



The UK
Ecommerce
Association

IMRG + Huboo

Consumer Home Delivery Review 2022/23

www.imrg.org



Contents

Meet The Experts	3
Methodology	4
Executive Summary	5
Overall Perception, Satisfaction & Loyalty	7
Post-Pandemic Landscape: What's New?	10
Black Friday	14
Delivery, Destination & Location	15
Specified Safe Place & Neighbours	17
Delivery Performance	19
Delivery Information	21
Signature On Delivery	24
Alternative Delivery Points & Click & Collect Services	26
Premium Services	28
Cross Border Trade	30
Returns	32
Packaging Damage	36
Environmental Matters	38
Looking To The Future	40
Conclusion	41
Contact	42

Meet The Experts

IMRG

“We’re delighted to welcome you to IMRG’s UK Consumer Home Delivery Review 2022/23. Our survey tracks the level of customer satisfaction and expectation regarding online delivery. Now in its 14th 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 14 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 more than 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 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.

Huboo

“It’s been a tricky year for ecommerce, but brands need to move out of survival mode if they are to flourish in the current market conditions. Those that are agile and responsive to changing consumer habits will be best placed to outflank their rivals and win market share.”

“We’re pleased to be sponsoring IMRG’s UK Consumer Home Delivery Review and hope that the learnings contained within this report will help ambitious ecommerce brands chart a pathway towards sustained growth over the next twelve months.”

Huboo is a global ecommerce fulfilment partner that combines great people, smart technology, and deep industry expertise to enable businesses to grow. We take your stock, store it, pick, pack, and deliver it to your customers everywhere. In just a few simple steps, your business will be able to reach new audiences and enter new territories, all while cutting costs and saving time. This means that you can focus on what you enjoy the most, with peace of mind that we’re taking care of your entire fulfilment process.



Ben Sillitoe, Retail Journalist & Content Contributor at **IMRG**



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



Martin Bysh, CEO & Co-Founder at **Huboo**

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, to ensure that we capture consumer opinion of more recent developments. 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. The survey was completed between December 2022 - January 2023, based upon 1,000 UK respondents.



Executive Summary

UK online retail sales fell -10.5% year on year in 2022, and it was a year of disruption in terms of delivery.

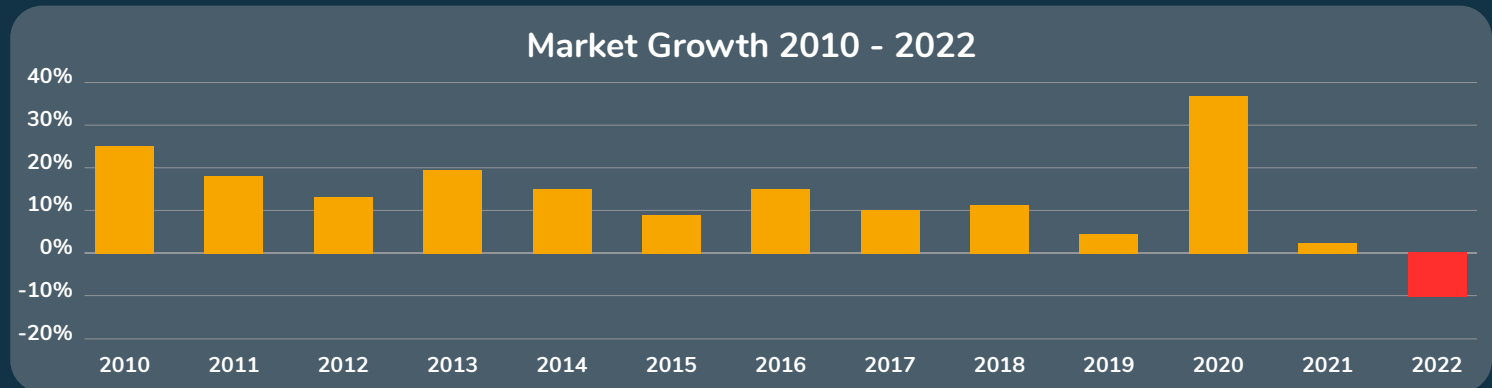
Early in 2022, the industry experienced supply chain problems left over from two years of Covid-19-influenced disruption. Although this eased as the year went on, industrial action in the delivery network

during the second half of 2022 and in peak period meant some retailers were unable to stick to their fulfilment promises, causing consumer concern. The IMRG Online Retail Sales Index reported particularly stagnant sales in the usually robust week commencing 18 December owing to delivery disruption – and individual retailers have cited delivery network issues for falling sales.

It appears there is rarely a smooth or predictable year in ecommerce and delivery, and there is certainly huge uncertainty as we kick off 2023 in the midst of a cost-of-living crisis that will prompt unusual consumer and business activity.

This year's Consumer Home Delivery Review is the second post-pandemic review, and despite the dip in sales in 2022, ecommerce is still a bigger proportion of sales than it was before Covid-19. As you'll see from the report below, several pandemic behaviours have stuck, for example more consumers now have dedicated places for carriers to leave parcels at home and there is still high demand and usage of delivery loyalty programmes.

In another sign consumers are increasingly confident about home delivery, our data shows people are happier for more expensive delivery items to be left without requiring a signature. Additionally, the larger windows for returning items offered to consumers at the height of the pandemic are still favoured now the health crisis has abated. Two years on, we are starting to gain confidence in labelling some of this evolution as long-term change influenced by the pandemic.



6 Consumer Home Delivery Review 2022/23

[Back To Contents](#)

Perhaps the headline statistic for the retail industry to consider from this year's review is that consumers' perception of delivery services remains positive. Although no retailer should rest on their laurels and the survey shows many areas where significant improvements can be made, the industry deserves credit for keeping shoppers relatively happy with delivery in what have been seriously challenging times.

It is perhaps no surprise consumers still want more communication from retailers and carriers during the delivery process, and they want flexibility and to feel in control. These should be the fundamental guiding principles for the sector going into 2023, as they have arguably been since the advent of online retail.

Our research provides an exceptional benchmark for the general sentiment at the current moment, but it is essential to understand that while we have measured customer perception, it may not always correlate with the actual behaviour of the customer. Also, while the majority of consumers may seem happy, even small groups of disgruntled customers can impact a business's reputation and change the direction of travel quickly.

Reading through the following pages it is worth considering that, 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 to provide a comprehensive body of evidence retailers can align their delivery propositions to. We're excited to share our 2022 insight with you.

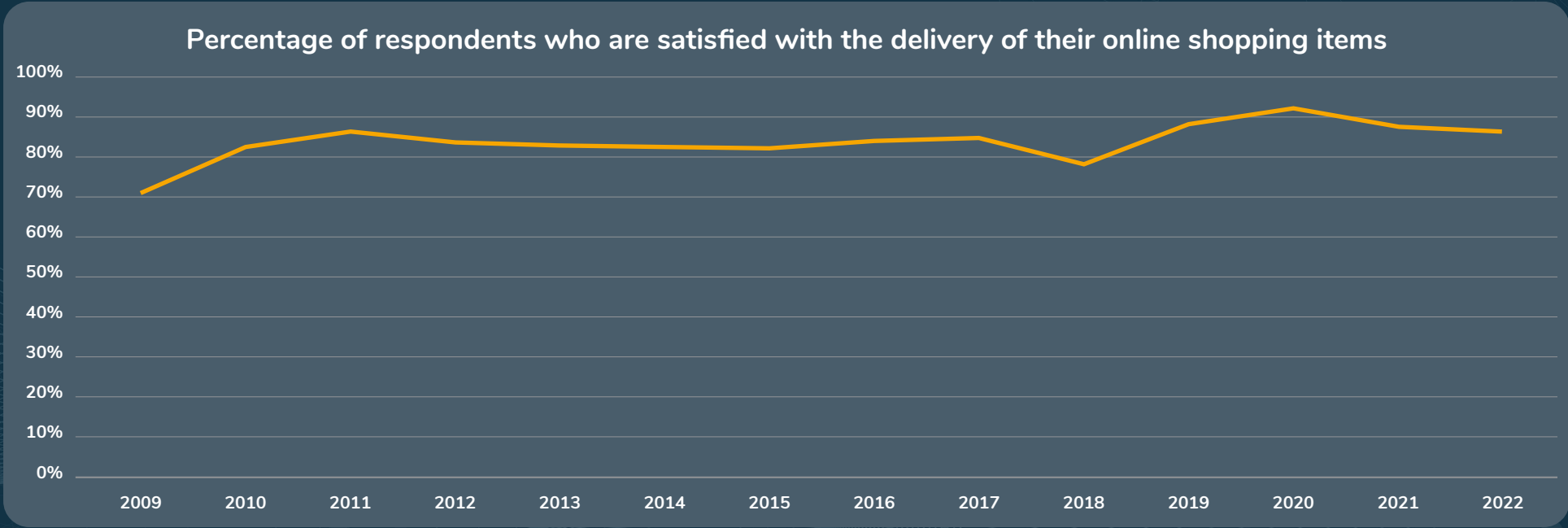
[Read on for our full findings.](#)



Overall Perception, Satisfaction & Loyalty

Last year we reported that the post-Covid-19 pandemic period, and the mass shipping and delivery issues that came with it, didn't dramatically change consumers' overall perception of the online delivery experience. And the continuing supply chain disruption, subsequent intermittent industrial action, and cost-of-living crisis in 2022 hasn't had a dramatic impact either.

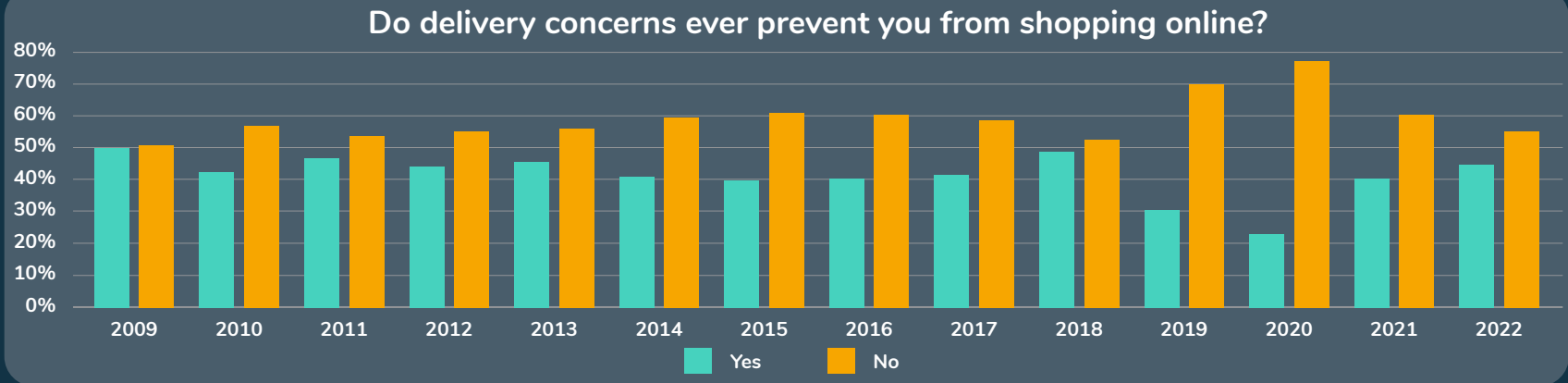
Our statistics show that for the second year running, overall satisfaction has dropped – and is 6 percentage points down on 2020's high when consumers appeared to be impressed with the delivery industry's performance in tricky circumstances at the height of the pandemic. But sentiment is relatively similar to pre-pandemic levels. It will be interesting to monitor this in the coming years, though, because it represents the first consecutive annual dip since 2015. We'd need to analyse a couple more years to judge if consumer perception of the sector is in ongoing decline.



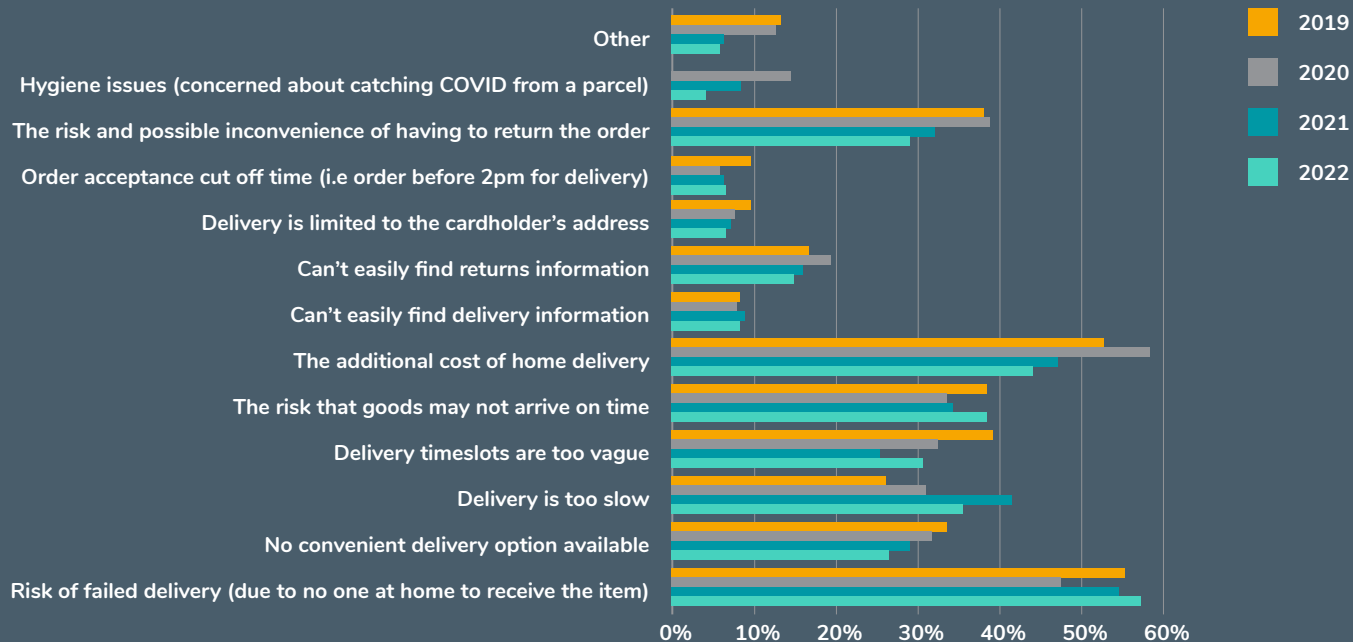
8 Consumer Home Delivery Review 2022/23

[Back To Contents](#)

Like last year, there has been a +4 percentage point increase in the number of people who have let online delivery concerns stop them from shopping online.



Why do delivery concerns sometimes prevent you and people in your household from shopping online?



For the last two years, the main factor given for preventing customers from shopping online was the risk no-one would be in to receive the parcel. When remote working became the norm in the pandemic it meant cost of home delivery became the main reason for abandoning a online checkout – it is the only time risk of failed delivery due to no-one being home has not been the main factor.

The quick return to old worries about online delivery success rates shows the pandemic has not alleviated this concern. Risk of failed delivery due to no one being at home remains the biggest off-putting factor at the checkout (56.8%).

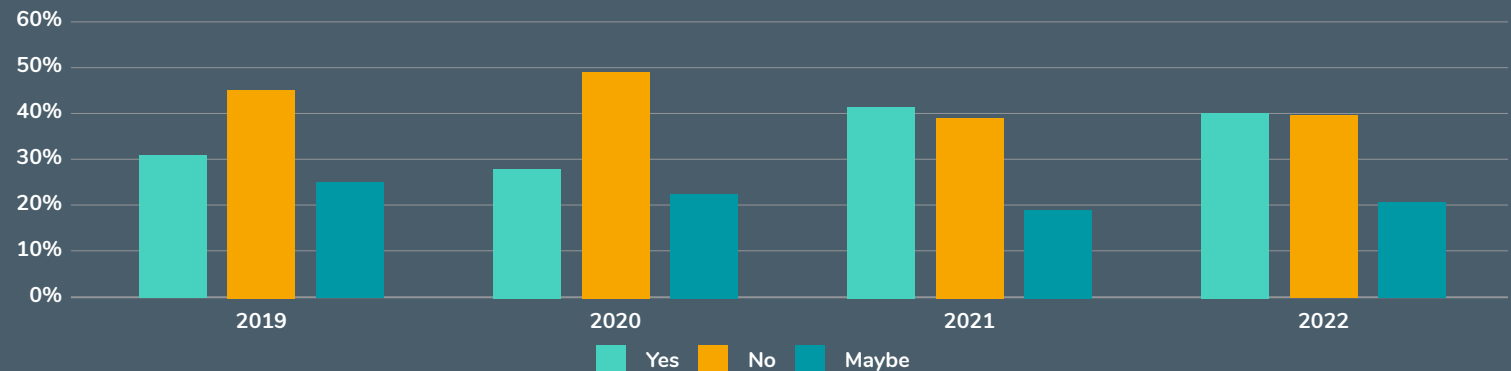
9 Consumer Home Delivery Review 2022/23

[Back To Contents](#)

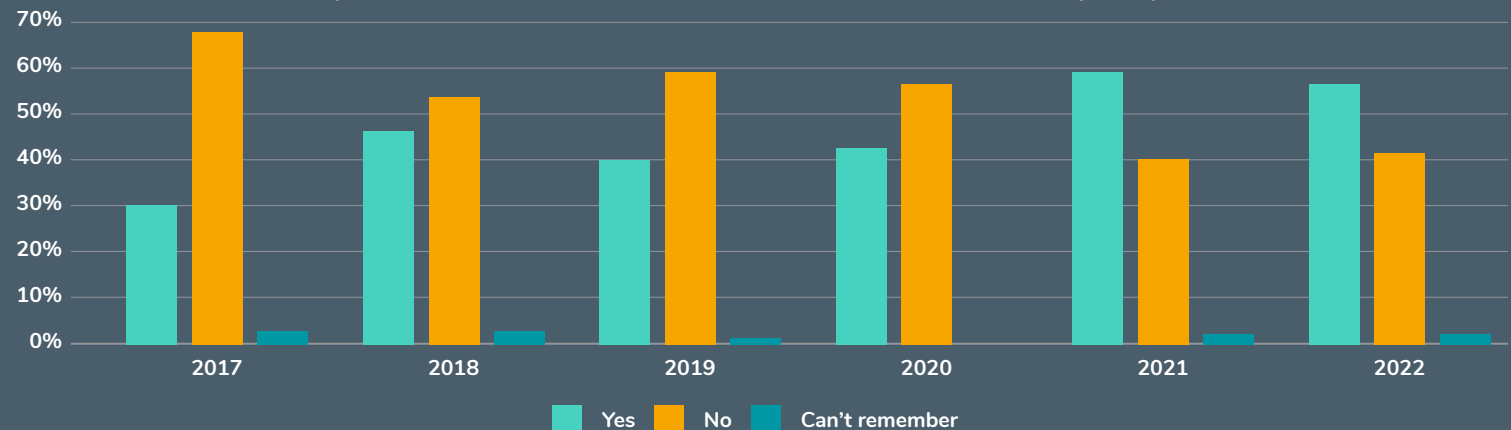
What people say about delivery service on social media or via reviews does have an impact. Some 40% of consumers said this has impacted their household's decision about making a purchase online, highlighting the importance of keeping consumers happy. Just one bad review about delivery can turn off a potential new customer.

Subscribers to delivery loyalty programmes such as Amazon Prime remain at record highs with just under 60% of respondents saying they have such accounts. This momentum from last year may have been maintained by other retailers, such as Hotel Chocolat, launching subscription-style propositions in recent times.

Has a customer review on a retailer's web site or social network comment (Facebook, Twitter, etc.) about a company's delivery service influenced your household's choice of retailer?



Are you a subscriber to a delivery loyalty programme (such as Amazon Prime, ASOS Premier Delivery etc)?



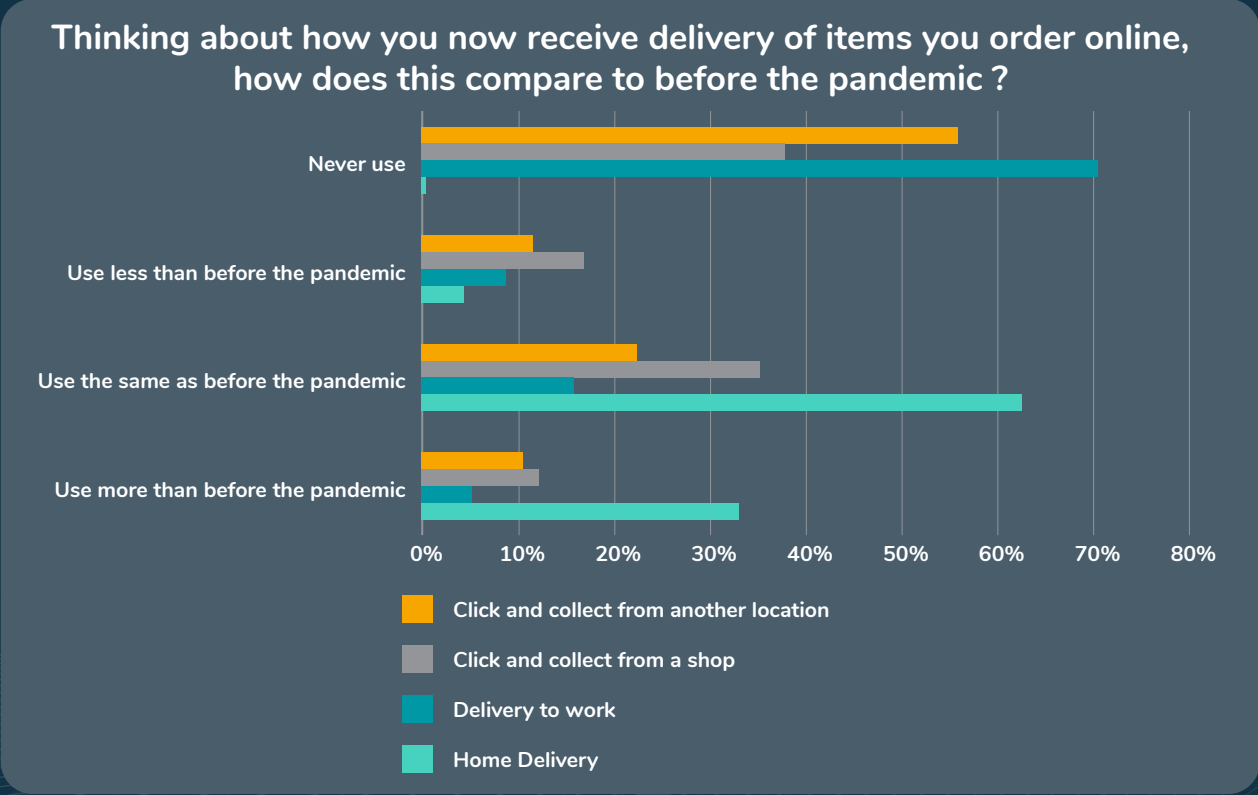
Post-Pandemic Landscape: What's New?

Every year, we make slight alterations to some questions in our survey in order to best reflect the current climate, and help us capture the moment.

Some of our fresh questions in 2021 focussed specifically on delivery behaviour and preferences in the pandemic, and in 2022 we made a few amends to gauge consumer sentiment in the immediate aftermath of the pandemic or what industry commentators might call “the new normal”.

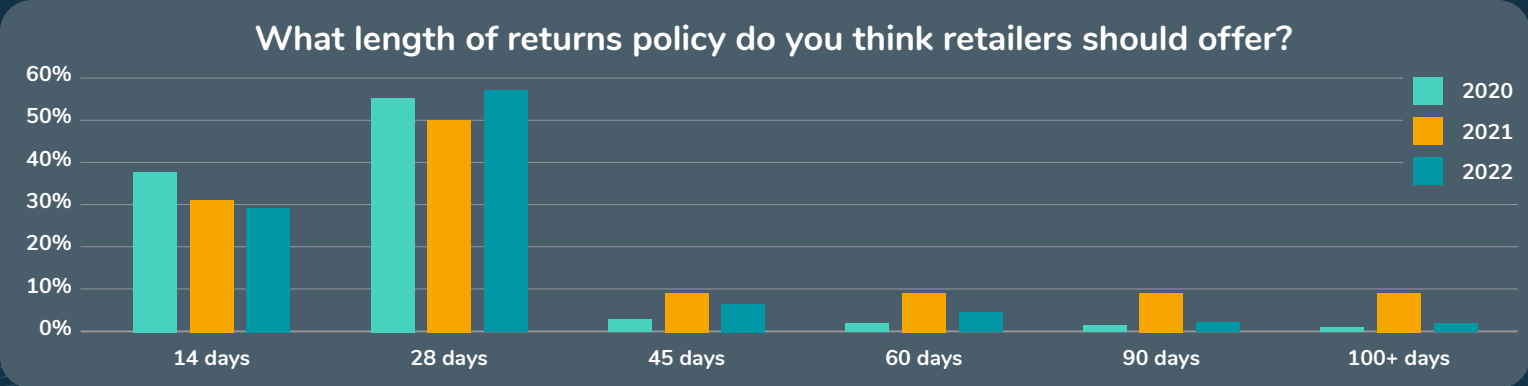
There do not appear to be any huge structural changes in terms of how consumers receive their delivery of items they purchase online since the pandemic. The so-called new normal is simply that more people use home delivery as an option than those who have reduced their usage of this service.

Old habits die hard as the adage goes, and the behaviours instilled in people when shops were shut and people could only procure goods via ecommerce during lockdowns have continued into the post-Covid-19 era. This jump in home delivery selection will also account for the significant number of consumers who never used ecommerce before Covid and have since added it to their shopping habits.



Other aspects of the delivery industry we've started to analyse since the pandemic include expectations around standard delivery times and the length of returns policies for items bought via ecommerce. It was interesting to see how these had changed because they evolved dramatically in lockdowns as the retail and carrier industry adapted to the new climate.

Three days or two days are the perceived standard delivery time, according to consumers, while 28 days is the expected returns window for the majority of respondents.

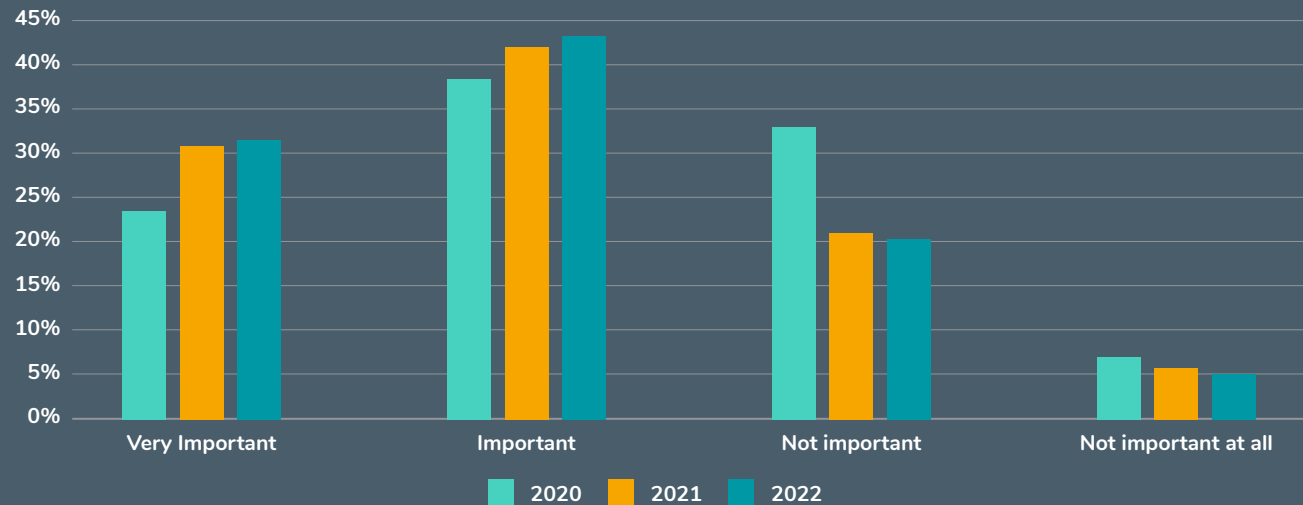


In lockdown, it was common practice for retailers to increase returns windows as a trigger to encourage people to make purchases but also as an acknowledgment that it wasn't as easy as usual for consumers to use all options available to them. It was a sign of retailers empathising with shoppers' situations, as well as an effort to reduce the workload of already burdened warehouse staff.

In the last two years, offering a returns window that is longer than the obligatory 14 days has become more and more important. This is arguably a sign that people have become used to what was offered in the pandemic and would prefer more time to make their final decisions over a product. It is perhaps indicative of a challenging economy too.

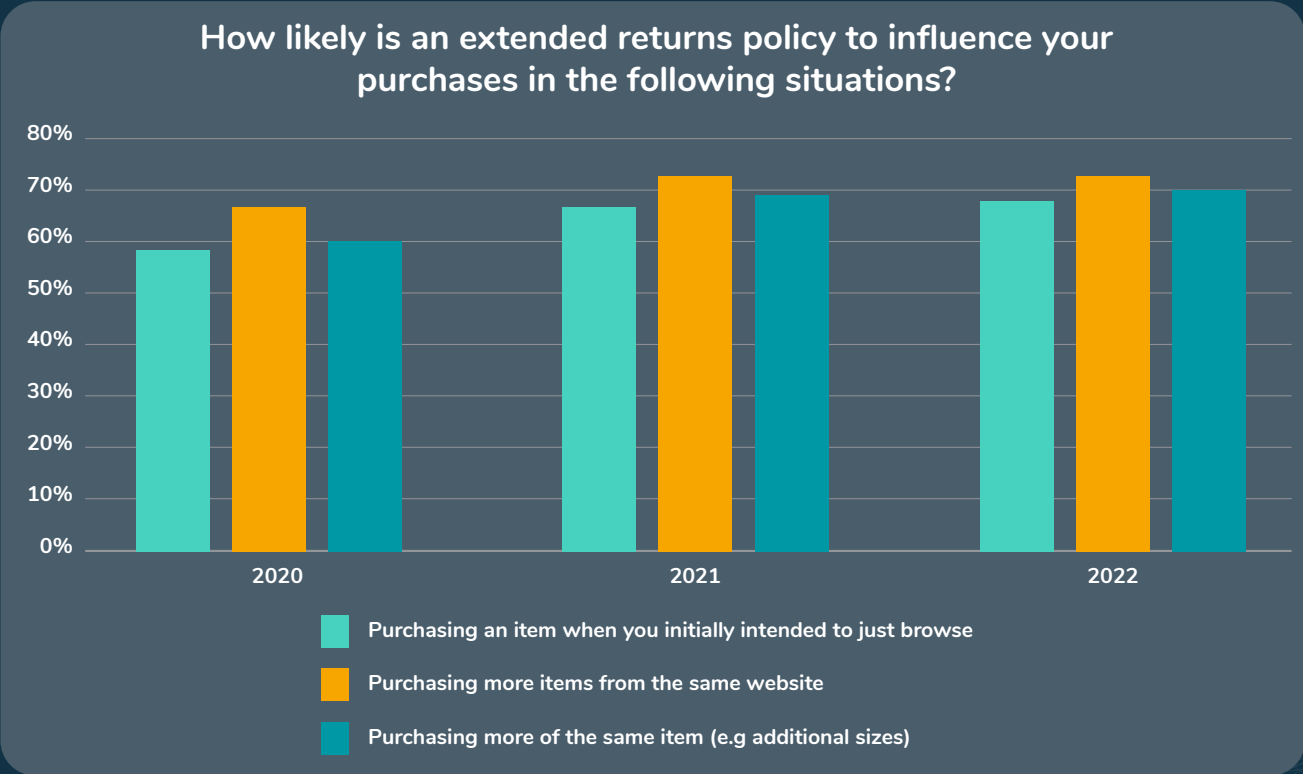
Asos said in the spring of 2022 that the cost-of-living crisis was having an impact on returns rates. With consumers suffering from a 'purchaser's regret' type situation, and deciding they should not have spent the money in the first place.

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?



Interestingly, this year's data suggests there is a potential commercial benefit to extending returns windows. For the third year in a row there was an increase in the number of respondents who said an extended returns window would likely prompt them to purchase something online when they originally only intended to browse the website. Larger returns window are also increasingly likely to convince people to buy more from the same website.

However, extended returns windows are also more likely to convince people to buy multiple versions of the same item. Retailers debating whether to extend their returns windows will need to balance the operational and environmental costs of stimulating a greater number of returns versus the likelihood of better sales – but it is interesting to see how such an offer continues to provoke new behaviours.



Black Friday

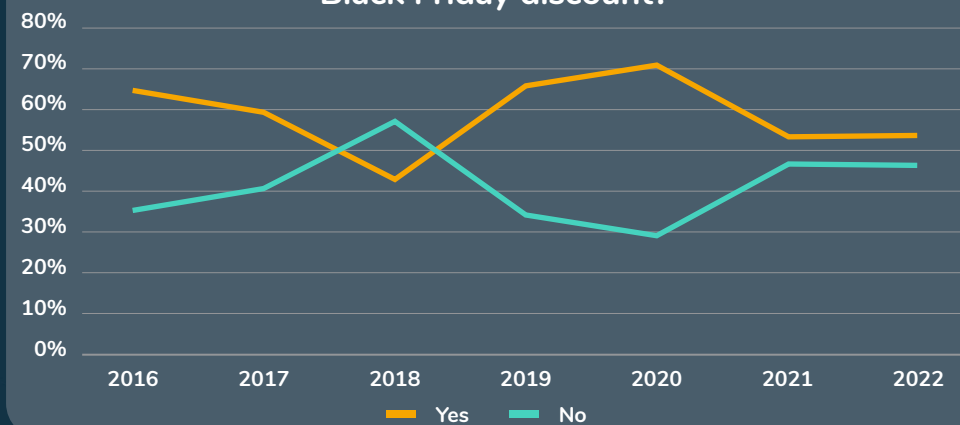
It was a unique Black Friday in 2022, with the annual mega-discounts day clashing with an unseasonal winter football World Cup. There were concerns going into the period that England's progress in the competition might detract people from what is a traditionally busy shopping period.

However, many retailers spoke of food and drink sales spikes, particularly snacks, as consumers stocked up supplies to watch the big games. Retailers such as Argos, reported bumper activity, as well. The Sainsbury's-owned general merchandise retailer said it experienced 15,000 orders per hour on the day itself, and suggested its Black Friday campaign stimulated significant technology sales during November which then held through to Christmas.

Unlike in the early years of Black Friday in the UK, website crashes and delivery problems were not an obvious issue in 2022. According to our research 46.2% of consumers have made an online purchase as a result of a Black Friday discount, while of those that have 82% said they were willing to accept a delay. Of those who have not been influenced to purchase by a Black Friday deal, only 14.5% said they would be prepared to pay an additional delivery premium to get their purchase more quickly.

This gives some extra weight to the theory that Black Friday is bringing Christmas shopping forward. Consumers simply see it as a great time to secure bargains for items that may already be on their shopping list, or for buying festive gifts.

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



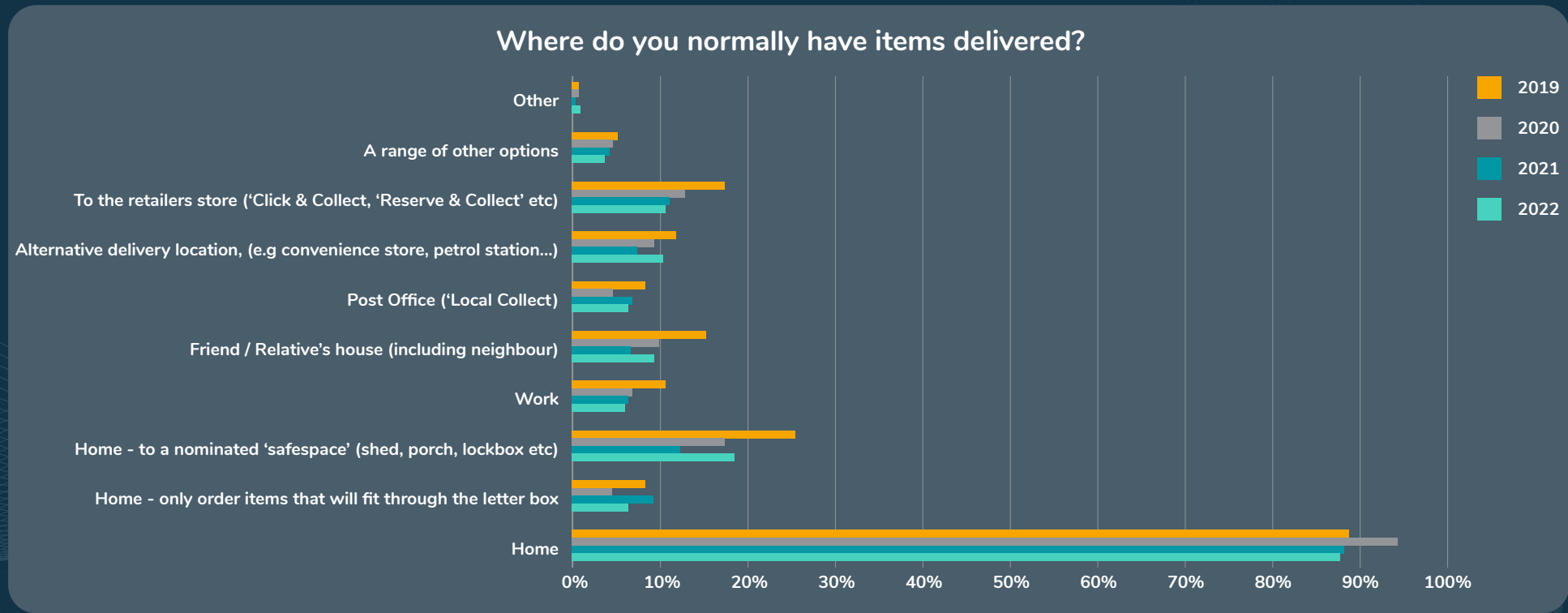
Huboo Comments:

"In the run-up to Black Friday 2022, our warehouses were more than twice as busy, on average, as they were during the first three quarters of the year, demonstrating the extent to which it remains one of the biggest sales events of the year. Of course, discounting puts pressure on ecommerce brands' margins, which is why it's so important that they look towards tech-enabled fulfilment solutions that keep their distribution costs as low as possible."

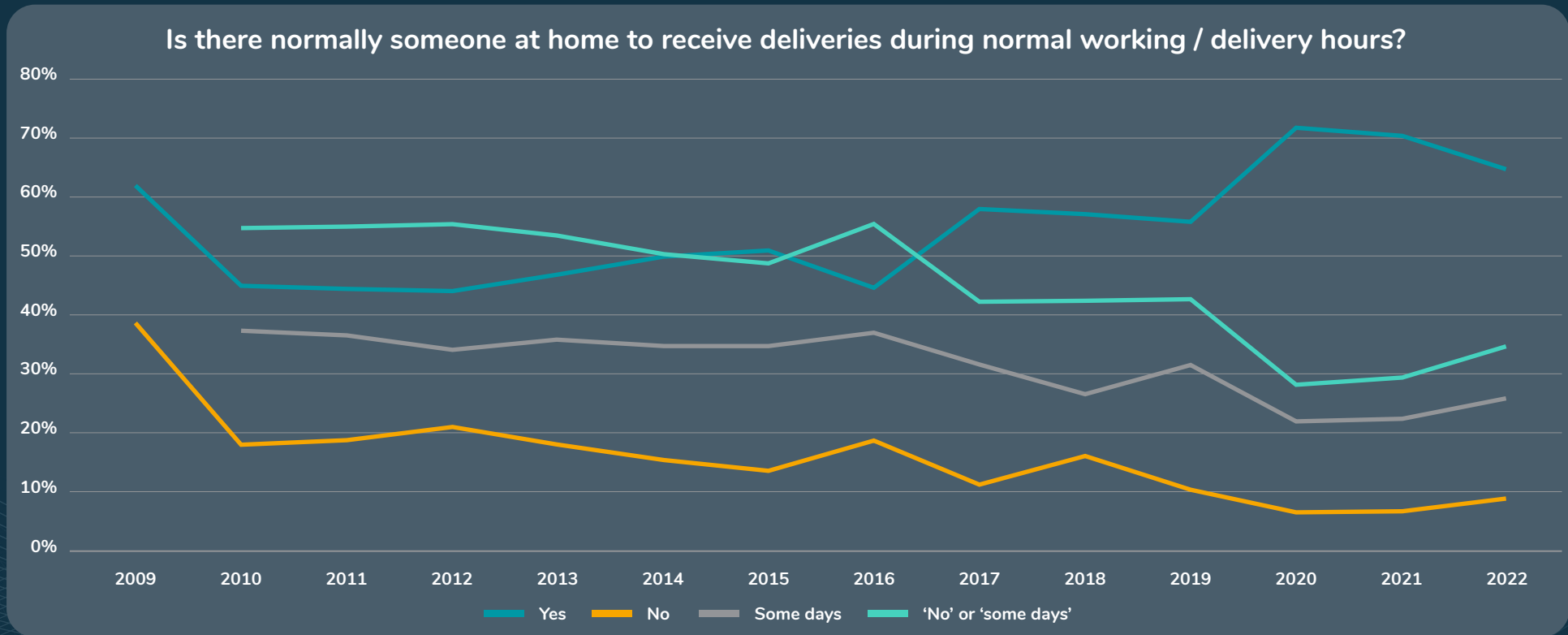
Delivery, Destination & Location

Despite the array of different delivery options emerging in the last decade, deliver to home is by far the most popular option. Delivering to a retailer’s store such as through click & collect or reserve collect is on the wane, with the number of consumers citing this as their normal selection down for the third year in a row.

Delivery to a dedicated safe place at home has reversed a two-year decline in popularity, which might be an indication that consumers now having more established plans for home deliveries after a pandemic. A maturity and greater preparedness of the online shopper, if you will.

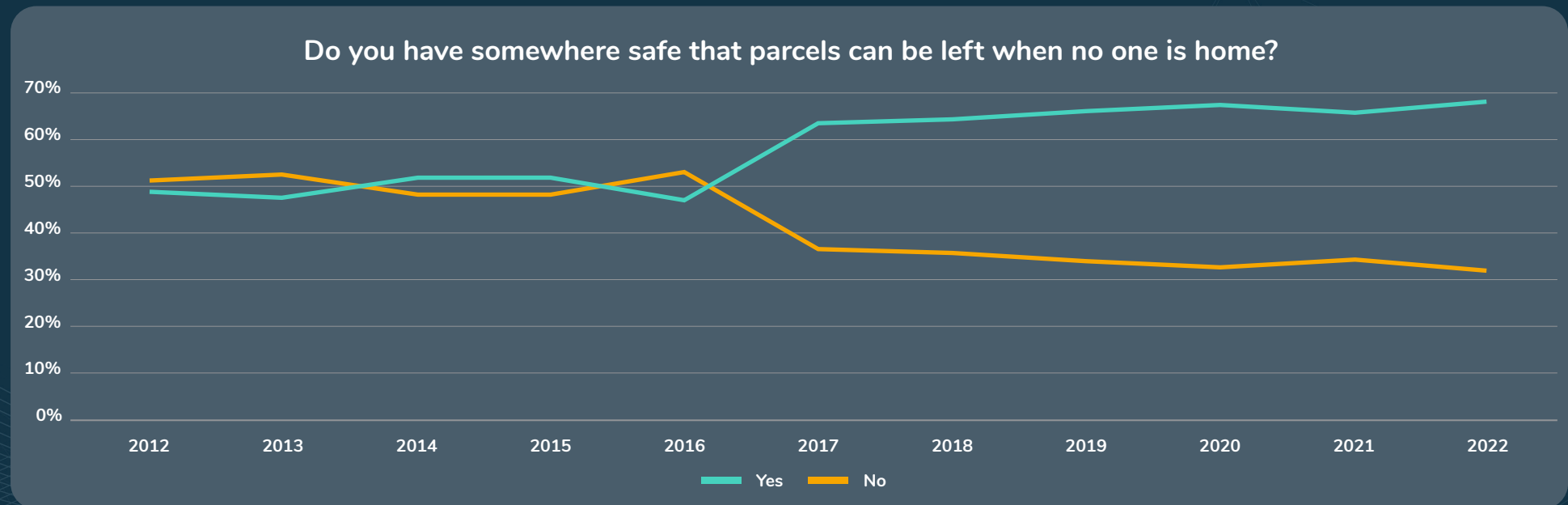


There are more hybrid working patterns in place across the UK today, but the number of consumers answering “yes” to the question ‘is there normally someone at home in typical working hours to collect a delivery?’ reduced for the second year in a row after its 2020 high. It’s reflected in the online sales drops for homeware and furnishings reported by IMRG – increasingly, companies are demanding more people to spend time in the office after a period where remote working looked like it was becoming dominant, so they are buying fewer items for their properties and it is less likely someone is home to receive a parcel.



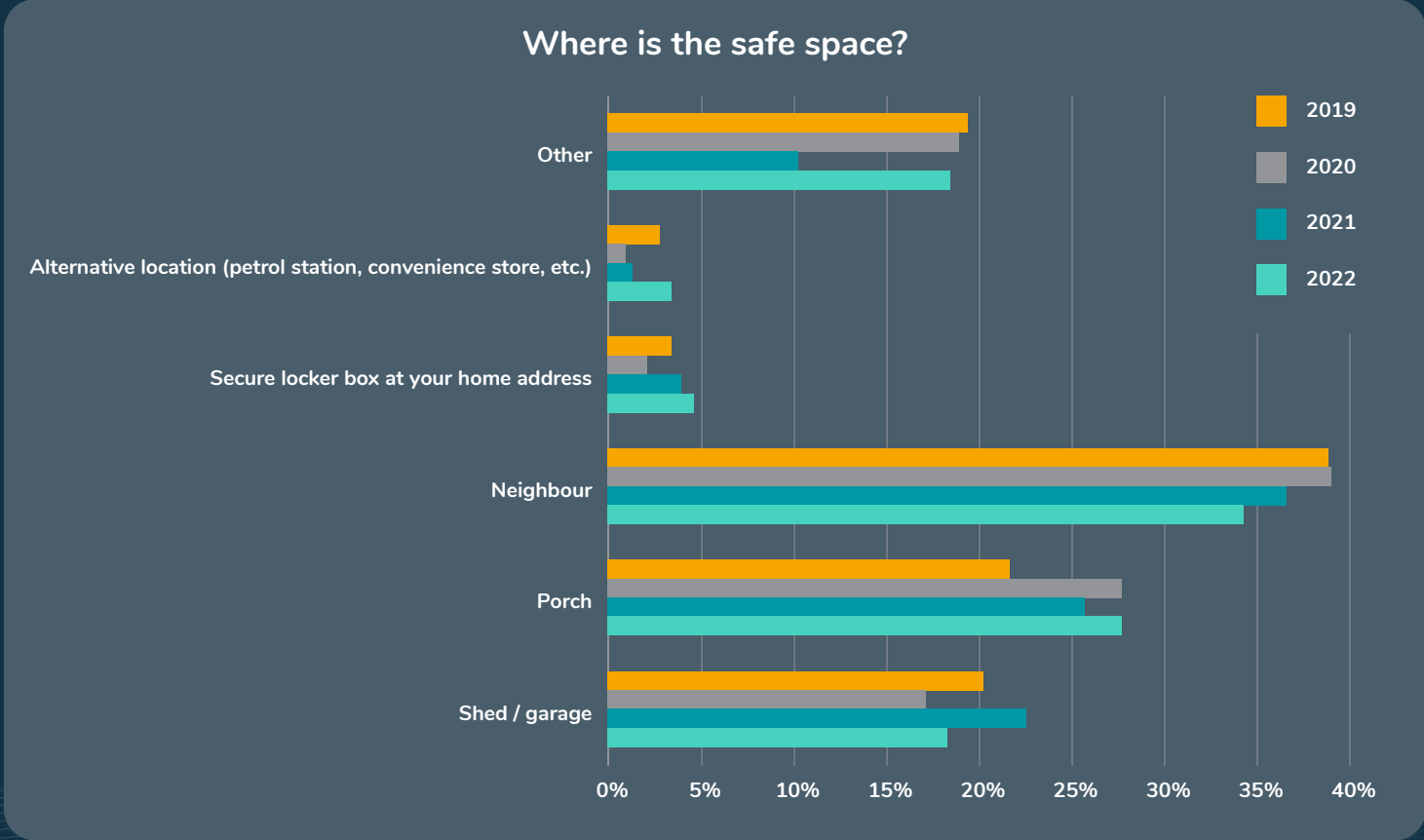
Specified Safe Place & Neighbours

Building on the point we made in the last section, consumers are increasingly ringfencing safe places for their parcels to be left when no one is home. In 2013 just under half of consumers did this, but in 2022 that figure stood at just over two-thirds (67.8%) – the highest it has ever been. It is a further sign of people developing their homes for an ecommerce world, echoing how they have rearranged their properties in the last few years to ensure their homes can double up as workplaces.



The most popular safe place is with a neighbour (38.7%), and at the risk of unwittingly giving thieves more intelligence, the porch (21.6%) and shed/garage (20.2%) are the next two most popular 'safe' spots. That has been the case for the last four years. Interestingly, more people than ever before said they have a secure locker box installed at their home for parcels to be delivered to in their absence (4.1%).

The majority of consumers would like to be able to specify a safe place for their parcel to be left at the point of order and a huge 97.2% of consumers demand couriers or retailers confirm or demonstrate they have followed safe place instructions once they have fulfilled the delivery.



Delivery Performance

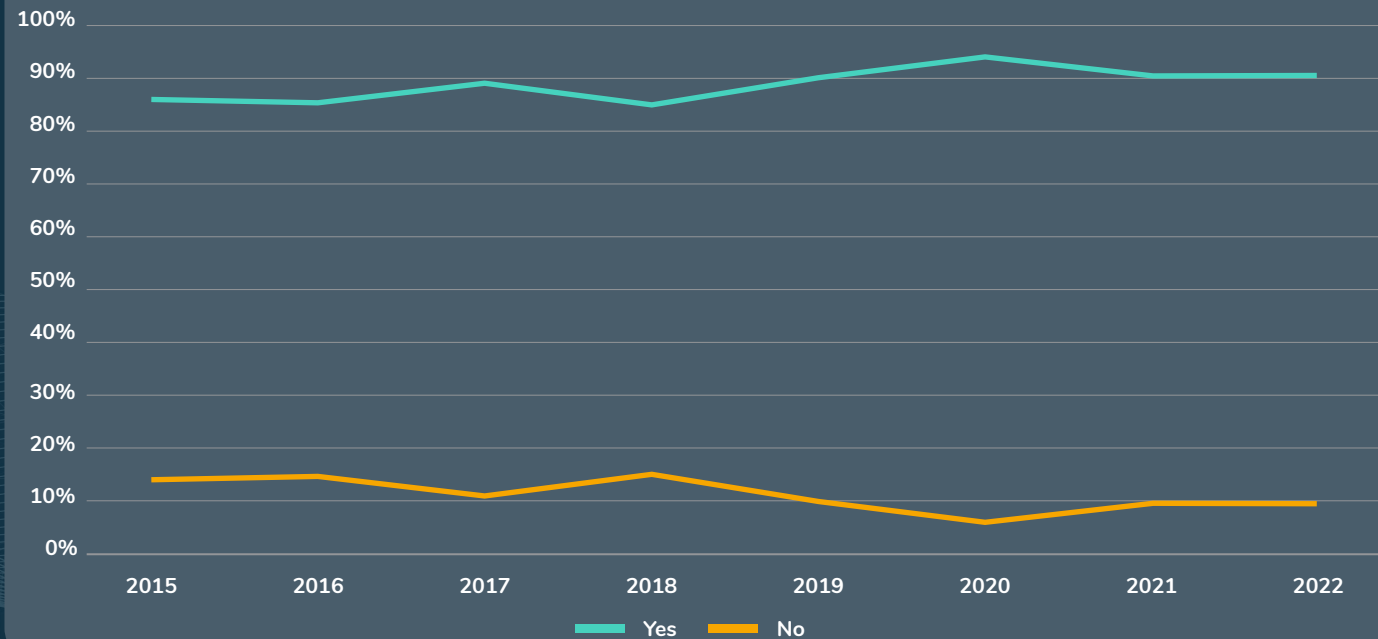
Some 62% of consumers say that a good delivery experience has encouraged them or their household to order again from a particular retailer. This figure shows the importance of getting this part of the journey right if they want to engender shopper loyalty.

So, how is the industry doing on this front? For the third year in succession more than 90% (90.9% in 2022) of consumers said online orders are typically delivered on the expected day and at first attempt. Considering what the retail and carrier industries faced in 2022, this should represent encouraging consumer feedback.

Huboo Comments:

"In these frugal times, customer expectations around delivery speed are softening, so long as there's no compromise on reliability. We're seeing ecommerce brands swapping out expensive same-day or next-day delivery for more economical services. It's a handy and quick way to reduce the price point of products without impacting profit margins. Brands can still retain the option of super-fast delivery for customers willing to pay a premium, but there is no need to offer this as standard. What matters most is that customers consistently receive items when they expect them."

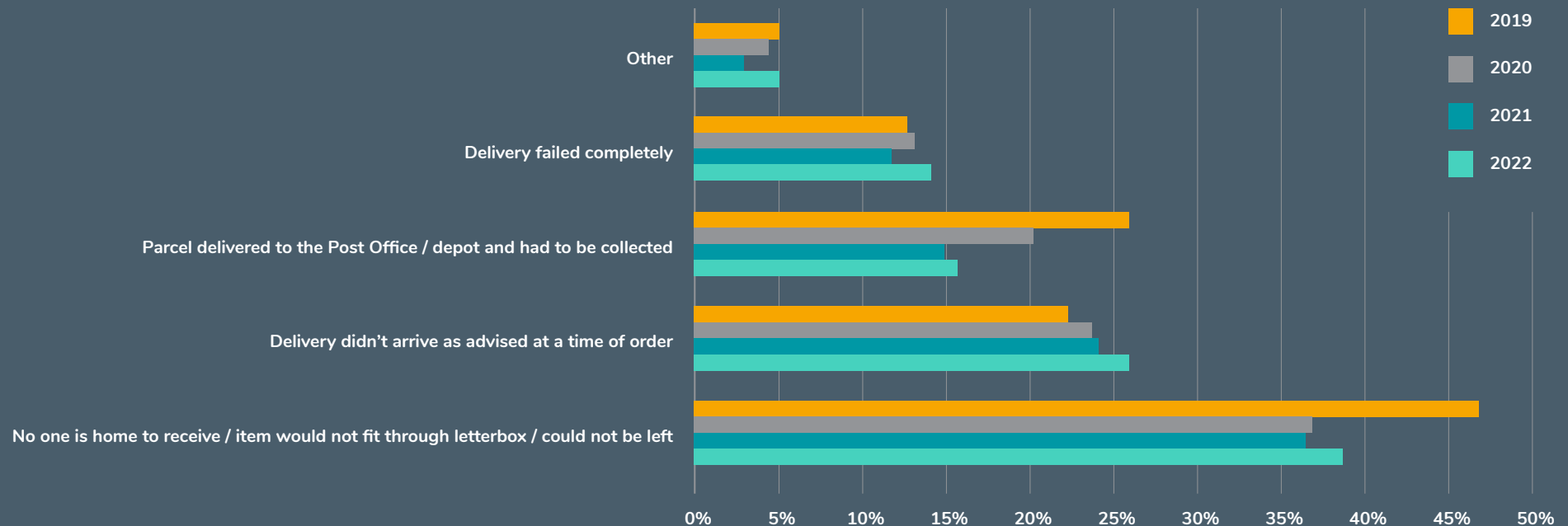
In your experience are online orders for your household typically delivered successfully on the first attempt / expected day?



There is always room for improvement, of course. If retailers are looking to boost the first-time-delivery success rate, the main reasons for failure – as they have been for four years now – relate to no-one being home and the items being unable to be left (46.5%). This goes to show there is always a chance to improve communication between retailer, carrier, and customer.

Failed deliveries typically result in a one to five-mile round trip to collect an item taking up to 30 minutes, so there is a huge time-saving, environmental imperative, and productivity incentive to keep bringing the number of failed deliveries down.

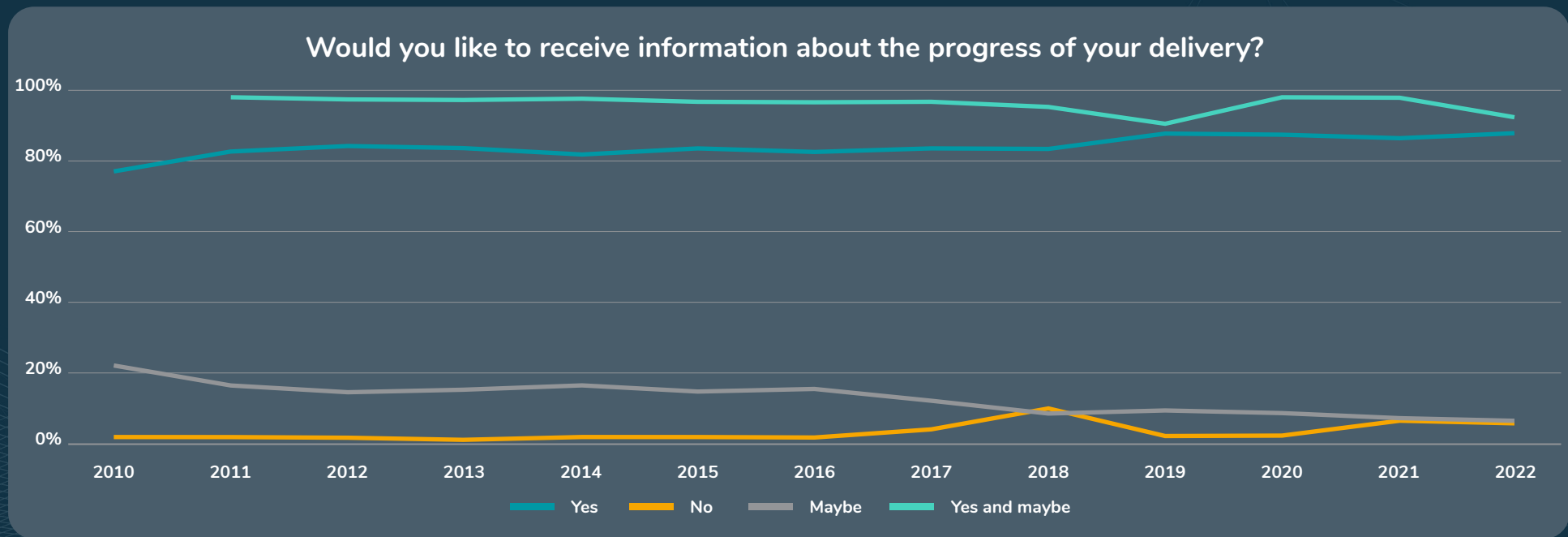
If orders have not been delivered to your expectation, what have been the most common reasons?



Delivery Information

Updating customers about delivery has always been of the utmost importance, according to our research. But for the first time the study finds more than 90% (90.1%) of consumers want to receive information about the progress of their delivery. Sensitivities to this may have heightened due to the well-publicised wider supply chain issues of the last few years, but the key here is that transparency about fulfilment times brings flexibility for consumers.

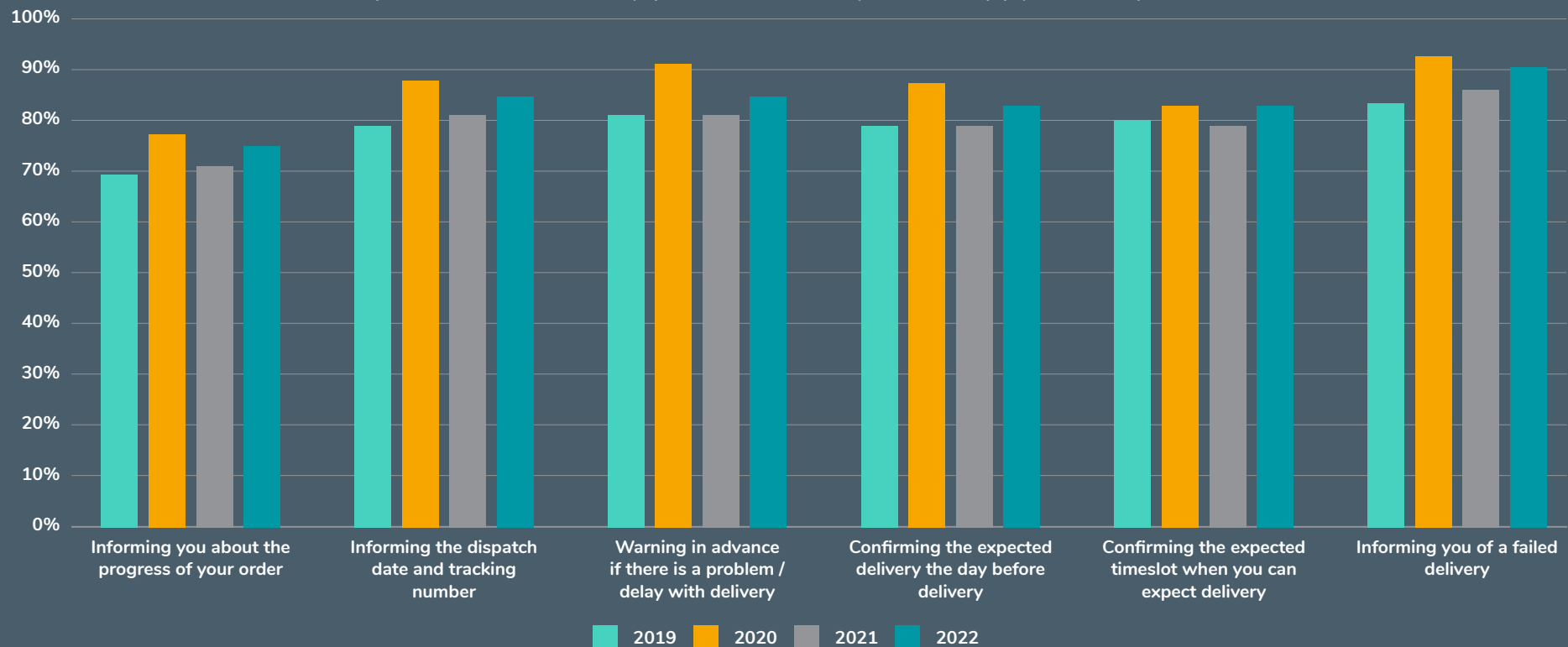
As we have shown, consumer absence is the biggest reason for failed deliveries, so greater progress updates could help address this issue.



Failed delivery notifications and dispatch date/tracking are the most sought-after details consumers want information on. SMS trumps email when it comes to the platform consumers would like to be alerted on, with tracking apps or individual retail websites barely in demand – shoppers continue to 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 once again 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 36.2% 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 – although there is less demand for this than in 2021 which is likely to do with the general financial squeeze on shoppers.

What parts of the delivery process would you be happy to be updated on?

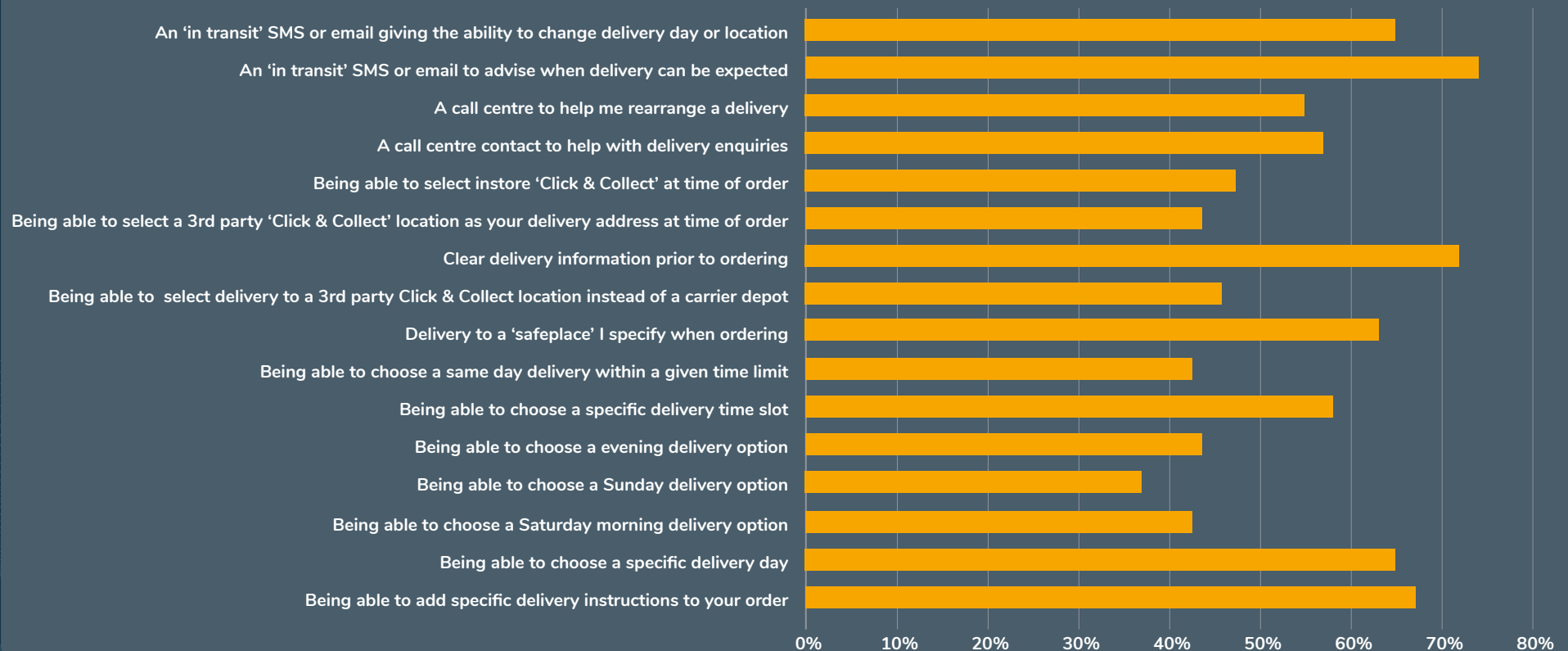


We asked customers what would make receiving online orders more convenient, and the most popular were as follows:

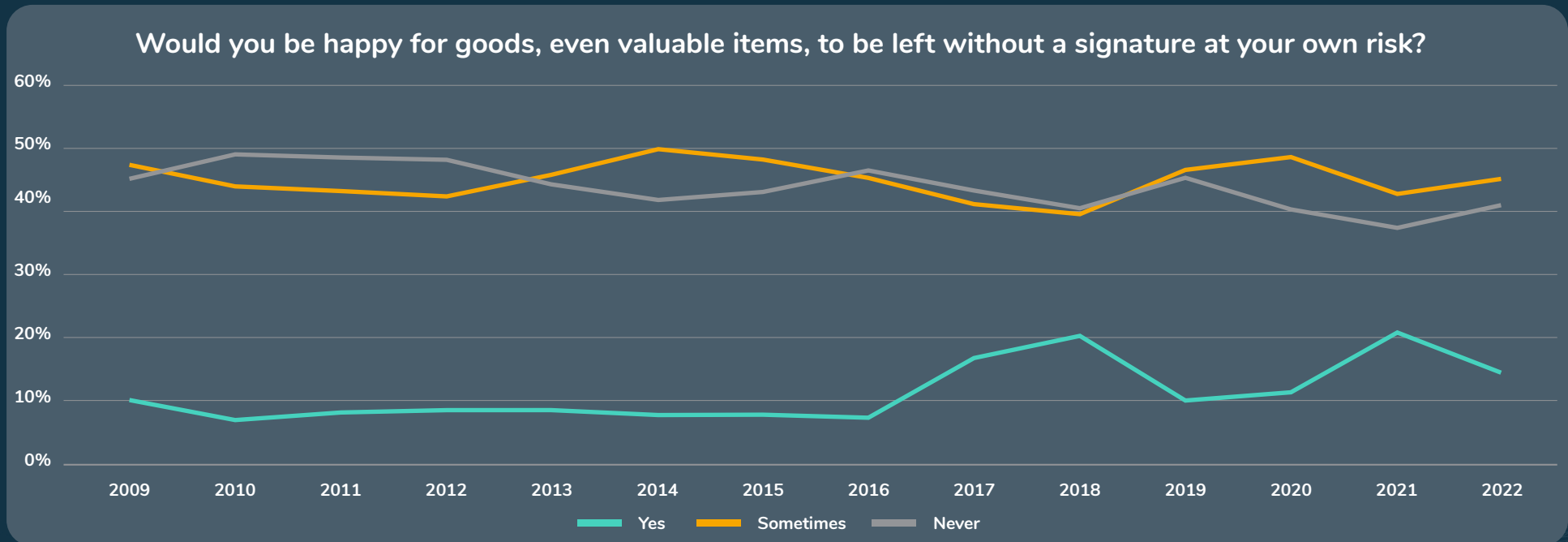
- An SMS or email giving the ability to change the delivery day or location
- An 'in transit' SMS or e mail to advise when delivery can be expected
- Clear delivery information prior to ordering

This shows that consumers want control. They don't want to gamble when it comes to an online order, and they want to be able to talk to someone when required. Much of the delivery communication process is automated today, but human interaction when a change is required is deemed important by consumers.

What would make receiving online orders more convenient?



Signature On Delivery

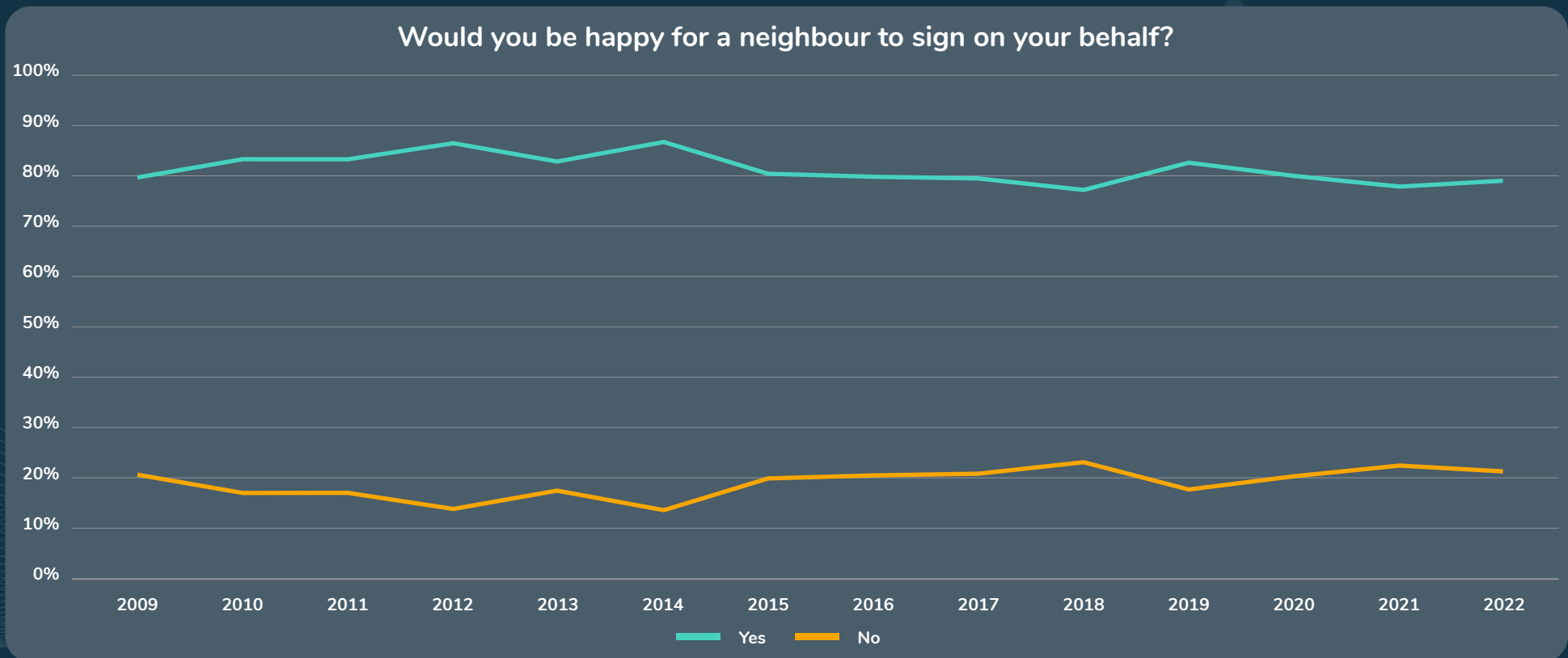


Consumers are generally not happy for goods to be left without a signature, but 45.4% said it would “sometimes” be appropriate. This once again raises the subject of more in-depth carrier-consumer communication. There may be situations where a consumer is not at home for a short period of time and would be happy to take a short risk with their item being left, but they wouldn’t think the same if they were out for the entire day.

As an alternative, 64.1% of survey respondents said they would be happy for their goods to be left at a PIN-accessed locker at home or elsewhere. Several retailers, including B&Q and Lola’s Cupcakes, have experimented with a locker service in recent months – as this type of fulfilment continues to play a part in the delivery plans of large and small retailers alike.

Consumers are generally not happy for goods to be left without a signature, but 45.4% said it would “sometimes” be appropriate. This once again raises the subject of more in-depth carrier-consumer communication. There may be situations where a consumer is not at home for a short period of time and would be happy to take a short risk with their item being left, but they wouldn’t think the same if they were out for the entire day.

As an alternative, 64.1% of survey respondents said they would be happy for their goods to be left at a PIN-accessed locker at home or elsewhere. Several retailers, including B&Q and Lola’s Cupcakes, have experimented with a locker service in recent months – as this type of fulfilment continues to play a part in the delivery plans of large and small retailers alike.

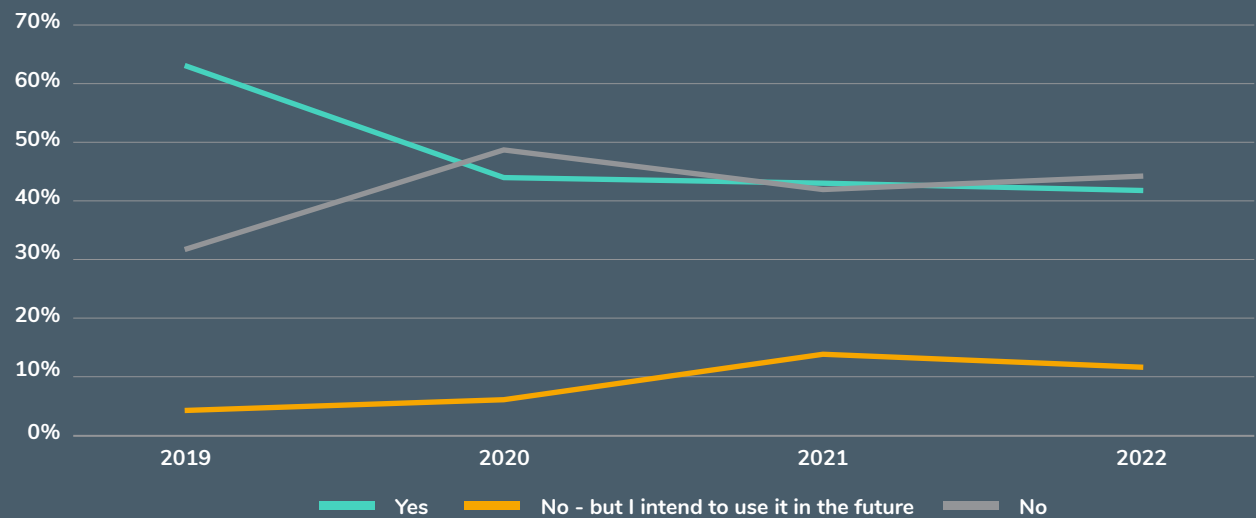


Alternative Delivery Points & Click & Collect Solutions

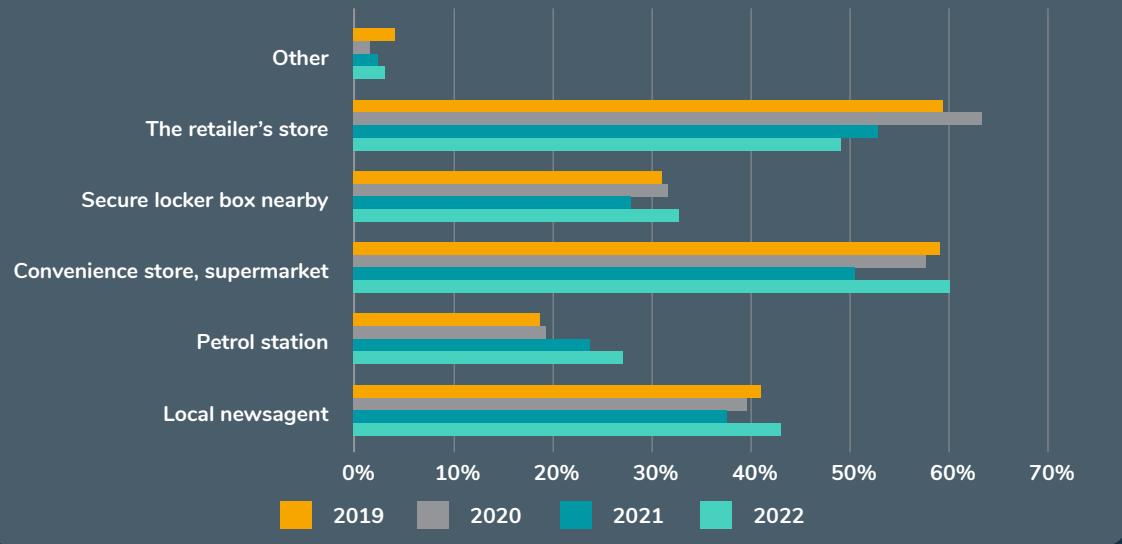
Further evidence here of the slight decline in click & collect's powers. Ten years ago it became one of the key strategies retailers such as Next and Argos reported on as helping drive strong festive trading and building a bridge between their key sales channels throughout the year. That is still the case, but our statistics show that the number of people in UK households to have ever used click & collect is slightly down.

It is difficult to say what the reason for this dip is – with more respondents saying they have never used click & collect before than those who said they had – but it could be related to the more established collection facilities such as lockers and safe places that consumers have put in place in their homes.

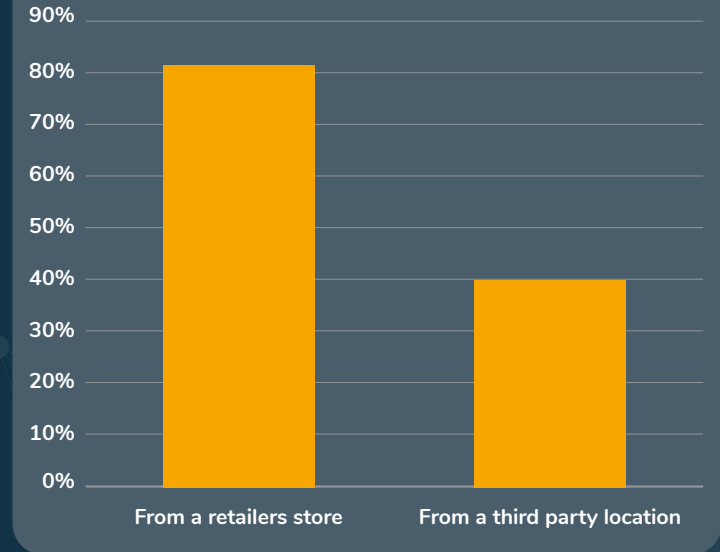
Have you, or those in your household, ever used Click and Collect services (either from the retailers store or a third party network) instead of having orders delivered to home?



If you could opt for a Click and Collect location, what sort of location would you be likely to choose? Tick all that apply



What click and collect options have you previously used?

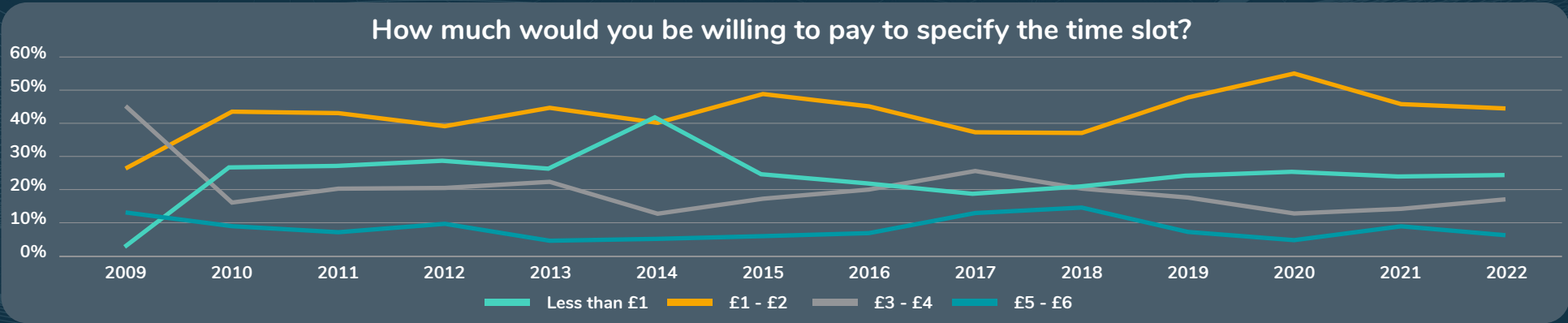
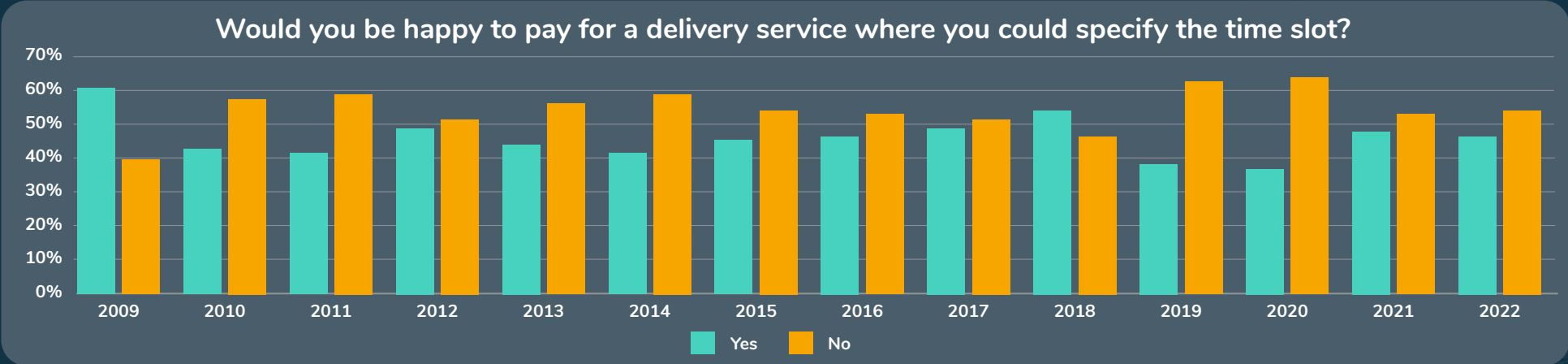


We asked respondents about the click & collect options they have previously used. Click & collect from a retailer's store is the standout choice, but the 40% of respondents using a third-party click & collect location show this has significant value in the eyes of consumers. In fact, when asked if they could choose a click & collect location, more consumers selected a convenience store/supermarket (60%) than the retailer's store (48.7%) – this suggests that retailers not yet expanding their delivery network to include third parties are behind the curve in terms of meeting consumer demands.

According to our survey, consumers choosing a third-party click & collect location prefer a staffed location (55%) rather than a self-serve locker-type site (13%), and they generally would travel two to five miles (68.2%) to pick up the item. Three quarters of respondents said they are not willing to pay any extra for selecting a click & collect service.

Premium Services

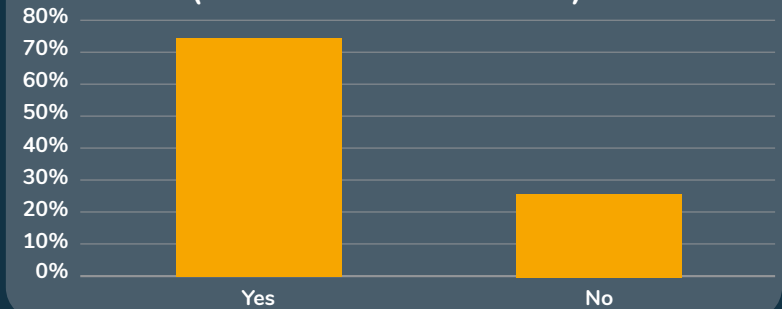
The increase in the number of people who would be willing to pay to specify a delivery slot, as we reported in 2021, did not continue in 2022 – probably due to consumers tightening budgets in the biggest cost-of-living crisis in generations. Two-hour timeslots remain the most favoured option if people could choose a specific one, with 47.6% opting for this compared to 23% 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 mostly the case since our records began.



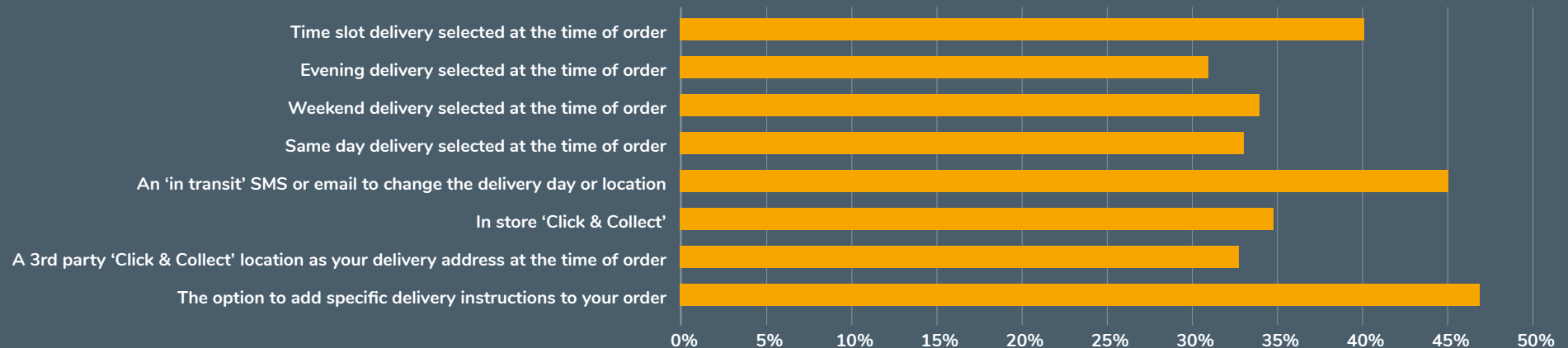
We asked those surveyed whether they value retailers that offer late order acceptance times. The answer was an overwhelming “yes”, justifying recent moves from the likes of the company Next to extend their delivery promise in this manner.

Also, we questioned how often people used the different type of service now available to them. Interesting 46.6% of consumers said they always use the option to add specific delivery instructions to their order. Either this means almost half of the people we questioned live in tricky to find properties, or there is a consistent need for specificity when it comes to home delivery. Some 45.1% of people said they always use the in-store transit option to change a delivery day or location, which once again highlights consumer need for tailored and flexible delivery options.

Do you value a retailer that offers late order acceptance times (between 20:00 - 00:00)?



How often have you used the following delivery options? % scoring 'Always'

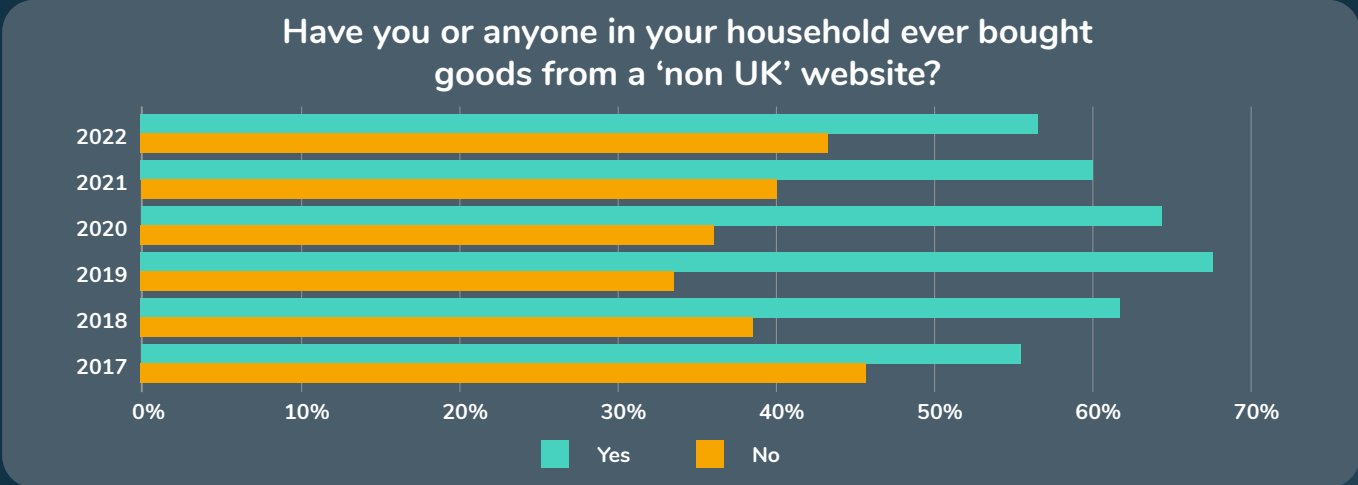


Cross Border Trade

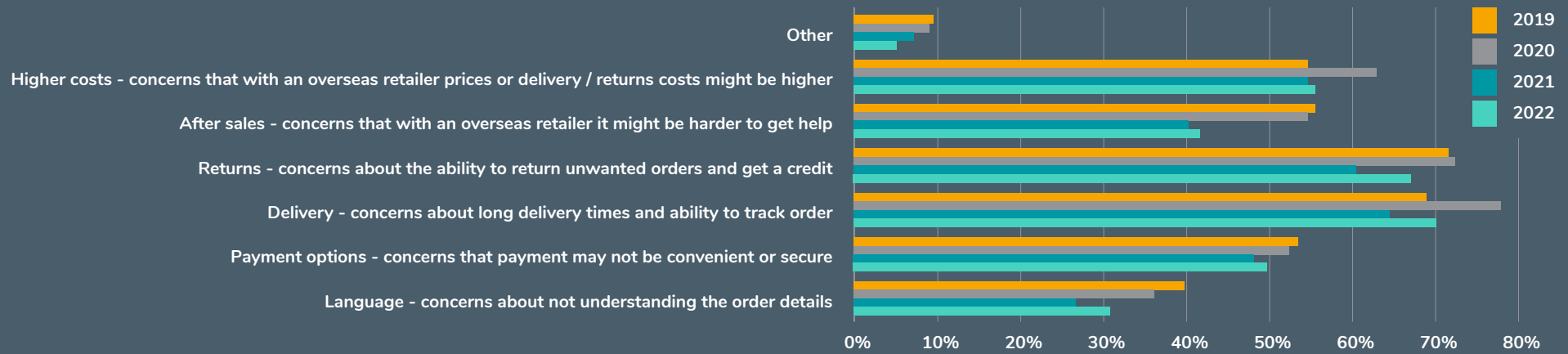
A clear post-Brexit trend is emerging and that is that the number of people saying they have ever bought goods from a non-UK website is dwindling. For the third successive year, more people are saying they have never bought goods from a non-UK website.

Cross-border trade has been in the limelight, ever since the Brexit vote back in 2016, as the repercussions of the UK's decision to leave the European Union continue to impact trade and deliveries even now. In recent years, unexpected charges became an issue, while supply chain issues and HGV driver shortages persist.

Of those who have purchased from a non-UK website in the past, three-quarters would do so again, suggesting the challenges of cross-border are not putting customers off. Or perhaps the reality of the experience is not as bad as perceived.



What do you feel are the biggest barriers to buying goods from a non UK retailer?



The main reasons putting consumers off shopping cross border are the same as last year – concerns about long delivery times and ability to track orders (70.3%), as well as worries that they will have issues returning the items if they don’t want to keep them (66.1%). Both concerns were more serious than in 2021, suggesting the delivery industry has work to do to allay these consumer fears.

Huboo Comments:

“UK/EU ecommerce trade has reduced in both directions since Brexit. So while the number of UK households purchasing from non-UK websites is dwindling, this is in part because there are fewer EU websites marketing to these customers.

“And yet, the challenging economic climate means that all online retailers are having to consider cross-border trade as a means of opening up new opportunities.

“These ecommerce brands need fulfilment partners capable of supporting the extra admin involved in post-Brexit trading. They should also take advantage of new tools – such as Mirakl – that simplify and speed up the path to market, or payments services like Mollie that help businesses to operate seamlessly across borders.”

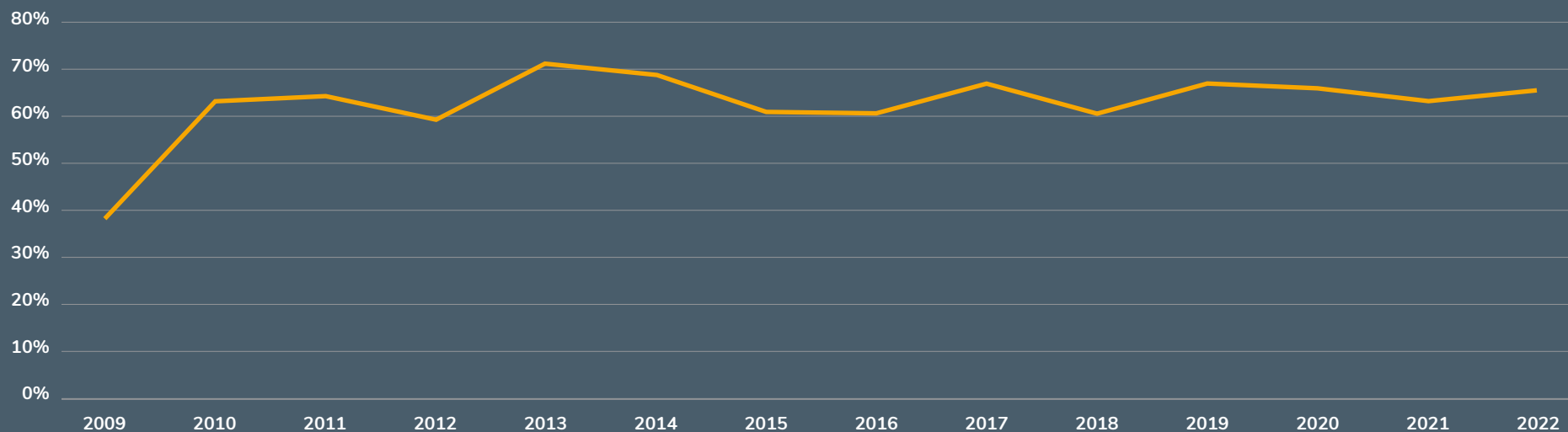
Returns

The last 12 months marked a period of change in approach to returns by several large retailers, with Boohoo and Zara both adding a fee to online returns. They joined companies such as Next and Uniqlo already charging for such a service, and raised a debate as to whether more retailers – both multichannel and online pureplays – would follow suit, with H&M reportedly testing charging for returns in some markets.

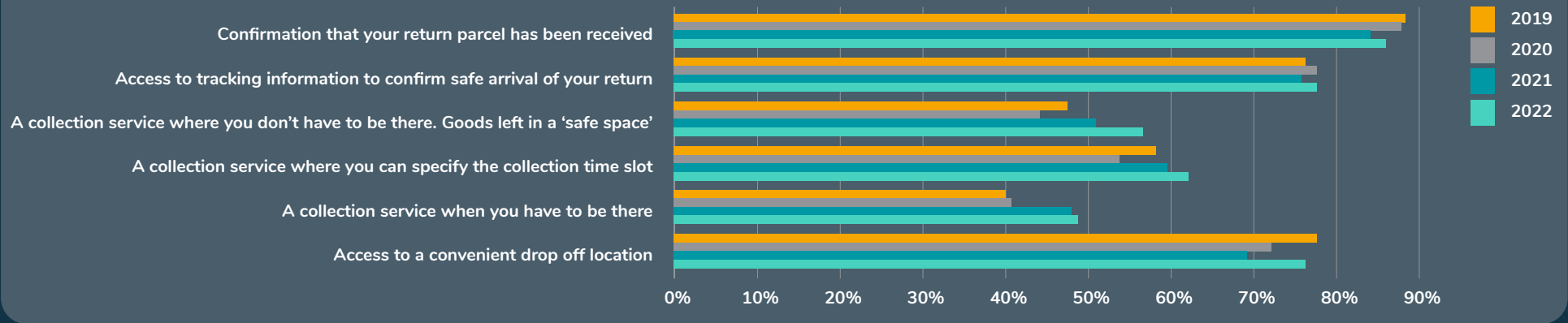
So far, despite widespread negative comment on social media that met these new decisions by retailers, there has been no major impact on consumer sentiment to retailers' returns services. Indeed, consumers are slightly happier about retailers' returns services than they were in 2021, marking the first rise in sentiment since before the pandemic.

There is no significant difference compared to 2021 in terms of how important the quality of a returns service is in relation to consumers selecting a retailer in the first place (72% versus 74.4%). Nevertheless, it remains an important factor, as it has done since our records began.

Overall, how happy are you with the Returns services for online shopping parcels?
(Proportion of respondents scoring over 7 where 10 is 'Extremely Satisfied')



How important would the following aspects be in making a returns service more convenient for you?
 Proportion of respondents scoring 4 or 5 where 5 is 'Very Important'

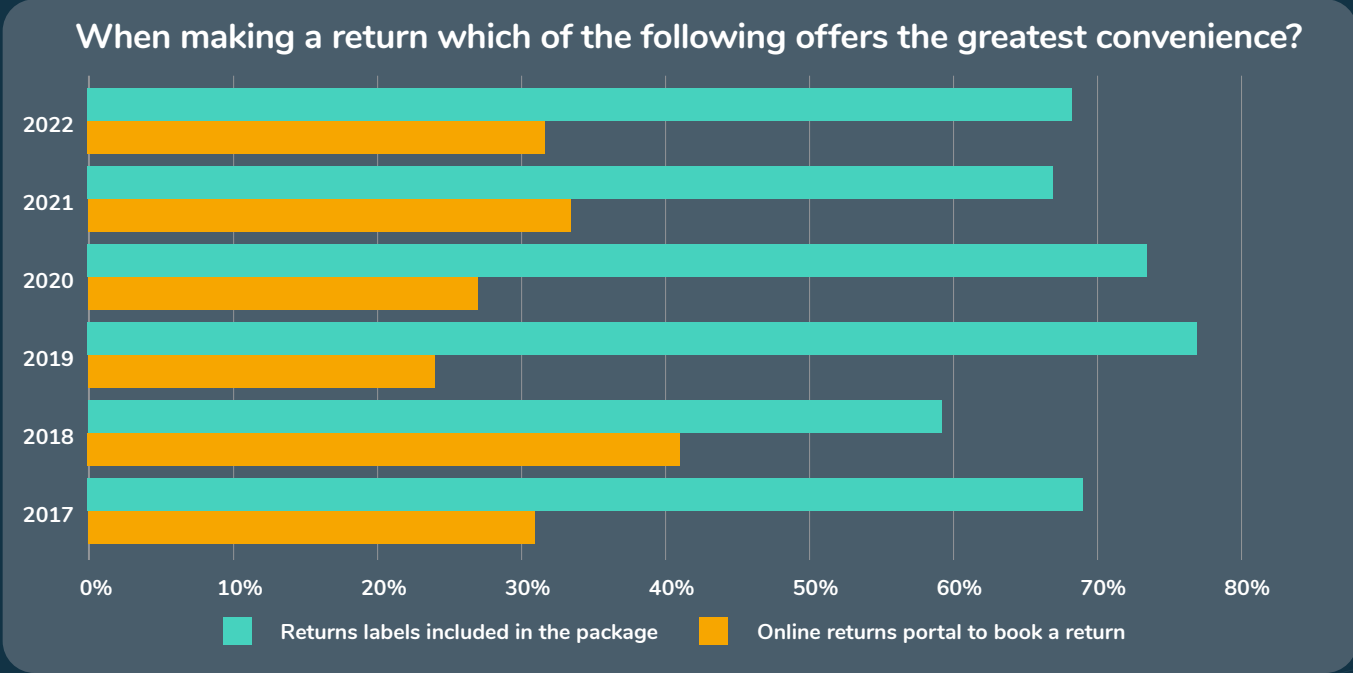


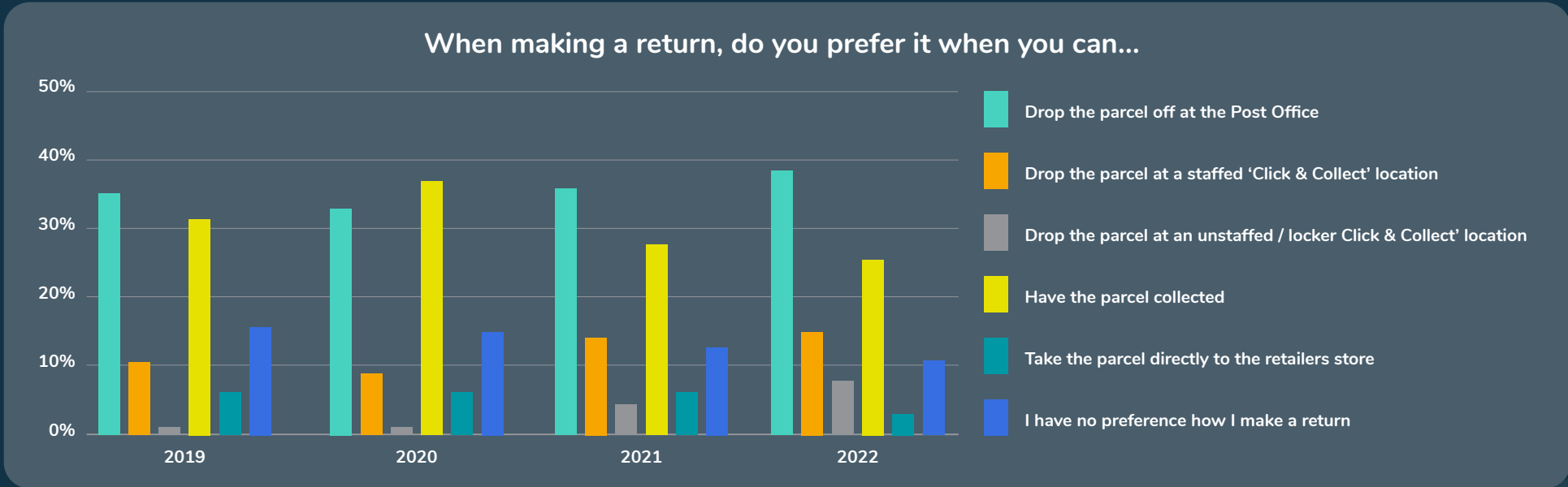
Factors that are more important than they have ever been for consumer convenience when it comes to returns include access to tracking information to confirm safe arrival of a return (77.7%); a collection service where goods can be kept in a safe place in their absence (55.5%); the ability to specify the returns collection time slot (61.7%); and a collection service when consumers have to be present (48.4%).

The most important returns convenience factor, as it has been since we started tracking this with consumers, is confirmation that a return parcel has been received by the retailer (85.6%). Against a backdrop of delivery delays and disruption in 2022, it is no surprise this remains crucial for shoppers and that it has increased in importance compared to 2021.

Customers still prefer a returns label included in their package (68.5%) rather than the option of an online returns portal to book their reverse logistics journey for their unwanted item. Despite some of the messaging the industry is providing around the environmental benefits of reducing paper in the parcel delivery, consumer sentiment for online booking remains well below its 2018 peak when almost half (40.7%) of those surveyed said they'd prefer this option.

Returns tracking capability and faster replacement credit would encourage the majority of consumers surveyed to use these portals, however.





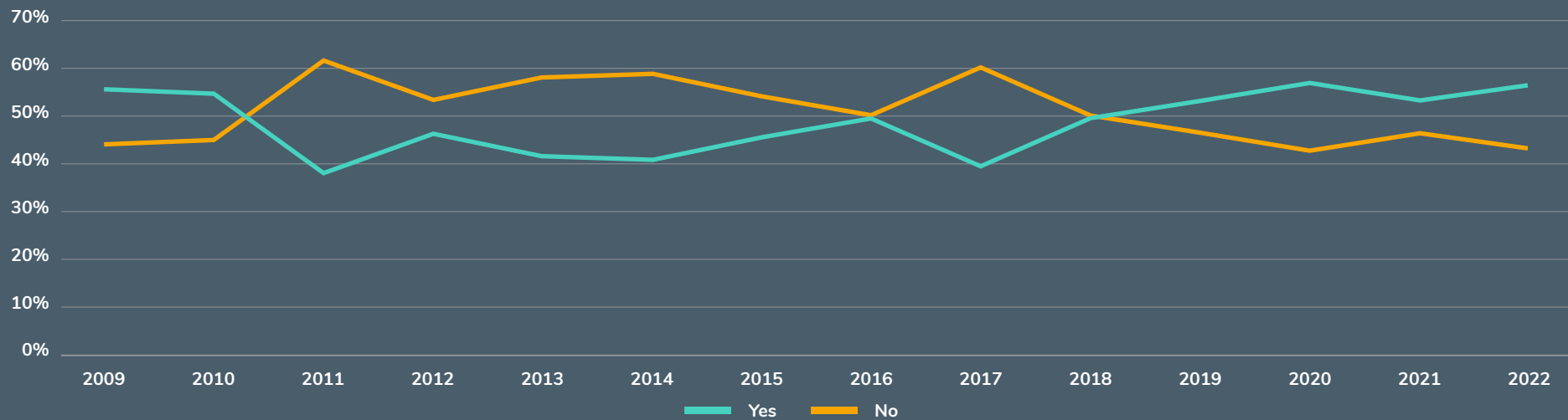
Indeed, services which could be described as traditional rather than innovative appear to be in favour with consumers. For example, dropping a returns parcel off at a Post Office has never been as popular. In line with the reopening of physical retail and end of lockdowns, more people were willing to use this option in 2022 than the previous two years. There is a renewed demand for in-person shopping, and consumers are building their product returns journeys into this behaviour.

Packaging Damage

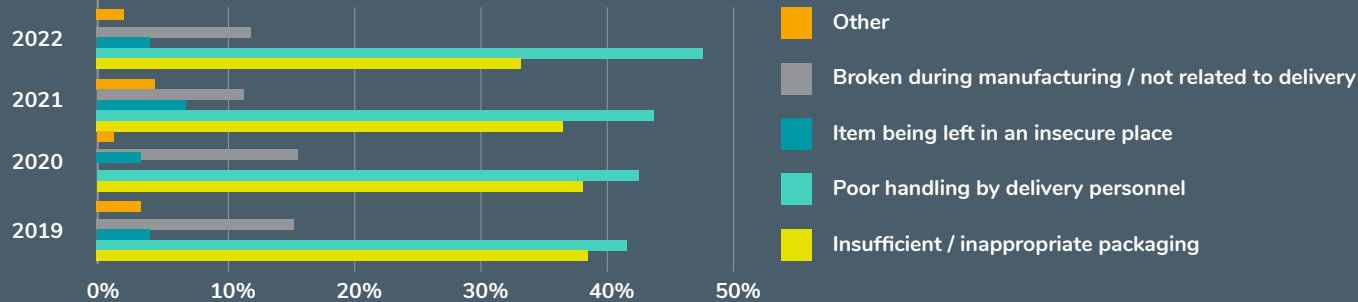
The percentage of customers that felt they received parcels with damaged packaging in 2022 remained consistent with the last three years. For four years in a row now, over 50% of respondents believed they had received tarnished goods. As we reported last year, inevitably, as more goods are shipped online and a greater volume of customers use ecommerce, there will be an increase in shoppers experiencing damaged parcels.

But this figure is perhaps indicative of an industry where pressure is being placed on delivery staff to complete more jobs throughout their day.

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

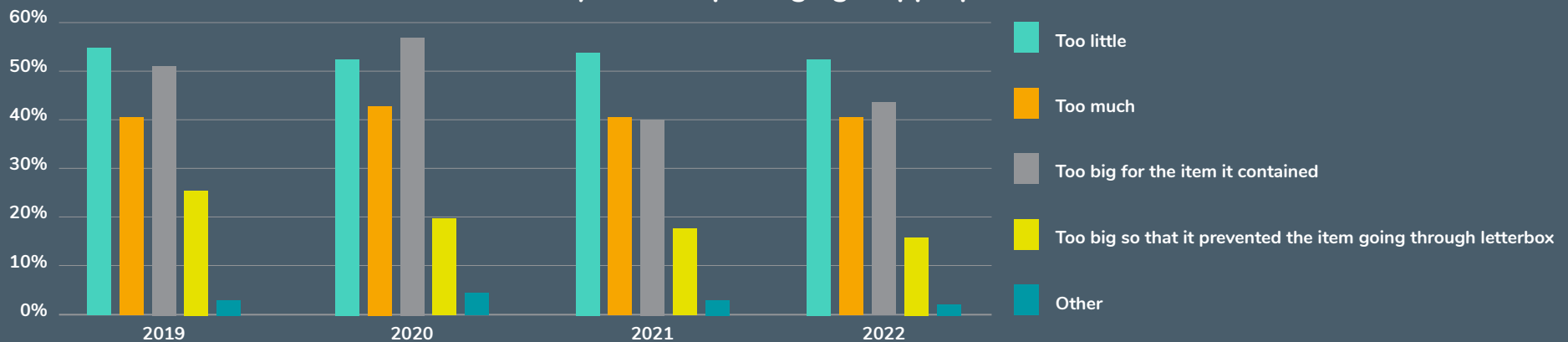


In your opinion, why did the damage occur?



Poor handling by delivery personnel was cited as the main reason for damage (from a customer perception at least), and this was selected as a reason by 50% of respondents. This represented a record high, and suggests an increasingly negative attitude towards the standards of door-to-door couriers.

Why was the packaging inappropriate?



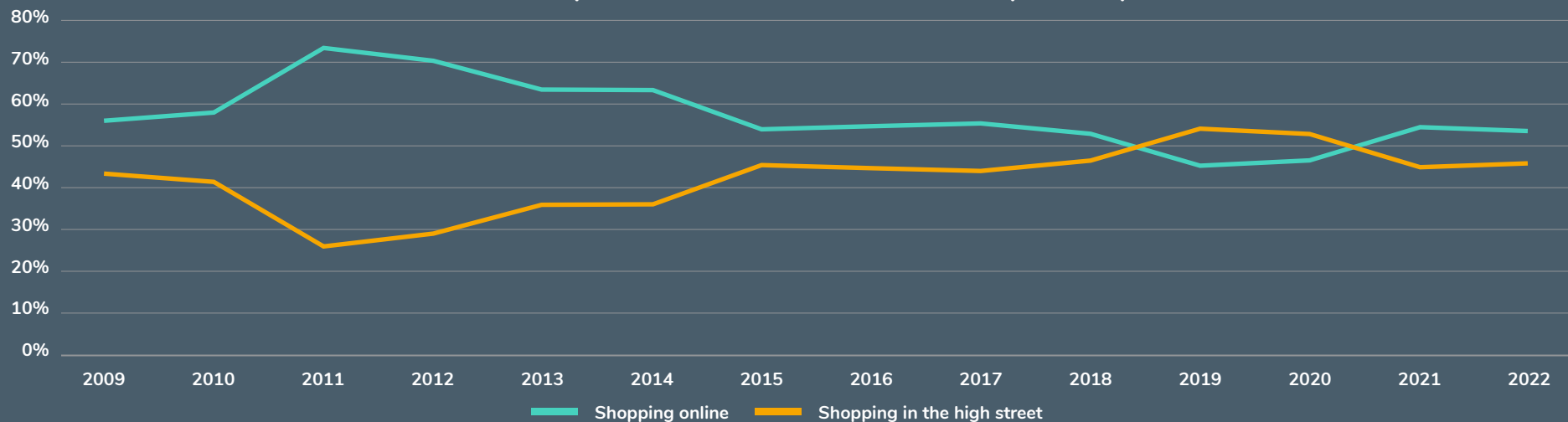
Inappropriate packaging continued its streak as the second most popular reason given for damage occurring during the delivery (32.9%). The main reason cited by consumers as to why they believed they received inappropriate packaging was “too little” of it, which is interesting because many retailers – including notably, Amazon – are on a drive to reduce the amount of material they include in online deliveries as part of commitments to reduce their environmental footprint. Amazon removed all plastic air pillows from its UK parcels in 2022.

This highlights a key challenge for retailers and brands; as they continue with their efforts to become greener businesses, they must ensure their service is not compromised as a result. Moves made with good intention towards the planet could end up creating a bigger footprint, entailing more waste product and multiple delivery attempts.

Environmental Matters

Retailers are increasingly providing new services, business models, and products that they claim to be better for the environment than what went before. From the rise in more circular models such as rental and resale, to the likes of B&Q selling 'more sustainable' ranges to help reduce consumers' energy consumption, there are a raft of initiatives and ideas the industry is bringing to market as part of the green agenda.

Which do you think is more environmentally friendly?



Huboo Comments:

"Ecommerce brands are coming under increasing pressure to improve their sustainability credentials, especially those selling to younger audiences. When speaking to fulfilment providers about the eco measures they have in place, it's important that brands look beyond the marketing collateral and check that their providers are true to their word – by asking to see their sustainability impact reporting, or taking a warehouse tour to see the measures for themselves."

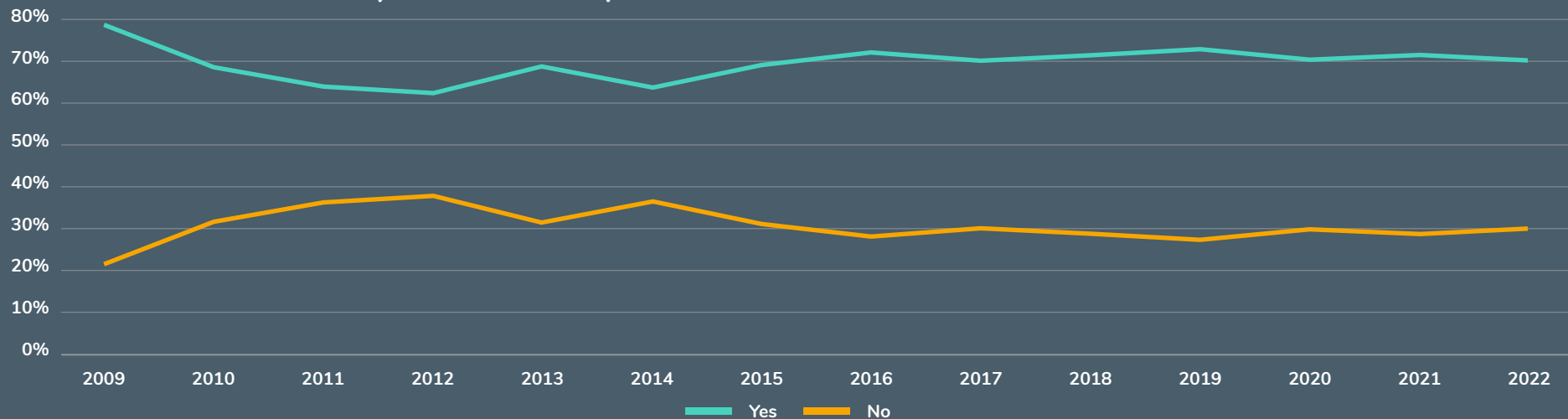
But what about delivery? Apart from a brief period between 2018 and 2020, the majority of consumers have felt online retail to be more environmentally-friendly than in-store shopping. Since then – and backed up again by this year’s survey – ecommerce is greener in the eyes of consumers.

This is subjective based on many factors including where people live, of course, but for many people the widely-reported drop in pollution levels during the pandemic offered clear visibility about the impact heavy traffic on the road has on carbon emissions. This is a very nuanced debate, comes against a backdrop of most retailers doing what they can to reduce their carbon footprints, and does not address the key environmental issue of overconsumption but given the Covid awakening, it makes sense one delivery van visiting many homes is less carbon intensive than individual households driving to shops.

As has been the case for more than a decade, consumers would choose a carbon-friendly delivery alternative over a traditional method if available but they do not appear to be willing to pay for it.

The amount people would be willing to spend per year on carbon-friendly delivery has not increased in line with rising environmental concerns over recent years, suggesting it is the responsibility of retailers and their carrier partners to drive greener delivery.

If a carbon-friendly delivery alternative was available, would you and those in your household choose it over a traditional method?



Innovation: Looking To The Future

The signs are that consumers expect traditional home delivery to continue to be their top fulfilment choice for online parcels in the future. But that should not stop the delivery industry continuing to generate new ideas and ways to collect parcels on the move or in new locations. Fundamentally, consumers want choice, so that is to be encouraged.

In terms of true innovation in UK online delivery in 2022 – i.e. things never tried before – Boots stands out for its trial of drone delivery on the south coast. The health and beauty retailer tested its ability to get emergency medicines from Portsmouth to the Isle of Wight, which entailed flying them over the Solent. In doing so it became the first community pharmacy in the UK to transport prescription-only medicines by uncrewed aerial vehicles.

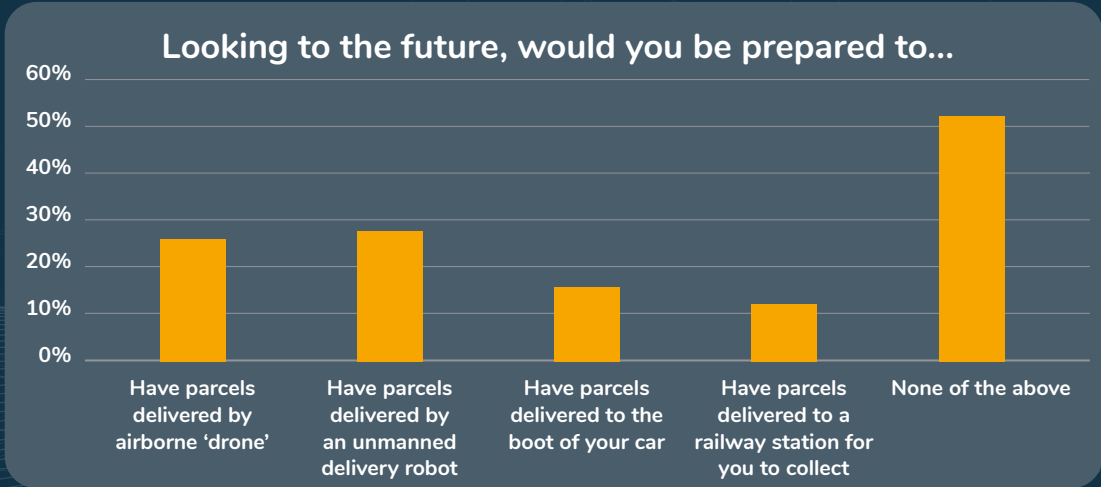
Rich Corbridge, chief information officer at Boots, talked up drones' value in terms of delivering medicines to more remote locations.

“We will be looking at how much time we can save, as well as how we can incorporate drones into our medicines supply chain to create economic efficiencies too,” he said of the trial, adding it was part of preparing for wider use of this tech in the future.

Consumers surveyed this year do not yet show a significant demand for new-fangled delivery options. But 27.6% of respondents said they would be prepared to have parcels delivered by drone in the future, while 28.8% said they would welcome parcels from unmanned delivery robot. Co-op Food in Northampton, Milton Keynes, and Leeds already offer the latter service, and is confident of growing it more widely in the UK.

Huboo Comments:

“Humans are much better at their jobs when they have great technology supporting them, and in recent years we have seen the steady adoption of promising new technologies across many different aspects of ecommerce warehousing and logistics operations. For example, robots and drones can help maximise efficiency, manage workloads, and improve stock management, working out of hours to share vital data with human teams each morning.”



Conclusion

Once again, retailers held up against the odds in 2022, and as a result so did overall consumer satisfaction about the delivery of online goods. Despite lower levels of ecommerce in 2022 compared to the previous year, consumer expectations are not waning. Month-by-month disruptions in the fulfilment network were not easy for retailers to navigate, but it is to their credit that retailers were able to keep shoppers sentiment relatively high.

Although home delivery is the go-to option for delivery by far, consumers still want choice. For example, third-party click & collect partners are not the first choice among consumers for their delivery location, but when shoppers do want to pick up their orders this option is increasingly vital for them.

Retailers continue to evolve their delivery propositions, and it seems the moves to push back times for next-day delivery is a welcome improvement. Shoppers seem to want more time to send back returns, though, and this seems to be an emotive area for them, meaning retailers' policy changes in this area must be undertaken with care – and well communicated to consumers.

To summarise, consumers want retailers to offer more ways to get in touch with them during the delivery process, as well as a greater number of in-flight options to tweak delivery based on their real-time needs. In a cost-of-living crisis, consumer spend will be hard won too, so that arguably means there is less room for error in the delivery service retailers can provide.

The growing popularity of sustainable delivery is difficult to ignore, but retailers are going to have to find ways of absorbing the cost because consumers don't want to pay for it themselves, and – although there are not a huge number of consumers requesting autonomous delivery – there is an openness to receive goods via robot and drone. Early experiments by retailers in this area suggest it could be more of a prominent factor to report in future Consumer Home Delivery Review publications.

It is crucial for retailers to stay ahead of the curve as demand increases for more transparent and smoother deliveries – even in the face of industrial action, tight finances, and whatever the next crisis coming over the hill is. In looking to the future, we can conclude that it is vital to offer customers the most seamless and comprehensive delivery experience possible, to retain their loyalty during volatile economic times.

Huboo Conclusions:

“Omnichannel fulfilment is the key to upholding the industry’s high standards and maintaining consumer satisfaction in the year ahead. When ecommerce brands can manage orders and house all of their inventory in a single place, it’s possible to sell D2C, B2B, and B2B2C seamlessly – creating a raft of new routes to market and ensuring a fantastic shopping experience for customers, regardless of channel.”



The UK
Ecommerce
Association

Contact

IMRG

Tel: 0203 696 0980

Email: membership@imrg.org

www.imrg.org

Huboo

Tel: 0330 808 0909



www.huboo.com

