



The UK
Ecommerce
Association

IMRG + Scurri

Last Mile Delivery

What consumers want in 2023 and how retailers can take control



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Meet The Experts

IMRG

“After a profoundly enigmatic, tumultuous, and perhaps even anxiety-ridden peak period, where many retailers struggled to meet delivery demands due to strikes, now, more than ever, retailers should start to think of ways to gain trust and take back control. We are glad to partner with Scurri to uncover the truth behind what it takes to get there. IMRG ran a survey that asked 1,000 UK respondents what they expect and want from delivery. Read on to find interesting information which will inform and/or complement your delivery strategy for 2023.”

We help our members understand and improve their online retail performance through a busy programme of performance benchmarking, data analysis, insight, best practice-sharing, and events. We have been tracking online sales since 2000 – and now measure over 120 individual metrics in a series of indexes, providing in-depth intelligence on online and mobile sales, delivery trends, marketing ROI, and channel performance.

Methodology

IMRG conducted a survey of 1,000 UK respondents, aged between 18-54+, asking them a range of delivery-orientated questions. These questions were unbiased, with a generous amount of answers to choose from to increase reliability.

Liaising with Scurri, we established three touchpoints for this study; delivery-orientated reviews, sustainable delivery, and delivery offers, all of which are increasingly an integral part of retail businesses.

This survey was completed on 23rd January 2023.

Scurri

“Scurri are delighted to partner with IMRG to produce this report offering retailers and brands valuable insights on consumer expectations for 2023, specifically around last mile delivery. Within the report you will find key takeaways around how taking control of the last mile delivery experience will build greater trust, increase customer loyalty, and deliver increased revenue opportunities.”

Scurri is customisable next-generation delivery management software that puts you back in control of your business by cutting costs, coordinating carriers, scaling your capabilities, and enhancing your offer. Scurri provides a Delivery Management platform that connects and optimises the online ordering, shipping, and delivery process for online retailers. Scurri technology now manages in excess of 100 million parcel deliveries annually for online retailers including Vision Direct, Bulk Powders, Gousto, and eBay, to name a few, and offers 97% UK carrier coverage through integrations with delivery partners such as UPS, Royal Mail, An Post, DHL, TNT, DPD, Yodel, Evri, HIVED, Amazon Shipping and many more.



Andy Mulcahy, Strategy and Insights Director at **IMRG**



Ellie-Rose Davies, Content Executive at **IMRG**



Gavin Murphy, CMO at **Scurri**

Reviews – How to use them to your advantage

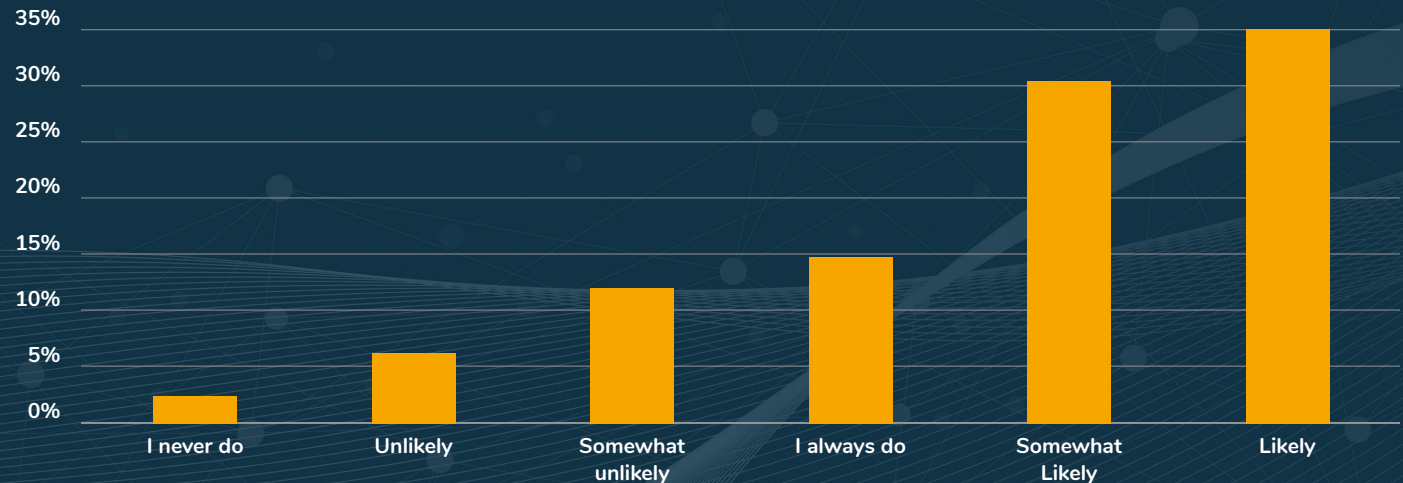
How to deal with and limit negative delivery reviews

Out of 1,000 respondents questioned in our customer survey on how likely they are to leave reviews after receiving an item, 49.5% answered 'I always do' or 'likely.' 'Somewhat likely' was the second most popular answer, at 30.4%, and 'I never do' was the least popular answer, at 2.6%. We can, then, infer that reviews are almost a guarantee for any UK customer-facing business.

Yet, for many retailers, reviews bring them an overarching sense of anxiety and unsettlement. Most of us want to be liked rather than disliked, so receiving positive company reviews, alongside carefully acting upon the negative reviews, can make all the difference to revenue growth, customer acquisition, and loyalty.

However, delivering products to the standard of ever-increasing customer expectations is often difficult to achieve and control. So, when things go wrong, which they often do, many customers may be inclined to leave a damaging company review.

When purchasing online, how likely are you to leave reviews after receiving the item?



5 Last Mile Delivery

What influences customers to leave negative delivery reviews?

Bad customer service was ranked by 53.4% of respondents as the first or second most likely reason they would leave negative company reviews. Another leading catalyst for negative reviews is, chosen by 43.1% of respondents, packages not being handled with care. Happily, these are what might be considered the absolute basics and, if retailers get them wrong consistently, perhaps it might be reasonable to anticipate that negative reviews would increase.

In comparison, 59.1% of respondents rated unsustainable packaging, such as heavy reliance on unrecyclable material, as the first or second least likely reason they would leave negative reviews. The next 'least likely' reason for leaving negative reviews, chosen by 41.4% respondents, was insufficient or little-to-no post-purchase communication.

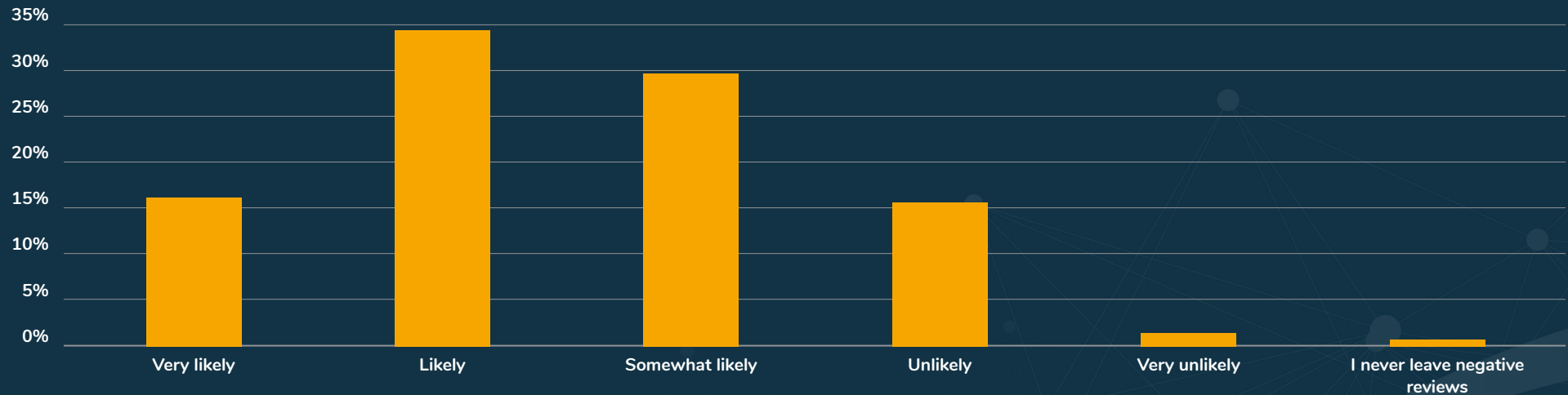
Interestingly, 31.7% respondents ranked receiving a 'sorry we missed you' message despite being indoors waiting as the 'most likely' influence for leaving a negative review. Yet, simultaneously, 40.3% respondents marked it as the 'least likely' reason. Perhaps, out of all the available issues, this is equally a great annoyance to the customer and one where the customer cannot pinpoint a person to blame.

What delivery issue would most influence you to leave a negative company review?	Rated first or second most likely	Rated first or second least likely
Bad customer service	53.4%	18%
The package was not handled with care	43.1%	19.2%
Delivery timeslot / request missed e.g. next day delivery, selected time slot, or designated safe space	29.8%	21.9%
Insufficient or little-to-no post-purchase communication	18.3%	41.4%
Receiving a 'sorry we missed you' message despite being indoors waiting	31.7%	40.3%
Unsustainable packaging	23.7%	59.1%

6 Last Mile Delivery

Here's how you can fulfil customer expectations when things go wrong

How likely are you to leave a negative review if your delivery is delayed or if you received an unsatisfactory response to a where is my order (WISMO) query?

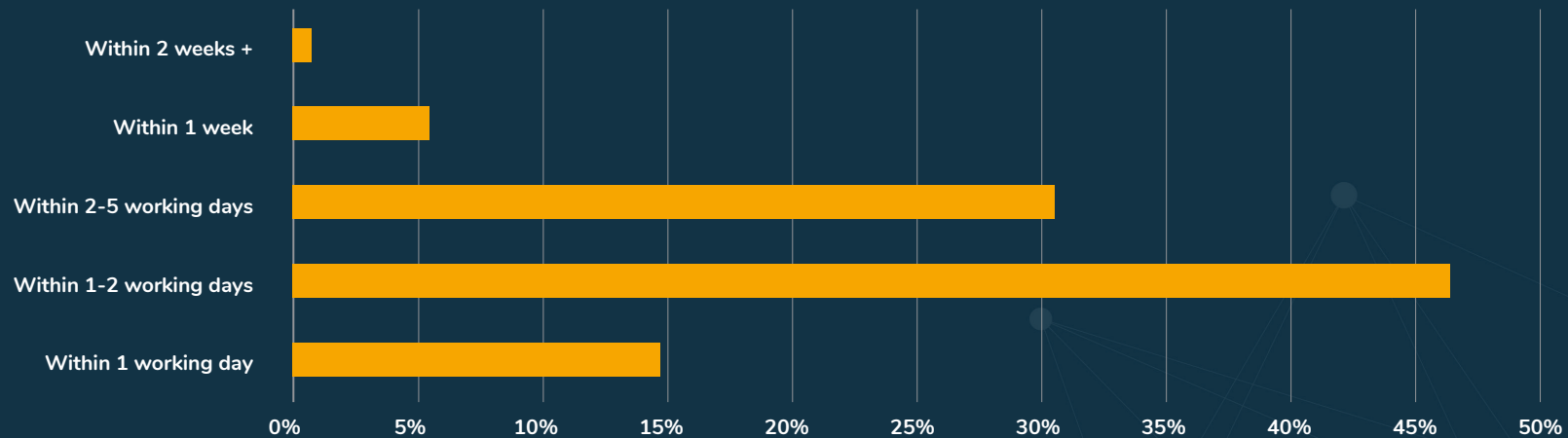


With the growing presence of fast delivery services, customers expect to receive their orders more quickly compared to previous years. In the case of a delayed delivery or unsatisfactory response to a where is my order (WISMO) query, most customers surveyed answered that they would be 'likely' (34.1%) or 'somewhat likely' (29.6%) to leave a negative review.

Although a significant 16.1% revealed that they are 'unlikely' to leave a negative review in these instances, of almost equal address, 16.7% of respondents shared that they would be 'very likely' to leave a negative review. Also, when comparing the extremes 'very likely' and 'very unlikely', only 2.1% answered the latter.

7 Last Mile Delivery

What timeframe do you think is reasonable for a retailer to resolve a delivery or WISMO issue?



While delayed deliveries are often out of their control, retailers can ensure that their response to such issues is effective and customer sensitive. Getting on top of your customer service has proven to be a priority for limiting unfavourable reviews.

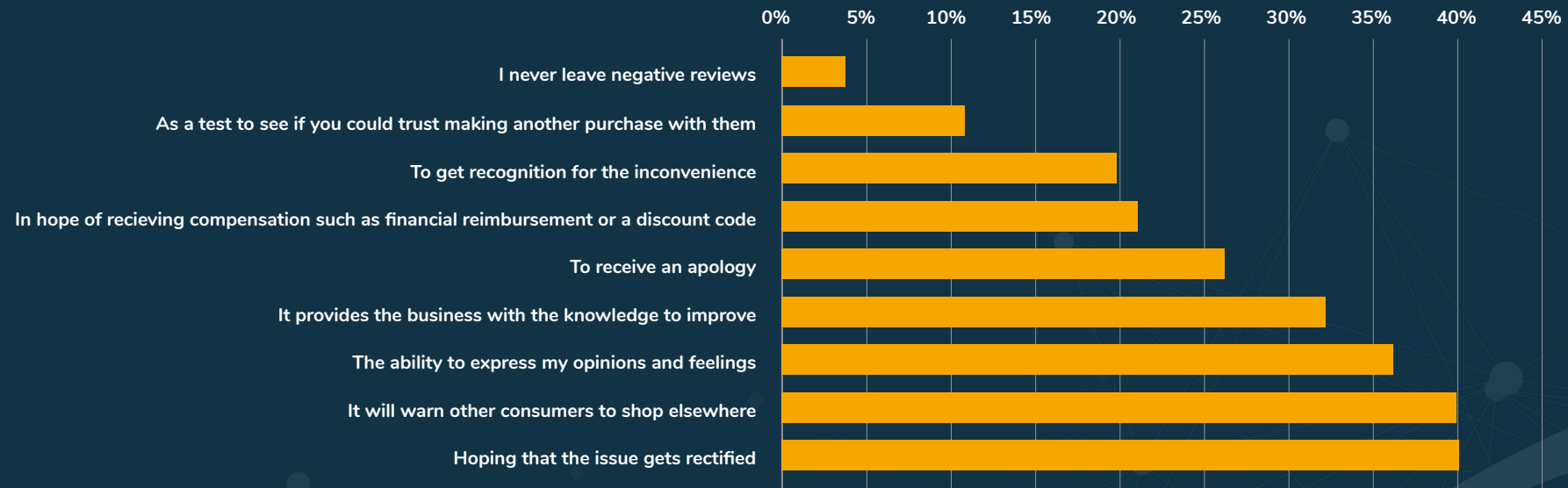
As well as desiring fast delivery, customers expect retailers to resolve any delivery or WISMO issue just as quickly. 46.9% of customers expect a resolution within 1-2 working days, or, at most, 31.6% expect this within 2-5 working days.

A generous amount of respondents desire the issue to be rectified within 1 working day (14.2%). In comparison, substantially fewer customers will wait for a week (6%) or two weeks (1.3%).

8 Last Mile Delivery

What are your customer's intentions when leaving a negative review?

What would be your main reason for leaving a negative review? (multiple choice options).



It might be a relief that most customers leave reviews because they hope the issue will get rectified (40.1%). However, many customers write reviews to deter others from shopping with a business (39.8%). Retailers can therefore use reviews as a chance to fix the customer's issue quickly for retention purposes, and they can also reply to negative 'warning' reviews with recognition for their opinions and feelings (36.9%), an apology (26.7%), and a promise to improve (32.5%), for acquisition purposes.

Some customers (21.3%) leave negative reviews in an attempt to receive compensation, such as financial reimbursement or discount codes, and others, 19.7%, leave negative reviews to get recognition for the inconvenience. Fewer customers, 11%, use negative reviews to test whether they'd make another purchase from the retailer.

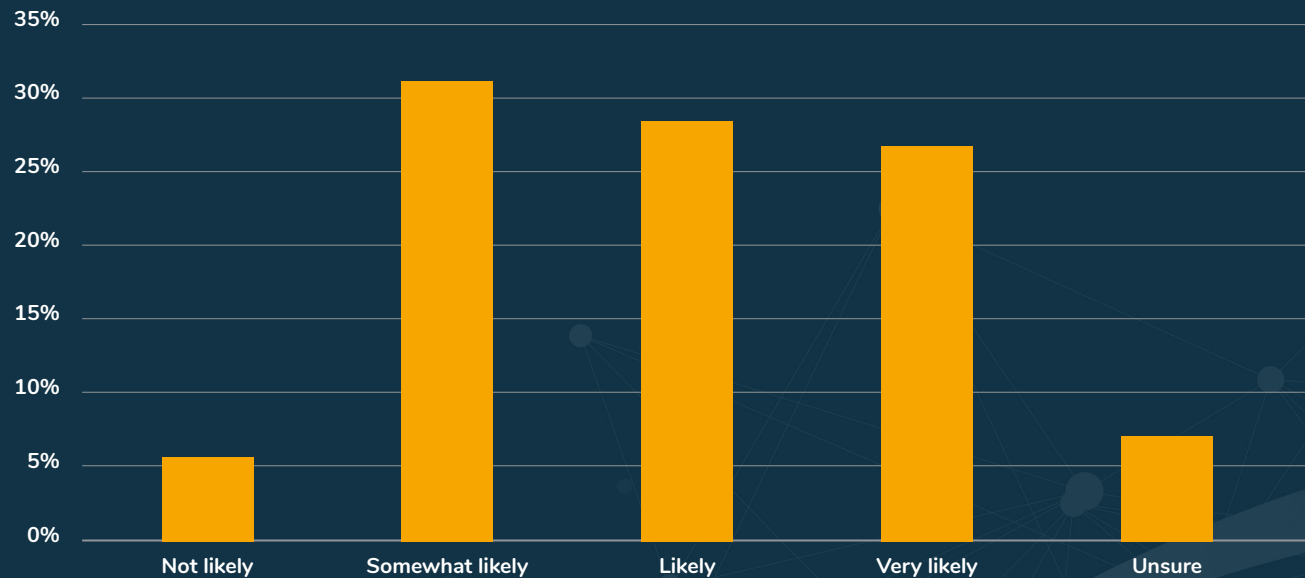
9 Last Mile Delivery

While the majority of customers tend to leave negative reviews for rectification purposes, it is good news that more than half of the customers surveyed, 55.3%, revealed that they would 'likely' or 'very likely' change their review if the retailer followed up with them and rectified the issue.

Most customers, 38.1%, answered that they would 'somewhat likely' change their review, 5.6% said they would 'not likely' change it, and 7.3% were on the fence, feeling 'unsure.'

In March 2022, IMRG conducted a survey that asked this same question where, similarly, most people answered 'somewhat likely' (45.91%), but, more promisingly, fewer respondents were willing to change their reviews, 11.38%, as compared to now, 5.6%.

If you left a negative review, and the company followed up with you, and rectified it, how likely would you be to change your review?



Scurri Comments

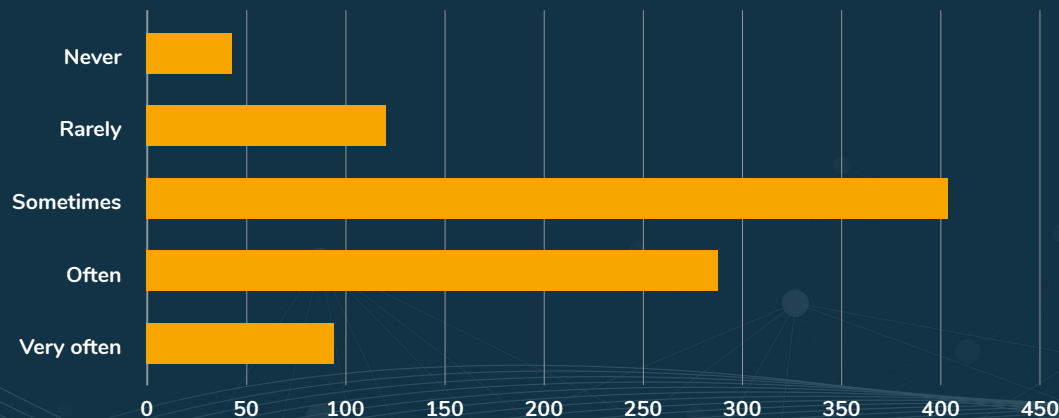
Almost one out of every two respondents stated they 'always do' or 'likely' leave a review after receiving their item. A further 30.4% stated they were 'somewhat likely' to leave a review. Combined over 80% potentially impacts how a retailer or brand is rated, specifically around the last mile delivery stage. Ensuring retailers and brands have control over the full delivery experience, from carrier options, through to delivery updates via one single point of truth, will increase both positive experiences and positive reviews. Conversely, when things go wrong, having access to the right information at the right time, allows retailers to proactively address any issues. Bad customer service, at 53.4%, shows having up-to-date delivery information for retailers can potentially help avoid negative reviews. Leveraging post-purchase experience technology can increase the shipping update information so that consumers are better prepared to avoid any sorry 'we missed you' outcomes.

When we look at the data in relation to one of the top delivery queries, WISMO (Where Is My Order), it is clear that any delay or unsatisfactory response has a directly impacts on negative reviews, with almost 50% indicating they would leave a negative review. Expanding on this, customers expect these WISMO issues to be resolved quickly, with almost 60% expecting resolution in max two working days. From the results, we can see that in order to win, retailers need access to data across the full delivery experience for transparency. Having control of this information empowers retailers to proactively deliver a best-in-class delivery experience, but more importantly, react to any issue in a timely manner to restore customer confidence.

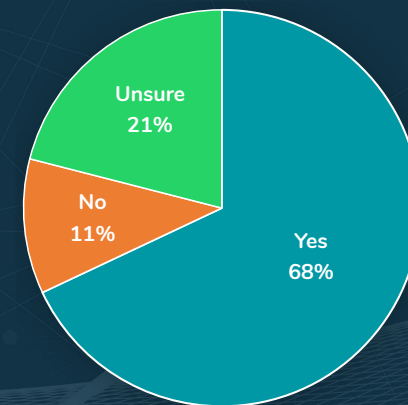
Sustainability – Is the future green for ecommerce?

Why should we be more 'green'?

How often has a lack of a preferred delivery option resulted in you shopping elsewhere?



Do you expect to see more sustainable delivery options available in 2023?

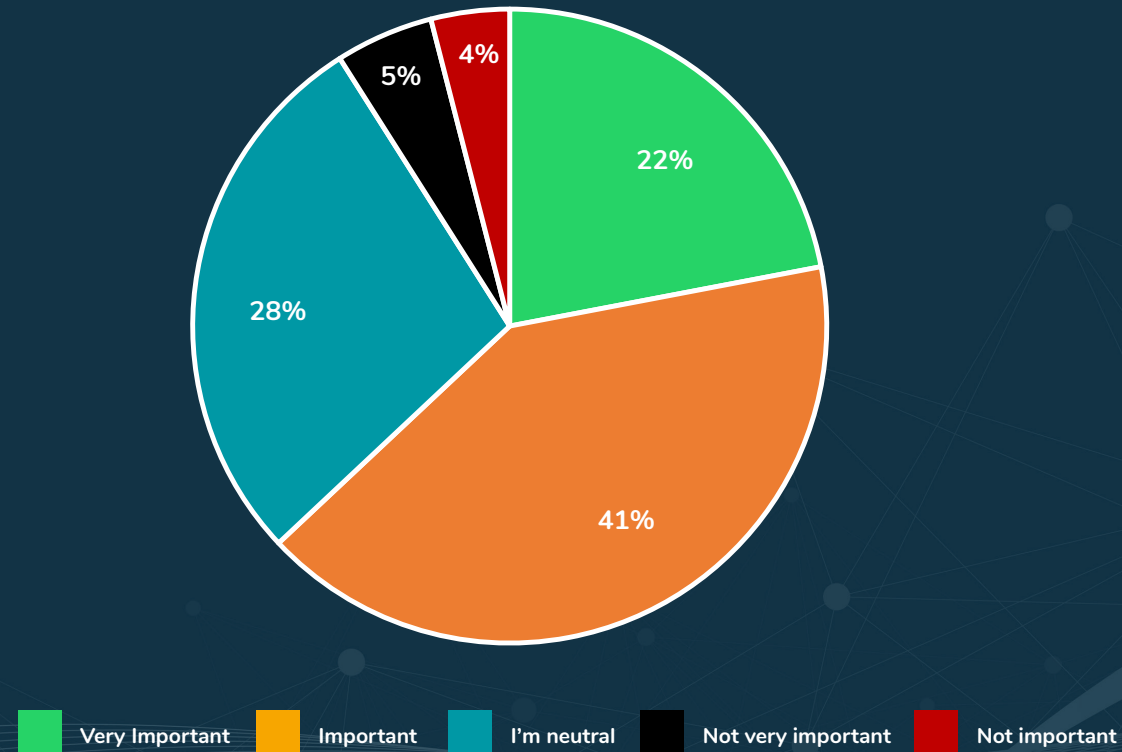


Sustainability has become more of an integral part of retailers' delivery strategies. It might be something retailers continue to prioritise given that a substantial 68% of 1,000 customers surveyed expect to see more sustainability options available in 2023.

Customers continue to want more delivery options at checkout where in the cases that their preferred delivery option was unavailable to them, many have 'often' shopped elsewhere, 26.6%, and most, 40.5%, will at least 'sometimes' do so.

11 Last Mile Delivery

How important is it to you that retail businesses offer sustainable delivery?

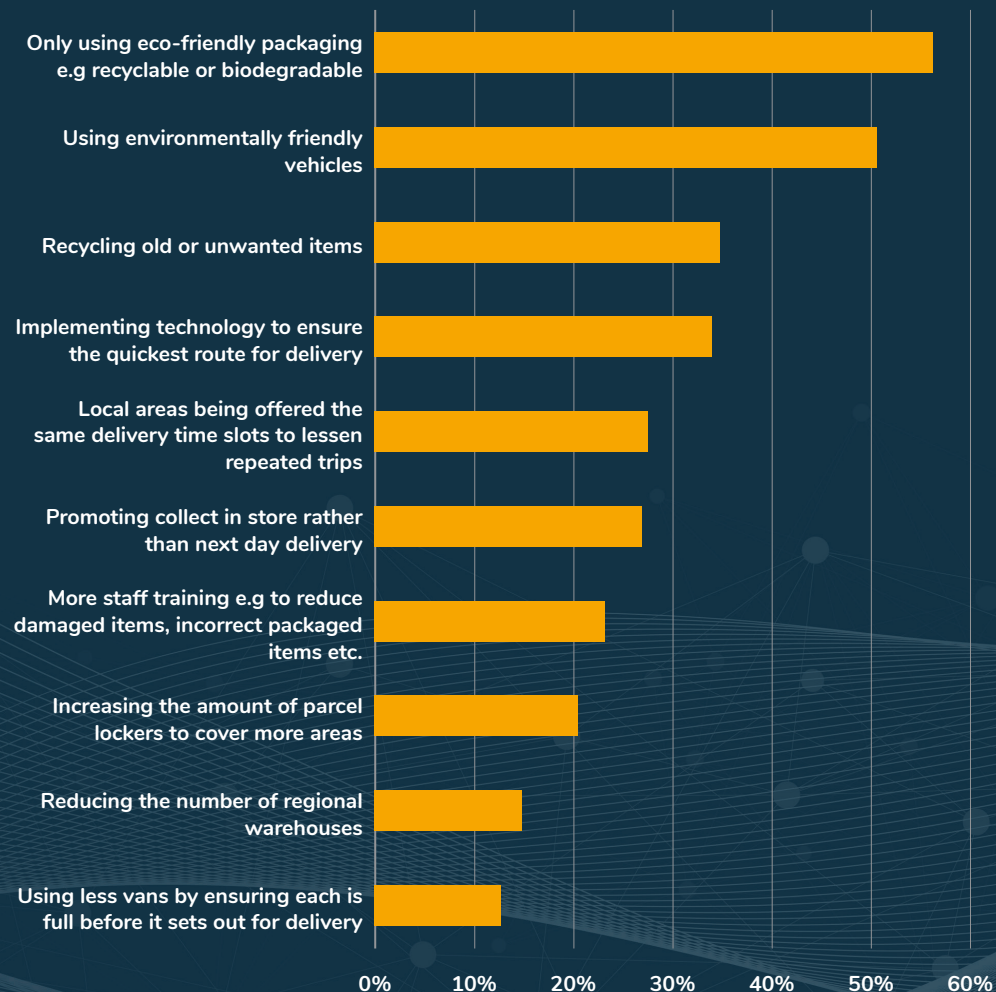


Outside of standard, next-day, and click-and-collect delivery, less retailers offer a 'green' option. Yet, this could be a missed opportunity given that 63% of customers surveyed said it is important that retail businesses offer sustainable delivery. By becoming more sustainable, retailers might see less site abandonment and increase conversion.

12 Last Mile Delivery

Where should we focus our sustainable efforts?

What sustainable delivery solutions do you think retailers should prioritise?



While most customers believe unsustainable packaging is less of a reason to leave a negative company review, 55.7% still believe that only using eco-friendly packaging should be the retailer's number one sustainable delivery solution.

50.9% of customers chose environmentally friendly vehicles as the second most important solution, such as vehicles that emit less pollution. Coming in third is recycling old or unwanted items, at 34.5%, which will be encouraging for fashion retailers as second-hand categories and garment repair services are starting to become more commonly offered. Drawing of almost equal importance is implementing technology to ensure the quickest route for delivery, voted by 33.9% of customers.

On top of ensuring the delivery drivers use the quickest routes, 27% believe local areas should get offered the same delivery time slots to lessen repeat trips, making delivery more time efficient and economically and environmentally sustainable.

Promoting collection in-store rather than next-day delivery proved to be a middle-ground priority, at 26.3%. Considering that customers will likely leave a negative review because of delayed delivery or after having received an unsatisfactory response to a where is my order query, if retailers promote simple and more sustainable delivery options, they will likely see more positive feedback.

Customers believe reducing the number of regional warehouses (15.1%) and using less vans by ensuring each is full before it sets out for delivery (13.1%) should be less of a priority for retailers.

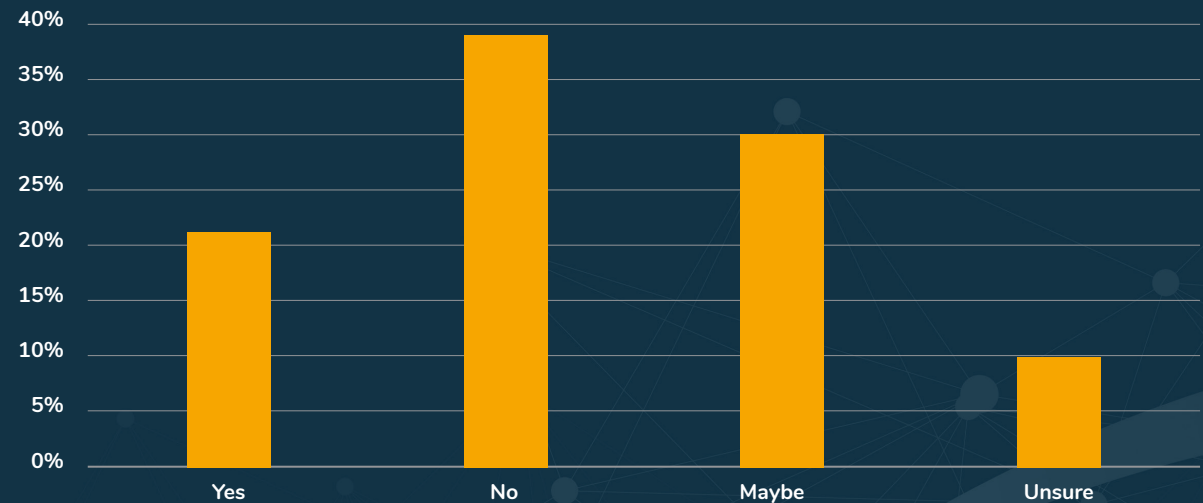
13 Last Mile Delivery

What if sustainability policies are not fulfilled?

Of the 1000 customers surveyed, 22% said 'yes', they would be inclined to leave a negative review if they found out that a retailer did not fulfil their sustainability policy, and 30% answered 'maybe.' As over half revealed distaste for this possibility, retailers should try to be dutiful to their promise.

Nonetheless, the majority of customers, 38.3%, said 'no', they would not leave a negative review in this event, and 9.7% were 'unsure.' This is perhaps surprising, but may suggest a degree of fatigue; could it be that people have come to expect sustainability promises to be exaggerated, misleading or broken? If that is what the data is showing, it suggests it is becoming increasingly hard for genuine sustainability efforts to cut through and be recognised.

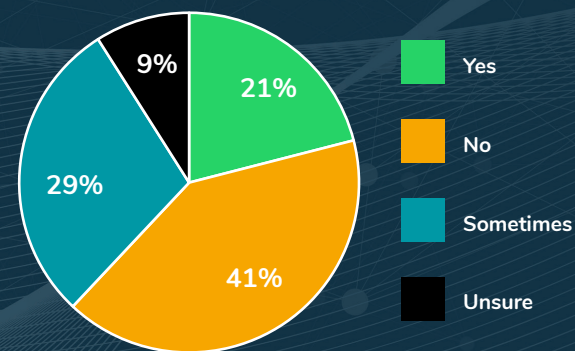
Would you be inclined to leave a negative review if you found out that a retailer did not fulfil their sustainability policy?



Should you charge extra for sustainable delivery, and how much longer should this kind of delivery take?

What might not come as much surprise, most customers (41%) would not be happy to pay extra for sustainable delivery options. Notwithstanding, those answering 'yes' (21%) and 'sometimes' (29%) make up 50% of respondents being open to the idea.

Therefore, retailers might find it worthwhile to charge extra and occasionally offer a promotion for free sustainable delivery to draw in and gain the favour of more hesitant customers, such as those who answered 'unsure' (9%).

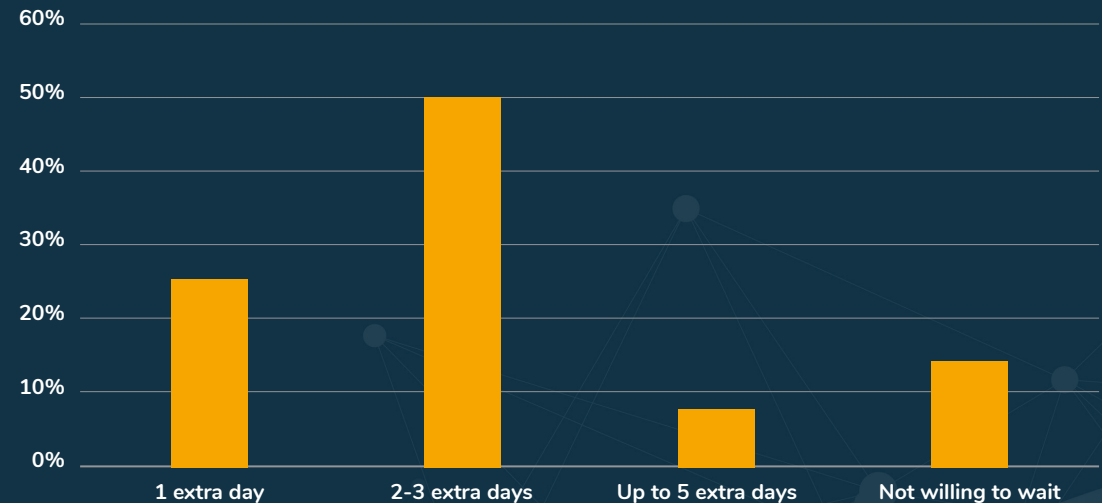


14 Last Mile Delivery

Scurri Comments

Consumer expectations continue to evolve and delivering choice has become one of the key points of differentiation in the eCommerce experience. Choice in delivery options can directly impact conversion rates for online retailers and missed revenue opportunities. As more and more sustainable delivery options emerge, it is key that retailers build these into their overall proposition, keeping in mind 63% surveyed said it is important that retail businesses offer sustainable delivery. Environmentally friendly vehicles for last mile delivery contribute to that offering, whereand 50.9% of respondents choose that as the second most important solution. Consumers are not fully disposed to paying extra for sustainable options, with only 21% stating they would be happy to pay, however, 50% would be willing to wait up to 2-3 extra days for a delivery if more sustainable. Choice is the superpower here, and having a delivery management platform that integrates sustainable carrier options with reasonable coverage for high-density areas can provide a competitive advantage.

How long would you be willing to wait for a delivery if it could be delivered in a more sustainable way?

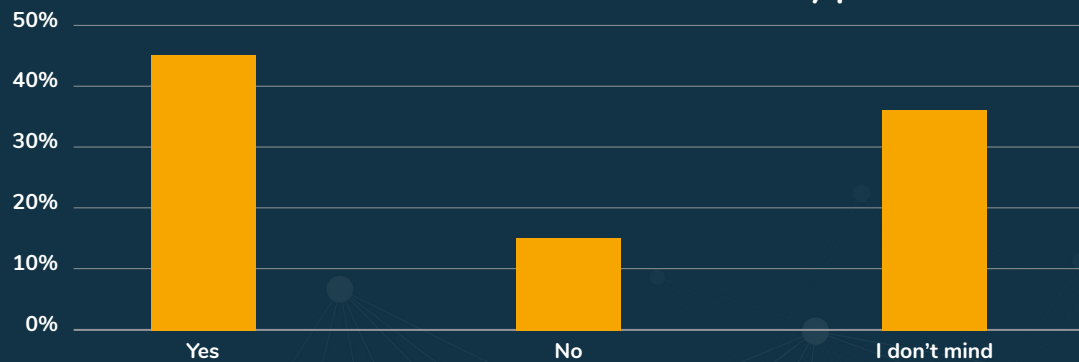


On the whole, the majority of customers surveyed, 50.3%, would be willing to wait for a sustainable delivery for two-three extra days, which seems fairly reasonable on their part. Numerous customers, 26.8%, said they'd only be willing to wait one extra day, and a noteworthy 14.5% would not be willing to wait. Comparatively less customers, 8.4%, would be happy to wait up to five extra days.

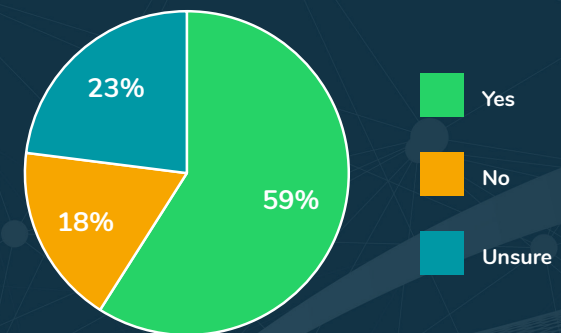
Delivery Offers – What do customers want?

How to please the customer with tracking/shipping updates

Do you think tracking/shipping updates should come directly from the retailer rather than the delivery partner?



Would you have more confidence in the tracking/shipping update information if the retailer sent them directly?



There are ways to please the customer between the moment they complete a purchase on an ecommerce site and delivery. One of the main ways of keeping your customer informed and reassured is through tracking/shipping updates. Retailers can make the most of this communication and learn what customers want from this experience.

When we asked 1,000 respondents whether they think tracking/shipping updates should come from the retailer rather than the delivery partner, 46.1% said 'yes', 16.5% said 'no', and 37.4% said 'I don't mind.'

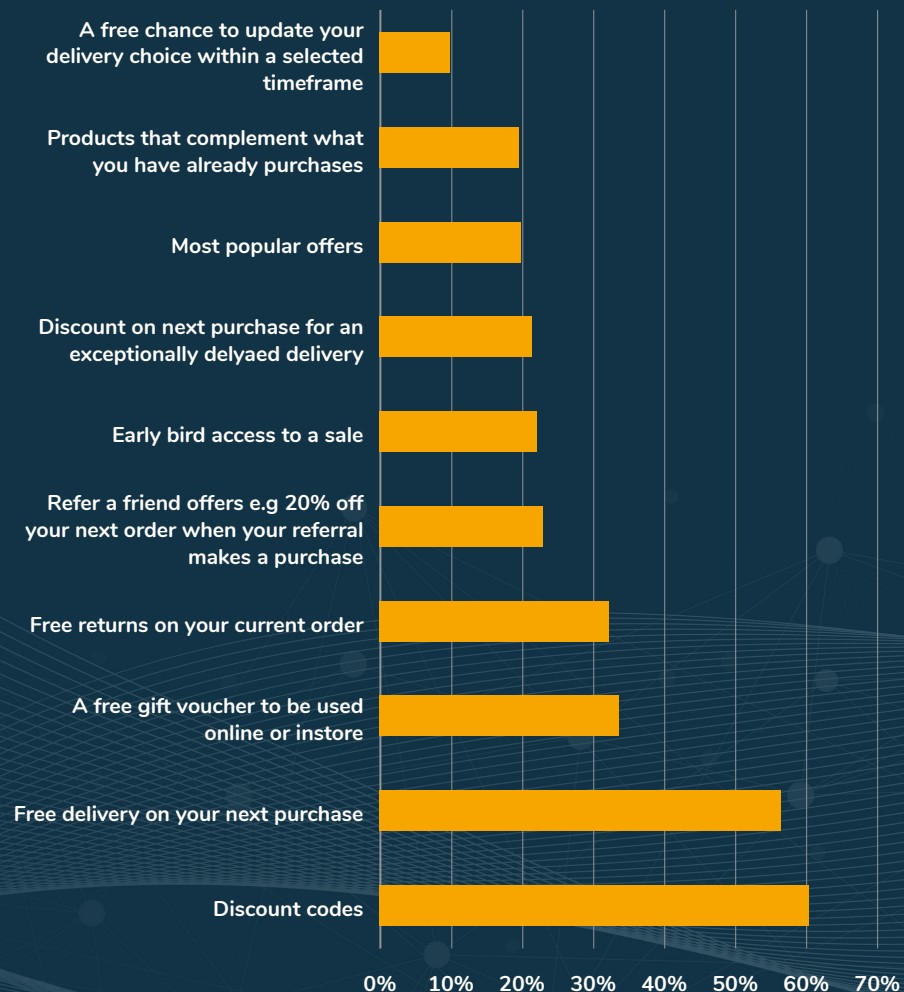
Then, when asked if they'd have more confidence in the information if the retailer sent these updates to them directly, 59% said 'yes', 18% said 'no', and 23% said 'unsure.'

This insight tells us that retailers might want to ensure they have a part to play in the tracking/shipping process.

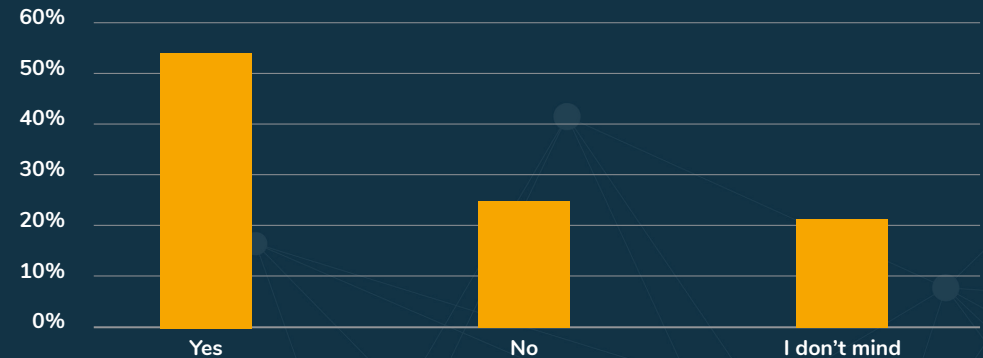
16 Last Mile Delivery

Should retailers introduce personalised offers as a part of tracking/shipping updates?

What sustainable delivery solutions do you think retailers should prioritise?



Would you like to receive personalised offers in tracking/shipping updates?



Now, more than ever, with the rising cost of living, UK customers appreciate personalised offers. 54% of the 1,000 surveyed said they would like to receive these offers in tracking/shipping updates. A lot less, 24.5%, answered 'no' to this question, and 21% said 'I don't mind.'

When presented with ten personalised offers to choose between, customers shared that discount codes attract them the most (60.5%). Therefore, retailers might consider this offer over things such as a free chance to update delivery choice (9.6%), advertisement of complementary products (19.8%) or most popular products (19.9%), and a discount on their next purchase for exceptionally delayed delivery (21.4%) during tracking/shipping updates.

The second most appealing offer, voted by 56.3% of respondents, is free delivery on their next purchase. With the reduced cost, those that forgot to add or regretted not adding a product to their basket would be more inclined to place another order. Also, this is great for converting those customers whose item/s don't reach the minimum spend for free delivery.

17 Last Mile Delivery

At what spend do customers expect free delivery, and is free delivery enough?

Many retailers try to prompt their customers to spend more by offering free delivery over a certain amount. Yet, this amount varies by retailer and often depends on whether the business sits in the luxury, mid-market, or budget range.

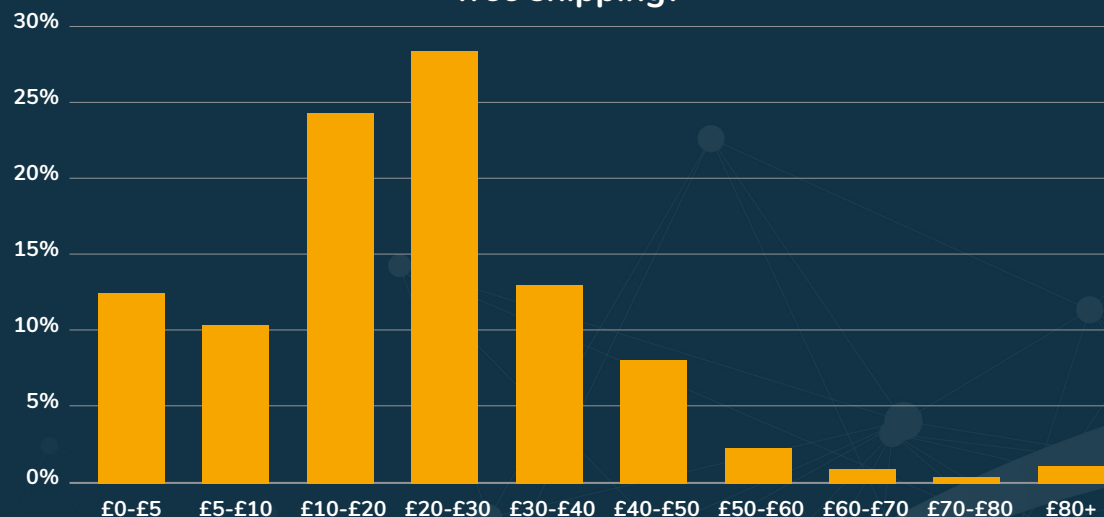
When asked 'at what spend at the checkout do you typically expect free shipping?', 27.4% of 1000 respondents said they expect free shipping from a spend of £20-30. Following closely, 24% of respondents expect free shipping after spending £10-20. These figures imply that most respondents based their answers on a typical budget value shop. Considering that the average weekly basket value in the last five months has been around £55 on budget/value retail sites, according to IMRG's Index, this survey reveals that most customers desire free standard shipping with every purchase.

In third place, chosen by 13.1%, is a £30-40 spend, and closely behind is £0-5, voted by 12.7% of respondents. From this data, we can say that customers are demanding more for less; only 2.8% voted for £50-60, despite £50 being a common threshold for free delivery, 0.2% for £70-80, and 0.8% for £80+.

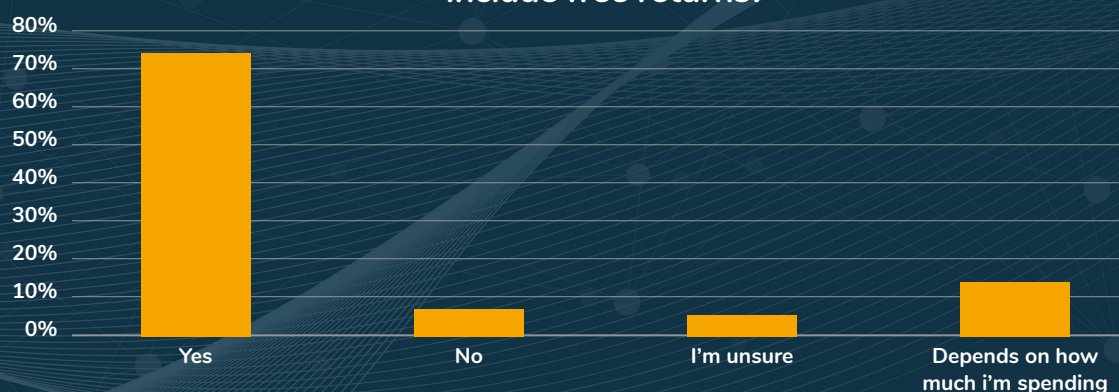
But is free shipping enough of a bargain for customers? No, answered 74.7% of respondents who also expect the offer to include free returns.

Only 4.6% said 'I'm unsure' about the doubled-up offer, 14.2% said 'it depends on how much I'm spending', and 6.5% said they do not expect the additional free returns.

At what spend at the checkout do you typically expect free shipping?



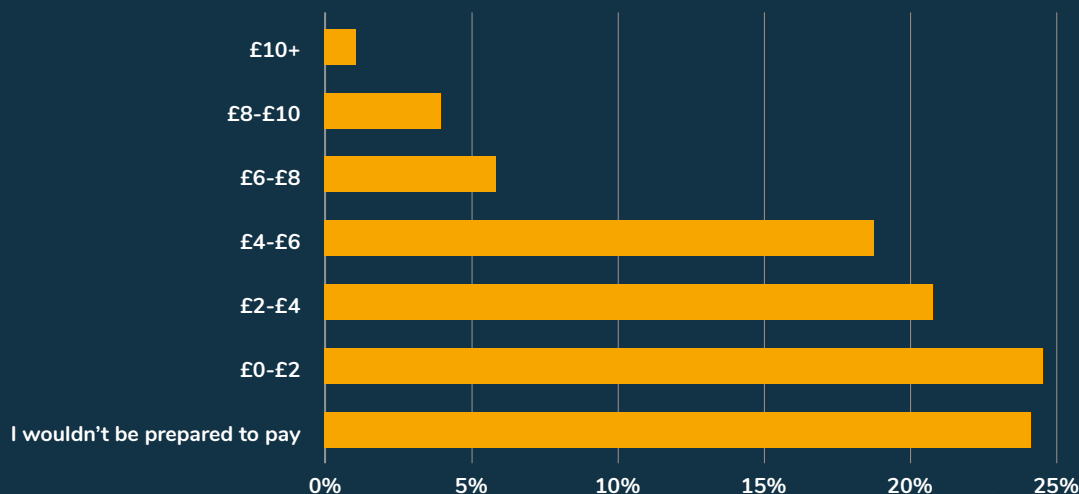
Alongside free shipping, do you expect the offer to include free returns?



18 Last Mile Delivery

Is offering same day delivery worth it?

From your favourite retail brand, would you be willing to pay for same day delivery – if so, how much?



The costs of implementing such a delivery service should come into consideration. When questioning respondents on how much they'd be willing to pay for same-day delivery from their favourite retail brand, there was almost an equal divide between those answering £0-2 (24.7%) and 'I wouldn't be prepared to pay' (24.4%), with the former tipping the edge slightly.

Nonetheless, not far behind are 21.4% who would be willing to pay £2-4 for same-day delivery, and 18.5% who are willing to pay up to £4-6.

Comparatively less are those who would pay £6-8 (6.1%), £8-10 (3.7%), and £10+ (1.2%).

The demand is there, but it comes down to whether retailers can make this a smooth process and whether customers want to pay the price.

Scurri Comments

The final step in the online purchase experience is the delivery of your product. Last mile delivery plays a crucial role in customer satisfaction. Clearly, customers expect retailers and brands to be in control of the full delivery experience, including last mile delivery updates. Over 45% of respondents expect delivery updates to come directly from the retailer, not the carrier. Furthermore, 59% stated they would have more confidence in the updates if sent by the retailer. Improving customer loyalty and revenue generation are two opportunities presented by a retailer-controlled post-purchase experience. 54% of respondents would like to receive personalised offers as part of the tracking update communications. Understandably, in the current economic climate, discounted offers are the preferred personalised offer, giving retailers the opportunity to boost both customer loyalty and repeat purchase behaviour. These offers, balanced with free shipping above certain values, unlock new potential at a stage where consumers are highly engaged. Taking advantage of this in a branded and secure format requires a post-purchase communications software solution.

Closing thoughts from Scurri

2023 brings new challenges for retailers and brands. The economic outlook is uncertain and consumer confidence has been impacted by a variety of factors. Demand for ecommerce consumption is not at the same level as it was in the last number of years, however, growth opportunities are available through innovation. To succeed, retailers will need to take control over the key pillars of delivery management: cost, offer, operations, issues, growth, and experience. A delivery management platform combined with post-purchase experience software gives retailers back control of the last mile experience. From ensuring the most suitable delivery option is presented, proactively identifying potential issues for quicker resolution, to improving the full customer experience with branded post-purchase tracking updates and personalised offers at high engagement points. Leveraging innovative technology can improve the customer experience, boost loyalty, and deliver all-important revenue growth.

Fortune favours the innovative!





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