



# IMRG UK CONSUMER HOME DELIVERY REVIEW 2018 / 19

Executive Summary



The IMRG – UK Consumer Home Delivery Review 2018 / 19 is a study of UK shoppers online fulfilment requirements. The review looks at current levels of customer satisfaction and expectations and anticipates future needs.

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## Introduction

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This is an Executive Extract from the IMRG UK Consumer Home Delivery Review – 2018 / 19, which is a landmark edition as the tenth in the series. The review is designed to track current levels of customer satisfaction and expectation and anticipate future needs.

The full review with all analysis and data can be found at <https://www.imrg.org/data-and-reports/imrg-reports/>

Over the past ten years this 'deep-dive' review has established a unique place in the field of e-commerce consumer research, asking more than 50 questions consistently focussed about online fulfilment and delivery. It not only provides a snapshot of the current position but offers this in the context of the evolving landscape, with up to ten years trend data for most questions.

This year we have the additional distinction of coinciding the research with the Black Friday / Cyber Monday sales period, where fulfilment and delivery choices are front of mind for all online shoppers.

This edition also brings us a new sponsor and we are delighted to welcome GFS - the enterprise carrier management company – whose involvement has allowed us to expand the survey to reach 1,000 households, representing over 2,000 adult consumers.

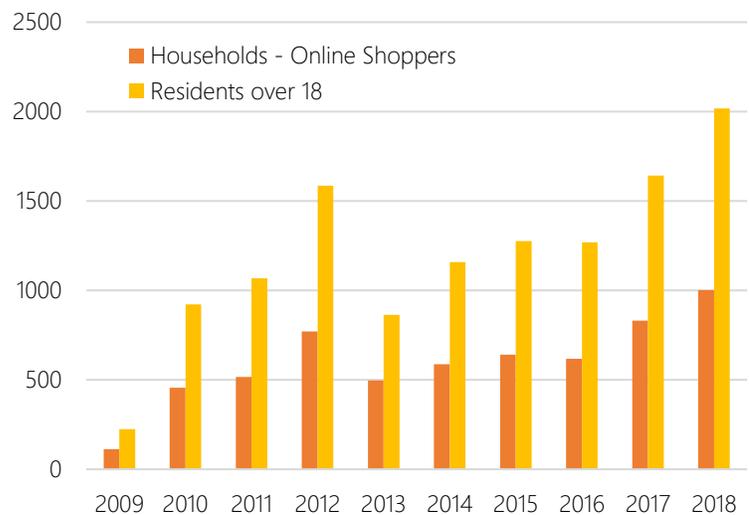


Figure 1

*"At GFS we understand the pressures retailers face in trying to satisfy the high expectations of the digital customer. They demand choice, convenience and a seamless shopping experience – and this must be applied equally to the delivery experience, from checkout to doorstep (and back again), anywhere in the world."*

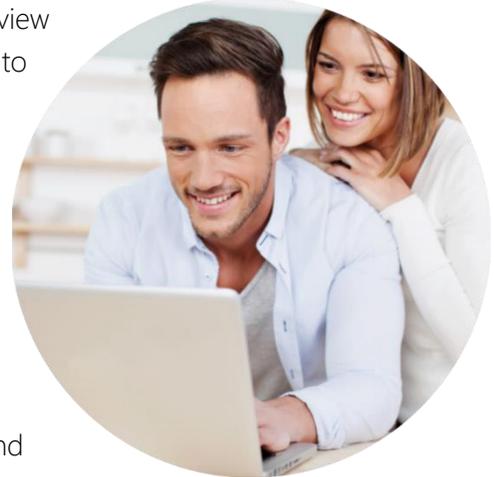
**Bobbie Ttoulis**, Group Marketing Director, GFS



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## Methodology

Over the life of the review we have been careful to retain the same questions and maintain the same structure to the survey. This allows us to develop consistent trend



information as a foundation for forward-looking insight. We can see how consumer perceptions and behaviours have changed and how expectations and future needs for online delivery are evolving.

To keep the survey current and relevant we make minor changes to a few questions and add a small number of new ones each year to ensure that we capture consumer opinion of more recent developments. Where appropriate, we have noted any significant changes in methodology and context and the trend tables and charts show how long each question has been included.

Each section of the report picks up a theme and identifies the contributing survey questions, which have been designed to provide different perspectives on the same area of interest. This helps produce the most robust analysis.

Where relevant we have also referenced appropriate parallel research from IMRG and other independent sources to provide ever deeper and more objective insight.

Taking this approach, we believe we have created the most objective and comprehensive insight of UK consumers' views about online retail delivery.

We are once again grateful for the support and expertise of Voice of the Customer provider Maru/edr for their research guidance and assistance.

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## Delivery is the differentiator

The IMRG UK Consumer Home Delivery Review is the comprehensive research report, to not only track changing consumer behaviour, but also uncover emerging delivery and fulfilment trends.

It's a key resource for retailers looking to differentiate in a busy and an ever-competitive marketplace.

Having benchmarked the digital retail landscape since 1999, at Maru/edr we understand the importance of delivery. Our very latest digital customer experience insight demonstrates that a retailer's online experience is only as good as its weakest offline touchpoint.

Customers perceive delivery as a vital element of their digital experience – for many, it's the final piece of the puzzle. Retailers increasingly need think of the seamless end-to-end digital journey rather than individual touchpoints. Delivery, collection and returns all play a vital role in delivering a digital experience that boasts long-lasting loyalty.

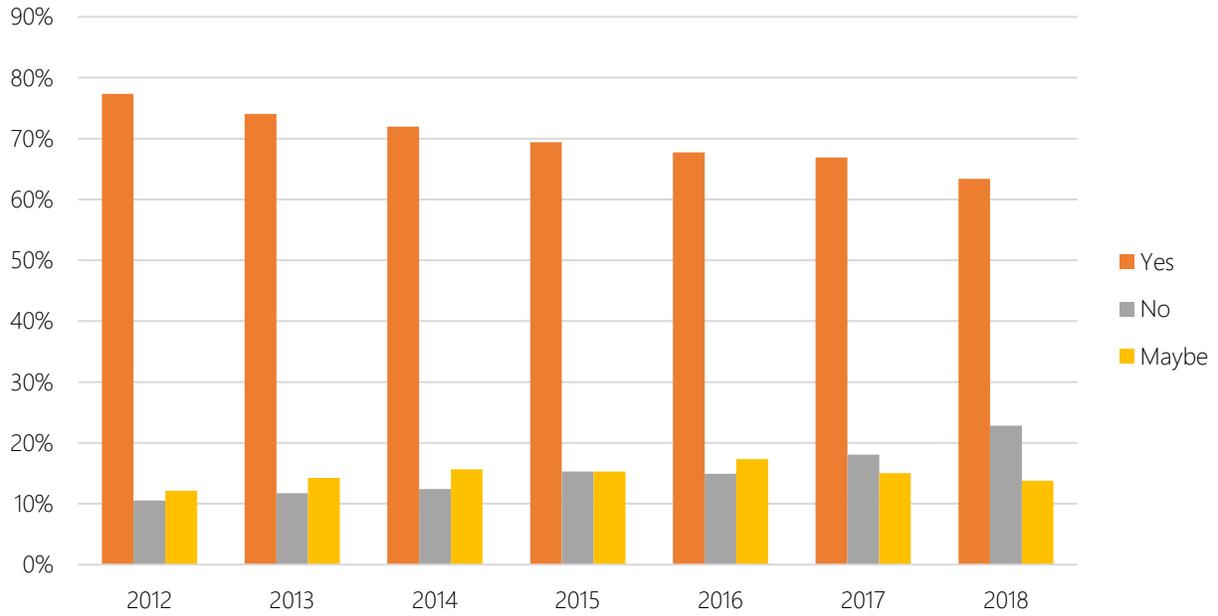
In fact, Maru/edr supporting evidence shows that brands who have a complex returns process have a much lower brand advocacy and customer loyalty rating than those that don't.

Delivery and returns aren't just hygiene factors. They provide an opportunity to set brands apart. It's why results from this very latest report, along with our own supporting research, lead us to believe that we'll continue to see couriers and retailers invest in delivery and collection innovations over the coming months.

- Time-based collections; retailers will further segment click and collect services with faster and more tailored solutions for customers – something customers appear willing to pay a premium for
- Location-based collections; pure-play retailers in particular will expand their networks utilising key partnerships – including lockers, convenience store networks and supermarket chains – to shorten the distance customers must travel and the lead time for collection
- Store-based collections; store-based, personalised offers aimed specifically at relevant items associated with orders will help turn footfall into sales revenue for some struggling high-street brands
- Convenient returns; expanding return methods and locations keeps customer in control of their returns and automatically boosts online satisfaction rates, driving lifetime customer value

We're proud to have supported the IMRG UK Consumer Home Delivery Review for the past ten years and look forward to measuring uptake, feedback and expectations on new delivery innovations in months and years to come.

Has a good delivery experience directly encouraged you or people in your household to order again from a particular retailer?



## Executive summary

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- Overall satisfaction with delivery has remained steady, despite service evolution because of the parallel increase in consumer expectation, driven by digital technology and plenty of online shopping experience
- Cost of delivery remains a key influencer in the final purchase decision, but we see that it's lack of delivery choice and convenience that loses the sale at the checkout.

Since the first review in 2008, delivery has moved on from being something of an afterthought; that thing we did once the customer had decided what to buy and paid for it. *Oh yes, we have to get it to them!*

Now fulfilment and delivery has become an acquisition tool and loyalty driver and is even a loyalty lever, with subscription schemes built on preferential delivery rates and service, to lock the customer in and drive order size and frequency. It has become a source of competitive advantage.

Through the decade we have seen click & collect develop from being an interesting idea to become a mainstream delivery channel, in part because it snowed heavily in 2010 and we could not get our deliveries at home. However, we could get to the nearest convenience store, post office or high street.

From there retailers realised that this provided an opportunity to drive footfall and create upsell opportunities and additional delivery capacity, and shoppers found they could start to specify exactly when, where and how they received their orders – often without extra delivery cost.

Click & collect is an example of customers taking more control over their deliveries and central to this is an increase in the value of information. Letting online shoppers see the delivery location options at the time of purchase allows a fully informed purchase decision that includes the product and how to get it. The choice of delivery location is now as important as delivery speed and price.

*"We've seen a clear shift in how retailers and consumers approach delivery - it's no longer just a logistics problem, but a marketing opportunity to use delivery as a lever to maximise sales conversion and the overall purchase experience"* - **Bobbie Ttooulis**, Group Marketing Director, GFS

And delivery information is at least as important once the order has been placed - confirming dispatch, the delivery timeframe and status updates.

Pre-delivery alerts now advise the customer the day before delivery and on the day of delivery, when they can expect to receive or can collect their parcel, and in many cases allows them to change this.

This positive experience means that most customers are prepared to engage and interact to ensure they get their order when and where they want it and to avoid wasted delivery effort.

This means that although the recent trend has been to offer everything Fast and Free, we are already moving beyond this to a world where each order is treated on its own merits.

*"Many retailers make the common mistake of thinking 'Fast and Free' is what's most important – but what consumers really want is control and convenience, so they can determine how, when and where they want to receive their parcel."* - **Bobbie Ttooulis**, Group Marketing Director, **GFS**.

- *I won't be at home tomorrow so don't want a next day delivery*
- *I'm in a hurry for this but don't want to pay for delivery*
- *It will be too big to carry on the bus, so I want a home delivery*

So, shoppers are prepared to share their information and preferences to make sure that they get the delivery they want. To specify the secure, dry and discreet safe place where their order can be left when they are not home, or the nice neighbour who is happy to take a parcel rather than the one that won't, or to tell us that they don't have a safe place or a neighbour and would rather collect the parcel from their local parcel shop. They don't want to leave it for the delivery driver to have to guess.

The online delivery experience is not just about the initial delivery, but also about returns. What we have learnt about these over the past ten years is that shoppers don't think we are doing well enough.

Satisfaction with returns lags well behind satisfaction with delivery, even though customers now tell us that the returns policy and process have a direct influence on their purchase decisions.

As with delivery, they want information up front, as well as convenient options for handing over their return. Once it's on its way they expect to be kept informed on its progress and when it has safely arrived, because what they really want is peace of mind and their money back.

Looking ahead? We certainly must run to stand still as far as customers are concerned. Their digital experience, when shopping and in other areas of their lives, directly influences their expectations of the physical delivery element.

We can anticipate all sorts of innovations:

- Keeping shoppers informed of the status of every delivery or click & collect order and building this into their daily schedule
- Autonomous delivery vehicles performing unmanned deliveries
- Remote, geo-fenced safe place delivery confirmation confirming that a parcel has been left exactly where specified – with pictures

However, what will continue to be core to all of this is the provision of appropriate choice of delivery options – where, when and how much – with pre-order and post-dispatch information to allow the customer to get exactly the delivery they want.

## GFS observes



This report sheds light on the vital importance of giving consumers convenience by offering greater choice and control of delivery.

It shows that delivery is at the forefront of the decision-making process when the consumer ultimately makes their decision to purchase, or not.

This means delivery options, or lack of, can have a direct influence on sales conversion and cart abandonment rates.

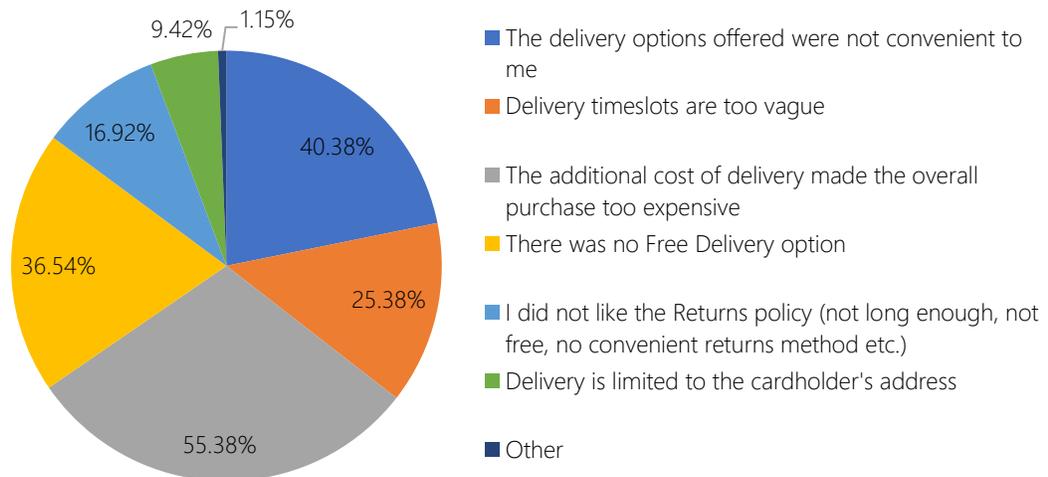
Experience shows us that there is a direct correlation between the breadth of delivery options offered at checkout and cart abandonment rates.

The reason for this is that consumers are all different. The delivery experience starts even before checkout, and a retailer cannot second-guess what kind of delivery or return option their customer wants or needs. By giving customers the choice, they can decide for themselves what suits them the best, which not only ensures first-time delivery success but also a seamless and desirable customer experience from checkout to doorstep – and this expectation applies equally to the returns process.

*"GFS customers are consistently performing above industry benchmarks when it comes to cart abandonment rates – and that's down to offering a superior choice of delivery options and delivery experience."*

**Bobbie Ttoulis**, Group Marketing Director, GFS

Why have you or people in your household ever abandoned an online purchase at the check-out stage because of delivery concerns or issues?



What we see across the industry, is that many online businesses still offer customers a limited choice of delivery options. However, in our experience, it is not because they do not understand or do not want to offer greater choice – but it comes down to internal constraints. Offering choice of delivery options means more carriers to manage and more services to integrate into eCommerce platforms and despatch systems – in other words, more time, cost and effort.



Retailers want to offer greater choice of delivery options, but they are hampered by internal constraints including the operational overhead of managing multiple carriers and the complexity of technology integration

## About the Author

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Andrew is retained by IMRG as its head of e-logistics to run its online retail delivery and logistics programme for the benefit of all IMRG members.

**Spiral4...**

He is also the founder of the strategic online retail and postal consultancy [Spiral4...](#) and has a unique background in the world of parcels, packets and postal logistics with over 40 years' experience gained from the commercial sector and the regulatory environment.

He is a member of the Chartered Institute of Logistics and Transport and the Institute of Direct Marketing and is a recognised expert on the UK postal and online retail home delivery markets. He can be contacted at [andrew.starkey@imrg.org](mailto:andrew.starkey@imrg.org) or [andrew@spiral4solutions.co.uk](mailto:andrew@spiral4solutions.co.uk).

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the voice of e-retail

## About IMRG

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For over 20 years, IMRG (Interactive Media in Retail Group) has been the voice of online retail in the UK. We are a membership community comprising businesses of all sizes – multichannel and pure-play, SME and multinational, and solution providers to industry.

We support our members through a range of activities – including market tracking and insight, benchmarking and best practice sharing.

Our indexes provide in-depth intelligence on online sales, mobile sales, delivery trends and over 40 additional KPIs. Our goal is to ensure our members have the information and resources they need to succeed in rapidly-evolving markets – both domestically and internationally.

## About GFS

GFS is the trusted delivery partner behind some of the UK's fastest growing ecommerce brands like Molton Brown, Dune, Superdrug and Mamas and Papas. Established in 2001, GFS is one of the largest providers of flexible and affordable multi-carrier, managed parcel with GFS Technology and proactive support included.



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services

Simply put, we take care of eCommerce delivery and returns from checkout to doorstep – anywhere in the world. We help retailers grow by taking the complexity and cost out of delivery so they can concentrate their efforts on selling more. Our core capability in multi-carrier, managed parcel services combined with GFS Technology and proactive support is what makes us different, but also unique in the industry.

## About Maru/edr

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Maru/edr supported the research methodology for this report.

Maru/edr are world leaders in Voice of the Customer programmes.

The logo for Maru/edr, featuring the word "maru" in a blue, lowercase, sans-serif font, followed by a forward slash and the word "edr" in a grey, lowercase, sans-serif font.

By combining technology and human insight expertise, Maru/edr offer a suite of complimentary VoC and full-service research solutions getting brands closer to their customers through feedback, insight and action. Having benchmarked the digital retail landscape since 1999, Maru/edr have a strong digital retail legacy delivering award-winning customer experiences that set retailers apart.