

Our detailed guide on Ecommerce Websites in 2025

In this document you will see a snapshot of the current trends and issues that ecommerce businesses are facing in 2025.

This is a comprehensive analysis of the current state of play with ecommerce in Australia.

We offer some great advice and tips on how you can tackle these issues and improve your ecommerce offering.

We love feedback so please contact us if you have any questions or comments.

E-Commerce

While most retail sectors have taken a hit in recent months online ecommerce purchases continue to grow in Australia. People are purchasing more online rather than going into a store and the number of Google searches has multiplied and people have started using e-commerce to buy products they previously would have bought in physical retail stores.

63% of Australians are online shoppers which is over 17 million people with sales in 2024 sales being \$56 billion

There is no surprise that with the increased cost of living is that consumers are searching for good value with their purchases, with an increase in the number of shoppers prioritising lower prices and discounts and 62% switching products and brands to find cheaper alternatives.

23% of users bought groceries in an online store

20% of customers consulted a price comparison website before making a purchase

13% used a buy now pay later service for their online transactions;

Recommendation

Ecommerce continues to grow and businesses that have a great ecommerce offering are doing well. Look for ways to improve your website and customer service levels.

Artificial intelligence

eCommerce is also starting to embrace AI technology.

AI will sift through historical sales data, analyse real-time KPIs, consumer impressions, and market trends, and incorporate weather conditions, local events, traffic, and other factors that may impact demand and logistics.

As of 2025, 19% of retailers believe AI can be a big growth driver for the year. This puts early movers for AI at a possible advantage, allowing them to get ahead and figure it out ahead of time to incorporate AI into the eCommerce landscape. Most of these will be the larger retailers who can invest in these new systems. Smaller retailers should wait to see which AI systems are proven to be effective.

Chatbots are commonly being used for first level support and are a great way to answer many common questions that customers have. Chatbots can present various issues, including providing inaccurate information and lacking empathy – make sure your Chatbot gives customers a good experience.

AI is already offering features to generate product using customer intelligence and combine these with market insights to combine with your products and images to generate content. This is only going to improve and may save a lot of time in generating products and marketing campaigns

Recommendation

Just remember that you need to always review AI generated information - consumers will spot errors and this will have a negative impact on your brand and reputation.

It is early days in the use of AI with ecommerce – you can probably wait to see which solutions offer the best customer experience and bang for buck for your business.

Leading eCommerce Payment Methods

Secure online and hassle-free payment solutions streamline user purchases and positively impact your brand's eCommerce capabilities. Over the past year, 31% of Aussies pay using e-wallets, while 41% pay using debit and credit cards. Only 10% prefer bank transfers, while 1% of customers choose cash-based payments.

80% of consumers have used PayPal as a primary digital payment service, followed by BPAY at 48%, Apple Pay at 39%, AfterPay at 38%, and Google Pay at 27%.

Recommendation

Check your payment options and align them with your customer needs.

Keep a watch on new payment technologies as you may need to move quickly to offer it on your website.

I highly recommend that you also remove credit/debit card surcharges from the checkout process - this can be an annoyance for customers as you are adding an extra charge at the very step. The Australian government has started investigating the use of surcharges and its very likely that they will be banned in the coming years.

Cyber & Data Security

When it comes to eCommerce, one of the biggest challenges is cyber security. Any security breach can cause severe damage to your daily operations as well as brand image. All organisations face attack from hackers and many have failed - high profile failures have been experienced by Optus and Medibank in recent years - as these are large organisations then legal action has been taken with demands for compensation. The cost to these organisations has been significant. Larger organisations are at more risk as they have a large number of computer systems and integrations which allows hackers more opportunities to attack. In our experience small to medium businesses with ecommerce websites have a simpler setup and so have less risk. But you need to make sure that your website is secure as well as your website hosting, email, accounting software and any other PC based or Cloud based systems.

Recommendation

Organise a cyber security audit for your website. Also make sure that you have the latest version of software if you are using an open source application.

Keep your software up to date as new releases come with upgraded security.

Be vigilant and always back up your data. You can install additional security plugins onto your website to prevent it from getting hacked. There are several plugins out there, pick one that works best for your eCommerce website.

Subscribe to services that will notify you of cyber security incidents so that you are kept up to date.

Attracting the Right Customer

Shoppers have a myriad of options to choose from when they are looking to make a purchase. If they are looking to buy a handbag, many customers will do some thorough research before finalizing on one. If shoppers have several options, how do you make sure they pick you? How do you go about finding that perfect customer that wants your product, at your rate and to the places you can ship?

Recommendation

Partner with companies that help you target your customers. Digital marketing is preferred over traditional marketing because they can target your ideal customer. While this might not happen overnight, with A/B testing, finetuning and analysis – your products could be showing up to potential customers on different social media platforms.

Effective sales drivers

Free Delivery services remain the primary driver for eCommerce purchases among 66% of consumers - this means that they are more likely to purchase from an online store if they are offered free

shipping. Adding extra cost when a consumer wants to make a purchase is a major factor in cart abandonment.

Other effective sales drivers include:

Discount and cashback coupons: 40%

Hassle-free return service policy: 39%

Loyalty rewards and points: 33%

Simple online checkout: 33%

Positive customer reviews: 31%

Recommendation

Can you offer free delivery to some of your customer groups or free pickup from your business.

Check your returns policy.

Setup an effective discount and sales policy.

Can you offer loyalty rewards?

Review your positive customer reviews to see what you are doing well and the negative ones to see if you have areas where you can improve.

Customer Experience

Customer experience or user experience is key to a successful eCommerce website. Shoppers expect a similar if not same experience as one they would get in a brick and mortar store. The flow of the website, the segmentation of the website and the retail personalization of products based on the shopper's preferences are imperative. When I look to buy something online I like to compare a few websites - if there are any barriers to me using a website and looking for exactly what I am after I will quickly move on to the next website

Do I need to be Number One on Google for keywords? No you don't as positions 2 to 4 receive a lot of clicks as well – aim to be in the top 1 to 4 positions for your products.

A recent Google study has found that 53% of mobile visitors will abandon a webpage if it takes longer than three seconds to load. Your website needs to load quickly.

Website visitors typically skim content, focusing on highlighted keywords, headings, and short paragraphs. They often spend less than a minute on a page, with many visitors leaving within the first 15 seconds. This "skimming" behaviour is because people are in a hurry to find specific information and may skip irrelevant content. The message is clear – your website layout and pages need to provide easy access to keywords, headings, and short paragraphs for the products that your visitors are looking for.

Cart abandonment rates are very high for most online stores – what are the main reasons for this?

1. Unexpected costs
2. Complex checkout processes
3. Security concerns.
4. Trust issues
5. Slow delivery times
6. The need to create an account
7. Limited payment options
8. Poor website performance
9. Returns Policy

Recommendation

There are several ways to improve the user experience. The most important would be to have a clean and simple website so that shoppers can navigate through easily. The next point would be to have clear CTAs (call to action) so that the shopper knows exactly what to do. Here is a post that shows you 10 ways to improve user experience.

Do you know what your target customers want and why they like buying from you? Do not think that you know what this is (most people base this on their own impressions which are often wrong eg loyalty programs only work when you can get your loyal customers to buy from you on a consistent basis

Trends come and go very quickly - make sure you are keeping up with trends if your products are influenced by trends - one of my clients sells custom tshirts and a famous band liked one of their products in a online post - they quickly leveraged this on their social media and they got a great boost to traffic and sales. This event gave them a short term boost - their challenge was to turn these new customers into repeat customers.

Customer Loyalty

Here are two facts that show the importance of customer loyalty:(a) It can cost up to 5 times more to acquire a new customer than retaining an existing one and (b) the success rate of selling to a current customer is 60-70% compared to only 5-20% success rate of selling to a new customer.

The above two facts are testament to how important customer retention or loyalty is. Once a customer makes a purchase or utilizes a service from a retailer, they have to make sure that they keep this customer for life. But how is this possible?

Recommendation

Here are some key factors that can be used to retain customers.

The first would be to have excellent customer service – a customer is happy to have purchased a great product, but they are ecstatic when the customer service is on point.

The next step is to keep in touch with the customer via a method that they like – be it an email, SMS or blog posts – be sure to find out what works best for your customer. Let them know about new products, sales promotions and special coupon codes for being such loyal customers. Also get to know the information that your customers are wanting and tailor your communications.

Loyalty schemes work well and encourage repeat customers.

Converting Shoppers into Paying Customers

One of the biggest ecommerce challenges is to convert visitors into paying customers. An eCommerce website might have a lot of traffic, a lot of clicks and impressions but they aren't making the sales they anticipated. What can they do to get more sales?

Solution:

The first and foremost would be to understand why your shoppers aren't converting – are you targeting the right audience? Is your mobile website working seamlessly? Do your online platforms face technical challenges all the time? Does your customer base trust you? Do you personalize your website for your customers? Always think from a shopper's perspective and see if you are doing everything possible to make them paying customers. Many of my clients make the mistake of looking at purchasing from their perspective and not the customers. Be customer first focused and always challenge your own assumptions about what your customers need.

Did you know that repeat customers spend 300% more than new customers? So how can you

Have you heard of a Jam Experiment? Well it has quite a controversial conclusion, which is – the less you offer customers the more likely they are to actually purchase something. A lot of people these days are fatigued by all the options that are out there. A simple search (personalized search) for something like headphones will give you thousands of options – how does one make a choice? Why will a customer choose you?

Recommendation

Offer experiences that will keep customers coming back to your business.

Competition & Competitor Analysis

From a retailer's standpoint, how do they stand out from the crowd. Here are some questions to ask. From this you can discover ways to improve your website.

How do they bring shoppers to their website?

Who are the customer groups that they are targeting?

Why do you like a particular website over the other choices when you are looking for a product?

Is their marketing or social media gaining attention and traffic?

Who is in the top positions on Google when you search for a product?

Who offers a superior customer experience?

How are they targeting customer groups?

Recommendation

Always do a thorough analysis of your competitors. Find out what products they are selling, how they are generating leads and how they keep in touch with their customers. The next step would be to make sure you stand out – be it the colours you use, the functionality of your website or amazing user experience. And finally, offer services or products that are relevant to your target customer groups.

Price & Shipping

We have all heard of customers that prefer to purchase products from places that have free shipping. eCommerce giants like Amazon provide such attractive shipping deals that customers seldom want to look at other places. How does one bring down costs for shipping?

Recommendation

While all eCommerce sites cannot completely get rid of shipping costs, always look to find options that work for your customer base. Would a subscription reduce the cost of shipping? Would a certain time of the month give them lower shipping costs? Or is there a carrier that is reliable but offers a cheaper rate? Be sure to do your research and find the best possible solution for your shoppers. Expert tip - setup free shipping zones for your most common shipping locations and just add a amount into your product cost to absorb this - on checkout you will reduce cart abandonment and improve your sales rates.

Product Return & Refund Policies

More than 60% of online shoppers say that they look at a retailer's return policy before making a purchase. When an eCommerce site says "no returns or refunds" it makes a shopper nervous and less likely to trust the retailer. This is major mistake for most retailers. When shopping online, customers want the flexibility of making a mistake that doesn't cost them.

Recommendation

Customer satisfaction is the most important factor for any retailer. Therefore having a flexible return and refund policy not only helps with customer satisfaction with it also helps with customers making purchases without being nervous.

Choosing the Right Technology/Partners to Fix Your eCommerce Challenges

Choosing the right technology or partner will make or break your ecommerce business. Your business might be impacted because their technology is limiting them or because they have hired the wrong agency to help them manage their projects.

Technical difficulties are not just a huge annoyance. The slightest technical problem with your site can see you lose scores of potential long-term customers before they have even given your business a fair chance.

This is why e-commerce entrepreneurs should carefully select and sample their service providers. Hosting service and support has to be first class. Disruptions to your website can be costly in lost sales and to your reputation.

Recommendation

There are a lot of aspects that need to be in place for a successful retail business, but a good technology foundation is crucial. Check that your technology is helping you to achieve your business goals.

Nothing has propelled eCommerce since Covid and working from home. While there have been a lot of exciting and positive changes, there are still online businesses that struggle with the challenges that eCommerce brings. The above mentioned solutions are fixes that can help any eCommerce business move closer to their ideal customers and targeted sales.

Customer Support

With the scale of eCommerce increasing rapidly and with the rising number of users facing everyday issues with eCommerce services, Customer support has been augmented with chatbots which enable faster processing and response to tickets. However, many customers find themselves feeling uncomfortable or dissatisfied with automated responses from chatbots.

Recommendation

eCommerce companies should utilize a combination of technology and human assistance to deal with customer support by tagging specific issues that require human assistance and distinguishing the queries that can be handled by a chatbot.

Marketing Budgets

With digital marketing becoming the norm for eCommerce businesses, you need to carefully determine your advertising budget as well as who you partner with. With the demand for clicks and virtual advertising space increasing, so does the price. This can become very expensive for small and medium-sized retailers and in fact, this is one of the biggest eCommerce challenges that you will face.

Recommendation

Carefully check your social media engagement – is it relevant and effective?

Paid vs free – paid advertising and social media is the front line of your marketing efforts. You can also get a traffic and exposure using free social media posts.

Create specific customer profiles that will help your business with targeting your social media and digital ads so that you significantly improve your return on investment on your spends.

Data Privacy

Customers today are aware of the importance of their data and the need for data privacy. Device manufacturers like Apple are going the extra mile to ensure that their users' data are kept safe from third-parties. However, user data can also enable platforms to provide them a better user-experience.

Recommendation

Collect Zero-party data, where your customers will intentionally and voluntarily share their data with your brand as opposed to collecting third-party data, which is what customers these days are extremely cautious about.

Store Agility

How rapidly can you roll out new features, post and market fresh content? Due to the rapid evolution of ecommerce, it is crucial that you implement an agile company model. Staying relevant and up-to-date with trends is crucial for eCommerce businesses to survive and thrive and provide their customers the best possible user-experience.

link between physical store and online presence

Recommendation

This is more of a process than a solution – ensure that your team is adaptable and has processes set to deal with changes, both internal and external to enable quick decision-making.

Customer Expectations

Modern consumers these days are increasingly informed and aware with the advent of new technology and exposure to multiple brands and services. The modern consumer has high expectations for the kind of products and services they pay for and are constantly on the lookout for better experiences.

If you wish to solve this problem for your e-commerce business, a thorough awareness of contemporary web design trends is required. A thorough examination of current trends will enable you to recognise the adjustments that your company needs to make and assist in making them.

This might come across as surprising – but the design and placement of important elements such as the navigation bar, tabs etc., on your website can significantly impact your conversions and sales because your user-interface contributes to the customer’s experience on your site. Users tend to be wary of sites that they cannot easily navigate through. Drop out rates are high if you do not match customer expectations.

Recommendation

Constantly improve on your User Interface design, utilize A/B tests to understand what designs your customers respond well to and remove any unnecessary hindrances that hamper your users from fully engaging with your site.

Sustainability

Retailers are now being incentivized to market their goods and delivery services as having a low environmental impact due to the increased global attention on sustainability due to consumer demand. Nearly 60% of consumers are ready to alter their purchase patterns in order to lessen their impact on the environment. How will you handle this?

Being sustainable is about making positive changes in your business for the planet and people around you. It helps you stay resilient and meet the growing demand for products and services that do no harm.

Recommendation

Review the following checklist and see which areas you can make improvements:

1. Reduce greenhouse emissions
2. Manage energy & water usage and reduce waste and packaging
3. Choose your suppliers carefully and work with suppliers who have good sustainability practices

4. Support your Local community to sell locally and support local suppliers and marketing partners

Integrating your systems

Having a secure and solid IT support system from the very start helps to run the show smoothly.

Lack of Integration between your website and especially your logistics/shipping & postal/accounting/invoicing system

E-commerce operations for larger organisations deploy data management systems, spanning across multiple departments. If these systems are not properly integrated, it could be a disaster.

This includes the process in receiving orders, validating the customer details, followed by the physical side of arranging and packing the products and shipping out on time, returns and customer inquiries/issues.

Every team and process should be streamlined to work in complete sync.

Recommendation

If your systems are integrated then check that this process is working smoothly. Any issues or bottlenecks can lead to a poor customer experience and with frustration to your staff. These need to be resolved.