

Australia in the digital economy

Consumer engagement in e-commerce

NOVEMBER 2010



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Introduction

The 'digital economy' can be defined as the global network of economic and social activities that are enabled by digital technologies, services and content¹. Internet commerce, or e-commerce, is one of many aspects of the digital economy. The internet allows consumers to purchase goods and services in a borderless marketplace, whether based locally, interstate or overseas.

As an agency with regulatory responsibility for the communications sector, the Australian Communications and Media Authority (ACMA) has an ongoing role in monitoring and reporting on developments in this market. This report is part of a series of strategic research projects, outlined in *Research at the ACMA—Research Program Overview 2010–11*², contributing to the ACMA's understanding of the broader changes occurring in the communications and media environment and the way that Australians' use of, and participation in media and communications is evolving.

This is the first time the ACMA has explored the nature of Australian participation and engagement with e-commerce in any depth. E-commerce is one of a number of internet activities performed by Australians online and ACMA has published a series of reports that explore participation in other internet activities for example the use of VoIP, IPTV and internet video.³

The report provides an exploration of Australian household internet user experiences with e-commerce and provides commentary on consumer purchasing behaviour. It explores:

- > who is buying goods or services online
- > how often they are buying online
- > what they are buying online
- > the value of the goods or services purchased online
- > whether they are buying goods or services sourced in Australia or overseas.

An examination of risk perceptions and risk management is also explored with an emphasis on what security precautions consumers are now taking online.

The report looks to explore the drivers for increased incidence of e-commerce among those who are already engaging in e-commerce. However, the research demonstrates that there is still a significant proportion of Australian household internet users who do not currently engage in e-commerce, either due to a range of socio-demographic reasons such as age, employment, income and education or because they choose to remain disengaged.

This report presents the findings of a nationally representative telephone survey of 1,615 randomly selected household respondents in November 2009.

¹ The Department of Broadband, Communications and the Digital Economy, *Australia's Digital Economy: Future Directions*, 14 July 2009.

² www.acma.gov.au/WEB/STANDARD/pc=PC_311301.

³ Reports available at www.acma.gov.au/WEB/STANDARD/pc=PC_311301.

Definition of e-commerce

The Australian Bureau of Statistics (ABS) uses the Organisation for Economic Co-operation and Development's (OECD) narrow definition of e-commerce transactions when collecting data on internet orders and internet income. The narrow definition states that 'an internet transaction is the sale or purchase of goods or services, whether between businesses, households, individuals, governments, and other public or private organisations, conducted over the internet. The goods and services are ordered over the internet, but the payment and the ultimate delivery of the good or service may be conducted on or off-line', that is, the commitment to purchase is made over the internet.

For the purposes of this report, the ACMA has taken the OECD definition of e-commerce but broadened it to include banking transactions, sourcing and accessing government services, trading in shares and paying bills online. This broader definition includes the wider transactional nature of consumer e-commerce activities rather than solely purchasing activity.

Any comments on this report would be welcomed and can be sent to industry.analysis@acma.gov.au or to the address below:

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Summary

There is widespread participation by Australians in aspects of the digital economy, with the ACMA research revealing 88 per cent of household internet users have performed one or more e-commerce activity in the last six months. Banking transactions, purchasing goods or services and paying bills online were the most popular e-commerce activities undertaken by survey respondents.

The majority of Australians with a household internet connection are adept at engaging in a range of different e-commerce activities online, with nearly two-thirds (62 per cent) of respondents undertaking at least four different types of e-commerce activities in the last six months.

Two-thirds of household internet users (69 per cent) indicated they have purchased at least one good or service online in the last six months. The most popular goods and services purchased by Australian consumers were: travel goods and services (56 per cent); event, concert or movie tickets (43 per cent) and household goods including furniture, electrical appliances, computer equipment (37 per cent).

E-commerce activity is influenced by age, gender, household income, level of education and employment. In general, those consumers with higher levels of education, income and in some form of employment are more likely to engage in e-commerce. Key highlights are:

- > Broadly, the incidence of e-commerce activity is shown to decrease with increasing age, while the types of goods or services purchased online differ across age groups. Respondents aged 25 to 34 years had the highest incidence of purchasing online, with 82 per cent purchasing a good or service online. This figure decreases in a linear fashion to 38 per cent for people aged 65 years and above. Those aged 18 to 24 years cited the purchase of event, concert or movie tickets as the most popular purchase, while respondents in all other age groups reported travel goods and services as the most popular online purchase.
- > There was a general trend demonstrating e-commerce increases with increasing household income. For example, consumers with a high household income (more than \$150,000 per annum) had a higher incidence of purchasing online at 88 per cent, compared to those with a low household income (under \$25,000 per annum) at 48 per cent. Those with a high household income were more likely than those earning under \$25,000 to purchase travel goods and services online (74 per cent compared to 32 per cent).
- > Respondents with higher levels of education were more likely to engage in e-commerce than those with a lower level of education. As the level of education increased, so too did the proportion of respondents that indicated they had purchased a good or service online; with 83 per cent of respondents with a post graduate qualification purchasing online compared to only 50 per cent of respondents with some secondary school education.
- > Compared to retired and unemployed respondents, employed respondents (full-time, part-time or casual capacity) recorded higher incidences of online purchasing at 78 per cent, 73 per cent and 71 per cent respectively.
- > Males were more likely than females to have made purchases online (74 per cent compared to 65 per cent). The types of goods and services bought also differed, with males more likely than females to purchase household goods including furniture, electrical appliances or computer equipment (44 per cent compared to 30 per cent). Females were more likely than males to purchase health and beauty products (25 per cent compared to 12 per cent).

In terms of take-up and frequency of activities, respondents living in metropolitan and non-metropolitan areas recorded little difference in participation with e-commerce. However, there was some difference recorded in the types of goods and services purchased online.

The amount Australians are spending online varies widely. The majority of consumers (54 per cent) spent less than \$1,000, with 43 per cent of consumers spending in excess of \$1,000 (including 11 per cent spending in excess of \$5,000), during the previous six months.

Three-quarters of respondents (74 per cent) that made online purchases cited convenience as the most common reason for purchasing online. The next most common driver for purchasing online was lower cost (38 per cent). One of the main reasons cited for not participating in e-commerce was a lack of trust of the internet (25 per cent), followed by a preference for shopping the 'old fashioned way' (19 per cent) and lack of want or need (17 per cent).

The use of the internet for e-commerce presents some consumers with a perceived risk compared with the traditional retail environment. Two of the main ways in which consumers attempt to minimise risk when purchasing goods and services online are buying from reputable or known sites (94 per cent) and using security software (93 per cent).

Despite the option to make purchases from non-Australian sites, a greater proportion of online shoppers (68 per cent) reported they most often use Australian websites to make their purchase. Of those respondents that shop most often from Australian websites, 24 per cent of consumers cited 'support local industry' and a further 23 per cent said 'I don't trust overseas websites'.

Consumers engaging in e-commerce

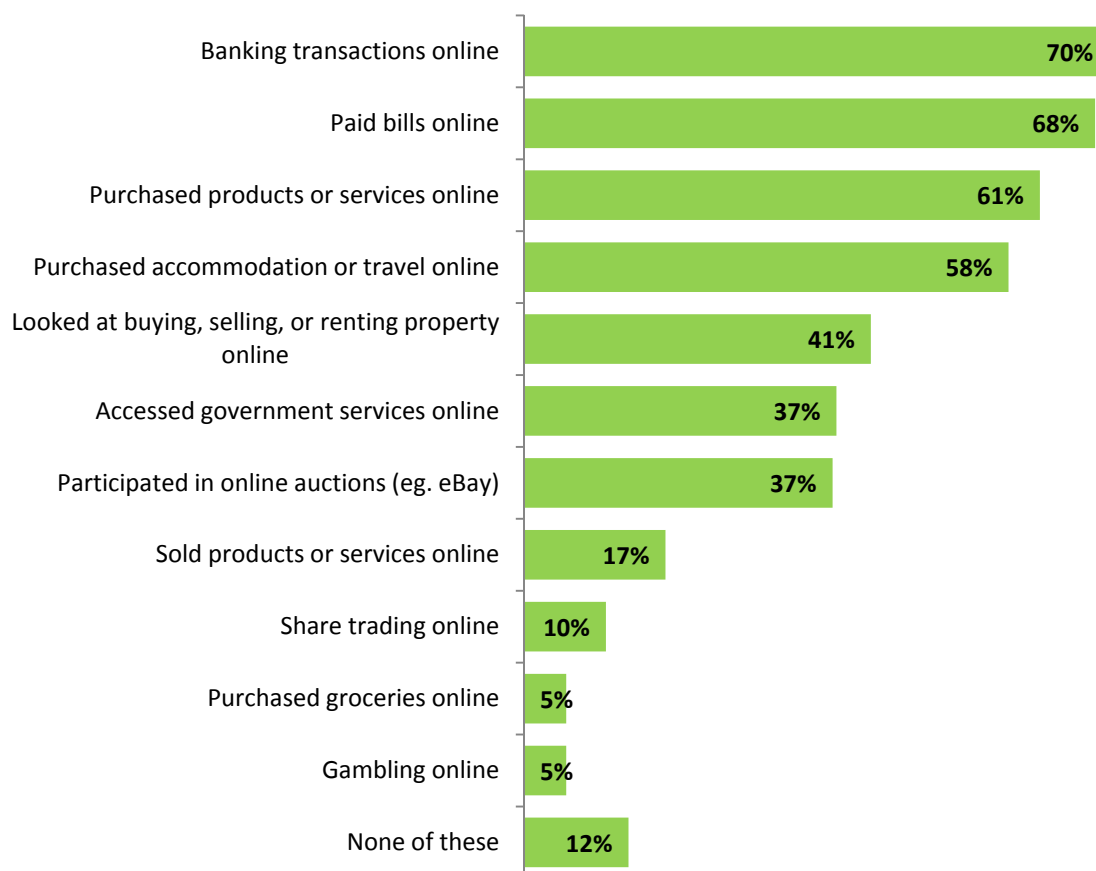
Australian consumers are using the internet to access the large and increasing number of retail options that are available on the internet. The use of the internet for e-commerce transactions reflects the widespread participation of Australian citizens in the digital economy.

Participation in e-commerce activities

Data collected by the ACMA indicates the prevalence of Australian household internet users actively involved in e-commerce, with the majority of respondents (88 per cent) reporting they have performed one or more e-commerce activity in the last six months while 12 per cent indicated they had not.

Banking transactions, paying bills online and purchasing products and services online were the most popular e-commerce activities. Figure 1 presents e-commerce activities performed by respondents in the last six months.

Figure 1 Adoption of e-commerce by household internet users in the last six months



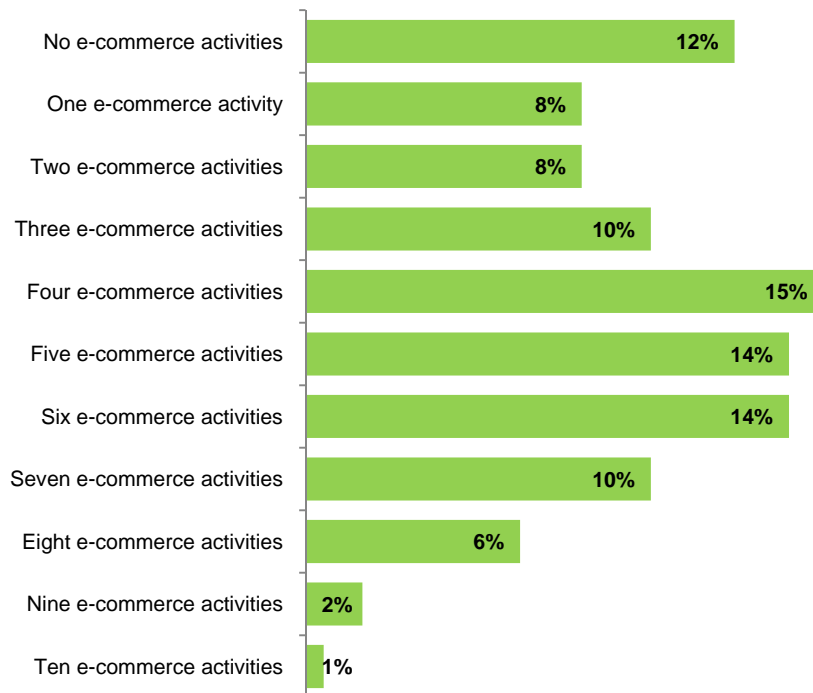
Note: Multiple responses allowed.

Source: ACMA-commissioned research. n=1,336.

Figure 2 presents the number of different types of e-commerce activities performed by respondents in the last six months. Approximately a third (26 per cent) of internet users performed between one and three activities, nearly half of respondents (43 per

cent) indicated they had performed between four and six e-commerce activities and 18 per cent performed between seven and nine activities. Only one per cent performed more than 10 different types of activities in the last six months.

Figure 2 Number of different types of e-commerce activities performed in the last six months



Source: ACMA-commissioned research. n=1,336.

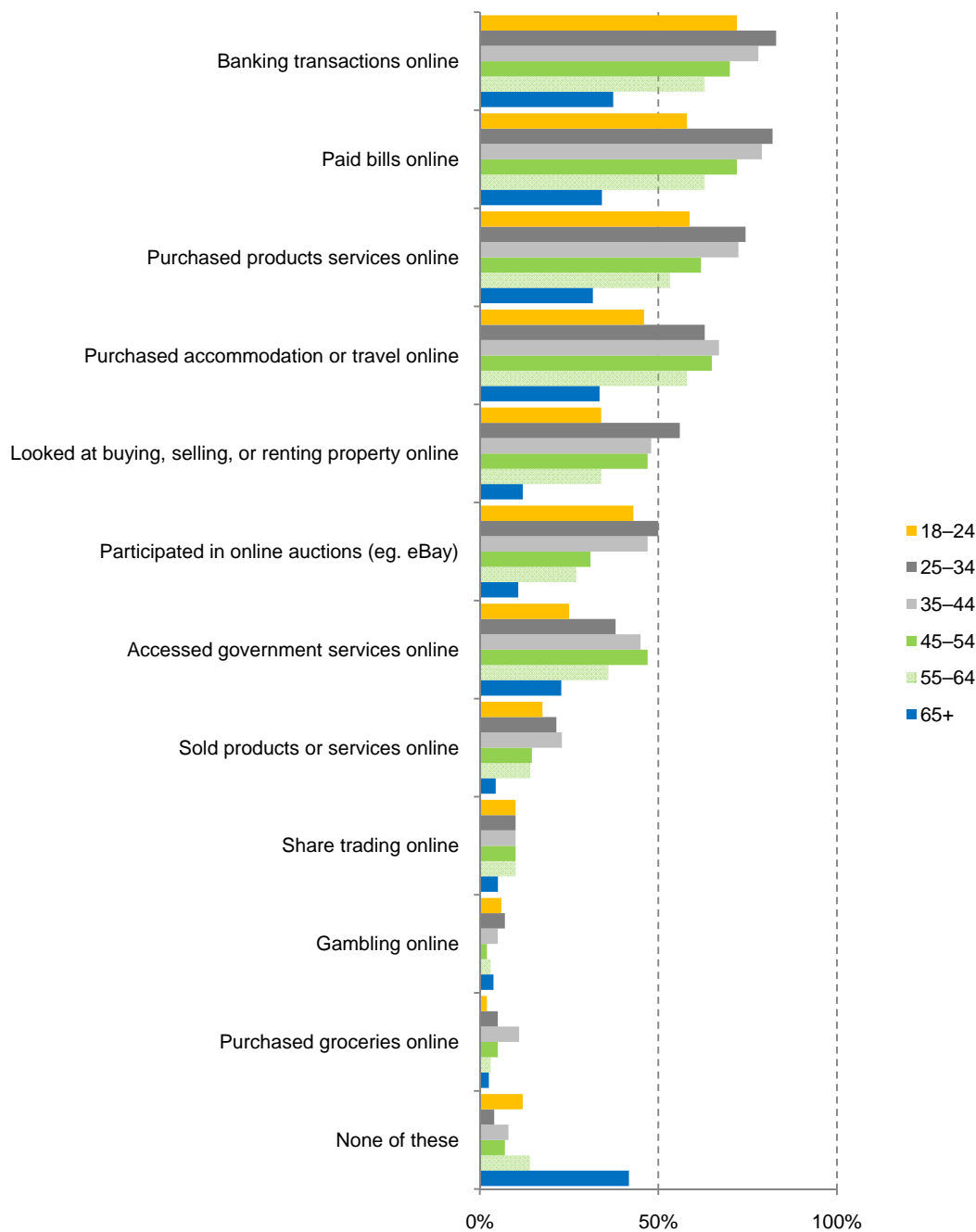
There was some variation in the e-commerce activities performed by males and females. Males were more likely to have:

- > purchased products or services online—70 per cent compared to 60 per cent of females
- > accessed government services online—40 per cent compared to 30 per cent of females
- > participated in online auctions—40 per cent compared to 30 per cent of females
- > sold product or services online—20 per cent compared to 10 per cent of females.

There were no activities where women had a higher proportion of use than males.

The most prolific users of the internet for e-commerce activities were respondents aged 25 to 34 years and 35 to 44 years, with only four per cent and eight per cent respectively not performing any of the listed activities. The variation in the level of e-commerce activities by age group is demonstrated in Figure 3. Respondents aged over 65 years recorded the lowest level of activity with 42 per cent not undertaking any of the listed activities online.

Figure 3 Adoption of e-commerce, by age



Note: Multiple responses allowed.
Source: ACMA-commissioned research. n=1,336.

There were only a few e-commerce activities that recorded a difference between metropolitan and non-metropolitan respondents. Respondents in metropolitan areas were more likely than those in non-metropolitan areas to participate in:

- > banking transactions online—72 per cent compared to 65 per cent
- > paying bills online—70 per cent compared to 65 per cent
- > accessing government services online—40 per cent compared to 33 per cent
- > selling goods or services online—20 per cent compared to 12 per cent.

Who is buying online?

While the previous section identified the range of e-commerce activities accessed by Australian internet users, this section examines frequency, types of goods and services bought and the value of goods and services purchased by Australian internet users, as well as variations with socio-demographic factors such as gender, location and age.

According to the ABS, in 2008–09 nearly two-thirds (64 per cent or eight million) of the estimated 12.6 million Australians who accessed the internet, used the internet to purchase or order goods or services for private purposes. This is an increase from 2006–07, which reported that of the 11.3 million people who accessed the internet from any location, 61 per cent used the internet to purchase or order goods or services for private purposes.⁴

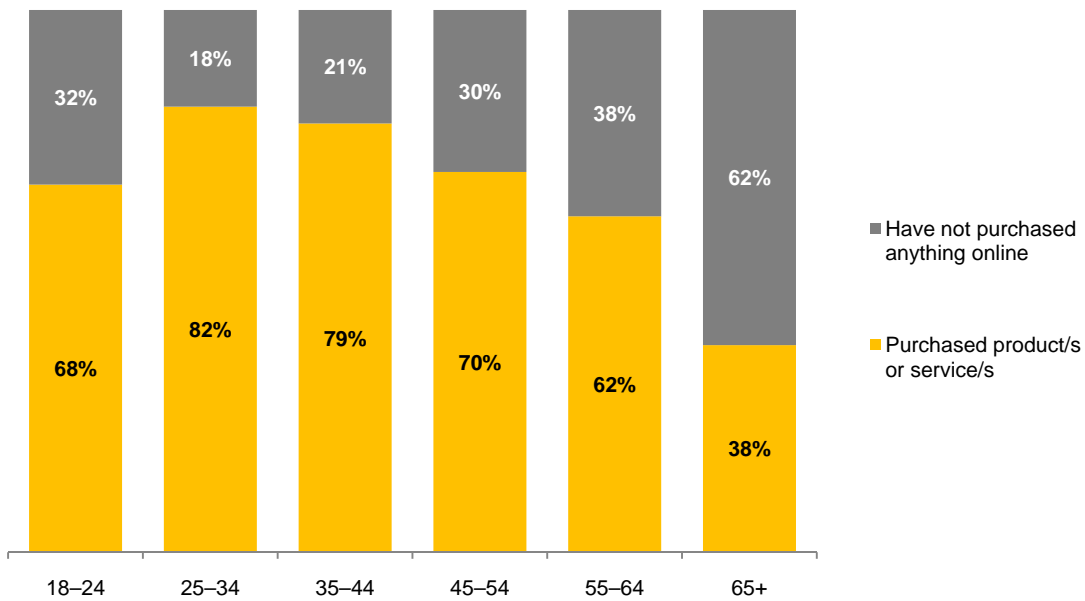
This demonstrates an increase in the use of online purchasing and the wider adoption of the internet as a medium for the purchase of goods or services. Data collected by the ACMA reports a similar proportion of respondents purchasing goods and services online, with 69 per cent of internet users purchasing goods and services on the internet in the last six months.

Data collected by the ACMA indicates a relationship between gender and the use of the internet to purchase goods or services. Males (74 per cent) were more likely than females (65 per cent) to have made purchases online.

As shown in Figure 4, age influences the incidence of purchases made online. Respondents aged 25 to 44 years recorded the highest incidence of purchasing, with 82 per cent of respondents aged 25 to 34 years and 79 per cent of respondents aged 35 to 44 years, purchasing one or more item on the internet in the last six months. The incidence was slightly lower for those aged 18 to 24 years (68 per cent) and those aged 45 to 54 years (70 per cent), with the incidence dropping sharply among older respondents (62 per cent of 55 to 64 year olds and only 38 per cent of those aged 65 years and over).

⁴ Australian Bureau of Statistics, *Household Use of Information Technology 2008–2009*, ABS Cat No. 8146.0.

Figure 4 Purchased at least one good or service in the last six months, by age

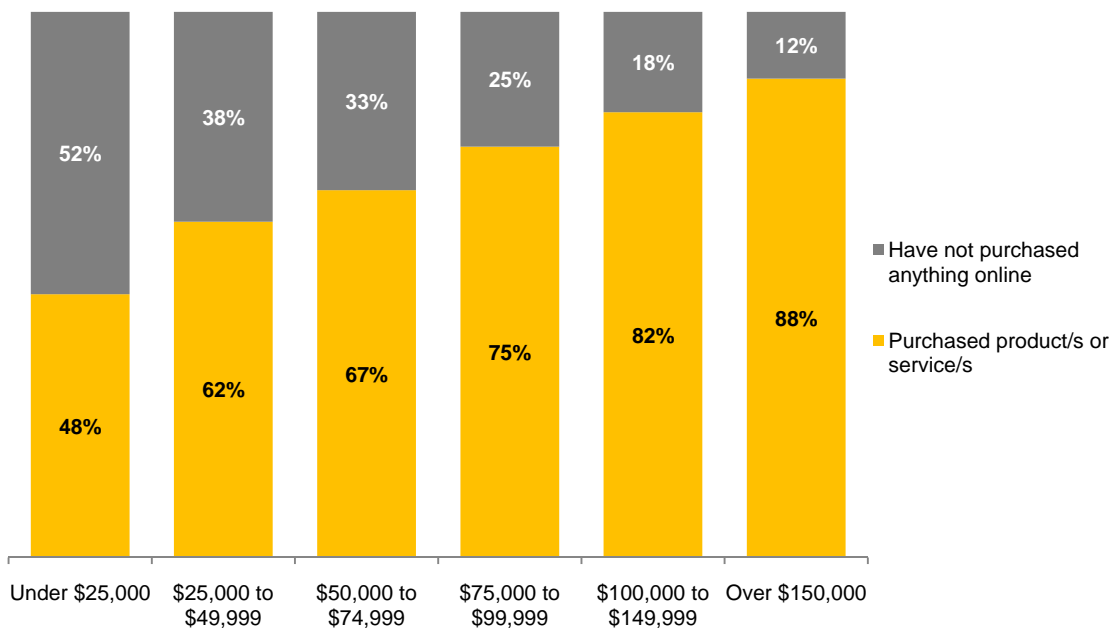


Note: Excludes 'Don't know'.

Source: ACMA-commissioned research. n=1,332.

The household income of a respondent also influences the participation in purchasing goods or services online, with purchases increasing with household income—48 per cent of those earning up to \$25,000 per annum compared to 88 per cent of those earning \$150,000 per annum or more participating in purchasing online, as demonstrated in Figure 5.

Figure 5 Purchased at least one good or service in the last six months, by income

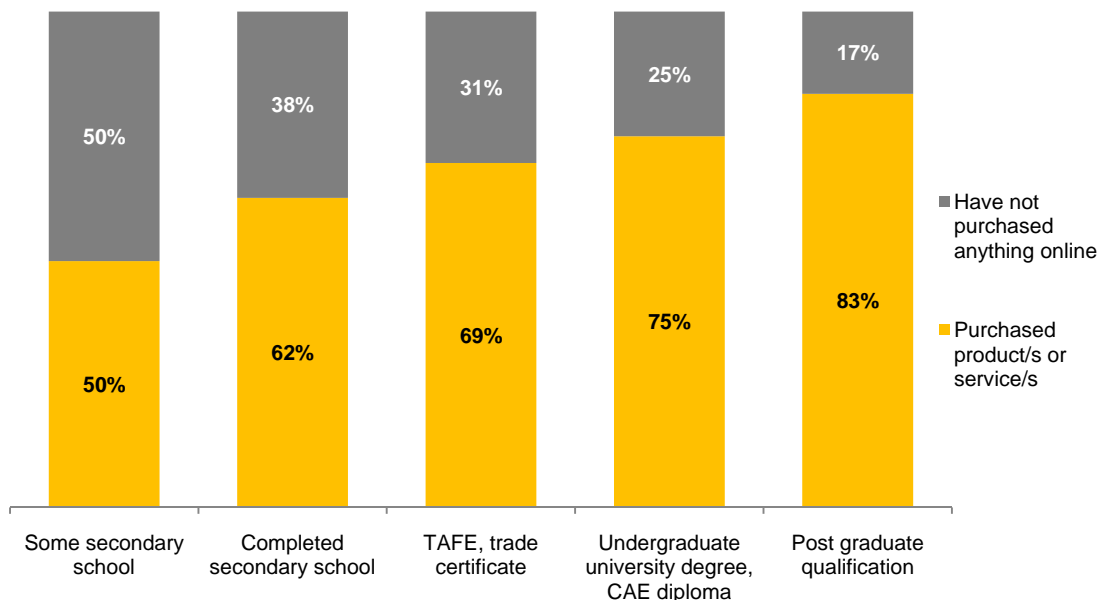


Note: Excludes 'Don't know' and 'Refused'.

Source: ACMA-commissioned research. n=1,121.

Respondents with higher levels of education were also more likely to purchase goods and services online—those with undergraduate or postgraduate qualifications recorded the highest levels of use at 75 per cent and 83 per cent respectively.

Figure 6 Purchased at least one good or service in the last six months, by level of education

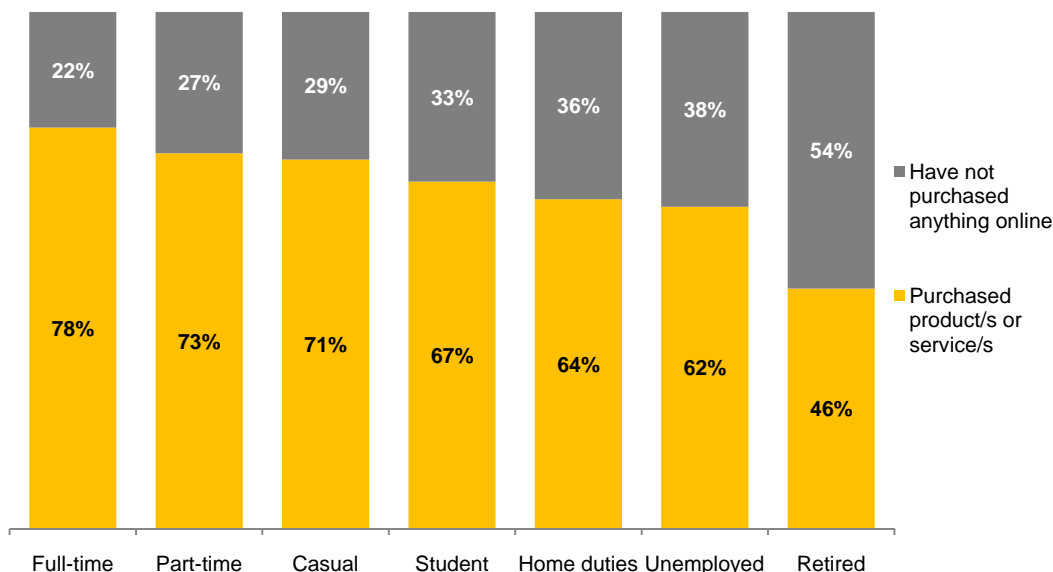


Note: Excludes 'Don't know', 'Not stated' and 'Primary school'.

Source: ACMA-commissioned research. n=1,317.

Compared to retired and unemployed respondents, employed respondents (full-time, part-time or casual capacity) recorded higher incidences of online purchasing at 78 per cent, 73 per cent and 71 per cent respectively. Students recorded the next highest level of online purchases at 67 per cent.

Figure 7 Purchased at least one good or service in the last six months, by employment status



Note: Excludes 'Don't know' and 'Refused'.

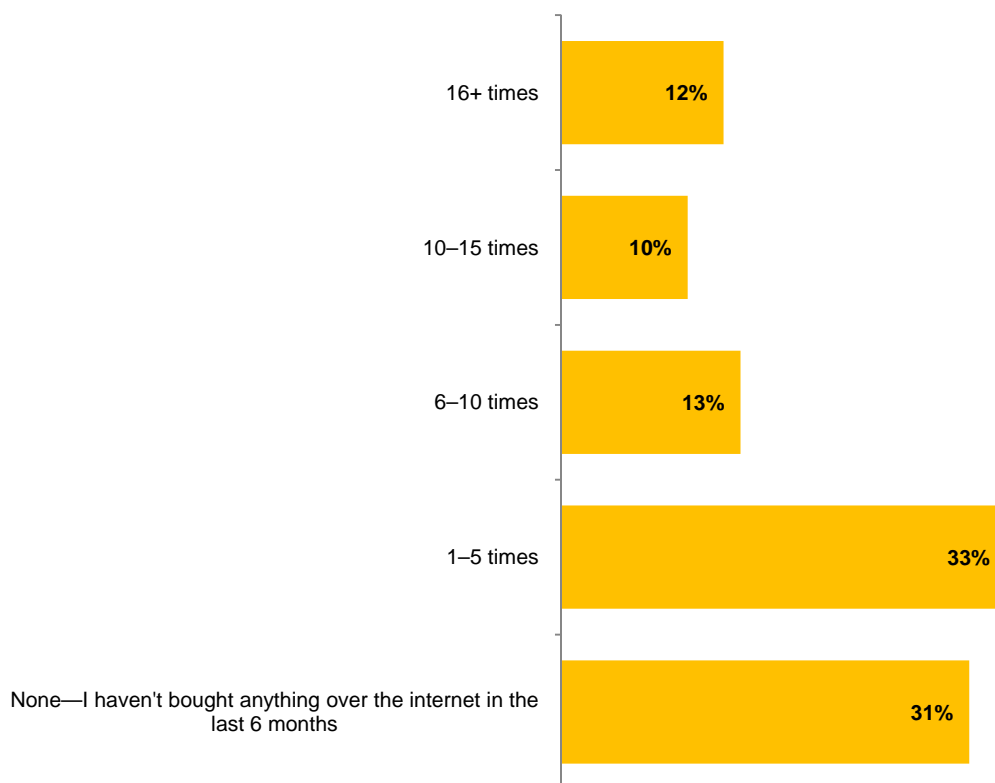
Source: ACMA-commissioned research. n=1,325.

Incidence of online purchase

The majority of household internet users made online purchases, with 58 per cent of respondents purchasing at least one good or service in the last six months. As shown in Figure 8, 29 per cent of respondents made between one and five purchases in the last six months, with 29 per cent of respondents making six or more purchases. Forty-one per cent did not make a purchase online in the last six months.

Twelve per cent of respondents reported being prolific users of the internet, making more than 16 purchases of online goods and services in the last six months.

Figure 8 Frequency of online purchase in the last six months



Note: Excludes 'Don't know'.

Source: ACMA-commissioned research. n=1,327.

Males reported more frequent online purchasing than females, with 15 per cent of males being prolific users (purchasing 16 or more times in the past six months) compared to 10 per cent of females.

Respondents with a high frequency of online purchase were more likely to be aged 25 to 44 years, with respondents in these age groups recording the highest proportion of 16 or more purchases in the last six months. Fifteen per cent of respondents aged 25 to 34 years and 18 per cent of respondents aged 35 to 44 years purchased 16 or more goods or services online in the last six months, compared with the average of the total sample (12 per cent) purchasing 16 or more times. This represents a similar pattern to the frequency of online purchases as presented in Figure 4, which demonstrates that respondents aged 25 to 44 years have the highest use of the internet to purchase goods or services.

Metropolitan and non-metropolitan respondents recorded little difference in the frequency of online purchases.

Groups that were likely to make the most frequent use of the internet for purchases (more than 16 times in the past six months) included:

- > those with a household income over \$150,000 per annum (27 per cent)
- > those with a postgraduate degree (20 per cent) or university qualified (15 per cent)
- > those working full-time (17 per cent).

This is consistent with data presented in Figure 5, Figure 6 and Figure 7, which demonstrates respondents with these socio-demographic characteristics, had the highest level of use of the internet to purchase goods or services.

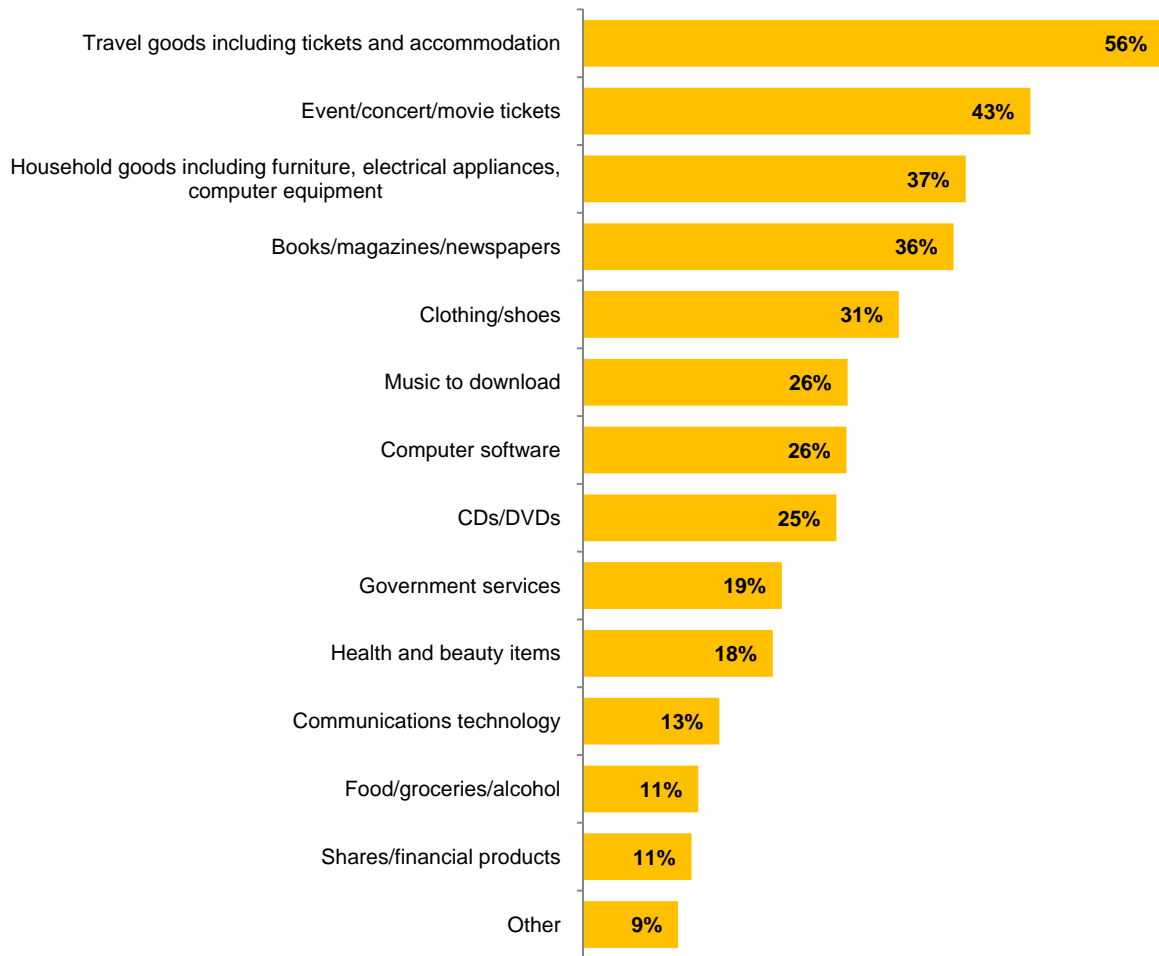
What are Australians buying online?

It is evident that Australian consumers purchase a diversity of goods and services online. The most popular items purchased online were travel goods and services, with the majority of respondents (56 per cent) indicating they have purchased travel goods. Entertainment events, concerts and movie tickets were also popular purchases by consumers at 43 per cent of respondents. The dominance of the travel, accommodation and ticket segment in 2008–09 may have stemmed from the growing popularity of consumers using the internet to book their own holidays and entertainment, with the incentive of reduced travel agency fees and the ability to book any time of the day or night, providing extra incentives to book on the internet.⁵

More than a third of respondents purchased household goods and books, magazines or newspapers, at 37 per cent and 36 per cent respectively. Nearly a fifth of respondents (19 per cent) made transactions for government services, demonstrating the take-up and use of e-government services.

⁵ IBISWorld, *Online Shopping and Mail-Order Houses in Australia*, 8 May 2009.

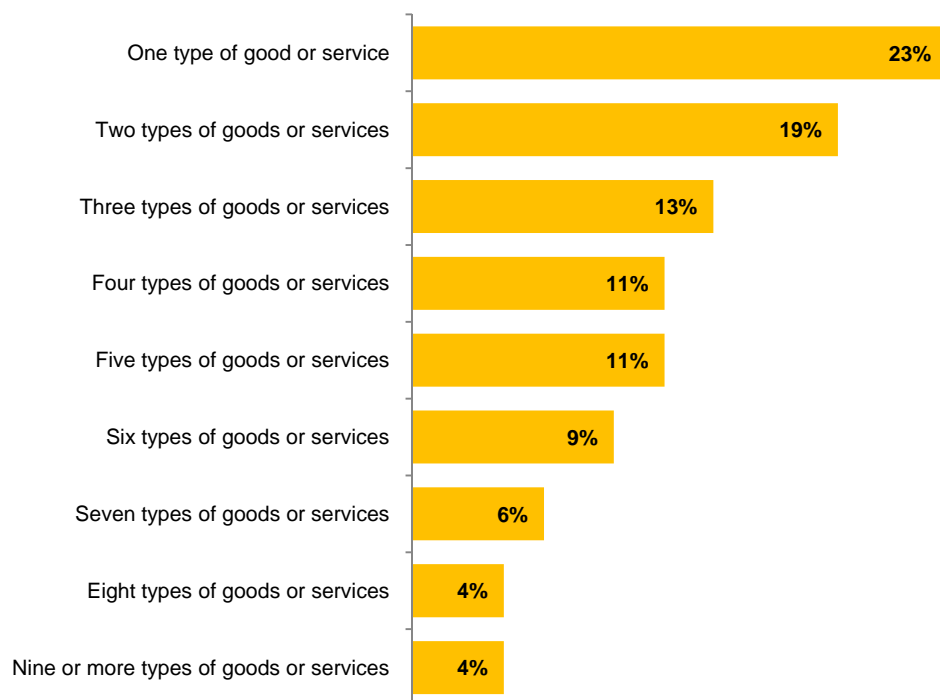
Figure 9 Goods and services purchased online in the last six months



Note: Multiple responses allowed. Source: ACMA-commissioned research. n=922.

Of the variety of goods and services listed above, 67 per cent of respondents indicated they bought more than one different type of good or service online in the last six months, while 23 per cent indicated they had bought only one item online.

Figure 10 Number of different types of goods and services bought online in the last six months



*Note: The figure excludes respondents that refused to give response or indicated they had not purchased online.
Source: ACMA-commissioned research. n=922.*

Gender

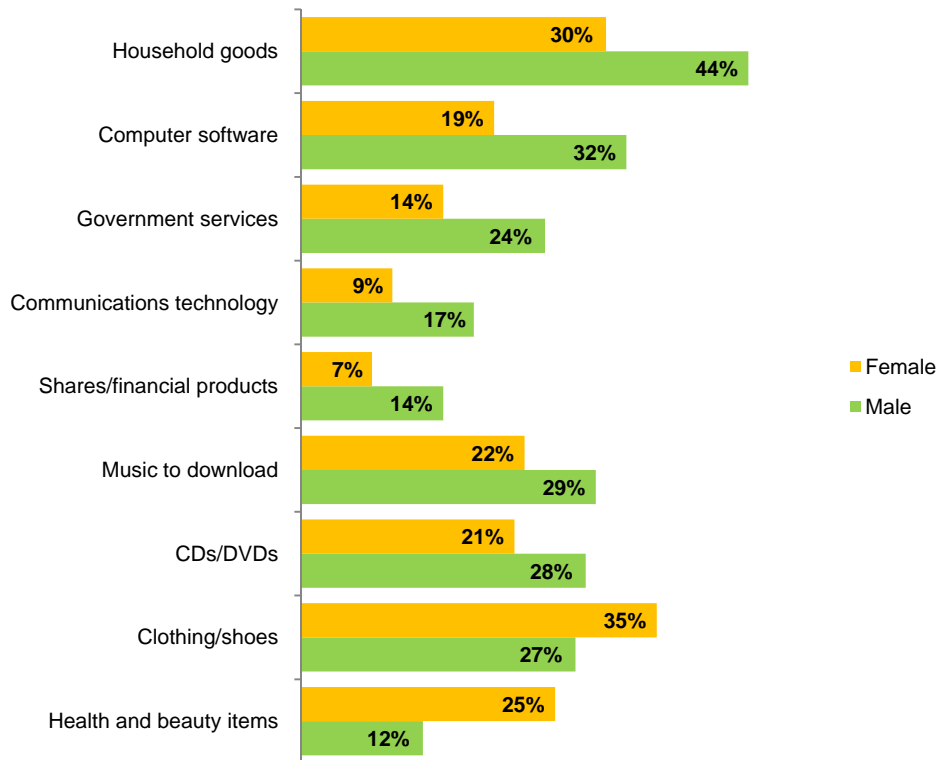
Gender is a factor linked to the goods and services purchased online, with a large percentage point difference in a number of areas.

Females were more likely than males to report having purchased health and beauty products (25 per cent compared to 12 per cent) and clothing and shoes (35 per cent compared to 27 per cent).

Males were more likely than females to have purchased household goods including furniture, electrical appliances or computer equipment (44 per cent compared to 30 per cent) and computer software (32 per cent compared to 19 per cent). Males were also more likely than females to use the internet to access government services, 24 per cent compared to 14 per cent.

Goods and services with a greater than five percentage point difference between males and females are represented in the Figure 11.

Figure 11 Differences in goods and services purchased online in the last six months, by gender



Note: Figure excludes goods and services with less than five percentage point difference between males and females.

Multiple responses allowed.

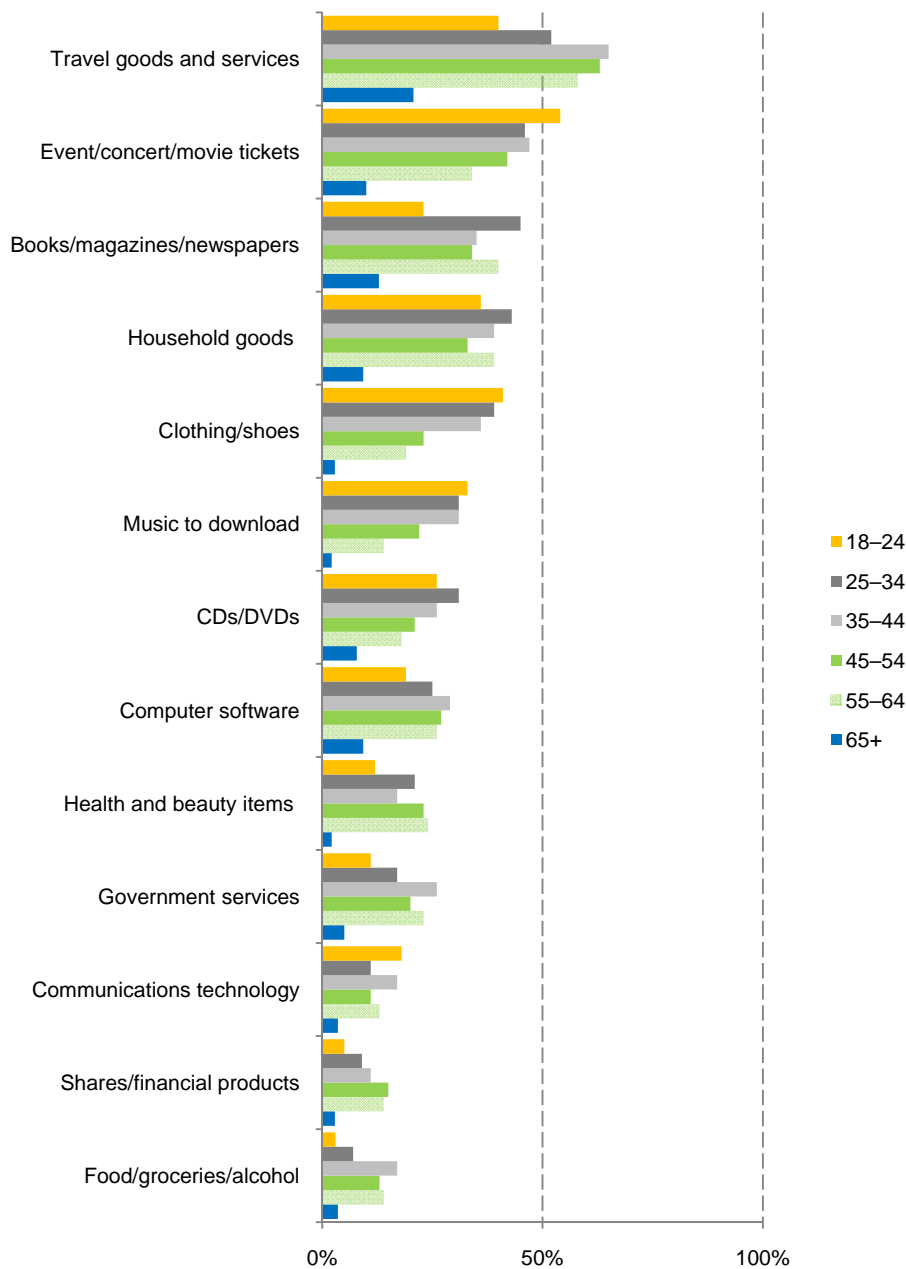
Source: ACMA-commissioned research. n=922.

Age

Age is a factor influencing the types of goods and services purchased online. The purchase of travel goods was the most popular activity for all age groups except those aged 18 to 24 years, who cited the purchase of event, concert or movie tickets as the most popular purchase. Clothing and shoes was the second most popular purchase category by this age group, with 41 per cent purchasing online.

The top goods or services bought in the last six months by age group are represented in Figure 12.

Figure 12 Top goods and services bought online in the last six months, by age



Note: Figure reflects the goods and services purchased by 10 per cent or more of respondents within an age range. Multiple responses allowed.
 Source: ACMA-commissioned research. n=922.

Metropolitan or non-metropolitan

The greatest percentage point difference between respondents in metropolitan and non-metropolitan areas was the purchase of clothing and shoes, with 40 per cent of consumers in non-metropolitan areas compared to 26 per cent of metropolitan consumers purchasing clothing or shoes online.

Respondents in metropolitan areas were more likely to purchase:

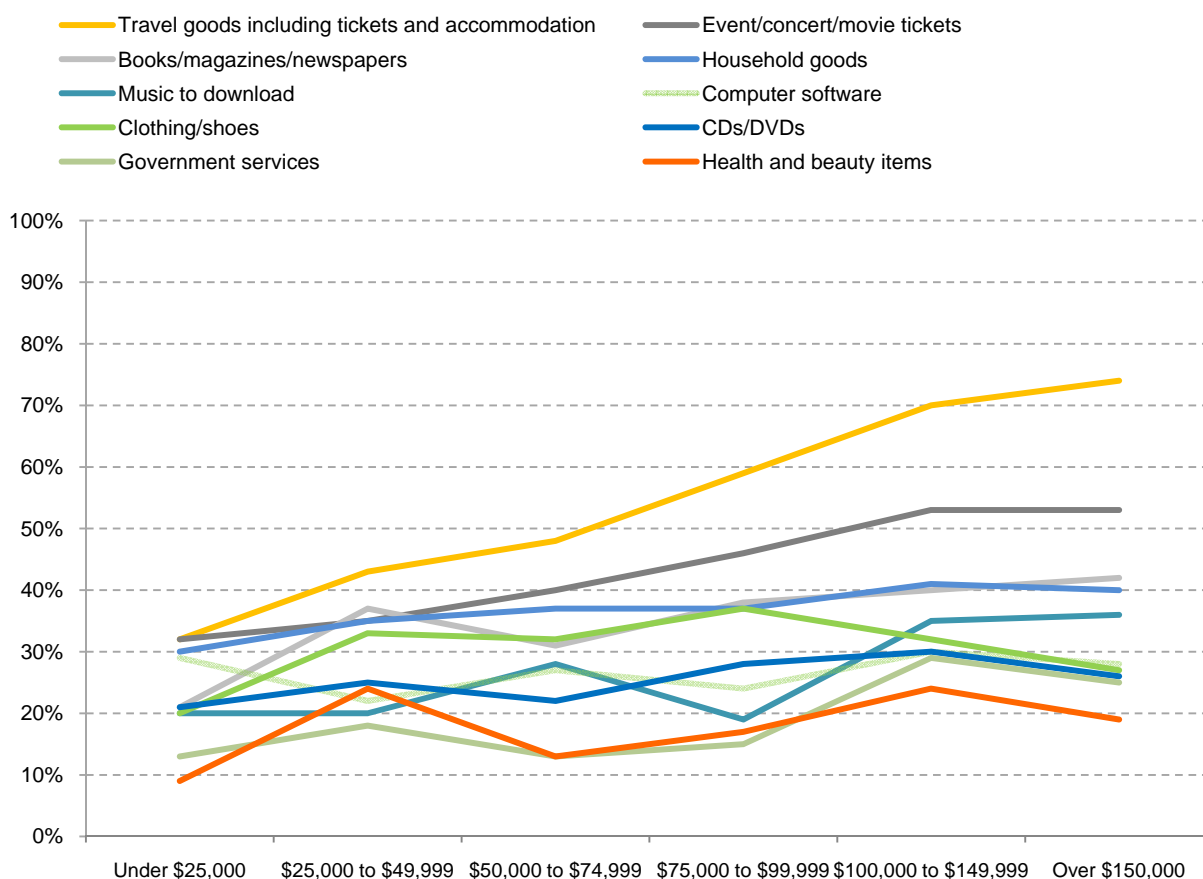
- > books, magazines or newspapers—39 per cent compared to 31 per cent of non-metropolitan respondents

- > event, concert or movie tickets—46 per cent compared to 40 per cent of non-metropolitan respondents
- > shares or financial products—12 per cent compared to seven per cent of non-metropolitan respondents.

Income

Income plays a role in the proportion of respondents purchasing specific goods and services. In particular, consumers with household incomes over \$150,000 per annum were more likely to purchase travel goods than those with a household income under \$25,000 (74 per cent compared to 32 per cent). This group was also more likely to purchase event, concert and movie tickets—53 per cent compared to 32 per cent.

Figure 13 Goods and services purchased online in the last six months, by income



Note: Figure reflects the top ten goods and services purchased by respondents with a household income over \$150,000 per annum. Multiple responses allowed. Excludes 'Don't know' and 'Refused'. Source: ACMA-commissioned research. n=803.

Employment status

Employment status also affected the types of goods or services bought by respondents. Some interesting differences were:

- > respondents employed full-time (64 per cent) or part-time (62 per cent) were more likely than an unemployed person to purchase travel goods including tickets and accommodation online (32 per cent).

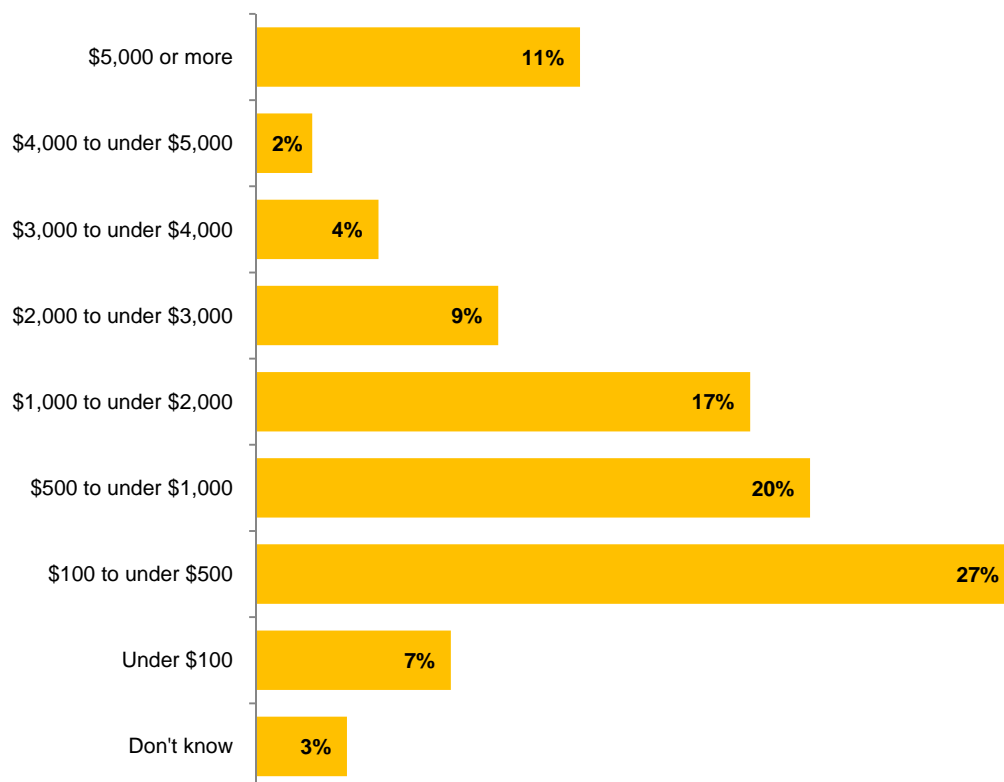
- > students were most likely to purchase event, concert or movie tickets at 56 per cent compared to the lowest group, retirees at 23 per cent—a percentage point difference of 33 per cent.
- > respondents employed full-time (40 per cent) or part-time (35 per cent) were more likely than those employed casually (23 per cent) to purchase books, magazines or newspapers online.

Value of goods and services bought online

The value of goods and services purchased online varies. Research by the ABS estimates that the value of Australian business internet orders was \$123 billion in the 12 months over 2008–09, up from \$81 billion in 2007–08.⁶

In the ACMA survey, the range of total expenditure on items purchased by respondents was very wide, with seven per cent reporting they had spent less than \$100 and 11 per cent reporting having spent more than \$5,000. The highest proportion of respondents (27 per cent) spent between \$100 and \$500. The variation in the range of values of goods and services purchased is shown in Figure 14.

Figure 14 Value of goods and services purchased online in the last six months



Note: This figure excludes respondents who refused to give a value.

Source: ACMA-commissioned research. n=902.

Females were more likely than males to have spent at the low end of the range (58 per cent under \$1,000 compared to 49 per cent of males) and less likely to have spent \$5,000 or more (nine per cent compared to 14 per cent of males).

⁶ Australian Bureau of Statistics, *Summary of IT Use and Innovation in Australian Business, 2008–09*, ABS Cat No. 8166.0.

Respondents in the lowest age range (18 to 24 years) reported the highest proportion of expenditure between \$100 to under \$500, with 34 per cent reporting purchasing in this value range. Those aged 45 to 54 years were the most likely age group to have spent \$5,000 or more—18 per cent compared to eight per cent respectively for those aged 18 to 24 and over 65 years old.

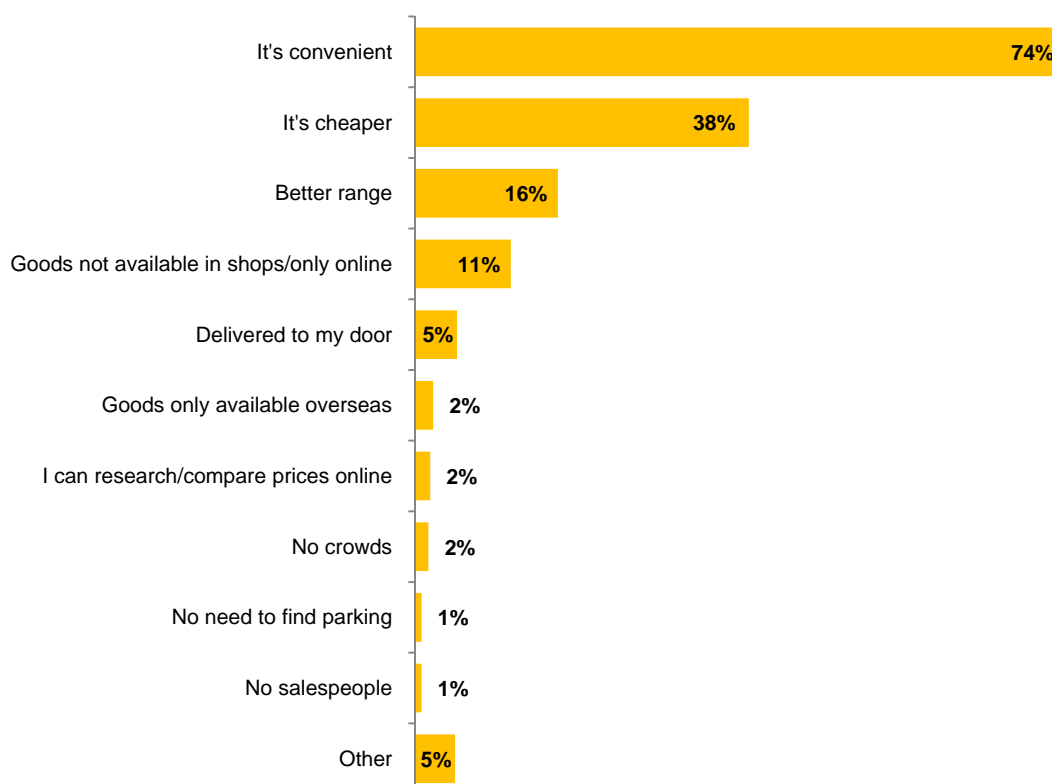
As expected, the lower household income groups were more likely than those with higher incomes to report expenditures under \$500, with 58 per cent of those earning under \$25,000 spending under \$500 compared to 15 per cent of those earning over \$150,000. Those in the highest income group were more likely to report having spent \$5,000 or more (25 per cent).

There was little difference in online goods and service expenditure between non-metropolitan and metropolitan respondents.

Reasons for purchasing online

As shown in Figure 15, when asked the reasons for purchasing online, 74 per cent of respondents cited convenience. The next most common drivers for purchasing online were lower cost (38 per cent), access to a better range of choice (16 per cent) and goods not available in the shops (11 per cent).

Figure 15 Reasons for purchasing online



Note: Multiple responses allowed.

Source: ACMA-commissioned consumer survey, November 2009, n=916.

Where are goods and services bought?

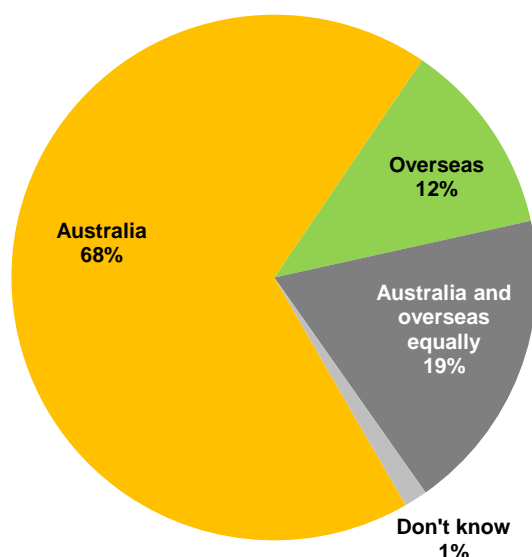
The internet, and subsequent availability of e-commerce, has led to an expansion in the choice of goods and services that may be purchased by Australian consumers. Consumers have benefited from the ability to research and compare goods and

services from anywhere in the world and the possibility to obtain customised goods and services to meet their needs.

However, despite the availability of goods and services internationally, more online shoppers said they used Australian websites more often to purchase goods or services (68 per cent) than overseas sites (12 per cent). Nearly a fifth of consumers (19 per cent) reported a preference to use Australian and overseas sites equally.

Further demographic profiling of online shoppers revealed that males were more likely to mostly purchase from overseas websites (15 per cent) compared with females (nine per cent). Also those in non-metropolitan locations were more likely than metropolitan respondents to mainly buy online from Australia (73 per cent compared to 65 per cent).

Figure 16 Purchasing goods or services online from Australian and Overseas sites

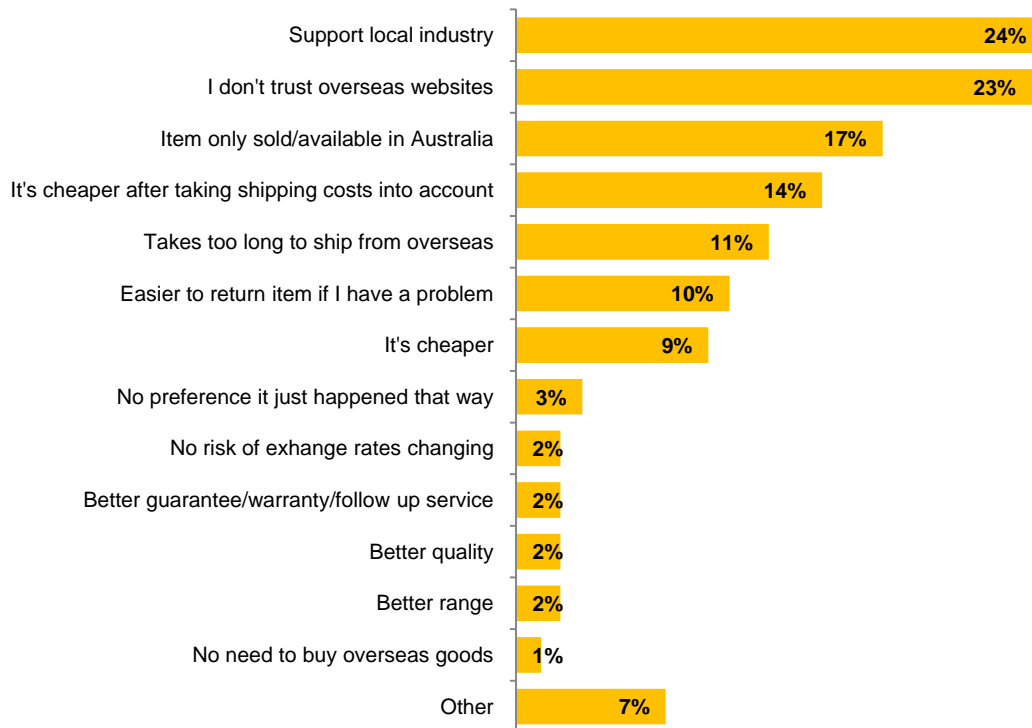


Source: ACMA-commissioned research, November 2009, n=916.

Reasons consumers prefer Australia

The desire to support local industry and lack of trust in overseas websites (24 per cent and 23 per cent) were the most popular reasons given for preferring to purchase from Australian websites. Other reasons cited by online shoppers included accessibility (17 per cent), lower cost after shipping cost taken into account (14 per cent), faster delivery times (11 per cent) and ease of returning items within Australia (10 per cent).

Figure 17 Reasons for preferring to purchase from Australian sites



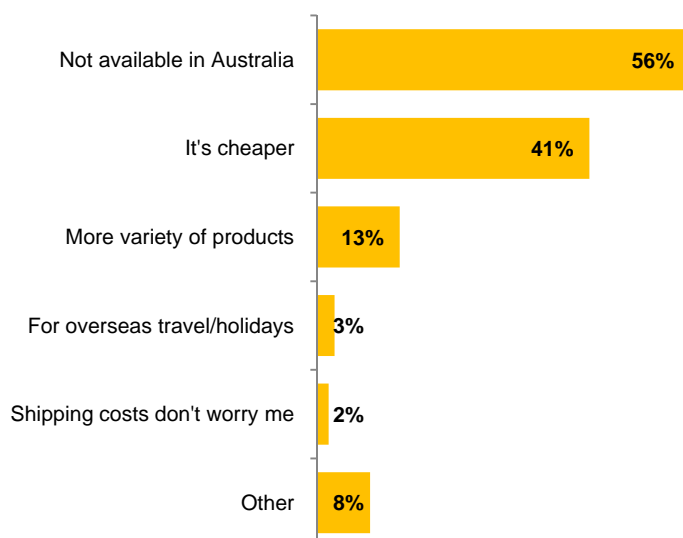
Note: Multiple responses allowed.

Source: ACMA-commissioned research, November 2009, n=620.

Reasons consumers prefer overseas

Of the 12 per cent of respondents who prefer to buy from overseas sites, the main reasons given related to the item's availability (56 per cent), lower cost (41 per cent), and greater variety of products (13 per cent).

Figure 18 Reasons for preferring to purchase from overseas sites



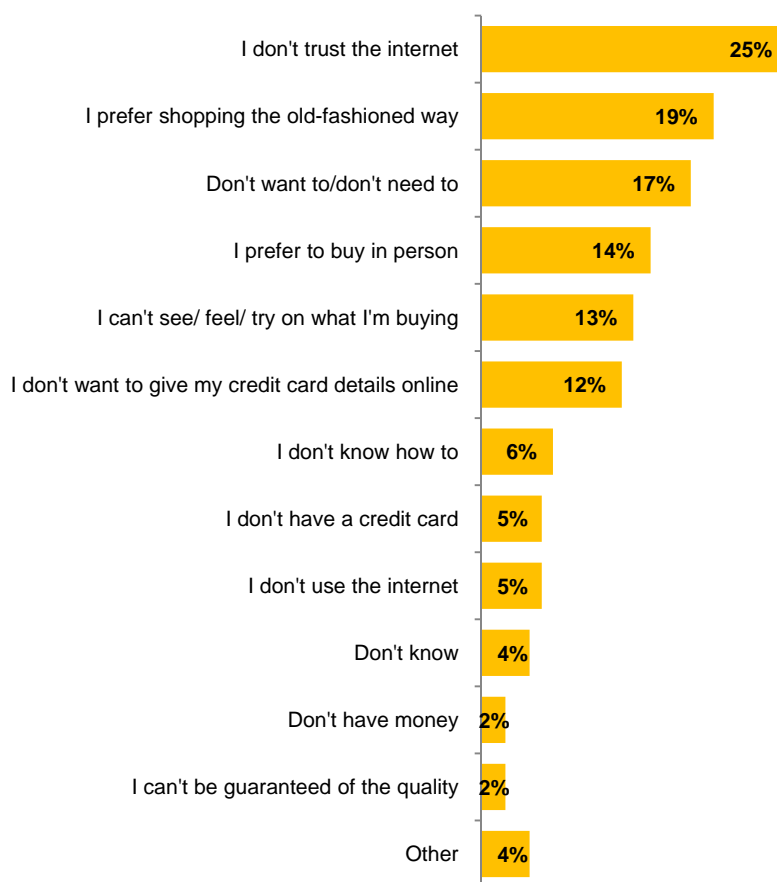
Note: Multiple responses allowed.

Source: ACMA-commissioned research, November 2009, n=112.

Who is not participating?

The most common reason for not purchasing online, cited by a quarter of respondents (25 per cent), was lack of trust in the internet. Nearly a fifth of respondents (19 per cent) cited a preference for shopping the 'old fashioned way', a lack of need was cited by 17 per cent of respondents and 14 per cent said they prefer to purchase in person.

Figure 19 Reasons for not purchasing online



Note: Multiple responses allowed.

Source: ACMA-commissioned research, November 2009. n=422.

There was little variation in the reasons given for not purchasing goods and services between males and females. There were, however, differences cited between younger and older respondents. For example, 24 per cent of those aged 55 to 64 years said one of the main reasons they did not purchase goods and services online was because 'I can't see, feel or try on what I'm buying'. Just six per cent of those aged 25 to 34 years gave the same response.

A larger proportion of respondents in metropolitan areas said they prefer to buy in person compared to those in non-metropolitan areas (16 per cent compared to 11 per cent).

Online risk management

There are a number of areas where the consumer experience of e-commerce differs from the traditional retail environment. These include the way in which information is made available to consumers, security of payments, privacy of personal information, and access to redress.⁷ The increased use of the internet for online transactions has been identified by the ACMA as a key trend which requires attention to reduce online risk.⁸ As mentioned in the previous section, one of the key reasons for not participating in online purchasing was mistrust of the internet. This section of the report examines ways in which consumers attempt to minimise risk when purchasing goods and services online.

Research conducted by the ACMA found that the most highly adopted security precautions undertaken by those purchasing goods or services online were to only buy from reputable or known sites (94 per cent) and to use security software (93 per cent). Other popular precautions included checking the conditions of sale (86 per cent), only buying from sites that encrypt payment contact details (77 per cent) and ensuring a contact phone number is available (71 per cent). In terms of methods of payment, 26 per cent use a separate credit card for online purchase and nine per cent volunteered that they use PayPal.

Figure 20 Security precautions taken when buying online



Note: Figure only represents responses with five per cent or more. Multiple responses allowed.

Source: ACMA-commissioned research, November 2009, n=912.

Less than five per cent of respondents volunteered other security precautions such as: changing passwords or have multiple passwords; not using credit cards with a preference for cash or BPAY; research the seller and read other buyers reviews; and contact the seller via email or phone.

⁷ The Treasury, *The Australian Guidelines for Electronic Commerce*, March 2006.

⁸ The ACMA, *Online risk and safety in the digital economy*, December 2009.

Methodology

Overview of research sources

The data in this report is drawn from a number of sources, including:

- > ACMA-commissioned research, in the form of a survey of consumer attitudes and use of telecommunications services undertaken in November 2009
- > Australian Bureau of Statistics (ABS).

ACMA-commissioned research methodology

The ACMA commissioned Taverner Research to undertake a national telephone survey of telecommunications users in November 2009. The survey sampled 1,615 respondents aged 18 and over. Of the total sample of 1,615 respondents, 17 per cent said they did not have an internet connection at home. These respondents were excluded from the analysis for this report because it focuses only on online activities and engagement with e-commerce.

Survey design

The questionnaire was developed by the ACMA to examine consumer usage of communications services in Australia and attitudes towards these services. The questions were given rigorous review and pilot testing prior to conducting the survey.

Computer-assisted telephone interviews (CATI) were conducted using random digit dialling (RDD). The survey was based on respondents selected and used 'person in the household with next birthday' as the selection criterion. Stratified sampling proportional to ABS regional population data was applied to achieve representative state and metropolitan/non-metropolitan sample structure. The sample is designed to enable broad level disaggregation of data by age, gender and other key socioeconomic sub-groups with a high degree of precision.

An overview of the sample for the survey is outlined in tables below.

Table 1 Quantitative sample: ACMA-commissioned survey respondents, by age and gender

Age of respondents	Number of interviews		
	Male	Female	Total
18–24	110	76	186
25–34	134	156	290
35–44	146	158	304
45–54	143	165	308
55–64	111	121	232
65–74	83	86	169
75 and over	57	69	126
Total	784	831	1,615

Table 2 Quantitative sample: state/territory of residence and metropolitan/non-metropolitan

Respondents location	Number of interviews		
	Metropolitan	Non-metropolitan	Total
NSW	343	198	541
ACT	28	-	28
Vic.	290	109	399
Qld	141	174	315
SA	88	32	120
NT	9	7	16
WA	118	40	158
Tas.	16	22	38
Total	1,033	582	1,615

Data analysis

Results from the survey were analysed using descriptive analysis techniques, and by socioeconomic and demographic factors, to identify any areas with significant patterns or differences. Only results with significant differences are reported in this research.

Sample size

The sample size limits some analysis by smaller subgroups, such as data at an income level, education level or work status level.

Rounding

Discrepancies may occur between the sums of the component items and totals due to the effects of rounding.

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