UPS PULSE OF THE ONLINE SHOPPER™

2019
A Customer Experience Study
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FOREWORD

By Kevin Warren
UPS Chief Marketing Officer

Our world is more connected than ever – and UPS is proud to facilitate more than 5 billion connections each year between people, merchants, and other organizations in 220 countries and territories.

More and more, these connections happen online. The growth of digital marketplaces is extraordinary. As recent as the mid-1990s, e-commerce barely existed. Today, it’s a $2.9 trillion industry, growing 24 percent annually.

UPS created this report to help you understand the online shopper behind the massive e-commerce opportunity.

The 2019 UPS Pulse of the Online Shopper survey demonstrates that today’s online shopper is savvier than ever – and has higher expectations for information, service and the full customer experience.

Every customer with a keyboard or mobile phone expects to know the exact cost of online purchases – with no surprises. The customer expects e-tailers to reward online shopping and offer flexible shipping at minimal or no cost.

Customers expect to know if, when and how their orders cross borders. They increasingly want to control package delivery times, and a full-service returns policy has become an expectation of the customer experience.

This year’s report focuses primarily on business-to-consumer (B2C) online shopping. But we also share some valuable business-to-business (B2B) research findings.

E-commerce continues to change before our eyes. By understanding the customer’s perspective, you can establish a deeper relationship with your customer to drive both sales today and capture the customer lifetime value of tomorrow.
SURVEY METHODOLOGY

The survey was administered online to **18,000 consumers in 10 languages across 15 countries** between December 2018 and January 2019. All participants made at least two online orders that required delivery in the three months prior to taking the survey.

**Business-to-consumer**

The B2C findings are based on at least 1,000 surveys from each participating nation/territory, with quotas for age, gender, region, employment status, annual household income (United States only), and ethnicity (U.S., Canada, and United Kingdom only). The B2C survey evaluated more than 4,000 responses from Asia/Pacific; 7,000 from the Americas; and 6,000 from Europe.

Unless otherwise stated, this report features global statistics. You will see a specific country called out when its participants recorded results that are outliers and/or trend against the global results. In general, the United States country-specific results are in line with the global average.

**Gender**

- Male (52%)
- Female (48%)

**Age**

- 17-24 (19%)
- 25-34 (26%)
- 35-44 (25%)
- 45-54 (16%)
- 55-64 (10%)
- 65+ (6%)

**Generations**

- "Mature" Gen Z, 17-24 (13%)
- Millennials, 23-36 (37%)
  - Young Millennials (10%)
  - Core Millennials (13%)
  - Mature Millennials (14%)
- Generation X, 37-51 (29%)
- Baby Boomers, 52-71 (19%)
- The Greatest Generation, 72+ (2%)

**Business-to-business**

The B2B survey was administered online in 10 languages across 14 countries/territories. All participants were required to be involved in or decision makers for the online purchasing taking place in their business. Businesses represented a variety of industries but all made retail purchases.

The B2B survey evaluated 240 responses from Asia/Pacific; 287 from the Americas; and 370 from Europe.

<table>
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MARKETPLACES
COMMAND GLOBAL PURCHASING POWER

Throughout this report, we’ll make references to marketplaces – e-commerce sites that facilitate shopping from many different sources.

Online marketplaces have famous names – Amazon, Alibaba, eBay, Taobao, JD.com – but whatever they’re called and wherever they operate, marketplaces have achieved almost 100% B2C market penetration amongst online shoppers. On average, 96% of surveyed consumers made an online purchase from a marketplace in the three months before this study.

**Most used marketplaces by region:**

**AMERICAS**
- Amazon
- Walmart/Jet
- eBay
- Best Buy
- Mercado Libre

(Brazil, Canada, Mexico, United States)

**EUROPE**
- Amazon
- eBay
- Zalando
- Allegro
- CNEO

(France, Germany, Italy, Poland, Spain, United Kingdom)

**ASIA PACIFIC**
- eBay
- Amazon
- Taobao
- JingDong
- Tmall

(Australia, China, Hong Kong, South Korea)

**B2B Insight**
Nearly half of businesses expect to increase marketplace purchasing in the next one-to-three years.
CAPTIVATE YOUR CUSTOMERS EARLY

In real estate shopping, it's all about location. Online? It's research, research, research. Nine of 10 consumers today research items before buying them online.
WHAT DO SHOPPERS WANT TO KNOW?

Price matters, overwhelmingly
The online shopper expects a fully landed cost – all fees and taxes totaled.

Globally, consumers in India join those in China as being slightly less concerned with price. Consumers in South Korea were highly price-sensitive, but not so concerned with delivery costs.

Loyalty members care less about checking price tags
Loyalty programs create unique buyer ecosystems. Shoppers who are members of multiple loyalty programs (5 or more) are less likely to research price (just 64% do so) than other shoppers.

Older buyers pay more attention to prices
Older generations research prices more than others. Eighty-seven percent of shoppers age 55 to 64 research prices before purchasing. Eighty-six percent of shoppers older than age 65 do so.
RETURNS MATTER BEFORE THEY HAPPEN

The returns experience impacts future purchasing, and over half of consumers look at the returns policy before making a purchase. Shoppers who purchase more are savvy about the returns process, with 61% looking for the policy prior to purchasing.

When do you look for the returns policy?

B2B Insight

7 in 10 businesses research prices before buying. 40% seek product details and 28% check delivery costs.
HOW DOES THE 2019 ONLINE SHOPPER RESEARCH PURCHASES?

Online shoppers use various platforms. Half normally use search engines (Google, Bing, Baidu, etc.). Forty-three percent search on Amazon, while about one in three (34%) goes to the retailer/reseller website.

Different territories trust research from different sources. In Brazil, 48% of online shoppers check out comparative pricing websites. Chinese online shoppers use multiple social media sites (31%).

In South Korea, 64% of shoppers prefer price comparison sites, while another 42% like consumer review sites. Online shoppers in Poland review price comparison websites (51%) and retailer/seller websites (45%).

Amazon is the go-to research source in Canada (57%); France (53%); Germany (54%); Italy (64%); Spain (52%); and in the U.S. (58%).

Amazon matters, even when consumers don't buy there

More than half (56%) of online shoppers with access to Amazon Prime start their research on Amazon, compared to 40% of shoppers generally. Meanwhile, 57% of online shoppers without access to Prime start their research on a search engine.

And, of note, about one in three (31%) of Gen Z online shoppers, the very youngest, researches through social media.

The B2B buyer researches on a supplier’s website (45%) or a search engine (42%).
WHY DOES THE 2019 ONLINE SHOPPER CHOOSE A CERTAIN BRAND OR RETAILER?

CONSUMERS CLICK FOR QUALITY

Forty-one percent of global online shoppers select retailers due to the high quality of products


Again, it’s a world of differences. Quality matters most in Mexico and India. In Brazil, low delivery cost matters. But delivery cost is no concern at all in China, where it matters more if a retailer holds similar values to the shopper.

Just 13% of German shoppers care much for discounts, but discounts matter hugely to consumers in Hong Kong (45%) and even more in South Korea (48%). Consumers in South Korea also put great stock in customer reviews (49%).

Younger generations may be influenced by customer reviews.

› Ages 17-24 – 38% research by reviews.
› Ages 25-34 – 35% research by reviews.
› Ages 35-44 – 33% research by reviews.

Aside from price, these factors influence shoppers to buy from a specific brand or retailer:

41% HIGH QUALITY PRODUCTS
Most influence in Mexico (51%)

36% LOW DELIVERY COSTS
Most influence in Brazil (47%)

33% PROMOTIONS/DISCOUNTS

32% CUSTOMER REVIEWS
Higher among younger generations

30% GOOD PRODUCT INFORMATION

B2B Insight

In seeking a supplier, business buyers say they most value product quality (64%), supplier reliability (47%) and low cost (43%).
DOMESTIC? INTERNATIONAL? DOES LOCATION MATTER?

YES. CRITICALLY, TO SOME SHOPPERS.

Seventy-three percent of online shoppers care if a seller or retailer is based internationally. This is consistent regardless of age, gender, or other demographics.

Reasons vary. Some shoppers trust domestic retailers, with whom they may have long-standing loyalties and a happy purchasing history. Others may believe in the quality, or trust the reputation, of a seller outside the country.

Specifically, 60% of Brazilians shop abroad for price. In China (50%) and Hong Kong (50%), quality is the primary motivation. Quality also matters most in India (shoppers make 66% of international purchases for that reason), followed by speed of delivery (39%), cost of delivery (41%) and trust in the international seller (39%).

In Mexico, 50% of shoppers say they buy outside the country for quality. Another 32% buy because they trust the international seller. And in South Korea, 61% of online shoppers buy internationally because an item is only available outside the country.
In the U.S., age makes a difference in international buying
Older online shoppers in the U.S. trust domestic sellers more. Conversely, younger shoppers think more globally. Forty-eight percent of Greatest Generation shoppers (born before 1945) trust local sellers most. Thirty-five percent of Baby Boomers (1946-1964) trust local sellers most. Between 25%-28% of younger buyers trust local sellers more than global ones.

Older generations believe they can trust domestic sellers more.

The following cited “I have more trust in a local seller” as the reason they purchase domestically:

**48%**

**35%**

**25-28%**
RESEARCH

KEY TAKEAWAYS

What constitutes transparency? Everything. Consumers want to know if their orders come from their own country or another. An overwhelming majority of consumers – 95 percent – expect to see all pricing before checkout. They want choices that give them more control of package delivery times.

Businesses want information up front too. They want to see price, source, tracking capability and guaranteed arrival time.

1. **The digital age has empowered knowledge-gathering, and shoppers no longer want to settle for less-than-complete information about their orders.** In the Age of Customer Expectations, customers expect to completely understand their orders – products, pricing and shipping costs – before they click to buy.

2. **Knowing where a seller is located is important to customers.** Whether for preferring or avoiding that retailer. Clearly providing this information as early in the customer journey as possible demonstrates a commitment to customer empowerment.
MAKE CHECKOUT VALUABLE

The moment of truth for the online shopper – that click to order – happens more frequently when the shopper feels at the center of a meaningful and successful online experience.
LOYALTY PROGRAMS BUILD ONLINE ENGAGEMENT... TO A POINT

Multiple loyalty program memberships are common among shoppers. About one in five consumers (19%) have more than five loyalty memberships. Forty-six percent of online shoppers have two to five memberships.

What online shoppers see as key benefits of loyalty programs?

The top reason cited for joining a loyalty program is free shipping (63%) followed closely by members-only discount (61%) and reward points (59%).

Amazon Prime members shop more and belong to more loyalty programs. Accelerated delivery as a Prime feature has augmented traditional loyalty offerings.

Globally, reasons for loyalty memberships range:

› Britons (74%), Australians (71%) and Canadians (75%) like reward points.
› In Brazil, shoppers join programs to get air miles/hotel points (28%).
› Special checkout areas appeal to shoppers in India (21%) and Poland (24%).
› Chinese shoppers stay loyal for personalized marketing offers (32%), along with 3P partner offers (24%).
› In Hong Kong, shoppers seek personalized marketing offers (27%) and air miles/hotel points (27%).

Online shoppers will switch sites to capture loyalty benefits.

Nearly half (46%) of online shoppers say they will research products on one website, then switch sites to reap loyalty benefits. The most aggressive loyalty-driven switchers are in India (67%); China (63%); Mexico (62%); Brazil (57%); and Spain (56%).

Shoppers switch less eagerly in the U.S. (just 36% switch to nab rewards), the U.K. (also 36%) and Canada (35%).
Online buyers for businesses can enjoy loyalty benefits directly or pass them along. Benefits go to the business (73%), employees (36%), customers (23%) or the person making the purchase (16%).
THE ONLINE SHOPPER, SHOPS (MOSTLY ON MARKETPLACES)

A whopping 96% of online shoppers have used a marketplace. (The percentage is 86% in Australia, but Amazon entered that market shortly before this survey was conducted.)

Seventy-six percent of respondents in China are high/very high users (once a week to multiple times daily). Most shop Taobao (79%) and Tmall (75%).

Globally, 38% of shoppers visit a marketplace from once a week to multiple times daily. In Mexico, that’s 58% … and in Spain 53%.

Reasons for purchasing from a marketplace rather than a retailer:

- Lower Prices: 63%
- Product Reviews: 47%
- Free or Discounted Shipping: 34%
- Wider Range of Product Categories: 32%
- Speed of Delivery: 32%
Spending power on marketplaces
The future looks very bright for online marketplaces, especially globally. Thirty-six percent of consumers worldwide say they intend to purchase more on marketplaces in the next 12 months.

The big boom of marketplace users will most likely come from Central/South America and Africa. There, 38% and 30% of shoppers, respectively, plan to increase online shopping in the near future.

Amazon Prime membership is linked to higher average value purchases in the U.S.

Average order cost of all online purchases in a three-month period:

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Cost</td>
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B2B Insight
Small businesses are most likely to purchase from marketplaces for lower prices (73%), shopping efficiencies (42%) and better returns policies (43%).
EXPECTED SHIPPERS ARE ONLINE TO BUY, NOT ABANDON THE CART

Unexpected things can happen online and sometimes those things can stop sales cold. Online shoppers give up their shopping carts for various reasons.

The impulse shopper lives online
Worldwide, 48% of consumers buy items impulsively when they shop on marketplaces. Another 21% mix shopping-by-list with their impulse purchases.

Only 35% of consumers review what’s in the shopping cart every time before purchasing (61% review the cart sometimes). Younger shoppers (47%) are more likely to review carts and remove items every time.

Reasons for Cart Abandonment:

- **Cost of delivery was higher than anticipated**: 41%
- **Just comparing prices**: 29%
- **Decided didn’t want the product**: 29%
- **Item was out of stock**: 28%
- **Estimated delivery time was too long**: 26%
- **Item was not going to be delivered in time**: 23%
- **Preferred payment method was not offered**: 20%
- **Decided to complete purchase on another site**: 18%

B2B Insight

Businesses also choose marketplaces for shipping efficiencies that speed up checkout and bring conveniences: Save delivery preferences (49%), Save payment details (48%), Purchase in one click (49%)

Decision impacted by:
- Personal choice
- Retailer

*Decision impacted by the retailer rather than a personal choice*
EASE OF PAYMENT CAN SEAL THE DEAL

Payment preferences play a key role in completing a purchase. The survey found that 20% of global shoppers had abandoned a cart because the site didn’t offer a preferred payment method.

Preferred payment method when purchasing online:
A digital wallet can pull in more revenue

While the average transaction for the U.S. online consumer is $191, U.S. shoppers who use a digital wallet (Apple Wallet/Google Wallet) spend substantially more – an average of $253 dollars per transaction.

In the end, payment method comes down to one true thing: Knowing how the customer wants to pay can be as important as knowing what the customer wants to buy. Smart payment practice can mitigate the chance of frustrating a willing shopper.
PRIVACY WORRIES THE 2019 ONLINE SHOPPER

Globally, 65% of online shoppers express extreme concern about data privacy.

In Europe, consumers show a preference for a payment method with increased security (PayPal, Alipay, WeChat Pay, etc.). Anxiety about security rises with age – 73% of online shoppers age 65 and older feel extremely concerned about online shopping security.

At the same time, consumers crave efficiency and convenience. It’s up to retailers to find the right balance for their business.

**Saving customer information and login information**

Twenty-two percent of online shoppers say they’re more likely to purchase from a marketplace than a retailer because of shopping efficiencies — like the online ability to save customer information.

Inefficiency costs money. Sixteen percent of online shoppers say they have abandoned a cart when asked to create an account they didn’t want. Another 8% left a marketplace when they couldn’t remember a user name or password.

Concern with security of data
(personal details, payment details, etc.)

- 8% NOT CONCERNED
- 26% SOMEWHAT CONCERNED
- 66% EXTREMELY CONCERNED
BUY

KEY TAKEAWAYS

It’s (almost) unanimous – 95% of Pulse survey respondents believe it’s important to see their full shipping prices and delivery options, while 94% want a guaranteed delivery date. And knowing complete order pricing, including product price and the price of various shipping options, consistently surveys as important to the consumer. Retailers risk a sale or a shopper’s loyalty by forcing the shopper through the conversion pipeline without fully disclosing relevant information.

Other purchasing takeaways:

1. **Online shoppers want choice and control**, even after they’ve added an item to their cart. Seamless payment methods and control over their delivery day, time and location are important to completing the sale.

2. **Consumers are worried about privacy and security** … and they will welcome innovations that help them overcome their reservations.

3. **When it’s time to create a loyalty program strategy, don’t presume to know what matters to shoppers. Get close to them.** Remember that loyalty programs can satisfy different consumers in different ways.
DELIVER AS PROMISED

The online shopper’s finest hour? When a package is personally received.
SPEED IS NEGOTIABLE

SHOPPERS LIKE NEXT DAY DELIVERY, BUT THEY’LL CONSIDER OTHER OPTIONS.

Millennials are more likely to choose accelerated delivery options than other age groups. Generally, though, online shoppers show a very low appetite for paying for shipping. And they’ll take various actions to obtain free shipping.

Actions taken to qualify for free shipping:

- Added items to cart: 36%
- Chose slowest transit time: 32%
- Search online for promo code: 32%
- Joined a loyalty program: 25%
- Chose to pick up in store: 24%
Choice of delivery speed has customer loyalty and bottom-line repercussions.

Our survey reveals that many shoppers fret over cost more than speed, and they may intentionally choose a slower, less expensive delivery option if the faster option comes with a cost premium.

Allowing shoppers to control their customer experience by owning the decision between cost and speed of delivery empowers and engages, potentially creating brand loyalty. For the right incentives, significant percentages of consumers will opt for slower shipping.

The bottom-line benefit? A seller can find the balance between cost and choice to create the best shopping experience.

Consumers expect, and appreciate, flexible shipping options.

Shoppers will consider:

- Cheaper, but slower shipping alternatives: 51%
- Incentives for slower shipping (e.g., account credit): 38%
- Consolidating multiple items into one delivery: 35%
- Being offered a gift card/pre-paid card: 32%
- Simply being asked if the item is needed right away*: 22%

*Higher among younger generations
THE MOST IMPORTANT DELIVERY OPTIONS?

CHOICE. CHOICE MATTERS MOST TO CONSUMERS.

Online shoppers want a choice in shipping speed. They want a choice in the place and manner of delivery. They especially want a choice in time of delivery, with flexibility that complements their schedules and lifestyles, not the retailer’s.

Globally, just 20% of shoppers prefer an alternative delivery location (ADL) to a home delivery. We do see notable exceptions, however, in China, Hong Kong and Poland.
TRACKING GIVES SECURITY

Online shoppers worldwide share concerns about online and tech security. An efficient tracking process offers a reliable way to relieve anxiety.

Again, consumers value a bit of control during the shopping process.

Consumers prefer to track through a carrier’s website (59%) or a retailer’s website (43%).

Consumers in some countries use websites supplemented by other tracking tools. A look:

› China: 37% of consumers use a carrier’s tracking app and 34% use a retailer’s.
› France: 34% of online shoppers use emails from the carrier.
› India: 31% use a retailer’s app.
› South Korea: 31% use a carrier’s app.

Tracking habits:

ACTIVELY TRACK ALL DELIVERIES

› More likely to be American (44%)
› More likely to prefer to receive items in a single delivery (77%)
› More likely to cite “ability to select a delivery timeframe” (55%)

TRACK AT LEAST SOME DELIVERIES

56%

38%

B2B Insight

Among B2B firms globally, no exceptions, 92% track at least some packages. 63% prefer to track via the carrier’s website. 49% prefer the supplier’s.
KEY TAKEAWAYS

As consumers order products online more frequently, they naturally receive deliveries more frequently. They’re paying more attention to when, how and where they receive them.

1. **Customers don’t have to settle any more for less-than-optimal control over the delivery experience.**
   - Optimal control includes tracking packages easily and accurately.
   - Globally, consumers increasingly want their deliveries at specific ... and often untraditional ... delivery points. Merchants can answer this need with innovative fulfillment or through partners able to offer innovative delivery options.

2. **Consumers will sometimes accept a slower delivery time, given the right incentives.**
   Shoppers may not always need accelerated delivery. Retailers should work out a balanced value proposition to provide both expedited delivery and slower shipping options when desired.
KEEP THEM RETURNING WITH RETURNS

A full-service returns policy closes the loop on the customer experience.
WHO IN THE WORLD IS RETURNING ITEMS?

Globally, about one in three (36%) online shoppers returned an item in the three months before this study.

Considering the massive volume of online sales worldwide, that’s a lot of shipping to return a lot of shopping.

Consumers in India led in returns – 68% of online shoppers there send an item back to the seller/retailer.

Shoppers in metro areas don’t hesitate to return items – 40% of urban consumers return online purchases. Older consumers and those in rural areas may be more cautious about purchasing, leading to lower return rates. Outside the sprawl of metro areas, only 28 percent of shoppers make returns. (It’s important to know that only 25 percent of rural customers buy 11 or more items in three months, while almost half of urban customers buy 11 items or more.)

Why?

While ordering multiple of the same item, with the intention of returning – that is, ordering different sizes or styles to try on at home – is a popular trend, we find that the cause for most returns still lies with issues of quality, transparency or delivery.

Reasons for returning items:

- **30%** Faulty or damaged
- **27%** Not as described
- **27%** Poor quality
- **20%** Ordered more than one of an item
- **18%** Issues with delivery
- **17%** No longer wanted item
CONSUMERS SHIP RETURNS BUT THEY ALSO PERSONALLY BRING THEM INTO STORES

Globally, about two out of three shoppers (63%) ship returns back to sellers/retailers. That method proves most popular in Europe and Asia-Pacific (APAC), where 67% of shoppers ship their returns. Being offered a free return is a key reason to ship although consumers are forced to when no physical store is available.

When stores are in convenient locations, they provide an easy, quick and free way to make a return. In the U.S. (39%) and Canada (42%), consumers often return items directly to a store. Those percentages surpass the global average.
WHAT MAKES A POSITIVE RETURNS EXPERIENCE?

IT’S THE ONLINE SHOPPER’S FAVORITE WORD: FREE.

Free returns drive a positive returns experience, and the more automated the process, the better.

In some places, online shoppers with returns still aren’t satisfied.

Worldwide, fewer than two of three consumers (61%) say the returns experience satisfies them. Returns satisfaction is especially low for online shoppers in:

› Brazil (47%)
› Hong Kong (35%)
› Mexico (45%)
› South Korea (41%)

What’s the problem?
The main reason cited for a poor returns experience is delay in getting a refund (25%). Having to pay for a return (24%) annoys a significant percentage of consumers. So does a delay in receiving an exchange or a replacement item (21%).

Online shoppers say the following factors contribute most to a positive returns experience:

- Free return shipping: 42%
- A hassle-free return policy: 28%
- Automatic refund to credit/debit card: 24%
- Easy-to-print return label: 21%
- Easy-to-follow returns procedure: 20%

B2B businesses cite a simple process, clear returns policy and free returns as key factors to a positive returns experience.
DISSATISFACTION WITH RETURNS AFFECTS CUSTOMER LOYALTY

MANY ONLINE SHOPPERS DON'T FORGIVE A BAD RETURNS EXPERIENCE. MAYBE EVER.

Globally, 73% of online shoppers – nearly three in four – say that the returns experience affects their likelihood to buy again from a particular retailer.

And a significant 81% of high purchasers (11 or more items every three months) say this.

Sixty-eight percent of survey respondents agree that the returns experience colors their overall perceptions of a retailer.

Impact of the Returns Experience:

- 73% AGREE the overall returns experience impacts their likelihood to purchase from that retailer again
- 68% AGREE the returns experience impacts their overall perception of the retailer
WHO SHOULD PAY FOR RETURNS?

IT’S SIMPLE. SHOPPERS DO NOT LIKE TO PAY FOR RETURNS.

About seven in 10 consumers (69%) indicate that paying for a return affects the likelihood of buying from a retailer again. Consumers globally (about 85%) strongly feel a retailer should pay for the return of a wrong or faulty or poor-quality item, an item that didn’t match or live up to its online presentation or an item that arrived later than promised.

There are a few notable exceptions. In India and China, there’s a greater onus on the consumer to pay for a return, no matter the circumstance. Elsewhere, consumers increasingly put the onus on retailers. Returns “paynots” tend to be younger consumers in Europe or in the Americas who make 11 or more purchases every three months.
Return

KEY TAKEAWAYS

A retailer’s return policy is extremely important in fostering a positive consumer experience – for a present purchase and future ones.

1. **Retailers should factor the “buy many-keep one” mentality** for the entire customer journey, and embrace it as a service offering – even build a business model around it.

2. **Return options** that are as rich and as customized as possible open a path to loyalty.

3. In the return process, **proactive communications, flexible return options and transparency are important to customers** and dramatically shape their experiences and their opinions.
Engagement is the cornerstone of customer loyalty. A satisfactory customer experience requires it.
COMMUNICATION, ABOVE ALL

The most important component of a satisfactory customer experience? **Clear, relevant and personalized communication.**

That’s communication in the language and channels preferred by the shopper. Not in business-speak. Not in legalese. Not in marketing jargon or techno-talk.

**What's fundamental?**
Understanding how your shopper prefers to communicate.

Our survey shows the shopper can be satisfied by direct or indirect engagement channels.

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<td>Promotions for Other Items</td>
<td>55%</td>
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<tr>
<td>Request for Customer Feedback</td>
<td>55%</td>
<td>22%</td>
<td>19%</td>
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When retailers are reaching out, consumers prefer email most.

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<th>Preferred Contact Method</th>
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</tr>
<tr>
<td>Selecting an Item</td>
<td>23%</td>
<td>27%</td>
<td>9%</td>
</tr>
<tr>
<td>Payment and Checkout</td>
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<td>Delivery</td>
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</tr>
<tr>
<td>Returns</td>
<td>22%</td>
<td>31%</td>
<td>13%</td>
</tr>
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When consumers are looking for answers, they still like email, but they also like to find information...
CUSTOMERS REACT TO POOR SERVICE IN THE WAY YOU MIGHT EXPECT

When shoppers feel they get poor service, expect the worst. Complaints. Abandoned carts. Bad word-of-mouth. Lost revenues.

77% of consumers say they've received poor service from a retailer.

Customer Complaints by Region:

- Made an official complaint:
  - Americas: 47%
  - Asia Pacific: 45%
  - Europe: 35%
  - India: 53%

- Cancelled order or abandoned cart:
  - Americas: 37%
  - Asia Pacific: 40%
  - Europe: 35%
  - India: 48%

- Posted a negative review on the retailer's website:
  - Americas: 36%
  - Asia Pacific: 40%
  - Europe: 35%
  - India: 43%

- Posted a negative review on a marketplace or 3rd party site:
  - Americas: 23%
  - Asia Pacific: 26%
  - Europe: 25%
  - India: 30%

- Posted a negative review on social media:
  - Americas: 22%
  - Asia Pacific: 25%
  - Europe: 20%
  - India: 30%
Poor perceptions don’t fade away
Globally, nine out of 10 online shoppers stop purchasing or purchase less frequently due to poor customer service. Shoppers take poor service especially hard in South Korea, where 70% say they stop purchasing completely from a site.

Chinese online shoppers are more forgiving, but only barely. Just under half (45%) of shoppers stop using a retailer completely after poor service. In India, 48% of consumers completely cut off a retailer.

In the U.S., shoppers with high incomes are the ones most likely to stop purchasing altogether after a poor service experience. Sixty-eight percent of U.S. shoppers earning more than $150,000 annually say they cut the cord after a bad experience. Fifty-six percent of online shoppers in lower economic brackets do too.
KEY TAKEAWAYS

The customer is always right … right? Not really. But the online shopper absolutely believes he/she is right even when a retailer isn’t so sure.

1. **Leave the shopper believing in you, or risk losing business.** Since future sales depend on the perception you leave in a shopper’s mind, err on the side of consumers.

2. **Communicate with consumers the way they prefer.** Always provide easy ways to make contact, and meet them where they want you to be when you respond.

3. The best way to keep a customer? Prevent a poor experience from ever happening. **Think of any customer complaint as a gift** – it alerts you to what must be repaired so another customer doesn’t have the same poor perception. Plus, if you handle a tough situation well the chances you can rebuild trust in the consumer and earn back their loyalty are high.
Now is the time to put insights into action. The online shopper is waiting for your business.
CONCLUSION

How will your online business look in three years?

You’ll look more like your shopper. The companies that succeed in e-commerce will understand the needs and desires of consumers so well that they energetically reflect the consumer’s personalities, preferences and styles.

We hope our insights help you understand these online shoppers and adapt to better serve them.

We believe these insights from our report will help you most:

1. **Research starts the customer experience.** Make your customer’s first impression positive and simple. Price and value matter most.

2. **Create a buying experience that makes your customer feel valued and at the center of a positive emotional experience.** No last-minute sticker shock. No surprises.

3. **Shoppers want choice, control and convenience with their deliveries.** The ordering, delivery options, tracking and delivery experience powerfully shapes what they think about your online business.

4. **The final impression you make matters as much as the first.** Create returns and post-sales processes that are fundamentally easy and valuable for the consumer.

5. **Communicate. Communicate. Communicate.** Use multiple channels for contact, provide relevant content that either informs or entertains and show that you care for a shopper’s business, every time.
RELATED UPS RESOURCES

**UPS Ready® Providers:**
Integrate e-commerce technology integration easily with help from our partners.

**UPS® eFulfillment:**
Let us process and ship your online orders so that you have the time to run your business.

**UPS® Marketplace Shipping:**
View and process all your online orders in one place.

**UPS My Choice® Service:**
Help busy consumers get the details and flexible delivery options they expect.

**UPS Access Point® Network:**
Offer convenient alternative delivery locations to help close more sales.

**UPS Returns® Services:**
Never be surprised by an incoming return.

**UPS Exports:**
Reach international markets with confidence.