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**Resonate for Retailers**

# **How Australian E-commerce Shoppers Changed in 2021**

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A Consumer Experience Study by Resonate

# The Resonate 2021 E-commerce CX Study

An **Australia-wide** study of the consumer E-commerce experience and choice drivers.



## Goal

to provide a deep understanding of the drivers of revenue in E-commerce in the 'New Normal'. And the opportunities ahead.



## Scope of Study



## Part 1

Changes in **Shopping Patterns** in the **New Normal**

**500**

respondents representative across **all demographics**



## Part 2

Emerging **Customer Personas** in the **New Normal**

**130**

regions across **Australia**



## Part 3

Growing **E-commerce Revenue** with **Great Customer Experiences**

**%**

**Qualitative** and **quantitative** analysis backed by statistics at a 95% confidence interval

## Introduction

### Report Co-authored by



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CEO, Resonate



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CX Analyst, Resonate

As we emerge from lockdowns, social distancing, and economic disturbance worldwide, we emerge into a newly accelerated digital world.

COVID-19 has pushed decades of digitalisation into months, creating an evolving field of competition with new winners and losers. We all admire the innovative E-commerce leaders, follow the retail behemoths as they move into this new channel, and watch traditionally successful brick and mortar companies who don't grow E-commerce muscle overnight falter.

The driver of success or failure across these outcomes is **customer experience**.

Companies that can understand these changing customer needs can turn them into opportunities. Delivering new customer experience propositions in E-commerce will reap enormous benefits for all retailers. Companies who can't deliver great customer experience to customers online and in-store will quickly lose relevance as a more significant proportion of customer basket shifts online, and it's a mixed channel mode.

The opportunity is here now. As customers make new choices, build new loyalties based on new needs, understanding the E-commerce experience and what drives it is essential.

The market insights and retail teams at [Resonate](https://www.resonate.cx) have brought together a comprehensive three-part report that looks at how the consumer E-commerce basket sizes have changed, what E-commerce experience drivers they value and what they expect from the future of E-commerce experiences.



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## **PART 1**

# **Emerging Opportunities in E-commerce**

**Changes in shopping patterns**

## The pandemic led to a significant shift in online shopping

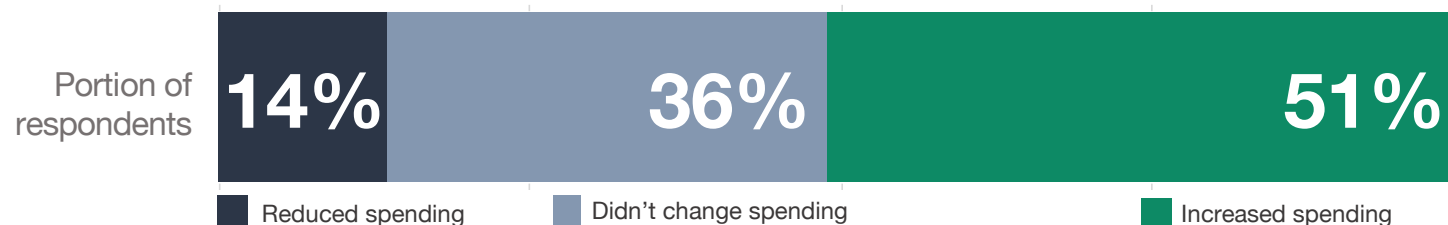
More than half of shoppers increased their spending online in the pandemic.

In fact, despite widespread income insecurity and large overall drops in consumer spending, only 14% of consumers report reduced their spend online.

The pandemic period saw online shopping move from a nice-to-have to a necessity for both consumers and companies.

There has never been such fast digital adoption in E-commerce, and next, we will look into what part of this pattern consumers say will continue.

### How did your online spend change going into COVID-19?



**The shift online isn't temporary:  
digital is here to stay**

**A large portion of the increase in E-commerce spending will remain after the pandemic.**

**70%**

of respondents who increased their spending online in the pandemic plan to keep or increase their online spending after COVID-19.

This pattern represents a real shift. Here's what drives the push online for consumers:

**1 Convenience**

**2 Product availability**

**3 COVID-19 safety concerns**

**"**

Online shopping is a more time efficient manner to purchase quality whilst enjoying competitive prices and choice.

**"**

> 54, Brisbane

**Shopping categories that increased convenience or leisure were the biggest winners in the pandemic**

**Which shopping categories gained the largest share of the customers basket?**

**1 Takeout / Food delivery**

**2 Groceries**

**3 Digital Entertainment and Technology**

**4 Fitness and Leisure**

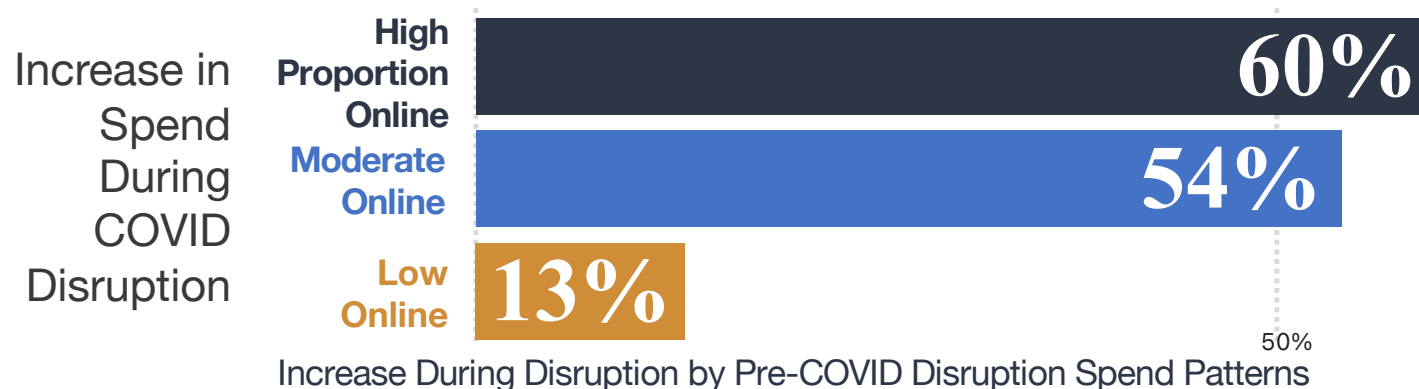
During the pandemic, customers online gravitated towards shopping categories that fit their convenience, leisure, and safety needs.

While shopping patterns will change coming out of the pandemic, the shift towards seeing online shopping as a source of convenience will remain.

## How have shopping patterns changed?

While shopping patterns changed across all demographics, those who spent a higher proportion of their basket online before the pandemic shifted online at a much higher rate than those with a low online spend.

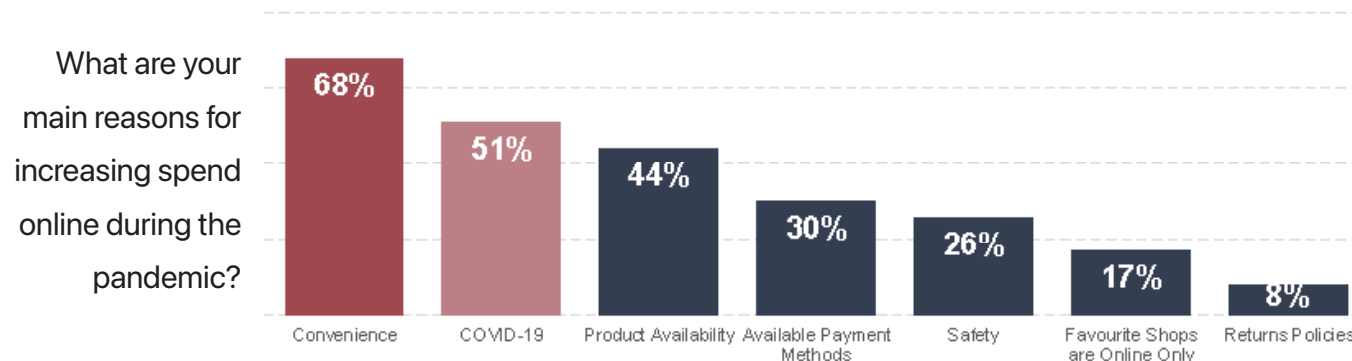
While fewer E-commerce-familiar consumers have been slower to adapt, they have just begun to see the benefits of online shopping, and we expect this number to rise exponentially in the mid-term.





## Perception of convenience is key for E-commerce spend

The move online was triggered by the pandemic but lead by consumers search for Convenience and Product Availability.



Convenience and COVID drove people online, with more than 2 in 3 shoppers giving convenience as a key reason for increasing spend, and 1 in every 2 shoppers giving COVID as a key reason.

Product availability is a significant factor as well, and a point of differentiation that will remain after COVID.

## **Retailers can 'Attract' consumers with product availability and low fees and 'retain' them with 'accuracy'**

Consumers rank product availability (43% choosing it as the top factor) and low delivery fees (32%) as the most important factors in choosing or returning to a particular webstore.

### **Which factors are most important to you when choosing an online shop?**

- 1 Availability of products**
- 2 Low delivery fees**
- 3 Accurate product descriptions**
- 4 Delivery speed and accuracy**

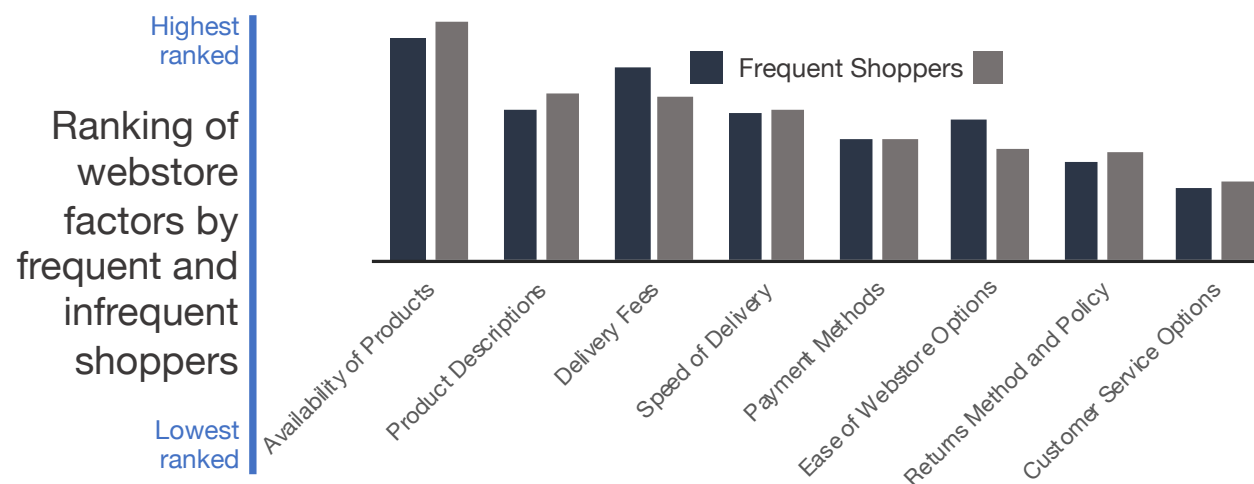
Product descriptions and delivery speed highly in choosing to return to webstores.

According to the study, E-commerce providers that can reassure uncertainty about accurate product descriptions create a strong perception of accuracy, while sticking to delivery timeline promises and perceptions will continue to monetize the opportunity in the shifting baskets.

**Frequent online shoppers look for points of difference in delivery fees and great webstores**

**Infrequent shoppers want easy to find products and accuracy**

## Which factors are most important to you when choosing an online shop?



Frequent shoppers are more likely to rank delivery fees higher, while occasional shoppers look more for product descriptions availability.

Frequent shoppers' wants reflect expertise in finding and judging products before purchasing, while infrequent shoppers find it harder to find products they are searching for and are wary of inaccurate descriptions.

## What stops consumers from shopping at a webstore

**Both the decision to purchase from a company online and the decision to avoid a company online are often snap judgements.** This is especially true when consumers are given a reason to not trust a company, whether it is delayed shipping without communication, stingy returns policies, or inaccurate product descriptions.

**49%** of consumers will not return to an online shop after given a reason to not trust it.

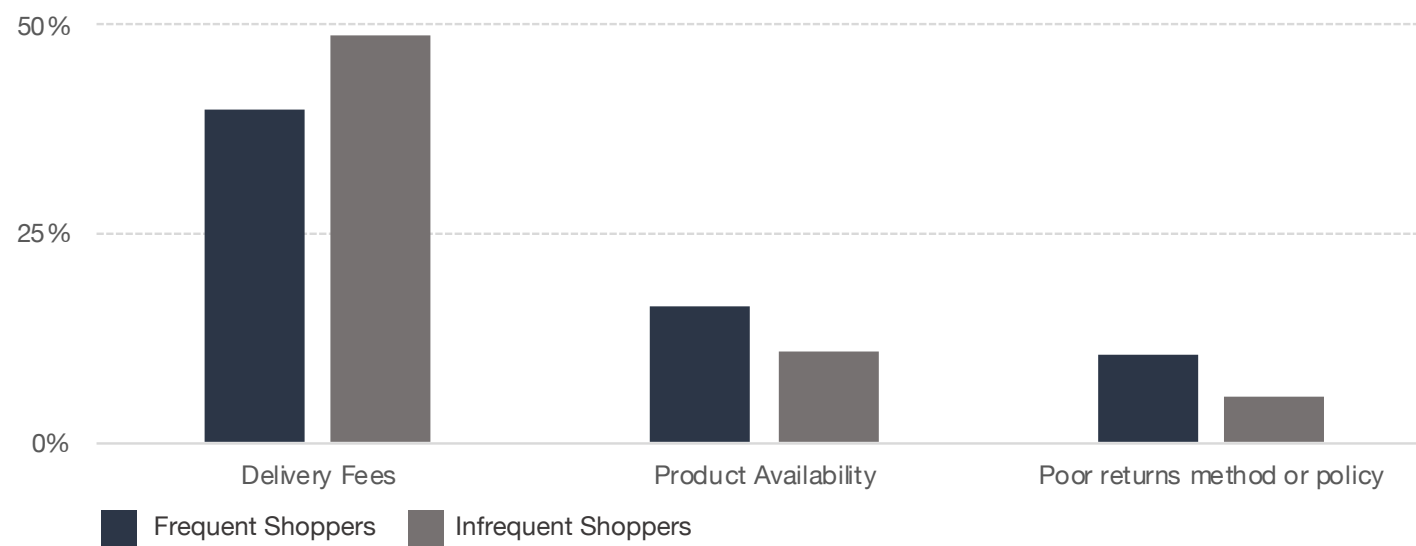
**A perception of betrayal of trust such as delayed shipping without communication, stingy returns policies, or inaccurate product descriptions can block access to a customer online in one interaction.**

## What stops consumers from shopping at a webstore

**46%** of shoppers rank delivery fees as the key blocker from an online store

High delivery fees are a significant blocker across all customer types, with nearly 1 in 2 shoppers choosing it as the key reason they will avoid a webstore.

Product Availability and Returns Methods are also significant blockers.



## The State of E-commerce

Understanding drivers and blockers of online shopping for customers is key to remaining competitive in the New Normal.

To see success, brands must understand new E-commerce personas or risk becoming the next E-commerce CX casualty.

Shoppers desires and needs have changed, and adaption is vital.

**To create great CX strategy and succeed in the emerging E-commerce market, companies must understand new online customer personas and how they interact with their brand.**



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## **PART 2**

# **Emerging E-commerce Customer Personas**

**Understanding E-commerce Customer Personas**

## How have online customer personas developed post disruption?

Our research into the E-commerce Customer Experience during the post-COVID period highlights the last impact of disruption.

We've identified five key personas who interact with digital sales in unique ways.

**1 E-commerce for Granted (10% of respondents)**

**2 E-commerce Enthusiasts (24%)**

**3 E-commerce by Need (27%)**

**4 Slow Accepters (29%)**

**5 Off Liners (10%)**

Understanding the personas who interact with your brand is key to creating great customer experiences and a competitive market position post-COVID.

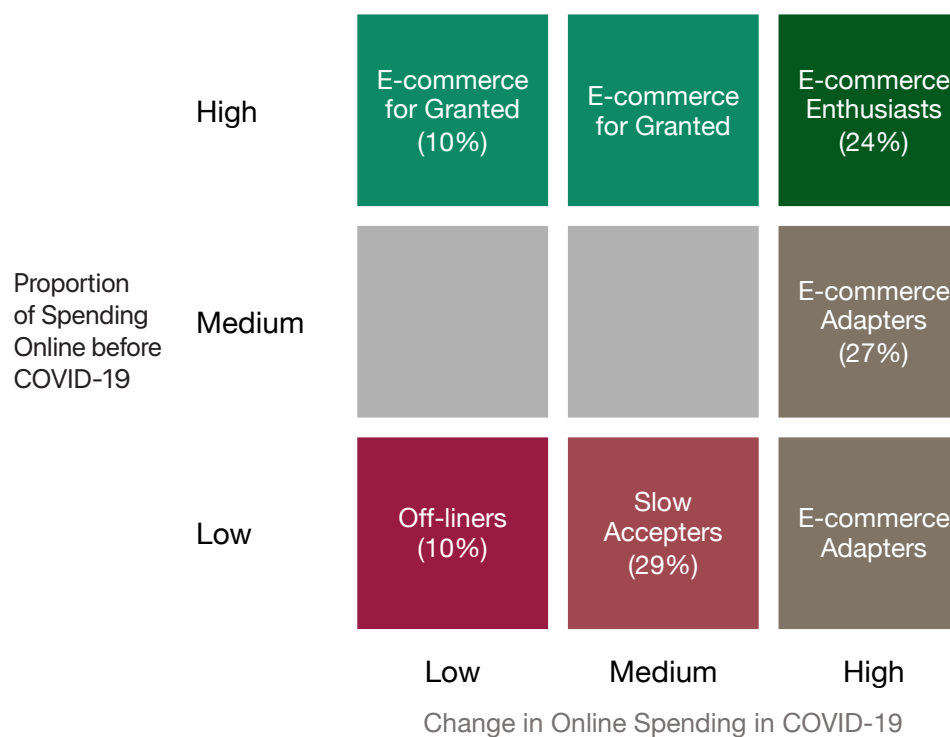


## What are the key emerging customer personas after COVID?

Resonate's consumer analysis has identified five key consumer personas emerging after COVID based on E-commerce behaviours before and during the pandemic.

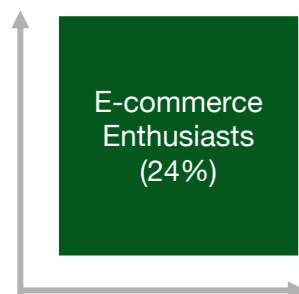
Understanding these personas and how they interact with your business will give vital insight into this key consumer space.

### Quantitative Customer Persona Map



**E-commerce  
enthusiasts are online  
shop super-users**

## E-commerce Enthusiasts



High proportion of spending online before COVID,  
increased during COVID-19



Millennial / Gen Z



Living with partner or single



No kids



University educated

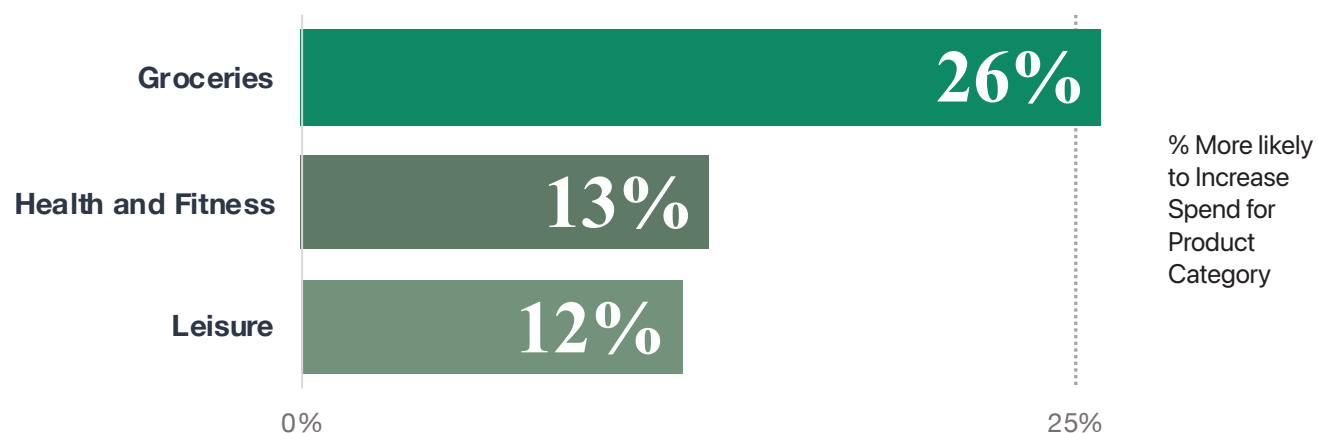


Higher income

## E-commerce Enthusiasts know the internet: they want to be delighted by E-commerce

### E-commerce Enthusiasts lived by E-commerce long before COVID.

Mostly Internet-age and University educated, they are early adopters of everything digital and much more willing to try new things. The COVID disruption saw them making more **groceries**, **leisure**, and **health and fitness** purchases online, as these sectors experimented with E-commerce.



**One in three  
E-commerce  
Enthusiasts mention  
free, fast shipping as  
their E-commerce  
dream experience**

E-commerce Enthusiasts are Internet-savvy and know how to find products. They want to see great shipping deals (38%), user experience (17%), and flexible payment options (13%) – features that differentiate great online stores.

**“**

**Online shopping is a more time efficient manner to purchase quality whilst enjoying competitive prices and choice.**

**”**

- An E-commerce Enthusiasts dream experience

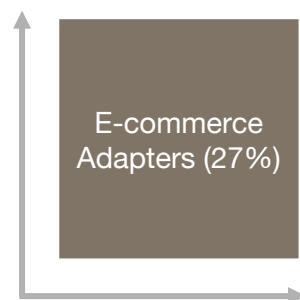
**To capture market share of e-commerce enthusiasts means capturing the unique customer experience magic of your brand in-store, online.**

**1 in 3**

**Of E-commerce enthusiasts mention free, fast shipping as their E-commerce dream experience**

**E-commerce  
Adapters personas  
significantly  
increased their spend  
online during COVID**

## E-commerce Adapters



Low to moderate proportion of spending online before COVID, significant increase during COVID-19



All age groups



Married



Have kids



University educated



Middle income

## **E-commerce Adapters look for convenience first when shopping online**

### **E-commerce Adapters were nudged online by COVID but will stay online due to convenience.**

E-commerce Adapters shoppers were not frequent online purchasers before COVID but moved online in droves due to their desire for the convenience and safety offered by E-commerce.

They look for this convenience online, frequently purchasing groceries, takeout, and health and fitness products online.

#### **1 Convenience (64% of E-commerce Adapters)**

#### **2 Product Availability (40%)**

#### **3 Safety (34%)**

## **E-commerce Adapters look for convenience first when shopping online**

“

A dream experience would be to order and then have my delivery within three days.

”

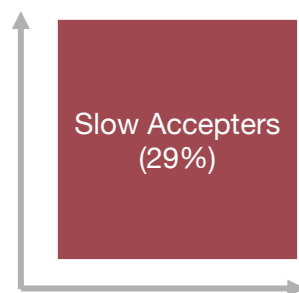
- An E-commerce Adapter's dream experience

**E-commerce Adapters personas love fast shipping and good deals and will quickly turn off an E-commerce provider with a clunky website or slow delivery.**

They are a key persona for brands offering convenience and ease in-store or online.

## Slow Accepters are wary of E-commerce

## Slow Accepters



Low spending online before COVID, little change during COVID



Over 45



Married/Divorced



Have kids



Not university educated



Lower income



## Slow Accepters rely on trust to shop online

### Slow Accepters shop online by necessity and little else.

They want to find the products they want easily and have less trust in the process than other personas: **accurate product descriptions** and **transparent communication** is key to having them return.

Slow Accepters prefer established and trusted E-commerce sectors such as **fashion, digital entertainment**, and **food delivery**.

”

**They have all the products I want available to purchase in my size.**

- A Slow Accepters dream experience

”

**Slow Accepters offer a relatively untapped market and will show loyalty to great E-commerce providers but will churn if they lose trust in a brand.**



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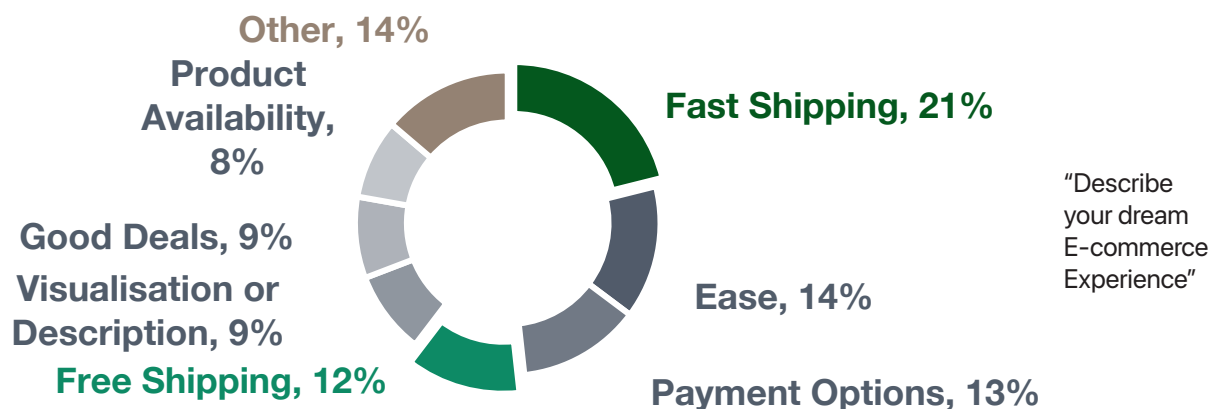
## **PART 3**

# **Growing E-Commerce Revenue with Dream E-commerce Experiences Customers want**

## Cheap and fast shipping is key to providing a dream online experience

As consumers start to see E-commerce as a key part of their shopping experience, we asked our study respondents what their dream E-commerce experiences were, as well as what kept them coming back or stopped them returning to an online store.

Understanding what drives an E-commerce experience that creates return customers will drive retail and services revenue in the New Normal.

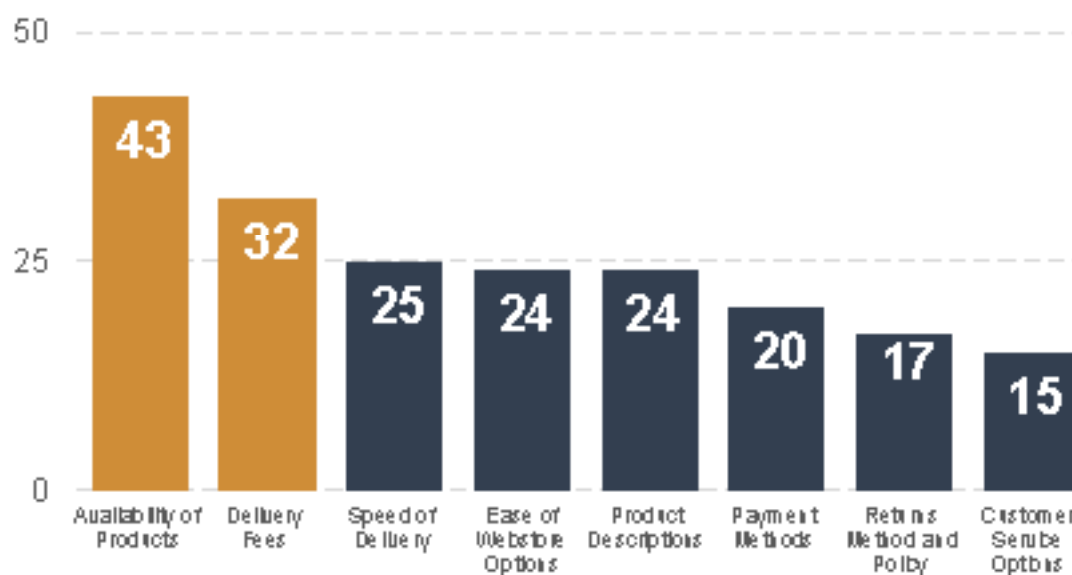


One in three customers mention either **Fast** or **Free** shipping for their **dream E-commerce Experience**.

## Availability and Delivery Fees are key features in any E-commerce offering

Key E-commerce CX features vary significantly across personas.

Understanding the feature set desired by your target customers is the only way to grow an E-commerce offering efficiently.



### Key Feature Index – All Personas

**Product availability  
is the holy grail  
of E-commerce  
customer acquisition**

**For any shopper persona and any industry, product availability is key to customer acquisition.**

In our E-commerce features model, the impact of product availability is more significant than every other feature across all demographics. It's the key to gaining new customers online.

**1 Product Availability**

**2 Delivery Speed**

**3 Returns methods and policies**

**Thankfully, you don't need to be Amazon to foster a perception of great product availability.**

**Smart product categorization, display, and guidance will have a huge and lasting ROI**

**In brick-and-mortar retail, great staff will mitigate poor product range or stock issues.**

While this is more challenging online, the effect is the same. Investing in product guidance improvements online will promote product availability perception and significantly increase customer conversion.

**These improvements can be as simple as hiding products that are not available, or structuring product categories in ways that more closely match customer's needs.**

**A powerful E-commerce fashion retailer does this by providing novel categories as well as the usual categories: allowing potential shoppers to browse by party, office, or holiday attire.**

Shoppers are  
turned away from  
E-commerce stores  
by **high delivery fees**

## Key purchase blockers for an E-commerce store

1 **Delivery Fees (46%)**

2 **Lack of Availability of Products (12%)**

3 **Difficult or Clunky Webstore (8%)**

Nearly **one in two** shoppers choose **Delivery Fees** as the key reason they will stop shopping at an online store.

## **Resolve problems without giving your competitor a new customer**

Problems are bound to happen. Warehouses and delivery services aren't perfect, and every step of the E-commerce journey has some likelihood of error.

**Dealing with a customer's problems in an ineffective way is the quickest way to turn a repeat customer into a competitor's repeat customer.**

**32%**

of shoppers rank the company managing the problem lifecycle from beginning to end as the key to effectively solving problems



**Lifecycle  
communication is key  
to keeping customers  
satisfied while  
resolving problems**

**Problems can be mitigated through problem resolution  
lifecycle maps.**

Providing the customer with a clear outline of the problem resolution process while managing contact points and time expectations to resolution will alleviate the frustration and effort that customers expect from E-commerce problem resolution.

Expectations for the customer complaint process, both internal and external, should be set as soon as the complaint is raised.

**If resolution expectations can be effectively created,  
communicated, and stuck to, even problems with orders will  
create promoters.**

## About Resonate

**We believe that organisations profit by listening to their customers at critical moments and acting systematically to create advocates.**

Resonate is a Customer Experience management software platform that helps organisations build high-value experiences using customer insights.

Our software platform empowers frontline teams and equips employees with customer metrics that accelerate growth and market share.



**Talk to one of our CX consultants to learn how leading retailers are driving revenue through CX execution.**

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