



Global Consumer Online Shopping Expectations

2015 REPORT

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Executive Summary

The stakes are skyrocketing for retailer and ecommerce executives around the world—who, for years, have been struggling to keep pace with consumer demands—regardless of where, when or how customers are shopping. Technology advancements, while giving retailers and ecommerce companies new ways to reach their customers, have been just as much of a blessing as a curse. Consumers now, more than ever, have the power of choice and the world of online retailers at their fingertips. Winning (and keeping) customers is only getting harder, and one hiccup—an unavailable or slow website, hard-to-find products, or security shortcomings—could send a would-be customer to shop elsewhere and possibly never return.

Dyn, a cloud-based Internet Performance company, helps companies control, monitor, and optimize their online infrastructure for an exceptional end-user experience. To further help these companies better serve and understand their online customers, Dyn surveyed more than 1400 consumers across 11 countries in North America, EMEA, and Asia Pacific to understand their shopping preferences, what they're expecting and experiencing, what's holding them back from buying more online and on mobile, and what retailers need to do to turn skeptical consumers into longstanding customers.

Survey Findings At A Glance

- * More than 90% of consumers surveyed said they make at least 25% of their purchases online and at least 85% of global respondents expect to make at least as many or more online purchases in 2015 as they did in 2014.
- * More than 85% of consumers surveyed globally still cite clear differences in the kind of experiences they have when shopping in stores, online, and on their mobile devices.
- * 86% of all consumers surveyed agree that the speed and quality of a website's performance affects their trust in that company.
- * Nearly 65% of all consumers surveyed are not willing to wait more than three seconds for a website to load and of those, half expect websites to load instantly.
- * More than 85% of all consumers surveyed expect the same quality and speed of performance when shopping on mobile devices as they do when shopping online.
- * In the past 12 months, 67% of consumers surveyed globally have shopped online with retailers located in other countries.

The State Of Online Shopping

In 2015, worldwide web sales will increase nearly 21% to \$1.592 trillion, according to eMarketer, and ecommerce will account for 6.7% of all retail sales around the world.

There's no denying that retailers are banking on continued growth in online and mobile shopping to meet or beat sales forecasts. More than 90% of consumers surveyed across 11 countries said they make at least 25% of their purchases online. In China and Germany, that number is closer to 100%.

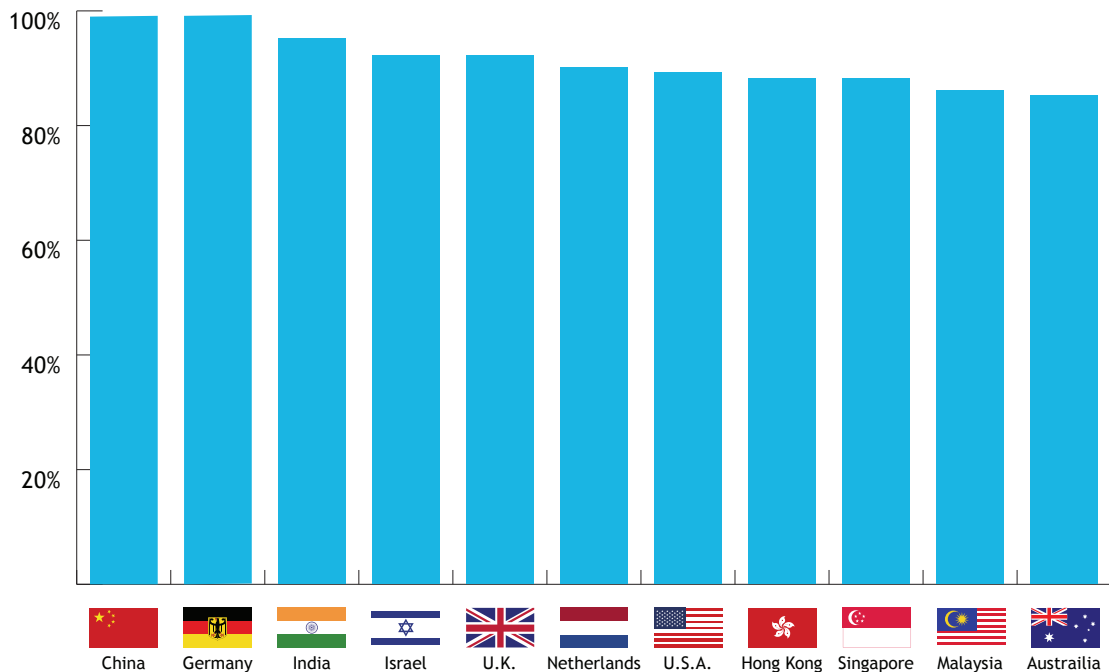
The number of consumers shopping online, and the number of purchases they're making, will only go up. At least 85% of global respondents expect to make at least as many or more online purchases in 2015 as they did in 2014 and of those consumers, 56% will likely buy more online.

In the U.S., 89% of consumers surveyed make at least 25% of their purchases online and of those, more than a third make at least 50% of their purchases online.

While these numbers are on the rise, 40% of all consumers surveyed still prefer to shop in stores, where they're making roughly 75% of their purchases.

So what's holding consumers back from buying more online?

Percentage of consumers who make at least 25% of their purchases online

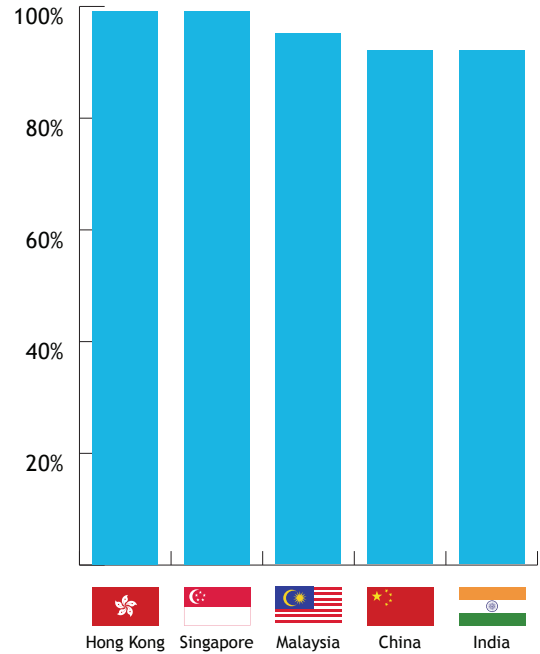


Slow Websites And Security Concerns Hinder Online Shopping Growth

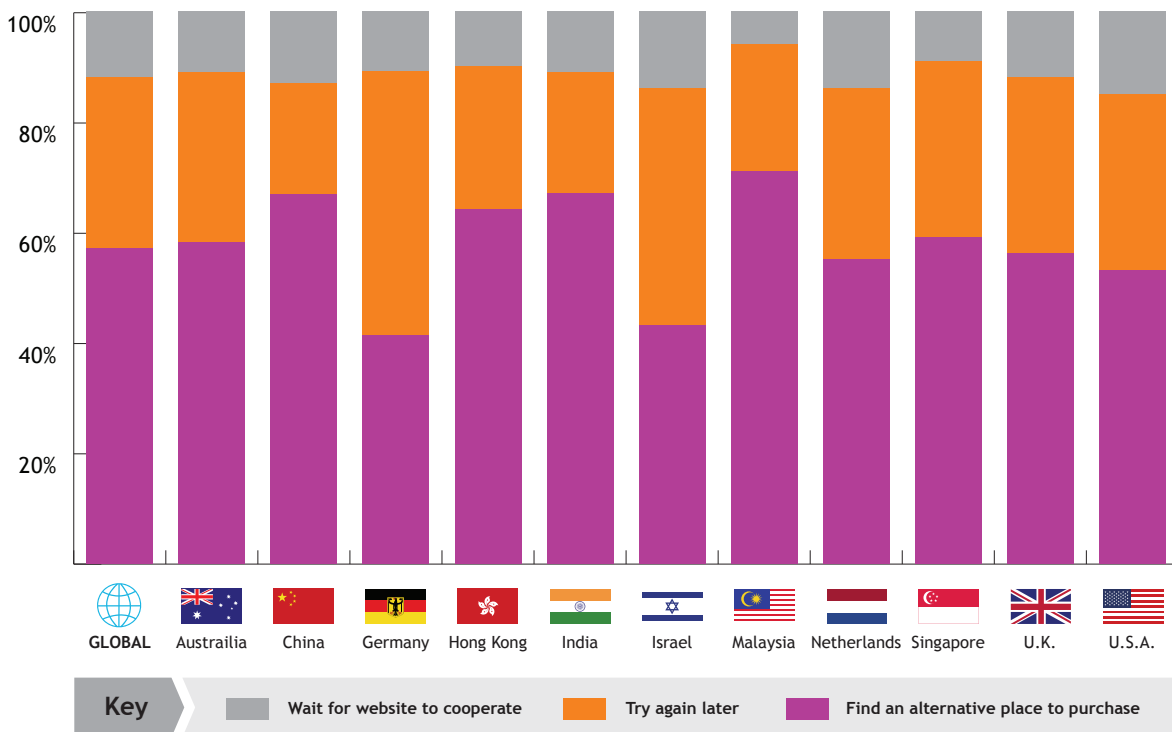
The majority of consumers surveyed are not abandoning online shopping sprees because they change their minds or run out of time to make their purchases. Online sales would be even higher (and grow faster) if retailers and ecommerce companies could improve website speed and ease consumer fears around security. Slow-loading websites and skepticism around security get in the way of completing a purchase for nearly two thirds of those consumers surveyed globally.

According to eMarketer, Asia Pacific is expected to become the leading region for ecommerce sales in 2015, representing 33.4% of the total, compared with 31.7% in North America and 24.6% in Western Europe. However, Consumers across Asia Pacific are extremely sensitive to website performance and security.

Most likely to stop shopping online when a website is slow, or they're concerned about security.



What are consumers most likely to do when faced with a slow-performing site?



Two-thirds of global consumers leave websites at least 25% of the time without buying anything because they're tired of waiting for the website to load. That's true for more than 85% of those surveyed in India, 78% of those in The Netherlands, and 75% of those in both China and Malaysia. In fact, in Malaysia, fewer than 6% of consumers surveyed are willing to wait. 57% of consumers will leave a retail or ecommerce site if it's slow.

Only 12% of those surveyed globally are willing to wait for a website to load.

Consumers surveyed in China are 2-3 times more likely to go directly to a competitor's website when a website is slow, while those surveyed in Germany (48%) and Israel (43.10%) are among the most willing to try the same site again later.

Window Of Opportunity For Online And Mobile Shopping: Three Seconds Or Less

Website performance has a tremendous impact on skeptical consumers—no matter what device they're using. Of those who are the least trusting of websites with slow performance, nearly 65% of all consumers surveyed are not willing to wait more than three seconds for a website to load and of those, half expect websites to load instantly.

Consumers in China, Israel, Hong Kong, and Malaysia have the lowest tolerance for slow sites. More than 80% of those surveyed in China won't wait more than 3 seconds for a website to load, and more than half of those people expect sites to respond in 1-2 seconds. Among all consumers surveyed, those in Israel and Malaysia also have the highest expectations for sites to load instantly.

Retailers and ecommerce companies are losing sales and the potential of life-long customers because of poor performing websites.

Of all consumers surveyed who are the least trusting of websites with slow performance, only 65% are willing to give that site a second chance, and fewer than 60% of U.S. consumers would try again.

Consumers surveyed in the Netherlands are the least forgiving of slow sites; only 17% would try again, followed by 33% in the UK and barely 50% in Singapore.

More than 85% of all consumers surveyed agree that the speed and quality of a website's performance affects their trust in that company.

Retailers Struggle To Fulfill Promises Of A Consistent, Omnichannel Experience

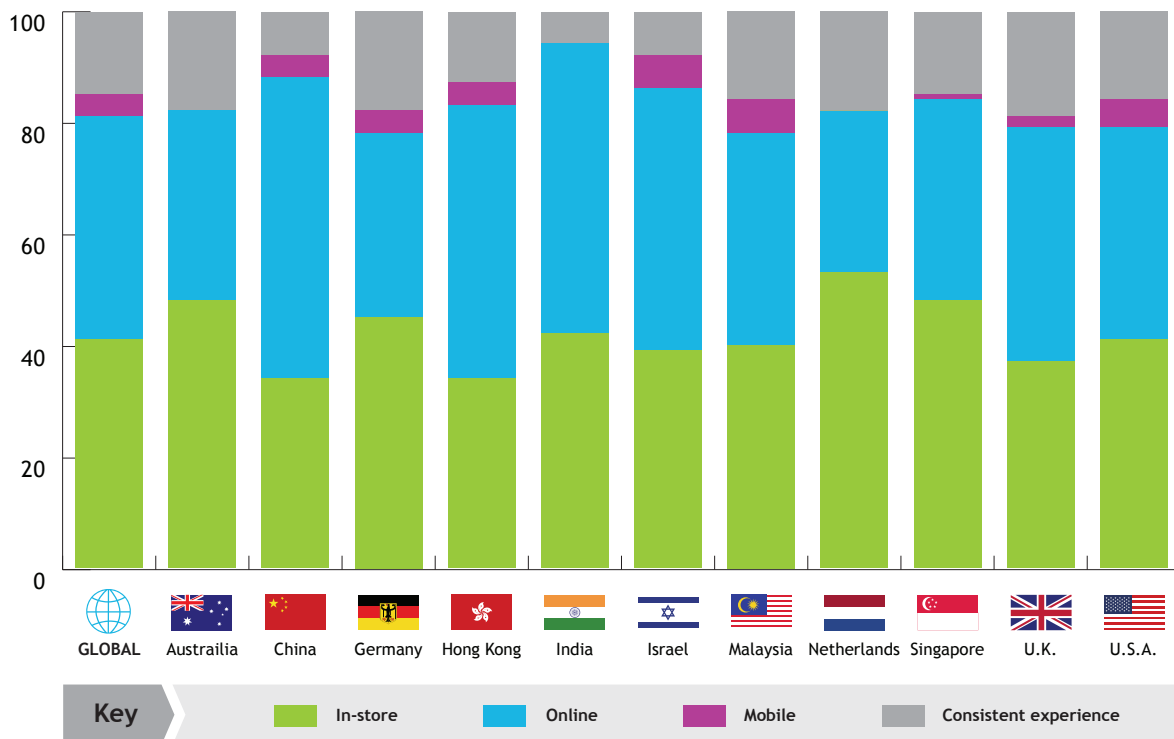
Omnichannel may be front of mind for retailers, but more than 85% of consumers surveyed globally still cite clear differences in the kind of experiences they have when shopping in stores, online, and on their mobile devices.

While mobile lags far behind the other two channels, online and in-store are neck-in-neck when it comes to being the preferred shopping experience. In-store leads by less than one percentage point with 41.3% versus online's 40.4%.

Consumers in 6 of the 11 countries (Australia, Germany, Malaysia, the Netherlands, Singapore, and the United States) surveyed prefer the service and experience they have when shopping in stores over online and mobile, while consumers in the other 5 countries (China, Hong Kong, India, Israel, and the UK) prefer the online shopping experience. Mobile shopping, not surprisingly, remains a very distant third.

While consumers in most of the countries surveyed are divided pretty evenly in their preferences around online vs. in-store shopping experiences, three countries defy the trend. More than 50% of consumers surveyed in the Netherlands prefer the in-store shopping experience over online, and in contrast, more than 50% of consumers surveyed in both China and India feel the online experience trumps going to a store. According to Bain & Company, B2C online sales in China, the world's largest digital marketplace, are growing at a rate of 25%.

Where do consumers feel they're getting the best service and overall experience?



Growing Interest From Afar: Online Shopping Should Have No Borders

Many consumers are so comfortable shopping online that they are going global by browsing and buying from retailers in other countries. In the past 12 months, nearly 70% of all consumers surveyed have shopped online with retailers located in other countries.

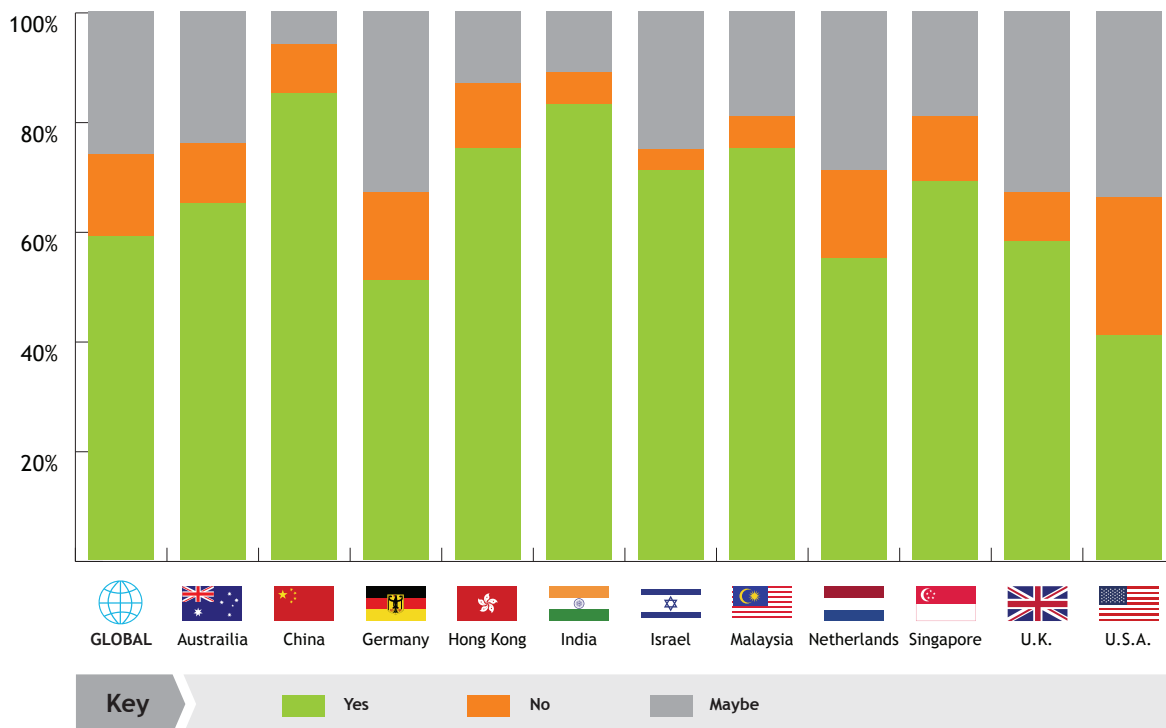
Israel is the country with the highest percentage of consumers buying globally with 90% of respondents having purchased from international retailers. Consumers in Singapore and Hong Kong are also among the most frequent cross-border shoppers, with consumers making more than five online purchases from retailers in other countries in the past 12 months.

On the other hand, U.S. consumers have not been as quick to search and buy from other countries. Fewer than 50% of U.S. consumers surveyed have ever shopped online with retailers located in other countries. One interesting factor is age, which appears to make a difference in shopping habits. Of those surveyed, 18-34-year-olds bought online from retailers located in other countries at least 50% more than 45-64 year olds.

While many retailers want to attract a global base of customers, the experience still leaves consumers wanting more. Of those who have shopped online with retailers in other countries in the past 12 months, 72% said the experience was just “okay”.

However, if it were faster and easier to buy online from retailers based in other countries, 85% of the more than 1400 consumers surveyed would consider doing it more often. Speed and simplicity is especially important in China, India, Hong Kong, Malaysia, Israel, Singapore, and Australia.

If it were faster and easier for consumers to buy online from retailers located in other countries, would they do it more often?



Mobile Shopping On The Rise, And Ripe For Improvement

In 2015, shoppers around the world are expected to spend about \$119 billion on goods and services purchased via mobile phones, according to Fierce Wireless, a number that represents about 8% of the total ecommerce market. While today's mobile shopping experience may pale in comparison to in-store and online experiences, most consumers plan to increase their mobile shopping.

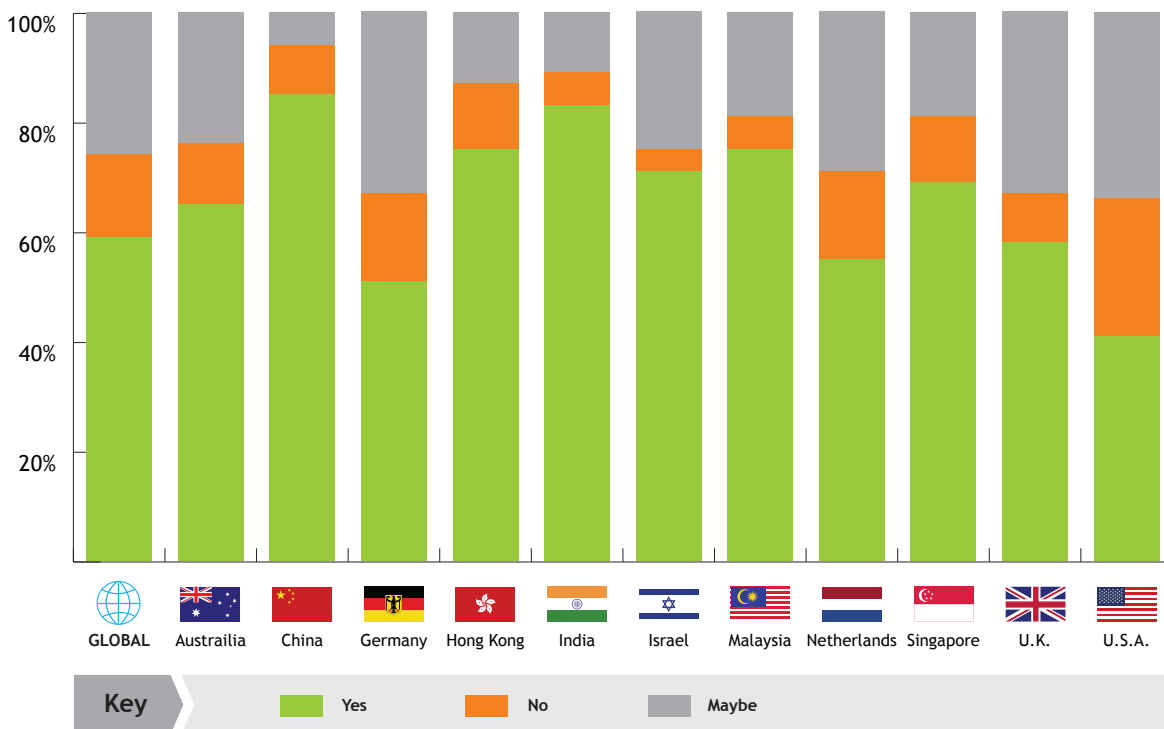
Those surveyed in China and India appear to be the most progressive when it comes to mobile shopping. While only 40% of those surveyed globally make at least 25% of their purchases on their mobile devices, nearly 80% of those in China do, followed closely by consumers in India (65%). According to Bain & Company, 80% of Chinese consumers who bought online last year made at least one purchase from a smartphone; 20% are weekly mobile shoppers.

Over 60% of consumers plan to make an upcoming purchase from their mobile device.

The greatest increase in mobile shopping is expected to come from China and India.

Of those who already make purchases from their mobile devices, 86% would consider making more purchases from mobile devices in 2015. U.S. consumers surveyed that said they're likely to buy more online in 2015 than they did in 2014 are four times more likely to buy more from their mobile devices this year.

Where do consumers feel they're getting the best service and overall experience?



Germany, the Netherlands, and Australia were among those least willing to shop from a mobile device, where fewer than 50% of surveyed consumers plan to make more purchases from mobile devices in 2015.

More than 40% of consumers surveyed in the UK—more than in any other country surveyed—feel that mobile shopping isn't as fast and easy as shopping online, which is why they don't do it more often.

High Experience Expectations For Mobile

Consumers are not cutting retailers any slack for a less-than-stellar mobile experience. More than 85% of all consumers surveyed expect the same quality and speed of performance when shopping on mobile devices as they do when shopping online.

Expectations for consistency are highest in China, where 98% of consumers surveyed want the same quality and speed of performance when shopping on their mobile devices as they do when shopping online. The majority of consumers surveyed in Malaysia (91%), Hong Kong (90%), and India (90%) agree.

Pinning poor performance on wireless carriers is a tough sell when nearly 75% of all consumers surveyed primarily use WiFi when shopping on their mobile devices. Of those who plan to make more purchases from their mobile devices in 2015, nearly 80% use WiFi rather than their cellular network when shopping.

Three Ways To Improve The Shopping Experience And Increase Revenue

The top three things consumers from 11 countries unanimously agree online retailers need to do to compete and win in the online global shopping world:

- 1. Ensure the same quality experience whether shopping online, on mobile, or in store.**
- 2. Help consumers find what they need faster.**
- 3. Improve overall site appearance and the user experience.**

Contrary to popular belief, a personalized experience doesn't appear to be nearly as important as these other three core elements, except in China where 62% of consumers believe that delivering a more personalized experience should be at the top of retailers' to-do lists.

Consumers in every country surveyed desire more consistency, quality, and reliability when shopping online, on their mobile devices, and in stores. With the world of online shopping at consumers' fingertips, it's time for retailers to step up to the plate and deliver the kind of experiences consumers have been searching for, before they find it somewhere else.

The #1 thing holding consumers back from making more purchases on their mobile devices today:

It's not as fast and easy as shopping online from a computer.

Don't Let Poor Website Performance Drive Away Consumers: Turn To An Internet Performance Company Like Dyn To Help Manage Your Infrastructure

Dyn helps retailers create an optimal user experience for your online customers through cloud-based services like Traffic Director and Dyn Internet Intelligence. With these services, you can better serve your customers and ensure that they make repeat visits to your website or store.

- * **Improve Your Website's Performance:** Since every customer's first visit to your website starts with a DNS query, Dyn helps you avoid making your customers wait for your website to load by resolving DNS queries faster and routing customers to the optimal endpoint for performance. Additionally, Dyn's anycast network and experienced team allow you to avoid website outages due to DDoS attacks by rerouting traffic to different global endpoints to help thwart an attack.
- * **Create a Seamless Omnichannel Experience:** Whether your customers are accessing your website from home on their computer or on the go with their mobile device, Dyn can help ensure that they always experience the same great performance. With advanced features, like Active Failover, you can make sure that if an outage ever occurs, they can still reach your site, no matter where they are.
- * **Stay On Top of Internet Trends:** Don't let avoidable slowness or website outages happen. Invest in Dyn Internet Intelligence to monitor and analyze current Internet conditions and help you make important infrastructure decisions to help improve your overall website performance.
- * **Remain Consistent Across Borders:** Dyn's Geolocation Load Balancing feature allows you to route customers based on their location (country, state, or province). With a global network, your customers can expect to receive the same performance from your website whether they're at home or traveling abroad.

Some of the most visited retailers and ecommerce companies in the world trust their Internet Performance to Dyn. Dyn is the number one provider of managed DNS services among the Alexa 500 websites, which is a database of the most visited websites in the world, and the top pure-play DNS provider to Fortune 1000 companies. Visit our website to learn how Dyn's services can help you improve your website's performance.

LEARN MORE

Find out if your infrastructure is living up to consumer expectations. Sign up for our free Internet Performance workshop at dyn.com/retail/



Dyn is a cloud-based Internet Performance company. Dyn helps companies monitor, control, and optimize online infrastructure for an exceptional end-user experience. Through a world-class network and unrivaled, objective intelligence into Internet conditions, Dyn ensures traffic gets delivered faster, safer, and more reliably than ever.

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