

E-shopper barometer report 2017



Summary

E-shopping has become a well-established practice in Europe. As the 2017 DPDgroup E-shopper barometer* report shows, trends and behaviours may vary from country to country, but European e-shoppers in general are becoming more confident, are buying more online, and are willing to shop further afield. They appreciate new technologies and value convenience and flexibility at every step of the process. Perhaps most importantly, the overwhelming majority claim that their last experience was both positive and easy.

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*The 2017 DPDgroup E-shopper barometer report was conducted by Kantar TNS from 1 June to 3 July 2017. The data were gathered through blind (blind: interviewees are unaware of who requested the study), online interviews with 24,871 participants across 21 European countries (Austria, Belgium, Croatia, Czech Republic, Estonia, France, Germany, Hungary, Ireland, Latvia, Italy, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Switzerland, UK) and Russia. Between 800 and 1,582 participants were interviewed per country.

All participants, aged 18 or over, had placed at least one order for physical goods online since January 2017 and then received a parcel. For the consolidated results at European level, weighted statistics were applied to each country to reflect the correct proportion of e-shoppers among the various countries studied. As a new participant in the study vs. 2016, Russia has not been included in the consolidated results for accurate comparison between 2016 and 2017.

The full report is available online at dpdgroup.com

Market overview

This section focuses on the state of e-shopping among Europeans in 2017. In Europe, 54% of e-shoppers currently buy online at least once a month, a growing trend in nearly every country. As a whole, e-shoppers make 11.3% of their purchases on the internet. Heavy buyers (the top one third of all online

shoppers) drive the market as they account for 86% of all e-purchases. While multiple devices are used to shop online, smartphones are an increasingly frequent choice, especially among heavy buyers and millennials (ages 18-34). Today's e-shoppers are loyal and tend to choose e-tailers they know and

trust, regardless of product category. Most of those who have recently made an online purchase are satisfied with the experience: 80% consider it to be positive, and the number of shoppers who are willing to stop buying online has dropped by 3% vs. 2016.

> Share of online shopping in Europe



E-shopping has become a well-established practice in Europe and is growing in most countries.

E-shoppers in Europe make 11.3% of their total purchases online. Over half of them (54%) are regular buyers, meaning they buy online at least once per month. In most countries, the share of regular buyers is increasing. This means that as e-shoppers gain trust in the online buying experience, they tend to purchase more often. However, not all countries are adopting this new way of shopping at the same rate: Italy, Spain, Austria, and Russia are embracing it faster than countries such as Latvia and Estonia. Accounting for 13.7%

overall share, the UK is the leading e-shopping market in Europe, as well as one of its fastest-growing. E-shoppers are generally satisfied, with 80% of them considering their most recent online purchasing experience to be positive and 74% saying it was easy. In 2017, 3% fewer shoppers declared themselves willing to stop buying online compared to 2016.

80%

E-shoppers satisfied

74%

saying it was easy

> Purchase volume

Heavy buyers drive the e-commerce market, while opportunity lies in small buyers.

The survey divided e-shoppers into three categories, weighted for each country: heavy buyers, medium buyers, and small buyers, each accounting for one third of all European e-shoppers. In 2017, heavy buyers, the third who self-report as making the most purchases online, represented the vast majority (86%) of all online purchases, suggesting that

e-tailers would do well to focus on attracting repeat customers. Heavy buyers from countries such as the UK, Poland, Russia, and Italy make the most orders per year, with UK shoppers at around 47 purchases per year¹, followed by Poles at 34 purchases, Russians at 31 purchases, and then Italians at 30 purchases. Heavy shoppers who make fewer

purchases per year on average include Estonia (12 purchases), the Czech Republic, Slovenia, Lithuania, and Croatia (13 purchases), and Slovakia (14 purchases). In general, millennials do a higher proportion of their total shopping online in almost every product category.

¹ Annual number of purchases (median) by category



E-shoppers tend to buy from websites they have already used, regardless of product category, because they trust them. In light of this, the first experience is key.



> Product categories

Fashion, books, and shoes top all e-shopper purchases.

Fashion remains the leading product category that e-shoppers order: 20% of purchases are made online. While fashion, books, and shoes are the main products chosen, their growth is less intense than that of other categories due to maturity (they are well-established with little room to progress). Each category's

degree of maturity varies according to country: leisure purchases are highest in Austria, car equipment purchases lead in Poland, and fresh food and beverage purchases are particularly developed in the UK. In terms of growth potential, books, high-tech/electronics, and household products (e.g. small furniture and

home appliances) show the best chances of attracting new online buyers. Interestingly, buyers of a given category are likely to buy from a similar one (e.g.: medicine and beauty/health care are often purchased by the same buyers).

Around

14%

of all e-shoppers have ordered fresh food and beverages online. Most of them (11%) buy from this product category regularly, at least once per month. The UK is a particularly active market in this respect, with 27% of e-shoppers having already made at least one purchase from the fresh food and beverage category.



Fashion, books, and shoes top all e-shopper purchases



Shopping habits

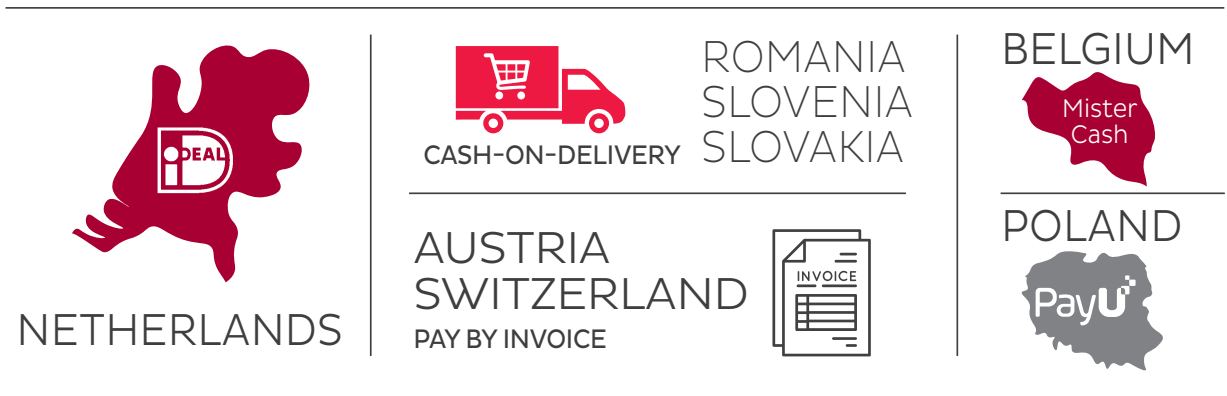
This section addresses the behaviour of online shoppers in 2017 and the various, related trends. Most online purchases are still made on a laptop or desktop computer. E-shoppers buy from multiple devices, increasingly from smartphones. Of those surveyed, 43% said that they consider a mobile-friendly website to be an

essential factor in making online purchases. Social media use by e-shoppers is on the rise, amplifying the persuasive power of internet advertising and influencers. Each European country has its own specific habits, with delivery and payment preferences varying widely from one place to the next.

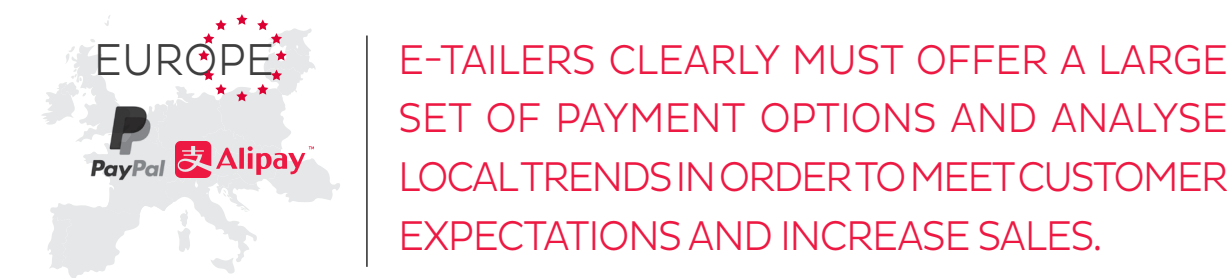
Therefore, in order to develop e-commerce and meet customer expectations, e-tailers need to think local to maximise opportunities. Flexibility is also key: most e-shoppers say next-day delivery, real-time tracking, and the option to reschedule are likely to incite them to purchase.

2

> Payment methods



PAYMENT METHODS



E-shoppers have very different habits related to payment methods.

In Europe, digital wallets like PayPal and AliPay are the preferred means of payment for online shopping, followed by Visa, Mastercard and other credit/debit cards. However, each country has its own unique habits and preferences: Germany, Hungary, the Netherlands, and Portugal rarely use credit/debit cards; cash-on-delivery is a very important way to pay in Romania, Slovenia, and Slovakia; Austria and Switzerland prefer to pay by invoice. Certain countries opt for local payment methods, among them iDeal in the Netherlands, Mister Cash in Belgium, and Payu in Poland. E-shoppers tend to have well-established habits; half of them only have one preferred payment method.

> Delivery

A positive delivery experience is key to retaining e-shoppers looking for choice, convenience, and flexibility.

E-shoppers want flexible, trustworthy, and above all convenient delivery methods. While home remains by far the most frequently chosen delivery location (81%), interest is rising in alternative locations such as parcel shops and retailer stores. There is a growing appetite among e-shoppers for innovative delivery options and services, particularly in terms of transit time (next-day delivery), real-time tracking (SMS, e-mail), flexible delivery times (evenings, Sundays) and the ability to plan or reschedule deliveries. Around 79% of e-shoppers claim that being able to choose the day and exact 1-hour timeslot of delivery would make them more likely to purchase. Having no hidden fees added to the final product price is also very important. Shoppers want to choose the mix that best suits them among flexibility, convenience, and transit time. In order to develop online transactions, the returns process must be easy and clearly explained in advance, especially for categories like fashion, shoes, and heavy furniture. Finally, as with payment methods, each country has its own behaviours and preferences. E-tailers must adapt to local markets and offer multiple delivery options.



> Devices **used to order**

Smartphones play a prominent role in the latest e-shopping trends.

Smartphone use for e-shopping is on the rise; 39% of the survey participants reported using their device to buy online (5% more than in 2016). Heavy buyers (51%) and millennials (55%) are particularly likely to reach for their smartphone to make an online purchase, through a

dedicated app, an internet browser, or both. Because few e-shoppers buy exclusively through an application (27% among those who use smartphones to shop online), offering a mobile-friendly website is a must. Indeed, 43% of European e-shoppers consider a mobile-friendly website to

be an important factor in their choice of e-tailer. Nonetheless, laptop and desktop computers remain the primary devices used to purchase online (61% use laptop and 52% use desktop), meaning that an easy-to-navigate website is also critical.



Smartphone use
for e-shopping

Hungary

51%

(+10 points vs. 2016)

Romania

67%

(+7 points vs. 2016)

Switzerland

47%

(+10 points vs. 2016)



> Choice of e-tailer

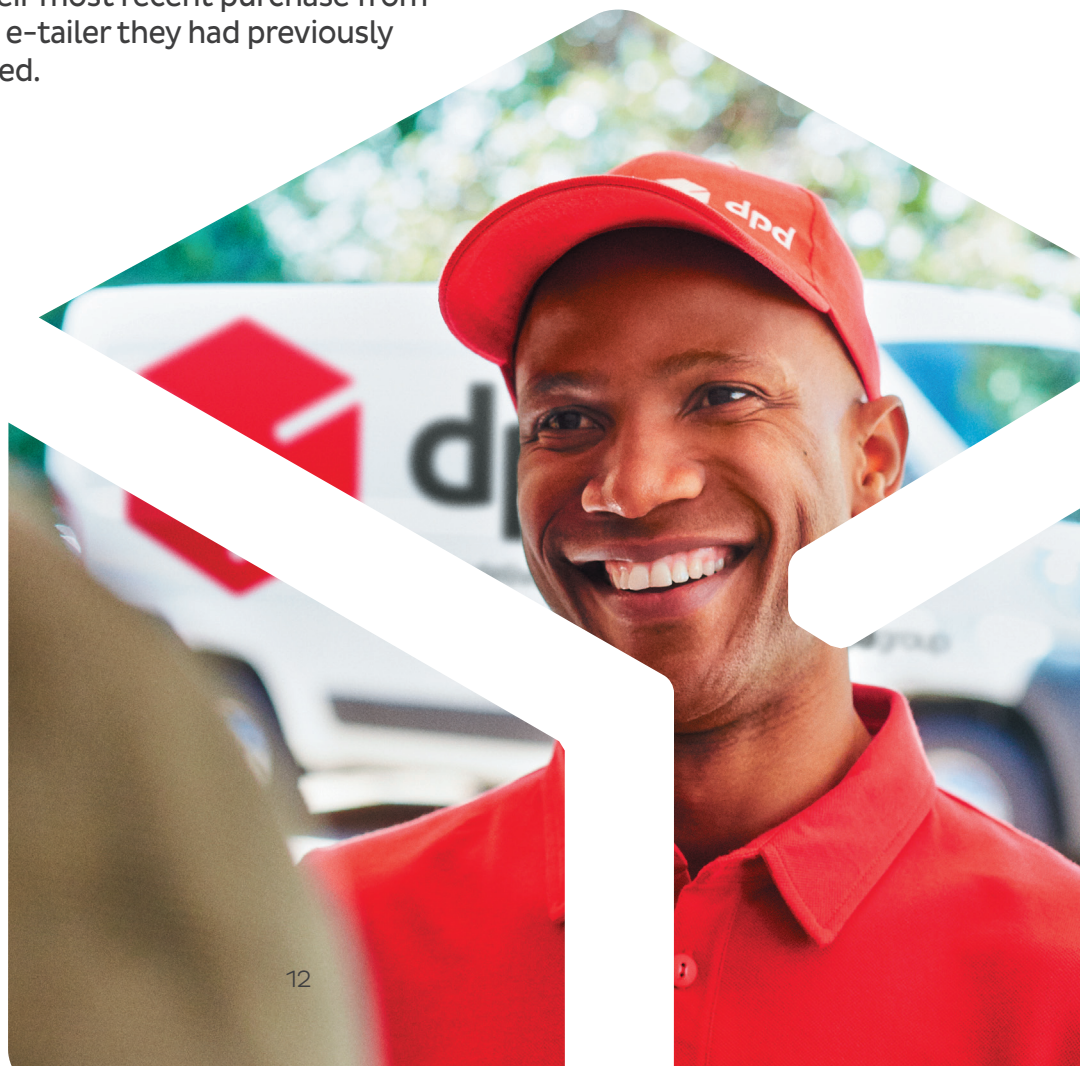
Trust and loyalty are powerful factors in deciding where to shop online.

E-shoppers tend to buy from websites they know and trust, regardless of product category. In 2017, 82% of e-shoppers made their most recent purchase from an e-tailer they had previously tried. Offering a good first impression and a smooth purchasing process are both key to recruiting and retaining a solid base of customers who are likely to provide repeat business.

Small and novice buyers are more open to new e-shopping experiences, and in light of e-shoppers' loyalty, this category of buyer represents undeniable potential. Because few e-shoppers are likely to try new websites, ensuring a satisfactory experience for those who do is critical. After previous experience, recommendation on social media is

a major factor in choosing websites from which to purchase, followed by word-of-mouth and online advertising. The growing persuasive power of social media influencers further demonstrates the heightened presence of e-shoppers on social media sites and underscores the necessity for e-tailers to have an effective social media strategy.

82% of e-shoppers in 2017 made their most recent purchase from an e-tailer they had previously tried.



Cross-border trends

This section examines the growing tendency of European e-shoppers to visit foreign-based websites for their product selection and attractive prices. Cross-border online purchases continue to develop, as over half of e-shoppers currently buy abroad: 67% of them buy from websites within Europe,

and 67% buy from websites outside Europe. Among those purchasing outside Europe, China leads, followed by the US. Despite some reticence on the part of certain countries to engage in cross-border shopping, the experience remains an essentially positive one with large growth potential in Europe: nearly one third of

e-shoppers express interest in starting to buy from foreign websites in the near future. Those surveyed said their primary reason was to find a better deal (60%), followed by obtaining products or brands unavailable locally (45%).

3

> Key cross-border facts

In 2017, 54% of e-shoppers purchased from cross-border websites, a 2-point increase compared to 2016.

Among e-shoppers who have already bought from foreign websites, around 1 out of every 5 purchases on average is made on a foreign website.

Equally 67% of cross-border e-shoppers have bought from foreign websites located outside of Europe.



The percentage of e-shoppers who have ordered from cross-border websites by country

2016 vs. 2017

Latvia	86%	+4
Portugal	83%	+2
Croatia	81%	+2
Switzerland	80%	+1
Lithuania	79%	+4
Slovenia	78%	0
Estonia	77%	+6
Ireland	77%	+2
Belgium	75%	+4
Austria	74%	+4
Hungary	74%	+4
Russia	69%	N/A
Slovakia	65%	+4
Spain	64%	-2
Italy	60%	+3
Netherlands	60%	+1
Romania	55%	-2
Czech Republic	51%	0
France	49%	0
Poland	45%	+2
UK	43%	+1
Germany	42%	+2



The top 5 product categories purchased on cross-border websites during the last purchase

Fashion		20%	including 25% for millennials and 23% for heavy buyers
High-tech/ Electronics		13%	including 18% for heavy buyers
Beauty/ Healthcare		9%	
Shoes		8%	
Leisure		8%	



> Countries of origin

Most European e-shoppers buy from websites within Europe.

Among e-shoppers who purchased from foreign-based websites in 2017, 67% chose websites located within Europe. Of those purchasing within Europe, 39% bought from neighbouring countries, especially from the UK (31%).

However, other e-shoppers are willing to venture further afield: 67% chose websites located outside Europe. For those purchasing outside Europe, 44% bought from China, while 31% bought from the US.

E-shoppers buying from foreign websites within European neighbouring countries

Austria	Belgium	France	Ireland	Slovakia	Switzerland
77%	44%	36%	73%	57%	63%
Germany	Netherlands	UK	UK	Czech Rep.	Germany
	43%	35%			32%
	France	Germany			France

E-shoppers buying from foreign websites outside of Europe

Russian e-shoppers	86%
Czech e-shoppers	70%
Hungarian e-shoppers	70%
Latvian e-shoppers	67%
Lithuanian e-shoppers	67%
Croatian e-shoppers	65%
Estonian e-shoppers	65%



Willingness to buy from Chinese websites in the most mature countries

Spain
54%

Netherlands
49%

Poland
44%

Italy
42%

France
41%

Germany
39%



> Cross-border buyer profile

For some e-shoppers, the world is their marketplace.

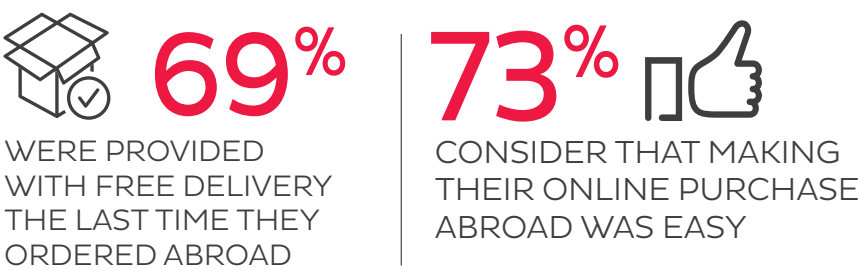
E-shoppers like a good deal, which is the primary motivating factor in their decision to shop abroad. They also know what they want and are not afraid to look beyond their country's borders to find products and brands unavailable locally. This trend is particularly clear in countries where delivery and immaterial payment methods are not fully developed and

the local offering remains limited. Even if many cross-border buyers are unafraid to purchase from foreign websites, others are more hesitant. Transaction security must be guaranteed, as uncertainty in this area is the most frequently cited reason for avoiding cross-border websites. Transparency regarding extra fees and/or taxes is also particularly

important for e-shoppers who have never purchased from a foreign website before. For those who have purchased abroad, deliveries and returns must be flawless to retain their business: a difficult or lengthy delivery process is the primary reason given for ceasing to buy from cross-border websites.



CROSS-BORDER BUYER PROFILE



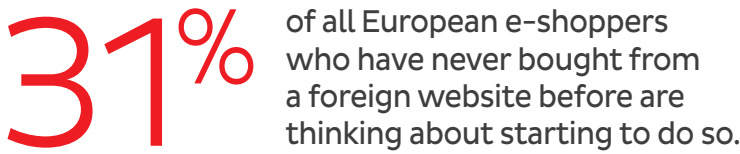
> Cross-border potential

With around one third of e-shoppers expressing interest in starting to buy abroad in the near future, cross-border e-shopping has clear growth potential in Europe.

Room remains for cross-border e-shopping to grow. A comparison of e-shoppers who have already bought from foreign websites versus those who are likely to do so in the near future reveals large areas of potential growth, especially in places such as Romania, Poland, and the Czech Republic. Around 31% of all European

e-shoppers who have never bought from a foreign website before are thinking about starting to do so. This is particularly the case in countries like Lithuania and Russia (76%), Croatia (69%), and Portugal (63%). Also worth noting is Ireland, where interest in shopping abroad has grown by 11% vs. 2016.

Despite their preference for local alternatives, some e-shoppers in countries such as Germany, France, and the UK are also willing to look abroad. In fact, given their population size, these three markets have the potential to grow more than any others in Europe in the near future.



> Key take-aways



Delivery locations: the home is still by far the most used delivery choice, while interest for alternative locations is growing, e.g. parcel shops, retailer stores, and lockers.



M-commerce: smartphones are increasingly used to make online purchases, especially among heavy buyers and millennials.



Cross-border e-shopping: cross-border purchases are growing significantly, especially for products originating from China. There is still room for strong growth as one third of e-shoppers are willing to start purchasing abroad.



Local strategies: delivery and payment preferences vary widely from one country to the next. To meet customers' expectations and further develop e-commerce activities, e-tailers must think local to maximise opportunities.



Experience: the vast majority of e-shoppers consider their most recent online purchasing experience as 'very positive' and found their experience 'easy'.

About DPDgroup



60,000

Delivery experts



4M

Parcels per day



800

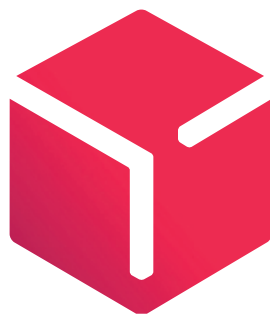
Hubs & depots

DPDgroup is the second largest international parcel delivery network in Europe. 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 60,000 people and a network of 28,000 local Pickup parcel shops, DPDgroup delivers 4 million parcels to over 230 countries each day through its commercial brands: DPD, Chronopost and SEUR.

DPDgroup is the parcel delivery network of GeoPost, which posted sales of €6.2 billion in 2016. GeoPost is a holding company owned by Le Groupe La Poste.





www.dpdgroup.com