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EMOTA
The European eCommerce & Omni-Channel Trade Association

THE eCOMMERCE CONSUMER

LOOKING AHEAD

Digital consumers will seek ever increasing speed, reliability, precision and flexibility of eCommerce services anytime, anywhere and from any device. Convenience, comprehensive information, customer friendly policies and competitive pricing will remain critical.

In response eCommerce retailers and other stakeholders will continue to improve consumers' online experience through greater convenience increasingly simulating the in-store experience through the use of technology, such as virtual fitting room, 3-D images of products, and soon perhaps a holographic online retail experience. There will also be a further push for greater delivery speed and accuracy as well as for even greater time savings for consumers. For example, a current focus is on the development of tailor-made pre-selections, so called 'curated shopping', and personalised customer engagement through smart sensor-based systems that enable customer recognition, predictive logistics and virtual assistance.

The growth of mobile access will have a significant impact on eCommerce, especially with younger generations, and retailers are using social media and location data to better target online and offline offers. Already a powerful sales and marketing channel, social media's convergence with eCommerce is set to accelerate.

Convenience

Speed

Mobile

WHAT DOES THE EMERGENCE OF THE ECOMMERCE CONSUMER MEAN FOR POLICY-MAKERS?

The European eCommerce sector is embracing technology and the social media to innovate in response to the needs of eCommerce consumers. Policy must be framed in a manner that facilitates this innovation and underpins consumer demands for seamless online shopping experience – while always ensuring high levels of consumer protection. Policy must also recognise that consumers are shopping increasingly by mobile devices, and that innovation and growth in the sector – as well as consumer satisfaction – will require retailers to be able to integrate the functionalities of mobile to enhance the eCommerce process and experience.

In addition to ensuring high levels of consumer protection, policy should reflect the impact of specific initiatives on price, which is a key consumer demand, and be designed to be future proofed in line with continuing innovation.

Obligations on retailers also impact on the customer experience and policy-makers should seek to address any regulatory barriers with targeted and operational solutions, through which retailers can improve the consumer retail experience. The holistic impact across of the eCommerce value chain also needs to be considered, to avoid resolving a problem at one level which creates additional complexity elsewhere.

Who is the eCommerce consumer?

DEMOGRAPHICS

In 2015, 75% of all digital consumers live in urban areas and are over the age of 34.

CHARACTERISTICS

Digital consumers are highly motivated, connected and informed, seeking products and services both offline and online, anywhere in the world and at any time. They expect rapid, reliable and secure access to the broad product and service selection they find in the global shopping mall, grounded in local convenience, intuitive ordering, ease of payments, reliable delivery and competitive prices.

FREQUENCY - DOMESTIC

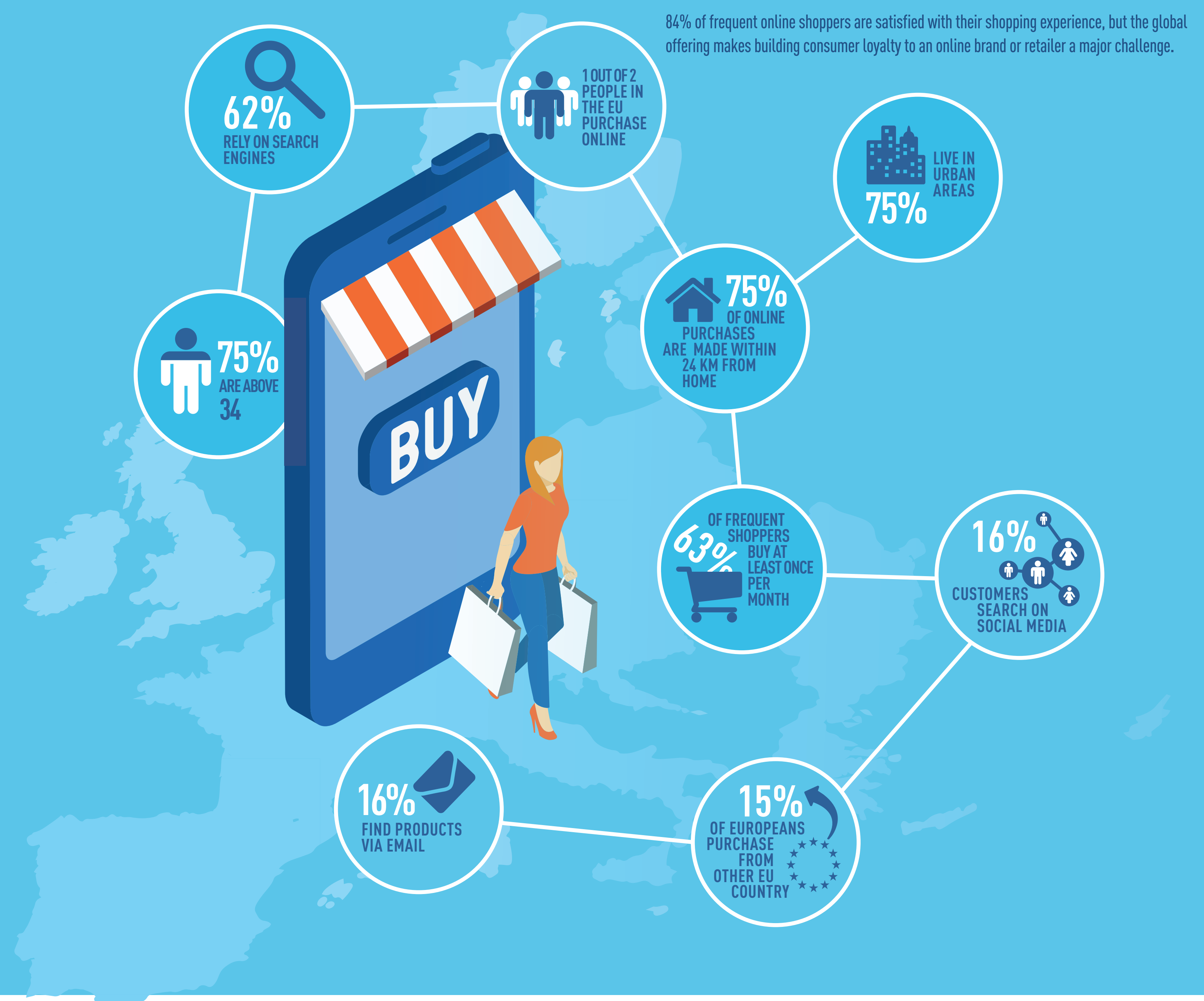
50% of the EU population purchased online, and 63% of all cross-border online shoppers shop at least once a month. Some studies indicate that cross-border consumers purchase twice as frequently as those that purchase only from their domestic market.

FREQUENCY – CROSS-BORDER

Digital consumers buy cross-border when they find competitive prices, greater choice, rapid and convenient delivery and no-fee returns. In the EU, some 15% of online consumers purchase from other EU countries, while roughly 44% do so from their own country. The key statistic, however, is that irrespective of whether a consumer buys from the high street or online, most purchases remain regional, even local: 75% of all purchases are still made no more than 24 kilometres from home.

SATISFACTION & LOYALTY

84% of frequent online shoppers are satisfied with their shopping experience, but the global offering makes building consumer loyalty to an online brand or retailer a major challenge.



What does the eCommerce consumer want?

Consumers stay online when retailers and their partners across the value chain have made the investments and kept up with innovation to provide consumers with an optimal retail experience. Building consumer trust in this way requires accuracy and precision at every stage in the transaction process, and for each and every transaction.

Key expectations of the eCommerce consumer:

1. Enjoyable and accessible
2. Broad selection at competitive prices
3. Intuitive transaction process
4. Personalisation
5. Localisation
6. Easy to use return policy
7. Convenient, low-cost, flexible and reliable tracked delivery
8. Cost transparency
9. Mobile
10. Flexible payment options

ENJOYABLE AND ACCESSIBLE

Online shopping must be enjoyable and intuitive enabling consumers to complete transactions with the fewest clicks. They trust their online stores to guide them through the process, appropriately directing them to partner sites or payment vendors to speed up the shopping process. The more complex the shopping journey, the greater the risk that shoppers abandon the purchase.

BROAD SELECTION OF PRODUCTS AT COMPETITIVE PRICES

Channels providing comprehensive information, customer friendly policies all at competitive prices are the most successful with shoppers. Up to 72% of consumers say that choice and price are the principal drivers especially for cross-border purchases, while 45% have identified shipping costs as the main barrier.

INTUITIVE TRANSACTION PROCESS AND CHECKOUT

The primary culprit for shopping cart abandonment is an overly complicated checkout process. Mobile access has aggravated the challenge as 88% of smartphone shoppers reporting a negative experience. Retailers are innovating making checkout mobile-friendly, ensuring that customers always know where they are in an online process pre-populating required data and providing flexible.

PERSONALISATION

Shoppers increasingly demand tailor-designed or personalised services - made possible by the increasing accuracy of consumer data collection and analysis. Personalisation increases the pressure to use all shopping channels thereby driving an accelerating convergence of social media and eCommerce. It extends multiple service improvements, but also to targeting specific promotions to specific consumers.

LOCALISATION

Localised services responding to cultural norms and local market conditions are part of the competitive battleground. 32% (and 70% in the UK) of consumers say that a website in their own language makes them more likely to buy from another country. 41% do not feel comfortable making purchases in a foreign currency.

EASY TO USE RETURN POLICY

Free easy returns are key to determining where a consumer shops online: 92% of consumers purchase again if a return process is easy, while 79% of consumers want free returns. Return policies often involve cross-channel capabilities which entail higher costs especially for smaller retailers. eCommerce has a higher return percentage than in stores: 30% compared to 9%.

CONVENIENT, LOW-COST, FLEXIBLE AND RELIABLE, TRACKED DELIVERY

The speed and precision of delivery are crucial to the level of satisfaction with a consumer eCommerce experience. As a result considerable investments are made to upgrade entire delivery networks including same day delivery, tracking and increased delivery options. 47% of shoppers expect cross border deliveries within two to five days, and an increasing number expect "free" delivery. This trend entails real costs for retailers, especially smaller retailers, who may not be able to negotiate at scale or absorb these costs.

COST TRANSPARENCY

Digital consumers want increased transparency including upfront during the purchasing process, the provision of information on the 'fully landed' cost of a good, which includes any applicable duties, taxes and shipping costs. The digital consumer wants to understand the total cost, not just the retail price.

MOBILE

Online shoppers especially among the younger generations increasingly rely on their smartphones to make purchases. Currently, 43% of tablet users and 26% of smartphone users shop on their devices and these shares will grow as technology continues to innovates. This evolution will also turn social media into a powerful sales and marketing channel.

FLEXIBLE PAYMENT OPTIONS

Retailers must provide multiple options for payments reflecting differing cultural and generational preferences such as the move to mobile payments.

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Price (68%)	Shipping Costs (68%)
Availability (46%)	Additional fees (58%) Taxes, duties, etc.
Selection (38%)	Time of delivery (42%)
Track & Trace (±40%)	Safety (46% shop safe) Data

Source: Pitney Bowes