IMRG UK CONSUMER HOME DELIVERY REVIEW 2018 / 19

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.

SUPPORTED BY

GFS ENTERPRISE CARRIER MANAGEMENT

SURVEY DATA COMPILED BY

maru/edr

Contents

1. Introduction

Welcome to the IMRG UK Consumer Home Delivery Review – 2018 / 19, which is a landmark edition as the tenth in the series. We survey over 1,000 UK households to benchmark current levels of customer satisfaction and expectation regards online delivery. The review has become a vital tool to help retailers shape their delivery proposition and anticipate future needs.

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.

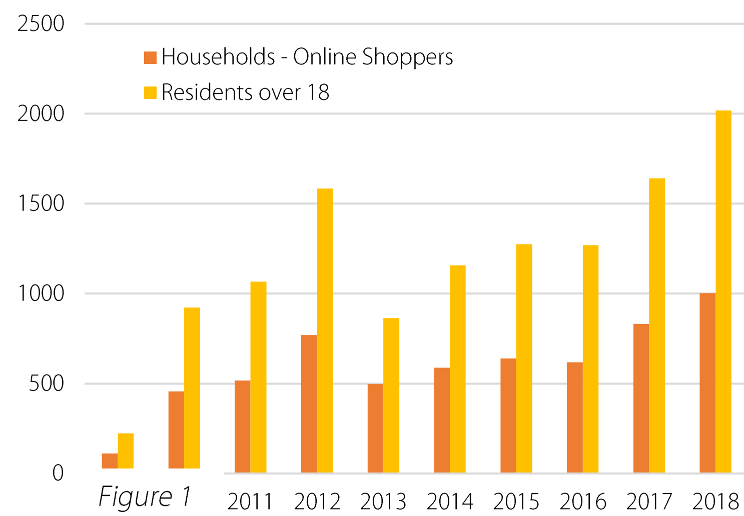

Figure 1

"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 Ttooulis, Group Marketing Director, GFS

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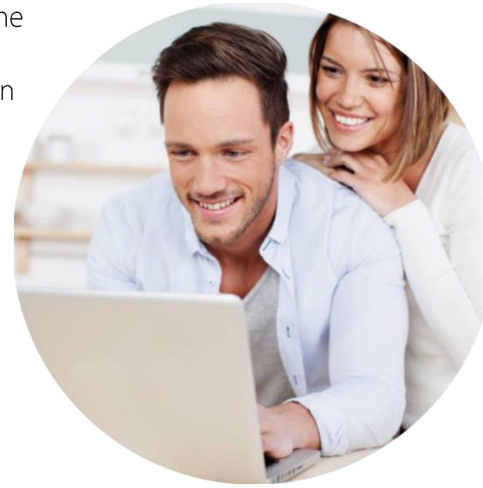
Methodology

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.

The full survey results in chart format can be found in annex 1.

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.

maru/edr

Delivery is the differentiator

The IMRG UK Consumer Home Delivery Review is <u>the</u> 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.

2. Executive summary

The IMRG UK Consumer Home Delivery Review 2018/19 presents a ten-year 'deep-dive' view of the developing expectations and perceptions of UK shoppers and tracks what is, overall, a very positive story during that period.

Over the past ten years, many things have changed, and some things have stayed the same.

- Home is still the preferred delivery location for most shoppers and most deliveries, but it is not always the most expedient solution and sometimes other options are needed
- 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.

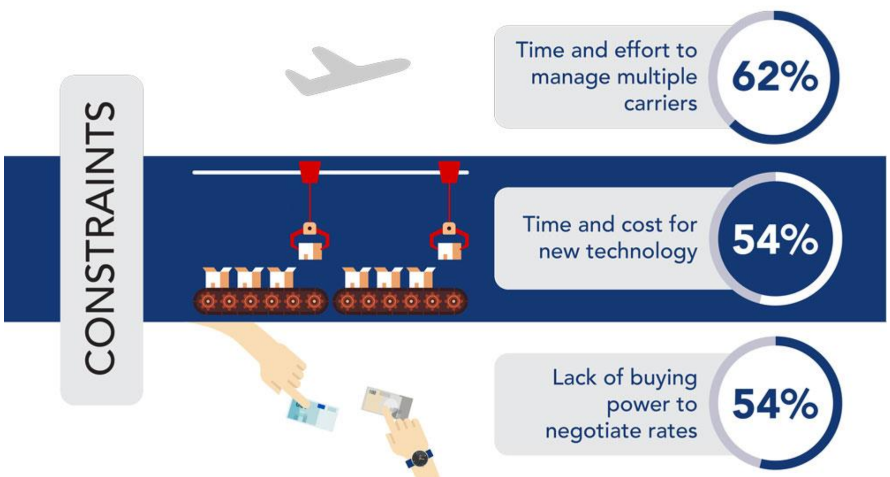
It shows that delivery is at the forefront of the decision-making process when the consumer ultimately makes their decision to purchase, or not. This means delivery options, or lack of, can have a direct influence on sales conversion and cart abandonment rates.

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 Ttooulis, Group Marketing Director, GFS

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

3. Overall perception, satisfaction and loyalty

This section examines how shoppers feel generally about online retail delivery. The analysis in this section is supported by questions relating to UK delivery - 2, 3, 4, 4.1, 5, 6, 7, 8, 10, 15, 16 and for returns, 40 and 40.1.

Online shoppers' perceptions and expectations about the delivery of their orders are driven by direct experience but are also influenced externally, by the views of others and by the fast-changing digital world around them.

Every day consumers are discovering new apps and finding new services that make life easier, offering new opportunities and allowing a change in the way they approach their daily lives. Online shopping is no exception, but it is sometimes harder for physical fulfilment and delivery to move at the same pace as the digital side. The result is that customer expectations are evolving at least as fast as physical services are innovating, so even when services and solutions improve, customer perception may appear to stand still.

This may contribute to the survey result showing an increase in concerns about delivery as barrier to online shopping. Since 2015 we have seen a slight increase, but this year it is more pronounced.

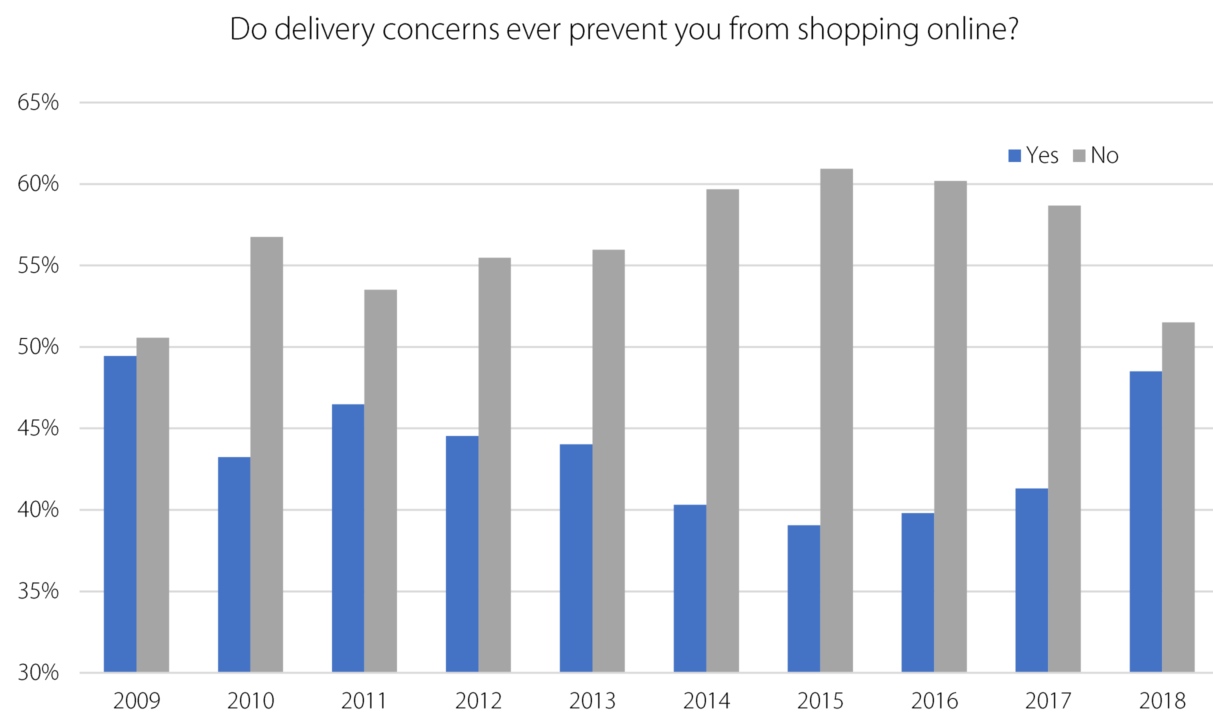


Figure 2

In parallel, the overall satisfaction score for online delivery has dropped away this year, reinforced by the perception for orders being delivered first time / on the expected day, falling from 88% in 2017 to just below 85% this year[1].

Figure 3

Often perception and reality are not the same, but this fall in satisfaction does coincide with a fall in on-time delivery performance that has been happening since early 2017. This has been driven by an increase in the use of next day delivery services, which has put supply chains under more pressure and shortened delivery time windows creating more delivery failure.

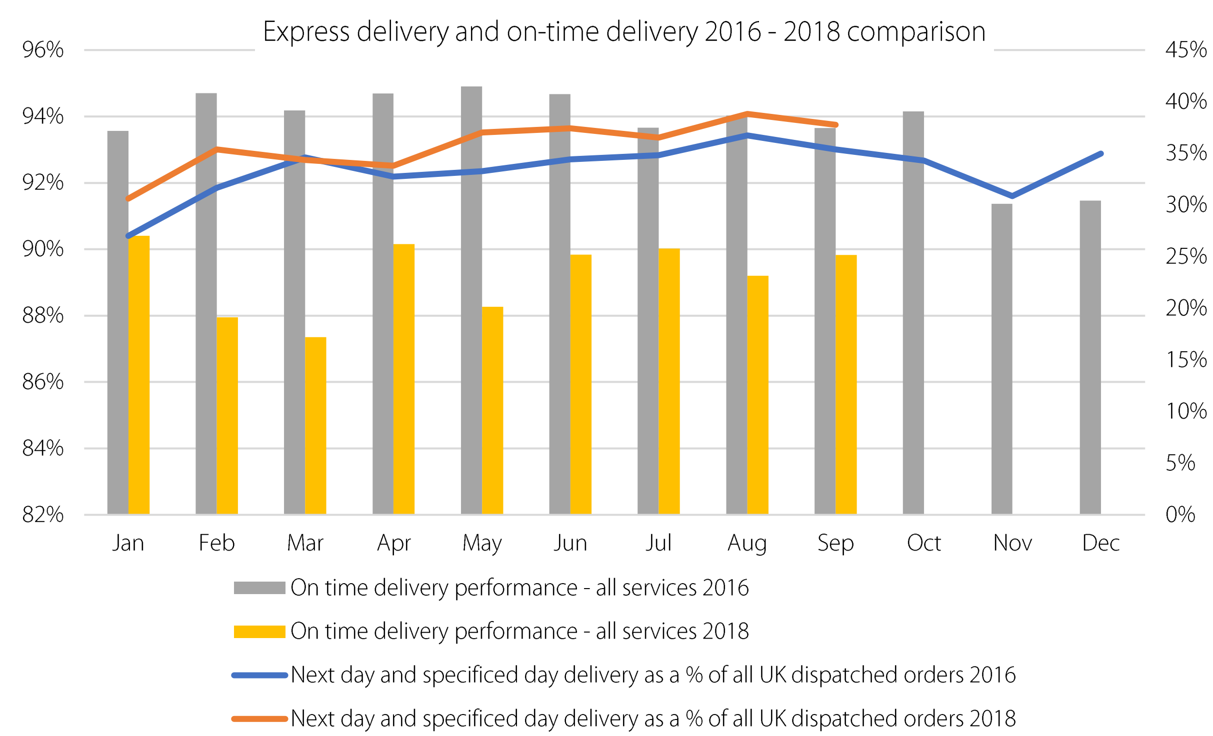


Figure 4: Source – IMRG MetaPack Delivery Index

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[1] Consistent with other countries – The IPC Cross Border Shopper Survey – 2017 reports that *Eighty-five percent of online consumers were satisfied and 57% were 'extremely/very' satisfied with their delivery experience*

The main concern given for preventing online shopping is the fear of a missed delivery, and this makes sense in the context of the above, because even though providing a next day delivery as the norm may seem to offer a great level of service, if the customer has not asked for it and has had no time to plan for it, it is likely they will miss it.

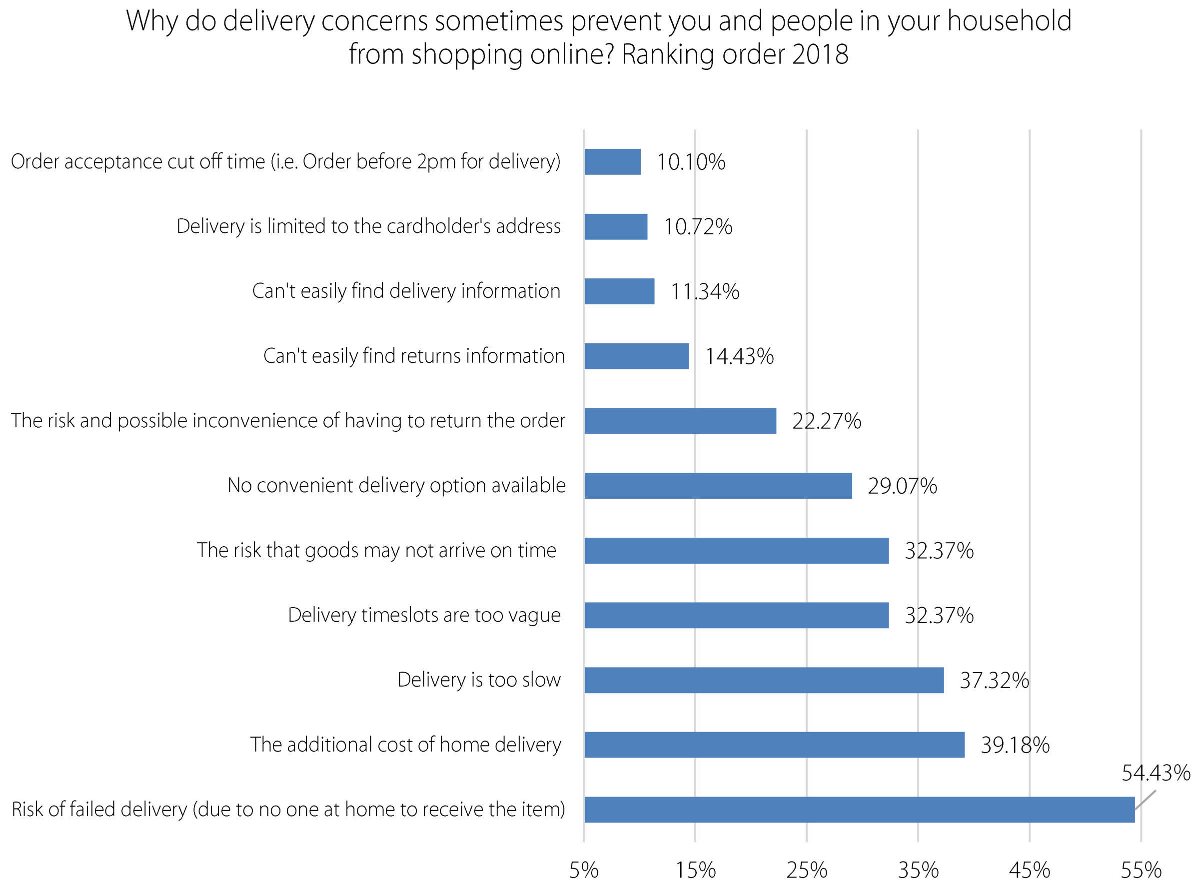

Figure 5

> *"What we often see is that the pressure of next day delivery can sometimes result in delivery failure and customer loss. Offering a broader choice of delivery options helps spread the load so you can keep the delivery promise to your customer and give them a much better customer experience all round."* –
> **Bobbie Ttooulis**, Group Marketing Director, **GFS**

However, the problem is not necessarily that they come home to find a 'sorry we missed you' card because this is currently running at only 2.7% of all deliveries[2]. It may also be finding that the parcel has been left in a place (or with a neighbour) that the customer does not consider suitable[3].

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[2] IMRG – MetaPack Delivery Index – 'carded delivery' rolling 12-month weighted average – proportion of all deliveries that could not be made at the first attempt due to no-one at home to accept
[3] 37% of consumers report having a delivery left in an insecure place while 20% have had it sent to the wrong address - research commissioned by Sorted through OnePoll in 2017 – 2000 UK adults

To reinforce the point about delivery concerns, we can also look at cart abandonment for delivery related reasons. Here too we find an increase (to 52% in 2018).

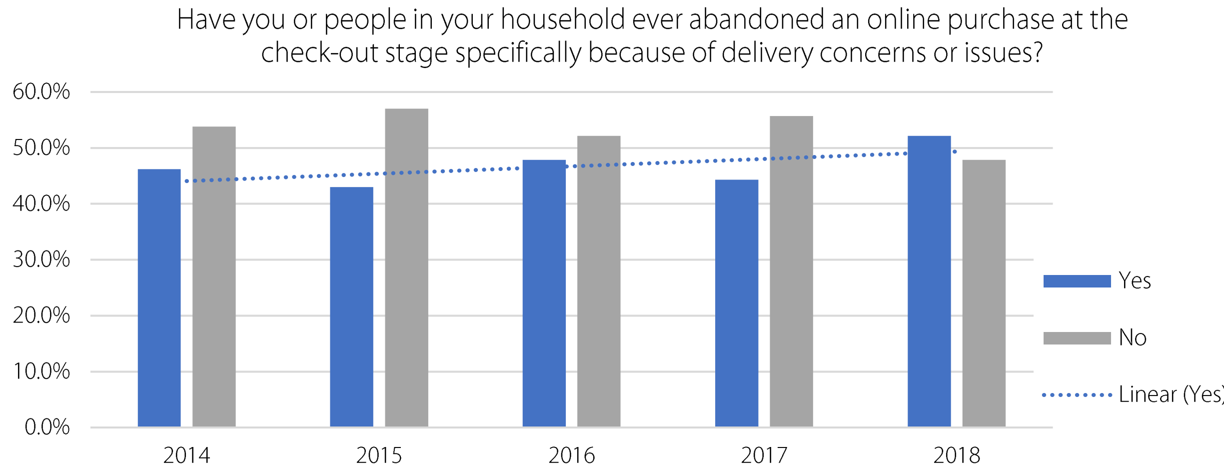

Figure 6

Shoppers now include the delivery offer within the overall purchase decision, and the main reason for delivery related cart abandonment is not the lack of free delivery but that the additional cost of delivery made the whole purchase too expensive - yet even this reason is becoming less dominant (55%[4]).

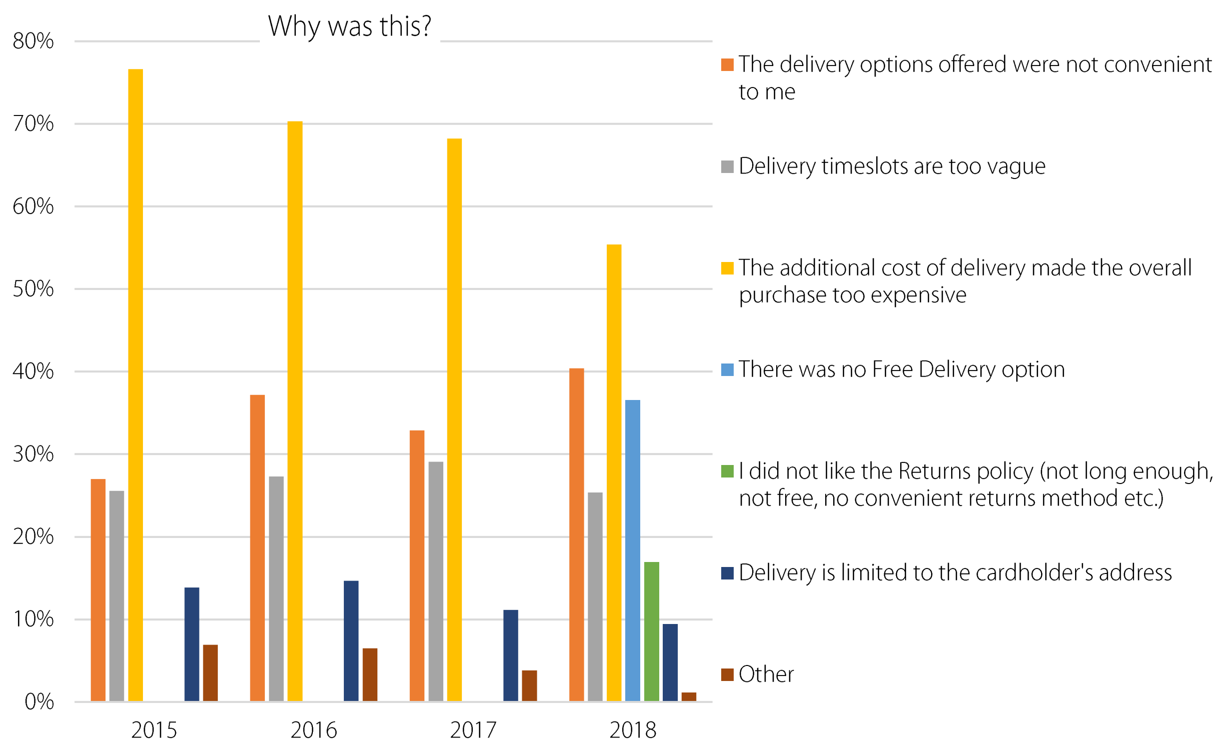

Figure 7

[4] Royal Mail Delivery Matters UK 2018 also reports that 40% of people in its survey abandon their cart because they are not happy with the delivery charge

On the increase is the expectation of choice, and the ability to select a delivery option that is convenient for each individual order and circumstance. Such is the power of delivery that it is being used to drive customer loyalty, so we are seeing an increase in the awareness and subscription to loyalty schemes that include delivery[5].

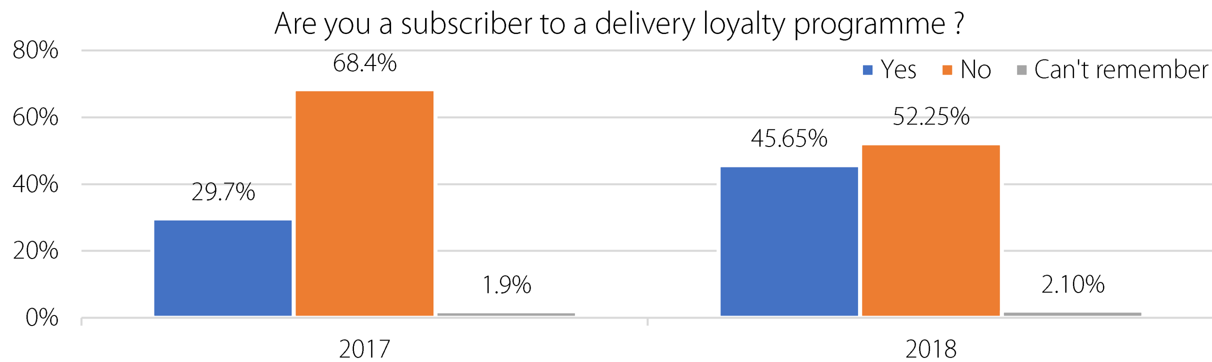

Figure 8

The evidence is that delivery is also successfully being used to get shoppers to also spend more:

- 76.6% of respondents confirmed that a free delivery offer over an order value threshold has encouraged them to up the size of their orders (from 71% last year)
- 52.2% of respondents confirmed that a faster delivery offer over an order value threshold has encouraged them to up the size of their orders (from 41% last year)

Finally, in this section we must consider the importance that shoppers place on the returns offer and their current levels of satisfaction.

Consistently, over the past four years between two-thirds and three-quarters of shoppers have confirmed that the quality and clarity of the returns offer is very important to them when deciding who to shop with. But, as in previous years, satisfaction with returns shows retailers must do more to properly reflect this.

Figure 9

The following sections go on to explore all these perceptions, expectations and requirements in detail.

[5] Research by Royal Mail / Ipsos MORI confirms this trend - *Membership of delivery subscription schemes (e.g. Amazon Prime) continues to rise, suggesting the increased popularity of these goes beyond a Christmas boost. Almost three in ten Brits (28%) now use a delivery subscription scheme, a rise compared to 20% in the quarter of April – June 2017.* Similar results were obtained in Royal Mail Delivery Matters UK 2018

4. Shopper motivation

This section takes a more detailed look at what motivates shoppers in respect of delivery. The analysis in this section is supported by questions:

- *Cost – 3, 4, 4.1, 19.4, 30, 34, 34.2, 49.1 and 49.2*
- *Convenience – 3, 31, 32, 33, 34, 34.1, 41 and see sections 7 and 9*
- *Speed – 31, 32 and 33 and see section 10*
- *Black Friday – 9, 9.1 and 9.1.1*

Cost of delivery

Online consumers are, of course, motivated by the cost of delivery, and we have already shown how the UK's sophisticated shoppers consider the overall cost of purchase (product and delivery) to be more important than any standalone offer of free delivery – they are savvier than that.

This extends to consideration of delivery options and alternatives, and here we have evidence of the evolution of consumer perception and behaviour.

When click & collect first emerged as a mainstream alternative, the majority (three-quarters) of shoppers would not consider paying any sort of fee, considering that their effort in going to collect their order was cost enough. However, over the past four years we have evidence of a shift in this position, with survey respondents indicating that they may be prepared to pay something extra.

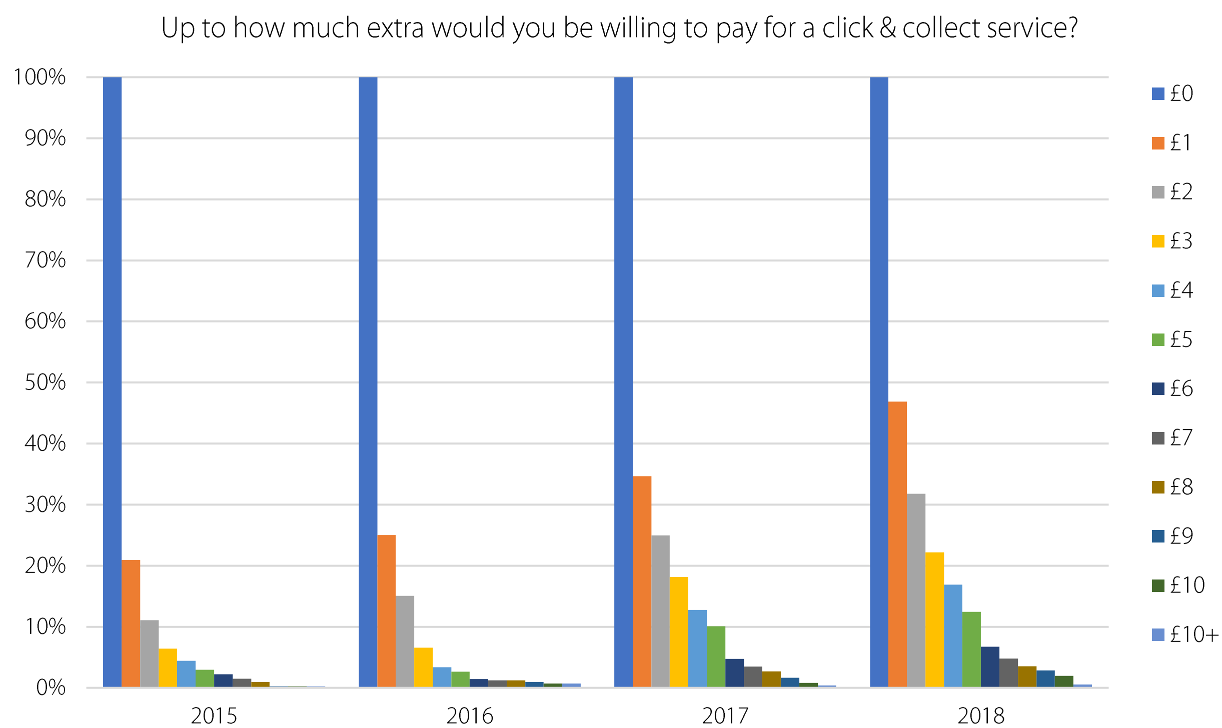

Figure 10

The survey results above show that although 100% of respondents would be happy with no additional cost, an increasing and reasonable proportion would consider paying £1 extra. This also extends to the £2 mark (32% in 2018), but above that, potential demand falls away sharply.

The change in this expectation is likely conditioned by the increased use of click & collect and the acknowledgement that, in the right circumstances it is the most convenient or appropriate option and worth an extra fee. In addition, the market is moving to change the perception that click & collect can be provided at no extra cost:

- Third-party parcel shops and parcel locker networks must generate revenue
- In-store click & collect operations incur additional costs for retailers

An increasing number of leading retailers now make a small charge for in-store click & collect and many do differentiate between in-store and third-party click & collect.

However, it is important to recognise that the amount some shoppers may pay is small. To put this in context of the wider click & collect experience, this is further explored in section 9.

There are other delivery options that shoppers might be prepared to pay for, including time slot delivery. Again, over the past five years an increasing proportion of respondents indicate that they might be prepared to pay extra for the convenience of specifying when in the day their orders will arrive.

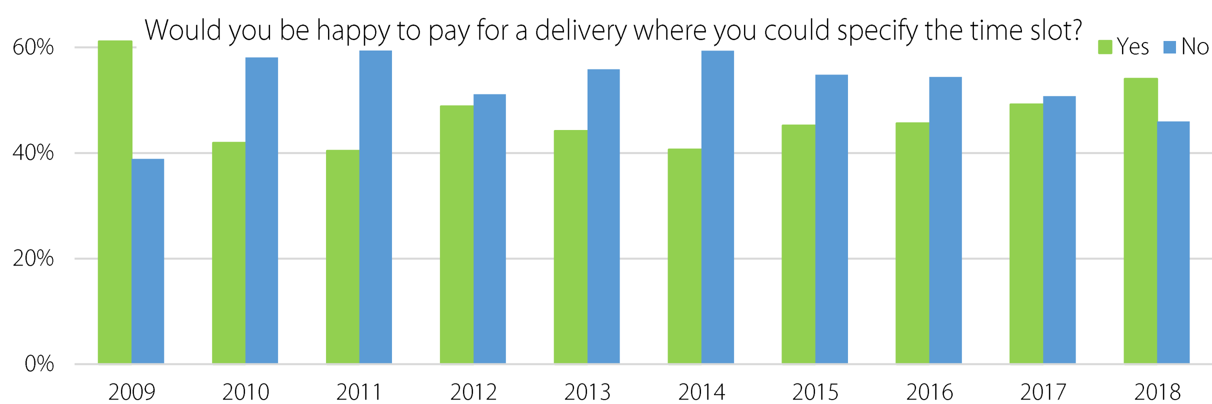

Figure 11

But, as with click & collect, the sum is not high, and although three-quarters (76.5%) would pay between £1 - £2 extra, this drops sharply to 39% above that price.

The evidence suggests that for most delivery alternatives and options, a £2 premium is a natural threshold.

This would account for the fact that, although time slot delivery options are widely offered (as AM, PM, Evening, Before-10, etc), they represent less than 1.5% of all UK dispatched volume[6] because most time slot services currently apply a higher premium than this.

The other reason for low take-up is that the time windows are not yet specific enough. Most shoppers consider a 2-hour time slot acceptable, but with existing delivery routing practices, this is hard to achieve at a low premium.

Further analysis of premium delivery options is provided in section 10. Other things customers might be prepared to pay a little more for are:

- Information about their delivery – this is covered in section 8
- An environmentally friendly delivery – this is covered in section 16

[6] IMRG MetaPack Delivery Index

Convenience and Speed

Customers clearly appreciate fast delivery and the ease and speed at which orders can be made and fulfilled is also a prime motivator for online consumers. However, it is not just the speed of delivery that provides a convenient delivery experience. We showed earlier that providing a choice of delivery options is increasingly important when getting shoppers through checkout.

But what do consumers mean by convenient? From the evidence provided by the survey it ideally means allowing the customer to select the right place, the right day and a time (2-hour window), to include evening delivery. When we ask the direct question, these options rank highly in the top ten responses.

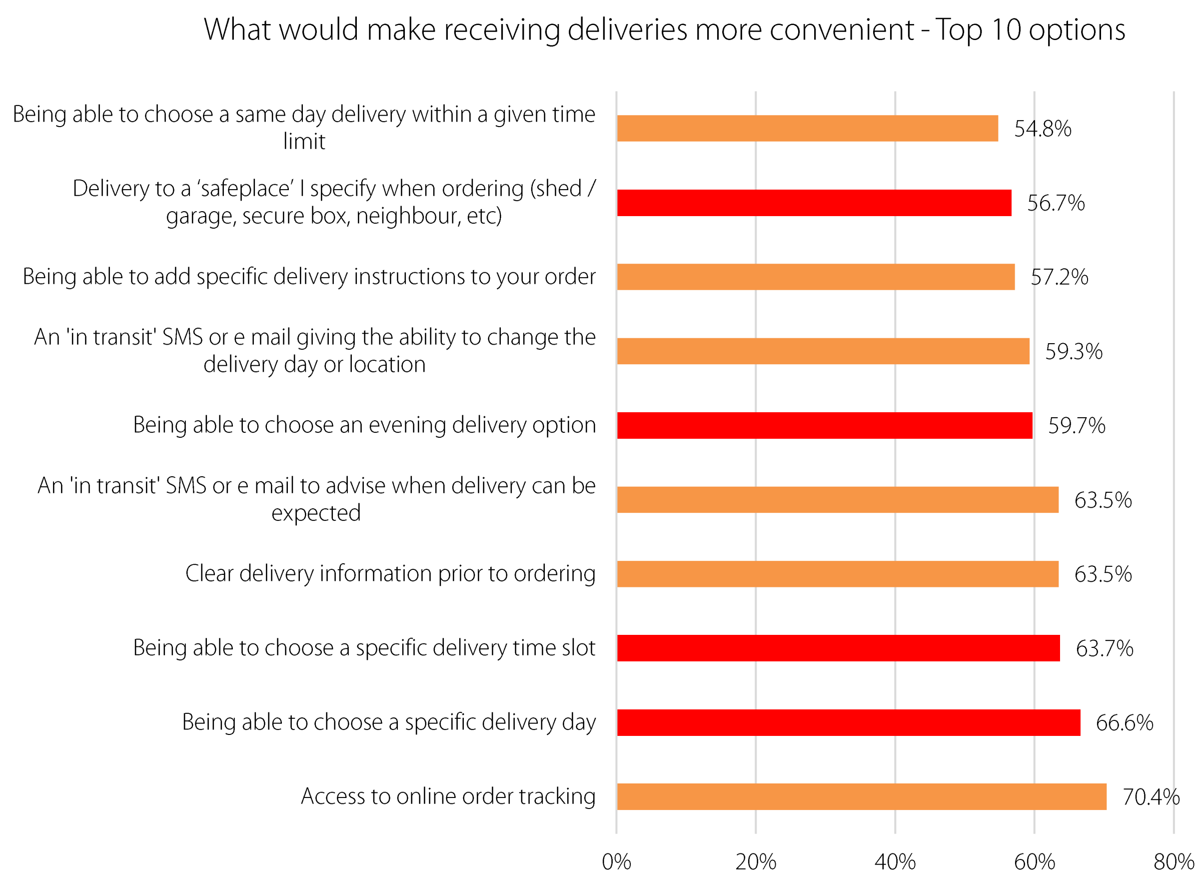

Figure 12

What is interesting is that how fast a delivery can be made does not seem to be a convenience-driver on its own, with same day delivery only ranking at number 10. Although it is often thought customers want same day delivery[7], when costs are factored in demand drops[8].

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[7] A study of 129 supply chain executives and 194 executives from leading global logistics providers from US and European brands said that 23% of their customers ask for same day delivery – Localz / Eft – The Last Mile Retail Study 2018

[8] Within the UK same day delivery currently accounts for 0.02% of UK dispatched volume- IMRG MetaPack Delivery Index

This goes to show that fast is not always best and sends an important message to retailers focussing on next day delivery. The Localz and Eft study reports that they believe their customers' priority for last mile delivery is as follows:

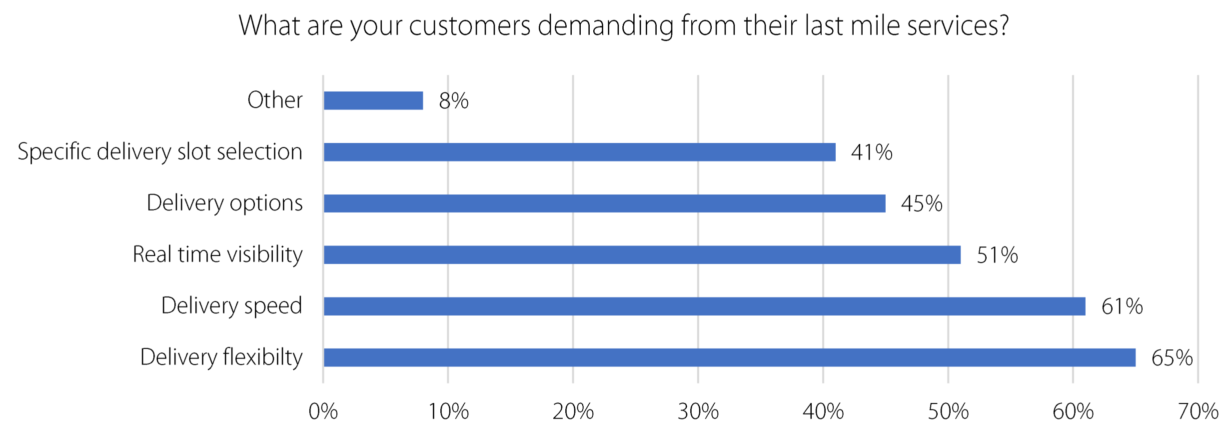


Figure 13

Perhaps the provision of delivery slot selection and delivery options – choice – need to be given higher priority as our research shows that a good proportion of shoppers are more frequently using these options where they are available.

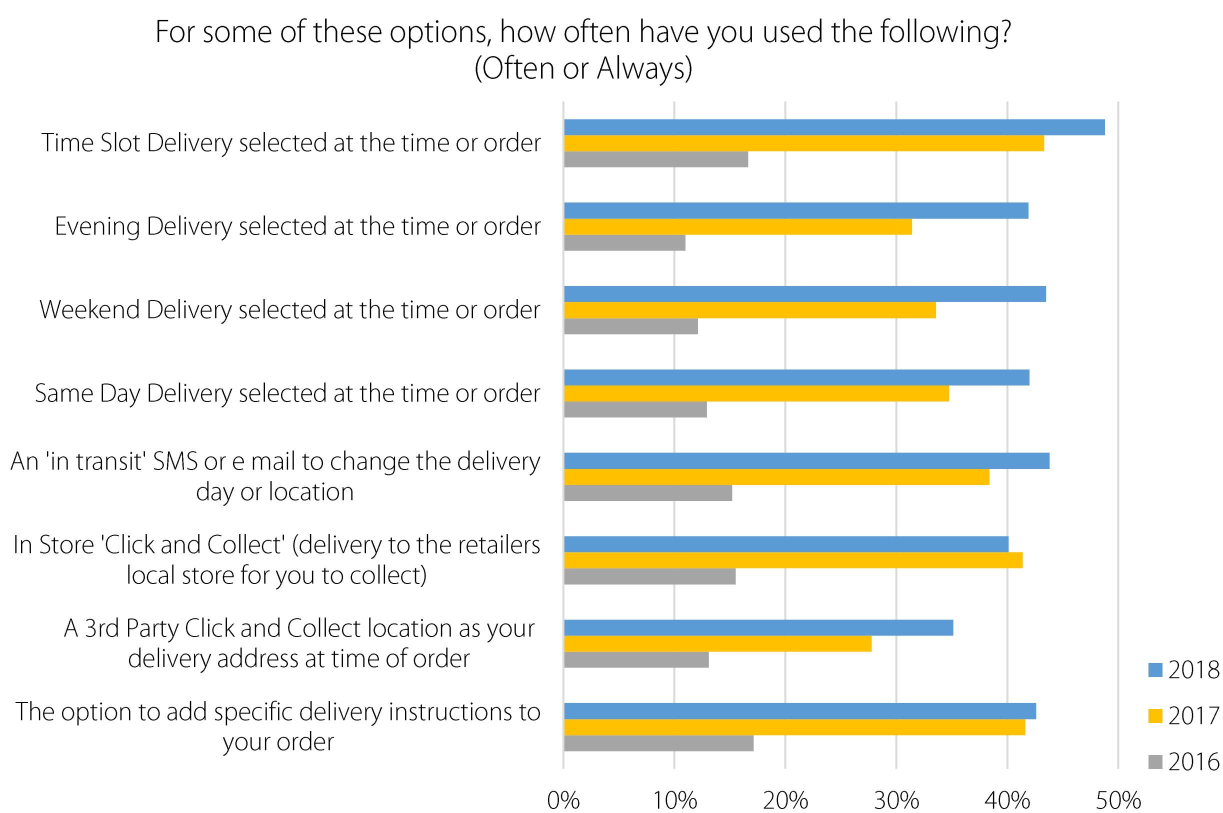
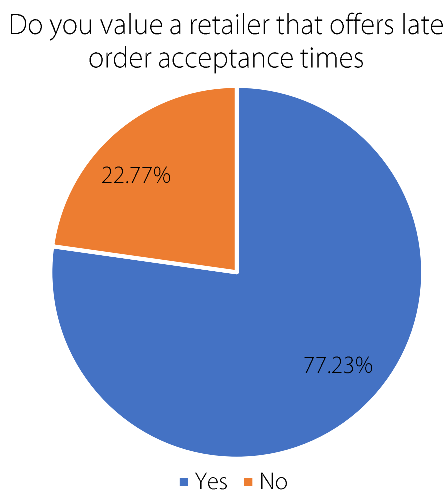
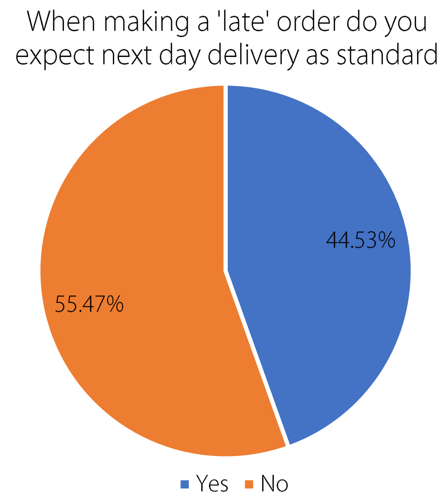


Figure 14

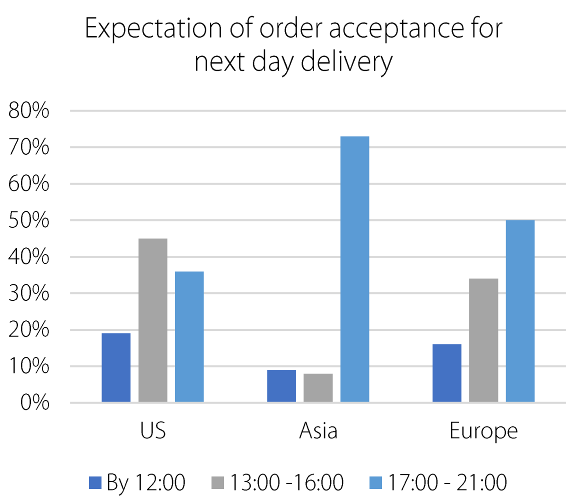
What also motivates consumers to shop is the ability to place their orders at a convenient time, often late in the day. Interestingly, the majority still do not expect a speedy next day delivery as standard.

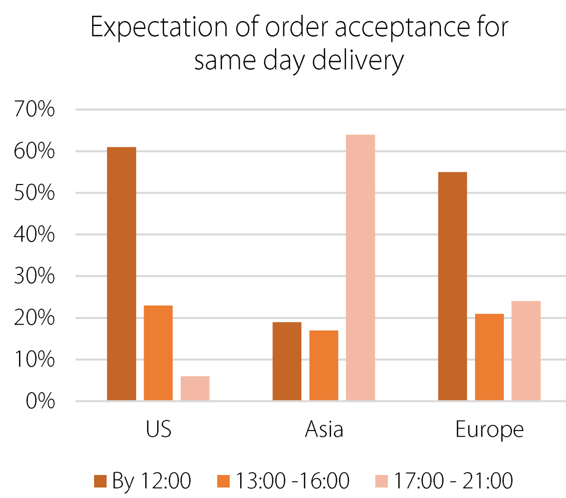




Figures 15 & 16

Research by UPS[9] supports this, showing that in Europe only about 50% of shoppers expect to be able to order up to 21:00 and still receive a next day delivery, dropping to 24% for same day delivery.





Figures 17 & 18

This may challenge how most retailers deal with these LAT (late acceptance time) orders, fulfilling and dispatching them the same night, often for next day delivery.

LAT operations have a knock-on effect down the supply chain, holding back vehicles that cannot leave until the last order is loaded or sending smaller back-up vehicles to collect and line-haul them.

The evidence here suggests that many LAT orders could be fulfilled the following day and that retailers who do not differentiate between the genuinely urgent and non-urgent may be running their dispatch operations later and under more pressure than they need to be.

[9] 2018 UPS Pulse of the Online Shopper™ Global Study, conducted by comScore

It appears that the convenience value of making an order late in the day is as much about order receipt and dispatch confirmation as it is about delivery.

Overall, we must conclude that shoppers want prompt delivery with the ability to choose where, when and how it will arrive. Although same day and next day delivery will sometimes be the best option, what the customer really wants is for the delivery promise to be met[10].

Convenience and speed also motivate shoppers when it comes to returns. The most important aspects of a return offer (after free returns) are the ability to quickly and easily get the return on its way and the speed of receipt confirmation and credit.

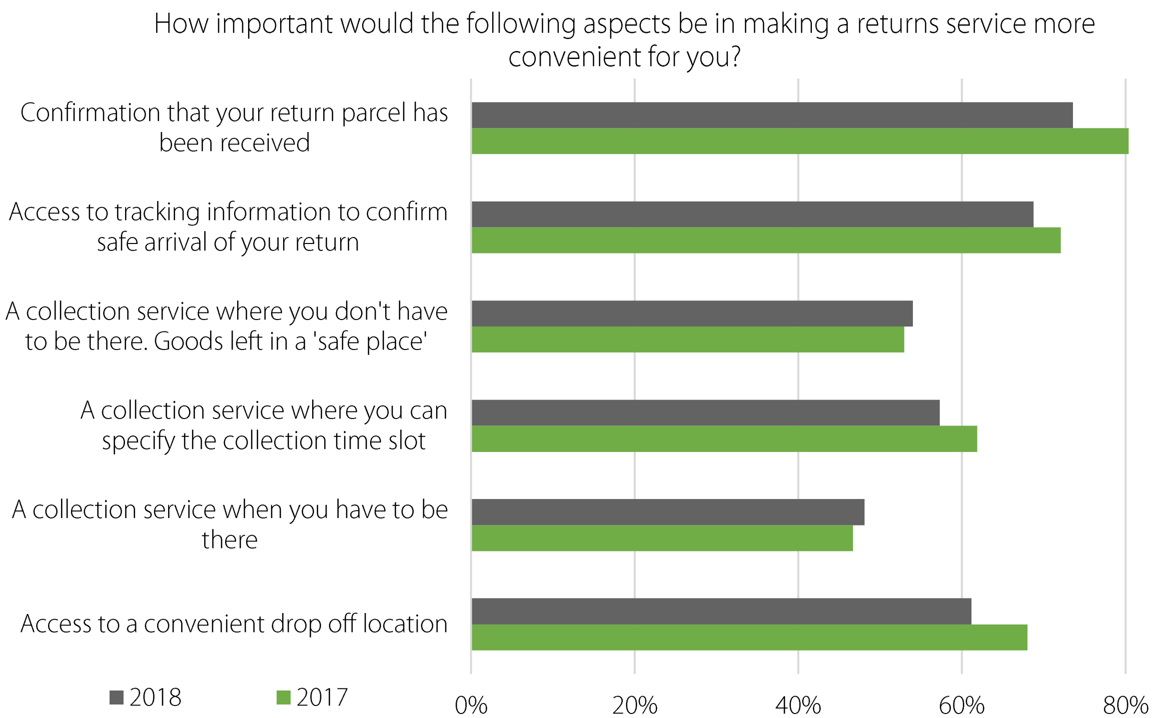


Figure 19

Parallel research from ReBOUND[11] shows that shoppers do like a range of options when making their return:

- Post Office – 73%
- Parcel store – 47%
- Retailer – 61%
- Locker – 28%
- Collection 62%

Yet their research suggests that not all retailers do not (22%) offer a choice of return channels.

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[10] Late delivery is not acceptable:

- *Nearly half (48%) of UK consumers are less likely to shop with you again if their product is delivered late* – Sorted /OnePoll
- *Well over half of respondents (57%) saying they would be reluctant to use a retailer again if their delivery did not arrive on time* – Survey of 300 US, German and UK retailers conducted by Loqate – 2018

[11] The Great Returns Race - ReBOUND, 2017

Black Friday / Cyber Monday

A key time when shoppers are highly motivated to go online is in preparation for Christmas and, more recently, over the Black Friday/Cyber Monday sales period, which can now extend for up to a week either side of that weekend.

Our survey confirms what the market already knows: that more households do change their buying habits to focus at least some of their shopping activity around this period.

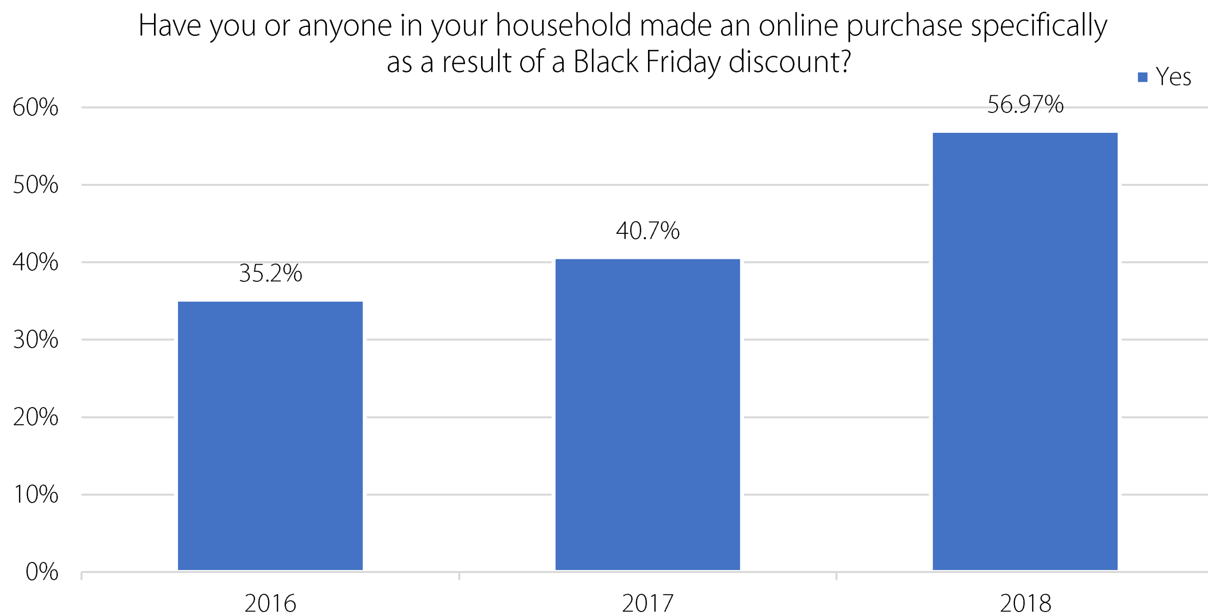
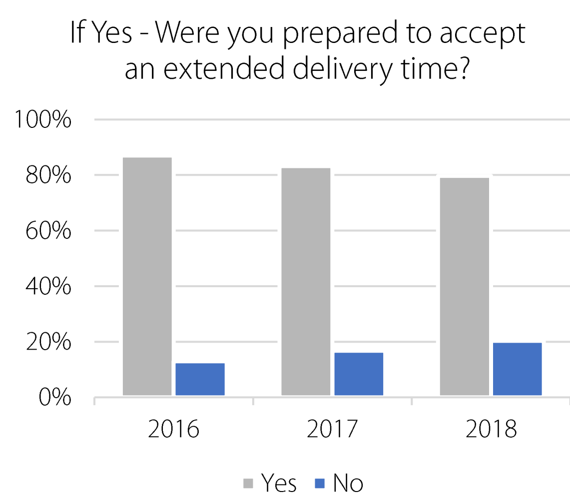
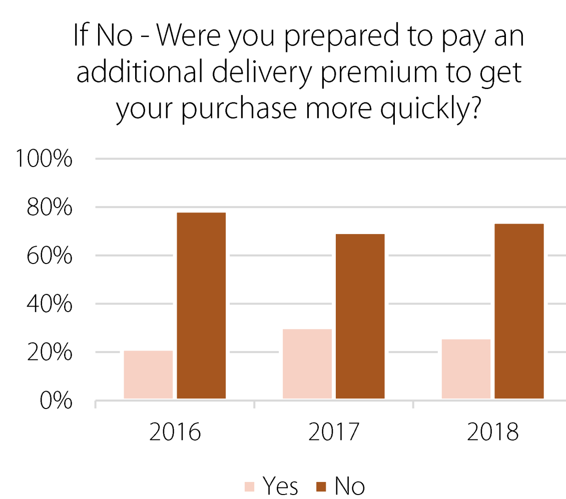


Figure 20

When it comes to delivery, that behaviour changes: the majority (80%) are prepared to accept an extended delivery time. However, for the remainder who could not or would not, three-quarters did not expect to pay a premium to get their delivery as they normally would at any other time of year.





Figures 21 & 22

5. Delivery destination and location

This section deals with where online shoppers like to have their deliveries made. The analysis in this section is supported by questions 12, 13, 14, 14.1, 14.2, 14.3, and 22.

As with every previous year, our survey confirms that home-related deliveries remain most popular with UK shoppers[12].

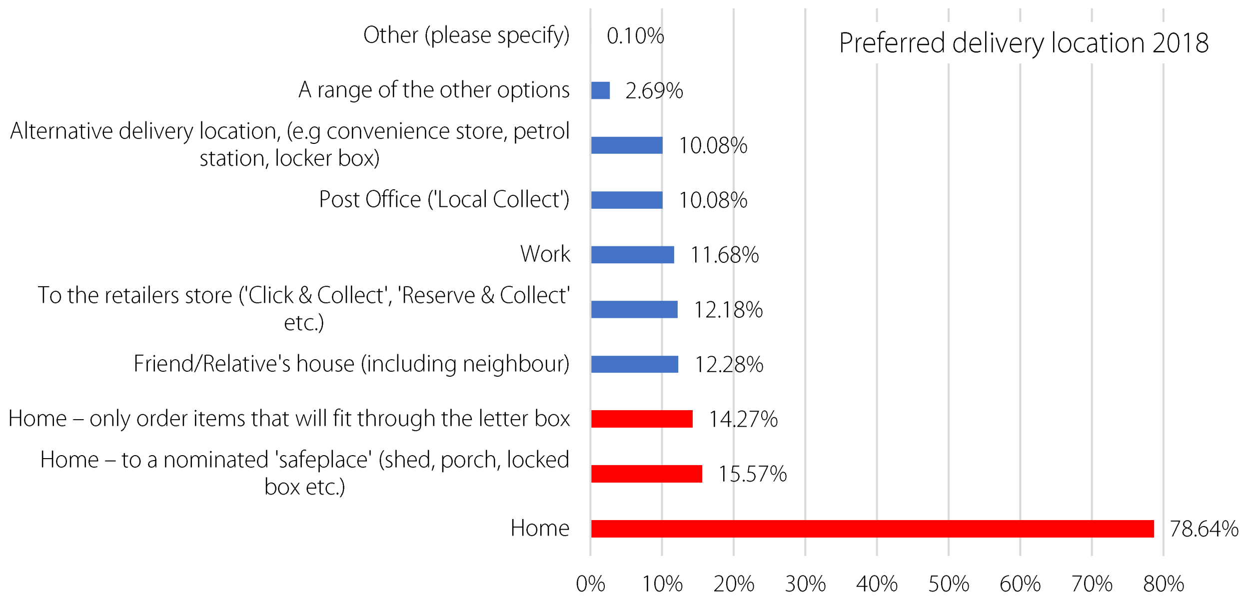


Figure 23

This preference prevails despite the increased availability of alternative location solutions and may be influenced by an apparent gradual increase of people being able to be at home to receive deliveries.

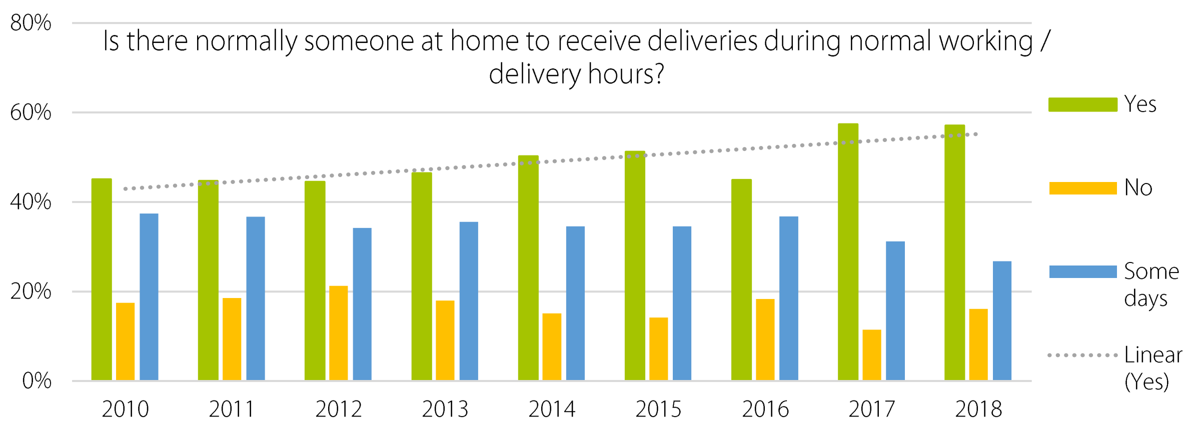


Figure 24

[12] Confirmed by parallel research:

- *66% prefer home delivery to any other location* – Royal Mail Delivery Matters UK 2018
- *Three-quarters (74%) of respondents had a parcel delivered to their home in the past year* – IPC Cross-Border Shopper Survey 2017

This will partly be a result of the changing data sample, but flexible working practices increasingly being employed may be a contributing factor.

Although Home related delivery options have consistently been number one, the popularity of other options has changed. Most notably, Work as a delivery destination has declined in use.

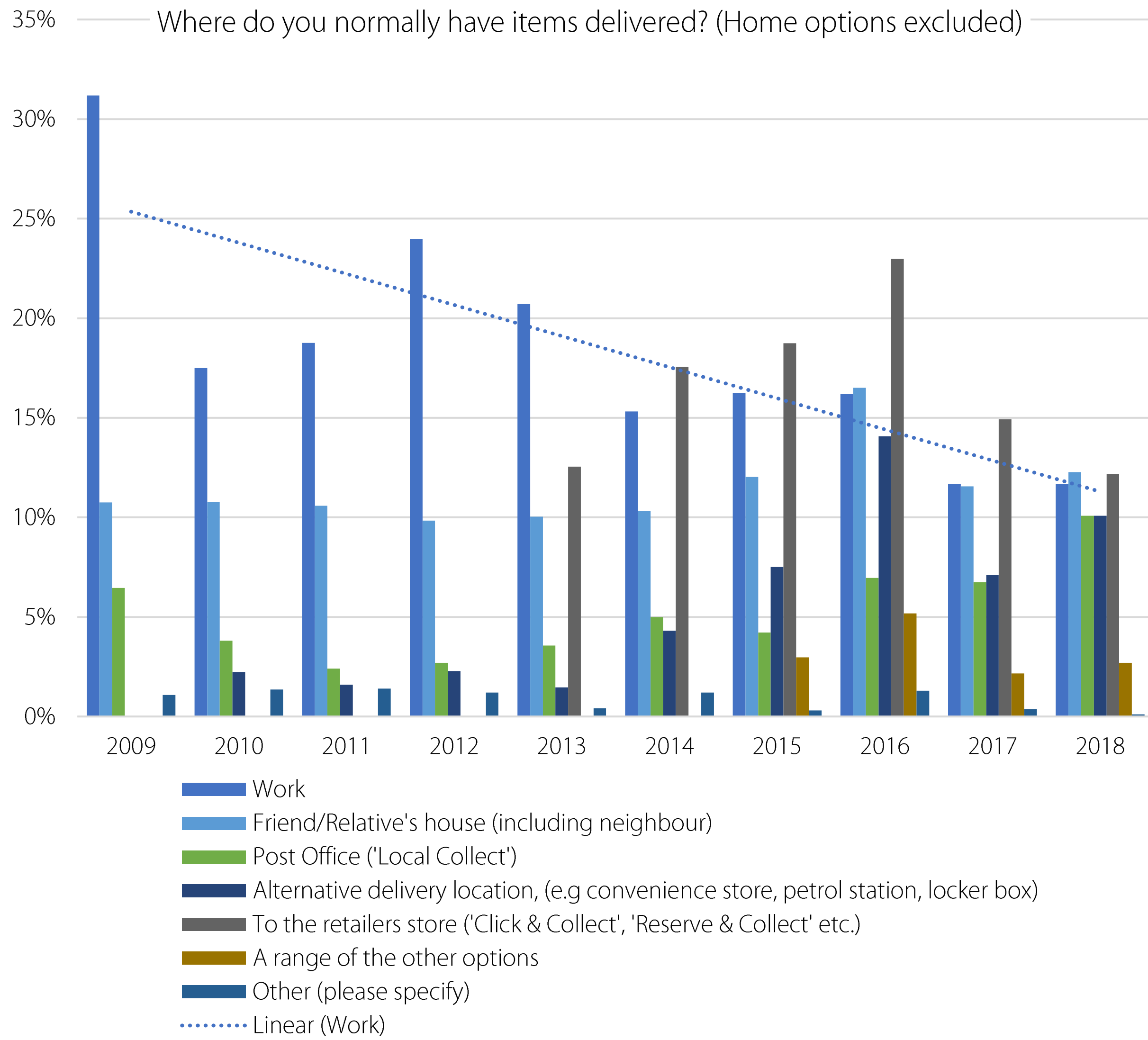


Figure 25

As online shopping has become more popular, so company mailrooms and goods inwards have been inundated by these deliveries. Add to this security concerns and many companies have decided to ban the practice.

In parallel, the availability of other 'commuter friendly' solutions have increased, including in-store click & collect and third party click & collect points located on main transport routes.

We cover these in more detail in section 9.

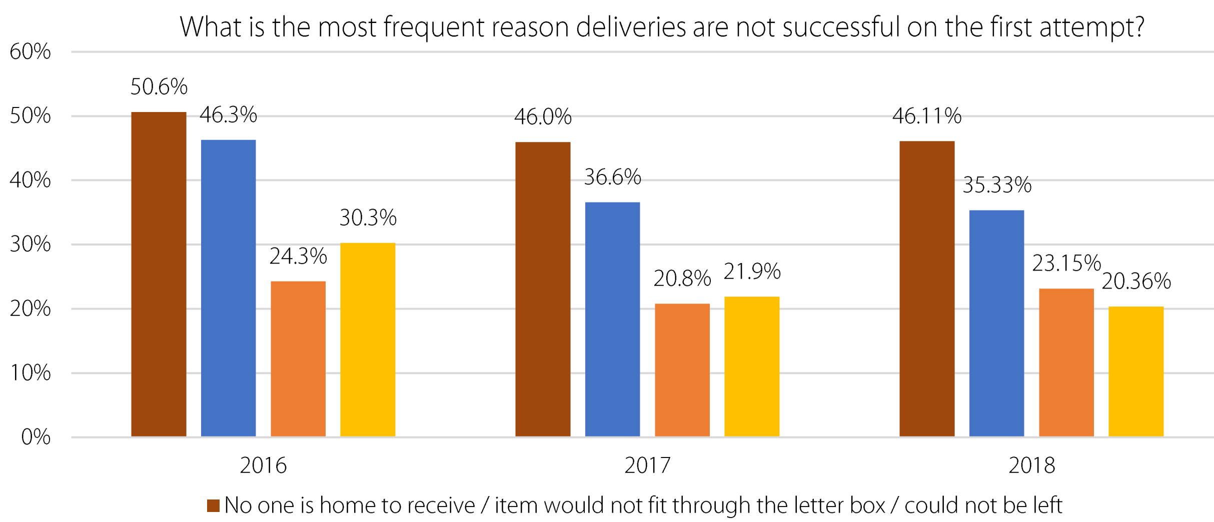
6. Delivery performance

This section examines what happens when the delivery does not meet the customer's expectations. The analysis in this section is supported by questions 15, 16, 17 and 18.

Overall, most of our respondents believe that their parcels are delivered on-time and at the first attempt – within the mid 80% range. This matches closely to the actual performance data we track through the IMRG Delivery Index which gives a rolling weighted average of on-time/first-time delivery of 86.5%[13].

Yet, in a digitally-led industry we need to ask if mid 80% is good enough and if this is contributing to the decline in satisfaction scores.

A customer considers a delivery to be a 'failed delivery' if it is not received within the period specified at time of order. This may mean that it is simply late, or it may mean that delivery was attempted on time but if it could not be accepted or safely left: the customer still does not have it when expected.



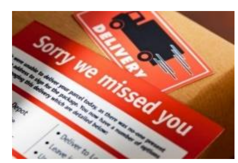


Figure 26

This often results in a re-delivery or a customer collection and our 2018 respondents estimate that such a collection involves a round trip average of 3.9 miles, taking an average of 35 minutes.

Even when a delivery is left with a neighbour or in a safe place, this may still constitute a failed delivery in the eyes of the customer as we examine in section 8.

> *"In our experience consumers are much more accepting of a late delivery if this is communicated to them in advance. This is why proactive communication as well as giving customers the means to track the status of their delivery enables retailers to keep customers informed, manage expectations and thereby avoid so-called 'failed deliveries'."* - Bobbie Ttooulis, Group Marketing Director, GFS

[13] January 2019 Index reporting December 2018 performance

7. Delivery information

This section examines the importance of delivery information and the increasing value placed on it by consumers. The analysis in this section is supported by questions 3, 11, 19, 19.1, 19.2, 19.3, 19.4, 31 and 31.1.

The provision of delivery and returns information plays a significant role when it comes to creating a positive customer experience and, done badly, can prevent that customer experience even getting started.

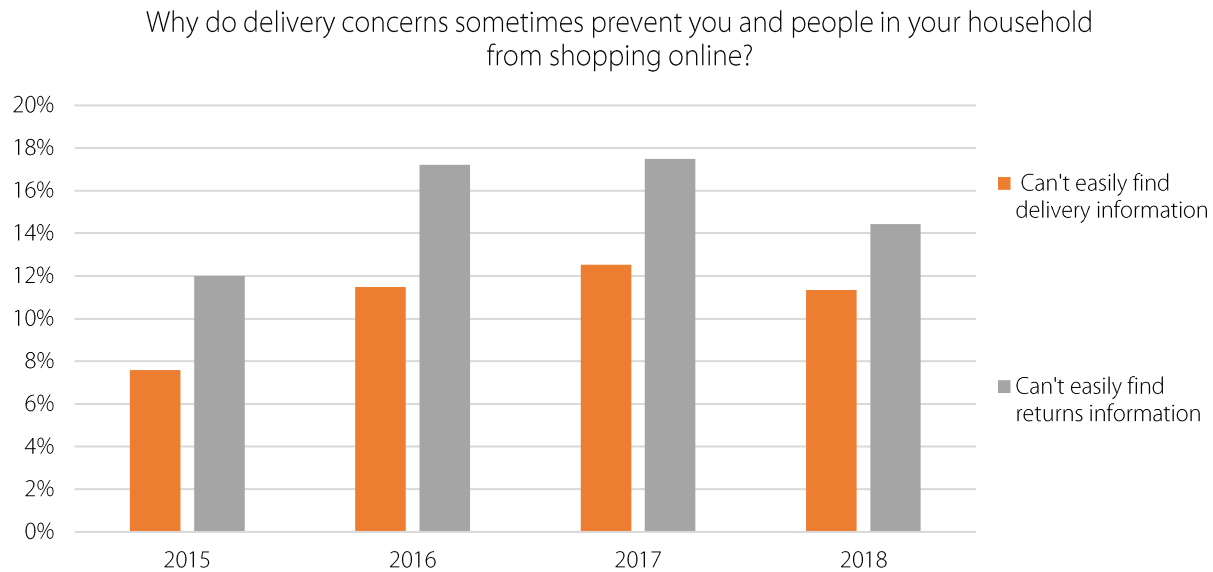


Figure 27

The evidence here suggests that returns information is not as well communicated as delivery information and that when delivery and returns information is not well signposted (on the home page, product page and in FAQs), this could impact between 10% and 15% of potential customers[14].

Pre-order information

We have tracked the provision of pre-order delivery information over the life of the survey and the results over this time do confirm that many shoppers check this out before they even start to look at products.

However, the data also suggests that shoppers have become increasingly confident in the provision of delivery services and more trusting of them, so we have seen an increase in the proportion that simply shop, go to the checkout and see what they are offered.

[14] The IPC Cross Border Shopper Survey – 2017 confirms that when shopping cross-border, clear information about delivery charges before purchase is the number one priority for its international respondents (70%). MetaPack State of eCommerce 2018 reports - *75% of consumers expect to be able to see all available delivery options displayed on the product page they're viewing* and that *73% of international shoppers check to see what additional charges will be applied to product and shipping prices- up from 67% in 2017*

The risk here is, of course, that they may abandon their purchase, and we have already shown that an increasing number of shoppers will do this if the delivery offer shown to them at checkout does not meet their requirements. See figure 6.

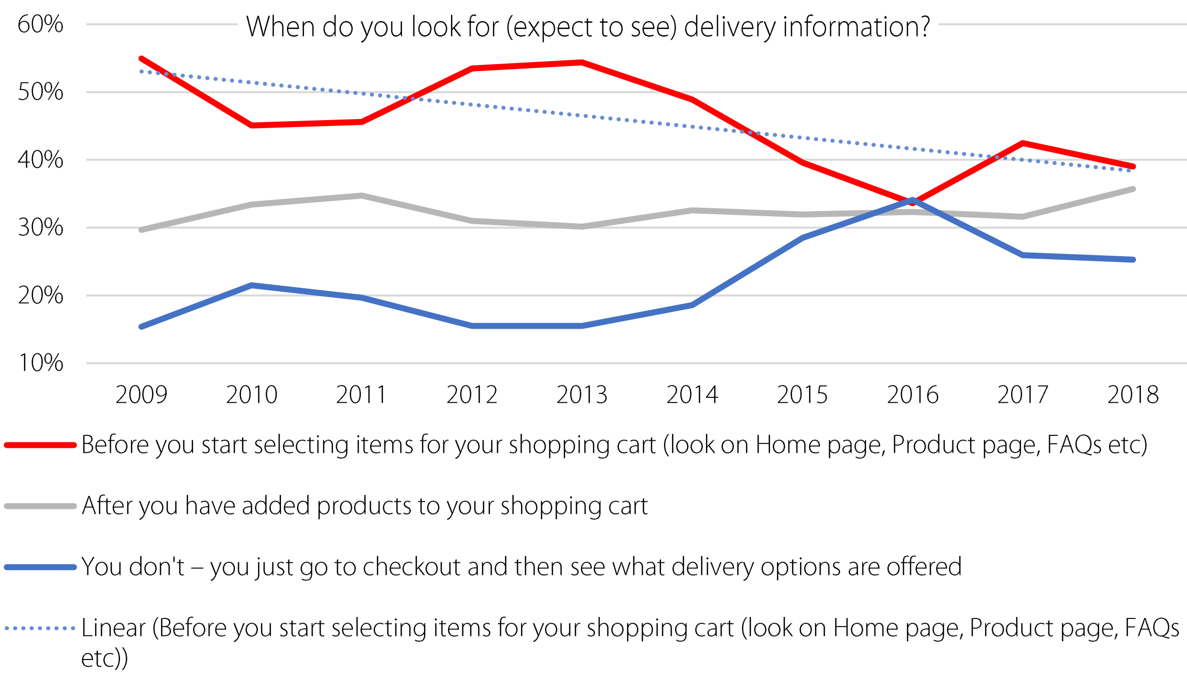


Figure 28

Pre-delivery information

Once the order has been placed, the demand for information increases. Over the life of the review, at least 90% of the respondents have confirmed that they would like to receive information about the progress of their delivery and repeating Figure 12 here we can see that, along with being able to specify delivery, communication around the delivery journey is the top priority when it comes to improving the convenience of delivery.

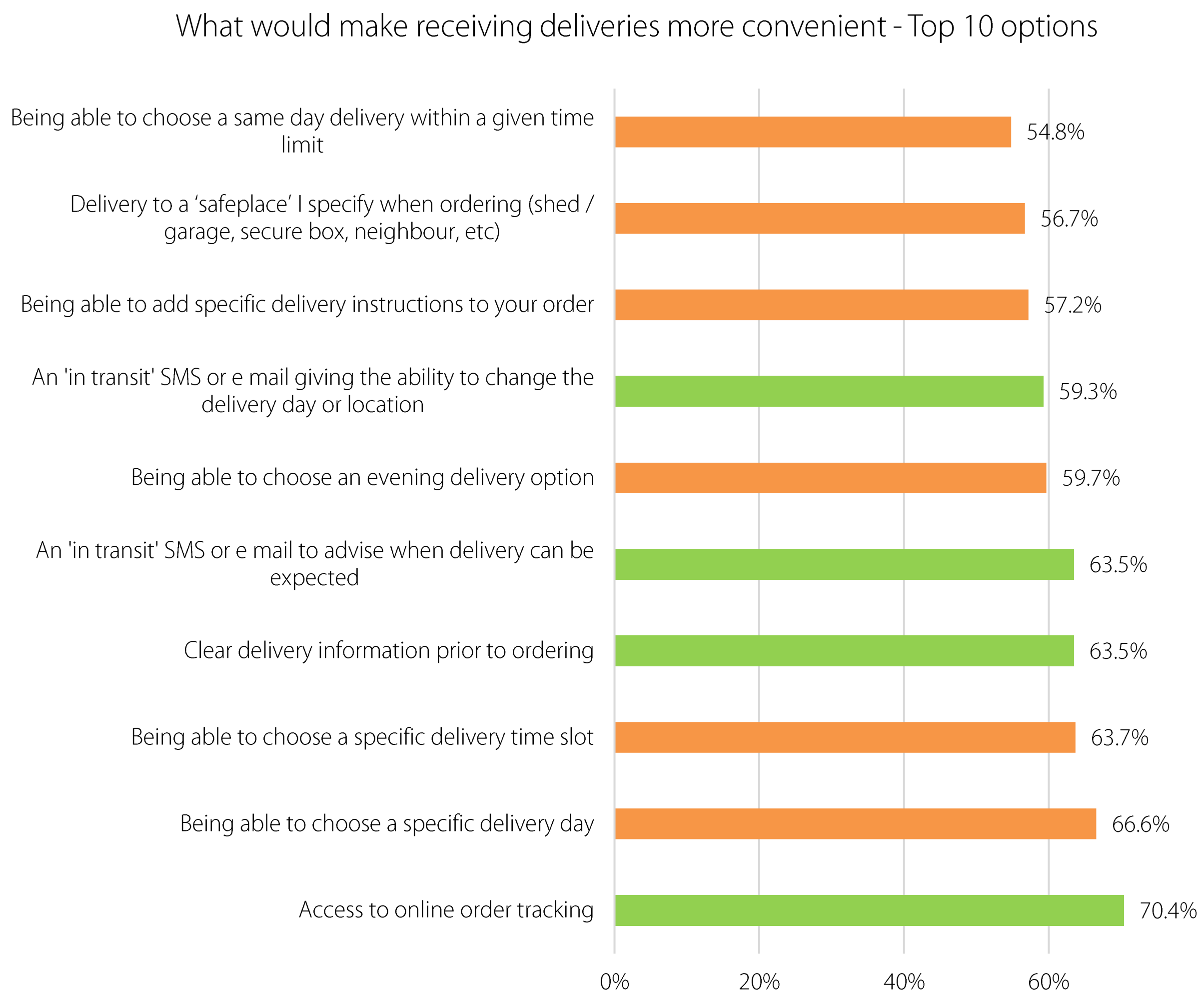


Figure 29

Digging a little deeper, we ask what information would be most valuable. The answer is – everything, with all information options being considered important by at least 60% of respondents.

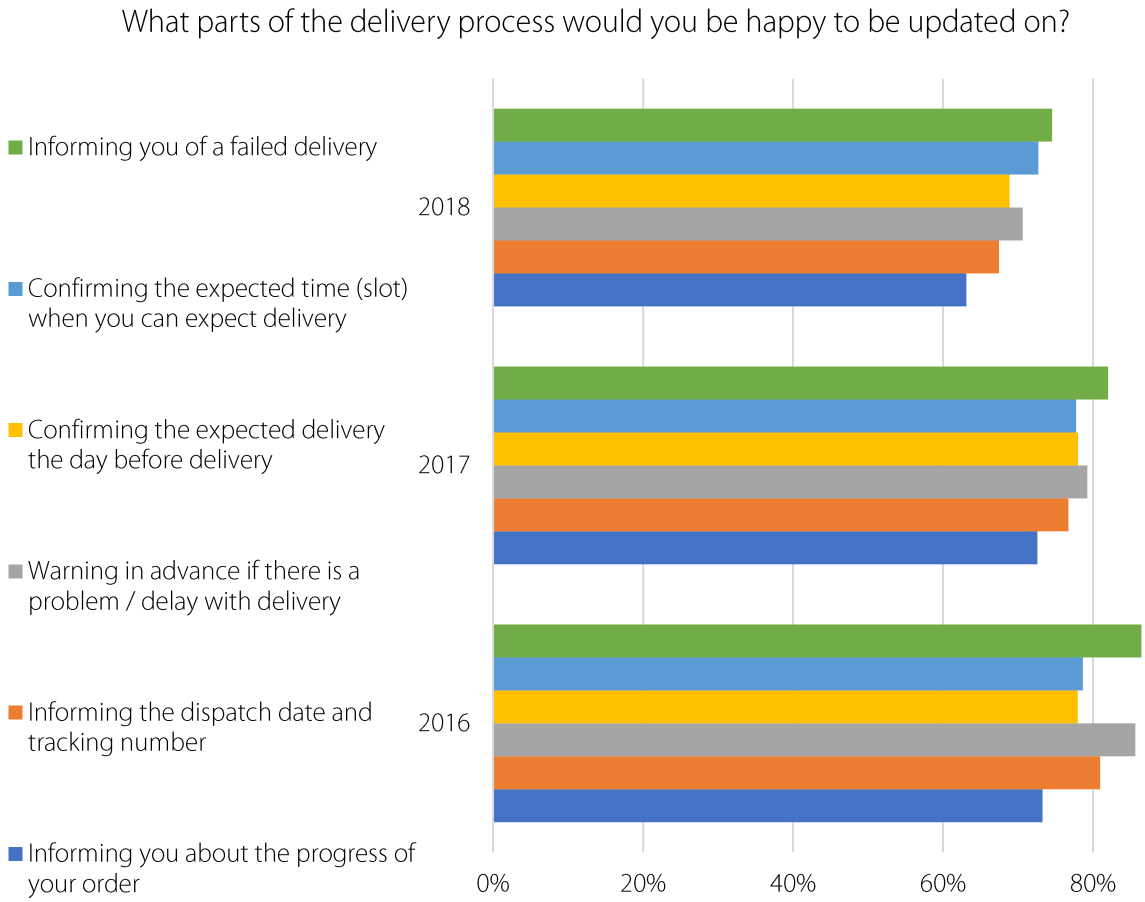
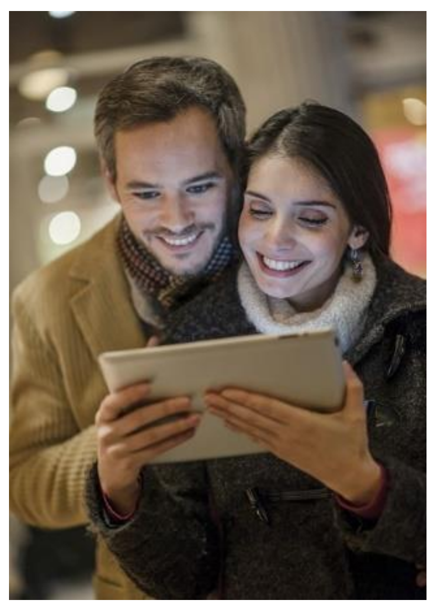


Figure 30

Royal Mail Delivery Matters confirms this need for information:

- 52% of people would like to know if their item has been dispatched
- 62% of people think it is important to receive updates of the progress of their delivery throughout its journey
- 58% of people want to know if there has been a delivery delay
- 41% of people would like confirmation of delivery



Reinforcing the increase in importance attributed to delivery tracking, we ask the key question for any shopper: 'would you be prepared to pay for it?'

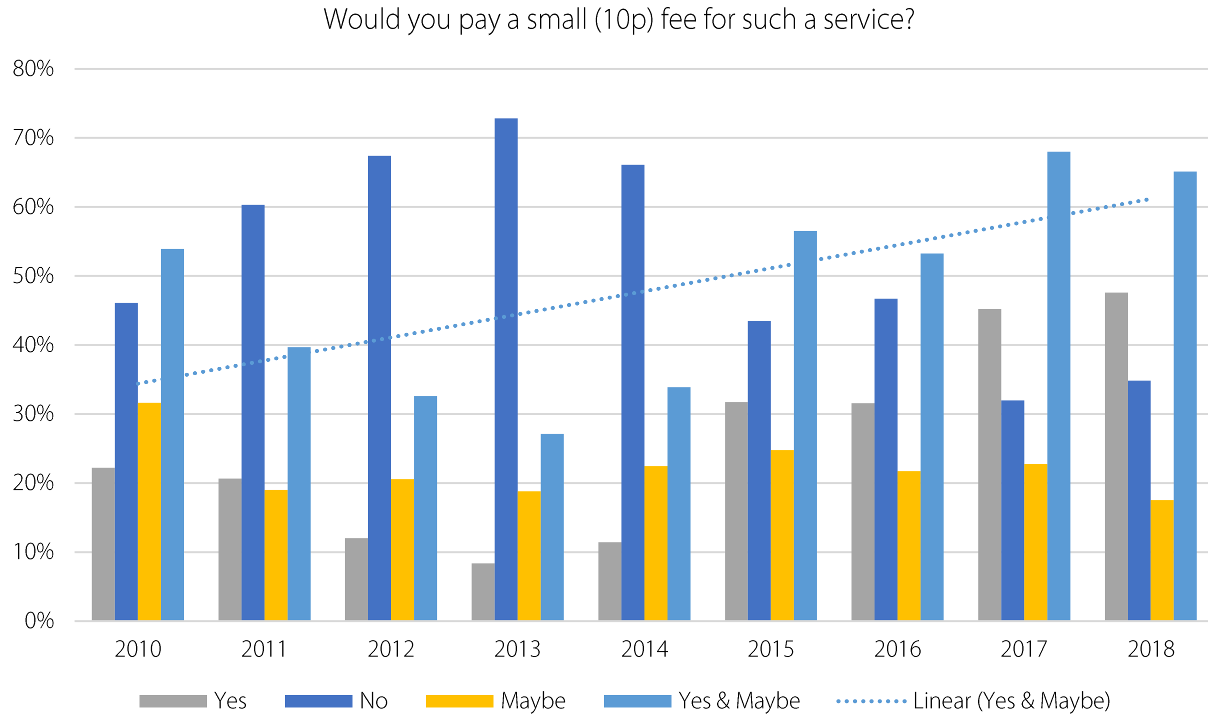


Figure 31

The positive trend in Yes & Maybe shows that there is a genuine demand for tracking and communication that allows customers to anticipate and plan for their delivery. It also shows they are prepared to engage in order to receive it on-time and first-time.

The most popular times to receive pre-delivery information are:

- The day before delivery – no delivery time advised – 55% of respondents (2018)
- On the morning of delivery with a delivery time slot advised – 56% of respondents (2018)

The most popular channels for receiving delivery notifications are obviously SMS (44% of 2018 respondents) and email (38%), but from a slow start back in 2014, purpose-built smartphone tracking apps are catching on, and 11.2% of this year's respondents would prefer to receive their delivery information this way.

8. Alternative delivery point / click and collect solutions

This section looks at the question of delivery when the customer cannot be at home to receive their order or finds it more convenient / cost effective to collect it. The analysis in this section is supported by questions 13, 14.1, 14.2, 14.3, 16, 24, 24.1, 25, 26, 27, 28, 29, 30, 31 and 31.1.

Additional information about click and collect can be found in the IMRG Collect+ UK Click and Collect Review.

We have already seen how Home related delivery options remain most popular with UK online shoppers (Figure 18), but when these don't work, other solutions are needed.

Specified safe place and neighbour

The immediate default for a home delivery, when no-one is there to accept it, is 'safe place' or 'neighbour'. Shoppers are well used to this and an increasing number of homes can identify a safe place where parcels can be left.

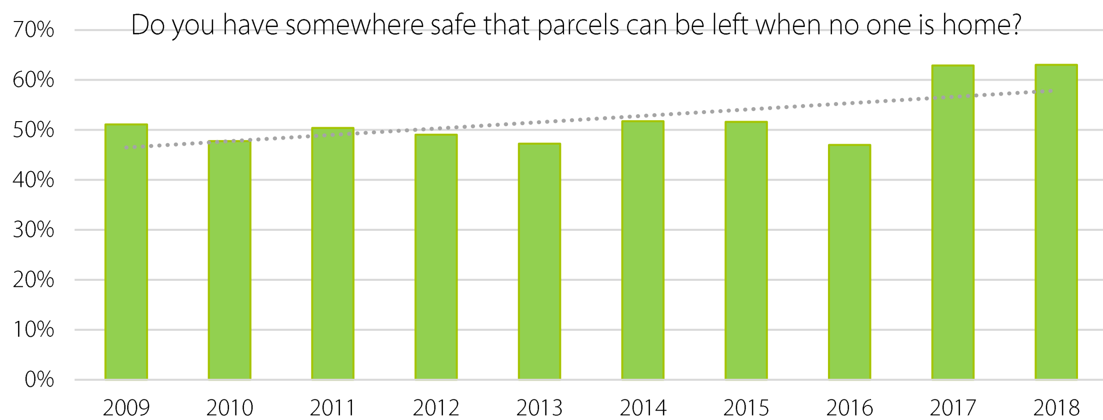


Figure 32

Neighbour is the most popular option, but we can reasonably assume most have a particular neighbour in mind when they (76%) agree that a neighbour can sign for orders on their behalf.

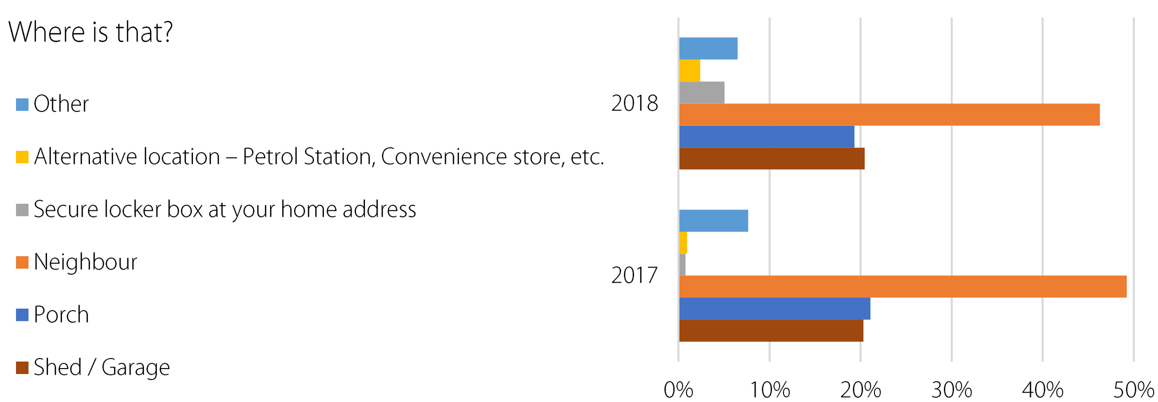


Figure 33

However, in most cases, the selection of that neighbour is left to the delivery agent, with the decision based on who is home at the time and prepared to take the parcel. The same applies to safe place delivery where delivery agents invariably must use their discretion, local knowledge, and best judgement to find somewhere they hope will be satisfactory for the customer.

In this, delivery agents are motivated by the fact that failing to deliver may be even more inconvenient to the customer, they may have to add the delivery to their workload for another day and they may not be paid for the delivery until it is finally made.

What seems to be missing from most current delivery solutions is the ability to allow the customer to specify their safe place and securely communicate this to the person delivering the parcel. In most cases, delivery instructions are not requested by the retailer, and when they are captured, they are printed on the label for all to see – hardly secure.

Yet, overwhelmingly, this is something the customer increasingly wants to see[15].

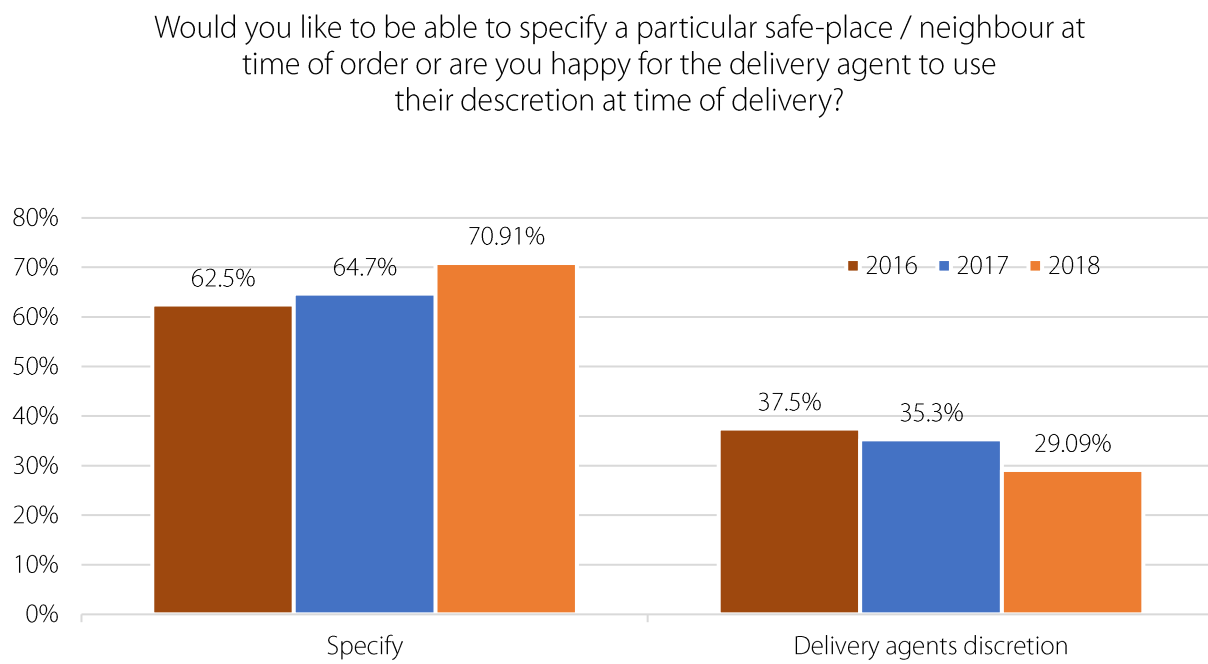


Figure 34

[15] *Almost half (48%) of shoppers said the ability to designate a 'safe place' for their online order would improve their delivery experience* – Sorted / OnePoll

They also insist that the delivery company should confirm that any parcel left unattended has been left in a place/with a person they are happy with.

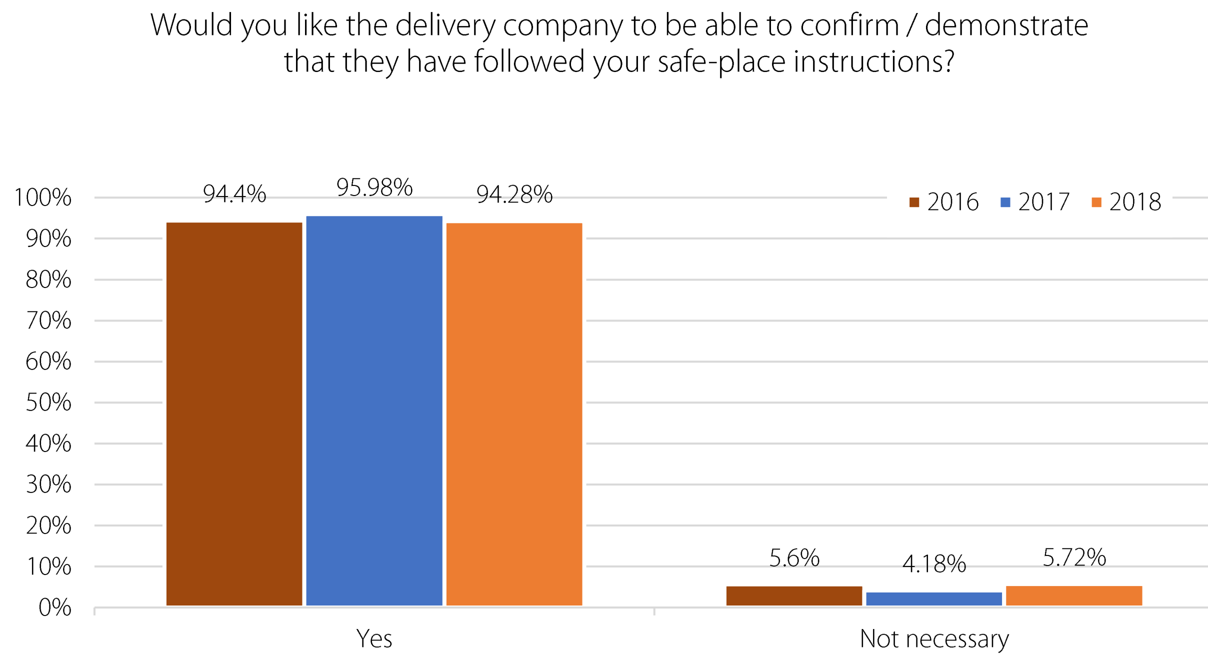


Figure 35

The Sorted/OnePoll research confirms that only 40% of retailers say they never allow carriers to leave goods in unsecure locations, yet only 30% request an alternative delivery location in the event of an unsuccessful initial delivery. Without the customer being able to specify the location, it is hard to see how even this level of compliance can be achieved.

What would elevate safe place/neighbour delivery to a new level to really delight customers would be to ask their exact preferences for when they are not at home, to make sure the delivery agent knows those preferences. Then to confirm delivery to the customer's email or smartphone, explaining both when and where delivery was made[16].

This removes the risk of customers coming home only to be disappointed about how their parcel was delivered and should give them confidence to allow safe place delivery more often.

[16] The Sorted / OnePoll survey reveals:

- *4 in 10 consumers will give you their mobile number for live update.*
- *1 in 10 will share geolocation data to receive deliveries on-the-move*
- *A third will share all their key addresses to enable flexible drop-offs.*

Click and Collect

With the decline in workplace delivery, the other main delivery alternative is now click & collect in its various guises. Repeating figure 23, we can see how these are now equally preferred in 2018.

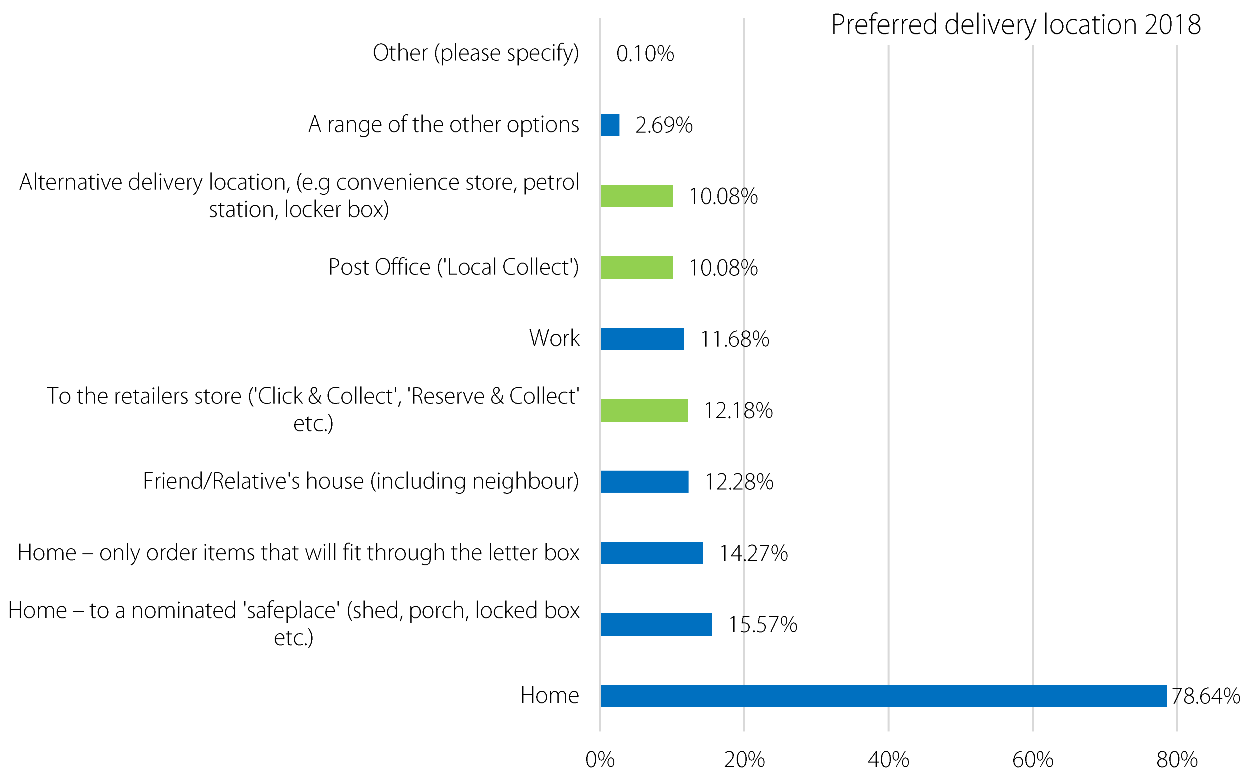


Figure 36

Not everyone uses click & collect, but almost everyone (98%) is aware of it as an online delivery option, and although in-store click & collect has been used by most shoppers, third-party parcel shops and lockers are increasingly employed with the percentages shown above, all up on previous years.

It is likely that the increased awareness of third-party networks, some of which are now locating in retailer stores, is prompted by also using these networks to send returns, as we examine in section 14.

The shift in type of click & collect locations used is confirmed in Figures 38 and 39, with a drop in reported use and preference for the in-store option during 2017 and 2018

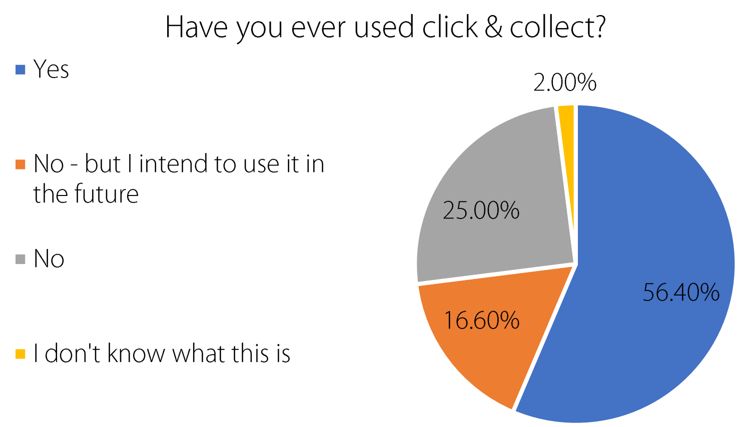


Figure 37[17]

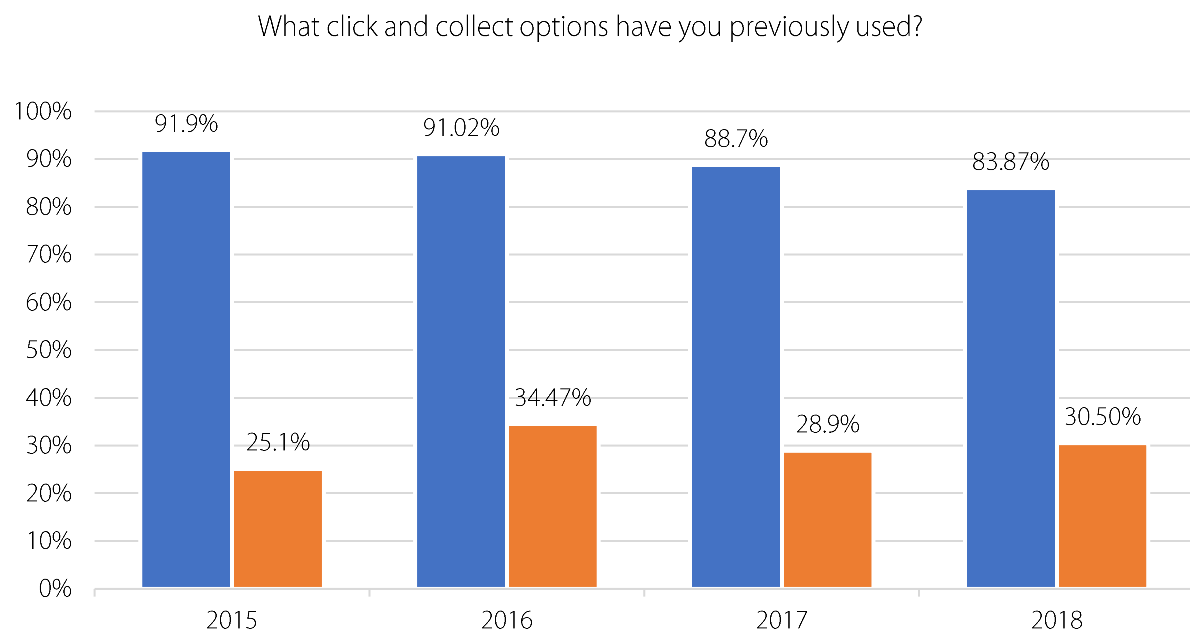


Figure 38

[17] Royal Mail Delivery Matters UK 2018 also reports that 3 in 5 (60%) of shoppers have used click & collect

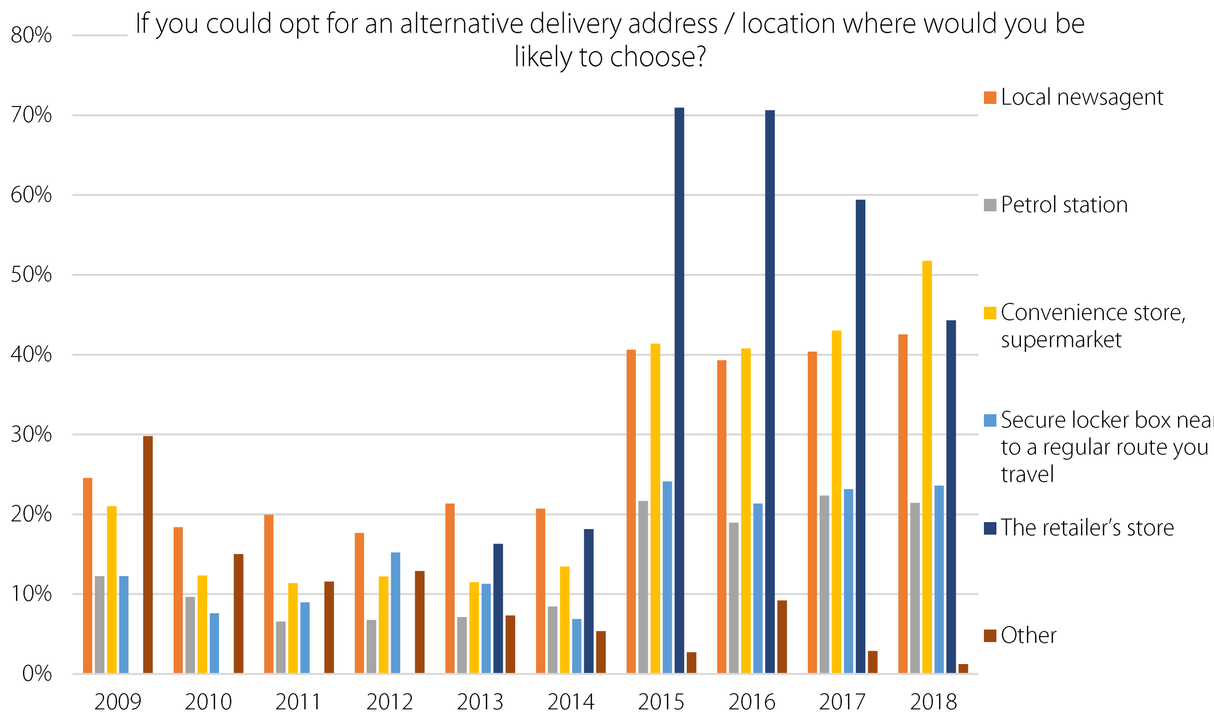


Figure 39

To understand this shift in perception and behaviour, we need to examine what motivates shoppers to use click & collect.

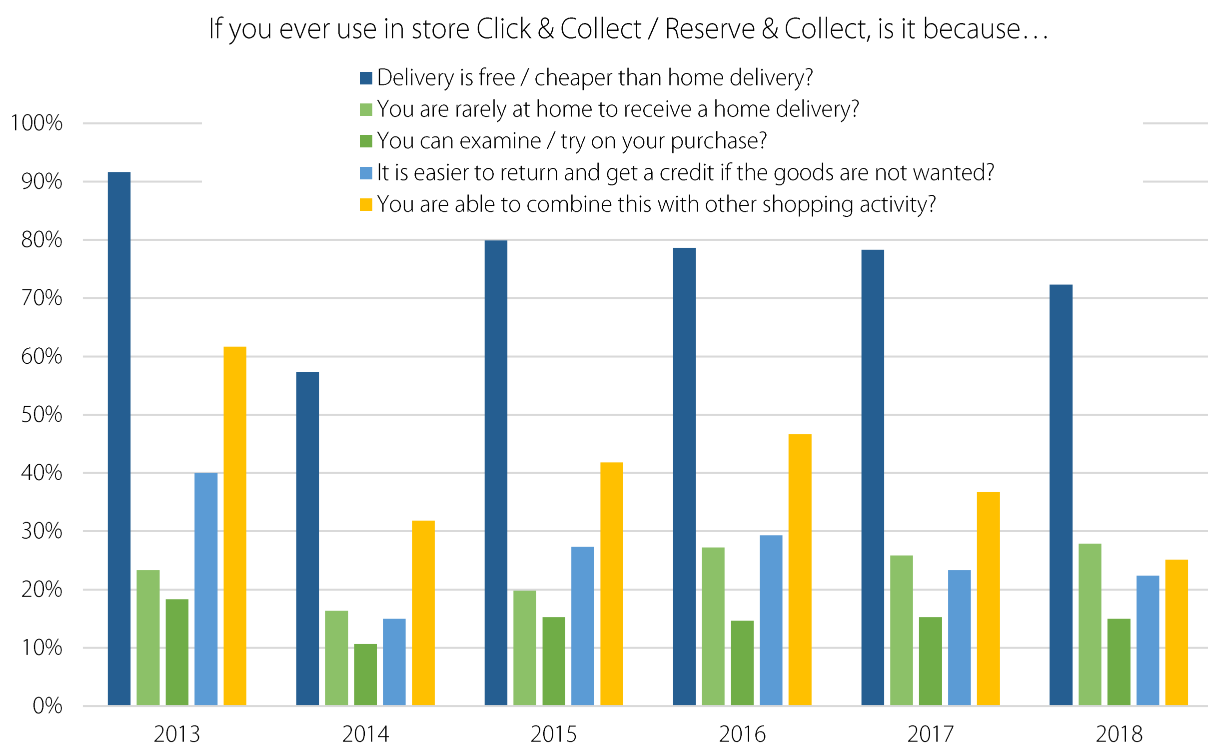


Figure 40

Clearly the main reason shoppers select click & collect when they reach checkout, is often cheaper than home delivery[18].

The change in respect of in-store click & collect may be because some retailers are now charging a fee for this, below an order value threshold, so removing a reason not to use third-party locations.

Third-party locations also lend themselves to the 2nd motivator: the ability to combine a collection with other activity, or 'trip-chaining'.

There are more than 40,000 individual parcel shops, post offices or locker locations in the UK, so they will generally be more accessible than a specific retailer's store. This is important because our research suggests that the average round-trip distance shoppers are prepared to travel for a click & collect pick-up is 3.6 miles.

We can also see an increase in shoppers selecting click & collect to avoid the risk of a failed home delivery.

In the past, this selection would have to have been made at the check-out stage, but some carriers are now introducing the ability to change the delivery location after dispatch.

These 'in-flight' diversions allow the customer to select an alternative day, a safe place, neighbour or specific pick-up point and, as seen in figure 13, developing delivery flexibility of this sort is seen as a priority by supply chain and logistics executives.

Unfortunately, although this is a significant innovation, there is still a limit to the customer experience: each carrier will only allow diversion to its own parcel shop/locker network, so the customer does not get free choice. This is important to note because customers do have preferences as illustrated in the charts below.

[18] Royal Mail Delivery Matters UK 2018 confirms that 55% of its respondents used click& collect because it was free but that 75% would prefer a free home delivery (vs 16% of those who would favour click & collect)

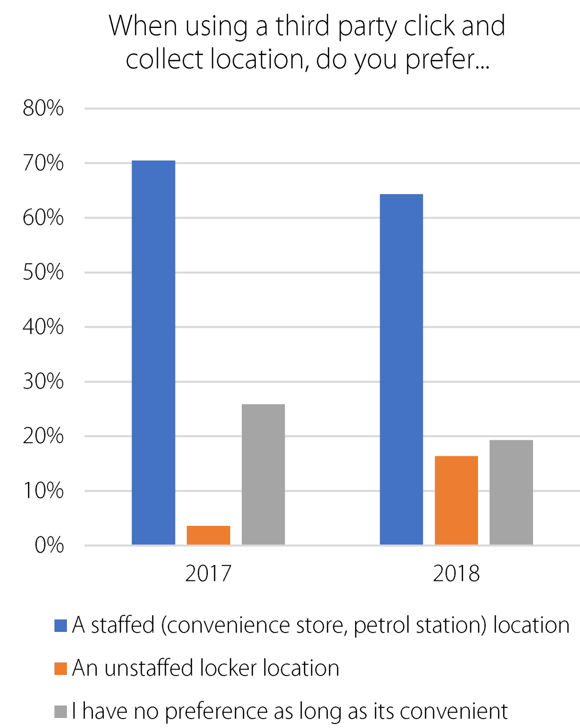


Figure 41

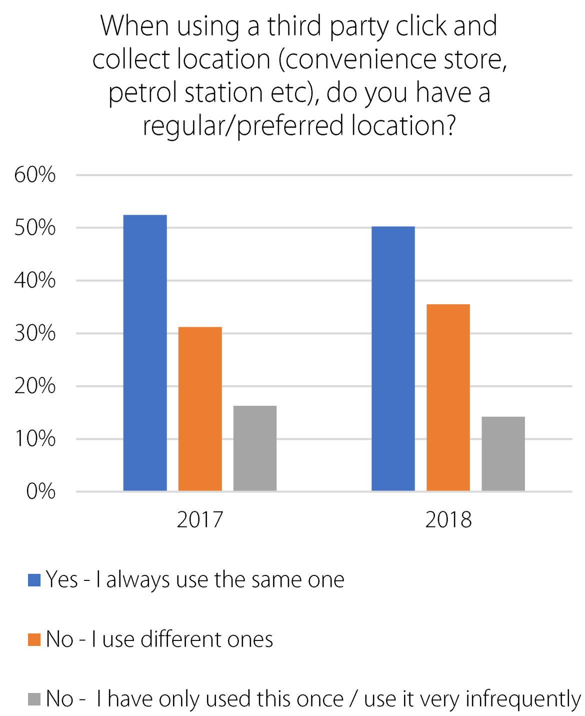


Figure 42

A detailed analysis of the UK click & collect market is provided in the IMRG UK Click & Collect Review 2018 - https://www.imrg.org/data-and-reports/imrg-reports/imrg-uk-click-and-connect-review-2018/

9. Premium services

This section looks at consumers views on 'premium services'; those that generally require an additional payment in return for enhanced features. The analysis in this section is supported by questions 31, 31.1, 32, 33, 34, 34.1 and 34.2.

We have seen previously (Figures 12 and 29) that shoppers will prioritise the ability to anticipate the delivery day and to specify a delivery day over delivery speed alone. Of course, one could argue that next day or same day delivery does actually specify the delivery day, but this still means the customer must commit at short notice, as much as the delivery company, and that might not be convenient.

We have also seen that even for LAT orders (Figures 16 -18) and Black Friday orders (section 4, Black Friday), super-fast delivery is not an absolute requirement.

Finally, we have seen that, for premium services, there is a tipping point premium at about £2, above which demand falls away significantly (Figure 11).

All of this seems in conflict with the current industry practice of sending an increasing proportion of orders by next day/specified day services.

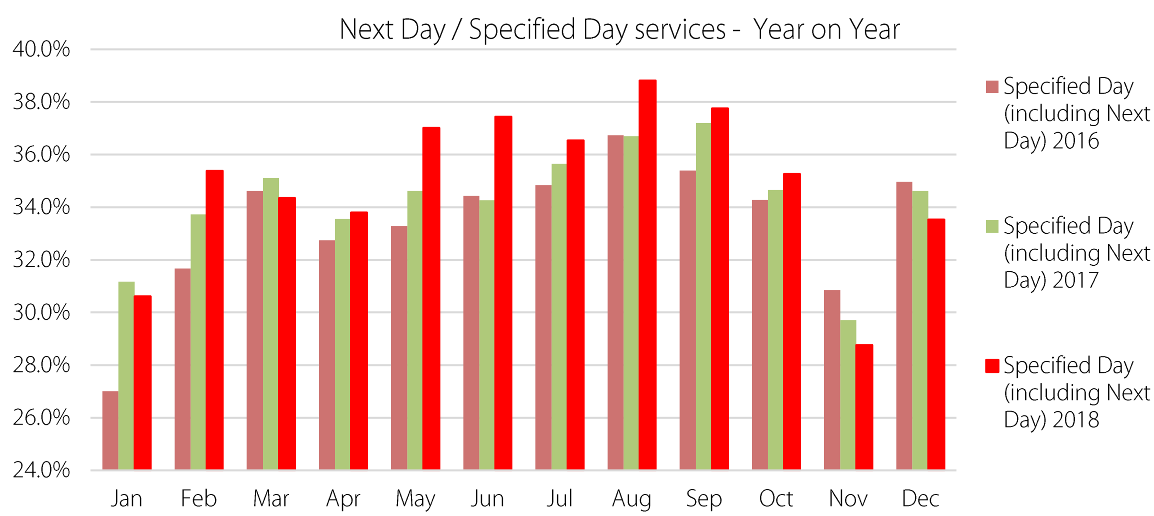


Figure 43: Source IMRG MetaPack Delivery Index

We must conclude that the increase in use of these faster delivery services is driven by the retailer rather than pure consumer demand, in order use the delivery offer to impress shoppers and win their sales.

These services cost more to provide and there are more limits to capacity for next day delivery in the UK supply chain. It is therefore important that retailers use these services carefully to drive higher order values[19] and monitor the return on investment.

Therefore, it could be said that offering better delivery choice may result in fewer next day delivery requests, which would ease pressure on the time and cost of fulfilling these orders at late notice.

[19] Section 3 - Consumer loyalty - 52.2% of respondents confirming that a faster delivery offer over an order value threshold has encouraged them to up the size of their orders (up from 41% last year)

10. Signature on delivery

This section considers the issue of signature deliveries with some retailers and products requiring this. However, even when an order does not require a signature, consumers may still expect to sign to avoid possible failed or fraudulent deliveries. The analysis in this section is supported by questions 20 21, 22 and 23.

Given the apparent willingness for shoppers to consider more safe place deliveries, rather than miss the delivery altogether, we must examine their attitude towards signing for their orders. Here we find the results consistent with earlier findings. Over the past four years there has been a wider acceptance of non-signature delivery…….

Figure 44

…leading to a slight relaxation in the need to sign for all orders and those at lower values.

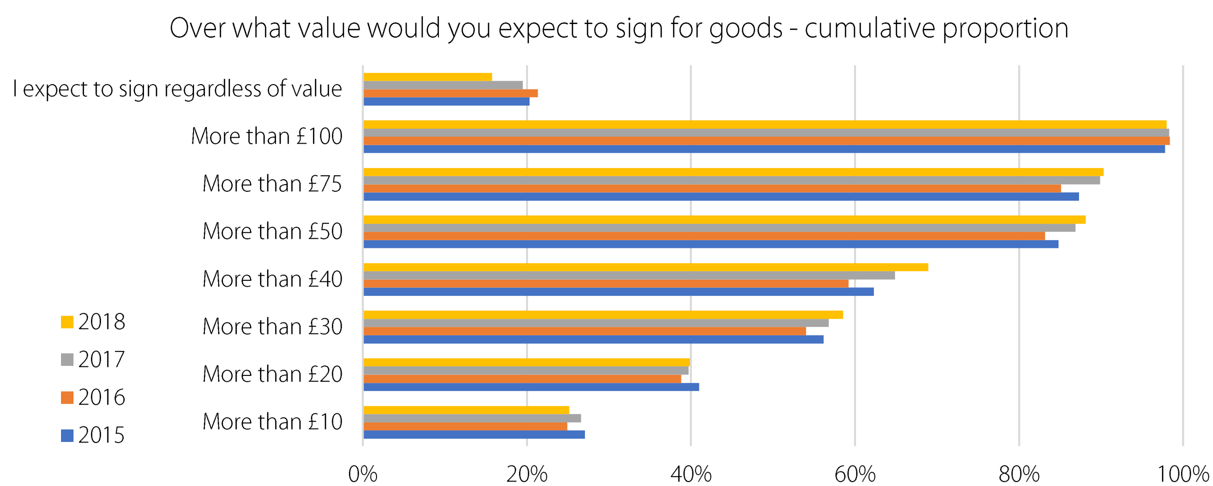


Figure 45

These figures are consistent with wider geographic markets as IPC reports. 31% of its respondents said they prefer to sign for all their parcels and almost a half (47%) said their signature preferences depend on the content of the parcel or value of the goods[20].

[20] IPC Cross Border Shopper Survey - 2017

11. Mobile devices

This section examines how shoppers use their mobile devices to control their delivery experience. The analysis in this section is supported by questions 36, 37 and 38.

In section 8 (delivery information) we saw the importance shoppers place on receiving delivery updates, often through mobile channels. It is not a surprise, therefore, that an ever-increasing proportion of respondents (91% this year) confirm that they use a smartphone and 93% of these, use them to access emails as well as SMS.

What is different this year is that a higher proportion than usual would, or may expect, different/more service options if they order through a mobile device.

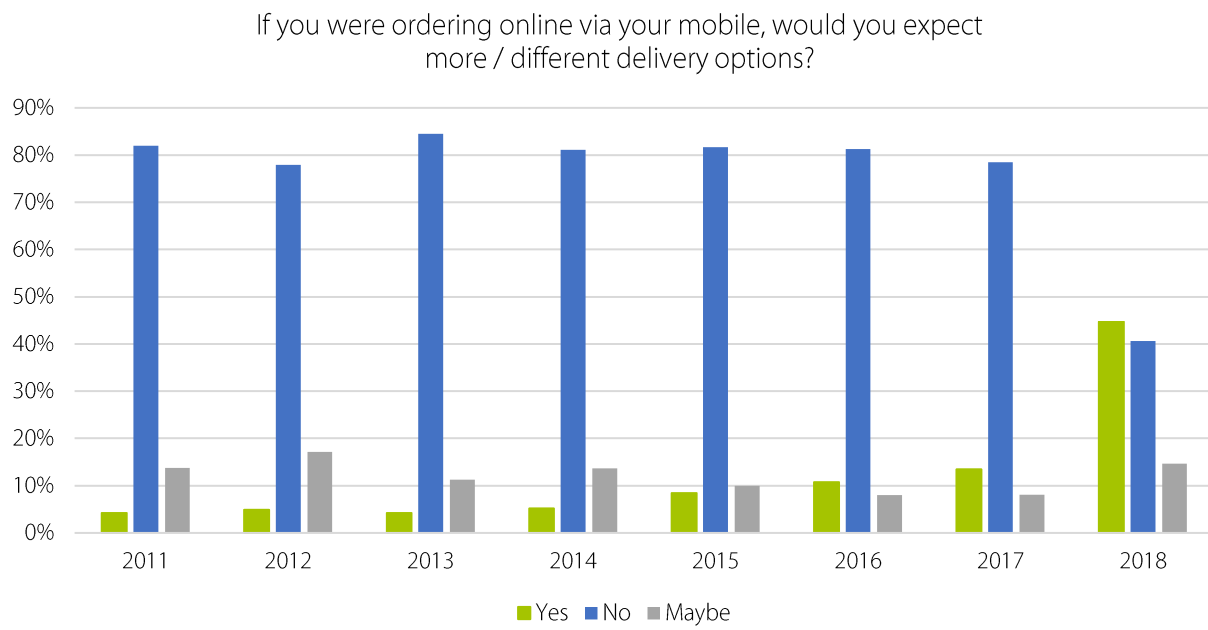
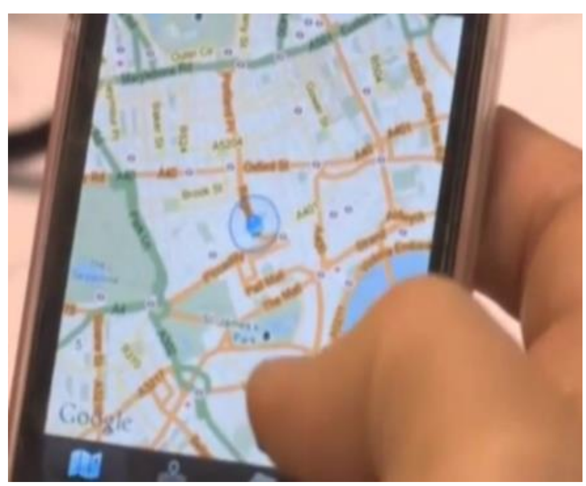


Figure 46

Without specifics, we can only speculate what these may be, but the clue may be in the increased awareness and use of mobile tracking apps and third-party click & collect services.



12. Cross-border

This section looks at what UK shoppers think about buying from abroad. The analysis in this section is supported by questions 39 to 39.6.

About 25% of all UK dispatched orders are currently sent to non-UK consumers with the USA, Australia, Ireland, France and Germany being the biggest export markets[21]. But cross-border goes both ways and UK consumers do buy from non-UK websites, mainly from:

- Europe – 53% of respondents
- USA – 45%
- Asia – 44%

This trend is gradually increasing, with more UK shoppers buying overseas and, having tried (62%) being prepared to do so again (83%). The evidence is that although delivery and returns still stand as the main barriers, these are lessening as shoppers gain more experience.

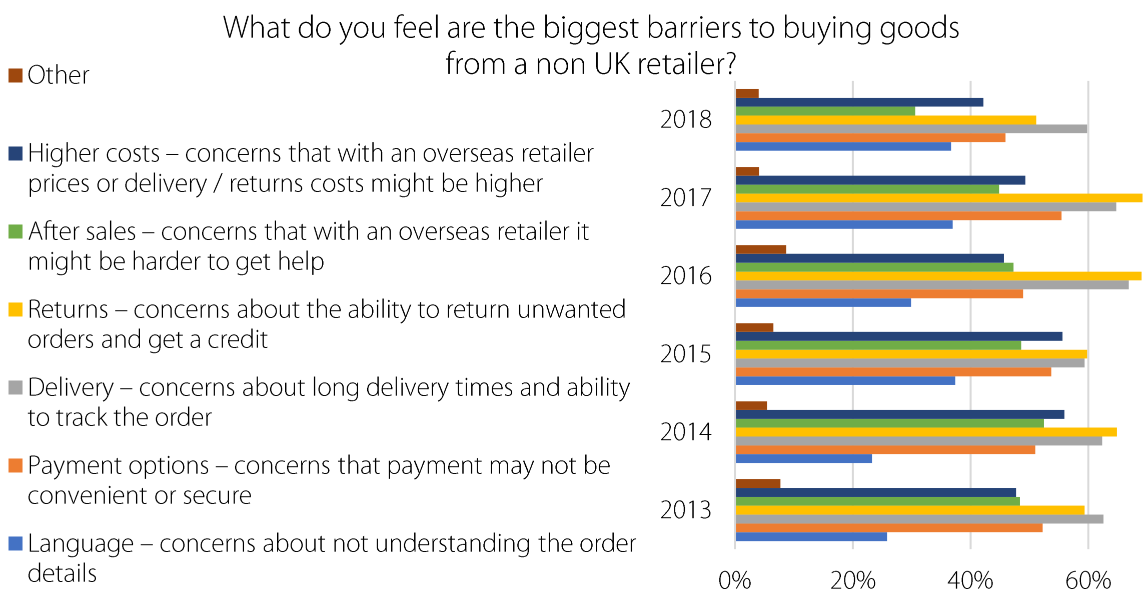


Figure 48

However, given that the main market where UK consumers shop is Europe, this may change as the implications of Brexit[22] unfold with the potential for EU taxes and duties and delivery delays.
IPC advises from its 2017 survey that:

- 28% of European consumers expected delivery from another European country within 2-3 days and 79% expected delivery within a maximum of one week
- Further afield, deliveries were expected to arrive quicker from the US and Canada (37% within a maximum of one week) than from Asia (26%), Australia/New Zealand (24%) and Latin America (28%)

[21] IMRG MetaPack Cross-Border Index

[22] International Expansion in the Face of Brexit – eBook by GFS https://gfsdeliver.com/preparing-your-business-for-brexit/

13. Returns

This section considers UK shoppers' perceptions and experiences with online retail returns. The analysis in this section is supported by questions 3, 40, 40.1, 41, 42, 43 and 44.

In section 3, we touched on the importance of returns to customer satisfaction and loyalty, noting that shoppers look for returns information before they start to shop, and see the lack of this as a barrier (Figure 5). Satisfaction levels with returns do not match the importance placed upon this aspect of the online customer experience.[23]

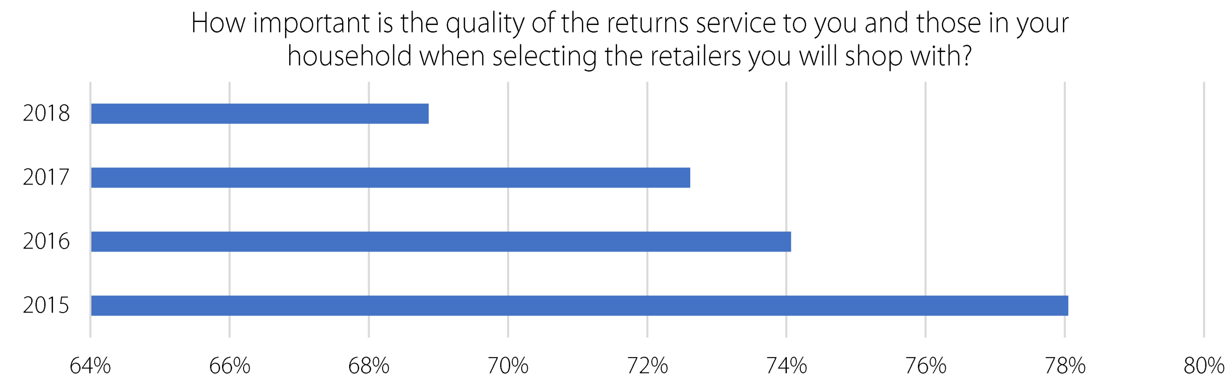


Figure 49

In fact, when we directly compare delivery satisfaction and returns satisfaction, we can see an inconsistency in the overall delivery and returns offer.

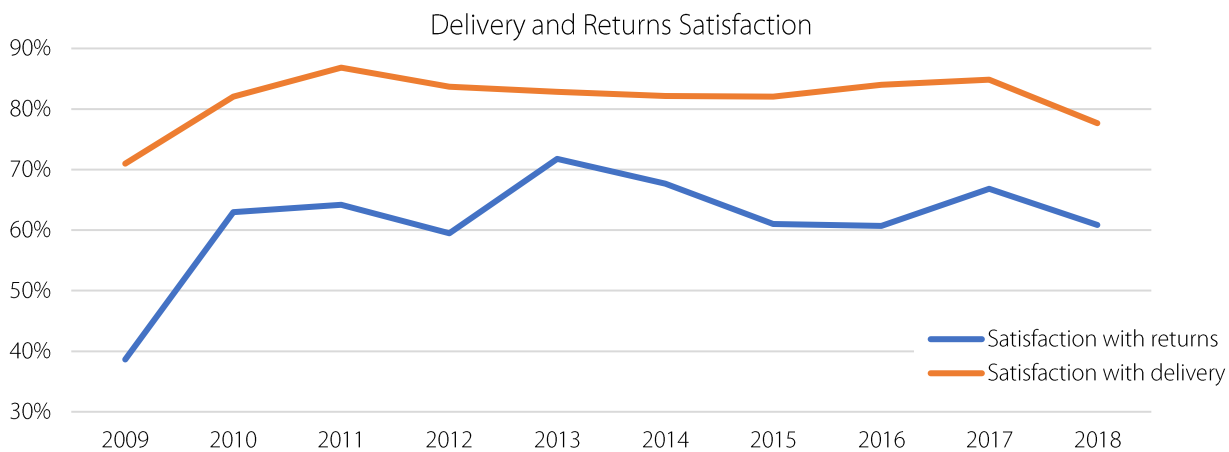


Figure 50

[23] Parallel research confirms:

- Sorted/OnePoll – *Over a third (38%) of shoppers say a complex or difficult returns process would make them less likely to shop with that brand again. At the same time, 58% would shop more online if there was a simpler returns process.*
- ReBOUND – Rethinking Returns – asked *how important the range of returns options are in their purchasing decision and a whopping 92% said it's an important consideration, with 49% admitting it is very important*

Fortunately, we can offer some insight into how to improve this position with Figure 51.

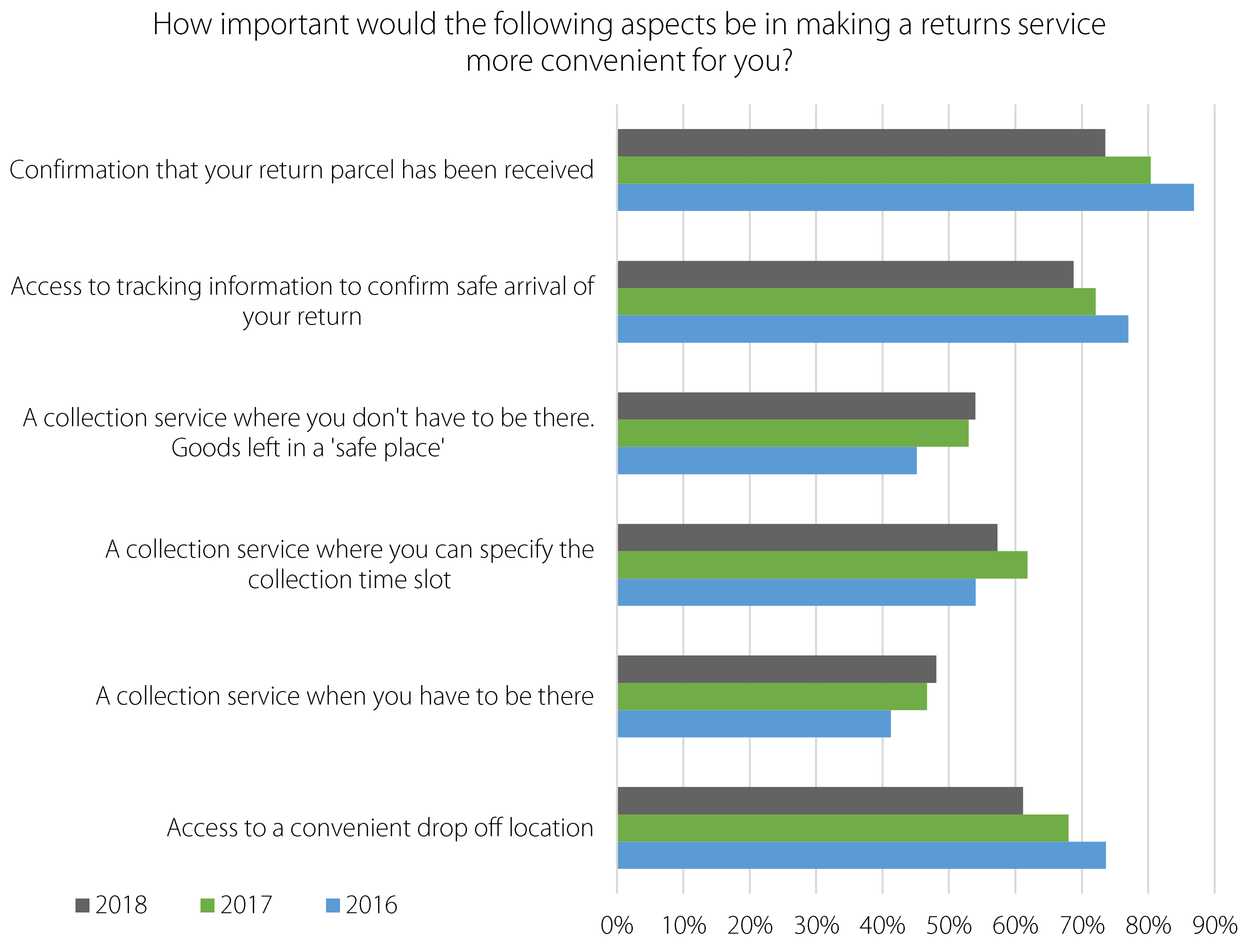


Figure 51

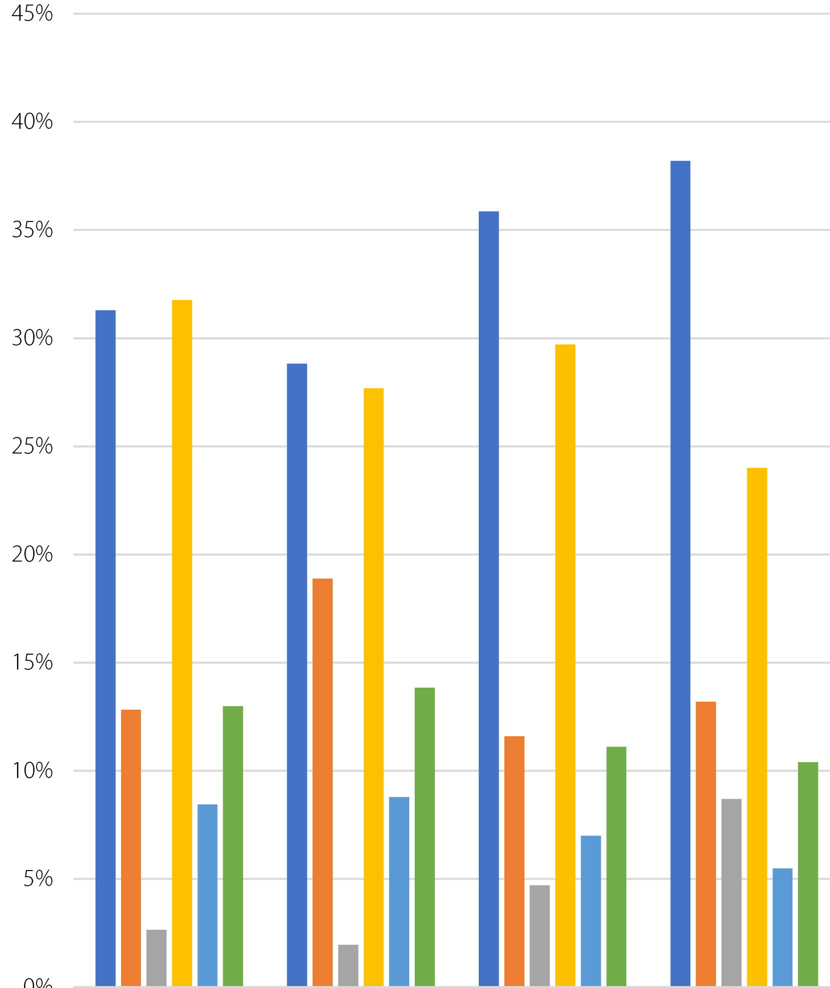
The element that will make the most impact is a simple but timely confirmation that the returns logistics have worked and that the return has been safely received.

In support of that, the customer would like to track the return or receive status updates, in the same way as for delivery, to provide peace of mind and help anticipate when they will get their credit. Also, to quickly and easily get the return on its way. In respect of both, the availability of third-party click & collect networks has been a great advancement.

These networks have increased to accessibility (location and opening times) for returns and all come with tracking. Therefore, it is a relatively simple matter for a retailer to improve its returns offer by adding an appropriate click & collect network to its return options.

However, this should be in addition to, not in replacement of, a postal option, because most shoppers still value a post office drop-off above all.[24]

When making a return, do you prefer it when you can...



	2015	2016	2017	2018
Drop the parcel off at the Post Office	31.3%	28.8%	35.9%	38.20%
Drop the parcel at a staffed 'Click and Collect' location	12.8%	18.9%	11.6%	13.20%
Drop the parcel at an unstaffed / locker 'Click and Collect' location	2.7%	2.0%	4.7%	8.70%
Have the parcel collected	31.8%	27.7%	29.7%	24.00%
Take the parcel directly to the retailers local store	8.5%	8.8%	7.0%	5.50%
I have no preference how I make a return	13.0%	13.8%	11.1%	10.40%

Figure 52

[24] IPC confirms in its cross-border report IPC Cross Border Shopper Survey – 2017 – *The most commonly used returns method was to drop off the parcel at the Post Office (26%), followed by the delivery provider picking up the parcel from the respondent's home (18%) or dropping off the parcel at a courier's parcel shop/postal service point (17%)*

One thing that limits how far returns can evolve is that most retailers still rely on the traditional method of placing a returns form and label in the parcel. The argument has been that shoppers prefer this, but that position is fast changing.

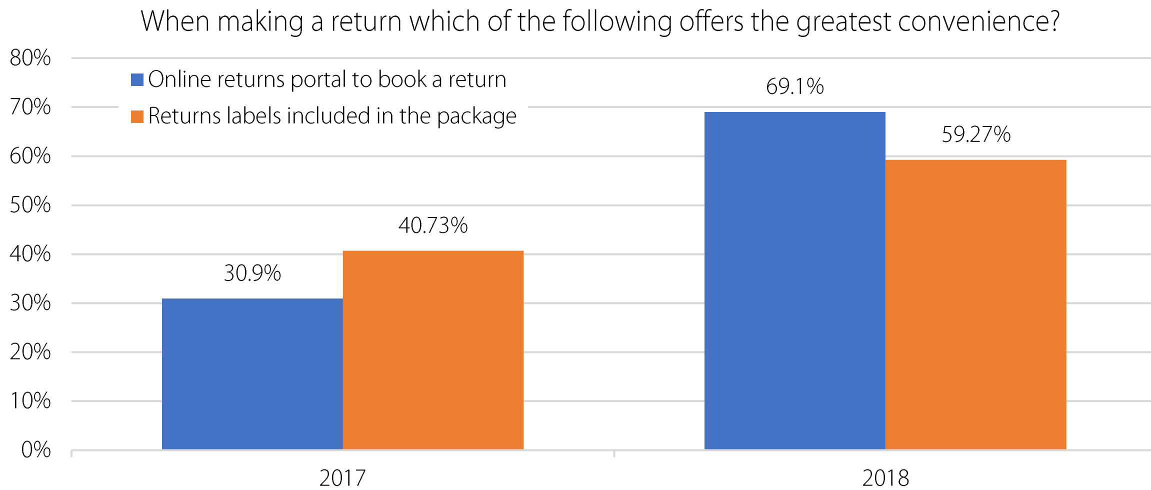


Figure 53

The reason for this dramatic change is that returns portals:

- Allow the customer to pre-advise their return:
  - Sometimes advice can be given to avoid the return being made at all
  - Sometimes the cost of the item means that the retailer will tell the customer to keep the item or dispose of it and credit them anyway
- Allow the retailer to make an informed decision:
  - As above
  - Where and how to send the return (disposal, refurbishment, re-sale)

The result is that returns are handled more cost efficiently and effectively and that the customer is better informed and gets their credit faster; facts they appreciate when they are explained.

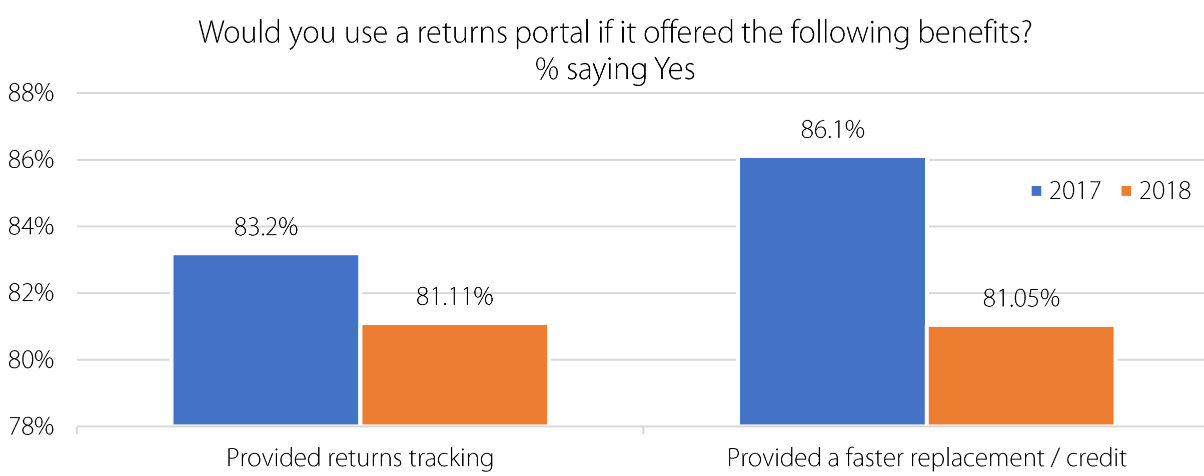


Figure 54

14. Packaging and damage

This section examines consumer's perception of the way in which their orders are packaged and handled. The analysis in this section is supported by questions 45 to 47.1.

The perceived incidence of damage to online orders has continued to decline over the life of the review, evidence of the effort being made by retailers and their packaging supply partners. However, 2018 is a little up on the year before and the recollection of when damage occurred is more recent.

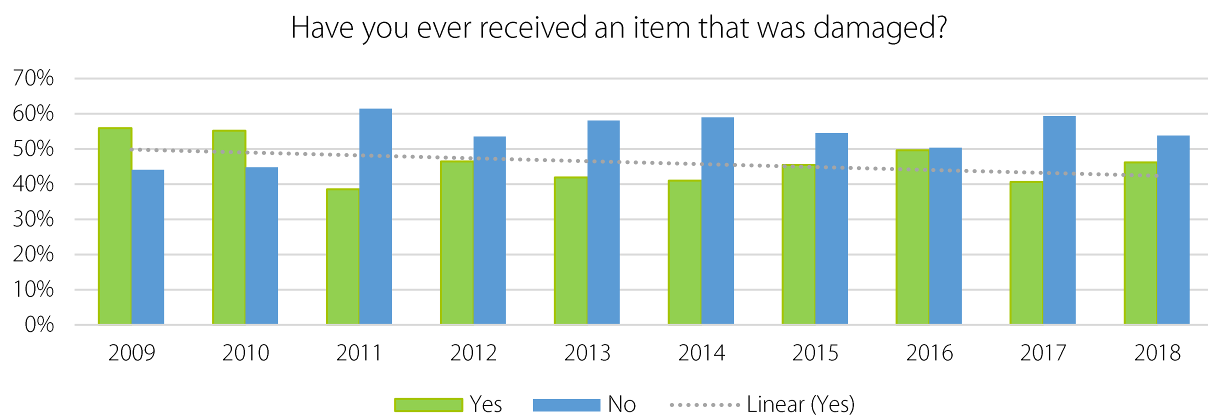


Figure 55

The perceived reason responsible for most damage in transit is not inappropriate packaging, but poor handling by delivery agents. This may be another impact of the pressure on delivery agents to deliver on-time/first-time, resulting in some inappropriate safe-place delivery.

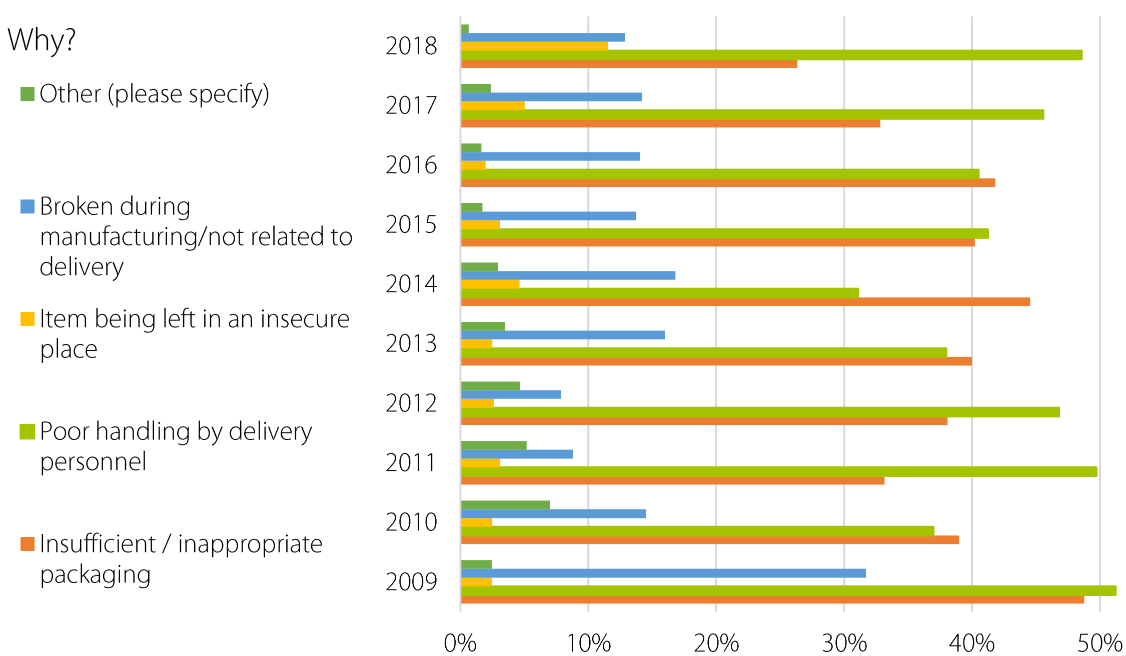


Figure 56

Where packaging is perceived as inappropriate it is a lack of packaging that seems to cause concern, perhaps again reflecting that customers are witnessing the effects of hasty handling and do not feel that the packaging used is robust enough.

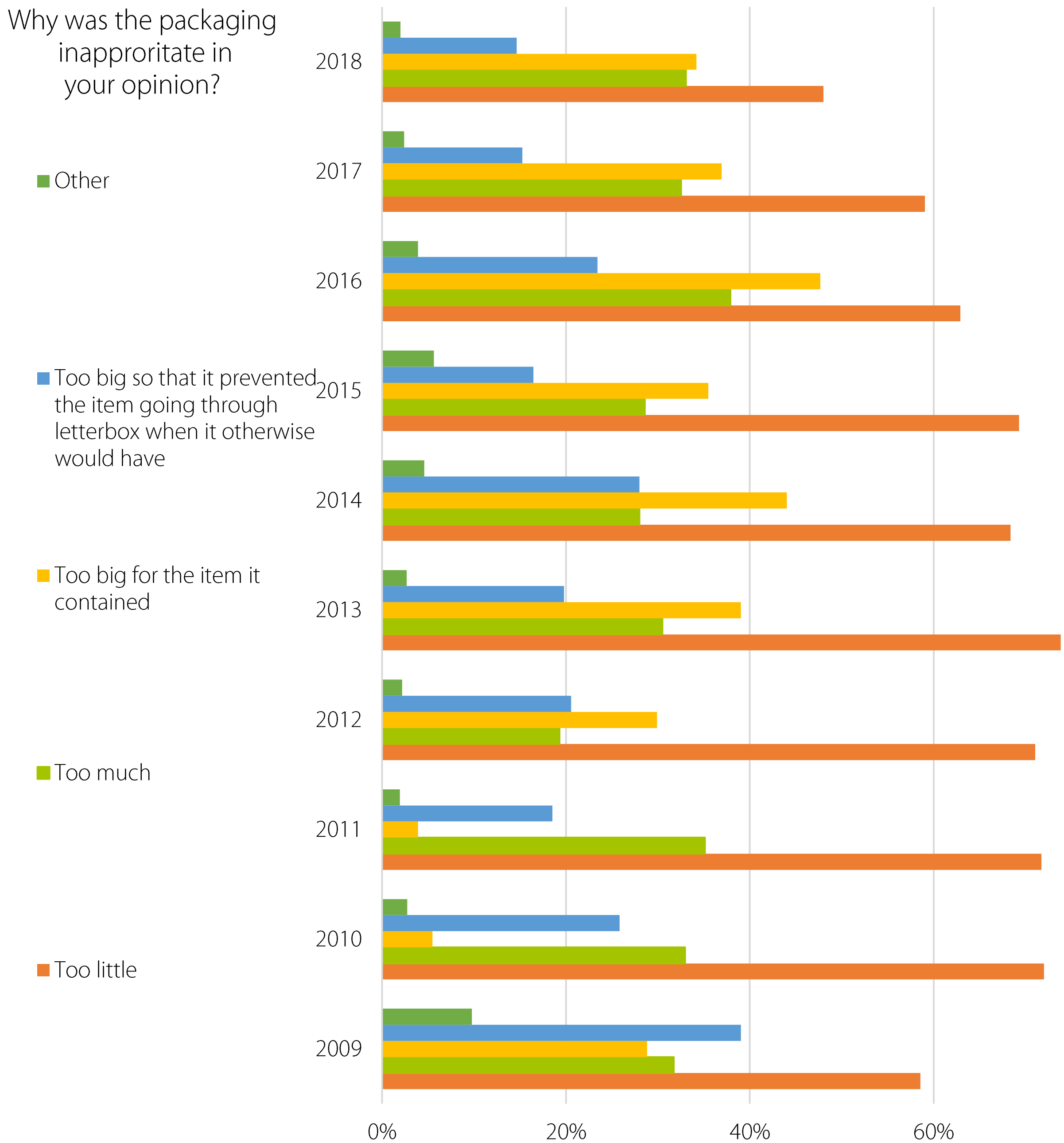


Figure 57

15. Environmental perception

This section considers how shoppers think about online shopping as an environmentally friendly alternative to high street shopping. The analysis in this section is supported by questions 48 to 49.2

Over the life of the review, we have seen how perceptions have changed as these arguments have been put forward. In the early days, consumers considered a greater problem to be private vehicle miles as they were required to go the high street, but more recently this has balanced out.

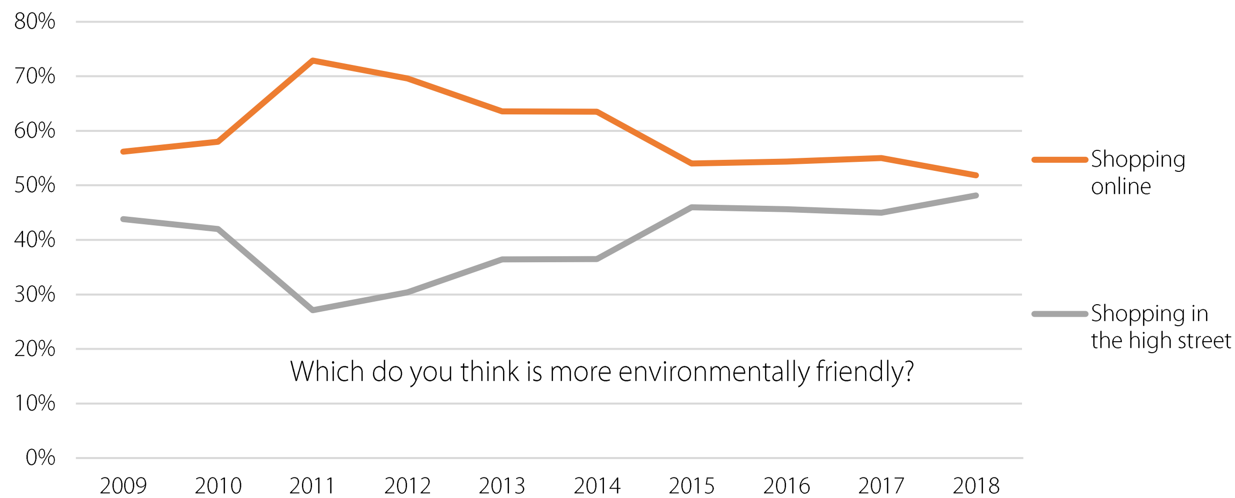


Figure 58

As well as the use of packaging (especially plastic), any negative environmental view of online shopping is related to the number of individual deliveries being made and the perception of congestion caused.

Recognising this, and no doubt prompted by significant publicity about dangers to our environment, shoppers have started to indicate (just) that they would support more environmentally friendly delivery methods.

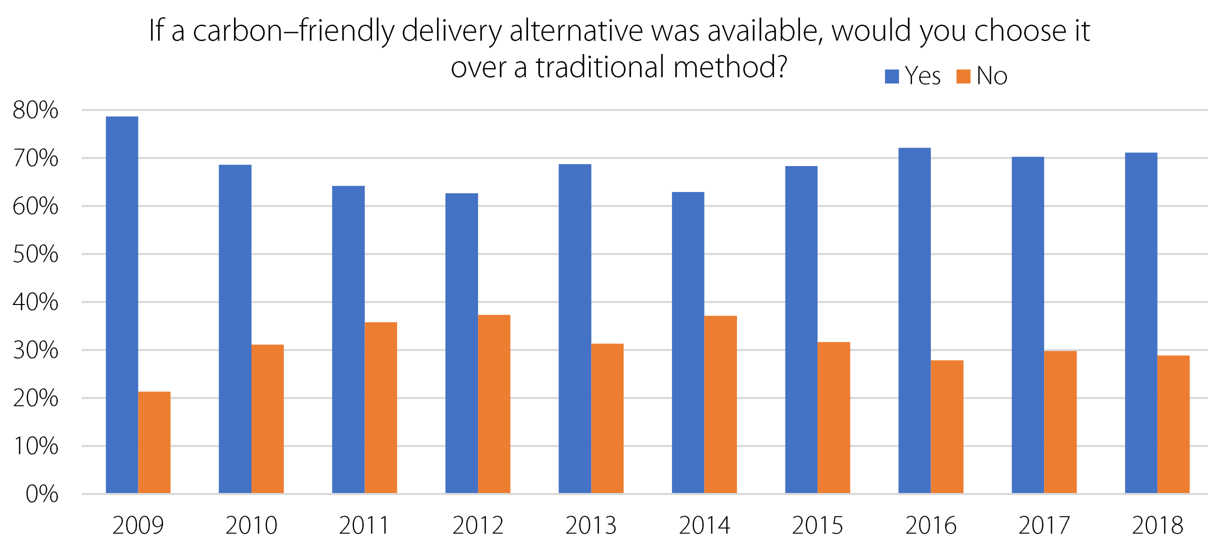
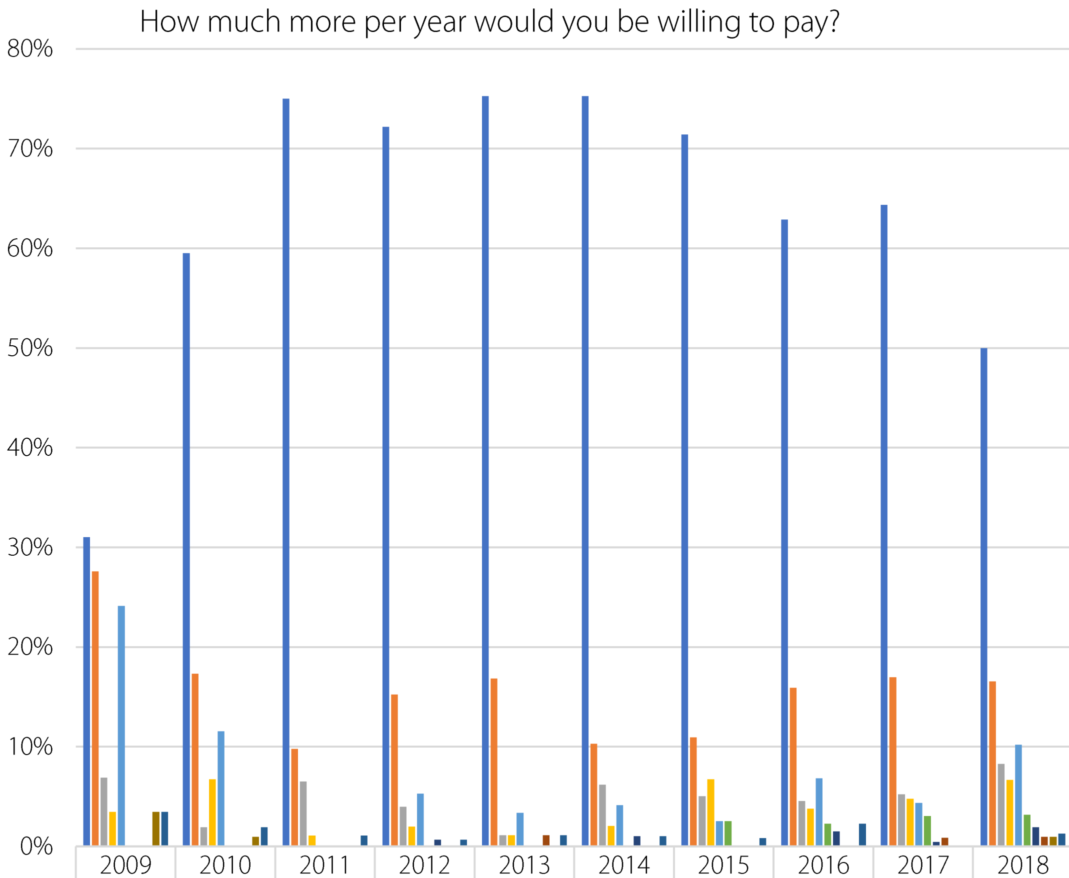


Figure 59

These could include electric vehicles, airborne drones, autonomous ground vehicles, etc, but a greater use of click & collect would also result in more consolidated delivery and collection, reducing single order deliveries.

As with all things related to consumer demand, the acid test is: will people pay for this? Over the last three years we have seen an increase in the proportion of respondents prepared to consider this (from 30% to 45%), but the amount deemed affordable by most is not very much. However, this year there does seem to be a slight move towards higher amounts, so attitudes may be slowly changing.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
£10 or less	31.0%	59.5%	75.0%	72.2%	75.3%	75.3%	71.4%	62.9%	64.3%	50.00%
£20	27.6%	17.3%	9.8%	15.2%	16.9%	10.3%	10.9%	15.9%	17.0%	16.56%
£30	6.9%	1.9%	6.5%	4.0%	1.1%	6.2%	5.0%	4.5%	5.2%	8.28%
£40	3.5%	6.7%	1.1%	2.0%	1.1%	2.1%	6.7%	3.8%	4.8%	6.69%
£50	24.1%	11.5%	0.0%	5.3%	3.4%	4.1%	2.5%	6.8%	4.3%	10.19%
£60		0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.3%	3.0%	3.18%
£70		0.0%	0.0%	0.7%	0.0%	1.0%	0.0%	1.5%	0.4%	1.91%
£80	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.9%	0.96%
£90	3.5%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.96%
£100 or more	3.5%	1.9%	1.1%	0.7%	1.1%	1.0%	0.8%	2.3%	0.0%	1.27%

Figure 60

16. Future improvements and innovation

This section examines service features designed to enhance the consumer delivery experience and make it more convenient. Over the ten years of the review we have been able to develop a view of how awareness, perceptions and use of different features have evolved.

We have also started to track the perception of future innovations.

The analysis in this section is specifically supported by questions 31, 31.1 and 35.

We have already seen that what most shoppers value is the ability to specify, or at least influence, when and where they will receive their order.

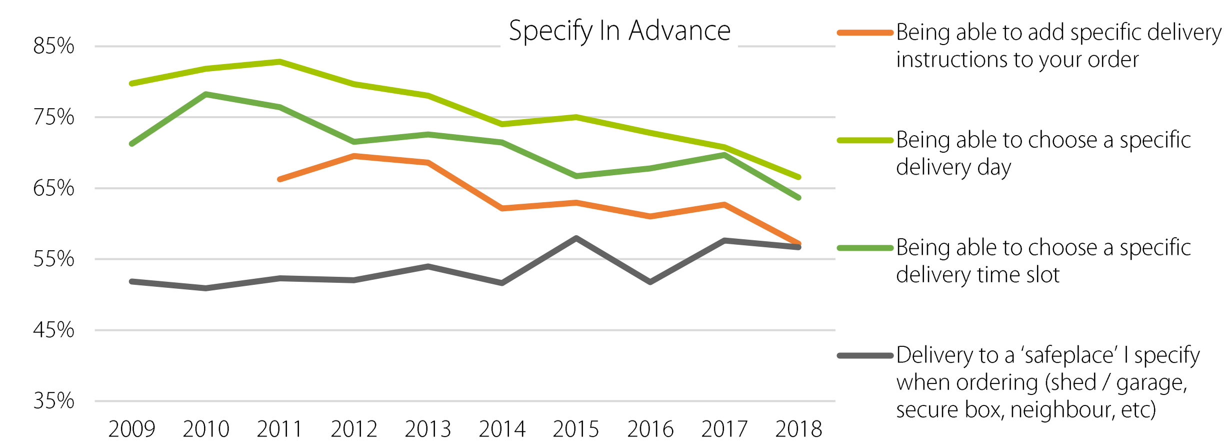


Figure 61

Day and time specification have fallen a little over the past few years and this may be because shoppers are being kept more informed and engaged during the delivery process.

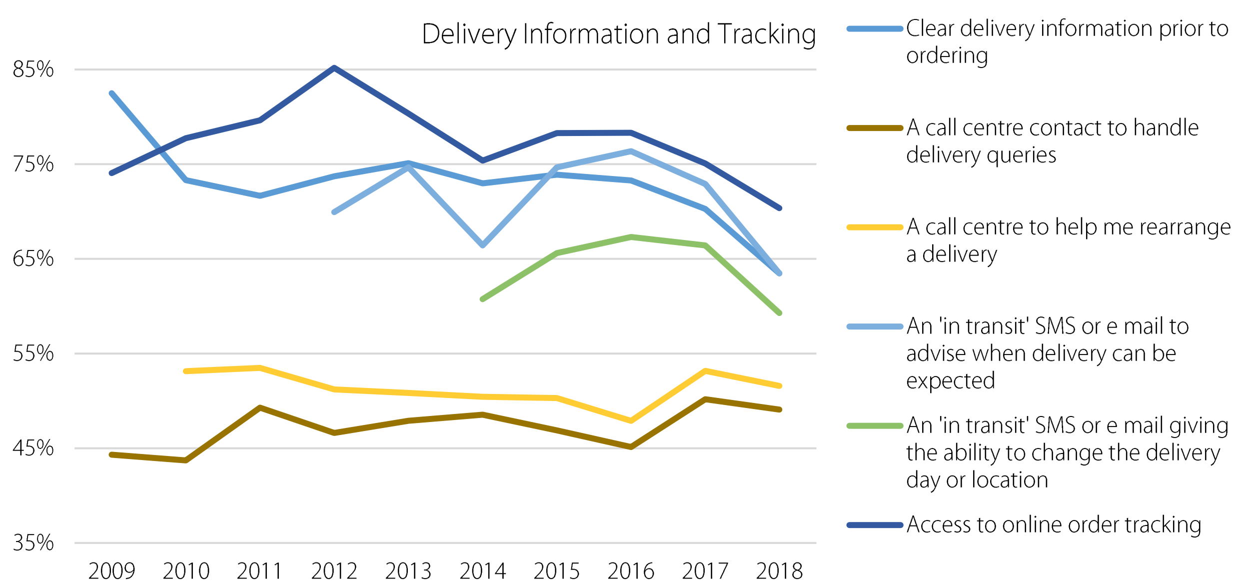


Figure 62

Although some of these options seem to be important to fewer respondents than in previous years, this may be because they are now more available and considered more routine. However, they still rank as some of the most popular features.

Previously less popular but now moving gradually up the ratings is the use of alternative delivery options.

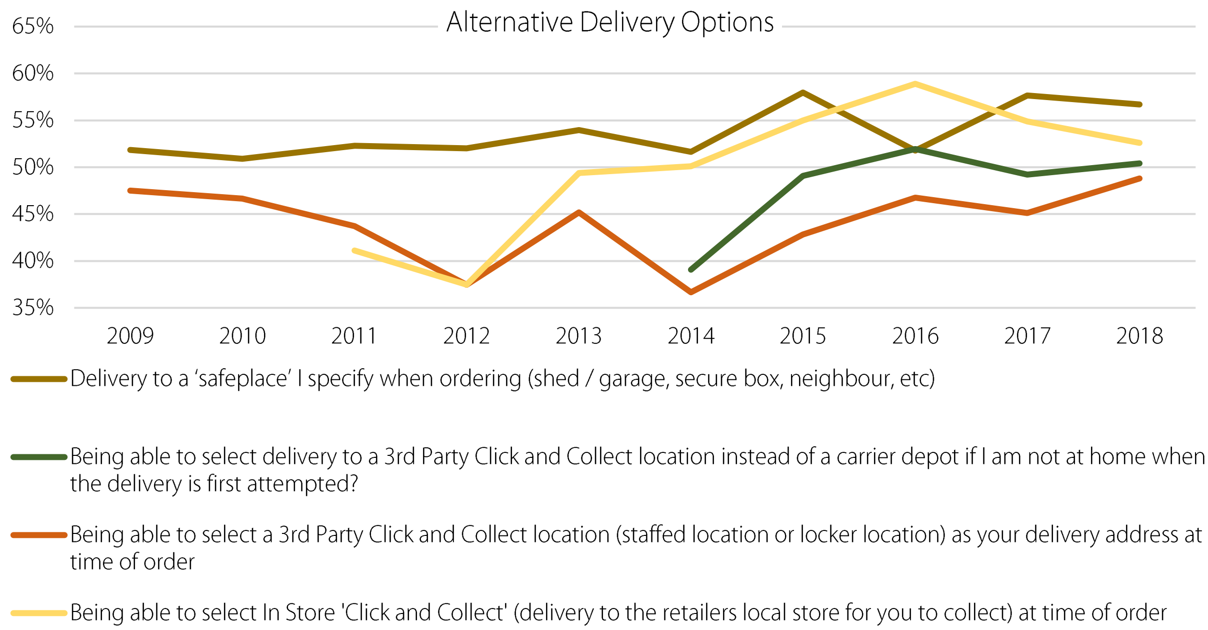


Figure 63

The same is true with premium delivery options such as weekend, evening and same day delivery, however, as we have already shown, this depends a lot on the level premium shoppers are prepared to pay, with about £2 extra indicated as the tipping point.

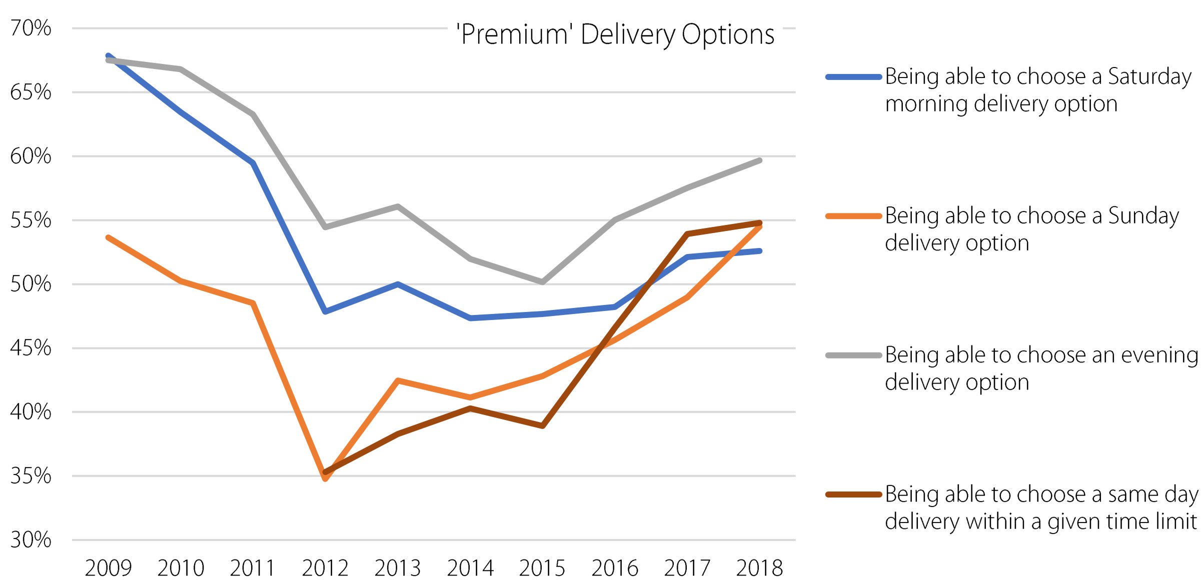


Figure 64

A key question for all service features is not only how much shoppers might be prepared to pay for them, but, over time, how much they have used them.

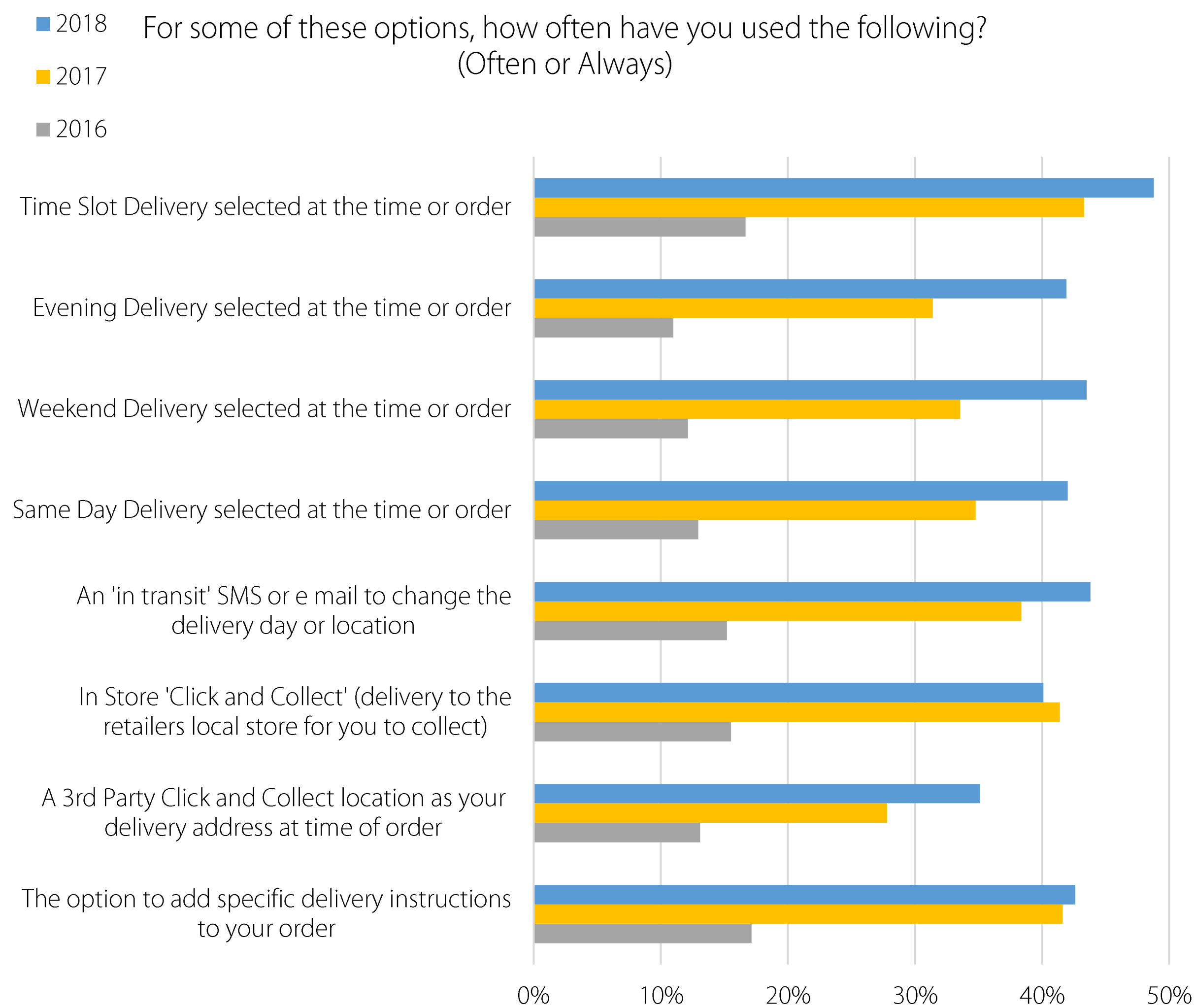


Figure 65

Here we see a general increase in use and adoption of premium services, specified day services, delivery information and alternative delivery. The only one not increasing year-on-year is in-store click & collect, perhaps because this was the early adoption version of the solution in the UK, so it has already reached a higher level of maturity and is now evolving, with some retailers introducing charging which may also temper use.

At some point, all these solutions were labelled as future innovations, and have now become part of the mainstream service offering. So, we continue to look forward at service features that have yet to be fully introduced to UK consumers.

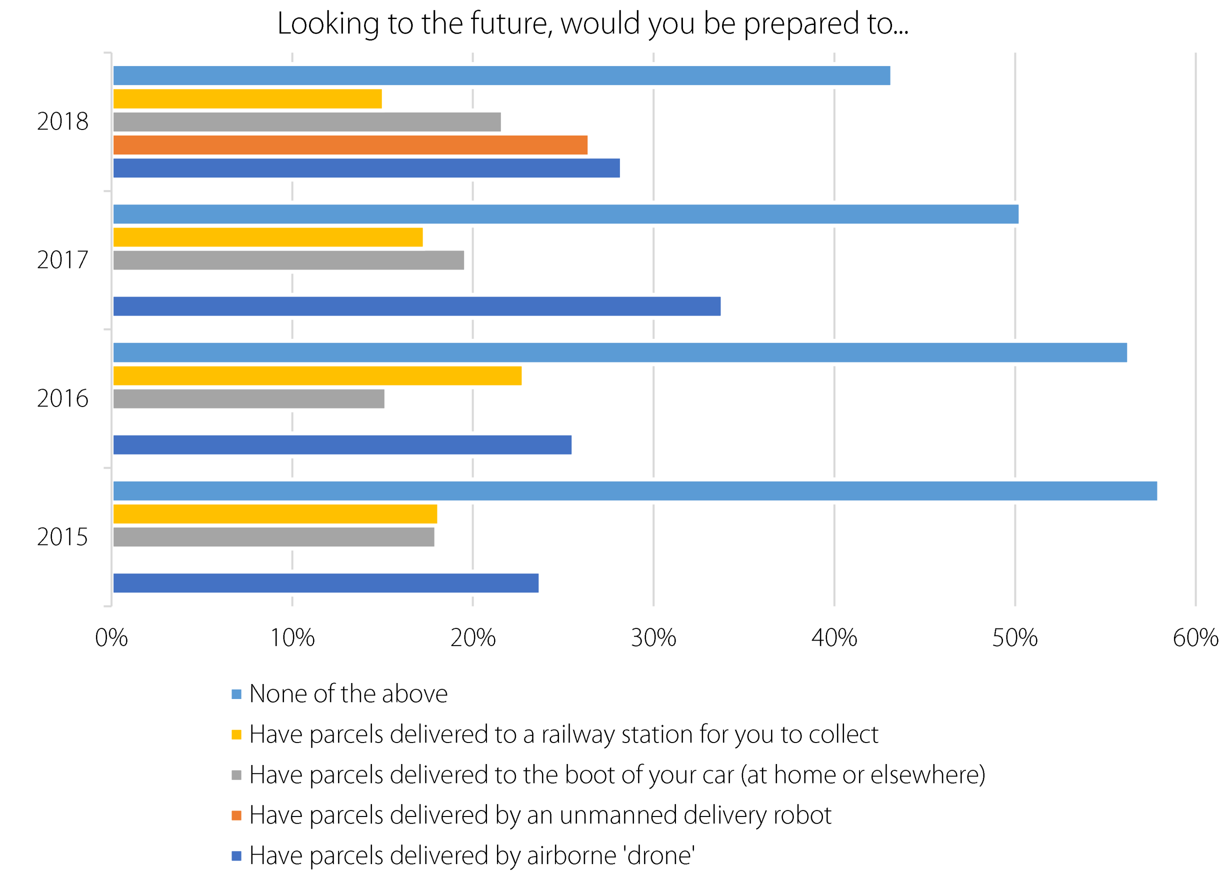


Figure 66

The evidence here suggests that people are becoming more open to the idea of unattended delivery and unmanned delivery, with the only option falling back being ‘delivery to railway station’, which is odd because this is the only solution that has been widely deployed. However, recently many of these station pick-up locations have closed, leaving only some of the major termini covered. Perhaps this reflects the actual demand for this solution.

A 2018 'horizon' report by McKinsey & Company[25] offers a view on how innovative delivery methods will enter the market:

- *Horizon 2: in three to five years, large, semiautonomous delivery vehicles that follow parcel delivery staff are expected to be the next trend to be adopted by companies in the parcel delivery segment.*
- *Horizon 3: in five to ten years, autonomous delivery vehicles (ADVs) will very likely not need to be accompanied by human delivery staff at all and will represent the third wave of widespread tech-enabled parcel delivery. At a similar time, the use of drones will become more popular due to their ability to uniquely address particular delivery needs[26].*
- *Horizon 4: in the relatively distant future, i.e., beyond 2030, it is expected that robots will take packages right to customers' front doors.*

These scenarios focus on the technology and ecosystems that will enable and motivate the use of these solutions and takes a global view.

In the UK there are many specific factors that will affect the deployment and popularity of such solutions, not least consumer opinion and acceptance.

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[25] Fast-forwarding last-mile delivery – implications for the ecosystem – Travel, Transport, and Logistics and Advanced Industries July 2018. McKinsey & Company

[26] *Drones can be an effective solution in regions where road access is limited or in situations where roads (by condition or design) limit the fast delivery of emergency medicine. However, due to functional constraints (e.g., landing space, security, payload), regulatory restrictions, and costs, we do not expect that drones will be used at scale in dense urban areas.*

17. Sample profile summary

The information provided in this section is supported by questions 50 to 56.

The respondent sample is consistent and within the acceptable norm of the UK population, and can be considered valid both statistically and demographically. Points to note from this year's survey profile are as follows:

- Over the life of the survey, the number of single-person households has fallen slightly, with low occupant responses (one or two-person households) down to about 40%
- The proportion of household occupants that are adult consumers (over 18) is consistent at 63%
- The average age of respondents is lower year-on-year at an estimated 40
- Most respondents are women in line with every other year – this year at 55%
- The regional distribution of respondents is similar to previous years and matches closely with the actual delivery of online orders (IMRG MetaPack Delivery Index), except for London and the South East which appear under-represented in the survey, balanced by the North and the Midlands.

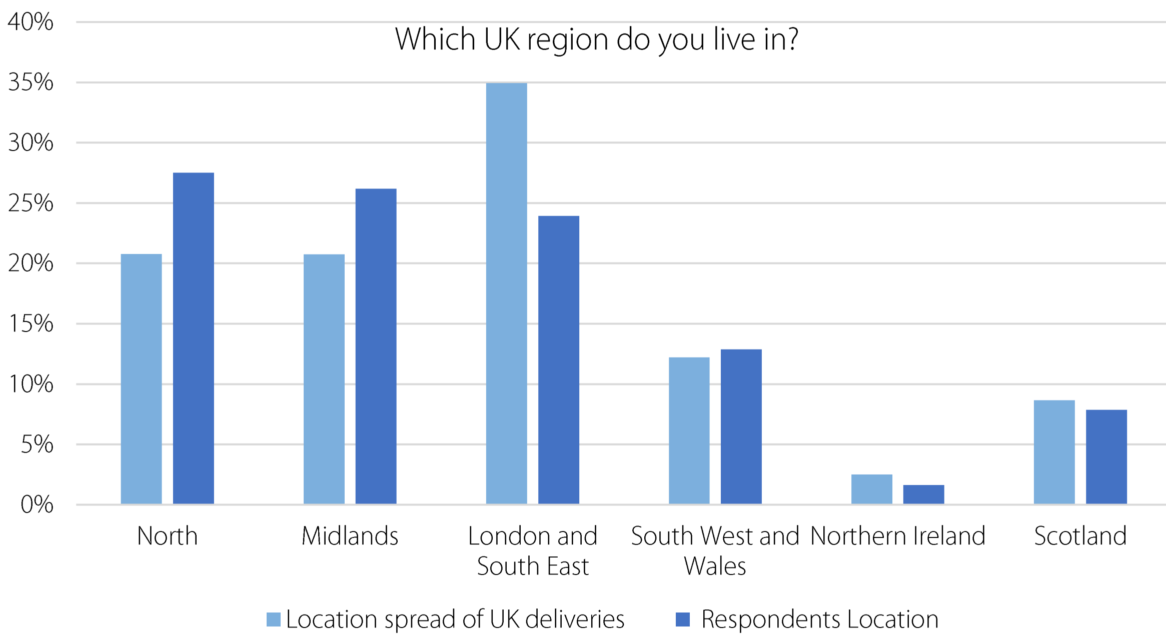

Figure 67

- The type of area in which respondents live is consistent, and as with previous years, we find that suburban and town dwellers make up most of the respondents, with inner city and fully rural consumers providing the least.
- The employment status of respondents is consistent with previous years, with 64% in some sort of employment.
- The estimated average income (of those who would offer this information) is up year-on-year to an estimated £33.2k.

About the Author

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.

He is also the founder of the strategic online retail and postal consultancy *Spiral4…* and has a unique background in the 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 or andrew@spiral4solutions.co.uk.

About IMRG

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 global providers of multi-carrier, managed parcel services with GFS integrated technology solutions and proactive Customer Support as part of the service.

Simply put, we take care of eCommerce delivery and returns from checkout to doorstep – anywhere in the world. We help retailers grow by providing them with the expertise, technology and proactive support they need to maximise the delivery experience for customers and drive operational efficiencies at the same time. Our trusted expertise in multi-carrier, managed parcel services combined with GFS Technology and proactive consultation and support is what makes us *different*, but also *unique* in the industry and above all, to our customers.

About Maru/edr

Maru/edr supported the research methodology for this report.

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

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.

Additional Reference Sources

- IMRG - MetaPack Delivery Index

  The *IMRG MetaPack UK Delivery Index* tracks a range of key benchmark metrics including parcel volumes, order values, delivery services employed, and destinations served. The data is derived from dispatches from circa 200 retailers and now represents more than 7 million orders in any single month and £6 billion order value in any 12 months.

- IMRG Quarterly Operational Review (QOR)
  The *IMRG Quarterly Operational Review* captures data on key operational metrics from expert sources using transactional data. The current IMRG QOR covers year-on-year volume trend, average cost of delivery, on time delivery performance, next day vs standard delivery trend, cross-border destinations, click and collect, signed-for and tracked delivery and order size

- IMRG MetaPack Cross-Border Logistics Index
  The *IMRG MetaPack Cross Border Logistics Index* tracks a range of key cross-border benchmark metrics including parcel volumes, order values and main destinations served. The data sample covers circa 200 retailers, using 90 different carriers / service lanes spanning 225 destinations and, dependent on the metric being measured, analyses up to 4.5 million orders and £500 million order value in any single month.

- IPC Cross Border Shopper Survey – 2017
  The *IPC Cross Border Shopper Survey* is taken from an online sample of around 29,000 global consumers with approximately 1,000 in each country (depending on population). The 2017 Cross-Border Shopper Survey took place in 31 countries: Austria, Australia, Belgium, Brazil, Canada, China, Cyprus, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, India, Italy, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Portugal, Russia, Slovenia, South Korea, Spain, Sweden, Switzerland, the United Kingdom and the United States.

- MetaPack – The State of eCommerce 2018
  A survey of 3597 consumers in Canada, France, Germany, the Netherlands, Spain, the UK and the US. July 2018.

- Sorted - Original research of 2,000 UK adults, polled by OnePoll – September 2017

- Fixing Failed Deliveries Improving Data Quality in Retail – Loqate
  The Improving Data Quality in Retail research was commissioned by Loqate and conducted in November 2017 by Loudhouse, an independent research consultancy headquartered in London. It surveyed 304 ecommerce managers, CRM managers, marketing managers and professionals responsible for websites within retail about how they believe data quality affects user experience. Respondents were from the U.S., the U.K. and Germany, across a number of retail sectors.
  To support this research, 2,020 consumers in the U.S., the U.K. and Germany that shop online regularly were interviewed to learn more about their online shopping and delivery experiences.

- The Last Mile Retail Study, 2018 – Localz
  Eft surveyed 129 supply chain executives from retailers, manufacturers and brands alongside 194 executives from leading global logistics providers. The audience surveyed covered both North American and European markets

- Royal Mail
  Research conducted by Ipsos MORI and based on a sample of 3,000 UK consumers aged 16+ per month, over a three-month period. Fieldwork dates: 10th - 30th January 2018, 6th - 23rd February 2018, 2nd - 22nd March 2018.

  Delivery Matters - UK 2018 - Independently conducted by Trinity McQueen, based on a sample group of 1,506 UK online shoppers. 18th-25th April 2018.

- ReBOUND

  ReTHINKING ReTURNS
  The Great Returns Race

- UPS Pulse of the Online Shopper – 2018 – Global
  The *2018 UPS Pulse of the Online Shopper™ Global Study*, was conducted by comScore, providing insight into online shoppers' behaviours and preferences from six regions including the U.S., Asia, Europe, Canada, Mexico and Brazil. The 2018 study was fielded in Q1, Q2 and Q3 2017 and is based on a comScore survey of more than 18,000 online shoppers.

- Fast forwarding last-mile delivery – implications for the ecosystem - Travel, Transport, and Logistics and Advanced Industries July 2018. McKinsey & Company

Annex 1

Due to the amount of data supporting the IMRG UK Consumer Home Delivery Review, this is provided in a separate document entitled the IMRG UK Consumer Home Delivery Review – Annex 1 – Data.

This is available to download separately here [insert link]