



2018 STATE OF ECOMMERCE DELIVERY

METAPACK CONSUMER RESEARCH
REPORT: UK MARKET INSIGHTS

TABLE OF CONTENTS



- 1 INTRODUCTION ----- 3
- 2 STUDY METHODOLOGY ----- 3
- 3 EXECUTIVE SUMMARY ----- 3
- 4 KEY FINDINGS ----- 5
- 5 FAST AND FLEXIBLE DELIVERY ----- 7
- 6 INCREASING CONSUMER LOYALTY ----- 11
- 7 INTERNATIONAL SHOPPING ----- 13
- 8 GOING LUXE AND GOING GREEN ----- 14
- 9 REVIEW AND FINAL OBSERVATIONS ----- 16

1. INTRODUCTION

The eCommerce battleground is increasingly focused on who can best meet growing consumer expectations for shopping experiences that are simple, fast, reliable and – above all – convenient.

It comes as no surprise, then, that customer-centric delivery now represents a key differentiation point for e-tailers looking to win the biggest share of consumer spend.

Providing deep insights into what consumers want when it comes to delivery, the 2018 State of eCommerce Delivery MetaPack Consumer Research Report examines how the delivery choices shoppers in North America and Europe encounter influence the purchasing decisions they make.

This Market Insights report delivers a detailed assessment on how consumers in France increasingly expect to be able to determine exactly when, where and how they receive their online purchases and which carrier is entrusted with the delivery of their goods.

2. STUDY METHODOLOGY

Research was conducted online in July 2018 with 510 consumers in France as part of a global study. In total, 3,597 consumers in the UK, France, Germany, the Netherlands, Spain, Canada and US were surveyed on behalf of MetaPack by Research Now, a global leader in digital data collection.

Aged over 18, 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 geographic regions within which the fieldwork was undertaken: Canada (511), France (510), Germany (510), the Netherlands (509), Spain (510), the UK (528) and the US (511).



3. EXECUTIVE SUMMARY

An excellent consumer delivery experience can be a key differentiator for retailers and brands. In this year's report we explore key themes to help retailers and brands understand what consumers expect.

Firstly, Fast and Flexible Delivery. **79%** of UK consumers will pay more for faster delivery or a more convenient option. Getting it right for today's time-pressed consumers means delivering their online orders rapidly and to their specific requirements.

Secondly, International Shopping. **32%** of UK consumers had made 2 to 5 purchases abroad in the last 12 months, with a further **18%** making 6 to 10 or more overseas purchases. Consumers expect full transparency on delivery and associated costs when buying abroad.

Thirdly, Consumer Loyalty. **38%** of UK consumers would prioritise shopping with one online provider over another if it offered a loyalty programme featuring next day delivery.

Finally, we discuss Going Luxe and Going Green. Consumers are increasingly eco-conscious and opting for consolidated delivery. **77%** of UK shoppers told us they were conscious of the environmental impact of their online deliveries.

With a wealth of choice at their fingertips, should eCommerce providers fail to get the end-to-end e-delivery experience right, these well-practiced digital shoppers will make e-tailers fight even harder for their loyalty.

ECOMMERCE DELIVERY TRENDS: CONSUMER PREFERENCES



UK

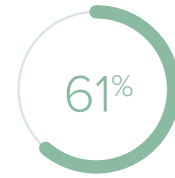


GLOBAL

of consumers have purchased more items to take advantage of a minimum spend 'free delivery' option.



UK



GLOBAL

of consumers say a positive delivery experience incentivises them to shop with an e-tailer again.

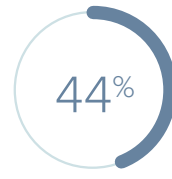


UK



GLOBAL

of consumers chose to purchase goods from one online provider over another because they provided more delivery options.



UK

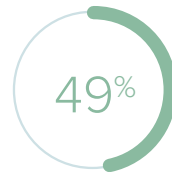


GLOBAL

of consumers now want eCommerce providers to offer a one-hour delivery in metropolitan areas.



UK



GLOBAL

of consumers would prioritise shopping with one online provider over another if it offered a loyalty program featuring free next day delivery.

While home delivery retains a strong appeal for **84%** of UK consumers, many utilised a range of other options to secure the most convenient time or location to take receipt of their orders:



UK



GLOBAL

of shoppers collected their purchases in store.



UK



GLOBAL

of shoppers used a local pick-up point or shop.



UK



GLOBAL

of shoppers scheduled deliveries to their place of work.



UK



GLOBAL

of shoppers opted for a weekend delivery.

4. KEY FINDINGS

With consumer loyalty increasingly hard to come by, and online shopping expectations evolving rapidly, our research highlights how consumer priorities are shifting when it comes to the delivery of their eCommerce orders:

MOST CONSUMERS NOW EXPECT FREE DELIVERY FOR THEIR EVERYDAY PURCHASES –

66% of UK and **62%** of global shoppers said free delivery is their top consideration for the majority of purchases they make.

BUT MANY ARE PREPARED TO PAY TO EXPEDITE FASTER DELIVERY OR TAKE ADVANTAGE OF A MORE CONVENIENT DELIVERY OPTION –

79% of UK shoppers (**70%** Global) we surveyed expect to pay extra for a one-hour, same day, next day or Sunday delivery.

SHIFTING LIFE PRIORITIES MEAN MORE CONSUMERS WANT THE FREEDOM TO CHANGE DELIVERY DATES OR RE-ROUTE THEIR ORDER POST-DESPATCH –

26% of UK shoppers (**30%** Global) had made changes to their delivery preferences ‘on the fly’ after their order had been dispatched, with a further **39%** (**48%** Global) saying that if this option had been available to them, they’d have used it.

CONVENIENCE-ORIENTED CONSUMERS ARE TEMPTED TO TRY OUT NEW DELIVERY OPTIONS –

25% of UK shoppers (**44%** Global) plan to take advantage of collection from a local pick-up point, so they can avoid having to deviate from their daily routines or miss delivery slots. Similarly, delivery to a secure box outside their home held a strong appeal for **25%** of UK respondents (**28%** Global), as did delivery to a locker (**25%**) (**24%** Global). A further **20%** of UK consumers (**24%** Global) said they’d be willing to try out futuristic options like delivery by drone, robots or autonomous vehicles.

THE ABILITY TO SELECT WHICH CARRIER DELIVERS THEIR ONLINE PURCHASES IS BECOMING A TOP PRIORITY FOR MANY CONSUMERS –

31% of UK shoppers (**41%** Global) say that it is somewhat or very important they’re able to choose which online carrier delivers their online purchases.

THE RISE OF THE LUXURY BRAND BUYING CONSUMER –

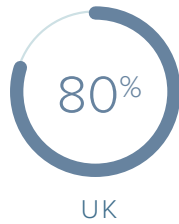
76% of UK respondents (**78%** Global) surveyed had purchased online goods from a luxury brand in the last 12 months. Understanding the ‘store to door’ delivery priorities of this growing army of luxe shoppers is a top concern.

CONSUMER DEMAND FOR A CONVENIENT ‘GREEN’ ECO-FRIENDLY DELIVERY IS

GROWING – 77% of UK shoppers (**77%** Global) told us they were conscious of the environmental impact of their online deliveries. Questioned further, **94%** of UK consumers (**97%** Global) went on to say they would always choose a consolidated delivery over multiple individual deliveries from eCommerce sites because it was more convenient for them, and/or greener.

CUSTOMERS WANT DELIVERY TO BE FREE, FAST AND ACCURATE

Free delivery is the most important consideration for **68%** UK shoppers when making the majority of their purchases:



of consumers say free delivery would incentivise them to buy more online during peak sales periods like holidays, Black Friday and Cyber Monday.



of consumers had purchased more items or products to take advantage of a free delivery option.



of consumers had abandoned shopping baskets with online retailers because free delivery was not available.

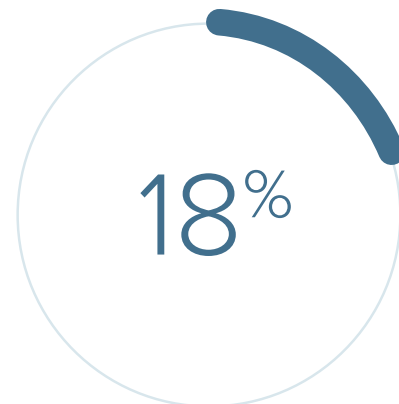
Asked to evaluate the top issues that resulted in an unsatisfactory delivery experience for them, UK consumers identified:



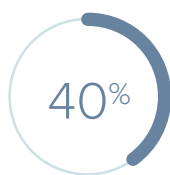
Even Amazon failed to match consumer expectations with regard to convenience: **37%** of UK shoppers say they weren't at all impressed at having to stay at home all day, awaiting delivery of their Amazon order.

5. FAST AND FLEXIBLE DELIVERY

UK consumers (**18%**) ranked choice of multiple delivery options and prices their #2 most important consideration after free delivery for the majority of their online purchases. Fast delivery was only a percentage lower (**17%**) showing that both speed and flexibility is crucial for UK consumers. This is perhaps unsurprising, considering that **9%** say they head online to make purchases on a daily basis, with a further **49%** making weekly online shopping forays.

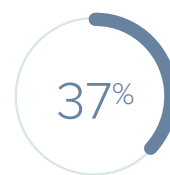


When it came to receiving their online orders, UK consumers had high expectations:



UK

Encountering slow delivery options resulted in **40%** of UK consumers abandoning shopping baskets on the websites of retailers.

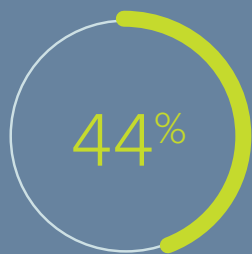


UK

Amazon disappointed **37%** of UK respondents, who said they had abandoned their purchases on the online platform because delivery would take too long.

SPEED IS NOW CENTRAL TO THE CUSTOMER EXPERIENCE

Receiving online purchases as fast as possible exerts a strong appeal for consumers **26%** of UK shoppers had taken advantage of a same-day delivery option where this option was available to them. Meanwhile, a further **8%** of UK respondents say the desire for instant gratification meant they'd made use of a one-hour delivery option to get their goods faster.



UK



GLOBAL

Indeed, consumer hunger for super-fast delivery options appears to be on the up, with a significant **44%** of UK respondents (**55%** Global) saying they'd like retailers to offer a one-hour delivery service in metropolitan areas.

CONSUMERS WANT MORE DELIVERY CHOICE – ONE SIZE DOES NOT FIT ALL

Consumers expect to encounter a range of delivery options when shopping online so they can select the time, place and delivery mode that best meets their immediate needs.



eCommerce sites also need to recognise that geographic preferences with regard to last-mile delivery vary and adapt local delivery strategies accordingly.

- 85%** of UK shoppers had utilised a home delivery service option – so the pressure is on eCommerce sites to ensure shoppers aren't kept in the dark about when deliveries will arrive and keep their delivery promises – or risk disgruntled customers taking their future business elsewhere.
- 62%** had used a collect-in-store delivery service.
- 37%** opted for delivery to a local pick-up drop-off (PUDO) point
- 26%** Almost one-fifth (**26%**) had arranged for their online purchases to be delivered to their place of work.
- 28%** **28%** had selected a weekend delivery, with a further **13%** opting for delivery to a locker.
- 13%**

CONSUMERS EXPECT TO BE 'IN THE KNOW' ABOUT THEIR ORDER STATUS

Today's consumers expect to encounter a range of options that make it easy to get frequent and regular updates on what's happening and when with regards to tracking their orders:



KEEPING UP WITH CONSUMER NEEDS

Amazon sets the delivery benchmark against which consumers evaluate the performance of other eCommerce sites; an impressive **79%** of respondents globally had purchased goods online from Amazon in the last six months.

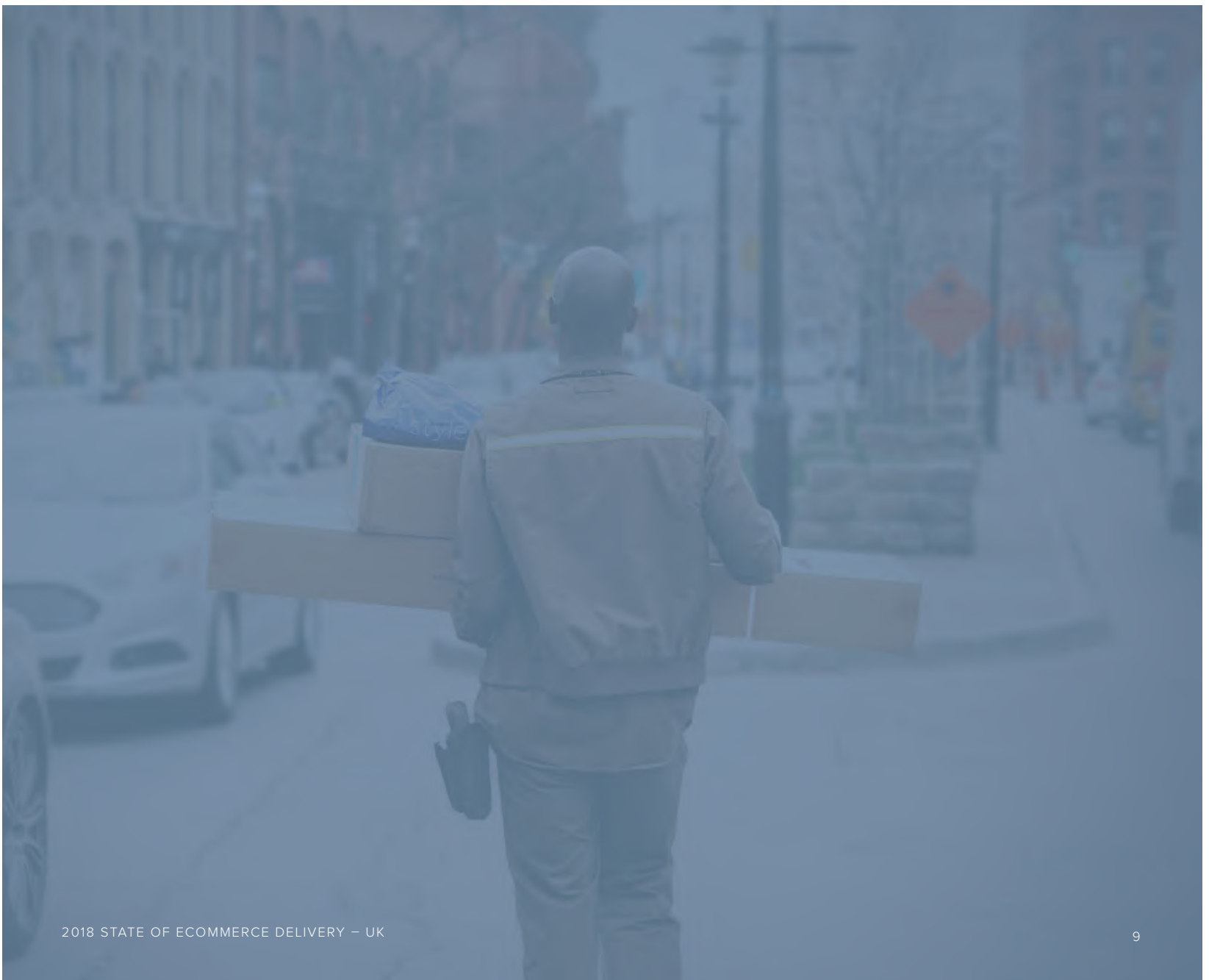
Our research highlights that retailers, brands and other online marketplaces need to keep their foot to the pedal when rising to the challenge of providing an 'Amazon-like' delivery experience.

Indeed, UK shoppers ranked their last delivery experience with an eCommerce site as:

EXCELLENT

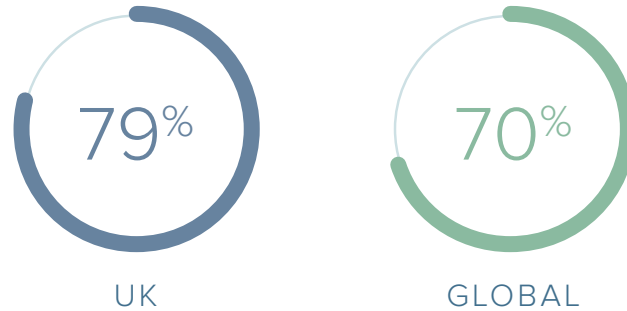


GOOD



So, what are the core elements today's customers expect as a minimum to underpin their delivery experience?

CONVENIENCE-ORIENTED CONSUMERS ARE READY AND WILLING TO PAY FOR FASTER OR MORE SUITABLE DELIVERY



The majority of consumers (**79% UK, 70% Global**) we surveyed said they were more than prepared to pay extra for speedy and convenient shipping options such as one-hour delivery, same day delivery, next day delivery or a Sunday delivery slot.

With so many of today's online shoppers perceiving speedy shipping as a 'must have', displaying fast-delivery options on product pages will resonate well with those consumers looking to personalise delivery according to their needs.

CONSUMERS WANT DELIVERY ON THEIR TERMS – AND HYPER-PERSONALISED

A growing number of consumers now expect a truly customer-centric delivery experience that's flexible enough to accommodate their fast-changing needs:



of consumers stated that if this option had been available to them, they'd have used it.

of consumers say they'd requested a change of delivery date or location after their order had been dispatched.



of consumers say they expect eCommerce providers to know who they are and personalise a scheduled delivery in line with where they are right now – and not to a fixed postal code.

6. INCREASING CONSUMER LOYALTY

Standing out from the crowd is one of the biggest challenges facing eCommerce sites. So, what does it take to deliver a stand out customer experience that goes beyond fast shipping and satisfies the consumer quest for ever-more convenient delivery options?

LOYALTY PROGRAMMES HOLD A STRONG CONSUMER APPEAL

Amazon's Prime membership programme has proved a powerful engine for sales growth, setting the bar in consumer minds around what a great subscription service should deliver. In fact, **65%** of the UK consumers we surveyed said they would like the eCommerce websites they use regularly to provide a Delivery Loyalty Programme.

Unsurprisingly, consumers have high expectations when it comes to Delivery Loyalty Programmes. But once subscribed, the frequency with which they place orders is likely to ramp significantly:



of consumers say they would prioritise one online eCommerce provider over another if it offered a loyalty program with preferential member services.



of consumers are planning to join up to five delivery loyalty programs in the coming 12 months.



of consumers are prepared to pay a monthly fee to secure unlimited next-day delivery on all their online orders.

A significant **56%** of UK respondents also said they'd be interested in a delivery loyalty program where multiple retailers and brands work together to offer a premium delivery service.

TRY-BEFORE-YOU-BUY MAKES FOR A MORE CONVENIENT DELIVERY EXPERIENCE

eCommerce sites that are struggling to streamline their returns process will need to prepare for the tsunami of demand that will be generated as more consumers look to take advantage of the try-before-you-buy trend:



of consumers say the convenience of try-before-you-buy has a high appeal for them.



of consumers say that, for them, it's all about flexible customer service.



of consumers believe it would enable them to take receipt of their purchases faster.

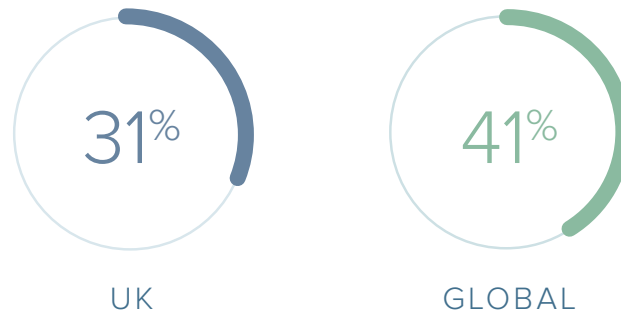


of consumers said they anticipate try-before-you-buy would reduce delivery costs on their online orders.

However, just **21%** of UK consumers indicated any inclination to pay more for the privilege of taking advantage of a try-before-you-buy service.

GIVING CUSTOMERS CONTROL OF WHO DELIVERS THEIR PARCEL

Having the ability to choose the carrier that's entrusted with delivery of their online orders is becoming a top priority for many shoppers. This was especially the case for **14%** of UK shoppers, who view not having this facility as a deal-breaker when determining which eCommerce provider gets their business.



of consumers say the freedom to choose a last-mile carrier is very/somewhat important to them.

RETURNS – BRIDGING THE EXPECTATION GAP

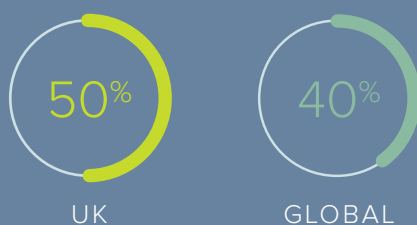
Considering that **44%** of UK consumers say the returns policy they'd encountered when shopping on an eCommerce site had deterred them from placing an order, getting the returns experience right is a top imperative:

61% UK
of UK consumers say they would be very likely or somewhat likely to shop more with eCommerce sites that made the returns process easier.

25% UK
Over one-quarter (**25%**) say they always check an eCommerce site's returns policy before deciding whether to buy or not, with a further **39%** regularly doing so.

19% UK
of consumers say they'd be willing to pay more for a more convenient or premium returns option.

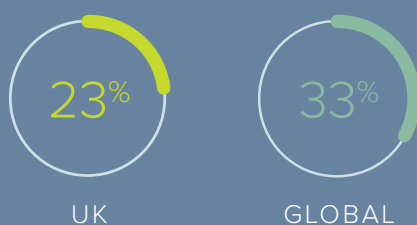
Asked about their preferences for returning goods purchased online:



of consumers preferred posting back their returns.



of consumers favoured dropping their returns off at a retailer's store.



of consumers said using a PUDO (pick-up-drop-off) parcel point was their preferred method for returning goods.

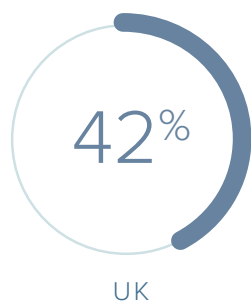
7. INTERNATIONAL SHOPPING

Cross-border eCommerce is making it easier for consumers around the world to buy goods from other countries. Indeed, the rate at which consumers are going global in pursuit of product deals or items not available in-country is impressive.

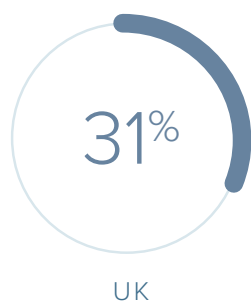


In the last 12 months, **32%** of UK respondents had made between 2 and 5 cross-border purchases, with a further enthusiastic **10%** of shoppers making 6 to 10 or more international purchases.

Asked what is deterring them from making more international purchases, UK respondents said the top barriers they'd encountered were:



of consumers said expensive delivery was the top issue.



of consumers said slow delivery was the top issue.

8. GOING LUXE AND GOING GREEN

Following a tentative start, luxury brands are now racing to embrace digital commerce – whether that’s partnering with multi-brand retail sites or developing their own online sales portals - or both.

With luxury eCommerce taking off, the pressure is on smart retailers to provide unique experiences and differentiated delivery options that play well with shoppers. Whether that’s a two-hour delivery window or a same-day ‘white glove’ concierge delivery service that enables customers to try on/view products in their home, office or hotel suite - and immediately return unwanted items.



THE LUXURY SHOPPER COMES OF AGE

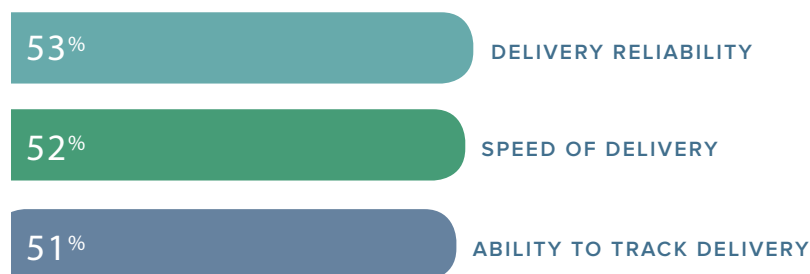
An impressive **76%** of UK consumers had purchased online goods from a luxury brand in the last 12 months, with home delivery being the top preference for **38%** of these luxury shoppers:

- Over three-quarters (**76%**) of these consumers had shopped with up to five luxury brands.
- A further **20%** had shopped with six or more luxury brands.

Asked to compare delivery of their luxury item compared to other ordinary online purchases, **41%** of said it felt more secure; **37%** said their delivery was more controllable and trackable and **32%** of UK shoppers said they experienced a greater level of personal care.

However, **27%** of luxury UK shoppers said they experienced no discernible difference in the delivery of their luxury item, compared to that of their day-to-day online purchases.

Ranking the most important delivery service features they expect when making a luxury purchase, UK consumers’ responses indicated:



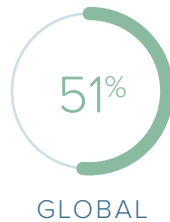
Delivery reliability was the top requirement for **53%** of consumers, followed closely by speed of delivery (**52%**) and ability to track delivery (**51%**).

SAVING THE PLANET – ECO DELIVERY RISES UP THE CONSUMER AGENDA

Today's consumers are increasingly concerned about the eco-impact of their online purchasing behaviours:



UK



GLOBAL

of online shoppers say they're conscious of the issue.



UK



GLOBAL

of consumers say they care a great deal about how their online deliveries contribute to increased carbon emissions and traffic congestion.

With the tide of consumer sentiment turning on this issue, retailers will need to cater to a growing number of consumers who are concerned about the impact of their shopping habits on society and the planet.

Eco-friendly delivery innovations like consolidated delivery can enable an important point of differentiation for retailers and brands looking to establish and maintain strong consumer-centric relationships.

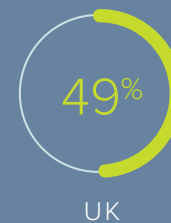
CONSOLIDATED DELIVERY SERVICES PROVE TEMPTING FOR ONLINE SHOPPERS

Indeed, consolidated delivery services represent a welcome 'triple win' for consumers – giving them greater convenience, a single delivery cost saving, and the chance to reduce the environmental impact of their online shopping habits:



UK

of UK shoppers identified convenience as the top benefit they'd gain from receiving all their goods in one go.



UK

of consumers said that, given the choice, they'd opt for a consolidated service over having to plan to receive multiple deliveries.

With **92%** of UK shoppers stating they believe that choosing a consolidated delivery service option would have a positive impact on reducing air pollution or traffic congestion, the digital delivery preferences of this significant cohort of consumers should not be ignored.

9. REVIEW AND FINAL OBSERVATIONS

UK consumers view delivery as a pivotal moment in their total online shopping experience – it's the reason why the last mile is increasingly focused on enabling an exemplary customer experience that builds brand reputation and loyalty.

But as eCommerce markets mature, so do consumer expectations around what a great e-delivery experience looks like. This year's research highlights the top factors shoppers uniformly look for before making an online purchase – with fast, convenient and reliable delivery high on their list of wants, plus a transparent and 'frictionless' returns policy.

As the battle to win online customer loyalty intensifies, retailers and brands need to ensure their digital store delivery strategies are closely aligned to fast evolving consumer demands:

- The desire to experience 'try-before-you-buy' services is on the rise. E-tailers will need to prepare for increased volumes of returns, initiating strategies that facilitate a smooth and efficient returns service.
- Social awareness is on the up – with more consumers becoming eco aware and committed to sustainable shopping behaviours, options like 'click and collect', 'delivery to a locker or local pick up point' and 'consolidated delivery' enable e-tailers to offer a delivery experience that's both convenient and socially responsible for shoppers.
- Consumers are ready and willing to pay extra for faster delivery. With one-hour, same day and weekend delivery becoming a critical point of differentiation for online shoppers, e-tailers need to focus fast on accommodating these delivery preferences.
- Delivery loyalty programs hold a strong appeal for online shoppers – consumers want their loyalty to be rewarded with free or quick delivery options and are prepared to pay an annual fee to enjoy such premium benefits that eliminate the need to factor in delivery when making purchases.
- Enabling real-time messaging and improved customer interactions throughout the delivery process is becoming a 'must have'. Consumers value frequent and up-to-the-minute updates on the delivery status of their online orders and will become frustrated when delivery commitments are unexpectedly rescheduled without notice.
- Being able to offer customers the ability to make 'in-flight' changes is becoming the new norm for delivery and returns and represents a sure-fire way of ensuring customer satisfaction remains on an upward trajectory.



DELIVERY EXCELLENCE EVENTS

MetaPack regularly hosts Delivery Excellence workshops. If you are interested in finding out more, simply contact us via events@metapack.com.

THE DELIVERY CONFERENCE GLOBAL, 26th February 2019

MetaPack hosts the largest gathering of eCommerce Delivery experts at the Delivery Conference, held in London. Visit www.thedeliveryconference.com for event details. Tickets for retailers and brands to attend The Delivery Conference are free.

CONSUMER RESEARCH: ECOMMERCE DELIVERY DATA SETS

MetaPack has been producing eCommerce Delivery Consumer Research Reports for five years. Need to see or understand the data behind the statistics? Perhaps you want to understand the global trends behind the facts? Feel free to 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 470 carriers and 5,000 delivery options. Want to know more? Request a demo metapack.com/request-a-demo/.

QUESTIONS?

Call us and speak with an eCommerce Delivery Management expert to answer any questions you may have:

United Kingdom: +44 20 7843 6720

Germany: +49 2226 157 468 0

France: +34 670 238 002

Poland: +48 68 412 77 00

Netherlands: +31 20 7546 557

United States: +1 877 847 2265

ABOUT METAPACK

MetaPack is the leading provider of eCommerce delivery management technology to global retailers and brands. Founded in 1999, MetaPack helps e-commerce and delivery professionals to meet with 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 the largest library of 470 carriers and 5,500 services that span every country in the world. Thanks to MetaPack, more than 550 million packages are sent annually by many of the world's leading e-commerce retailers. MetaPack is a wholly-owned subsidiary of Stamps.com (Nasdaq: STMP).

More information: www.metapack.com

ABOUT RESEARCH NOW

Research Now Group, Inc., is the global leader in digital data collection to power analytics and insights. It enables data-driven decision making for its 3,500 market research, consulting, media, and corporate clients through its permission-based access to millions of deeply-profiled consumers using online, mobile, social media and behavioural data collection technology platforms. The company operates in more than 35 countries, from 21 offices around the globe, and is recognised as the quality, scale and customer satisfaction leader in its industry.

More information: www.researchnow.com

