

Delivering Trust: The Key to Aussie Shoppers

New Research Highlights the Essential Role of Shipping in Consumer Confidence and Reveals how SMEs Can Succeed in Global E-commerce

SYDNEY, February 10, 2015 — Gaining the confidence of Australian consumers is critical to the growth of online international purchases and the success of small- to medium-sized enterprises (SMEs), reveals a new study into global behaviour and cross border e-commerce.

According to the study, 80% of Australians purchase online at least once a year from an overseas e-tailer and more than half spend more than \$100USD annually*.

The study indicates that shipping-related concerns were a crucial factor in consumers' decision-making process when considering purchasing offshore. More than half of Australian customers stated that shipping costs determined their decision to make an online purchase overseas*. Other factors Australian consumers stated as influential when shopping online: a simple and cost effective return process (52%); delivery time (50%); product quality and authenticity (50%); and, product condition (44%)*.

Commissioned by FedEx Express (FedEx) the study was conducted by Forrester Consulting to examine global consumer behavior around cross-border e-commerce. The research provides key insights for SMEs looking to expand internationally.

"The research study highlights that consumers' trust in the overall shipping experience is key to winning online customers from other markets," said Kim Garner, managing director, FedEx Express Australasia. "Customers need to have confidence that they can return items easily and have access to dependable shipping service. This highlights the importance for SMEs and international online retail sites to join hands with a reliable logistics provider that can provide integrated service offerings and a global network."

The survey also identified where Australian's prefer to purchase; 11% of consumers would choose to purchase from an SME independent online retailer before an international online brand or from the online counterpart traditional retailer*. Of the respondents who expressed a low preference for purchasing from an SME online retailer, 48% said their reluctance stemmed from poor website design*. Competitive shipping speed and package tracking were the two highest shipping-related influences, with more than 40% stating that a long delivery period would discourage them from buying from SME website*.

"The study shows there is an overall appetite for cross-border purchases and considerable opportunity for SMEs in the online retail space," said Garner. "The study provides us with valuable insights into the opportunities and challenges SMEs face in attracting customers through global e-commerce. Its findings will help us to tailor our service offerings to be an even better fit with what our SME customers need."

* A commissioned survey conducted by Forrester Consulting on behalf of FedEx, August 2014

About the research study

Forrester conducted an online survey in September 2014 of 9,006 global online consumers and interviewed 34 small and medium size businesses with international e-commerce operations in Australia, Brazil, Canada, China, Colombia, France, Germany, Hong Kong, India, Italy, Japan, Mexico, Puerto Rico, Singapore, South Korea, the UK, and the US to evaluate the current attitudes toward and experiences with cross-border shopping and order fulfilment, including the challenges and concerns faced by both groups in expanding these practices. Consumer survey participants included those aged 18 or older who have ordered a physical item shipped to themselves or another recipient over the internet within the past 12 months. Small and medium-size business interviewees were asked about the factors leading to their decisions to start an international e-commerce business, their experiences and challenges with fulfilling such orders, and the factors that may enable them to expand this practice. The study took place between July and September 2014.

About FedEx Express

FedEx Express is the world's largest express transportation company, providing fast and reliable delivery to more than 220 countries and territories. FedEx Express uses a global air-and-ground network to speed delivery of time-sensitive shipments, by a definite time and date supported by a money-back guarantee[1].

About FedEx Corp.

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of \$47 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 300,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities. For more information, visit news.fedex.com.

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