Dotcom Distribution

Dotcom Distribution 2022
E-commerce Consumer Study

Post-Pandemic E-Commerce Consumer Expectations

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dotcom Distribution

Executive Summary

For the past 22 years, customer experience has guided Dotcom Distribution's operations, helping emerging brands deliver thoughtful, exciting, convenient, unique experiences to customers through best-in-class order fulfillment. Dotcom Distribution conducts this annual e-commerce Consumer Study to follow and report on the experiences and behaviors of U.S. online shoppers, determine patterns and trends, and identify opportunities for brands to cater to their evolving preferences.

Each year, this study helps to sharpen the lens through which direct marketers observe and evaluate industry practices and trends. In 2022, there was one sweeping theme: **supply chain.** According to our latest research, these are some of the key topics that brands and retailers can address to shape the ideal customer experience, even during a period of uncertainty in the supply chain.

Avoid Charging Customers for Shipping

Free shipping has long been a motivating factor in purchase decisions for online shoppers, but it's now reached a make-or-break level. Consumers are sympathetic to the recent supply chain challenges. Despite their acknowledgment and tolerance of delays, they are drawing the line at paying for shipping. In fact, while 72% reported being more tolerant of shipping delays, only 25% said they are more tolerant of shipping costs. Across all age groups, online shoppers are particularly averse to unexpected shipping fees, as shown by the **79% of respondents who reported abandoning items in their carts upon being presented with surprise shipping charges.** Thirteen percent of all shoppers won't even make a purchase if they're required to pay for shipping.

Tighten Up Your Omnichannel Strategy

The surge in online shopping, paired with the availability and adoption of scheduled, remote, and contactless pickup options, has made maintaining a strong omnichannel presence a prerequisite for success across the retail spectrum. Consumers are shopping across all sales channels, sometimes throughout a single purchase journey, **making the implementation of a robust multichannel strategy integral to a robust, successful consumer experience.** For example, nearly half of the online shoppers who reported a change in their shopping behavior due to supply chain deficiencies (65% of respondents) now turn to websites for in-store product availability before going to a physical store. This is just one of many findings that emphasize the urgency for retailers and brands to accommodate shoppers' expectations for flexibility, transparency, and convenience at every touch point.

Explore Alternative Business Models

Assuming, of course, a company's products or services are suited to a subscription model, this strategy can boost retention and generate recurring revenue. According to a study conducted by The Harris Poll on behalf of leading subscription management platform provider Zuora, subscription businesses have grown nearly six times faster than the S&P 500 over the last nine years. This growth was credited to an increase in consumer demand for the use of subscription services, and we found the same to be true in our own research. Our 2021 study revealed that 25% of online shoppers signed up for one or more subscription services during the pandemic; **this year, the adoption of subscription services rose to 35%.** And with UBS forecasting 25% growth in the subscription economy from 2020–2025, an exploratory dive into this model is a worthwhile investment of time.

Prioritize Top-Notch Returns Management

The way a company handles its e-commerce returns impacts how potential and existing customers view the company. More importantly, every year, returns are having a bigger impact on consumers' purchasing decisions. For instance, when we asked our 2021 survey participants whether they would make a purchase from a company that doesn't have a free return policy, 55% said no. When we polled the same audience this year, that number increased to 59%. Returnless refunds are also yielding positive experiences and repeat purchases. **More than half (51%) of our 2022 study participants said the experience of a returnless refund makes them want to purchase from a brand again**—an 11% increase from last year. Further, 34% said it makes them want to donate unwanted items (+11% YOY*) and 33% said it made them feel like the brand cares about the environment (+6% YOY). This form of emotional branding creates a halo effect that contributes to positive brand perception and sentiment.

**All YOY references throughout this study pertain to Dotcom's 2021 study findings.*

Embrace Sustainability

In our 2021 study, 42% of respondents reported brands' use of sustainable packaging wins their return business. In 2022, **69% of consumers reported eco-friendly packaging would make them most likely shop with a brand again,** emphasizing the power of sustainability in building a brand. This beats out value-adds like free samples and gift-like packaging.

Sustainable packaging was the feature consumers found most appealing (45%), compared to other factors such as ethical sourcing and fuel-efficient transportation.

This year's findings underscore just how integral certain features—such as free shipping and sustainable packaging—have become as a baseline expectation for online shoppers. The results of the study also draw attention to some of the challenges companies of all sizes, across all categories face in today's challenging e-commerce environment.

E-commerce Landscape & Trends

Online Shoppers Have Kept Certain Standards

KEY TAKEAWAYS

- ***Shoppers have come to terms with supply chain delays.***
- ***New normal = new behaviors.***
- ***Adoption of subscription and local delivery services is mounting.***

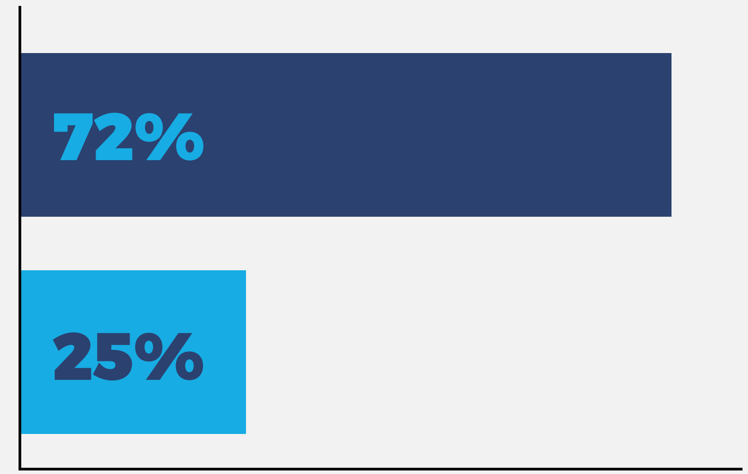
Online shoppers are more tolerant of shipping delays than shipping costs.

55%

of consumers expect **it will take longer to receive orders** than it has in the past.

*"Because I know there are supply chain issues, I am more tolerant of **shipping delays.**"*

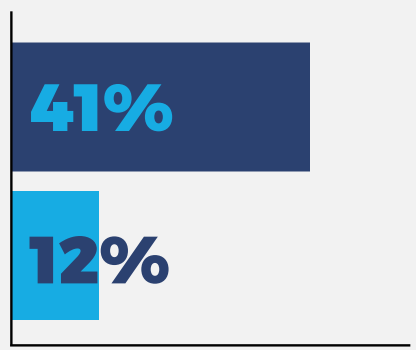
*"Because I know there are supply chain issues, I am more tolerant of **shipping costs.**"*



Amidst supply chain disruptions:

*Almost half of shoppers **are not willing to pay for faster shipping.***

*Only a small group **are not willing to wait longer for orders to arrive.***



Consumers who purchase **tools/home improvement** items **are least willing to pay more for faster shipping** (78%) and **most tolerant of shipping delays** (75%).

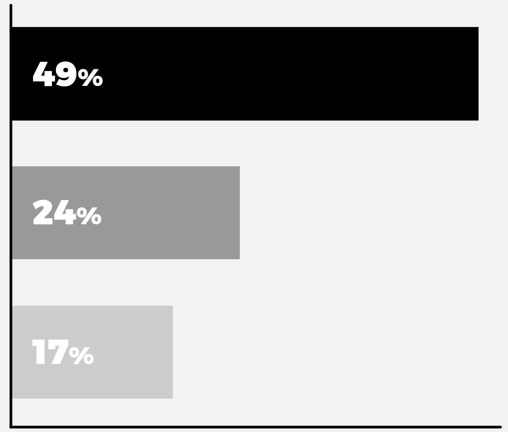
The 'new normal' has influenced new shopping habits.

65% of shoppers reported changes in their shopping behaviors as a result of supply chain deficiencies.

***49%** are more likely to check a store's website for in-store availability before going to the store than have in the past.*

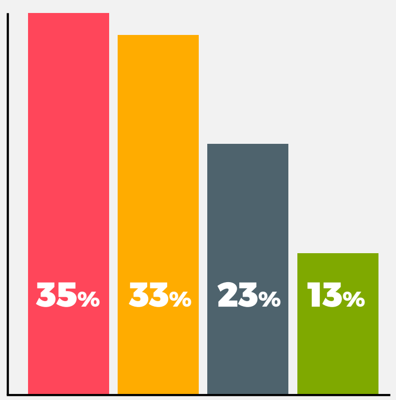
***24%** have made fewer purchases from stores and brands where they usually shop.*

***17%** have pivoted to in-store shopping.*

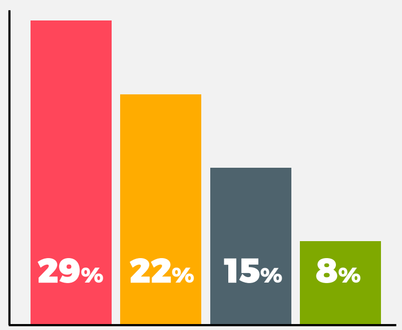


25% of online shoppers are more likely to pick up orders in-store as a direct result of the "new normal." This is especially true of younger shoppers:

*"I am **more likely to pick up online orders in-store** instead of shipping to my home due to **shipping delays or limited product availability.**"*



*"I have done **more in-store shopping** because online orders have been **delayed.**"*



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

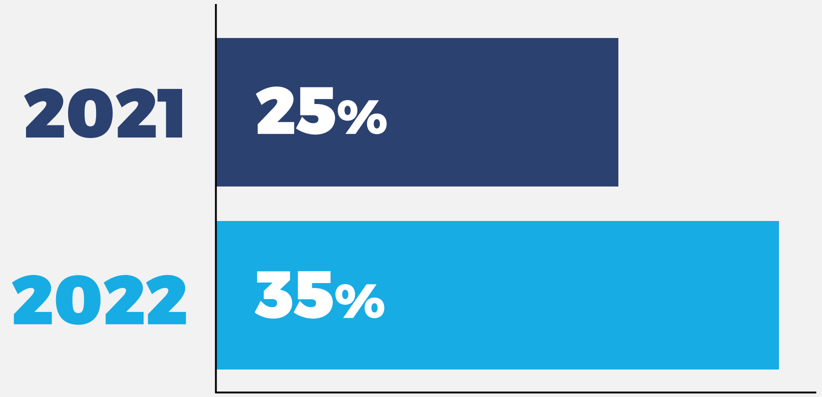
Online shoppers who most frequently reported **picking up order in-store due to shipping delays or limited availability:**
Sporting Goods - 31%

Shoppers who most frequently reported doing more **in-store shopping due to online order delays:**
Sporting Goods - 22%

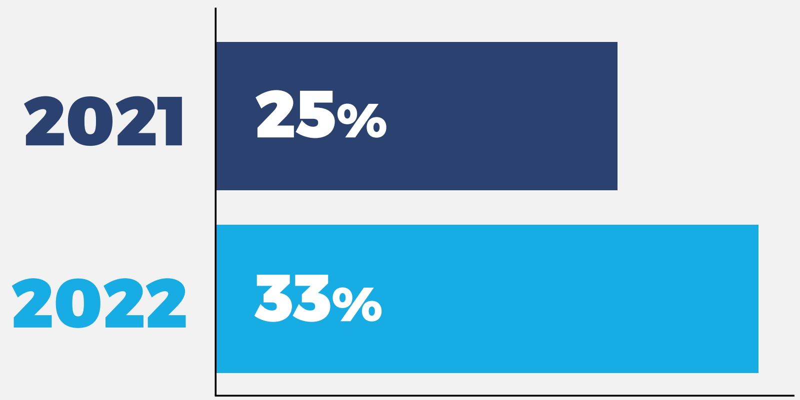
Shoppers who most frequently reported doing **less shopping overall** (online and in-store) **due to supply shortages and/or delays:**
Cleaning Products, Beauty/Cosmetics, and Sporting Goods - 26%

Consumer adoption of subscription services and local delivery apps grows.

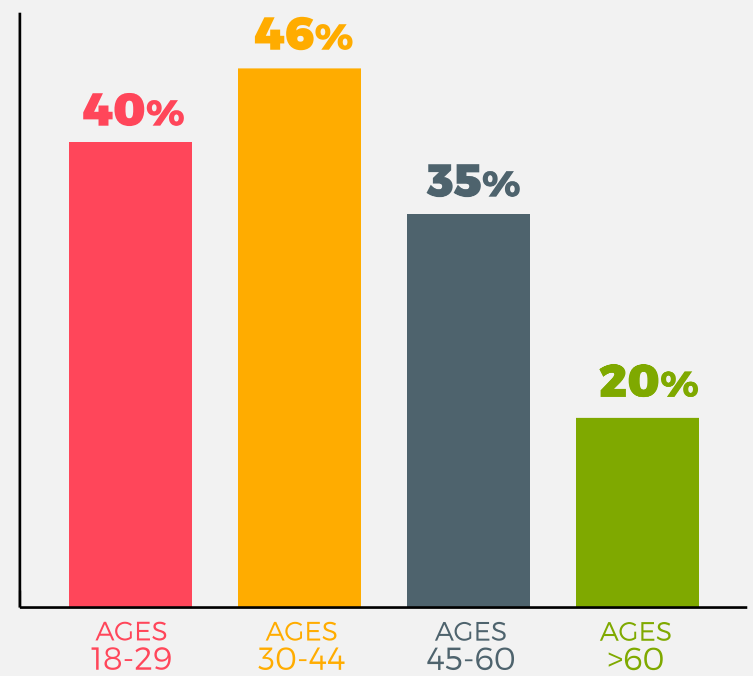
Shoppers who signed up for one or more subscriptions services:

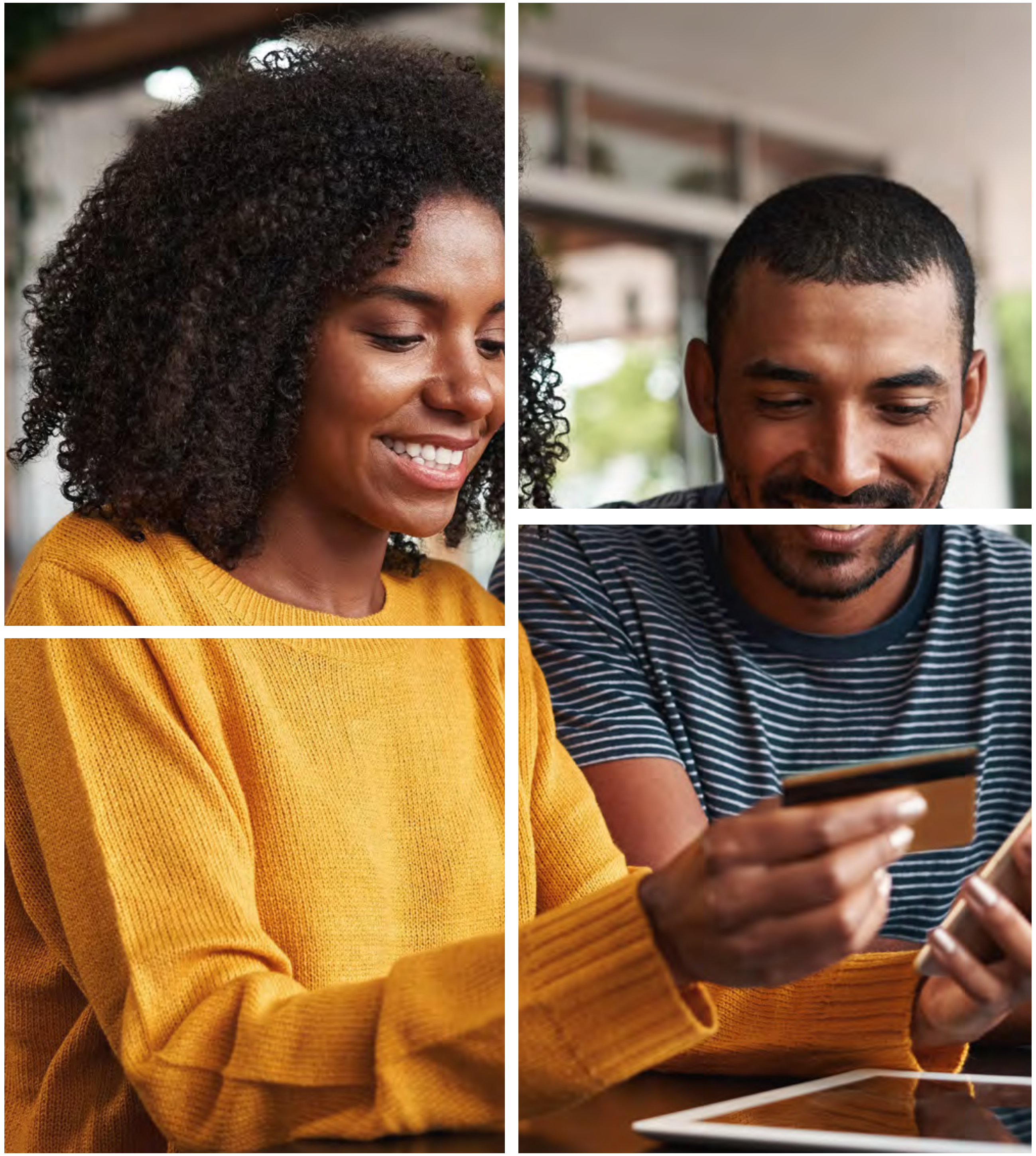


Shoppers who utilized local delivery services:



Younger shoppers are more active with subscription services.





Purchase Behavior

The More Brands Give, The More They Get

KEY TAKEAWAYS

- ***Categorical purchase patterns suggest strategic marketing opportunities.***
- ***Some surprises are welcome; unexpected shipping costs aren't.***
- ***There is consensus on what shoppers prefer to buy in-store.***
- ***Shoppers want to pay with points/rewards.***
- ***Free shipping thresholds yield larger purchases.***

Purchase types popular among different groups suggest strategic marketing opportunities.

What are people buying most?

#1 Clothing

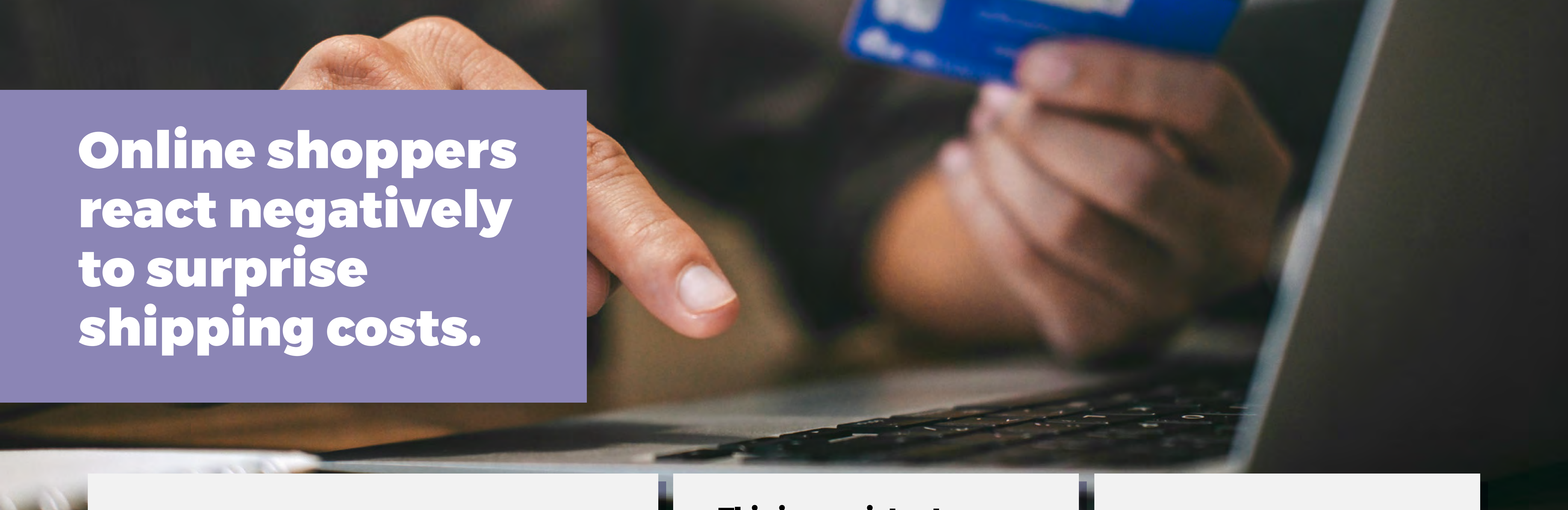
#2 Electronics

#3 Home Goods

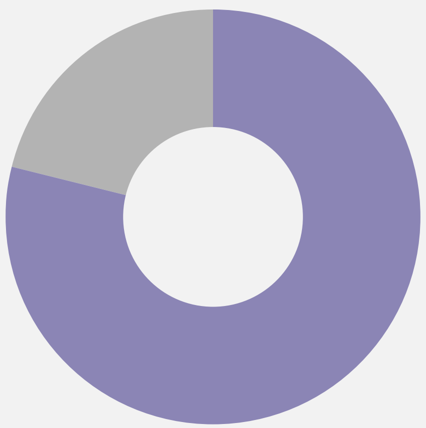
What else are they buying?

Regardless of what else people reported buying online, clothing is the leading purchase category. Electronics is the second most popular category for **all EXCEPT four consumer groups:**

CONSUMER GROUP		2ND MOST POPULAR CATEGORY
Electronics Shoppers	→	**Home Goods - 64%**
Pet Products Shoppers	→	**Home Goods - 68%**
Cleaning Products Shoppers	→	**Home Goods - 73%**
Beauty/Cosmetics Shoppers	→	**Accessories - 73%**

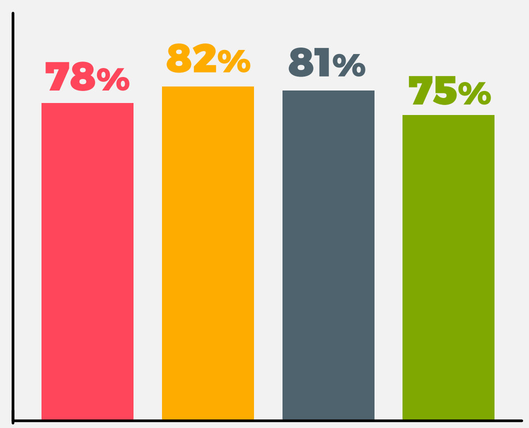


Online shoppers react negatively to surprise shipping costs.



79% have **abandoned items in carts** upon seeing **unanticipated shipping costs** in the last 12 months.

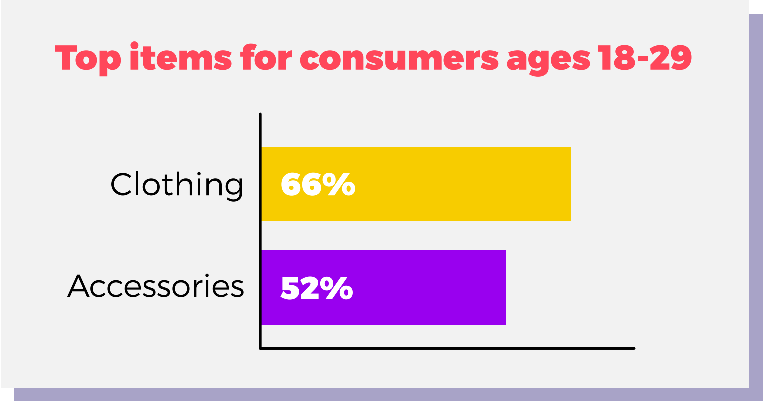
This is consistent among all age groups:

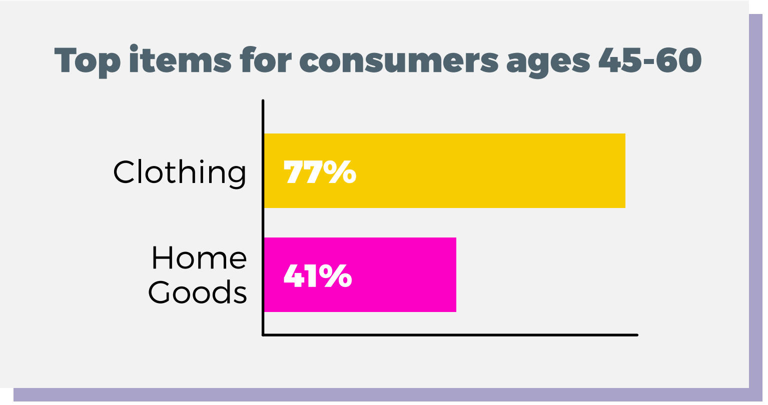


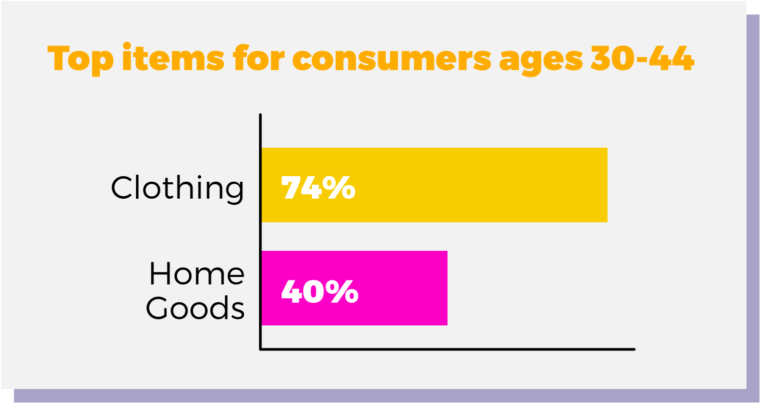
AGE GROUPS: 18-29 30-44 45-60 >60

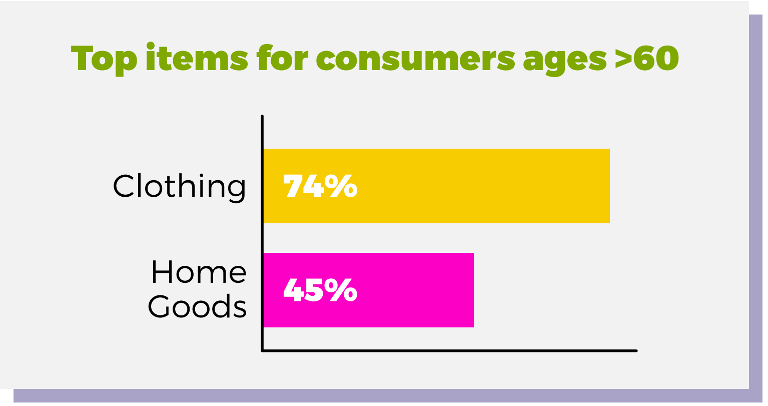
Shoppers who purchase **Accessories, Pet Products** and **Toys** abandoned carts most often. **(83%)**

Most shoppers agree on what they'd prefer to buy in-store.



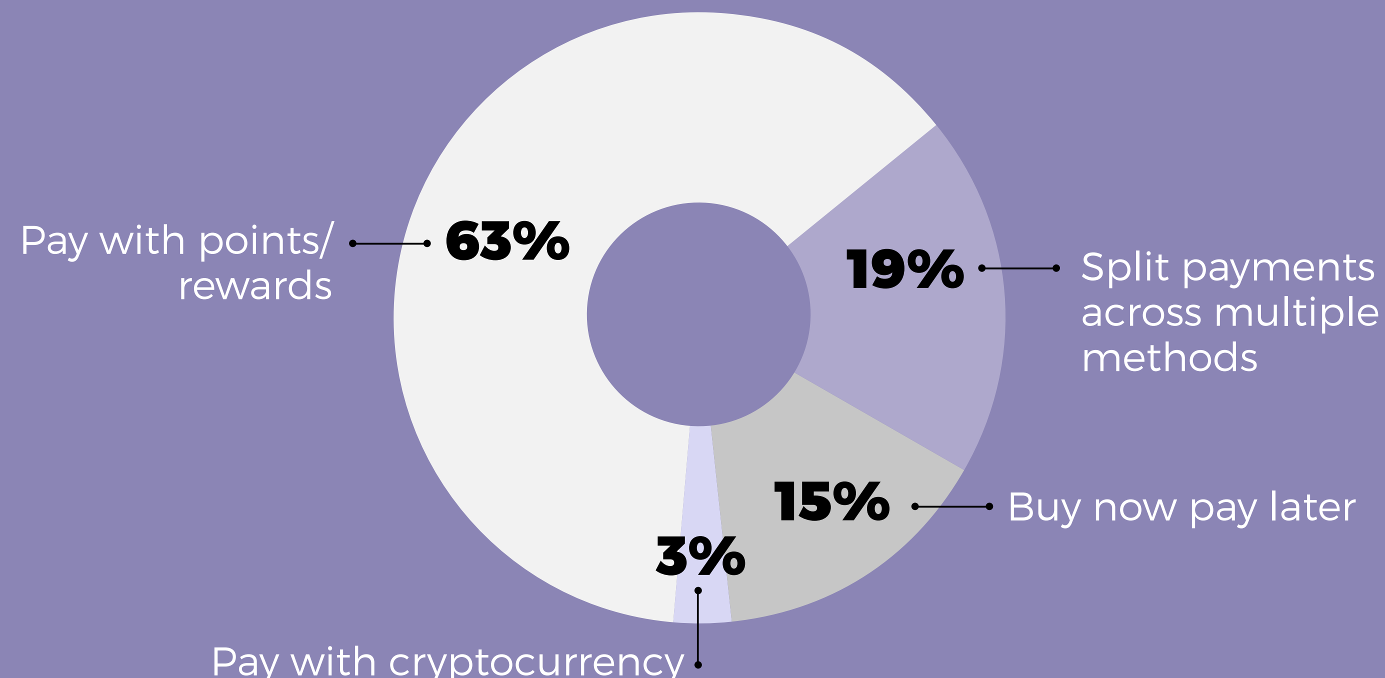






Consumers are crystal clear about payment method preferences.

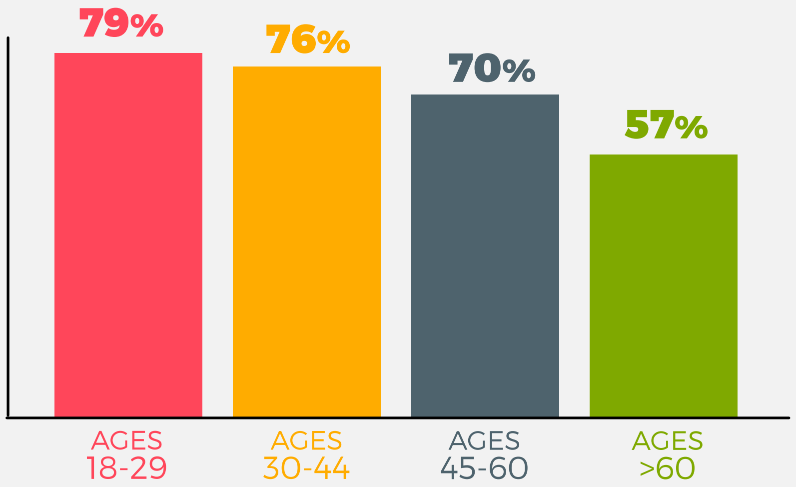
Consumers would prefer to be able to **pay with points/rewards** more often than any other option.



Free shipping thresholds result in larger purchases.

67% of all respondents added more items to their online shopping carts to qualify for free shipping.

Younger shoppers will buy more to get free shipping.



Shopper categories with highest frequency of buying more to get free shipping:

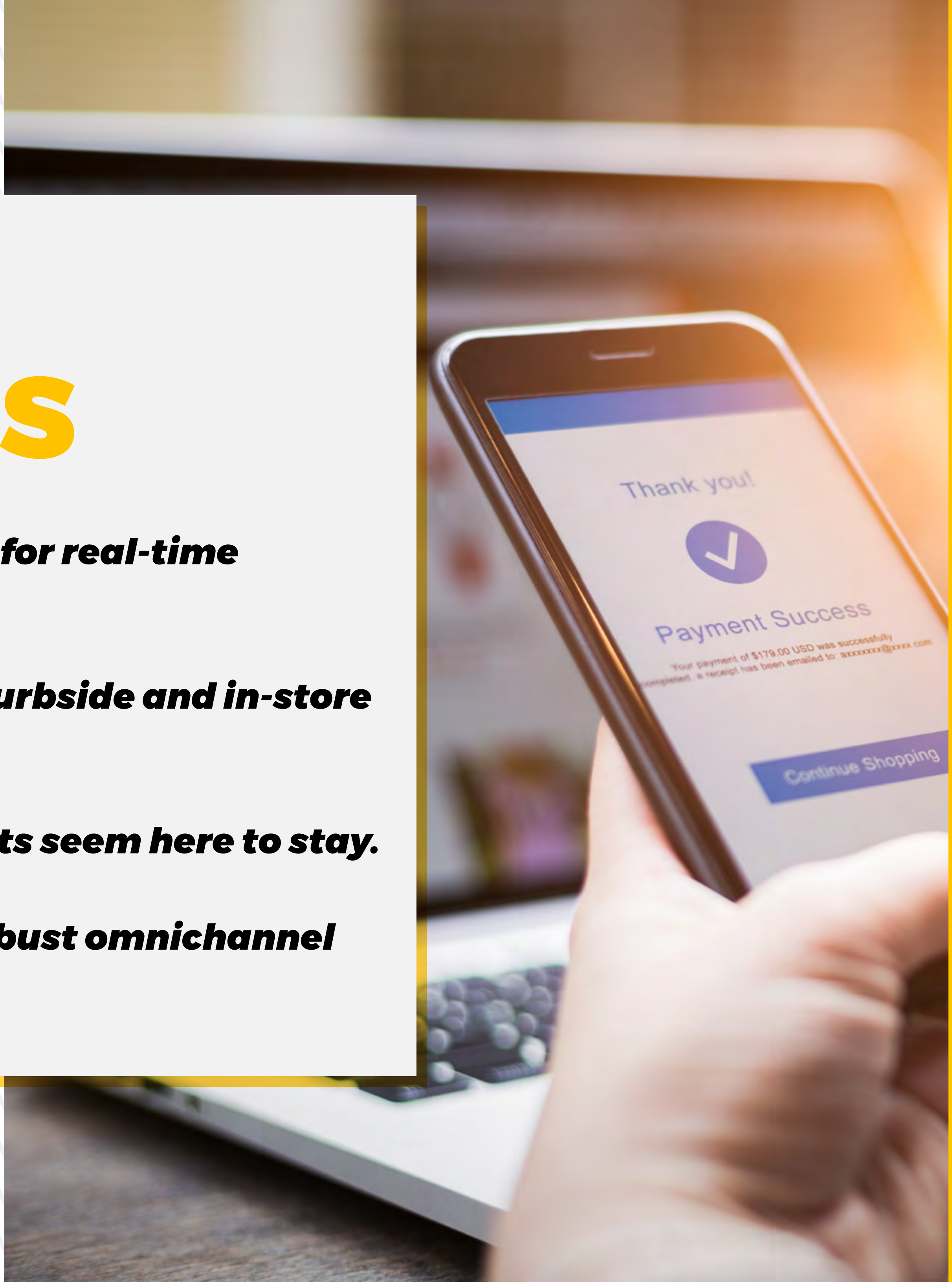
1. Beauty/Cosmetics
2. Cleaning Products
3. Sporting Goods
4. Toys
5. Vitamins/Supplements

Omnichannel

Post-Pandemic Consumers Expect a Holistic Experience

KEY TAKEAWAYS

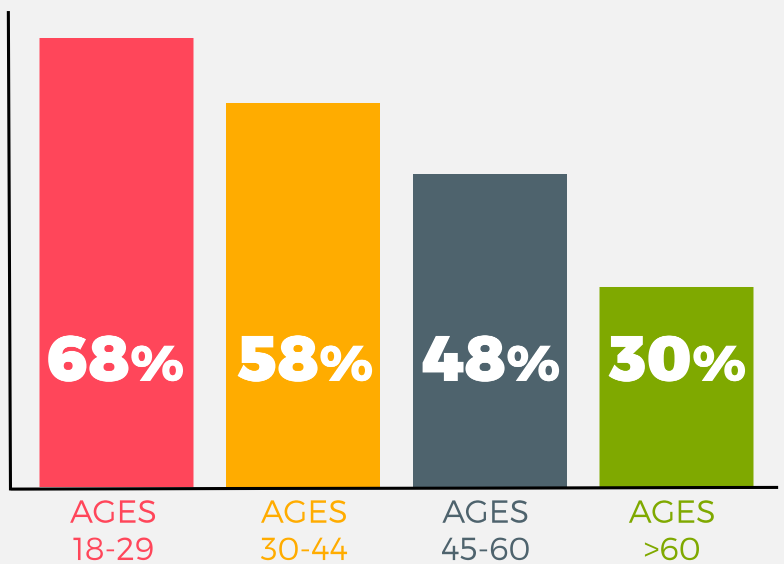
- ***Shoppers rely on store websites for real-time inventory visibility.***
- ***Home delivery dominates, but curbside and in-store pickup are not far behind.***
- ***Pandemic-driven shopping habits seem here to stay.***
- ***Diverse preferences require a robust omnichannel strategy.***



Shoppers rely on store websites for real-time inventory visibility.

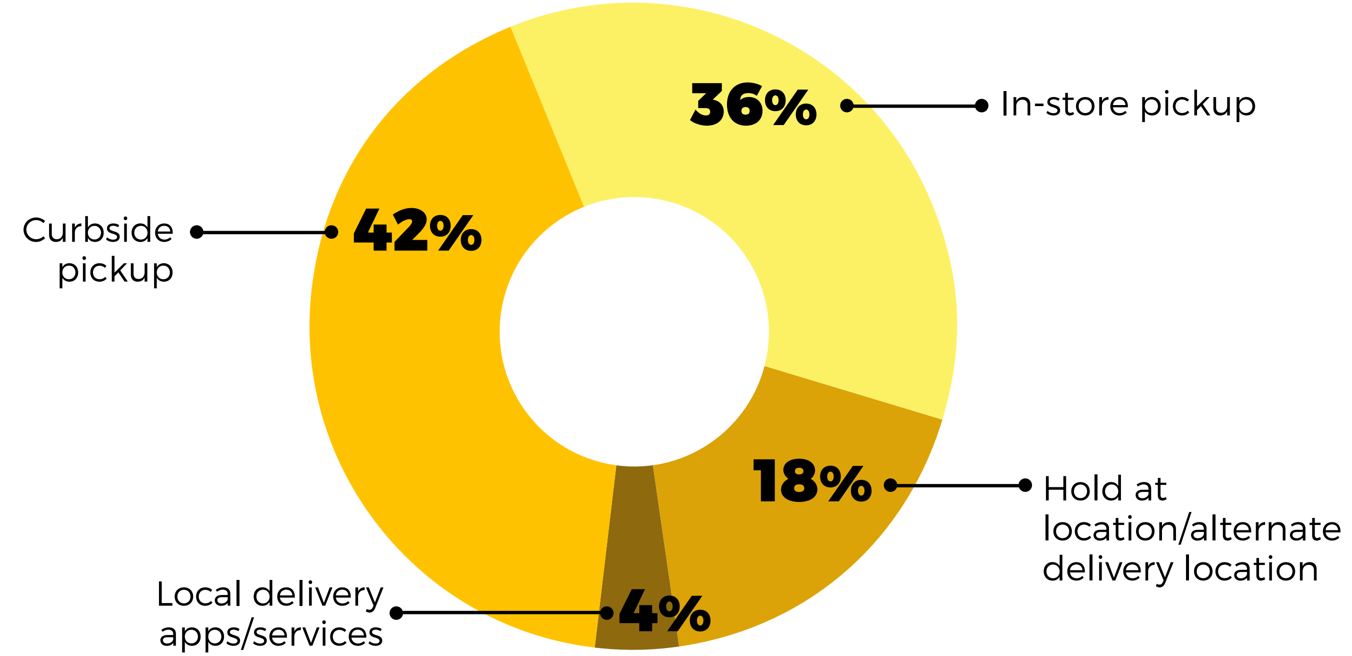
"I am more likely to ***check a store's website for in-store availability*** *before going to the store than I have been."* **48%**

The younger the shopper, the more likely they are to check a website for in-store product availability:



Home delivery dominates, but curbside and in-store pickup are not far behind.

Home delivery aside, curbside pickup was the most popular among alternative methods to receive online orders.



Given the choice between picking up an online order in-store for free or paying for shipping, which item(s) would you choose to pick up in-store?

1. **Clothing 57%**
2. **Electronics 55%**
3. **Home Goods 46%**

Pandemic-driven shopping habits seem here to stay.

In 2021, 78% of all respondents reported adopting new cross-channel shopping options during the pandemic:

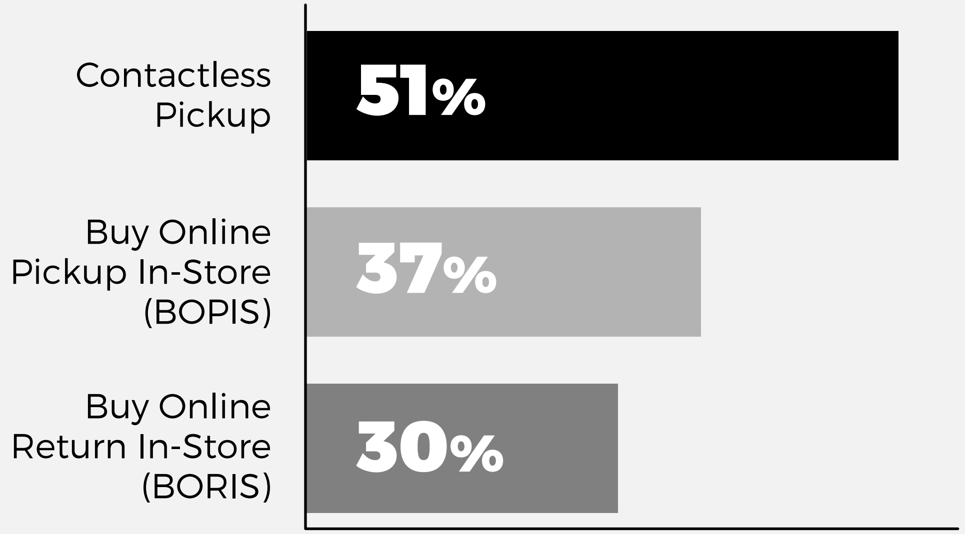
45%

Planned to **continue utilizing curbside pick-up** post-pandemic.

45%

Planned to **continue utilizing BOPIS and BORIS** post-pandemic.

These are the most popular cross-channel shopping options*

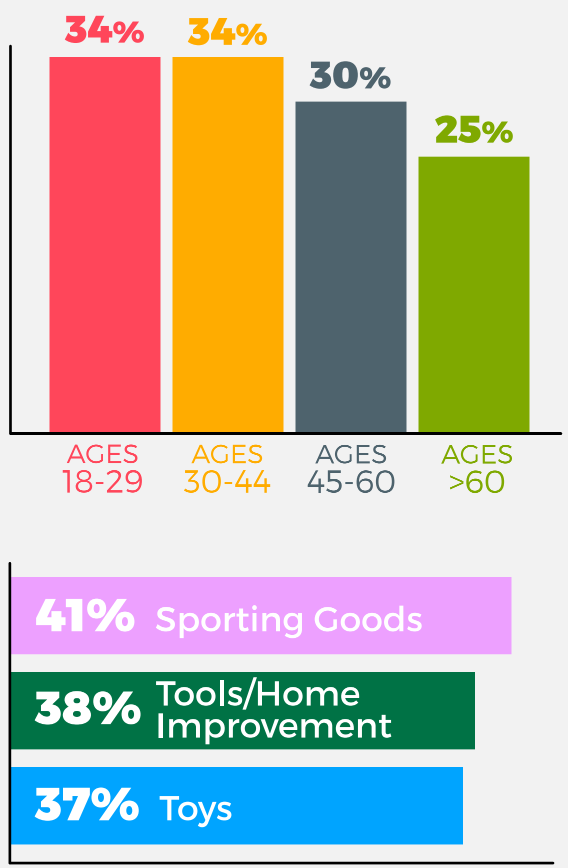


**As of April 2022*

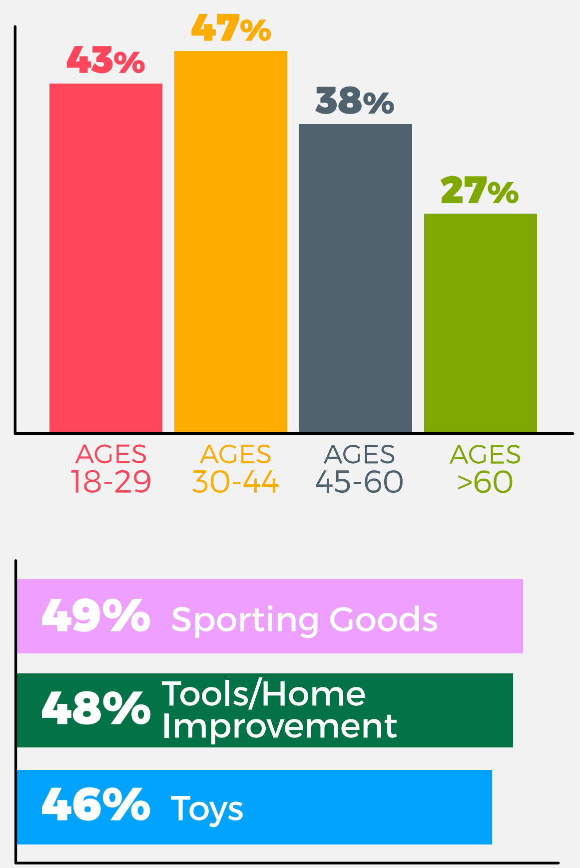
Diverse preferences require a robust omnichannel strategy.

"Of the online shopping preferences you began using during the pandemic, which have you used most?"

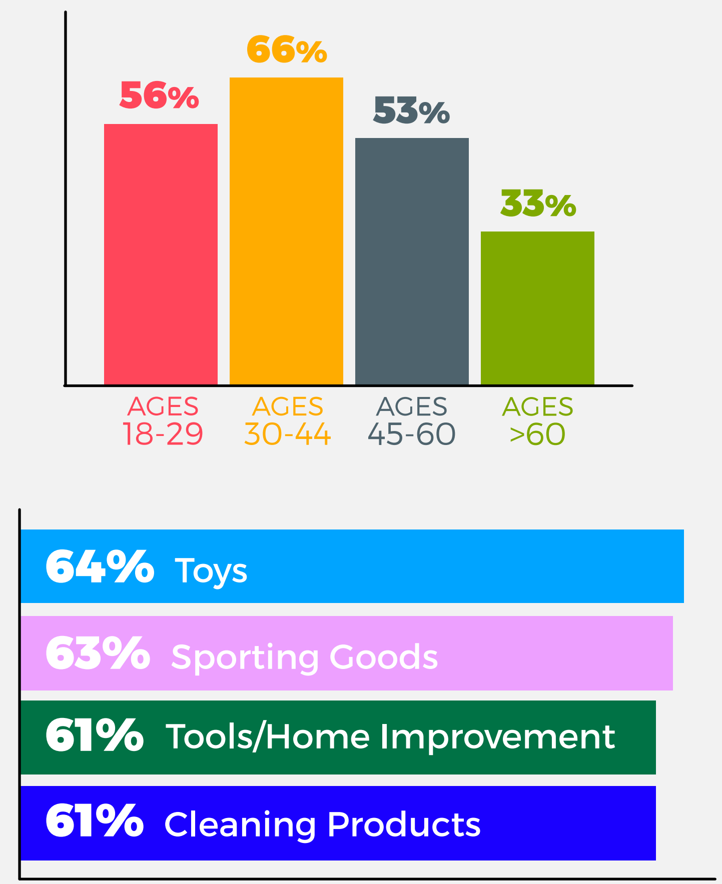
BORIS



BOPIS



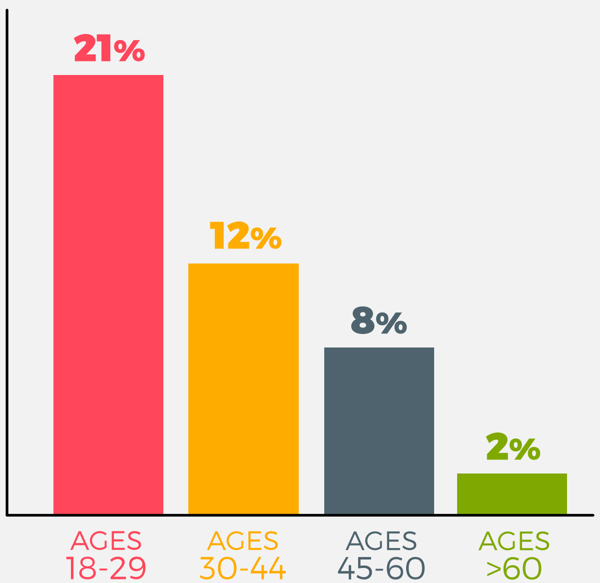
Contactless Pickup



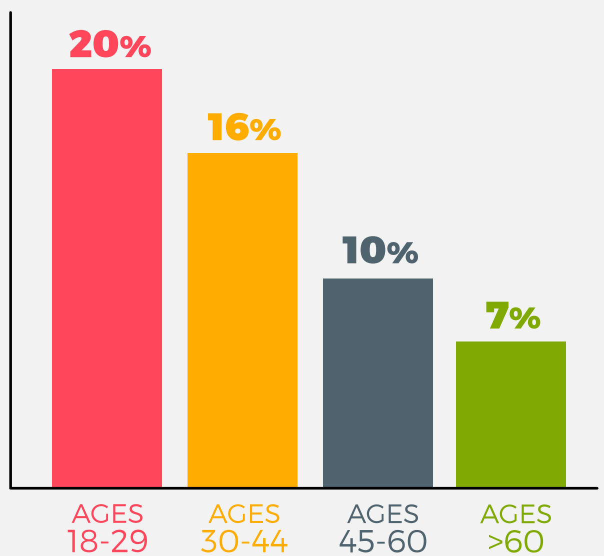
Newer features can be used to appeal to younger shoppers.

"Of the online shopping features you began using during the pandemic, which have you used most?"

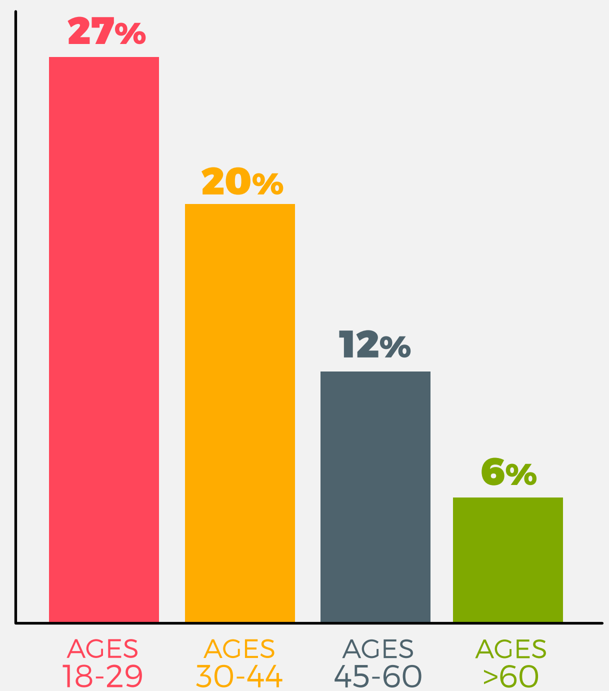
Virtual Try-On



At-Home Try-On



Virtual Assistants



Shipping

Free Shipping Rules

KEY TAKEAWAYS

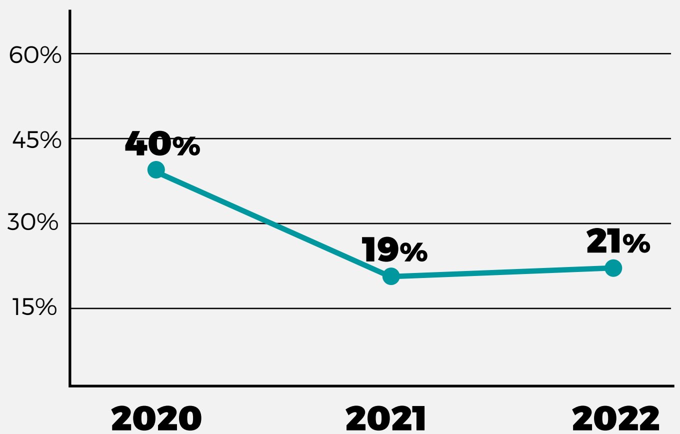
- ***Online shoppers accept the reality of supply chain-driven shipping timelines.***
- ***Fast shipping is nice; free shipping is necessary.***
- ***Despite overwhelming preference for "free," exceptions apply.***
- ***Who is accountable for late or damaged packages?***

Online shoppers accept the reality of supply chain-driven shipping timelines.

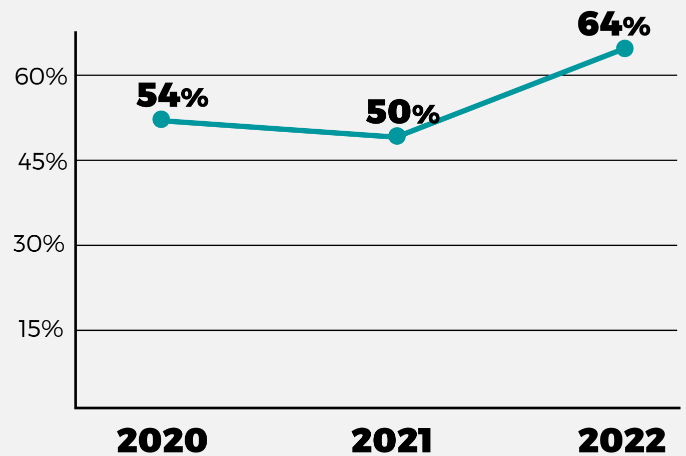
Key
2020= Pre-pandemic
2021= March, mid-pandemic
2022- March, post-pandemic

Most consumers have adapted to receiving online purchases within 3-4 days.

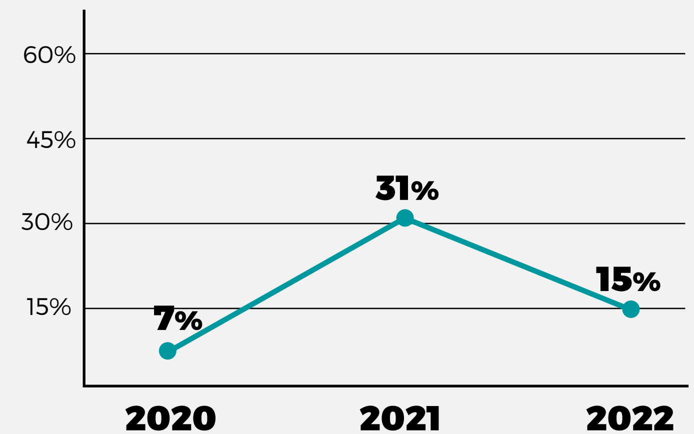
Expectation for **1-2 day delivery:**



Expectation for **3-4-days delivery:**



Expectation for **5+ days delivery:**



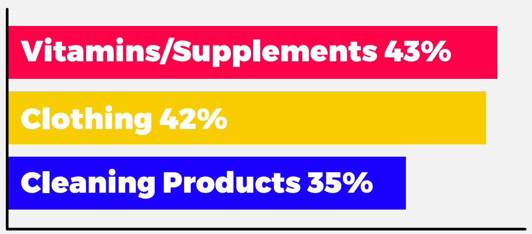
Online shoppers with the
fastest shipping expectations:

- **Sporting Goods shoppers**
- **Men**
- **Pacific region**

Online shoppers with the
slowest shipping expectations:

- **Clothing shoppers**
- **Women**
- **West North Central region**

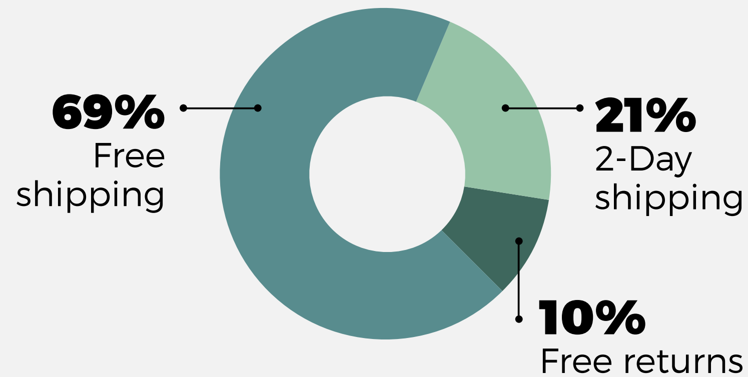
What do people expect to arrive
in **2 days or less?**



Fast shipping is nice; free shipping is necessary.

***20% of respondents said,** "I am more likely to pay for faster shipping than I was prior to the pandemic."*

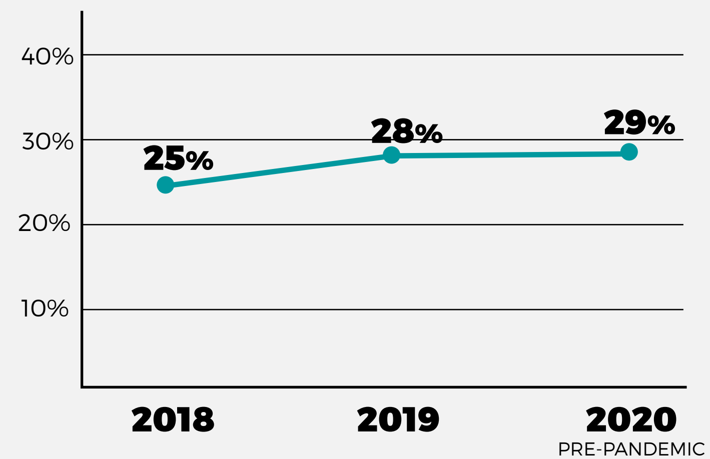
These are the factors that make the biggest impact when deciding where to make an online purchase.



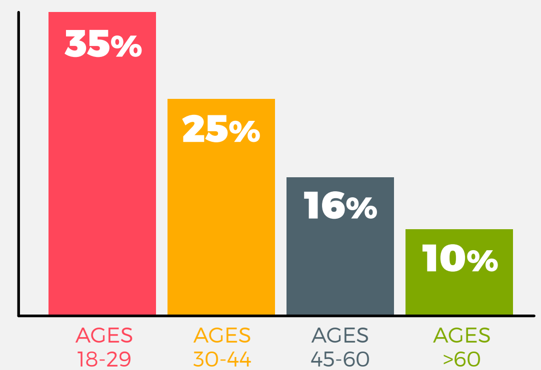
23% of consumers **expect free shipping more now** than they did in the past.

18% of consumers won't make an online purchase if they **have to pay for shipping.**

Shoppers who would **pay more for faster shipping** in recent years:



The **younger the consumer**, the more likely they are to **pay for faster shipping**:



Despite overwhelming preference for "free," exceptions apply.

When are consumers ok with paying for shipping?

59%
They need the item rushed/expedited.

49%
The item is very large, heavy, or otherwise cumbersome.

35%
The order is being shipped internationally.

Taking into consideration current supply chain challenges, these are the **top items online shoppers will pay to have shipped.**

33%
Electronics

31%
Home Goods

22%
Tools

36% of **consumers age 18-29** stated they are **more likely to pay for faster shipping now** than they were during the pandemic.

Who is accountable for late or damaged packages?

Shoppers are generally split on who they hold accountable when a package is late or damaged.

Most likely to hold the carrier accountable

70% | East South Central region consumers

57% | 18-29-year-olds

51% | Beauty & Accessories consumers

Most likely to hold the company accountable

60% | Mountain region consumers

55% | 45-60-year-olds

55% | Toy consumers

Returns

More Important Than Ever Before

KEY TAKEAWAYS

- ***Free returns generate more purchases.***
- ***Younger shoppers made the fewest returns.***
- ***Returnless refunds lead to customer satisfaction and positive brand sentiment.***
- ***In-store return preference is bouncing back.***

Young shoppers are making the fewest returns.

In the past year:

20%

of all shoppers report making more returns than usual.

17%

said they made fewer returns than usual.

63%

said they made about the same number of returns as usual.

33% of shoppers age 18-29 reported making fewer returns than usual.

Free returns generate more purchases.

59% of respondents **won't make a purchase** from a company that **doesn't have a free return policy.** *(+4% YOY)*

Shoppers most and least likely to make an online purchase from a company that doesn't have a free return policy:

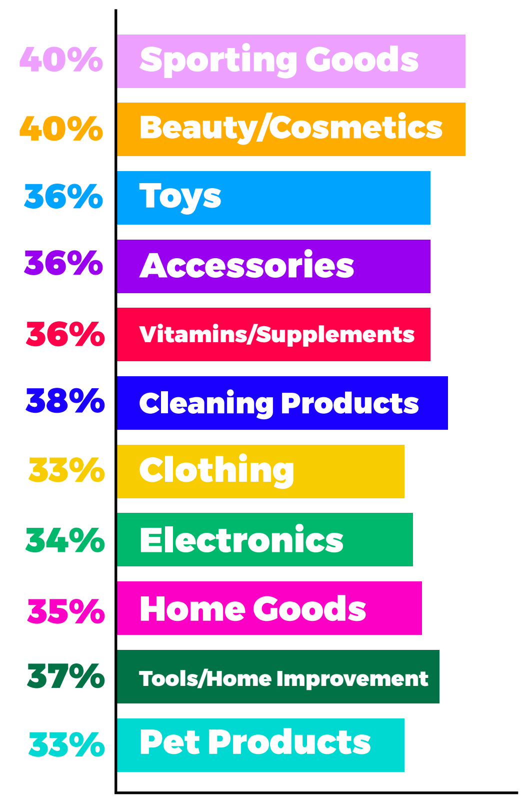
	MOST LIKELY	LEAST LIKELY
AGE	**18-29: 48%**	**>60: 62%**
SHOPPING CATEGORY	**Electronics: 41%**	**Home Goods: 62%**
REGION	**New England: 56%**	**East North Central: 68%**

Returnless refunds lead to customer satisfaction and positive brand sentiment.

51% Say **returnless refunds** make them want to shop with a **brand again.** *(+11% YOY)*

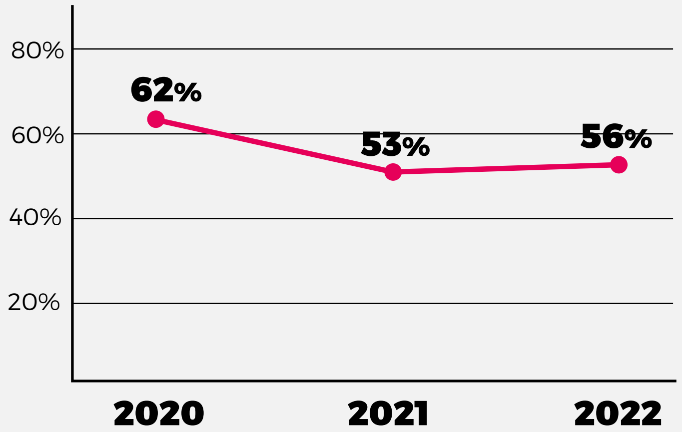
34% Say returnless refunds made them want to **donate unwanted items.** *(+11% YOY)*

33% Say returnless refunds make them feel like the **brand cares about the environment.** *(+6% YOY)*

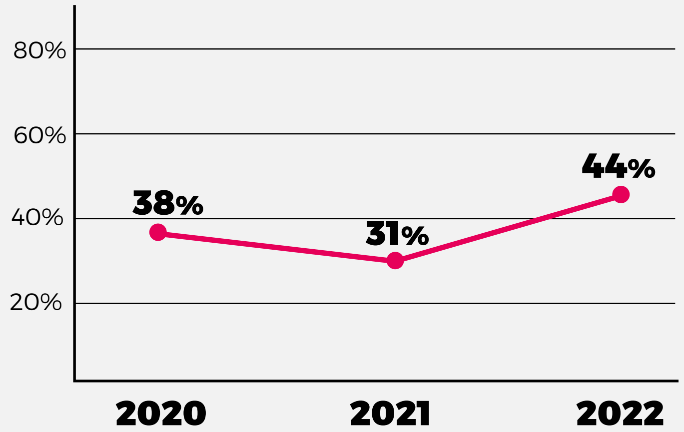


In-store return preference is bouncing back.

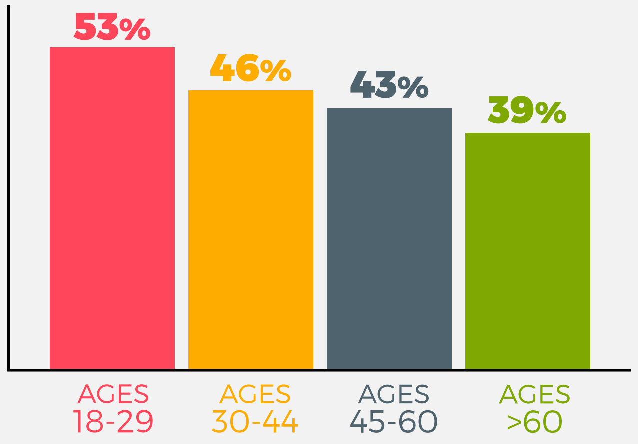
Consumer preference to **return online purchases via mail or drop box** is still prevalent.



Preference for **in-store returns** outperformed pre-pandemic numbers.



The **younger the shopper**, the more likely they are to prefer **in-store returns.**



Packaging

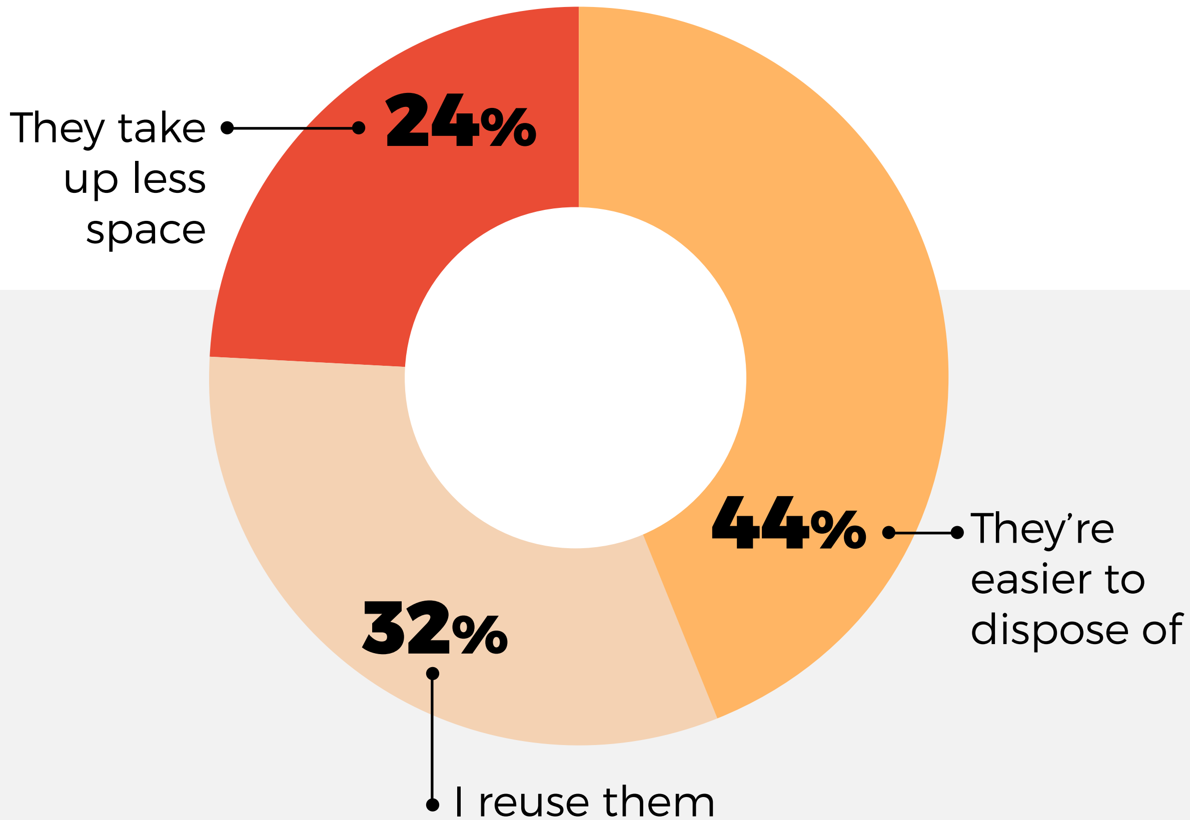
Less is More

KEY TAKEAWAYS

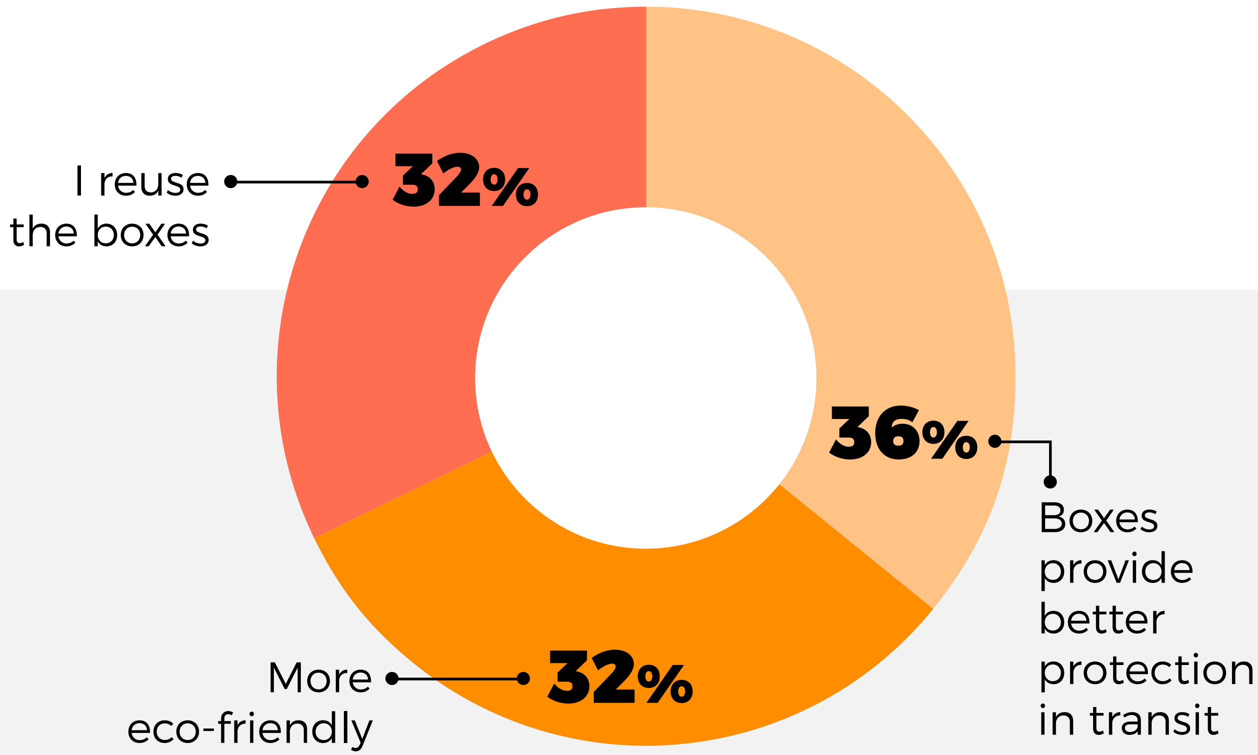
- ***Consumers prefer boxes to bags.***
- ***Visually appealing packaging compels social shares.***
- ***Besides coupons, shoppers want sustainable packaging and free samples.***
- ***Why consumers scan QR codes.***

Consumers are thinking inside the box.

19% prefer to receive bags for these reasons:

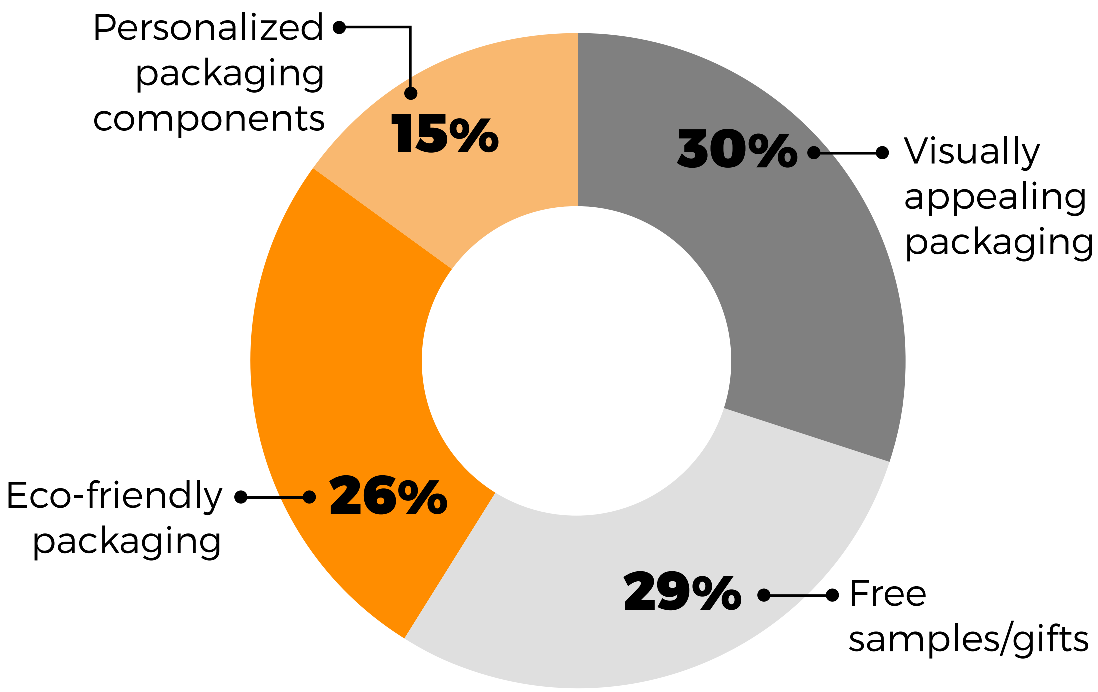


Given the choice between receiving an online order in a box or a poly bag, **81% of all respondents prefer boxes for these reasons:**



Visually appealing packaging compels social shares.

Factors that most encourage shoppers to post photos/videos showcasing a package they received:



Distinct preferences emerged between different categories of shoppers:

Visually appealing packaging
Clothing 33%

Free product samples or gifts with purchase (stickers, keychains, etc.)
Toys 31%

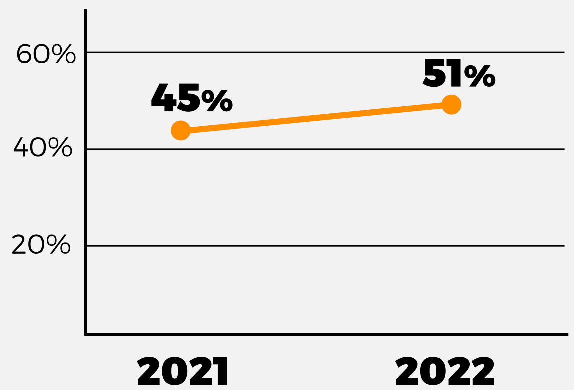
Eco-friendly packaging
Sporting Goods 28% and Vitamins/Supplements 28%

Personalized packaging components
Toys 17%

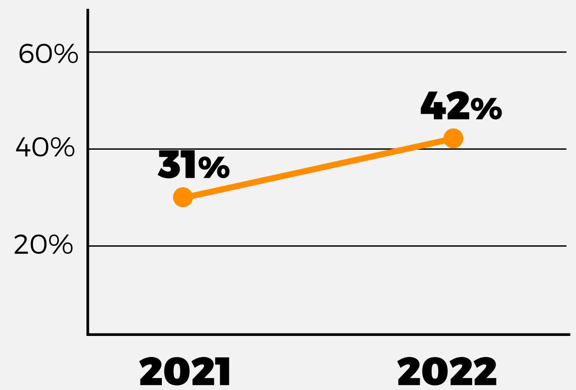
Premium packaging yields positive emotions.

Consumer response to a premium packaging experience:

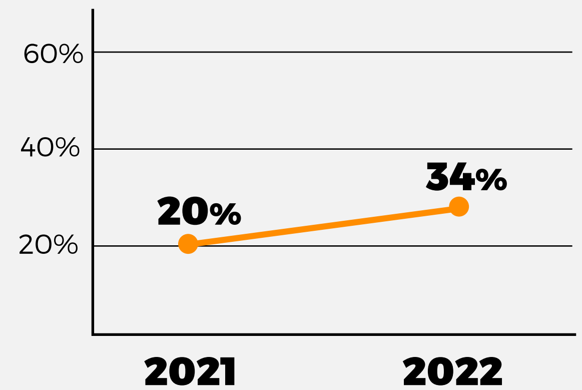
Premium packaging makes a brand seem more upscale.



Premium packaging makes consumers more excited to open the package.



Premium packaging makes customers more likely to purchase again.



Top 3 shopping categories:

Clothing 53%

Tools/Home Improvement 53%

Pet Products 53%

Sporting Goods 48%

Beauty/Cosmetics 47%

Cleaning Products 45%

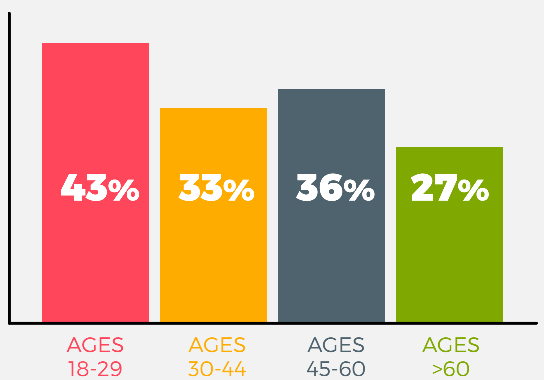
Accessories 38%

Beauty/Cosmetics 37%

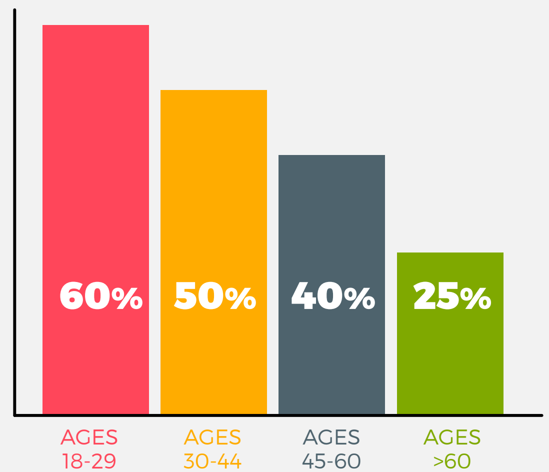
Cleaning Products 36%

Younger shoppers find premium packaging most enticing.

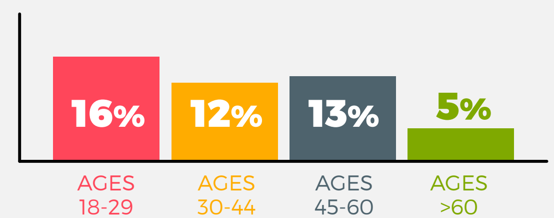
“It makes me want to purchase from the brand again.”



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

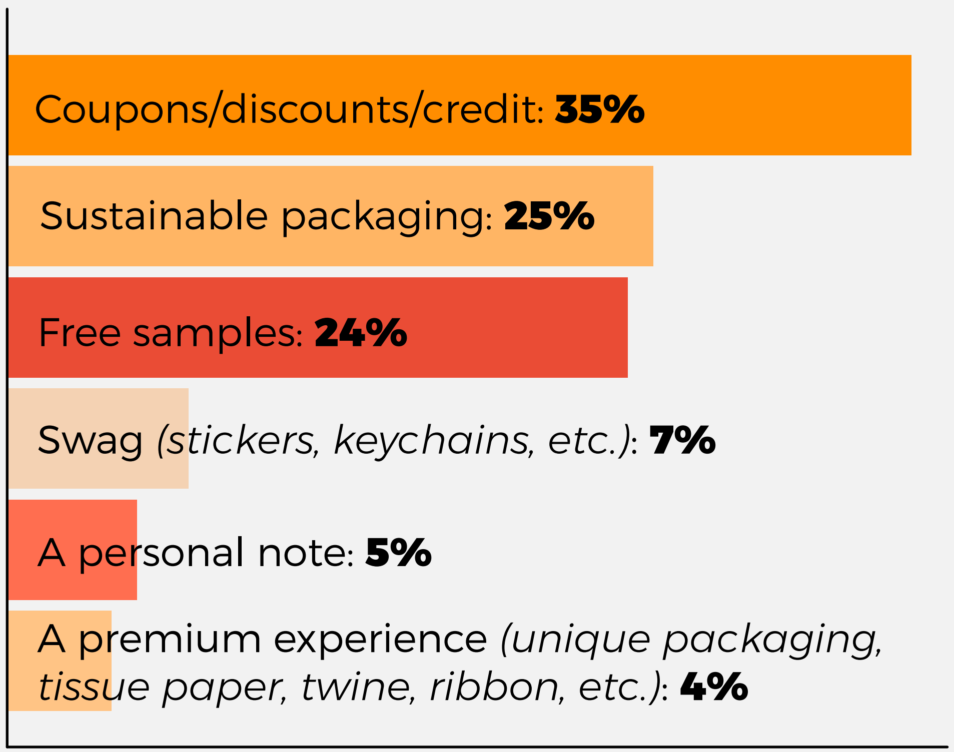


“I’m more likely to share photos, videos or details on social media.”



Coupons ✓ Sustainable packaging ✓ Samples ✓

Factors that make consumers want to shop with a brand again in the future:



FEATURES OF INTEREST, BY SHOPPER TYPE:

Coupons, discounts or credit toward a future purchase:

Tools/Home Improvement 37%

Free product samples:

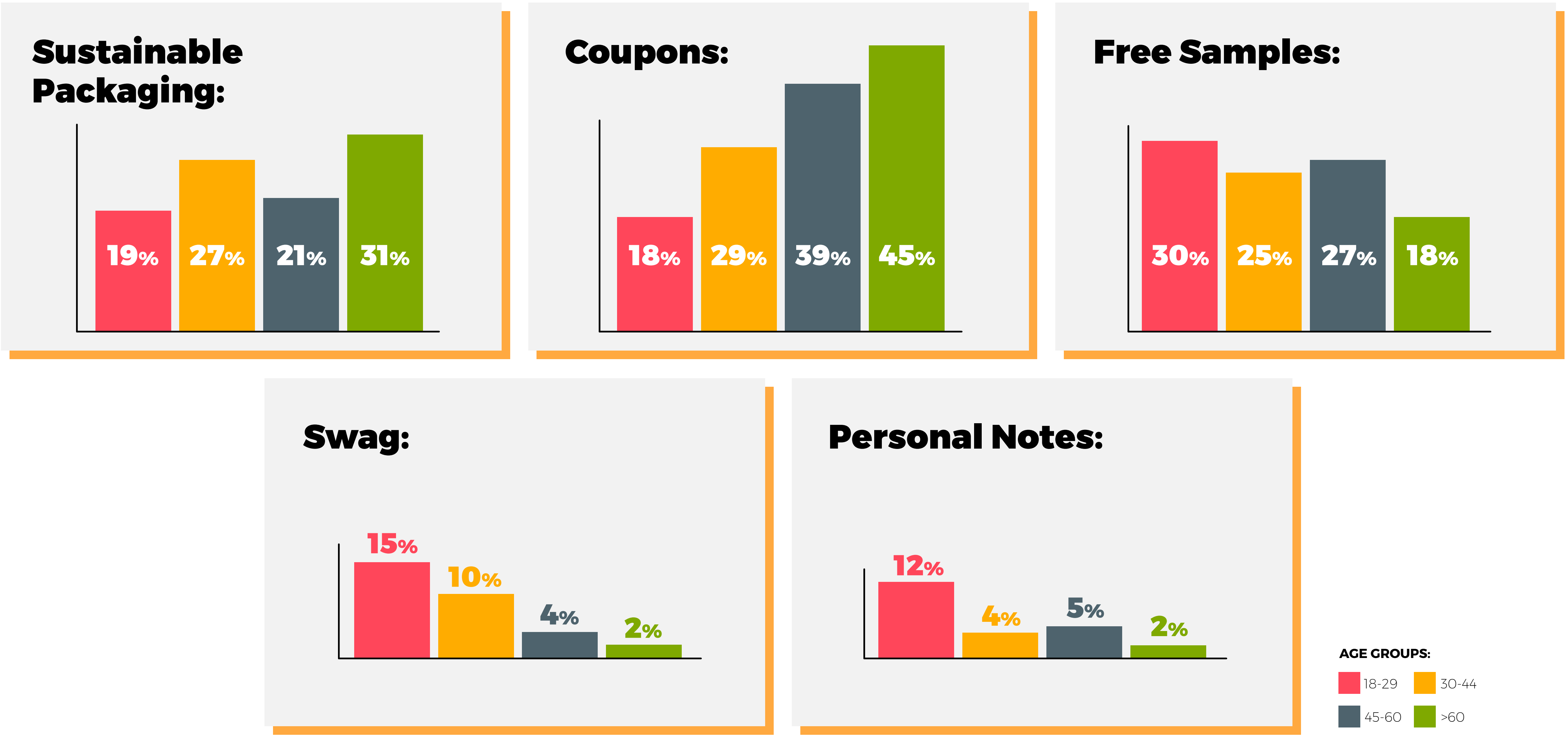
Beauty/Cosmetics 29%

Sustainable packaging:

Sporting Goods 27%

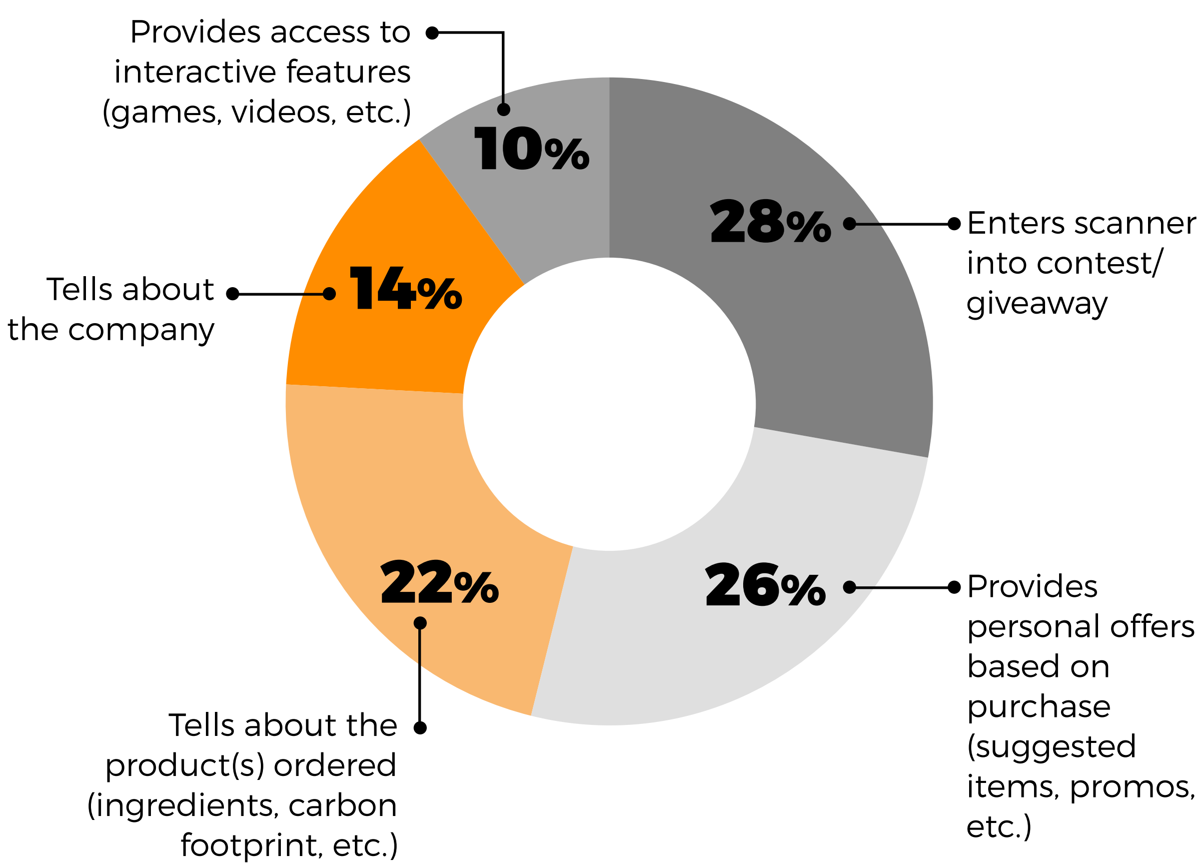
Vitamins/Supplements 27%

Age heavily influences packaging preferences.

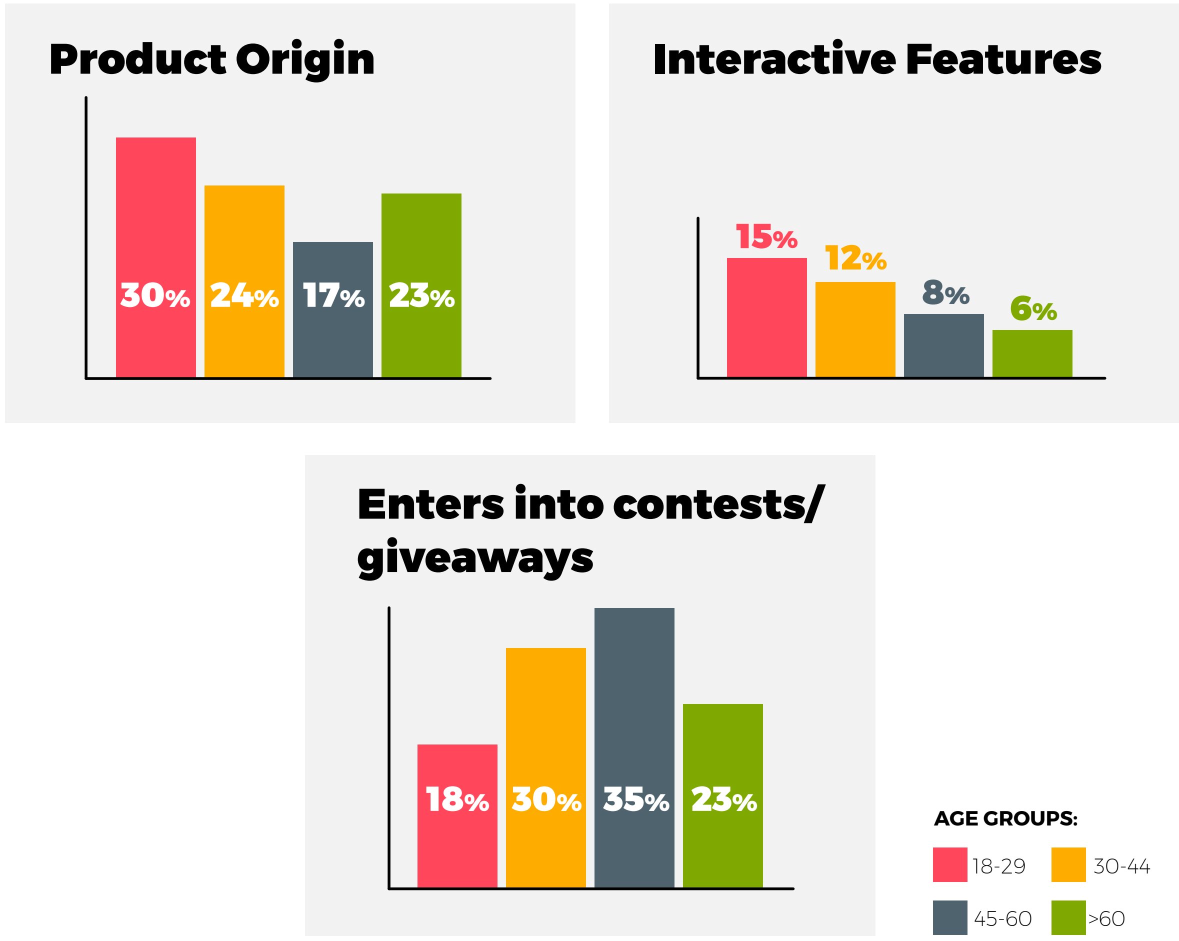


Shoppers scan QR codes for varying reasons.

Factors most likely to make people scan QR codes:



Younger shoppers will scan a QR code with product origin information and interactive features. Older shoppers will scan to be entered into contests/giveaways.



Sustainability

Greener Choices Build Business and Brand Image

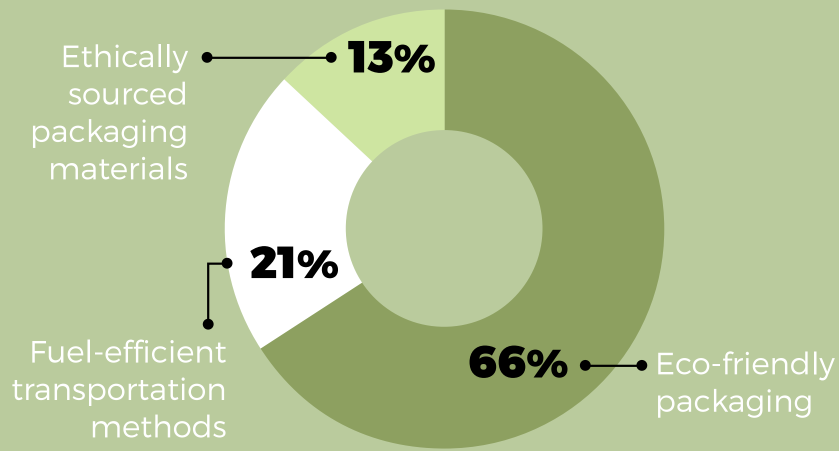
KEY TAKEAWAYS

- ***Sustainable packaging makes the greatest impact.***
- ***Online shoppers are increasingly active in a circular economy.***
- ***Environmental initiatives attract new shoppers.***

Packaging is the most impactful of environmental initiatives.

Which factor would make you **MOST likely to shop with a brand?**

Two in three online shoppers cite **eco-friendly packaging** (Post Consumer Recycled materials, sustainable ink, etc.) as the environmental factor **most likely to make them shop with a brand.**



Sustainable packaging makes the following groups most likely to shop with a brand:

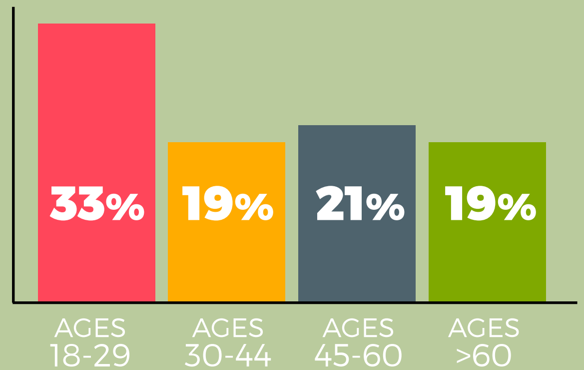
AGE GROUP: **30-44 – 69%**

REGION: **New England – 83%**

GENDER: **Females – 68%**

SHOPPING CATEGORY: **Clothing & Accessories (tie) – 68%**

All age groups prioritize eco-friendly packaging, but **consumers 18-29 expressed more interest than others in fuel-efficient transportation.**



Online shoppers are increasingly active in circular economy practices across the board.

42%

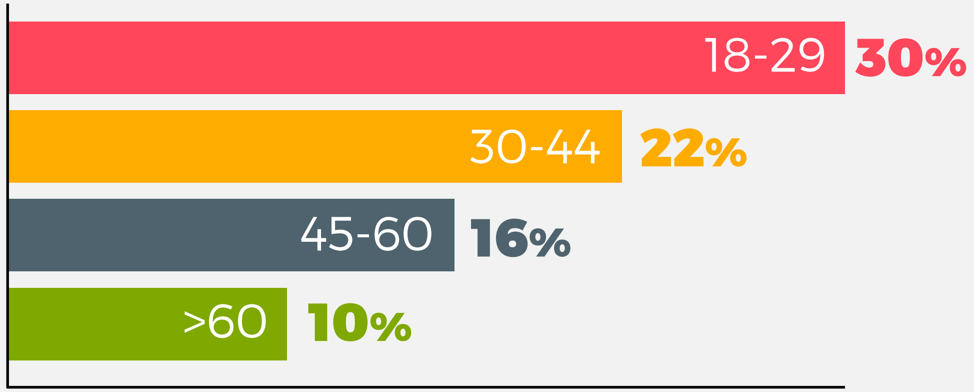
of all respondents have purchased products or subscribed to services that support a circular economy.

(+5% YOY)

Consumers most supportive of a circular economy:

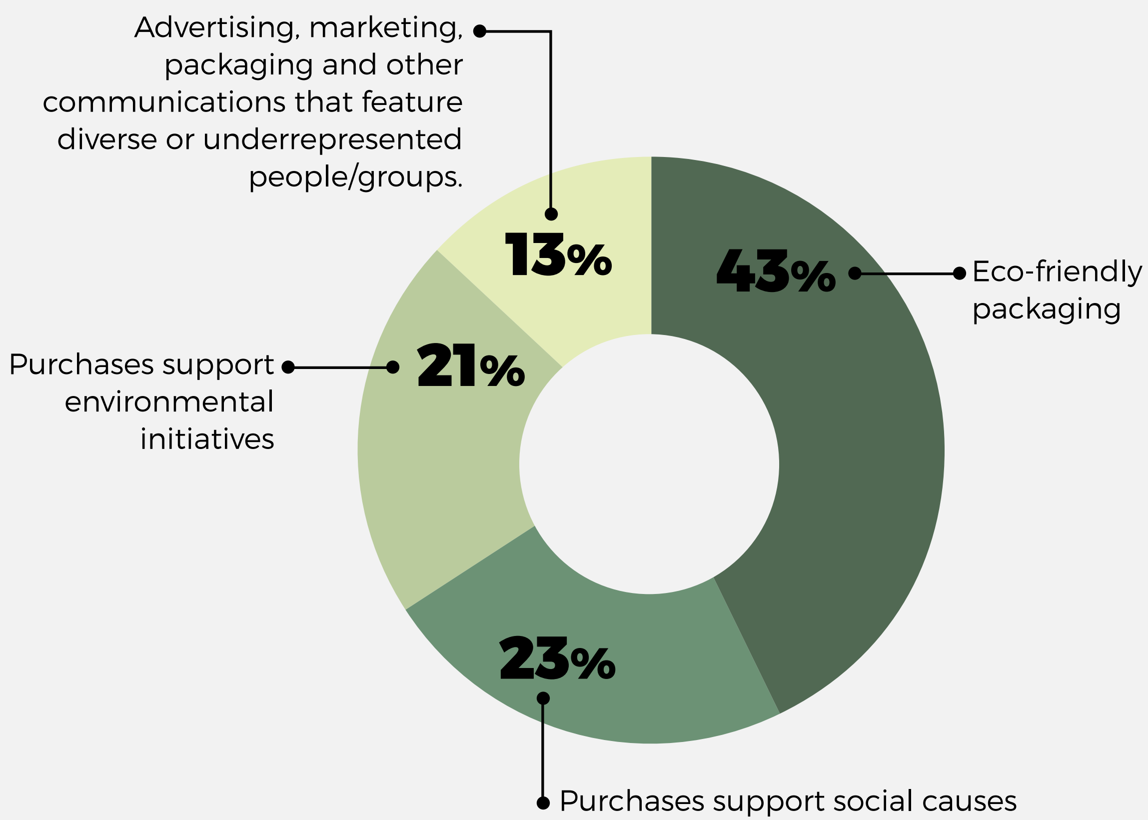
Shopping Category	Region	Age Group
Sporting Goods: **53%**	New England: **49%**	18-29: **57%**
Cleaning Products: **50%**	Mid-Atlantic: **47%**	30-44: **46%**
Tools/Home Improvement & Beauty/Cosmetics: **49%**	Pacific: **46%**	45-60: **45%**

The younger the shopper, the higher the rate of signing up for refill services to support the environment/reduce waste.



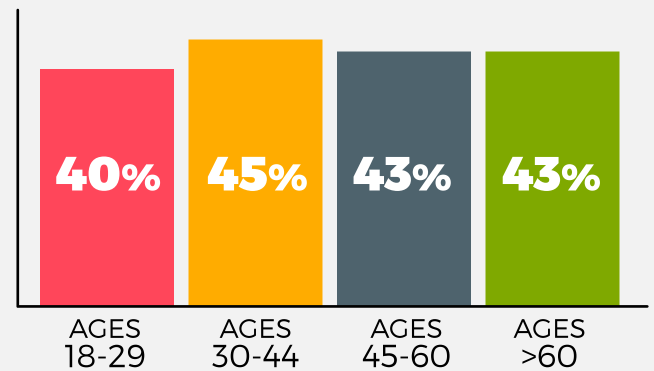
The best way to be a conscious brand depends on the customer.

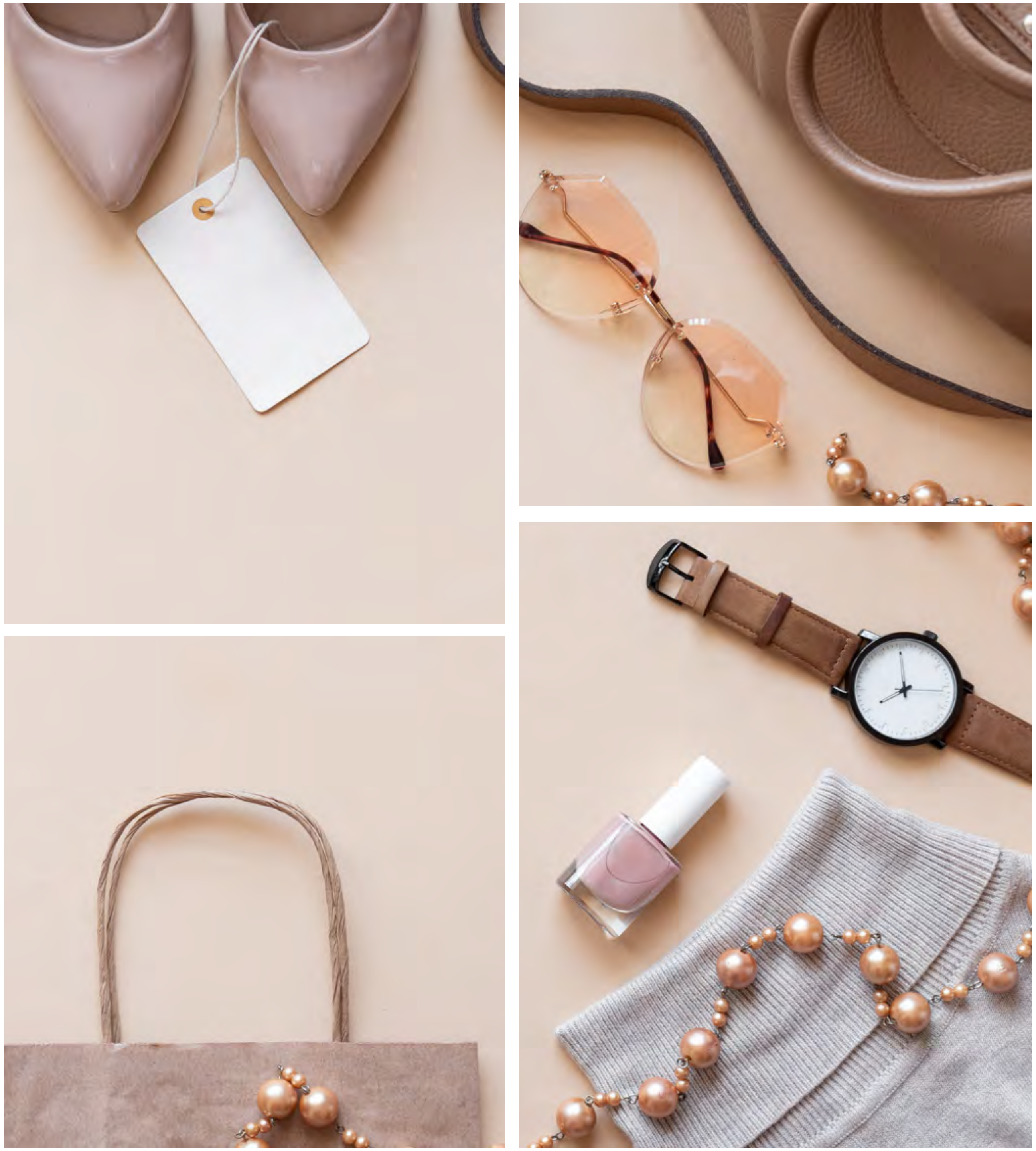
"What is the factor that plays the biggest role when deciding who to give your business to?"



Only two shopper categories prioritize social causes over environmental initiatives:
Pet Products & **Tools/Home Improvement**

Consumers 30-44 most frequently reported a **company's commitment to eco-friendly practices plays the biggest role** in deciding who to give their business to.





Luxury Shoppers

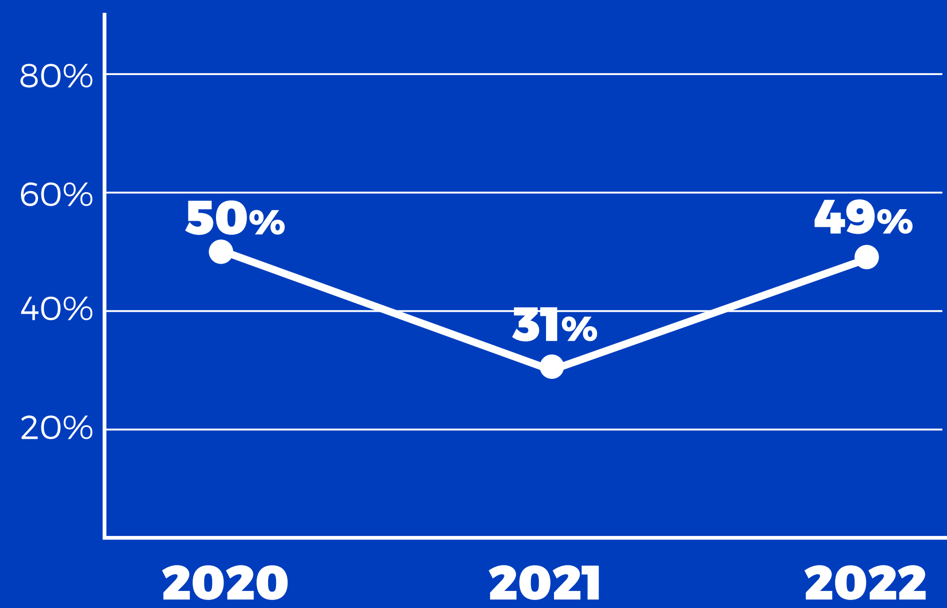
Luxury Purchases Lead the Way in E-commerce

KEY TAKEAWAYS

- ***Luxury purchases have rebounded.***
- ***Younger shoppers are more indulgent.***
- ***'Free' goes far with Luxury Shoppers.***
- ***Luxury Shoppers keep a keen eye on the environment.***
- ***Premium packaging goes hand in hand with luxury purchases.***

Luxury purchases have rebounded.

Consumers who reported purchasing luxury cosmetics, apparel, or accessories online:



Online purchases of accessories surge.

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

In 2021:

1 Clothing 85%

2 Electronics & Beauty/Cosmetics 66%

3 Cleaning Products 61%

In 2022:

1 Clothing 89%

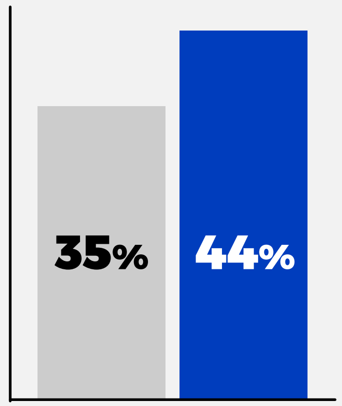
2 Accessories 72%

3 Beauty/Cosmetics 69%

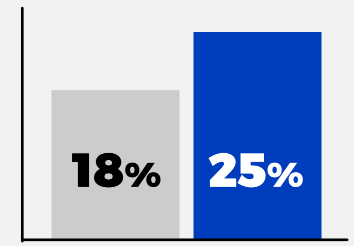
All shoppers' behavior follows a similar path, Luxury Shoppers simply do more.

All Shoppers Luxury Shoppers

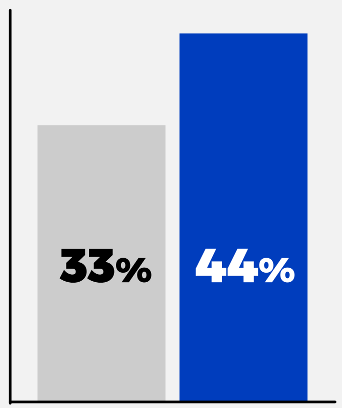
Shoppers who have signed up for one or more subscription services:



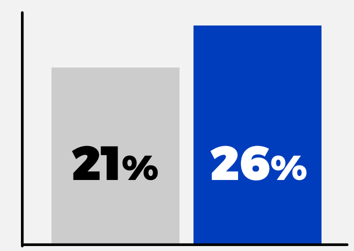
Shoppers who have signed up for refill services to support the environment/ reduce waste:

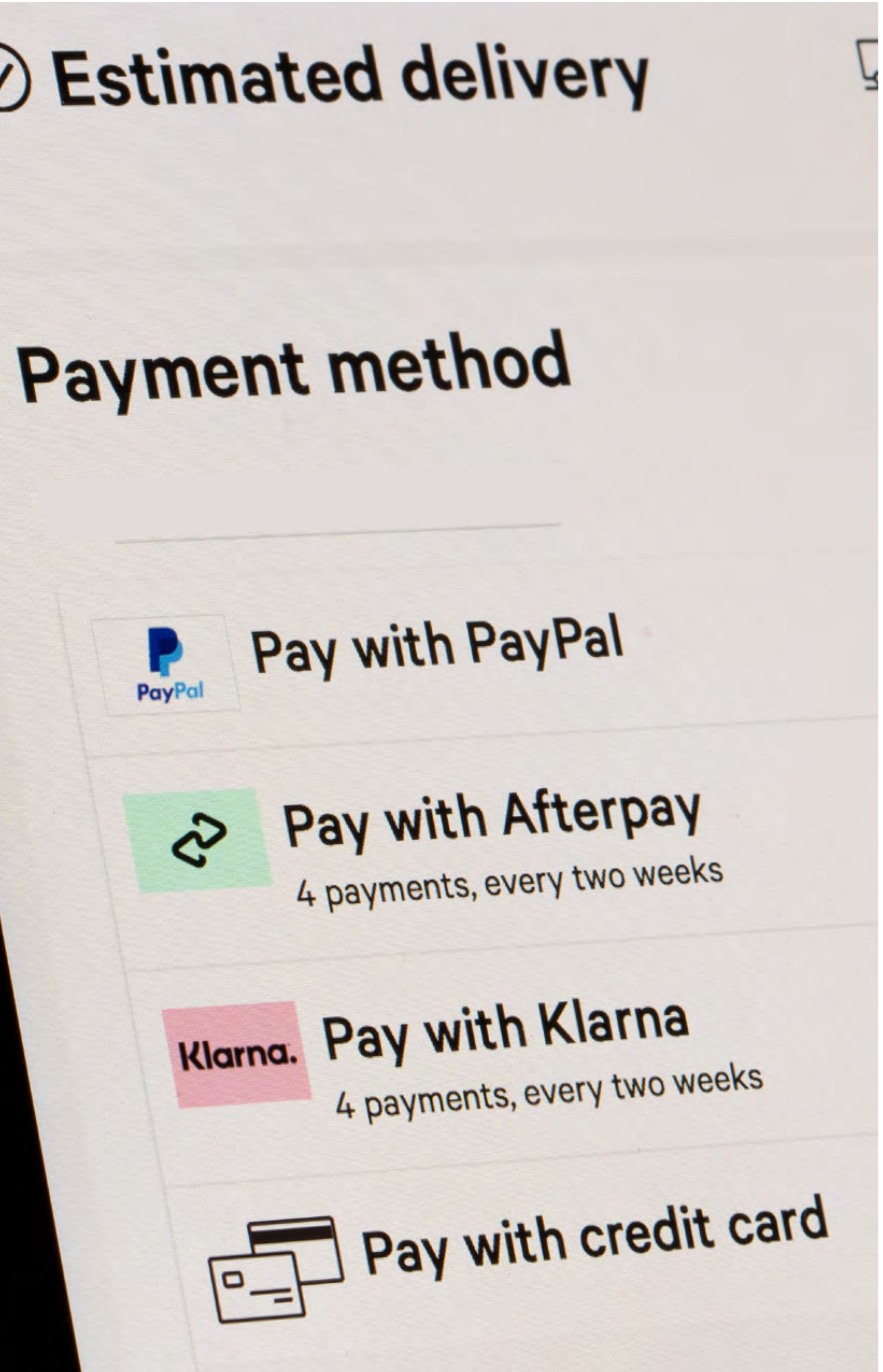


Shoppers who utilized local delivery apps/ services:



Shoppers who have made more purchases from brands that support charitable initiatives:





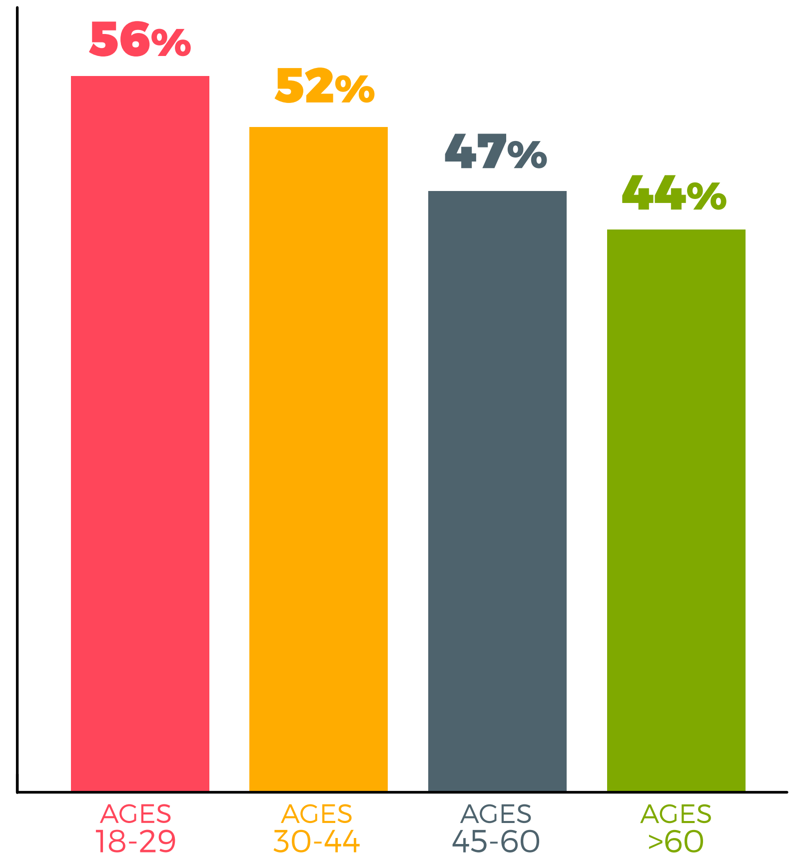
Alternative payment options are appealing to Luxury Shoppers.

Which of the following options would you ***most prefer to have available to you at checkout?***

Pay with points/rewards. **59%**	Split payments across multiple payment methods. **20%**
Buy now pay later. **19%**	Pay with cryptocurrency. **2%**

Younger shoppers are more likely to treat themselves.

The rate of luxury purchases decreased with age.

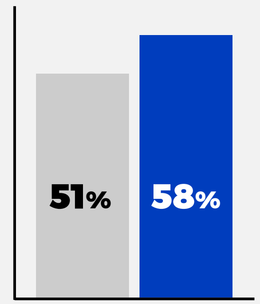


‘Free’ goes far with Luxury Shoppers.

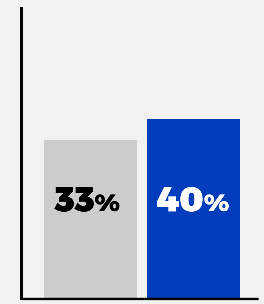
80% of Luxury Shoppers added more items to their online shopping cart in order to qualify for free shipping.

Views on Returnless Refunds:

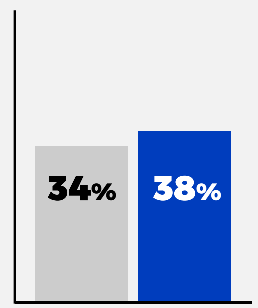
“It made me want to shop with the brand again.”



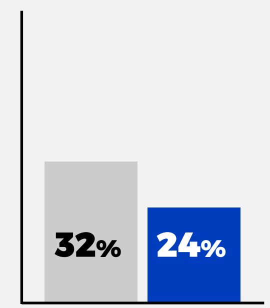
“Eliminating return shipping made me feel like the brand cares about the environment.”



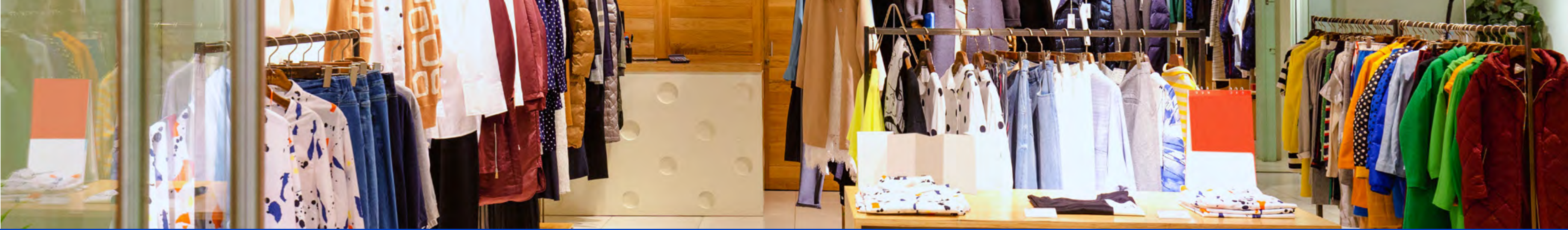
“It encouraged me to donate unwanted items.”



“I have not experienced returnless refunds.”



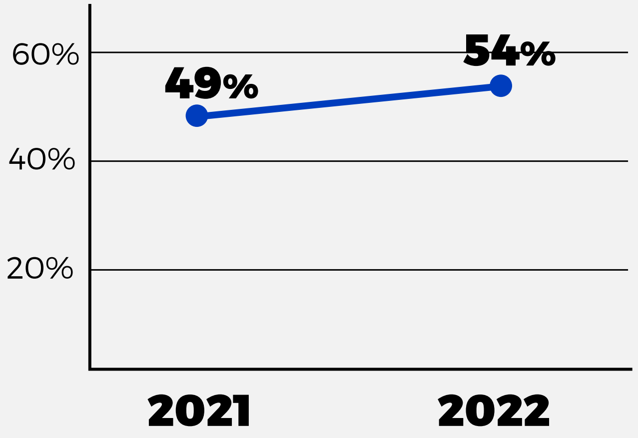
All Shoppers Luxury Shoppers



Luxury Shoppers keep a keen eye on the environment.

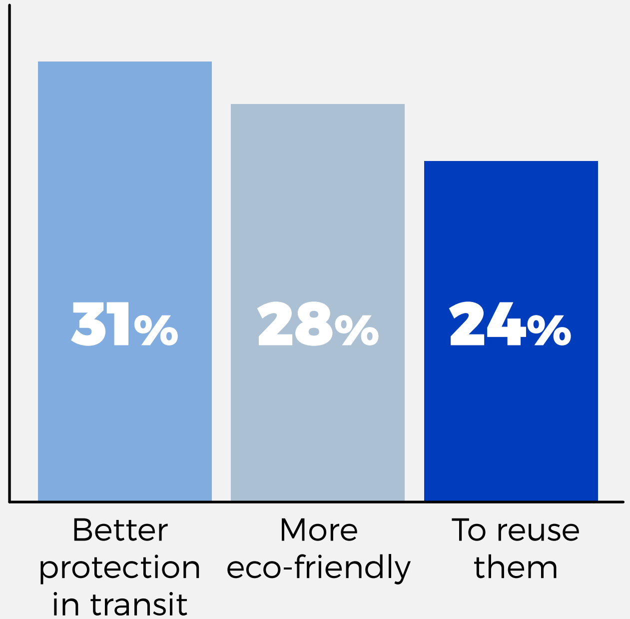
A circular economy is growing in popularity for luxury consumers.

54% purchased products or subscribed to services that support a circular economy. *(+5% YOY)*

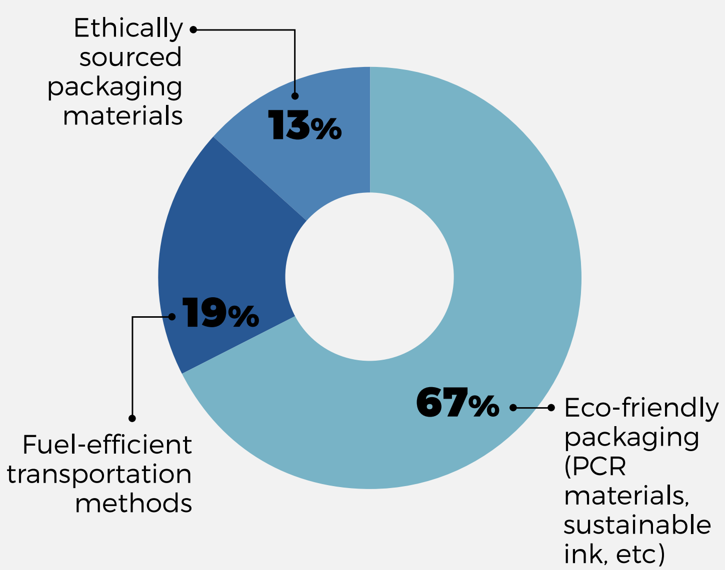


Luxury Shoppers prefer to receive orders in boxes vs. poly bags.

Here's why:



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



Clothing, home goods, and accessories are Luxury Shoppers' top in-store picks.

"If you have the option to buy an item online or in-store at the same price, which of the following would you prefer to buy in-store?"

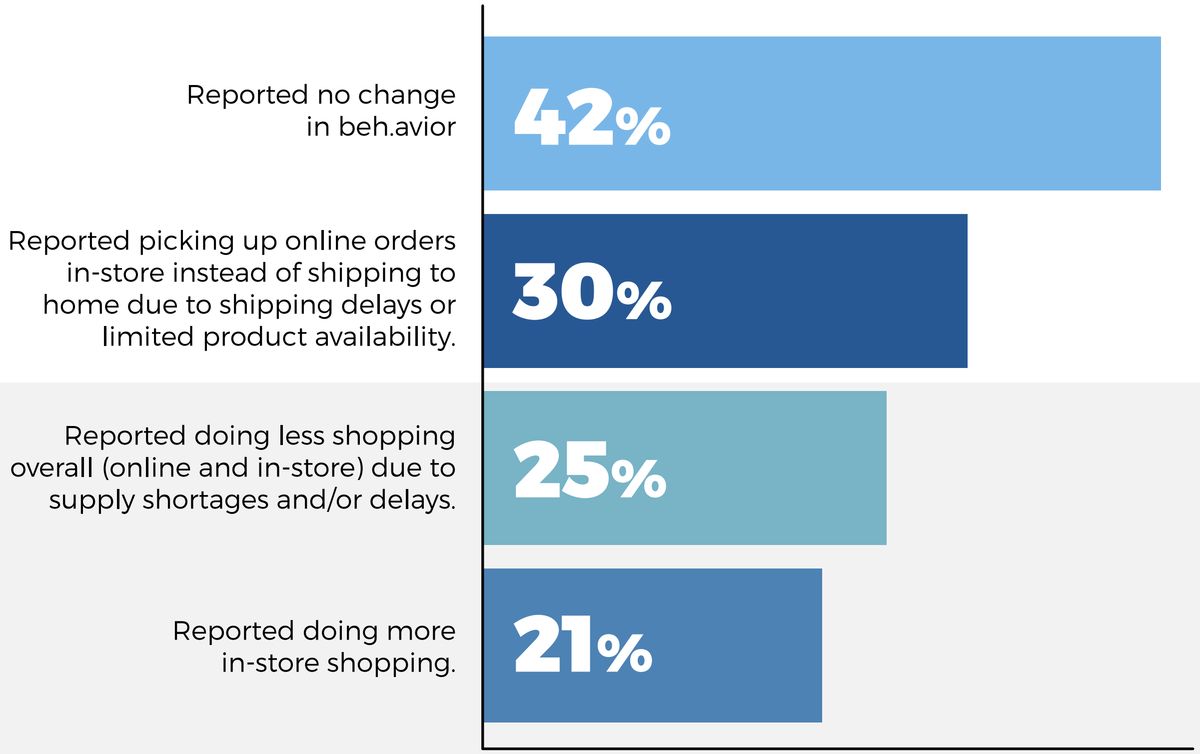
1. Clothing 73%

3. Home Goods 43%

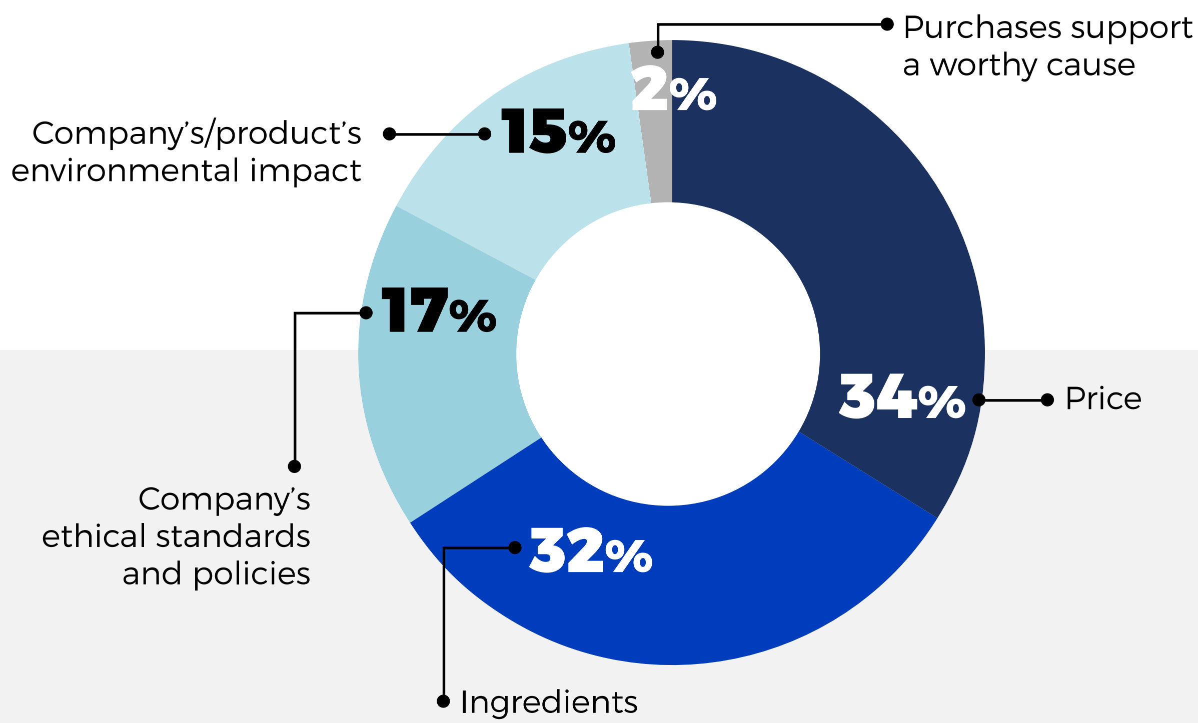
3. Accesories 40%

Luxury Shoppers are feeling the aftermath of the 'new normal.'

"How has your shopping behavior changed as a result of 'the new normal?'"

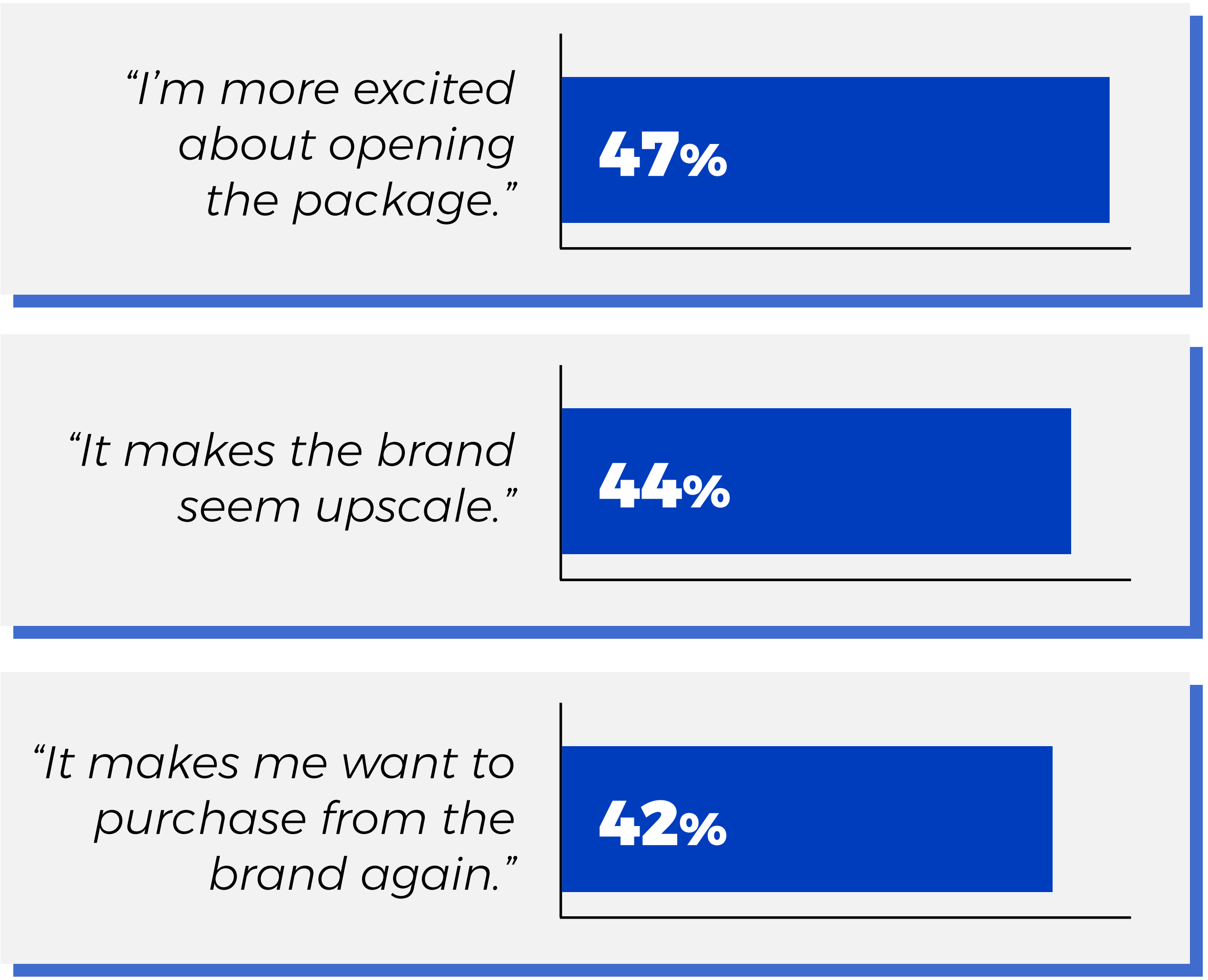


Factors that influenced beauty product purchases by luxury consumers.

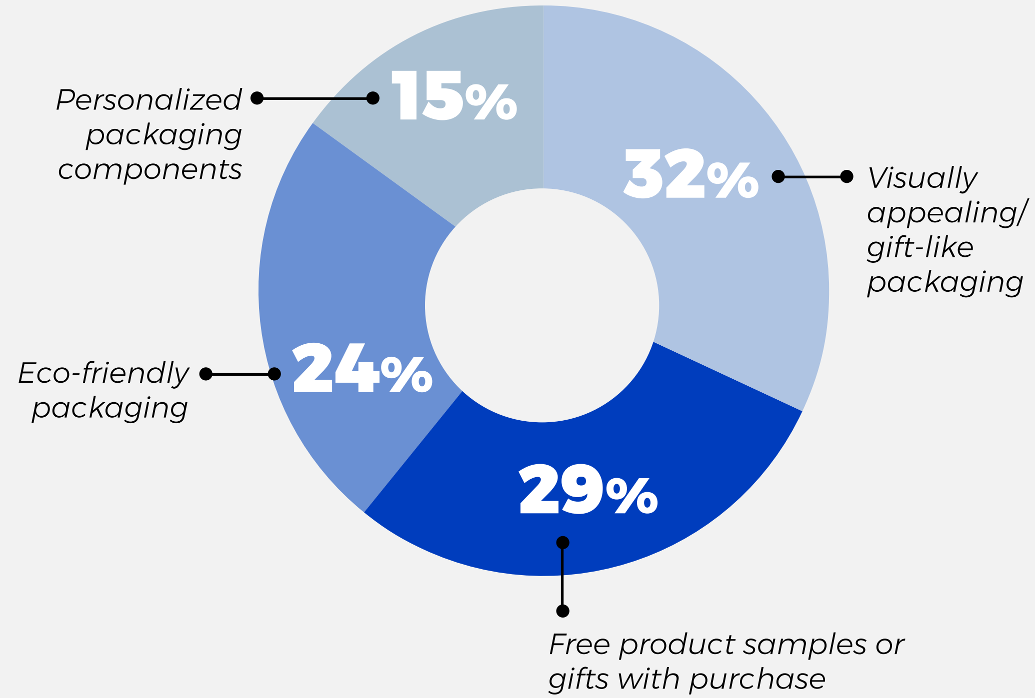


Luxury Shoppers want luxury packaging.

"When you are provided with a premium packaging experience how does it affect your feelings about a brand?"



Factors most likely to encourage Luxury Shoppers to post photos or videos showcasing a package they received from a company:



Premium packaging yields positive experiences.

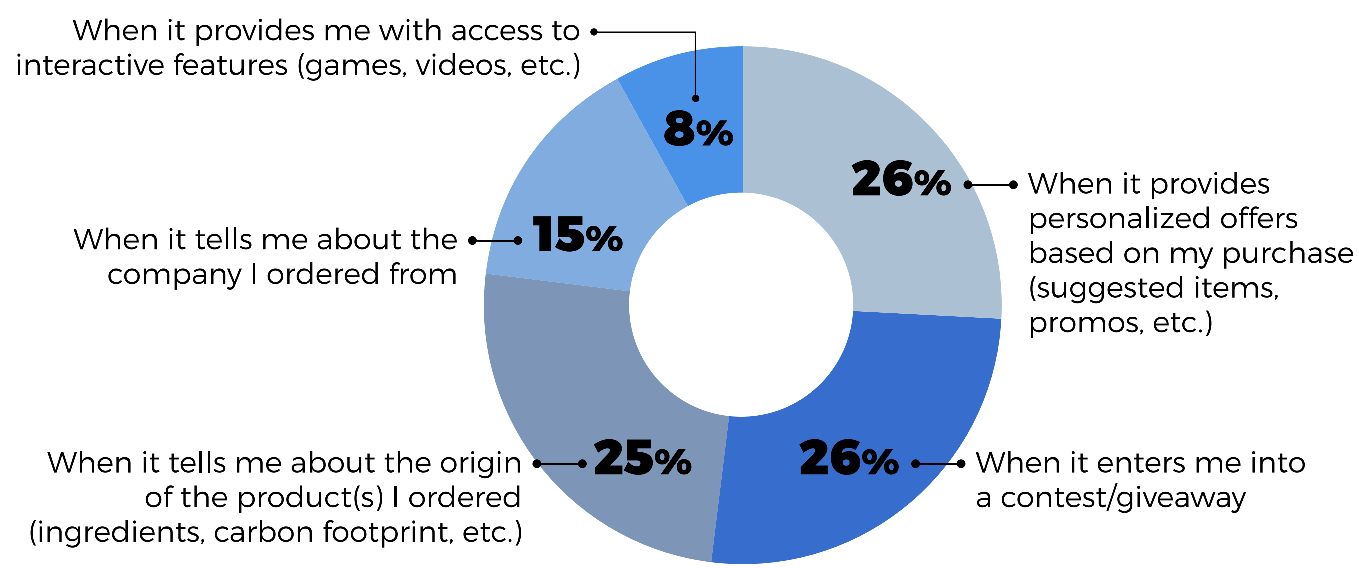
When thinking about the experience of opening a package ordered online, the **factors MOST likely to make Luxury Shoppers want to shop with the same brand again are:**

1. Coupons, discounts or credit toward a future purchase: 29%

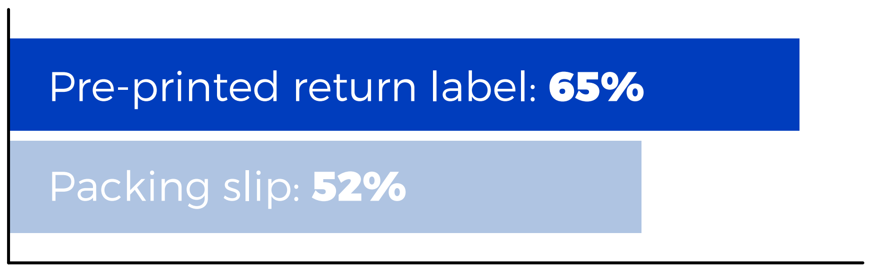
2. Free product samples: 28%

3. Sustainable packaging: 26%

What motivates consumers to scan a QR code?



Items luxury consumers want included with their online orders:



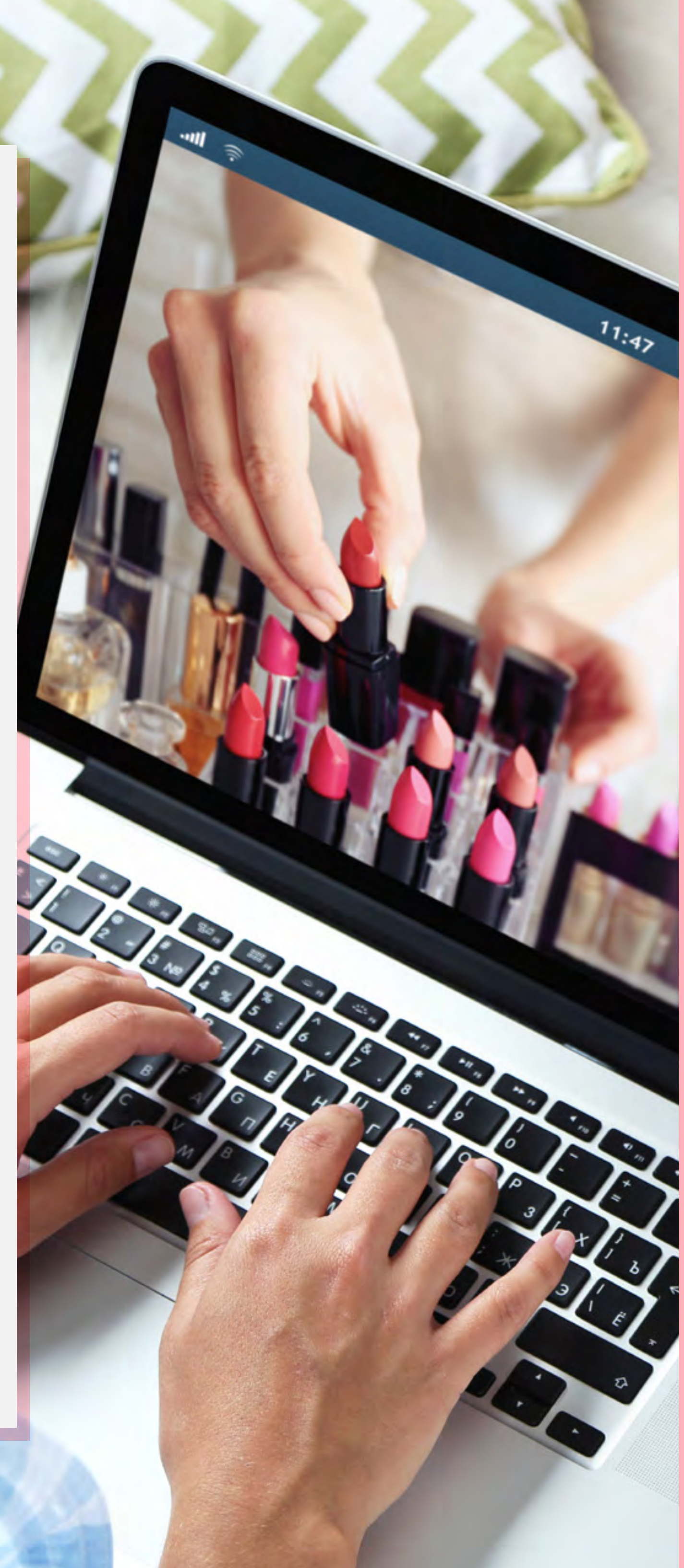
**20% say they can get everything they need online*

Beauty Consumers

Where Cost-Conscious and Eco-Friendly Intersect

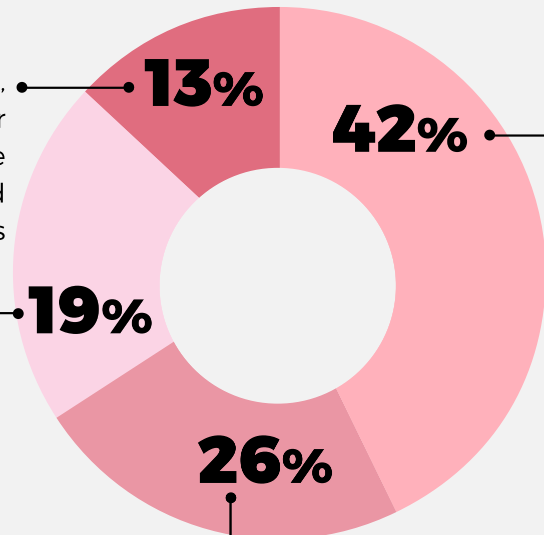
KEY TAKEAWAYS

- ***Beauty Shoppers choose brands that support a cause.***
- ***Subscription services and local delivery are winning Beauty Shoppers.***
- ***Free shipping and loyalty programs yield more customers.***
- ***Consumers prefer purchasing beauty products directly from brands.***
- ***Coupons, samples and sustainable packaging drive more purchases.***



Beauty Shoppers choose conscious brands.

Factors that played the biggest role for Beauty Shoppers when deciding who to give their business to:



13% — Advertising, marketing, packaging and other communications that feature diverse or underrepresented people/groups

42% — Eco-friendly packaging *(sustainable packaging, ethical sourcing, fuel-efficiency, etc.)*

19% — Purchases support environmental initiatives *(planting trees, cleaning bodies of water, donating to environmental charities, etc.)*

26% — Purchases support social causes *(assisting marginalized communities, donating to charities, supporting social/racial/diversity justice, etc.)*

Beauty/cosmetics consumers **prioritize purchases that support social causes** more than any other category of shopper.

Almost half of Beauty Shoppers also purchased products or subscribed to services that **support a circular economy.**

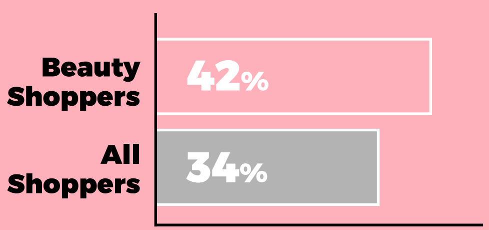
"When **shopping for cosmetic/beauty products,** which of the following factor plays the biggest role in your decision to purchase?"

38% **Price**
32% **Ingredients**
15% **Company's ethical standards and policies**

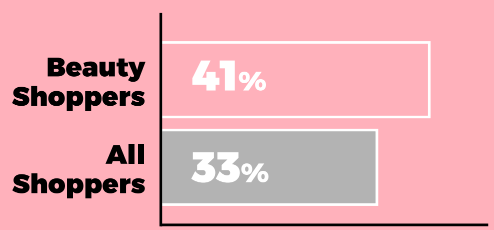
Subscription services and local delivery apps are winning Beauty Shoppers.

Subscription services and local delivery apps have become more popular among all consumers, but more so with Beauty Shoppers.

"I have signed up for one or more subscription services."

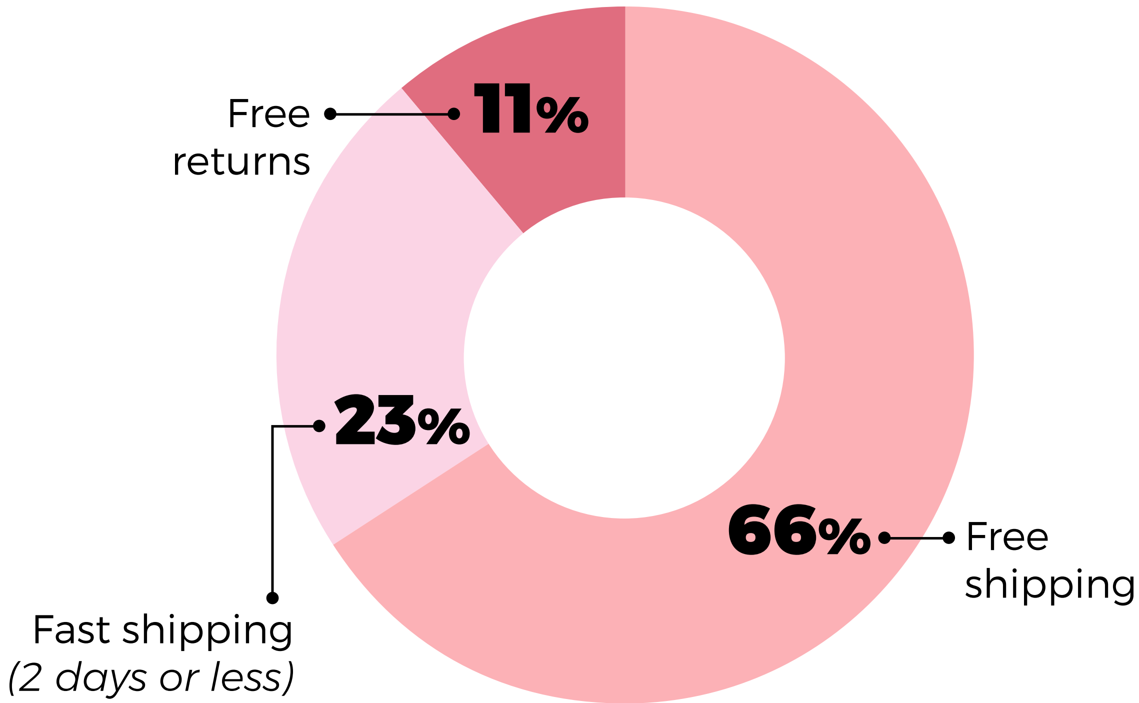


"I have utilized local delivery services to get items faster."

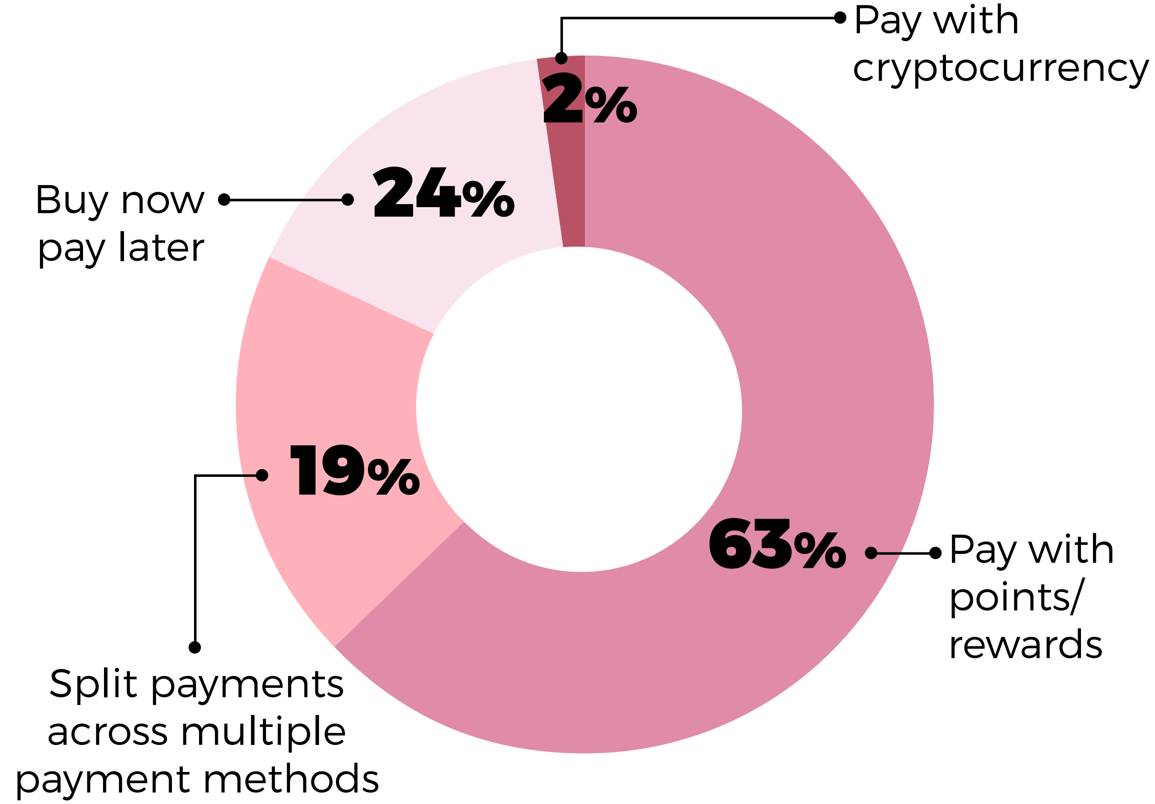


Free shipping and loyalty programs yield more customers.

"What factor plays the biggest role when deciding where you make an online purchase?"



"Which of the following payment options would you most prefer to have available to you at checkout?"



Consumers prefer purchasing beauty products directly from brands.

39%

Directly from brand (website or physical store)

32%

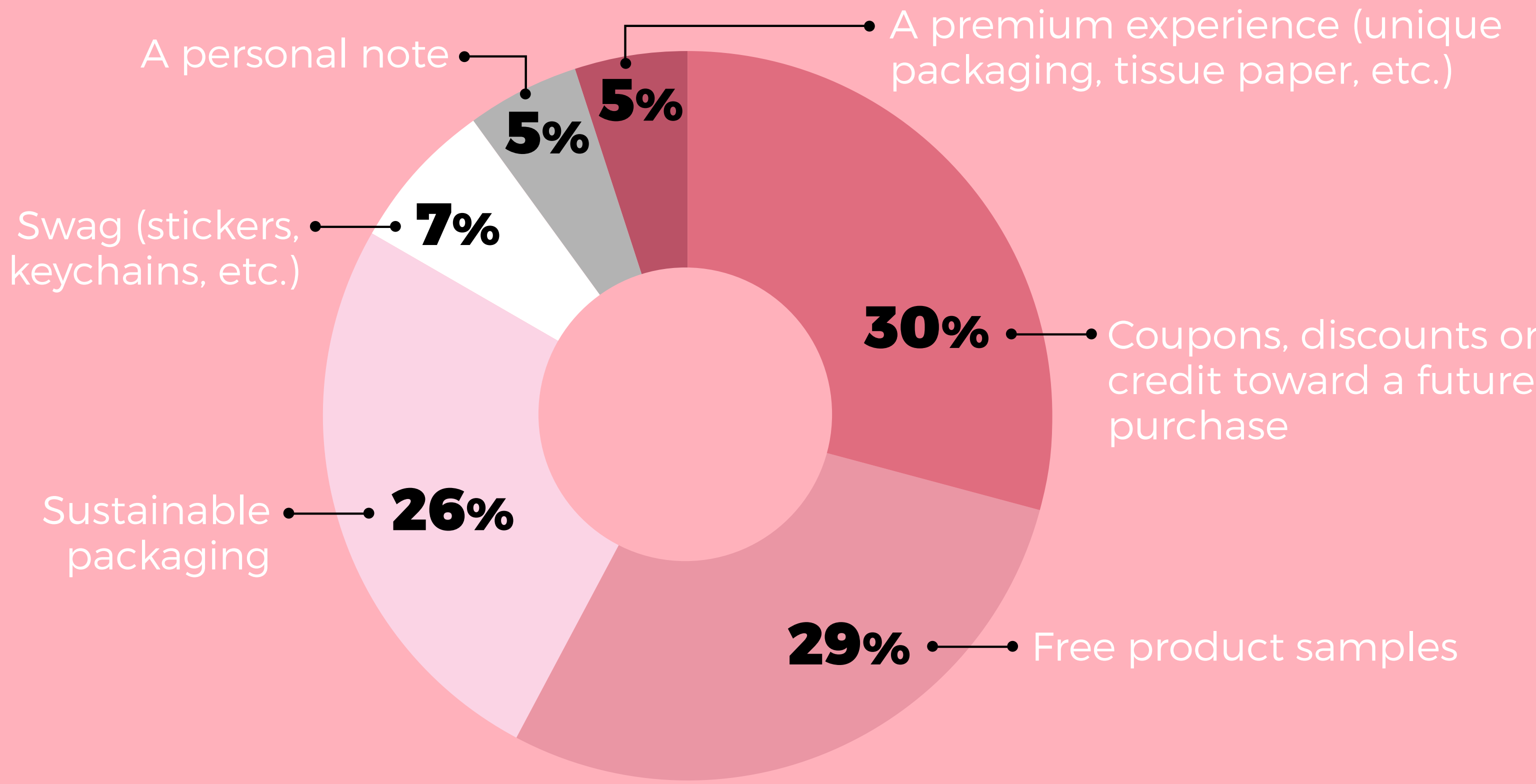
Amazon or another online marketplace

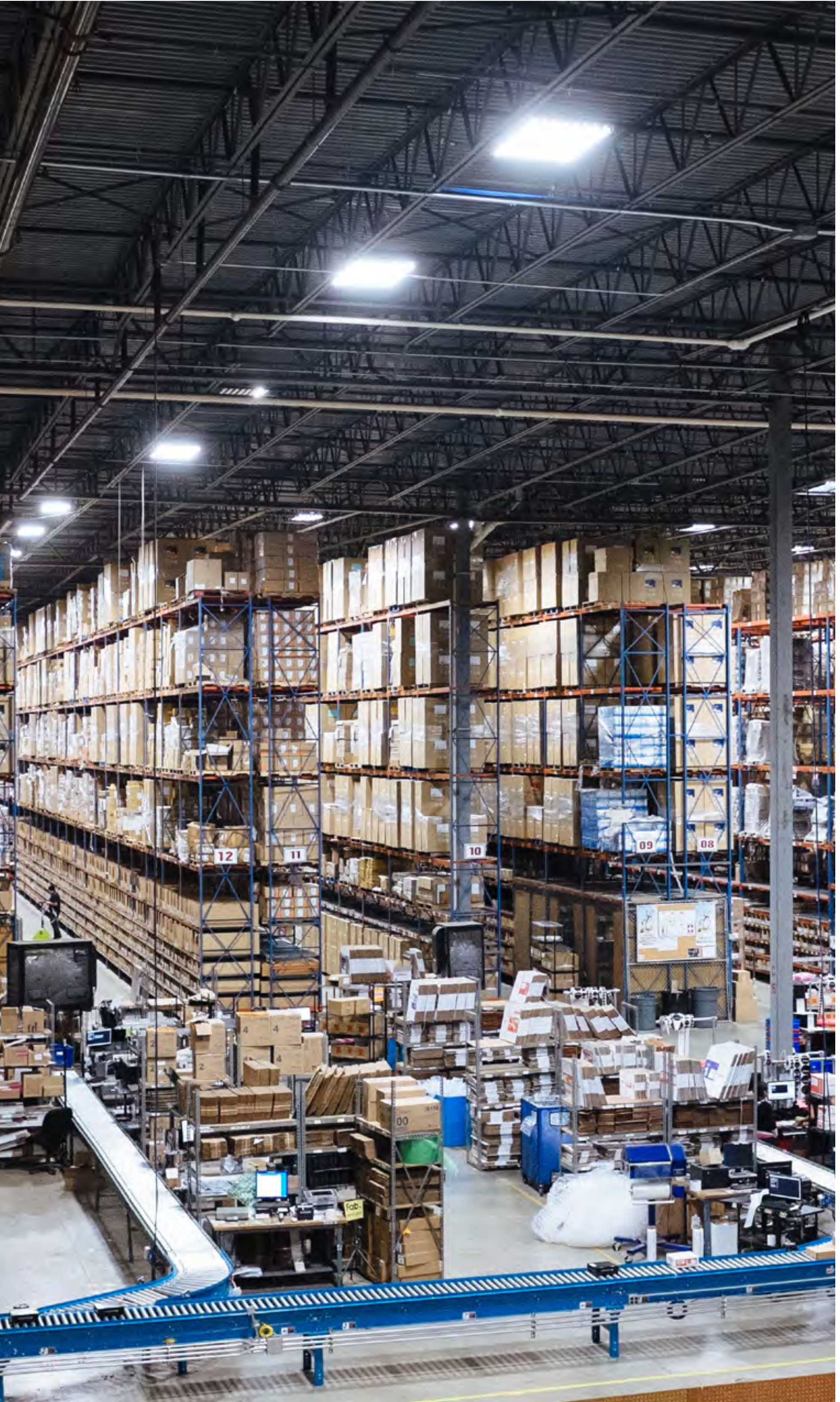
23%

Department/convenience store

Coupons, samples and sustainable packaging drive more beauty purchases.

"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?"





ABOUT DOTCOM DISTRIBUTION

Dotcom Distribution (Dotcom) is a premier provider of B2C and B2B fulfillment and distribution services. Located near New York City, Dotcom supports e-commerce and omnichannel solutions for brands. Having serviced 125+ clients during the past 20+ years, Dotcom provides fulfillment, production, assembly, and kitting services for luxury and lifestyle brands in the beauty, fashion, and other specialty industries. Some of our past and current clients include names like Vineyard Vines, Birchbox, Kenneth Cole, DevaCurl, Bliss, SuperGoop!, Roller Rabbit, NaturesPlus, and SiriusXM Radio.

Brands partner with Dotcom to provide a superior omnichannel experience to their end customers. Using a consultative approach, Dotcom nurtures emerging brands to become fully scalable and successful. Dotcom leverages the latest technology and enables its clients to make data-driven decisions through its suite of business intelligence and tools.

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CONNECT WITH US

METHODOLOGY

In March 2022, Dotcom Distribution surveyed 1,150 online shoppers about behavior, preferences, experiences, and expectations pertaining to their e-commerce activity from 2021 to 2022 and looking ahead to the future. Subject matter comprised purchasing behavior, packaging, shipping, returns, omnichannel experience, sustainability, and supply chain issues. This survey was implemented on behalf of Dotcom Distribution through SurveyMonkey.

Gender breakdown of respondents:

Male: **47%**

Female: **53%**

Age breakdown of respondents:

18-29: **12%**

30-44: **33%**

46-60: **29%**

>60: **26%**

Regional breakdown of respondents:

New England: **6%**

Middle-Atlantic: **16%**

East North Central: **15%**

West North Central: **7%**

South Atlantic: **18%**

East South Central: **3%**

West South Central: **9%**

Mountain: **8%**

Pacific: **18%**