Magento Commerce

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DUTCH CONSUMER PREFERENCES REPORT

How Retailers Can Win Over Dutch Shoppers

by Magento, an Adobe Company

What do consumers actually want in today's eCommerce market?

Understanding customers' commerce expectations with Magento Commerce

91 percent of the Dutch consumers are shopping online and the revenue from e-commerce is expected to hit the US$19,337m by 2023.* Thanks to increasingly busy lifestyles, coupled with longer working hours, it's perhaps no wonder that Dutch consumers are swapping walks on the high street with browsing online. Plus, with the advent of omnichannel and the rise of mobile commerce, Dutch customers have the shops at their fingertips — meaning they can shop wherever, whenever is most convenient for them and with the ease of having it delivered quicker than ever. The possibilities are limitless.

However, with so many brands competing for attention and the market expanding year-on-year, how do online retailers satisfy consumers in the Netherlands, and give them the best possible experience?

We spoke to more than 18,000 online shoppers across 15 countries to understand what the biggest demands are, in terms of service offering, environmental messaging and automation. This report summarises the responses of more than 1,000 survey participants in the Netherlands, and offers comparisons in how the market differs from its international peers, offering online retailers insights into localisation relating to payment offerings, messaging and proposition.

Let's listen to what consumers actually want in today's e-commerce!

* Statista: eCommerce outlook The Netherlands:
https://www.statista.com/outlook/243/144/ecommerce/netherlands

Executive Summary:

Dutch consumers are more circumspect than their international peers

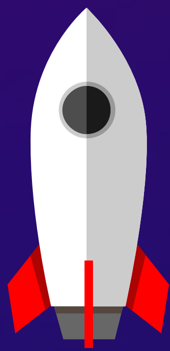
- Dutch shoppers make fewer unplanned purchases (10% vs 15% internationally) and spend less time searching for the best price (20% vs 32% internationally). 26% will return to a retailer after the first transaction if the retailer offers a wider range of products than similar brands
- 20% have completed a transaction in less than two minutes, implying they know what they want and buy it
- Just 5% of Dutch consumers we researched have used Instagram shopping, and 6% would be likely to buy from an influencer

Doing the basics will win hearts and minds

- Debit and credit cards are becoming increasingly important as payment methods in the Netherlands — ahead of newer technologies such as cryptocurrency or e-wallet payment methods
- An easy to use website, quick load time, and product availability/accurate stock levels are crucial in not deterring potential customers
- Free delivery remains the highest decider of whether a Dutch customer shops with a brand again, with 64% saying this would influence them. Price and free returns were the other issues which made the top three, demonstrating the desire for a frictionless experience

The Netherlands are complex

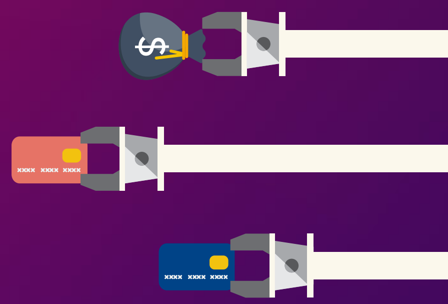
- The research shows the Netherlands to be an enigma at times in what consumers really want. Data protection and no irrelevant emails are vital in keeping consumers happy, yet personalisation is not ranked as highly important — a contradiction
- Compared to the UK (32%) and Spain (34%), where shoppers are more likely to favour retailers that don't use single use plastics. Only 19% of the Dutch shoppers pay attention to this aspect. The same is with limiting their supply chain emissions (18%) and minimise packaging (36%), where the Netherlands are ranked lower than the other countries



About the research

The research, completed in partnership with YouGov interviewed 18,037 respondents online, from 15 countries. This report focuses specifically on the 1,069 Dutch respondents. Fieldwork was undertaken between 14th June and 3rd July 2019.

Traditional Payment Methods Are Most Important



When selling to Dutch customers, our research overwhelmingly showed that consumers want traditional payment methods, and care less about emerging payment technologies like mobile wallets and cryptocurrencies.

Tried and trusted payment methods were the winners amongst Dutch shoppers. Surprisingly, Dutch citizens were more attached to debit cards than credit cards. Nearly a third (26%) of consumers would avoid an online retailer if they did not accept debit cards — merely lower than the 33% international average. This went down to 20% when asked about credit cards.

The Netherlands were far less concerned about digital payments — specifically cryptocurrencies (just 4% of Dutch shoppers would be deterred compared with 6% internationally) and e-wallet payments. Just 17% of Dutch respondents said they would avoid shopping with a retailer online if they didn't accept the payment method, compared with nearly a third internationally (29%).

1\. *Localised sites are a must for retailers, catering to local payment preferences*

2\. *To bring down the cost of customer acquisition, consider what drivers are most likely to delight consumers and encourage repeat buying. This could include changing the delivery and returns offering, to cater to this growing demand*

3\. *The buyer journey doesn't end when a customer makes a purchase, the post conversion customer experience is equally important.*

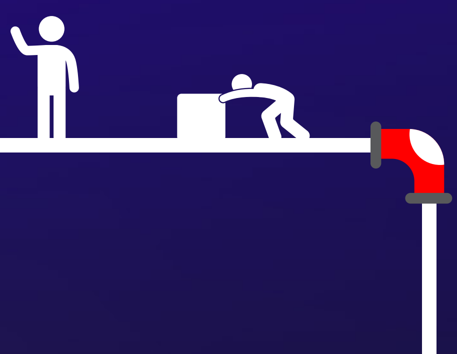
Frictionless experiences keep customers coming back

When we asked respondents what key factors influenced them to become a repeat customer, the biggest driver for Dutch consumers was free delivery, with 64% saying this would be a deciding factor.

Price (compared to other competitors) was another important issue, as was a free returns policy (56%) — demonstrating the importance of a frictionless experience both pre and post sales. Surprisingly, 18-24 year olds were the least concerned about free returns (43%), with 45-54 year olds (53%) driving demand for this offering.

Other important features included loyalty schemes (24%) and the opportunity to buy online and pick up in store (17%).

Surprisingly our research also suggested that consumers are confused by industry terms. Just 7% of Dutch online shoppers valued personalisation. However when you consider that they do not want to be sent irrelevant information, then it implies they don't fully understand the term and benefits.



Perception matters

Brand perception can be the difference between a consumer clicking on your website or that of a competitor. Our research showed that 38% of consumers said a brand's reputation would make them more likely to shop with that company again.

Being green helps enhance a reputation

However, it's not just about a good looking website, social media following or how a brand is portrayed in the news — it goes deeper than that. For example, environmental impact is increasingly becoming a differentiator.

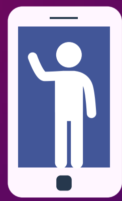
Just under 20% of Dutch Shoppers (19%) said they would be more likely to choose a retailer which tried to minimise air miles. Retailers which do not use single use plastics were also a popular choice (19% vs 24% international average), along with those who try to eliminate supply chain emissions (18% vs 26% average). However, the biggest differentiator was retailers that minimise packaging, with more than a third (36%) choosing this as important.

For those retailers looking to rise up the SEO rankings and set themselves apart from their peers — appealing to consumers' green preferences could help deliver a new customer.

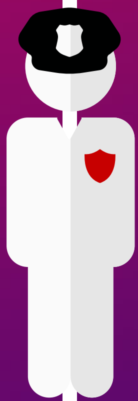
What does and doesn't matter to Dutch shoppers

Ease of use trumps aesthetics

For Dutch consumers, the most important factor when shopping online was that a website is easy to use — exceeding the international average. Almost half (48%) stated this was a deciding factor, and prioritised it over aesthetics (31% vs 25% internationally). Other necessities were quick load time (34%) and products/sizes being in stock (46%).



Additionally, 22% of the respondants wanted a website that loads well on a smartphone, with 25 — 34 year olds driving this demand.



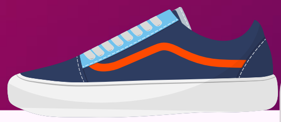
Data matters to Dutch consumers

Dutch consumers wanted assurance that their data was protected, with 48% citing this was a key factor. The age demographic least concerned with their data being protected was 18-24 year olds, with only 44% choosing this as an important factor. The older the respondent was, the more concerned they were, with 55+ year olds the most concerned.

Biggest bugbears that lose loyal customers

When we asked what retailers should not do, we found that Dutch shoppers are least tolerant of being sent irrelevant information with 35% saying they would unsubscribe from a mailing list if the retailer sent wrong or irrelevant communications. 18—24 year olds were the most likely to say this (31%), with 55+ year olds the most tolerant at 28%. Additionally 29% would stop shopping with a retailer that suggests the wrong items to them when browsing online. Without careful targeting there is a strong potential to lose customers, retailers need to take heed and ensure they are only sending relevant, useful information to their shoppers.

Other bugbears of Dutch shoppers included needing to pay for returns. 27% said they would abandon their cart if free returns were not an option.



Brand reputation is important. Retailers should publicise their environmental credentials, as this could help consumers choose their brand over another to shop

Dutch shoppers less impulsive than their international peers

Compared to international respondents, Dutch shoppers were more circumspect. For example, they make fewer unplanned purchases (10% vs 15% internationally), spend less time searching for the best price (20% vs 32% internationally) and just 13% feel overwhelmed with choice. All this implies that Dutch shoppers know what they want and buy it when they want- perhaps why 20% of consumers have completed a transaction in less than two minutes.

Dutch shoppers also seem to have minds of their own. Only 6% said they would buy a product if it were endorsed by an influencer, with 18-34 year olds most likely to be persuaded. Internationally, this was higher at 11%. Additionally, 5% would or have made a purchase through Instagram shopping, with 25-34 year olds most likely to do so. This was against 7% internationally.

Easy navigation, combined with quick load times and accurate stock levels is key to pleasing the customer, alongside offering free delivery and returns, thereby giving them every reason to click buy

Send pertinent offers but generally when Dutch shoppers go online they know what they want, so cater to this and don't bombard them with irrelevant offers

Is service more valuable than the human touch?

With the advent of AI and customer-relations technology, we wanted to understand from consumers views on automation and artificial intelligence.

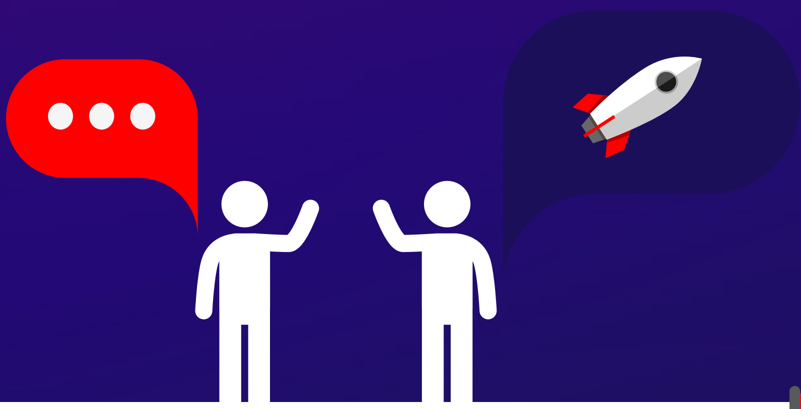
At only 7%, Dutch shoppers were among the lowest in likelihood of purchasing from a fully automated company — that didn't have any human employees, only robots and AI. Just 22% said they were likely to purchase — compared with 33% internationally. This was in stark contrast to countries such as the UAE (59%), China (55%), Malaysia (51%), Thailand (56%) and India (56%), which were all far more willing to embrace automated companies.

In fact, 23% said full automation would make them less likely to purchase — demonstrating that Dutch shoppers still value a human touch. However, preference was still low in all age groups. Future thinking retailers should implement AI and automation technology that enhances — rather than replaces — traditional employee customer service. For instance, automating elements of the checkout process to reduce time at the till, or arming employees with smartphones that can access information on stock availability in real-time will help drive value whilst retaining human interaction.

Dutch shoppers are sceptical about automation and AI — and will perhaps not shop with a retailer if they think service delivery is at the expense of the human touch

Younger shoppers feel more comfortable with an automated approach — showing how digital natives will influence future customer service delivery

Automated elements of the shopping experience should balance the need for efficiency, while proving to consumers how technology can improve their in-store experience.



Tweetable takeaways:

26%
of Dutch consumers will avoid shopping online with a retailer if they don't accept debit cards

35%
will unsubscribe from a mailing list if a retailer sends wrong or irrelevant communications

20%
of Dutch shoppers have completed a transaction in 2 minutes or less

Dutch shoppers still value traditional customer service.
23%
of Dutch shoppers would avoid a fully automated retail experience

If free returns are not offered,
27%
of Dutch shoppers say they will abandon their online shopping cart

Magento Commerce

Magento, an Adobe company, is a global leader in cloud commerce innovation. Magento Commerce boasts a strong portfolio of cloud-based omnichannel solutions, integrating digital and physical shopping experiences and powering $155 billion in gross merchandise.