

E-commerce Delivery Compass

The latest consumer insights to turn e-commerce logistics into your competitive advantage in 2023

 sendcloud



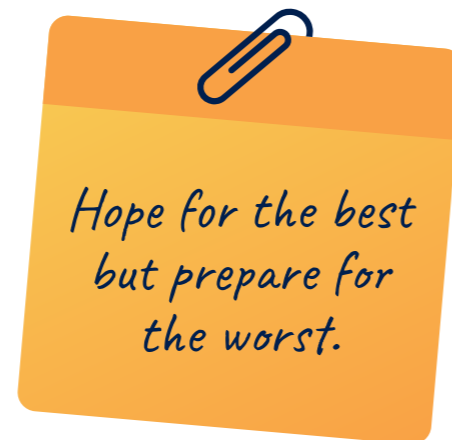
A founder's introduction

The past three years in e-commerce have been a rollercoaster, to say the least. We've had twists, turns, corkscrews, and loop-the-loops at every possible moment. It's been turbulent and expectations are that it's not going to be any less so in 2023.

However, it's not all doom and gloom. E-commerce has grown 10-15% per year for the past 10 years. E-commerce spend as an overall percentage of retail spend is still increasing. And, during the pandemic, an entirely new demographic ordered online for the first time and is sticking around.

With that being said, many still fear a recession in 2023. We completely understand these fears at Sendcloud. However, having these thoughts or rather fears is not future-proof.

Though we value the advice on the sticky note, we prefer:



Don't stop preparing

Don't prepare in fear of the worst (AKA a recession), rather make preparation a continuous practice within your business so you're never even close to reaching the worst.

The landscape within e-commerce is fluid and can be volatile. Ensure you have the right tools to respond to every possible development and always be in line with your chief KPI: your customers.



This is the 3rd year in a row we've conducted extensive consumer research with Nielsen. As always, we interpret our findings of the shipping expectations of European and (new to this year's report) US customers to share with you invaluable insights that will enrich your shipping strategy for 2023.

In this year's report, we reveal e-commerce logistics secrets from checkout to return, give tips on how you can make 2023 a success, and the remarkable differences between consumer wants & needs from 2021 to 2023.

We hope you enjoy the report,

Rob van den Heuvel

CEO of Sendcloud

Study design

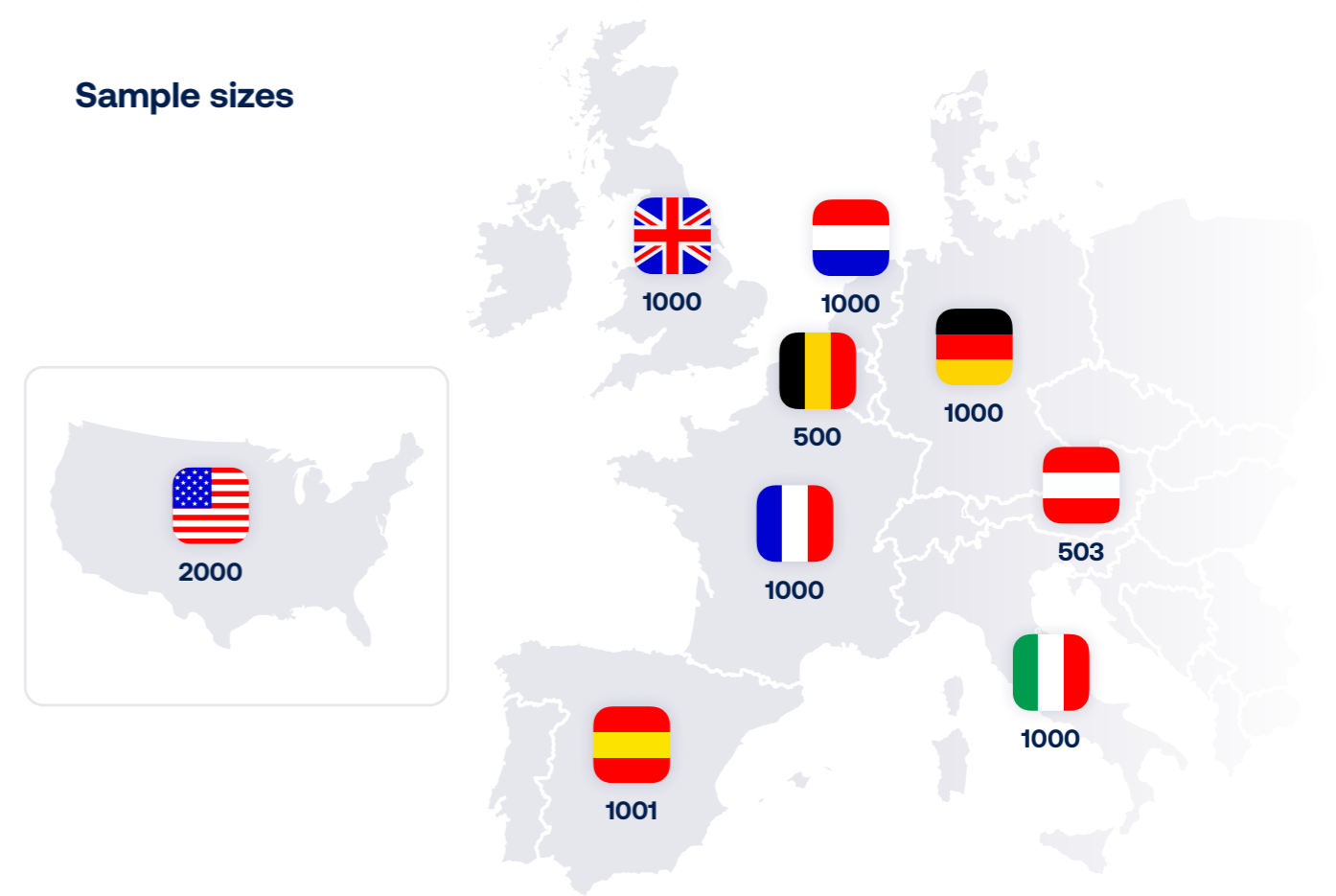
This report is the result of a European and US study conducted by Sendcloud in cooperation with Nielsen in the Autumn of 2022.

A total of 9004 consumers contributed.

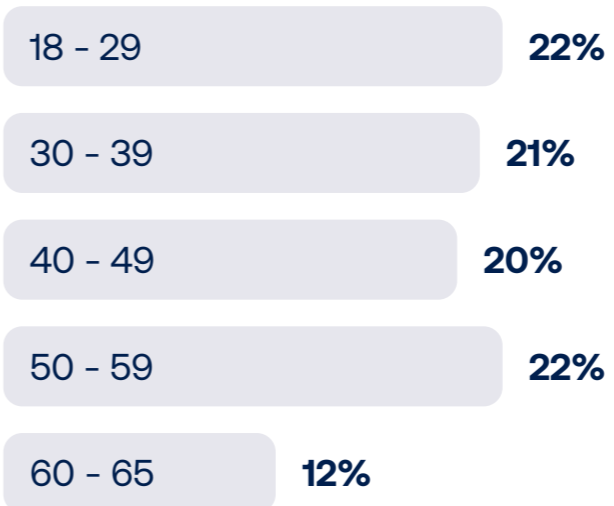
All respondents are online shoppers who ordered at least 1 product online in the past 3 months. The online purchase of services such as tickets, digital downloads, and holidays was excluded from the research.

The data has been collected through a 15-minute online survey consisting of 42 questions and statements.

Sample sizes



Age



Gender ¹



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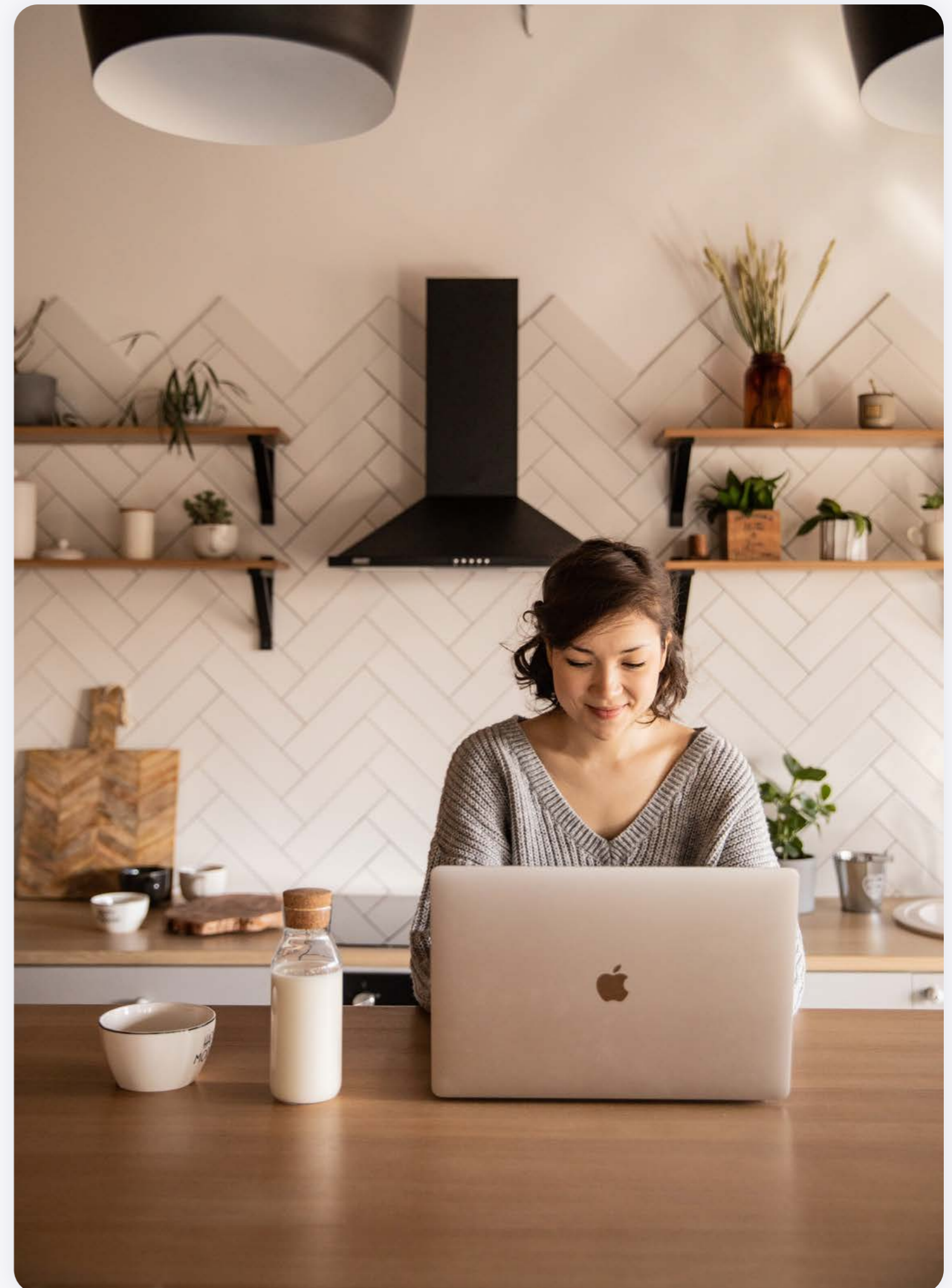
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Consumer characteristics

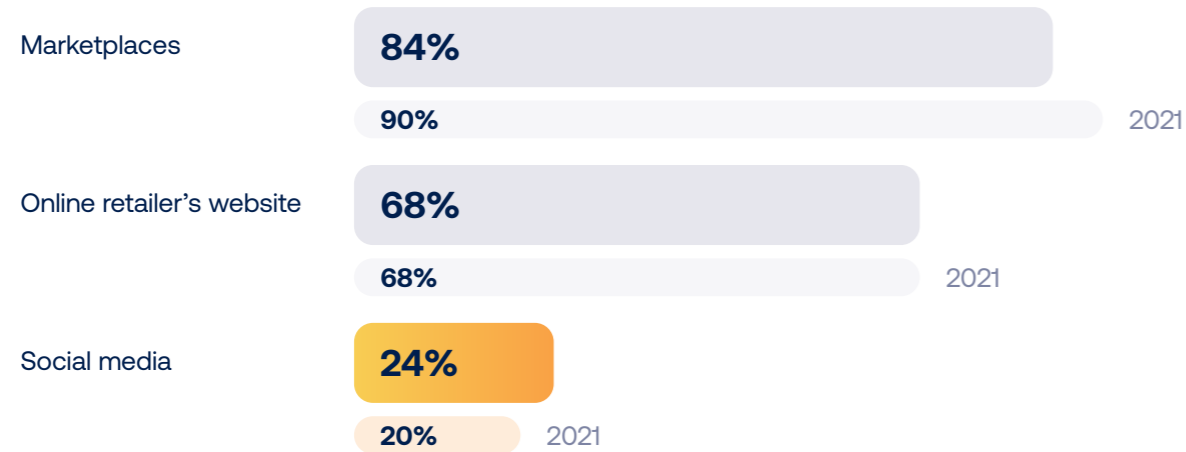
Where do consumers shop online, how often do they shop online, and how much do they spend? Here's an overview of your potential customer base.



Social commerce is coming up

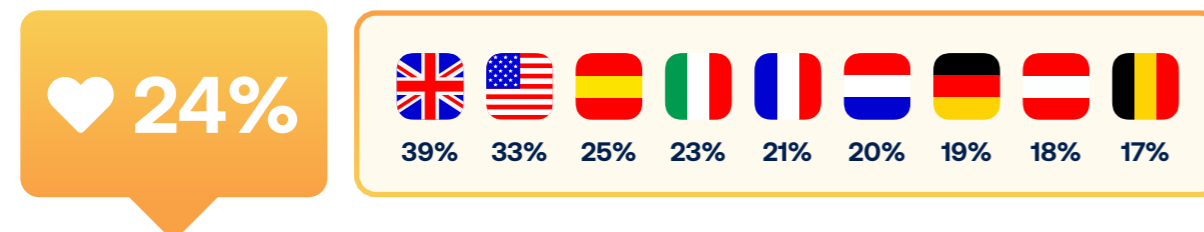
Where do you order your products from?

Multiple answers allowed



This notable increase in social commerce isn't a big surprise. Meta has been developing Facebook & Instagram shopping for the best part of a decade now. Plus, TikTok and Pinterest both have successful dedicated shop systems as well.

"I regularly order products through social media"

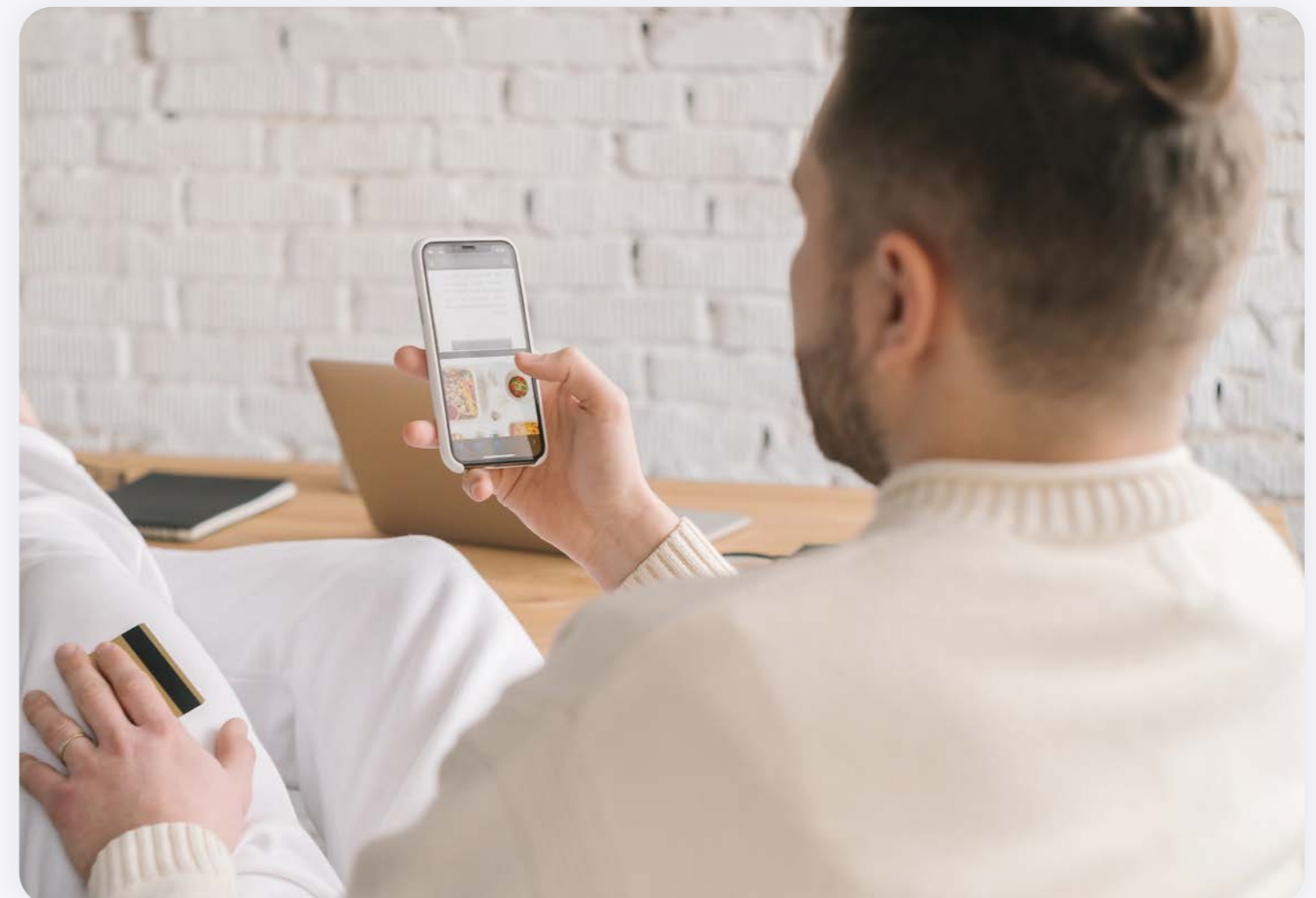


It's widely accepted that the US leads the way in terms of shopping trends in the west. Closely followed by the UK. Don't be surprised if these numbers grow across the other markets in 2023 and beyond.

Expert insight

“ Live selling is a powerful tool that's fueled by social media. You can broadcast to your audience to accelerate purchase decisions, boosting buyer engagement, and enhance product experience with real-time product demos.

Steve Hutt
eCommerce Fastlane



Today's buying behaviour

First things first, the average online shopper in Europe & the US shops on Amazon, orders online every 2-4 weeks, and spends €136 per order.

How many times per month do you order products?



One interesting thing we found is how the average orders per month vary between different generations. For example, millennials order online the most often at 2.1 times per month. While boomers order online the least often at 1.5 times per month.

What is the average purchase amount of your last online order?



There's also a massive difference between generations here. Millennials spend the most at a whopping €175. While boomers spend the least at a modest €93.

Did you know that 52% of UK consumers shop on Amazon?

Check out the rest of Europe below.



Amazon's revenue was 469.8 billion USD in 2021. Though they still can't beat, Dutch company, Bol in their local markets. In comparison, Bol's revenue was a "tiny" 5.5 billion EUR in 2021.

Expert insight

“ One of the trends that I have been seeing for some time now (and that I think will continue in 2023) is sellers trying to reduce their Amazon dependency. So marketplace and therefore revenue streams diversification will be the key element of success for Amazon sellers during 2023.

Jordi Ordóñez

JordiOb

Checkout abandonment

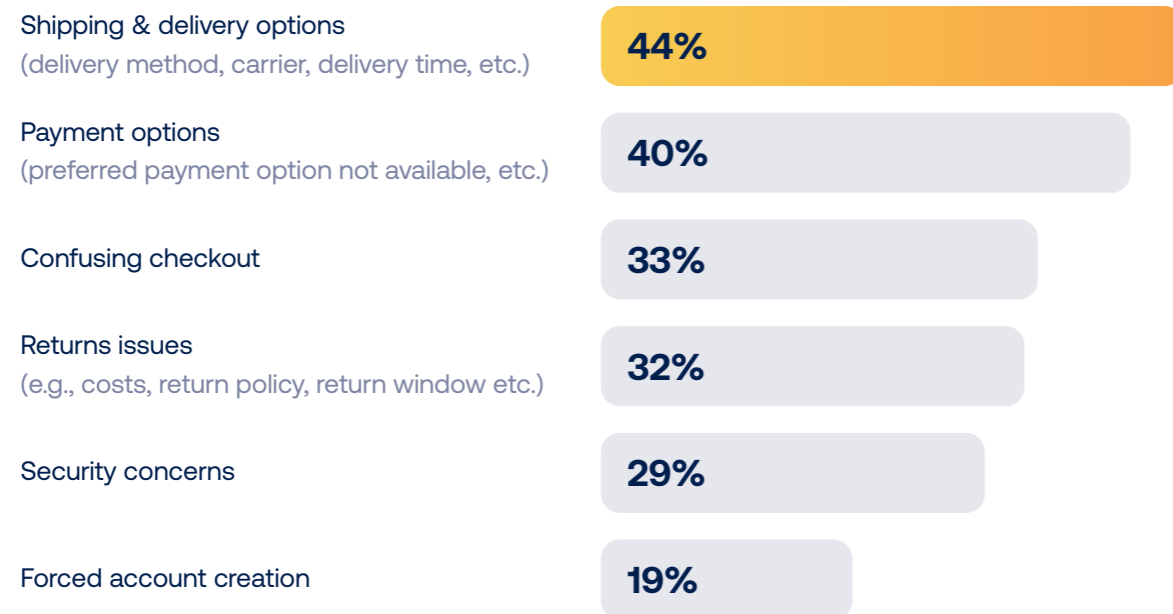
If you want to make a checkout process with high conversion rates (and who doesn't?), you need to know why your customers abandon their baskets in the first place.



Main reasons for checkout abandonment

What are the main reasons you stop midway through an online order?

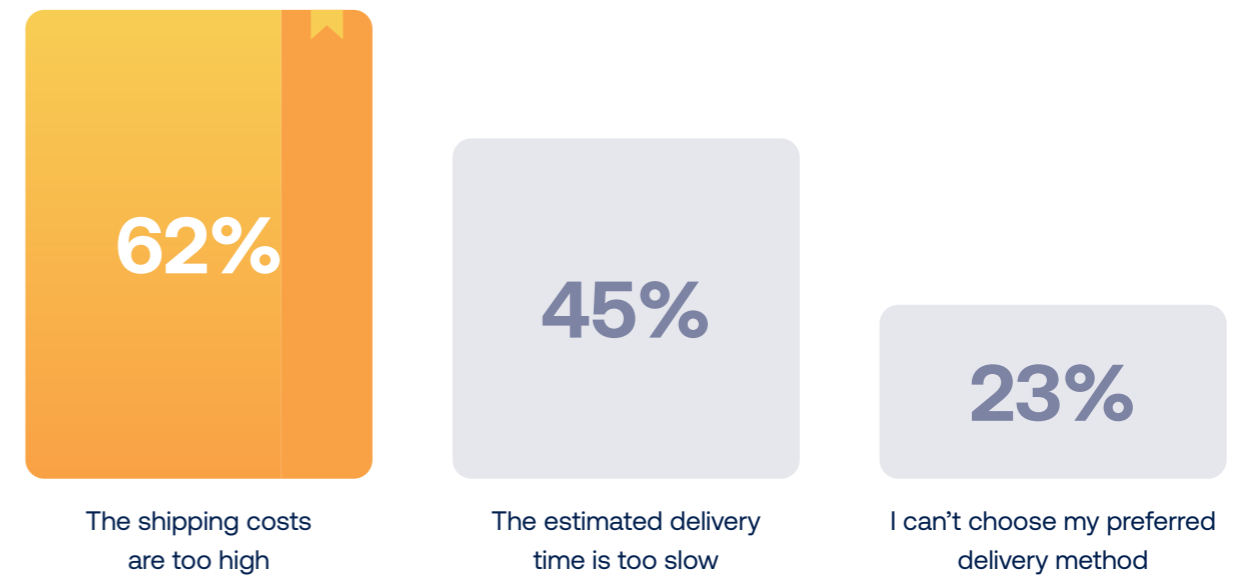
Multiple answers allowed



All the above are simply to fix with the right tools. Don't let shoppers abandon baskets. The lifetime value lost here is huge for online stores.

Confusing checkouts are easy to avoid in 2023. Did you know that a dynamic checkout can help to increase conversion while automating the process at the same time? Make it simple, make it user-friendly, make it [Sendcloud](#) 🧠💡

Top 3 shipping related reasons for checkout abandonment



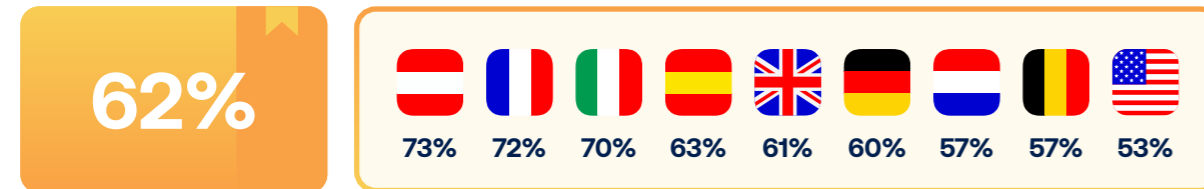
Expert insight

“ The best way to combat shipping related reasons for your customers to abandon their shopping cart is to adopt a multi-carrier strategy. Why settle for one carrier? Gotta ship with ‘em all!

Rob van den Heuvel
Sendcloud

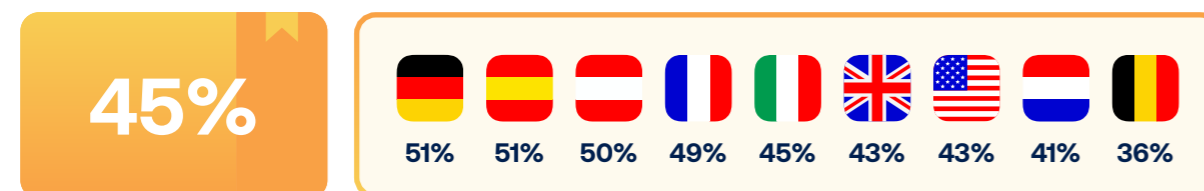
Let's dive into the shipping-related reasons a little deeper. The number one concern is that shipping costs are too high. How big is this issue if we look at it on a country level?

“The shipping costs are too high”

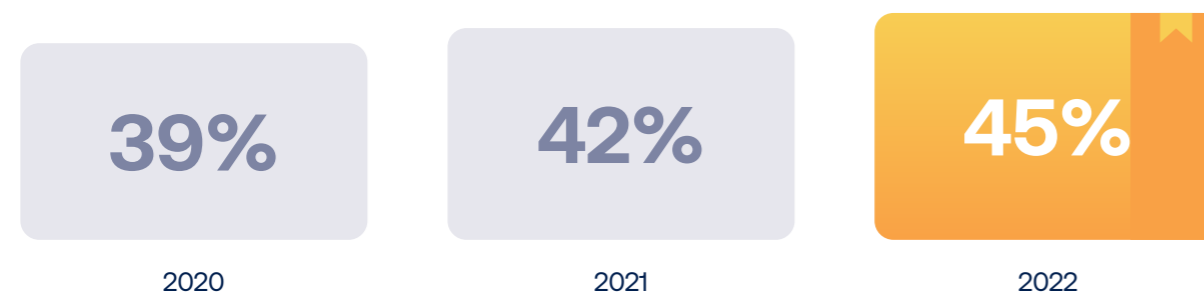


The second most common reason for abandoned baskets is the estimated delivery time is too slow. Again, let's look at this at a country level. Then let's also look to see how this has changed over the last three years. The numbers might surprise you.

“The estimated delivery time is too slow”

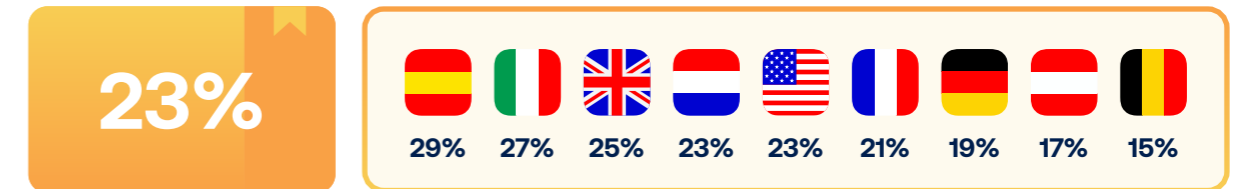


Year-on-year differences:



Not offering the preferred delivery method is another huge reason carts are abandoned. Your customers value options in terms of carriers, prices, timeslots, tracking options, and more.

“Can't choose my preferred delivery method”



Your customers care about which delivery options are offered by your store when buying online. If you want to lower your checkout abandonment rate, you need to ensure you offer as many of the options your customers expect as you can.

Expert insight

“ Since shipping with multiple carriers through Sendcloud, our website conversion rate has increased by 2%.

Leandry Ramirez
Marketing Manager, C.O. Jones

Shipping and delivery

Shipping is one of the biggest challenges for online retailers. How can you meet customer expectations? How much are they willing to pay? And which shipping options and carriers do they prefer?



Let's talk about the money

What is the maximum amount you're willing to pay for shipping on an order with a purchase value of 15, 50 or 150 euros?



There are loads of reasons why this could be the case. However, the most likely reasons are that premium delivery options are more reliable and safer. And that when anyone buys an expensive item they want it ASAP. And, as we know, fast delivery often comes at a premium price.

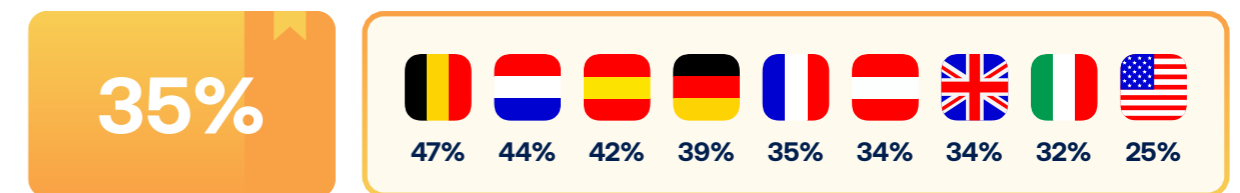
Percentage of respondents who answered € 0.00 to the previous question



Here's something a little interesting. Customers are willing to pay more for high-value orders while, at the same time, a significant amount of customers expect free delivery for high-value orders.

This "the more, the less" trend of getting free shipping on expensive orders seems to have no borders either.

"I expect to get free shipping on € 150 orders"

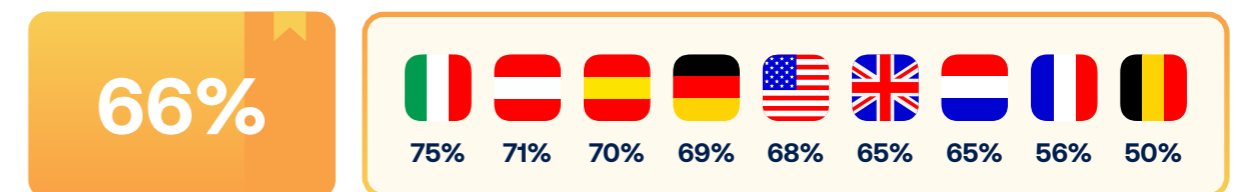


Compare your shipping rates and options with your competition to work out how you can position your company to be more attractive.



With the pandemic seemingly coming to an end, do you think your customers are expecting high inflation?

"Due to the pandemic, I expect shipping costs to increase in 2023"



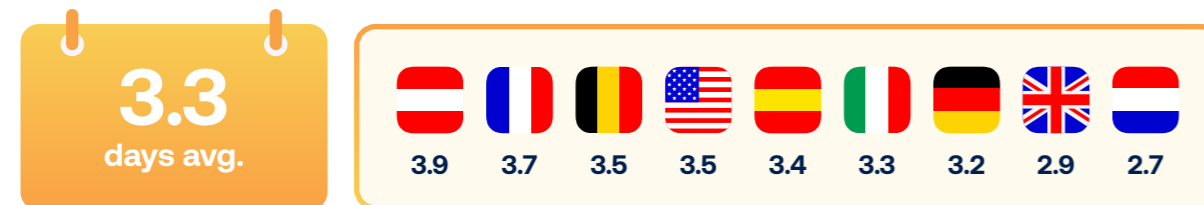
Timing is everything

As you discovered on page 9, the second most important reason for abandoning a purchase is that the delivery time is too slow. But what does too slow really mean?

Don't forget! Nearly **half of online shoppers abandon their cart** if the indicated delivery time is too slow.

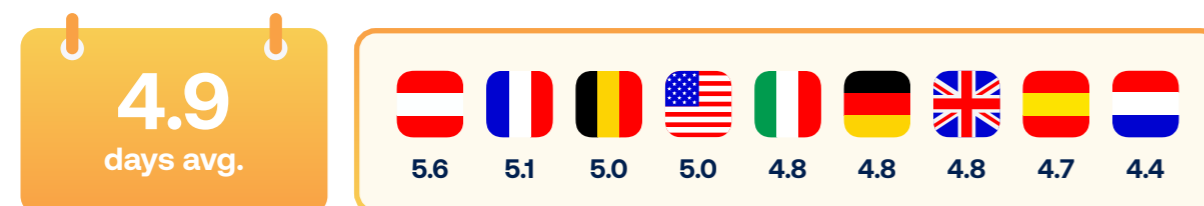


Within how many days are you expecting your order to be delivered?



If you're shipping across multiple countries, taking the expected delivery time into consideration can be the difference between success and failure within a particular market.

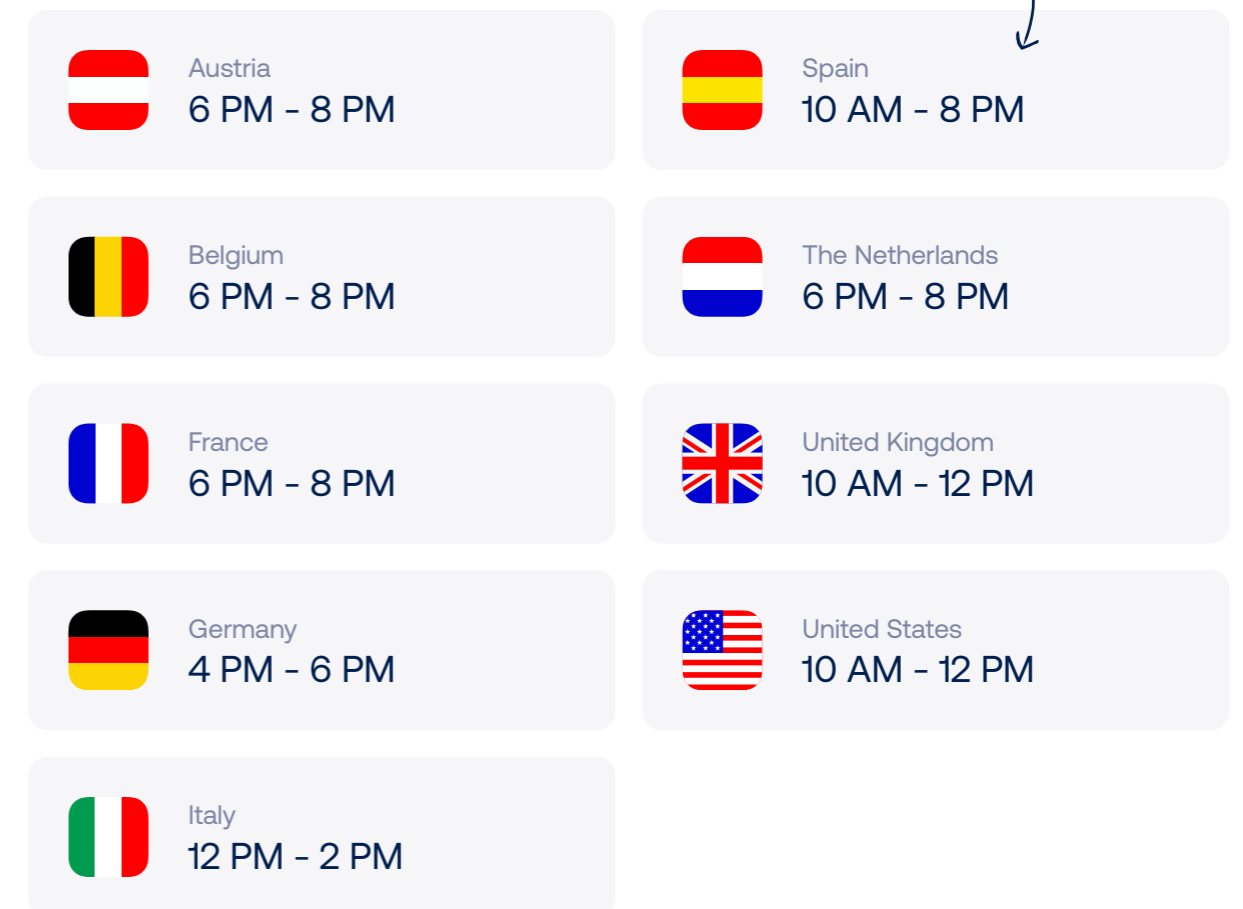
What's the maximum amount of days you're willing to wait for your order to be delivered?



It's not just about how many days it takes for an order to be delivered for your customers, they also have preferences for the time of day.

Preferred delivery time by country

Tranquilo tranquilo!



All countries except Spain have a preferred delivery timeslot of two hours. It's true then. You can genuinely rely on the Spanish to be the most laid back and 'tranquilo'.

Combine different carriers to offer both affordable and speedy delivery options.



It might not be that surprising, but it's important to know that customers prefer free over fast when it comes to having their orders shipped.

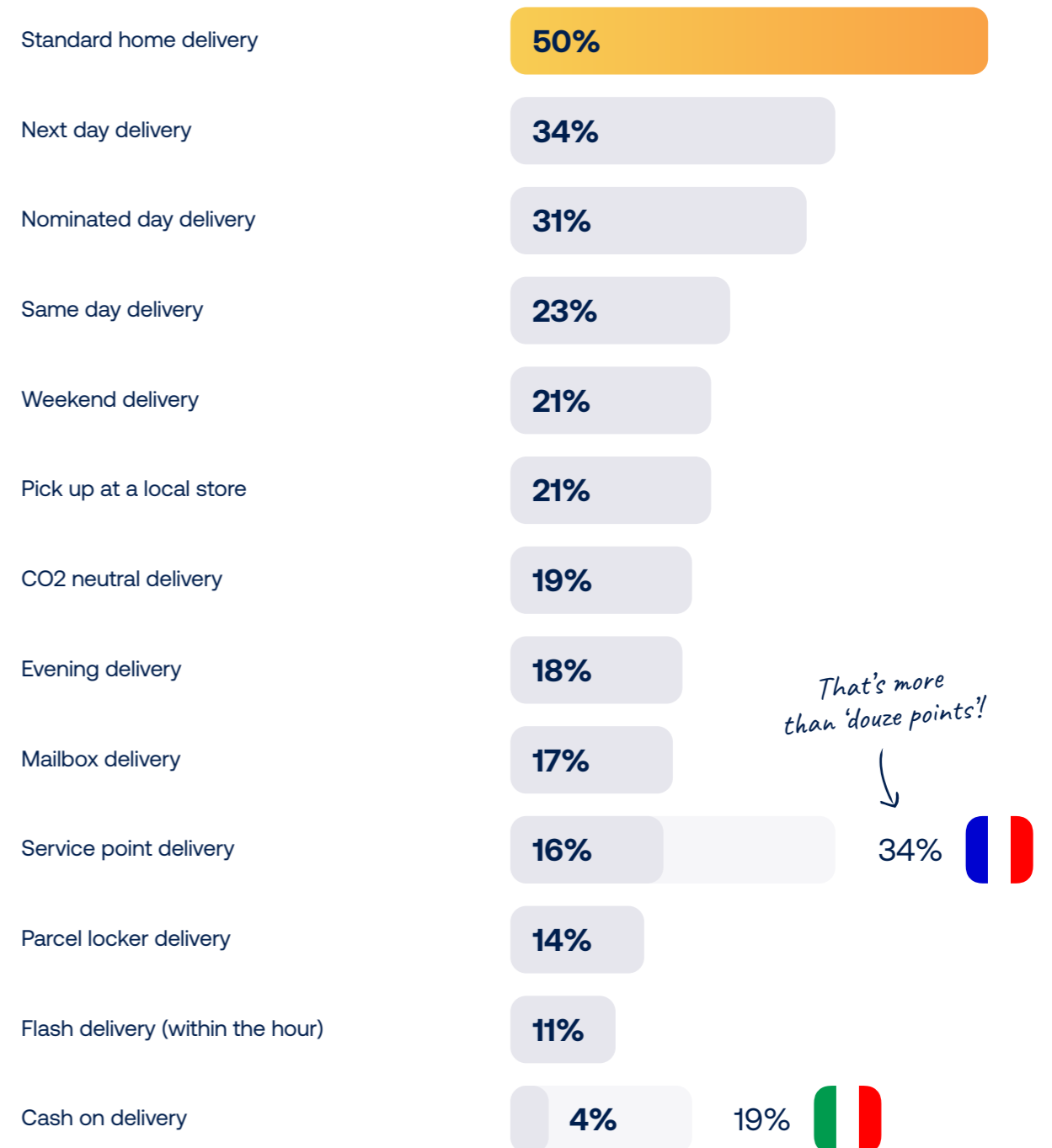
Preference for fast vs free shipping



Endless shipping options

What are your preferred shipping options?

Multiple answers allowed



Expert insight

“ The best way to offer a wide selection of shipping options is to ship with multiple carriers. And the best way to do that is to centralise your shipping efforts. If you don't, you'll have to become literate in countless different solutions from various carriers.

Rob van den Heuvel
Sendcloud

Carrier preference

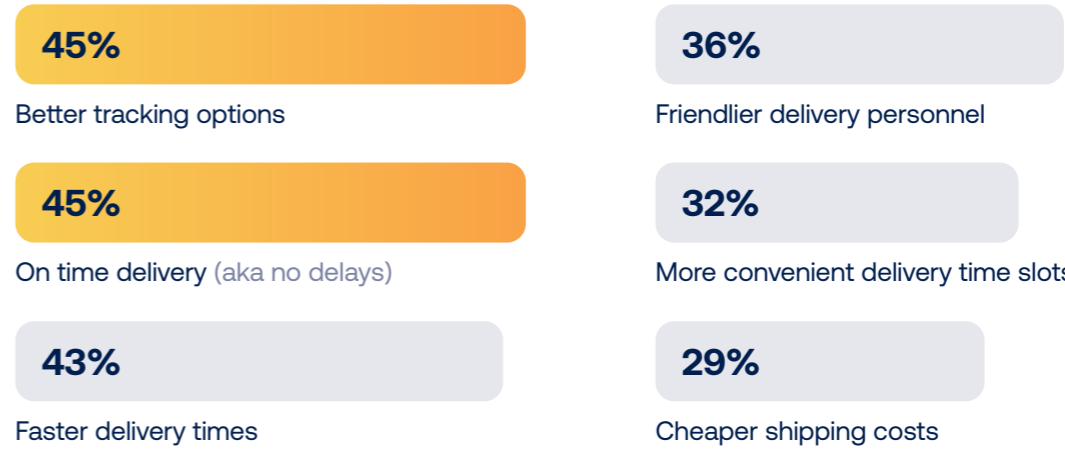
Most shoppers don't have a huge preference when it comes to a specific delivery company. However, in most countries, national carriers are the slight preferred choice.



That being said, you should always offer multiple carriers. In general, the preferred carriers above are more pricey. As much as consumers love premium delivery, they also love saving money. Take this into consideration.

We know the preferred delivery companies by country but why are they preferred? After what was uncovered in the earlier sections, you're probably shouting "speed!". Well, the answers might surprise you...









Why would you choose one carrier over another?



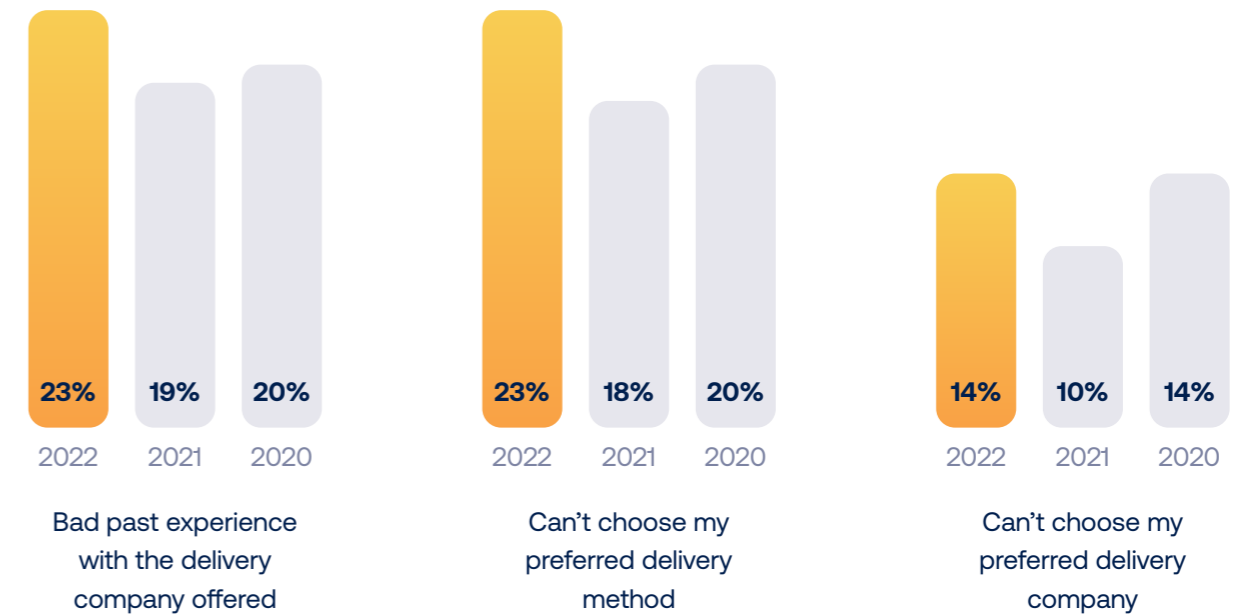


The experience your customer has with a carrier is the final touchpoint of every order. Although price is important, your customer already has their heart set on the product at that point. So they actually value the more service-related features of a carrier.

Most valued service-related feature per carrier

 Belgium Tracking	 Germany & Austria On time delivery
 Italy On time delivery	 United States Tracking
 France Tracking	 The Netherlands Tracking
 Spain Fast delivery	 United Kingdom Tracking

Reasons related to carriers for abandoning a cart



Breaking the numbers down; abandoning a cart due to not being able to choose the preferred carrier is roughly the same year-on-year.

However, with bad past experiences with a delivery company and the lack of delivery methods growing each year the actual delivery companies preferred by your customers are likely to change.

Sendcloud's tip: Keep an eye on customer reviews of your chosen carriers and the shipping options they offer.



Also pay attention to the fact that your customers want to choose their preferred delivery method. You can find a list of every delivery option and how popular they are on page 14.



Expert insight

“ After years of a booming e-commerce, we have reached uncertain times: due to historical inflation and rising (energy) costs, consumers are buying less and more consciously – offline as well as online.

To boost conversion rates, webshops can capitalize the enormous potential of cross-border sales. Already, one in seven purchases are done abroad. The key to more international orders lies in convenience for the recipient – think easy returns and grip on the order, for example through clear notifications.

Michel Clausing

Chief Commercial Officer
DHL Parcel



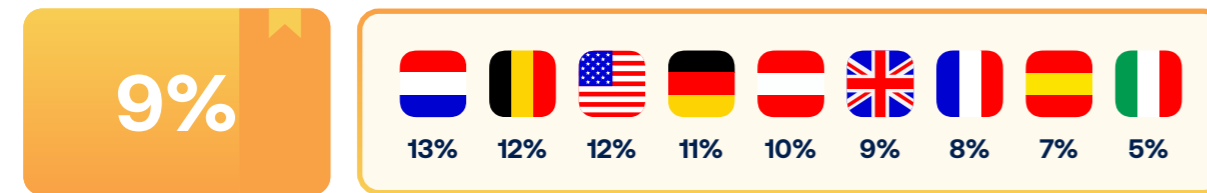
Tracking

Is tracking important for your customers? And what do they value most when communicating the status of their order?



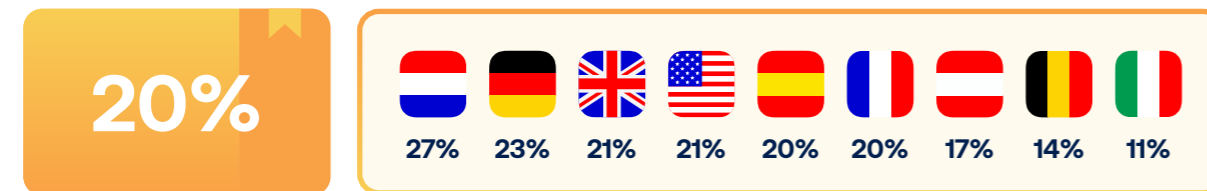
Tracking is more than just a status update

“My most recently received parcel was not delivered to me on the scheduled date”



On top of that:

“For my most recently received parcel, I changed the delivery time and/or place after receiving the first tracking notification”



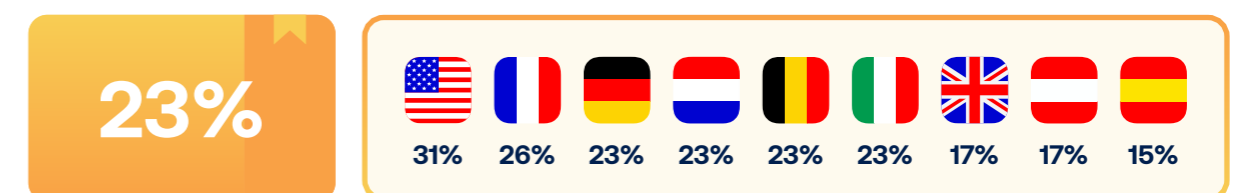
While this might not sound like a lot, it does mean that tracking is becoming more and more important in today’s delivery landscape. Can you imagine losing

Consumers want to know where their parcel is at every stage of the delivery process. If you can’t keep your customers informed, your customer service team will receive way too many needless questions.



And if that didn’t convince you enough:

“I would not reorder from an online store if tracking wasn’t available”



Do you have a lot of returns due to failed delivery attempts? Try tracking notifications via SMS. After all, with a phone in your pocket, a consumer is much more likely to read the tracking update right away and stay home to accept the parcel. Admittedly, SMS is not free, but the cost is much lower compared to a returned parcel.

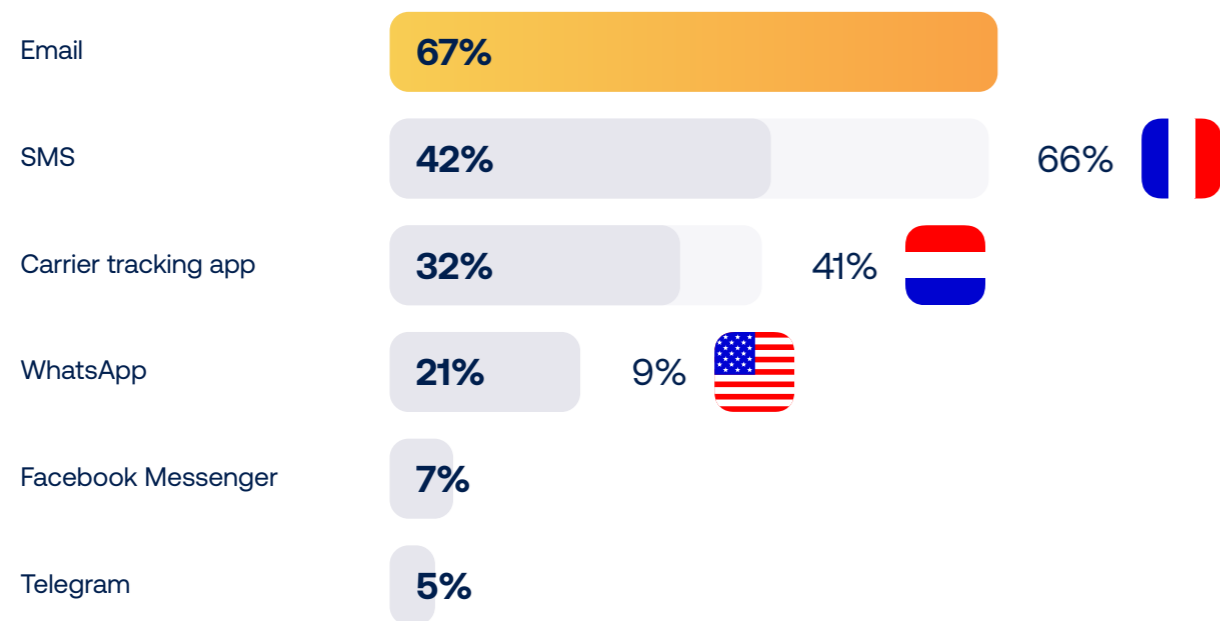


The right message via the right channel

Every few years there is a new, popular way to communicate with your customers. Who remembers when WhatsApp wasn't a thing?! However, what's really interesting is how SMS preference still remains strong with all shoppers.

How would you like to receive updates on your order?

Multiple answers allowed



Although WhatsApp is the most popular messaging app in the US, their love of phone contracts with free SMS's and the iPhone with its iMessage mean that many Americans still haven't fully committed to WhatsApp.



Expert insight

“ With Sendcloud, we can always keep customers informed of the shipping status of their package: whether it is delivered to their home or in the store.

Adrie
Shoebly

Returns

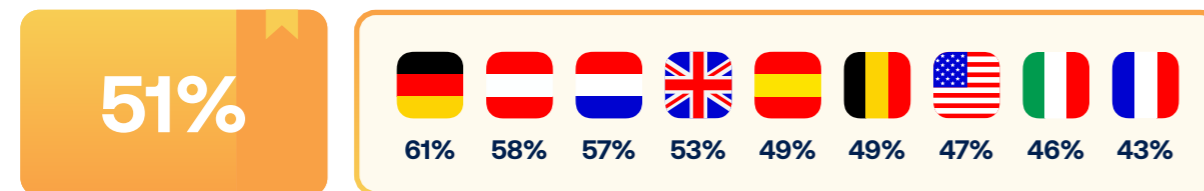
Returns are one of the biggest headaches in e-commerce. Although free returns were the norm for a long time, the rules of the game are changing. How can you ensure your returns policy pays off?



Returns 101 – The basics

Let's start with the obvious news. Returns are here to stay.

"I always return a product when I'm not satisfied with it"



Another 31% will only sometimes return their order if they're not satisfied. This means 1 in 5 of consumers will never return a product, even when they're unhappy!

Every unhappy customer is a problem for your business. Even if an unhappy customer doesn't return their order, they're unlikely to buy from your online store again. So, rather ironically...

In the long run, the best thing for your business is that **unhappy shoppers always return their orders.**

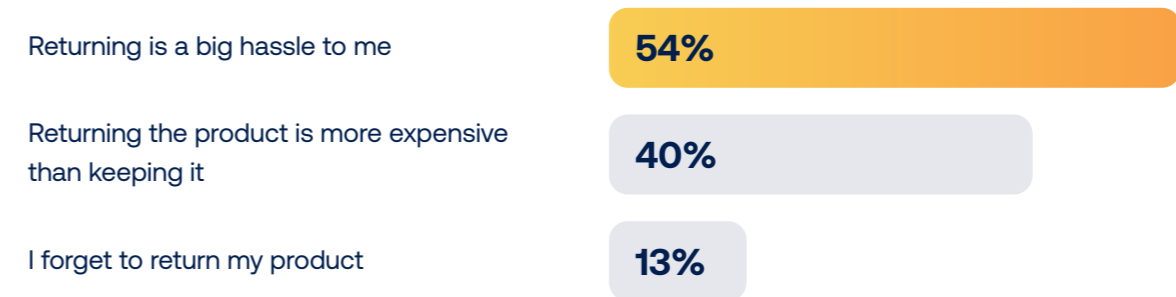


Yes, this means a short-term loss of revenue but the potential lifetime value of each customer increases dramatically.



So what's next? Find out exactly why your unhappy customers aren't returning their orders.

Why don't you return your products?

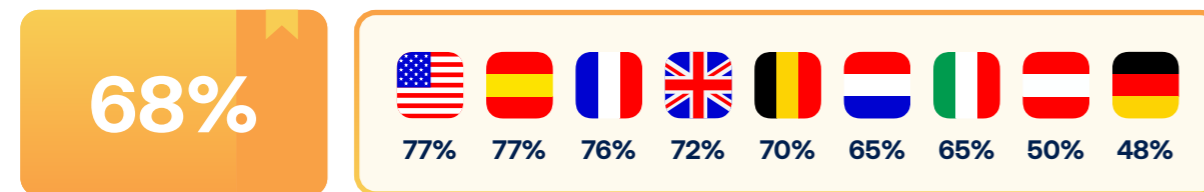


Make returning an item simple for your customers. Yes, it's tempting to make returns as difficult as possible. However, it's wiser to accept that returns are part of the deal and to try to intercept them earlier in the buying process.

The end of free returns?

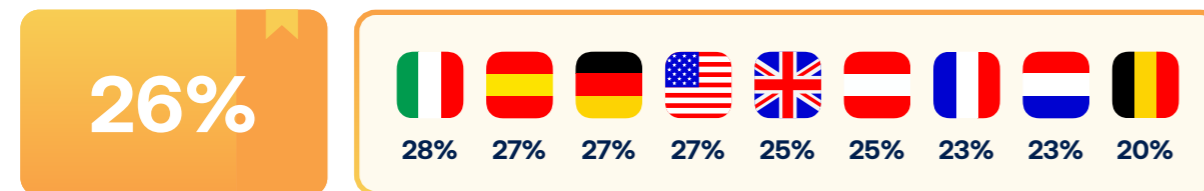
For years, free returns have been a bit of a common luxury. However, since the announcement by leading retailers like [Zara and H&M to charge for returns](#), the rules of the game seem to be changing.

“I would order more frequently at an online store if they offer free returns”



In 2021, this was still at 77%. So it seems that free returns are slowly becoming less important. However, two-thirds still value free returns so you can't just ignore them all together. Even if shoppers are getting used to the idea of having to pay.

“I am willing to pay for my returns at an online store”



But how much? Consumers aren't afraid to dig in their pockets to return a product, although there are some country differences to take note of.

What is the maximum return fee you're willing to pay for returning on an order with a purchase value of 15, 50 or 150 euros?

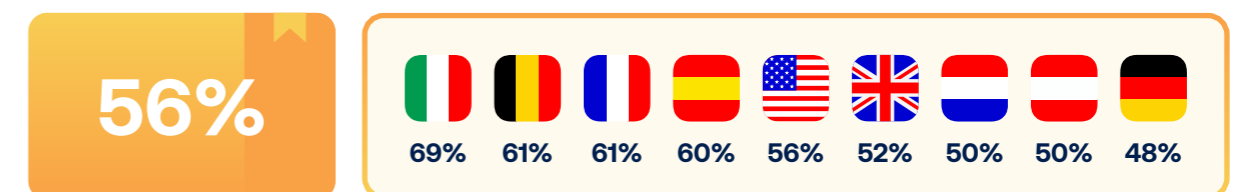


Local differences in maximum return fee willingness

	USA	UK	Germany	Netherlands	France	Belgium	Spain	Austria	Italy
150 euro	\$ 12.80	£ 6.80	€ 6.90	€ 6.50	€ 6.30	€ 6.20	€ 5.80	€ 5.50	€ 5.50
50 euro	\$ 9.20	£ 5.10	€ 5.30	€ 4.80	€ 4.60	€ 4.60	€ 4.90	€ 4.50	€ 4.00
15 euro	\$ 7.50	£ 4.70	€ 4.60	€ 4.10	€ 3.80	€ 4.40	€ 4.80	€ 4.50	€ 3.50

Although more customers are open to paying for a return, it's interesting to note that the majority still believe the retailer should be responsible. So make sure not to charge more than the maximum fees above.

“I believe the retailer is responsible for paying for returns”

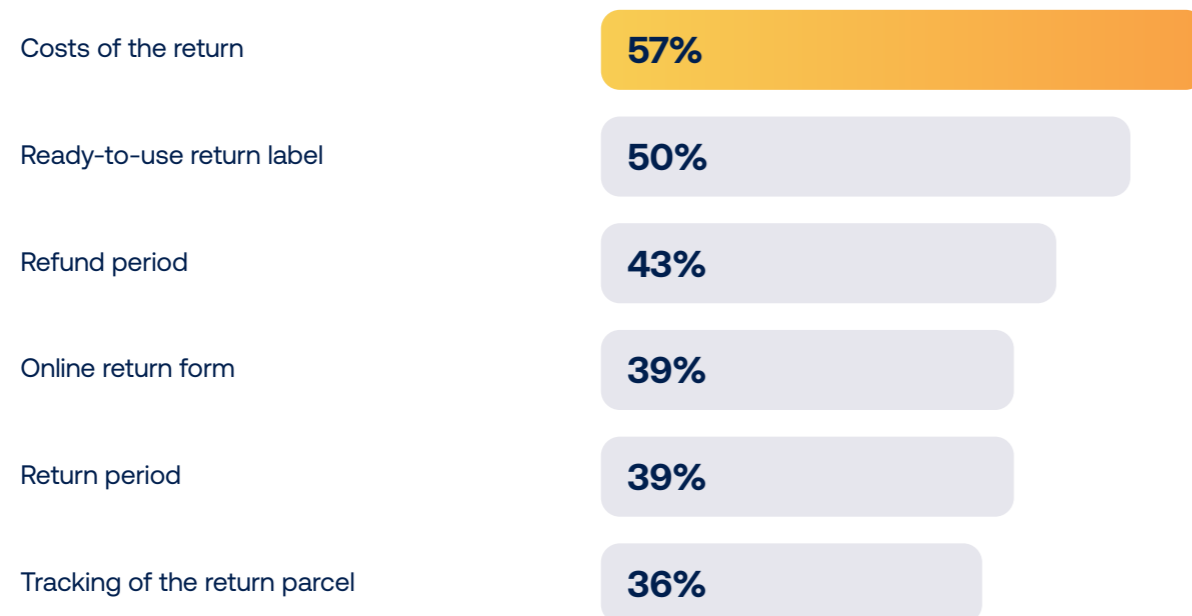


Recipe for the perfect return policy

Did you know that 67% of shoppers wouldn't even consider ordering when there is no return info available? With that in mind, these elements are the most important to include in your returns policy.

Which elements of a returns policy are most important to you?

Multiple answers allowed



What's the maximum amount of days you're willing to wait for a returned order to be refunded?



A clear and transparent return policy helps to win over customers and increase conversions. With these 4 key ingredients, creating your returns policy is a piece of cake.

Be transparent about costs

State all returns costs clearly in your return policy and choose the amount you charge for returns carefully.



Make returns fast and easy

No customer wants to get tangled up in a lengthy back and forth. Consider adding ready-to-use returns labels and using an online returns portal.



Five-day refunds, max!

Although EU law states refunding returns can take up to 14 days, your customers want refunds in just over 5.



Extend the return period

A longer return period increases conversions. While 44% would not order if the return period is less than 30 days, this decreases to 30 percent for less than 60 days. Win-win!





Expert insight

“ At Mollie, we are driven by customer love and this means providing our customers with the best possible commerce solutions, including a hassle-free returns experience. A key part of frictionless returns is allowing customers to initiate (paid) returns quickly and securely via our embedded payment solutions.

In 2023, we expect the adoption of paid returns will continue to grow: businesses will put an emphasis on profitability while consumers will prioritise environmental issues.

Michaela Weber

VP Partnerships

Mollie



The future of e-commerce

The future of e-commerce isn't robot delivery people and drones (yet) but rather green shipping, flash delivery, and more minor tech innovations.

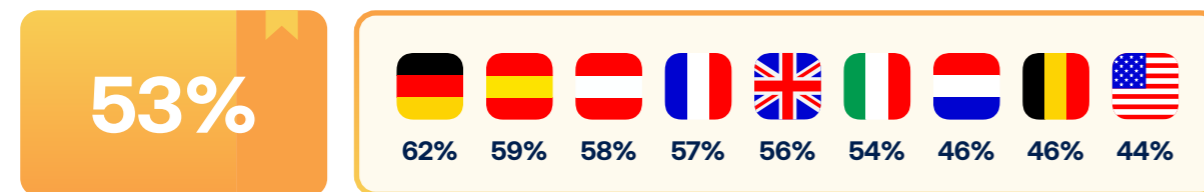


The future is green

The COP26 summit in 2021 accelerated action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. **In simple terms:** becoming environmentally friendly is no longer a choice for large businesses, it's a necessity.

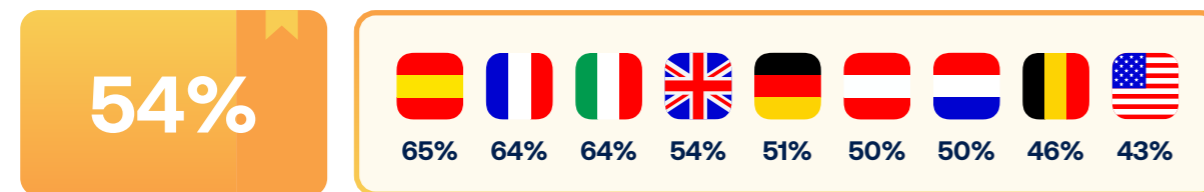
Changes are coming and businesses need to be prepared. However, demand isn't only coming from government and NGO levels, it's also coming from your customers.

"I think the rise of online shopping is a problem for the environment"



Over half of European shoppers are concerned with the impact of online shopping and expects businesses like Sendcloud and like yours to offer CO2 neutral delivery options.

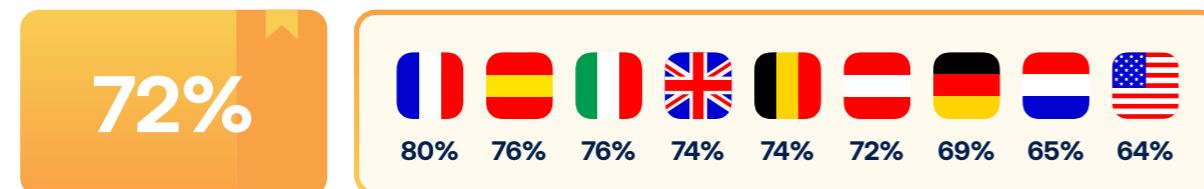
"I expect online stores to offer a green (CO2 neutral) delivery method in 2022"



Fully-recyclable packaging isn't a choice, it's a necessity

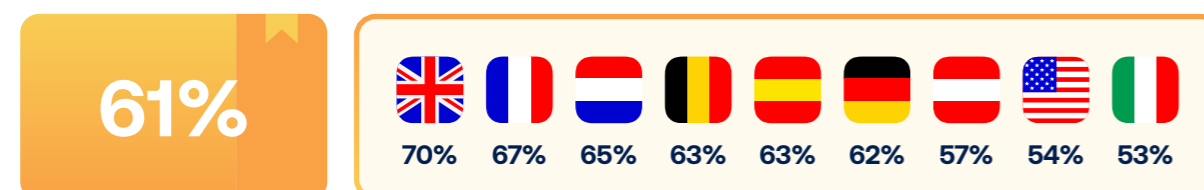
Though it's not just CO2 neutral delivery options that your customers expect. They're also far more engaged with whether or not the packaging you provide is fully-recyclable.

"I think the packaging (material) of products ordered online should be fully recyclable"



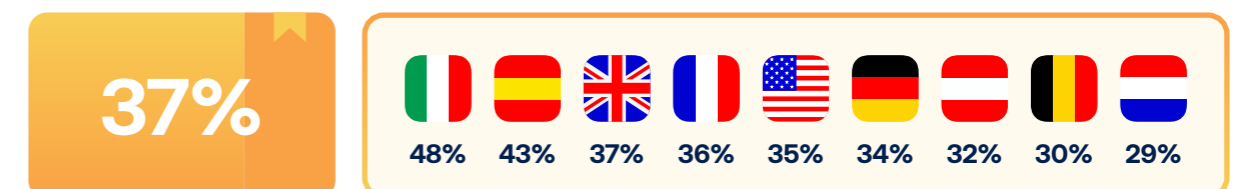
Another way to reduce the negative impact your packaging has on the environment is simply to use less packaging. Why not start by carefully considering the size of the boxes, too often boxes are needlessly too big for the product.

"I think online stores often use too much packaging (material) to ship their orders"



One inevitable discussion point from going green are the extra costs. Unfortunately, innovation usually costs a premium until it becomes more widely used. So with that in mind, are customers willing to pay extra for CO2 neutral delivery?

Are you willing to pay more for sustainable delivery (less or no CO2-emissions)?



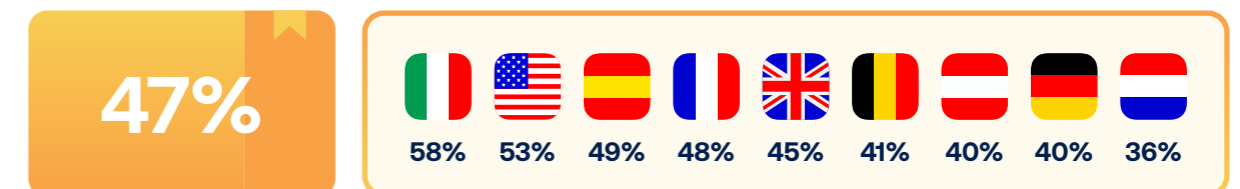
Despite being big supporters of green delivery, most customers still expect shipping prices to stabilise which means more costs for the retailers themselves.



Neighbours vs Smart Locks

When a parcel can't be delivered to your address directly, carriers often encourage their delivery drivers to leave the parcel with a neighbour. But is that actually what your customers want?

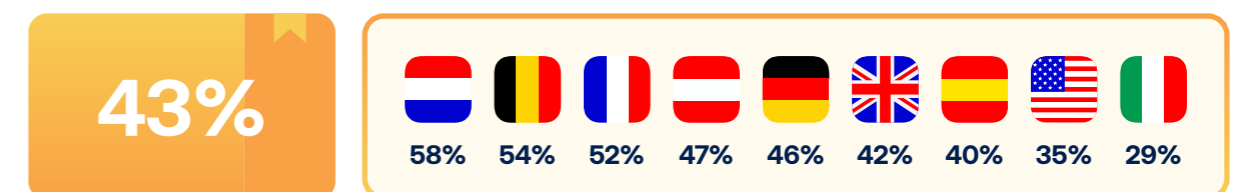
"I feel uncomfortable if my neighbours must accept a parcel for me"



What are the practical alternatives? Taking all the parcels to a service point or taking them back to the warehouse is a logistical nightmare.

One way companies are trying to combat this problem is with smart locks. Essentially, carriers can consensually enter a customer's home and drop off the package. Wild, right... but what do consumers say?

"I am not willing to use a smart lock to receive packages when I'm not at home"



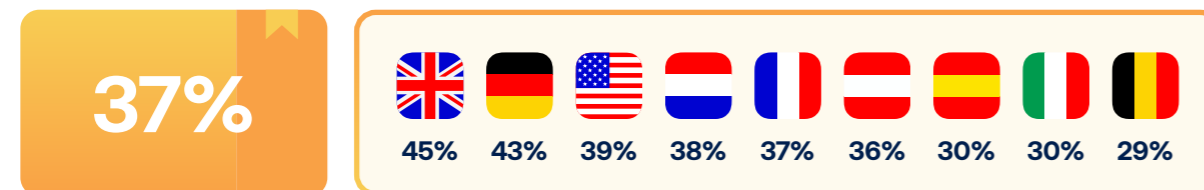
Although another 37% is willing to try a smart lock, we might have to go back to the drawing board to come up with a more popular solution.

Flash delivery

A new delivery phenomenon is flash delivery. It's a term for deliveries between 10 minutes and a few hours (sometimes 24 hours). It's been popularised by companies such as Gorillas, Getir, and Zapp which use bicycles, e-bikes, and scooters to ensure near-instantaneous delivery.

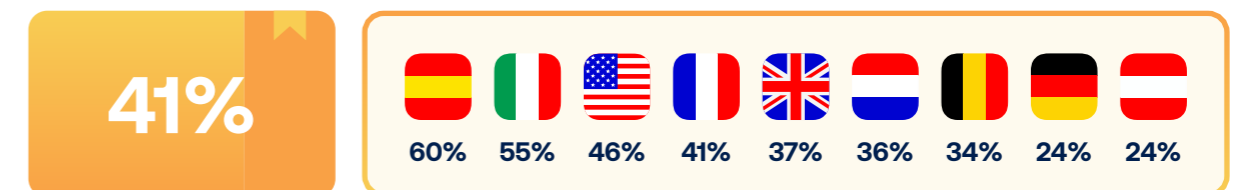
Though it's predominantly used for groceries at the moment, there is definitely an appetite for more traditional e-commerce items to be flash delivered, at least by businesses. But what do consumers think?

"I am happy there are no flash delivery services in my neighbourhood yet"



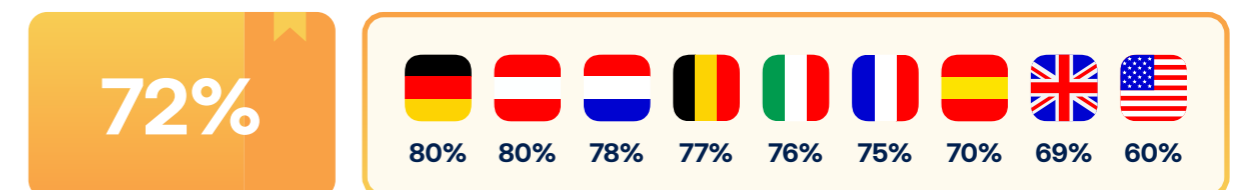
Flash delivery companies have been criticised for their late opening hours, increasing traffic, and creating noise with their packing, bicycles, and scooters.

"I would like to be able to choose flash delivery services for all my online orders"



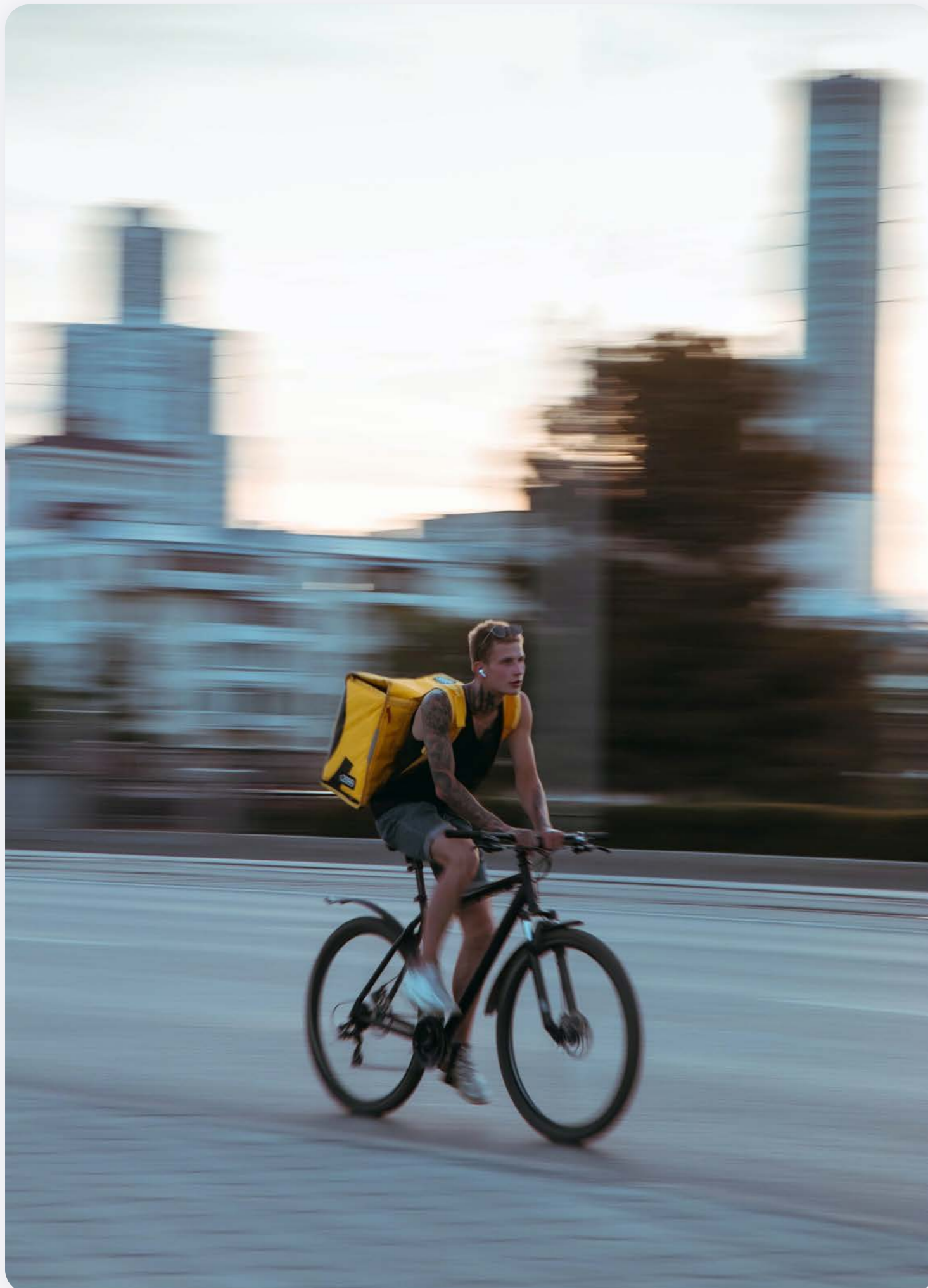
In contrast, the majority of consumers want flash delivery. They don't make it easy, do they?

"I believe a delivery within 10 minutes is excessive"



Overall, flash delivery is having some teething issues and it's probably too soon to make a complete judgement on it. Yes, maybe 10-minute deliveries are excessive for items other than groceries. But what about 1-hour deliveries to replace an item a customer needs now that is damaged or lost?

Efficiency is almost an innate desire in people. We want everything faster. We want everything now. So with that in mind, watch this space. Flash delivery needs some refinement but we believe it's here to stay.



Expert insight

“ As delivery standards are becoming higher than ever, the cost of delivery will remain a decisive factor over purchase intention, making free shipping and other promotions great incentives for merchants to convert visitors to buyers.

Concern for sustainability will continue redefining the way consumers shop online, with buyers increasingly looking to reduce their carbon footprint and adopt more environmentally-friendly consumption decisions (local delivery, curbside pick-up, recyclable packaging materials, etc.).

At a macro-level, the eCommerce industry itself is beginning a transition into a more personal, human-focused experience. Tools like machine learning, artificial intelligence (AI), and augmented reality (AR) will be used more and more to make online commerce more intuitive, and further personalize the online shopping experience.

Ruslan Fazlyev

General Manager, eCommerce
Ecwid by Lightspeed



Key takeaways for success

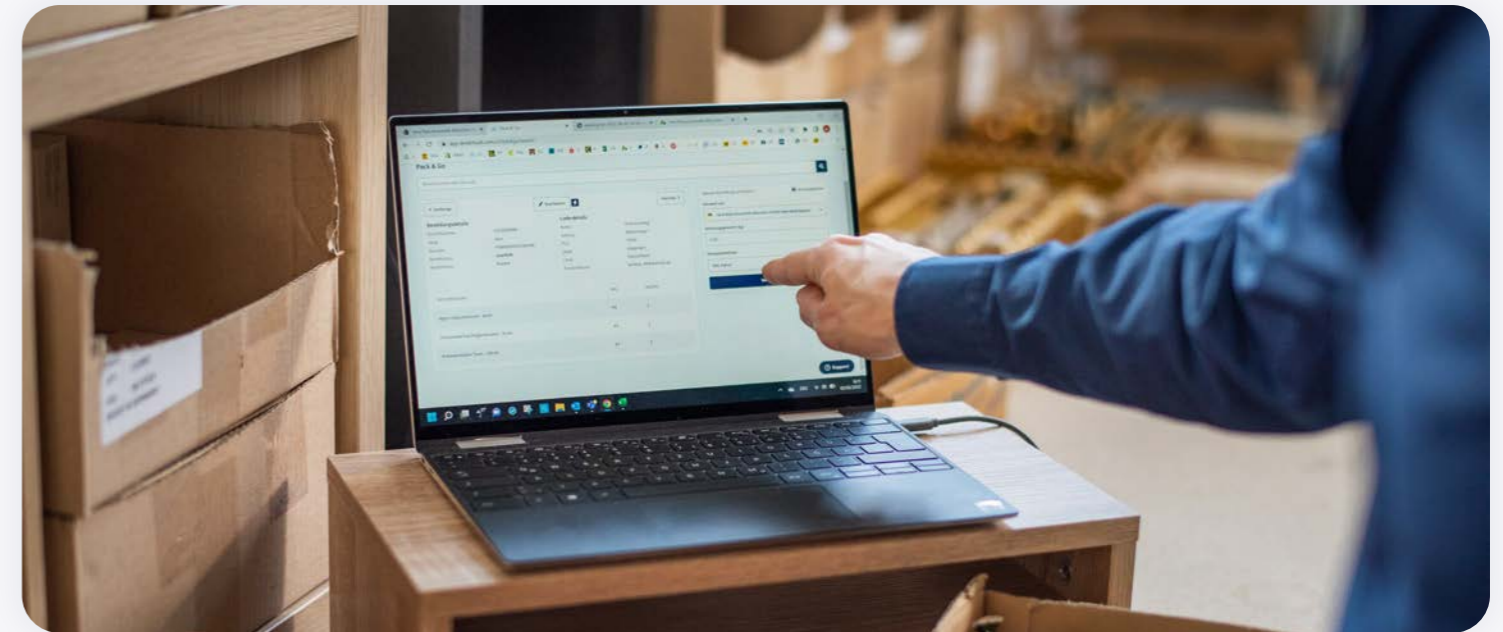
As always, being successful in e-commerce requires flexibility and the ability to adjust the strategy based on your customers' wants & needs. Here are our final thoughts on what you should expect from your customers in 2023.



1. Local differences matter

This won't come as a surprise but the shipping habits and expectations differ from country to country. This is especially important for your business when looking to scale internationally. Just because one method or carrier works in one country doesn't mean it'll be the same for another.

Take your time when entering a new market. Use this report to get to know your future customers, then partner with the right shipping software company so you can take advantage of their extensive knowledge of the market.



2. Customers are sympathetic and flexible

A lot of customers do have a preference for a delivery company and method, that's unavoidable. Though ultimately, what your customers want is their product and for it to be delivered without a hiccup.

However, if there are issues, they know these things happen. They simply want to be updated in a timely manner and assured that this was an anomaly, not a common occurrence.

Don't commit to just one carrier. Shipping software can help you with tools and APIs to link multiple carriers to your sales channels and automatically notify customers of any issues. That way, you can meet your customers' needs while overcoming shipping hassles and increasing conversions.



3. Shipping needs to innovate

Green and flash delivery feel like two sides of a coin - it doesn't seem to be possible to achieve both. However, customers are demanding more environmentally friendly methods and, as always, expecting faster deliveries. We need to find that perfect balance.

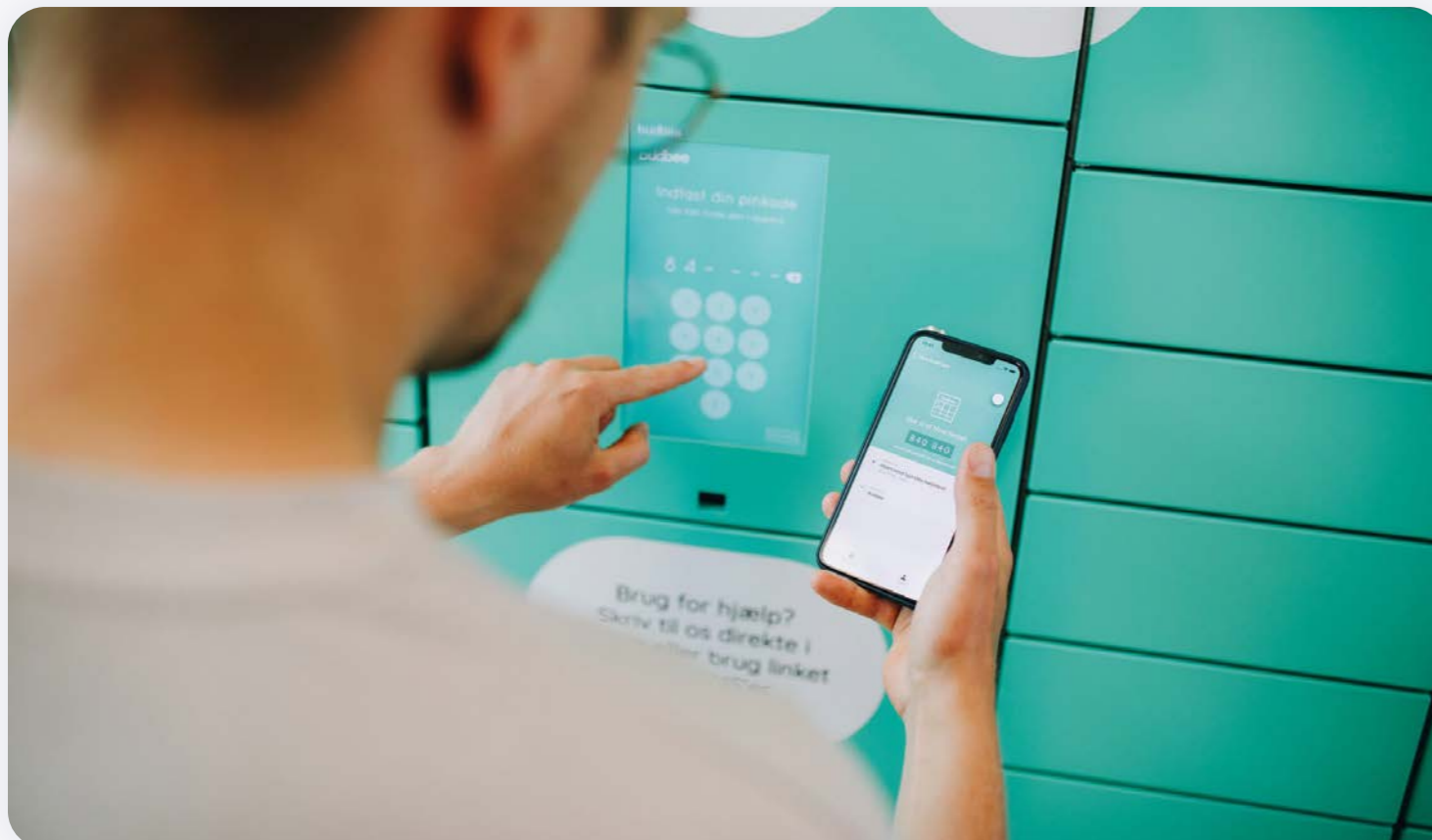
Implementing multiple delivery options not only increases conversion, it also helps reduce the negative impact on the environment. For example, delivery to pick-up points and parcel lockers is also a green option that does not incur additional costs.



4. Consumers expect inflation

Potential inflation due to the financial crisis caused by the pandemic is a real concern for consumers. Not only is job security diminishing in many sectors but there is also an expectation that inflation will cause overall shipping costs to rise.

Anticipate rising shipping costs and be transparent to your customers about this increase. The entire market and all carriers are raising prices or have already raised them. It is important that you plan your business accordingly and set the right strategy for the new year. Flexibility is and remains key!



About this study

E-commerce shipping platform Sendcloud

Sendcloud is an end-to-end shipping platform for online businesses that connects to 85+ shop systems and delivery companies. As one of the fastest-growing tech companies in Europe, the company is on a mission to make shipping as scalable as possible for every company. The platform offers an optimized checkout with flexible delivery options, a fully automated picking, packing and label printing process, branded tracking notifications and a return solution. With over 23,000 customers, integrations with over 50 e-commerce systems and over 80 international delivery companies, Sendcloud is the leading shipping solution in Europe and soon beyond.

For more information, visit www.sendcloud.com

Measurement firm Nielsen

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Their approach marries proprietary Nielsen data with other data sources to help clients around the world understand what is happening now, what is happening next, and how to best act on this knowledge. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population.

For more information, visit www.nielsen.com



Turn insights into action

Deliver great shipping experiences and get ahead of your competition. Sendcloud's end-to-end shipping platform puts you in control, allowing you to streamline your shipping operation and exceed customer expectations. Discover the power of Sendcloud and start a free trial today.

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