

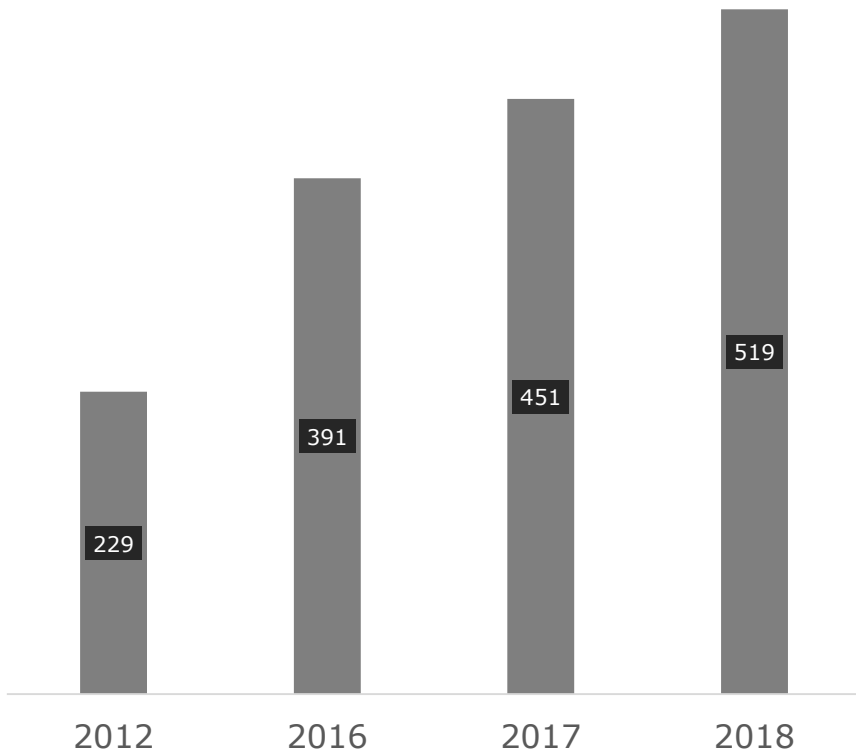


**THE 2019
UPS PULSE OF THE ONLINE SHOPPER™
U.S. Report
July 2019**

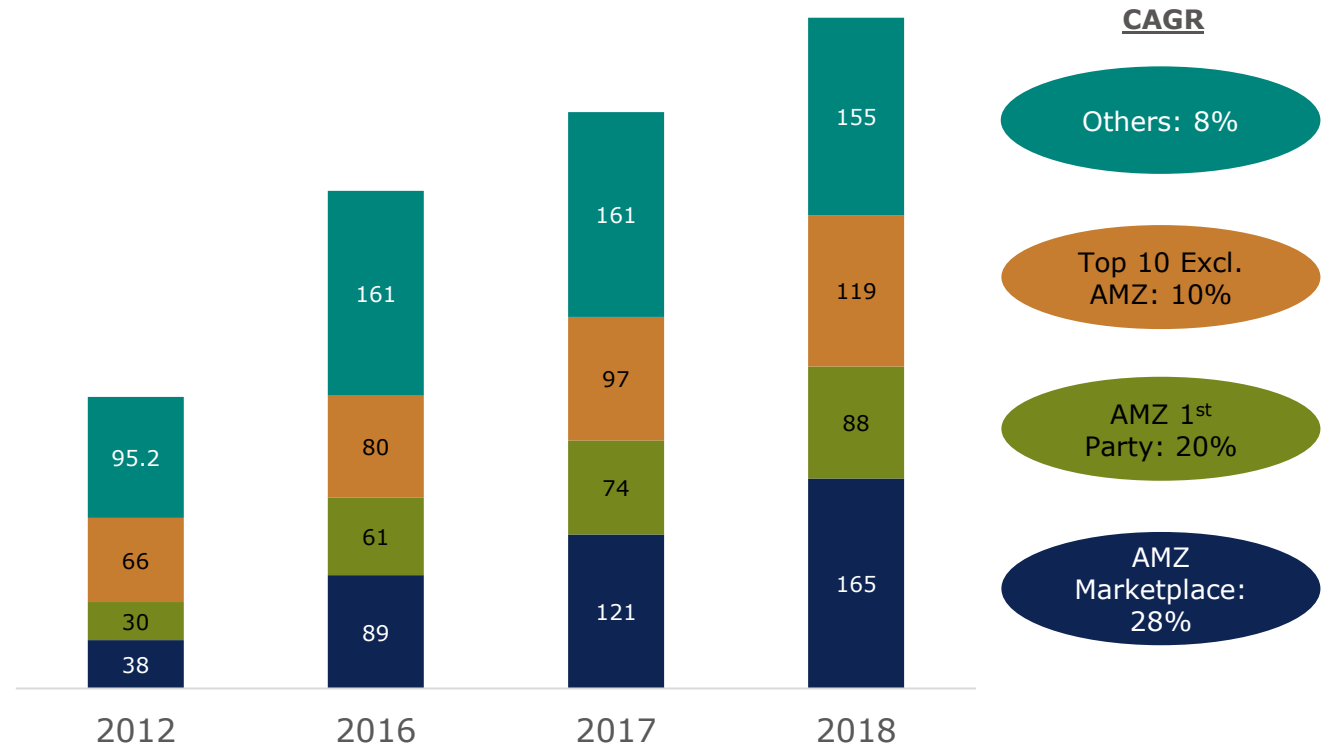
Market Trends

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

US e-Commerce Growth
15% CAGR



US e-Commerce Growth Segmentation

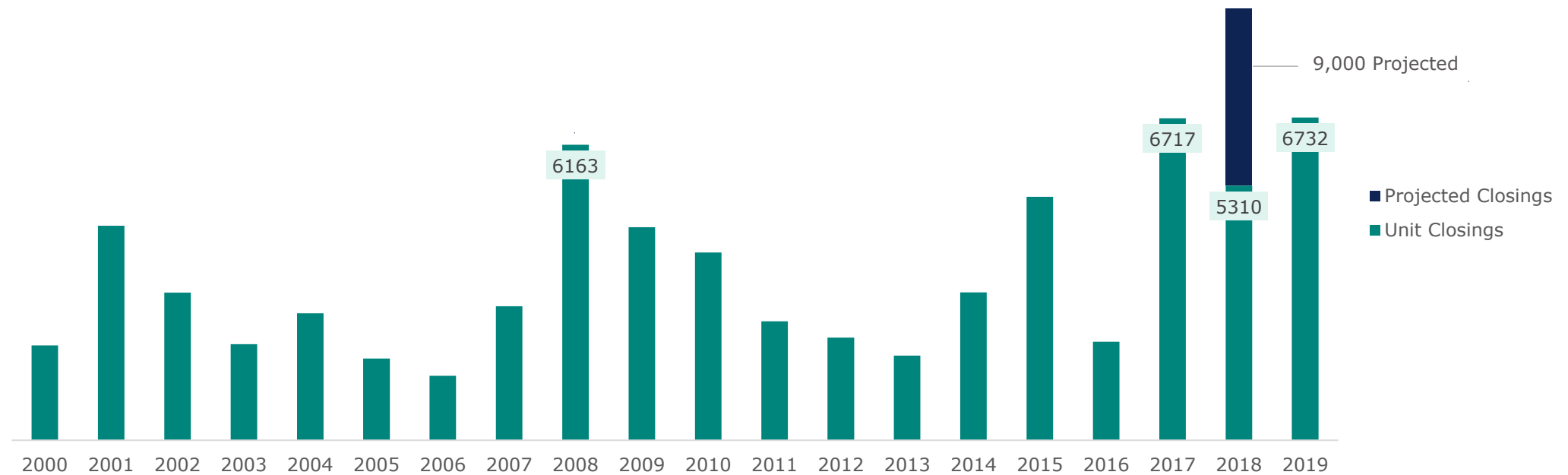


Source: eMarketer, Channel Advisor, Top 500 Guide

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

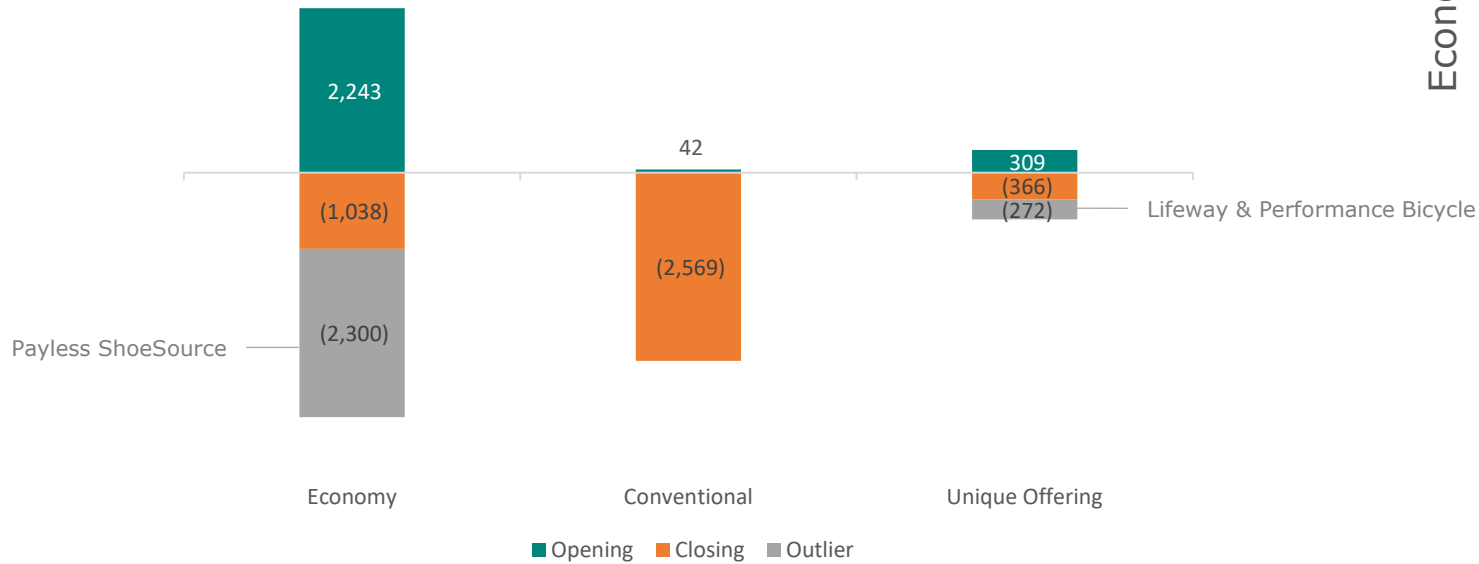


Source: [Business Insider - Retail Stores Closing](#) , [WSJ – Brick and mortar stores are shuttering at a record pace](#); [Coresight Research](#)

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"

2019 Retail Strategies*



Economy



Unique



Economy + Unique



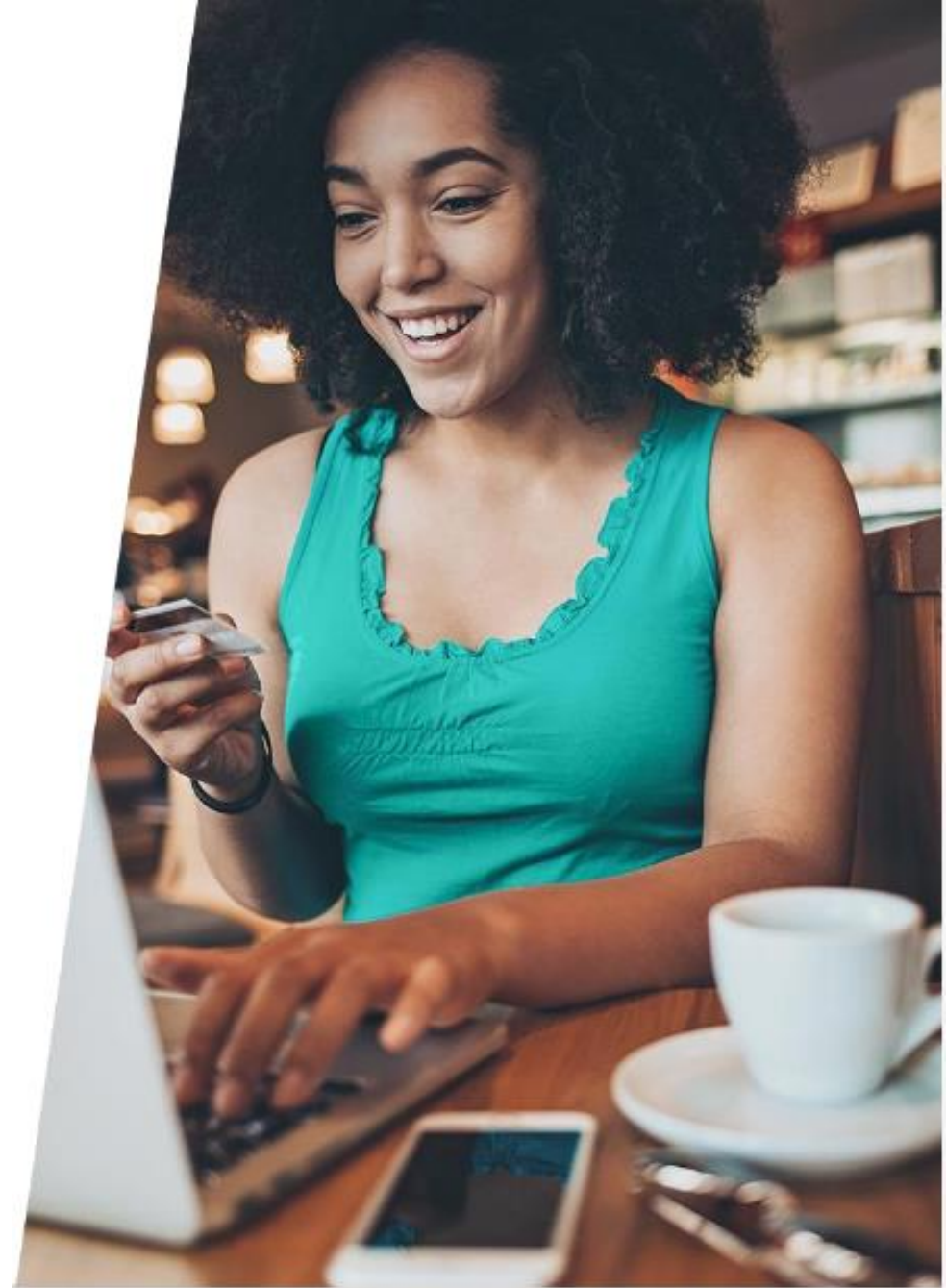
Source: [Coresight Research](#), [Business Insider](#) Openings, [Business Insider](#) Closings, [International Business Times](#)

What is “The Pulse”?

UPS surveyed 18,000+ online shoppers in 15 countries and 10 languages

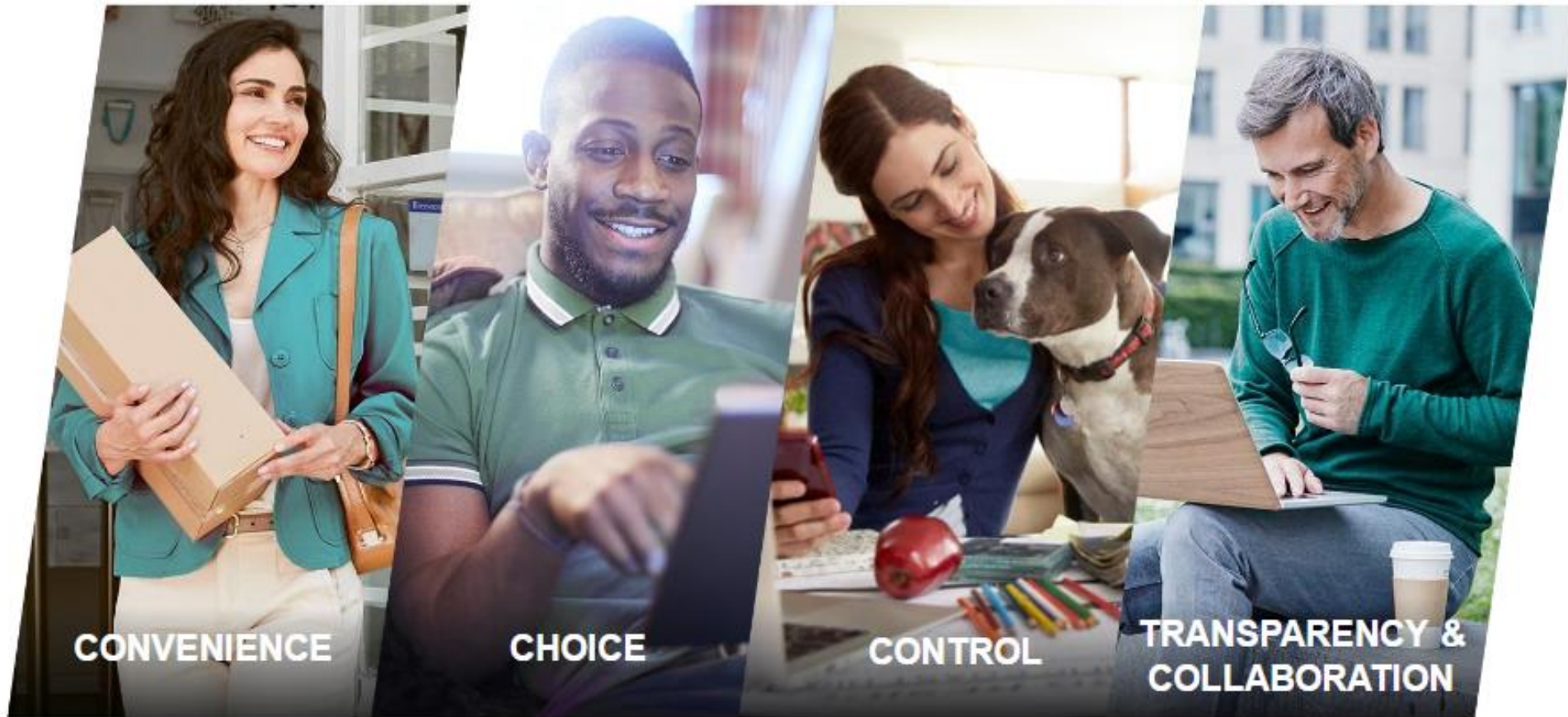


Actionable insights into consumers' behaviors and expectations



Consumer Expectations Are Growing

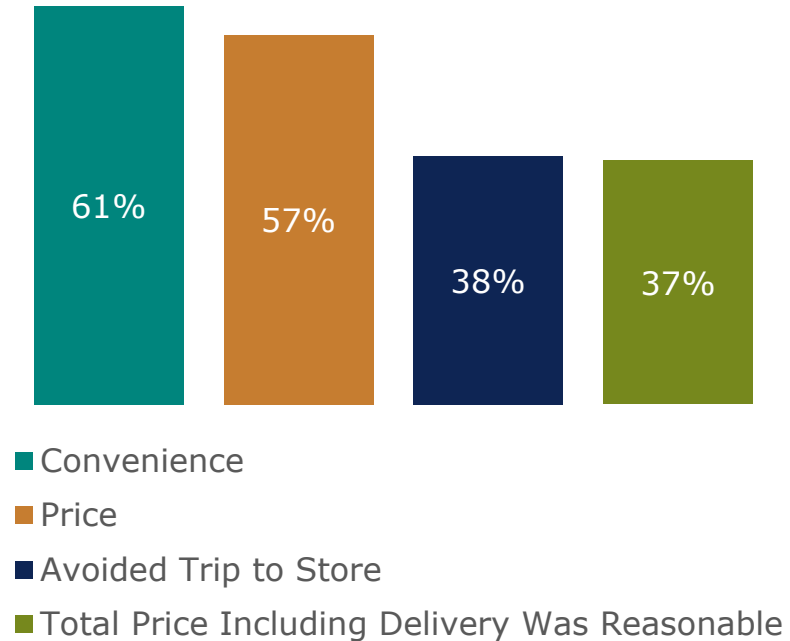
Convenience, Choice, and Control remain table stakes, but Transparency emerged as new consumer demands



Convenience Beats Price

...but what convenience is varies by person

Reasons for Purchasing Online



To where did you return an item?

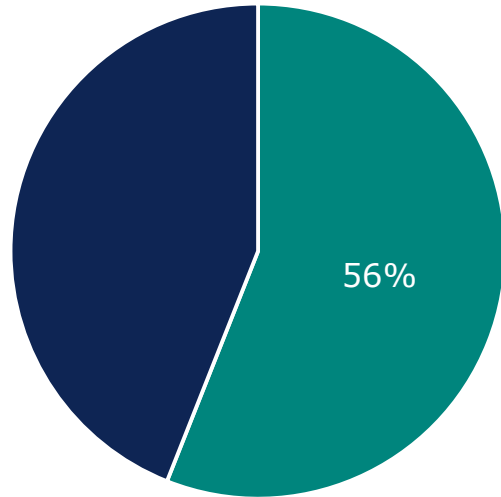


Source: 2019 UPS Pulse of the Online Shopper Survey

Everyone Wants Choice

And consumers need choice at the transaction level

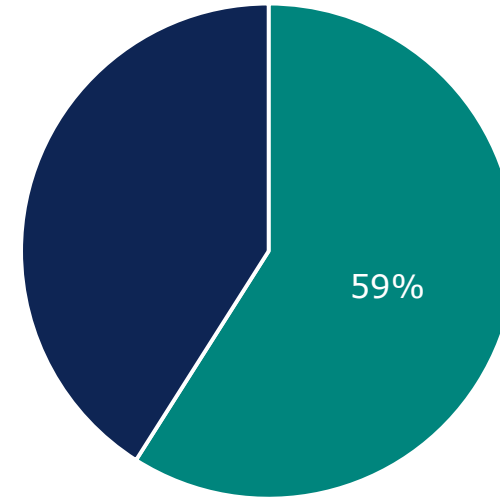
Choose a slower, but cheaper shipping option



■ Yes ■ No

and...

Willing to pay for expedited shipping

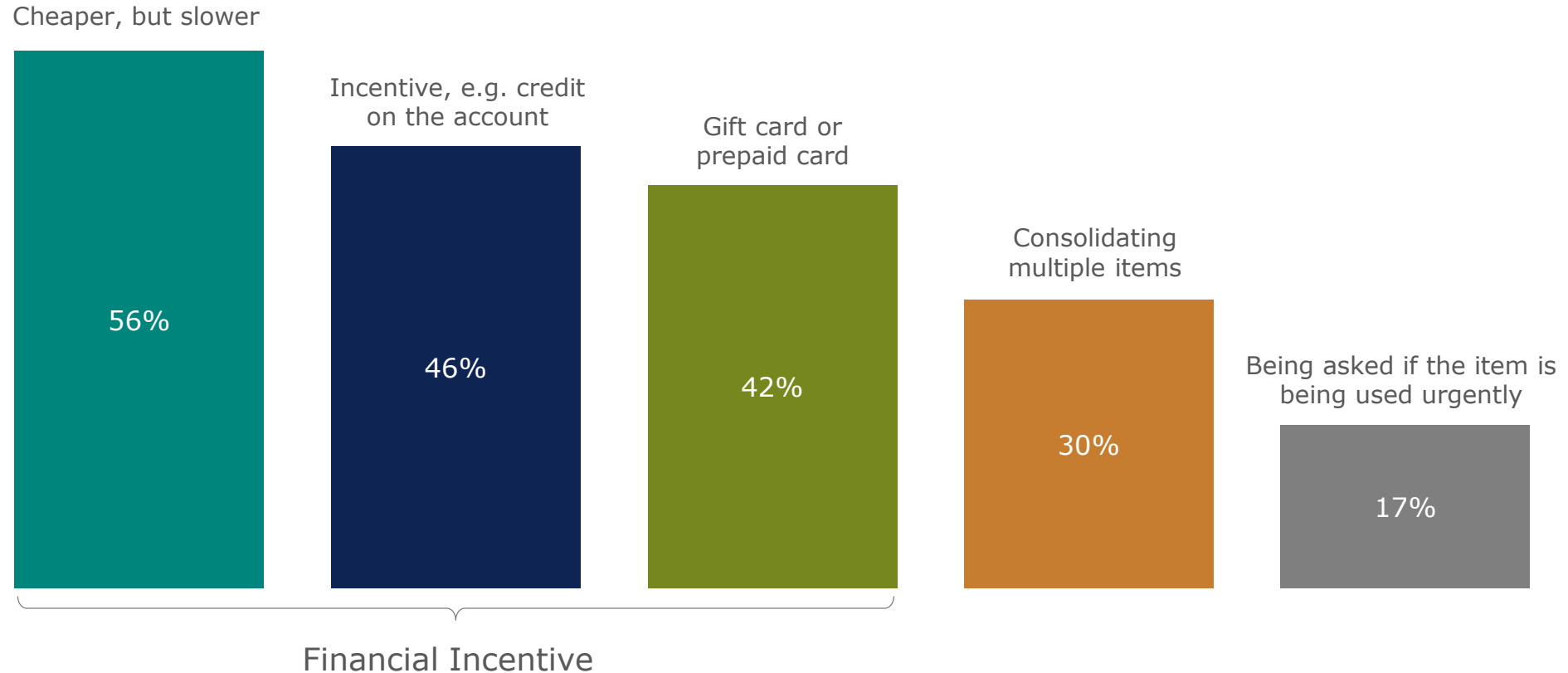


■ Yes ■ No

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

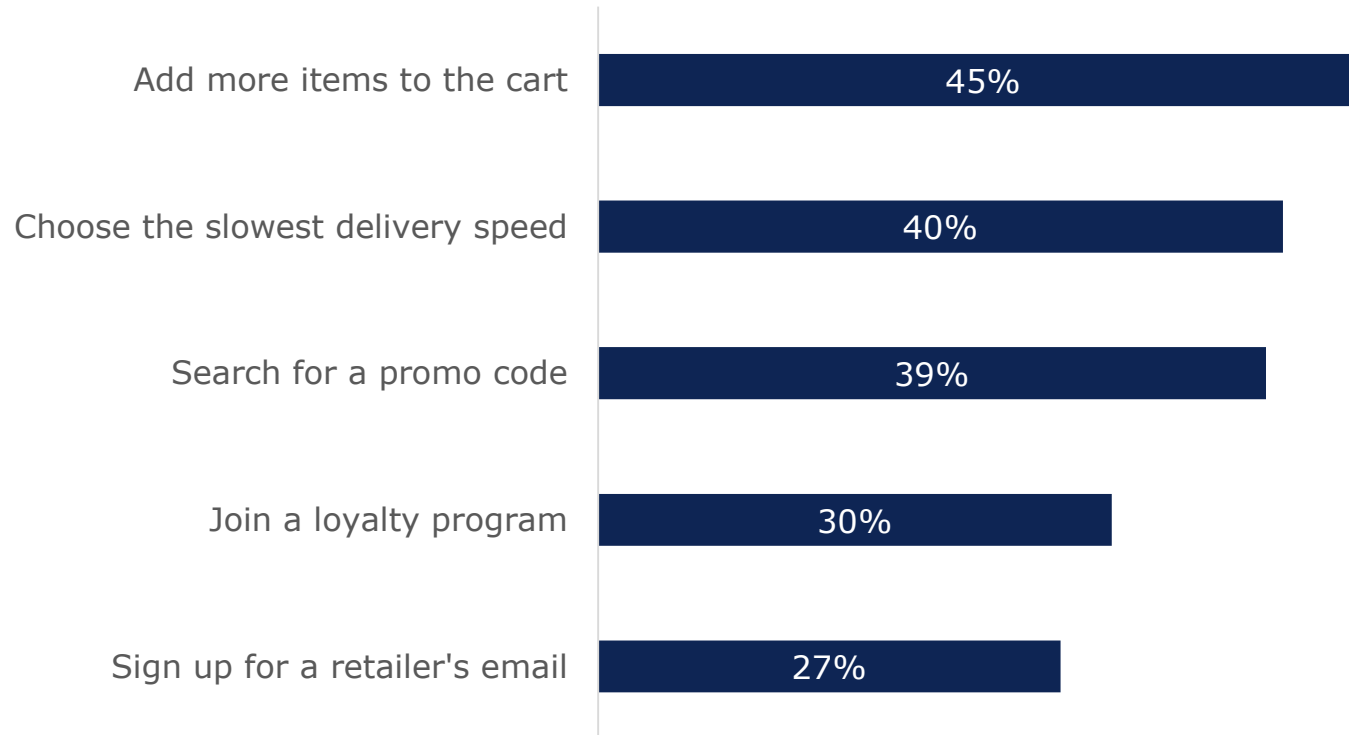


Source: 2019 UPS Pulse of the Online Shopper Survey

Free Shipping Policies

Design free shipping qualifications to support your business needs

What consumers will do for free shipping

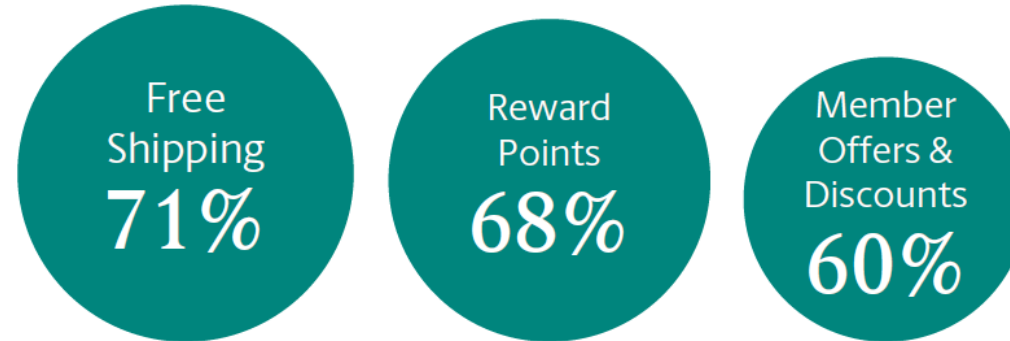


Source: 2019 UPS Pulse of the Online Shopper Survey

Loyalty Pays

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

What do we want?



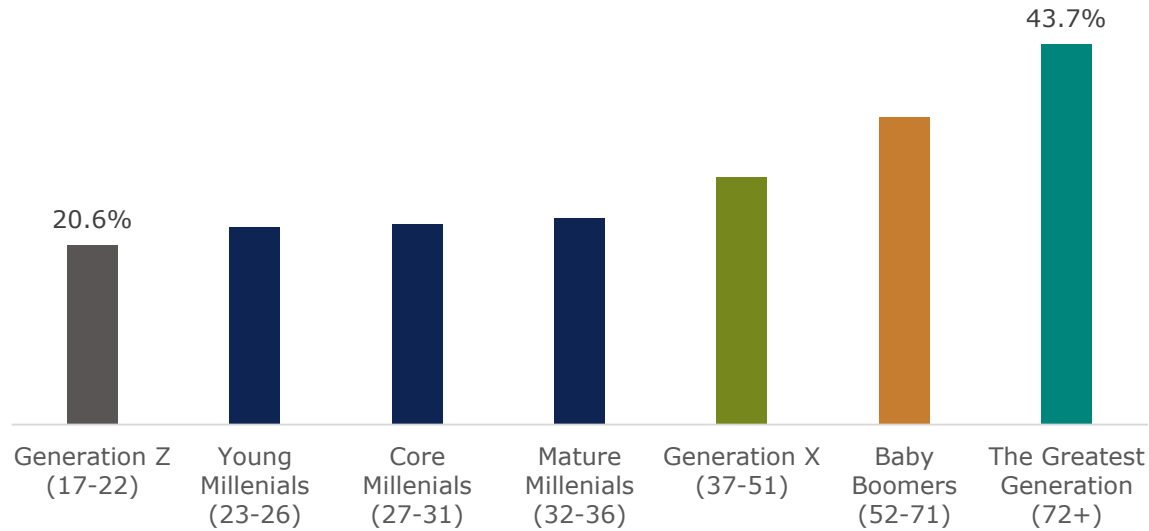
36% Frequently switch sites between researching and buying to collect loyalty benefits

Source: 2019 UPS Pulse of the Online Shopper Survey

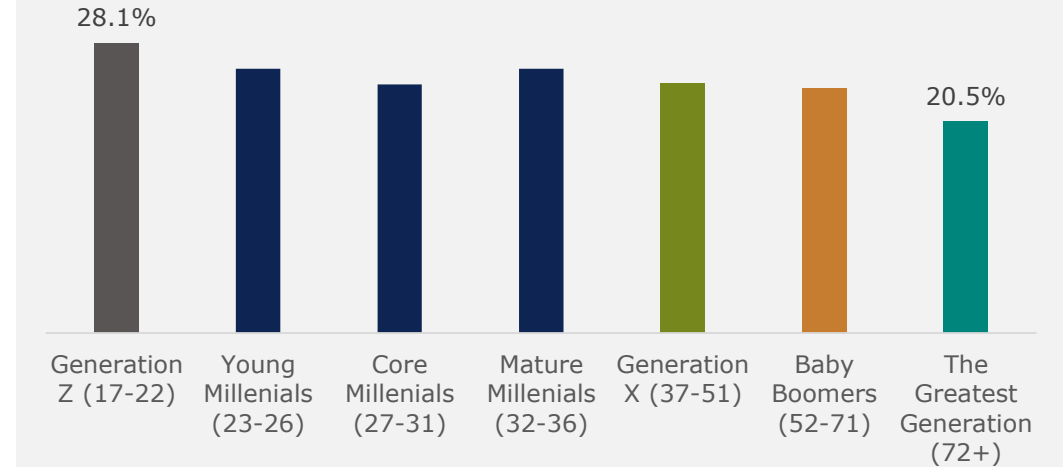
Generations Perceive Loyalty Differently

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

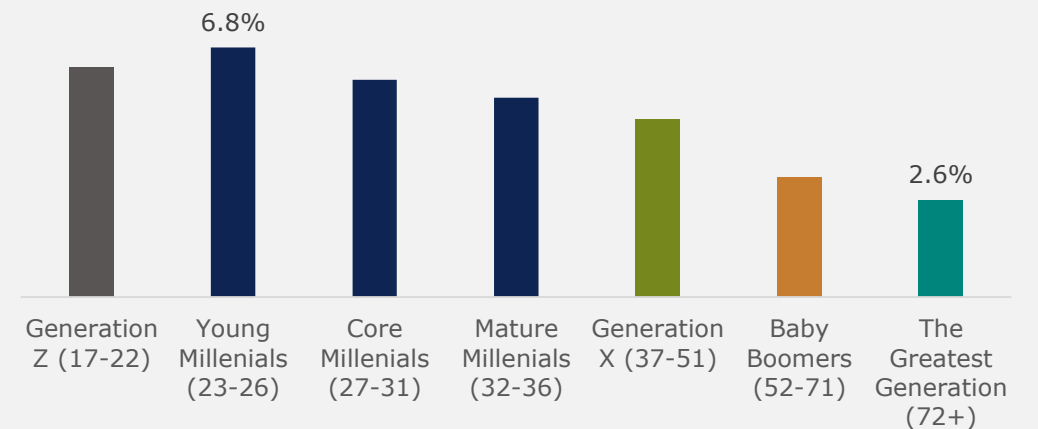
Collecting Redeemable Reward Points



Free Shipping



Accelerated Delivery Options
(e.g., same-day delivery)

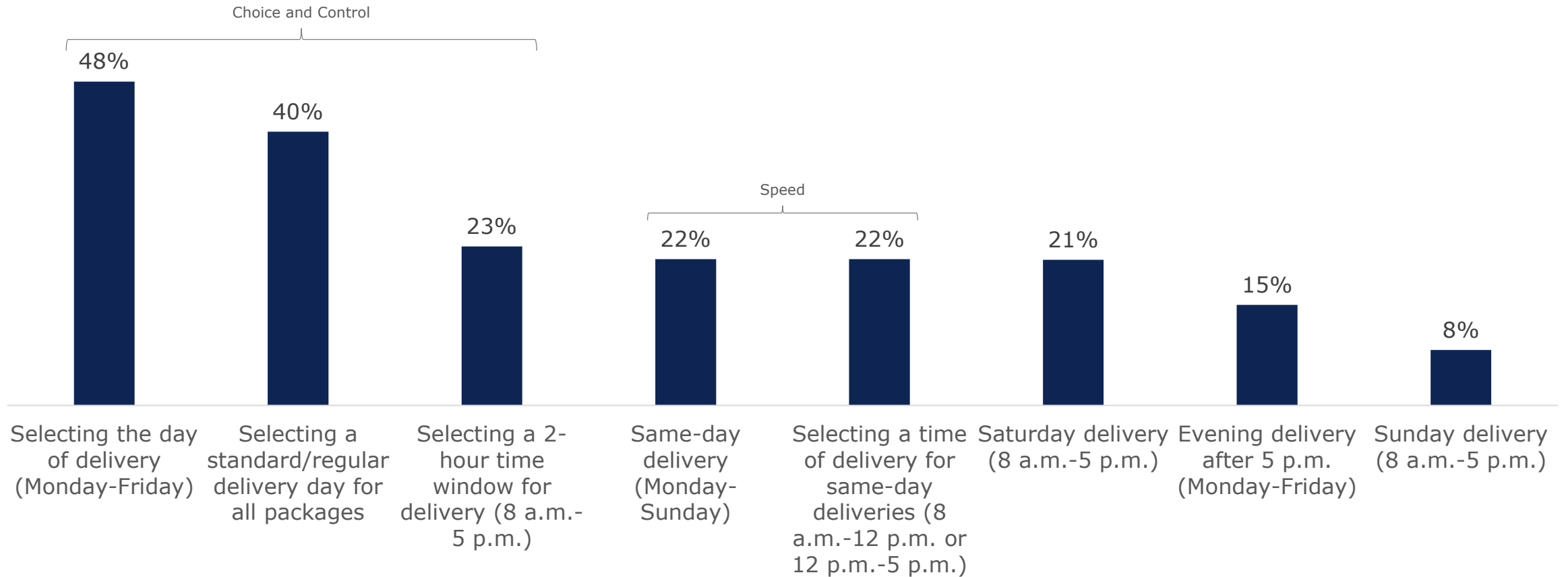


Source: 2019 UPS Pulse of the Online Shopper Survey

Control Is About Choice: Delivery

Delivery control is more important than speed

Top 3 Most Appealing Delivery Options

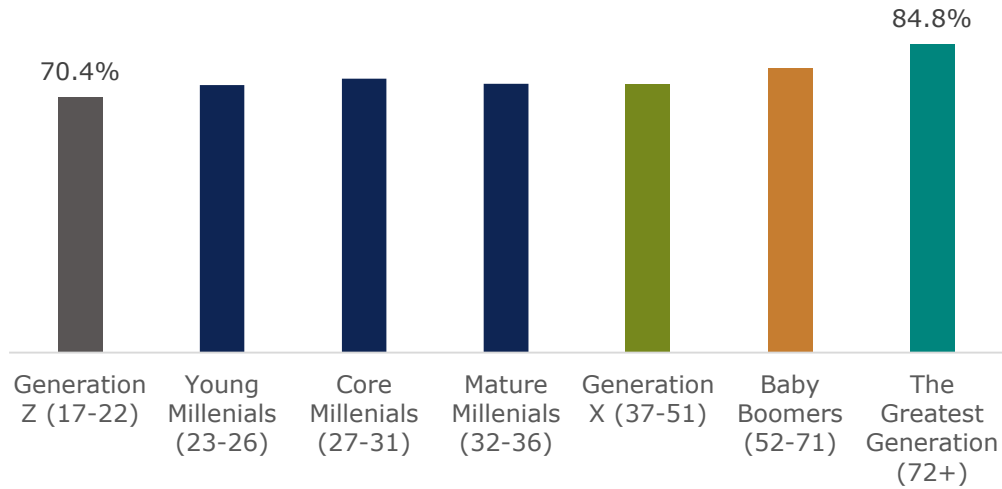


Source: 2019 UPS Pulse of the Online Shopper Survey

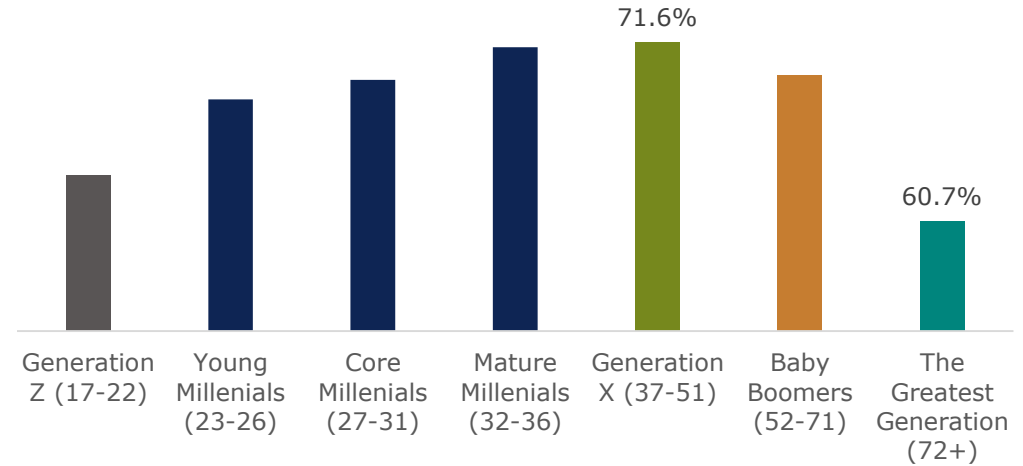
Control Is About Choice: Bank Payment

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

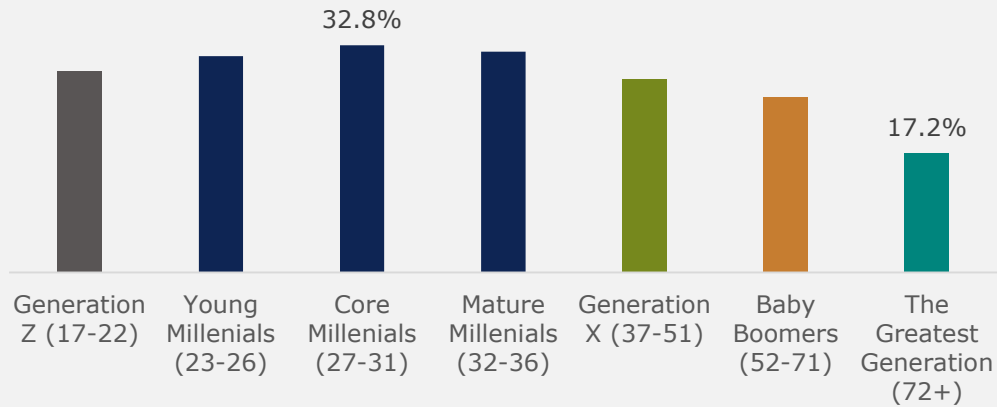
Credit/Debit Card



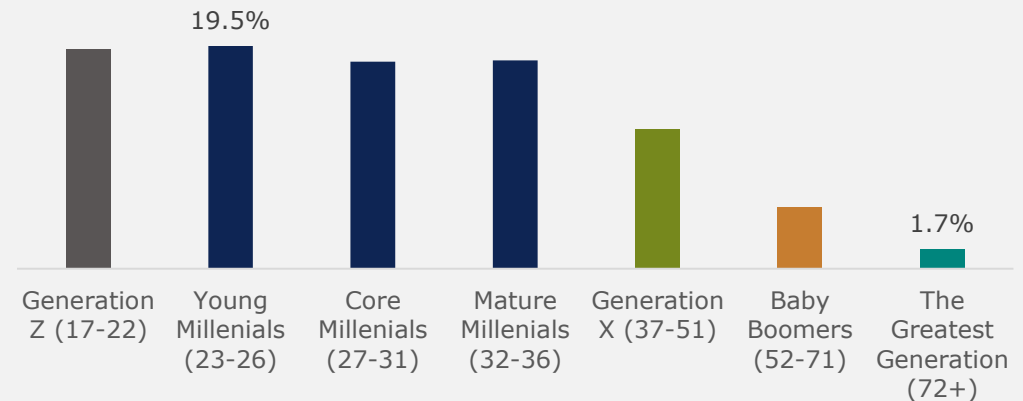
PayPal



Visa Checkout, MasterPass



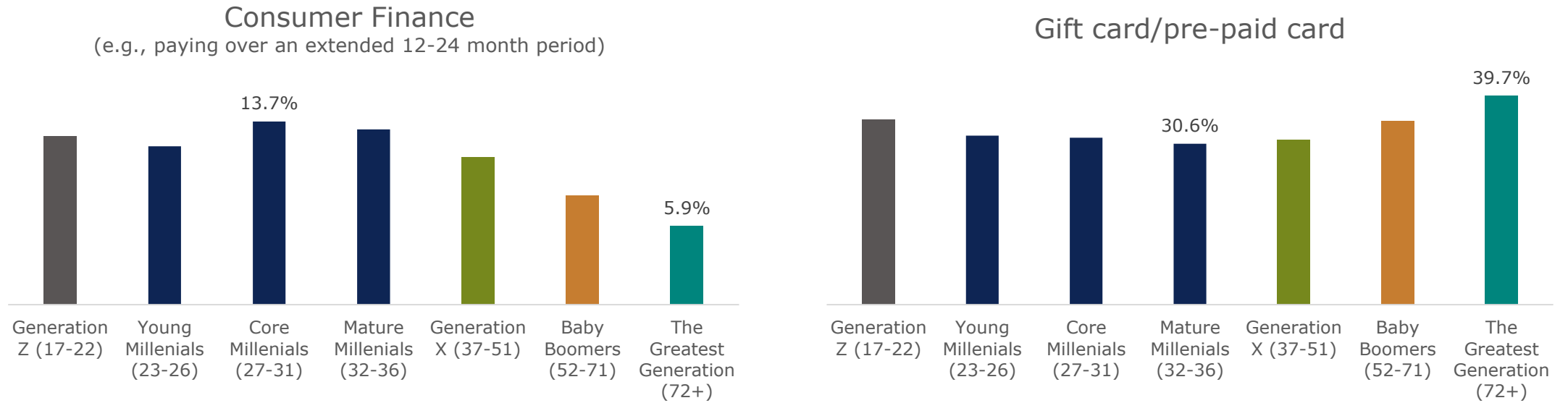
Apple Wallet, Google Wallet



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

Features that
consumer selects

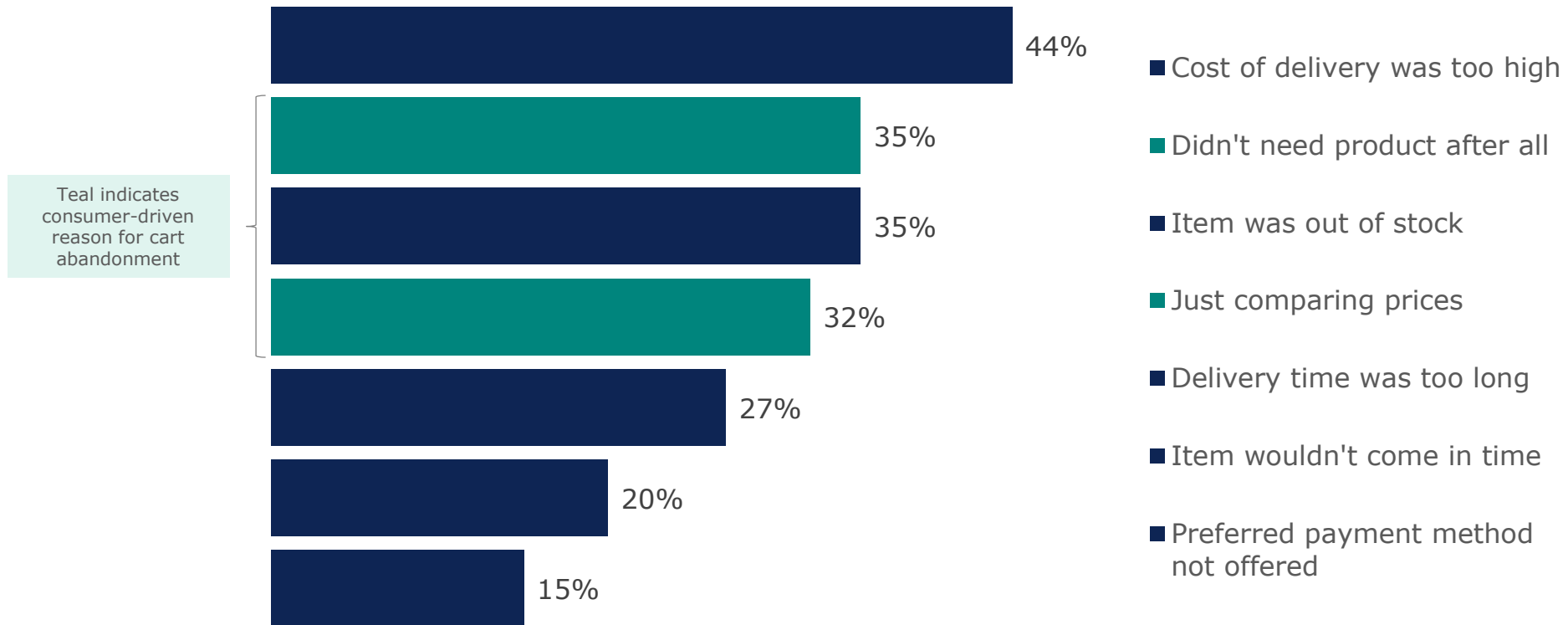
- Authorize shipment release
- Hold for will call
- “Leave at” instructions
- Leave with neighbor
- Deliver to an alternate location
- Deliver on another day
- Confirm delivery window

Source: 2019 UPS Pulse of the Online Shopper Survey

No Surprises

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

Reasons for cart abandonment

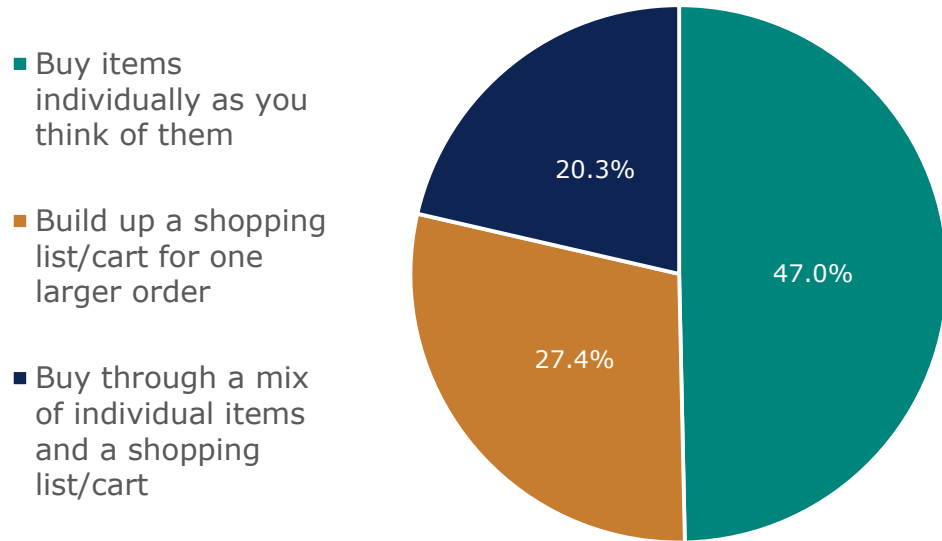


Source: 2019 UPS Pulse of the Online Shopper Survey

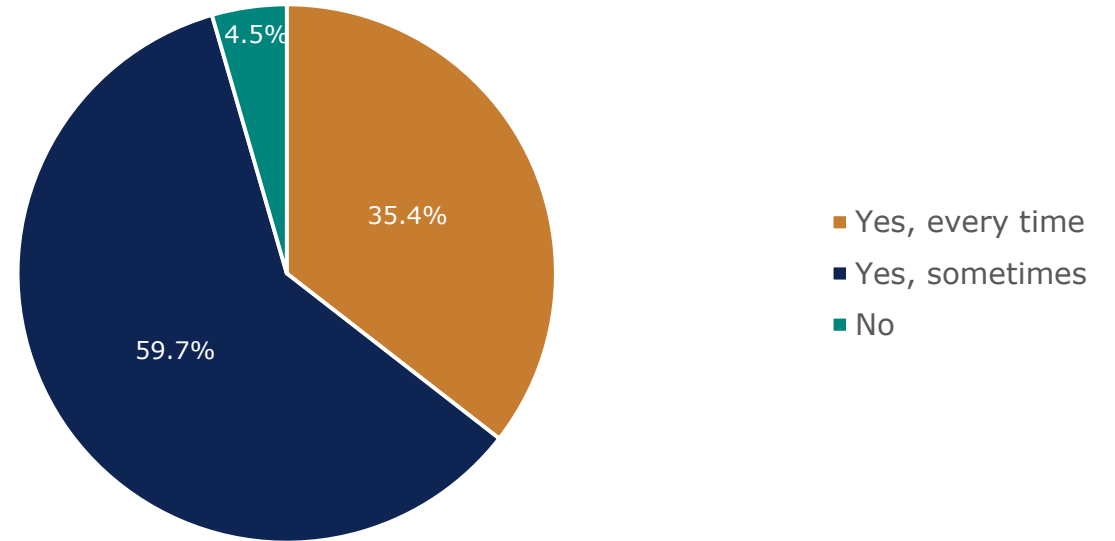
Eliminating Friction

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

When purchasing from a marketplace...



Do consumers review and remove items from the cart?



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



*screenshots from AwayTravel.com

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

89%

Said they would
stop purchasing or
purchase less often

Actions taken after receiving poor customer service

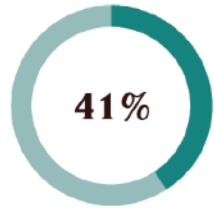


Source: 2019 UPS Pulse of the Online Shopper Survey

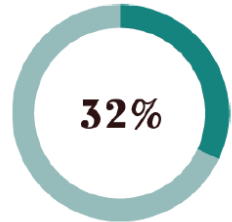
Customer experience

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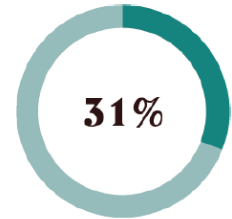
Key influencers of purchasing from a retailer after price and quality



Low delivery cost



Customer reviews



Promotions / Discounts

Actions taken after receiving poor customer service

Posted a negative review



Made an official complaint



Cancelled their order



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

