E-shopper barometer report 2018

Editorial

« For the past three years, the DPDgroup e-shopper barometer* report has revealed the trends and behaviours of Europeans who buy online. It is the largest and most complete survey on e-shopping and cross-border e-commerce ever conducted.

The 2018 edition not only contains the latest information on European e-shopping but also provides DPDgroup with a third year of comprehensive data. When taken as a whole, this information makes it possible to identify and confirm certain trends in e-commerce and e-shopping.

Chief amongst these trends is the growth of cross-border e-shopping, the rising importance of m-commerce as more and more e-shoppers use their mobile devices to shop online and the positive view that e-shoppers retain of their online purchasing experience.

The 2018 e-shopper barometer also focuses on customer behaviour, including a rising demand for transaction security, a clear desire to know the delivery company at the moment of purchase, the role of returns as part of the e-shopping experience and the phenomenon of cart abandonment.

Finally, this year's report offers a closer look at an increasingly important profile in the e-shopping space: the new buyer. »

Jean-Claude Sonet, Marketing Director, DPDgroup

*The 2018 DPDgroup e-shopper barometer was conducted by Kantar TNS from 30 May to 12 July 2018. The data were gathered through blind (blind: interviewees are unaware of who requested the study), online interviews with 24,328 participants across 21 European countries (Austria, Belgium, Croatia, the Czech Republic, Estonia, France, Germany, Hungary, Ireland, Latvia, Italy, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Switzerland, the UK) and Russia. Between 801 and 1,550 participants were interviewed per country. All participants, aged 18 or over, had placed and received at least one online order for physical goods since January 2018. For the consolidated results at European level, weighted statistics were applied to each country to reflect the correct proportion of e-shoppers amongst the various countries studied as in 2016 and 2017.
For more details, a comparison tool is available online at dpdgroup.com.

1 Market overview

Based on the number of purchases.

Heavy buyers are the top third of all e-shoppers.

Regular buyers purchase online at least once per month.

Intensive buyers purchase online at least once per week.

New buyers have been shopping online for less than two years.

This section provides an overview of Europeans' online shopping practices in 2018. With e-shoppers ordering an average of seven parcels per year, up one parcel from last year, e-shopping is becoming an ever-stronger habit across Europe. As a whole, heavy buyers make up the driving force behind online shopping growth and are responsible for 86% of online market volume. Nearly all product categories continue to develop their online penetration, with significant improvement in the fresh food and beverages category and high potential in the small home furniture, home appliances, and high-tech categories. E-shopper seniority has a demonstrable impact on market development in most countries, with certain exceptions such as Russia and Romania.

The average seniority of all European e-shoppers tends to remain stable over time, meaning that e-commerce is consistently gaining new shoppers. Moreover, these new online shoppers play a key role in maintaining the market's momentum, as nearly half of them are heavy buyers. Predominantly millennials (aged 18-34), these new buyers with less than two years' online shopping have high expectations for the e-shopping experience, from start to finish.

An e-shopper is born

Meet the new buyer.

As e-shopping further proves itself to be a lifestyle habit in Europe, a very recent buyer profile has emerged. These e-shoppers have been buying online for less than two years. Almost half of them are already heavy buyers, and 60% have purchased from foreign websites. Primarily millennials, these new buyers make great use of social media and tend to choose websites based on recommendations and word of mouth. They are more likely than all other e-shoppers to return their purchases. This new e-shopper profile has high expectations for the online purchasing experience in terms of ease and fluidity: 76% rated their most recent online purchasing experience as “excellent” or “very good.” This brings the overall percentage of e-shopping satisfaction (“excellent” or “very good”) to 79%, down one point from the previous year. They are also concerned about security at payment, requesting more security checks at the moment of purchase.

47%
of new buyers are heavy buyers

21%
of new buyers returned their last purchase

New

15%
of e-shoppers are new buyers

Once a week

26%
of new buyers

13%
of all European e-shoppers

Purchase physical goods at least once a week

Products categories

Fashion, shoes and beauty & health care lead the way, whilst fresh food & beverages are showing significant progress.

In terms of goods purchased, fashion remains the most popular e-shopping category, with the highest penetration, frequency of purchase and share of purchases made in most countries. This is followed by shoes and beauty & health care. Most product categories continue to develop their online penetration. As such, e-shoppers' intention to keep purchasing online is high for most of these categories. The online penetration of fresh food & beverages has achieved noteworthy growth, reaching 16% of all e-shoppers: a two-point increase from last year. This market is also quite popular amongst heavy buyers, representing 10% in terms of purchase volume. Significant progress has been made in France, Poland, Belgium and Germany. Finally, certain categories show strong growth potential, especially small home furniture, home appliances and high-tech products.

12%

of e-shoppers buy fresh food & beverages at least once per month

55%

of e-shoppers have bought fashion and shoes online since January

85%

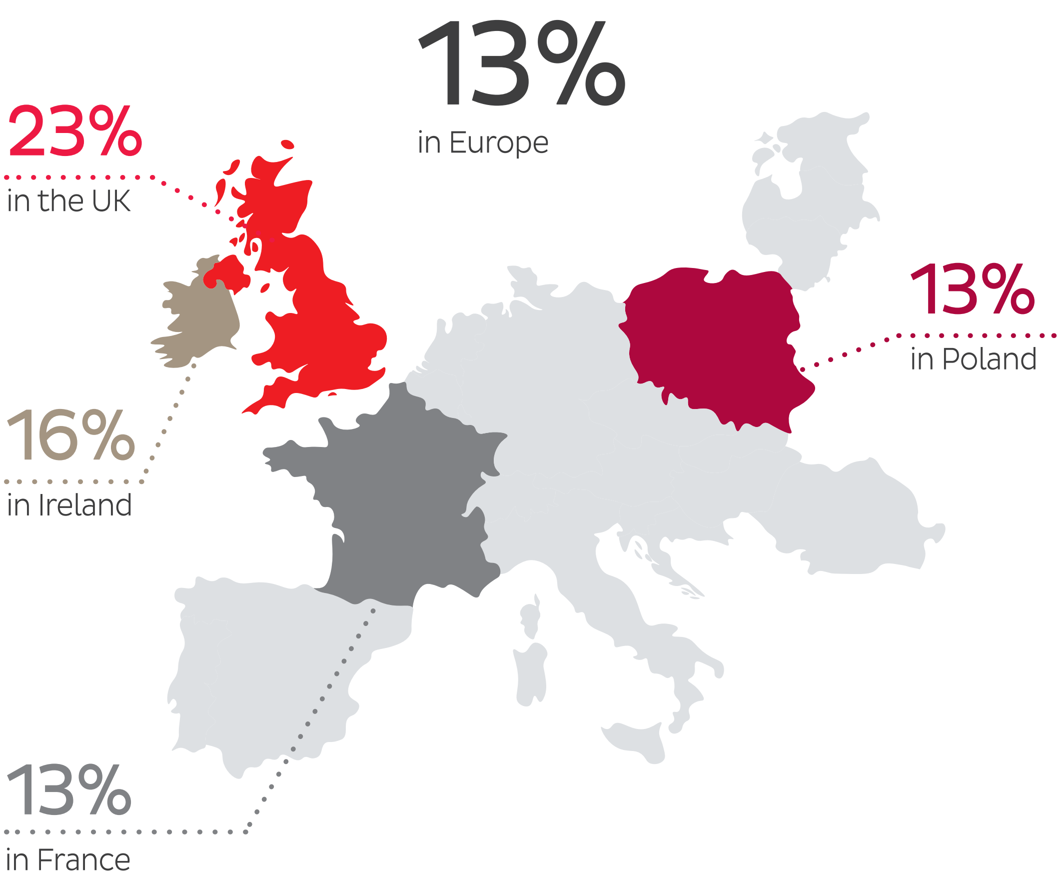
of e-shoppers who have bought fashion online since January are willing to continue

Share of online shopping in Europe

E-shopping continues to expand across Europe as the share of regular buyers gains ground.

The forward momentum of e-shopping in Europe is showing no signs of slowing. The share of regular buyers has reached 58%, a four-point increase from last year, whilst the median number of purchases is up by 1.2 pts vs 2017. Across Europe, e-shopper seniority has a clear correlation with market development. Two notable exceptions are Russia and Romania, which are showing rapid market growth despite having less experienced e-shoppers.
The average seniority of European e-shoppers is 6.3 years, a figure that remains stable thanks to the continuous arrival of new e-shoppers. Heavy buyers drive overall growth in e-shopping, making between 84% and 88% of online purchases per country. The UK has an especially high proportion of intensive buyers.

Share of intensive buyers:



Intensive buyers: purchase online at least once per week.

Millennials are aged between 18 and 34 years old.

Cart abandonment is the act of leaving a website without purchasing the articles placed in the basket.

Loyalty programmes offer benefits to frequent customers.

This section focuses on the perspectives and behaviours of 2018's online shoppers. European e-shoppers use their smartphones more and more to shop online: a notable trend amongst millennials. Apps are a popular choice, but so are web browsers, which highlights the need for e-tailers to provide a responsive site. The market is maintained by a steady influx of new e-shoppers, who are more loyal to websites than the more senior e-shoppers. Loyalty programmes are one tool to secure a long-term customer relationship. More than ever, e-shoppers are active on social media, sensitive to online buzz and eager to provide feedback on their personal experience. E-shoppers also care about who will be delivering their parcel. For most, it is important to know the delivery company at the moment of purchase, as this is reassuring and contributes to the perceived quality of the overall shopping experience.

Shopping habits and expectations 2

Window shopping e-style

E-shoppers often place their shopping basket on standby, but many of them come back to complete their purchase.

Not all order transactions are completed; “cart abandonment” is an increasingly common behaviour amongst e-shoppers. In 2018, 90% of all e-shoppers, 93% of millennials and 94% of heavy buyers did not finalise at least one order. However, as is the case with returns, this phenomenon must be considered within the framework of a growing market and a predominantly satisfied customer base. Placing a shopping basket on standby does not necessarily indicate that no purchase will be made. Shoppers often need extra time to reflect, compare prices, consider their delivery options, etc. Once on standby, a shopping basket has a good chance of being recovered and finalised: 41% of e-buyers who voluntarily interrupted their order returned to their shopping basket and completed the transaction. Ensuring that a website’s cookies allow customers to resume shopping with a full basket could facilitate the purchase and improve the overall experience.

90%

of e-shoppers had abandoned their basket since January 2018, and...

41%

of them came back to complete their purchase

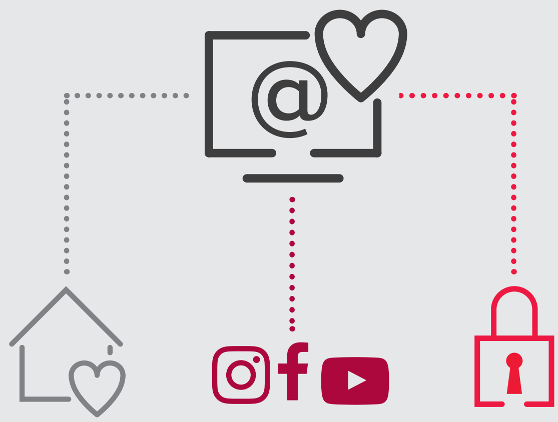
Top countries where e-shoppers come back

56%	53%	49%	48%	48%
Austria	Hungary	Portugal	Slovenia	Ireland

New shopping habits on the horizon

There are many new ways to build and maintain customer loyalty, such as social media advertising, loyalty programmes and secure payment measures.

Customer trust is an important factor in choosing which website to purchase from, especially during the first years of e-shopping. Over this period of peak loyalty, 43% of e-buyers always shop on the same websites, regardless of product category. However, for more senior e-shoppers, this figure drops to 26% and after five years to 18%. A window of opportunity is open to earn customers' faithfulness and to secure long-term loyalty. To build trust, it is important to provide e-shoppers, especially new ones, with a smooth shopping experience from start to finish. This includes sufficient data protection and online payment security measures. Loyalty programmes are a tool with customer-retention potential: an impressive 15% of new e-shoppers intend to sign up for their first loyalty programme within the following months. Social media also holds a powerful sway over e-shoppers. Nearly all use a social platform at least once per week, and 31% have chosen to shop on a website thanks to social media advertising and influencers' blogs or videos. In light of this increasingly connected lifestyle, e-tailers should try to maintain a positive reputation online. They may want to further advertise on social media in order to attract customers and encourage impulse purchases.



25%
of e-shoppers have signed up for a loyalty programme

31%
of e-shoppers consider social media and influencers when choosing a website

28%
of new buyers consider insufficient security checks at payment are a barrier to purchasing

Delivery companies matter

Delivery companies are central to the e-shopping experience at the moment of purchase.

For e-buyers, delivery and returns constitute a make-or-break moment that conditions the online shopping experience. E-shopping and delivery are inseparable; they are perceived as one experience and therefore have the common interest to leave a positive impression. This impression creates preference, and the image of a website can easily be affected by the image of its carrier(s).
For 72% of e-shoppers, it is important to know who the delivery company is at the moment of purchase. This is due to a positive previous experience with a given carrier or because knowing who will deliver the parcel is reassuring. Offering such an option could facilitate the decision to purchase. Heavy buyers show a strong desire for this feature: 38% expressed knowing the carrier is a guarantee of good delivery service.

72%
of e-shoppers consider it important to know the delivery company at the moment of purchase

43%
(of these 72%)
feel reassured by knowing the delivery company

36%
(of these 72%)
want to choose the delivery company

Returns are part of the game

Returns are becoming commonplace. Rather than a challenge, the return process should be seen as an opportunity.

Amongst the latest e-shopping habits and behaviours is the rising incidence of returns across all countries and product categories, with an overall return rate of one order out of ten. Around 16% of heavy buyers and 21% of new buyers returned the last item they had bought online. This should not be taken as a manifestation of buyer dissatisfaction but rather as a natural part of the e-shopping experience, which, on the whole, remains overwhelmingly positive. For e-tailers, the return process could be approached as an opportunity to interact with customers and to increase their overall satisfaction by making the process as fluid as possible. Moreover, e-shoppers, in general, and new buyers, in particular, expect an easy return experience; the lack thereof can harm a website's reputation. Currently, there is clear room for improvement, since the purchasing process is easier than the return process. Approximately half of e-shoppers consider that returning items purchased over the past twelve months was easy, whereas almost three quarters of e-shoppers consider that their most recent online purchase was easy.

10%

of e-shoppers returned their last order

+4 pts vs 2017

52%

of e-shoppers considered that returning an item bought online is easy

How e-shoppers make orders

Whilst laptops remain the most used devices for e-shopping, smartphones are rapidly catching up.

Advances in technology continue to directly affect the way in which e-shoppers make orders. Purchases via smartphone are still increasing at a rapid rate, with a six-point growth over last year. This trend is even more pronounced amongst heavy buyers and millennials, for whom smartphones are the second most used device after laptops. Countries such as Latvia and Lithuania are seeing significant growth in smartphone usage: up 13 points and 11 points respectively vs 2017. However, e-shoppers as a whole prefer to use multiple devices: the average number of devices used is 1.8 and as high as 2.1 for heavy buyers. When ordering by smartphone, 28% of buyers have used only an app, but 72% have used an internet browser as well, since not all e-tailers offer an app. This demonstrates the need to provide responsive websites that are easy to navigate on all devices.

62%
of millennials use a smartphone to shop online

46%
of e-shoppers use a smartphone to shop online
+11 pts vs 2016

58%
of heavy buyers use a smartphone to shop online

Cross-border trends 3

Cross-border e-shopping is the act of purchasing from a foreign website.

A guilty pleasure purchase is the act of buying an enjoyable but unnecessary article.

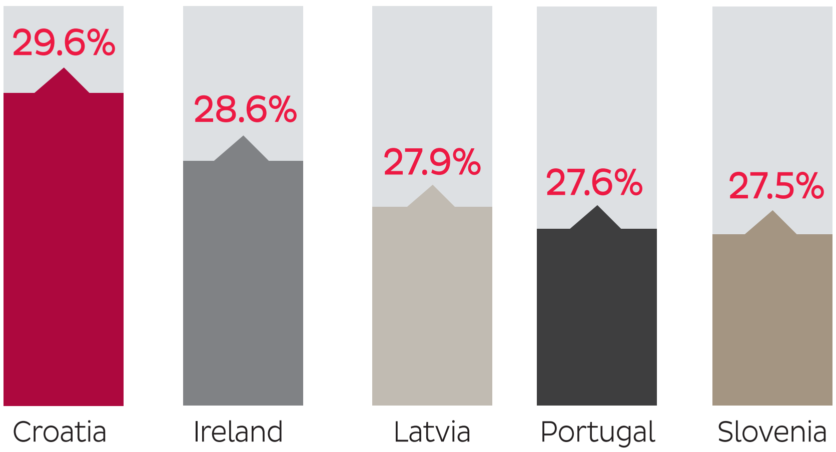
This section covers cross-border e-commerce, which continues to flourish: purchases made on foreign websites now account for one fifth of all purchases made by cross-border e-shoppers. Cross-border penetration is increasing across all categories, led by fashion, high-tech, shoes and beauty & health care. 58% of e-shoppers have bought goods from foreign websites, up five points vs 2017, and 44% have done so more than once, up four points vs 2017. Moreover, 33% of those who have never tried cross-border e-shopping are thinking about starting, mainly to find better deals or to acquire products unavailable locally. This is especially true in smaller countries, where local e-commerce is still developing. However, more mature countries that had previously shown a certain reluctance to order from foreign websites are now catching up.

Key cross-border facts

Cross-border e-commerce is growing in Europe.

The share of declared online shopping made by European cross-border e-shoppers from foreign websites stands at 19.1% of purchases. At the top, Croatia, Ireland, Latvia, Portugal and Slovenia make more than a quarter of their total online purchases from websites located beyond their borders. Other countries have made considerable progress, primarily those in which cross-border e-purchases were marginal: Romania and Germany.

Countries with the highest share of cross-border e-shopping



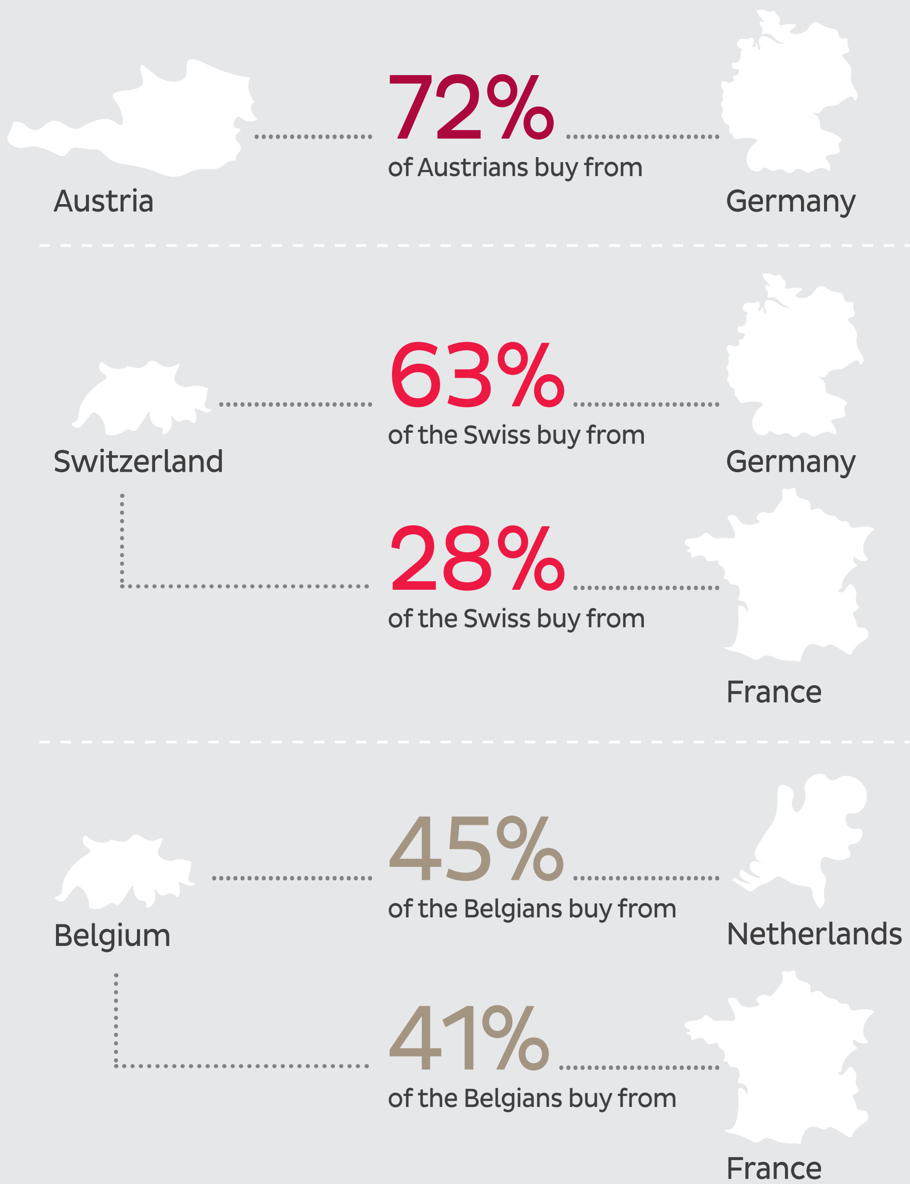
Average share of online shopping made from a foreign website on total online e-shopping

Countries with leading growth in share of cross-border e-shopping

Shopping abroad

Certain cross-border e-shoppers prefer purchasing from neighbouring countries whilst others look to China and the USA.

Around 65% of e-shoppers have made an intra-European cross-border purchase, especially from websites located in the UK (27%), Germany (26%) and France (14%). For their part, Austria, Belgium and Switzerland share a preference for websites located in neighbouring countries. Around 67% of e-shoppers have purchased from a foreign website located outside of Europe: two points higher than in 2016. These e-shoppers buy from websites in China (47%) and the USA (31%), with those seeking bargains tending to prefer China. For those on the outlook for products and brands unavailable locally, the USA is the location of choice, followed by Europe, and China is the country that most European cross-border e-shoppers prefer.



Cross-border buyer profile

E-shoppers who purchase from foreign websites share certain characteristics.

Amongst the European e-shoppers who purchase goods from foreign websites, more than three quarters have done so multiple times. Cross-border buyers tend to be males aged 18-34, heavy buyers and in a higher income bracket. Well over half have been buying online for more than five years. Most of their purchases are prepared and functional, although guilty pleasure and exceptional purchases are on the rise. Their main motivation to e-shop abroad is to find better deals and gain access to products or brands unavailable locally. These e-shoppers are particularly sensitive to the ease and speed of the delivery process, as well as to cost transparency.

>5 years

57%
of cross-border e-shoppers have been buying online for more than 5 years

32%
of cross-border e-shoppers have made a guilty pleasure purchase from a foreign website

10%
of cross-border e-shoppers returned the last item they had purchased

Cross-border potential

Cross-border e-commerce still has room to grow.

Attracted by the prospect of finding better deals, products or brands unavailable locally, an additional 33% of e-shoppers who have never shopped on a foreign website may begin to do so. In the lead are Portugal (+10 points vs 2017) and Italy (+6 points vs 2017). The growth potential of cross-border e-shopping remains generally stable from country to country. E-shoppers, who are hesitant to begin purchasing from foreign websites, may be won over by transparent fees and heightened security measures for payment and personal data protection.

Barriers to shopping cross-border

European e-shoppers need **more security and personal data** protection to begin e-shopping cross-border and this is especially important in France and the UK

51% 48%

47%

In other European countries extra fees are the first barrier

Drivers to start purchasing abroad

49%

of e-shoppers who never bought cross-border look cross-border to find better deals

57%

of e-shoppers who never bought cross-border buy cross-border because the brand is unavailable locally

Key take-aways

New buyers are demanding

15% of e-shoppers started buying online less than two years ago. This group is a relatively small but important segment of e-shoppers. They have high expectations, compared to senior e-shoppers, because they want an easy online purchase experience. They also have strong social media activity, appreciation for loyalty programmes, propensity to return their orders and concerns about secure payment and personal data. As nearly half of them are heavy buyers, they represent an important source of momentum for the entire e-commerce market.

Cart abandonment and returns are inherent to e-shopping behaviours

Whilst 90% of e-shoppers interrupted their order, 41% came back to their shopping basket to complete the transaction. Equally, returns doubled over the previous year from 5% to 10%. These online shopping patterns could be considered as a type of window shopping. This behaviour is a source of opportunities to engage with or reassure consumers, thus improving their e-shopping experience.

Cross-border is further developing

Around 58% of e-shoppers have already bought goods from foreign websites since January, +6 pts vs 2016. Amongst cross-border buyers, one out of five online purchases is made on a foreign website. Most commonly e-shoppers purchase from neighbouring countries or Chinese websites for brands or deals unavailable locally. Of those who have never purchased from a foreign website, one third are thinking about starting.

M-commerce continues to grow

46% of e-shoppers use a smartphone to buy online, +11 pts vs 2016. Smartphones are increasingly used to make online purchases, especially amongst heavy buyers and millennials, who are also more active on social media than ever. From developing dedicated apps and responsive sites to cultivating a positive online image and investing in social media advertising, mobility offers e-tailers endless opportunities to thrive.

When purchasing online, the delivery company matters

72% of e-shoppers consider it important to know the delivery company at the moment of purchase. This desire is either due to a positive or a negative previous experience or because this knowledge is reassuring. Providing customers with a choice of delivery company could facilitate the decision to purchase and create satisfaction.

About DPDgroup

DPDgroup is Europe's second largest parcel delivery network, shipping worldwide. DPDgroup combines innovative technology and local knowledge to provide a flexible and user-friendly service for both shippers and shoppers. With its industry-leading Predict service, DPDgroup is setting a new standard for convenience by keeping customers closely in touch with their delivery.

With more than 68,000 delivery experts and a network of more than 32,000 local Pickup points, DPDgroup delivers 4.8 million parcels each day through the brands DPD, Chronopost, SEUR and BRT.

DPDgroup is the parcel delivery network of GeoPost, which posted sales of €6.8 billion in 2017. GeoPost is a holding company owned by Le Groupe La Poste.

Market overview
An e-shopper is born
Product categories
Share of online shopping in Europe
Shopping habits and expectations
Window shopping e-style
New shopping habits on the horizon
Delivery companies matter
Returns are part of the game
How e-shoppers make orders
Cross-border trends
Key cross-border facts
Shopping abroad
Cross-border buyer profile
Cross-border potential
Key take-aways
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