THE 2019
UPS PULSE OF THE ONLINE SHOPPER™
U.S. Report
July 2019
Market Trends

The e-Commerce market has changed dramatically over the past five years with Amazon capturing a significant share of the growth

Source: eMarketer, Channel Advisor, Top 500 Guide
Rightsizing Retail

Brick and mortar retail store closures have slowed due to right sizing and strategic use of the physical store in a multichannel, e-Commerce environment

Announced Store Closings Over Time

Source: Business Insider - Retail Stores Closing, WSJ – Brick and mortar stores are shuttering at a record pace; Coresight Research
Market Position Matters

Retailers competing strictly on cost or differentiated product offerings inclusive of consumer experience are competing more effectively than those “stuck in the middle”

![Graph showing 2019 Retail Strategies*]

Source: Coresight Research, Business Insider Openings, Business Insider Closings, International Business Times
What is “The Pulse”? UPS surveyed 18,000+ online shoppers in 15 countries and 10 languages

Actionable insights into consumers’ behaviors and expectations
Consumer Expectations Are Growing
Convenience, Choice, and Control remain table stakes, but Transparency emerged as new consumer demands
Convenience Beats Price
...but what convenience is varies by person

Reasons for Purchasing Online

- Convenience: 61%
- Price: 57%
- Avoided Trip to Store: 38%
- Total Price Including Delivery Was Reasonable: 37%

To where did you return an item?

- 57% shipped returns
- Why?
  1 | Shipping was free
  2 | Easier to return online
  3 | Retailer in online only

- 39% returned to store
- Why?
  1 | Faster
  2 | Convenient location
  3 | Didn't want to pay for shipping

Source: 2019 UPS Pulse of the Online Shopper Survey
Everyone Wants Choice
And consumers need choice at the transaction level

Choose a slower, but cheaper shipping option

- Yes: 56%
- No

and...

Willing to pay for expedited shipping

- Yes: 59%
- No

Source: 2019 UPS Pulse of the Online Shopper Survey
Shipping Speed is Situational and Requires Personalization

Many of US consumers are willing to select a deferred delivery date but most need to be financially incentivized.

- Cheaper, but slower: 56%
- Incentive, e.g. credit on the account: 46%
- Gift card or prepaid card: 42%
- Consolidating multiple items: 30%
- Being asked if the item is being used urgently: 17%

Source: 2019 UPS Pulse of the Online Shopper Survey
Free Shipping Policies

Design free shipping qualifications to support your business needs

What consumers will do for free shipping

- Add more items to the cart: 45%
- Choose the slowest delivery speed: 40%
- Search for a promo code: 39%
- Join a loyalty program: 30%
- Sign up for a retailer's email: 27%

Source: 2019 UPS Pulse of the Online Shopper Survey
Loyalty Pays

Consumers even want choice when it comes to loyalty programs, but it will pay dividends

What do we want?

- Free Shipping: 71%
- Reward Points: 68%
- Member Offers & Discounts: 60%

36% Frequently switch sites between researching and buying to collect loyalty benefits

Source: 2019 UPS Pulse of the Online Shopper Survey
Generations Perceive Loyalty Differently

Younger generations expect to receive loyalty value at the time of the transaction

Source: 2019 UPS Pulse of the Online Shopper Survey
Control Is About Choice: Delivery

*Delivery control is more important than speed*

Top 3 Most Appealing Delivery Options

- Selecting the day of delivery (Monday-Friday) - 48%
- Selecting a standard/regular delivery day for all packages - 40%
- Selecting a 2-hour time window for delivery (8 a.m.-5 p.m.) - 23%
- Same-day delivery (Monday-Sunday) - 22%
- Selecting a time of delivery for same-day deliveries (8 a.m.-12 p.m. or 12 p.m.-5 p.m.) - 22%
- Saturday delivery (8 a.m.-5 p.m.) - 21%
- Evening delivery after 5 p.m. (Monday-Friday) - 15%
- Sunday delivery (8 a.m.-5 p.m.) - 8%

Source: 2019 UPS Pulse of the Online Shopper Survey
Control Is About Choice: Bank Payment

Payment choice is critical to avoiding cart abandonment, but varies by generation

### Credit/Debit Card
- Generation Z (17-22): 70.4%
- Young Millenials (23-26): 17.2%
- Core Millenials (27-31): 17.2%
- Mature Millenials (32-36): 84.8%
- Generation X (37-51): 32.8%
- Baby Boomers (52-71): 17.2%
- The Greatest Generation (72+): 71.6%

### Visa Checkout, MasterPass
- Generation Z (17-22): 32.8%
- Young Millenials (23-26): 19.5%
- Core Millenials (27-31): 19.5%
- Mature Millenials (32-36): 17.2%
- Generation X (37-51): 17.2%
- Baby Boomers (52-71): 1.7%
- The Greatest Generation (72+): 1.7%

### PayPal
- Generation Z (17-22): 1.7%
- Young Millenials (23-26): 1.7%
- Core Millenials (27-31): 1.7%
- Mature Millenials (32-36): 1.7%
- Generation X (37-51): 1.7%
- Baby Boomers (52-71): 1.7%
- The Greatest Generation (72+): 1.7%

### Apple Wallet, Google Wallet
- Generation Z (17-22): 1.7%
- Young Millenials (23-26): 1.7%
- Core Millenials (27-31): 1.7%
- Mature Millenials (32-36): 1.7%
- Generation X (37-51): 1.7%
- Baby Boomers (52-71): 1.7%
- The Greatest Generation (72+): 1.7%

Source: 2019 UPS Pulse of the Online Shopper Survey
Control Is About Choice: Alternative Payment
Payment choice is critical to avoiding cart abandonment, but varies by generation

Source: 2019 UPS Pulse of the Online Shopper Survey
UPS My Choice® Delivers Control

Nearly all consumers track their packages and want to control each on an individual level.

Main features of UPS My Choice®:

- Delivery alerts
- Authorize shipment release
- Hold for will call
- “Leave at” instructions
- Leave with neighbor
- Deliver to an alternate location
- Deliver on another day
- Confirm delivery window

Source: 2019 UPS Pulse of the Online Shopper Survey
No Surprises

*Transparency will power convenience, choice, and control through to a sale*

Source: 2019 UPS Pulse of the Online Shopper Survey

### Reasons for cart abandonment

- **44%**: Cost of delivery was too high
- **35%**: Didn't need product after all
- **35%**: Item was out of stock
- **32%**: Just comparing prices
- **27%**: Delivery time was too long
- **20%**: Item wouldn't come in time
- **15%**: Preferred payment method not offered

Teal indicates consumer-driven reason for cart abandonment.
Eliminating Friction

Consumers are impulsive shoppers so eliminating friction can help capture more sales

When purchasing from a marketplace...
- Buy items individually as you think of them: 20.3%
- Build up a shopping list/cart for one larger order: 47.0%
- Buy through a mix of individual items and a shopping list/cart: 27.4%

Do consumers review and remove items from the cart?
- Yes, every time: 35.4%
- Yes, sometimes: 59.7%
- No: 4.5%

Source: 2019 UPS Pulse of the Online Shopper Survey
Transparency for Returns

*Returns are a research issue, not a post-purchase issue*

56% of consumers look for the returns policy BEFORE making a purchase online

Source: 2019 UPS Pulse of the Online Shopper Survey

*screenshots from AwayTravel.com*
Customer experience
The impact of a poor customer experience can affect future sales from consumers and those they influence

89% said they would stop purchasing or purchase less often

Actions taken after receiving poor customer service

- Posted a negative review: 34%
- Made an official complaint: 33%
- Cancelled their order: 26%

Source: 2019 UPS Pulse of the Online Shopper Survey
Customer experience

The impact of a poor customer experience can affect future sales from consumers and those they influence.

Key influencers of purchasing from a retailer after price and quality:

- Low delivery cost: 41%
- Customer reviews: 32%
- Promotions / Discounts: 31%

Actions taken after receiving poor customer service:

- Posted a negative review: 34%
- Made an official complaint: 33%
- Cancelled their order: 26%

Source: 2019 UPS Pulse of the Online Shopper Survey
Taking action on UPS Pulse of the Online Shopper® learnings

PREFERENCE IS PERSONAL
Different preferences require different strategies

CHECK THE BASICS
Convenience, choice, control

ADD TRANSPARENCY
All information is clear and accessible

BUILD THE RELATIONSHIP
Loyalty and engagement