UPS Pulse of the Online Shopper™

Empowered shoppers propel retail change

U.S. Study » June 2015

A UPS White Paper

The realities of remaining a "ready retailer"

The pace of change in retail is staggering, especially online retail and its intersection with the in-store experience. The fourth annual UPS Pulse of the Online Shopper focuses on understanding these changes and delivering insights into how retailers can take action to address what consumers want now and in the future.

Shopper empowerment is propelling this accelerating change. Through technological advancements, particularly smartphone adoption and the expansion of its capabilities, shoppers are better equipped to confidently make buying decisions. U.S. m-commerce sales growth last year was a healthy 27.7%, while e-commerce numbers came in at the 13% mark.[1]

Retailers are rapidly evolving to meet these changing consumer demands, while shoppers continue to hone their skills and are becoming more adept at finding the right products from the retailers with the best customer experience at the best price.

That's why the definition of the "ready retailer" is evolving, too. Expectations are high for receiving a seamless shopping experience. The path to purchase has become a continuous loop with the speed of the whole process quickening.

Simultaneously, superior customer service supported by logistics excellence has become mandatory. The role of the store is forever changed. Inventory transparency, mobile excellence and prioritizing store technologies that enhance the shopping experience must all be evaluated. Every retailer's mission is to know their customers best and put themselves in the best position to service these "empowered shoppers."

1 comScore m-Commerce Measurement, March 2015

Key takeaways

Today's shopper is a moving target. The research results are broken into three core areas to highlight shopper trends and preferences:

About the study: UPS, comScore and e-tailing group, inc.

UPS developed this study with comScore, Inc. Input was collected from 5,118 qualified panelists in January and February 2015. Shoppers had to have made at least 2-3 online purchases in a typical 3-month period. UPS also worked with the respected Chicago-based consultancy, the e-tailing group, inc., to develop analysis and retailer recommendations.

The empowered shopper

Some are relentlessly searching for new and unique products. Others are steadfastly seeking the best price and customer experience. Today's shoppers are sometimes motivated by speed. Other times by the desire to be exhaustively thorough in finding unique products or getting the best deal. This is creating new opportunities for small, local and international retailers.

Changing channels

When shopping, consumers readily shift from channel to channel to make purchasing decisions. They're also fluidly shifting devices (PC, smartphone, tablet). Some are influenced by social media, while some embrace apps, and many others rely on retailer sites or marketplaces. Regardless, retailers must make shopping experiences cohesive, seamless and essentially interchangeable.

The ready retailer

There are some key areas of improvement that shoppers have identified for retailers wanting to stand out in an increasingly competitive e-commerce environment. From quality information to checkout and delivery to the returns experience, retailers must always be ready to stay ahead of evolving consumer expectations.

The empowered shopper

Dollars and sense

Consistent and competitive pricing breeds confidence

Shoppers are in control, continually hunting for value and price. This may not always mean finding the lowest price but one that seems “right” in their minds. Value is a combination of many factors — from the on-site experience to the total cost of the order. Product pricing, timing, shipping and returns costs are all factored in when selecting a retailer, particularly when purchasing commodities, such as beauty products.

Shoppers have sharpened their skills at finding the best price in every channel and smartphones fuel that behavior — from researching products prior to store visits to scanning bar codes in stores.

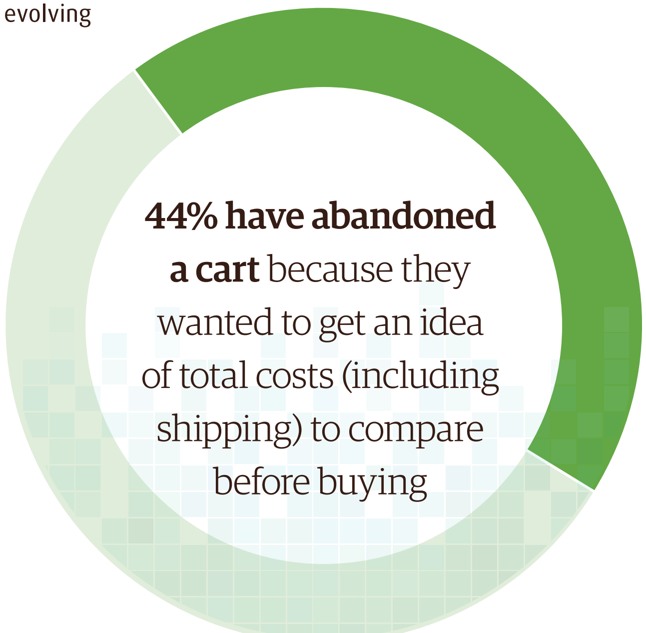
Coupons and promotion codes can be found in abundance on the web and their cross-channel usage makes taking advantage of promotions a simple click of the mouse or swipe of a mobile device. Shoppers don’t want to have to worry that prices are different from one channel to the next, so opting for consistent pricing is recommended.

Shoppers have sharpened their skills at finding the best price in every channel and are in search of saving money via every means possible

Dollars and sense

Seeking the best deal

The web has brought out the deal seeker in us all. Shoppers go to great lengths to save money, spending time comparing prices, choosing less expensive store-based delivery options and taking advantage of coupons through every available means and channel. They have a nose for the deal and every evolving channel is a new opportunity to find a lower price.



29% compare prices at online or physical stores using a smartphone when visiting a store

50% say mobile coupons are an important feature of a mobile app

38% of smartphone users are redeeming coupons on their device

47% of Facebook users are likely to view a promotional post by a retailer

53% of shoppers are likely to take advantage of a discount offered in an email

Dollars and sense

Free shipping can be used as a strategic lever to drive sales

Product prices are rated as important more than any other factor in the search/browse experience — at 81%. Shipping costs come in a close second with 75% rating it important. Shoppers will go to varying degrees to secure free shipping, such as adding items to carts with the intention to keep them (52%). And 45% have abandoned a cart when they don't qualify for free shipping.

The majority (57%) of shoppers say that the decision to pay for shipping is most often driven by the total cost of the order where they have a clear sense of what it's worth. Alternatively, shoppers will pay for shipping when they absolutely must have a product, require expedited delivery or personal circumstances dictate.

A handful of retailers have chosen to offer free shipping year round. A selective approach can be offered instead to incent, reward and retain customers. This may include sporadic usage throughout the year, extending free shipping to loyal shoppers and last-minute, site-wide usage to ensure sales forecasts are met.

Evaluating how best to address free shipping means looking at the competitive landscape and also budgeting this expense as part of the cost of doing business. Weighing business dynamics — from assortment to financials — should drive this decision. Evolving it throughout the year ensures achieving desired results.

On average, consumers **pay for shipping** on about every 2 in 5 online orders

57%
of shoppers decided to pay for shipping when the total cost of their order was still a good bargain with shipping charges included

56%
of shoppers abandoned a cart when shipping costs made the total purchase cost more than expected

45%
of shoppers abandoned a cart when the order value didn't qualify for free shipping

54%
of shoppers are likely to take advantage of an email offer for free shipping

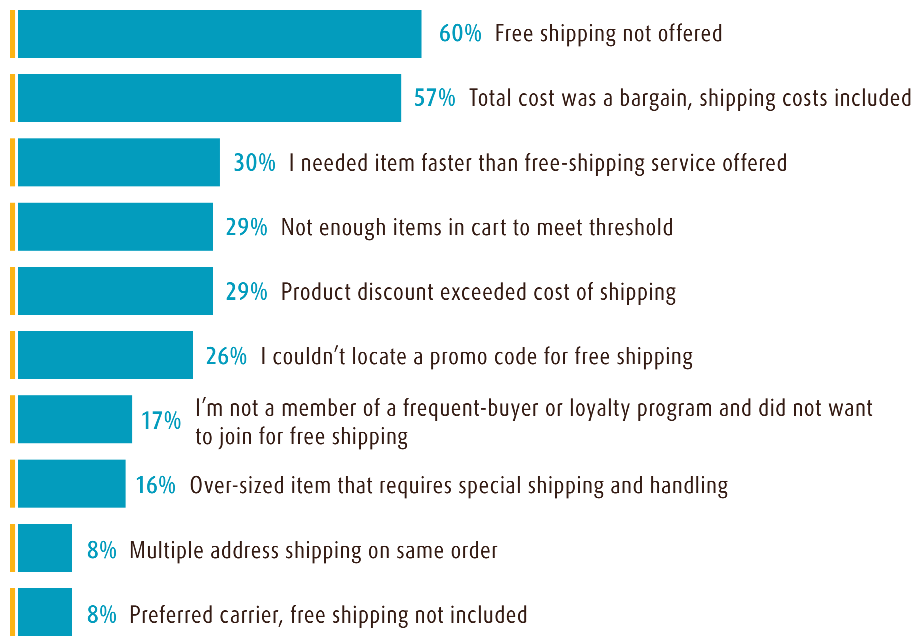
52%
of consumers have added items to their cart with the intention of keeping them to qualify for free shipping

44%
of shoppers have searched online for a free shipping promo code

Dollars and sense

Free shipping as a lever to drive business

Reasons to decide to pay for shipping

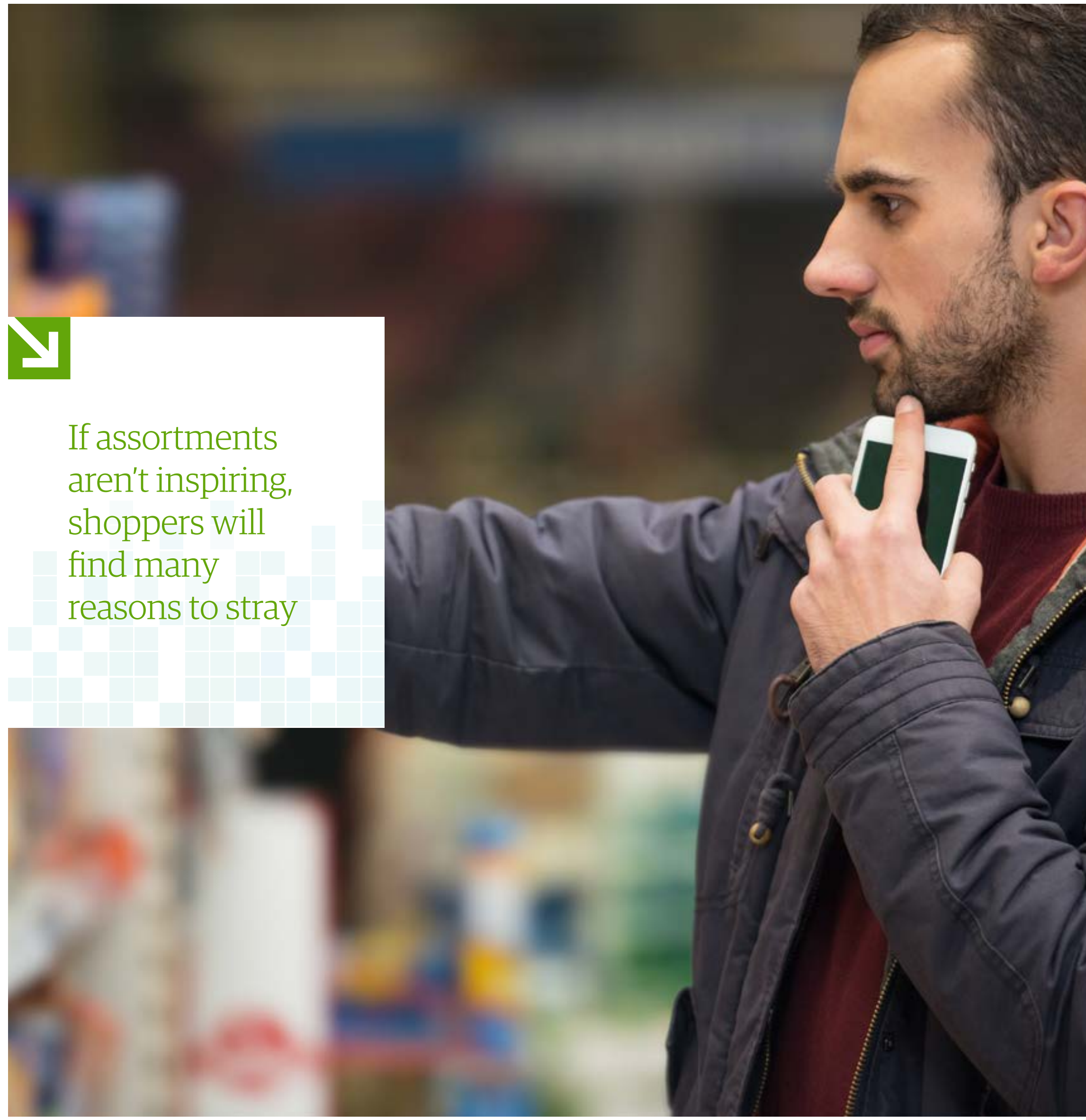


See additional information: Dollars and sense

Hunt for the unique and hard to find

Creatively merchandise product assortment

Shoppers hunt for unique product and will support a range of retailers in its pursuit — both locally and internationally. Influences and starting points vary by individual, but 29% shop with smaller businesses simply because they “like to try new retailers.” If assortments aren’t inspiring, shoppers will find many reasons to stray. While larger retailers dominate, interest in both smaller sellers and access to global retailers finds appeal among many shoppers.



If assortments aren’t inspiring, shoppers will find many reasons to stray

Hunt for the unique and hard to find

The appeal of small, local and international retailers

Small and local

Consumers are aware of the tradeoffs when choosing smaller retailers. Many are willing to accept more costly shipping, longer delivery times and/or higher prices when selecting such businesses. Beyond the unique and hard to find, there remains an interest in supporting the local community. Additionally, some shoppers simply like to be the first to sample new retailers, and their influence can be impactful, particularly as viral channels can swiftly spread the word.

61% say "unique products" are the reason they shop at small retailers

Beyond borders

Many of the same reasons shoppers choose to do business with smaller retailers applies to their international counterparts. Once again, better prices internationally, lack of available product domestically and a search for the unique apply globally as well. The internet facilitates geographic reach, which can open new markets for retailers inside and outside the U.S.

Reasons for shopping with small vs. large retailers

Better prices, unique or hard-to-find products are the top reasons for purchases from international retailers

Reasons to shop from international retailers

Hunt for the unique and hard to find

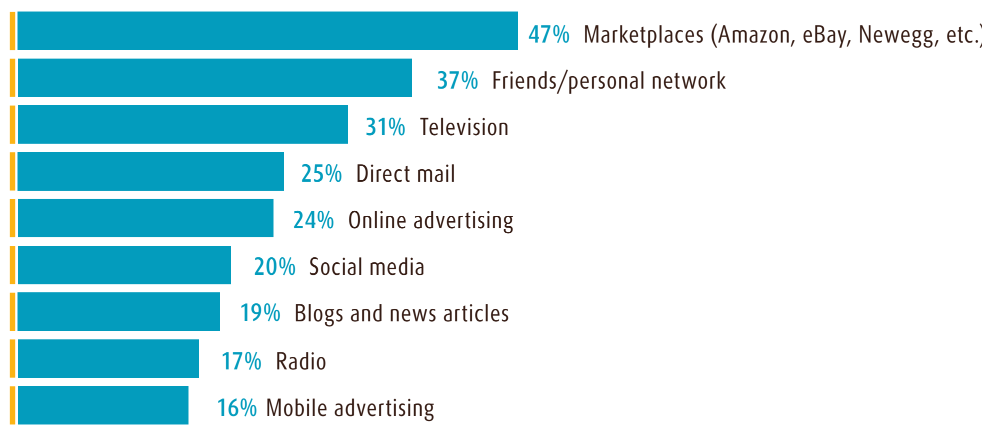
The power of marketplaces

Shoppers have evolved and there are a multitude of sources that influence their hunt for new products and retailers. These range from marketplaces that are making significant inroads online to traditional advertising and direct mail. Social media and mobile advertising are playing a role as well.

Shoppers have become accustomed to perusing products in marketplaces. Each retailer must determine their respective marketing goals. Marketplace participation will only be right for some. When electing not to pursue a marketplace model, additional spending for earned and paid search, banner advertising and SEO (Search Engine Optimization) along with other marketing vehicles can be used to drive sales.

> Additionally, the research revealed that marketplaces are the most influential source for finding new products and retailers.

Influential sources when looking for new products and retailers



Hunt for the unique and hard to find

New business models and merchandising inspires shoppers

Online shopping has inspired new business models, including marketplaces, subscription services and crowdfunding.

Two types of subscription services have become popular in recent years. Some are "convenience commerce" that enable shoppers to receive the same products automatically at a predetermined frequency (e.g., monthly, weekly). "Discovery commerce" takes a different twist and surprises shoppers with new curated subscriptions, based on personalized criteria.

Large and small investors are also flocking to crowdfunding platforms. Here, sites raise money in small amounts from a large number of people to fund a new retail product or startup.

Subscription services

1 in 3 shoppers have elected to receive automatic deliveries from subscription services, and the average adopter uses three

1 in 5 are enrolled in online curated subscription services

2x More than twice as many Millennials are currently enrolled in a curated online subscription service as non-millennials

Crowdfunding

3 in 5 shoppers are aware of crowdfunding

16% of shoppers have contributed

$90B This market is projected to reach $90B, according to a study funded by the World Bank[2]

2 http://fortune.com/2014/04/17/why-investors-are-pouring-millions-into-crowdfunding/

Changing channels

Channel shift

In last year's study, the "Flex Shopper" was identified as a consumer that readily shifts from one channel to another. They change course based on circumstance, influences, channel comfort, device preference and convenience. The boundaries between channels are blurred more than ever, as the ease of shifting between them has been accelerated by smartphone usage.

Retailers are now forced to be more diligent in "knowing" their customer. An accessible, single view of the customer, complete with cross-channel data will be required to optimize marketing investments. Technology solutions are in place and on the horizon to address this growing concern.

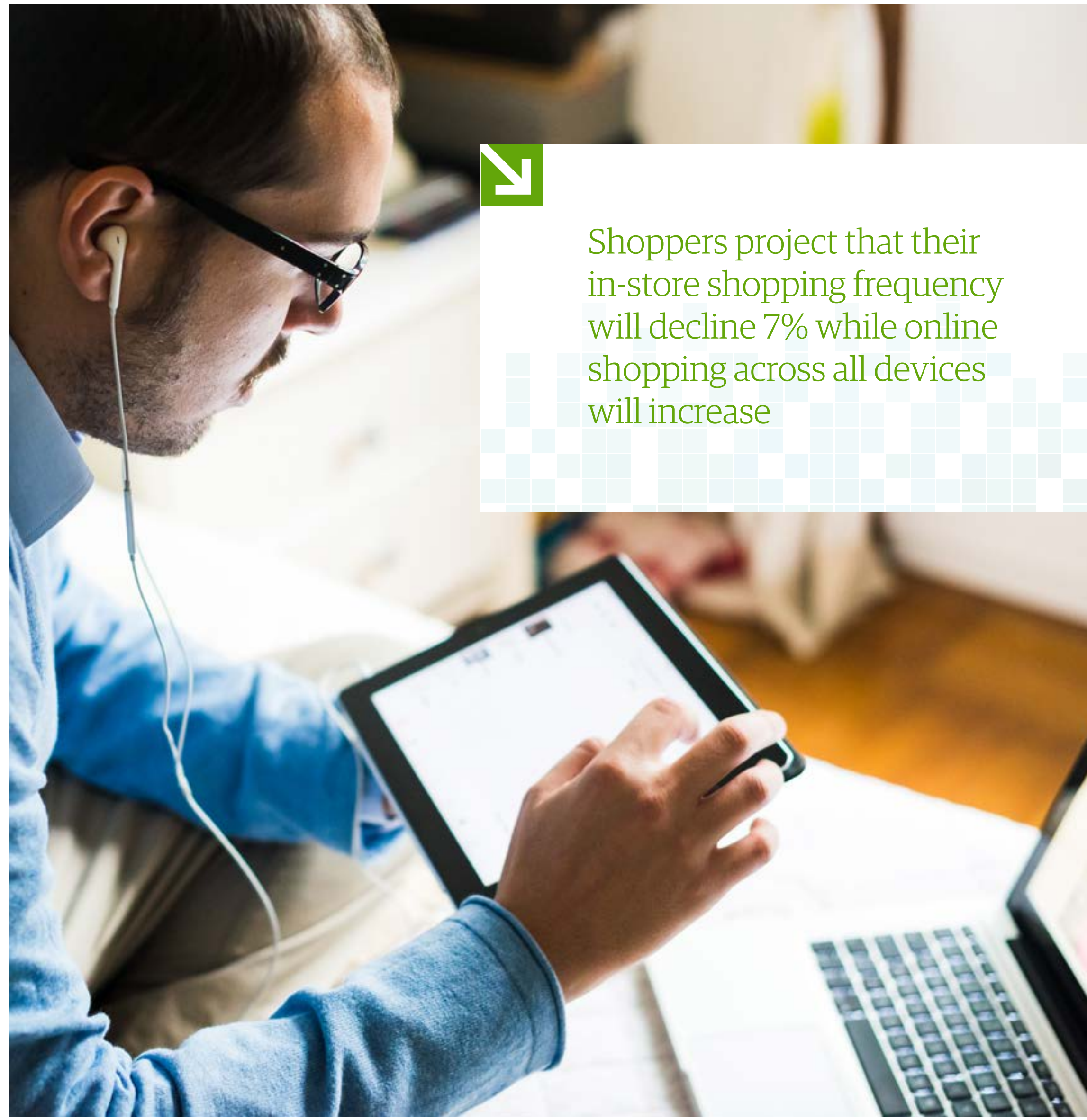
Overall satisfaction with retail channels remains steady from 2014 to 2015 — 83% for online shopping and from 63% to 62% for stores. Device shopping satisfaction was looked at for the first time in 2015 and reinforces some limitations with smartphones. Shoppers cited screen/image size and security concerns.

Shopper satisfaction with channels and devices varies

84% Desktop/Laptop

74% Tablet

65% Smartphone



Shoppers project that their in-store shopping frequency will decline 7% while online shopping across all devices will increase

Channel shift

Expect shoppers to shift from one channel to another

Once again, price and selection top the reasons why shoppers who have researched in store ultimately finish their shopping online. Additionally, the web lends itself to research and store visits can prompt new questions with answers best secured online. This leads to the third-most-mentioned reason for purchasing online, which is to conduct additional research before purchasing.

More than 4 in 10 shoppers research and purchase via smartphones. The 60%+ penetration for online research via smartphone by heavy and moderate shoppers suggests that retailers should optimize the mobile experience. Over half of heavy shoppers purchased via a smartphone, while penetration is somewhat less for moderate and light shoppers.

	Used smartphone to **research** an online purchase	Used smartphone to **make** an online purchase
Survey Aggregate	41%	30%
Heavy Shoppers*	65%	53%
Moderate Shoppers	60%	43%
Light Shoppers	39%	25%

*Heavy Shoppers (9+ online purchases), Moderate Shoppers (5-8 online purchases), and Light Shoppers (2-4 online purchases)

A look at shoppers' weekly smartphone activities also sheds light on this channel-shifting trend

1 in 4 shoppers are looking to locate stores and find store-related information

22% use their mobile device while in the store for further research

23% research products prior to visiting a store

22% access emails while in the store via mobile devices, prompting in-store purchases

Channel shift

Information and services drive store traffic

The store's role is sometimes about convenience. For some shoppers, a store visit can actually save them money and/or time, evidenced by ship-to-store/pick-up-in-store options. Additionally, selection can come into play along with the excitement of visiting the store and the desire to see, touch and feel the products.

Logistical choices are a factor for some shoppers as well. Shopper expectations about physical stores will continue to evolve, ensuring that they remain relevant. As challenges to brick-and-mortar retailers come from many fronts, systems that support inventory transparency will be a requirement, forming the foundation for a myriad of other services, such as in-store pickup.

> The role of the store associate will likely become even more critical as shoppers shift channels and elevate expectations of the store visit.

Part of shifting between channels involves the ability to access a shopping cart, saved lists or wish lists or to share these across channels. Only 67% of shoppers are satisfied with the ability to create an account to save personalized information/purchase history.

Mobile and social media allow easy access to store content

1 in 3 Facebook users are likely to view store-related content

46% of mobile users rate having a comprehensive store locator as an important feature in a retailer's app

45% of mobile users rate the ability to check store inventory as an important feature in a retailer's app

4 in 10 of those who use retail apps rate having access to their shopping cart across all devices as an important feature

Channel shift

Ship-to-store and return-to-store services generate sales

One of the ways in which channel shift behavior can be best observed is in the use of store pickup. Four in ten shoppers expect a ship-to-store option to be available. Shoppers have long gravitated to this convenience. Pioneering retailers made this a reality as early as 1999. Today, almost half of shoppers (48%) have used ship-to-store options in the past year. Appeal stems from a combination of convenience and cost savings, and it has always been a means to avoid paying for shipping.

45% have made a new purchase when picking up the purchase in store, among those who have used an in-store pickup option

41%
of shoppers who currently use ship to store plan to do so more often in the coming year

38%
of shoppers will choose ship to store or pick up in store, up from 35% in 2014

29%
will actually choose to shop at the store instead of online just to avoid shipping costs

33%
find curbside pickups and returns appealing

45%
have returned an item that was purchased online in the past year

61%
of shoppers who have returned an item in the past year prefer to return items in store, and 39% prefer to ship back to the retailer

70%
of those who return items to a store will purchase a new item

Almost half of shoppers have used ship-to-store options in the past year

See additional information: Channel shift

Retailers elevate mobile experience

The importance of mobile adoption and its multi-faceted nature have had an unprecedented impact on shopping. The smartphone dominates, having reached a U.S. population penetration of 75%.[3] While tablet's growth rate is an admirable 17%, it is expected to slow dramatically in 2015, according to eMarketer.[4]

From a revenue standpoint, m-commerce already makes up 13% of total digital commerce dollars.[5] It is these facts that have caused retailers to pay attention and make adjustments to their mobile investments.

The smartphone dominates mobile, having reached a population penetration of 75%

3 comScore MobiLens, 2015
4 http://www.emarketer.com/Article/Tablet-Users-Surpass-1-Billion-Worldwide-2015/1011806
5 comScore m-Commerce Measurement; 2015

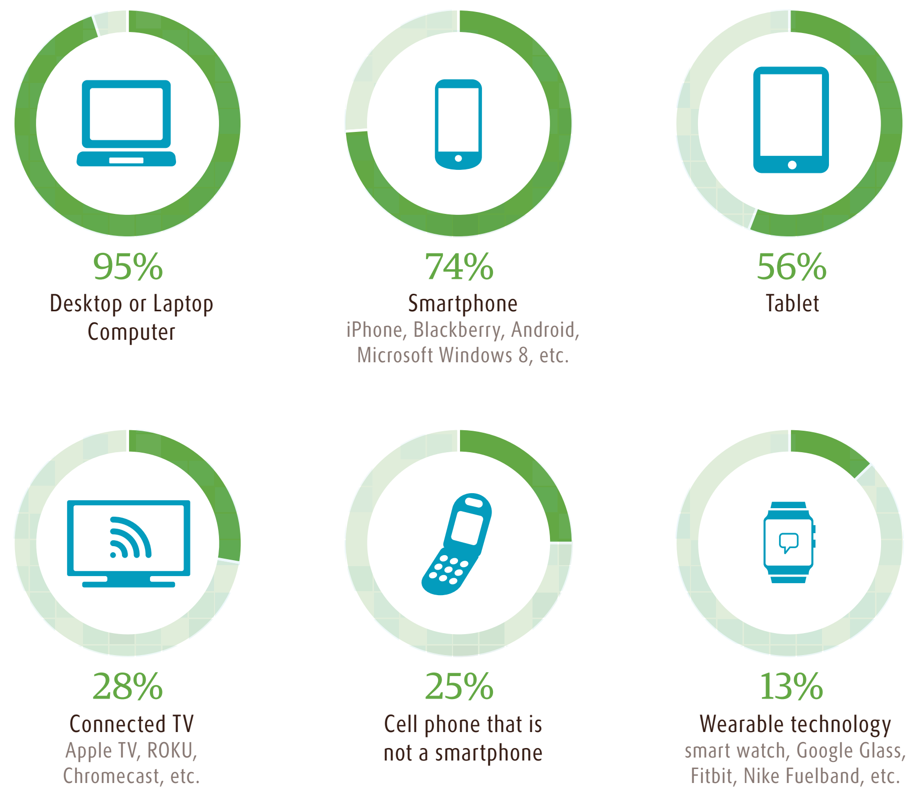
Retailers elevate mobile experience

Shoppers embrace new technology

In this year's survey, smartphone usage was 74% (up 7% year over year) and is in line with the previously referenced market share seen across the general population.[6] Additionally, the penetration of Connected TV at 28% was strong, as was the 13% who indicated they were users of wearable technology.

> Online shoppers are among the quickest to adopt new technologies, so retailers must stay in touch with customer preferences

Device usage



6 comScore m-Commerce Measurement, March 2015

Retailers elevate mobile experience

Smartphone research and purchase power formidable

Shoppers continued their high level of shopping via PC. The research also reveals that more than half (56%) have researched on smartphones and 41% have made a purchase. Tablet stats are 58% researching and 46% purchasing.

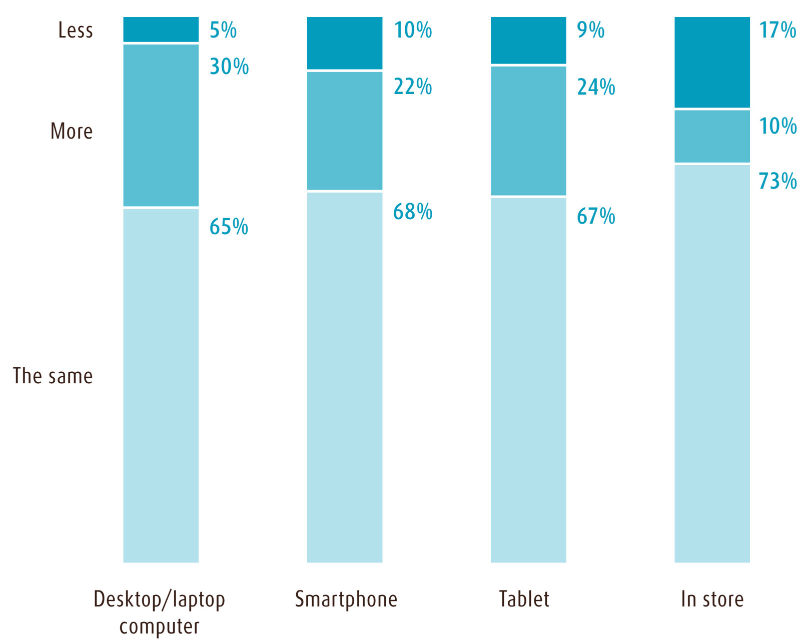
For those who have purchased on their mobile devices, 38% indicate that the mobile website is their preferred method of viewing when they shop on a smartphone, followed by 36% who prefer the full website. 60% of tablet purchasers prefer the full website.

Though numbers may pale in comparison to the PC, when shoppers own both a smartphone and a desktop device, they have chosen to make 1 in 3 purchases on their smartphones. Purchases on smartphones are expected to increase 12% in 2015, based on projections from shoppers in this year's survey.

Over the past few years, retailers have become more adept at delivering a mobile friendly user experience. Elevated visual execution, larger screen size and streamlined shopping bodes well for higher conversion.

Online shoppers foresee continued migration to online channels

Projected shopping frequency in 2015 relative to last year



Retailers elevate mobile experience

Convenience is the driver of smartphone usage

With two-thirds of U.S. smartphone users checking their phones within 15 minutes of rising and going to bed, the shopper's attachment to their devices can't be overstated.[7]

A quick review of **why shoppers gravitate to their smartphones** solidifies its role as a ubiquitous shopping tool

7 Toluna; 8/14

Retailers elevate mobile experience

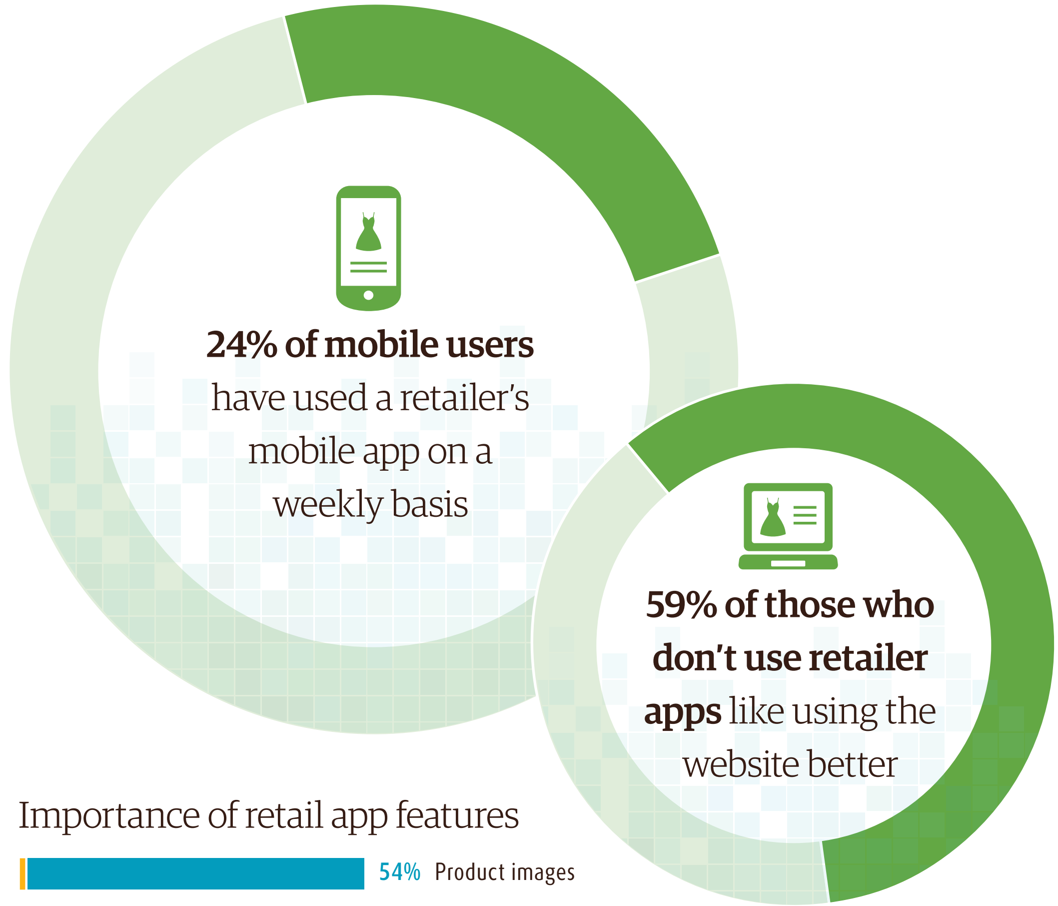
App interest strong

Apps can be effective for retailers because they tend to serve more engaged shoppers. In this study, 4 in 5 mobile shoppers have used a retailer's app instead of a browser to access a retailer at some point. Heavy shoppers use apps more than others.

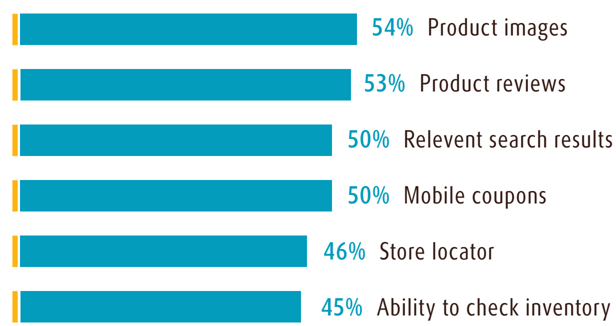
While many shoppers have become accustomed to accessing the web via mobile, 29% of those who do not use mobile apps cite security concerns. Interest in shopping with multiple retailers has also been cited as a barrier to retailer app adoption by some shopper segments.[8]

The quality of an app is vital to potential shopper usage, and issues deemed important to websites, such as product imagery, on-site search and product reviews, are also integral to apps. High marks were also given to store-based connectors and tools (store locator, ability to check store inventory, mobile coupons).

Apps can be effective but aren't a must for every retailer. There is not always a compelling reason why a shopper would need to use an app. Apps for goods that are infrequently shopped (e.g., computers, cars, financial instruments) aren't typically as effective as those verticals with wide product offerings, such as department stores, mass merchants or replenishment products. Retailers who invite price comparison are also likely to see greater traction among shoppers.



Importance of retail app features



8 WWD, In Battle of Apps, Multibrands Win, 3/19/15

Retailers elevate mobile experience

In-store technology use shows promise

Retailers have begun to adopt new technology for everything from checking inventory to checking out shoppers. Industry research suggests that 55% of retailers say mobile's purpose is to drive in-store sales[9], but use of mobile when customers are in store may present some of the most intriguing possibilities.

Since shoppers have proven to be accepting of so many new technologies, the next few years will present a wave of in-store mobile services. Some will become standards while others will quickly become relics. Shopper value will be one of the key factors in determining the rate of acceptance.

Since shoppers have proven to be accepting of so many new technologies, **the next few years will present a wave of in-store mobile services.**

33%
of shoppers find electronic shelf labels appealing

26%
rate the ability to use mobile payment services in store appealing

29%
find mobile checkout with own phone/tablet in store appealing

27%
find touchscreens to receive information, make a purchase or arrange delivery appealing

ASSOCIATE CHECKOUT

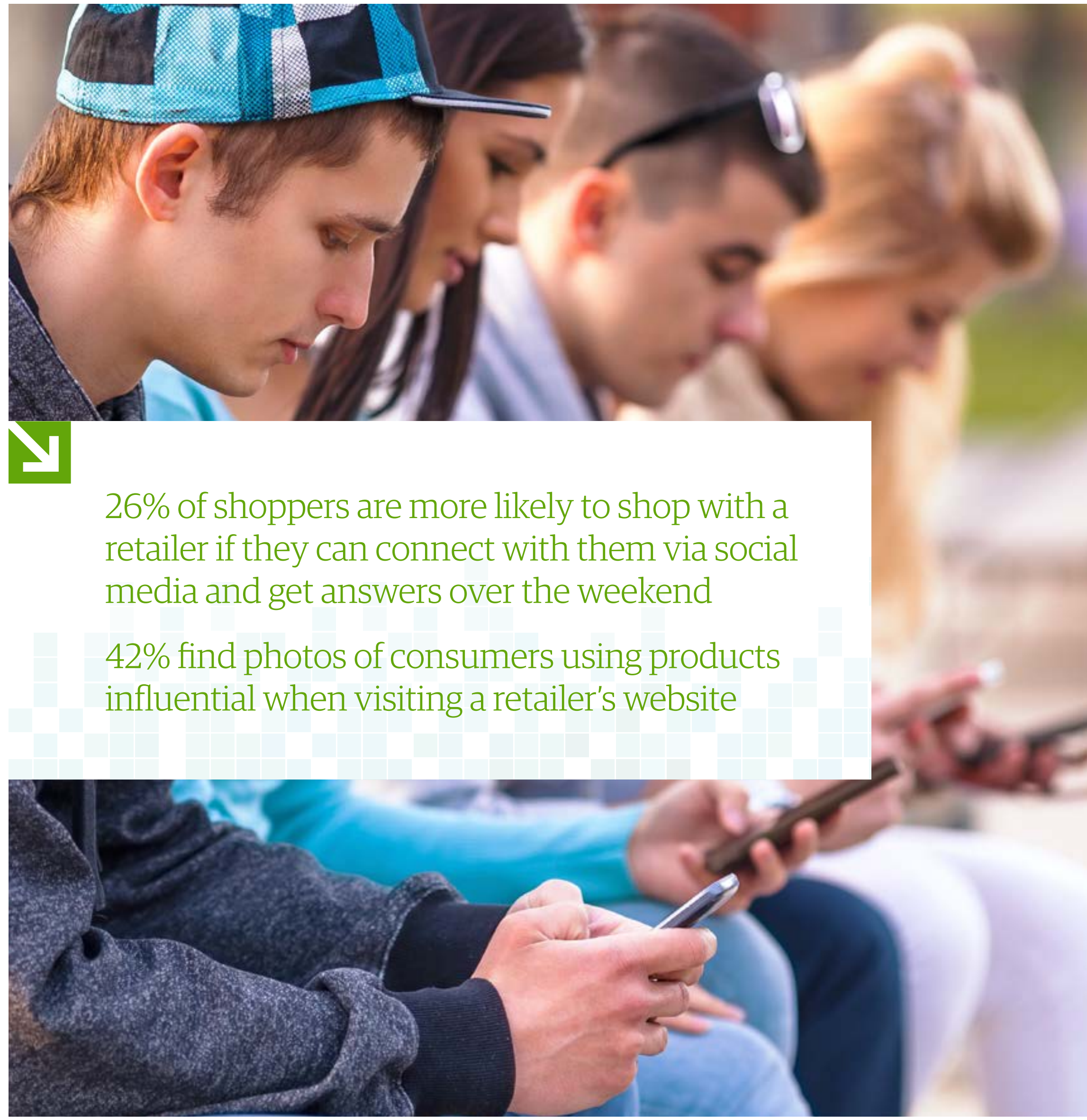
27%
find roaming associate checkout appealing in store

See additional information:
Retailers elevate mobile experience

9 http://www.mobilecommercedaily.com/55pc-of-marketers-believe-purpose-of-mobile-is-to-drive-in-store-sales-report; RSR Research; 2014

Cater to social activists

While social media has underachieved as a direct driver of retail sales, it continues to excite as an influence among a niche group of passionate users to connect with their peers. A core group of social activists are seen among mobile users in particular. Predictably, Millennials have shown a greater preference for connecting shopping activities with social media.



26% of shoppers are more likely to shop with a retailer if they can connect with them via social media and get answers over the weekend

42% find photos of consumers using products influential when visiting a retailer's website

Cater to social activists

Interest in social media is multidimensional

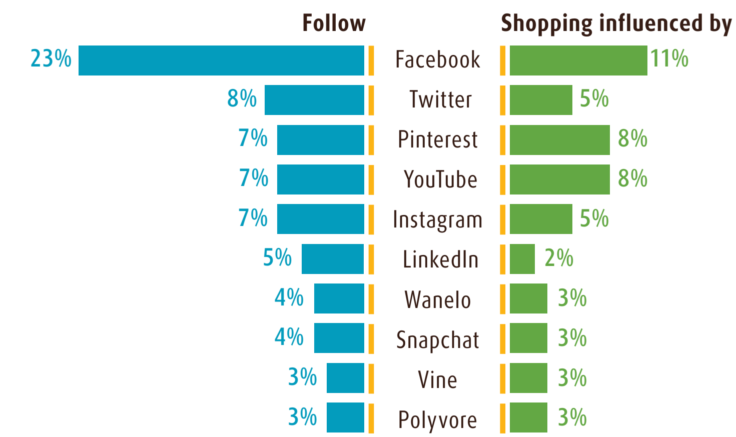
Three in four shoppers use social media, and Facebook and YouTube are the top sites. Shoppers also embrace new "visually oriented" sites, such as Pinterest, Snapchat, Vine, Polyvore and Wanelo. The upside for retailers is that Pinterest is leading in U.S. conversion rates from a social media perspective and ultimately accounted for 22% more sales than Facebook.[10]

The power of visuals should not be underestimated, just as its role in e-commerce has been extremely valuable. Smartphone and tablet purchasers follow retailers and are more influenced by social media than desktop only purchasers.

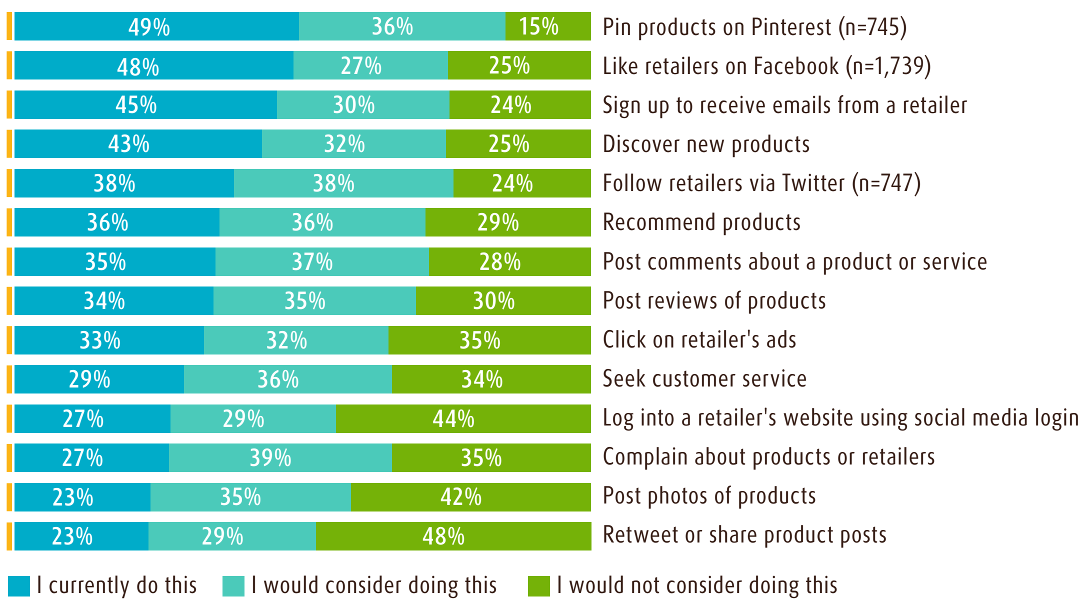
Though Pinterest's initial usage base among respondents is significantly lower (67% vs. 30%), pinning products on Pinterest and liking retailers on Facebook are done at equal levels among their users. Social media's role ranges from an important channel to capture emails to a vehicle for product discovery. Posting reviews and comments are also notable activities.

About half of Facebook users are likely to view promotions, while about **two in five** are likely to view new product announcements and sweepstakes

Influence among niche group of avid shoppers



Social media activities conducted

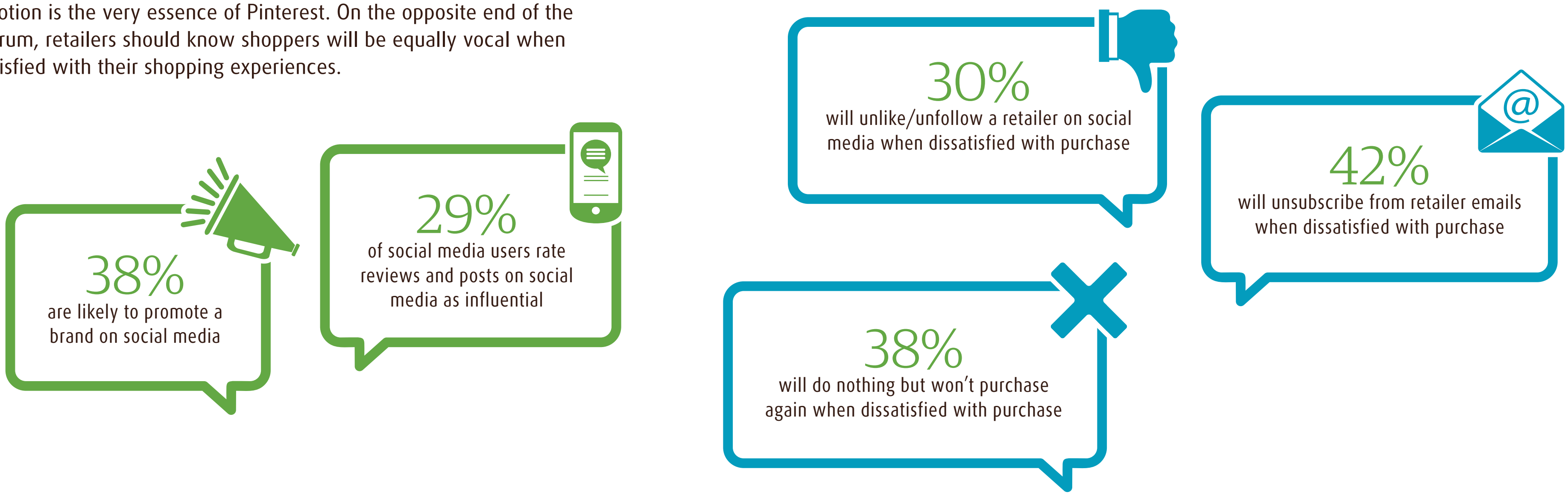


10 http://www.cheatsheet.com/technology/pinterest-beats-facebook-twitter-in-online-shopping.html/?a=viewall

Cater to social activists

The power and peril of social media

Behavior on social media can be favorable with shoppers actively "liking" and promoting brands when satisfied. Facebook dominates here, and promotion is the very essence of Pinterest. On the opposite end of the spectrum, retailers should know shoppers will be equally vocal when unsatisfied with their shopping experiences.



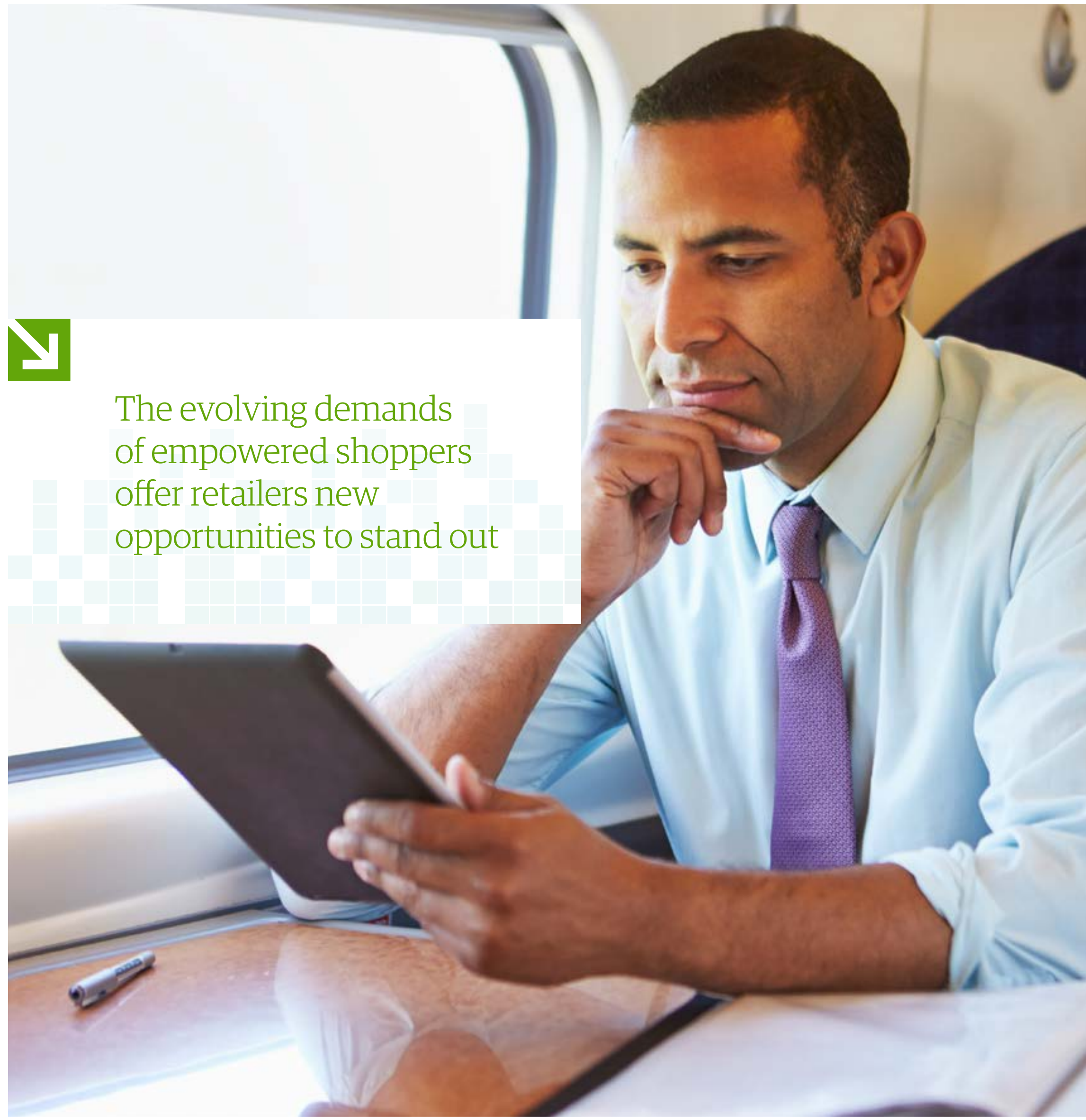
See additional information:
Cater to social activists

The ready retailer

The fundamentals

The evolving demands of empowered shoppers offer retailers new opportunities to stand out. Getting the basics of customer experience right has never been more critical. The competition is fierce against a powerhouse of marketplaces, pureplays and well-heeled, store-based counterparts.

As originally outlined in last year's UPS Pulse of the Online Shopper, "The Fundamental Four" along the path to purchase are again addressed in this year's study, including information, transparency, customer service and logistics.



The fundamentals

Robust information a requirement

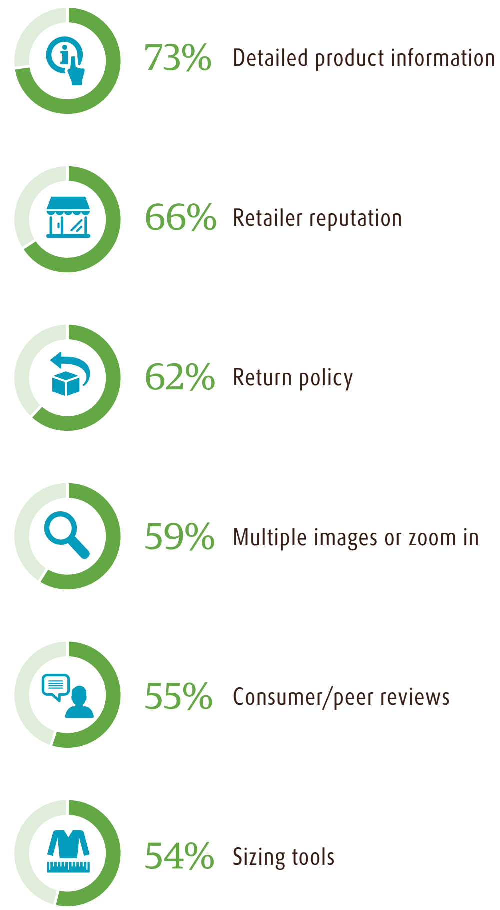
Along the path to purchase, shoppers expect certain elements to be present that they have deemed "important." Shoppers were asked how important a series of factors were when searching for and selecting products online.

At every stage of the journey, the role of information rises to the top of the list of what's important to shoppers. Search and selection revolves around all of the product details that allow shoppers to make an informed purchase. Information ranges from product-based content, including copy to photography that aids in selling the product.

A retailer's customer service and return policy play an important role. Visual layout and scannability grow in magnitude with mobile's emerging role and should be factored into how product information is presented.

> At every stage of the journey, the role of information rises to the top of the list of what's important to shoppers

Importance of factors when **searching and selecting products**



The fundamentals

Peer reviews are a shopper favorite

The strength of social media starts with reviews. Over half of shoppers rate consumer/peer reviews an important factor when searching for/selecting products online. Further, 30% of smartphone users look up product reviews while they are in store. Q&A along with consumers submitting photos of products are also influential parts of a retailer's website.

70% satisfied with ability to read a peer review before making a purchase

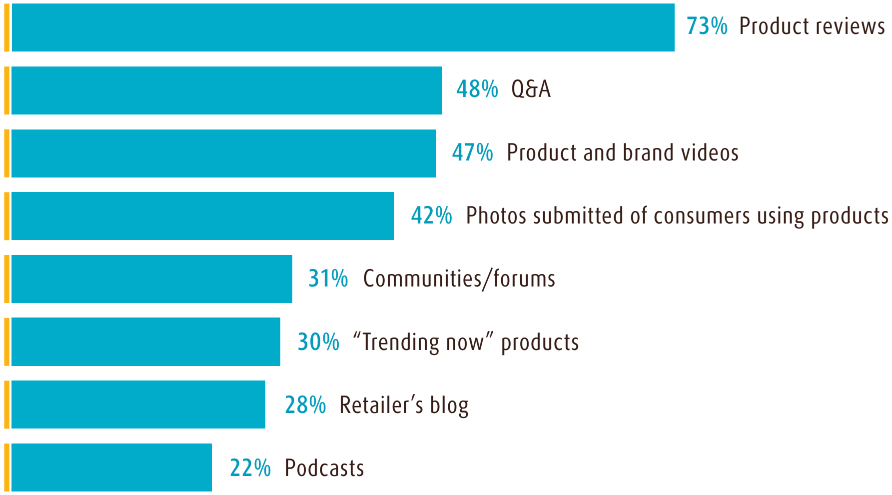
73% find product reviews influential when visiting a retailer's website

53% find reviews on a retailer's mobile app important

48% find Questions & Answers (Q&A) influential when visiting a website

30% look up product reviews on a phone when shopping in retail stores

Influence of different types of content on a retailer's website



The fundamentals

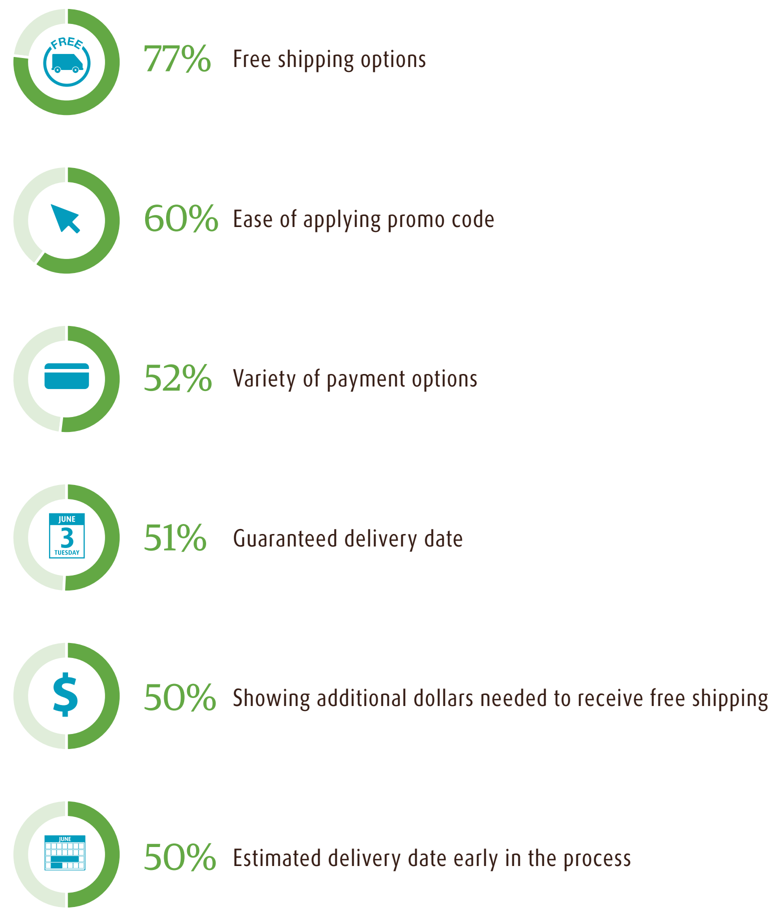
Checkout must be transparent

With checkout serving as a key step on the shopper's path to purchase, retailers must be transparent by providing information as early in the checkout process as possible. Shipping costs are paramount as shoppers want to be sure fees are clearly articulated.

Choice comes into play with payment options as well, particularly as mobile grows in adoption and plays a greater role in purchasing. Logistically speaking, retailers should list an estimated delivery date and, better yet, a guaranteed date, since both are seen as favorable by half of shoppers.

Providing shipping costs early in the process is important to 59% of shoppers

Importance of factors when **checking out**



The fundamentals

Superior customer service is nonnegotiable

Customer service is a differentiator, since shoppers will select retailers solely on their ability to execute. While a degree of customer satisfaction is reported in certain areas of the post-purchase shopping experience, there is still room for improvement with everything from access to information to return policies.

59%
of shoppers are satisfied with finding a retailer's return policies during the search/browse experience

44%
of shoppers are satisfied with the ability to find a retailer's live chat to ask a question during the search/browse experience

59%
of shoppers are satisfied with their ability to find a retailer's customer service phone # or contact option during the search/browse experience

43%
of shoppers are satisfied with access to live chat within checkout experience

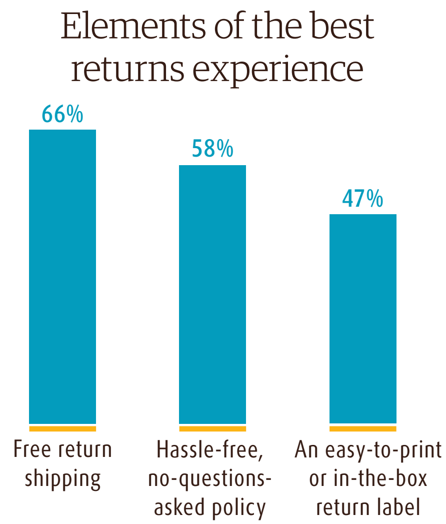
The fundamentals

Return efficiencies can be optimized

According to the National Retail Federation, returned merchandise as a percent of total sales in 2014 was just under 9% for all channels, equating to $284 billion in value. The good news from this year's research is that less than half of shoppers have returned an online purchase in the past year. Similarly, in this study, 3 in 4 shoppers indicate that they return less than 10% of their orders. Nonetheless, returns are an important part of customer satisfaction.

Ease of returns should be supported by an easy-to-print or in-the-box return label. Communication with shoppers that a return credit is forthcoming is also critical. Retailers can take comfort in the fact that 70% of shoppers have made an additional purchase while returning to a physical store. Driving an in-store visit has added value, since these shoppers are likely to need a similar item to what they are returning. Alternatively, 42% have done so when returning via the website.

The average shopper expects to have about a month to return an item to an online retailer



65% are satisfied with the ease of making returns/exchanges in store

62% are satisfied with the ability to process returns/exchanges online

61% are satisfied with the ease of shipping products back to retailers

See additional information: The fundamentals

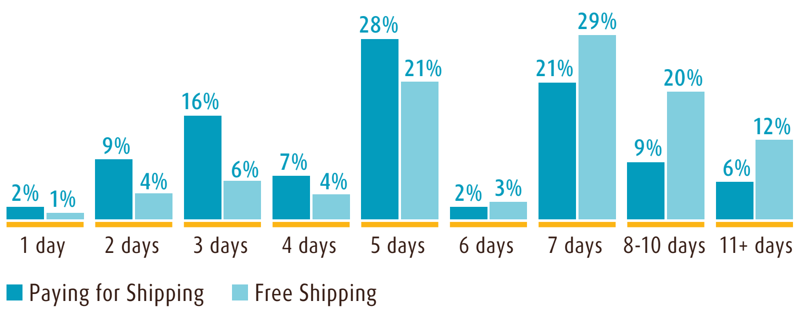
Logistics prowess prevails

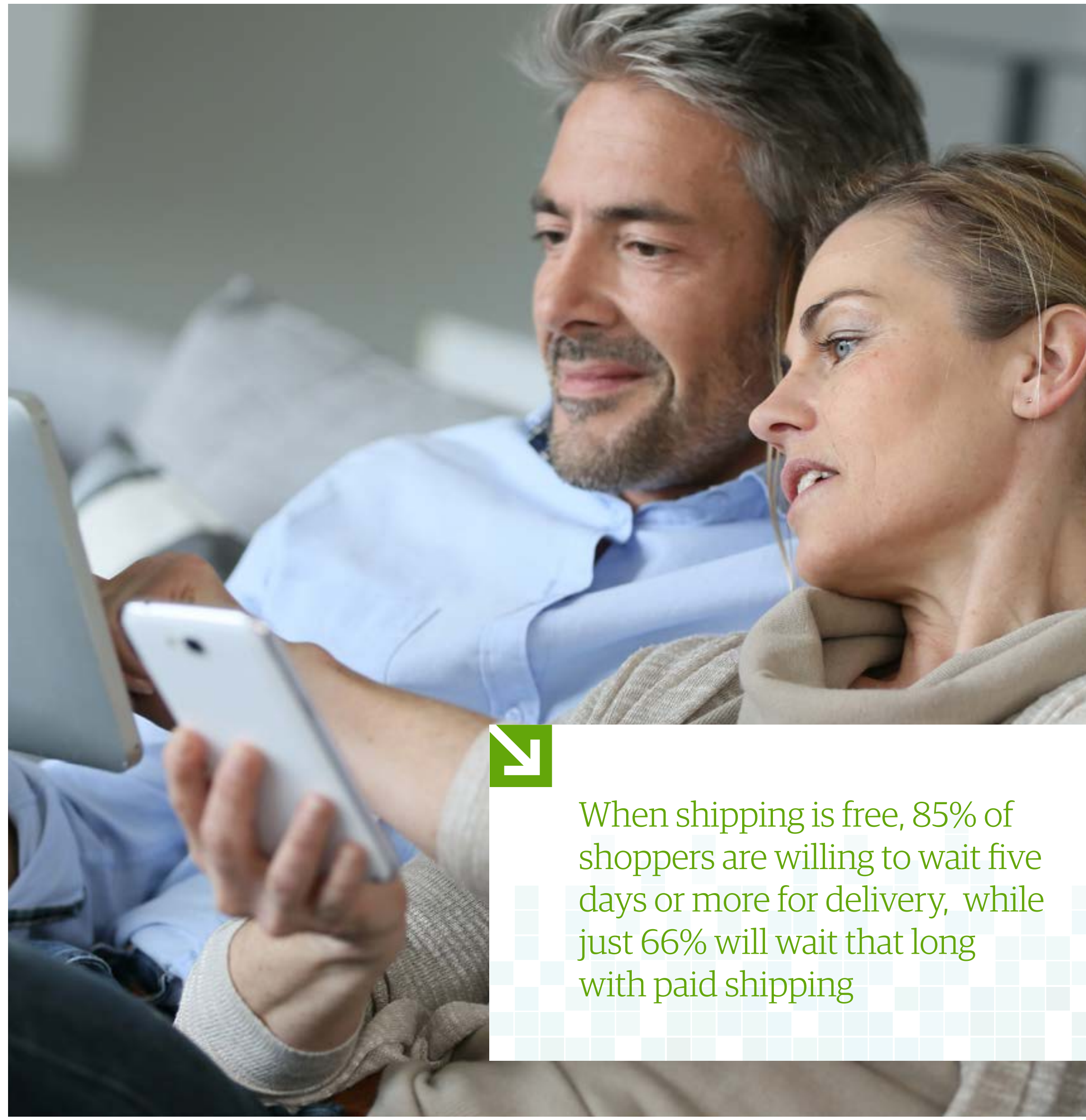
Shoppers expect retailers to offer a flexible experience, including a choice of economical delivery options.

Delivery visibility begins with checkout. One in two shoppers indicated that a delivery date was important at checkout. Shoppers expect a narrow delivery window, having been conditioned by the best retailers to have logistical dexterity to accommodate last-minute purchasing.

Despite heightened expectations, only a few shoppers select expedited shipping options most often — 3% select same-day, 5% next-day, and 16% two-day shipping. Economy ground shipping is selected most often (46%). Shoppers are surprisingly patient as they are willing to wait on average six days with paid shipping versus eight days when shipping is free. In the end, it's about tradeoffs that they find reasonable given personal circumstances.

Days willing to wait for purchases from U.S.-based retailers





Logistics prowess prevails

Provide flexibility for shoppers

Shoppers expect that there will be flexibility as they look for convenient delivery and pickup solutions that meet their frenetic lifestyles. The majority of shoppers are not yet satisfied with flexibility once products are shipped.

Home delivery

4 in 10
will take action when they are not home to receive their package

Flexibility satisfaction

Only 47% are satisfied with the flexibility to change delivery date

Only 45% are satisfied with the flexibility to reroute package after product has shipped

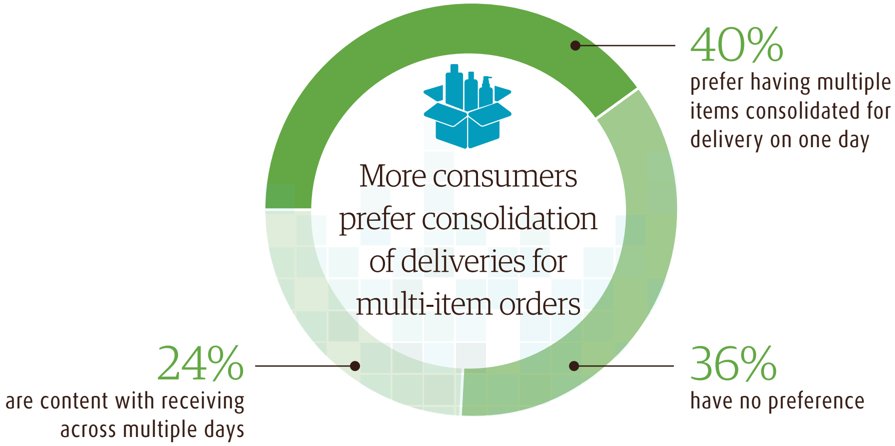
Flexibility interest

40% are interested in rescheduling a delivery en route so you can be home to receive it

33% are interested in the ability to route to an alternate address if you are not going to be home

Alternate delivery

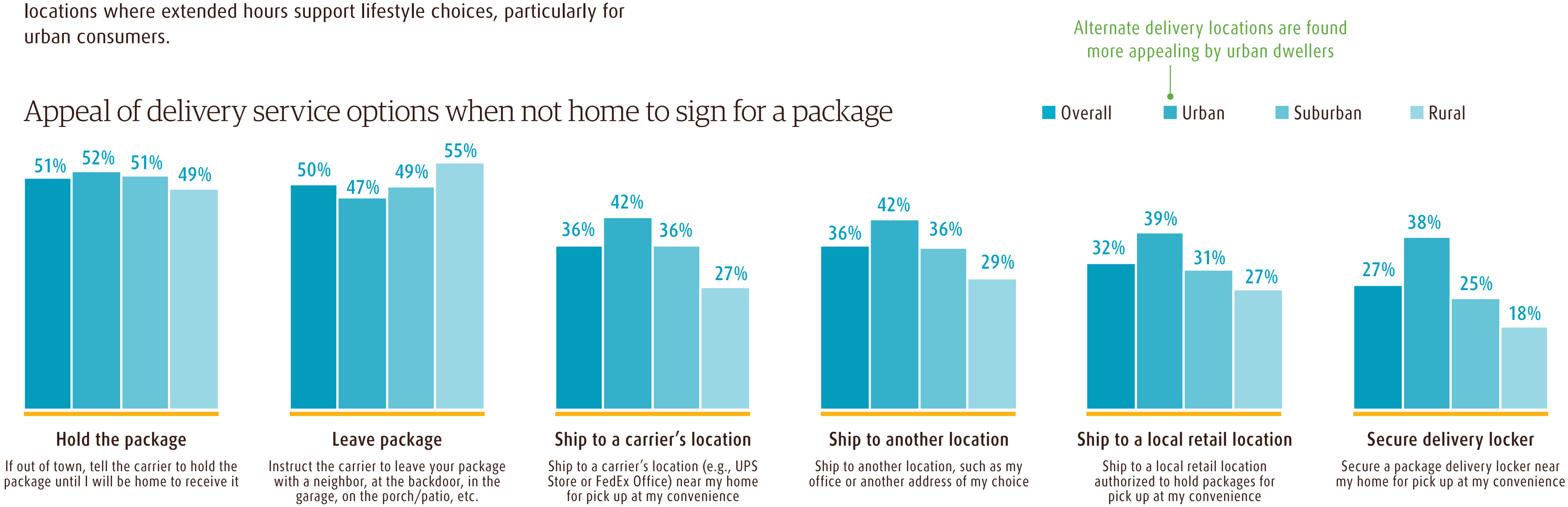
1 in 3
prefer to have packages delivered to places other than home



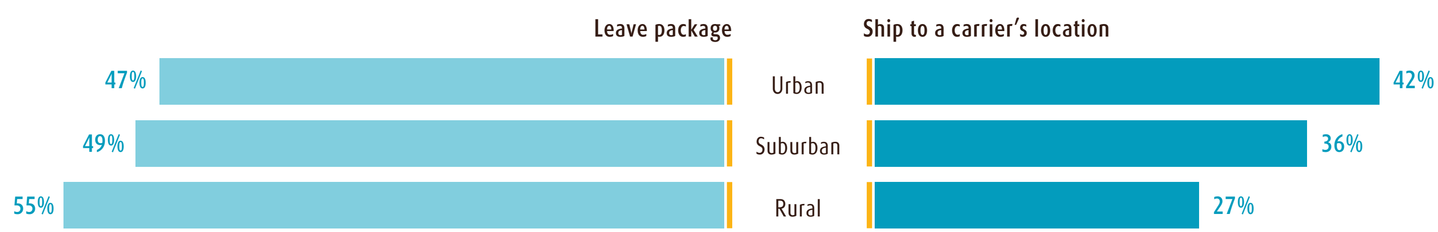
Logistics prowess prevails

52% of shoppers are interested in alternate shipping locations that have extended hours. This includes shipping flexibility to stores and non-retail locations where extended hours support lifestyle choices, particularly for urban consumers.

Appeal of delivery service options when not home to sign for a package



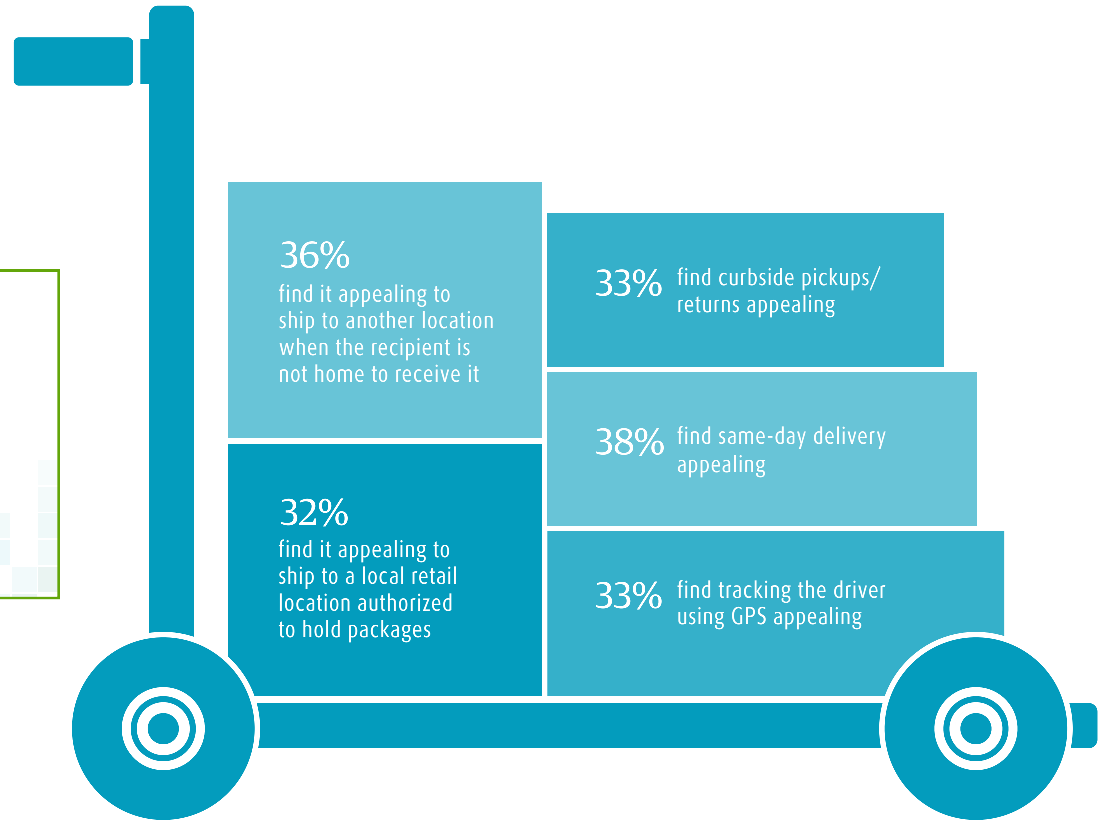
Considerable interest in alternate delivery locations, especially in urban areas



Logistics prowess prevails

Brick-and-mortar stores are also feeling the pressure to expedite purchases. Store windows tout same-day delivery and shoppers covet these conveniences. In addition, customers are open to new technology-enabled services for the delivery of online orders.

Delivery conveniences are appealing to 1 in 3 shoppers



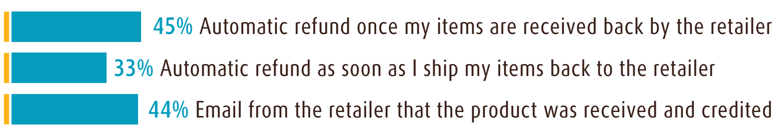
Logistics prowess prevails

Assess the importance of free returns

Shoppers clearly don't like to pay for free shipping on the front end, and they also like free returns. Free or discounted returns shipping can become part of the value proposition when selecting a retailer, so consideration is warranted.

> The e-tailing group's 2014 Mystery Shopping of 100 retailers revealed that 22% of the retailers offered free returns

Shoppers also expressed a preference for quick refunds on returns. Elements of the best return experience include:



See additional information: Logistics prowess prevails

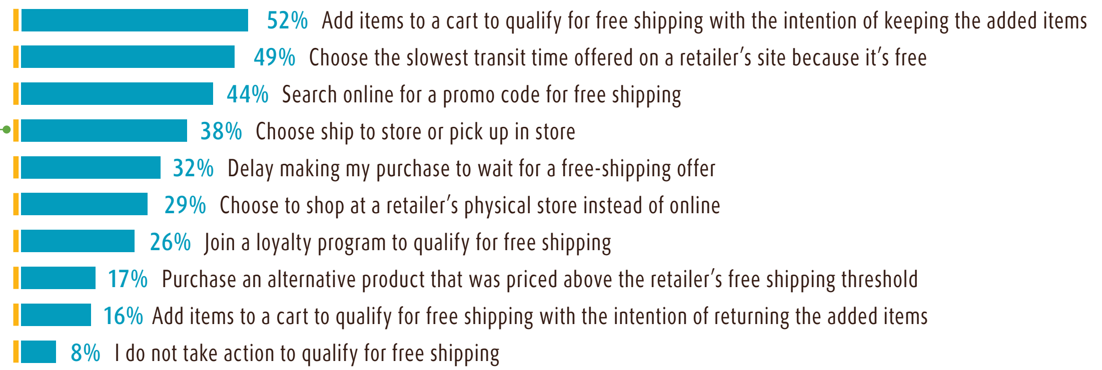
Additional information

Additional information

Dollars and sense

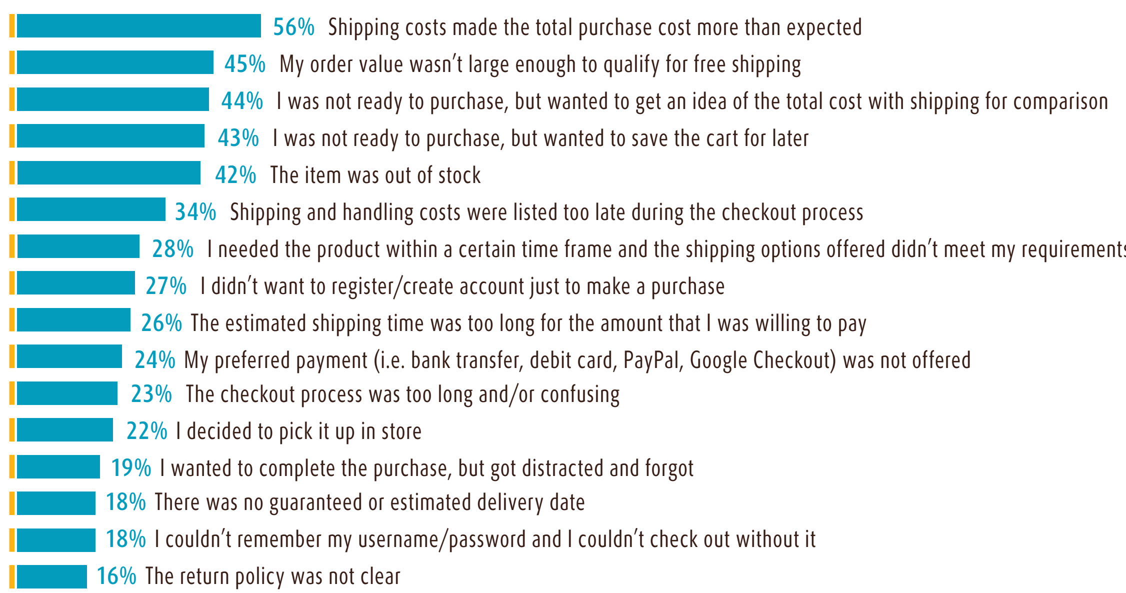
Actions taken to qualify for free shipping

Compared to 2014, more people are choosing ship to store and pick up in store



Q: Which of the following actions, if any, have you taken in order to qualify for free shipping? Please select all that apply.

Reasons for abandoning shopping cart



Q: When shopping online, have you ever placed items in the shopping cart or basket but then left the site without making a purchase? Please select all that apply.

Additional information

Dollars and sense

Likelihood that these promotional vehicles will prompt shopping

Q: How likely are the following forms of retailer advertising to prompt you to shop with a retailer?

Additional information

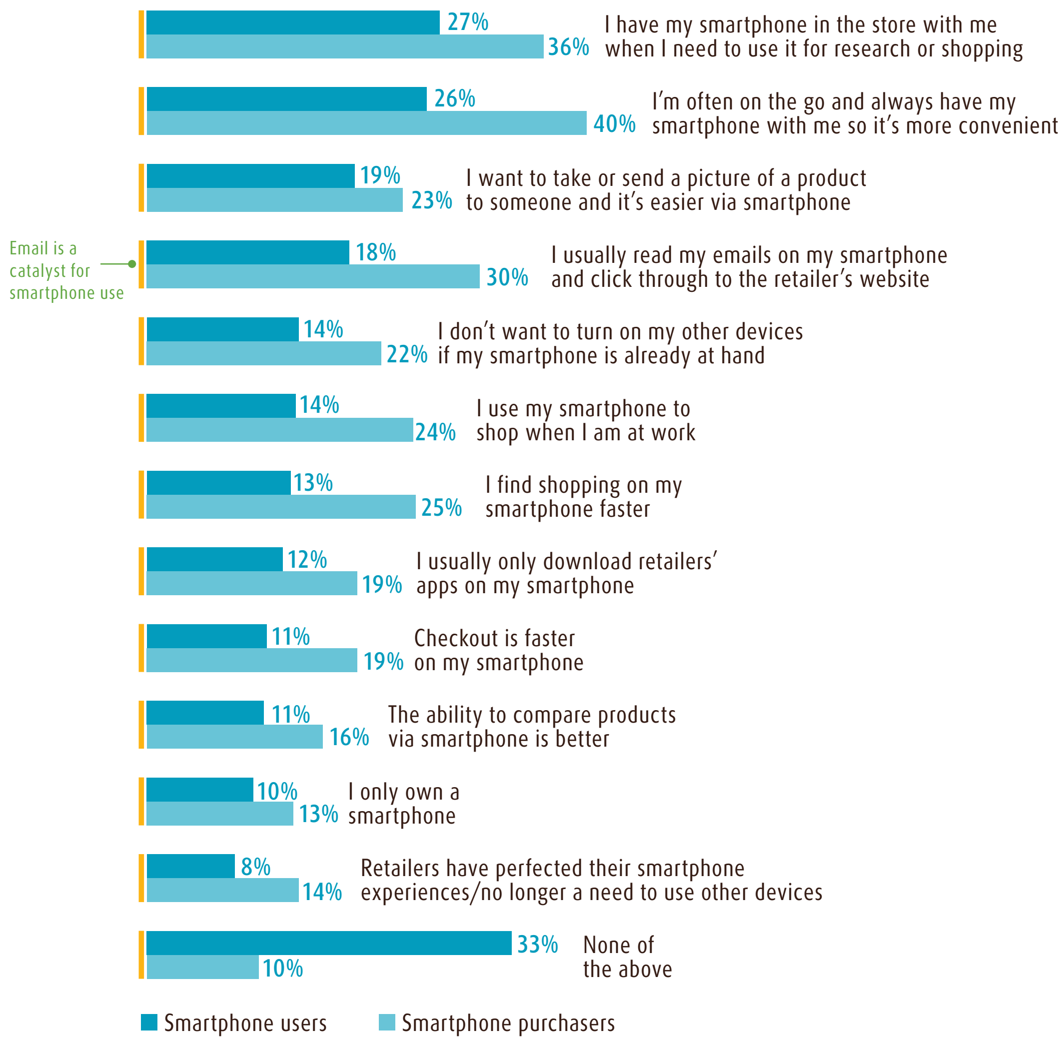
Channel shift

Reasons for purchasing online after researching in store

Q: You indicated you have searched for a product in store but then purchased it online. How often do you choose to buy online for the following reasons?

Retailers elevate mobile experience

Reasons to shop on smartphone instead of desktop, laptop or tablet

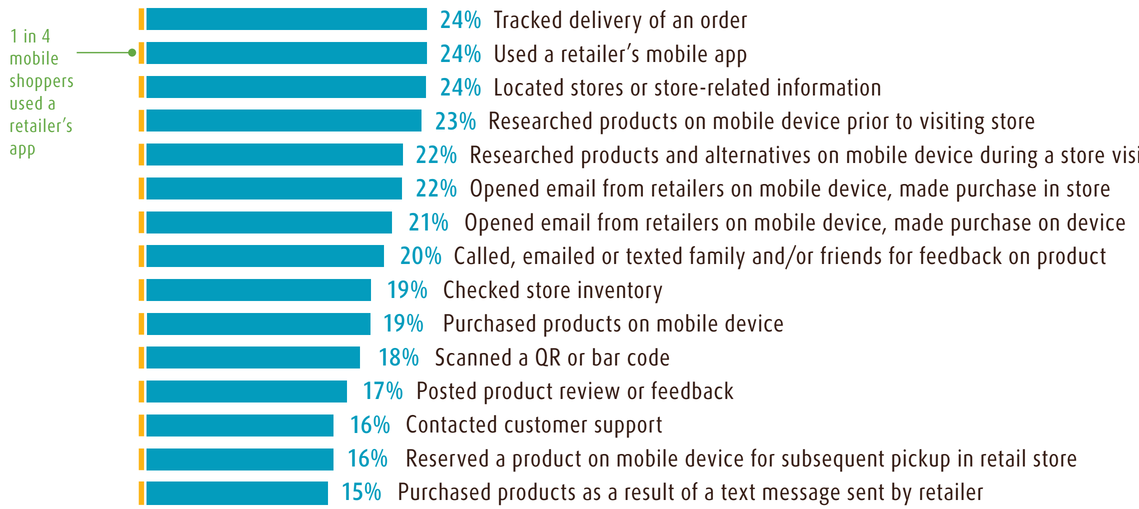


Q: What are some of the reasons that you would choose to shop on your smartphone instead of a desktop, laptop or tablet?

Additional information

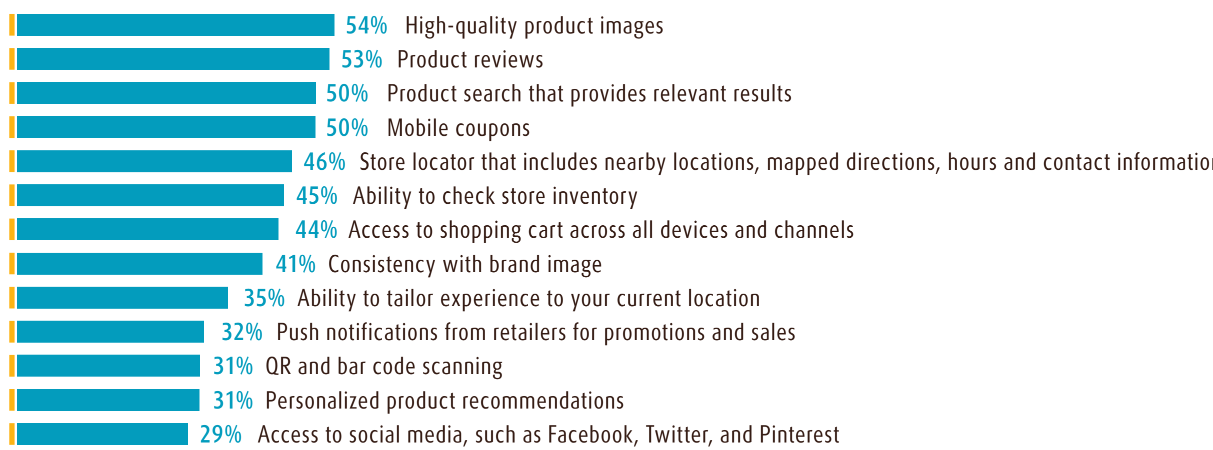
Retailers elevate mobile experience

Weekly mobile activities



Q: Thinking about the last three months, how often did you do each of the following via a mobile device (e.g., smartphone or tablet)?

Importance of retailer app features

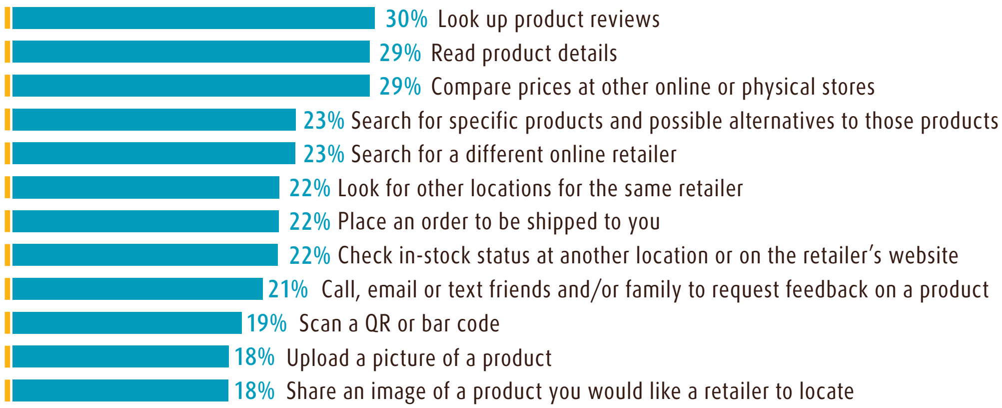


Q: How important are each of the following features to a retailer's mobile app?

Additional information

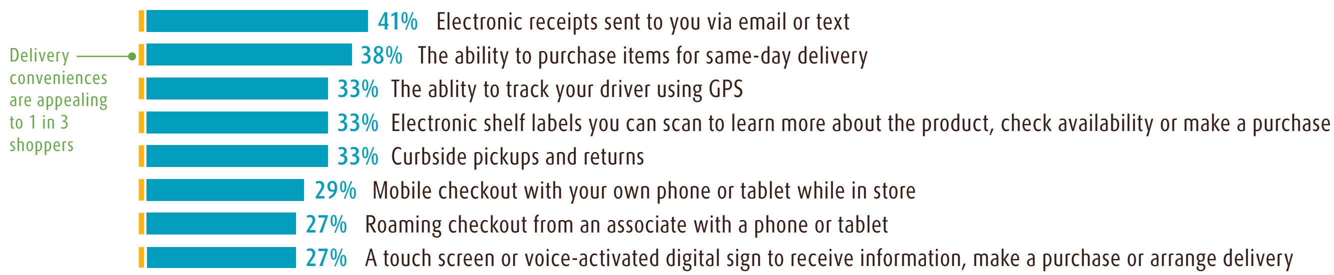
Retailers elevate mobile experience

Smartphone in-store usage



Q: When shopping in retail stores, how frequently do you use your smartphone for the following activities? — Often or Most of the time

Appeal of new shopping conveniences and capabilities



Q: Technology is making advances in how we shop. How appealing are the following conveniences or in-store capabilities?

Additional information

The empowered shopper
Dollars and sense

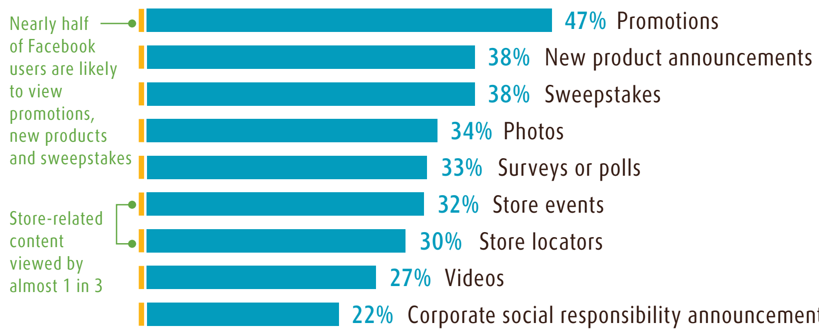
Changing channels
Channel shift
Retailers elevate mobile experience
Cater to social activists

The ready retailer
The fundamentals
Logistics prowess prevails

Methodology and contact info

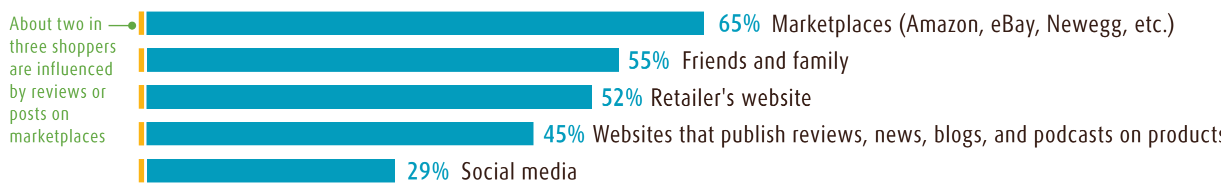
Cater to social activists

Types of Facebook posts by retailers likely to be viewed



Q: How likely are you to stop and view the following types of content posted by retailers on Facebook?

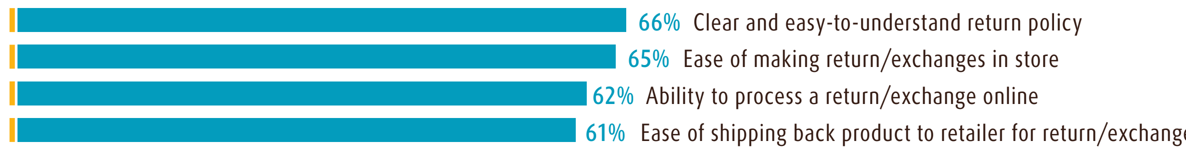
Influence of reviews or posts from the following sources on purchase decisions



Q: How influential have reviews or posts from the following sources been on your purchase decisions?

The fundamentals

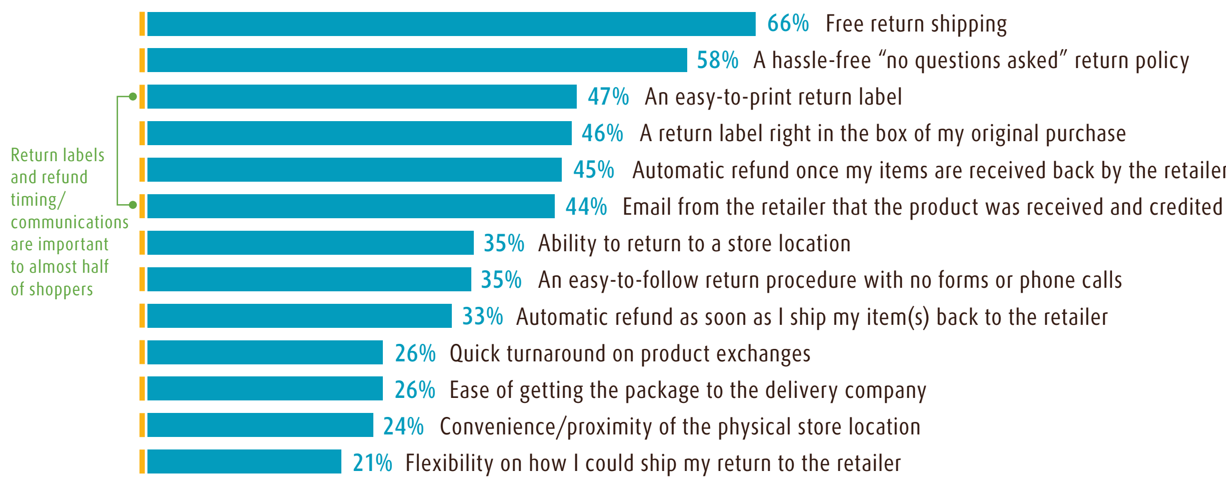
Satisfaction with aspects of the post-purchase experience: returns



Heavy shoppers (70%) are more satisfied than Moderate (65%) or Light shoppers (64%) with retailers return policies being clear and easy to understand

Q: How satisfied are you with each of the following aspects of the post-purchase experience when shopping online?

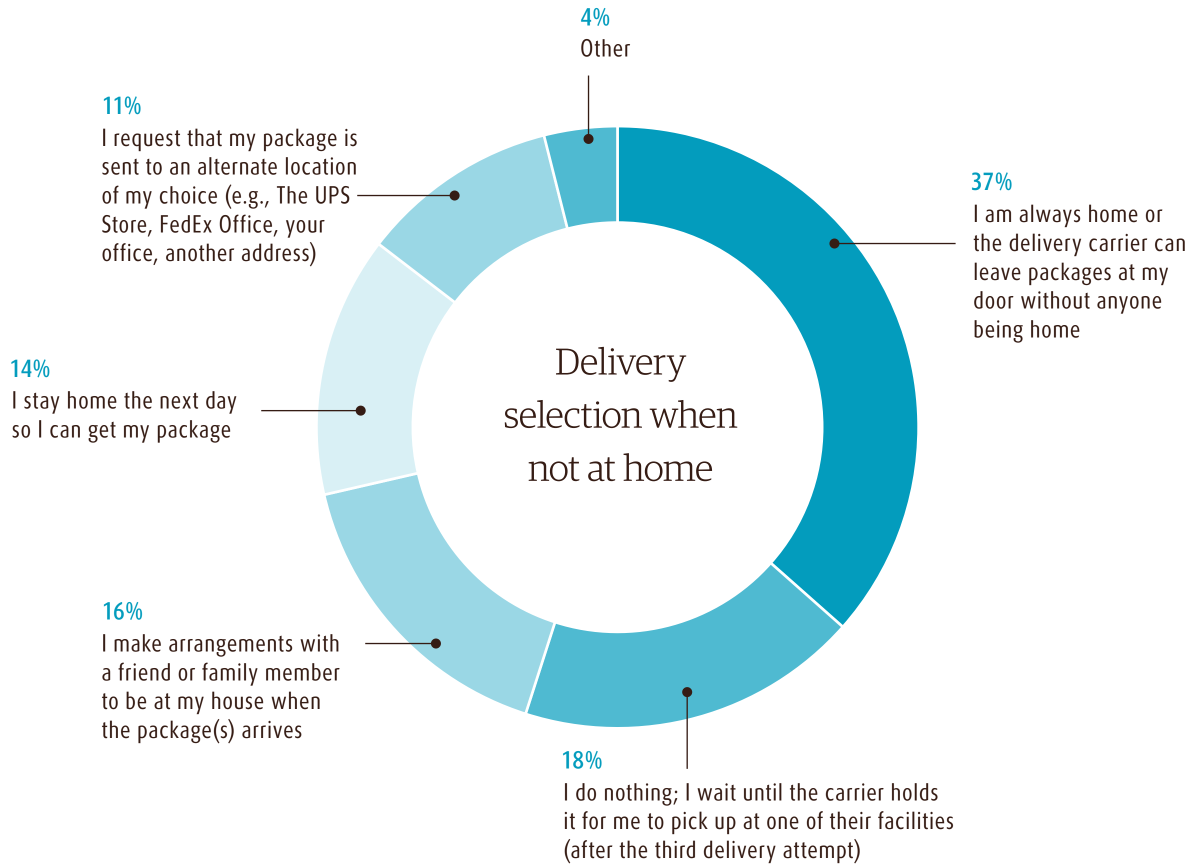
Elements of the best returns experience



Q: Thinking of the best return experience that you have had, what elements were included as part of this experience?

Additional information

Logistics prowess prevails

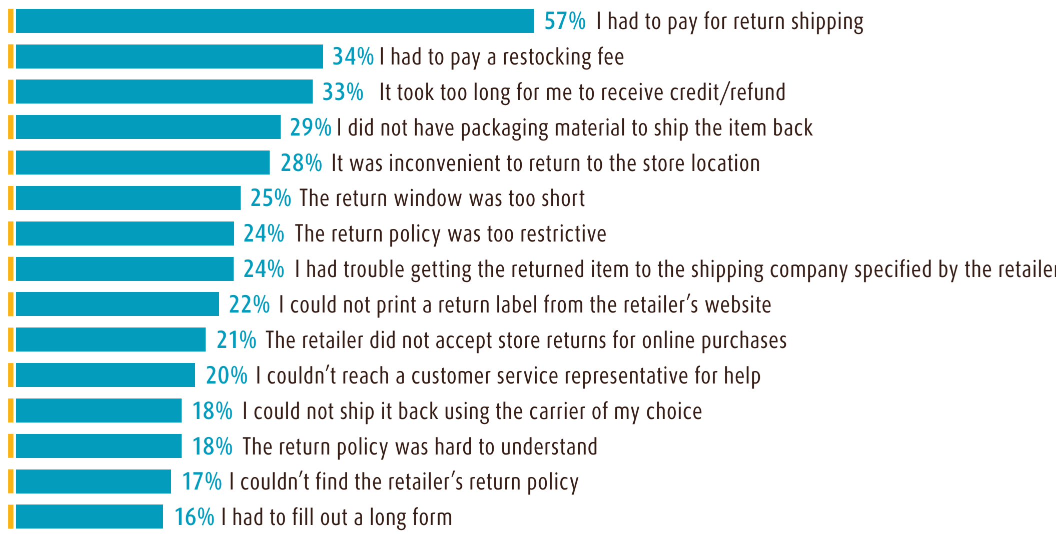


Q: What do you usually do when you are not at home and are unable to receive your package(s) from the delivery carrier?

Additional information

Logistics prowess prevails

Issues encountered when returning a product online



Women consider fees for return shipping as an issue more often than men (62%, 51% respectively)

Q: What are some of the issues you have faced when returning a product that you purchased online?

Additional information

Methodology

Online panelists were sent emails inviting them to participate in this survey. Each participant completed a 44-minute custom online survey designed by comScore in conjunction with UPS. Data collection occurred between January 30 and February 9, 2015. Ultimately, a total of 5,118 respondents were surveyed with gender and age balancing taking place and purchase behavior quotas defined below.

Frequency	% Surveyed
2-3 online purchases in a typical 3 months	20%
4-6 online purchases in a typical 3 months	40%
7+ online purchases in a typical 3 months	40%

Contact info

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