pattern

2024 Marketplace Consumer Trends Report

Ecommerce in Australia: How existing and emerging marketplaces are reshaping consumer habits

6th Edition | February 2024

Contents & Methodology

Research Methodology

Pattern worked with OnePoll to survey 1,000 Australian consumers during December 2023.

Responses were collected online, and the survey was restricted to adults who had shopped online in the previous 12 months ensuring there was a representative sample of age, gender and location achieved.

We conducted the research for the benefit of the consumer brands we are the authorised Amazon Seller for in Australia, as well as the many consulting clients we provide with strategic ecommerce support.

For more information on how we can support your ecommerce acceleration please contact us at **au@pattern.com** or visit **au.pattern.com.**

Executive Summary

Welcome to our latest Australian Marketplace Consumer Trends Report. Now in its sixth year, the 2024 research report highlights the role of marketplaces, specifically platforms such as Amazon, eBay, Catch, Kogan and MyDeal - as well as newly added Temu and Shein - and how they are currently influencing the Australian ecommerce landscape today in comparison to previous years.

Following record high levels of online retail activity associated with the pandemic, we're now experiencing more challenging economic conditions, marked by inflation, a steep increase in living costs, and rising interest rates. This report reveals how these various factors are influencing consumer behaviours and how they are set to continue transforming throughout 2024.

Pattern invests in online consumer research because we are ourselves a retailer and marketplace seller, representing hundreds of high-profile brands globally. We leverage these insights, along with our own transaction data to identify and understand patterns and trends in consumer behaviour.

Ecommerce and marketplaces continue their meteoric rise

Despite the increased pressure on Australian consumers' discretionary spending, the research shows that shoppers continue to buy online and flock to marketplaces. According to industry research, the ecommerce market is projected to reach AU$64.14bn in 2024, with the share of retail goods purchased online set to increase from 15.6% in 2023 to 17% by the end of 2024.

Our research demonstrates the increasing market share marketplaces are gaining each year:

- 93% shopped on a marketplace in 2023 and 94% plan to in the year ahead.
- The two most popular marketplaces in Australia are Amazon (with an average 75.2 million monthly site visits) and eBay (50.9 million monthly site visits).
- This is the first year the report tracks two emerging platforms, Temu and Shein, due to these platforms gaining significant market share in the span of 12 months, with 25% of shoppers buying from Temu and 21% from Shein according to our research.

Executive Summary

Amazon pushes ahead of the competition

For the very first time, Amazon overtook eBay to become the leading marketplace in Australia. Amazon is also on track to achieve the highest growth rate of any marketplace in 2024, with 63% planning on buying from the site (+6% growth since our last report) compared to 8% less planning to buy from eBay. Other factors contributing to Amazon's frontrunner status include:

- Amazon has become the most highly regarded marketplace in Australia in relation to the quality of products it sells (58%).
- 64% of shoppers say Amazon has the largest product range.
- 56% of consumers felt that Amazon is the most convenient platform to buy from, compared with eBay (46%) and Catch (23%).
- Amazon was nominated by 49% of shoppers to have the most reliable returns process with eBay coming in second at 31%.

Despite increasing the price of Prime in 2023 from $7.99 to $9.99 per month, the number of Australians with access to Prime has steadily increased, from 31% in 2021 to 45% in 2024, or an estimated 4.5 million subscribers.

Consumers stabilising rather than cutting online spending in response to rising cost of living pressures

Cost of living pressures are affecting consumer confidence and budgets and resulting in most looking to stabilise their retail spending in 2024. This is represented by a significant decline (-29%) in those intending to spend substantially more online this year.

Despite this, Amazon is showing the most resilience, with only 18% of shoppers pointing to a decrease in their spending on the platform, compared to 24% for online shoppers overall.

The research also revealed other ways in which consumers are trying to cut costs, such as consumers increasingly buying direct from brands online so they can access the most competitive prices (+6%) and increasing numbers of (next page)

pattern

Executive Summary

consumers taking advantage of major sales like Black Friday / Cyber Monday (20% growth in 2023) and Prime Day (24% in 2023, up from 18% in our previous research). The majority (66%) of consumers also cited lower prices as the main reason for purchasing from Amazon (+6% increase from last year).

The changing face of product discovery

A key finding of the research is that the ways in which consumers are discovering products online is shifting. While Google's dominance has decreased slightly, retailers and some marketplaces are gaining ground.

- There has been a 59% growth in consumers choosing to begin their product search on Amazon and a 6% growth in those going direct to a retailer's website.
- Consumers turning to Amazon for inspiration has increased 11% year-on-year.
- 60% of shoppers bought a product they had never bought before via Amazon, and 57% purchased from a new brand.
- Those turning to eBay as a research tool declined 19%.

What products do consumers have their sights set on?

As more people shop on Amazon, sales growth across almost all product categories was achieved during 2023. Books / eBooks continue to be the most popular products, while other emerging categories with the largest annual growth included Vitamins and Supplements (+43%), Skincare & Makeup (+40%), Food & Pantry (+38%) and Sports, Fitness & Outdoor Products (+33%).

Looking to the future, the highest number of consumers (60%) said they would consider buying Home & Kitchen products from Amazon, while Electronics & Computer (57%) and Books & eBooks (55%) were also popular.

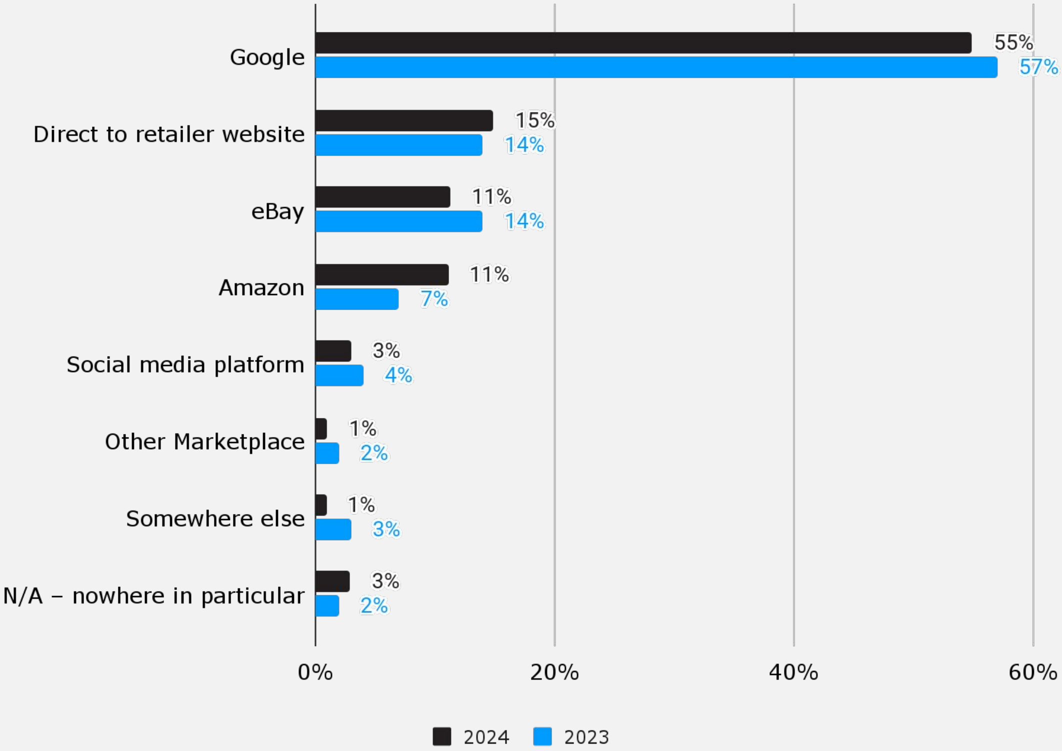
For 2024 consumers' highest selections are:

- **Amazon:** Books & eBooks (26%), Electronics & Computer (24%) and Home & Kitchen (24%)
- **eBay:** Electronics & Computer (17%), Home & Kitchen (16%) and Clothes, Shoes & Accessories (16%).
- **Catch:** Toys, Kids & Baby (12%), Home & Kitchen (10%)
- **Kogan:** Electronics & Computer (11%), Home & Kitchen (9%)
- **Shein:** Clothing, Shoes & Accessories (16%)
- **Temu:** Clothing, Shoes & Accessories (10%), Home & Kitchen (7%)
- **My Deal:** Home & Kitchen (5%) and DIY Home Improvement (4%)

Online Shopper Behaviour

Consumer behaviour trends relating to search, product categories and buyer motivations.

When looking for a particular product, where do you usually begin your search online?

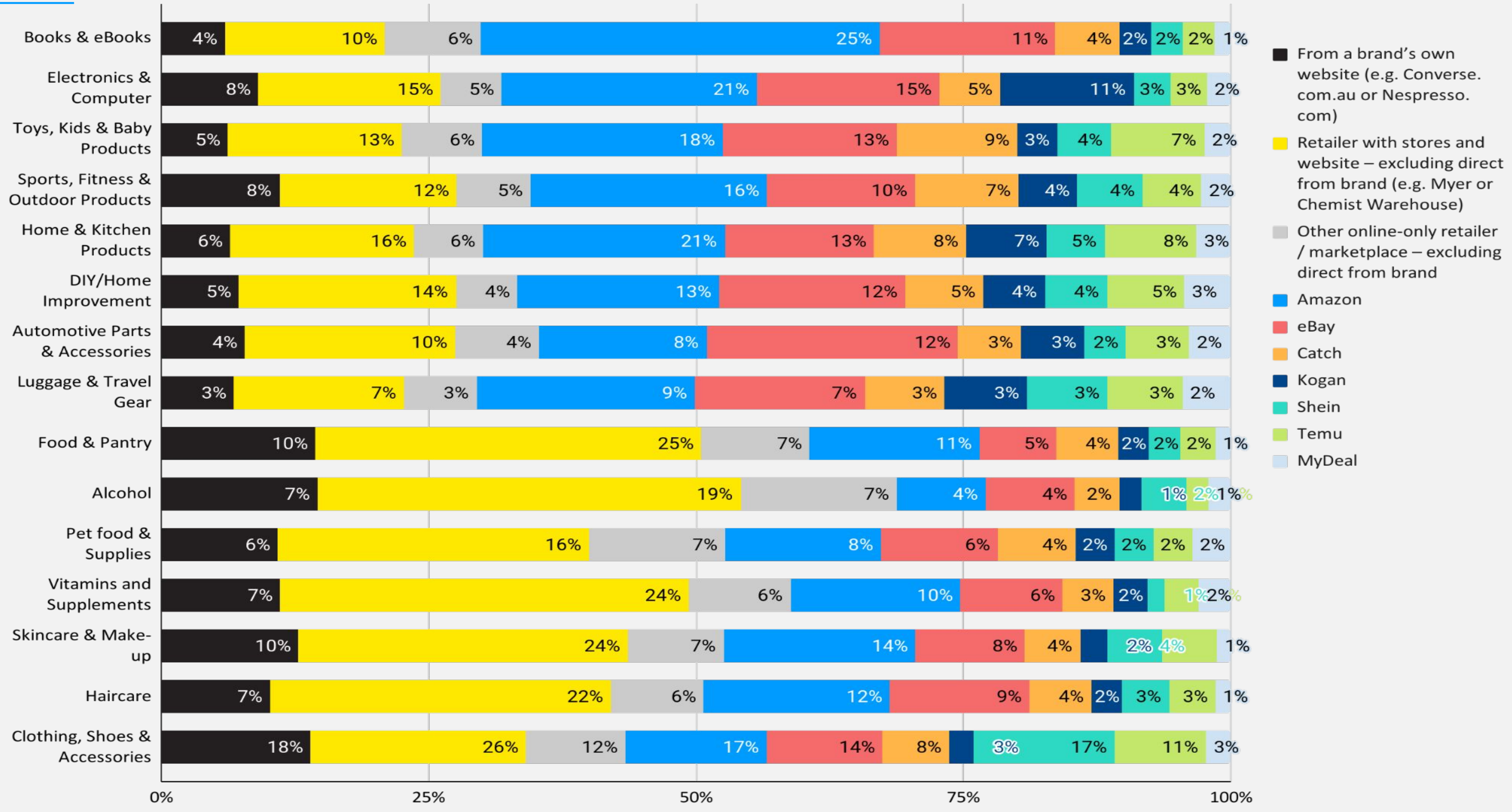


Australian ecommerce to grow despite economic outlook

Despite a challenging economic environment, industry research indicates the Australian ecommerce market is projected to reach an all-time high of AU$64.14bn in 2024, with the share of retail goods purchased online set to increase from 15.6% in 2023 to 17% by the end of 2024.

As online shopping grows, Australian product search behaviour is also evolving. **Google remains in the lead but its dominance is slipping**, with a year-on-year decrease in the percentage of people using it to search for products. **Shoppers are now also going direct to retailer, along with marketplaces**, such as Amazon, which has grown by 59% in popularity. Interestingly, marketplaces rising as a research tool is not uniform, with eBay dropping by 19%.

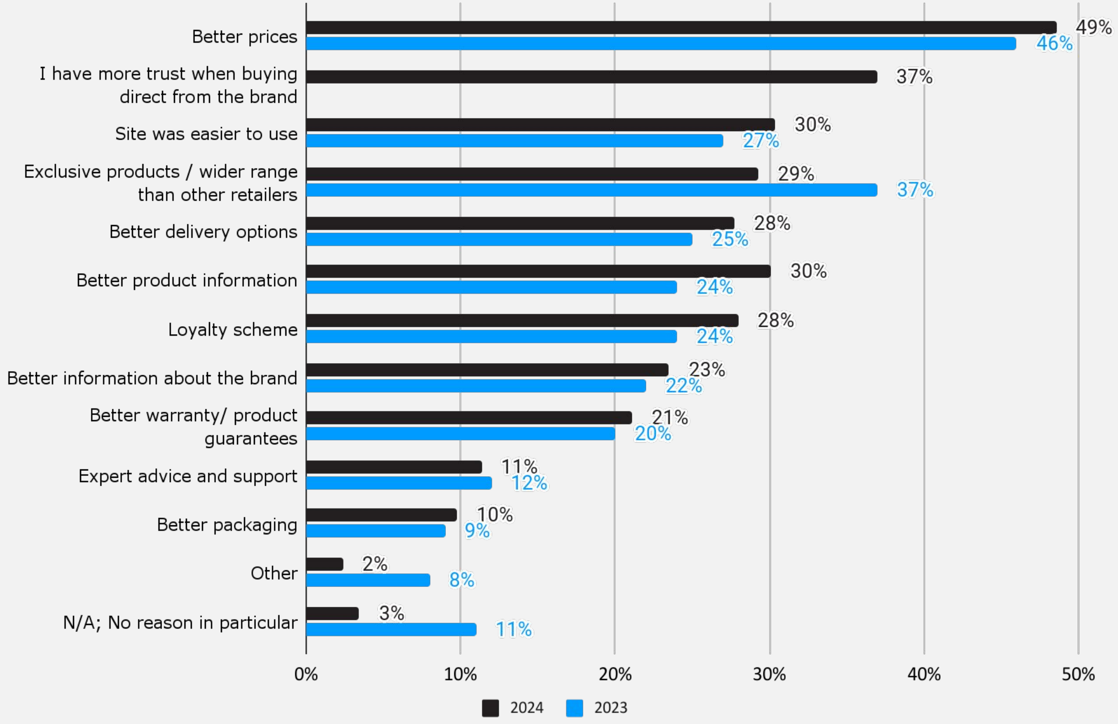
Which of the following product categories have you purchased online in the last 12 months and who did you purchase from?



Note: Table is only showing purchase data ('N/A I haven't bought this online in the past 12 months' removed)

pattern

Why have you bought from brands' websites instead of Amazon or other online retailers in the last 12 months?



Competitive prices and larger product ranges drive direct brand purchases

As consumers discover their money is not stretching as far due to cost of living pressures, they are increasingly buying direct from brands online so they benefit from loyalty schemes (+17%), view more detailed product information (+25%), and access the most competitive prices (+6%).

Brands have the opportunity to leverage this shift by having the ability to enhance their brand identity more extensively on their own websites, as compared to other online platforms. This allows for a deeper and more comprehensive brand presentation unique to their own digital space.

Note: 'I have more trust when buying direct from the brand' first added as an option in 2024 Research

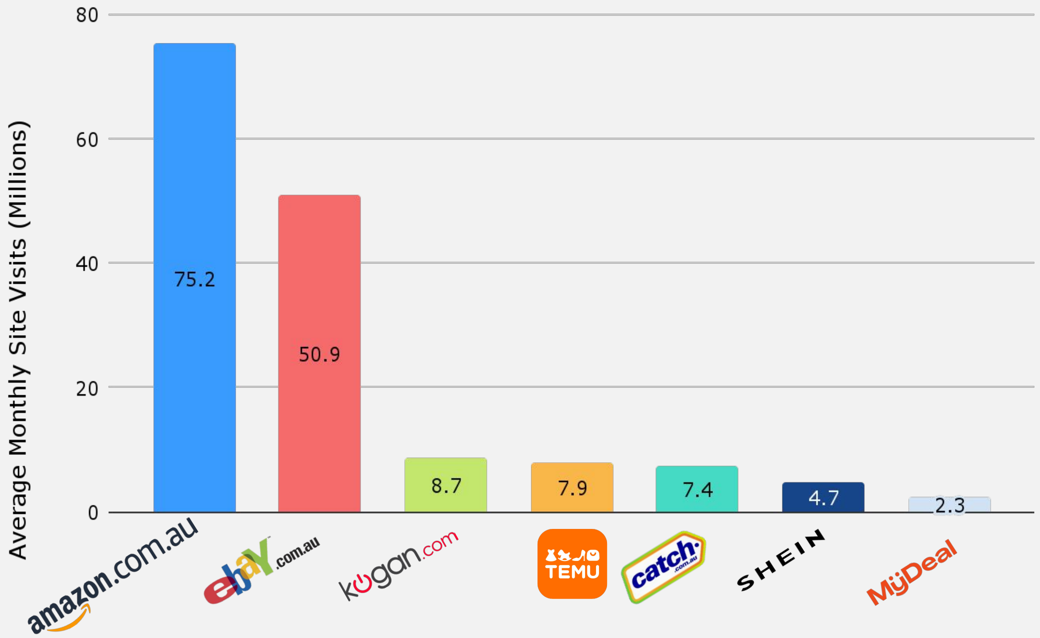
Marketplaces

An overview of the key marketplaces adopted by Australian consumers in 2023.

pattern

10

Average monthly marketplace traffic volume



Evolution of Marketplaces

Without a doubt, Amazon and eBay are the leading marketplaces in Australia in terms of site traffic and consumer preference. As new players enter the market and existing retailers evolve their online offering to be more 'marketplace like', for the purpose of this report, we're defining a marketplace as:

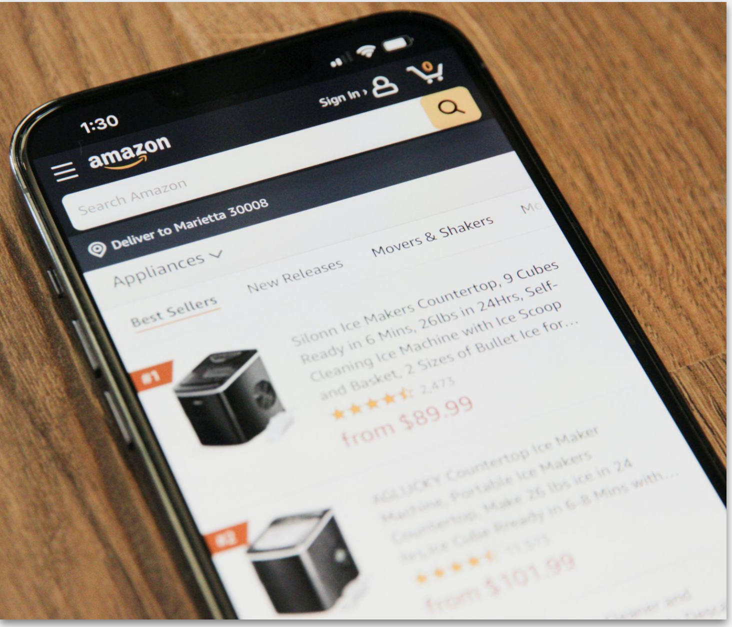
"An online platform connecting buyers and sellers for retail transactions. It offers an extensive range of products or services, often involving third-party sellers. The platform handles payments, logistics, and incorporates user reviews which builds trust in the products and platform."

These particular marketplaces have been selected for this study due to their popularity and technical foundation as an online marketplace.

**Average monthly Australian traffic taken from Oct - Dec 2023 data from SEMRUSH*

amazon.com.au

pattern

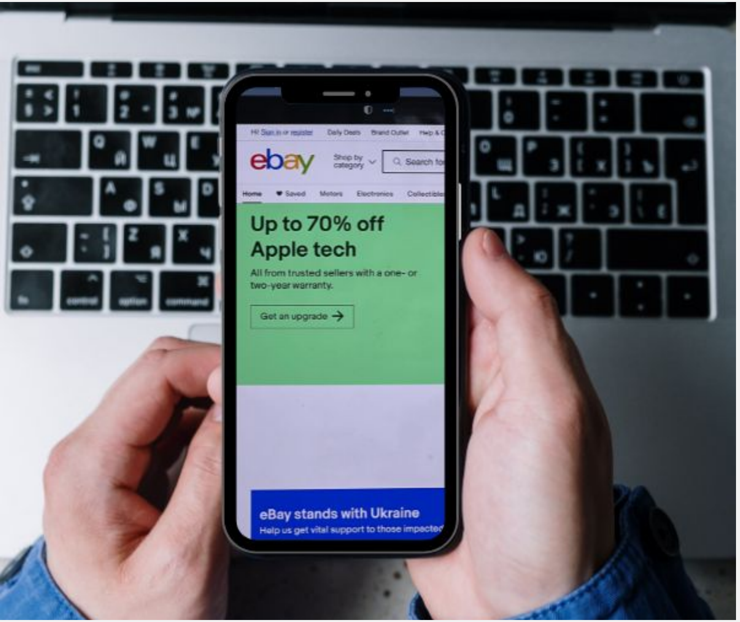


Amazon leads marketplace sector, attracts premium shoppers

Amazon is now the dominant marketplace in Australia. Its online store posted net sales of $1.29 billion, up from $883.3 million and third-party marketplace revenue (commission revenue) rose to $316.9M from $181.7M (2022 sales). **Amazon outperforms all other marketplaces on average monthly site visits**, including eBay by a significant 48% in the past three months. The platform is also set for growth in terms of where consumers are planning to buy from in 2024 (63% of consumers plan to buy from Amazon in the year ahead compared to 59% doing so in the past year) highlighting its central role in connecting brands with Australian consumers.

Amazon attracts premium shoppers: our research shows that **80% of those with a $200k+ household income have bought from the platform in the past 12 months.** Amazon also attracts professional aged shoppers with 73% of respondents in the 35-44 year category shopping on the platform (versus 59% average for all other marketplaces combined).

Launched in Australia in 2017	Top categories: Books & Electronics	75.2M average monthly site visits	Over Indexed in 35-44 age bracket (73% vs 59%)	Female: 50% Male: 49% Unknown: 1%	80% of $200k+ Household income have purchased



eBay loses a step on rivals, remains popular with males

Despite its position as a pioneering marketplace in Australia, **eBay is declining in popularity**. Those who have bought from the platform in the past year has dipped 8% from 62% in 2022 to 57% in 2023, linked to Amazon's growth and new competitors stealing market share.

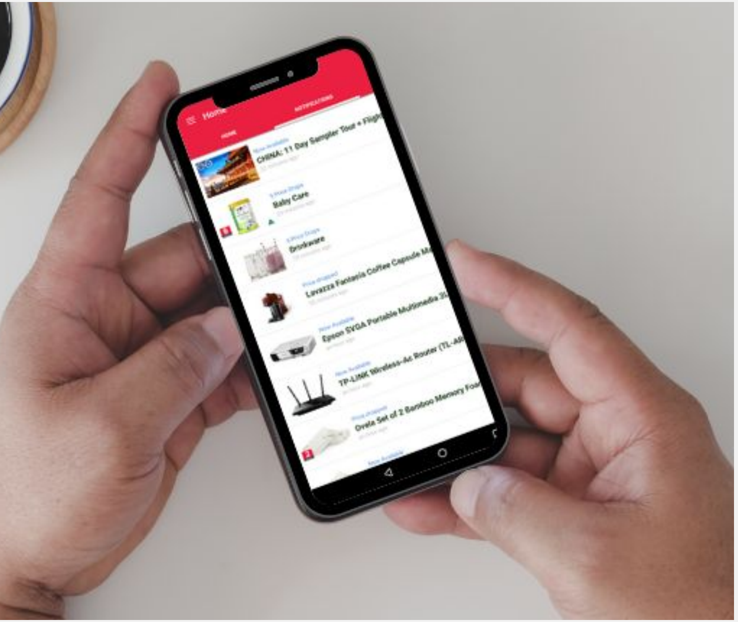
eBay still remains a major marketplace in Australia, though, with 40,000 Australian businesses selling on the platform and 12 million unique visitors each month. Notably, **eBay still resonates more with male users** - 55% of men bought from the platform compared to 44% of women. eBay underperforms with younger 18-24 age shoppers (38% have bought from the platform in the past year), but has a strong presence in the 45-54 age range (73%).

68% of buyers in the past 12 months are from Metro areas with a higher skew of those in the <$120k household income bracket.

Launched in Australia in 1999	Top categories: Electronics & Clothing	50.9M average monthly site visits	Over Indexed in 45-54 age bracket (73% vs 57%)	Female: 44% Male: 55% Unknown: 1%	61% of $40-119k+ Household income have purchased

kogan.com

pattern



Kogan’s business realignment shows promise

With 2.9 million active customers over the last financial year, Kogan was one of the better performing Australian marketplaces, delivering an earnings-before-interest-taxes-depreciation **profit of $6.8 million on revenues of $489.5 million.**

Kogan's performance comes amidst a business transition, with the marketplace realigning stock and enhancing its technology infrastructure. Kogan decreased its inventory levels by 57% compared to the previous year to align with FY24 demand. The marketplace also launched a new advertising platform which allows sellers to increase visibility on the platform and increase sales.

Positively for Kogan, **the marketplace's loyalty program grew by 8% to 401,000 Kogan First members** in FY23.

Launched in Australia in 2006	Top categories: Electronics & Home	8.8M average monthly site visits	Over Indexed in 35-44 age bracket (27% vs 19%)	Female: 42% Male: 57% Unknown: 1%	25% of $160-199k+ Household income have purchased

TEMU

pattern

Temu grows rapidly, wins engagement and business with sticky app

Temu is the fastest-growing online retail brand in Australia. Launched in April 2023, it is now the eighth-largest online retail brand in Australia (in terms of audience size), registering more than 9.2 million users by June last year.

Our research shows that **25% of Australians have purchased from Temu** and the marketplace is favoured among younger shoppers with 32% of those in the 18-24 year bracket purchasing from the platform in the past year.

Temu is winning business with an app that is sticky and keeping consumers engaged. The average Temu user (who is likely to be female at a rate of 59% to males at 40%) spent 18 minutes per day on the company's app, nearly double the 10 minutes they spent on Amazon and 11 minutes on AliExpress and eBay.

Launched in Australia in 2023

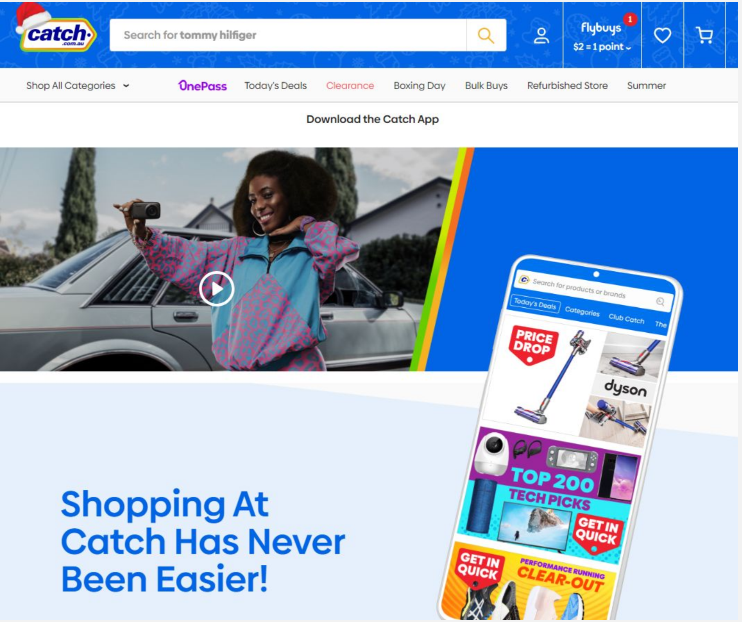
Top categories: Clothing & Home

7.9M average monthly site visits

Over Indexed in 18-24 age bracket (32% vs 25%)

Female: 59%
Male: 40%
Unknown: <1%

28% of $40-79k+ Household income have purchased



Catch underperforms, expected to reduce its in-stock range

While a number of Australian marketplaces experienced growth in 2023 Catch underperformed, reporting **a full-year sales drop of 31% to $354 million.**

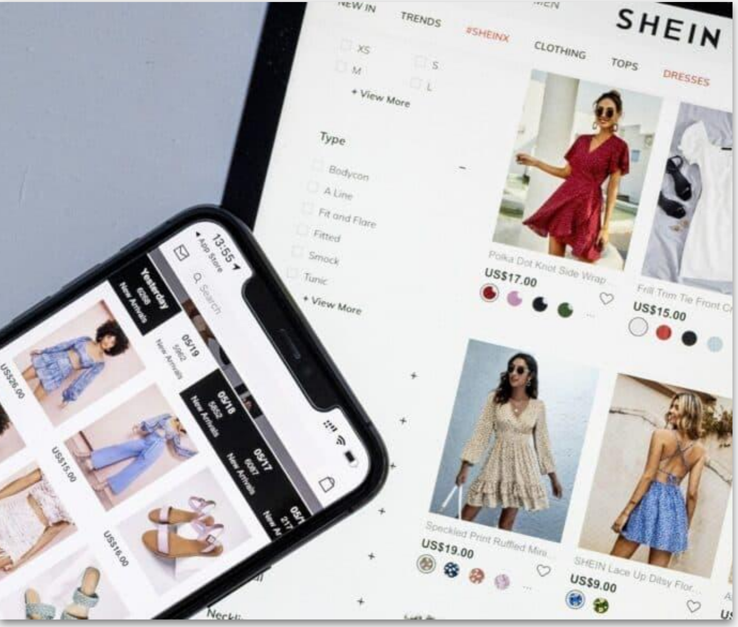
This has led to reports Catch will reduce "its in-stock range, exiting additional unprofitable lines and curating the range to focus on in-demand categories".

Still one of the most popular and actively used marketplaces in Australia, Catch currently offers 2.5 million products from over 1,600 local and international sellers. **The marketplace receives 25,000 daily orders with customers buying 4.3 items per order for an average order value of $130.**

Catch over indexes in high-income buyers (43% of those earning $200k+ have bought from the platform) and on average 37% of those aged 25-44 have bought from Catch vs 28% overall.

- Launched in Australia in 2006
- Top categories: Toys & Clothing
- 7.4M average monthly site visits
- Over Indexed in 35-44 age bracket (39% vs 28%)
- Female: 57%
Male: 43%
Unknown: 1%
- 43% of $200k+ Household income have purchased

SHEIN



Shein's popularity grows, shoppers likely to be female, young, and have money to spend

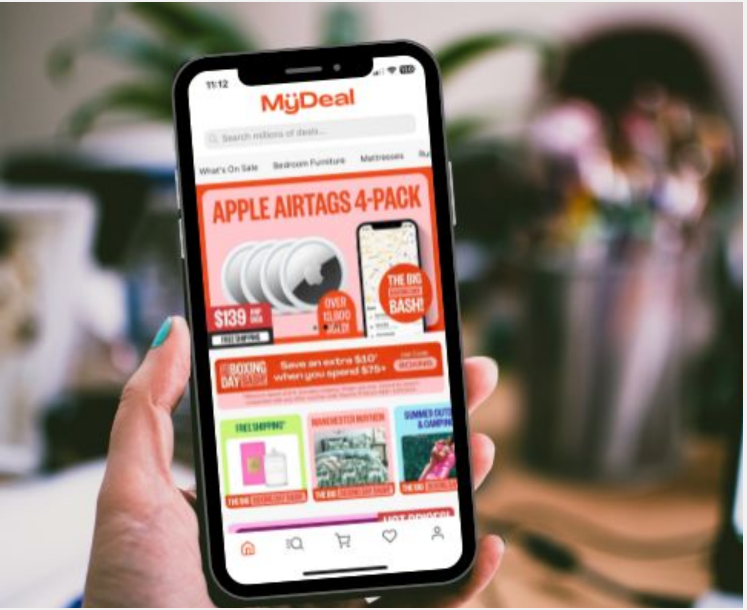
Shein is a marketplace powerhouse. It has an estimated 88.8 million active shoppers globally and **its app was downloaded 200 million times in 2022** - making it the most popular app of that year. Shein generated $22.7 billion in global in sales 2022 and has a rapidly growing customer base in Australia.

Shein offers substantial growth opportunities for Australian brands targeting young shoppers, especially females who comprise 80% of shoppers. **It's also a hit with 18–24-year-olds** (47% of this age group have bought from Shein vs 21% overall).

Shoppers on Shein also have higher disposable income with 34% of those in the $160-$199k household income bracket buying from the platform in the past 12 months.

Launched in Australia in 2021	Top categories: Clothing & Home	4.7M average monthly site visits	Over Indexed in 18-24 age bracket (47% vs 21%)	Female: 80% Male: 19% Unknown: 1%	34% of $160-199k+ Household income have purchased

MyDeal



MyDeal undergoing business reposition following Woolworths acquisition

Attracting the lowest volume of website visitors (2.3M average monthly site visits) from all marketplaces tracked in this report, **MyDeal is undergoing a transition following its $218M acquisition by Woolworths Group in September 2022.**

MyDeal's market position could change in 2024, following Woolworths' launch of MarketPlus - one platform for marketplace sellers to sell products across Woolworths Group marketplace businesses, including MyDeal, Everyday Market from Woolworths and BIG W Market.

MyDeal customers tend to come from Metro areas (73%) and are more likely to be female, with a share of 59% to 41% male buyers in the past year. The marketplace also attracts a larger volume of shoppers in the 35-54 age bracket with 41% of buyers coming from this group.

Launched in Australia in 2011

Top categories: Clothing & Home

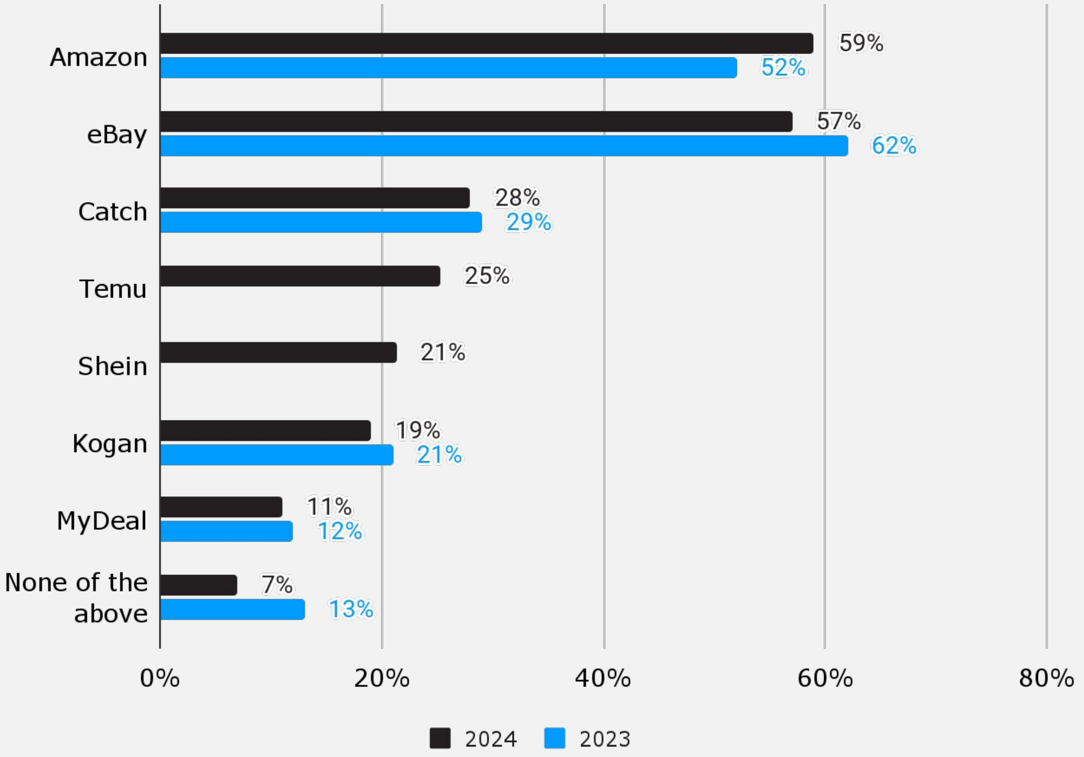
2.3M average monthly site visits

Over Indexed in 45-54 age bracket (14% vs 11%)

Female: 59%
Male: 41%
Unknown: <1%

15% of $200k+ Household income have purchased

Which marketplace(s) have you bought from in the past 12 months?



Emerging marketplaces gain rapid traction

For the first time, the 2024 Marketplace report tracks two emerging platforms, Temu and Shein. Within the span of 12 months these marketplaces have grown significant market share, with **25% of shoppers buying from Temu and 21% from Shein.**

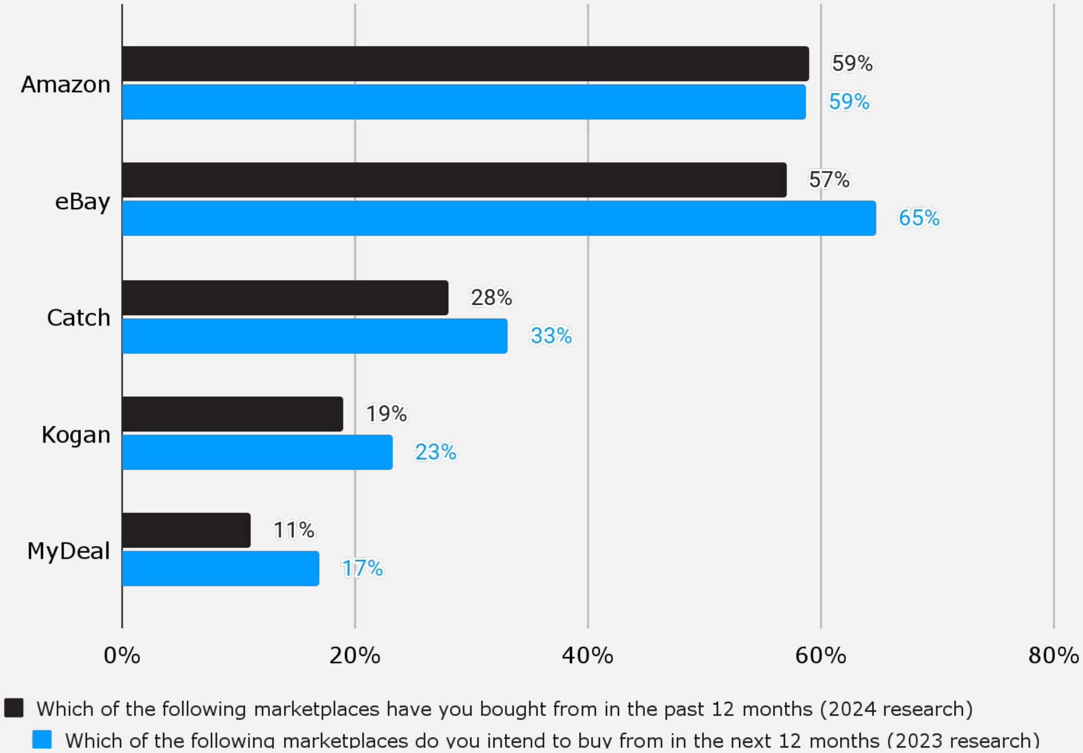
Shein, with its strong appeal to young women (80% female vs 19% male), draws 47% of the 18-24 age group, while Temu shows a slightly more balanced gender distribution, attracting a 59% share of female and 40% share of male shoppers.

Marking a significant shift in the online retail landscape, **Amazon (59%) has, for the first time, overtaken eBay (57%) in terms of shopper preference,** becoming the most popular choice for marketplace purchases. Notably, **80% of shoppers who were in the $200k income bracket bought on Amazon**, reflecting its strong reach among higher-income consumers.

**Temu and Shein were new options added to 2024 research*

pattern

Which marketplaces consumers bought from in 2023 vs those they planned to buy from.



2023 marketplace shopping plans vs. reality

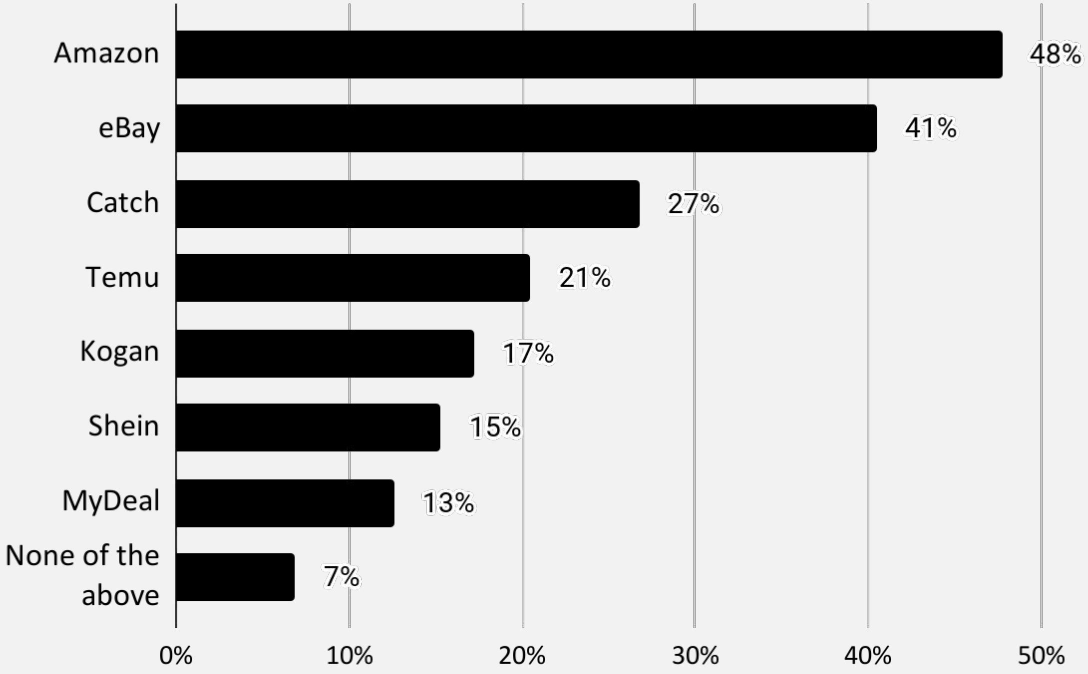
Amazon was the only marketplace where the number of consumers who said they bought on the platform last year actually exceeded those who earlier said they planned to buy from the platform in 2023 - **59% bought vs. 58.7% intended to buy**.

All other marketplaces saw a large decline in actual shoppers, including:

eBay: 12% decline.
Catch: 16% decline.
Kogan: 18% decline.
MyDeal: 35% decline.

Gender-specific trends show that men's shopping behaviour was closer to their plans across most platforms, whereas women showed a more significant deviation from their plans, especially on eBay (49% actual vs. 60% planned) and Catch (31% actual vs. 42% planned).

Which marketplace(s) are you most likely to go to when seeking a sale or discount?



Shoppers turn to marketplaces for value for money shopping

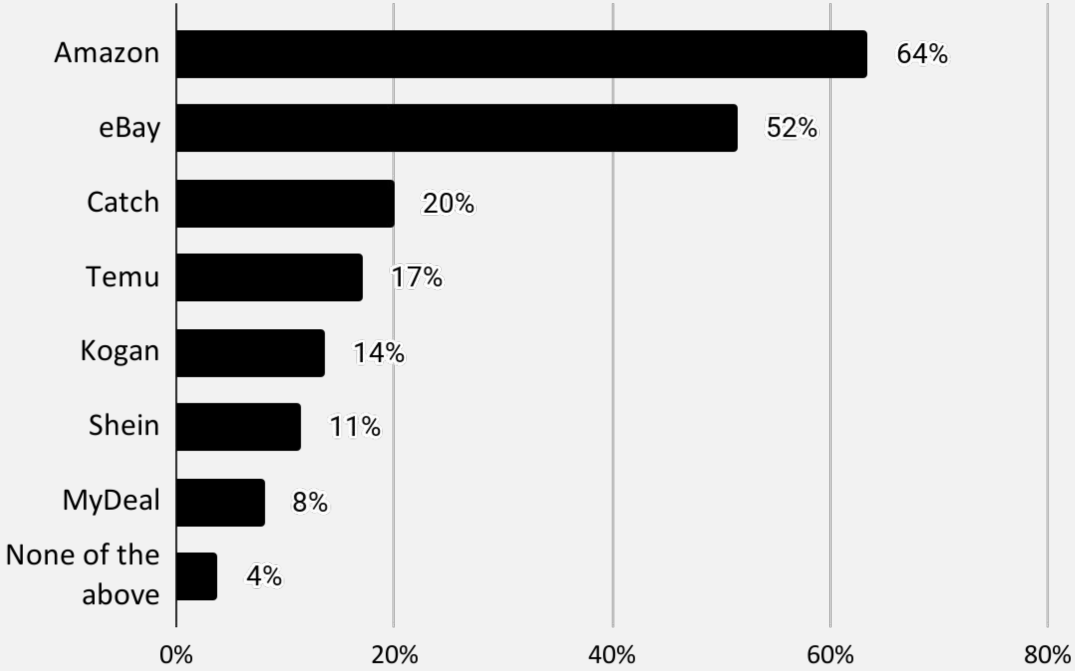
With its own established global sales event, Prime Day, growing in popularity in Australia and easy functionality for shoppers to search on its platform via price and sale, **Amazon is the primary marketplace attracting shoppers looking for value for money purchases today**, followed by eBay and Catch.

Those in metropolitan areas showed a higher likelihood of buying from Amazon (73 vs 27% Non Metro). This could be attributed to Amazon's efficient delivery systems in densely populated areas.

Only 7% of shoppers don't use a marketplace when seeking a sale or discount.

Note: Question first asked in 2024 research

Which marketplaces do you feel has the widest product range?



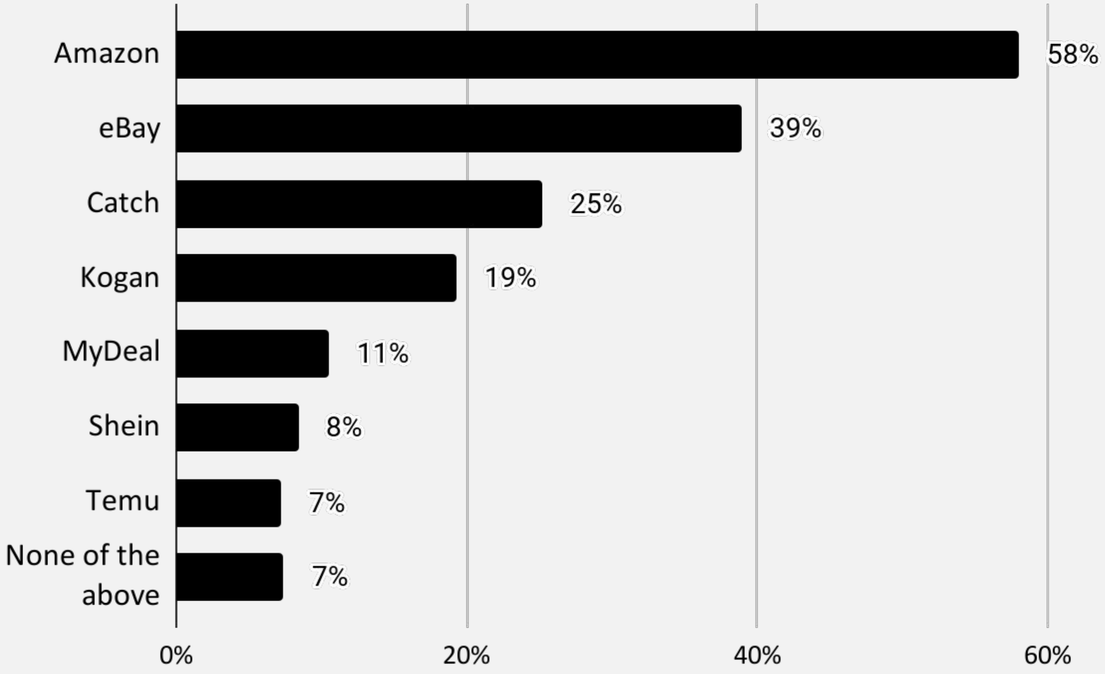
Amazon and eBay attract shoppers through extensive product ranges

The two most popular marketplaces in Australia are Amazon (with an average 75.2million monthly site visits) and eBay (50.9 million monthly site visits). These two platforms are also nominated as having the widest variety of products, with **64% of shoppers saying Amazon has the largest product range, followed by eBay at 52%**.

This direct correlation between web traffic and perceived depth of product range highlights the importance Australian consumers place on variety and options when shopping.

Note: Question first asked in 2024 research

Which marketplace(s) do you trust the most with regards to the quality of products sold?



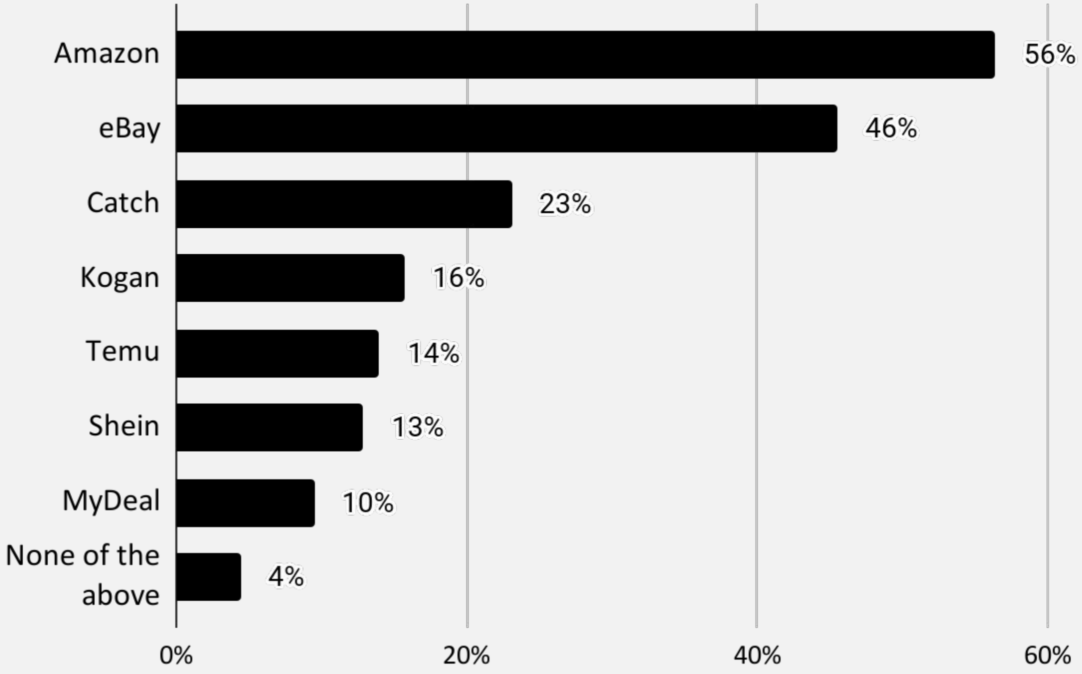
Amazon trusted on product quality, while Temu is not

With a transparent product rating and review system built into its platform to help educate and build shopper trust, Amazon has become the most highly regarded marketplace in Australia in relation to the quality of products it sells.

Despite its surging popularity and 25% of shoppers saying that they had purchased from Temu in the last year, the new marketplace actually ranks the lowest in terms of perceived quality of products. **Only 7% of shoppers say that Temu is the marketplace that they trust the most in regard to product quality.**

Note: Question first asked in 2024 research

Which marketplace(s) do you feel is most convenient when buying goods?



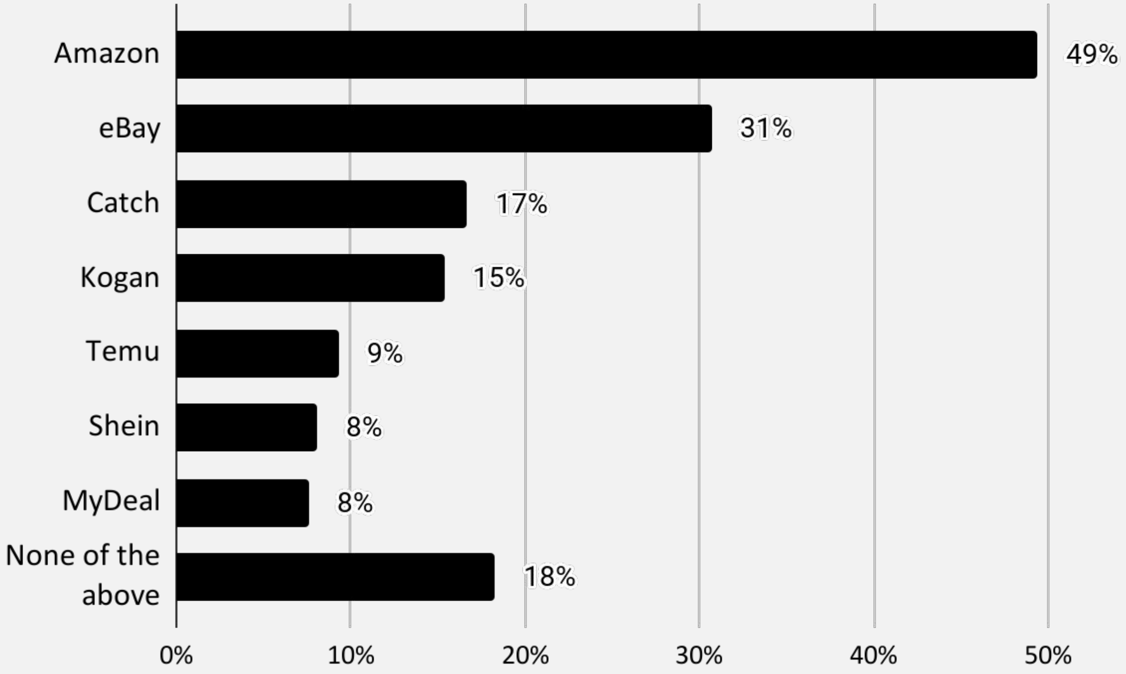
Amazon is the most convenient platform to buy from

Amazon outperforms all other marketplaces in relation to ease-of-use shopping, with 56% of consumers highlighting it was the most convenient platform to buy from, compared with eBay (46%) and Catch (23%).

This can be attributed to Amazon's Prime membership benefits, where shoppers get free, fast shipping and the platforms advanced search and recommendation algorithms that personalise the shopping experience.

Note: Question first asked in 2024 research

Which marketplace(s) do you believe offers the most efficient and reliable product returns process?



Marketplace returns processes need improvement

Given the sophisticated supply chain infrastructure it has established in Australia, it is perhaps unsurprising that Amazon was nominated by 49% of shoppers to have the most reliable returns process - significantly more compared to any other single marketplace.

However, there is room for improvement in relation to returns processes for marketplace purchases overall, with a significant **18% of shoppers saying that no marketplace offers an efficient and reliable returns process today.**

Note: Question first asked in 2024 research

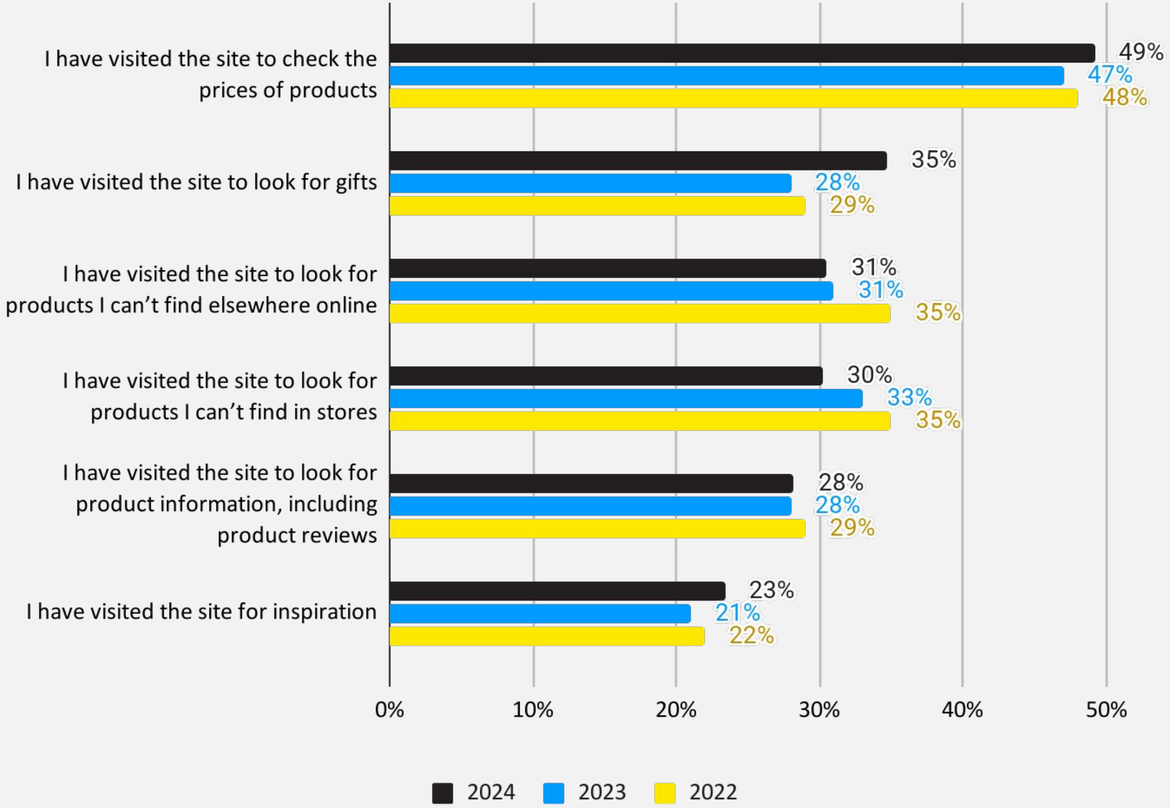
Amazon.com.au Experiences

A deep dive into the most popular marketplace in Australia.

pattern

26

Have you visited Amazon.com.au and done any of the following in the past 12 months?

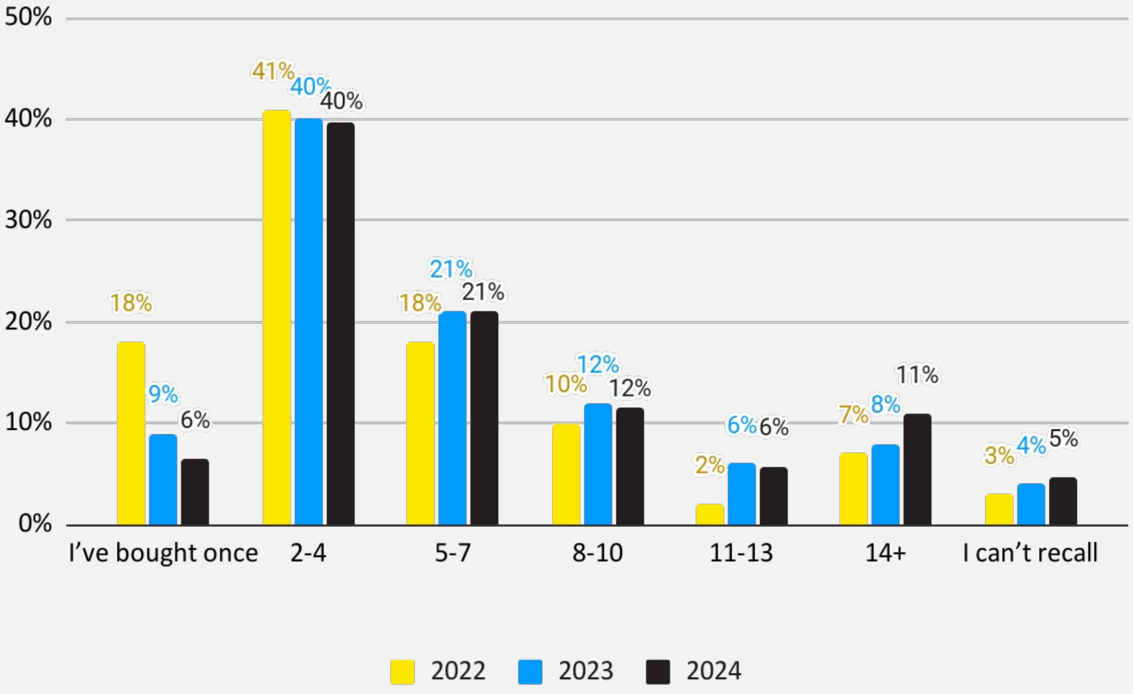


Amazon inspires

The primary reason consumers continue to visit Amazon is to check **product prices**, highlighting the key role Amazon plays in shopper research.

Amazon's role in shaping consumer shopping habits through both research and passive shopping continues to grow. **The marketplace has seen an 11% increase in consumers visiting its platform for inspiration.** This has, in turn, contributed to a 24% increase in the volume of people visiting Amazon to search for gifts.

How many times have you purchased from the Amazon.com.au site in the past 12 months?

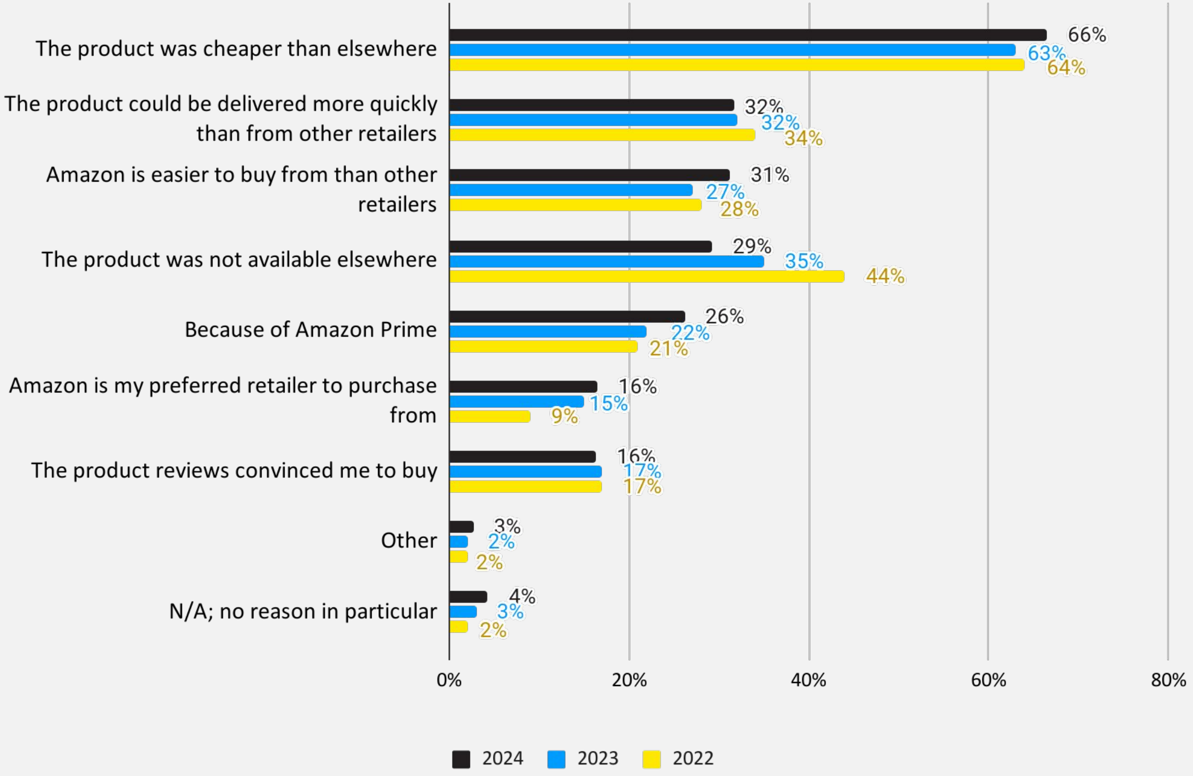


Consumers returning for a lot more

Amazon's sales growth is being supported by **an upward trend in repeat purchases**, with 89% of shoppers who have purchased on Amazon having done so more than once. There has been a significant increase in highly active shoppers on Amazon with a **37% increase in the number of consumers who have made purchases 14 times or more.**

Over the past year Amazon also saw a substantial drop (28%) in the number of people who have shopped only once on its platform.

When you purchased from Amazon.com.au in the past 12 months, why did you purchase from here instead of another retailer?



Amazon wins shoppers with prices, Prime, and ease of use

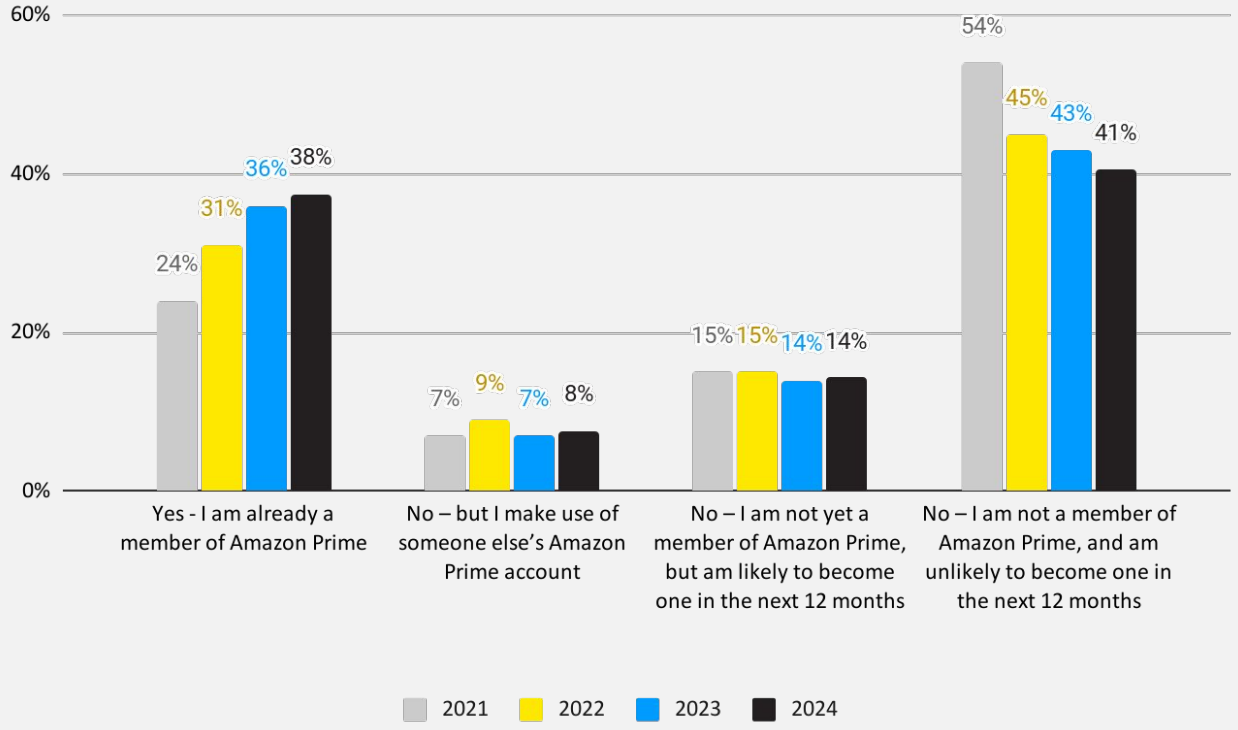
The majority (66%) of consumers cited **lower prices** as the main reason for purchasing from Amazon (+6% increase from last year). Additionally, **fast delivery** was a significant factor.

The influence of Amazon Prime is notable, with 26% of consumers (+19% increase) choosing Amazon for this reason, the highest growth amongst all reasons why consumers chose to shop with Amazon over other retail platforms.

With 31% of respondents (+15% from the 2023 report) stating that they find the platform easier to buy from than other retailers, **Amazon is winning customers through user-friendly shopping experiences.**

pattern

Are you a member of Amazon Prime?



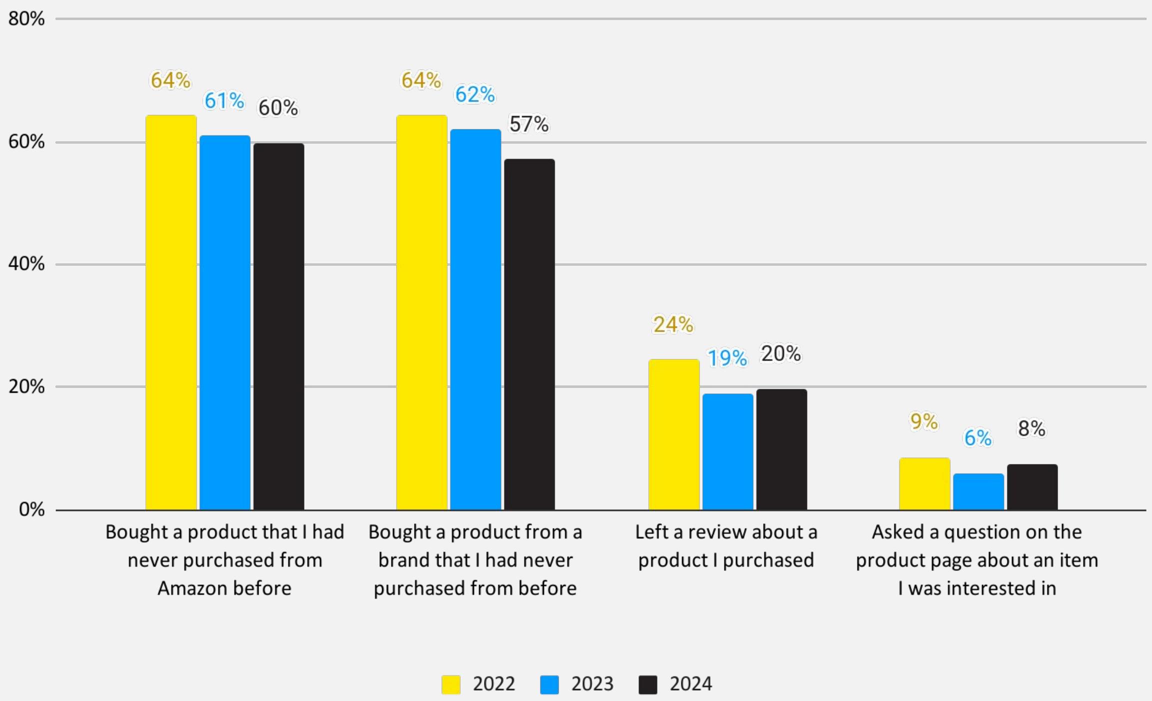
Prime membership grows despite subscription cost increase

Acceptance and uptake of Amazon Prime is rapidly rising in Australia. The percentage of consumers with access to Prime services has steadily increased, from **31% in 2021 to 45% in 2024,** with the number of people not intending to join also decreasing by 6%.

Despite increasing the price of Prime in 2023 from $7.99 to $9.99 per month, Amazon Prime growth has not slowed and now boasts approximately **4.5 million subscribers in Australia**.

pattern

When you purchased from Amazon.com.au in the past 12 months did you do any of the following?

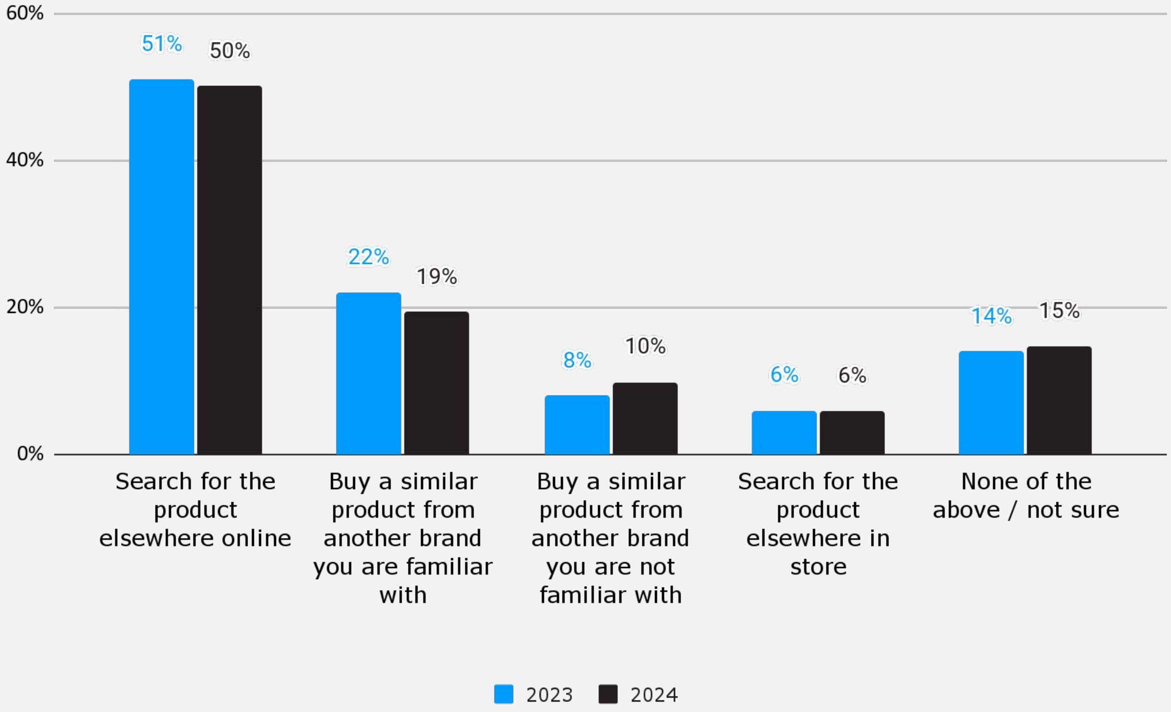


Amazon drives brand discovery, consumer engagement grows

Amazon continues to be a critical channel for **product and brand discovery**, evidenced by the fact that 60% of shoppers bought a product they had never purchased via Amazon before via the platform, and 57% purchased from a new brand, maintaining comparable levels to those observed in 2023.

Consumer behaviour in Australia on Amazon is also showing notable evolution. **Shoppers are increasingly engaging** with the platform, demonstrated by a 4% annual increase in the number of shoppers leaving product reviews. There was also a significant 25% growth in those asking questions on the product pages about items they were interested in purchasing.

If you went onto Amazon.com.au to look for a product from a specific brand and you could not find it, which of the following would you be most likely to do?

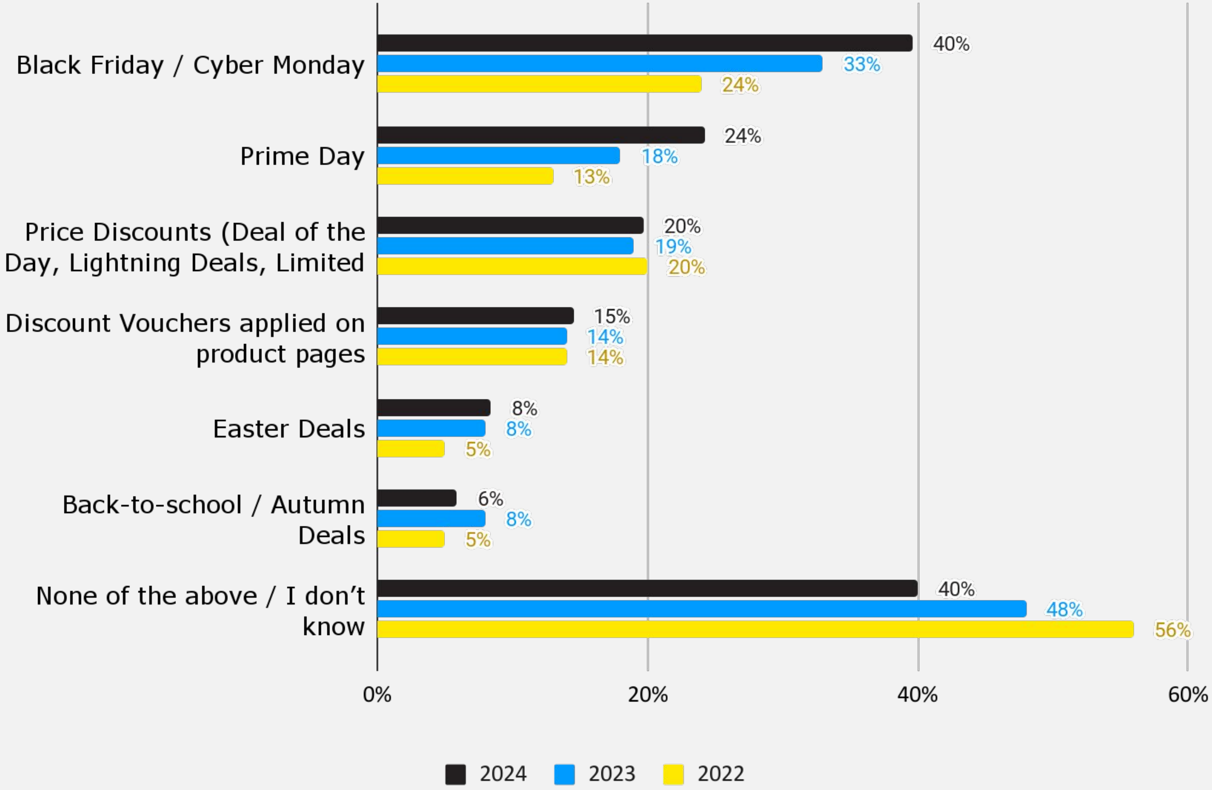


Shoppers staying with Amazon even when products aren't available

Consumers faced with out-of-stock scenarios on Amazon are marginally less likely to search for the product on another shopping platform today.

Consumers are, however, **19% more likely to buy a similar product on Amazon from a brand they are not familiar with**, demonstrating the increased trust that shoppers have with product listed on Amazon and their willingness to trial new goods on the platform.

Did you buy products on Amazon.com.au in the past 12 months during any of these promotional periods or use any of these discount types?

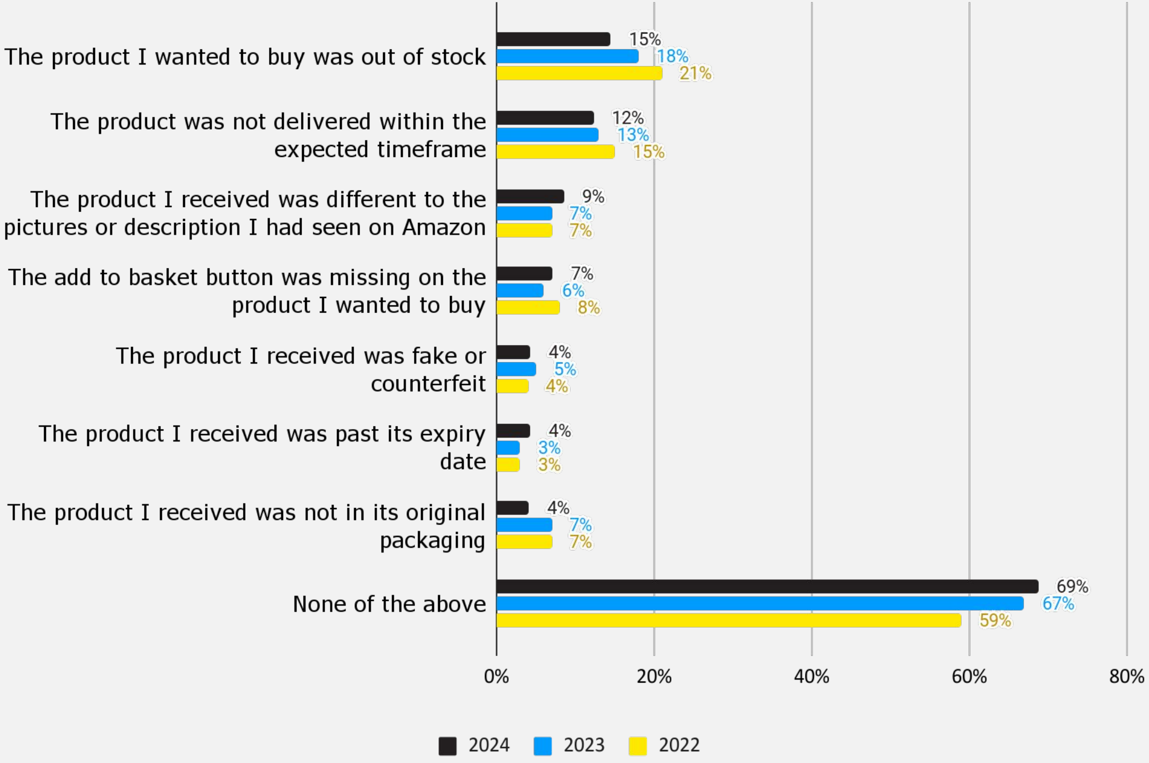


Amazon attracts shoppers for major sales events

Attracted by limited time offers and a broad product range, shoppers are now more inclined to participate in large-scale online shopping events on Amazon. The most recent **Black Friday / Cyber Monday sales event saw 40% of consumers shop on Amazon** (+20% growth on the previous year).

Amazon's own Prime Day also experienced substantial 34% growth in shopper participation, with **24% of respondents participating in Prime Day** compared with 18% the previous year.

When you purchased from Amazon.com.au in the past 12 months, did you experience any of the following?

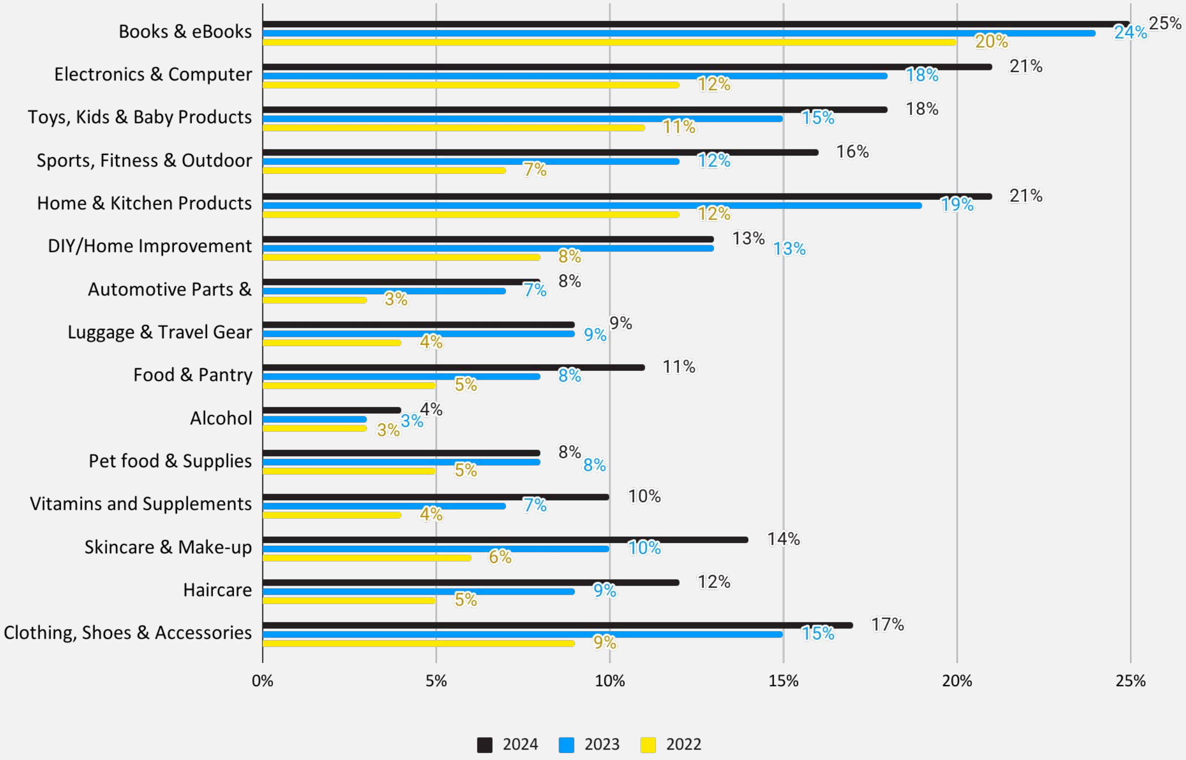


The customer experience continues to improve on Amazon, but not in all areas

The user experience continues to improve on Amazon, with a decrease of 19% in the number of people attempting to buy a product only to find it was out of stock, and a **5% reduction in shoppers experiencing product delivery delays.** Also demonstrating more positive experiences is the fact that consumers are increasingly facing no issues purchasing from Amazon (69%, up from 67% last year).

However, not all customer experience metrics were positive, with a 23% annual increase in shoppers who received a product from Amazon that was different to the pictures shown in the product listing. This highlights the importance of high quality and detailed product photography for sellers.

Amazon has seen strong sales growth across most product categories over the past year.



Health, fitness and self-care a focus for buyers on Amazon

Given the increased number of shoppers buying from Amazon, it is no surprise that the platform saw strong sales growth across nearly all product categories over the past year.

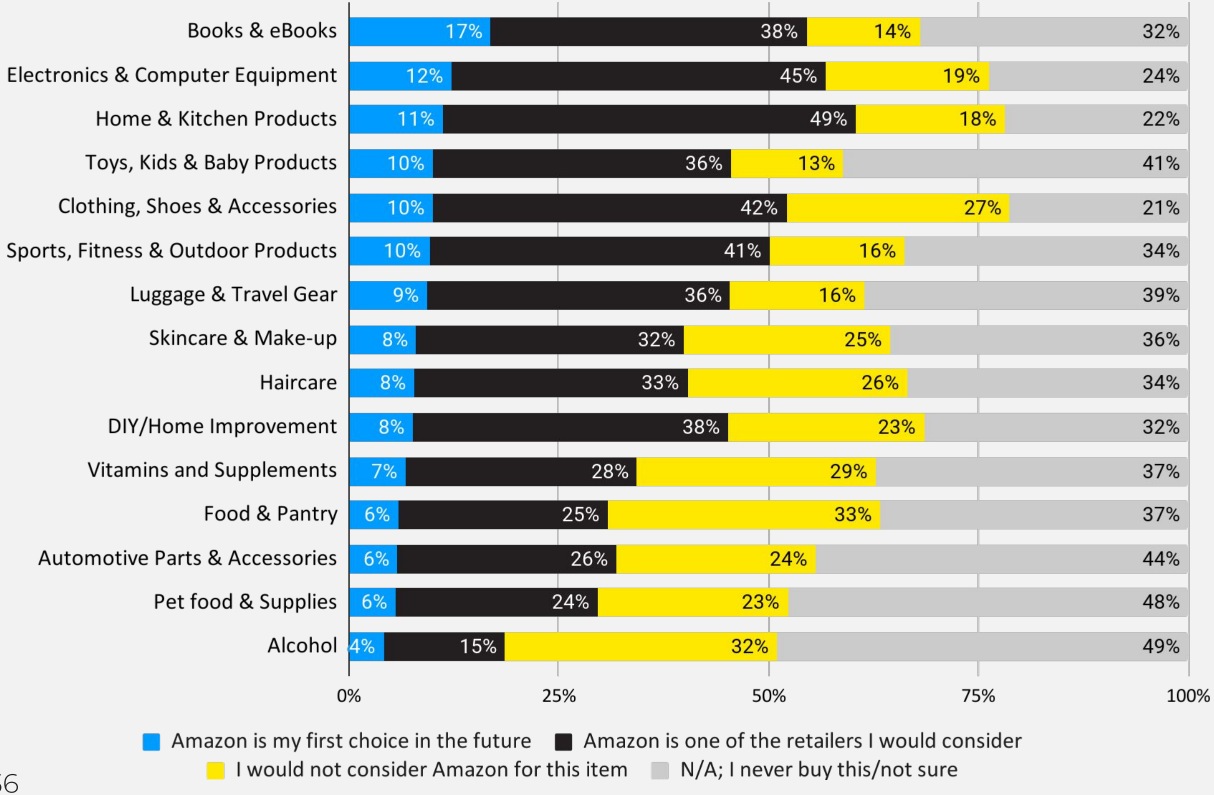
However, while Books / eBooks continue to be the most popular products, emerging categories with the largest annual growth included:

- Vitamins and Supplements (+43%)
- Skincare & Makeup (+40%)
- Food & Pantry (+38%)
- Sports, Fitness and Outdoors (+33%)

Strong growth in health, fitness and self-care categories highlights growing buyer interest in these products on Amazon, presenting brands opportunities to reach an engaged audience of consumers through the platform.

Graph showing responses to question “Which of the following product categories have you purchased online in the last 12 months and who did you purchase from?” where answer = Amazon

Which of the following product categories would you consider purchasing from Amazon.com.au in the future?



Sales opportunities exist in the Toy, Kids & Baby and Home & Kitchen categories

While Books & eBooks and Electronics & Computer products remain popular with 55% and 57% of shoppers saying they would consider buying these items from Amazon, sales opportunities also exist in other areas.

Today, **60% of consumers would consider buying Home & Kitchen products from Amazon**, and only 13% of consumers indicated that they would not consider buying any Toys, Kids & Baby goods from the platform.

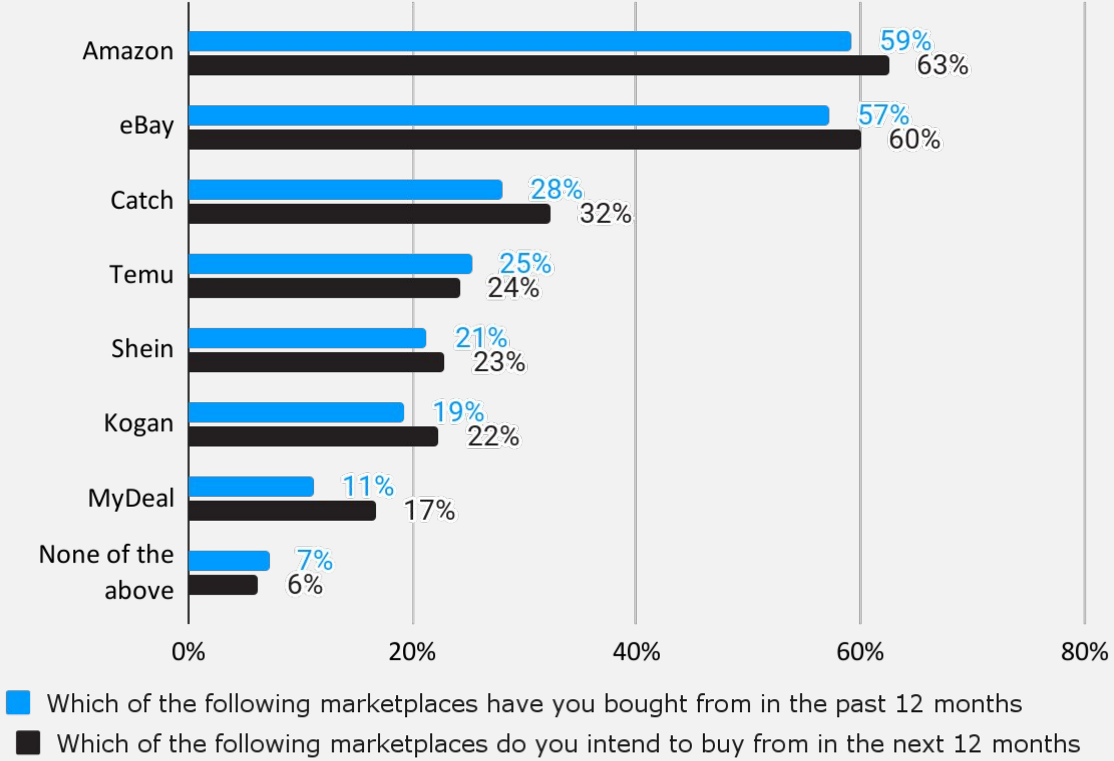
pattern

2024 Behaviour Predictions

How consumer behaviour will continue to evolve in the year ahead.

37

Which marketplaces are you planning to buy from in 2024 compared to 2023?

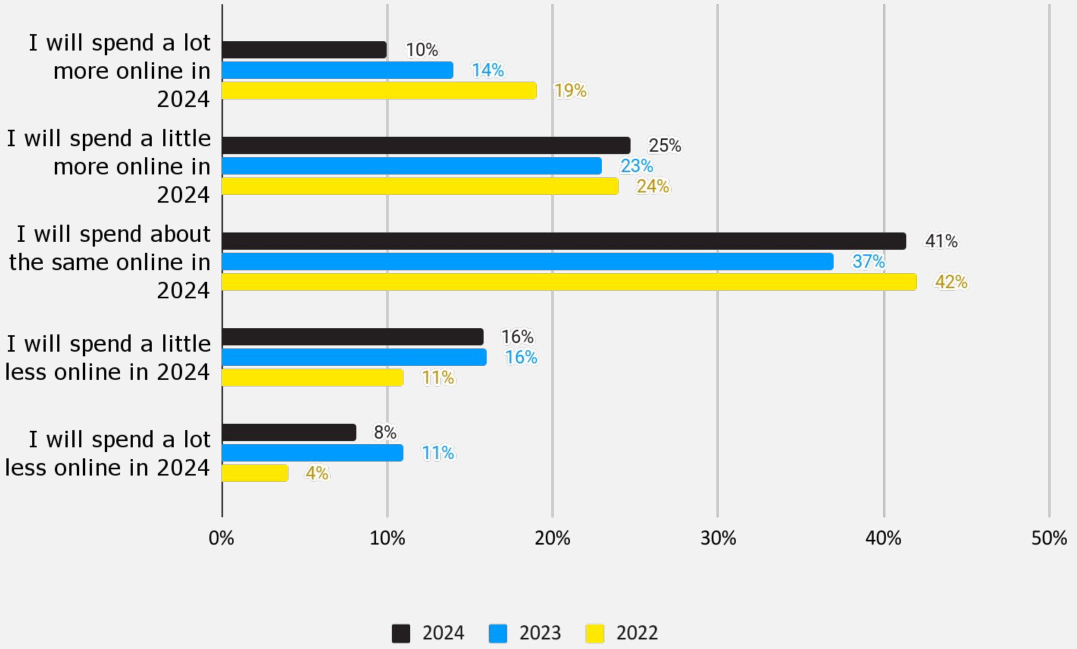


Amazon leads marketplace growth, eBay declines

Continuing their year-on-year growth trajectory, marketplaces will reach new highs in 2024, as **94% of consumers plan to buy on a marketplace in 2024** - up from 93% last year.

Out of all the marketplaces, Amazon is set to see the highest rate of growth, with 63% planning on buying from the platform in 2024, up 6% on 2023. Whereas eBay's popularity is waning, with 8% less shoppers saying they planned to buy from the site in 2024 compared to the previous year.

How much do you expect you will spend shopping online (not including groceries) in 2024 compared to 2023?



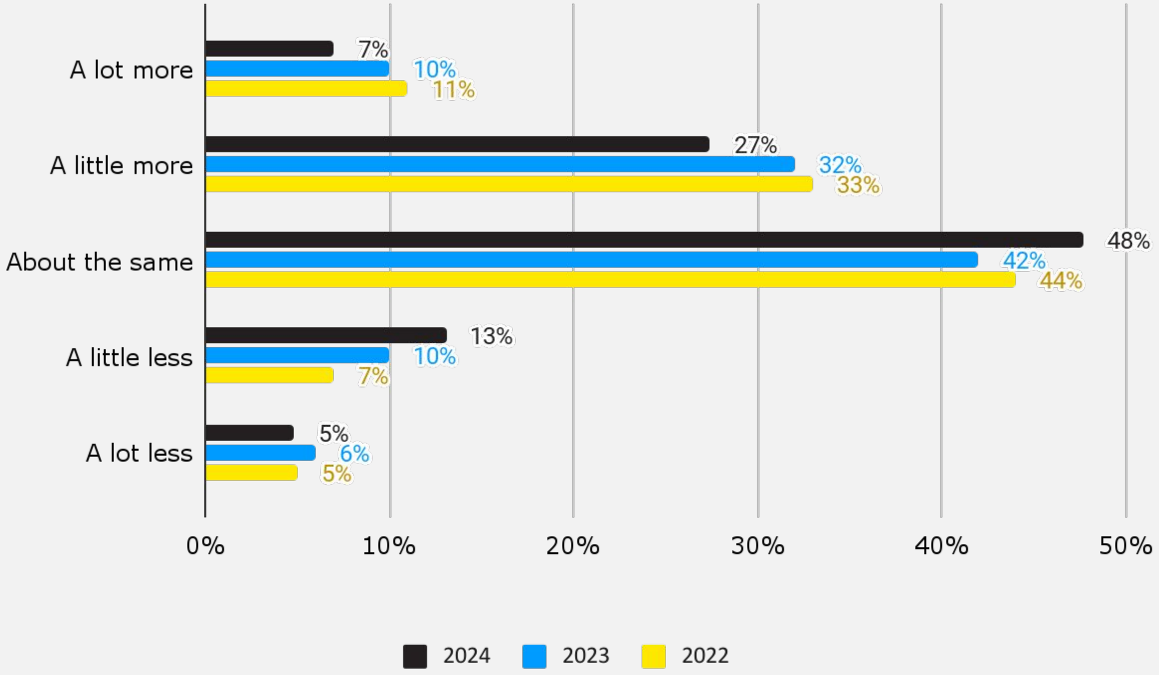
Consumer online spending not growing, but also not dramatically shrinking

Cost of living pressures are impacting on consumer sentiment and their discretionary budgets. Research shows that a majority of consumers are currently planning to **stabilise their spending** over the coming year.

There is also a significant decline (-29%) in those intending to spend substantially more online in 2024, highlighting potential sales growth challenges that brands will face.

pattern

How much do you expect to spend on Amazon.com.au in 2024 compared to 2023?

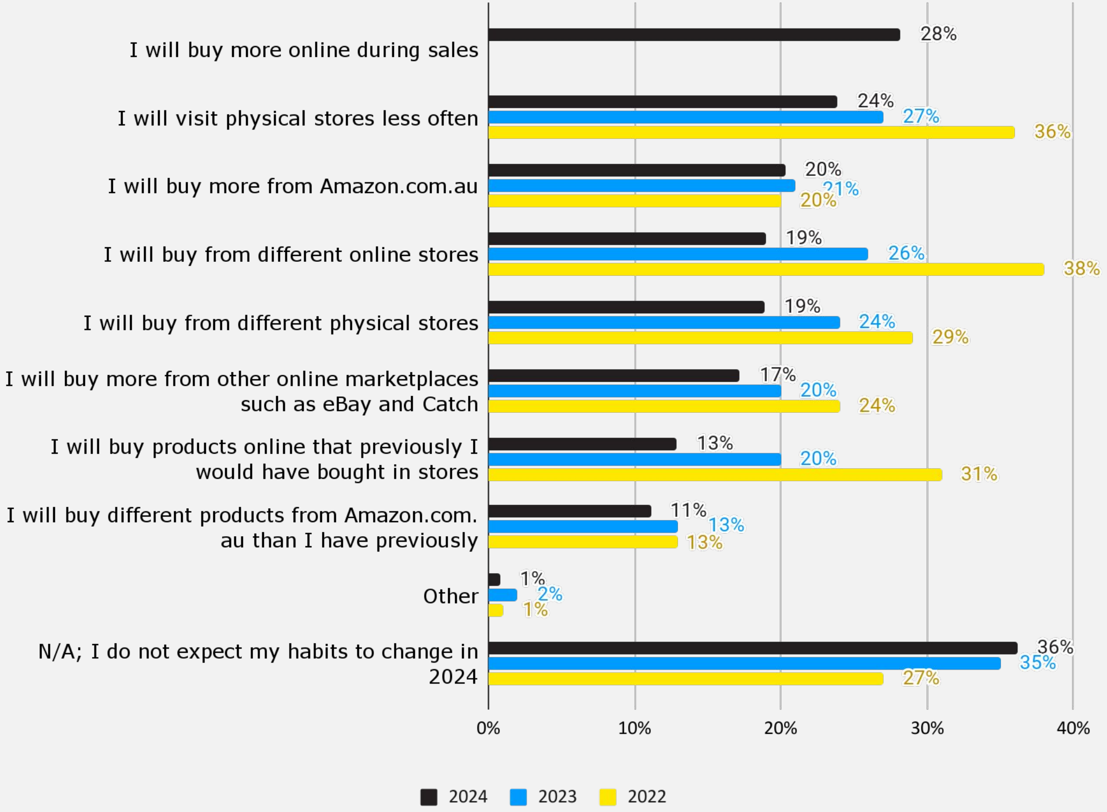


Amazon shows resilience amidst a general decline in online spending

Amazon is not immune from a general downturn in shopper sentiment, with an 18% decrease in those intending to spend more compared to the previous year and a small increase in the number of consumers planning to spend less. This change reflects a cautious approach in line with economic uncertainties across all buying channels.

However, **despite a general trend towards reduced online spending, Amazon appears more resilient.** Only 18% of Amazon shoppers foresee a decrease in their spending on the platform, compared to 24% for online shoppers overall - suggesting that Amazon might be less affected by consumer spending cutbacks.

How do you expect your shopping habits (not including groceries) to change in 2024, compared to previous years?



Revival of in-store shopping

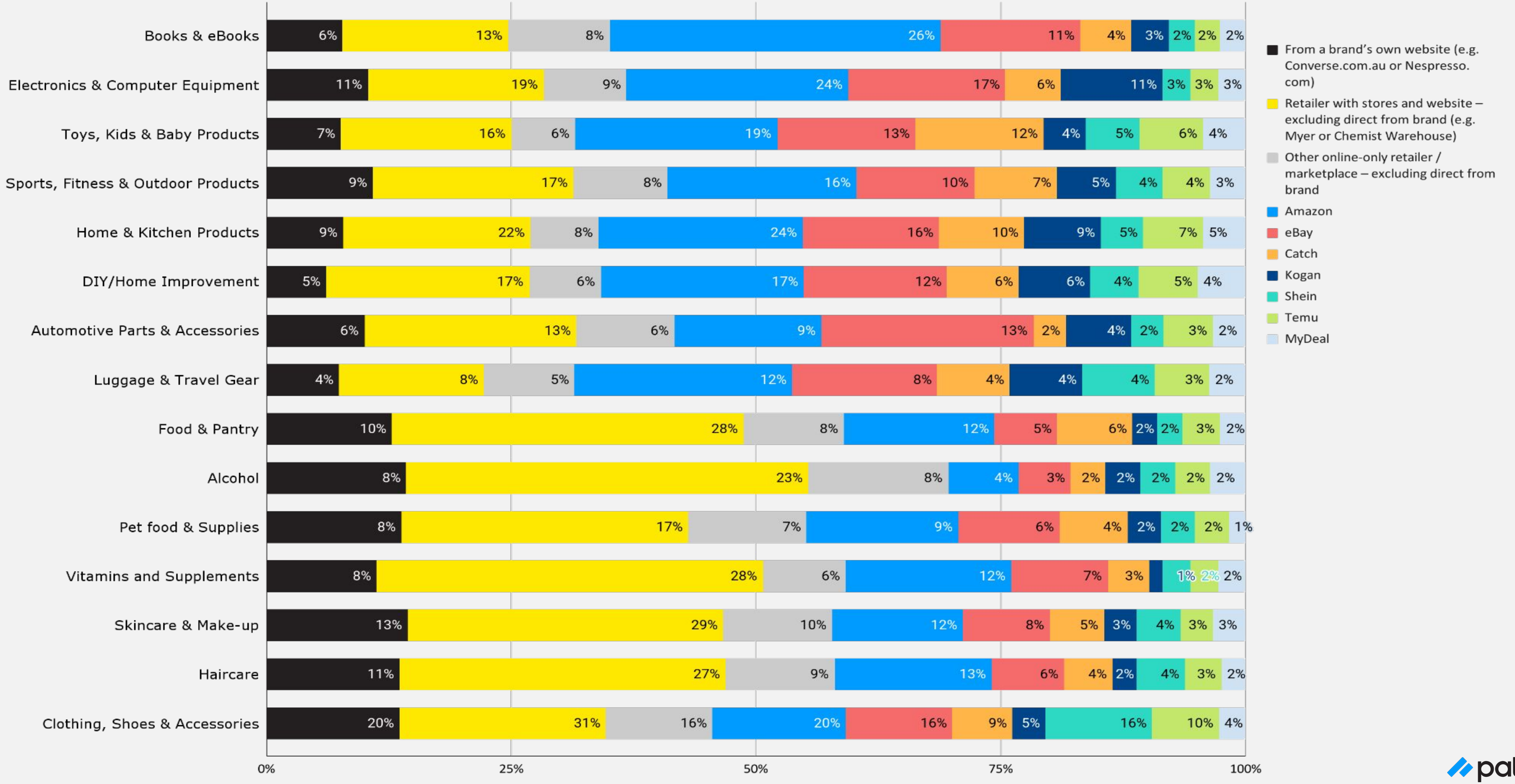
In-store shopping is growing in popularity. Only 24% of shoppers said they will visit physical stores less often in 2024, compared to 27% in 2023 and 36% in 2022. There is also **a 36% drop in those planning to purchase products online that are typically bought in store.**

When looking at changing shopping habits amongst different demographics it is interesting to note that females are much more likely to buy during online sales (33% vs. 23% for males), non-metro consumers are more likely to maintain their habits than metro (44% vs. 33%), and **younger 18-34 year old shoppers are most likely to change their habits** (83% vs. 45% for 55+ years).

Note: 'I will buy more online during sales' was a new response added in 2024 research'

pattern

Which of the following product categories do you expect to purchase online for the rest of 2024, and where will you buy from?



pattern

Recommendations

How you can ensure your brand evolves with consumer expectations

43

Recommendations

CHANNELS

There has been significant growth (59%) in consumers using Amazon as a starting point for product searches. At the same time, Google, despite maintaining a 55% share in search behaviour, is experiencing a decline as a product research tool. Key factors influencing consumers' choice of purchasing channel include price (49%), trust (37%), and ease of use (30%). As more consumers use marketplaces not just for purchases but also for inspiration, maintaining visibility across various channels becomes vital for brand growth. Notably, 39% of consumers who discover a new product on Amazon often visit the brand's direct-to-consumer (DTC) website for further information about the brand.

PRICE

Cost of living pressures are set to impact discretionary spending in 2024, with 41% of consumers planning to maintain their current spending levels in 2024, and only 35% anticipate spending more—a decrease from 43% in 2022. To ensure their products compete beyond price, brands must emphasize other factors such as ease-of-use, flexible delivery options, brand prestige and build consumer trust. This can be done through comprehensive product information online, positive user reviews and loyalty programs.

Recommendations

AVAILABILITY

Availability is a crucial factor in securing Amazon's Buy Box. As 31% of consumers turn to Amazon when they can't find products in-store, visibility becomes essential. In the past 12 months, 77% of consumers have visited the platform, mainly to compare product prices. However, if buyers don't find what they're searching for, 50% will seek alternatives elsewhere online. This is not universal though with an increase of 24% in shoppers willing to purchase a similar item from a different brand on Amazon, highlighting the growth in consumer trust for products on the platform.

AMAZON

Our research provided positive indicators of Amazon's likely growth. Brands should refresh their analysis of whether it could provide them with incremental sales. 77% visited the platform in the past year and 59% of those surveyed made a purchase. Consumers are buying more often, building trust and accessing Amazon Prime.

PARTNERS

Consumer brands must think carefully about how their proposition is represented online, and particularly Amazon; as third-party sellers may operate there. An Amazon partner who presents your brand on the platform in a complementary manner to your other sales channels is key to avoiding channel conflict.

About Pattern

A GLOBAL ECOMMERCE ACCELERATOR

pattern

46

WE ARE THE PREMIER ECOMMERCE PARTNER TO BRANDS, DELIVERING

GROWTH & CONTROL

ON MARKETPLACES AND D2C WEBSITES GLOBALLY

Pattern: Global Marketplace Distributor

Gold Trading Partner on Tmall Global

60
Countries We're Selling In

#1
Amazon Seller Globally

+1.5M
Units Shipped Monthly

$1.2B
Global Revenue
(USD)

+300T
Ecommerce Data Points

What we do

Strategy

We work with you to define your overarching objectives for online channels and develop the strategies to achieve them.

Digital Agency

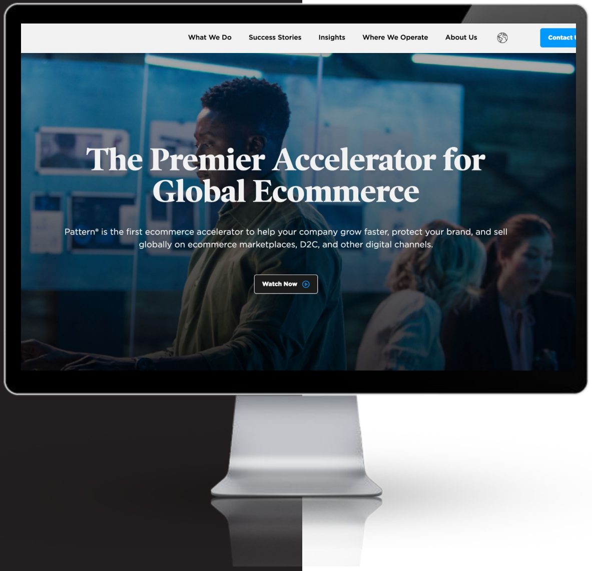
We manage all your digital marketing channels, both owned and earned, to maximise new customer acquisition and marketing ROI.

D2C Trading

We work with you to define the trading strategy needed to achieve your online goals and provide hands on execution support.

Marketplace Trading

Our buy-sell model and managed service offering is a fully outsourced solution to drive sales on marketplace channels, locally and internationally.



pattern

Our Seller Model - D2C & Marketplace Trading

1

ASSESSMENT

OUR CONSULTING TEAM ASSESSES THE OPPORTUNITY FOR YOUR BRAND

2

BUY YOUR STOCK

WE AGREE ON A WHOLESALE PRICE AND BUY YOUR STOCK

3

SHIP IT

YOU SHIP PRODUCT TO OUR PATTERN WAREHOUSES

4

WE DO EVERYTHING ELSE

FULFILLMENT
INVENTORY & LOGISTICS
ADVERTISING
SEO
A+ CONTENT
IMAGE STACKS
BRAND MANAGEMENT
MARKETPLACE ANALYSIS
COMPLIANCE
INTERNATIONAL EXPANSION
CUSTOMER SUPPORT
ECOMMERCE SOFTWARE
BASKET SIZE OPTIMISATION

Our Services by Region

Americas

- Marketplaces Stock Buy
- DTC Management
- Strategic Consulting

EMEAS

- Marketplaces Stock Buy
- Master Distribution
- DTC Management
- Strategic Consulting
- Marketing Agency
- Regulatory Screening & Registry
- Customer Services

ASIA PACIFIC

- Marketplaces Stock Buy
- Master Distribution
- Strategic Consulting
- Omni-channel Digital Marketing
- Digital Agency (Australia)
- Regulatory Screening and Registry

Our Incredible Global Client List

CONVERSE
THE NORTH FACE
AROMATHERAPY ASSOCIATES LONDON
OAKLEY
ZEBRA
CHAMBERLAIN
Ray-Ban
RITUALS
NUFACE
Swisse
SLENDERTONE
MoëtHennessy
KELO·COTE SCAR PREVENTION & TREATMENT
Adam & Eve
KONG
OPTIFAST
Reckitt Benckiser
PetSafe
tria
SWANSON
Skullcandy
Rodial
SKECHERS FOOTWEAR
Spikeball
CORAVIN
ICONIC LONDON
Owlet
VetriSCIENCE Laboratories
FORTNUM & MASON EST 1707
Holland&Barrett
waterpik Technologies, Inc.
Jan MARINI SKIN RESEARCH
nutrabolt
pure encapsulations
GINSU
HERBAL ESSENTIALS
THORNE
SKIN PHYSICS
Whittard CHELSEA 1886
BabyBunting

pattern

For more information on how we could support your business in developing its ecommerce strategy - or if you are interested in Pattern becoming the authorised Amazon Seller for your brand anywhere in the world - please contact us at au@pattern.com

au.pattern.com