

A decorative graphic on the left side of the page features several overlapping circles of varying sizes and colors (teal, yellow, and dark blue). These circles are connected by a network of thin, light-colored lines that crisscross the page, creating a sense of connectivity and data flow.

2018 STATE OF ECOMMERCE DELIVERY

METAPACK CONSUMER RESEARCH
REPORT: NORTH AMERICAN INSIGHTS

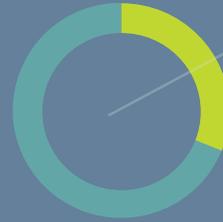
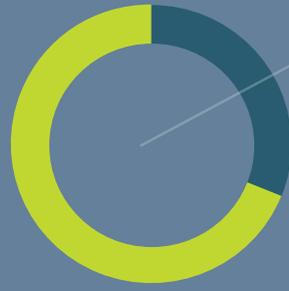


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1. INTRODUCTION

The eCommerce battleground is increasingly focused on who can best meet growing consumer expectations for shopping experiences that are simple, fast, reliable and – above all – convenient.

It comes as no surprise, then, that customer-centric delivery now represents a key differentiation point for e-tailers looking to win the biggest share of consumer spend.

Providing deep insights into what consumers want when it comes to delivery, the 2018 State of eCommerce Delivery: MetaPack Consumer Research Report examines how the delivery choices shoppers in North America and Europe encounter influence the purchasing decisions they make.

This North American Market Insights report delivers a detailed assessment on how consumers in Canada and the United States (US) increasingly expect to be able to determine exactly when, where and how they receive their online purchases and which carrier is trusted with the delivery of their goods.

2. STUDY METHODOLOGY

Research for this report was conducted online in July 2018 with 1,022 consumers in the US and Canada as part of a global study. In total 3,597 consumers in the UK, France, Germany, the Netherlands, Spain, Canada and the US were surveyed on behalf of MetaPack by Research Now, a global leader in digital data collection.

Aged over 18, all survey participants had made an online purchase in the last six months and the survey sample was designed to ensure equal respondent weighting between the seven geographic regions within which the fieldwork was undertaken: Canada (511), France (510), Germany (510), the Netherlands (509), Spain (510), the UK (528) and the US (511).



3. EXECUTIVE SUMMARY

An excellent consumer delivery experience can be a key differentiator for retailers and brands. In this year's report we explore key themes to help retailers and brands understand what consumers expect.

Firstly, Fast and Flexible Delivery. 81% of US consumers will pay more for faster delivery or a more convenient option. Getting it right for today's time-pressed consumers means delivering their online orders rapidly and to their specific requirements.

Secondly, International Shopping. 18% of US and 14% of Canadian consumers had made 6 to 10 purchases abroad in the last 12 months. Consumers expect full transparency on delivery and associated costs when buying abroad.

Thirdly, Consumer Loyalty. 65% of US and 50% of Canadian consumers would prioritize shopping with one online provider over another if it offered a loyalty program featuring next day delivery.

Finally, we discuss Going Luxe and Going Green. Consumers are increasingly eco-conscious and choosing consolidated deliveries.

With a wealth of choice at their fingertips, should eCommerce providers fail to get the end-to-end e-delivery experience right, these well-practiced digital shoppers will make e-tailers fight even harder for their loyalty.

ECOMMERCE DELIVERY TRENDS: CONSUMER PREFERENCES



US



CANADIAN



GLOBAL

of consumers have purchased more items to take advantage of a minimum spend 'free delivery' option.



US



CANADIAN



GLOBAL

of consumers say a positive delivery experience incentivises them to shop with an e-tailer again.



US



CANADIAN



GLOBAL

of consumers chose to purchase goods from one online provider over another because they provided more delivery options.



US



CANADIAN



GLOBAL

of consumers now want eCommerce providers to offer a one-hour delivery in metropolitan areas.



US



CANADIAN



GLOBAL

of consumers would prioritize shopping with one online provider over another if it offered a loyalty program featuring free next day delivery.

While home delivery retains a strong appeal for **83%** of US and **81%** of Canadian consumers, many utilized a range of other options to secure the most convenient time or location to take receipt of their orders:



US



CANADIAN



GLOBAL

of shoppers collected their purchases in store.



US



CANADIAN



GLOBAL

of shoppers used a local pick-up point or shop.



US



CANADIAN



GLOBAL

of shoppers opted for a weekend delivery.



US



CANADIAN



GLOBAL

of shoppers scheduled deliveries to their place of work.

4. KEY FINDINGS

With consumer loyalty increasingly hard to come by, and online shopping expectations evolving rapidly, our research highlights how consumer priorities are shifting when it comes to the delivery of their eCommerce orders:

MOST CONSUMERS NOW EXPECT FREE DELIVERY FOR THEIR EVERYDAY PURCHASES –

61% of US and **68%** of Canadian shoppers said free delivery is their top consideration for the majority of purchases they make.

BUT MANY ARE PREPARED TO PAY TO EXPEDITE FASTER DELIVERY OR TAKE ADVANTAGE OF A MORE CONVENIENT DELIVERY OPTION –

81% of US and **69%** of the Canadian shoppers we surveyed expect to pay extra for a one-hour, same day, next day or Sunday delivery.

SHIFTING LIFE PRIORITIES MEAN MORE CONSUMERS WANT THE FREEDOM TO CHANGE DELIVERY DATES OR RE-ROUTE THEIR ORDER POST-DESPATCH –

37% of US and **24%** of Canadian shoppers had made changes to their delivery preferences ‘on the fly’ after their order had been dispatched, with a further **51%** of US and **40%** of Canadian shoppers saying that if this option had been available to them, they’d have used it.

CONVENIENCE-ORIENTED CONSUMERS ARE TEMPTED TO TRY OUT NEW DELIVERY OPTIONS –

40% of Canadian shoppers plan to take advantage of collection from a local pick-up point, so they can avoid having to deviate from their daily routines or miss delivery slots. Similarly, delivery to a secure box outside their home held a strong appeal for **35%** of US respondents, with a further **30%** saying they’d be willing to try out futuristic options like delivery by drone, robots or autonomous vehicles.

THE ABILITY TO SELECT WHICH CARRIER DELIVERS THEIR ONLINE PURCHASES IS BECOMING A TOP PRIORITY FOR MANY CONSUMERS –

51% of US and **45%** of Canadian shoppers say that it is somewhat or very important they’re able to choose which online carrier delivers their online purchases.

THE RISE OF THE LUXURY BRAND BUYING CONSUMER –

a staggering **91%** of US and **82%** of Canadian respondents surveyed had purchased online goods from a luxury brand in the last 12 months. Understanding the ‘store to door’ delivery priorities of this growing army of luxe shoppers is a top concern.

CONSUMER DEMAND FOR A CONVENIENT ‘GREEN’ ECO-FRIENDLY DELIVERY IS

GROWING – 78% of US and **68%** of Canadian shoppers told us they were conscious of the environmental impact of their online deliveries. Over half of these shoppers went on to say they would always choose a consolidated delivery over multiple individual deliveries from eCommerce sites because it was either more convenient for them, and/or greener.

CUSTOMERS WANT DELIVERY TO BE FREE, FAST AND ACCURATE

Free delivery is the most important consideration for **61%** of US and **68%** of Canadian shoppers when making the majority of their purchases:



of shoppers had abandoned shopping baskets with online retailers because free delivery was not available.

of shoppers had purchased more items or products to take advantage of a free delivery option.



of shoppers say free delivery would incentivize them to buy more online during peak sales periods like holidays, Black Friday and Cyber Monday.

Asked to evaluate the top issues that resulted in an unsatisfactory delivery experience for them, consumers identified:



Even Amazon failed to match consumer expectations with regard to convenience: **37%** of US and **27%** of Canadian shoppers say they weren't at all impressed at having to stay at home all day awaiting delivery of their Amazon order.

5. FAST AND FLEXIBLE DELIVERY

US consumers (**24%**) ranked fast delivery as their #2 most important consideration after free delivery for the majority of their online purchases. This is perhaps unsurprising, considering that **20%** say they head online to make purchases on a daily basis with a further **37%** making weekly online shopping forays.



Canadian consumers had similar expectations when it came to receiving their online orders:



US



CANADIAN

Encountering slow delivery options resulted in **42%** of US and **32%** of Canadian consumers abandoning shopping baskets on the websites of retailers.



US



CANADIAN

Amazon disappointed **44%** of US and **33%** of Canadian respondents, who said they had abandoned their purchases on the online platform because delivery would take too long.

SPEED IS NOW CENTRAL TO THE CUSTOMER EXPERIENCE

Receiving online purchases as fast as possible exerts a strong appeal for consumers; over a quarter (**26%**) of US and **18%** of Canadian shoppers had taken advantage of a same-day delivery option where this option was available to them. Meanwhile, **17%** of US respondents say the desire for instant gratification meant they'd made use of a one-hour delivery option to get their goods faster.



US



CANADIAN



GLOBAL

These consumers say they'd like retailers to offer a one-hour delivery service in metropolitan areas.

CONSUMERS WANT MORE DELIVERY CHOICE – ONE SIZE DOES NOT FIT ALL

Consumers expect to encounter a range of delivery options when shopping online so they can select the time, place and delivery mode that best meets their immediate needs.



of respondents prioritized purchasing goods from one eCommerce site over another because it provided more delivery options.

eCommerce sites also need to recognise that geographic preferences with regard to last-mile delivery vary and adapt local delivery strategies accordingly.

80%

of US and Canadian shoppers had utilized a home delivery service option– so the pressure is on eCommerce sites to ensure shoppers aren't kept in the dark about when deliveries will arrive and keep their delivery promises – or risk disgruntled customers taking their future business elsewhere.

27%

of Canadian consumers opted for delivery to a pick-up point (PUDO)

21%

One-fifth or more of survey respondents in Canada (21%) and the US (20%) have arranged for online purchases to be delivered to their place of work.

20%

of US consumers elected for a weekend delivery.

56%

of US consumers opted for Collect in-store.

27%

of US consumers elected for a weekend delivery.

CONSUMERS EXPECT TO BE 'IN THE KNOW' ABOUT THEIR ORDER STATUS

Today's consumers expect to encounter a range of options that make it easy to get frequent and regular updates on what's happening and when with regards to tracking their orders:



US



CANADIAN

said receiving regular email updates is the top preference for US (55%) shoppers; similarly, 52% of Canadians expect email notifications so they can track delivery.



US



CANADIAN

said receiving SMS and push notifications with a hyper-link on their phone was a popular option for 49% of US and 32% of Canadian respondents.



US



CANADIAN

of consumers also regularly log into their online account to check order status.

KEEPING UP WITH CONSUMER NEEDS

Amazon sets the delivery benchmark against which consumers evaluate the performance of other eCommerce sites; an impressive **79%** respondents globally had purchased good online from Amazon in the last 6 months.

Our research highlights that retailers, brands and other online marketplaces need to keep their foot to the pedal when rising to the challenge of providing an 'Amazon-like' delivery experience.

Indeed, US shoppers ranked their last delivery experience with an eCommerce site as:

EXCELLENT



GOOD



Canadian shoppers, however, were noticeably less impressed when ranking their last delivery experiences:

EXCELLENT



GOOD



So, what are the core elements today's customers expect as a minimum to underpin their delivery experience?

CONVENIENCE-ORIENTED CONSUMERS ARE READY AND WILLING TO PAY FOR FASTER OR MORE SUITABLE DELIVERY



US



CANADIAN



GLOBAL

The majority of consumers we surveyed said they were more than prepared to pay extra for speedy and convenient shipping options such as one-hour delivery, same day delivery, next day delivery or a Sunday delivery slot.

With so many of today's online shoppers perceiving speedy shipping as a 'must have', displaying fast-delivery options on product pages will resonate well with those consumers looking to personalize delivery according to their needs.

CONSUMERS WANT DELIVERY ON THEIR TERMS – AND HYPER-PERSONALIZED

A growing number of consumers now expect a truly customer-centric delivery experience that's flexible enough to accommodate their fast-changing needs:



US



CANADIAN



GLOBAL

of consumers say they'd requested a change of delivery date or location after their order had been dispatched.



US



CANADIAN



GLOBAL

of consumers said that if this option had been available to them, they'd have used it.



US



CANADIAN



GLOBAL

of consumers say they expect eCommerce providers to know who they are and personalize a scheduled delivery in line with where they are right now – and not to a fixed zipcode.

6. INCREASING CONSUMER LOYALTY

Standing out from the crowd is one of the biggest challenges facing eCommerce sites. So, what does it take to deliver a stand out customer experience that goes beyond fast shipping and satisfies the consumer quest for ever-more convenient delivery options?

LOYALTY PROGRAMMES HOLD A STRONG CONSUMER APPEAL

Amazon's Prime membership program has proved a powerful engine for sales growth, setting the bar in consumer minds around what a great subscription service should deliver. In fact, **82%** of US and **72%** of Canadian consumers would like the eCommerce websites they use regularly to provide a Delivery Loyalty Program.

Unsurprisingly, consumers have high expectations when it comes to Delivery Loyalty Programs. But once subscribed, the frequency with which they place orders is likely to ramp significantly:



of consumers say they would prioritize one online eCommerce provider over another if it offered a loyalty program with preferential member services.



of consumers are planning to join up to five delivery loyalty programs in the coming 12 months.



of consumers are prepared to pay a monthly fee to secure unlimited next-day delivery on all their online orders.

A significant **74%** of US and **66%** of Canadian respondents also said they'd be interested in a delivery loyalty program where multiple retailers and brands work together to offer a premium delivery service.

TRY-BEFORE-YOU-BUY PLAYS STRONGLY TO CONSUMER DESIRES FOR A MORE CONVENIENT SHOPPING EXPERIENCE

eCommerce sites that are struggling to streamline their returns process will need to prepare for the tsunami of demand that will be generated as more consumers look to take advantage of the try-before-you-buy trend:



of consumers say the convenience of try-before-you-buy is appealing.



of consumers say that, for them, it's all about flexible customer service.



of consumers say they anticipate try-before-you-buy would reduce delivery costs on their online orders.

But while **54%** of US consumers say they'd be prepared to pay more for the ease and convenience endowed by a try-before-you-buy service, just **41%** of Canadian shoppers indicated any inclination to pay for this privilege.

GIVING CUSTOMERS CONTROL OF WHO DELIVERS THEIR PARCEL

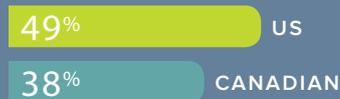
Having the ability to choose the carrier that's trusted with delivery of their online orders is becoming a top priority for many shoppers. This was especially the case for **31%** of US and **28%** of Canadian shoppers, who view not having this facility as a deal-breaker when determining which eCommerce provider gets their business.



of consumers say the freedom to choose a last-mile carrier is extremely/somewhat important to them.

RETURNS – BRIDGING THE EXPECTATION GAP

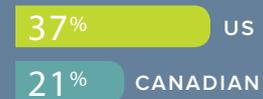
Considering that **57%** of US and **56%** of Canadian consumers say the returns policy they'd encountered when shopping on an eCommerce site had deterred them from placing an order, getting the returns experience right is a top imperative:



of shoppers would shop more with eCommerce sites that made the returns process easier.



of shoppers will always check an eCommerce site's returns policy before deciding whether to buy or not.



of shoppers say they'd be willing to pay more for a more convenient or premium returns option.

Asked about their preferences for returning goods purchased online:



of consumers said posting back returns was the most popular method.



of consumers said dropping goods off at a retailer's store appealed.



of consumers opted for courier pick-up of returns.

7. INTERNATIONAL SHOPPING

Cross-border eCommerce is making it easier for consumers around the world to buy goods from other countries. Indeed, the rate at which consumers are going global in pursuit of product deals or items not available in-country is impressive.



US



CANADIAN

of consumers had made between 2 and 5 cross-border purchases, with **18%** of US and **14%** of Canadian shoppers making 6 to 10 or more purchases.

Asked what is deterring them from making more international purchases, respondents said the top barriers they'd encountered were:



US



CANADIAN

of consumers said expensive delivery was the top issue.



US



CANADIAN

of consumers said slow delivery was the top issue.

CROSS-BORDER SHOPPERS EXPECT FULL TRANSPARENCY ON DELIVERY AND ASSOCIATED COSTS

Utilizing a mix of regional and local carriers to get goods to customers in the fastest possible manner eliminates the risk of delivery becoming convoluted, irritating or expensive for international shoppers.

But eCommerce sites can't afford to overlook the basics, especially when it comes to ensuring that online shoppers don't encounter unexpected charges on the purchases they're considering:



of international shoppers assiduously check to see what additional charges will be applied to product and shipping prices.

of shoppers will abandon their online shopping basket if presented with an unexpected additional charge for taxes at checkout.

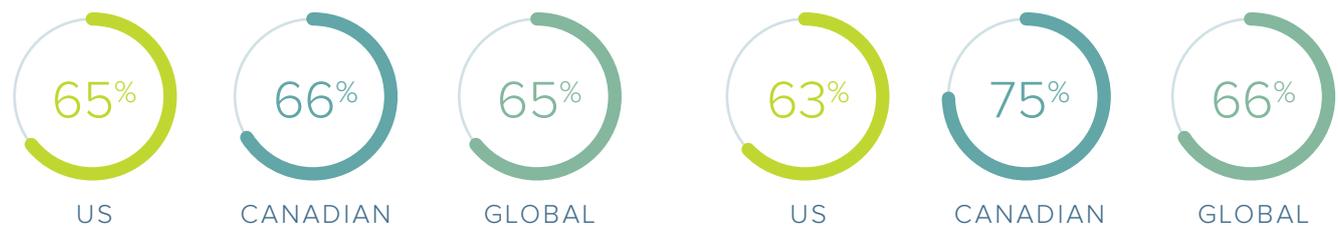
NORTH AMERICAN SHOPPERS UNDETERRED BY BREXIT?

Over one-third of North American shoppers appear unconcerned about the UK's forthcoming exit from the European Union; **36%** of US and **39%** of Canadian shoppers say they will continue to buy goods online from UK eCommerce sites post Brexit.



OF US AND CANADIAN SHOPPERS APPEAR UNDECIDED ABOUT THEIR FUTURE UK SHOPPING PLANS; PERHAPS AWAITING CLARITY ON WHAT BREXIT WILL MEAN FOR THEM IN TERMS OF THE COST AND COMPLEXITY OF MAKING UK PURCHASES.

Asked to evaluate what would put them off making purchases from UK eCommerce sites post-Brexit:



of consumers identified an increase in delivery costs as being a game changer.

of consumers said goods becoming more expensive than locally would be a deterrent.

8. GOING LUXE AND GOING GREEN

Following a tentative start, luxury brands are now racing to embrace digital commerce – whether that’s partnering with multi-brand retail sites or developing their own online sales portals - or both.

With luxury eCommerce taking off, the pressure is on smart retailers to provide unique experiences and differentiated delivery options that play well with shoppers. Whether that’s a two-hour delivery window or a same-day ‘white glove’ concierge delivery service that enables customers to try on/view products in their home, office or hotel suite - and immediately return unwanted items.



**OF US CONSUMERS
HAD PURCHASED
ONLINE GOODS FROM
A LUXURY BRAND IN
THE LAST 12 MONTHS**

THE LUXURY SHOPPER COMES OF AGE

82% of Canadian consumers had also purchased online goods from a luxury brand in the last 12 months. Home delivery was the top preference for **38%** of US and **32%** of Canadian shoppers making a luxury purchase:

- Around one-third of consumers (**32%** US; **39%** Canada) had shopped online with between four and nine luxury brands.
- US consumers appear highly enthusiastic about engaging with luxury brands online – over a quarter (**27%**) had shopped with 10 or more luxe brands in the past year.

Asked to compare delivery of their luxury item compared to other ordinary online purchases, **72%** of US shoppers said it felt more secure; **62%** said it was more controllable and trackable; and **56%** said there was a greater level of personal care.

However, **24%** of Canadian shoppers said there was no discernible difference. Indeed, Canadian shoppers were noticeably less impressed with their luxury item deliveries compared to their US counterparts; just **45%** said it felt more secure; only **35%** said there was greater control or trackability; and just **27%** experienced a greater level of personal care.

Ranking the most important delivery service features they expect when making a luxury purchases, consumers’ responses indicated:

US CONSUMERS

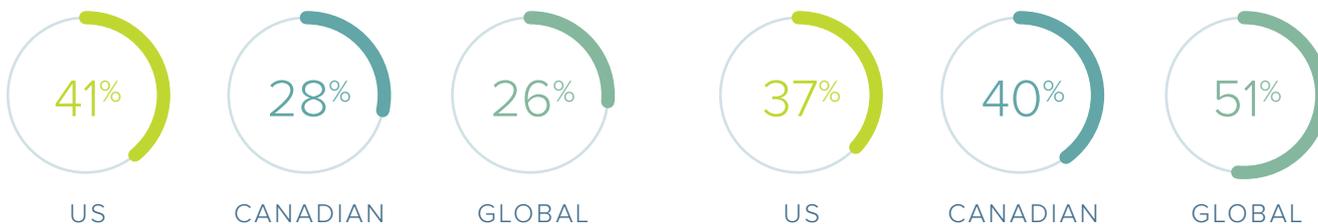


CANADIAN CONSUMERS



SAVING THE PLANET – ECO DELIVERY RISES UP THE CONSUMER AGENDA

Today's consumers are increasingly concerned about the eco-impact of their online purchasing behaviours:



of consumers say they care a great deal about how their online deliveries contribute to increased carbon emissions and traffic congestion.

of online shoppers say they're conscious of the issue.

With the tide of consumer sentiment turning on this issue, retailers will need to cater to a growing number of consumers who are concerned about the impact of their shopping habits on society and the planet.

Eco-friendly delivery innovations like consolidated delivery can enable an important point of differentiation for retailers and brands looking to establish and maintain strong consumer-centric relationships.

CONSOLIDATED DELIVERY SERVICES PROVE TEMPTING FOR ONLINE SHOPPERS

Indeed, consolidated delivery services represent a welcome 'triple win' for consumers— giving them greater convenience, a single delivery cost saving, and the chance to reduce the environmental impact of their online shopping habits:



of consumers identified convenience as the top benefit they'd gain from receiving all their goods in one go.

of consumers said that, given the choice, they'd opt for a consolidated service over having to plan to receive multiple deliveries.

With **98%** of US and **93%** of Canadian shoppers stating they believe that choosing a consolidated delivery service option would have a positive impact on reducing air pollution or traffic congestion, the digital delivery preferences of this significant cohort of consumers should not be ignored.

9. REVIEW AND FINAL OBSERVATIONS

North American consumers view delivery as a pivotal moment in their total online shopping experience – it's the reason why the last mile is increasingly focused on enabling an exemplary consumer experience that builds brand reputation and loyalty.

But as eCommerce markets mature, so do consumer expectations around what a great e-delivery experience looks like. This year's research highlights the top factors US and Canadian shoppers uniformly look for before making an online purchase – with fast, convenient and reliable delivery high on their list of wants, plus a transparent and 'frictionless' returns policy.

As the battle to win online customer loyalty intensifies, retailers and brands need to ensure their digital store delivery strategies are closely aligned to fast evolving consumer demands:

- The desire to experience 'try-before-you-buy' services is on the rise. E-tailers will need to prepare for increased volumes of returns, initiating strategies that facilitate a smooth and efficient returns service. Delivery choice and control is high on the consumer agenda – today's shoppers actively seek out the most convenient delivery mode for every purchase they make and want the freedom to select their preferred carrier.
- Social awareness is on the up – with more consumers becoming eco aware and committed to sustainable shopping behaviors, options like 'click and collect', 'delivery to a locker or local pick up point' and 'consolidated delivery' enable e-tailers to offer a delivery experience that's both convenient and socially responsible for shoppers.
- Consumers are ready and willing to pay extra for faster delivery. With one-hour, same day and weekend delivery becoming a critical point of differentiation for online shoppers, e-tailers need to focus fast on accommodating these delivery preferences.
- Delivery loyalty programs hold a strong appeal for online shoppers – consumers want their loyalty to be rewarded with free or quick delivery options and are prepared to pay an annual fee to enjoy such premium benefits that eliminate the need to factor in delivery when making purchases.
- Enabling real-time messaging and improved customer interactions throughout the delivery process is becoming a 'must have'. Consumers value frequent and up-to-the-minute updates on the delivery status of their online orders and will become frustrated when delivery commitments are unexpectedly rescheduled without notice.
- Being able to offer customers the ability to make 'in-flight' changes is becoming the new norm for delivery and returns and represents a sure-fire way of ensuring customer satisfaction remains on an upward trajectory.

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