Ryder 2023 E-commerce Consumer Study

Adapting to Inflation:

CONSUMER OUTLOOK ON E-COMMERCE

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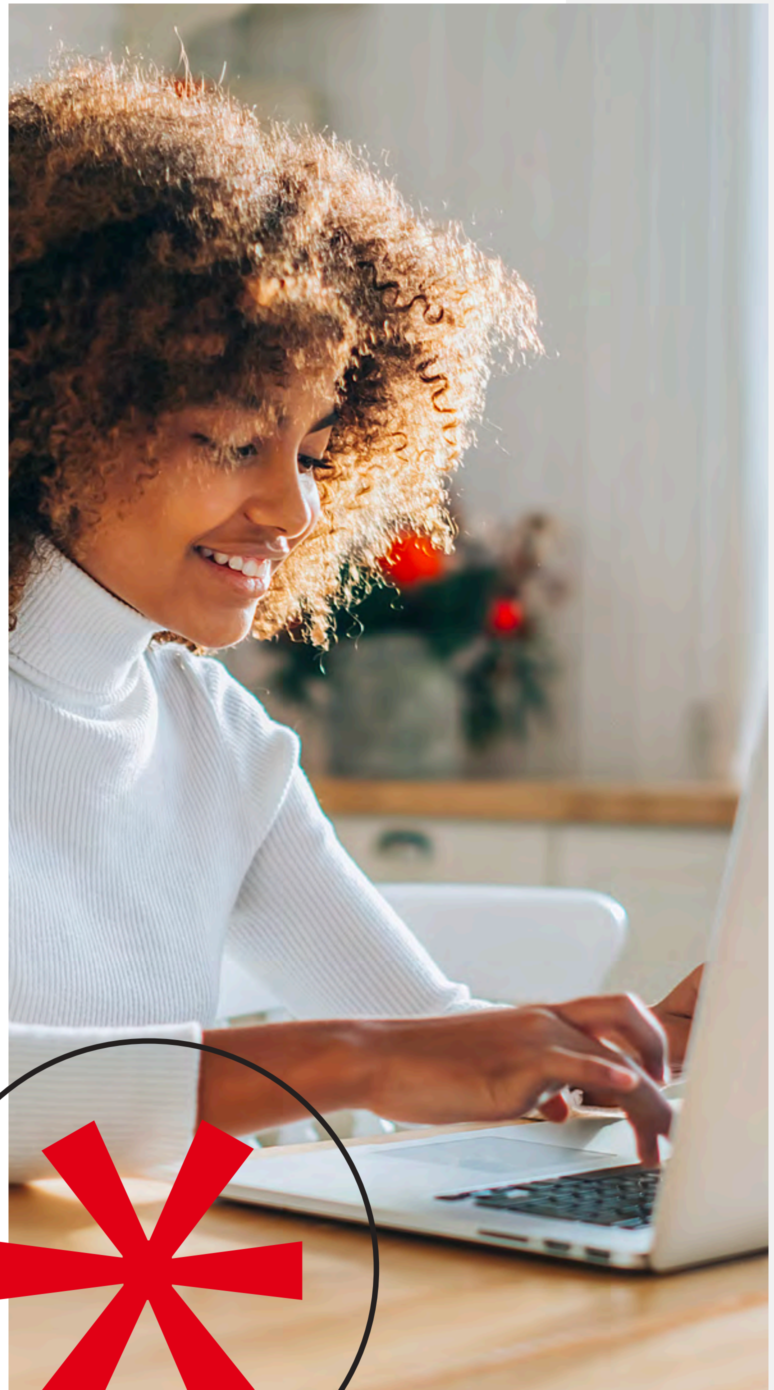


EXECUTIVE SUMMARY

When this annual study was first initiated in 2015, the goal was to gather and monitor consumer behaviors, preferences, and expectations and publish those findings to serve as an industry benchmark for e-commerce growth. Little did anyone know at that time just how much—and how quickly—the e-commerce landscape would change.

Over the last three years, the world has endured a massive domino effect; it began with a global pandemic which led to near-impossible supply chain disruptions, bringing us to where we are today: contending with high inflation. Yet, as tumultuous as things have gotten and as much evolution as there has been in such a short time, this ninth annual e-commerce consumer study, which Ryder assumed after acquiring Dotcom Distribution, confirms that some things never change.

In 2023, consumers have adapted and adopted new norms, yet certain behaviors remain steadfast. More than any other characteristic, people remain cost-conscious, consistently prioritizing savings, most prominently with free shipping, free returns, and comparison shopping. What's important for merchants to keep in mind, though, is that consumer savings does not necessarily predetermine profit or loss on the seller side. In fact, often, it has the opposite effect. Providing customers with options to save in one area can create opportunities to shift spending to other areas, such as increasing order value with free shipping thresholds or earning repeat business with exemplary customer service and convenient returns management.

Consumer experience is king. Delivering on that is not just about one thing, it's about all things being convenient and on-demand, at all times.

What's Trending

In early 2022, amid long-term supply chain disruptions, most consumers had adapted to receiving shipments within three to four days—a longer window than was popular in previous years. While that time frame is still the prevailing expectation, there's been a slight shift over the past year in which the number of consumers expecting shipments to arrive in three or more days has dropped while the number of consumers who expect shipments to arrive in one to two days is rising.

While urgency is key, another consumer behavior that emerged, reportedly related to concerns surrounding inflation, is the increase in comparison shopping. Being competitive on this point requires not only offering desirable products and pricing, but prioritizing search engine features (e.g., Google Shopping, Yahoo Shopping) to make that information available to active shoppers.

What's Driving Purchasing Behavior

In looking at factors that play a role in consumers' purchase decisions, broadly speaking, it comes down to savings. For example, ***64% of this year's study participants agreed that free shipping is the factor that plays the biggest role in deciding where they make an online purchase.***

What's Driving Retention

As important as what is drawing customers in, if not more, is what is keeping them coming back. ***Two areas in the study that showed significant strides in retaining customers were returns management and promotional offers.*** Specifically, the rate of returnless refunds prompting customers to want to shop with a brand again increased 14% (from 51% to 65%). Additionally, 44% of participants reported coupons, discounts, or credit toward a future purchase was the factor most likely to make them want to shop with the same brand again in the future (+9% YOY).

When it comes to attracting new shoppers, there is evident opportunity in exploring avenues that appeal to consumers' ever-growing social and environmental consciousness. They are looking to align with like-minded companies that enable them to live the life they want while championing causes they care about. In this year's study, there is a clear uptick in the impact of corporate sustainability on consumer behavior and sentiment. This is observed in subject areas pertaining to returnless refunds, factors that prompt purchase decisions, and willingness to wait longer for a package to arrive in the interest of reducing environmental impact.

What's Driving Consumers Away

There is often so much focus on how to attract and retain shoppers that perhaps not enough attention is paid to preventing customer attrition. With proper information, such as the fact that ***80% of consumers in 2023 will not move forward with an online order if the shipping fees cost more than their purchase***, merchants can make informed decisions about how to mitigate losses. Another informative finding related to consumer tolerance, or lack thereof, is that, in the last year, 81% of consumers abandoned carts upon seeing unanticipated shipping costs—also a potential byproduct of inflation.

Since Ryder's doors opened 90 years ago, prioritizing the customer experience has been the guiding principle we've used to help emerging brands attract, delight, and retain customers, and stay competitive. This study helps to sharpen the lens through which direct marketers observe and evaluate industry practices and trends. This year's findings identify patterns and trends that brands and retailers can address to shape the ideal customer experience, particularly as inflation persists.

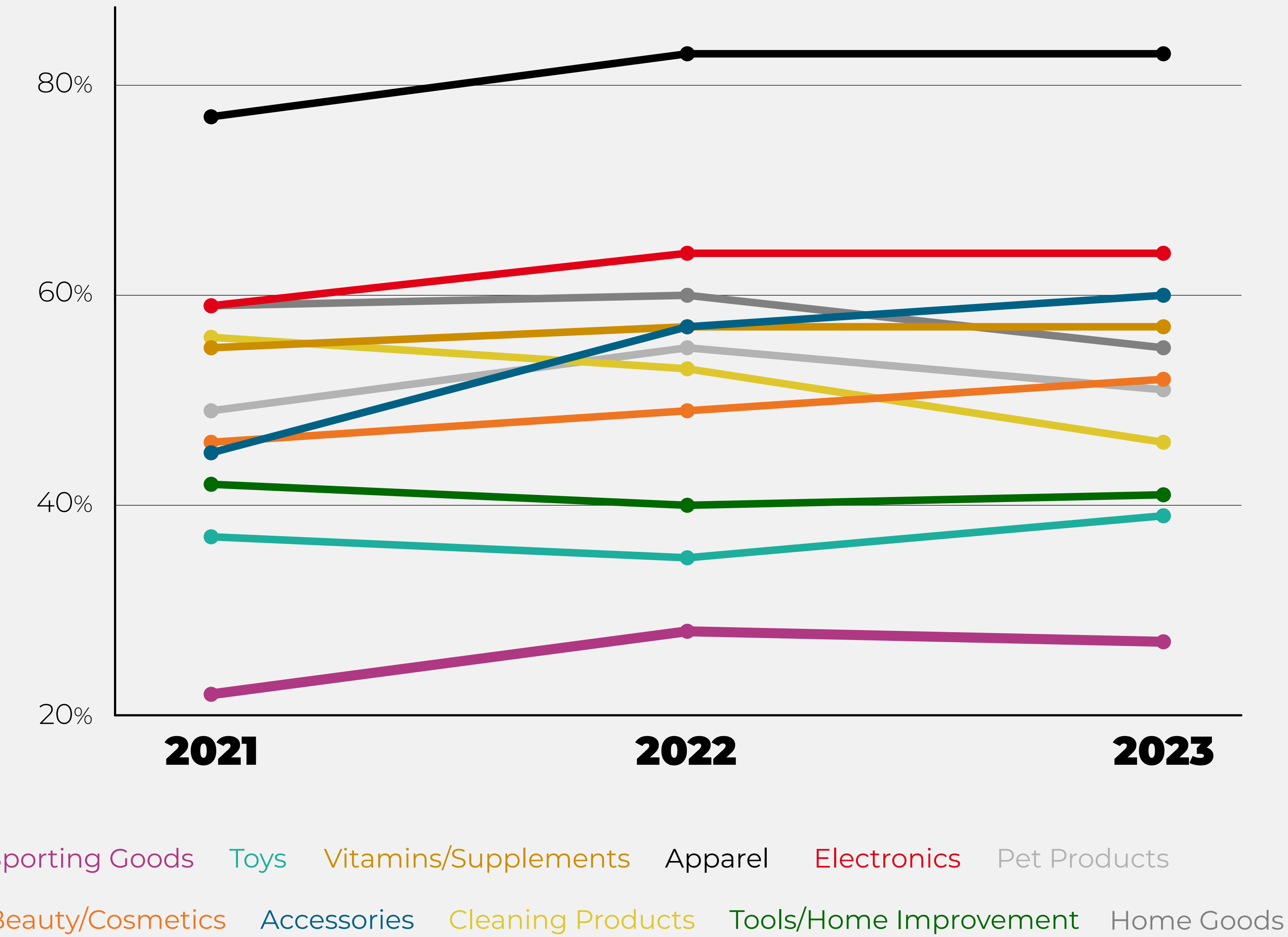
01 E-COMMERCE TRENDS

E-commerce Trends Key Takeaways

- *Beauty and accessories purchases are on a steady rise.*
- *Inflation impacts online shopping behavior and frequency.*
- *Most holiday shopping is done online.*
- *Younger consumers are bigger holiday spenders.*

While most shopping categories are maintaining popularity, beauty and accessories are on a steady incline.

"Which of the following have you purchased online in the past year?"



Inflation changes how – and *how much* – we shop online.

51%
Of shoppers reported making fewer non-essential purchases due to inflation.

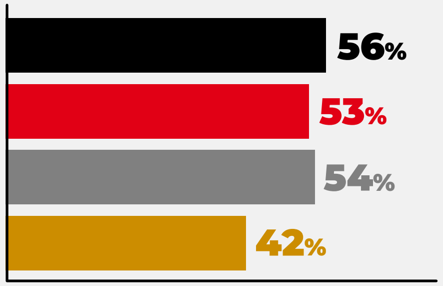
49%
Have been doing more comparison shopping before making purchases.

18%
Of shoppers say their online shopping activity has been unaffected by inflation.

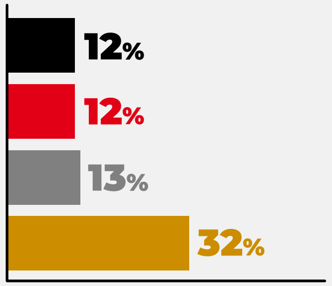
Consumers over 60 appear to be the least impacted by the recession.

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

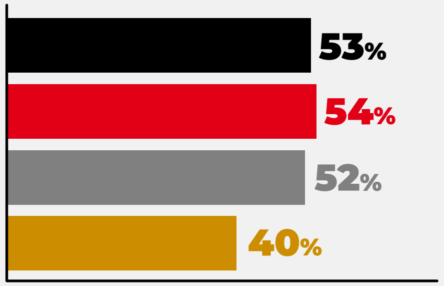
"I am making fewer purchases."



"Inflation has not impacted my online shopping behavior."



"I am doing more comparison shopping before making purchases."



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

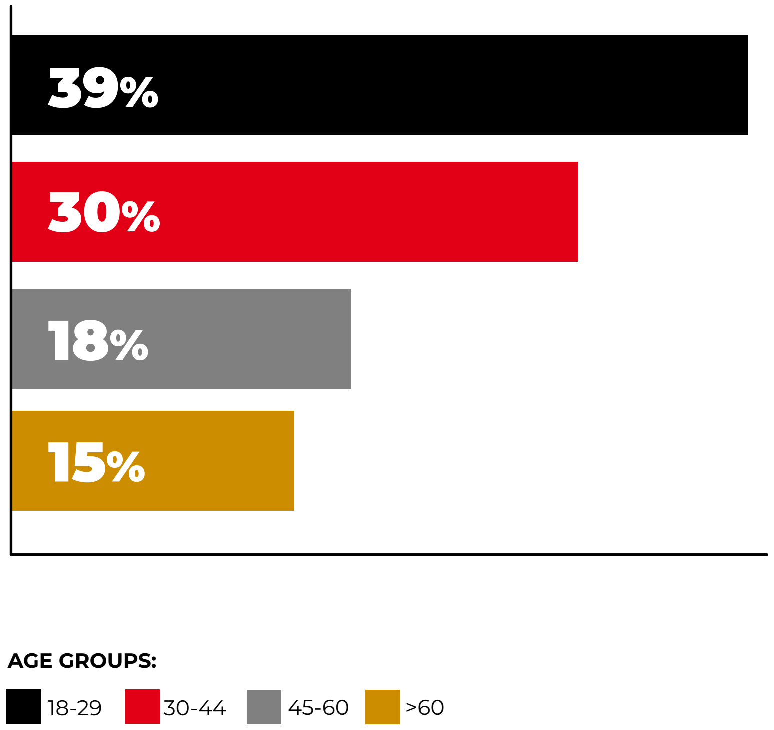
Shipping fees are a major factor in purchase decisions in light of inflation:

32%
Will **ONLY** make a purchase when free delivery is an option.

26%
Will wait longer for orders to arrive to save on shipping fees.

Younger shoppers did more holiday shopping.

Shoppers who made **more holiday purchases in 2022 than 2021:**



Shoppers who made **fewer holiday purchases in 2022 than 2021:**

Holiday shopping is (mostly) an online experience.

54%

Of online shoppers reported that **more of their 2022 holiday shopping took place online** than in-store.

ONLY 18%

Reported that **more** of their 2022 holiday shopping **took place in-store.**

02 PURCHASE BEHAVIOR

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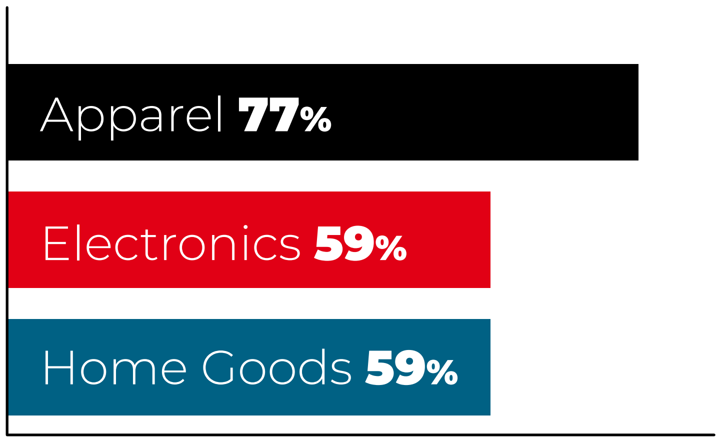
Purchase Behavior Key Takeaways

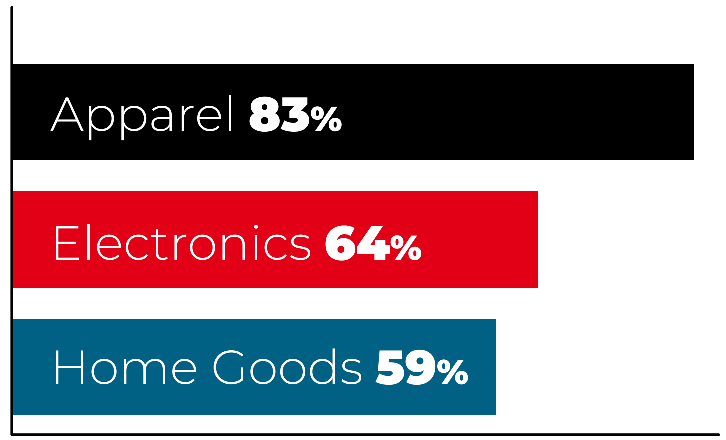
- *Accessories is now one of the top 3 purchase categories.*
- *Unforeseen shipping costs are a major cause of cart abandonment.*
- *Buy Now, Pay Later not as widely adopted as it may seem.*
- *Free shipping thresholds yield larger purchases for more shoppers.*

Apparel and electronics remain top purchase categories with accessories on the rise.

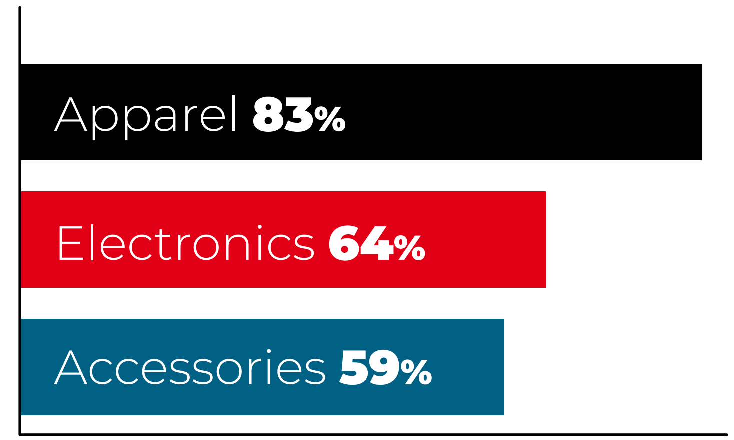
TOP 3 in 2021

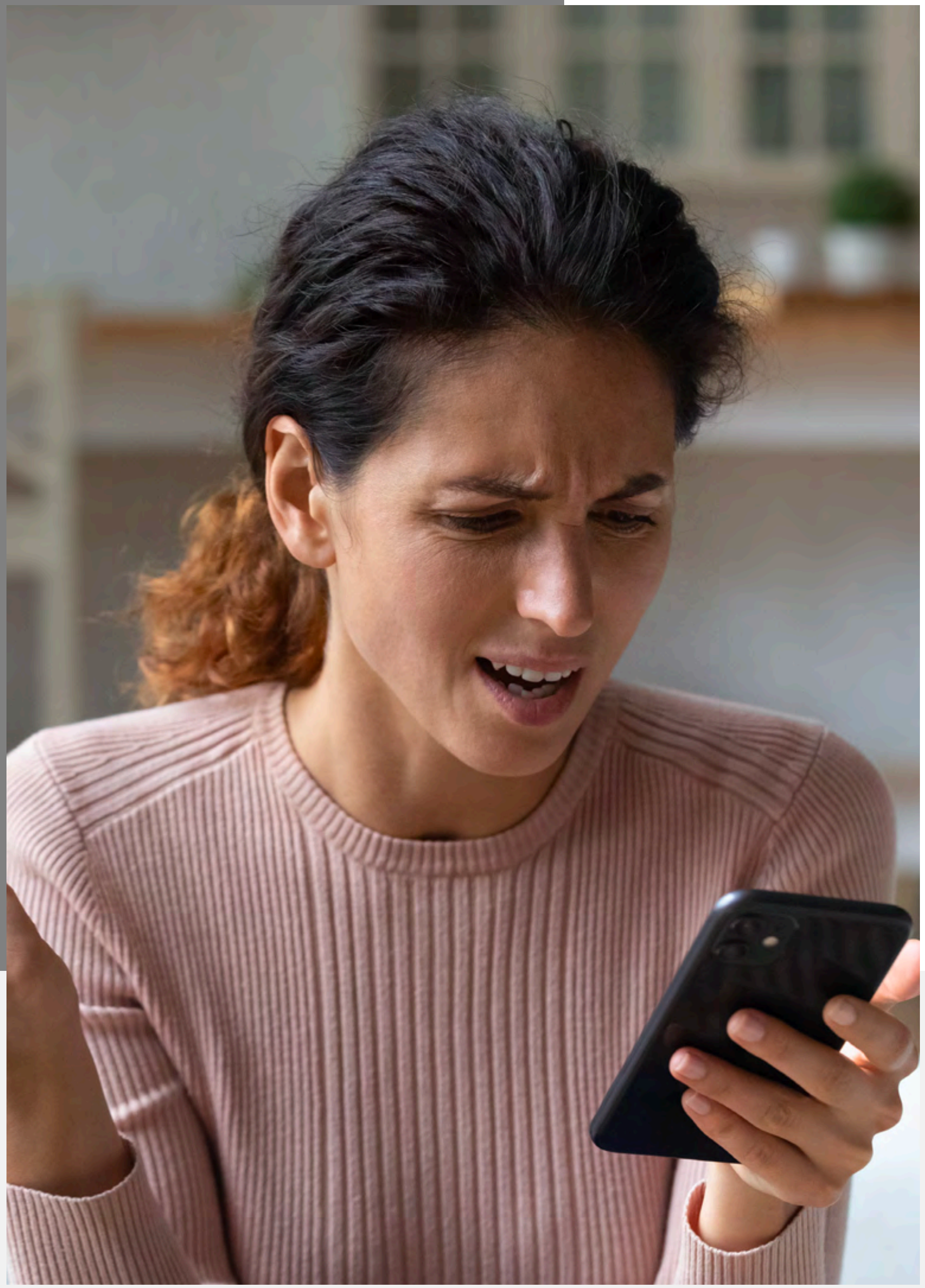


TOP 3 in 2022

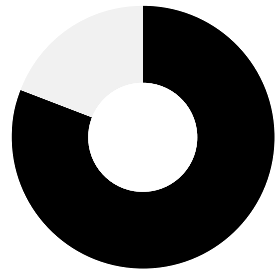


TOP 3 in 2023





Unforeseen shipping costs are a major cause of cart abandonment.

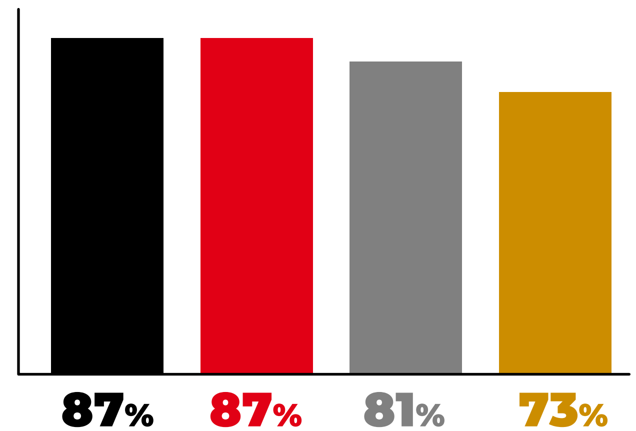


81%

Have abandoned items in cart upon seeing unanticipated shipping costs. *(+2% YOY)*

This is consistent among all age groups, but **less of an issue for >60 shoppers:**

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



Consumers with highest incidence of cart abandonment:

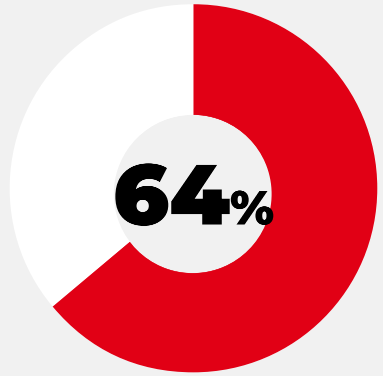
- Sporting Goods consumers **89%**
- Beauty/Cosmetics consumers **86%**
- Toy consumers **85%**

Buy Now, Pay Later (BNPL) isn't as broadly adopted as it might seem.

12%

Of 30 to 44 year olds reported **using BNPL more for online shopping** specifically as a result of inflation.

(More than any other age group)



Nearly two-thirds of shoppers **have yet to use BNPL.**

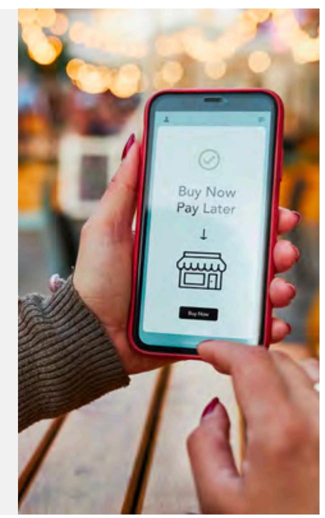
76%

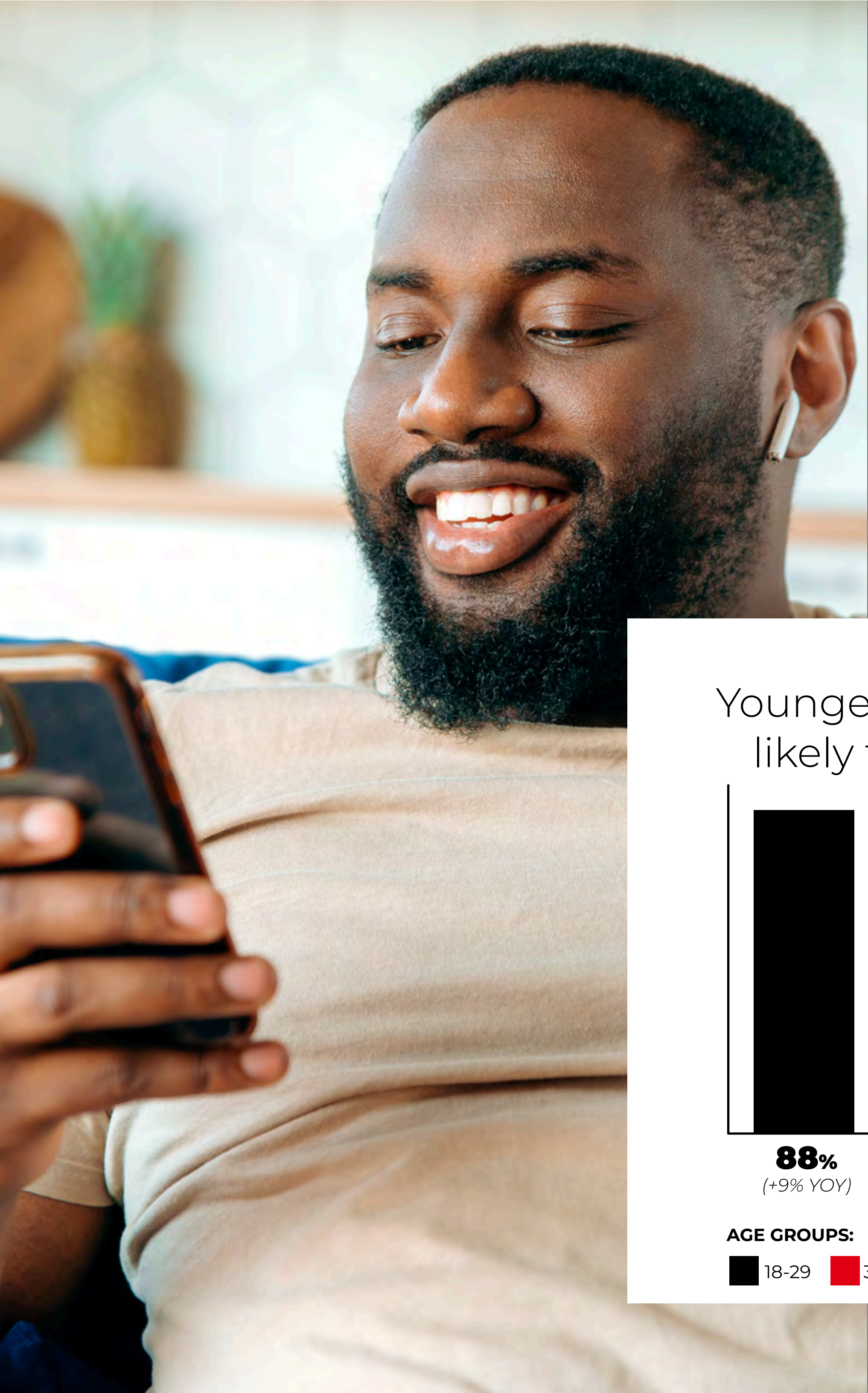
Of BNPL users prefer short-term payment plans with no interest to long-term, high-interest plans.

While **85%** of shoppers >60 haven't used BNPL, **19%** of shoppers 18 to 29 use it often.

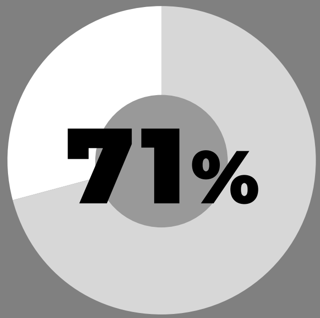
0% APR credit cards are still the more popular option for BNPL users, as **59% said they prefer using them over BNPL.**

30- to 44-year-old BNPL users are most likely to prefer BNPL over 0% APR credit cards, but only 44% reported doing so.



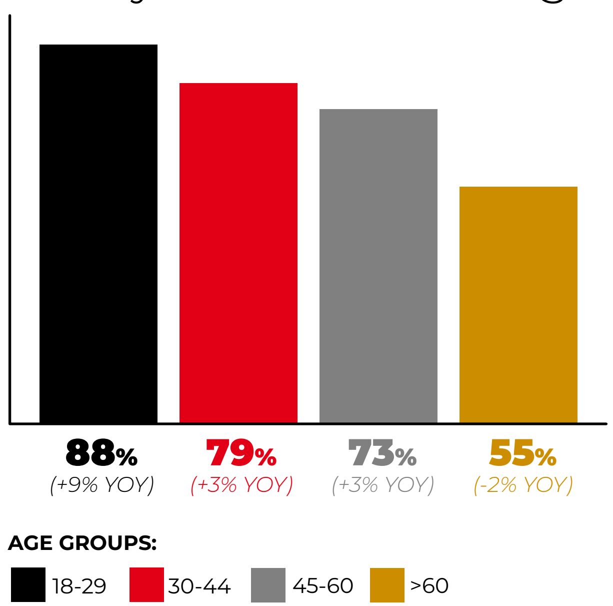


Free shipping thresholds yield larger purchases for more shoppers.

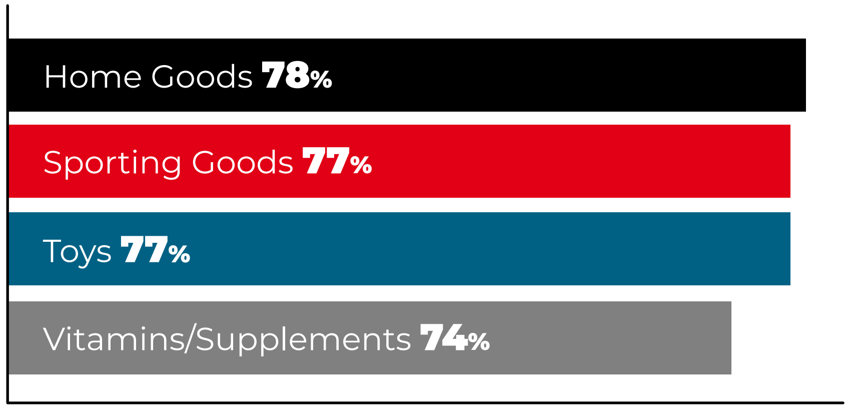


Of respondents **added more items** to their online shopping carts to **qualify for free shipping.** *(+2% YOY)*

Younger shoppers are most likely to take advantage:



Categories with highest incidence of adding items to earn free shipping:



03 OMNICHANNEL

Omnichannel Key Takeaways

- *Most shoppers prefer to receive packages at home, but alternative delivery methods are growing in popularity.*
- *In-store shopping is favored for immediacy.*
- *Demand for in-store pickup is driven by convenience and shipping fees.*
- *In-store pickups and returns lead to more purchases.*

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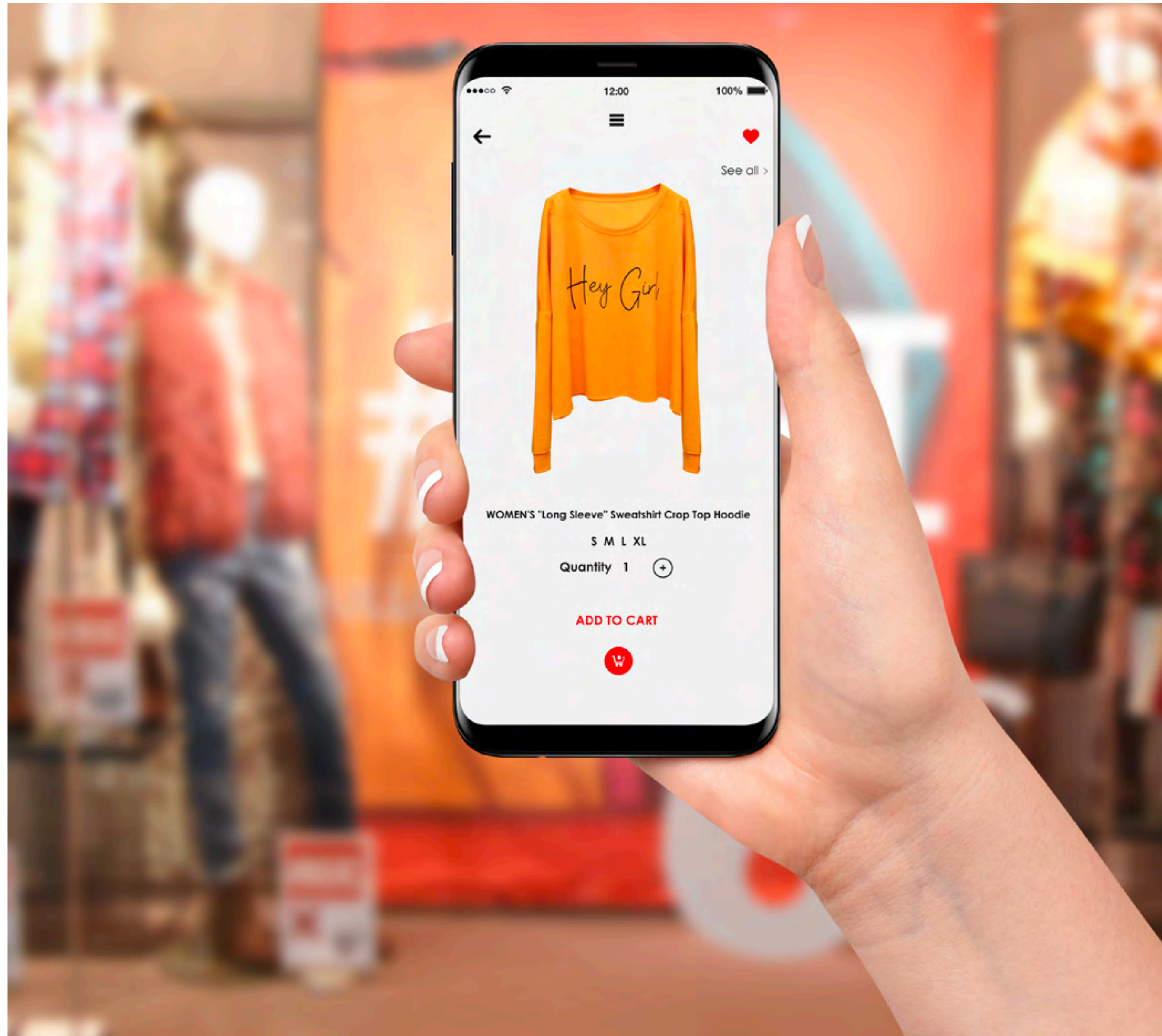


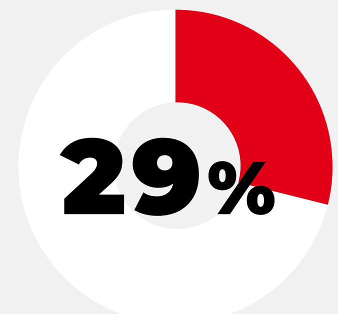
Most shoppers prefer to receive packages at home, but alternative methods are growing in popularity.

During the 2022 holiday season, **14% of shoppers used Buy Online, Pick Up in Store (BOPIS)** more often than they did the previous holiday season.

21% of shoppers ages 30-44 reported **using BOPIS more for holiday shopping** in 2022 than 2021.

BOPIS is the most popular method of receiving online orders besides the standard ship-to-home model. **31% of shoppers used it more than remote or curbside pickup.**

44% of shoppers **ages 18-29 used BOPIS more** than curbside or remote pickup.

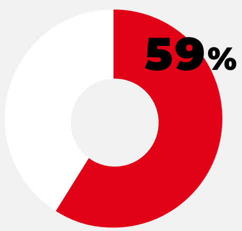


Nearly one-third of **online shoppers still haven't used BOPIS, curbside pickup, or remote pickup.**

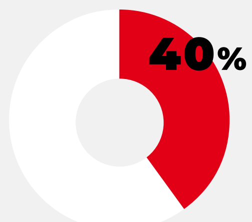
Consumers value in-store shopping for timeliness, but the experience still matters.

“Which of the following statements describes your in-store shopping preferences?”

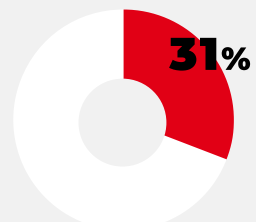
“I shop in-store only when I need something immediately.”



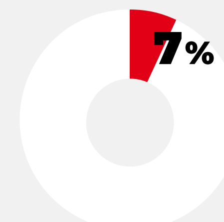
“I shop in-store because I enjoy the experience.”



“I shop in-store because I don’t want to wait for online orders in the mail.”

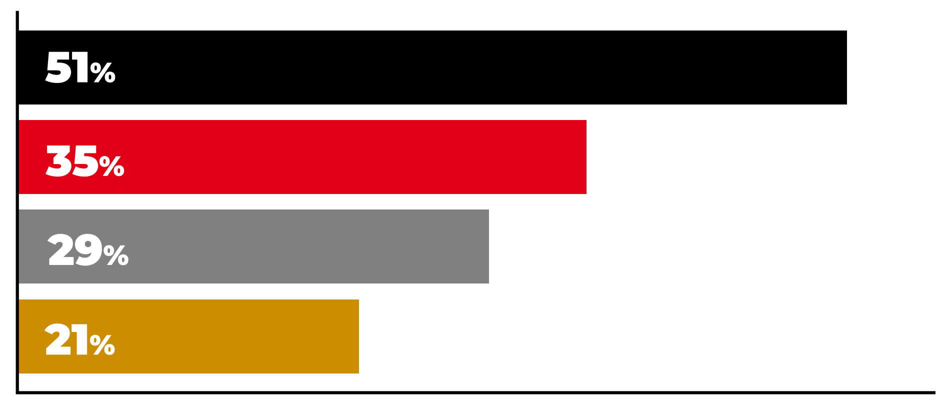


“I shop in-store to avoid package theft.”



The **younger the shopper, the more likely they are to shop in-store** specifically to avoid waiting for packages:

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



Store pickup preference is driven primarily by proximity and cost savings.

Reasons why people choose **in-store pickup:**

1. When items are in stock near them **67%**
2. To avoid shipping fees **61%**
3. To avoid package theft **24%**
4. To try on/test item before taking it home **18%**
5. Because they lack confidence in delivery times **15%**

The use of **in-store pickup due to shipping fees is prevalent** among all age groups:

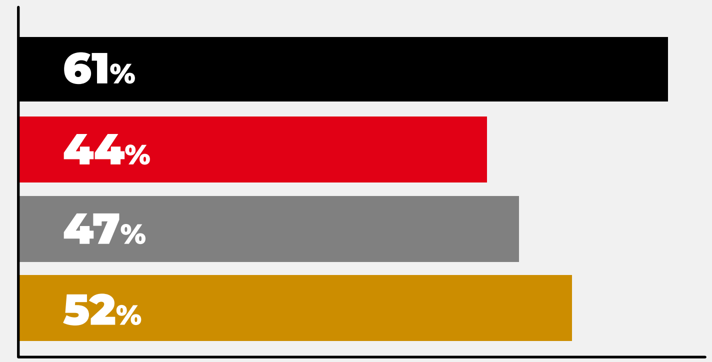
AGE GROUPS:

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

Reasons why people choose **curbside pickup:**

1. When items are in stock near them **69%**
2. To avoid shipping fees **48%**
3. To avoid package theft **18%**
4. To try on/test item before taking it home **13%**
5. Because they lack confidence in delivery times **11%**

The use of **curbside pickup due to avoidance of shipping fees is prevalent** among all age groups:



In-store pickups and returns lead to more purchases.

When picking up or returning an online order in-store,

45% of online shoppers often end up making additional purchases.

Types of shoppers most likely to **make additional purchases:**

54% Sporting Goods

51% Tools/Home Improvement

51% Toys

Types of shoppers most likely to **have picked up/returned online purchases in-store:**

89% Sporting Goods

89% Tools/Home Improvement

89% Home Goods

04 SHIPPING

Shipping Key Takeaways

- *Shoppers expect orders to arrive faster than last year.*
- *Younger shoppers are most willing to wait for online orders.*
- *Shoppers have a cost and time threshold when it comes to paying for shipping.*
- *Despite the appetite for free shipping, preferences for fast shipping are climbing.*

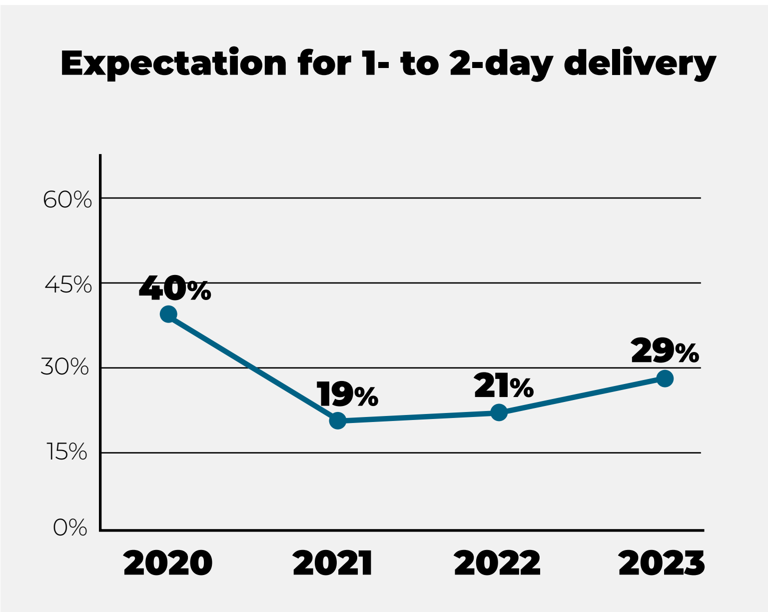
Urgency is key.

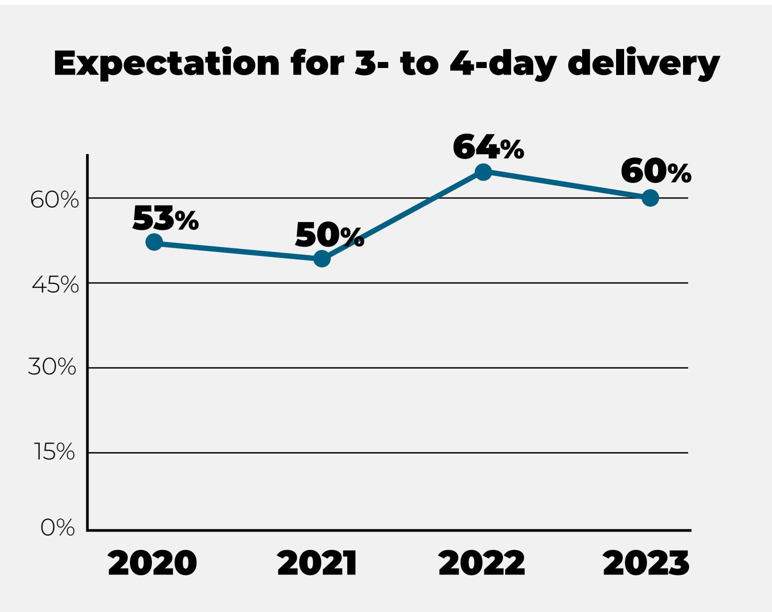
Most online shoppers prioritize fast shipping over on-demand shipping.

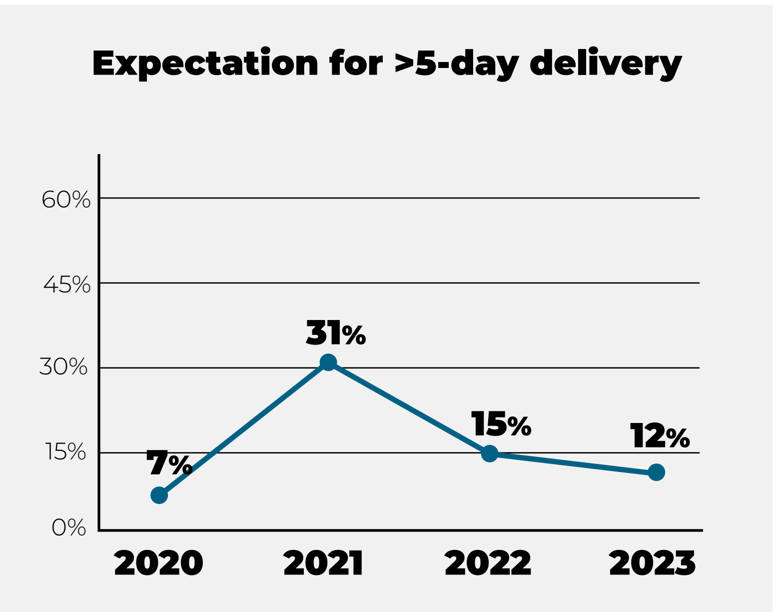
“What is more important to you?”

Shoppers expect orders to arrive faster than last year.

After a brief reprieve, the number of consumers expecting orders to arrive in more than three days is dropping while those expecting shipments to arrive in one to two days is back on the rise.

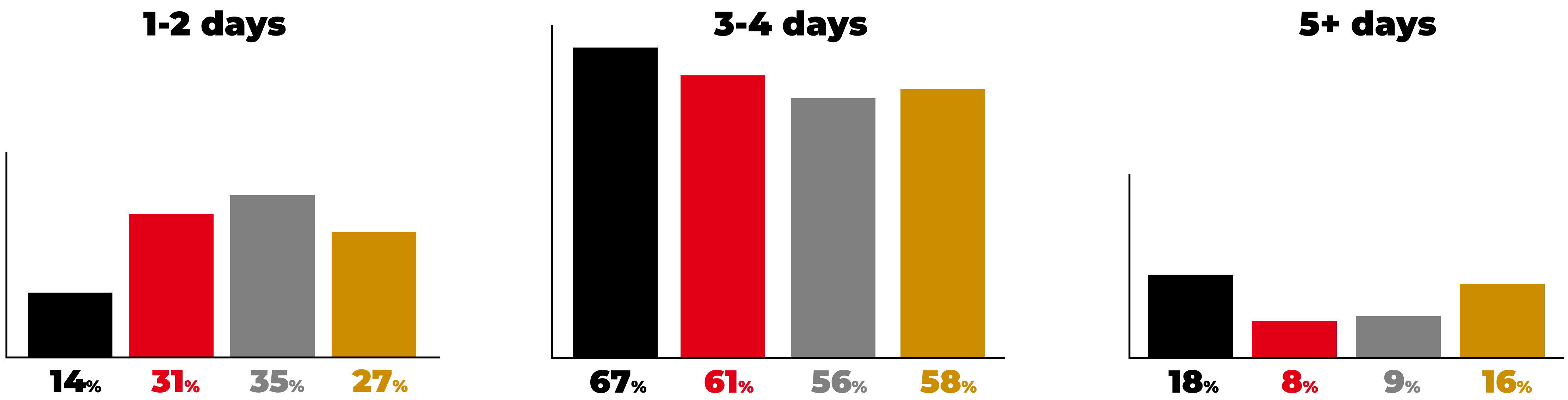






Younger shoppers are most willing to wait for online orders.

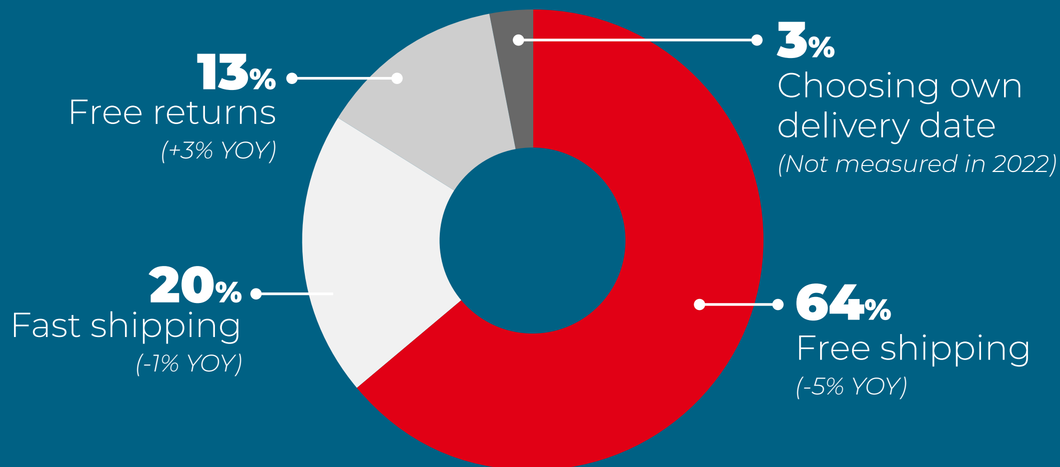
When asked how quickly they expect to receive online orders, shoppers **ages 18-29 least anticipated one to two days and most anticipated more than three days.**



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

While free shipping reigns, free returns gain traction.

“What is the factor that plays the biggest role when deciding where you make an online purchase?”



Each age group is influenced differently.

5% Pointed to **“Choosing Own Delivery Date”** more than any other age group.

28% Pointed to **“Fast Shipping”** more than any other age group.

68% Pointed to **“Free Shipping”** more than any other age group.

16% Pointed to “**Free Returns”** more than any other age group.

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

Shoppers have a cost and time threshold when it comes to paying for shipping.

22%

Will not pay for shipping if the item takes more than two days to arrive.

This is especially true for younger shoppers:

26%

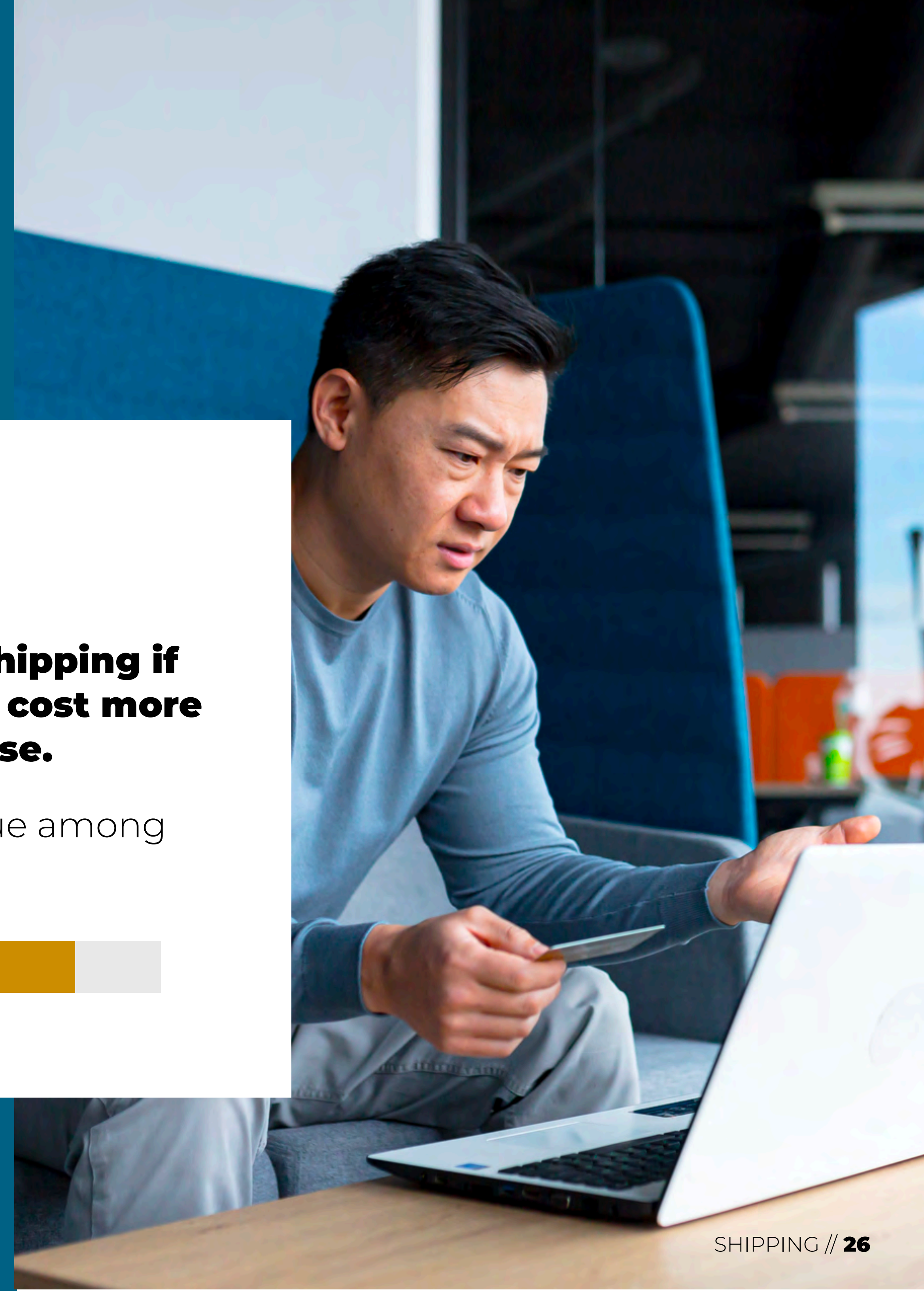
80%

Will not pay for shipping if the shipping fees cost more than their purchase.

This is especially true among >60 shoppers:

84%

AGE GROUPS: 18-29 >60



Despite the desire for free shipping, there are exceptions.

Circumstances consumers have no problem paying for shipping:

They need the item rushed/expedited:

52%

(-7% YOY)

The item is very large, heavy, or otherwise cumbersome:

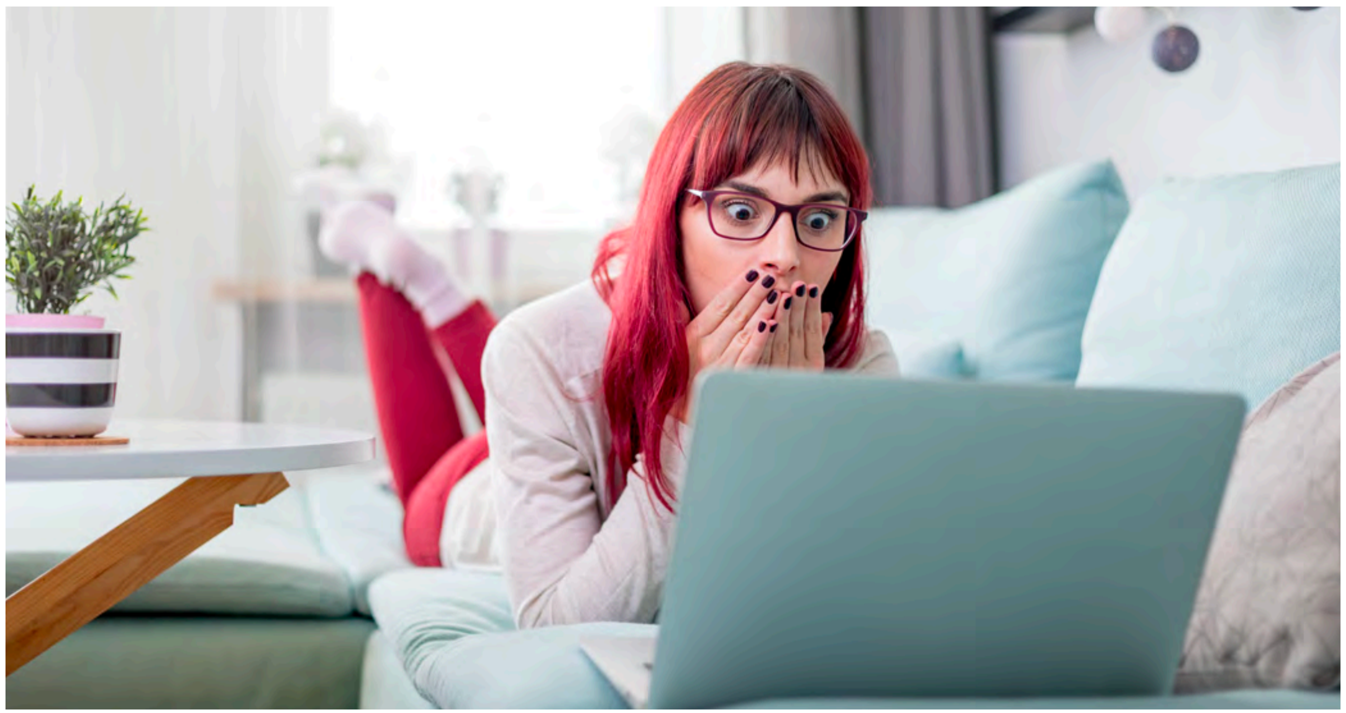
47%

(-2% YOY)

The order is being shipped internationally:

29%

(-6% YOY)



Other consumers maintain unconditional stance:

"I never have a problem paying for shipping."

8%

(-3% YOY)

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

20%

(+2% YOY)

05 RETURNS

Returns
Key Takeaways

- *Returnless refunds fuel customer retention and positive brand image.*
- *Free returns generate more purchases.*
- *Return-via-mail preference is bouncing back.*

For some, returnless refunds reflect a brand's sustainability efforts.

65%

Of online shoppers said **returnless refunds** *(a policy that allows full refunds without requiring customers to return unwanted items)* **would make them want to shop with a brand again.** *(+14% YOY)*

40%

Of online shoppers said **eliminating return shipping with returnless refunds** makes them feel like the brand **cares about the environment.**

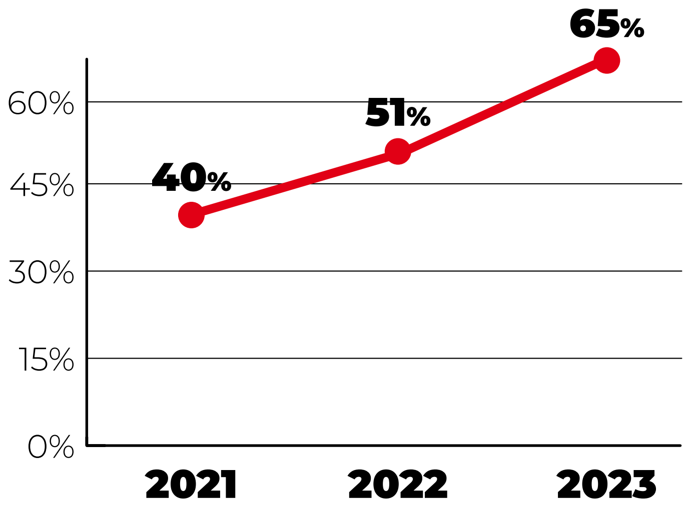
Young consumers feel strongly about this: **52% of shoppers 18-29 agree.**

45%

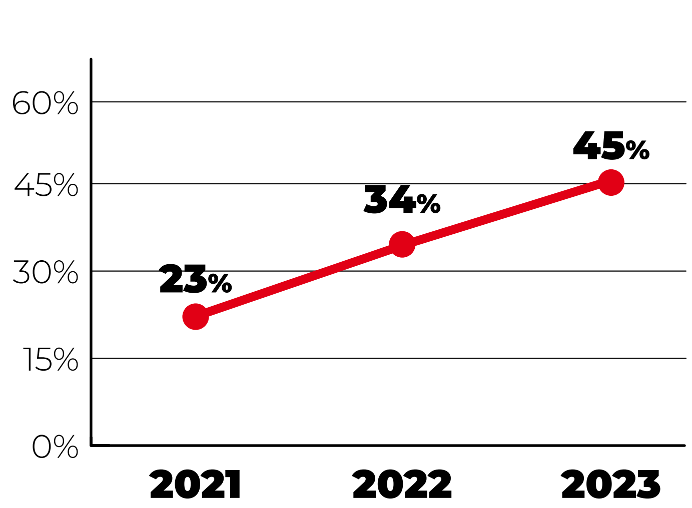
Of online shoppers said **returnless refunds** would **encourage them to donate unwanted items.**

Returnless refunds increasingly improve customer retention and brand image.

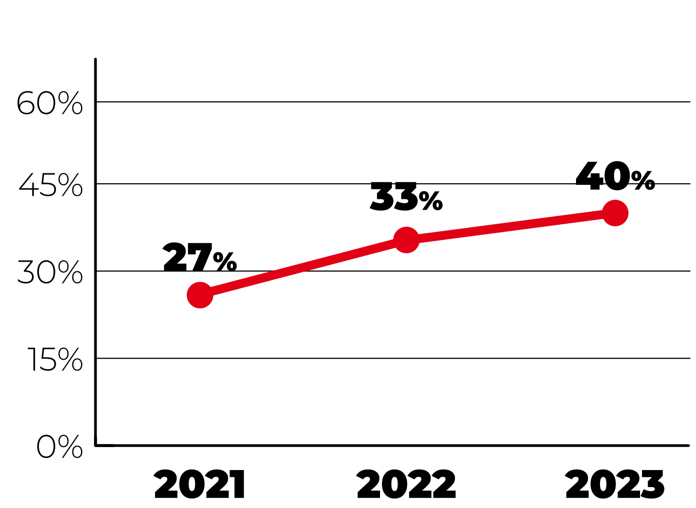
A returnless refund would make me want to shop with a brand again.



A returnless refund would make me want to donate unwanted items.



Eliminating return shipping makes me feel the brand cares about the environment.



Free returns generate more purchases.

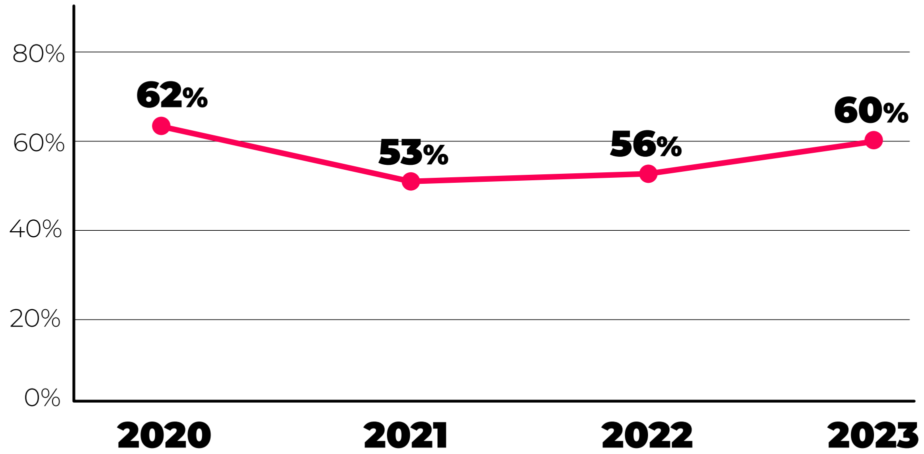
56% Of respondents **won't make a purchase from a company that doesn't have a free return policy.**

"Will you make an online purchase from a brand that doesn't have a free return policy?"

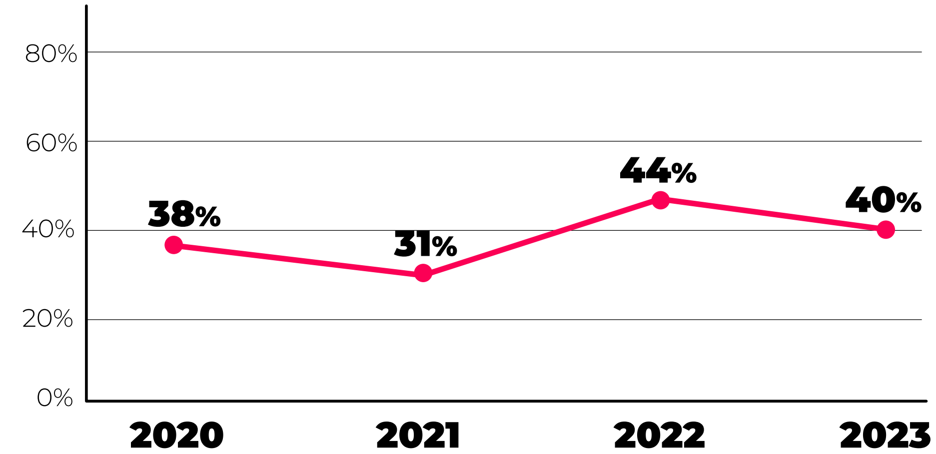
	MOST LIKELY	LEAST LIKELY
AGE	18-29	45-60
SHOPPING CATEGORY	Pet Products & Toys	Vitamins/Supplements
REGION	West South Central	East North Central

Return-via-mail preference is bouncing back.

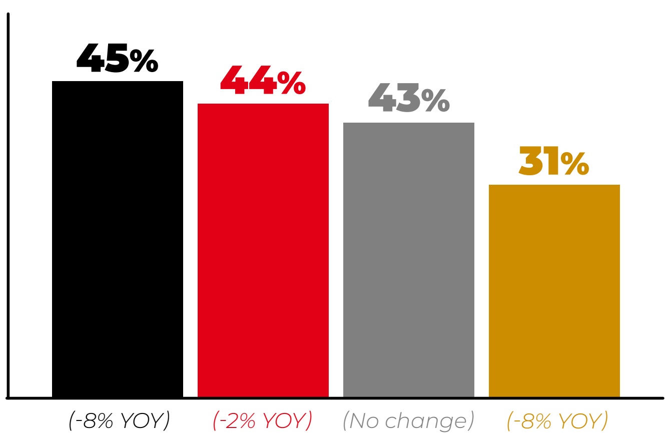
Consumer preference to **return online purchases via mail** is near pre-pandemic levels:



Preference for **in-store returns is wavering:**

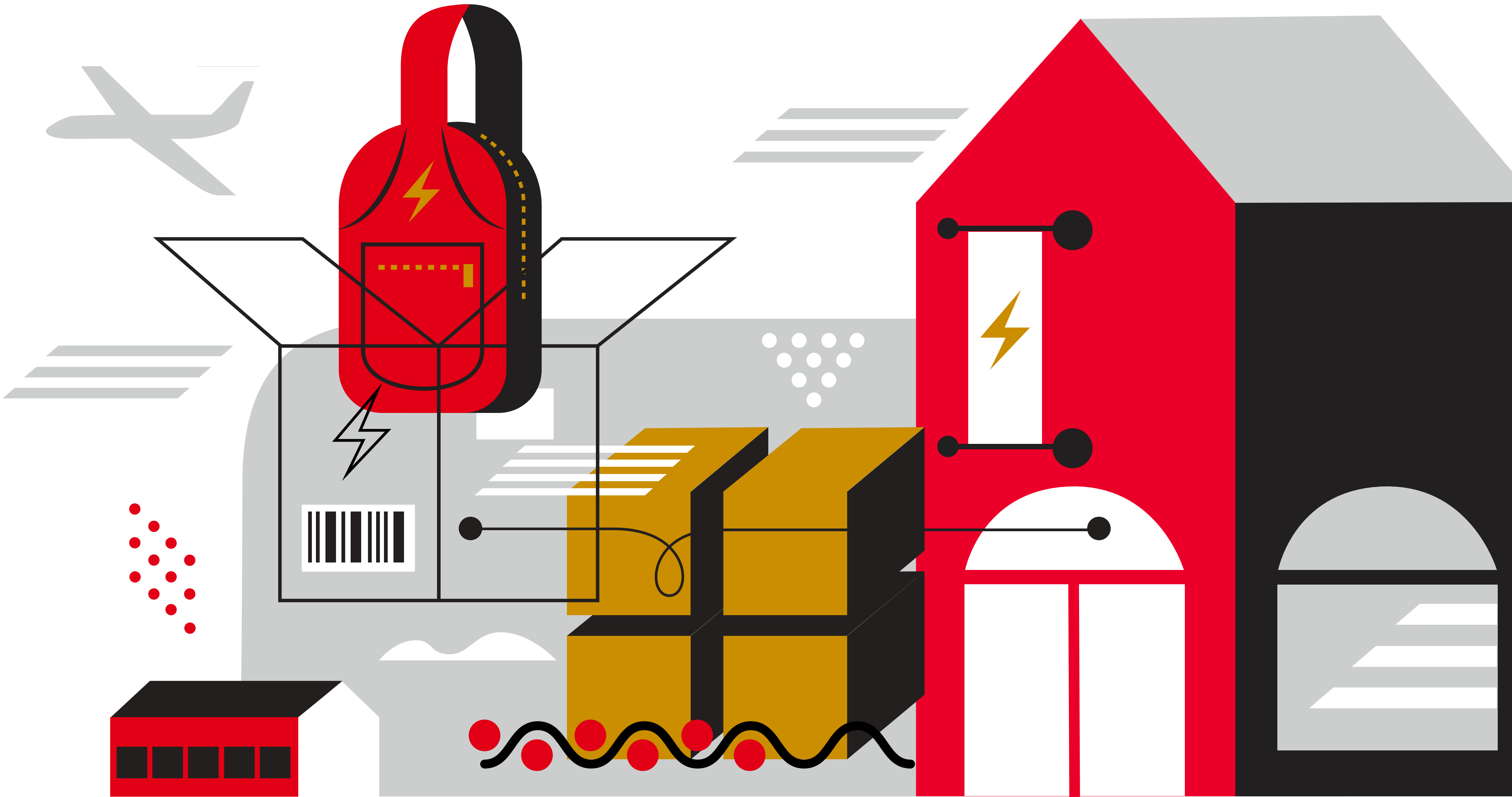


Younger shoppers **prefer in-store returns** more than >60 shoppers, but they're shifting more toward return-via-mail/dropbox:



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

06 PACKAGING

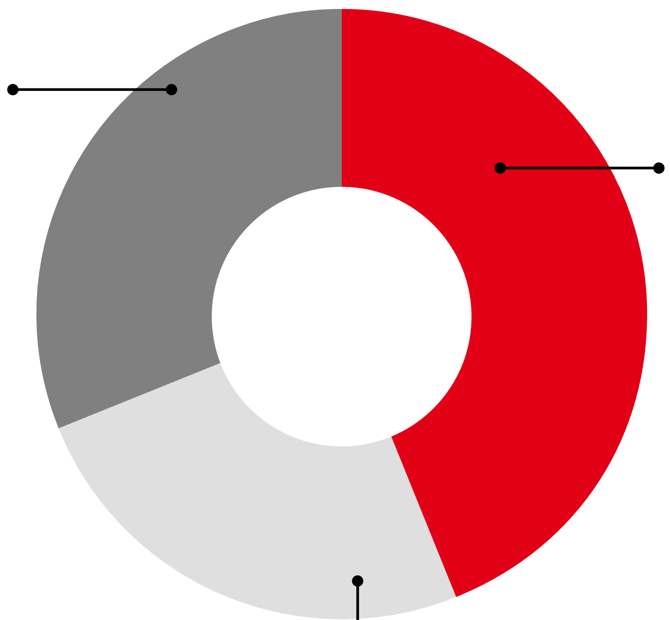


Packaging Key Takeaways

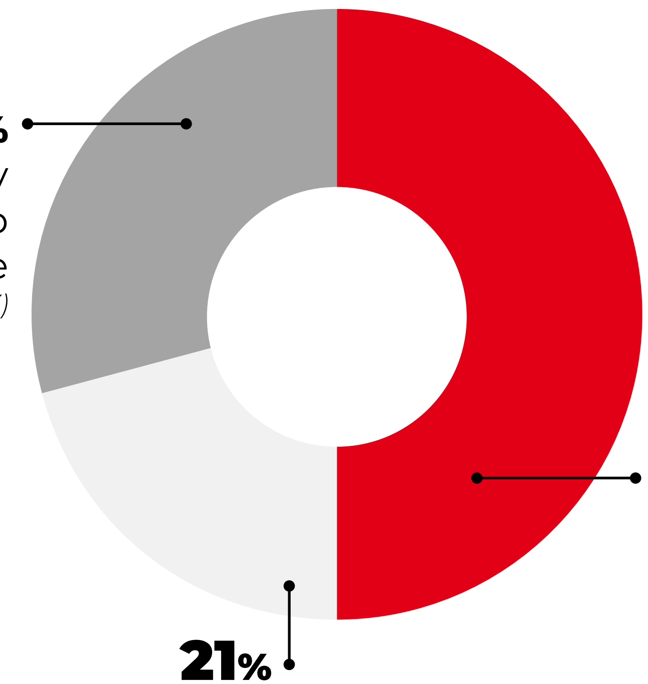
- *Consumer preference for bags over boxes is growing, largely driven by convenience.*
- *Sustainable packaging remains most appealing among eco-friendly practices.*
- *Premium packaging yields positive reactions.*
- *Coupons, discounts, or credit toward future purchases are increasingly likely to yield repeat purchases.*
- *Contests/giveaways are biggest drivers of QR code scans.*

While consumer preference for receiving online orders in boxes over bags remains strong, bags gain traction. **74% of all respondents prefer boxes. Why?**

Among the 74% who prefer to receive boxes: *(-7% YOY)*



Among the 26% who prefer to receive bags: *(+7% YOY)*



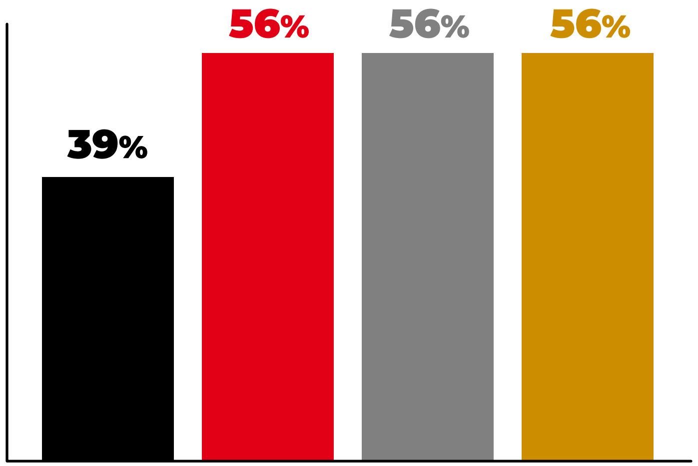
Sustainable packaging is most appealing among eco-friendly practices.

Shoppers 18 to 29 are not as heavily influenced by sustainable packaging materials:

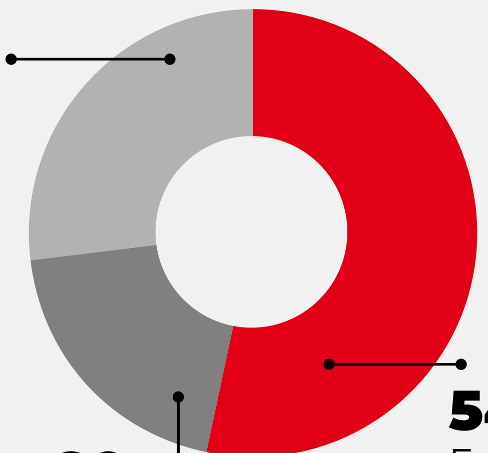
AGE GROUPS:

18-29 30-44

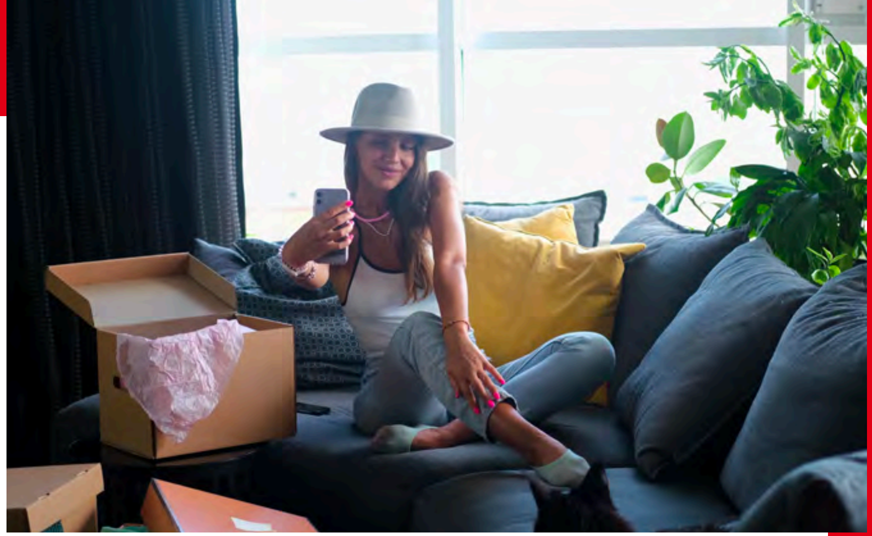
45-60 >60



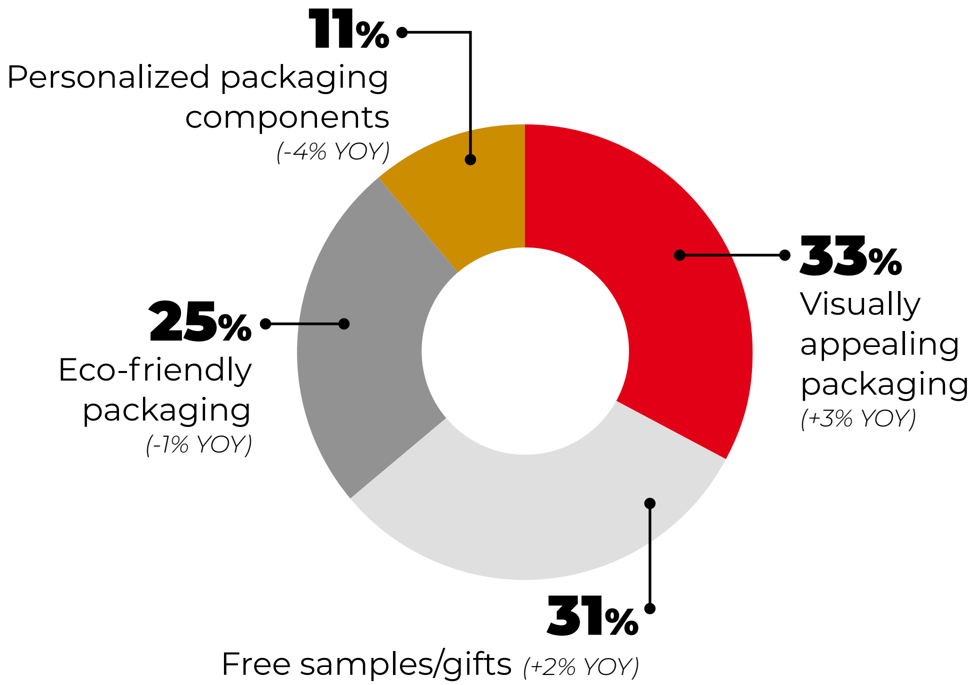
In terms of environmental impact of e-commerce, more than half of online shoppers **cite eco-friendly packaging** (post-recycled consumer materials, sustainable ink, etc.) as the factor that would **make them most likely to shop with a brand.**



Visually appealing packaging and free samples are increasingly likely to lead to social media shares.



Factor that would most encourage shoppers to post photos or video showcasing a package they received:



Distinct preferences emerged between different categories of shoppers:

Visually appealing or gift-like packaging
Beauty/Cosmetics 38%

Free product samples or gifts with purchase *(stickers, keychains, etc.)* **Toys 34%**

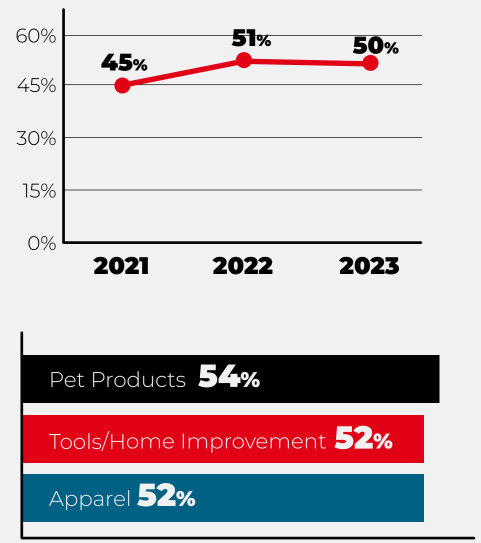
Eco-friendly packaging *(made with sustainable materials designed to be reused/recycled, etc.)*
Sporting Goods 27%

Personalized packaging components
Sporting Goods 13%

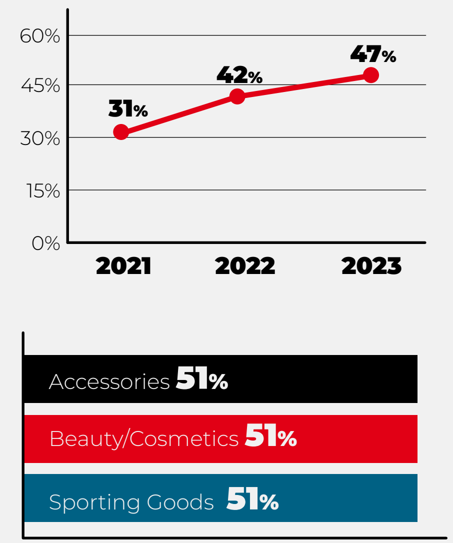
Consumer response to a premium-packaging experience:

Premium packaging yields positive sentiments.

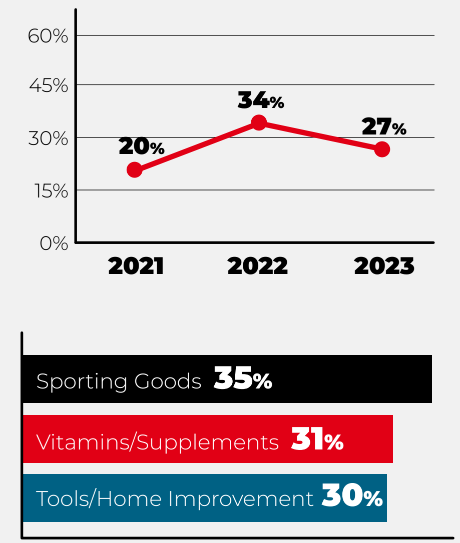
"It makes the brand seem upscale."



"I'm more excited about opening the package."

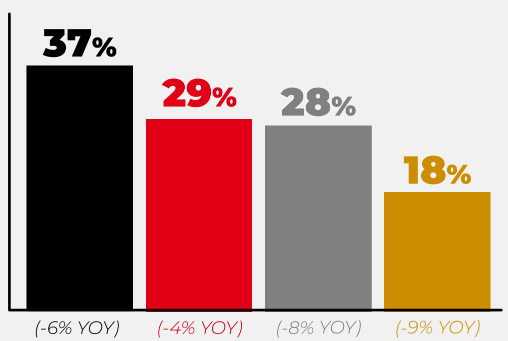


"It makes me want to purchase from the brand again."

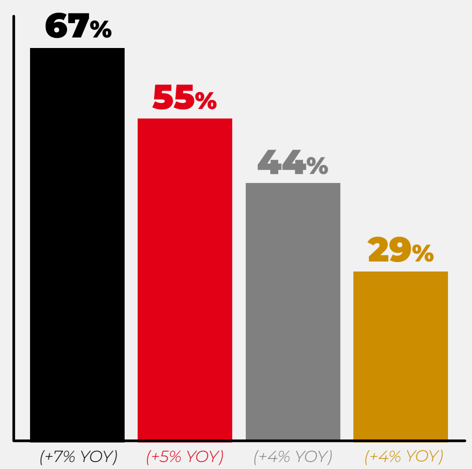


Younger shoppers are still more impressed by premium packaging, but its role in driving repeat purchases is decreasing.

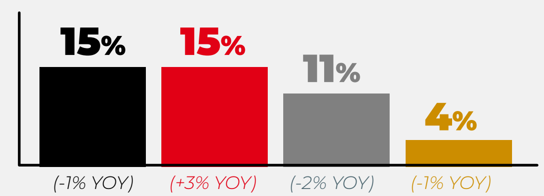
“It makes me want to purchase from the brand again.”



“I’m more excited about opening the package.”



“I’m more likely to share photos, videos or details on social media.”

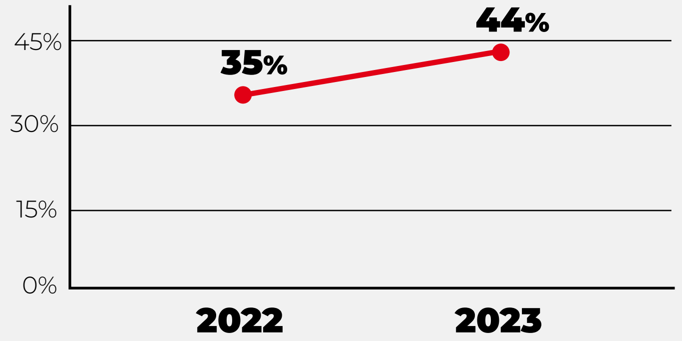


AGE GROUPS: 18-29 30-44 45-60 >60

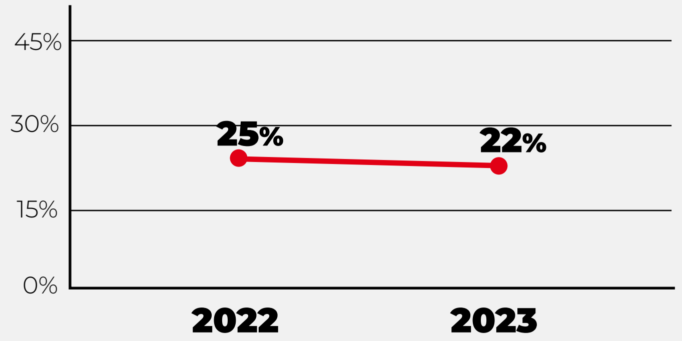
Promotional offers are increasingly likely to earn repeat business.

“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?”

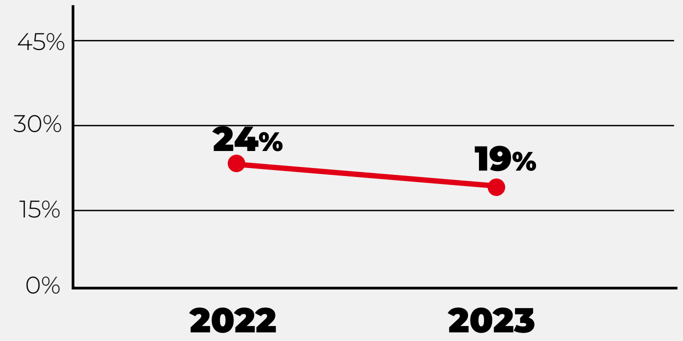
Coupons, discounts, or credit toward future purchases



Sustainable packaging



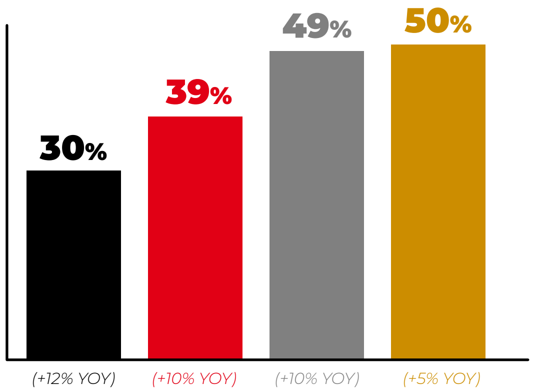
Free samples



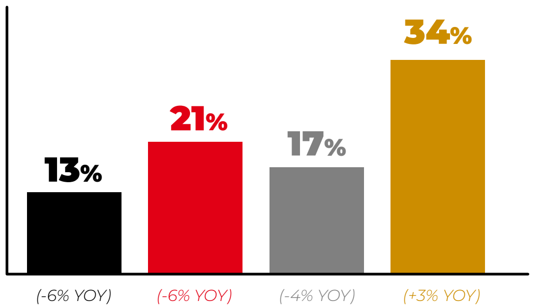
Promotional offers are increasingly likely to earn repeat business.

"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?"

Coupons, discounts, or credit toward future purchases motivate shoppers of all ages to become repeat customers:

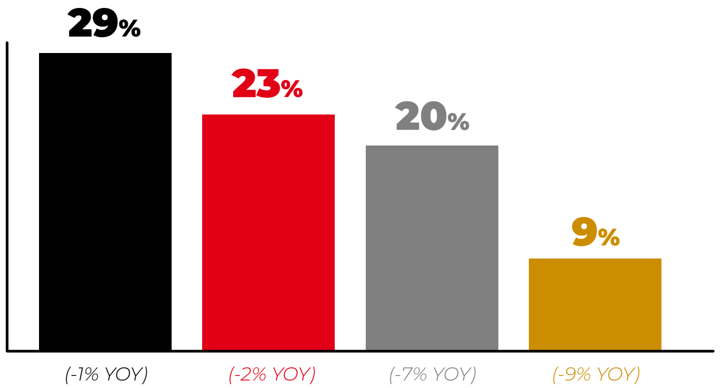


Shoppers over 60 are the only age group whose interest in **sustainable packaging** is growing:

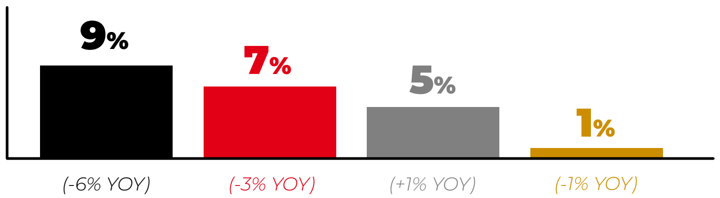


Free samples, swag, and personal notes are most appealing to young shoppers though trending down.

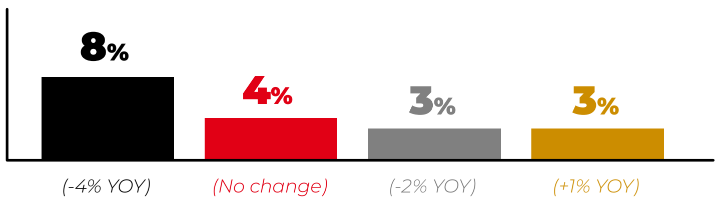
Free Samples



Swag (stickers, keychains, etc.)



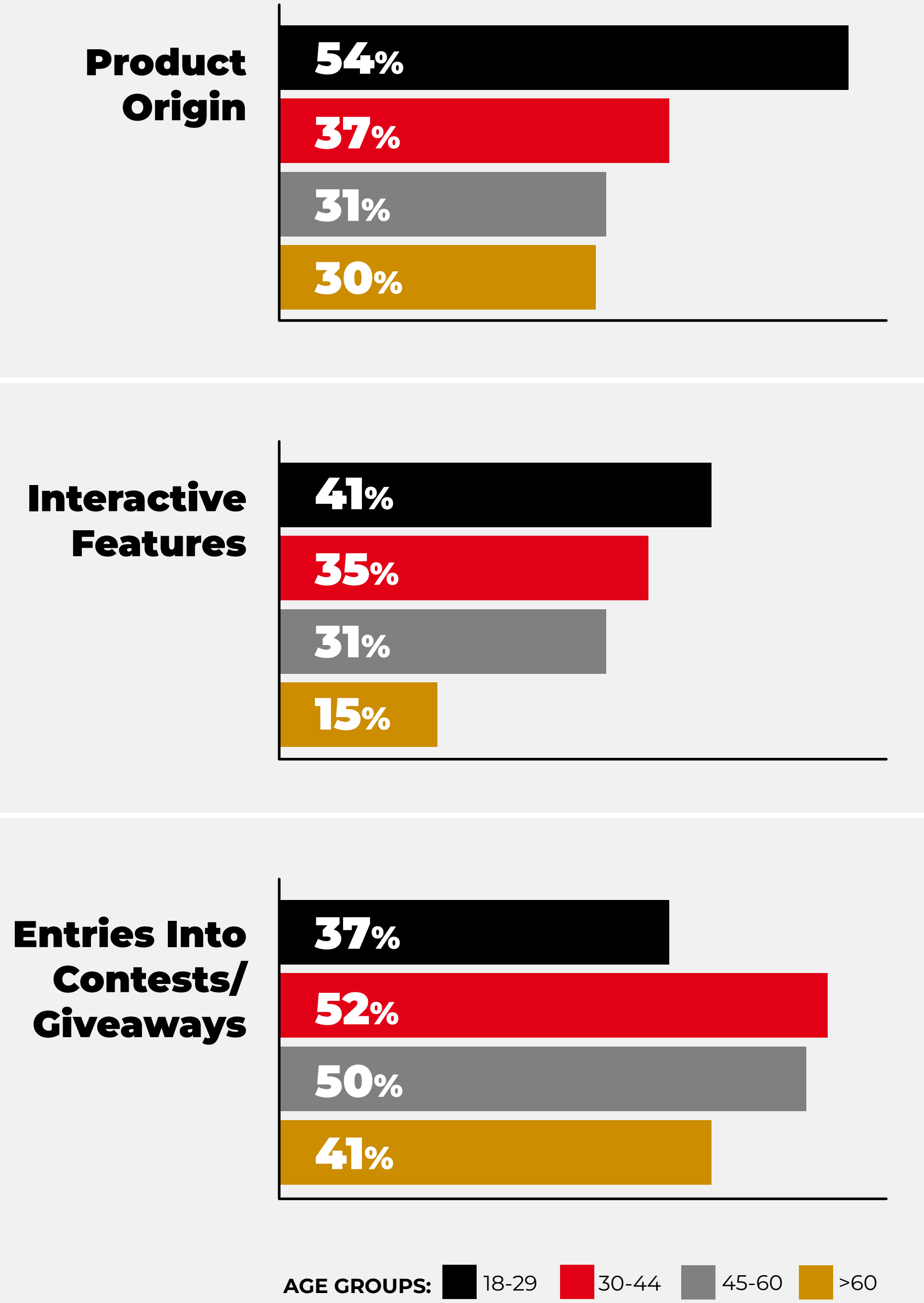
Personal Notes



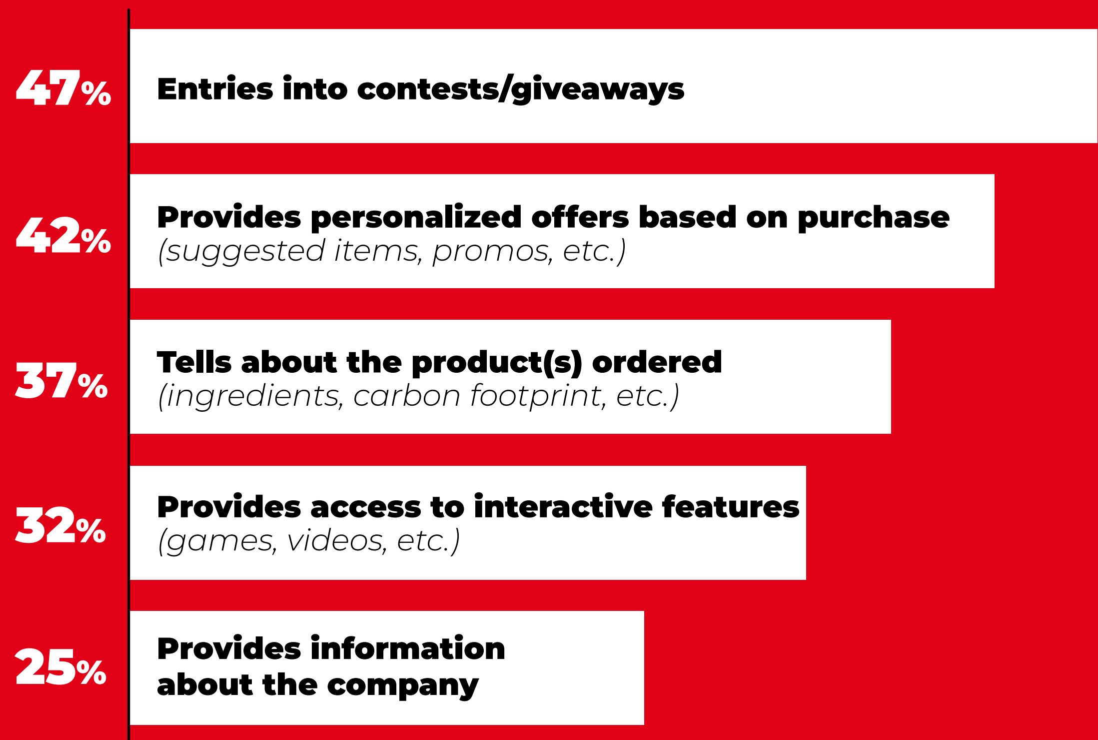
AGE GROUPS: 18-29 30-44 45-60 >60

Contests/giveaways are biggest drivers of QR code scans.

Younger shoppers are more interested in learning about where their products come from and seeing interactive features.



Among those who scan QR codes, these are the most valued features:



07 SUSTAINABILITY

Sustainability Key Takeaways

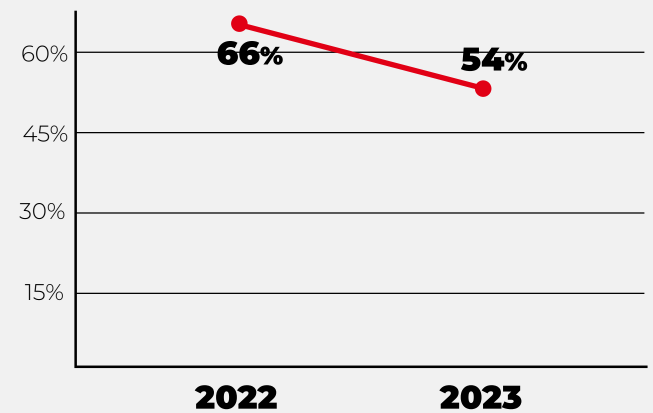
- *Eco-friendly packaging is losing some appeal as consumers grow more interested in ethical sourcing.*
- *Online shoppers are increasingly active in circular economy practices.*
- *Environmental practices can't overshadow how brands treat employees.*
- *Shoppers are willing to sacrifice fast shipping for the sake of the environment.*

Ryder® Ever better.™

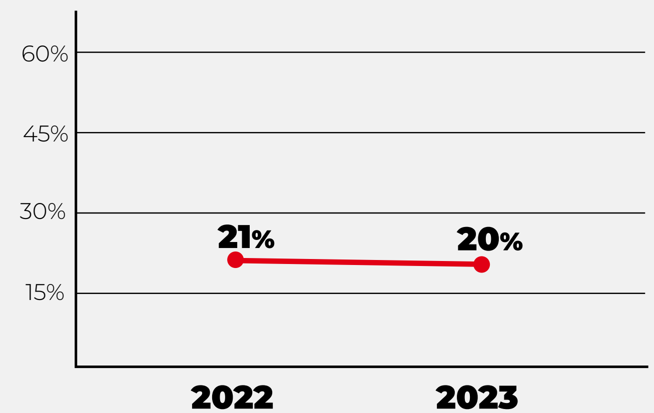
Consumers are broadening their views on the environmental impact of e-commerce.

Eco-friendly packaging remains at the top of the list of environmental factors influencing consumers to shop with a brand but focus is shifting.

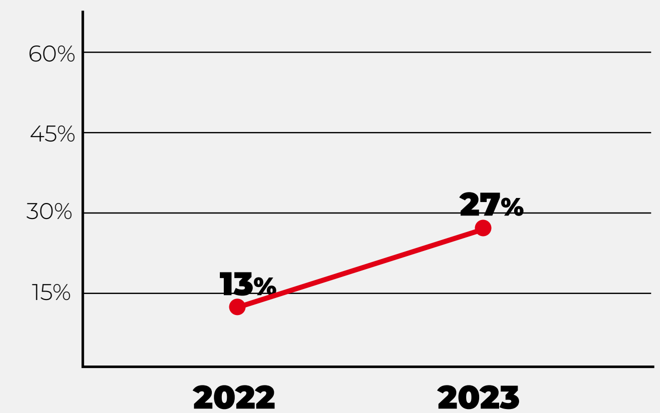
Eco-friendly packaging
(-12% YOY)



Fuel-efficient transportation methods
(-1% YOY)



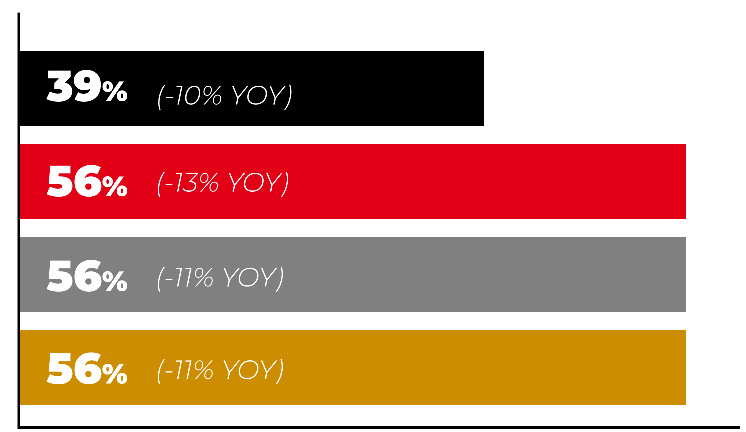
Ethical sourcing
(+11% YOY)



All consumers prioritize eco-friendly packaging, though it's on the decline.

AGE GROUPS:

18-29 30-44 45-60 >60

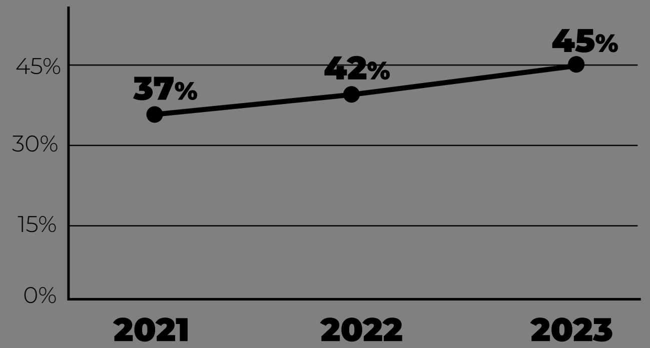


Online shoppers are increasingly active in circular economy practices.

Almost half of respondents

have purchased products or subscribed to services that support a circular economy, such as upcycled apparel, zero-waste delivery systems, and refillable home/personal care containers.

(+3% YOY and +8% since 2021)



Consumers most supportive of a circular economy:

Shopping Category

Sporting Goods: **55%** *(+2% YOY)*

Beauty/Cosmetics: **52%** *(+3% YOY)*

Cleaning Products: **52%** *(+2% YOY)*

Region

Mid Atlantic: **52%** *(+5% YOY)*

Pacific: **48%** *(+2% YOY)*

South Atlantic: **48%** *(+1% YOY)*

Age Group

18-29: **64%** *(+7% YOY)*

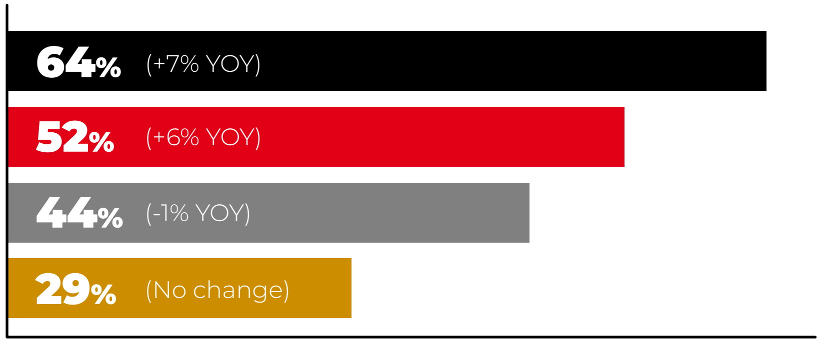
30-44: **52%** *(+6% YOY)*

45-60: **44%** *(-1% YOY)*

The younger the shopper, the more active they are in circular economy practices.

AGE GROUPS:

18-29 30-44 45-60 >60

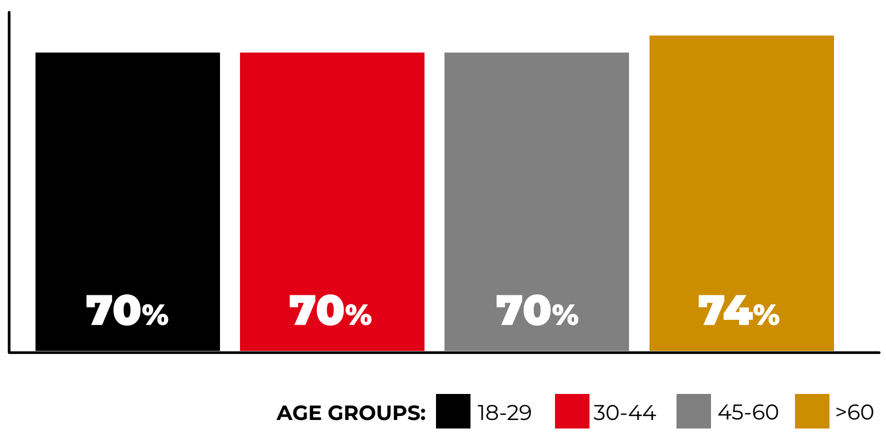


Shoppers are willing to sacrifice fast shipping for the sake of the environment.

71%

Of online shoppers are willing to wait longer to receive an online order to reduce environmental impact.

This is more apparent for consumers >60:



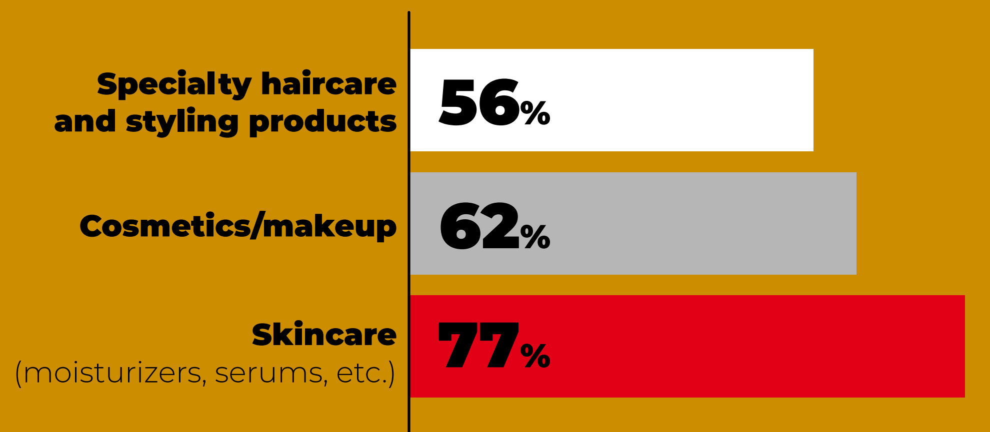
08 BEAUTY SHOPPERS

Beauty
Key Takeaways

- *Beauty shoppers remain conscious of purchase-impact on people and planet but shift focus.*
- *Income plays a significant role in purchase behavior.*
- *Price no longer dictates purchase decisions.*
- *Comparison shopping is particularly popular among beauty shoppers.*
- *Bundling opportunities abound.*
- *Value-added services drive repeat business.*

Skincare is most popular beauty category, but subsequent purchase patterns vary based on household income.

"Which of the following beauty items do beauty shoppers purchase regularly?"



Beauty purchase patterns by household income:

Household income	#1	#2	#3
$75K - $99,999	Skincare	Cosmetics	Haircare
$100K - $124,999	Skincare	Cosmetics	Haircare
$125K - $149,999	Skincare	Cosmetics	Haircare
$150K - $199,999	Skincare	Haircare	Cosmetics
$200K+	Skincare	Haircare	Cosmetics

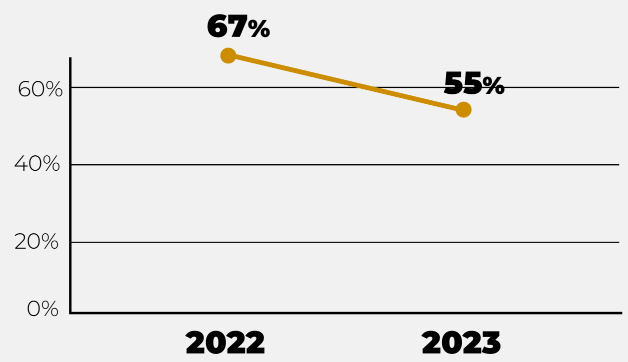
Online beauty purchases are on the rise.

Beauty shoppers remain conscious of purchase-impact on people and planet but shift focus.

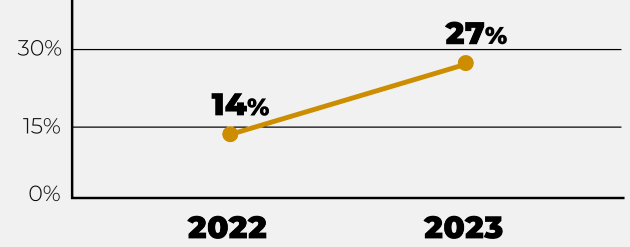
"Thinking about the environmental impact of e-commerce, which factor would make you MOST likely to shop with a brand?"

Eco-friendly packaging

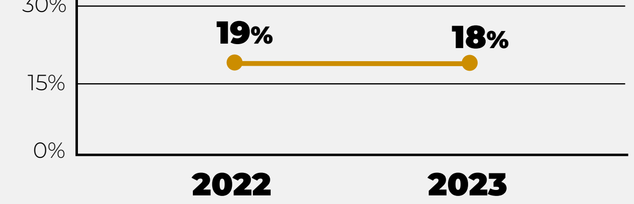
(post-recycled consumer materials, sustainable ink, etc.)



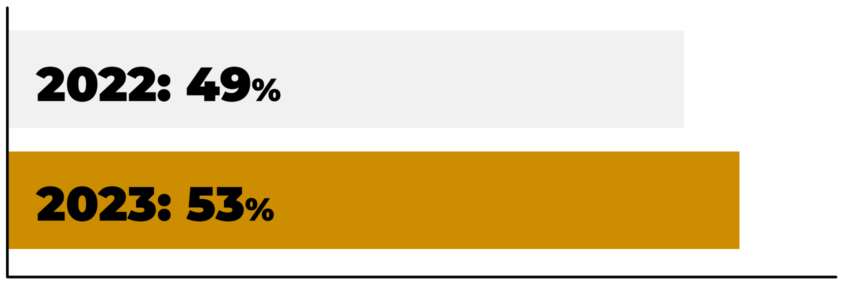
Ethical sourcing



Fuel-efficient transportation methods

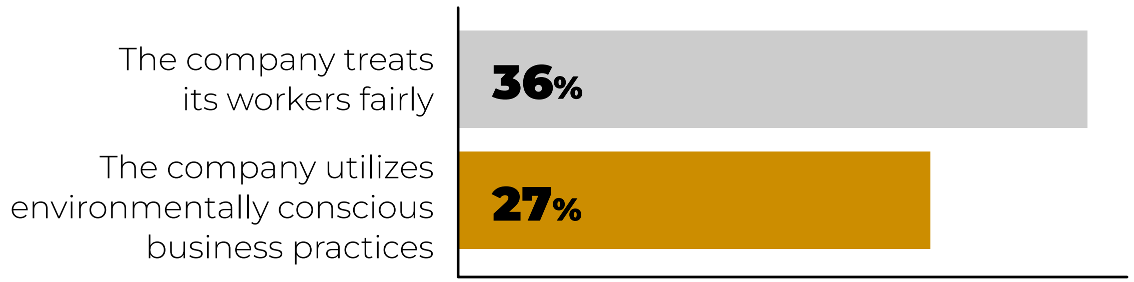


Beauty consumers are increasingly active supporters of circular economy:



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

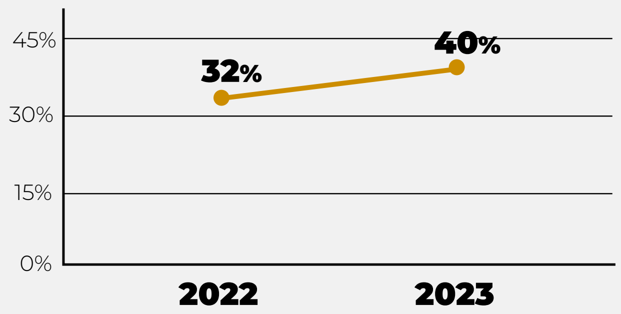
Top responses:



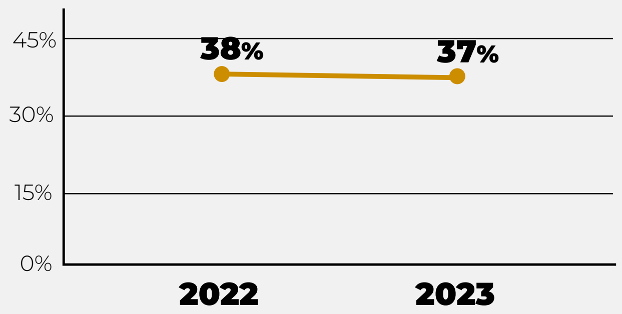
For beauty consumers, price takes a back seat to ingredients (for the first time).

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

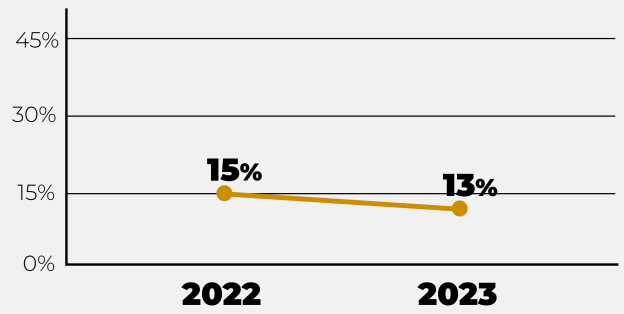
Ingredients used in the products
(+8% YOY)



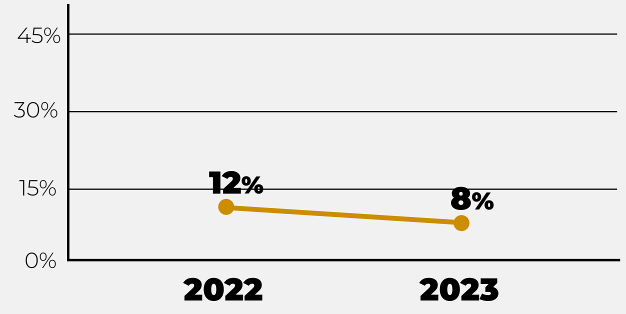
Price
(-1% YOY)



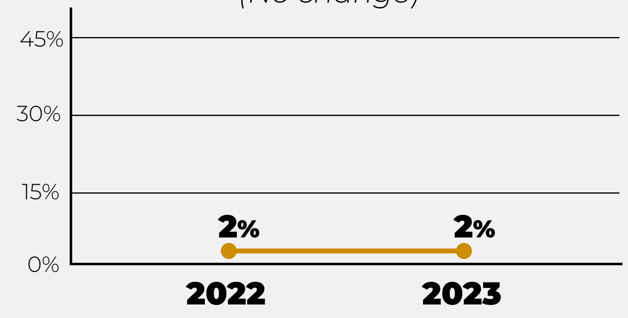
Company's ethical standards and policies *(-2% YOY)*



Company's/product's environmental impact *(-4% YOY)*



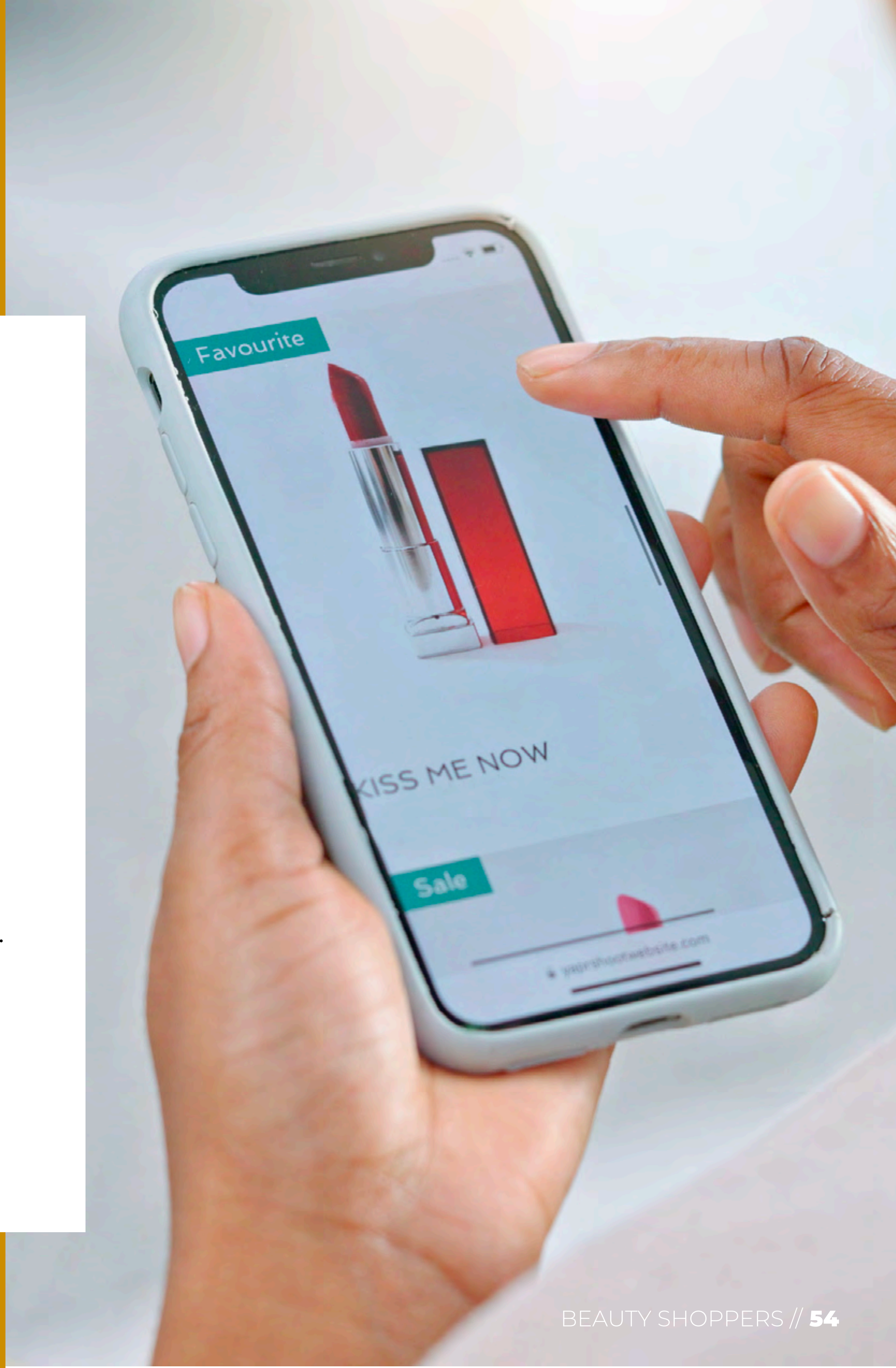
Purchases support a worthy cause
(e.g., for every product sold, another is donated)
(No change)



Beauty shoppers are more invested in comparison shopping.

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

Beauty Shoppers		All Shoppers
56% I am doing more comparison shopping before making purchases.	1	**51%** I am making fewer purchases.
51% I am making fewer purchases.	2	**49%** I am doing more comparison shopping before making purchases.
36% I am only making online purchases when free delivery is an option.	3	**32%** I am only making online purchases when free delivery is an option.



Subsequent purchase patterns suggest strategic cross-marketing and bundling opportunities.

Aside from beauty products, what are beauty shoppers buying most?

Beauty shoppers are more inclined than others to purchase products directly from a brand's website.

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

Beauty Shoppers

38% On Amazon or another online marketplace.

25% Directly from the brand's website.

22% At a department or convenience store (sells multiple brands' products).

10% In a brand's physical retail location.

All Shoppers

36% On Amazon or another online marketplace.

25% At a department or convenience store (sells multiple brands' products).

22% Directly from the brand's website.

13% In a brand's physical retail location.

Consumers with higher incomes are more inclined to do beauty shopping in physical stores.

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

Point of purchase preference by household income:

$75K - $99,999

#1 Amazon **#2 Department store** **#3 Brand website**

$100K - $124,999

#1 Amazon **#2 Department store** **#3 Brand website**

$125K - $149,999

#1 Amazon **#2 Brand website** **#3 Department store**

$150K - $199,999

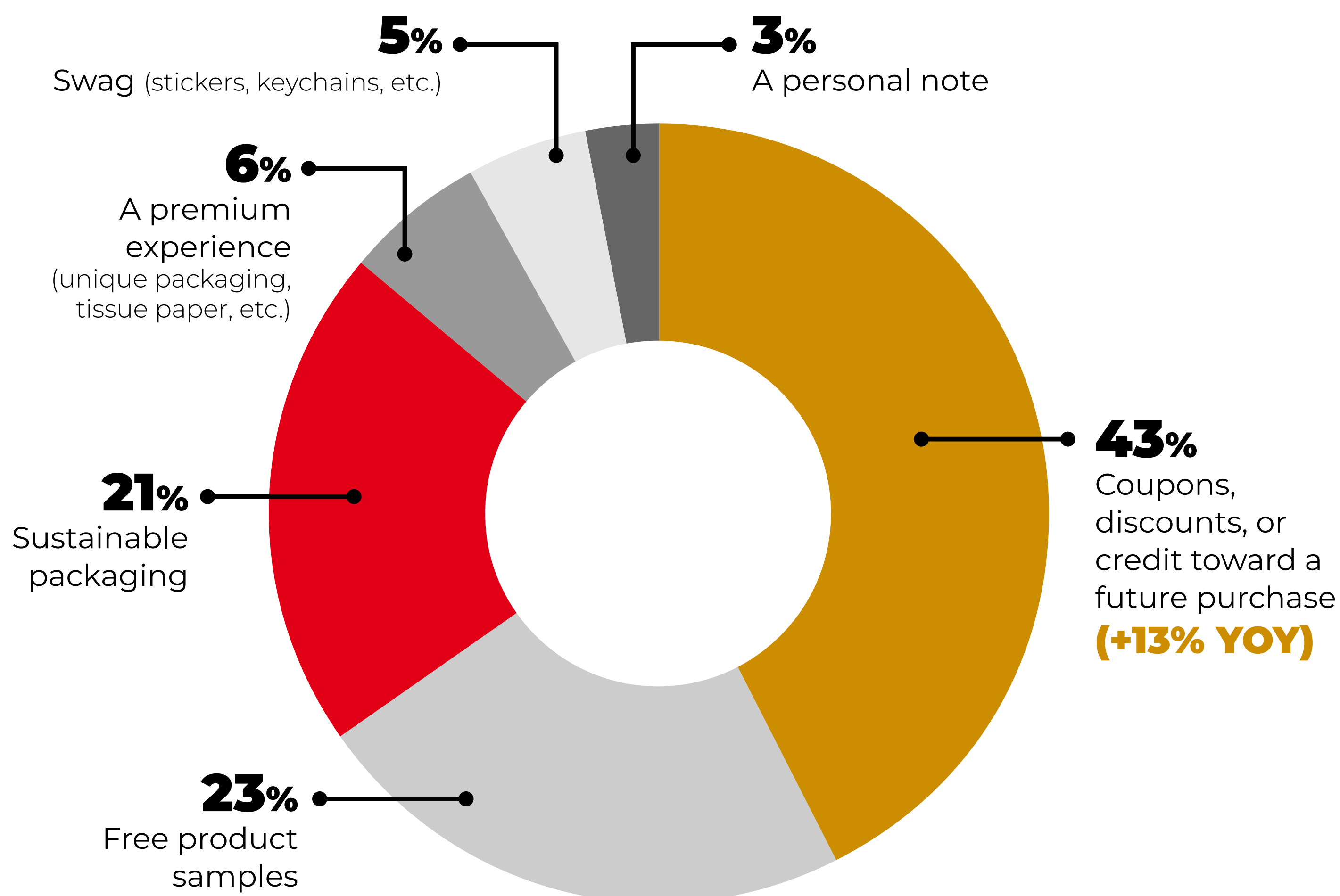
#1 Amazon **#2 Brand physical store** **#3 Department store**

$200K+

#1 Amazon **#2 Department store** **#3 Brand physical store**

Beauty shoppers favor three key drivers of retention.

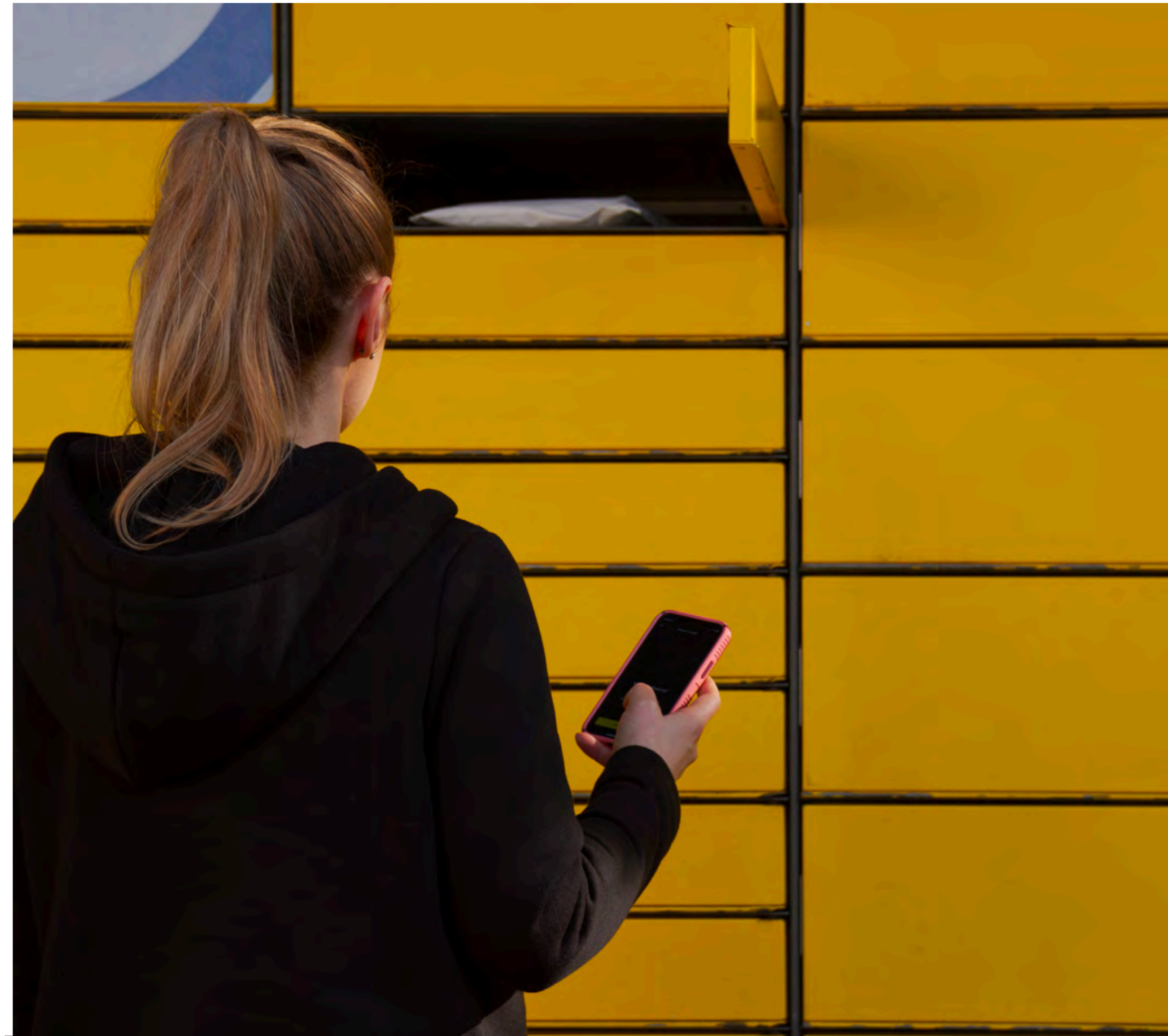
"When thinking about the experience of opening up a package you ordered online, what factor is MOST likely to make you want to shop with the same brand again in the future?"



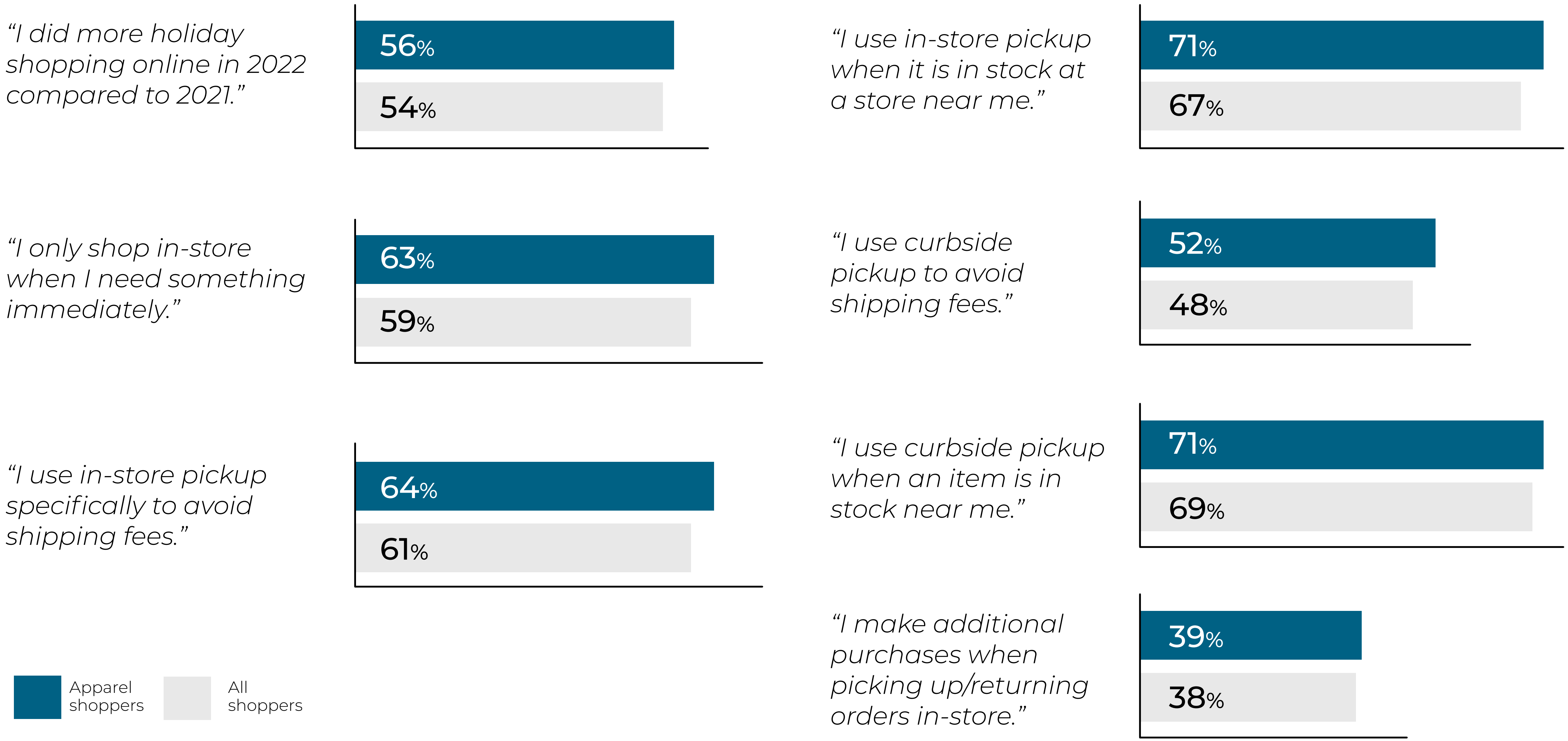
09 APPAREL SHOPPERS

Apparel Key Takeaways

- *Apparel shoppers view physical stores more as pickup locations than shopping destinations.*
- *Apparel shoppers buy more to save on shipping.*
- *Free and easy returns are prioritized by apparel shoppers.*
- *Circular economy services are increasingly appealing to apparel shoppers.*
- *Apparel shoppers favor department stores and marketplaces over direct-to-consumer websites and storefronts.*

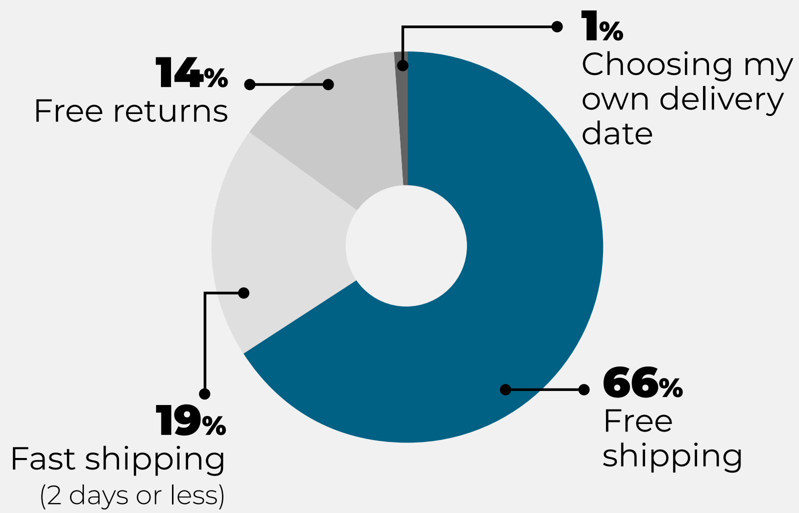


Apparel shoppers view physical stores more as pickup locations than shopping destinations.

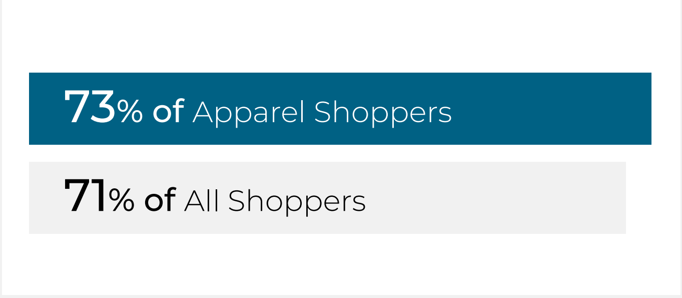


Apparel shoppers buy more to save on shipping.

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

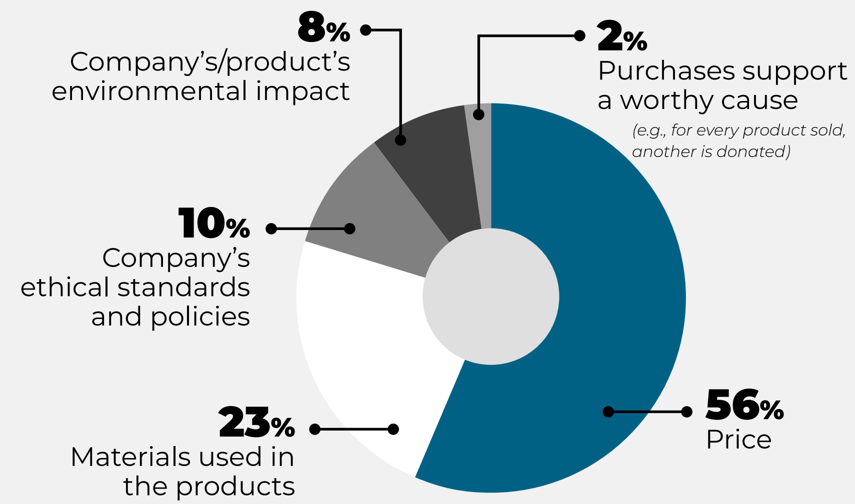


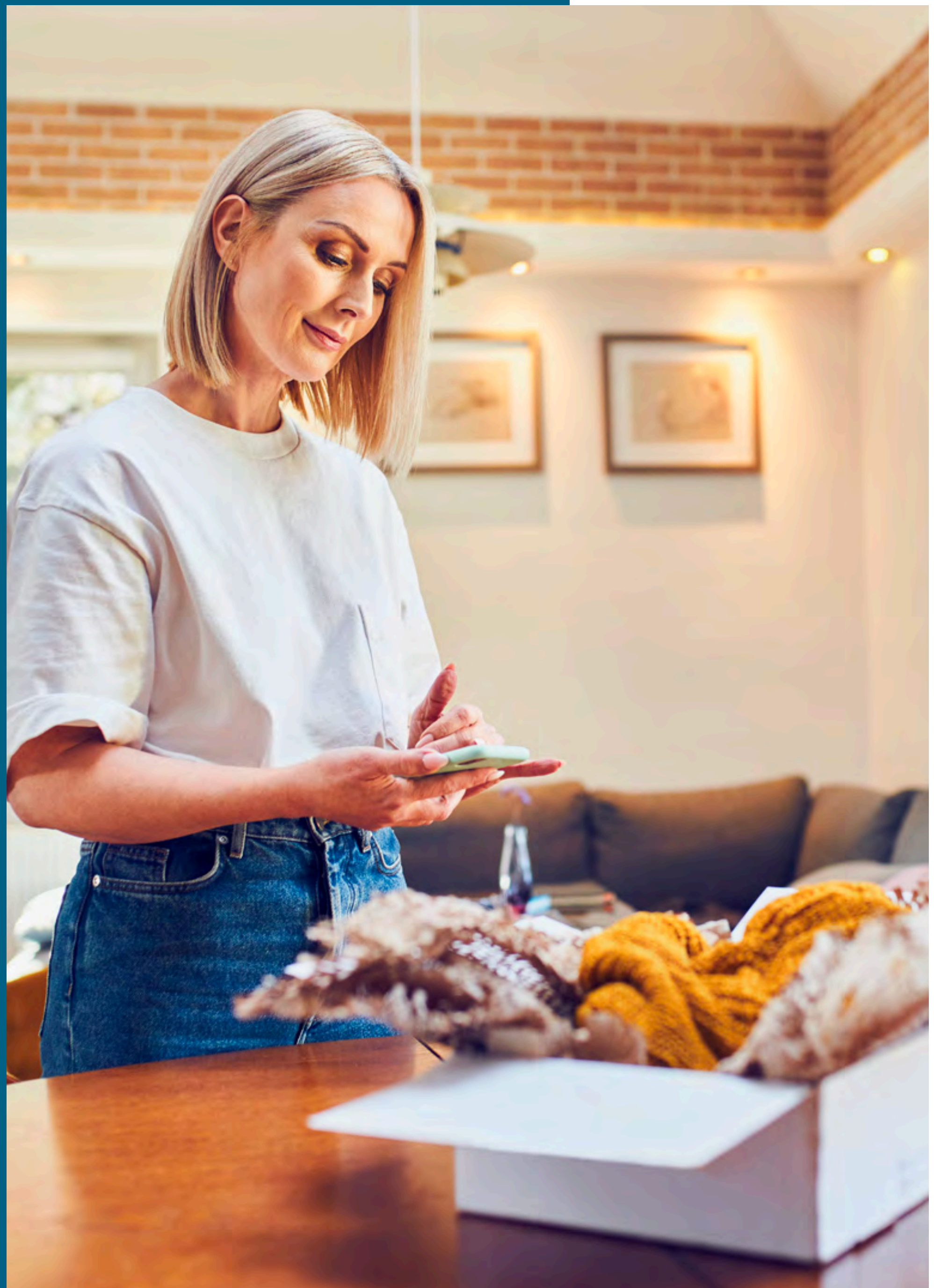
Nearly three-quarters of apparel shoppers have **added more items** to their carts to **qualify for free shipping.**



38% Have abandoned carts upon seeing unanticipated shipping costs. *(+2% YOY)*

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





Free and easy returns are a growing priority for apparel shoppers.

56%

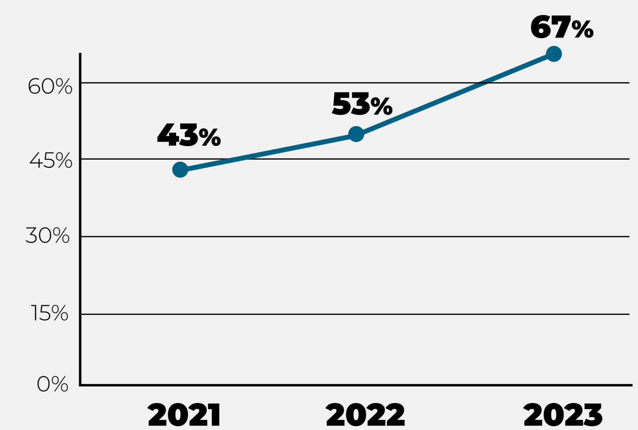
Of apparel shoppers **will not purchase from a brand that doesn't offer free returns.**

61%

Of apparel shoppers prefer **return-via-mail/drop box** versus in-store.

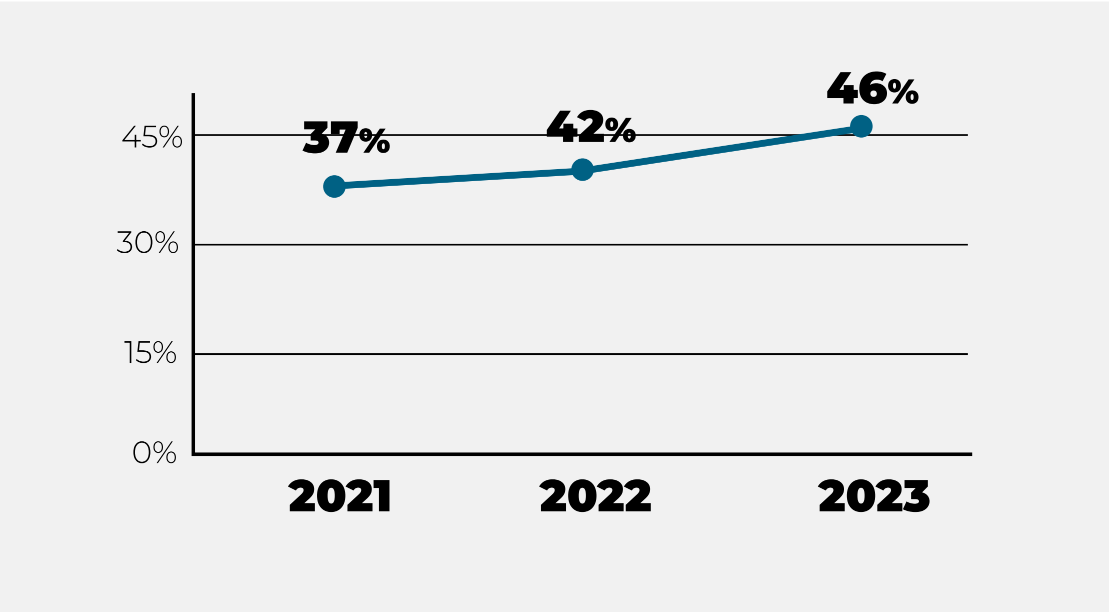
67%

Say that being **offered returnless refunds** would make them want to **shop with a brand again.**

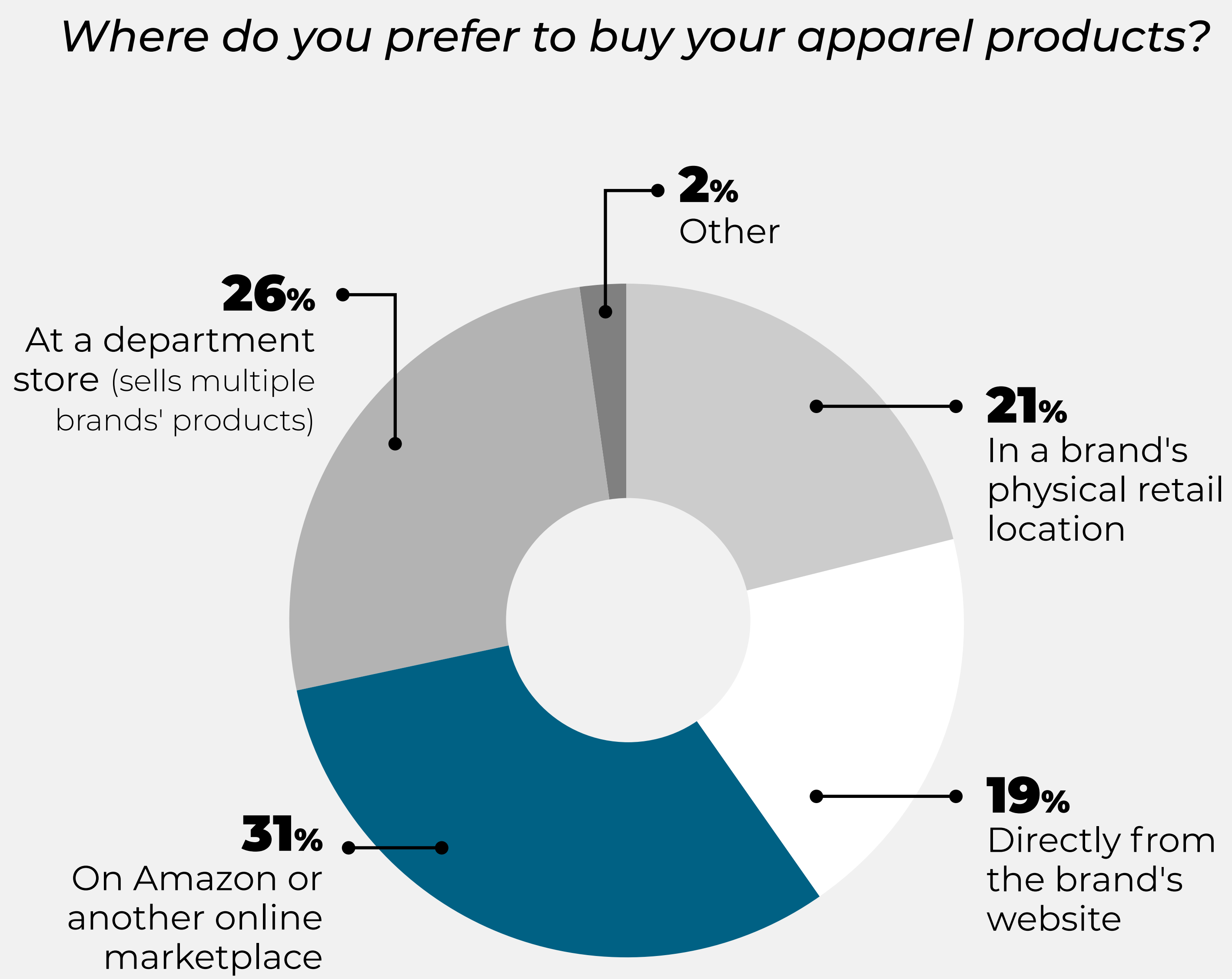


Apparel shoppers are increasingly interested in circular economy services.

Have you 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.)?

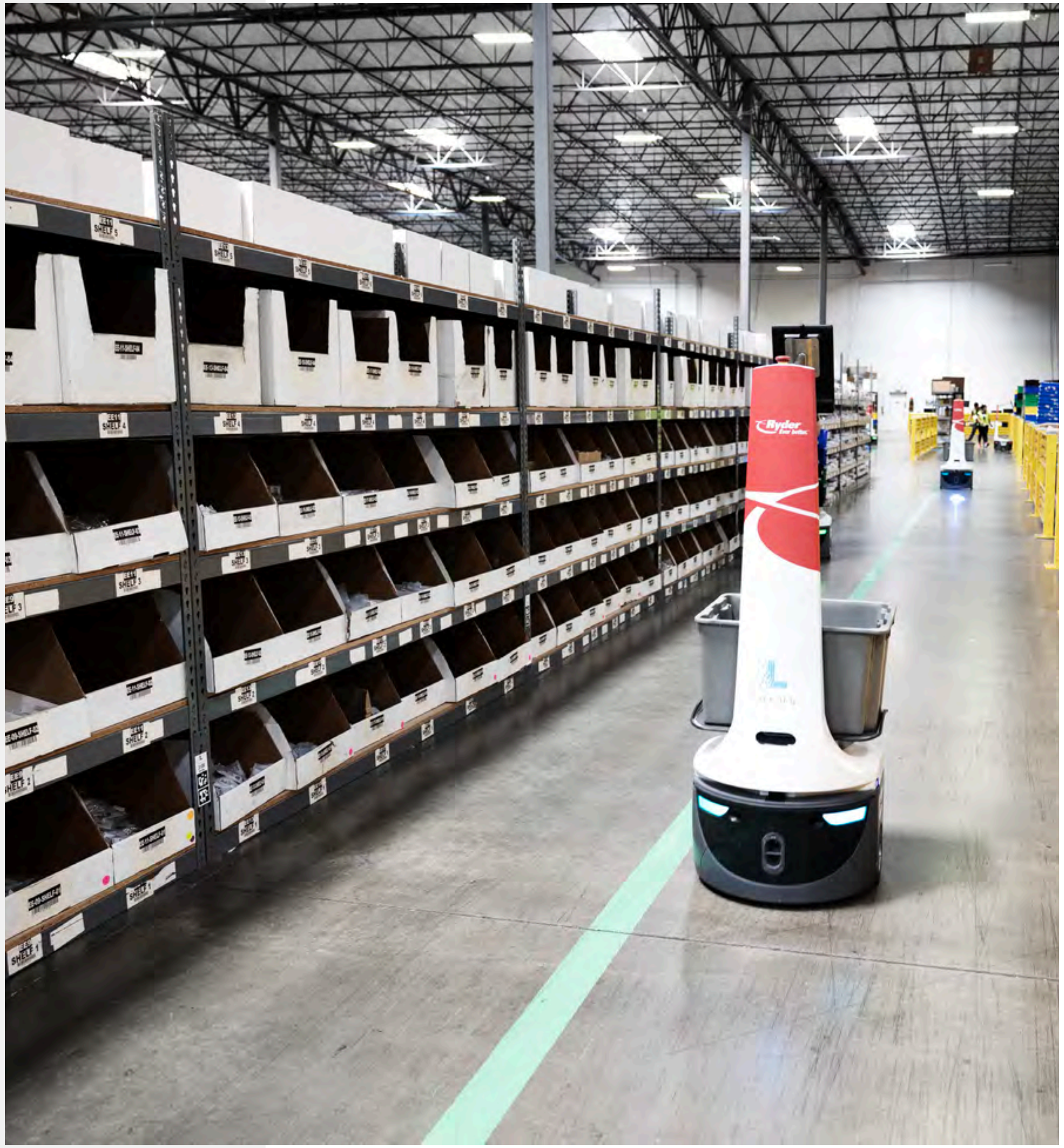


Apparel shoppers favor department stores and online marketplaces over direct-to-consumer websites and storefronts.



About Ryder System, Inc.

Ryder System, Inc. (NYSE: R) is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and fleet management solutions, including warehousing and distribution, e-commerce fulfillment, last-mile delivery, managed transportation, professional drivers, freight brokerage, 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 260,000 commercial vehicles and operates approximately 300 warehouses encompassing more than 95 million square feet. Ryder is regularly recognized for its industry-leading practices in third-party logistics, technology-driven innovations, commercial vehicle maintenance, environmental stewardship, corporate social responsibility, world-class safety and security programs, military veteran recruitment initiatives, and the hiring of a diverse workforce. www.ryder.com



Ryder Ever better.™

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Methodology

In February 2023, Ryder surveyed 1,077 online shoppers about behavior, preferences, experiences, and expectations pertaining to their e-commerce activity from 2022 to 2023 and looking ahead to the future. Subject matter comprised purchasing behavior, packaging, shipping, returns, omnichannel experience, sustainability, and supply chain factors. This survey was implemented on behalf of Ryder through SurveyMonkey.

Gender breakdown of respondents:

Male: **46%**
Female: **54%**

Age breakdown of respondents:

18-29: **13%**
30-44: **32%**
46-60: **30%**
>60: **25%**

Regional breakdown of respondents:

East North Central: **16%**
East South Central: **5%**
Middle-Atlantic: **16%**
Mountain: **7%**
New England: **6%**
Pacific: **19%**
South Atlantic: **19%**
West North Central: **6%**
West South Central: **7%**