

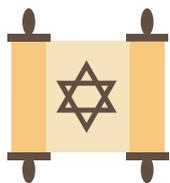


DELIVERY MATTERS

Israel

2018

Understanding online
shopper behaviour



Royal Mail



Contents

How Israel shops online	3
Israel loves	4
Why UK?.....	6
How Israel shops	8
Don't stop the shop.....	10
Delivering satisfaction is key	12
On track for success	14
Home sweet home delivery.....	16
Happy returns.....	18
Delivering expectations.....	20
Summing it all up.....	22



How Israel shops online...

Welcome to Delivery Matters: Israel 2018. Part of the annual Delivery Matters study, this edition looks in more detail at the market in Israel, to give you the crucial insight and trends to help shape the way you serve your customers in this ever-growing e-commerce region.

What the research shows: the average Israeli online shopper buys six times per quarter – with 35% of Israelis having bought from the UK during a three month period. And who is the ‘average’ Israeli online shopper? Middle-aged (47) and female, purchasing significantly more clothes, holidays, entertainment tickets and accessories than their international counterparts.

Almost 2 in 3 expect free delivery with no minimum spend – and 9 in 10 actively search out sites that offer free delivery. They also believe it’s important to have clear delivery information and a wide range of delivery options.

What drives Israel’s online shoppers to purchase from the UK? One word: price. Over half (51%) state that they used a UK retailer as it was cheaper – and the primary driver of cart abandonment is delivery being too expensive.

Keep reading to discover more about how Israel shops online.

Richard Swann

**Managing Director,
Royal Mail International**



Israel loves...

Like other markets, Israelis love to shop online. But what are they buying? Clothes are hugely popular, with 47% of people purchasing things to wear. Israelis also love to have a good time – 31% purchased entertainment tickets for things like shows and music concerts.

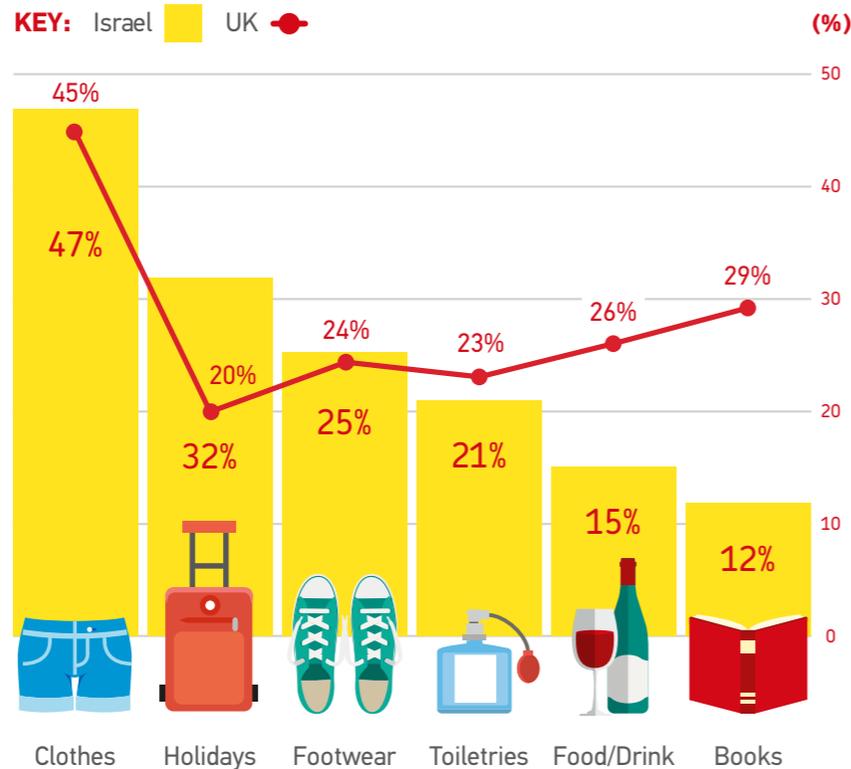
And, when it comes to UK retailers, things are looking pretty positive. 35% have bought from a UK site in a three month period, shopping an average of 2.8 times and spending £123 buying British. Clothes and footwear again proved popular, featuring as the top two product categories bought from UK websites – both of which are significantly higher than the international average (IA).



£123*

was spent by Israeli shoppers during a three month period from UK websites

Product categories – UK and Israel comparison



* Exchange rate provided by Morningstar and SIX Financial Information, 15 October 2018

Over a three month period...



1 in 3

Israeli online shoppers have purchased from a UK site

The average Israeli purchasing from a British website has shopped

x2.8

times

Key Facts



1 in 5 Israeli shoppers (on average 19% vs. IA13%) were initially unaware they were purchasing from UK sites. Trust and authenticity are key, so make sure they know they're buying British!

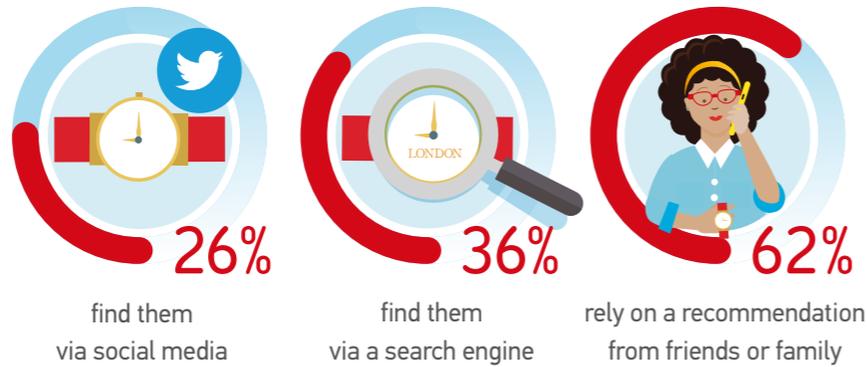
Why UK?

So, the good news is, Israeli shoppers like what the UK is selling them... but the question is, 'why?' There are actually several reasons. Trust and authenticity is a big thing, but so is price, with over half of those buying from UK sites doing so because it's cheaper than buying locally. Quality is key too, with 2 out of 5 buyers knowing that what they buy they'll be happy with.

That's the 'why'. What about the 'how'? How do shoppers in Israel discover websites in the UK in the first place? Israeli shoppers are more likely to be reliant on recommendations or social media than the average international shopper and are less likely to have used a search engine, or found the site through an advert, related website or a domestic site selling similar products.



How Israeli shoppers find out about British brands online



Reasons for buying British

20% of Israeli shoppers trust UK retailers and British brands

39% believe items from the UK will be good quality

51% of Israeli shoppers find UK items to be cheaper

23% of Israeli shoppers buy British because they trust the item will be genuine

How Israel shops

The world continues to shop on the move – and Israel is no exception.

The smartphone (51%) continues to catch up with the laptop (52%) and desktop (58%) as the online shopping medium of choice – however, combined desktop and laptop usage is actually above the UK and international average.

When it comes to peace of mind, a higher proportion of Israeli shoppers (than the international average) are happy to buy online – but do consider it to be a risk: 62% versus 47% (IA).

So, the more reassuring your website is, the greater chance you have of making a sale.

Key Tip

62% of Israeli shoppers consider buying online a risk, so ensure your site is secure, keep delivery and returns information clear and show prospective purchasers that everything you sell is 100% legitimate.



Devices used for online shopping



58%

DESKTOP:
more likely to be used by:

- ✓ Older shoppers
- ✓ Male shoppers



52%

LAPTOP:
more likely to be used by:

- ✓ Upmarket shoppers
- ✓ Younger shoppers



51%

SMARTPHONE:
more likely to be used by:

- ✓ Younger shoppers
- ✓ Upmarket shoppers
- ✓ Middle-aged shoppers

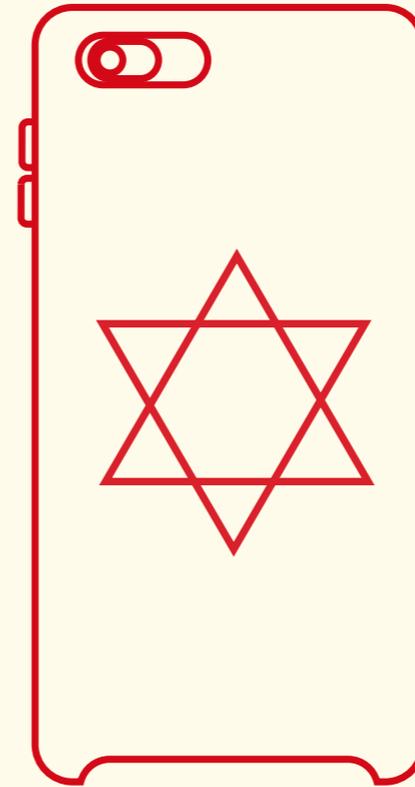


10%

TABLET:
more likely to be used by:

- ✓ Rural shoppers

Israelis love to shop smart



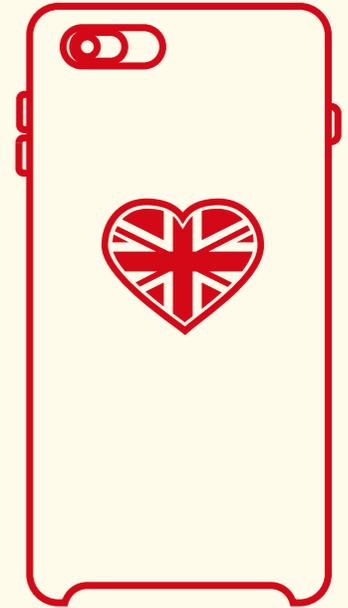
51%

of Israeli shoppers use a smartphone to shop online



44%

of international shoppers use a smartphone to shop online



39%

of UK shoppers use a smartphone to shop online

Don't stop the shop

Whatever the country, cart abandonment continues to be a challenge for online retailers – and Israel is no exception. In fact, Israeli shoppers are more likely to abandon their carts for a wider variety of reasons than the average international shopper.

Significantly higher for women than men (40% vs 27%), frequent cart abandonment in Israel is equal to the international average (at 35%), with cost and availability the main reasons; Israelis are also more likely to abandon what they're buying due to things like technical problems or concerns over security.

For UK sites, cart abandonment is actually below the international average, with the cost of delivery extremely important, along with product availability. Fewer Israeli shoppers frequently abandon their UK carts than the international average (30% vs IA 35%).



Significantly more women than men abandoned their cart



Reasons Israeli shoppers abandoned their cart

37%

abandoned their cart as they found a better deal elsewhere

34%

abandoned their cart as the item was out of stock

32%

abandoned their cart as they changed their mind after seeing the full cost

44%

abandoned their cart as they were unhappy with the delivery charge

Key Tip



Many Israeli shoppers abandon due to cost. Transparency is key – so be upfront with delivery prices and times.

Delivering satisfaction is key

Israeli shoppers have high expectations when it comes to delivery, with only 70% 'satisfied' with their most recent online delivery – significantly lower than the international average (89%). Delivery satisfaction is a strong driver of future purchases – 96% of Israeli shoppers agree that they are more likely to shop again with an online retailer if they are satisfied with the delivery... significantly more than the international average (92%).

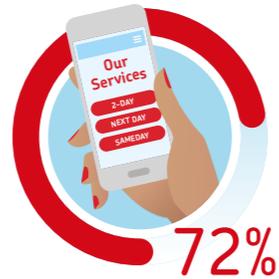
When it comes to online marketplaces, noticeably fewer Israeli shoppers use them than the average international shopper (54% vs the international

average of 79%). Amongst those that do, 84% consider delivery ratings influential when shopping. eBay is the leading marketplace in Israel with 84% of marketplace users claiming to have purchased from them at some point, with AliExpress being the second highest usage at 74%.

Israeli shoppers are significantly more likely to expect clear delivery information than the average international shopper. They are also more likely to expect a wide range of delivery options to be made available to them. Crucial things to know if you want your Israeli sales to soar.



believe it is important to have clear delivery information before they place their order

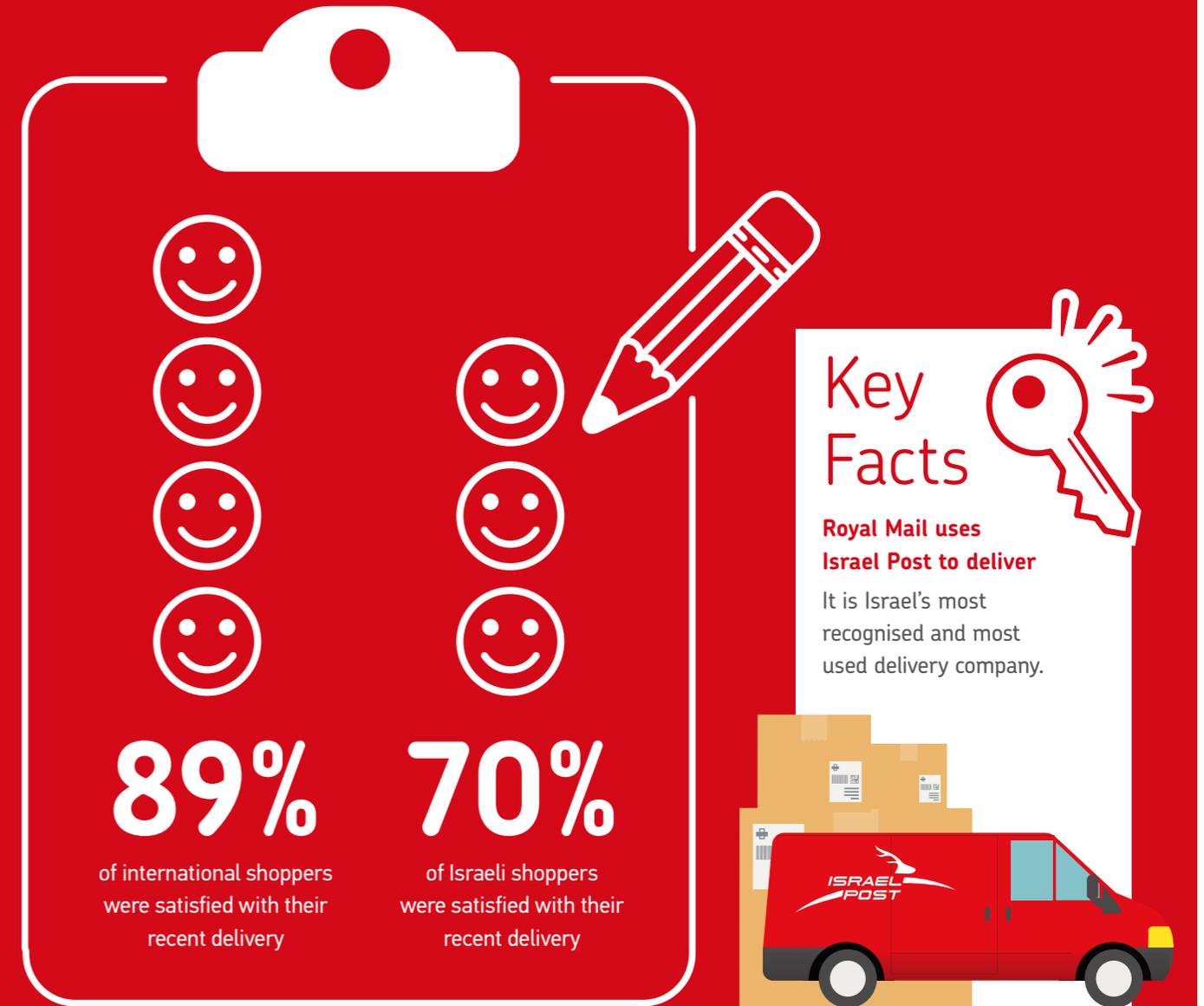


would shop online more if there were a wider range of delivery options



would like to be offered Saturday delivery options

Israelis want more delivery satisfaction



On track for success

We've already seen that Israeli shoppers are pretty demanding – and it's exactly the same when it comes to tracking, too.

A significantly higher proportion of shoppers in Israel feel more confident when ordering online if they are offered a tracked service compared to the international average (90% vs IA 81%) and 85% would choose to track every item they order – if the service was available. 93% of Israelis consider it important to receive information regarding the progress of their deliveries (the international average is 87%).



Key Facts

Royal Mail International Business Tracked® delivers to 70 countries worldwide, with end to end tracking and an optional signature on delivery, plus email notifications to Israeli shoppers*

*Signature available in 47 countries. For full details see our International Business Parcels User Guide

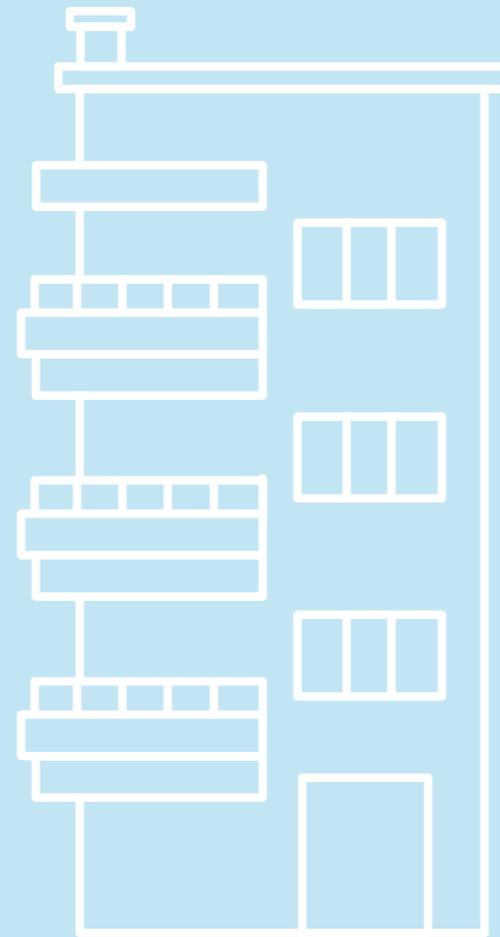
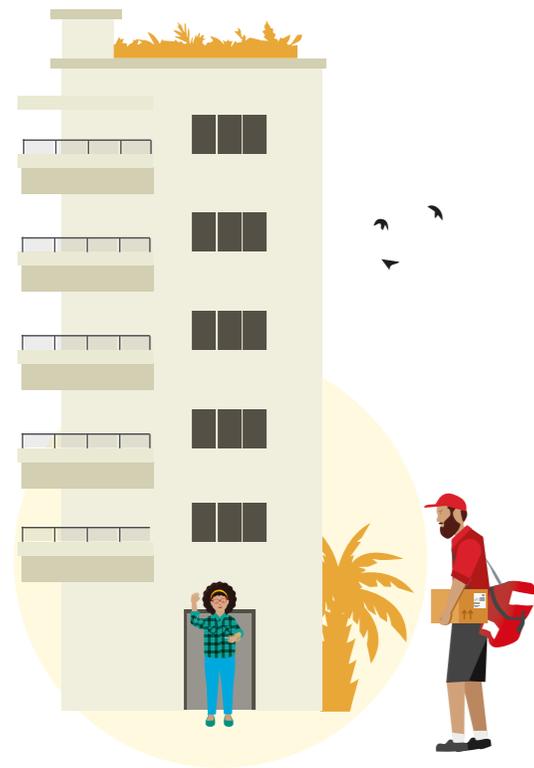
When shopping from a British site, Israelis would have more confidence if tracking was provided – 92% consider it important to receive information regarding the progress of their deliveries from the UK. Progress information from despatch to delivery is considered most important (50%), followed by despatch confirmation (20%), delivery confirmation (13%), delivery attempt information (9%) and notifications about delays (9%).

Israeli shoppers want tracking information across the journey of their item



Home sweet home delivery

Like other markets, Israeli online shoppers like having things delivered to where they live, with delivery to a home address being favoured by 62% of people. However, interestingly, this is actually significantly lower than the international average.



62%
of Israeli shoppers chose a home delivery

Home delivery



of Israeli online shoppers prefer a home delivery

Vs



of international online shoppers prefer a home delivery



22%
of Israeli shoppers chose a parcel shop



11%
of Israeli shoppers chose their work address



2%
of Israeli shoppers chose a locker bank

Key Facts



Parcel shop and work address selections are almost twice the international average

So make sure you offer a choice of delivery locations at the checkout.

Happy returns

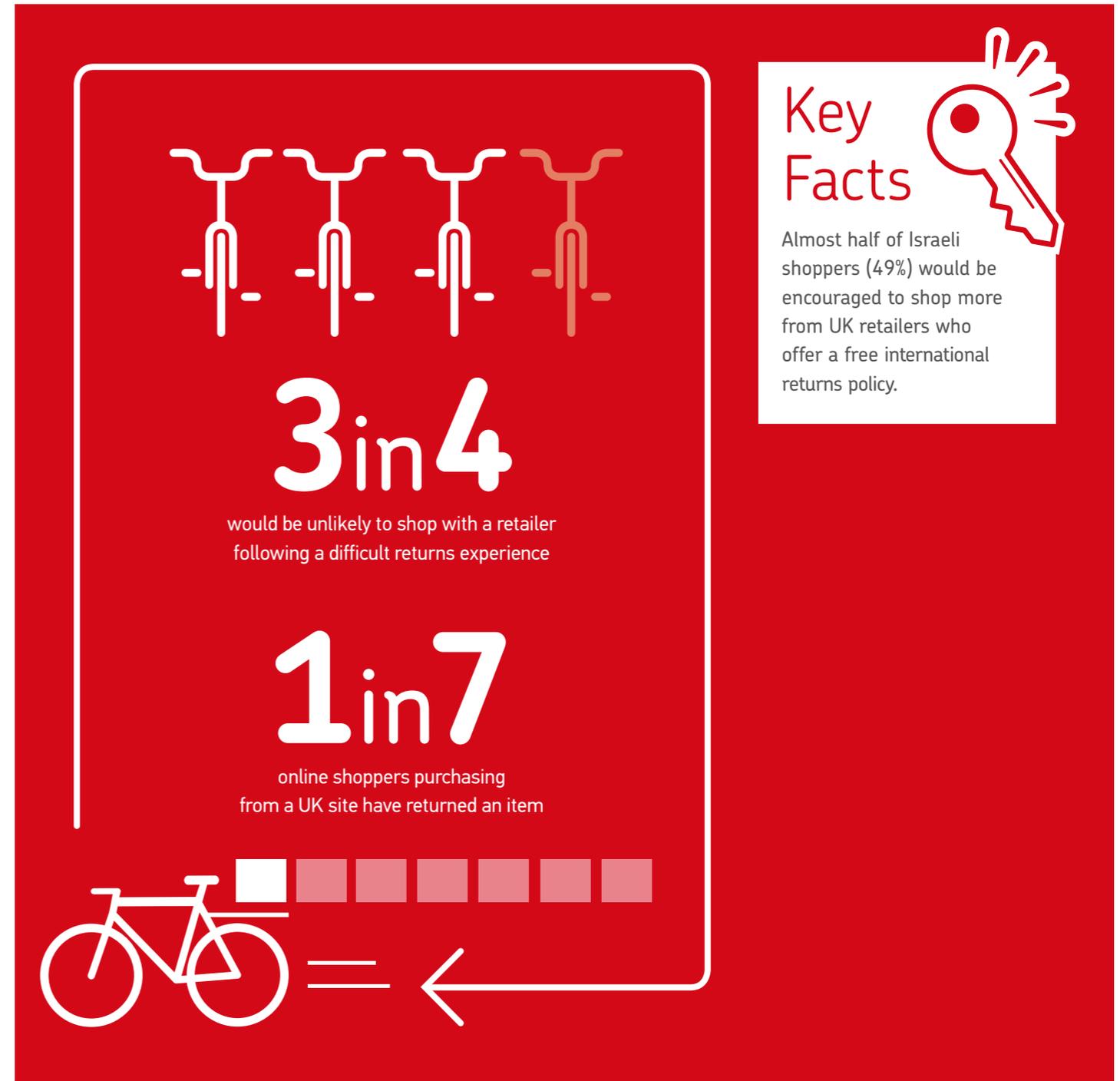
Unfortunately, sometimes the things we buy online aren't quite what we thought they were going to be – and of course, that's where returns come in. Israeli return rates are actually significantly lower than the international average... but the majority of Israeli shoppers (77% vs IA 66%) still say they would be unlikely to use a retailer again following a bad returns experience.

Free (or clear) returns policies are important (more important than the international average) and a higher proportion of Israeli shoppers consider it essential to be able to track a return when returning it to a retailer (81% vs IA 77%)... something that's significantly more important for older shoppers.



92%

are more likely to shop if there is a clear returns policy



Delivering expectations

Getting delivery right is crucial if you want to successfully sell to Israeli shoppers... and they are very specific when it comes to what they expect. For example, 19 in 20 (96%) believe it's important to have clear delivery information before they place their order and 7 in 10 (72%) would shop online more if a wider range of delivery options was available.

The bottom line: Israeli shoppers are demanding when it comes to delivery – they want it to be secure, they want it to be detailed and they want it to be cheap. 93% of Israeli shoppers consider it important that you are able to return items for free, almost 2 in 3 (62%) expect no minimum spend to qualify for free delivery and over 9 in 10 (93%) say they search out sites offering free delivery (which is significantly above the international average of 83%).

Factors that would prevent shopping with a retailer

KEY: Israeli shoppers ● International shoppers ●



Factors that would encourage Israeli shoppers to buy more from UK websites



would shop more from UK retailers if they were able to track their delivery from the UK



would shop more from the UK if they received a good standard of customer service

Key Facts



Offer a wide range of delivery options...

Royal Mail offers great value Standard delivery, the peace of mind of a Signed For parcel or Tracked, to give shoppers the ability to keep tabs on the journey of their parcels from start to finish, with email and SMS notifications too.

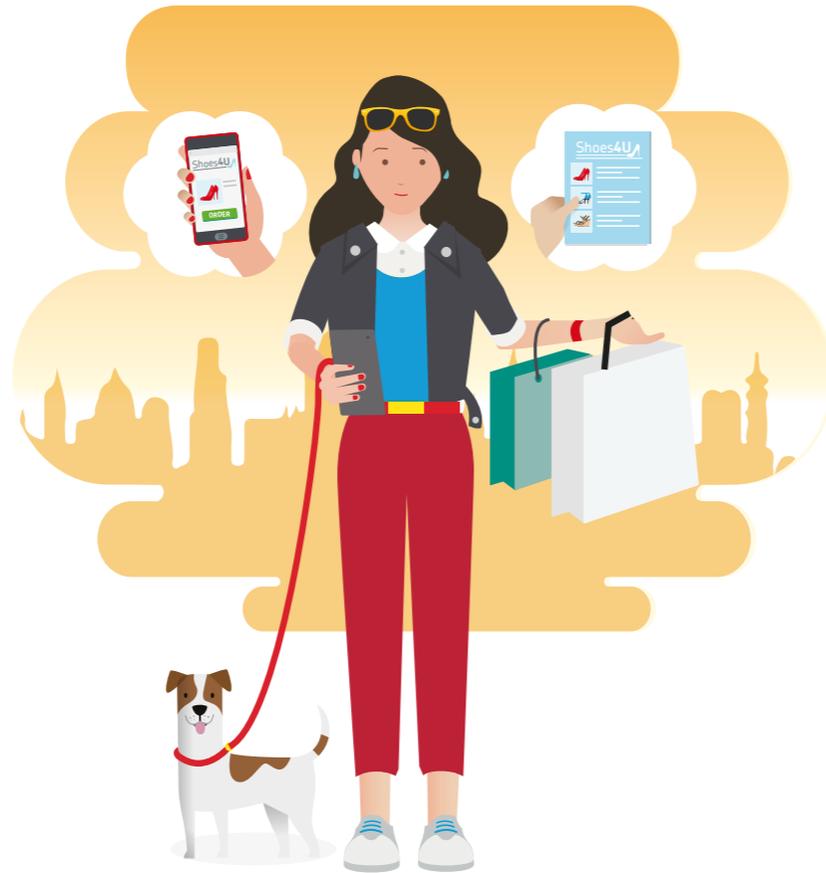
Summing it all up

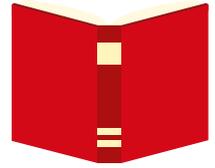
So, what do Israeli shoppers want?

They are very demanding when it comes to delivery satisfaction, they expect clear delivery information and free delivery is crucial if you want to avoid cart abandonment. They want a range of delivery options and demand for tracking – across pretty much every journey touchpoint – is considerable.

When it comes to specifically buying from UK sites, shoppers are driven by price – but things like quality, trust, authenticity and good customer service are important as well. Reputation is also key, with Israeli shoppers more reliant on recommendations or social media than the average international shopper and less likely to have used a search engine or some other means to find your website.

More demands. More expectations. More for you to ponder on when it comes to maximising your store for an Israeli audience.





Royal Mail International services

International Business Tracked

Provides free shopper email notifications, inclusive compensation up to £100** and an optional signature on arrival.

International Business Signed

Offer extra peace of mind with a signature on arrival. Inclusive compensation up to £50**.

International Business Standard

Give customers confidence with reliable and cost-effective delivery.

About this research

Independently conducted by Trinity McQueen, this research was based on a sample group of 1,511 Israeli online shoppers. They completed a 15-minute survey, optimised for mobile and tablet devices, between 25th April-10th May 2018.

This research is representative of online shoppers that bought UK items from UK websites online in Israel.

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