

An IMRG Report

# UK Consumer Home Delivery Review 2021

Supported by

The nShift logo consists of a blue icon of three horizontal bars of increasing height to the left of the word 'nShift' in a bold, blue, sans-serif font. The maru/ logo consists of the word 'maru/' in a blue, lowercase, sans-serif font.

November 2021

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## Forewords

### IMRG

We're delighted to welcome you to IMRG's UK Consumer Home Delivery Review, 2021/22. Our survey tracks the level of customer satisfaction and expectation, regarding online delivery. Now in its 13th year, our trend lines have mapped over a decade of customer feedback, before, and after, the pivotal UK lockdowns. Our review is a crucial tool for shaping retailer's strategies, informing the delivery proposition, reacting to changes in consumer behaviour, and anticipating future needs.

In the past 13 years, our review has created a unique place for itself within online delivery research, as we get to the heart of what it is that customers are looking for. We ask over 50 questions, consistently targeted around online fulfilment and delivery. With over a decade of trend data, for many of our question outcomes, our report reveals the ever-evolving delivery landscape, and provides invaluable context for every new question that becomes relevant, year after year. We're mapping the changing landscape of online retail.

IMRG strives to ensure that all of our questions are neutral and independent, as we want our answers and outcomes to remain as meaningful as possible.

In 2020, the retail industry and delivery sector was disrupted like never before, followed by new challenges and critical changes in 2021. The past year has seen immense pressure on the supply chain, and raised expectations from customers for their favourite brands to deliver, despite the ongoing issues. With two years of unprecedented change, it seems more vital than ever that we stay ahead of the curve.

This year's review is sponsored by nShift, and we highly appreciate their support and input into this research. nShift's support allows us to continue our important tracking of shopper sentiment.

We're also grateful to our research partners Maru, who have been involved with curating the shopper feedback since the very first edition of this review.

### nShift

We're delighted to sponsor this year's IMRG's UK Consumer Home Delivery Review, 2021/22 and see how customers' delivery expectations are evolving especially after these unusual past two years.

We are constantly striving to understand and meet our customers' needs and sponsoring this survey from IMRG takes us closer in offering the best solutions to do that.

It's clear that 2020 has made its mark on online sales with an increase of more than 37% (source: IMRG report). When Covid-19 lockdowns temporarily closed non-essential shops, consumers were left with no other choice than to do their shopping online, which meant that online consumers got more experienced and aware and retailers had to take their e-shop to the next level in order not to lose customers. At nShift, we offer our retailers an end-to-end platform that helps them do that.

### 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 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.

The survey was completed in August 2021, based upon 1,000 UK respondents.

## Executive Summary

In these uncharted times, the past two years have provided significant challenges to delivery, bringing about inevitable change. The global pandemic, which began almost two years ago, has turned the world on its head. In publishing the IMRG Consumer Home Delivery Review last year, we saw the rise of demand for home delivery, with 'the Prime effect' in full swing. Now that shops have reopened again, and many people are engaging with the in-person shopping experience, this year's data makes for an interesting addition, when seeing how much of this love of home-delivery has stuck.

One of the main factors impacting the relationship between shopper and retailer has been the problems with delivery and logistics this year, as worker shortages and global trade problems have proved exceptionally challenging. While shoppers may be keener than ever for next day delivery, and fast-track order options, the strain on logistics ultimately leads to delays for some.

2020 saw the world of online retail boom beyond measure, whilst 2021 resulted in a 're-balancing', in which the growth rate in many sectors has had to drop, in order to level itself against the explosion of last year, which could not be repeated. 2020 may have felt like an anomaly year, so 2021 is of great importance in finding out how customers are adjusting to life after lockdowns, and what trends are emerging as life feels a little more 'normal'.

2020 was a year of change especially for the retail industry with more than 2 billion people worldwide making an online purchase, but with big changes there also comes big opportunities.

Now that the consumer is more aware and expects a friction-free online and delivery experience, retailers need to optimize all their back end systems to work together - from order management and fulfilment to returns handling.

If you don't provide enough relevant delivery options in your online checkout, 50% of online consumers will abandon their basket.

With customer expectations higher than ever, and the supply chain under a greater strain, 2021 has been a tumultuous ride for online retail. Customer expectation around rapid delivery options is growing, the survey found this year, driven by larger retailers and their capacity to offer it.

Despite HGV driver shortages, and freight problems in Asia, customers seem satisfied overall, suggesting that people's attitudes towards delivery may be changing, but retailers are adjusting to keep up. As our report indicates, there were several positive metrics related to customer experience, alongside a heightened demand for delivery notifications, clear communications, and quick delivery. This need for rapid delivery could be localised to urban areas, as retailers in cities such as London are tapping into hybrid shopping experiences, in which local stores can deliver groceries and products within minutes, by bike deliveries.

Our research provides an exceptional benchmark for the general sentiment at the current moment, as it's essential to understand that while we have measured customer perception, it may not always correlate with the actual behaviour of the customer. Often, what a customer says they are going to do may not directly align with how they actually proceed in their actions. Despite this, our research has tracked customer perceptions for over a decade now, and we're excited to share our 2021 insight with you.

**Read on for our full findings.**

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### Introductory Thoughts From nShift

“Online shopping changed radically in 2020 and 2021, and 2022 is not looking to be any different. With a pandemic forcing people to stay indoors, habits have changed for good. Although people are starting to venture outside as the world continues to open up, our buying habits have changed. Consumers are more demanding than ever and delivery is a huge component when it comes to the online buying journey. The consumer expects a friction-free delivery experience, which requires that all back end systems are well integrated - from order management and fulfilment to returns handling.

All of these rapid changes in the market landscape can put some real pressure on retailers to meet customers’ needs and demands. Many retailers are becoming even more aware of how digitised processes and data can support and improve day-to-day operations.

Digitised processes include everything from carrier booking, print of freight labels, online return registration, internal and external communications, automated notifications, refunds and updated inventory count.

Having an efficient delivery management software in place saves you hours of manual work at the warehouse, reduces human errors, improves customer service ultimately speeding up the fulfilment process and creating a friction less delivery experience for the consumer.”

## Overall Perception, Satisfaction & Loyalty

### UK Consumer Home Delivery Review 2021

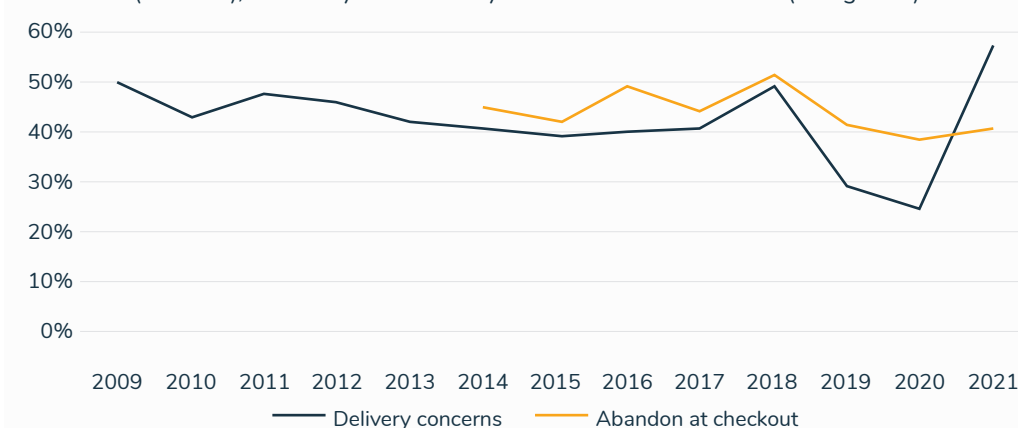
Let's kick off the report with some good news. The COVID-19 pandemic, along with mass shipping and delivery issues, hasn't caused as much destruction to customer's perception of the delivery experience, as you may first think. In fact, overall customer satisfaction with deliveries is still above the 2018 rate of 77.7% satisfaction, now at 87.2%. The satisfaction rate is almost the same as it was before the pandemic, in 2019, when it reached 87.7%. A spike in this satisfaction level occurred in 2020, when 92.09% of customers rated their overall experience with a 7 or above. One possible explanation for this could be due to an overall surge in the need for home deliveries, making them essential. Regardless of the surge, we can see that customers' are generally almost as happy with their deliveries as they were before the pandemic hit the UK.

However, whilst we've seen positive overall satisfaction, there has been a sharp increase in the number of people who have let online delivery concerns stop them from shopping online, and a minor rise in those who are abandoning their shopping cart at the checkout stage. In 2021, the main reason attributed to delivery concerns preventing customers from shopping online was the delivery cost. This was the same leading reason as for the last seven years. This continuous rise in concerns about the delivery cost could be attributed to personal financial worries, or a general expectation of free delivery when shopping online. For those abandoning the basket at the checkout, the same reason cited was delivery prices.

Graph I: Overall, how satisfied are you and those in your household with the delivery of your online shopping items (blue line)?



Graph II: Do delivery concerns sometimes prevent you from shopping online (blue line), or make you abandon your basket at the checkout (orange line)?



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The pandemic has consumed our lives for almost two years now, and seemingly changed so many people's outlook and expectations for the future. Amongst the views affected by the previous year, is the outlook on delivery, which graph III shows. We asked customers whether they're more or less likely to collect from a retailer's store, or collect from a 3rd party location, after the pandemic. Unsurprisingly, the number of people who said they'd be less likely to go to one of these locations in person, was 17.7% and 20.6% respectively. Encouragingly, an average of 69% of people said their thoughts hadn't changed before and after the pandemic.

#### Thoughts From nShift

"The current consumer demands fast, free and sustainable delivery options.

In order to offer free shipping, while maintaining profitability, online shops are setting free-shipping thresholds. 65% of consumers check these thresholds before adding something to their basket.

Some examples of financially sustainable free shipping strategies include:

- Free shipping as a marketing stunt – e.g. free shipping to new or loyal customers.
- Free shipping built into the price – shipping is included in the price of the product.
- Free shipping through subscription – free shipping for customers with a membership.
- Free shipping as a campaign – free shipping for Christmas, bank holidays etc."

Graph III: Following the outbreak of Covid-19, are you more or less likely to use the following delivery options? (2020)



A growing number of retailers, including Lush, Hotel Chocolat and Morrisons, increased their subscription offerings in 2020, which we've seen continued throughout 2021, as retailers look to lock in customers and drive a recurring income. The number of people who are subscribed to delivery subscription programmes, such as Amazon Prime, has gone up by 15% from 2020 to 2021. Now that people are used to having most items delivered to their home, with delivery costs covered within such programmes, the motivations for popping into a store or collection location may need thought among retailers if they are to become as popular for fulfilment as they were pre-pandemic.

## Life After Lockdown: What's New?

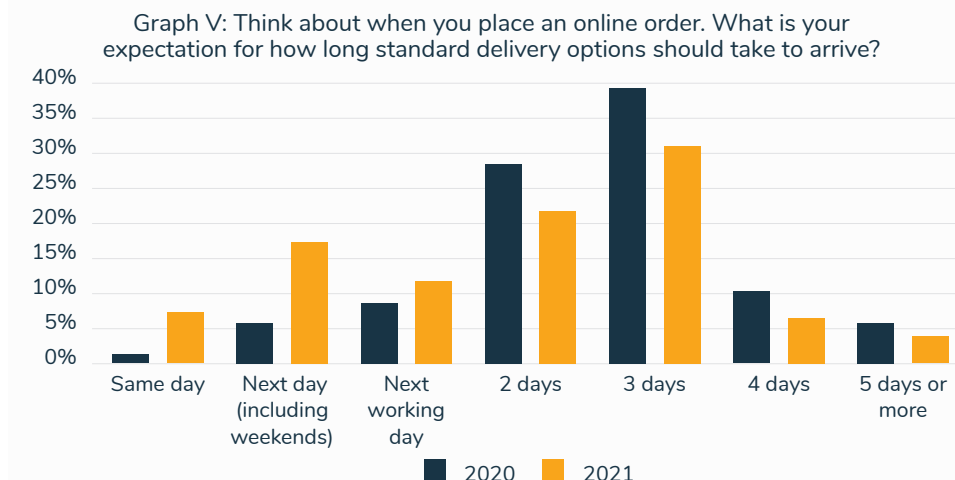
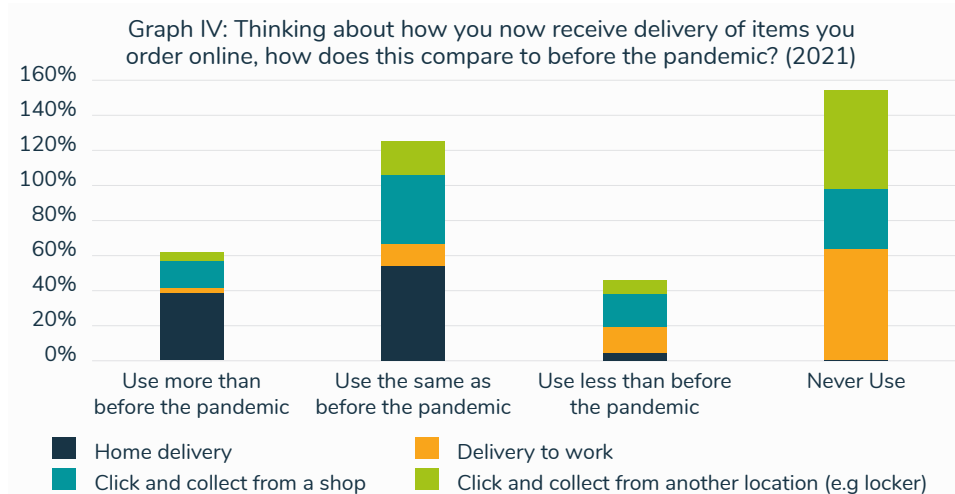
Every year, we add a few new questions to our survey, in order to best reflect the current climate, and help us capture the moment. Some of our questions in 2020 focussed on the covid-19 pandemic, and how this has changed consumer sentiment, so adding an extra year of data to that (from 2021) has proved fascinating to compare how exactly we're handling the hybrid-shopping experience, and whether people still prefer home deliveries, and online shopping. So what does the 2021 data look like, compared to 2020?

Interestingly, post-lockdown, the sentiment has stayed relatively similar between 2020 and 2021 (as shown in graph III vs IV) as the majority of those surveyed said their habits had stayed the same.

We observed a sharp increase in the percentage of people who expected same-day and next-day delivery in 2021. The pandemic has changed our standards for delivery time, probably due to the rise of cycle courier delivery in grocery, as shoppers expect almost instant delivery, though the most common expectation is still to receive their order within 3 days of purchase.

### Thoughts From nShift

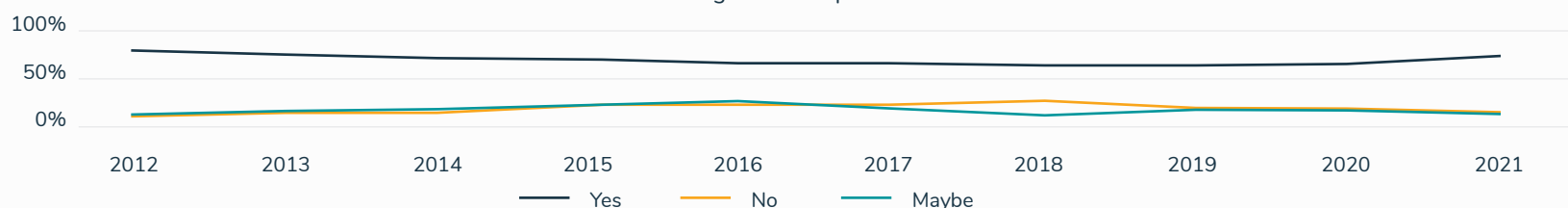
"Graph IV highlights the need for retailers to work with a broad range of carriers, in order to meet consumers' needs for how fast they expect their delivery"





65.7% of customers surveyed said that a good delivery experience has encouraged them to order again from a specific retailer. Despite a clear downwards trend in the data over previous years, the figure is now the highest it's been since 2016, suggesting that customers find excellent delivery of importance when returning to a retailer. This could be linked back to delivery subscription schemes such as Amazon Prime, as the returning customer wants to know they can expect quick, clear delivery, or may be related to more environmental delivery options such as final-mile cycle couriers becoming more widespread.

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

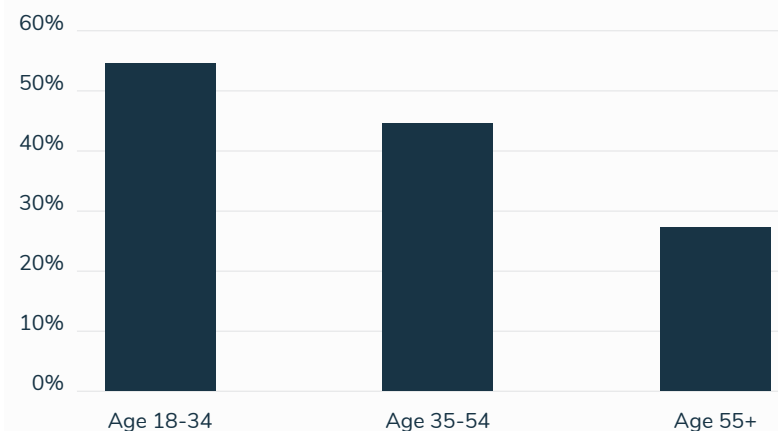


Another reason that encourages certain shoppers to head back to a retailer's website is the reviews and social media comments left by customers. Younger shoppers appear to be more influenced by good website reviews and social media comments, as just under 60% of 18-34 year olds said they'd shopped at the same retailer again due to good press regarding the delivery, as opposed to under 30% of people age 55 and above.

#### Thoughts From nShift

"The quality of delivery will impact a consumer's future choice of retailer, and not only the consumer in question but also people in his network – retailers are very aware of this, in this era of social media, where a bad review can have a solid impact, retailers need to be one step ahead, and proactive to offer the best end-to-end experience for the customer. One way to achieve this, is for retailers to work with multiple carriers in order to quickly switch to a different carrier if one carrier is not performing as they should, and not fulfilling the retailer's delivery promise."

Graph VII: Has a customer review on a retailer's web site, social network comment or review site about a company's delivery service, influenced your choice of retailer? Answered 'yes' by age.



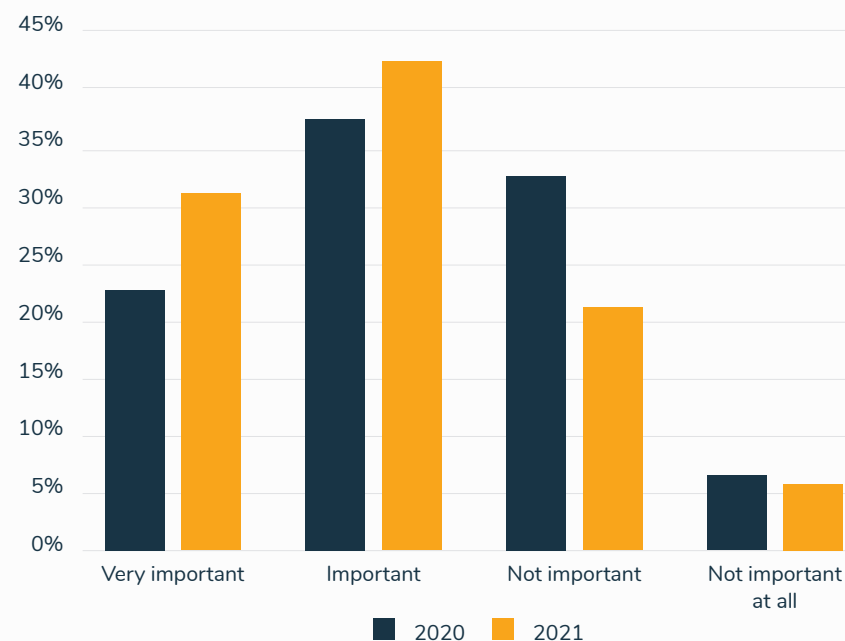
In another of the new additions from 2020, we asked about expectations around returns timeframes. Retailers are required by law to offer a 14-day 'cooling off' period, which allows customers to return any item they purchased from them. 73% of survey respondents said that an extended returns policy of longer than 14 days was important, or very important, to them. The promise of the time needed to make a decision on an item has become more important than last year, with an increase of 12 percentage points in the number of people who valued the extended policy as very important.

Over half of people asked said that a returns policy should allow you 28 days, and 67% said that a longer returns period would make them more likely to buy an item when they initially intended to just browse. This figure was up from last year, suggesting that the appeal of a longer return period is becoming stronger, and draws in more sales.

#### Convenience for the Customer

Close behind in the priority list for enhancing convenience is clear delivery information prior to ordering, and the ability to choose a specific timeslot. Customers love communication. Just knowing the whereabouts of their order can massively influence the satisfaction of a shopper, as regular, automated communications through SMS texts, email and online tracking keeps them in the loop (though the volume of updates needs testing, as it can become excessive). Control, involvement, and certainty are key requirements when it comes to the average UK shopper.

Graph VIII: Retailers are required by law to offer a 14-day 'cooling off' period where you can return any item you purchased from them. How important is an extended returns policy of longer than 14 days to you?



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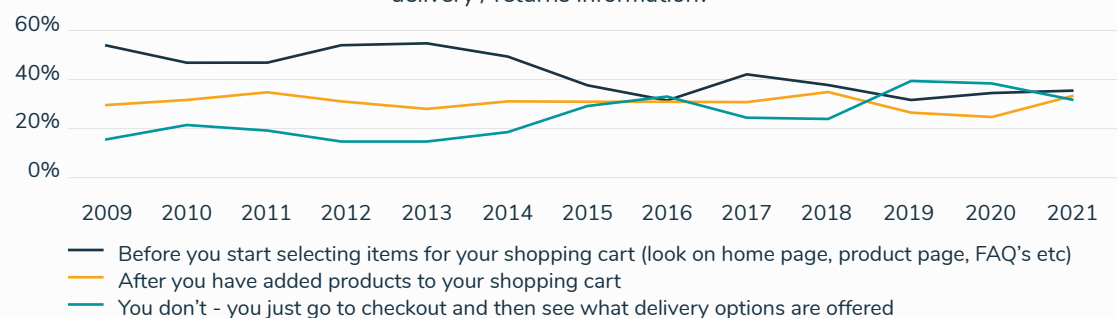
### Thoughts From nShift

*"Offering a variety of convenient options such as home delivery, parcel lockers, and click & collect increase conversions at checkout"*

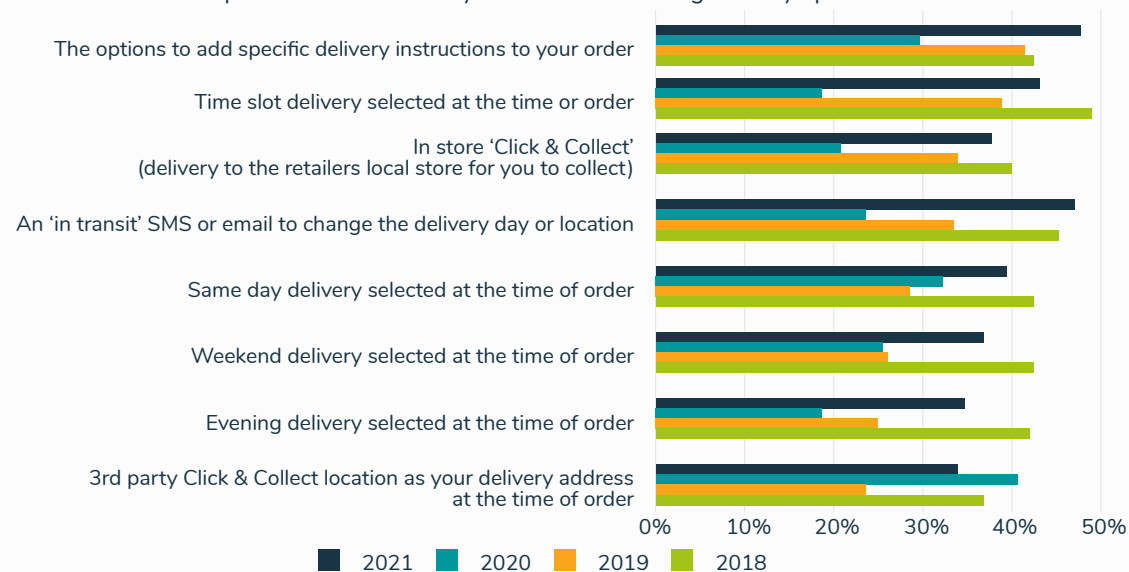
How important is looking at delivery options for the customer? The graph shows that more and more people look at delivery before shopping, with the number of people who said they don't check delivery declining.

When we asked customers how often they have used a variety of delivery options, we've seen some shifts in behaviour since 2018. Timeslot deliveries have become less important to shoppers, whilst the main key features they're looking for are an 'in transit' SMS or email, as well as the option to add specific delivery instructions. These two factors have risen in importance over the past three years, suggesting the current customer wants clear communication, the ability to know exactly when their delivery will arrive and the option to change the specifics of the process.

Graph IX: When do you and those in your household tend to look for delivery / returns information?

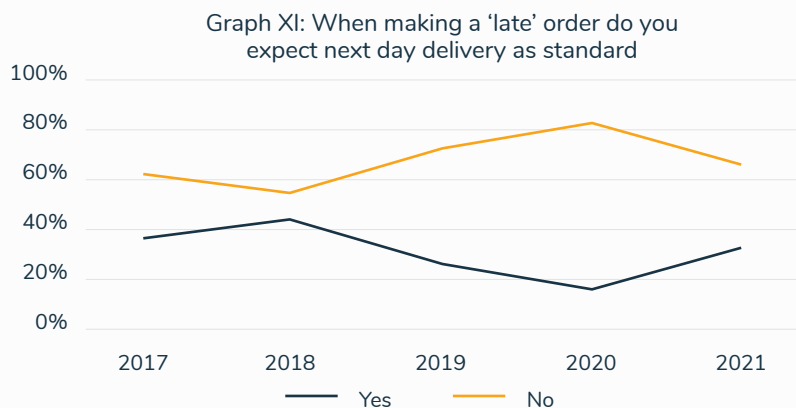


Graph X: How often have you used the following delivery options?



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In 2021, both retailers and customers have come to expect more delays, due to the pandemic, HGV driver shortage and trade deal issues. As the volume of sales continued to increase, many warehouses and logistics operators could not keep up with the demand. Despite this, we saw an increase in the number of customers ordering 'late' delivery, who expected their order to arrive the next day, regardless of the time. As the standard and speed of delivery goes up across the board, customers expect more from their basic delivery options, regardless of when in the day they order.



Our data shows us that there is again a skew toward young people in terms of who subscribes to delivery subscription services. The over 55s category subscribed least to these rapid delivery methods.

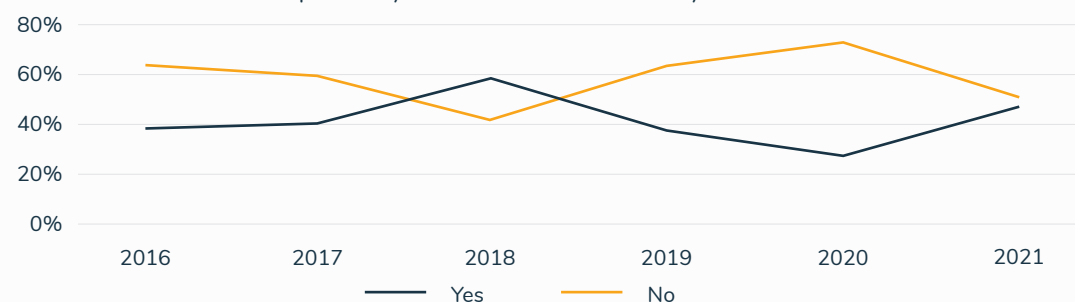
## Black Friday

Black Friday discounts are continually extending earlier and earlier into the month of November, steadily creeping forwards as retailers try to keep up with one another. This year, 46.7% of people surveyed said they had made a purchase specifically because of a Black Friday discount. This percentage peaked in 2018 before steadily dropping, until this year, where we've seen a steady increase. This isn't a majority though, so perhaps customers are aware that deals are available all year round, and they just need to keep their eyes open for their favourite brands.

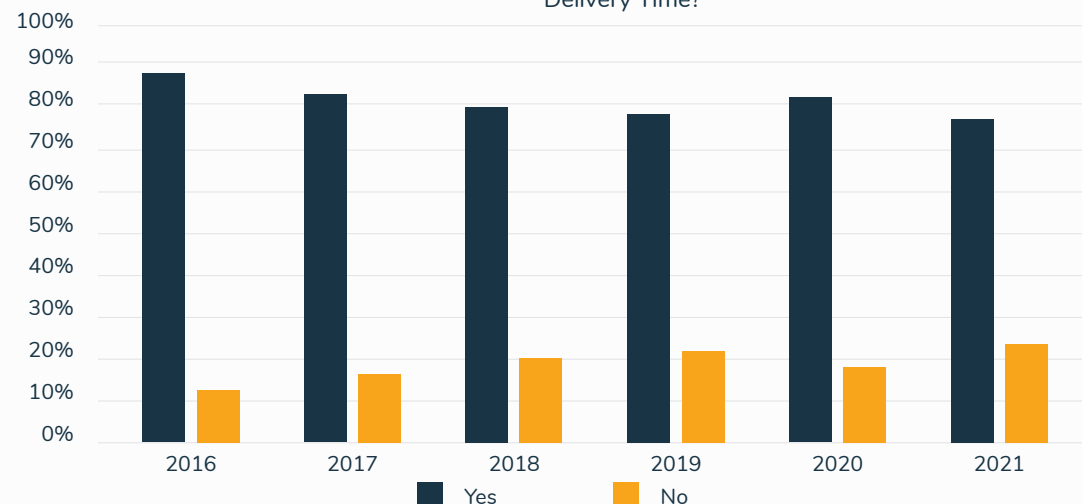
Retailers are increasingly extending these sales earlier into November, partly to keep up with competition, but also to ensure that the delivery demand is staggered. These deals aren't always labelled 'Black Friday' deals, however, as the sales seem to bring peak period earlier and earlier.

In line with previous years, we found that the majority of customers were happy to accept a slower delivery time, when they purchased an item with a Black Friday discount. Whilst the number of people who said they weren't willing to accept a slower delivery time is at all-time high, at 23%, this isn't drastic compared to previous years, perhaps just one to watch in the coming years as customers expect faster delivery as the standard. Generally, people are currently happy to accept longer wait times for Black Friday deals to be delivered.

Graph XIII: Have you or anyone in your household made an online purchase specifically as a result of a Black Friday discount?



Graph XIV: If Yes, Were You Prepared to Accept an Extended Delivery Time?



## Delivery, Destination & Location

Over the last few years, a huge variety of different delivery options have been added, giving people more choice than ever when it comes to collecting their order. Despite this, the most popular delivery option is still to receive the order at home.

Before the pandemic, the use of other places, such as Click & Collect and the Post Office, was increasing. But with life returning to 'normal', it seems that this trend has been changed, as people have become ever-more accustomed to receiving their orders to their home.

Delivery to the workplace was already in decline, and now that many people work from home, it's reduced to one of the least popular options.

Graph XV: Where do you normally have items delivered? (Tick all that apply)





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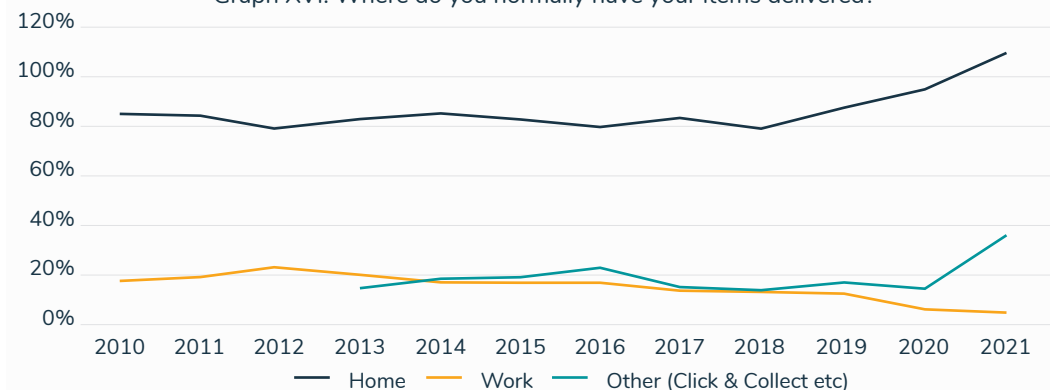
Graph XVI shows a condensed version of the previous trend over the years, as home delivery has always been popular, and now has spiked further since the pandemic – though note the upturn in Click & Collect at the expense of work locations.

Graph XVII illustrates a change in customer habits over the past two years of lockdowns. As expected, there was a spike in the number of people who were home to collect their deliveries from 2019 to 2020, as the lockdowns dictated that many people work from home. Now, this percentage has stayed high, at 70.8%, but shown a slight decrease from last year, as a fraction more people may be in the office through their own choice now.

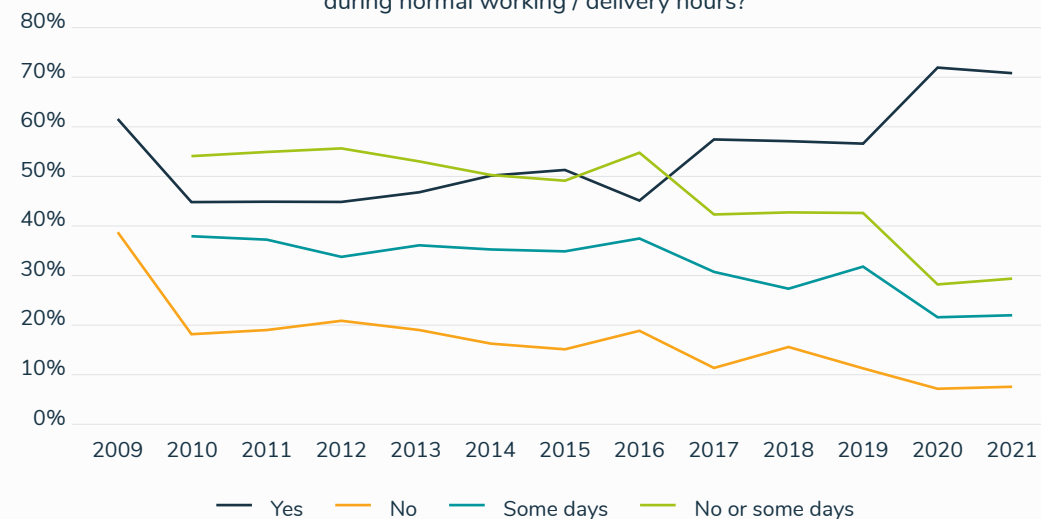
### Thoughts From nShift

*"With 2021's covid-19 restrictions forcing people to stay indoors, shopping habits have changed and made the online consumer more experienced. The survey itself shows that in 2021 most consumers prefer home delivery over other delivery options. Although people are starting to venture outside as the world continues to open up, consumer habits and expectations have remained changed."*

Graph XVI: Where do you normally have your items delivered?



Graph XVII: Is there normally someone at home to receive deliveries during normal working / delivery hours?



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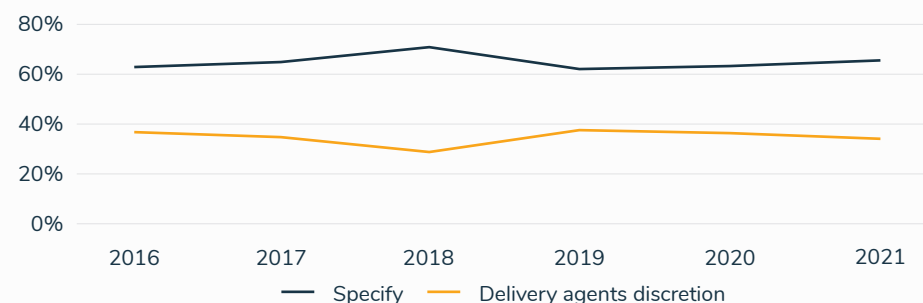
## Specified Safe Place & Neighbours

Perhaps as a result of shoppers becoming accustomed to shopping online by 2021, more people reported having a 'safe' place for parcels to be left when no-one is home. This has been a constant year-on-year pattern for the last five years, apart from a slight dip in 2016.

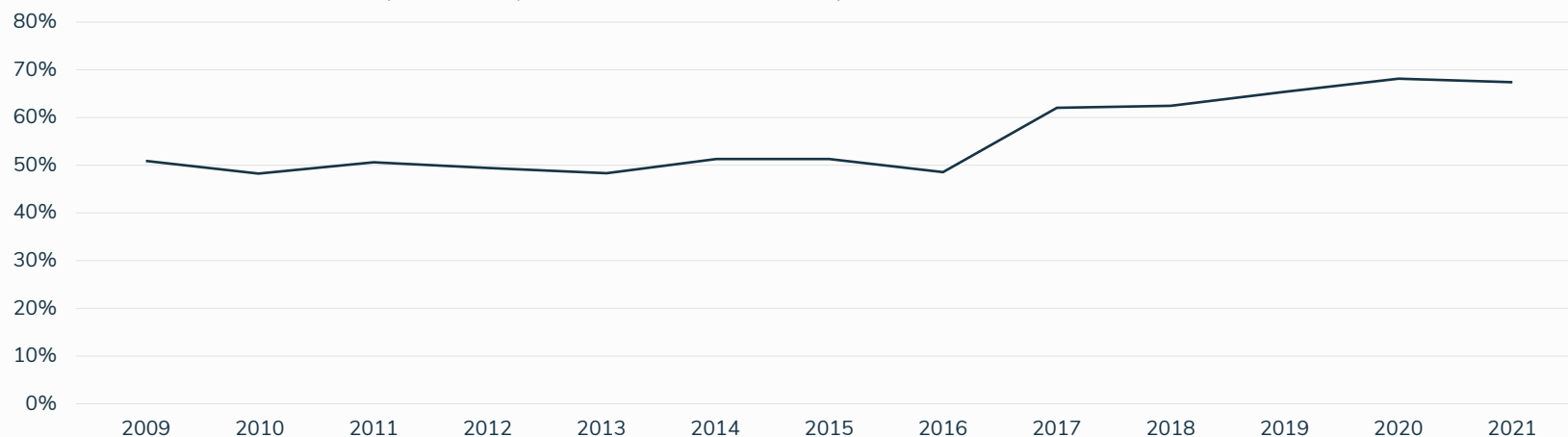
The most popular safe place for people in 2021 was with a neighbour. This has been the case consistently over the years.

Shoppers generally would like to be able to specify a particular safe-place or neighbour to leave parcels with if they are not at home, but opinions on the use of the delivery agent's discretion to keep parcels safe has wavered, dropping after last year.

Graph XIX: Would you like to be able to specify a particular safe-place / neighbour at time of order or are you happy for the delivery agent to use their discretion at time of delivery?



Graph XVIII: Do you have somewhere safe that parcels can be left when no one is home

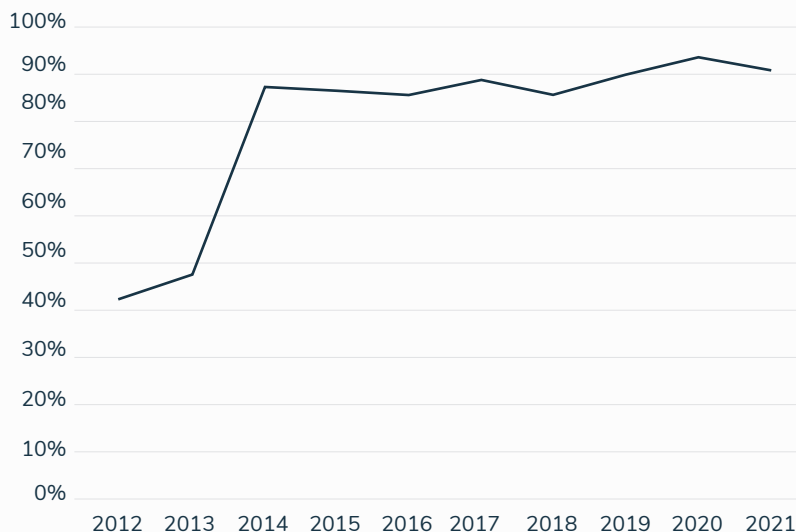


## Delivery Performance

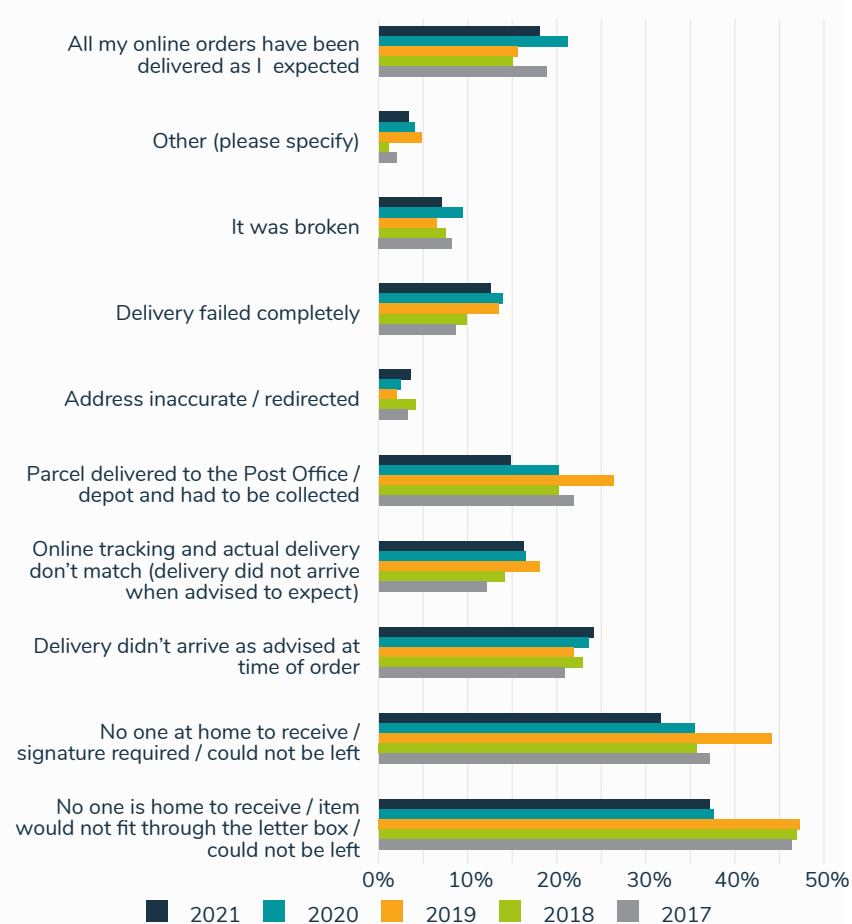
Since 2012, customers have been receiving almost consistently more successful deliveries, with a rising number delivered on the first day. This success rate has dropped slightly, by 3%, from 2020 to 2021, which is a minor change considering the delays and problems with HGV drivers, but a decrease nonetheless.

In 2021, 90.8% of customers said that online orders shipped to their house were typically delivered on time and successfully: a promising rate. 5.6% more men than women answered that someone was usually home to collect their delivery.

(Graph XX) In your experience, are online orders for your household typically delivered successfully on the first attempt / expected day?



Graph XXI: If orders have not been delivered to your expectation, what have been the most common reasons?



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The predominant reason for reported delivery failures over the years, is that the customer was not at home to receive the goods. This was still the case in 2021, as it remained the leading factor, which begs the question of what an alternative option would be when the house is unoccupied. We seek to explore this dilemma on the next page.

Another reason that parcels were often undelivered, was due to the item arriving at a different time to that specified by the retailer, which came in at 24%, compared to 36.7% complaining that no one was home to receive the order. This number has decreased significantly since 2019 though, reflective of our more home-bound lives after the lockdowns.

Most shoppers say they have to travel between one and five miles to collect their parcel if their delivery fails, which typically takes up to 30 minutes. Getting delivery right the first time is clearly more convenient for the customer, avoids unnecessary traffic on the roads, and prevents adding extra layers of administration to the fulfilment process.



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## Delivery Information

Updating customers about delivery is essential, with 89% of people seeking information on the progress of their delivery. Failed delivery notifications and dispatch date/tracking are the most sought-after details, as they're vital for keeping your customer in the loop.

Whilst people used to favour email as their preferred method of communication, regarding the delivery status of their order, 45.6% of people now prefer SMS compared to the 39.1% of people who prefer email. Tracking apps or individual retail websites have fallen out of favour, which suggests that shoppers want the information sent to them, rather than going and seeking it themselves.

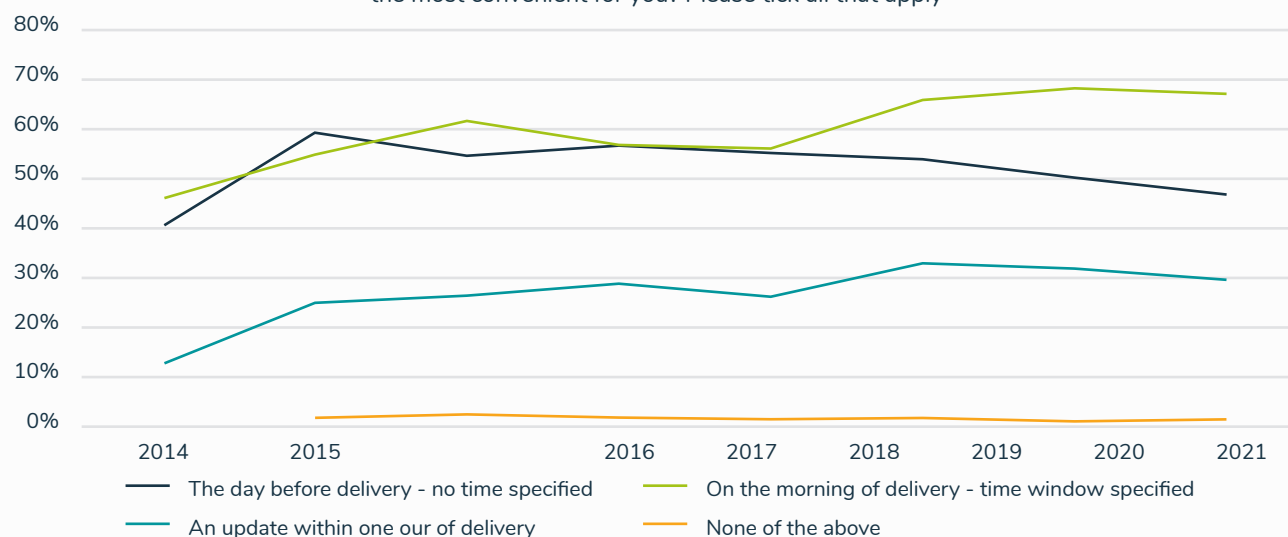
The ideal way for a consumer to receive updates, according to our research, is to send out a delivery message via SMS on the morning of the day the parcel is due, accompanied by a specific time slot (though sending customers SMS messages should be done sparingly as overuse could be annoying).

Some 40.3% of respondents to the survey said they would, or might, be willing to pay a small fee (10p) for more specific delivery information, which could be a motivation for carriers and retailers to provide it.

### Thoughts From nShift

*"Having the right delivery management system in place can help retailers track how their carriers are performing. It can provide information such as who delivers on time, or too late."*

Graph XXII: When receiving pre-delivery alerts, of the following options, which would be the most convenient for you? Please tick all that apply



## Alternative Delivery Points & Click & Collect Solutions

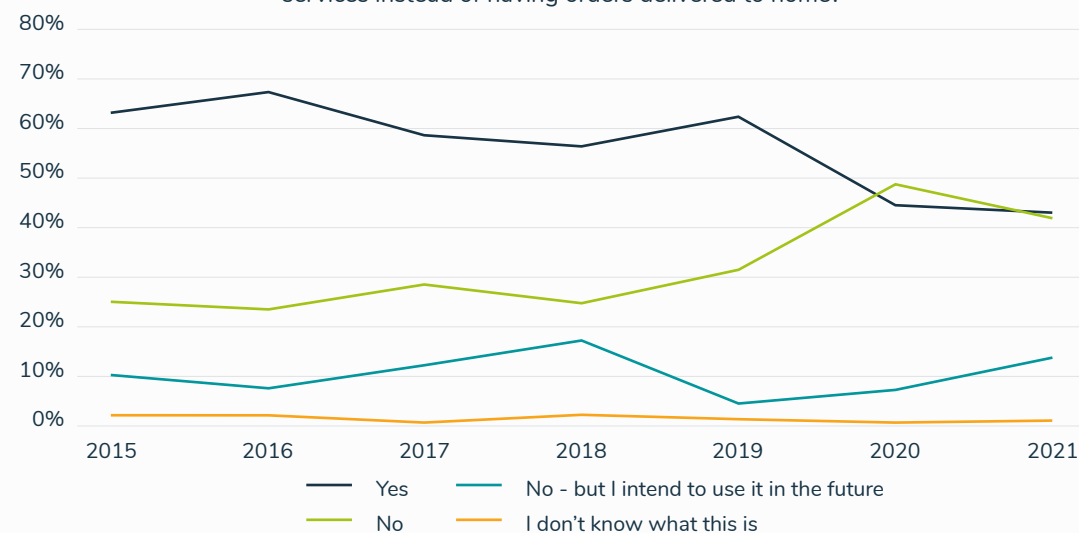
The attitude towards Click & Collect has seen some changes over the past few years, as whilst it may be useful, it's also experienced an obvious drop in usage during the pandemic. More people had not used Click & Collect than had used the system in 2020, which has now almost evened out in 2021. Around half of respondents would be willing to travel two to five miles to collect an order, but very few would travel over that distance.

Whilst Click & Collect has seen an overall decline, it has proved popular within particular areas, as companies such as Toolstation, Currys PC World, Dunelm and B&Q are all examples of retailers that have rolled-out drive-through options and Click & Collect. As of this year, Screwfix have furthered this speedy delivery idea, by launching on the platform Deliveroo.

### Thoughts From nShift

"With the pandemic encouraging people to stay indoors, the popularity of click & collect as a delivery option has decreased from previous years. However, click & collect shouldn't be neglected by retailers when offering alternative delivering options simply because it can be promoted as a free and sustainable option. For the retailers who have a physical store, offering click & collect provides a golden opportunity to drive store footfall and enhance the buying experience through relevant upselling and convenient return options in store."

Graph XXIII: Have you, or those in your household, ever used Click & Collect services instead of having orders delivered to home?



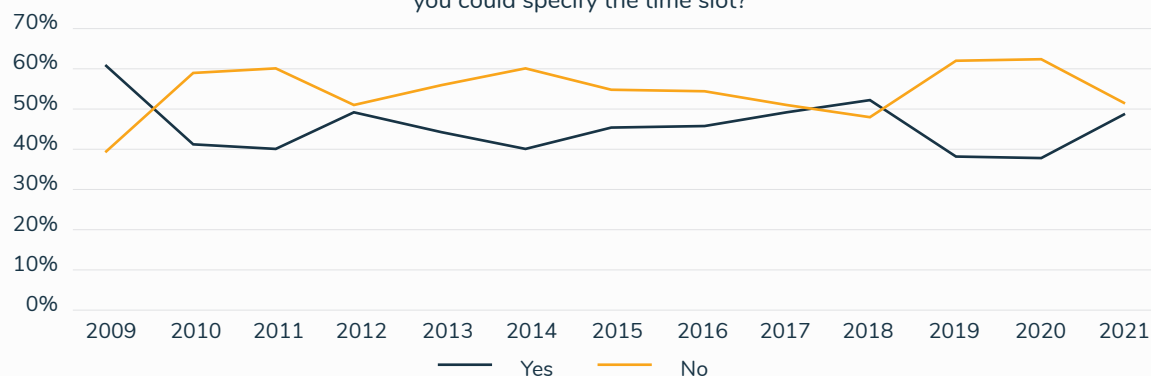


## Premium Services

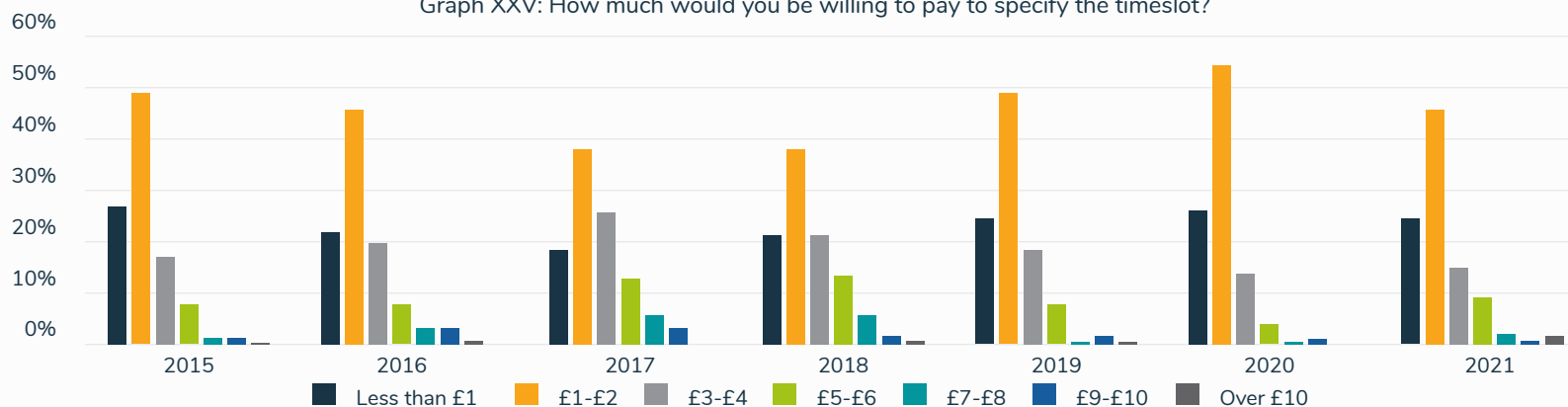
There are fewer shoppers who said they were willing to pay for a specific delivery slot than ever before in 2020, however, we've seen a positive increase in this number in 2021, as 48.1% of people said they would now pay a fee for the choice.

Two-hour timeslots would be the most favoured option if people could choose a specific one, with 47.4% opting for two hours and 21.6% wanting a one-hour slot. Of those willing to do so, the majority would pay between £1-2 for such a service, as has been the case since 2015.

Graph XXIV: Would you be happy to pay for a delivery service where you could specify the time slot?



Graph XXV: How much would you be willing to pay to specify the timeslot?



## Signature On Delivery

Would shoppers be willing to have their online ordered goods, even valuable ones, left without a signature at their own risk? The answer to that is “sometimes”, although very few would be generally happy with this situation. For a lot of people, it would depend on individual circumstances at the time, and their trust in the brand.

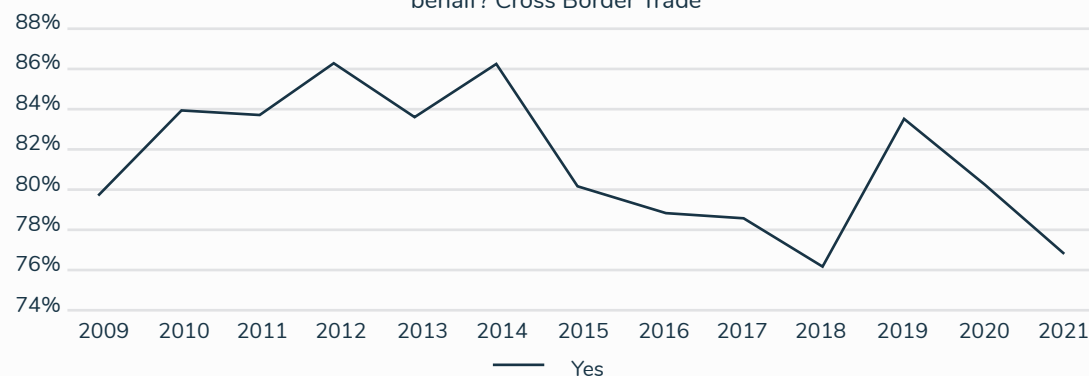
Ultimately, people are looking for choice – so it would seem constructive for retailers and brands to offer multiple options at the point of delivery.

Cross-border trade has been in the limelight, ever since the Brexit vote back in 2016, as the repercussions of the decision continue to impact trade and deliveries even now, in 2021. Unexpected charges were only part of the problem back in 2020, as now supply chain issues and HGV driver shortages have caused issues for retailers and shoppers alike.

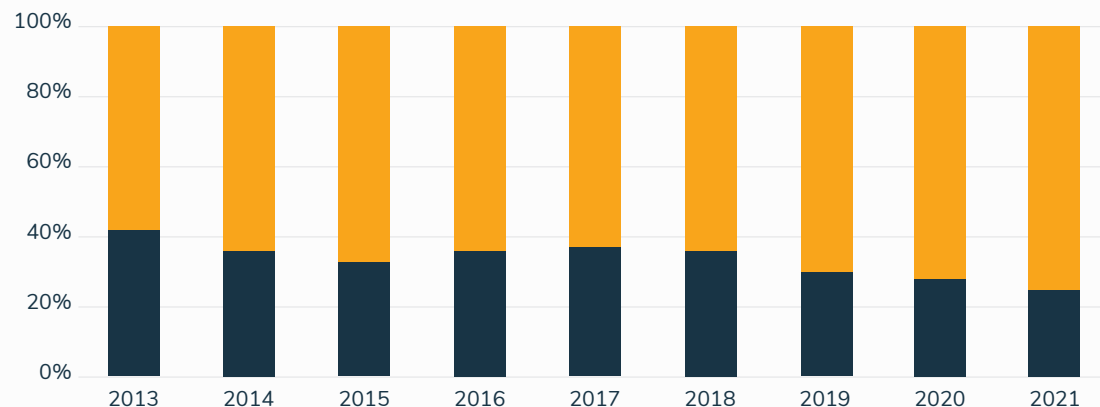
The number buying products from non-UK website continues to fall, as it sits at an all-time low of 26.6% in 2021. Attitudes to cross-border trade have become increasingly complex, with unexpected delivery charges, difficulty and expenses when it comes to shipping.

60% of shoppers said they had ordered from an overseas website before, as the UK population is heavily reliant on goods produced in Asia.

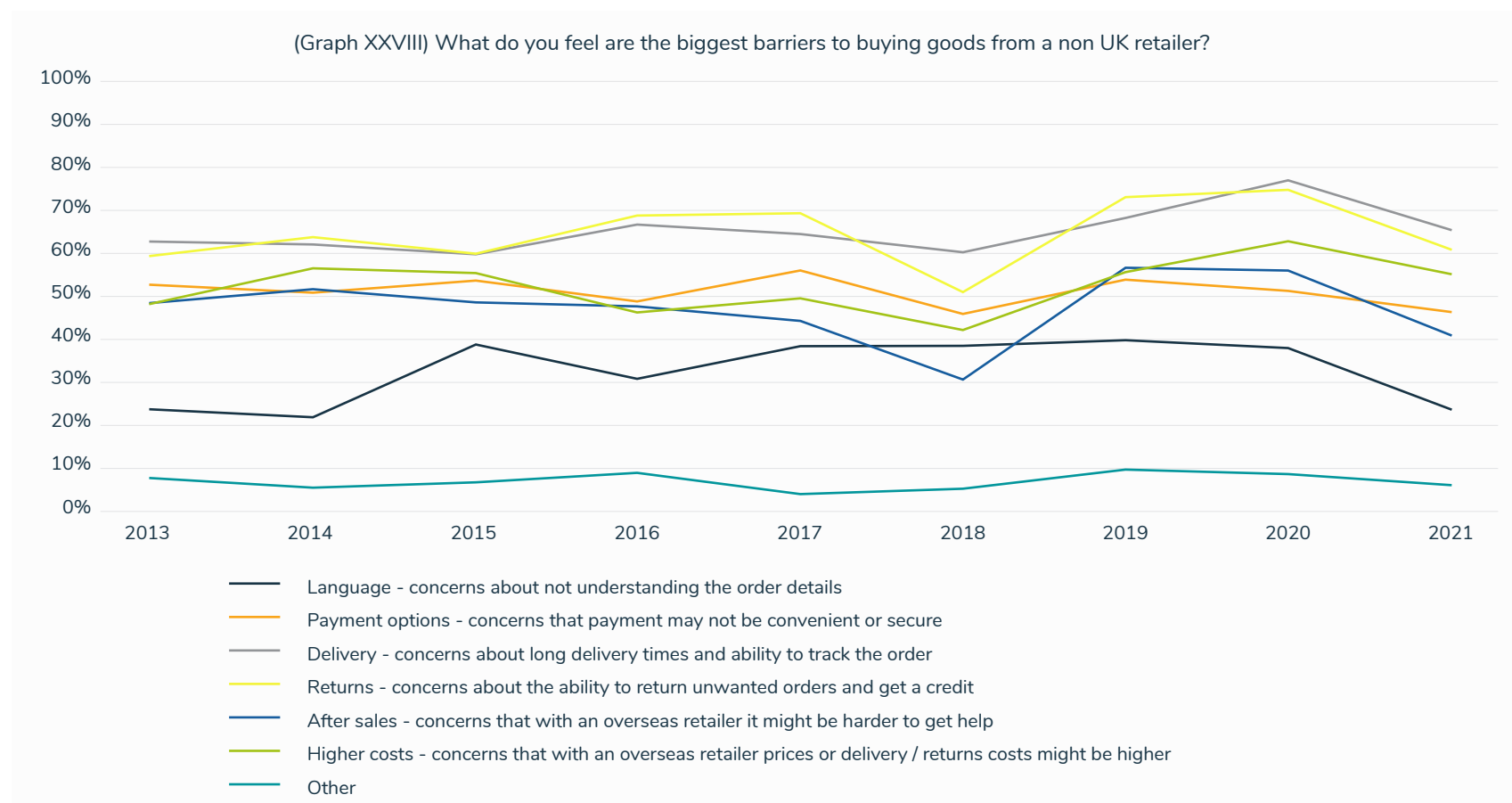
Graph XXVI: Would you be happy for a neighbour to sign on your behalf? Cross Border Trade



Graph XXVII: Would you ever consider buying goods from a non UK website in the next 12 months?



The biggest perceived barriers to frequently shopping from non-UK markets was because of concerns over delivery time and returns options, as many customers seemed to believe that buying from abroad was more hassle than it was worth, particularly in a post-Brexit climate.



## Returns

Over the years, shoppers have consistently rated the confirmation of receipt by the retailer as the most important factor in making the whole returns process more convenient, as shown in chart XXIX. Shoppers who send back items for refunds are worried about getting their money back, therefore they don't want the uncertainty of the whereabouts of their goods.

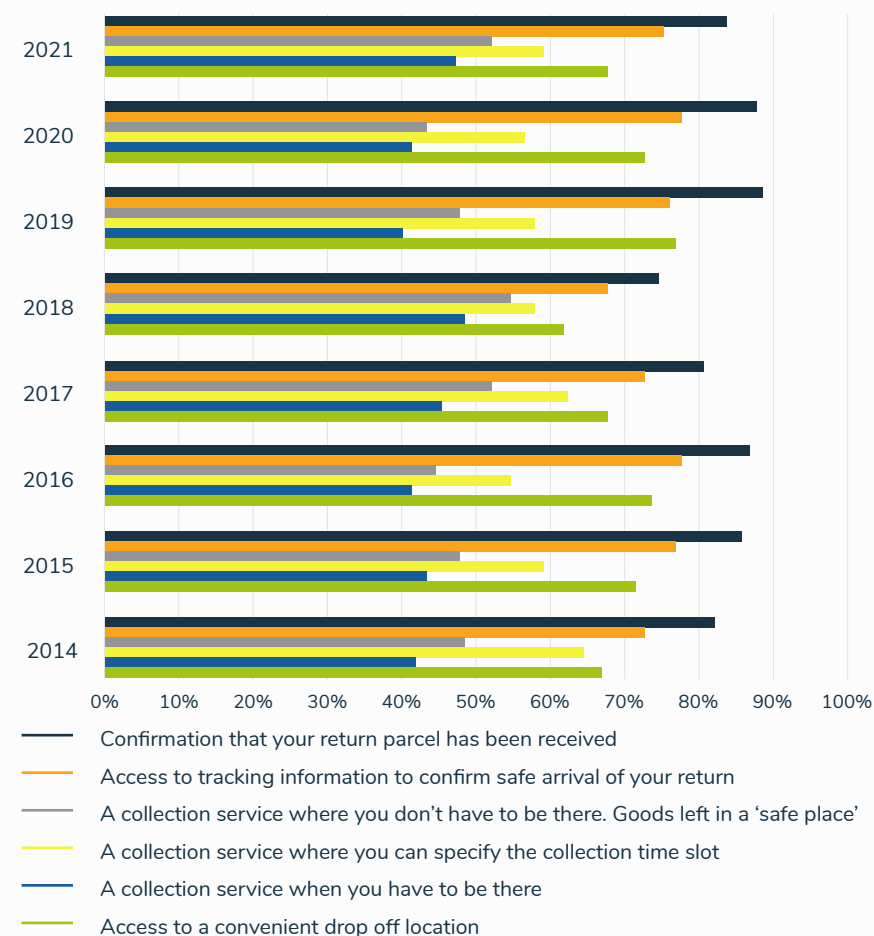
Back in 2020, the Post Office wasn't the preferred option for distributing returns, as customers would prefer the return was collected from them directly. This is likely as a result of people's fears of going out, due to the virus. This trend disappeared as quickly as it came, as this year, people prefer going to the Post Office again. This suggests people feel may be starting to feel safer using stores for these purposes again too.

### Thoughts From nShift

"In 2020, nShift returns data shows that more than 30% of all purchases ended up as returns. And from experience, we know that returns are seen as a time-consuming, and expensive process that has negative impact on day-to-day operations for retailers.

To add to the frustration, consumers are becoming more aware of their options and often put focus towards the returns process before browsing your products. Variables such as free returns are becoming important and can be the deciding factor whether a customer makes a purchase from you or one of your competitors. In fact, half of all online shoppers say they are ready to move on to another retailer if you charge for returns."

Graph XXIX: How important would the following aspects be in making a returns service more convenient for you?

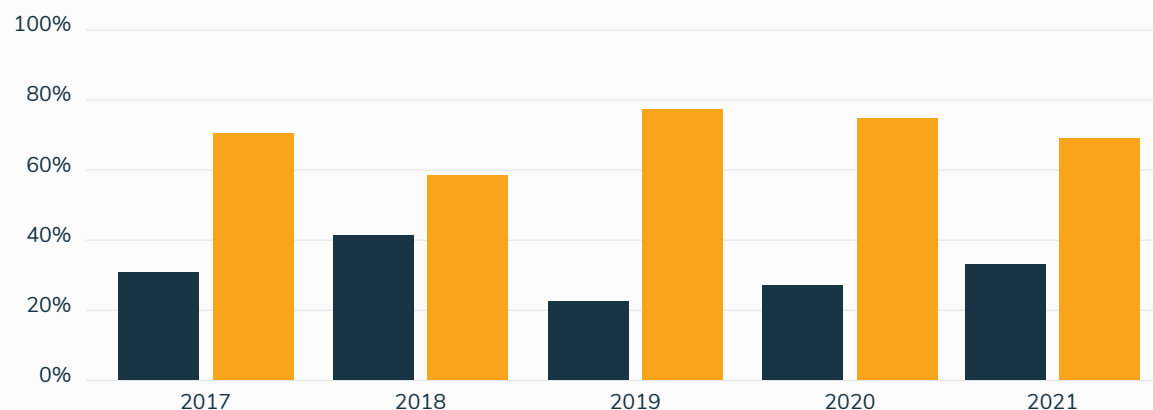


Despite the many retailers that now offer online returns portals, and paperless options, shoppers still prefer the ease of a returns slip, which is contradictory to the current trend of sustainable packaging.

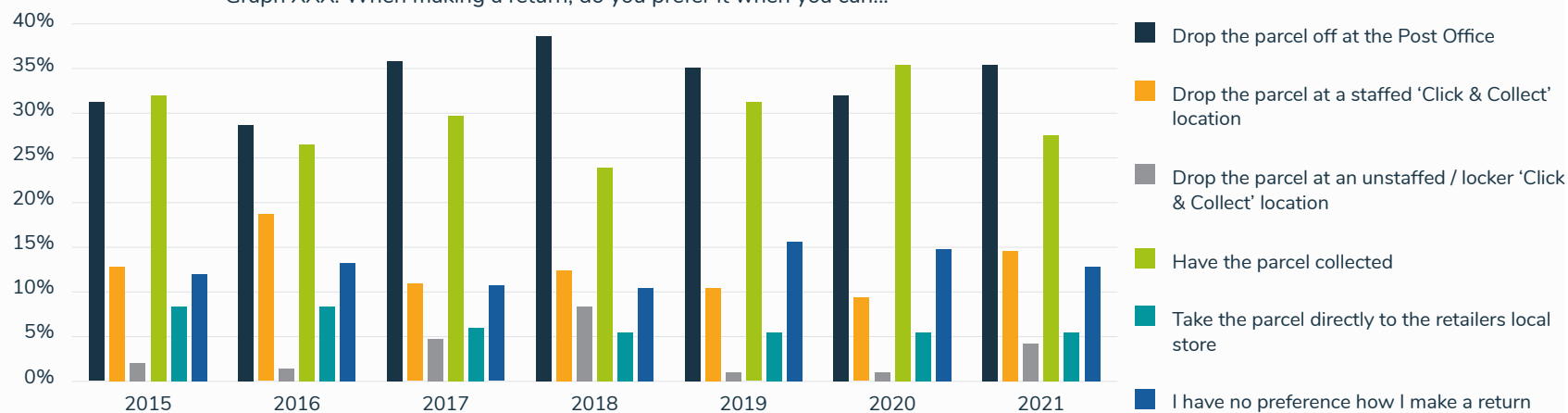
This could change as environmental concerns grow, however, customers aren't as happy to switch just yet. Many brands use online portals regardless.

Incentives to get customers to use returns portals can include a faster return of credit, and quicker replacement of items. There are many benefits to digitalising the returns process.

Graph XXXI: When making a return which of the following offers the greatest convenience?



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



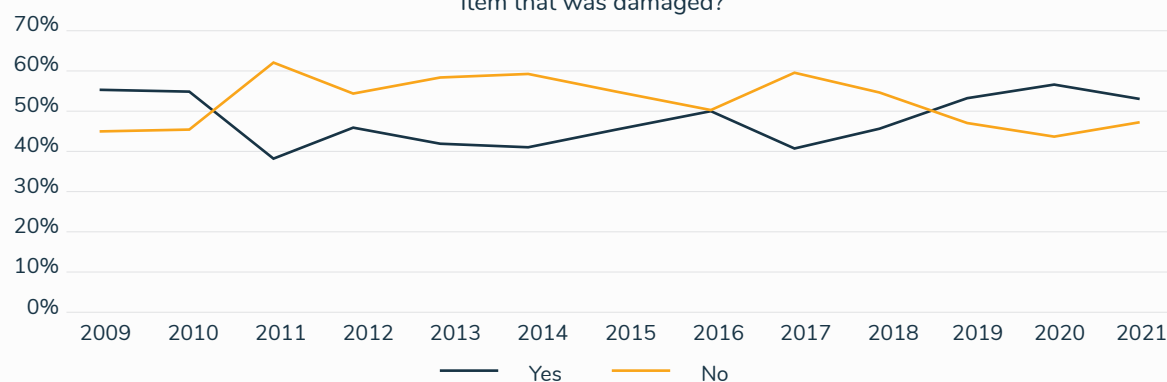
## Packaging Damage

The perception among customers, that they received damaged packaging in 2021, was similar to its level in 2018, before the pandemic. This meant that, for the third successive year, over 50% of respondents believed they had received tarnished goods.

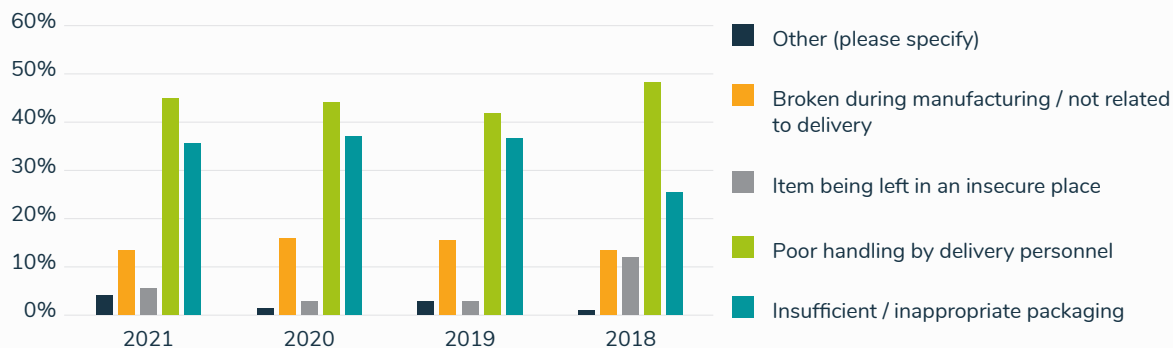
Inevitably, as more goods are shipped online and a greater volume of customers use ecommerce, there will be an increase in shoppers experiencing damaged parcels. Poor handling by delivery personnel was cited as the main reason for damage (from customer perception at least), which could be as a result of pressure placed on the delivery staff to complete more jobs throughout their day.

Since 2017, there has been a steady increase in the number of respondents saying they received parcels with inappropriate packaging, which was down against last year for the first time in 2021 (39.1%). The majority of those with complaints said it was because packaging was too big for the contained item, often as retailers fail to pack something safely, and compactly.

Graph XXXII: Have you or anyone in your household ever received an item that was damaged?



Graph XXXIII: In Your Opinion, Why Did The Damage Occur?





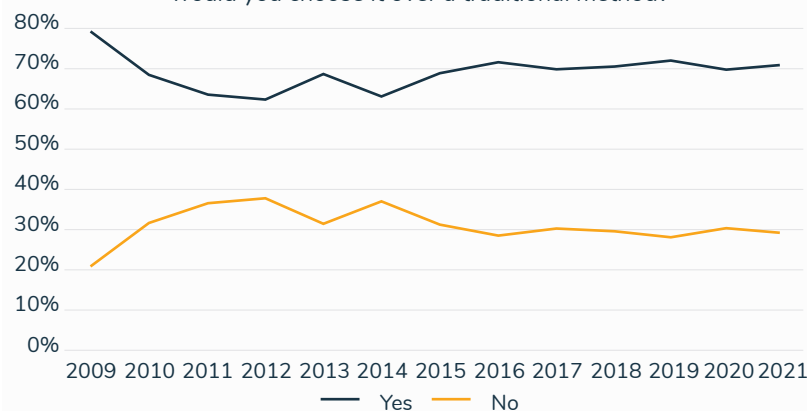
## Environmental Matters

Ten years ago, there was a strong perception that shopping online was more environmentally friendly than on the high street. The logic was multiple individual car journeys into town centres had a larger carbon footprint than consolidated home deliveries.

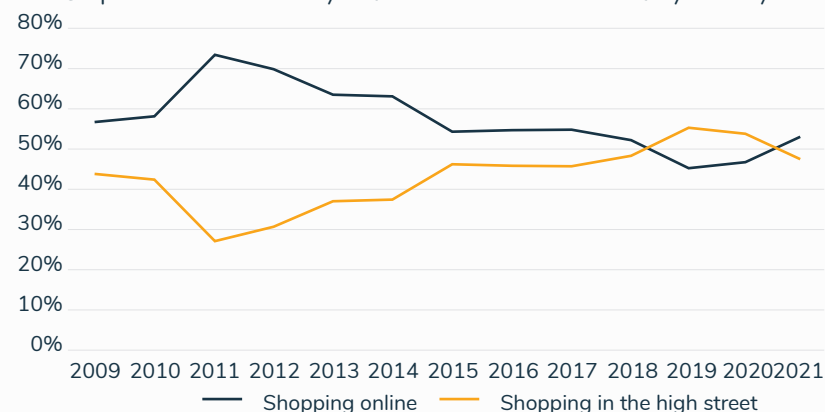
But with an exponential increase in the ecommerce business, the perception has changed. Online retail was generally deemed less environmentally friendly than high street shopping for the last three years, which changed in 2021, as online once again took the majority (53%).

Shoppers say they would choose carbon-friendly fulfilment over a traditional method, but there is no indication they would be more willing to pay more for it.

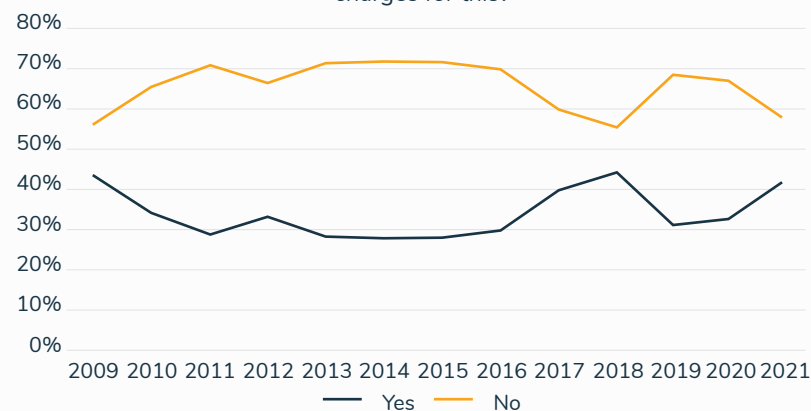
Graph XXXV: If a carbon-friendly delivery alternative was available, would you choose it over a traditional method?



Graph XXXIV: Which do you think is more environmentally friendly?



Graph XXXVI: Would you be prepared to pay more in delivery charges for this?



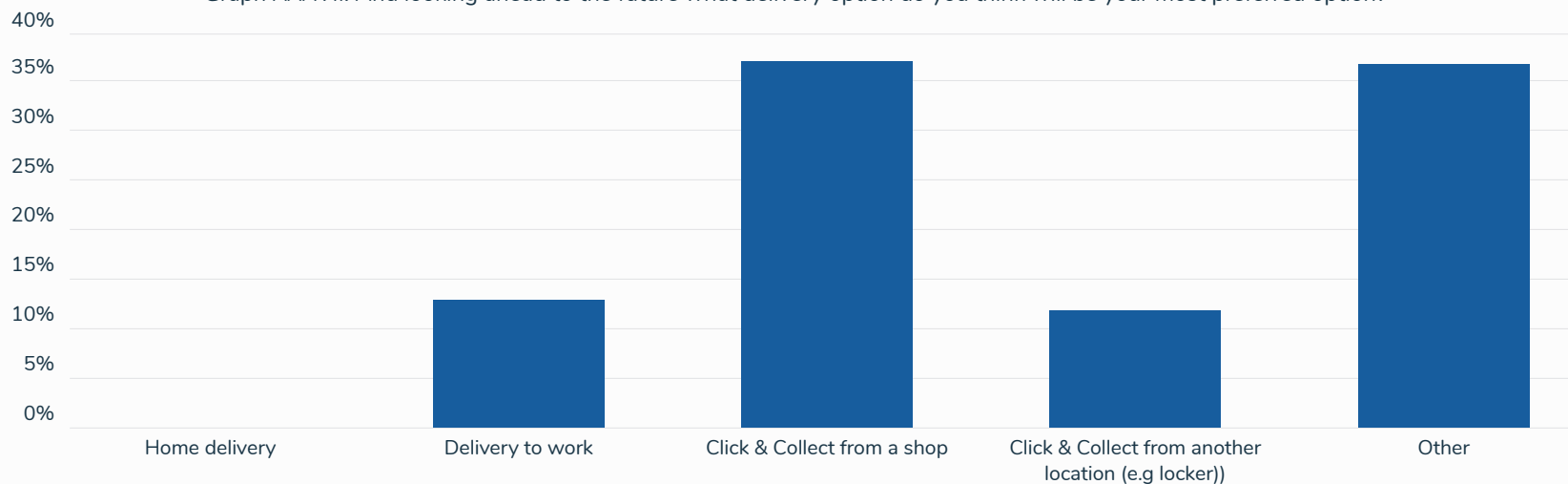
## Innovation: Looking to The Future

Looking to the future of online delivery trends, each year we add questions to gauge attitudes towards alternative fulfilment. 30.7% of the people surveyed said that they could like their deliveries in the future sent to a location listed as 'other', not their home or work.

TFL is running a programme to open new collection lockers across London, meaning people now have the option to collect on the go, despite the remaining preference being deliveries to home. With current demand for quick deliveries, sometimes in under an hour, it is thought that we could see a boom in the number of retailers now offering bike-delivered goods within a matter of minutes, from a variety of stores.

Innovation is needed in fulfilment, in order to keep ahead of the trends, and deliver to customers, despite the current hybrid set up of in-person, and online.

Graph XXXVII: And looking ahead to the future what delivery option do you think will be your most preferred option?



## Conclusion

Retailers have held up against the odds in 2021, as has overall satisfaction with the delivery of online goods. With the need to meet growing demand, and a lack of HGV drivers, it's a wonder that customers are as satisfied as they are, yet the general sentiment remains positive.

With many retailers adapting their strategies very rapidly in 2020, after the outbreak of COVID-19, it's interesting to see how they have bounced back, and continued to develop the ecommerce sector as physical shops reopen. It's been a pivotal two years of changes in shopper behaviour.

Over the course of 13 years, we've tracked that people continually expect more and more from their delivery services, as now the focus seems to be switching toward fast, same-day delivery, or even same-hour delivery. There's been a growing push for multiple delivery options, for a low price, and more information about parcel progress.

Whilst many people have returned to the office after the lockdowns, generally people prefer to stay at home, and receive deliveries to their house. It has consistently been the most popular option, although some people are returning to deliveries at work, as life opens up a bit.

So what key trends have we noticed? The growing popularity of sustainable delivery, despite a lack of desire to pay for it; increased demand for faster delivery; higher expectations from customers, to keep their satisfactions levels up. It is crucial for retailers to stay ahead of the curve, as demand increases, for smoother and faster deliveries, despite growing concerns with trade deals and shortages. In looking to the future, we can conclude that it is vital to offer customers the most seamless delivery experience possible, in order to retain their loyalty during these challenging times.



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### nShift

Established in 2021, nShift is the global leading provider of cloud delivery management solutions, enabling the frictionless shipment and return of almost 1 billion shipments across 190 countries. nShift's software is used globally by e-commerce, retail, manufacturing and 3PL shippers. The company is headquartered in London, has over 490 employees and is a merger of five companies: Unifaun, Consignor, Transsmart, Returnado and Webshipper.

[www.nshift.com](http://www.nshift.com)

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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.

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