

CROSS-BORDER E-COMMERCE SHOPPER SURVEY 2019

Key Findings



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MARKET INTELLIGENCE

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MESSAGE FROM THE CEO



Holger Winklbauer
Chief Executive Officer, IPC

I am delighted to present to you the key findings of the 2019 IPC Cross-Border E-Commerce Shopper Survey. This year, our survey researched 35,737 consumers in 41 different countries, including Argentina, Austria, Australia, Belgium, Brazil, Canada, Chile, China, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, India, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

The 2019 IPC Cross-Border E-Commerce Shopper Survey is to our knowledge, the most extensive research project of its kind. Its objectives are to understand consumer preferences and experiences in relation to the delivery of cross-border e-commerce items. Also included within this year's report are trends based on the results of the 25 countries which were included in the survey in 2016, 2017, 2018 and 2019.

Each year the survey questionnaire is reviewed by IPC in cooperation with research experts from its members. As we recently celebrated the tenth anniversary of IPC's postal sector sustainability initiative, there was a deep dive into the topic of sustainability. The findings show that 47% of global consumers strongly agreed they would like the packaging of their parcels to be recyclable and expressed a strong preference to receive parcels in cardboard as opposed to plastic. Consumers also strongly agreed that they would prefer the delivery of their parcels to be carbon-neutral and that they would be willing to receive packages a few days later to reduce the environmental impact. The research took place in September 2019 and the analysis and reporting was conducted by IPC.

Our analysis shows that of the parcels bought cross-border in 2019, 39% were purchased from China, 14% from the US, 10% from the UK and 9% from Germany. Overall, the most popular e-retailers for cross-border purchases were Amazon (25%), Alibaba (20%), eBay (14%) and Wish (11%). The majority (86%) of cross-border parcels weighed up to 2kg and 44% of goods

purchased cross-border cost less than €25. For the first-time consumers were asked specifically about Amazon Prime and 28% of all respondents said they were a member.

The 2019 survey measured consumer satisfaction with six key elements: Delivery cost, Delivery location, Tracking, Delivery speed, Customs and Returns. Of these six elements, Delivery speed clearly had the lowest level of consumer satisfaction. This was the case in almost all 41 surveyed markets. The most common delivery speed for cross-border purchases was 15-29 days (20%), with 11% of respondents having to wait 30 days or more for their purchase to arrive.

This public report of the 2019 IPC Cross-Border E-Commerce Shopper Survey provides a high-level selection of the key findings. In addition to this, IPC members can log onto www.ipc.be/shopper to download a comprehensive report comparing all 41 markets surveyed and can also download individual country reports with consumer responses specific to each market.

IPC will continue to work in partnership with its members, other postal operators and organisations to expand the survey to new markets in the coming years. I believe that understanding trends in consumer cross-border preferences and experiences is crucial for postal operators to develop and improve their delivery services to meet the needs of global consumers and e-retailers.

KEY FIGURES



USA (14%), UK (10%) and Germany (9%)



Alibaba (20%), eBay (14%) and Wish (11%)



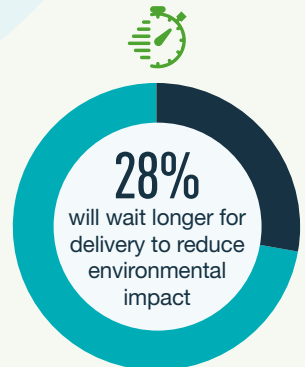
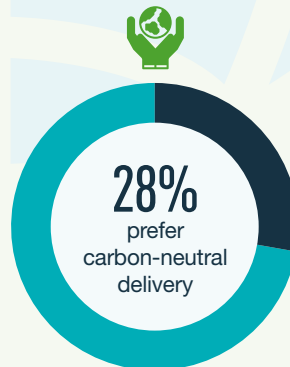
Online survey 15-minute questionnaire



41 countries surveyed



35,737 online cross-border consumers responded



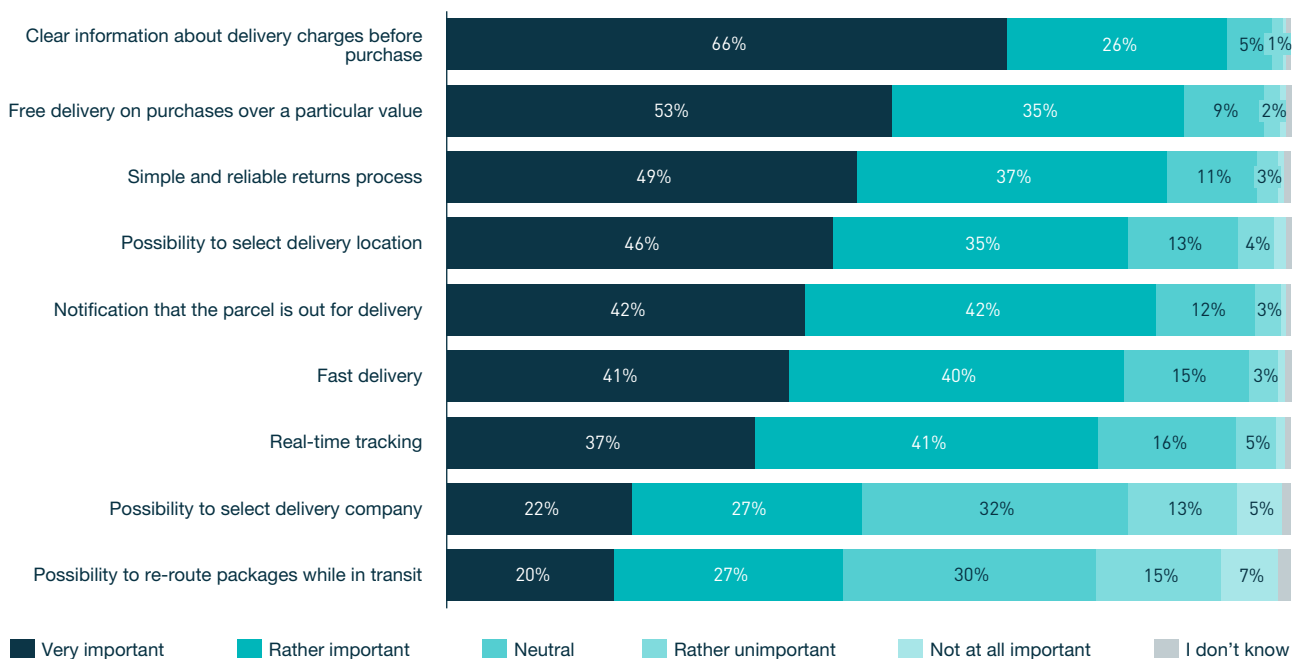
CONSUMER PREFERENCES



The first section of the IPC Cross-Border E-Commerce Shopper Survey 2019 Key Findings Report relates to the preferences of the consumer when shopping online. To qualify for the survey, each consumer had to have purchased physical goods online at least once in the last three months and to have made at least one cross-border online purchase in the last twelve months.

Survey respondents were presented with a list of delivery services which they then rated in terms of importance. As shown in the graph below, the most important delivery element was “Clear information about delivery charges before purchase”, which was very important to 66% of respondents.

When analysing the delivery elements further, agreement with all statements was significantly higher among females than males. In terms of age, some delivery elements were more important to younger people – real-time tracking, fast delivery, the possibility to re-route parcels while in transit, notification that the parcel is out for delivery, and the possibility to select the delivery company.



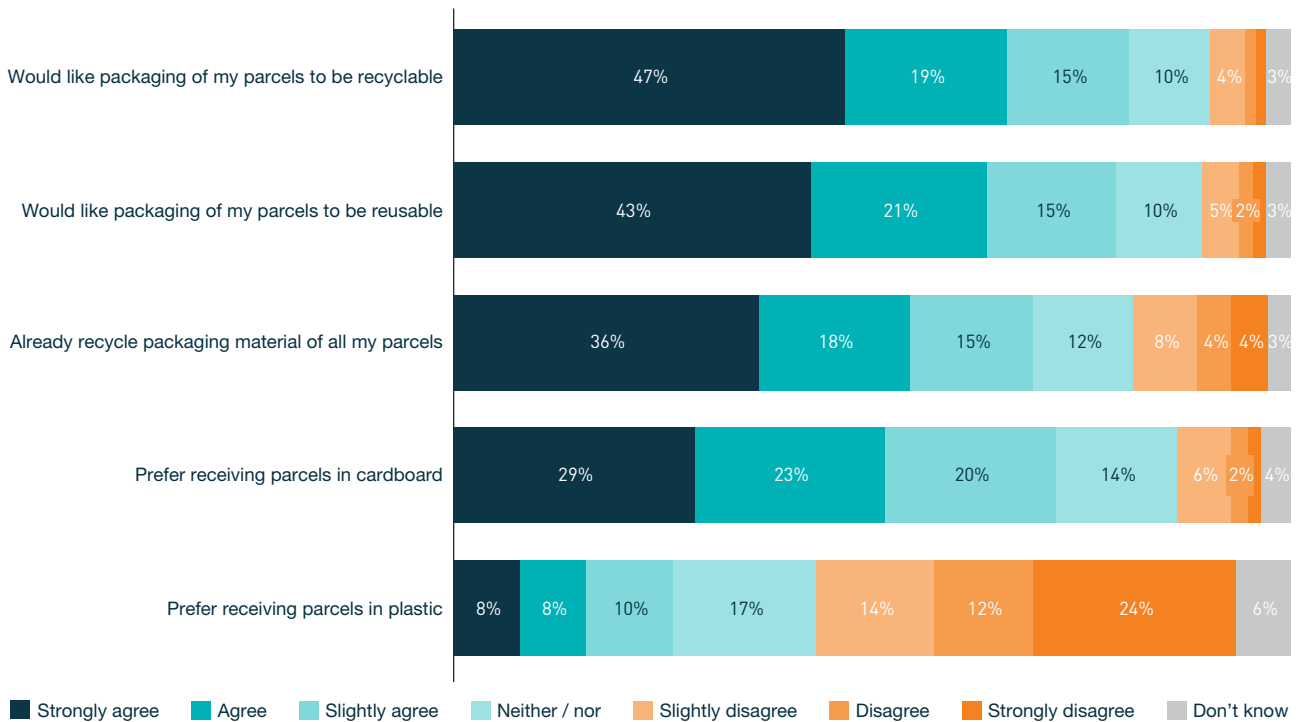
Question: How important are each of the following to you when shopping online?
 Sample: 35,737

Sustainable packaging

Participants of the survey were asked if they had ever paid extra for sustainable packaging when purchasing online. Only 1% had done this before, while 44% said they had never paid extra for sustainable packaging, but were likely to do so in the future. Forty-three percent said that they were unlikely to ever pay extra for sustainable packaging.

Respondents were presented with a range of statements about the packaging of items bought online. Forty-seven percent strongly agreed that they would prefer their parcel packaging to be recyclable. A further forty-three percent of participants would like their packaging to be recyclable, with a small minority disagreeing with these two statements.

Consumers prefer receiving parcels wrapped in cardboard (29% strongly agree) rather than plastic (8% of participants strongly agreed and 24% strongly disagreed). Preference for cardboard was higher than plastic preference in almost all countries – especially in Europe.



Question: To what extent do you agree with each of the following statements on the topic of packaging?
 Sample: 35,737

Sustainable delivery

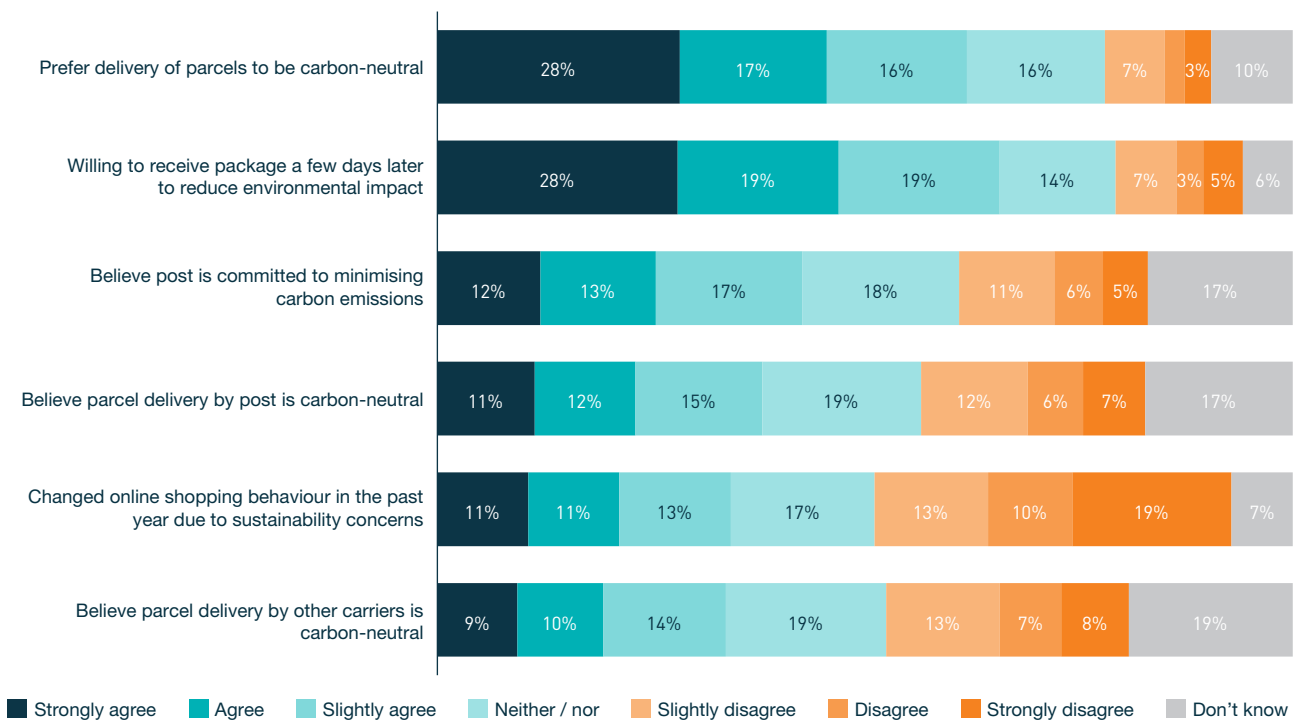
Respondents were asked if they had ever paid extra for sustainable (carbon-neutral) delivery. Only 1% had done this before, while 41% said they had not done this but were likely to do so in the future. Forty-two percent said that they were unlikely to ever pay extra for sustainable delivery and 15% were unsure.

Respondent agreement with sustainable delivery statements was not as pronounced as for sustainable packaging and there was a higher level of “don’t know” answers. The highest

level of agreement was with “I would prefer the delivery of my parcels to be carbon-neutral” (28% strongly agreed) and “I would be willing to receive a package a few days later if it would reduce the environmental impact of the delivery” (28% strongly agreed).

It is positive that more respondents believed that postal delivery is carbon-neutral (11%) compared to delivery by other providers (9%).

While 11% strongly agreed that they had “changed their online shopping behaviour in the past year due to sustainability concerns”, 19% strongly disagreed with this statement.



Sustainability has been a key focus of the postal sector for the last decade. IPC’s Environmental Measurement and Monitoring System (EMMS) programme was launched in 2008. Since then, the 19 participating posts have:

- Reduced CO₂ emissions by 27%
- Reduced electricity use by 18%
- Since 2013, the group has doubled the number of vehicles using alternative fuels
- Almost doubled the proportion of renewable energy used in postal buildings



Question: : To what extent do you agree with each of the following statements on the topic of sustainable (carbon-neutral) delivery?
 Sample: 35,737

Delivery location

Respondents were asked which delivery locations they had used in the past year. As shown below, the most commonly used location was delivery to the home (66%), followed by delivery to a post office (21%), a postal service point (14%) and a parcel locker station (12%). Parcel locker stations were most popular in Estonia, Finland, Poland and Lithuania – delivery providers in these countries have installed a huge network of lockers to drive e-commerce in the region.

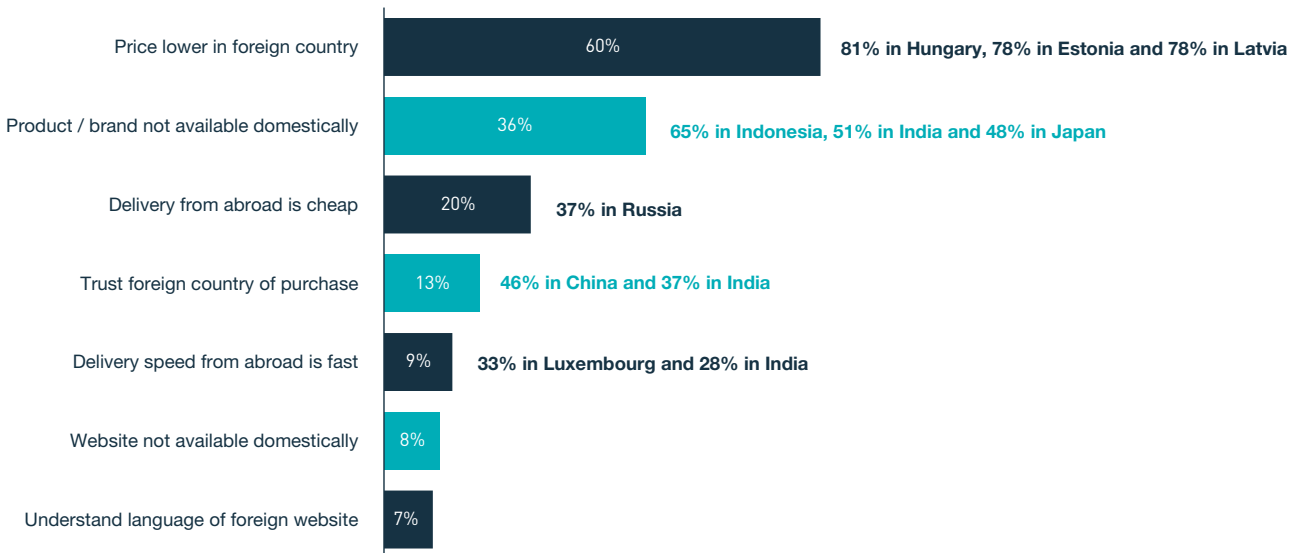


Question: Considering your online shopping experiences of the past 12 months, where have your parcels been delivered to?
 Sample: 35,737

MOST RECENT CROSS-BORDER PURCHASE



Respondents were asked to provide details on their most recent cross-border online purchase, including details about why they bought this item cross-border rather than domestically. The survey showed that the reason consumers purchased cross-border differed by country and region but predominantly, it was either a lower price, or a product not being available domestically. The chart below gives more information, including countries where results were highest per reason.



E-retailer used for the most recent purchase

The most commonly used e-retailers for the most recent cross-border purchase were Amazon (25%), Alibaba / AliExpress (20%), eBay (14%) and Wish (11%).

- Amazon was most common in Luxembourg (69%), Austria (59%), Japan (52%) and Canada (49%)
- Alibaba / AliExpress was most popular in Russia (74%), Turkey (64%) and Lithuania (55%)
- eBay was highest in Australia (45%), Cyprus (43%), Croatia (38%) and the UK (35%)
- Wish was most common in Hungary (29%), Brazil (27%) and Sweden (25%)



Question: Why did you purchase this item cross-border rather than domestically? Please select all that apply
 Question: Please identify which retailer you bought this particular purchase from
 Sample: 35,737

COUNTRY OF MOST RECENT PURCHASE



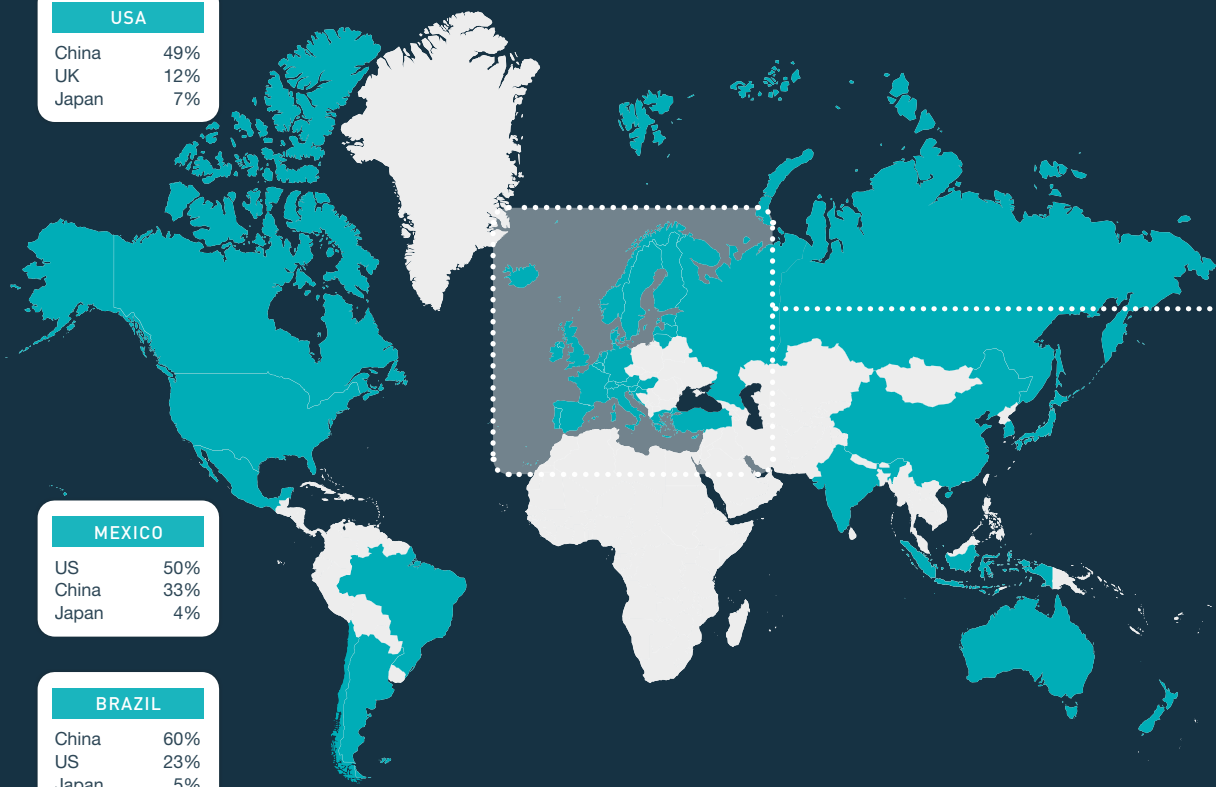
CANADA	
US	49%
China	32%
UK	4%

RUSSIA	
China	79%
US	5%
Hong Kong	3%

CHINA	
Japan	28%
US	17%
Hong Kong	10%

USA	
China	49%
UK	12%
Japan	7%

KOREA	
US	50%
China	19%
Japan	10%



JAPAN	
China	32%
US	30%
Korea	11%

MEXICO	
US	50%
China	33%
Japan	4%

INDONESIA	
China	43%
US	11%
Korea	11%

BRAZIL	
China	60%
US	23%
Japan	5%

CHILE	
China	62%
US	18%
Japan	3%

ARGENTINA	
China	39%
US	32%
Spain	5%

INDIA	
US	25%
China	23%
Australia	11%

AUSTRALIA	
China	41%
US	24%
UK	13%

NEW ZEALAND	
China	36%
Australia	23%
US	18%

Question: Please specify the country from which you bought this most recent online cross-border purchase.
 Sample: 35,737



ICELAND

China	28%
UK	27%
US	21%

IRELAND

UK	61%
China	20%
US	5%

NETHERLANDS

China	54%
Germany	15%
UK	7%

BELGIUM

Netherlands	29%
France	22%
China	22%

FRANCE

China	44%
UK	13%
Germany	13%

PORTUGAL

China	46%
Spain	17%
UK	10%

UK

China	45%
US	21%
Germany	6%

DENMARK

China	28%
UK	20%
Germany	18%

LUXEMBOURG

Germany	64%
France	13%
UK	8%

SPAIN

China	50%
UK	11%
Germany	8%

NORWAY

China	34%
US	15%
UK	12%

SWEDEN

China	32%
UK	19%
Germany	15%

FINLAND

China	37%
Germany	18%
UK	11%

ESTONIA

China	58%
UK	8%
Germany	8%

LATVIA

China	61%
UK	12%
Germany	6%

LITHUANIA

China	66%
UK	11%
US	5%

POLAND

China	53%
Germany	15%
UK	8%

GERMANY

China	43%
UK	13%
US	7%

AUSTRIA

Germany	66%
China	17%
UK	4%

SWITZERLAND

Germany	33%
China	30%
France	13%

HUNGARY

China	59%
Germany	8%
UK	5%

CROATIA

China	49%
UK	10%
Germany	8%

SLOVENIA

China	45%
Germany	15%
UK	12%

TURKEY

China	58%
US	15%
Germany	6%

ITALY

China	32%
UK	20%
Germany	14%

GREECE

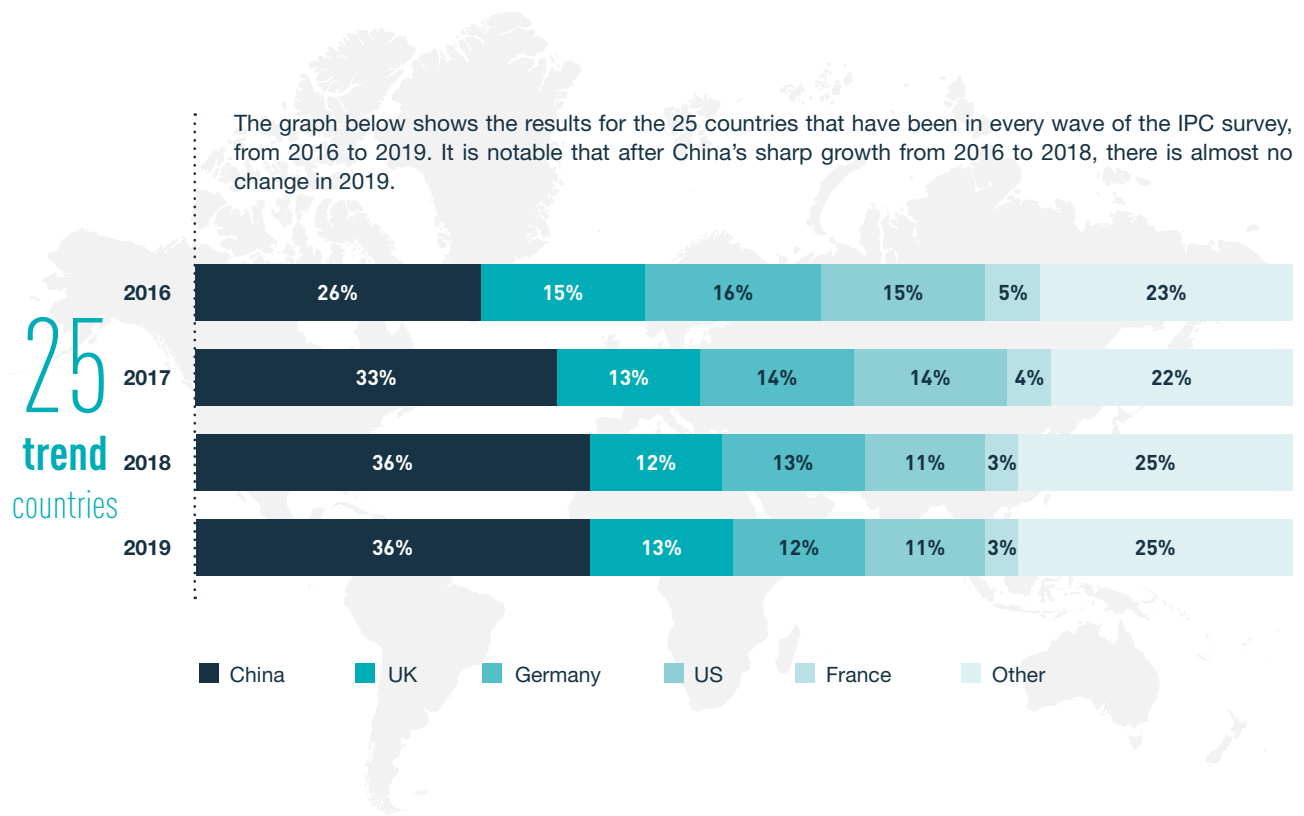
China	44%
UK	16%
US	8%

CYPRUS

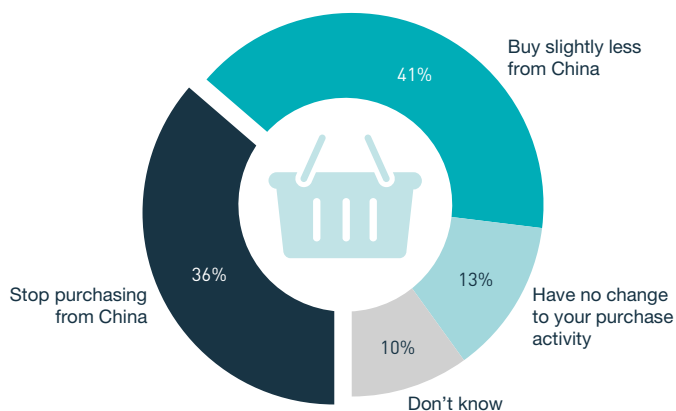
China	28%
Greece	20%
UK	9%

China is the main e-commerce exporter...

As in previous years of the survey, China is clearly the primary e-commerce exporter worldwide. The UK, Germany and the US are also key export countries for cross-border e-commerce. When looking at all 41 countries surveyed, 39% of cross-border purchases were sent from China, 14% from the US, 10% from the UK and 9% from Germany.



... but legislative changes may affect consumer behaviour



Respondents who had bought from China in the past year were asked what they would do if online purchases from China increased by €10 per item. This new question was asked in anticipation of European Union changes to VAT and customs legislation for low-cost items coming from China, and also to reflect possible higher postal delivery costs for future Chinese purchases.

Thirty-six percent of these respondents said they would stop buying from China altogether, 41% would buy slightly less from China, and 13% would have no change to their purchase activity.

Question: Please specify the country from which you bought this most recent online cross-border purchase.

Sample: 37,737

Question: In future, there may be higher taxation on Chinese imports. If such changes increase the cost of your purchases from China by €10 per item, would you...?

Sample: 18,406 (bought from China in past year)

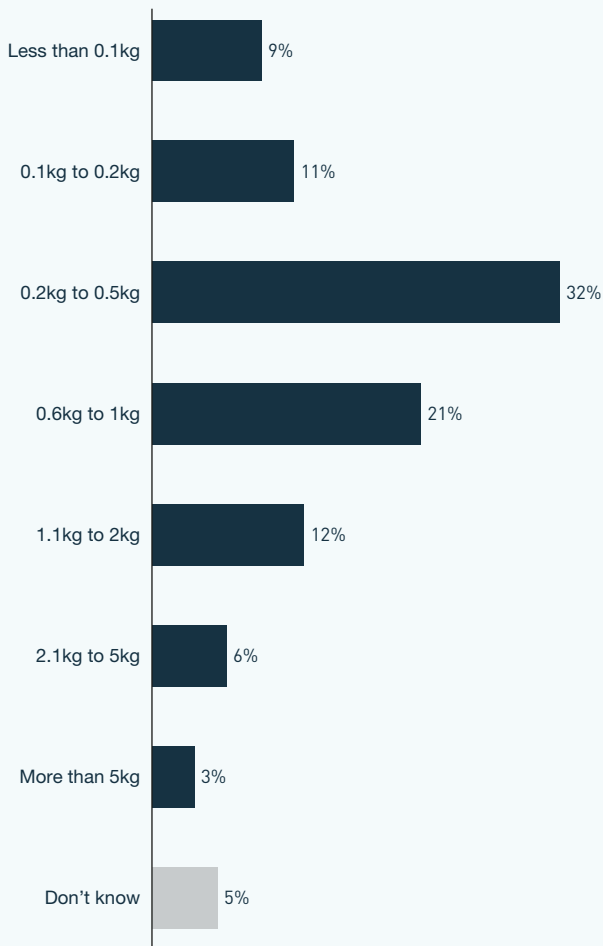
Respondents also provided details on the weight and value of their most recent cross-border e-commerce purchase.

Weight

The survey showed that 86% of goods purchased were classified under UPU terminology as packets, weighing up to 2kg (4.4lb). A further 9% were classified as a parcel and the remaining 5% of respondents answered 'don't know'. The most common weight category, with 32%, was 200-500g.

The proportion of lightweight packets weighing up to 0.5kg was highest in Lithuania (72%), Estonia (69%) and Latvia (69%).

The proportion of parcels weighing more than 2kg was highest in Luxembourg (19%), Cyprus (19%) and India (18%).

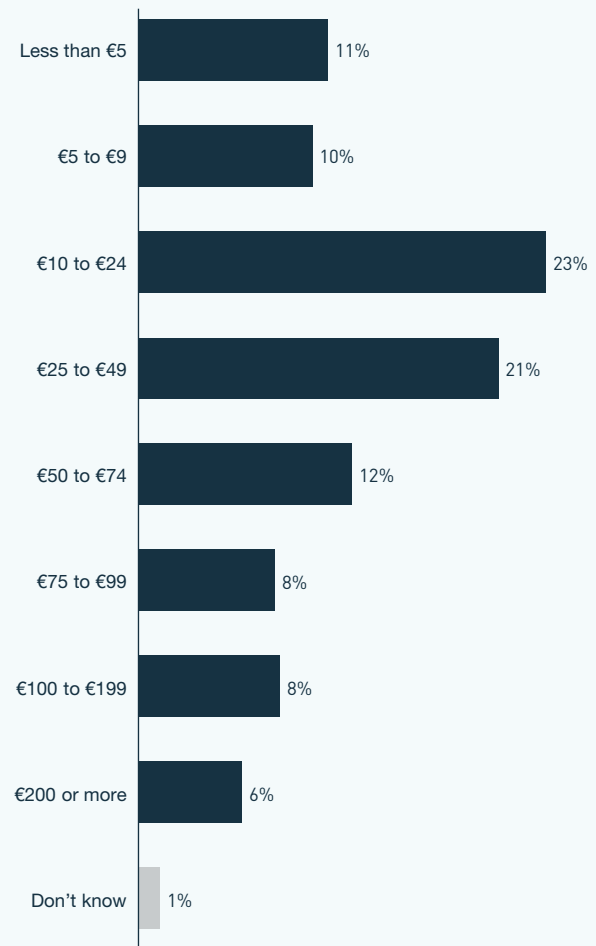


Question: What was the approximate weight of this particular purchase?
Sample: 35,737

Value

Forty-four percent of cross-border e-commerce purchases were valued below €25, while 34% were valued at €50 or more. Items valued below €25 were most common in Lithuania (66%), Croatia (65%) and Latvia (64%). Sixty nine percent of Chinese exports were valued under €25, compared to 31% exported from the UK, 23% from the US and just 20% of German exports.

Items valued at €50 or more were most common in India (65%) and Luxembourg (62%). Items over €50 were highest for exports from Germany (55%) and exports from the US (51%).



Question: Please specify the approximate cost of goods within this particular purchase.
Sample: 35,737

Delivery cost

When asked for the cost of delivery for their most recent cross-border e-commerce purchase, 63% of respondents received free shipping. This 63% is broken down as: 41% due to retailer offer, 9% due to a promotion (e.g. Black Friday), 9% due to high product value and 4% due to a loyalty programme (e.g. Amazon Prime).

The level of free shipping ranged from 86% in Russia to 37% in Iceland. Free shipping is particularly high in Russia due to AliExpress' high market share of cross-border e-commerce into Russia and their policy of offering free shipping as standard.



The power of Amazon Prime

Twenty-eight percent of respondents said that they were a member of Amazon Prime, either for domestic or cross-border online purchases. A third of 16-34 year-olds answered "Yes" to this question, compared to 21% of respondents aged 55+.

Three percent of respondents said that they were a member of another delivery subscription programme similar to Amazon Prime. Respondents were asked to name the subscription service, with the most commonly listed services being Allegro Smart, Americanas Prime, Bol.com Select, Cdiscount à Volonté, CDON+, eBay Plus, Flipkart Plus, JD Plus, Mercado Libre and Zalando Lounge.



Question: Please specify whether the shipping costs (in currency paid) for this particular purchase were...

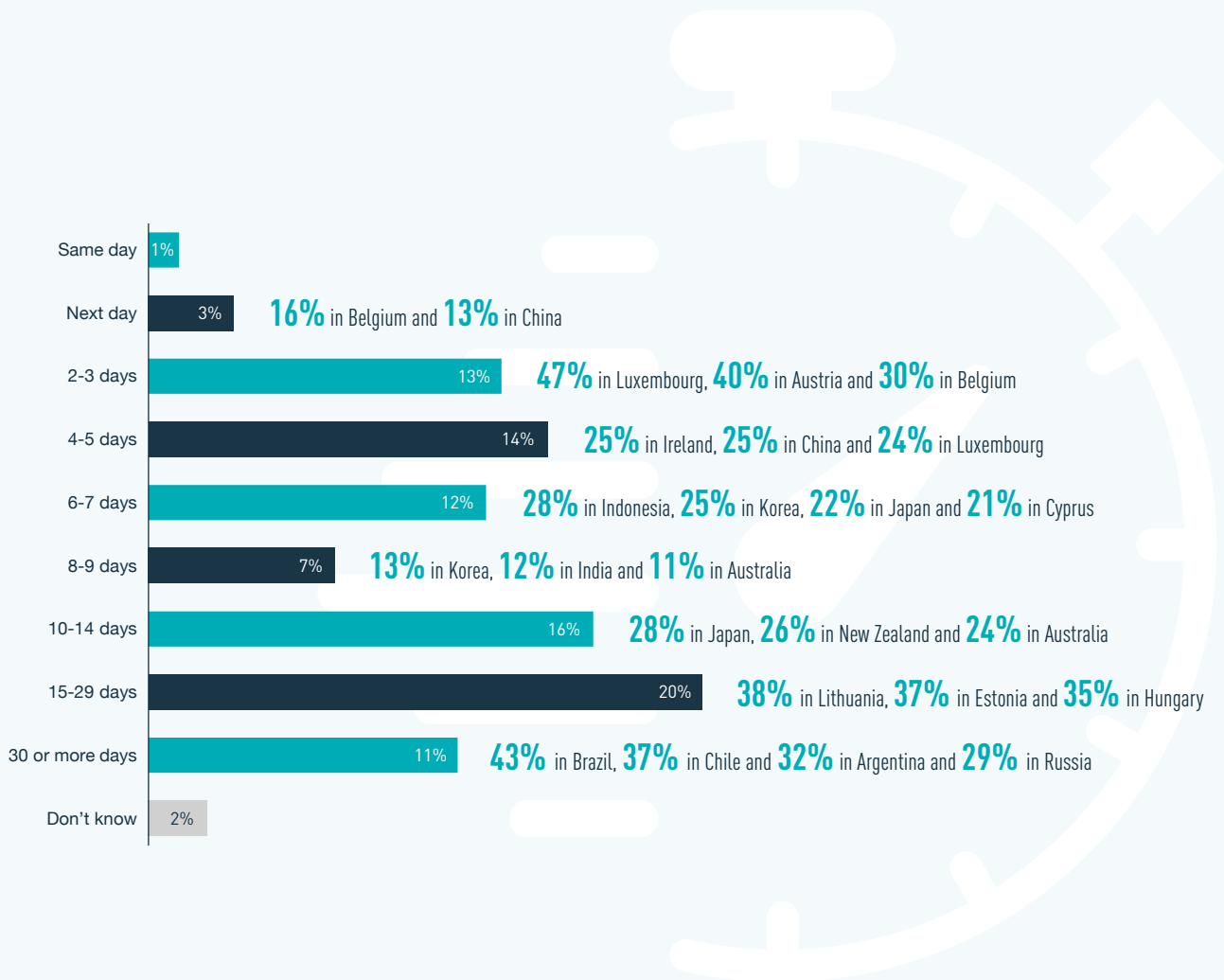
Question: Are you a member of Amazon Prime, either for domestic or cross-border online purchases? Are you a member of another delivery subscription programme similar to Amazon Prime?

Sample: 35,737

Delivery speed

The most common delivery speed for cross-border purchases was 15-29 days (20%), with 11% of respondents having to wait for 30 days or more for their purchase to arrive. This suggests that the delivery market has plenty of room to improve cross-border transit times and customs processes.

Delivery was considerably faster for those countries that tend to buy from their neighbours rather than from China. This includes countries such as Austria, Belgium, Ireland and Luxembourg.



The IPC Cross-Border E-Commerce Shopper Survey 2019 also measured consumer delivery expectations for cross-border e-commerce. While transit times currently meet consumer expectations, delivery providers should be aware that e-retailers are looking to speed up cross-border-deliveries.

Furthermore, in the survey IPC measured consumer satisfaction with six key elements: Delivery cost, Delivery location, Tracking, Delivery speed, Customs and Returns. Of these six elements, Delivery speed clearly had the lowest level of consumer satisfaction. This was the case in almost all 41 surveyed markets.

Question: How long did it take, from buying the product online until the order was delivered?
Sample: 35,737

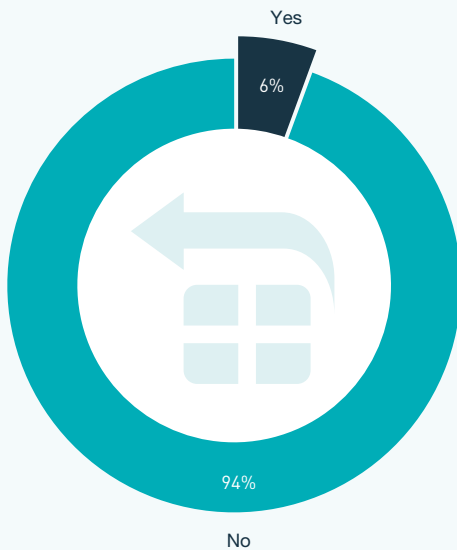
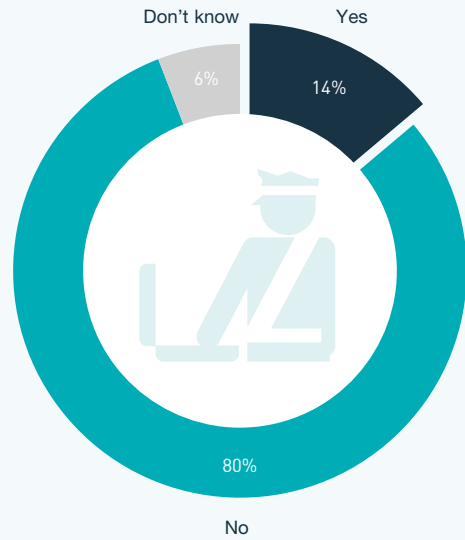
Customs

Fourteen percent of respondents paid customs duties on their most recent cross-border online purchase.

The countries with the highest proportion paying customs fees were Iceland (75%), India (55%) and China (52%). At the other end of the scale were Estonia (2%), Latvia and Austria (both 3%).

Three-quarters of respondents were made aware pre-purchase that customs duty would be applicable to their cross-border purchase. As in previous years, this proportion was lower in Europe than in other regions (e.g. 40% were made aware in Iceland).

Customs duty was most likely to be paid at the point of purchase (48%), while 23% paid customs duty when the parcel was en-route and 23% paid customs duty when receiving the parcel. Again, European consumers tended to pay customs duty at a later stage than consumers elsewhere.



Returns

Just 6% of respondents returned their most recent cross-border purchase. The level of returns is almost unchanged across the four years of the IPC survey.

Cross-border return rates were highest in the Asian markets, and also in the US, Germany and the UK.

Respondents who returned their item were asked how they carried out the return:

A cross-border return was most likely to be dropped off at a post office (21%), while smaller proportions used other methods, such as pick-up from home or office, drop off at a parcel locker or drop-off at a postal service point. Pick-up from home or office was highest in Asian markets. Drop off at a parcel locker station was highest in Estonia (36%).

Question: Did you have to pay customs duty / customs clearance fees on this particular purchase?

Question: Did you return this particular parcel?

Sample: 35,737

DIRECT MARKETING



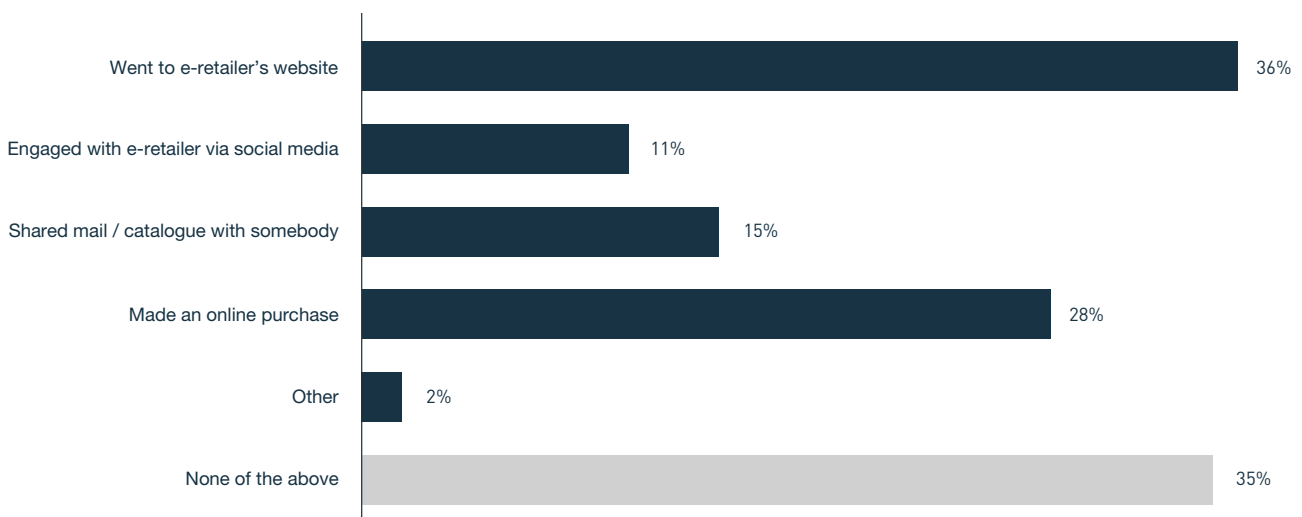
Respondents were asked whether or not they'd received physical advertising mail from an e-retailer at least once in the past year. Sixty-one percent said that this was the case.

In terms of differences by country:

- The proportion receiving e-retailer physical advertising mail was highest in Germany (77%), the US (77%), Lithuania (75%), India (74%), Finland (73%) and Switzerland (72%)
- This proportion was lowest in Denmark (39%), Argentina (41%) and Cyprus (44%)

Actions taken with e-retailer physical advertising mail

Sixty-five percent of the respondents who had received physical advertising mail from an e-retailer in the past year had taken at least one action. They were most likely to visit the e-retailer's website (36%) or make an online purchase (28%).



Question: Have you received any printed advertising mail or catalogues from e-retailers in the past 12 months? Which of the following have you done in the past year as a result of receiving printed advertising mail or catalogues from e-retailers? Please select all that apply.

Sample: 35,737

IPC MARKET INTELLIGENCE



IPC Global Postal Industry Report

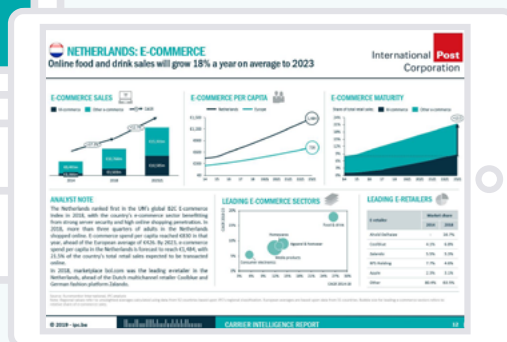
The IPC Global Postal Industry Report is the sector's most comprehensive, holistic and in-depth report on postal industry trends and performance.

- Over 140 pages of industry-specific analysis updated and refreshed each year
- Worldwide coverage of 45 postal operators
- In-depth review and comparison of corporate and business unit performance
- Solid foundation to benchmark performance and better understand industry trends
- 2019 report available for free to IPC members and for purchase and immediate download for non-members



IPC Carrier Intelligence Reports

IPC Carrier Intelligence Reports provide instant access to critical financial, operational, strategic and market information for 50 leading postal and parcel operators from Europe, Asia-Pacific, the Americas and Africa in an easy-to-read, consistent format. They are free to download for IPC members and available for purchase and immediate download for non-members.



Survey methodology

Scope of the research: The IPC Cross-Border Shopper Survey took place in 41 countries: Argentina, Austria*, Australia*, Belgium*, Brazil, Canada*, Chile, China*, Croatia, Cyprus, Denmark*, Estonia, Finland*, France*, Germany*, Greece*, Hungary*, Iceland*, Indonesia, Ireland*, India, Italy*, Japan, Latvia, Lithuania, Luxembourg*, Mexico, the Netherlands*, New Zealand*, Norway*, Poland, Portugal*, Russia, Slovenia*, South Korea, Spain*, Sweden*, Switzerland*, Turkey, the United Kingdom* and the United States*.

* indicates the 25 countries included in the four-year trend analysis

Target group: Frequent cross-border online shoppers, who have bought physical goods online at least once in the last three months and have made a cross-border online purchase in the past year. The target group was determined by quotas based on the age and gender profile of the online population per country.

Methodology: Quantitative research using online access panels supplied by Dynata. Fieldwork took place from 16 to 30 September 2019.

Sample size: 35,737 completed responses for all the markets. The sample size was 500 or 1000 respondents for 38 of the 41 survey countries (a smaller sample size was used in Luxembourg, Cyprus and Iceland).

Access to the full research findings and reports for each of the 41 countries is restricted to IPC members at www.ipc.be/shopper.

About International Post Corporation

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 25 member postal operators in Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.

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INTERNATIONAL POST CORPORATION

CROSS-BORDER E-COMMERCE SHOPPER SURVEY 2019

