2026 Online CX Report

What it Takes to Win

Benchmarking Customer Experience Across Australia's Leading Retailers

Executive Summary

This is the second edition of the Online CX Leaders report, and the shift from last year is clear. In 2025, the biggest challenges showed up before checkout; in 2026, the gap is opening up after purchase, particularly across returns, refunds, and resolution.

This changes what “good” looks like. While pre-checkout is still just as crucial, and without these elements, everything breaks down, the expectation now goes beyond this. Loyalty can’t be achieved without post-checkout performance across delivery, returns, refunds and support. The pattern shows up across categories, with customers punishing friction faster and forgiving less.

Customer service has also become a measurable part of CX performance. AI is more visible, and expectations are higher. Leaders use automation to reduce effort and speed up outcomes while providing a clear pathway to a person for help when needed. When bots create loops or block escalation, they create friction at the point where trust is most fragile, increasing abandonment and weakening retention.

This report shows what separates the online CX leaders in 2026, and where retailers should focus on to build trust and loyalty.

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About the Report

This annual report benchmarks how leading retailers deliver online customer experience in Australia. The 2026 edition has been expanded to include 94 major retailers across nine industry categories and introduces a new omnichannel lens to capture how brands connect online and in-store experiences.

The report is powered by Humii's industry-leading CX insights, based on thousands of real shopping experiences. Unlike opinion-based surveys, Humii measures customer experience as it happens through online mystery shopping.

Shoppers were randomly selected from Humii's mystery shopper network, ensuring independent and credible results. Each mystery shop captures up to 200 data points across eight key dimensions:

- Search & Discovery
- Pre-purchase Support
- Checkout & Payment
- Dispatch & Delivery
- Product & Packaging
- Returns & Refunds
- Post-purchase Support
- Loyalty & Retention

Scores are calculated using Humii's proprietary scoring and weighting algorithm, which aggregates and analyses the data to produce a total score (out of 100) reflecting the retailer's performance across the full customer journey. The statistical data is aggregated from 500+ retailers and segment-level benchmarks. 1:1 comparative scores are also generated, enabling retailers to see how they perform against the wider market.

Omnichannel Methodology

The new omnichannel section includes a category-level Click & Collect review against key data points benchmarked directly from the retailer websites included in the report. It does not reflect mystery shoppers' completion of the pickup process. A structured evaluation framework was applied, with a defined set of data points checked for each retailer through manual review of publicly available website information across product pages, cart and checkout, help and delivery pages.

To learn more about the methodology, visit https://www.humii.co/how-it-works

Note: The 2026 report reflects data collected between October 2025 and mid-January 2026. The report year refers to the period the insights apply to, consistent with the 2025 edition.

Key Findings

In 2026, the data shows the biggest CX gap is happening after purchase, particularly across returns, refunds and resolution.

The benchmark shows the strongest performers are consistent on three key fundamentals: functionality (does it work as promised), clarity (is key information easy to find and consistent), and expectation management (are updates timely and reduce uncertainty after purchase). When these basics are done well, the shopper experience feels effortless. When they fail, customers notice immediately.

Click & Collect is now widely offered, but the data shows certainty is often missing. Shoppers expect clear cut-offs, realistic pickup windows and proactive updates. When this information is missing, confidence drops fast.

Looking at this year's Top 10 performers, the competition has intensified. While LSKD maintained its number one position, the leaders shuffled significantly, with only four retailers from 2025 retaining their top position in 2026. Scores at the top are also tighter and more tightly clustered in 2026.

CX leadership is not solely a function of channel breadth. Sustained leaders such as LSKD continue to perform strongly by executing core CX fundamentals consistently, even as their retail footprints expand, showing that clarity, reliability and expectation management matter most

Platform capability also matters, as reflected in the results. In 2026, eight of the top ten retailers are Shopify-powered stores. Shopify sites also scored 4.9 points higher on average than non-Shopify retailers. This suggests platform experience, consistency and speed can help retailers deliver stronger CX outcomes when the fundamentals are executed well.

2025	
Top Performers	
1.LSKD	84.4
2.Princess Polly	81.2
3.Showpo	79.1
4.Purebaby	79.0
5.Beginning Boutique	78.7
6.Lorna Jane	78.0
7.Supre	77.6
8.Lululemon	77.3
9.Bed Threads	77.1
10.Oz Hair & Beauty	76.9

2026	
Top Performers	
1. LSKD	81.0
2. Beginning Boutique	78.9
3. Princess Polly	78.3
4. Bed Threads	77.5
5. Intersport	77.2
6. VRG GRL	77.1
7. Go-To Skincare	77.0
8. Athlete's Foot	76.4
9. Bonds	76.4
10. DISSH	76.2

- The shift at the top. Only four of the retailers who ranked in last year's Top 10 appear this year, with six new entrants, showing how quickly performance can improve.
- Fashion and Sport and Outdoor dominate. These categories consistently feature in the Top 10, reflecting high customer expectations across the sector.
- New entrants reflect sustained improvement. Retailers including Intersport, VRG GRL and Go-To Skincare were already performing well and moved into the leading pack in 2026 by lifting their overall performance.

Outside the top ten, several retailers delivered notable gains, increasing their scores by 6 to 14 points. This included large omnichannel retailers such as Officeworks and Priceline, showing that CX improvement at scale is achievable within a single year.

Most Improved in 2026

It's not just the leaders who stand out, but also those who have closed the gap

CX Priorities for 2026

As shoppers become more selective, certainty is a competitive advantage, especially across fulfilment, returns and Click & Collect.

Retailers that win in 2026 will make buying simple, resolve issues quickly, and communicate clearly after purchase. That level of performance comes down to the three fundamentals: functionality, clarity and expectation management.

How CX leaders can pull ahead in 2026:

Make returns and refunds fast and transparent.
Give customers confidence to buy again with clear steps, realistic timelines, and progress updates from return to refund.

Make Click & Collect predictable.
Publish cut-off times, set clear "ready for pick-up" windows, and send consistent notifications so customers know where they stand.

Resolve issues quickly.
Reduce back-and-forth and dead ends. Support should be easy and escalate to a person when needed.

Keep fixing the breakpoints.
Commit to ongoing repairs to friction points that drive abandonment and weaken retention.

What the Data Shows over Time

Consistent patterns in the data show what shoppers consider non-negotiables in today's CX-led retail economy. When these fundamentals are missing, abandonment rises and repeat intent falls.

Returns experience remains the strongest driver of repeat purchase hesitation

A frictionless returns process is now essential. Over time, the data shows poor returns experiences are increasingly the leading reason shoppers do not re-purchase. Friction is mainly caused by unclear policies, delays in return authorisation, slow refunds, and the shift to in-store returns in categories like Electronics. Shoppers want options, not restrictions.

AI implementation can either reduce or introduce friction

The data shows mixed outcomes from AI across search and customer support. When AI is well trained and context-aware, it reduces effort and speeds up resolution. When it produces generic, irrelevant or incomplete responses, it becomes a blocker. Without a clear path to a person, frustration rises and abandonment risk increases.

On-site search quality directly impacts conversion

Shoppers have low tolerance for poor search. When results don't match intent, filters are too broad, or category logic is inconsistent, abandonment rises. This is most visible for multi-category retailers, where search behaviour varies by category and requires tighter configuration to keep discovery fast, accurate, consistent and confidence-building.

Product content depth is critical to decision confidence

The data shows incomplete product descriptions reduce trust and conversion. Shoppers respond to strong imagery, clear specifications and credible reviews. In fashion, fit guidance helps reduce uncertainty. Sparse visuals or vague descriptions increase perceived risk. Where sustainability credentials exist, shoppers expect them to be easy to find in product content, ideally within the product descriptions, even with product flags or similar.

FAQ structure influences trust and self-service success

FAQs that require extensive reading, lack a clear structure by topic, or do not include search functionality create friction, particularly for retailers without live chat or with limited support hours. Data shows that when FAQs are easy to navigate and information is surfaced quickly, they act as a trust-builder. When they are not, they contribute to abandonment rather than resolution.

Misleading marketing is increasingly eroding trust

Over time, the data shows a rise in shopper complaints about promotions that do not match the on-site experience. Common triggers include discounts that are hard to find, EDMs or ads that land on low-stock items, and links that do not lead to the promised product or category. Extended or confusing promotional activity, especially around peak sales periods, increases scepticism and reduces repeat intent.

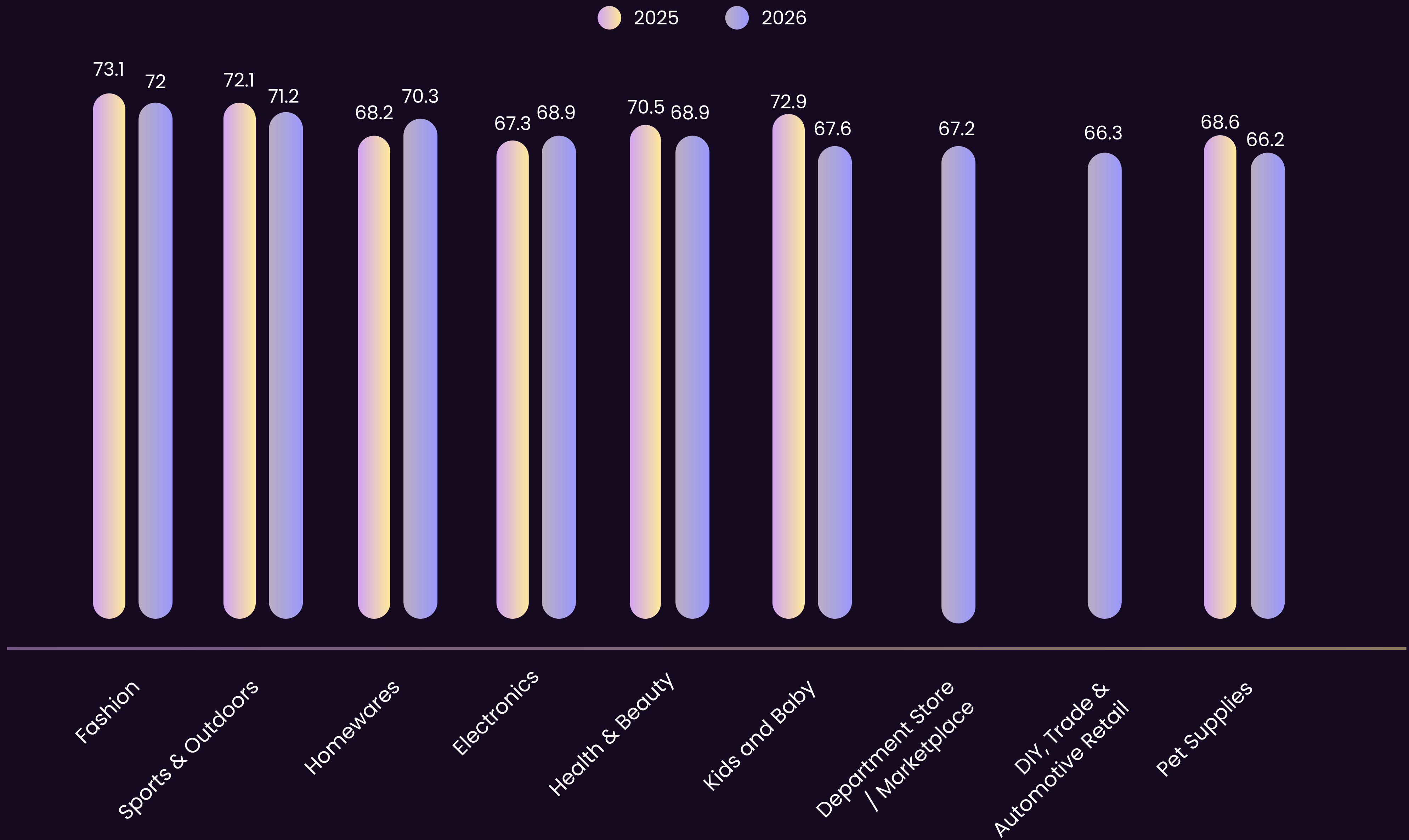
Category Insights

Across the seven comparable categories, overall performance held steady with a modest lift in average scores.

However, the data shows the market is tightening with the average score spread narrowing from 21.2 points (2025) to 19.4 points (2026).

This indicates more retailers are closing the gap on online CX, even as the categories expanded from seven to nine this year.

2025 vs 2026 Report



What Changed in 2026?

Sport and Outdoor recorded the strongest overall improvement. The score spread tightened from 29.1 in 2025 to 21.1 in 2026 (an 8 point reduction), reinforcing how competitive pressure is lifting baseline CX execution.

Fashion is closing the gap. Spread tightened from 22.9 to 19.3 (-3.6 points), despite only modest movement in average performance. While average performance shifted only modestly, youth and trend-led brands targeting a younger audience are adapting fastest to changing customer expectations.

Electronics was the biggest mover. Average performance lifted +4.2 (from 67.5 to 71.7) while spread narrowed from 18.9 to 17.8. As the segment with the most intense price competition, due to largely comparable products across retailers, great online CX is a key point of differentiation.

Health & Beauty tightened slightly but category leaders pulled ahead. Spread reduced 25.4 to 23.4 (-2.0 points). Post-purchase remains a clear opportunity, driven by lower return rates and fewer customer contacts reducing the need to focus on refunds, returns and service.

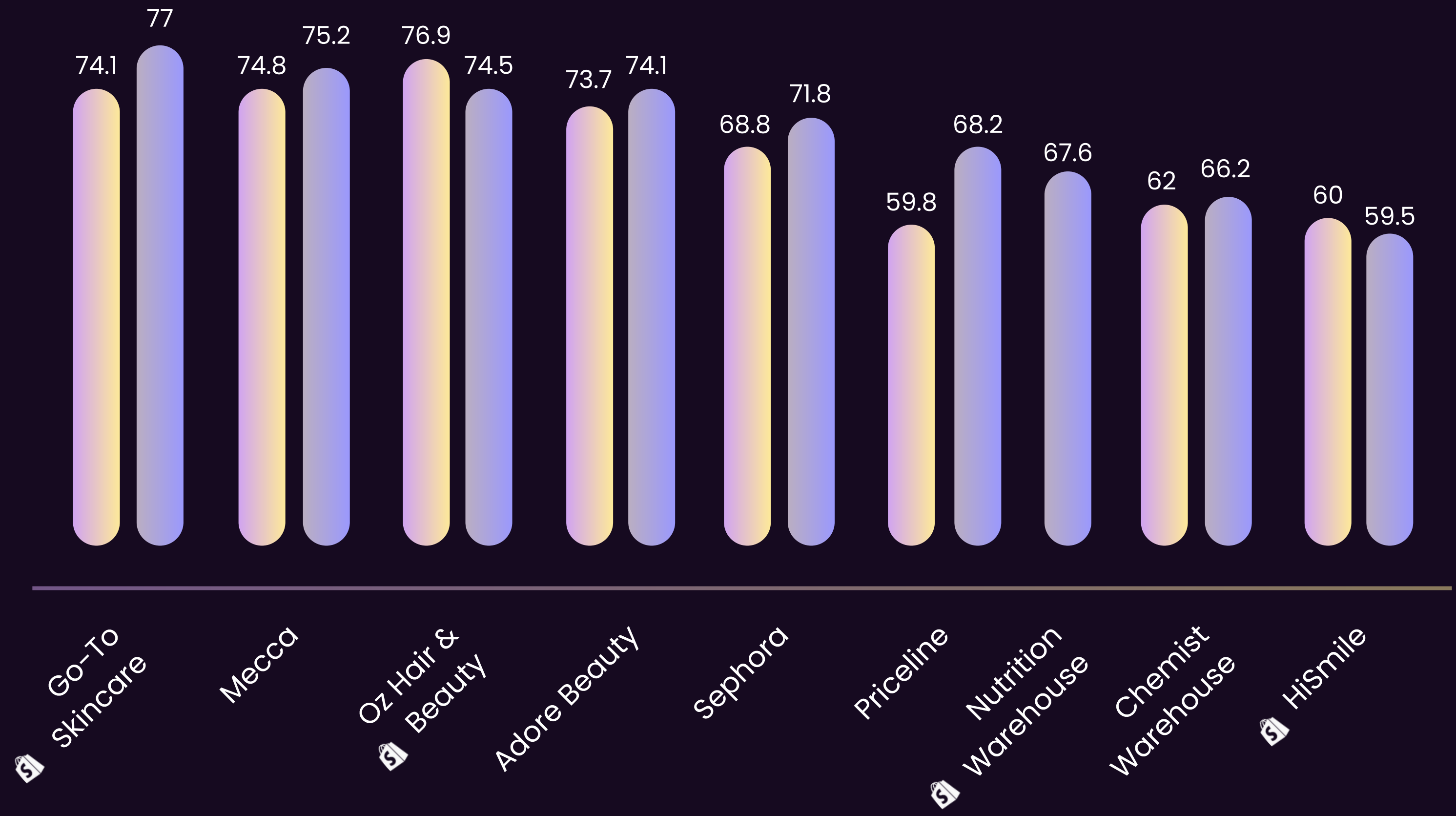
Missed opportunity: Low returns can hide post-purchase weakness.

In categories with low return rates, the returns journey is more likely to be overlooked, with a clunky process and a non-existent returns portal, especially where fit matters less (e.g. Health and Beauty, Electronics, Pet Supplies).

Health & Beauty

Health & Beauty performs strongly in the benchmark and leads on omnichannel. Faster pickup and cross-channel returns are more common than in many other categories. Store networks also support loyalty by giving shoppers more confidence to buy.

CX Score for Health & Beauty Retailers



Friction: While the category performs strongly overall, it also has the slowest average refund processing time at 21.4 days, suggesting the post-purchase journey is being overlooked.

Most improved

The category has trended upward year-on-year, with several brands making visible gains

priceline pharmacy

+8.4 points (59.8 - 68.2)

Driven by faster dispatch and delivery, with dispatch times reduced from ~2 days to ~1.3 days year on year.

CHEMIST WAREHOUSE

+4.2 points (62.0 - 66.2)

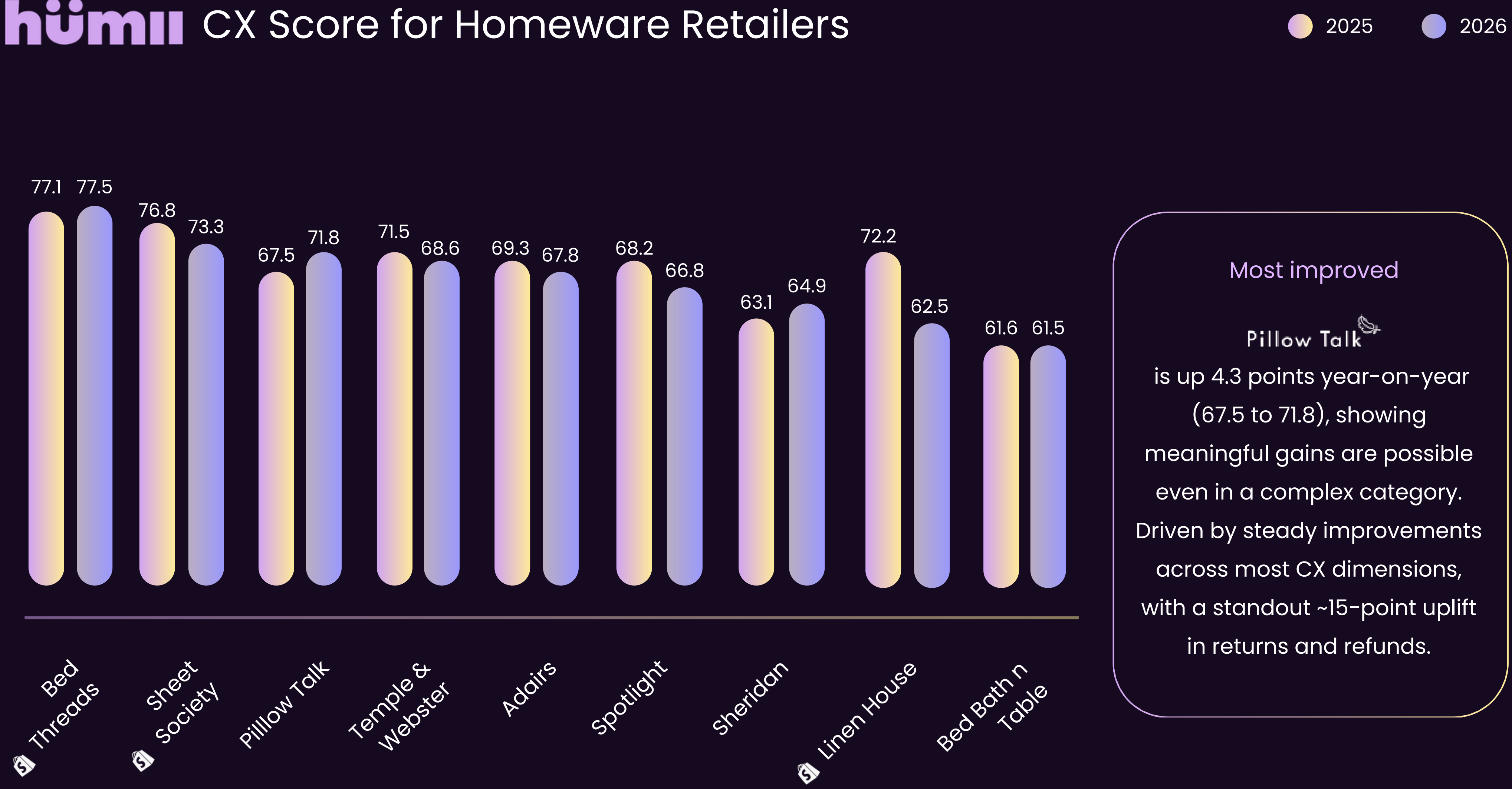
SEPHORA

+3.0 points (68.8 - 71.8)

Homewares

Homewares is one of the most uneven categories this year, with the largest average year-on-year decline. Bulky and varied product types make delivery, despatch, returns and refunds harder to deliver consistently. Click & Collect is an important factor in this category, helping to reduce delivery friction and giving shoppers more control at the point of fulfilment.

CX Score for Homeware Retailers



Most improved

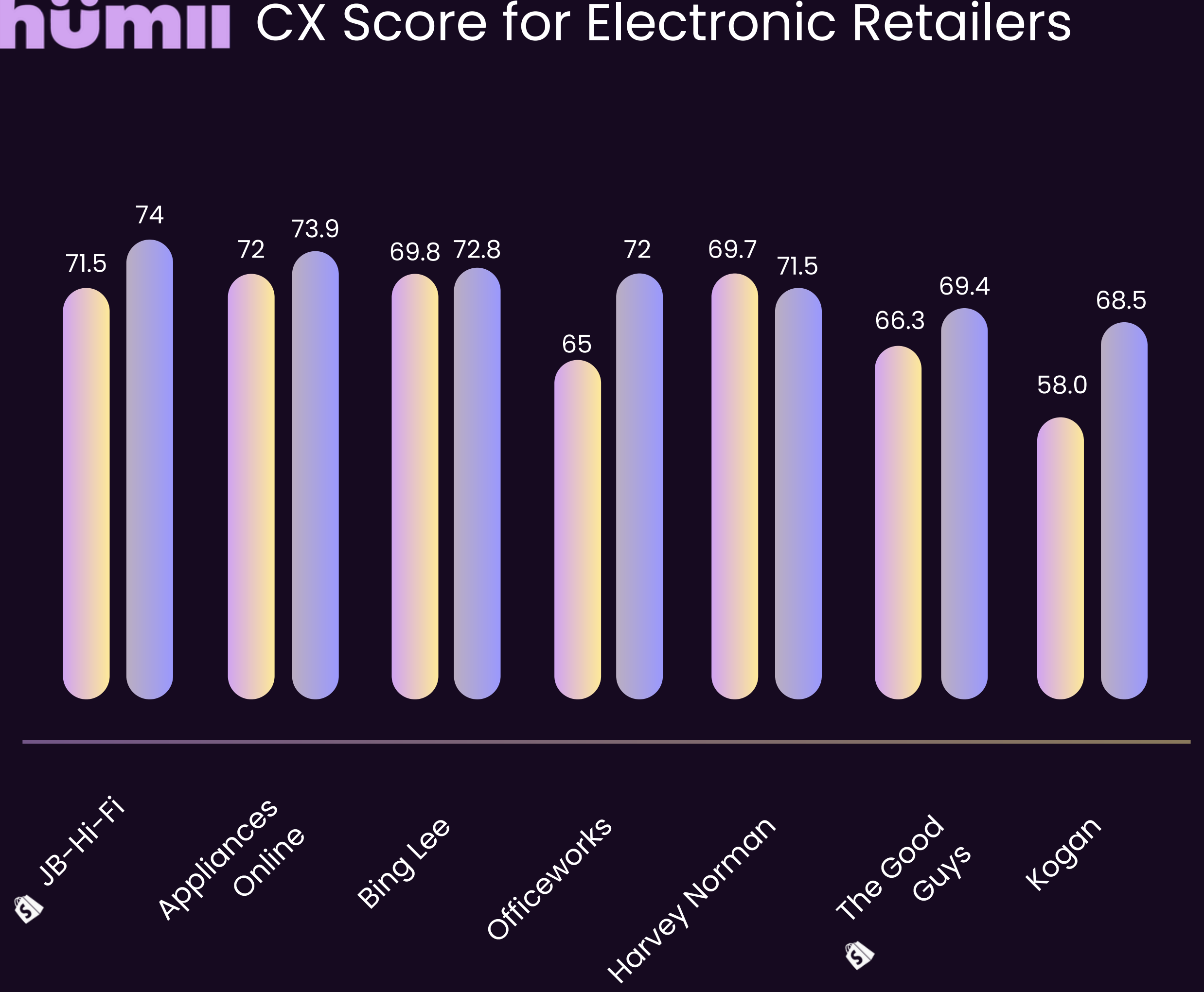
Pillow Talk is up 4.3 points year-on-year (67.5 to 71.8), showing meaningful gains are possible even in a complex category. Driven by steady improvements across most CX dimensions, with a standout ~15-point uplift in returns and refunds.

Electronics

Electronics is the most improved category, but the results reflect the website to checkout journey only. Returns are not captured end-to-end as most electronics retailers now require customers to return items in-store. This makes the returns process more inconvenient, particularly for customers who don't live close to a store.

Note: This industry segment is compared across the website experience. This means these scores are not directly comparable to the other segments as we cover the first 3 dimensions as opposed to 8 up until checkout.

hümi CX Score for Electronic Retailers



Most improved

Two retailers delivered considerable gains, showing how quickly performance can improve.

kogan.com

+10.5 points (58.0 - 68.5)

Driven by improvements in pre-purchase support, with FAQs and live chat now in place, and moderate improvement in checkout and payment.

officeworks

+7.0 points (65.0 - 72.0)

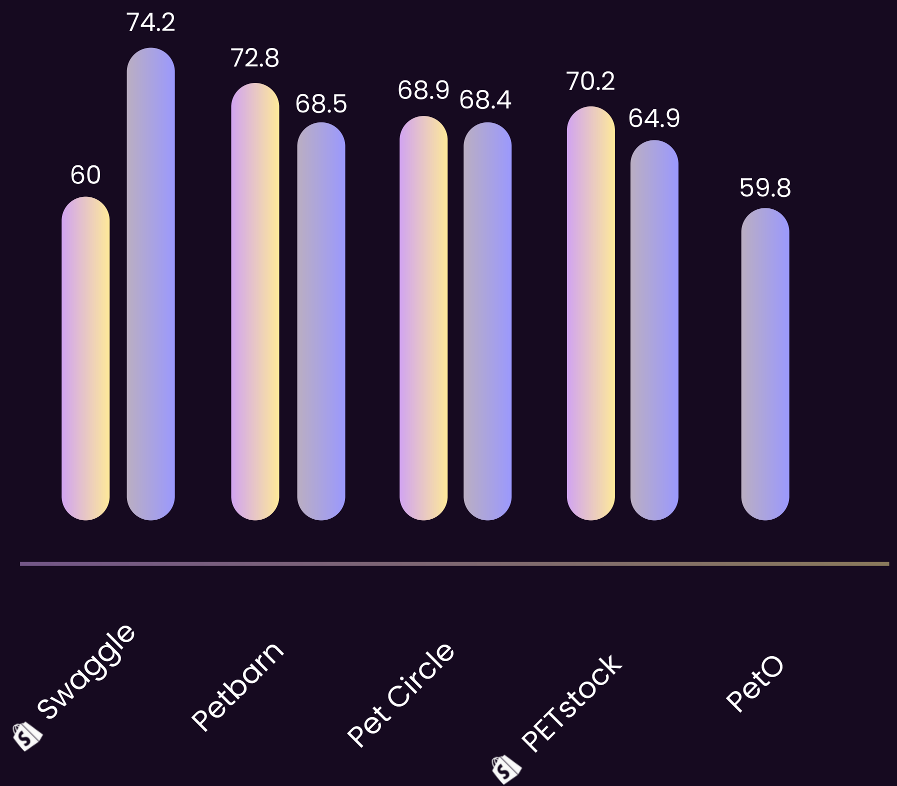
Pet Supplies

Customer expectations in the Pet Supplies category have lifted, with convenience and fast fulfilment now a clear differentiator. However, performance remains uneven with a wide gap between leaders and laggards. While many pet retailers historically did not accept online returns, today almost all do but the post-purchase experience still lags compared to categories where returns are more frequent and processes are more mature.

Note: 2025 vs 2026 scores are not like-for-like. In 2025, Pet Supplies measured the website journey only. In 2026, it reflects the end-to-end experience.

CX Score for Pet Supply Retailers

2025 2026



Most improved

swaggle

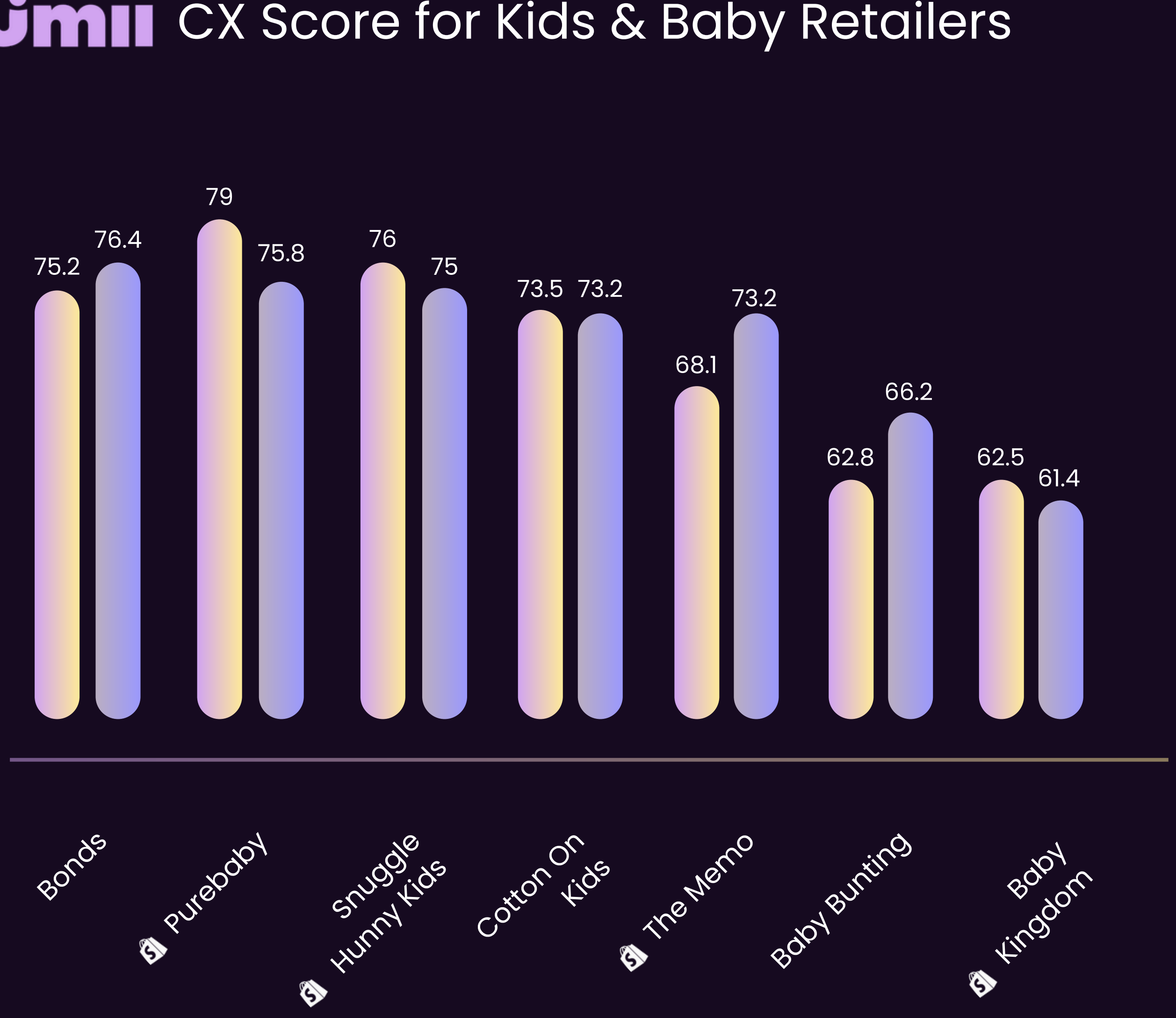
is a standout performer, being the biggest overall mover in this year's report, lifting +14.2 points compared to last year (60.0 - 74.2).

Driven by strong early-journey gains, with search and discovery up ~15 points and pre-purchase support up ~9 points.

Kids & Baby

This category combines strong leaders with some of the lowest scores in the benchmark. Returns are a key friction point, with many retailers relying on Return Authorisation (RA) rather than a self-serve returns portal. This creates more back-and-forth and slows the process, as shoppers must wait for approval and instructions. Kids and Baby purchases are often influenced by gift occasions and sizing uncertainty. In these scenarios, the return journey becomes particularly sensitive. Even if return volumes are not disproportionately higher, friction in the process has an outsized impact on trust.

hümi CX Score for Kids & Baby Retailers



Most improved

the memo.

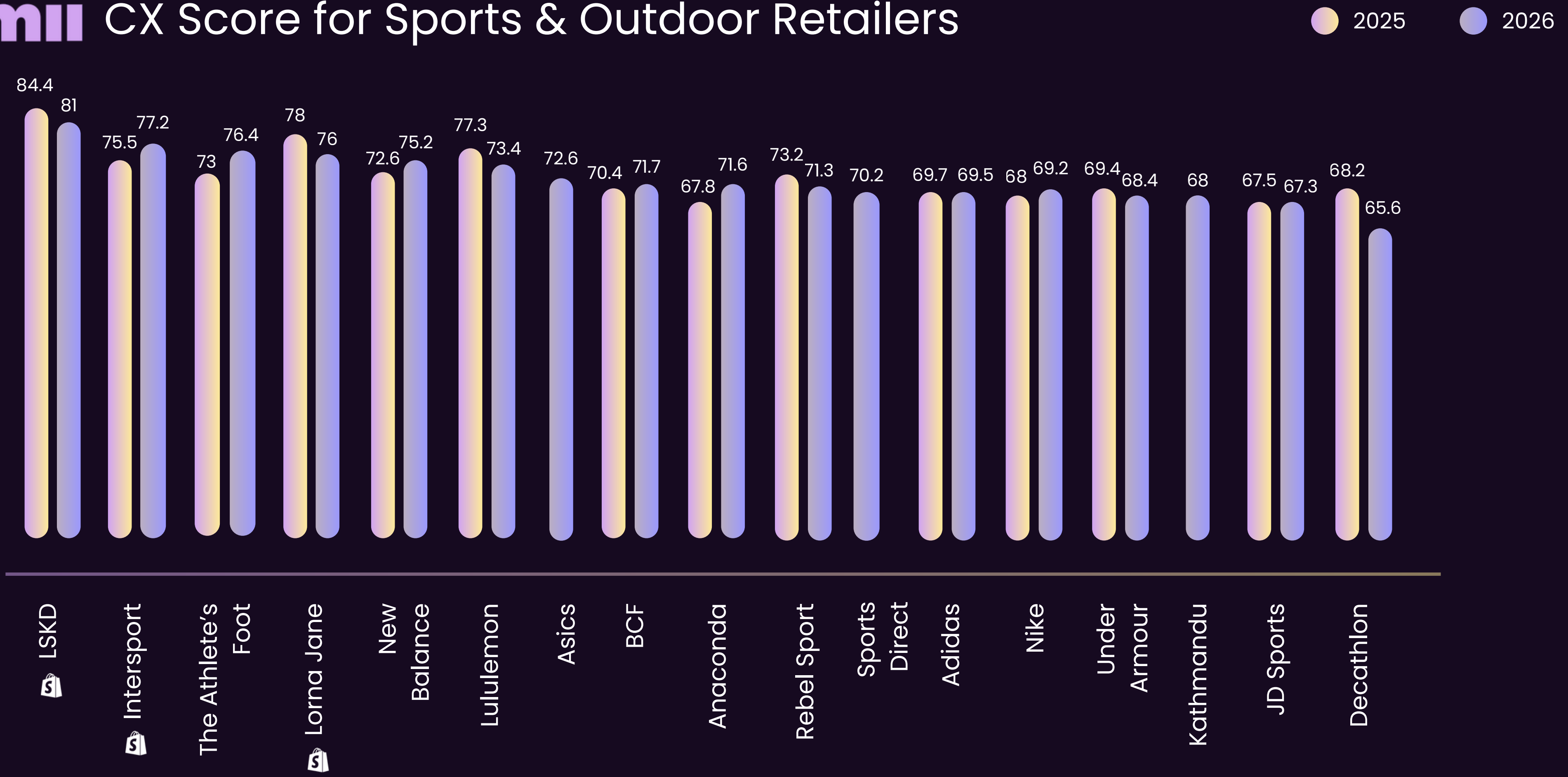
recorded the largest gain, up +5.1 points (68.1 to 73.2).

Driven by broad improvement across CX, with standout gains in post-purchase support and dispatch and delivery.

Sport & Outdoor

Sport and Outdoor is one of the strongest categories in the benchmark and includes the highest overall scorer. It's also the most competitive segment, with retailers showing a strong focus on continuous improvement. Leaders set clear expectations, provide visible tracking, resolve issues fast, and make returns easy to understand before checkout.

CX Score for Sports & Outdoor Retailers



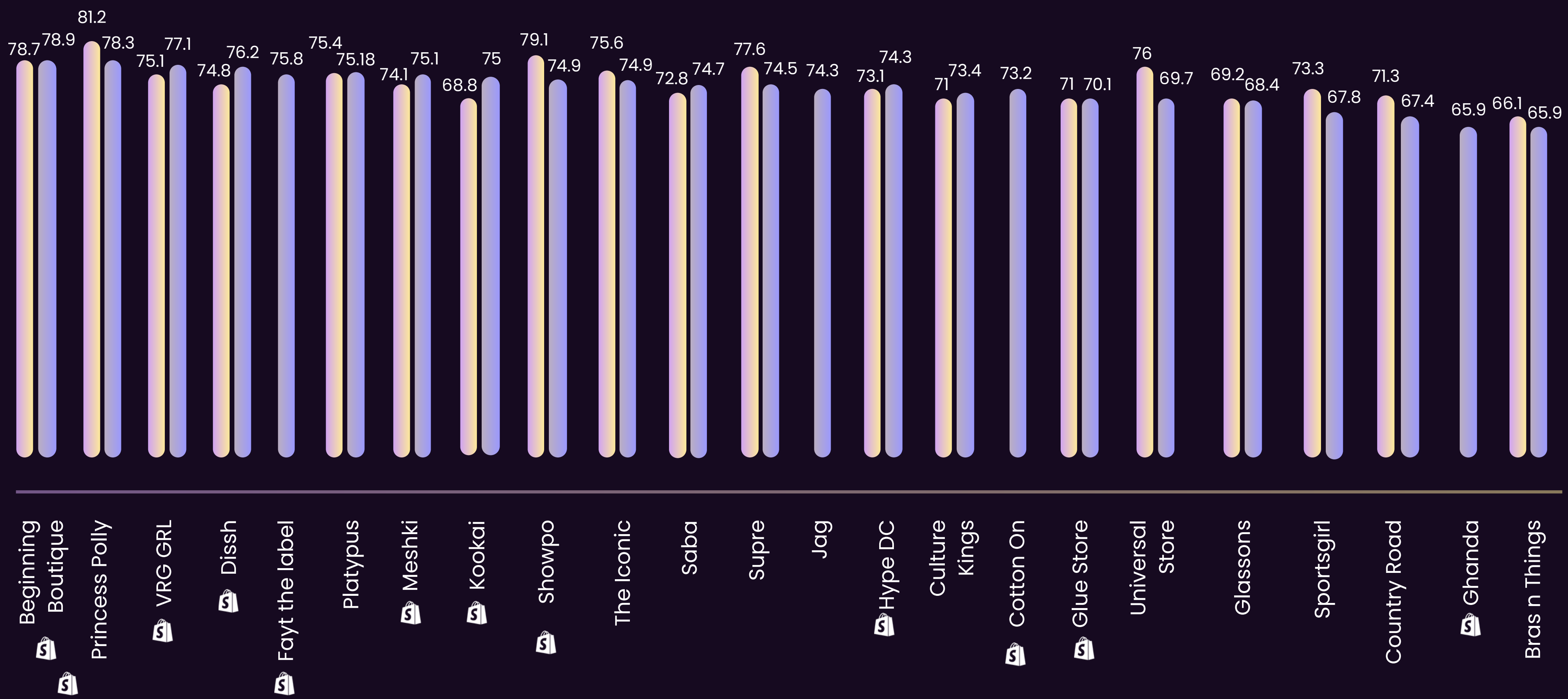
Most improved

ANACONDA (+3.8) and The Athlete's Foot (+3.4) were the standout improvers. ANACONDA improved steadily accross CX, led by a ~15-point uplift in returns and refunds. While LSKD still leads at 81.0, its -3.4 point drop shows strong performers still need active maintenance to defend their position.

Fashion

Fashion performs strongly at the top end of the benchmark, but it's also the most unforgiving category when it comes to returns. With higher return rates than other segments, shoppers expect a smooth, fast process with refunds processed quickly. Waiting days for a return authorisation (RA) is unacceptable. Slow refunds erode trust and repeat purchase intent.

CX Score for Fashion Retailers



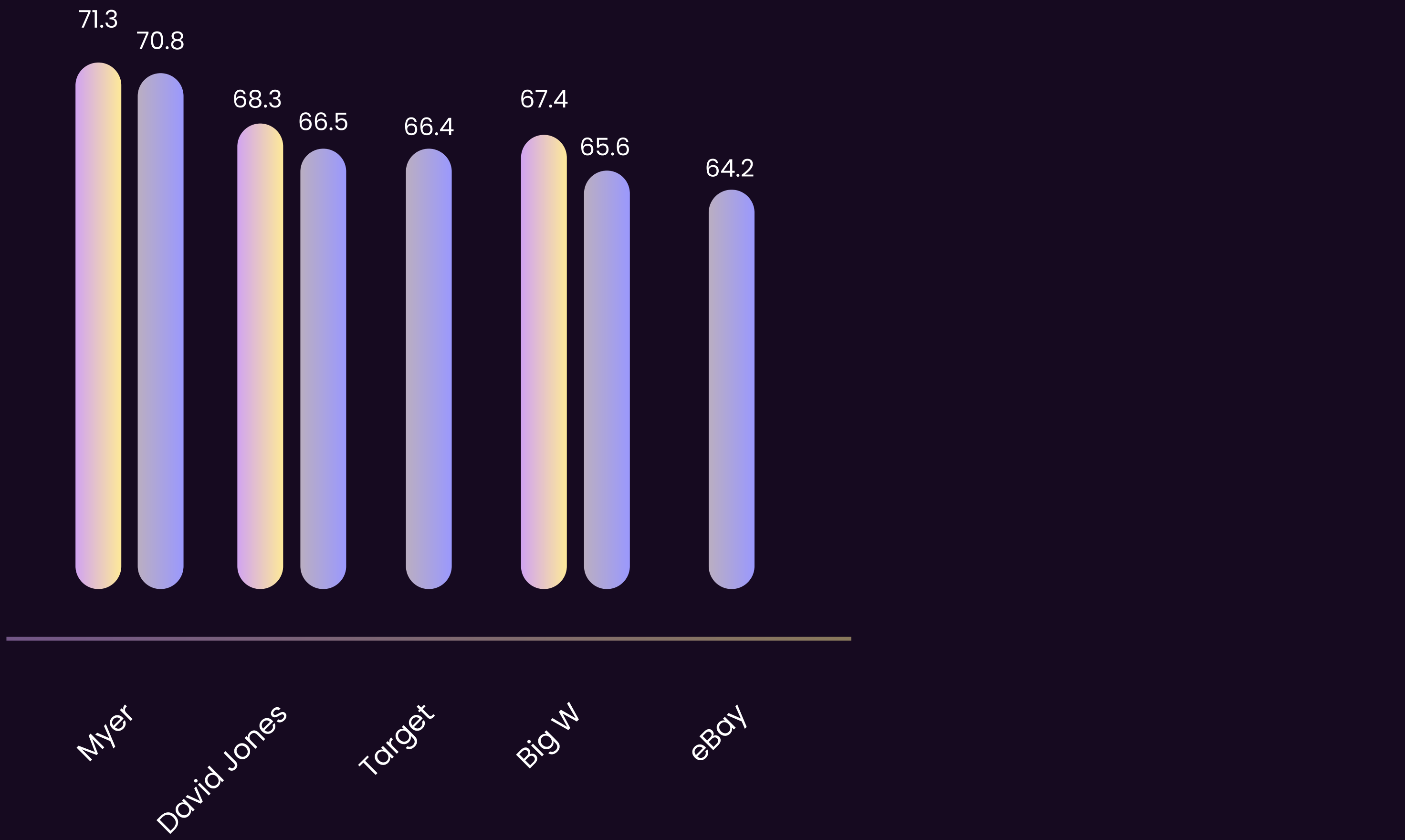
Most improved

KOOKAÏ recorded the largest gain, up 6.2 points (68.8 to 75.0), showing that meaningful CX improvement is achievable in a single year. Driven by improvements in the website experience, particularly search and discovery, and pre-purchase support.

Department Store & Marketplace

A new category in 2026. Scores cluster within a narrower band compared to other categories, but consistency is harder to sustain due to multiple product categories and different customer profiles. Search and navigation can quickly become confusing for customers, as each category requires a different discovery approach. The category leaders are able to juggle the mix successfully, as illustrated in the chart on the following page.

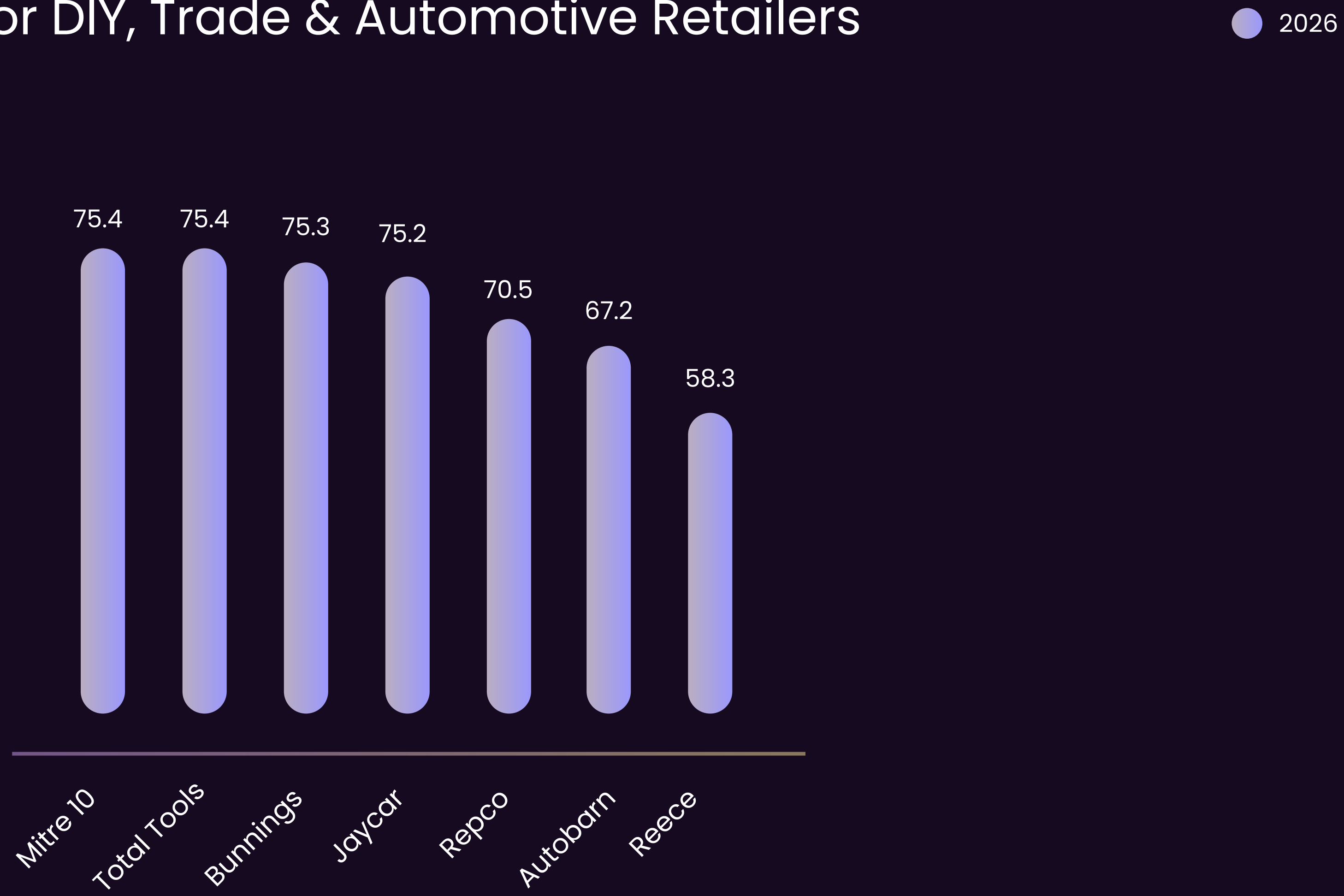
CX Score for Department Store & Marketplace Retailers



DIY, Trade & Automotive Retail

Another new category for 2026. DIY, Trade & Automotive Retail shows a solid head-to-head race among major players where tiny execution nuances can make a big difference. Shoppers typically know what they want, making search and discovery speed critical. The journey is less emotional but highly driven by functionality and price.

CX Score for DIY, Trade & Automotive Retailers



Where Things Break Down

This year's benchmark shows the fundamentals matter most.

Retailers win by removing friction early in discovery and checkout, then keeping shoppers informed after purchase. When that doesn't happen, breakdowns are predictable and costly.

Across key service areas, performance looks steady, but friction is shifting. More shoppers abandon when search fails, support is hard to reach, and shipping and returns policies are unclear at the crucial moment of decision.

The data points to three pressure zones:

Discovery is fragile.
Search is becoming a bigger abandonment trigger. When customers can't find what they need fast enough, they leave.

Support is harder to access.
Retailers are moving away from email despite shoppers expecting a clear 'email us' pathway for non-urgent issues.

Returns are becoming fragmented.
In Electronics, most retailers require customers to return items in-store, making the process harder to complete.

Post-purchase certainty is weaker.
Dispatch and response times vary sharply by category, leaving too many customers guessing.

Average Online CX Score by Retail Segment

Category	Live Chat Response Time	Dispatch Time	Delivery Time	Refund Processing	Email Response Time
Fashion	1.4 mins	1.6 days	4.9 days	8.1 days	25.3 hrs
Homewares	1 min	3.3 days	6.1 days	10.2 days	24.5 hrs
Electronics	1 min	N/A	N/A	N/A	N/A
Health & Beauty	2.3 mins	2.6 days	6.5 days	21.4 days	20.1 hrs
Pet Supplies	1 min	2.1 days	4.2 days	13.1 days	23.8 hrs
Kids & Baby	1.4 mins	2.7 days	6.4 days	17.9 days	20.8 hrs
Sport & Outdoor	1 min	2.4 days	5.1 days	7.5 days	17.8 hrs
Department Store/Marketplace	1.1 min	1.7 days	4.4 days	7.7 days	14.1 hrs
DIY, Trade & Automotive Retail	0.7 mins	N/A	N/A	N/A	N/A
Average 2026 Report (data past 90 days)	1.6 mins	2.3 days	5.3 days	12.2 days	21.04 hrs
Average 2025 Report (data same 90 days as 2026)	1.6 mins	2.4 days	5.3 days	12.9 days	27.9 hrs

Leaders Are Winning With Speed and Consistency

Younger skewed fashion brands are winning on speed, outperforming with faster fulfilment, quicker service responses, and faster refunds than most other categories.

Sport & Outdoor is the most competitive battleground, with several retailers making sharp CX gains while LSKD holds the lead.

New 2026 insight: AI is testing trust.

Chatbots can help with simple questions, but shoppers abandon when they loop, fail to answer, or don't provide a clear path to a human. When AI is rolled out too quickly, it can make things harder. A simple support option that works is better than a bot that can't fix the problem or connect you to a person.

Returns and Refunds - Where Trust Is Won or Lost

A retailer can deliver a smooth search and checkout experience but returns and refunds are where trust and loyalty are won. In 2026, shoppers want certainty with clear steps, timelines and visible progress.

Refund processing has improved slightly year-on-year, but inconsistency remains the problem. When customers don't know how long a refund will take, they hesitate to buy.

Average refund processing time:
12.9 days (2025) to 12.2 days (2026)

Spread:
Seconds to 70 days (2025) to seconds to 92 days (2026)

Fastest category:
Sport and Outdoor (7.5 days), closely followed by Fashion (8.1 days)

Slowest category:
Health and Beauty (21.4 days)

Return authorisation is also testing customer patience. Return portals are now common, but some retailers still require a return authorisation (RA) before a return can proceed. This adds delay and uncertainty, and it's worsening.

Average RA wait time has more than doubled:
4 days (2025) to 9 days (2026)

No response after a month has tripled:
3% (2025) to 9% (2026).

Why it matters: Returns and refunds are now influencing purchase decisions upfront. When the process feels unclear or slow, shoppers abandon it earlier.

What Good Looks Like in 2026:

Leaders make returns easy to start, easy to track, and fast to resolve with regular status updates so customers don’t have to chase.

Abandonment and Retention - What Makes Shoppers Leave or Return

Abandonment shows what makes shoppers leave. Retention shows what makes them return.

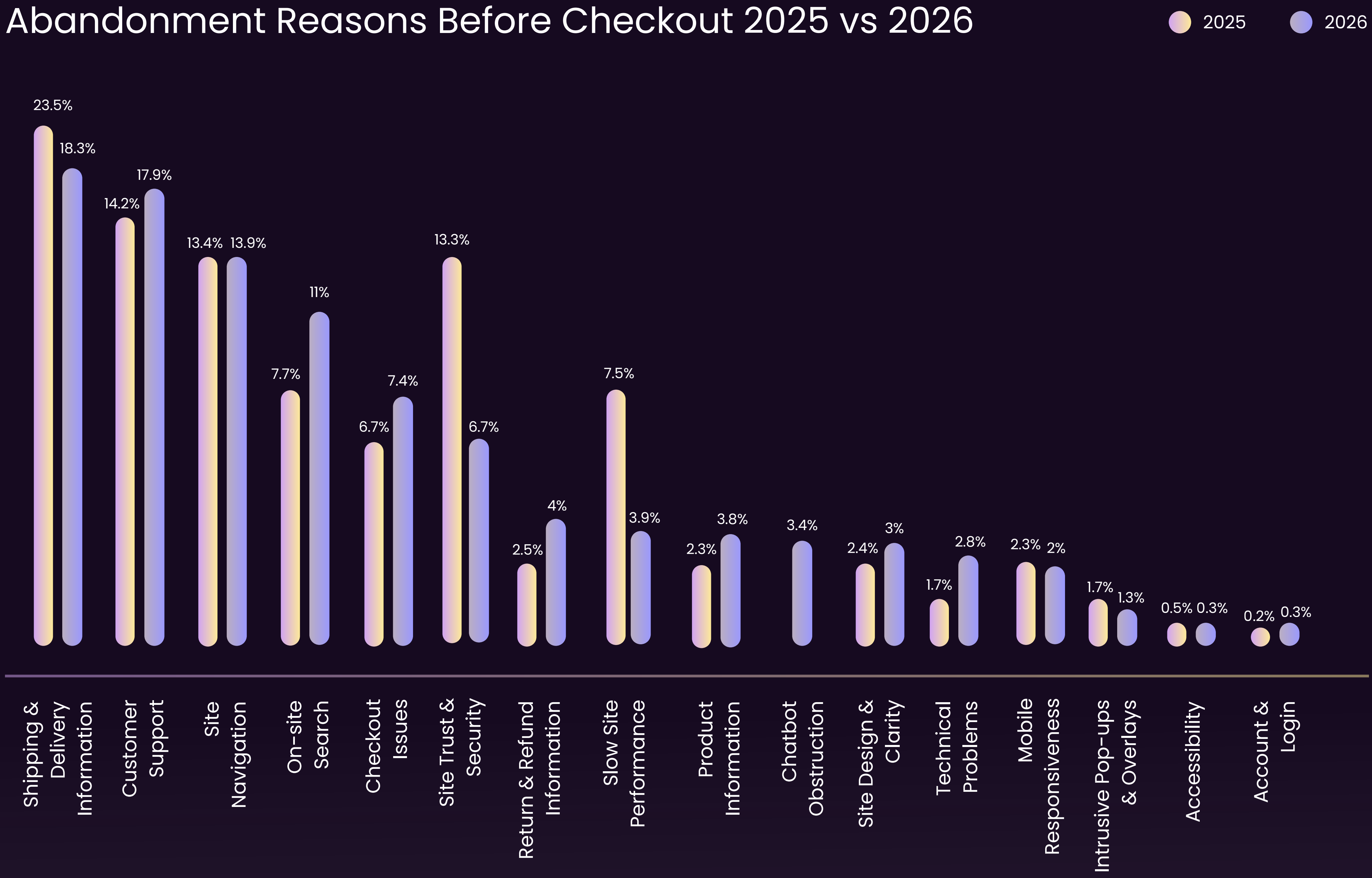
Abandonment happens early. Measured across the first three stages of the online journey (pre-purchase to checkout), capturing whether there was anything that would have made a shopper leave the website and why.

Retention is decided at the end. Measured after a refund is received, when the final impression has formed, and shoppers indicate how likely (or unlikely) they are to return based on their overall experience.

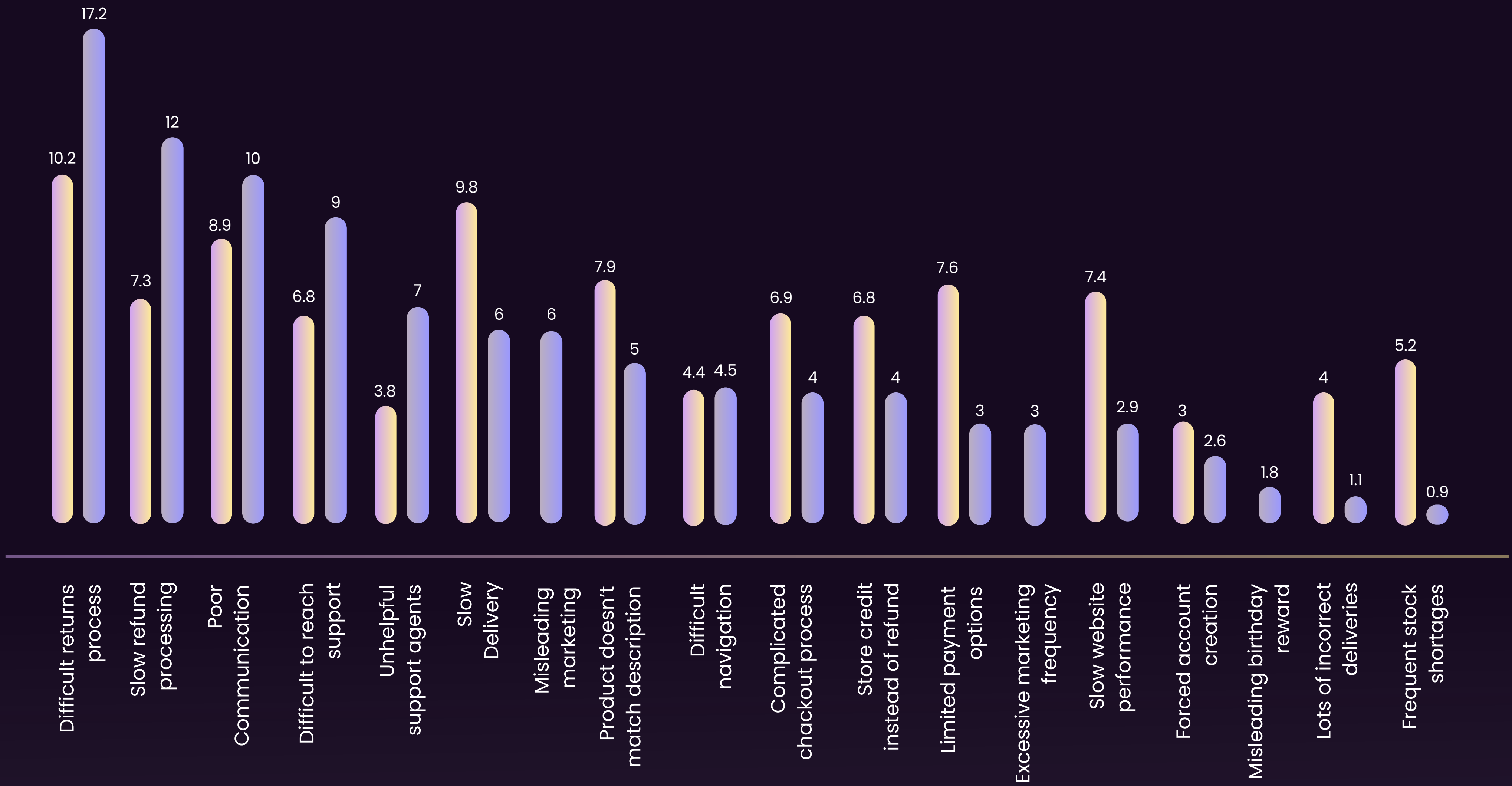
While average abandonment is 28% and retention is 72%, results vary widely by category. The spread indicates many retailers are still falling short of what customers expect in their category.

Category	Abandonment Rate		Retention Rate	
	Best	Worst	Best	Worst
Fashion	3%	56%	96%	44%
Homewares	7%	48%	89%	51%
Electronics	12%	39%	N/A	N/A
Health & Beauty	2%	50%	84%	52%
Pet Supplies	13%	57%	74%	48%
Kids & Baby	12%	45%	88%	49%
Sport & Outdoor	0%	36%	97%	60%
Department Store/Marketplace	12%	39%	78%	46%
DIY, Trade & Automotive Retail	10%	49%	N/A	N/A
Industry Average	28%		72%	

Abandonment Reasons Before Checkout 2025 vs 2026



Retention reasons - What Are the Key Reasons Shoppers Do Not Return to a Seller?



Abandonment and Retention at a Glance

Fashion

Abandonment 3% to 56%; retention 96% to 44%

Homewares

Abandonment 7% to 48%; retention 89% to 51%

Health & Beauty

Abandonment 2% to 50%; retention 84% to 52%

Pet Supplies

Abandonment 13% to 57%; retention 74% to 48%

Kids & Baby

Abandonment 12% to 45%; retention 88% to 49%

Sport & Outdoor

Abandonment 0% to 36%; retention 97% to 60%

Department store & Marketplace

Abandonment 12% to 39%; retention 78% to 46%

Electronics and DIY/Trade/Automotive

Retention not shown (note this shows the website journey only)

What’s Shifting in 2026 - Why Shoppers Leave

Chatbot obstruction is emerging

A new 2026 cluster (3.4%) reflects forced bot flows that don’t resolve issues or provide a clear path to a human.

Support is driving more drop-off

Customer support has risen from 14.2% to 17.9% (+26%), with “useless bot” mentions up by about 70% year-on-year.

Technical problems are rising

Technical issues have increased from 1.7% to 2.8% (+65%), with feedback suggesting some overlap with AI-related failures beyond chat.

Some traditional triggers have improved

Slow site performance has fallen from 7.5% to 3.9% (-48%), and trust and security concerns dropped from 13.3% to 6.7% (-50%).

What's Shifting in 2026 - Why Shoppers Don't Come Back

Returns has become a key retention issue

"Difficult returns process" has risen from 10.2% to 17.2% (+69%) and the gap between good and bad returns is widening. Not having a returns portal has become a deal-breaker.

Support problems are turning shoppers away

"Unhelpful support agents" has increased from 3.8% to 7.0% (+84%), with repeated feedback about bots looping and no clear path to a human, creating customer frustration.

Payment is less of a barrier than last year

"Limited payment options" has dropped from 7.6% to 3.0% (-61%) as more retailers offer faster payment methods.

More shoppers are struggling to reach support

"Difficult to reach support" has risen from 6.8% to 9.0% (+32%) as email options disappear and customers are pushed into chat.

Incorrect deliveries are less of an issue

Feedback about "incorrect deliveries" has fallen from 4.0% to 1.1% (-73%).

Marketing is becoming a reason customers don't return

This includes too many messages (3.0%), misleading offers (6.0%), and missing birthday rewards (1.8%).

Omnichannel Deep Dive

In 2026, omnichannel shifted from being a differentiator to a baseline expectation and Click & Collect is where that expectation is tested most.

The strongest experiences make channels feel seamless, with clear availability, cut-off times and pickup windows, proactive updates, easy cross-channel returns, and consistent end-to-end service.

Click & Collect is common but certainty is not. Across categories, the differentiator is reliability, especially when purchases are urgent, size-dependent, or likely to be returned.

Category	C&C Availability	Typical Pickup Promise	Notification Experience	Fulfilment Flexibility	Incentives for C&C	Cross-channel Returns Maturity
Fashion	Medium (65%)	Same/Next day	Email + SMS	Low	Rare	Medium
Homewares	Medium (50%)	Next day	Email + SMS	Low	Rare	Limited
Electronics	High (71.4%)	Same/Next Day	Email + SMS	Low	None	Medium
Health & Beauty	High (70%)	2-4 hrs	Email + SMS	Low	Rare	Strong
Pet Supplies	Medium (60%)	Same/Next day	Email + SMS	Low	None	Medium
Kids & Baby	High (100%)	Same/Next day	Email + SMS	Low	None	Medium
Sport & Outdoor	Medium (53.3%)	Same/Next Day	Email + SMS	Low	Rare	Medium
Department Store/Marketplace	High (75%)	Same/Next day	Email + SMS	Low	None	Strong
DIY, Trade & Automotive Retail	High (85.7%)	2-4 hrs	Email + SMS	Low	None	Medium

Banding: High ≥70% | Medium 40–69% | Low 10–39% | None 0%

Two-thirds of retailers in our benchmark now offer Click & Collect (67%) but uptake varies by category - from 50% in Homewares to 100% in Kids & Baby.

The Click & Collect Reality Check:

24-hour collection is the standard

Health and Beauty leads the way with exceptionally fast service (2 to 4 hours).

Cut-off times are rarely stated

They're missing from 78% of retailers, leaving customers guessing about what "same day" pickup actually means.

Notifications are a weak point

Most alerts are sent by email (42%) while SMS is used inconsistently.

Returns flexibility is mixed

Around ~80% retailers allow Click & Collect returns in store, but coverage is not universal. Online returns are more consistently supported.

Homewares is the hardest to execute

It has the lowest adoption rate (50%) with pickup promises that often stretch across multiple days.

Economic Outlook for 2026

“Retail sales growth appears to have peaked in the December 2025 quarter and is forecast to moderate to 5% in FY26.”

Craig Woolford

Senior Analyst,

Consumer Sector at MST Marquee

Garth Francis

Analyst,

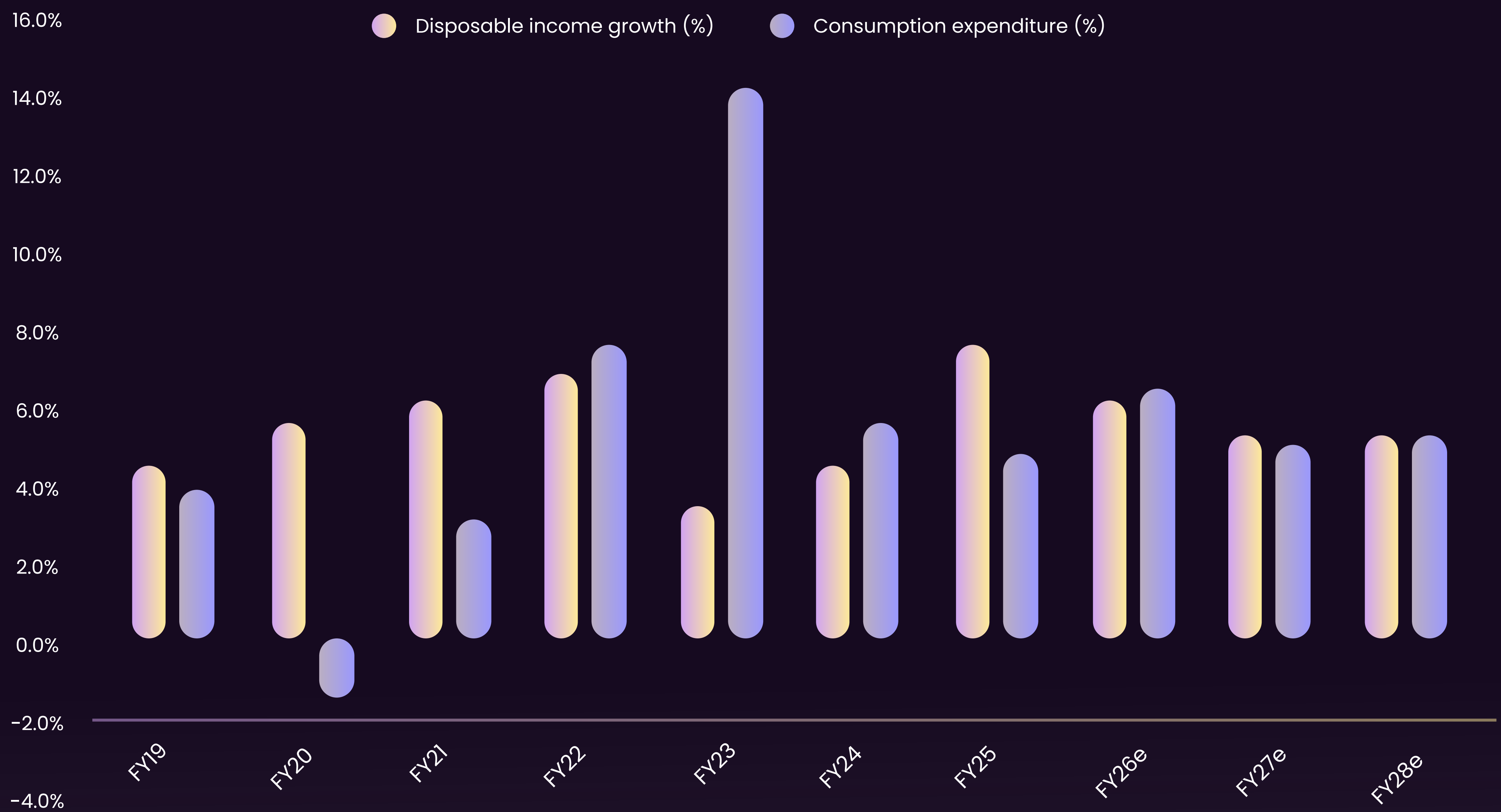
Consumer Sector at MST Marquee

Consumer and Retail Spending

MST Marquee's consumer analysts believe the Australian retail sales cycle just passed its peak in the December 2025 quarter (6% growth) and is now moderating, with retail sales growth forecast at 5.0% in FY26e. While a moderation from the recent peak, without further house price growth, households will be less willing to use their savings to drive retail spending. While interest rate movements will be topical, unless there are multiple rises the shift in the Australian dollar and house prices will be more impactful on retail spending than any rate rise itself.

Retail Outlook

Source: ABS, MST Marquee

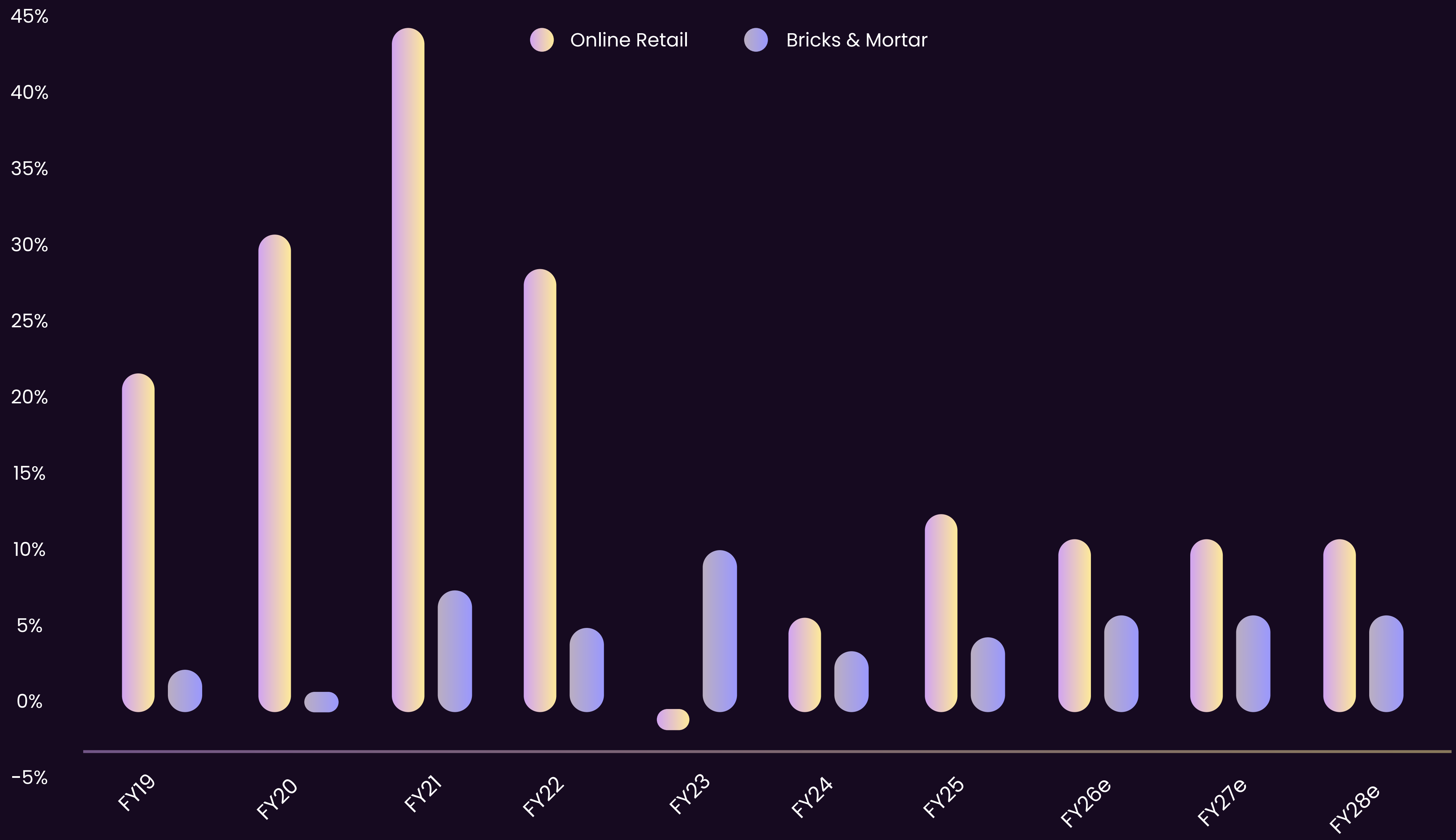


Forecast for Online Sales Growth

Online retail represented 15.1% of total retail (June 2025) and is estimated to have grown 10% in calendar 2025. A 10% growth is forecast in FY26e and 9% in calendar 2026, with online expected to grow at an average of 8%–11% per annum over the next five years. Growth is expected to be strongest in food online (10%–13% p.a.), while non-food online is forecast at 6%–9% per annum.

Online and Bricks-and-Mortar Retail Sales Growth

Source: Company reports, MST Marquee

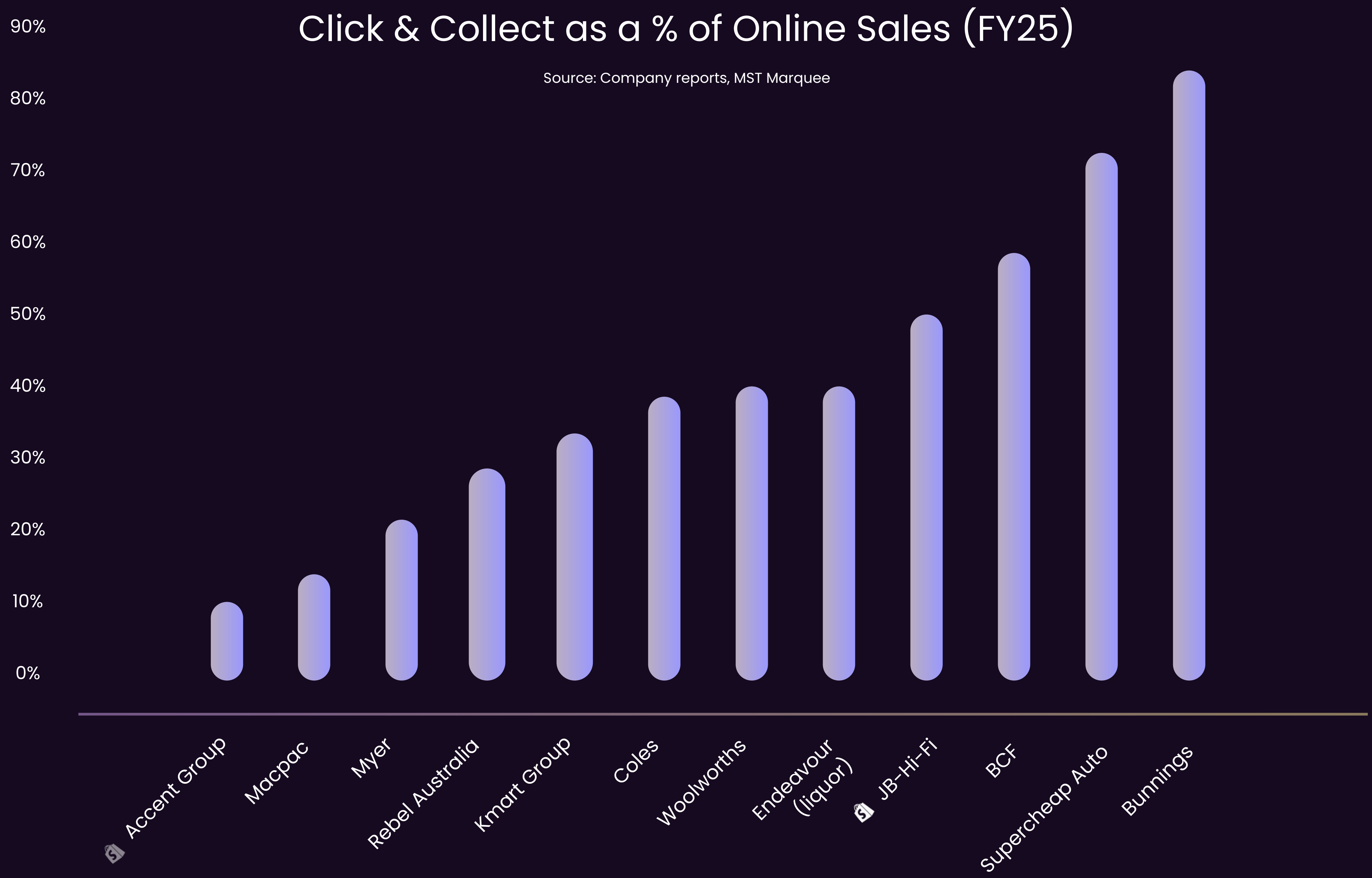


Forecast for Online Sales Growth – Delivery Options and the Importance of Click & Collect

Delivery choice remains one of the most practical ways to reduce friction and build confidence, especially in categories where shoppers want speed and certainty. While Click & Collect is both popular with shoppers and financially appealing for retailers, the lower the item value, the more likely Click & Collect is selected, given the relative cost of delivery. For a retailer, not having to incur a delivery charge makes the sale more profitable while at the same time a shopper coming into the store creates an opportunity to increase the basket size.

Click & Collect matters because it gives customers more choice and can lift purchase confidence, but it shouldn't be treated as a driver of retail performance. Uptake is shaped largely by what's being sold, particularly delivery cost relative to item value, as well as urgency and immediacy of need.

For Supercheap Auto and Bunnings, Click & Collect is as high as 75-85% of online sales. A range of 30%-40% of online sales is common among listed retailers when Click & Collect is enabled.


Click & Collect as a % of Online Sales (FY25)
Source: Company reports, MST Marquee
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Accent Group
Macpac
Myer
Rebel Australia
Kmart Group
Coles
Woolworths
Endeavour (liquor)
JB-Hi-Fi
BCF
Supercheap Auto
Bunnings

How to Win in 2026

Online customer experience is entering a more demanding phase, and customers are less forgiving than ever.
Retailers are no longer judged only against category peers. Customers compare every interaction to the best digital experiences they use every day, and that expectation now extends well beyond checkout into fulfilment, returns, refunds and issue resolution.

The bar is also rising earlier in the journey. More shoppers are using AI-powered discovery tools before they even land on a website, increasing the importance of clear product information, accurate availability and transparent returns policies.
The data in this report shows that the most common CX breakdowns are not dramatic failures, they are expectation failures. Unclear delivery timelines, inconsistent returns processes, slow refunds and patchy communication are the friction points that quietly drive churn.

AI will play a bigger role in delivering service, but automation alone isn't the answer. The leaders will operationalise the fundamentals: making promises clear, sharing proactive updates, resolving issues quickly, and providing a reliable path to a person when help is needed.

At the same time, agentic commerce is accelerating. The buyer journey is shifting from ad and search to chat, with AI systems increasingly comparing, deciding and transacting on a customer's behalf. The winners in 2026 will be the retailers who make certainty operational, for humans and for machines.

Get in Touch

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