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A GLOBAL VOICES REPORT

# Shipping and Returns:

Leveraging Logistics to  
Unlock Global Loyalty



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# Summary

Unlocking cross-border DTC and generating profitable growth in new markets means – among other things – meeting and exceeding shopper expectations. While creating an exceptional customer experience starts with marketing, storefront and checkout, it does not stop there. A shopper’s post-purchase experience is crucial to building brand loyalty and winning repeat customers.

Our latest Global Voices survey of more than 18,000 respondents in 18 countries shows that customer expectations are high and varied. To be successful, your brand will need to have a deep understanding of each market. Knowing what your shoppers expect allows you to develop localised inventory strategies and returns policies that build loyalty and preserve margin.

When it comes to shipping and delivery times, 30% of shoppers said they do not shop cross-border because they think shipping would take too long. The shoppers we surveyed generally expect to receive their orders within a week with younger shoppers being less patient than their older counterparts.

Returns and reverse logistics are costly. Our survey showed that shoppers are willing to make a purchase, even if there is a nominal cost to make a return.

This report reveals what global shoppers expect so that your brand can make data-driven decisions that ensure international ecommerce success.





# Shipping and Delivery





## Speedy Delivery

International order fulfilment and shipping is complex. More than simply getting products in market, you must meet delivery expectations.

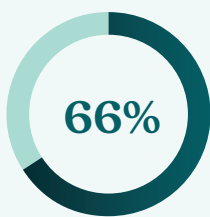
According to our Global Voices survey, shoppers expect shipping and delivery to be timely and they expect the process to be transparent. While this may seem simple and straightforward, experienced global brands know that legal requirements, customs, taxes and other operational considerations add complexity to shipping and logistics.

Overall, about 40% shoppers are willing to wait four to seven days for international purchases to arrive in exchange for free shipping. Another 40% will wait up to two weeks.

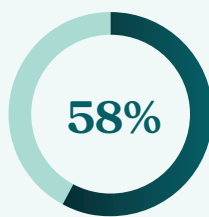
But these expectations vary by market.



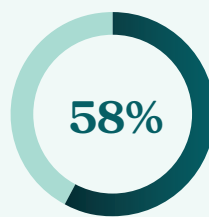
### In exchange for free shipping, expect international delivery within a week



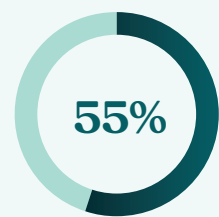
UAE



India

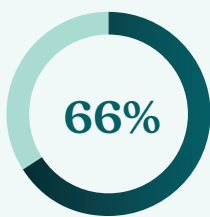


China

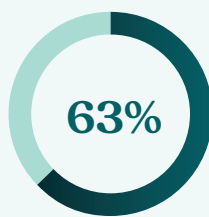


Italy

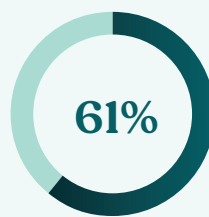
### In exchange for free shipping, will wait 7-14+ days for international delivery



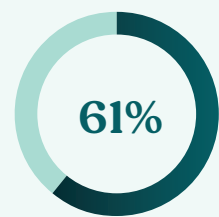
Australia



Brazil



South Africa



Japan

1-7 days

7-14+ days



Younger shoppers have higher expectations when it comes to international shipping times.

**In exchange for free shipping, expect delivery in 7 days or less**



Gen Z



Gen X



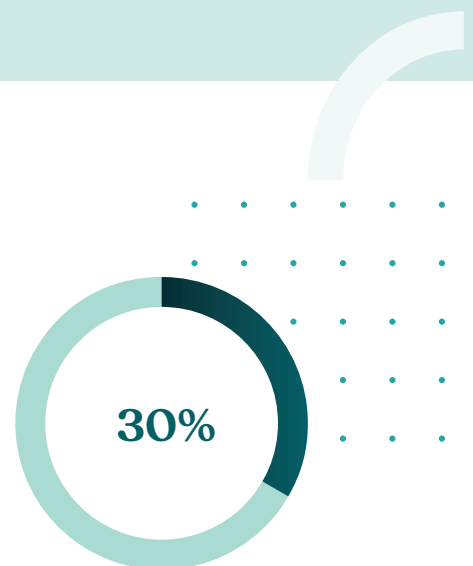
Millennials



Baby Boomers+

### The Takeaway

Overall, around 30% of respondents do not shop cross-border because they are concerned that **shipping would take too long**. To win in new markets, you should deploy warehouse and distribution strategies that **put products as close to customers as possible**.



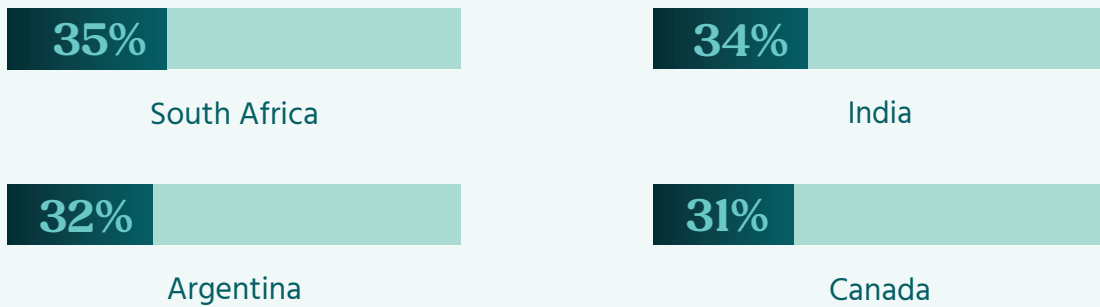
# More Transparency, Greater Loyalty

Approximately one in three shoppers cited shipping times and costs as reasons they prefer to shop domestically instead of cross-border.

In addition to fast delivery, you can build a successful and sustainable ecommerce presence in new markets by prioritising transparency that keeps shoppers informed along the journey.

For example, post-purchase, customer-facing tools help put shoppers at ease. Displaying the total cost of an order – including taxes and duties – builds trust. In addition, email confirmations and order tracking provide transparency and keep shoppers informed every step of the way.

## More likely to shop cross-border if all charges displayed



# Sustainable Shipping Matters

Sustainable shipping is important to global shoppers. In fact, environmental concerns are often driving factors in whether or not a shopper becomes a customer.

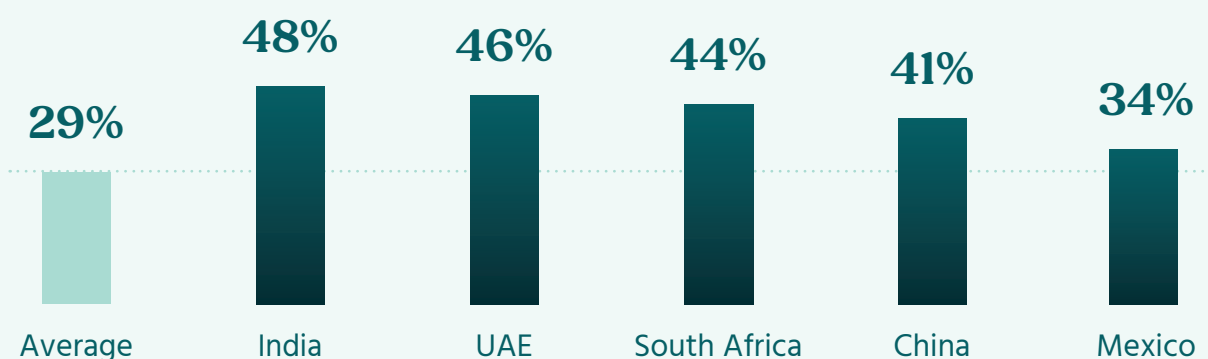
Some markets are more concerned than others about the harm that ecommerce shipping has on the environment. It is essential that you know which markets prioritise sustainability and clearly communicate your brand's environmental credentials.





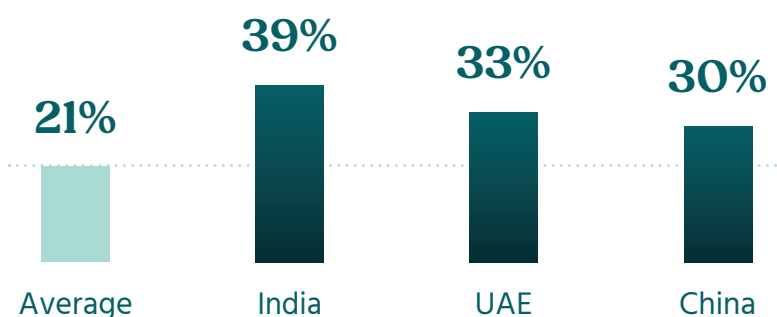
Overall, 29% of respondents said that sustainable shipping was a significant criteria when making a purchase. Some countries were more than 1.5 times as likely than the average to factor green shipping into their purchase decisions.

### Sustainable shipping is a factor when making a purchase decision



More than one in five (21%) said that offsetting emissions to achieve carbon neutrality in shipping was a significant purchase criteria.

### Carbon offsetting to achieve carbon neutral delivery is a purchase consideration



# Bottom Line

When it comes to shipping to customers in global markets, you can set your brand up for long-term success by meeting and exceeding local expectations.



Strategically locating inventory to meet market expectations.



Prioritising transparency so customers can track packages.



Committing to environmentally responsible delivery practices like carbon offsetting.



# Returns

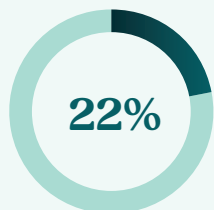
A decorative graphic consisting of a light teal arc on the left side and a grid of white dots on the right side, set against a dark teal background.

Handling returns is costly. While there are many things you can do to reduce your brand's rate of returns, like improving product descriptions and clearly communicating costs like taxes and duties, eliminating all returns is impossible.

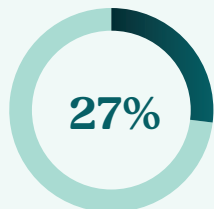
Customers who return items may be unhappy. But, if your brand's returns process is a positive experience, you can actually build loyalty.

## A Matter of Clarity and Transparency

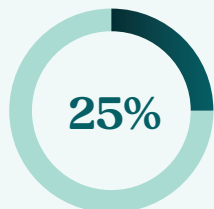
Returns transparency is key to building trust with shoppers in new global markets. Similar to outbound shipping, clearly displaying costs as well as providing tracking information will put customers at ease.



I'm more likely to buy cross-border if the brand's website clearly sets out its returns policy.



I buy local because I am concerned about returns and refund policies.



I buy local because I am worried about the cost of returning and item.



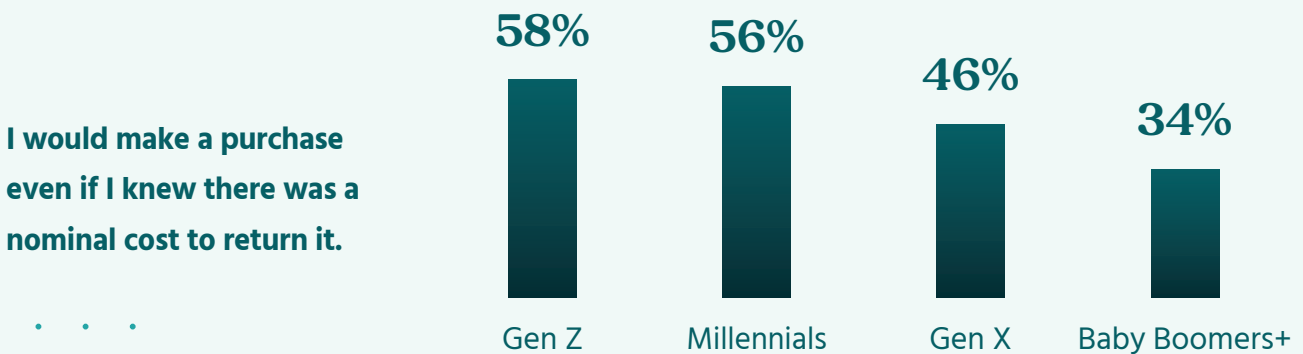
# Returns: Free or Fee?

Free returns have been the norm in ecommerce for years. But due to the cost that brands incur when processing those returns, many have opted to charge customers to return items.

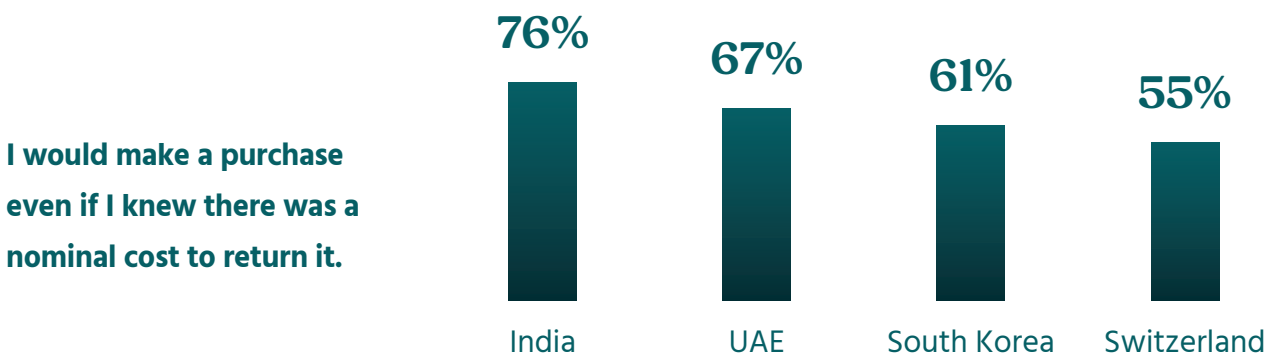
The move away from free returns is a paradigm shift for most consumers. But by understanding who is willing to pay for returns, your brand can successfully implement strategies that maintain customer satisfaction and build loyalty.

Overall, about half of shoppers said they are willing to purchase products even if there was a nominal charge to make a return.

When separating respondents by age, however, Gen Z was more than 1.7 times more likely to accept a returns fee than Baby Boomers.



Of the countries surveyed, South Korea, Switzerland, the UAE and India were most willing to accept returns charges.



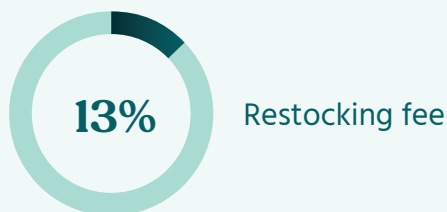
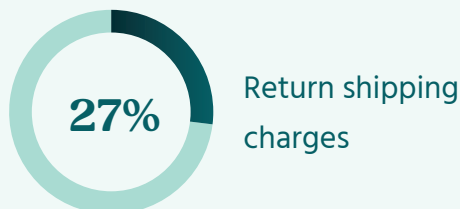
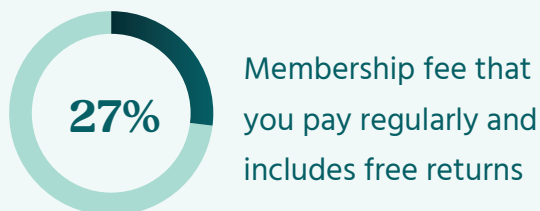
# Choosing Charges

There are costs associated with every step of the returns process. There are return shipping costs, labor costs, appeasement costs and more. To offset those costs, your brand will need to decide what kind of fees to impose.



For our survey respondents, return shipping fees and subscription fees that include free return perks were the most acceptable charges.

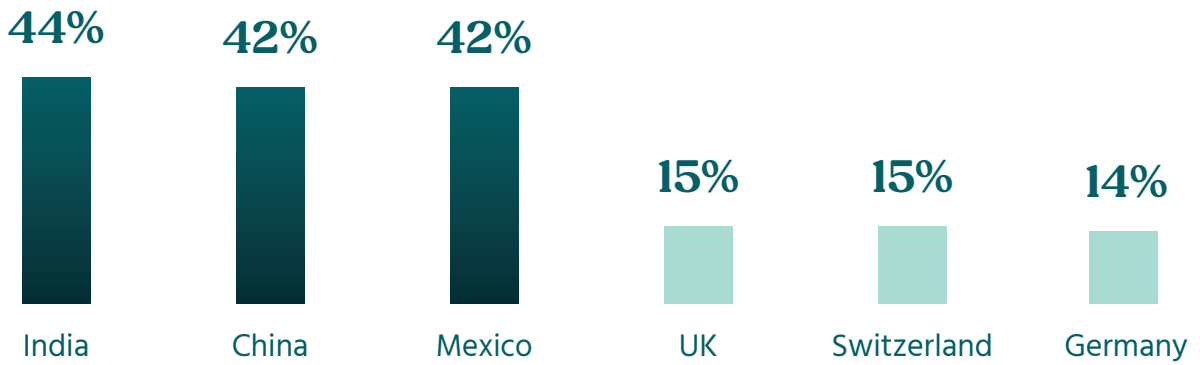
## What kind of returns charges are inclined to pay for?



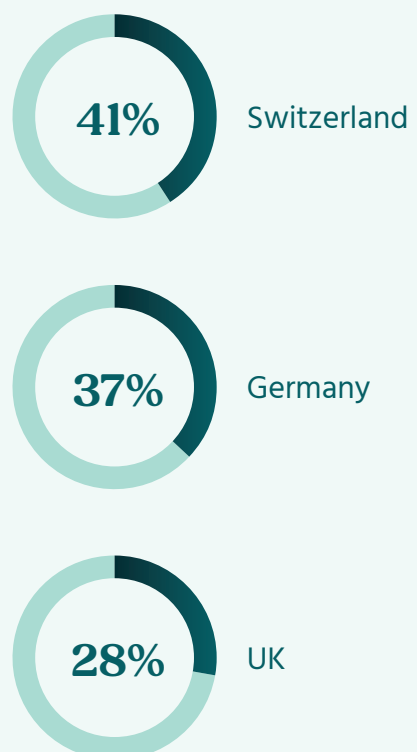
Like other survey responses, shoppers of different ages and in different markets had different preferences. For example, more than four in 10 shoppers in India, China and Mexico would pay a membership fee that includes free returns but only 15% of UK and Swiss shoppers would pay a membership fee. They would, however, pay for return shipping.

Your brand should implement returns charges that are most acceptable in each market.

### Shoppers that would pay a membership fee that includes free returns

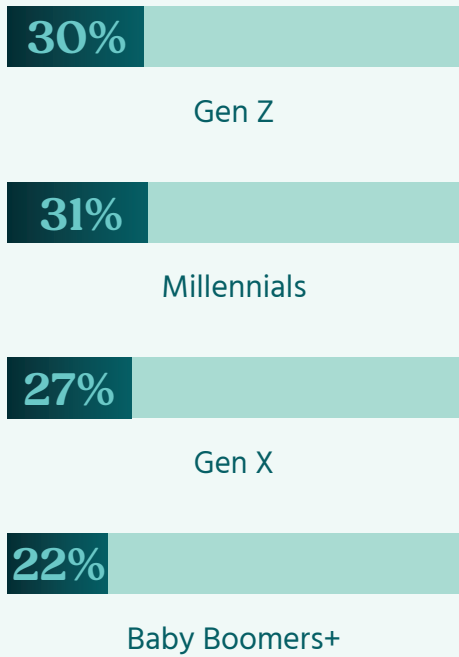


### Shoppers that would pay return shipping fee

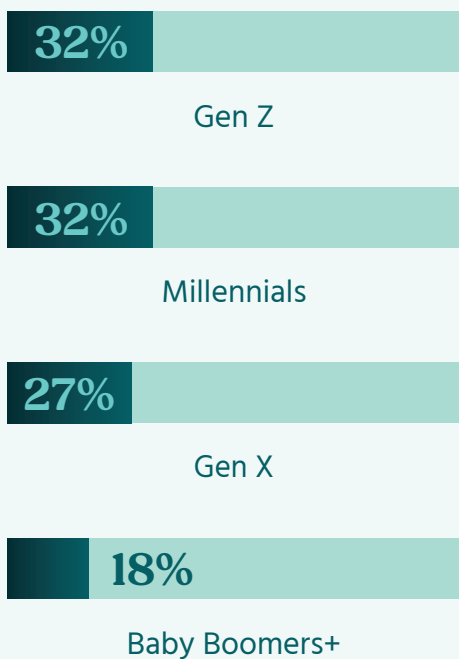


Younger shoppers were least likely to accept restocking fees, but around three in 10 would accept either return shipping fees or a membership fee.

### I would be inclined to pay for return shipping



### I would be inclined to pay a membership fee that includes free returns





# Bottom Line

Your brand can leverage the returns process to improve customer satisfaction and increase loyalty. By localising your returns strategy to each market, you can deploy strategies that meet shopper expectations.



Be transparent about your returns policy and let shoppers track their returns.



Establish returns fee policies that are in line with market expectations.

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## Conclusion

Global logistics are complex and managing them while creating exceptional customer experiences requires expertise. From managing importation and customs to deciding on a returns strategy, you need to have more than general market knowledge.

Gaining command in global markets can take months if not years. To accelerate your brand's global expansion, leverage our years of ecommerce expertise.

ESW makes it simple to take your brand to new markets quickly and establish your brand for long profitable growth.

Methodology: Responses were gathered from an online panel of adults 18+, representative of national quotas for key demographics in 18 countries. Survey questions and responses were translated into each country's native language and currencies were converted to local currencies before being converted back to \$US for comparison purposes. 18,679 surveys were completed between October 31<sup>st</sup> and November 14<sup>th</sup> 2023. Overall margin of error is approximately 5% at a 95% confidence level, varying by country population size.

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