



Pulse of the Online Shopper



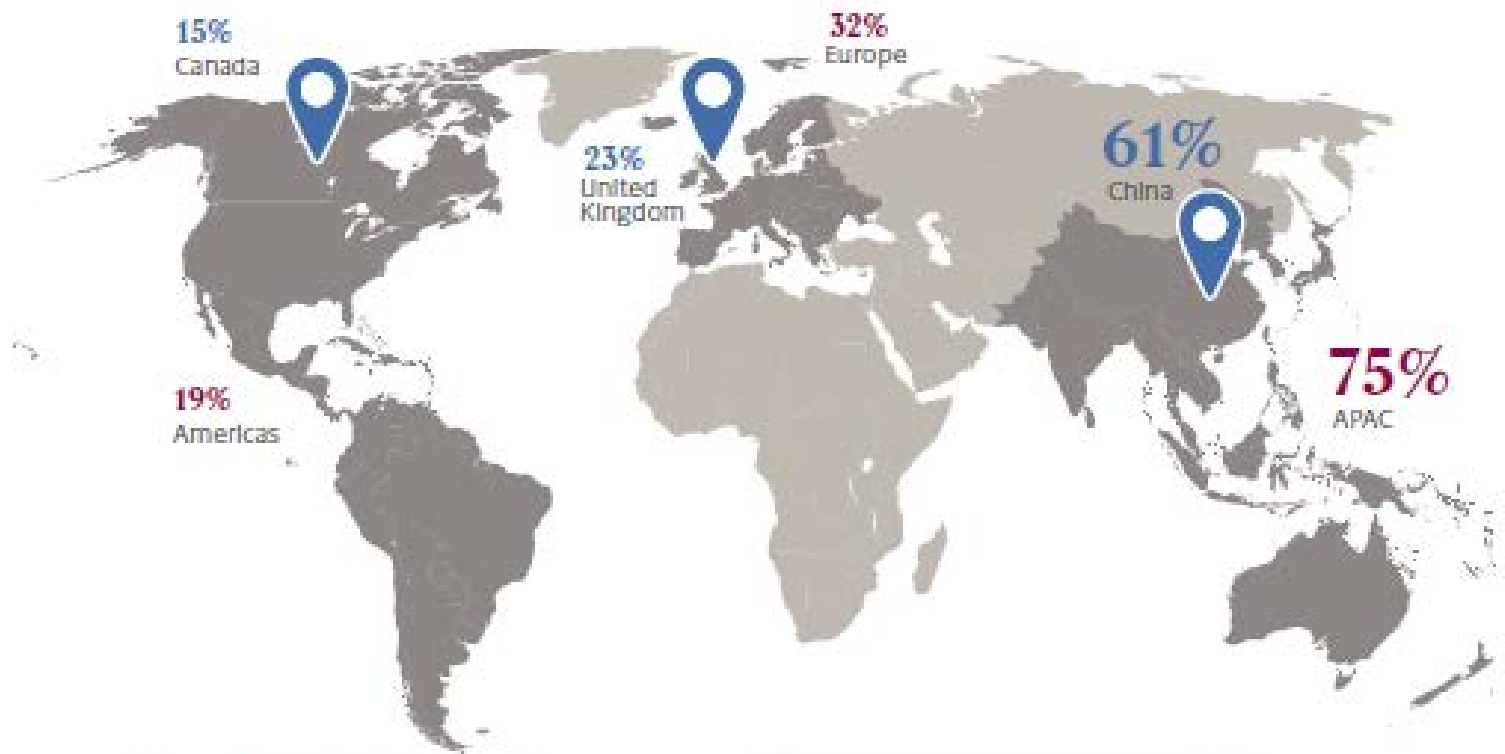
www.ups.com/insideretail

To win with today's avid online shopper, retailers must evolve to meet their preferences and needs.

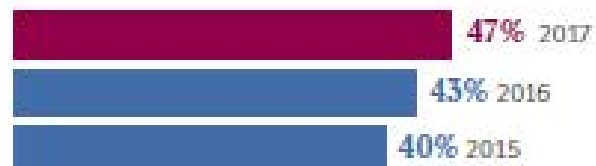
- Retail is Global
- Smartphones gain ground
- Marketplaces make inroads
- Store is still important



Locations of International Retailers

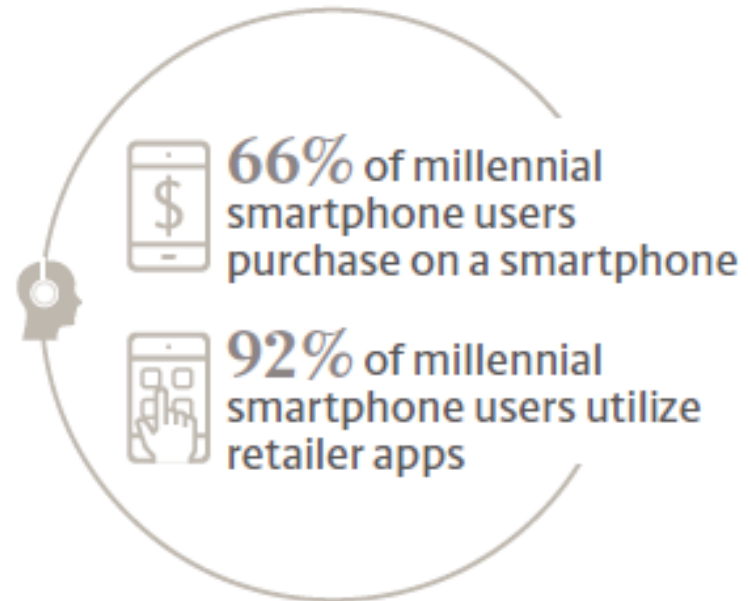
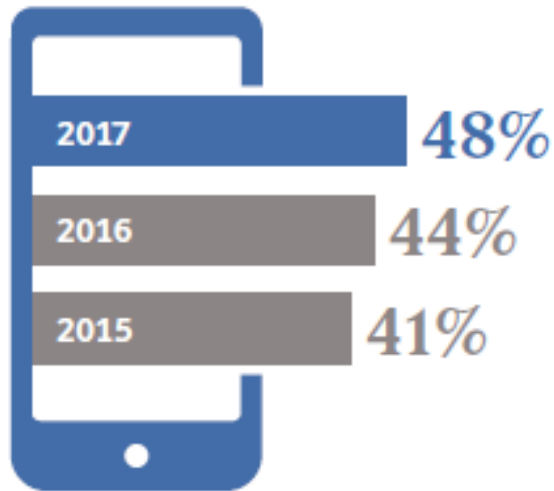


Nearly half of online shoppers have made an international purchase in the past year.



Smartphones gain ground

Purchasing on smartphones is growing year-over-year



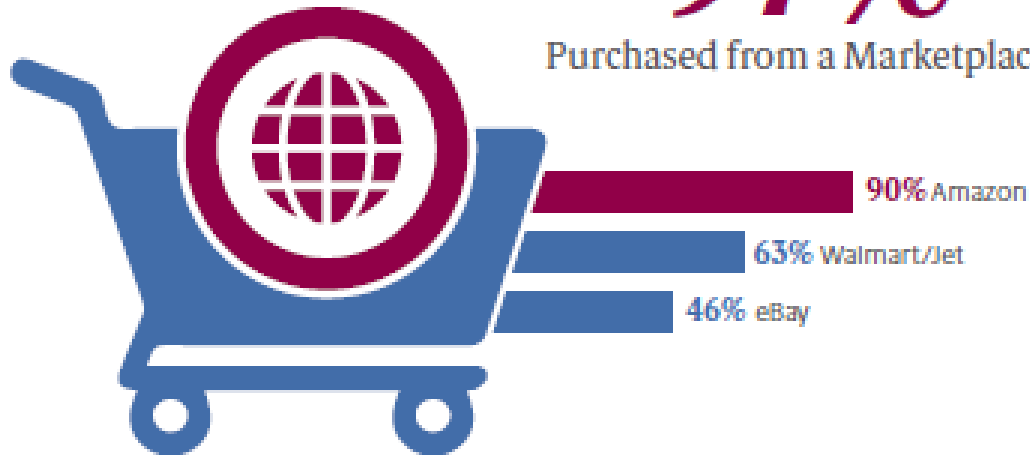
4 in 5



smartphone users utilize **retailer apps** often preferring them to retailer websites due to **faster speeds (51%)** and **better user experiences (35%)**

97%

Purchased from a Marketplace



Online shoppers purchasing on marketplaces has increased 12 points since last year.

Top Reasons for Purchasing at Marketplace Instead of Retailer



65%

Better prices



55%

Free and discounted shipping



45%

Total cost of the order including shipping costs and/or taxes



44%

Speed of delivery



The store is still important

1 in 2



consumers have shipped to store for pickup and 41% of these shoppers are planning to use ship-to-store more often in the next year

TOP FACTORS FOR DECIDING TO GO TO A PHYSICAL STORE INSTEAD OF ONLINE (% IMPORTANT):



59% to touch and feel products

54% to solve an immediate need

52% for superior customer service

44% for unique products

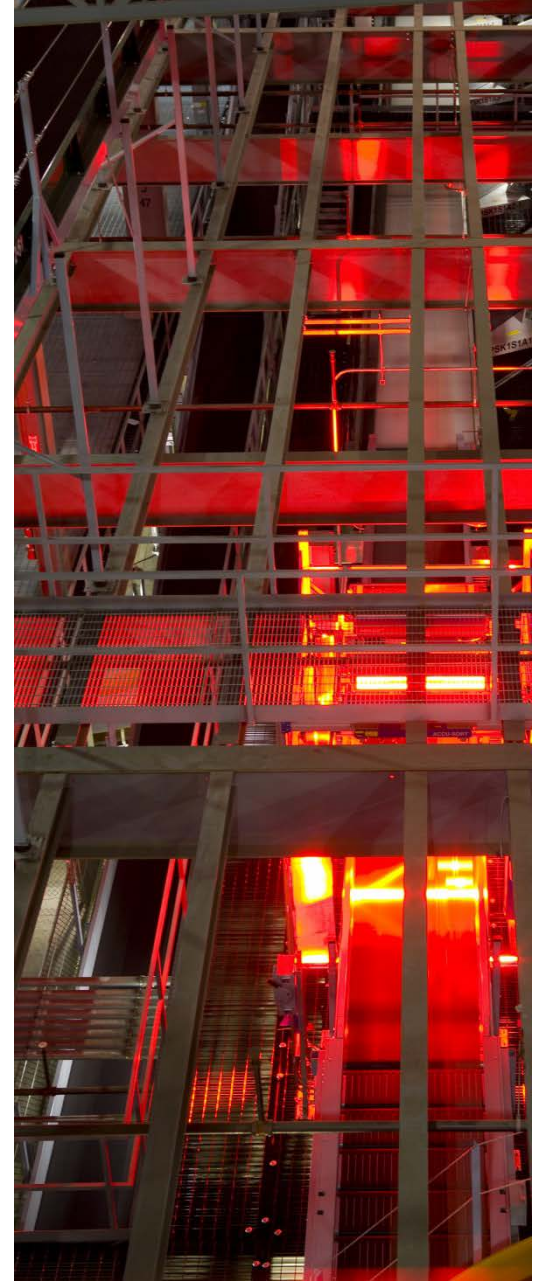
58% of consumers prefer to return items to a physical store



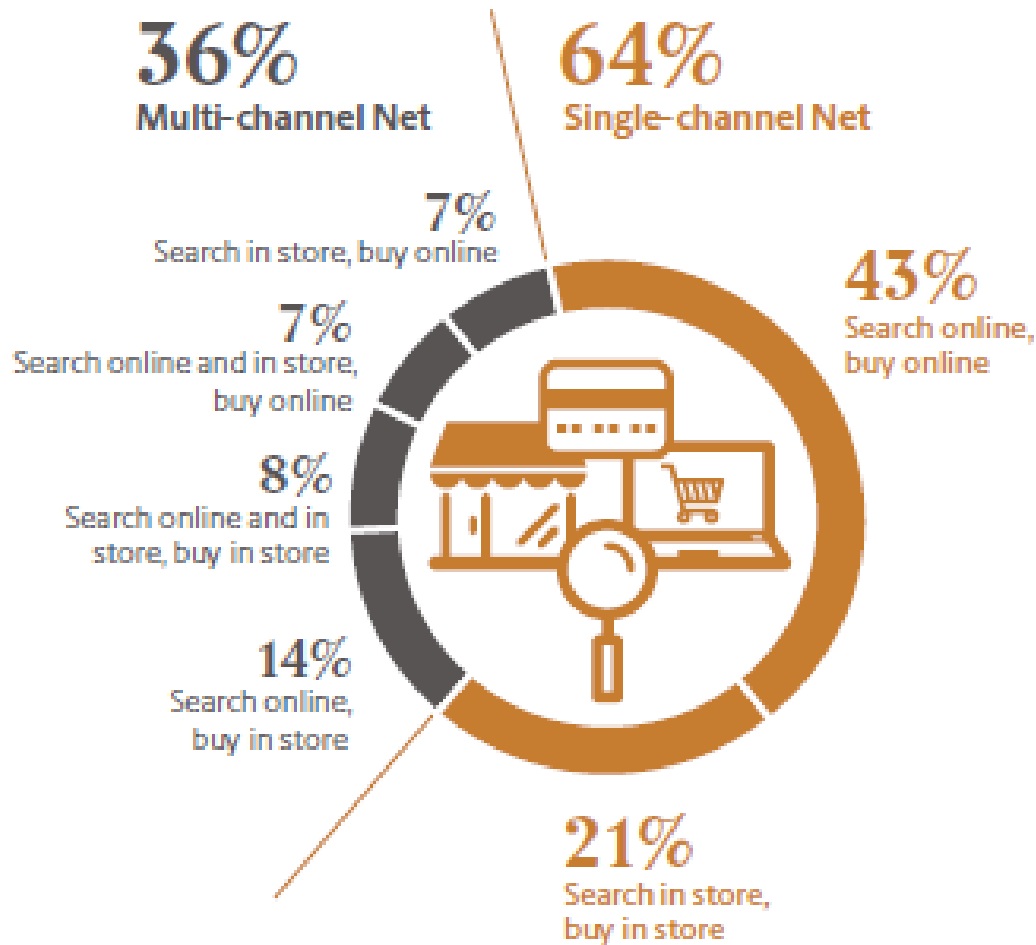
Executive Summary:

Constants

- Channel Shifting
- Free Shipping
- Premium Shipping
- Alternate Delivery
- Returns



Purchase method



79%

IN TOTAL, ONLINE
INFLUENCES 79% OF SEARCH,
PURCHASE OR BOTH



Most important options when checking out online



Free-shipping options

74%

53%

Providing shipping costs early in the process

53%

Ease of applying a promo code to my order

53%

Having a variety of payment options, like PayPal or Visa Checkout

49%

Guaranteed delivery date



81% 2014 77% 2015 73% 2016 74% 2017

THE IMPORTANCE OF FREE SHIPPING HAS DECLINED OVER THE YEARS

Actions taken to qualify for free shipping



Add items to cart to qualify for free shipping with intention of keeping items

48%

44%

Choose the slowest transit time offered on a retailer's site because it's free

41%

Search online for a promo code for free shipping

36%

Choose ship-to-store or pickup in store

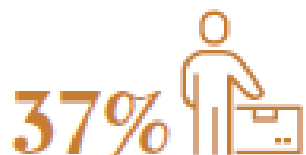
31%

Delay making my purchase to wait for a free-shipping offer

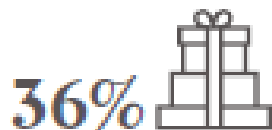


94% OF SHOPPERS HAVE TAKEN ACTION TO QUALIFY FOR FREE SHIPPING

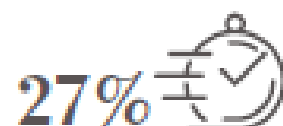
Circumstances under which shoppers are willing to pay premium for faster shipping



I needed it faster for myself due to personal reasons (e.g., travel, holidays, event, etc.)



I ordered a gift I needed to arrive by a certain date



I waited to the last minute so I didn't have other options



I would pay a membership fee to receive free next-day or two-day shipping



I was purchasing perishable items

Expectations on delivery time



PLACE ORDER BY
5 P.M.

NEXT DAY

64%

of online shoppers expect orders placed by 5 p.m. to qualify for delivery the next day



PLACE ORDER BY
NOON

SAME DAY

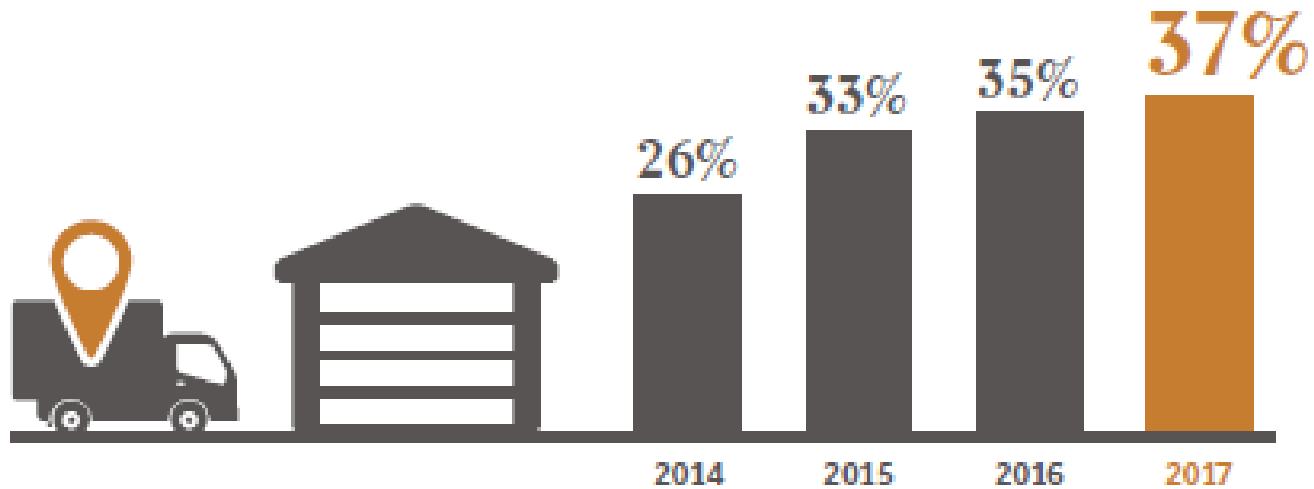
61%

of online shoppers expect orders placed by 12 p.m. to qualify for delivery the same day

75% _____
OF ONLINE SHOPPERS ARE
WILLING TO PAY A PREMIUM
FOR EXPEDITED SHIPPING



Preference for alternative delivery locations



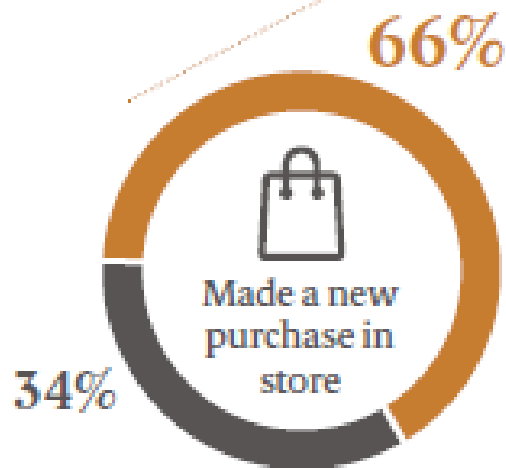
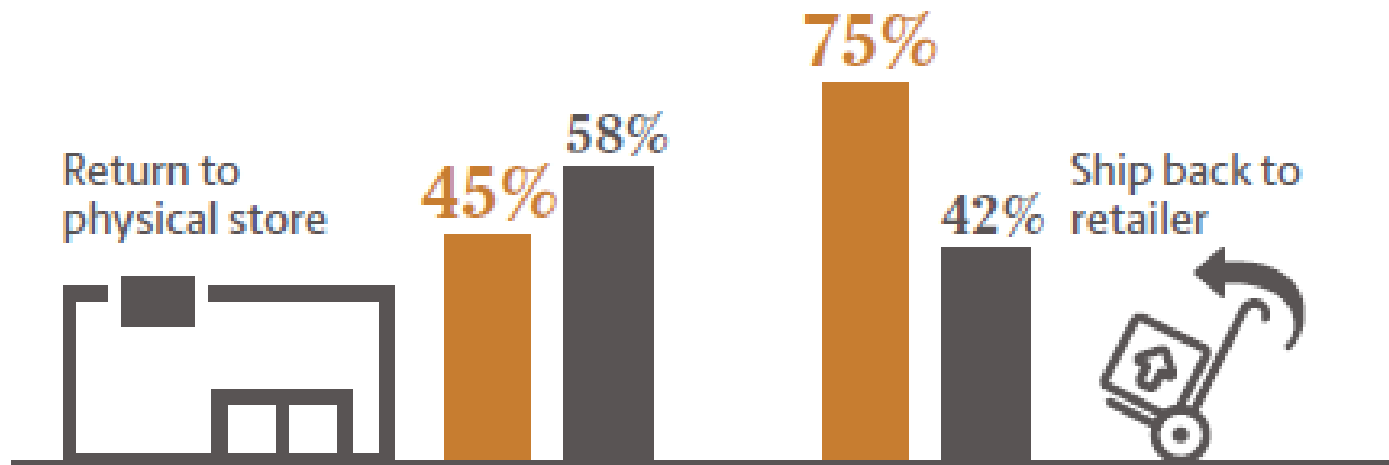
52%



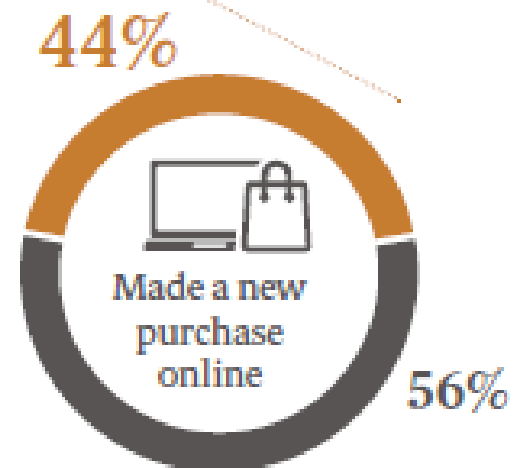
OF CONSUMERS ARE INTERESTED IN SHIPPING PACKAGES TO ALTERNATE DELIVERY LOCATIONS

Preferred method of return

● Returned an item using this format
 ● Prefer to return an item using this format



● Yes
 ● No



UPS solutions

- iParcel
- Mode Optimization
- UPS MyChoice / Follow My Delivery
- UPS Access Points
- Returns Portfolio



Another reason to sign up for UPS My Choice® service.

If you're a UPS My Choice member, now you can follow incoming deliveries as they make the journey to your house. In fact, with the new Follow My Delivery feature, you can virtually watch your eligible UPS® Air and UPS Worldwide Express® packages arrive at your front door.

Benefits

Enhanced visibility lets you see where your package actually is while on route for delivery

Helps you plan your schedule so you know if there's time to run that quick errand

Information updates every 2-3 minutes with the latest package location

First major U.S. package carrier to show and tell you where your package is

HOW IT WORKS



1

You receive an email on the day you're scheduled to receive an eligible package

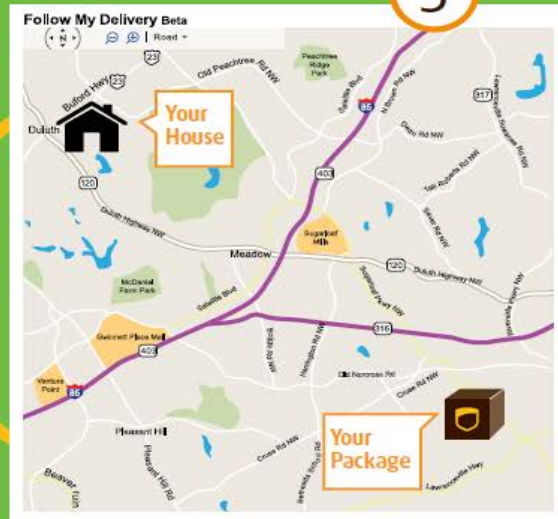


2

Follow My Delivery

Click on the yellow **Follow My Delivery** button in the email

3



View a map with the location of your package in relation to your delivery destination. (Updates automatically)

4





Worldwide Services
Synchronizing the world of commerce

N570UP



Thank you