

Ecommerce: Is Retailer Fulfillment and Delivery Performance Keeping Up With Sales Growth?

Introduction

Two years into the pandemic it is widely accepted that consumer shopping behaviour has changed for good. Top-of-mind for retailers is whether consumers' appetite for even more ecommerce purchases will continue as the pandemic subsides. While ecommerce demand has increased, the quality of the end-to-end buying experience has been mixed. Consumers are now far more sophisticated and demanding, and when it comes to what constitutes a good experience, one size does not fit all. Expectations vary greatly, influenced by product value and age group, even nationality, and they extend across the entire buying experience, from purchase through delivery to unboxing and returns.

Fulfillment and delivery capability and performance are a critical part of the brand experience and under greater consumer scrutiny than ever before. Retailers need to address fast emerging delivery personas, embrace millennials' concerns regarding the environment and at the same time the over 55s' desire for convenience. Retailers are aware of the impact on delivery performance created by driver shortages, but how many are considering the long-term implications for brand value and future customer loyalty?

Descartes Systems Group commissioned research to understand consumers' online purchasing across Europe and the North America to understand how the quality of the experience affects consumer perception of both retailers and delivery companies.

In January '22, Sapio Research undertook a series of interviews on behalf of Descartes with over 8,000 consumers who shop online in the USA, Canada, UK, Germany, France, Denmark, Norway, Netherlands, Belgium, Sweden and Finland.

Top Level Findings

- Online buying and delivery continues to grow: **48%** of the overall respondents say they will make more purchases and deliveries in the future – up **2%** from today and **13%** pre-pandemic. Online purchases and deliveries will increase even more in the UK (**55%**) and USA (**52%**).
- Online purchase and delivery is all about convenience (**54%**) for consumers but even greater for those 55+ (**64%**).
- Delivery is still not good enough – **three out of four** consumers experienced delivery problems in the last three months.
- Poor delivery experience damages consumers' retail perception - **23%** have not ordered from the retailer again, **21%** lost trust in the retailer and **16%** told friend and families to avoid the retailer.
- Customer expectations vary – security (**32%**), proof of delivery (**30%**) and tracking (**27%**) are all more important for the most expensive items; cost of delivery (**23%**) more important for lower cost goods.
- Environmental issues affect decision making, especially for the younger generation: **85%** of those aged 18-24, and **75%** of 25 to 34 year olds consider the environment when placing an order.

Download the Research White paper here:

https://routinguk.descartes.com/ecommerce-home-delivery-consumer-sentiment-report-form?utm_source=website&utm_medium=PR&utm_campaign=Magnet&utm_id=BMDir