

What millennials want from delivery

Retail Week conducted research into young consumers' attitudes towards fulfilment and delivery. The findings offer fascinating insights into what retailers are doing right – and where they can and must improve

Fulfilment is now a major differentiator in the battle for online supremacy. Consumers rank it highly as a factor influencing their choice of retailer, both pure-play and multichannel.

Providing consumers with flexibility and choice around the online fulfilment offer, while shortening the distance and time between product and consumer, are imperative if UK retailers are to thrive.

Those getting online fulfilment right will see a positive impact on sales and brand advocacy.

"Once I've clicked 'confirm purchase' on a retailer's website, I want to receive my products in a timely manner and to a schedule that fits around my busy life. If I'm not happy with a retailer's delivery capabilities, I will shop elsewhere," said a 22-year-old graduate when asked about his online fulfilment preferences.

So what do shoppers think about the present online fulfilment offer? What do they value? How have their expectations evolved in line

with technological advancements? And which retailers meet their needs and requirements?

In a bid to answer those questions, among many others, *Retail Week*, in association with delivery firm DPD, commissioned a comprehensive focus group study aimed at young millennial shoppers – people born between the early 1990s and the early 2000s. The reason for targeting this social group was to better understand the online fulfilment expectations of the tech-savvy shopper.

This generation of consumers will undoubtedly play a major role in defining not only the future of online fulfilment, but the evolution of retail as an industry.

Alongside the focus group, *Retail Week* conducted an in-depth audit of 83 leading UK retailers' online fulfilment capabilities. The findings from that study help to illustrate whether businesses are meeting shopper expectations around online fulfilment and where gaps in the offer, if any, exist at present.

Brand disenchantment

Insight garnered from the focus group shows that the online fulfilment expectations of young millennial shoppers are high, varied and complex. The need for convenient solutions is the one factor that ties together all shoppers.

Among UK consumers, 23.6% said they would

stop using a retailer that didn't offer convenient delivery times – 45.3% said they might.

Consumers said they become disenchanted with a brand if they have a poor delivery experience.

Issues around communication were the most prominent factor contributing to dissatisfaction. "If my item is going to take longer to be delivered, I want to know about it," commented one focus group participant.

Responses also affirmed the fact that consumers want rapid, reliable delivery of items purchased online, but at low cost – an age-old problem for retailers and their delivery partners.

The majority of respondents reported that free delivery is a factor influencing their choice of retailer.

In that sense, retailers are well-positioned. Of the businesses audited for this study, 82% offer free home delivery services of some description.

Only 10 of them, however, offer free home delivery with no minimum spend required – commonly cited by shoppers as a reason their delivery expectations are not being met by retailers.

Apparel and accessories is the sector with the highest minimum spend requirement, at an average of £69, compared with pure-play retailers' £18 to activate free delivery.

Amazon, Asos and Tesco were cited by focus group members as three retailers



The full report can be downloaded at
Retail-week.com/fulfilmentreport



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of consumers would stop using a retailer that didn't offer convenient delivery times



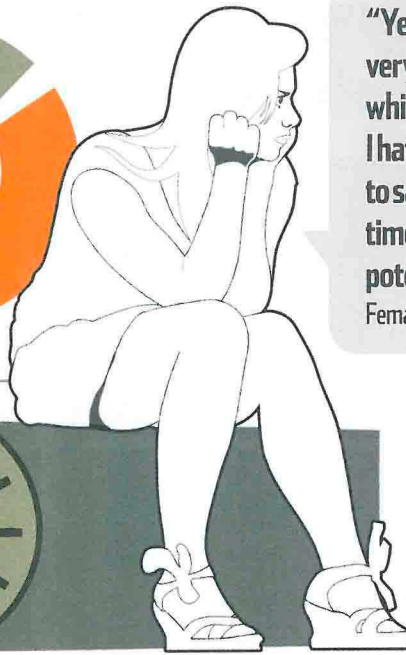
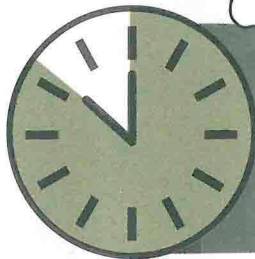
"Yes, I value time slots. Grocery retailers are very good at offering two-hour time slots, which means your entire day isn't wasted. I hate it when a company sends a message to say your item will be delivered today any time between 7am and 9pm. The whole day potentially down the drain for a parcel."

Female focus group participant

45.3%

say they might

Excluding grocery, just **8%** of retailers allow consumers to determine the timing of delivery via a time slot



83%

of retailers allow consumers to return online orders to a store for replacement or refund



82%

of retailers offer a free delivery option

But... **85%**

of them require a minimum order value to activate this free delivery, with an average spend of £43 required

24%

of shoppers would like to see collection lockers in stores

76%

of retailers offer services that allow consumers to place an order online and collect from a store



offering good fulfilment options.

Participants in the focus groups, generally speaking, reported favourably on the online fulfilment offers of grocers and pure-play retailers, and there was a perception that delivery services are a unique selling point for retailers with no bricks-and-mortar presence.

"Online-only retailers tend to have quicker home delivery options, in my opinion, but then multichannel retailers have store networks to leverage click-and-collect fulfilment," said one participant.

Shoppers want access to home delivery services that provide transparency about where their product is, when they can expect to receive it and options to rearrange delivery if necessary. Tracking services, allocated time slots and

"I want to receive my products in a timely manner and to a schedule that fits around my busy life"

Focus group participant

a flexible list of options when an item can't be signed for are all services that millennial consumers value.

That is still an area on which retailers need to focus. Just 8% of non-grocers audited by *Retail Week* offer services that allow consumers to specify the timing of delivery.

The window of a potential time slot is also important to young millennial shoppers. Many commented that they want to know what hour an item will be delivered so they can plan their day accordingly.

Providing flexibility in that regard is important to retailers looking to compete in today's online retail space and will be hugely influential in consumers' choice of where to shop in the future.