



UPS Pulse of the Online Shopper™ Study

April 2018

Global Study
Executive Summary





Today's Global Online Shopper

Online shoppers across regions expect quick fulfillment of online orders, are using their smartphones at a growing rate, and shipping more items to alternate delivery locations, creating a new retail landscape. Driving these behavioral shifts is a desire to find better prices and unique products with more choices, control and convenience.

The 2018 UPS Pulse of the Online Shopper™ Global Study, conducted by comScore, provides insight into online shoppers' behaviors and preferences from six regions including the U.S., Asia, Europe, Canada, Mexico and Brazil. We have categorized the results of this year's study into three areas:

Constants: Areas of the retail experience that remain important year over year and influence purchase behaviors. These are *satisfaction with today's shopping experience, shipping and logistics*.

Movers: Areas where consumers have shown significant growth over the past few years. These are *mobile, international shopping and store engagement*.

Emergers: Newer areas of retail that may play a role in the shopping experience of the future. These include *alternate delivery locations, marketplaces, and technologies such as robots and chatbots*.

Understanding today's online shopper and evolving to meet their new demands is critical for retailer success. By focusing on these key areas, retailers have the opportunity to help shape the future of retail while simultaneously increasing customer satisfaction and sales.



2018
Global
Study

Introduction

Constants

Movers

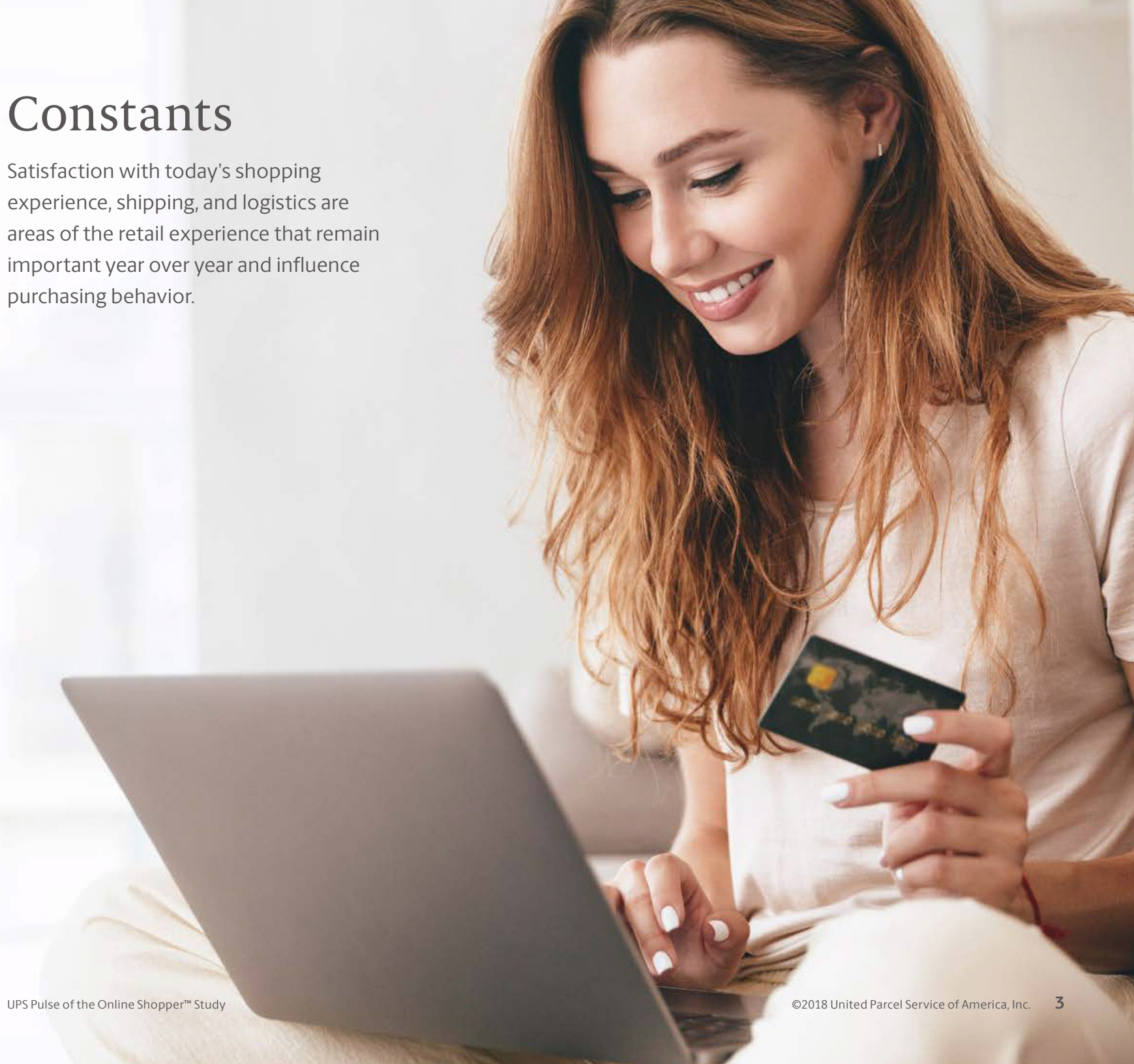
Emergers

Key Takeaways

Methodology






Constants

Satisfaction with today's shopping experience, shipping, and logistics are areas of the retail experience that remain important year over year and influence purchasing behavior.





Satisfaction with the shopping experience

	U.S.	Asia	Europe	Canada	Mexico	Brazil
 Overall online shopping	85%	57%	81%	77%	87%	88%
 Desktop or laptop	86%	58%	81%	79%	87%	88%
 Tablet	78%	55%	74%	72%	83%	85%
 Smartphone	73%	60%	72%	66%	83%	86%
 Physical store	65%	47%	66%	59%	72%	60%

Constants

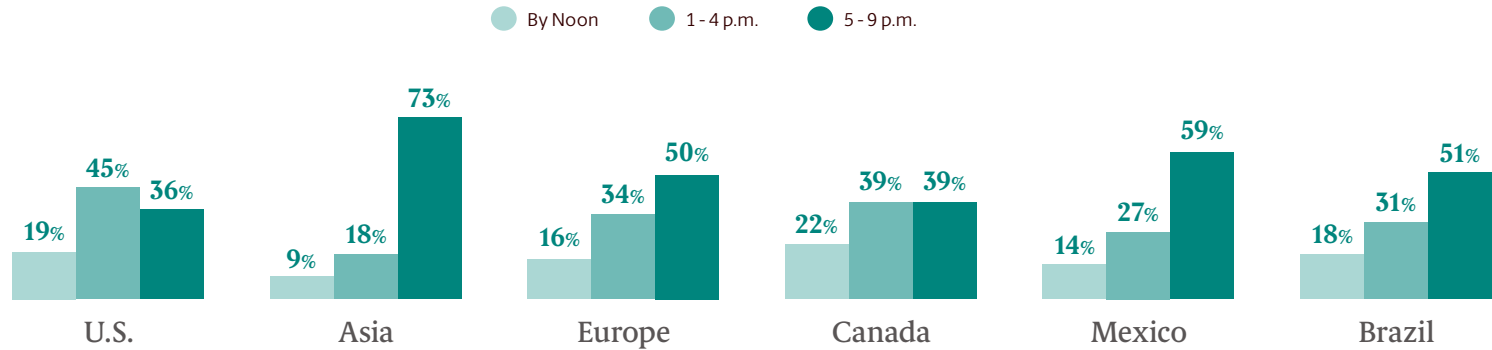
Shopping experience

Satisfaction with shopping experiences varies across regions. When looking at individual shopping channels, consumers in the U.S., Europe, Canada, Mexico and Brazil have the highest satisfaction with the desktop/laptop shopping experience. In contrast, consumers in Asia have the highest satisfaction rating with the smartphone shopping experience.

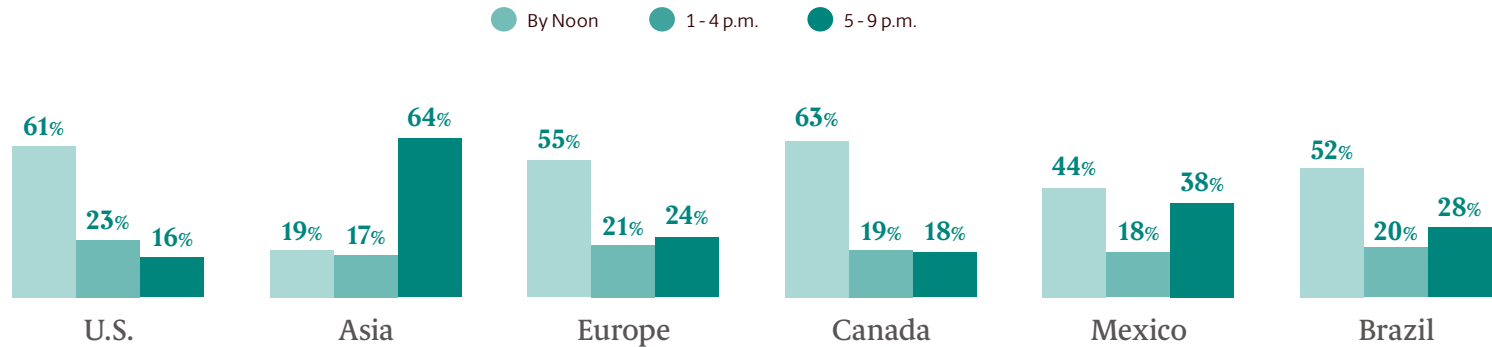
Globally, online shoppers continue to use a combination of single-channel and multi-channel search and purchase methods when shopping, highlighting the importance of both the online and in-store experiences. Additionally, a good portion of non-grocery purchases (between 43% and 59%, depending on the region) are made in a physical store.



Expectations on order time to be eligible for next-day shipping



Expectations on order time to be eligible for same-day shipping



Constants

Premium shipping

When it comes to expectations on delivery time, consumers in Asia, Mexico and Brazil expect to be able to place orders later in the day and still be eligible for next-day delivery. Whereas, online shoppers in the U.S. and Canada tend to think they have to place orders earlier in the day to be eligible for next-day delivery options. The majority of shoppers in the U.S., Europe, Canada and Brazil think they must place orders by noon to be eligible for same-day delivery.

Consumers expect quick fulfillment of online orders and speedy delivery. Across all regions, the top reasons to pay for premium shipping are if the item is needed for personal reasons or if it was ordered as a gift.



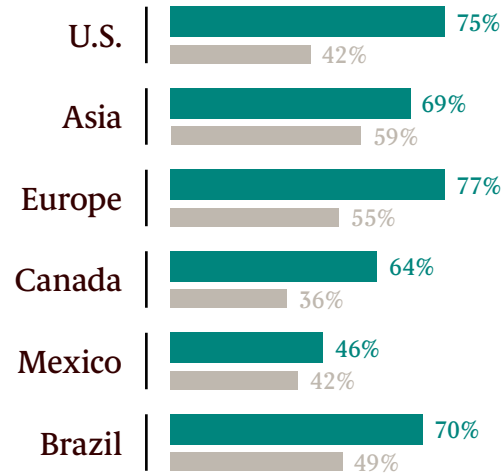
Returns of online purchases usage and preferences

● RETURNED AN ITEM USING THIS FORMAT

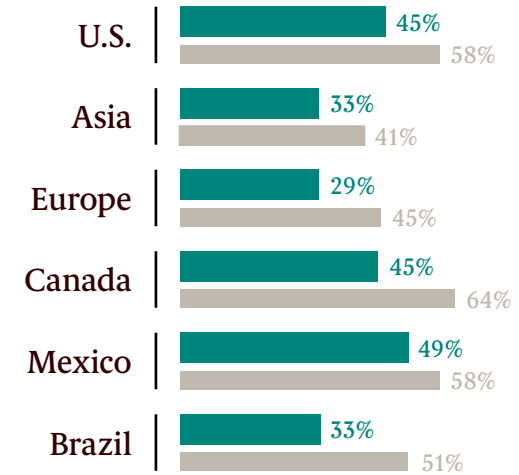
● PREFER TO RETURN AN ITEM USING THIS FORMAT



Shipped back to retailer



Returned to physical store



Constants

Returns

Online shoppers in the U.S. were most likely to have returned an online purchase (44%), whereas shoppers in Mexico were least likely to have done so (22%). When both return options are available, shoppers in Asia and Europe prefer to ship online purchases back to retailers. Consumers in the U.S., Canada, Mexico and Brazil prefer to return online orders to a physical store. Among those who prefer to ship returns back to retailers, ease and free return shipping are the leading reasons for this preference across all regions.

Both in-store and online returns drive incremental purchases for consumers across regions. Online shoppers in Brazil are more likely than shoppers in other regions to have made a new purchase in store when processing a return (84%). Shoppers in Mexico and Brazil are most likely to have made a new purchase when processing a return online (73% and 72%, respectively).



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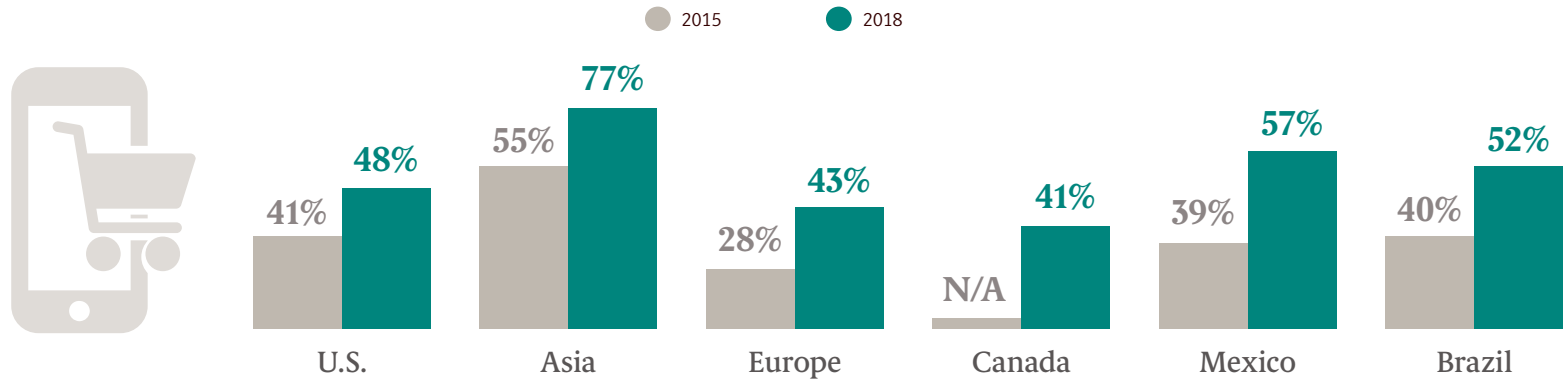
Movers

Mobile, international shopping, and store engagement are areas that have grown significantly over the past few years.





Smartphone users who have made a purchase on a smartphone



Smartphone in-store usage

	U.S.	Asia	Europe	Canada	Mexico	Brazil
Look up product reviews	70%	90%	72%	71%	91%	92%
Read product details	70%	90%	73%	73%	93%	94%
Compare prices at other online or physical stores	70%	89%	72%	71%	92%	94%

Movers

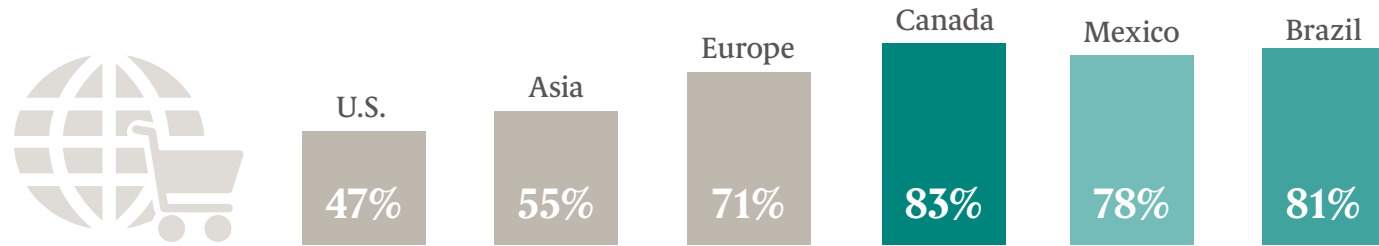
Mobile

Shopping on smartphones has grown since 2015 across regions. Online shoppers in Asia make the highest percentage of their online purchases on their smartphones (37%) and the highest use of using their smartphones for research (84%), compared to shoppers in other regions.

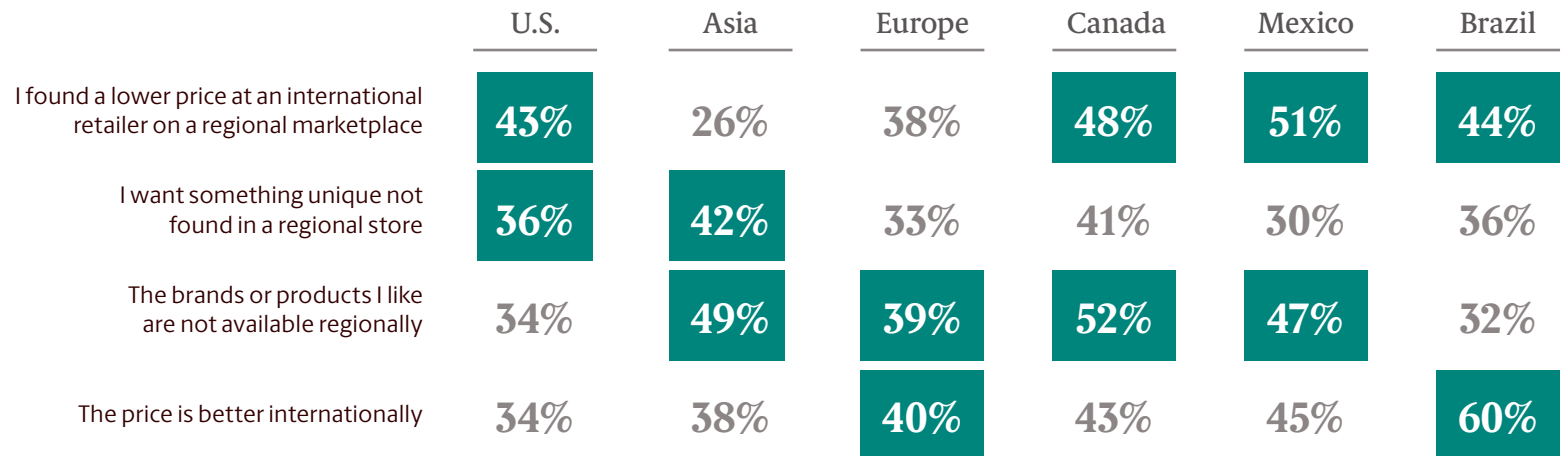
With the growth of smartphone usage, it's not surprising that they are being used in store for a variety of activities. Globally, the top three activities include looking up product reviews, reading product details, and comparing prices at other online or physical stores.



Purchased from an international retailer



Top reasons for shopping at an international retailer



Movers

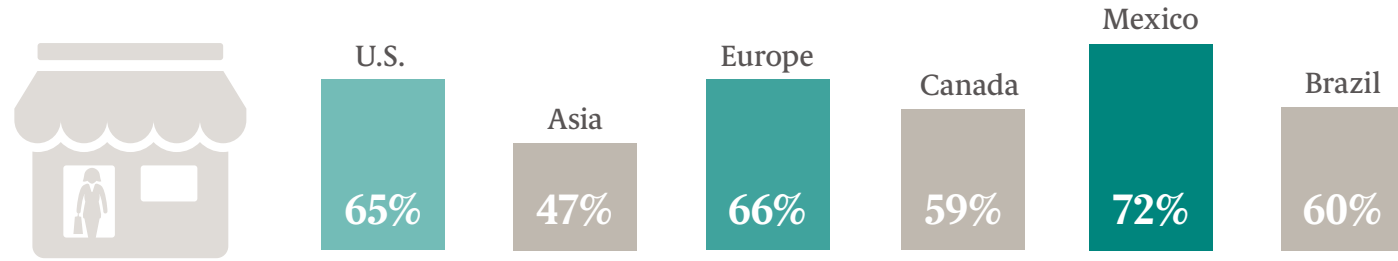
International

Retail has become global with a majority of online shoppers in Asia, Europe, Canada, Mexico and Brazil having made a purchase from an international retailer. Online shoppers in Asia and Europe, who made an international purchase, are most likely to do so within their region (77% and 68%, respectively).

Consumers who made purchases from international retailers primarily did so due to better prices and access to desired products. These products are unique, often not found in local stores, and more likely brands or products not available in their home countries.



Satisfaction with the in-store shopping experience



Ship-to-store

	U.S.	Asia	Europe	Canada	Mexico	Brazil
Have items shipped to store for pickup	50%	37%	24%	34%	42%	44%
Made additional purchases while in store	44%	60%	44%	38%	65%	58%
Plan to use it more often next year	41%	59%	57%	43%	58%	67%

Movers

Store engagement

Shoppers across regions find value in the physical store. They continue to make a large percentage of their non-grocery purchases in store (58% in Canada, the highest percentage of any region, and 43% in Brazil, the lowest percentage of any region). However, satisfaction with the in-store shopping experience is lower than the satisfaction with the overall online shopping experience, leaving room for improving the in-store experience.

Fifty percent of U.S. online shoppers have used ship-to-store in the past year. Only 24% of European shoppers have selected this option in the last year, but more than half of these shoppers plan to use it more often in the future. The majority of ship-to-store users in Brazil, Mexico and Asia are also likely to use it more often in the next year.



Emergers

Alternate delivery locations, marketplaces, and technologies, such as robots and chatbots, are newer areas of retail that may play an increasing role in the shopping experience of the future.

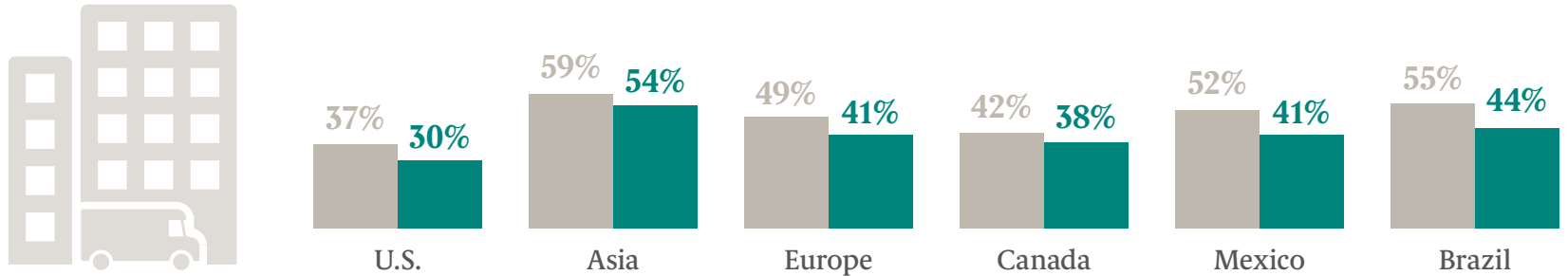




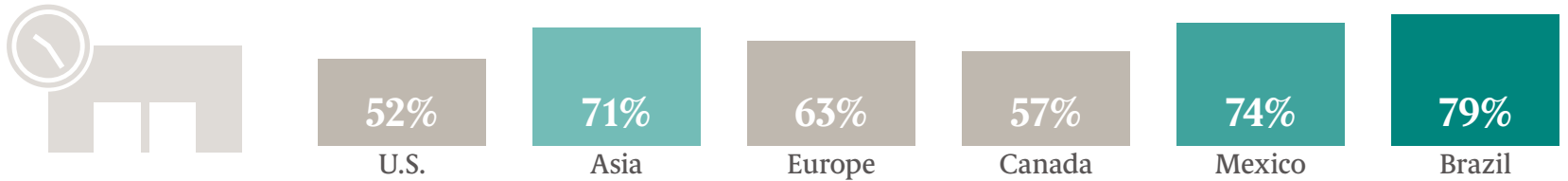
Preference for and usage of alternate delivery locations

(% of orders)

● PREFER ● USE



Interest in shipping to alternate location with extended hours for reduced fees



Emergers

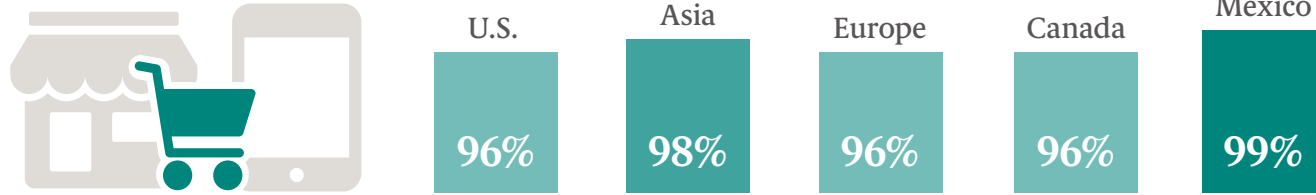
Alternate delivery locations

Consumers are using alternate delivery locations, especially those who live in urban areas. Shoppers in Brazil are more likely to be interested in shipping items to an alternate delivery location with extended hours for reduced fees (79%), compared to those in other regions.

However, the majority of shoppers across all regions are interested in this concept. Shoppers in Asia prefer and use, on average, alternate delivery on a higher percentage of their orders than in other regions.



Purchases made at a marketplace



Top reasons for purchasing at a marketplace instead of a retailer

	U.S.	Asia	Europe	Canada	Mexico
Better prices	65%	64%	67%	61%	63%
Free and discounted shipping	55%	42%	41%	51%	57%
Broader selection within any given category	37%	28%	43%	37%	35%

Emergers

Marketplaces

Shopping on marketplaces is universal. Almost all online shoppers have purchased from a marketplace. A higher percentage of online shoppers say they will research and purchase more on marketplaces in the next year, compared to those who say they will research and purchase on them less.

Across all regions, the top reason for choosing to shop at a marketplace is better prices. For the U.S., Asia, Canada and Mexico, the second leading reason is free and discounted shipping. In Europe, the second leading reason for shopping at a marketplace is access to a broader selection of products.



Comfort level with using chatbots



Emergers

Retail technologies

Technology is playing a larger role in retail, such as the use of smartphones in store for researching and purchasing. However, when asked about the appeal of robots in retail stores, more than half of consumers in the U.S. and Canada are not convinced; 58% of shoppers in the U.S. and 53% of shoppers in Canada prefer interacting with a person in a retail store.

While consumers prefer to talk with sales associates when shopping in store, they are comfortable with self-service options when shopping online. Online shoppers in the U.S., Canada and Mexico are most comfortable using chatbots for getting product information and completing steps for processing orders and returns.



Key Takeaways

The following insights will help retailers successfully address the dynamic online shopping experience for today's global consumer and their future shopping demands:



Deliver a Consistent Experience

Guarantee parity across all retail channels to provide brand consistency and build customer satisfaction.



Offer Flexible Delivery Options

Include in-store pickup, alternate delivery locations and expedited delivery to meet consumers' growing preferences for delivery options.



Elevate the In-Store Experience

Make sure your physical store remains relevant by providing an inspiring and effective shopping experience.



Empower the Shopper

Provide convenient resources for consumers to get details on products through in-store technologies and a robust mobile shopping experience.



Explore and Incorporate New Technologies

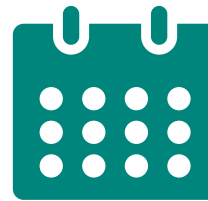
New technologies, including robots and chatbots, are ways retailers can enhance the customer experience. Online shoppers are indicating they want technology that enables rewarding, personalized experiences both online and in store.



Methodology

The UPS Pulse of the Online Shopper™ Global Study evaluates consumer shopping habits from pre-purchase to post-delivery. The 2018 study was fielded in Q1, Q2 and Q3 2017 and is based on a comScore survey of more than 18,000 online shoppers worldwide. The U.S. data shown here is not new; it was previously published in the 2017 U.S. Pulse of the Online Shopper™ study. Respondents made at least two online purchases in a typical three-month period.

Shopping Frequency In a Typical Three-Month Period



40%

MADE
7+
PURCHASES



40%

MADE
4-6
PURCHASES



20%

MADE
2-3
PURCHASES