers abandon their carts before checkout.

Notably, 50.2% of respondents reported at least one instance of unmet expectations in the past year, highlighting a clear gap in service quality. To reduce cart abandonment and improve retention, retailers must focus on lowering shipping costs, ensuring accurate product descriptions, and maintaining consistent product quality.

44.8%

of consumers said high shipping costs were the biggest deterrent.

49.8%

said these costs were enough to stop them purchasing from an online retailer in the future.

70.2%

of all respondents prioritise free shipping as the most important factor when shopping online.
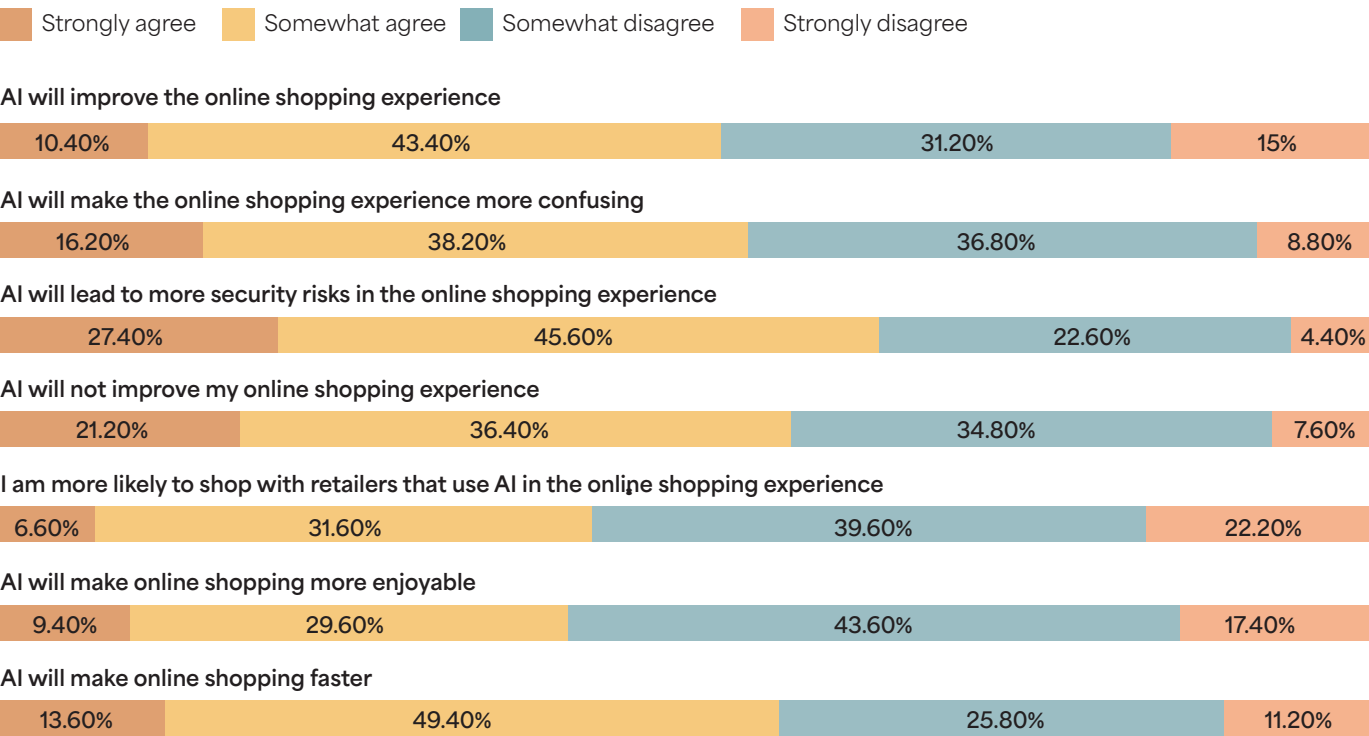
AI in eCommerce: Tackling consumer pain points

AI is central to solving consumer frustrations and boosting operational coherence in eCommerce.

Predictive AI's data-driven demand forecasting facilitates inventory optimisation and streamlines supply chains, ultimately reducing costs and securing more reliable delivery timelines. Despite security concerns, 63% of respondents believe AI will ease the online shopping experience. This points to key sentiments for eCommerce brands to take under wing.

AI-powered systems, like advanced machine learning algorithms and image recognition technology, flag inconsistencies in product accuracy before they reach the customer. By detecting discrepancies between product descriptions and images, these tools reduce the risk of mismatches and subsequent cart abandonment. Chatbots and automated tracking systems provide real-time customer support, proactively addressing consumer concerns around the clock and, in turn, building upon consumer trust.

How do you feel about the use of Artificial Intelligence (AI) in online shopping?

Legend: Strongly agree | Somewhat agree | Somewhat disagree | Strongly disagree

AI will improve the online shopping experience

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
10.40%	43.40%	31.20%	15%

AI will make the online shopping experience more confusing

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
16.20%	38.20%	36.80%	8.80%

AI will lead to more security risks in the online shopping experience

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
27.40%	45.60%	22.60%	4.40%

AI will not improve my online shopping experience

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
21.20%	36.40%	34.80%	7.60%

I am more likely to shop with retailers that use AI in the online shopping experience

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
6.60%	31.60%	39.60%	22.20%

AI will make online shopping more enjoyable

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
9.40%	29.60%	43.60%	17.40%

AI will make online shopping faster

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
13.60%	49.40%	25.80%	11.20%

Key Takeaways

"**Implement in-store campaigns to reach Gen X and Baby Boomers, reinforcing their preferred shopping channels and delivering a targeted experience that drives loyalty and long-term growth.**"

Drive perceived value

- Free shipping is a non-negotiable. To stay competitive, build free or subsidised shipping into their pricing models rather than absorbing the cost separately. This requires careful balance—offering free shipping without eroding profit margins. Options like minimum spend thresholds for free shipping or loyalty program perks can encourage larger purchases while covering logistics costs.

- AI-driven pricing models, predictive demand forecasting and price-matching strategies help secure the right anchorage between affordability and profitability. Bundling, discounts on bulk purchases, or offering exclusive deals for repeat customers can encourage conversions without steep price cuts.

- Implement flexible payment options, like buy now, pay later (BNPL), to attract budget-conscious consumers. These options improve accessibility, ease purchase hesitations, and increase average order values. Alternatively, offering multiple payment methods, including digital wallets and interest-free instalments, can align you with shifting consumer preferences and hike sales.

- Take loyalty incentives beyond discounts. Highlight exclusive perks like early access to sales, free shipping memberships, and personalised offers to create a compelling reason for customers to return. A well-designed loyalty program that rewards frequent purchases, referrals, and engagement fosters brand affinity and repeat business.

Blend digital and in-store

- Leverage AI-driven insights to craft hyper-personalised, digital-first campaigns that resonate with younger audiences on platforms like TikTok, Instagram, and YouTube. Use short videos, influencer collaborations, and shoppable posts to increase engagement and conversions.

- Enhance physical retail for older demographics by integrating digital tools such as interactive kiosks and mobile-assisted shopping, blending online convenience and in-person service.

- Maintain a consistent brand voice across all channels by utilising data analytics to customise promotions and product recommendations that align with each generation's distinct shopping habits. This will ensure a connected, omnichannel experience.

- Implement in-store campaigns to reach Gen X and Baby Boomers, reinforcing their preferred shopping channels and delivering a targeted experience that drives loyalty and long-term growth.

Price for impact

- Price-sensitive consumers prioritise affordability, making strategic pricing, discounts, and flexible payment options essential. Emphasise affordability with AI-driven pricing adjustments, personalised promotions, and targeted discount strategies.

- Bundled deals and tiered discounts encourage higher spending while providing perceived value. Offer exclusive loyalty program discounts or "buy more, save more" incentives to help consumers feel they're getting the best deals—while increasing average order value.

- Subscription models can lock in long-term customers with predictable pricing and value-added perks. Options like free shipping, early sale access, and exclusive member-only discounts make subscriptions attractive in an inflation-conscious market.

- Flexible payment solutions, including BNPL, instalment plans, and interest-free credit options, make larger purchases more manageable. Highlight these payment alternatives in marketing materials and checkout to reassure consumers and dissolve purchase barriers.

> "Free shipping is a non-negotiable. To stay competitive, build free or subsidised shipping into their pricing models rather than absorbing the cost separately."

Build trust with AI

- AI-powered recommendations enhance online shopping experiences, helping you provide highly relevant product suggestions. However, transparency is key—shoppers want to know how their data is used. Communicating how AI improves users' experiences while ensuring privacy builds trust and encourages engagement.

- Embrace automated logistics, including AI-driven demand forecasting, for optimised inventory management and reduced operational costs. Late deliveries and stockouts are among the biggest pain points for consumers—AI helps retailers predict demand fluctuations, adjust stock levels accordingly, and enhance fulfilment efficiency.

- Virtual assistants and AI chatbots are becoming the first point of contact for many shoppers. These tools provide instant support, answer FAQs, and even give product recommendations. For younger, digital-first shoppers, AI-driven customer service significantly improves satisfaction by reducing resolution times and ensuring 24/7 access to help.

- AI-enabled fraud detection strengthens security and eases concerns about online safety and data privacy. With cyber threats on the rise, focus on proactively detecting fraudulent activities, protecting payment details, and reassuring customers that their information is secure. Integrating AI-powered fraud prevention tools minimises risk and reinforces consumer confidence.

Maximise seasonal conversions

- Peak shopping seasons—Christmas, Black Friday, and Boxing Day—require advanced planning and strategic execution. Launch marketing campaigns 6 to 8 weeks ahead to capitalise on heightened consumer demand. Competitive pricing, limited-time offers, and exclusive holiday bundles will drive urgency and maximise sales potential.

- Younger consumers are the most engaged with promotions, making digital-first advertising imperative. Social media ads, influencer collaborations, and targeted email campaigns can capture their attention and drive conversions. Personalised promotions, tailored to past purchase behaviours, further increase engagement and sales.

- Fast, reliable fulfilment can differentiate your business during peak seasons. Consumers expect speedy delivery, real-time tracking, and stress-free returns. Streamline logistics by optimising warehouse operations, partnering with reliable couriers, and leveraging physical stores as fulfilment centres to reduce shipping times.

- AI-powered personalised holiday promotions enhance conversion rates by aligning deals with individual shopping habits. Automated segmentation allows retailers to send hyper-relevant discounts, ensuring shoppers access offers that genuinely interest them, rather than generic, mass-market promotions.

Conclusion and future trends

Evolving consumer expectations require eCommerce retailers to adapt and innovate. Competitive pricing and free shipping will remain front and centre in securing conversions, while AI-driven solutions will continue to refine efficiency and personalisation—so long as brands prioritise transparency and security.

Social commerce is gaining significant traction among younger shoppers, with platforms like TikTok reshaping product discovery and engagement. Interactive shopping experiences and influencer collaborations will advance connections with digital-first consumers.

Ultimately, trust and frictionless customer experiences will dictate long-term success. Enhancing the returns process, encouraging and moderating user-generated reviews and clear AI applications will keep consumers engaged and confident in their purchases.

Looking ahead, eCommerce retailers must embrace a dynamic, data-driven strategy to cater to diverse consumer needs. Brands that embrace AI advancements, align with evolving behaviours and grasp social commerce can drive sustainable growth in a competitive digital marketplace.

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