Rithum™

2023

Online Consumer Behavior Global Report

Key e-commerce shopping trends for brands and retailers looking to connect with more consumers

Introduction

We've all seen them: headlines and news stories about inflation, supply chain issues, requirements for workers to return to the office, the resurgence of brick-and-mortar stores. Yet, despite the wild ride, with its many ups and downs in recent years, e-commerce is still growing, still changing.

With our 2023 survey, we examine how, where, when and why consumers are shopping online right now — and what it all means for brands and retailers preparing for the next stage in the industry's development.

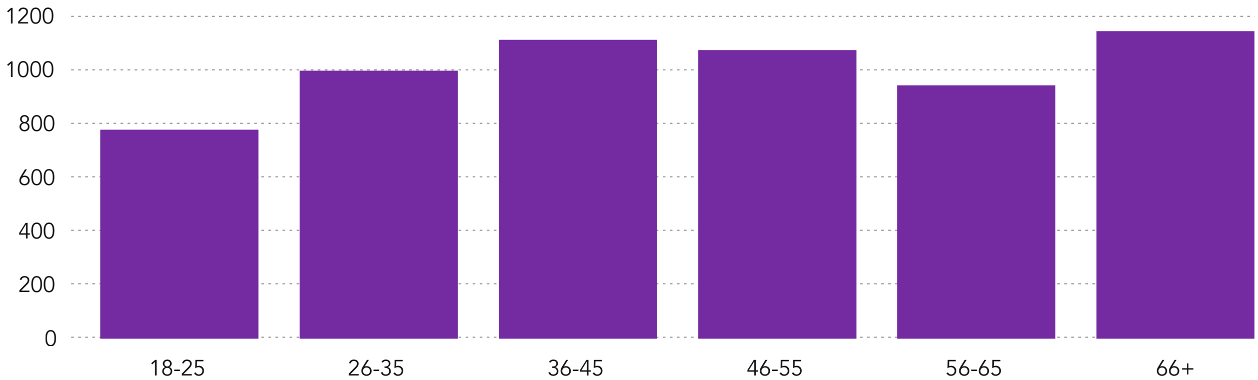
About This Report

Consumer behavior is a key driver in the evolution of our industry. And changes in where and how consumers shop can be leading indicators of transformation to come. As a leader in e-commerce technology since 2001, Rithum understands the importance of understanding and analyzing shifts in consumer habits, preferences and expectations to address coming trends and the needs of the future.

That's why we partner with leading global research firm [Dynata] to conduct periodic surveys of online consumers across the globe.

In August 2023, we polled more than 6,000 active online shoppers across the US, UK, Australia, France, Germany, Sweden and Denmark. Our survey involved:

- **6,048 respondents** split across Australia (1,008), France (1,006), Germany (1,008), UK (1,015), the US (1,004), Sweden (504) and Denmark (503)
- **30 questions answered** through a self-administered questionnaire
- **Active online shoppers** who had purchased at least one item online in the last 12 months
- Participants consisting of **3100 females (51%), 2929 male respondents (48%),** and **15 who preferred not to say (1%)**
- Respondents ranging in **age from 18 to 65+**



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Global Trends

Consumer expectations and behaviors are always changing. This year, we noticed some behaviors establishing deeper, more consistent roots — with some variations — and some new trends altogether.

Trend 1: Consumers Take a Multichannel Approach

We first noticed this trend in last year's survey: The path to purchase is becoming increasingly fragmented as consumers visit multiple sites before completing a transaction. If anything, this behavior is becoming even more entrenched into the consumer mindset.

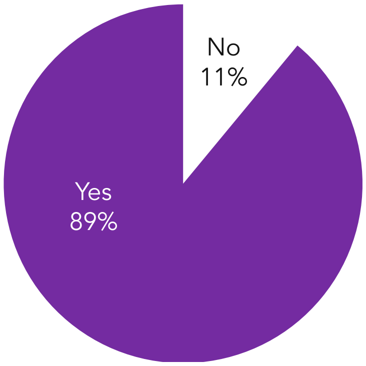
- Across all age groups, **83% of global shoppers visit two or more sites** before making a purchase
  - The vast majority of those (72%) visit two to four sites
- For those under age 36, 87% of consumers visit multiple sites
- For those between ages 36 and 55, it's 85%

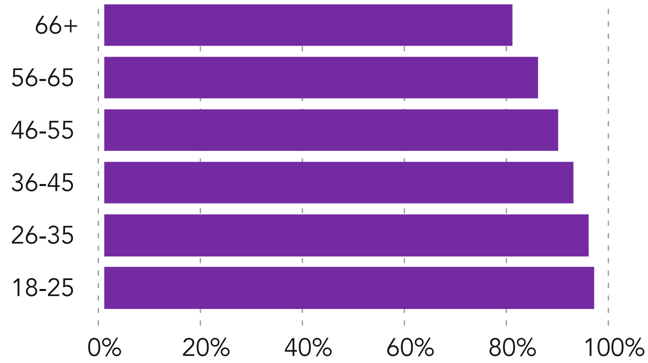
Q: On average, how many total websites (e.g., search engines, marketplaces, brand websites, etc.) do you visit on your buying journey before actually purchasing a product?

This behavior seems to spike in certain categories as well. For example, our survey found that 91% of consumer electronics shoppers visit two or more sites before purchase.

The trend is expanding to product browsing — without intention to purchase — as well. Eighty-nine percent of global consumers are browsing online marketplaces and retail sites simply to discover products.

Q: Do you ever browse items on online marketplaces or retail sites without the direct intention to purchase something?





Trend 2: Marketplaces Dominate Online Shopping

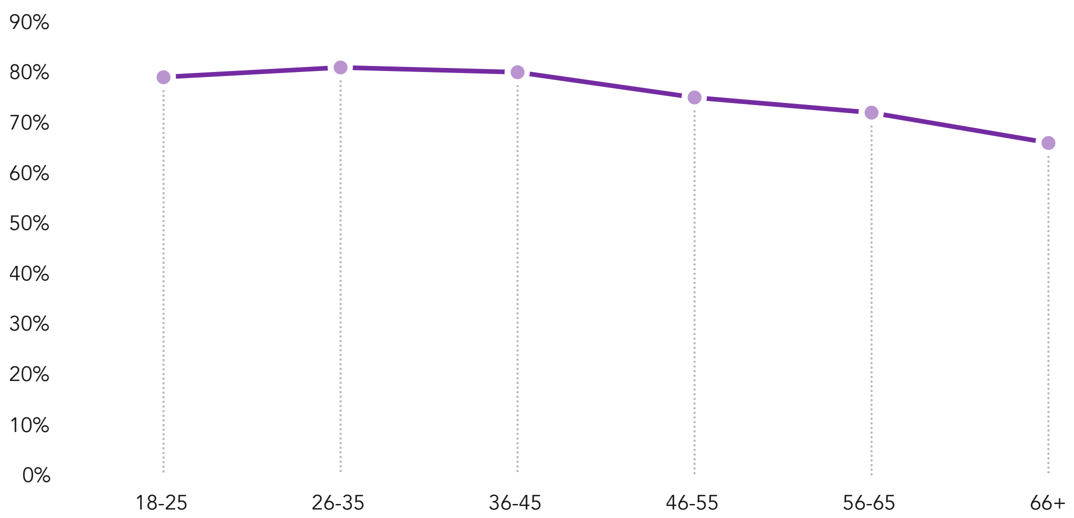
As marketplaces continue to operate as online destinations consumers enjoy experiencing, they are replacing the much-loved brick-and-mortar department store. Consumers look to marketplaces for:

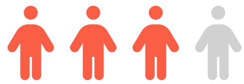
- Wide selection and product variety
- Safe, secure transactions
- Familiar, comfortable experience
- Fast, reliable shipping

Marketplaces have set a standard that many major retailers are now looking to replicate. And, as an e-commerce seller, your strategy must approach finding the best environments for selling products across multiple marketplaces.

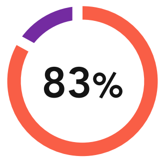
Q: How many online marketplaces (e.g., Amazon, eBay, Walmart, Newegg, etc.) do you tend to use for browsing, shopping or buying on a regular basis?

% by age who responded "2+ marketplaces"

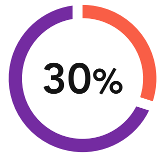




Three out of four shoppers worldwide regularly use multiple marketplaces for browsing, shopping and buying



In Germany, 83% of consumers visit multiple marketplaces regularly



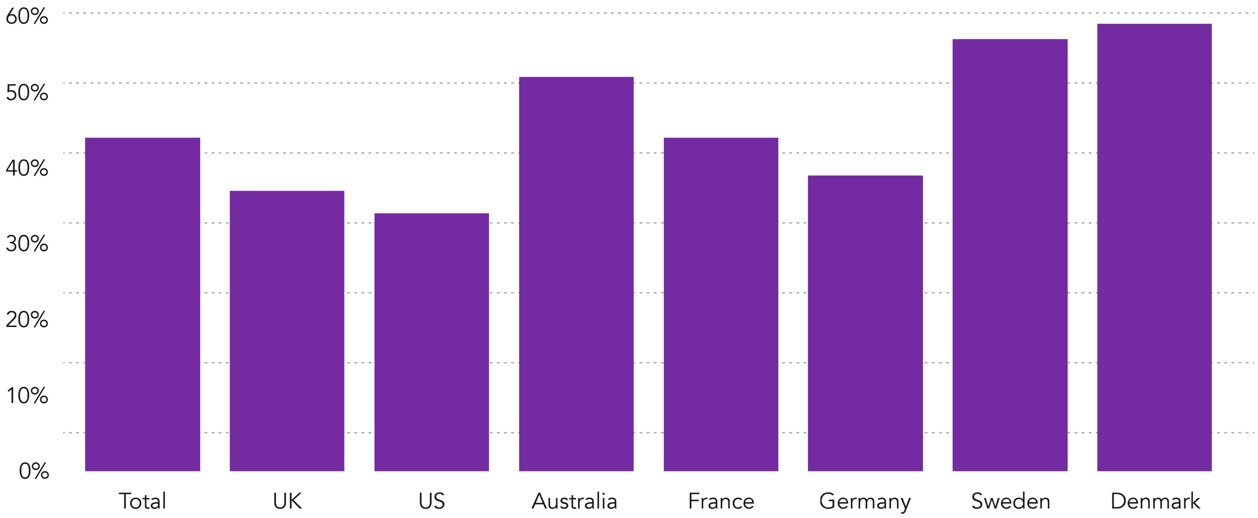
30% of Swedish consumers use four or more marketplaces

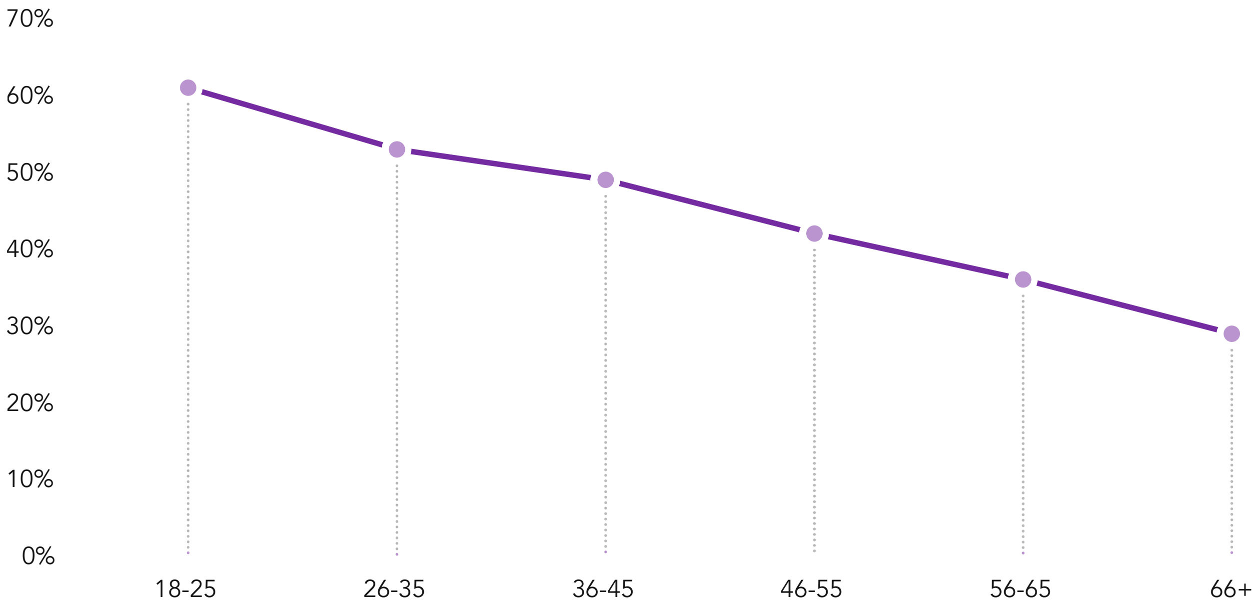
Once again, drilling down into product categories is revealing.

- **84% of consumers** regularly browse, shop or buy on multiple marketplaces if they're looking for consumer electronics, home furniture, sporting goods, automotive goods or jewelry and watches
    - In these categories, 22% will regularly use four or more marketplaces

Marketplaces also offer the ideal opportunity to purchase items from a different country than the shopper's residence. We've watched consumer ease with cross-border shopping grow in recent years, and marketplaces tend to be a trusted location to make those transactions.

Q: In the past 12 months, have you purchased an item from a retail site or online marketplace in a different country from which you reside?



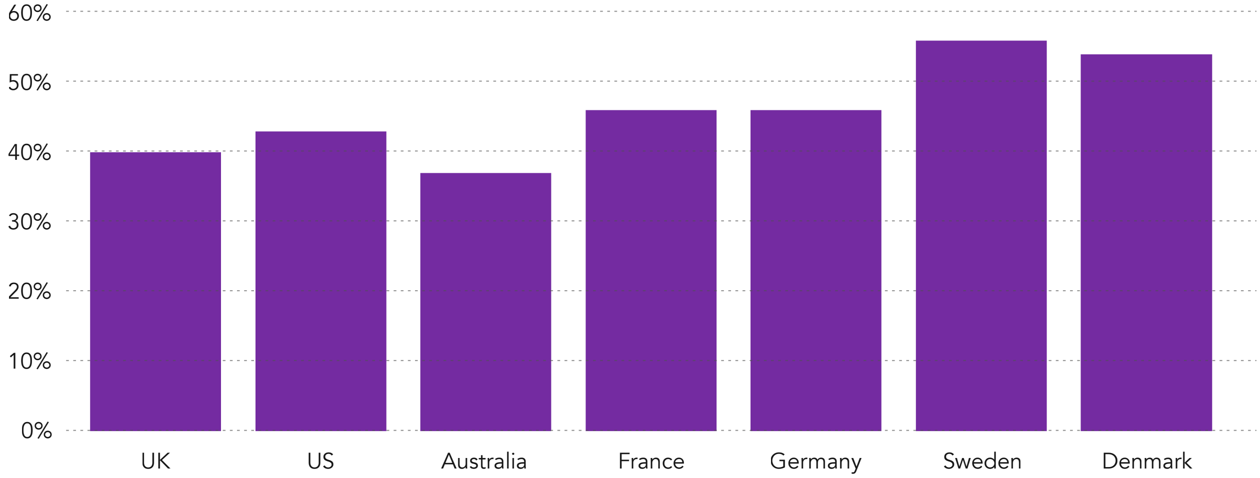


- **44% of global shoppers** purchased from a foreign site in the last year
- **Nordic and Australian shoppers (**58% and 52%, respectively) were most likely to shop on foreign sites

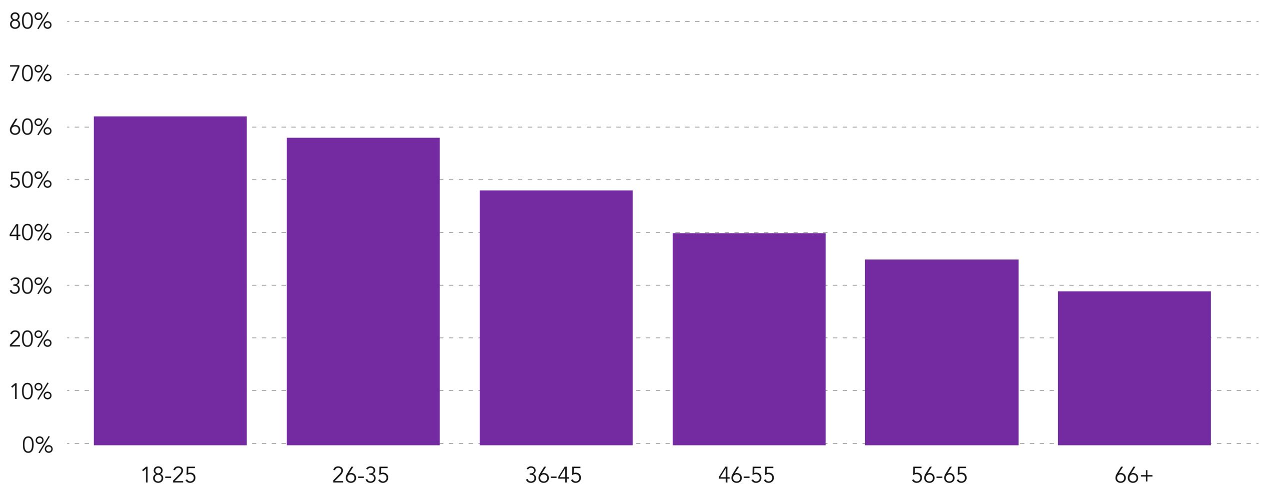
Trend 3: Retail Media Is an Integral Part of the Buying Cycle

Retail media advertising has exploded over the last few years, leading to more ad types and retail media networks for sellers to choose from as well as increased exposure for consumers. This modern, digital form of point-of-purchase advertising has become a major center of discovery for ready-to-buy consumers.

Q: In the past 12 months, have you clicked on a Sponsored or Promoted Product ad that you saw on a marketplace or retail site?



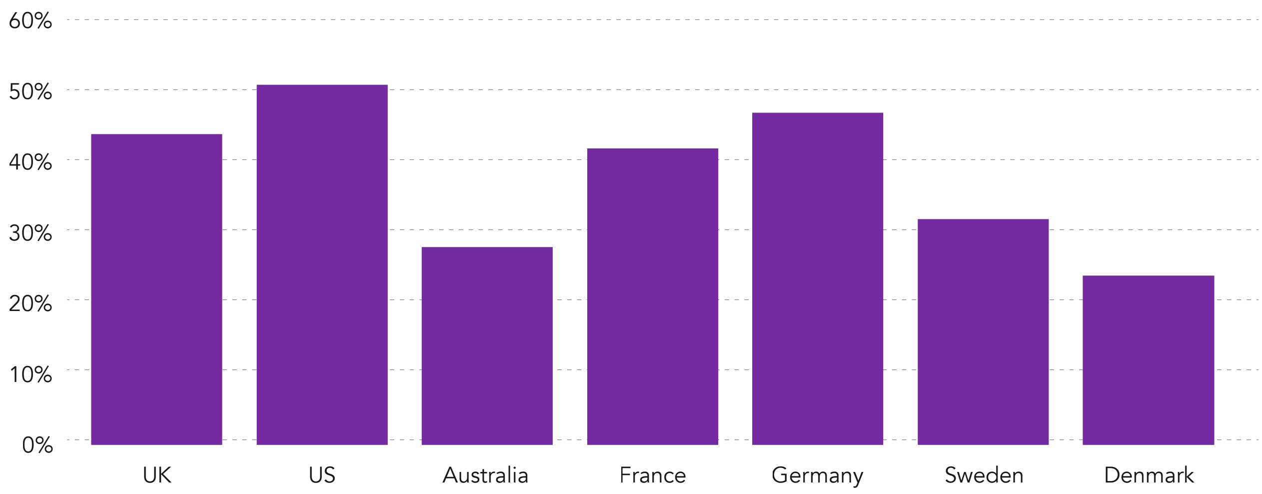
- **45% of global consumers** have clicked on a sponsored or promoted ad they saw on a marketplace or retail site in the last year
- **56% of Swedes and 54% of Danes** indicated they'd clicked on a retail media ad



Younger consumers also appear most likely to use retail media as a regular part of their purchasing journey.

- **62% of 18- to 25-year-olds** clicked on a promoted or sponsored ad in the last year
- **58% of 26- to 35-year-olds** clicked on a promoted or sponsored ad in the last year

In the US, and much of the world, Amazon dominates the retail media market, as the marketplace that leads the way in retail media innovation and implementation.



- **Over half of** US shoppers have purchased an item on Amazon after seeing an ad for the product on Amazon
- **For younger shoppers,** that figure is even higher — 62% of 18- to 25-year-olds and a whopping 70% of 26- to 35-year-olds

Trend 4: Easy and Free Returns Are a Priority for Consumers

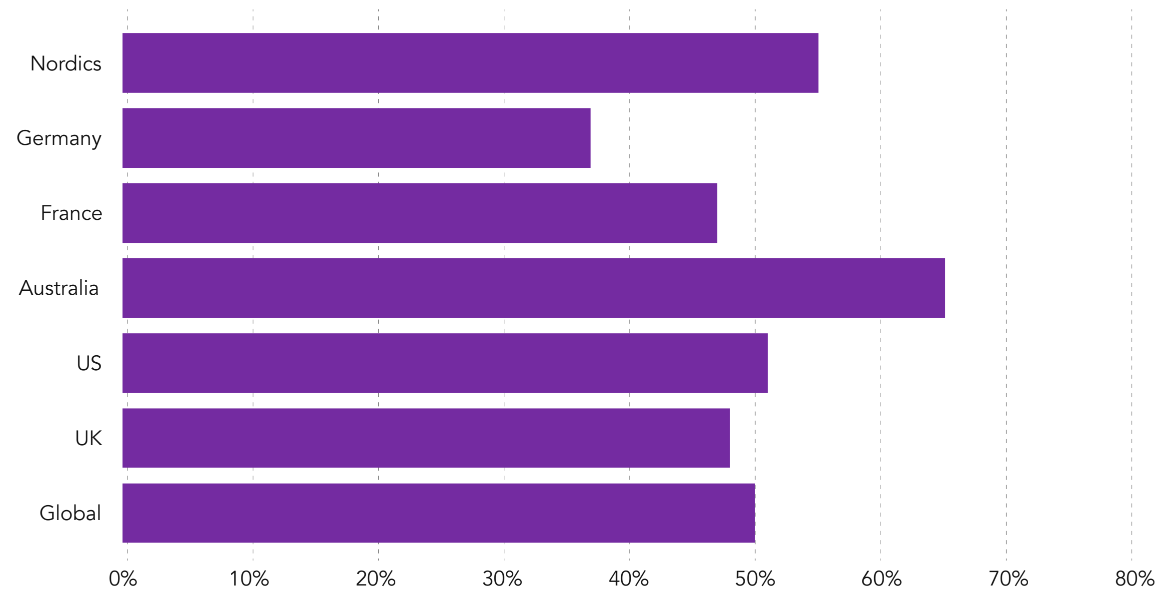
As e-commerce has seeped further and further into the mainstream of consumers' purchasing activities over the years, returns have also begun to factor more prominently into their decisions. A significant majority (71%) of global consumers indicate they only buy from sites that offer free returns.

This behavior poses a deeper concern for brand and retailer profitability. While consumer expectations might demand free returns, that can come at a high cost, depending on a variety of factors.

Q: Do you agree with the following statement: I will only buy items from sites that offer free returns

	Total	Male	Female
I will only buy items from sites that offer free returns	71%	68%	74%

When asked if they "sometimes don't return items because it's too complicated," approximately half of consumers across most countries agreed. Notably, 65% of Australians indicated this statement was true. And while that might indicate short-term savings for a seller, it has an undeniable long-term impact on brand perception and loyalty.



Key Trend Takeaways

What truths do these data points reveal? It's clear that consumers expect more than ever from their e-commerce experience and they'll find the sellers willing to provide it.

In summary:

- Consumers are more agile, less loyal and incredibly demanding
- Brands and retailers need a multichannel approach
- Centralized operations and internal teams are essential
- Robust retail media campaigns (across multiple channels) are more important than ever
- Consumer expectations for free returns will continue impacting retail profitability

The Consumer Journey

Because purchasing involves so many touchpoints for consumers today, predicting the consumer journey is more difficult than ever for brands and retailers.

Intentional engagement with the consumer requires an in-depth understanding of their choices and clearly presenting the value within a product.

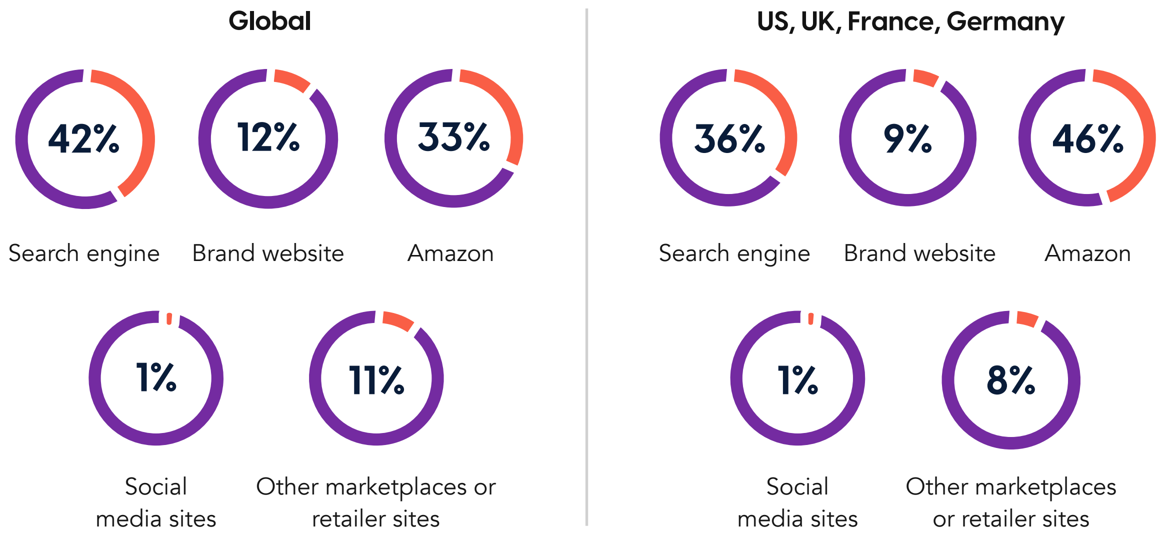
The Journey Begins

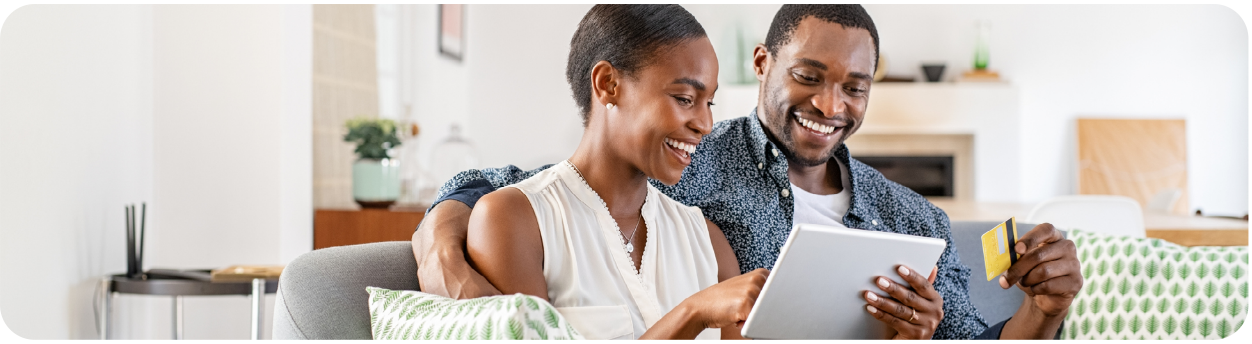
As e-commerce grows and further fragments in myriad digital touchpoints, understanding where consumers tend to begin their purchasing journeys becomes essential.

First, we find it important to determine the reason behind why the consumer is launching a buying journey: Is it to purchase a product or to research a product? We've asked this question in every global consumer survey we've conducted — and the results have been pretty consistent. Understanding the intent can help identify the potential next steps a consumer may take.

The majority of global consumers visit search engines first, whether it's to buy products (42%) or to research products (43%), though many also visit brand websites (12% visit to buy and 14% visit to research) or Amazon (33% to buy and 31% to research).

Q: When you go online to buy products, where do you begin your product search?





Amazon continues to have a commanding presence – but not in every region

Drilling down into specific geographic locations divulges important truths.

- **Amazon dominates** in France (47%), Germany (45%), and the US (51%) for the location where consumers visit to buy products
- **Just 6%** of Nordic consumers start on Amazon and 13% of Australians visit Amazon first

Australian consumers provide a peek into a unique online selling environment

- **53% of Australian consumers** visit search engines to research products
- **18% of Australians** visit other marketplaces or retail sites
- **17% of Australians** visit brand websites for research

There's even a difference between men and women in Australia in particular.

- **55% of women** began research on a search engine, compared to 40% of men
- **Men indicated a preference for marketplaces and retail sites (42%)** compared to women (23%)

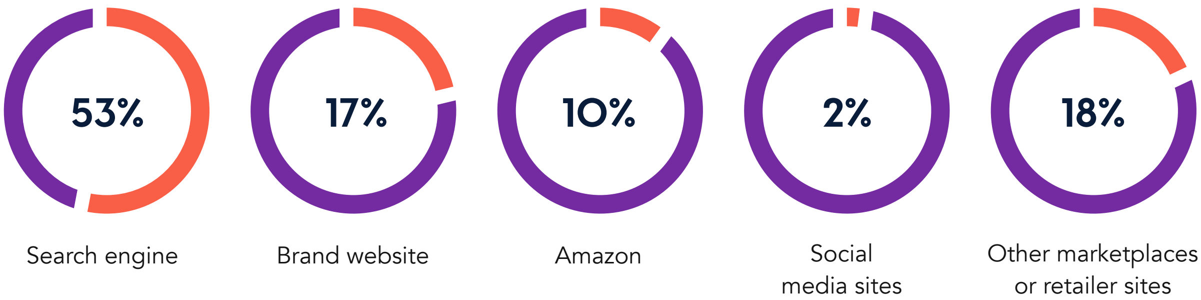
Brand loyalty and trust is revealed in specific categories

A small but discernible percentage of consumers not only conduct most of their research on brand websites, but also head to brand websites first when intending to buy a product in these categories:

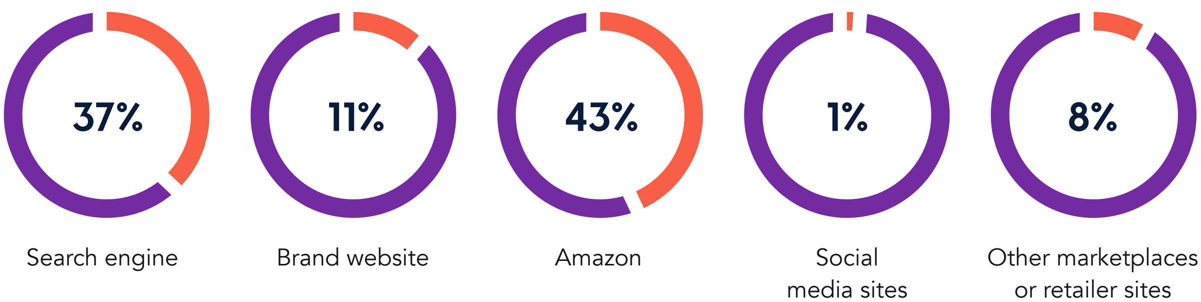
- **Jewelry/Watches** (13%)
- **Clothing/Shoes/Accessories** (13% of consumers visit for research and 12% visit first for purchase)
- **Home Furniture** (13% for research, 12% for purchase)
- **Beauty/Health/Personal Care** (13% for research, 12% for purchase)
- **Grocery/Gourmet Food** (13% for research, 12% for purchase)
- **Toys/Games/Hobbies/Crafts** (11% for research, 10% for purchase)

Q: When you go online to research products, where do you begin your product search?

Australia



US, UK, France, Germany



Product research behaviors can differ by product category

Automotive/Motors/Marine

- When *researching*, 13% of global shoppers turned to brand websites, marketplaces outside Amazon or retailer sites
- In the *research phase*, search engines (44%) significantly outperformed Amazon (28%)
  - But 32% of consumers began searching for products to buy in this category from Amazon in the previous year

Consumer Electronics/Camera

- When *researching products*, 47% of global consumers start on search engines
- When *intending to buy*, 36% start on Amazon
- Brand websites play a stronger role in research (12% of consumers in this category use brand websites for *research*) than a *starting place for purchase* (9%)

Appliance/Kitchen

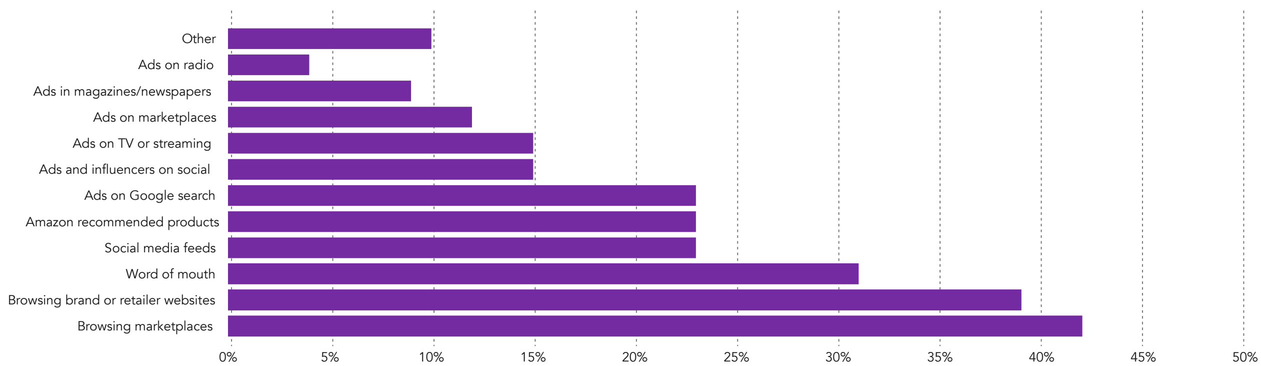
- **Amazon**
  - 34% of consumers researching products in this category primarily turned to Amazon
  - 36% visited Amazon first when intending to buy
- **Brand websites**
  - 13% of consumers research on brand websites
  - 10% start on brand websites when intending to purchase
- **Other marketplaces and retailer sites**
  - 9% of consumers conduct their research primarily on marketplaces outside Amazon or on retailers sites
  - 10% start their product search on other marketplaces and retailer sites when ready to buy

Product Awareness

Consumers have more places and methods to discover products than ever. Identifying the strongest influences — and factors in the interplay between multiple sources — remains a challenging task for marketers.

Browsing marketplaces, brand and retailer websites remains the top activity that leads to product discovery, though product presence in many sectors — online and off — contributes to awareness.

Q: In the past 12 months, how have you discovered the products you've purchased online?

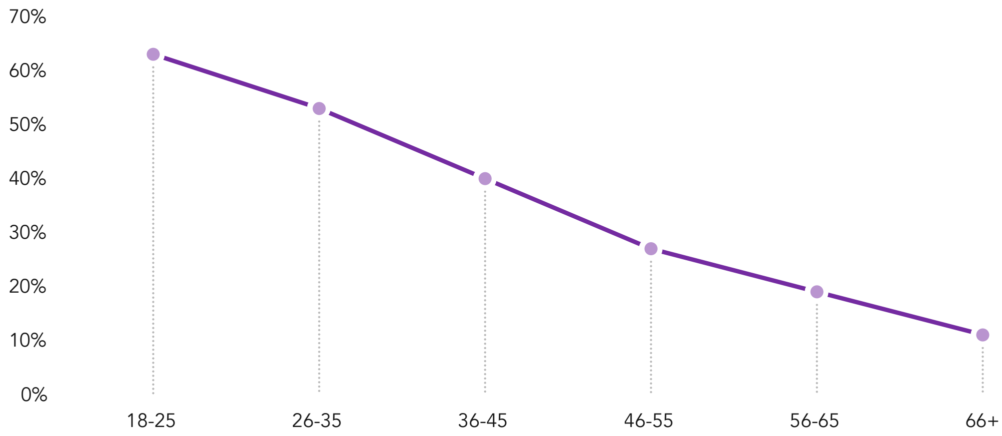


Social Media

- **23% of global** consumers indicated they found the products they've purchased online from their social media feed — the exact same figure given for Amazon recommended products and ads on Google search
- **31% indicated they've** discovered products they've purchased via "word of mouth (recommendations from family/friends)"

Age factors into the influence of social media

Q: In the past 12 months, have you been influenced to make a purchase after seeing a product promoted by a brand on social media?

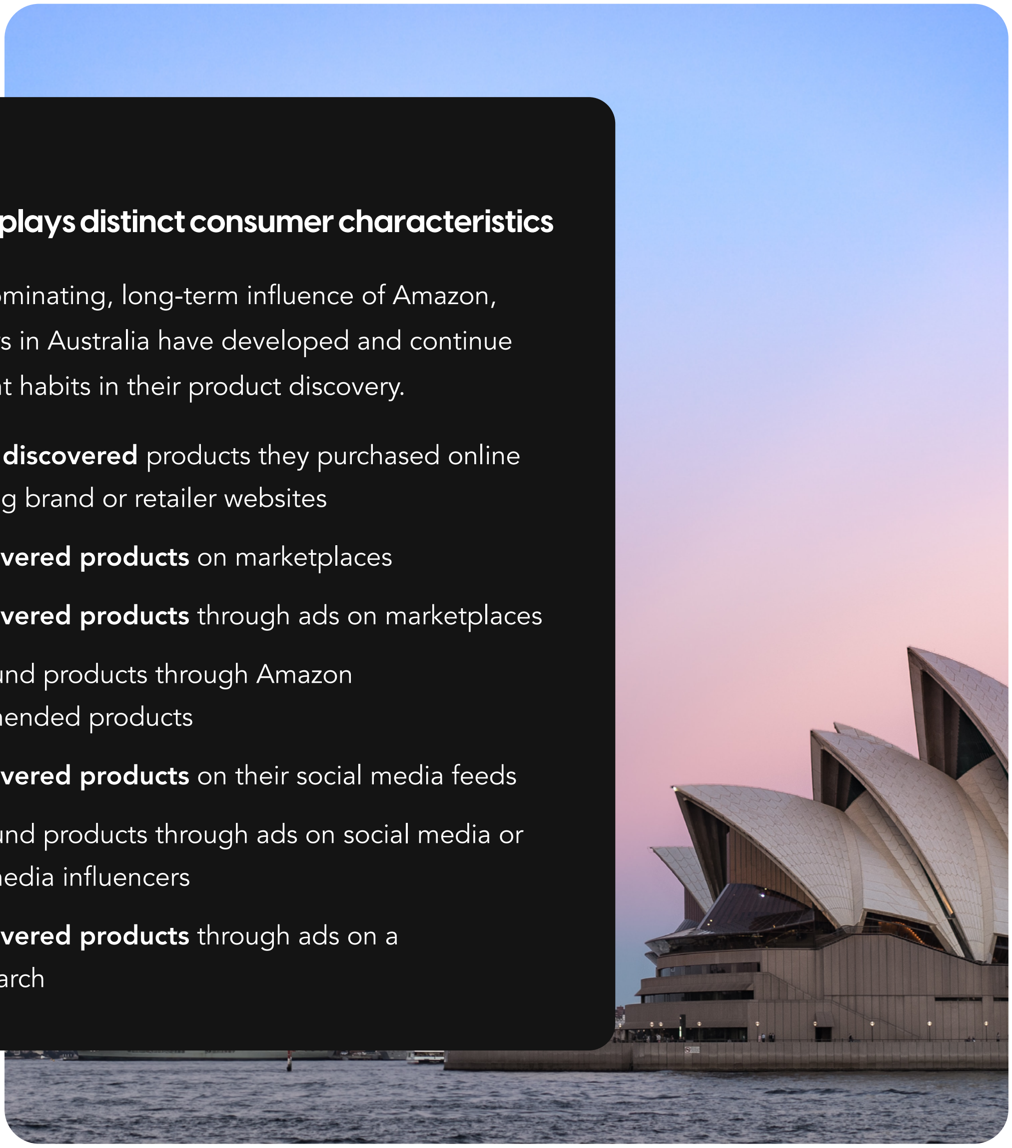


For younger consumers, social media is becoming a key channel for product discovery.

- **Globally, 63% of 18- to 25-year-olds** said they'd been influenced to make a purchase after seeing a product promoted by a brand on social media
- **53% of 26- to 35-year-olds** and even 40% of 36- to 45-year-olds said the same.

Beyond age 45, that percentage drops off significantly — but as consumers age and habits deepen, brand presence on social media will make a difference across demographics.

But product category certainly plays a large role when it comes to social. Consumers purchasing jewelry or watches or sports and outdoor equipment, for example, display higher levels of influence by social media in the last year (52% and 49%, respectively).



Australia displays distinct consumer characteristics

Without the dominating, long-term influence of Amazon, online shoppers in Australia have developed and continue slightly different habits in their product discovery.

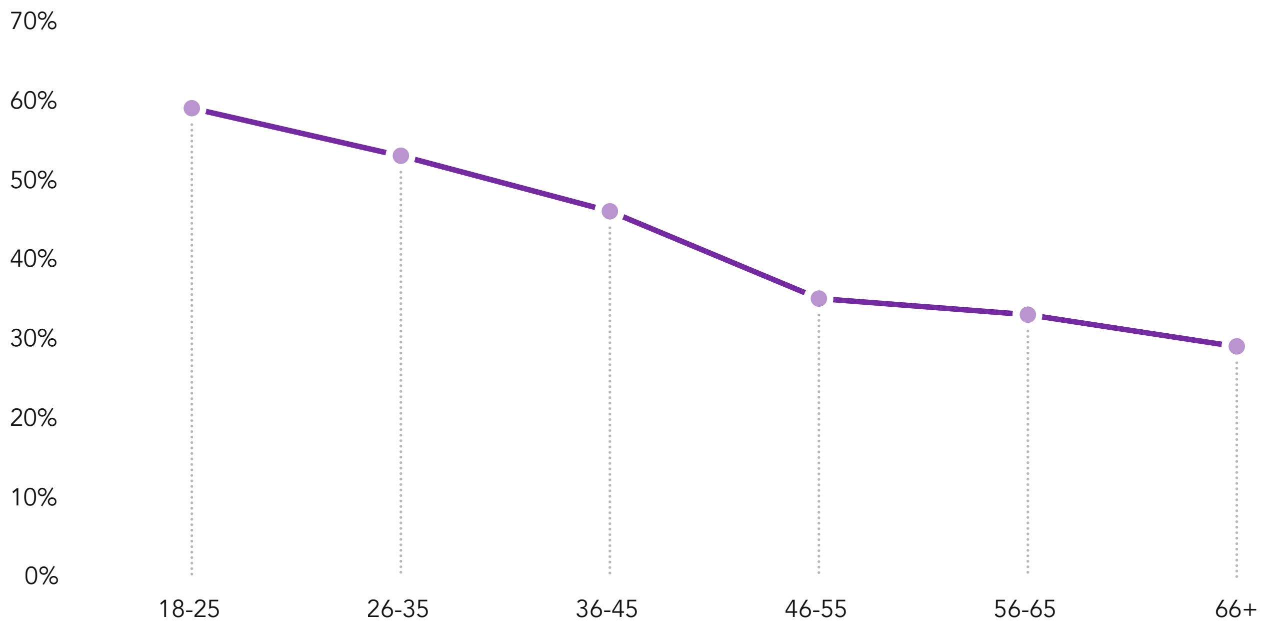
- **52% have discovered** products they purchased online by browsing brand or retailer websites
- **46% discovered products** on marketplaces
- **11% discovered products** through ads on marketplaces
  - 13% found products through Amazon recommended products
- **28% discovered products** on their social media feeds
  - 15% found products through ads on social media or social media influencers
- **25% discovered products** through ads on a Google search

Digital Marketing

As digital marketing options have grown with the overall online shopping experience, it's become essential for product awareness and discovery for a growing number of consumers.

- **Globally, 42% of consumers** indicated they'd clicked on an online advertisement with intention to buy the product in the last year
  - This represents a rise from 2022 (40% overall) — notably, the behavior increased across all age demographics compared to last year as well
- **Sweden and Denmark** (not surveyed in 2022) had the highest number of respondents indicate they clicked on an ad with intent to purchase (57% and 54%, respectively)

Q: In the past 12 months, have you clicked on an online advertisement with the intent to buy a product?



Product Consideration

When consumers begin seriously considering a product for purchase, their trust in the brand or retailer comes into sharp focus. During this phase, the consumer begins to take notice of details, such as specific product features or options for shipping and returns, that might factor into the decision to buy. Further product research at this point must boost confidence in the seller, the product and the transaction itself.

Trusted Sites

In most parts of the world, Amazon continues to dominate as a trusted source of product information. In the Nordics and Australia, where Amazon has lesser reach and influence, brand websites and other marketplaces are the top places consumers turn for product information.

Q: When shopping online, which destination do you trust the most for accurate product information?

Once again, Australians tend to lean on sources outside Amazon when considering products prior to purchase.

- 47% of Australians turn to brand websites for accurate product information
- 30% trust other marketplaces or retailer sites
- 21% trust Amazon
- 2% trust social media

When viewed through the lens of product category, however, some of the areas Australian consumers say they trust the most reveal even more about their perceptions and decisions in their buying journeys.

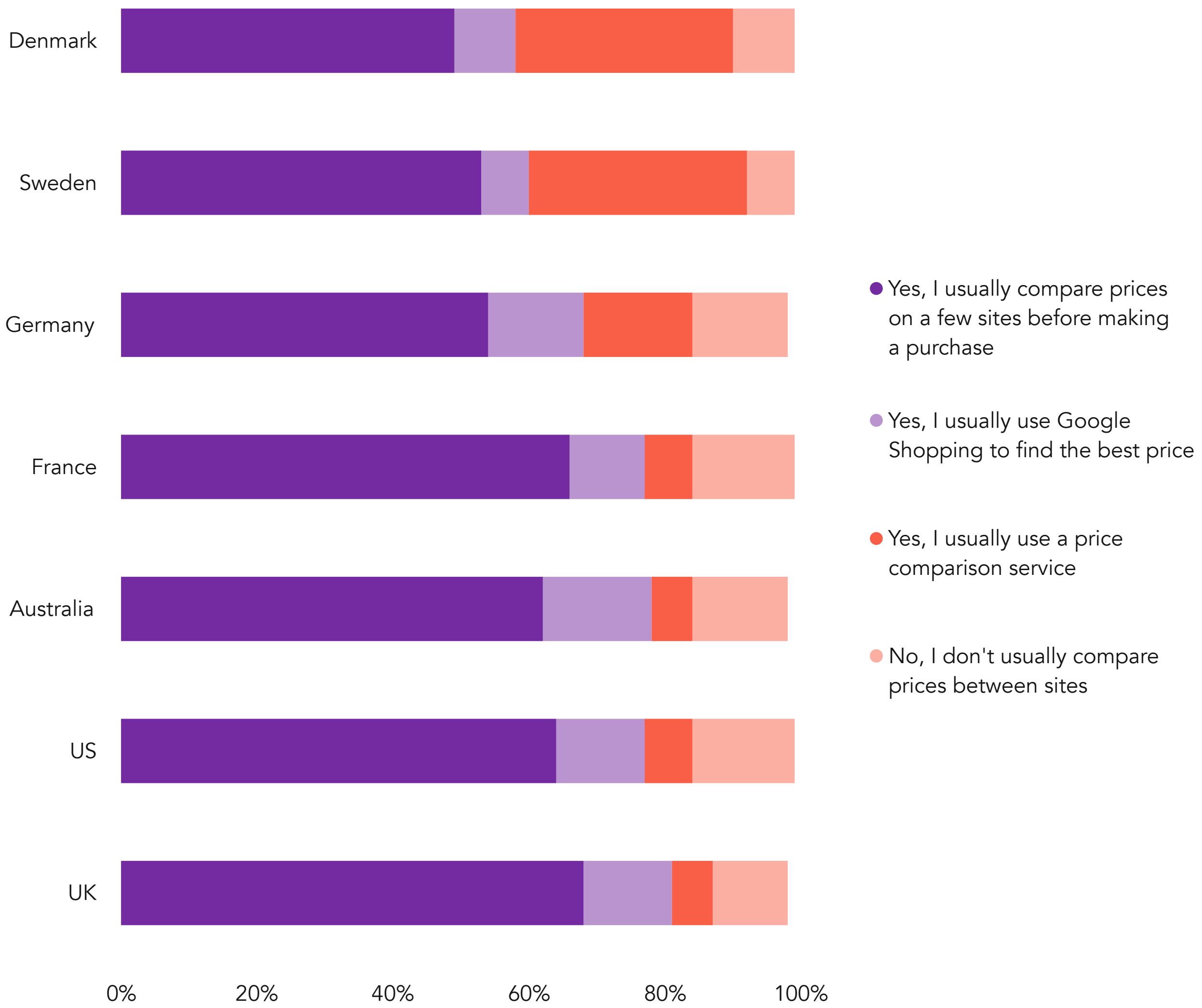
- 52% of Australians trust brand websites most when shopping for beauty/health/personal care products
  - 23% of shoppers in this category indicated they trust other marketplaces or retailer sites most
- 36% trust other marketplaces or retailer sites most when shopping for tools/hardware/DIY/lawn & garden
  - 39% of shoppers in this category indicated they trust brand websites most
- 32% trust Amazon most when shopping for consumer electronics/cameras, marking the category with the greatest trust in Amazon information
  - 41% of shoppers in this category trust brand websites most for product information

Price Consciousness

Unsurprisingly, price comparison remains a strong decision driver.

- **86% of global consumers** compare prices before making their final purchase
- **97% of global consumers** indicated price was a "very important" or "somewhat important" factor for them when choosing products to buy
- **49% of global consumers** said they'd abandoned a purchase because they suspected the price could be better elsewhere or would become lower in the future

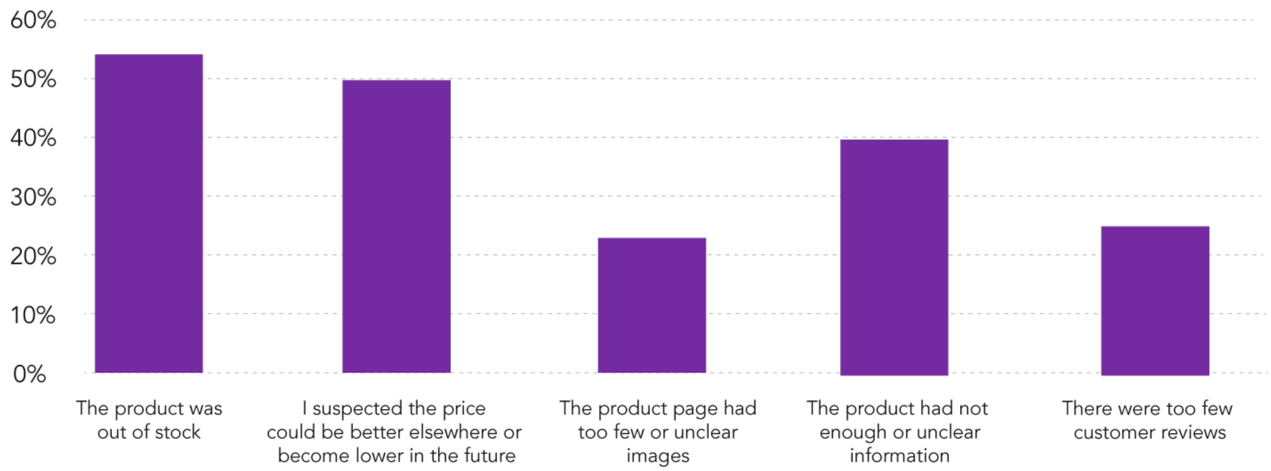
Q: Do you usually compare prices before making a purchase online?



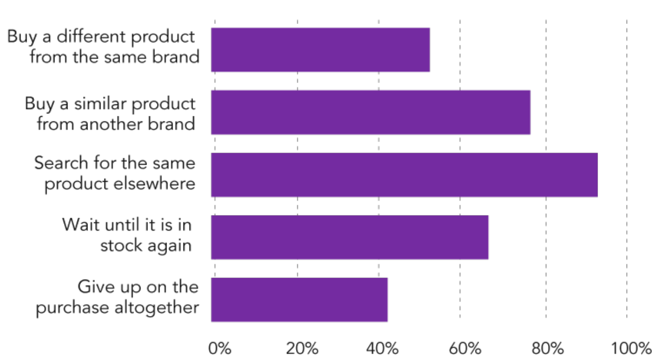
Conversion

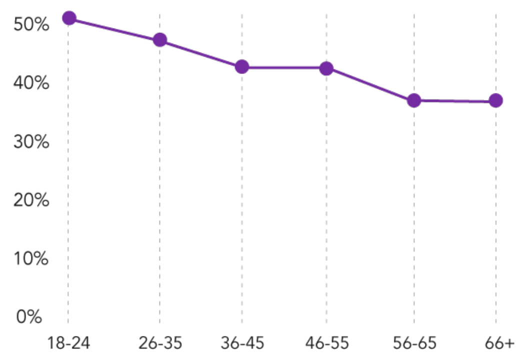
In this critical moment on the consumer journey, consumers make those final clicks to complete the transaction. The consumer has decided the selected product beats the competition, trusts the platform on which they're making the purchase and accepts the timeframe for shipping or delivery.

What causes the buyer to pause? A number of factors. Out-of-stock product, pricing concerns, poor reviews and limited or unclear product information cause the most abandoned carts globally, though some regional differences are apparent.



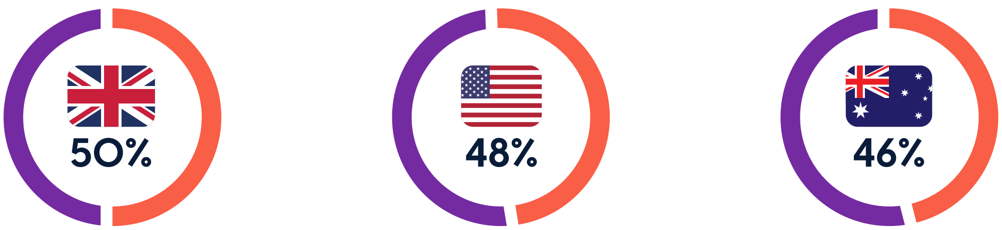
Notably, an abandoned purchase does not signal the end of the purchasing journey. In particular, when a product is out of stock, consumers often simply turn elsewhere — to a different platform, a different brand or a different product. Some, especially younger shoppers, simply give up on the purchase altogether.





Curbside pickup, also known as click and collect, remains a popular option for online shoppers across the globe.

Q: In the past 12 months, have you used 'buy online, pick-up in store' (or click and collect) options when shopping online?



However, it's still important to understand your target consumer demographics. Curbside pickup options remain most popular globally for those under the age of 46 and within specific geographic locations.

- **47% of 18- to 25-year-olds** have used curbside pickup in the past year
- **51% of 25- to 35-year-olds** use curbside pickup
- **45% of 36- to 45-year-olds** use curbside pickup
- **50% of UK consumers** and **48% of US consumers** have used curbside pickup in the last year
- **17% of German consumers** and **36% of French consumers** have used curbside pickup in the last year

Category breakdowns reveal consumer patterns and preferences.

Home, outdoor, automotive and related categories were among those used most frequently for curbside pickup in the past 12 months.

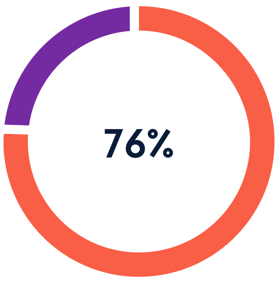
- **64% of US consumers** chose curbside pickup when buying sports/outdoor equipment
- **65% of Danish consumers** used curbside pickup for automotive/motor/marine parts
- **60% of Australian consumers** used curbside pickup for home furniture purchases

Clothing, shoes, beauty, personal care and related purchases were generally not used for curbside pickup.

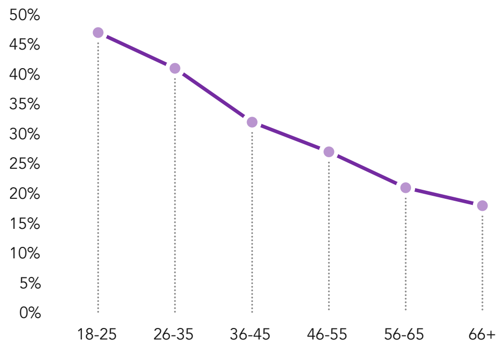
- **59% of French consumers** and 51% of US consumers did not choose curbside pickup when buying beauty/health/personal care products
- **78% of German consumers** did not choose curbside pickup when buying clothes/shoes/accessories

Q: When shopping on Amazon or another marketplace, how important is buying the product from the branded manufacturer instead of a reseller?

Q: In the past 12 months, have you abandoned a marketplace purchase from a reseller to buy the product directly from the brand's website?

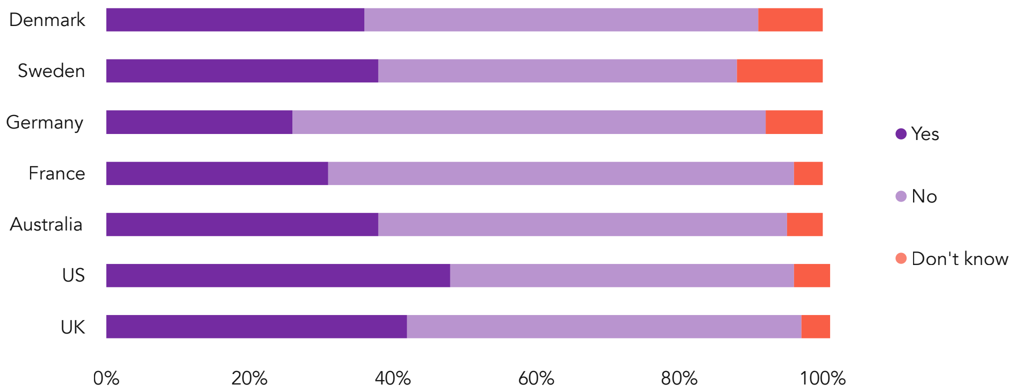


of global consumers
consider it important



As marketing strategies continue to shift away from cookies, gathering data directly from loyal consumers has become more valuable. Although approximately half or more of consumers in most countries do not yet regularly use a loyalty program for online shipping, a core subset of consumers do engage in this activity.

Q: Have you signed up for and regularly use any retailer's loyalty program for online shopping?



In the US, which had the highest rate of loyalty program subscriptions, females were more likely than males to use them (49% to 46%), and more than half of online shoppers between the ages of 26 and 55 indicated they used loyalty programs.

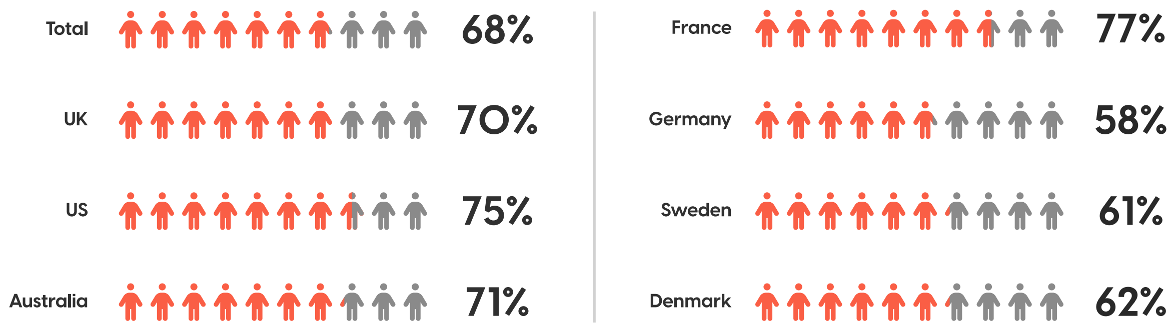
The product categories with the highest reported rate of loyalty program subscriptions in the US included:

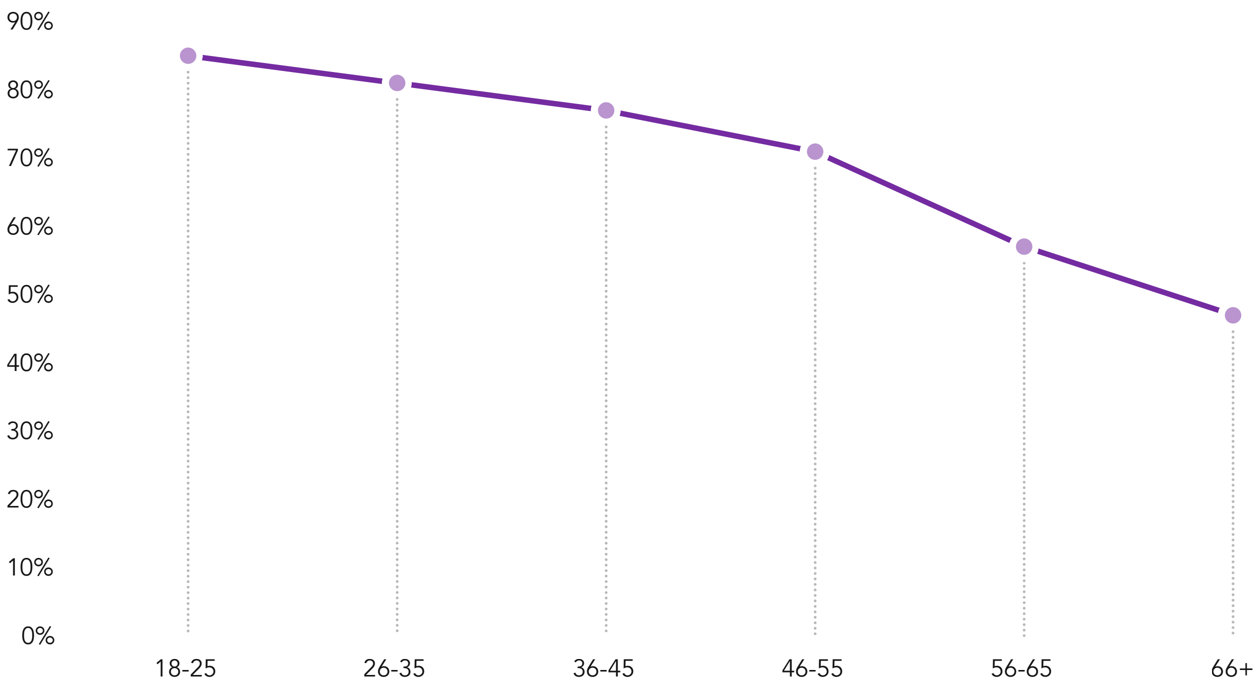
- Jewelry/Watches (62%)
- Sports/Outdoor Equipment (61%)
- Automotive/Motors/Marine (59%)
- Consumer Electronics/Camera (57%)
- Home Furniture (57%)
- Toys/Games/Hobbies/Crafts (57%)

Holiday 2023

With pricing a major factor in the conversion stage of the purchasing journey, the effect of promotional events on consumer shopping plans is clear. A significant majority of shoppers across the world are waiting for well-known promotional events before fully committing to an expected purchase.

Q: Do you tend to wait for annual promotional shopping events (e.g., Amazon's Prime Day, Black Friday, Annual Sales) before making expected purchases?





While questioning consumers about their general approach when discovering, researching and buying products reveals insights into day-to-day behaviors, asking about the holidays — a more defined shopping activity that shoppers are planning for now — brings several details into focus.

Additionally, this year, for the first time, we included physical stores as an optional answer when asking where consumers plan to conduct most of their holiday shopping. The response cannot be ignored and emphasizes the need for omnichannel strategies. Globally, the likelihood consumers would conduct most of their holiday purchasing in a physical store increased with age (16% for shoppers aged 18-35 compared to 48% for shoppers aged 66+).

Q: Where do you plan to do the majority of your holiday/festive season (October-January) purchasing?

	UK	US	Australia	France	Germany	Sweden	Denmark
amazon	42%	49%	14%	44%	56%	9%	6%
Google	7%	6%	12%	7%	6%	13%	15%
Brand websites	12%	8%	16%	10%	4%	15%	14%
Social media sites	1%	2%	2%	2%	1%	3%	2%
Other online marketplaces or retail sites	15%	13%	17%	12%	11%	31%	19%
In a physical store	23%	23%	39%	26%	22%	29%	44%

German online shoppers gave the greatest indication they plan to buy most of their festive season purchases on Amazon (56% of consumers). Among the responses from German shoppers, plans to buy on Amazon dominated across all categories but several showed particular strength.

- **64% of consumers** shopping for sports/outdoor equipment and toys/games/hobbies/crafts plan to make most purchases on Amazon
- **63% of consumers** shopping for consumer electronics/camera items, automotive/motors/marine parts and products from general merchandise/mass merchants/department stores plan to buy on Amazon
- **61% of consumers** shopping for grocery/gourmet foods plan to buy on Amazon

About Rithum

Rithum™ is the industry's most influential and trusted commerce network, helping brands, suppliers, and retailers work together to deliver connected e-commerce experiences. The Rithum platform helps brands and retailers accelerate growth, optimize operations across channels, scale product offerings and enhance margins. Using our commerce, marketing, and delivery solutions, our customers create optimized consumer shopping journeys from beginning to end. More than 40,000 companies trust Rithum to grow their business across hundreds of channels, representing over $50 billion in annual GMV. Rithum is the heartbeat of commerce.

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