



ARE YOU DELIVERING WHAT YOUR CUSTOMERS WANT?

An investigation into how retailers are responding to the growing delivery demands of the ecommerce customer

A whitepaper produced by eDelivery.net in conjunction with NetDespatch



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Editor's comment

Consumers have high expectations when it comes to ecommerce. They want delivery locations beyond just the home; they want better returns and they want the ability to track their deliveries and, when required, the ability to also change their deliveries inflight. Their expectations have been set by market leaders such as Amazon and they have little sympathy that smaller retailers may not have the budgets or ability to match such a service without paying a hefty price for it.

But retailers can't ignore what consumers want – especially since if they get it wrong that customer is but one click away from a rival retailer.

As well as market leaders such as Amazon, consumers are increasingly aware of the new services that being offered within the carrier market – ranging from same day delivery to one-hour delivery windows, tracking, free returns, click and collect and delivery apps that allow real-time changes.

As a result, expectations are constantly being stretched as consumers see just how accurate and effective delivery, collection and returns can be when it's done correctly.

But are retailers responding effectively enough to this new raised bar? Recent research by NetDespatch unearthed the current state of mind of consumers around delivery, providing a clear picture of 'the consumer's dream ecommerce experience'. But is it an expectation that retailers are meeting?

In this whitepaper, produced by eDelivery.net in conjunction with our partner NetDespatch, we examine how retailers are faring. Our market survey reveals how well retailers believe they are currently responding to their customers' expectations; the challenges they face in doing so and the services they believe their customers want as well as their own priorities for future development.

We look at how retailers are increasingly working collaboratively with their delivery and technology partners to drive innovation and improvements – particularly around visibility and improved control and clarity – and how customer expectations are driving that.

We analyse at the role of customer emotion and the importance of open and honest communications with customers before problems escalate. We look at the brand impact – both of offering a distinctive delivery service that fits the brand but also the potential negative impact of getting it wrong.

The whitepaper features retailer comment throughout but our retailer focus section offers a comprehensive and honest overview of what a number of retailers in the sector are doing and is a must-read.

Throughout the whitepaper we look at considerations for action, however for a top-tips guide to planning for 2017 our whitepaper ends with 10 key actions that we at eDelivery.net believe you should be focussing on in the coming months. This will ensure that as a retailer you aren't just delivering what customers expect but going above and beyond expectations too.

Why it's time to work together to better deliver on expectations



K e-commerce sales are skyrocketing. With consumers becoming ever more demanding however, retailers continue to struggle to keep pace.

Recent research that we carried out showed that consumers have strong views around delivery price, services and timeframes. We know that the majority of shoppers now want delivery options that extend beyond the home. They also want more efficient services and the ability to be able to track their online orders and parcels every step of the delivery journey. What's more, consumers want complete flexibility and control over when and how their parcel will be delivered. That said, they appreciate and are quite prepared to wait for what they deem as non-urgent parcels. But they still want total visibility so that they know when their parcel will arrive, whether that is same day, next day or within a number of days.

Meeting consumer demand is particularly important here in the UK. According to the Ofcom International Communications Market Report we experienced the highest e-commerce turnover per capita in 2015, more than any other country, with an average online spend of £1,800 per person. This statistic was 50% higher than the US and £600 greater than the next highest valued market at £1,200.

The research we undertook looked to identify the dream e-commerce delivery experience. As a result we have developed a whitepaper that explores the matter in detail and outlines additional findings from a follow-up survey with the retailer community in conjunction with eDelivery.net. Here we probed retailers further on their understanding of consumer expectations and whether they felt they were meeting demand and if not, why not? We also explored how retailers are adapting their services and, in particular, how many are taking a more collaborative approach to meet the ever-changing needs of the consumer.

Today retailers realise that in order to meet and, indeed, exceed the demands of the modern online shopper it is imperative that they integrate the whole logistics ecosystem.

This includes utilising the latest technology to help optimise order processing, warehousing and logistics, and how they work more collaboratively with the carrier. Fundamentally the service and approach needs to be seamless and this can't be achieved without increased collaboration supported by technology. Therefore in 2017, retailers must adopt an even more collaborative approach in order to respond effectively and efficiently to the demands made of them.



Retailers are now striving to make the parcel journey one continuous motion and most recognise that the best way to achieve this is to outsource this process to best-in-class providers, which allows them to focus on their core business.

At the same time retailers need to continue to innovate and integrate the latest technologies into their own e-commerce business, in order to both enhance their brand presence and their retail strategy. Consumers are constantly looking for retailers to improve not just front of house processes but the whole delivery experience, which starts when they click on the website and finishes when they receive the goods.

Retailers must truly understand the ever-increasing need for instant gratification that dominates the e-commerce industry and must constantly evolve their strategies in order to keep pace and survive in a world where the competition is tough and the stakes are high. Consumers are fickle and switch from one retailer to another at the click of a button.

In my view, 2017 will be 'the year of collaboration' with retailers working much more closely and collaboratively with their partners in order to deliver that seamless parcel delivery experience.

Matthew Robertson
Co-CEO
NetDespatch

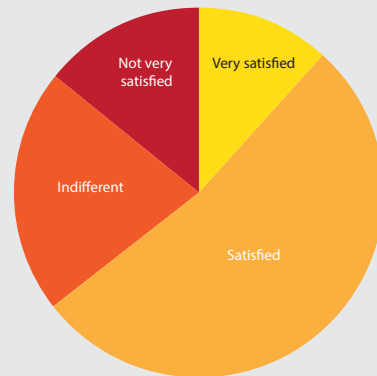


Survey results in full

Retailer satisfaction with delivery offering from carriers:

- Retailers are generally satisfied with their current delivery offerings with nearly two thirds (65%) saying they were either satisfied (53%) or very satisfied (12%)
- One in five respondents (21%) feel indifferent about their current delivery offering
- 14% are not satisfied with their current delivery offering from their carriers

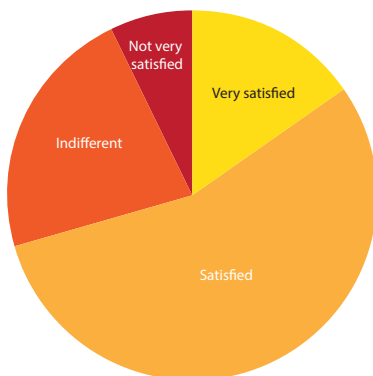
How satisfied do you think your customers are with the delivery services and options you offer?



Retailers' perceived satisfaction of customers with delivery services they offer:

- 70% of retailers said they felt their customers were either satisfied (55%) or very satisfied (15%) with their delivery services and options
- 7% felt their customers weren't satisfied
- More than one in five (22%) said their customers were indifferent

How satisfied do you think your customers are with the delivery services and options you offer?



Popularity of delivery options with customers:

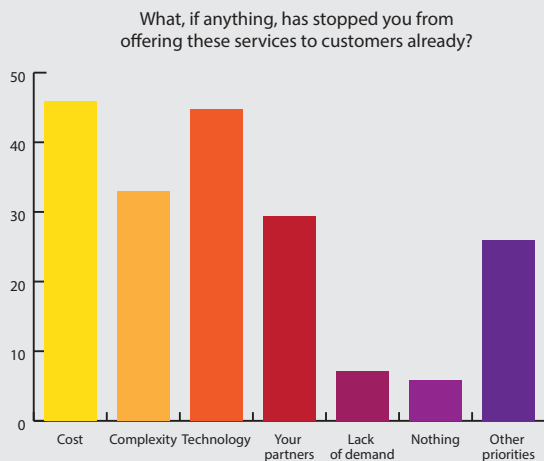
- Almost a third of respondents (31%) cited next day delivery as their most popular delivery option
- This was followed by standard delivery (up to 3 days) for just over a quarter (26%) of respondents and economy delivery of 3-5 days for just over one in five (22%)
- Newer niche services are emerging such as Sunday delivery (cited as most popular by 4% of respondents) and evening delivery (cited by 2% of retailers as most popular)
- More than half of those surveyed didn't offer same day delivery (64%), Sunday delivery (59%) or evening delivery (58%) services

Where do customers ask retailers to deliver?

- Home address remains the most popular option with 60% of retailers citing it as first choice amongst their customers
- This is followed by work address for 15% of respondents
- Lockers remain a niche with 71% of respondents not yet offering them
- 40% of those surveyed didn't offer click and collect to third party locations and 42% didn't offer click and collect instore

Barriers to development of services:

- Cost and technology prove the biggest barriers to developing additional delivery services for customers with 46% and 45% of respondents citing them as challenges respectively
- Almost a third (33%) were challenged by the complexity of additional delivery services
- Other priorities were a barrier for a quarter (26%) of respondents
- 29% of retailers blame their partners for stopping them from offering new services to customers
- Only 7% cited lack of demand as something that has stopped them innovating



The desire for collaboration:

- The survey showed that retailers want to work together to make delivery a success with 42% saying they would collaborate with numerous partners to meet consumer expectations

Business cases for improvement:

- More than half of respondents (51%) cite the ability for consumers to track their order as a high priority for improvement
- Providing update notifications at various stages of the journey was the next highest priority for 27% of retailers and a medium priority for a further 41% of respondents

Priorities for development:

- Visibility and tracking services are a top priority for development with 45% of retailers citing them
- Timed deliveries are the next highest priority for just over a third (35%) of respondents
- This is followed closely by delivery progress notification for 34%
- Delivery to third party click and collect locations is next at 31%
- Lowest on the priority list was Sunday deliveries for less than 1 in 10 respondents (7%)

Retailer satisfaction with current despatch processes:

- Retailers are generally happy with the speed of fulfilment with 84% of respondents saying they were happy and only 5% unhappy
- Nearly three-quarters of respondents (74%) were also happy with the number of delivery destinations offered
- However, retailers were less happy with the number of delivery options, the ability to implement new delivery options and their quality of tracking

	☹️	😐	😊
Speed of fulfilment	5%	12%	84%
Number of delivery options offered	20%	24%	56%
Ability to implement new delivery options	27%	28%	45%
Quality of tracking you are able to provide	25%	24%	52%
Number of delivery destinations offered	7%	19%	74%

- Being able to give an exact window of delivery is also a priority for retailers with 44% citing it as a medium priority and a quarter (25%) citing it as high priority
- Low on the priority list was the opportunity to change a delivery location once the order had been processed



UK has experienced highest ecommerce turnover, higher than any other country

This is **50%** higher than US

UK is **£1800** per person

It is **£600** higher than the next highest valued market at £1200



So, what are the popular delivery options with consumers?

31%

Next Day delivery

25%

Standard delivery

22%

Economy 3-5 Day delivery

What do retailers not offer right now? Room for improvement or lack of demand?

64%

don't offer Same Day delivery

59%

don't offer Sunday delivery

58%

don't offer Evening delivery

Consumer delivery preference – Which options do retailers see as preferred?

60%

request home address

15%

ask for work address

7%

say Click&Collect in-store

What are the top three barriers to developing additional delivery services?

46%

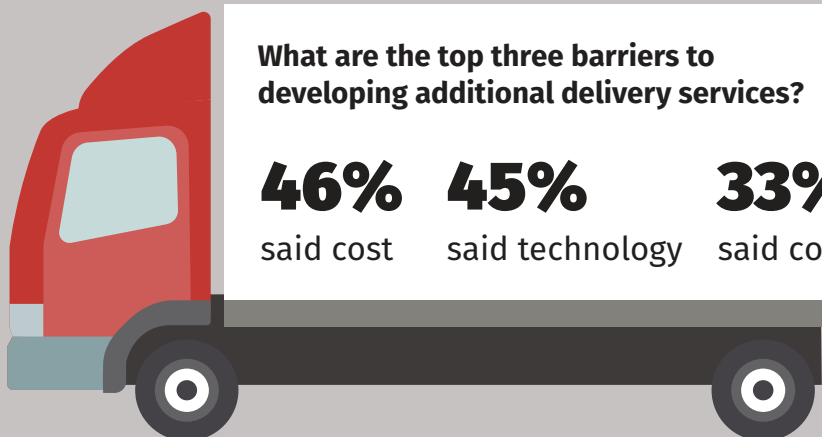
said cost

45%

said technology

33%

said complexity



Working in partnership

CONSIDERATIONS FOR ACTION

- Ensure a partnership approach
- Check to see you are offering what the customer actually wants
- Work with suppliers across the board and aim for transparency and flexibility
- Don't overpromise – be honest
- Embrace the power of click and collect to drive revenue for both online and offline channels
- Test and innovate when it comes to delivery services

“ 42% of respondents would work with numerous partners to best meet consumer expectations ”



The world of ecommerce has always changed fast but until relatively recently the world of delivery lagged somewhat behind.

No more though. Today, delivery is a key differentiator in winning customer spend and a crucial part of a brand's proposition and marketing strategy.

But retailer or delivery partner can do no one part of the job alone. Instead they need to work together learning and feeding from each other to better understand the sorts of services their customers want and – more importantly – what they are willing to pay for them.

Darron Styles, senior carrier manager for retail group Globe Online, which includes Worldstores.com, Kiddicare.com and Achica.com amongst its stable of brands, says a collaborative, partnership approach is key. “We are always trying to create partnerships. When it comes to delivery you need to have at least two carriers out there. You don't have all your eggs in one basket. You need that flexibility and you need different people to help achieve those requirements,” he says.

But our survey also showed that for some whilst cost and technology provide the biggest barriers to innovation, for just under 3 in 10 retailers (29%) their delivery development plans are hampered by the partners they are working with.

Indeed, many retailers say that their delivery partner could do more to help them improve their business by sharing more information with them. “Our delivery partners could do a lot more in terms of educating us on what's best practise and what they see in the market,” says one retailer interviewed for this whitepaper. “That's a big area for them to up their game to help them offer the best of what they offer,” says the retailer.

Offering distinctive, fit for purpose delivery services are vital to win customers' hearts, minds and purses but it does require a close partnership approach. Our survey showed it was something that retailers were aspiring to, with 42% of respondents saying that they would work with numerous partners to best meet consumer expectations.

New delivery service models are also being trialled and introduced by various retailers pushing the limits on delivery, with latest innovations such as the delivery subscription model expected to grow substantially.

Our survey also showed that there is more to be done in terms of better exploiting other innovations too – with 7 in 10 respondents not yet using lockers services, more than half not offering same day, Sunday or evening deliveries and 40% not offering click and collect.

Indeed, when it comes to collaboration, click and collect also offers a huge opportunity for retailers and their delivery partners to work more closely together to improve the customer experience, especially since it can drive additional spend instore.

Whichever delivery channel they choose to develop – and there were many identified by the retailers in our survey – working together for the same cause is key. Being open and sharing information, best practise and what has been achieved has been a key part of the huge innovations the market has seen in recent years. If retailers want to continue to meet and beat customer expectations this is a trend which has to continue.

Why control and clarity are the big new customer expectations

Control and clarity are becoming the new battleground for retailers around delivery with customers increasingly expecting transparency and control around their order, with a desire to now know exactly where it is during the delivery process and when it will arrive.

“Our customers want deliverability and tracking,” says Jon Hulmes, co-founder of subscription drinks gift service Craft Clubs. His company sends out monthly surprise parcels to its customers so Hulmes says that for his customers having confidence that the item will arrive when it should is key to ensuring the surprise element of his product isn’t ruined. “It’s about making sure the parcel gets to where it is going intact and that the customer knows where it is at all stages,” he says.

Amazon is leading the pack in this and retailers have to consider how they compare, whatever their scale. “Expectations have been set by the people that do things really well. I’m a big Amazon fan and am an Amazon Prime customer but whilst our customers understand we are not of Amazon quality we can’t be that far behind,” says Hulmes.

Robin Wyatt, fulfilment operations manager for Mothercare, agrees: “Most people buy from them and expect that level of communication and choice and that’s probably where most of us will end up,” he says.

Many are already trying. Fashion retailer New Look for example offers clarity from the outset with a comprehensive delivery section to its website that answers most of the questions a customer may have – as well as offering a total of 12 different delivery options with clear openness not only surrounding price and what that service entails, but revealing to customers the courier who will deliver their product.

For next day, Sunday and nominated day services New Look uses DPD’s Precise service, which allows it to send shoppers emails or SMS the day before delivery; allowing customers to select their preferred one hour time slot, offering tracking and order updates, and the ability to change delivery if requested.

For consumers themselves, this level of control and clarity remains relatively new – and so its adoption across industry really does depend on the delivery partner the retailer is working with.

First adopted by the large ticket and bulky item retail sector such as furniture, such notifications enabled the customer to better plan and anticipate large, awkward deliveries. Such capabilities are now rolling out across all sectors – from clothing to shoes, with improved first time deliveries and customer satisfaction as a result.

And as such it’s an expectation that consumers will continue to have and that retailers will want to improve upon. For SMEs struggling with the investment case for such services there has to be an appreciation that it’s something their peers are considering.

Improved tracking was found to be a key priority for improvement in delivery offering amongst the retailers we surveyed with half (51%) saying it was a high priority. Update notifications are also important, cited as high priority for 27% of those we surveyed.

When we asked retailers to rank their priorities for development, visibility and tracking services came top (45%), timed deliveries second (35%) and delivery progress notifications third (34%).

CONSIDERATIONS FOR ACTION

- Look at what market leaders are doing to know what you are competing against and the levels of information best in class retailers are providing
- Consider what’s best for your market and how much your customer needs to control their delivery (which will differ by types of purchase)
- Enable delivery notifications and tracking to enable greater customer communication where possible
- Offer the ability for inflight change where possible

“Half of retailers say improving delivery offering is a high priority”

Beware customer emotions around delivery

CONSIDERATIONS FOR ACTION

- Monitor social media and respond quickly
- Underpromise but overdeliver
- Offer convenience and choice
- Be upfront about delivery issues
- Beef up customer service to deal with issues around peak periods and work closely with delivery partners to manage expectations
- Keep customers updated and offer tracking and visibility options where possible

“There are so many people in the marketplace doing delivery well that there is much less acceptance of anything that doesn't meet the standard of the best services available”

W

e've seen in the previous section that customers are more demanding than ever. They know what the best retailers can do and have little patience with retailers who don't deliver the same experience. “There are so many people in the marketplace doing delivery so well that there is much less acceptance of anything that doesn't meet the standard of the best services available,” says Schuh logistics director Rob Bridle.

Customers want choice and flexibility with a range of options. Although research for the IRUKTop500 retailers, published in November, found that more than 40% of retailers offer more than three delivery options to their customers, for some it's higher, with 7% offering between five and eight options for their shoppers.

We've also seen a customer demand to be more in control – such as being able to choose specific delivery days or late cut-off times for next day orders. The retailer Next offers 12am for next day delivery and up to 12 midday for same day delivery, for example. And customers want to be able to change deliveries too.

But they also don't like it when retailers get things wrong. In December a survey from Citizens Advice suggested that in 2015/16 UK consumers experienced 4.8 million delivery problems – and spent up to two and half hours each sorting them.

Keeping an eye on delivery performance, ensuring carriers hit SLAs and that customers are satisfied is key. “We have fulfilment customer satisfaction surveys and I review delivery performance with all carriers every month to ensure SLAs are being met,” says Mark Barnett, operations director at traditional sports retailer Orvis.

The danger of course is customers getting vocal when a delivery experience doesn't meet their expectations. And with 14% of those in our survey saying that they weren't satisfied with their current delivery offerings from carriers, and nearly 30% saying that they felt their customers were not satisfied or indifferent about the services they offer then it's a problem that really must be addressed.

Social media is a natural outlet if a retailer fails to respond quickly enough to any delivery problems, which means retailers must monitor it closely – especially around peak.

For Craft Clubs, social media is key – especially as its customers start sharing their surprise packages and what was in them upon receipt. “We are very socially driven so if a customer doesn't get their box but watches everyone else opening theirs then the surprise is ruined,” says Hulmes. “We have a social media team all over that on and around delivery day and will respond and fix delivery problems as soon as possible because people get vocal very quickly. We try to go above and beyond to ensure people are kept informed and let them know that we understand and care,” he says.

Ensuring customers meet expectations during peak periods is even more important – and even more of a challenge. In the Citizens Advice survey there was a 32% increase in calls from people seeking help for problems with deliveries between October and December 2015 and a peak of 60% on the 18 December as shoppers neared last order dates.

And YouGov research suggests it's the retailer – not the carrier – who gets the blame in 60% of cases which means transparency and honesty are key.

Clear, honest communication is vital, according to Globe Online's Styles. “What businesses need to do is to manage that strong and upfront communication to the customer. If you tell them honestly what is happening [if a delivery does go wrong] then nine times out of ten they will say, ‘Ok, fine’ and that's it. They are not going to get up and complain. They may not be happy but it won't be a detractor from future transactions,” he says.

Creating a distinctive service to fit your brand

CONSIDERATIONS FOR ACTION

- Consider whether your delivery options reflect your brand values
- Create delivery services that complement your customers lifestyle and needs
- Beware of the impact on the brand of getting delivery wrong
- Be sure to be quick to respond if and when things do go awry

“ We probably get more positive feedback about fast delivery experiences than we do for pretty much anything else so speed and reliability are definitely important KPIs for us ”



As we have seen, retailers are realising both the impact of having a customer friendly delivery service on their brand as well as the impact that a poor delivery experience can have when they get it wrong or fail to meet expectations.

They are increasingly ensuring that delivery is as important a part of their brand as the rest of their proposition and customer experience rather than the afterthought it once was.

Extending the range of options available, adding tracking and improving the general experience is key, and many retailers are trying to go one step further too. At Mothercare, Wyatt says the company is also considering the importance of unboxing too. “We could do things better and are going to do some more branding on boxes this year. For example, if someone orders a Moses basket then it’s most likely their first child and so it would be nice to deliver that in a more special way – almost like gift wrapping,” he says.

To get delivery right though often means a change in how retailers deal with this last mile fulfilment promise – and an increased appreciation across the business that it isn’t just a supply and fulfilment issue but an important customer experience and marketing issue too. Retailers must work more closely together on delivery, not only externally with their partners but internally across departments too.

But retailers must also ensure that what they offer actually suits their customers and their needs. Will they pay for premium delivery for example and do they even want it? At Mothercare, Wyatt says most of his customers tend to opt for free standard delivery, since theirs are generally considered planned purchases such as nursery furniture or prams and pushchairs, rather than more need-it-now buys.

Similarly, Marks and Spencer has a thriving click and collect business which is well suited to its customer demographics and New Look, profiled in our case study section, is a great example of a retailer who is concentrating on offering everything its customers might want and more.

New Look’s Delivery Pass innovation – a subscription service where customers pay annually for free delivery and collections – not only offers great value for its fast fashion customer but also ensures they have access to a convenient hassle-free way of getting their goods delivered. Most importantly however, like Next’s 12am order cut-off time, it also offers an important and high profile differentiator amongst its competitors in a hugely crowded fashion sector with a service that its customers want.

Failing to create differentiation through delivery will risk losing a sale. “If the product a customer wants is available somewhere else with a better delivery offer customers can and will switch – choice is often only a click or two away,” says Schuh’s Bridle.

Getting it right can have a great impact. “We probably get more positive feedback about fast delivery experiences than we do for pretty much anything else so speed and reliability are definitely important KPIs for us,” says Bridle. The company produces reports that show how fast orders were picked and packed and the time it was delivered compared against the delivery promise to produce a service percentage on time KPI for which Bridle says the high 90s is achievable.

Get it wrong and it doesn’t matter how good the experience was before – its impact will be huge. “It’s the area that can undo all the good work that may have come before it when making the sale so getting it right first time for us is vital,” he says.

A spotlight on how retailers are responding to customer demands around delivery

NEW LOOK – Ensuring delivery innovations matches brand values

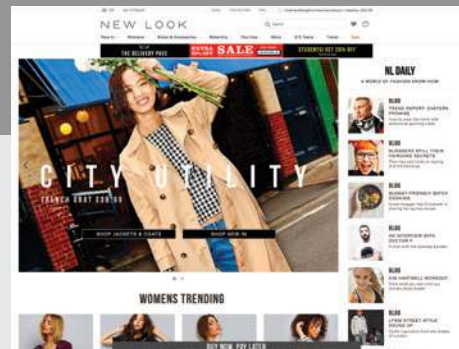
www.newlook.com

Fashion retailer New Look is a prime example of a retailer taking the lead with delivery innovation to ensure that its fast fashion ethos really does extend to getting its products to customers as quickly as they can.

The company also has a great new delivery option to keep its customers loyal to the brand with the Delivery Pass, a delivery subscription service launched by the retailer in November. For £9.99 a year the pass allows customers unlimited delivery and collection as well as free returns, including precise next day and evening deliveries.

The company also offers clear transparency on its website with clear pricing and openness as to which couriers are providing which services for the brand as well as a click and collect instore offer designed to drive up spend.

With 12 delivery options – as well as the Delivery Pass option – the fashion retailer really has got every eventuality covered. It also offers several tracking options, including one hour delivery slots for some services and the ability to change delivery times. Customers meanwhile can follow up delivery queries either through a chat help option via email or social media.



SCHUH: Offering customers lots of choice

www.schuh.co.uk

For footwear retailer Schuh, meeting and beating customer expectation is vital and this is evident in its delivery proposition. The retailer offers a full list of delivery options with no less than 11 available to its customers. These include seven day a week services, choose your day, Sunday deliveries and super rapid services such as Shutl as well as a click and collect service that can see products available for collection instore in as little as 20 minutes.

Schuh's logistics director Rob Bridle says that keeping on top of customer expectation is key. "We try and make sure we stay up to date with important market research about customer expectations," he says. This is through accessing a variety of consumer surveys as well as feedback from customers via requests, social media and its in-house customer experience team.

The retailer has embraced several innovative developments in recent years but Bridle says the company's Express buy and collect service, where customers can make a purchase on their phone and collect it from their local store within an hour is the one that is seeing the biggest growth.

However, to meet customer expectations depends on having a delivery carrier that the retailer can trust, according to Bridle. "Selecting high quality, reliable delivery partner is far more important than trying to keep delivery costs as low as possible and just automatically going with the cheapest delivery players in the market. Having a delivery partner or carrier who we know we can trust to get the customer order to them exactly when promised is vital for us," he says. "We'll continue to try and ensure we offer every possible type of delivery option that our customers might want and make sure we make the right delivery partner choices to make delivery an enjoyable part of shopping with us."

CRAFT CLUBS – Surprising the customer with a focus on delivery

www.craft-clubs.co.uk

Originally set up in 2015, Craft Clubs is a drinks-based subscription gift service comprising Craft Gin Club and Bubble Club, the latter of which launched in 2016. Backed by Sarah Willingham off BBC television show Dragons' Den, the business sends out around 10,000 surprise package parcels a month usually containing the club magazine, a drink of choice and cocktail ingredients.

"We send most things via Royal Mail Tracked 48 and use NetDespatch as the order mechanism to feed our orders and produce labelling through to the Royal Mail," says co-founder Jon Hulme. "That works really well since we are processing around 10,000 orders at a time," he says. "The integration of NetDespatch and Royal Mail has taken away a huge pain point for us," says Hulmes.

Although as a subscription service Hulmes generally knows when his shipments are going to be he says delivery is still a service that must be executed exceptionally, especially as the company builds the buzz with customers to let them know a delivery is in on the way. "For us the delivery is everything as part of the brand experience because otherwise the surprise element, the community element, around launch day is ruined," he says.

He says the retailer works closely with its delivery partners to ensure it can offer the best service it can and then adds to that with its own: "Brilliant customer service. We try to go above and beyond to stretch the overall delivery experience," says Hulmes.



MOTHERCARE – Taking care of delivery for parents-to-be

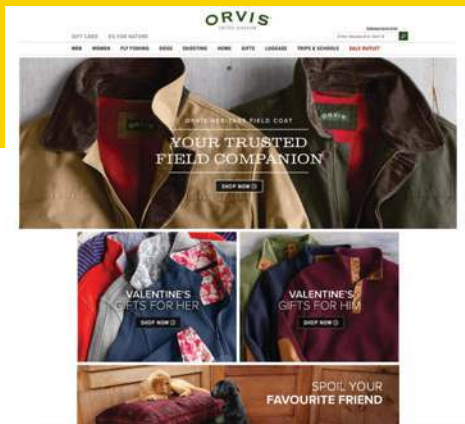
www.mothercare.com

At Mothercare, fulfilment operations manager Robin Wyatt says the key thing for the brand is delivering professionally and when expected. The retailer works closely with different carriers to handle its delivery needs and to learn more. "I have a good working relationship with them and they tell us what they are doing and what they are seeing," he says.

And as a retailer that doesn't necessarily have the volumes of some other competitors in the market he says that sort of relationship is very important. "We tend to bat above our average in terms of our leverage with carriers because our volumes are not so high," he says.

Unlike many other retailers he says the business' proportion of next day orders is very small. "We are slightly unique in that people do tend to opt for standard delivery (which is free over £50). I think that's because it doesn't tend to be a surprise when you are pregnant so everything usually gets ordered in good time, although you might get car seats ordered earlier if a baby comes unexpectedly," he says.

Next steps for his business will include timed slots and inflight diversion, he says. The company is also expanding the attractiveness of its click and collect offer, which currently accounts for around 40% of its online orders. "We are trying to make our stores a bit more destinations in their own right with coffee shops and so on in them," he says.



ORVIS – Embracing the need for inflight communications and partner collaboration

www.orvis.co.uk

Outdoor and country living goods retailer Orvis claims to be the oldest mail order business and one of the longest running retailers in the US, selling sporting traditions products since 1856.

Mark Bennett, operations director of The Orvis Co, says his business offers a variety of delivery options including standard, next day and click and collect but says that embracing both customer demand and delivery partner innovation is key. “Working with delivery partners is important to ensure you keep in touch with the latest offers and technical progressions. Partnerships help drive change,” he says.

“Regular monitoring of the latest innovations from carriers and how they are impacting the customer is important but equally it is essential to listen to the needs of the customer,” he says.

For his business, latest initiatives include hour delivery windows and inflight options, but Bennett says he hopes to offer more – such as beginning to end customer package and order information in real time. He admits that the IT infrastructure needed to support the changing face of delivery is expensive.

But retailers can’t afford to stand still he says. “If you do not respond to the need of the customer regarding delivery timeframes and cost options they will shop elsewhere.”

DE’LONGHI GROUP – Managing customer expectations

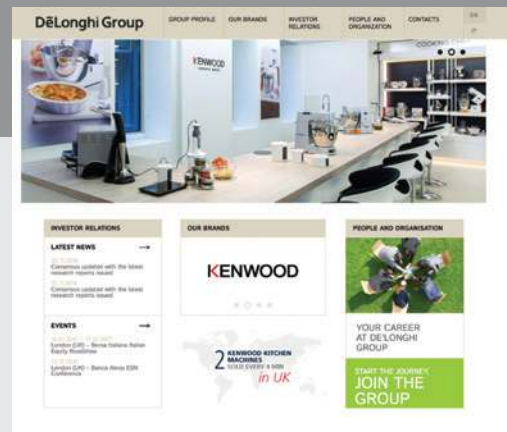
www.delonghigroup.com

At De’Longhi Group, which comprises sites for De’Longhi, Kenwood and Braun, group ecommerce marketing manager Alberto Billato says home delivery is currently fairly limited with only a standard service offered via ParcelForce. Next day delivery is being considered but has been delayed by a warehouse move. Stated day or Saturday delivery is also being considered.

Pressure for delivery comes not necessarily from the company’s online customers but from other retailers, according to Billato. “It’s more about competition from others. We want to be playing a similar game to our competitors,” he says.

Because the company is a little more limited on its delivery options currently, Billato says the focus is on keeping customers happy with the service it does offer underpromising and overdelivering. “We are experiencing steep growth so we play very safe with expectations and are over cautious, always stating at least a day more than our courier,” he says. The company also pledges to email customers if orders look like going over the stated time.

Having such a safety margin also helps prevent problems during peak, he says which helped last Black Friday when the company experienced higher sales than expected. “We normally overdeliver because we state longer but in this case we just managed expectations,” he says, proving that it’s better to overdeliver on customer expectations than fail to meet them.



LOVEHATS – Using service to differentiate around delivery

www.lovehats.com

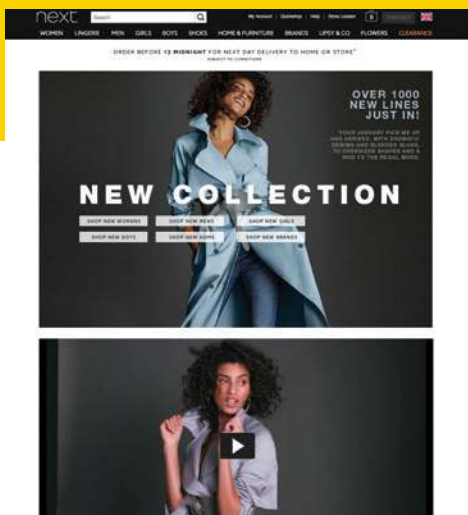
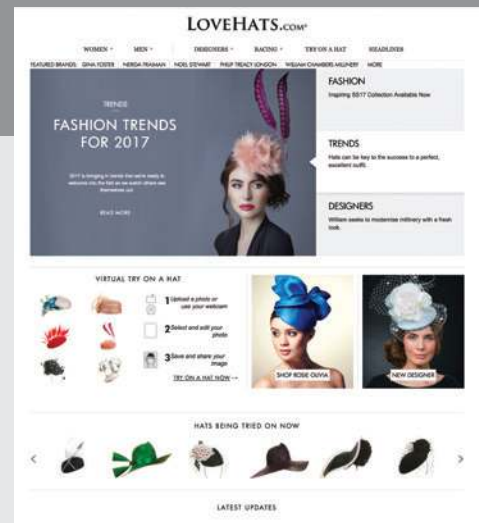
Niche retailer Lovehats, which sells designer hats online, offers a UK service as standard as well as Saturday delivery, although the latter attracts a heavy premium. Most orders are delivered to home addresses where someone is typically at home with goods delivered by courier with a signature required.

Like many, the company says that customer expectations are set by the likes of Amazon, leaving others to catch up or face extinction. “The risk of ignoring customer emotion and demand around delivery is huge,” says Lovehats creative director Rebecca Curran. “Now Amazon can deliver a parcel in 13 minutes the rest of us will eventually catch up, disappear or evolve in some other way,” she says.

At Lovehats, differentiation is through providing a great experience at point of delivery, according to Curran. “We focussed our innovation on the customer experience at the point of delivery,” she says. “We replaced our standard A4 pre-printed delivery note with a personalised document – 25% transaction and 75% marketing led,” she says.

The company has also focussed on the in-pack experience. “It’s about what customers receive besides the goods ordered and we’ve used retain.me to deliver a very personalised experience in-parcel,” she says.

Future innovations will include a personalised URL for customers to track parcels and effect returns accessible by a QR code from their delivery documents. “The delivery is hugely important as part of our brand experience and it’s how we keep our customer retention rates as high as they are,” she says.



NEXT – Pushing the limits on delivery times

www.next.co.uk

In the IRUK Top500 research Next led the operations and logistics performance dimension of the report thanks to its promise of timely and convenient delivery services – across delivery, returns and collections – and the brand does a great job of pushing the limits of delivery in order to meet the needs of its often time-strapped, busy customer base.

It particularly impresses on its next day cut-off point which allows customers to shop till midnight and still get an item delivered to their homes or local store next day, as well as its same day delivery promise where goods ordered by midday will be delivered on the same day.

The retailer also offers flexibility with a send to a friend service to help those shoppers who either can't wait in for a delivery or can't get to a store to pick it up.

The retailer launched a delivery and collection service from 5,000 parcel shops in October and plans to launch a two-hour delivery slot to customers imminently. Next also pushed the limit in 2015 for Christmas deliveries to ensure it could keep customers satisfied, offering last day delivery deadlines of Tuesday 22 December for items to be delivered to home or store the next day.

Planning for 2017: 10 key actions

Consumer demands are clear as both NetDespatch's previous study of consumer behaviour, and our own insight into retailers' perceptions of customer satisfaction in this whitepaper and accompanying survey, shows.

Customers want greater transparency, control and clarity and a better experience overall. If they don't get it, retailers risk customer emotions getting the better of them with complaints on social media and impacting brand perception as a result.

Looking again at delivery, and improving the delivery experience for customers, isn't a nice-to-have but a must-do for the coming months. Below are 10 key areas that you should be considering in 2017 to ensure you are aligning business processes and delivery services with customer expectations:

- 1** Improve visibility and tracking – your peers have it as their highest priority on their to-do lists. Do you?
- 2** Embrace all the delivery options that your customer might want – including mainstream offers such as click and collect but also more niche offers such as locker deliveries.
- 3** Keep an eye on what your competitors are doing – the market is moving fast so are you keeping up?
- 4** Work closely with carriers and partners to both push for the services you need and to extend the possibilities of delivery.
- 5** Don't be afraid to use a blend of partners to deliver something unique to your customers – especially given that nearly half of your peers (42%) are doing that, according to our survey.
- 6** Look at, and trial, new innovations if they suit your business and your customer base and – most importantly – your cost model.
- 7** Flex your business so that new delivery options are more easily implemented and so that you can meet more of your customers' needs.
- 8** Work to impress your customers, not just meet their needs – in our survey nearly a quarter (22%) of respondents said that their customers were indifferent when it came to satisfaction with delivery services offered. This suggests an opportunity to go beyond the norm.
- 9** Check you are offering what your customers actually want.
- 10** The key lesson? Don't just meet customer expectations around delivery – exceed them!



www.edelivery.net

Download at: <http://etail.li/NetDespatchCustomer>

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