Introduction

High-tech purchaser profiles

Hyper Connected
Move the needle on mobile
Social shoppers
Highly engaged

Convenience-Centric
Leverage the store in their experience
Want simple returns
Use alternate delivery locations

Conclusion Methodology

Explorers
Look to multiple sources
Look for deals
High-tech online purchasers are plugged in across all stages of the shopping experience—from research and purchase to delivery and returns. They are a distinctive group of shoppers whose shopping preferences and habits differ in many instances from non-high-tech purchasers. In fact, high-tech online purchasers are a lot like the high-tech industry: they are hyper connected across devices and social channels; they are explorers, always seeking more information; and they are convenience-centric.

The 2016 UPS How to Click with High-Tech Online Shoppers study is designed to uncover high-tech online purchasers’ unique preferences and behaviors. For the purposes of this study, a high-tech online purchaser is defined as someone who purchased a computer, consumer electronic device, mobile phone or wearable device online. Findings provide valuable insights for companies to understand what gets high-tech consumers “charged” and ultimately to deliver a better customer experience.

The study looks at the following factors’ influence on shopper behaviors and purchasing decisions:

› Mobile device and social media usage
› Deals, promotions and recommendations
› Role of the store
› Third-party resources such as marketplaces
› Alternate delivery locations
› Shipping and returns options
High-tech purchaser profiles

**HYPER CONNECTED**
Always online, heavy users of mobile and frequent users of social media in the shopping experience

**EXPLORERS**
On the hunt for choices, convenience and deals, and look to multiple sources of information to guide purchasing decisions

**CONVENIENCE-CENTRIC**
Embrace the store as part of the shopping experience, look for easy returns and convenient delivery options
Move the needle on mobile

High-tech purchasers use mobile devices at every touch point of the shopping experience:

- Researching products
- Checking store inventory
- Using a retailer’s mobile app
- Purchasing products
- Tracking deliveries

Compared to non-high-tech purchasers, high-tech purchasers use smartphones to research (52% vs. 36%) and purchase (42% vs. 27%) more than their counterparts.

More high-tech purchasers made purchases on their smartphones in 2016 (42%) than in 2015 (38%). Not only are they shopping more on mobile devices, they are more satisfied: 73% of high-tech purchasers cite satisfaction with the smartphone shopping experience this year.
Social Shoppers

High-tech purchasers are more likely than non-high-tech purchasers to use social media in general. Beyond their personal use of social channels, high-tech purchasers use social media to:

- Follow retailers
- Influence purchase decisions
- Make actual purchases
- Express dissatisfaction
  - 28% say they would post a photo on social media when dissatisfied with a brand or product versus 17% of non-high-tech purchasers

In addition to being heavy users of social media, high-tech purchasers also are strongly influenced by reviews. In fact, 61% of high-tech purchasers rate consumer/peer reviews as important in online product selection versus 55% of non-high-tech purchasers.

Social media use among high-tech purchasers

<table>
<thead>
<tr>
<th></th>
<th>Recent HT purchaser</th>
<th>Non/former HT purchasers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use social media in general</td>
<td>80%</td>
<td>74%</td>
</tr>
<tr>
<td>Follow retailers’ social media channels</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>Say social media influences purchase decisions</td>
<td>37%</td>
<td>32%</td>
</tr>
<tr>
<td>Have purchased from social media in the past year</td>
<td>25%</td>
<td>22%</td>
</tr>
</tbody>
</table>

66% of high-tech purchasers have one or more memberships in shopping loyalty groups, compared to 50% of non-high-tech purchasers.
Highly engaged

High-tech purchasers are highly engaged when it comes to online shopping.

• They are increasingly shopping more online versus shoppers that purchase non-high-tech items
  › On average, high-tech purchasers have made more online purchases in the past three months (54%) than non-high-tech purchasers (48%)

• They are also planning to shop “more” in the next year online across all devices and “less” in physical stores”

A consistent and connected shopping experience across channels and all digital devices is key for high-tech retailers.

Recent high-tech purchases by channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical store</td>
<td>49%</td>
<td>46%</td>
</tr>
<tr>
<td>Online</td>
<td>51%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Future shopping plans across multiple channels

Planning to shop more on devices:

- PC: 38% Recent HT purchaser, 27% Non/former HT purchasers
- Smartphone: 30% Recent HT purchaser, 20% Non/former HT purchasers
- Tablet: 28% Recent HT purchaser, 20% Non/former HT purchasers
Look to multiple sources for information

Marketplaces, customer ratings and search engines are the top three information sources that influence high-tech purchasers and non-high-tech purchasers. Using these channels, retailers can conduct broad marketing campaigns that reach both audiences.

Retailers can narrowly target high-tech purchasers through sources that skew much higher for high-tech purchasers than non-high-tech purchasers:

- 12-percentage point difference between the groups’ use of price comparison sites and social media channels
- 13-percentage point difference between the groups’ use of mobile advertising

### Top 5 Influences

<table>
<thead>
<tr>
<th>Source</th>
<th>Recent HT Purchaser</th>
<th>Non/Former HT Purchasers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketplaces</td>
<td>51%</td>
<td>41%</td>
</tr>
<tr>
<td>(Amazon, eBay, Newegg, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer ratings on retail websites</td>
<td>41%</td>
<td>48%</td>
</tr>
<tr>
<td>Search engines</td>
<td>39%</td>
<td>48%</td>
</tr>
<tr>
<td>(Google, Bing, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friends/personal network</td>
<td>32%</td>
<td>38%</td>
</tr>
<tr>
<td>Email from retailers</td>
<td>31%</td>
<td>36%</td>
</tr>
</tbody>
</table>

### Other Key Influences

<table>
<thead>
<tr>
<th>Source</th>
<th>Recent HT Purchaser</th>
<th>Non/Former HT Purchasers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>28%</td>
<td>36%</td>
</tr>
<tr>
<td>Price comparison sites</td>
<td>24%</td>
<td>36%</td>
</tr>
<tr>
<td>(Shopping.com, PriceGrabber, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct mail/catalogs</td>
<td>26%</td>
<td>34%</td>
</tr>
<tr>
<td>Online advertising</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>Social media</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>Blogs and news articles</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Mobile advertising</td>
<td>15%</td>
<td>28%</td>
</tr>
<tr>
<td>Radio</td>
<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>

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Influenced by deals, promotions and recommendations

High-tech purchasers want special offers. Over half of survey respondents say emails offering free shipping or discounts will prompt them to shop with a retailer. High-tech purchasers also are more likely than non-high-tech purchasers to shop with a retailer that provides offers, promotions and recommendations.

The message for high-tech retailers is clear:
- Shoppers want deals
- Shoppers want free shipping
- Shoppers want recommendations that help influence their purchasing decisions

Nearly two out of three online high-tech orders receive free shipping. Among high-tech purchasers, 46% will add items to a cart that they plan to keep to qualify for free shipping and 36% will select ship-to-store to qualify for free shipping.
Continue to embrace the store as part of their shopping experience

Stores continue to play a major role in the shopping experience, even among avid online shoppers. In short, high-tech purchasers love to explore in store. Specifically, high-tech purchasers enjoy hunting for and finding great deals in store and say that shopping in-store is still a major part of their shopping experience. They skew higher than non-high-tech purchasers in their appreciation of the in-store experience.

High-tech purchasers make an average of 46% of their purchases in store.
Look for simplified returns process

Forty-five percent of all shoppers returned an item that was purchased online in the past year.

High-tech purchasers prefer to return items to the store. Of those shoppers who prefer returning an item in store, 73% made a new purchase while in the store.

When it comes to return preferences, high-tech purchasers want an easy-to-print return label, quick product exchanges and a physical store location nearby.

Preferred methods of returns for high-tech purchasers

<table>
<thead>
<tr>
<th>Method</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefer to return an item in store</td>
<td>61%</td>
<td>58%</td>
</tr>
<tr>
<td>Prefer to ship an item back to retailer</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>Made a new purchase in-store</td>
<td>74%</td>
<td>73%</td>
</tr>
<tr>
<td>Made a new purchase online</td>
<td>46%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Return preferences among high-tech purchasers

42% Easy-to-print return label

28% Quick product exchanges

22% Proximity of the physical store location
Alternate delivery locations

High-tech purchasers prefer packages delivered to alternative locations (39%) more than non-high-tech purchasers (31%). Interest in shipping to an alternate location with extended hours is also higher among high-tech purchasers (59%).

The store’s role is shifting for high-tech purchasers, but they are using the store in new ways, such as for online order pick-ups. In fact, high-tech purchasers are more likely than non-high-tech purchasers to have used ship to store (55% vs. 45%).

Among high-tech purchasers who use ship to store, 51% are likely to purchase additional products in store.

Approximately two in five high-tech purchasers prefer to have packages delivered to places other than their homes, such as: a retailer’s store; a family member or friend; their workplace; another authorized pick-up location; a package delivery locker; or another retail location (grocery store, convenience store, etc.).
High-tech online purchasers have distinctive purchasing behaviors. Here are five top takeaways for retailers looking to drive more business with these customers based on the survey:

**Connect with shoppers across channels:** Deliver a consistent and seamless experience across all channels and devices, and remember that high-tech consumers are increasingly mobile and social but still highly value the store.

**Empower the shopper:** Provide convenient resources for consumers to get the detailed product information they crave and offer them choices when it comes to factors like shipping, delivery options and returns.

**Look for ways to add value:** Consider special deals, promotions and coupons to attract the high-tech purchaser and keep them coming back.

**Don’t overlook logistics:** Remember that how, when and where consumers receive their products shapes their overall shopping experience and impacts your brand reception.

**Embrace new trends:** Experiment with new technologies and show high-tech customers that your company is plugged into trends that interest them.
Conducted by comScore in January and February 2016, the 2016 UPS How to Click with High-Tech Online Shoppers study analyzes data from 5,330 U.S. online shoppers. The data is divided into two key groups:

1.) Recent high-tech purchasers (2,299) who purchased a computer, consumer electronic device, mobile phone or wearable device online within the last 3 months;

2.) Non-high-tech purchasers (3,031) who did not purchase in a high-tech category online in the past 3 months.