

# ONLINE SHOPPING BEHAVIOURS OF TODAY'S AUSTRALIANS



November 2019

Generational Research  
into the Attitudes & Perceptions  
of Australian eCommerce Consumers

sitback solutions

# Contents

<b>Executive summary</b>	<b>3</b>
<b>Introduction</b>	<b>5</b>
<b>Research insight 1:</b>	<b>10</b>
Older consumers care less for customer reviews and word-of-mouth recommendations than younger consumers	
<b>Research insight 2:</b>	<b>14</b>
Older consumers ARE confident shopping online	
<b>Research insight 3:</b>	<b>18</b>
The age of the social influencer is over	
<b>Research insight 4:</b>	<b>22</b>
High shipping fees, poor pre and post-sales support, and lack of preferred payment options are likely causes of shopping cart abandonment	
<b>Research insight 5:</b>	<b>26</b>
Chatbots and live chat don't influence purchasing decisions	
<b>Research insight 6:</b>	<b>30</b>
Older consumers prefer online information	
<b>Research insight 7:</b>	<b>34</b>
Older consumers are less trusting of the digital world	
<b>Research insight 8:</b>	<b>38</b>
Older consumers trust websites more if they have comprehensive and accurate information, secure technology, clear sales support & uncomplicated privacy policies	
<b>Research summary:</b>	<b>42</b>
Older Australian consumers want great digital experiences	
<b>Methodology</b>	<b>44</b>
<b>Appendix</b>	<b>46</b>
<b>Copyright &amp; Usage</b>	<b>47</b>

# EXECUTIVE SUMMARY

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As a business, and as Experience Designers, we are constantly looking for ways to create more meaningful experiences for our clients and their customers - which always starts with understanding our target audience. During our work with different clients it became apparent that while there has been increasing research and thought leadership around understanding the characteristics and behaviours of younger generations - such as millennials - research focusing on older generations has been neglected. This is important because in today's day and age, businesses can no longer apply a 'one size fits all' approach in how they attract consumers. They must tailor and adapt their strategy in order to remain competitive - and the older Australian population represent a growing part of the consumer market.

Businesses that continue to neglect older consumers in their business and sales strategies, whether intentionally or not, may stand to miss out on large opportunities for growth and revenue.

At the same time, eCommerce is growing at an unprecedented rate with global eCommerce sales anticipated to reach \$4.5 trillion by 2021. This raises questions about how older consumers (55+) are navigating the online eCommerce environment and how their experiences with eCommerce might differ in key ways from younger consumers. While younger Australians have grown up with the internet at their fingertips, older Australians have had to adapt to it - this difference between digital natives vs digital immigrants will be important in understanding their attitudes and behaviours.

Do older Australians interact with the online world of eCommerce differently to younger Australians who have never known a world without the internet? If so, what can we do to capture their attention?

To shed some light on these questions, we have conducted a study seeking to understand the

behaviours, perceptions and attitudes around the way older Australians navigate eCommerce and the world of online shopping.

In particular, this study was focused on:

- ▶ Understanding older consumers confidence in searching for and purchasing goods or services that they want online
- ▶ Identifying what encourages or discourages older consumers to complete an online purchase
- ▶ Identifying the main information search pathways of older consumers when shopping online
- ▶ Understanding what influences older consumers' trust of eCommerce websites

The results explored in this report challenge some of the misconceptions many individuals and businesses may have of older Australians, particularly in the ways that their eCommerce needs are similar and/or different to younger generations.



Chris McHugh  
CEO

# INTRODUCTION

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In today's saturated and often global market, businesses can no longer apply a 'one size fits all' approach in how they attract customers. They must instead tailor and adapt their strategy in order to remain competitive. The older Australian population represent a growing market segment that researchers and businesses have neglected. Based on the ABS Census of Population and Housing data, 11.8%

**By 2066 the proportion of Australians aged 65+ alone is projected to increase to 23%**

and 15.8% of Australians in 2016 were aged between 55-64 and 65+ respectively. Evidently, older Australians account for a significant part of the available consumer market. As the proportion of older Australians continues to grow with an ageing population and increasing life expectancy, there are missed opportunities for organisations and businesses that don't remain competitive for this audience. By 2066 the proportion of Australians aged 65+ alone is projected to increase to 23%<sup>1</sup>.

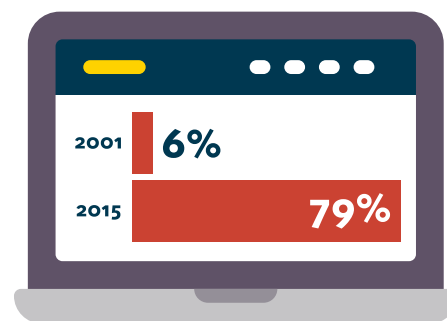


**Amount committed by the Australian Government to improve digital skills of older people in 2018**

In 2018, the Australian Federal Government committed \$47.2 million to its "Be Connected" program to help older people improve their digital skills<sup>2</sup> which reflects some pervasive stereotypes that older individuals are not as comfortable with the internet or modern technology. However, at Sitback, our previous

engagements with older customer groups has demonstrated that these individuals are also active online and going to eCommerce channels more frequently than before to fulfill their shopping needs. In 2015, 79% of people aged 65 and over had used the internet compared to only 6% in 2001.

*Have we been underestimating our older Australians?*



*Percentage of people over 65 that have used the internet*

The other pervasive stereotype about older individuals is that they are not wealthy. In actuality, older Australians tend to have greater wealth than younger Australians as they have had more time to accrue their wealth. According to ABS Household Income and Wealth reports, the individual wealth of older households is also increasing at a faster rate than younger households.

**In 2015-2016, people aged 55+ owned 56% of the total Australian household wealth, increasing from 48% in 2003-2004.**

Additionally, ABS data shows that as older Australians become wealthier, their proportion of total consumer spending has also increased. Consequently, there are large opportunities for businesses that consider older consumers in their business and sales strategies

1 <https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/3222.0>

2 <https://www.abc.net.au/news/2018-06-18/seniors-dragged-into-high-tech-world-forced-to-sink-or-swim/9878870>

## Global eCommerce sales are anticipated to reach \$4.5 trillion by 2021

We were specifically interested in whether older consumers (55+) differ in their online shopping experience from younger consumers. We expected there to be some differences due to age-related cultural norms; younger Australians have grown up with the internet being commonplace, while older Australians still remember a time before the online world - this difference will be important when investigating their attitudes and behaviours.

Do older Australians interact with the online world of eCommerce differently to younger Australians who have never known a world without the internet? If so, what can we do to capture their attention?

The current research aimed to explore older Australian consumers' attitudes and behaviours when interacting with eCommerce websites. Our study hopes to shine a light for businesses in understanding how this growing and ready audience of consumers navigate the online landscape to fulfill their shopping needs. The hope is that this research enables businesses and organisations to better design services, products and interactions for older Australians - which one day we all will be.

The following report contains our key insights from a survey of 1000 respondents across Australia, nationally representative of age and gender. Guidance and tips are provided for eCommerce businesses and organisations

that are ready to explore what potential opportunities this relatively untapped market of older consumers holds for them.

## Demographics & Sample Characteristics

For the purposes of this research, older respondents were defined as being Australians of the baby boomer generation or older. This is because it aligns with existing industry research and census data segmentation patterns. Therefore 'older consumers' in this paper has been used to refer to individuals 55+, while 'younger consumers' are defined as those between 18 and 54.

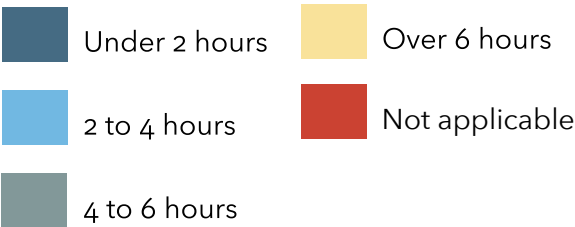
In addition, consideration has been given to the potential lifestyle and preference changes that might occur when transitioning from pre to post retirement. Therefore, analysis of the data has also been taken with a view of comparing respondents aged 55-64 (pre-retirement) with those 65+ (post retirement). Where there are meaningful differences found in the data for this split, these have been highlighted in the findings.

# Time Spent on the Internet

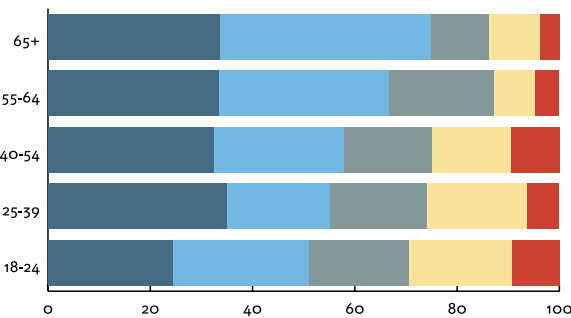
It was found that the older consumers in our study spend less hours on the internet than younger consumers in terms of their mobile phone usage. However, older consumers spend just as much time on the internet as younger consumers when it comes to using tablets and computer/laptops.

# Time Spent Browsing for Goods or Services

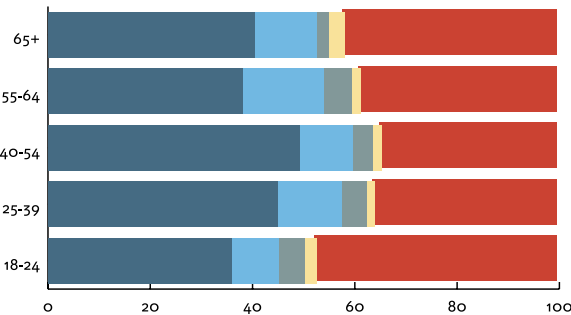
Across all devices, **older consumers (55+) spend almost 20% of their time browsing for goods or services online**, and there was no meaningful difference found between pre and post retirement groups.



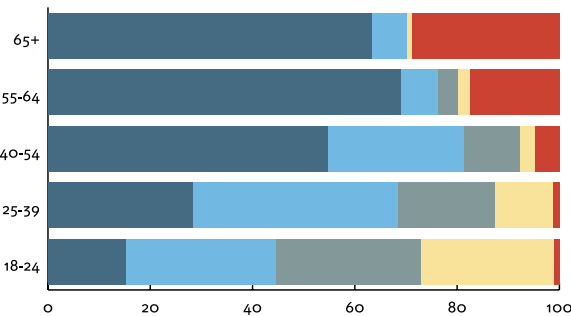
Time Spent on the Internet Using a Computer/Laptop



Time Spent on the Internet Using a Tablet



Time Spent on the Internet Using a Mobile





## Online Purchases of Older Consumers

Overall it was found that pre and post retirement consumers (55-64 vs. 65+) are equally likely to have purchased groceries and liquor, as well as computers and electronic goods online in the last 3 months. However, pre retirement individuals were over 10% more likely to have purchased clothing, footwear and personal accessories online as compared to those over 65.

In contrast, post retirement individuals were over 10% more likely to have purchased homewares and domestic appliances online in the last 3 months as compared to pre-retirement individuals aged 55-64.

The detailed breakdown of purchasing behaviour in the last 3 months is as follows:

Purchase Category	55-64	65+
Clothing, footwear and personal accessories online	58%	46%
Groceries and liquor online	44%	38%
Computers, software and electronic goods online	39%	37%
Homewares and domestic appliances online	33%	48%



# RESEARCH INSIGHT 1:

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Older consumers care less for customer reviews and word-of-mouth recommendations than younger consumers

# Why Is This Important?

Customer reviews are a key factor in the majority of people's purchasing decisions. We are social creatures and often rely on others' opinions when making a decision. This is reflective of the psychological phenomenon of **social proofing**, where we think that someone else's experience will somehow help us predict our own. It is no wonder that when we buy new products we often consider word of mouth or look at past customer reviews to help determine whether we are making the right choice.

But surprisingly, it appears that customer reviews do not hold as much power or weight for older consumers. This means that businesses wishing to target older consumers cannot expect positive online customer reviews or positive word of mouth to effectively win over new customers for them. These businesses will need to be more creative and diverse in how they attract older consumers.

**Businesses wishing to target older consumers cannot expect online customer reviews or word of mouth to effectively win over new customers for them.**



# What Did We Find?

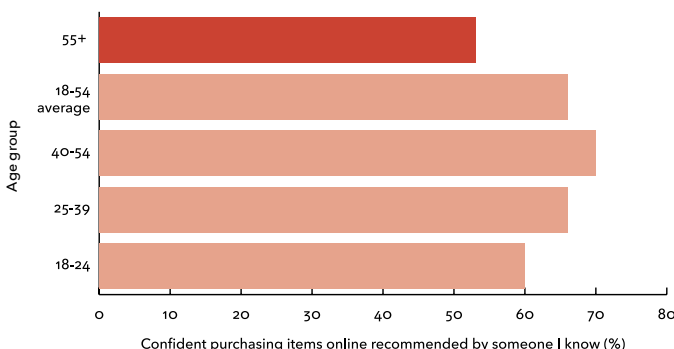
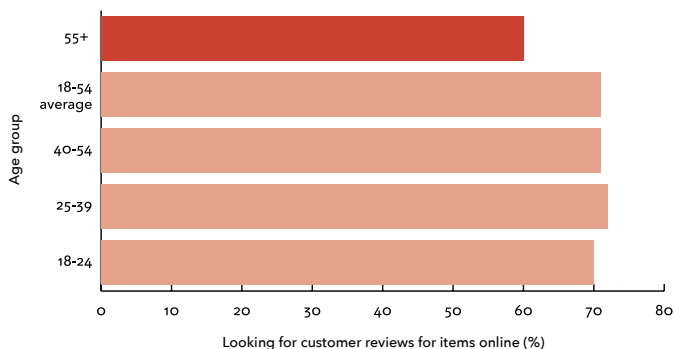
**40% of older consumers (55+) were not confident at looking for customer reviews online, and 47% of older consumers (55+) did not feel confident purchasing items online that are recommended by someone they know.** Our findings here are also supported by Colloquy, which in 2017 found that older consumers are independent shoppers with only 12% stating that they would rely on family and friends to help them decide on a purchase.

When looking at how younger consumers responded to the same items, they were consistently over 10% more confident in looking at customer reviews and product recommendations from others. This suggests that younger consumers are more likely to

look for external validation of their purchasing decisions, and are interested in what others think about a product or service.

Overall, it seems that older consumers are less likely than younger consumers to be influenced by the presence of online reviews and knowing whether family and friends have purchased a product or service before.

**Older consumers are over 10% less likely to care about customer reviews and word-of-mouth recommendations than younger consumers.**



# What Does This Mean for You?

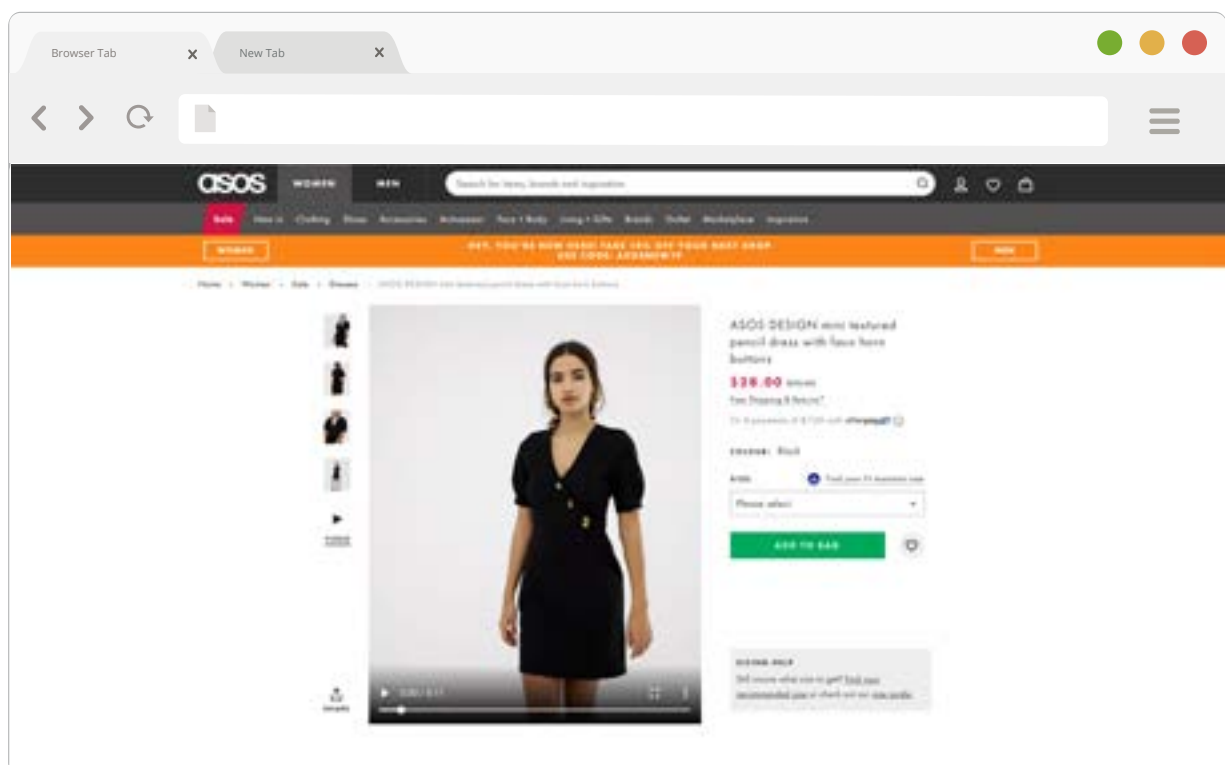
eCommerce websites should avoid relying too heavily on customer reviews and word of mouth to attract older consumers, as they may prefer making their own assessment of what to purchase.

Other tactics to consider for enticing or encouraging older consumers to try a product include **providing free samples** which allows them to try it firsthand (like the mattress manufacturer, Casper, giving customers the option to try out a mattress in their own home for 100 days for free), or **using unique photography and videos** to showcase the product in real situations (e.g. ASOS displays a product video showing the clothes being worn in motion) rather than relying on the generic manufacturer supplied images. This helps older consumers to see a product in action and better envisage how they would use it.

In addition, given that older consumers are independent shoppers, it may take more incentive to entice them into trying and using new products. For example, this might include more information about the product or service in question.

Therefore businesses should **consider providing in-depth product details** and highlighting the benefits of the brand, particularly in relation to how it compares with other well-known brands that older consumers might be more familiar with.

As **older consumers are less trusting of customer reviews**, the very least that businesses can do is build a strong brand image and provide clear and useful information about their product/services.



# RESEARCH INSIGHT 2:

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Older consumers ARE  
confident shopping online



# Why Is This Important?

There is a pervasive assumption that older consumers are bad at completing or doing things online and that they lack the confidence in completing these tasks due to poor digital literacy. However, now that the internet has become more prevalent and the overall user experience of websites has improved, we are seeing a larger proportion of older people going online.

Due to these increasing levels of engagement, we have observed greater confidence from older people in being online and completing tasks online, particularly around purchasing goods and services.



# What Did We Find?

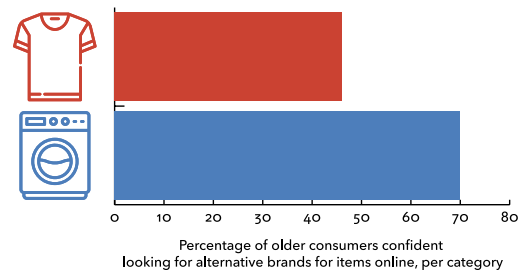
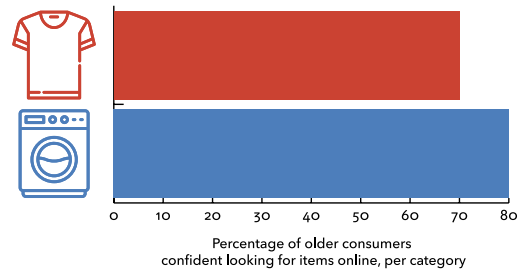
Overall, **74% of older consumers were confident in looking for items that they want online**, and **62% were confident in even looking online for alternative brands of the products/services they were after.**



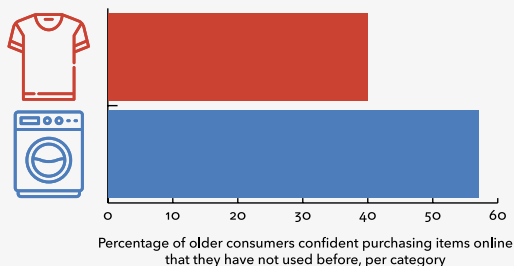
Clothing, footwear & personal accessories



Homewares & domestic appliances

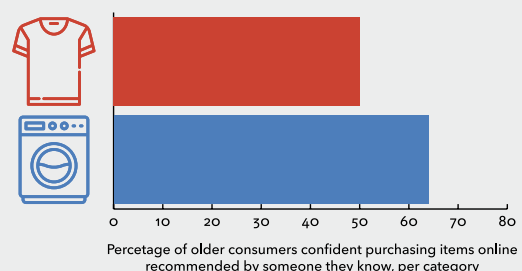


In addition, **48% of older consumers were confident purchasing items online that they had never used before.** These percentages were all on par with younger consumers' responses, such that there was no discernable difference between older and younger consumers.



Similarly, Colloquy found that older individuals do not seem to be as stuck in the 'good old days' as it might be easy to believe. In fact, when it comes to in-store shopping it was found that baby boomers (55-75 year olds) are the only generation that does not prioritise buying the brands that they used when growing up. 37% of baby boomers said that they were likely to look around in store for newer products. From our research data here, it appears that this behaviour translates to the world of online shopping as well.

Another interesting finding was that **older consumers were consistently 10% more confident in looking for and purchasing 'homewares and domestic appliances' items than 'clothing, footwear and personal accessories' items online.** This included looking for specific items, considering alternative brands, and making the purchase online - whether they had used that item before or not.



Two other categories of eCommerce were also asked about ('groceries and liquor' and 'computers, software, and electronic goods'), however there were no significant and consistent findings



# What Does This Mean for You?

Similar to younger consumers, our **older consumers were just as confident in using eCommerce websites to look for and purchase the items that they want.** This suggests that they are comfortable and capable of using the internet as a means of accessing products and services.

However, if a business does not capture their interest or meet their needs, these consumers are not afraid to seek out and try new products or brands. As such, it is vital for businesses to ensure that their eCommerce website caters to the accessibility and information needs of older consumers.

For example, older consumers are reasonably likely to have **reduced hand dexterity** and **poorer eyesight**. This means businesses should minimise the number of clicks required to navigate around the website, and ensure that all font size and contrast is optimised. This can be ensured through the use of **WCAG 2.0 Compliance and Accessibility audits** which assists businesses to determine whether their website content meets accessibility guidelines for users. This process is especially useful for businesses that stand to benefit from engaging with their older consumer audience, as older consumers are particularly likely to abandon websites that provide a subpar experience.

In addition, as older consumers are the least confident in looking for and purchasing 'clothing, footwear and personal accessories' online compared to other categories, there may be the greatest opportunity for these online retailers to improve how well their website aligns with the accessibility and information requirements of older users.

**Minimise the number of clicks required to navigate around the website, and ensure that all font size and contrast is optimised.**



**Ensure high contrast ratios and provide alternative text for images**



**Allow for easy text size adjustment**



**Don't rely on audio. Provide closed captions for video content**



**Remember, disabilities can also be temporary and affect anyone**

# RESEARCH INSIGHT 3:

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The age of the social influencer  
is over



# Why Is This Important?

Recent reports, such as one by Dealspotr in 2017, have suggested that we may have passed the peak of influencer marketing; with **52% of millennials trusting influencers less than they used to**.

As the influencer landscape has become more and more commercialised, the fine line between sponsorship and authentic recommendations becomes blurred. This has caused consumers to be more wary and less trusting of influencer marketing strategies.

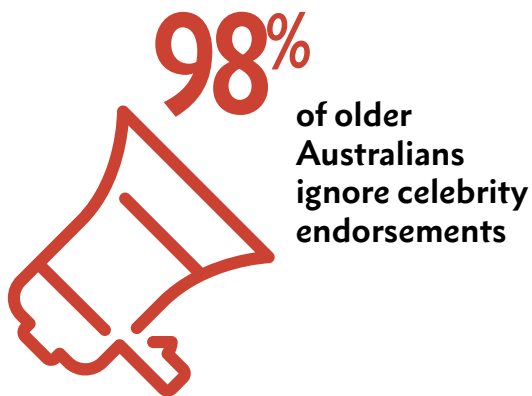
Building on this, the findings of our current study suggest that the disinterest and rejection of influencer marketing is true of all generations, as opposed to just millennials. As such, businesses should definitely be thinking twice when considering whether they want to invest in celebrities and/or influencers to endorse their products and services moving forward.

**Only 2% of older Australians indicated that celebrity endorsement would encourage them to complete a purchase**



# What Did We Find?

Overall, **13% of consumers between 18-54 were more likely to purchase a product or service online when endorsed by a celebrity.** In contrast, only **2% of older consumers indicated that celebrity endorsement would encourage them to complete a purchase.**



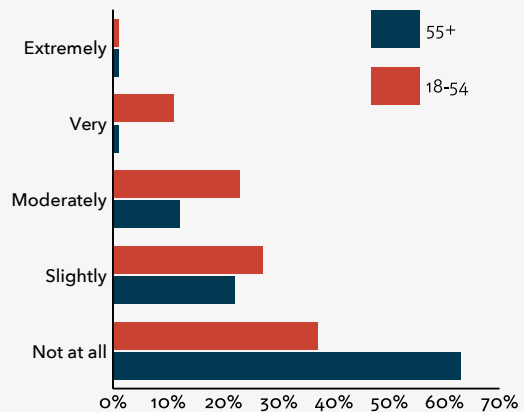
Aside from the above, it was found that **older Australians are not that different to younger Australians when it comes to what motivates them to complete an online purchase.**

The older Australians (55+) in our study indicated that 88% of them would complete a purchase when a secure payment method is available, 80% when product details are available, 75% when warranty service is available, 75% when a clear refund and returns policy is provided, 68% when a variety of brands are available online, and 62% of older Australians are more comfortable completing a purchase when direct communication with the online business was available.

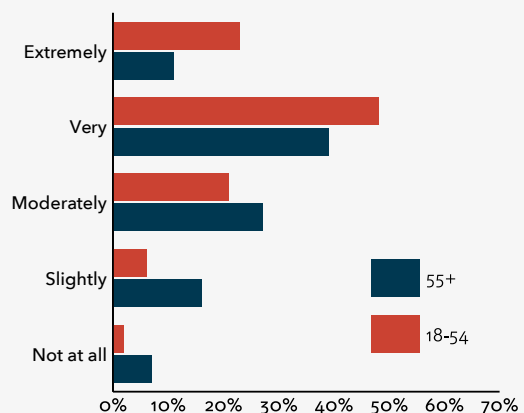
In comparing the above figures with the responses of younger consumers to the same questions, there were no meaningful differences to be found. This suggests that the above motivators for completing an online purchase are common across all age groups.

## Likelihood of completing a purchase if:

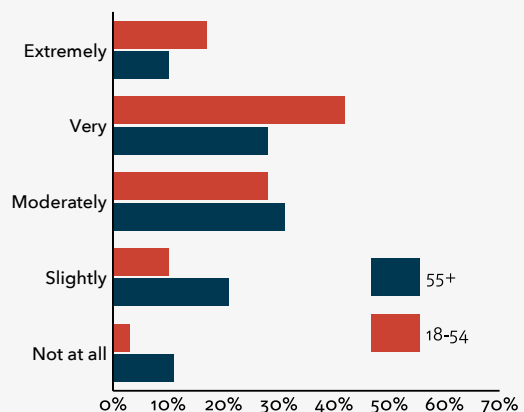
*A celebrity has endorsed the item*



*Customer reviews are available*



*Friends and family have purchased the item*



# What Does This Mean for You?



Given the decline of the power of the influencer, it is recommended that eCommerce businesses reconsider how much to invest in celebrity or social influencer endorsement as part of their strategy. Present day consumers want authenticity and they are struggling to get it. Businesses that want to maintain the use of influencers or celebrities could consider engaging with micro-influencers who may have a more personable brand.

In Golin's UK Influencer Consumer Attitudes Report 2018<sup>3</sup>, it was reported that the public has a growing appetite for micro-influencers who provide a more personal and relatable connection. In fact, micro-influencers took the top spot of the 10 most popular types of influencer (beating journalists, celebrities, and thought-leaders).

The article commented that *"consumers are increasingly favouring 'real life' and 'honest' influencers who reflect their values. The more informed modern day consumers are savvy*

*enough to see through the hype, polish and false perfection and are not prompted to purchase by influencers simply because they have status or massive reach"*.

As a caveat, the cultural characteristics of a target audience should also be considered. A study conducted by Toluna in the US found that nearly half of Americans have made a purchase based on influencer recommendations. This is contrary to our responses from an Australian participant pool and highlights the need to consider cultural differences when engaging with influencers.

Other than their stand on celebrity endorsement of products, we found that older Australians are remarkably similar to younger consumers in what encourages them to follow through with an online purchase. This is encouraging for organisations that may feel under-prepared for accommodating older consumers, or otherwise alienated from this market segment.

For any businesses with an eCommerce presence, it is recommended to ensure each of the factors covered in our report relating to the product and the purchasing experience are provided to consumers on their websites:

- ▶ Customer reviews are available
- ▶ Product details are available
- ▶ Variety of brands are available online
- ▶ Warranty service is available
- ▶ Refund and returns policy is available
- ▶ Secure payment is available
- ▶ Direct communication with the online business is available

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3 <https://www.adweek.com/brand-marketing/infographic-nearly-half-of-americans-make-purchases-based-on-influencer-recommendations/>

# RESEARCH INSIGHT 4:

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High shipping fees, poor pre and post-sales support, and lack of preferred payment options are likely causes of shopping cart abandonment

# Why Is This Important?

A common headache for eCommerce stores is the phenomenon of customers abandoning their shopping cart of goods at checkout<sup>4</sup>. As such, it is important for businesses to understand the pain points or frustrations that consumers experience which leads to this behaviour, so that strategies can be implemented to tackle this. It is in the interests of all businesses and organisations with an eCommerce presence to minimise the reasons that consumers might leave before completing their purchase.

**The average large-sized e-commerce site can gain a 35.26% increase in conversion rate through better checkout design**

The average large-sized eCommerce site can gain a 35.26% increase in conversion rate through better checkout design<sup>5</sup>.

In addition, in the world of brick-and-mortar retail shopping, it was found by Colloquy in 2017 that older consumers (55+) are most likely to boycott a retailer after a negative shopping experience; such as the in-store sales associate not appreciating their business, the store being messy, or returns being a hassle. Similarly if older consumers are more likely to boycott an eCommerce retailer due to a negative online experience, it would be pertinent for businesses to consider this when designing their online eCommerce experience.



4 <https://blog.salecycle.com/strategies/infographic-people-abandon-shopping-carts/>

5 <https://baymard.com/lists/cart-abandonment-rate>

# What Did We Find?

Overall it was found that older consumers are not that different to younger consumers when it comes to what motivates them to complete an online purchase.

In comparing the responses of older consumers with the responses of younger consumers, there was only one meaningful difference found in terms of what motivated shopping cart abandonment. This was that **older consumers were over 10% more likely (than younger consumers) to abandon a shopping cart**

**based on poor pre and post-sales support.**

However, poor pre and post-sales support was still placed in the top three triggers of purchase abandonment for younger consumers.

All other product and purchasing experience factors related to shopping cart abandonment listed below held the same significance for younger and older consumers. This suggests that overall the pain points and/or triggers of shopping cart abandonment are similar and common across age groups.

**In percentage ordered from most to least, older consumers (55+) in our study indicated that they would abandon their shopping cart for the following reasons:**

78%



Shipping fee is higher than expected

72%



Poor pre and post-sales support

65%



Preferred payment option unavailable

53%



International shipping is not available

47%



Need more information about item

44%



Shipping duration longer than expected

29%



Item is also available in store

26%



Account creation is required

21%

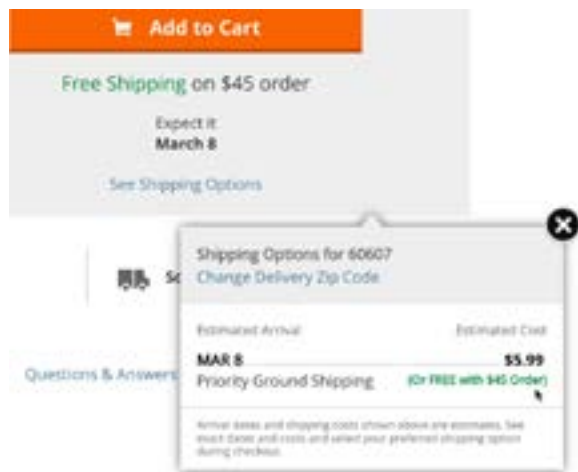


No prior experience with website



# What Does This Mean for You?

The above findings provide a straightforward reference list of considerations for any eCommerce business with high shopping cart abandonment rates. In particular, a great starting point for consideration would be that high shipping fees, poor pre and post-sales support, and lack of preferred payment option were found to have the greatest impact on shopping cart abandonment across all age groups.



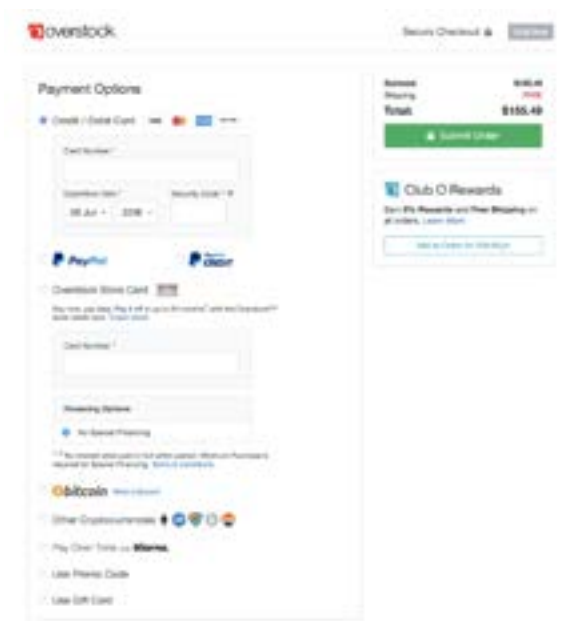
To avoid customers encountering higher than expected shipping fees, transparency is key. Otherwise, consumers can feel “taken advantage of” at the point of purchase. This can be achieved by providing an estimated calculation of shipping costs early on in the checkout process. Alternatively, businesses can offer a flat rate or free shipping threshold.

A free shipping threshold is particularly enticing as it plays on **consumer psychology**. Specifically, offers of free shipping tap into how people often rationalise buying something online instead of going to a store<sup>6</sup>. People are

**loss averse** and **effort averse**, so if shipping turns out to be too expensive for an item that could just as easily be purchased at a store, the rationalisation of buying it online fails and individuals abandon their carts.

Consider the following recommendations to provide good pre and post-sales support:

- ▶ Provide shipping costs as early as possible
- ▶ Offer a flat rate or a free shipping threshold
- ▶ Display FAQs in the check-out process using information tool tips or accordions
- ▶ Answer consumer questions in the context of their purchase journey, not on a separate webpage
- ▶ Meet consumer preferences by allowing a wide selection of payment options, e.g., Paypal, credit card, afterpay, etc.



6 <https://blog.rjmetrics.com/2014/07/14/the-psychology-of-free-shipping-why-it-works-as-a-marketing-tool/>

# RESEARCH INSIGHT 5:

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Chatbots and live chat don't  
influence purchasing decisions



# Why Is This Important?

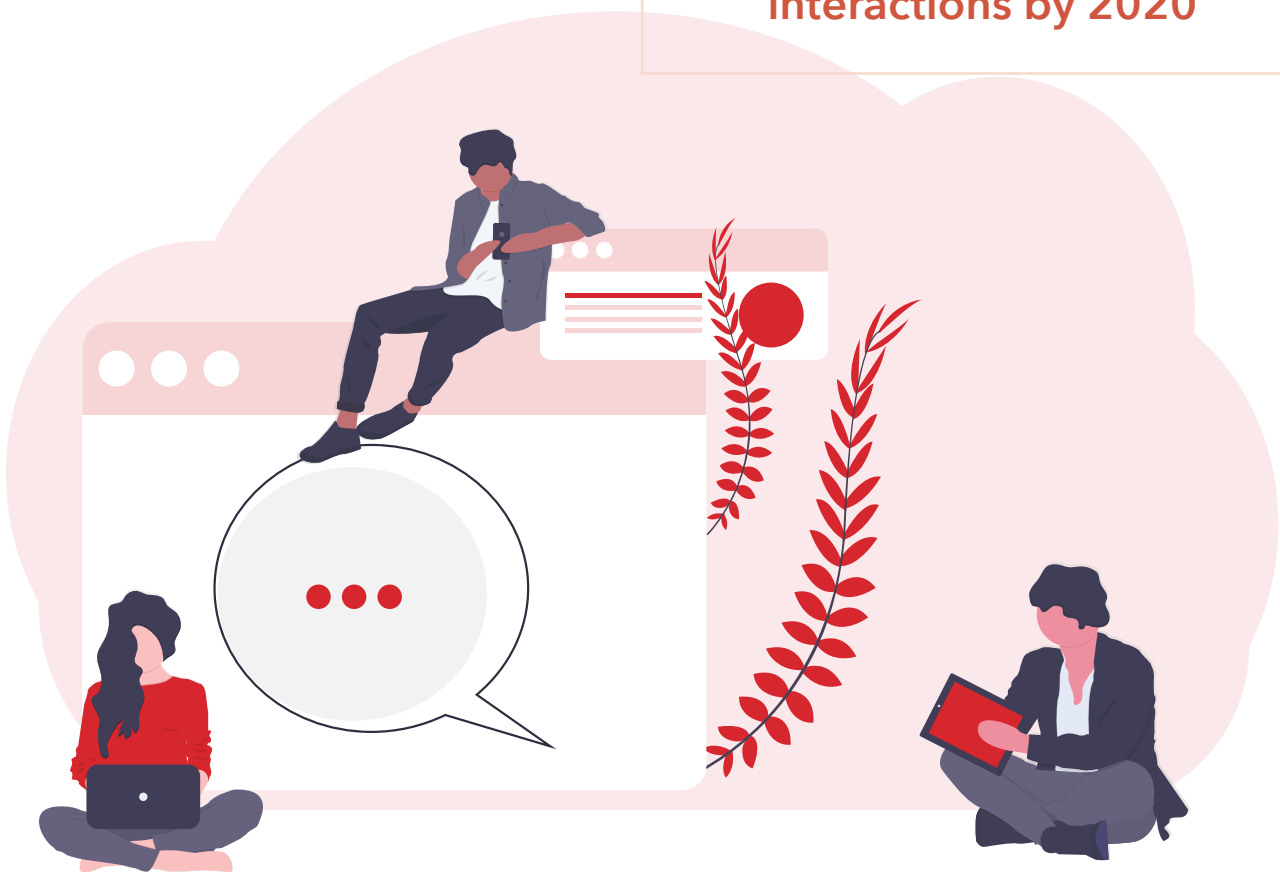
It is projected that chatbots will power 85% of all customer service interactions by 2020<sup>7</sup>. The recent boom of interest and usage of chatbots and/or live chat functionality on websites, apps, and eCommerce stores across industries is undeniable. There is certainly great appeal in businesses and organisations enabling their consumers to communicate directly with them and seek quick, or often instantaneous, responses to their questions and queries.

The use of chatbots and live chat is aligned with the notion of conversational marketing that is becoming increasingly popular among online businesses. In other terms, it is a feedback-

oriented approach to marketing that involves **providing a personalised experience** by communicating with customers at an individual level.

However, when it comes to actually generating sales and revenue, it appears that the presence of chatbots and/or live chat does not impact whether an individual actually decides to make a purchase.

**Chatbots will power 85% of all customer service interactions by 2020**



# What Did We Find?

When asked to compare between several website factors which affect their purchasing decision (such as live chat, collect in store or at a pick up point, free returns etc), only **8% of older consumers considered having a chatbot to answer their product related questions to be a top consideration**. Interestingly, **13% of older consumers indicated that being able to live chat with a customer service representative is a top consideration**. This suggests that, overall, online chat doesn't influence purchasing decisions and older Australians may have a preference for interacting with what they perceive to be a human over artificial intelligence.

In contrast, 30% of older Australian consumers felt that the option to **pick-up their order in store or from a specified pick-up point** is a top consideration for them. In addition, 52% of these older consumers ranked **free returns** to be a top consideration, 55% ranked being able to **receive a purchase refund** to be a top consideration, and 23% felt that being able to **self-cancel an order** before dispatch was a top consideration.

**55% of older consumers ranked being able to receive a purchase refund to be a top consideration**

In comparing the above figures with the responses of younger consumers to the same questions, there were no meaningful differences to be found. This means that younger and older consumers are likely to prioritise the same considerations when shopping online.

## Factors most likely to influence a purchase decision

Percentage of older consumers that would be influenced by the following factors:

55%



Refunds available

52%



Free returns

30%



Collect in-store or at pick-up point

23%



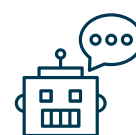
Self-cancellation of order before it has been sent

13%



Live chat with customer representative

8%



Chatbot to answer product questions

# What Does This Mean for You?

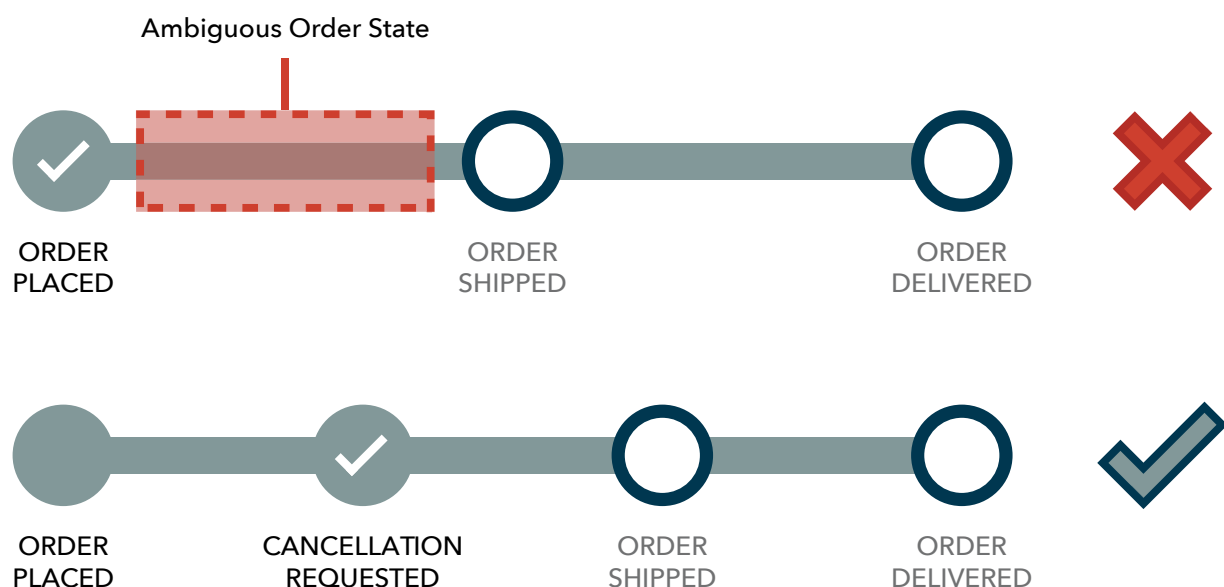
Given the low priority that both younger and older consumers have indicated chatbots and live chat to be, it would be advisable for businesses to **investigate the return on investment** that their chatbot and/or live chat function currently provides. Although these functionalities are heavily used at the moment in the online space, they do not appear to be a one size fits all solution.

Above and beyond engaging with chatbots or live chat, consumers seem to prioritise and appreciate knowing that there is flexibility or choice in how they can shop online. Consumers want to know that they aren't locked-in to purchasing a product or service and can always change their mind if they need to, without too many ramifications such as paying for return shipping.

Consumers also want the convenience of being able to pick-up their order in a manner that suits them. This is not surprising given that a core factor in the appeal of eCommerce is that individuals can shop at their leisure.

Businesses are advised to match consumers' desire for flexibility in their online shopping experience, where possible. For example, this can be supported on the shopping cart confirmation page which displays everything that the customer has just purchased. By providing customers some prompts here such as "notice a problem?" or "forgot an item? - edit your order", this allows customers to edit their order and feel comfortable that they have control over their purchase. (A good reference point for this is supermarket websites, which are generally good at allowing customers to edit an order until midnight before the day of delivery.)

*Example checkout process with cancellation option*



# RESEARCH INSIGHT 6:

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Older consumers prefer online  
information



# Why Is This Important?

Given the nature of eCommerce where there are no store staff to wave down to answer product questions, it is an important condition that consumers are still able to fulfill their information needs when interacting with a brand online.

The assumptions that businesses hold about how and where their customers want to receive information directly impact how effective their communication and marketing strategies will be.

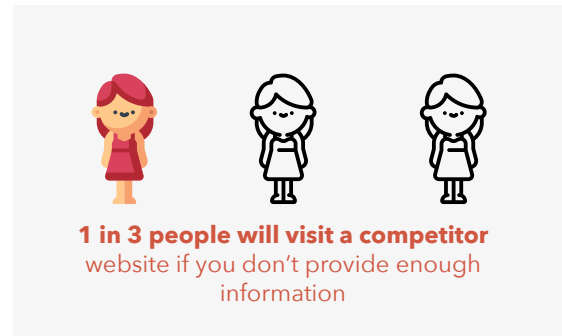
It is a common belief that older consumers prefer face-to-face communication and more traditional manners of obtaining information such as calling or visiting a store. However, businesses would be mistaken to assume that older consumers are not equally capable of fulfilling their information needs online, and expect to be able to do so.

**Businesses would be mistaken to assume that older consumers are not equally capable of fulfilling their information needs online**



# What Did We Find?

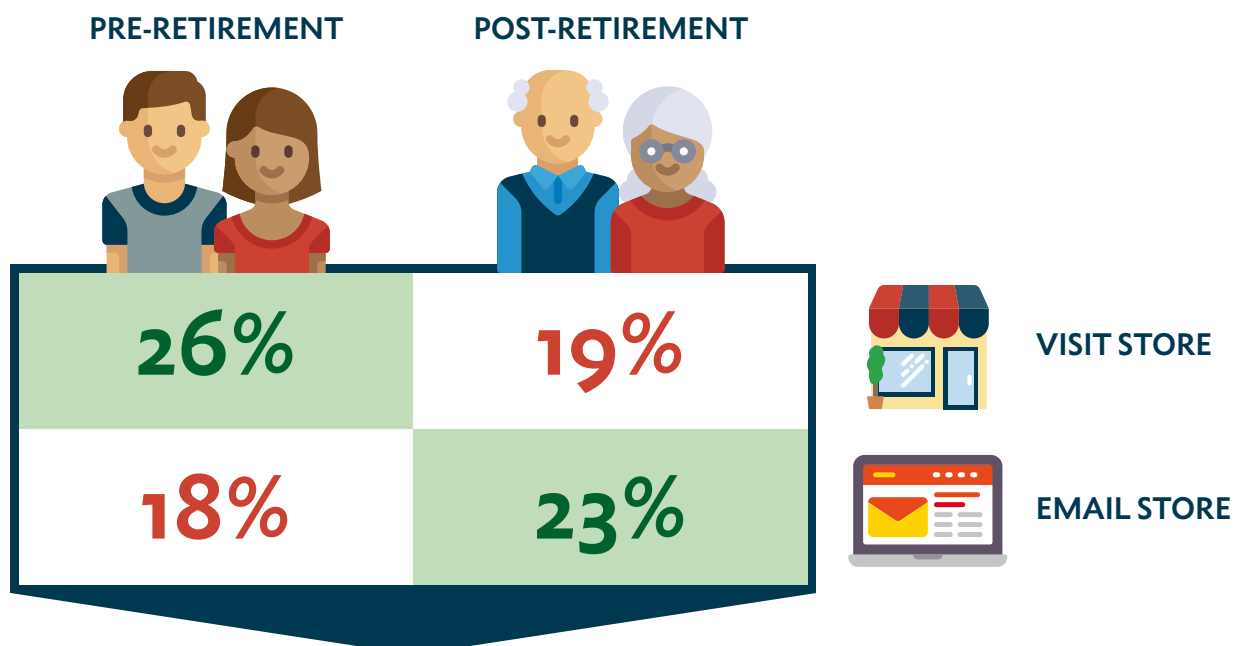
Regardless of age, **1 in 3 consumers will visit another (e.g. competitor's) website if they want more information about a product or service.** This consistently found to be the most preferred method of finding information for both younger and older Australians.



In addition, it was found that overall pre-retirement (55-64) consumers had the same preferences as younger consumers (18-54) when it comes to looking for more information about a product. Aside from those that would visit another website, **26% of pre-retirement consumers would visit the store in person, 18% would email the store, 16% would call the store, and 5% would leave the purchase for later.**

There was no difference found between these figures and those for younger consumers (18-54) answering the same question.

However, post-retirement consumers (65+) demonstrated a different order of preferences. Other than those that would visit another website, **23% would email the store, 23% would call, 19% would visit the store in person, and 7% would leave it for later.**



**Over 93% of consumers will actively find the information they need to make a purchase. Don't make it hard - give consumers the information they seek!**



# What Does This Mean for You?

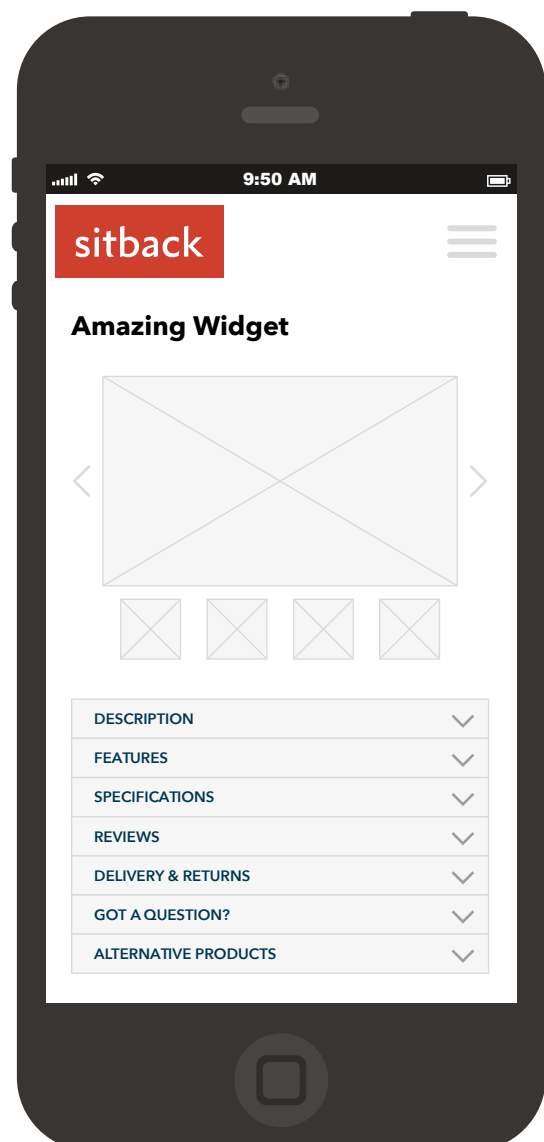
Older consumers are just as likely as younger consumers to visit another website when they cannot find enough information about a product or service of interest. This behaviour suggests that **older consumers are comfortable using the internet as a source of information** just as much as their younger counterparts. Therefore it should be a high priority for eCommerce websites to ensure that **relevant product information is made clear and accessible** online. Being a reliable and consistent source of product information serves to not only **keep existing customers engaged**, but also meet the information needs of new visitors that were unable to have their questions answered by a competitor website.

In addition, post-retirement individuals (65+) may be more inclined to call or email before visiting a store in person due to several lifestyle factors. Most consumers older than 65 have reached retirement and may no longer be travelling regularly for work engagements. Therefore these individuals are likely to be more accustomed to having their daily schedule centre around their local community area, rather than venturing out to the city or other locations. **These consumers are also more likely to have mobility issues** that make it less convenient to travel.

These are important factors for businesses to consider moving forward, as the proportion of older Australians is only anticipated to increase with the ageing population, meaning that more and more consumers will fall into this post-retirement category. Businesses would be

advised to ensure that in addition to providing key product information online, customers are given the opportunity to call or email as required, rather than hiding escalation points behind complicated help processes, or simply not displaying other contact information at all.

*Product information being made clear and accessible*



# RESEARCH INSIGHT 7:

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Older consumers are less  
trusting of the digital world



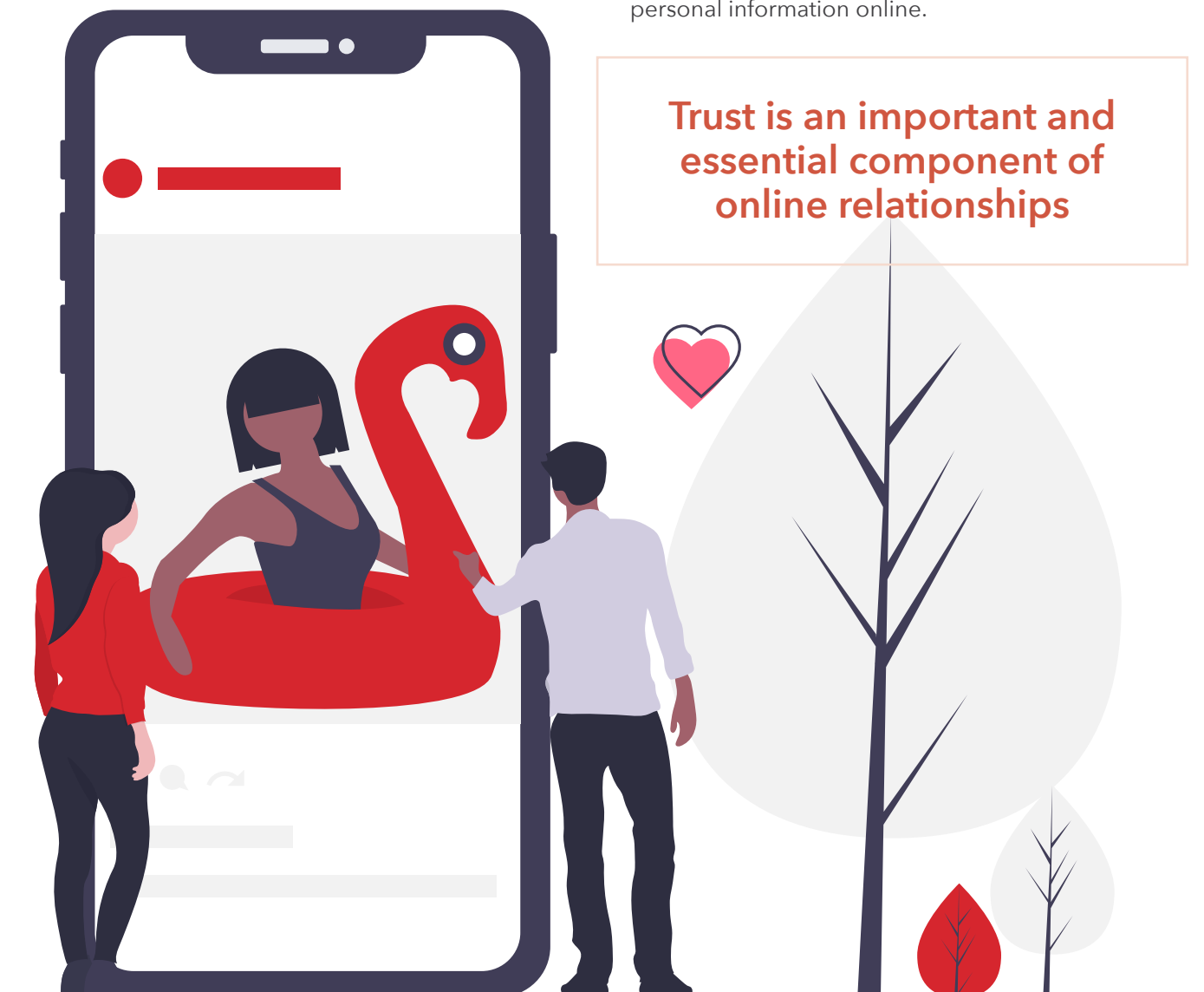
# Why Is This Important?

Trust is an important and essential component of online relationships and interactions which often contain some level of uncertainty or anonymity. However, younger individuals that have grown up with the world of technology are no strangers to sharing their lives online, such as on social media platforms like Facebook, Instagram and Snapchat.

In contrast, older individuals are experiencing a substantial shift in the transparency of communication when migrating their interactions with people and businesses to the online space.

Given that the world of eCommerce often necessitates the exchange of sensitive information like credit card details and the customer's personal information, businesses stand to benefit from understanding how customers perceive the sharing and use of their personal information online.

**Trust is an important and essential component of online relationships**



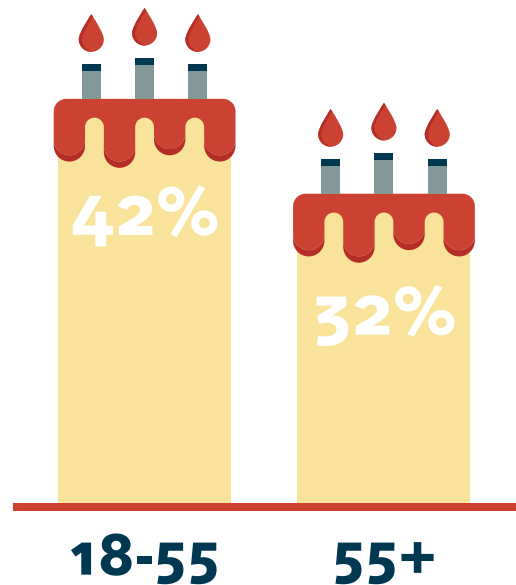
# What Did We Find?

In terms of sharing personal information, **48% of older consumers (55+) are willing to provide their credit card details** (i.e. account name, card number, and expiry date etc.) online to an eCommerce website, which is comparable to how younger consumers responded as well. However, **only 32% of older consumers are willing to provide eCommerce websites with their sensitive personal information** (i.e. address, date of birth, etc.). In contrast, younger consumers are 10% more willing to share this information.

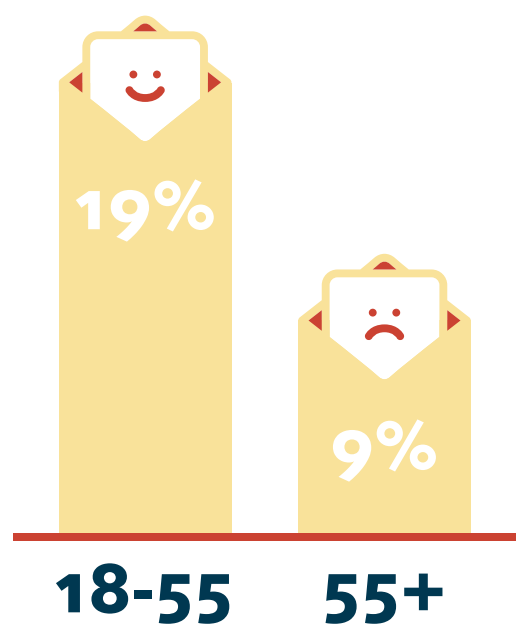
In addition, comparable to how younger consumers responded, **46% of older consumers are happy for eCommerce stores to contact them** using the information that they have provided, e.g., regarding an existing order or enquiry. However, **only 9% of older consumers were willing for eCommerce stores to use their personal information for marketing purposes**. In contrast, younger consumers were 10% more willing for their personal information to be used for marketing purposes.

These findings are aligned with those of WPEngine in 2017, who found that security is a main concern for both younger and older consumers when it comes to ensuring that digital devices and experiences are safe. In particular, two of the top three least liked aspects of the internet are security related; including the risk of identity theft, fraud, and having a digital device being hacked.

Willingness to provide sensitive personal information



Willingness to have personal information used for marketing purposes



# What Does This Mean for You?

Older consumers are willing to have a transactional relationship with online brands to purchase goods and services online, but are otherwise less trusting of the digital world than their younger counterparts.

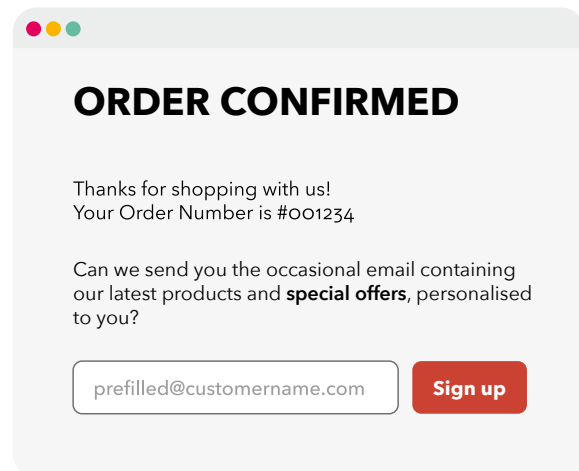
While older consumers are willing to provide transactional information such as credit card details when shopping online, they are not as comfortable sharing their own personal information like date of birth and address. In fact, older consumers are likely to experience some level of skepticism about how their sensitive personal information will be used and who will have access to it. This means that businesses should be strategic and intentional about the amount of information that is requested at each step of the relationship with a customer, and only ask for the minimum amount of personal information that is needed to complete an order.

In addition, checkout pages can include information icons that provide customers with transparent information around why each item of personal information is being requested and how it will be used or kept confidential.

Also, while older consumers are generally happy to be contacted by online brands, they are not willing for their personal details to be used for marketing purposes. As such, customers should always have the option to opt out of marketing communications, with this being made very clear at the outset. In this manner, customers who do not want marketing material are less likely to be deterred from creating an account or completing a purchase with the online retailer altogether.

Businesses looking to grow their subscriber-base should ensure that they make the value exchange clear when asking for new registrations. Increased transparency, coupled with a strong incentive, will result in more qualified form conversions and higher engagement.

*Allow customers to complete a purchase before asking to email them*



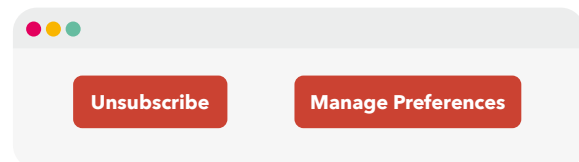
**ORDER CONFIRMED**

Thanks for shopping with us!  
Your Order Number is #001234

Can we send you the occasional email containing our latest products and **special offers**, personalised to you?

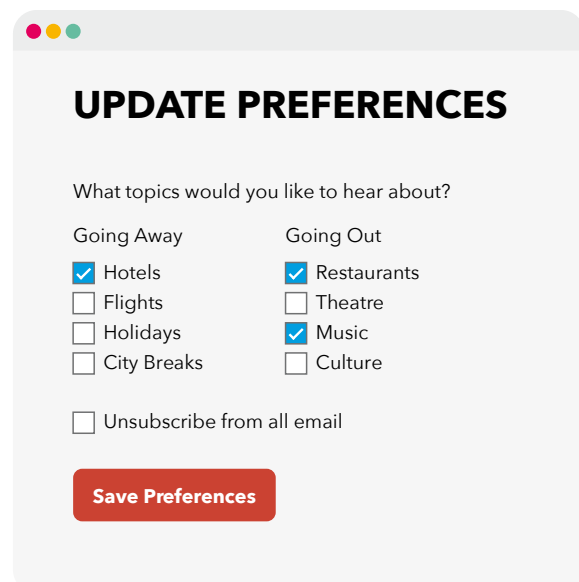
[Sign up](#)

*Allow customers to easily opt out of marketing emails*



[Unsubscribe](#) [Manage Preferences](#)

*Allow customers to personalise their communication preferences*



**UPDATE PREFERENCES**

What topics would you like to hear about?

Going Away	Going Out
<input checked="" type="checkbox"/> Hotels	<input checked="" type="checkbox"/> Restaurants
<input type="checkbox"/> Flights	<input type="checkbox"/> Theatre
<input type="checkbox"/> Holidays	<input checked="" type="checkbox"/> Music
<input type="checkbox"/> City Breaks	<input type="checkbox"/> Culture

☐ Unsubscribe from all email

[Save Preferences](#)

# RESEARCH INSIGHT 8:

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Older consumers trust websites more if they have comprehensive and accurate information, secure technology, clear sales support & uncomplicated privacy policies

# Why Is This Important?

Considering the recent scandals with social media platforms and financial institutions that have been in the media, customer trust is more important than ever as a brand differentiator that could make or break a business. Particularly in the online retail space where customers are spoilt for choice in terms of where to spend their money, what was often once a choice between two brands can now be a choice between dozens.

This environment means customers can be very stringent about who they want to do business with before making a purchasing decision. That being said, all businesses would be well served by building customer trust in their brand, as well as in their products or services.

When it comes to older consumers in particular, there is ongoing debate as to whether these individuals are likely to be more or less trusting of interacting with businesses online.

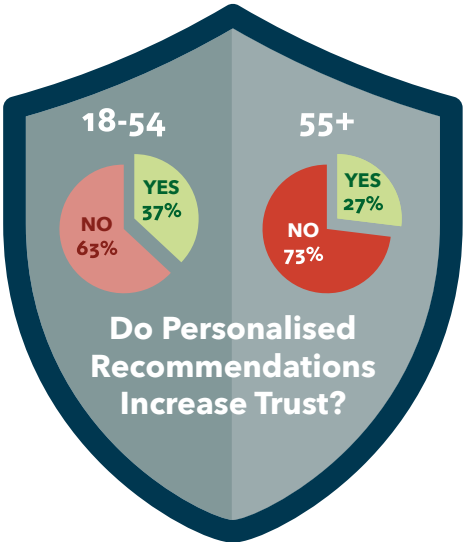


# What Did We Find?

Businesses can provide different types of information or website features to improve the perceived trustworthiness of their website. Our research data revealed that the information items or features most instrumental in increasing website trustworthiness for older and younger Australians were the same.

Specifically, 83% of older consumers felt that **comprehensive and accurate product and pricing information would increase trustworthiness** of an eCommerce website. 83% also indicated that **reliable and secure technology would increase trustworthiness**, while 78% suggested that **clear privacy and security policy** would, and 78% felt that **clear pre and post-sales service was important for trust**. Meanwhile, a lower proportion of older consumers (43%) considered **disclosure of the company's performance history** to increase trust. These above figures were all comparable with those of younger consumers answering the same questions.

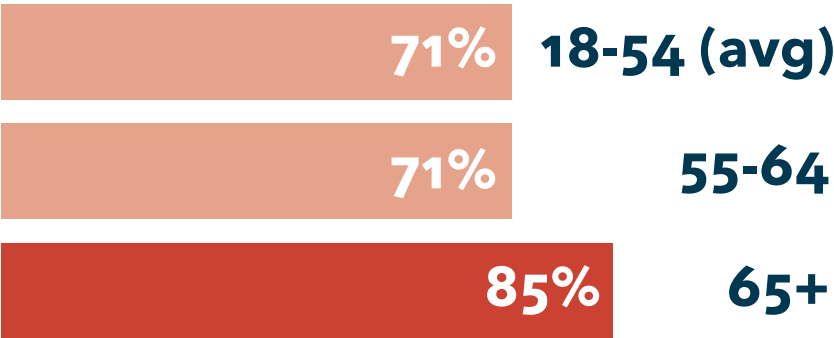
However, only 27% of older consumers stated that **personalised product recommendations based on their profile** would increase the trustworthiness of a website, and only 22% of



older consumers considered the **presence of links to and from affiliated websites** to improve trust. Meanwhile younger consumers were 10% more likely to consider both of these features as trust indicators.

Of additional interest is that post-retirement (65+) individuals were more likely than any other age group (85%) to feel that **having information about the identity of a company would increase the trustworthiness of their eCommerce website**. In fact, this age group is over 10% more likely to attribute trustworthiness using this information than any other age group.

Including company information increases trustworthiness of an eCommerce website





# What Does This Mean for You?

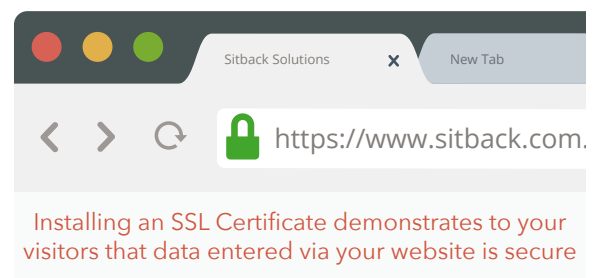
For both older and younger consumers, their trust in eCommerce websites is primarily focused around the **transparency and availability of information** (both in relation to products, and pre and post-sales service), as well as factors relating to **site security**. Meanwhile factors such as personalised recommendations and affiliate links have less importance for older consumers. This means that it will be beneficial for businesses to focus on communicating both comprehensive information about products and pre/after sales support across their website, as well as information on site security. Businesses are recommended to review what kinds of information and features are currently being highlighted on their website and whether this aligns with what consumers are looking for when assessing the trustworthiness of a site.

Reassuring customers about site security can be achieved through the use of clear and obvious indicators of a site's reliable and secure technology, such as; **clearly displayed security logos** or other recognisable visual indicators of security (i.e. padlock sign); providing a **clear privacy and security policy** available for people to reference in an accessible area of the website (i.e. footer or in About us); and ensuring that your domain used a **valid SSL Certificate**.

Also, post-retirement consumers aged over 65 particularly **value having information about the identity of a company** more than any other age group as they are the most likely age group to stumble upon new brands and companies unbeknownst to them. It is recommended that businesses interested in

engaging with this older demographic make such information accessible to older users, with keen consideration of their potential accessibility challenges. For example, older individuals are more likely to have poor vision so information needs to be in large legible text with high contrast.

**Post-retirement consumers value having information about the identity of a company more than any other age group**



*Use icons and badges as visual indicators of security*



# RESEARCH SUMMARY:

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Older Australian consumers  
want great digital experiences



Older Australian consumers are a large, increasingly tech-savvy group that are adapting to the digital age. While older consumers are digital immigrants, their basic needs and expectations of eCommerce are similar to those of younger consumers who have grown up with the internet at their fingertips. Older consumers want to be informed, supported, and allowed autonomy in their online experience – and if these needs are not met, they are just as confident as younger consumers to shop with a competitor instead.

Different to younger consumers, however, older consumers are not influenced by customer reviews, word of mouth, or celebrity endorsements. They are also less trusting of the digital world when it comes to providing sensitive personal information, and only want a transactional relationship with eCommerce stores. These distinct differences mean that eCommerce businesses will require a tailored approach to capture and retain their interest.

Furthermore, older consumers are more likely to be impacted by physical limitations, like poor eyesight or lack of fine motor control. Special attention should be paid to ensuring digital products are both accessible and usable by this growing audience of consumers. This will mean a great experience for customers, regardless of age and ability, while also resulting in greater revenue and higher levels of customer satisfaction for businesses.

The results of this research show that overarchingly, older consumers want just as much from their digital experiences as younger generations, and are worthy of consideration for any business with an eCommerce presence.

We hope that this research, along with the recommendations provided throughout, will enable businesses and organisations to achieve new levels of success by designing better services, products and interactions for older consumers - which one day we *all* will be.

# METHODOLOGY

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Sitback Solutions constructed a customised survey consisting of 15 questions that was administered to 1000 respondents across Australia. The final respondents were aged between 18-90+ and nationally representative of age and gender.

For the purposes of this research, older respondents were defined being Australians of the baby boomer generation or above, as this aligned with existing industry research and census data segmentation. Therefore 'older consumers' in this paper has been used to refer to individuals 55+, while 'younger consumers' are defined as those between 18 and 54.

The research presents interesting findings that are worth consideration for businesses with an eCommerce presence. That being said, it is pertinent to note that this research has been conducted with respondents who opted to complete the survey online and therefore may have more experience with digital platforms than the general population. Our findings also leaves some questions to be asked in future research, such as whether these findings may be applied differently across different industries.

# APPENDIX

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Appendices containing full research data are available upon request. For more information, please get in touch via [sitback.com.au/contact-us/](https://sitback.com.au/contact-us/)



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Sitback would like to thank the team at [undraw.co](https://undraw.co) for their fantastic illustrations.





# About Sitback

WE BELIEVE EVERYONE DESERVES

# EXCEPTIONAL EXPERIENCES

We help organisations produce more compelling products and services for their current and prospective customers, resulting in exceptional experiences for everyone.

- ▶ **Psychology-based UX**
- ▶ **Web Development**
- ▶ **24/7 Support & Optimisation**
- ▶ **Corporate Training**
- ▶ **Industry Research**

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