

Consumer research

# What shipping methods & innovations do consumers in the UK expect in 2022?

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The latest UK consumer insights, trends, and expectations to turn e-commerce logistics into your competitive advantage.

 sendcloud



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## *“The customer is always right.”*

That is the mantra of retail. Traditionally, from a brick & mortar perspective, this is interpreted as customer complaints, refunds, warranties, guarantees, etc. Essentially, all the aspects of retail that make your pockets a little lighter. And from an e-commerce perspective, despite it being the innovation of retail, one thing that hasn't innovated at all is the interpretation of mantra. With this consumer research, we aim to change that.

## *Before we dive into “how” let’s take a look at the “what”.*

E-commerce is a big deal. Statement of the year, we know. It's seen exponential growth in the last few decades. And despite being massive already, it's still one of the fastest-growing industries in the world. On top of that, the pandemic was such an effective catalyst for e-commerce that demand on online retailers was pushed beyond its limits. In terms of supply & demand, website traffic, customer service, and more, it was a challenge but, in the end, manageable.

The bottleneck for e-commerce businesses was delivery. The steep rise in parcel volumes has changed not only how delivery companies tackle e-commerce logistics (AKA delivery), but also the way UK consumers view delivery on the whole.

## *Reclaiming the mantra*

Now reverting back to that mantra... “The customer is always right” should be a statement of empowerment for online retailers, not a threat. If the customer *is* always right, then the insights from this consumer research should drive how your business adapts its delivery strategy.

This report provides you with an analysis of the expectations of UK consumers regarding shipping methods, costs, speed, errors, parcel tracking, and returns that you can directly implement into your webshop. You'll also gain a strong understanding of UK consumer thoughts on green delivery, future trends, domestic online shopping, and more to further enhance your understanding of your ideal customer.

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# Study design

This report is the result of a study conducted by Sendcloud in cooperation with Nielsen in May 2021 amongst a total of 1003 consumers in the United Kingdom.

All respondents are online shoppers who ordered at least 1 product online in the past 3 months, are either male or female and are aged 18 to 65 years old. 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 group statistics

Gender:



Age:



Online order frequency:



Spent on last product ordered:



# Checkout Abandonment

Abandoning a purchase at checkout is the equivalent of walking out of your wedding at the altar. You're ready; you're face-to-face with your future, and then one minor, avoidable thing makes you decide - "I can't grow old with this cream cordless kettle".

We'll let you into a little secret - it's very rarely the product or the person. It's the commitments that come with that product or person. Are the shipping costs more than you're willing to pay? Do they have an overbearing parent who invites themselves around every weekend? Do they not offer a courier you trust? Is it their moustache?

We're not here to judge consumers on what makes them abandon their product/future spouse. However, we can give your business some invaluable insights that'll have consumers saying "I do" to all the products in your catalogue.



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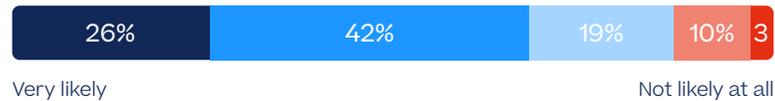
# What's the deal with shipping costs?

69% of British consumers state that shipping costs are too high are a reason they'd stop purchasing an item online. But how much is too high? Let's look at next-day delivery.

**Maximum shipping costs consumers are willing to pay for next-day delivery, when spending £15, £50 or £150:**



**Likelihood to add another product to the shopping basket to reach a "free shipping threshold:**



*Did you know that 18 - 39-year-olds are willing to pay over 40% more for shipping than +60-year-olds?*

The average UK consumer is influenced by the price they pay for an item but not heavily. Why is that? Well, one item is one item. Consumers aren't willing to pay extortionate prices. They believe that no matter the price of an item, the quality and safety of delivery should be adequate without having to pay much more. Also, be warned, 77% of consumers will blame you if anything goes wrong with their order. How can you avoid this? *We'll dive into this on page 8.*

**There are still a couple of actions you need to start taking... now!**



69% of UK consumers state they'd abandon a cart due to high shipping costs. And 42% revealed they'd also abandon if the estimated delivery time is too slow. This means you need to ship with both premium (DPD, UPS, etc.) and more economical (Hermes, etc.) couriers. Premium couriers offer a multitude of delivery times. Whereas economical couriers are... well... economical. The people want choice!



68% of UK consumers are happy to add extra items in order to qualify for free shipping. Quite simply, you should add a free shipping threshold. It'll make your customer's feel like they've got a great deal. While you either increase or end up with the same net profit.

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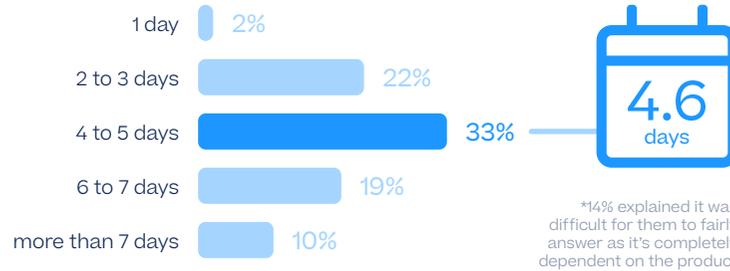
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# What impact does the timing of delivery have?

Don't take too long with a delivery. 42% of UK consumers say that if a delivery slot is too far away they'll say "bye-bye" to the items in their basket. But how long are they willing to wait for their purchase?

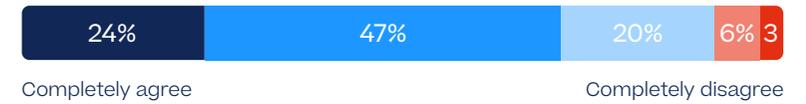
## Maximum shipping time:



Also related to delivery time is the delivery method. 20% declared that if the online store doesn't offer their preferred delivery options they'll abandon the checkout. What are these preferred delivery options?

The majority (71%) of British shoppers won't be happy with delivery without a self-selected time frame:

## "I want to be able to select a delivery time frame"



Around half of UK-based customers would appreciate being able to make last-minute changes to their delivery times.:

## "I want to be able to change the delivery time of my parcel when it's already on its way"



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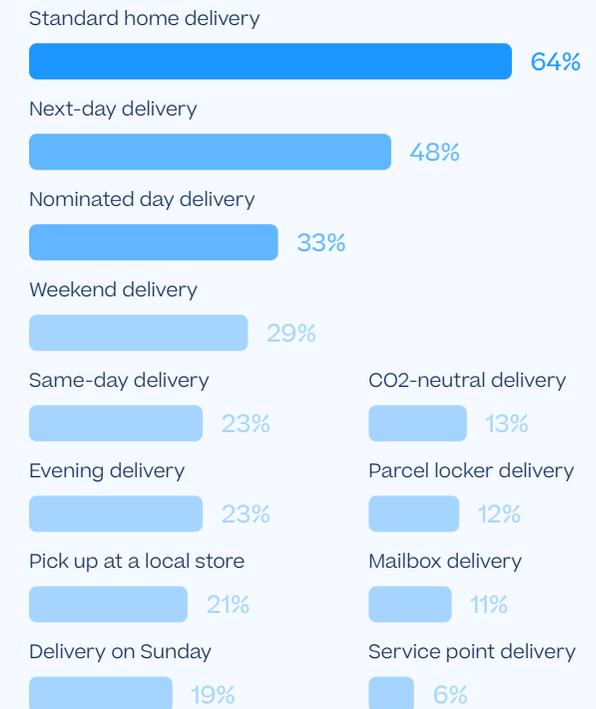
However, the most telling insights gathered were from the more general preferred checkout options. We asked:

**“Of all shipping options, which options would you like to choose from in a checkout when ordering products online?”**

*Multiple responses allowed*

As you can see, there isn't really a stand-out favourite. But what does this mean for you? First of all it means that we're all wonderfully different. However, for an e-commerce business, that's not really the answer you were after is it? You wanted that quick win.

Well, the only way you can be certain to avoid high checkout abandonment is to offer a wide variety of shipping options. The best way to achieve this is with multiple couriers. It may not be that quick win but at least there's only really one right answer. That's some kind of victory, right?



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# Tackle checkout abandonment with a multi-courier strategy

One interesting revelation is that only 12% of UK shoppers indicated that if an online store didn't use their preferred delivery company they'd abandon the checkout. It's interesting because all of the other reasons for abandoning the checkout are heavily influenced by the courier. "Prices are too high", "deliveries are too slow", "there isn't a next day option" - they're all courier related.

Let's break this down. Only 12% of consumers actually care who delivers their parcel. All most want is a seamless and easy checkout and delivery experience. Strange, no? No. Not at all. Let's not forget, 77% of consumers will almost, always attribute any blame or praise of the delivery to you as opposed to the courier. Consumers essentially see you, your brand name, your business as the "courier", not DHL, DPD, Hermes, UPS, etc. Their (potential) loyalty is to you, not to the courier.

With this being said, you need to reciprocate. In order to achieve a seamless and easy checkout experience for your customers, you need to be delivering with multiple couriers. It'll make pricing more competitive and attractive, delivery times more flexible, and open up far more delivery options for your customers.



# The Secrets of Customer Retention

The wedding was a success; your spouse didn't leave you at the altar - wahoo. However, now you need to maintain and grow that relationship. You need to build that brand to increase the lifetime value. But what are the secrets of a successful marriage? How can you keep your customers buying from your online store and stop them from engaging in the act of infidelity with your alluring competitor? All is revealed in this section.



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# The secrets of customer retention

We asked:

**“Think about a package you ordered from an online store where you were not satisfied with the shipping services. Now select the reasons that would make you NOT order again from that online store?”**

*Multiple responses allowed*



Let's break a couple of the reasons down:

### ***“I did not receive the package at all”***

The vows were broken. They promised you a lifetime and didn't even bother to show up to the honeymoon. Maybe there's a good reason. The car broke down, they got imprisoned for a crime they didn't commit; the usual. Even with a fair explanation, it's hard to come back from this. It's also quite difficult to fix this from an e-commerce store's perspective. All you can really do is to ensure you work with reliable couriers such as Royal Mail, DPD, and Hermes.



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### *“I received a damaged package”*

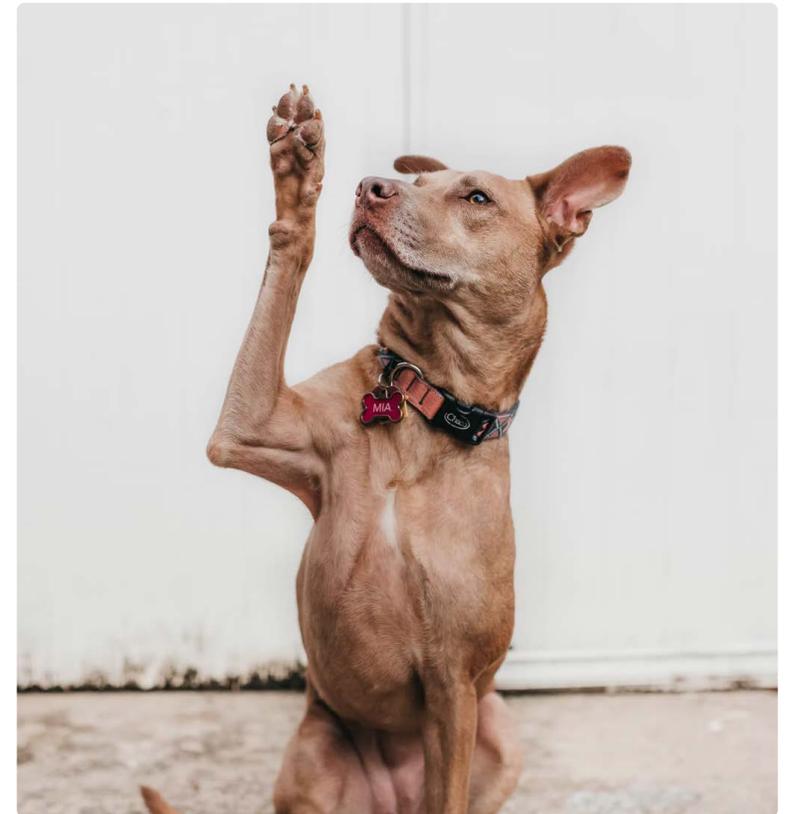
Translates to: my spouse turned out to be a cuckoo. All was well on the outside but then you ordered pizza, they opted for Hawaiian. This is clearly not the product that was advertised. Take it back and send a new one. Again, choosing a reliable courier is the only option here.

An obvious secret of customer retention is to choose reliable couriers. There's a reason leading e-commerce businesses choose to ship with Royal Mail, DPD, UPS, Hermes, etc.; reliability. You may actually be surprised with how many small-to-medium sized businesses still try to cut corners here. Plus, if we take into account that 77% of UK online shoppers place the responsibility on your business, this secret becomes even more important to take note of.

However, where you can have a direct impact is in customer service.

### *“The online store did not help me adequately with a shipping related question”.*

Did you know that 28% of UK online shoppers won't buy from a business again if they've had a poor customer service experience? Knowing this, it's vital that you offer an easy-to-navigate FAQs page and house an informed and diligent customer service team.



# The Future of Online Shopping

After retaining your spouse... actually, it's time to give up on this marriage analogy. It's been a ride. Understanding where UK consumers see e-commerce going is vital for future-proofing your business. At the end of the day, consumers drive industry changes as "the customer is always right".



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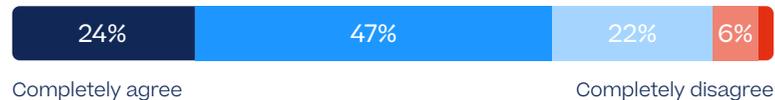
# E-commerce killed the brick & mortar store... or did it?

**“I prefer to buy from a local online store than from big online stores or marketplaces like Amazon”**



Despite the rise of Amazon, eBay, and others, it's interesting to see that UK customers are still in favour of buying from a local online store. Maybe an attempt to stop the inevitable Jeff Bezos taking over the world? Either way, the best approach here is to offer an online store with a fully-equipped 360 checkout and to utilise Amazon's (and other's) extensive audience reach by advertising with them too.

**“I think the rise of online shopping is a problem for local businesses”**



*Did you know that +60-year-olds are less bothered by buying local than 18 - 40-year-olds? We believe it's to do with the environmental impact.*



The majority of online shoppers actually believe that the rise of online shopping is a problem for local businesses. However, with the rise of online shopping came the rapid rise of e-commerce software. This rise caused a commoditisation of e-commerce software meaning you no longer have to pay extortionate prices for high-quality, user-friendly products. As mentioned earlier, utilising Amazon's extensive audience coupled with your own online store is the best strategy to employ. Due to the commoditisation of e-commerce software, this is now relatively simple and inexpensive to implement even the smallest of businesses.

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# It's time to go green!

Green delivery was revealed to be the most important focus of the future of online shopping. I mean, clearly; it's even getting its own section. All jokes aside, the environmental impact of e-commerce is enormous. Many delivery companies are taking huge steps to lower this impact. Plus, the general UK consumer is far more engaged and informed about the influence the products they buy are having on the environment.

## “Would green (CO2 neutral) delivery affect your online purchasing decision?”

I would change the store if another store offers 'green delivery'



I prefer 'green delivery', but it won't prevent me from buying from a store that does not offer it



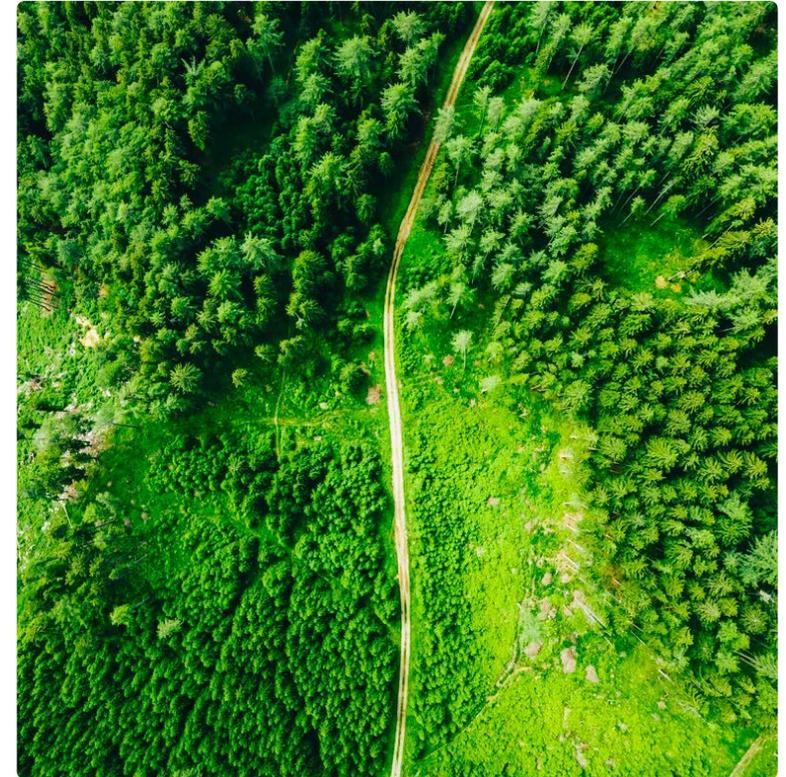
I would solely choose 'green delivery' when it doesn't cost any extra



I don't care about 'green delivery'



As you can see, even today most UK consumers would choose green delivery where possible. Though, albeit, with a couple of caveats in terms of pricing and availability. Either way, it's still a serious consideration for consumers when making an online purchase.



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The importance of green will grow astronomically in the coming years. Green travel, green delivery, green fashion, green everything. 60% of 18 - 40-year-olds think that the rise of online shopping is an issue for the environment. While 83% declared that they'd choose green delivery where possible. The conclusion isn't difficult to work out - online stores need to start going green in 2022 if they're to keep up with the expectations of the next generation.



**"I think the rise of online shopping (including shipping/returning packages) is a problem for the environment"**



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



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



**"I expect online stores to offer a green (CO2 neutral) delivery method in 2021"**



**"I am willing to wait longer for an order if this is more sustainable (less CO2 emission)"**



Completely agree

Completely disagree

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# A permanent pandemic hangover

We're talking about the dreaded c-word again. Unfortunately, its impact is undeniable, absolute, and looking quite permanent. As we all know the pandemic changed everything. In fact, let's be honest here, it aided many businesses in the e-commerce sector due to the online shopping boom that it caused.

To this day, offline shopping is still not at the level it was. Online is and will remain the preference for many UK consumers. And if we take a look at the table below, you can see that the online trend looks set to stay even once the pandemic is over.

**"I will buy more products online instead of in a physical shop, after Covid-19"**

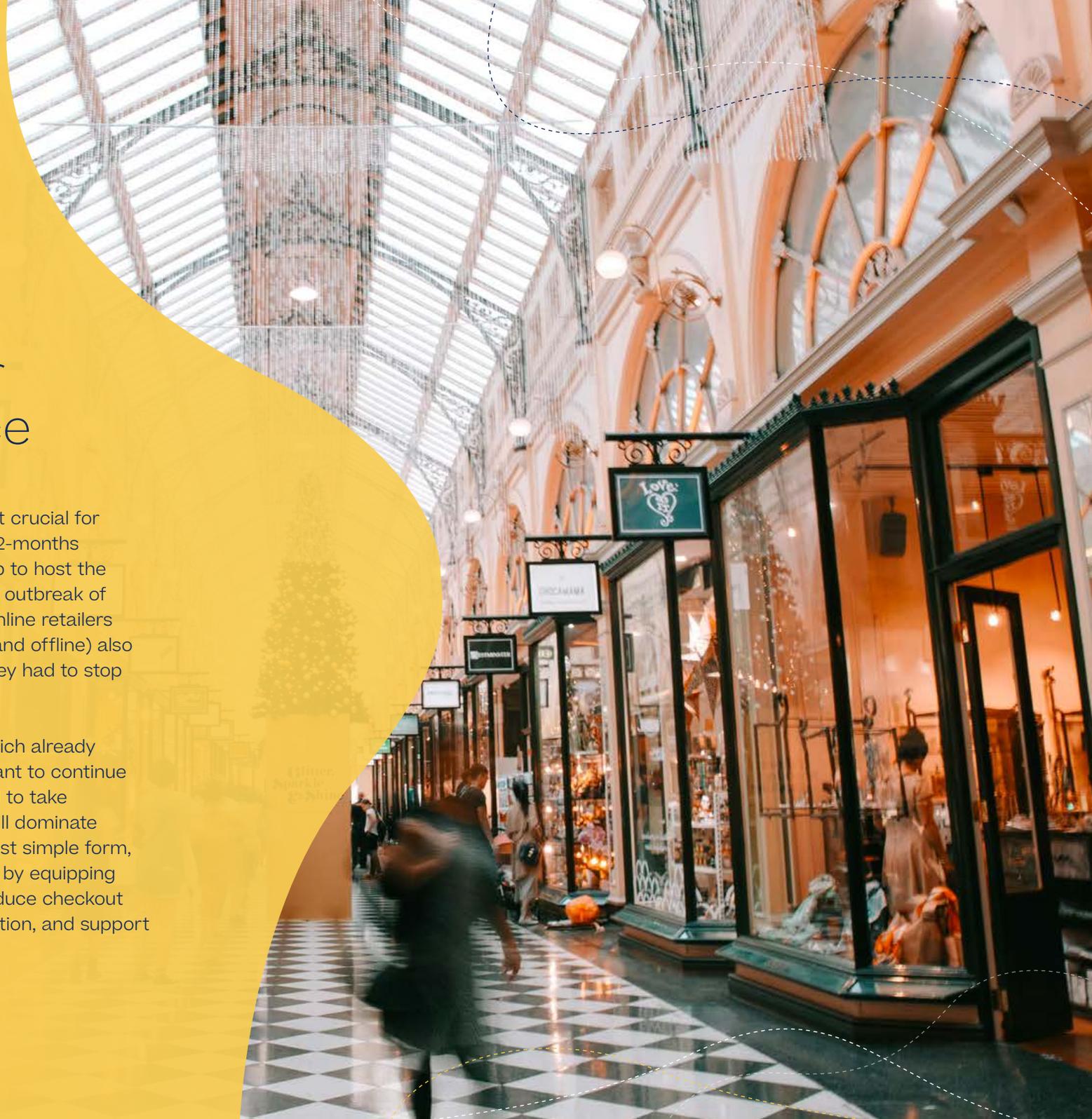


# 2022

## is a crucial year for e-commerce

You're probably thinking, "what year isn't crucial for e-commerce? It's not like we can take 12-months off." Firstly, true. Secondly, 2022 is set up to host the first period of the new normal since the outbreak of the pandemic in 2019. Although many online retailers prospered, many retailers (both online and offline) also floundered. Some even so badly that they had to stop trading.

But you've made it to the other side, which already deserves high praise. However, if you want to continue growing your business in 2022 you need to take advantage of the delivery trends that will dominate the upcoming 12 to 18 months. In it's most simple form, the most efficient way to achieve this is by equipping yourself with the right tools that can reduce checkout abandonment, increase customer retention, and support green delivery.



## About Sendcloud & Nielsen



### Ship Smarter, Ship Faster, Ship Sendcloud

In 2011, three Dutch founder's of an online store were in a bar complaining that shipping was expensive, time-consuming, and stunted growth. They spent weeks looking for a viable solution and found nothing. Rather than accept the situation, they decided to build their own. And thus Sendcloud was founded.

Sendcloud is an all-round 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.

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, the universe.

For more information, visit [www.sendcloud.co.uk](http://www.sendcloud.co.uk)

### Nielsen: Audience is Everything™

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](http://www.nielsen.com)

## Implement the key findings from this study yourself.

Want to be on top of the shipping game and offer the best shipping experience to your customers? Get started with Sendcloud for free and discover how you can save time and costs on logistics while offering your customers the best shipping and return solutions.

Create my free account today [↗](#)

### Questions?

For more information about this study, reach out to [marketing@sendcloud.com](mailto:marketing@sendcloud.com)

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