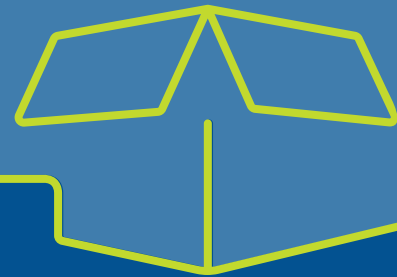
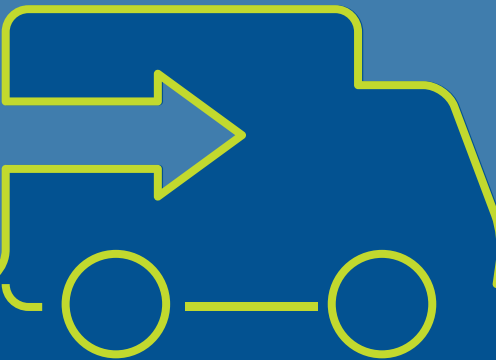




MetaPack



METAPACK: DELIVERING CONSUMER CHOICE

A deep dive into how consumer demand
is shaping the delivery landscape

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BETTER CHOICE. MORE FREEDOM.

INTRO

At MetaPack, we're excited to help eCommerce retailers succeed using intelligent technology to provide consumers with a choice of delivery options to suit their needs.

The digital environment is constantly changing – and fast. Consumer requirements and behaviours are evolving too. We not only offer you the tools to keep up, but in this report we're lifting the lid on what your customers want, both now and in the future.

To test our belief that delivery experience has a profound impact on customer metrics such as brand loyalty and repeat sales, earlier this year we commissioned Research Now to survey 250 female and 250 male consumers across age groups in the UK. The research explored topics such as delivery method preferences, alternative delivery services, positive and negative delivery experiences, cross-border buying behaviour and expectations about delivery in the future.

We're firm believers in using the power of data to produce transformational insights. We'd like to apply the results of our research to address your needs and strategy, so please give us a call to talk about how we can help propel your business forward.

Enjoy the read,

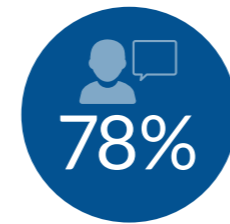
Kees de Vos
Commerce Development Director
MetaPack Group

Loyalty through delivery

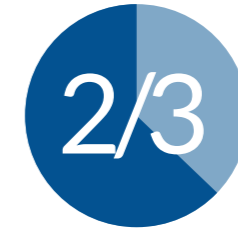
You've worked hard to create a retail consumer experience you can be proud of, but it's all too easy to lose customers at the final mile. By making delivery a priority, eCommerce businesses have the **opportunity to build consumer loyalty and drive repeat purchases.**

Following a negative delivery experience, 59% of consumers said they are less likely or unlikely to order from that retailer again.

Delivery is a crucial part in the eCommerce journey and gives you the opportunity to differentiate. Beyond a loss of existing customers, shortcomings in the delivery of goods can discourage potential customers and future business, too. **Following a negative delivery experience:**



78% of consumers are likely to tell their friends about it



Two-thirds are likely to use an alternative retailer in future

Common Delivery Issues



Shoppers received a slip when they were in the house



Parcel left in an inappropriate place



Waited all day and the delivery didn't arrive

There is a silver lining though, 95% of consumers say a positive delivery experience would encourage them to shop more with that retailer in future. Get delivery right and consumers will reward you with their loyalty; **92% of women** said a positive experience would make them choose a retailer over others offering the same product.

Fast, free and easy

We asked eCommerce shoppers to rank what they value most in delivery?



More than half say free delivery is most important



Same or next day delivery is critical to over a fifth of respondents



One in ten want the option to deliver to their home within a fixed time slot.

Delivery Loyalty



38% use Delivery loyalty scheme

and



29% use Amazon Prime

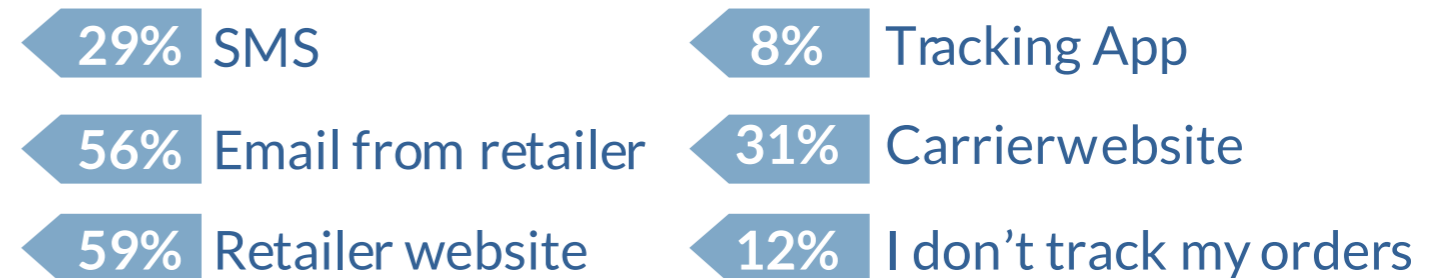


Age and gender both influence delivery values...

- Women are twice as likely to want to pick up items in-store than men
- Fast delivery is a bigger draw for younger consumers than older ones
- The option to pick up in-store is the key value for 11% of the millennial generation (25 to 34)

33% say it's top priority

Which services have you used to track your parcel?



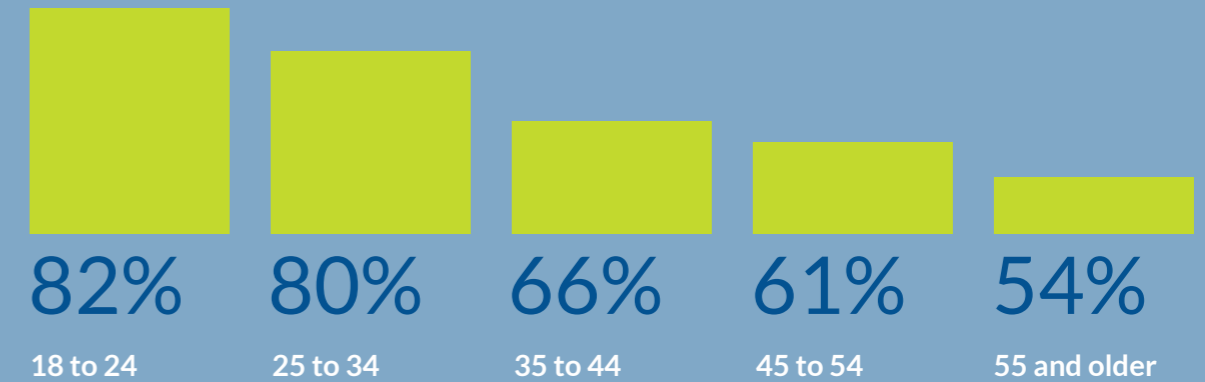
The fear of missed delivery

If you've ever been nervous to leave the house because you were expecting a parcel, you're not alone. More than two-thirds of consumers we spoke to said they were anxious to leave the house!

Generation C and Millennials have long been reported to experience a **fear of missing out** – analysts call this phenomenon FOMO.

Our research suggests that in the world of eCommerce, this tendency extends to fear of a missed delivery – FOMD.

Age plays a significant factor; the younger you are the more likely you are to feel anxious about missing your delivery



Have you ever been frightened or reticent to leave the house because you were expecting a delivery?

70%
have taken a day off
work to wait in for
a delivery



Whenever, wherever

New alternative delivery options mean consumers no longer have to sit at home waiting for a package to arrive. A host of services put control into shoppers' hands...

Click and Collect is now mainstream

Online shoppers today are using a variety of alternative delivery points, including:

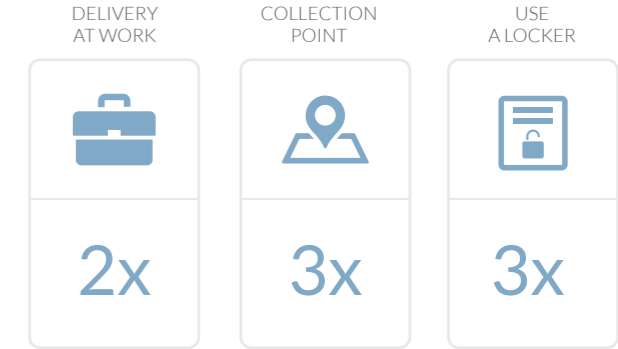


Have you ever used the following services to receive your online orders?



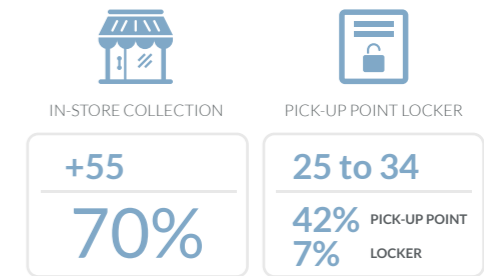
Heavy shoppers more experiential with delivery options.

Two times more likely to deliver to work.
Three times more likely to use a collection point.
Three times more likely to use a locker.

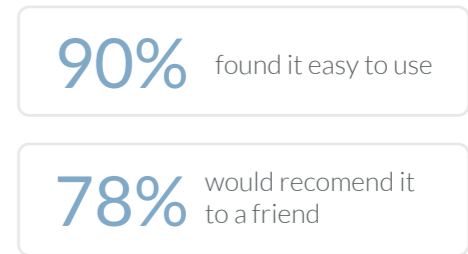


Millennials are more demanding.

People aged 25 to 34 have the highest likelihood to use delivery to a local shop or pick up point (42%) and are 3x more likely to use a locker. Whilst consumers 55 and over are most likely to use a collect in store option (70%)



Of those who have opted to try a delivery-to-locker service...service...



Seven days a week



People are busier than ever, which is why **14% have already opted to have their purchases delivered on a Sunday**, even though this service only became available this year.

Here's what we found out about consumer habits and expectations around Sunday services...

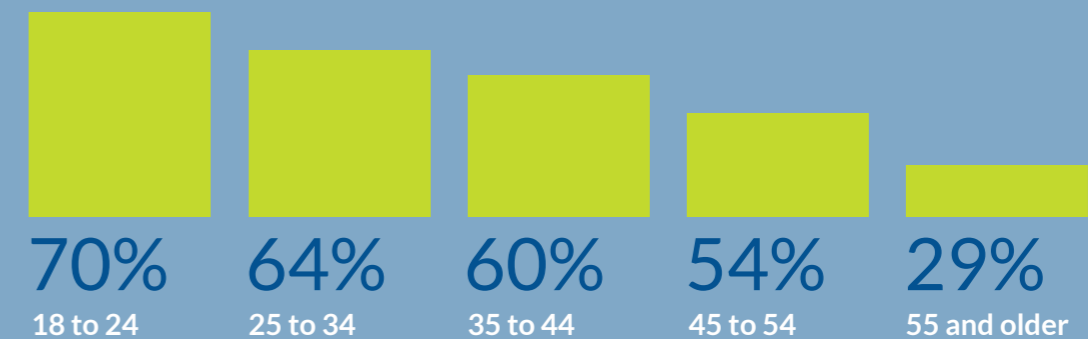


If the cost were the same as for weekday deliveries, then more than three-quarters of people would choose a Sunday delivery service.



An interesting age-related pattern emerged in response to the question

“Do Sunday deliveries encourage you to shop more online?”



On average, more than half of the consumers we spoke to said they would shop more online if Sunday deliveries were offered.

The wide, wide world

Buying goods from stores outside the UK is becoming easier every day. When we asked respondents about overseas purchase behaviours, here's what we discovered...

Across all age segments, more than half of consumers (61%) have purchased goods from outside the UK

Overseas buying behaviour varies

75%

VERY FREQUENT SHOPPERS

42%

LIGHT SHOPPERS

Younger people are more likely to buy from abroad than their elders.

75% consumers

AGE 25 TO 34

42% consumers

55 AND OLDER



Cost and availability are the primary factors in choosing to buy from abroad. When asked, **“Why did you decide to shop internationally?”**

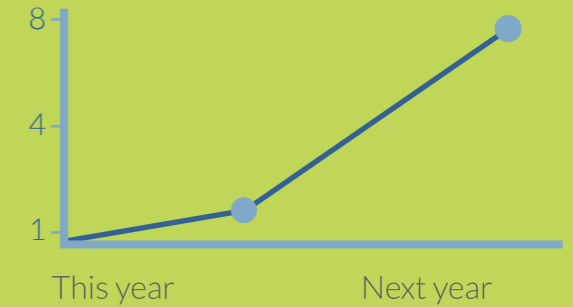
59%

Said because the product was unavailable to buy in the UK

54%

Said because the low cost of goods

Frequent shoppers expect to increase their overseas shopping eight fold over the next year



Speed and Cost

48%

are happy with overall cost of delivery

44%

are happy with the speed of delivery

Thanks but no thanks

Every eCommerce retailer knows that handling returns is a key part of the consumer experience, but more than one in four consumers (28%) say it isn't easy to return goods bought online. Among light shoppers* 38% said making returns isn't easy.

COMMON RETURN ISSUES

- 56%** Not free
- 43%** Options not convenient
- 51%** Too complicated

*Defined as those who buy online once or twice every six months

The majority of people (88%) would shop more at a retailer that made the returns process easy.

Women are twice as likely to factor this into their decision than men, and shoppers ages 18 to 24 are three times as likely to consider it than those 55 and older.

HOW DO CONSUMERS PREFER TO RETURN ITEMS?



The future

Consumers are looking forward to the future, demanding speed, convenience and control when it comes to their parcel deliveries. We asked people **what new services they're likely to use in the future**, and here's what they said...

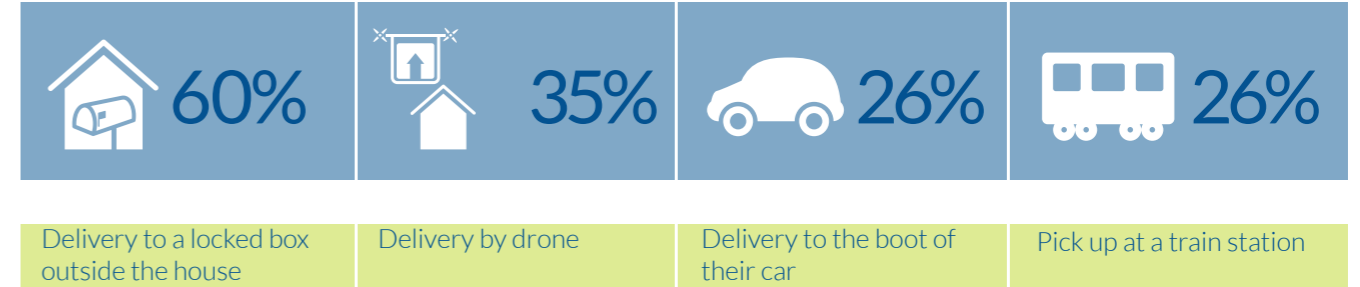
The majority are likely to use services that will see them **receive purchases faster**.



| | |
|--|-----|
| <u>Same-day delivery</u> | 76% |
| <u>Sunday delivery</u> | 73% |
| <u>One-hour delivery post purchase</u> | 69% |



Many are looking forward to trying innovative solutions...



Up, up and away

People ages 18 to 24 are three times more likely to see themselves taking a delivery by drone than those aged 55 and over.

Take a train

Taking deliveries at a train station is unappealing to older people; just 7% of over-55s plan to use this service, while 31% of all other age groups say they're likely to take advantage.



Conclusion

Consumer demand is profoundly affecting the delivery landscape. What does this mean for businesses like yours? Now more than ever is the time to consider the opportunities of cross-border trade. We're seeing that people are generally happy with the cost and speed of overseas delivery. It's a key indicator that the traditional barriers to selling internationally are breaking down, leaving very little to hold retailers back.

Our research offers a great opportunity to think about the delivery options most likely to appeal to your target audience. For example, millennials and the want-it-now generation are keen to experiment with new options, trying anything and everything that the industry has to offer. Meanwhile the over-55s are avid users of click-and-collect services.

In fact, click-and-collect has become so mainstream that nearly two-thirds of consumers have used it. What's next? Alternative delivery points like convenience stores and lockers are just starting to gain momentum – mainly driven by the millennial generation.

Regardless of age, people told us that they put a high value on the delivery experience. Not only will they be put off shopping with a retailer that can't provide a positive experience, but they're more likely than ever to tell their friends and family or post about it on social media. Get delivery right and customers will be loyal to you – 95% say a good delivery experience encourages them to shop with you again.

There's never been a more dynamic time in the world of delivery. Consumers are looking forward to trying any new service that retailers can provide. This marks an exciting junction in the delivery story where the industry will find a receptive audience for whatever innovation it develops.



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