Power Retail | Grant Thornton

Value, Speed, and Reliability:

What's Driving Australian Retail

Executive Summary

Wi Liem Chua
Partner & National Head of Retail & Consumer Products
CONNECT WITH ME

Richard Bycroft
Partner
CONNECT WITH ME

Primo Danieletto
Director
CONNECT WITH ME

Despite persistent cost-of-living pressures, Australian consumers' rising household savings and cautious optimism are driving more deliberate, value-focused spending in 2025. However, value now extends far beyond the basics of competitive pricing and product quality. Consumers are demanding speed, reliability, and seamless post-purchase experiences, particularly when it comes to retention and loyalty.

While 45% of consumers say product quality influences repeat purchases and 42% cite competitive pricing, supply chain performance also plays a critical role. Low delivery costs influence loyalty for 33% of shoppers, on-time delivery for 30%, and Click-and-Collect availability for 20%.

Inventory availability is equally vital. When faced with stock shortages, 80% of online shoppers and 88% of in-store shoppers turn to competitors. Meanwhile, trusted omnichannel retailers can monetise fulfilment: consumers are most willing to pay express delivery premiums to well-known domestic brands over international or pure-play competitors.

Brand trust also hinges on ethical and transparent operations. 65% of consumers expect retailers to exhibit fair labour practices, 53% ethical sourcing, production, or supply, and 36% say it's supply chain transparency.

In 2025, the road to customer conversion and retention is anything but a straight line. Retailers must incorporate various strategies across pricing and quality, inventory visibility, fast fulfilment, and warehouse automation to effectively build brand trust and remain competitive in today's retail environment.

In this report, you'll find deeper insights into how consumer expectations are reshaping retail. To explore how these trends could influence your strategy, dive into the full analysis or connect with the Grant Thornton team for a tailored conversation.

Introduction

Consumer expectations of the retail experience, both online and offline, are constantly evolving. To better understand what Australian consumers want from retailers right now, we surveyed over 1,000 of them. We gathered their perspectives on the omnichannel shopping experience, the post-purchase journey, and how they connect with brands.

Our findings reveal that value, speed, and reliability sit at the heart of their purchase decisions. While competitive pricing and product quality are paramount, optimised supply chain operations also create highly influential outcomes that drive conversion, retention, and loyalty.

Right now, retailers face a dual challenge of meeting their customers' needs of value and choice while delivering seamless, reliable omnichannel and post-purchase experiences. Consumers are also displaying mindful purchasing behaviours in 2025. As such, retailers would be wise to leverage key differentiators such as delivery costs, product availability, and fulfilment speed.

This report delves deep into Australian consumers' priorities and how inventory, fulfilment, and supply chain optimisation can turn more browsers into buyers and keep them coming back.

Data for this report was collected in May 2025. All data in this report is sourced from the responses of 1018 randomly selected Australian consumers.

The Omnichannel Shopping Experience

Despite improved consumer confidence in 2025, value-focused priorities indicate that consumers are spending mindfully. Supply chain-related facets also play a crucial role in their purchase decisions. Competitive pricing and product quality are top of mind for consumers, though product availability, item range, and delivery costs significantly influence their decisions.

Similar facets drive post-purchase customer loyalty. Unmet expectations of product quality and pricing are common reasons for consumers to switch to a different retailer. However, supply chain performance factors, such as high delivery costs, product availability and delivery speed, emerge as key drivers of winning or losing repeat business.

Our findings also highlight an advantage for local retailers. While overseas players may undercut prices, they will struggle to match consumers' expectations of local delivery speeds. Nearly half of consumers also expect to collect Click-and-Collect orders within an hour, further underscoring the growing demand for speed and convenience.

Retailers should consider supply chain optimisation to meet their customers' expectations. Strategies based on demand forecasting, streamlining logistics, and leveraging warehouse automation can dramatically extend product availability. More advanced fulfilment systems and processes can reduce the empty space in packaging to slash delivery costs. Rapid in-store pickup options can also become compelling differentiators. In a market where consumers expect value, speed, and post-purchase reliability, retailers who meet and exceed their customers' expectations stand to increase conversion, retention, and loyalty.

Data for this report was collected in May 2025. All data in this report is sourced from the responses of 1018 randomly selected Australian consumers.

The Impact of Value and Supply Chain on Purchase Decisions

Consumer priorities around pricing and quality are evident. Our survey data shows that 72% of Australian consumers say competitive pricing influences their purchase decisions. Product quality follows closely at 63%.

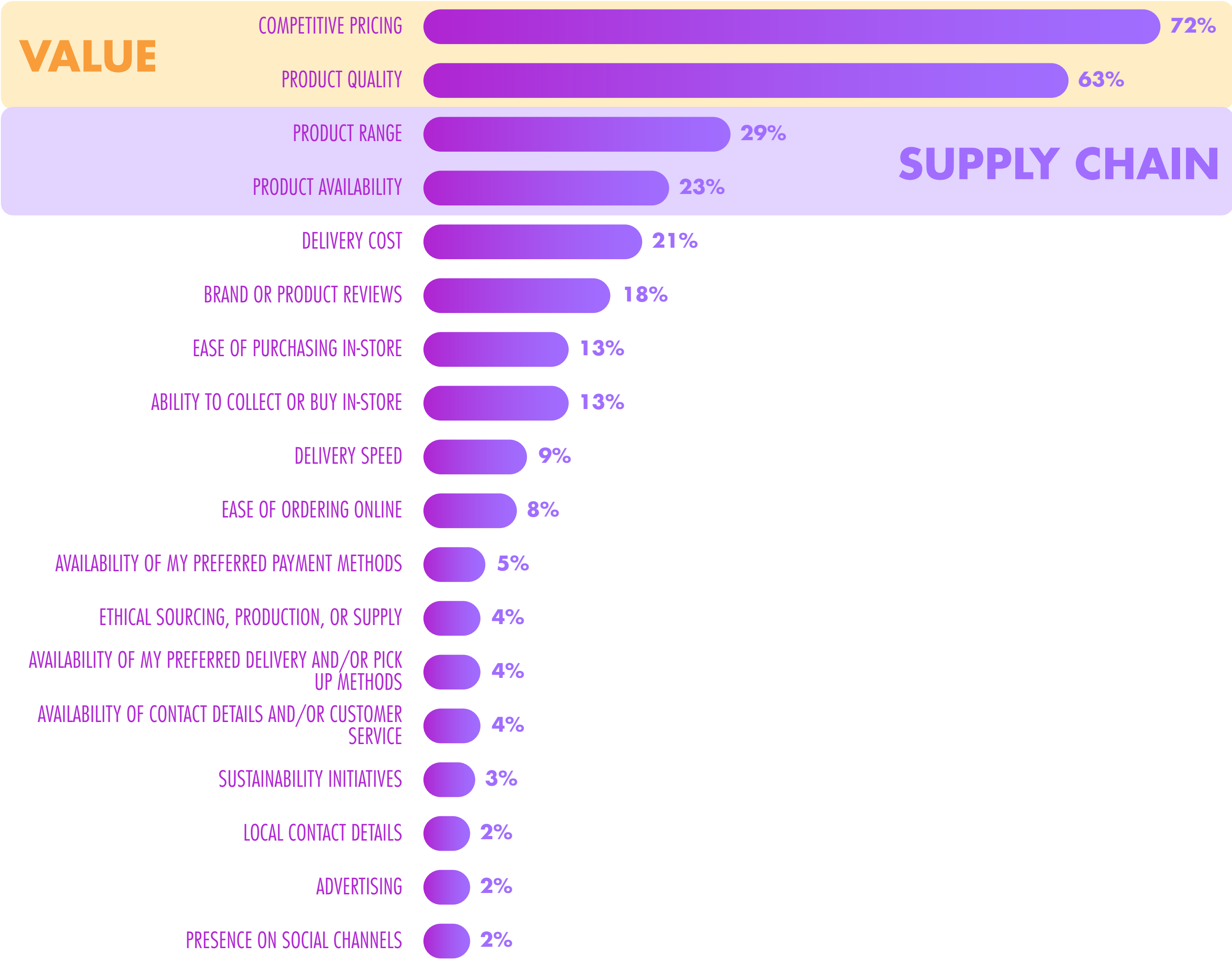
Consumer confidence has improved from 2023 to 2025, as shown by the ANZ-Roy Morgan Australian Consumer Confidence Monthly Ratings[1]. However, consumers' preferences for pricing and quality underscores the value focus in 2025, indicating a mindful approach to spending.

The next most influential factors relate to the supply chain. Product range, availability, and delivery cost will sway 29%, 23%, and 21% of consumers' purchase decisions, respectively. These aspects matter more to consumers than reviews (18%) and in-store ease of purchase (13%).

Retailers face limited flexibility over pricing and product quality. Pricing is often dictated by market competition and cost structures. Quality can depend on supplier capabilities and manufacturing standards. However, retailers can directly control supply chain performance. By optimising inventory management, demand forecasting, and logistics, retailers can gain greater control over supply chain processes. That control brings the freedom to manage warehouse space more effectively while increasing product range and availability. Retailers can even reduce delivery costs through advanced fulfilment systems and processes that removes the unused "air space" in unsuitably large delivery packaging.

[1]https://www.roymorgan.com/morgan-poll/consumer-confidence-anz-roy-morgan-australian-cc-monthly-ratings

When purchasing from a retailer or brand for the first time, which of the following (top 3) are most likely to influence your purchase decision?



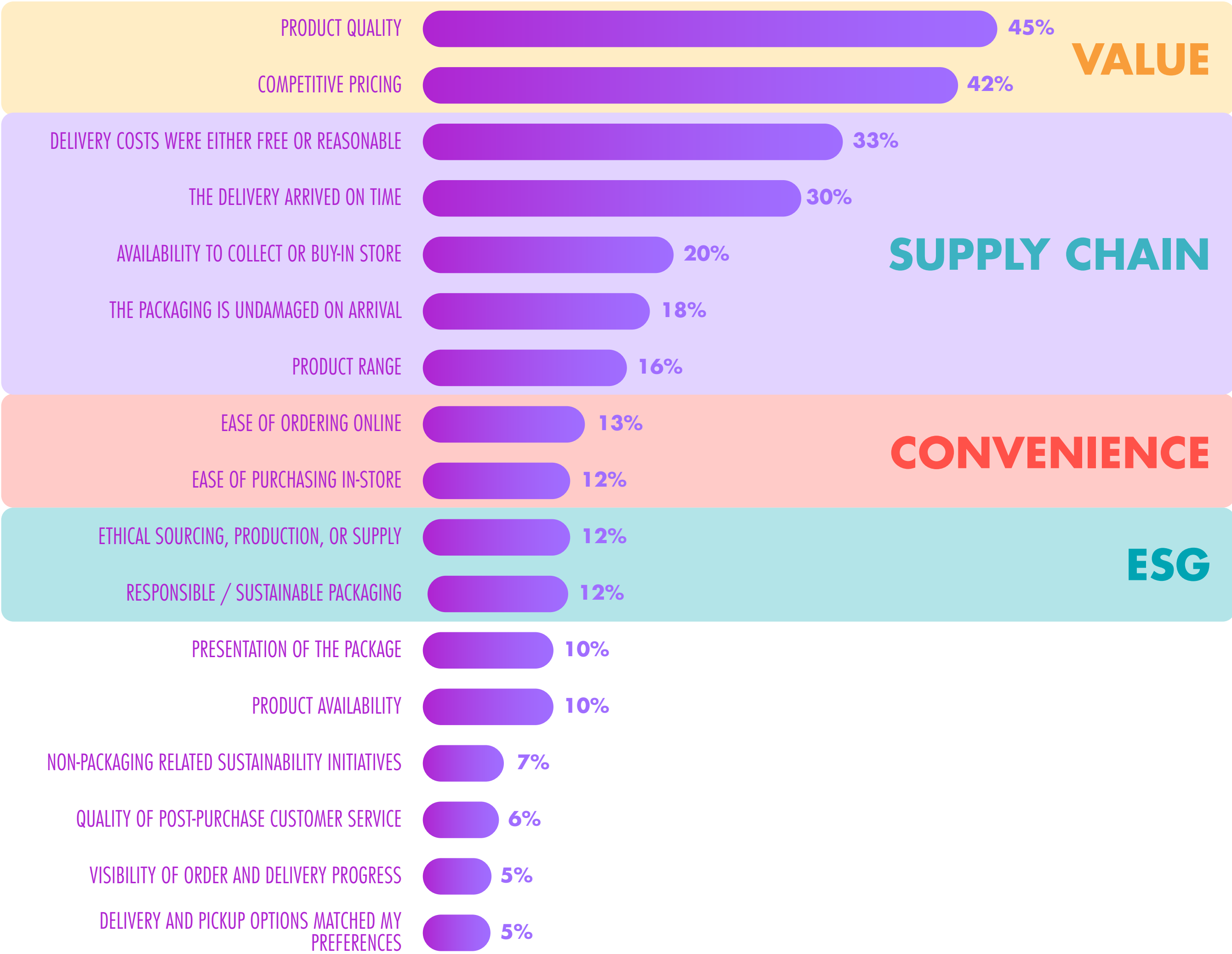
What's Driving Repeat Purchases?

When it comes to customer retention, value remains in the lead. 45% of consumers rank product quality as the most critical factor, while 42% say it's competitive pricing.

The following five most influential factors relate directly to inventory and supply chain performance. Free or reasonable delivery costs are front of mind for 33% of consumers. 30% want on-time delivery. In-store collect or purchase options matter for 20%, undamaged packaging for 18%, and product range for 16%.

Convenience factors, such as the ease of ordering online and purchasing in store, and ESG (Environmental, Social, and Governance) facets, such as ethical or sustainable practices, play the next-most compelling roles, sitting at around 12-13% each.

After purchasing from a brand or retailer, which of the following (top 3) are most likely to influence repeat purchases?



Balancing Speed, Cost, and Reliability

What prevents consumers from repurchasing from a retailer? Poor product quality tops the list, at 51%, followed by unreasonable delivery costs, at 40%, and uncompetitive pricing, at 33%.

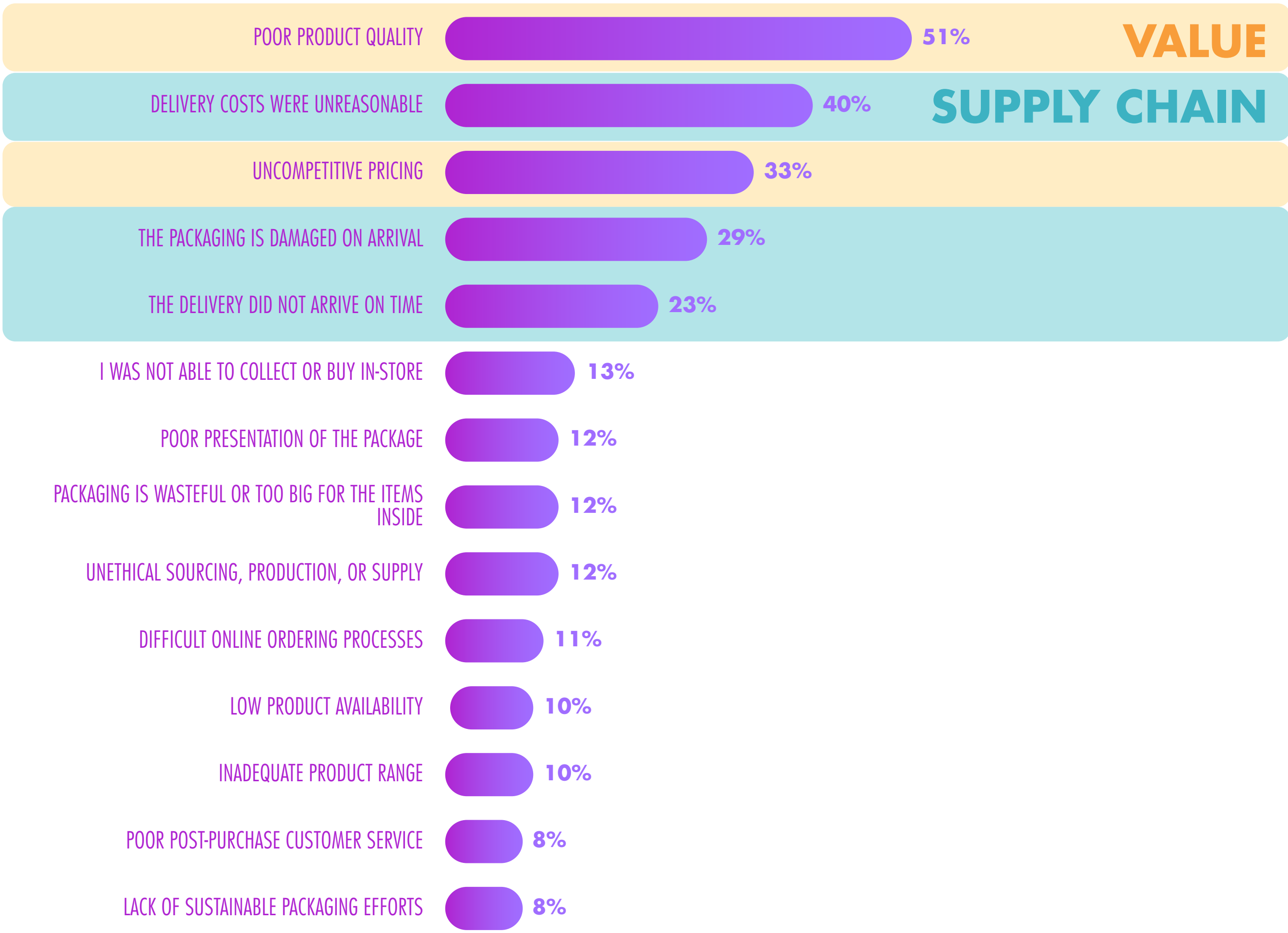
Value and supply-chain-related details make up the top 5 reasons for retailers' customers to shop elsewhere.

Data from the Australian Bureau of Statistics (ABS)[2], released in March 2025, shows household saving-to-income ratios climbing to 3.8%, up from 3.6% in the previous quarter and 2.4% prior to that. This trend signals that consumer spending is ready for a comeback. Retailers rely on suppliers, sourcing, procurement, and products to deliver experiences that keep customers returning, particularly when they are ready to spend.

Additionally, damaged packaging on arrival will deter 29% of customers from shopping with the same retailer again. Improved supply chain processes can ensure that products meet customer expectations upon arrival and create a stronger brand impression.

Retailers should also prioritise supplier and supply-chain partnerships. Robust partnerships and investments in experience-led delivery fleets can help retailers create a unique balance of value, speed, and reliability, ultimately resulting in higher customer retention.

After purchasing from a brand or retailer, which of the following (top 3) are most likely to prevent you shopping with them again?



[2]https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/dec-2024

Fast Fulfilment as a Key Differentiator

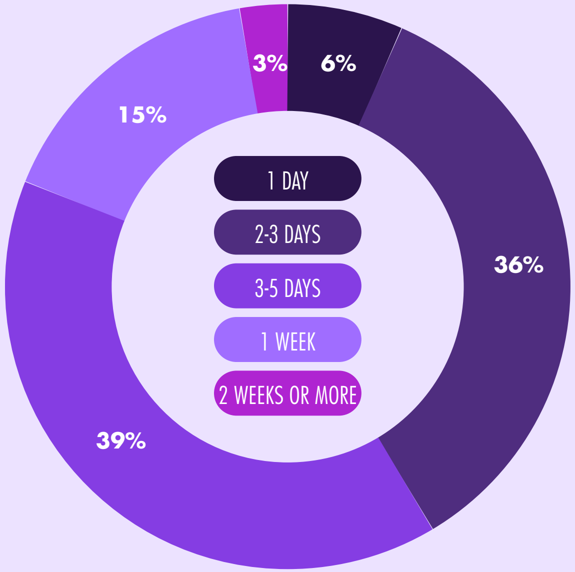
Most consumers remain patient with delivery times from Australian retailers. 39% expect their deliveries to take 3-5 days, while 15% will wait up to a week. However, a significant 40% portion believe that deliveries should take 3 days or less.

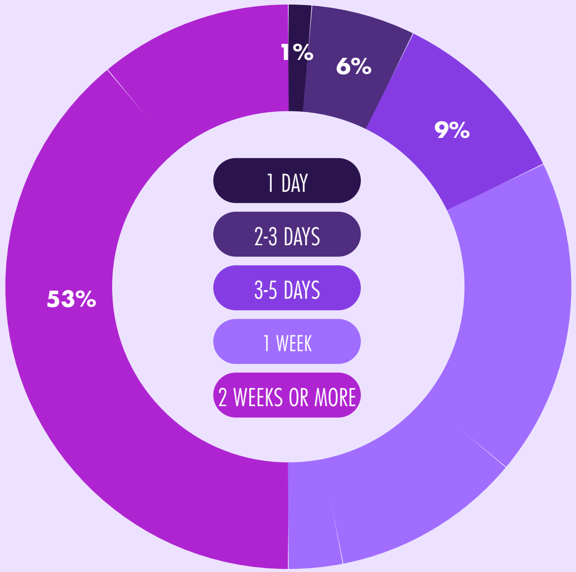
Retailers who delay deliveries through inefficient processes or supply chain hiccups risk testing their customer's patience.

For overseas brands, 84% of consumers expect deliveries to take at least a week. While many of these retailers offer highly competitive pricing, Australian retailers have the home-ground advantage in delivery speed. This experience gap provides a compelling chance for local businesses to leverage speedy delivery as a key differentiator that secures consumer loyalty. However, they must also be aware that little margin for fulfilment error exists. They must pick and pack orders quickly and accurately to ensure they uphold customer expectations of delivery times.

Consumers' forgiving attitudes towards international delivery times further exacerbate the need for Australian retailers to stay at the top of their delivery game. Once trust is lost, that advantage of fast delivery may no longer be enough to sway Australian consumers away from international sellers.

How long do you expect a standard delivery to take from an Australian brand or retailer?





How long do you expect a standard delivery to take from an overseas brand or retailer?

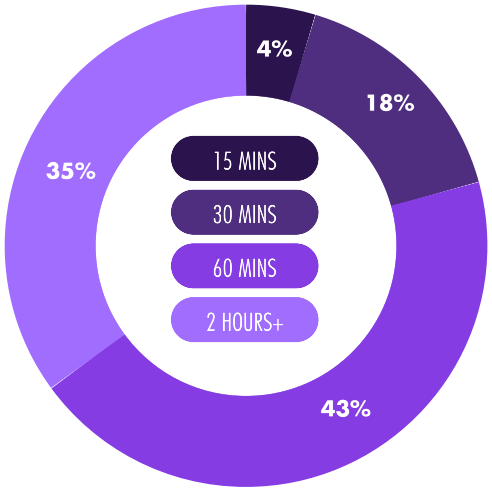
How Fast Is Fast Enough for Click-and-Collect?

The majority of consumers, at 65%, expect to pick up a Click-and-Collect order in 60 minutes or less. Almost a quarter, at 22%, have even higher expectations of 30 minutes or less.

Australian retailers should consider how rapid collection services can help them convert (and reconvert) more consumers. Particularly when facing competition from interstate or overseas players, putting products in customers' hands sooner can give retailers a much-needed competitive advantage.

To support the rapid collection expectations of consumers, retailers should closely examine in-store product-ranging optimisation.

How soon do you expect to be able to collect a Click-and-Collect order from a store?



The Post-Purchase Experience

As per Australia Post data[3], Australians shop at an average of 16 online retailers each year. When fulfilment fails, these consumers have an easy choice: wait around or immediately shop elsewhere. Stock shortages drive eight out of ten online shoppers and nine out of ten in-store shoppers towards competitors. These eye-opening figures underscore the urgent need for retailers to enhance supply chain transparency and inventory management capabilities to uphold the availability of in-demand items.

Consumers are also making their purchases mindfully in 2025. Only 28% have returned an online purchase in the last six months and exhibit resistance to multiple shipments and paid returns. With a considered approach to shopping and a heightened focus on convenience, gaps in the post-purchase experience may become increasingly evident to consumers.

While returns remain a necessary part of doing business, they can be costly. Fashion is the most frequently returned product category, with "wrong size or fit" being the primary reason for initiating returns. Now is the time for retailers to explore tactics such as providing clear, detailed product information, virtual fit technologies, and AI-powered fit suggestions to reduce the number of returns due to sizing issues. Across all categories, reviewing and improving fulfilment and shipping processes can also minimise damaged and incorrect items coming back to the retailer.

When it comes to return fees, around seven out of ten consumers would not purchase from a brand or retailer who does not offer free returns. However, most are ready to meet retailers in the middle. Nearly half will pay the return postage fee, with around a third accepting a flat fee of between $1 to $10.

Retailers can lower the expense of returns by automating warehouse processes. Automation minimises manual handling, speeds up the reintroduction of re-saleable items, and reduces operational errors and costs. Retailers investing in these solutions and aligning returns policies with consumer expectations are already well-positioned to enhance customer loyalty and retention.

[3] https://ecommerce-report.auspost.com.au/

Stock Shortages and Online Order Cancellations

Australian consumers show a growing preference for online shopping. Australia Post data[3] shows that a record 9.8 million households shopped online in 2024—a 2.3% increase over the previous year.

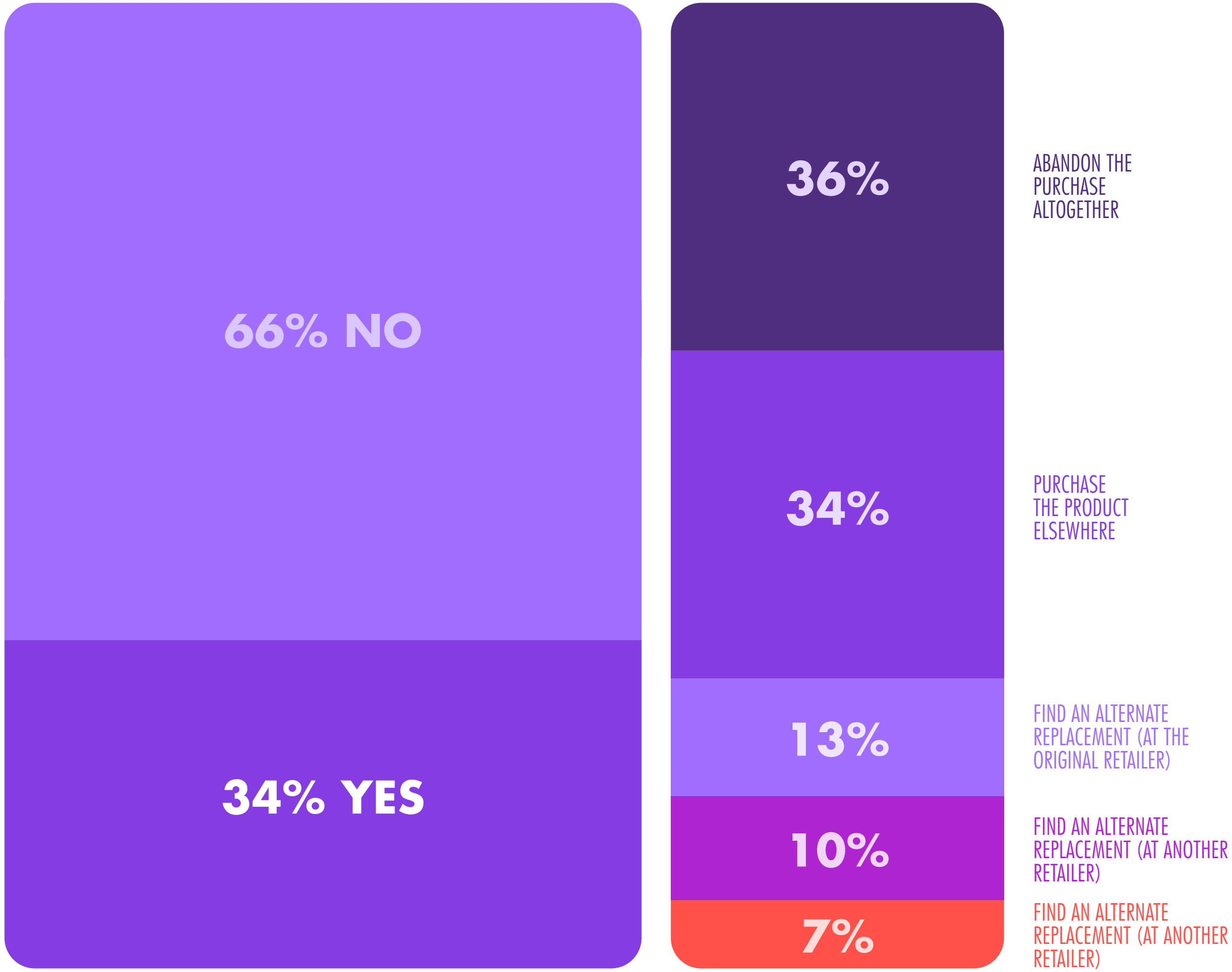
Despite the strength of online shopping, inventory challenges persist. Our data shows that 34% of consumers have cancelled an online order due to stock shortages. The impact of this experience is substantial. 36% will abandon the purchase altogether in this situation. 34% will look elsewhere for the original product or a suitable alternative. Only 20% will wait for the product to arrive or find an alternative with the original retailer.

It's clear that retailers must prioritise online product availability. At the same time, balancing stock turnover with availability remains key to profitability.

For retailers seeking to boost customer retention in 2025, maintaining supply chain transparency and optimising inventory management efficiencies should remain top priorities. After all, failure to supply the products consumers want will risk driving four out of five online customers straight to competitors.

Thinking about the last 6 months, have you made an online purchase that was later cancelled by the retailer due to the item being "out of stock"?

If your order or item resulted in cancellation due to being "out of stock", did you:



[3] https://ecommerce-report.auspost.com.au/

When Only Online, Availability Must Shine

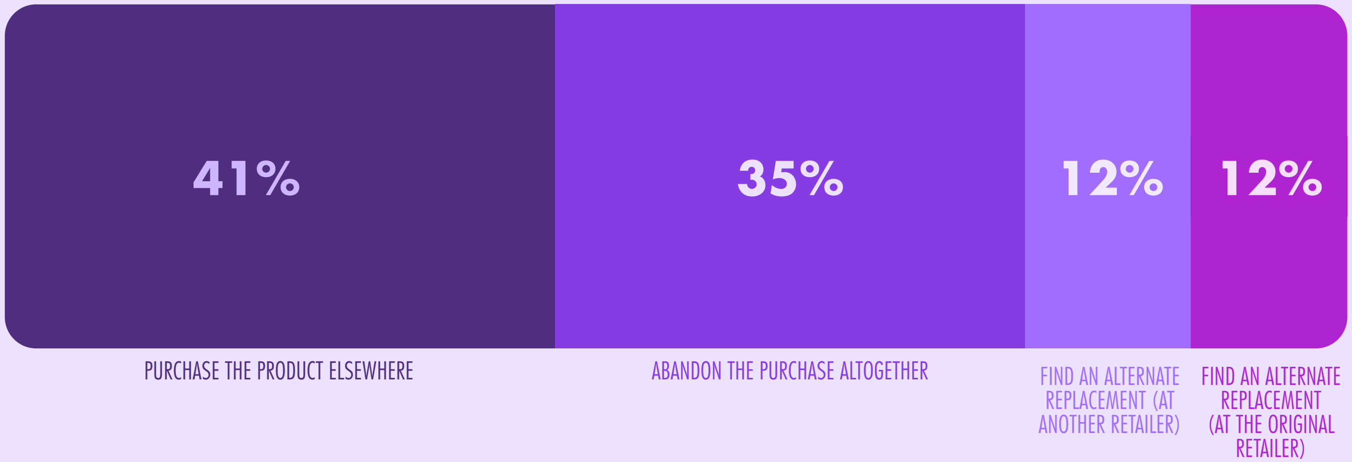
The advantages of digital shopping channels for pure-play (online-only) retailers and those with an omnichannel strategy are evident. One way that online retailers can solidify their edge over in-store-only competitors is by offering a broader range of products.

66% of consumers currently see items that are only available online and not in-store. However, availability is key. When online-only products are out of stock, just 12% of customers will remain loyal to that retailer and look for a suitable replacement.

Our data again highlights the need for effective supply chain and inventory management processes that will ensure optimal stock availability. Retailers offering exclusively online products risk losing nearly nine out of ten customers when an item is unavailable for purchase.

Thinking about the last 6 months, have you encountered an item that is only available online (and not in-store)?

If your order or item resulted in cancellation due to being "out of stock", did you:



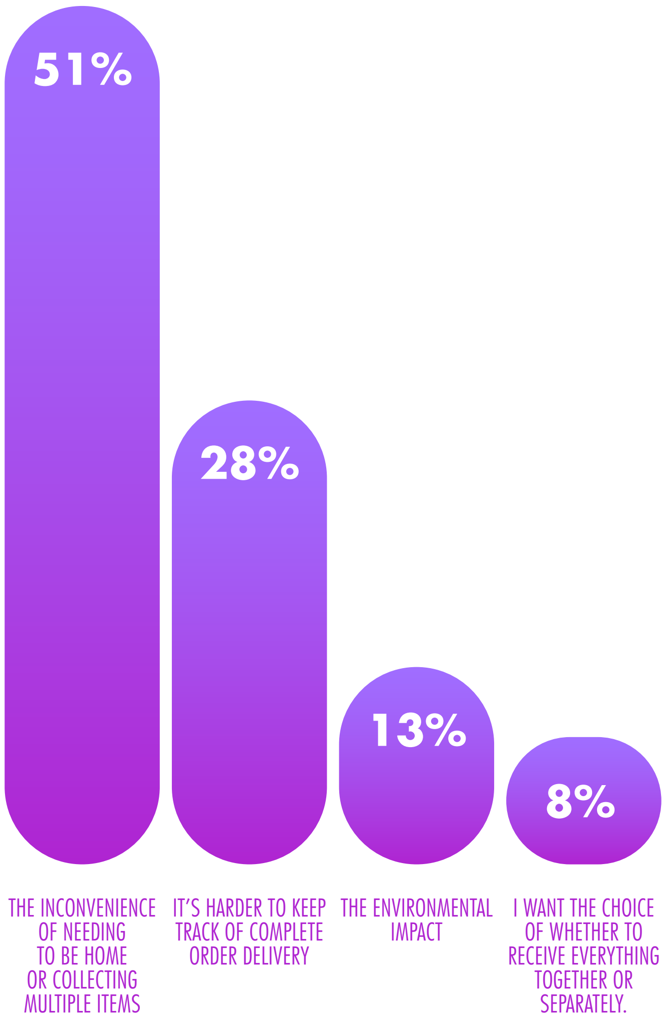
Managing Frustrations Around Partial Shipments

While 37% of consumers say they are unaffected by receiving multiple shipments for a single order, 30% find it annoying. These figures suggest another opportunity for retailers to reduce post-purchase friction.

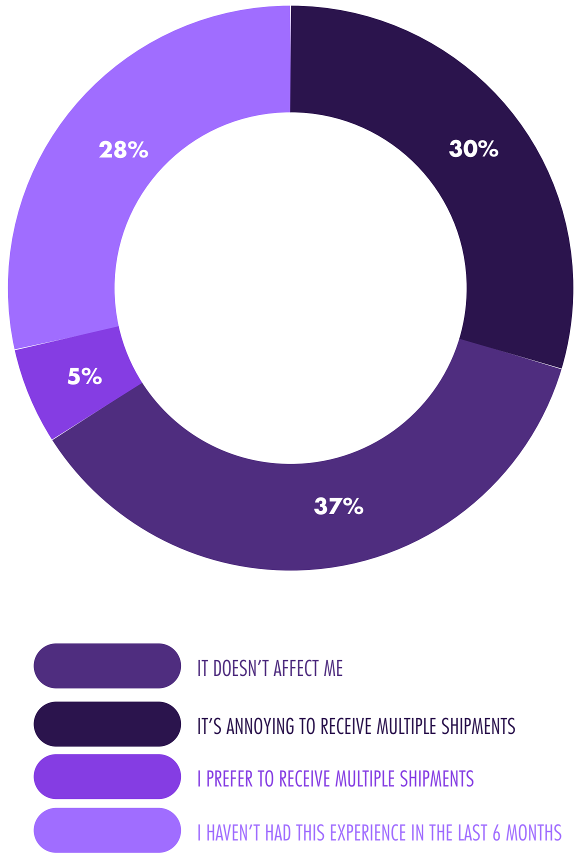
Among those who have received multiple shipments, 51% say the inconvenience of being home or collecting various items annoys them most. A further 28% are frustrated by the difficulty of tracking their complete delivery with multiple shipments, while 13% are concerned about the environmental impact.

Retailers should consider ways to reduce the friction felt by nearly one in three customers who are annoyed by partial shipments. Possible solutions include offering shorter delivery windows, improving notifications, and optimising delivery routes and package sizing to ease the environmental impact.

What do you find most annoying about receiving multiple shipments for a single order?



In the last 6 months, if you received multiple items from your online or in-store order in multiple shipments (rather than a single shipment), how did that experience make you feel?



Closing the Gap: Improving the Returns Experience

Another indicator of consumers' considered purchase behaviours is that only 28% have returned an item purchased online. Unfortunately, when consumers do initiate a return, they rate the experience at just 3 out of 10 on average.

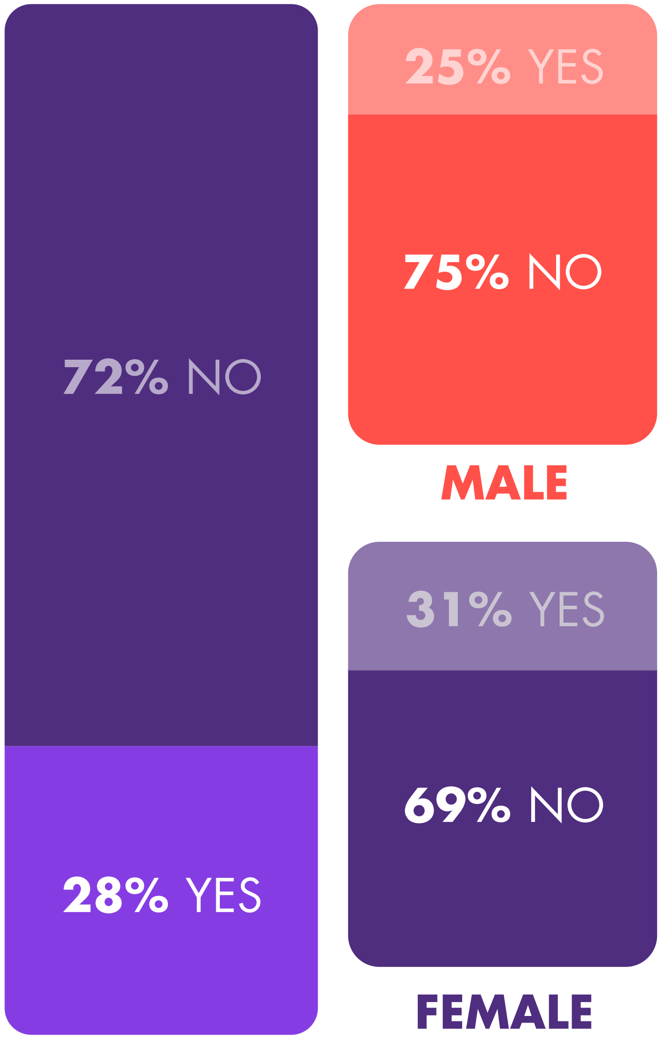
This low satisfaction score reveals a gap that retailers need to address. 31% of consumers also pay for those returns, further raising the stakes.

Retailers should also take note of the returns experience for customers identifying as female, with 31% of women returning items compared to 25% of men.

What does a better returns experience for customers look like? Visibility of return policies, clear instructions, easy online return portals, and flexible options such as in-store drop-offs and print-at-post-office shipping labels: all factors that can drive customer loyalty and retention.

Additionally, retailers should remain mindful of reducing the need for returns due to inaccurate item fulfilment.

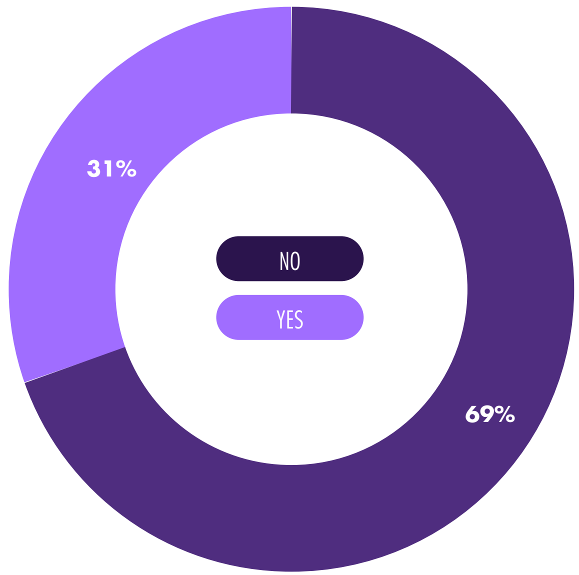
Have you returned anything you purchased online in the last 6 months?



How did you find the returns process?

3 OUT OF 10

Did you pay for that return?



Understanding Differences in Returns Behaviours

The majority of items returned from consumers' online orders are in the Fashion category, at 53%. Electronics or Electrical Goods follow at 16%, while 9% of returns are in Fitness or Sporting Goods, 8% in Beauty, and 8% in House or Garden.

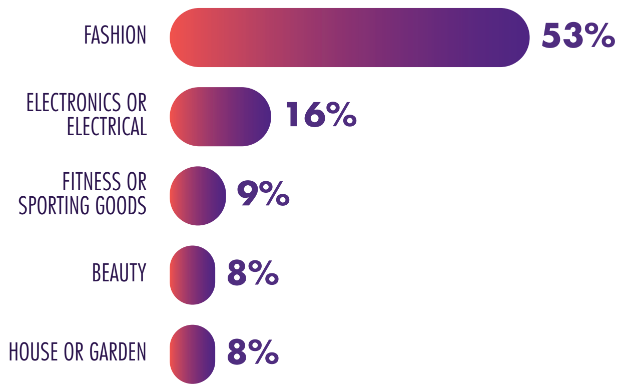
When it comes to gender-based behaviours, only 39% of men are returning fashion items, compared to 63% of women. This data should prompt retailers to be mindful of how returns are experienced by target customers within their industry vertical.

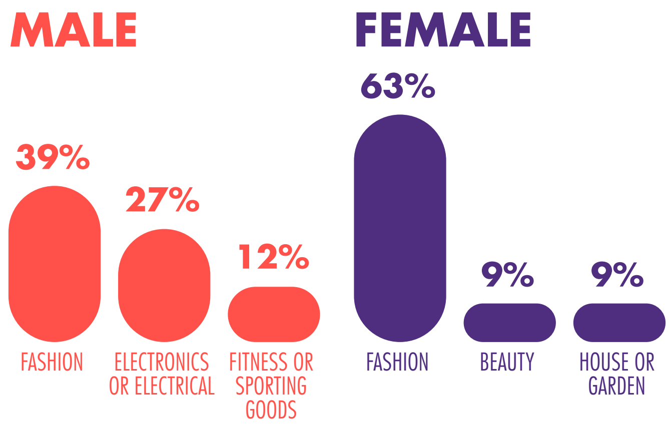
Consumers cite "wrong size or fit" as the main reason for returning an item, at 43%. A further 26%, collectively, returned items because they were damaged, defective, or incorrect.

Retailers can take proactive measures to reduce returns for these reasons. Firstly, providing detailed product information, customer reviews, size guides, and high-quality images and videos (particularly for fashion items to show how they move and flow) can minimise sizing and fit issues.

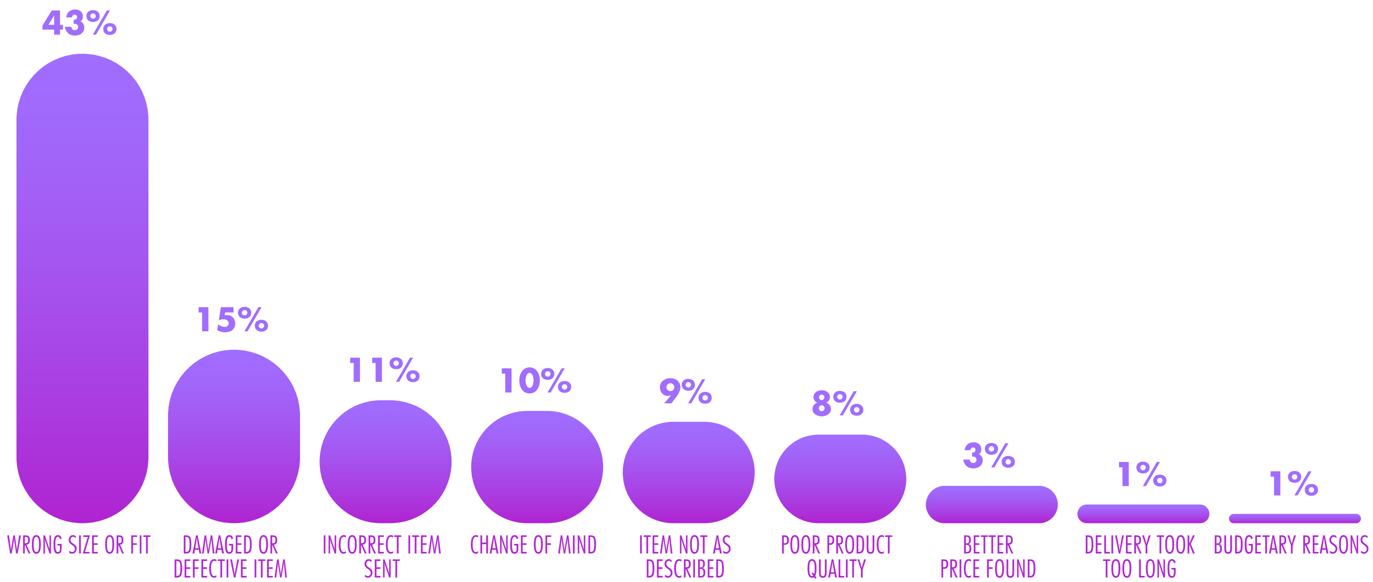
Secondly, for consumers receiving damaged or incorrect items, retailers should review their end-to-end supply, fulfilment, and shipping processes. Enhancements in these areas can dramatically reduce the chance of receiving incorrect or unsatisfactory items.

What category of items were the majority from your last return?





What was the reason for your return?



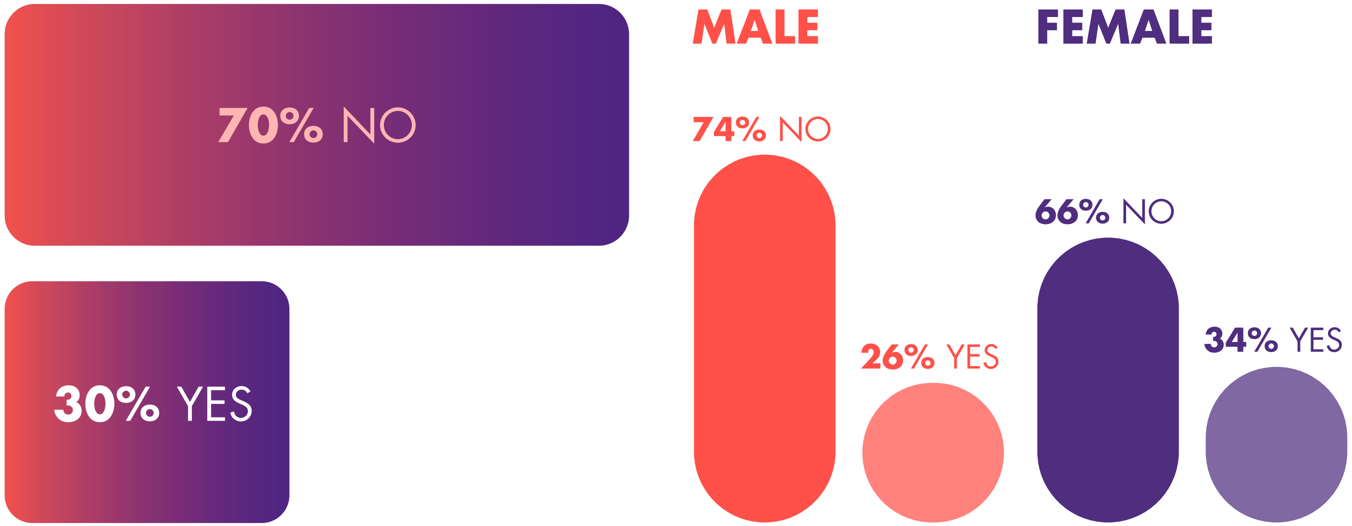
Balancing Expectations with Operational Costs in Returns

The return rate of in-store purchases is slightly higher, 30% of consumers taking this action, than the 28% doing so online. However, the gap between the male and female mindset widens in this context. 26% of men have completed a return from an in-store purchase, compared to 34% of women. Our data shows an 8% preference among women to return in-store purchases versus men, compared to the 6% higher women's preference for online returns.

Interestingly, around 19% of consumers are paying for returns from in-store purchases.

Retailers should pay close attention to these figures when evaluating their returns processes. Enhancing the experience, particularly for female consumers who are more likely to return items, can lead to improved loyalty and retention. Retailers may also consider reducing return costs for in-store methods.

Have you returned anything you purchased in-store in the last 6 months?



Did you pay for that return?

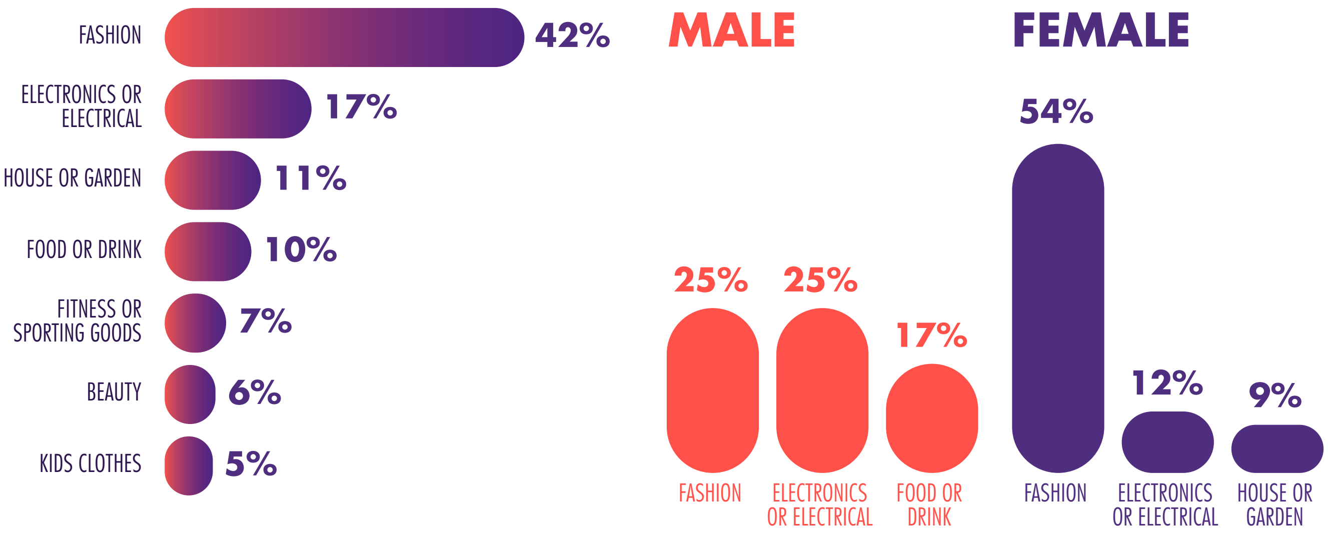
Delivering on Speed, Updates, and Brand Trust

A similar story to online returns emerges when returning in-store. Fashion remains the most returned category, at 42%, driven even more notably by female consumers. 54% of women are returning Fashion category items, while returns of Electronics or Electrical Goods drop to 12% and House or Garden items to 9%.

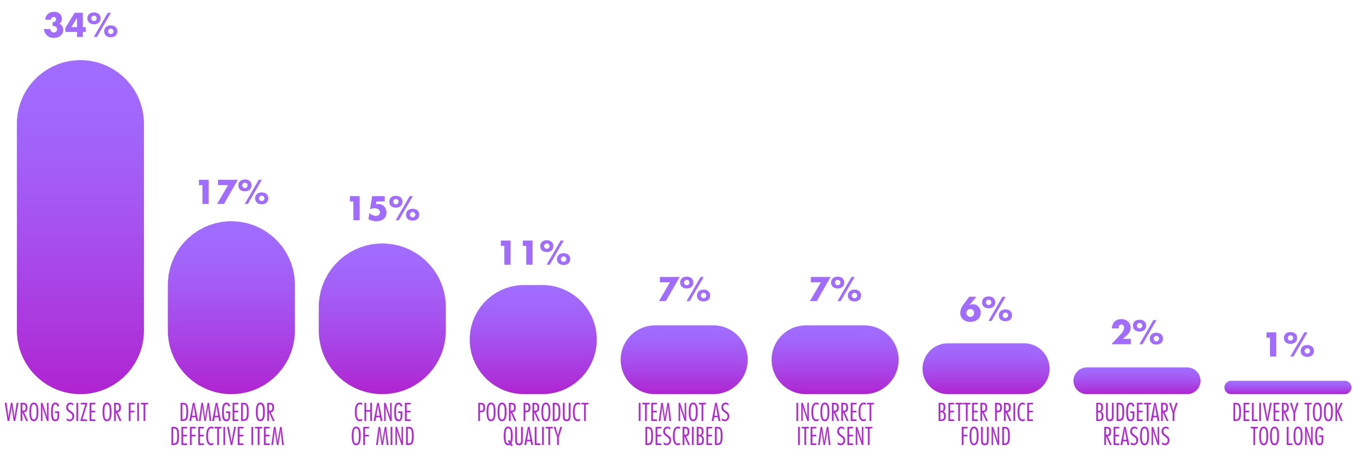
For men, however, returns are more evenly split between Fashion and Electronics or Electrical Goods, both at 25%, with Food or Drink products at 17%.

Returns due to "wrong size or fit" are also less common in-store, at 34%, compared to 43% online. This difference is unsurprising, though, given that far fewer men than women return their in-store fashion items.

What category of items were the majority from your last return?



What was the reason for your return?



Why Returns May Be a Charged Conversation

Although many retailers have adopted the trend of charging customers for returns in 2025, Australian consumers appear resistant yet reasonable. 69% would not purchase from a brand or retailer who does not offer free returns.

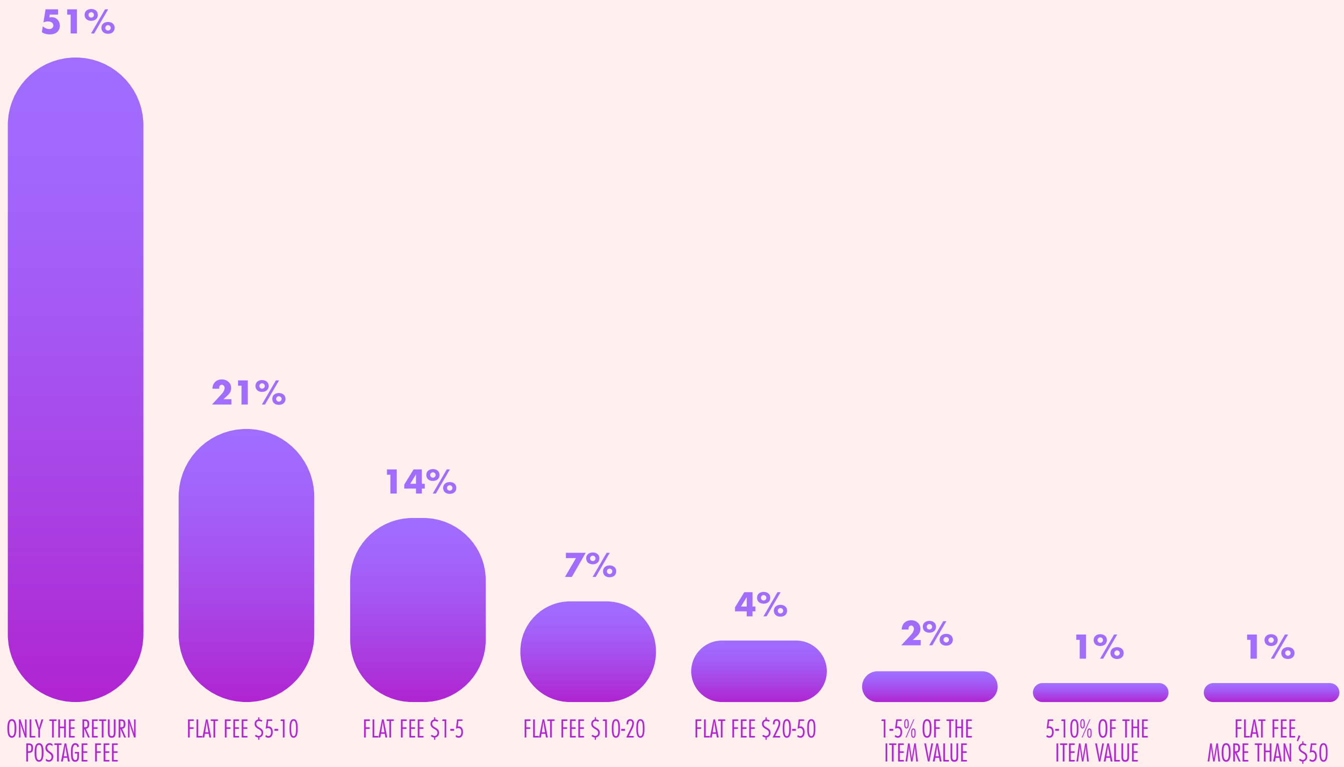
However, when returns are only available at the consumers' expense, many are open to meeting retailers halfway when it comes to return postage. 51% are willing to pay the return postage fee. Another third will accept the lower end of flat fees. 21% will accept $5 to $10, and 14% are okay with a $1 to $5 flat fee.

We do, of course, note that additional factors, such as item value, item size, total order value, and return postage methods, may also influence what customers deem a "fair" return fee.

Given these variables, retailers should seek direct feedback from customers to understand what they are willing to pay and adjust their strategies accordingly. They may uncover opportunities to reclaim returns charges from the right customer audiences. Conversely, tactics such as offering free returns within loyalty and rewards programs may also enhance customer loyalty while reducing negative perceptions associated with paid returns.

Would you purchase from a brand or retailer who does not offer free returns (online or in-store)?

How much would you be willing to pay for a return?



Brand Trust & Connection

Australian consumers have made their expectations for delivery updates, express shipping, and Click-and-Collect services clear. Email and SMS remain the dominant channels for delivery updates, with half of respondents wanting real-time updates. Meanwhile, a substantial number are ready to pay premiums for express shipping and speedy Click-and-Collect services. Notably, well-recognised retailers with an omnichannel presence, such as JB Hi-Fi, Myer, and Bunnings Warehouse, see an increased willingness from consumers to pay for faster delivery.

These findings highlight the value of integrated, flexible fulfilment options and streamlined supply chain operations that enable real-time visibility faster turnaround of deliveries and Click-and-Collect services.

Retailers should consider technology-driven solutions that strengthen inventory, fulfilment, and supply chain performance in the immediate future. With the proper operational framework in place, they will be well-positioned to meet future demands for speed and post-purchase services.

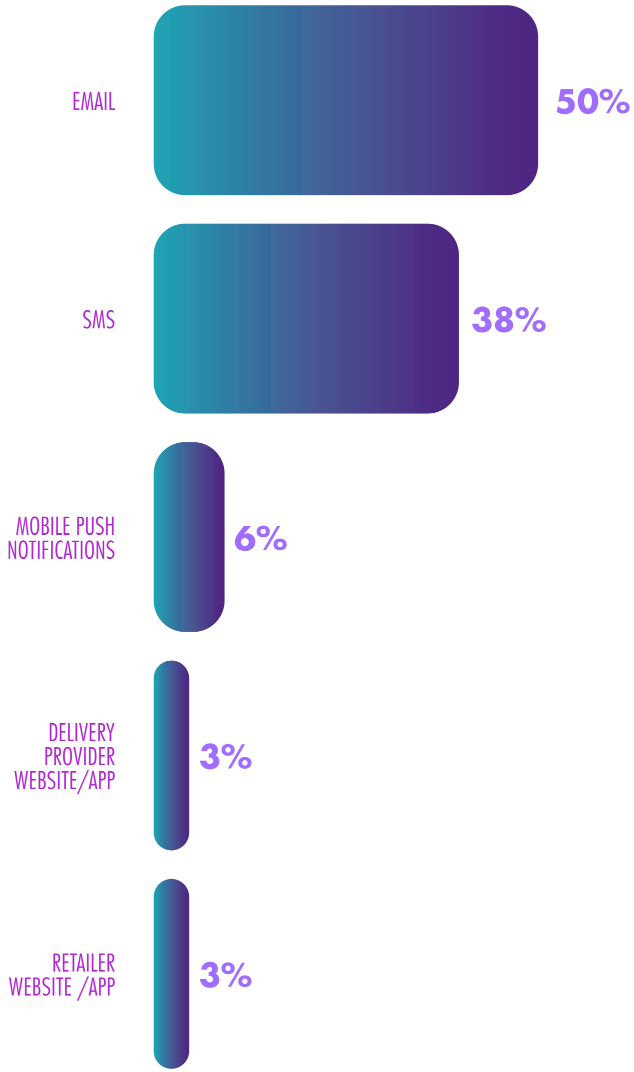
Keeping in Touch at the Right Touchpoints

Email and SMS remain the dominant channels for delivery updates among Australian consumers, with 50% and 38% preferring these methods, respectively. Notably, 50% also expect real-time updates, while 22% say that receiving updates two to three times a week is sufficient. A further 19% prefer daily updates.

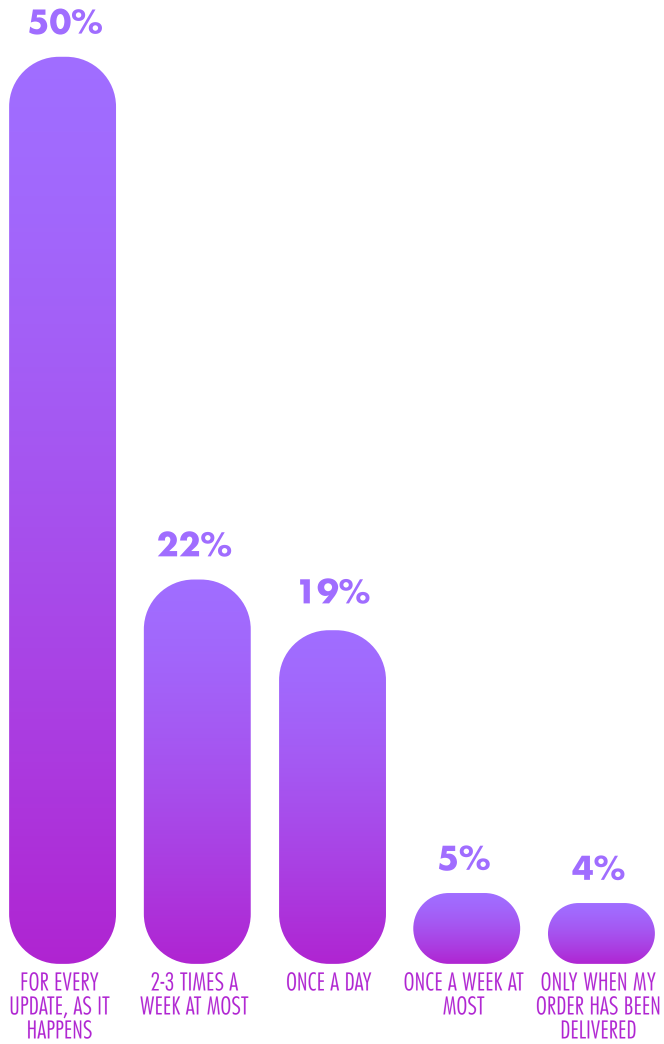
These preferences show minimal variation across age groups. However, communication method preferences shift substantially with age. For example, 32% of consumers aged 35-44 favour SMS, though this figure jumps to 44% in the 55-64 age group.

For retailers, our data underscores the importance of seeking direct customer feedback to tailor delivery update communications effectively. Retailers who align frequency and comms channels with their customers' expectations can reduce post-purchase anxiety and increase engagement.

How do you prefer to receive order and delivery updates?



How often do you want to receive order and delivery updates?



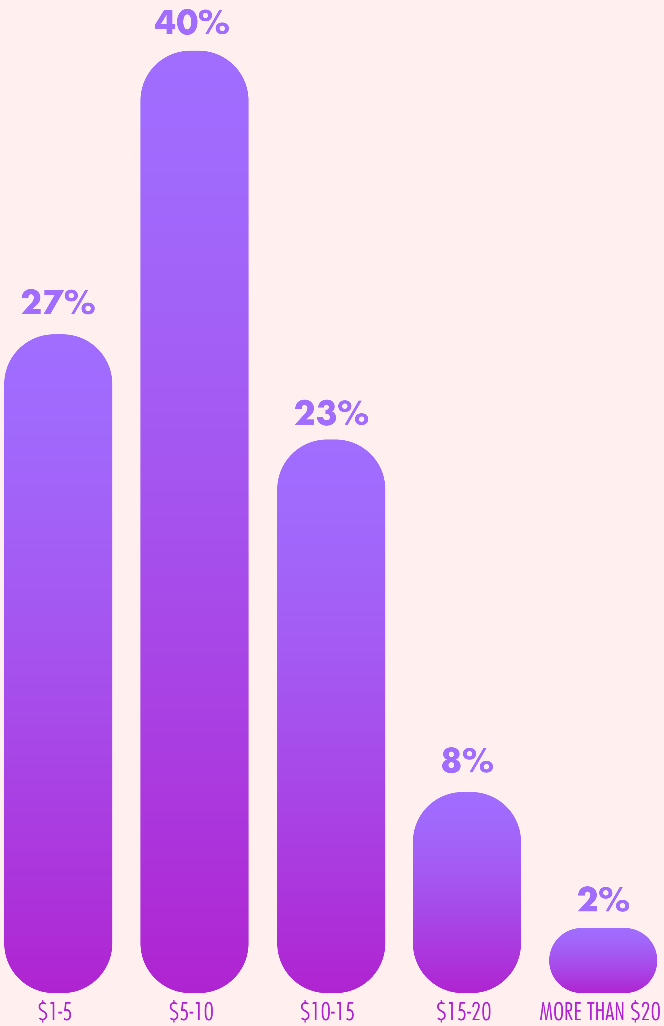
Do Consumers Think Express Shipping Is Worth It?

The preferred price point for express shipping among Australian consumers sits within the $5 to $10 range, with 40% of respondents willing to pay this amount. 27% are willing to pay $1 to $5, while 23% will pay $10 to $15. Item size, weight, order value and product category are also likely to influence these price tolerances.

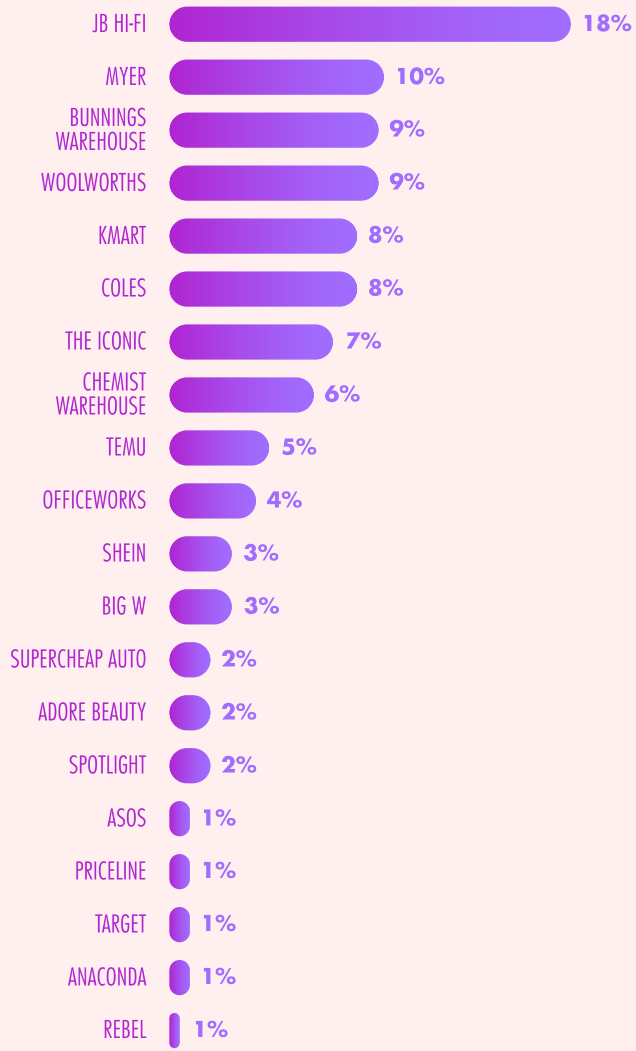
Consumer willingness to pay for express shipping also suggests links with brand reach and credibility. Australian household name JB Hi-Fi leads the list, with 18% of respondents willing to pay $9.90 for express shipping. Myer follows, at 10%, with Bunnings Warehouse and Woolworths at 9% each, then Kmart, at 8%. All five retailers are nationally recognised and operate in an omnichannel capacity.

In contrast, pure-play and international retailers see weaker demand for express shipping. Temu stands at 5%, Shein at 3%, and Asos at only 1%.

How much would you be willing to pay to receive express delivery?



Which of these online-only brands would you pay $9.90 to receive express shipment?



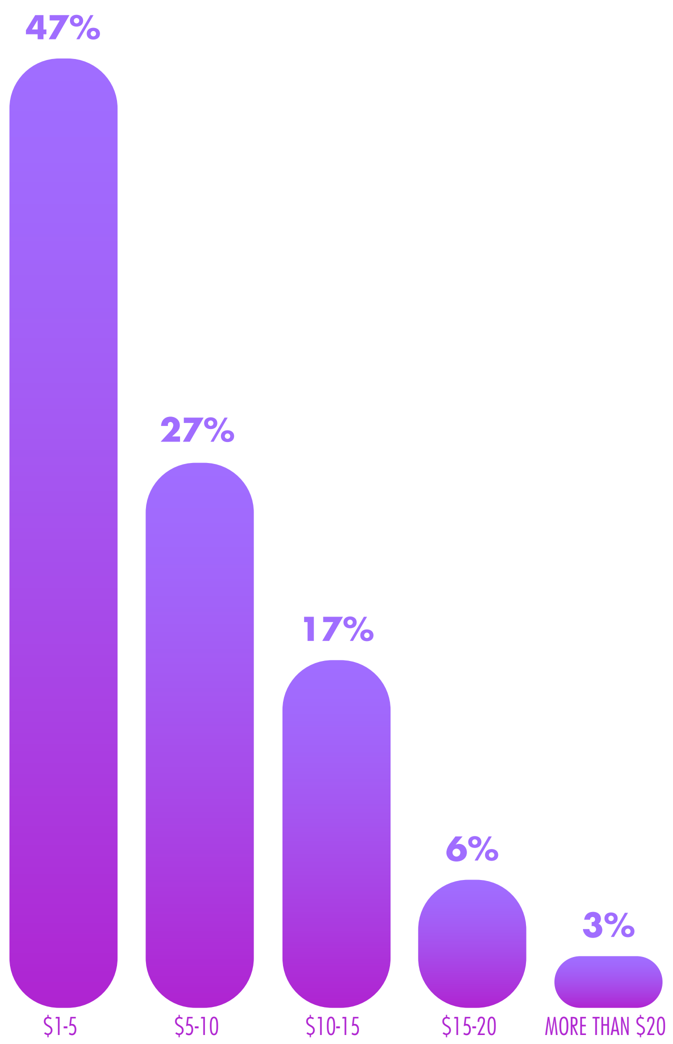
Wallets Are Open for Speedy Click-and-Collect

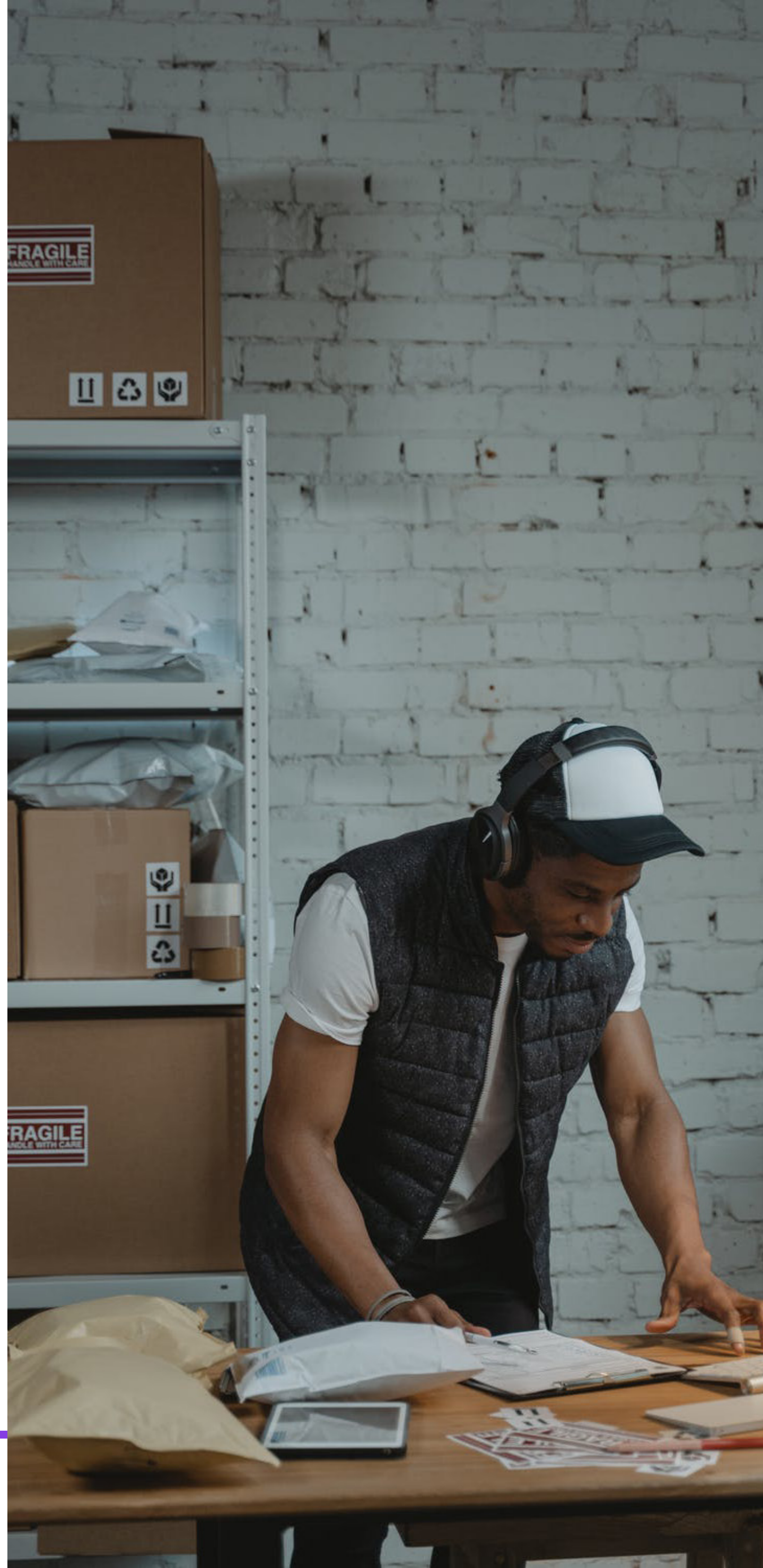
When consumers want products quickly, in-store and omnichannel retailers have the advantage of Click-and-Collect services. Importantly, this is a service that commands a premium, provided the offer is supported by speed.

Most consumers are willing to pay $1 to $5 for a Click-and-Collect service with a turnaround of 30 minutes or less. A further 27% will pay between $5 to $10, and 26% will even pay more than $10.

To leverage this opportunity, retailers must ensure optimisation of their inventory, warehouse, and fulfilment-from-store operations. Efficient processes behind the scenes enable retailers to turn orders around faster, meet consumers' need for speed, and charge accordingly. Additional revenue and a stronger overall customer experience is a clear win-win for retailers and their customers.

How much would you be willing to pay for a <30 mins click-and-collect service?





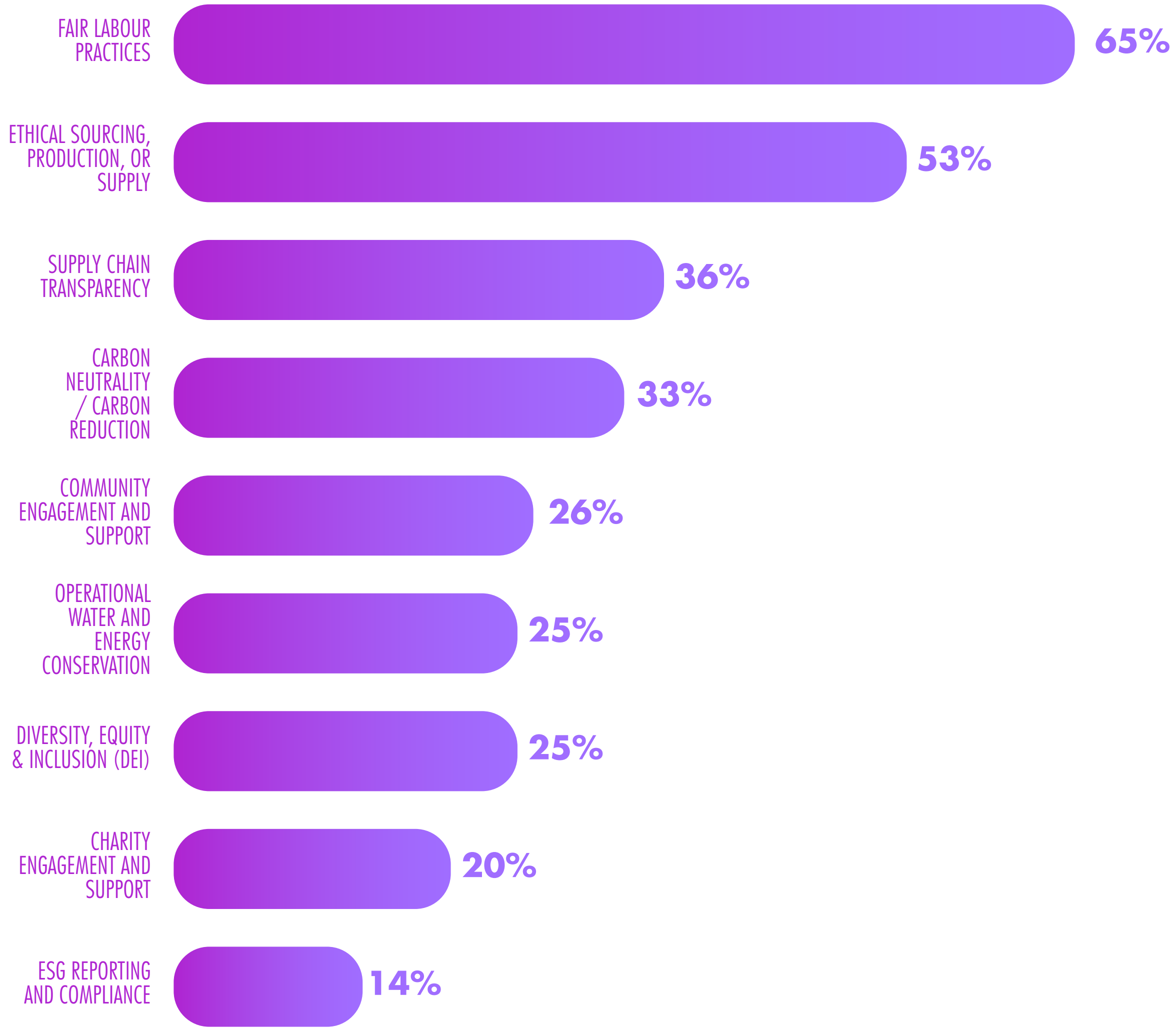
Do Retailers' Values Align with their Customers?

To strengthen consumer-brand connections, retailers should recognise and align with customer values. According to a study by Leo Burnett[4], 96% of Australians believe it is important for brands to contribute positively to do some form of good in the world. 57% also actively avoid brands they think are not doing good.

When it comes to retailers' environmental, social, and governance (ESG) efforts, fair labour practices rank highest among consumer expectations, at 65%. Ethical sourcing, production, or supply follows at 53%, with supply chain transparency at 36%.

Retailers can address these priorities through technology-driven solutions. Digitisation of supply chain operations, for example, can provide greater transparency and more effectively uphold compliance standards with ethical sourcing practices, enhancing consumer-brand trust and connection.

What are the top 3 ESG (environmental, social, and governance) initiatives you want retailers to focus on?



[4] https://ecommerce-report.auspost.com.au/

Conclusion

As our data highlights, the impact of failing to meet consumer expectations is high. Delays, stock shortages and costly or complicated item returns can quickly drive customers towards competitors. On the other hand, retailers who invest in real-time visibility, efficient fulfilment, and automated warehouse processes can soon turn such challenges into new growth opportunities.

Retailers have the chance to act now. From demand forecasting and inventory optimisation to warehouse automation and digitised returns, the tools and strategies to strengthen operational resilience are already available. By aligning operational strategies with consumer priorities, retailers can enhance their profit margins, establish a distinct point of difference, and foster customer loyalty.

By leveraging the expertise of supply chain optimisation specialists, retailers can access unique insights and experiences gained from retailers across various industries that have overcome similar challenges. When equipped with a proven framework to guide, build, and support a robust operational foundation, retailers stand to improve profitability, enhance customer loyalty, and continuously outpace their competitors.

Thank You

FOR MORE INFORMATION, CONTACT:

Power Retail

enquiries@powerretail.com.au

Grant Thornton

https://www.grantthornton.com.au/industries/retail-consumer-products/

WI LIEM CHUA
Partner & National Head of Retail & Consumer Products
+61 410 644 294
wiliem.chua@au.gt.com

RICHARD BYCROFT
Partner, Management Consulting
+61 451 030 445
richard.bycroft@au.gt.com

PRIMO DANIELETTO
Director, Management Consulting
+61 400 896 655
primo.danieletto@au.gt.com