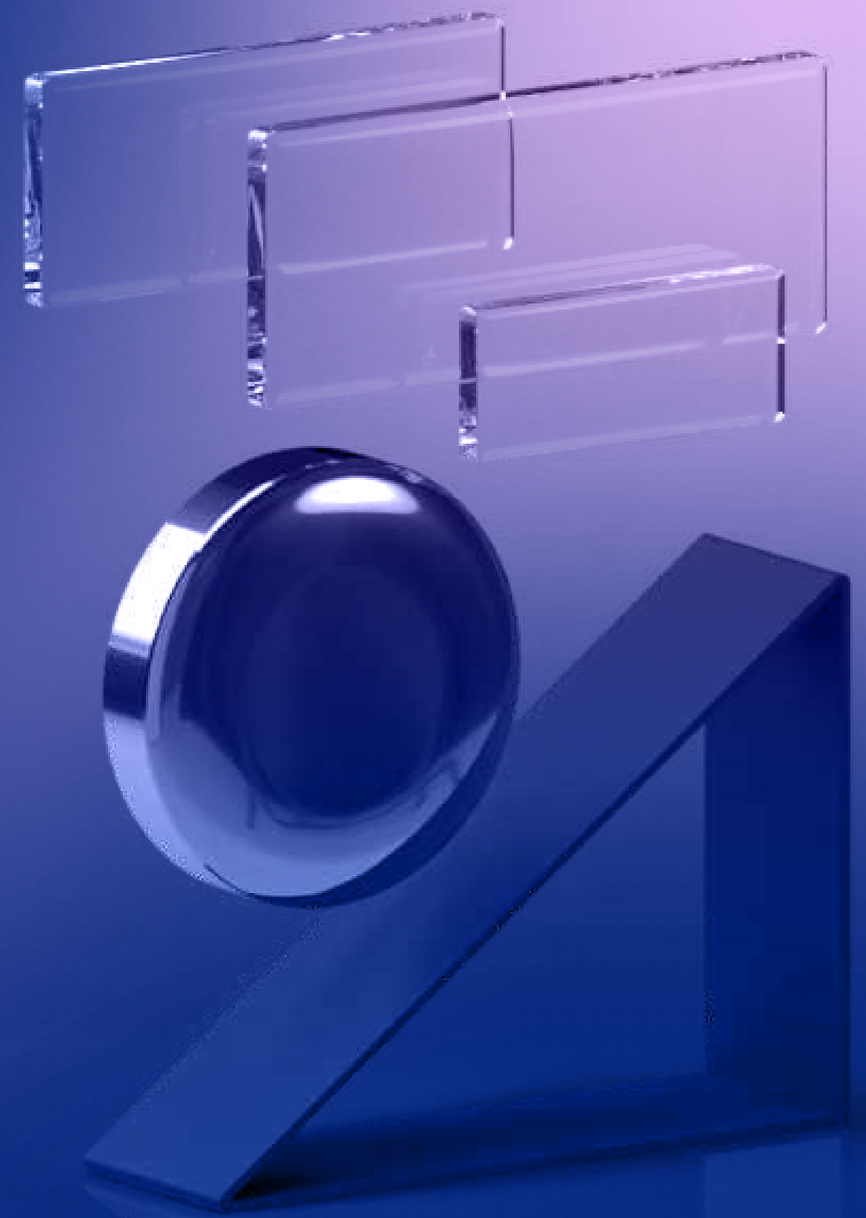
BIGCOMMERCE

2023 ONLINE SHOPPING REPORT:

THE CONSUMER BEHAVIOUR TRENDS SHAPING ECOMMERCE



INTRODUCTION

Our 2023 Online Shopping Report provides insight into the consumer behaviours shaping the ecommerce industry and examines data from previous years to highlight evolving trends and changes.

A recurring theme in 2023 is a tightening of shoppers' finances. As households deal with less available cash due to cost-of-living pressures, the frequency of smaller purchases is increasing, while larger financial outlays show a decline. Credit cards are also getting a workout as BNPL (Buy Now, Pay Later) methods decrease. Interestingly, those using BNPL do so more frequently when insufficient savings are available.

The robust return to in-store shopping over the last year has seen a tapering of ecommerce sales. However, digital and multichannel purchasing habits have cemented themselves in consumer behaviour. For example, nearly four out of five shoppers say BOPIS (Buy Online, Pickup in Store or Click and Collect) and cross-channel returns processes encourage them to spend more with omnichannel and multichannel retailers.



Data for this report collected March - April 2023 All data in this report is sourced from surveys with approximately 1354 respondents, from randomly selected Australian and New Zealand online shoppers.



Fashion is now the most desired category to buy from multichannel retailers, reflecting the experiential advantage of re-fitting, replacing, and refunding fashion items in-store versus online-only ordering. Fashion also holds the top spot for the most ordered product category, following the “Other” category. In line with the rising popularity of variety stores and online marketplaces, the order frequency of “Other” items has increased steadily over the last three years.

The findings in this report offer a window into shopper attitudes, concerns, and priorities to help retailers adjust strategies and respond to changing consumer demands. For example, a lack of trust in website security makes 92% of shoppers likely to abandon cart. 97% are also unlikely to complete their order due to unexpected charges at the checkout. Is your security up-to-scratch, and are you up-front with shoppers about all associated order fees, coupon offers, and payment methods before they reach the checkout?

Read on to see which areas of the online customer experience have the most impact. Our 2023 data and comparison to previous years offer detailed findings across shopper purchasing behaviours, cart abandonment, delivery expectations, loyalty programs, brand engagement, and social media effectiveness.

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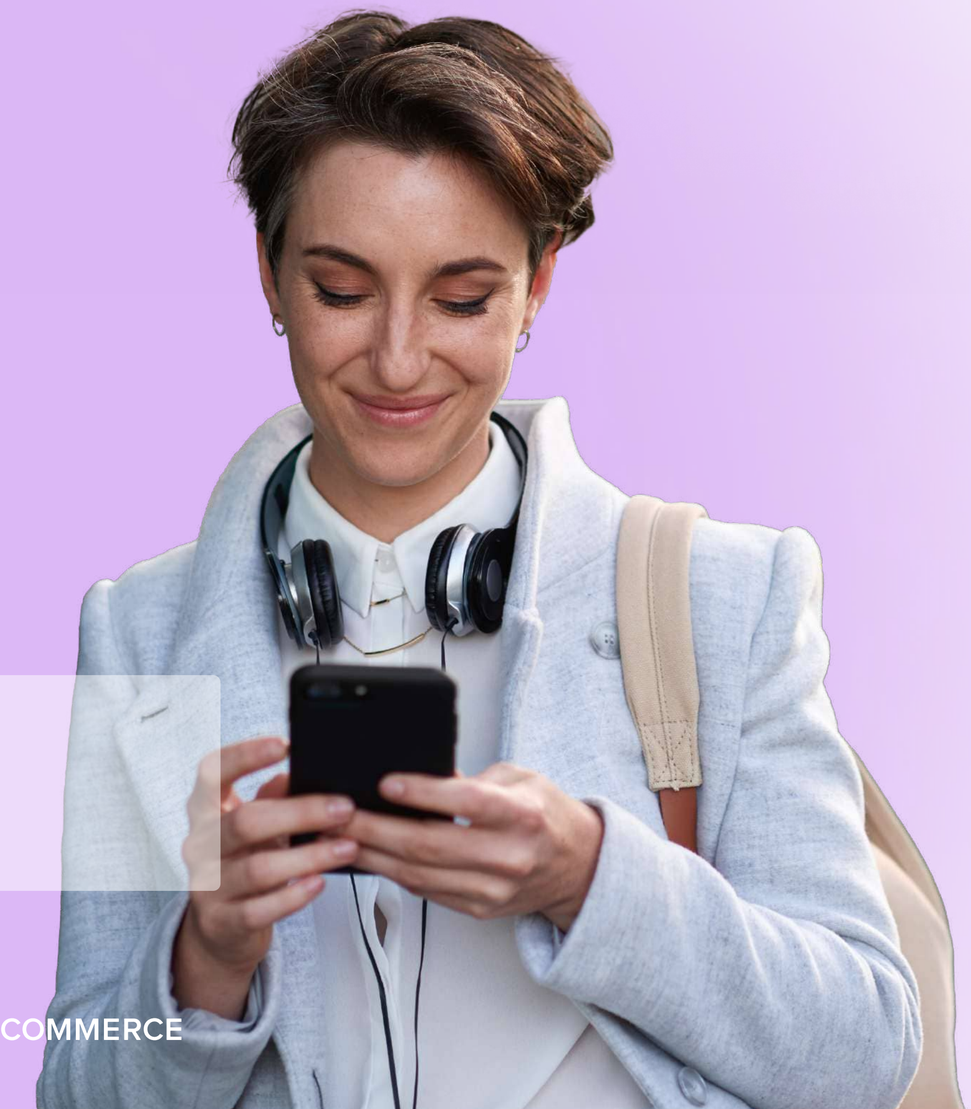
PURCHASE BEHAVIOURS AND REPEAT PURCHASES



Shoppers' purchase behaviours hold vital clues to their concerns and priorities in 2023. Consumers are understandably becoming more cautious of large financial outlays. For example, low-value orders significantly increased over the last three years while high-value orders are declining.

Credit card use has also skyrocketed since 2021, and consumers are looking to save at the checkout. As a result, retailers offering free delivery have a good chance of enticing shoppers to back to their online stores.

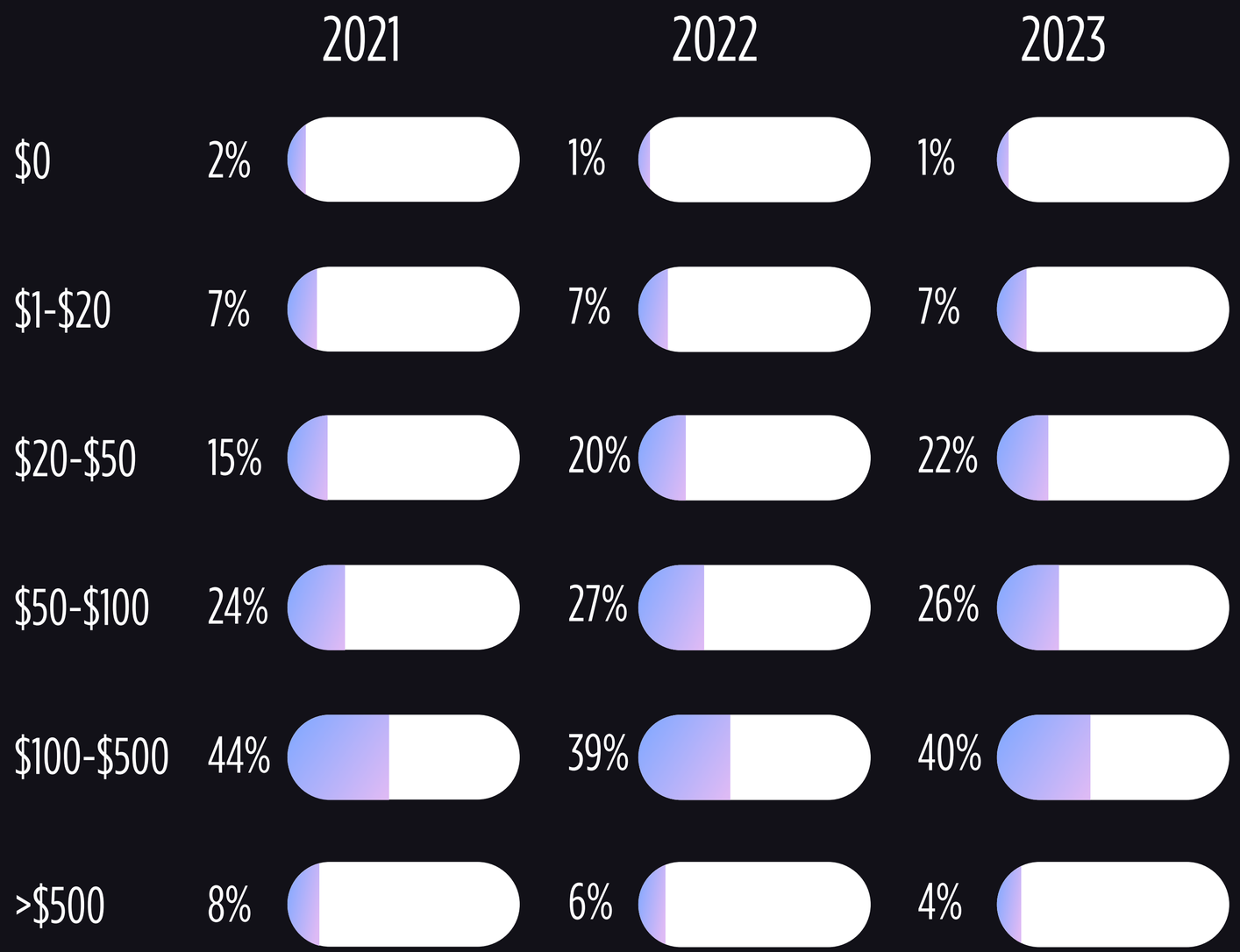
So what are consumers buying when they do have the means? Fashion and Electronics, although seeing a decline since 2021, are the top-performing product categories in 2023.

HIGH-VALUE PURCHASES FALL AS LOW-VALUE TRANSACTIONS RISE

Shoppers are more hesitant about large discretionary purchases this year. Online purchases over $500 have fallen 4% from 2021–2023. This drop is hardly surprising as inflation and material costs contribute to less available cash and higher product pricing.

While purchases of over $100 have also declined in the last three years, low-value transactions have increased. Most notably, online orders between $20–$50 surged 7% from 2021–2023.

HOW MUCH WAS YOUR MOST RECENT ONLINE ORDER?

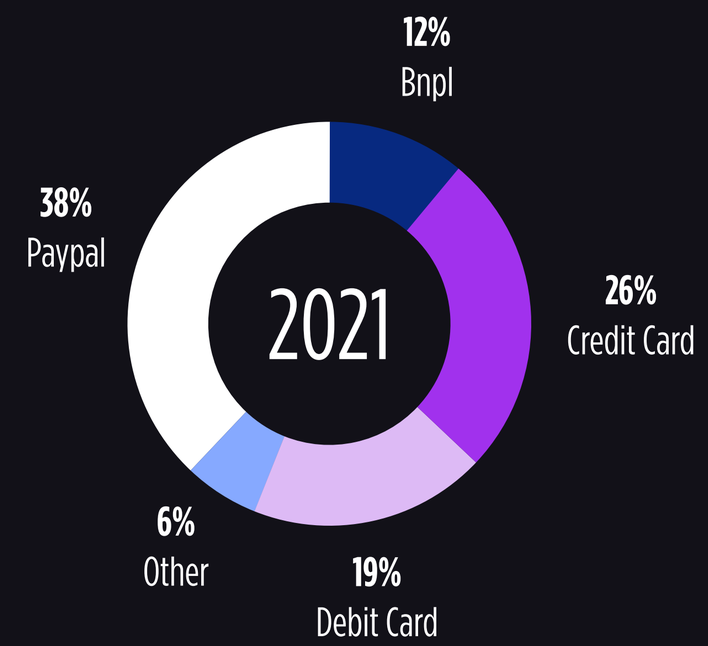


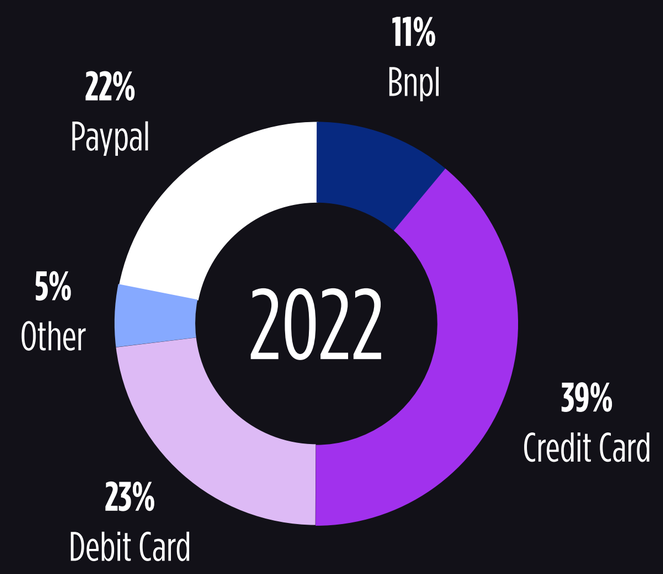
AS AVAILABLE CASH SHRINKS, CONSUMERS TURN TO CREDIT

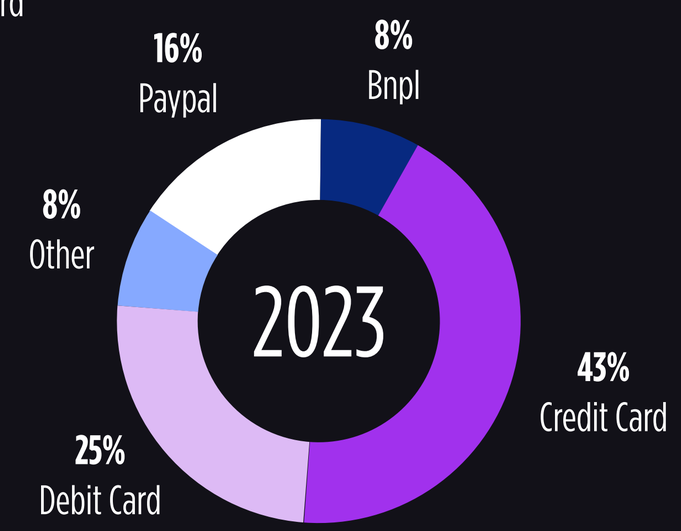
Payment methods reveal more proof that shoppers are feeling the financial pinch. For example, credit card purchases have ballooned to a startling 43% in 2023, an increase of 17% since 2021. Over the same period, BNPL has seen a 4% decline.

Consumers balancing finances with swelling cost-of-living pressures are making the most of available lines of credit for their online purchasing needs.

HOW DID YOU PAY FOR THAT ORDER?





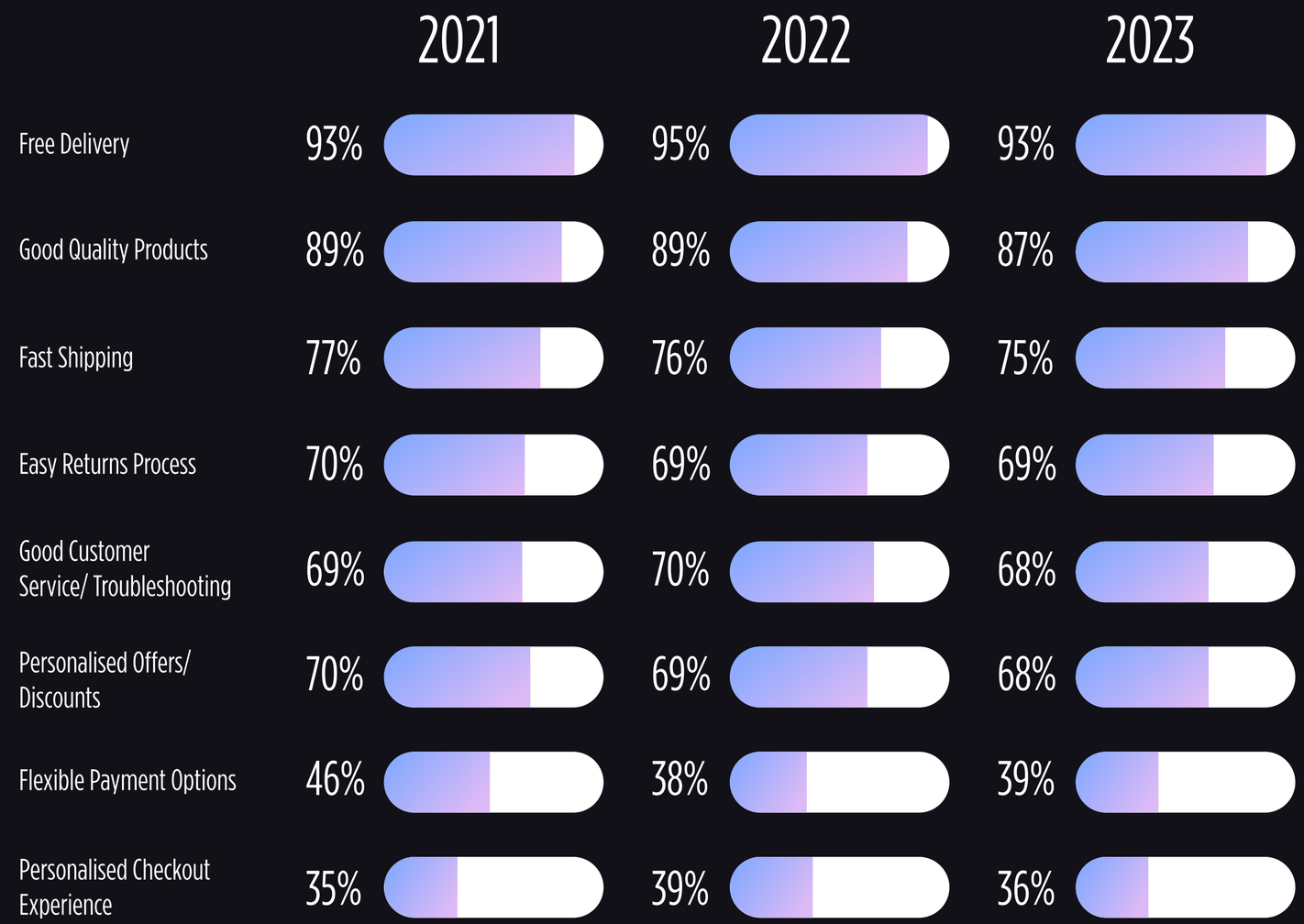


FREE DELIVERY ENCOURAGES REPEAT PURCHASES

Shoppers certainly love a free ride. 93% say that free delivery will encourage them to make a repeat purchase with an online brand.

Good quality products are the next most important reason influencing additional purchases (87%), followed by fast shipping methods (75%).

WHAT ENCOURAGES YOU TO SHOP AGAIN?

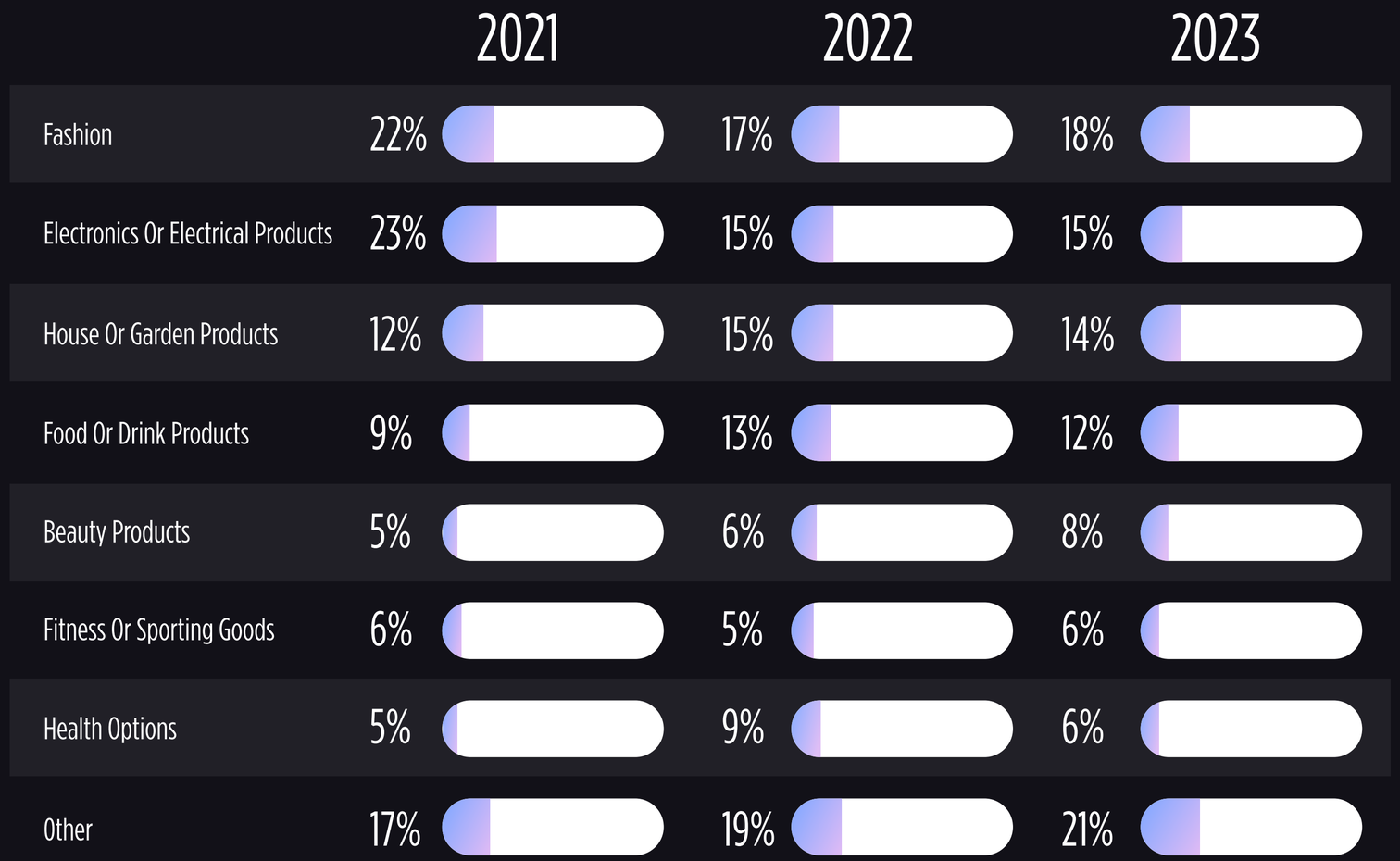


FASHION AND ELECTRONICS HOLD THE TOP SPOTS FOR PURCHASE CATEGORIES

Fashion has held the top spot for two years as the product category ordered the most (18%). At the same time, Electronics has plateaued since its sharp drop in 2022 to 15%.

The “Other” category has steadily increased, in line with the rising popularity of variety stores and online marketplaces where consumers purchase multiple product categories.

WHAT ITEMS WERE IN YOUR LAST ONLINE ORDER?



CART ABANDONMENT

Consumers love the convenience of online shopping. However, retailers must meet shopper expectations of a hassle-free path to purchase throughout the digital journey.

Unexpected charges, coupons that don’t work, and unavailability of preferred payment methods will cause shoppers to abandon carts quickly—as will a lack of trust in website security. Online merchants must be mindful of making charges, payment methods, and website security evident early in the buyer journey while ensuring promotional offers work seamlessly.

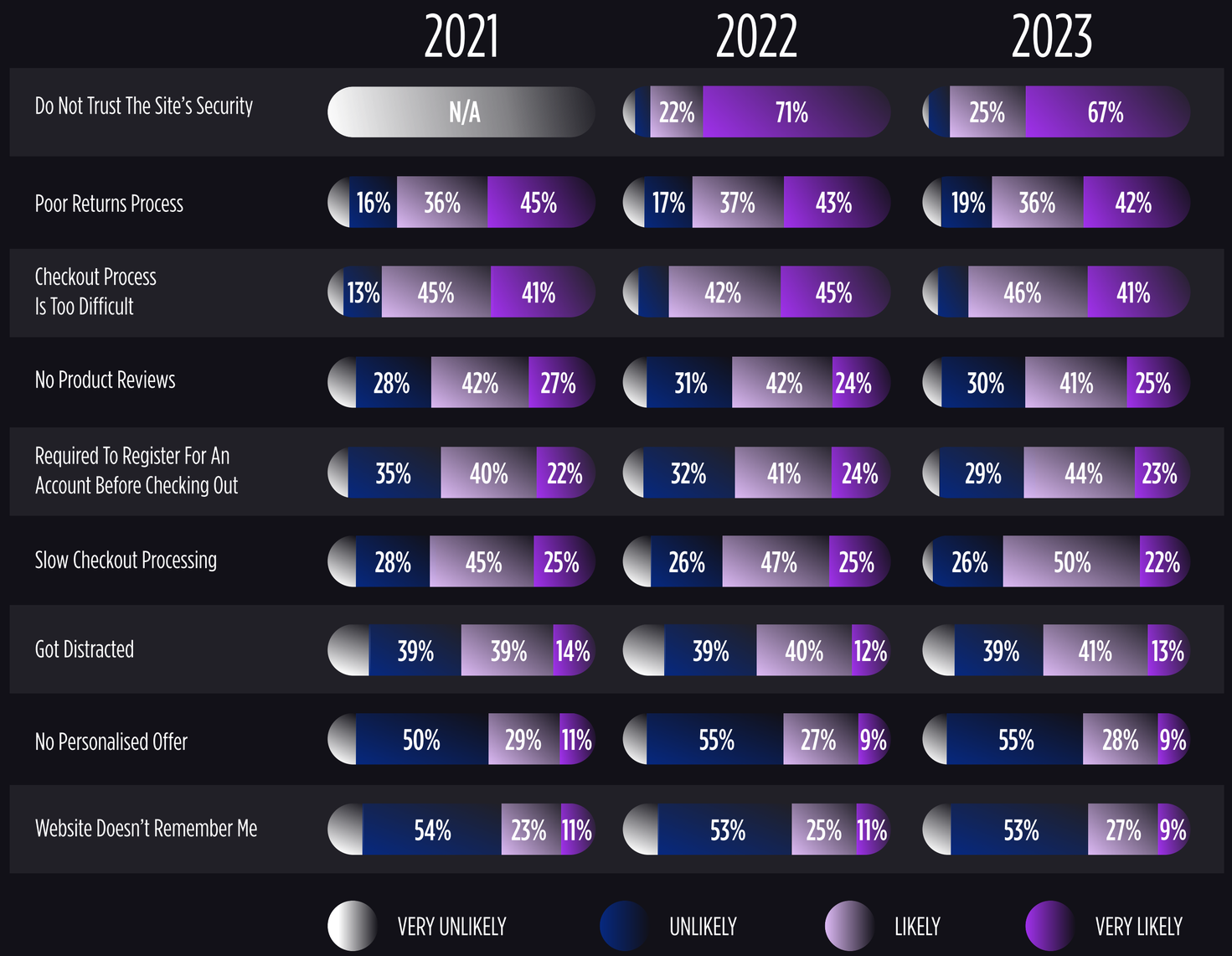


WEBSITE SECURITY IS CRITICAL TO CONVERSION

A lack of trust and convenience are the biggest reasons shoppers abandon their carts in 2023.

92% are likely or very likely to navigate away when they don't trust the site's security. This figure is followed closely by 87% leaving orders behind because the checkout process is too difficult and 78% due to poor returns processes.

HOW LIKELY ARE YOU TO ABANDON CART BASED ON THE FOLLOWING?

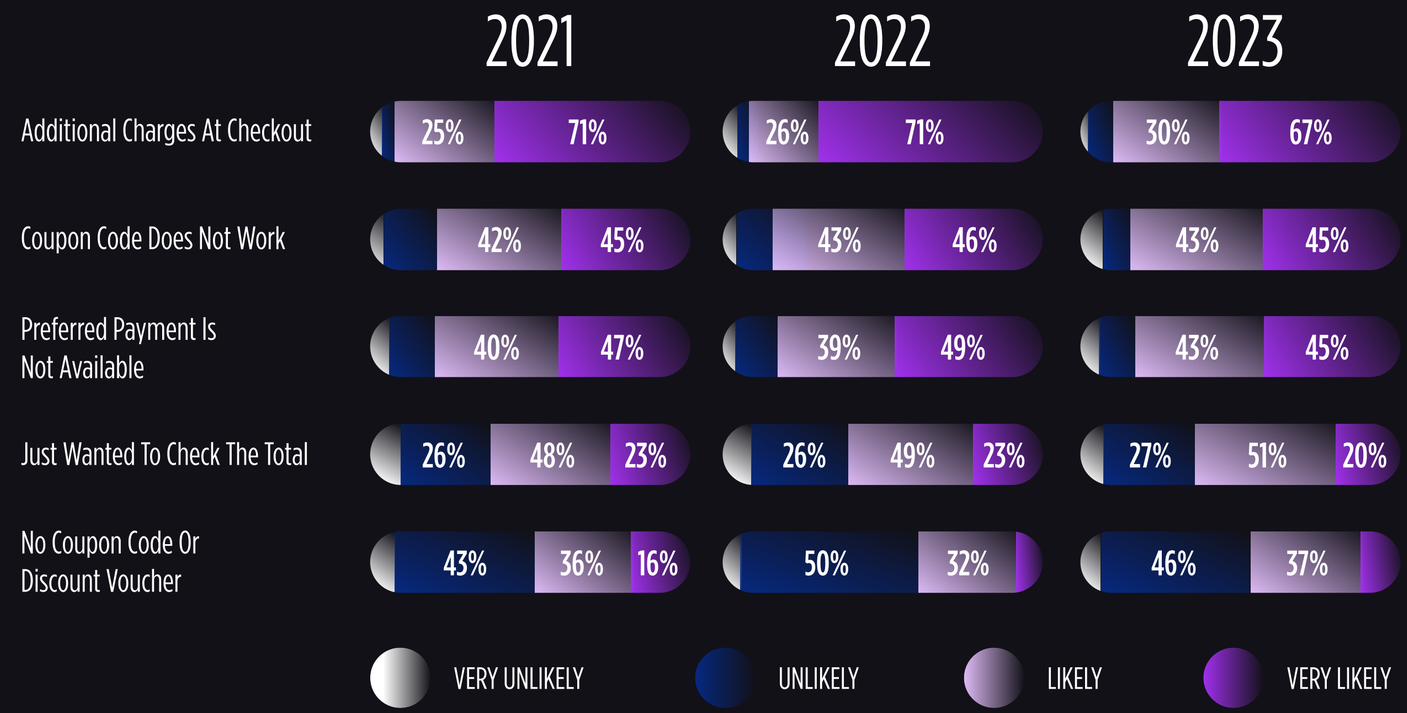


UNEXPECTED ISSUES AT CHECKOUT LEAVE SHOPPERS CHECKED OUT

Challenges with charges, coupons, and payment methods are deterring shoppers from completing their purchases.

97% of shoppers are likely or very likely to abandon their carts due to additional charges at the checkout. 88% also say they'll discard orders when coupon codes don't work, and when their preferred payment methods aren't available.

WHEN CONSIDERING PAYMENT, HOW LIKELY ARE YOU TO ABANDON A CART BASED ON THE FOLLOWING?

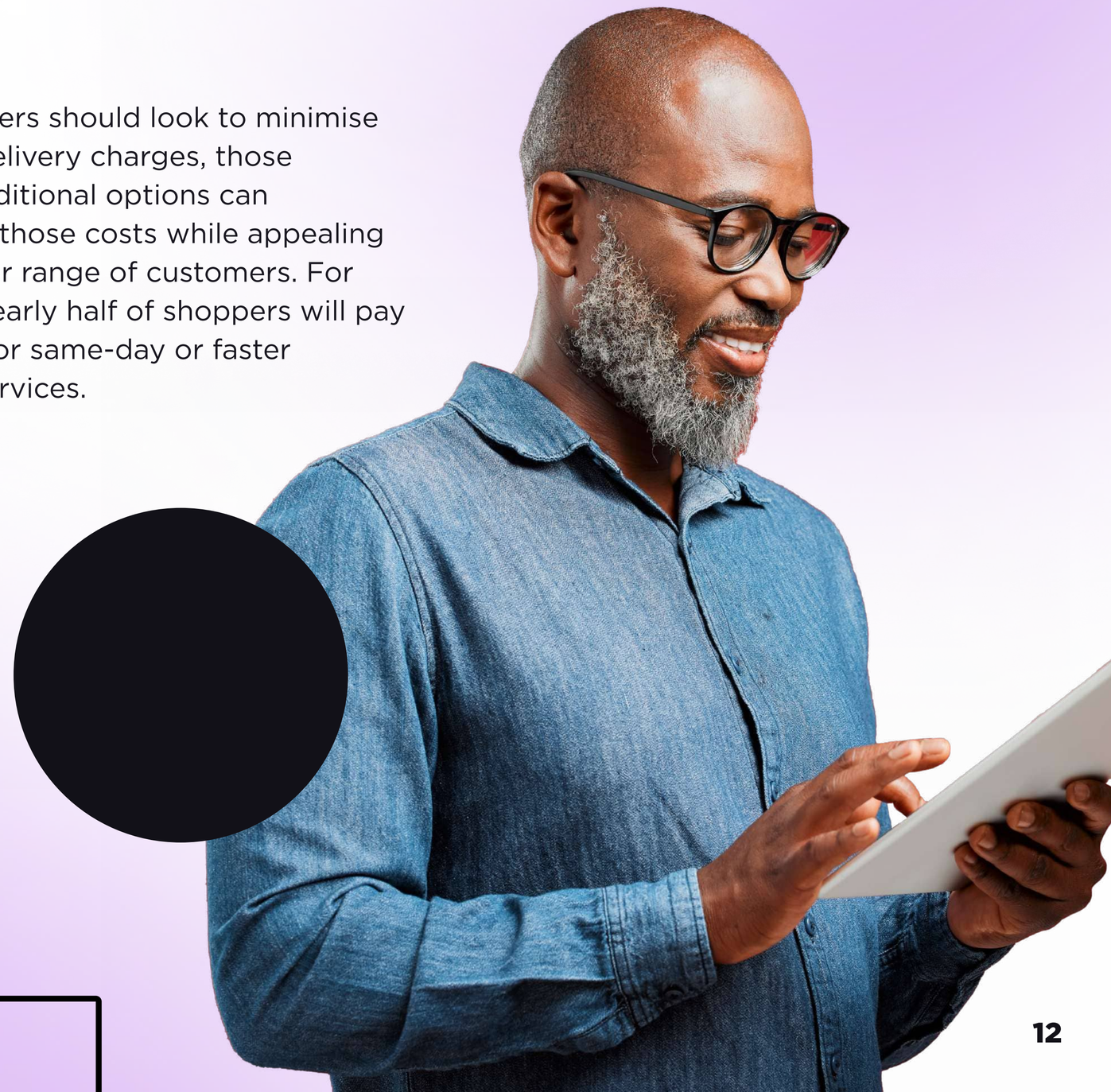


DELIVERY EXPECTATIONS

In 2023, consumers aren't just cost-conscious about product price; they're also sensitive to shipping charges. Our data reveals that nearly all shoppers will abandon their carts when they believe delivery costs are too high.

So, what do shoppers think is too much (and too long) for shipping? Most consumers say $5–$10 and over will cause them to abandon cart for orders of small items. Large items, however, see opinions quite evenly divided. And while over a third of consumers aren't deterred by shipping times over five to seven days, one in five shoppers want shipments in two days or less.

While retailers should look to minimise standard delivery charges, those offering additional options can recuperate those costs while appealing to a broader range of customers. For example, nearly half of shoppers will pay $20 extra for same-day or faster shipping services.



AVOID HIGH SHIPPING COSTS TO REDUCE ABANDONED CARTS

Shoppers are almost unanimously against excessive delivery charges. An incredible 97% of them are likely or very likely to abandon carts due to high shipping costs.

83% of consumers indicate leaving orders behind due to costs communicated too late in the shopping experience, and 70% also say it's because the delivery method is too slow.

Retailers should gain customer feedback about whether their shipping charges are fair—or far from acceptable.

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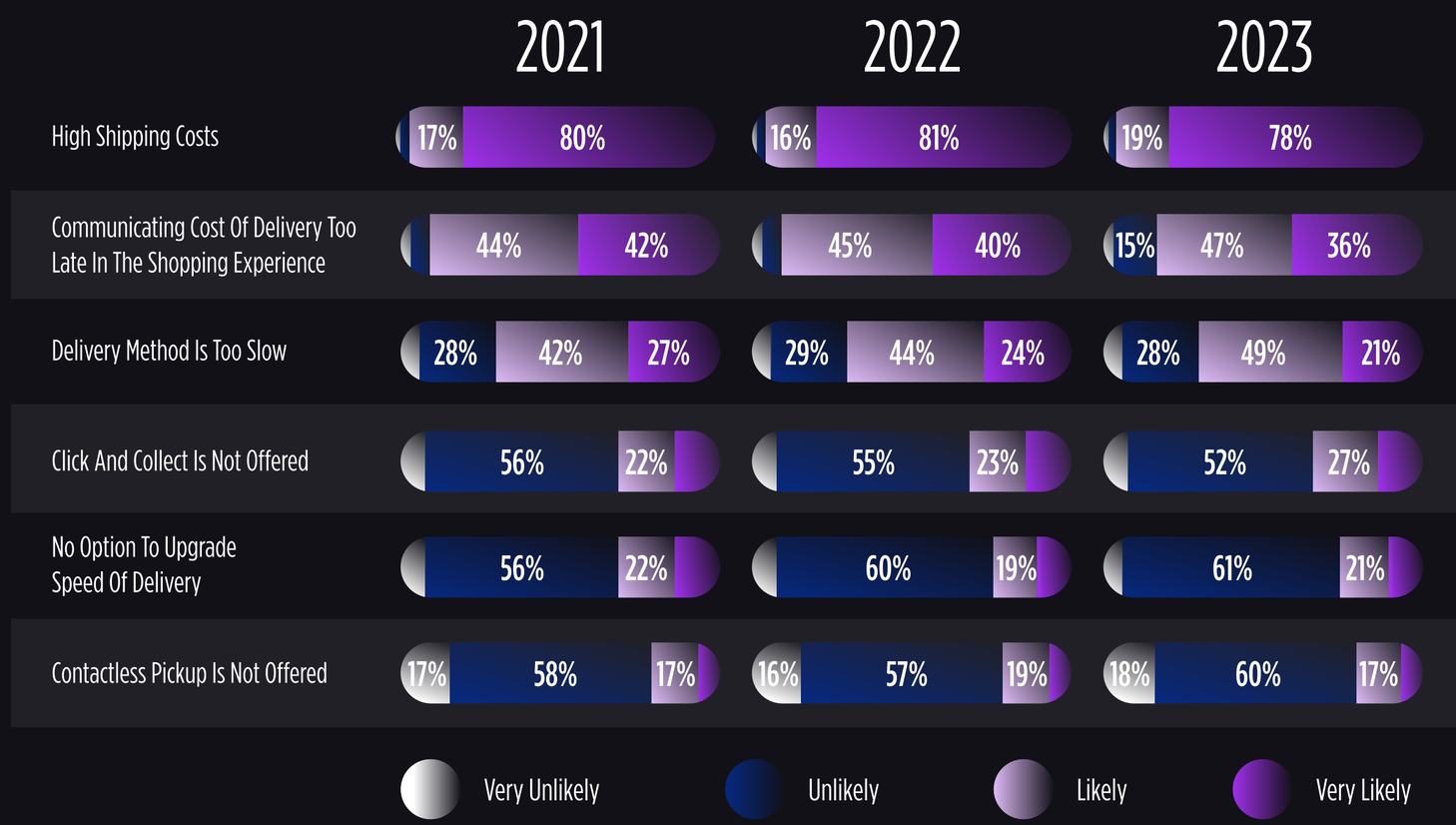
WHEN CONSIDERING DELIVERY, HOW LIKELY ARE YOU TO ABANDON A CART BASED ON THE FOLLOWING?

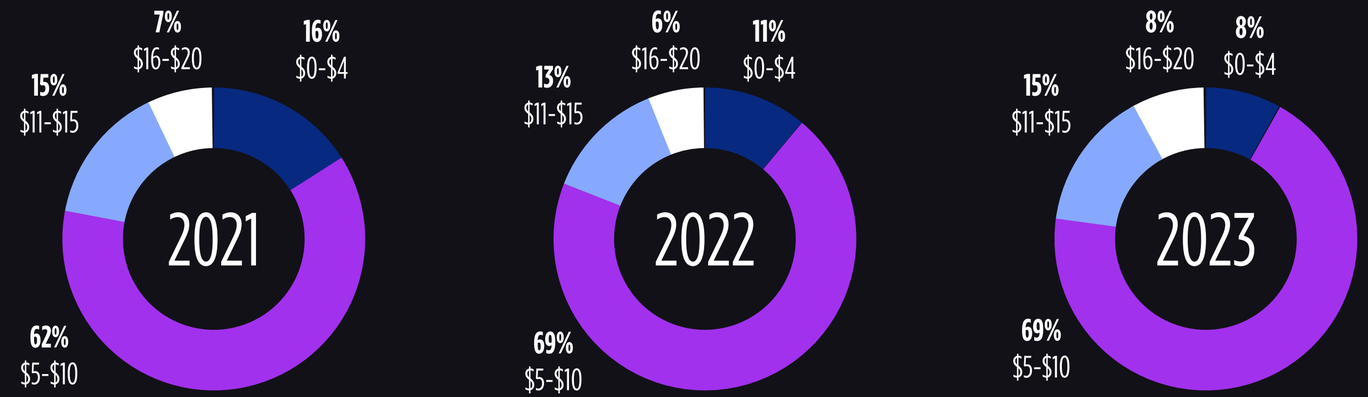


SHOPPERS HAVE DIFFERENT COST EXPECTATIONS FOR DIFFERENT-SIZED ITEMS

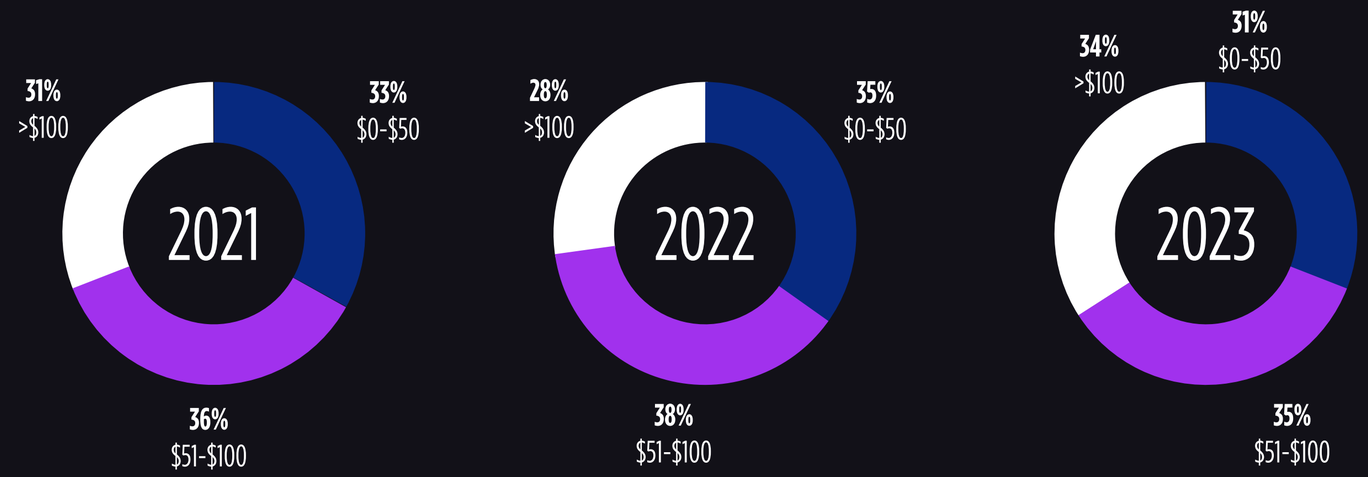
$5–$10 is the breaking point for consumers when it comes to small item delivery fees. A massive 69% also say they'll abandon their carts of small items that attract this charge.

Heftier items like furniture and TVs have shopper opinions of fair delivery charges divided, almost in thirds. 31% say up to a $50 cost will cause them to leave orders behind. 35% say that figure is between $51–100, and 34% say it's over $100.

FOR A SMALL ITEM, WHAT IS THE DELIVERY COST THAT WOULD CAUSE YOU TO ABANDON THE CART?



FOR A LARGE ITEM, WHAT IS THE DELIVERY COST THAT WOULD CAUSE YOU TO ABANDON THE CART?



HOW FAST IS FAST ENOUGH?

Opinions about decent delivery times have shoppers divided.

Over a third (34%) of consumers say long shipping times don't deter them from making an online purchase, though this figure has dropped 6% since last year.

Five to seven business days is the limit for almost another third of shoppers, with 29% saying they'll consider purchasing elsewhere when wait times stretch beyond this point. The remaining 37% have varied expectations of how long they will wait.

Although shoppers have become used to buying online and waiting for items to arrive, many still want the premium treatment. Online retailers should consider offering express options to capture the one in five shoppers wanting shipments in two days or less.

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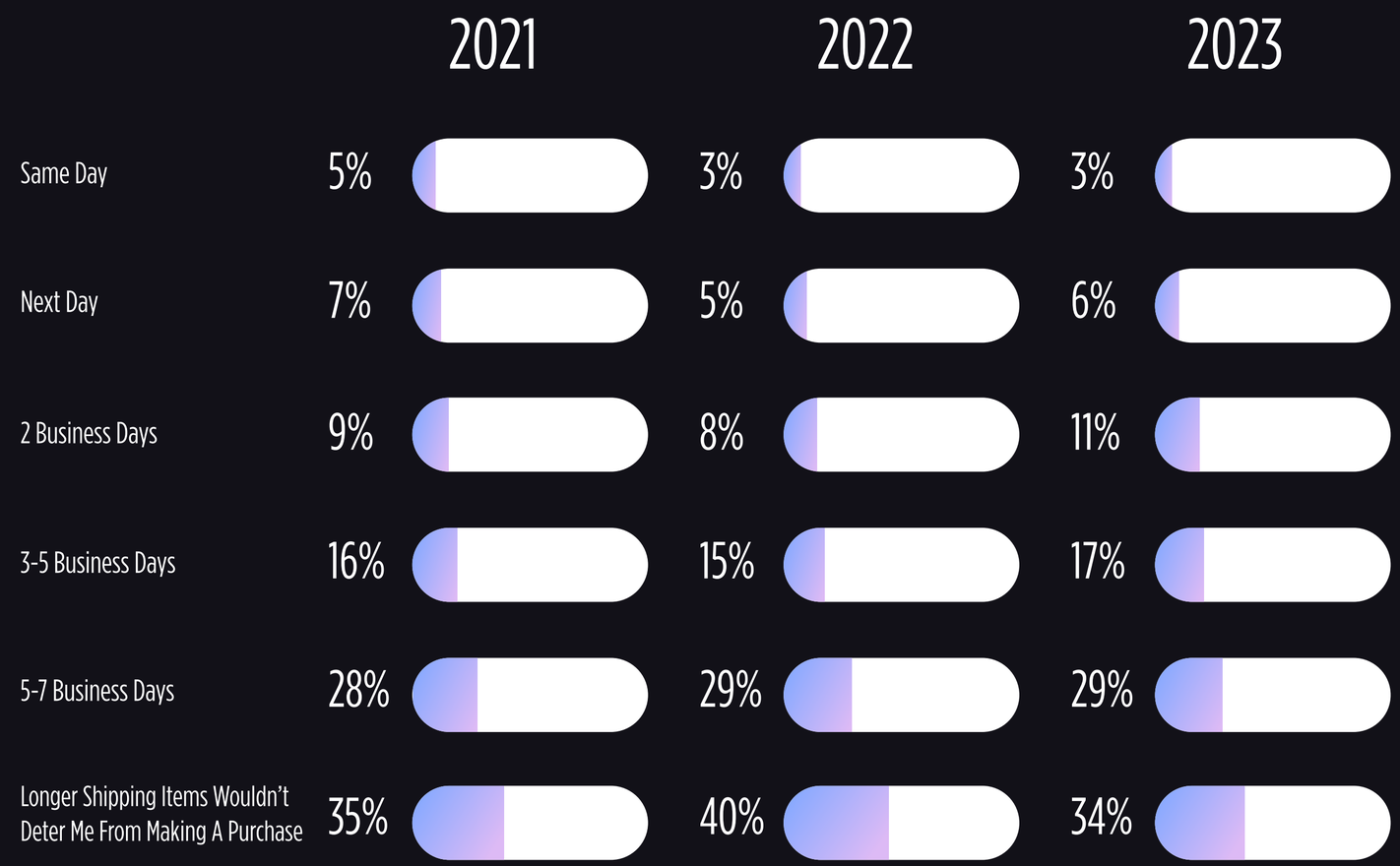
WOULD YOU CONSIDER MAKING YOUR ONLINE PURCHASE ELSEWHERE IF YOU DELIVERY TIME WAS MORE THAN THE FOLLOWING?



SPEEDY DELIVERY COMES AT A COST WHICH MOST SHOPPERS WON'T PAY

Although many shoppers want fast delivery options, many more are unwilling to pay for those choices.

While half say they won't pay extra charges for special delivery services, 47% will fork out an additional $20 for same-day or less than three-hour shipping services. A further 17% are happy to pay this amount for next-day delivery.

More specific delivery windows are becoming less desired, with 6pm–8pm time slots, one to two hour windows, and weekend deliveries only catching 6% of shoppers' interest to pay more for these services.

WHICH OF THE FOLLOWING DELIVERY TIMES ARE YOU WILLING TO PAY $20 EXTRA FOR?

	2021	2022	2023
Less Than Three Hours	22%	18%	19%
Same Day	27%	26%	28%
Next Day	17%	15%	17%
Weekend	7%	5%	6%
After Hours (6pm-8pm)	6%	5%	6%
Specific 1-2 Hour Time Of My Choosing	9%	7%	6%
Wouldn't Pay Extra For A Special Delivery Service	50%	55%	50%

LOYALTY PROGRAMS

Order costs are top-of-mind for shoppers, and retailers offering free shipping as a loyalty reward can entice them to purchase. Discounts and points-for-products redemption are also favoured reward types.

Additionally, convincing customers to join a rewards program requires a value-driven approach. To gain long-term loyalty, retailers should consider low joining costs and appealing rewards that shoppers can quickly accrue.



FREE SHIPPING IS THE FAVOURITE FOR LOYALTY REWARDS CUSTOMERS

Shipping costs remain a top priority for shoppers, even when it comes to loyalty programs. An astounding 80% say free shipping is their most favoured reward from loyalty programs.

Almost tied in second, third, and fourth places (between 56%–57%) are the ability to redeem points for products, automatic discounts on all purchases, and cashing in points for discounts.

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WHAT ARE YOUR FAVORITE TYPE OF RETAILER LOYALTY PROGRAM REWARDS?

	2021	2022	2023
Free Shipping	78%	77%	80%
Can Redeem Points For Products	56%	60%	56%
Automatic Discount On All Purchases	57%	57%	57%
Can Redeem Points For Discounts	53%	55%	56%
Exclusive Members' Only Discounts	49%	45%	47%
Free Promotional Products	49%	44%	45%
Express Delivery	48%	41%	40%
Can Redeem Points For Cash	39%	36%	44%
Early Access To Sales Events	38%	32%	33%
Exclusive Members Only Products	25%	21%	21%
Premium Customer Service	21%	20%	23%
Members Only Competitions	22%	19%	20%
Exclusive Members Only Events	22%	17%	17%
Special Members Only Services	20%	18%	16%
Longer Returns Period	14%	12%	11%
Personalisation Options	11%	9%	9%

MAKE YOUR REWARDS PROGRAMS FAST, AFFORDABLE, AND FAVOURABLE

Shoppers looking at loyalty programs want to see appealing rewards, awarded quickly, and without high costs to join the program.

64% of consumers say they will either stop using or refuse to join a retailer's loyalty program when joining fees are too high. In addition, 56% of shoppers say their cause for pause is when rewards take too long, and 52% say it's when the benefits are unappealing.

The security of personal information has also seen a jump (8% higher) as a deciding factor since last year.

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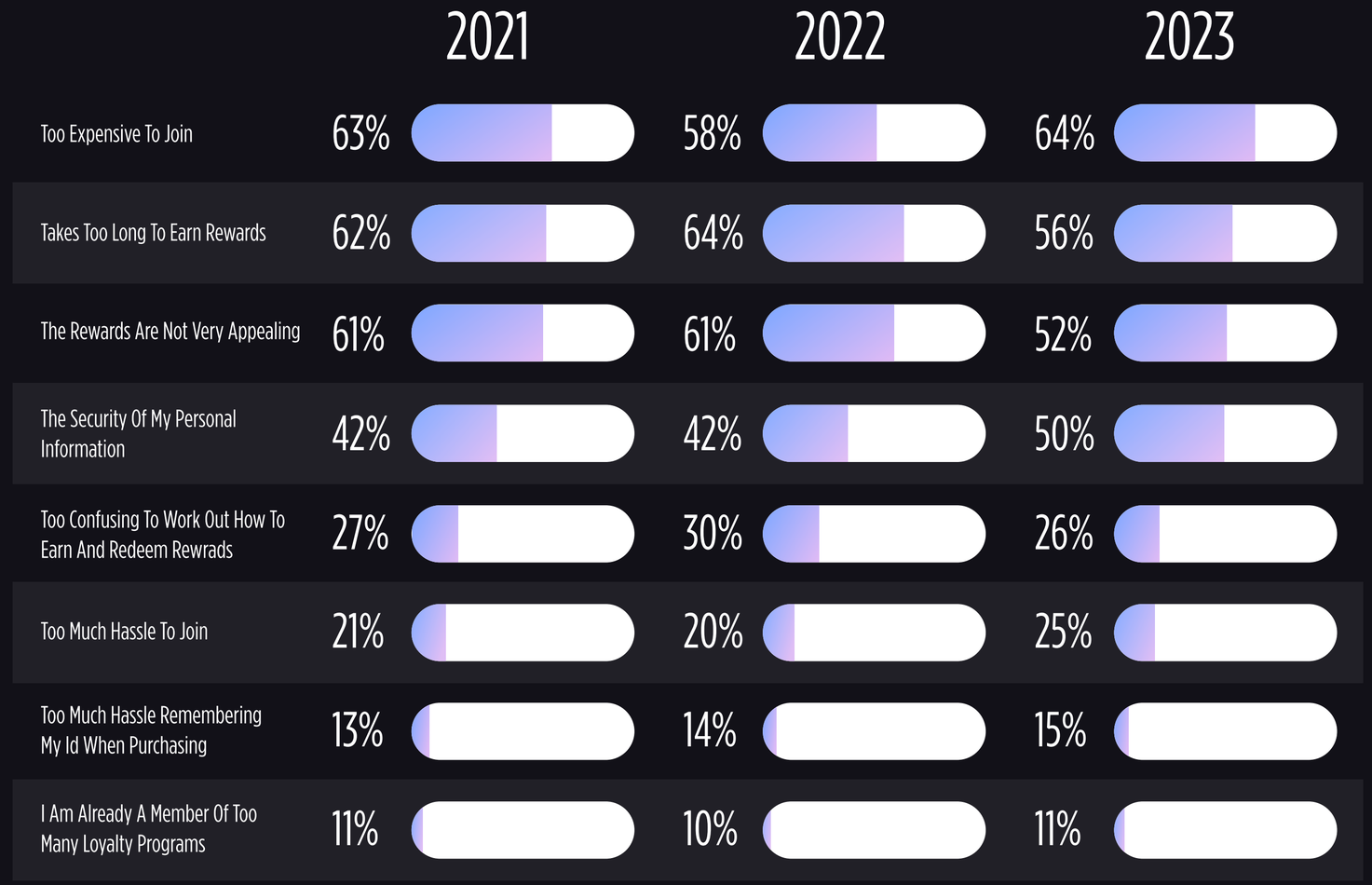
WHICH ISSUES ARE MOST LIKELY TO PREVENT YOU FROM USING OR JOINING A LOYALTY PROGRAM?



ENGAGEMENT AND SOCIAL MEDIA

How can retailers keep shoppers engaged outside of their websites? Our data shows that contests and product giveaways keep them connected with your brand. However, don't ask customers to listen to your podcast; this is the least-liked engagement channel.

When it comes to social media engagement, Meta (Facebook and Instagram) reigns supreme. Retailers should consider leveraging these channels to encourage online purchases.

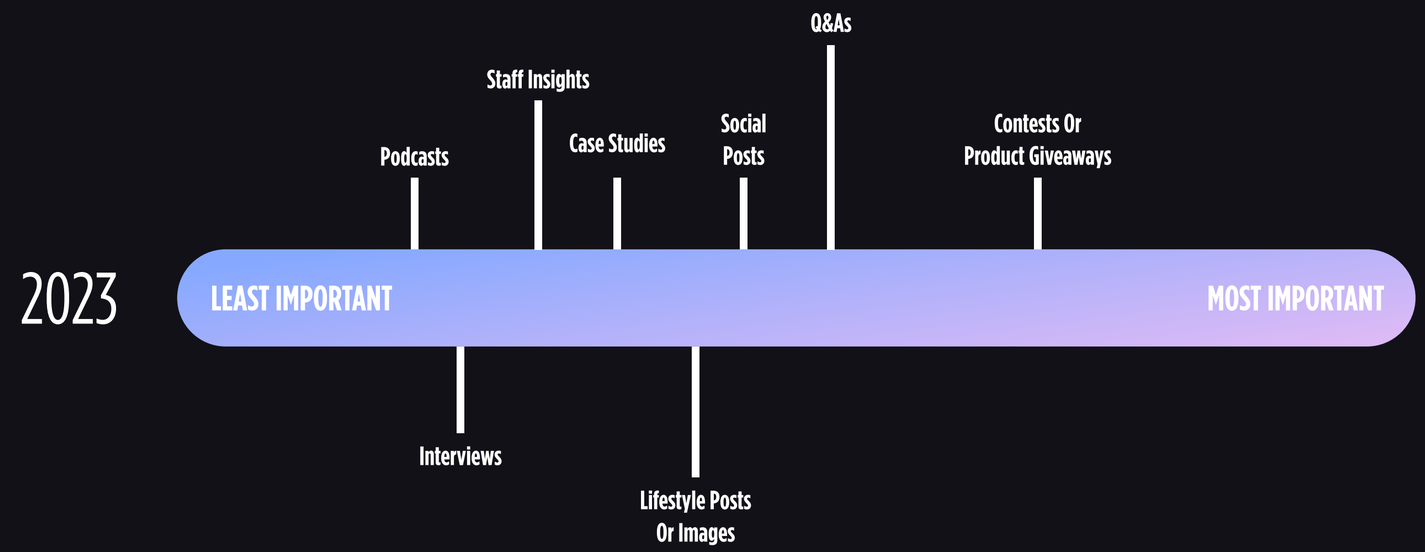


CONTESTS AND GIVEAWAYS CREATE BRAND CONNECTIONS

The thrill of the win overwhelmingly helps consumers enjoy the overall brand or retailer experience. When shoppers are not in buying mode, 46% say their favourite reason for engaging with a brand or retailer is contests or product giveaways.

On the flip side, a noticeable 34% say that podcasts are their least favourite reason.

IN ORDER OF PRIORITY, HOW IMPORTANT DO YOU FIND THE FOLLOWING BRAND CONTENT OR ACTIVITIES?

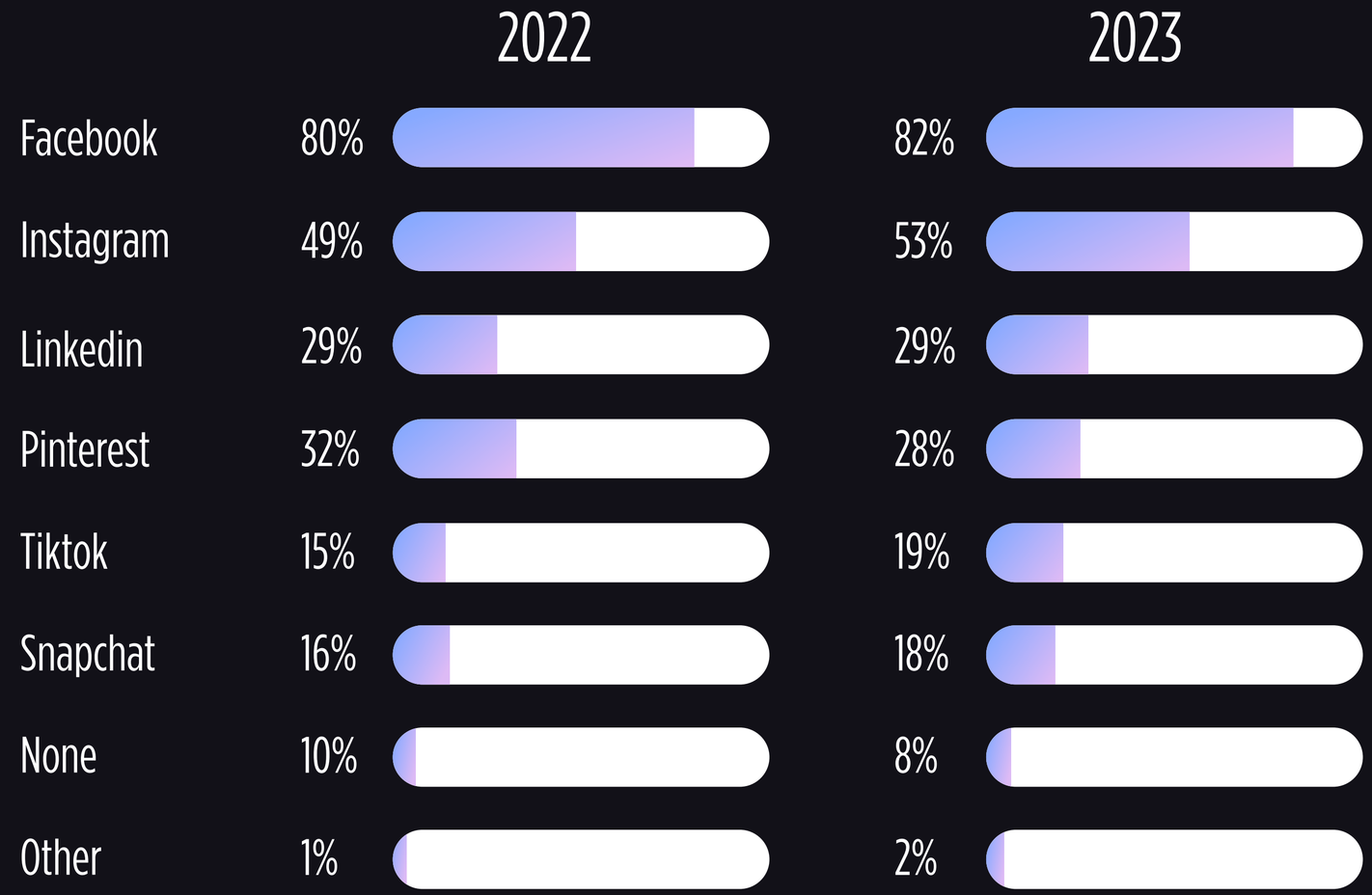


META STILL LEADS SOCIAL WITH FACEBOOK AND INSTAGRAM

Across social channels, Facebook still takes the crown for the platform shoppers are engaging with the most (82%). Instagram takes second place (53%), with LinkedIn coming third (29%).

Noticeable changes from last year include 4% increases for Instagram and TikTok, and a 4% decrease for Pinterest.

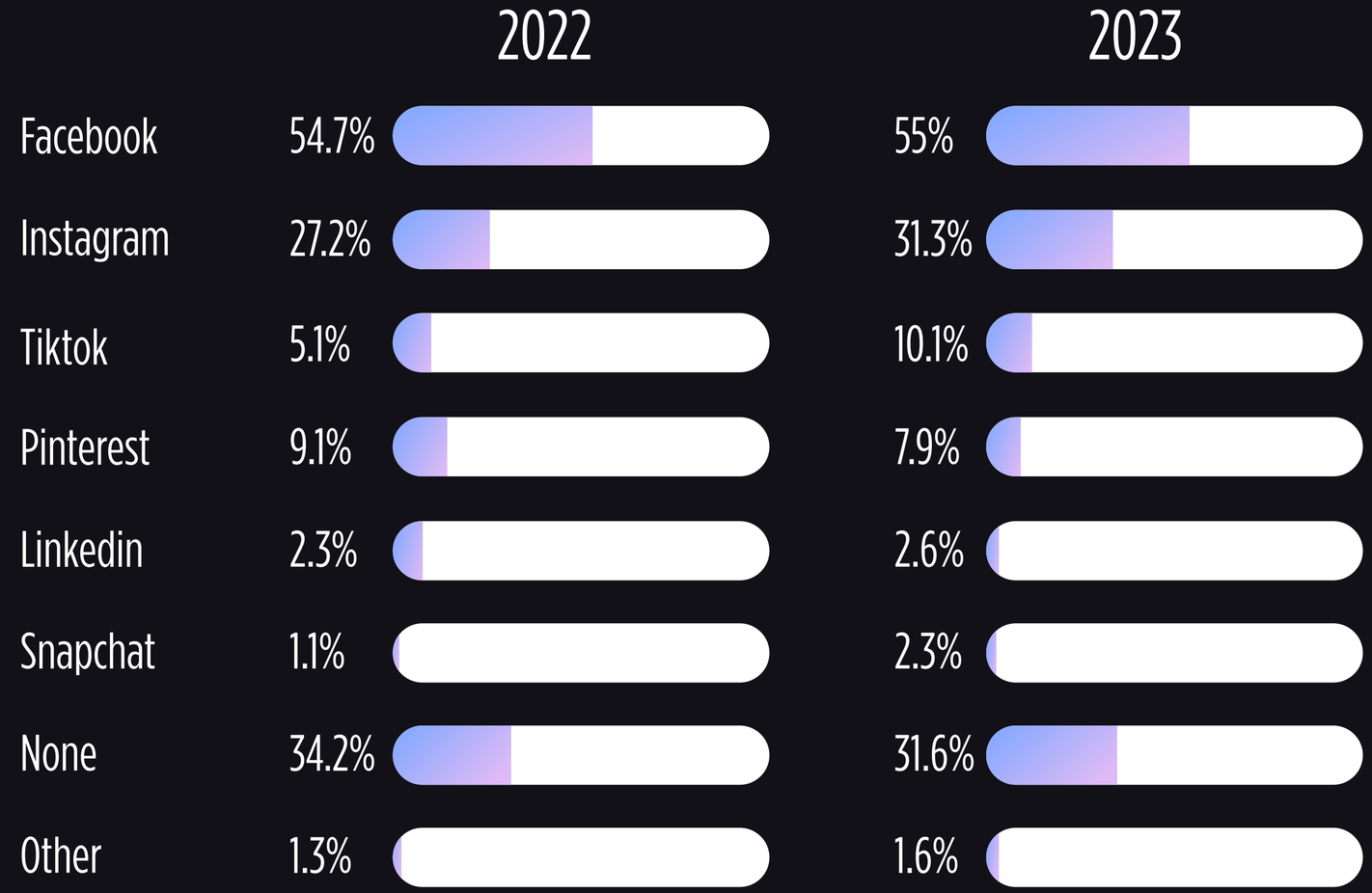
WHICH OF THE FOLLOWING SOCIAL MEDIA PLATFORMS DO YOU ENGAGE WITH?



META MAKES A SOLID CASE FOR SOCIAL CHANNELS, BUT MANY ARE STILL UNSWAYED

Unsurprisingly, the social leader, Facebook, has encouraged 55% of shoppers to purchase online. And while Instagram and TikTok are rising influencers (31.3% and 10.1%, respectively), 31.6% of consumers say social media did not sway them.

WHICH OF THE FOLLOWING SOCIAL PLATFORMS HAVE ENCOURAGED YOU TO MAKE A PURCHASE?



CONCLUSION

More than ever before, today's brands must put consumers at the heart of everything they do. From offering the right incentives and payment options to managing delivery expectations and mitigating cart abandonment, brands must consider consumer preferences if they want to influence shoppers' purchasing decisions.

BigCommerce's advice: stay agile while focusing on the shopping behaviours that will have the greatest impact on your ecommerce business. We hope that by sharing our proprietary survey data, we've given brands the insights they need to adapt to current consumer trends — and to start designing tomorrow's retail experiences.

More freedom.
More sales.
Less friction.

That’s BigCommerce.

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