

EXECUTIVE SUMMARY

2018 SURVEY ON E-COMMERCE



SMEs are betting big on e-commerce

In the current digital era, it's no surprise that big businesses across the globe are making steep investments in e-commerce. Even so, many small and medium-sized enterprises (SMEs) still have questions on how to succeed in the e-commerce space as the path to taking their companies global.

As a way to better understand the challenges SMEs are experiencing when it comes to e-commerce, DHL distributed a poll to U.S. SMEs, including its customers. We received more than 14,000 responses.

Here are the key findings:

E-commerce Q1 2018 > E-commerce Q2 2017: Businesses betting on e-commerce are seeing exceptional returns. One-fourth (25 percent) of respondents said they projected their e-commerce sales to increase by a prodigious 76-100 percent in Q1 2018 compared with Q1 2017. That represents enormous growth opportunity in the global e-commerce space for companies of this size.

Brick and mortar is not enough, even for SMEs: Shoppers now have everything at their fingertips, and many prefer the online shopping experience. It's becoming clear that for SMEs in the retail space to survive, they must have an e-commerce component. The majority of respondents emphasized the importance of online shopping:

- 42 percent would rather be stuck in rush hour traffic in Manhattan than not be able to do their shopping online
- 25 percent would rather sit behind a screaming baby on a plane

To succeed globally, understanding Customs is a must: When asked what SMEs should prioritize in their e-commerce strategy to succeed globally, the number one response, with 35 percent of the votes, was understanding international trade policies and Customs requirements. This was closely followed with 29 percent of respondents noting SMEs should prioritize researching potential markets and understanding the new customer base in those markets.

Cybersecurity remains a concern: Almost one in two respondents (48 percent) said the most important investment that e-commerce businesses should make in 2018 is in cybersecurity.

Global e-commerce has many advantages: The competition among e-commerce businesses is intense. To gain a competitive edge, SMEs are taking their e-commerce activity global, which has proved to be beneficial in many ways. When asked about the biggest advantage in leveraging the international marketplace vs. only domestic sales, the top response, with 36 percent of the votes, was the ability to offer higher wages to

employees. This was followed by 29 percent of the respondents saying the biggest advantage was increased sales.

E-commerce isn't slowing down anytime soon: E-commerce is certainly growing, and SMEs are confident that the growth will continue throughout the year. But just how confident? Thirty-eight percent of respondents expect their e-commerce sales to increase in 2018 as much as the number of their gray hairs. An additional 29 percent expect their e-commerce sales to increase as much as their spouse's shopping bills!

The findings reveal that e-commerce is—and will remain—a profitable investment for SMEs, and that global e-commerce is the natural next step to grow and get a leg up on the competition. Working with an experienced logistics partner to help your e-commerce business expand internationally is especially important because of complex Customs rules and differing customer bases in new potential markets. DHL is committed to assisting its customers as they begin or continue to expand their businesses beyond U.S. borders.

###

Follow and tag us:

The Web: www.dhl-usa.com/express

Twitter: www.twitter.com/DHLUS

Instagram: www.instagram.com/dhlus

Facebook: www.facebook.com/DHLExpress

LinkedIn: www.linkedin.com/company/DHLExpress

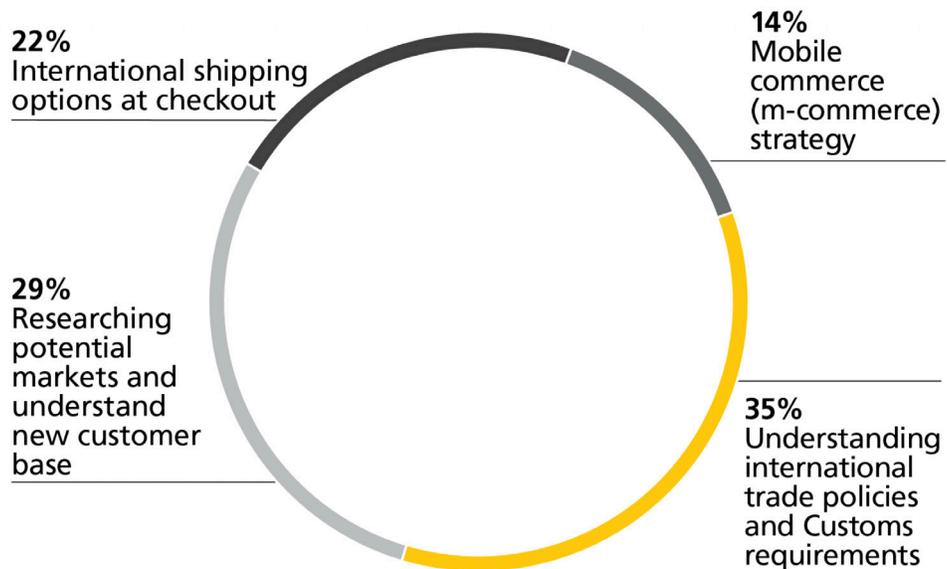
YouTube: www.youtube.com/dhl

DHL – The logistics company for the world

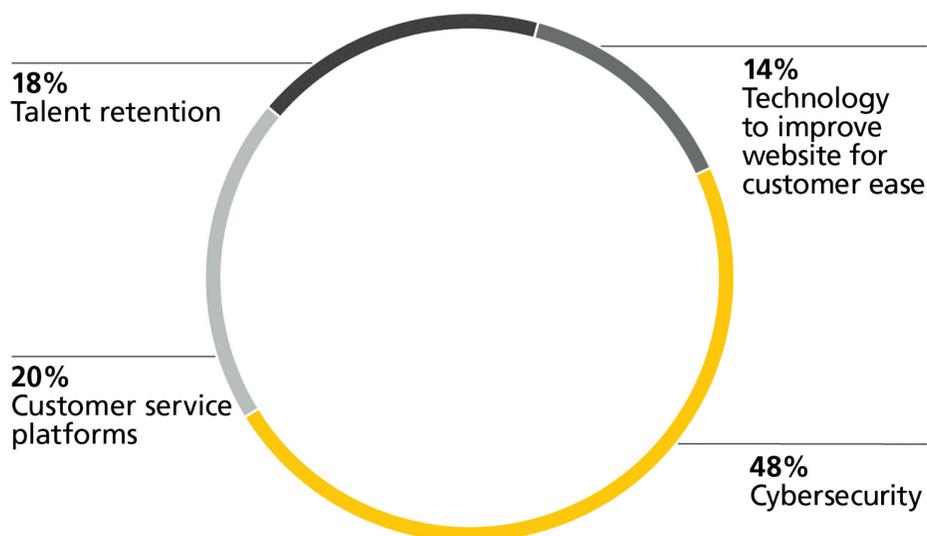
DHL is the leading global brand in the logistics industry. Our DHL family of divisions offer an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. With about 360,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling global trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as “The logistics company for the world”.

DHL is part of Deutsche Post DHL Group. The Group generated revenues of more than 60 billion euros in 2017.

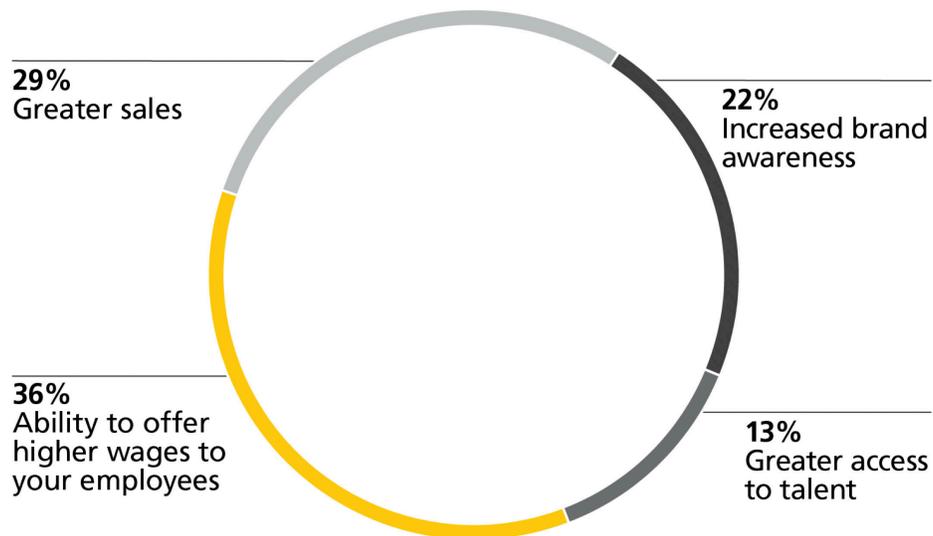
1. What should small businesses prioritize in their e-commerce strategy to succeed globally?



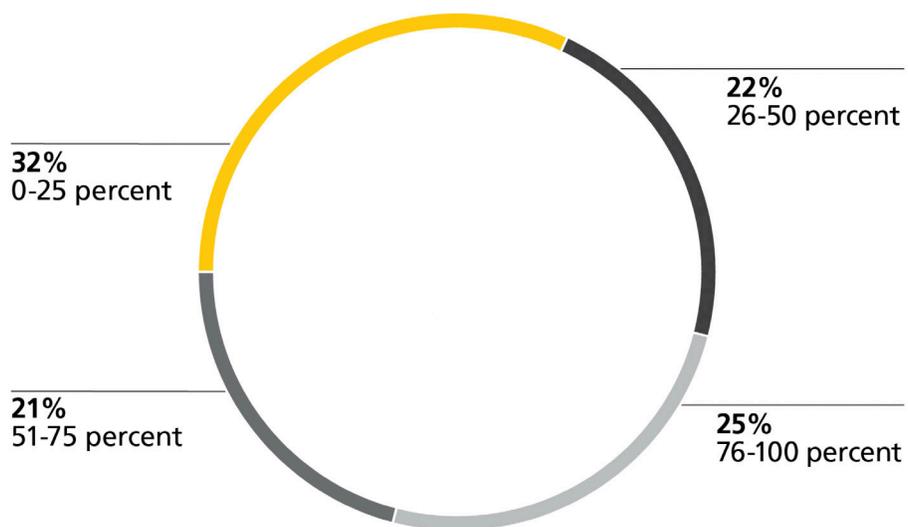
2. What's the most important investment that e-commerce businesses should make in 2018?



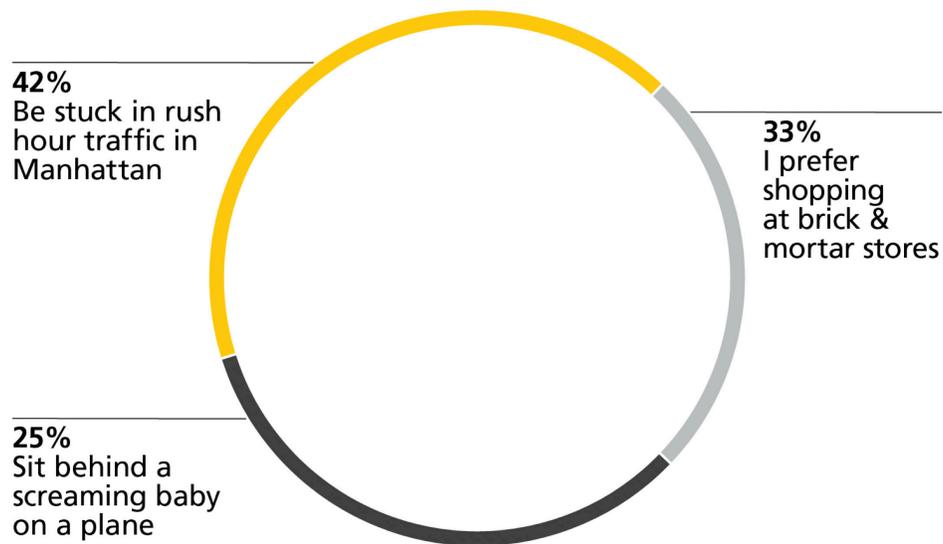
3. What is the biggest advantage in leveraging the international marketplace vs. just domestic?



4. How much did your e-commerce sales increase in Q1 2018 compared to Q1 2017?



5. I'd rather _____ than not be able to do my shopping online.



6. I expect my e-commerce sales to increase in 2018 as much as:

