



GLOBAL CONSUMER INSIGHTS

Shopping Expectations for the E-Commerce Experience

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Overview

The state of e-commerce is rapidly evolving, and it has become increasingly challenging for retailers to keep pace with technological innovation and consumer expectations. To that end, Flow commissioned a multi-market research report in order to:

- Understand the current landscape of e-commerce websites from a supply-side and demand-side perspective for the top 11 markets: Australia, Brazil, Canada, China, France, Germany, India, Japan, South Korea, UK, USA.
- Evaluate all aspects of the e-commerce experience to establish “best practices” in each market.
- Unearth opportunities in high-demand areas which are not currently fulfilled by those e-commerce sites in respective markets.

Research Methodology

The research methodology for this project included two phases:

Supply-Side: The first phase of the project included crowd-sourced data collection across 122 variables for 137 websites in 11 markets (10-15 websites per market). Retail websites included brand.coms, department stores, and marketplace sites. The researched variables ranged from Homepage features and Product Description Page to the Shopping Cart and Checkout.

Demand-Side: This phase included an in-depth survey of 44 questions related to consumer attitudes and behaviors toward e-commerce sites. The sample was defined as ages 18-54 who had shopped for apparel online in the past year. Each market had a total of 385 respondents. The data was analyzed and reported at a 95% confidence level. Survey questions covered 4 major areas:

- Cross-border shopping behavior (e.g., categories, barriers, expectations, etc.)
- General shopping behavior (e.g., apparel shopping, promotions used, etc.)
- Customer service and shipping (e.g., delivery windows, free shipping, out-of-stock handling, etc.)
- Retail website user experience and checkout preferences (e.g., product description page, currency display, payment, navigation, etc.)

44

The demand-side phase included an in-depth survey of 44 questions related to consumer attitudes and behaviors toward e-commerce sites.

Global Consumer Insights

Apparel is one of the most popular retail e-commerce product categories, and online sales are growing faster than offline. In today's retail landscape, apparel shoppers have come to expect a highly personalized and seamless omni-channel experience. Yet, these expectations differ greatly across markets, particularly when it comes to the onsite experience, logistics, and customer service. The results contained in this report will help retailers understand how they can effectively optimize online experiences for their shoppers, both domestic and abroad.

This report will explore the demand-side of the research conducted and examines online shopping across top 11 markets to understand:

- **Why shoppers abandon shopping carts online**
- **Types of customer service communication shoppers expect to be available**
- **Shipping options and delivery windows online shoppers expect to see**
- **Willingness to pay for returns**
- **Expectations for handling out-of-stock and pre-order items**



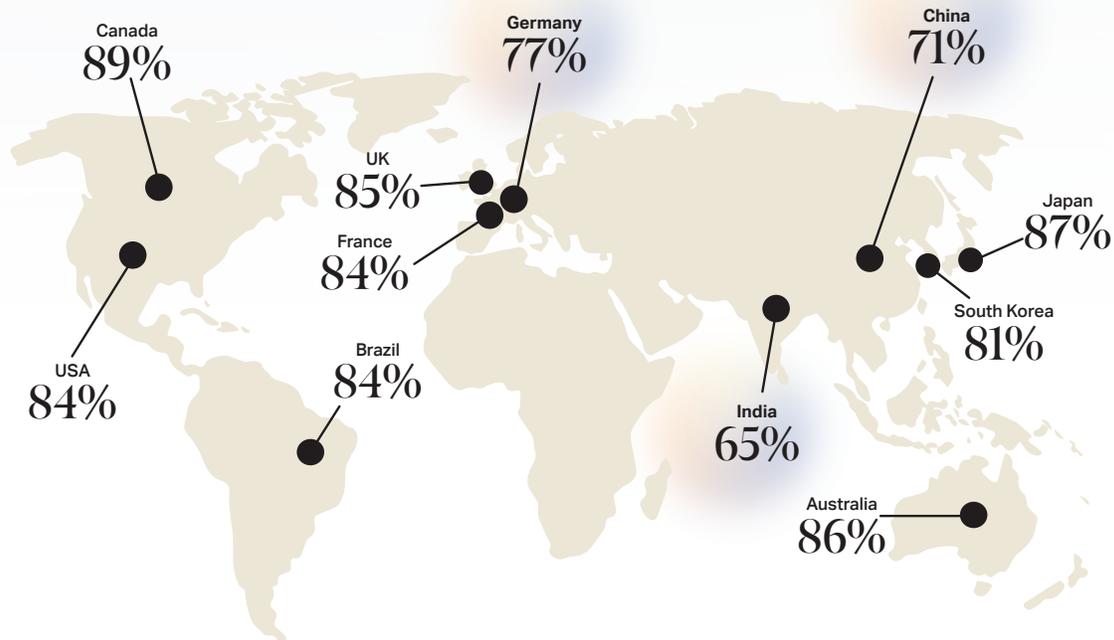
Apparel shoppers have come to expect a highly personalized and seamless omni-channel experience.

Shopping Cart Abandonment

When asked about shopping cart abandonment, 4 in 5 shoppers reported they have abandoned their shopping cart online (81%).

Out of the 11 markets, India (65%), China (71%), and Germany (77%) had the lowest rate of shopping cart abandonment.

Shopping Cart Abandonment Rates by Market



In terms of reasons for abandoning their shopping carts, consumers cited shipping-related issues, including high shipping costs (47%) and lack of free shipping (32%). High shipping costs were mentioned in 9 out of the 11 countries surveyed as the number one reason for shopping cart abandonment. Exceptions were China (25%) and South Korea (19%).

It doesn't come as a surprise that high shipping costs would be the primary reason for abandoning shopping carts. According to our [Global Research Report: Cross-border E-Commerce Trends](#), "shipping is too expensive" was cited as the most common barrier to shopping cross border by both cross-border (54%) and non-cross-border (46%) shoppers.¹

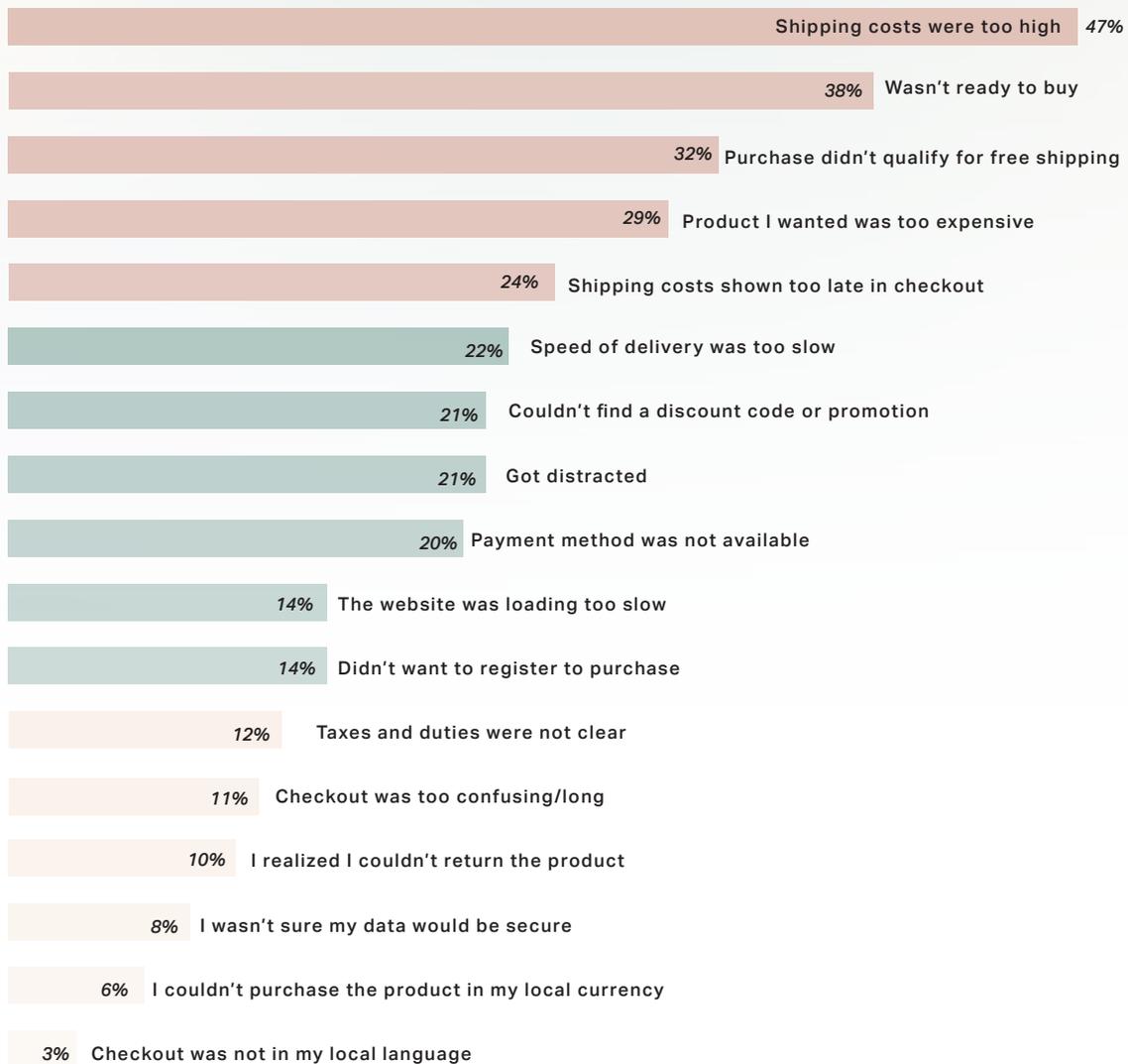
Almost 40% of respondents cited "not ready to buy a product at the time" as a reason for cart abandonment, which was the second most mentioned reason (after high shipping costs).



High shipping costs were mentioned in 9 out of the 11 countries surveyed as the number one reason for shopping cart abandonment.

¹ Visit www.flow.io/global-research-report to download the Global Research Report: Cross-border E-Commerce Trends ebook.

Reasons for Shopping Cart Abandonment

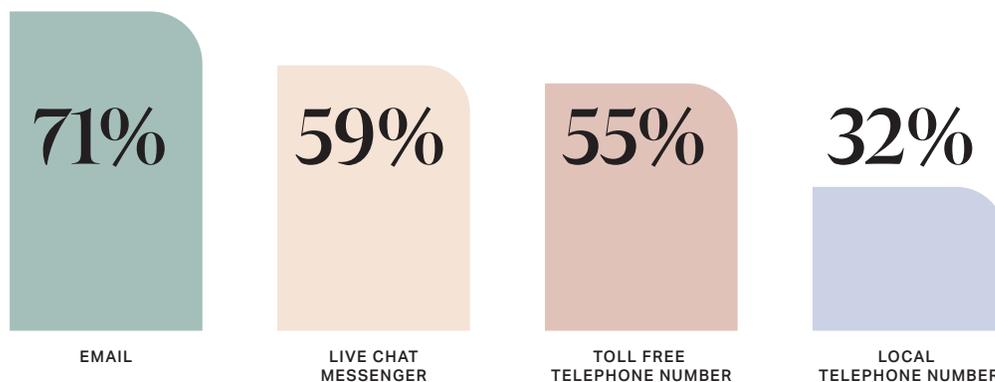


Customer Service Communication

Overall, online shoppers expect a variety of customer service options to be available to them, from email (71%) and live chat/messenger (59%) to a toll-free telephone number (55%). Almost one-third (32%) of respondents across markets also mentioned customer service via local-telephone number. Interestingly, there were significant differences across markets:

- China and South Korea showed a clear preference toward live chat/messenger (73% and 67% respectively) versus email (33% and 39%).
- Surprisingly, live chat/messenger was the least popular customer service option for Japanese consumers (25%).
- German and French shoppers ranked email the most important option (86% and 72%). Interestingly, toll-free telephone was their next preference after email (66% each).
- Toll-free telephone ranked number one among Indian shoppers (74%) ahead of email and live chat/messenger (61% each).
- Local telephone number was rated relatively higher in India (43%), Brazil (43%), and UK (41%) versus other countries; the average across all 11 markets for local telephone number was 32%.

What Type of Customer Service Do You Expect to See?



What Type of Customer Service Do You Expect to See?



71% of online shoppers expect to be able to email customer service.

Available Shipping Options

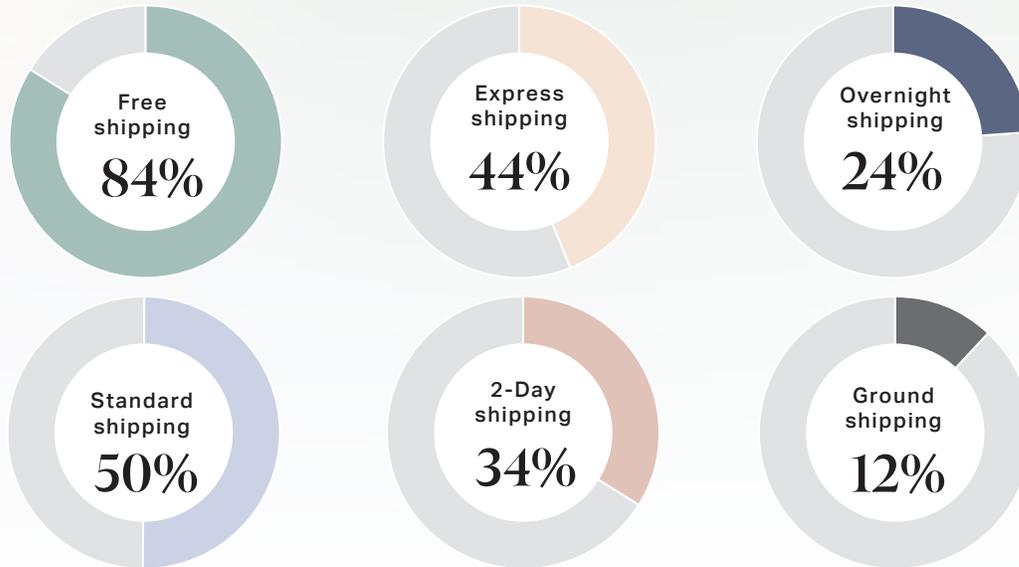
Given the importance of shipping cost to online consumers, we asked respondents what type of shipping options they expected to have when shopping online.

- The majority of shoppers across all markets expected free shipping (84%) to be available.
- Half of the respondents across all markets expect standard shipping (50%) as an option when shopping online.
- The expectation for free shipping was highest among shoppers in Japan (90%), Brazil (89%), USA (89%), and Canada (89%).
- Next, shoppers said they expected to see express shipping (44%), 2-day shipping (34%), followed by overnight shipping (24%).
- In total, very few respondents said they expected to see “ground shipping” (12%). In the USA and Canada, the number of shoppers that expected “ground shipping” as an option was higher (39% and 20% respectively).

50%

Half of the respondents across all markets expect standard shipping (50%) as an option when shopping online.

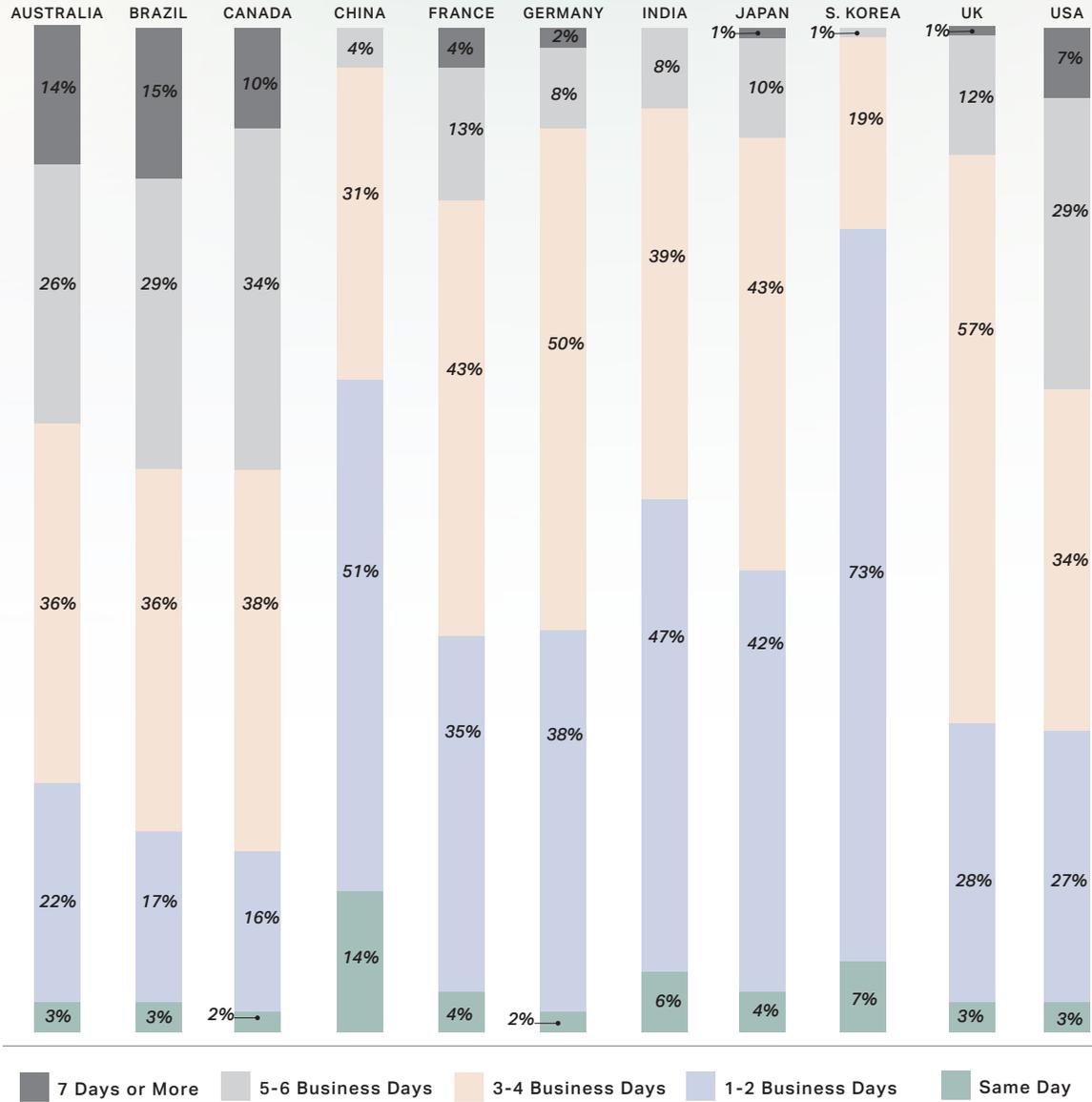
Which Shipping Options Do You Expect to Be Available?



When examining expected delivery windows for Free Shipping, responses from shoppers varied across the board.

- South Korea (80%), China (65%), and India (53%) had the highest expectations with the majority of shoppers expecting free delivery within 2 business days (includes responses for same day delivery).
- Respondents in Brazil, Canada, Australia, and the USA demonstrated the highest expectations for 5+ business day delivery windows. These responses may be related to the longer travel distances in those countries (44%, 44%, 40%, and 36% respectively).
- UK, Germany, France, and Japan shared some similar views and demonstrated the highest incidence of shoppers expecting free shipping within 3-4 business days (57%, 50%, 43%, and 43% respectively).

What Delivery Times Do You Expect For Free Shipping?

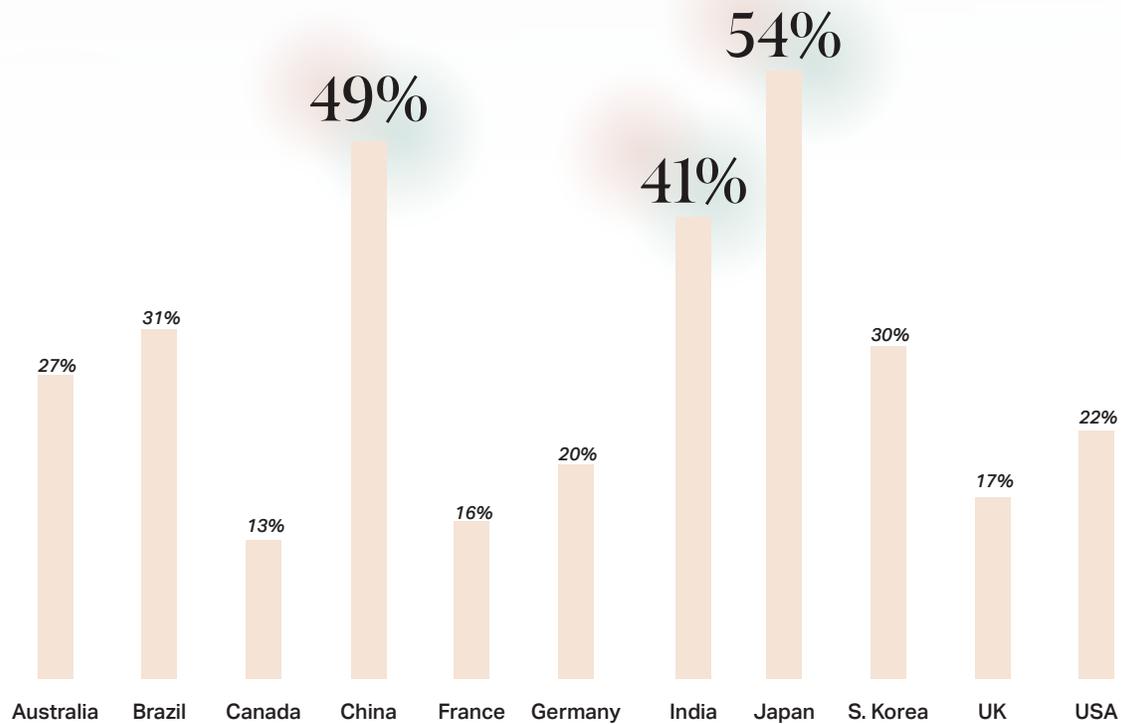


Paying for Returns

Shoppers in 8 out of the 11 markets mostly opposed the idea of paying for returns, with an average of 71% of all surveyed consumers stating that they would not be willing to pay for returns.

However, this was not the case in Japan, China, or India, where roughly half of the respondents in these countries said they would be willing to pay for returns (54%, 49%, and 41%).

Percent of Respondents Willing to Pay For Returns



Out-of-Stock and Pre-Order Items

We asked online shoppers about actions they've taken when they've gone to purchase a product and found the item was out-of-stock. A quarter of respondents said that in this case they would buy the exact product from another site/app, while only 13% would buy another product from the same site/app. This shouldn't come as a surprise given the demand for immediacy in purchasing and receiving a product, as illustrated by the consumer expectation for available rapid shipping options and the delivery windows expected for Free Shipping (see pages 11-13).

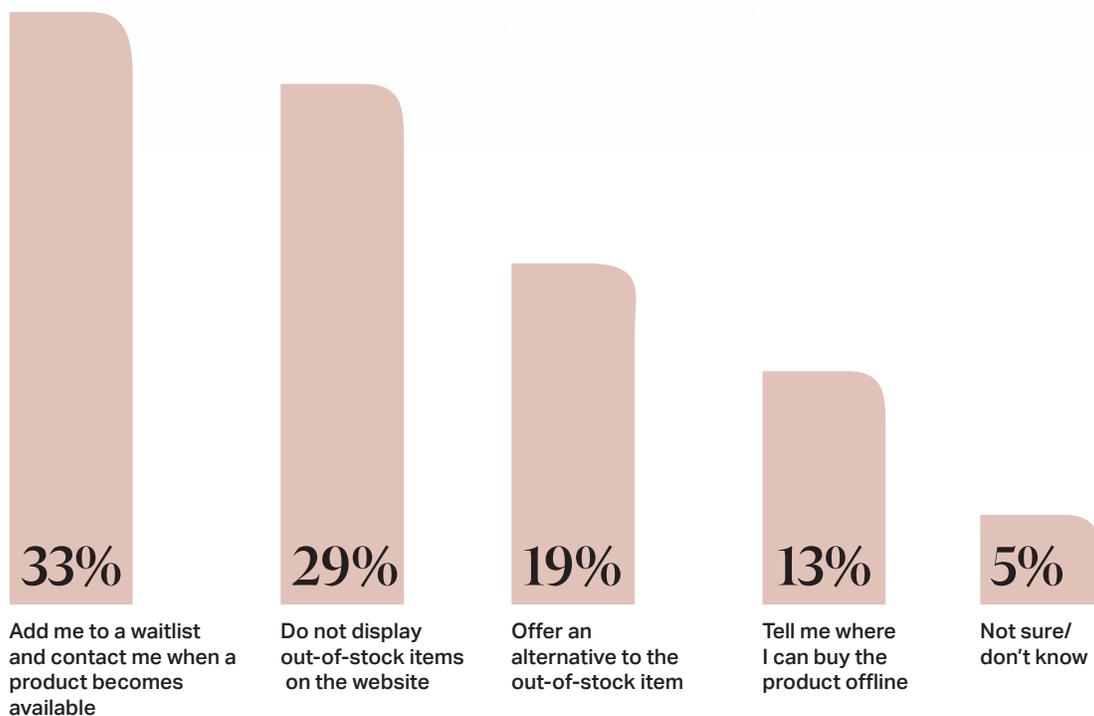
Action Taken When Item Was Out-of-stock



Shoppers did agree across all 11 markets that online retailers need to be proactive regarding out-of-stock items.

- Most shoppers suggested that retailers add them to waitlists for the product (33%) or simply not display those items on the website (29%).
- South Korean and French shoppers had the highest preference for being offered an alternative item (28% and 25% respectively).
- Only 13% of respondents stated they wanted companies to suggest where they could purchase the product offline.

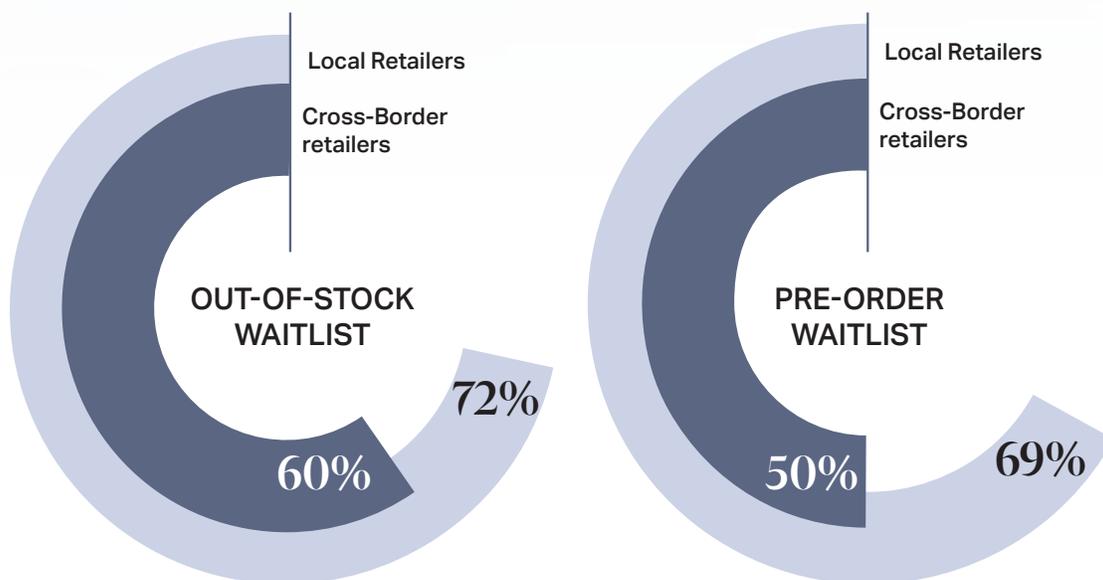
Expectation For Item Out-of-stock



Overall, online shoppers had higher expectations of local brands and retailers for offering out-of-stock and pre-order waitlists compared to cross-border brands and retailers.

- Looking at individual countries, Brazil and China had the highest expectation levels for both local and cross-border retailers.
- Interestingly, Indian shoppers had high expectations for local retailers but significantly lower expectations when it came to cross-border retailers.
- South Korea had the lowest expectation levels for both types of retailers.

Consumer Expectations For Waitlists: Local Vs. Cross-border Retailers



What Should Retailers Do about the Findings?

The results of this study reveal important implications for cross-border e-commerce brands. Overall, respondents in different markets have varying expectations when it comes to several aspects of the e-commerce customer journey. Some of the customizations that businesses must consider when expanding into new markets may include:

- **Optimizing customer service methods available to shoppers**
- **Customizing shipping options and delivery windows based on country**
- **Managing out-of-stock and pre-order items to minimize site abandonment**

The factors covered in this report are not the only ones that can impact the onsite experience and conversion. To learn how you can maximize revenue and grow your cross-border e-commerce business, contact us today at hello@flow.io and speak with a Flow expert.



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FLOW

SIMPLY GO GLOBAL

Most e-commerce businesses struggle with the complexities of selling their products internationally. The problem is they don't have the tools nor the flexibility they need to sell cross-border, and existing solutions are missing the mark. At Flow, we believe there's a better way and that global e-commerce should simply work. We have first-hand experience with cross-border challenges from our days working at well-known global brands, which is why we built a next-generation engine to power global growth for ambitious e-commerce businesses. Our solution automates and simplifies every aspect of the international e-commerce process for our customers. We remove the barriers of cross-border commerce by offering benefits such as multi-currency pricing, cost-efficient and rapid shipping, international payment options, well-defined taxes and duties, and simple returns. Now global brands like MZ Wallace, Outerknown, Charles & Colvard, and others can increase their customer conversion and grow international revenue starting today. Let it Flow.

For more information, visit www.flow.io.

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