# STATE OF ECOMMERCE DELIVERY

## CONSUMER RESEARCH REPORT

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# INTRO

Today's digital consumers have high expectations and are placing ever greater demands on eCommerce providers to 'get delivery right' or lose their business.

With delivery representing such a strategic and pivotal moment in the overall online shopping experience, the *MetaPack State of eCommerce Delivery Consumer Research Report* delivers deep insights into what people really want from delivery.

Designed to evaluate how consumer demands, experiences and emotions in relation to order execution are evolving, this year's survey offers a detailed snapshot into what really resonates with online shoppers.

This year we've gone deeper and wider than ever before in a bid to provide greater detail behind the top headline findings. In addition to shining a light on key eDelivery trends, we can now provide a much more detailed assessment of the online shopping behaviours and delivery expectations of different consumer demographic groups.

But that's not all. The *State of eCommerce Delivery* research now also features a comparison of how consumers both respond to and rate the delivery offerings and efforts of retailers, brands (and manufacturers), as well as pure plays like Amazon and other online marketplaces (like eBay and Etsy).

As you'll discover, the findings of this year's report illustrate clearly how delivery now represents a key differentiating factor that has a significant impact on the consumer purchasing decision. And how delivery is very much 'front of mind' when consumers conduct their online shopping activities.

The good news is that those eCommerce providers best able to satisfy the burgeoning consumer desire for convenience, value and choice will win the day – particularly if they are able to tailor these elements for each respective market in which they operate.

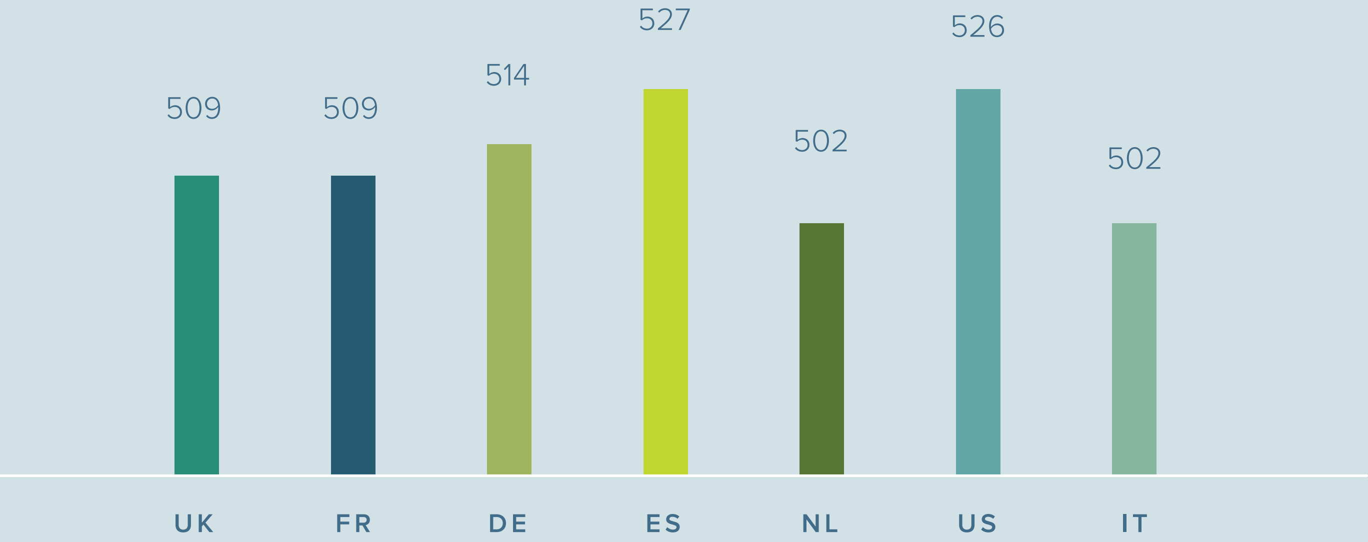
# STUDY **METHODOLOGY**

Research was conducted online between 19 August and 2 September 2016 with 3589 consumers in the US, UK, France, Germany, Spain, the Netherlands and Italy on behalf of MetaPack by Research Now, a global leader in digital data collection.

Aged between 18 and 65+, all survey participants had made an online purchase in the last six months and the survey sample was designed to ensure equal respondent weighting between the seven selected geographic regions in which the fieldwork was undertaken: the US (526), the UK (509), France (509), Germany (514), Spain (527), the Netherlands (502) and Italy (502).

To ensure census balancing, the respondent sample was managed to ensure equal weighting in terms of the age and gender of consumers surveyed for each country, and between countries. In terms of gender, a total of 1790 male and 1799 female respondents were surveyed. Demographic data on respondent age was collated in the following age groups: 18-26 (710), 27-38 (726), 39-52 (721), 53-64 (727) and 65+ (705). The average time respondents took to complete the online survey was 12 minutes.

COUNTRY




AGE


GENDER

1790 male

1799 female

TEST TIME AVG.

12

mins

# EXECUTIVE SUMMARY AND KEY FINDINGS

As the findings of this year's *MetaPack State of eCommerce Delivery Consumer Research Report* reveal, competing in today's dynamic eCommerce environment directly depends on getting delivery right - because consumers will vote with their feet and their wallets, abandoning shopping baskets if the delivery experience doesn't meet their expectations, needs or is too expensive. With a profound impact on merchants' revenues, 43% of consumers said that, following a negative delivery experience, they wouldn't return to that retailer within a month. Even more significantly, 38% said they are likely to never shop with that retailer ever again and an astounding 45% have abandoned a basket on a retailer or brand/manufacturer's eCommerce website because of unsatisfactory or unavailable delivery options.

Today's digitally savvy consumers say their online purchasing decisions are directly influenced by delivery and returns and the experiences they encounter so staying competitive in today's dynamic eCommerce environment depends on getting your end-to-end online shopping experience right.

With an increasing expectation for perfection, these online consumers are expect to order anyhow, anywhere and anytime and are keen to take delivery at the moment and at a location that suits them best. What's more, our findings confirm that their expectations are changing – with more choice, more speed and greater convenience featuring high on their agenda.

Today's time-pressed consumers made it clear they want delivery options that offer a direct fit with their hectic lifestyles – delivery to home, next day delivery, click and collect, and the freedom to pick up merchandise from a convenient location on the way to or from work. And, as we'll see, in more mature e-delivery markets, waiting no more than a few hours to receive a purchase is fast becoming the norm.

# WHY
# DELIVERY MATTERS

**38%** of consumers would never shop with an online merchant again, following a negative delivery experience.

**45%** have abandoned an online basket because of unsatisfactory delivery options.

**87%** were highly likely/more likely to shop again with an online merchant, following a positive delivery experience.

**56%** of those abandoning an online shopping cart did so because the delivery options on offer were too expensive, while 39% said it was because delivery would take too long.

But simply offering a breadth of delivery choice is no longer enough. Delivery has become the defining moment of a consumer's overall online shopping experience – the differentiating 'moment of truth' that characterises the entire purchasing transaction. Indeed, consumers told us they will judge the performance and reputation of an online merchant on the transparency, ease and accuracy of their delivery process.

As our research findings show, consumers have come to expect simple and seamless processes for receiving the goods they purchase. They expect the process to feature multiple interactions that keep them informed of delivery progress and to have the opportunity to reschedule as they see fit.

Furthermore, how a merchant handles and manages the returns of unwanted products has become a key deciding-factor for shoppers, when it comes to where they shop.

This all adds up to additional complexity for online merchants, who will need to progress their delivery capabilities in relation to speed, flexibility and reliability in order to remain relevant and competitive.

Because, as the report findings confirm, consumers won't tolerate promises that aren't met, expect to encounter the right delivery options for their needs, are not prepared to pay over the odds for the services they expect to encounter, and won't accept any unnecessary complications.

In an increasingly crowded online marketplace, consumer loyalty is tough to win and even harder to maintain. Those online traders that consistently get delivery right will gain more sales – and more repeat business.

Let's take a look at some of the key insights from our research findings.

# **KEY** FINDINGS

***The message for retailers is clear. There is a distinct gap between consumers' expectations and the reality of delivery and returns services in eCommerce.*** *Get it wrong and retailers will lose more than just customer loyalty – the impact will profoundly affect revenues. And with brands and manufacturers making great strides in their delivery propositions, online retailers need to work hard to stay one step ahead.*

### CHOICE AND CONTROL EXPECTATIONS ARE EVOLVING

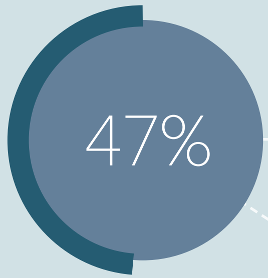
Today's consumers expect to call the delivery shots. One-third (33%) of respondents have used a nominated day delivery service option to ensure they could choose the date/time slot for their delivery. What's more, over a quarter (28%) say that, in the future, they expect deliveries to be personally connected to them – and not a fixed postcode

### FREE SHIPPING DRIVES PURCHASING BEHAVIOURS

Almost half (47%) of all respondents ranked free delivery as their #1 consideration for the majority of their online purchases. But 60% also said their attitude to delivery cost will vary, depending on the value of the item they're looking to purchase – and how fast they want to get their hands on it

### GET READY FOR EVEN FASTER DELIVERY

47% of respondents based in metropolitan areas say they want online merchants to offer a one-hour delivery service. The survey findings also show that same day delivery is becoming commonplace; almost a quarter (22%) of respondents said they'd utilised a same day delivery option – that's almost double the 13% who had done so in our 2015 survey

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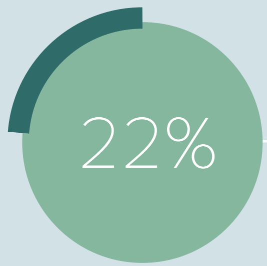



said they'd utilised a same day delivery option *– that's almost double the 13% who had done so in our 2015 survey*

# KEY FINDINGS

### RETURNS REPRESENT THE NEXT DIFFERENTIATION BATTLEFIELD

Online consumers want a simple and transparent returns process that's convenient and easy to use; 49% of respondents confirmed that an online merchant's returns policy had deterred them from making a purchase

### DELIVERY EXPECTATIONS DIFFER ACROSS INTERNATIONAL MARKETS

What works in one geography may not be appropriate for another. Consumer expectations around delivery speed, price and collection/delivery propositions vary and are influenced by a variety of factors – including the ecommerce maturity of the market in question as well as local culture

### DELIVERY 'VELOCITY' IS BECOMING THE NEW NORM

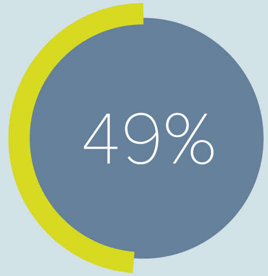
It's a customer-centric world, and today's consumers expect to change their minds on the fly. Over one-fifth (22%) of respondents have made changes to an order after it had been despatched and 46% respondents said that if there was an option available that allowed them to change their delivery preferences after placing an online order, they'd use it

### CONSUMER TOLERANCE FOR BRANDS IS HIGH (FOR THE MOMENT)

Brands and manufacturers have proved adept at matching more established online retailers in relation to meeting consumer delivery expectations; 87% of respondents rated brand/manufacturers as 'excellent or good', while 88% ranked retailers in the same way. But this honeymoon period may prove short lived as consumer patience wanes

### MILLENNIALS ARE MORE DEMANDING (SOMETIMES)

Aged 18-25, today's cohort of millennials has gained a reputation for viewing the world through a digital lens. More likely to complain than other demographics, they know what they want and will act on it. But, as our survey confirms, silver surfers are successfully mastering the digital learning curve to become demanding online consumers in their own right – with similar expectations as their younger counterparts

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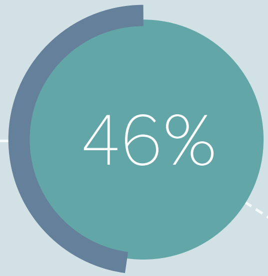


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# **RETAILERS** AND **BRANDS**

EXPERIENCE VS. EXPECTATIONS

*Today's online shoppers are adventurous when it comes to tracking down the goods they want to buy – delivered at the right price, and at a time and place that works for them.*

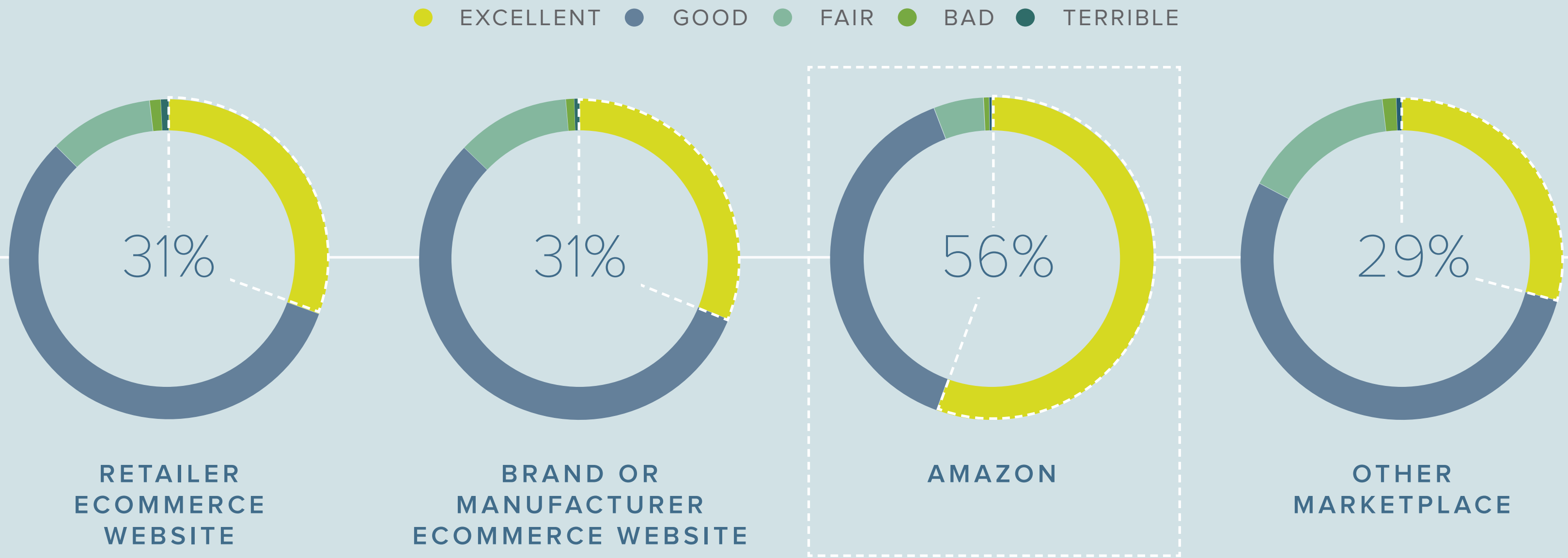
Which is why, in this year's report, we put the spotlight on the types of eCommerce websites respondents used to purchase goods online in the last six months, asking them to rate and compare their delivery experiences.

Over 70% of all respondents in all countries had bought goods from Amazon; over half (56%) had purchased from a retailer's eCommerce website; 49% had utilised another online marketplace like eBay or Etsy, and 38% had bought online from a brand or manufacturer's eCommerce site.

Consumer sentiment for Amazon was exceptionally strong and it's clear the company's rapid Prime Now delivery services have recalibrated consumer delivery expectations. In mature e-delivery markets, Amazon customers can choose a same-day, two-hour delivery window between 8am and midnight and – in certain postcodes – an ultra-fast one-hour delivery is now available.

Evaluating which market players, in their viewpoint, provided a consistently excellent delivery experience, Amazon hit the mark for the majority of consumers (56%), with retailers and brands coming in joint second at 31% each. What's more, Amazon ticked more boxes, with more consumers, in relation to the breadth and flexibility of delivery options on offer.

## RATE YOUR **DELIVERY EXPERIENCE**




Online marketplaces, like many other online pure-plays, have invested heavily in their value proposition – getting items to customers fast and with precision. Those online providers able to emulate the convenience of Amazon-style services and best practices to evolve their own compelling delivery propositions will ultimately win consumer hearts and minds.

The survey next went on to investigate how retailers and brands/manufacturers measure up against one another in terms of the delivery options they provide and their execution against delivery promises.

# **BRANDS** AND **MANUFACTURERS** ARE PERFORMING WELL

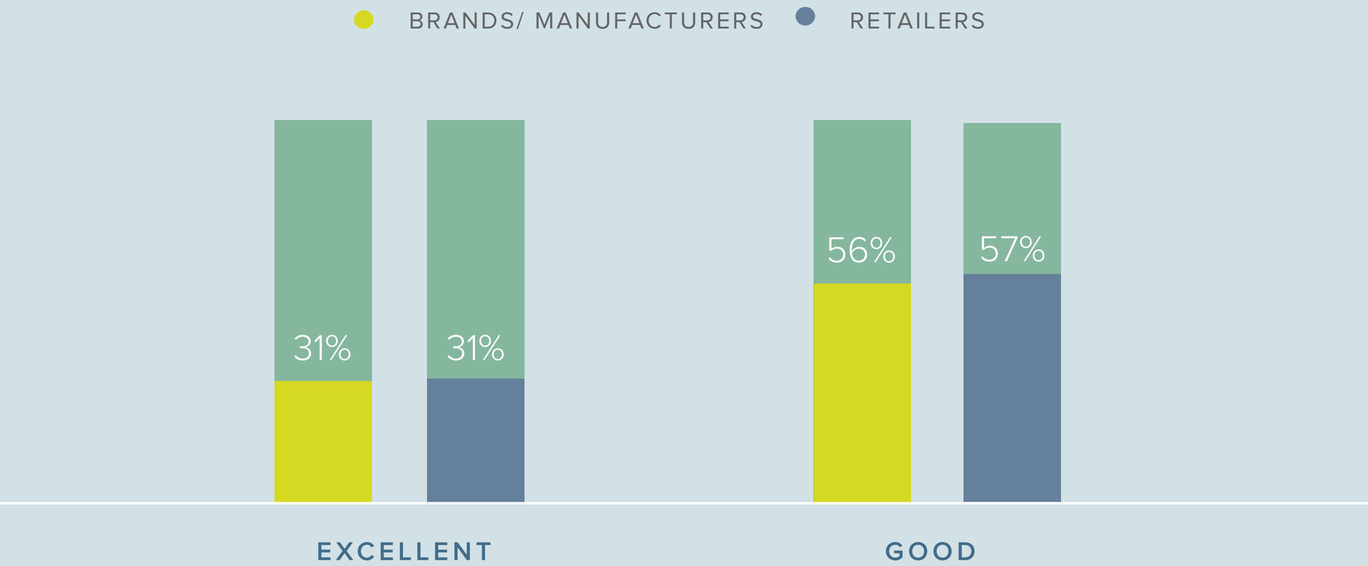
*Interestingly, it appears that brands and manufacturers are already doing a good job of offering the same delivery experience as retailers.*

They have played catch-up well, observing closely which retailer delivery strategies work when it comes to maximising consumer satisfaction and sentiment. Overall, brands and manufacturers have applied these lessons effectively to match retailers in terms of the extent of services and features on offer.

As a consequence, consumer satisfaction with their delivery endeavours is very much in line with that of retailers. Consumers rated their delivery experience as:

- Excellent – 31% for brands and manufacturers compared to 31% for retailers
- Good – 56% for brands and manufacturers compared to 57% for retailers

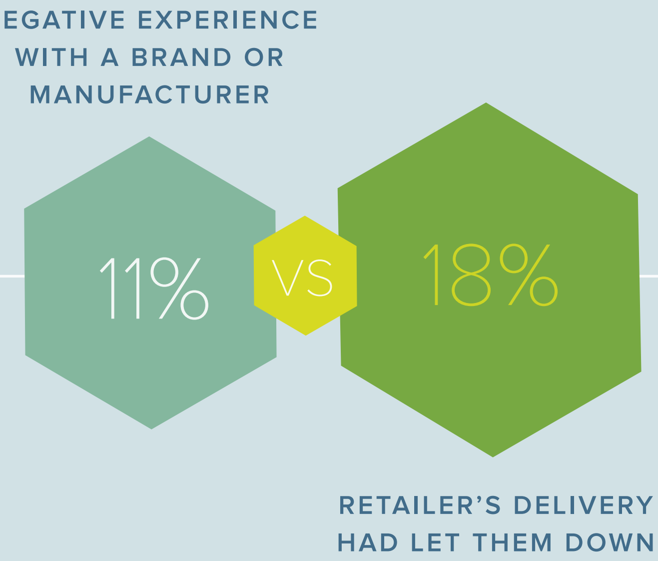
## DELIVERY EXPERIENCE RATING: BRANDS VS RETAILERS



# **CONSUMER TOLERANCE** FOR BRANDS AND MANUFACTURERS **IS RIDING HIGH**

*When it comes to negative consumer delivery experiences, brands and manufacturers appear to be faring better than retailers.*

*Just 11% of respondents confirmed they'd had a negative experience with a brand or manufacturer, compared to 18% of respondents who said a retailer's delivery had let them down.*



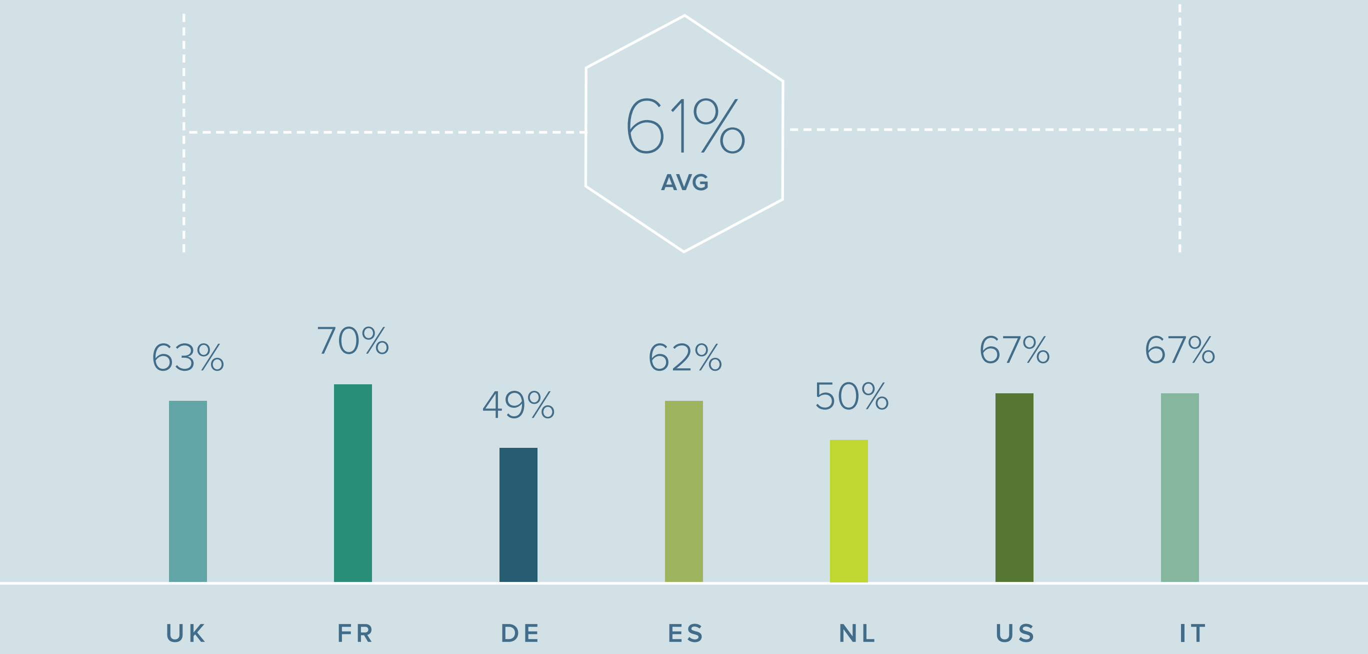

When consumers were asked to share the specifics of what made the delivery experience negative for them, brands and manufacturers typically fell down in very similar areas as retailers. Top problem areas that proved a turn off for consumers were: slow speed of delivery (40%), damaged or incorrect product (30%), lack of precision leading to inconvenience 'I had to wait in all day' (29%).

Consumers also appeared prepared to give brands and manufacturers considerable leeway in relation to some aspects of the delivery offerings; 33% of respondents were less forgiving of retailers who were unable to guarantee delivery, compared to 27% who identified this inability as a frustration when purchasing from a brand or manufacturer.

# **CONSUMER HUNGER FOR** COMPREHENSIVE AND RESPONSIVE **DELIVERY OPTIONS** IS ON THE UP

*Retailers face considerable competition from their peers, and differentiating the online shopping experience is increasingly dependent on the delivery aspect of the end-to-end journey.*

*More than half (61%) of respondents said they had bought goods from one retailer over another because they provided more delivery choices.*




Similarly, consumer hunger for increased delivery flexibility is extending beyond the purchase transaction itself. Almost half (46%) of respondents said that if there was an option available to make a change to their delivery after placing an online order, they would use it. What's more, they appear to have higher expectations of brands and manufacturers in this respect:

- 56% of respondents would look to brands and manufacturers to provide this facility
- 47% would want this option when shopping with retailers

# **THE CONSUMER LOVE AFFAIR** WITH BRANDS AND MANUFACTURERS – **IT'S EMOTIONAL**

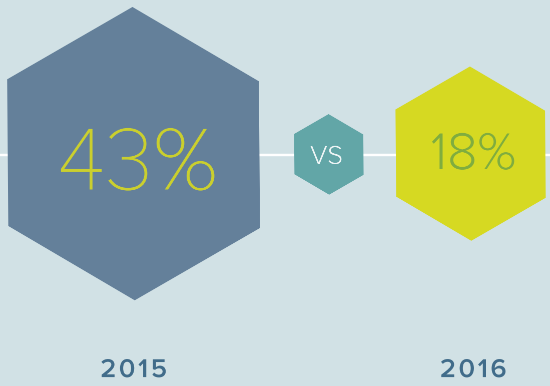
*The survey results suggest that consumers have a strong 'emotional bond' to the brands they know and trust – and believe in the qualities and brand values of the product they are purchasing.*

This 'halo' effect perhaps accounts for why so many consumers rated their delivery experience of these providers highly (83%) and why so few (11%) negative consumer experiences were recorded.

Expectations of brands and manufacturers are riding high; more respondents who shop with brands and manufacturers felt confident they would be able to make in-transit changes. What's more, they were not as demanding of free delivery (43%) as those shopping with retailers (48%).

But it's not all doom and gloom for retailers. Last year, 43% of survey respondents told us they'd had a negative delivery experience when shopping with a retailer. But this year, just 18% of respondents indicated this had been an issue. That's a considerable improvement for retailers, and indicates that they've made heroic efforts to make effective, dependable delivery options a reality for customers.

HAD **NEGATIVE EXPERIENCE** WHEN SHOPPING WITH A RETAILER



# RETURNS

## THE NEXT **'DELIVERY'** FRONTIER

In the early days of online shopping, consumers were focused on exploring what products were on offer when visiting an eCommerce site – and at what price.

*But **today's shoppers** are much more experienced and sophisticated, and their decision to buy is now **heavily influenced by both the delivery and returns options** on offer.*

Indeed, our survey results underscore the growing role that returns policies and processes hold in the competition for revenue and loyalty in eCommerce. What's clear is that online consumers increasingly expect to encounter free and easy returns – including having the choice of how to return their goods through various pick-up or drop-off methods.

Returning or exchanging products purchased online is a regular occurrence for shoppers; just 12% of respondents had never used a returns facility. So it's perhaps no surprise to find that today's savvy consumers say that their decision to buy online is increasingly influenced by the returns options on offer:

## RETURNS OPTIONS INFLUENCE ON BUYING ONLINE

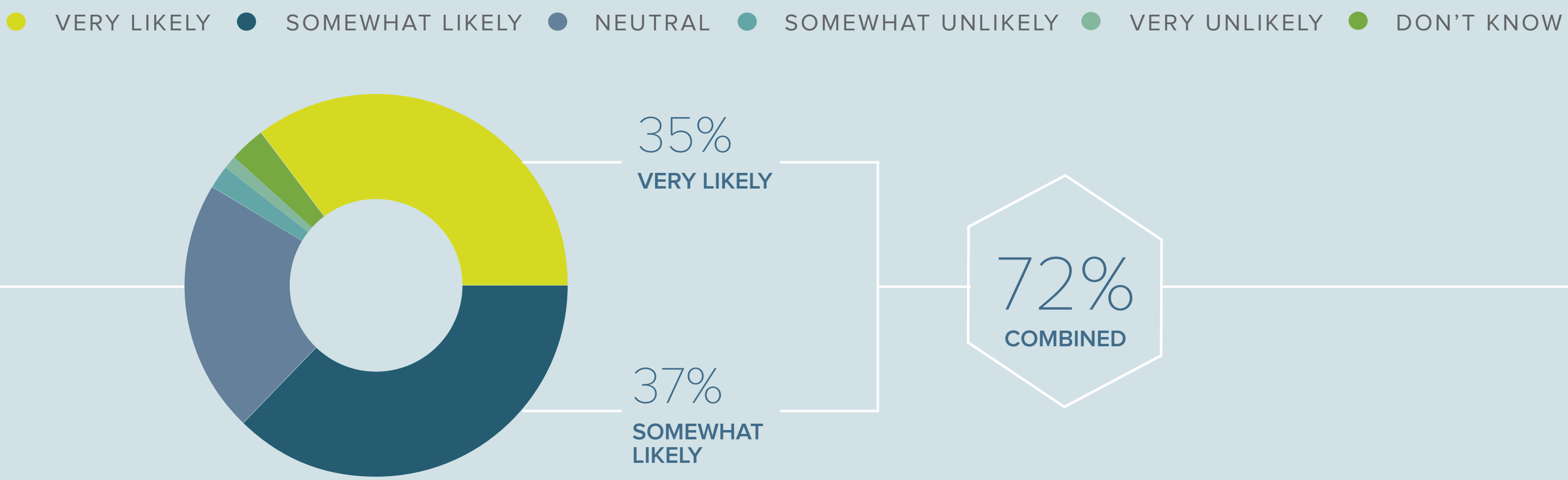
**49%** of respondents say a retailer's online returns policy has deterred them from making a purchase

**39%** will always look at a retailer's returns policy before they complete an online purchase

**JUST 28%** of all respondents surveyed said they were satisfied with the return services provided by online retailers

*But shopper frustrations are running high. Almost half (43%) complained that it is often difficult to find information on the returns process on an eCommerce website. And 72% affirmed they would be very likely, or more likely, to shop with retailers that made the entire returns process easier to use.*

## HOW LIKELY IS IT THAT YOU WOULD SHOP MORE WITH A RETAILER **THAT MADE THE RETURNS PROCESS EASIER?**




Despite wanting a simpler, more transparent returns process, there was little enthusiasm for paying for a more convenient or premium returns option. Indeed, a resounding 60% said they would not pay for this facility.

# **RETURNS** NEED TO BE EASY AND AS CONVENIENT AS POSSIBLE FOR CONSUMERS

When asked to identify their preferred methods when returning products purchased online, consumers want a choice of options:

- Post was the top option for 40% of all respondents
- Courier pick-up was popular with 34%
- Drop-off at a pickup/drop-off parcel point (PUDO) 31%
- Drop-off at a retailer's store scored a hit with 29%

There were clear cultural differences in consumer expectations with regard to returns:

- Post was best for 58% of German shoppers, but was least liked by Spanish (28%) and Italian (25%) customers
- Drop-off at a parcel point (PUDO) was the winning choice for French (50%) and Dutch (47%) respondents
- Drop-off at a retailer store was most popular with US (44%), UK (46%) and French (45%) shoppers
- The convenience and speed of a courier pick up was most appealing to Italian (57%), Spanish (45%) and UK (40%) consumers

# **MILLENNIALS** MAKE THE MOST OF RETURNS

If there's one cohort of consumers most likely to be influenced by the returns options on offer, then millennial shoppers are it. More than any other demographic, they are the most likely to purchase multiple items in the full knowledge they will return some or all of them:

- Almost half (46%) of those aged 18-25 said they frequently purchase items online, expecting to return some/all of these; contrast this with 33% of all other respondents
- 71% of these fully fledged e-shoppers say they'll review an e-tailer's returns policy before completing an online purchase
- 23% would be willing to pay more for a premium returns service; compared to just 17% of all survey respondents

# **CULTURAL** PREFERENCES

CONSUMER LIKES AND DISLIKES

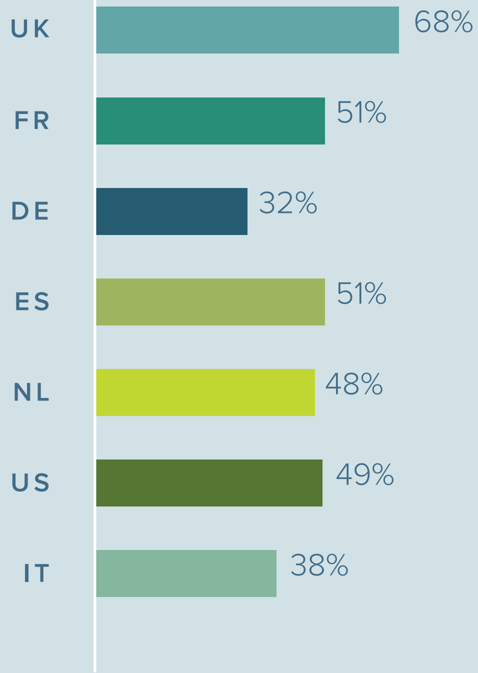
# HOME DELIVERY REMAINS UNIVERSALLY POPULAR

eCommerce delivery management is a powerful strategic tool for driving up customer conversion and loyalty – and this year's findings confirm getting delivery right for the local markets you serve is vital.

One thing is clear. The cultural nuances of consumer preferences are influenced by the eCommerce market maturity in each territory you serve. Getting to grips with these sometimes subtle differences is game changing. Simply copying your local delivery offer and replicating it in a new geography will alienate your customers and significantly impact your competitive edge.

Today's online shoppers expect to utilise a range of delivery services in addition to home delivery, which remains universally popular with 92% of all consumers.

*But there are* ***distinct geographic preferences relating to the options*** *that resonate most with online shoppers:*

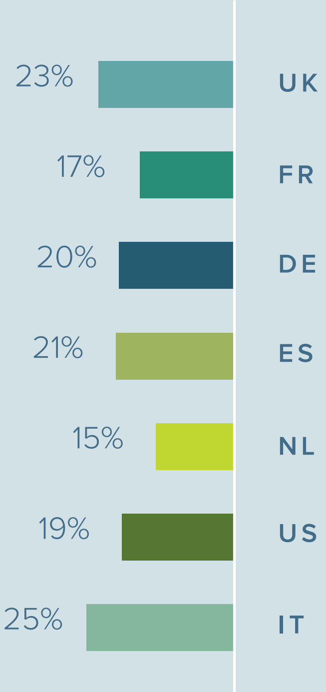



## CLICK AND COLLECT IN-STORE

Click and collect in-store again topped the list of alternatives to home delivery, and proved most popular with UK (68%), French (51%) and Spanish (51%) shoppers. However, German (32%) and Italian (38%) shoppers were less inclined to visit a store to collect their purchase

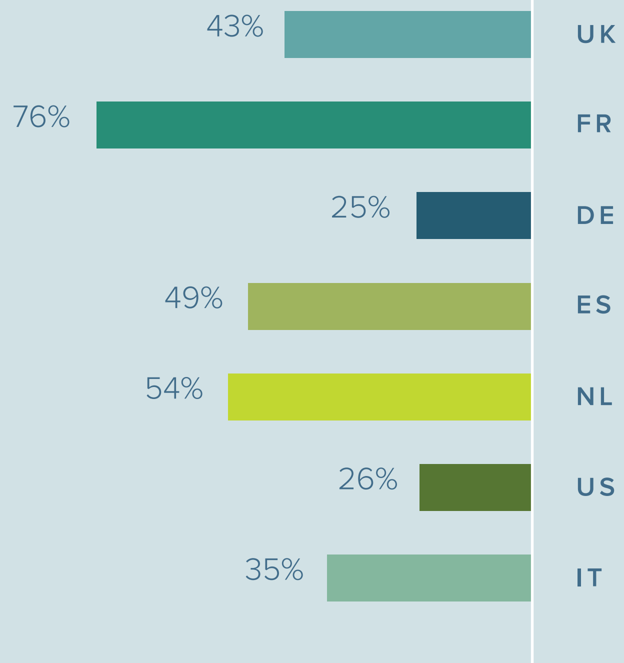
## DELIVERY TO WORK

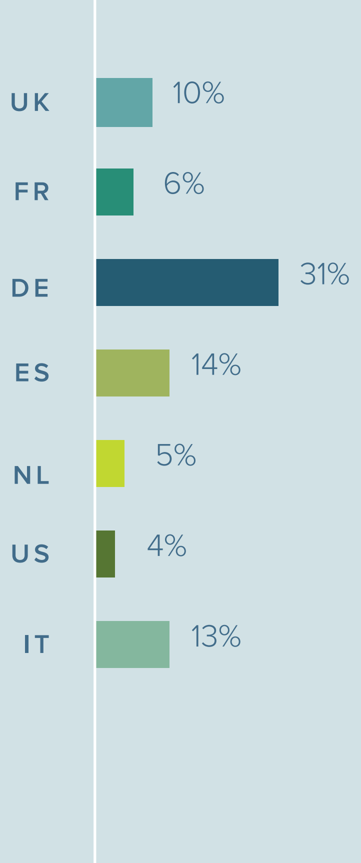
Delivery to work is growing in popularity. Last year just 11% of all consumers opted to have their purchases delivered to a place of work, compared to 20% of this year's respondents. Getting online purchases delivered to the 'office' was most popular with Italian (25%) and UK (23%) shoppers but held less appeal for US (19%), French (17%) and Dutch (15%) consumers



## DELIVERY TO LOCAL SHOP OR PICK UP POINT

Delivery to a local shop or pick up point is a popular choice for 76% of French shoppers (up from 48% in last year's survey) and represents an attractive option for Dutch (54%) and Spanish (49%) consumers




## DELIVERY TO LOCKER

Delivery to a locker remains the least popular option for most shoppers across Europe and the US, with the exception of Germany where 31% of respondents opted for this service compared to just 12% of all other respondents. But there are indications that things are changing. Last year only 5% of UK respondents had used such a service, compared to 10% this year. It was a similar story in the US (2% last year vs. 4% this year), France (3% last year vs. 6% this year) and Spain (7% last year vs. 14% this year)

# CULTURAL DIFFERENCES REIGN ON **WEEKEND DELIVERIES**

*Impatient consumers are fast to grasp services that let them satisfy that 'I want that, and I want it now' feeling. For example, demand for a premium 'same day' service - once a niche offering - is very much on the rise.*

Last year just 13% of respondents had opted for a same day delivery. But this year, demand had almost doubled in all countries surveyed; 22% of all respondents say they've taken advantage of this delivery option in the last six months. When it came to fast-paced delivery, same day delivery is proving particularly appealing to Italian (33%), UK (28%) and US (22%) consumers.

*Having the ability to predict and control when they receive their purchase is a top priority for* ***Dutch (47%) and British (40%) shoppers*** *who will* ***regularly elect a nominated delivery day service.***

Sunday may well be the new Saturday in some territories, but consumer hunger for weekend deliveries varies dramatically on a country-by-country basis:

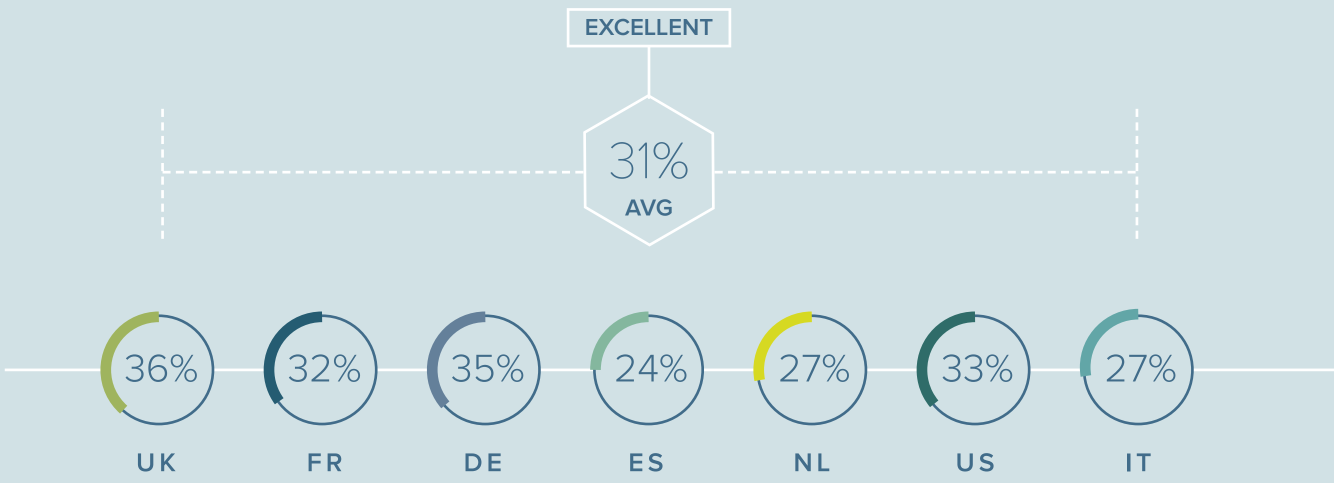
- Weekend deliveries hold the most appeal for UK (34%) and US (34%) shoppers, but are least popular in France (13%) and Italy (14%)
- Sunday deliveries found most favour with British (16%) and US (15%) shoppers, but were less acceptable to German (3%) and French (5%) online consumers

The survey reveals that Spanish, Dutch and Italian shoppers are the hardest to please – and the least likely to provide praise; just 24% of Spanish shoppers rated their experience of a retailer's delivery service as excellent, while only 27% of Italian and Dutch shoppers were impressed.

# **ONLINE CONSUMERS** CAN BE FICKLE, DEMANDING – AND **HARD TO PLEASE**

*Today's consumers want timely, accurate deliveries and options that give them convenience across a range of product categories.*

## **RATE THE DELIVERY EXPERIENCE** YOU HAD THE LAST TIME YOU PURCHASED GOODS FROM A **RETAILER ECOMMERCE WEBSITE**




And, while Spanish shoppers were most likely to have purchased from a brand or manufacturer (45% compared to 38% of all other consumers), they were also the most critical of their delivery failings – just 26% rated these as excellent.

*When it comes to publically broadcasting their displeasure at a poor delivery experience on social media,* ***Spanish (56%) and Italian (51%) customers are by far the most vociferous.*** *By contrast, German (16%) shoppers were least likely to go public.*

When evaluating what contributed to a poor delivery experience:

- Compared to other respondents, Italian (29%) shoppers were the least tolerant when it came to delivery cost
- Slow speed of delivery was an issue for Spanish (49%), US (45%) and Italian (42%) customers
- Encountering limited delivery options was the top irritation for French (30%) shoppers

Having the freedom to change their delivery choice after placing an online order has a strong appeal for consumers and Spanish (57%) and French (55%) purchasers were front of line in their eagerness to use such a facility, if it was on offer.

# OBSESSED WITH **TRACKING DELIVERY PROGRESS**

*After checking the delivery charge, the ability to track their delivery was the second most important consideration for consumers.*

These connected consumers expect regular updates on their order delivery status; 88% of all respondents confirm they use facilities like SMS (with hyperlink), email, and online self-service apps to get their updates. And over half (58%) confess to proactively checking their order status two or more times:

- German (93%), French (91%) and Italian (90%) shoppers will typically track their orders online; overall, this option was universally popular with 54% of respondents
- German (66%), US (63%) and Spanish (55%) customers are most likely to self-serve and track online
- Using a dedicated app to track order status was most popular with Dutch (18%) and Spanish (16%) shoppers

# CONSUMERS WANT THEIR **LOYALTY REWARDED** – AND WOULD BE INCENTIVISED **TO BUY MORE IN RETURN**

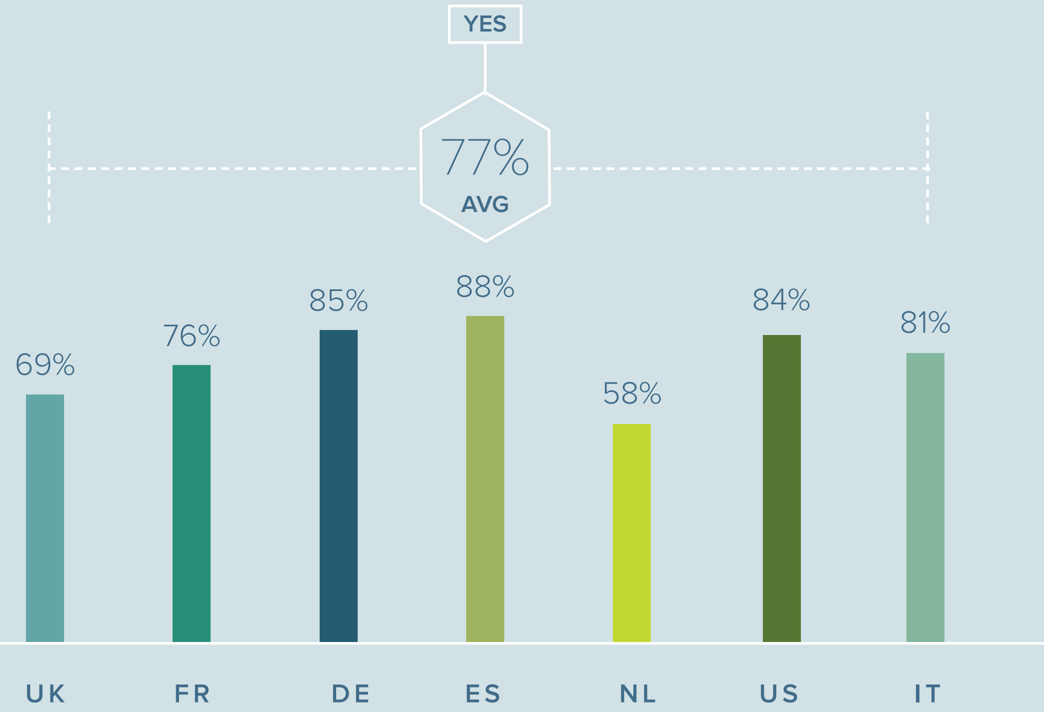
Consumers expressed a real hunger for loyalty programmes that reward shoppers with free or quick delivery – 77% said they would like the eCommerce sites they use regularly to offer this feature and 86% said they would prioritise shopping with sites that offered this facility:

- Demand for this service was particularly high in Spain (88%), Germany (85%) and Italy (81%)
- 90% of Spanish and French shoppers would make sites offering this service their go-to shopping destination – but a loyalty delivery programme would be less likely to win over Dutch consumers (66%)

Examining what else would incentivise shoppers to purchase with an eCommerce site:

- Demand for a one-hour delivery service in metropolitan areas was noticeably highest in Spain where 76% of consumers said they want this service
- Spanish shoppers (40%) were also the most keen to utilise a service where the point of delivery is wherever they are at a the time – and not a fixed postcode
- Delivery to a local pick-up point is the name of the game for French (63%) and Dutch (56%) shoppers. But UK purchasers (50%) appear increasingly keen to take advantage of a convenient local pick up point (up from just 24% last year)

## WOULD YOU LIKE **ECOMMERCE WEBSITES TO OFFER A DELIVERY LOYALTY PROGRAM**?




## WOULD YOU **PRIORITISE SHOPPING WITH THAT RETAILER**?

YES

86%

AVG

# PRICE **SENSITIVITIES**


***Consumer expectations are being influenced*** *by the activities of online market places like Amazon, which have made an art of* ***utilising delivery as a primary competitive differentiator.***

So, while free delivery was once reserved for the 7-10 day delivery option, consumers in mature eCommerce markets now have the expectation that premium services – like next or same day delivery – should be free. And that puts the pressure on online retailers to optimise their delivery management and make it work from a commercial – as well as a customer - perspective.

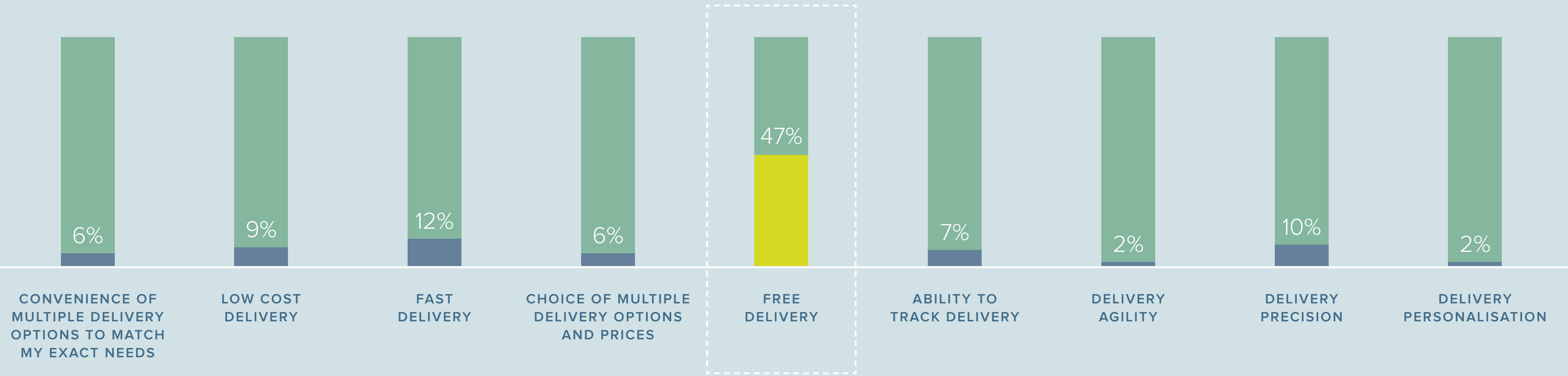
As the findings of the survey confirm, delivery price surpasses all other considerations when it comes to online shopping behaviours – and free delivery is the driving motivation for 47% of all respondents in relation to the majority of their online purchases:

- 71% of all respondents had purchased more items or products to take advantage of a minimum spend 'free delivery' option
- Free delivery rates as the most important for US consumers; 53% say it's their top priority for online purchases and 80% will buy more items to take advantage of a minimum spend 'free delivery' threshold
- 60% of all respondents who had abandoned a retailer's online shopping basket said they'd done so because the delivery options offered were 'too expensive'; 56% of those who abandoned a brand or manufacturer's online shopping basket did so for the same reason

When it came to preparedness to pay for standard delivery, almost half (47%) of all respondents said that they would expect this service to be free:

- Dutch (52%), German (51%) and French (51%) shoppers were the least willing to pay for a standard delivery service
- 14% of all other European respondents were willing to pay up to 3 Euros
- 6% of US shoppers were more accepting of a standard delivery charge and would be prepared to pay up to $5 Dollars for this option

## MOST IMPORTANT DELIVERY CONSIDERATIONS



# **WE'LL PAY** FOR IT IF WE CAN **HAVE IT FASTER**


25%

of UK respondents would pay up to £5 for a same day delivery


In other European territories,

20%

of consumers were willing to pay up to €5 for a same day delivery


In the US,

27%

of shoppers confirmed they'd pay up to $5 to get a same day delivery

Consumers demonstrated a somewhat greater willingness to pay for a more convenient or faster delivery option, but only to suit their needs:

- 25% of UK respondents would pay up to £5 for a same day delivery – although 23% said they'd expect this service to be free
- In other European territories, 20% of consumers were willing to pay up to €5 for a same day delivery
- In the US, 27% of shoppers confirmed they'd pay up to $5 to get a same day delivery
- 42% of US shoppers would pay more to guarantee next day delivery or in-store pick up during peak holiday periods, but French shoppers (26%) were least inclined to pay to get this service

In terms of delivery convenience, while UK shoppers were most enamoured at the idea of a Sunday delivery option:

- 38% of UK respondents felt this service should be free
- 14% would pay up to £3
- 16% would be prepared to pay up to £5

# DELIVERY CHARGES PUT OFF **INTERNATIONAL SHOPPERS**

*The survey findings highlight how **delivery cost represents a major barrier to overseas online purchasing.** When asked what would most encourage them to shop more internationally, more than one third (38%) identified free delivery as top of their wish list.*


In the last 12 months, 33% of all respondents had purchased goods overseas between two and five times – with shoppers in France (39%), the UK (36%) and Spain (36%) leading in this respect.

Reflecting market maturity, almost one-tenth of Spanish respondents (9%) said they had made 10 or more overseas purchases; Dutch (7%) and Italian (7%) shoppers had made a similar number of overseas online purchasing forays.

- 16% of Dutch and French consumers admit having to pay for delivery deters them from making international purchases; it's also a problem for 15% of UK and Italian shoppers
- 43% of French and 42% of US customers would shop more internationally if delivery was free

# MILLENNIALS AND SILVER SURFERS

## DOES AGE REALLY COUNT?

*Evaluating delivery expectations and online shopping behaviours among specific demographics makes for interesting reading. The survey data shows that, while gender has little impact on online buying behaviours or shopping activity, consumer age reveals some fascinating insights.*

For the purposes of this year's analysis, we wanted to compare the attitudes and preferences of two key demographic groups:

- one cohort we've termed 'Millennials' ('digital natives' aged between 18 and 25)
- the second cohort we've defined as 'Silver Surfers' (those aged 50 and above)

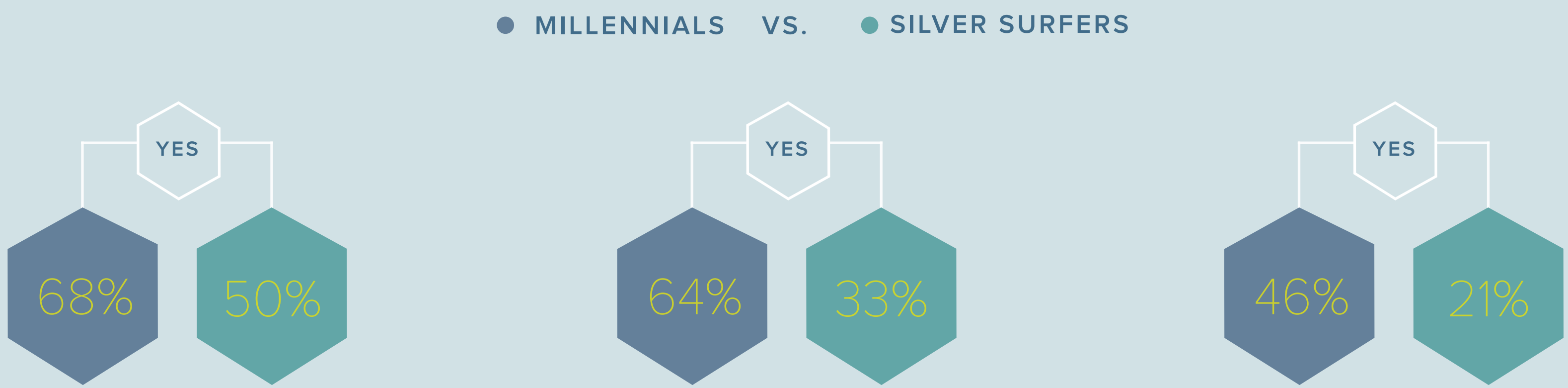
As digital natives, millennials have never known a world where online shopping wasn't an option. No wonder then that they have high expectations when it comes to delivery and returns – and are much less tolerant than older age groups. That said, silver surfers have been fast to find their digital feet and their online shopping behaviours and expectations are starting to emulate the demands of 'generation now'.

# WHAT **MATTERS MOST TO MILLENNIALS?**

*Typically characterised as a unique breed of plugged-in and device-wielding individuals, these multi-tasking and time pressed shoppers have little tolerance for complications or delays.*

Indeed, the 'generation me' consumer expects personalised 'in the moment' experiences and services to be centred on their constantly evolving needs:

- Millennials always have an **eye on the prize** and won't hesitate to abandon a retailer's eCommerce store should they find delivery options better suited to their needs on offer elsewhere - a considerable 68% of millennials say they've done this, compared to just 50% of silver surfers
- **Patience isn't a virtue** for millennials – 64% want online merchants to provide a one-hour delivery service in metropolitan locations, compared to just 33% of silver surfers
- **Flexibility** appeals to millennial shoppers – 55% want the freedom to change their delivery after placing an order online, compared to 37% of silver surfers
- **Going public** when things go wrong – 43% of millennials will voice their displeasure at a negative delivery experience on social media; just 26% of silver surfers would choose this route
- **Millennial shoppers are fickle** - 46% of them often buy multiple goods online knowing that they will return some or all of these, almost double the number of silver surfers (21%) who over-order




Have you ever bought goods from one retailer over another because they provided more delivery options?

Would you like retailers to offer one-hour delivery in metropolitan areas?

Do you ever buy multiple products online, already knowing you will return some/all of them?

# PRAGMATISM CHARACTERISES **SILVER SURFER ATTITUDES**

*There are many similarities between the two generational cohorts. For example, both ranked free delivery highly as a primary consideration when making the majority of their online purchases (39% millennials vs. 51% silver surfers).*

What's more, 65% of silver surfers and 72% of millennials say that they will purchase more items to take advantage of a minimum spend 'free delivery' option.

But there are distinct nuances in attitudes between the two demographics in a number of areas:

- Typically **more loyal**, reliable delivery is important for silver surfers and those online merchants that get delivery right are the 'go-to' places for these consumers; 68% say they would shop again with a retailer following a positive delivery experience compared to 60% of millennials
- They're also more **forgiving** – 44% of millennials would never shop again with an online merchant following a negative delivery experience, compared to 31% of silver surfers
- **And less likely to complain** – silver surfers seem more prepared to accept that sometimes things don't go to plan. Just 26% had complained to an online provider following a poor delivery experience, compared to 39% of millennials
- Silver surfers appear **less inclined** to shop overseas; 42% had not purchased goods online from overseas in the last 12 months, compared to just 17% of millennials. That said, over a quarter (26%) of silver surfers made between two and five purchases in the period
- **Delivery price is more of a sticking point** for silver surfers; 39% would expect a same day delivery service to be free compared to just 12% of millennials; 42% said free delivery would incentivise them to purchase more overseas; and just 10% would be prepared to pay for a better returns service

# PEAK EXPECTATIONS

*Managing seasonal sales and holiday peaks is paramount for online merchants, who need to effectively handle intensified demand volumes in line with elevated consumer expectations.*

## *The stakes, from a **reputation** and **revenue generation** point of view, are high.*

As well as increased consumer scrutiny of their eCommerce offering and operation, online merchants know that peak periods are also when consumer sensitivities around delivery are heightened.

What's more, peak periods are often the timeframes in which consumers are most likely to venture out of their normal 'comfort zone' and try out alternative delivery options in a bid to assure either more convenient or faster receipt of the goods they purchase online.

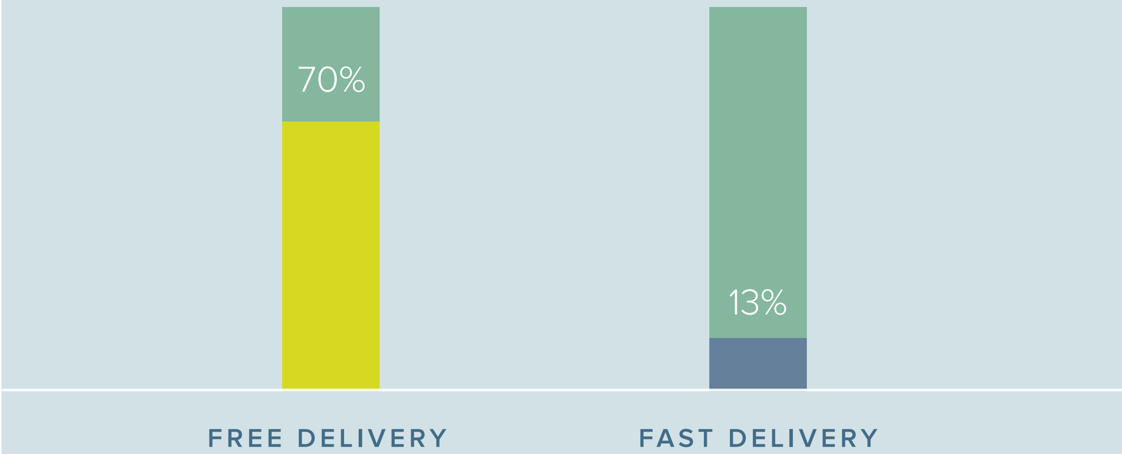
While 50% of all respondents told us their online shopping patterns don't change during peak, a pretty impressive 40% of all the respondents admitted that their delivery expectations and behaviours are different:

- US (52%) and Dutch (45%) shoppers were the most likely to raise their delivery expectations
- More than half (55%) of millennials confirm they too have different purchasing behaviours during peak or seasonal holidays
- But less than one-third (28%) of silver surfers say that they undergo a similar 'Jekyll and Hyde' style transformation – perhaps they're just better at planning ahead?

Unsurprisingly, the research findings confirm that free delivery and speed of delivery are the top motivating factors that would drive consumers to shop more with an eCommerce site during peak:

- 70% of respondents rated free delivery as the option most likely to encourage them to buy more from a merchant. Fast delivery was ranked by 13% of all respondents as their most appealing enticement
- But just 34% of all respondents would be prepared to pay more to guarantee next day delivery or in store pick up during peak

## OPTIONS MOST LIKELY TO ENCOURAGE ONLINE SHOPPERS TO BUY MORE FROM AN E-TAILER




Once again, some interesting regional variations in consumer preferences were observed:

- Dutch shoppers (58%) were least likely to buy more online, even if free delivery was on offer during peak
- US shoppers (42%) were the most likely to pay more to guarantee a next day delivery during peak; and French (26%) consumers were the least inclined of all respondents to pay for this facility

# REVIEW AND FINAL OBSERVATIONS

*The online delivery landscape is evolving fast and the rules of competition are changing. Today, success depends on giving online shoppers what they want – and delivery is a key differentiating factor for all online merchants.*

***The message from digital consumers is clear: they want to see more flexibility and convenience in online deliveries. And they increasingly expect to be able to adjust delivery 'on the fly'.***

The findings from this year's research demonstrate how, with increasing maturity, the expectations of consumers evolve – often quickly. And where online pure plays lead, others must follow: the race for faster delivery timeframes is on. Delivery also increasingly needs to be connected with the customer – which means products need to be delivered to the customer's home, office, nearby store, local drop off point or locker facility.

### BRANDS AND MANUFACTURERS HAVE A WINDOW OF OPPORTUNITY BEFORE CONSUMER PATIENCE WEARS THIN

Consumers are still very much enamoured with brand glamour. While brands and manufacturers have done well to emulate the delivery options offered by more established online retailers, they will need to elevate their execution capabilities fast before this initial honeymoon phase is over. At which point, consumers will start to more critically measure their delivery capability – and may find them wanting. Retailers have already impressively mastered this steep learning curve; compared to last year's survey when 43% of respondents said they'd had a negative delivery experience, this year just 18% said this was the case

### CONSUMER HUNGER FOR 'DELIVERY LOYALTY' STYLE PROGRAMMES IS GROWING

Consumers have come to expect free and easy options for receiving the products they've purchased so retailers are obliged to maintain these services. What's also clear is consumers will next expect retailers and brands to reward their loyalty and business with schemes that give them access to free shipping and premium return options – with no minimum transaction spend

## ONLINE SHOPPERS ARE PUSHING RETAILERS TO GIVE MORE FOR LESS, AND ARE ABOUT TO GET EVEN MORE DEMANDING

They want free delivery, they want premium delivery services for free, and now they want customer-centric delivery that's connected to where they are – and not a set postcode. They expect ultimate delivery flexibility, each and every time they shop online. For them, it just has to be seamless and simple. That means merchants need to have sophisticated tools in place to manage all delivery options and consumer interactions

## WHAT SEEMED INNOVATIVE 12 MONTHS AGO IS BECOMING COMMONPLACE TODAY

To keep pace with consumers' ever-increasing demands, merchants will need to evolve. Because when consumers see something they like, they have to have it. We've seen disruptive new services being quickly adopted by consumers when these suit their needs. For example, delivery to a local shop or pick up point has captured the consumer imagination; 44% of this year's respondents had used a PUDO service compared to just 29% in 2015. It's a similar story for same day delivery; 22% of respondents had made use of this delivery option compared to just 13% in 2015. What's next? It's pretty clear from the survey findings that consumer desire for a 1 hour delivery in metropolitan areas is high; 38% of this year's respondents said that they want the merchants with whom they shop to offer this, compared to just 18% in 2015

## GETTING DELIVERY WRONG COSTS THE BOTTOM LINE

Brand reputation aside, the fact is that a poor delivery experience adds up to additional post sales handling, complexity and dissatisfied customers that need to be mollified or compensated in some way. A total of 34% of respondents to this year's survey had been motivated enough to complain to a retailer about a poor delivery experience. Of those that placed a complaint, 38% received a refund and 17% received a voucher. Worryingly 10% confirmed they received no response at all to their complaint

## GLOBAL CONSUMER RESEARCH DATA

MetaPack has been producing eCommerce Delivery Consumer Research Reports for over three years. Check all reports at **http://www.metapack.com/research** and contact us via **info@metapack.com** for further information and insight.

## REQUEST A DEMO

MetaPack works with the world's leading retailers and brands to optimise eCommerce delivery. A single integration to MetaPack's SaaS solution opens up a catalogue of 400 carriers and 4,000 delivery options. Request a demo at **http://www.metapack.com/request-a-demo**

## DELIVERY EXCELLENCE EVENTS

MetaPack regularly hosts Delivery Excellence workshops. Contact us via **events@metapack.com** to find out more.

## QUESTIONS?

Give us a call and speak with an eCommerce Delivery Management expert to answer any questions you may have. Global contact information available at **http://www.metapack.com/contact**

## ABOUT METAPACK

Founded in 1999, MetaPack helps eCommerce and delivery professionals to meet the consumer's growing expectations of delivery, whilst maintaining and optimising operational efficiency. MetaPack's SaaS solution offers a wide range of personalised delivery services, from global order tracking to simplified return procedures, through a catalogue of 400 carriers and 4,000 services available that span every country in the world. Thanks to MetaPack, more than half a billion packages are sent annually worldwide by many of the leading eCommerce retailers such as ASOS, House of Fraser, John Lewis, Wiggle, Marks & Spencer, Sports Direct, Halfords and Tesco.

**More information: www.metapack.com**

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