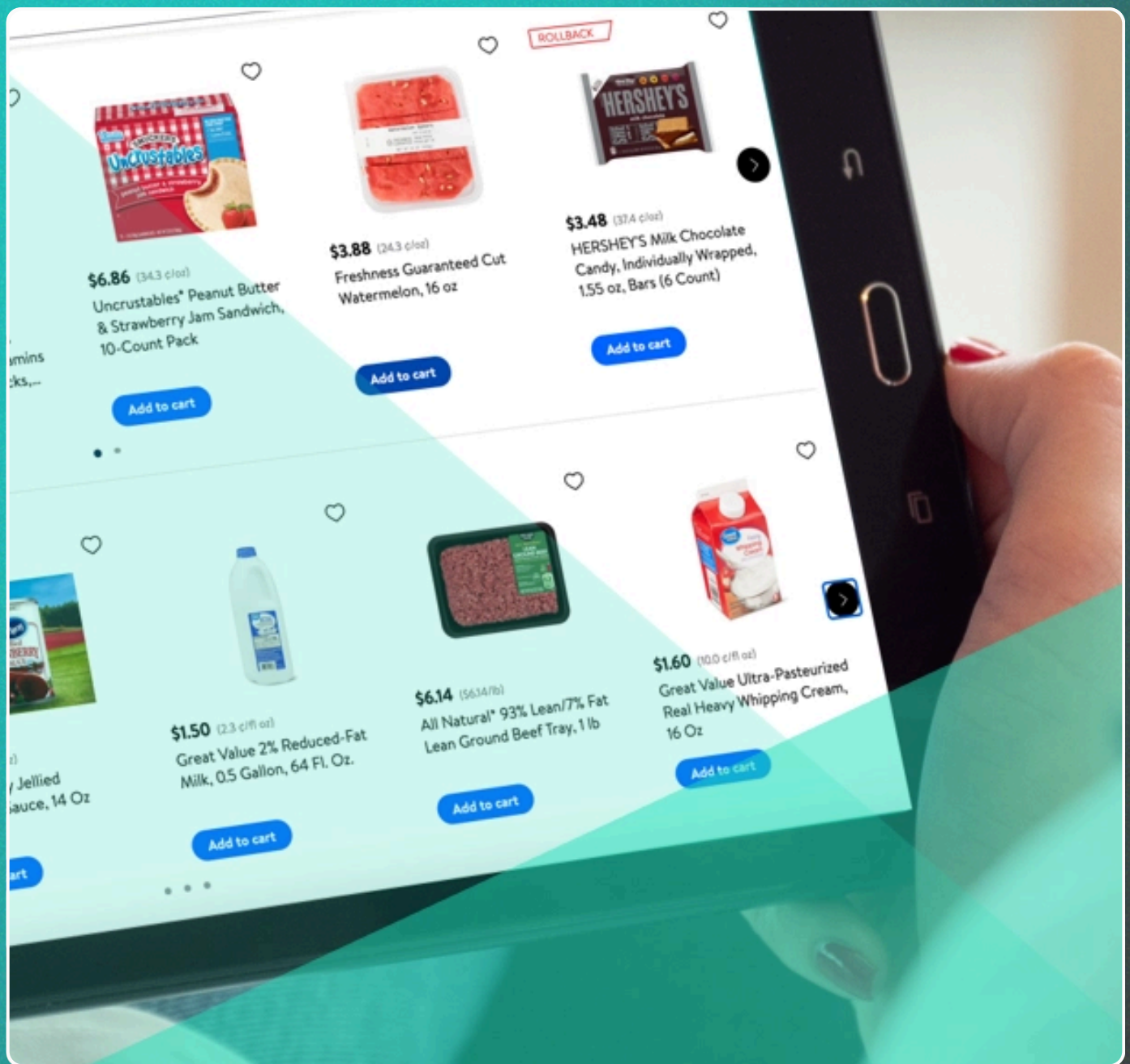


How to Win on the Digital Shelf



Introduction

Today's digital commerce landscape is more saturated than ever. Whilst your products may be listed online, driving visibility and delivering a great experience is a capability many consumers and B2B brands are still yet to master, and failure to do so will increasingly erode market share.

Consumer behaviour has shifted – shoppers are researching, sharing and purchasing across multiple platforms, yet many brands still struggle to execute a strong digital shelf strategy. So what does this mean? If your product isn't easy to find, compelling to engage with, and easy, convenient and available to purchase, you're losing sales. Not just that sale, but you are potentially losing a customer over time.

Winning on the digital shelf requires brands to shift their mindset from managing products in physical store environments to managing products in a digital ecosystem that is driven by algorithms and online reputation cues. It requires brands to master a series of levers that enable discoverability, conversion, drive repeat purchases and more.

But where should brands focus? Our guide to winning on the Digital Shelf helps brands understand why the digital shelf is so important to manage and breaks down the key strategies, insights, and actions you need to take to own the digital shelf in 2025 and beyond.



Teresa Sperti
Founder & Director
Arctic Fox



Kat Matthews
Digital Marketing Manager
Arctic Fox

What is the digital shelf and why does it matter?

“The digital shelf is the online environment a product appears in. It's the online counterpart to a shelf in a physical store.”

In 2013, eComm sales in Australia represented less than 5% of all total retail spend. In 2023, this jumped to 16.8% of total retail spend, which means that over the past 10 years, eCommerce sales have more than tripled in the local market.

But when we look ahead, it is anticipated that by 2033, one in every 3 retail sales in Australia will occur via eCommerce, which shows how much growth we have to come over the next decade. [According to Profitero](#), 8 in 10 shoppers say retail purchases are influenced by digital touchpoints, meaning digital plays a much bigger role in driving instore sales than most consumer brands and retailers realise.

The impact and influence of digital on the top and bottom line, makes digital shelf management essential if brands seek to maintain relevance, preference and share in the modern digital era.

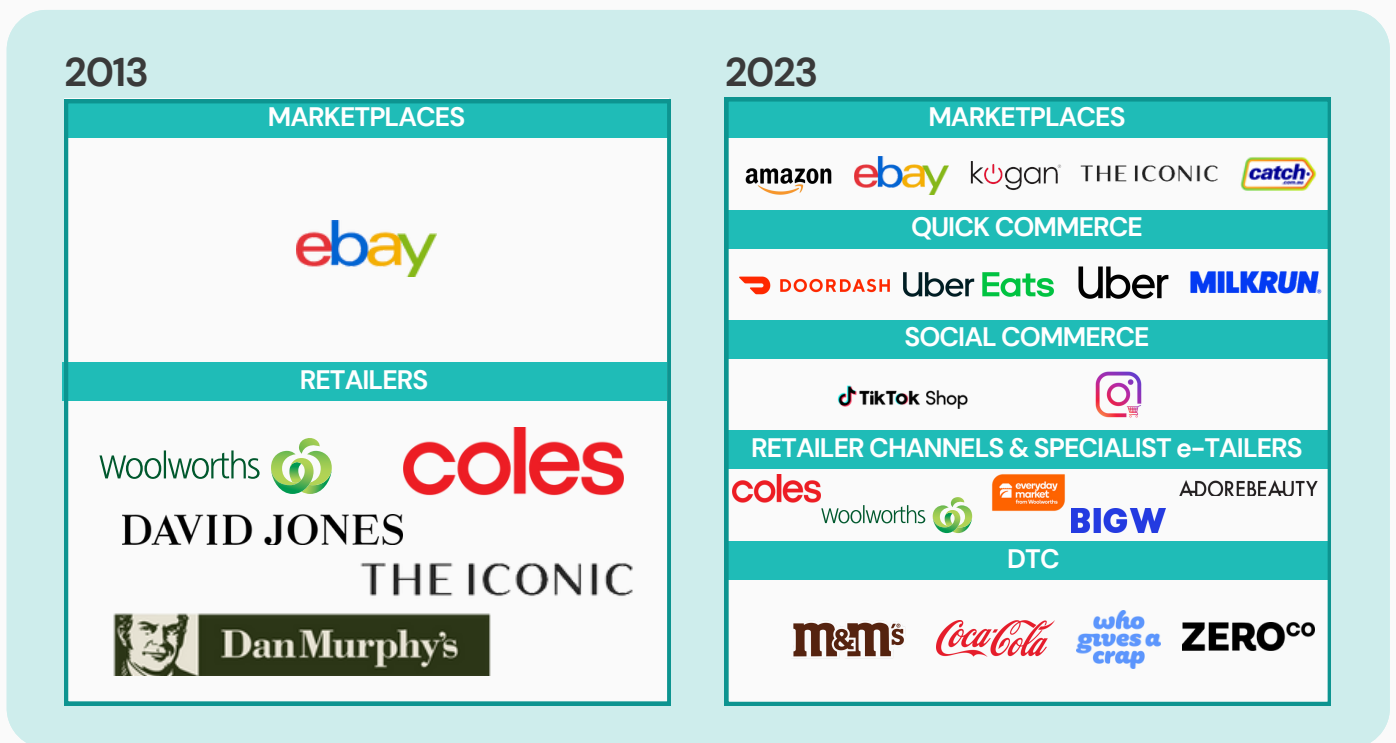
2013
<5%
of all retail sales were from eComm

2023
16.8%
of all retail sales were from eComm

2033
33%
of all retail sales likely to be from eComm

The state of the eCommerce market in Australia and how it has changed

As the eCommerce market has grown, so has the number of eCommerce channels a shopper can leverage to buy. If we look back to 2013, Australian consumers had far less choice in terms of where to buy products than they do today.



In 1999, eBay launched down under, but they were one of only a handful of big players in the marketplace space. By 2013, eBay was only in the infancy of selling new products online, not just second-hand goods, by partnering with retailers at that time.

Retailers also began entering the online space in the late 90s to early 2000s, with Coles and Woolworths having also launched their grocery presence, but a decade on (2010 – 2012), sales results still left a lot to be desired. The Iconic emerged in 2011 with David Jones launching its eCommerce presence the following year in 2012, and by 2013 online sales represented a mere 1% of their total sales.

Also in 2013, Coles had just launched the first online liquor store for First Choice, and Liquorland had no eCommerce presence at all to speak of.

Online food delivery was also a pretty nascent space until Uber Eats launched in 2016, paving the way for a wave of fast delivery services like Milkrun and Doordash to emerge in Australia, setting a whole new standard for ultra-fast delivery. And when social media came around (Facebook in 2004 and Instagram in 2010), social commerce wasn't heard of until Facebook introduced Marketplace in 2016 and Instagram introduced Shops in 2020.

Fast forward to today and the eCommerce channel landscape has experienced significant proliferation and whilst some consumer brands have adapted quickly, because it would be business suicide if they didn't, others have been very slow to move.

So, where are we today?

With marketplaces like Amazon and Temu now increasingly dominating the Australian market, the growth of quick commerce platforms like Uber and DoorDash, and the rise of social commerce, the eCommerce landscape has dramatically changed and will continue to evolve.

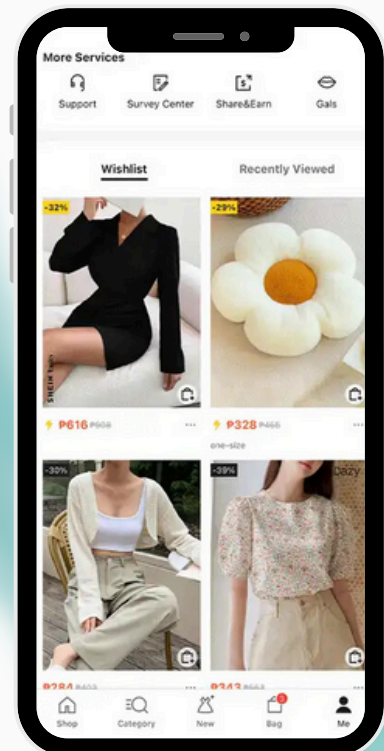
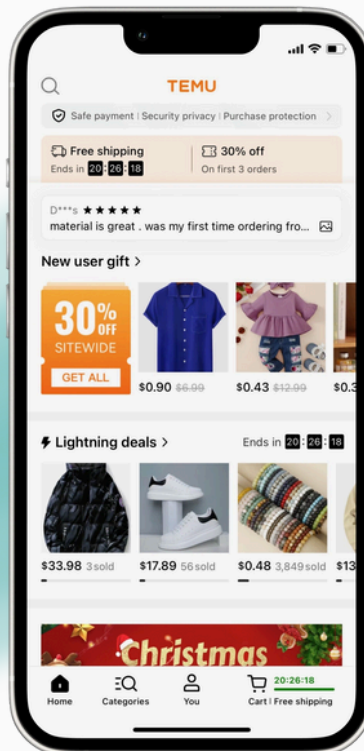
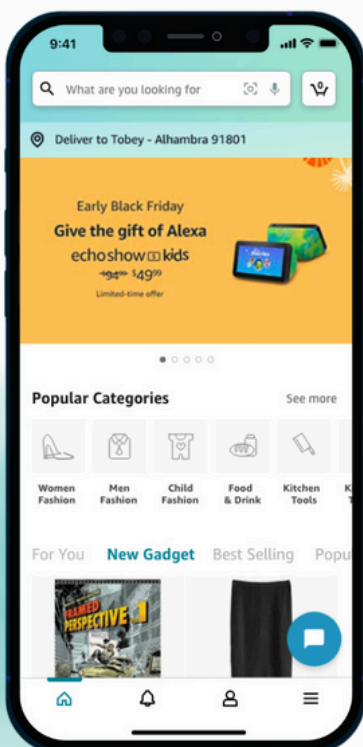


Marketplaces

Amazon is now officially the most popular marketplace down under, with 54% of Australian shoppers, shopping with them in the year to July 2024. Over 5m Australians now have access to an Amazon Prime membership and their 'subscribe and save' offering has grown by 40% over the past 12 months. Market researchers predict that by 2030, Amazon will hold 25% of the Australian retail market.

The likes of Temu and Shein have also made their fair share of waves down under. [Research from Roy Morgan](#) shows that Temu now holds almost one-fifth of the Aussie retail market, with 3.8 million people making at least one purchase in a year, and more than 2 million Aussie shoppers making purchases at Shein.

The impact of the rise of these marketplaces has been seen in recent news, with the downfall of Wesfarmer's owned and operated Catch.com.au. Managing Director Rob Scott claimed the business' demise was the result of competition from overseas brands.



Quick commerce

The demand for ultra-fast delivery has surged in Australia, with consumers increasingly expecting groceries, meals, and everyday essentials to arrive in minutes. As of 2024, approximately 4.5 million Australians are using quick commerce services, representing around 16.2% of the population. [Statista reports](#) that the Quick Commerce market in Australia is projected to reach a revenue of US\$1.26bn in 2025.

While international players like Gopuff have dominated overseas, the local market has seen its own wave of quick commerce experimentation. Milkrun, one of the pioneers of quick commerce in Australia, was acquired by Woolworths after struggling with profitability. Yet its rapid return under new ownership signals continued demand for instant delivery. Meanwhile, Uber Eats and DoorDash have expanded beyond restaurant meals, now offering everything from supermarket essentials to pharmacy items and partnering with independent retailers to stay competitive. Coles and Woolworths have also stepped up, integrating one-hour delivery options into their digital offerings.

But the challenge remains: balancing speed with sustainability and profitability. As the market matures, success comes down to efficiency, smart logistics, and consumer willingness to pay for convenience.



Social commerce

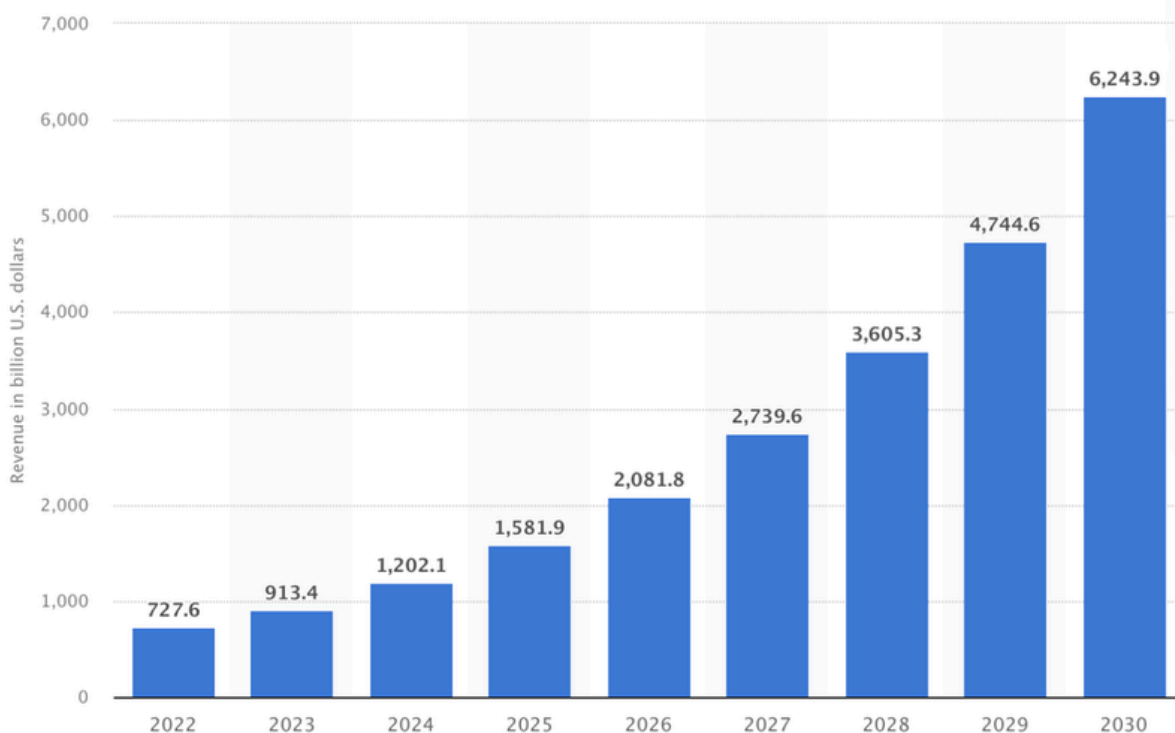
Boasting some of the biggest audiences in the world, social channels are becoming commerce channels first and foremost. In these environments, people are buying from or based on people they trust – influencers and content creators have really become the conduit between brands and buyers.

TikTok's play in the social commerce space is one of the boldest we have seen so far – offering both fulfilment services and an affiliate network to support growth and scalability for brands. It is really setting the standard for social commerce, and it won't be surprising if the commerce market will be shaped by the TikTok approach. Whilst social commerce is already sizeable today, estimated to be worth \$1.2tn worldwide, it is anticipated to grow 400% by 2030 which demonstrates the shift in audiences buying through these channels.

E-Commerce > B2C E-Commerce

Social commerce revenue worldwide from 2022 to 2030

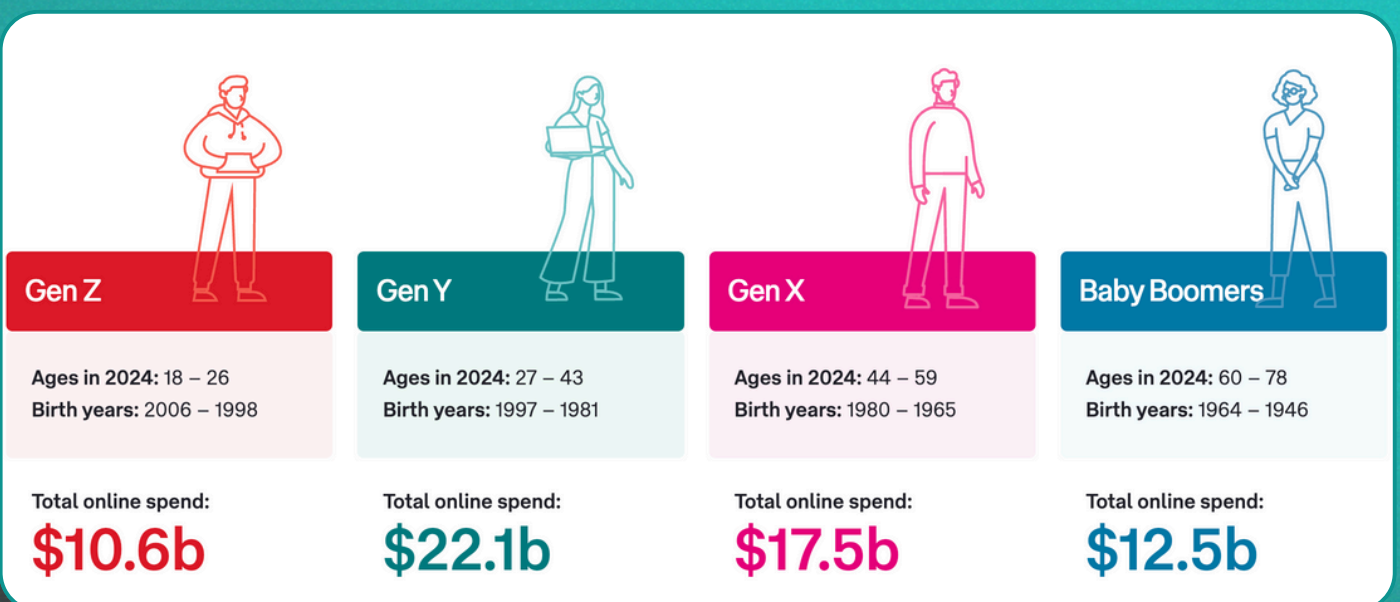
(in billion U.S. dollars)



The modern Australian shopper and digital consumption

Today, Gen Zs and Millennials already represent 51% of total online spend in Australia. Whilst all generations are buying online, the next 10 years of growth will be powered by these digitally savvy generations along with the emerging Gen Alphas. For the first time in 2024, Gen Zs will make up a bigger part of the global workforce than Baby Boomers.

Over the next decade this digitally savvy generation will increase their earning capacity and purchasing power and as that grows, so too does retail spend online. But equally, the peak earning years for millennials are also ahead of us. Generation Alpha will also begin to join the workforce in the early 2030's which will also fuel growth in online spend. Given the generational shifts of the workforce and growth in the purchasing power of digitally savvy consumers – every brand needs to be ready to unlock growth online if they aren't already.



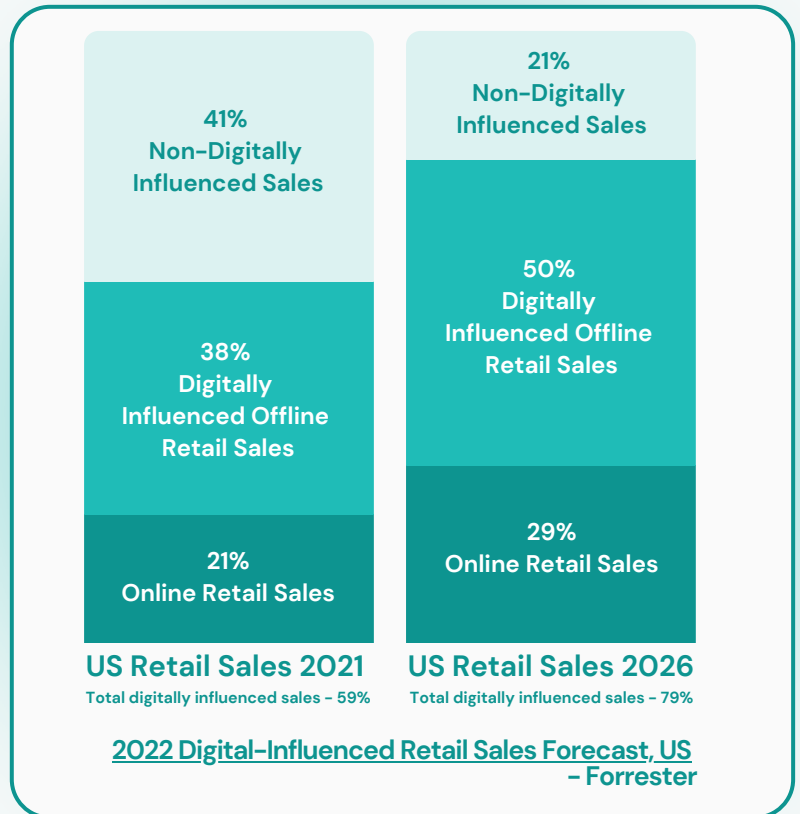
2024 Inside Australian Online Shopping – Australia Post

The influence of digital on our non-digital purchases

But it isn't just online shopping that we need to think about.

As our online spending grows, so too does the influence of digital on our offline purchases, with search, social media, and online reviews increasingly shaping what we buy long before we step into a store.

[Research by Forrester](#) expects US digital-influenced retail sales to grow from \$2.7 trillion in 2022 to \$3.8 trillion in 2027.

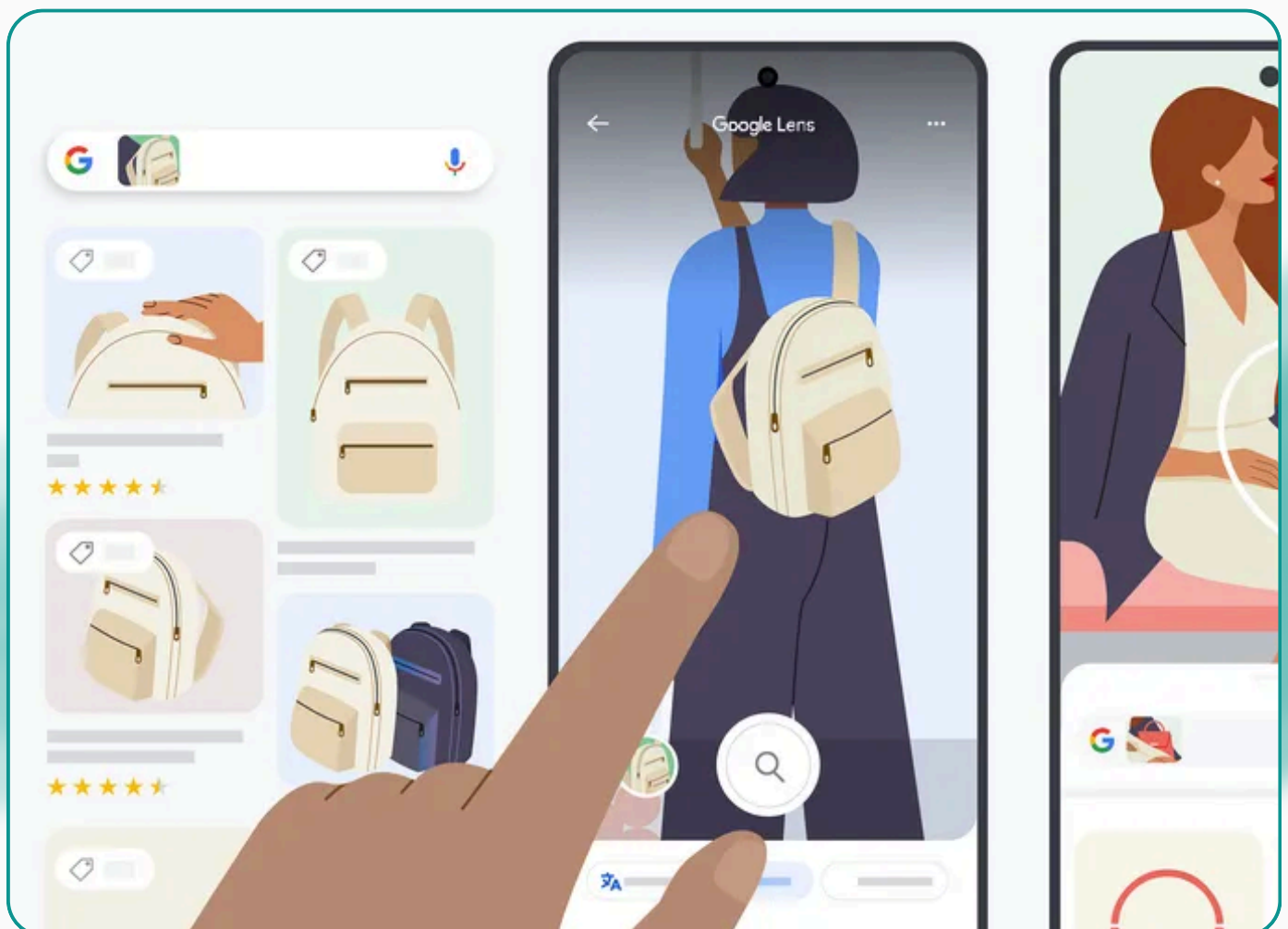


Australians are heavily influenced by digital when shopping. [According to research by Capterra](#), 98% of consumers research products online before or during their store visits, a behaviour known as Research Online, Purchase Offline (ROPO).

Whether it's checking reviews, comparing prices, or seeking recommendations on social media, digital touchpoints are shaping buying decisions long before a shopper steps through the door. This is particularly evident in high-consideration categories like electronics, home appliances, and fashion, where customers rely heavily on product details, ratings, and user-generated content before making a purchase.

Search engines and retailer websites remain primary sources of information, but the role of social commerce and influencer marketing is expanding. Platforms like Instagram, TikTok, and YouTube are key research tools, with many consumers discovering products via creator reviews, live shopping events, or brand-led content. Additionally, Google’s local inventory search and click-and-collect services have further fuelled the ROPO trend, allowing customers to verify stock availability before heading in-store.

For CPG and FMCG brands, the digital shelf isn’t just about driving eCommerce sales—it plays a crucial role in influencing in-store purchases as well. Shoppers are increasingly researching products online before heading to a physical store, making it essential for brands to invest in high-quality product content, optimise visibility in search results, and leverage digital marketing to connect online discovery with offline sales. In the age of ROPO, standing out on the digital shelf means winning in store too.

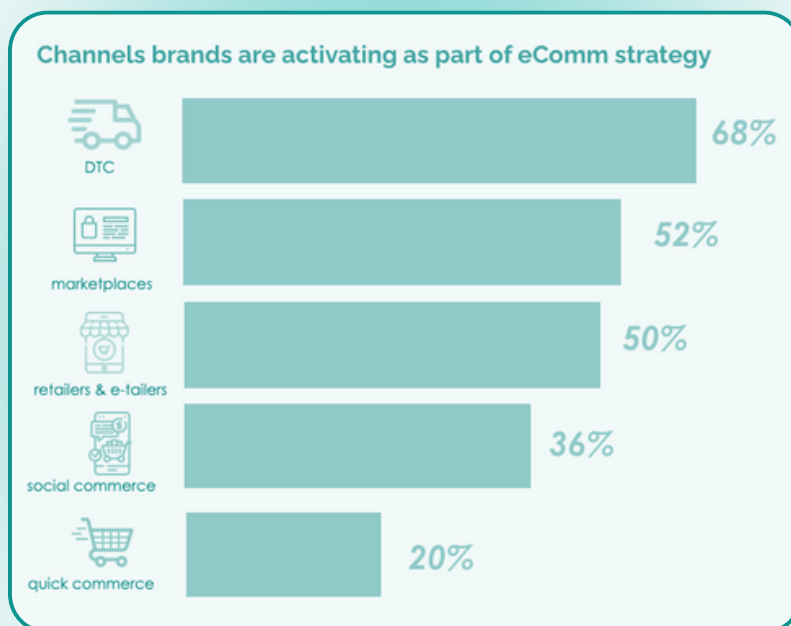


How brands are responding

[Arctic Fox's 2024 Digital, Marketing & eComm in Focus study](#) revealed that consumer brands in Australia leveraging eCommerce are currently selling through an average of 2.3 channels, with those in FMCG and CPG operating across slightly more. In this study, a 'channel' was defined as marketplaces or quick commerce, meaning that when factoring in the different platforms within each channel, many brands are likely managing 7–10 platforms as part of their eCommerce strategy.

2.3
the average number of channels being used by brands for eCommerce

As eCommerce channels proliferate and brands manage their brand experience across more platforms and sites, the ability to effectively execute eCommerce strategies to maximise sales and deliver best-in-class experiences is challenged. This is particularly relevant in the FCMP space, with some brands running very lean eCommerce teams and lacking the automation and back-end technology to effectively manage their presence and performance. In a world where brands are managing the experience across more platforms and channels, the importance of effective content management is heightened to drive discoverability and rankings and compel consumers to purchase.

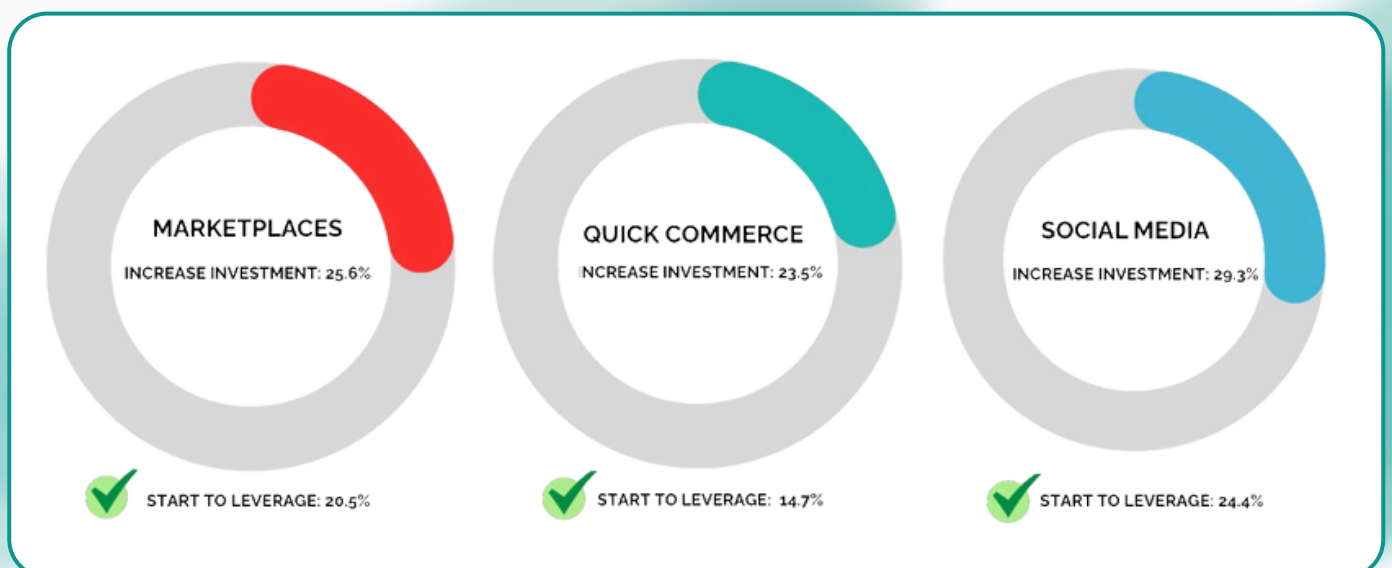


Brands are doubling down on emerging channels

What the Digital, Marketing & eComm in Focus study has shown is that over the next 12 – 18 months, the focus for many CPGs is to further increase emphasis and focus on emerging channels – either by increasing their investment in channels they are already leveraging, or starting to leverage these channels as part of their digital shelf strategy.

In the marketplace space, 20% of brands intend to start to leverage marketplaces as part of their strategy – that is on top of the 52% that already have a presence within marketplace platforms. Of those that have a presence, a quarter of them plan to double down and increase their investment, a sign that they are committed to maximising return within those platforms and environments.

Social media is one emerging channel where we are seeing the most interest over the next 12 – 18 months – with nearly a quarter of brands planning to start to leverage the social commerce channel and a further 29.3% planning to increase their investment.



How brands can win moving ahead

Winning on the digital shelf has become table stakes for consumer and B2B brands and manufacturers as much of the purchase process is influenced online. Whilst many brands are focused on hygiene and getting the basics in place, the relentless pace of the industry means brands need to think beyond the basics to win online.

Arktic Fox believes there are 6 key elements every brand must consider winning on the digital shelf now and into the future:

 **Understand the power of invisible commerce**

 **Align product logistics, content and retail media**

 **Think of commerce as a *conversation* channel, not just a conversion channel**

 **View ratings & reviews as a foundation for product community**

 **Make sure your brand is promotable in the world of AI**

 **Shift the organisation's mindset from eCommerce to connected commerce**

Understand the power of invisible commerce

Invisible commerce, or ‘frictionless shopping,’ is reshaping how consumers interact with products, especially in categories like household goods, personal care, and food & beverage. Invisible commerce is essentially the process of buying, without the need to think or consider the purchase – think buy again features, subscription, automated re-ordering and other features embedded into eCommerce experiences.

According to research by Interpublic Group (IPG), 50% of shoppers rely on ‘buy again’ for household goods, 48% for personal care, and 45% for food and beverage. This shift is creating an ‘intimacy gap’ – customers aren’t browsing product pages or walking store aisles anymore, which means they’re not seeing competitor products, ads, or promotions.

Convenience has become the new currency for loyalty, and once a product is in the basket, it’s likely to stay there. But if your product isn’t already part of their routine, you’re invisible.

Brands that understand the power and importance of invisible commerce and prioritise getting into the basket and order, are likely to be the first choice for repeat purchases and are therefore likely to reap the rewards of higher lifetime customer value.

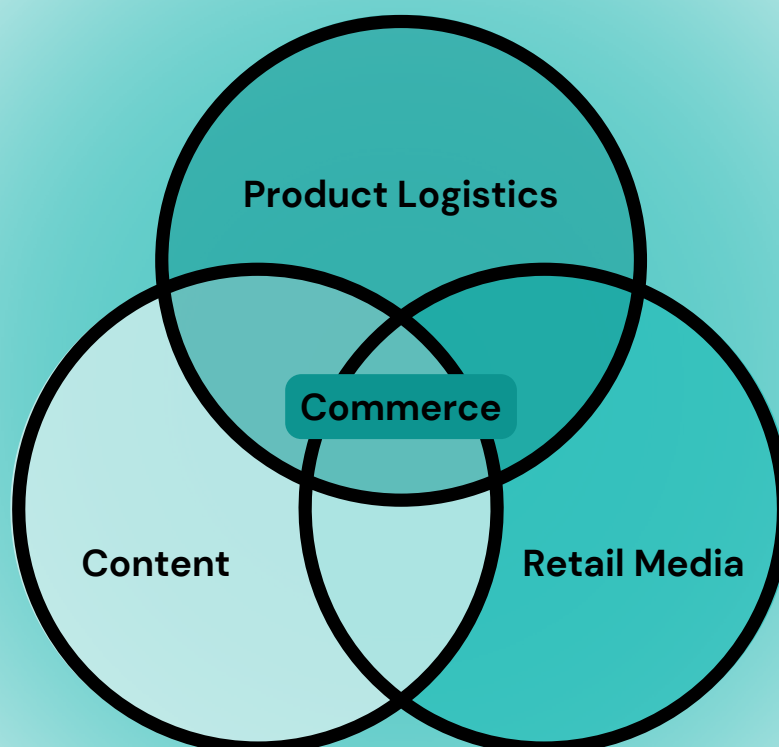


Align product logistics, content and retail media

Frictionless shopping needs to be just that – frictionless.

A seamless end-to-end experience is the holy grail of winning on the digital shelf, but it requires aligning supply chain and logistics, content and retail media to deliver best-of-breed digital commerce experiences. Having the best content on the shelf means nothing if the product is out of stock when the customer clicks 'add to cart.' Equally, having products readily available without engaging or accurate content to drive discovery and conversion leaves opportunities on the table.

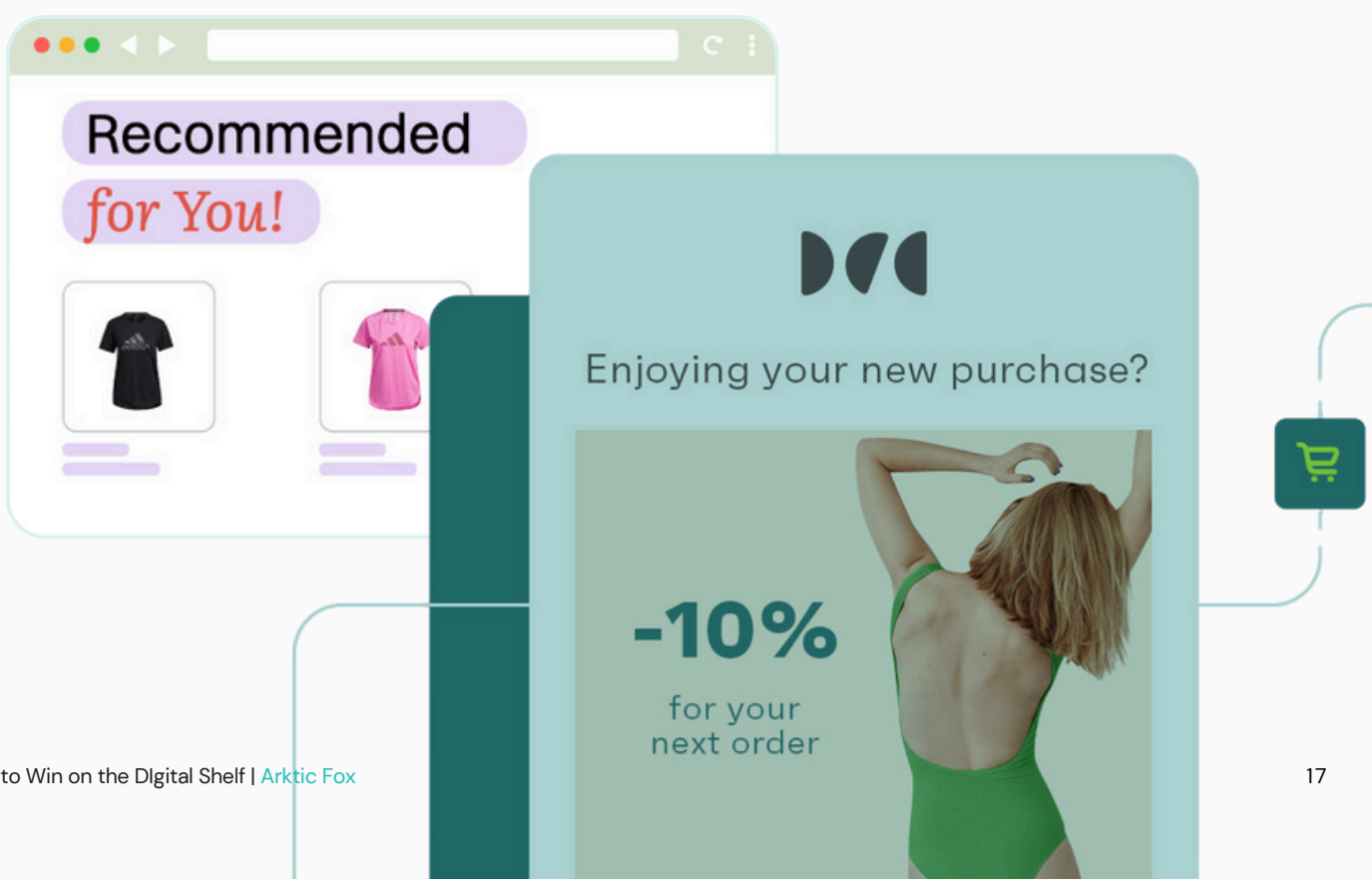
To win, brands need to ensure every touchpoint – from the ad they see to the content they consume, to the product landing in their hands – is connected. This means syncing inventory with retail media campaigns, using dynamic content that adapts to availability, and working closely with retailers to avoid stockouts. When every piece of the puzzle is aligned, customers enjoy a frictionless experience that builds trust, drives loyalty, and ultimately boosts sales. If one part fails, the whole experience falls apart – and so does your chance of securing repeat business.



Think of commerce as a *conversation* channel, not just a conversion channel

Commerce isn't just about transactions anymore; it's about creating meaningful dialogue with your customers. Thinking of commerce purely as conversion is limiting – today's consumers want brands that engage, listen, and add value beyond the purchase. Whether it's through personalised recommendations, interactive product pages, or post-purchase follow-ups, every interaction is an opportunity to build a relationship. Retail media, conversational commerce, and even product reviews all contribute to an ongoing dialogue that keeps customers engaged and invested. Shoppers will recall the product name, the product page and even elements such as the ratings or reviews but will struggle to recall promotions associated with that product such as the social media content or TV ads.

By shifting from a belief that commerce channels are transactional to one that helps brands build and position the brand, deepen loyalty, drive repeat purchases, and create advocates who spread the word, your approach to eCommerce and digital shelf management will change. Commerce becomes more than a moment – it becomes a continuous conversation that sets your brand apart.



★ View ratings & reviews as a foundation for product community

Reviews and ratings are more than just feedback – they’re the foundation of a thriving product community that brands need to actively manage, engage, and leverage. Every review is an opportunity to build trust, show customers you’re listening, strengthen your brand’s credibility and derive valuable insights.

Responding to reviews – both positive and negative – creates a sense of connection and shows you value your customers’ voices. Beyond that, reviews are a goldmine for content – use them to uncover trends, highlight testimonials in your marketing, or even inspire product improvements. Brands that actively foster this community can turn customers into advocates, creating a virtuous cycle of trust, engagement, and loyalty. Simply monitoring insights isn’t enough – the real win is when reviews become a dynamic part of your overall strategy.



Make sure your brand is promotable in the world of AI

In the age of AI-driven recommendations (think Amazon’s Rufus or Google’s Gemini) the question every brand needs to ask is, “Is my brand promotable?”

With algorithms deciding what products are shown to consumers, product content has never been more critical. AI thrives on quality data – if your product descriptions, images, and attributes aren’t optimised, you risk being overlooked altogether.

From discoverability on search platforms to voice assistant recommendations, as well as prominence within retailer onsite search results, having rich, accurate, and compelling content ensures your brand gets picked up and promoted by the AI powering today’s commerce landscape. It’s not just a good-looking product page; it’s about feeding the machine the right information to make your brand the obvious choice.

In a world where AI determines what customers see, great content isn’t just important – it’s non-negotiable.



Shift the organisation's mindset from eCommerce to connected commerce

As we have seen, digital influences many instore transactions alongside of driving eCommerce sales. If we continue to measure the success of our commerce activities only through the lens of eCommerce, we underestimate the true value of the digital shelf to the bottom line, and eCommerce will be saddled with costs that support sales across all channels.

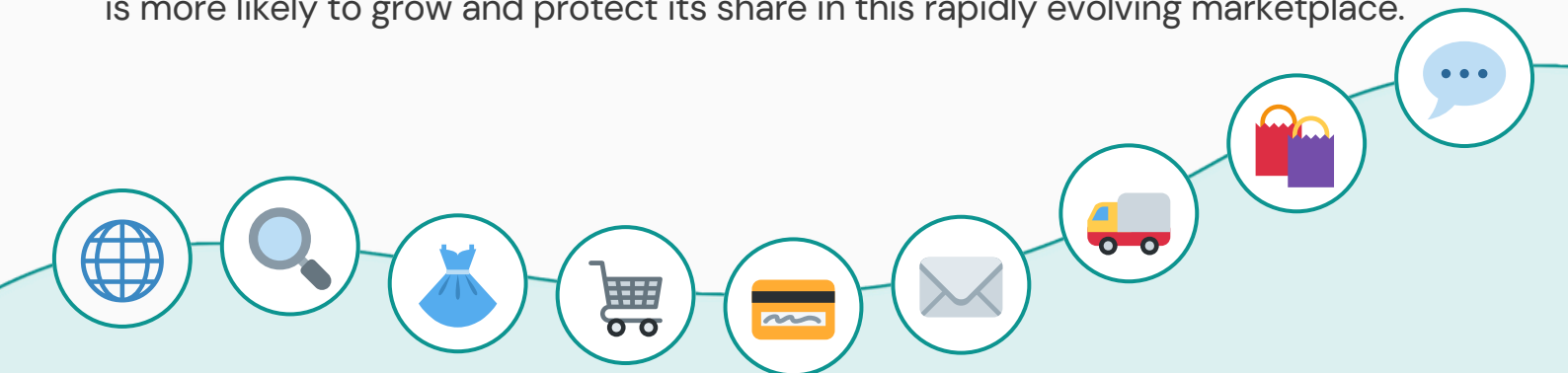
The brands that win are those who see digital shelf management to be core to managing their business's performance, and have the appropriate measurement frameworks in place to measure performance both over the short and long term.

Understanding the role the digital shelf plays to:

1. Acquire new-to-brand customers,
2. Retain loyal customers and keep your product as the product of choice in the basket
3. Influencing incrementality to effectively strategise and optimise our approach to digital shelf management.

A robust digital shelf measurement framework that orients the business's focus around the right metrics must be core to our approach.

When the brand is aligned around the metrics that move the dial and embed digital shelf capability as a core competency within their organisation – the brand is more likely to grow and protect its share in this rapidly evolving marketplace.



Thank you

Thank you for taking the time to read this report.

If you have any questions or would like to discuss our findings further, we would love to hear from you.

📍 188 Langridge Street, Collingwood, VIC

☎ 0418 101 577

✉ hello@arkticfox.io

🖱 <https://www.arkticfox.io/>

Arktic Fox is a digital and eCommerce strategy and training organisation that partners with leaders to help them navigate the changing landscape.

We partner with some of Australia's best-known brands in retail, FMCG and CPG, and B2B to drive and embed sustainable change.

We also provide specialist training and programs to help leaders and their teams build desired skills and expertise in digital, eCommerce, CX, data and more. Our independence and hands on experience leading and driving change within organisations enables us to provide relevant solutions and advice based on our clients' business maturity and capability.

For more information, visit [arkticfox.io](https://www.arkticfox.io) or follow [@ArkticFox](https://www.linkedin.com/company/arkticfox) on LinkedIn.