Ryder Ever better.™

Ryder 2024 E-commerce Consumer Study

OMNICHANNEL EXCELLENCE: The Key to Customer Satisfaction

TABLE OF CONTENTS

EXECUTIVE SUMMARY

If there is one thing that is constant in the retail industry, it's change, and there have certainly been incredible changes across the commerce spectrum over these last four years—each one altering the industry differently from the last.

The global pandemic condensed what would have otherwise been years of progression in e-commerce into mere months. The post-pandemic fallout ushered in widespread supply chain disruptions, ultimately contributing to a period of inflation—a factor that is still very much at the forefront of both consumer purchase behavior and business strategy.

These changes have collectively altered consumer expectations and behavior dramatically and will continue to do so as time and technology allow. As we examine the findings of this 10th annual e-commerce consumer benchmark study, the latest adaptation is crystal-clear: consumers are ready to get back to in-person shopping.

While consumers' e-commerce activity remains robust, a universal affinity for in-store engagements emerged as a prevalent theme throughout this year's study, illustrated in both sentiment and behavior. Whereas last year's study findings suggested consumers regarded brick-and-mortar stores largely as assets to speed the online shopping process along, they are now yearning for the activities associated with physical shopping.

Steve Sensing
President,
Supply Chain & Dedicated Transportation Solutions,
Ryder System, Inc.

EXECUTIVE SUMMARY

In 2023, 40% of study participants reported shopping in-store specifically because they enjoy the experience (e.g., trying items on, comparing products, etc.); this year, that number inflated to 61%. This behavior has prompted brands to invest in the in-store experience and integrate technology to streamline processes. In-store returns activity also grew significantly, with 55% of shoppers sharing a preference to return online purchases in-store rather than via mail, marking a 15% increase from the year prior and carrying with it a call-to-action for businesses to capitalize on the opportunity to convert returns transactions into additional sales.

This resurgence of in-store traffic not only demonstrates shoppers' desires for tangible experiences, it's also a reminder that customers expect and value convenience, consistency, and real-time visibility at every touchpoint throughout their shopping experience.

This year's study reveals that more than three-quarters (77%) of consumers search for items on their mobile device while in a store for various reasons; 69% compare prices with items in nearby stores 58% check availability at other stores, 31% want to learn more about a product and 17% want to see what other items are frequently purchased with a product they're considering purchasing.

Part of the most recent evolution in consumer behavior lies in shoppers wanting more control and flexibility in their shopping journey, from browsing and buying to shipping and returns. This is reflected throughout the 2024 study—for example, with the rising value of scheduled deliveries. In this year's study, 31% of shoppers say they value choosing their own online order delivery date over free shipping, a 14% increase from last year. This underscores the importance of brands integrating supply chain technology solutions that provide customers with flexible, convenient options that empower them to personalize their experience and heighten their satisfaction.

Omnichannel strength is not a fad; it is a strategic necessity for e-commerce and retail businesses to stay competitive and achieve sustainable success in 2024 and beyond. The convergence of digital convenience and physical presence is ushering in new opportunities for enhanced consumer satisfaction and brand loyalty. Variables will change, but consumers continue showing us what they want from their shopping experience: consistency, convenience, personalization, and visibility at every touchpoint throughout their journey.

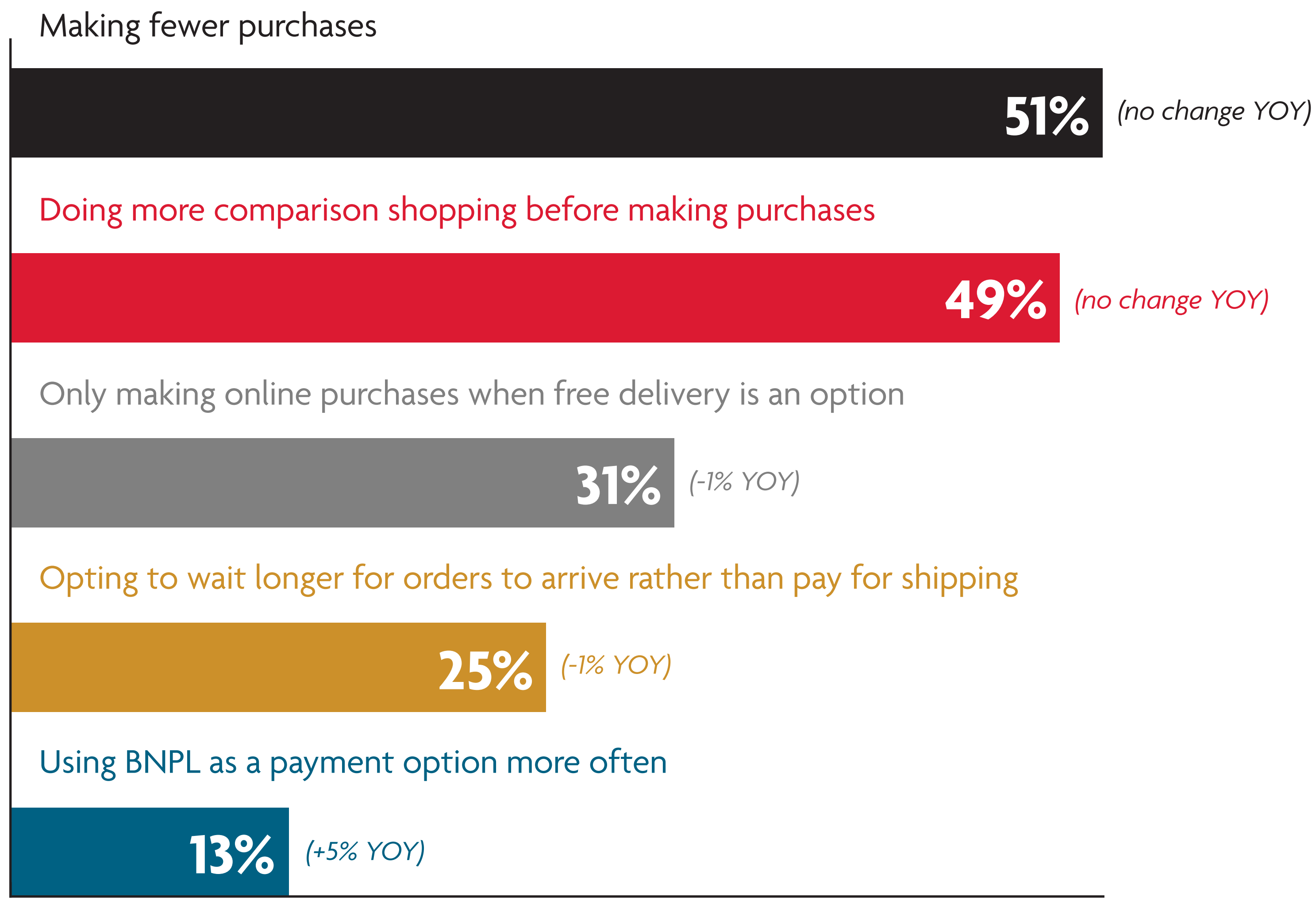
E-COMMERCE TRENDS

E-COMMERCE TRENDS: KEY TAKEAWAYS

- Shoppers are putting more thought into purchase decisions amid inflation.
- Buy Now Pay Later (BNPL) usage is growing in response to inflation.
- Inflation isn't hindering younger shoppers' purchase behavior.
- Shoppers rely on mobile devices for price comparisons.
- Points are the way to loyal shoppers' hearts during the holidays.

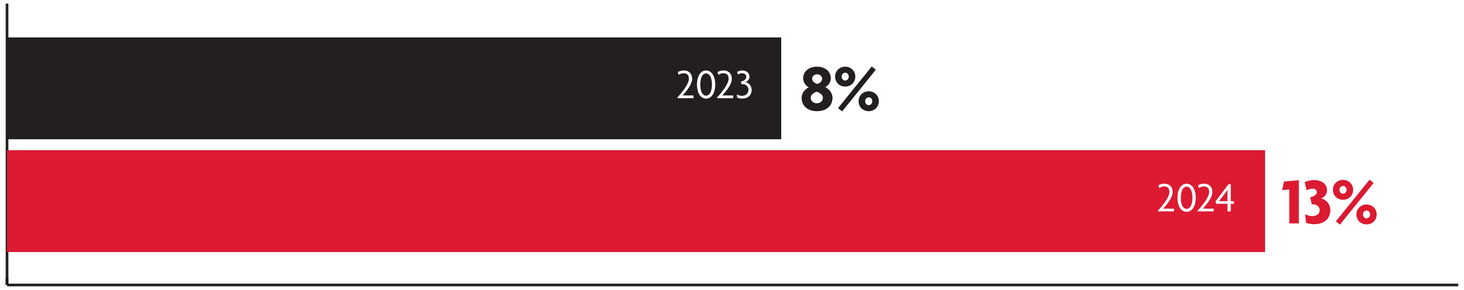
Shoppers are putting more thought into purchase decisions amid inflation.

"How is inflation impacting your non-essential online shopping behavior?"



BNPL usage is growing in response to inflation.

Shoppers who are making purchases using BNPL payment method specifically due to inflation:

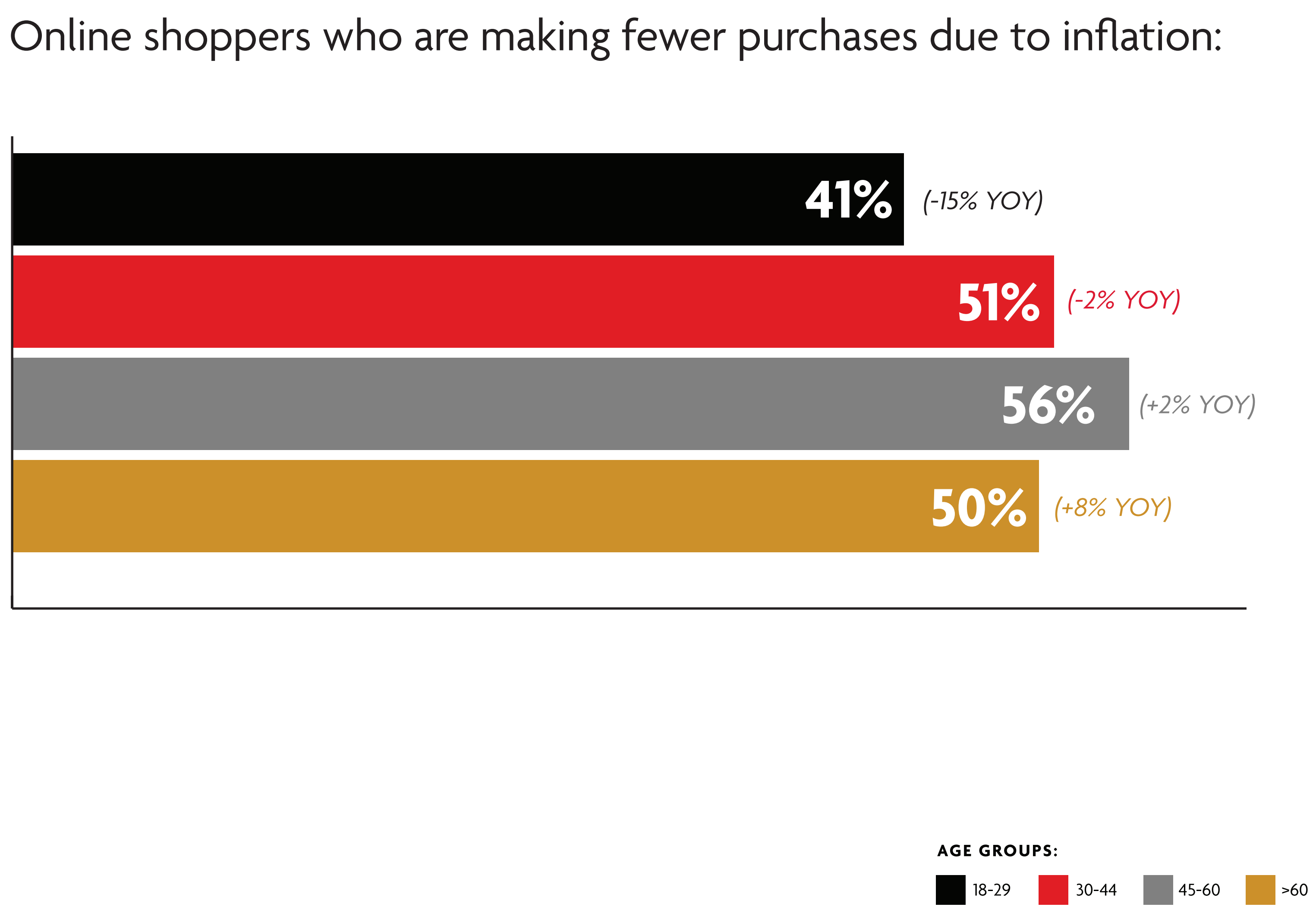


22% of those who shop online **all the time** are using BNPL more frequently specifically due to inflation.

12% of those who shop online **often** are using BNPL more frequently specifically due to inflation.

8% of those who shop online **sometimes** are using BNPL more frequently specifically due to inflation.

Inflation isn't hindering younger shoppers' purchase behavior.

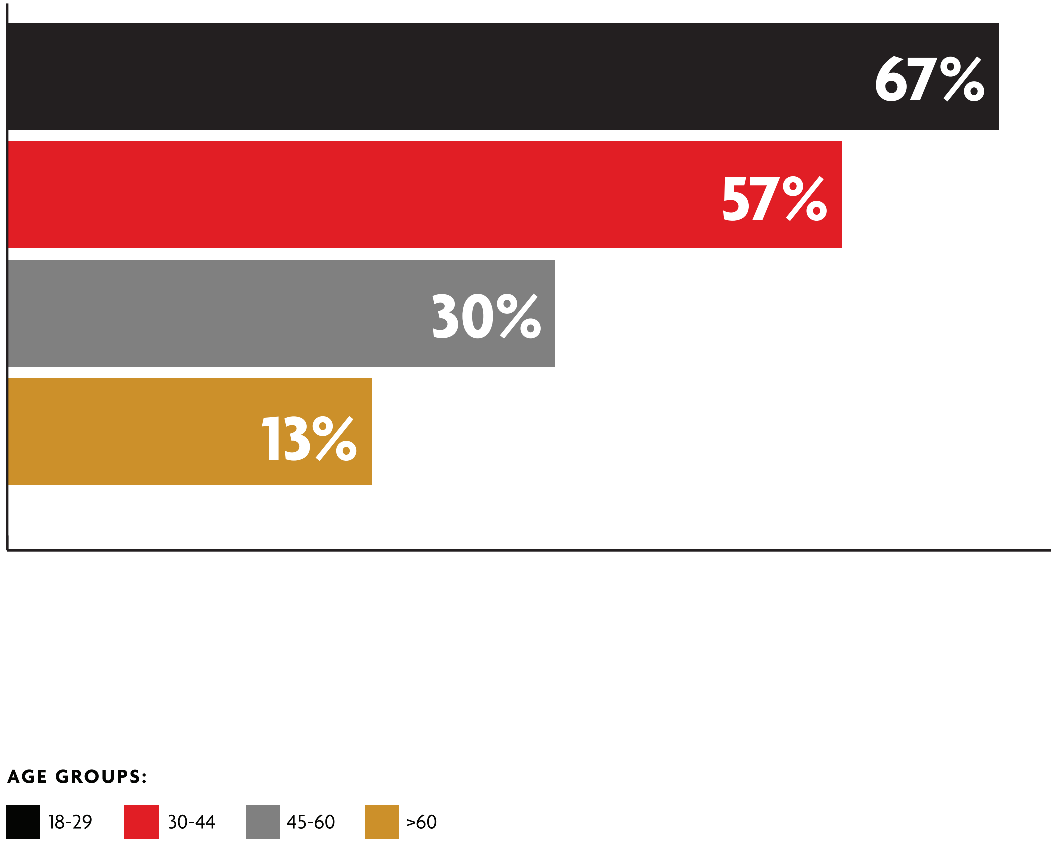


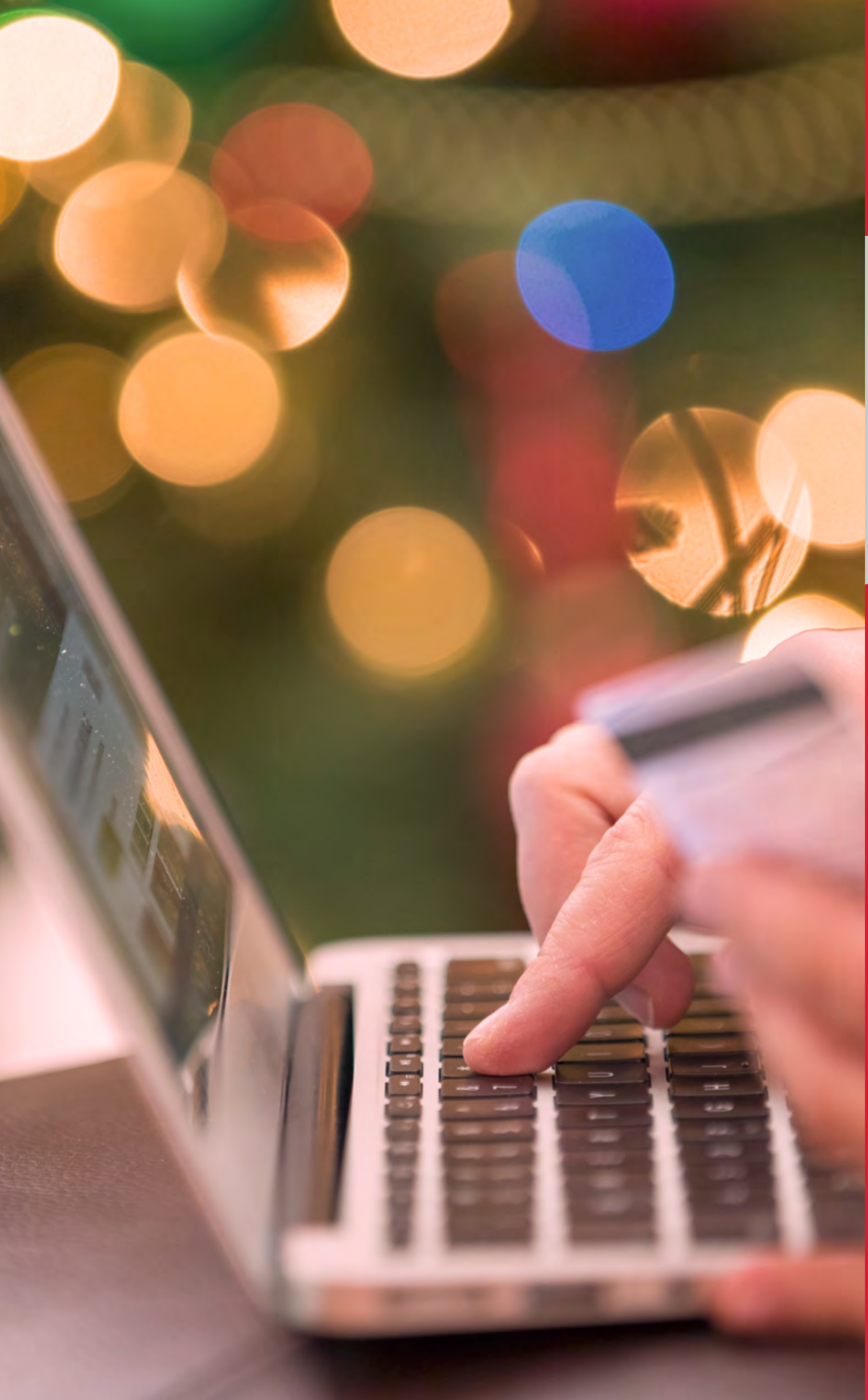
Shoppers rely on mobile devices for price comparisons.

77% **of shoppers search for items on their mobile devices while in a store.**

69% **#1 reason:**
To compare prices with the same or similar items in nearby stores.

Younger shoppers are especially likely to search on mobile devices "often" or "always."





Points are the way to loyal shoppers' hearts during the holidays.

"Which of the following do you utilize more during the holiday shopping season than during the rest of the year?"

Retailer Loyalty/ Rewards Points:
50%
of shoppers

Buy Online Pickup In Store (BOPIS):
44%
of shoppers

Buy Online Return In Store (BORIS):
40%
of shoppers

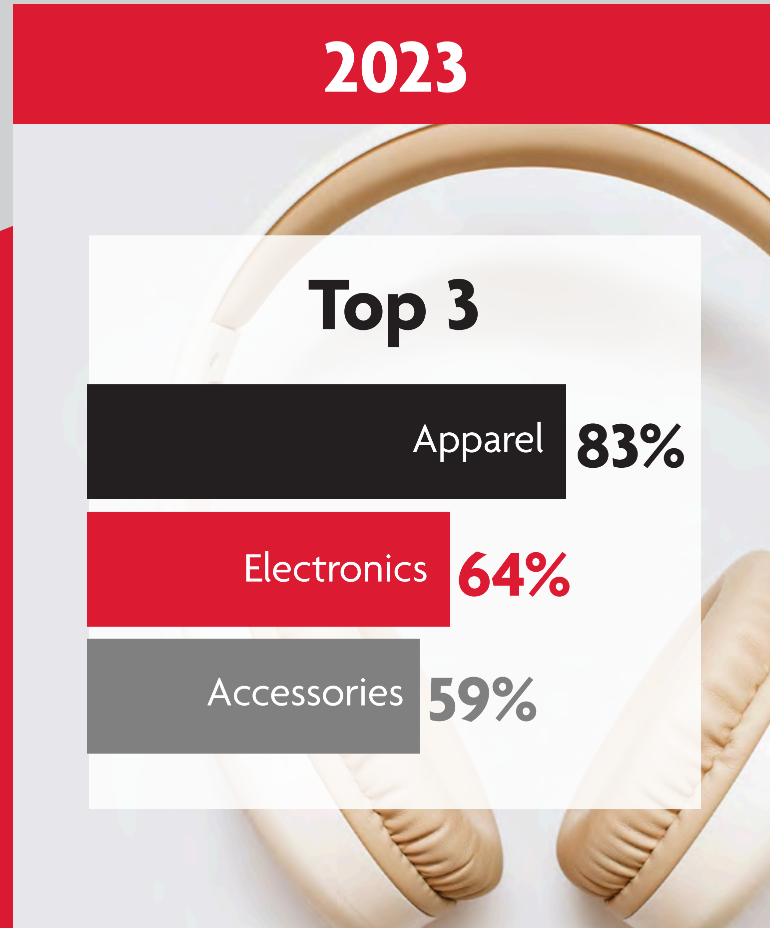
BNPL:
26%
of shoppers

PURCHASE BEHAVIOR

PURCHASE BEHAVIOR: KEY TAKEAWAYS

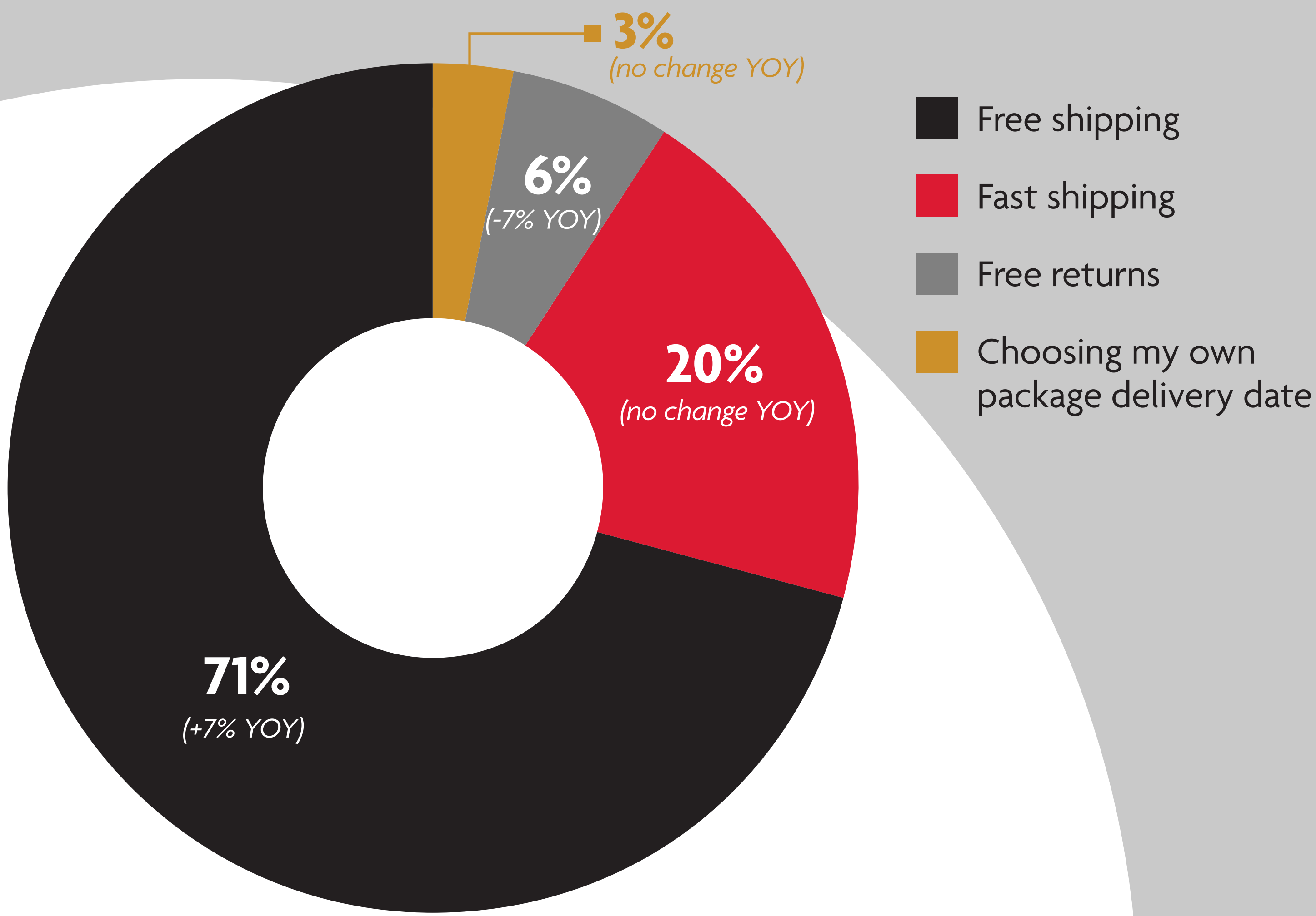
- Apparel remains the top purchase category while electronics fall from longtime #2 position.
- Free shipping holds major influence over purchase decisions.
- Free shipping is important, but unforeseen shipping costs are not necessarily a deal-breaker.
- BNPL is particularly appealing to younger shoppers.
- Consumers are taking online shopping cues from kids.

Apparel remains top purchase category while electronics fall from longtime #2 position.



Free shipping holds major influence over purchase decisions.

"Which of these factors plays the biggest role in deciding where you make an online purchase?"



Free shipping is important, but unforeseen shipping costs are not necessarily a deal-breaker.

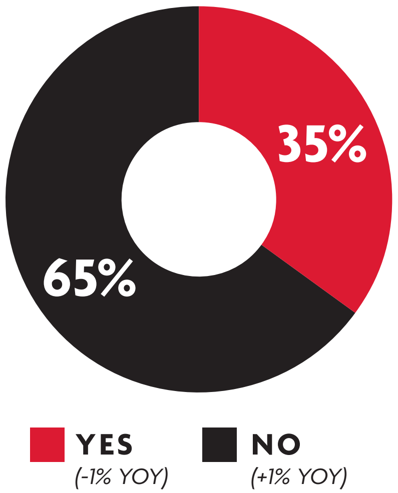
Despite **31%** *(-1% YOY)* of respondents only making online purchases when free delivery is an option—specifically due to inflation—the impact of unanticipated shipping costs on cart abandonment rate has decreased.

"Thinking about the last 12 months, have you abandoned items in your online shopping cart upon seeing unanticipated shipping costs?"

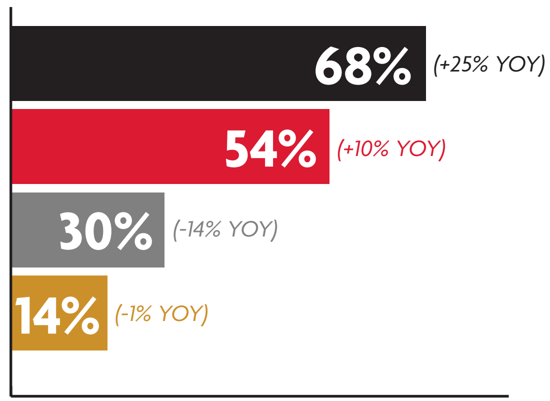
BNPL is particularly appealing to younger shoppers.

BNPL use remains consistent among all shoppers but has grown significantly among younger age groups.

"Do you ever use Buy Now Pay Later (BNPL) to purchase items online?"

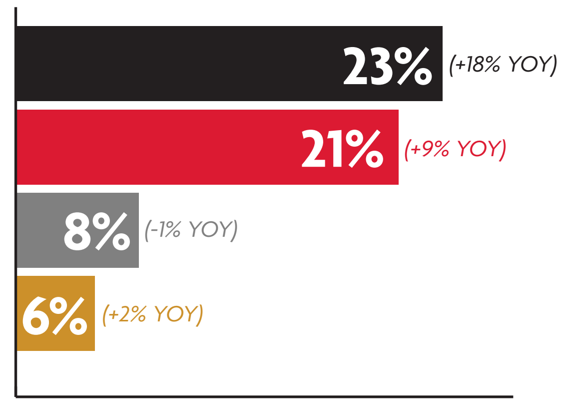


Shoppers who use BNPL to purchase items online:

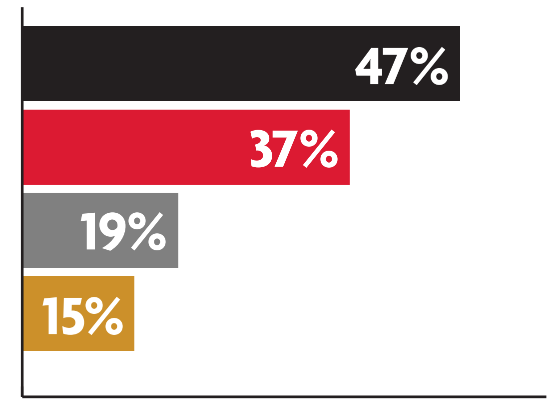


WHY?

Younger shoppers are using BNPL as a tool to combat inflation more than older shoppers:



The younger the shoppers, the more likely they are to use BNPL specifically during the holidays:

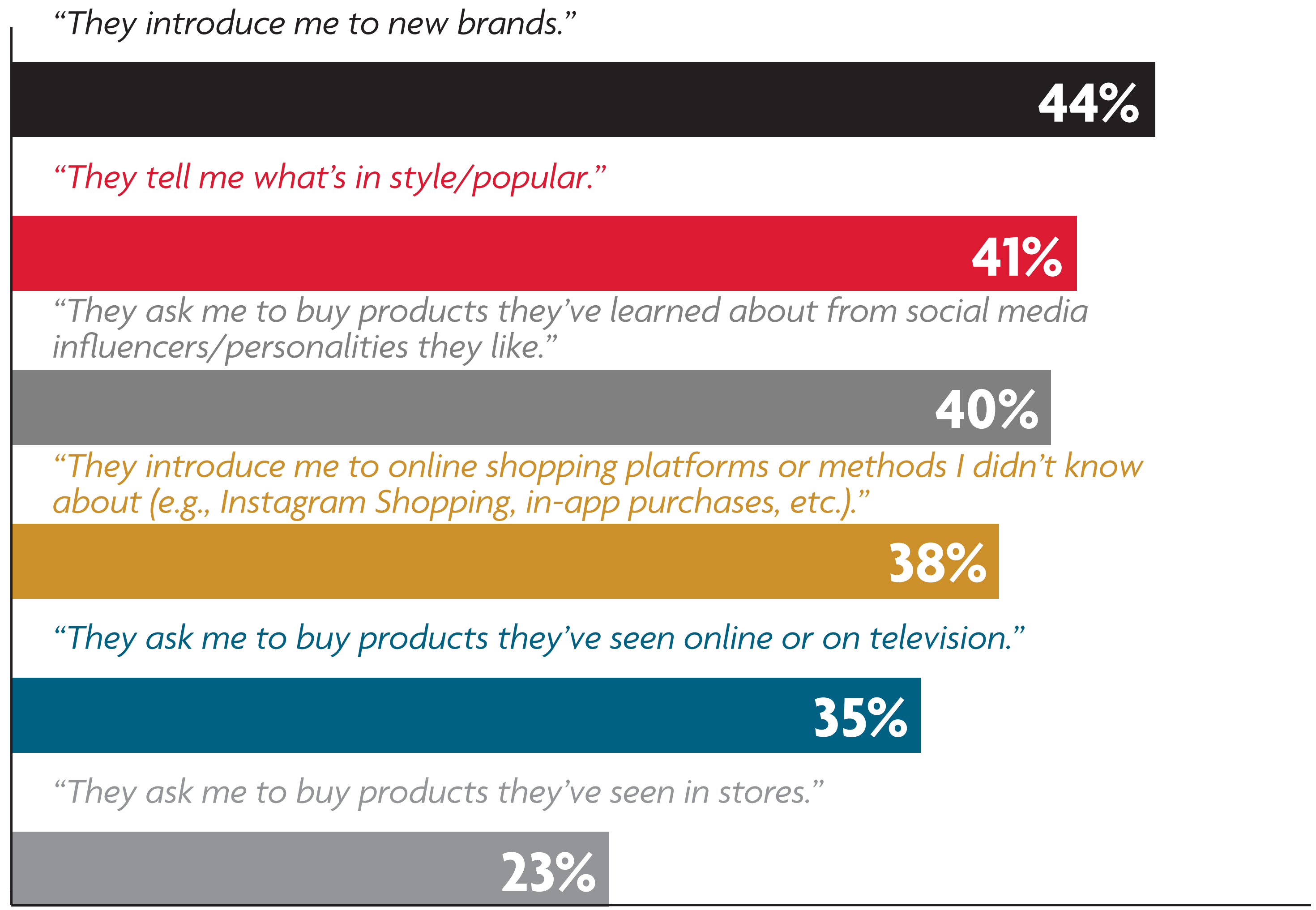


AGE GROUPS:
18-29 | 30-44 | 45-60 | >60

Consumers are taking online shopping cues from kids.

Nearly half (46%) of consumers say their online shopping habits are influenced by children born in 2010 or later.

HOW?



OMNICHANNEL

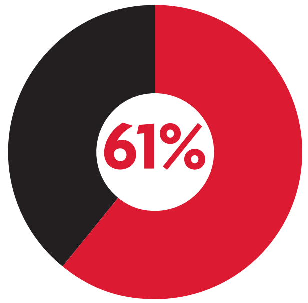
OMNICHANNEL: KEY TAKEAWAYS

- The desire to shop in-store is about the experience.
- Heightened demand for in-store transactions creates more sales opportunities.
- Returns bring eager young shoppers in-store.
- Shoppers increasingly turn to in-store and curbside pickup to combat porch piracy.
- In-store shopping must be improved to facilitate modern habits.

The desire to shop in-store is about the experience.

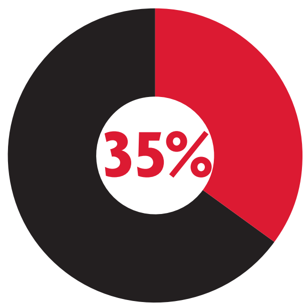
Why do consumers prefer shopping in a store?

"I enjoy the experience (trying on products, comparing products in person, etc.)."



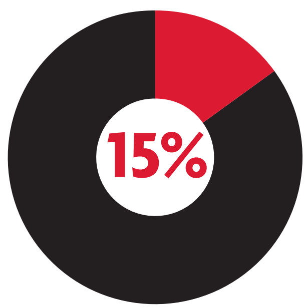
(+21% YOY)

"I don't want to wait for online orders in the mail."



(+4% YOY)

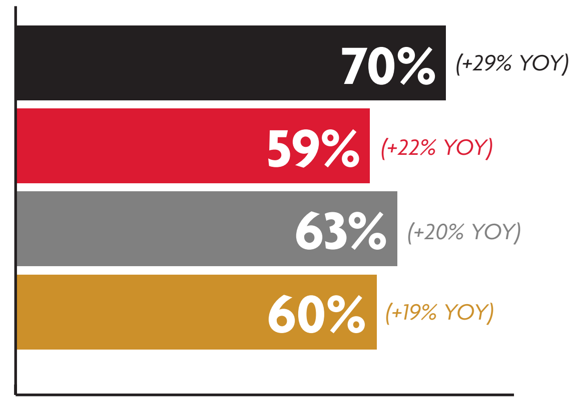
"I shop in-store to avoid package theft."



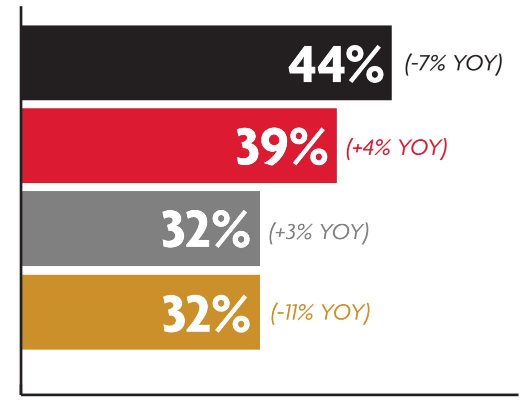
(+8% YOY)

Younger shoppers are more interested in shopping in-store for various reasons.

"I enjoy the experience."



"I don't want to wait for online orders in the mail."

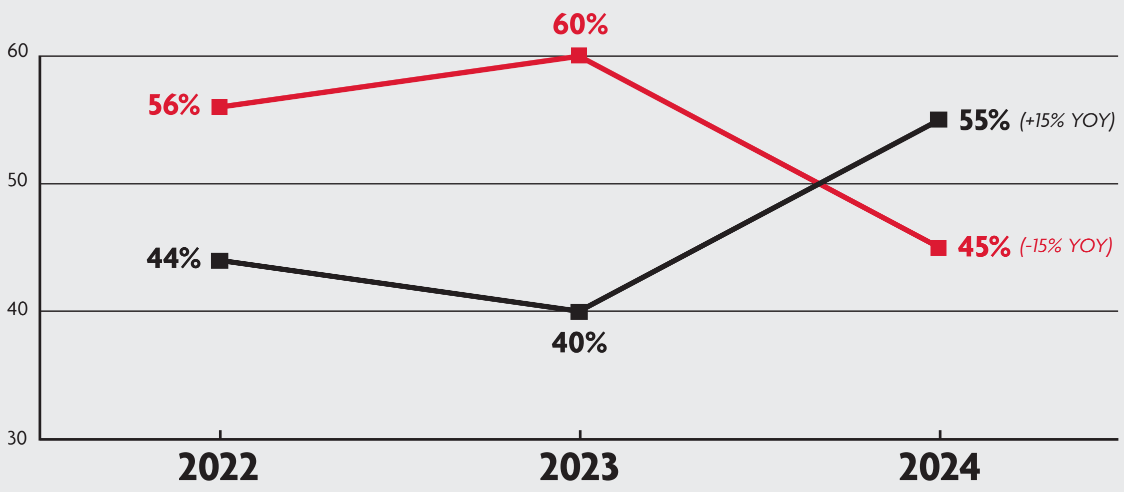


AGE GROUPS:

18-29 30-44 45-60 >60

Heightened demand for in-store transactions creates more sales opportunities.

Online shoppers now prefer making returns in-store.



55% prefer to return online purchases in-store.

45% prefer to return online purchases via mail/dropbox.

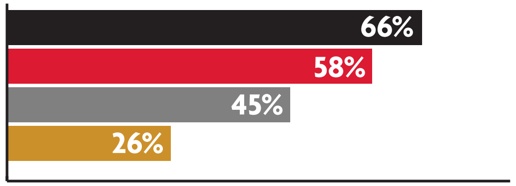
The shopping process doesn't end with an in-store return.

40%

of online shoppers often make additional purchases when picking up or returning items in-store. *(+2% YOY)*

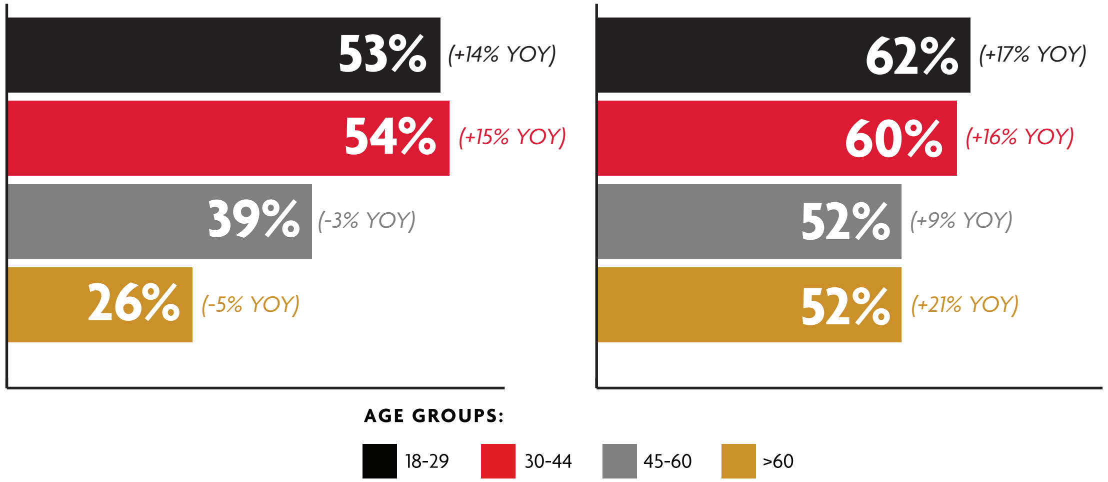
The holiday season is a perfect time to capitalize on this opportunity.

44% of online shoppers utilize BOPIS more during the holidays, with younger shoppers being more likely to do so.



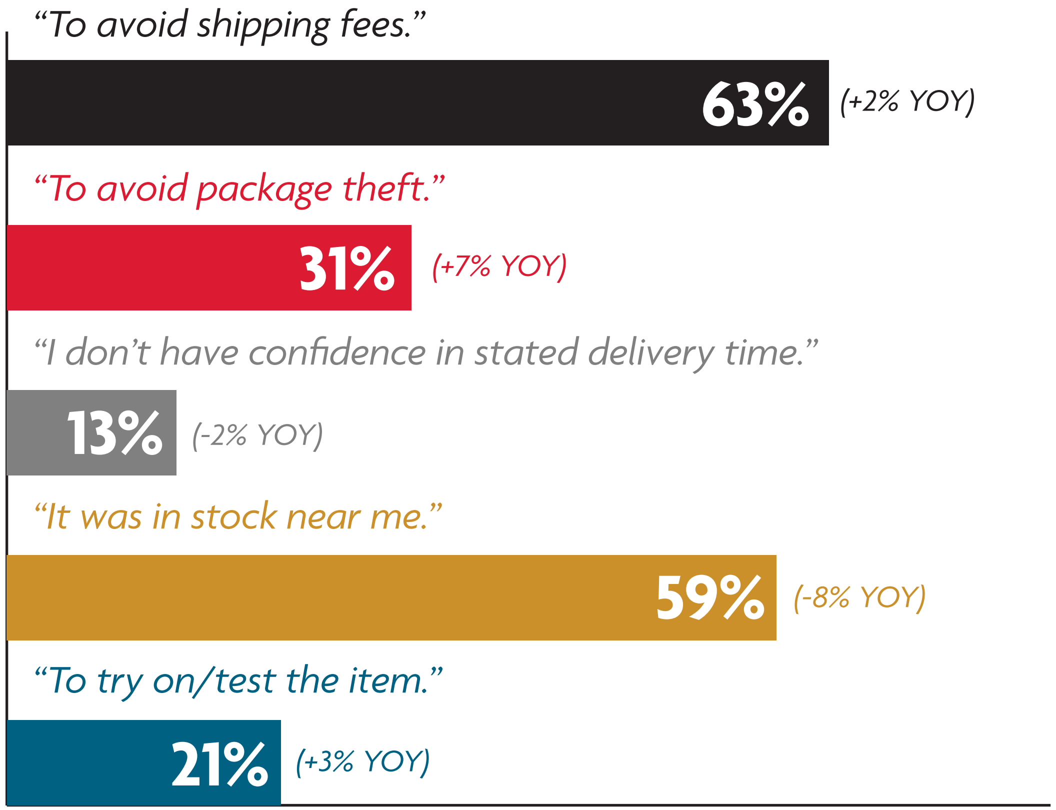
"I often make additional purchases when picking up or returning online orders in-store."

"I prefer to return online orders in-store."

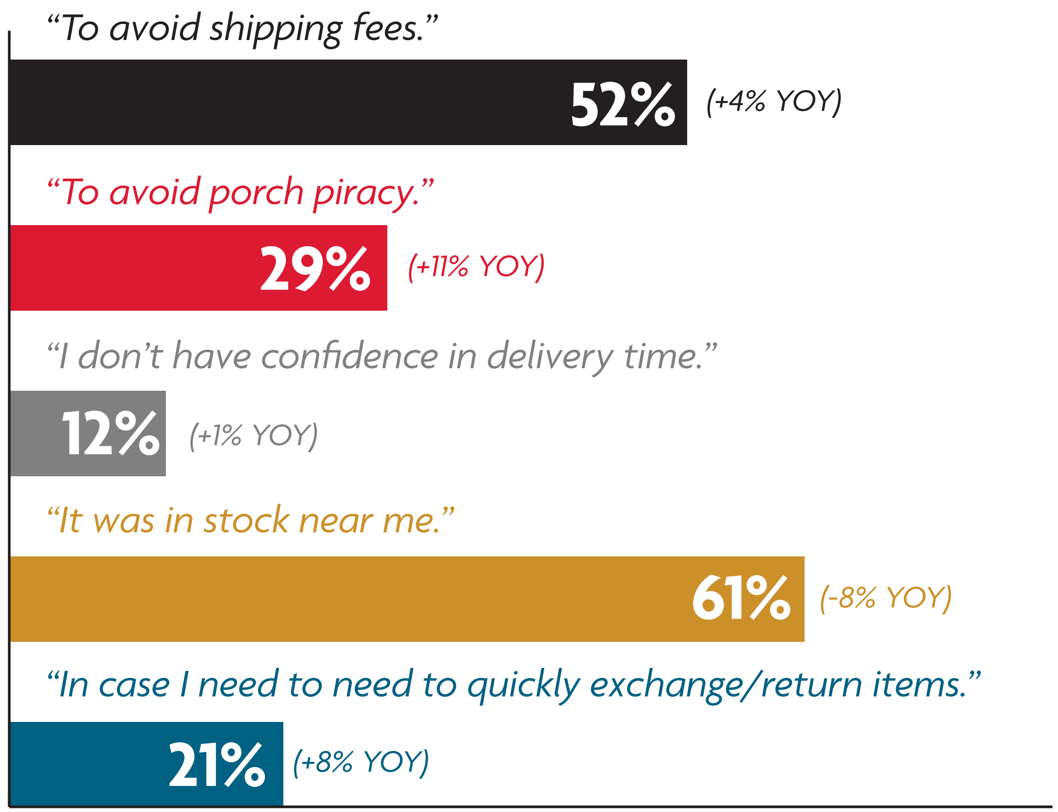


Shoppers increasingly turn to in-store and curbside pickup to combat porch piracy.

"Why do you use in-store pickup for online orders?"

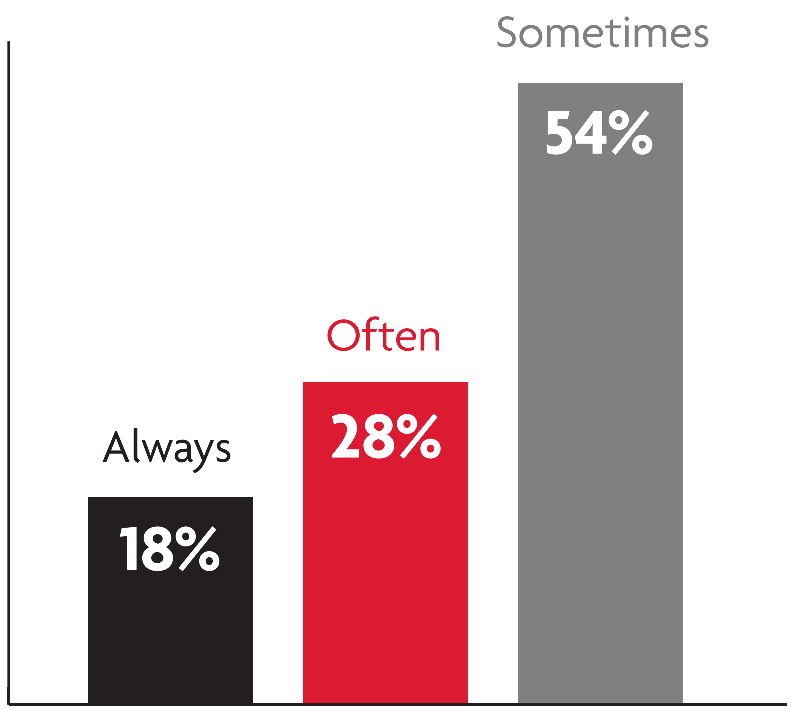


"Why do you use curbside pickup for online orders?"



In-store shopping must be improved to facilitate modern habits.

More than three-quarters (77%) of shoppers search for items on their mobile devices while in a store.



"Why have you searched for items on your mobile device while in a store?"

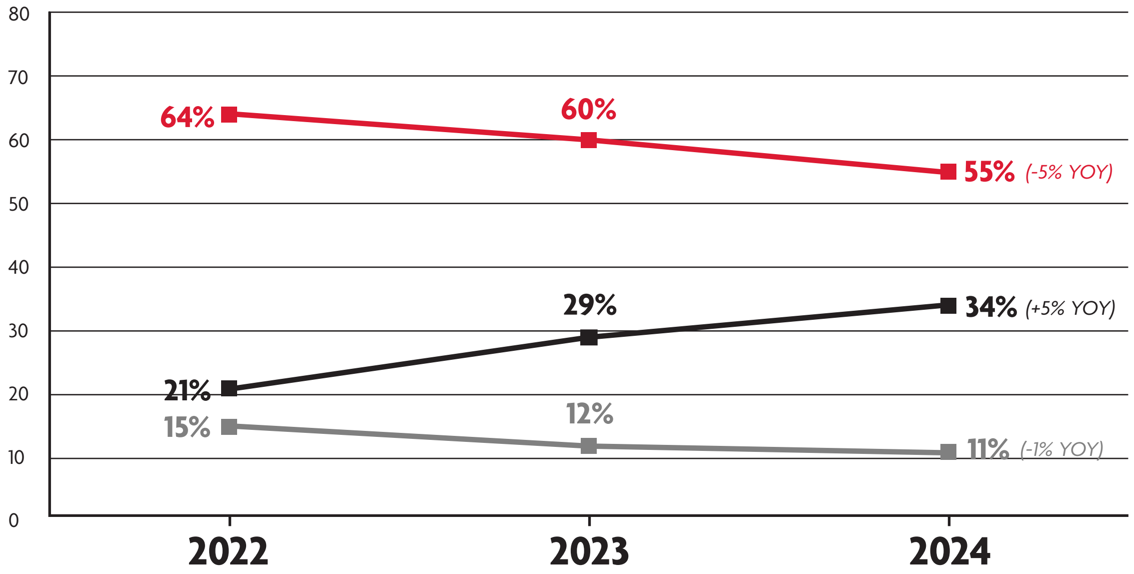
SHIPPING

SHIPPING: KEY TAKEAWAYS

- Faster shipping is expected, but scheduled delivery is gaining value.
- Free shipping thresholds are losing impact, but shoppers are still not interested in paying for shipping.
- Older shoppers are less willing to compromise on shipping fees.
- Shoppers draw a line in the sand with shipping-cost dealbreakers.
- Same-day delivery appeals to most shoppers.

Faster shipping is expected, but scheduled delivery is gaining value.

Shipping speed expectations are growing:

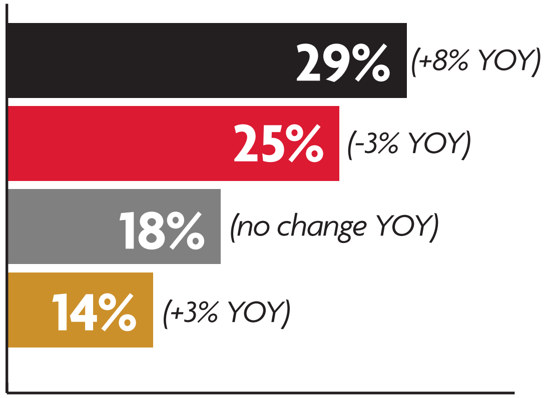


Expectation for **1- to 2-day delivery**

Expectation for **3- to 4-day delivery**

Expectation for **>5-day delivery**

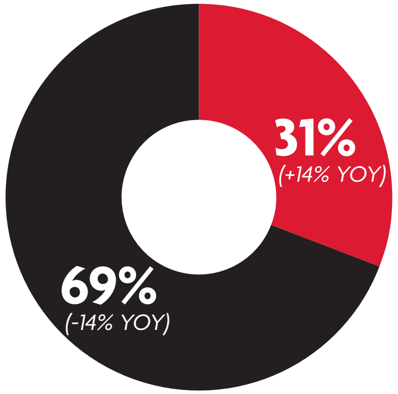
Younger shoppers value fast shipping *(2 days or less)* more than other age groups when deciding where to make an online purchase.



AGE GROUPS:

18-29 | 30-44 | 45-60 | >60

"What is more important to you?"

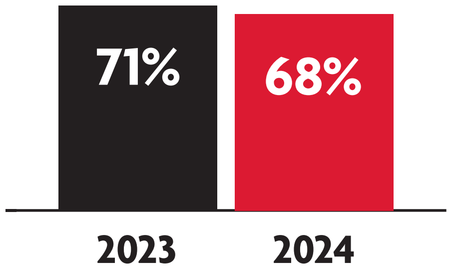


Fast Shipping *(2 days or less)*

Scheduled Delivery *(receiving your purchase on a specific date)*

Free shipping thresholds are losing impact, but shoppers are still not interested in paying.

Shoppers who have added more items to their carts to qualify for free shipping:



"Which of the following statements accurately describes your opinions on shipping fees?"

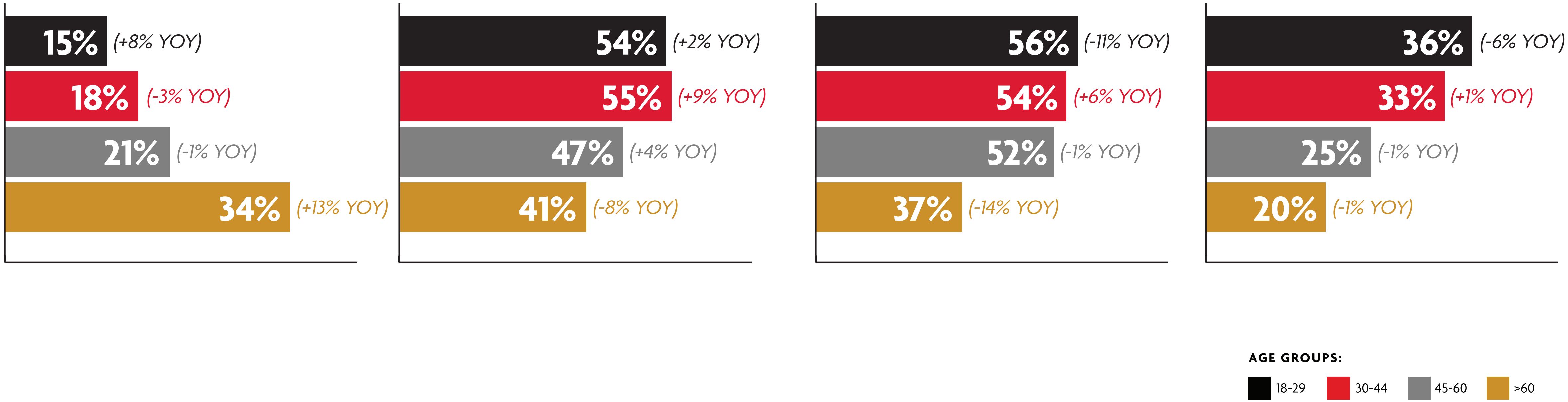
Older shoppers are less willing to compromise on shipping fees.

"I will not make an online purchase if I have to pay for shipping."

"I have no problem paying for shipping if the item I am purchasing is very large, heavy, or otherwise cumbersome."

"I have no problem paying for shipping if I need the item rushed/expedited."

"I have no problem paying for shipping if an order is being shipped internationally."



47%

of online shoppers say free shipping is the most valuable loyalty program benefit.

Shoppers draw a line in the sand with shipping cost dealbreakers.

*"I will **NOT** pay for shipping if..."*

"...the shipping fees cost more than my purchase."

80%

(no change YOY)

"...my purchase takes longer than 2 days to arrive."

23%

(+1% YOY)

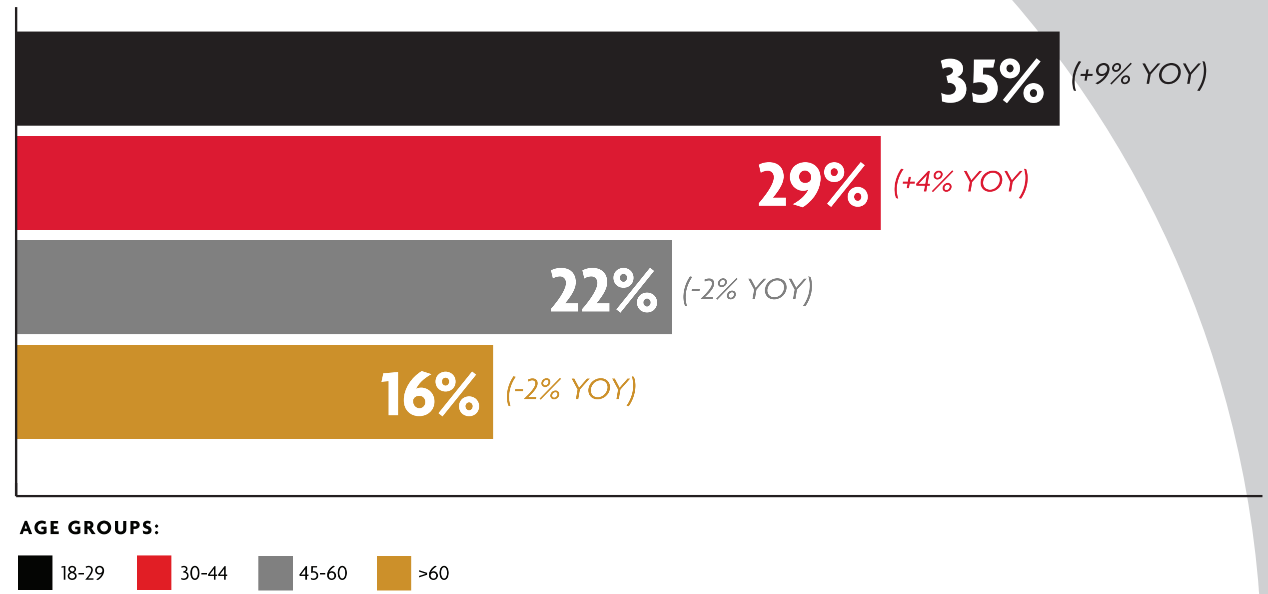
"...I cannot choose the date of delivery."

12%

(+1% YOY)

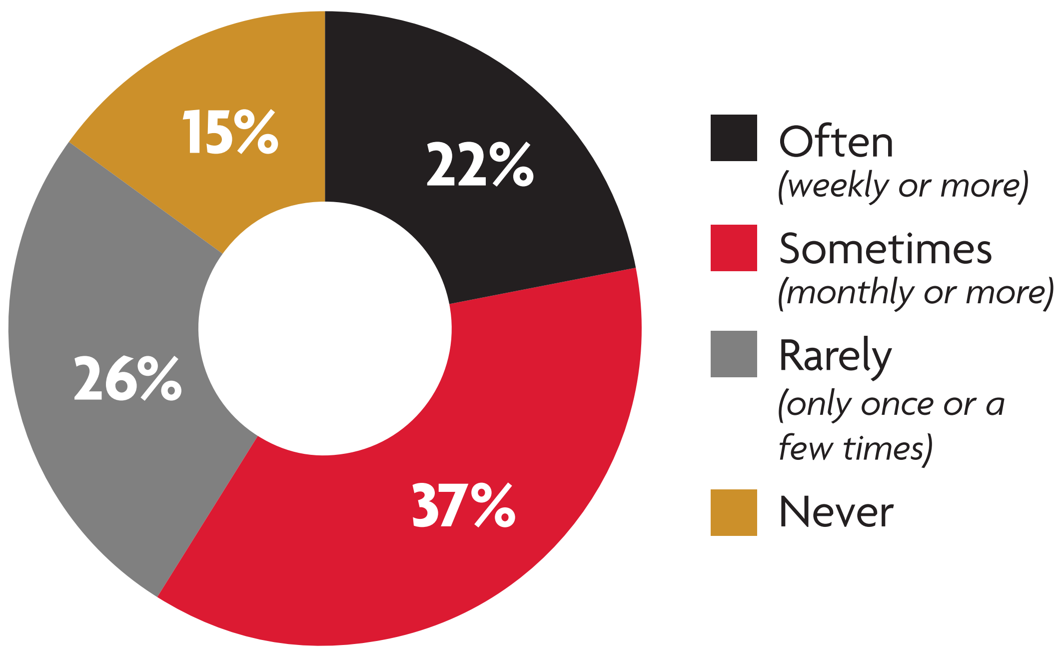
Shipping speed is even more important to younger online shoppers.

"I will not pay for shipping if my purchase takes longer than 2 days to arrive."



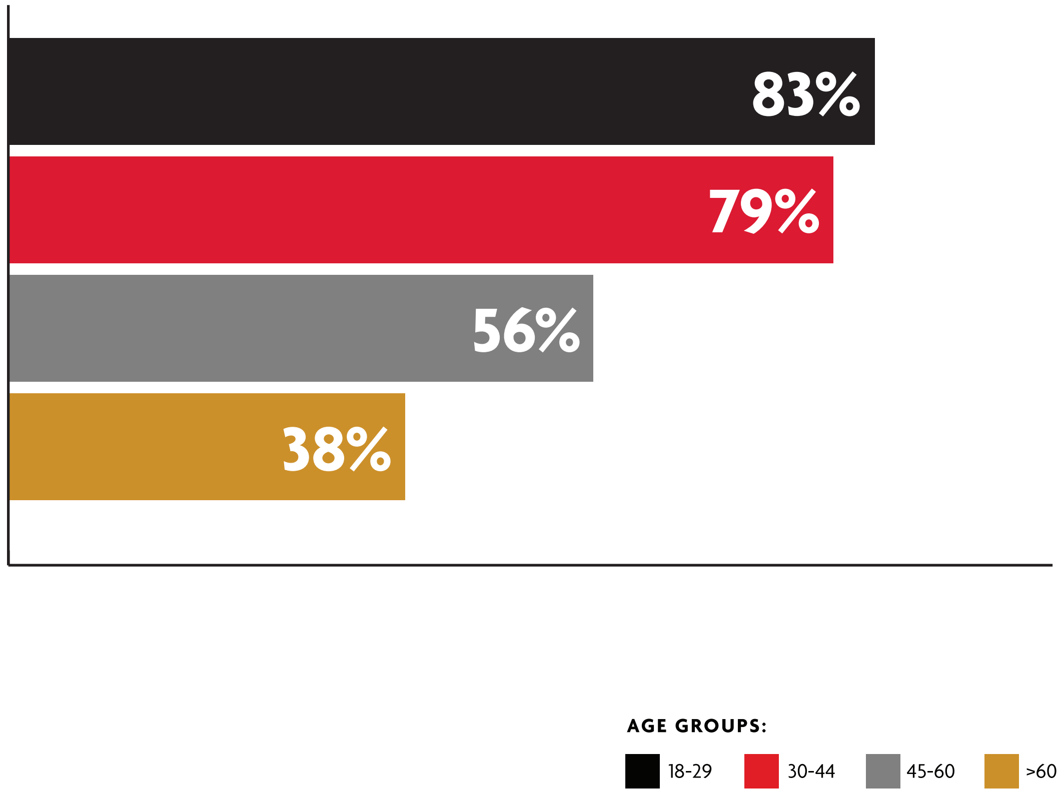
Same-day delivery appeals to most shoppers.

85% of online shoppers have made a purchase specifically because it was available with same-day delivery.



Younger shoppers more frequently make online purchases specifically to receive them via same-day delivery.

Shoppers who reported at least monthly frequency:



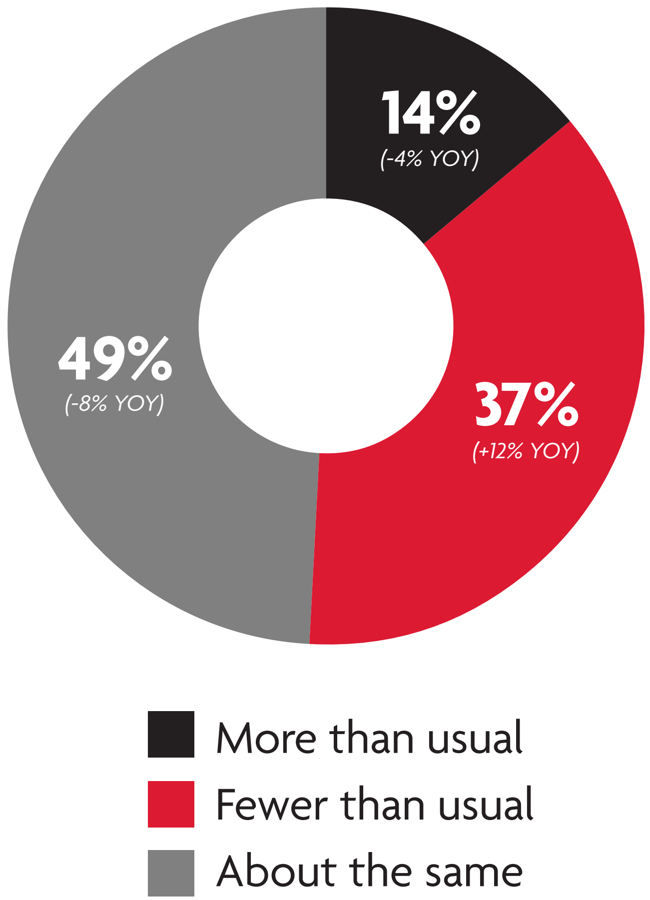
RETURNS

RETURNS: KEY TAKEAWAYS

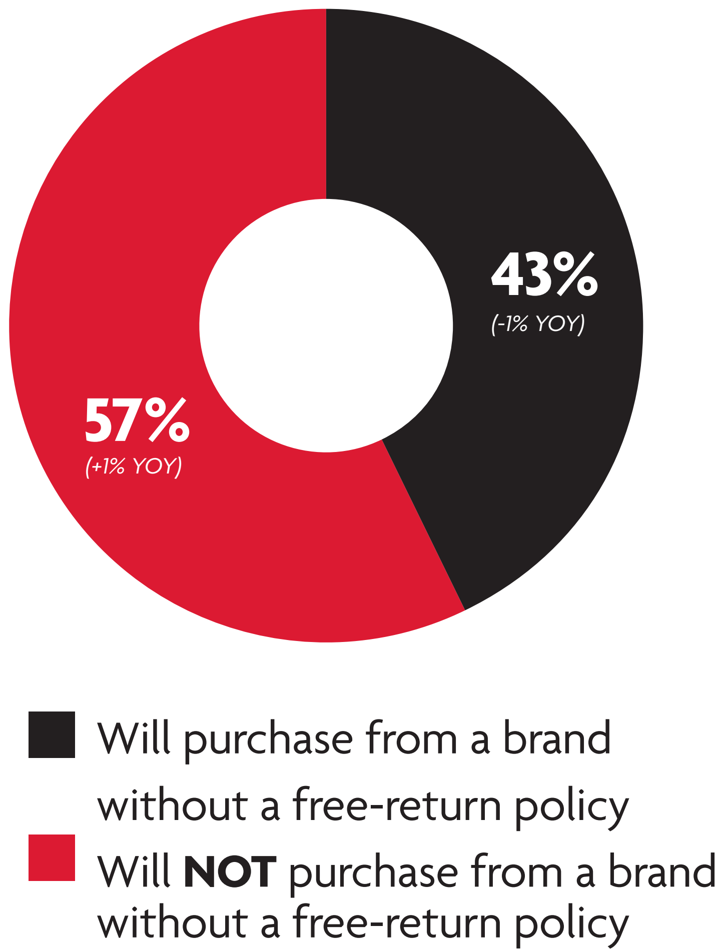
- Overall, customers are making fewer returns, but still expect free-return policies.
- Younger shoppers are making more returns.
- Free return policies are more important for older shoppers.
- Returnless refunds are still effective but losing their luster.

Overall, customers are making fewer returns, but still expect free-return policies.

"How many online purchases have you returned in the past 12 months?"

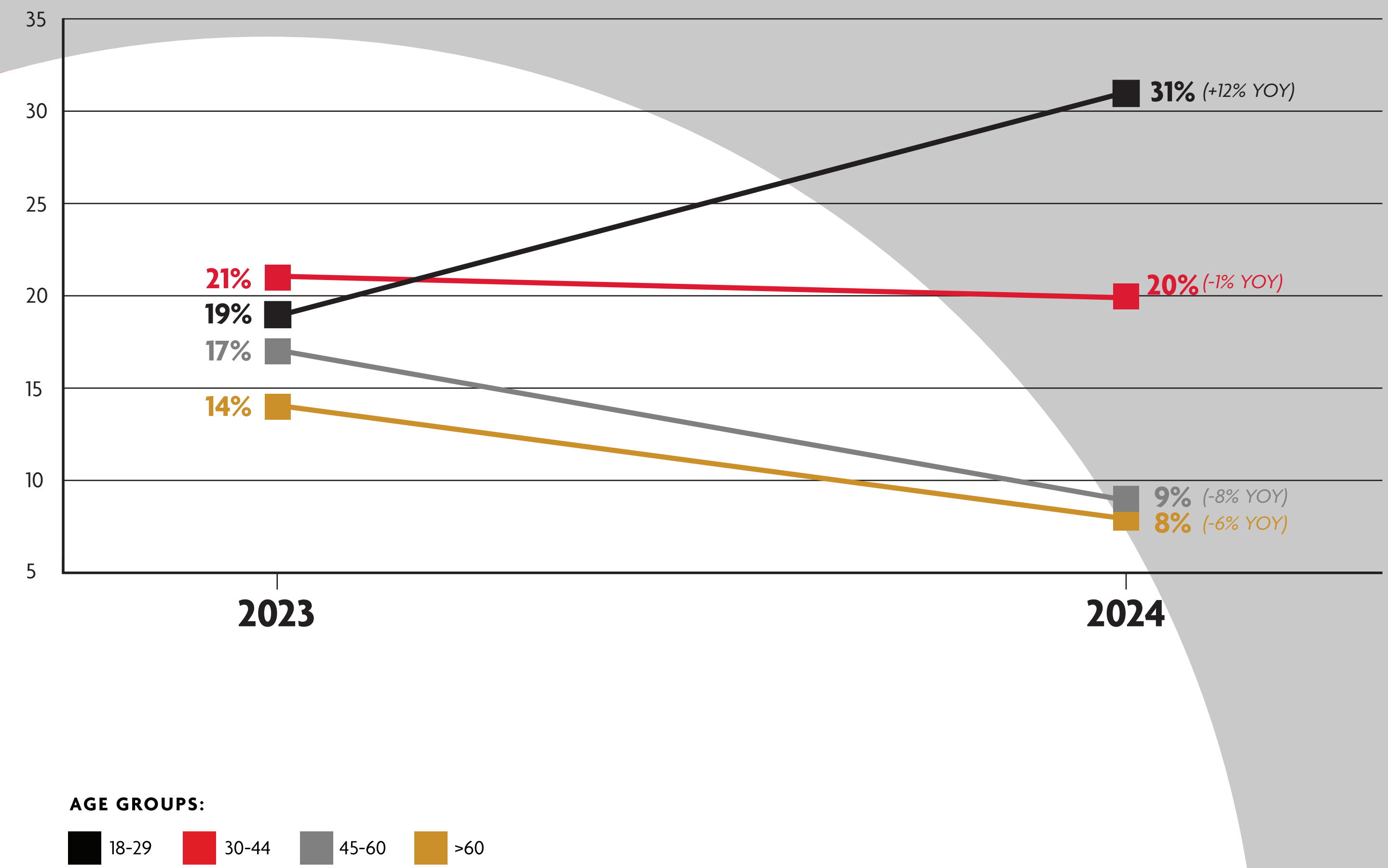


Shoppers are less likely to buy from brands that don't offer free returns.



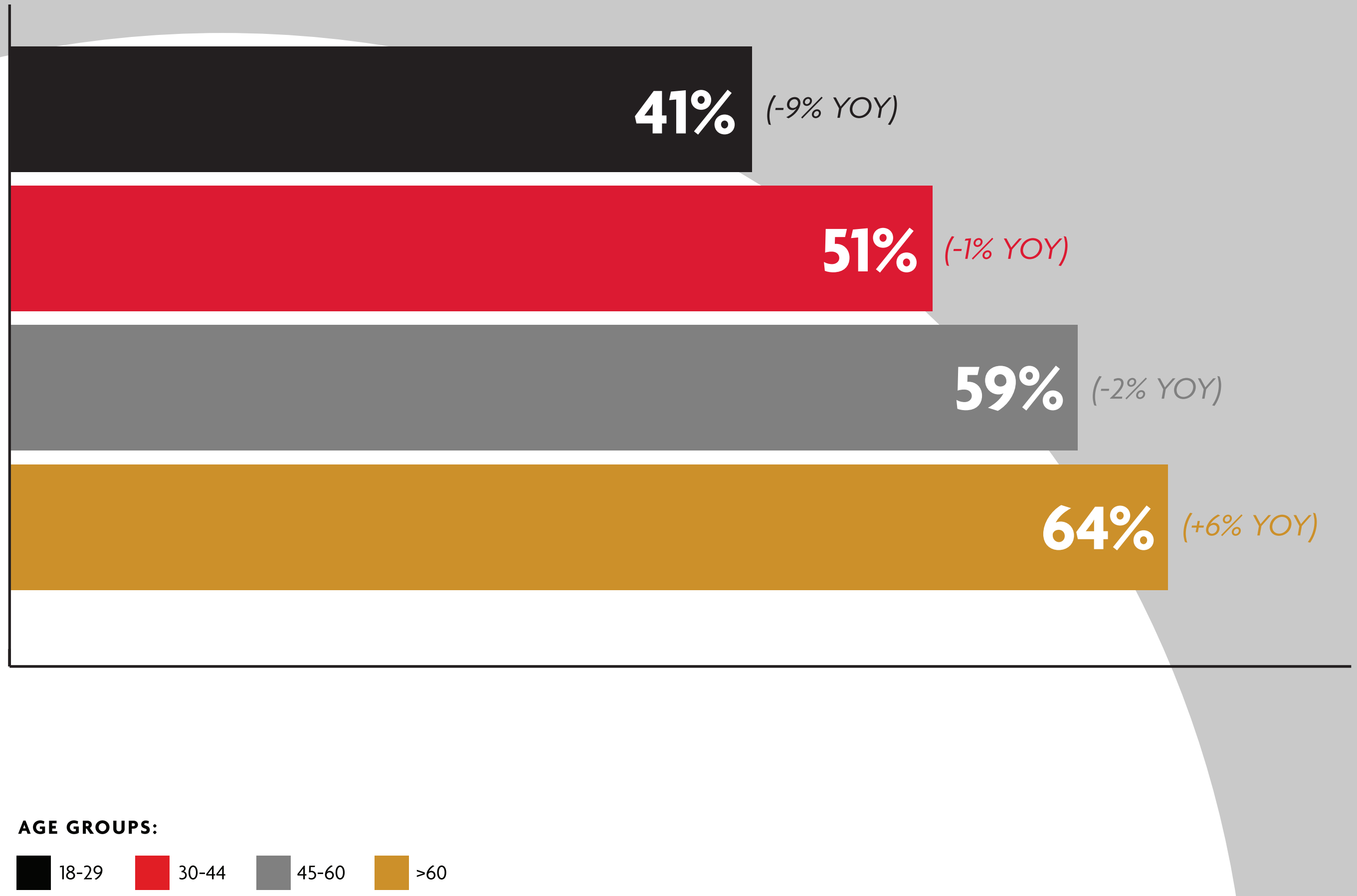
Younger shoppers are making more returns.

The youngest shoppers made more returns YOY while all other age groups made fewer.



Free-return policies are more important for older shoppers.

Will not make a purchase from a brand that doesn't have a free-return policy:



Returnless refunds are still effective but losing their luster.

“What do you think of the concept of returnless refunds?”

They would make me shop with the brand again:

63%

(-2% YOY)

They would make me feel like the brand cares about the environment:

39%

(-1% YOY)

They would make me want to donate unwanted items:

39%

(-6% YOY)

It makes me uncomfortable, and I would still want to return an item.

17%

(+1% YOY)

PACKAGING

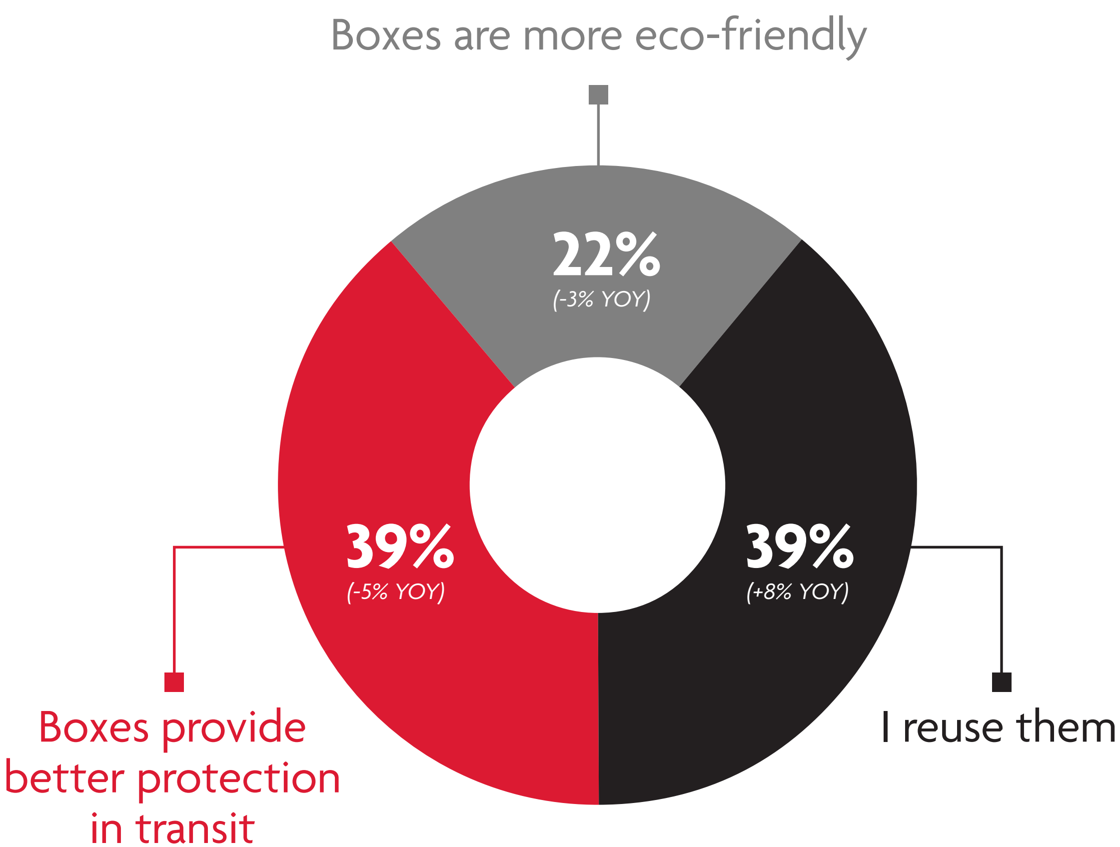
PACKAGING: KEY TAKEAWAYS

- Boxes remain the favored shipping packaging.
- Investing in a premium unboxing experience is driving more repeat business.
- Attractive packaging is an increasingly powerful tool for generating social media sharing.
- Providing customers with incentives to make future purchases pays off.

Boxes remain the favored shipping packaging.

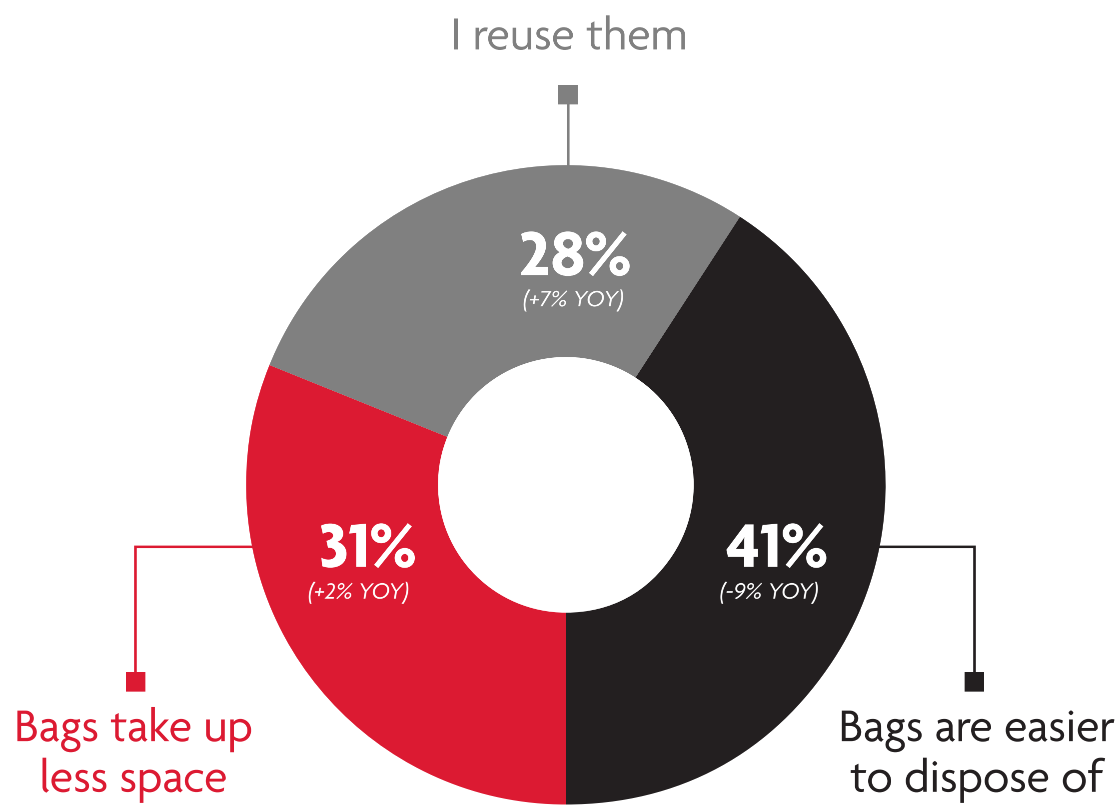
77% of shoppers prefer receiving online orders in boxes rather than bags. *(+3% YOY)*

WHY?



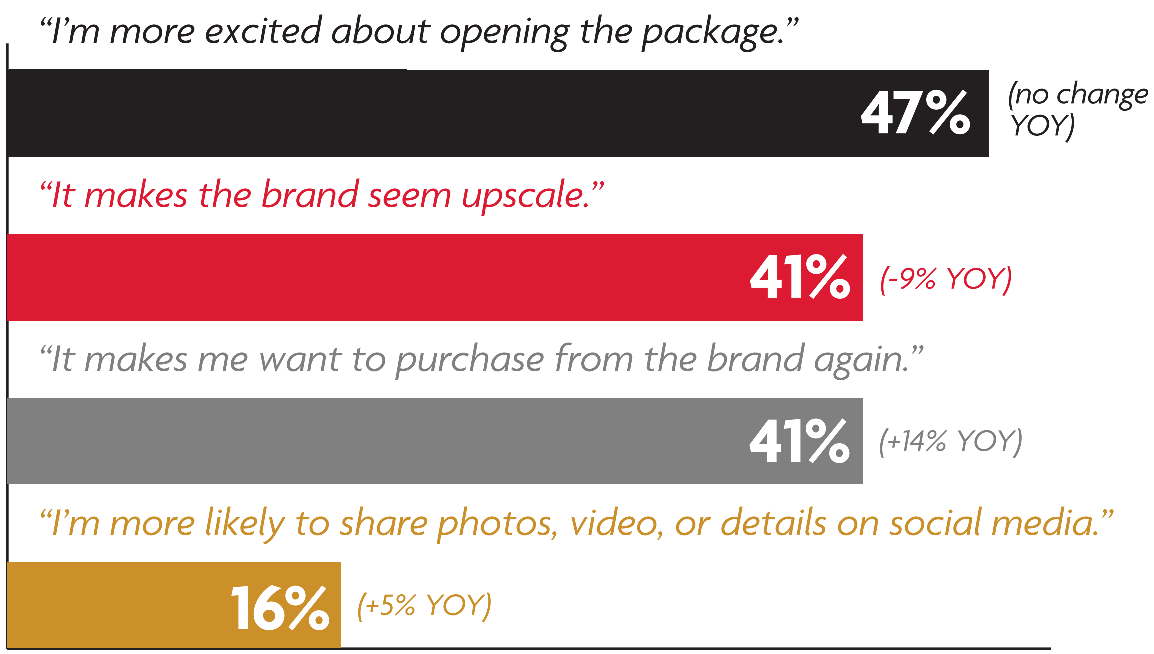
23% of shoppers prefer receiving online orders in bags rather than boxes. *(-3% YOY)*

WHY?



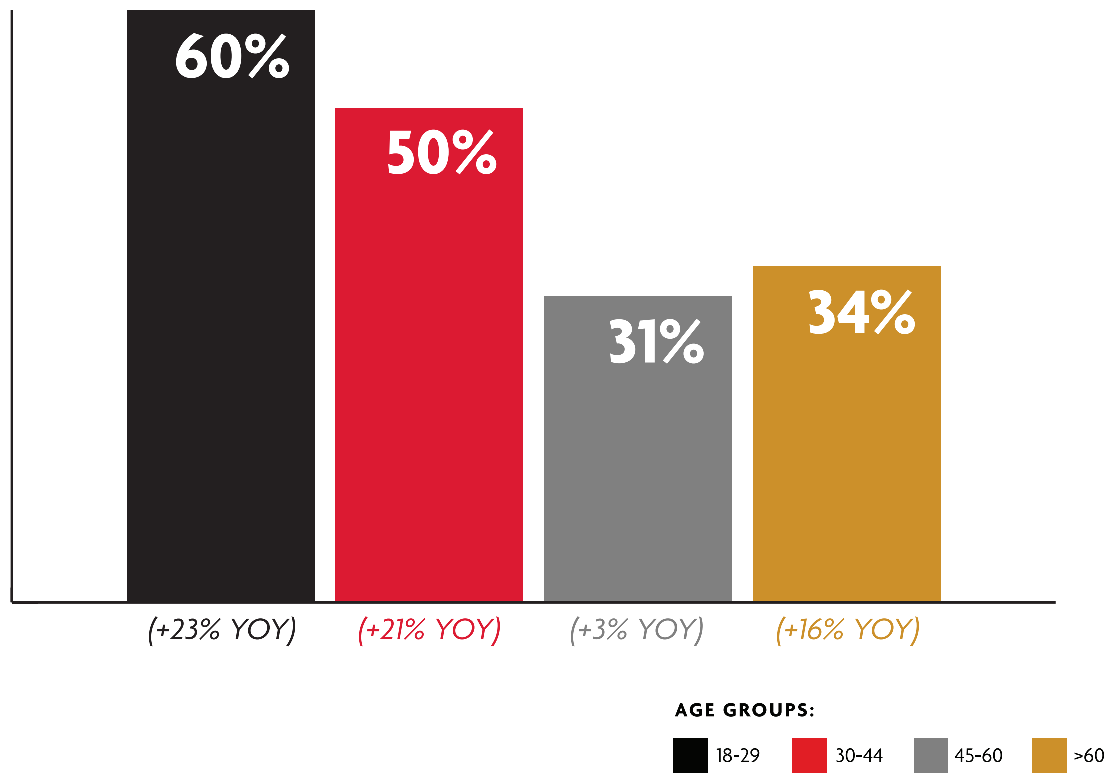
Investing in a premium unboxing experience is driving more repeat business.

How consumers' feelings about a brand are affected by a premium unboxing experience *(custom-designed box, colorful tissue paper, ribbons, twine, etc.)*:



Younger shoppers are especially responsive to a premium unboxing experience.

"It makes me want to purchase from the brand again."



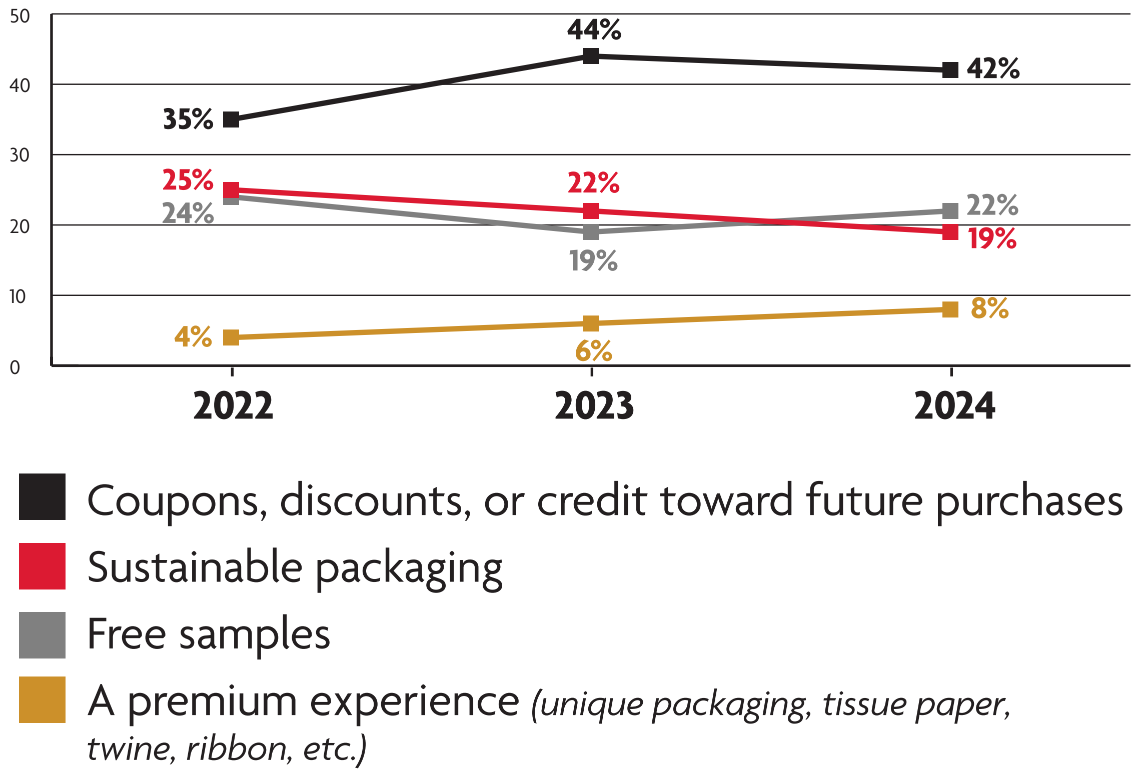
Attractive packaging is an increasingly powerful tool for generating social media sharing.

Which of the following is most likely to encourage you to post photos or video showcasing a package you received from a company?

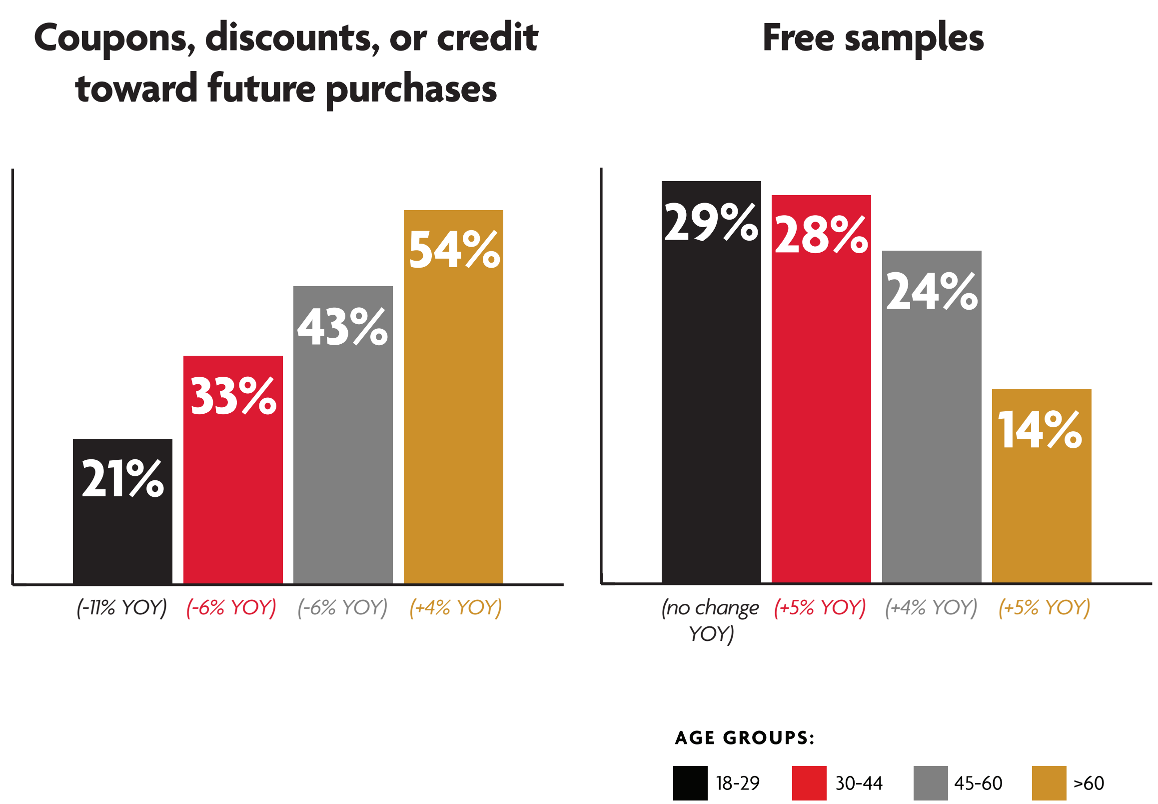
Providing customers with incentives to make future purchases pays off.

"When thinking about the experience of unboxing an online order, what factor is MOST likely to make you want to shop with the same brand again in the future?"

Top 4 responses:



Coupons, discounts, or future purchase credits are most appealing to older shoppers, while free samples win over younger shoppers.



SUSTAINABILITY

SUSTAINABILITY: KEY TAKEAWAYS

- Consumers embrace opportunities to reduce environmental impact of e-commerce.
- Companies' environmental practices significantly influence shoppers' purchase decisions.
- Specific groups of shoppers are particularly supportive of a circular economy.
- Younger consumers are more eco-conscious shoppers.

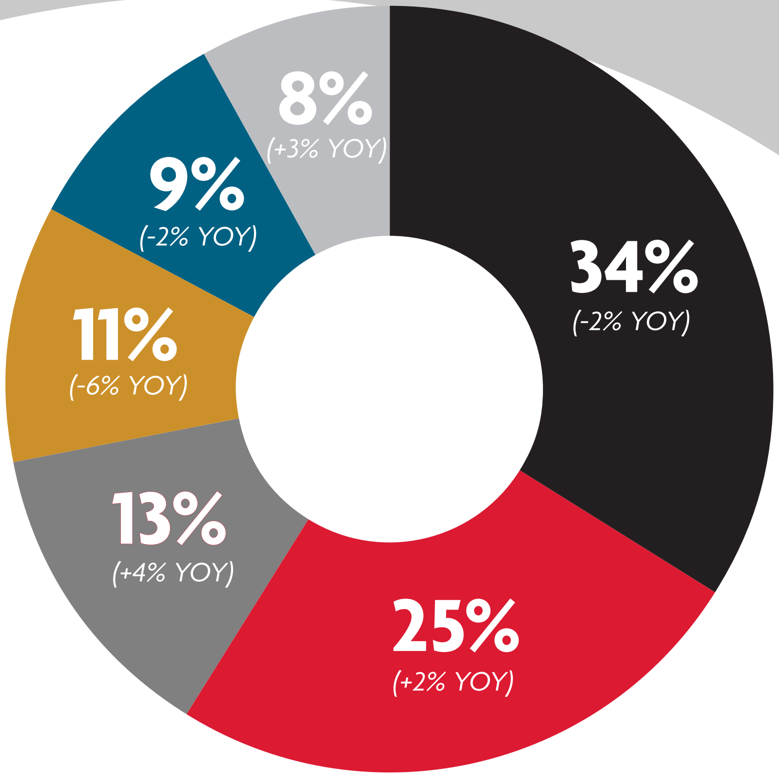
Consumers embrace opportunities to reduce environmental impact of e-commerce.

74% of online shoppers will wait longer for an online order to arrive in an effort to reduce the impact to the environment. *(+3% YOY)*

"Thinking about the environmental impact of e-commerce, which factor would make you MOST likely to shop with a brand?"

Companies' environmental practices significantly influence shoppers' purchase decisions.

"Which of these factors plays the biggest role in deciding who you purchase from?"



- The company treats its workers fairly.
- The company utilizes environmentally conscious business practices.
- My purchases will support social causes.
- The company expresses political or social values/beliefs similar to my own.
- My purchases will support environmental initiatives.
- The company's marketing features diverse/underrepresented groups.

Specific groups of shoppers are particularly supportive of a circular economy.

#1 SHOPPING CATEGORY:

Sporting Goods Shoppers

54%

#1 REGION:

South and West (tie)

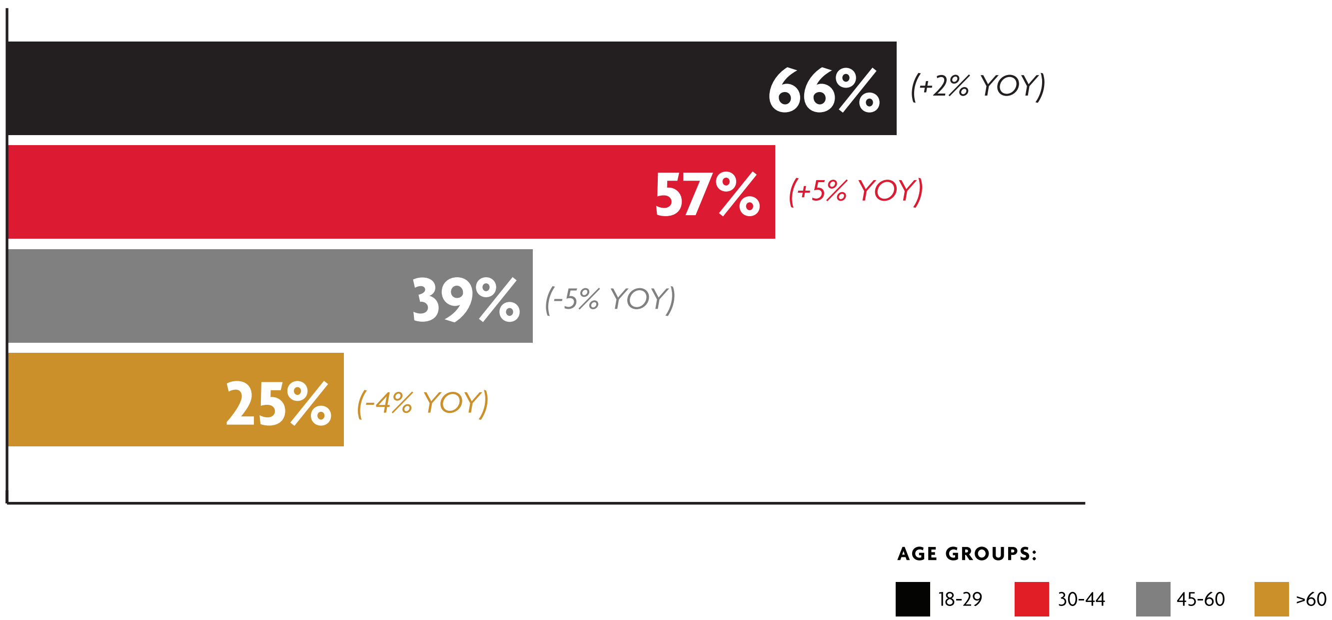
45%

#1 AGE GROUP:

18-29

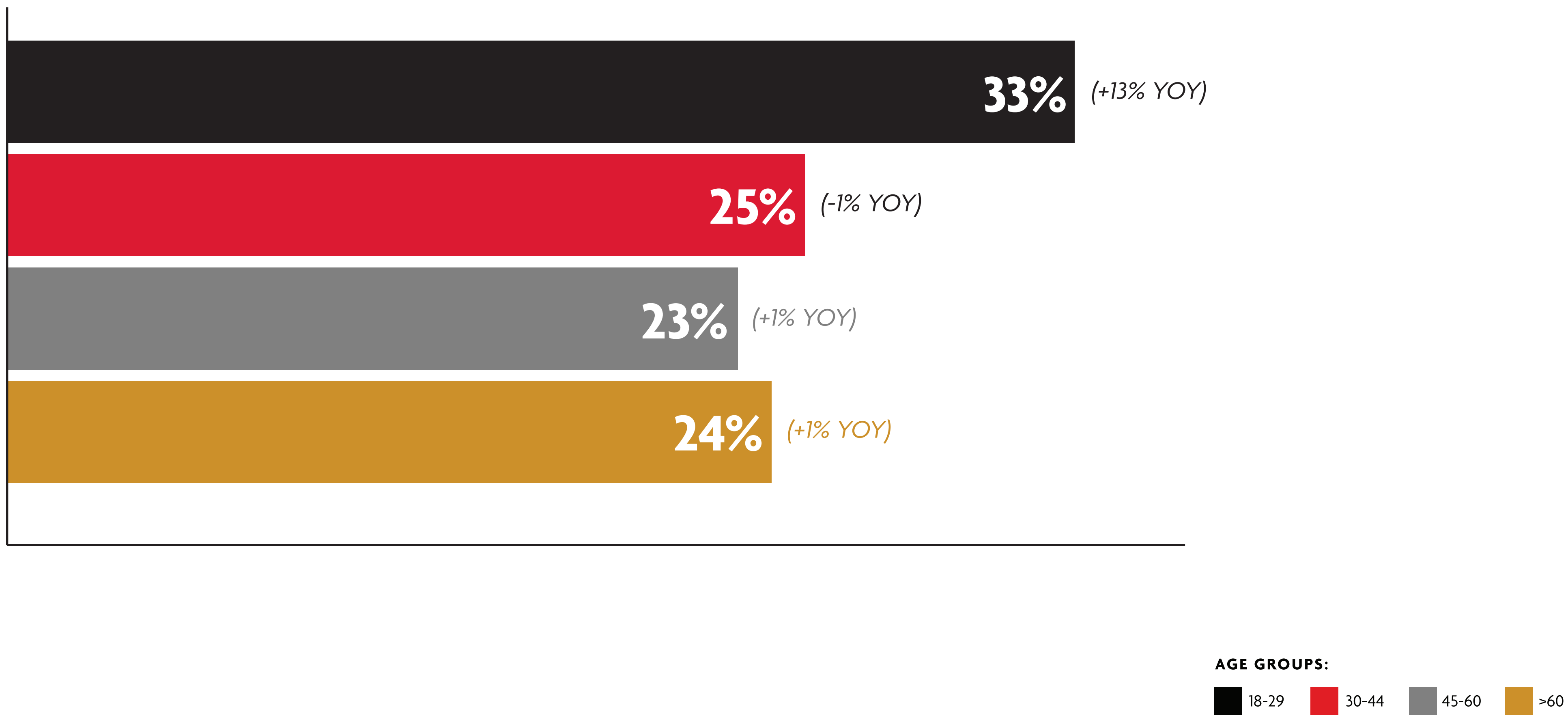
66%

The younger the shopper, the more likely they are to participate in circular economy practices:



Younger consumers are more eco-conscious shoppers.

The younger the shopper, the more likely they are to name a company's use of environmentally conscious business practices as the biggest determinant of where they decide to purchase from.



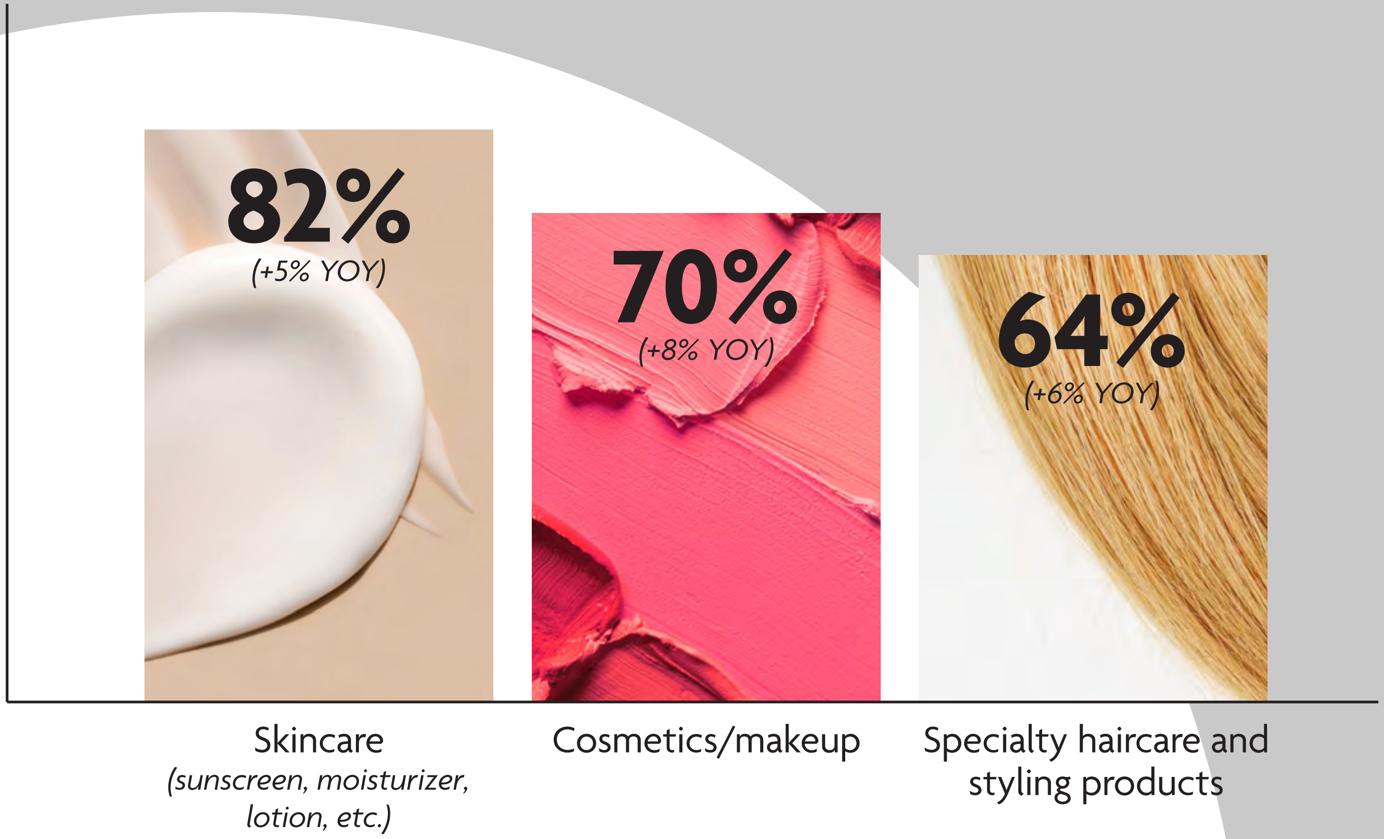
BEAUTY SHOPPERS

BEAUTY SHOPPERS: KEY TAKEAWAYS

- Skincare category leads regular beauty purchases.
- Consumers prefer buying beauty products online, but in-store purchase preference is on the rise.
- Beauty shoppers turn their attention to social responsibility as price and ingredients lose sway.
- Environmental and social conscience guides beauty shoppers' purchase decisions.
- Comparison shopping helps beauty consumers cope with inflation.
- Savings, samples, and sustainability bring beauty customers back to brands.

Skincare category leads beauty purchases.

Products beauty shoppers purchase regularly:



Consumers prefer buying beauty products online, but in-store purchase preference is on the rise.

"Where do you prefer to buy your cosmetics/beauty products?"

Beauty Shoppers

33% On Amazon or another marketplace *(-5% YOY)*

24% Directly from the brand's website *(-1% YOY)*

23% At a department or convenience store *(+1% YOY)*

18% In a brand's physical retail location *(+8% YOY)*

All Shoppers

29% On Amazon or another marketplace *(-7% YOY)*

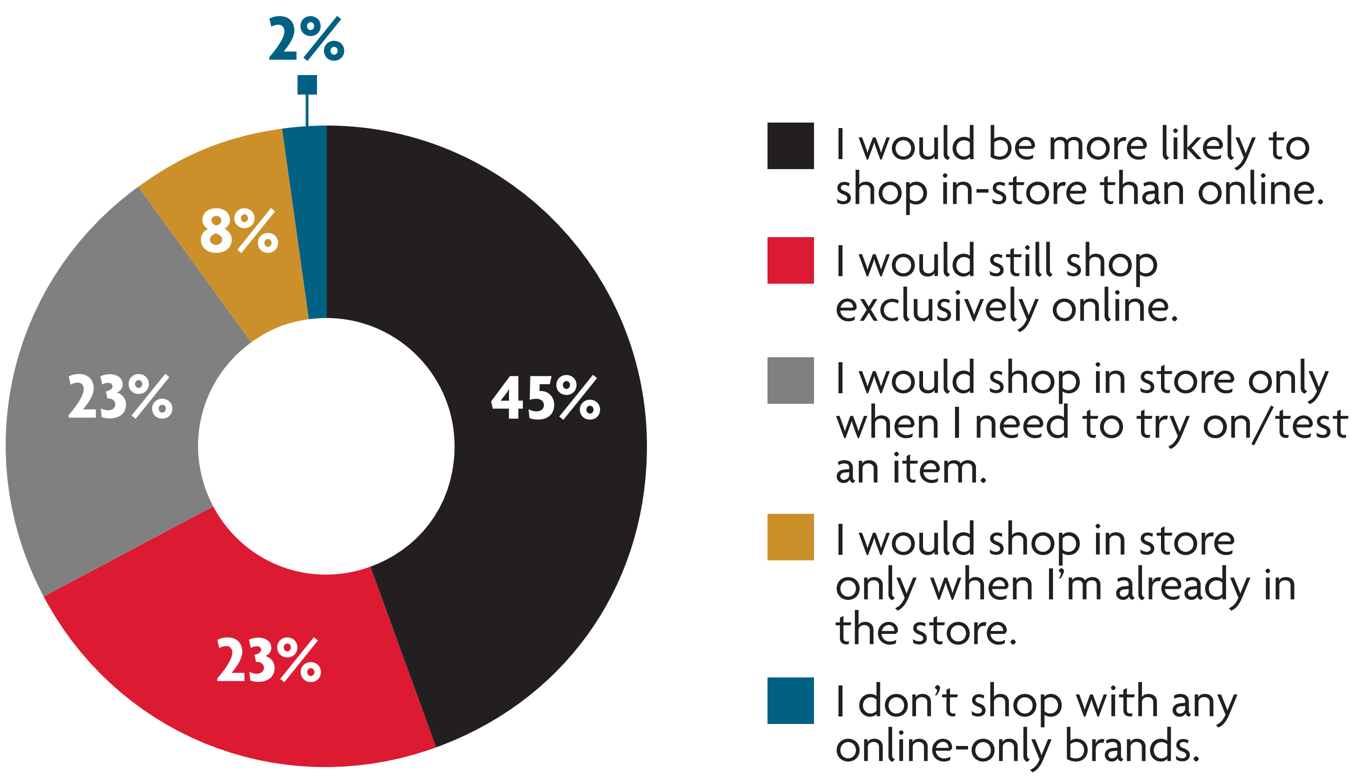
21% Directly from the brand's website *(-1% YOY)*

29% At a department or convenience store *(+4% YOY)*

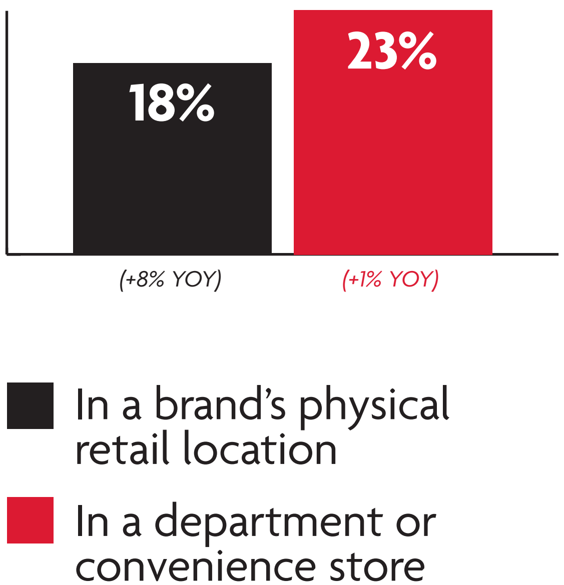
20% In a brand's physical retail location *(+7% YOY)*

Beauty shoppers welcome more brick-and-mortar offerings.

"If an online-only beauty brand you shop with began carrying products in a physical store near you, how would it affect how you shop with the brand?"



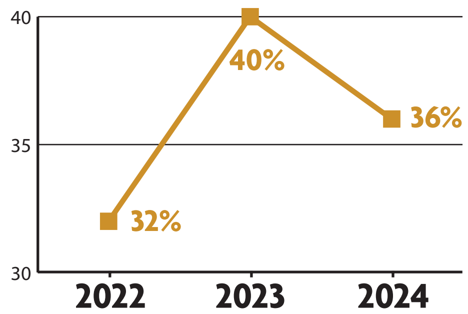
41% prefer to buy cosmetics/beauty products in person.



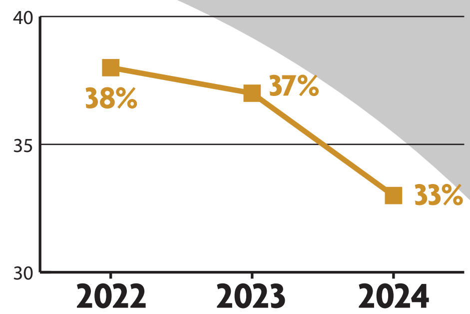
Beauty shoppers turn their attention to social responsibility as price and ingredients lose sway.

"When shopping for cosmetic/beauty products, which of the following factors plays the biggest role in your decision to purchase?"

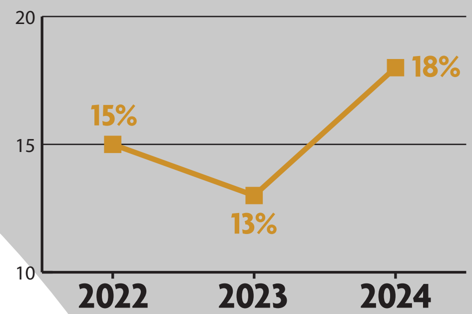
Ingredients used in the products:



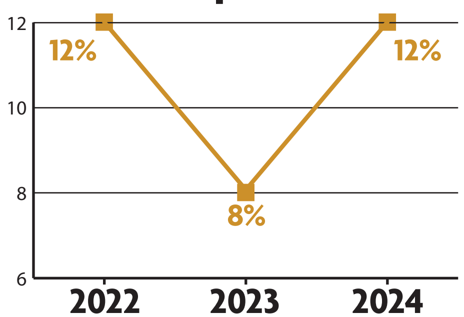
Price:



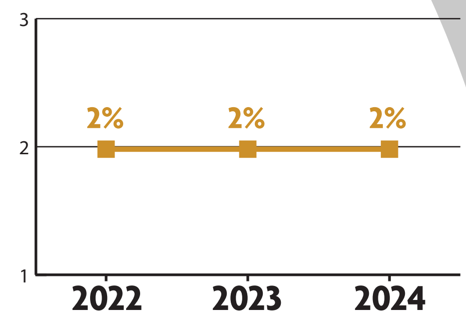
Company's ethical standards and policies:



Company's/product's environmental impact:

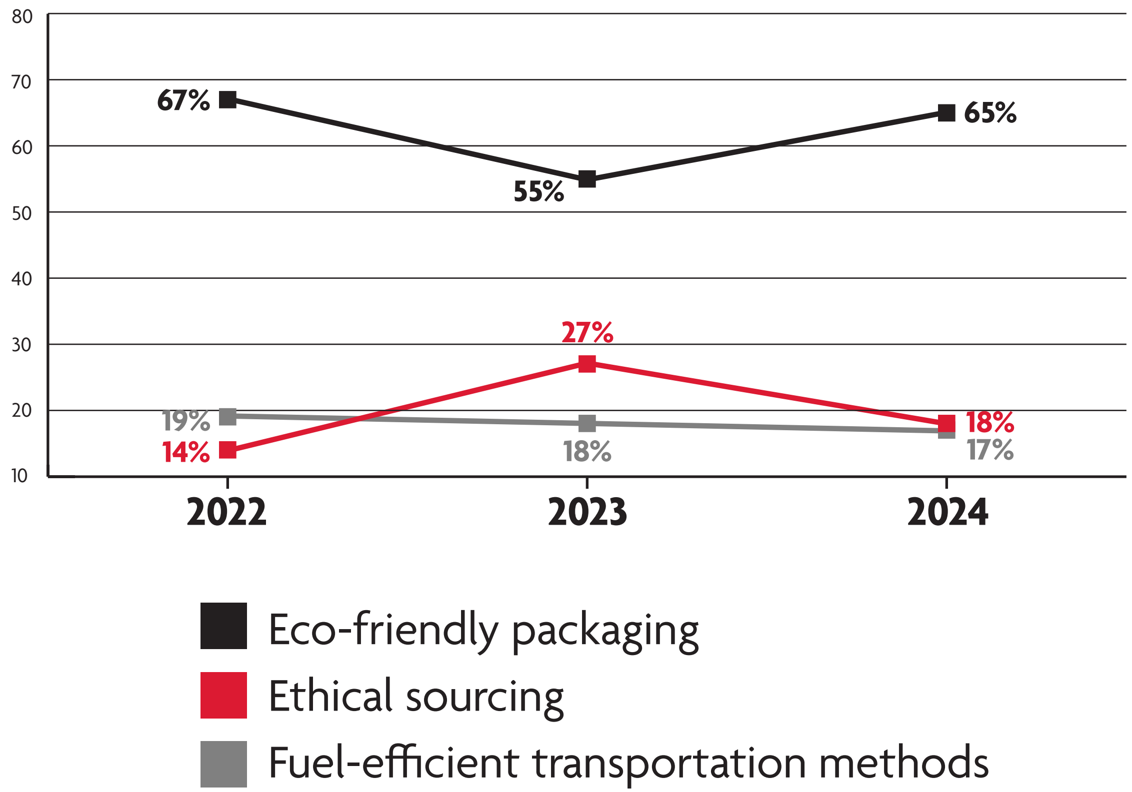


Purchases support a worthy cause:



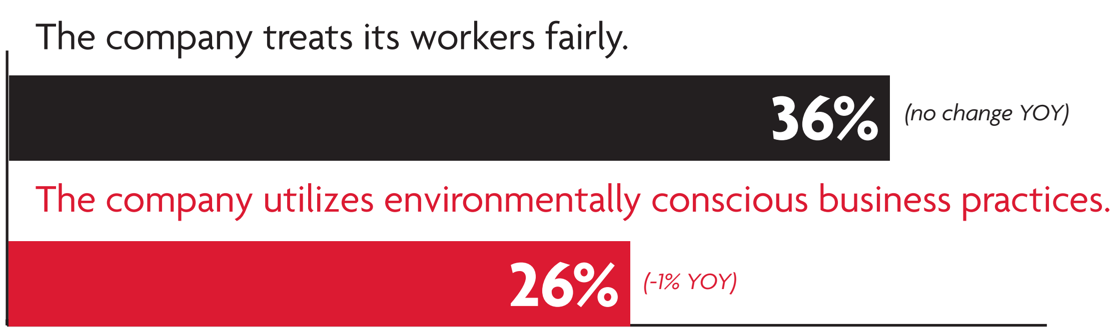
Environmental and social conscience guides beauty shoppers' purchase decisions.

"Thinking about the environmental impact of e-commerce, which factor would make you MOST likely to shop with a brand?"



Which of these factors plays the biggest role in deciding who you purchase from?

Top responses:



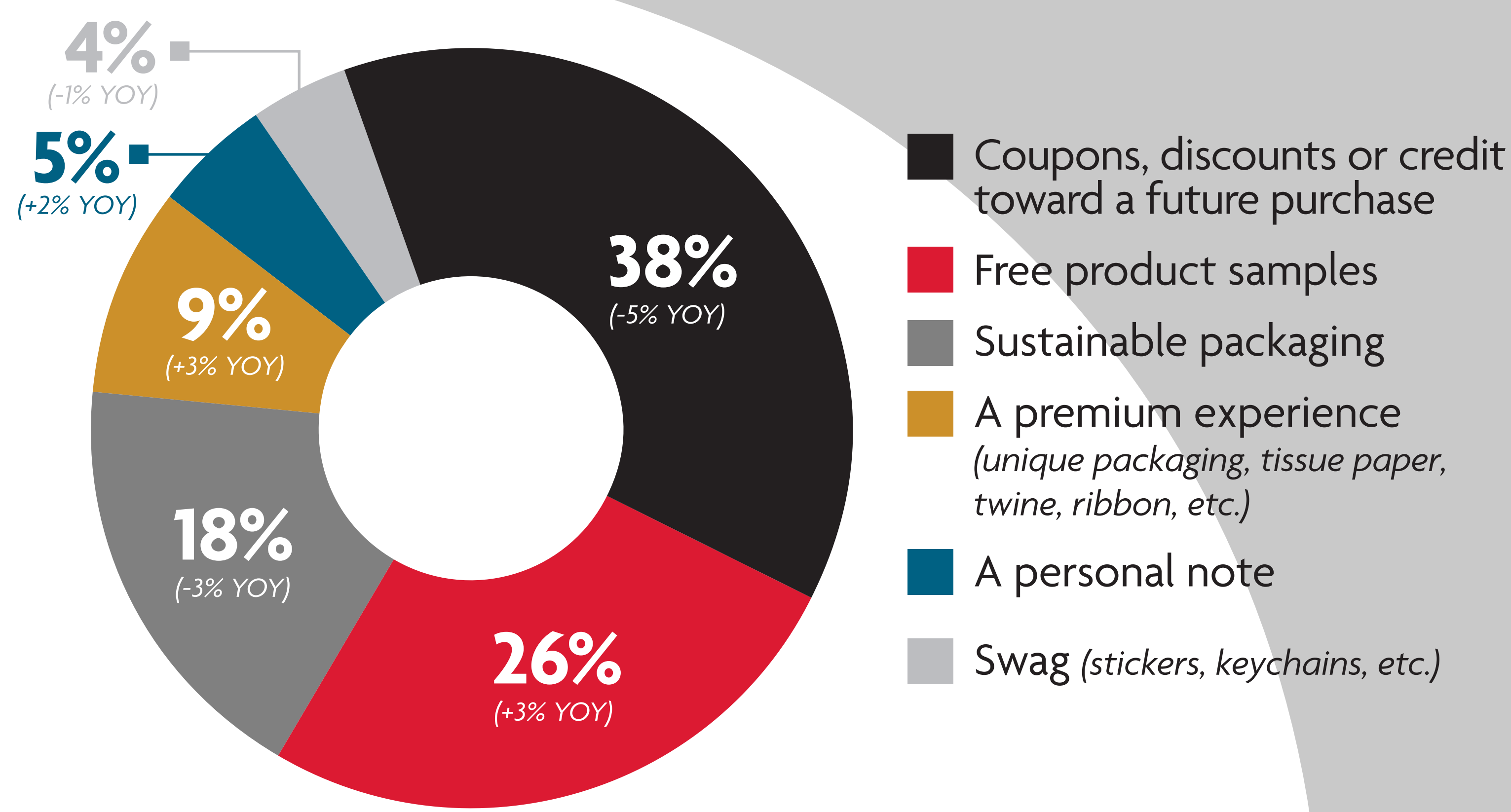
Comparison shopping helps Beauty consumers cope with inflation.

"How has recent inflation impacted your non-essential online shopping behavior?"

	Beauty Shoppers		All Shoppers	
1	**55%**	*"I am doing more comparison shopping before making purchases."* (-1% YOY)	**49%**	*"I am doing more comparison shopping before making purchases."* (no change YOY)
2	**53%**	*"I am making fewer purchases."* (+2% YOY)	**51%**	*"I am making fewer purchases."* (no change YOY)
3	**34%**	*"I am only making online purchases when free delivery is an option."* (-2% YOY)	**31%**	*"I am only making online purchases when free delivery is an option."* (-1% YOY)

Savings, samples, and sustainability bring beauty customers back to brands.

"When thinking about the experience of opening up a package you ordered online, what factor is MOST likely to make you want to shop with the same brand again in the future?"



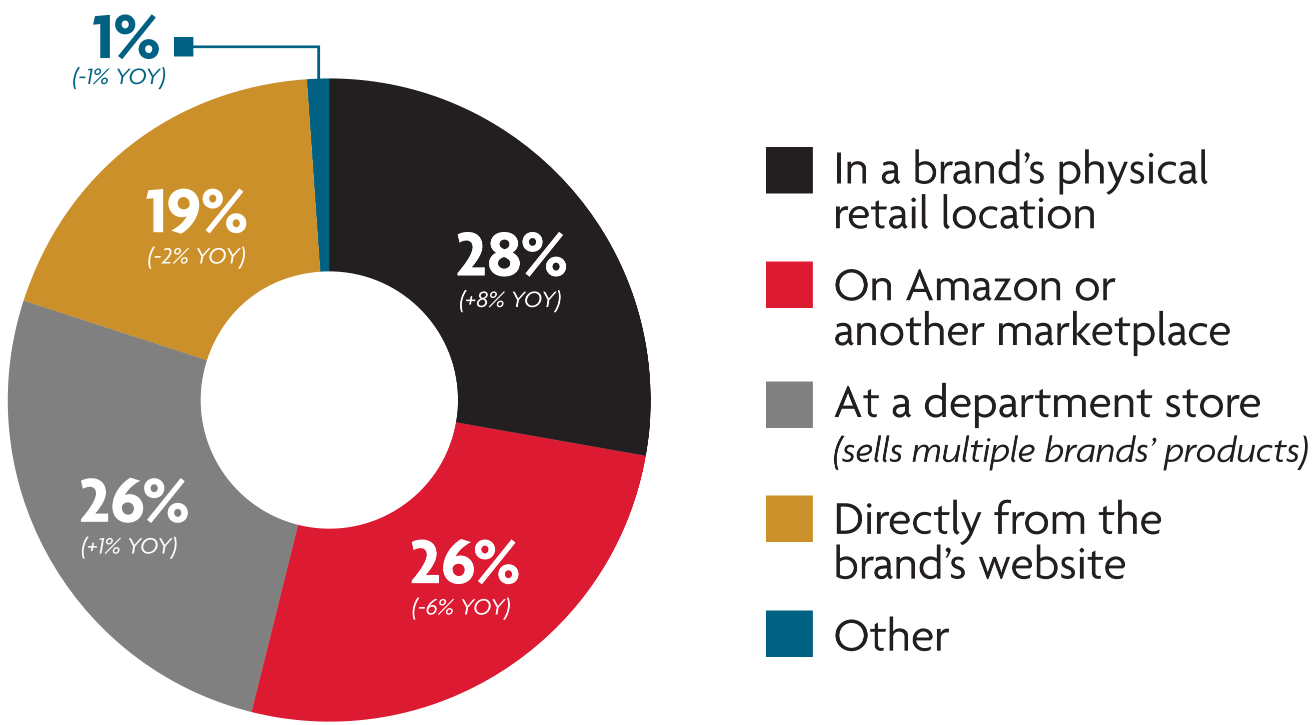
APPAREL SHOPPERS

APPAREL SHOPPERS: KEY TAKEAWAYS

- Preference for buying apparel in-store edges in on e-commerce.
- Free shipping weighs heavily on apparel shoppers' purchase decisions.
- Free and easy returns remain a priority for apparel shoppers.
- Price drives apparel purchase decisions, but other factors continue gaining traction.
- Apparel shoppers' interest in circular economy services is still evident but waning.

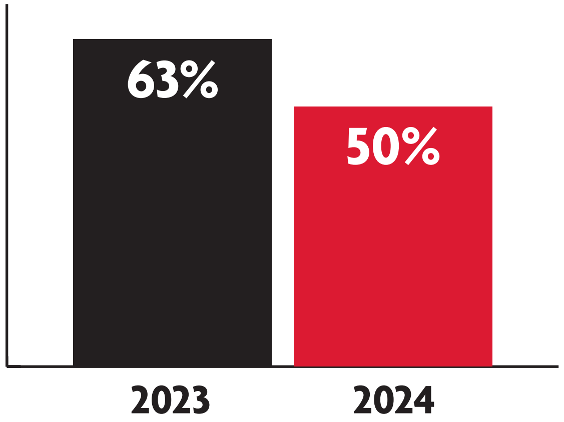
Preference for buying apparel in-store is edging out e-commerce.

Where do you prefer to buy your apparel products?



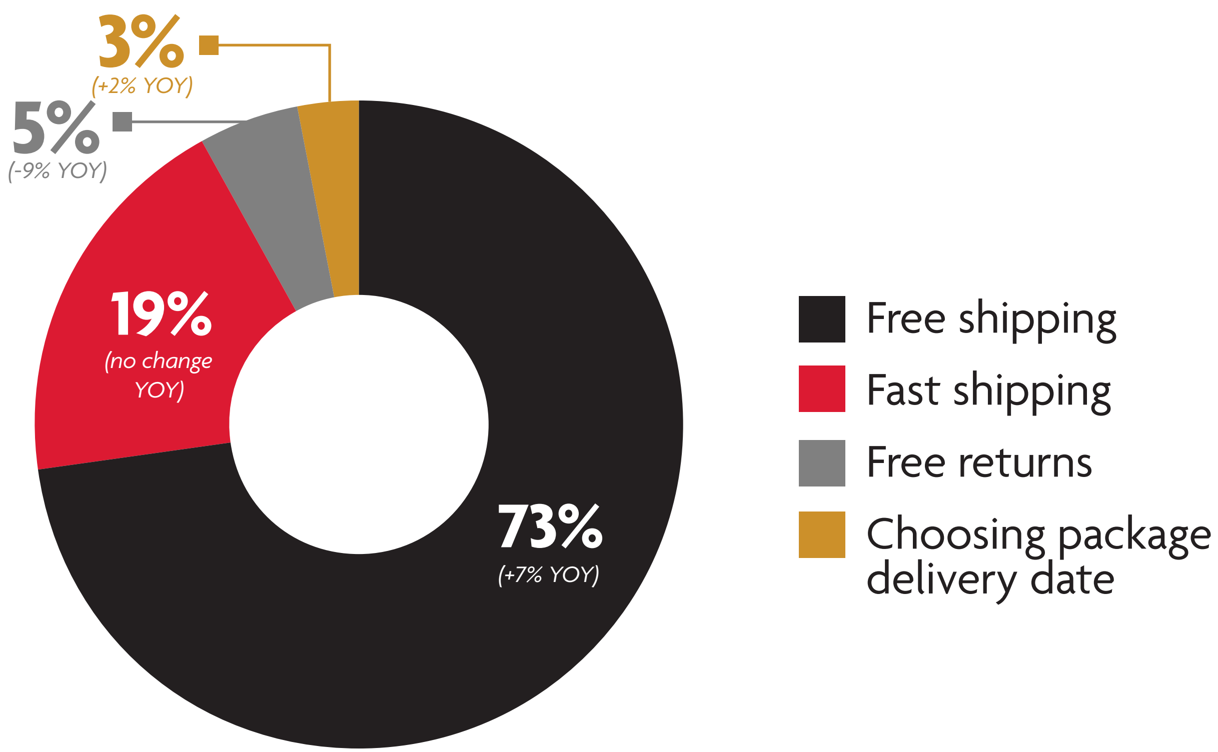
61% of apparel shoppers shop in-store for the experience *(trying on products, comparing products in person, etc.)* (+21% YOY)

Apparel shoppers who only shop in-store when they need something immediately:



Free shipping weighs heavily on apparel shoppers' purchase decisions.

Factors that play the biggest role in deciding where to make an online purchase:



71% of apparel shoppers have abandoned carts upon seeing unanticipated shipping costs.
(Though a 12% YOY decrease suggests a significant turnaround)

Most shoppers have added more items to their online carts to qualify for free shipping in the last year:

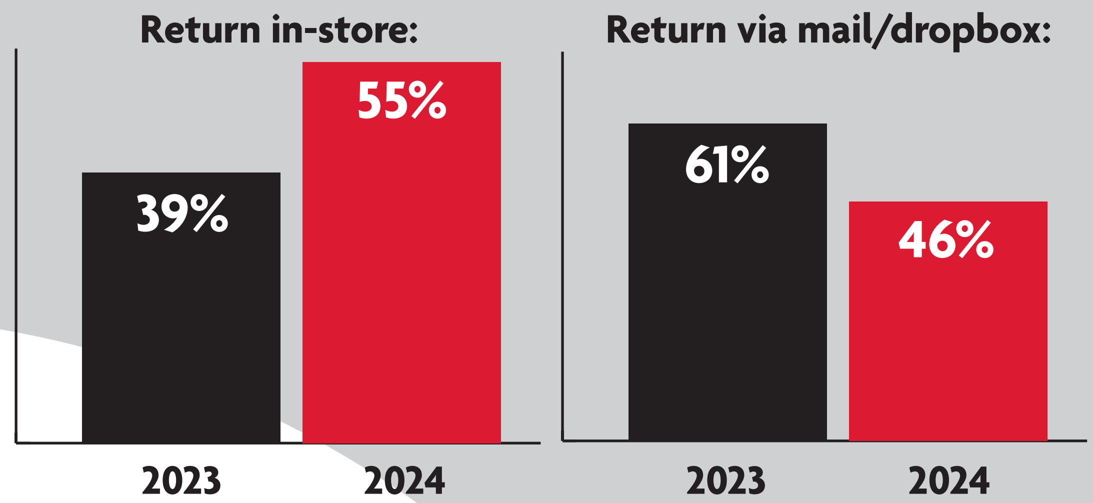
Free and easy returns remain a priority for apparel shoppers.

56%

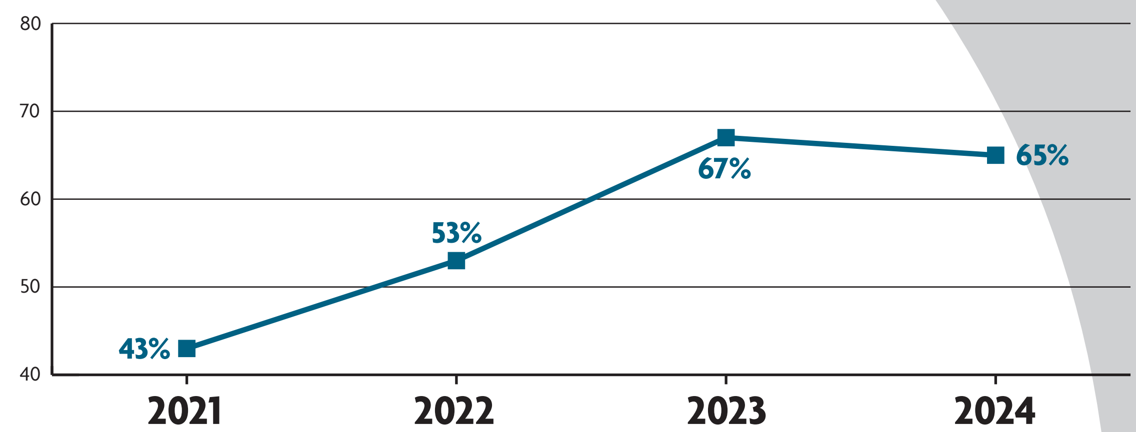
Of apparel shoppers will not purchase from a brand that doesn't offer free returns.

(no change YOY)

In-store returns are a growing preference for online apparel shoppers:

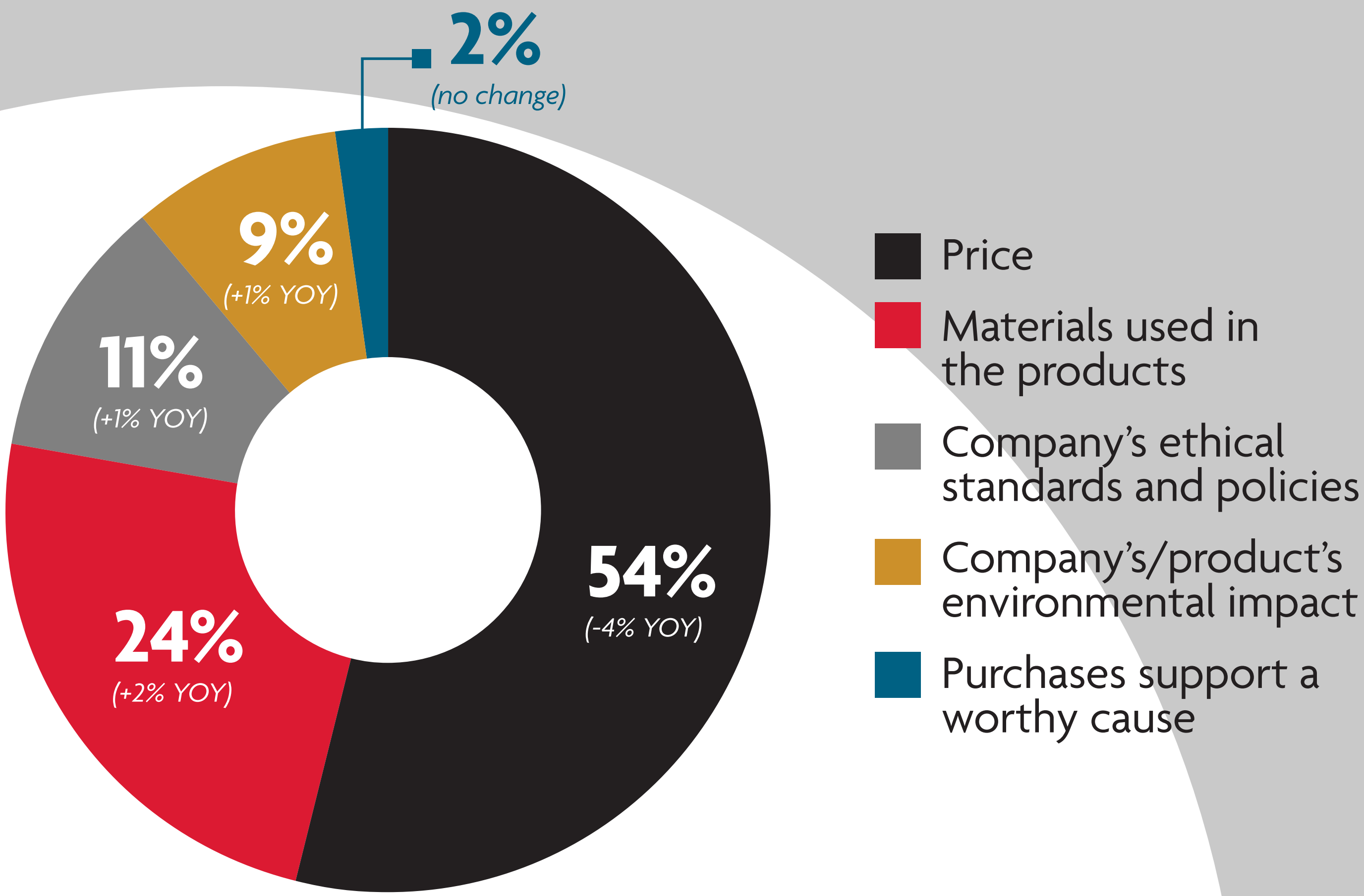


65% of apparel shoppers say that being offered a returnless refund would make them want to shop with a brand again.



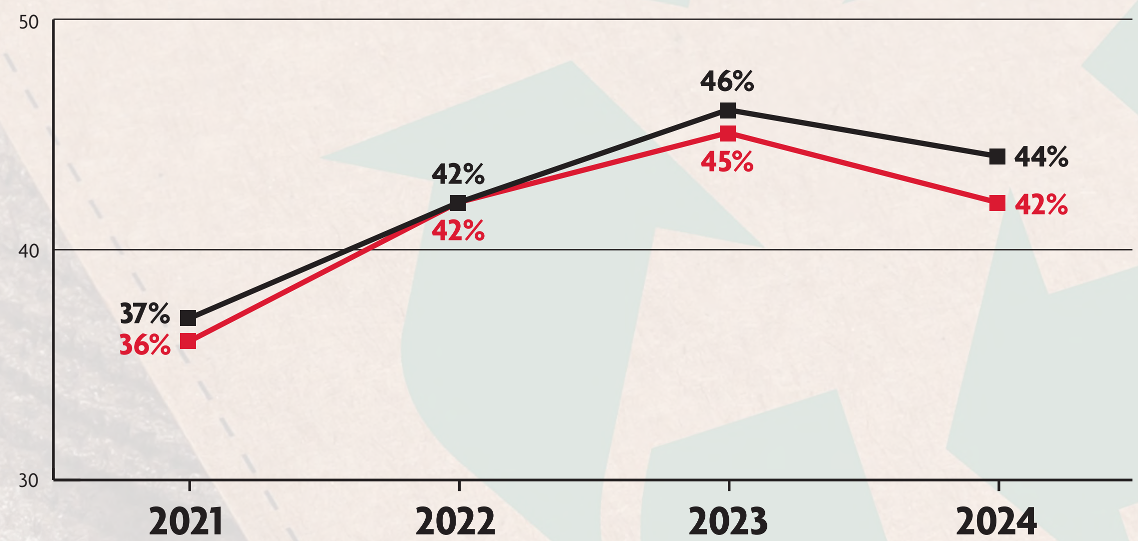
Price drives apparel purchase decisions, but other factors continue gaining traction.

"When shopping for apparel products, which of the following factors plays the biggest role in your decision to purchase?"



Apparel shoppers' interest in circular economy services is still evident, but waning.

Apparel shoppers who have purchased products or subscribed to services that support a circular economy *(e.g. upcycled apparel, zero-waste delivery systems, refillable home/personal-care containers, toothpaste tablets, etc.)*:



Apparel Shoppers: **44%**

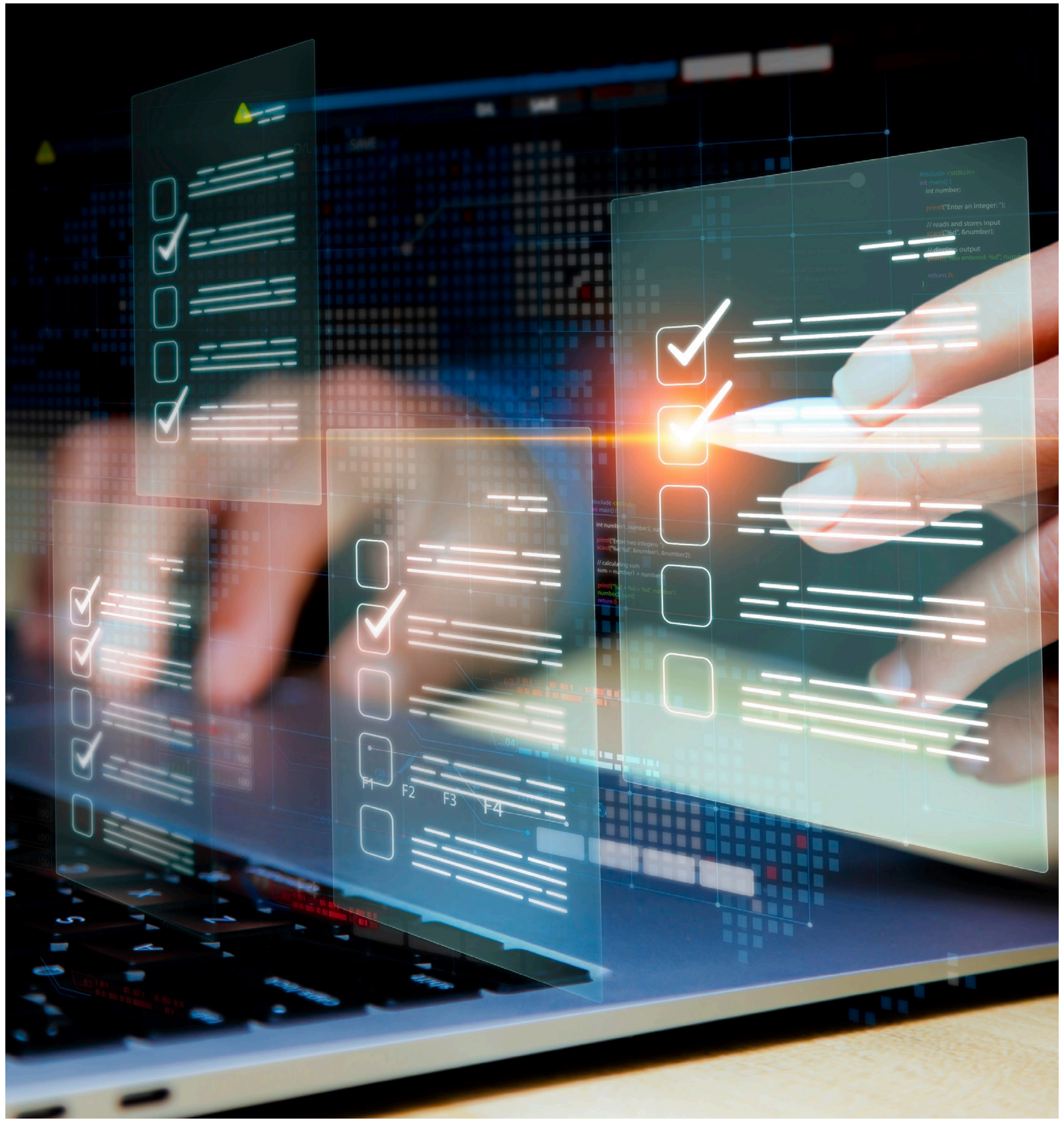
General Shoppers: **42%**

ABOUT RYDER SYSTEM, INC.

Ryder System, Inc. (NYSE: R) is a fully integrated port-to-door logistics and transportation company. It provides supply chain, dedicated transportation, and fleet management solutions including warehousing and distribution, contract manufacturing and packaging, e-commerce fulfillment, last-mile delivery, managed transportation, professional drivers, freight brokerage, near-shoring solutions, full-service leasing, maintenance, commercial truck rental, and used vehicle sales to some of the world's most-recognized brands. Ryder provides services throughout the United States, Mexico, and Canada. In addition, Ryder manages nearly 250,000 commercial vehicles, services fleets at 760 maintenance locations, and operates approximately 300 warehouses encompassing more than 100 million square feet. Ryder is regularly recognized for its industry-leading practices; technology-driven innovations, corporate responsibility; environmental management; safety, health and security programs; military veteran recruitment initiatives; and the hiring of a diverse workforce. www.ryder.com

Ryder® Ever better.™

METHODOLOGY



In April 2024, Ryder surveyed 1,306 online shoppers about behavior, preferences, experiences, and expectations pertaining to their e-commerce activity from 2023 to 2024. Subject matter comprised purchasing, omnichannel experiences, packaging, shipping, returns, and sustainability.

Gender breakdown:

Male: **49%**
Female: **50%**
Other: **1%**

Age breakdown:

18-29: **11%**
30-44: **28%**
46-60: **27%**
>60: **35%**

Regional breakdown:

South: **36%**
West: **23%**
Midwest: **22%**
Northeast **19%**

PT631475 091324