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Consumer Trends in the United States

What are the top factors influencing consumers' purchasing decisions in 2022?



parcelmonitor community

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01 About the Report

What to Expect

The United States (US) is home to the second-largest e-commerce market in the world, not far behind Japan and China. In fact, the country's **e-commerce sales in the third quarter of 2022 alone hit $251.7 billion**, accounting for about **14.8% of total retail sales**. With this in mind, let us delve deeper into the consumer trends and peak season preferences of US consumers in 2022!

Data Methodology

The surveys were conducted by Rakuten Insight Global in the months of April and October 2022. The first survey contained 4 questions, each of which provided valuable insight into consumer preferences regarding return policies. There were more than 65,000 participants from 7 markets, namely Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, and the United States.

The second survey comprised 6 questions, each of which revealed important information on consumer behavior associated with peak season shopping in 2022. The team distributed the questionnaire to 45,512 shoppers across 7 different markets: Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, and the United States. The sample consisted of 66% females and 34% males.



Data Source: Rakuten Insight

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02 Post-Purchase Landscape in the United States

The “post-purchase” is an essential, yet often overlooked, stage of the e-commerce customer journey. With **repeat customers accounting for 40% of an average store’s revenue**, it’s important to have a strong post-purchase strategy in place to drive repeat engagement, encourage referrals, and generate more revenue.

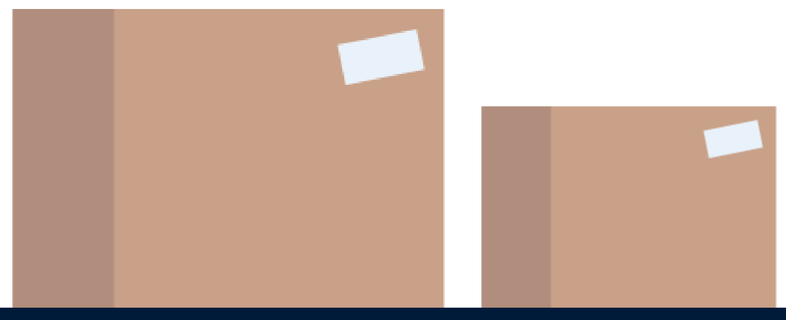
The post-purchase landscape in the United States (US) is constantly evolving, driven by changes in consumer behavior and technological advancements. The rise of e-commerce has made it possible for customers to receive their purchases quickly and easily, and this has created new challenges and opportunities for businesses operating in the post-purchase space. Today, **the majority of customers expect their purchases to arrive within a few days of ordering**, and they expect a seamless and convenient return process if they are not satisfied with their purchase.

74%

would not recommend merchants with a smooth buying process but poor delivery experience

In response to these changing expectations, many businesses have implemented new technologies and processes to optimize their post-purchase operations. For example, many retailers now offer **free shipping and free returns** as a standard part of their business model. Additionally, many retailers have invested in **shipment visibility and delivery notifications**, allowing customers to track the progress of their deliveries in real-time and receive notifications when their purchases are out for delivery or have been delivered.

Despite these advancements, the post-purchase landscape remains a challenge for many businesses. Shipping and delivery issues, such as lost or damaged packages, are still a common problem, and many retailers struggle to find **the right balance between cost, speed, and convenience**. To succeed in this competitive landscape, businesses must continuously monitor and adapt to changing customer expectations and industry trends.



References:
“What is a Repeat Customer and Why are they Profitable?," Alex McEachern 2021
“Parcel Monitor x Rakuten Insight Survey (October),” Rakuten Insight Global 2022

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03 Are Product Returns a Necessary Evil?

Returns are the new normal in the retail industry. Whether it was a simple change of mind, a defective item, or unsatisfactory customer service, shoppers have returned their purchases for a variety of reasons. According to a new projection from the National Retail Federation, the **retail return rate for 2022 was around 16.5%** – not far from the 16.6% experienced in 2021. The rates tend to be even higher for companies that solely rely on e-commerce sales or worse, offer free shipping for returns.

Top reasons for returning online purchases in the US



According to Rakuten Insight, the main reasons why the US consumers return their online purchases are product-related; **62% said their items were damaged or defective** when arrived; **61% revealed the item did not fit them;** and **48% said the items did not match the product descriptions online**. Comprehending the rationale behind product returns can allow retailers to develop policies that can keep their return ratios in check, whilst reducing the risk of friendly fraud chargebacks.

References:
"2022 Retail Returns Rate Remains Flat at $816 Billion," National Retail Federation 2022
"Parcel Monitor x Rakuten Insight Survey (April)," Rakuten Insight Global 2022

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03 Are Product Returns a Necessary Evil?

Postal service and drop-off locations appear to be the two most popular modes of returns in the US. In the same survey, **19% of consumers indicated their preference to return in-store** while **16% would rather "receive a refund without returning the item"**.

Returnless refunds is a relatively new concept that seeks to reduce friction and additional expense associated with returns. On top of **eliminating the hassle of going through the lengthy returns process**, returnless refunds would also mean **a shorter time to resolve product issues**, which will in turn **boost customer satisfaction** in the long run.

Preferred mode of returning online purchases



What do US consumers look for in a returns policy?

76% of consumers look for free shipping for returns

85% are more willing to make repeat purchases or purchase more items if free returns was available

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03 Are Product Returns a Necessary Evil?

When asked what their ideal returns policy would comprise of, an overwhelming **majority of the US participants (76%) answered "free shipping**". In fact, **54%** of them also said they **would be willing to buy more items** and **31% would come back for repeat purchases** if free returns were offered.

In the meantime, **40%** of the same surveyed group **preferred cash refunds** over store credits or vouchers; **36% found status updates** for parcel returns **desirable –** be it via email or SMS notifications; **35% wanted drop-offs or exchanges in-store**; and **30% would like the availability of a return pick-up service** from residential addresses.

Top factors consumers look for in a returns policy



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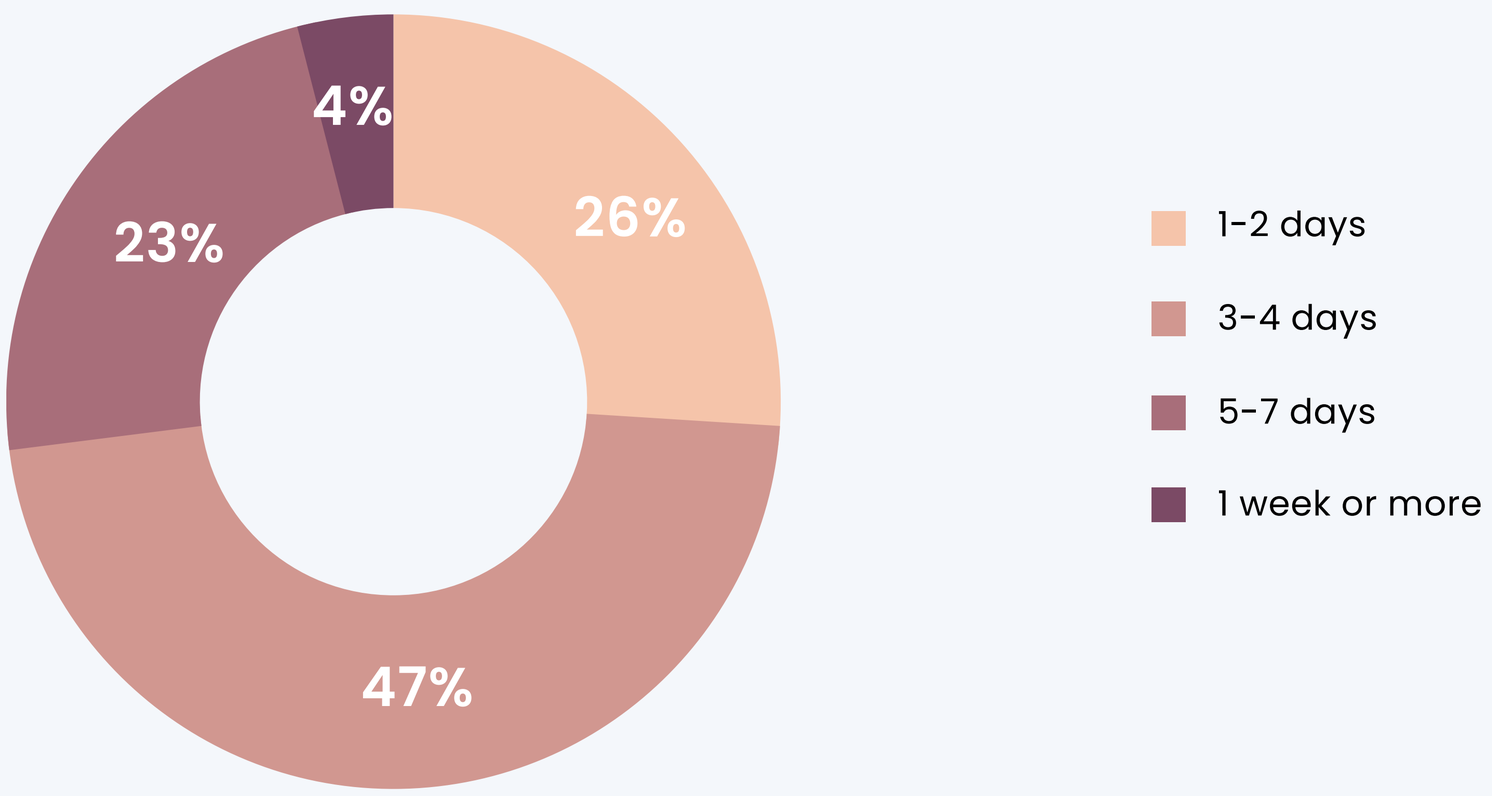


04 Consumer Preferences During Peak Season

In the United States, e-commerce marketplaces are an increasingly popular way of shopping, with **Amazon alone attracting over 5.6 billion customer visits** on average every month in 2022. Having said that, **78% of US consumers planned to shop both online and in brick-and-mortar stores for the most recent peak season**, according to Rakuten Insight.

A timely delivery of purchased goods becomes all the more important during the holiday season. For **nearly half (47%)** of the US respondents, **anything more than 3-4 days of delay after the estimated delivery date (EDD) is unacceptable.** Only about 4% of the group would tolerate a delay period of over a week.

Acceptable Days of Delay from EDD During Peak Season



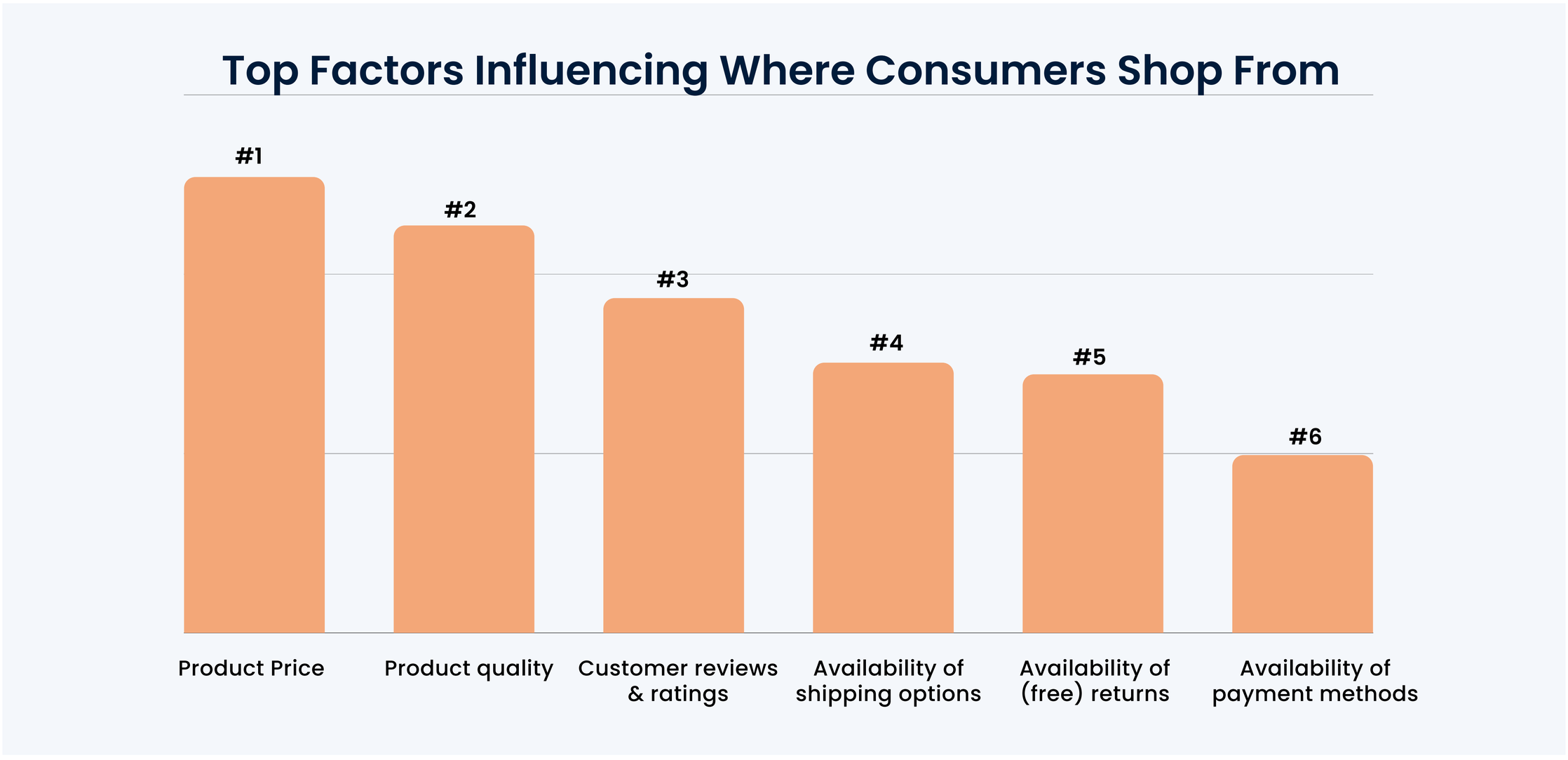
References:
"Amazon Rules Online Marketplace With 5.6 Billion Monthly Visits," Business Today 2022
"Parcel Monitor x Rakuten Insight Survey (October)," Rakuten Insight Global 2022

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04 Consumer Preferences During Peak Season



During peak season last year, **product price, product quality, and customer reviews & ratings** were the top 3 factors influencing where the US consumers shopped from. Meanwhile, the majority of US shoppers listed **hidden shipping costs (68%), bad customer service (64%), and long shipping times (55%)** as the top 3 factors that would deter them from patronizing the same store again.



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05 About Parcel Monitor

An E-Commerce Logistics Community

Initiated by e-commerce logistics enthusiasts at Parcel Perform, Parcel Monitor is a community that aims to inspire the e-commerce logistics ecosystem to create a better delivery experience for everyone.





For Industry Professionals

E-commerce logistics professionals leverage our data and resources to derive market insights while forming meaningful collaborations across the entire industry.

For Consumers

Millions of consumers rely on Parcel Monitor's free parcel tracking to monitor the status of their parcels across 950+ carriers globally on a single platform.



Our Story

Parcel Monitor was launched in 2016 as a free parcel tracking platform out of our belief that everyone deserves an outstanding delivery experience. We capture consumer trends, provide market visibility, and derive data insights while fostering collaboration across the entire e-commerce logistics industry.

Whether you are a retailer seeking inspiration from fellow e-commerce businesses, or a professional wanting to pursue in-depth knowledge on specific topics (e.g. cutting-edge retail & logistics technologies and top customer retention strategies), Parcel Monitor has something for everyone.

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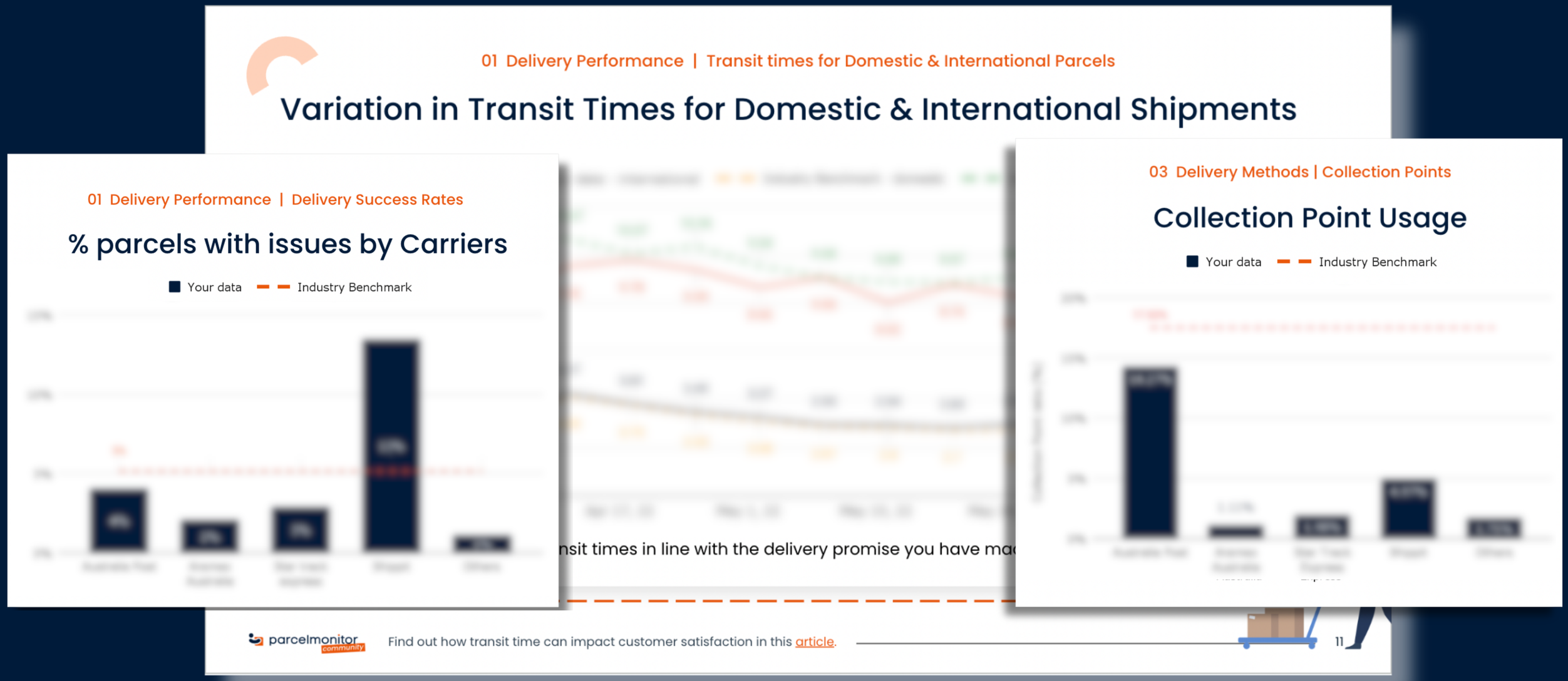
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06 Improve Your Customer Experience with Us

Parcel Monitor's Benchmarking Report measures your end-to-end logistics experience and compares it with 1,015+ carriers globally and billions of parcel tracking updates.

With these industry benchmarks, find out how to create the best post-purchase experience by learning from the top players in your market.



What's in your customized report?

Make data-driven decisions and discover growth opportunities with:

- ✓ Peak season performance benchmark
- ✓ Shipment transit times
- ✓ Delivery success rates
- ✓ Delivery issues
- ✓ Collection point usage...and more!

Request for Customized Report