RETAILX

The DeliveryX Europe Top500 2022

In partnership with GFS ENTERPRISE CARRIER MANAGEMENT narvar

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Introduction

Welcome to the *DeliveryX Europe Top500 report*. This report is a special investigation into the Operations & Logistics capabilities of the Top500 retailers across Europe and a ranking of the leaders.

RetailX has been measuring, assessing and analysing the behaviour, services and promises of Europe's retailers since 2016. This enables an understanding not simply of who the leading retailers are but, more importantly, what makes each a leader.

To join the ranking takes more than being outstanding in one business area alone. Having the largest store estate in a single country or the highest performing mobile app doesn't automatically translate to inclusion. It requires a retailer to be at the top of their game in all of the RetailX Performance Dimensions, across the 32 countries assessed by the research team. These comprise the EU, EEA, Switzerland and the UK.

Looking at what the team has done in investigating these retailers by the measures contained in the Operations & Logistics Dimension – and therefore each retailer's capabilities in these areas – highlights the importance of these capabilities. The services offered by retailers, the ensuing customer experience and the competitive advantages they bring.

Analysis over time also brings to light the larger picture. It gives an image of how services across the retail industry are changing, as well as the trends being followed by this retail cohort. Capabilities altering across regions or retailers of similar product categories are also highlighted, along with the resulting service expectations of consumers buying from those retailers. It answers questions including the countries in which reserve & collect is expected and the product segments most likely to offer free returns.

This latest analysis was carried out in March 2022 and many of the figures in this report compare today's viewpoint against February 2020. In this way, fluctuations caused by the pandemic are eliminated and trends that are more longer-term are extrapolated.

The thoughts of consumers are also included in response to questions such as whether they are willing to pay extra for faster or more sustainable delivery, how many have stopped shopping with a retailer due to a bad returns experience and whether carrier choice impacts sales.

I'll finish by congratulating all of the retailers that have made it into the Top500 ranking – an achievement that pertains to their hard work and the effort of teams across their retail operations and, in particular, to those involved in Operations & Logistics.

Ian Jindal, CEO, RetailX

Contents

Market context

DeliveryX top retailers exemplify the Operations & Logistics Dimension rating through delivery, collection and returns

The first RetailX EU retailer (RXEU Top500) ranking was published in 2016. Since then, the research team has been developing, refining and adjusting how retailers across Europe are measured in correlation to how the industry develops. Through all these tweaks and additional measures, the major themes – and Dimensions – upon which all retailers are assessed have remained the same:

First, each retailer's footprint is recorded. This covers European retail turnover, ecommerce turnover, web reach and store estate of retail businesses to give the 'heft' and a preliminary rank. (For an explanation of what constitutes a retailer, or those that it excludes, see page 25.) We then modify and weight that analysis through consideration of the following Dimensions:

1. **Strategy & Innovation** – the extent to which the retailer is adapting for growth, international commerce and customer responsiveness
2. **The Customer** – measuring the experience from the customer's point of view

Operations & Logistics continue to evolve, with service becoming an important part of the overall experience as well as a competitive advantage

3. **Operations & Logistics** – delivery, returns and collections
4. **Merchandising** – displaying and describing
5. **Engagement** – making their brands familiar to the customer and connecting with them
6. **Mobile & Cross-channel** – beyond single ecommerce or store channels

These Performance Dimensions provide not only a way to benchmark retailers but also form a picture of the current state of an ever-changing industry and the promises made by retailers to customers. Measurements and assessments over the years show the trends in consumer and retailer behaviour and how they are developing from one year to the next. They also shine a light on emerging innovations that will become long-lasting changes for all.

Operations & Logistics Dimension

The Operations & Logistics Dimension consists of multiple metrics assessing behaviour and retailer promises in order to discover what promises Top500 retailers make on delivery, on returns and on collection, and what multichannel services these retailers offer. These metrics are split as follows:

- Delivery capability including ten metrics covering the range of options and competitiveness of timeframes and pricing
- Returns capability, including ten metrics covering the ease of the returns and refund process to the customer, and the range of options, including return to store
- Collection capability, including nine metrics covering the number, type and convenience of collection locations and the costs and timeframes of the services
- An assessment of the mobile website's usefulness to customers who want to see the availability of stock, both for ecommerce orders and in local stores

What is apparent since retailers were assessed for the first time is the important part that logistics and operations now play in a retailer's position, as well as in the success of their overall business. Efficiencies are being made to reduce costs, with many of these same efficiencies also improving business processes and enabling new or more appropriate services to be offered to customers. Aligning services to customer demand, or to bring what's offered into alignment with market expectations, usually results in a better experience for customers.

Done in the right way, logistics operations can offer competitive advantage, be that by delivering faster than retailer rivals, cheaper than them, or providing shoppers a later cut-off for orders. In some cases, innovation is the answer, resulting in a retailer being the first to develop a solution to a customer issue, or one they hadn't even realised was a problem until a better solution was offered. When the first grocery orders were placed online, was it anticipated that consumers would one day want to order multiple bags of shopping for delivery in just ten minutes?

What the consumer sees – the final mile experience, or the benefit of shopping with retailer Y rather than X – is only part of the story, one that is backed by the full operational workings of warehouse, supply, logistics and so on.

Expanding on the ideals of Service, Experience and Advantage, this DeliveryX Europe Top500 report represents a new way to look at the RXEU Top500. It showcases where retailers are bringing delivery logistics to a point of excellence while also highlighting the extent to which the industry has moved away from pre-pandemic delivery promises as Covid-19 stretched delivery capacity while putting restrictions in the place of bricks-and-mortar retailing.

The following pages will show how behaviour has altered as customer expectations changed. We also highlight the current trends that could be next year's 'normal' for this important part of the retail chain.

DeliveryX top retailers: Operations & Logistics

The following retailers exemplify the Operations & Logistics Performance Dimension. Either Elite or Leading retailers in the RXEU Top1000, each stands out for its delivery, collection, returns or omnichannel promises and the service it provides customers.

AMAZON	GANT
AMERICAN GOLF	LLOYDS PHARMACY
APOTEK	MALL
ARGOS	NEONET
B&Q	NOCIBÉ
BOULANGER	ROBERT DYAS
BOUX AVENUE	THE FRAGRANCE SHOP
DE BIJENKORF	THE PERFUME SHOP
EURO CAR PARTS	TOOLSTATION
GAMMA	WICKES

Ranked Elite in the RXEU Top1000 for the second year in a row, French appliances and multimedia retailer, Boulanger, stands out for highly convenient delivery options that few of its competitors offer. These include nominated-time delivery and same-day collection, alongside features that enable customers to check in-store stock availability.

Toolstation is listed this year for the first time. The company, owned by UK builders' merchant group Travis Perkins, has focused on omnichannel while expanding quickly in Europe. At the end of its latest full year, it had 64 branches in the Netherlands and 19 in France, yet describes itself as still being in the early stages of European roll-out. Toolstation stands out in RetailX research for its speed of delivery and for its ability to check in-store stock – tools that have served it well during pandemic lockdowns.

Other omnichannel retailers that stand out include general merchandiser Argos, UK chemists Lloyds Pharmacy and Dutch high-end department stores de Bijenkorf. Argos speaks to the way that maintaining fast and convenient delivery and collections, along with flexible payment methods, have helped omnichannel retailers to grow their sales fast during Covid-19 lockdowns.

ELITE

- AMAZON
- BOULANGER
- DM
- FNAC
- TOOLSTATION

LEADING

- ARGOS
- CARREFOUR
- DARTY
- DECATHLON
- GUITARGUITAR
- H&M
- HOBBYCRAFT
- HORNBACH
- IKEA
- KIABI
- L'OCCITANE
- LLOYDS PHARMACY
- MATAS
- NEONET
- RYMAN
- TESCO

TOP 50

- ALDI
- ASDA
- BERSHKA
- BUT
- C&A
- DUNE LONDON
- E.LECLERC
- EBAY
- HALFORDS
- HOLLAND & BARRETT
- JD SPORTS
- M&CO
- MANGO
- MARKS & SPENCER
- MATALAN
- MEDIA WORLD
- PHASE EIGHT
- ROBERT DYAS
- ROSSMANN
- SAINSBURY'S
- SAMSUNG
- SEPHORA
- TRAVIS PERKINS
- TRIPP
- VERKKOKAUPPA
- WHISTLES
- WICKES
- ZALANDO
- ZARA

TOP 100

- APPLE
- B&Q
- BLACKS
- BLOKKER
- BOOTS
- CLAIRE'S
- CONFORAMA
- COTSWOLD OUTDOOR
- COTTON TRADERS
- CURRYS PC WORLD
- DUIFHUIZEN
- DUNELM
- ELGIGANTEN
- EMPIK.COM
- EURONICS
- FRENCH CONNECTION
- GAMMA
- GO OUTDOORS
- HOTEL CHOCOLAT
- ICELAND
- INTERMARCHÉ
- INTERSPORT
- JACK & JONES
- JOHN LEWIS & PARTNERS
- LOOKFANTASTIC
- LUSH
- MASSIMO DUTTI
- MEDIA MARKT
- NEW LOOK
- NEXT
- NOCIBÉ
- OBI
- OCADO
- PIMKIE
- PULL&BEAR
- RADLEY
- REWE
- RIVER ISLAND
- S.OLIVER
- SATURN
- SCHUH
- SCREWFIX
- STRADIVARIUS
- SUPERDRUG
- SUPERDRY
- T.M. LEWIN
- TOPPS TILES
- WAITROSE & PARTNERS
- WEX PHOTO VIDEO
- THE WORKS

TOP 150

- 5.10.15.
- ADIDAS
- ALLEGRO
- ALZA
- AO
- AUCHAN
- THE BODY SHOP
- BONPRIX
- CASADELLIBRO.COM
- CASTORAMA
- CHRIST
- CLAS OHLSON
- CLINIQUE
- CONRAD
- COOLBLUE
- COOP (CH)
- EL CORTE INGLÉS
- DEICHMANN
- DOUGLAS
- EMP
- THE ENTERTAINER
- EVANS CYCLES
- FAT FACE
- GAME
- JYSK
- LAKELAND
- LEGO
- LEROY MERLIN
- MAMAS & PAPAS
- MENKIND
- NELLY.COM
- NIKE
- OFFSPRING
- OTTO
- OVERCLOCKERS UK
- OYSHO
- REISS
- RTV EURO AGD
- SPACE NK
- SPARTOO
- SWAROVSKI
- TCHIBO
- THOMANN
- TOMMY HILFIGER
- TRESPASS
- VANDEN BORRE
- THE WHITE COMPANY
- WILKO
- X-KOM
- XXL

TOP 250

- ALCAMPO.ES
- ALIEXPRESS
- ALLSAINTS
- AMERICAN GOLF
- AVON
- BAUHAUS
- BEAVERBROOKS
- BENSONS FOR BEDS
- BODEN
- BOSE
- BRAVISSIMO
- BURBERRY
- CARPHONE WAREHOUSE
- CEX
- CHAIN REACTION CYCLES
- CHARLES TYRWHITT
- CLARKS
- CREW CLOTHING COMPANY
- DESIGUAL
- DREAMS
- EBUYER.COM
- ELECTRO DEPOT
- EMAG
- ERNSTING'S FAMILY
- ETAM
- EXPERT
- F.HINDS
- FARFETCH
- FOOT LOCKER
- GALERIA
- GANT
- GO SPORT
- GOLDSMITHS
- HARVEY NORMAN
- HEMA
- HOMEBASE
- HOTTER
- HUGHES ELECTRICAL
- HUGO BOSS
- JACAMO
- JD WILLIAMS
- JESSOPS
- JOJO MAMAN BÉBÉ
- JONES BOOTMAKER
- JOULES
- K24
- KJELL & COMPANY
- LIBERTY LONDON
- LINDEX
- LITTLEWOODS
- LONG TALL SALLY
- MAISONS DU MONDE
- MARISOTA
- MATERIEL.NET
- MICROMANIA
- MOLTON BROWN
- MORRISONS
- MOUNTAIN WAREHOUSE
- MULBERRY
- NAY
- NESPRESSO
- NEW BALANCE
- NEWEGG
- THE NORTH FACE
- NOTINO
- OASIS
- OLIVER BONAS
- ORSAY
- PANDORA
- PAUL SMITH
- PAVERS
- PEEK & CLOPPENBURG
- THE PERFUME SHOP
- PETS AT HOME
- PIGU
- THE RANGE
- REAL
- SALLY
- SHOE ZONE
- SHOPDISNEY
- SIMPLY BE
- SIZE?
- SKATEHUT
- SMYTHS TOYS
- SNOW+ROCK
- SPORTSCHECK
- SPORTSDIRECT.COM
- SPRINTER
- SWEATY BETTY
- TECHNOPOLIS
- THOMAS SABO
- TIMBERLAND
- TRIUMPH
- UNDER ARMOUR
- VERY
- WATERSTONES
- WHITE STUFF
- WHITTARD OF CHELSEA
- YOURS CLOTHING
- YVES ROCHER

TOP 350

- A.S. ADVENTURE
- ALTERNATE
- ANN SUMMERS
- ANTHROPOLOGIE
- ASOS
- BCC
- BEAUTY BAY
- BIKESTER
- BOL.COM
- BOOZT.COM
- BOUX AVENUE
- BRICO DÉPÔT
- BRORA
- BURTON (US)
- CALVIN KLEIN
- CAMAIEU
- CARPETRIGHT
- CROCS
- CZC.CZ
- DIGITEC
- EDEKA
- ELLIS BRIGHAM MOUNTAIN SPORTS
- EURO CAR PARTS
- FARROW & BALL

- FOOTASYLUM
- FORTNUM & MASON
- FOYLES
- THE FRAGRANCE SHOP
- FURNITURE123
- G-STAR RAW
- GAK
- GALAXUS
- GALL & GALL
- GEAR4MUSIC.COM
- GEARBEST
- GLOBETROTTER
- HAGEBAUMARKT
- HEINE
- HERVIS
- HOUSE OF FRASER
- HP
- ICI PARIS XL
- IN THE STYLE
- INTERFLORA
- KARWEI
- KRUIDVAT
- KURT GEIGER
- LA REDOUTE
- LAPTOPSDIRECT
- LIDL
- LOUIS VUITTON
- M-ELECTRONICS MIGROS
- MAC COSMETICS
- MAINLINE MENSWEAR
- MAJESTIC
- MALL
- MAPLIN
- MARTINUS
- MATCHES FASHION
- MILLETS
- MINDFACTORY.DE
- MODA IN PELLE
- MONDADORI STORE
- MONICA VINADER
- MOTOBLOUZ
- NETONNET
- NISBETS
- NORDSTROM
- NOTEBOOKSBILLIGER
- OFFICE
- PAPERCHASE
- PHONE HOUSE
- PRAKTIKER
- PROMOD
- RALPH LAUREN
- REEBOK
- RICHER SOUNDS
- ROLLER.DE
- ROSE
- RUE DU COMMERCE
- RUSSELL & BROMLEY
- SEASALT CORNWALL
- SKECHERS
- SLATERS
- SPAR
- STELLA MCCARTNEY
- TK MAXX
- TOAST
- UNIEURO
- UNIQLO
- URBAN OUTFITTERS
- VERTBAUDET
- VICTORIAN PLUMBING
- WAREHOUSE
- WEHKAMP
- WELTBILD
- WHSMITH
- WORTEN
- WYNSORS WORLD OF SHOES
- YANKEE CANDLE

TOP 500

- & OTHER STORIES
- A.T.U.
- ADOLFO DOMINGUEZ
- AGENT PROVOCATEUR
- ALBERT HEIJN
- ALDO
- ANDERTONS MUSIC
- APOTEK1
- APPLIANCESDIRECT
- AXMINSTER
- BANANA REPUBLIC
- BAUR
- BIKE-COMPONENTS
- BLUE TOMATO
- BOTTEGA VENETA
- BRACK ELECTRONICS
- BRICOMAN
- CARD FACTORY
- CASS ART
- CATH KIDSTON
- CDISCOUNT
- CHAOS CARDS
- CHARLES CLINKARD
- COAST
- COS
- CRABTREE & EVELYN
- CULTURA
- DAMART
- DATART
- DEBIJENKORF
- DELHAIZE
- DEVRED 1902
- DIA
- DIOR
- DR.MAX
- E-SHOP.GR
- ELEFANT
- ELKJOP
- EMMA BRIDGEWATER
- ERNEST JONES
- EROSKI
- ETSY
- EX LIBRIS
- FASHION DAYS
- FEELUNIQUE.COM
- FOREVER 21
- FRAGRANCE DIRECT
- FRASER HART
- GABOR
- GAMES WORKSHOP
- GEMO
- GIGANTTI
- GRAHAM & GREEN
- GUCCI
- H.SAMUEL
- HARVEY NICHOLS
- HAWKIN'S BAZAAR
- HAWKSHEAD COUNTRY WEAR
- HOBBS LONDON
- HOLLISTER
- HOME BARGAINS
- HSE24
- IKKS
- ITS
- JENNYFER
- JEWSON
- JIGSAW
- JIMMY CHOO
- KAREN MILLEN
- KLINGEL
- KOMPLETT
- KÄRCHER
- L.K. BENNETT
- LACOSTE
- LAFELTRINELLI
- LEEKES
- LEEN BAKKER
- LOVEHONEY
- LUCARDI JUWELIER
- MACHINE MART
- MADE.COM
- MANOMANO
- MICHAEL KORS
- MICROSOFT
- MIGROS
- MILITARIA.PL
- MINT VELVET
- MISSGUIDED
- MOHITO
- MONKI
- MORELE.NET
- MOSS BROS.
- MUZIKER
- MYTHERESA
- MÜLLER
- NATURE & DÉCOUVERTES
- NOTONTHEHIGHSTREET.COM
- OKA
- OKAY
- OLE OLE
- ORCHESTRA
- THE ORIGINAL FACTORY SHOP
- ORVIS
- OUTDOOR & COUNTRY
- PARTYCITY
- PETER HAHN
- PHILIPS
- PLACEDESTENDANCES.COM
- PLANET ORGANIC
- POCO
- POLARN O. PYRET
- PRADA
- PRENATAL
- PRETTYLITTLETHING
- PUMA
- QVC
- RESERVED
- ROUTE ONE
- SALOMON
- SCAN
- SCAPINO
- SMYK
- SOKOS
- SOLE TRADER
- SPORTISIMO
- SPORTSBIKESHOP
- SPORTSSHOES.COM
- SPREADSHIRT
- SUPERGA
- SWATCH
- TAPE À L'OEIL
- TED BAKER
- THORNTONS
- TIFFANY & CO.
- TITUS
- TRUFFAUT
- UK FLOORING DIRECT
- UTERQÜE
- VARLE
- VENTE-UNIQUE
- VERO MODA
- WATCHES OF SWITZERLAND
- WAYFAIR
- WITT WEIDEN
- WMF
- XXXLUTZ
- YESSTYLE
- ZAVVI
- ZOOPLUS
- ZOOT


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Expert insight

Bobbie Ttooulis

Group Marketing Director, GFS

What equates to delivery excellence in 2022?
A lot is evolving in the delivery sphere. An open approach towards automation is important in 2022 to increase operational efficiency and scalability. Ever-increasing shipping complexities means the way forward for retailers not spreading thin juggling multiple technology integrations, administrative overheads, and impacting overall operational efficiency. Switching to a single, multi-carrier partner who can offer choice, buying power, and match growing consumer demands with a wide breadth of delivery partners is the way forward.

Another vital focus must be on sustainability. Our insights into consumer buying behaviour revealed that more consumers expect visibility on carbon emissions, with 52% customers saying they would choose one online store over another if its environmental impact on delivery is lower. Ecommerce must proactively introduce sustainable shipping services to lower carbon emissions.

Delivery is a big part of a positive buyer experience — addressing the need for automation and a reliable single multi-carrier partner, and introducing sustainability will drive delivery excellence for e-tailers in 2022.

What do retailers need from their delivery partner?
Many retailers are transitioning from brick and mortar to 100% eCommerce shops, catering to multiple markets. A delivery partner who understands ever-changing buyer demands, optimal carriers for different markets, and operational complexities is key here. Retailers should be able to lean strongly on their delivery partner with open communication, advanced peak planning, and solid contingency to brace for the worst. Proactive support matched with expertise to navigate growing complexities is important - from first to final mile.

Our research shows that in 2020 the annual volume of parcel shipments in the UK jumped from 3.8bn to 5bn. Which retailers navigated their way through this? How?
The pandemic came with its share of uncertainties, but also brought a completely unexpected massive boost in online purchases as buying patterns tilted heavily towards digital purchases. Many sectors had to brace for unheard-of volumes including health & fitness, food & beverage, pet supplies, DIY, garden & home, and arts & crafts.

Businesses that survived this demanding 'constant peak' phase had a resilient supply chain from fulfilment right up to the final mile. It just goes to show how planning for contingency and putting in place a robust multi-carrier delivery plan is the way forward.

What is GFS' position?
Businesses need to have eyes on the complete delivery loop, both inbound and outbound. There's much left to be desired for returns processes. 73% of consumers say the returns experience affects whether or not they'd keep shopping with a brand (GFS/IMRG Consumer Home Delivery Report). Clear returns policies, convenient return options, and filling gaps in returns management processes is important.

Also, the nervousness around doing business in the EU needs to settle. Since Brexit, 47% of UK businesses have stopped or reduced their trading with the EU. Rebooting EU sales and casting the net wider in the international markets remains vital for growth.

Expert insight

Chris Hoskin

Regional Director of Marketing, EMEA, Narvar

Unlocking opportunities, from pixel to package
Today's customers are no fools. They expect seamless shipping, returns, refunds and exchanges. They know it can be done so when retailers fail to meet the mark, customers won't think twice about shopping elsewhere.

Growth beyond the "buy" button
Well designed order tracking and proactive communication for each stage of the post-purchase journey now come as standard. The biggest opportunity to innovate beyond the "buy" button is centred around returns, refunds and exchanges.

5 ways to make customers happy AND drive operational efficiency

1. Speed up returns by offering flexibility
Convenience is king. Locker drop-off, home pickup, printerless - and even boxless returns are all more common. One UK fashion brand has seen 57% of customers choosing a collection from home as their preferred method of return. This approach gets items back to the distribution centre (DC), and therefore available to purchase, 25% faster. A game changer for retailers feeling the pinch of returns.

2. Recover value faster with smart dispositioning
With returns volumes at an all time high, getting items back to the right place for restocking and resale or recycling efficiently is critical.

Intelligent dispositioning also enables smarter consolidation - that means lower shipping costs and a lighter carbon footprint. One retailer saved 545 million miles of package travel by routing returns to the nearest DC, rather than to one central place. That's equal to 22,000 trips around the earth!

3. Use data to optimise performance
Better visibility of deliveries, returns and carrier performance lets retailers pre-empt issues and optimise performance. Whether it relates to return reasons, or shipping delays, good data is critical for driving operational efficiencies and better customer experiences.

4. Send notifications to prevent WISMR calls
Just like order tracking, customers want to know the status of their return, refund or exchange. Self service returns portals and proactive notifications via a variety of channels, from email to chatbot and beyond, takes the pressure off customer service. This approach meant Horizn Studios, a Berlin based luggage brand, spent 66% less time on returns support.

5. "Save the sale" with online exchanges
If the process is easy, customers are highly likely to replace a returned item from the same retailer. Remove friction for customers by recommending similar items for exchange within the returns flow. Offering incentives for store credit refunds is another way to retain revenue and add value to the customer.

Sustainability gains that are good for the bottom line
Sustainability issues are a key driver for almost a third of consumers. Removing pre-printed return labels from every outbound package, offering boxless and printerless returns, implementing consolidation and intelligent dispositioning are all win-win - they significantly reduce retailers' carbon footprint and drive major cost-savings.

Customer expectations

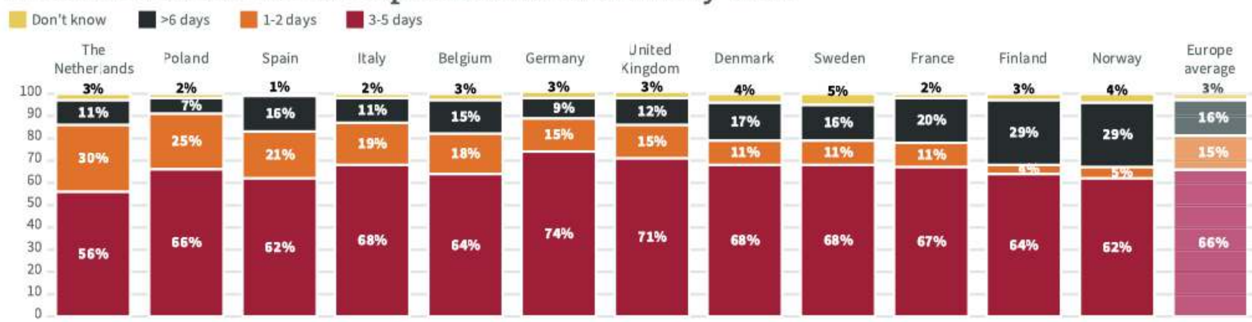
Although delivery remains the preferred fulfilment method, the pandemic has seen retailers dropping next-day service

Since February 2020, change in the retail industry has undergone unprecedented acceleration, with the pandemic shaking up all areas of our lives, including how, when and where we shop. The experience in different countries across Europe differed, with some seeing bricks-and-mortar stores in certain product categories temporary closed. Other remained open throughout.

One thing that was the same across the continent was **consumers switching more of their shopping online**. This increasing volume of orders tested retailer operations to the limits, putting pressure on warehouse operations already stressed by social distancing of staff. Yet how retailers and the industry managed ecommerce delivery during the pandemic is exemplary and **the lessons learned in agility, flexibility and scale are ones that everyone will take forward**. One of these is the need for faster processes to support growing ecommerce activities.

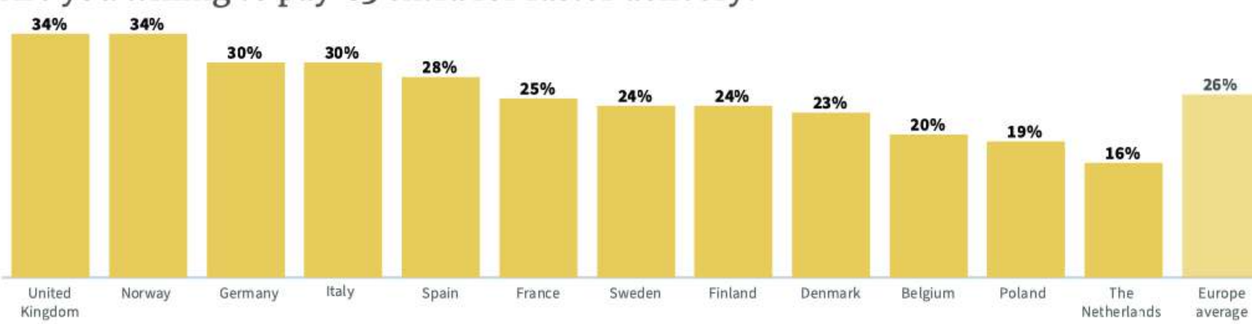
European supermarket giant Carrefour is going down the route of voice picking at its newly opened distribution centre

Ecommerce consumer expectations of delivery time



Note: Online survey conducted in 2020 and 2021. Results include 12000 interviews with consumers in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Sweden and the UK. The interviews were conducted with representative nationwide samples of private individuals aged 15–79 years; the number of respondents may vary somewhat around 1,000 between the countries.
Source: PostNord

Are you willing to pay €3 extra for faster delivery?



Note: Online survey conducted in 2020 and 2021. Results include the subset of consumers who say they shop online, from a total of 12000 interviews with consumers in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Sweden and the UK. The interviews were conducted with representative nationwide samples of private individuals aged 15–79 years; the number of respondents may vary somewhat around 1,000 between the countries
Source: PostNord

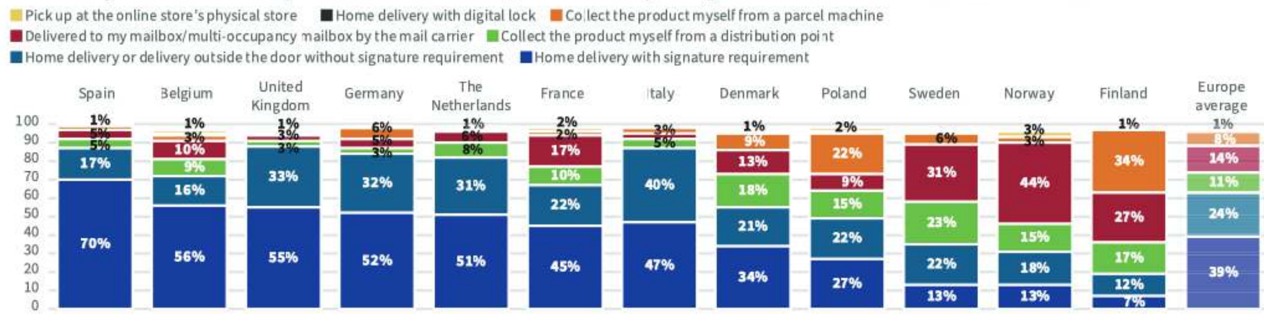
in Belgium. The solution will help it to fulfil 5,000 orders each day, while allowing employees to work completely hands-free, which greatly optimises their mobility.

Fashion retailers, which saw sales fall in 2020 due to customers remaining at home, are now reporting increased sales and a need for more warehouse space. H&M is expanding the capabilities of its warehouse in Stryków, Poland from which orders are picked, packed and despatched to customers in Czechia, Hungary, Bulgaria and Slovakia.

Consumers are not expected to return to pre-pandemic buying behaviour and much of the online purchasing will continue, albeit with revised consumer expectations. **Choice of how and when an online order is delivered or collected is still a vital part of the ecommerce experience** – as is the cost to the consumer – and these expectations vary between countries. Delivery is still preferred over collection, with most customers expecting to wait for three to five days for their online order to arrive. What has changed are the nuances of those services.

The number of retailers offering next-day delivery has decreased by 8 percentage points since February 2020. Just 38% of the EU Top500 retailers measured by RetailX in both February 2020 and March 2022 now offer it. Services such as nominated-day and nominated-time delivery remain constant but are still only offered by a select few.

When you order a product online, how do you prefer to have it delivered?



Note: Online survey conducted in 2020 and 2021. Results include a total of 12000 interviews with consumers in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Sweden and the UK. The interviews were conducted with representative nationwide samples of private individuals aged 15–79 years; the number of respondents may vary somewhat around 1,000 between the countries.

Source: PostNord

How important are the following characteristics when ordering a product online?

Note: Online survey conducted in 2020 and 2021. Results include the subset of consumers who say they shop online, from a total of 12000 interviews with consumers in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Sweden and the UK. The interviews were conducted with representative nationwide samples of private individuals aged 15–79 years; the number of respondents may vary somewhat around 1,000 between the countries.

Source: PostNord

Sustainability

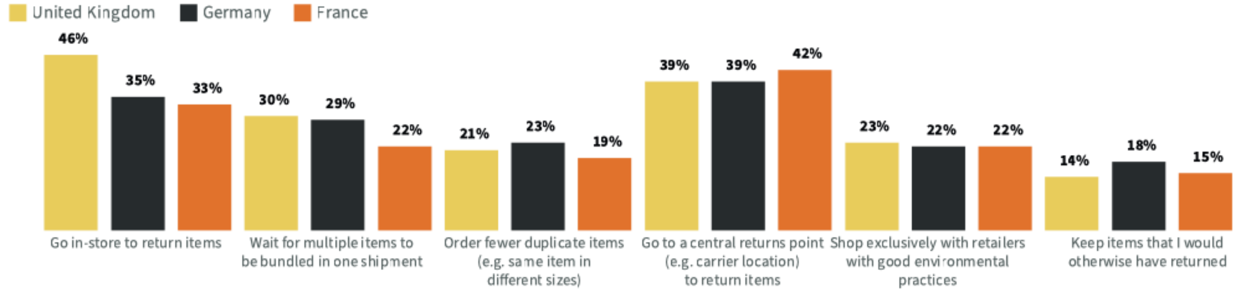
Consumers expect retailers to be conscious of the environment and to reduce the impact of their products

From an environmental standpoint, shopping online is better than a consumer travelling to a bricks-and-mortar store to make the same purchase. Multiple studies over the years have corroborated this, with the figures on the following page giving a total CO_2 output for physical retailing of more than twice that of ecommerce.

Of course, there are variables, as there are with any aspect of consumer behaviour. Buying more than one item from a bricks-and-mortar store alters the figures, as does the distance travelled between home and store and the mode of transport used. **The greater the number of items purchased, the less impact each carries from the shopper's journey** and the more akin to a carrier delivering multiple items to numerous addresses – hence the calculations being based on non-food purchases.

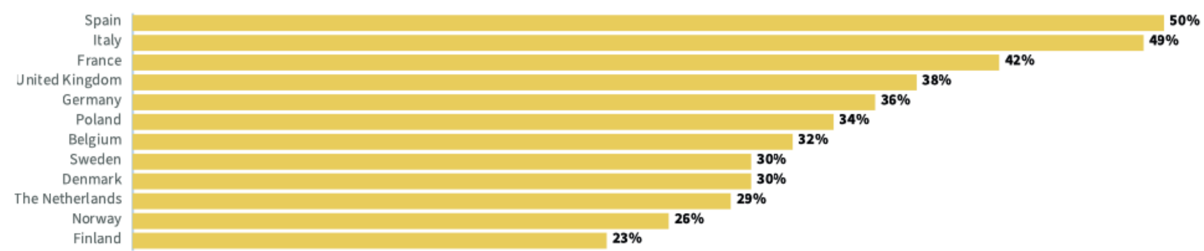
The two aspects that consumers are more likely to notice as part of 'greening' ecommerce are the method of final-mile delivery and the packaging. Indeed, given a list of environmental issues to rank, consumers around the

What I would do to help retailers reduce the environmental cost of returned items (wasted stock, fuel emissions, etc.)



Note: Survey conducted in the summer of 2019. Respondents could select multiple options. Results include 19-65 ecommerce consumers in selected European countries: United Kingdom (1009 respondents), Germany (503 respondents), and France (500 respondents).
Source: Narvar

Percentage of consumers who have actively chosen to shop online domestically to reduce the environmental impact of deliveries



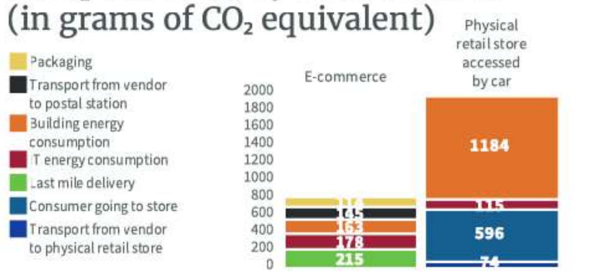
Note: Online survey conducted in 2020 and 2021. Results include 12000 interviews with consumers in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Sweden and the UK. The interviews were conducted with representative nationwide samples of private individuals aged 15–79 years; the number of respondents may vary somewhat around 1,000 between the countries.
Source: PostNord

world rank packaging in top position. The numbers vary by country but between 40% and 60% of consumers cite it as an important aspect of sustainable consumption.

Pressure from consumers, along with from their own staff and legislation, is resulting in changes in the retail industry. **Danish fashion company Bestseller is among the retailers that have introduced 100% recycled plastic bags for packing customer online orders**. The company, whose brands include Jack and Jones and Mamalicious, also tries to use delivery methods that are better for the environment. Its ecommerce fleet in Benelux and the Nordics has switched to HVO100 biodiesel.

Bestseller's wider environmental ambitions have been approved under the Science Based Targets initiative. This will see the company reducing absolute scope 1 and 2 GHG emissions by 50% by 2030, from a 2018 base year and scope 3 emissions (those relating to the actual product) decreasing by 30% over the same time frame.

Breakdown of emissions generated by the average non-food purchase in Europe in 2019, by sales channel (in grams of CO_2 equivalent)

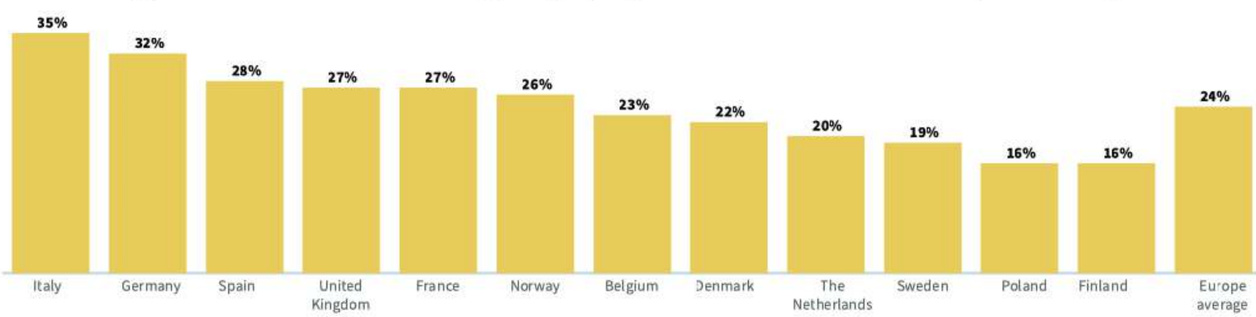


Note: Survey conducted in 2019. Estimates based on data from France, Germany, UK, Italy, and Spain
Source: Oliver Wyman. Uni St.Gallen. Amazon. Accessed via Statista

Sustainable delivery options that European consumers would like to see from small retail businesses, 2021

Note: Survey conducted in January 2021. Results include 10669 respondents from the UK, France, Germany, Italy, Spain, Netherlands, Belgium, and Poland.
Source: UPS

Percentage of consumers willing to pay €3 for more eco-friendly delivery



Note: Online survey conducted in 2020 and 2021. Results include the subset of consumers who say they shop online, from a total of 12000 interviews with consumers in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Spain, Sweden and the UK. The interviews were conducted with representative nationwide samples of private individuals aged 15–79 years; the number of respondents may vary somewhat around 1,000 between the countries
Source: PostNord

Carrier trends

Carriers and retailers continue to manage increased parcel volumes, Brexit and supply issues

The number of people using the internet in the EU reached 89% of the population in 2020, with the majority (72% of the population) shopping online. This is a strong increase from 2015 when the percentage shopping online was just 60%, with 80% having internet access.

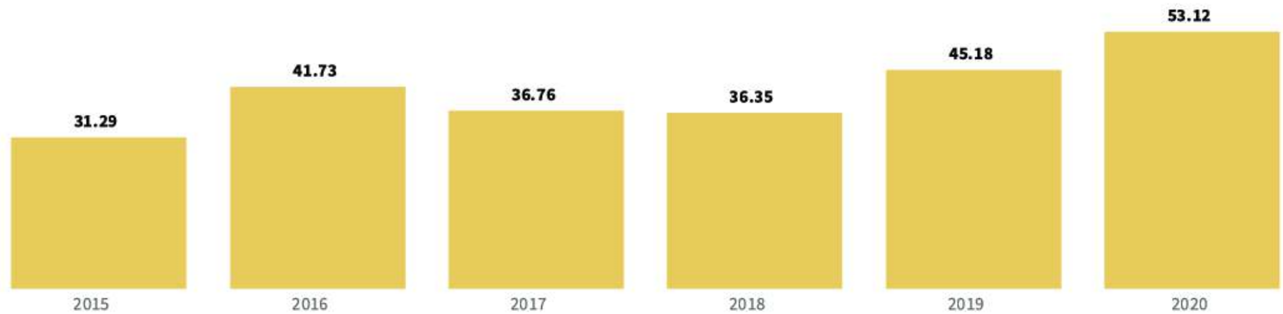
The pandemic saw many more people shopping online as they switched purchases away from bricks-and-mortar stores. Between 2019 and 2020 the percentage of online shoppers increased by four percentage points.

As a result of the growth of new online shoppers, and the increased frequency with which everyone else bought online in 2020, the number of parcels being moved around the continent rose.

The annual revenue of the parcel market in Europe rose accordingly to a value of €53.12bn in 2020.

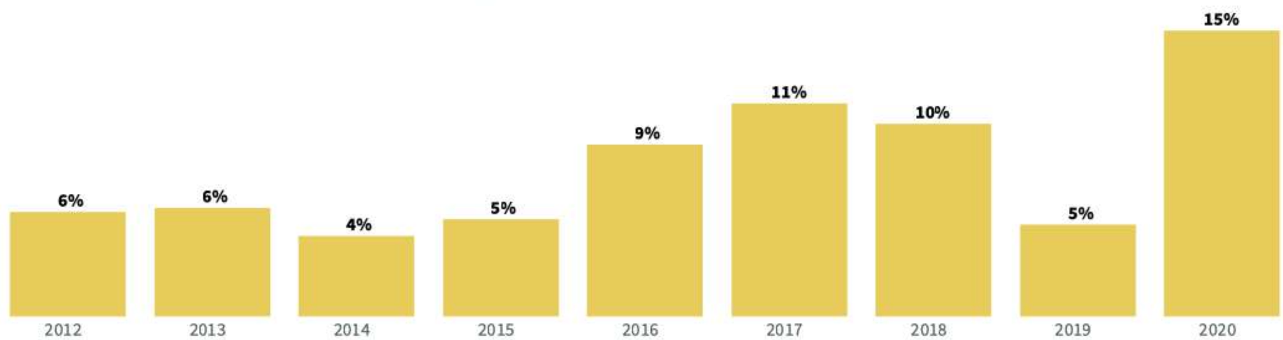
The surge in parcels has meant carriers are trying to increase efficiencies in final mile processes. A survey of

Annual revenue of the parcel market in Europe, 2015-2020 (€bn)



Note: Values have been rounded. Values are for the EU-27 countries except Denmark and Sweden and the following countries outside of the European Union: Switzerland, North Macedonia, and Serbia. Figures for 2015, 2017, and 2018 were taken from a previous edition. Survey conducted from 2015 to 2020
Source: Source: ERGP. Accessed via Statista

Year-on-year percentage change in global parcels and express volume, 2012-2020



Note: Values prior to 2018 were taken from previous editions. Survey was conducted from 2012 to 2020.
Source: IPC. Accessed via Statista

73 key stakeholders from postal, parcel, and logistics companies ranked this as the biggest challenge ahead of lowering costs and providing new services to customers, something they also continue to do.

All of these factors effect consumers who are already aware of the service levels of delivery companies in their local area and in some cases this impacts on the retailer/customer relationship. 20% of consumers have stopped a purchase because they prefer not to use a certain carrier.

While retailers and carriers moving goods between the UK and the EU manage the changes brought about by Brexit, they are also having to cope with wider supply issues and shipping delays around the world. The latest wave of Covid in China, for instance, which the authorities are meeting with zero tolerance, is leading to a build-up of vessels around Shenzhen, Ningbo, and Shanghai as transport to and from these critical ports has slowed down.

Although port authorities in Shenzhen said in mid-March that the port will remain open, and some vessels are continuing to dock, congestion is increasing as port workers and truckers are forced to stay at home. Already, container loading is "decreasing massively," reports Jasmine Wall, APAC Manager, SEKO Logistics.[1]

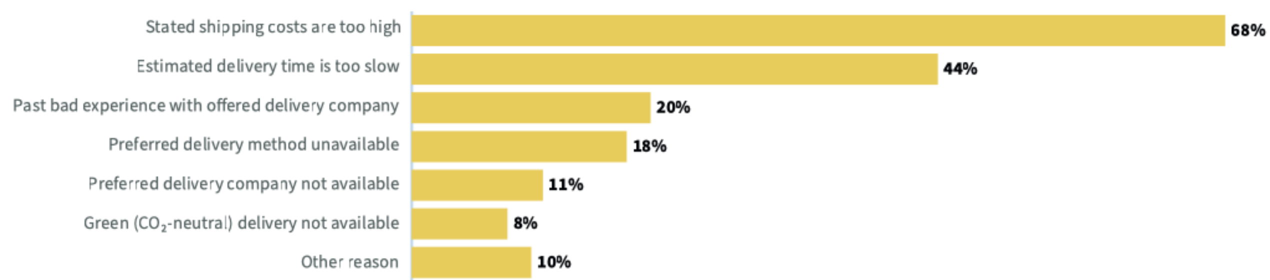
Container cost remain at a near all-time high.

[1] https://www.reuters.com/article/health-coronavirus-china-shipping-idCAKCN2LD0LJ

Biggest challenges in last-mile delivery in Europe in 2021

Note: Survey conducted in the spring of 2021. Results include 73 telephone interviews with key stakeholders from postal, parcel, and logistics enterprises. Multiple answers were possible.
Source: ITTS. VDC Research. Scandit. Accessed via Statista

Shipping-related reasons to stop purchasing a product in European countries in 2021



Note: Survey conducted in May 2021. Results include 7873 18-65 respondents who are European online shoppers who ordered at least one product online in the past three months. The survey was conducted in the following countries: United Kingdom (1003), Germany (1002), the Netherlands (1002), France (1001), Italy (1001), Belgium (1001), Spain (1000), and Austria (863).
Source: SendCloud. Nielsen. Accessed via Statista

The customer collects

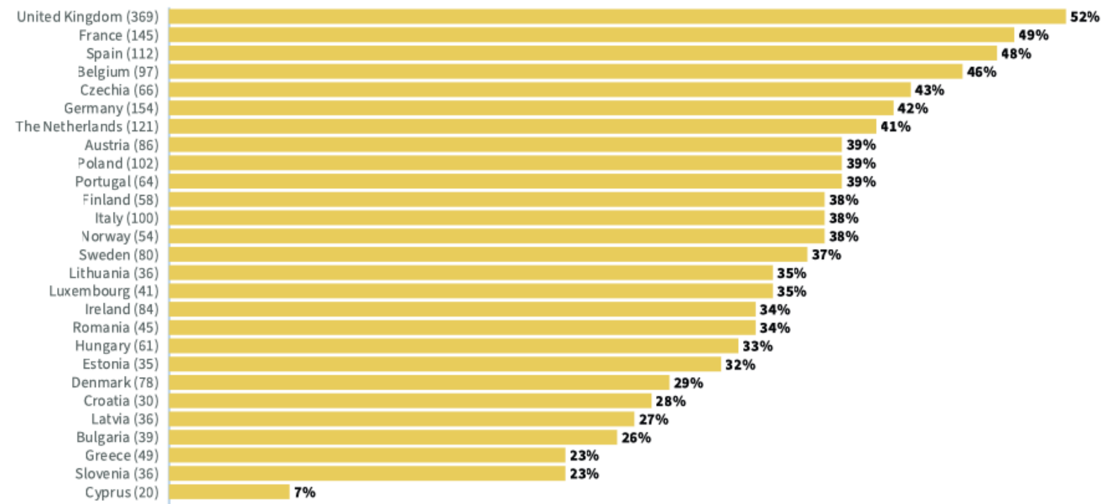
Bricks-and-mortar stores offer opportunities for increased incremental sales along with fulfilment efficiencies

Traditional store-based retailers, especially in the mature ecommerce market of the UK, have embraced click and collect as an omnichannel service they can offer customers. Not only does it add value to the overall experience for customers, who find it a more convenient method for receiving an online order, it also opens the possibility for incremental sales when they visit the store. Soft furnishings and homewares retailer **Dunelm reports that a third of customers collecting an online order in store make additional purchases**.[1]

Overall, retailers have moved on from click and collect being an inconvenience for store staff to a point that the experience has also improved for customers. No longer do shoppers have to find an unsigned collection desk at the back of a store or tucked away next to a store cupboard. **Customers can now 'check-in' online when they arrive at a store so that their order is brought to them** or use an automated parcel dispenser for a speedy service.

Lockers also offer a self-service option for collection as well as returns. Located within stores, shopping centres, train stations and other high-traffic areas, they offer customers greater flexibility around when they collect their order as well as the convenience of not have to go out of their way.

The percentage of Europe Top500 retailers offering collection



Note: The number of retailers in a country for which results are available is shown in parentheses
Source: RetailX

There is an environmental gain to using lockers since carriers can deliver multiple parcels to the same location, reducing CO_2 emissions by as much as two-thirds in cities compared to door-to-door services. Some lockers can even be set to different temperatures, so are suitable for storing items at or below ambient temperature. For example, **in Paris, Carrefour customers can collect any of 15,000 items same-day from automated lockers that maintain products at the correct temperature**.

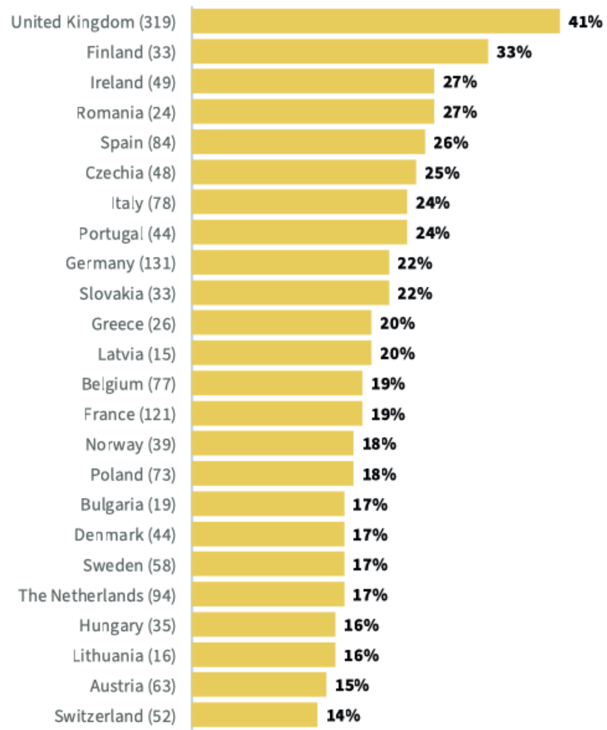
Collection is not ubiquitous across all of Europe. While just over, or close to, half of Top500 retailers offer collection in the UK, France and Spain, the numbers drop off across the rest of the countries measured by RetailX. **Fewer than a third of Top500 retailers offer collection in many of the Eastern Europe countries**, including Slovenia, Bulgaria, Latvia and Croatia. Two countries bucking this trend are Czechia and Poland, where the percentages rise to 43% and 39% respectively.

One area of collection that has seen a large increase in the last year is reserve and collect. The percentage of Top500 retailers offering this omnichannel service to customers has increased 32 percentage points, from just 8% in February 2021 to 23% in August 2021 and 40% in March 2022. This follows several years of decline.

Retailers of maternity goods and products for children are most likely to offer reserve and collect. More than half of the leading retailers in this sector offer a reserve and collect service, as do a similar number of jewellers. The percentage offering this service is less in other product sectors, with consumer electronics retailers being the least likely to offer any form of collection.

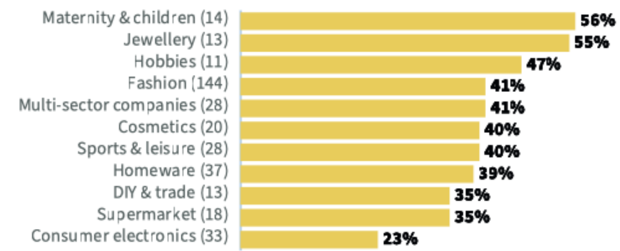
[1] https://edelivery.net/2022/02/dunelm-boosts-digital-fulfilment-capability-multichannel-sales-boom

The percentage of Europe Top500 retailers offering reserve and collect



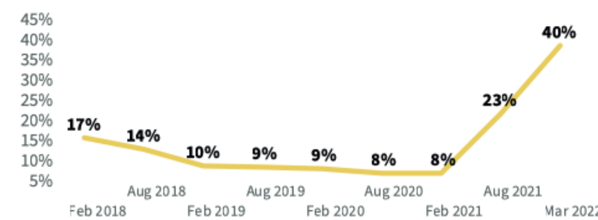
Note: The number of retailers in a region for which results are available is shown in parentheses
Source: RetailX

The percentage of Europe Top500 retailers in a sector offering the option to reserve and collect



Note: The number of retailers in a sector for which results are available is shown in parentheses
Source: RetailX

Retailers in the Europe Top500 offering the option to reserve and collect, 2018-2022



Note: This YOY change chart shows a subset of 358 Top500 retailers which RetailX has tracked since 2016
Source: RetailX

Returns

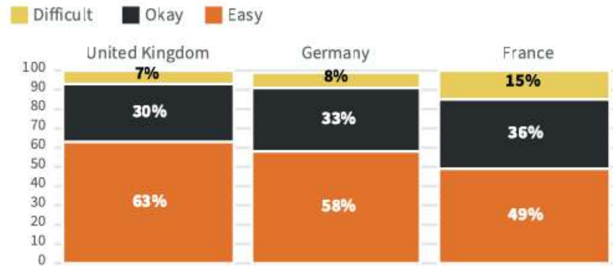
While making the returns process simple encourages sales, getting it wrong can put customers off permanently

Returns are a major part of online retailing and **customers will often look at a retailer's returns policy when deciding whether to make a purchase**. Details around cost and ease of returns are considered, as is the length of time after purchase that a retailer will accept returns.

Returns should be straightforward for customers. They are part of the overall customer experience, while also having advantages for retailers, since the faster an item is returned, the sooner it can be put back on sale. While the type of products sold and the cost of each item does alter the value of returned goods to retailers, the overall customer experience is just as valuable regardless.

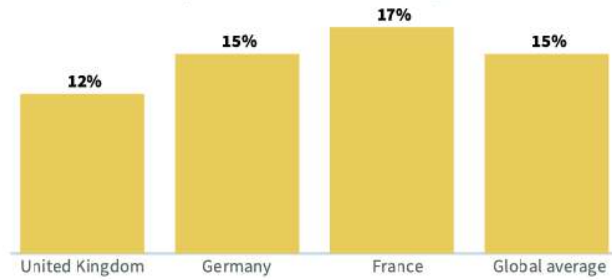
Having customers saying that returns are not easy is not ideal. **More than a third of consumers in the UK rank online returns as 'OK' or 'Difficult'**, with only 63% saying they are 'Easy'. These results, from a survey of over 2,000 shoppers, are worse for retailers in Germany and France, where only 58% and 49% of consumers ranked online returns as 'Easy'. 15% of French consumers say they are downright 'Difficile'.

Satisfaction with online returns in selected European countries



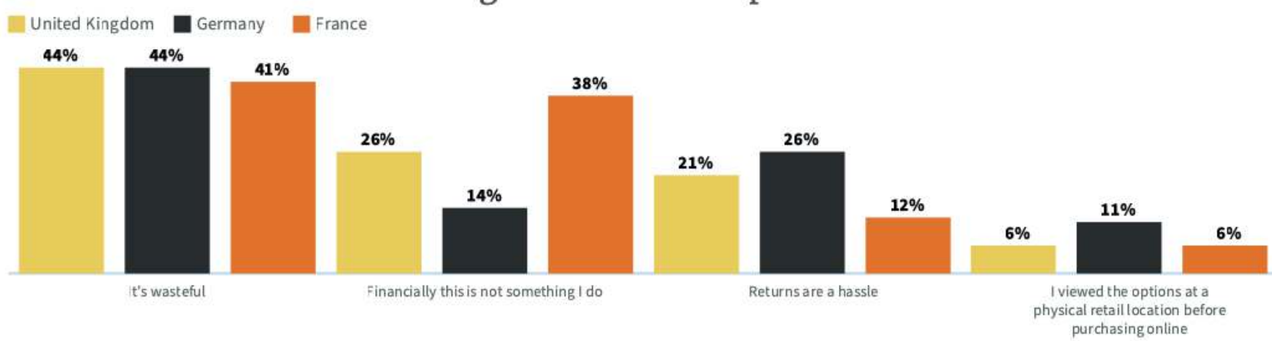
Note: Survey conducted in the summer of 2019. Results include ecommerce consumers aged 19 to 65 in selected European countries: United Kingdom (1,009 respondents), Germany (503 respondents), and France (500 respondents).
Source: Narvar

I won't shop with the retailer again based on my last returns experience



Note: Survey conducted in the summer of 2019. Results include ecommerce consumers aged 19 to 65 in selected European countries: United Kingdom (1,009 respondents), Germany (503 respondents), and France (500 respondents).
Source: Narvar

Main reasons for not bracketing in selected European countries



Note: Bracketing: buying multiple versions of an item, trying on at home, and returning those that do not work. Survey conducted in the summer of 2019. Results include ecommerce consumers aged 19 to 65 in selected European countries: United Kingdom (1,009 respondents), Germany (503 respondents), and France (500 respondents)
Source: Narvar

The experience of trying to return online orders can be so bad for French consumers that 17% say they won't shop with a retailer again. This is above a **global average of 15% of online shoppers who won't shop with a retailer again following a poor returns experience**.

On a cost level, things don't appear to be getting any better for European consumers, since **the percentage of retailers refunding original shipping costs has dropped by 47 percentage points since February 2020**. In March 2022, just 40% of Top500 retailers report refunding the fee. However, 56% provide free returns, which is up from 38% in February 2020.

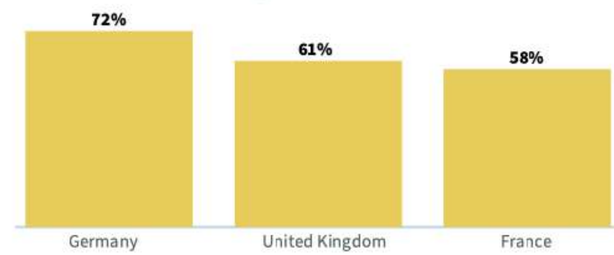
Fashion retailers are the group most likely to offer free returns – 75% do so in March 2022. Free returns are also the norm among brands (70%), sporting goods retailers (65%), multi-sector stores (63%) and retailers of maternity and children's goods (61%). The opposite is true of the DIY trade (39%) and supermarkets (39%).

Enabling returns to bricks-and-mortar stores is on the increase, with **more retailers enabling omnichannel services**. This has increased from 52% of leading retailers in 2020 to 63% of them in March 2022.

One growing trend is paperless returns, whereby the customer is sent a QR code which is scanned from their smartphone by an in-store terminal. As Neil Phillips, head of post-purchase experience at Marks & Spencer says, "Our new paperless returns journey means however a customer wants to return an item, it's simple, quick and works well on a mobile – offering efficient omnichannel shopping whether you're buying M&S or one of our partner brands on our platform. Customers will always want to try different sizes and styles. Making it easier to return means we're making it easier to buy with M&S."

This emphasises the importance of easy returns for clothing retailers since most shoppers have, at some point, ordered multiple sizes of a garment to try on at home.

Percentage of consumers bracketing in selected European countries



Note: Bracketing: buying multiple versions of an item, trying on at home, and returning those that do not work. Survey conducted in the summer. Results include ecommerce consumers aged 19 to 65 in selected European countries: United Kingdom (1,009 respondents), Germany (503 respondents), and France (500 respondents)
Source: Narvar

Main reasons for not returning damaged products ordered online in Europe in 2021

Note: Survey conducted in November 2021. Results include 8,000 18+ respondents who are European adults: 2,000 in the UK, 2,000 in Germany, 1,000 in France, 1,000 in Italy, 1,000 in Spain, and 1,000 in Poland.
Source: DS Smith. OnePoll. Accessed via Statista

Delivering on a faster promise

The competitive ultrafast delivery sector is in a state of flux driven by innovations, partnerships and acquisitions

Before the pandemic, it seemed that consumers wanted to receive their online orders in ever-faster ways. The number of retailers offering next-day delivery was growing, as were same-day delivery options. Just look to Amazon for examples of swifter delivery with Prime and Premium services.

As covered earlier in this report, the pandemic has substantially altered retailer delivery promises. Taking the grocery sector as an example, UK supermarket Tesco scaled rapidly to double online delivery capacity to 1.3m when the country went into lockdown in March 2020.

While the trend for retailer's own fulfilment services is towards standard delivery, with no charge over a certain order value, **there's still consumer appetite for under one-hour delivery from the likes of app-based challengers such as Gorillas, Deliveroo and Getir**.

Consumers accustomed to receiving rapid takeaway food orders have embraced similarly speedy services

Gorillas

77% of online grocery shoppers say they have used, or would use, a fast delivery service for groceries

for groceries, last-minute requirements and forgotten ingredients. **Across Europe, 77% of online grocery shoppers say they have already used, or would use, a fast delivery service for groceries**. Dutch consumers are thought to have spent around €40m with these app-based services in 2021. This year, that figure – which is based on average spend per order and order frequency – is predicted to rise to a total turnover of €1bn.[1]

A closer partnership

From the retail perspective, these companies accelerated their growth during the pandemic as shoppers ordered from their apps with orders that were either picked in the same supermarkets that staff were already picking in or from stock in their own dark stores.

The relationships are now getting closer and more extensive. **Morrisons and Deliveroo have partnered in a delivery only grocery store in Central London**. Deliveroo Hop sees Morrisons acting as wholesaler and Deliveroo as a retailer able to set its own prices. The new service complements Deliveroo's existing grocery offer which delivers from over 4,600 UK grocery stores. Hop will also mark Deliveroo's first move into becoming a retailer itself.[2]

Deliveroo says that Deliveroo Hop offer a better customer experience through:

- **Greater stock accuracy** – its grocery management technology enables real-time inventory control providing reliable item availability to consumers and eliminating the need for item substitution.
- **Increased speed** – Leading warehouse management technology, combined with Deliveroo's logistics algorithms and existing network of over 50,000 riders in the UK, enable delivery in as little as ten minutes.
- **Wider product range** – Deliveroo's partner-led model enables a range of up to 2,000 items, including partner-branded and own-label products.

Other grocers are looking at co-located warehouses in urban areas in order to fulfil more, with faster orders. **In October, Tesco started a trial with Gorillas with a dark store operation using excess warehouse space at existing Tesco sites in Thornton Heath and Lewisham**.[3]

The trial sees customers ordering from a selection of 2,000 Tesco products on the Gorillas app, with their order then picked and packed at Thornton Heath for delivery.

Commenting at the time, Jason Tarry, Tesco UK & ROI CEO said, "The idea that we can reach our customers in just ten minutes is really exciting. We are committed to being easily the most convenient choice for our customers, enabling them to shop whenever and however they want. This pilot with Gorillas will help customers get their products right away, supporting those looking to buy food for tonight or last-minute forgotten items. We look forward to hearing what our customers think."

Adrian Frenzel, Gorillas COO, agreed with the sentiment, saying, "We're thrilled to be announcing this first-of-its-kind commercial and real estate partnership with Tesco. As a fast-paced company at the forefront of the on-demand grocery industry, we are always looking for ways to innovate, and this co-location partnership will bring unprecedented value to our customers in the UK who will now have the possibility to be delivered the best of Tesco within minutes thanks to Gorillas."

Since the start of the trial Gorillas riders have "already clocked up nearly 50,000 emissions-free miles" on their e-bikes. The trial with Tesco has since been extended to Manchester and further locations are planned.

Tesco launched its own fast-track service, Whoosh, last year, which offers delivery in an hour, and has hinted that its automated micro-fulfilment solution could be used for other products, not just groceries.

Gorillas also works with Casino in France and Jumbo in the Netherlands. CFO of Jumbo, Ton van Veen, highlights how by selling through these apps, the grocer can reach new customers. "The market for the instant delivery of groceries ordered online is growing rapidly," he says. "We are already noticing that we are strengthening each other on various fronts – Gorillas can provide its customers with virtually all groceries in the Jumbo range, and at Jumbo, we are tapping into new, interesting customer groups."

Jumbo plans to extend Gorilla's fast delivery option to its own grocery platform, giving customers in major cities in the Netherlands and Belgium the option of standard delivery options or ultrafast. "In this way, we continue to meet the changing wishes and needs of our customers," adds van Veen.

An industry in flux

The ultrafast industry is in a state of flux – and not just in Europe – with entrants still joining the fields, partnership deals being signed and competitors acquired. In July, Turkish ultrafast grocery delivery company Getir acquired Blok, a grocery delivery startup in Southern Europe. The acquisition gave the Turkish company access into Spain and Italy through Blok's existing operations in several cities including Madrid, Barcelona and Milan. The additions mean Getir is now working in seven markets across Europe, with Portugal next in its sights.

Such acquisitions are reducing competition. Gorillas bought its rival Frichti after being in competition with the French company in a number of cities in France and Belgium. In other areas, new partnerships are being sealed. **Just Eat and Gorillas are working together in Madrid, Spain, to deliver fresh produce from five of the city's main municipal markets** as well as Just Eat listing Gorillas' groceries on its app.[4]

The future is uncertain but by watching how the challengers are changing markets, the ways in which retailers are reacting and how, when and where consumers are using the services gives us clues. As Spanish delivery company Glovo (which enables "anything" to be collected from "anywhere") reports, in Georgia, one of its couriers carried dried insects for an anaconda, while divorce papers travelled somewhere in Montenegro. Glovo's biggest fan made purchases worth almost €130,000 from Spain, while in Poland, a tea lover ordered 732 tea cups to be delivered.

[1] https://ecommercenews.eu/the-dutch-spend-e40-million-on-flash-delivery/
[2] https://edelivery.net/2021/09/deliveroo-launches-deliveroo-hop-partnership-morrisons/
[3] https://edelivery.net/2021/10/tesco-piloting-10-minute-delivery-service/
[4] www.retaildetail.eu/en/news/food/gorillas-acquires-frichti-joins-just-eat-collaboration

de Bijenkorf

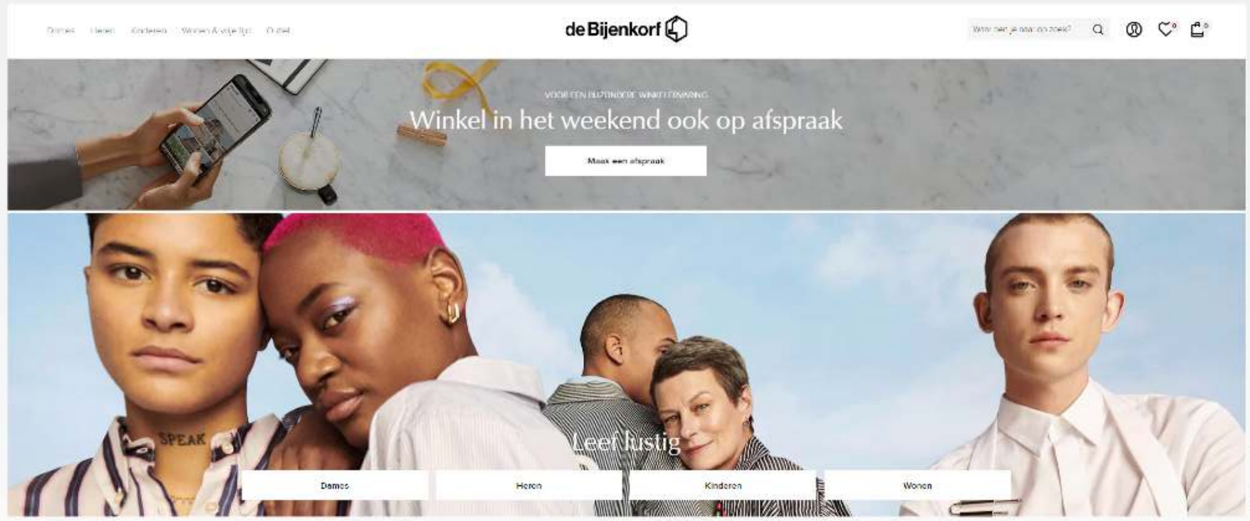
Company: de Bijenkorf
Headquartered: Netherlands
Founded: 1870
Online: www.www.debijenkorf.nl

Premium experience both on and offline

Service and personal experience are offered by this exclusive department store which celebrates art, design and innovation

Premium department store de Bijenkorf was founded in 1870 as a haberdashery and now sells across a range of designer brands in fashion, beauty and home. In 2011, it joined the Selfridges Group but retained its own "celebration of art, design, and innovation" styling and branding. A decade later, it was sold again, along with Selfridges, to Thailand's Central Group.

De Bijenkorf has seven stores in the Netherlands, each with its own unique architecture and character. **Its flagship stores are located in Amsterdam, The Hague, Rotterdam and Utrecht.** Smaller bricks-and-mortar stores operate in Amstelveen, Eindhoven and Maastricht. It also operates online, with additional sites localised for Germany, France, Austria and Belgium as well as having a mobile app.



A wide range of perks make joining de Bijenkorf's loyalty scheme a highly attractive proposition

Service is an important aspect of the retailer's offering, with delivery and returns playing a large part linking in closely to de Bijenkorf's loyalty scheme. **Members of the scheme, which is free to join, receive a higher level of service than non-members, making it an attractive proposition.**

Delivery of online orders is always free to members regardless of how much they spend, while non-members must spend over €100 to negate the €3.95 delivery charge. Standard deliveries are made by PostNL, with the customer notified of a two-hour delivery window, or by DHL up to 9.30pm Mondays to Saturdays. Sunday delivery is available at a cost of €7.95.

A collection service operates with orders available for collection from a store, PostNL Parcel Point, DHL ServicePoint or Instabox. The latter service is carbon-free using electric or biodiesel vehicles. Instabox delivers parcels from Monday to Saturday between 5pm and 10pm.

Along with the wide range of options for delivery, **de Bijenkorf uses fulfilment services in other ways to make shoppers feel special.** It will adjust clothing through its tailoring service and deliver purchases made in-store, while all returns are free. Many items bought online can be exchanged or returned up to 100 days after the order.

Amazon

Company: Amazon
Headquartered: USA
Founded: 1994
Online: www.amazon.com

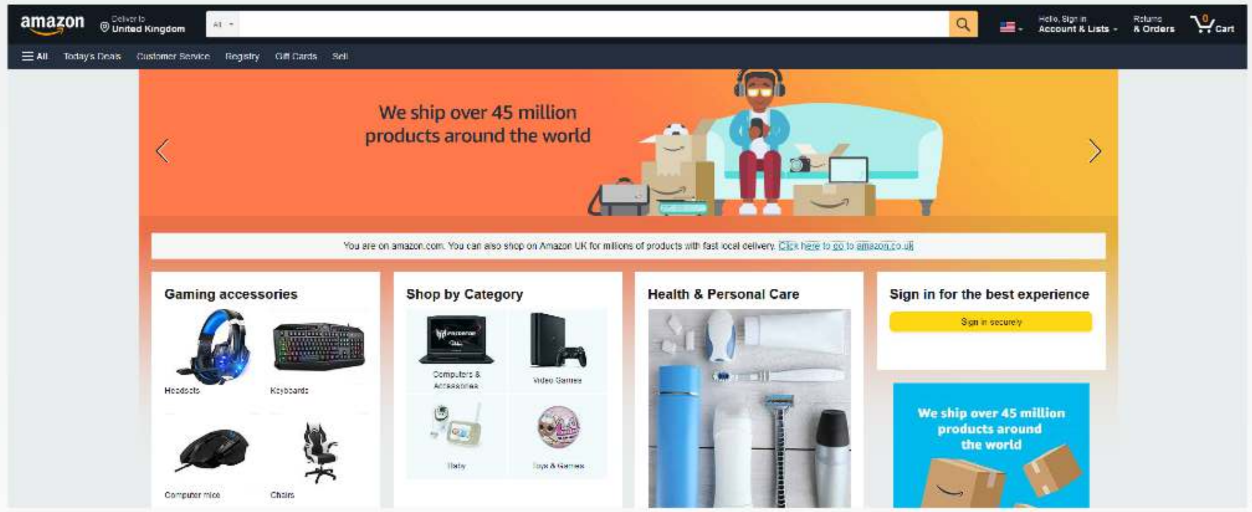
Amazon: anytime, anywhere

At its core, this behemoth is a company renowned for customer service, making things simple and running efficient operations

Amazon's mission to be Earth's most customer-centric company extends to logistics and fulfilment services by delivering customer orders however soon the customer wants, at different price levels and to different locations, including homes and collection lockers.

The company has disrupted many markets since it launched in 1994 and the logistics industry is no exception. Since the UK launch of Amazon Logistics in 2012, the retailer has grown the business to become the **second-biggest carrier by volume in the UK**. Only postal incumbent Royal Mail delivers more.

At the time of the launch of this logistics business, then Amazon UK CEO Chris North commented: "Amazon Logistics is not about replacing a carrier, it is about complementing. **It is about expanding the total capacity in the UK for fast delivery**."



Amazon not only aims to sell everything, it also wants to ship everything too, with a UK logistics setup only rivalled by Royal Mail

What works in one country is quickly adopted in others. **The UK has been a test-bed in Europe** for many services which Amazon has subsequently rolled out to other countries. These include operations such as Delivery Service Partners and customer-facing models such as Amazon Prime.

Being the first to market or changing expectations is not always straightforward and **Amazon is used to meeting opposition from existing workers, environmental groups and even from the public**. Plans for four new distribution centres in France have been blocked recently – although two automated centres near Paris and Metz are going ahead – while workers at another warehouse are striking over wage increases.[1]

Setbacks like these do little to stall Amazon's progress. Today, **Amazon Logistics has its own airplanes, chartered ships and delivery operations worldwide** and it continues to innovate with electric vehicles, drones and autonomous robots. **Amazon's Prime Air drone delivery service has been quoted as costing $63 per package** when the service launches in 2025, according to internal projections viewed by *Business Insider*. It is widely expected that Amazon will cover this cost, with the service offered free of charge from 32 locations to Amazon Prime customers.[2]

[1] www.bloomberg.com/news/articles/2022-04-04/amazon-s-warehouse-plans-keep-being-axed-by-french-campaigners
[2] www.chargedretail.co.uk/2022/04/08/amazon-prime-air-drone-delivery/

Nocibé

Company: Nocibé
Headquartered: France
Founded: 1984
Online: www.nocibe.fr

Making perfume accessible

Customers rate this French cosmetics and perfume retailer for its "great packaging" and "impeccable" delivery services

French beauty and cosmetics retailer Nocibé operates online and through a mobile app as well as via 610 stores in France and 392 beauty salons. The company was founded in 1984 "to make perfume and well-being accessible to all women". It does this through personal service and the expertise of its 4,000 advisors across a company that claims to have no sales people at all.

In 2014, Nocibé was acquired by the German Douglas Group, operator of Europe-wide beauty stores and online marketplaces.

The retailer stands out for highlighting to customers the delivery and collection options available on product pages, along with having a wide choice of delivery methods overall to ensure that there are options to suit different customer journeys, price preferences and time requirements.

Nocibé generously rewards its online customers with two free samples per order

Standard delivery takes four to five days and is offered free of charge for order values of €60 and above. The same time-scale is quoted for orders delivered by French carrier Mondial Relay. Orders under €60 are delivered for a charge of €3.95, as are deliveries to Belgium.

Faster options include Chronopost, in three to four days, and next-day delivery by courier. The latter costs €9.95, or €6.95 for orders above €60. **Customers can collect their purchase from a store an hour after placing and paying for it online**. Nocibé also partners with Chrono Relais, a DPD company, to offer click and collect from collection points across France.

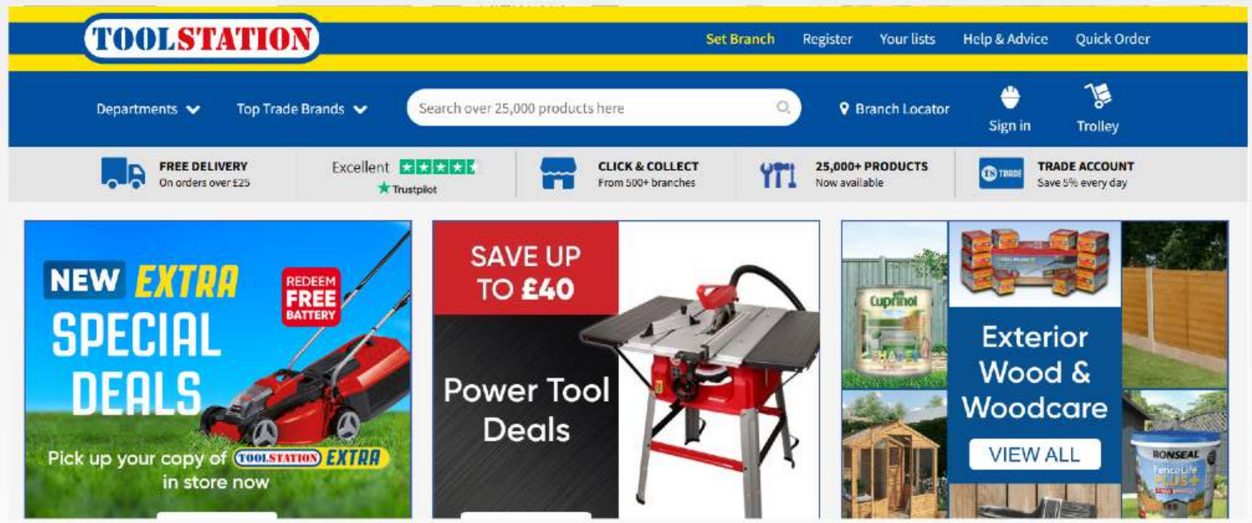
Online customers receive two free samples for every order. Customers appreciate Nocibé's "impeccable" delivery services and "great packaging". **Its mobile app serves customers in-store as well as those wanting to shop from their smartphone**. Customers can search for their nearest store as well as scan bar codes and QR codes to see product information or shop for products from more than 600 brands. Innovations include trying on cosmetics virtually using augmented reality. The app is also a place to store the retailer's generous loyalty card.

Toolstation

Company: Toolstation
Headquartered: UK
Founded: 2003
Online: www.toolstation.com

Fast and easy shopping

Next-day delivery and collection in just five minutes enable Toolstation to offer convenience to both DIY and trade customers



Toolstation's proposition is built around an app to supply the needs of builders on the go

Toolstation

Since not all building projects are planned in advance, Toolstation has to be ready to supply products at a moment's notice. **The omnichannel retailer operates via 530 bricks-and-mortar stores and online in the UK, the Netherlands, France and Belgium**. Its stores are open seven days a week, making it convenient for both DIY and trade customers.

In 2021, it launched a new mobile app that made shopping faster and easier for customers. **Included in the app is a real-time stock checker that lets customers see the availability of 12,000 items stocked at local stores**, as well as a further 13,000 which are available for next-day delivery.

Shoppers who have signed into the app can set a store as their favourite so that it always shows the availability of products for collection at that store. Once items have been reserved, the app generates a QR code, making payment and collection quick and easy. Once ordered, items can be collected in just five minutes.

Toolstation is going through **rapid expansion following a three-year period during which the company more than doubled revenue** – 2021's revenue was up a massive 70.8% on 2019's. In the latest financial year to 31 December 2021, its revenue of £761m was 20.2% up on 2020's £633m. Adjusted operating profit grew by 175% to £22m, while operating margin rose 160bps.

In 2022, **60 more branches will open in the UK, with a further 40 or 50 stores planned for France and Belgium**, where brand awareness is increasing, and the Netherlands, where Toolstation's business is already well-established. Further collection options and enhanced delivery propositions are planned, with all aiming to increase convenience for customers. These additions will be backed by **new distribution centres in the UK and France**.

As the company says, "Tailoring the proposition to cater for local market requirements allows all three [EU] countries to deliver growth and a route to profitability."

Figures & Sources

Figures

Sources

- Ecommerce consumer expectations of delivery time
- Are you willing to pay €3 extra for faster delivery?
- When you order a product online, how do you prefer to have it delivered?
- How important are the following characteristics when ordering a product online?
- Percentage of consumers who have actively chosen to shop online domestically to reduce the environmental impact of deliveries
- Percentage of consumers willing to pay €3 for more eco-friendly delivery

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- What I would do to help retailers reduce the environmental cost of returned items (wasted stock, fuel emissions, etc.)
- Satisfaction with online returns in selected European countries
- I won't shop with the retailer again based on my last returns experience
- Main reasons for not bracketing in selected European countries
- Percentage of consumers bracketing in selected European countries

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- The percentage of Europe Top500 retailers offering reserve and collect
- The percentage of Europe Top500 retailers in a sector offering the option to reserve and collect
- Retailers in the Europe Top500 offering the option to reserve and collect, 2018-2022

RetailX

- Main reasons for not returning damaged products ordered online in Europe in 2021

https://www.statista.com/statistics/1285509/reasons-to-not-return-products-europe/

What constitutes a retailer?

The multichannel landscape is more complex than merely 'having a website' or 'operating a store'.

In choosing which companies to include in the RetailX Top1000, we have considered companies' intent, capabilities and activities around the recruitment and monetisation of customers. The definition of a 'retailer' for inclusion in our research is represented on the adjacent box.

	Definition
Destination	the retailer has created a destination that, in the minds of customers, is a source of product, service or experience. Whether this destination is a shop, a site, a place, a time or an event, it's the sense of 'locus' that counts.
Fascia-focused	the assessment focuses on individual trading names, rather than a parent company that may operate more than one brand. Since the group structure is invisible to customers, it does not have a bearing on the position of brands owned by a group. The challenge is to turn group capabilities into trading advantages that the customer would notice across brands.
Purpose	the retailer has created goods and/or services for the specific purpose of selling, for consumption by the purchasing consumer.
Merchandising	the retailer actively sells and is not just a portal for taking customers' money. This means the selection, promotion and tailoring of retail offers for customers.
Acquisition	the retailer actively markets, recruits and attracts customers with a promise or proposition to the destination.
Sale	the retailer takes the customer's money. The retailer owns the transaction as the merchant of record.
Recourse	the retailer is responsible for the service, fulfilment and customer satisfaction owing from the sale.
Exceptions	in every good list there's an exception, where we may include a certain business due to its influence upon retailers and retailers' customers. Some of these companies will be included within the Top1000 and others are tracked for information on their impact on retailers.

Companies Excluded From The Top500	
Marketplaces	where a candidate retailer is simply a marketplace, the company is not featured. Where a marketplace undertakes customer acquisition, manages payment, customises offers and recommendations and offers recourse on purchases, then the company will be eligible for inclusion.
Pure transaction/ tariffs:	where ecommerce is ancillary to the primary purpose of a business, we will not necessarily include them. Online payment for gas or electricity is excluded since the purpose here is to supply energy. Travel companies are not included in the Top1000. We have also excluded media-streaming services.
Business-to-business and direct-selling brands:	while the scope of retail is normally direct to consumer, two trends are challenging this – the move for brands and previously solely B2B businesses to sell direct to consumers; and the increasingly retail-like behaviour of B2B brands, in terms of acquisition, promotion, personalisation and service. We have therefore included certain B2B businesses and direct-selling brands.

Summary of elements included in each Dimension

0. Footprint Dimension

0.1 UK retail turnover, ranging from £1m to £56bn – average £760m
0.2 The ecommerce subset of the above, ranging from £500,000 to £10bn – average £350m
0.3 UK web traffic, ranging from 380,000 to 4.4bn page views per annum – average 87m views per annum
0.4 Number of UK stores, ranging from 0 to 11,500 – average 124 stores

1. Strategy & Innovation

1.1 Strategic practice, including an expert-designated selection of metrics that catalogue a retailer's embrace of technological or organisational best practice
1.2 Innovative practice, including a selection of metrics from other Dimensions that, to date, are only used by the leaders

2. The Customer

2.1 Customer service response time and helpfulness – Facebook and email
2.2 Desktop and mobile homepage performance, including engineering and responsiveness
2.3 Mobile and desktop website navigation – the ease of finding a desired product, including tabs, icons, search and filtering
2.4 Customer feedback – incorporation of customer reviews and product ratings on the product display page

3. Operations & Logistics

3.1 Delivery capability including 10 metrics covering the range of options, and competitiveness of timeframes and pricing
3.2 Returns capability, including 10 metrics covering the ease of the returns and refund process to the customer, and the range of options, including return to store
3.3 Collection capability, including nine metrics covering the number, type and convenience of collection locations and the costs and timeframes of the services
3.4 An assessment of the mobile website's usefulness to customers who want to see the availability of stock, both for ecommerce orders and in local stores

4. Merchandising

4.1 Customer-perspective review, including 23 metrics covering design, navigation, the relevance of search results, product information and visual appeal
4.2 Mobile app assessment, including nine metrics covering use of notifications, product display and personalisation [retailers with mobile apps]
4.3 Merchandising and product review, including number and depth of promotions, the fraction of a retailer's range with reviews and descriptions, the number of images per product and the fraction of range that is out of stock [largest retailers]

5. Brand Engagement

5.1 Social media presence and availability, including 22 metrics, taking into account size of audience and interaction with it on Twitter, the net change over three months and use of 10 social networks, email, and blog
5.2 Mobile and desktop website review – assessing the integration of social media, sharing and social validation
5.3 An assessment of mobile apps' incorporation of social media [retailers with mobile apps]
5.4 Brand-name keyword searches – total and YoY increase by UK consumers

6. Mobile & Cross-Channel

6.1 Mobile home page performance, including engineering and responsiveness
6.2 Mobile website assessment, including the use of screen real estate, the ease of navigation and the ability to track the availability of goods at physical stores
6.3 Multichannel features, taking into account use of physical store estate for order fulfilment and return, store information on the website, in-store functions of apps and cross-channel loyalty accounts [retailers with stores]
6.4 Digital store assessment of the Top150's London stores

Conclusion

Some of the impacts of the Covid-19 pandemic are still being felt across European retail as the speed of scaling fulfilment services and the effects on warehouses and supply chains are refined and cemented into roadmaps, spending plans and internal processes.

From the consumer perspective, while delivery is still preferred over collection for online orders, next-day delivery is offered by only a third of Top500 retailers and you're less likely to have the original shipping costs refunded that you were two years ago.

Going forward, the need for retailers to be sustainable and to follow more environmentally friendly procedures will continue to be felt across all areas of operations and logistics. Staff, IT and automation remain important, as does constant, visible innovation.

The competitive ultrafast delivery space is currently going through many changes but with 77% of online grocery shoppers saying they have already, or would like to use a fast delivery service for groceries, these app-based challengers are here to stay. Consumers used to receiving their groceries in under an hour will come to expect the same service from other retailers.

We hope that you have found our research and analysis to be of interest and commercial value. We would be very pleased to hear from you with questions, suggestions or comments. In particular, we would like to hear about any areas you think we should include in future reports. Please get in touch via: research@retailx.net

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